

The Keystone: Trends in the Architecture & Engineering Industry



Chartwell Financial Advisory

Q2 2024

The Keystone: Trends in the Architecture & Engineering Industry

Chartwell's architecture and engineering (AE) industry vertical has counseled some of the largest and most well-known AE firms in the U.S. Providing a full complement of financial advisory services, Chartwell has advised on more than 300 AE mandates over the past three years while primarily serving employee-owned firms and investors.

The Keystone focuses on current trends in M&A and public market activity within the AE sector.

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Welcome to the Q2 2024 edition of The Keystone!

Our intention with this newsletter is to provide you with information on financial matters applicable to the AE sector including industry indicators, capital markets insights, M&A activity, and public market trends. The Keystone is published bi-annually for Q2 and Q4.

We hope you enjoy this edition of The Keystone. Please let us know if there is any additional information you would like to see in future issues.

– Your Friends at Chartwell

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Chartwell Advises Sanderson Bellecci on Recapitalization Transaction

Our team has a long and proven history of providing independent transaction advisory services that lead to the most optimal solutions for all parties involved. Contact [Ryan Rassin](#) to learn more about this transaction.



Senior Credit Facilities Provided by

The undersigned acted as exclusive financial advisor to Sanderson Bellecci, Inc.

CHARTWELL

April 2024

“The Sanderson Bellecci team thanks Chartwell for their professional and efficient approach in placing new credit facilities in support of our strategic objectives. Throughout each step of the transaction, Chartwell provided valuable advice on potential structures, financing partners, and relevant considerations that allowed our management team to make highly informed decisions and determine the optimal path forward. The Chartwell team truly added value to our deal. They were a pleasure to work with over the course of the capital raise process, and we look forward to working with them again in the future.”

– Michael Sanderson, CEO, Sanderson Bellecci

Transaction Overview

- Sanderson Bellecci (the "Company") closed on new senior secured credit facilities consisting of a revolving line of credit, term loan, and a delayed draw term loan (collectively, the "Facilities"); proceeds from the Facilities were utilized to refinance existing senior indebtedness and pay off a related party note utilized to consummate Sanderson Bellecci's latest acquisition
- Financed by Zions Bancorporation, N.A. dba California Bank & Trust ("CB&T"), the newly funded credit facilities provide Sanderson Bellecci with advantageous terms, pricing, and a significant amount of flexibility including, but not limited to, no personal guarantee requirements from key stakeholders, the ability to make payments on subordinated seller notes subject to certain criteria, and a delayed draw term loan that provides the Company with additional committed capital to pursue its acquisition strategy
- Chartwell served as Sanderson Bellecci's exclusive financial advisor across all facets of the transaction and provided strategic counsel to the Company as it evaluated numerous financing alternatives in pursuit of sustainable growth and significant operating flexibility.

About Sanderson Bellecci

- Formed through the merger of three separate entities — Bellecci & Associates, Inc., Sanderson Stewart, Inc., and Summit Engineering Corporation — Sanderson Bellecci is a preeminent community design and engineering consulting firm; in December 2023, the Company acquired Coleman Engineering, Inc., expanding the Sanderson Bellecci umbrella; across all four entities, the Company offers a fulsome suite of consulting services inclusive of, but not limited to, civil infrastructure, water and wastewater engineering, land development, community planning, and surveying and mapping
- Each entity possesses long-standing, trusted relationships with clients in their particular geographies and unmatched technical expertise in their respective niches; Sanderson Bellecci's 180 employees operate in ten western states.

Chartwell Hosts Inaugural Employee-Owned A/E Summit

On June 20, 2024, Chartwell hosted its first event for architecture and engineering clients and prospective relationships who credit employee ownership as a key component of their firm's success. The Employee-Owned A/E Summit ("the Summit") was held in Minneapolis, Minnesota and focused on topics important to A/E firm leaders while fostering exclusive peer roundtable discussions throughout the day.

Private equity, higher valuation multiples, and the war for talent have combined to put increasing stress on employee-owned firms in the industry. Our strategically focused Summit was curated to address both the benefits and challenges of employee ownership, while collectively exploring elements critical to driving continued success in a dynamic environment.

Summit Session Topics

Ownership & Compensation Philosophy

- There are several broad goals of shared ownership including protecting culture, generating (and sharing) value, and addressing ongoing capital needs. This presentation addresses sustainability of the employee-owned firm with the perspectives of ownership and compensation philosophy.

Profit Allocation Decision

- Operating profit is used to drive stock price growth as well as to fund bonuses, retirement plan contributions, taxes, repurchase obligations/stock redemptions, and dividends/distributions. This session focuses on ways to balance the allocation of a firm's operating profit and the implications thereof.

Growth Through Acquisitions

- Whether it's cultural benefits or real structural financial considerations, employee-owned firms have a lot to offer when pursuing acquisitions. This panel discussion features firms that have leveraged these advantages as they grow through acquisition.

Representative Attendees

Chartwell was thrilled to host 45 leading CEOs and CFOs from over 35 unique A/E firms located across the country. Representative company size ranged from 500 to 5,000+ employees and \$25M to 1.0B+ revenue.



