



2026 CEO Conference

Welcome!

Jessica Zofnass Barclay
EFCG Managing Partner
M&A

Julie Hasiba
EFCG Managing Partner
Talent & Compensation

Wednesday, September 30, 2026

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WELCOME



This year's CEO Conference welcomes 290 attendees as we cover the latest on AEC performance through EFCG analysis and perspectives from experts and fellow industry leaders. As an event dedicated to the CEOs that shape the AEC Industry, this is the only major CEO Conference in the industry bringing you rich, data-driven content on the major strategic and financial decisions you are focused on today.

It is our pleasure to welcome you to Chicago!

2026 CEO Conference Sept 30 – Oct 2, 2026

- 290** Conference Attendees
- 25** Sessions and Networking Opportunities
- 35+** Years of Industry Data Analyzed
- 40** Industry Leaders & Experts as Speakers



For 35 years, we have proudly served as:

**A global specialized M&A advisor
and management consultant to
Architecture, Engineering and
Consulting (AEC) firms.**

We provide a strategic edge to AEC firms
to advance the innovation, sustainability,
and success of the industry.



Email efcg@efcg.com



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About EFCG – What We Do



Our core services are driven by our comprehensive proprietary database built exclusively for the AEC industry

Management Consulting

550+

AEC Firms Advised

- Strategic Planning
- Financial Benchmarking
- Valuations
- Talent & Compensation Strategy
- Technology & Innovation
- Sustainability & ESG
- Succession Planning
- Board & Governance Design

Mergers & Acquisitions

250+

M&A Transactions Advised On

- Sell-Side Engagements
- Preparation for Sale & Positioning Check-Ins
- Consultation on Capital Raises
- Buy-side Engagements
- Due Diligence & Market Studies
- Pre- & Post- Merger Integration

Executive Conferences

125+

Conferences Hosted

- Analysis on AEC Trends from EFCG's Proprietary Industry Database
- Perspectives from Subject Matter Experts and Industry Executives
- Invaluable Peer-Networking Opportunities

Advanced Data Analytics & Insights

EFCG has a comprehensive proprietary database tailored to the AEC industry

6

Annual Surveys

8M+

Data Points Every Year

500+

Database Contributing Firms

About EFCG – Our Complete Capability Set



EFCG Service Capabilities Comparison

Service Capabilities	EFCG	Investment Banking Firms	Management Consulting Firms
Corporate & Financial Strategic Planning	✓		✓
Peer Benchmarking Analyses	✓		
Tech, Innovation, Talent, & ESG Strategy	✓		✓
Succession Planning	✓		✓
Board & Gov Design	✓		
AEC Tech Valuations, Divestitures, & Spin-offs	✓		
Valuations & Internal Ownership Transitions	✓	✓	✓
M&A Sell-Side & Buy-Side Representation	✓	✓	
M&A Support Services	✓	✓	✓
Market Analyses & Insights	✓	✓	✓
Pre-Merger Integration	✓		
Post-Merger Integration	✓		✓
Leadership Conferences	✓		

Guiding success at every stage

With **end-to-end solutions**, EFCG is a full-service firm that offers a complete suite of services to the AEC Industry, effectively consolidating both Management Consulting and Investment Banking capabilities.



2026 CEO Conference

Informational Session: Getting to Know the Data Behind EFCG's Analysis

Vishal Menon
EFCG Vice President
Strategy & Corporate Finance

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Today's Presenter: Vishal Menon



Vishal Menon
Vice President
Strategy & Corporate Finance



Experience

Vice President
Management Consulting
Strategy & Corporate Finance Practice
Environmental Financial Consulting Group (EFCG)

Education

B.S. with Honors
Global Business and Finance
Georgetown University

Agenda

01

Sourcing EFCG's Data

Where do we get our data?

02

Key Survey Metrics

What are the key metrics that we track year over year?

03

Industry Sentiment and Trends

How do we capture industry sentiment and identify new trends?

