



VIP

VIBRANCY IMPACT PROFESSIONALISM



GEOPROFESSIONAL
BUSINESS
ASSOCIATION

ANNUAL CONFERENCE
APRIL 23-25, 2026

SHERATON GRAND AT WILD HORSE PASS
PHOENIX, ARIZONA

About EFCG – What We Do

Management Consulting



550+

AEC Firms Advised

- Strategic Planning
- Financial Benchmarking
- Valuations
- Talent & Compensation Strategy
- Technology & Innovation
- Sustainability & ESG

Mergers & Acquisitions



240+

M&A Transactions Advised On

- Sell-Side Engagements
- Preparation for Sale & Positioning Check-Ins
- Consultation on Capital Raises
- Buy-side Engagements
- Due Diligence & Market Studies
- Pre- & Post- Merger Integration

Leadership Conferences



100+

Conferences Hosted

- Analysis on AEC Trends from EFCG's Proprietary Industry Database
- Perspectives from Subject Matter Experts and Industry Executives
- Invaluable Peer-Networking Opportunities

Advanced Data Analytics & Insights



EFCG has the most comprehensive proprietary database in the industry

6

Annual Surveys

8M+

Data Points Every Year

500+

Database Contributing Firms

About EFCG – Where Firms Are Engaging Us Today

Financial & Operating Peer Benchmarking and Valuations

Our signature peer benchmarking analyses provides a 'financial MRI' that compares your firm to peers across 150+ financial and business metrics. It enables us to quickly identify your firm's strengths and weaknesses and develop an action plan to address key opportunities. We conduct over a hundred of these analyses each year and they are included in every Valuation we complete.



Artificial Intelligence (AI) Strategy

AI is a rapidly evolving field with the potential to help the AEC Industry improve productivity, reduce costs, and minimize project risk. Yet with it comes other firmwide and ethical concerns. EFCG can help you and your firm plan today to manage the potential downsides of AI and turn AI into a competitive differentiator.



Sell-Side and Buy-Side M&A Representation

EFCG provides integrated M&A advisory services to AEC firms and assists financial sponsors seeking to invest in the space. Exclusively serving the AEC Industry, EFCG has advised on 240+ completed transactions. We use a confidential process to gain a deep understanding of your firm and identify the right M&A partners for you.



Strategic Planning

With cross-industry experience (including with Fortune 100 firms), EFCG is an invaluable partner in helping AEC firms develop and execute on strategic plans. As a facilitator and thought partner, EFCG pulls in multiple important perspectives to assess a firm's opportunity and help create a plan that presents an exciting roadmap for the business and articulates how every employee can be a part of it.



Today's Presenter: Rebecca Zofnass



Rebecca Zofnass
Managing Partner
Strategy & Corporate Finance



Experience

2018-Present

Managing Partner

Strategy & Corporate Finance Lead

Environmental Financial Consulting Group (EFCG)

2009-2018

Senior Manager

Bain & Company

Education

M.B.A.

Harvard Business School

A.B., Psychology, with Honors

Harvard University

Agenda: GBA Survey Results

01 GBA Survey Results

- Growth
- Profit
- Overhead
- Multiplier x Utilization
- Working Capital

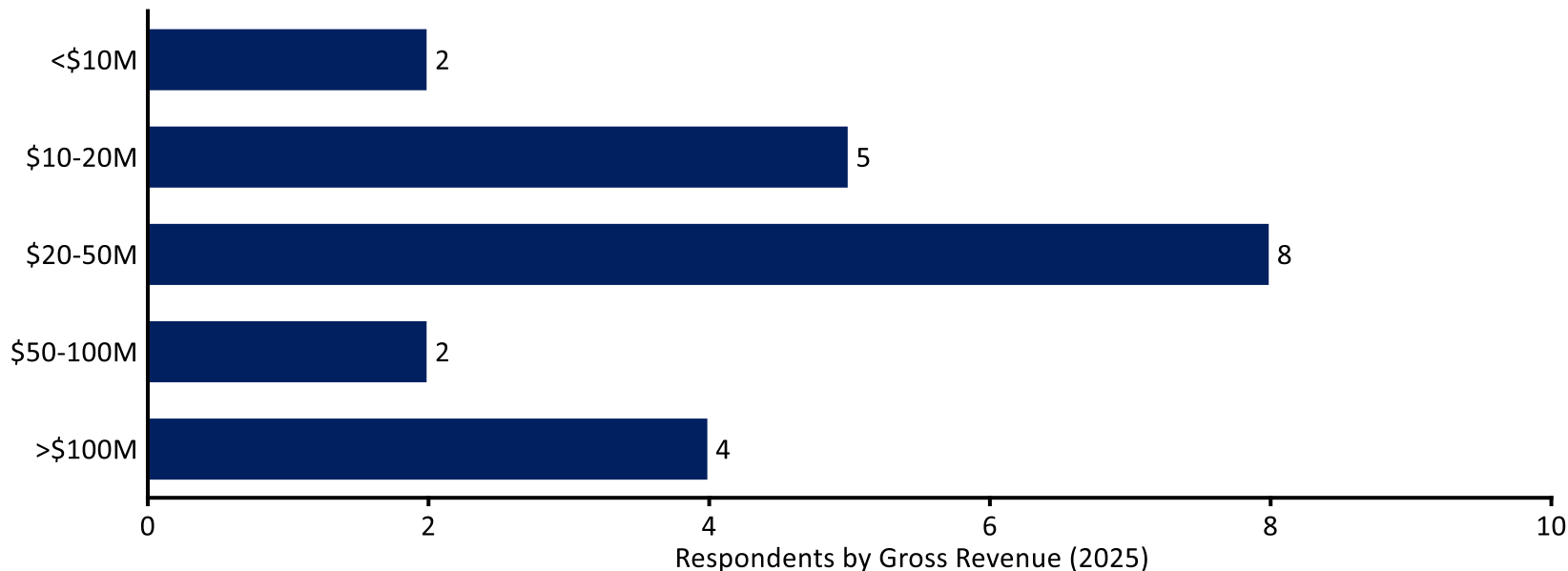
02 Industry Trends

- Technology Strategy
- Generative and Agentic AI
- Talent
- Emerging Business Models
- M&A



2025 GBA & EFCG Key Financials Survey Demographics

Survey respondents varied across different size groups, with 2 firms under \$10M in Gross Revenues, 4 firms with more than \$100M in Gross Revenues and 15 firms in between.



