

TIC INSIGHT

MERGERS & ACQUISITIONS, PUBLIC & PRIVATE FINANCINGS
AND FINANCIAL ADVISORY SERVICES

IN THIS ISSUE

TIC In the Built Environment	3
Sector & Economic Indicators	4-5
Public Company Financial Ratios	6
Precedent M&A Transactions	7-9
Transaction Experience	10



Your Success is Our Business

Companies testing, inspecting and certifying the world's critical infrastructure and industrial solutions can turn to the Raymond James TIC team for results. The team's expansive industry relationships and deep market insight allow us to provide comprehensive service to our clients, particularly those addressing the industry's biggest secular trends: increasing industrial production, trade/globalization, regulation, technological advancement, outsourcing/privatization, and consolidation.

As one of the largest middle market investment banking teams with a dedicated focus on the industry, you can expect informed advice and quality results and the "client first" approach for which Raymond James is known.

Testing, Inspection & Compliance Sector Expertise

✓ One of the largest teams of bankers focused on the TIC sector

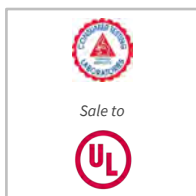
✓ Integrated teams across the U.S., Canada, U.K. and Germany

✓ Differentiated focus on the Industrial & Infrastructure sub-sector within TIC

✓ Distinct combination of M&A, lending and capital markets advisory services

✓ Strong relationships with public, privately-held and investor-backed companies

Selected Transaction Experience ⁽¹⁾⁽²⁾



Learn how our deep industry expertise and commitment to each transaction can help you achieve your business objectives.

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(1) Included transactions were completed between July 2015 and January 2023.
(2) Representative credentials include transactions completed by a Raymond James banker while at a former firm.

TIC in the Built Environment

OVERVIEW

In addition to population growth, there are several secular drivers creating opportunities for Testing, Inspection and Compliance (TIC) companies within the built environment. The World Bank recently estimated that ~50% of the world’s population resides in cities and urban centers. In these urban centers and across the world, TIC companies are poised to capitalize on the need to refurbish aging infrastructure which continues to grow in importance as urbanization persists. On a broader scale, the continued digitization of our society has created increased inspection requirements but has also enabled TIC companies to leverage new, “smart” technologies. Furthermore, across the built environment, increasing concerns about environmental impact and sustainability, coupled with more stringent regulations, have increased demand for inspection

services that focus on areas like air quality monitoring and ESG compliance.

OPPORTUNITIES IN SERVICES

Historically, a significant portion of testing & inspection activity was focused within product, automotive and other tradable goods markets. As equipment and customer requirements have evolved, a larger share of services are facilitated at the customer site versus the customer sending a sample to a lab. There’s still observed growth within the lab sector, both because of existing factors, and additional drivers from the built environment (e.g., materials & environmental testing). Given the complexity of delivering newer services and the level of service that needs to be provided, specialist firms have developed to provide compliance services in all aspects of the built environment.

CONSOLIDATION HAS BEGUN TO OCCUR AMONG MIDDLE MARKET LEADERS

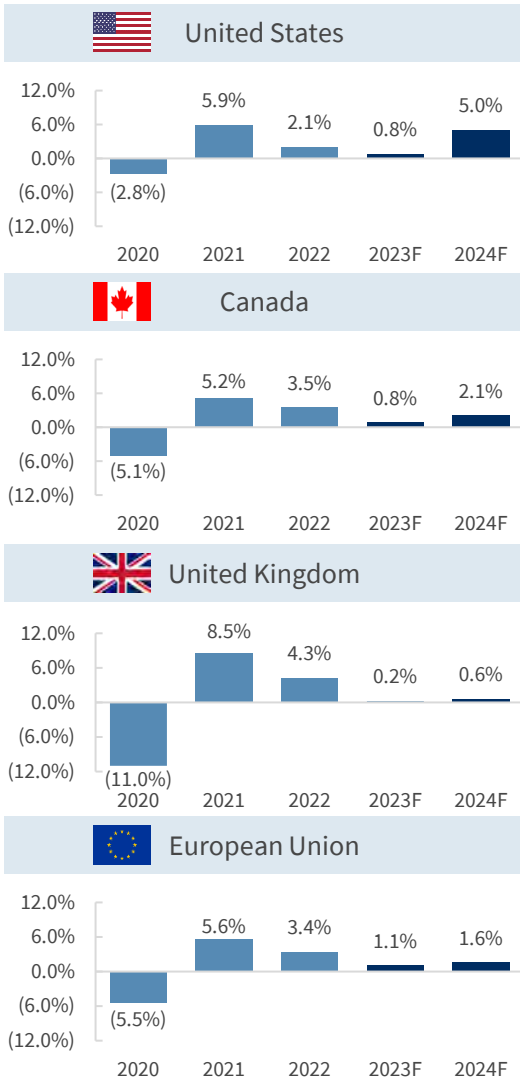
While some of the large TIC players, such as Intertek, have large field service organizations, global TIC companies are still largely lab-oriented. New entrants providing services have formed in various markets with focused strategies. Customers in these markets prefer specialists, but they also look for opportunities to rationalize and simplify procurement. Similarly, service providers benefit from offering multiple, related services to existing and new customer bases. This push to provide more of the service value chain to customers in multiple geographic markets has spurred consolidation. A few examples of these middle market companies – particularly private equity-backed players – are highlighted below.



