



2026 CFO Conference

Welcome!

Jessica Zofnass Barclay
EFCG Managing Partner
M&A

Julie Hasiba
EFCG Managing Partner
Talent & Compensation

Rebecca Zofnass
EFCG Managing Partner
Strategy & Corporate Finance

Thursday, March 5, 2026



Network: FourSeasonsMeeting
Password: efcgcfo2026

WELCOME



This year's conference welcomes 180 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 financial leaders that shape the AEC Industry, this is the major CFO Conference in the industry bringing you rich, data-driven content on the major strategic and financial decisions CFOs are focused on today.

Enjoy this experience to engage & network!

2026 CFO Conference March 4 - 6, 2026

- 180** Conference Attendees
- 29** Sessions and Networking Opportunities
- 35** Years of Industry Data Analyzed
- 35** Industry Leaders & Experts as Speakers

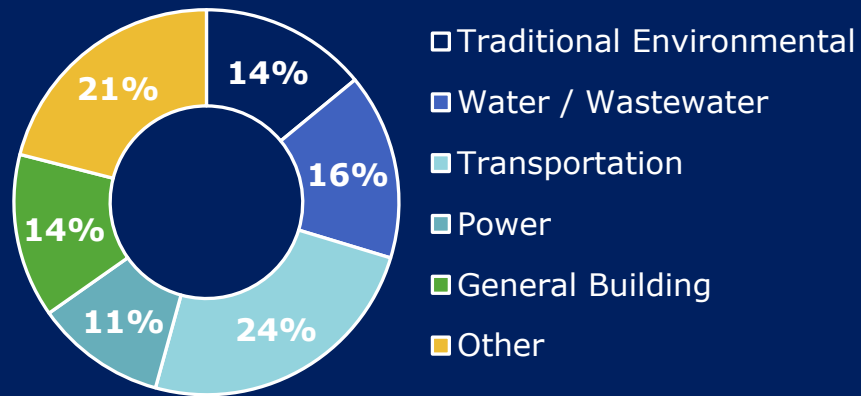
Who's in the Audience?



This CFO Conference welcomes

- 180 attendees
- 131 AEC firms represented
- 76 first time attendees
- Revenue range of \$6MM to \$17.7BN

Market Segments Represented



15+ Year EFCG CFO Conference Attendees

- Shawn Cannon (Strand)
- Craig Denson (HNTB)

10+ Year EFCG CFO Conference Attendees

- Donald Vrana (Terracon Consultants)
- Ash Wason (Carollo Engineers)
- Andrea Wilson (HH Angus)





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.



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About EFCG – Our History – It All Started with the Data



1990



EFCG started collecting a few datapoints each year by special request from clients.

2-3

Datapoints in EFCG database

2026



Today, EFCG owns a highly comprehensive proprietary AEC industry Database

8 Million

Datapoints in EFCG database

6

Extensive annual surveys

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

Mergers & Acquisitions



240+
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

Leadership Conferences



100+
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 Unique Capability Set



EFCG Service Capabilities Comparison			
Service Capabilities	EFCG	Investment Banking Firms	Management Consulting Firms
<i>Corporate & Financial Strategic Planning</i>	✓		✓
<i>Peer Benchmarking Analyses For AEC Firms</i>	✓		
<i>Technology, Innovation, Talent, and ESG Strategy</i>	✓		✓
<i>AEC Technology Valuations, Divestitures, and Spin-offs</i>	✓		
<i>Firm Valuations & Internal Ownership Transitions</i>	✓	✓	✓
<i>M&A Sell-Side & Buy-Side Representation</i>	✓	✓	
<i>M&A Support Services</i>	✓	✓	✓
<i>Market Analyses & Insights</i>	✓	✓	✓
<i>Pre-Merger Integration</i>	✓		
<i>Post-Merger Integration</i>	✓		✓
<i>Executive Leadership Conferences for AEC Firms</i>	✓		

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.

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Where CFOs Are Engaging Us Today



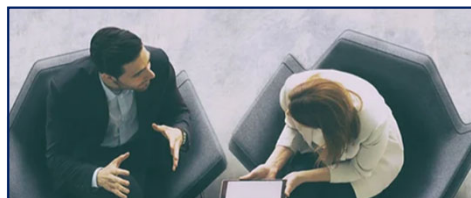
Financial & Operating Peer Benchmarking Analyses (PBA)

EFCG conducts 100+ peer benchmarking analyses each year. Our signature PBAs deliver a “financial MRI,” comparing your firm to peers across 150+ metrics to identify strengths, weaknesses, and key opportunities.



Internal Ownership Transitions (IOT) & Valuations

EFCG helps clients create a clear IOT strategy, including financial modeling, corporate valuations, and communication plans. We provide incredibly accurate company valuations, having conducted 500+ to date.



Sell-Side and Buy-Side M&A Representation

EFCG has successfully closed 240+ transactions with its specialized AEC industry expertise. We deliver outstanding results by using our long-standing relationships, data, and insights to help our clients find the right partner.



Compensation & Total Rewards Assessments

EFCG delivers customized benchmarking across executive and non-executive positions, enabling you to compare against peer firms and make informed, strategic investments in total rewards.

EFCG Team – Complete & Expert Support



Strategy & Corporate Finance



Rebecca Zofnass
Managing Partner



Andreas Georgoulas
Dr, Sustainability & ESG



Vishal Menon
VP



Emma Orr
VP



Martin Clark
Associate



Adeline Orcutt
Sr. Analyst



Ethan McCue
Sr. Analyst



Nina Nesselbush
Analyst



Kian Shah
Analyst

Mergers & Acquisitions



Jessica Zofnass Barclay
Managing Partner



Trevor Casey
Director



Emily Shaw
SVP



Keith Zukowski
VP



Chaza Makki
Associate



Abhishek Singh
Associate



Chien Lim
Sr. Analyst

Technology & Innovation



Marcus Quigley
Partner



Jay Margherio
VP



Shi Qi Connolly
Sr. Analyst

Talent & Compensation



Julie Hasiba
Managing Partner



Dimitri Millionis
SVP

Leadership Conferences & Corporate



Renee Ring
COO



Tammy Eisenberg
Legal & Compliance Mgr.



Bambi Caicedo
Rogers
Dr, Strategic Events



Fatima Moumen
Business Ops Manager

EFCG Founder



Paul Zofnass
Founder

- 40+ years of M&A and AEC experience
- 17 years in finance (Affiliations: Citi, Oppenheimer)
- Co-Created Envision Rating System and founded the Zofnass Program at Harvard for Sustainable Infrastructure
- Harvard (BA and MBA)

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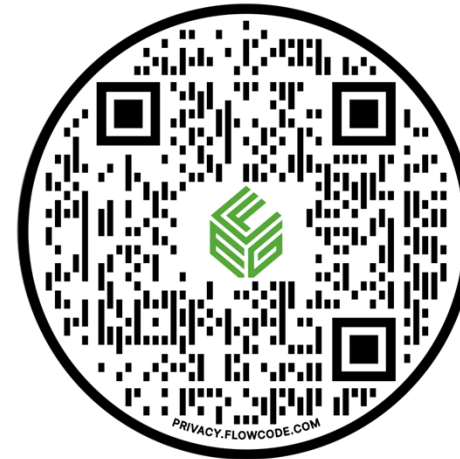


Conference Agenda & Packet



- ✓ View Agenda
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- ✓ View 2026 EFCG AEC Industry Overview
- ✓ Use Note Pages

Conference Portal



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EFCG
Environmental Financial
Consulting Group

**2026 CFO
Conference**



Keynote

Phillip A. Washington
CEO

**Denver International
Airport (DEN)**

Today's Conference Agenda: Thursday, March 5th



Next Event	9:15 am – 10:30 am	Session 1: 2026 EFCG AEC Industry Overview
	10:30 am – 11:00 am	Morning Coffee Social
	11:00 am – 11:45 am	Session 2: State of the Industry Through the Lens of Influential CFOs
	11:45 am – 12:00 pm	CFO of the Year Announcement
	12:00 pm – 1:00 pm	Lunch
	1:15 pm – 2:00 pm	Session 3: Breakout Sessions 3A: M&A in AEC: High Impact Advisors & Partners Across the Deal Cycle 3B: Defining Your Safety Quotient: Maximizing Profitability by Protecting Employees, <i>Presented by Greyling</i>
	2:15 pm – 2:45 pm	Session 4: Today's Tech Trends & AI Workforce Resilience
	2:45 pm – 3:25 pm	Session 5: Tech & AI: Effective Financial Team Technologies
	3:40 pm – 4:25 pm	Session 6: Breakout Sessions 6A: Tech & AI: Operationalizing AI Across the Business: Practical Steps A&E CFOs Are Taking Now, <i>Presented by Deltek</i> 6B: Preserving Wealth, Protecting Legacy: Personal Insurance for Financial Stewards, <i>Presented by Gallagher Private Client</i>
	4:45 pm – 5:30 pm	Session 7: Turning Pricing Pressures Into Pricing Strategy: Who Pays for Progress?
	6:00 pm – 8:00 pm	Evening Networking Reception & Dinner

Tomorrow's Conference Agenda: Friday, March 6th



8:15 am – 9:00 am	Small-Firm & PE-Backed Roundtables with Breakfast
8:30 am – 9:00 am	General Breakfast Reconnect for All Attendees
9:10 am – 10:00 am	Session 8: Keynote: Philip A. Washington, Denver International Airport CEO
10:15 am – 10:45 am	Session 9: M&A Trends & the 2026 Outlook
10:45 am – 11:30 am	Session 10: Winning M&A Strategies & What's Next for the Year Ahead
11:50 am – 12:30 pm	Lunch & Session 11: Succession by Design: CFO Transition Strategies
12:35 pm – 1:00 pm	Closing Coffee & Conversation



2026 CFO Conference

Session 1: 2026 EFCG AEC Industry Overview

Rebecca Zofnass
EFCG Managing Partner
Consulting

Thursday, March 5, 2026

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Network: FourSeasonsMeeting
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Today's Presenter: Rebecca Zofnass



Rebecca Zofnass
Managing Partner
Strategy & Corporate Finance



Experience

2018-Present

Managing Partner

Strategy & Corporate Finance Lead

Environmental Financial Consulting Group (EFCG)

2009-2018

Senior Manager

Bain & Company

Education

M.B.A.

Harvard Business School

A.B., Psychology, with Honors

Harvard University

Agenda

01 Welcome & Overview

02 Update on Industry Fundamentals

03 Productivity & Pricing: Are We Hitting a Ceiling?

04 Technology As The Next Margin Lever

05 Monetizing Intellectual Capital

06 How M&A Is Evolving

07 Key Takeaways



Industry Overview and What's On The Horizon



- The fundamentals of our industry remain strong – internal growth is holding around 10% and margins are stabilizing near 14.0% EBIBT / 10.5% EBITDA.
 - However, the post-pandemic cushion is thinning, and margin expansion is plateauing.
- Productivity has not structurally improved over the last decade, and headcount still drives growth for most firms. Talent constraints increase the urgency to decouple revenue from headcount through pricing discipline, workflow redesign and automation.
- Technology – especially AI – will differentiate the industry landscape over the next five years.
 - Firms are shifting from experimentation to execution and looking beyond billable hours towards new business models, including SaaS, advisory, data and recurring revenue.
- M&A is reinforcing this shift, with rising private capital involvement and technology-enabled firms earning valuation premiums.
- As individual firm outcomes diverge, what drove success to date will not be what drives success going forward.
 - The next wave of performance will depend less on market tailwinds and more on strategic clarity, discipline in capital allocation, and the ability to turn technology into a business model advantage.

CFO Perspectives on Priorities and Concerns



Key Priorities

- Driving Growth and M&A Activity
- Operational & Process Improvement
- Leveraging Technology and AI
- Cost Control and Margin Expansion
- Forecasting and Financial Management
- Talent Development & Succession Planning
- Strategic Plan Execution
- Risk Management and Governance

Key Concerns

- Economic Uncertainty and Downturn
- Changes in Government Funding/Regulation
- Attracting and Retaining Talent
- Margin Pressure & Rising Costs
- Finding M&A Targets & Ownership Transitions
- Competition and Pricing Pressure
- Technology, AI, and Digital Transformation
- Cash Flow and Utilization Stability

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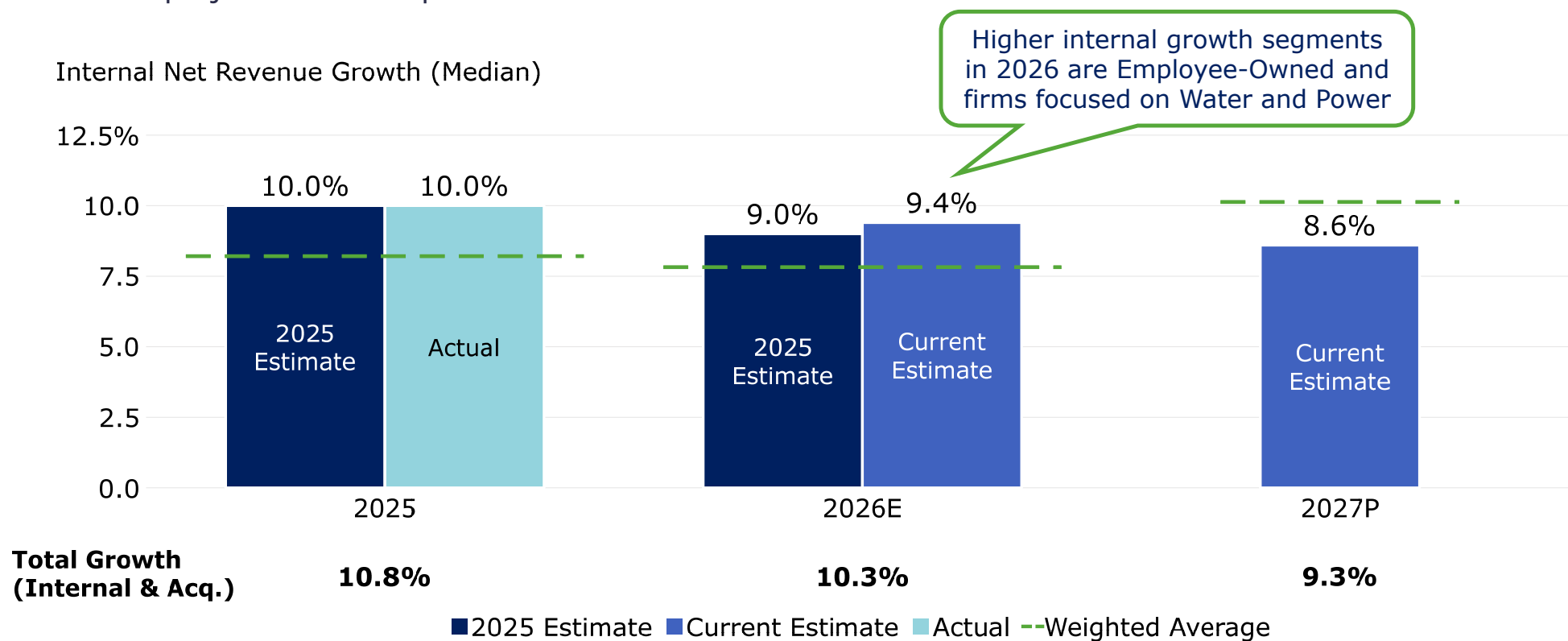
07 Key Takeaways



Current Internal Growth Remains Resilient



2026 estimates have increased since last year and now are expected slightly higher than original estimates, while 2027 projections are expected to decline to 8.6%.



Source: 2025 EFCG CEO Survey; 2026 EFCG CFO Survey

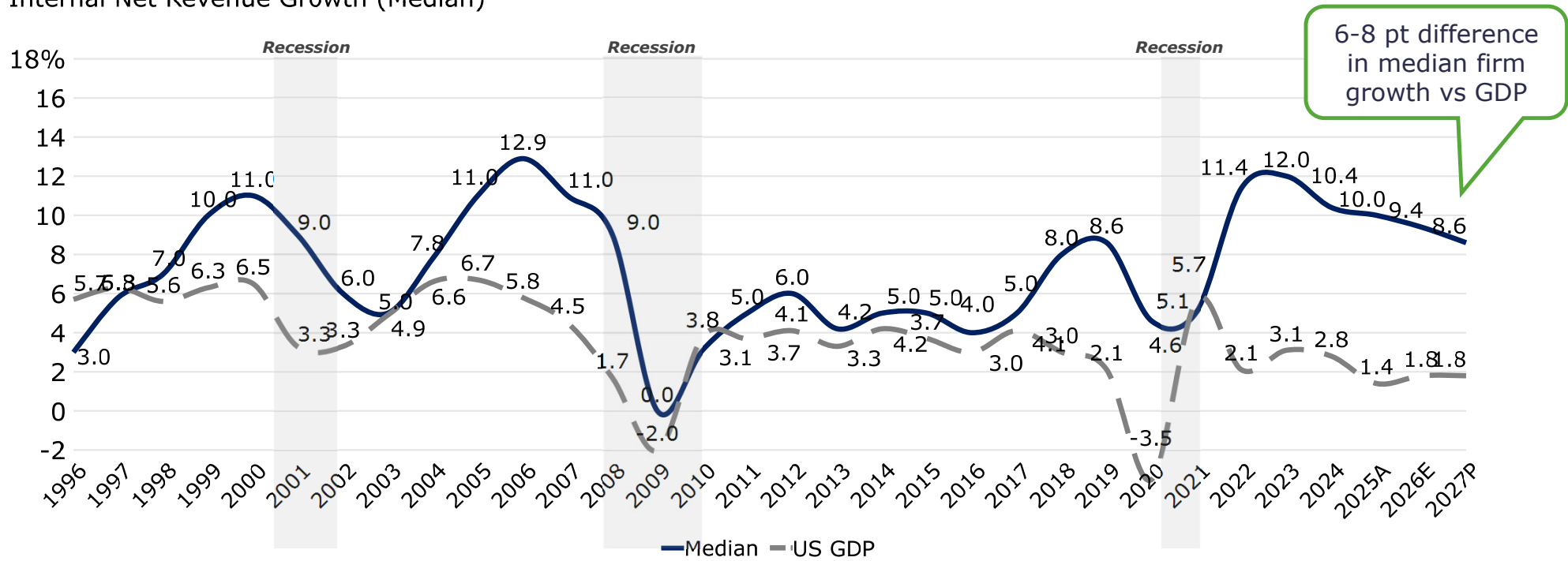
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Industry Continues To Outpace the Broader Economy



Our industry continues to outperform the US GDP. 2022-2027P represent one of the largest gaps between industry growth and US GDP that we've seen.

