



The Blueprint: Trends in the Construction Industry



Chartwell Financial Advisory

Q3 2024

The Blueprint: Trends in the Construction Industry

Chartwell’s construction practice serves more than 150 industry clients across the country. Our team has experience with construction firms of various sizes and specialties. We provide compensation and ownership advisory, corporate finance, transaction opinion, and business valuation services to middle-market companies.

The Blueprint focuses on current M&A and public market trends within the construction sector.

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Welcome to the Q3 2024 edition of The Blueprint!

Our intention with this newsletter is to provide you with information on the broader construction industry coupled with M&A and public market trends and insights.

We hope you enjoy and 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 Shawmut on Acquisition of First Finish

Company Backgrounds

- Shawmut is a \$2 billion national construction management firm with a reputation for completing extremely complex and logistically challenging projects
- Shawmut is ranked #74 on the ENR Top 400 Contractors Report (2024) and is a 100% employee-owned company with 11 office locations, including New York, Boston, Los Angeles, Miami, West Palm Beach, and Las Vegas
- First Finish is a national, full-service general contractor with over 25 years of experience specializing in high-quality, on-time hotel and hospitality renovations
- First Finish has worked with over 300 hotels to transform more than 100,000 guest rooms across the country through its locations in Columbia, MD, Irvine, CA, and Fort Lauderdale, FL



Barclays Center The Toki Row Club
Shawmut Construction Management Services
Brooklyn, New York



Sheraton Steamboat Resort Villas
First Finish Guest Rooms Renovation Services
Steamboat Springs, Colorado

Transaction Overview

- On October 31, 2024, Shawmut acquired First Finish, a premier full-service hotel renovation contractor
 - This partnership combines Shawmut's expertise in large, complex hotel projects with First Finish's specialization in fast-track, luxury interiors
 - The acquisition of First Finish creates a unique all-in-one solution for clients, increasing scale and driving growth in Shawmut's hospitality business
- Throughout the transaction, Shawmut and First Finish demonstrated a strong cultural fit, a shared passion for understanding client needs, and the vision and resources necessary to accelerate growth and create meaningful opportunities for both businesses; First Finish will continue to pursue its own projects in addition to collaborative work with Shawmut
- Chartwell was engaged to provide advisory services to Shawmut and its management team for the acquisition; Chartwell delivered diligence, valuation, and transaction structure insights, as well as strategic guidance, as Shawmut evaluated several aspects of the opportunity

For additional information on this transaction or Chartwell's construction services, please contact [Matt Clark](#).

Industry Activity Indicators

September 2024 Construction Starts - Last 12 Months

	Y-Y	M-M	% of Total
Apartment	(14.4%)	(2.4%)	18.5%
Commercial	2.8%	(2.5%)	13.0%
Commercial	6.4%	0.1%	5.6%
Lodging	(3.3%)	(2.4%)	1.4%
Office	(19.6%)	(10.3%)	3.0%
Other	21.7%	(1.2%)	2.9%
Education/Healthcare	19.6%	2.4%	14.6%
Education	25.8%	(0.6%)	8.3%
Healthcare	11.5%	7.2%	6.3%
Industrial	(21.8%)	(2.4%)	25.2%
Energy/Chemical	(56.4%)	5.0%	7.5%
Manufacturing	(3.7%)	(7.4%)	8.8%
Warehouse	(30.6%)	2.4%	6.0%
Data Center	30.4%	(1.8%)	2.9%
Infrastructure	(3.6%)	(3.4%)	28.8%
Bridge	13.1%	2.9%	2.5%
Environmental	(14.0%)	(1.3%)	0.3%
Highway	(1.7%)	3.0%	6.5%
Infrastructure	(14.4%)	(4.2%)	11.1%
Power	4.7%	(8.7%)	8.3%
Total	(6.0%)	(1.9%)	100.0%

Projects \$20.0 million and above
Sources: KeyBanc and Dodge Data & Analytics

AIA Consensus Construction Forecast

	2024	2025
Nonresidential	7.4%	2.0%
Commercial	(0.1%)	1.3%
Office	2.8%	1.0%
Retail & Other	(1.8%)	0.3%
Hotel	(0.3%)	6.6%
Industrial	13.7%	0.1%
Institutional	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%

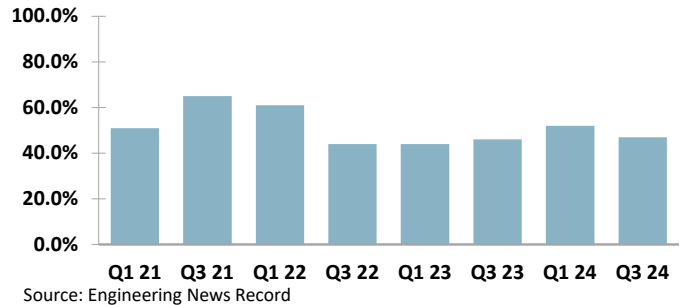
Source: American Institute of Architects (July 2024)

September 2024 Construction Spending

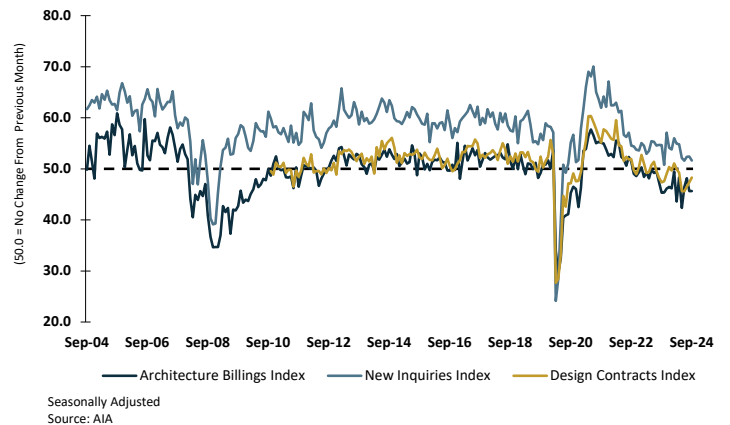
	\$ Billion	3MMA	12MMA
Private Nonresidential	\$740.0	4.0%	7.6%
Manufacturing	\$234.3	18.6%	26.9%
Power	\$124.4	8.8%	9.8%
Commercial	\$119.2	(14.9%)	(11.0%)
Office	\$83.9	1.1%	(0.5%)
Private Data Center	\$28.9	56.3%	59.3%
Healthcare	\$52.3	1.5%	6.9%
Education	\$25.7	5.6%	11.5%
Communication	\$27.8	(0.4%)	5.2%
Lodging	\$22.8	(9.2%)	(3.2%)
Public Nonresidential	\$483.5	8.6%	13.1%
Highway & Street	\$141.0	2.3%	11.3%
Education	\$104.2	5.9%	12.0%
Transportation	\$47.6	5.9%	3.9%
Sewage & Waste	\$44.6	7.4%	12.2%
Water Supply	\$32.2	20.9%	16.9%
Power	\$20.9	14.5%	34.7%
Conservation & Development	\$11.6	2.8%	4.5%