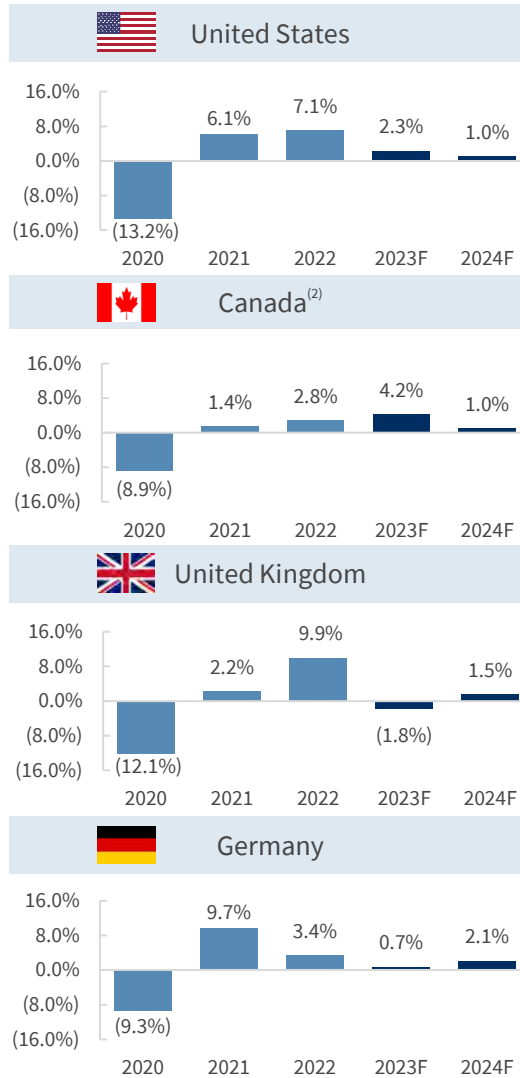
Sources: World Bank, Press Release, RJ Intelligence.
 Note: Company logos are hyperlinked to the company website.

Sector & Economic Indicators

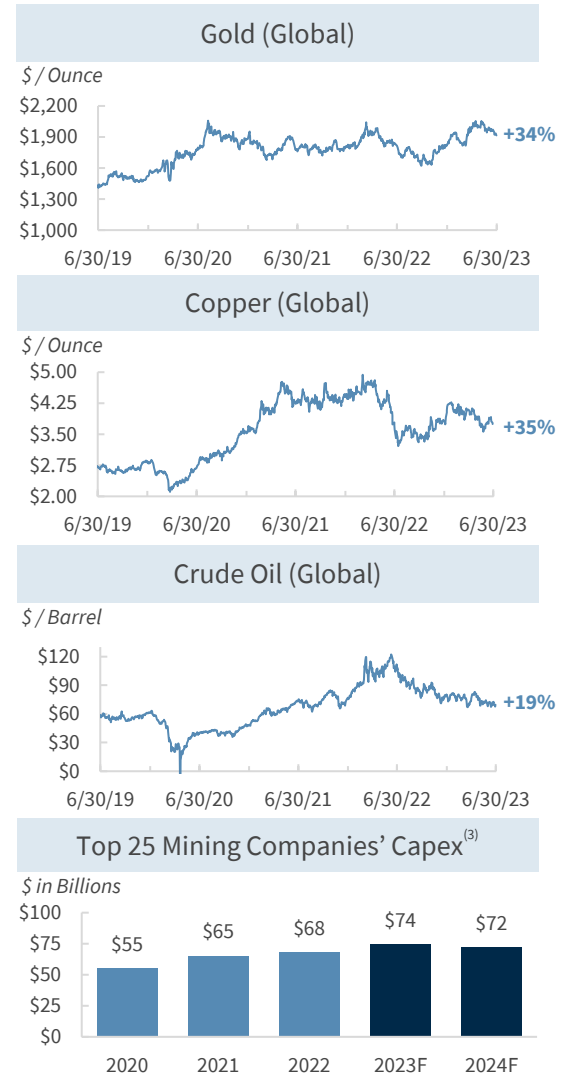
Gross Domestic Product (GDP)



Trade Volumes – Exports



Commodities⁽¹⁾



Sources: Bloomberg, S&P Capital IQ, Statistique Canada. All market data is as of 6/30/2023.

