



# Architecture, Engineering & Environmental Services

## Earnings Call Synopsis / Q3 2019 Results

## Content

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# 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



\* Deal executed by 7 Mile Advisor Principal while in another firm

# SUMMARY

We are pleased to present our review and synopsis of results and earnings call commentary for the third 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 July – September 2019.

## M&A Indicators:

- + Digital transformation triggers M&A activity. In efforts to reduce costs and increase productivity, AEC companies are transitioning strategy to address the demanding digital age. Jacobs engineering specifically cited an M&A pipeline “rich” with opportunities as they looked to strengthen their offerings in Consulting, Digital Capacity, and Innovative Technology.
- + There has been a continuing theme throughout 2019 of corporate restructuring, as businesses buy and divest units as they shift strategic resources and strategy. This has contributed to the M&A activity throughout the year as acquired revenue and business can help accelerate a company’s strategic plans. For example, WSP enhanced its advisory services offering in its Environmental space with the Orbicon acquisition.
- + Increasing momentum for corporate and private buyers to make substantial investments. In the AEC sector, the current revenue growth rate is slightly below the past several years’ averages, but EBITDA margins are more robust than in past years. As Charles L. Harrington, President and CEO of Parsons Corporation stated, “The M&A pipeline remains robust. We continue to see companies come out who are looking for options.”

## Recent 7MA Publications:

- + [M&A Market Update](#)
- + [Sectorwatch: Construction, Design-Build, and EPC - July 2019](#)
- + [Sectorwatch: Architecture, Engineering, & Environmental Services - November 2019](#)

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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.

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# AEC SERVICES INDUSTRY OVERVIEW

The AEC Industry remained active in Q3'19 and especially in the latter parts of the quarters with several transactions announced up to and including the actual earnings press releases and conference calls. Dealmaking remains active among both strategic acquirors and private equity groups as both remain opportunistic in their M&A pursuits. In total, Revenue growth slowed somewhat from prior years but remained healthy and in the low double-digit growth rate. However, the revenue growth was largely driven by M&A. Gross margins for the group were some what more modest than in Q3'18 and in prior full-years, but EBITDA margins outpaced the same time periods.

It was somewhat of a mixed bag for earnings across the group, and the market rewarded and punished the companies accordingly for how they did relative to expectations. However, most of the trends proved were nonetheless positive and set the stage for continued M&A activity into Q4'19 and into 2020.

In October, AECOM divested its managed services business unit for ~\$2.4b and what management called a premium valuation. While technically occurring outside of Q3, this was an event the company had long planned for as part of a strategic restructuring of the group. NV5 and Parsons Corporation were especially acquisitive in the quarter, garnering several of the most noteworthy deals. Nearly 50 AEC Services deals were done between July and September, continuing CY'19's flurry of M&A activity.

There is an acceleration of digitalization across industries to meet consumer expectations, reduce costs, and increase productivity, and many of the larger companies are embarking on structural changes in their business plans and turning to M&A to fill the niches and gaps that exist in their business offerings. Companies are planning to embrace digital transformation to improve asset efficiencies and are looking to consolidate and upgrade their systems for better business insights. Despite concerns on premium valuations, the AEC Services companies seem bullish on future acquisitions.



