



Houlihan  
Lokey

# Engineering, Industrial, and Infrastructure Services

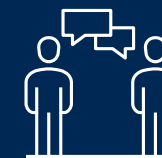
Market Update—Q4 2023



# 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.



## CORPORATE FINANCE

2023 M&A Advisory Rankings  
All Global Transactions

Advisor	Deals
<b>1 Houlihan Lokey</b>	<b>352</b>
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
<b>1 Houlihan Lokey</b>	<b>73</b>
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
<b>1 Houlihan Lokey</b>	<b>1,247</b>
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

Learn more about how  
our advisors can serve  
your needs

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    312 Managing Directors<sup>(1)</sup>    2,000+ Clients Served Annually    \$8.8B Market Cap<sup>(2)</sup>    \$1.8B Annual Revenue<sup>(3)</sup>

**AMERICAS**

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

**EUROPE & MIDDLE EAST**

Amsterdam	Milan
Antwerp	Munich
Dubai	Paris
Frankfurt	Stockholm
London	Tel Aviv
Madrid	Zurich
Manchester	

**ASIA-PACIFIC**

Beijing	Shanghai
Fukuoka	Singapore
Gurugram	Sydney
Hong Kong SAR	Tokyo
Mumbai	

## Fully Integrated Financial Sponsor Coverage

29

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

1,100+

Sponsors covered, providing market insights and knowledge of buyer behavior

730+

Companies sold to financial sponsors over the past five years



(1) As of December 31, 2023; excludes corporate Managing Directors.

(2) As of March 31, 2024.

(3) LTM ended December 31, 2023.

# 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
<b>1 Houlihan Lokey</b>	<b>63</b>
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.



## Selected 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

 a portfolio company of <b>FIRSTRESERVE</b> has been acquired by  Sellside Advisor	 has sold a minority stake to <b>TOWERBROOK</b> and secured a new Senior Secured Credit Facility, inclusive of a delayed-draw feature Minority Stake Sellside Advisor & Lead Placement Agent	 has been acquired by <b>accenture</b> Sellside Advisor	 a portfolio company of <b>STERLING</b> has been acquired by <b>accenture</b> Sellside Advisor
 a portfolio company of  has been recapitalized by <b>QUAD-C</b> Sellside Advisor	 a portfolio company of <b>KOHLBERG &amp; COMPANY</b> has sold a minority stake to <b>NEUBERGER BERMAN</b> Sellside Advisor	 has acquired <b>ATLAS</b> Buyside Advisor	 has received a strategic investment from <b>OCEAN SOUND PARTNERS</b> Sellside Advisor

## Subsector Coverage



## Leadership



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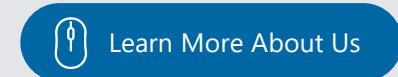
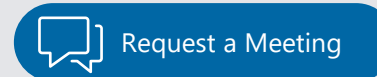
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## Contact us

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 Spring and Fall Conferences

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



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



Presentations from highly  
successful companies



Targeted one-on-one  
meetings

1,000+  
Registered  
conference attendees

## 2024 Global Business Services Spring Summit

April 17 and 18, 2024  
Virtual Conference



Register today

## 2024 Global Business Services Conference

October 10, 2024  
Lotte New York Palace



Request an invite

Interested in presenting your  
company at our conferences?



Email us

# April 17 and 18, 2024

## Global Business Services Virtual Spring Summit

### Examples of Previous EI&I Sector Participating Companies



Provides capital program advisory and consulting services.



Provides engineering and construction management services.



Provides engineering services for civil, structural, and transportation-related projects.



Provides solutions for wireless, wireline, and critical infrastructure projects.



Provides engineering, design, consulting, and program management services.



Provides building and design services for integrated digital networks.



Provides environmental, engineering, and material and asset quality services.



Provides on-site machining, wire-cutting, and other field services.



Provides broadband solutions servicing communications providers.



Provides engineering, environmental, and construction management solutions.



Provides track and transit system solutions.



Provides engineering consulting services for government and private clients.



Provides geospatial solutions and inspection services.



Provides utility line and related engineering services in telecom and power industries.



Provides consulting, engineering, and construction management services.