04

Q&A

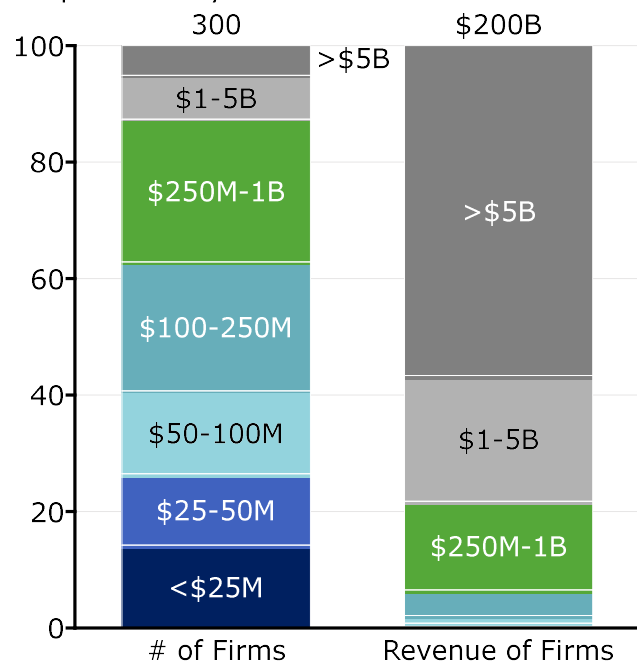


2026 EFCG CEO Survey Demographics

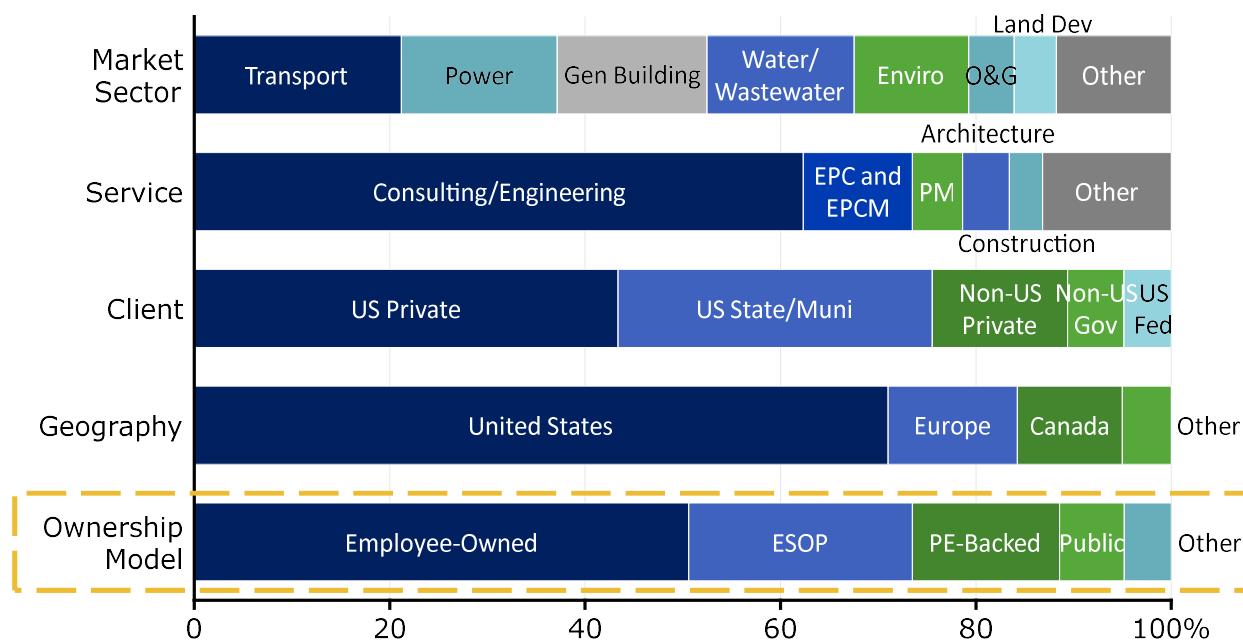


This year's CEO Survey participants are widely distributed across revenue buckets and represent over \$200B in revenues. Firms are primarily US-based and E/C focused working in Transportation, Power, General Building, Water, and Environmental end-markets. 90% of responding firms are privately held.

Respondents by Revenue



Respondent Demographics



Source: 2026 EFCG CEO Survey

EFCG's Data and the CEO Survey



Since 1990, EFCG has surveyed AEC (Architecture, Engineering and Consulting) firms on their current and projected financial results. Today, this data is collected through our Confidential CEO Survey and has expanded to encompass Technology, M&A, Sustainability, Governance, Talent and other key areas.

In this year's Industry Overview, new data presented will include:

Prior Year	Current Year	Next Year
2025 <i>Actuals</i>	2026 <i>Estimates</i>	2027 <i>Projections</i>

All data submitted through EFCG's surveys remain completely confidential in all materials.

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Industry Overview Key Metrics



The Industry Overview utilizes data from our CEO Survey to provide insights on the performance of AEC firms. Below are some of the most common recurring metrics included each year.

Financial		Operational		Talent	
Growth	Total Growth Internal Growth	Multiplier & Utilization		Recruitment	New Hires
Overhead	6+ Buckets Non-Billable Time of Billable People Fringe Benefits Other Non-Labor		Net Revenue Multiplier \$-Based Utilization MU Factor	Turnover	Voluntary Involuntary
Profit	EBIBT EBITDA			Diversity	Women Minorities

For the majority of metrics, EFCG cites the median rather than the average to reduce the impact of outliers on the data.

An aerial photograph of a multi-lane highway bridge spanning a river. The bridge has a concrete railing and a single car is visible on the left side. The surrounding area is lush with green trees. A large, semi-transparent green rectangular overlay covers the middle portion of the image, containing the text 'Growth' and the EFCG logo.

Growth



EFCG

Internal Growth Rates Highlight Diverging Outcomes



In the Industry Overview, EFCG looks at both Total Net Revenue Growth and Internal Net Revenue Growth so firms can see it from multiple perspectives (ex: with and without the impact of acquisitions).

Gross Revenue

- Subcontractor Costs
- Reimbursable Expenses
- Profit from Pass-Throughs

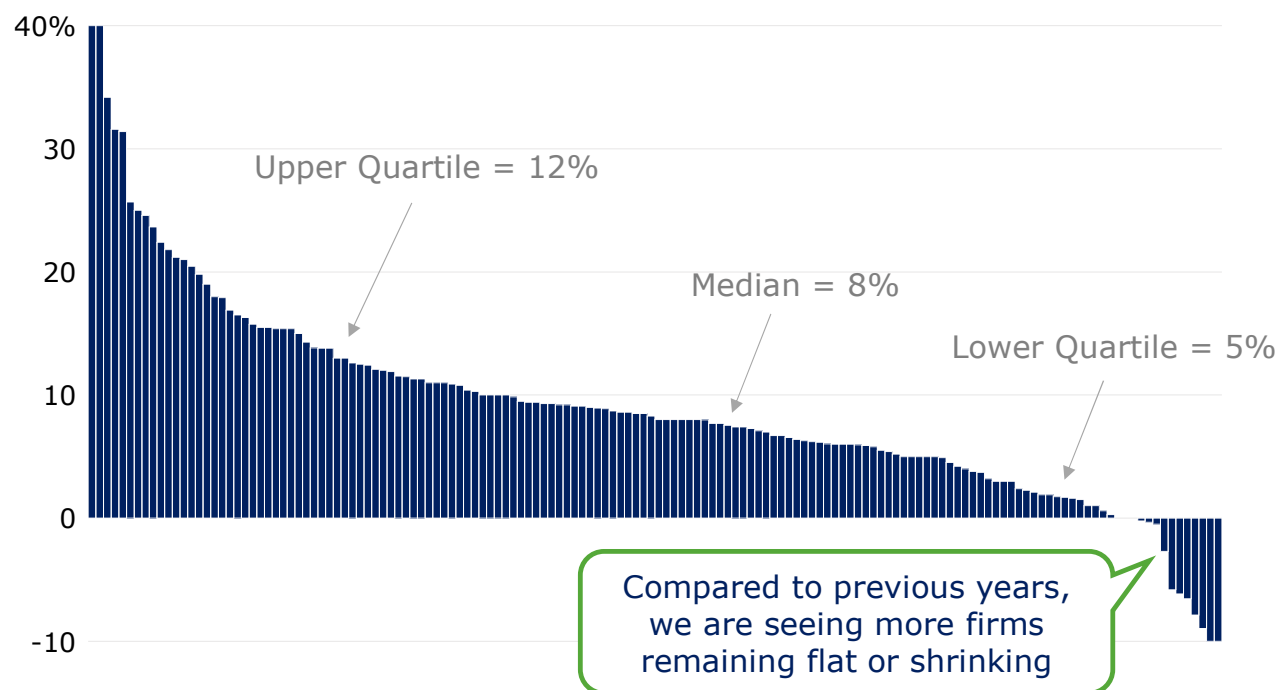
Net Revenue

- Acquisitive Growth
- Divestitures
- FX Fluctuations



Internal (Organic) Net Revenue

Internal Net Revenue Growth (2026)