Note: Light blue represents historical figures and dark blue represents forecasted figures.

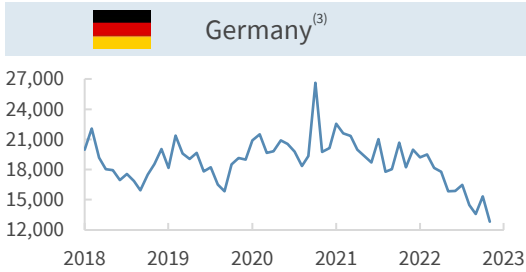
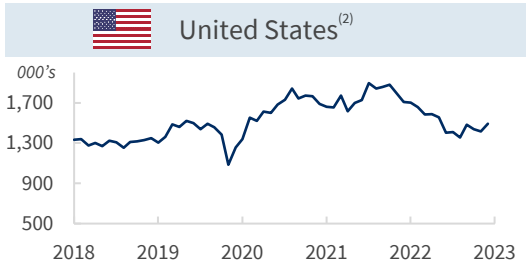
(1) Global Commodities data as of 6/30/23.

(2) Canadian exports as of 2022 were compiled from Statistique Canada.

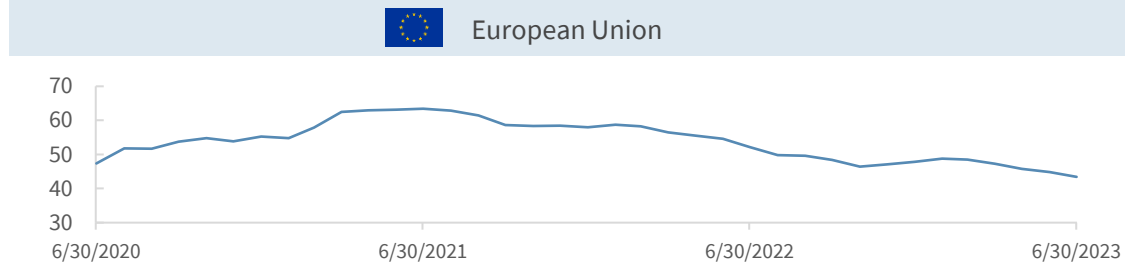
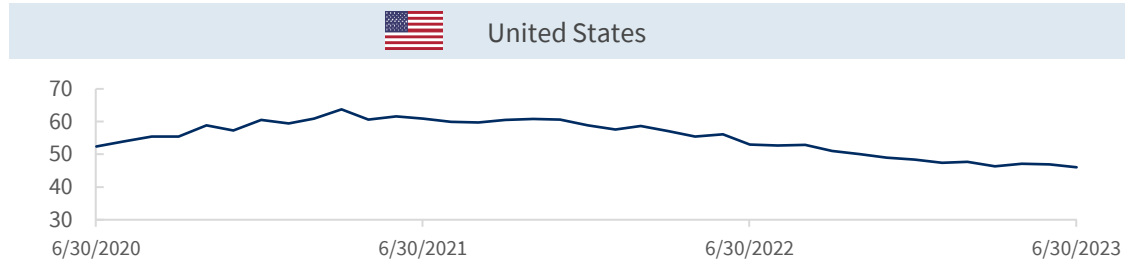
(3) Top 25 mining companies determined based on market capitalization.

Sector & Economic Indicators (Cont'd)

