

HOULIHAN CAPITAL

Valuation & Financial Advisory | Investment Banking

INDUSTRY UPDATE
INFRASTRUCTURE & FACILITY SERVICES MARKET
Q3 2026

123 N Wacker Dr, Suite 2025, Chicago, IL 60606
www.houlihancapital.com | 312.450.8600
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01 EXECUTIVE SUMMARY

Key Takeaways

KEY TRENDS

- **M&A Momentum Strengthens:** Completed U.S. sector transactions reached an eight-quarter high in Q3 2026, with corporate and strategic buyers regaining the majority.
- **Public Market Performance Diverges:** Specialty contracting and infrastructure construction outperformed, while engineering and facility services lagged the S&P 500.
- **Electrical Services Attract Buyers:** Q3 transactions included MasTec's acquisition of Electrical Specialists and MYR Group's acquisition of Valley Holdings.

MARKET OVERVIEW

- GRID **gained 26.12%** versus 19.27% for the S&P 500 from Q3 2025 to Q3 2026.
- Q3 sector M&A totaled **29 completed U.S. transactions**, up 26.1% QoQ and 52.6% YoY.
- **Corporate/strategic buyers accounted for 59% of Q3 deals**, up from 39% in Q2. Private equity represented 41%.

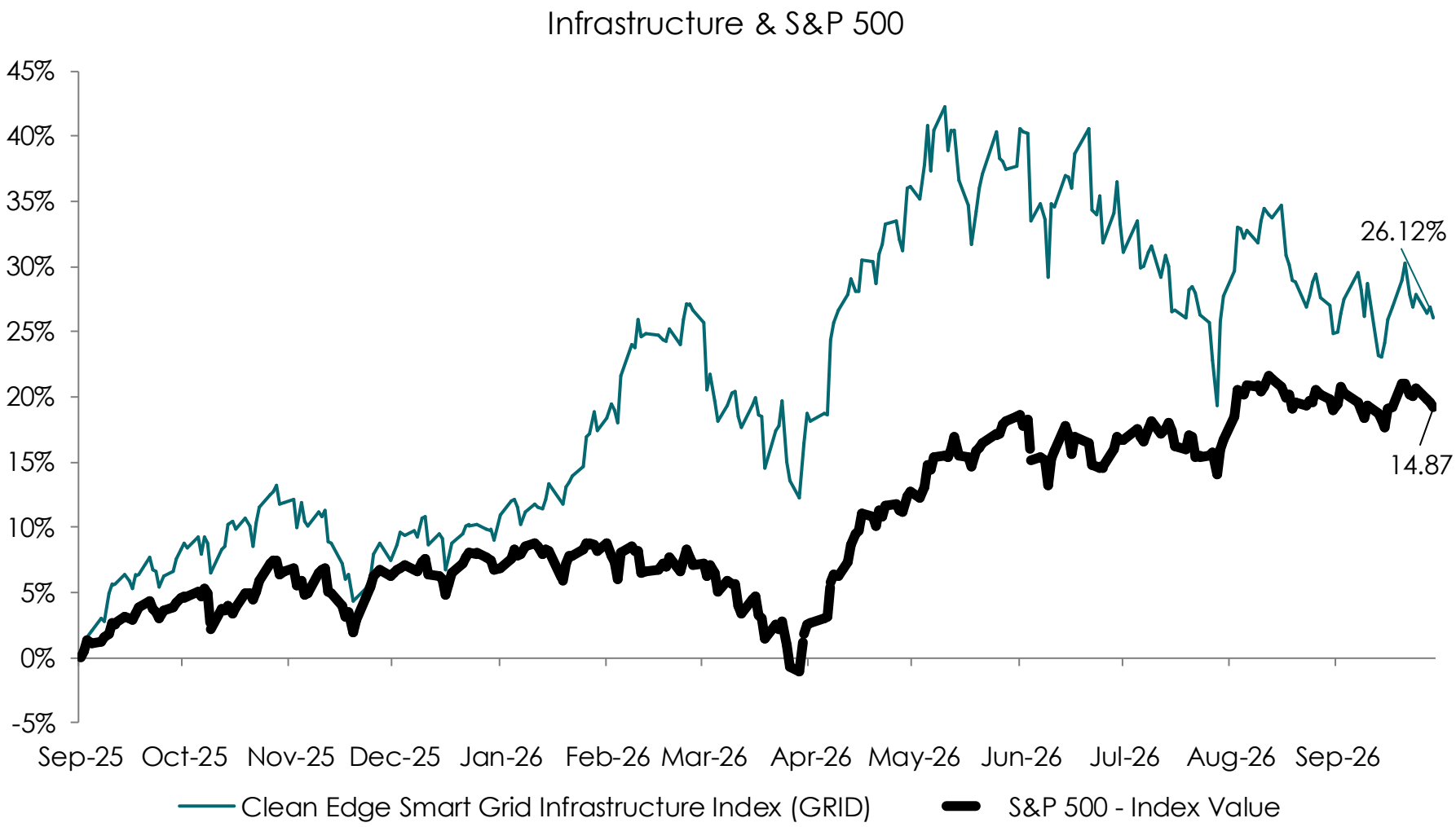
EXTERNAL DRIVERS

- **Contractor growth:** Quanta, Comfort Systems and EMCOR reported LTM revenue growth of 26.3%, 46.1% and 18.9%, respectively.
- **Financing backdrop:** Federal funds rates declined from earlier peaks, while longer Treasury maturities carried higher yields.
- **Mixed demand signals:** Manufacturing PMI remained above 50, while housing starts and consumer sentiment weakened at the latest readings shown.

Sources: Capital IQ; PitchBook; St. Louis Fed - FRED Economic Data; Institute for Supply Management

02 PUBLIC MARKET PERFORMANCE

Sector ETGF vs. S&P 500



Source: Capital IQ



02 PUBLIC MARKET PERFORMANCE

Key Financial and Valuation Metrics for Large Industry Operators

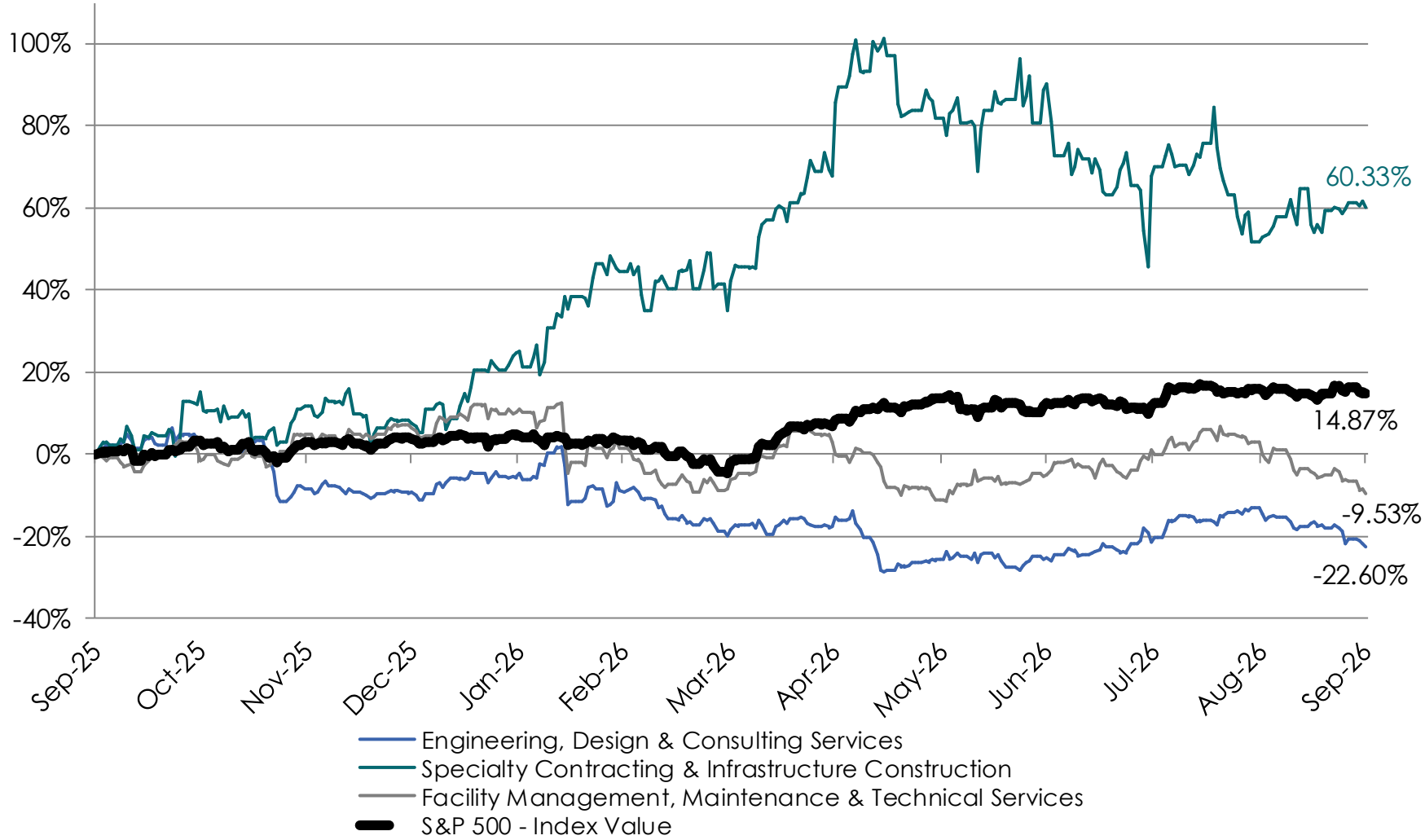
(USD in millions, except per share data)