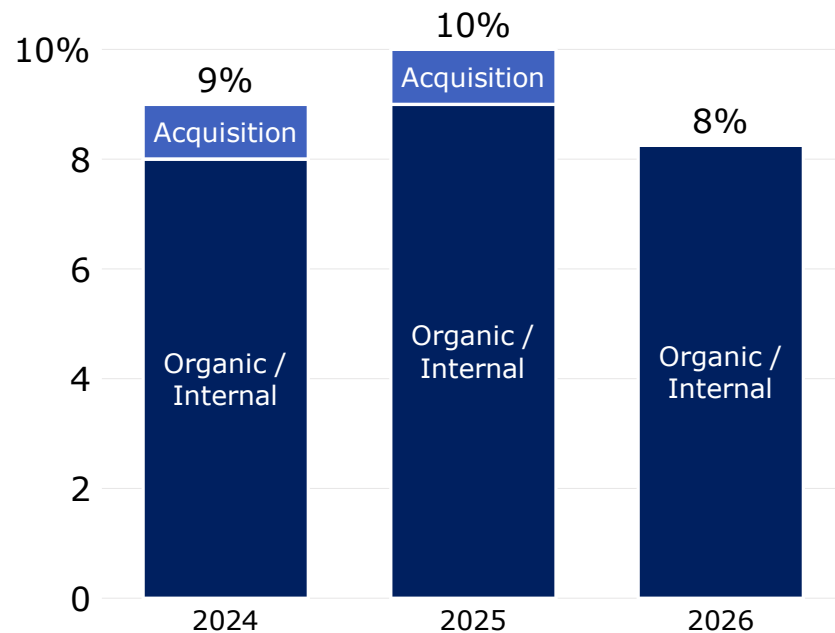


Source: 2026 EFCG CEO Survey

Growth Projections Over the Next Five Years Dip Slightly



Annual Growth Projections
(Next 5 Years)



Are firms recalibrating after a period of elevated growth expectations?

Does the 2026 dip reflect normalization, or a meaningful change in the industry outlook?

Source: 2026 EFCG CEO Survey

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An aerial photograph of a multi-lane highway bridge spanning a river. The bridge has a concrete railing and a single car is visible on the left side. The surrounding area is lush with green trees. A semi-transparent green rectangular overlay covers the middle portion of the image, containing the text 'Overhead' and the EFCG logo.

Overhead



EFCG

How Do We Define Overhead?



At its highest level, we define overhead as any expense that is not charged to the client. To compare more detailed data across firms, EFCG has created a common language to group overhead expenses.

Four “Categories”

Non-Billable Time of Billable People

Project Accounting, BD / Marketing, HR / Professional Development, PTO, Admin Time

6+ Buckets (Shared / Corporate Services)

Risk Management, IT, Finance, HR, BD / Marketing, Occupancy, Health & Safety

Fringe Benefits

Medical Costs, Retirement Spend (including ESOP Contributions), Payroll Tax, Other Benefits

Other Non-Labor Costs

Office Equipment, Travel, Depreciation & Amortization, Bad Debt, Charitable Contributions

Two “Types”

Indirect Labor Costs

Overhead costs tied to people / people-hours (ex: corporate employee salaries, non-billable time)

Non-Labor Costs

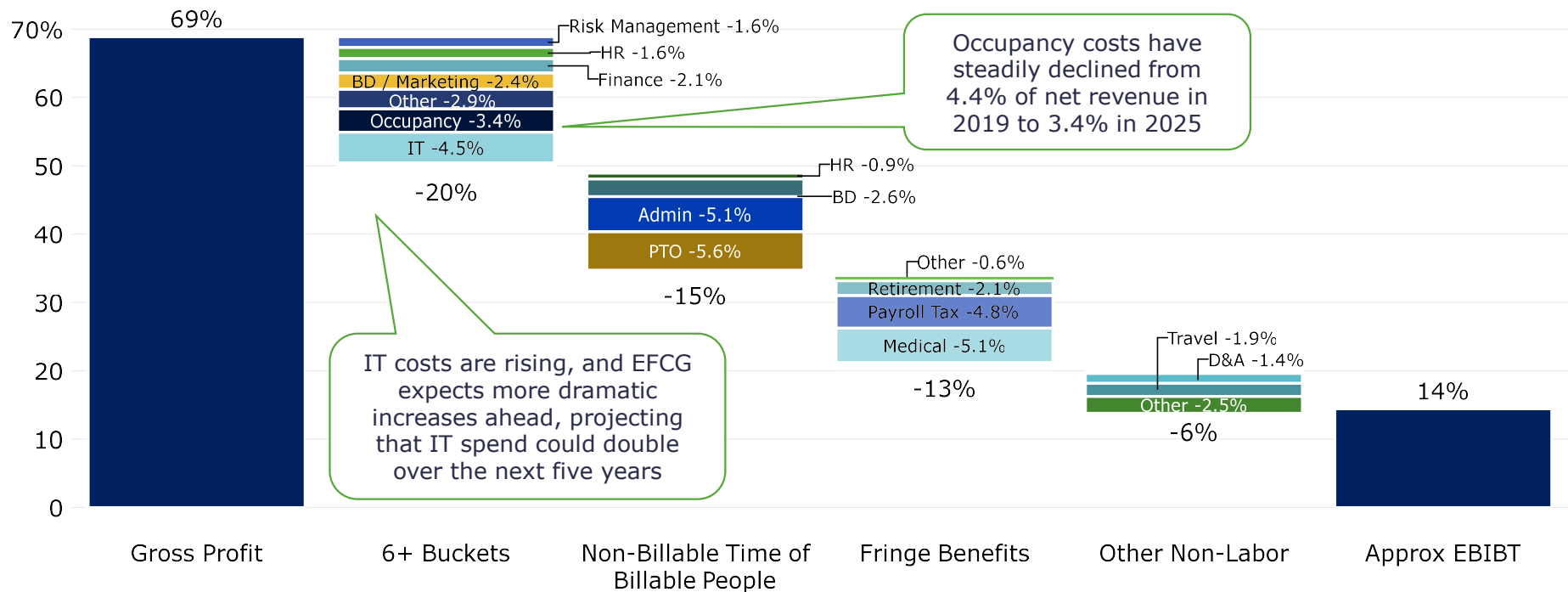
Overhead costs not tied to people / people-hours (ex: software fees, insurance policies, travel)