SNC • LAVALIN

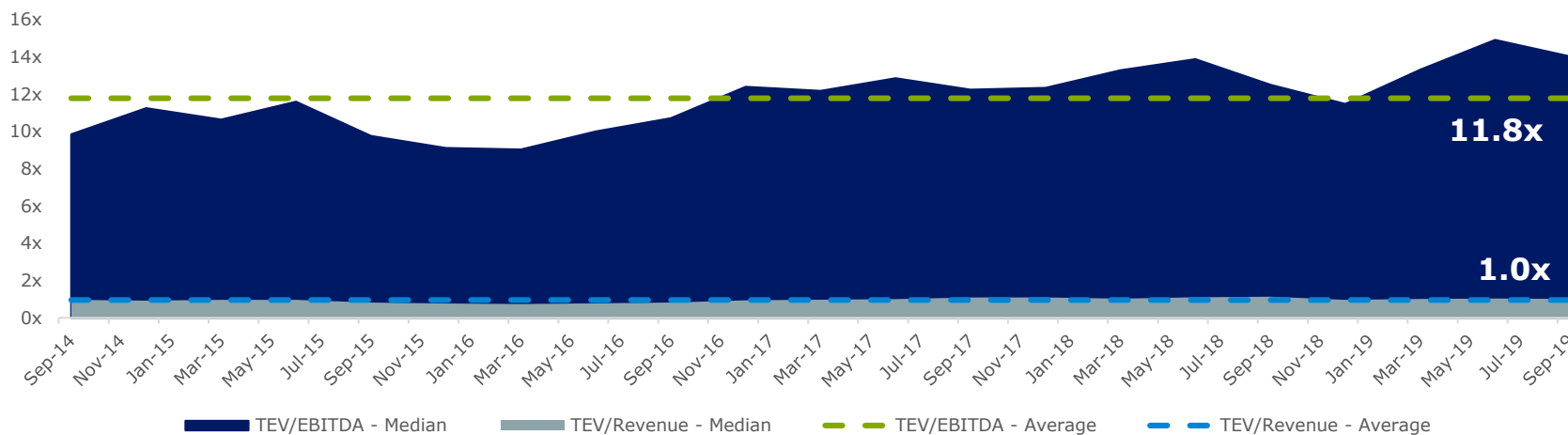




# PUBLIC BASKET AND VALUATION TRENDS

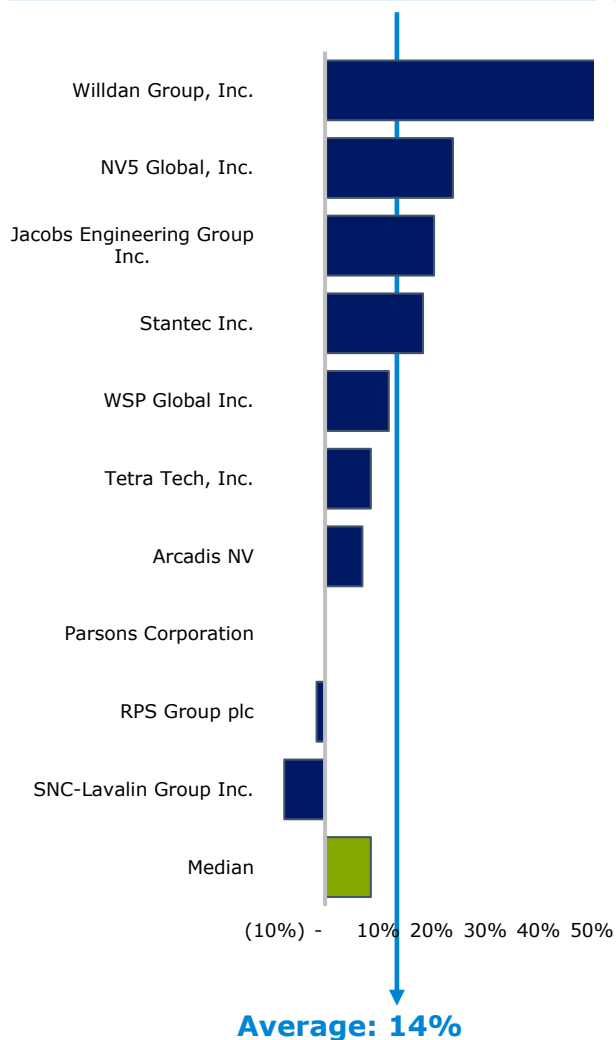
Company	TEV \$m	LTM Rev \$m	Rev Growth YoY	GP %	EBITDA %	TEV / Rev X	TEV / EBITDA X	# FTEs	Rev / FTE \$k
Willdan Group, Inc.	481	400	60%	30%	6%	1.4	23.1	927	432
RPS Group plc	579	799	-2%	23%	9%	0.7	8.0	5,556	144
NV5 Global, Inc.	921	492	24%	48%	12%	2.0	15.1	2,153	228
Arcadis NV	2,374	3,843	7%	17%	7%	0.6	9.1	26,328	146
Parsons Corporation	3,595	3,846	0%	21%	5%	0.9	16.3	15,633	246
Stantec Inc.	3,646	2,754	18%	54%	11%	1.4	12.9	22,000	125
Tetra Tech, Inc.	4,977	2,390	9%	17%	10%	2.2	20.7	20,000	119
SNC-Lavalin Group Inc.	5,612	7,283	-8%	1%	1%	0.8	61.1	52,435	139
WSP Global Inc.	8,033	6,617	12%	19%	8%	1.3	15.8	47,700	139
AECOM	9,138	20,173	0%	4%	5%	0.4	9.6	86,000	235
Jacobs Engineering Group Inc.	12,696	12,738	20%	19%	7%	0.8	11.9	48,000	265
<b>Average</b>	4,732	5,576	13%	23%	7%	1.1	18.5	29,703	202
<b>Median</b>	3,646	3,843	9%	19%	7%	0.9	15.1	22,000	146

Public Rev & EBITDA Multiples Over Time



# OPERATIONAL METRICS

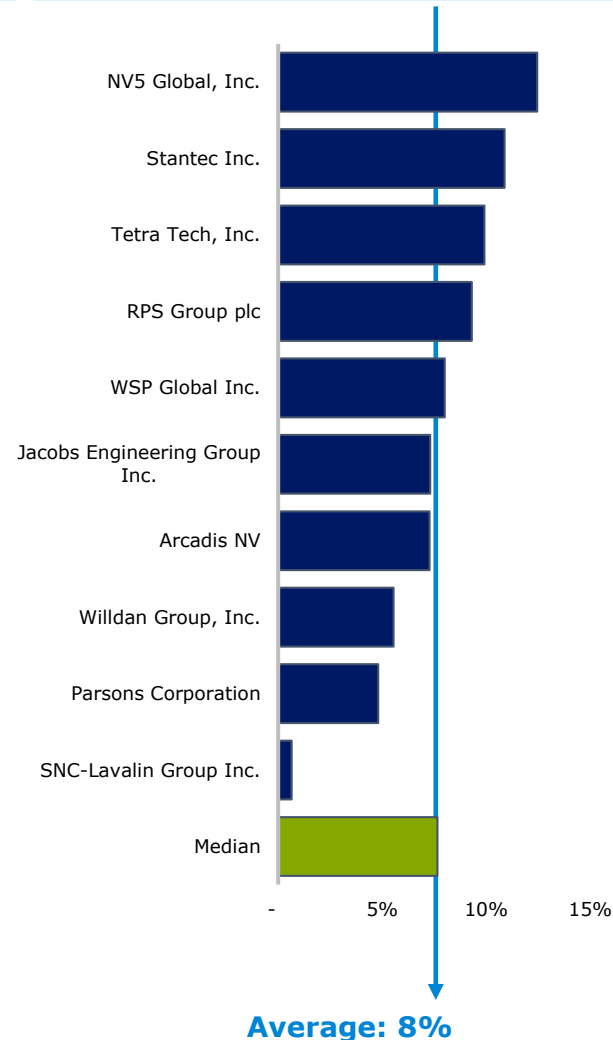
## LTM REVENUE GROWTH %



## LTM GROSS PROFIT MARGIN %



## LTM EBITDA %



## Commentary

"During the year, we did sell our International Development business. We sold portions of oil and gas. We're wrapping up our Alliant combined cycle gas power plant this quarter. But as I've said in the past, the market conditions are difficult to be selling civil construction assets right now." – Michael S. Burke, *Chief Executive Officer*

