



MERIDIAN CAPITAL

AEC & Environmental Market Update – Infrastructure & Transportation

Fall 2026

CLA Meridian Capital's AEC & Environmental Practice

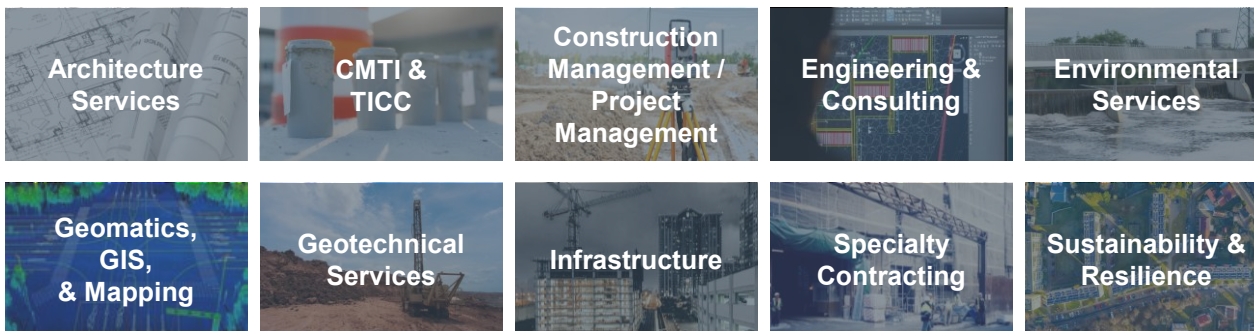
Overview

CLA Meridian Capital's Architecture, Engineering, Construction and Environmental team has extensive transaction experience with AEC & Environmental firms serving the Infrastructure & Transportation sector.

The coverage team possesses deep industry relationships with the leading acquirers in the space and is up-to-date on the latest sector trends and considerations.

CLA Meridian Capital is pleased to present its **Fall 2026 Infrastructure & Transportation Sector Update**.

AEC & Environmental Subsectors



Meet the AEC & Environmental Industry Advisory Team



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Recent & Relevant Transaction Experience





Section 01. M&A Market Update

Active M&A Market for Infrastructure & Transportation

The Infrastructure & Transportation sector remains one of the most active M&A markets, with deal activity sustaining the elevated pace set over the past several years.

