

CONSTRUCTION MARKET REMAINS CAUTIOUSLY OPTIMISTIC AMID MACROECONOMIC VOLATILITY

CONSTRUCTION SERVICES SECTOR UPDATE | MAY 2024



**CAPSTONE
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Construction Services

Construction Market Remains Cautiously Optimistic Amid Macroeconomic Volatility

KEY SECTOR TAKEAWAYS

Capstone Partners' Building Products & Construction Services Group is pleased to share its Construction Services report. The Construction market has remained cautiously optimistic amid volatile macroeconomic conditions, buoyed by healthy project backlogs and profit margins. With merger and acquisition (M&A) volume up year-over-year (YOY) to-date 2024, Capstone expects deal activity to persist in the near-term. Strategics have continued to bolster geographic reach and service capabilities via M&A and private equity buyers have leveraged accumulated dry powder levels to primarily pursue add-on transactions. Several additional key report takeaways are outlined below.

1. M&A activity in the Construction Services sector accelerated in late 2023 and into 2024, with 260 transactions announced or closed year-to-date (YTD), a 65.6% increase YOY.
2. The elevated interest rate environment has continued to create volatility in the Residential Construction Services market. As a result, Construction Services sector participants have shifted operations to capture alternate revenue opportunities in segments such as Commercial or by increasing repair, remodel, and maintenance projects.
3. Firms that provide architecture and engineering services have been active in acquiring companies with strong relationships to the public sector as federal funding has increased.
4. Private equity (PE) activity has remained elevated amid proven sector stability, with sponsors acquiring quality assets with defensible cash flows.
5. Demand for Environmental, Social, and Governance (ESG) and related services have continued to rise, providing sector participants with opportunities to bolster revenue diversity and growth.

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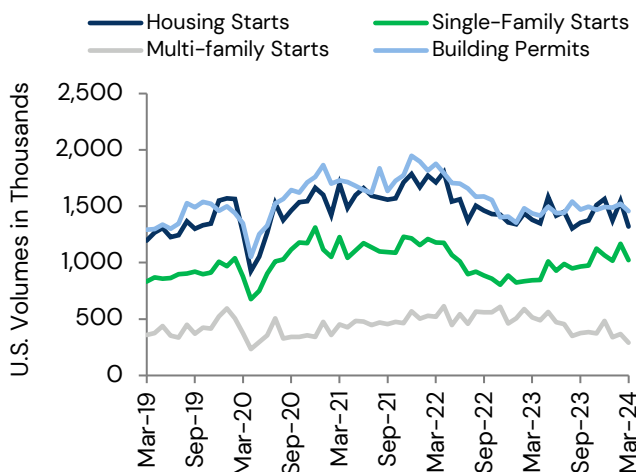
SECTOR GROWTH PREVAILS DESPITE MACROECONOMIC PRESSURES

The Construction Services sector has continued to face macroeconomic headwinds and volatility in 2024. Notably, private residential investment increased quarter-over-quarter (QoQ) in Q3 2023 following nine consecutive quarters of contraction—the longest contraction since the 2008 housing market crash, according to the St. Louis Federal Reserve.¹ Expectations for interest rate cuts helped fuel this rebound. However, recent optimism has faded as Federal Reserve Chairman Jerome Powell indicated in May that inflationary pressures have yet to subside, and that the restrictive interest rate policy is expected to remain in the near-term, according to *Reuters*.² Tightened financing options for both housing developers and buyers alike caused housing starts to fall 4.3% YOY and 14.7% month-over-month (MoM) in March 2024, according to the U.S. Census Bureau.³ Housing starts are expected to continue declining as residential building permits fell 4.3% MoM in March. Despite near-term setbacks, a shortage in affordable housing, rising homeownership demand among younger generations, and eventual interest rate cuts are anticipated to bolster new residential construction in the long-term.

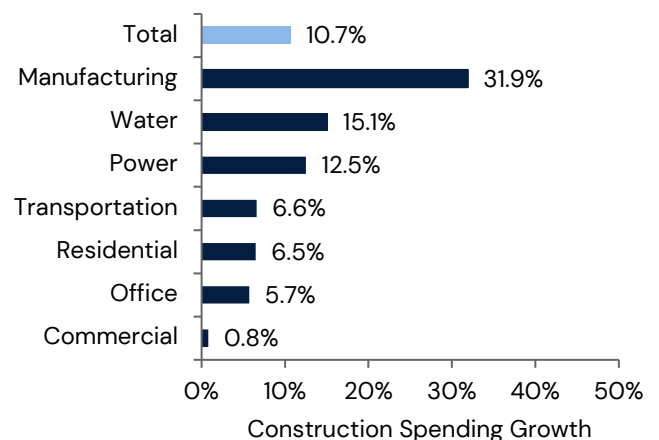
Sector growth has remained strong through YTD. Notably, backlogs have remained relatively stable, down only 0.5 months YOY as of March 2024, according to the Associated Builders and Contractors’ (ABC) Construction Backlog Indicator.⁴ Additionally, construction spending increased across all categories at an overall rate of 10.7% YOY in February 2024, according to the U.S. Census Bureau.⁵ Sector participants have continued to be challenged by increased project financing and materials costs, as construction input costs increased 1.7% YOY and 41.1% since 2020 as of March 2024, according to ABC.⁶ However, pricing power has been maintained, evidenced by the 33.6% of surveyed builders and contractors that expect profit margins to increase over the next six months, according to ABC. Future sector growth has been further supported by government funding from legislation including the Infrastructure Investment and Jobs Act (IIJA), the Inflation Reduction Act (IRA), and the Creating Helpful Incentives to Produce Semiconductors (CHIPS) Act, specifically within manufacturing, transportation, and clean energy infrastructure projects.

