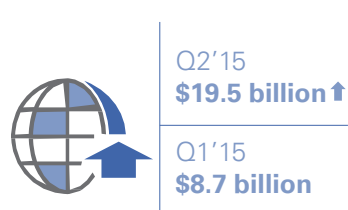


Engineering & Construction M&A Market Q2 2015

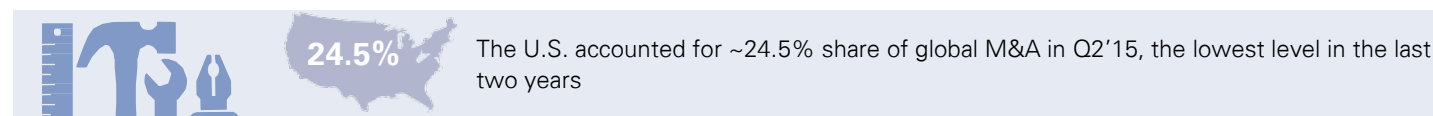
U.S. construction spending continued to climb in Q2'15 and reached an annual level of \$1.04 trillion, the highest level since October 2008. Not all sectors have fared well however. The Petroleum segment hit a roadblock as plummeting oil prices have resulted in project postponements across the space. Companies are re-evaluating growth opportunities in major markets as they digest both the direct and indirect economic implications of the deterioration in oil prices and consider the potential impact of the first round of regulatory tightening on U.S. economic activity.



Total **global** deal value was \$19.5 billion, up from \$8.7 billion in Q1'15. The number of transactions slightly increased from 371 in Q1'15 to 388 in Q2'15



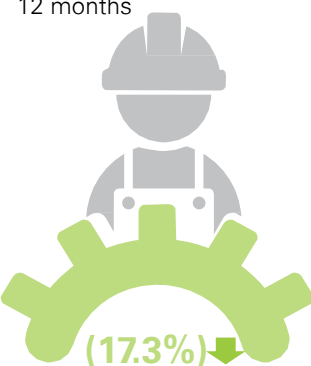
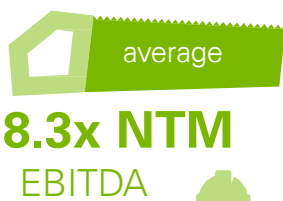
The **U.S. M&A** deal value decreased by 18% to \$1.1 billion in the quarter from \$1.3 billion in Q1'15. In fact, Q2'15 has experienced the lowest deal value in the last 2 years except Q3'13



SECTOR PERFORMANCE

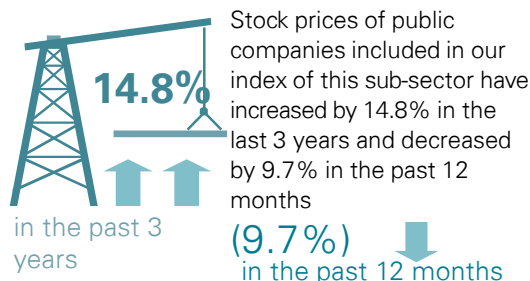
Diversified Engineering & Construction Providers

Stock prices of public companies included in our index of this sub-sector have increased by 28.5% in the last 3 years and dropped by 17.3% in past 12 months



This sub-sector was trading at an average of 8.3x NTM (next twelve months) EBITDA at the end of Q2'15

Specialty Engineering & Construction Firms



This sub-sector was valued at an average of 6.8x NTM EBITDA at the end of Q2'15



Construction Contractors

Stock prices of the public companies included in our index of this sub-sector have increased by 24.6% in the last 3 years and decreased by 17.7% in the past 12 months



