



2025 CFO Conference

Session 7: M&A Trends and Expectations for 2025

Jessica Zofnass Barclay
EFCG Managing Partner
M&A

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Today's Presenter: Jessica Zofnass Barclay



**Jessica Zofnass
Barclay**

Experience

Managing Partner
Mergers & Acquisitions Practice Lead
Environmental Financial Consulting Group (EFCG)

Head of Institutional & Family Office Capital Raising
Black Creek Group

Ultra-High Net Worth Banker
J.P. Morgan Private Bank

Foreign Exchange Sales & Trading
Goldman Sachs

Education

M.B.A. with Distinction
Tuck School of Business at Dartmouth

B.A. with Honors
Harvard University

EFCG M&A Capabilities

Sell-Side Advisory

Buy-Side Advisory

Divestitures

Mergers

**Financial Sponsors & Private
Equity Services**

Agenda

01

Market Update

- **EFCG 2024 & 2025 YTD M&A Highlights**
- **2024 AEC M&A in Review**
- **2025 Outlook**
- **Public Markets Observations**
- **M&A Valuations**
- **The Technology Premium**

02

Panel Discussion

03

Key Takeaways



EFCG 2024 & 2025 YTD M&A Highlights

Since 1990, EFCG has advised on over 240 completed M&A transactions in the AEC industry, equivalent to over \$10 billion in total M&A consideration.