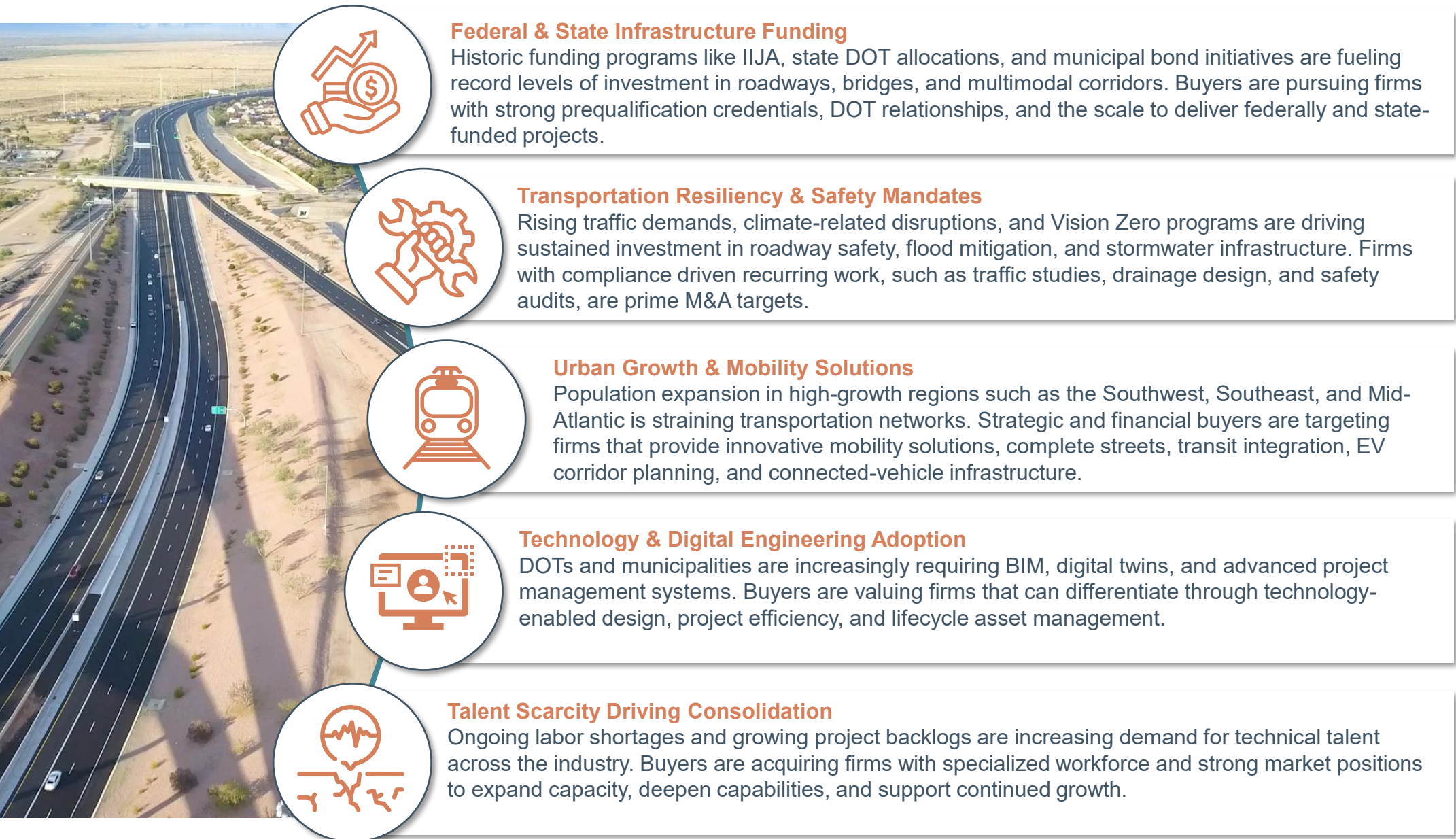
- Strategic and PE-backed acquirers continue to pursue aggressive buy-and-build strategies. Buyers are targeting strong regional brands that expand end-market and geographic coverage or add complementary technical disciplines. Persistent and robust M&A activity is sustaining high firm valuation multiples.
- Historic federal and state infrastructure funding, including the IIJA, state DOT programs, and municipal bond initiatives, create visible multi-year backlogs across transportation, water & wastewater, and public safety end markets, giving acquirers added confidence to invest.
- Buyers are placing a premium on firms with entrenched public agency and DOT relationships, prequalification credentials, and recurring, compliance-driven scopes of work that underpin revenue durability through funding cycles.
 - Persistent technical talent scarcity remains a core acquisition rationale.
 - Acquirers using M&A to add licensed professionals, specialized capabilities, and delivery capacity in high-growth geographies, while rewarding firms differentiated by technology-enabled delivery.
- Private equity investors remain actively interested in the space, targeting platform quality assets they can readily scale through M&A.
- Existing PE platforms are actively trading up market to larger funds, accessing growing pools of capital to accelerate growth via M&A.

