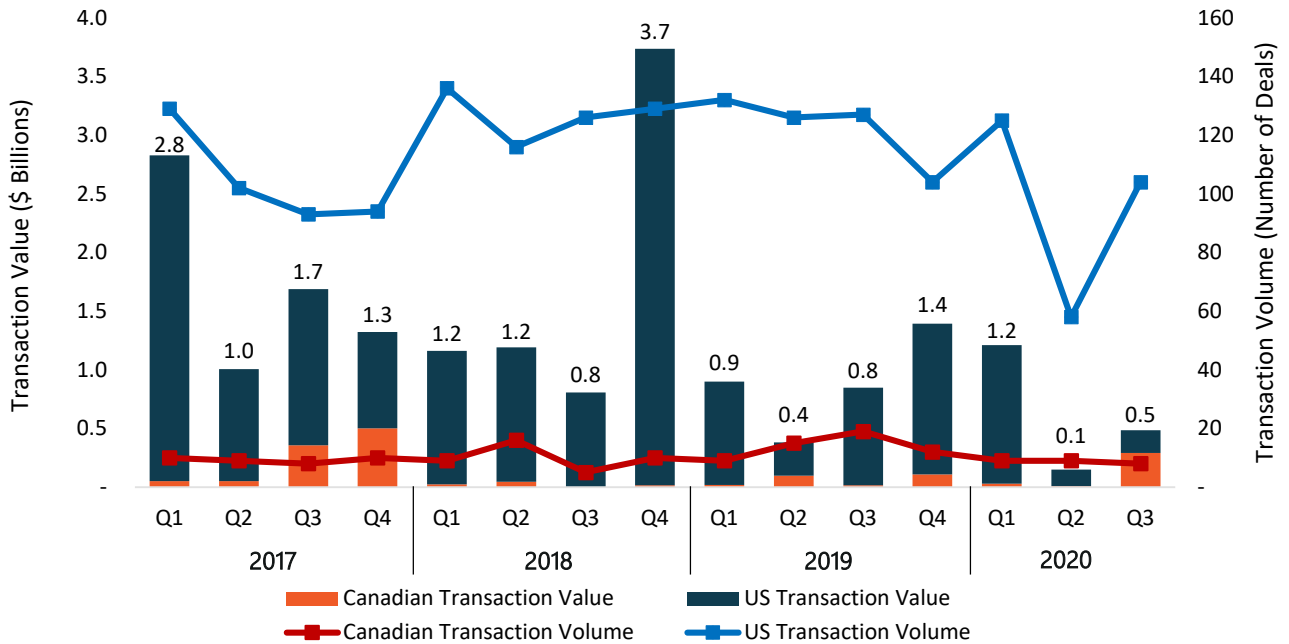


Engineering & Construction

Quarterly Update | Q3 2020



North American Engineering & Construction M&A Activity



Source: Capital IQ. Data as of September 30, 2020

Above noted mid-market M&A activity includes disclosed transactions not exceeding a total transaction value of \$500 million. All figures are in CAD.

Canadian Transactions
8

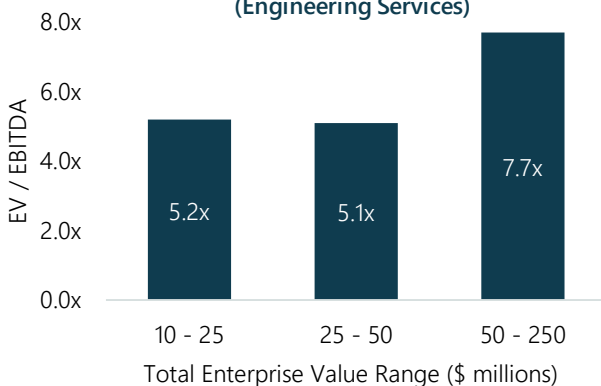
Canadian Transaction Value
\$292 million
(+4242% vs. Q2 2020)

US Transaction Value
\$192 million
(+35.7% vs. Q2 2020)

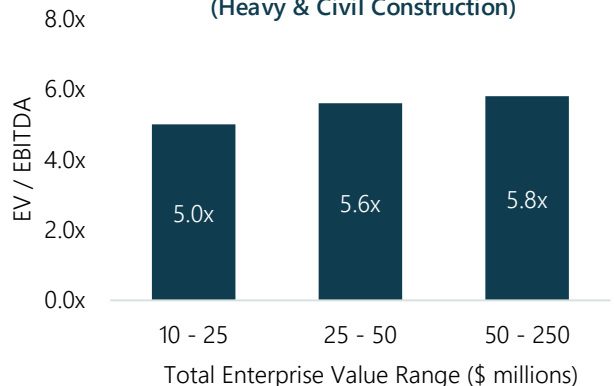
US Transactions
104

Engineering and construction merger and acquisition (M&A) activity in the third quarter of 2020 exceeded \$480 million in disclosed transaction value across 112 deals in Canada and the US. The largest transaction in the quarter was Bird Construction's acquisition of Stuart Olson for \$288 million. In Canada, the most active subcategory for deals was industrials (7), followed by materials (1). In the last 12 months, 91% of buyers in the M&A space have been strategic while 9% have been financial. Although private equity firms still boast a strong cash position, they continue to focus on guiding current portfolio companies through the COVID-19 turmoil.