		Valuation Metrics					Financial Metrics			
Company Name	**Ticker**	**TEV**	**Price at 09/30/26**	**% of 52 Week High**	**TEV / LTM Revenue**	**TEV / LTM EBITDA**	**LTM Revenue**	**LTM EBITDA**	**Revenue Growth**	**EBITDA Margin**
Engineering, Design & Consulting Services										
Jacobs Solutions Inc.	J	$19,374	$135.27	80.3%	1.4x	18.3x	$14,219	$1,056	20.1%	7.4%
AECOM	ACM	$10,090	$58.95	43.5%	0.7x	10.8x	$15,393	$932	-4.2%	6.1%
Tetra Tech, Inc.	TTEK	$9,683	$32.95	76.4%	2.2x	14.8x	$4,359	$655	-5.2%	15.0%
Stantec Inc.	STN	$9,456	$67.36	58.8%	2.0x	13.0x	$4,802	$726	10.8%	15.1%
Willdan Group, Inc.	WLDN	$1,155	$73.88	53.9%	1.6x	15.7x	$742	$74	18.1%	9.9%
Specialty Contracting & Infrastructure Construction										
Quanta Services, Inc.	PWR	$101,197	$642.51	81.5%	3.1x	33.2x	$32,905	$3,045	26.3%	9.3%
Comfort Systems USA, Inc.	FIX	$49,027	$1,654.09	79.8%	4.4x	24.5x	$11,228	$2,003	46.1%	17.8%
EMCOR Group, Inc.	EME	$31,457	$754.49	79.3%	1.7x	15.8x	$18,598	$1,991	18.9%	10.7%
MasTec, Inc.	MTZ	$18,187	$213.62	48.4%	1.1x	13.9x	$16,109	$1,308	23.5%	8.1%
IES Holdings, Inc.	IESC	$9,735	$321.08	78.6%	2.4x	17.7x	$3,986	$551	22.7%	13.8%
Facility Management, Maintenance & Technical Services										
CBRE Group, Inc.	CBRE	$48,630	$128.47	73.7%	1.1x	22.0x	$43,711	$2,214	14.9%	5.1%
APi Group Corporation	APG	$20,342	$38.60	77.2%	2.4x	18.8x	$8,438	$1,080	14.1%	12.8%
Jones Lang LaSalle Incorporated	JLL	$16,955	$305.52	77.6%	0.6x	10.1x	$27,434	$1,686	11.2%	6.1%
Colliers International Group Inc.	CIGI	$8,925	$89.80	52.4%	1.5x	12.9x	$5,956	$693	15.2%	11.6%
ABM Industries Incorporated	ABM	$4,770	$48.10	93.8%	0.5x	10.4x	$9,146	$460	6.0%	5.0%