Internal Net Revenue Growth (Median)



Source: 1996-2025 EFCG CEO Survey; 2026 EFCG CFO Survey; Congressional Budget Office

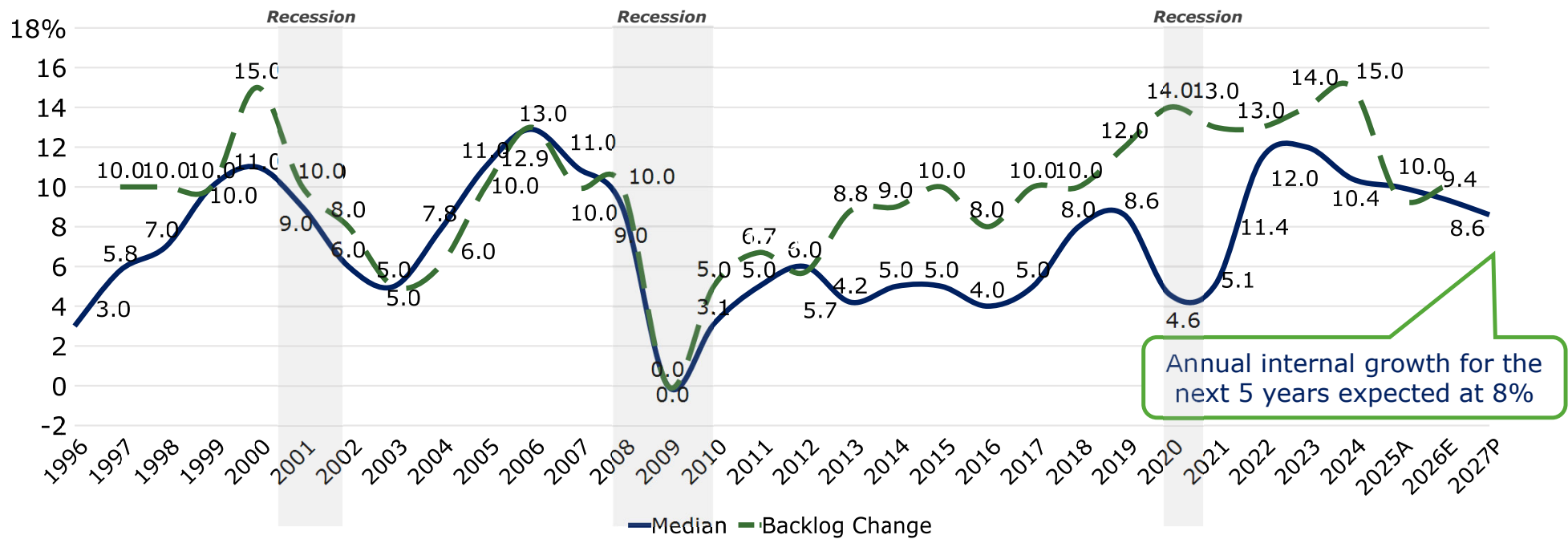
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Backlog Surplus Has Largely Been Absorbed



Until 2012, backlog growth tracked closely with firms' internal growth, but then diverged for the next decade with higher backlog growth than internal growth. Current estimates for 2026 have backlog growth aligned to revenue growth, suggesting firms have mostly worked through the "surplus."

Internal Net Revenue Growth (Median)



Source: 1996-2025 EFCG CEO Survey; 2026 EFCG CFO Survey

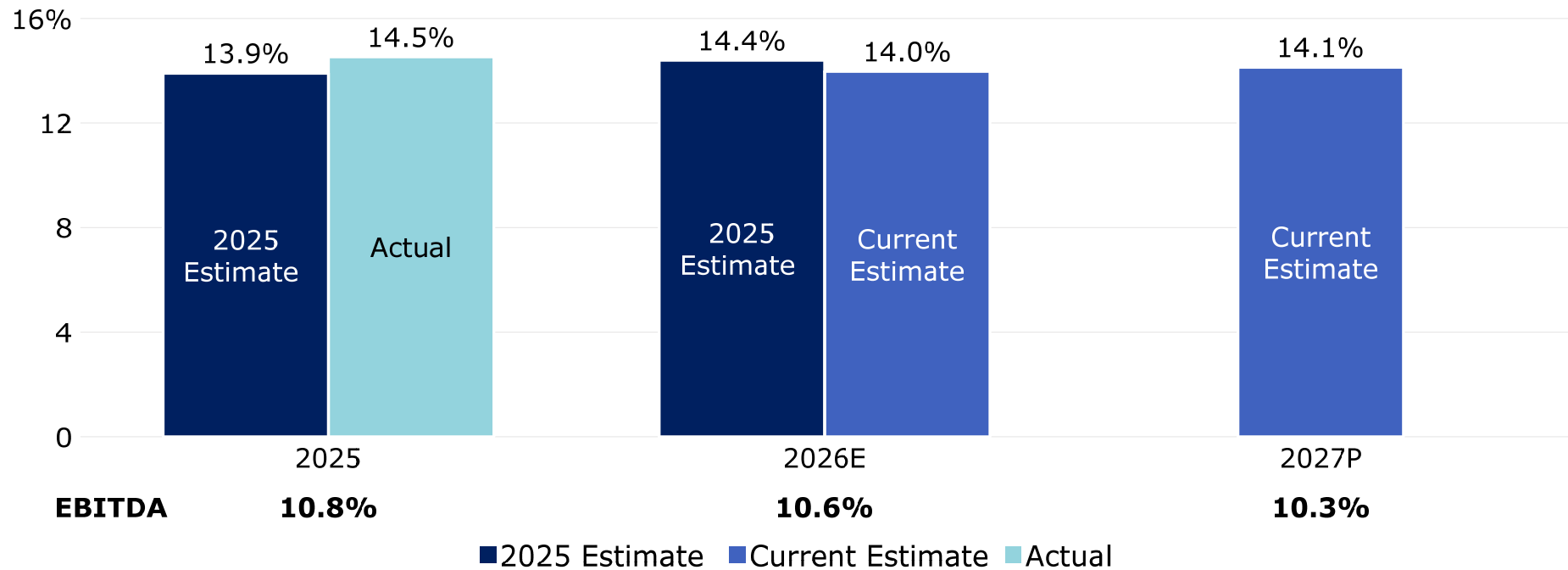
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Current Margins Are Stable



Current profit estimates indicate consistent profitability this year and next, with an expected EBIBT of ~14.0% and EBITDA of ~10.5%.

Profit (EBIBT / Net Revenues, Median)



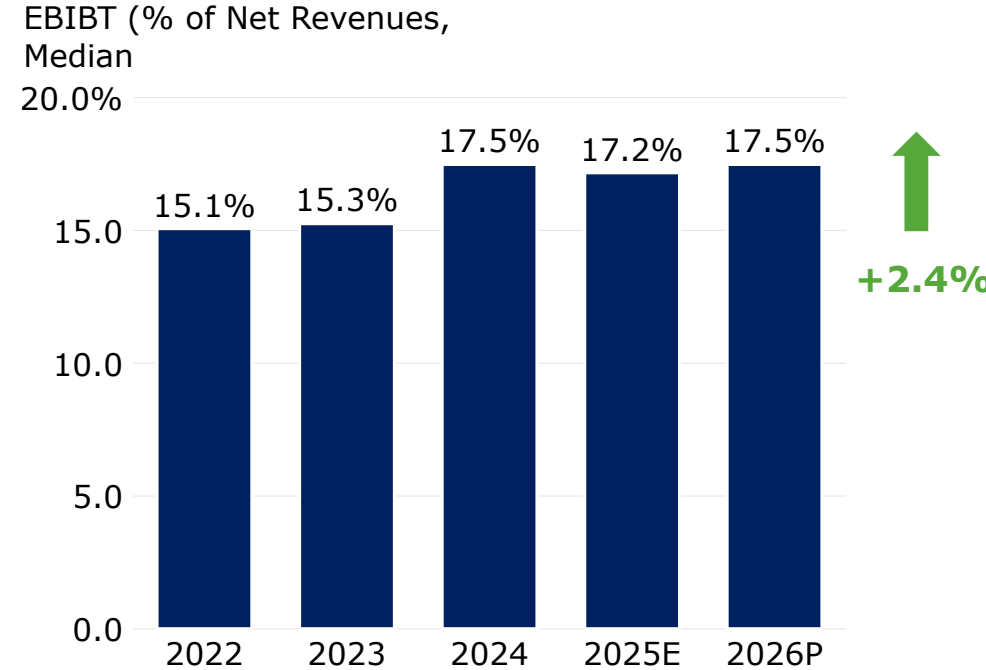
Source: 2025 EFCG CEO Survey; 2026 EFCG CFO Survey

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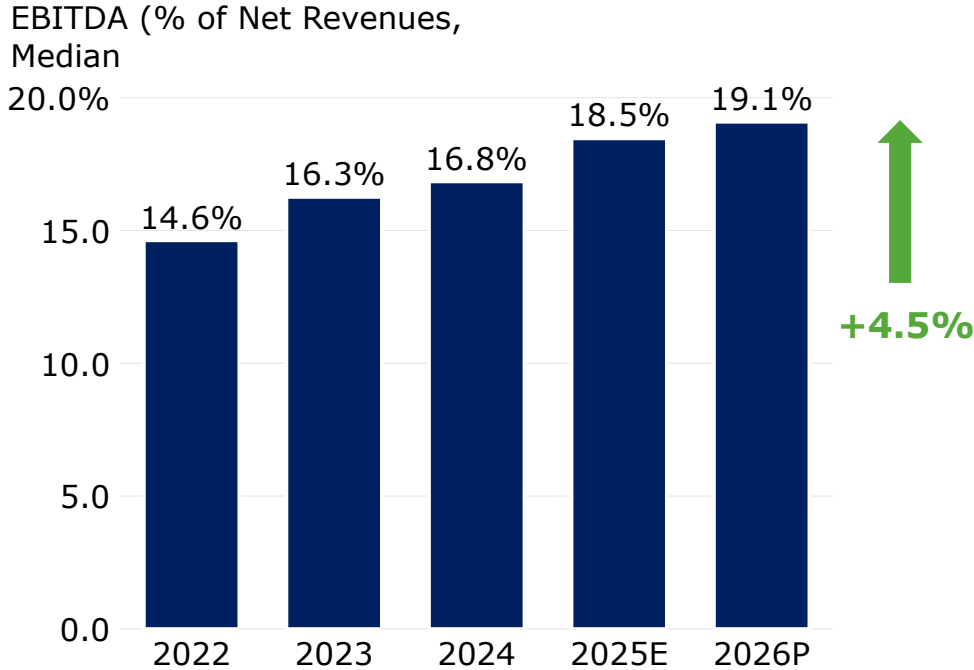
Profitability Rising Across Ownership Types

Profitability across ownership structures has improved post-pandemic, regardless of ownership structure (or specific metric).

Employee-Owned



PE-Backed



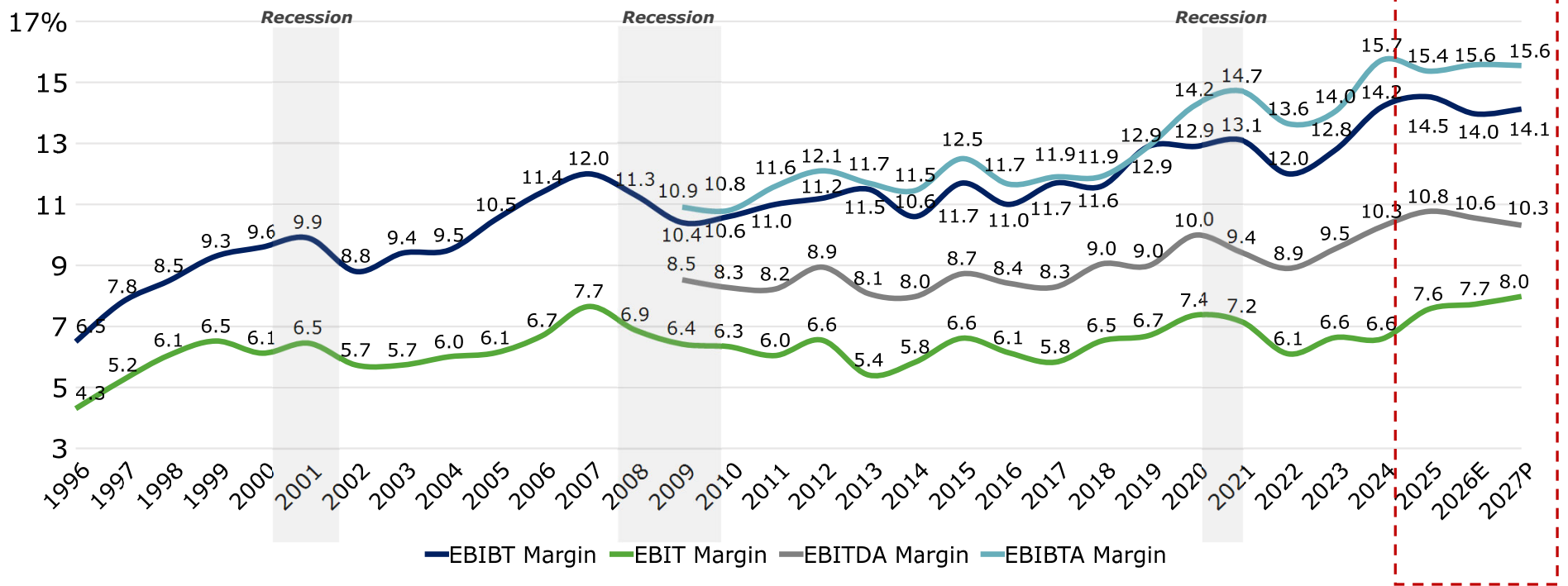
Source: 2022-2025 EFCG CEO Survey

Margins at Historic Highs – Will This Continue?



All key profitability metrics (EBIBT, EBIT, EBITDA, EBIBTA) have seen a recovery from the 2022 “post-pandemic dip,” and now are projected to stay relatively even. Have we reached a plateau... or a ceiling?

Profit Margin (% of Net Revenues, Median)



Source: 1996-2025 EFCG CEO Survey; 2026 CFO Survey

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EFCG Hot / Cold Analysis Highlights Pockets of Strength

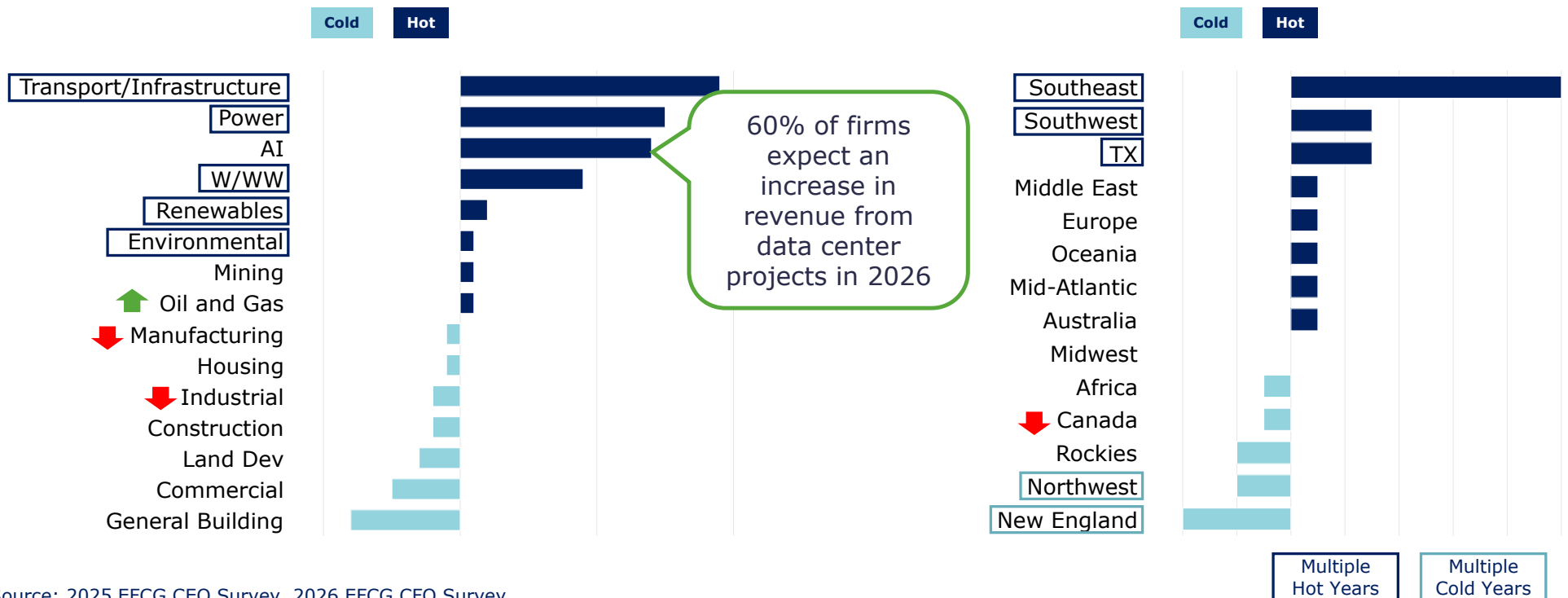


Markets: Transportation, Power, and AI are hottest; Building and Commercial are expected coldest.