## Highlights

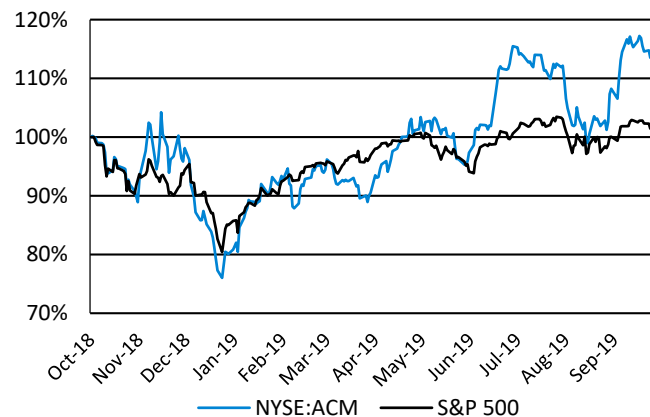
For the quarter ending September 30, 2019 (Q4'19):

- Exiting the quarter, backlog is near an all-time high of \$60B and full-year free cash flow approached \$700m.
- Fiscal Q4'19 revenue was \$5.1B, and EBITDA grew over 13% yr/yr.
- Restructuring plan has resulted in several divestitures as the company exits many markets, including the sale of the MS business for a premium valuation of \$2.4B.
- FY'2020 EBITDA guidance of \$1.06B in EBITDA, including 12% growth in Professional Services.
- The use of cash is more focused on paying down debt, then potentially stock buybacks. No real commentary regarding future M&A. However, as part of the restructuring plan, divestitures will continue to happen.
- Company stated that as of the first week of November they have seen no indications of a slowdown.
- In late October, the partnership between AECOM Capital and Canyon Partners announced the close of its fund of just over \$500m in total commitments.

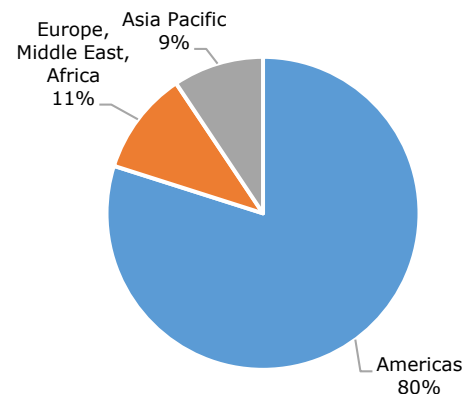
## News

- [AECOM-Canyon Partners Announce \\$500 Million Fund Close](#)
- [AECOM Accelerates Value Creation Strategy](#) with Sale of its Management Services Business for \$2.4B

## Market Performance (Calendar Q4'18 – Q3'19)



## Revenue by Geography



Source: CIQ, Q4 Earnings Release, PR

## Commentary

"I believe that as a company, we are navigating these challenges as good as we can, and I believe we got increasingly better at it as well...Our key markets remain strong."

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

## Highlights

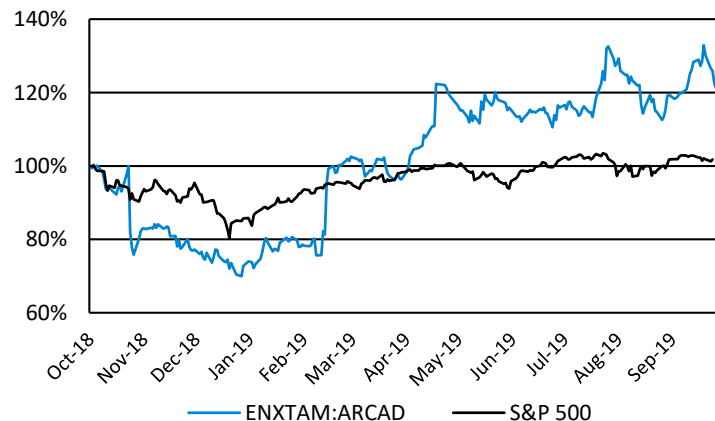
For the quarter ending September 30, 2019 (Q3'19):

- Arcadis reported FQ3'19 revenue of €642M, representing 3% organic net revenue growth. Latin America was the best growing region, while the Middle East region remained under pressure.
- Operating EBITA margin improved to 8.3%, expanding 70 bps sequentially and 90 bps yr/yr.
- Brexit uncertainties are beginning to undermine the strength in backlog in the UK.
- Net working capital was a disappointing development as it increased to 19.1%, the result of the implementation of a new Oracle Cloud solution.
- The company does not have plans for "big" M&A but are open to perhaps more tuck-in or add-on types of deals instead. The goal would be to fill niches in the service offerings.
- Entered a partnership with Evocra for PFAS removals.
- Management noted that voluntary turnover of their employees has trended down.

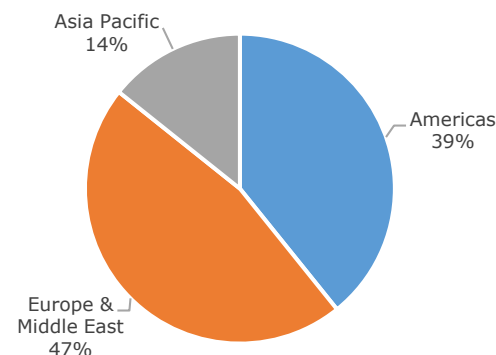
## News

- [Arcadis Signs Exclusive Agreement with Evocra](#)
- [Arcadis Wins 5th Framework Appointment with the UK Environment Agency](#)

## Market Performance (Calendar Q4'18 – Q3'19)



## Revenue by Geography



Source: CIQ, Q3 Earnings Release, PR

## Commentary

"Today, our company is well diversified across sectors and geographies with exposure to multiple secular growth trends of climate change, environmental resiliency, space intelligence, urbanization and the convergence of IT/OT as well as exposure to long-term sustainable cash flow streams, such as national security and nuclear cleanup that enhance the stability of our portfolio."