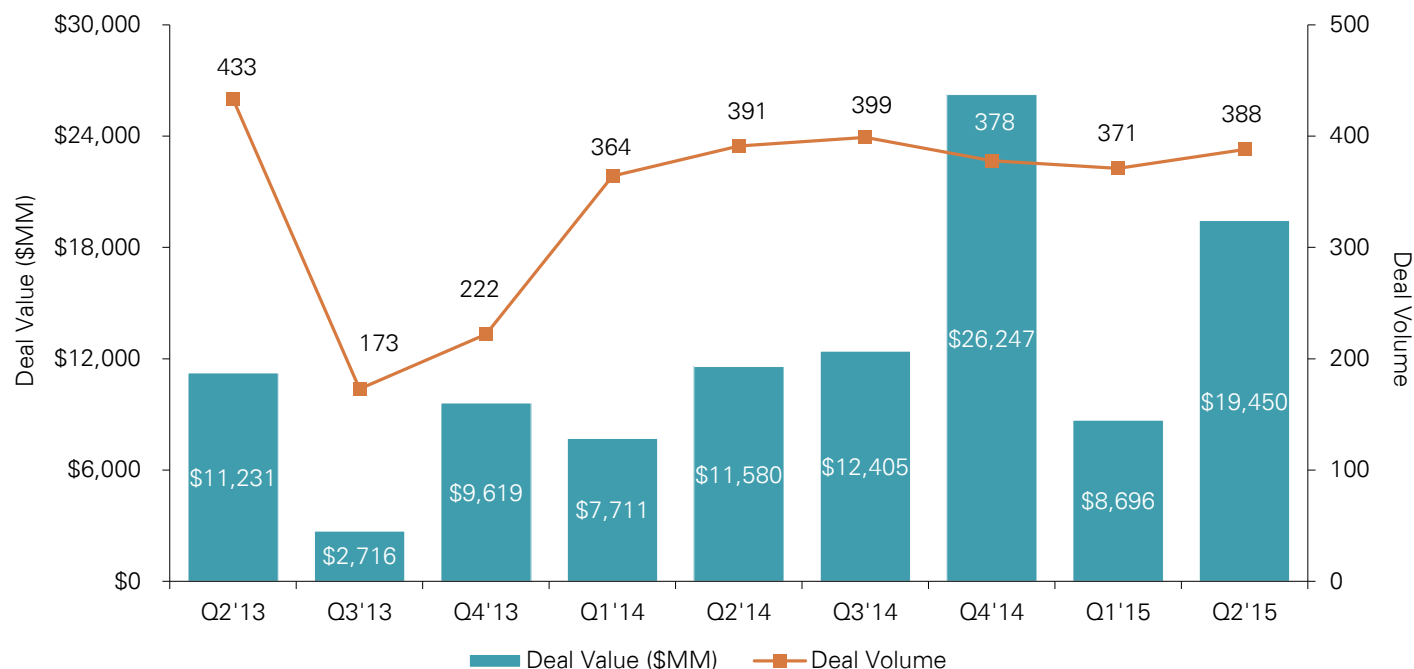
This sub-sector was valued at an average of 6.6x NTM