



Houlihan
Lokey

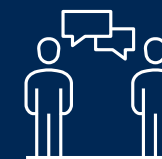
Engineering, Industrial,
and Infrastructure
Services Market Update

Q2 2024

About Our Firm

Houlihan Lokey, Inc. (NYSE:HLI) is a leading global investment bank with expertise in mergers and acquisitions, capital markets, financial restructuring, and financial and valuation advisory.

Our firm is the trusted advisor to more top decision-makers than any other independent global investment bank.



Learn more about how our advisors can serve your needs

CORPORATE FINANCE

2023 M&A Advisory Rankings
All Global Transactions

Advisor	Deals
1 Houlihan Lokey	352
2 Rothschild & Co	349
3 Goldman Sachs & Co	300
3 JP Morgan	300
5 Morgan Stanley	253

Source: LSEG (formerly Refinitiv).
Excludes accounting firms and brokers.

No. 1

Global M&A Advisor

Leading

Capital Markets Advisor

FINANCIAL RESTRUCTURING

2023 Global Distressed Debt &
Bankruptcy Restructuring Rankings

Advisor	Deals
1 Houlihan Lokey	73
2 PJT Partners Inc	64
3 Rothschild & Co	51
4 Lazard	37
5 Evercore Partners	27

Source: LSEG (formerly Refinitiv).

No. 1

Global Restructuring Advisor

1,700+

Transactions Completed Valued at
More Than \$3.5 Trillion Collectively

FINANCIAL AND VALUATION ADVISORY

1999–2023 Global M&A
Fairness Advisory Rankings

Advisor	Deals
1 Houlihan Lokey	1,247
2 JP Morgan	1,035
3 Duff & Phelps, A Kroll Business	977
4 UBS	884
5 Morgan Stanley	716

Source: LSEG (formerly Refinitiv).
Announced or completed transactions.

No. 1

Global M&A Fairness Opinion
Advisor Over the Past 25 Years

2,000+

Annual Valuation Engagements

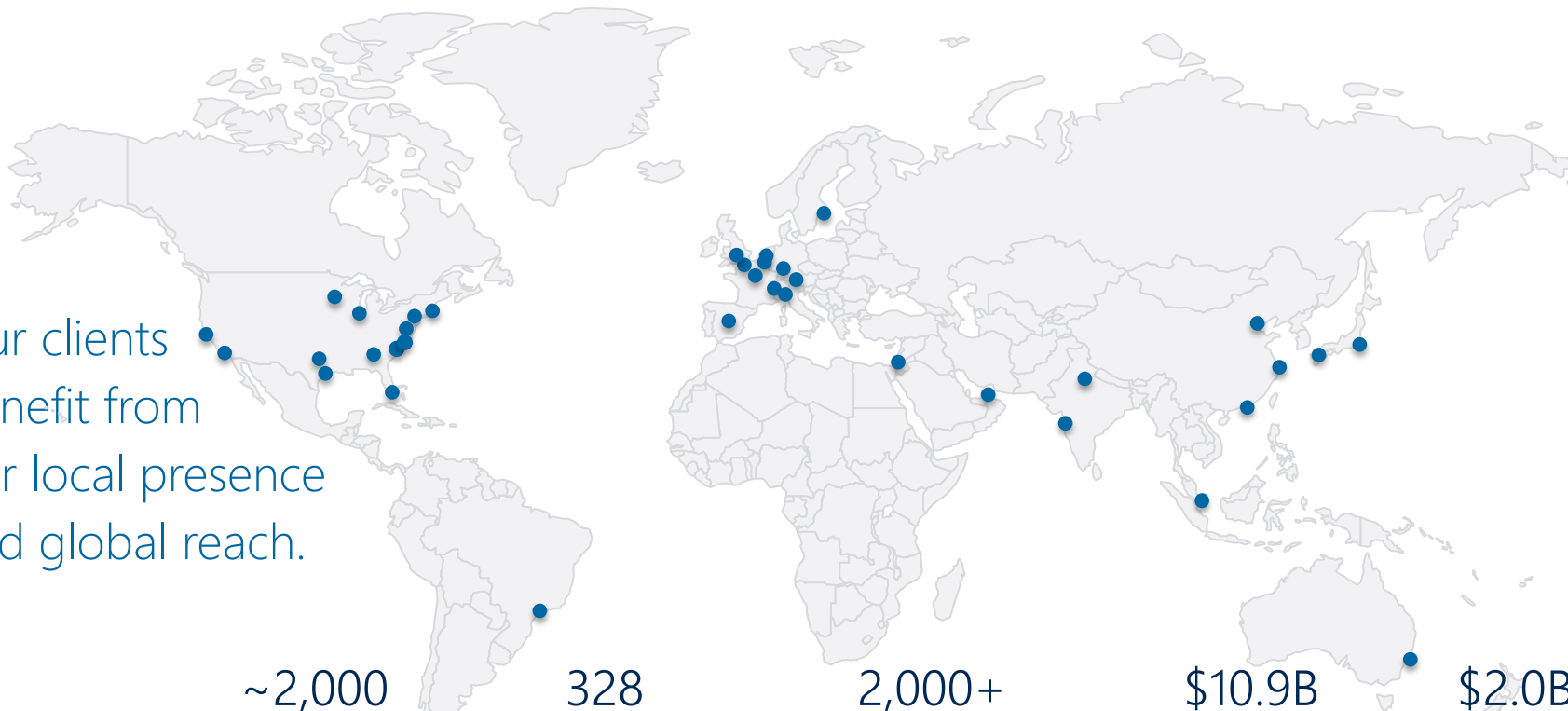
Corporate Finance →

Financial Restructuring →

Financial and
Valuation Advisory →

Our Industry Coverage →

Our clients benefit from our local presence and global reach.