Source: 2025 GBA & EFCG Key Financials Survey

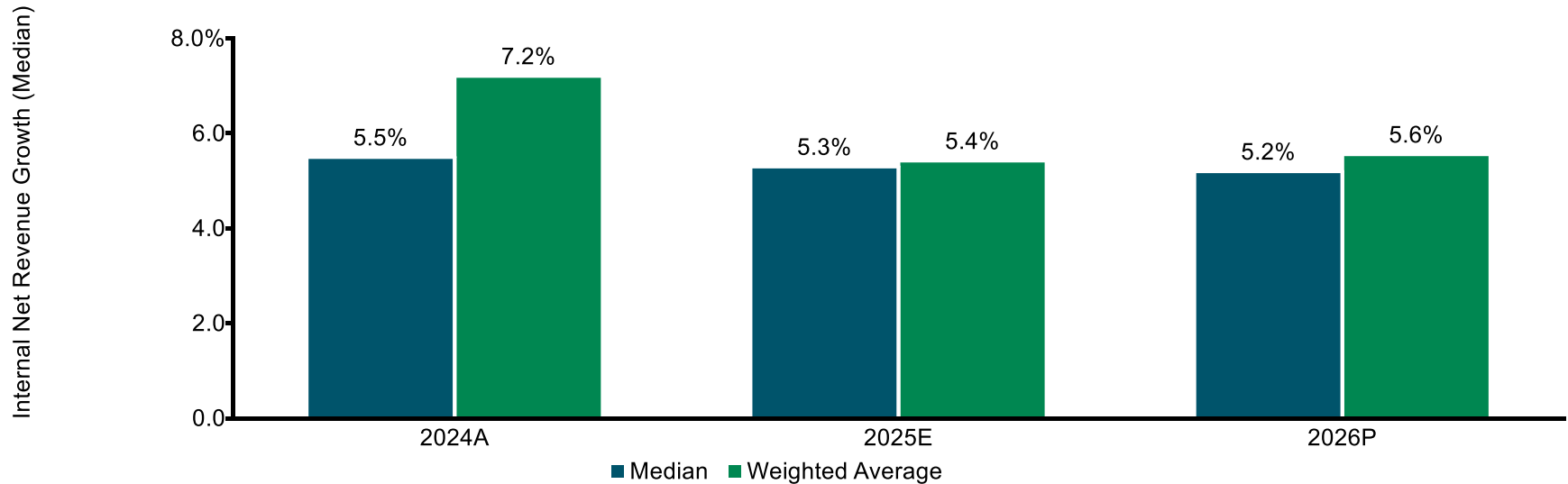
Growth

Fiscal Year 2024-2025 Financial Survey Report



Current Internal Growth Estimates

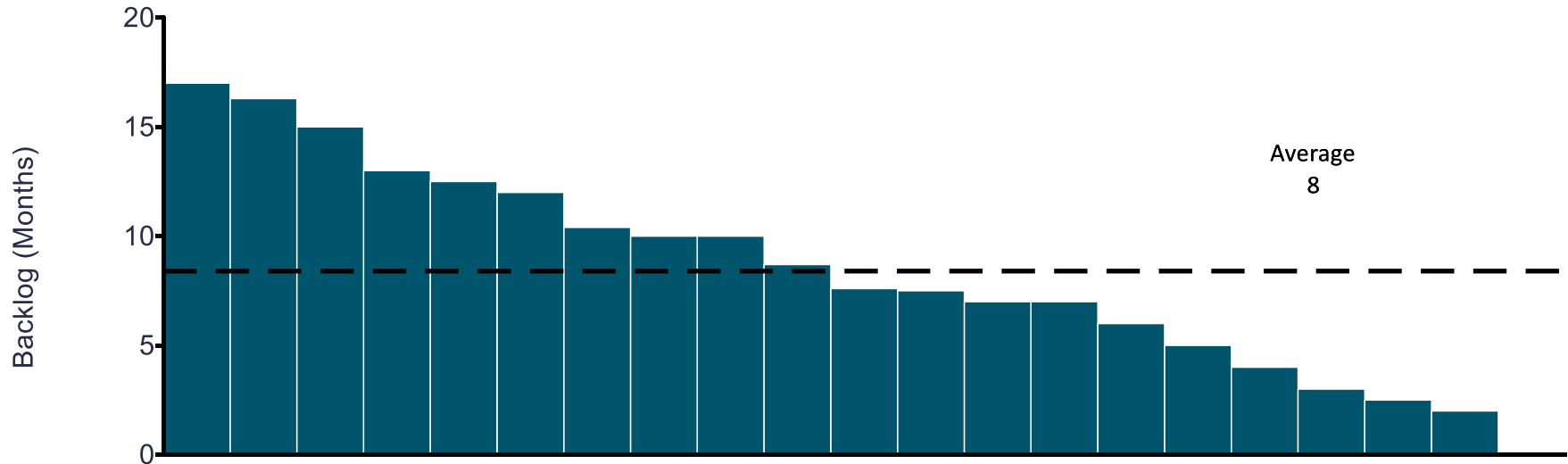
Median growth rates in 2024 and 2025E are ~5.5% and expected to drop slightly next year to 5.2%. Weighted Average growth rates (reflecting what's happening with the largest firms) show that larger firms had higher growth rates than smaller firms in 2024 but project future growth rates in line with smaller firms.



Source: 2025 GBA & EFCG Key Financials Survey

Backlog Rates

Growth projections are supported by strong backlog; on average, firms currently have an average of 8 months of backlog, with individual firms ranging from 0 to 17 months.



Source: 2025 GBA & EFCG Key Financials Survey

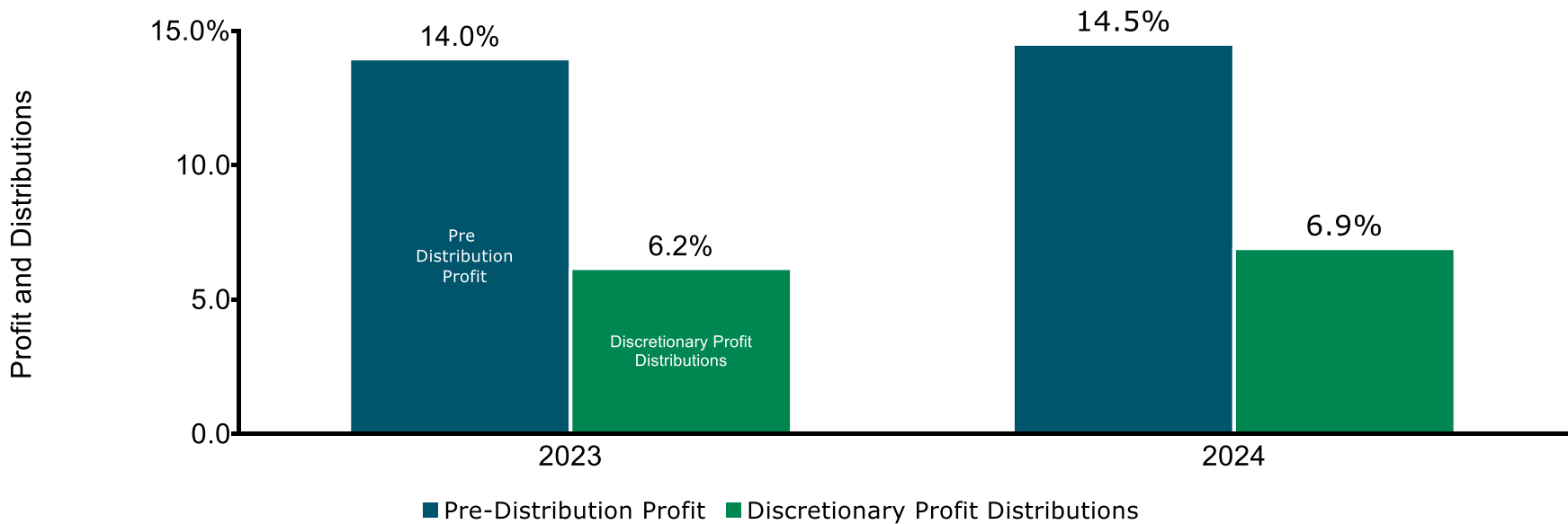
Profitability

Fiscal Year 2024-2025 Financial Survey Report



Current Profitability Estimates and Distributions

2024 Pre-Distribution Profit (profit before bonuses, profit sharing, other distributions, and taxes) came in at 14.5%.



Source: 2025 GBA & EFCG Key Financials Survey

Overhead

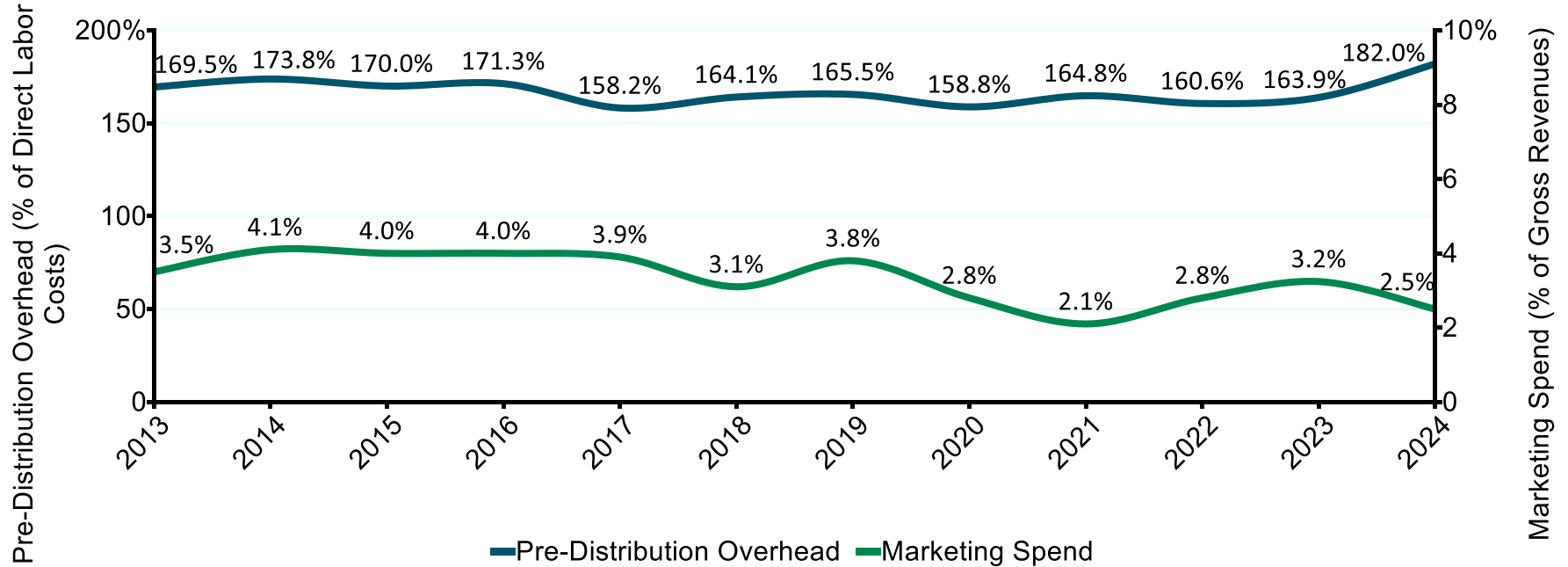
Fiscal Year 2024-2025 Financial Survey Report