Amid sector volatility, contractors have increasingly relied on repair, remodel, and maintenance opportunities to drive growth. Of note, Installed Building Products’ (NYSE:IBP) Repair & Remodel (R&R) business unit saw 4.7% YOY revenue growth in fiscal year (FY) 2023, according to its latest 10-K.⁷ The company plans to diversify its revenue mix in its Commercial division by prioritizing R&R opportunities, according to its most recent investor presentation.⁸ Additionally, demand for ESG-related services has continued to rise, providing professional service providers with opportunities to bolster revenue diversity and growth. This has been evidenced by NV5 Global (Nasdaq:NVEE), which saw 23% organic revenue growth in FY 2023 within its Clean Energy & Technology business unit in the U.S., according to its FY 2023 earnings presentation.⁹

Volatile Macroeconomic Conditions Pressure New Residential Construction



U.S. Construction Spending Rises Year-Over-Year in March 2024



Source: FactSet and Capstone Partners as of March 31, 2024

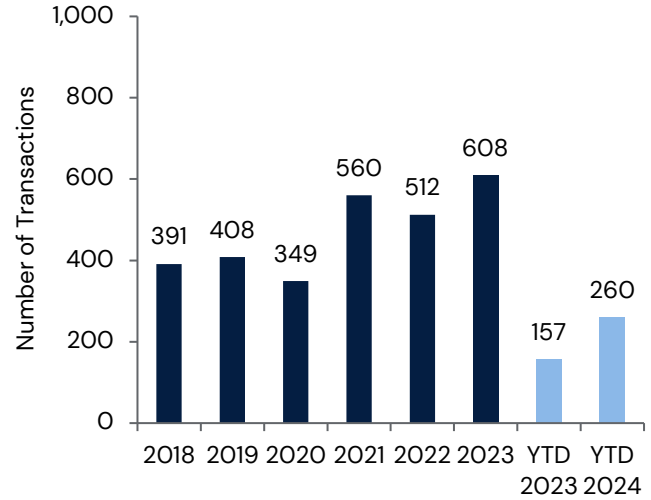
FINANCIAL BUYERS BOOST SECTOR DEAL VOLUME TO-DATE

M&A activity in the Construction Services sector accelerated in late 2023 and into 2024, with 260 transactions announced or closed YTD, a 65.6% increase YOY. Strong backlogs, resilient construction spending, and government-funded infrastructure upgrades have helped contribute to increased M&A activity in 2024.

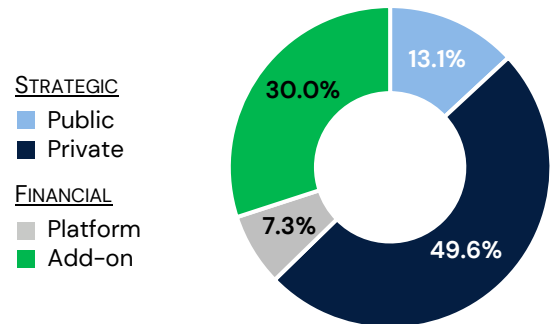
Strategic buyers have represented the majority (62.7%) of sector M&A deals YTD, led by private strategics (49.6%). Supported by margin expansion and YOY revenue growth, sector players have leveraged M&A to bolster both vertical strength and company growth. Propelled by extensive dry powder reserves, private equity buyers have increased deal activity in 2024. Financial buyers have represented 37.3% of deal activity YTD, with volumes up 76.4% YOY. To capitalize on federal funding for manufacturing, transportation, and clean energy infrastructure projects, financial buyers have primarily targeted the Sub-Contractor and Engineering segments, with PE driving 39.2% and 34.0% of sector private equity transactions YTD, respectively.

The average M&A multiple in the Construction Services sector was 11.5x EV/EBITDA from 2021 through YTD, outpacing the broader Building Products & Construction Services industry average of 10.2x EV/EBITDA during the same period. Healthy sector valuations have been primarily driven by participants' ability to showcase robust project backlogs and margin performance. Additionally, buyers in the space have demonstrated a willingness to acquire quality middle market businesses (less than \$500 million enterprise value) at premium valuations. From 2021 through YTD, the average middle market sector M&A multiple was 13.8x EV/EBITDA.

M&A Volume Gains Momentum in Late 2023 and into 2024



Private Strategic and Sponsor-Backed Buyers Drive Year-to-Date Deal Activity



Year-to-date (YTD) ended May 3
Source: Capital IQ, FactSet, PitchBook, and Capstone Partners

Construction Services Valuation Analysis		
Valuation Method	Average Revenue Multiple	Average EBITDA Multiple
Construction Services Sector M&A Deals (2021-YTD)	1.2x	11.5x
Building Products & Construction Services Industry M&A Deals (2021-YTD)	1.5x	10.2x

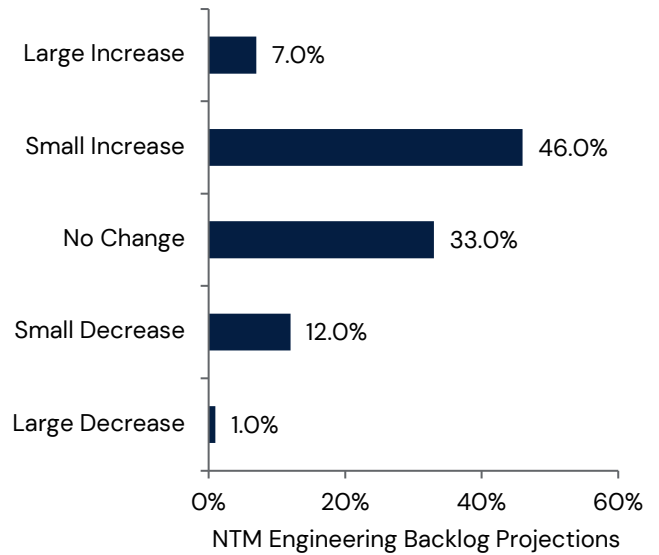
Source: Capital IQ, FactSet, PitchBook, and Capstone Partners

ARCHITECTURE AND ENGINEERING FIRMS PROVIDE OPTIMISTIC OUTLOOK

M&A activity in the Architecture & Engineering Services segment has flourished amid continued sector strength. The Architecture & Engineering Services segment has showcased elevated activity, comprising 42.7% of total sector transactions YTD (34.2% engineering and 8.5% architecture firms). See select segment deals on page eight.