- Steven J. Demetriou, *Chairman, CEO, & President*

## Highlights

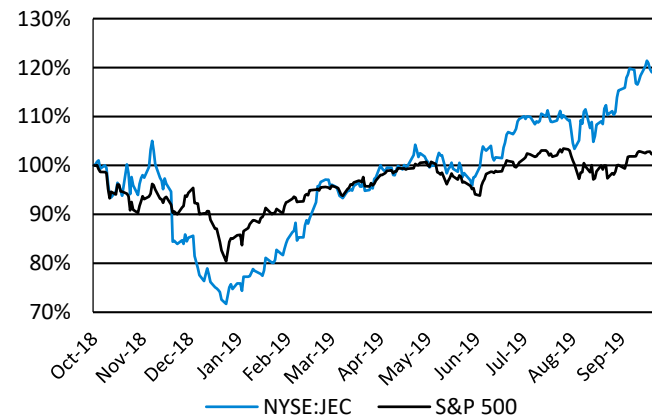
For the quarter ending September 30, 2019 (Q4'19):

- Q4'19 revenue grew 13% yr/yr, and backlog increased to \$22.6B. Management believes the company is well positioned to achieve its 2020 adj. EBITDA growth targets.
- Throughout FY'19 the company engaged in several M&A and divestiture activities. The ECR divestiture is approximately 75% complete and on track to complete separation and restructuring in CY'2020.
- The integration of CH2M is nearly complete, and the KeyW integration has been less costly than expected despite limited synergies so far. Wood is still on track to close in F2'20.
- Capital is sufficient enough such that the company's deployment strategy is for both opportunistic share repurchases as well as targeted M&A in strong growth sectors.
- Management stated that the M&A pipeline is "rich" with opportunities, but the company is remaining disciplined. They mentioned that they are looking to strengthen themselves in areas like consulting, digital capacity, and innovative technology.

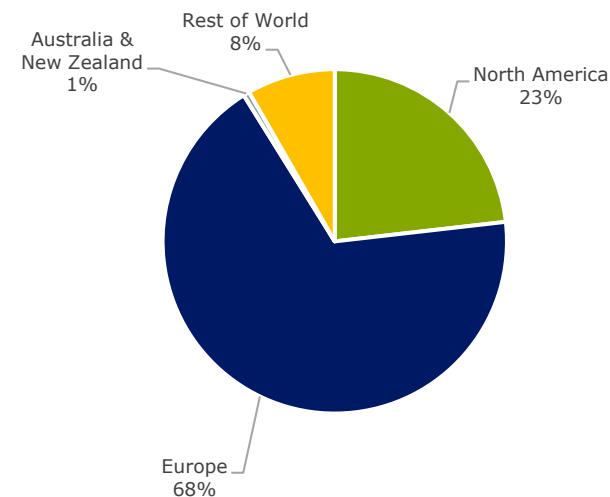
## News

- [ENR Names Jacobs as No. 1 Design Firm](#)

## Market Performance (Fiscal Q4'18 – Q3'19)



## Revenue by Geography



Source: CIQ, Q4 Earnings Release, PR

## Commentary

"We have secured a strong design presence in the Pacific Northwest and now become the leader in North America geospatial market. We've had strong performance in many of our existing businesses and geographies. So we were very excited about 2019 but we're not looking back."

- Dickerson Wright, *Chairman & CEO*

## Highlights

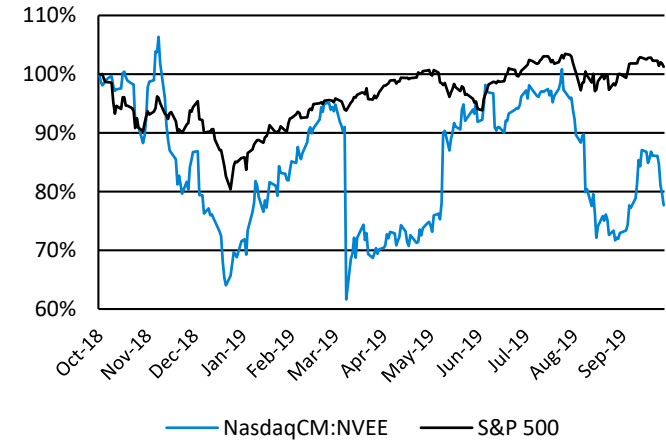
For the quarter ending September 30, 2019 (Q3'19):

- Gross revenue was \$131M, an increase of 26% yr/yr, while EBITDA grew 3% yr/yr to \$14.4M. Organic growth was roughly flat.
- Backlog increased 35% yr/yr to \$463M.
- NV5 made 3 acquisitions since the beginning of Q3 - GeoDesign, WHPacific, and Quantum Spatial. The M&A pipeline remains full for them as well.
- Acquisitions from the prior quarters was a drag on G&A and utilization rates, but positive impacts should be realized in 2020.
- The company is looking at its acquisitions to grow their respective revenues at a double-digit organic growth rate.
- There were some project delays that have been pushed out, which impacted the quarter somewhat.
- Investors were mildly disappointed in the 2020 earnings guidance given the quality of acquisitions made, which explains why the stock struggled around the earnings release. However, the company corrected the 2020 guidance and the stock reacted favorably.

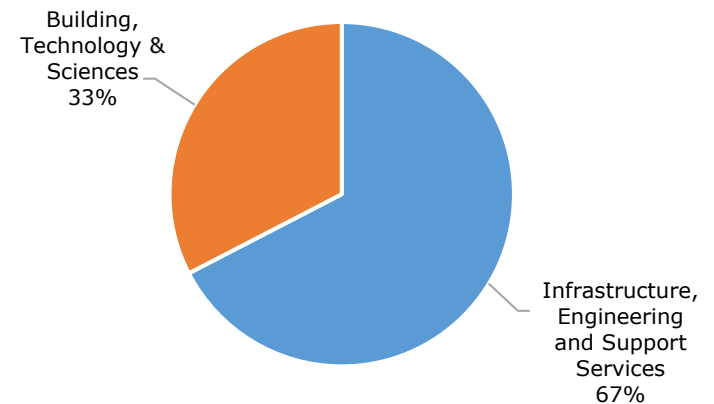
## News

- [NV5 Acquires Forensics Engineering Business](#)
- [NV5 Recognized by Leading Publications and Industry Organizations](#)

## Market Performance (Calendar Q4'18 – Q3'19)



## Revenue by Segment



Source: CIQ, Q3 Earnings Release, PR

## Commentary

"The (M&A) pipeline remains robust. We continue to see great companies come out who are looking for options. We have continued to talk to companies that are in our supply chain that support our customers. And so we continue to see a robust pipeline and our plans for capital allocation are to continue our trend of acquisitions in the near term."