We thank all attendees for a successful event and look forward to hosting our next Summit in June 2025. In order to maintain a valuable experience, registration will be on an invite-only basis. Connect with [Leah Prescott](#) to learn more.

Attendee Feedback

"Very relevant and targeted content. Great roundtable discussion groups."

"Interesting to hear how others run their companies."

"Networking with other industry peers was great."

"Nice change from other consultant-led symposiums geared towards the A/E market."

"Prepared presentations were enlightening. Breakout sessions were very effective. Right amount of people in each group."

"Enjoyed the panel discussion followed by roundtable discussion - it was a good format to introduce a topic and get some perspective before a deeper discussion in the roundtables."

Industry Activity Indicators

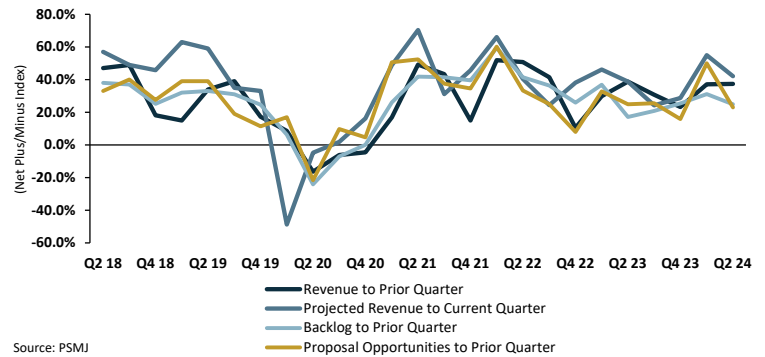
June 2024 Construction Spending			
	\$ Billion	3MMA	12MMA
Private Nonresidential	\$736.6	4.4%	10.4%
Manufacturing	\$234.8	19.6%	34.1%
Power	\$124.1	10.2%	8.2%
Commercial	\$120.1	(13.9%)	(5.9%)
Office	\$82.9	(0.9%)	(1.2%)
Data Center	\$27.2	64.7%	55.0%
Healthcare	\$53.1	3.4%	8.8%
Communication	\$27.7	1.8%	8.6%
Education	\$24.2	6.2%	14.4%
Lodging	\$22.7	(9.3%)	4.5%
Public Nonresidential	\$465.9	21.2%	16.0%
Highway & Street	\$143.5	6.6%	14.9%
Education	\$101.9	7.8%	14.9%
Transportation	\$45.6	2.5%	3.0%
Sewage & Waste	\$44.0	10.4%	16.5%
Water Supply	\$30.0	14.0%	13.7%
Power	\$19.7	24.3%	48.5%

Seasonally Adjusted Annual Rate
Source: U.S. Census Bureau

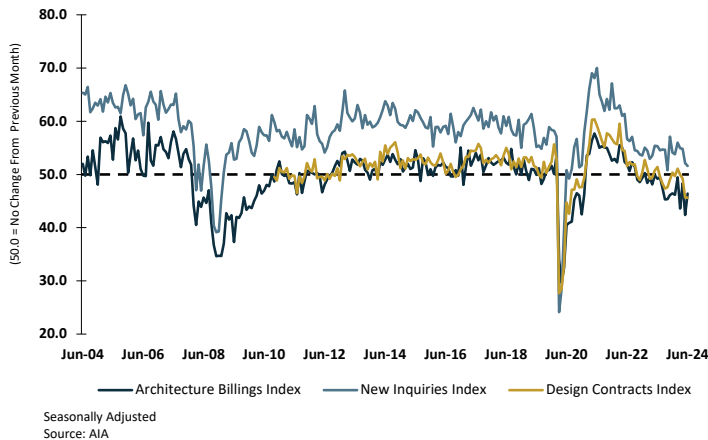
AIA Consensus Construction Forecast		
	2024	2025
Nonresidential Total	7.4%	2.0%
Commercial Total	(0.1%)	1.3%
Office	2.8%	1.0%
Retail & Other Commercial	(1.8%)	0.3%
Hotel	(0.3%)	6.6%
Industrial Total	13.7%	0.1%
Institutional Total	10.7%	4.1%
Health	7.3%	4.0%
Education	10.1%	4.4%
Religious	12.5%	0.8%
Public Safety	30.3%	4.2%
Amusement & Recreation	11.7%	3.9%

As of July 2024
Source: American Institute of Architects (AIA)

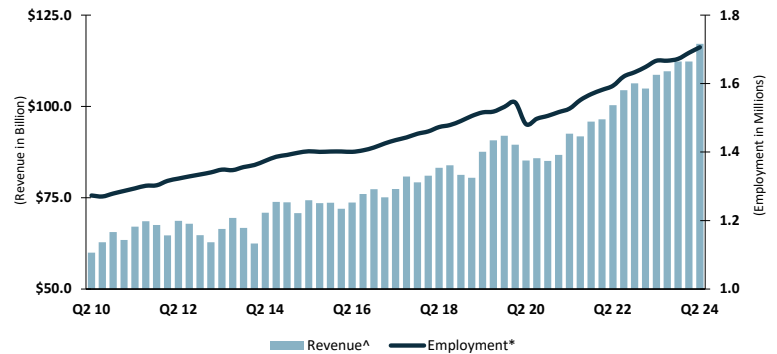
Revenue, Projected Revenue, Backlogs, and Proposal Opportunities