Notable Transactions



Source: Pitchbook, Company's Websites, Press Releases as of 09/01/2026

Infrastructure & Transportation Trends Shaping Investor Interest

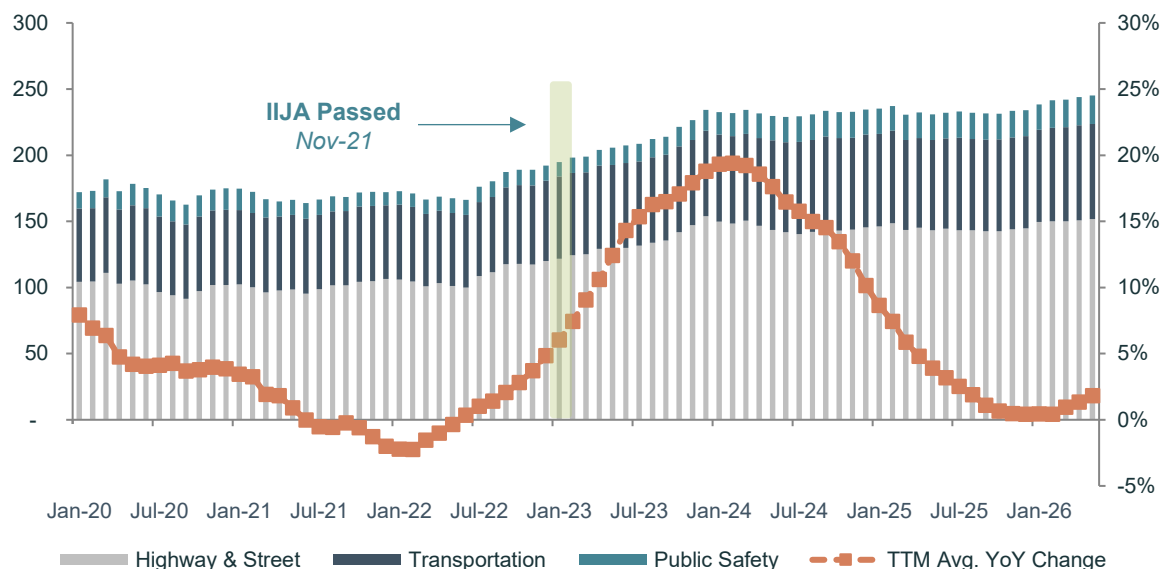


Industry Trends – Transportation

Since the passing of the IIJA in 2021, U.S. expenditures on transportation and public safety grew significantly and now represent 25% of total construction spending.

U.S. Highway & Street, Transportation & Public Safety Spending⁽¹⁾

Put in Place, Seasonally Adjusted Annual Rate, in billions of \$



Top Strategic Acquirers in the Sector

Number of acquisitions in the sector



Select Market Trends



Infrastructure Restoration & Modernization

With a C rating from the American Society of Civil Engineers, greater emphasis is placed on restoring U.S. infrastructure including aging bridges, roads, and transit networks utilizing modern designs and materials.



Resilience and Adaptation

Rising concern and awareness of the impact of climate change and advancement of seismic retrofitting techniques has fueled funding to improve the resiliency of U.S. infrastructure and support long-term reliability.



Rise of Multimodal Transportation

Growing public demand is driving investment into seamless transportation networks that integrate dedicated bike lanes, improved pedestrian infrastructure, intercity trains, etc., supporting continued growth across the sector.



Passenger & Freight Growth

Rising passenger travel and air cargo volumes are accelerating investment in airport terminals, cargo facilities, and port infrastructure. Demand for capacity and modernization supports engineering, construction, and transportation services.

Source: (1) U.S. Census Bureau, Construction Spending, Engineering News-Record (ENR) as of 09/01/2026

Industry Trends – Water & Wastewater Infrastructure

Over \$1.2 trillion of identified infrastructure needs, combined with increasing regulatory requirements and funding support, are driving sustained investment across the water and wastewater sector.

Industry Trends



Aging Infrastructure Driving Replacement

Utilities are investing heavily to modernize critical water systems, creating sustained demand across treatment facilities and distribution networks while supporting long-term infrastructure spending.



Climate Resilience & Stormwater Infrastructure

Increasing storms, flooding, and drought conditions are supporting investment in stormwater management, drainage systems, flood mitigation, and resilient water infrastructure across municipal and industrial markets.



