



Architecture, Engineering & Environmental Services
Earnings Call Synopsis / Q1 2019 Results

Content



Summary

7MA Deal Spotlight

Earnings Call Overview / Players In The Industry

Financial Trends and Transactions

ABOUT 7 MILE ADVISORS

7 Mile Advisors is a partner-led middle-market investment banking firm providing strategic M&A, private capital transactions, and market insight for business owners, corporations, and private equity firms.

The 7MA team has completed over 120 transactions in professional and technical services. We provide pragmatic advice, sector expertise, and innovative processes to help clients adeptly navigate the decision tree. Our high-touch processes with senior-led deal teams are the cornerstone of the 7MA process.

Select Recent Transactions



Ajax Building Corporation
ACQUIRED BY
Structure Tone
IN PARTNERSHIP WITH
GLOBAL INFRASTRUCTURE SOLUTIONS



STRUCTURETONE
Organization



RS&H
HAS ACQUIRED
Tsiouvaras Simmons Holderness



TSIOUVARAS SIMMONS HOLDERNESSE
CONSULTING ENGINEERS



MAYES
TESTING ENGINEERS, INC.

Mayes Testing Engineers, Inc.
ACQUIRED BY
Terracon



OBG (O'Brien and Gere)
HAS ACQUIRED
Natural Resource Technology, Inc.



TEC, Inc.
HAS ACQUIRED
Taylor Associates, Inc.



VOA
VOA Associates, Inc.
ACQUIRED BY
Stantec



Element
Solutions
Element Solutions, Inc.
ACQUIRED BY
Hinduja Global Solutions



HGS
HINDUJA GLOBAL SOLUTIONS



WGI
Wantman Group, Inc.
HAS ACQUIRED
Bridge Design Associates, Inc.



GRANITE
COMPANIES
Granite Loan Management, LLC
ACQUIRED BY
Altisource Portfolio Solutions, Inc.



MBI Solutions
LLC
MBI Solutions, LLC
ACQUIRED BY
ESW Capital, LLC.



SUMMARY

We are pleased to present our review and synopsis of results and earnings call commentary for the first quarter of 2019. This summary includes the most recent financial results for key publicly traded companies in the Architecture, Engineering & Environmental Services (AEC) sector for the period January – March 2019.

M&A Indicators:

- + Digital transformation triggers M&A activity. In efforts to reduce costs and increase productivity, AEC companies are transforming strategy to address the demanding digital age. For example, NV5 combined traditional construction and engineering services with technological expertise in their March purchase of The Sextant Group, an innovative technology solutions provider. As a result, NV5 leveraged operational capabilities in this competitive AEC market.
- + Geographic diversity continues to trend upward as a factor driving acquisitive strategies. For example, in a recent 7MA deal, Ajax Building Corporation consistently delivered growth year-over-year, but lacked an operational network outside southeastern United States. With Ajax joining Structure Tone’s global network, the partnership diversified their client base and resources, but ultimately provided Ajax with business opportunities worldwide.
- + Increasing momentum for corporate and private buyers to make substantial investments. In the AEC sector, the current revenue growth rate exceeds the average rate over the last 3 years, creating a healthy market for M&A. For example, Charles L. Harrington, the President & CEO of the Parsons Corporation, explained that recent momentum is “Providing the financial flexibility to make continued investments for our [long-term] strategy”.

Recent 7MA Publications:

- + [Six Big Picture Trends to Watch in the AEC Sector](#)
- + [Sectorwatch: Construction, Design-Build, and EPC - July 2019](#)
- + [Sectorwatch: Architecture, Engineering, & Environmental Services - July 2019](#)

Content



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RECENT 7MA DEAL SPOTLIGHT

Ajax Building Corporation Acquired By Structure Tone

Construction, CM-at-Risk, Design/Build, Construction Management



- Ajax Building Corporation, one of the leading construction management firms in the Southeastern U.S., has joined the Structure Tone family of companies.
- By joining forces, Ajax gains access to Structure Tone's global network and resources which ultimately provided opportunity to expand business operations into new regions worldwide.
- The transaction extends Structure Tone's reach in the Southeastern U.S. and brings a diversified set of project types including higher and K-12 education, city, county and state government, healthcare, and historic restoration.
- The addition of Ajax is a continuation of Structure Tone's mission to expand construction services to their growing client base.

RS&H Acquired Tsiouvaras Simmons Holderness

Engineering, Design-Build, and Construction Management & Inspection



- RS&H, an employee-owned architecture, engineering, and consulting firm in the United States, acquired Tsiouvaras Simmons Holderness (TSH), a Colorado-based transportation engineering and consulting firm.
- The transaction provides RS&H with a substantial presence in the Colorado market, which the firm has served through its Aerospace & Defense, Aviation, and Corporate Practices since 2005.
- TSH brings an excellent reputation for innovative planning and design of complex infrastructure projects as well as construction project management, administration, and field observation.

Content



	Summary
	7MA Deal Spotlight
Earnings Call Overview / Players In The Industry	
Financial Trends and Transactions	

AEC SERVICES INDUSTRY OVERVIEW

In the first quarter of 2019, AEC Services M&A activity increased when compared to M&A activity in the last quarter of calendar year 2018. With more than 30 announced deals in January, the AEC Services sector was off to a promising start. In comparison to the last three years, this space has delivered higher current revenue growth, gross profit margins, and EBITDA margins during the first quarter. These trends confirmed a healthy AEC Services market and encouraged acquisitive activity for the period January – March 2019.

In January of 2019, Parsons Corporation acquired OG Systems for approximately \$300M, representing one of the more high-profile deals in the AEC Services industry. Additionally, companies in this space continued to deliver steady transaction volume with more than 50 announced deals in the first quarter. The usual suspects like NV5, Jacobs, WSP and Arcadis remained acquisitive in the quarter, with their eyes on future deals to augment organic growth.

Market conditions improved during the first quarter, but anticipation for a slowing economy continued to weigh on some deal-making. However, results from the first quarter indicate a thriving macro environment, with especially high growth in the AEC Services sector relative to prior periods. Although this space experienced mixed signals at the conclusion of fiscal year 2018, healthy market trends and steady demand for AEC services created positive outlook for the remaining fiscal year and beyond.

There is an acceleration of digitalization across industries to meet consumer expectations, reduce costs, and increase productivity. Companies are planning to embrace digital transformation to improve asset efficiencies and are looking to consolidate and upgrade their systems for better business insights. With higher growth rates and consistent demand for AEC Services, companies in this space are certainly optimistic about the future.