36 Locations Worldwide ~2,000 Total Financial Professionals 328 Managing Directors⁽¹⁾ 2,000+ Clients Served Annually \$10.9B Market Cap⁽²⁾ \$2.0B Annual Revenue⁽³⁾

- AMERICAS**
- Atlanta
 - Baltimore
 - Boston
 - Charlotte
 - Chicago
 - Dallas
 - Houston
 - Los Angeles
 - Miami
 - Minneapolis
 - New York
 - San Francisco
 - São Paulo
 - Washington, D.C.

- EUROPE AND MIDDLE EAST**
- Amsterdam
 - Antwerp
 - Dubai
 - Frankfurt
 - London
 - Madrid
 - Manchester
 - Milan
 - Munich
 - Paris
 - Stockholm
 - Tel Aviv
 - Zurich

- ASIA-PACIFIC**
- Beijing
 - Fukuoka
 - Gurugram
 - Hong Kong SAR
 - Mumbai
 - Shanghai
 - Singapore
 - Sydney
 - Tokyo

Fully Integrated Financial Sponsor Coverage

29 Senior officers dedicated to the sponsor community in the Americas and Europe.

1,300+ Sponsors covered, providing market insights and knowledge of buyer behavior.

800+ Companies sold to financial sponsors over the past five years.



(1) As of June 30, 2024; excludes corporate MDs.
 (2) As of August 30, 2024.
 (3) LTM ended June 30, 2024.

About Our Business Services Industry Group

Houlihan Lokey's Business Services Group combines extensive industry relationships with substantial experience to offer a broad array of M&A, corporate finance, restructuring, and financial and valuation advisory services to the business services industry.

2023 M&A Advisory Rankings
All Global Business Services Transactions

Advisor	Deals
1 Houlihan Lokey	63
2 Rothschild & Co	46
3 Lincoln International	32
4 Clearwater International	31
5 Goldman Sachs & Co	27

Source: LSEG (formerly Refinitiv).
Excludes accounting firms and brokers.

Based on number of transactions and according to data provided by LSEG, Houlihan Lokey was ranked the **No. 1** investment bank for all global business services M&A transactions in 2023.



Featured Business Services Industry Transactions

 a portfolio company of has acquired Buy-side Advisor	 a portfolio company of has been acquired by Sell-side Advisor	 has received a strategic investment from Sell-side Advisor	 has been acquired by Sell-side Advisor & Fairness Opinion	 has acquired a portfolio company of Buy-side Advisor	 has been acquired by a portfolio company of Sell-side Advisor
 a portfolio company of has been acquired by Sell-side Advisor	 a portfolio company of has received secondary investment from Sell-side Advisor	 has been acquired by Sell-side Advisor	 has received an investment from Sell-side Advisor	 a portfolio company of has been acquired by a portfolio company of Sell-side Advisor	 a portfolio company of has been acquired by Sell-side Advisor

Industry Sector Coverage

We cover a broad array of sectors, with financial professionals dedicated to each of our primary coverage areas.



BPO Services



Engineering and Infrastructure



Environmental Services



Equipment-as-a-Service



Facility and Residential Services



HCM Services



IT Services



Marketing Services



Pharma Commercialization



Specialty Consulting and Risk Services



Testing, Inspection, Certification, and Compliance



Training and Education



Transportation and Logistics

Key Facts and Figures

170+

Dedicated Business Services financial professionals.

63

Completed Business Services M&A/private placement transactions in CY23.

Our Engineering, Industrial, and Infrastructure Team

The engineering, industrial, and infrastructure (EI&I) sector operates within Houlihan Lokey's Business Services Group, which has earned a reputation for providing superior service and achieving outstanding results in M&A advisory, capital raising, restructuring, and financial and valuation advisory services.

Our clients run the gamut from early-stage businesses and mid-sized companies to large, publicly traded corporations. We understand that an industry driven by innovation and change requires the sophistication of an advisor who can think ahead of the market and utilize solid industry relationships to help advance your vision. We optimize client outcomes by running executed, competitive processes by focusing on deep domain knowledge to position for synergy and scarcity value and by leveraging our world-class strategic and private equity access to bring the right senior decision-makers to the negotiation table.

Featured Transactions

<p>TRANSYSTEMS a portfolio company of Sentinel has merged with GANNETT FLEMING a portfolio company of OCEANSOUND PARTNERS</p> <p>Sellside Advisor</p>	<p>Transaction Pending</p> <p>STRATUS a portfolio company of GODSPEED CAPITAL has been acquired by BRIGHTSTAR CAPITAL PARTNERS</p> <p>Sellside Advisor</p>	<p>consor a portfolio company of KEYSTONE CAPITAL has been acquired by NMC NEW MOUNTAIN CAPITAL LLC</p> <p>Sellside Advisor</p>	<p>GHA a portfolio company of FIRSTRESERVE has been acquired by HFC CAPITAL</p> <p>Sellside Advisor</p>
<p>Comtech has been acquired by accenture</p> <p>Sellside Advisor</p>	<p>LANGAN has sold a minority stake to TOWERBROOK and secured a new Senior Secured Credit Facility, inclusive of a delayed-draw feature.</p> <p>Minority Stake Sellside Advisor & Lead Placement Agent</p>	<p>KLEINFELDER a portfolio company of WIND POINT PARTNERS has been acquired by affiliates of LINDSAY GOLDBERG and Kleinfelder Management</p> <p>Sellside Advisor</p>	<p>ENTRUST SOLUTIONS GROUP a portfolio company of KOHLBERG & COMPANY has sold a minority stake to NEUBERGER BERMAN</p> <p>Sellside Advisor</p>

Subsector Coverage



Leadership



Scott Kolbrenner
Managing Director
SKolbrenner@HL.com
+1 310.712.6524



Ranon Kent
Managing Director
RKent@HL.com
+1 310.712.6523



Scott Sergeant
Managing Director
SSergeant@HL.com
+1 212.497.4275



Axel Bauer
Managing Director
Axel.Bauer@HL.com
+49 (0) 89 413 121 39



Sebastian Weindel
Director
Sebastian.Weindel@HL.com
+49 (0) 89 413 121 26



Ronnie Grenier-Hemphill
Vice President
RGrenier@HL.com
+1 310.789.5790



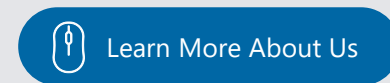
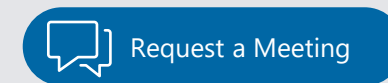
Jennifer Klippenstein
Vice President
JKlippenstein@HL.com
+1 310.789.5781



Tomi Williams
Vice President
Tomi.Williams@HL.com
+1 310.788.5330

Contact Us

Please reach out to us to schedule a call to discuss this quarter's market update or to explore how we can serve your business needs.