Source: Capital IQ

02 PUBLIC MARKET PERFORMANCE

Sub-Industry Performance vs S&P 500

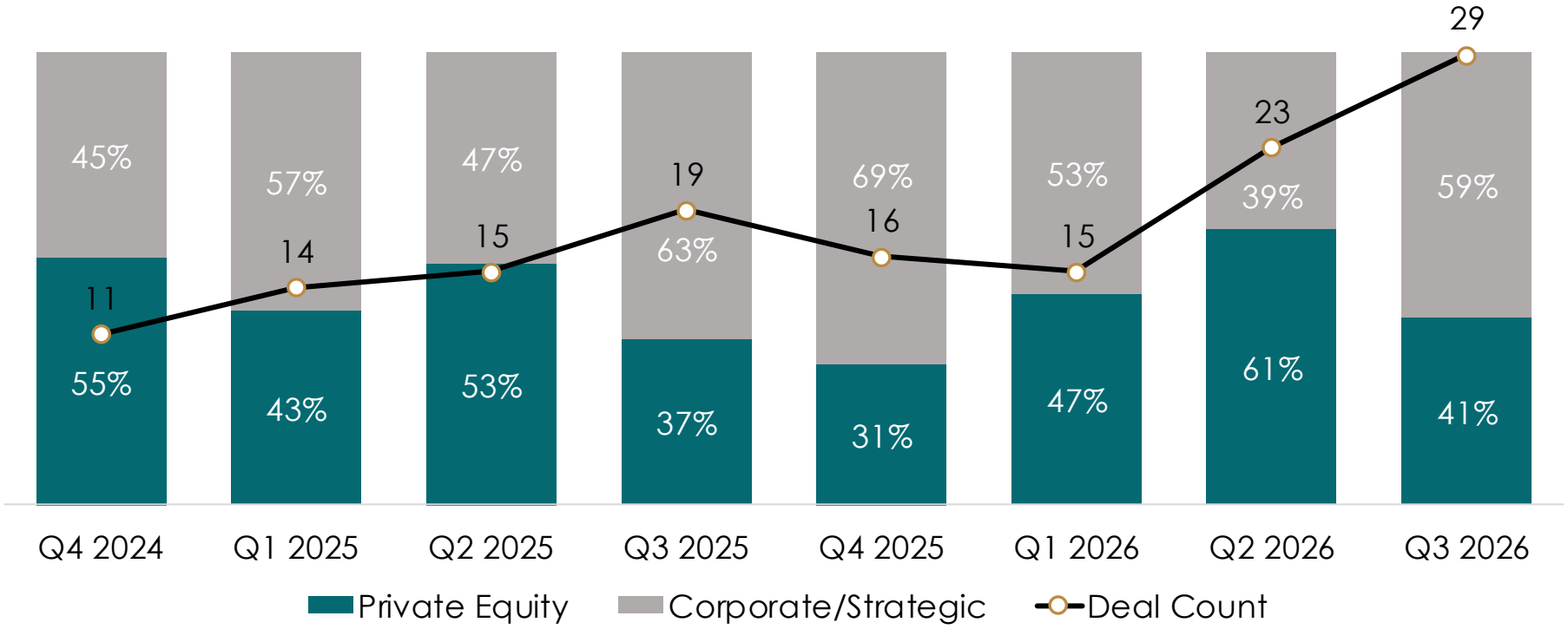


Source: Capital IQ

03 M&A TRENDS

Quarterly M&A Volume (Strategic vs. Private Equity)

Infrastructure and Facility Services M&A activity increased in Q3 2026, with total transactions rising to 29, up 26.1% from 23 in Q2 2026 and 52.6% above the 19 deals recorded in Q3 2025. Transaction volume reached its highest level in the past eight quarters, reflecting continued momentum in deal activity. Corporate and strategic buyers regained the majority, accounting for 59% of transactions, up from 39% in the prior quarter, while private equity participation declined to 41% from 61%.



Sources: Pitch Book

Note: Transaction data reflects completed U.S. transactions involving Strategic M&A, PE-backed Companies, and Buyout/LBO platform transactions



04 M&A TRENDS

Recent M&A Transactions

(USD in millions)

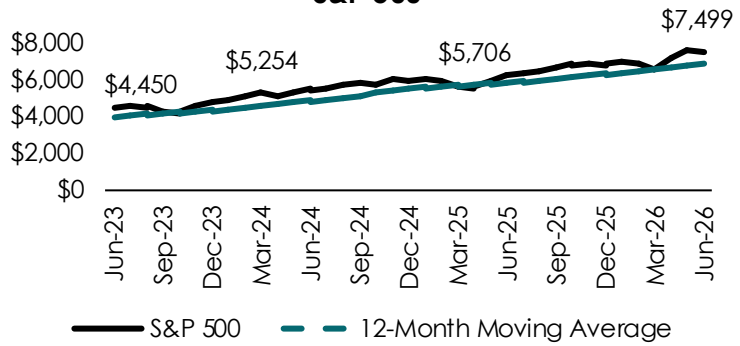
Close Date	Target	Acquirer	Implied TEV
Jun-26	Clean Earth, Inc.	Veolia Environnement SA	$3,040
Jul-26	Traverse Midstream Partners LLC	ePointZero Holding RSC Ltd	$2,250
Jul-26	Electrical Specialists, Inc.	MasTec, Inc.	$1,630
Sep-26	JFB Construction Holdings	Xtend AI Robotics, Inc.	$1,500
Jul-26	Jiffy Lube International, Inc.	Monomoy Capital Management, L.P.	$1,300
Jul-26	2,560-Bed California City Detention Facility in California City and Certain	U.S. Department of Homeland Security	$733
Sep-26	Maritime Applied Physics Corporation	AEVEX Corp.	$582
Jul-26	Valley Holdings I, Inc.	MYR Group Inc.	$328
Sep-26	Environmental, Safety & Health Consulting Services, Inc.	Clean Harbors, Inc.	$305
Aug-26	National Technology Integrators, LLC	Dycom Industries, Inc.	$275
May-26	Terra Nova Solutions, Inc.	Clean Harbors, Inc.	$225
Sep-26	Pyxis Lab, Inc.	Halma plc	$200
Jun-26	Stone Ridge Contracting, LLC	Sterling Infrastructure, Inc.	$182
Aug-26	First Street Technology, Inc.	MSCI Inc.	$120
Jul-26	Ellsworth Construction, LLC	Construction Partners, Inc.	$112
Aug-26	The Advocacy Partners, LLC	Public Policy Holding Company, Inc.	$75
Jul-26	J.J. White, Inc.	Centuri Holdings, Inc.	$62
May-26	Motiv Space Systems, Inc.	Rocket Lab Corporation	$60
Jul-26	Roberson Waite Electric	SOLV Energy, Inc.	$45
Sep-26	Arcadia At Limerick Pointe, LLC	Welltower Inc.	$41
Jun-26	SFV Services, LLC	Bed Bath & Beyond, Inc. (nka:Neighborhood Intelligence, Inc.)	$39
Jun-26	Newoods, Inc.	Suncrete, Inc.	$37
Sep-26	Sand Cherry Associates, Inc.	Wavestone SA	$35
Aug-26	Cymcor, Inc.	Limbach Holdings, Inc.	$30
Jun-26	Superior Fiber & Data Services, Inc.	Hexatronic Group AB (publ)	$29
Jun-26	Rope Partner, Inc.	FairWind AS	$27
May-26	Diamond Energy Systems, Inc.	Installed Building Products, Inc.	$21
Jul-26	American Auto Parks, LLC	Smart Parking Limited	$12
Aug-26	Frontier Strategy Group Inc.	Oxford Economics Ltd.	$9
Jul-26	ValCor Communications, LLC	Southern Maryland Cable, Inc.	$8