Work-on-the-Boards Survey Data



Engineering, Architectural, and Related Services

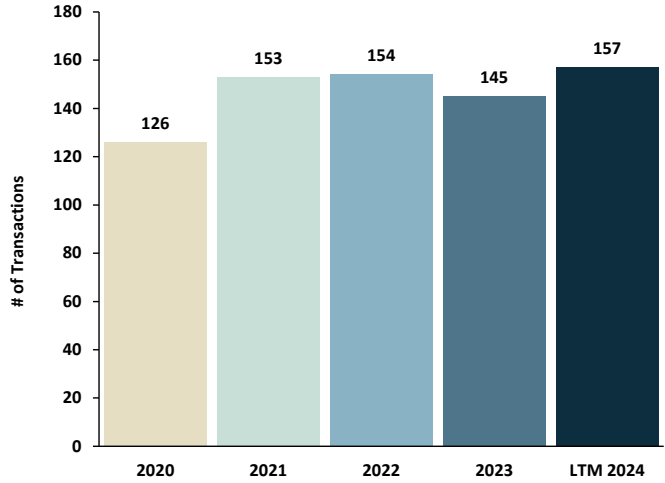


Chartwell Commentary

Merger & Acquisition Observations

Over the past few years, the broader U.S. M&A environment has seen moderate declines, in both deal volume and deal value, amid a high interest rate environment. However, the A/E market was relatively insulated from the downturn. In fact, most A/E dealmakers have yet to experience a slowdown and few anticipate a deceleration in the near term. Outside of the lost COVID quarter in 2020, A/E deal volume has been elevated and remarkably steady over the past five years. This trend has continued into 2024. Demand for companies remains strong from both strategic and financial buyers, particularly as private equity and family offices continue to reach lower into the middle market.

M&A Activity: AE Industry



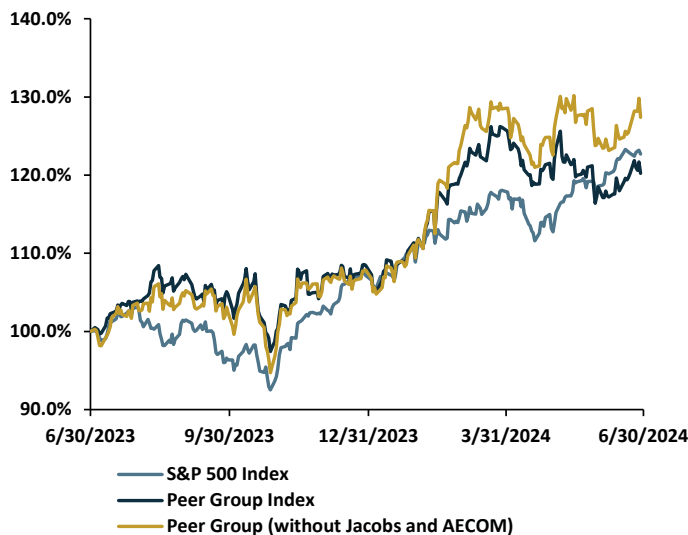
Source: Capital IQ

Guideline Public Company Observations

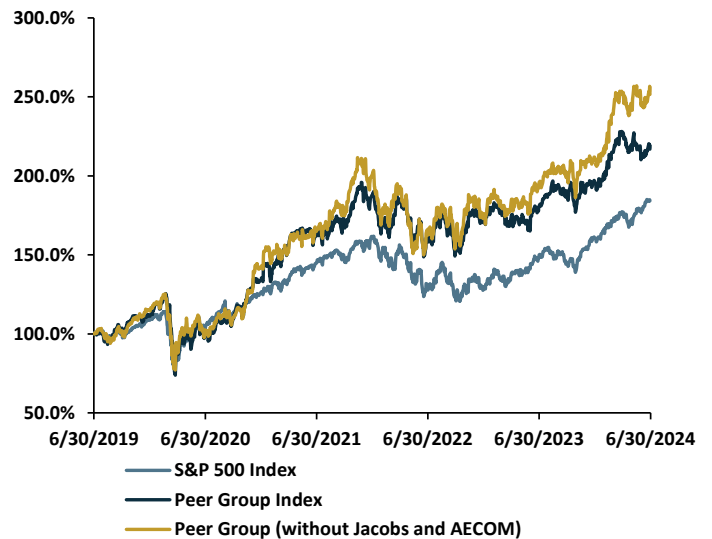
Over the twelve months ended June 30, 2024, financial performance from the guideline public companies remained robust. Revenue growth was up approximately 15-20% during this period, and EBITDA was up approximately 20-25%. This performance largely mirrors recent years. Equity returns for most of the Peer Group follow a similar trend, and thus, market multiples remained mostly flat.