Private Equity Multiples (Engineering Services)



PE Sponsored Multiples (Heavy & Civil Construction)



Source: GF Data. Data as of August 2020.

Select Recent M&A Transactions



Acquired



Closed	Sept. 29, 2020
TEV	\$19.6 million
TEV/EBITDA	Not disclosed
Location (Vendor)	Oakland, CA

- Atlas Technical Consultants, Inc. provides professional and technical testing, inspection engineering, and consulting services in the U.S.
- Alta Vista Solutions, Inc. offers engineering, inspection, quality management, asset management, and infrastructure services.
- Alta Vista Solutions has been paid in the form of cash and stock consideration on closing.



Acquired



Closed	Sept. 25, 2020
TEV	\$287.9 million
TEV/EBITDA	10.5x
Location (Vendor)	Calgary, AB

- Bird Construction Inc. operates as a general contractor in Canada, focusing on projects in the industrial, commercial, and institutional sectors.
- Stuart Olson Inc. provides general contracting and electrical building systems contracting services to the institutional and commercial construction markets in Canada.
- The combined companies now employ over 5,000 people and hold a project backlog of over \$3 billion.



Acquired 90% of



Closed	Sept. 15, 2020
TEV	\$51.3 million
TEV/EBITDA	Not disclosed
Location (Vendor)	Ashtabula, OH

- Salcef USA Inc. and Delta Railroad Construction, Inc. both provide railroad construction and engineering services in Canada and the United States.
- There is an earn-out clause in favor of the previous shareholders, based on EBITDA until the end of 2024. The consideration will be paid in tranches.
- The acquisition allows Salcef Group to expand into the North America market and gain access to the US rail network – the largest rail network in the world.



Acquired part of



Closed	Jun. 17, 2020
TEV	Not disclosed
TEV/EBITDA	Not disclosed
Location (Vendor)	Montreal, QC

- Depot et Placement du Quebec (CDPQ) and Canada Pension Plan Investment Board (CPPIB) increased their minority holdings to 18.4% and 18.9%, respectively in WSP Global Inc. (WSP) through a PIPE (Private Investment in Public Equity) transaction of \$44 million and \$20 million.
- WSP intends to use the funds for general corporate purposes as well as to fund future acquisitions.
- WSP will also receive funds from a \$437 million public offering of common shares.

Industry Overview

Engineering Services in Canada

The Engineering Services industry applies the physical laws and principles of engineering in the design, development and use of machines, materials, instruments, structures, processes, and systems.

Industry Glance

2020 Revenue

\$26.6B

Annual Growth 2015 – 2020

-4.5%

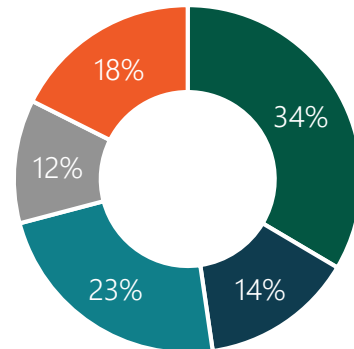
Projected Annual Growth 2020 – 2025

2.2%

Number of Businesses in 2020

27,368

Products and Services Segmentation (2020)



- Advisory Services
- Energy and Mining
- Residential and Commercial
- Power Generation
- Transportation

Heavy Engineering Construction in Canada

Heavy Engineering Construction performs new construction, reconstruction, rehabilitation, and repairs.

Industry Glance

2020 Revenue

\$41.1B

Annual Growth 2015 – 2020

3.3%

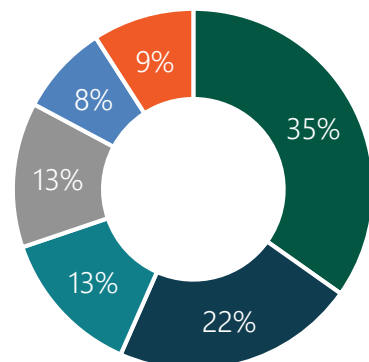
Projected Annual Growth 2020 – 2025

2.3%

Number of Businesses in 2020

2,771

Products and Services Segmentation (2020)

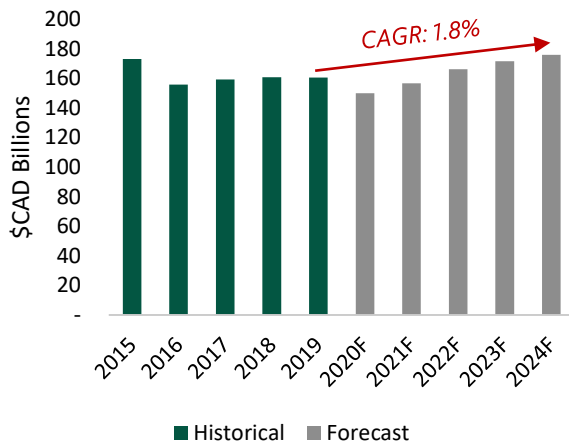


- Electric Power
- Land Transportation
- Repair and Maintenance
- Mining Engineering
- Marine and Waterworks
- Other