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

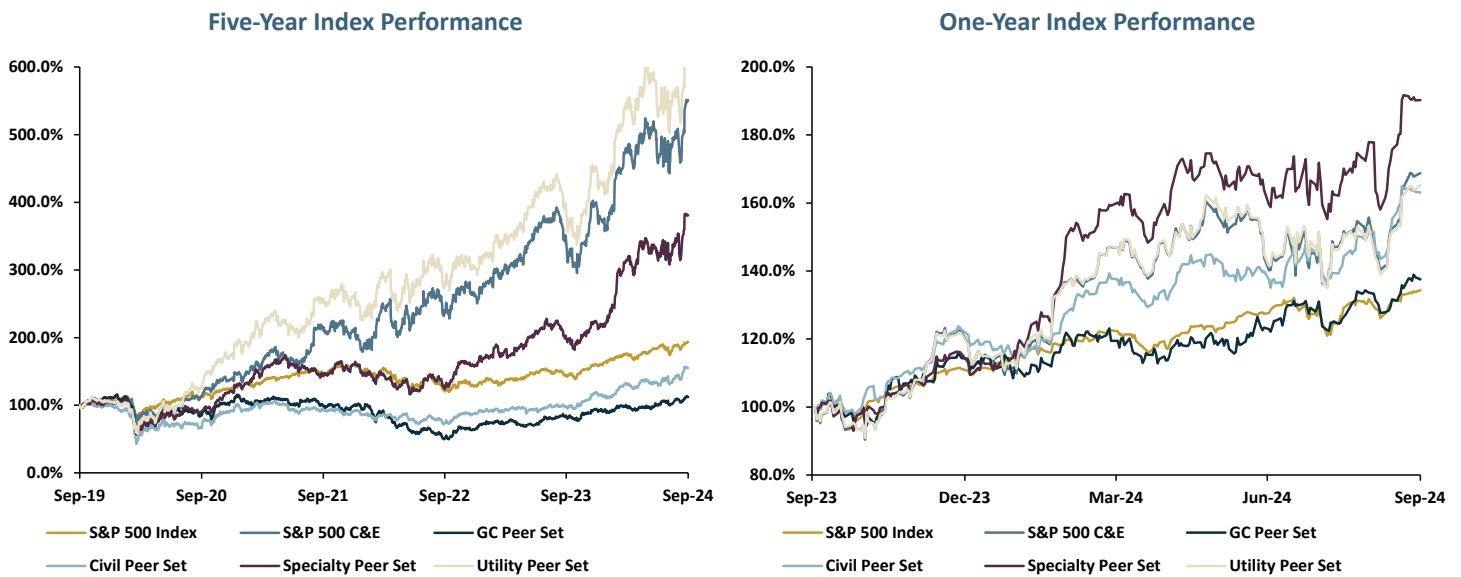
ENR Quarterly Confidence Index



Work-on-the-Boards Survey Data



Chartwell Public Company Construction Index



Chartwell’s Construction Index (“Construction Index”) is comprised of 30 unique companies representing a broad cross-section of firms in the commercial construction industry (excludes homebuilders). While many of these companies have multiple service lines, our focus is on firms that generate the majority of their revenue from contracting services.

The S&P Construction & Engineering (“C&E”) Index outperformed the S&P 500 Index and the Construction Index during the past year, albeit narrowly outperforming the latter. Both the Construction and C&E indices were bolstered by sustained profitability and expectations of future growth stemming from continued civil funding through the IJIA and energy infrastructure modernization. However, headwinds in the office, multi-family, and retail markets persist.

In general, companies in the Construction Index continue to perform well as median EBITDA growth totaled 22.0% during the twelve months ended September 30, 2024. Individual company performance continues to reflect industry and end market concentration; however, market expectations for member companies remain strong as all but one company with estimates is expecting EBITDA growth during the next twelve months, resulting in median growth of 26.5% for the index.

The median EBITDA margin of the Construction Index totaled 7.6% for the twelve months ended September 30, 2024 and all but two members generated positive margins during the past year. Expectations for profitability remain strong as the median EBITDA margin for the next twelve months is expected to total 9.5%, above the median five-year historical average EBITDA margin of 6.4%.

Analyzing multiples continues to be a challenge, especially given increases in the broader market during the latest twelve months and volatile EBITDA for many companies over the past few years which limits applicable reference points. The latest median EBITDA multiple for the Construction Index of 13.6x is up from 10.9x a year earlier and compares to 10.4x averaged over the past five years, indicating continued upward movement in valuation. However, when reviewing the companies individually, there has been volatility during the past year, particularly as it relates to exposure to civil funding dollars and grid infrastructure modernization tailwinds versus commercial real estate headwinds.