Overhead Management Is a Key Differentiator to Profit



6+ Buckets (core shared services) and non-billable time of billable people continue to drive overhead costs (and are where we see the greatest differences between firms).

Overhead Expenses (as a % of Net Revenues, 2025)



Source: 2026 EFCG CEO Survey

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Profit



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The Profit Alphabet Soup...



Considerations / Use Cases

- EBIBT (**E**arnings **B**efore **I**nterest, **B**onuses & **T**axes) → *Bonus payouts are discretionary (especially if bonuses are effectively dividends for owners).*
- EBIT (**E**arnings **B**efore **I**nterest & **T**axes) → *Bonuses are still a real reduction of profit.*
- EBITA (**E**arnings **B**efore **I**nterest, **T**axes & **A**mortization) → *Amortization of goodwill is more a GAAP accounting requirement than a meaningful reduction of profitability.*
- EBITDA (**E**arnings **B**efore **I**nt., **T**axes, **D**epreciation & **A**mort.) → *Shows profitability without subtracting major "non-cash" expenses (D&A).*
- EBT (**E**arnings **B**efore **T**axes) → *Eliminates any differences driven by tax levels / structure.*
- PAT (**P**rofit **A**fter **T**axes) → *Recognizes what's truly left after taxes.*

Which is most important?

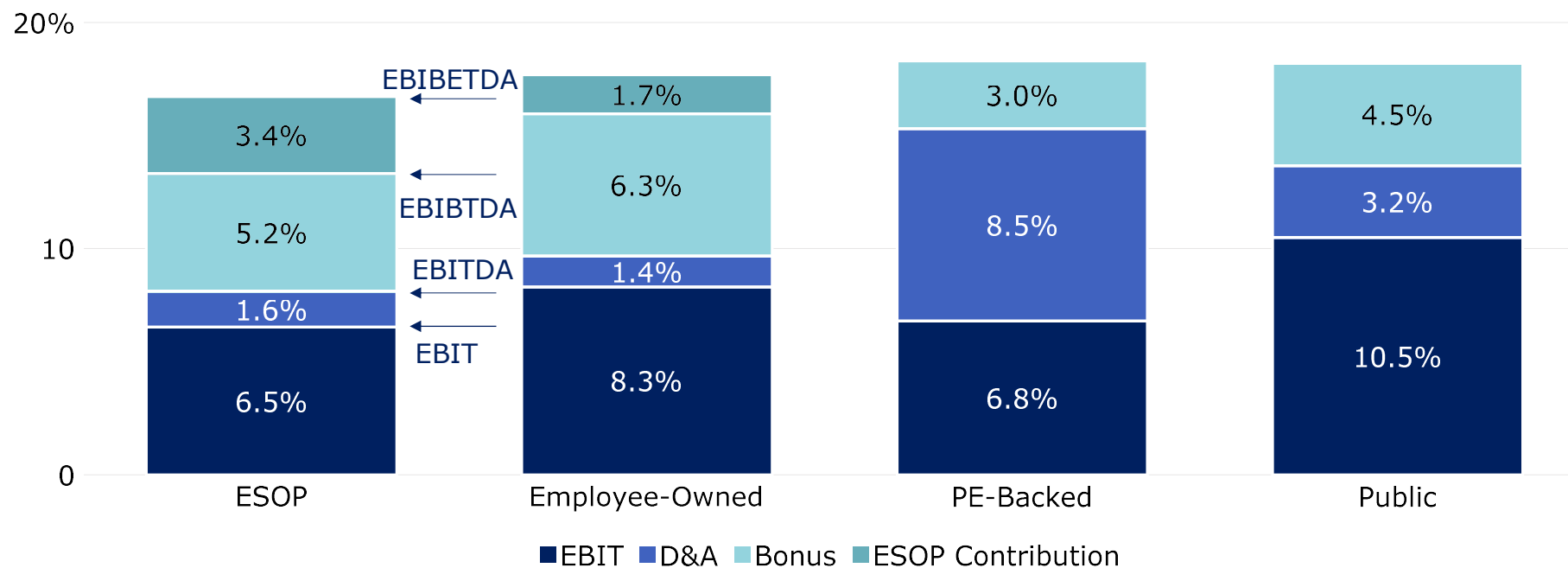
(It depends on what you need it for! Each metric provides a different perspective)

Why Do We Look at Profit So Many Ways?



Ownership structure impacts different profit components. PE-backed firms tend to have higher D&A, while Employee-Owned and ESOPs have higher bonus payouts and ESOP contributions. Firm structure & strategy should inform which metric your firm uses for benchmarking!

