

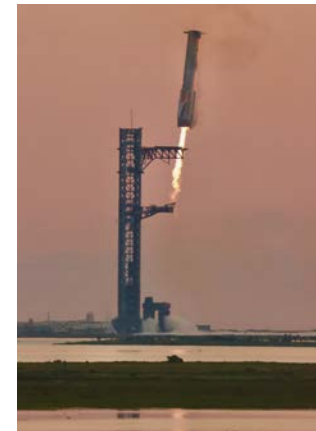
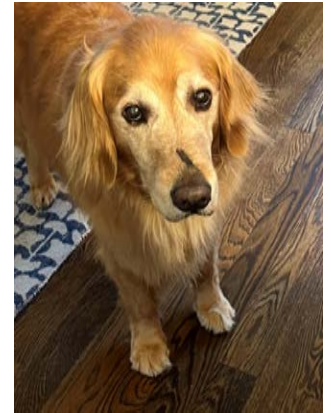
# The Future is Now?

2025 A/E Growth &  
Ownership Strategies  
● Conference

Steve Gido, Principal



# The 21<sup>st</sup> Century is Here





# The Big Picture





# The Big Picture

- Resilient economy (3.8% 2Q GDP); inflation, hiring & i-rates down
- Federal disruption (tariffs, DOGE, H1B visas, immigration, OBBBA)
- Major shifts with DBE programs
- CapEx economy (data centers, power/energy, reshoring)
- Dodge Momentum Index +60% YoY in Sept, highest on record
- ABI score = **43.3** (19 months of new contract value declines)
- ENR 500 up **7.3%**; ENR Environmental 200 up **5.4%**





# The Big Picture

Company	YTD % Gain
Willdan Group	144.5%
Bowman	71.5%
Stantec	41.4%
Montrose Environmental	35.1%
AECOM	25.6%
Jacobs	16.7%
WSP	5.4%
Tetra Tech	-20.2%
<i>S&amp;P 500</i>	<i>16.0%</i>
<i>Russell 2000</i>	<i>10.6%</i>



**Growth**





# The Growth Tool Kit

- Hiring & retention
- 2025 = return of the cold start office
- Increasing billing rates
- Technology tools & productivity
- M&A
- Marketing & branding
- Mentoring, training & development
- New client pursuits / sectors