Everus Construction Group, Inc. Goes Public Through Spin-Off

Company Background

- Headquartered in Bismarck, North Dakota, Everus Construction Group, Inc. (“Everus”) is an Electrical & Mechanical (“E&M”) and Transmission & Distribution (“T&D”) contractor providing new construction, maintenance, and emergency restoration services for commercial, industrial, and utility clients
- Everus is ranked #9 on the ENR Top 600 Specialty Contractors Report (2024) with over \$2.8 billion total revenue
- Prior to the transaction, Everus operated as a wholly owned subsidiary of MDU Resources Group, Inc. (“MDU”), a natural gas and electric utility and construction materials company located in Bismarck, North Dakota



Transaction Overview

- The spin-off of Everus was executed on October 31, 2024 through a separation and pro rata distribution, with MDU distributing 100% of Everus’ outstanding common stock to shareholders of record as of October 21, 2024 (the “record date”)
 - MDU stockholders received one share of Everus common stock for every four shares of MDU common stock held on the record date while retaining ownership of their existing MDU shares
- 51.0 million shares of common stock were distributed to shareholders for a total consideration of \$2.7 billion, or \$53.03 per share
- As of market close, the enterprise value of Everus totaled \$2.8 billion; LTM revenue and EBITDA totaled \$2.7 billion and \$215.2 million, respectively, resulting in implied revenue and EBITDA multiples of 1.05x and 13.1x, respectively



MSG Sphere Construction
Electrical, Fire Protection, and Utility Services
Las Vegas, Nevada



KCI Terminal Modernization
Electrical Services
Kansas City, Missouri



Chamberlain Substation Construction
Utility Services
Chamberlain, South Dakota



Fontainebleau Remodel
Electrical, Mechanical, and Fire Protection Services
Completed December 2023 | Las Vegas, Nevada

Construction Index Market Performance

Company Name	Ticker	Enterprise Value					Equity Value				
		9/30/2023	3/31/2024	9/30/2024	6-Mo. Δ	FY 24 Δ	9/30/2023	3/31/2024	9/30/2024	6-Mo. Δ	FY 24 Δ
General Contractors¹		4,531	5,138	6,145	29.7%	49.6%	3,597	4,030	5,001	25.4%	84.2%
HOCHTIEF Aktiengesellschaft	XTRA:HOT	13,107	14,265	18,393	28.9%	40.3%	7,622	8,739	9,278	6.2%	21.7%
Skanska AB (publ)	OM:SKA B	7,748	8,749	10,203	16.6%	31.7%	6,785	7,308	8,578	17.4%	26.4%
Tutor Perini Corporation	NYSE:TPC	1,313	1,527	2,087	36.7%	58.9%	407	752	1,423	89.1%	249.6%
Bird Construction, Inc.	TSX:BDT	514	851	1,110	30.5%	115.8%	409	742	990	33.5%	142.0%
Civil Contractors¹		2,333	3,393	4,257	17.5%	59.5%	1,928	2,966	3,683	23.7%	86.7%
ACS Actividades de Construcción y Servicios	NYSE:APG	9,501	13,396	11,914	(11.1%)	25.4%	6,114	10,263	9,070	(11.6%)	48.4%
MDU Resources Group, Inc.	XTRA:HOT	13,107	14,265	18,393	28.9%	40.3%	7,622	8,739	9,278	6.2%	21.7%
Knife River Corporation	OM:SKA B	7,748	8,749	10,203	16.6%	31.7%	6,785	7,308	8,578	17.4%	26.4%
Sterling Infrastructure, Inc.	NYSE:MDU	6,233	7,370	7,796	5.8%	25.1%	3,987	5,133	5,589	8.9%	40.2%
Granite Construction, Inc.	NYSE:DY	3,410	4,967	6,679	34.5%	95.9%	2,611	4,176	5,736	37.4%	119.7%
Construction Partners, Inc.	NYSE:KNF	3,594	5,264	5,733	8.9%	59.5%	2,762	4,590	5,061	10.3%	83.2%
Tutor Perini Corporation	NYSE:PRIM	2,782	3,168	3,961	25.0%	42.4%	1,745	2,283	3,117	36.6%	78.6%
Aecon Group, Inc.	NasdaqGS:ROAD	2,333	3,393	4,137	21.9%	77.3%	1,928	2,966	3,683	24.2%	91.0%
Great Lakes Dredge & Dock Corporation	NasdaqGM:IESC	1,388	2,527	4,038	59.8%	191.0%	1,330	2,460	3,988	62.1%	199.8%
Specialty Contractors¹		855	1,046	1,369	11.6%	37.7%	606	674	1,369	15.7%	71.9%
EMCOR Group, Inc.	NYSE:EME	10,149	16,488	20,095	21.9%	98.0%	9,917	16,482	20,087	21.9%	102.6%
Comfort Systems USA, Inc.	NYSE:FIX	6,212	11,341	13,956	23.1%	124.7%	6,078	11,301	13,882	22.8%	128.4%
MasTec, Inc.	NYSE:MTZ	8,886	10,300	12,108	17.5%	36.3%	5,577	7,253	9,589	32.2%	71.9%
APi Group Corporation	NYSE:APG	9,501	13,396	11,914	(11.1%)	25.4%	6,114	10,263	9,070	(11.6%)	48.4%
IES Holdings, Inc.	NasdaqGM:IESC	1,388	2,527	4,038	59.8%	191.0%	1,330	2,460	3,988	62.1%	199.8%
Balfour Beatty plc	LSE:BBY	2,932	3,665	4,037	10.1%	37.7%	2,142	2,542	2,942	15.7%	37.3%
North American Construction Group Ltd.	TSX:NOA	855	1,046	1,015	(2.9%)	18.8%	582	595	502	(15.5%)	(13.7%)
Argan, Inc.	NYSE:AGX	606	674	1,369	103.3%	125.9%	606	674	1,369	103.3%	125.9%
Limbach Holdings, Inc.	NasdaqCM:LMB	371	483	876	81.3%	136.1%	349	461	854	85.2%	144.6%
INNOVATE Corporation	NYSE:VATE	681	766	725	(5.3%)	6.5%	128	56	48	(13.0%)	(62.4%)
Orion Group Holdings, Inc.	NYSE:ORN	236	337	314	(6.7%)	32.9%	174	267	225	(15.8%)	29.3%
Matrix Service Company	NasdaqGS:MTRX	331	356	318	(10.7%)	(4.1%)	321	356	318	(10.7%)	(1.1%)
Energy Services of America Corporation	NasdaqCM:ESOA	80	154	172	11.6%	115.6%	67	137	157	14.9%	134.9%
Utility Contractors¹		3,096	4,067	3,961	19.0%	45.9%	2,431	3,567	3,117	26.3%	70.2%
Quanta Services, Inc.	NYSE:PWR	31,388	41,555	46,918	12.9%	49.5%	27,162	37,866	43,926	16.0%	61.7%
Dycom Industries, Inc.	NYSE:DY	3,410	4,967	6,679	34.5%	95.9%	2,611	4,176	5,736	37.4%	119.7%
Primoris Services Corporation	NYSE:PRIM	2,782	3,168	3,961	25.0%	42.4%	1,745	2,283	3,117	36.6%	78.6%
Centuri Holdings, Inc.	NYSE:CTRI	NA	NA	2,474	NA	NA	NA	NA	1,430	NA	NA
MYR Group Inc.	NasdaqGS:MYRG	2,295	2,990	1,730	(42.1%)	(24.6%)	2,252	2,959	1,688	(43.0%)	(25.1%)
All Companies Average		4,950	6,405	7,279	20.0%	63.2%	3,632	5,123	5,830	22.4%	75.4%
All Companies Median		2,333	3,177	4,037	17.5%	49.5%	1,928	2,542	3,290	21.2%	78.6%