Geographies: Southeast, Southwest, and TX are hottest; New England and Northwest are expected coldest.

Markets

Geographies

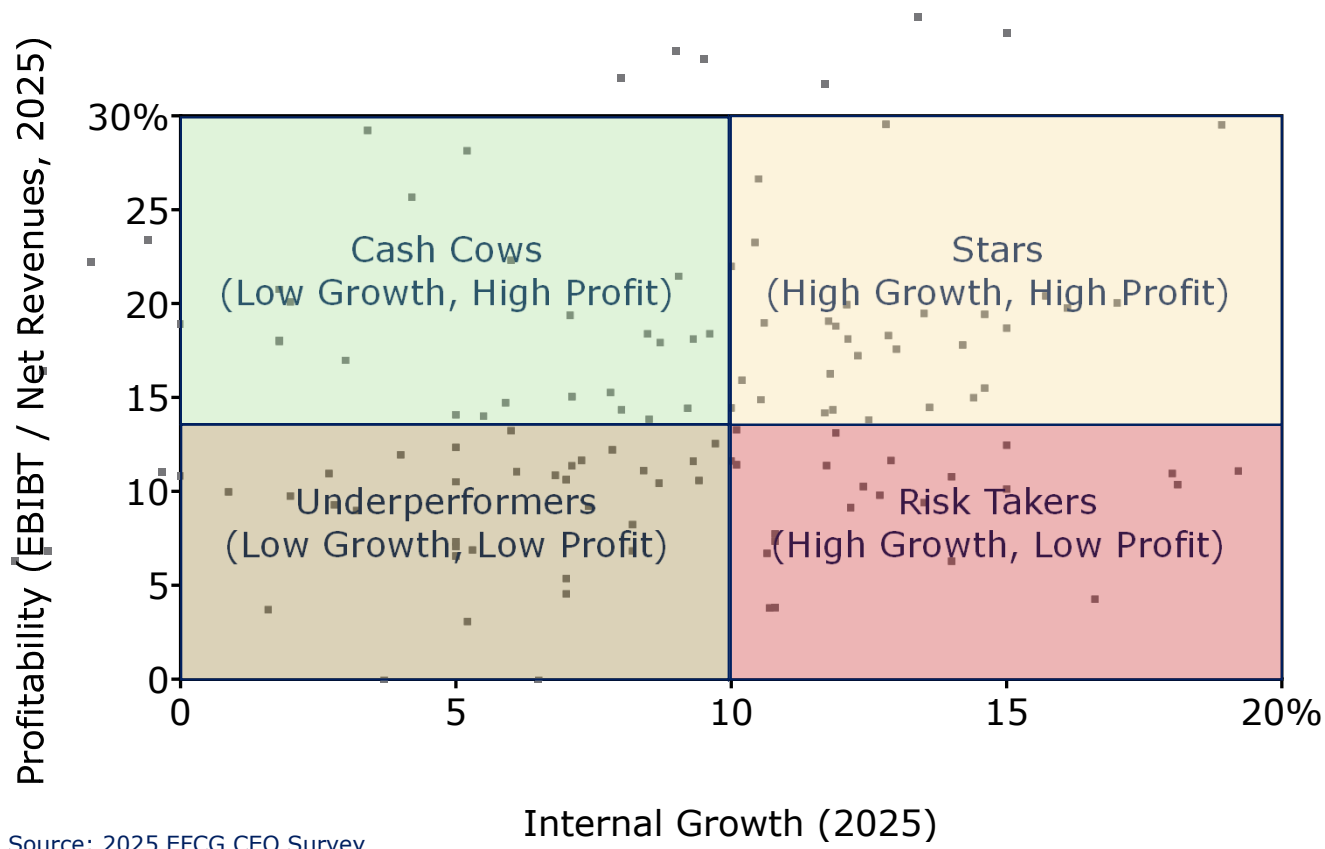


Source: 2025 EFCG CEO Survey, 2026 EFCG CFO Survey

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Growth Vs Profit – How Do They Relate?

Growth and Profit are not mutually exclusive – many firms are able to successfully manage high growth and high profit. Is the goal to always be a “star”?



What are the common characteristics of high performers?

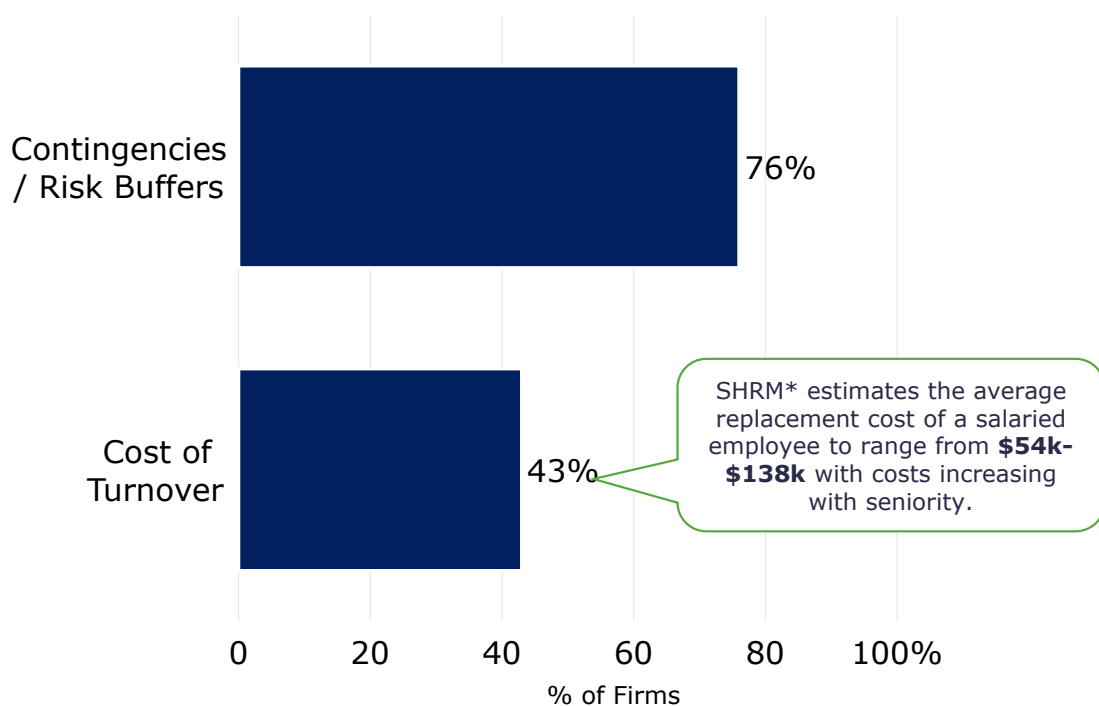
- Higher Multiplier
- Higher Utilization
- Lower Turnover
- Higher Fee Capture Rate

Source: 2025 EFCG CEO Survey

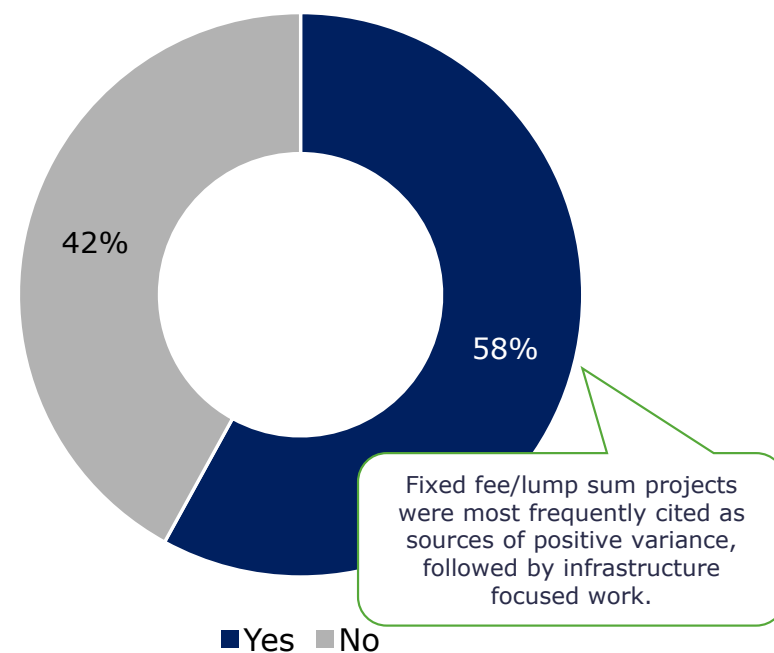
Budget Discipline Focused on Project Risk (Not Workforce Risk)

Most firms budget for contingencies with strong discipline around client work, while talent-related risk receives less focus.

Do you budget for any of the following?



Tracking positive variance on projects/clients?



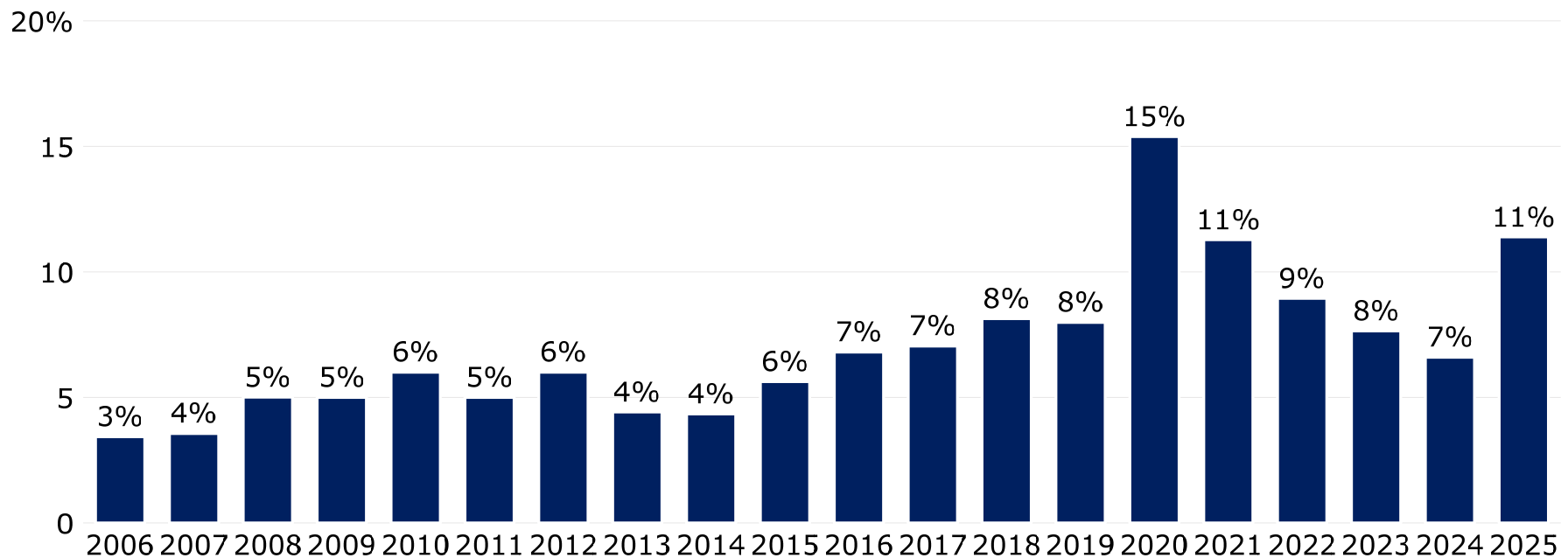
Source: 2026 EFCG CFO Survey, The Society for Human Resource Management (SHRM)*

Cash Reserves Rebound After Multi-Year Drawdown



After declining from a 2020 peak of 15% to 7% in 2024, average cash balances increased in 2025, signaling a renewed focus on liquidity and balance sheet strength.

Avg Cash On Hand (% of Net Revenues)



Source: 2007-2025 EFCG CEO Surveys, 2026 EFCG CFO Survey

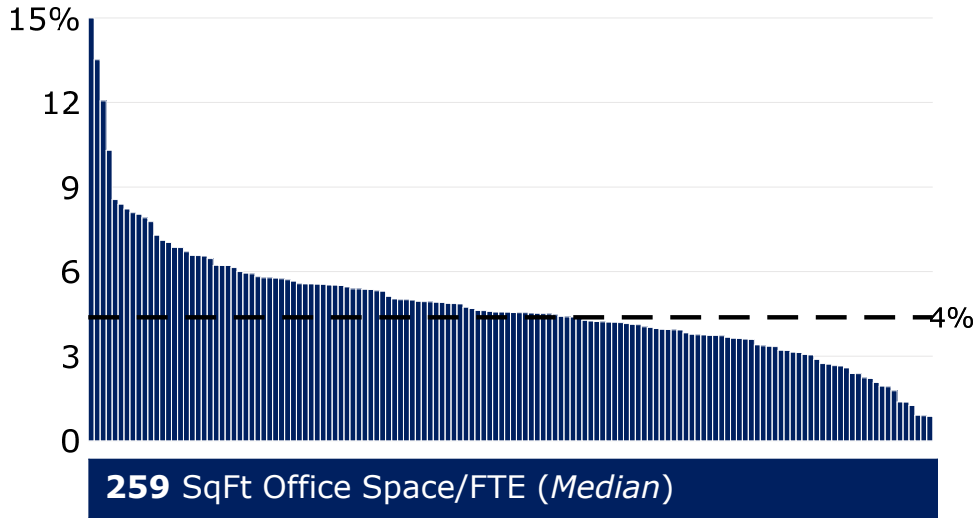
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Occupancy Spend Has Decreased 25% Since 2019

Median occupancy spend has decreased 25% compared to pre-pandemic levels (4% of Net Revenues in 2019 vs. 3% in 2025). At the same time, firms have made significant reductions to their office space relative to their workforce following the adaptation of remote working models.

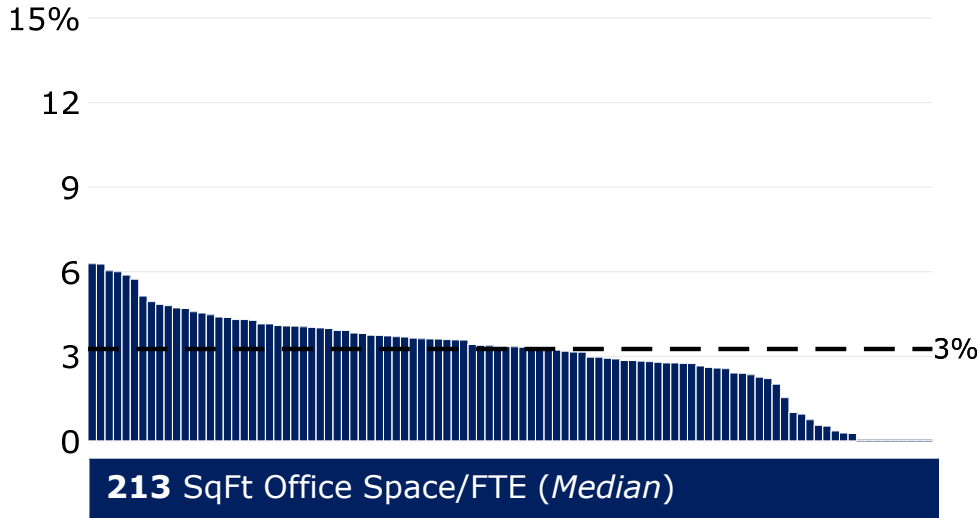
2019 Occupancy Spend

Occupancy Spend (as a % of Net Revenues, 2019)



2025 Occupancy Spend

Occupancy Spend (as a % of Net Revenues, 2025)



Source: 2019, 2020 & 2025 EFCG CEO Surveys; 2026 EFCG CFO Survey

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03 **Productivity & Pricing: Are We Hitting a Ceiling?**