Source: Capital IQ

04 MACROECONOMIC ENVIRONMENT

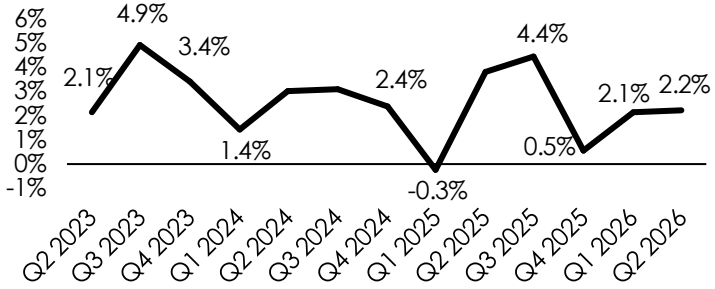
Macroeconomic Indicators

S&P 500



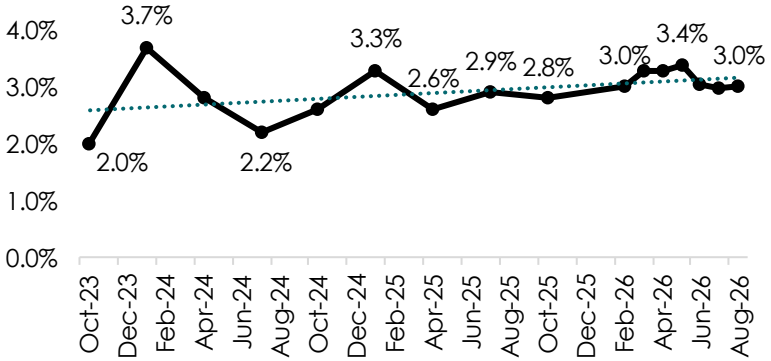
A leading equity index tracking the performance of 500 large U.S. companies.

Real GDP Growth
Gross Domestic Product



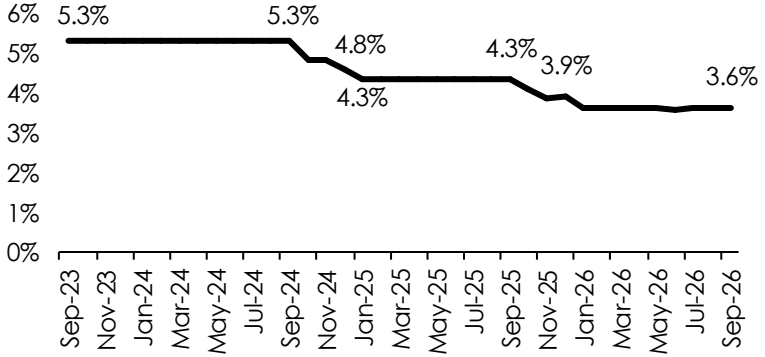
Tracks inflation-adjusted economic output, typically reported quarterly.

Core PCE
Personal Consumption Expenditures



A key inflation gauge that tracks consumer spending, excluding volatile food and energy prices.