Building Permits⁽¹⁾

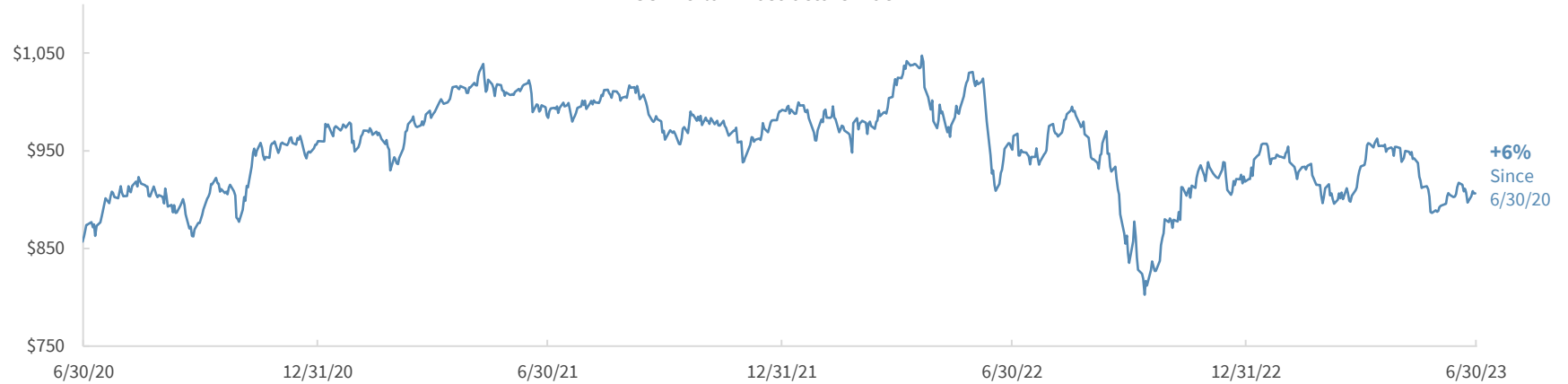


Purchasing Managers' Index ("PMI")



Infrastructure

MSCI World Infrastructure Index⁽⁴⁾



Sources: Bloomberg, S&P Capital IQ. Unless otherwise indicated, all market data is as of 6/30/2023.

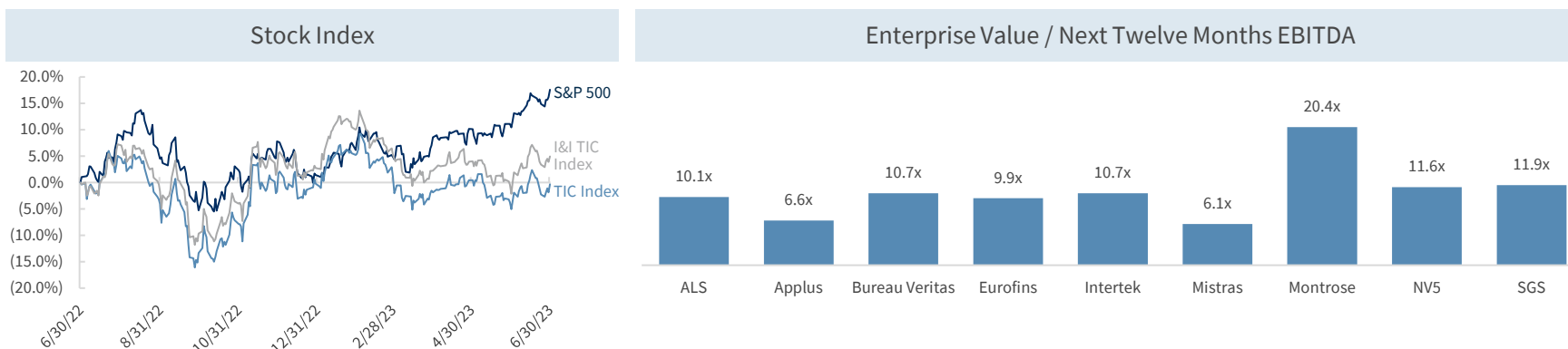
(1) United States in SA, Units / Person and Germany in NSA, Units / Person.

(2) United States Building Permits as of 5/31/23.

(3) German Building Permits as of 4/30/23.

(4) MSCI World Infrastructure Index as of 6/30/23.