04 Technology As The Next Margin Lever

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06 How M&A Is Evolving

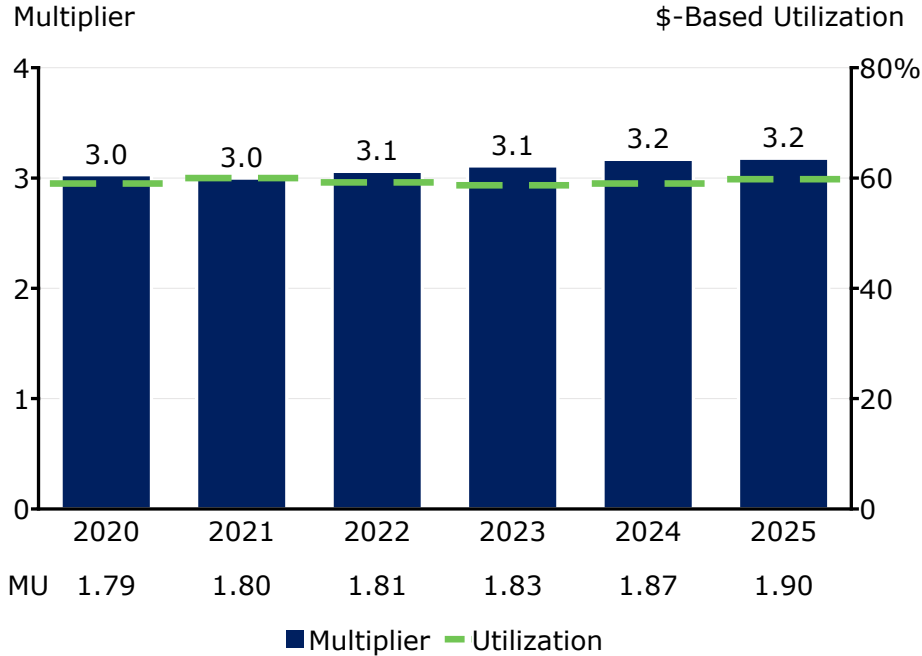
07 Key Takeaways



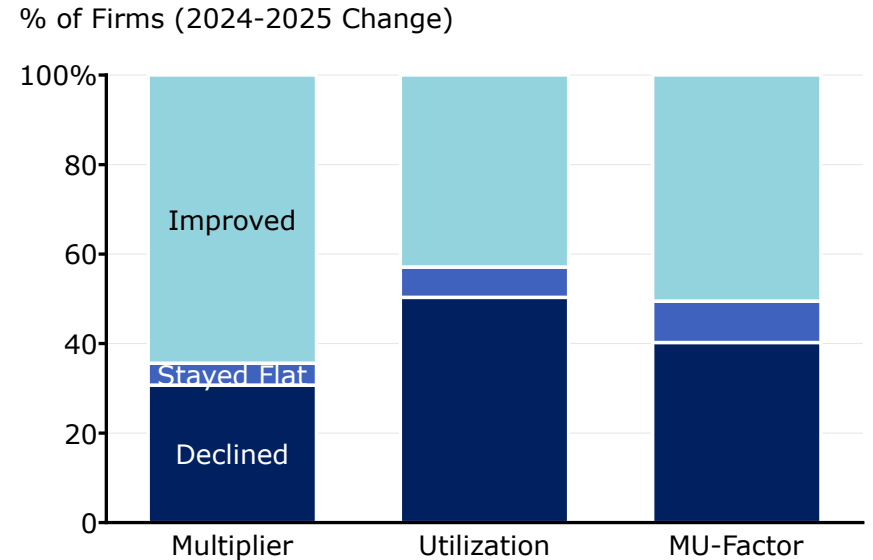
Inconsistent Improvement in Multiplier x Utilization

While overall MU Factor has increased slightly in recent years, improvement is inconsistent. 60% of firms saw an improvement in multiplier, and 50% of firms improved MU Factor. However, 40% of firms had a decrease YoY in MU, highlighting diverging outcomes.

Slight Improvement in Multiplier (and MU)



Divergence in MU Growth Between Firms

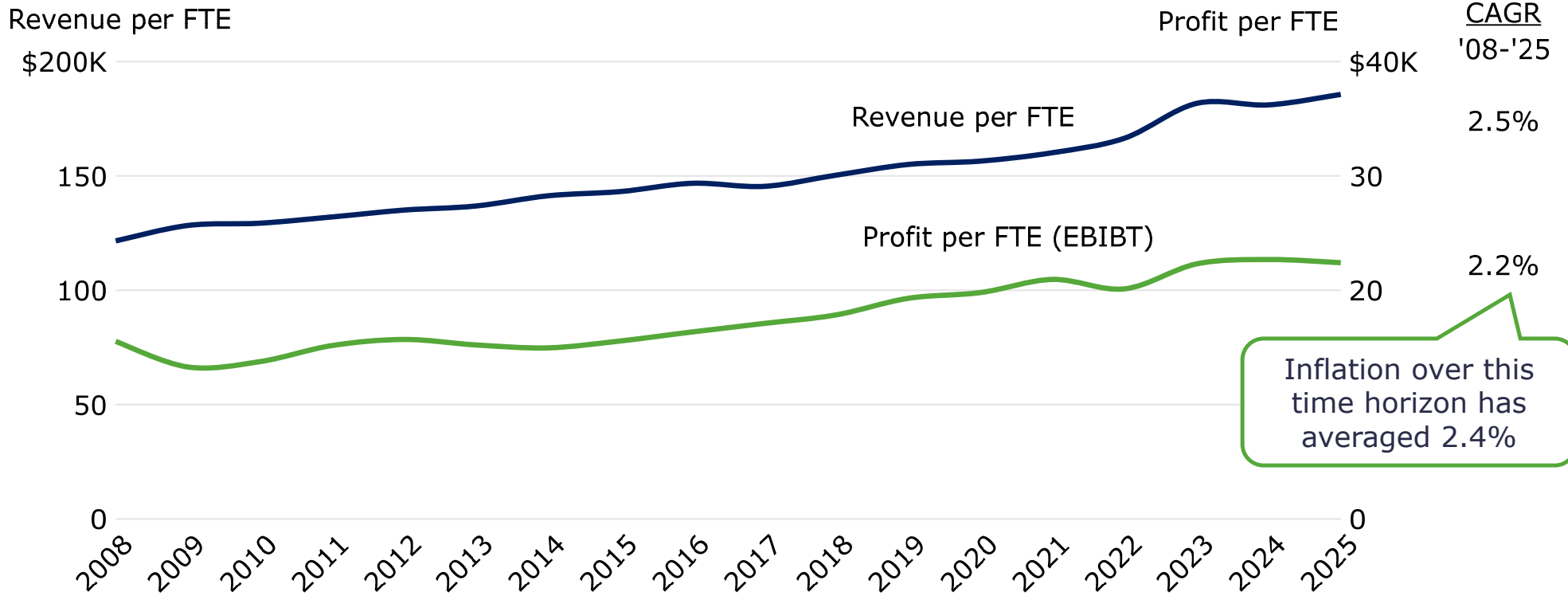


Source: 2019-2025 EFCG CEO Surveys

Headcount Continues To Drive Revenue and Profit



Revenue and profit per FTE are just keeping pace with inflation. Are all the investments in efficiency & technology not driving productivity gains? Or does our industry have a **pricing** problem?



Source: 2008-2025 EFCG CEO Surveys

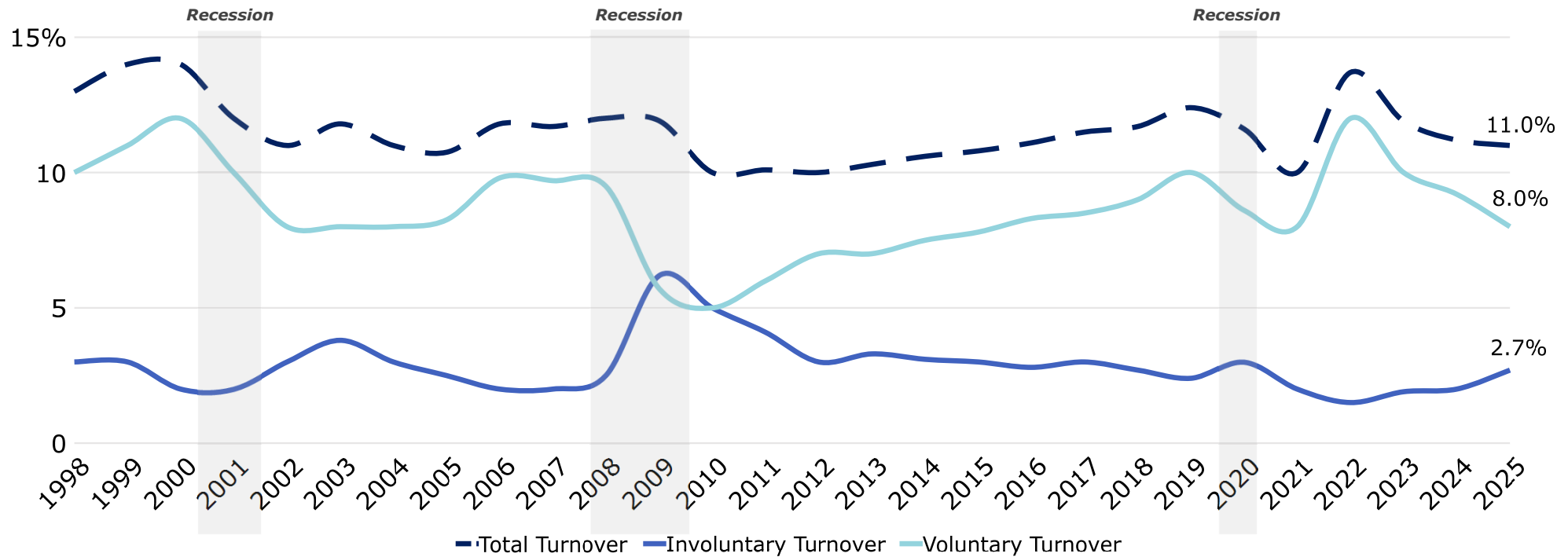
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Turnover Has Moderated, But Still Above 10%



Voluntary Turnover continues to decrease, but still higher than most of 2010's, while Involuntary Turnover saw a slight increase.

Median Turnover (Last 12 Months)



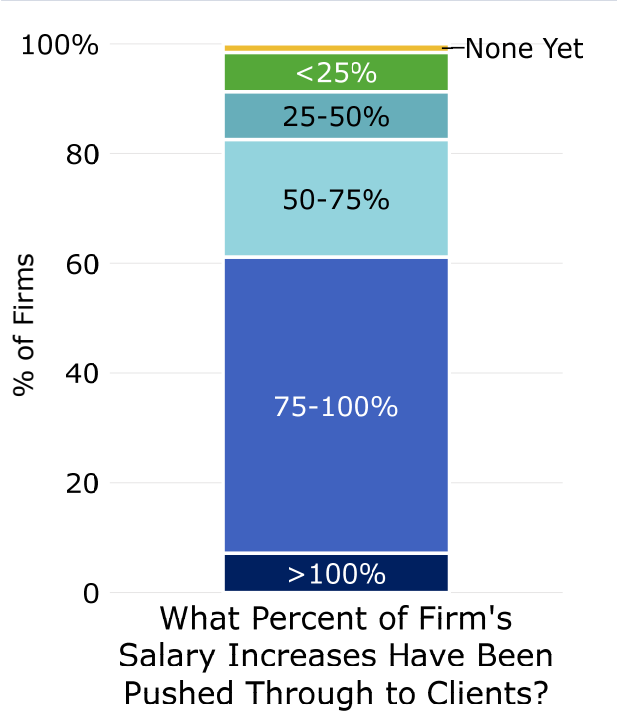
Source: 1998-2025 EFCG CEO Surveys; note: turnover numbers are median (not average) and exclude hourly workers

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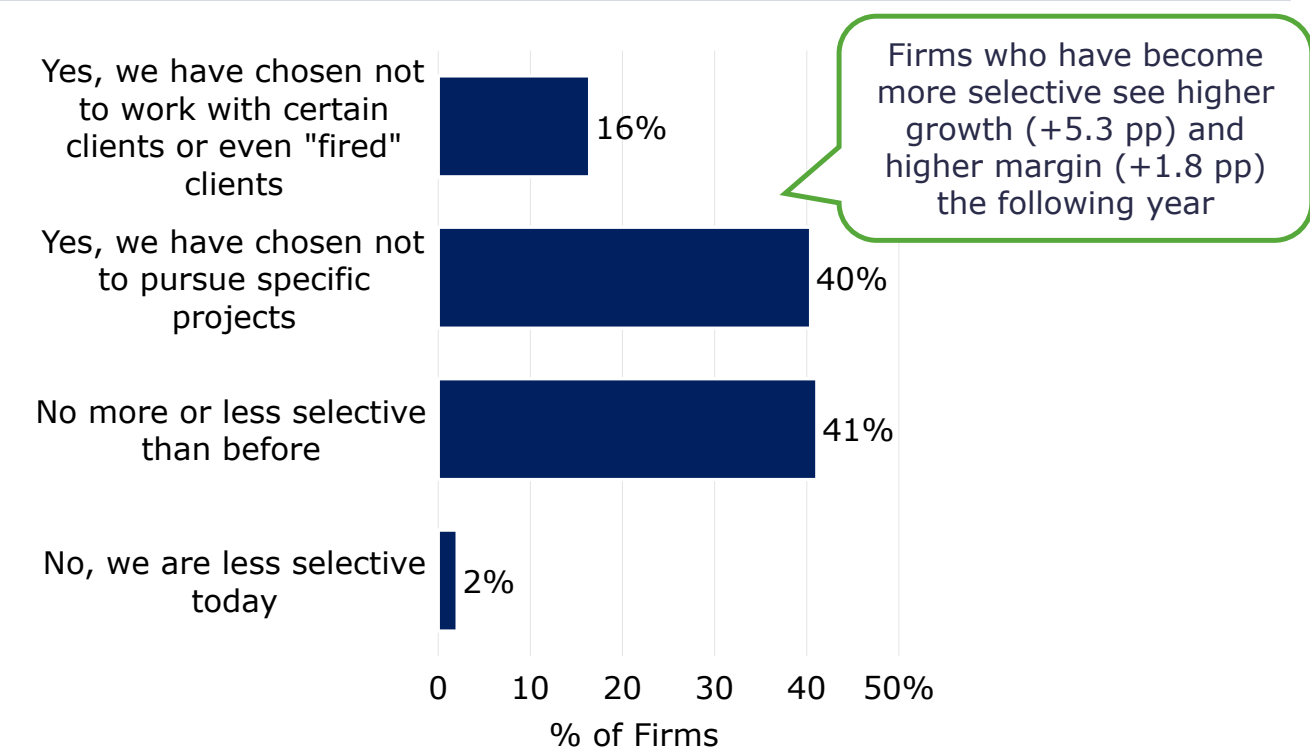
Pricing Discipline Remains Uneven

Most firms report some level of success with increasing pricing with clients, however about 40% of firms have been unable to fully push salary increases to clients.

Salary Increases Pushed to Clients



Client Selectivity



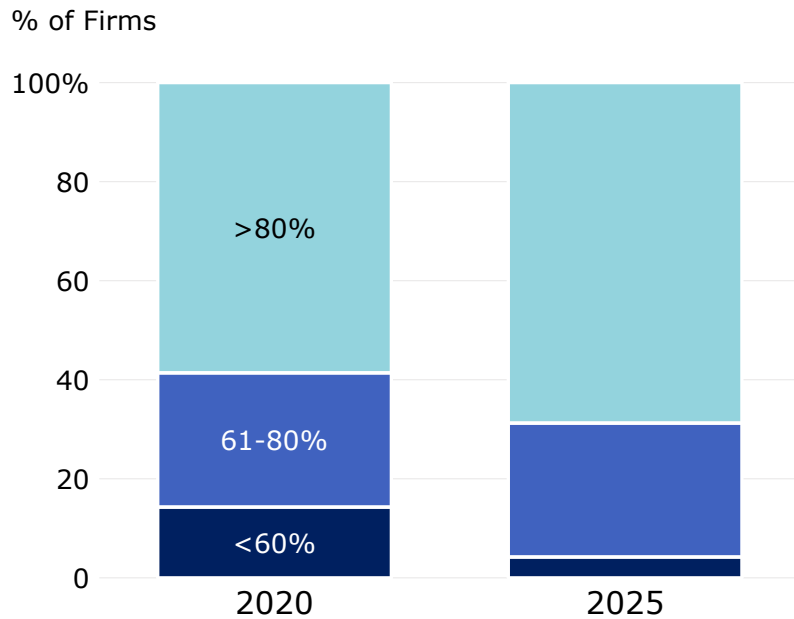
Source: 2025 EFCG CEO Survey

Client Depth is Increasing – A Potential Pricing Lever

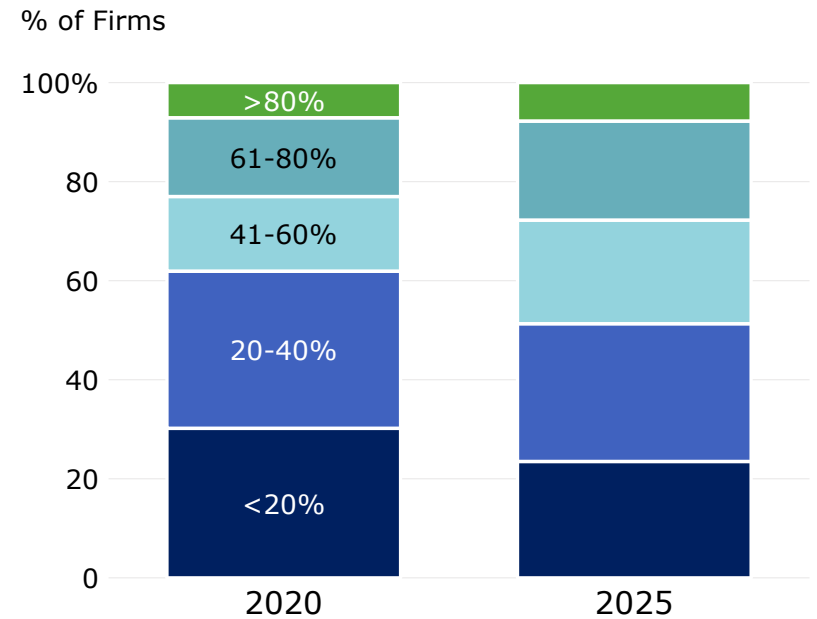


Over the last 5 years, we have seen an increase both in repeat work with clients, and in the percent of work that is being sole sourced. Do these stronger relationships correspond to pricing increases (or at least cost efficiencies)?