Moving forward, the financial outlook remains strong for the guideline public companies, both on a revenue and EBITDA basis. As with the broader economy, election years provide uncertainty; however, as IJIA funds continue to flow through the economy, there is plenty of optimism for this industry.

One-Year Index Performance



Five-Year Index Performance



AE Index Market & Financial Performance

		Enterprise Value			Equity Value		
Company	Ticker	12/31/ 2023	6/30/ 2024	YTD Δ	12/31/ 2023	6/30/ 2024	YTD Δ
Jacobs Solutions Inc.	NYSE:J	19,031	20,242	6.4%	16,396	17,493	6.7%
AECOM	NYSE:ACM	13,666	13,187	(3.5%)	12,569	11,998	(4.5%)
WSP Global Inc.	TSX:WSP	20,920	22,490	7.5%	17,533	19,408	10.7%
AtkinsRéalis Group Inc.	TSX:ATRL	7,290	9,016	23.7%	5,671	7,591	33.9%
Parsons Corporation	NYSE:PSN	7,274	9,617	32.2%	6,578	8,692	32.1%
Tetra Tech, Inc.	NasdaqGS:TTEK	9,599	11,680	21.7%	8,889	10,939	23.1%
Stantec Inc.	NYSE:STN	10,589	10,977	3.7%	9,188	9,545	3.9%
NV5 Global Inc.	NasdaqGS:NVEE	1,949	1,703	(12.6%)	1,766	1,501	(15.0%)
Montrose Environmental Group Inc.	NYSE:MEG	1,277	1,911	49.6%	970	1,519	56.6%
Willdan Group Inc.	NasdaqGM:WLDN	382	450	17.6%	293	399	35.9%
Bowman Consulting Group Ltd.	NasdaqGM:BWMN	573	645	12.6%	520	562	7.9%
Average		8,414	9,265	14.4%	7,307	8,150	17.4%
Median		7,290	9,617	12.6%	6,578	8,692	10.7%

Company	Revenue			EBITDA			EBITDA Margin		
	LTM \$	LTM Δ	NTM Δ	LTM \$	LTM Δ	NTM Δ	5-Year Avg.	LTM	NTM
Jacobs Solutions Inc.	16,904	8.5%	0.6%	1,404	1.2%	13.0%	8.7%	8.3%	9.3%
AECOM	15,350	13.4%	6.6%	1,021	12.1%	10.8%	6.2%	6.7%	6.9%
WSP Global Inc.	10,732	14.2%	NA	1,137	26.7%	NA	9.3%	10.6%	NA
AtkinsRéalis Group Inc.	6,554	15.4%	5.3%	516	66.0%	35.4%	5.6%	7.9%	10.1%
Parsons Corporation	5,805	31.3%	11.2%	572	49.8%	(0.4%)	8.6%	9.9%	8.8%
Tetra Tech, Inc.	4,113	30.0%	7.1%	538	33.9%	12.3%	12.1%	13.1%	13.7%
Stantec Inc.	3,846	12.3%	14.0%	524	17.8%	39.6%	12.3%	13.6%	16.7%
NV5 Global Inc.	891	14.1%	7.1%	115	1.4%	46.8%	13.9%	12.9%	17.7%
Montrose Environmental Group Inc.	648	19.8%	12.2%	73	21.8%	36.3%	NA	11.3%	13.7%
Willdan Group Inc.	530	20.5%	(1.3%)	44	68.0%	14.9%	6.8%	8.4%	9.8%
Bowman Consulting Group Ltd.	365	27.9%	25.9%	16	(12.7%)	NA	NA	4.3%	NA
Average	5,976	18.8%	8.9%	542	26.0%	23.2%	9.3%	9.7%	11.9%
Median	4,113	15.4%	7.1%	524	21.8%	14.9%	8.7%	9.9%	10.1%

\$ in millions

Source: Capital IQ, Data as of 6/30/2024

LTM = Last Twelve Months | NTM = Next Twelve Months

AE Index Implied Market Multiples

Company	Enterprise Value / EBITDA				YTD Δ	LTM Δ
	5-Year Avg.	6/30/ 2023	12/31/ 2023	6/30/ 2024		
Jacobs Solutions Inc.	15.8x	13.0x	12.9x	14.4x	+1.5x	+1.4x
AECOM	15.4x	14.3x	14.1x	12.9x	-1.2x	-1.4x
WSP Global Inc.	27.8x	21.7x	20.0x	19.8x	-0.2x	-2.0x
AtkinsRéalis Group Inc.	28.0x	19.8x	19.2x	17.5x	-1.7x	-2.3x
Parsons Corporation	25.2x	14.7x	15.0x	16.8x	+1.8x	+2.1x
Tetra Tech, Inc.	32.3x	23.8x	19.9x	21.7x	+1.7x	-2.1x
Stantec Inc.	27.9x	19.3x	22.1x	20.9x	-1.2x	+1.6x
NV5 Global Inc.	16.8x	16.5x	17.8x	14.8x	-3.0x	-1.7x
Montrose Environmental Group Inc.	NA	25.2x	18.2x	26.1x	+7.9x	+0.9x
Willdan Group Inc.	15.1x	13.0x	10.2x	10.1x	-0.1x	-2.9x
Bowman Consulting Group Ltd.	NA	26.5x	28.8x	40.7x	+11.9x	+14.2x
Average	22.7x	18.9x	18.0x	19.6x	+1.6x	+0.7x
Median	25.2x	19.3x	18.2x	17.5x	-0.1x	-1.4x