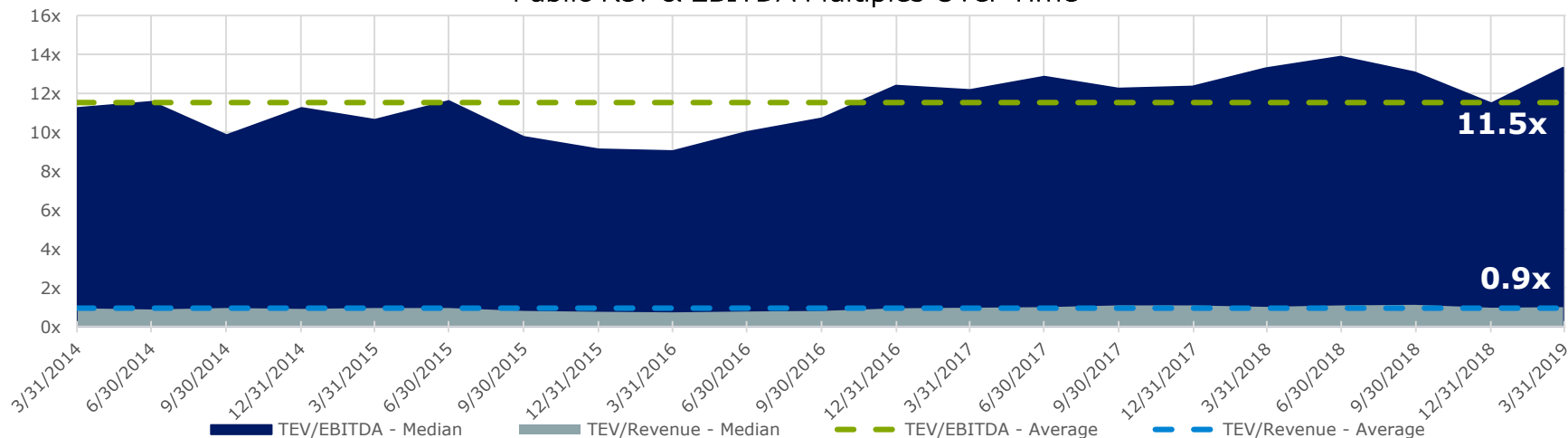


PUBLIC BASKET AND VALUATION TRENDS

Company	LTM		Rev	GP %	EBITDA %	TEV /		# FTEs	Rev /
	TEV \$m	Rev \$m	Growth YoY			EBITDA X	Rev X		
Willdan Group, Inc.	465	309	19%	32%	7%	1.7	22.7	927	334
RPS Group plc	601	794	1%	24%	10%	0.8	7.8	5,556	143
NV5 Global, Inc.	753	441	21%	48%	13%	1.8	13.8	2,153	205
Arcadis NV	1,758	3,649	1%	17%	6%	0.5	8.5	26,328	139
Stantec Inc.	3,248	2,628	11%	53%	11%	1.3	12.1	22,000	119
Tetra Tech, Inc.	3,487	2,262	7%	17%	11%	1.6	14.4	17,000	133
WSP Global Inc.	6,796	6,224	13%	18%	8%	1.1	14.4	47,700	130
AECOM	7,886	20,531	7%	4%	4%	0.4	9.4	87,000	236
SNC-Lavalin Group Inc.	6,781	7,630	1%	4%	4%	0.9	16.0	52,435	146
Parsons Corporation	N/A	3,710	N/A	22%	7%	N/A	N/A	N/A	N/A
Jacobs Engineering Group Inc.	12,364	16,506	68%	19%	6%	0.8	12.9	74,400	222
Average	4,414	5,880	15%	23%	8%	1.1	13.2	33,550	181
Median	3,367	3,649	9%	19%	7%	1.0	13.3	24,164	144