PFAS & Regulatory Compliance Spending

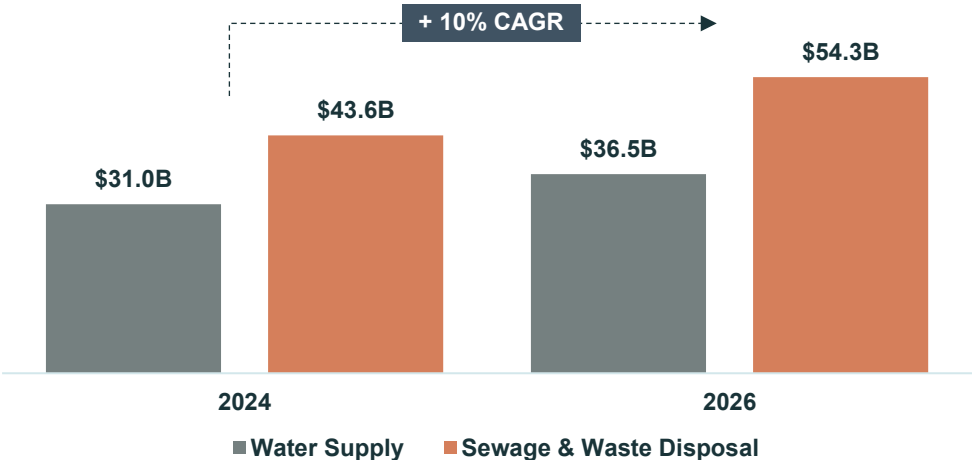
New PFAS regulations and lead service line mandates are accelerating investment in filtration, testing, monitoring, and advanced treatment technologies.



Water Reuse & Industrial Water Demand

Growth in data centers, semiconductors, and advanced manufacturing is increasing demand for water reuse, reclamation, and high-spec treatment infrastructure.

U.S. Public Water & Sewer Construction Spending



Top Strategic Acquirers in the Sector

Number of acquisitions in the sector



Source: Engineering News-Record (ENR) as of 09/01/2026

Industry Trends – Grid Modernization

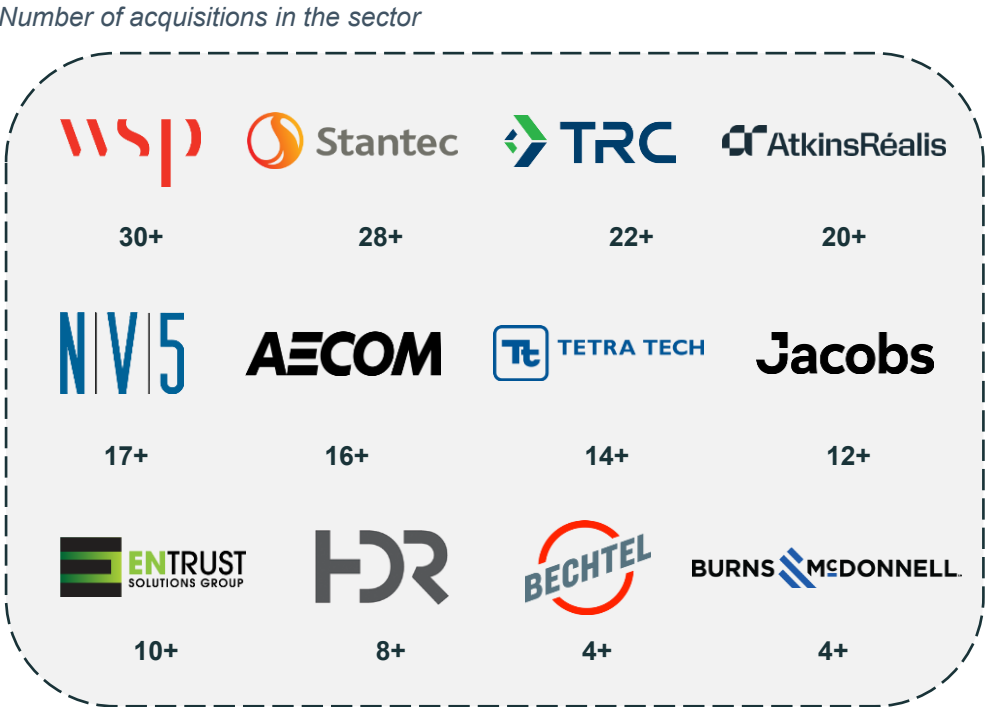
- Utilities are deploying AI-powered analytics, advanced sensors, and automation technologies to improve grid reliability, optimize power flows, and enable predictive maintenance across increasingly complex networks.
- Rapid growth in renewable generation is driving investment in transmission infrastructure, energy storage, and smart grid technologies required to manage variable power generation and support a more decentralized energy landscape.
- Aging transmission and distribution assets are being replaced with digital substations, advanced metering infrastructure, and automated control systems designed to improve reliability, resiliency, and operational performance.
- Rising power demand from EV adoption, data centers, advanced manufacturing, and building electrification is accelerating investment in grid capacity, distribution modernization, and intelligent energy management solutions.