A favorable outlook for new residential construction has aided near-term optimism within the segment. Notably, engineering firms have reported positive next twelve-month (NTM) backlog expectations as optimism for residential land construction rose 40 basis points YOY, according to the American Council of Engineering Companies.¹⁰ Furthermore, despite 13 consecutive months of architecture billings declines, the ratio of firms that saw a decline in billings was nearly equal to the proportion that saw increases in February, the closest gap since July, according to The American Institute of Architecture.¹¹ Segment activity has been supported by increases in new project inquiries and design contract values.

Engineering Firms Indicate Optimistic Backlog Projections

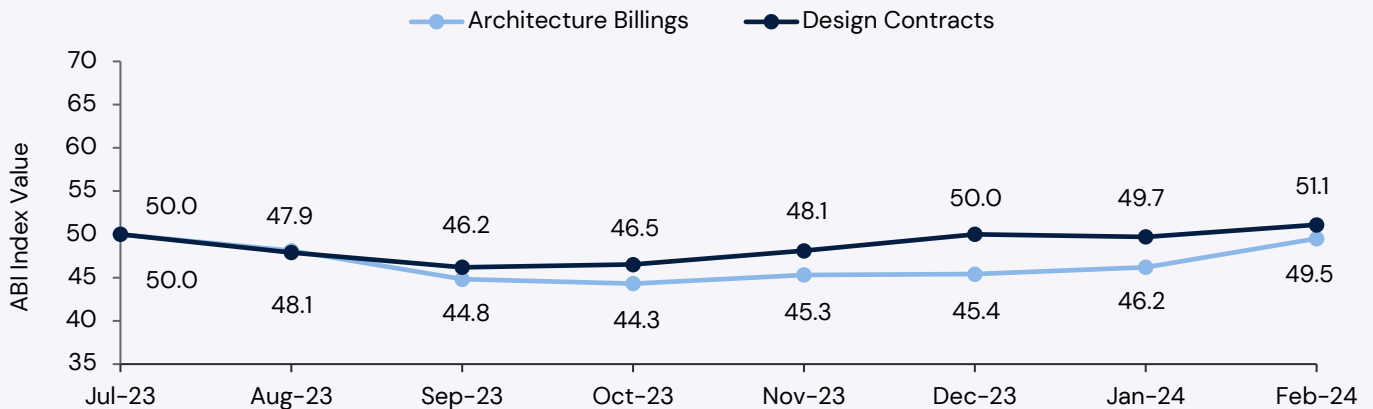


NTM=Next Twelve-Month
Source: American Council of Engineering Companies and Capstone Partners as of Q1 2024

Sector players have increasingly utilized acquisitions to bolster geographic reach and service capabilities to meet heightened demand for architecture and engineering services. Notably, Stantec (TSX:STN), a sustainable engineering and design firm, acquired Morrison Hershfield, a 1,150-person engineering firm from Markham, Ontario in January 2024. Deal terms were not disclosed. The acquisition broadens Stantec’s presence in the key growth markets of Toronto and Ontario. The transaction also bolsters its infrastructure, transport, U.S. buildings and facilities engineering design, telecom consulting, and environmental services and pipeline projects, according to a press release.¹² Recently, Morrison Hershfield has completed two projects valued at \$543.9 million for Toronto’s Gardiner Expressway East, according to the press release.

The Architecture Billings Index (ABI) Improves Incrementally in Early 2024

An index score of 50 represents no change in firm billings from the previous month, a score above 50 indicates an increase in firm billings from the previous month, and a score below 50 indicates a decline in firm billings from the previous month.



Source: The American Institute of Architects and Capstone Partners

M&A REMAINS ELEVATED FOR ARCHITECTURE AND ENGINEERING FIRMS

Engineering firms have been of particular interest in the current market, supported by a healthy pool of active acquirers. Buyers in the space have increasingly submitted competitive bids for high quality companies with stable revenues serving defensible end markets. Select transactions in the space are highlighted below.

Westwood

Acquired



In March 2024, Westwood Professional Services, a portfolio company of Endurance Partners, acquired O'Dell Engineering, a firm that provides design services for public and private improvement projects. Terms of the deal were not disclosed. Westwood provides architecture, engineering, and construction (AEC) professional services for wind energy, solar energy, electric transmission, private development, and public infrastructure projects. Westwood, an active sector acquiror, has focused inorganic growth on expanding market share and service offerings. Recent acquisitions include Peloton Land Solutions (June 2023, undisclosed) and Pacheco Koch Consulting Engineers (December 2021, undisclosed). The deal marks Westwood's first entry into the California market and strengthens its public infrastructure and land development service offerings, according to a press release.¹³ "This complementary partnership between Westwood and O'Dell supports our strategy to expand into new regions and grow our existing markets and services," said Trevor Garfield, Director of Mergers and Acquisitions at Westwood, in a discussion with Capstone's Building Products & Construction Services Team.



Acquired



In March 2024, Godspeed Capital-backed Stengel-Hill Architecture (SHA) acquired Smith Consulting Architects (SCA). Deal terms were not disclosed. The acquisition was SHA's first addition to its AEC services platform. Both SHA and SCA provide master planning, architecture, and interior design services for the Healthcare, Industrial, Manufacturing, and Retail Facilities markets. The deal expands SHA's AEC platform into the California market, according to a press release.¹⁴ In addition, the transaction is expected to support SHA's national expansion plans.



Acquired



In February 2024, DCCM, a portfolio company of White Wolf Capital Group, acquired professional engineering and land surveying service provider Chastain-Skillman. Deal terms were not disclosed. The transaction follows a series of add-on acquisitions to bolster DCCM's Engineering & Infrastructure Services platform, including Southstar Engineering (February 2024, undisclosed). "This strategic move enhances our infrastructure engineering capabilities in Florida and strengthens our presence in the regional market," said James Thompson, CEO of DCCM, in a press release.¹⁵

Bowman

Acquired



In February 2024, Bowman Consulting Group (Nasdaq:BWMN) acquired Speece Lewis Engineers for \$4.9 million, according to its latest earnings release.¹⁶ Speece Lewis Engineers provides infrastructure engineering services for surveying, transportation, bridge design, and hydraulics which Bowman plans to leverage as the company expands its transportation and bridge design relationships, according to its Q4 earnings call.¹⁷ The deal follows 20 prior acquisitions from Bowman since 2021. Bowman's M&A strategy has focused on expanding capabilities for Transportation and Power & Utilities sectors while targeting companies with less than \$30 million in annualized net service revenues, according to the earnings call.

