



# Market Performance Analysis (MPA) Overview

## What is a Market Performance Analysis?

EFCG’s Market Performance Analysis provides a deep dive into the performance of an AEC industry end market (ex: Water/Wastewater, General Building, Transportation, Environmental). It displays a wide range of financial and operational metrics including revenue growth, profit margins, overhead spend, and employee turnover (see next page for full list of metrics).

The analysis captures historical, current, and forward-looking KPIs that enable private equity firms and investors to:

- Assess whether a certain end market presents investment opportunities and/or aligns with their investment thesis
- Understand the landscape of specialized AEC firms and identify patterns in their organizational structures and business models
- Benchmark the performance of portfolio companies relative to key players in the space

## What is the process for getting a Market Performance Analysis?

We begin by working with the investor to understand what end market(s) they are interested in assessing. Leveraging our proprietary database and industry expertise, we then identify ~20 AEC firms that focus on that end market and have submitted their financial and operational data via EFCG’s detailed surveys. Within 1-2 weeks, EFCG compiles and analyzes 150 KPIs for each firm and the broader end market.

## What does a Market Performance Analysis look like?

The output is a highly detailed 30-page report that shows both individual and aggregate data points for each metric. Note: EFCG keeps each firm’s information anonymous by sorting the datapoints largest to smallest independently in each column.

**Exhibit 2b**  
**EARNING ANALYSIS: After-Bonus Profit Margins**

Type of analysis →      ← Metric displayed in columns

Companies part of dataset	After-Bonus, Pre-Depreciation, Pre-Amortization Margin EBITDA / Net Revenues				After-Bonus, Pre-Amortization Margin EBITA / Net Revenues				After-Bonus Margin EBIT / Net Revenues				Bonus Payments*	
	2022	2023E	2024P	3-Year Avg.	2022	2023E	2024P	3-Year Avg.	2022	2023E	2024P	3-Year Avg.	% of EBBT	% Net Rev.
1	X%	X%	X%	X%	X%	X%	X%	X%	X%	X%	X%	X%	X%	X%
2	X%	X%	X%	X%	X%	X%	X%	X%	X%	X%	X%	X%	X%	X%
3	X%	X%	X%	X%	X%	X%	X%	X%	X%	X%	X%	X%	X%	X%
4	X%	X%	X%	X%	X%	X%	X%	X%	X%	X%	X%	X%	X%	X%
5	X%	X%	X%	X%	X%	X%	X%	X%	X%	X%	X%	X%	X%	X%
6	X%	X%	X%	X%	X%	X%	X%	X%	X%	X%	X%	X%	X%	X%
7	X%	X%	X%	X%	X%	X%	X%	X%	X%	X%	X%	X%	X%	X%
8	X%	X%	X%	X%	X%	X%	X%	X%	X%	X%	X%	X%	X%	X%
9	X%	X%	X%	X%	X%	X%	X%	X%	X%	X%	X%	X%	X%	X%
10	X%	X%	X%	X%	X%	X%	X%	X%	X%	X%	X%	X%	X%	X%
11	X%	X%	X%	X%	X%	X%	X%	X%	X%	X%	X%	X%	X%	X%
12	X%	X%	X%	X%	X%	X%	X%	X%	X%	X%	X%	X%	X%	X%
13	X%	X%	X%	X%	X%	X%	X%	X%	X%	X%	X%	X%	X%	X%
14	X%	X%	X%	X%	X%	X%	X%	X%	X%	X%	X%	X%	X%	X%
15	X%	X%	X%	X%	X%	X%	X%	X%	X%	X%	X%	X%	X%	X%
16	X%	X%	X%	X%	X%	X%	X%	X%	X%	X%	X%	X%	X%	X%
17	X%	X%	X%	X%	X%	X%	X%	X%	X%	X%	X%	X%	X%	X%
18	X%	X%	X%	X%	X%	X%	X%	X%	X%	X%	X%	X%	X%	X%
19	X%	X%	X%	X%	X%	X%	X%	X%	X%	X%	X%	X%	X%	X%
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21	X%	X%	X%	X%	X%	X%	X%	X%	X%	X%	X%	X%	X%	X%
22	X%	X%	X%	X%	X%	X%	X%	X%	X%	X%	X%	X%	X%	X%
23	X%	X%	X%	X%	X%	X%	X%	X%	X%	X%	X%	X%	X%	X%
24	X%	X%	X%	X%	X%	X%	X%	X%	X%	X%	X%	X%	X%	X%
25	X%	X%	X%	X%	X%	X%	X%	X%	X%	X%	X%	X%	X%	X%
Medians Transportation MARKET 2	X%	X%	X%	X%	X%	X%	X%	X%	X%	X%	X%	X%	X%	X%

Investors have the option to add additional end market(s) to the analysis to understand how one market performs relative to another



## What does the Market Performance Analysis measure?

### **Growth**

#### **Analyses / Metrics:**

- Revenue Demographics: Market Sector, Customer and Functional Sector, Geography, Project Delivery Method
- Growth Rate Analysis: Organic and Inorganic Growth, Acquisitions, Growth Projections

### **Profitability**

#### **Analyses / Metrics:**

- Pre-Bonus Earnings (EBIBTDA, EBIBTA, EBIBT) Margins, After-Bonus Earnings (EBITDA, EBITA, EBIT) Margins, “Happiness Quotient” (Revenue Growth + Profitability)

### **Business Development**

#### **Analyses / Metrics:**

- Client Concentration (Revenue and Profit from Top Clients), Proposal “Hit Rates,” Fee “Capture Rates,” Backlog, Business Development/Marketing Investment

### **Productivity**

#### **Analyses / Metrics:**

- Net Revenue Multiplier, Utilization, MU Factor, Billability, Stock Price Change, Working Capital, Capital Expenditures, Fixed Assets, DuPont Analysis (Return on Revenue, Assets, and Equity)

### **Overhead**

#### **Analyses / Metrics:**

- IT, Finance, HR, Business Development/Marketing, Risk Management, and Occupancy Costs (Indirect Labor and Non-Labor Costs), Non-Billable Time of Billable People, Fringe Benefits, Office and Real Estate Analysis

### **Risk**

#### **Analyses / Metrics:**

- Share Buybacks, Alternative Delivery, Financial Leverage and Capital Structure

### **People / Talent**

#### **Analyses / Metrics:**

- Workforce Turnover, New Hire Rates, Compensation (Salaries and Bonuses), Staff Age, Staff Diversity, Distribution of Stock Ownership, Remote Employees

### **Technology & Sustainability**

#### **Analyses / Metrics:**

- Investments, Dedicated FTEs, Subscription and Service Revenue Generated, Carbon Emissions, Carbon Reduction Goals, Billability of Sustainability Lead