15

M&A Transactions
Advised

\$3.3B+

Combined Enterprise Value of
M&A Transactions Advised

25%

Increase in
EFCG Team Members

330+

Number of First-Time Attendees
at EFCG's Conferences



has acquired



EFCG initiated the transaction and advised Ulteig





a portfolio company of



to acquire the Environmental Division of



EFCG served as the exclusive financial advisor to NewFields





has invested in



EFCG initiated the transaction and advised Tectonic





acquired



EFCG advised WSP





A portfolio company of



NEW MOUNTAIN CAPITAL LLC

to acquire



EFCG advised Qualus





has acquired the assets of



EFCG advised The Sanborn Map Company





A portfolio company of



NEW MOUNTAIN CAPITAL LLC

has acquired



EFCG advised Qualus





invested in



EFCG advised Rockwood Equity Partners





A portfolio company of



has acquired



EFCG advised Alliance Technical Group





has acquired the assets of



EFCG advised Gafcon





acquired



from



EFCG provided advisory and valuation services to Verdantas





A portfolio company of



has acquired



EFCG advised Verdantas





acquired



from



EFCG initiated and advised CarbonCo





has acquired the assets of



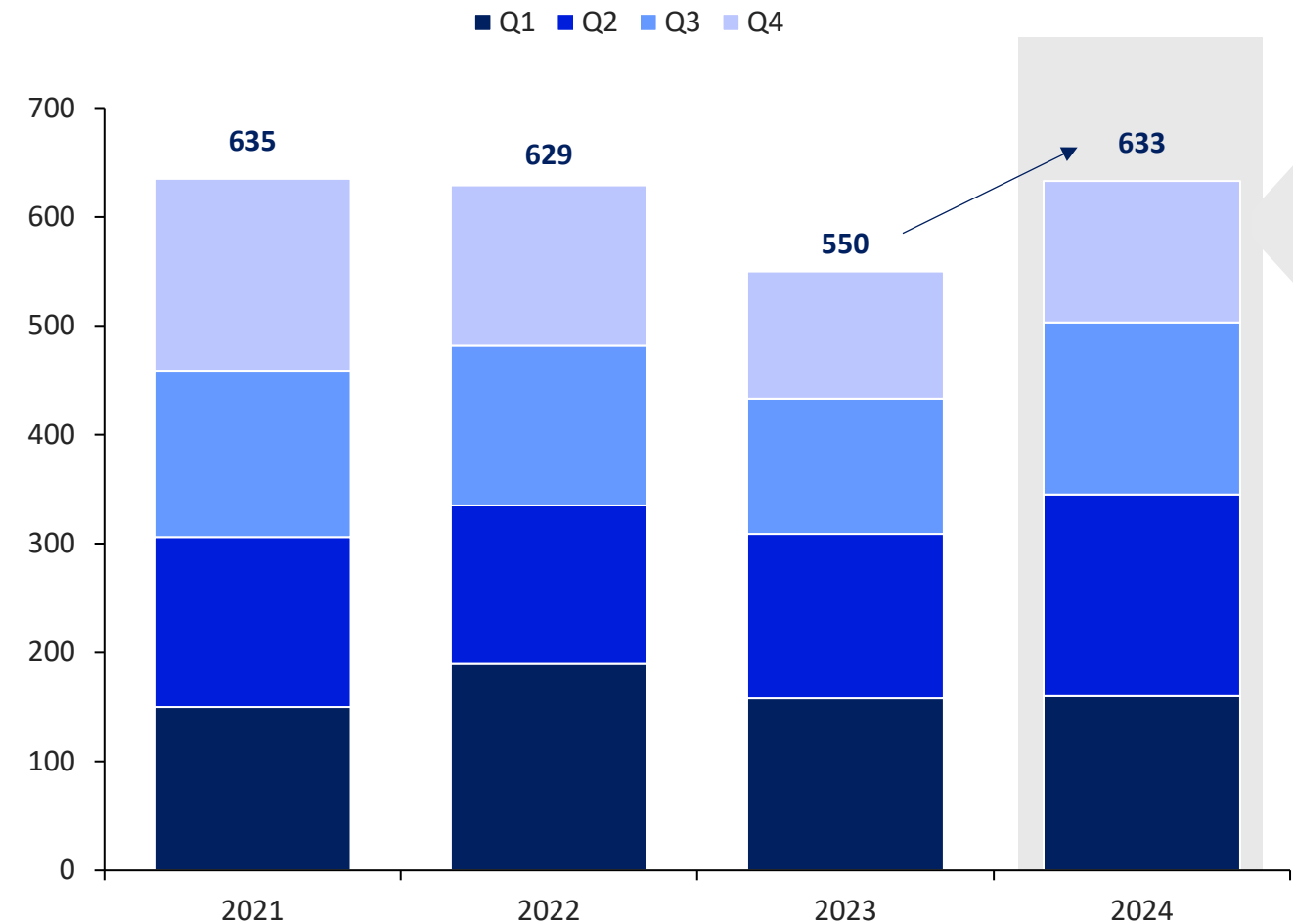
EFCG advised The Sanborn Map Company



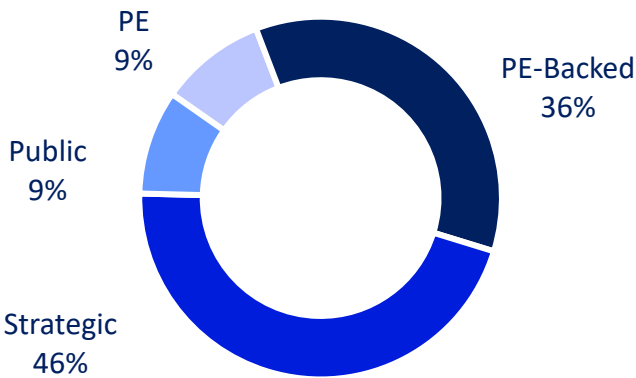
2024 AEC M&A Recap

The AEC market experienced a rebound in 2024, supported by improved macroeconomic indicators and continued reductions in interest rates.

Historical AEC Transactions



2024 Transactions by Acquirer Type



Key Themes:

- The share of PE-backed transactions has been growing consistently
- Strategics were the most active acquirers, with firms seeking both scale and technical differentiation
- Heightened competition drove valuations higher
- Water/wastewater, power, and transportation were the most sought-after end markets for acquisitions