SELECT CONSTRUCTION SERVICES TRANSACTIONS

Date	Target	Acquirer	Target Business Description	Enterprise	EV / LTM	
				Value (mm)	Revenue	EBITDA
04/15/24	Elevated Facility Services Group	APi Group (NYSE:APG)	Provides elevator maintenance, repair and modernization services.	\$570.0	-	-
04/03/24	Surdex	Bowman Consulting (Nasdaq:BWMN)	Provides orthoimagery, lidar and digital mapping services to public sector and private industries.	\$44.0	-	-
03/14/24	Fluhrer Reed PA	NV5 Global (Nasdaq:NVEE)	Offers structural engineering services for the development of commercial and multifamily spaces.	-	-	-
03/05/24	Smith Consulting Architects	Stengel-Hill Architecture	Provides civil engineering, land surveying, landscape architecture, and utility design services.	-	-	-
03/04/24	Yak Access	United Rentals (NYSE:URI)	Offers planning and clearing, site work, access roads, and final restoration services.	\$1,150.0	3.3x	6.7x
03/01/24	O'Dell Engineering	Westwood Professional Services	Delivers civil engineering, land surveying, landscape architecture, and utility design services.	-	-	-
02/21/24	Chastain-Skillman	DCCM	Provides engineering and land surveying services for public works and land development projects.	-	-	-
02/20/24	Speece Lewis Engineers	Bowman Consulting (Nasdaq:BWMN)	Offers engineering services for surveying, transportation, bridge design, and hydraulics.	\$4.9	-	-
02/16/24	Glass 8 Holdings	Healthcare Integrated Tech (OTCPK:HITC)	Supplies interior glass applications.	\$5.4	0.2x	-
02/14/24	Metro Structural Services	Groundworks	Offers repair, basement waterproofing, crawl space encapsulation, and concrete leveling services.	-	-	-
02/09/24	Sustainable Energy Group	CuraScientific (OTCPK:LNT0)	Provides solar panel installations, battery services to Residential, Commercial, and Industrial sectors.	\$5.0	-	-
02/05/24	J&J Maintenance	CBRE Group (NYSE:CBRE)	Offers custodial, logistics, medical facilities operations, and construction services.	\$1,050.0	-	-
01/18/24	Assets of NorCan Electric	Bird Construction (TSX:BDT)	Comprises electrical and instrumentation contracting services business operations.	\$8.2	-	-
01/02/24	Summit Industrial Construction	Comfort Systems USA (NYSE:FIX)	Provides engineering, procurement, and construction services in the U.S.	-	-	-
11/16/23	Professional Plumbers Group	Sterling Infrastructure	Delivers plumbing services to home builders in Residential markets.	\$50.0	-	-
11/06/23	MWH US Acquisitions	Obayashi USA	Offers pre-construction, construction management, design, and construction services.	\$140.0	0.3x	-
11/02/23	Industrial Air	Limbach Holdings (Nasdaq:LMB)	Provides mechanical contractor services.	\$20.0	-	-
11/01/23	Urban Utilities Contractors	Deal Pro Capital	Offers construction and contractor services in Brampton, Canada.	\$10.8	2.0x	15.8x
11/01/23	Assets of Reeves Construction	Construction Partners (Nasdaq:ROAD)	Comprises heavy highway and civil construction business assets in the Charlotte-Rock Hill area.	\$16.0	-	-
10/16/23	DECCO	Comfort Systems USA (NYSE:FIX)	Provides construction, maintenance, and fabrication services in New England.	\$59.8	-	-
10/14/23	Spark Power Group	American Pacific Group	Offers electrical contracting, operations, and maintenance services.	\$127.4	0.7x	39.4x
10/05/23	Gibson Technical Services	Streeterville Capital	Provides engineering and construction services to the Telecommunications industry.	\$41.7	-	-

Source: Capital IQ, PitchBook, FactSet, and Capstone Partners

DIVERSIFIED END MARKET SERVICES BOLSTER TOPBUILD'S REVENUE



Ticker: NYSE:BLD
Headquarters: Houston, Texas
Markets: Contractor Services
LTM Revenue: \$5.2 Billion
Market Capitalization: \$13.3 Billion

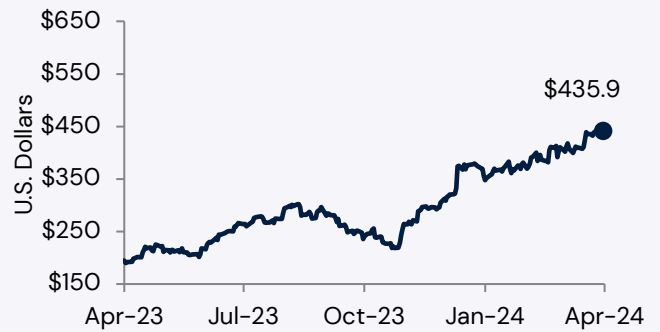
Company Description

TopBuild (NYSE:BLD), a contractor services firm focused on residential, commercial, and industrial installation and distribution of insulation and other building products and services, recorded revenues of \$5.2 billion in FY 2023, according to its annual earnings release.¹⁸ This represents an increase of 3.7% YOY. Revenue growth in FY 2023 was attributable to its Installation division, which saw a 7.6% YOY revenue increase due to higher selling prices and acquisition-related growth. Furthermore, with residential housing starts down throughout 2023, TopBuild's Installation segment expanded its Multifamily and Commercial end market installations by more than 50% and 11%, respectively, to offset a low single-digit decline in single-family sales in 2023.