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Historical Pre-Distribution Overhead & Marketing Spend

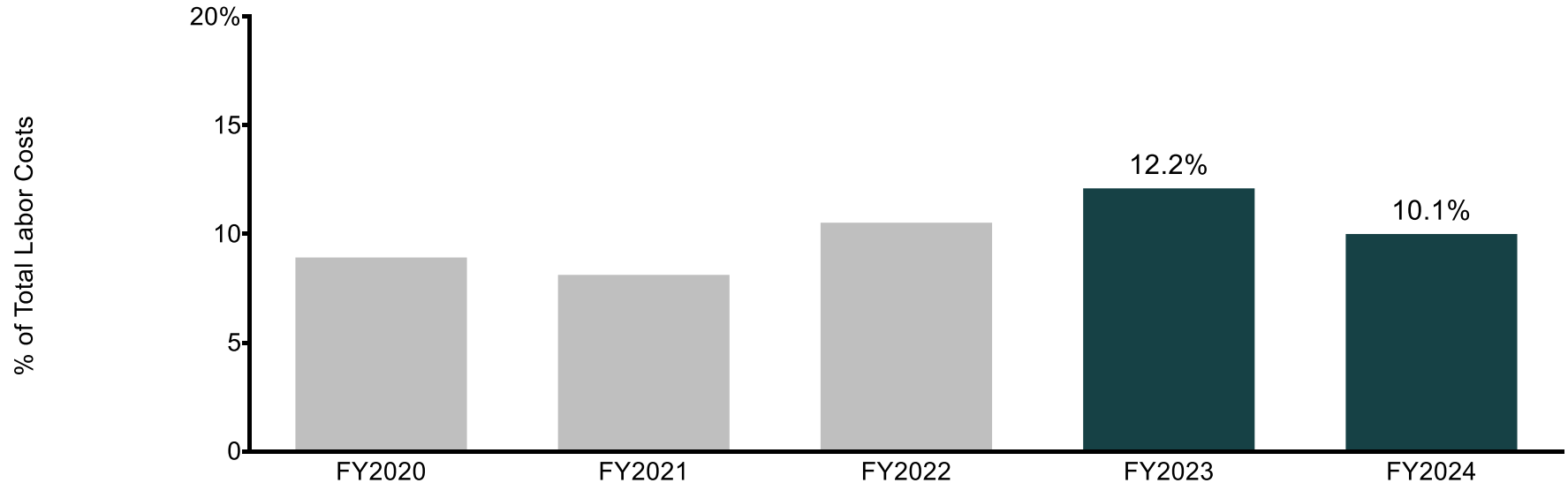
2024 Overhead was higher than previous years at a median of 182% of direct labor costs. Marketing spend ticked down, with a median spend of 2.5% of gross revenues.



Source: 2025 GBA & EFCG Key Financials Survey; 2014-2024 GBA Key Financials Survey

Overhead: Cost of Space

Respondents reported office space costs of between 0.0% & 19.1% of total labor costs, and a median of 10.1% for 2024.



Source: 2025 GBA & EFCG Key Financials Survey; 2014-2024 GBA Key Financials Survey

Multiplier x Utilization

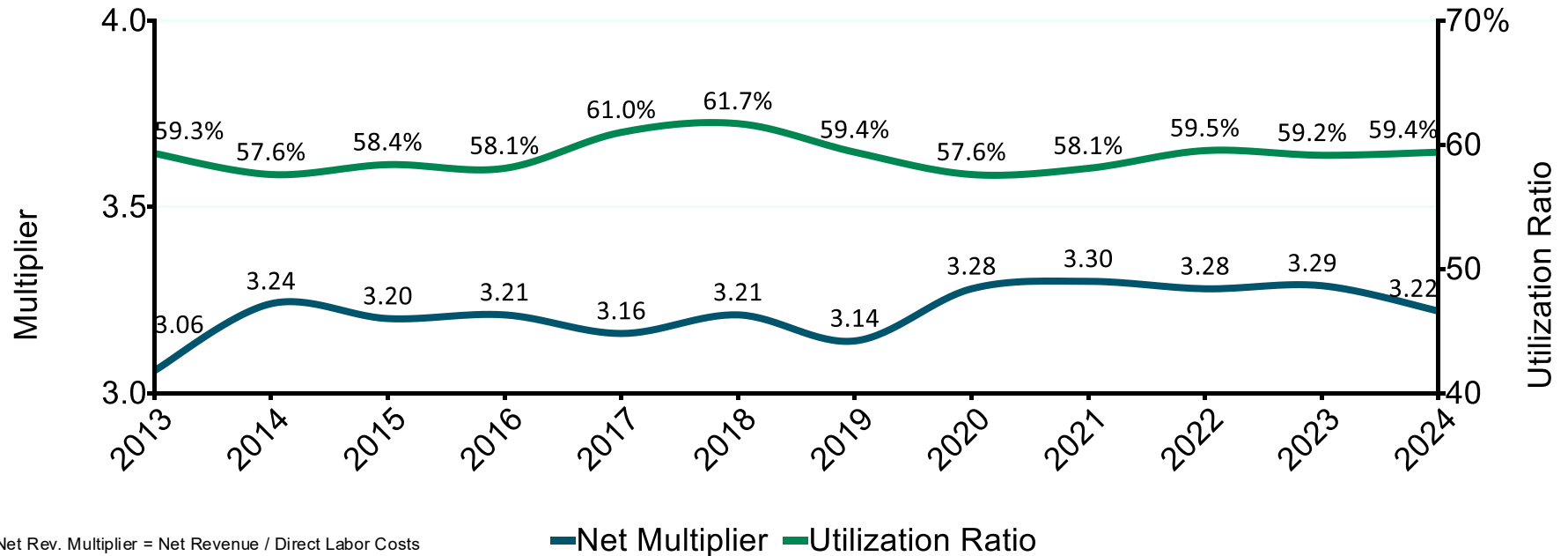
Fiscal Year 2024-2025 Financial Survey Report



EFCG

Multiplier and Utilization Rates

In 2024, median multiplier fell slightly at 3.22, while median utilization ticked up slightly at 59.4%.

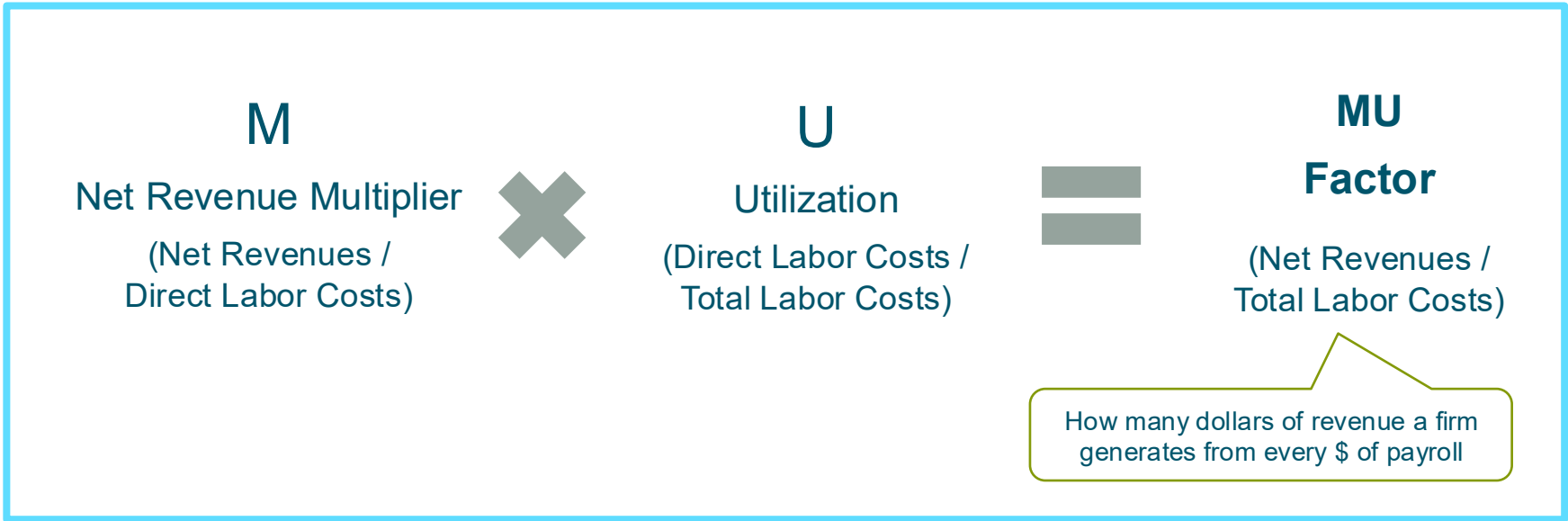


Net Rev. Multiplier = Net Revenue / Direct Labor Costs
Utilization = Direct Labor Costs / Total Labor Costs

Source: 2025 GBA & EFCG Key Financials Survey; 2014-2024 GBA Key Financials Survey

What is MU Factor?