Join Us at Our Upcoming Fall Conferences

Attendees will gain insights into the market dynamics and strategies employed within a variety of sectors and participate in insightful discussions on the state of the market and current issues.



Thursday, October 10, 2024
Lotte New York Palace

Tuesday, November 12, 2024
The St. Regis New York

Register Now

Register Now

Current Presenters	Past Presenters



Presentations From Highly Successful Companies



Targeted One-on-One Meetings

1,000+

Registered Conference Attendees

75+

Participating Companies



Table of Contents

08

Introduction

09

Featured
Sector News

12

Featured
Transactions

13

Engineering,
Industrial, and
Infrastructure
M&A
Highlights

14

Capital
Markets

15

Equity Market
Index
Performance

16

Equity Market
Index
Performance:
Engineering,
Industrial, and
Infrastructure
Subsectors

17

Public
Company
Valuations

18

Disclaimer

Introduction

Engineering, Industrial, and Infrastructure Market Update

The EI&I industry continues to gain momentum, bolstered by persistent tailwinds such as aging infrastructure and the ongoing deployment of government funding. This robust growth is driven by the urgent need to retrofit or replace outdated systems and the surge in new construction projects supported by infrastructure initiatives in the U.S. and Europe. These dynamics create a favorable landscape for companies in the sector, offering substantial growth opportunities, especially through strategic acquisitions.

The first half of 2024 saw a notable increase in deal activity compared to the same period in 2023, driven by improved market sentiment among both strategic and financial investors, with continued demand for acquisition targets considered resilient and capable of achieving growth through potential cycles.

Overall, EI&I deal volume is exceeding pre-pandemic levels. Mergers and acquisitions within the sector have experienced a surge in investments, driven by a growing need for specialized labor and the desire to compete in high-value, resilient end markets, such as transportation, water, power, renewables, industrials, healthcare, and education. 2024 is projected to maintain a strong trajectory for M&A, with private equity firms holding record levels of dry powder and current investments well positioned to capitalize on favorable market conditions.









In the public markets, EI&I companies have generally kept pace with broader equities, with infrastructure firms slightly outperforming. This trend is driven by evolving regulatory dynamics, ongoing government initiatives, and a sustained improvement in market sentiment within these industries.



Sources: S&P Capital IQ, Bain & Company.









Featured Sector News

Government efforts persist in funding infrastructure, while strategic acquirers pursue acquisitions to improve their service offerings and address ongoing demand for critical infrastructure enhancement from both public and private sector customers.

Date	Company	Description	Article Link
6/27/2024		<p>Jacobs has been selected to support the delivery of a \$1.2 billion expansion of FUJIFILM Diosynth Biotechnologies' large-scale biologics manufacturing site in Holly Springs, North Carolina. Upon completion, the site will be one of the largest cell culture contract manufacturing facilities in North America.</p>	Read More
6/24/2024		<p>Flatiron has appointed Javier Sevilla Roca as CEO, elevating him from his previous role as President and COO. In his new position, Mr. Roca will continue to lead Flatiron's strategic initiatives in emerging growth markets, particularly in the transportation, water, and wastewater sectors, with a strong emphasis on resilience and sustainable mobility.</p>	Read More
6/24/2024		<p>The U.S. Navy recently selected eight contractors to compete for up to \$3 billion in task orders for various construction, repair, and renovation projects, mostly in California. Most of the firm fixed-price task orders are expected to range between \$15 million and \$300 million and will cover design-build and design-bid-build projects at various facilities.</p>	Read More
6/13/2024		<p>In late May, the U.S. Department of Transportation announced \$530 million in grants from the Infrastructure Investment and Jobs Act (IIJA) programs, including \$343 million from the Federal Transit Administration to improve rail transit accessibility in eight states. This marks the latest round of the IIJA's All Stations Accessibility Program.</p>	Read More
6/12/2024		<p>Federal officials have committed to closing the final funding gap—amounting to \$6.9 billion—in the \$16 billion Hudson Tunnel rail megaproject, enabling the Gateway Development Commission to proceed with the long-delayed, crucial link under the Hudson River between northern New Jersey and New York City.</p>	Read More
6/7/2024		<p>Excavation and foundation work for Satellite Concourse 1, part of the \$8.5 billion O'Hare 21 Terminal Area expansion and modernization project, has begun. The \$1 billion Satellite Concourse 1 and its related infrastructure are being managed by a construction manager at-risk team, which is a joint venture of AECOM, Clayco, and Bowa Construction.</p>	Read More
6/3/2024		<p>The effort to rapidly replace the collapsed Francis Scott Key Bridge in Baltimore officially began on May 31, when the Maryland Transportation Authority issued a request for proposals. The agency aims to have the new structure completed by fall 2028. Before being struck by the damaged container vessel M/V Dali on March 26, the bridge carried 40,000 vehicles per day.</p>	Read More
5/20/2024		<p>NV5 has strengthened its subscription-based services with the acquisition of myBIMteam. Founded in 2003, myBIMteam offers comprehensive building digitization services on a subscription basis, catering to building owners, facility managers, and architects to enhance asset management, energy efficiency, and facility productivity.</p>	Read More








Source: Press releases.

Featured Sector News (cont.)