EBITDA at the end of Q2'15



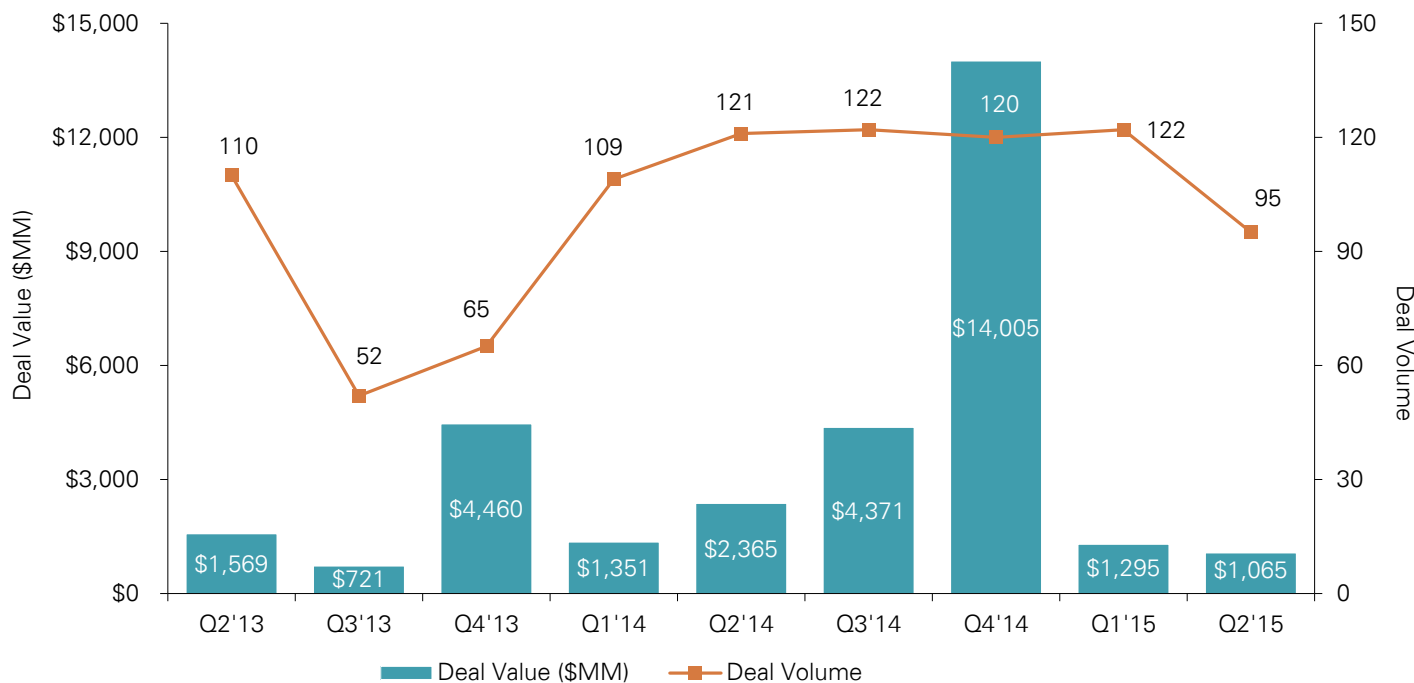
Source: Capital IQ.