Profit Margin (% of Net Revenues, 2026E Median)



Source: 2026 EFCG CEO Survey

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Multiplier & Utilization

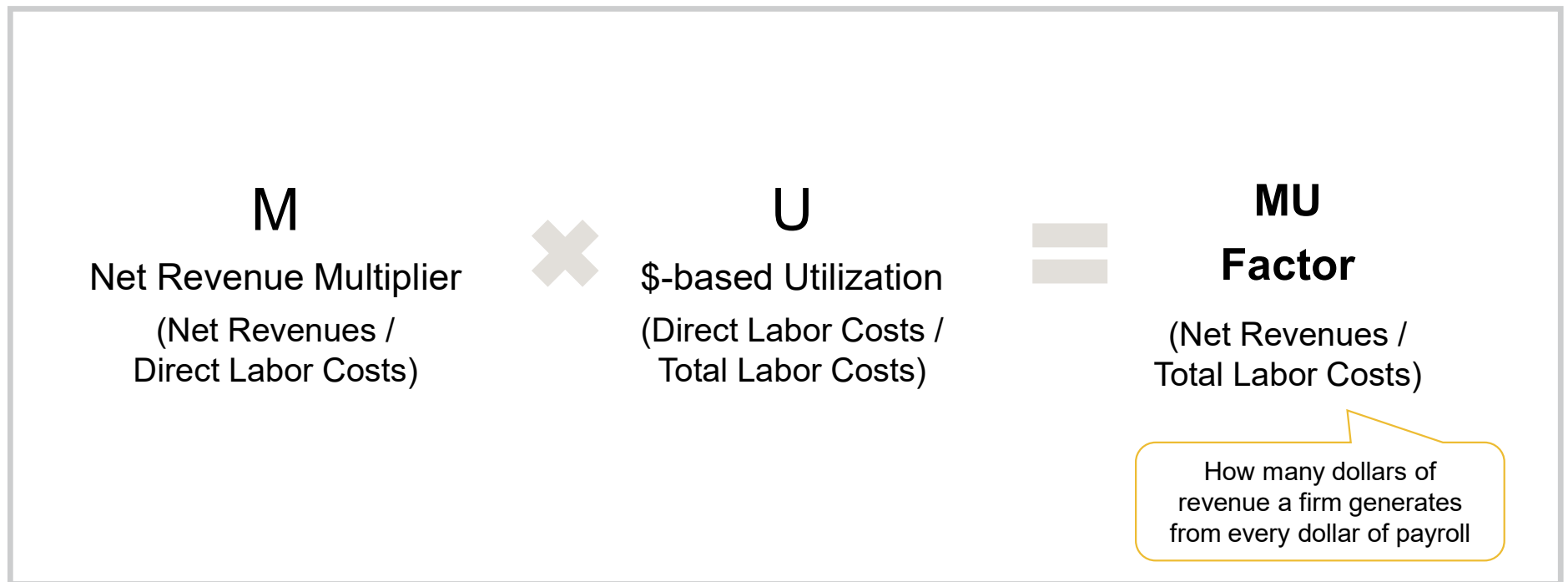


EFCG

Multiplier & Utilization



One of the metrics with the strongest correlation to profitability is the **MU Factor** – small improvements in either component of MU can result in large improvements in profitability.

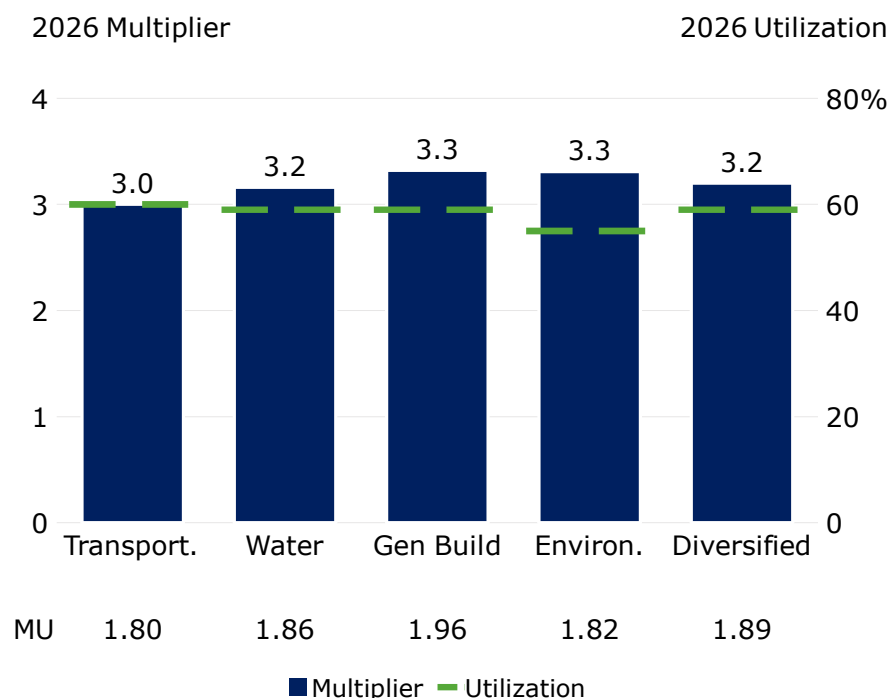


Multiplier & Utilization Differ Across Markets and Clients

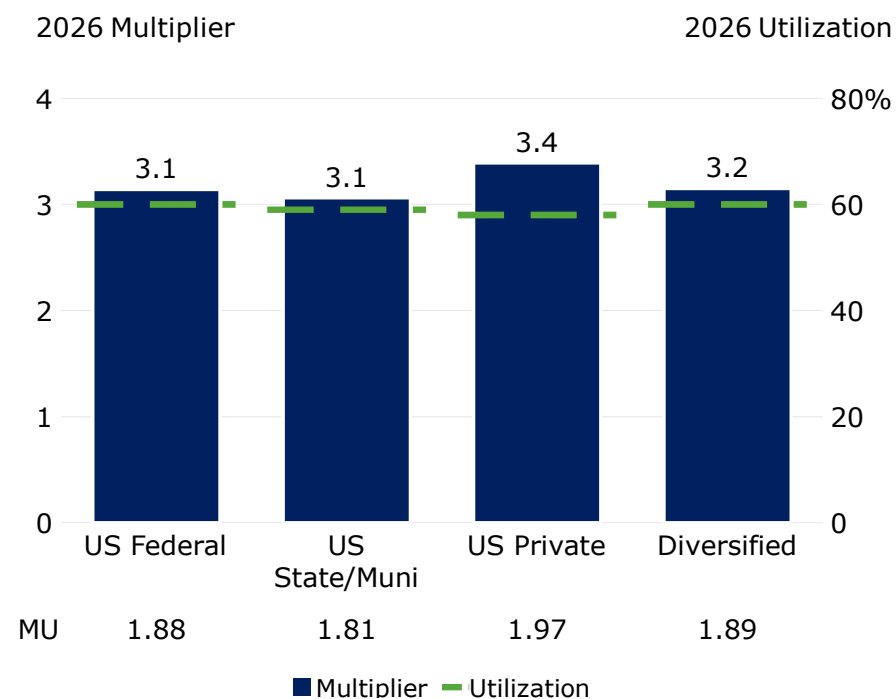


Environmental firms, General Building firms and firms focused on US Private clients report higher Multipliers, while Transportation firms report higher Utilization.