US Market Growth Forecast



Source: Engineering News-Record (ENR) as of 09/01/2026

Top Strategic Acquirers in the Sector





Section 02. Investor Universe

Highly Acquisitive Strategic Investor Universe

Select Strategic Acquirers

 (TSE: WSP)	 (TSE: STN)	 (NAS: TTEK)	 (TSE: ATRL)	 (NYS: ACM)	 (AMS: ARCAD)	 Private	 (NYS: J)
 Private	 Private	 Private	 Private	 (NYS: PSN)	 Private	 Private	 Private
 Private	 Private	 Private	 Private	 Private	 Private	 Private	 Private
 Private	 Private	 Private	 (NYS: TIC)	 Private	 Private	 Private	 Private

Select PE-Backed Strategic Acquirers

 (H.I.G. Capital)	 (DC Capital Partners)	 (Longpoint Capital)	 (Tikehau Capital)	 (Sterling Investment)	 (Alpine Investors)	 (Littlejohn & Co.)	 (Palm Beach Capital)	 (OceanSound)	 (Blackstone)
 (Blackstone)	 (Warburg Pincus)	 (GHK Capital)	 (Wind Point Partners)	 (Blackstone)	 (OceanSound)	 (DC Capital Partners)	 (MSD Capital)	 (Court Square Capital)	 (Pritzker Org.)

Select Investor Profiles

Company	Ownership	# of Acquisitions	Commentary
	(TSE: WSP)	176	• Most acquisitive global AEC platform; organic growth plus M&A • Agreed to acquire TRC Companies for US\$3.3B in Dec-25 • Acquired UK-based Ricardo in Oct-25, adding advisory, energy transition and rail • Focused on Power & Energy, Water and Advisory
	(NYS: PSN)	48	• Diversified across critical infrastructure and national security; ~\$6.4B 2025 revenue • North America Infrastructure unit anchors AEC across transportation, mobility and water • Acquired BCC Engineering for \$230M in Oct-24, extending Southeast U.S. reach
 		19	• PE-backed by OceanSound Partners, which invested in legacy Gannett Fleming in Jan-23 • Merged with TranSystems in Aug-24, creating a ~\$1.3B revenue, 5,000+ person platform • Rebranded to GFT in Apr-25; Top-20 ENR transportation designer
	Private	58	• 100% employee-owned through an ESOP since 1996; no PE or public shareholders • 14,200+ employees and 200+ offices across 15 countries • Serial acquirer with 58 deals since 1996 across healthcare, water and power
	(TSE: ATRL)	86	• Q2-26 revenue of \$3.0B, up 10% year-over-year, with a \$20B backlog • "Land and Expand" bolt-on strategy; announced WGA, Coras Solutions and TOBIN in 2026 • Acquired Australian consultancy ADG in Dec-25; targeting a larger U.S. acquisition

Source: Pitchbook, Company's Websites, & Press Releases as of 09/01/2026

Select Investor Profiles

Company	Ownership	# of Acquisitions	Commentary
	 Domain Expertise Market Focus Strategic Principles	13	- Acquired by DC Capital Partners in Jul-13; long-hold backing for add-ons - Spans infrastructure, design, environmental and GovTech markets - Acquired four firms in Jun-24, incl. MLU Services and Infinity MEP+S 6,000+ engineers, architects and planners across 120+ U.S. offices
	LITTLEJOHN & Co.	27	- Acquired by Littlejohn & Co. in Feb-23 from Round Table and Pine Street Capital - Water, transportation and aviation design; ~1,250 employees, 70+ offices - Management and employees retained meaningful ownership post-deal
	(NAS: TTEK)	83	- Record FY25 revenue of \$5.44B; ~25,000 employees - Focused on water, environment and sustainable infrastructure consulting - Acquired SAGE Group in May-25, adding municipal water and industrial automation
	Private	10	- Privately held and employee-owned, with ~6,000 professionals globally - Water, environment, transportation, energy and facilities design and delivery 150,000+ projects delivered for 20,000+ clients across 150+ countries
		16	- Blackstone Energy Partners took a majority stake in May-22 - Environmental restoration, geotechnical, coastal and water quality consulting - Blackstone backing supports growth through acquisitions and talent recruiting