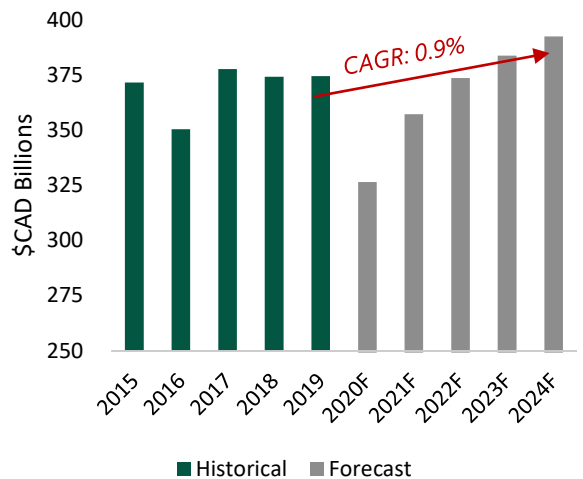
Macroeconomic Indicators

Key external drivers that affect the Engineering & Construction industry in Canada include the value of non-residential construction (expenditure on office buildings, hospitals, factories, power plants, mining shafts, communication lines, farms, railroads, and schools), aggregate private investment (investment in gross fixed capital formation and inventories), government expenditure and investment (the total value of services produced by federal, provincial and local governments as well as investment in fixed assets) and the interbank overnight lending rate in Canada.

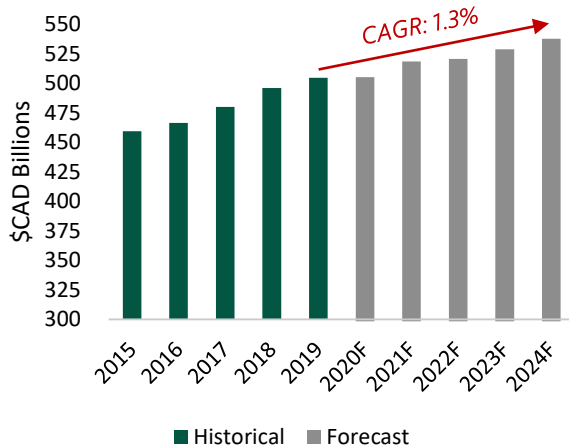
Value of Non-Residential Construction - Canada