Public Company Financial Ratios



Financial Information

Local Currency in Millions

	ALS	Applus	Bureau Veritas	Eurofins	Intertek	Mistras	Montrose	NV5	SGS	Median
Enterprise Value	A\$6,683	€2,195	€12,793	€14,116	£7,972	\$463	\$1,548	\$1,890	CHF 18,482	NM
Market Capitalization	A\$5,403	€1,318	€11,365	€11,214	£6,878	\$234	\$1,267	\$1,740	CHF 15,578	NM
YTD Share Price Change	4.5%	49.5%	2.7%	(22.5%)	1.4%	30.0%	155.3%	(5.1%)	(3.2%)	2.7%
Net Debt	A\$1,269	€841	€1,362	€2,833	£1,060	\$229	\$129	\$150	CHF 2,823	NM
Revenue	A\$2,279	€2,050	€5,651	€6,712	£3,193	\$694	\$541	\$781	CHF 6,642	NM
Forward Revenue Growth ⁽¹⁾	5.6%	3.8%	5.0%	7.3%	4.5%	1.8%	7.9%	5.3%	4.6%	5.0%
Gross Margins	33.0%	34.3%	29.8%	22.7%	57.4%	32.7%	36.2%	49.7%	43.7%	34.3%
EBITDA Margins	24.8%	12.4%	17.4%	20.2%	21.3%	7.9%	2.6%	14.5%	18.0%	17.4%
Net Leverage Ratio	2.2x	3.3x	1.4x	2.1x	1.6x	4.2x	9.1x	1.3x	2.4x	2.2x
Cash Conversion Ratio ⁽²⁾	1.5x	5.1x	1.8x	1.9x	1.9x	5.3x	(1.1x)	1.2x	1.8x	1.8x
Capex as a % of Sales	6.4%	2.7%	2.3%	8.6%	3.6%	2.0%	2.6%	2.0%	5.0%	2.7%
M&A as a % of Cash from Operations	52.8%	25.2%	9.2%	37.8%	11.3%	0.0%	NM	209.7%	6.5%	18.3%

Sources: S&P Capital IQ, public filings and Raymond James internal resources.

Note: Unless otherwise indicated, all information is as of 6/30/2023.

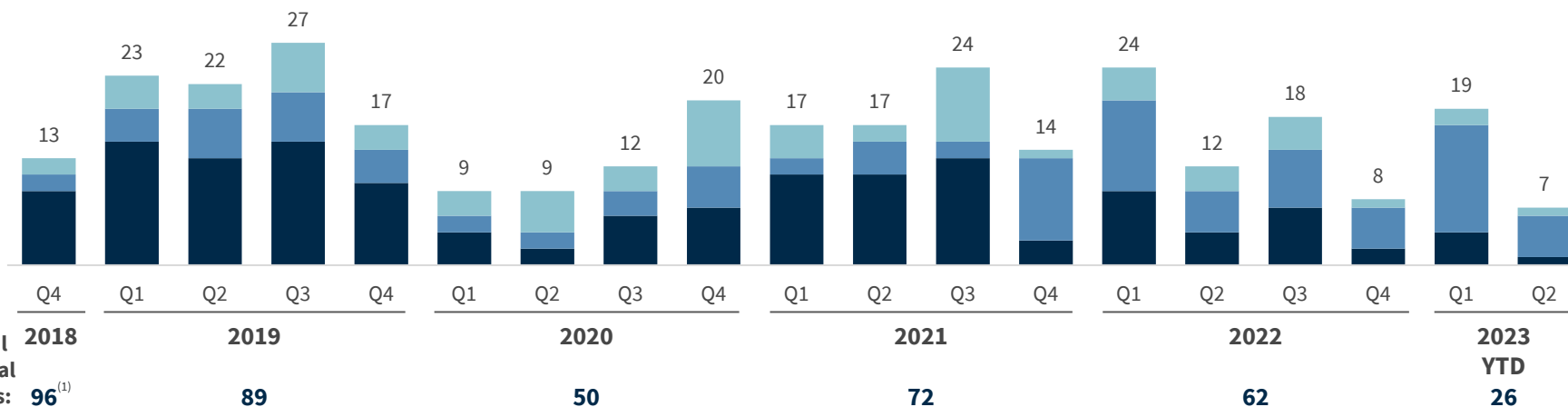
(1) The period of the forward revenue growth is 2023-2024F.

(2) Cash conversion ratio is cash acquisitions divided by cash from operations.