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

## Highlights

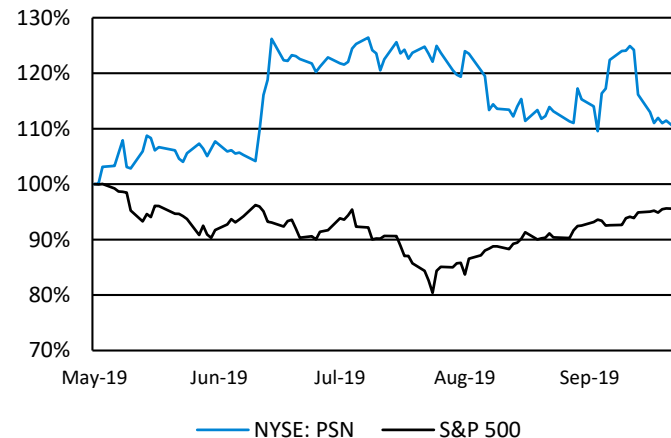
For the quarter ending September 30, 2019 (Q3'19):

- Parsons delivered revenue of \$1B, an increase of 5% yr/yr. Adj. EBITDA was \$89M with a book-to-bill ratio of 1.2x for the LTM.
- Total backlog increased 4% yr/yr to \$8.3B.
- The company also won several large contracts in the quarter, ranging from \$137M to \$968M in its Federal Services group.
- Early in Q3, Parsons acquired QRC Technologies from DC Capital Partners, the third acquisition in the last 14 months or so. QRC specializes in radio frequency spectrum surveys, signals intelligence, and electronic warfare missions.
- While the company only recently went public, Parsons is on a good path toward its stated goal of 10% EBITDA margins. The recent contract wins and acquisitions help push that along.
- Parsons views the M&A pipeline a "robust," and the company's plans for capital allocation is to continue its trend of acquisitions.

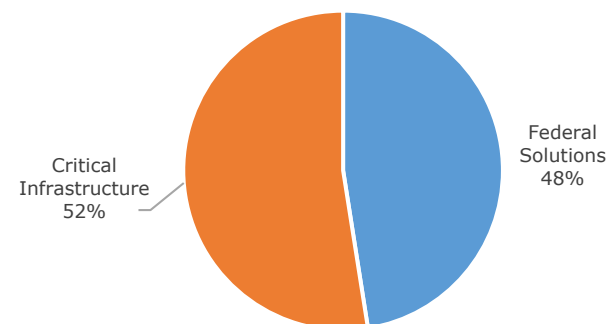
## News

- [Parsons Completes Acquisition of QRC Technologies](#)
- [Parsons Awarded \\$590M COCOM Cyber Mission Contract](#)

## Market Performance (IPO – Q3'19)



## Revenue by Segment



Source: CIQ, Q3 Earnings Release, PR



## Commentary

"Our goal is to position SNC level for long-term sustainable success by simplifying the business, focusing on what we do best in the high growth potential, high-margin areas of the business, where we are strongest and operate as a tier-one player."

- Ian L. Edwards, *Interim President & CEO*

## Highlights

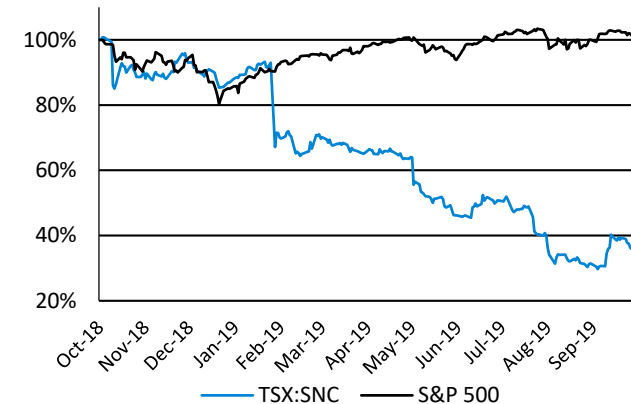
For the quarter ending September 30, 2019 (Q3'19):

- SNC-Lavalin reported revenue of \$2.4B, down modestly yr/yr. The quarter was the first since the announced new strategic direction.
- Backlog fell from \$3.4B to \$3.2B.
- Reducing leverage has been a large strategic goal, and the company paid down \$2.4B in debt in the quarter.
- SNCL Engineering and E&C work were strong performers in the quarter, while SNCL Projects was more challenged with revenue down over 25% yr/yr.
- The company is continuing its plan to run off the LSTK backlog as it views that segment as the root cause of the business's volatility.
- Given the focus on deleveraging the balance sheet, the company has no plans for M&A in the near future.

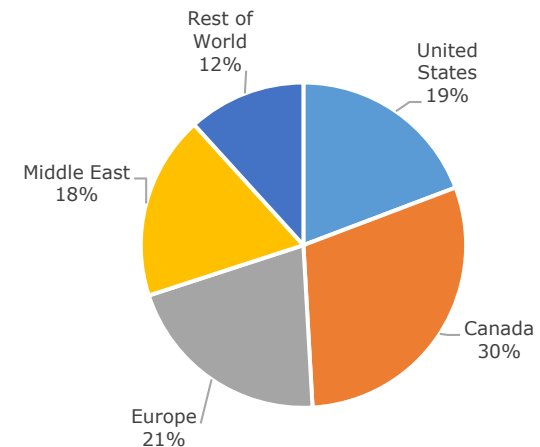
## News

- [SNC-Lavalin Awarded Three-Year Provision of Operations and Maintenance Workforce Contract for Shell-operated QGC Venture](#)
- [SNC-Lavalin Announces Simplified and Consolidated Operational Structure](#)

## Market Performance (Calendar Q4'18 – Q3'19)



## Revenue by Geography



Source: CIQ, Q3 Earnings Release, PR



## Commentary

"From an overall valuation perspective, we're not seeing significant up-creep in valuations from where we typically have seen over the last number of quarters. But it is a very active market, it is a very active market."