Repeat Work



Sole Sourced Work



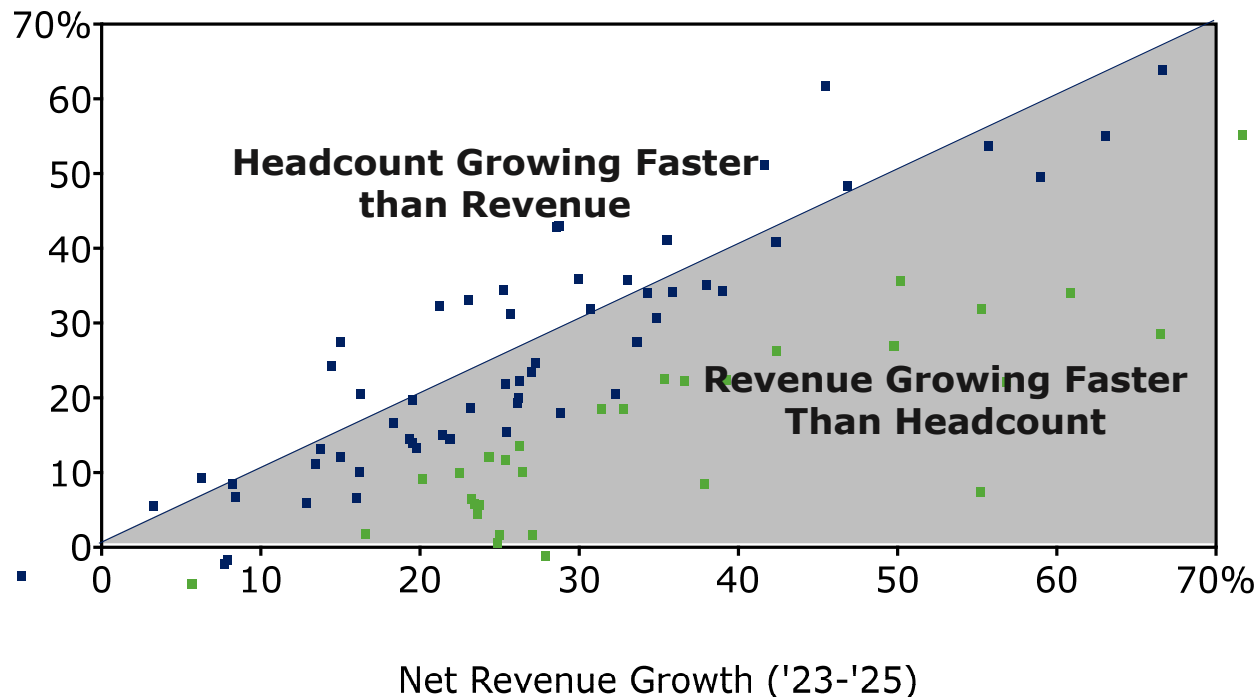
Source: 2020 EFCG CEO Survey; 2025 EFCG CEO Survey

Some Firms Starting to Disconnect Growth From FTEs



With talent constraints expected to continue, firms significantly gaining productivity (or decoupling growth from headcount) will likely emerge as leaders.

FTE Growth ('23-'25)



Green Dots = Fundamentally Evolving Business Model?

- Firms in green are growing revenue 15 pts faster than headcount
- This could simply indicate modest gains in pricing or constrained hiring
- But it could *also* indicate firms decoupling revenue and headcount through AI, recurring revenue, new business models, etc.

Source: 2025 EFCG CEO Survey Database

In the next 3 years, how much of your revenue growth do you expect to come from productivity (not hiring)?

To vote, click on the “Polling” button in the EFCG Conference Portal. You can also use the code on the next slide.

All responses are anonymous!



In the next 3 years, how much of your revenue growth do you expect to come from productivity (not hiring)?

Agenda

01 Welcome & Overview

02 Update on Industry Fundamentals

03 Productivity & Pricing: Are We Hitting a Ceiling?

04 **Technology As The Next Margin Lever**

05 Monetizing Intellectual Capital

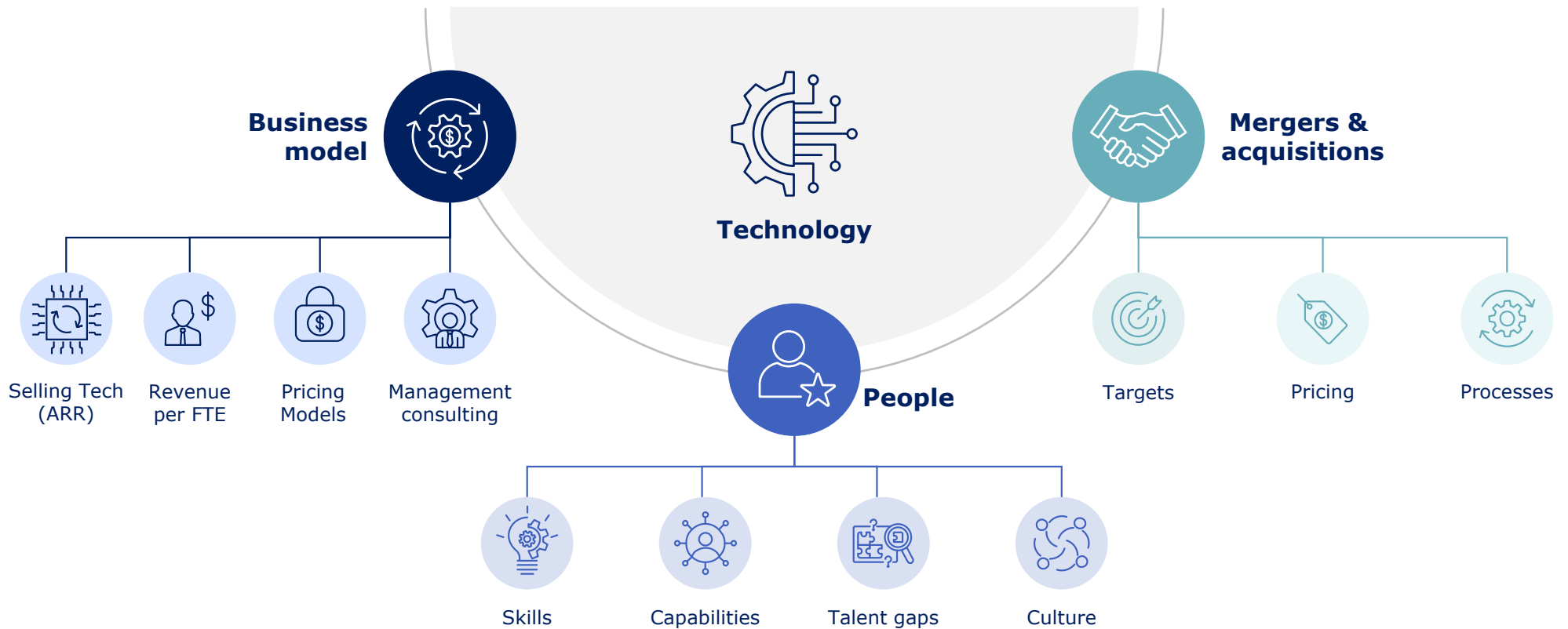
06 How M&A Is Evolving

07 Key Takeaways

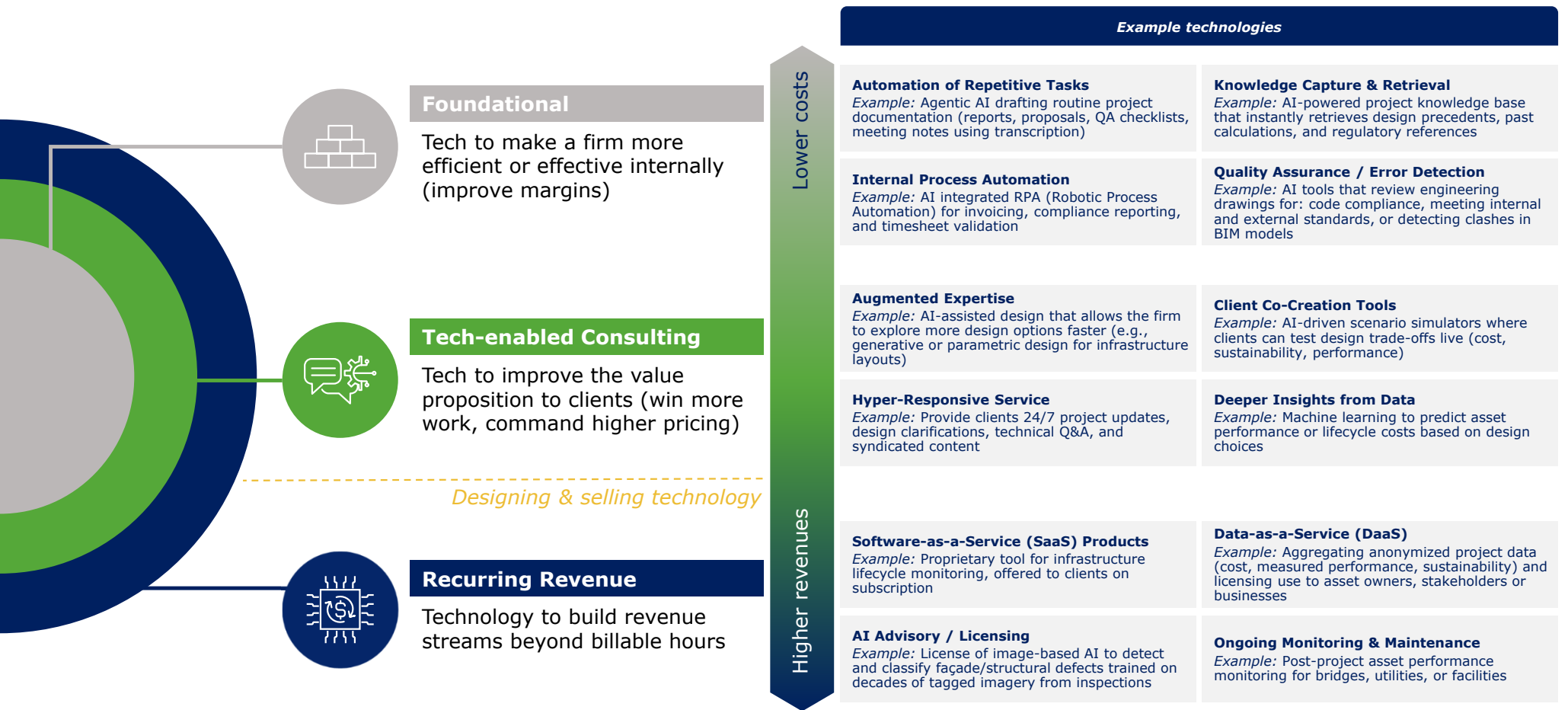


Technology Strategy Is Now Business Strategy

Rapidly changing technology, especially AI innovation, is the most meaningful driver of change across all aspects of business both within our industry and the broader economy.

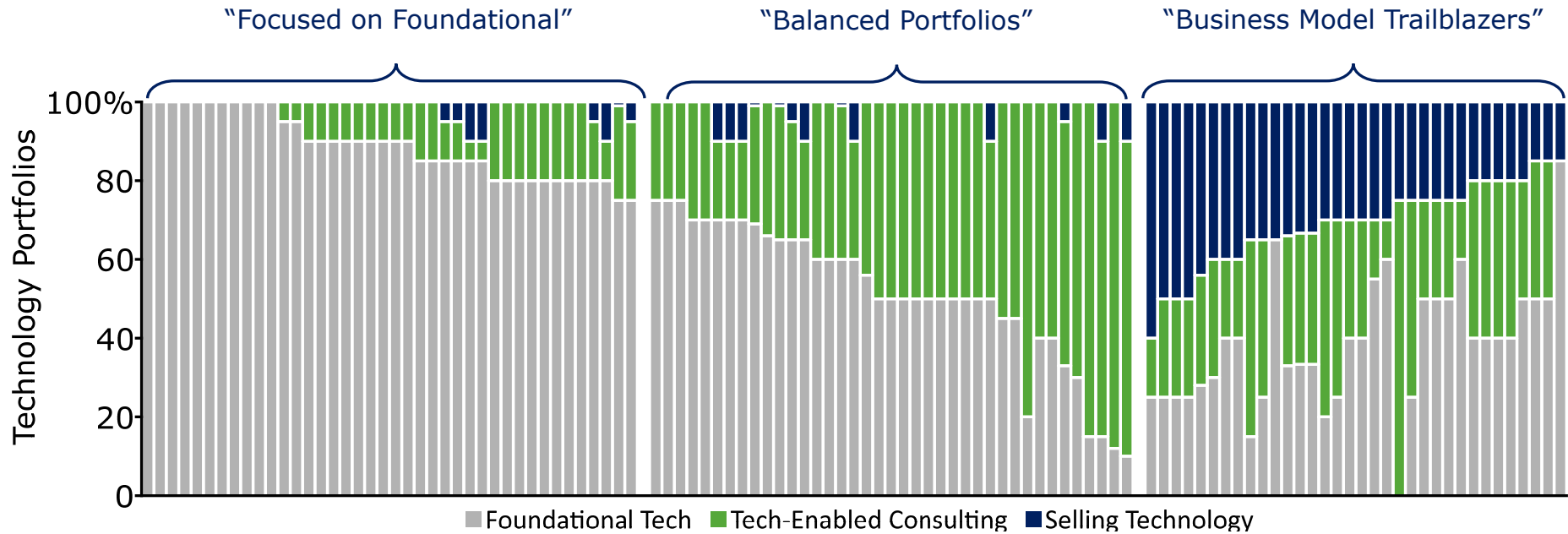


EFCG Technology Framework 2.0



Three Distinct Tech Archetypes Are Emerging

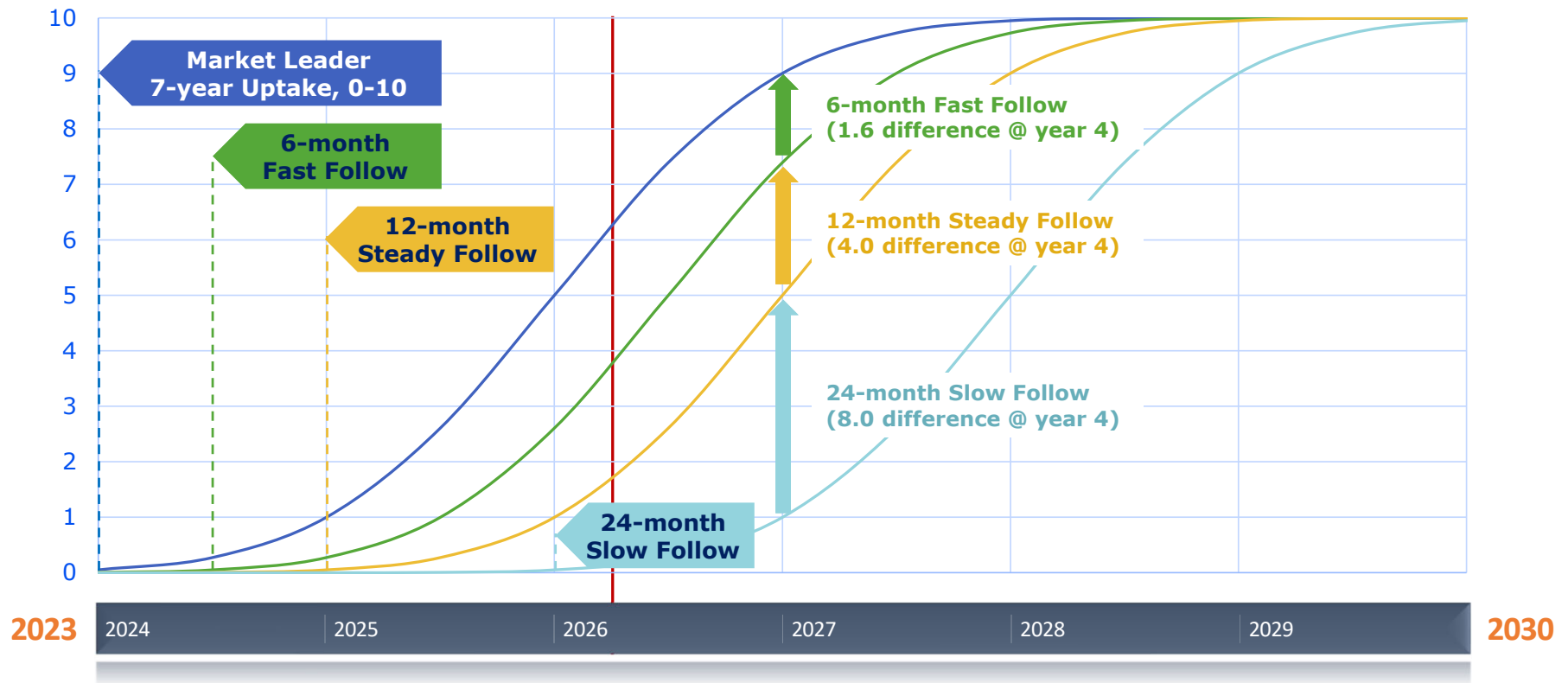
We are beginning to see three different segments of AEC firms as it relates to technology spend, with “Business Model Trailblazers” investing in selling technology.