Notes: M&A growth analysis based on deals closed during the respective periods of Q2'15 vs. Q1'15. Deal value represents aggregate deal value for disclosed transactions only. The sub-sector performances are based on internally originated lists of representative public companies within the sub-sectors. The list of public companies selected in each sub-sector can be found on pages 3-4.

Global Engineering & Construction M&A Trend Q2'2013 – Q2'2015



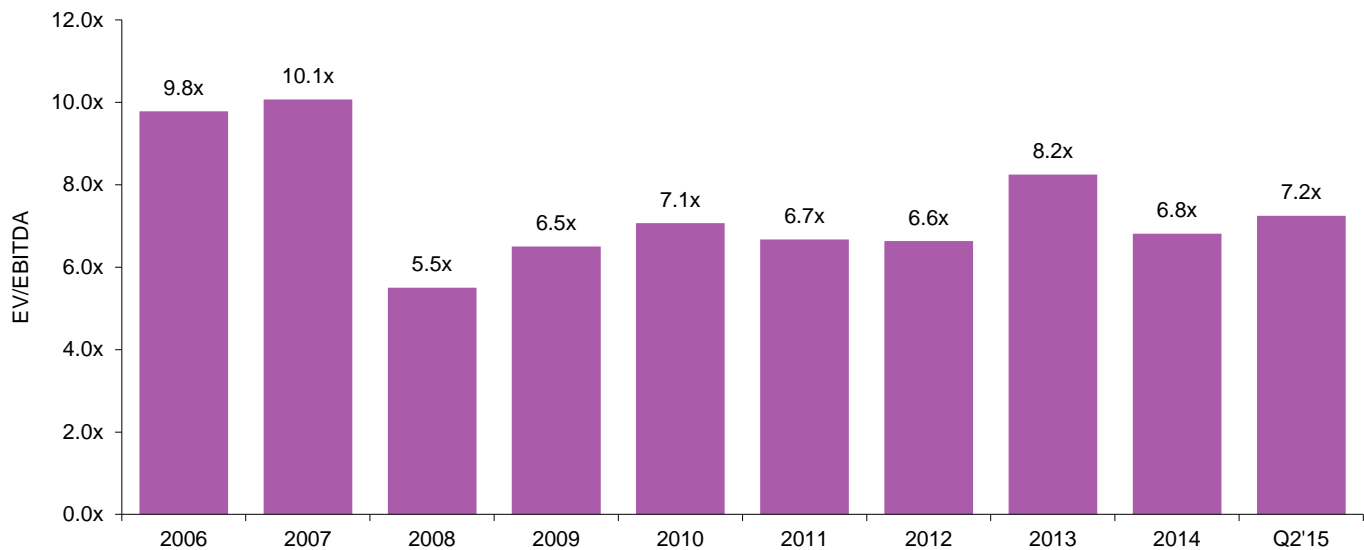
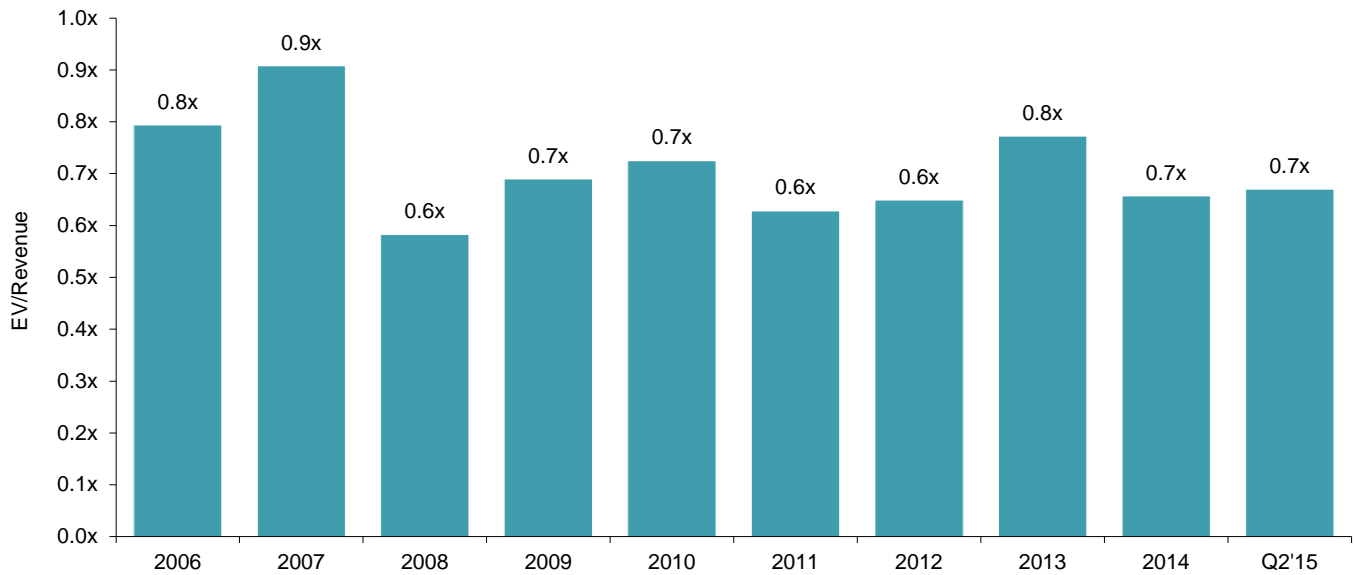
U.S. Engineering & Construction M&A Trend Q2'2013 – Q2'2015



Source: Capital IQ.

Notes: M&A analysis based on deals closed during the respective periods. Deal value represents aggregate deal value for disclosed transactions only for the time periods noted on the above graphs.

Global Engineering & Construction Valuation Multiples Trend



Source: Capital IQ.

Note: The Engineering & Construction valuation trend is based on an internally originated list of public companies viewed as best representing the sector. The list of public companies selected in each sub-sector can be found on pages 3-4. Graph depicts enterprise value as a multiple of revenue and EBITDA; respectively.

Engineering & Construction Performance Summary by Sub-sector (\$MM, except per share data)