Share Price as of 31Mar19

Public Rev & EBITDA Multiples Over Time

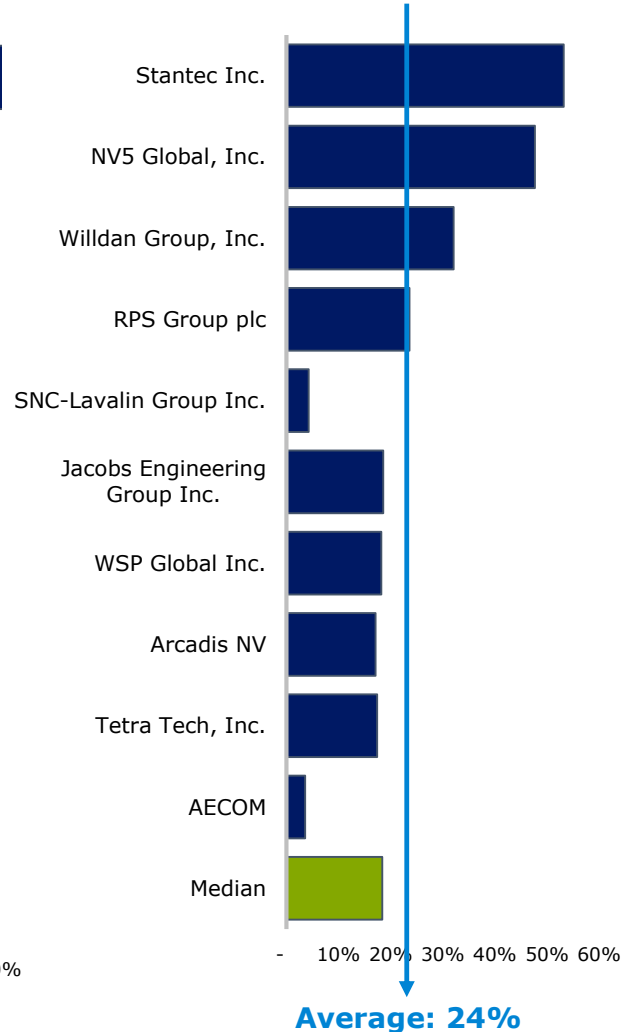


OPERATIONAL METRICS

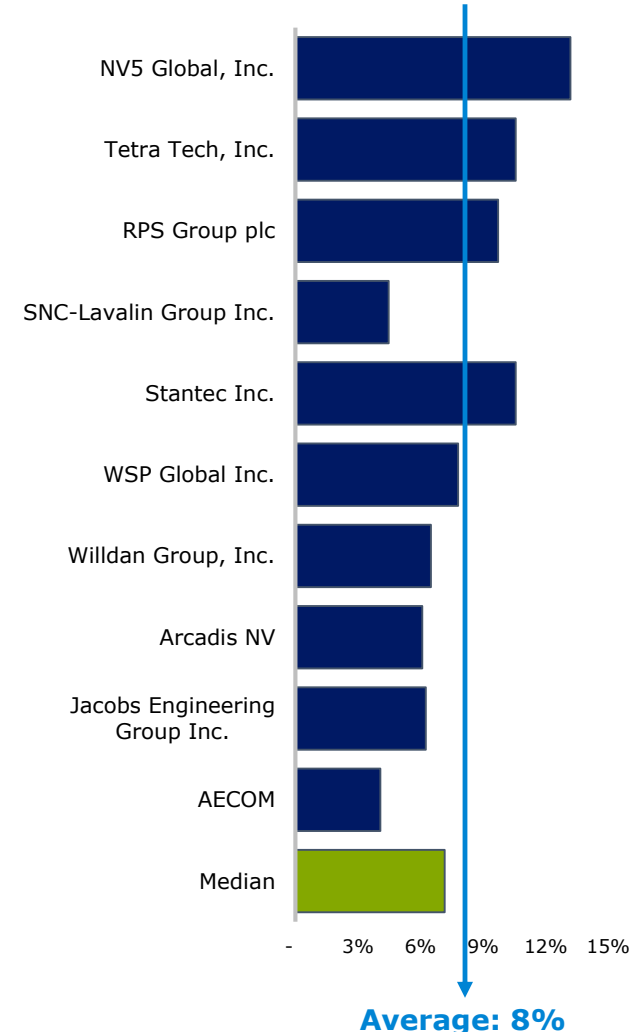
LTM REVENUE GROWTH %



LTM GROSS PROFIT MARGIN %



LTM EBITDA %



Commentary

“Importantly, the business has a solid foundation for growth, both in existing and new markets. We are actively expanding our cyber and intelligence market capabilities, pursuing international growth opportunities through organic investments. The stand-alone government services business will have the financial flexibility to balance returns of capital to owners and to pursue complementary acquisitions over time”.

- Randall A. Wotring, *Chief Operating Officer*

Highlights

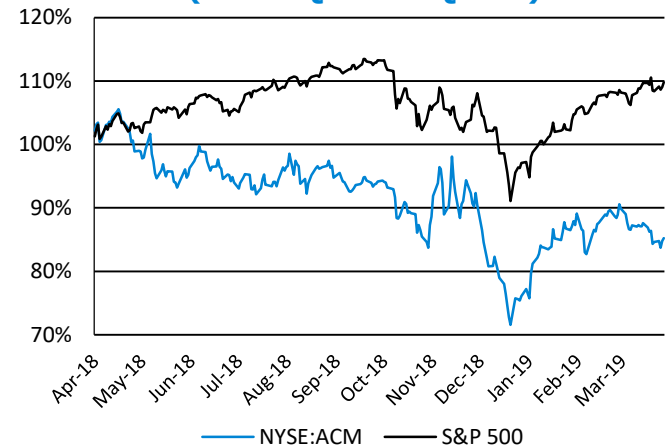
For the quarter ending March 31, 2019 (Q2'19):

- Management broadly expressed its pleasure in its strong start to fiscal 2019, and the company exited Q2'19 with a record \$61B backlog following 6 consecutive quarters of more than \$6B of wins.
- Fiscal Q2'19 revenues combined for \$5,040M, up from revenues of \$4,791M in the same period of fiscal year 2018.
- Exceeding their adjusted EBITDA guidance, AECOM delivered 16% growth with 6% organic.
- In terms of investment activity, AECOM remained well positioned to attract investors due to their consistent business performance, lower-risk profile, and peer-leading growth rate.
- AECOM continues to perform well with the U.S. Departments of Defense and Energy segments, which accounted for ~75% of the revenue. The firm also expanded their cybersecurity and intelligence market capabilities.
- AECOM continued to broaden its geographic footprint and maintain a low-risk profile. Confirming these trends, management noted that AECOM was not materially impacted during the last government shutdown.

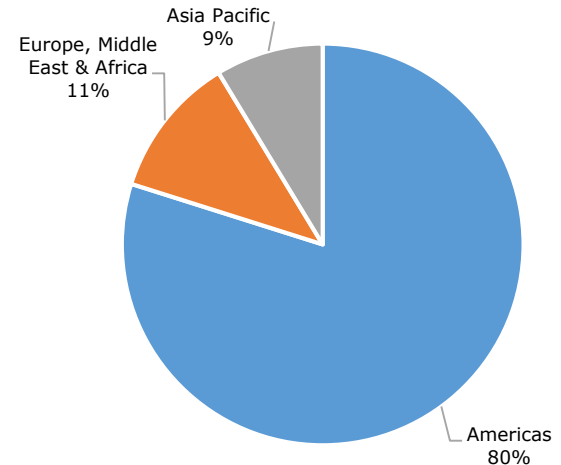
News

- [AECOM and Canyon Partners Announce Joint Venture](#)
- [AECOM Recognized as a World's Most Admired Company by Fortune Magazine](#) For A Fifth Consecutive Year

Market Performance (Fiscal Q3'18 – Q2'19)



Revenue by Geography



Source: CIQ, Q1 Earnings Release, PR

Commentary

“We are most pleased with the momentum, the enthusiasm and the focus in Arcadis internally at all levels and in all regions to diligently execute our strategy and maintain the momentum we've built to further improve our performance”.

- Peter W. B. Oosterveer, *CEO & Chairman of the Executive Board*

Highlights

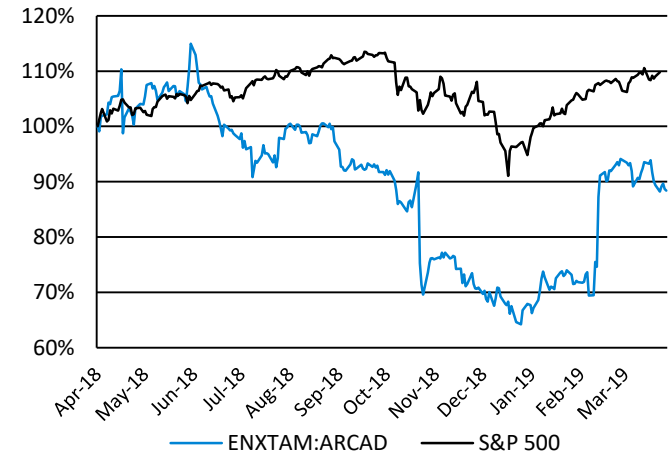
For the quarter ending March 31, 2019 (Q1'19):

- Arcadis reported a first quarter net revenue of EUR €204M, a 15% improvement year-on-year, and delivered organic growth of 2%, which is the seventh consecutive quarter of organic growth. Management also mentioned that the backlog remained healthy and expects this trend to continue for 2019 and beyond.
- Arcadis delivered an operating EBITA of EUR €47M, or +10% vs. the prior year. Also, EBITDA increased by 20% to €56M in Q1'19, up from €47M in Q1'18.
- Management announced that first quarter growth derived mostly from North America, Australia, and Continental Europe, a consistent trend over recent quarters.
- In terms of M&A activity for the first quarter, management announced the acquisition of EAMS Group Ltd., a leading asset management company with a broad geographic base. The March purchase allowed Arcadis to accelerate its digital strategy and operational capabilities, ultimately positioning the firm for long-term success.
- For the fiscal year 2019 outlook, management expects to expand their geographic footprint and continue steady organic growth.