Source: Capital IQ as of 9/30/2024

\$ in millions

1. Peer Group Median

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Construction Index Financial Performance

Company Name	Revenue			EBITDA			EBITDA Margin		
	LTM \$	LTM % Δ	NTM % Δ	LTM \$	LTM % Δ	NTM % Δ	5-Year Avg.	LTM % Δ	NTM % Δ
General Contractors¹	10,155	9.2%	13.4%	295	6.6%	107.7%	4.4%	3.4%	6.0%
HOCHTIEF Aktiengesellschaft	31,493	5.7%	13.8%	1,429	6.6%	32.0%	4.8%	4.5%	5.3%
Skanska AB (publ)	16,052	5.4%	5.5%	481	(42.2%)	103.9%	5.4%	3.0%	5.8%
Tutor Perini Corporation	4,259	12.8%	13.0%	108	NA	176.2%	3.0%	2.5%	6.2%
Bird Construction, Inc.	2,293	19.5%	21.3%	85	18.7%	111.5%	3.9%	3.7%	6.5%
Civil Contractors¹	2,974	10.8%	9.2%	226	28.5%	26.5%	7.1%	11.6%	12.2%
ACS Actividades de Construcción y Servicios	40,133	4.3%	13.6%	892	(21.4%)	242.9%	2.9%	2.2%	6.7%
MDU Resources Group, Inc.	4,397	(9.3%)	5.9%	676	9.7%	8.0%	14.5%	15.4%	15.7%
Knife River Corporation	2,874	10.3%	4.1%	461	32.6%	4.3%	NA	16.0%	16.1%
Sterling Infrastructure, Inc.	2,070	10.8%	8.9%	291	24.4%	9.9%	11.0%	14.1%	14.2%
Granite Construction, Inc.	3,805	16.8%	8.1%	226	63.6%	93.6%	4.3%	5.9%	10.6%
Construction Partners, Inc.	1,761	18.8%	15.2%	204	69.8%	21.4%	9.9%	11.6%	12.2%
Tutor Perini Corporation	4,259	12.8%	13.0%	108	NA	176.2%	3.0%	2.5%	6.2%
Aecon Group, Inc.	2,974	(19.0%)	9.2%	(115)	NA	NA	1.6%	(3.9%)	6.9%
Great Lakes Dredge & Dock Corporation	668	12.1%	15.0%	105	NA	31.7%	13.8%	15.7%	17.9%
Specialty Contractors¹	1,365	11.0%	19.1%	214	38.4%	26.4%	6.7%	8.1%	9.3%
EMCOR Group, Inc.	13,746	17.4%	11.2%	1,244	56.0%	14.7%	7.0%	9.1%	9.3%
Comfort Systems USA, Inc.	6,083	29.2%	19.1%	696	76.3%	16.7%	8.9%	11.4%	11.2%
MasTec, Inc.	12,185	11.0%	6.8%	869	6.3%	17.5%	9.3%	7.1%	7.8%
API Group Corporation	6,874	0.7%	7.7%	707	17.2%	35.2%	8.6%	10.3%	12.9%
IES Holdings, Inc.	2,758	17.6%	NA	317	119.1%	NA	6.8%	11.5%	NA
Balfour Beatty plc	10,195	2.4%	30.3%	221	(17.9%)	116.6%	1.6%	2.2%	3.6%
North American Construction Group Ltd.	797	22.1%	21.8%	214	35.8%	52.0%	24.2%	26.8%	33.4%
Argan, Inc.	713	48.0%	19.4%	47	20.8%	79.9%	6.7%	6.6%	10.0%
Limbach Holdings, Inc.	512	(0.0%)	5.5%	51	38.4%	7.8%	5.9%	10.0%	10.2%
INNOVATE Corporation	1,365	(10.2%)	NA	92	50.0%	NA	3.7%	6.7%	NA
Orion Group Holdings, Inc.	723	0.3%	24.6%	26	NA	91.8%	3.0%	3.7%	5.6%
Matrix Service Company	728	(8.4%)	26.1%	(19)	NA	NA	(2.6%)	(2.6%)	1.0%
Energy Services of America Corporation	352	31.6%	(1.3%)	29	96.6%	(28.7%)	6.1%	8.1%	5.9%
Utility Contractors¹	4,434	11.8%	4.1%	399	17.0%	18.6%	7.6%	8.1%	9.7%
Quanta Services, Inc.	22,031	20.0%	16.6%	1,793	19.5%	38.9%	8.1%	8.1%	9.7%
Dycom Industries, Inc.	4,434	9.6%	11.5%	557	23.2%	9.6%	10.0%	12.6%	12.3%
Primoris Services Corporation	6,021	14.0%	4.1%	399	14.6%	0.5%	7.0%	6.6%	6.4%
Centuri Holdings, Inc.	2,640	NA	4.1%	230	NA	20.1%	NA	8.7%	10.0%
MYR Group Inc.	3,588	6.7%	(0.6%)	131	(25.9%)	18.6%	5.3%	3.6%	4.4%
All Companies Average	6,951	10.4%	12.2%	415	28.8%	51.0%	7.0%	8.0%	9.9%
All Companies Median	3,281	10.8%	11.4%	228	22.0%	26.5%	6.4%	7.6%	9.5%