Company	Market Cap ^{(1), (2)}	Share Price ⁽²⁾	% of 52-Wk High ⁽³⁾	Enterprise Value ⁽⁴⁾	Last Twelve Months (LTM)				EV/NTM Revenue ⁽⁶⁾	EV/NTM EBITDA ⁽⁷⁾
					Revenue	Rev Growth	EBITDA ⁽⁵⁾	EBITDA Margin		
Diversified Engineering & Construction										
AECOM	4,974.5	33.08	86.5%	9,234.2	13,247.3	66.2%	738.8	5.6%	0.5x	8.1x
Amec Foster Wheeler plc	5,005.7	12.86	65.4%	6,257.1	6,223.0	0.5%	470.7	7.6%	0.7x	8.7x
ARCADIS NV	2,254.4	27.48	78.7%	2,902.4	3,189.4	4.7%	253.4	7.9%	0.8x	9.0x
Balfour Beatty plc	2,611.0	3.80	92.0%	3,250.0	11,320.8	(3.0%)	(313.3)	(2.8%)	0.3x	14.5x
Fluor Corporation	7,815.1	53.01	66.9%	6,878.2	20,695.6	(19.0%)	1,390.0	6.7%	0.3x	5.4x
Hochtief AG	5,292.8	77.31	93.2%	6,063.5	23,931.3	3.2%	484.6	2.0%	0.3x	5.6x
Jacobs Engineering Group Inc.	5,101.2	40.62	73.9%	5,391.7	12,540.6	0.6%	822.3	6.6%	0.4x	7.2x
KBR, Inc.	2,810.0	19.48	79.7%	2,121.0	6,169.0	(12.1%)	(187.0)	(3.0%)	0.4x	6.9x
Quanta Services, Inc.	6,104.8	28.82	76.9%	6,093.7	7,975.6	19.0%	692.6	8.7%	0.7x	6.8x
SNC-Lavalin Group Inc.	5,091.2	33.63	70.4%	4,495.9	6,930.7	13.5%	457.7	6.6%	0.6x	8.7x
Stantec Inc.	2,749.3	29.25	95.7%	3,066.5	1,726.7	15.9%	233.7	13.5%	1.5x	10.7x
URSUS Spółka Akcyjna	31.3	0.76	76.9%	51.5	74.5	84.4%	6.1	8.2%	NA	NA
Diversified Engineering & Construction Mean			79.7%			14.5%		5.6%	0.6x	8.3x
Diversified Engineering & Construction Median			77.8%			3.9%		6.7%	0.5x	8.1x
Specialty Engineering & Construction										
Aegion Corporation	694.5	18.94	74.2%	931.0	1,334.4	13.9%	133.4	10.0%	0.7x	7.4x
Chicago Bridge & Iron Company N.V.	5,438.0	50.04	71.2%	7,365.4	13,172.5	11.9%	1,254.2	9.5%	0.5x	5.7x
Clean Harbors, Inc.	3,152.8	53.74	82.0%	4,314.1	3,287.5	(5.9%)	487.7	14.8%	1.3x	7.9x
Dycom Industries Inc.	2,005.8	58.85	96.8%	2,429.9	1,925.9	6.5%	222.3	11.5%	1.1x	8.9x
Eversource Energy	14,424.4	45.41	79.9%	24,204.5	7,964.7	4.8%	2,305.3	28.9%	3.1x	9.8x
Hill International, Inc.	265.0	5.26	82.3%	379.1	591.0	12.2%	39.3	6.7%	0.6x	6.7x
IBI Group Inc.	31.4	1.76	74.6%	174.7	238.7	22.8%	20.3	8.5%	0.7x	7.0x
Layne Christensen Company	175.7	8.95	64.2%	281.0	817.6	8.2%	7.9	1.0%	0.4x	5.5x
McDermott International Inc.	1,274.1	5.34	65.8%	1,534.8	2,247.5	(8.5%)	136.2	6.1%	0.5x	8.3x
MYR Group, Inc.	647.3	30.96	96.0%	585.5	972.5	6.0%	93.2	9.6%	0.5x	6.1x
North American Energy Partners Inc.	80.4	2.43	28.8%	155.0	354.7	0.3%	49.3	13.9%	0.5x	4.7x
Orion Marine Group, Inc	201.8	7.22	59.7%	200.1	386.0	7.0%	33.3	8.6%	0.5x	5.3x
Primoris Services Corporation	1,023.0	19.80	65.9%	1,132.3	2,008.9	0.2%	148.7	7.4%	0.5x	6.3x
Tetra Tech Inc.	1,545.0	25.64	90.7%	1,687.4	1,790.8	(8.0%)	149.2	8.3%	0.9x	7.9x
TRC Companies Inc.	308.9	10.15	88.3%	288.9	394.5	7.8%	37.0	9.4%	NA	NA
Willbros Group Inc.	78.6	1.28	10.1%	267.9	1,897.1	NA	24.9	1.3%	0.2x	4.8x
Specialty Engineering & Construction Mean			70.7%			5.0%		9.7%	0.8x	6.8x
Specialty Engineering & Construction Median			74.4%			6.3%		9.0%	0.5x	6.7x

Engineering & Construction Performance Summary by Sub-sector (\$MM, except per share data)