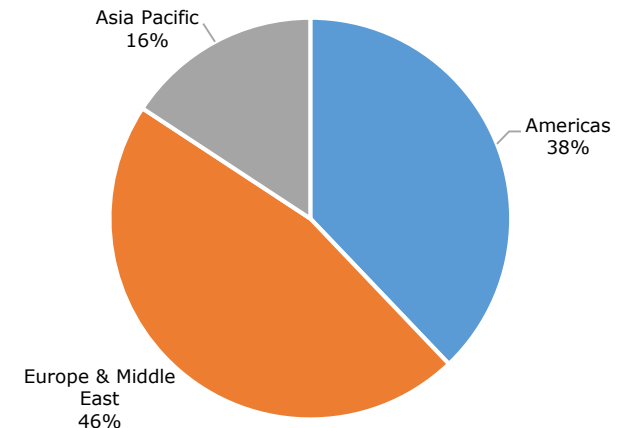
News

- [Arcadis Takes Majority Stake in EAMS Group](#)
- [Arcadis and WBCSD Help Cities Transition to Sustainable Mobility](#)

Market Performance (Fiscal Q2'18 – Q1'19)



Revenue by Geography



Source: CIQ, Q1 Earnings Release, PR

Commentary

“With our combined digital capability and domain expertise and the combined capabilities of ATN and BIAF, we are winning more, earning more, and creating substantial value for our clients, our employees and for our investors”.

- Heather-Wishart Smith, *Senior Vice President*

Highlights

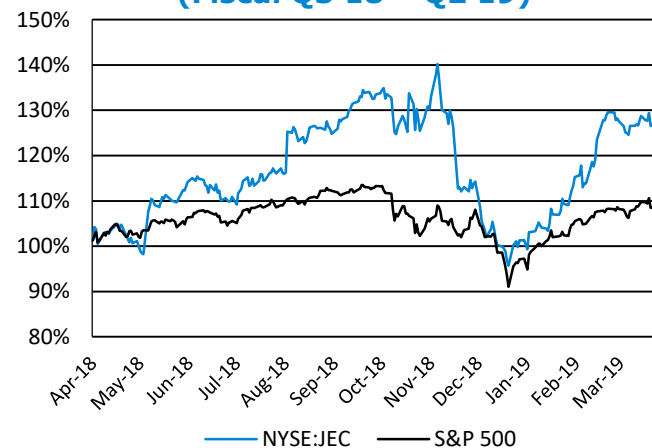
For the quarter ending March 31, 2019 (Q2'19):

- Management is pleased with fiscal Q2'19 results, delivering \$3,092M of revenues and driving higher margins for the period.
- With many clients in the early stages of the digital age, Jacobs was poised to assist them because of the firm's experience. In comparison to competitors, Jacobs strengthened their ability to accommodate different client environments in a quick and efficient manner.
- Geographically speaking, Jacobs continued to diversify business operations worldwide, while also diversifying business operations in terms of scope of services provided to clients. Thus, management mentioned that Jacobs is less cyclical now than ever before.
- For M&A activity in Q2'19, Jacobs did not announce any acquisitions. However, with growing financial flexibility, Jacobs is well-positioned to pursue acquisitive strategies in upcoming periods, confirming M&A as a meaningful opportunity for future growth.
- Addressing market initiatives of the digital age, the firm's dynamic approach combines operational technology with IT, along with domain expertise and delivery experience for clients. This strategy allowed Jacobs to emerge as one of the period's top performers in the space.

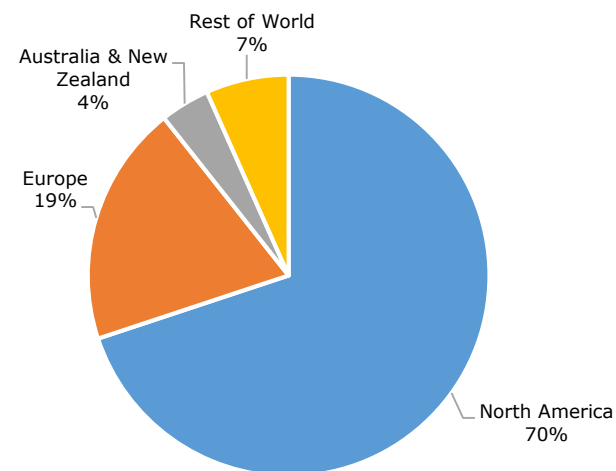
News

- [Jacobs Recognized for Technology Leadership in Digital Environment, Health and Safety Services](#)

Market Performance (Fiscal Q3'18 – Q2'19)



Revenue by Geography



Source: CIQ, Q1 Earnings Release, PR

Commentary

“By combining technology expertise with traditional engineering services, NV5 will further develop its sustainability practice with increased offerings in intelligent buildings, roads, bridges and water systems”.

- Alexander A. Hockman, *President, COO & Director*

Highlights

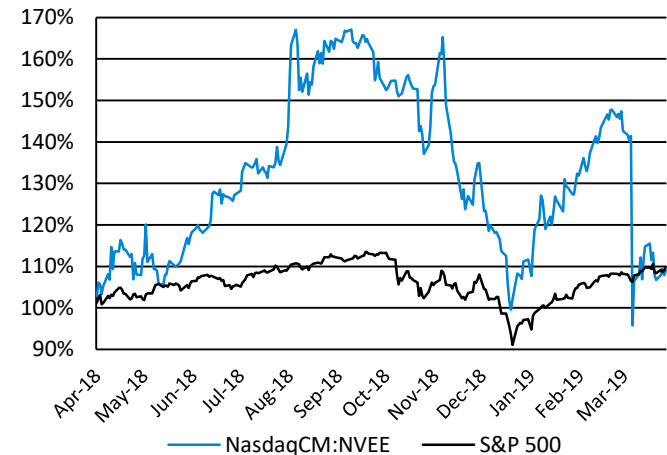
For the quarter ending March 31, 2019 (Q1'19):

- Gross revenues in the first quarter of 2019 were \$117.3M, a 24% increase compared to gross revenues of \$94.5M in the first quarter of 2018.
- Organic growth for the quarter was 5%. Gross margin for the first quarter was 47% compared to a gross margin of 49% in the first quarter of 2018.
- Net income in the first quarter of 2019 was \$5.5M, an increase of 29% and up from \$4.3M in the first quarter of 2018.
- For 2019 outlook, NV5 expects full year revenues to range from \$520M to \$542M, which represents an increase of 24% to 30% from 2018 gross revenues of \$418M.
- In terms of M&A activity, NV5 announced two acquisitions during the first quarter: The Sextant Group and Celtic Energy. As a result, NV5 expanded their technology and energy services platform.
- Management mentioned that M&A activity was an essential source of growth. Recent acquisitions have leveraged NV5’s capability to address the demanding AEC market and to expand their operational network worldwide. With a growing M&A pipeline full of opportunities, management is confident that future acquisitive strategies will continue to drive growth, ultimately enabling NV5 to achieve forecasted targets for the remaining fiscal 2019 year and beyond.