Source: Capital IQ as of 9/30/2024

\$ in millions

1. Peer Group Median

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Construction Index Implied Market Multiples

Company Name	Enterprise Value / EBITDA					6-Mo. Δ	LTM Δ
	5-Year Avg.	Q3 2023	Q1 2024	Q3 2024	Q1 2025E		
General Contractors¹	9.6x	9.3x	10.8x	16.2x	8.4x	22.7%	81.7%
HOCHTIEF Aktiengesellschaft	9.6x	9.8x	10.5x	12.9x	9.7x	22.7%	31.6%
Skanska AB (publ)	11.3x	9.3x	14.9x	21.2x	10.4x	42.4%	127.9%
Tutor Perini Corporation	9.7x	NA	NA	19.3x	7.0x	NA	NA
Bird Construction, Inc.	8.3x	7.2x	10.8x	13.0x	6.1x	20.7%	81.7%
Civil Contractors¹	13.2x	11.1x	16.8x	17.6x	9.8x	2.6%	20.4%
ACS Actividades de Construcción y Servicios	17.9x	17.9x	17.3x	27.9x	8.1x	61.4%	55.8%
MDU Resources Group, Inc.	10.2x	10.1x	11.4x	11.5x	10.7x	1.0%	14.0%
Knife River Corporation	NA	10.3x	12.1x	12.4x	11.9x	2.6%	20.3%
Sterling Infrastructure, Inc.	9.6x	11.1x	14.2x	16.4x	14.9x	15.1%	47.6%
Granite Construction, Inc.	14.7x	15.6x	21.4x	18.9x	9.8x	(11.8%)	20.6%
Construction Partners, Inc.	18.1x	19.4x	19.3x	20.2x	16.7x	4.7%	4.4%
Tutor Perini Corporation	9.7x	NA	NA	19.3x	7.0x	NA	NA
Aecon Group, Inc.	11.7x	7.5x	27.2x	NA	5.3x	NA	NA
Great Lakes Dredge & Dock Corporation	25.7x	*91.7x	16.4x	10.7x	8.1x	(34.7%)	NA
Specialty Contractors¹	10.3x	10.9x	12.5x	15.0x	12.5x	(4.1%)	27.4%
EMCOR Group, Inc.	11.1x	12.7x	16.6x	16.1x	14.1x	(2.5%)	27.0%
Comfort Systems USA, Inc.	14.0x	15.7x	22.8x	20.1x	17.2x	(12.0%)	27.4%
MasTec, Inc.	9.8x	10.9x	13.1x	13.9x	11.9x	6.7%	28.2%
API Group Corporation	16.3x	15.8x	19.9x	16.9x	12.5x	(15.2%)	7.0%
IES Holdings, Inc.	10.3x	9.6x	12.0x	12.8x	NA	6.2%	32.8%
Balfour Beatty plc	24.2x	10.9x	11.8x	18.3x	8.4x	54.8%	67.7%
North American Construction Group Ltd.	5.3x	5.4x	6.0x	4.8x	3.1x	(21.3%)	(12.5%)
Argan, Inc.	NA	15.6x	18.2x	29.1x	16.2x	59.4%	86.9%
Limbach Holdings, Inc.	8.6x	10.0x	10.7x	17.1x	15.9x	59.7%	70.6%
INNOVATE Corporation	34.2x	11.1x	11.7x	7.9x	NA	(32.7%)	(29.0%)
Orion Group Holdings, Inc.	*117.4x	*448.7x	21.5x	11.9x	6.2x	(44.6%)	NA
Matrix Service Company	6.6x	NA	NA	NA	35.9x	NA	NA
Energy Services of America Corporation	5.1x	5.5x	6.4x	6.0x	8.4x	(5.7%)	9.7%
Utility Contractors¹	10.4x	10.5x	13.0x	12.0x	10.9x	11.0%	24.7%
Quanta Services, Inc.	18.3x	20.9x	24.3x	26.2x	18.8x	7.5%	25.1%
Dycom Industries, Inc.	10.3x	7.5x	9.7x	12.0x	10.9x	23.6%	58.9%
Primoris Services Corporation	7.2x	8.0x	8.7x	9.9x	9.9x	14.6%	24.2%
Centuri Holdings, Inc.	NA	NA	NA	10.8x	9.0x	NA	NA
MYR Group Inc.	10.5x	13.0x	16.2x	13.2x	11.1x	(18.7%)	1.8%
Average	13.0x	11.6x	15.0x	15.4x	11.7x	7.8%	34.6%
Median	10.4x	10.9x	14.2x	13.6x	10.5x	5.5%	27.2%

Source: Capital IQ as of 9/30/2024

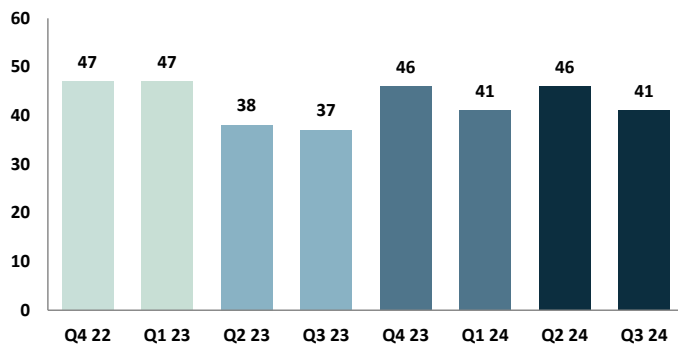
* Outlier not included in average and median calculations