Source: Pitchbook, Company's Websites, & Press Releases as of 09/01/2026

Select Investor Profiles

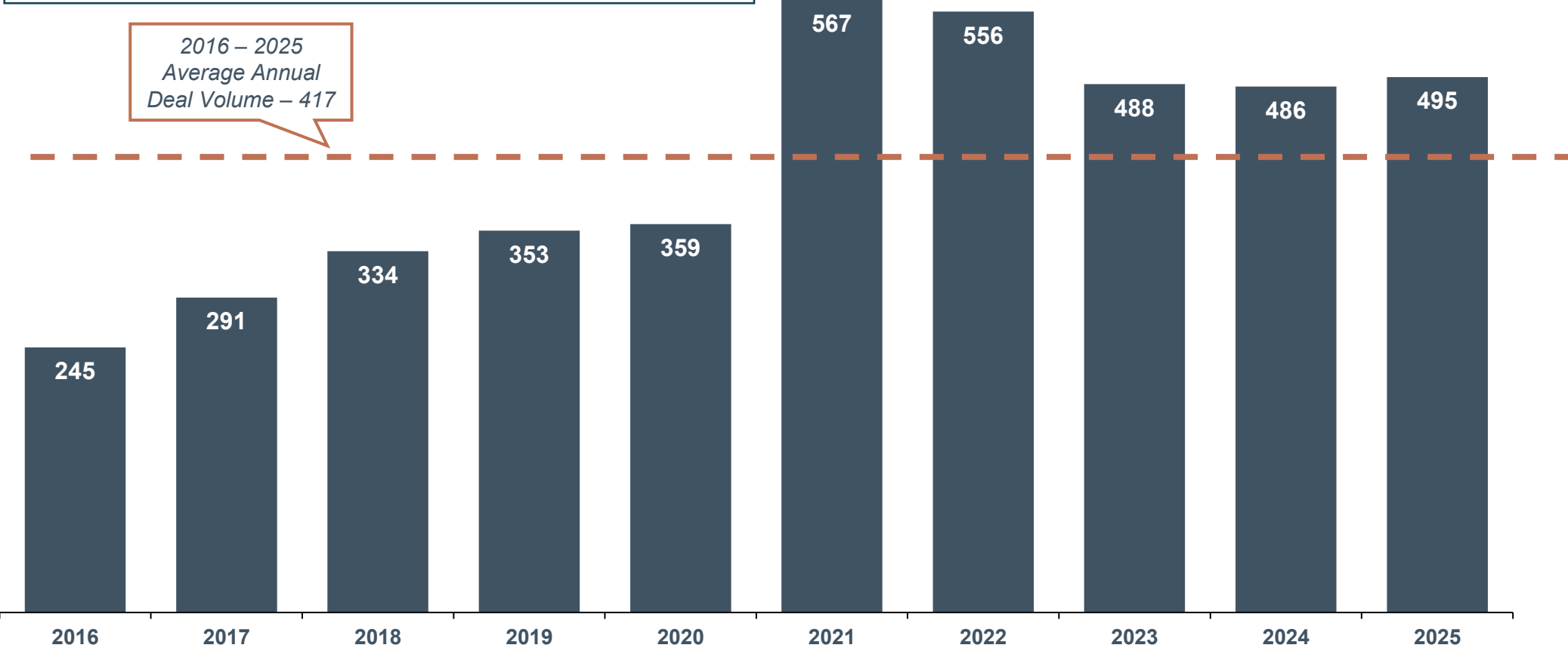
Company	Ownership	# of Acquisitions	Commentary
	Private	8	100% employee-owned through an ESOP since 1986 13,500+ employees and 75+ offices worldwide; ~\$6.9B of revenue - Full-service model spanning consulting, design and construction - Growth driven mainly organically, with selective acquisitions
	Private	7	- Entirely employee-owned by its practicing professionals; no outside investors 7,500+ employees across 125+ offices serving public and private clients - Civil engineering, planning, environmental and landscape architecture
		14	- Court Square Capital Partners acquired a majority stake in Jun-25 - Bought from White Wolf Capital, which formed the platform in 2021 - Houston-based provider of design, consulting and construction management
	Private	60	100% employee-owned; no private equity or outside sponsor 7,000+ employees across 180 offices throughout the U.S. - Environmental, facilities, geotechnical and materials services; active acquirer
		40	- Acquired by Sterling Investment Partners in May-24 from Round Table Capital - Management, employees and Round Table retained significant equity - Integrated environmental science, engineering and consulting platform