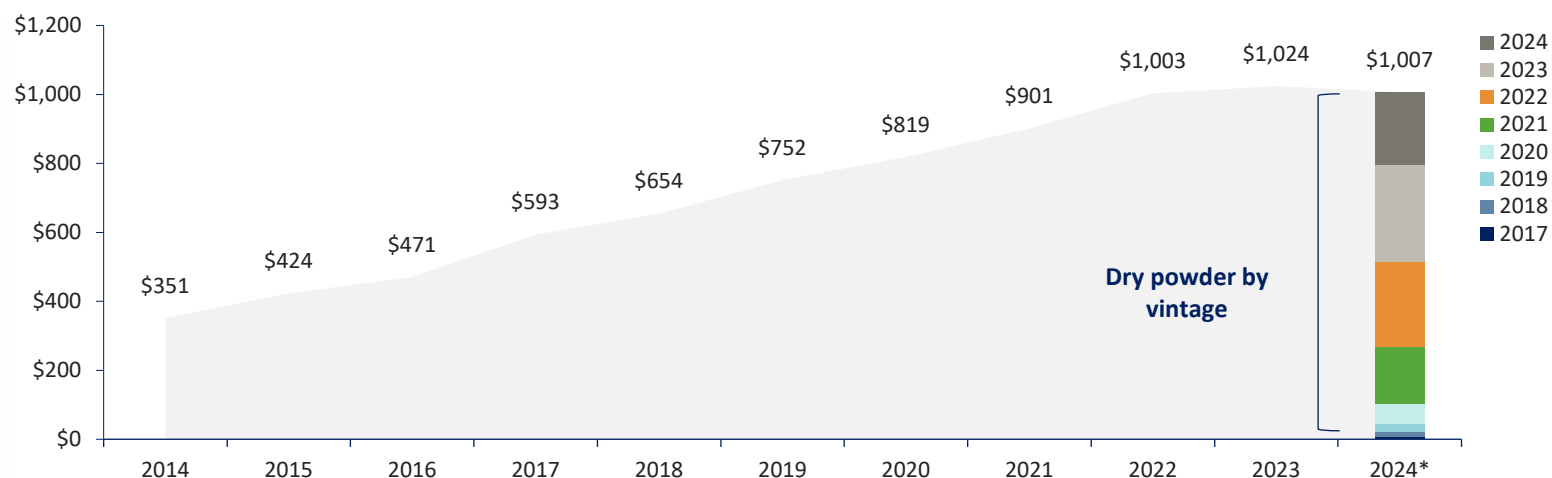
2025 AEC M&A Outlook

2025 AEC M&A Outlook

- CEOs anticipate increased acquisitions in 2025, driven by federal funding opportunities, higher retirement rates, succession planning challenges, and growth constraints driven by the shortage of engineers
- Firms continue pursuing acquisitions to enhance digital capabilities, integrating AI, automation, and simulation technologies to improve efficiency and competitiveness
- Activity surrounding renewables/clean energy-focused assets likely to see slow-down driven by Trump administration policies
- Other policy shifts, such as regulatory roll-back, affecting investor approach to water and TICC assets
- Both Federal and Foreign exposure coming under increased scrutiny in diligence

Ample Supply of Private Equity Dry Powder...

(U.S. PE dry powder (\$B); as of June 30, 2024)



Broader M&A Outlook

- Geopolitical tensions, rising concern over tariffs, and interest rate uncertainty are leading some buyers and sellers to take a “wait and see” approach
- Global trends, like AI and related infrastructure, underlie M&A momentum in 2025, as CEOs continue to focus on growth and transformation
- The broader market anticipates sustained levels of private equity activity as dry powder and investment hold periods remain near record highs

...Yet Investors Are Wary

JPMorgan Chase economists raised their **risk of a recession this year to 40%**, up from 30% at the start of the year. (March 12, 2025)

A team of **Goldman Sachs** economists led by Jan Hatzius said it was raising its 12-month **recession probability to 20%**, up from 15%. The bank noted that its forecast could rise further if the Trump administration remains “committed to its policies even in the face of much worse data.” (March 10, 2025)

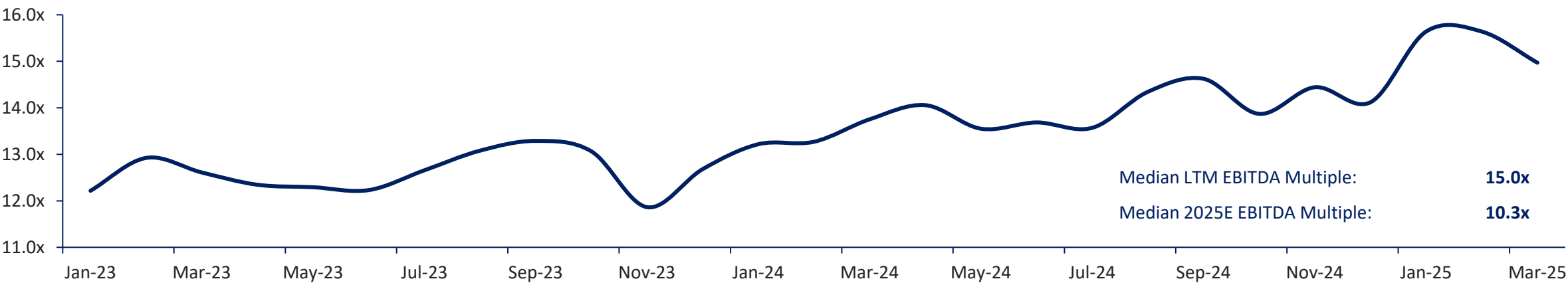
Economists at **Morgan Stanley** led by Michael Gapen lowered their economic growth forecasts and **raised their inflation expectations, an unwelcome mix**. The bank now expects real GDP growth of 1.5% in 2025 and 1.2% in 2026, down from previous estimates. (March 7, 2025)

Public Markets Observations

Despite macro uncertainties driven by the new U.S. administration, AEC executives remain confident that ongoing tailwinds, including AI infrastructure, energy, and deregulation, ensure operations are relatively unaffected.