Date	Company	Description	Article Link
5/13/2024		<p>Since the enactment of the IJA in November 2021, the Biden administration has allocated approximately \$454 billion of \$1.2 trillion in IJA funds, supporting more than 56,000 projects and funding awards. Funds continue to be deployed across key infrastructure areas, including roads, bridges, rail, airports, ports, waterways, water supply, manufacturing, and energy generation and transmission.</p>	Read More
5/2/2024		<p>The Jacksonville Aviation Authority plans to break ground on Concourse B at Jacksonville International Airport on May 10, following several delays. The 170,000-square-foot concourse will include six passenger gates, concession areas, and a connecting corridor, with Balfour Beatty serving as the construction manager.</p>	Read More
5/1/2024		<p>WSP has acquired AKF, expanding its property and buildings practice across the northeastern U.S. Headquartered in New York, AKF is a specialized mechanical, electrical, and plumbing (MEP) firm that designs complex healthcare, science, technology, and mission-critical facilities.</p>	Read More
5/1/2024		<p>Stantec has acquired Hydrock, a U.K.-integrated engineering design firm comprising 950 professionals. Founded in 1995 in Bristol, England, Hydrock has a nationwide presence with 22 locations across the U.K. and industry-renowned expertise providing solutions for major projects across fire safety, energy and sustainability, civil and structural, MEP, transportation, and environmental services.</p>	Read More
4/29/2024		<p>Wood has appointed Jennifer Richmond as CSO, a new role focused on driving the company's strategic growth across sustainability, energy, and materials. Since joining in 2022, Richmond has played a key role in developing and executing Wood's three-year growth strategy launched at its last Capital Markets Day in November 2022.</p>	Read More
4/23/2024		<p>The \$12 billion project to build a 218-mile, high-speed rail line between Las Vegas and Southern California kicked off with a ceremony at the planned Las Vegas station site. The zero-emission electric trains, capable of reaching 200 miles per hour, will run down the median of the I-15 Freeway, stopping in Las Vegas, Victor Valley, Hesperia, and Rancho Cucamonga.</p>	Read More
4/17/2024		<p>Bowman announced the acquisition of Moore Consulting Engineers (Moore), an MEP and fire protection engineering firm based in Shamong, New Jersey. Founded in 2003, Moore provides specialized and generalized expertise in heating, ventilation, and air systems planning; electrical, lighting, photovoltaic solar, and low-voltage systems design; and fire protection and alarm system engineering.</p>	Read More
4/15/2024		<p>NV5 announced a strategic collaboration with Cadence Design Systems to qualify, design, and demonstrate ideal data center design conditions for AI data center platforms, including NVIDIA AI Compute systems. The intent of the collaboration is to develop the optimal data center environment for the fastest and most reliable data center hardware and software performance.</p>	Read More

Source: Press releases.

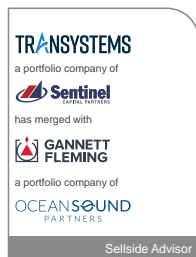
Featured Sector News (cont.)

Date	Company	Description	Article Link
4/9/2024		WSP entered into an agreement to acquire 1A Ingenieros, a 250-employee Spanish consulting firm. The transaction will enhance WSP's capabilities in Spain in the power and energy sector, creating a multidisciplinary business in the region with a balanced portfolio across three core verticals: transportation and infrastructure, power and energy, and property and buildings.	Read More
4/8/2024		KBR has been awarded new contracts estimated at more than \$450 million to deliver highly technical systems engineering support and services to the U.S. government. Under these contracts, KBR will provide systems engineering, acquisition support, phenomenology expertise, and data science, as well as applied research, communications security infrastructure, and operations and maintenance support.	Read More
4/8/2024		Amtrak has selected ADVANCE, a joint venture of AECOM and Jacobs, as its project delivery partner for the \$6 billion Frederick Douglass Tunnel Program in Baltimore. The project will replace the 1.4-mile Baltimore and Potomac Tunnel with a new two-mile, dual-tube rail tunnel, aimed at improving passenger rail service through the aging, 150-year-old infrastructure.	Read More
4/8/2024		The \$1.4 billion rebuild of Seattle's Portage Bay Bridge to meet current seismic resiliency standards was awarded to Skanska by the Washington State Department of Transportation (WSDOT). Skanska's design-build agreement with the WSDOT covers replacing the aging Portage Bay Bridge and building a landscaped lid over the highway that will be completed by 2030.	Read More
4/7/2024		The developer of the \$3 billion Projet Mauricie, set to be one of Canada's largest green hydrogen projects, has awarded its first key engineering contract to AtkinsRéalis Inc. Green hydrogen produced by the project will be used to decarbonize long-haul transportation and industrial sectors and produce renewable natural gas.	Read More
4/3/2024		WSP has promoted Joe Sczurko to its global leadership team, nominating him to the role of President, USA. Mr. Sczurko joined WSP in 2022 through the acquisition of the Environment & Infrastructure business of John Wood Group.	Read More
4/2/2024		TerraPower has become the first U.S. developer of an advanced nuclear power plant to seek a federal construction and operation permit to test its technology at a commercial scale. Bechtel was awarded the EPC contract in 2020 for the project, which is set to be completed possibly by 2028 at an estimated \$4 billion cost, about half of which will be covered by U.S. Energy Department funding.	Read More
4/1/2024		Just months after beginning construction on its electric vehicle battery production facility in Florence County, South Carolina, AESC announced plans to build a second facility on the same 500-acre site. Initially launched in December 2022 with an \$810 million investment, the project will now double in size to meet production demands for BMW's Spartanburg assembly plant when operations start in 2026.	Read More

Source: Press releases.