Source Data Provided by Capital IQ as of 6/30/2024
LTM = Last Twelve Months | NTM = Next Twelve Months

Recent & Upcoming Events

- | | |
|---|---|
| <p>Sept 18-20</p> <p>NCEO Fall Forum
Indianapolis, IN
<i>Presentations by Chartwell Experts about Ownership & Compensation, Acquisition Capital, and Repurchase Obligation</i></p> | <p>Oct 20-23</p> <p>ACEC Fall Conference
New Orleans, LA
<i>Connect with Joe Skorczewski, Ryan Graham, and Matt Clark</i></p> |
| <p>Sept 22-24</p> <p>ACEC Finance Forum
Denver, CO
<i>Networking Events hosted by Joe Skorczewski & Ryan Graham</i></p> | <p>Nov 6-8</p> <p>DPRCG Convocation
Atlanta, GA
<i>Presentation by Joe Skorczewski about Ownership Transition</i></p> |
| <p>Sept 23-24</p> <p>ESCA Midwestern Regional Policy Conference
Chicago, IL
<i>Presentation by Will Bloom about Capital Markets</i></p> | <p>Nov 13-14</p> <p>The ESOP Association Employee Owned Conference
Las Vegas, NV
<i>Presentations by Chartwell Experts about Compensation, Sustainability, and Valuation</i></p> |

Merger & Acquisition Activity

Western Region				
Announce/ Close Date	Acquirer	Target	Target HQ Location	Target Primary Sector
1/4/2024	SI Solutions	SC Solutions, Inc.	Sunnyvale, CA	Structural Engineering
1/8/2024	ALL4 Inc.	Whatcom Environmental Services, Inc.	Bellingham, WA	Environmental Engineering
1/8/2024	LJB Inc.	Bridge & Stream Engineering, Inc.	Denver, CO	Civil Engineering
1/9/2024	Verdantas LLC	Peterson Brustad Inc.	Folsom, CA	Environmental Engineering
1/16/2024	Border States Industries, Inc.	Winston Engineering Inc.	West Hollywood, CA	MEP Engineering
1/24/2024	DLR Group KKE	BraytonHughes Design Studios	San Francisco, CA	Architecture
2/1/2024	Cannon Design, Inc.	SRG Partnership, Inc.	Portland, OR	Architecture
2/6/2024	DCCM, LLC	Southstar Engineering And Consulting, Inc.	Riverside, CA	Civil Engineering
2/21/2024	Shive-Hattery, Inc.	Helix Design Group, Inc.	Tacoma, WA	Architecture
2/29/2024	Montrose Environmental Group, Inc.	Two Dot Consulting, LLC	Arvada, CO	Environmental Engineering
3/1/2024	Westwood Professional Services, Inc.	O'Dell Engineering Inc.	Modesto, CA	Civil Engineering
3/5/2024	True Environmental	Sundance Consultants, LLC	Pocatello, ID	Environmental Engineering
3/5/2024	Stengel-Hill Architecture, Inc.	CDS Architects, Inc.	San Diego, CA	Architecture
3/21/2024	Apex Companies, LLC	PBS Engineering and Environmental Inc.	Portland, OR	Environmental Engineering
4/11/2024	TranSystems Corporation	NCM Engineering Corporation	Irvine, CA	Civil Engineering
4/15/2024	HBG Design, LLC	Carlile Coatsworth Architects, Inc.	Irvine, CA	Architecture
5/1/2024	IMEG Corp.	The Rushing Company, L.L.C.	Seattle, WA	MEP Engineering
5/15/2024	PBK Architects, Inc.	Mcgranahan Associates, Inc.	Tacoma, WA	Architecture
5/15/2024	MG2 Corporation	Studio C Architecture LLC	Portland, OR	Architecture
5/31/2024	Montrose Environmental Group, Inc.	Paragon Soil and Environmental Consulting Inc.	Edmonton, AB	Environmental Engineering
6/3/2024	RS&H, Inc.	HB&A LLC	Colorado Springs, CO	Architecture
6/3/2024	Primera Engineers, Ltd.	Corey Electrical Engineering, Inc.	Englewood, CO	MEP Engineering
6/4/2024	Harley Ellis Devereaux Corporation	Larson Incitti Architects P.C.	Denver, CO	Architecture
6/5/2024	Ace Software Exports Limited	QeCAD	Woodland Hills, CA	Architecture
6/13/2024	Weaver Consultants Group LLC	Avocet Environmental, Inc.	Irvine, CA	Environmental Engineering
6/25/2024	RVi Planning	Russell + Mills Studios, Inc.	Fort Collins, CO	Civil Engineering