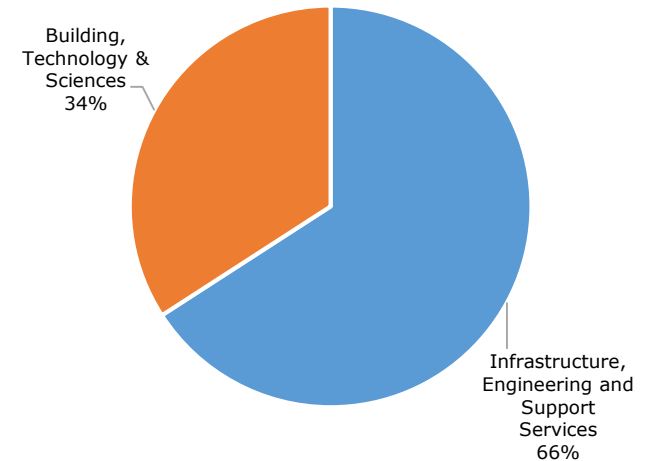
News

- [NV5 Acquires The Sextant Group](#), a National Technology Services Company
- [NV5 Acquires Celtic Energy](#), Strengthens Energy Services Platform

Market Performance (Fiscal Q2'18 – Q1'19)



Revenue by Segment



Source: CIQ, Q1 Earnings Release, PR

PARSONS

Commentary

"We achieved strong growth in revenue, profitability and awards. We delivered effective execution against our strategy, and we continue to transform our business, enhancing our revenue growth and margin expansion opportunities. We also have a strong balance sheet, providing the financial flexibility to make continued investments in our strategy".

- Charles L. Harrington, *Chairman, CEO & President*

Highlights

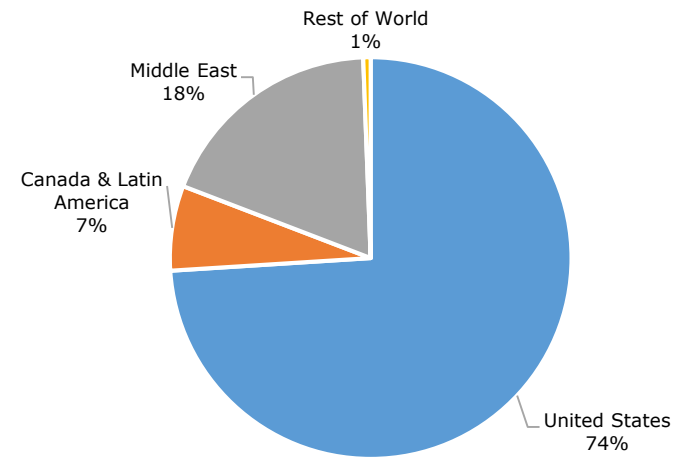
For the quarter ending March 31, 2019 (Q1'19):

- Parsons' main focus area has been in the markets of cyber, intel, missile defense, space and smart cities, and leveraging expertise in artificial intelligence. Management recently included deep learning capabilities, cloud migration, IoT and IT systems as new areas of focus for the firm.
- Parsons delivered a strong first quarter in terms of financials and advancing operational strategy.
- For financial results, total revenue increased 20% year over year to \$904M in the first quarter, up from \$755M in the same period the previous year. Adjusted EBITDA grew 43% and included a 120 basis point margin improvement. Total backlog increased 35% and currently stands at \$8.6B. The book-to-bill ratio was solid at 1.4.
- In terms of operational strategy, Parsons closed the acquisition of OG Systems and completed their IPO in May 2019.
- The acquisition of OG Systems was the latest in a series of strategic investments and was the corporation's third acquisition in the past 14 months.

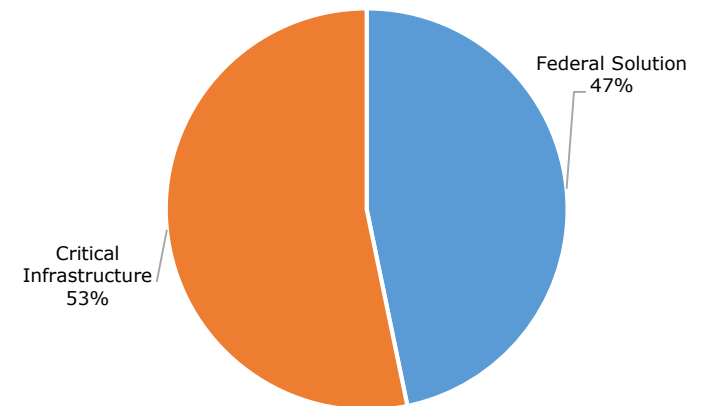
News

- [Parsons Acquires OG Systems](#), Expanding Position in Critical Markets of Space Operations, Cybersecurity, and Critical Infrastructure
- [Parsons Announces Submission for Proposed IPO](#)

Revenue by Geography



Revenue by Segment



Source: CIQ, Q1 Earnings Release, PR



Commentary

“We have a clear vision for the business. The company is on a sound financial footing and has a robust business pipeline, including many projects around the world and some of the largest contracts in North America”.

- Neil A. Bruce, *President & CEO*

Highlights

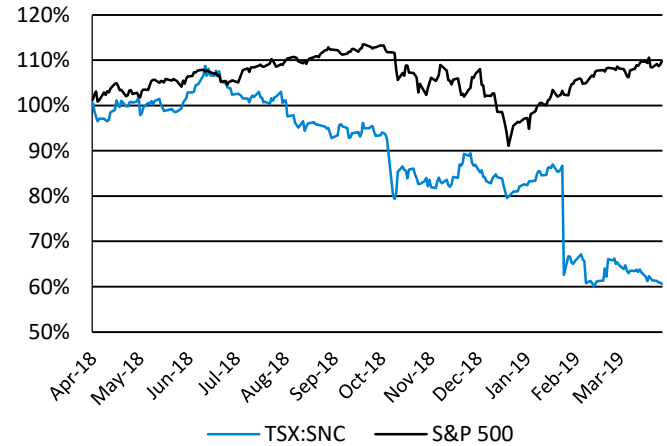
For the quarter ending March 31, 2019 (Q1'19):

- SNC-Lavalin executed strategically in three key areas: business simplification, a new focus on core capabilities, and responsible growth.
- First quarter results came in below expectations with an adjusted net loss from E&C of \$14.9M or \$0.08 per diluted share. This compares to an adjusted net income from E&C of \$89.5M or \$0.51 per diluted share in Q1 of 2018. Revenues for Q1'19 totaled to \$1,714M while revenues for the same period of the prior year totaled to \$1,836M.
- Management attributes first quarter losses to resources, specifically challenges in the Oil & Gas sector due to delays in settlement claims and ongoing tensions with Canada and Saudi Arabia.
- For 2019 outlook, SNC-Lavalin remains confident in achieving fiscal year targets. With \$3.2B in new bookings during the first quarter, the company expects the Resources segment EBIT to turn positively in 2019 with a forecasted 4-6% margin. Management also mentioned cost reduction as a part of business strategy to simplify operations and drive efficiencies.

