M&A INDUSTRY REPORT

Building & Infrastructure Services

FOCUS is a leading national M&A brand for the lower middle market. With over 40 years of experience, a global footprint, and hundreds of successful deals across myriad industries, FOCUS continues its mission to redefine the banker/client relationship.



Q3 2026

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OVERVIEW

The Building & Infrastructure Services sector saw deal volume moderate in the third quarter of 2026, even as buyer conviction in its most sought-after segments held firm.

The quarter recorded 266 U.S. transactions across our six Building & Infrastructure Services subsectors, 241 of them closed and 25 announced, down from 380 in Q2 2026. Engineering & Construction was the most active subsector with 72 deals, followed by Dealers/Distributors with 51, the only subsector to grow from the prior quarter. The quarter's largest transactions show where buyer conviction sits: power, electrical, and water infrastructure. MasTec acquired Electrical Specialists for $1.63 billion. Ferguson closed its $1.6 billion purchase of FloWorks. Rexel USA agreed to acquire Genuine Cable Group for $1.4 billion, and Select Water Solutions agreed to acquire Pilot Water Solutions for $715 million. The same themes ran through the lower middle market. Atwell added Phased Right, a substation, transmission, and data-center power delivery engineering firm, and New Mountain Capital acquired geospatial and inspection provider Surveying And Mapping from Peak Rock Capital.

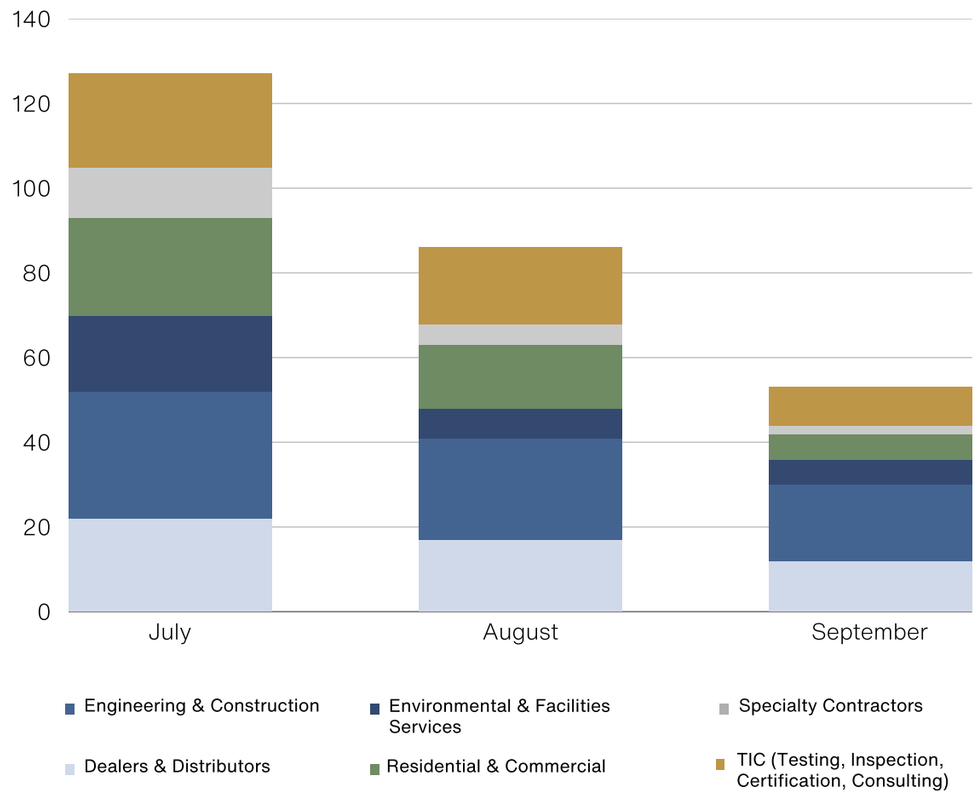
Valuations remained highly differentiated. Among the small number of deals with disclosed multiples, implied EBITDA multiples ranged from 4.6x for IES Holdings' acquisition of steel fabricator DBM Global to 22.7x for Bernhard Capital's pending take-private of engineering firm Bowman Consulting. That spread reinforces the two-speed market we described last quarter: technical, engineering-led, and infrastructure-linked assets command premium pricing, while project-based and labor-intensive models are priced more conservatively. Platform building remained the dominant strategy, and strategic acquirers, including PE-backed platforms making add-ons, accounted for roughly four of every five deals. TRP Infrastructure Services completed five add-ons in traffic control and roadway services, Verdantas added four environmental and engineering firms, and Skybound Service Partners acquired three commercial roofing businesses. Sponsors also moved up-market, with Bernhard Capital's agreement to take Bowman private, Stellex Capital's acquisition of NYSE-listed Team, Inc., and New Mountain Capital's agreement to acquire fire protection engineering firm JENSEN HUGHES. With succession pressure continuing to push founders toward a transaction and buyers competing for scarce, high-quality regional platforms, we expect buyer demand for well-run businesses to remain strong into year-end, even with fewer deals recorded this quarter. Building & Infrastructure Services remains one of the most resilient and actively pursued segments within Business Services.