Public Company Valuations

(EV / LTM EBITDA Multiples)



“The new U.S. administration has been clear that they are committed to driving economic growth...while there may be some minor disruptions to projects to ensure funding is directed to the new administration’s priorities, we have not seen any material impacts to our projects to date. To drive economic growth, we believe the macro factors of aging infrastructure, water infrastructure, data centers and energy infrastructure will all still be needed.

Vito Culmone
Executive VP & CFO



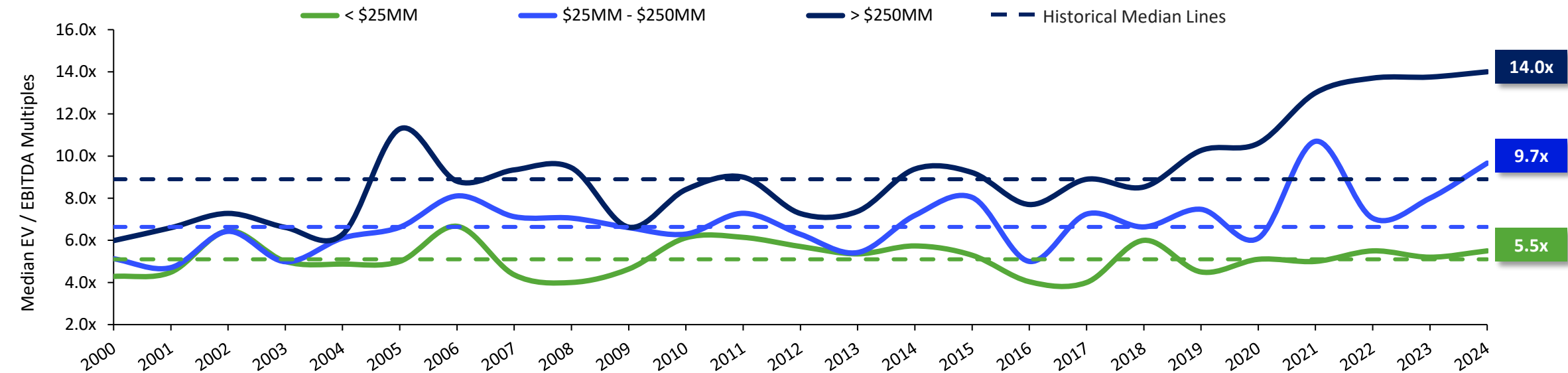
“Looking ahead, we anticipate opportunities arising from the new administration’s commitments to our robust geo economy supported by prudent deregulation and a push for energy independence that positions the US as an attractive destination for capital investment and growth.

Troy Rudd
CEO



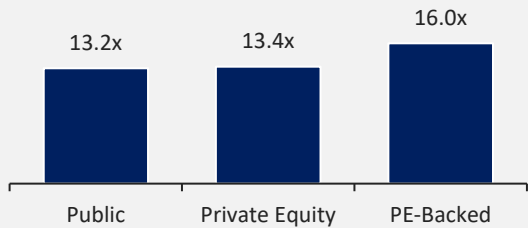
M&A Valuations Remain Above Historical Medians

Transactions across firms of all revenue sizes have experienced a notable valuation upswing, driven by heightened competition as financial sponsors actively pursue assets within the sector.