Featured Transactions Executed by Houlihan Lokey's Team

Houlihan Lokey Advises TranSystems



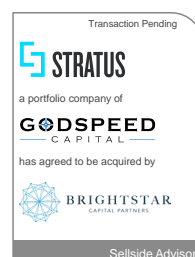
- TranSystems, a portfolio company of Sentinel Capital Partners, has merged with Gannett Fleming, a portfolio company of OceanSound Partners.
- TranSystems is a leading engineering and design firm dedicated to U.S. transportation for nearly 60 years, with dominant positions in bridge, highway, mass transit, and multi-modal projects.
- Founded in 1995, Sentinel Capital Partners is a private equity firm investing in management buyouts, acquisitions of family businesses, corporate divestitures, industry consolidations, and going-private transactions in the U.S. and Canada.
- Gannett Fleming is an engineering and architecture firm providing comprehensive infrastructure solutions across various markets, including transportation, life sciences, water resources, education, industrial, federal, power, and energy.
- OceanSound Partners is a private equity firm that pursues control investments in technology and technology-enabled services companies serving government and enterprise end markets.
- Houlihan Lokey served as the lead financial advisor to TranSystems and assisted in marketing, structuring, and negotiating the transaction on behalf of TranSystems.

Houlihan Lokey Advises CHA Consulting



- CHA Consulting (CHA), a portfolio company of First Reserve, has been acquired by H.I.G. Capital.
- CHA is an innovative, full-service engineering, design, consulting, and program management firm providing a wide range of technology-enhanced services to public, private, and institutional clients.
- Founded in 1983, First Reserve is a leading global private equity firm that has raised more than \$33 billion of aggregate capital since inception.
- H.I.G. Capital is a leading global alternative investment firm with \$60 billion of capital under management and has invested in 400+ companies worldwide.
- Houlihan Lokey served as the lead financial advisor and assisted in marketing, structuring, and negotiating the transaction on behalf of CHA and First Reserve.

Houlihan Lokey Advises Stratus Team



- Stratus Team (Stratus), a portfolio company of Godspeed Capital, has agreed to be acquired by Brightstar Capital Partners.
- Stratus is a full-service engineering and architecture platform catering to a balanced mix of large-budget public and private clients.
- Founded in 2020, Godspeed Capital is a lower-middle-market private equity firm focused on defense and government services, solutions, and technology.
- Brightstar Capital Partners invests capital, operational experience, and a broad relationship network to build platforms focused on the industrial, manufacturing, and services sectors.
- Houlihan Lokey served as the sole financial advisor and assisted in marketing, structuring, and negotiating the transaction on behalf of Stratus.

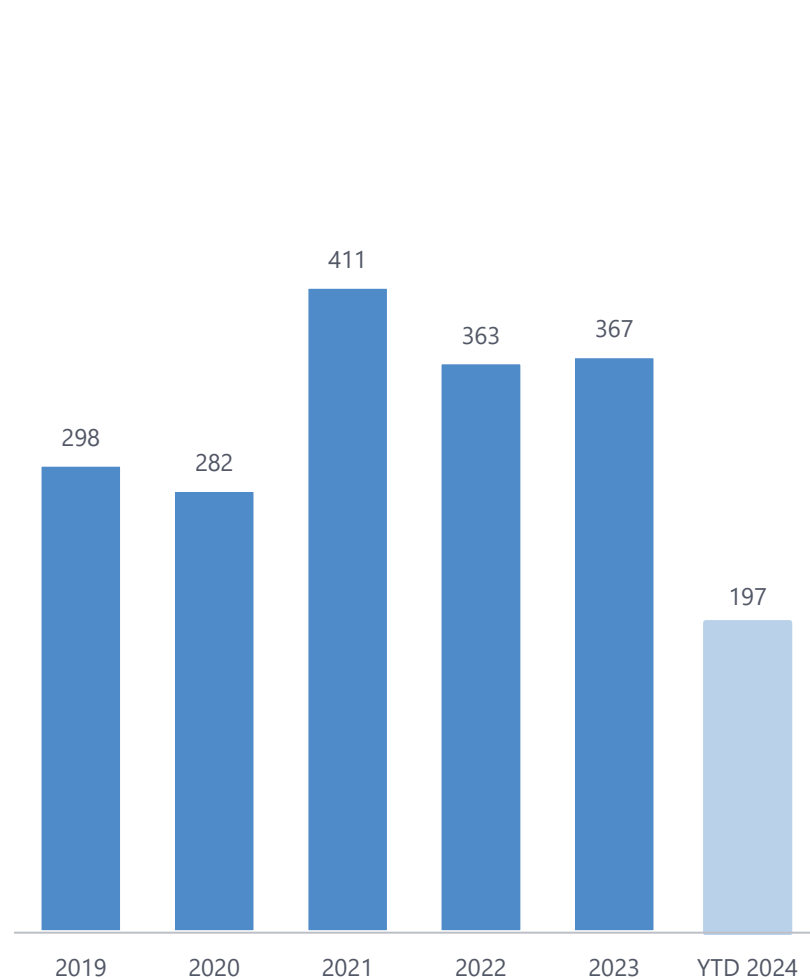
Houlihan Lokey Advises Consor Holdings



- Consor Holdings (Conсор), a portfolio company of Keystone Capital, has been acquired by New Mountain Capital.
- Consor is a leading North American transportation and water infrastructure consulting firm offering planning, engineering design, structural assessment, program management, and construction services.
- Founded in 1994, Keystone Capital is a Chicago-based investment firm that takes majority positions in high-growth companies that are leaders in niche markets.
- New Mountain Capital is an investment firm with more than \$50 billion in assets under management that emphasizes business building and growth as it pursues long-term capital appreciation.
- Houlihan Lokey served as a financial advisor to Consor and Keystone.

Engineering, Industrial, and Infrastructure M&A Highlights

Deal Volume



Source: S&P Capital IQ.
Note: Data as of June 30, 2024.