MARKET ACTIVITY

Q3 2026 recorded 266 transactions across Building & Infrastructure Services (241 closed, 25 announced), a 30.0% decline from Q2 2026 (380) and 25.7% below Q3 2025 (358). The pullback was steepest in Residential & Commercial and Environmental & Facility Services, both coming off strong second quarters, while Dealers/Distributors grew and Engineering & Construction matched its year-ago level. Strategic buyers, including PE-backed platforms making add-ons, accounted for roughly four of every five deals, and four transactions carried disclosed values above $1 billion.

- **Fewer deals, but buyers are still active**. Deal count fell 30.0% quarter-over-quarter to 266 from 380, the lowest total since Q2 2025. Activity was strongest in July (127 deals) and slowed through August (86) and September (53). Even so, 18 acquirers made two or more acquisitions in the quarter, led by TRP Infrastructure Services (five), Verdantas (four) and Skybound Service Partners (three).
- **Dealers/Distributors was the only subsector to grow**, up 4.1% (49 to 51 deals), and produced two of the quarter's three largest transactions: Ferguson's $1.6 billion purchase of FloWorks and Rexel USA's $1.4 billion agreement to acquire Genuine Cable Group. Both sellers were private equity owners (Wynnchurch and Clearlake; Audax).
- **Engineering & Construction remained the largest subsector** with 72 deals, down 15.3% from Q2 (85) and level with Q3 2025 (72). Electrical work led the activity: MasTec acquired Electrical Specialists for $1.63 billion, and by our count 12 electrical contractors changed hands, 11 of them to strategic buyers, including Loenbro's acquisition of Prism Electric (about $180 million in revenue per Capital IQ, serving data centers and hospitals).
- **TIC was down from Q2 but up from a year ago, and private equity buyers favored it**. Deal count fell 27.9% quarter-over-quarter (68 to 49) but rose 28.9% year-over-year (38 to 49). A private equity firm was the direct buyer in 11 of the 49 deals (22%), including Bernhard Capital's pending $1.08 billion take-private of Bowman Consulting, New Mountain Capital's purchase of Surveying And Mapping and its agreement to acquire JENSEN HUGHES, and Veritas Capital's agreement to acquire Trinity Consultants.
- **Residential & Commercial and Environmental & Facility Services each fell by nearly half**. Residential & Commercial dropped 48.8% (86 to 44), its lowest count since Q2 2025, and Environmental & Facility Services fell 47.5% (59 to 31) as Q2's surge of waste roll-ups cooled. Specialty Contractors fell 42.4% (33 to 19), though roofing stayed active with six deals, three of them by Skybound Service Partners.
- **Security, landscaping and facilities maintenance stayed active**. Fire, life-safety and security deals made up 14 of Residential & Commercial's 44 transactions (32%) and four of its five private equity deals (Apax/NextGen Security, Knox Lane/SAGE Integration, Blackford/Industrial Electronic Systems, Hidden Harbor/Escape Fire Protection). Buyers paid attention to recurring monitoring revenue: Everon added Scarsdale Security, Sciens Building Solutions added Priority Systems, and APi Group added Evergreen Fire and Security. Eight landscaping, tree-care and vegetation-management companies were acquired, including two by Visterra Landscape Group, and five janitorial and facilities-maintenance providers sold, including two to 4M Building Solutions and PHFM to Vesterra Capital Partners.
- **Strategic buyers led, and private equity buyers were active on both sides**. Strategic buyers made 215 of the 266 acquisitions (81%) and private equity firms 45 (17%). Q2's repeat acquirers kept going: Pye-Barker Fire & Safety, Visterra Landscape Group and IMEG each completed two more deals. PE-backed companies were also sellers. Clean Harbors bought EnviroServe from One Rock Capital for $470 million and Apax bought NextGen Security from Dunes Point. For owners considering a sale to a PE-backed platform, these exits show the second liquidity event that rolled equity is designed to deliver.