### Selected Prior Conference Attendees





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Disclaimer



## Introduction

# Engineering, Industrial, and Infrastructure Market Update

The EI&I industry is currently experiencing strong growth, primarily fueled by a combination of retrofitting or replacing aging infrastructure and new construction needs being underpinned by infrastructure initiatives across the U.S. and Europe. These factors have created a favorable environment for companies operating in the sector, leading to increased growth opportunities for companies to capture—particularly with acquisitions.

The second half of 2023 had several notable deals to highlight as companies have continued to find and execute M&A opportunities during a time of economic uncertainty, with robust demand for opportunities deemed resilient and capable of growth through a potential cycle.

Overall, deal volume has shown resilience despite the prevailing macroeconomic conditions. Mergers and acquisitions within the EI&I sector have experienced a surge in investments, targeting the growing demand for specialized labor and the expansion of service offerings to cater to various end markets such as roads, renewables, electricity, airports, telecommunications, rail, and water. 2024 may witness heightened M&A activities, with private equity firms holding an estimated \$4 trillion in dry powder and companies actively seeking exit opportunities from prior deals.







In the public markets, EI&I companies have generally outperformed, particularly industrial and infrastructure service firms. This trend is attributed to evolving regulatory dynamics, government initiatives, and an overall improvement in market sentiment within these industries.



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









## Featured Sector News

Government initiatives persist in allocating resources to strengthen infrastructure, concentrating on various critical areas such as green energy, power and electrical systems, transportation-related infrastructure, and telecommunication.

Date	Company	Description	Article Link
12/13/2023		<p>Jacobs has been chosen by Naarea, a French nuclear startup, to support nuclear safety and engineering disciplines such as control, instrumentation, and mechanical processes. This partnership is focused on advancing safety and sustainability objectives for enhanced energy security and a more interconnected global community.</p>	<a href="#">Read More</a>
12/7/2023	<b>NY Project</b>	<p>The South Fork offshore wind project in New York has successfully transmitted power to the state grid, signaling the U.S.'s debut in large-scale offshore wind energy. Orsted and Eversource have installed two turbines of 12, with the remainder expected by early 2024, supporting New York's objective of achieving 9GW offshore wind capacity by 2035.</p>	<a href="#">Read More</a>
11/29/2023		<p>WSP named Brian McCarthy as the national hydrogen market lead to advance its comprehensive energy system strategy covering hydrogen production, storage, distribution, and utilization. With a background in process technology from leading a hydrogen-focused team and developing decarbonization strategies in Europe and the U.S., he brings valuable expertise to the position.</p>	<a href="#">Read More</a>
11/21/2023		<p>The EPA has opened applications for \$2 billion in grants to support environmental and climate justice initiatives in underserved communities. The funding will aid projects focusing on clean energy, resilience, and tackling challenges like urban heat islands, extreme weather, pollution, and low-emission technologies.</p>	<a href="#">Read More</a>
11/21/2023		<p>Autodesk unveiled its latest artificial intelligence tool at the annual Autodesk University user conference. The company's strategic investment in AI-enabled workflows aims to streamline processes for designers, contractors, and product users, enhancing efficiency across the board.</p>	<a href="#">Read More</a>
11/21/2023	<b>Washington National Records Center</b>	<p>A GAO report has found that deferred maintenance has added billions to repair costs across four federal agencies between 2017 and 2022, as some delayed items now require replacement instead of repair. Age and lack of consistent funding contributed to an 80% rise in estimated maintenance backlogs.</p>	<a href="#">Read More</a>
11/20/2023		<p>Jacobs has announced the spin-off of Critical Mission Solutions and Cyber &amp; Intelligence businesses, merging them with Amentum to establish a new \$13 billion public company centered on government services. This collaboration positions the combined entity as a premier provider of systems integration and technology, specializing in delivering client solutions in critical areas.</p>	<a href="#">Read More</a>
11/16/2023		<p>The EPA has introduced a new initiative, named Get the Lead Out, to offer technical support to 200 underserved communities in locating and replacing lead service lines. The initiative is backed by \$15 billion from the 2021 infrastructure legislation and will be executed in collaboration with the Labor Department.</p>	<a href="#">Read More</a>








Source: Press releases.