In 2023, TopBuild acquired four residential insulation installation businesses that are expected to generate up to \$172 million in annual revenues, according to its Q4 earnings call.¹⁹ Of note, TopBuild acquired Best Installation's residential installation assets for an enterprise value of \$95 million or 1.0x EV/Revenue in July 2023. The transaction represents TopBuild's third largest acquisition in the Residential Installation space to-date, according to a press release.²⁰ With 2.1% of FY 2023 revenue growth attributable to M&A-based sales increases, TopBuild has remained focused on leveraging M&A to bolster long-term growth, with three acquisitions announced as of February 2024.

"Looking ahead, our prospect pipeline is robust and we intend to stay active on the acquisition front. And as always, we remain focused on acquiring high-quality residential and commercial installation and specialty distribution companies. All three of our end markets are highly fragmented and present great opportunities to reinvest our strong free cash flow to drive shareholder value," said TopBuild CEO Robert Buck in the Q4 earnings call.

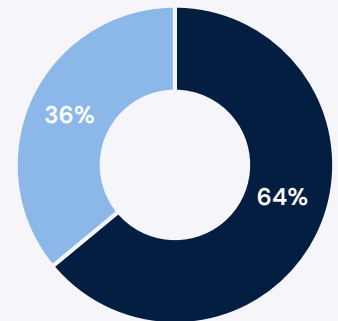
Share Price Performance



FY 2023 Revenue Share by Client Type

CLIENT TYPE

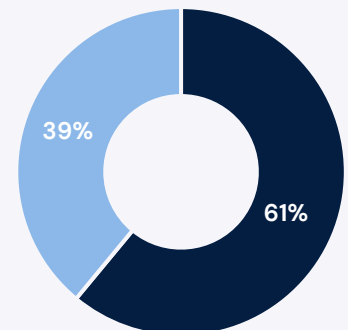
- Residential
- Commercial & Industrial



FY 2023 Revenue Share by Segment

SEGMENT

- Installation
- Specialty Distribution



Source: TopBuild, Capital IQ, and Capstone Partners as of April 4, 2024

DEMAND FOR ESG-RELATED PROJECTS DRIVES OPPORTUNITY AT AECOM



Ticker: NYSE:ACM
Headquarters: Dallas, Texas
Markets: Professional Services
LTM Revenue: \$14.9 Billion
Market Capitalization: \$13.2 Billion

Company Description

AECOM (NYSE:ACM), a professional services firm that provides global infrastructure consulting services, recorded revenue of \$3.9 billion in FY Q1 2024, an increase of 15.3% YOY, according to its earnings release.²¹ Underpinned by strong organic growth, AECOM has seen adjusted EBITDA and EPS increase by 14% and 25%, respectively, in FY Q1 2024. With elevated demand for services and record high project backlogs, AECOM anticipates its strong financial performance to continue in the near-term.

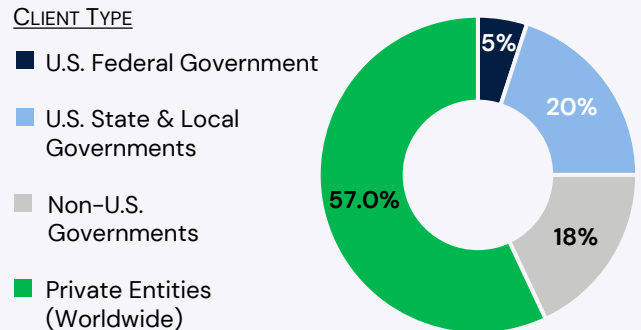
AECOM’s design backlog has grown 9% YOY to a new record of \$21.8 billion in FY Q1 2024. Backlog growth was led by its water, transportation, and program management services and further propelled by near-record high project win rates, according to its latest earnings transcript.²² AECOM attributed record-level backlogs to a strong funding environment among both public and private sector clients. “In the Americas, IJJA funding is accelerating, as evidenced by another milestone program management win for Amtrak’s Susquehanna bridge replacement project. Additionally, state and local budgets remained strong. Our private sector clients are investing to re-shore capacity and adapt to water and energy transition impacts,” said AECOM CEO W. Tory Rudd in the earnings transcript.

AECOM has seen increased demand for sustainability and energy transition projects as ESG, net zero, and decarbonization efforts have increased within both public and private sectors. Energy transition projects alone are expected to generate \$2 trillion in spending by 2030, according to AECOM’s earning transcript. Furthermore, newly proposed regulations around the harmful contaminant, polyfluoroalkyl substances (PFAS), have already driven new pipeline opportunities at AECOM.

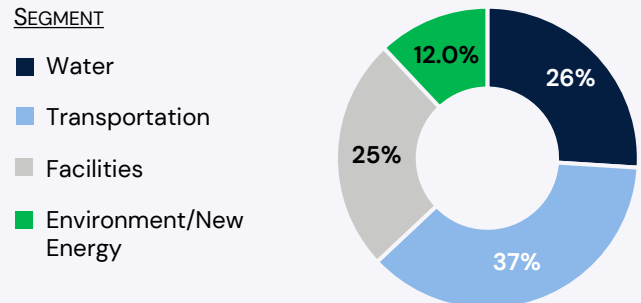
Share Price Performance



FY 2023 Revenue Share by Client Type



FY 2023 Americas Net Service Revenue by Segment



Source: AECOM, Capital IQ, and Capstone Partners as of April 4, 2024

CONSTRUCTION SERVICES PUBLIC COMPANY DATA

Contractor Services									
Company	Price	% 52 Wk	Market	Enterprise	LTM			EV/LTM	
	04/02/24	High	Cap	Value	Revenue	EBITDA	Margin	Revenue	EBITDA
Comfort Systems USA, Inc.	\$319.49	97.0%	\$11,364.8	\$11,416.4	\$5,206.8	\$497.7	9.6%	2.2x	22.9x
EMCOR Group, Inc.	\$354.87	99.8%	\$16,701.9	\$16,253.2	\$12,582.9	\$996.0	7.9%	1.3x	16.3x
IES Holdings, Inc.	\$122.42	96.0%	\$2,475.5	\$2,517.8	\$2,436.8	\$210.4	8.6%	1.0x	12.0x
Installed Building Products, Inc.	\$257.25	97.5%	\$7,255.0	\$7,823.3	\$2,778.6	\$467.9	16.8%	2.8x	16.7x
MYR Group Inc.	\$175.56	97.7%	\$2,938.8	\$2,987.5	\$3,643.9	\$184.0	5.0%	0.8x	16.2x
Quanta Services, Inc.	\$259.26	99.0%	\$37,786.9	\$40,971.4	\$20,882.2	\$1,706.7	8.2%	2.0x	24.0x
TopBuild Corp.	\$438.35	98.0%	\$13,946.1	\$14,735.6	\$5,194.7	\$1,027.9	19.8%	2.8x	14.3x
Tutor Perini Corporation	\$14.80	99.5%	\$770.0	\$1,335.5	\$3,880.2	NM	NA	0.3x	NM