Precedent M&A Transactions

M&A Transaction Breakdown by Buyer Type

■ Public Strategic Buyer ■ Private Strategic Buyer ■ PE Buyer



Date Announced	Buyers/Investors	Target	Target Description	Transaction		
				Value (\$mm)	EV / LTM Revenue	EBITDA
6/6/23	Universal Engineering Sciences, LLC	Riner Engineering, Inc.	Geotechnical and construction testing and inspection	-	-	-
6/1/23	Achieve Capital LLC	Shaw Pipeline Services, Inc.	Non-destructive, ultrasonic and radiographic pipeline inspection	-	-	-
5/22/23	SAM Companies	MTPLS Land Surveyors, LLC	Professional geomatics solutions company	-	-	-
5/11/23	SGS SA	Nutrasource Diagnostics, Inc.	Nutraceutical and pharmaceutical industries focused on compliance	-	-	-
4/24/23	Applied Technical Services, Inc.	Accu-Chek, Inc.	Calibration and dimensional inspection services	-	-	-
4/11/23	Mitrarech Holdings, Inc.	The Infosoft Group LLC	Provider of regulatory compliance and recruitment solutions	-	-	-
4/3/23	Applied Technical Services, Inc.	Instrumentation Technical Services, Inc.	Provider of calibration and metrology services	-	-	-
3/31/23	Atlantic Testing Laboratories, Limited	Assets of SJB Services, Inc.	Drilling, geotechnical engineering and construction testing firm	-	-	-
3/27/23	Transcat, Inc.	TIC-MS, Inc.	Calibration laboratory firm	\$9.6	-	-
3/23/23	EQT Growth AB	Integrity Next GmbH	Software platform enabling supply chain and regulatory compliance	\$108.9	-	-
3/14/23	Universal Engineering Sciences, LLC	Faulkner Engineering Services, Inc.	Environmental, geotechnical and construction testing firm	-	-	-
3/14/23	TransDigm Group Incorporated	Calspan Corporation	Aerospace and automotive research and testing services	\$725.0	-	-
3/9/23	RMA Group, Inc.	PRI Construction Materials Technologies, LLC	Testing, product development, validation and certification services	-	-	-
3/3/23	HMT LLC	Weld Spec, Inc.	Inspection services firm	-	-	-
3/2/23	Applied Technical Services, Inc.	Process Instruments, Inc.	Provider of high-end instrument calibration services	-	-	-
2/27/23	Exacta Land Surveyors, Inc.	SMIDER & Associates, LLC	Provider of residential surveying services	-	-	-
2/22/23	RMA Group, Inc.	GeoTest Services, Inc.	Provider of geotechnical, material and specialty inspection services	-	-	-

Sources: S&P LCD, S&P Capital IQ, MergerMarket, press releases and Raymond James internal resources. Note: Unless otherwise indicated, all information is as of 6/30/2023.

(1) Indicates total deals tracked for the year, including those in quarters that are not displayed.

Precedent M&A Transactions (Cont'd)