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

## Highlights

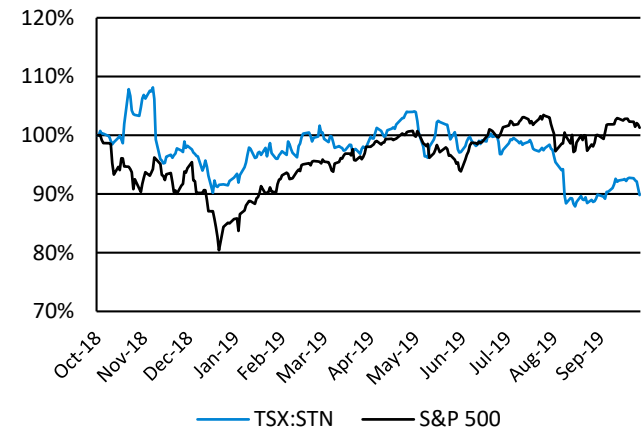
For the quarter ending September 30, 2019 (Q3'19):

- Net Revenue for Q3'19 was \$952M, up 12.4% yr/yr (including 7.4% organic growth). Gross margin also expanded by 50 bps yr/yr as well. Gross revenue backlog is now approaching \$4.4B, representing approximately 11 months of work.
- While normally very active in M&A, 2019 has been somewhat of a slowdown for Stantec M&A. The company mentioned that they are constantly involved in numerous discussions, but since acquiring Grieve in March they haven't found the right mix of cultural fit and opportunity.
- Management also commented that the M&A pipeline remains robust, particularly in North America, Australia, New Zealand, the UK, and Western Europe.
- Stantec's organic growth appears to be somewhat at odds with leading indicators that suggest slowing growth in various markets.

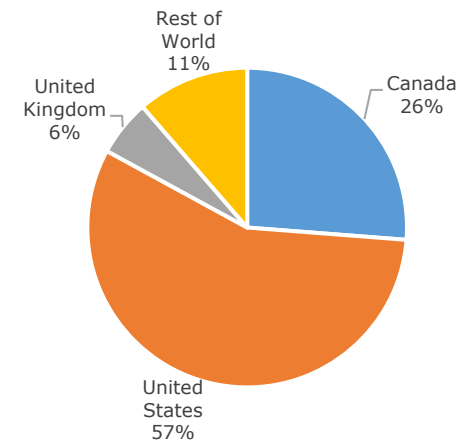
## News

- [Stantec to Provide Design Services](#) for Pennsylvania's Largest Solar Project
- [Stantec International Presence Grows](#), Again Listed Among Top 10 Global Design Firms

## Market Performance (Calendar Q4'18 – Q3'19)



## Revenue by Geography



Source: CIQ, Q3 Earnings Release, PR

## Commentary

"And as we begin this new decade, our differentiated water and environmental services and Leading with Science approach is well-differentiated and in very high demand and making things very exciting for us and our shareholders with new benefits to our clients as we enter fiscal year 2020."

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

## Highlights

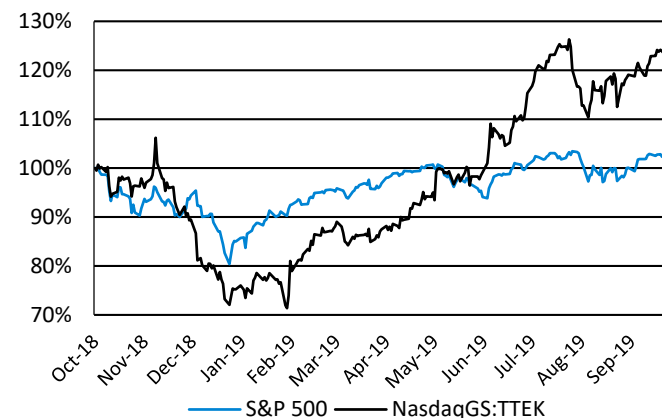
For the quarter ending September 30, 2019 (Q4'19):

- Net Revenue for Q4'19 was \$640M, up 14% yr/yr. Backlog also increased 16% yr/yr to \$3.1B.
- The company experienced strong growth in US Federal and State & Local units as well as their international unit; US Commercial was flattish by contrast.
- The acquisition of WYG was completed in Q4 (announced in Q3) and provides a solid platform in the UK.
- Tetra Tech appears optimistic on its end markets, especially spending on water issues and spending by various government entities.
- Interestingly, the company did have some comments (in the response to a question) about difficulty in bringing in additional top talent as there is extremely high demand for folks like that.
- Management did not get specific with M&A plans but noted that they believe the acquisition of WYG sets the stage for potential acquisitions in the future.

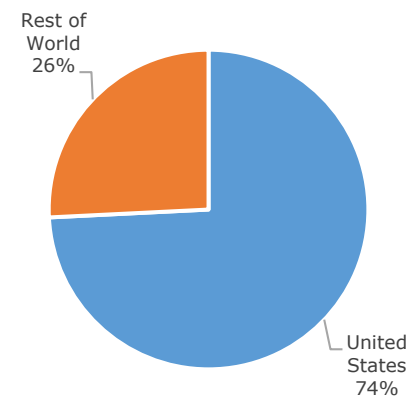
## News

- [Tetra Tech Completes Acquisition of WYG](#)

## Market Performance (Calendar Q4'18 – Q3'19)



## Revenue by Geography



Source: CIQ, Q4 Earnings Release, PR

## Commentary

E3 has been growing at a very fast rate, and we expect that trend to continue. Beyond the economic value of its own performance, E3 will provide strategic value to Willdan by providing us with visibility or a road map into the future. We believe this will enhance our strategic planning efforts, enable us to effectively position the company to serve the needs of our customers."

