



bridgepoint

INVESTMENT
BANKING

Industrial Services *M&A Quarterly Update*

Second Quarter 2021

Construction & Engineering Market Outlook

M&A activity in the Construction & Engineering sector is expected to be robust in the second half of 2021, driven by infrastructure spending and strong project backlogs

Industrial Services Market Outlook

- **Valuations and transactions for Construction & Engineering companies have rebounded in 2021**, with both financial sponsors and strategic acquirors active in the market
- **Proposed infrastructure spending has improved overall backlog and opportunity for 2021**
- **222 transactions in the Construction & Engineering space have closed so far in 2021**, compared to 145 transaction in the same time period last year (heavy COVID impact)
- **The potential for changing tax increase has impacted volume** and is pushing activity among founder- and family-owned construction and engineering firms
- **Leading indicators point to significant project volume in the second half of 2021**, which should result in strong growth and earnings within the sector

Industrial Services Middle-Market M&A



Strategic Buyers

Non-sponsor backed strategics in the industry are eager to continue the trend of roll-ups and become more regional and national brands



Financial Sponsors

Private equity interest in the space has expanded – knowledgeable investors have tremendous understanding of the business model and unique business model characteristics (e.g. bonding)



Pending Tax Changes

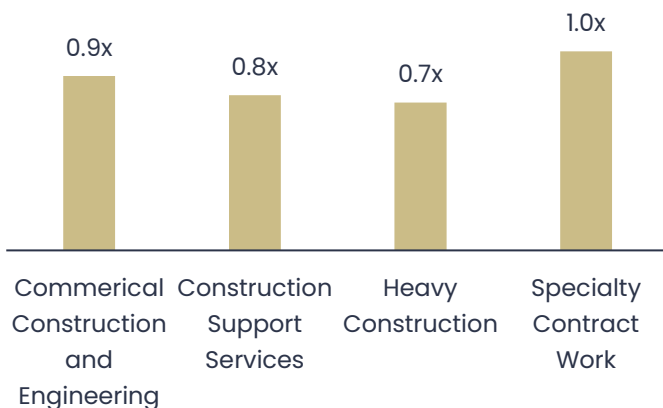
While uncertain, most experts agree that the tax regime will change materially and have a disproportionate impact on business owners



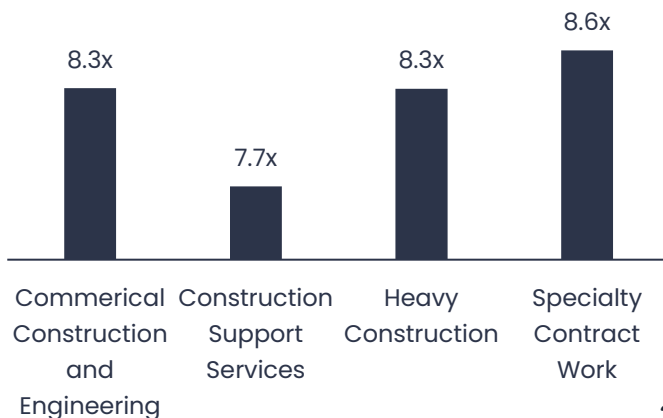
We expect Construction & Engineering deal volume to improve in the second half of 2021, assisted by infrastructure spending tailwinds and large projects throughout the Midwest. The storm in Texas early in 2021 demonstrated the need for a revitalized and efficient power grid, presenting material opportunities for experienced players. We are seeing tremendous activity among family- and founder-owned companies as Sellers look to diversify before changing tax regulation takes hold."