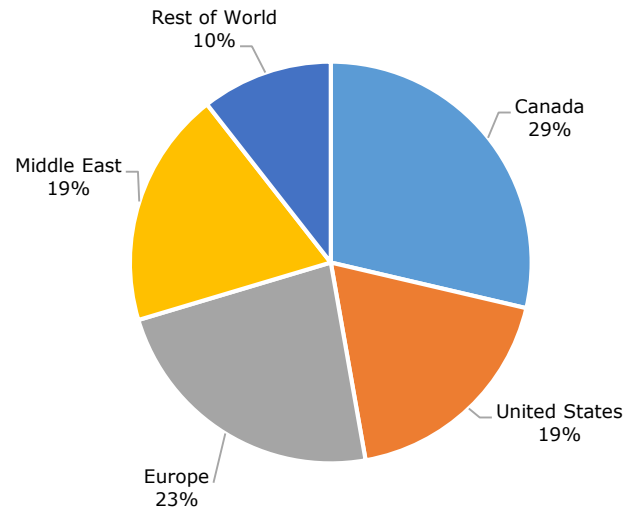
News

- [SNC-Lavalin Announces Simplified and Consolidated Operational Structure](#)
- [SNC-Lavalin Subsidiary Finalizes Contract for Trillium Line Extension Project](#)

Market Performance (Fiscal Q2'18 – Q1'19)



Revenue by Geography



Source: CIQ, Q1 Earnings Release, PR

Commentary

“With over 140 acquisitions under our belts since we went public in 1994, the firms that have joined us are integral to our overall identity and a key ingredient to driving our business forward. Not only do acquisitions fuel our growth, but they expand our geographic positioning, strengthen our service capabilities and add inspired leaders to the organization. And with the industry as fragmented as it is, we continue to see tremendous opportunity for further consolidation, and we continue to be an acquirer of choice”.

- Gordon Allan Johnston, *President, CEO & Director*

Highlights

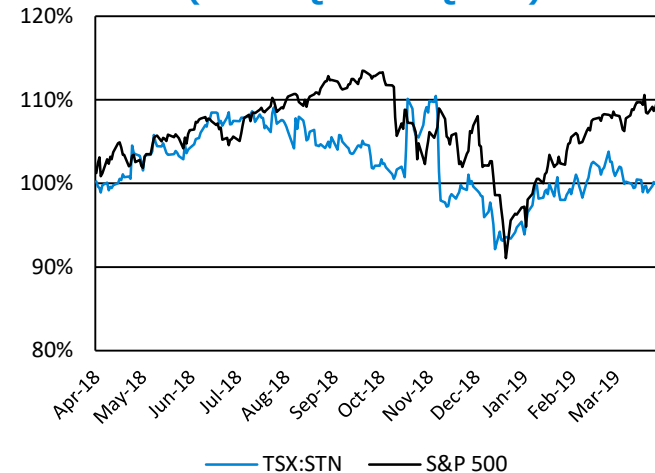
For the quarter ending March 31, 2019 (Q1'19):

- Revenue for the first quarter totaled \$676M, up from \$627M in the same period of fiscal year 2018. Adjusted EBITDA has grown over the years from under \$300M in 2014 to almost \$400M in the first quarter on a trailing 12-month basis.
- Backlog in all geographies has been increasing at a strong pace over the last couple of years and management continued efforts to diversify business operations geographically.
- Key acquisitions also provided global contributions and Stantec historically has allocated 66% of cumulative capital towards M&A, confirming acquisitive strategies as a key source of growth.
- Stantec identified digital transformation, urbanization, climate change and infrastructure renewal as trends that will continue to impact their industry. These market trends demand certain initiatives, thus driving substantial M&A activity during the quarter.

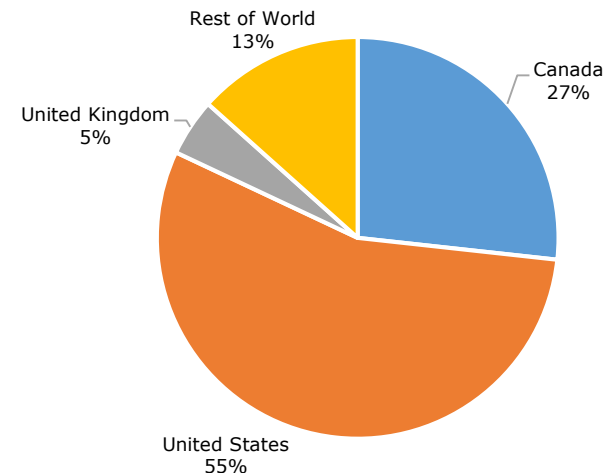
News

- [Stantec Completes Acquisition of Wood & Grieve Engineers](#), a Building Engineering-Focused Consulting Services Company
- [ACEC of Washington Awards Three Stantec Projects](#)

Market Performance (Fiscal Q2'18 – Q1'19)



Revenue by Geography



Source: CIQ, Q1 Earnings Release, PR

Commentary

"We had an excellent second quarter with record net revenue, earnings per share and cash from operations. Our backlog reached an all-time high driven by orders across a broad base of our business. Our strategy focuses on high-end consulting services and is providing us a competitive advantage and increased opportunities for us in the markets that we are serving in".

- Dan L. Batrack, *Chairman, CEO & President*

Highlights

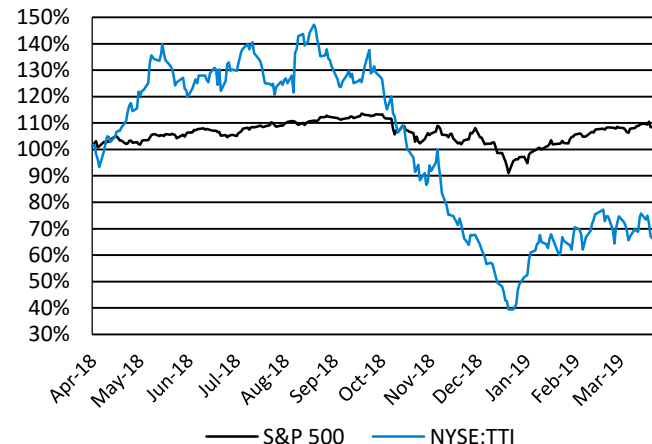
For the quarter ending March 31, 2019 (Q2'19):

- For the fiscal second quarter 2019, gross revenue was \$727M and net revenue was \$590M, up organically 11% from last year, which generated an operating income of \$55M, which is up 21% from last year.
- Backlog ended Q2'19 at \$2.84M, up 12% year-over-year and was an all-time high for the company.
- Growth for the quarter was driven by international business operations across multiple markets, especially the Canadian oil and gas pipeline projects and increases in sustainable infrastructure design and renewable energy consulting.
- Tetra Tech also noted that data analytics and information technology services were also sources of growth during the second quarter. Management announced the acquisition of Global Tech Inc., thus expanding domain expertise and leveraging advances in technology.
- For 2019 outlook, Tetra Tech anticipates net revenue of \$2.3B-2.4B.