Source: S&P Capital IQ and FOCUS Investment Banking research



SELECT M&A TRANSACTIONS

Deal Date	Buyers/Investors	Target	Subsector	Target Business Description
7/07/26	MasTec, Inc. (NYSE:MTZ)	Electrical Specialists, Inc.	Engineering & Construction	Electrical Specialists, Inc. (d/b/a The Superior Group) is a full-service electrical contractor providing electrical construction, engineering, and service, maintenance and retrofit work for hospitals, data centers, and public infrastructure.
7/10/26	Ferguson Enterprises Inc. (NYSE:FERG)	FloWorks International LLC	Dealers/Distributors	FloWorks International LLC supplies valves, automation, pumps, and fluid-handling systems to power generation, data center cooling, chemical, and other industrial markets.
7/15/26	Skybound Service Partners LLC	Unicoat Industrial Roofing Corporation	Specialty Contracting	Unicoat Industrial Roofing Corporation is a commercial and industrial roofing contractor specializing in roof restorations, roof coatings, and annual maintenance plans.
7/21/26	4M Building Solutions, Inc.	Rainbow Maintenance Services, Inc.	Environmental & Facility Services	Rainbow Maintenance Services, Inc. provides commercial cleaning, janitorial, sanitation, and facility maintenance services to food distribution, office, medical, and manufacturing facilities.
7/23/26	Vesterra Capital Partners	PHFM	Environmental & Facility Services	PHFM provides interior and exterior facilities maintenance, including electrical, plumbing, HVAC/R, landscaping, and snow management, for multi-location businesses.
8/06/26	Everon, LLC	Scarsdale Security Systems Inc.	Residential & Commercial	Scarsdale Security Systems Inc. provides monitored security, alarm, and data communications services for businesses, homeowners, and government clients.
8/10/26	Bernhard Capital Partners Management, LP	Bowman Consulting Group Ltd. (NasdaqGM:BWMN)	TIC (Testing, Inspection, Certification & Consulting)	Bowman Consulting Group Ltd. provides engineering, technical consulting, and program management services, including power, data center, and transportation infrastructure design.
8/11/26	Mosaic Capital Partners	Southern Shade Tree Co., Inc.	Residential & Commercial	Southern Shade Tree Co., Inc. provides landscape maintenance, installation, irrigation, and tree care for residential, commercial, and homebuilder customers across the Carolinas.
8/12/26	Sciens Building Solutions, LLC	Priority Systems, Inc.	Residential & Commercial	Priority Systems, Inc. sells, installs, services, and inspects fire alarm and security systems and provides ongoing alarm monitoring in southern Louisiana.
9/09/26	Knox Lane LP	SAGE Integration Holdings, LLC	Engineering & Construction	Prism Electric, Inc. provides electrical construction and services to critical infrastructure, including data centers, hospitals, and industrial facilities.

Source: S&P Capital IQ and FOCUS Investment Banking research



NEWS & INSIGHTS



Understanding Exit Deal Structure: How Earn-Outs, Stock, Asset, and Cash Deals Differ

When you're considering selling your business, the purchase price is only part of the equation. How you get paid, when you receive the proceeds, and whether the deal is structured as an asset or stock sale can have a significant impact on your final outcome.

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Recurring Revenue Is King in Landscaping: How Maintenance Contracts Drive Exit Value

If you own a landscaping business, not all revenue is created equal in a buyer's eyes. Recurring maintenance contracts can make a significant difference in how buyers value your business, and understanding what drives that value can help you prepare for a stronger exit.

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What Makes Electrical Companies Attractive to Private Equity Buyers

If you own an electrical contracting business, understanding what private equity buyers look for can help you recognize what drives demand and value in today's M&A market.

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Is Now a Good Time to Sell a Specialty Contracting Business?