End Market



Clients



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Talent

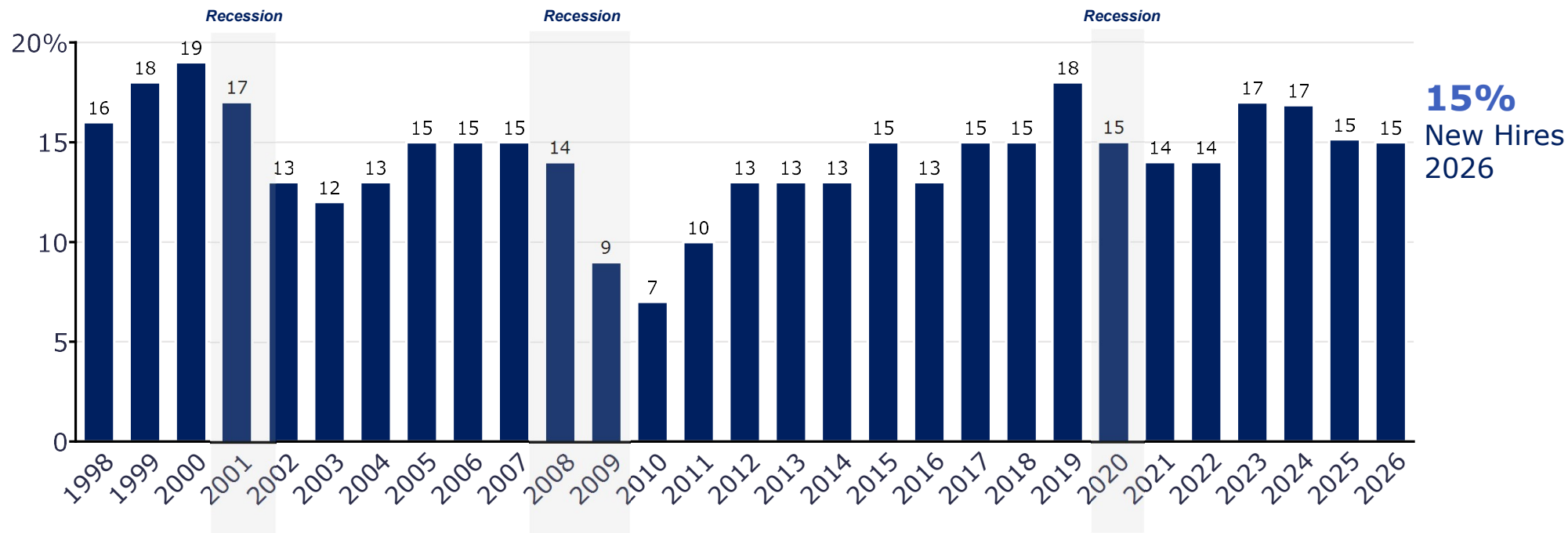


Recruitment in the AEC Industry Stays Strong



AEC firms continue to hire at a strong pace. New hires held steady at 15%, above most years of the 2010s.

Median % of New Hires



Source: 1998-2026 EFCG CEO Surveys; Survey respondents are asked to provide this data using the most recent 12 months of activity

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Turnover Metrics



With the AEC industry being a people-driven industry and talent being the top constraint to firms' ability to grow, turnover represents a key KPI to manage.

Voluntary Turnover

*% of Employees
who Elect to Leave
the Firm Each Year*

Involuntary Turnover

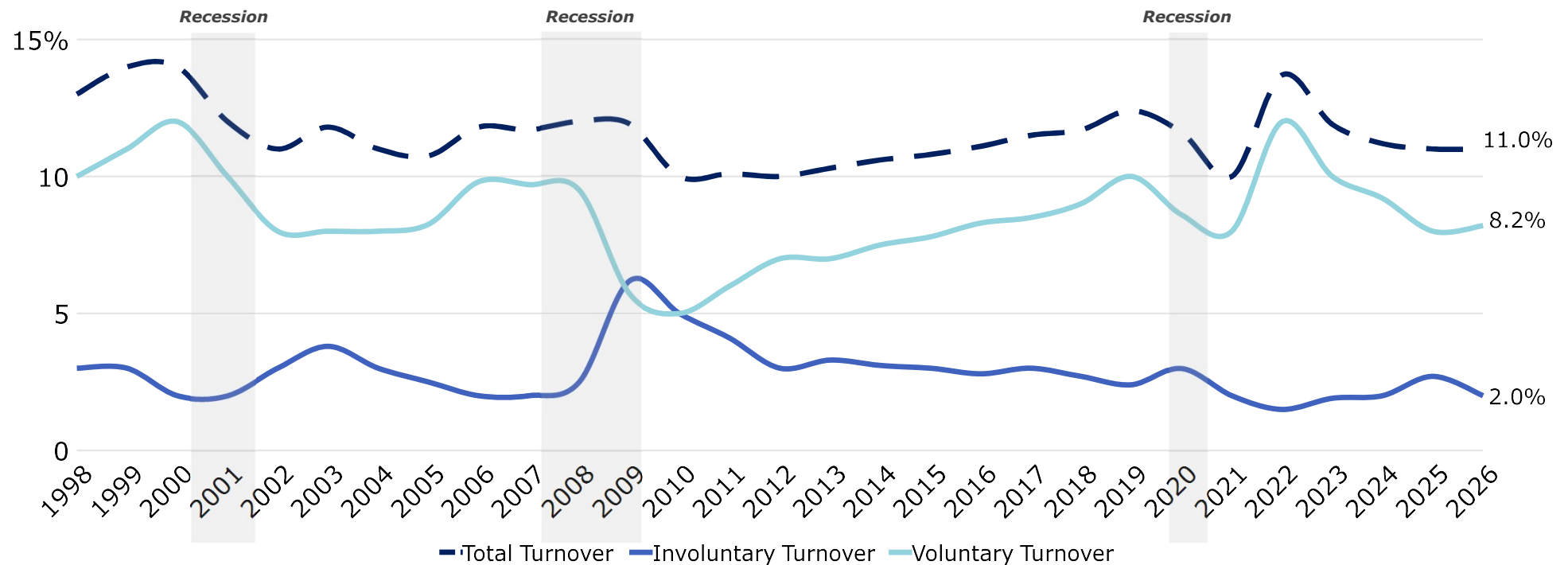
*% of Employees
who are let go from
the Firm Each Year*