Southwestern Region				
Announce/ Close Date	Acquirer	Target	Target HQ Location	Target Primary Sector
1/3/2024	IMEG Corp.	JQ Engineering LLP	Austin, TX	Civil Engineering
1/17/2024	Wind Point Advisors, LLC	MOREgroup	Fort Worth, TX	Architecture
1/31/2024	Terracon Consultants, Inc.	Texplor of Dallas, Inc.	Dallas, TX	Other A&E
3/1/2024	Overland Partners, Inc.	Sanders Architecture, PLLC	Austin, TX	Architecture
3/11/2024	The HFW Companies, LLC	Kuo & Associates, LLC	Houston, TX	Civil Engineering
3/18/2024	Gannett Fleming, Inc.	DE Corp.	Houston, TX	Civil Engineering
4/4/2024	RVi Planning	Anderson Design Company, LLC	Phoenix, AZ	Architecture
4/8/2024	The HFW Companies, LLC	KFM Engineering & Design, LLC	Dallas, TX	Civil Engineering
5/1/2024	Criado & Associates, Inc.	Dunaway Associates, L.P.	Fort Worth, TX	Civil Engineering
5/9/2024	BMA Architecture, LLC	Whitneybell Perry, Inc.	Phoenix, AZ	Architecture
5/29/2024	Alliance Technical Group, LLC	RSB Solutions, Ltd Co.	Houston, TX	Environmental Engineering

Merger & Acquisition Activity

Midwestern Region				
Announce/ Close Date	Acquirer	Target	Target HQ Location	Target Primary Sector
1/1/2024	BLDD Architects Inc.	Dickinson Hussman Architects, P.C.	Saint Louis, MO	Architecture
2/16/2024	Bowman Consulting Group Ltd.	Speece Lewis Engineers, LLC	Lincoln, NE	Civil Engineering
3/11/2024	Verdantas LLC	Lewandowski Engineers, LLC	Toledo, OH	Civil Engineering
4/1/2024	Fehr Graham & Associates, LLC	Midwest Engineering Associates, Inc.	East Peoria, IL	Civil Engineering
4/10/2024	Verdantas LLC	Ct Consultants, Inc.	Mentor, OH	Architecture
4/26/2024	Clark Dietz, Inc.	RS Engineering, LLC	Lansing, MI	Civil Engineering

Northeastern Region				
Announce/ Close Date	Acquirer	Target	Target HQ Location	Target Primary Sector
1/2/2024	Vollers Inc.	Layout Inc.	Newfoundland, NJ	Civil Engineering
1/12/2024	Atwell, LLC	BEI Engineering Group, LLC	Saddle Brook, NJ	Civil Engineering
1/18/2024	Atwell, LLC	Karins and Associates, Inc.	Newark, DE	Civil Engineering
1/19/2024	H.I.G. Capital, LLC	CHA Consulting, Inc.	Albany, NY	Other A&E
1/31/2024	PACIV, Inc.	Data Science Automation, Inc.	McMurray, PA	Other A&E
2/1/2024	Trace Associates Inc.	XCG Consulting Ltd.	Oakville, ON	Environmental Engineering
2/1/2024	Geosyntec Consultants, Inc.	Gradco, LLC	Boston, MA	Environmental Engineering
3/12/2024	CHA Consulting, Inc.	D'Huy Engineering, Inc.	Bethlehem, PA	Other A&E
3/21/2024	AE Works Ltd.	WTW Architects	Pittsburgh, PA	Architecture
3/22/2024	Sayres and Associates LLC	Global Systems Technologies, Inc.	Yardley, PA	Other A&E
4/5/2024	True Environmental	Triton Environmental, LLC	Guilford, CT	Environmental Engineering
4/16/2024	Bowman Consulting Group Ltd.	Moore Consulting Engineers LLC	Shamong, NJ	MEP Engineering
4/22/2024	LJB Inc.	Gorrill-Palmer Consulting Engineers, Inc.	South Portland, ME	Civil Engineering
4/30/2024	TWD Technologies Ltd.	Galletta Engineering Corporation	Pittsburgh, PA	Civil Engineering
5/1/2024	WSP Global Inc.	AKF Group LLC	New York, NY	MEP Engineering
5/13/2024	GAI Consultants, Inc.	Creighton Manning, a GAI Company	Albany, NY	Civil Engineering
6/5/2024	RODE Architects Inc	McMahon Architects, Inc.	Boston, MA	Architecture
6/24/2024	Clark Patterson Engineers, Surveyor and Architects P.C.	JPT Healthcare Architects, PC	Johnstown, PA	Architecture
6/24/2024	TIGRIS Aquatic Services LLC	Aquatic Analysts, Inc.	Newton, NJ	Environmental Engineering