- Tom Brisbin, *Chairman & CEO*

## Highlights

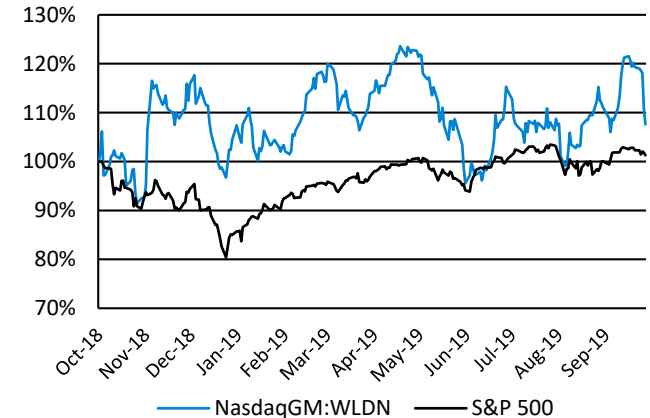
For the quarter ending September 30, 2019 (Q3'19):

- Total contract revenue increased 65% yr/yr to \$117.5M, driven by growth in Energy and especially related to acquisitions within that group. Organic growth was *negative* 11%, representing a disappointing quarter that finished below expectations.
- The California wildfires and related issues are providing an opportunity, especially from PG&E and SCE. This could happen as soon as Q4 but more likely to be a 2020 event.
- In the earnings release, the company announced the acquisition of Energy and Environmental Economics (E3), filling a niche in policy consulting. The company believes that in addition to E3's own growth, there is strategic value in the acquisition.
- The company's financial covenant's cap their leverage at 3.5x debt-to-EBITDA, and Willdan is currently around 3x. This may limit M&A in the near-term unless cash balances remain high.

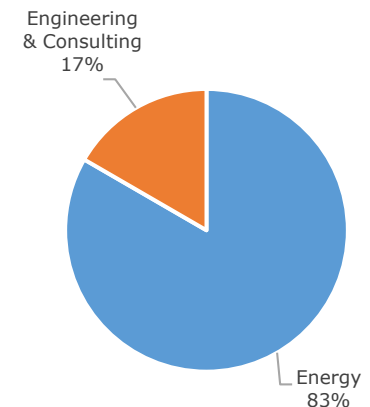
## News

- [Willdan Adds Energy Analysis and Strategy Consulting Firm](#), Energy and Environmental Economics (E3)

## Market Performance (Calendar Q4'18 – Q3'19)



## Revenue by Segment



Source: CIQ, Q3 Earnings Release, PR



## Commentary

"In line with our 2019 and 2021 Global Strategic Plan, we strengthened our strategic advisory services offering in Environment, with the acquisition of Orbicon, predominantly based in Denmark. With the subsequent acquisition of Lievense, we established a presence in the Netherlands, bringing our total workforce in Continental Europe to well over 1,000 people now."

- Christopher Cole, *Chairman*

## Highlights

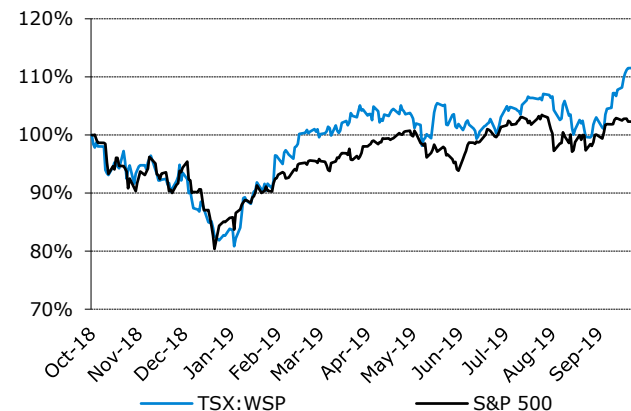
For the quarter ending September 30, 2019 (Q3'19):

- Q3 net revenue was \$1.7B, up over 15% yr/yr. Backlog grew organically by nearly 5% to \$7.9B, representing approximately 10 ½ months of revenue. Organic net revenue growth was 4.4%.
- The Americas and APAC regions outpaced Canada and EMEIA, but all regions posted organic growth.
- Adj. EBITDA margin also expanded by nearly 500 bps
- WSP participated in several acquisitions in both the quarter and throughout the year.
- Management had apparently been an active buyer but had failed to win several targets, largely losing out to private equity sponsors.
- The M&A strategy continues to be to deploy the majority of their capital into OECD countries, especially in areas they are "subscale."
- Acquisitions are the priority for capital allocation over the next 12 months at least.

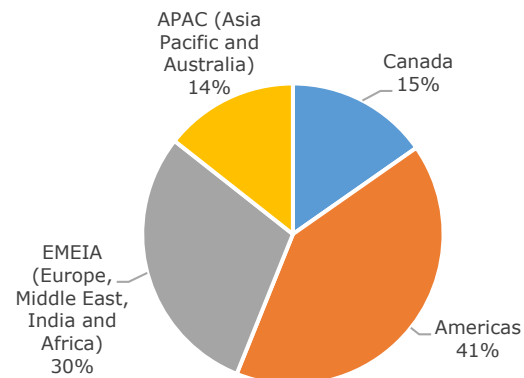
## News

- [WSP Acquires Lievense in the Netherlands](#)
- [WSP Acquires Orbicon in Denmark](#)