Federal Funds Rate



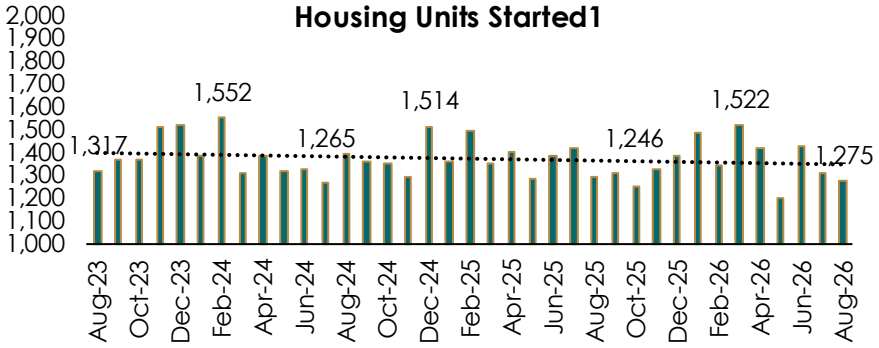
The Fed's benchmark interest rate that influences borrowing costs throughout the economy.

Sources: Capital IQ, St. Louis Fed – FRED Economic Data

04 MACROECONOMIC ENVIRONMENT (cont.)

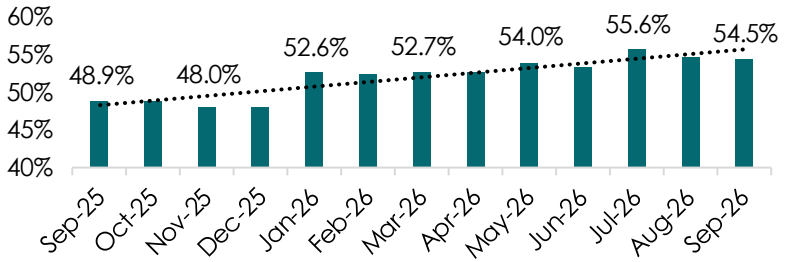
Macroeconomic Indicators

New Privately-Owned Housing Units Started1



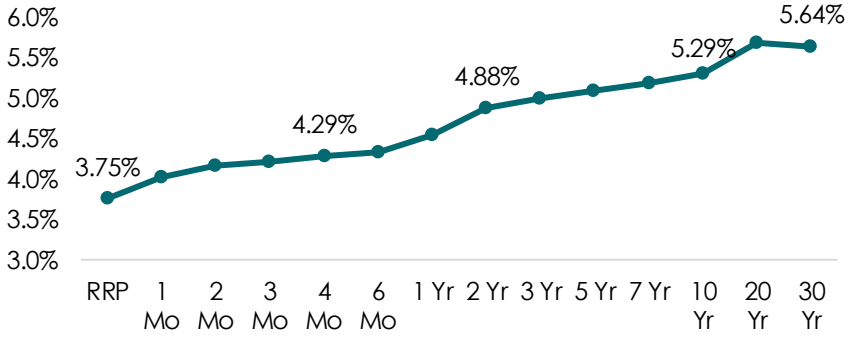
Measures the number of new residential construction projects begun each month.

Manufacturing PMI Purchasing Manager's Index



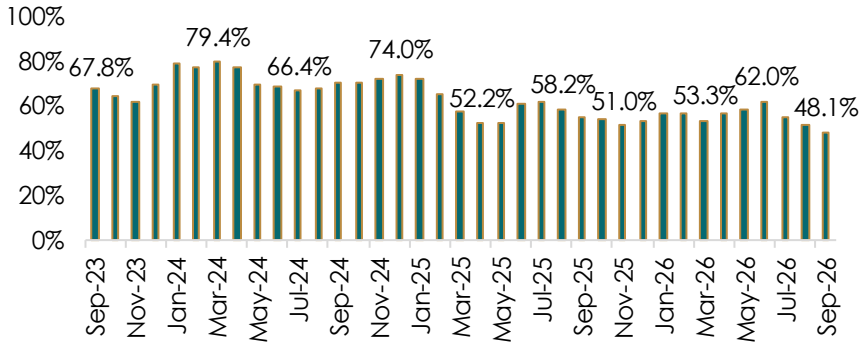
A monthly survey signaling manufacturing sector activity; readings above 50 indicate expansion.

Treasury Par Yield Curve Rates



Displays yields across Treasury maturities, reflecting market expectations for future interest rates.