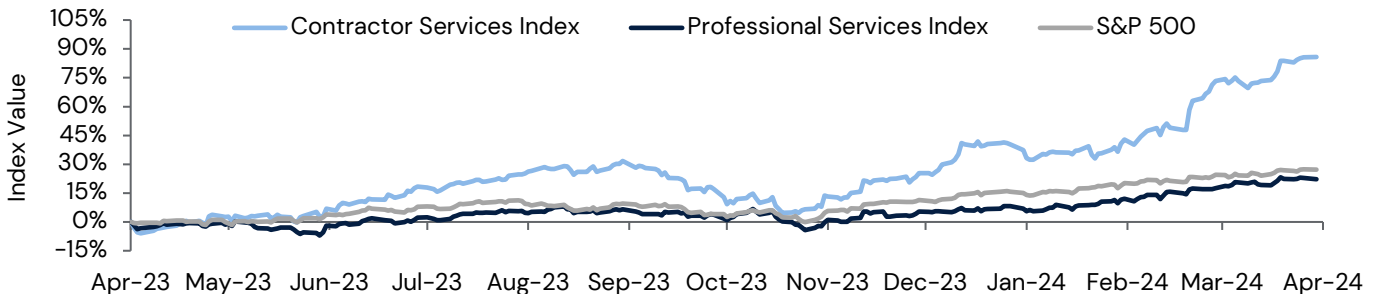
Mean	10.9%	1.7x	17.5x
Median	8.6%	1.6x	16.3x
Harmonic Mean	9.0%	1.1x	16.6x

Professional Services									
Company	Price	% 52 Wk	Market	Enterprise	LTM			EV/LTM	
	04/02/24	High	Cap	Value	Revenue	EBITDA	Margin	Revenue	EBITDA
AECOM	\$97.74	99.0%	\$13,294.9	\$15,139.6	\$14,896.0	\$998.1	6.7%	1.0x	15.2x
Bureau Veritas SA	\$30.55	99.0%	\$13,857.9	\$15,383.9	\$6,485.9	\$1,159.5	17.9%	2.4x	13.3x
Jacobs Solutions Inc.	\$151.23	97.9%	\$19,002.2	\$22,136.5	\$16,713.0	\$1,482.3	8.9%	1.3x	14.9x
NV5 Global, Inc.	\$95.91	80.2%	\$1,526.6	\$1,736.2	\$861.7	\$115.5	13.4%	2.0x	15.0x
Stantec Inc.	\$82.19	94.3%	\$9,375.7	\$10,391.3	\$3,836.2	\$682.4	17.8%	2.7x	15.2x
Tetra Tech, Inc.	\$188.91	99.4%	\$10,100.3	\$11,054.7	\$4,029.7	\$508.4	12.6%	2.7x	21.7x
WSP Global Inc.	\$165.21	97.1%	\$20,596.1	\$23,461.8	\$10,932.1	\$1,506.8	13.8%	2.1x	15.6x

Mean	13.0%	2.0x	15.8x
Median	13.4%	2.1x	15.2x
Harmonic Mean	11.7%	1.8x	15.5x

EV = enterprise value; LTM = last twelve months
 \$ in millions, except per share data
 NM = Not Meaningful

Capstone's Contractor Services Index Outpaces S&P 500



Contractor Services Index includes: BLD, EME, FIX, IBP, IESC, MYRG, PWR, TPC; Professional Services Index includes: ACM, BVI, J, NVEE, STN, TTEK, WSP
 Source: Capital IQ and Capstone Partners as of April 2, 2024

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Darin is an advocate for his clients, guiding them through the complex process of raising debt, equity or selling their company. During the past 25 years, Darin has led business owners and their board of directors through this process over 80 times. Courts, trade groups and national publications recognize Darin's expertise where he provides testimony as an expert witness and speaks about topics involving mergers and acquisitions. Prior to joining Capstone, Darin started, operated, made acquisitions and sold three successful companies in construction, import and distribution, and commercial real estate management. Three sell side transactions that Darin performed are published and taught in business schools around the globe. Darin teaches these cases at the University of Denver, where he received his Bachelor of Science in Finance.

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Crista started her career at KPMG LLP then accepted a Senior Associate role with a \$12 billion multi-strategy hedge fund managing the monthly P&L close process for several funds. She was promoted to Vice President, Valuations responsible for pricing the portfolio of over 8,000 securities monthly, as well as reporting to the Valuation Committee on a bi-monthly basis. At Capstone, Crista works with clients to improve their financial metrics and reporting capabilities. Additionally, she performs research, valuation analysis, prepares marketing documentation, manages client data rooms and responds to due diligence inquiries. Crista graduated summa cum laude from Drake University with a degree in Finance and Accounting. She also earned a Master's of Accounting degree from Drake University and is a CFA Charterholder.

**Brian Krehbiel**

Director
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Prior to joining Capstone Partners in 2011, Brian spent five years with a boutique investment bank performing sell-side transactions, financial modeling and value-add client services. At Capstone, Brian is a member of the Building Products & Construction Services team assisting clients with sell-side, buy-side and debt and equity raise transactions. Prior to his career in Investment Banking, Brian developed construction industry and operations experience owning and managing a successful family-owned residential construction company. His education and industry expertise are resources used in all aspects of the transaction process. Brian graduated from the University of Northern Colorado with a BS degree in Finance and is a CFA Charterholder.