## Market Performance (Calendar Q4'18 – Q3'19)



## Revenue by Geography



Source: CIQ, Q3 Earnings Release, PR

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# FINANCIAL TRENDS

Company Name	Revenue (\$M)					Revenue Growth (%)		
	CQ3'19	CQ3'18	FY'18	FY'17	FY'16	CQ3'19	FY'18	FY'17
<b>AECOM</b>	\$ 5,116	\$ 5,306	\$ 20,156	\$ 18,203	\$ 17,411	-3.6%	10.7%	4.6%
<b>Arcadis NV</b>	\$ 971	\$ 925	\$ 3,727	\$ 3,865	\$ 3,514	5.0%	-3.6%	10.0%
<b>Jacobs Engineering Group Inc.</b>	\$ 3,393	\$ 2,992	\$ 10,580	\$ 6,330	\$ 10,964	13.4%	67.1%	-42.3%
<b>NV5 Global, Inc.</b>	\$ 131	\$ 104	\$ 418	\$ 333	\$ 224	25.8%	25.5%	48.7%
<b>Parsons Corporation</b>	\$ 1,023	\$ 990	\$ 3,561	\$ 3,017	\$ 3,039	3.4%	18.0%	-0.7%
<b>RPS Group plc</b>	\$ 178	\$ 191	\$ 812	\$ 852	\$ 734	-6.6%	-4.7%	16.1%
<b>SNC-Lavalin Group Inc.</b>	\$ 1,837	\$ 1,983	\$ 7,390	\$ 7,443	\$ 6,306	-7.3%	-0.7%	18.0%
<b>Stantec Inc.</b>	\$ 720	\$ 656	\$ 2,459	\$ 2,531	\$ 2,307	9.8%	-2.8%	9.7%
<b>TETRA Technologies, Inc.</b>	\$ 246	\$ 257	\$ 999	\$ 723	\$ 617	-4.2%	38.1%	17.1%
<b>Willdan Group, Inc.</b>	\$ 117	\$ 71	\$ 272	\$ 273	\$ 209	64.6%	-0.4%	30.8%
<b>WSP Global Inc.</b>	\$ 1,680	\$ 1,491	\$ 5,795	\$ 5,536	\$ 4,749	12.7%	4.7%	16.6%
<b>Average</b>	<b>\$1,401</b>	<b>\$1,360</b>	<b>\$5,106</b>	<b>\$4,464</b>	<b>\$4,552</b>	<b>10.3%</b>	<b>13.8%</b>	<b>11.7%</b>
<b>Median</b>	<b>\$ 971</b>	<b>\$ 925</b>	<b>\$3,561</b>	<b>\$3,017</b>	<b>\$3,039</b>	<b>5.0%</b>	<b>4.7%</b>	<b>16.1%</b>

# FINANCIAL TRENDS

Company Name	Gross Margin (%)					EBITDA Margin (%)				
	CQ3'19	CQ3'18	FY'18	FY'17	FY'16	CQ3'19	CQ3'18	FY'18	FY'17	FY'16
<b>AECOM</b>	4.7%	3.5%	3.2%	3.8%	3.7%	5.0%	3.8%	3.8%	4.5%	5.3%
<b>Arcadis NV</b>	16.2%	17.1%	17.1%	17.7%	17.1%	8.6%	6.3%	6.1%	6.3%	5.6%
<b>Jacobs Engineering Group Inc.</b>	19.8%	20.4%	20.4%	19.9%	16.1%	4.7%	8.4%	7.9%	7.4%	4.3%
<b>NV5 Global, Inc.</b>	48.5%	48.0%	48.2%	49.6%	48.0%	11.0%	13.5%	13.1%	12.1%	11.6%
<b>Parsons Corporation</b>	22.0%	N/A	21.5%	20.4%	20.0%	8.1%	1.1%	6.9%	4.8%	4.6%
<b>RPS Group plc</b>	7.7%	10.4%	23.6%	25.6%	26.0%	10.9%	11.8%	9.7%	10.1%	10.9%
<b>SNC-Lavalin Group Inc.</b>	8.5%	9.3%	5.6%	9.3%	14.2%	8.9%	10.8%	5.5%	8.7%	6.6%
<b>Stantec Inc.</b>	54.2%	53.7%	54.1%	55.5%	54.1%	13.4%	12.1%	10.5%	10.6%	10.8%
<b>TETRA Technologies, Inc.</b>	30.8%	28.7%	28.1%	31.1%	31.6%	16.6%	15.3%	15.1%	16.8%	16.1%
<b>Willdan Group, Inc.</b>	29.5%	32.7%	34.1%	28.1%	31.4%	6.3%	8.5%	7.5%	6.5%	7.1%
<b>WSP Global Inc.</b>	20.3%	19.1%	18.3%	17.8%	18.6%	9.8%	9.6%	7.8%	7.4%	7.4%
<b>Average</b>	<b>23.8%</b>	<b>24.3%</b>	<b>24.9%</b>	<b>25.4%</b>	<b>25.5%</b>	<b>9.4%</b>	<b>9.2%</b>	<b>8.5%</b>	<b>8.7%</b>	<b>8.2%</b>
<b>Median</b>	<b>20.3%</b>	<b>19.8%</b>	<b>21.5%</b>	<b>20.4%</b>	<b>20.0%</b>	<b>8.9%</b>	<b>9.6%</b>	<b>7.8%</b>	<b>7.4%</b>	<b>7.1%</b>

# KEY TRANSACTIONS IN 3Q 2019

Date	Target	Buyers/Investors	Target Business Description
10/12/2019	AECOM Management Services Inc.	American Securities LLC; Lindsay Goldberg LLC	AECOM divested its Managed Services division as part of a broader corporate strategy realignment. The division offered facilities management and environmental management services.
08/20/2019	John Wood Group's Nuclear Business	Jacobs Engineering Group	John Wood Group's Nuclear business comprises nuclear technology and engineering services.
7/22/2109	QRC, LLC	Parsons Corporation	QRC, LLC develops and produces survey tools for cellular communication systems, phone-based measurement systems, stimulation tools, forensic tools, and integrated RF recording and playback equipment.
7/2/2109	WHPacific, Inc.	NV5 Global, Inc.	WHPacific, Inc. provides engineering services in the U.S. Its services include construction services, aviation engineering and planning, facilities management, land development, industrial facilities engineering, survey and mapping, transport engineering, and water and environmental management services.
7/1/2019	GeoDesign, Inc.	NV5 Global, Inc	GeoDesign, Inc. provides geotechnical engineering and environmental, geological, and mining and pavement consulting services.



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