## Featured Sector News (cont.)

Date	Company	Description	Article Link
11/16/2023		A memorandum of understanding has been signed between AECOM and Boryspil International Airport to bolster and uphold Ukraine's aviation sector. AECOM will provide infrastructure advisory support, encompassing asset assessment, design, engineering, program management, and construction management.	<a href="#">Read More</a>
11/16/2023		NV5 Global Inc. has acquired Technology Design Services, a company specializing in technology infrastructure design and consulting services. This will enhance NV5's capabilities in the rapidly growing data center and technology design sectors while broadening client relationships in the aviation and government sectors.	<a href="#">Read More</a>
11/14/2023		Stantec has agreed to acquire ZETCON Engineering, a respected firm based in Germany. ZETCON brings expertise in infrastructure planning, inspection, and project management. The German market presents significant growth opportunities due to the high demand for infrastructure renovation and transition to sustainable energy sources.	<a href="#">Read More</a>
11/9/2023		Approaching the two-year milestone of the Infrastructure Investment and Jobs Act, the Biden administration has provided an update. Approximately \$400 billion of the \$1.2 trillion measure has been allocated to more than 40,000 projects across 4,500+ communities nationwide, including D.C., territories, and tribal lands.	<a href="#">Read More</a>
11/6/2023		The Biden Administration has allocated \$1.3 billion for three transmission projects spanning six states to enhance grid capacity by adding 3.5 GW. This initiative is designed to bolster investor confidence, stimulate new capacity purchases, and mitigate developer risks, as stated by the DOE.	<a href="#">Read More</a>
11/6/2023		The Biden administration has allocated \$16.4 billion for 25 major projects along Amtrak's Northeast Corridor, funded by the 2021 Infrastructure Investment and Jobs Act, with \$66 billion designated for rail. The \$16.4 billion encompasses both immediate funding and phased agreements spanning several years.	<a href="#">Read More</a>
11/3/2023		The U.S. Department of Transportation allocated \$653 million to improve port infrastructure across 25 states and the U.S. Virgin Islands. Key grants were designated for projects in Tacoma, Washington; Long Beach, California; Wilmington, Delaware; Baltimore County, Maryland; and Norfolk, Virginia.	<a href="#">Read More</a>
10/27/2023		Superior Construction is set to commence the construction of a 4,100-foot pedestrian swing bridge over the Ashley River in Charleston, South Carolina, next year. This unique bridge will showcase a 225-foot cable-stayed center section, marking a pioneering endeavor in the U.S., with a groundbreaking scheduled for Q2 next year.	<a href="#">Read More</a>

Source: Press releases.

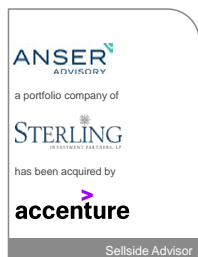
## Featured Sector News (cont.)

Date	Company	Description	Article Link
10/9/2023		Fluor Corporation's contract for managing and operating the Naval Nuclear Laboratory has been extended for an additional five years until 2028 by the U.S. Department of Energy's National Nuclear Security Administration. Initially granted in 2018, the contract supports the collaborative Naval Nuclear Propulsion Program of the Department of Energy and the Department of Navy.	<a href="#">Read More</a>
10/5/2023		AECOM has been awarded a three-year program management contract by the Chicago Department of Water Management. In partnership with DB Sterlin, AECOM will oversee capital improvements to DWM's water infrastructure assets, with a focus on enhancing facilities and replacing lead service lines to ensure equitable access to safe drinking water in communities.	<a href="#">Read More</a>
10/5/2023		The Federal Highway Administration has allocated \$61 billion for highway and bridge funding to states and territories in fiscal year 2024. Texas led with \$5.38 billion, followed by California at \$5.06 billion, Florida at \$2.61 billion, New York at \$2.31 billion, and Pennsylvania at \$2.26 billion.	<a href="#">Read More</a>
10/3/2023		Wood has entered into a collaboration agreement with OMV to commercially license its plastic recycling technology, ReOil. This move supports the advancement of chemical-based plastic recycling for plastic waste that would otherwise be landfilled or incinerated. The ReOil plastic recycling solution is projected to utilize 60% of plastics from recycled feedstock by 2050.	<a href="#">Read More</a>
9/26/2023		KBR has secured a contract for blue hydrogen process technology and FEED for the HPP2 low-carbon hydrogen facility at HyNet. The agreement encompasses technology licensing, engineering design, and equipment for a plant capacity of up to 1000 MW. HyNet is a U.K. industrial decarbonization initiative aimed at curbing carbon emissions in high-energy consumption sectors.	<a href="#">Read More</a>
9/4/2023		Wood and Harbour Energy have forged a strategic partnership for U.K. North Sea operations. The collaboration spans an initial five-year term with extension options. Wood is poised to provide EPC, O&M, digital, and decarbonization solutions for Harbour's offshore assets.	<a href="#">Read More</a>
8/8/2023		NV5 Global, Inc. has completed the acquisition of Red Technologies, a provider of IT and utility infrastructure services for data centers serving international tech and financial firms, utilizing cash and stock. This strategic decision by NV5 reflects the growth of the data center market in Asia.	<a href="#">Read More</a>