Date Announced	Buyers/Investors	Target	Target Description	Transaction Value (\$mm)	EV / LTM Revenue	EBITDA
2/22/23	Superhero Fire Protection, LLC	Life Safety Inspections, LLC	Provider of Fire, Life & Safety installation and services to customers	-	-	-
1/31/23	GI Partners	Atlas Technical Consultants, Inc.	Provider of infrastructure and environmental solutions	\$979.2	1.6x	13.9x
1/26/23	Opus Inspection, Inc.	Applus Technologies, Inc.	US vehicle inspection and testing services	-	-	-
1/23/23	York Analytical Laboratories, Inc.	Precision Testing Labs	Drinking water and soil testing services	-	-	-
1/19/23	Technical Safety Services, LLC	Quality Systems Integration, LLC	Testing and certification services in controlled biotechnology environments	-	-	-
1/19/23	Technical Safety Services, LLC	Northeast Medical Consulting, Inc.	Provider of medical gas testing and consulting services	-	-	-
1/17/23	Technical Safety Services, LLC	Cornerstone Commissioning, Inc.	Commissioning, qualification and validation engineering services	-	-	-
1/17/23	RMA Group, Inc.	C Below, Subsurface Imaging Inc.	Provider of subsurface imaging services	-	-	-
1/6/23	Montrose Environmental Group, Inc.	Frontier Analytical Laboratories	Environmental analytical laboratory analysis	\$1.1	-	-
12/12/22	Montrose Environmental Group, Inc.	Huco Consulting Inc.	Developer of application software for ESG and EHS data solutions	-	-	-
12/6/22	RMA Group, Inc.	NWGC II, Inc.	Geotechnical engineering and construction inspection services	-	-	-
12/1/22	DISA Global Solutions, Inc.	Global HR Research, LLC	Tech-enabled employee screening and compliance management solutions	-	-	-
11/9/22	CBRE Group, Inc.	Full Spectrum Group Inc.	Laboratory validation and instrumentation services	\$110.0	-	-
10/26/22	Integra Testing Services, LLC	RSA	Provider of comprehensive HVAC testing, adjusting and balancing services	-	-	-
10/24/22	Coltala Holdings, LLC	Pond, Robinson & Associates, L.P.	Provides engineering, construction and architectural consulting services	-	-	-
10/21/22	CMT Technical Services	CTC-Geotek, Inc.	Provides consulting engineering services	-	-	-
10/4/22	RDI Technologies, Inc.	Fastec Imaging Corporation	Manufacturer of digital scientific high-speed imaging systems	-	-	-
9/27/22	Element Materials Technology Ltd.	National Technical Systems Inc. (nka:National Technical Systems, LLC)	Qualification and certification testing of electronic components	\$700.0	-	-
9/19/22	Bureau Veritas SA	Galbraith Laboratories, Inc.	Contract analytical testing laboratory services	-	-	-
9/13/22	Technical Safety Services, LLC	Airtest, Inc.	Testing, certification and service of cleanrooms	-	-	-
9/12/22	Audax Management Holdings	DISA Global Solutions, Inc.	Safety and compliance services for safety-sensitive employers	-	-	-
9/6/22	Montrose Environmental Group, Inc.	AirKinetics, Inc.	Provides emission testing services	-	-	-
9/2/22	SGS SA	Penumbra Security, Inc.	Provides information security conformance testing services	-	-	-
9/1/22	Technical Safety Services, LLC	CEPA Operations, Inc.	Provides quality certification and repair services	-	-	-
8/30/22	Tanknology, Inc.	Norton Corrosion Limited	Provider of corrosion inspection and engineering services	-	-	-
8/16/22	RESA Power, LLC	High Energy Electrical Testing, Inc.	Power transmission and distribution system services	-	-	-
8/16/22	Baker Hughes Company	Quest Integrity	Asset integrity management and asset reliability solutions	\$280.0	-	-
8/10/22	Kohlberg & Company, L.L.C.; Neuberger Berman Investment Advisers LLC	USIC LLC	Underground utility damage prevention services	\$2,050.0	-	-
8/10/22	SFW Capital Partners, L.P.	Sannova Analytical Inc.	Bioanalytical contract research services	-	-	-
8/4/22	Montrose Environmental Group, Inc.	TriAD Environmental Consultants, Inc.	Environmental consulting services	\$3.0	-	-
7/29/22	Intertek Group plc	Clean Energy Associates LLC	Engineering and technical support services for energy storage	\$112.2	4.2x	-
7/12/22	Trinity Consultants, Inc.	Ecofish Research Ltd.	Environmental consulting services	-	-	-
7/12/22	Aurora Capital Partners	Sharps Compliance Corp.	Medical based waste management	\$165.1	2.4x	25.0x
7/5/22	SGS SA	Silver State Analytical Laboratories, Inc.	Engineering, Research and Development Services	-	-	-
7/5/22	Eurofins Panlabs Inc.	DiscoveryBioMed, Inc.	Professional laboratory services	-	-	-
6/30/22	China Testing & Certification International Group Co.,Ltd.; Anhui Top Way Testing Services CO.,LTD	Yunnan Yunce Quality Inspection Co., Ltd	Quality Testing and Standardization Services	\$414.4	-	-
6/28/22	Alliance Technical Group, LLC	AMK Company Inc.	Medical based waste management	-	-	-
6/28/22	Bureau Veritas SA	Advanced Testing Management Group, Inc.	Professional laboratory services	-	-	-
6/29/22	UL LLC	Data Test Labs	Professional laboratory services	-	-	-
6/23/22	Levine Leichtman Capital Partners	Verifavia SAS	Testing, certification, calibration, and environmental services	-	-	-
6/23/22	Levine Leichtman Capital Partners	Technical Safety Services, LLC	Specialists in Surveying and Mapping	-	-	-
6/21/22	RFE Investment Partners; RFE Investment Partners IX	Max Home Inspections, LLC	Testing, certification, auditing, and environmental services	-	-	-
5/12/22	SGS SA	Ecotecnos	Measurement, field and lab, training and remote data monitoring	-	-	-
5/11/22	SGS SA	ALEX SAS	Materials Testing and Measurement Services	-	-	-
4/11/22	VDA	Sierra Consulting Group	Elevator and escalator consulting	-	-	-
4/8/22	Sentinel Capital Partners, L.L.C.	SPL, Inc.	Testing, inspection and certification services	-	-	-
4/1/22	Phenna Group	PTS Limited	Home inspections	-	-	-
3/21/22	Atlas Technical Consultants, Inc.	1 Alliance Geomatics, LLC	Specialists in Surveying and Mapping	\$22.0	-	-
3/15/22	Pace Analytical Services, LLC	Specified Testing Laboratories, LLC	Specialists in Surveying and Mapping	-	-	-
3/9/22	Lucion Group Limited	Landform Surveys Limited	Specialists in Surveying and Mapping	-	-	-
3/8/22	NV5 Global, Inc.	Fulton Consulting Engineers, Inc.	Measurement, field and lab, training and remote data monitoring	-	-	-

Precedent M&A Transactions (Cont'd)