A lot of different factors drive profitability, but one in particular – MU Factor – has the strongest correlation to a firm's profit margin!



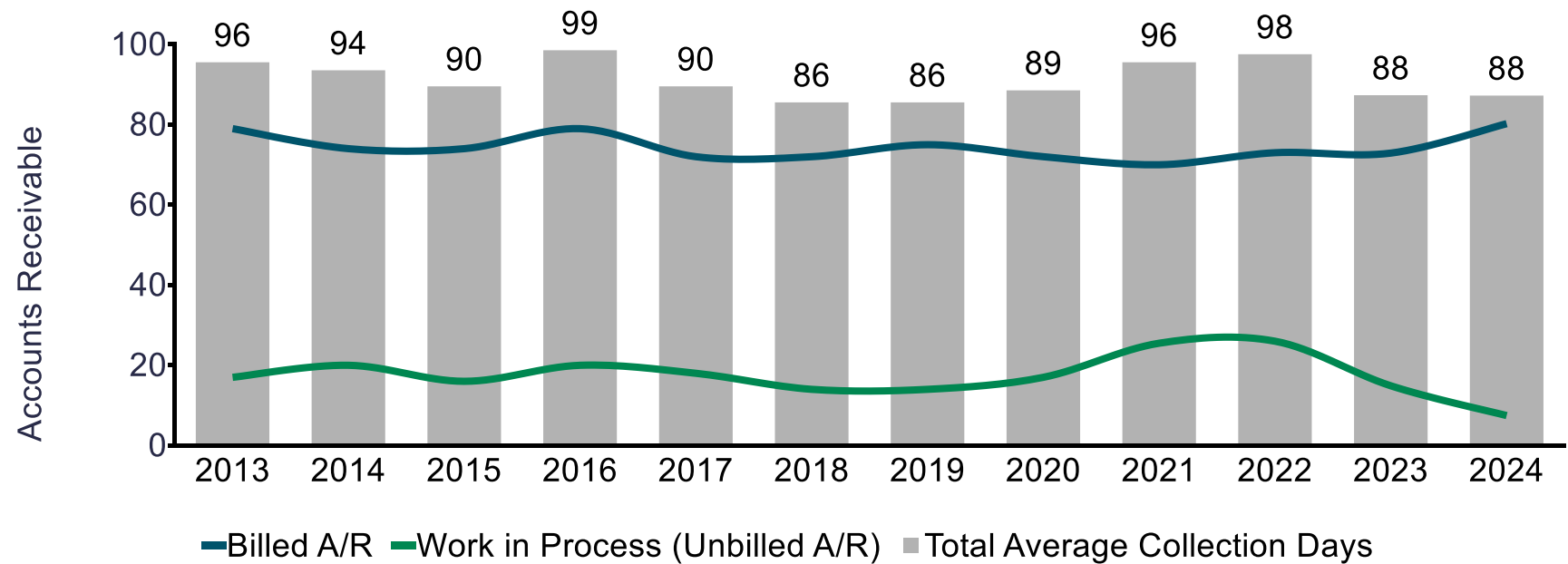
Working Capital

Fiscal Year 2024-2025 Financial Survey Report



Working Capital: Accounts Receivable

Median total A/R remained constant in 2024, driven by a higher Billed A/R but also a lower Unbilled A/R versus previous years.



Source: 2025 GBA & EFCG Key Financials Survey; 2014-2024 GBA Key Financials Survey

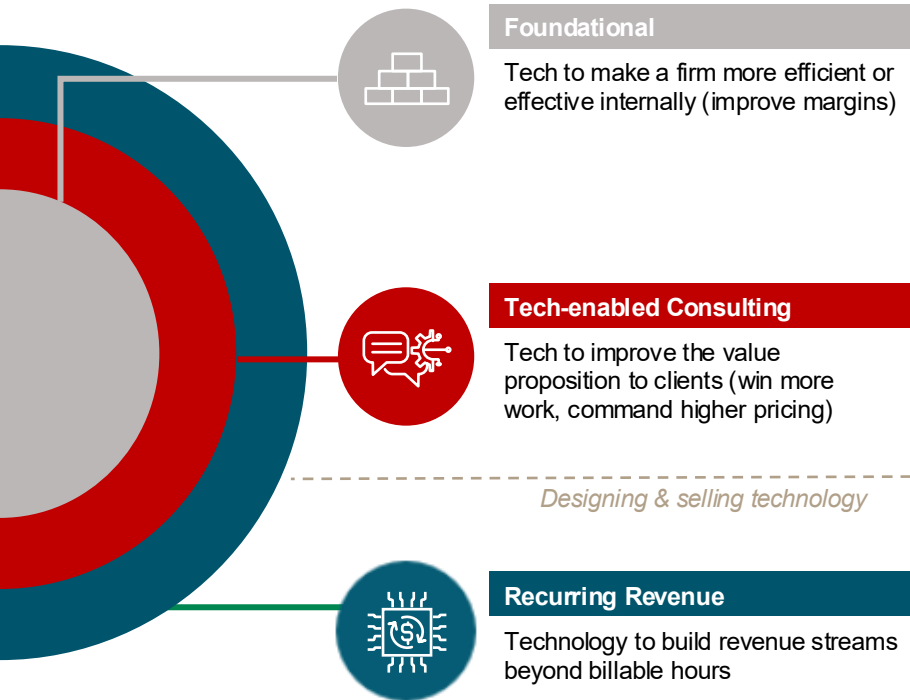
Tech Strategy

Industry Trends



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EFCG Technology Framework 2.0



Example technologies

Automation of Repetitive Tasks

Example: Agentic AI drafting routine project documentation (reports, proposals, QA checklists, meeting notes using transcription)

Knowledge Capture & Retrieval

Example: AI-powered project knowledge base that instantly retrieves design precedents, past calculations, and regulatory references

Internal Process Automation

Example: AI integrated RPA (Robotic Process Automation) for invoicing, compliance reporting, and timesheet validation

Quality Assurance / Error Detection

Example: AI tools that review engineering drawings for: code compliance, meeting internal and external standards, or detecting clashes in BIM models

Augmented Expertise

Example: AI-assisted design that allows the firm to explore more design options faster (e.g., generative or parametric design for infrastructure layouts)

Client Co-Creation Tools

Example: AI-driven scenario simulators where clients can test design trade-offs live (cost, sustainability, performance)

Hyper-Responsive Service

Example: Provide clients 24/7 project updates, design clarifications, technical Q&A, and syndicated content

Deeper Insights from Data

Example: Machine learning to predict asset performance or lifecycle costs based on design choices

Software-as-a-Service (SaaS) Products

Example: Proprietary tool for infrastructure lifecycle monitoring, offered to clients on subscription

Data-as-a-Service (DaaS)

Example: Aggregating anonymized project data (cost, measured performance, sustainability) and licensing use to asset owners, stakeholders or businesses