Source: Press releases.

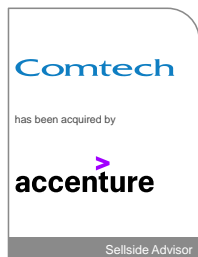
# Featured Transactions Executed by Houlihan Lokey's Team

## Houlihan Lokey Advises Anser Advisory



- Anser Advisory, a portfolio company of Sterling Investment Partners, has been acquired by Accenture (NYSE: ACN). Anser Advisory is a leading advisory and management company for infrastructure projects in the United States.
- Sterling Investment Partners is a private equity firm investing in and building middle-market companies for over 30 years and has completed over 220 transactions.
- Accenture is a leading global professional services company that helps the world's leading businesses, governments and other organizations build their digital core, optimize their operations, accelerate revenue growth and enhance citizen services.
- This deal exemplifies the continued success in partnership with Anser management, having represented the company in its sale to Sterling in 2021.
- Houlihan Lokey served as financial advisor to Anser Advisory and Sterling Investment Partners in this transaction.

## Houlihan Lokey Advises Comtech Group Inc.



- Comtech Group Inc. (Comtech) has been acquired by Accenture (NYSE:ACN).
- Comtech is a leading consulting and program management company for infrastructure projects in Canada and the United States. Its clients are transportation, infrastructure, industrial manufacturing, building, and power and utility companies.
- Accenture is a leading global professional services company that helps the world's leading businesses, governments, and other organizations build their digital core, optimize their operations, accelerate revenue growth, and enhance citizen services.
- Houlihan Lokey served as the exclusive financial advisor to Comtech in this transaction.

## 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.
- This deal exemplifies the continued success in partnership with CHA management, having represented the company in its sale to First Reserve in 2018.
- Houlihan Lokey served as the lead financial advisor and assisted in marketing, structuring, and negotiating the transaction on behalf of CHA and First Reserve.