Source: 2025 EFCG CEO Survey

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Generative AI Adoption Has Crossed into the Mainstream

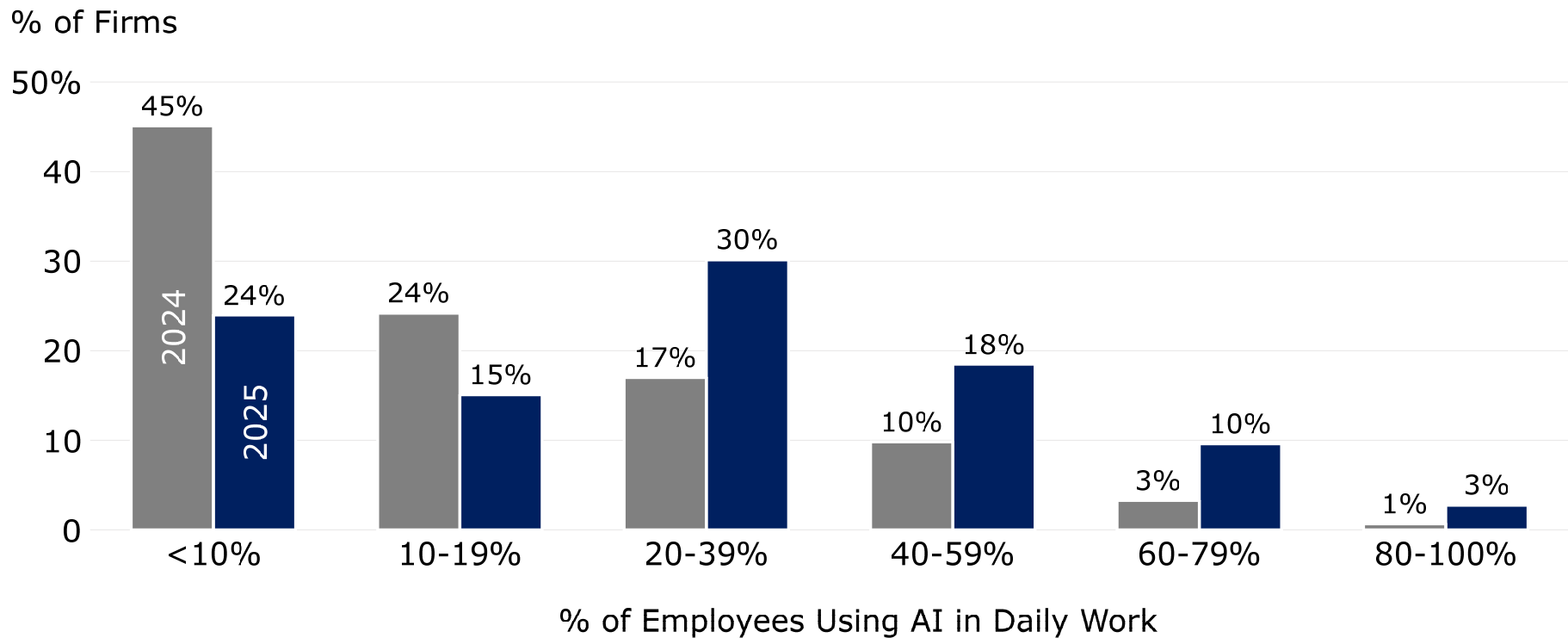


The inflection point for Generative AI is behind us as the tools are increasingly embedded into employees' daily workflows.

Employee Usage of AI Has Increased Meaningfully



In fall 2024, on average 15% of employees used AI in daily work; in 2025, that figure jumped to 30%.



Source: 2024 EFCG CEO Survey; 2025 EFCG CEO Survey

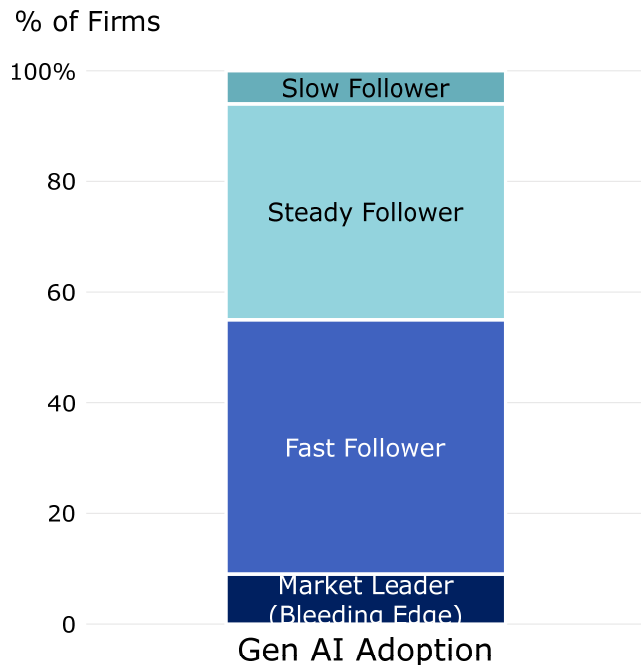
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Market Leaders Are Reaping Benefits on AI Adoption



Aspirations may diverge from reality for firms who are not actively investing and driving employee adoption.

Where Do Firms Aspire to Be?



What Does It Look Like?

**Market Leader:
AI as Core Operating Capability**

- >50% of staff are frequent / daily active users
- 5-7 firmwide AI products
- >80% of proposals and >50% design reviews include AI step with traceable sources / citations
- >50% of R&D investment in AI

**Fast Follower:
AI as Aggressive Area of Growth**

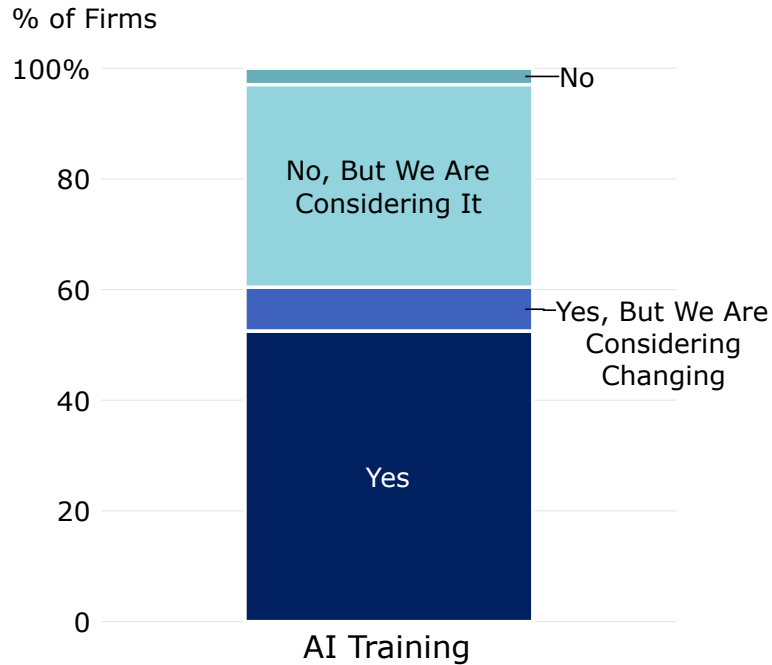
- >30% of staff are frequent / daily active users
- 3 live products are in use by >30% of staff
- >50% of proposals and >25% design reviews touch an AI step

Source: 2025 EFCG CEO Survey

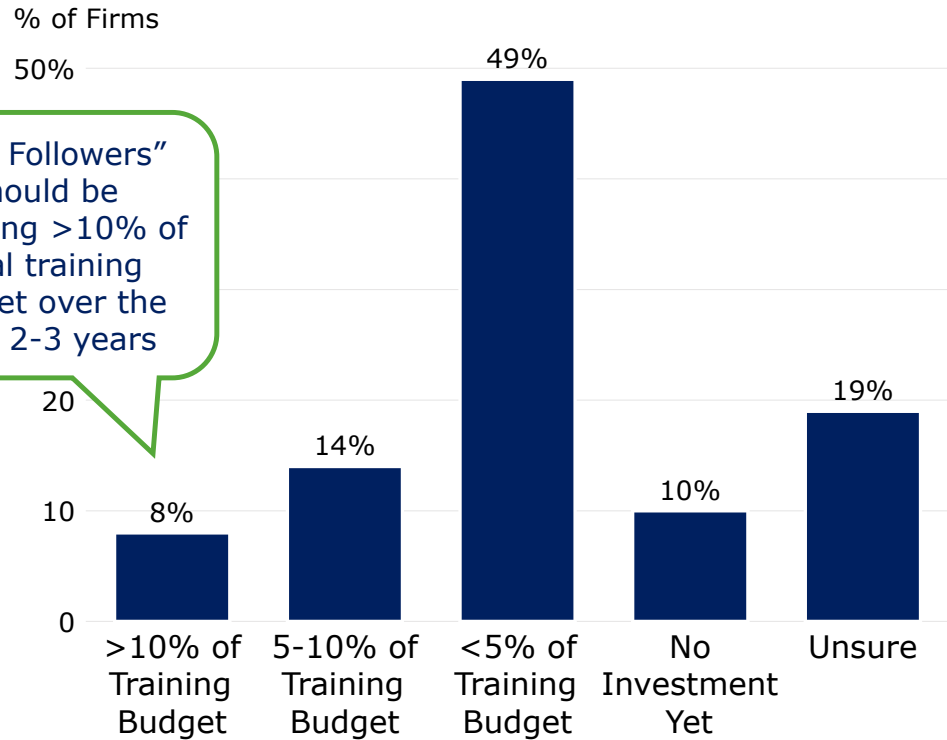
Most Firms Are Underinvesting in AI Training

AI training is common among AEC firms; however nearly half dedicate less than 5% of training budgets to it.

Offering GenAI Training



Investment in GenAI Training



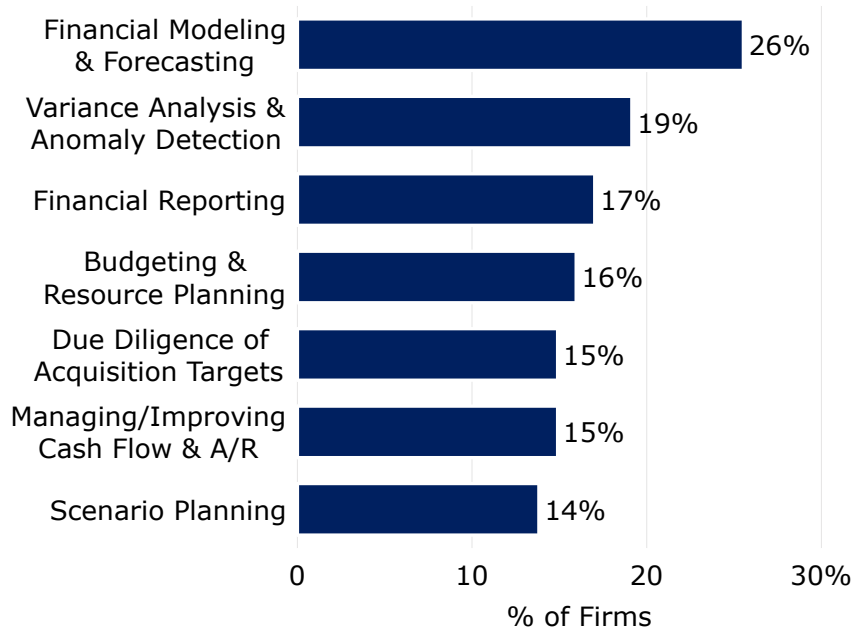
Source: 2025 EFCG CEO Survey

Finance Teams Are Experimenting – But Rarely Measuring ROI

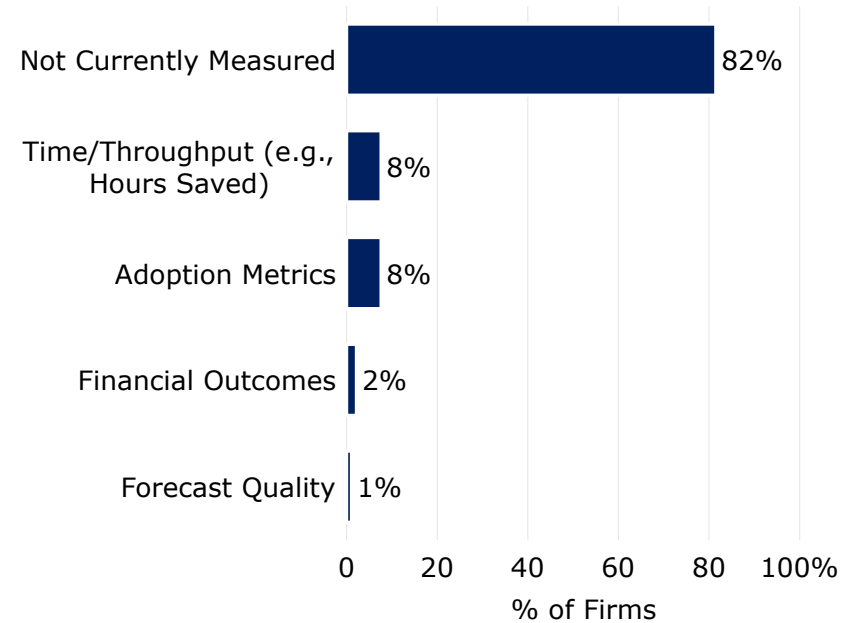


Firms are experimenting with AI in core Finance workflows, but ~80% still don't track its impact.

AI Usage in Finance Teams by Activity



How Finance Teams Measure AI Impact



Source: 2026 EFCG CFO Survey

Technology Value Levers: Cost Vs Revenue

While most firms are using tech for predictable cost reduction, fewer are applying it to revenue growth where the upside can be much larger.

Most Firms Are Decreasing Costs...



Most firms are using technology primarily to reduce delivery and overhead costs



This creates meaningful but capped value, eg a ~10% lift through automation, standardization, and fewer hours per deliverable



As more firms adopt the same efficiency tools, the advantage compresses and becomes table stakes rather than differentiation

...While Revenue Is Greater Opportunity



Technology-driven revenue growth shifts the basis of competition toward differentiation: winning more, pricing better, and expanding what the firm can sell



Instead of 10% cost reductions, the revenue side can open the door to 10x value creation



But for most firms, this revenue side is still uncertain because case studies are limited, measurement is harder, and playbooks are less mature

Critical question is not whether tech can cut cost, but whether the firm can translate tech into sustained revenue leverage.

How are you thinking about when AI investments will generate a return?

To vote, click on the “Polling” button in the EFCG Conference Portal. You can also use the code on the next slide.

All responses are anonymous!



How are you thinking about when AI investments will generate a return?

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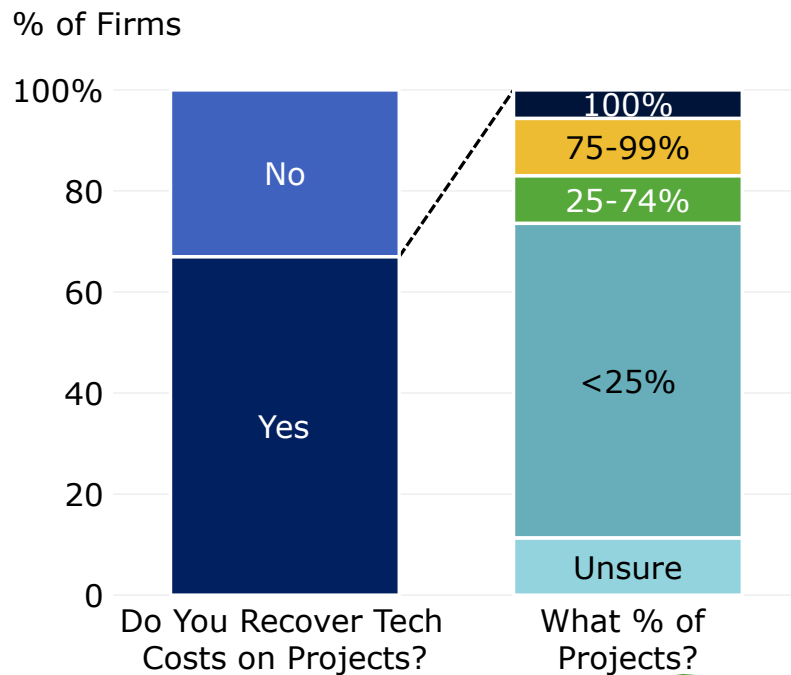
07 Key Takeaways



Who Is Paying for These Investments?

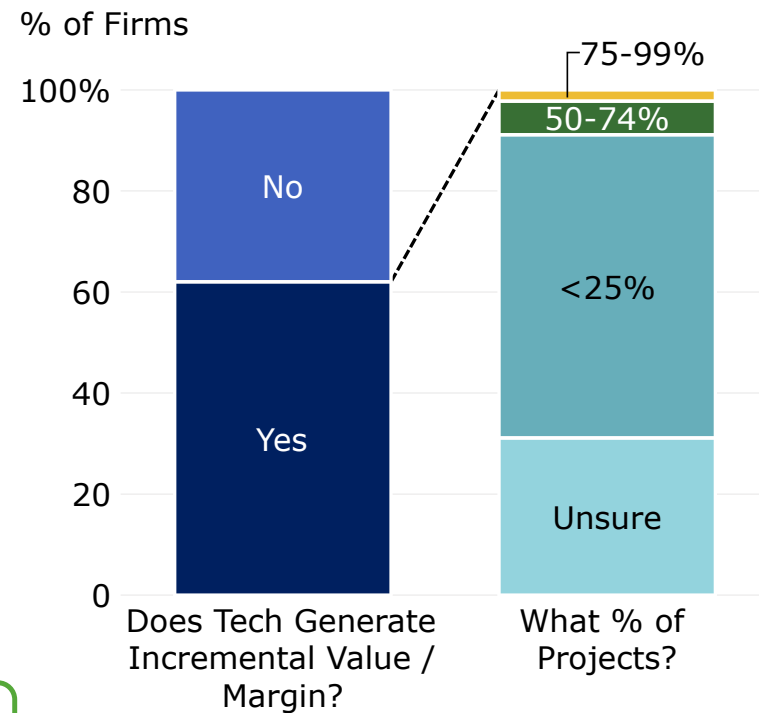
Most firms are passing through some tech fees and generating some incremental value, but few firms are truly monetizing tech at this point (or know the degree).