AI Advisory / Licensing

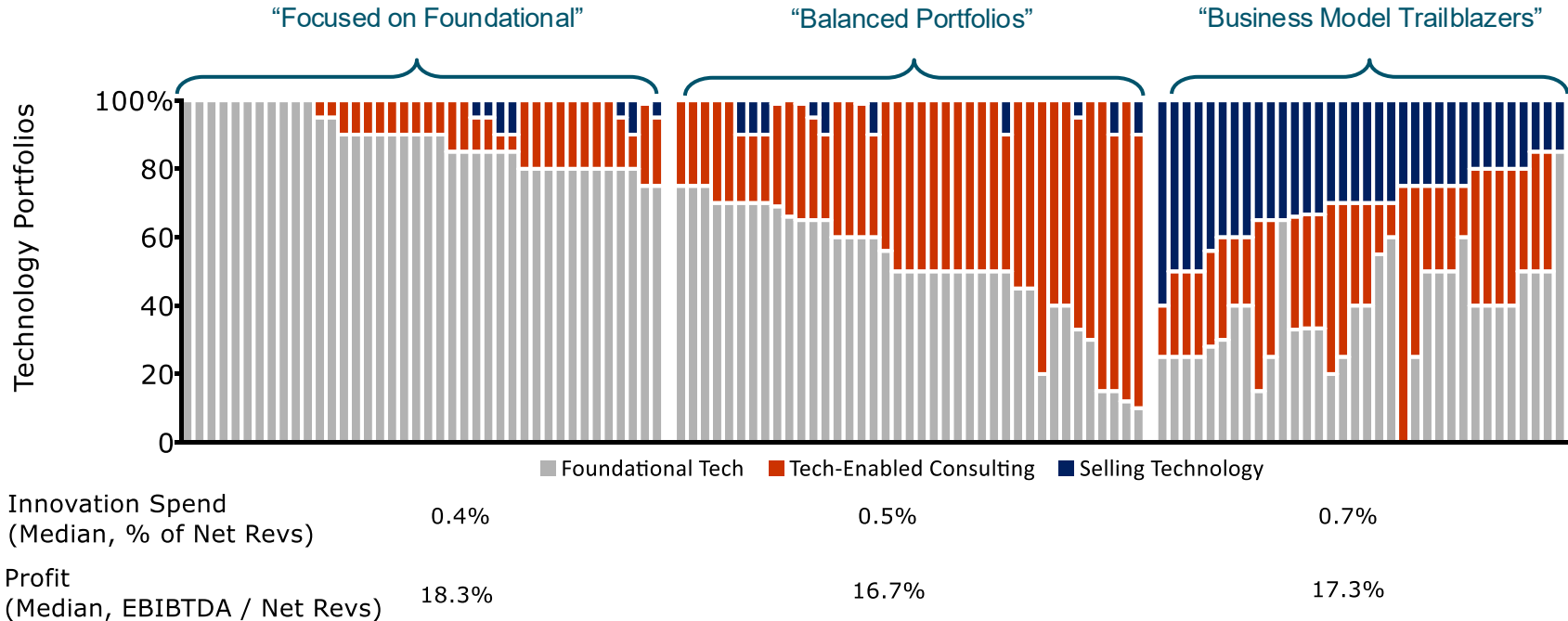
Example: License of image-based AI to detect and classify façade/structural defects trained on decades of tagged imagery from inspections

Ongoing Monitoring & Maintenance

Example: Post-project asset performance monitoring for bridges, utilities, or facilities

Technology Portfolios Differ Based on Strategy

We are beginning to see three different segments of AEC firms as it relates to technology spend, with “Business Model Trailblazers” investing in selling technology.

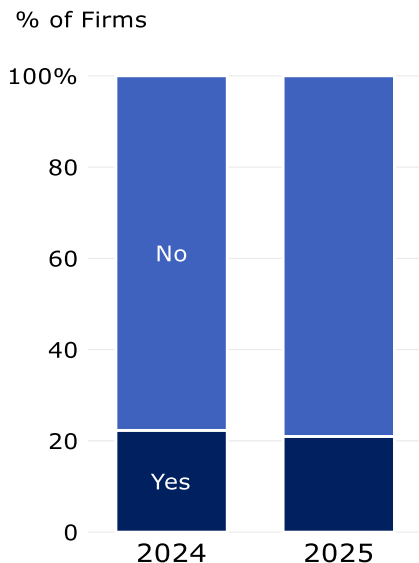


Source: 2025 FECG CEO Survey

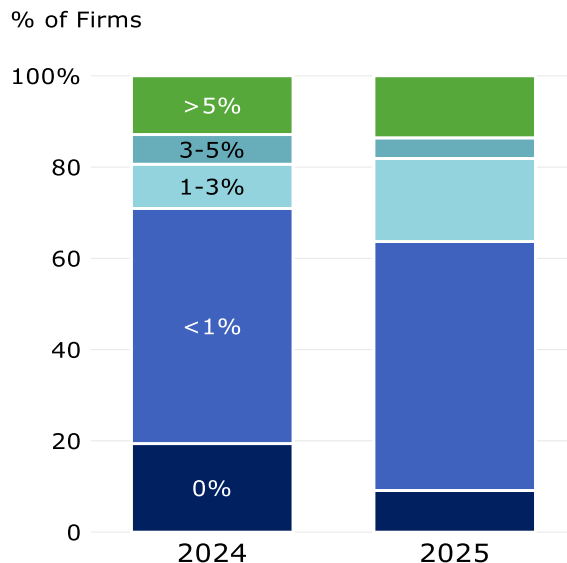
Firms Selling SaaS Are Getting Better At It

Similar numbers of firms are actively selling SaaS, but those who do are improving returns. Compared to last year, these firms have improved profit, likely putting SaaS margins above traditional design work.

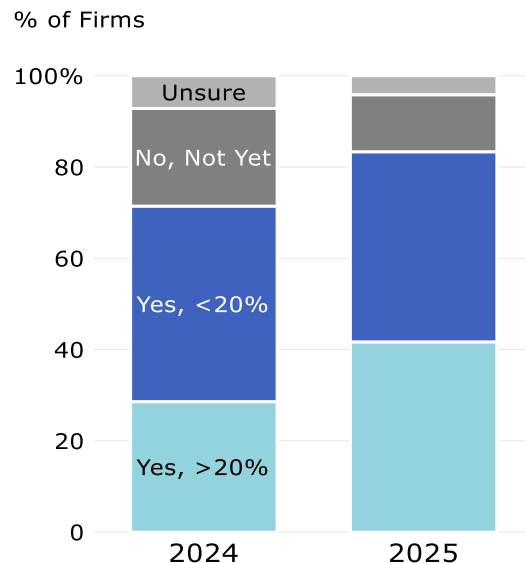
~20% of firms sell SaaS



Average ARR has increased...