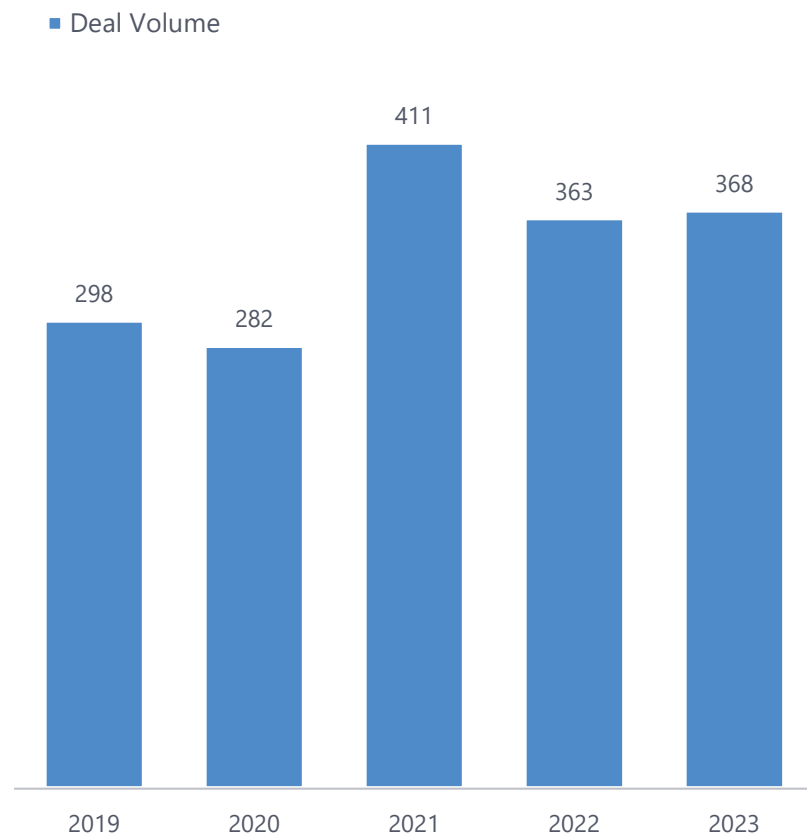
## Houlihan Lokey Advises The Kleinfelder Group Inc.



- The Kleinfelder Group, Inc. (Kleinfelder), a portfolio company of Wind Point Partners, has been acquired by Lindsay Goldberg.
- Based in California, Kleinfelder is an engineering, construction management, design, and environmental professional services firm.
- Wind Point Partners is a Chicago-based private equity investment firm with approximately \$6 billion in assets under management.
- Lindsay Goldberg is a private investment firm that has raised more than \$17 billion of equity capital and has invested in over 60 platform companies since 2001.
- This deal exemplifies the continued success in partnership with Kleinfelder management, having represented the company in its sale to Wind Point Partners in 2018.
- Houlihan Lokey served as the exclusive financial advisor to Kleinfelder in this transaction.

# Engineering, Industrial, and Infrastructure M&A Highlights

## Deal Volume



Source: S&P Capital IQ.  
Note: Data as of December 31, 2023.

## Notable Transactions

Date	Acquirer	Target
12/21/2023	H I C CAPITAL	PENHALL COMPANY
12/21/2023	TRANSYSTEMS	BCE
12/12/2023	Bowman	HRS HESS - ROUNTREE, INC.
12/12/2023	BainCapital PRIVATE EQUITY	ELEDA
12/5/2023	TOWER ARCH CAPITAL	S&N COMMUNICATIONS
11/30/2023	Trinity Consultants	WestLand Resources
11/20/2023	LOCHNER	TRIUNITY
11/14/2023	Stantec	ZETCON INGENIEURE
11/14/2023	Blue Sage Capital	Geo-Solutions
11/10/2023	Bowman	cfa
11/7/2023	verdantas PEOPLE FOCUSED FUTURE	WESTLON ENGINEERING, ARCHITECTURE & INTERIOR
10/26/2023	accenture	Comtech
10/23/2023	OAKTREE	AECOM
10/4/2023	GEMSPRING CAPITAL	AMPAM Parks Mechanical

## Key Takeaways

At the end of 2023, transaction volume showed ongoing growth and is set to continue its upward trajectory.

Additionally, increased infrastructure spending across diverse end markets has created additional project backlog and opportunities for players to grow by acquisition to fulfill key areas of focus.

Target acquisitions have offered buyers expanded geographies, advanced specialized services, additional customer bases, and a focus on technology-supported services.

# Capital Markets

## Overview

Amid a slowdown in LBOs in the syndicated loan and high-yield markets in 2023, the direct lending market has exhibited stability and continues to offer competitive terms relative to the public markets, with sponsors seeking certainty.