*Bryan Wallace, Managing Director & Industrial Services Sector Lead
Bridgepoint Investment Banking*

TEV / LTM Revenue

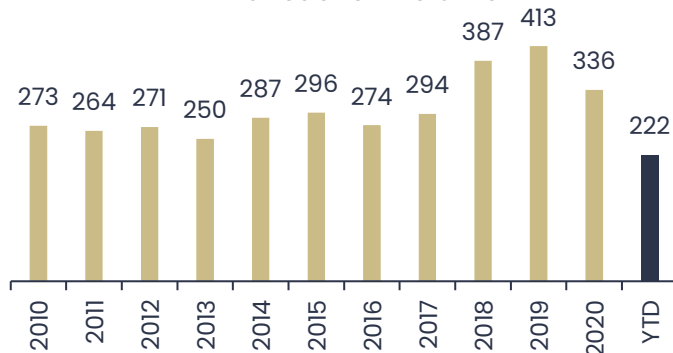


TEV / LTM EBITDA

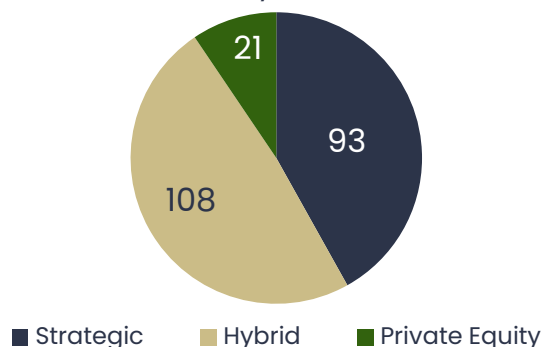


Construction & Engineering M&A

Construction and Engineering
Transaction Volume



Construction and Engineering
Transaction Buyer Statistics YTD



Recent Construction and Engineering M&A Transactions


















Announced Date	Target	Acquiror	Business Description
06/08/2021	Full Circle Restoration And Construction Services, Inc.	Cotton Holdings, Inc.	Provides disaster response and recovery services
06/07/2021	General Ceiling and Partitions, Inc. ^(b)	Installed Building Products, Inc. (NYSE:IBP)	Provides commercial drywall, metal framing, acoustical ceilings, safing and sound/thermal insulation services
06/07/2021	Sigma Six Solutions, Inc./Innovative Electric, Inc.	Shermco Industries, Inc.	Provides start-up and acceptance testing on new installations and electrical contracting services
06/07/2021	Edmonds Engineering, Inc.	The Dewberry Companies Inc.	Provides commercial and industrial design and construction services
06/03/2021	Coastal Mechanical Services, LLC	Rogers Mechanical Contractors, Inc.	Provides mechanical contracting services
06/03/2021	CDI-Infrastructure, LLC	TranSystems Corporation ^(a)	Provides architecture, civil, and environmental engineering and communication technology services
06/03/2021	Westwood Professional Services, Inc.	Endurance Partners	Provides consulting and engineering design services
06/03/2021	TecPro Ltd.	Koniag, Inc.	Provides industrial electrical and security solutions
06/02/2021	Substantially all assets of Full-Tilt Constructors, Inc.	The Pritzker Organization; Lithko Contracting; DNS Capital	Provides concrete construction solutions
06/02/2021	Radon Control Services Inc.	Clean & Dry Environmental Solutions, LLC	Provides radon testing, mitigation, crawl space encapsulation, basement repair and waterproofing services
06/01/2021	Arrow Pipeline Repair, Inc.	Goettl Home Services, LLC	Provides plumbing, drain cleaning, pipeline repair and replacement services
06/01/2021	Qualus Power Services Corp.	New Mountain Capital, LLC	Provides electric power engineering and field services
06/01/2021	WKE, Inc.	HDR, Inc. ^(a)	Designs and constructs streets and highway corridors, bridges, runway structures, rail and transit facilities, and ports and harbors
05/25/2021	RTR Energy Solutions, LLC	Allied Resources Group LLC	Designs, builds and maintains power-delivery systems
05/25/2021	Operating Assets of Medigas Service & Testing Co. Inc	Atlas Copco AB (OM:ATCO A)	Provides piped medical and laboratory gas equipment and system installation services
05/24/2021	Tailored Foam Of Florida, Inc.	SEI Group, LLC	Provides foam insulation services to the commercial and residential sectors
05/20/2021	Energy Savers Of Georgia, Inc.	NearU Services	Provides heating and cooling system design, installation, maintenance and repair services.
05/20/2021	Thermal Resource Sales and Supermarket Environment Services Company	CoolSys, Inc.	Provides engineered commercial and industrial HVAC system design and implementation, and energy optimization solutions
05/20/2021	Maxons Restorations Inc.	FirstOnSite Restoration L.P.	Provides property damage restoration and repair services
05/19/2021	M & E Engineering Ltd.	Rimkus Consulting Group, Inc.	Provides consulting services in mechanical, electrical and life safety to architects, building owners and structural consultants
05/19/2021	Dial Plumbing and Air Conditioning Inc.	Southern HVAC Corporation	Provides plumbing, gas piping, heating, ventilation and air conditioning services to residences and businesses
05/18/2021	Great Lakes Mechanical, Inc.	Sylvan Group, LLC	Provides mechanical pre-construction services
05/17/2021	PES Environmental, Inc.	NV5 Global, Inc. (NasdaqCM:NVEE)	Provides environmental, site assessment, storm water management, compliance, industrial hygiene and litigation support services
05/17/2021	Baker's Waterproofing Co., Inc.	Groundworks Companies	Provides foundation repair, basement waterproofing, concrete lifting and crawl space repair services