1. Peer Group Median

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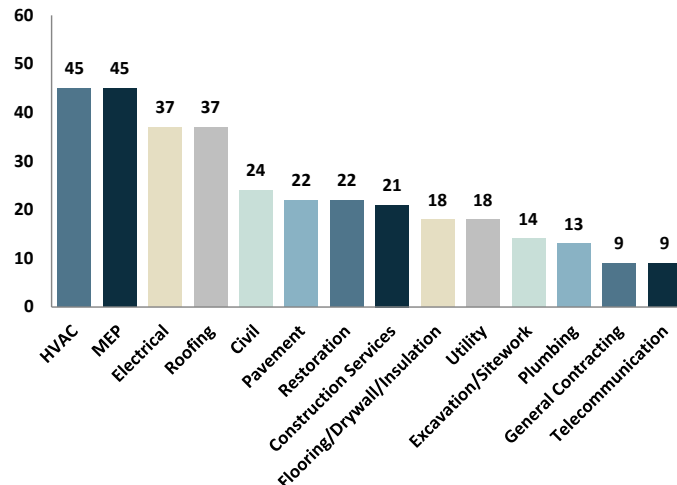
Merger & Acquisition Activity

Construction Industry Transactions by Quarter (Past 24 months)



Source: Capital IQ

Construction Industry Transactions by Sector (Past 24 months)



Western Region

Date	Acquirer	Target	Target HQ Location	Target Primary Sector
4/11/2024	Highland Commercial Roofing, LLC	Fidelity Roof Company, Inc.	Oakland, CA	Roofing
5/3/2024	Undisclosed	V.O. Brothers Mechanical, LLC	Ogden, UT	MEP
6/18/2024	CoolSys, Inc.	Universal Refrigeration, Inc.	Auburn, WA	HVAC
6/24/2024	Groundworks, LLC	EagleLIFT, Inc.	Rancho Cucamonga, CA	Excavation/Sitework
7/17/2024	Quanta Services, Inc.	Cupertino Electric, Inc.	San Jose, CA	Electrical
7/31/2024	Pye-Barker Fire & Safety, LLC	Treasure Valley Fire Protection, Inc.	Boise, ID	Construction Services
8/1/2024	Bow River Asset Management LLC	Elite Surface Infrastructure LLC	Englewood, CO	Civil
8/14/2024	Sciens Building Solutions, LLC	Western Fire Protection, Inc.	Poway, CA	Construction Services
8/14/2024	Equity Residential	Bishop, Inc.	Orange, CA	Roofing
9/27/2024	Leonard Green & Partners, L.P.	GeoStabilization International LLC	Westminster, CO	Excavation/Sitework

Midwestern Region

Date	Acquirer	Target	Target HQ Location	Target Primary Sector
4/9/2024	ACI Holdings Group, LLC	S&K Asphalt & Concrete, LLC	Akron, OH	Pavement
4/17/2024	Aligned Exteriors Group	Fargo Roofing & Siding, LLC	Fargo, ND	Roofing
5/3/2024	Constructel Visabeira, SA	Verità Telecommunications Corporation	Plymouth, MI	Telecommunication
5/6/2024	Mno-Bmadsen	OJS Building Services Inc.	Mishawaka, IN	MEP
5/17/2024	Sila Heating & Air Conditioning, Inc.	MACI Holdings LLC	White Lake, MI	Plumbing
5/30/2024	Angeles Equity Partners, LLC	J3 Construction, Inc.	Chicago, IL	Roofing
5/31/2024	Marsden Services, L.L.C.	Feldkamp Enterprises, Inc.	Cincinnati, OH	MEP
6/7/2024	Rival Holdings, LLC	Laux Construction, LLC	Mason, MI	General Contracting
6/14/2024	Accuserve Solutions, Inc.	Aspen Exteriors Inc.	Ramsey, MN	Roofing
6/24/2024	Great Lakes Systems, Inc.	Weather Shield Roofing Systems, Inc.	Wyoming, MI	Roofing

Merger & Acquisition Activity

Midwestern Region (continued)				
Date	Acquirer	Target	Target HQ Location	Target Primary Sector
6/30/2024	Emerald Lake Capital Management, L.P.	Five Star Energy Services, LLC	Waukesha, WI	Utility
7/8/2024	AVALT Holdings; Vantedge Partners, LP	Suburban Drywall, Inc.	Waukesha, WI	Flooring/Drywall/Insulation
7/10/2024	ACI Holdings Group, LLC	Professional Paving and Concrete, Inc.	Glen Ellyn, IL	Pavement
7/15/2024	Tecta America Corporation	Sterling Commercial Roofing, Inc.	Sterling, IL	Roofing
7/23/2024	Exigent Services, LLC	Smith-Boughan, Inc.	Lima, OH	MEP
7/25/2024	Morgan Stanley Private Equity	American Restoration Operations LLC	Indianapolis, IN	Restoration
8/8/2024	Gamut Capital Management, L.P.	Airtron Heating & Air Conditioning, Inc.	Cleveland, OH	HVAC
8/9/2024	Pelican Energy Partners LP	Electrical Builders, Ind.	Saint Cloud, MN	Utility
8/23/2024	Built Solutions, LLC	Built Interior Construction, LLC	Overland Park, KS	Flooring/Drywall/Insulation
9/4/2024	Pye-Barker Fire & Safety, LLC	Phoenix Fire Systems, Inc.	Frankfort, IL	Construction Services
9/16/2024	Painters USA, Inc.	Lakeside Painting, Inc.	Eagle, WI	Construction Services

Southwestern Region				
Date	Acquirer	Target	Target HQ Location	Target Primary Sector
4/11/2024	Criticore	Jenco, Inc.	Scottsdale, AZ	Electrical
5/31/2024	TopBuild Corp.	Texas Insulation	Dallas, TX	Flooring/Drywall/Insulation
6/12/2024	PremiStar, LLC	SI Mechanical, LLC	Buda, TX	MEP
6/17/2024	Installed Building Products, Inc.	Won Holdings LLC	Oklahoma City, OK	Flooring/Drywall/Insulation