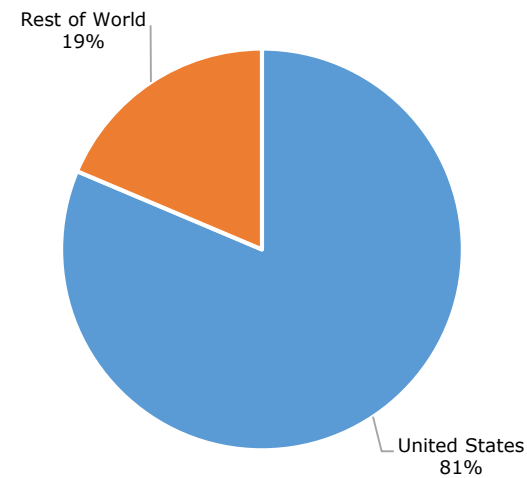
News

- [Tetra Tech Expands its Technology Solutions with Acquisition of Global Tech Inc.](#)

Market Performance (Fiscal Q3'18 – Q2'19)



Revenue by Geography



Source: CIQ, Q1 Earnings Release, PR

Commentary

“The combined capabilities and geographic presence of Willdan and Lime Energy is having a positive impact on our business development efforts that we expected. We have the largest pipeline of work in our history and we continue to make good progress in executing on our long-term vision for Willdan and adding new skill sets, technologies, and experience that we believe will enhance our ability to generate profitable growth in the years ahead”.

- Tom Brisbin, *Chairman & CEO*

Highlights

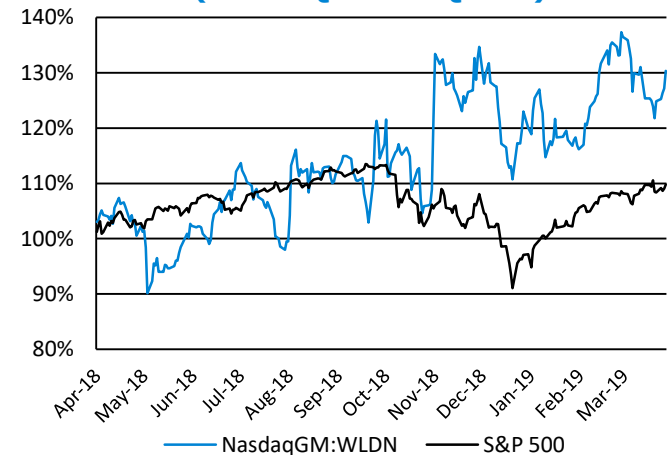
For the quarter ending March 31, 2019 (Q1'19):

- For the first quarter of 2019, Willdan reported consolidated contract revenue of \$91.8M, an increase of 68.1% from \$54.6M for the same period of 2018.
- The Energy segment delivered the highest growth, increasing 100% from the same period of the prior year. Segment net revenue was \$40.8M, up 33.8% compared to the same period in fiscal year 2018.
- Management noted that first quarter growth was a result of the acquisitions of Lime Energy, NAM, and The Weidt Group.
- The direct costs of contract revenue were \$65.9M for the first quarter of 2019, an increase of 87.8%, from \$35.1M for the first quarter of 2018. The substantial increase was primarily related to incremental direct costs from these acquisitions.
- For the remaining 2019-year outlook, Willdan targets both organic and acquisitive net revenue growth of greater than 10%, resulting in total net revenue growth of greater than 20% per year.

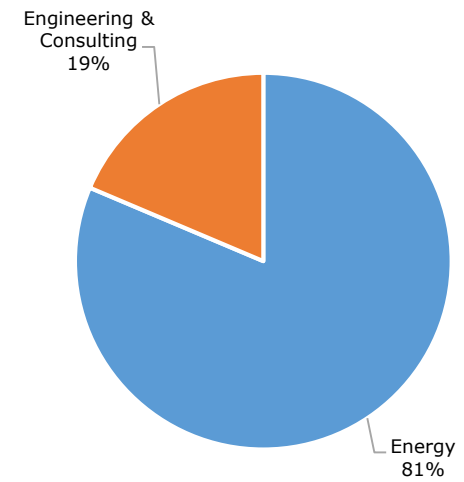
News

- [Willdan Completes the Acquisition of The Weidt Group](#)
- [Willdan Selected to Implement \\$7.5M Project](#) for Plant Upgrades at New York Multifamily Building Cooperative

Market Performance (Fiscal Q2'18 – Q1'19)



Revenue by Segment



Source: CIQ, Q1 Earnings Release, PR



Commentary

“WSP is a formidable player on the global stage of professional services in our industry. While we recognize varied and challenging conditions in some world markets, we’re pleased that our business continues to perform well as can be seen with our first quarter results. This is attributable to the resilience we have built as a diversified international consultancy, providing a very full range of professional services to our clients”.

- Christopher Cole, *Chairman*

Highlights

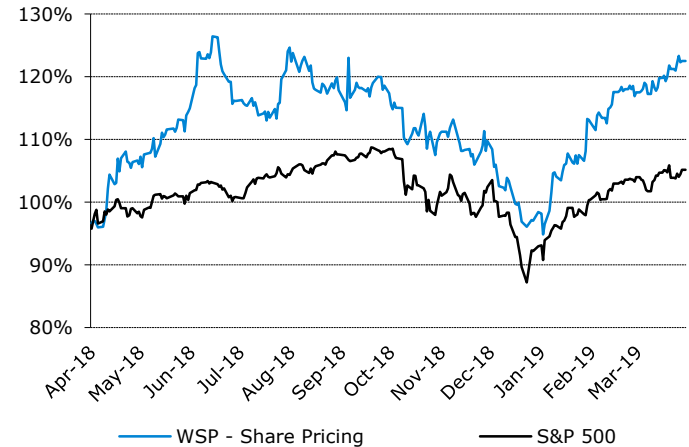
For the quarter ending March 31, 2019 (Q1’19):

- With momentum rolling over from a strong fiscal year 2018, WSP continued to produce solid financials. Revenues combined for \$1,626M in Q1’19, up from revenues of \$1,482M in Q1’18.
- WSP launched their “Global Strategic Plan” for 2019-2021, which outlines how the company will expand horizons and satisfy clients. By 2021, management forecasts net revenues of \$8B-9B, or 10% annual growth though both organic efforts as well as M&A.
- Enhanced by technology and propelled by innovation, WSP continued to deliver sustainable solutions for clients and leverage global expertise. With this historical leverage and strong first quarter financials, M&A activity certainly seems promising for the remaining fiscal 2019.
- WSP attributes Q1’19 growth in part from the recent acquisition of Louis Berger in 2018, thus causing WSP to continue acquisitive strategies in the period. For example, WSP announced the acquisition of Indigo Planning Limited, allowing the firm to increase capacity regarding cross-sell expertise and improve margin and operational performance.