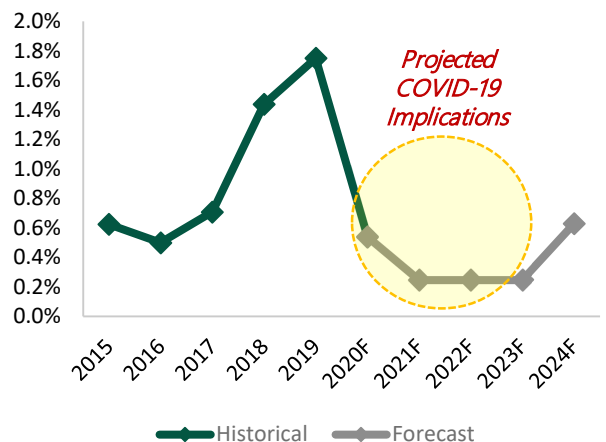
Aggregate Private Investment - Canada



Government Expenditure and Investment - Canada



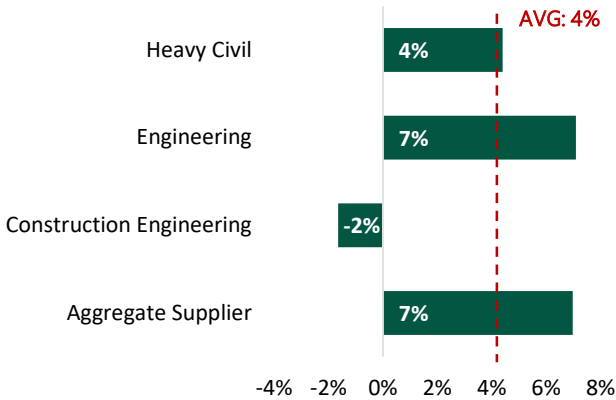
Interbank Overnight Lending Rate



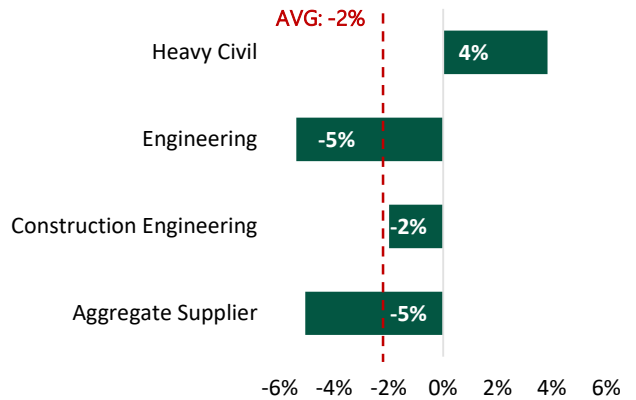
Public Comparable Analysis

Growth, Margins & Multiples

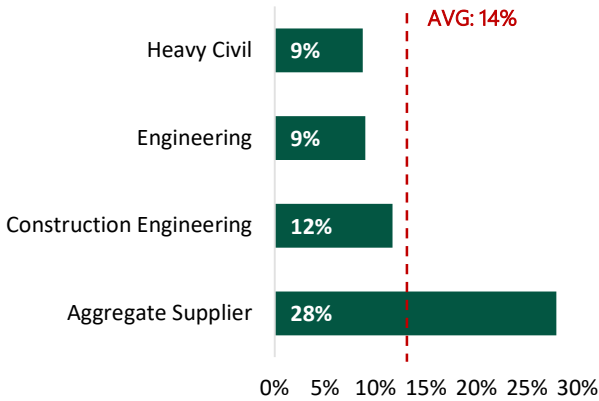
LTM Revenue Growth



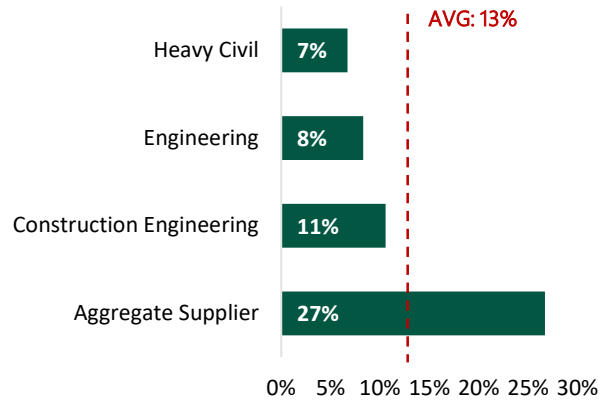
NTM Revenue Growth



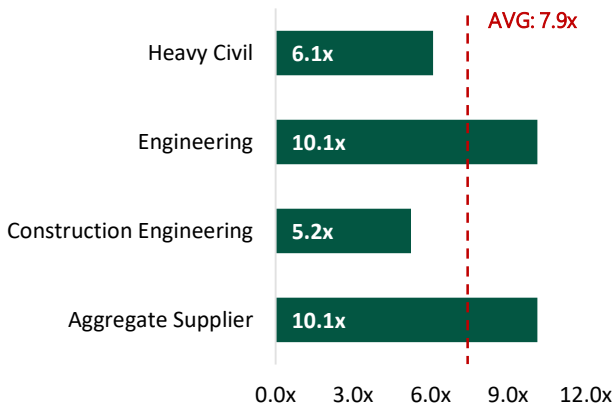
LTM EBITDA Margin



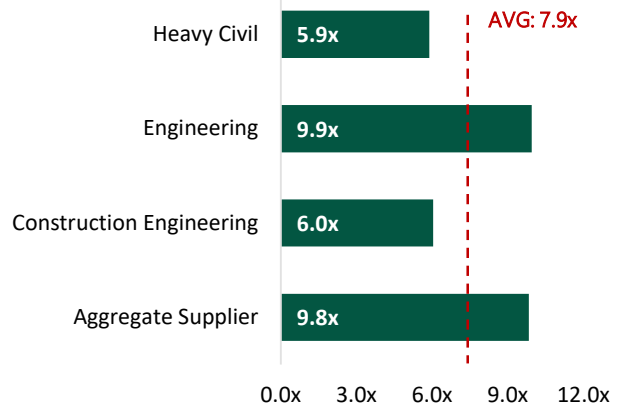
NTM EBITDA Margin



LTM EV/EBITDA



NTM EV/EBITDA



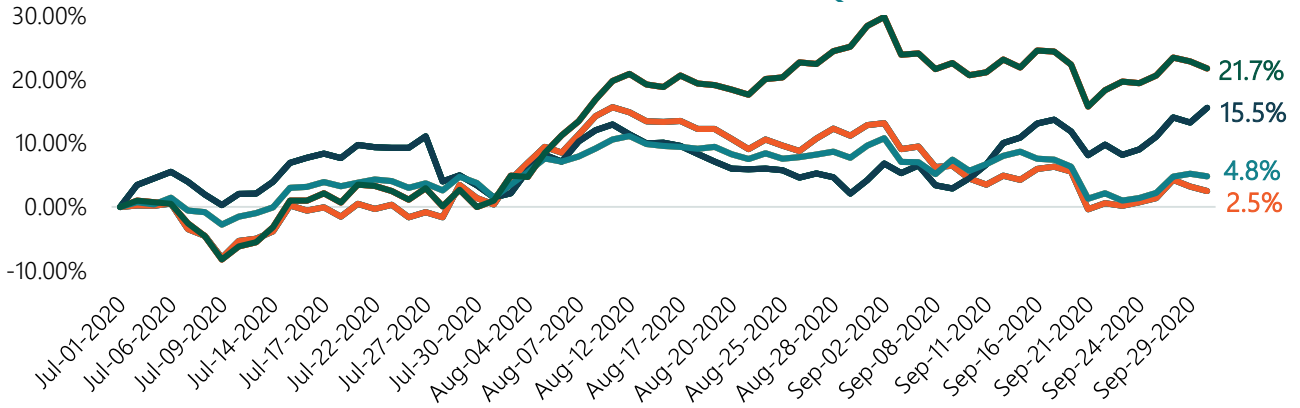
Source: Capital IQ. Data as of September 30, 2020.