**Izzy Jack**

Market Intelligence Associate
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Izzy serves as a Market Intelligence Associate at Capstone Partners covering the Transportation & Logistics, Building Products & Construction Services, and Agriculture industries. Prior to joining Capstone, Izzy was a Research and Insights Associate for the PR Agency Racepoint Global, where she conducted secondary research to help guide brand communication strategies for clients in industries such as Consumer Technology. Izzy graduated with a Bachelor of Arts degree in Business from Southwestern University.

FIRM TRANSACTIONS IN MARKET

CONFIDENTIAL, Project Cypress:

The Company sources and distributes a variety of lumber products to the Fencing segment.

CONFIDENTIAL, Project King:

The Company provides mechanical and industrial insulation services to the Commercial, Higher Education, Biotech, and Hospital end-markets.

CONFIDENTIAL, Project Peak:

The Company provides of residential re-roofing services.

CONFIDENTIAL, Project Poseidon:

The Company provides groundwater services including well drilling and construction, repair and maintenance services, and well rehabilitation and pump sales.

CONFIDENTIAL, Project Rose Bush:

The Company provides commercial electrical services in mission critical and highly technical facilities.

To learn more about these opportunities, please contact Darin Good at: dgood@capstonepartners.com or 303-549-5674

FIRM AWARDS & ACCOLADES

Capstone Partners is consistently recognized as an elite middle market firm by multiple leading industry organizations. This has afforded our clients with immediate market credibility in the acquirer and investor communities. From 2016 to 2023, Capstone has received 21 “investment banking firm of the year” awards from organizations such as The M&A Atlas Awards, The M&A Advisor, M&A Today, and ACQ5. A sampling of Capstone’s recent awards is shown below.



FIRM TRACK RECORD

Capstone Partners' Building Products & Construction Services Team has represented clients across various construction specialties. Our deep industry focus allows us to provide our clients with real-time transaction feedback and immediate access to key decision makers among the most active acquirers and investors in the Construction industry. A sampling of closed transactions is shown below.



HAS BEEN ACQUIRED BY



a portfolio company of



HAS BEEN ACQUIRED BY



HAS BEEN ACQUIRED BY



a portfolio company of



HAS BEEN ACQUIRED BY

AN EMPLOYEE STOCK OWNERSHIP PLAN (ESOP)



HAS BEEN ACQUIRED BY



HAS BEEN ACQUIRED BY



a portfolio company of



HAS BEEN ACQUIRED BY



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a portfolio company of



HAS BEEN ACQUIRED BY



a portfolio company of

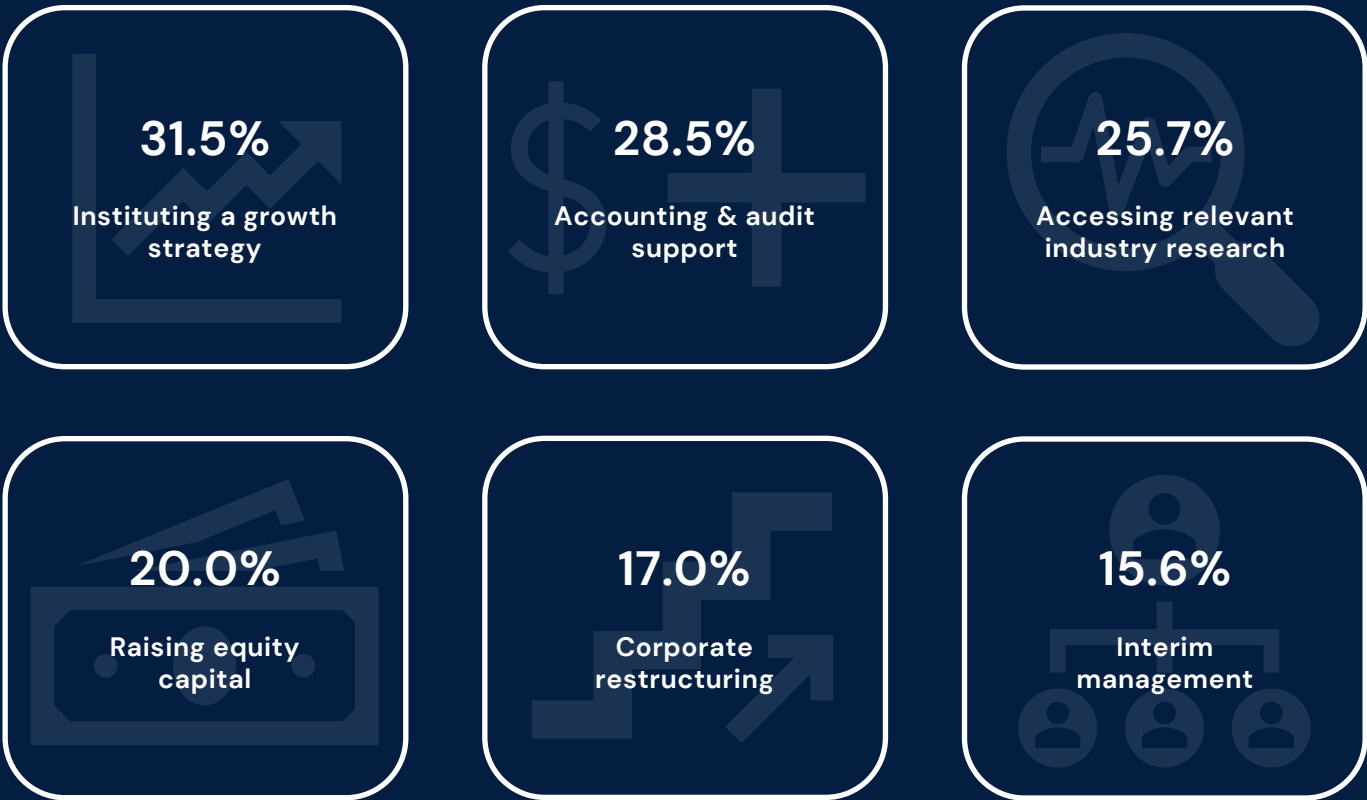


CAPSTONE’S PROPRIETARY RESEARCH REVEALS TOP SERVICES IN DEMAND

The current stage and initiatives of a business often dictates which financial services are in demand. As the majority of CEOs polled in Capstone’s 2023 Middle Market Business Owners Survey indicated growth strategies are a priority for 2024, the lion’s share (31.5%) of owners anticipate a need for growth strategy support services. Similarly, 28.5% of owners require accounting and audit support to shore-up cash flows and establish financial stability. In addition, more than one-fourth of CEOs demonstrated an interest in accessing relevant industry research to keep up with emerging industry trends, complete competitor analyses, and track capital markets activity in their space.