Recover Tech Cost From Clients



On average, charge 3-5%+ of the total project fee

Generate Incremental Value From Tech



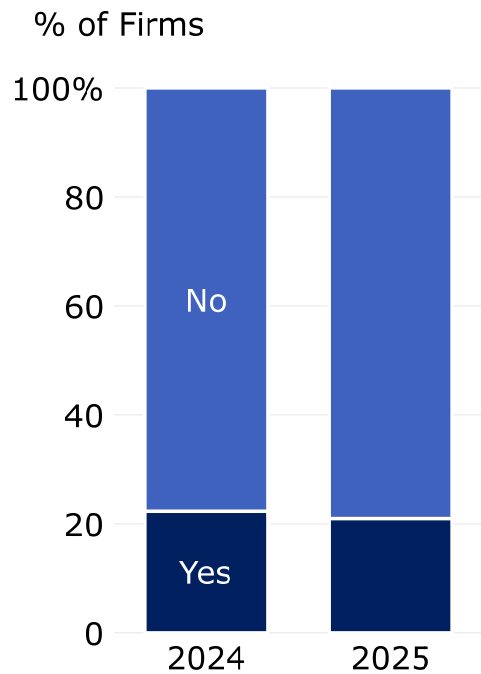
Source: 2026 EFCG CFO Survey

Firms Selling SaaS Are Getting Better At It

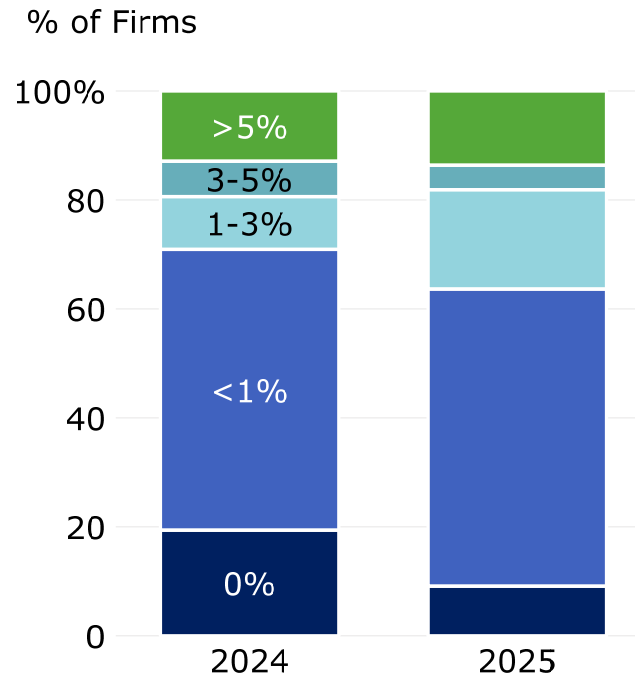


Similar numbers of firms are actively selling SaaS, but those who do are improving returns. Compared to last year, these firms have improved profit, likely putting SaaS margins above traditional design work.

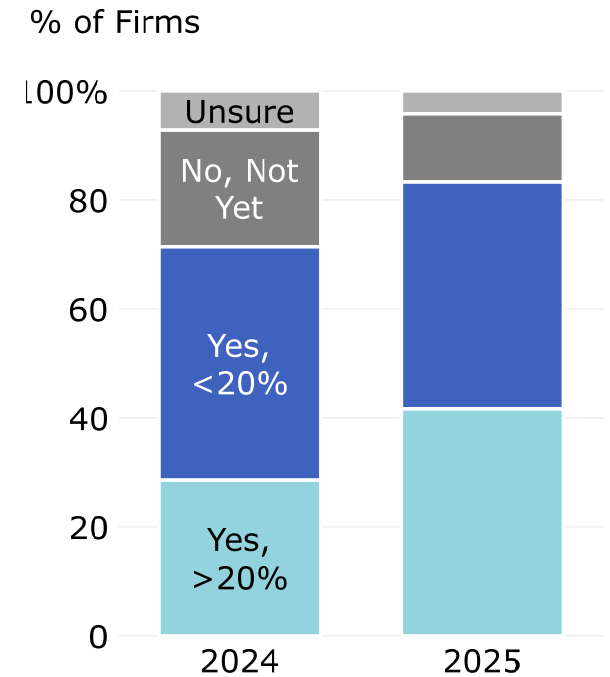
~20% of firms sell SaaS



Average ARR has increased...



... As Have Profit / Margins

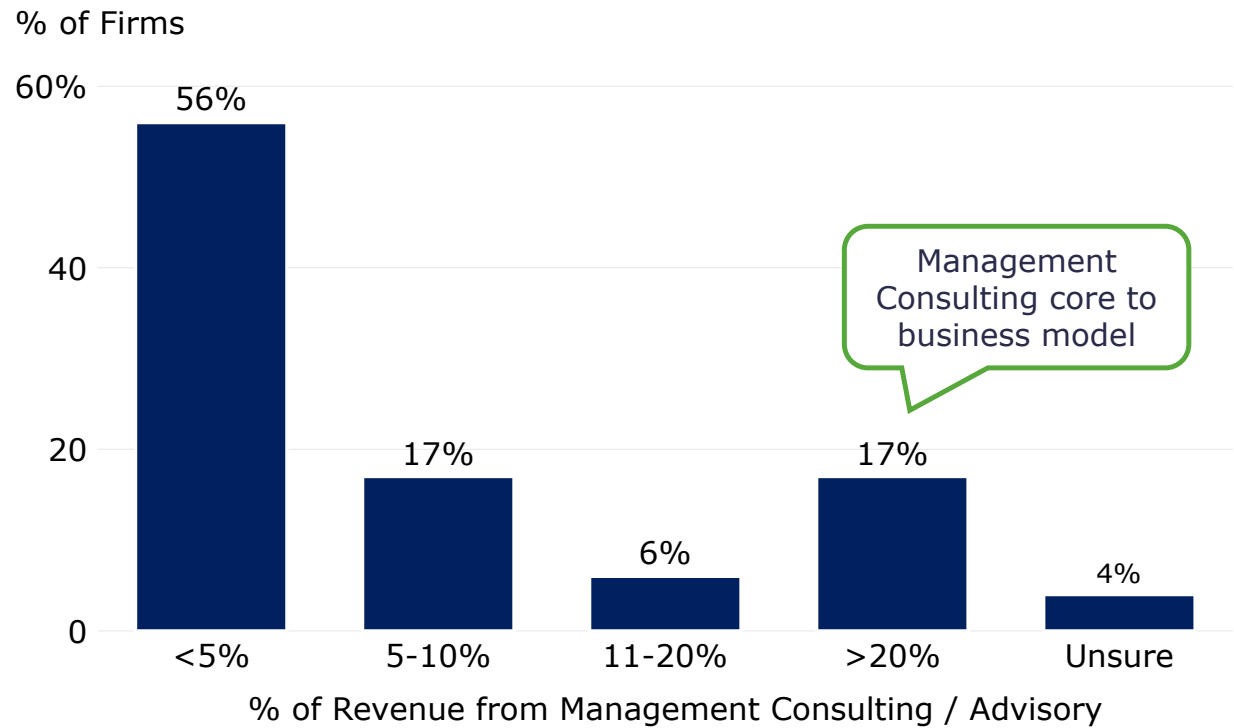
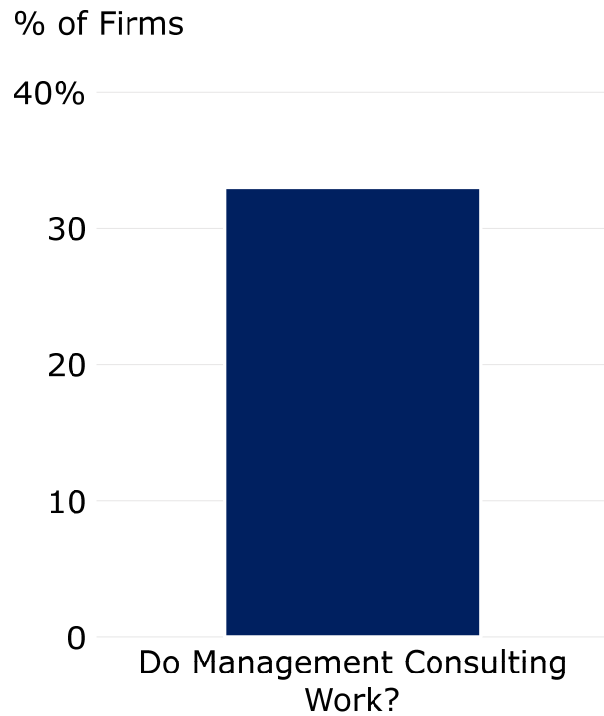


Source: 2024 EFCG CEO Survey; 2025 EFCG CEO Survey

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Advisory Is Emerging Growth Play

Consulting is becoming a common growth strategy, although most firms are generating less than 5% of revenue from Advisory Services. Many of these firms are still defining what it looks like or means for their business and their clients.



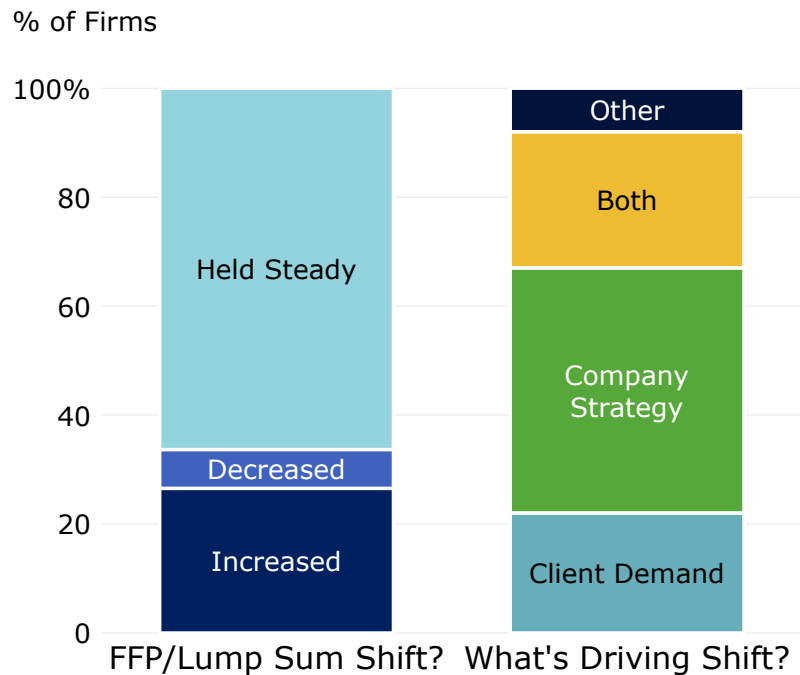
Source: 2025 EFCG CFO Survey

Delivery Methods Are Shifting Towards Fixed Price



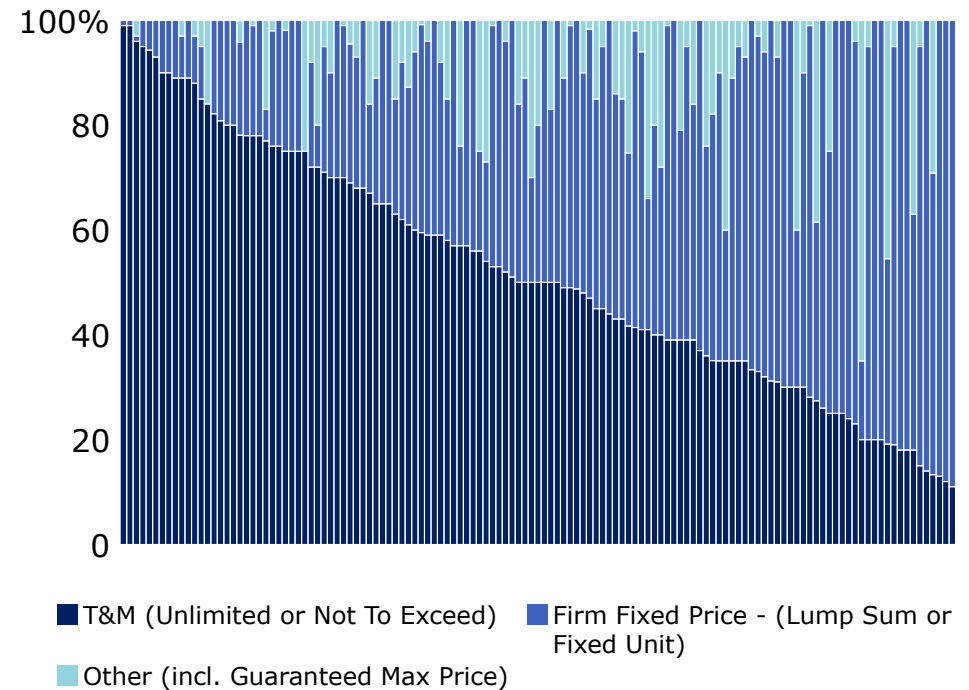
Continued shift toward fixed price models could enhance profitability as technology drives delivery efficiency.

Firms Shifting Towards FFP / Lump Sum



Yet Firms Still Need to Balance Models

% Revenues by Delivery Method



Source: 2025 EFCG CEO Survey Database

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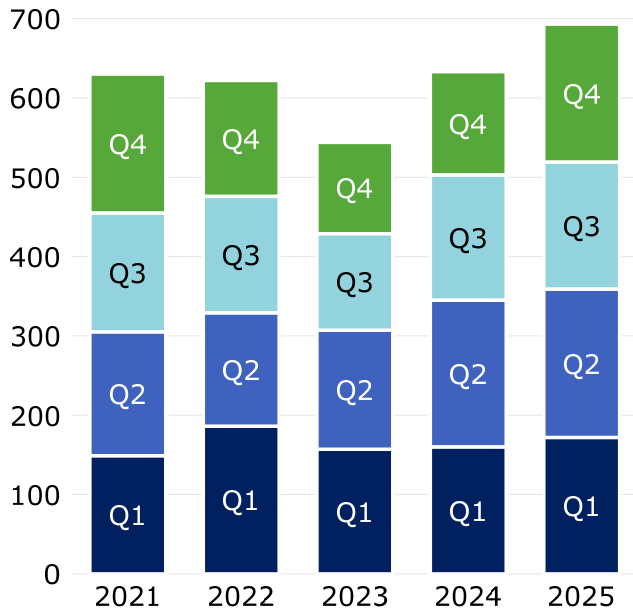


M&A Market Overview



Recent M&A Transactions

Estimated # of Acquisitions
Across A/E/C Industry by US
& Canadian Acquirers¹



Source: PitchBook; 2025 EFCG CEO Survey; EFCG M&A Database; EFCG Analysis

1. As of January 2026

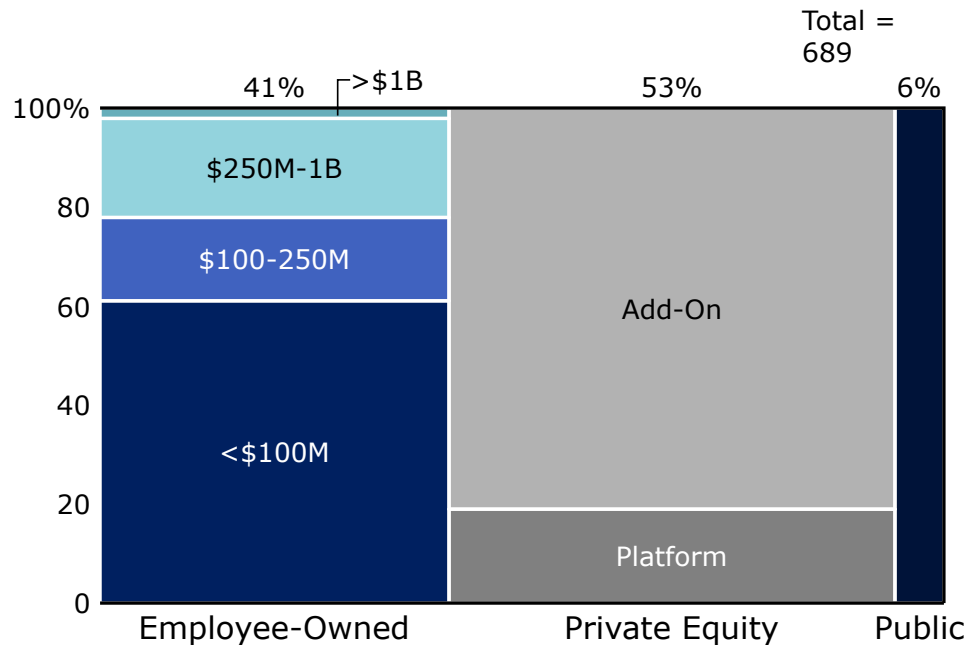
Key Trends

- Increasing macro volatility
 - Investors are deploying capital more selectively amid ongoing volatility, favoring firms with strong backlog, diversified end markets and other defensive characteristics
- The technology premium
 - Buyers are rewarding firms where technology is embedded in delivery, not siloed
 - AI and digital tools that drive repeatable results, improve margins, reduce risk, and scale across the enterprise are becoming key competitive and valuation differentiators
- Energy infrastructure is a growing M&A driver
 - Grid strain, renewed nuclear momentum, supportive oil & gas policy and strong public funding create long-term growth opportunities with reduced risk
- Roll up strategies are here to stay
 - PE-backed AEC platforms & strategics alike pursuing “buy and build” strategy