AEC Industry Turnover Has Moderated, But is Still Above 10%



Total turnover held at 11% in 2026. Voluntary turnover ticked up slightly to 8.2% but remains well below its 2022 peak, and involuntary turnover declined to 2.0%.

Median Turnover (Last 12 Months)



Source: 1998-2026 EFCG CEO Surveys; note: turnover numbers are median (not average) and exclude hourly workers

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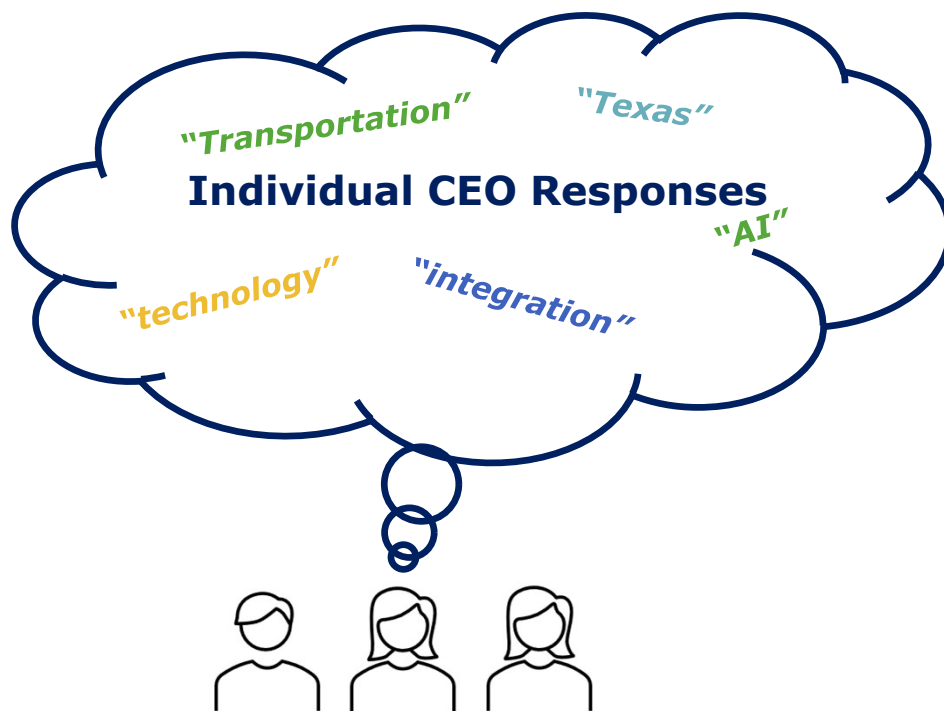
Q&A



Gauging Industry Sentiment

"What areas of the industry do you expect to be the hottest (i.e. best performing) and coldest (i.e. worst performing) over the next few years?"

"What are your key priorities (or top goals) and key concerns (or top threats) as CEO in the next year?"



EFCG Team Analyzes and Aggregates Responses Based on Themes and Frequency



Hot	Cold	Priorities	Concerns

EFCG Annual Hot / Cold Analysis

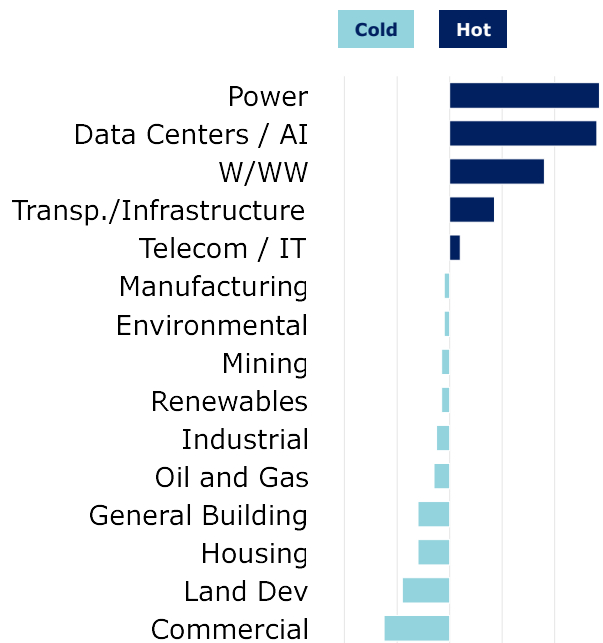


Markets: Power, Data Centers, and Water / WW are hottest; Commercial and Land Dev are expected coldest.