Northeastern Region				
Date	Acquirer	Target	Target HQ Location	Target Primary Sector
4/2/2024	Empowered Ventures, Inc.	Benoure Plumbing and Heating, Inc.	South Burlington, VT	MEP
4/4/2024	Sila Heating & Air Conditioning, Inc.	Glasco Heating & Air Conditioning, Inc.	South Windsor, CT	HVAC
4/19/2024	Sila Heating & Air Conditioning, Inc.	T-Mark Plumbing, Inc.	Buffalo, NY	MEP
5/13/2024	Undisclosed	T & B Electric Co., Inc.	Crofton, MD	Electrical
5/15/2024	Start Elevator Inc.	G-Tech Elevator Associates, LLC	Linden, NJ	Elevator
5/31/2024	Gendron & Gendron, Inc.	St. Laurent & Son, Inc.	Lewiston, ME	Civil
6/5/2024	Vinci SA	Newport Construction Corp	Nashua, NH	Pavement
6/26/2024	Valcourt Building Services, LC	Lupini Construction, Inc.	Utica, NY	Restoration
7/8/2024	Aggreko Energy Transition Solutions Inc.	Infiniti Energy Services LLC	Hamilton, NJ	Electrical
7/10/2024	Sila Heating & Air Conditioning, Inc.	Dave's World	Augusta, ME	HVAC
7/23/2024	Exigent Services, LLC	Electrical Automation Systems, Inc.	Pasadena, MD	Electrical
7/29/2024	Mollitiam Holdings, LLC	BluRoc, LLC	Northampton, MA	Excavation/Sitework
8/26/2024	Boyne Capital Management, LLC; BCM Fund II, LP	Premier Building Associates, LLC	North Branford, CT	Roofing
9/3/2024	Limbach Holdings, Inc.	Kent Island Mechanical, Inc.	Laurel, MD	MEP
9/26/2024	Constructel Visabeira, SA	Sargent Electric Company, Inc.	Pittsburgh, PA	Electrical
9/30/2024	CoolSys, Inc.	Mechanical Engineering & Construction, LLC	Catonsville, MD	MEP

Merger & Acquisition Activity

Southeastern Region				
Date	Acquirer	Target	Target HQ Location	Target Primary Sector
4/1/2024	Littlejohn & Co., LLC	United Air Temp, Air Conditioning & Heating, Inc.	Lorton, VA	HVAC
4/2/2024	Evolution Strategy Partners	Amped Electric LLP	Charleston, SC	Electrical
4/2/2024	Creative Service Partners	All Year Cooling And Heating, Inc.	Coral Springs, FL	HVAC
4/18/2024	HPI, LLC	Pro Serv Industrial Contractors, LLC	Sanford, FL	HVAC
4/29/2024	Vulcan Materials Company	Whitaker Contracting Corp.	Guntersville, AL	Pavement
4/30/2024	Southern Home Services, Inc	David Gray Plumbing, Incorporated	Jacksonville, FL	MEP
5/1/2024	The Scruggs Company	Sunbelt Asphalt Surfaces, Inc.	Auburn, GA	Pavement
5/6/2024	Skyline Roofing Partners	Elo Roofing	Jacksonville, FL	Roofing
5/22/2024	Nabholz Corporation	Brothers Construction, LLC	Van Buren, AR	Excavation/Sitework
5/29/2024	C.W. Matthews Contracting Company, Inc.	Baker Constructors, Inc.	Pooler, GA	Civil
6/3/2024	The Branch Group, Inc.	Young & McQueen Grading Company, Inc.	Burnsville, NC	Excavation/Sitework
6/3/2024	Fred Smith Company	Hudson Paving, Inc.	Rockingham, NC	Pavement
6/3/2024	Roofing Services Solutions, LLC	West Orange Roofing, LLC	Tavares, FL	Roofing
6/4/2024	Thermal Concepts LLC	5 Seasons Mechanical, LLC	Peachtree Corners, GA	HVAC
6/5/2024	The H.T. Hackney Co.	Johnson & Galyon, Inc.	Knoxville, TN	General Contracting
6/11/2024	CopperPoint	Quality Plumbing & Mechanical LLC	Morristown, TN	MEP
6/11/2024	Undisclosed	GridTek Utility Services	Melbourne, FL	Utility
7/2/2024	Pye-Barker Fire & Safety, LLC	CFP Holdings, Inc.	Tampa, FL	Construction Services
7/12/2024	Hidden Harbor Capital Partners, LLC	Tri Scapes, LLC	Alpharetta, GA	Construction Services
7/15/2024	AEA Investors LP; AEA Investors Private Equity	Nations Roof LLC	Mobile, AL	Roofing
7/17/2024	Pye-Barker Fire & Safety, LLC	Allstar Fire Protection Inc.	Madison, TN	Construction Services
7/30/2024	Sunland Asphalt & Construction, Inc.	Georgia Paving Inc	Duluth, GA	Pavement
8/1/2024	Construction Partners, Inc.	Robinson Paving Company	Columbus, GA	Pavement
8/6/2024	The Master Trades Group	Freedom Air and Heat, Inc.	Rockledge, FL	MEP
8/12/2024	Granite Construction Incorporated	Dickerson & Bowen, Inc.	Brookhaven, MS	Pavement
8/16/2024	Landry/French Construction Co. Inc.	MH Williams Construction Group, Inc.	Melbourne, FL	General Contracting
8/21/2024	Rampart Exterior Services	Independent Roofing Systems, Inc.	Pearl, MS	Roofing
9/4/2024	Frontline Road Safety	Emerald Coast Striping, L.L.C.	Panama City, FL	Pavement
9/5/2024	Cascade Residential Services, LLC	Smith And Keene Electric Service Inc.	Chesapeake, VA	MEP
9/5/2024	Cascade Residential Services, LLC	Sun Group Enterprises, Inc.	Melbourne, FL	Plumbing
9/10/2024	Construction Partners, Inc.	John G. Walton Construction Company, Inc.	Mobile, AL	Civil
9/13/2024	Del-Air Heating, Air Conditioning & Refrigeration	American Residential Services LLC	Memphis, TN	MEP

Select Canada				
Date	Acquirer	Target	Target HQ Location	Target Primary Sector
4/4/2024	RESA Power, LLC	AVATT Inc.	Edmonton, AB	Utility
5/1/2024	Canstar Construction L.P.	Lydale Construction (1983) Co. Ltd	Saskatoon, SK	Restoration
8/1/2024	Bird Construction Inc.	Jacob Bros Construction Inc.	Surrey, BC	Civil
9/6/2024	TEAM Group	S. & T. Electrical Contractors Limited	Sault Ste. Marie, ON	MEP