Southeastern Region				
Announce/ Close Date	Acquirer	Target	Target HQ Location	Target Primary Sector
1/16/2024	Verdantas LLC	Flatwoods Consulting Group, LLC	Tampa, FL	Environmental Engineering
1/19/2024	NV5 Global, Inc.	Causseaux, Hewett, & Walpole, Inc.	Alachua, FL	Civil Engineering
1/16/2024	Verdantas LLC	Flatwoods Consulting Group, LLC	Tampa, FL	Environmental Engineering
1/19/2024	NV5 Global, Inc.	Causseaux, Hewett, & Walpole, Inc.	Alachua, FL	Civil Engineering
1/25/2024	Woolpert, Inc.	Bermello Ajamil & Partners, Inc.	Miami, FL	Architecture
2/19/2024	Pape-Dawson Engineers, Inc.	Maxwell-Reddick and Associates, Inc.	Statesboro, GA	Civil Engineering
2/20/2024	WSB & Associates, Inc.	AE Engineering, Inc.	Jacksonville, FL	Civil Engineering

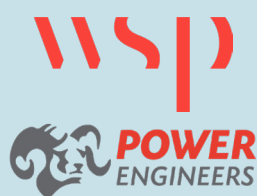
Merger & Acquisition Activity

Southeastern Region (continued)				
Announce/ Close Date	Acquirer	Target	Target HQ Location	Target Primary Sector
2/21/2024	DCCM, LLC	Chastain-Skillman, LLC	Lakeland, FL	Civil Engineering
2/26/2024	Traffic & Mobility Consultants LLC	O'Rourke Engineering & Planning	Stuart, FL	Civil Engineering
2/29/2024	RMA Group, Inc.	Insight Group LLC	North Charleston, SC	Environmental Engineering
3/4/2024	Michael Graves Architecture & Design	Studio Four Design Inc.	Knoxville, TN	Architecture
3/5/2024	Greenberg Farrow Architecture Incorporated	DBI Architects Inc.	Reston, VA	Architecture
3/12/2024	Salas O'Brien Engineers, Inc.	I. C. Thomasson Associates, Inc.	Nashville, TN	MEP Engineering
3/14/2024	NV5 Global, Inc.	Fluhrer Reed PA	Raleigh, NC	Structural Engineering
3/18/2024	Pape-Dawson Engineers, Inc.	Ragan-Smith-Associates, Inc.	Nashville, TN	Civil Engineering
3/25/2024	Olsson, Inc.	FTN Associates, Ltd.	Little Rock, AR	Environmental Engineering
4/15/2024	Pape-Dawson Engineers, Inc.	Q. Grady Minor & Associates, P.A.	Bonita Springs, FL	Civil Engineering
4/17/2024	AllClear Underground Solutions, LLC	Metals & Materials Engineers, LLC	Stone Mountain, GA	Environmental Engineering
5/6/2024	LaBella Associates, D.P.C.	Engr3 LLC	Alpharetta, GA	MEP Engineering
5/6/2024	Traffic & Mobility Consultants LLC	Lincks & Associates, LLC	Tampa, FL	Civil Engineering
5/7/2024	Sterling Investment Partners Advisors, LLC	Verdantas LLC	Tampa, FL	Environmental Engineering
5/9/2024	STV Group, Inc.	MEHTA and Associates, Inc.	Winter Park, FL	Civil Engineering
5/29/2024	PRIME AE Group, Inc.	Connelly & Wicker LLC	Jacksonville, FL	Civil Engineering
6/3/2024	Barge Design Solutions, Inc.	Core Engineering Group, LLC	Orlando, FL	Civil Engineering
6/3/2024	The Branch Group, Inc.	Young & McQueen Grading Company, Inc.	Burnsville, NC	Environmental Engineering
6/12/2024	Atwell, LLC	Biscayne Engineering Company, Inc.	Miami, FL	Civil Engineering
6/20/2024	Atwell, LLC	Hydro Consultants, Inc.	Baton Rouge, LA	Civil Engineering
6/30/2024	Markel Group Inc.	Valor Environmental SE, LLC	Winter Springs, FL	Environmental Engineering

Select International				
Announce/ Close Date	Acquirer	Target	Target HQ Location	Target Primary Sector
1/31/2024	Montrose Environmental Group, Inc.	Epic Environmental Pty Ltd	Brisbane, QLD	Environmental Engineering
4/3/2024	NV5 Global, Inc.	ASG Engineering Consultants	Dubai, UAE	Structural Engineering
5/31/2024	WSP Global Inc.	1A Ingenieros S.L.	Valladolid, NA	Other A&E

Source: Capital IQ, Data as of 12/31/2023

ANALYST COVERAGE



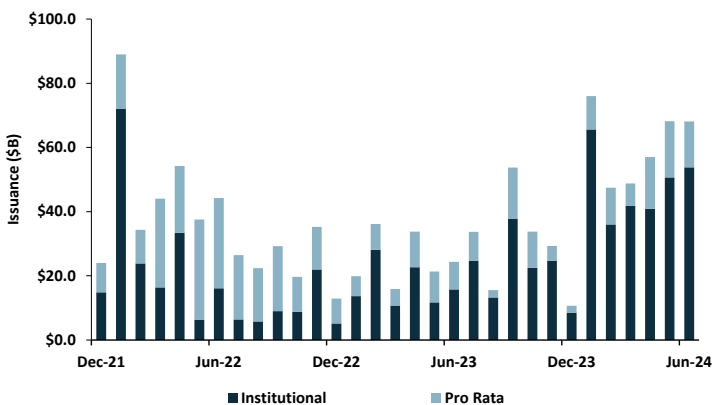
On August 12, 2024, WSP Global Inc. (“WSP”) announced its acquisition of POWER Engineers (“P&E”) for \$1.78 billion, with the transaction expected to close in Q4 2024. P&E, a major player in the power and energy sectors, has achieved over a decade of double-digit organic growth, leading to revenue and EBITDA multiples of 2.1x and 18.0x (calculated on 2023 performance), respectively. Through the acquisition, WSP increases its U.S. market share, anticipating P&E to represent roughly one fifth of WSP’s U.S. revenues.