Notable Transactions

Date	Acquirer	Target
8/7/2024	OCEAN SOUND PARTNERS, GANNETT FLEMING	TRANSYSTEMS
7/1/2024	BRIGHTSTAR CAPITAL PARTNERS	STRATUS
6/27/2024	Bernhard Capital Partners	BRALLSFORD & DUNLAVY
6/27/2024	CVC	MGroup Services
6/19/2024	ICG	Granlund
6/17/2024	ARES, SEARCHLIGHT	RSK
6/3/2024	NMC NEW MOUNTAIN CAPITAL	consor
5/13/2024	gpi consultants	Creighton Manning
5/7/2024	STERLING INVESTMENT PARTNERS LP	verdantas
5/2/2024	CLAYTON DUBILIER & RICE, COBEPA, MUBADALA, bpifrance	SOCOTEC
4/17/2024	Bowman	MOORE a Bowman company
4/16/2024	Bernhard Capital Partners	SMSI Solutions, Management Solutions LLC
4/11/2024	Blackstone	Winthrop Technologies
4/9/2024	wsp	IA Ingenieros

Key Takeaways

In the first half of 2024, transaction volume showed outsized growth relative to the same period across previous years.

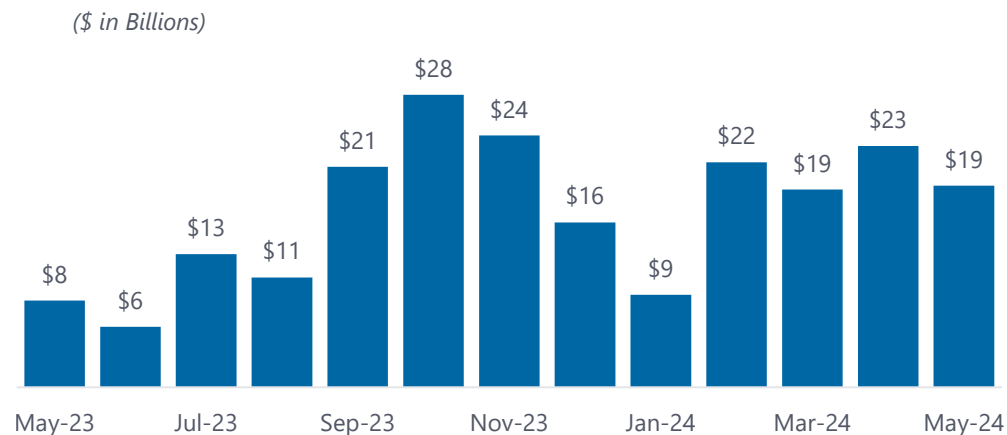
Additionally, increased infrastructure spending across a variety of resilient end markets has driven project backlog and opportunities for platforms to grow through acquisitions to address critical needs across key areas of focus.

Acquisition targets have offered buyers density in high-growth geographies, enhanced service capabilities, expanded customer bases, and furthered capabilities in complex industrial projects.

Capital Markets

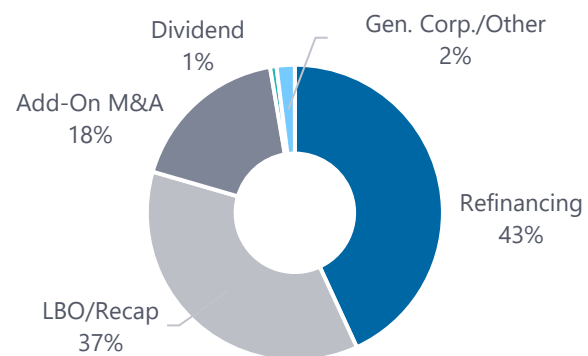
Direct Lending Volume

Direct lending volume in 2023 exceeded \$148 billion, inching past 2022's \$144.8 billion volume, driven by a substantial second-half rally as well as a boost in jumbo financings.



Use of Proceeds⁽¹⁾

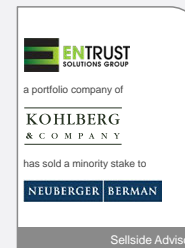
Unitranche volume surged to new heights over the past few years as the private credit market took increasing market share from the broadly syndicated market, given its ability to provide large commitments, speed, and flexibility.



Sources: DLD Weekly, KBRA DLD, LCD.

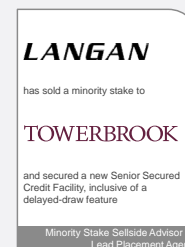
(1) May 2024 volume by proceeds.

Featured Recent Capital Markets Transactions



Sale of Minority Stake

ENTRUST is the nation's premier consulting services platform serving utility, renewables, and other critical infrastructure end markets. Houlihan Lokey served as the exclusive financial advisor and assisted in marketing, structuring, and negotiating the transaction on behalf of ENTRUST and Kohlberg.



Sale of Minority Stake

Langan is a leading provider of comprehensive environmental and engineering consulting services to a broad array of clients on a national and international scale. Houlihan Lokey served as the lead financial advisor and placement agent to Langan, assisting in arranging, structuring, and negotiating the concurrent sale of a minority equity stake in and debt financings on behalf of the company.

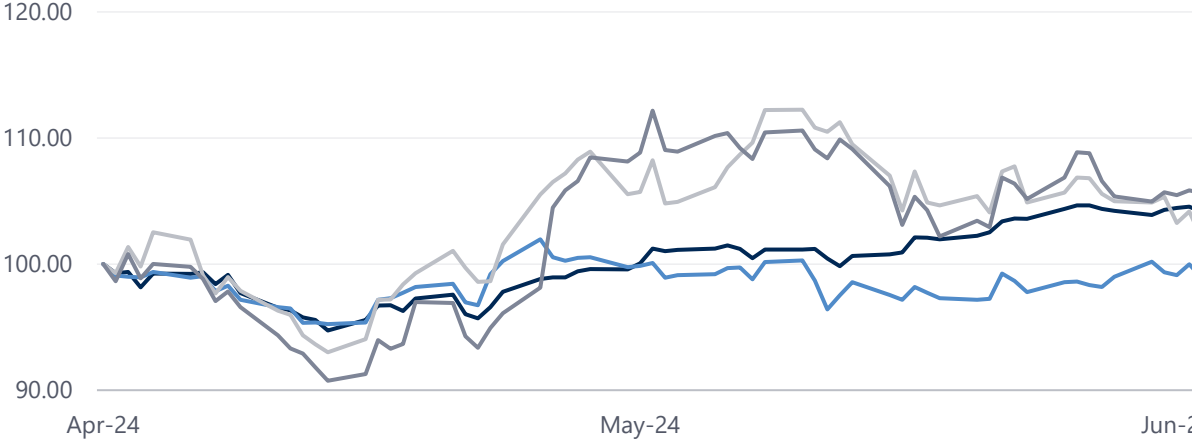
Equity Market Index Performance

LTM June 2024 Performance



- 69.6% Infrastructure Services
- 52.1% Industrial Services
- 22.5% S&P 500
- 14.7% Engineering and Design