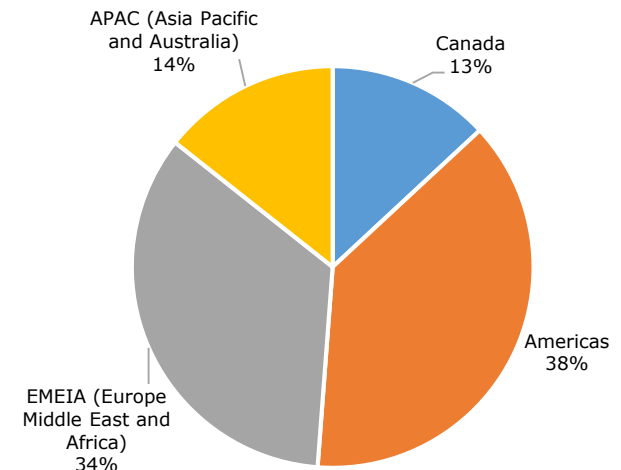
News

- [WSP Announces the Acquisition of Indigo Planning Limited](#) as a Part of its Drive to Become the Top Planning Consultancy in the UK
- [WSP Unveils 2019-2021 Global Strategic Plan](#)

Market Performance (Fiscal Q2’18 – Q1’19)



Revenue by Geography



Source: CIQ, Q1 Earnings Release, PR

Content



Summary
7MA Deal Spotlight
Earnings Call Overview / Players In The Industry
Financial Trends and Transactions

FINANCIAL TRENDS

Company Name	Revenue (\$M)					Revenue Growth (%)		
	CQ1'19	CQ1'18	FY'18	FY'17	FY'16	CQ1'19	FY'18	FY'17
AECOM	\$ 5,040	\$ 4,791	\$ 20,156	\$ 18,203	\$ 17,411	5.2%	10.7%	4.6%
Arcadis NV	\$ 936	\$ 880	\$ 3,649	\$ 3,607	\$ 3,731	6.3%	1.1%	-3.3%
Jacobs Engineering Group Inc.	\$ 3,092	\$ 2,870	\$ 14,985	\$ 10,023	\$ 10,964	7.7%	49.5%	-8.6%
NV5 Global, Inc.	\$ 117	\$ 95	\$ 418	\$ 333	\$ 224	24.1%	25.5%	48.7%
Parsons Corporation	\$ 904	\$ 755	\$ 3,561	\$ 3,017	\$ 3,039	19.8%	18.0%	-0.7%
RPS Group plc	\$ 217	\$ 218	\$ 794	\$ 786	\$ 741	-0.4%	1.1%	6.1%
SNC-Lavalin Group Inc.	\$ 1,800	\$ 1,852	\$ 7,682	\$ 7,111	\$ 6,453	-2.8%	8.0%	10.2%
Stantec Inc.	\$ 689	\$ 616	\$ 2,556	\$ 2,418	\$ 2,360	11.8%	5.7%	2.4%
TETRA Technologies, Inc.	\$ 244	\$ 199	\$ 999	\$ 723	\$ 617	22.2%	38.1%	17.1%
Willdan Group, Inc.	\$ 92	\$ 55	\$ 272	\$ 273	\$ 209	68.1%	-0.4%	30.8%
WSP Global Inc.	\$ 1,656	\$ 1,456	\$ 6,024	\$ 5,288	\$ 4,860	13.8%	13.9%	8.8%
Average	\$ 1,344	\$ 1,253	\$ 5,554	\$ 4,708	\$ 4,601	16.0%	15.6%	10.6%
Median	\$ 904	\$ 755	\$ 3,561	\$ 3,017	\$ 3,039	11.8%	10.7%	6.1%

FINANCIAL TRENDS

Company Name	Gross Margin (%)					EBITDA Margin (%)				
	CQ1'19	CQ1'18	FY'18	FY'17	FY'16	CQ1'19	CQ1'18	FY'18	FY'17	FY'16
AECOM	3.9%	2.9%	3.2%	3.8%	3.7%	4.5%	3.8%	3.8%	4.5%	5.3%
Arcadis NV	17.2%	18.0%	17.1%	17.7%	17.1%	5.9%	6.6%	6.1%	6.3%	5.6%
Jacobs Engineering Group Inc.	20.0%	21.0%	18.9%	17.7%	16.1%	9.1%	7.3%	5.8%	5.2%	4.3%
NV5 Global, Inc.	47.2%	49.3%	48.2%	49.6%	48.0%	11.5%	10.7%	13.1%	12.1%	11.6%
Parsons Corporation	21.0%	N/A	21.5%	20.4%	20.0%	5.8%	4.9%	6.9%	4.8%	4.6%
RPS Group plc	34.6%	37.6%	23.6%	25.6%	26.0%	8.0%	8.3%	9.7%	10.1%	10.9%
SNC-Lavalin Group Inc.	4.2%	9.4%	5.6%	9.3%	14.2%	5.1%	9.5%	5.5%	8.7%	6.6%
Stantec Inc.	51.0%	54.5%	54.1%	55.5%	54.1%	10.9%	10.6%	10.5%	10.6%	10.8%
TETRA Technologies, Inc.	27.5%	27.3%	28.1%	31.1%	31.6%	13.4%	11.8%	15.1%	16.8%	16.1%
Willdan Group, Inc.	28.3%	35.8%	34.1%	28.1%	31.4%	2.9%	5.6%	7.5%	6.5%	7.1%
WSP Global Inc.	17.1%	17.3%	18.3%	17.8%	18.6%	6.9%	6.9%	7.8%	7.4%	7.4%
Average	24.7%	27.3%	24.8%	25.2%	25.5%	7.6%	7.8%	8.4%	8.5%	8.2%
Median	21.0%	24.1%	21.5%	20.4%	20.0%	6.9%	7.3%	7.5%	7.4%	7.1%

KEY TRANSACTIONS IN 1Q 2019

Date	Target	Buyers/Investors	Target Business Description
01/07/2019	OG Systems, LLC	Parsons Corporation	OG Systems, LLC provides geospatial and security solutions for the Department of Defense and intelligence sector. The company offers immersive engineering solutions, geospatial systems integration and security analytics.
01/29/2019	GECO Inc.	Mercury Systems, Inc.	GECO Inc. designs and manufactures hardware and software solutions of avionics for aerospace industry.
02/19/2019	DP Engineering Ltd.	GSE Power Systems, Inc.	DP Engineering Ltd. Co. provides engineering and consulting services to the energy and power industries. The company offers engineering, consulting, mechanical design, electrical design, instrumentation and controls design, civil/structural design, and configuration management services.
03/22/2019	Qualus Power Services Corp.	PNC Erievue Capital	Qualus Power Services Corp. provides electric power engineering and field services. The company offers design engineering, project management and power quality metering.
03/28/2019	EAMS Group Ltd.	Arcadis NV	EAMS Group Ltd. designs and develops digitally enabled asset and safety management software frameworks and industry solutions. EAMS caters to several sectors, including rail, transportation, airports/aviation, and infrastructure.

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