... As Have Profit / Margins



Source: 2024 EFCG CEO Survey; 2025 EFCG CEO Survey

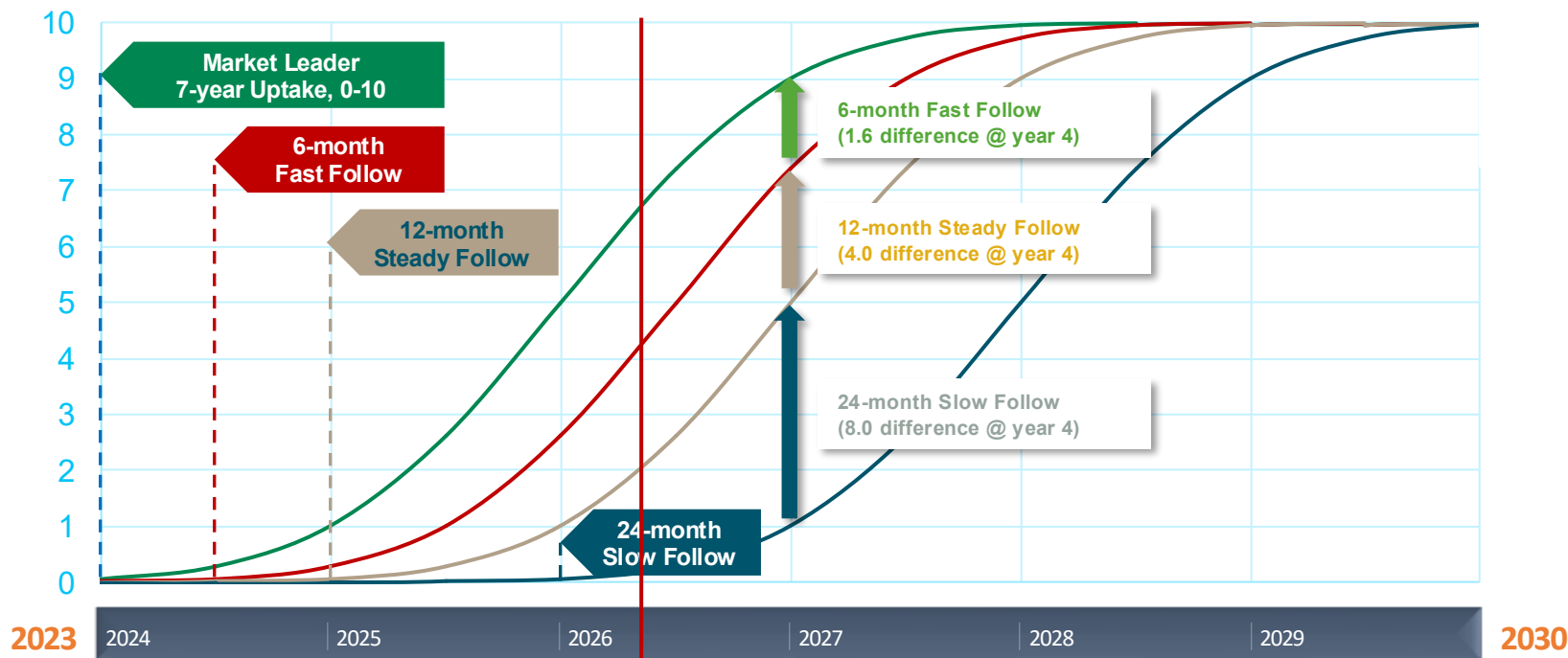
Generative and Agentic AI

Industry Trends



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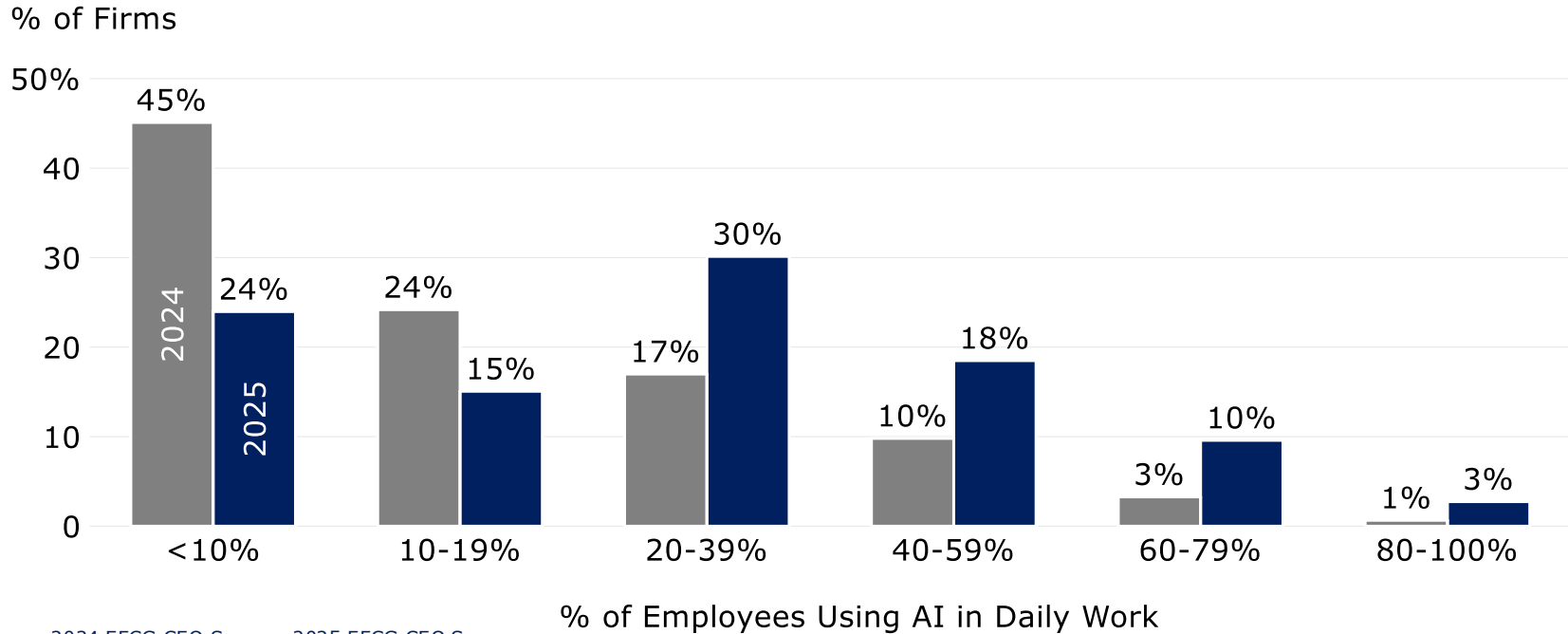
Generative AI Adoption Has Crossed into the Mainstream



The inflection point for Generative AI is behind us as the tools are increasingly embedded into employees' daily workflows.

Employee Usage of AI Has Increased Meaningfully

In fall 2024, on average 15% of employees used AI in daily work; today, that figure has jumped to 30%.

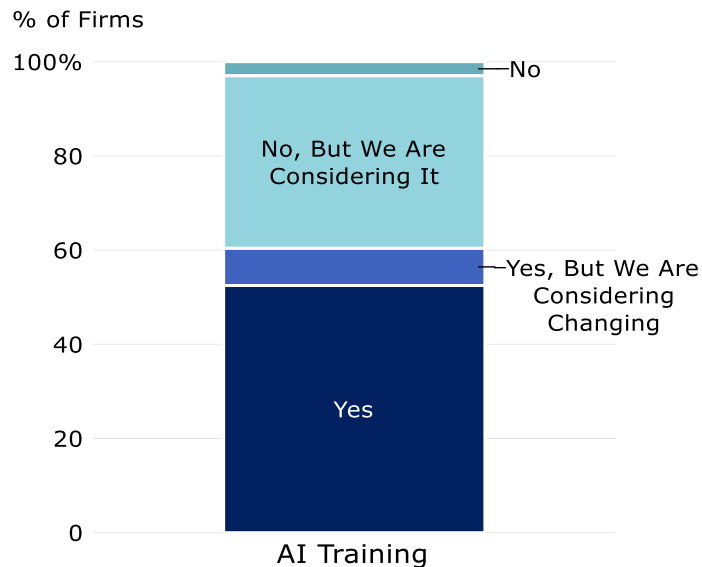


Source: 2024 EFCG CEO Survey; 2025 EFCG CEO Survey

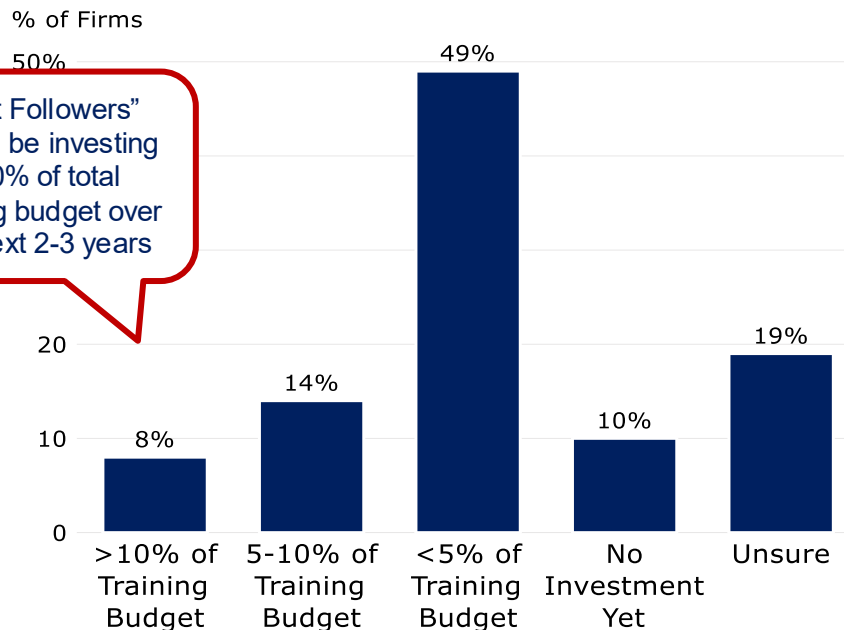
AI Training Will Be Critical to Widespread Adoption

AI training is common among AEC firms; however, half dedicate less than 5% of training budgets to it.

Offering GenAI Training



Investment in GenAI Training



Source: 2025 EFCG CEO Survey Database

Talent

Industry Trends

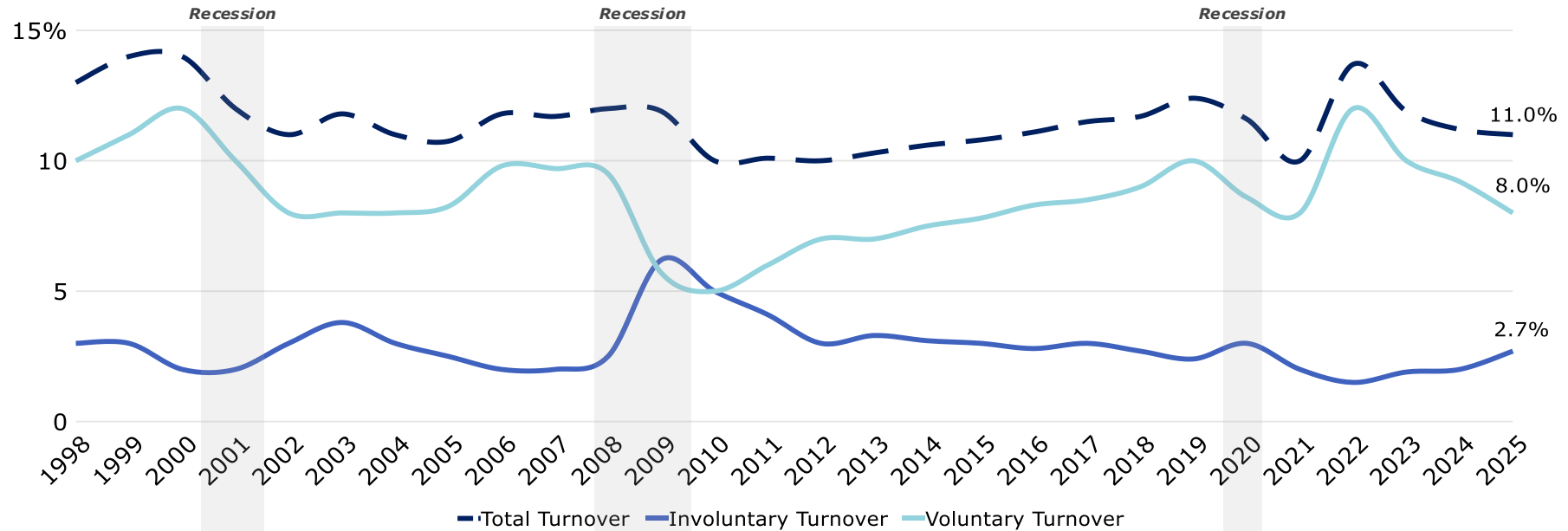


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Turnover Has Moderated, But Still Above 10%