Capstone has developed a full suite of [corporate finance solutions](#) to help privately owned businesses and private equity firms through each stage of the company’s lifecycle, ranging from growth to an ultimate exit transaction. In addition, we developed a specialty consulting practice to provide financial advisory services to companies experiencing distress or performance challenges. All of these capabilities are supported by 16 industry groups, an active sponsor coverage group, and a dedicated market intelligence team.

Top Financial Services Required by Business Owners in 2024



Question: Have you ever had, or do you anticipate having, a need for any of the following services?
 Source: Capstone Partners’ Middle Market Business Owner Survey, Total Sample Size (N): 435

ENDNOTES

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Disclosure

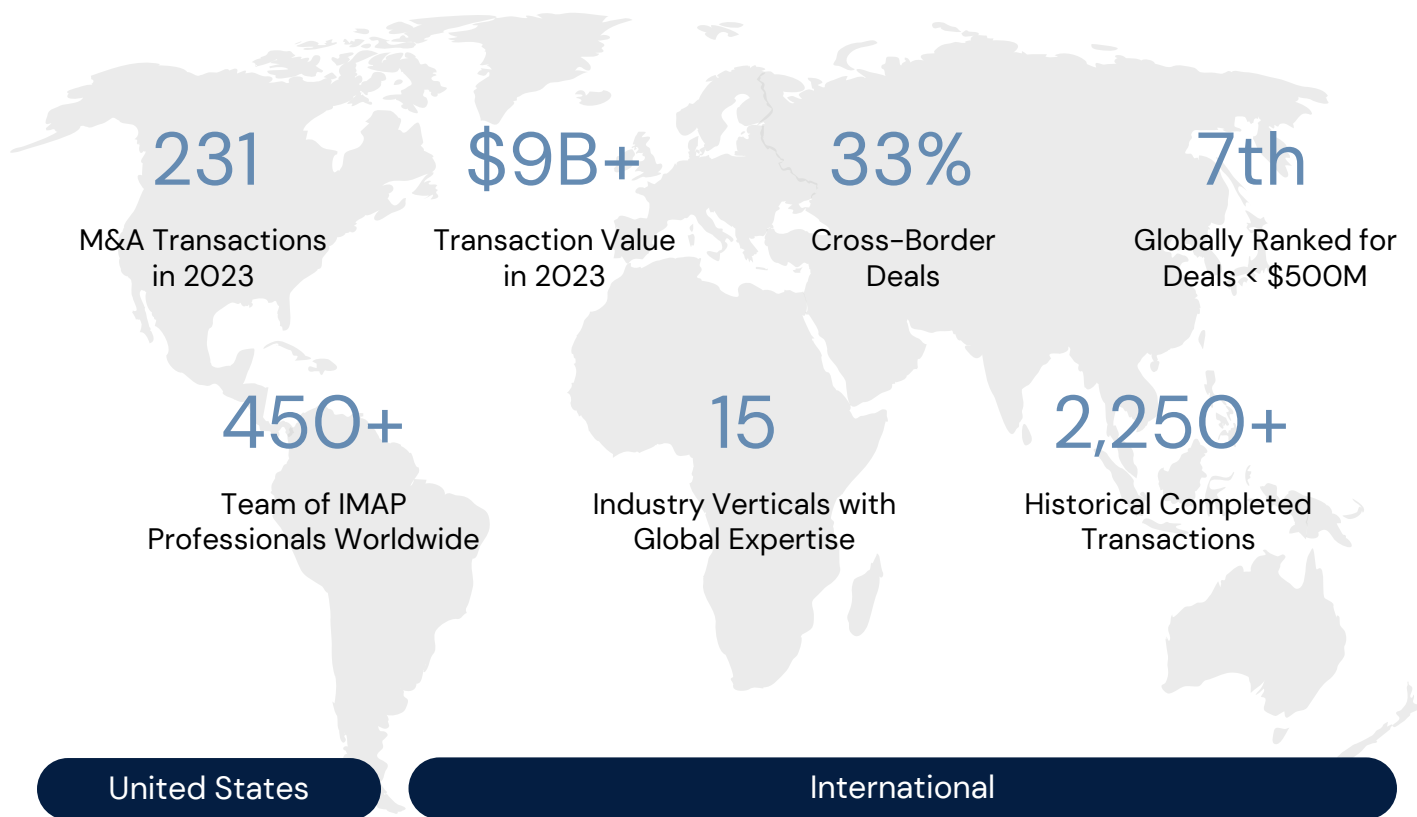
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CAPSTONE PARTNERS

Market Presence

With a long-established U.S. footprint, together with an international partner platform, we provide clients with broad expertise and access to key market relationships on a global basis. Our presence is backed by ~200 professionals in the U.S. with 450+ professionals across 41 countries.



~200 professionals
8 offices

Boston · Denver · Chicago · Dallas
Detroit · Irvine · New York · Tampa

450+ professionals
60+ offices in 41 countries

Asia: China · India · Japan · Thailand
Africa: Congo · Egypt · Ghana · Mauritius · Morocco · Senegal · South Africa
Americas: Toronto · Vancouver · Argentina · Brazil · Chile · Colombia · Mexico · Paraguay · Peru
Europe: Belgium · Bosnia & Herzegovina · Croatia · Czech Republic · Finland · France · Germany
Hungary · Ireland · Italy · Netherlands · Poland · Portugal · Romania · Serbia · Slovakia · Slovenia
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