Company	Market Cap ^{(1), (2)}	Share Price ⁽²⁾	% of 52-Wk High ⁽³⁾	Enterprise Value ⁽⁴⁾	Last Twelve Months (LTM)				EV/NTM Revenue ⁽⁶⁾	EV/NTM EBITDA ⁽⁷⁾
					Revenue	Rev Growth	EBITDA ⁽⁵⁾	EBITDA Margin		
Construction Contractors										
Aecon Group Inc.	573.9	10.22	74.6%	913.7	2,095.8	(10.4%)	85.0	4.1%	0.4x	6.4x
Bird Construction Inc.	379.6	8.93	72.6%	294.6	1,102.5	5.9%	53.4	4.8%	0.3x	6.7x
Bovis Homes Group plc	2,351.5	17.50	95.6%	2,343.3	1,261.4	45.6%	217.5	17.2%	1.6x	8.4x
EMCOR Group Inc.	2,994.7	47.77	97.8%	2,955.7	6,423.6	1.1%	337.5	5.3%	0.4x	7.7x
Granite Construction Incorporated	1,397.2	35.51	90.8%	1,215.8	2,315.7	2.1%	130.3	5.6%	0.5x	6.7x
Great Lakes Dredge & Dock Corporation	360.0	5.96	68.3%	694.5	807.0	11.2%	65.6	8.1%	0.8x	6.4x
MasTec, Inc.	1,626.9	19.87	61.9%	2,676.2	4,653.2	6.5%	367.6	7.9%	0.6x	5.9x
Skanska AB (publ)	8,311.8	20.23	80.1%	8,078.2	17,262.9	10.7%	742.2	4.3%	0.4x	NA
Stuart Olson Inc.	143.8	5.50	61.0%	221.1	1,043.0	21.9%	30.7	2.9%	0.2x	5.6x
Tutor Perini Corporation	1,057.4	21.58	66.4%	1,795.1	4,603.5	11.3%	269.9	5.9%	0.3x	5.9x
Construction Contractors Mean			76.9%			10.6%		6.6%	0.6x	6.6x
Construction Contractors Median			73.6%			8.6%		5.4%	0.4x	6.4x
Total Mean			75.1%			9.4%		7.6%	0.7x	7.2x
Total Median			75.7%			6.3%		7.5%	0.5x	6.8x

Source: Capital IQ.

(1) Market Capitalization based on closing share prices as of June 30, 2015.

(2) Market Capitalization and Share Prices may be based on foreign exchange listed securities and converted to \$USD.

(3) Indicates percentage of current stock price compared to its 52 week high. Closing share prices as of June 30, 2015.

(4) Enterprise Value (EV) equals Market Capitalization plus Debt, Preferred Equity, and Minority Interest, minus Cash and Cash Equivalents.

(5) EBITDA equals Earnings before Interest, Taxes, Depreciation, and Amortization.

(6) EV/NTM Revenue is the multiple of Enterprise Value and the Next Twelve Months of Revenue.



(7) EV/NTM EBITDA is the multiple of Enterprise Value and the Next Twelve Months of EBITDA.

Selected recent transactions




has been acquired by

Jacobs Engineering

has been acquired by

PARSONS




has sold the DAS and Small Cell division to



Global Coverage. Industry Knowledge. Middle-Market Focus.

The Corporate Finance practices of KPMG International's network of independent member firms (KPMG) have been ranked collectively as a leading global mid-market advisor based on total deal volume announced in 2014, according to Thomson Reuters SDC. KPMG firms operate in 156 countries with over 2,600 professionals who are able to meet the needs of clients across the globe.

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KPMG Corporate Finance* is a leading global M&A advisor in the Middle Market

2012		No. of deals
1.	PWC	342
2.	KPMG*	319
3.	IMAP	214
4.	Morgan Stanley	210
5.	Goldman Sachs	197

2013		No. of deals
1.	PWC	384
2.	KPMG*	354
3.	Ernst & Young	242
4.	BDO	221
5.	Rothschild	211

2014		No. of deals
1.	PWC	426
2.	KPMG*	370
3.	Deloitte	257
4.	Ernst & Young	243
5.	BDO	211

Source: Thomson Reuters SDC; Each set of figures is taken from the league table press releases issued for that year. Middle market is defined as deals less than US\$500 million
* Represents the global Corporate Finance practices of KPMG International's network of independent member firms.

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