(a) Midwest Region
(b) Mountain West Region
Sources: S&P Capital IQ

Bridgepoint Executive Summary


- **Market-leading boutique investment bank providing M&A and capital raising advisory solutions focused on the Industrial Services industry**
- 276+ years cumulative investment banking experience spanning 220 transactions
- \$121+ billion of M&A, capital raising, corporate finance and M&A transaction advisory service experience
- 98 completed M&A assignments spanning more than \$36 billion
- 122 completed corporate finance transactions, raising more than \$85 billion in capital

Selected Recent Bridgepoint Transactions

 DBI, Inc. <i>Reliable...Responsive...Resourceful...Proactive</i> HAS BEEN ACQUIRED BY  SpireCapital Sell-side Advisory Financial Advisor	 TWIN EAGLE™ HAS BEEN ACQUIRED BY  Buy-side advisory Sole Financial Advisor	 CONTRACTORS Siding Windows & Roofing Supply HAS BEEN ACQUIRED BY  SRS Distribution Sell-side advisory Financial Advisor	 BADLANDS TANK LINES TEXAS Acquisition and global financing Sole Financing Arranger	 BRIGHT FARMS Growth debt financing Sole Financing Arranger
 Dabarc Data Advisors HAS BEEN ACQUIRED BY  DMR Buy-side advisory Financial Advisor	 diabetes supply HAS BEEN ACQUIRED BY  adapthealth Sell-side advisory Financial Advisor	 PrairieLife FITNESS HAS BEEN ACQUIRED BY THE ATHLETIC CLUB Sell-side advisory Financial Advisor	 HONEY SHRED FISH CO. HAS BEEN ACQUIRED BY  McCarthy Capital Sell-side advisory Financial Advisor	 Dabarc Data Advisors HAS BEEN ACQUIRED BY  DMR Buy-side advisory Financial Advisor

The list contained herein represents selected transactions completed by Bridgepoint principals while associated with Bridgepoint Investment Banking, as well as securities transactions on which they advised in their capacity as investment bankers registered with various broker-dealers.

Sectors of Focus

 Industrials & Transportation	 Technology	 Healthcare	 Business & IT Services	 Consumer & Retail
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276 YEARS OF EXPERIENCE	\$121B IN TRANSACTIONS	220 TOTAL TRANSACTIONS
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Senior Leadership

 Matt Plooster Founder & CEO	 Bryan Wallace Managing Director	 Gary Grote Managing Director	 Mike Anderson Managing Director	 Nick Orr Managing Director
 Wm. Lee Merritt MD & General Counsel	 Chad Gardiner Director	 Joe Liss Managing Director	 Natasha Plooster COO	 Subhash Marineni Vice President

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