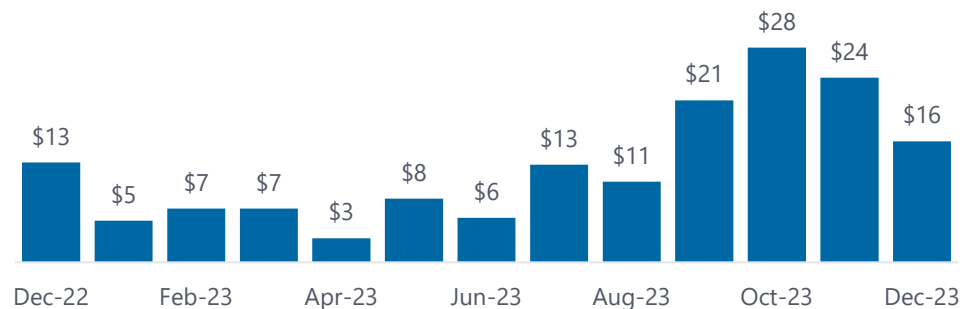
Direct lending volume in 2023 exceeded \$148 billion, inching past 2022's \$144.8 billion volume, driven by a substantial second-half rally as well as a boost in jumbo financings. Direct lenders continue to deploy capital, with pricing compressing for top credits.

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 their ability to provide large commitments, speed and flexibility.

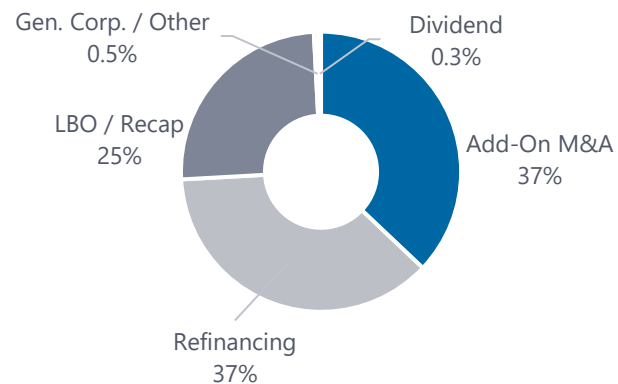
Sources: DLD Weekly, KBRA DLD, LCD.  
 (1) December 2023 volume by proceeds.

## Direct Lending Volume

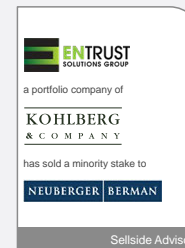
(\$ in Billions)



## Use of Proceeds<sup>(1)</sup>

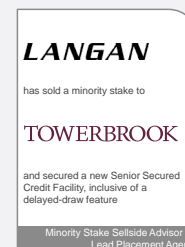


## Featured Recent Capital Markets Transactions



### 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.

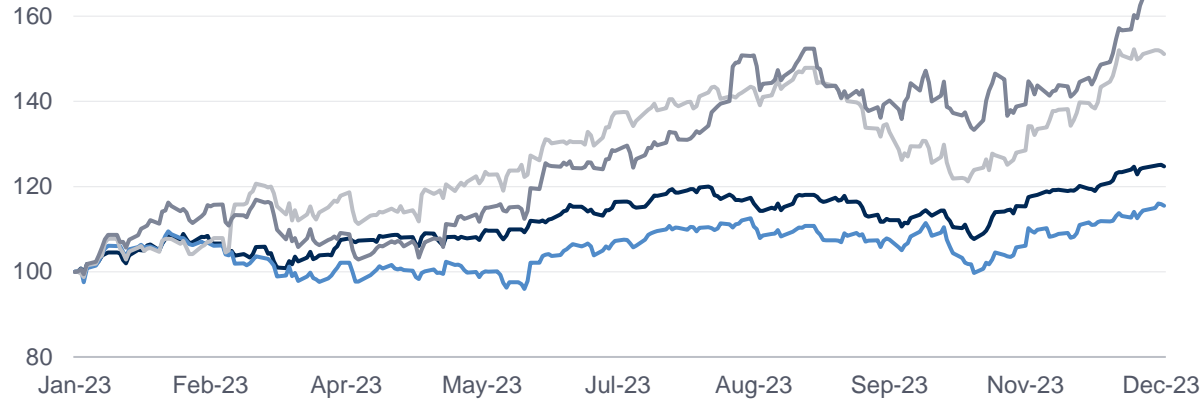


### Sale of Minority Stake

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.