Consumer Sentiment

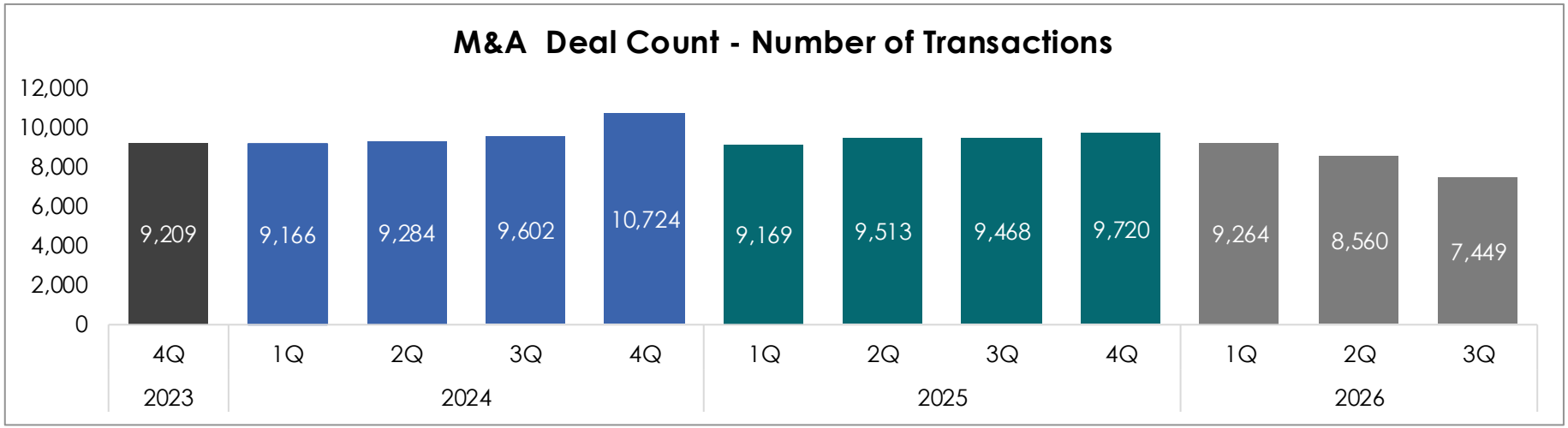


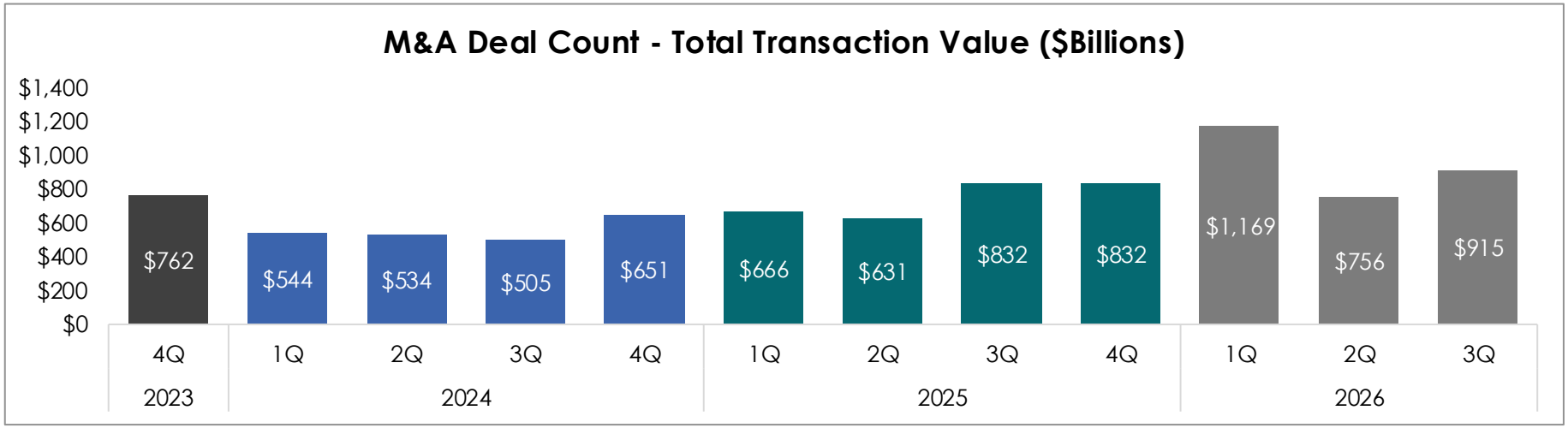
Measures consumer confidence in the economy based on monthly survey data from the University of Michigan.

Source: St. Louis Fed – FRED Economic Data, Institute for Supply Management, [1]Figures in Thousands

04 MACROECONOMIC ENVIRONMENT (cont.)

Total M&A Volume (Past 3 years)





Source: Capital IQ; Data derived from M&A activity over the past three years.