Valuation details provided on page 8.

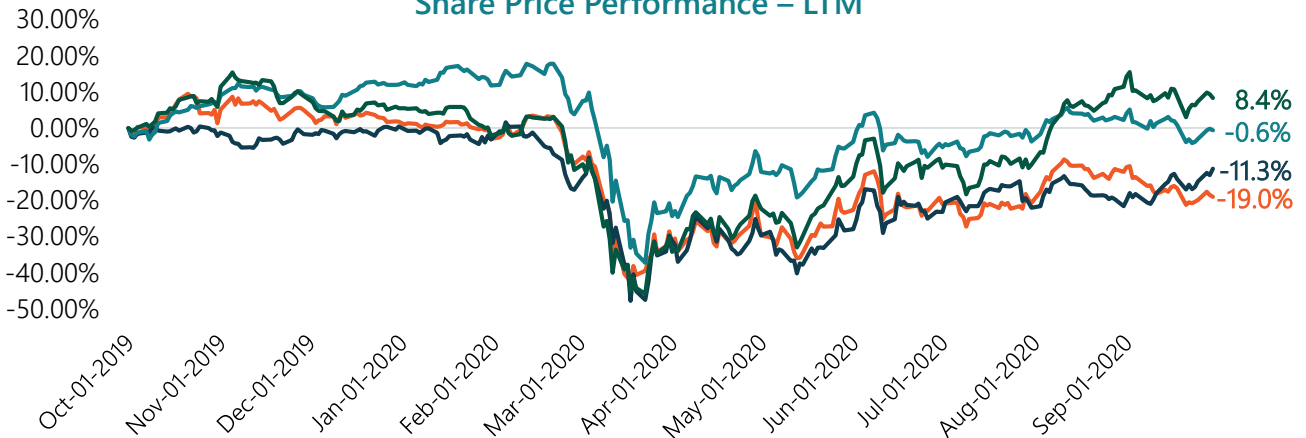
"LTM" refers to last twelve months. "NTM" refers to next twelve months

Engineering and Construction Peer Group

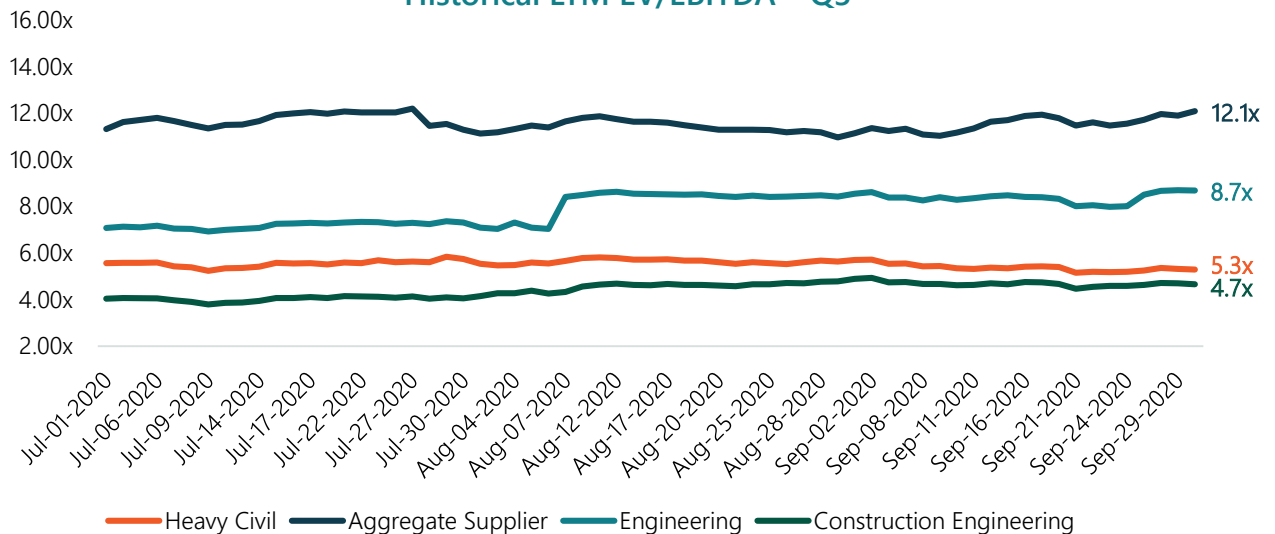
Share Price Performance – Q3



Share Price Performance – LTM



Historical LTM EV/EBITDA – Q3



Source: Capital IQ. Data as of September 30, 2020.
 Further details provided on page 8.
 "LTM" refers to last twelve months.