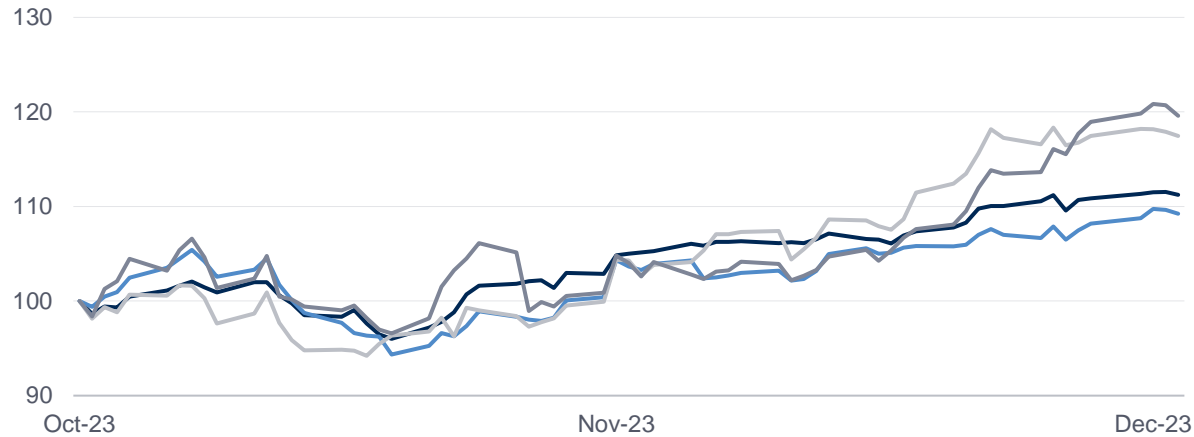
# Equity Market Index Performance

## 2023 Performance



- 65.1% Infrastructure
- 51.1% Industrial
- 24.7% S&P 500
- 15.5% Engineering

## October–December 2023 Performance



- 19.6% Infrastructure
- 17.5% Industrial
- 11.2% S&P 500
- 9.2% Engineering

## Strongest Performance in Q4

Despite the economic uncertainty heading into 2023, there has been strong growth across the EI&I sectors.

The Houlihan Lokey Infrastructure Services Index is up 65.1% in 2023, vastly outperforming the S&P 500 Index, which is up 24.7% during the same period.

The U.S. government infrastructure spending bill (Infrastructure Investment and Jobs Act), passed in late 2021, continues to act as a market tailwind, creating jobs and growth opportunities for EI&I firms.

In the period October–December 2023, the S&P 500 has been underperforming in the market compared to the industrial and infrastructure sectors, and only slightly better than the engineering sector.

Source: S&P Capital IQ.

Notes: Data as of December 31, 2023. 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 18 for a complete list.



# Equity Market Index Performance

## Engineering, Industrial, and Infrastructure Subsectors

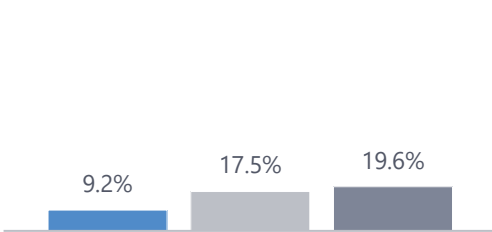
### 2023 Performance by Subsector



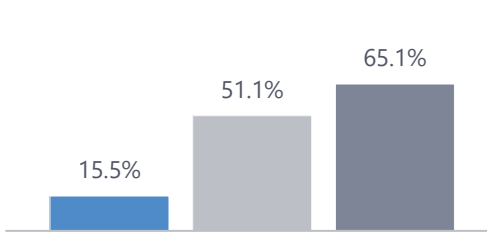
### Robust Market Performance

Despite the ongoing challenges of high interest rates and bank runs, the EI&I public markets continued to demonstrate strong performance in 2023. This evidences robust industry resilience and enduring positive market trends, instilling confidence in investors who are actively deploying capital across the sector.