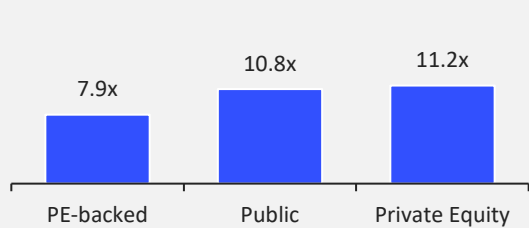


2024 Median Multiples by Acquirer Type

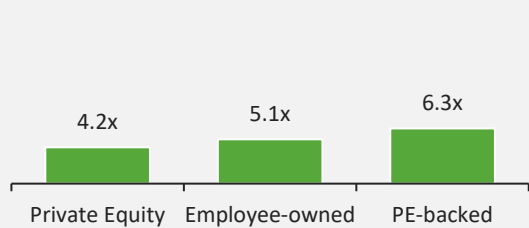
Target Firms with Revenues > \$250MM



Target Firms with Revenues \$25MM - \$250MM

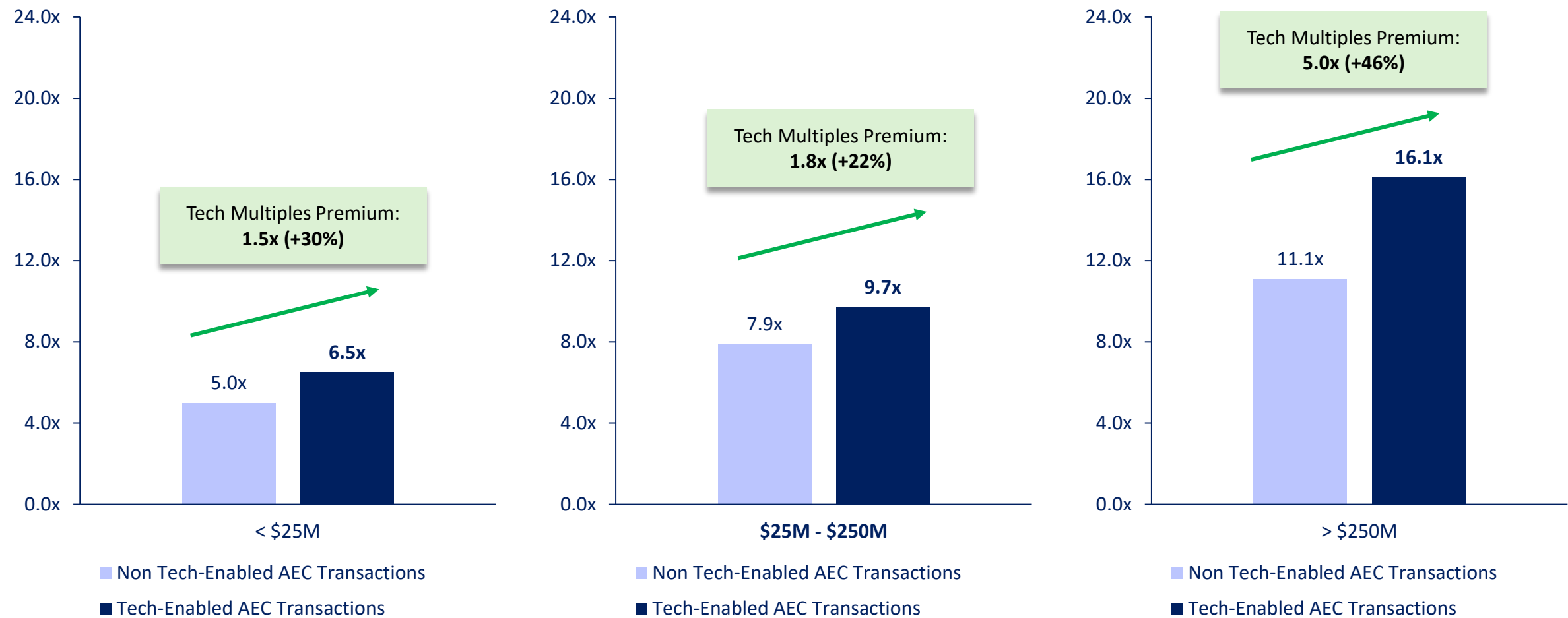


Target Firms with Revenues < \$25MM



The Technology Premium

Tech-enabled AEC firms, particularly those leveraging AI and advanced technologies, have been able to differentiate themselves among their peers, driving increased higher-margin work and achieving greater efficiency by “doing more with less” using existing resources. This has led to a significant valuation premium.