Capital Markets Update

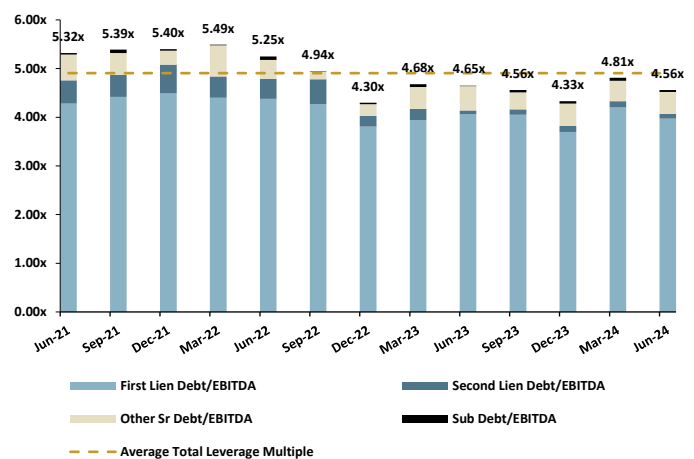
Continued resurgence in the broadly syndicated loan market and expected rate cuts exerted downward pressure on pricing through the first half of 2024.

- Lending volumes continue their rebound from 2023 lows as participants take advantage of loosened credit standards among issuers; despite this, M&A volumes remain depressed, with most borrowers looking to the market to either refinance existing facilities or for dividend recapitalizations
- Forecasted rate cuts before year-end will bring down all-in pricing, providing relief for borrowers strained by highly levered floating-rate facilities
- Investors continue to seek out quality borrowers of all sizes who demonstrate defensible markets, healthy margins, and economic tailwinds for goods and services; top rated credits with reasonable leverage profiles are seeing favorable terms
- In the bank market, syndication participants continue to require ancillary revenue opportunities in exchange for participating in larger deals

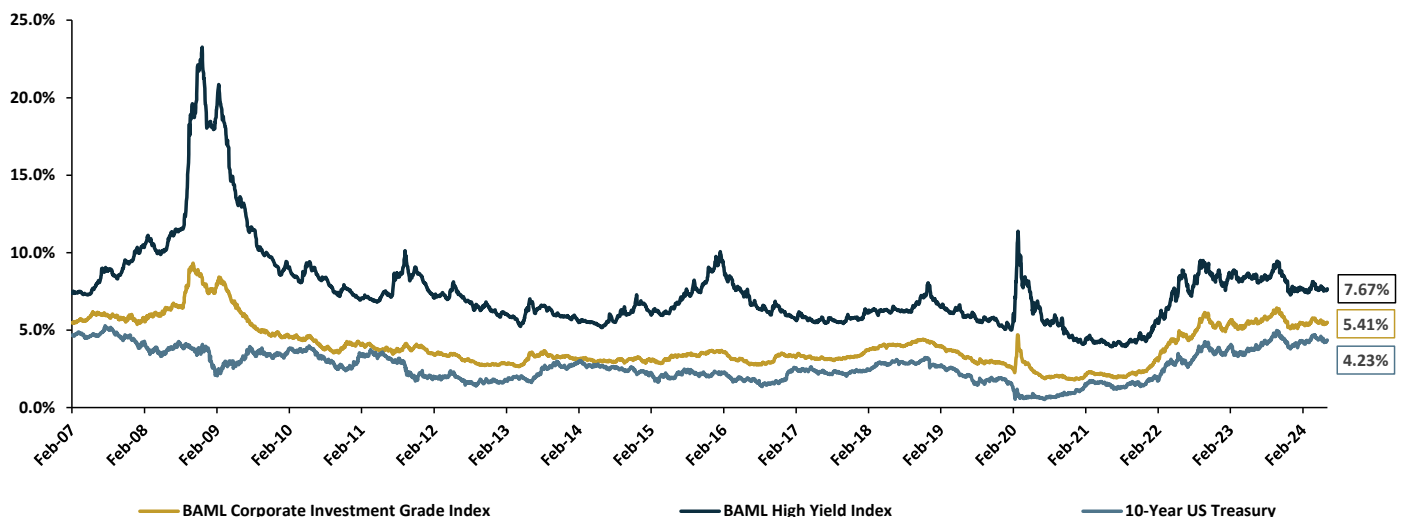
U.S. Leveraged Loan Issuance



Historical Debt Multiples of Highly Leveraged Loans



Interest Rates



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