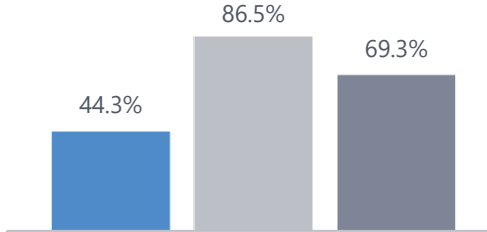
### Quarterly Performance



### 2023 Performance



### Three-Year Performance

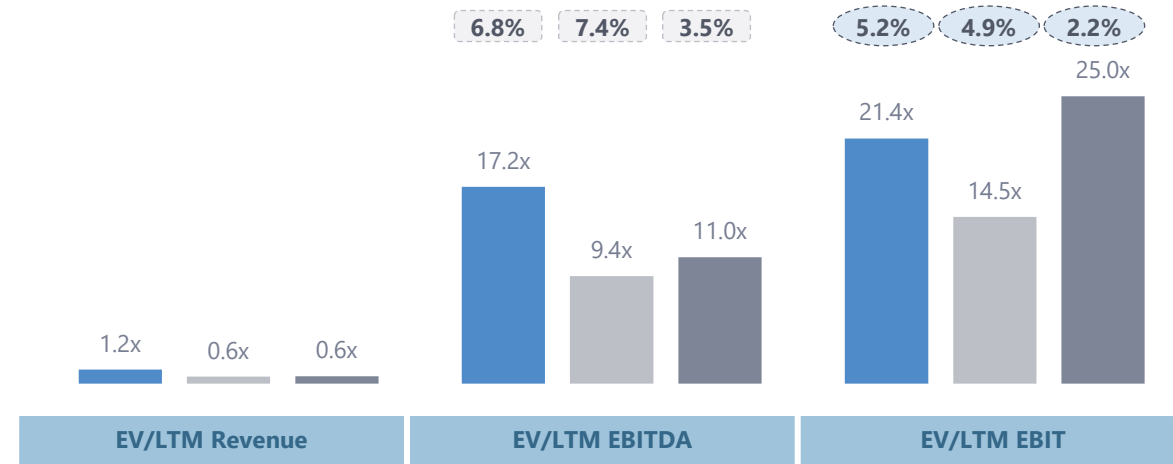


Source: S&P Capital IQ.  
Notes: Data as of December 31, 2023. All share prices are rebased to 100.

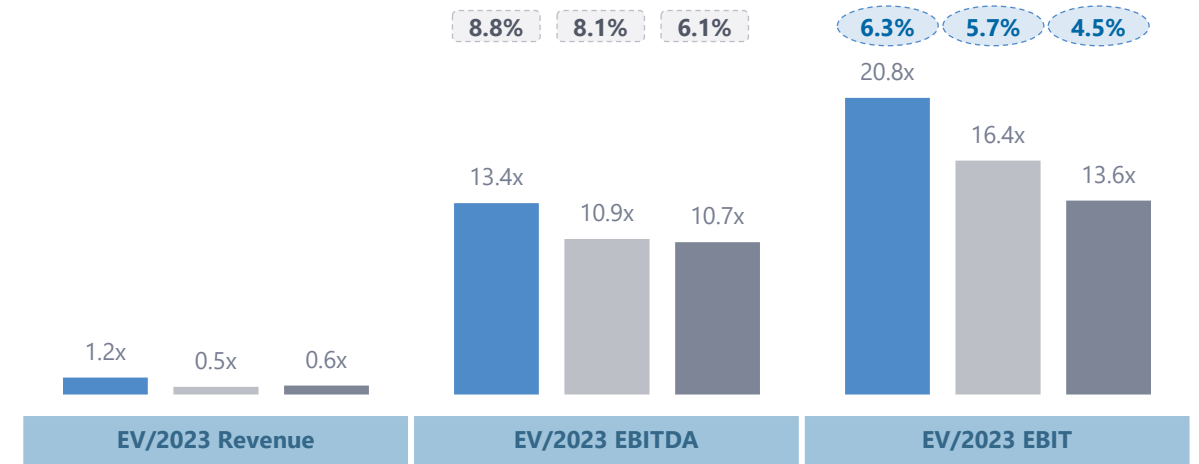
# Public Company Valuations

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

## 2023 Valuations



## FY 2023E Valuations



### Engineering Services



### Industrial Services



### Infrastructure Services



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