Public Comparable Analysis

Trading Multiples & Operating Statistics

We have selected a group of publicly traded engineering and construction entities for this high-level analysis. These public companies help act as a proxy for the industry and provide strong industry context.

(Figures in CAD millions, except percentages and ratios)

Company	Market Capitalization	Enterprise Value	LTM Operating Figures				NTM Consensus Estimates			Valuation	
			Revenue	Growth	EBITDA	EBITDA Margin	Revenue Growth	EBITDA Margin	NTM EV/EBITDA	LTM EV/EBITDA	LTM EV/REV
Heavy Civil											
EMCOR Group, Inc.	\$4,953	\$5,061	\$12,250	2.8%	\$1,068	8.7%	(10.0%)	6.3%	7.9x	4.8x	0.4x
Construction Partners, Inc.	\$1,256	\$1,252	\$1,086	4.8%	\$128	11.8%	2.7%	11.6%	9.8x	10.0x	1.2x
Primoris Services Corporation	\$1,160	\$1,761	\$4,497	2.1%	\$439	9.8%	5.5%	6.2%	5.9x	4.1x	0.4x
Granite Construction Incorporated	\$1,067	\$1,176	\$4,488	5.0%	\$53	1.2%	2.3%	6.7%	3.8x	22.0x	0.3x
Aecon Group Inc.	\$819	\$1,086	\$3,470	(0.5%)	\$155	4.5%	5.3%	5.9%	5.0x	7.0x	0.3x
Tutor Perini Corporation	\$753	\$1,652	\$6,657	11.5%	\$500	7.5%	4.5%	6.7%	3.5x	3.4x	0.3x
Aegion Corporation	\$579	\$917	\$1,565	(9.3%)	\$190	12.2%	(2.6%)	8.1%	7.2x	4.9x	0.6x
Sterling Construction Company, Inc	\$530	\$1,035	\$1,816	29.0%	\$174	9.6%	5.7%	8.9%	6.0x	6.1x	0.6x
Bird Construction Inc.	\$341	\$361	\$1,404	4.4%	\$47	3.4%	48.7%	3.8%	4.5x	7.6x	0.3x
Median	\$819	\$1,176	\$3,470	4.4%	\$174	8.7%	4.5%	6.7%	5.9x	6.1x	0.4x
Mean	\$1,273	\$1,589	\$4,137	5.5%	\$306	7.6%	6.9%	7.1%	6.0x	7.8x	0.5x
Engineering											
Jacobs Engineering Group Inc.	\$16,094	\$18,511	\$18,422	8.9%	\$1,799	9.8%	(0.9%)	8.0%	12.5x	10.6x	1.0x
WSP Global Inc.	\$9,903	\$11,347	\$8,849	4.6%	\$1,004	11.3%	(18.6%)	15.0%	10.5x	11.3x	1.3x
AECOM	\$8,941	\$11,322	\$26,818	27.7%	\$1,771	6.6%	(35.6%)	5.8%	11.0x	6.5x	0.4x
Stantec Inc.	\$4,519	\$5,738	\$3,760	6.2%	\$567	15.1%	2.1%	15.8%	9.4x	10.1x	1.5x
KBR, Inc.	\$4,241	\$5,190	\$7,888	8.0%	\$794	10.1%	(7.8%)	8.6%	8.8x	6.7x	0.7x
SNC-Lavalin Group Inc.	\$3,748	\$5,003	\$9,050	(7.4%)	\$606	6.7%	(9.3%)	8.7%	7.0x	8.3x	0.6x
Fluor Corporation	\$1,650	\$1,723	\$20,316	(1.0%)	(\$714)	(3.5%)	5.6%	2.6%	3.2x	NM	0.1x
NV5 Global, Inc.	\$929	\$1,368	\$811	27.3%	\$126	15.5%	6.8%	14.6%	10.7x	11.2x	1.7x
Mistras Group, Inc.	\$152	\$521	\$891	(11.5%)	\$73	8.2%	(3.0%)	8.1%	7.1x	7.3x	0.6x
Willdan Group, Inc.	\$410	\$579	\$592	23.3%	\$35	5.9%	(6.6%)	7.8%	13.3x	17.0x	1.0x
Median	\$3,995	\$5,096	\$8,368	7.1%	\$586	9.0%	(4.8%)	8.4%	9.9x	10.1x	0.8x
Mean	\$5,059	\$6,130	\$9,740	8.6%	\$606	8.6%	(6.7%)	9.5%	9.3x	9.9x	0.9x
Construction Engineering											
Quanta Services, Inc.	\$9,778	\$11,301	\$15,964	(0.1%)	\$2,395	15.0%	(3.7%)	9.4%	7.8x	4.8x	0.7x
MasTec, Inc.	\$4,053	\$5,931	\$9,130	(8.7%)	\$1,677	18.4%	5.7%	11.0%	5.5x	3.6x	0.7x
Dycom Industries, Inc.	\$2,241	\$3,191	\$4,375	(1.7%)	\$510	11.7%	(1.3%)	10.6%	6.9x	6.3x	0.7x
Argan, Inc.	\$875	\$339	\$367	(13.5%)	(\$5)	(1.5%)	87.4%	11.6%	4.2x	NM	0.9x
MYR Group Inc.	\$828	\$958	\$2,973	24.0%	\$173	5.8%	(3.7%)	5.5%	6.0x	5.7x	0.3x
Median	\$2,241	\$3,191	\$4,375	(1.7%)	\$510	11.7%	(1.3%)	10.6%	6.0x	5.2x	0.7x
Mean	\$3,555	\$4,344	\$6,562	0.0%	\$950	9.9%	16.9%	9.6%	6.1x	5.1x	0.7x
Aggregate Supplier											
Vulcan Materials Company	\$23,918	\$27,792	\$6,770	7.0%	\$1,888	27.9%	(4.4%)	26.6%	15.9x	15.0x	4.2x
Martin Marietta Materials, Inc.	\$19,526	\$23,735	\$6,024	6.1%	\$1,931	32.1%	2.1%	27.4%	13.8x	12.6x	4.0x
Eagle Materials Inc.	\$4,802	\$6,602	\$2,052	10.1%	\$666	32.5%	3.1%	31.7%	9.8x	10.1x	3.3x
Summit Materials, Inc.	\$2,515	\$4,792	\$3,134	7.9%	\$722	23.0%	(11.0%)	22.6%	7.6x	6.8x	1.6x
U.S. Concrete, Inc.	\$637	\$1,754	\$1,952	(2.7%)	\$262	13.4%	(4.7%)	12.9%	7.4x	6.8x	0.9x
Median	\$4,802	\$6,602	\$3,134	7.0%	\$722	27.9%	(4.4%)	26.6%	9.8x	10.1x	3.3x
Mean	\$10,280	\$12,935	\$3,986	5.7%	\$1,094	25.8%	(3.0%)	24.2%	10.9x	10.3x	2.8x