If you own a specialty contracting business, strong buyer demand doesn't automatically mean it's the right time to sell. Understanding market conditions, business readiness and your personal goals can help you determine the right time to exit.

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SECTOR SPOTLIGHTS

The infrastructure services sector continues to offer a compelling landscape for consolidation and investment, fueled by long-term structural needs and short-term catalysts.

Specialty Contractors: Increased demand for utility, transportation, and telecom upgrades is driving M&A activity, particularly for firms with strong labor forces and recurring government or commercial contracts.

Engineering & Construction (E&C): Buyers remain focused on firms with design-build capabilities, public sector exposure, and backlog visibility. Valuations are especially strong for companies with environmental and civil infrastructure expertise.

Dealers & Distributors: Distributors of construction materials, heavy equipment, and infrastructure components are seeing renewed interest from strategic and financial buyers seeking to strengthen supply chain control.

Residential & Commercial Services: Businesses offering HVAC, electrical, plumbing, and exterior services continue to attract roll-up interest, especially those with regional scale, recurring service plans, and strong technician retention.

Waste, Recycling & Environmental Services: Heightened regulatory pressure and ESG mandates are accelerating acquisition demand for companies involved in waste hauling, remediation, and environmental compliance.

Testing, Inspection & Certification (TIC): Mission-critical service providers in TIC are in high demand, especially those operating in regulated end markets like infrastructure, energy, and utilities.

Source: S&P Capital IQ and FOCUS Investment Banking research



DEALS

Recent Transactions

RICHARDSON SAW & LAWN MOWER EST 1968 SALES · SERVICE · PARTS

has been acquired by

GRAYCLIFF PARTNERS

Glanua For a cleaner planet

has acquired

aquaoperations A Glanua Company

WHITEWATER GROUP

has been recapitalized by

Group of Private Investors

BHSL

has acquired

GLAN AGUA MOTAENGIL GROUP

RED ROCK DEVELOPMENTS

has raised funds from

Private Mezzanine Financing

PANEL DUCT

has been recapitalized by

Private Investors

IORS

has received a majority investment from

erisbeg

ABREL

has been acquired by

Hollybow Limited

Glanua For a cleaner planet

has acquired

marches biogas anaerobic digestion engineering A Glanua Company

REM

has been acquired by

BP MULTIPAGE Direct Communications Solutions erisbeg

atlanticdoorcontrol YOUR ENTRANCEWAY SOLUTION. OPEN AND SHUT.

has been acquired by

ASSA ABLOY

NAC AUTO AIR CONDITIONING, INC.

has been acquired by

Service Logic Building Efficiency and Sustainability

Glanua For a cleaner planet

has received debt from

Rabobank

BEST TRASH

has been acquired by

AMBERJACK CAPITAL PARTNERS

Anderson Rubbish Disposal

has been acquired by

WM WASTE MANAGEMENT



OUR TEAM

Who We Are



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ACTIVE ENGAGEMENTS IN THE MARKET

Amplifier (Sell Side) *Signed LOI*

Merchandising and fixture installation company.

Cougar (Sell Side) *Signed LOI*

Construction company.

Eagle (Sell Side)

Janitorial and cleaning services company.

Osprey (Sell Side)

Electrical contracting firm.

Palmetto (Sell Side) *Signed LOI*

Landscaping company.

Safeguard (Sell Side)

Security construction management company.

Scorpion (Sell Side)

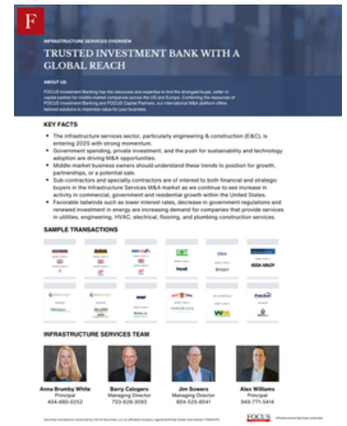
Fire and safety services company.



ABOUT FOCUS

FOCUS is a trusted name in M&A advisory services with a nationwide footprint and a global reach.

Experience matters, especially when it comes to navigating the intricacies of your market. We bring senior-level experience and relatable expertise to every deal. From strategic planning to negotiations, we leverage a deep understanding of your industry to deliver customized solutions that drive the maximum value for your business.



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AXIAL TOP 50 2021 BUSINESS SERVICES