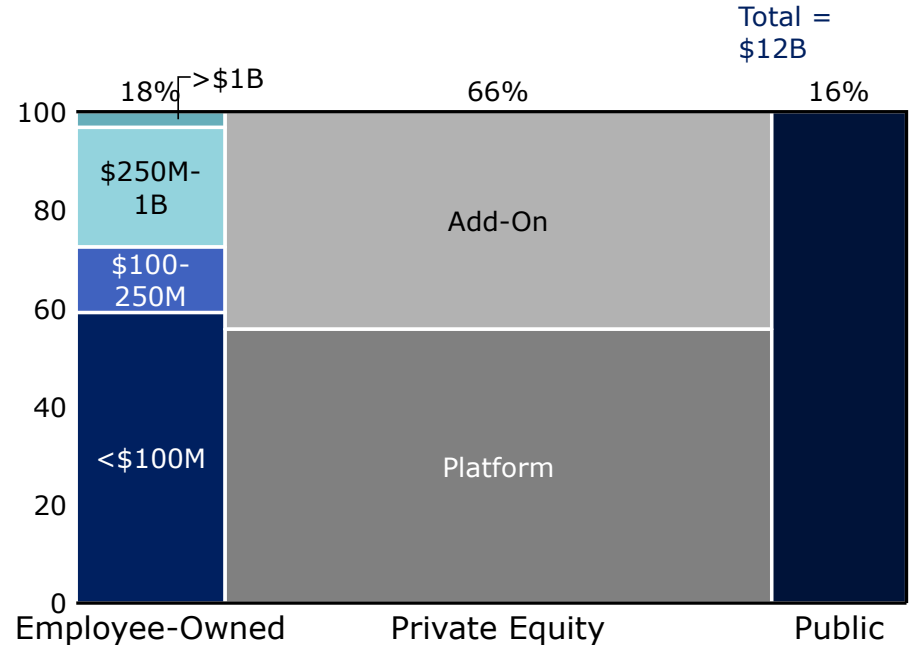
Acquisition Activity Differs By Firm Structure

Private capital drives majority of transaction activity. Add-on acquisitions dominate deal counts while platform transactions represent a larger share of total revenue.

of Acquisitions in 2025 by Acquirer



\$ of Acquisitions in 2025 by Acquirer



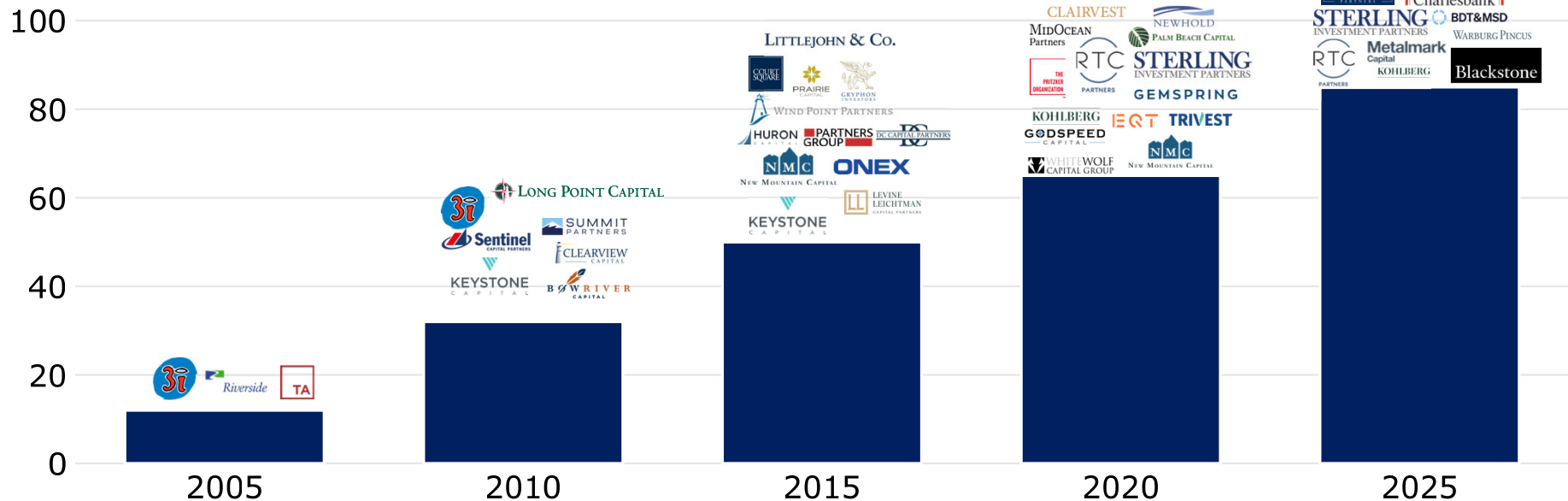
Source: EFCG M&A Database

Private Equity Investment Has Been Significantly Increasing



The first PE investments in our industry were in the early 2000's – today 16% of firms >\$30M are backed by private capital.

Estimated Number of PE Firms Actively Invested In Industry



Source: EFCG M&A Database

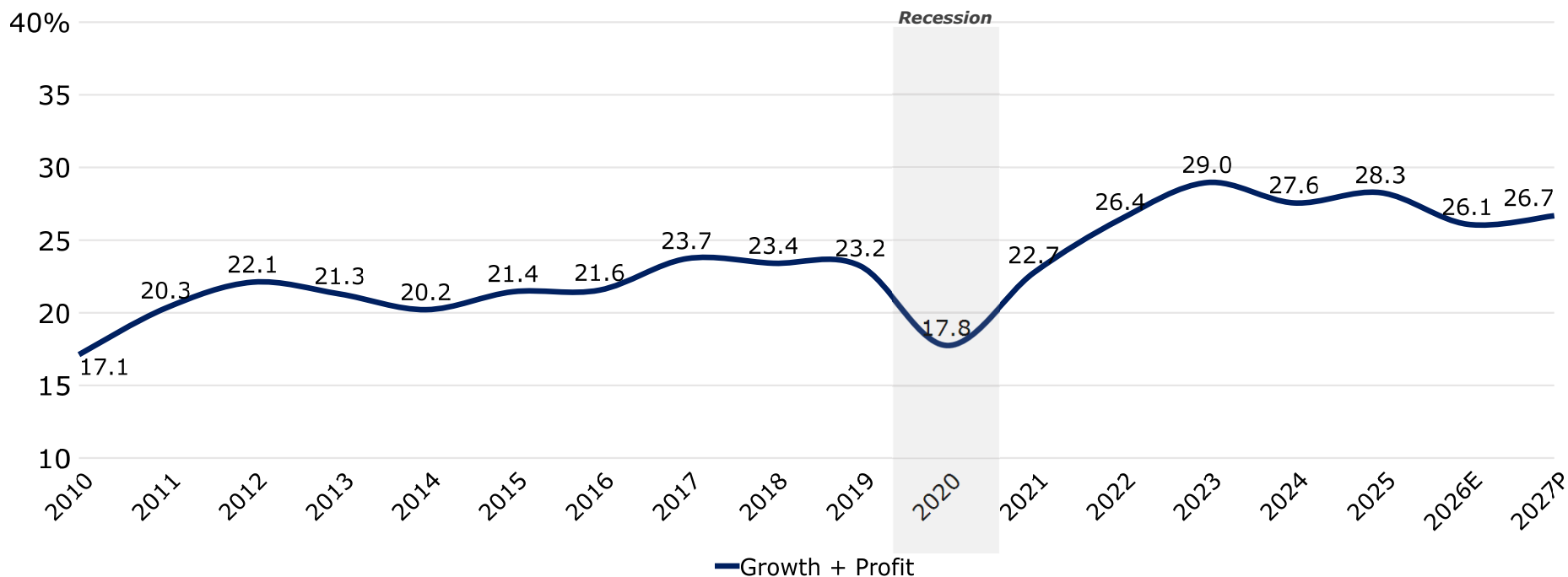
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Growth + Profit Underpins Investor Confidence



The rise in PE investment has largely paralleled the upward trend in revenues and profit margins across the industry. The sum of these metrics is often evaluated by investors to gauge the financial health of a firm (referred to as the “Rule of 40” for SaaS companies, for example).

Net Revenue Growth + EBIBTDA Margin
(% of Net Revenues, Median)



Source: 1996-2025 EFCG CEO Survey; 2026 CFO Survey

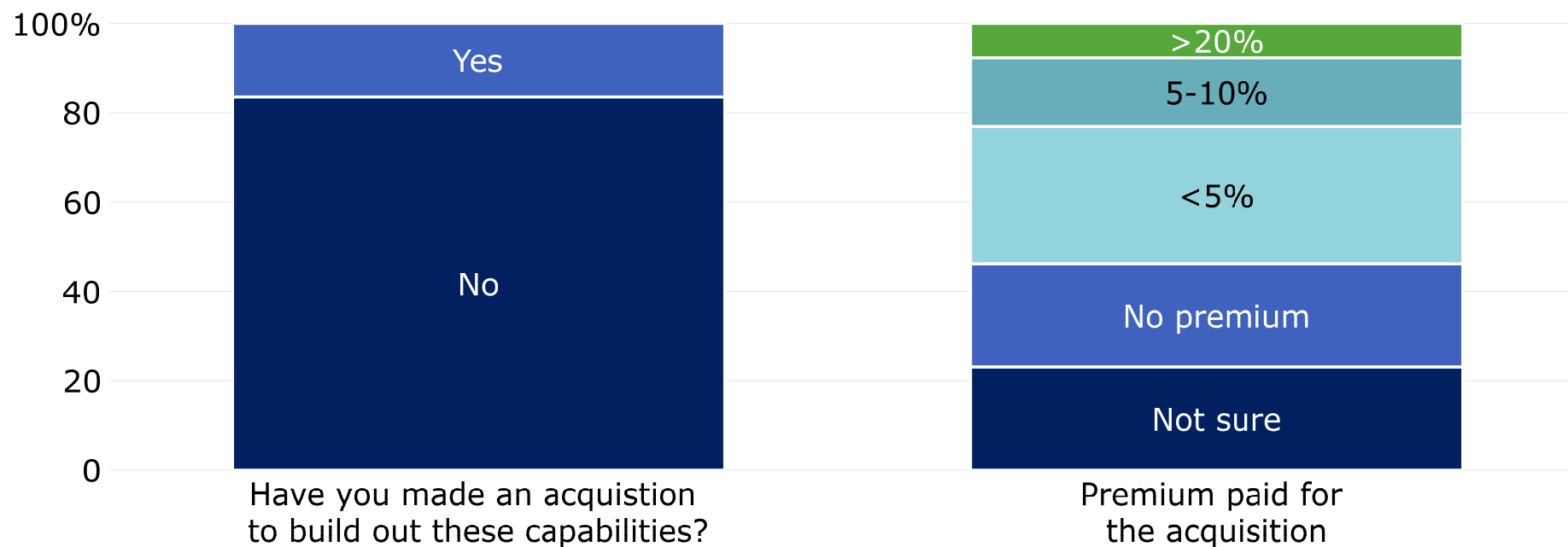
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Premiums for Technology-Enabled Firms



Nearly 20% of firms acquired technology capabilities in the last 5 years, with ~60% paying a premium for that acquisition.

Acquisitions with technology capabilities (Last 5 years)



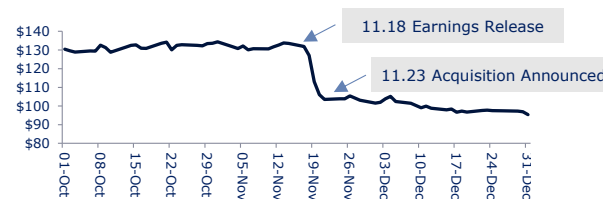
Source: 2026 EFCG CFO Survey

AI Comes for M&A: Consigli Case Study



Overview

- At its Q4 Investor Day, AECOM discussed a significant reduction in labor hours from utilizing AI. CEO called AI an “existential risk.”
 - A few weeks later, announced that AECOM acquired Consigli.AI at an enterprise value of ~\$390M
- Consigli does design optimization in vertical construction, especially MEP-intensive building design - focused on constrained, high-repeatability design problems
 - The implied strategy: reduce internal effort dramatically while maintaining deliverable pricing and capture margin
- Market reaction: minimal, suggesting investors want demonstrated *outcomes* (not just an AI narrative)



Implications for the Industry

We expect this to accelerate the AI arms race and drive increased focus on “technology enablement” narratives across the sector

The pragmatic posture for most firms is fast-follow:

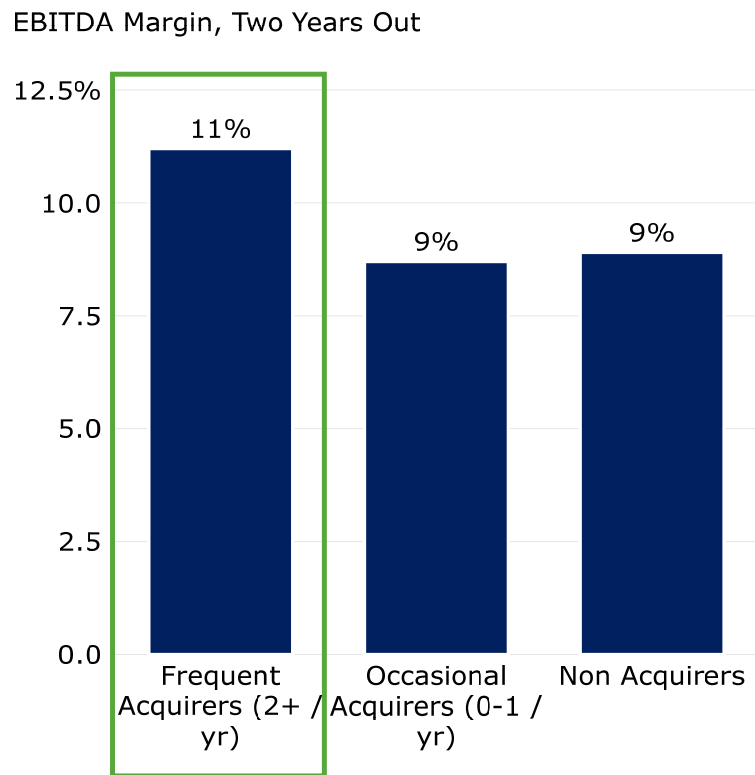
- Watch early movers for stumbles and real metrics
- Replicate validated patterns at lower cost
- Focus investment on defensible niches and proprietary data/workflows

Source: EFCG database and PitchBook

Experienced Acquisition Teams Drive Cost Savings Advantage



Frequent Acquirers See Higher Profit...



...Thanks to Established M&A Flywheels

Frequent Acquirers are more successful than Occasional Acquirers at capturing cost synergies

Firms that complete more than 1 acquisition/year typically have dedicated M&A teams focused on integration and change management

However, cross-selling remains a challenge for all acquirers, with no indication of revenue growth outperformance for frequent or occasional acquirers

Where Most PMI Time is Spent

Systems

- Finance
- IT
- HR
- BD/Marketing
- Knowledge Management

Processes

- Project Accounting
- Business Development
- Performance / Promotions
- Internal / External Communication
- Learning & Development

Org Design

- Org structure
- Roles / Titles
- Compensation strategy
- Benefits and incentives
- Ownership

Strategy

- Long-term vision for combined organization
- Objectives / goals of integration
- Guiding principles (non-negotiables and areas of flex)
- Brand

Culture

- Value drivers
- Ways of working (e.g. Organizational Network Analysis)
- Alignment to values and mission
- Decision-making
- Governance

Change

- Integration timeline
- Change management plan (identifying the sponsorship spine)
- Communications plan and cascade
- Client transition plan

Where Most PMI Time Should Be Spent

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If you had to generate +200 bps of margin in the next 3 years, what is the primary lever?

To vote, click on the “Polling” button in the EFCG Conference Portal. You can also use the code on the next slide.

All responses are anonymous!



If you had to generate +200 bps of margin in the next 3 years, what is the primary lever?

Looking For Even More Benchmarks?



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

See the sign-up form in your packet for more details

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

Type of analysis →

Metric measured →

Companies part of Primary (Size) peer group	"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	3.2	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%	Primary and Alternative peer group metric medians
Water / Wastewater	3.12	58.1%	1.87	69%	38%	59%	

Your company's metrics in comparison to peers*

*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.

Key Takeaways

The Industry Is Strong – But the Easy Gains Are Behind Us

- Backlog normalization and margin stabilization signal a shift from tailwinds to discipline.
- The firms that sustain performance will manage multiplier, pricing, and cost structure with greater precision.

Productivity Is The Defining Variable

- Firms that bend the revenue-per-FTE curve will accelerate versus those that rely on hiring.
- The next margin wave will come from workflow redesign, automation, and selective fixed-price delivery.

Technology Strategy is Business Strategy

- Technology investment is no longer discretionary — it is a capital allocation decision tied directly to valuation and competitive positioning.

Ask Us Questions

Rebecca Zofnass

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<https://calendly.com/rzofnass>

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