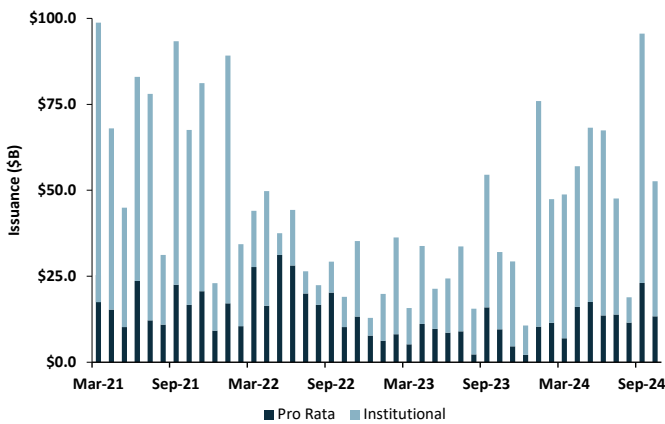
Source: Capital IQ as of 9/30/2024

Capital Markets Update

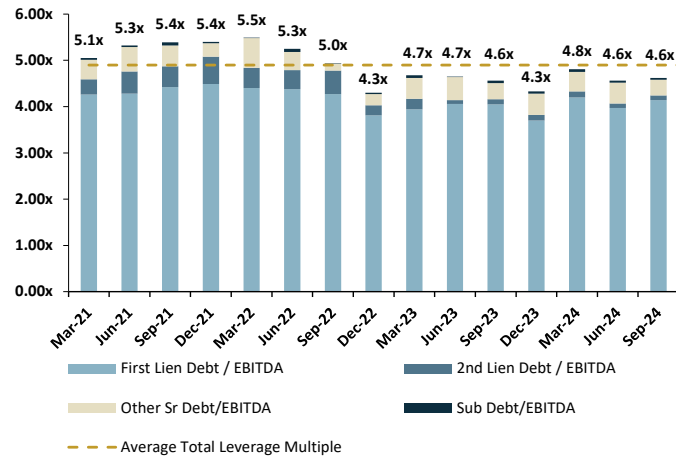
A sustained rebound in broadly syndicated loan volume and rate cuts exerted downward pressure on pricing through the first three quarters of 2024.

- Loan volume increases have been largely driven by non-M&A activity including refinances, recapitalizations, and opportunistically repricing higher cost deals
- Spreads have narrowed and are at or near multi-year lows as pricing competition continues to heat up between the broadly syndicated loan market and direct lenders
- The Fed began its highly anticipated easing cycle with a 50bps rate cut in mid-September; further rate cuts will bring down all-in pricing, providing relief for borrowers strained by highly levered floating-rate facilities
 - While buyout financing remains at depressed levels, participants expect to see an uptick in activity with additional rate cuts likely
- Investors continue to seek out quality borrowers of all sizes who demonstrate defensible markets, healthy margins, and economic tailwinds for their goods and services; top rated credits with reasonable leverage profiles are receiving favorable terms and pricing in today's market
- In the bank market, syndication participants continue to require ancillary revenue opportunities in exchange for participating in larger deals

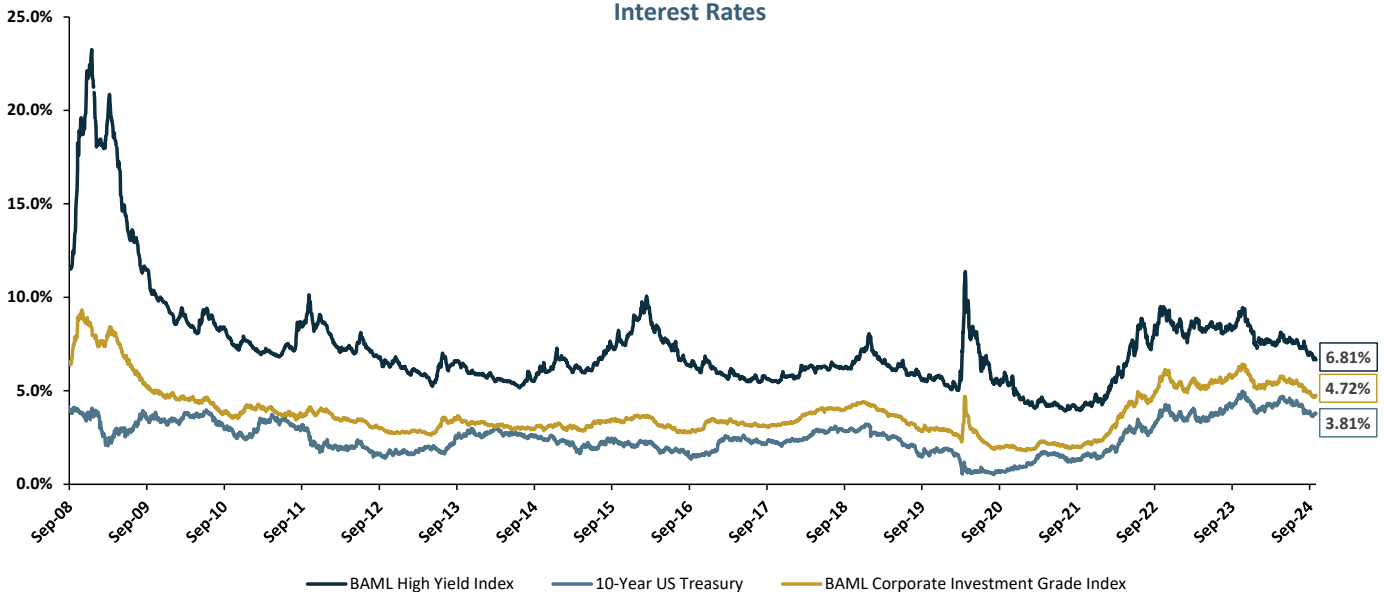
U.S. Leveraged Loan Issuance



Historical Debt Multiples of Highly Leveraged Loans



Interest Rates



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