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Key Takeaways



Today’s Panelist: Mary Burnett



Mary Burnett

Experience

Chief Financial Officer
Director of Finance, SVP
Spheros Environmental, 2022-Present

Senior Analyst, Mergers & Acquisitions
Senior Analyst, Financial Planning & Analysis
HDR, 2015-2022

Internal Auditor
ConAgra Foods, 2013-2015

Senior Associate
Grant Thornton LLP, 2010-2013

Education

Creighton University
BSBA, Finance



| Ownership Type | Gross Revenues | Total Employees |
|---------------------------|----------------|-----------------|
| PE-Backed, Employee-Owned | \$53M | 260 |
| End Markets % Revenues | | |

Today’s Panelist: Chris Nelson



Chris Nelson

Experience

CFO
CPMA – RTC Partners, *2024-Present*

CFO
McKim & Creed, *2015-2024*

Partner, Northern Division CFO
ERM, *2011-2015*

Director, Global Commercial Development
Director of Corporate Development
Global Finance Manager
UL, *2005-2011*

Education

Valparaiso University
BA

University of Illinois Chicago
MBA, Finance / International Business Mgmt.

| Ownership Type | Gross Revenues | Total Employees |
|---------------------|----------------|-----------------|
| PE-Backed | \$125M | 700 |
| Services % Revenues | | |

Today's Panelist: Jim Nevada



Jim Nevada

Experience

President & CFO
Gannett Fleming, 2023-Present

CFO & Chief Strategy Officer
NELSON Worldwide, 2019-2022

President, Environment Business
CFO
WSP, 2011-2017

CFO
Atkins, 2004-2011

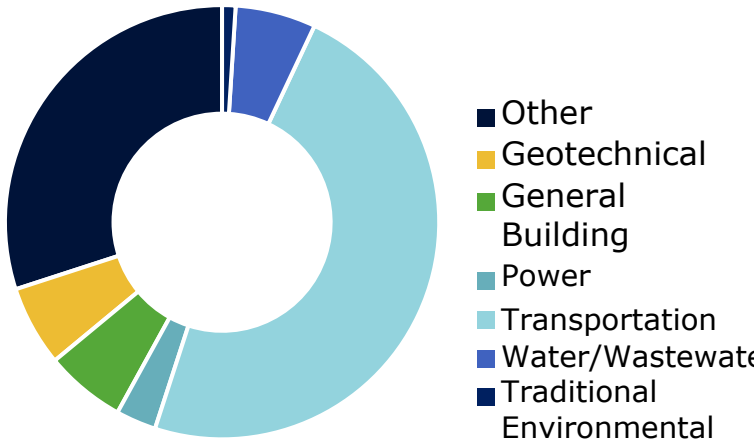
Education

Commonwealth University-Bloomsburg
MBA, Finance

Penn State University
BS, Finance



| Ownership Type | Gross Revenues | Total Employees |
|---------------------------|----------------|-----------------|
| PE-Backed, Employee-Owned | \$1.4B | 5,200 |
| Services % Revenues | | |



Today's Panelist: Heather Yazdan



Heather Yazdan

Experience

CFO
Qualus, 2023-Present

CFO
Cubic Transportation Systems, 2018-2023

VP, Regional Finance Director
AECOM, 2016-2018

VP, Director of Finance
HOK, 2010-2016

Controller
architectsAlliance, 2003-2010

Education

Certified Public Accountant (CPA Canada)
Athabasca University
BGS, Applied Studies

Seneca Polytechnic
BS, Accounting & Finance

QUALUS

| Ownership Type | Gross Revenues | Total Employees |
|---------------------------|----------------|-----------------|
| PE-Backed, Employee-Owned | \$415M | 1,600 |
| Services % Revenues | | |

Today's Panelists



Mary Burnett

CFO

**Spheros
Environmental**

Ownership Type:

PE-Backed,
Employee-Owned

Gross Revenues:

\$53M

Total Employees:

260

Primary End Market(s):

Traditional Env., W/WW,
Mining



Chris Nelson

CFO

CPMA

Ownership Type:

PE-Backed

Gross Revenues:

\$125M

Total Employees:

700

Primary End Market(s):

Aviation, Health, Real
Estate/Housing, Utilities



Jim Nevada

CFO

**Gannett Fleming /
TranSystems**

Ownership Type:

PE-Backed,
Employee-Owned

Gross Revenues:

\$1.4B

Total Employees:

5,200

Primary End Market(s):

Transportation, W/WW,
General Building



Heather Yazdan

CFO

Qualus

Ownership Type:

PE-Backed,
Employee-Owned

Gross Revenues:

\$415M

Total Employees:

1,600

Primary End Market(s):

Eng., Program Mgmt.,
Specialized Field Services

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Ask Us Questions

Jessica Zofnass Barclay

jbarclay@efcg.com

<https://calendly.com/jbarclay>

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