Date Announced	Buyers/Investors	Target	Target Description	Transaction		EV / LTM	
				Value (\$mm)	Revenue	EBITDA	EBITDA
3/2/22	SGS SA	GAS Analysis Services Limited	Measurement, field and lab, training and remote data monitoring	-	-	-	-
3/1/22	Labware Holdings, Inc.	CompassRed, Inc.	Data strategy and analytics services	-	-	-	-
2/28/22	UL LLC	KBW Corporation	Testing and market access services provider	-	-	-	-
2/24/22	RMA Group, Inc.	Coating Specialists and Inspection Services, Inc.	Provider of technical services to the coating industry	-	-	-	-
2/23/22	TRC Companies, Inc.	United Sciences Testing, Inc.	Emissions testing services to utility and industrial clients	-	-	-	-
2/16/22	Eurofins Scientific, Inc.	Laboratory Testing Services Business of Barrow Agee Laboratories, LLC	Emissions testing services to utility and industrial clients	-	-	-	-
2/11/22	Applus Services, S.A.	Lightship Security, Inc.	Accredited Common Criteria and FIPS 140 laboratory	\$35.3	-	-	-
2/9/22	Phenna Group	A-Star Testing & Inspection (S) Pte Ltd	Professional laboratory services	-	-	-	-
2/7/22	Montrose Environmental Group, Inc.	Environmental Standards, Inc.	Environmental consulting services	\$16.3	-	-	-
2/3/22	Woolpert, Inc.	eTrac Inc.	Hydrographic survey and custom integrated services	-	-	-	-
2/2/22	Work Zone Safety Group	Stinson Owl-Lite	Traffic and infrastructure solutions	-	-	-	-
2/2/22	Work Zone Safety Group	Stinson ITS	Transport solutions	-	-	-	-
1/25/22	Temasek Holdings (Private) Limited	Element Materials Technology Group Limited	Testing, inspection and certification services	\$7,000.0	7.0x	-	-
1/24/22	Magnolia River Services, Inc.	Storti Quality Services, LLC	Engineering consulting services	-	-	-	-
1/20/22	RMA Group, Inc.	Western Technologies Inc./Enviro-Drill, Inc.	Technology-enabled laboratory testing, inspection and quality management	-	-	-	-
1/14/22	Element Materials Technology Group Limited	Jones Microbiology Institute Inc.	Drug surveillance laboratory	-	-	-	-
1/11/22	Leonard Green & Partners, L.P.	Pace Analytical Services, LLC	Sampling and analytical testing	-	-	-	-
1/6/22	Bureau Veritas SA	PreScience Corporation	Sampling and analytical testing	-	-	-	-
1/6/22	FloWorks International, LLC	SemiTorr Group, Inc.	Distributes purity gas and fluid handling systems and components	\$330.0	-	-	-
1/3/22	York Analytical Laboratories	Aqua Environmental	Water testing service	-	-	-	-
Median				\$138.7	3.3x	19.4x	
Mean				\$725.7	3.8x	19.4x	

Transaction Experience

Raymond James has participated in many industry-shaping transactions, including mergers and acquisitions, strategic advisory, fairness opinions and equity and debt capital raises, within the testing, inspection and compliance space.

 Has acquired a portfolio company of 	 Sale to 	 Has acquired a portfolio company of 	 A portfolio company of Has been acquired by 	 A portfolio company of Has been acquired by a portfolio company of 	 A portfolio company of Has been acquired by 	 Follow-on Offering \$350,000,000	 has been acquired by a portfolio company of
 Simultaneous carve-out divestitures of By way of an MBO backed by 	 Sale to 	 Sale to 	 Sale to 	 Sale to 	 Has acquired A portfolio company of 	 Sale to 	 Sale to
 Sale to 	 Sale to 	 Sale to 	 Acquisition of 	 Acquisition of 	 Sale to 	 Sale to 	 Sale to
 Sale to 	 Sale to 	 Sale to 	 Has acquired A portfolio company of 	 Sale to 	 Sale to 	 Sale to 	 Acquisition of

Note: Representative credentials include transactions completed by a Raymond James banker while at a former firm. Included transactions were completed between November 2011 and January 2023. Bold border indicates testing, inspection and compliance (TIC) transaction.

Notes & Disclosures

Sources of data include Capital IQ, FactSet and other news organizations. Information obtained from third-party sources is considered reliable, but we do not guarantee that the information herein is accurate or complete. This report was prepared within Raymond James & Associates' Investment Banking Department and is for information purposes only. This report is not a product of Raymond James & Associates' Research Department; recipients of this report should not interpret the information herein as sufficient grounds for an investment decision or any other decision. The report shall not constitute an offer to sell or the solicitation of an offer to buy any of the securities mentioned herein; past performance does not guarantee future results. Any performance mentioned does not include transaction fees and costs which would reduce an investor's return. An investment cannot be made directly in a market index.

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