Voluntary Turnover continues to decrease, but still higher than most of 2010's, while Involuntary Turnover saw a slight increase.

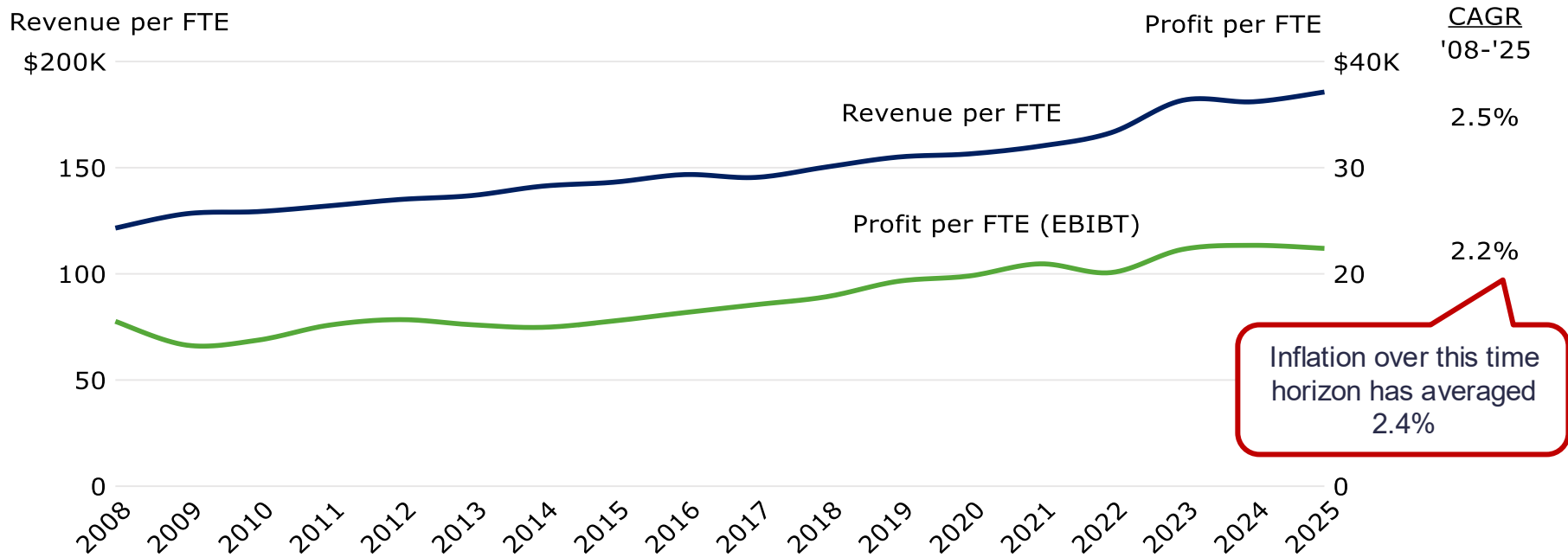
Median Turnover (Last 12 Months)



Source: 1998-2025 EFCG CEO Survey; note: turnover numbers are median (not average) and exclude hourly workers

Headcount Continues to Drive Revenue and Profit

Revenue and profit per FTE are just keeping pace with inflation. Are all the investments in efficiency & technology not driving productivity gains? Or does our industry have a **pricing** problem?

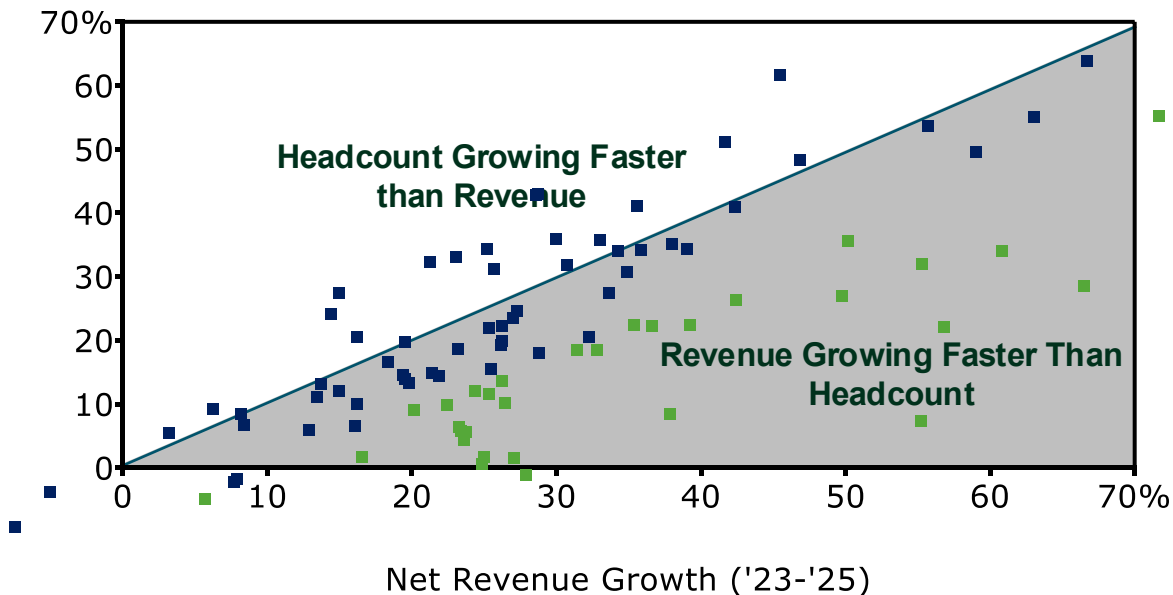


Source: 1998-2025 EFCG CEO Survey

Some Firms Starting to Disconnect Growth From FTEs

With talent constraints expected to continue, firms significantly gaining productivity (or decoupling growth from headcount) will likely emerge as leaders.

FTE Growth ('23-'25)



Source: 2025 EFCG CEO Survey Database

Green Dots = Fundamentally Evolving Business Model?

- Firms in green are growing revenue 15 pts faster than headcount
- This could simply indicate modest gains in pricing or constrained hiring
- But it could *also* indicate firms decoupling revenue and headcount through AI, recurring revenue, new business models, etc.

Emerging Business Models

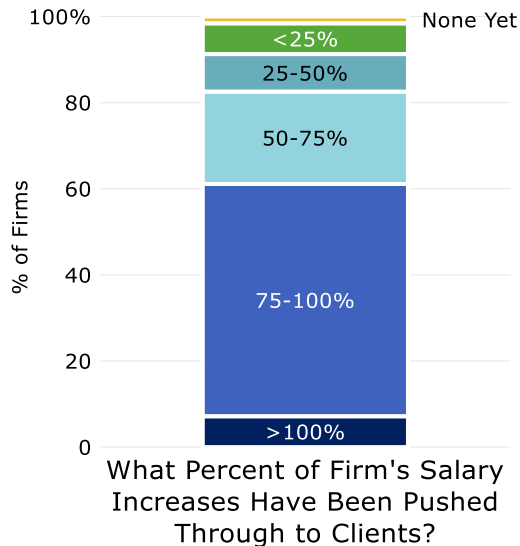
Industry Trends



Pricing Remains a Challenge, So Firms Becoming More Selective

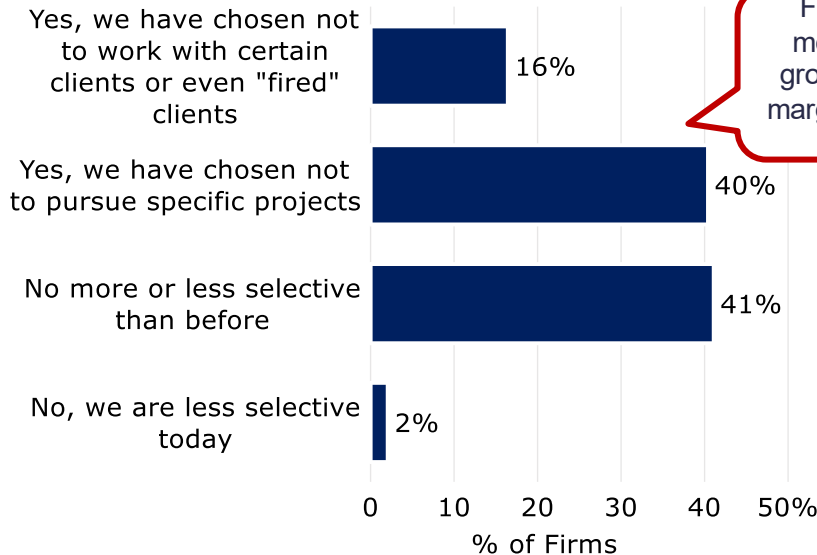
Most firms report some level of success with increasing pricing with clients, however about 40% of firms have been unable to fully push salary increases to clients.