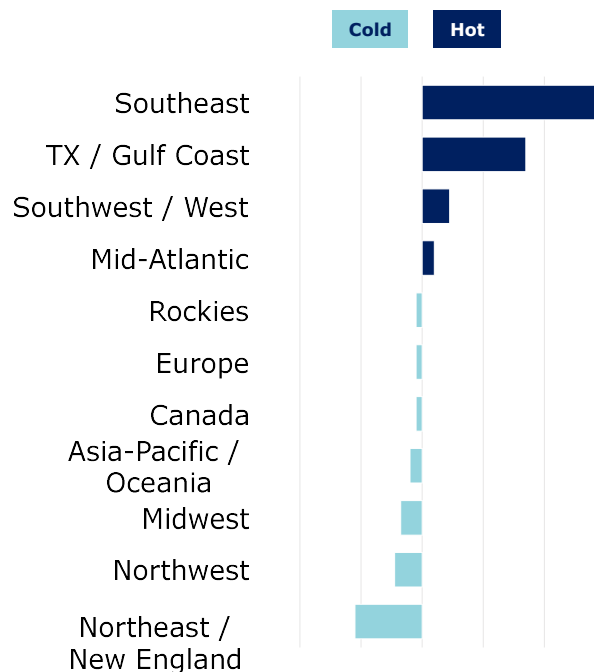
Geographies: Southeast and TX / Gulf Coast are hottest; Northeast and Northwest are expected coldest.

Clients: US Private is hottest; US Federal is expected coldest.

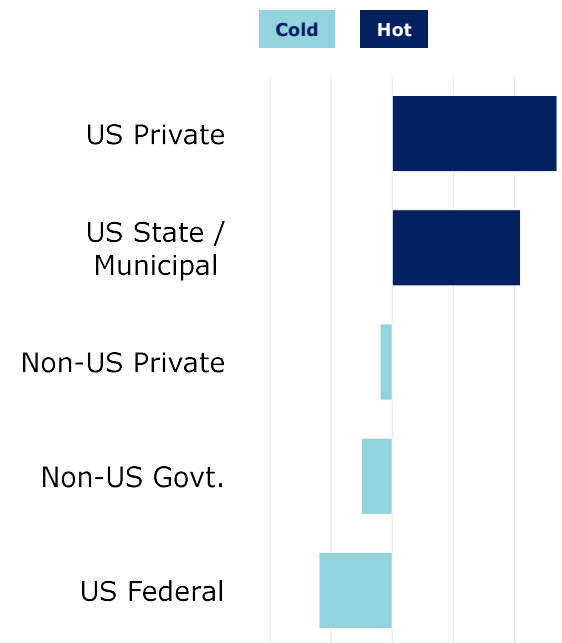
Markets



Geographies



Clients



Source: 2026 EFCG CEO Survey

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CEO Perspectives on Priorities and Concerns



Key Priorities

- Driving Growth
- Technology and AI Integration
- Expansion Into New Markets & Geographies
- Increasing Profitability and Margins
- M&A and Acquisition Integration
- Succession Planning & Ownership Transitions
- Talent Acquisition and Retention

Key Concerns

- Talent Availability and Retention
- Economic Uncertainty and Interest Rates
- AI Disruption and Cost of Adoption
- Political and Regulatory Uncertainty
- Federal and Public Funding Uncertainty
- Pricing Pressure and Margin Compression
- Competition From Larger PE-Backed Firms

Source: 2026 EFCG CEO Survey

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How EFCG Selects Industry Overview Trends



- Analyzing the data and key priorities & concerns you share in the surveys
- Having thousands of calls with AEC firm executives (and non-executives!)
- Identifying factors we believe are shaping (and will shape) the industry
- Modeling the pace of change and adoption among emerging innovations
- Keeping a pulse on broader macro trends and news events
- Leveraging our team's expertise from inside and outside this industry



2026 EFCG AEC Industry Overview "Industry Trends"

The Productivity Challenge

Technology Strategy

AI Enablement

Business Models & Strategy

Pricing

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Looking For Even More Benchmarks?



EFCG's Peer Benchmarking Analysis ("PBA") provides firm-specific benchmarking across 150+ metrics

Scan the QR code in your agenda for more details or email vmemon@efcg.com

Exhibit 4a
PRODUCTIVITY ANALYSIS
"MU Factor" and Time-Based Utilization

Companies part of Primary (Size) peer group

Type of analysis

Metric measured

	"MU Factor" Analysis			Time-Based Utilization Rate			Net Revenues / FTE (\$K)
	Net Revenue Multiplier (M)	\$-Based Utilization Rate (U)	"MU-Factor" Net Revenues Per Payroll Dollar (M x U)	All Professional Employees	"Billability" Highest-Paid 5% of Employees	Next Highest-Paid 10% of Employees	
1	4.00	94.0%	3.74	85%	51%	70%	263
2	3.98	71.0%	2.19	82%	49%	65%	241
3	3.92	69.8%	2.01	81%	43%	60%	193
4	3.65	68.1%	1.99	73%	42%	59%	192
5	3.56	67.4%	1.97	72%	40%	56%	192
6	3.24	62.0%	1.90	70%	40%	54%	188
7	3.21	60.7%	1.87	70%	40%	54%	176
8	3.12	60.1%	1.85	70%	34%	53%	173
9	3.12	58.8%	1.81	69%	33%	53%	172
10	2.99	58.8%	1.81	69%	31%	53%	171
11	2.98	58.5%	1.78	68%	31%	50%	171
12	2.97	58.1%	1.73	67%	30%	45%	169
13	2.92	57.9%	1.72	65%	29%	42%	160
14	2.88	57.8%	1.70	61%	25%	38%	157
15	2.82	57.0%	1.70	60%	22%	37%	156
16	2.75	55.8%	1.66	60%	21%	35%	154
17	2.69	55.2%	1.63	59%	21%	35%	132
18	2.68		1.61	59%	19%	32%	129
19	2.44		1.39	58%	16%	30%	107
20	1.81		1.29	58%	11%	29%	103
21	1.80		1.21	57%	6%	28%	101
Medians							
Size	2.98	58.5%	1.78	68%	31%	50%	
Water / Wastewater	3.12	58.1%	1.87	69%	38%	59%	

Your company's metrics in comparison to peers*

Primary and Alternative peer group metric medians

*Each column ranks the peer firms' metrics in order from highest to lowest. A company, therefore, does not occupy only one row, so it is not possible to deduce which set of metrics corresponds to that of a peer firm.

Includes insightful commentary from EFCG on your firm's relative strengths, weaknesses, and risks compared to peers



Ask Us Questions

Vishal Menon



vmenon@efcg.com



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Share Your Feedback

Please share your thoughts
on this session in tomorrow's
Day 1 Evaluation.



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