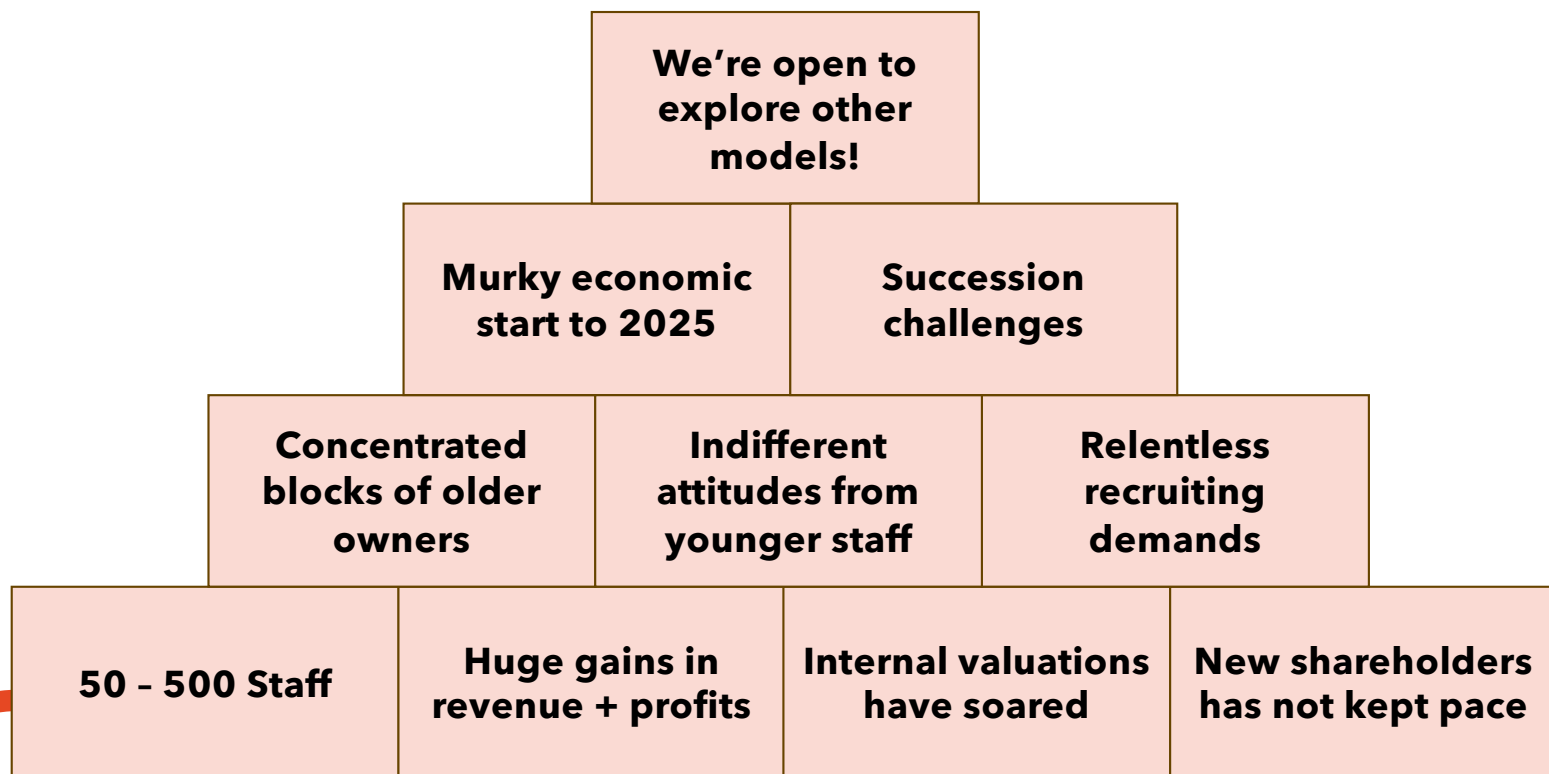
# Ownership







# The Ownership Dilemma Pyramid





# Competing Models

Traditional Internal Transition

ESOP

Private Equity





# Competing Models

Traditional Internal Transition





# Traditional Internal Transition

- Why? *"It's always been here."*
- Challenges: affordability, lack of planning, interest
- Requires: sharing & sacrifice, trust & transparency and grooming new owners
- Trend: more widespread ownership programs than selective invites





# Competing Models

ESOP



# New ESOPs Forming



HANBURY



KIERAN TIMBERLAKE





# ESOP

- Why? *"Control and culture."*
- Smaller firms (less than 50 staff) turning to the employee-owned model
- ESOPs still in place with many of the industry's largest firms
- Mature and mid-sized ESOPs: Is it still working for us? (redemption challenges, succession issues, competitive landscape, etc.)



# Competing Models

Private Equity



# Private Equity

- Why? *"We didn't want to do an ESOP or sell to a massive firm."*
- Still in the early innings – 100+ A/E "platforms" and "family of brands" across every discipline
- What's next? More new investments, first & second stage investor exits, add-on deals, and recruiting of industry leaders
- Can leverage "best practices" among other portfolio firms to the A/E industry






## A/E M&A Environment

Year	# of Deals	% Gain
YTD 10/25	477	5.3%
2024	519	12.8%
2023	460	-6.7%
2022	493	2.9%
2021	479	54.0%
2020	311	-9.9%

Target Staff	YTD Deals	% of Total
1-10	150	31.4%
11-25	128	26.8%
26-50	81	17.0%
51-100	56	11.7%
101-500	50	10.5%
500+	12	2.5%



**You**







  
**Thank You**