Source: Pitchbook, Company's Websites, & Press Releases as of 09/01/2026

U.S. Architecture & Engineering M&A Deal Volume

What We're Hearing in the Market

The Architecture and Engineering Services market saw robust M&A activity over the past 5 years. Deal volume is expected to remain strong through 2026 due to increased consolidation, PE investment activity, and macroeconomic trends.



Source: Pitchbook, Mergermarket, & Press Releases as of 09/01/2026

Notable A&E M&A Transactions

Date	Target	Acquirer	Description	Target HQ
Aug-26	Foresight Planning & Engineering Services	WSB Engineering, GHK Capital Partners	Provider of consulting and engineering services	Austin, TX
Aug-26	Civil Infrastructure Associates	WSB Engineering, GHK Capital Partners	Provider of civil engineering services	Murfreesboro, TN
Aug-26	TDI Engineering	Colliers Engineering	Provider of civil & structural engineering services	Austin, TX
Aug-26	ENTACT	Ridgemont Equity Partners	Provider of environmental & geotechnical services	Westmont, IL
Aug-26	GeoVerra Inc	TIC Solutions (NYS: TIC)	Provider of geomatics services	Edmonton, Canada
Aug-26	Peterson Structural Engineers	Conсор Engineers, New Mountain Capital	Provider of structural engineering services	Portland, OR
Jul-26	HD2C	Kmb Design Group	Provider of engineering and renewable energy design services	Mason, NH
Jul-26	Testing Engineers	Certerra , OceanSound Partners	Provider of engineering services	San Leandro, CA
Jul-26	The Superior Group	MasTec (NYS: MTZ)	Provider of electrical construction and engineering services	Columbus, OH
Jul-26	EN-POWER GROUP	Verdantas	Provider of energy engineering services	New York, NY
Jul-26	One Tech Engineering & Power	CEIS	Provider of engineering and project support services	Minneapolis, MN
Jul-26	V&a	Exodigo	Provider of civil engineering services	Los Angeles, CA
Jul-26	Enfinity Engineering	EMA Engineering & Consulting	Provider of engineering services	Brentwood, TN
Jul-26	NEI Electric Power Engineering	Atwell	Provider of engineering and construction services	Lakewood, CO
Jul-26	Tisdell Associates	LaBella	Provider of engineering and architectural services	Canton, NY
Jun-26	RMH Group	Salas O'Brien, Blackstone (NYS: BX)	Provider of building systems engineering services	Lakewood, CO
Jun-26	Hayre Mcelroy & Associates	GEI Consultants	Provider of engineering and inspection services	Redmond, WA
Jun-26	A.V. Schwan & Associates	RTM Engineering Consultants	Provider of structural engineering services	Scottsdale, AZ
Jun-26	PERC Engineering	GEI Consultants	Provider of engineering and project management services	Houston, TX
Jun-26	RRC Companies	New Mountain Capital	Provider of engineering services	Round Rock, TX
Jun-26	TST	EPS Group	Provider of civil engineering services	Fort Collins, CO
Jun-26	BBG&S Engineering Consultants	Ghafari Associates	Provider of consulting mechanical engineering services	Birmingham, AL
May-26	Insequence	Advantive	Provider of engineering services and IT asset management	Chantilly, VA
May-26	Page Interworks	Brightstar Capital Partners, Stratus Team	Provider of engineering services	North Wilkesboro, NC
May-26	William H. Smith and Associates	Vistal	Provider of civil engineering	Rock Springs, WY
May-26	PRE	Burns Engineering, OceanSound Partners	Provider of engineering and logistics services	Riverside, CA
May-26	Mattson Macdonald Young	Sandman Structural Engineers	Provider of structural engineering services	Maple Grove, MN

Source: Pitchbook as of 09/01/2026

Notable A&E M&A Transactions, Cont.