About Us



MNP Corporate Finance (MNPCF) has a dedicated team of over 50 merger, acquisition, and transaction professionals across Canada. MNPCF works with clients in virtually all industries as they prepare, plan and execute transactions.

Our typical transactions range in value between \$3 million and \$300 million.

Local and International Reach

MNP is a participating firm within Praxity, a unique global alliance of independent accounting/advisory firms created to answer global business needs. As a member of Praxity, we are able to offer access to corporate finance, accounting and tax advisory services worldwide. We are also affiliated with Corporate Finance Cross Border, which consists of 150+ M&A professionals in more than 25 countries.



CFxB CFXBorder - Global Reach with Local Relationships
Our affiliation with CFxB consists of 150+ M&A professionals in more than 25 countries

Services

- Divestitures
- Acquisitions
- Debt Financing
- Due Diligence
- Transaction Advisory Services

Recently Closed Deals (National)

MNP
CORPORATE FINANCE INC.

KEPLER CAPITAL
has acquired

OXYARC

MNP Corporate Finance Inc. acted as exclusive financial advisor to Kepler Capital in structuring and negotiating this transaction.

MNP
CORPORATE FINANCE INC.

ON SIDE RESTORATION.
has acquired

NCR
Northern Capital Restorations

MNP Corporate Finance Inc. acted as exclusive financial advisor to Northern Capital Restorations & Construction Ltd. in structuring and negotiating this transaction.

MNP
CORPORATE FINANCE INC.

EDMONTON PHARMACY GROUP
has acquired

ARP PHARMACY
CASTLEDOWNS ARP PHARMACY

MNP Corporate Finance Inc. acted as exclusive financial advisor to ARP Investments Ltd. (an OxyArc-owned ARP Pharmacy) in structuring and negotiating this transaction.

MNP
CORPORATE FINANCE INC.

Jan Nelson and Andrew Windsor
has acquired

Maverick
EST. 1977

MNP Corporate Finance Inc. acted as exclusive financial advisor to Maverick Outer Whisky Inc. in structuring and negotiating this transaction.

MNP
CORPORATE FINANCE INC.

Greyrock Capital Inc.
has acquired

EMERSON MILLING INC.

MNP Corporate Finance Inc. acted as exclusive financial advisor to Emerson Milling Inc. in structuring and negotiating this transaction.

MNP
CORPORATE FINANCE INC.

M&I MEDSPA PARTNERS
2020-2021
has acquired

DSHI

MNP Corporate Finance Inc. acted as exclusive financial advisor to DSHI in structuring and negotiating this transaction.

MNP
CORPORATE FINANCE INC.