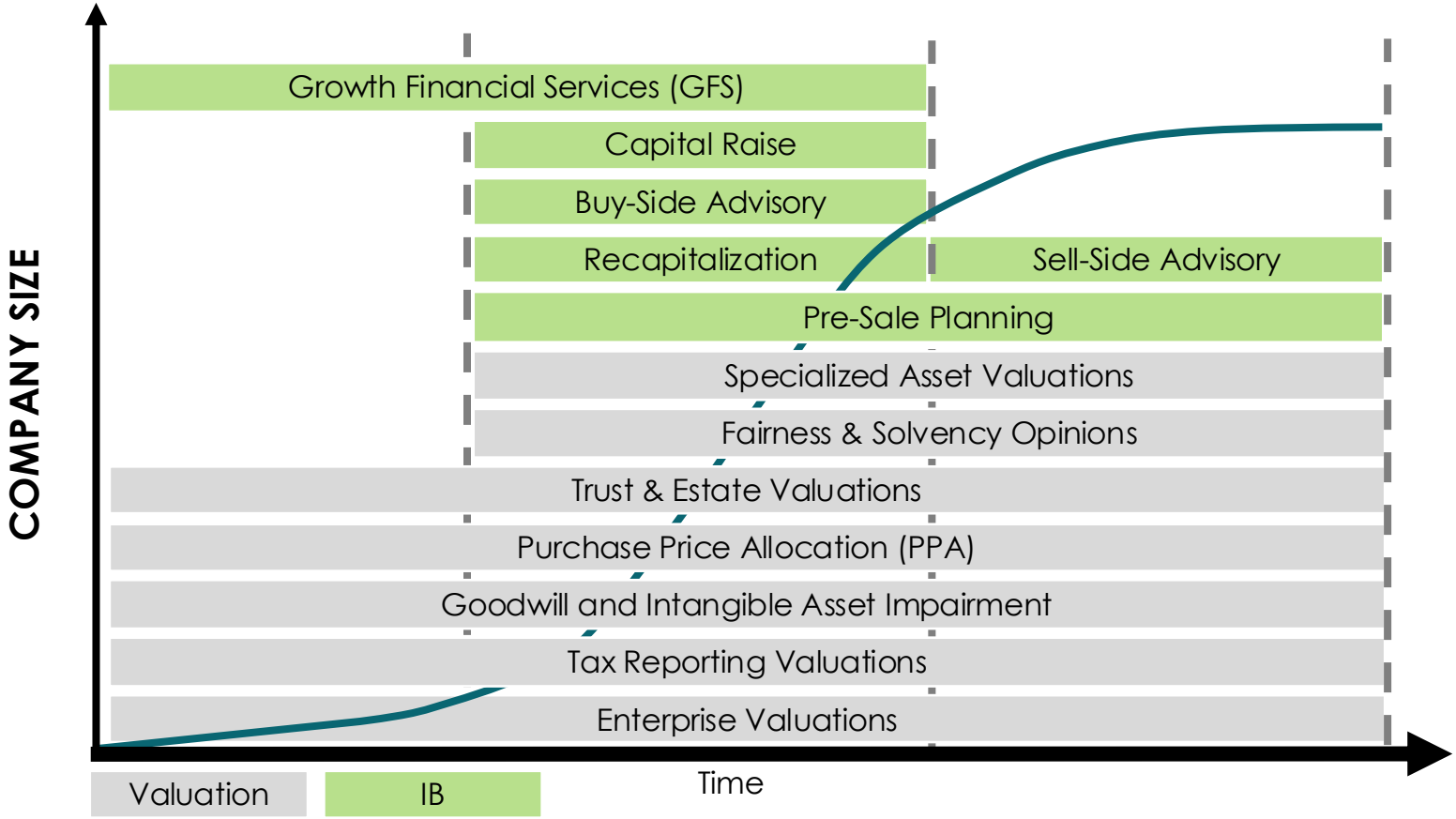
05 HOULIHAN CAPITAL

Houlihan's services along the business lifecycle

SEED

GROWTH

MATURITY



For questions or inquiries regarding our services, please contact: info@houlihancapital.com

HOULIHAN CAPITAL

Valuation & Financial Advisory | Investment Banking



ABOUT US

Houlihan Capital is an employee-owned valuation and investment banking firm.

We pride ourselves on delivering exceptional client value and trusted advisory in a dynamic marketplace.

As a FINRA registered broker-dealer, SIPC member, and SOC-compliant firm, we are committed to the highest standards of integrity and professionalism.

OUR HISTORY

Houlihan Capital's origins date back to 1996 when Andrew Smith and Richard Houlihan founded a valuation and investment banking firm to serve small to middle-market companies. Over the years, the firm organically grew to accommodate the needs of an increasingly complex client base.

Today, Houlihan Capital continues that rich tradition through our Valuation & Financial Advisory and Investment Banking groups. We serve some of the largest corporations, hedge funds, private equity funds, venture capital funds and sovereign wealth funds in the world. We pride ourselves on being solutions-driven and delivering superior client value.

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