April–June 2024 Performance



- 5.6% Infrastructure Services
- 4.1% S&P 500
- 2.0% Industrial Services
- (1.1)% Engineering and Design

Strong Performance in 1H 2024

Positive market sentiment across the first half of 2024 has led to outsized performance across the EI&I sectors.

The Houlihan Lokey Infrastructure Services Index is up 69.6% over the LTM June 2024 period, considerably outperforming the S&P 500 index, which is up 22.5% during the same period.

Both state and federal funding initiatives, including the IIJA, continue to create opportunities and drive growth for EI&I firms.

In April–June 2024, the S&P 500 underperformed compared to the infrastructure sector, and only slightly better than industrial services.

Source: S&P Capital IQ.
 Notes: Data as of June 30, 2024. All share prices are rebased to 100.
 The Houlihan Lokey Infrastructure Services, Industrial Services, and Engineering Services Indexes consist of a diversified set of 38 companies. See page 17 for a complete list.

Equity Market Index Performance

Engineering, Industrial, and Infrastructure Subsectors

LTM June 2024 Performance by Subsector



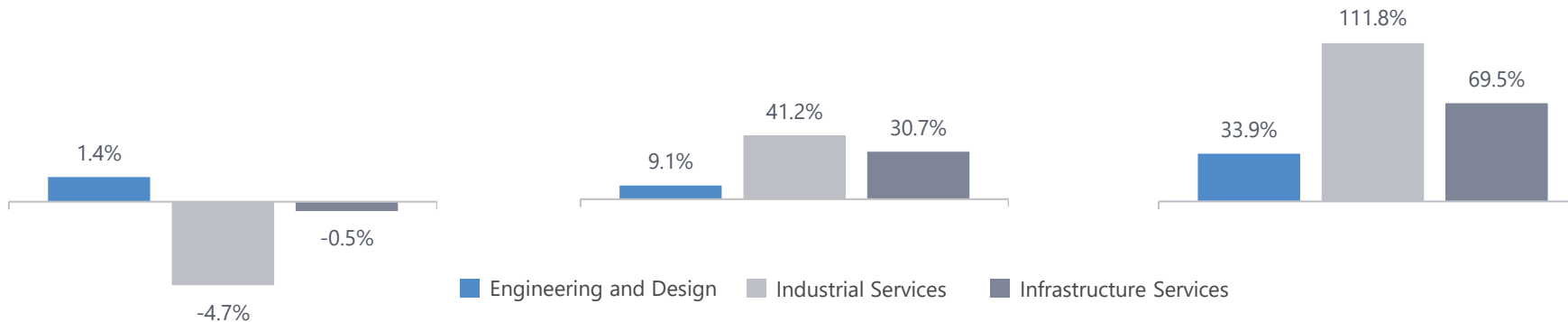
Robust Market Performance

Despite the persistent high-interest-rate environment, the EI&I public markets showcased strong performance in the first half of 2024. This demonstrates the industry's robust resilience and sustained positive market trends, bolstering investor confidence as they continue to actively deploy capital across the sector.

One-Month Performance

2024 Performance

Three-Year Performance

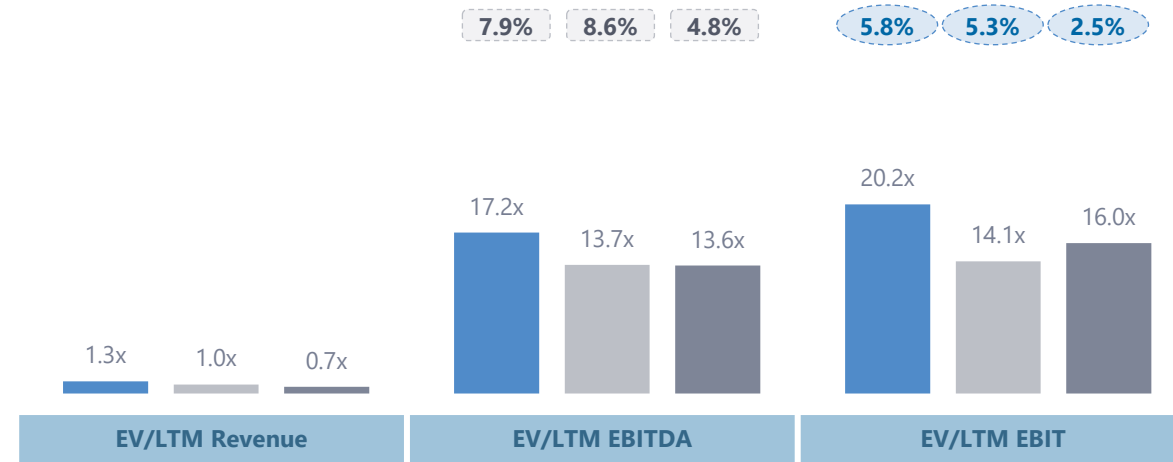


Source: S&P Capital IQ.
Notes: Data as of June 30, 2024. All share prices are rebased to 100.