A Confidential Buyer
has acquired

Hayes Management Ltd.

MNP Corporate Finance Inc. acted as exclusive financial advisor to Hayes Management Ltd. in structuring and negotiating this transaction.

MNP
CORPORATE FINANCE INC.

ROBERTSON IMPLEMENTS
has acquired four dealerships from four

Moody's
Equipment LP

MNP Corporate Finance Inc. acted as exclusive financial advisor to Robertson Implements in structuring and negotiating this transaction.

MNP
CORPORATE FINANCE INC.

FLSMIDTH
has acquired

MILL-OIE

MNP Corporate Finance Inc. acted as exclusive financial advisor to FLSMIDTH in structuring and negotiating this transaction.

MNP
CORPORATE FINANCE INC.

SupremeX
has acquired

ROYAL ENVELOPE LTD.

MNP Corporate Finance Inc. provided financial advisory services to SupremeX in structuring and negotiating this transaction.

About Us

Deal Experience

Since our inception, our team has advised on hundreds of transactions, in a wide range of industries with diverse enterprise values. In the past five years alone we have completed over 120 transactions worth over \$2 billion (not including due diligence engagements).

Industry Experience

- Food & Beverage
- Retail & Distribution
- Manufacturing
- Agriculture
- Automotive
- Materials
- Health Care
- Pharmaceutical
- Transportation
- Construction
- Software
- Financial Services
- Technology
- Energy
- Oilfield Services
- Real Estate

Hands-on Approach

Current M&A transactions require a hands-on approach from start to finish including the active engagement of senior resources. Our senior resources are dedicated to our clients and are available as necessary and appropriate. We keep our clients regularly informed of the engagement status, issues we are encountering, successes, and overall progress.

Integrated Service Offering

We draw on the vast experience and deep specialist knowledge network of our partners locally, nationally and internationally as specialty issues arise, such as pre-transaction tax planning, transaction structuring, estate planning, valuation, due diligence, performance improvement and risk management.

Recently Closed Deals (National)

MNP
CORPORATE FINANCE INC.

TRIPLE M METAL
has acquired

METROBEC

MNP Corporate Finance Inc. acted as exclusive financial advisor to MetroBec Inc. in procuring and negotiating this transaction.

MNP
CORPORATE FINANCE INC.

CARBON 60
THE MANAGED CLOUD COMPANY

has acquired

CIRRUS

MNP Corporate Finance Inc. provided financial and tax due diligence services to Carbon60.

MNP
CORPORATE FINANCE INC.

MST SERVICES
has acquired

ORBIT
SOLUTIONS FOR THE HELPING INDUSTRY

MNP Corporate Finance Inc. provided financial and tax due diligence services to MST Services Holdings, LLC.

MNP
CORPORATE FINANCE INC.

DE LA FONTAINE
Energy Services Inc.

has acquired

CINE EXPRESS LLC

MNP Corporate Finance Inc. acted as exclusive financial advisor to De La Fontaine Energy Services Inc. in structuring and negotiating this transaction.

MNP
CORPORATE FINANCE INC.

GLBH
has acquired

ELRUS
AGGREGATE SYSTEMS

MNP Corporate Finance Inc. provided financial and tax due diligence services to G.L. Black Holdings Ltd.

MNP
CORPORATE FINANCE INC.

EMERGE
has acquired

underpar.com
grooming solutions

MNP Corporate Finance Inc. provided financial due diligence services to Emerge.com Inc. Inc.

MNP
CORPORATE FINANCE INC.

Crédit Mutuel Equity
has provided equity capital to

HIGHLIGHT
HEALTH CARE GROUP

MNP Corporate Finance Inc. provided financial and tax due diligence services to Credit Mutuel Equity.

MNP
CORPORATE FINANCE INC.

E360S ENVIRONMENTAL INC. SOLUTIONS
has acquired

WASTE-CO
WASTE SOLUTIONS

MNP Corporate Finance Inc. provided financial and tax due diligence services to Environmental 360 Solutions Inc.

MNP
CORPORATE FINANCE INC.

trialcard
has acquired

Policy Reporter

MNP Corporate Finance Inc. acted as exclusive financial advisor to Biopoly Innovations Inc. (dba: Policy Reporter) in structuring and negotiating this transaction.

MNP
CORPORATE FINANCE INC.

E360S ENVIRONMENTAL INC. SOLUTIONS
has acquired

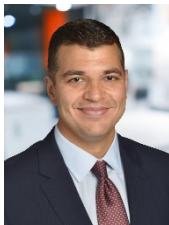
SCALETTA GROUP

MNP Corporate Finance Inc. provided financial and tax due diligence services to Environmental 360 Solutions Inc.

Transaction Leadership



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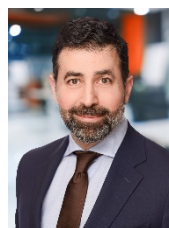
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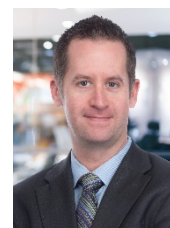
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