Salary Increases Pushed to Clients



Source: 2025 EFCG CEO Survey

Client Selectivity



Firms who have become more selective see higher growth (+5.3 pp) and higher margin (+1.8 pp) the following year

One-Third of AEC Firms Offer Management Consulting

Consulting is becoming a common growth strategy, although most firms are generating less than 5% of revenue from Advisory Services. Many of these firms are still defining what it looks like or means for their business and their clients.

% of Firms

40%

30

20

10

0

Do Management Consulting
Work?



% of Firms

60%

56%

40

20

0

<5%

5-10%

11-20%

>20%

Unsure

% of Revenue from Management Consulting / Advisory



17%

6%

17%

4%

Management
Consulting core to
business model

M&A

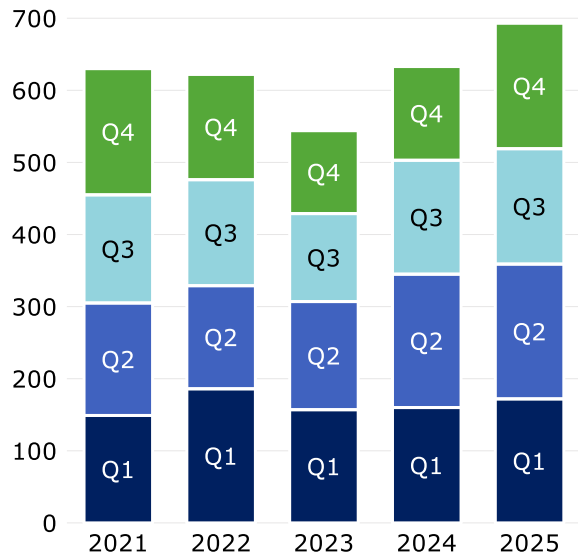
Industry Trends



M&A Market Overview

Recent M&A Transactions

Estimated # of Acquisitions
Across A/E/C Industry by US
& Canadian Acquirers¹



Source: PitchBook; 2025 EFCG CEO Survey; EFCG M&A Database; EFCG Analysis

¹ As of January 2026

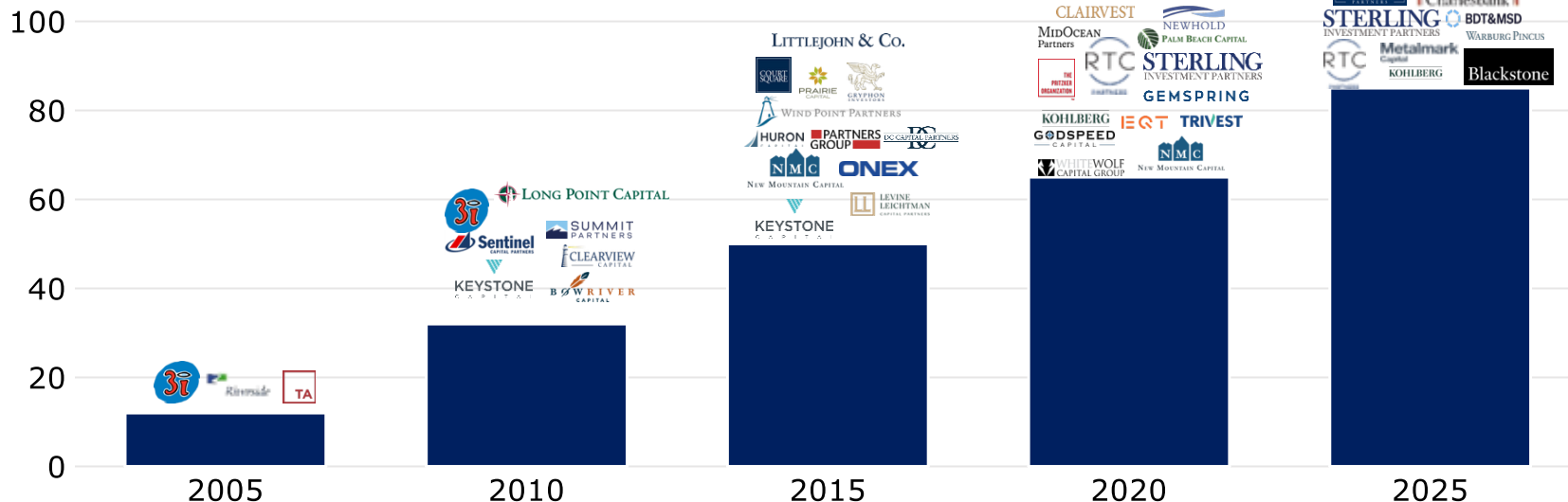
Key Trends

- **Increasing macro volatility**
 - Investors are deploying capital more selectively amid ongoing volatility, favoring firms with strong backlog, diversified end markets and other defensive characteristics
- **The technology premium**
 - Buyers are rewarding firms where technology is embedded in delivery, not siloed
 - AI and digital tools that drive repeatable results, improve margins, reduce risk, and scale across the enterprise are becoming key competitive and valuation differentiators
- **Energy infrastructure is a growing M&A driver**
 - Grid strain, renewed nuclear momentum, supportive oil & gas policy and strong public funding create long-term growth opportunities with reduced risk
- **Roll up strategies are here to stay**
 - PE-backed AEC platforms & strategics alike pursuing “buy and build” strategy

Private Equity Investment Has Been Significantly Increasing

The first PE investments in our industry were in the early 2000's – today 16% of firms >\$30M are backed by private capital.

Estimated Number of PE Firms Actively Invested In Industry

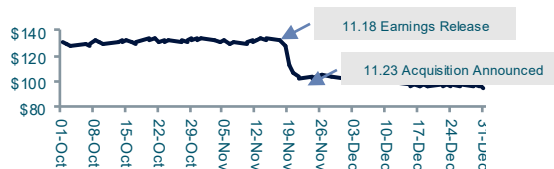


Source: EFCG M&A Database

AI Comes for M&A: Consigli Case Study

Overview

- At its Q4 Investor Day, AECOM discussed a significant reduction in labor hours from utilizing AI. CEO called AI an “existential risk.”
 - A few weeks later, announced that AECOM acquired Consigli.AI at an enterprise value of ~\$390M
- Consigli does design optimization in vertical construction, especially MEP-intensive building design - focused on constrained, high-repeatability design problems
 - The implied strategy: reduce internal effort dramatically while maintaining deliverable pricing and capture margin
- Market reaction: minimal, suggesting investors want demonstrated *outcomes* (not just an AI narrative)



Implications for the Industry

We expect this to accelerate the AI arms race and drive increased focus on “technology enablement” narratives across the sector

The pragmatic posture for most firms is fast-follow:

- Watch early movers for stumbles and real metrics
- Replicate validated patterns at lower cost
- Focus investment on defensible niches and proprietary data/workflows

Key Takeaways

The Industry Is Strong – But the Easy Gains Are Behind Us

- Margin stabilization signals a shift from tailwinds to discipline.
- The firms that sustain performance will manage multiplier, pricing, and cost structure with greater precision.

Productivity Is The Defining Variable

- Firms that bend the revenue-per-FTE curve will accelerate versus those that rely on hiring.
- The next margin wave will come from workflow redesign, automation, and selective fixed-price delivery.

Technology Strategy is Business Strategy

- Technology investment is no longer discretionary — it is a capital allocation decision tied directly to valuation and competitive positioning.

Ask Me Questions

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<https://calendly.com/rzofnass>

Thank You!