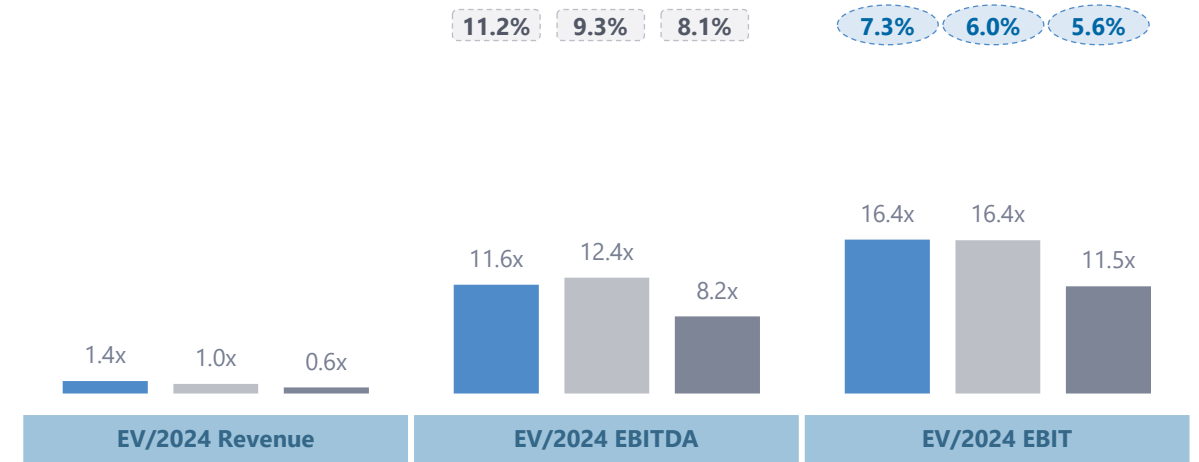
Public Company Valuations

■ Engineering Services
 ■ Industrial Services
 ■ Infrastructure Services
 Median EBITDA Margin
 Median EBIT Margin

LTM June 2024 Valuations



2024E Valuations



Engineering Services



Industrial Services



Infrastructure Services



Disclaimer

© 2024 Houlihan Lokey. All rights reserved. This material may not be reproduced in any format by any means or redistributed without the prior written consent of Houlihan Lokey.

Houlihan Lokey is a trade name for Houlihan Lokey, Inc., and its subsidiaries and affiliates, which include the following licensed (or, in the case of Singapore, exempt) entities: in (i) the United States: Houlihan Lokey Capital, Inc., and Houlihan Lokey Advisory, Inc., each an SEC-registered broker-dealer and members of FINRA (www.finra.org) and SIPC (www.sipc.org) (investment banking services); (ii) Europe: Houlihan Lokey UK Limited (FRN 792919), Houlihan Lokey Advisory Limited (FRN 116310), and Houlihan Lokey PFG Advisory Limited (FRN 725267), authorized and regulated by the U.K. Financial Conduct Authority; Houlihan Lokey (Europe) GmbH, authorized and regulated by the German Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht); Houlihan Lokey Private Funds Advisory S.A., a member of CNCEF Patrimoine and registered with the ORIAS (#14002730); (iii) the United Arab Emirates, Dubai International Financial Centre (Dubai): Houlihan Lokey (MEA Financial Advisory) Ltd. and Houlihan Lokey (MEA PFG Advisory) Limited, regulated by the Dubai Financial Services Authority; (iv) Singapore: Houlihan Lokey (Singapore) Private Limited an “exempt corporate finance adviser” able to provide exempt corporate finance advisory services to accredited investors only; (v) Hong Kong SAR: Houlihan Lokey (China) Limited, licensed in Hong Kong by the Securities and Futures Commission to conduct Type 1, 4, and 6 regulated activities to professional investors only; (vi) India: Houlihan Lokey Advisory (India) Private Limited, registered as an investment adviser with the Securities and Exchange Board of India (registration number INA000001217); and (vii) Australia: Houlihan Lokey (Australia) Pty Limited (ABN 74 601 825 227), a company incorporated in Australia and licensed by the Australian Securities and Investments Commission (AFSL number 474953) in respect of financial services provided to wholesale clients only. In the United Kingdom, European Economic Area (EEA), Dubai, Singapore, Hong Kong, India, and Australia, this communication is directed to intended recipients, including actual or potential professional clients (UK, EEA, and Dubai), accredited investors (Singapore), professional investors (Hong Kong), and wholesale clients (Australia), respectively. No entity affiliated with Houlihan Lokey, Inc., provides banking or securities brokerage services, nor is any such affiliate subject to FINMA supervision in Switzerland or similar regulatory authorities regarding such activities in other jurisdictions. Other persons, such as retail clients, are NOT the intended recipients of our communications or services and should not act upon this communication.

Houlihan Lokey gathers its data from sources it considers reliable; however, it does not guarantee the accuracy or completeness of the information provided within this presentation. The material presented reflects information known to the authors at the time this presentation was written, and this information is subject to change. Any forward-looking information and statements contained herein are subject to various risks and uncertainties, many of which are difficult to predict, that could cause actual results and developments to differ materially from those expressed in, or implied or projected by, the forward-looking information and statements. In addition, past performance should not be taken as an indication or guarantee of future performance, and information contained herein may be subject to variation as a result of currency fluctuations. Houlihan Lokey makes no representations or warranties, expressed or implied, regarding the accuracy of this material. The views expressed in this material accurately reflect the personal views of the authors regarding the subject securities and issuers and do not necessarily coincide with those of Houlihan Lokey. Officers, directors, and partners in the Houlihan Lokey group of companies may have positions in the securities of the companies discussed. This presentation does not constitute advice or a recommendation, offer, or solicitation with respect to the securities of any company discussed herein, is not intended to provide information upon which to base an investment decision, and should not be construed as such. Houlihan Lokey or its affiliates may from time to time provide financial or related services to these companies. Like all Houlihan Lokey employees, the authors of this presentation receive compensation that is affected by overall firm profitability.



Houlihan
Lokey

Corporate Finance
Financial Restructuring
Financial and Valuation Advisory

[HL.com](https://www.hl.com)