Date	Target	Acquirer	Description	Target HQ
Apr-26	Meskel & Associates Engineering	Arab Center for Engineering Studies	Provider of engineering services	Jacksonville, FL
Apr-26	Sanchez-Salazar	LJA Engineering	Provider of civil engineering services	San Antonio, TX
Apr-26	MLA Geotechnical	Oakley Capital, Phenna Group	Provider of geotechnical engineering	Austin, TX
Apr-26	Stucky Vitale Architects	Gage Consulting	Provider of architectural and engineering services	Royal Oak, MI
Apr-26	Favor Engineering	Bennett & Pless	Provider of structural engineering consulting services	Roanoke, VA
Apr-26	Spectrum Engineers	Lynk Engineers	Provider of consulting engineering services	Salt Lake City, UT
Apr-26	E.P. Ferris and Associates	Contract Land Staff, Sentinel Capital Partners	Operator of a civil engineering and land surveying firm	Columbus, OH
Apr-26	Haltom Engineering	Engineering Resource Group, Godspeed Capital	Provider of mechanical engineering design services	Memphis, TN
Mar-26	Pro-Surve Technical Services	DC Capital Partners, PK Companies Group	Provider of inspection and engineering services	League City, TX
Mar-26	Absolute Machine Control Technologies	Sterling	Provider of control engineering and integration services	Rockford, IL
Mar-26	Transtech Engineering Consultants	Suyash Consulting	Provider of transportation infrastructure engineering services	Columbia, MD
Mar-26	MI Engineering	Larson Design Group	Provider of transportation and civil engineering services	Raleigh, NC
Mar-26	ENTRUST Solutions Group	Leidos Holdings (NYS: LDOS)	Provider of consulting and engineering services	Lisle, IL
Mar-26	RGD Consulting Engineers	Kimley-Horn And Associates	Provider of MEP engineering services	Jupiter, FL
Mar-26	Constructive Engineering Design	DeSimone Consulting Engineering	Provider of engineering services	Overland Park, KS
Mar-26	MCA Architecture	McMillan Pazdan Smith	Provider of architectural design and forensic services	Greenville, SC
Mar-26	Lotus Water	BFK Engineers, Long Point Capital	Provider of civil and water engineering services	San Francisco, CA
Mar-26	Rock Brook	Salas O'Brien, Blackstone (NYS: BX)	Provider of multidisciplinary engineering services	Monroe Township, NJ
Mar-26	Weld Engineering & Fabrication	Maximum Fasteners	Provider of metal fabrication and engineering services	Santa Fe Springs, CA
Feb-26	Buesing	GreatBanc	Provider of civil engineering services	Phoenix, AZ
Feb-26	TRC Companies	WSP Global (TSE: WSP)	Consulting, engineering, and construction management provider	Windsor, CT
Feb-26	McCormick-Allum	Air Temp Mechanical Services	Provider of engineering, construction, and maintenance services	Springfield, MA
Feb-26	Northeast Civil Solutions	Nobis Group	Provider of surveying and engineering services	Scarborough, ME
Feb-26	Morrow Engineering	Guidant Power, Shore Capital Partners	Provider of power and control engineering services	Wichita, KS
Feb-26	Prism Engineering	Palm Beach Capital, Pape-Dawson	Provider of civil engineering services	Louisville, KY
Feb-26	FSI Engineering and Design	Sedgman	Provider of engineering design and project management services	Gilbert, AZ
Nov-25	Coffman Associates	Pape-Dawson Engineers, Palm Beach Capital	Provider of airport engineering and consulting services	Kansas City, MO

Source: Pitchbook as of 09/01/2026

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