

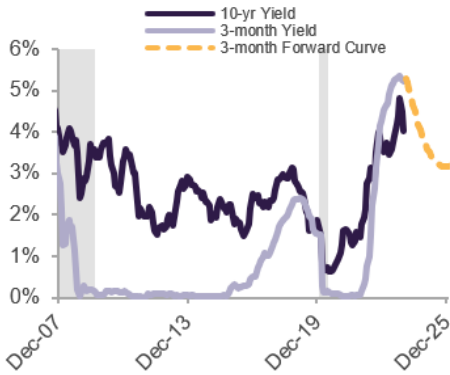
# Waste & Environmental Services Market Update

Industry Consulting Team | February 2024

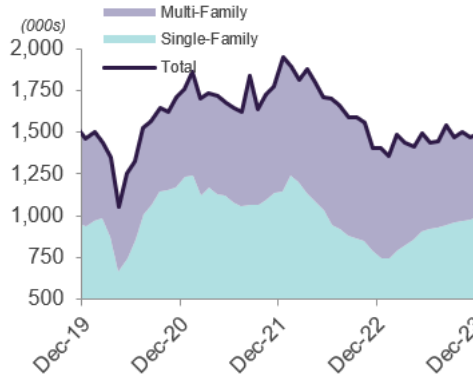
## Environmental and Engineering Services Industry Trends

Expected rate softening will be a key demand driver for further domestic infrastructure activity.

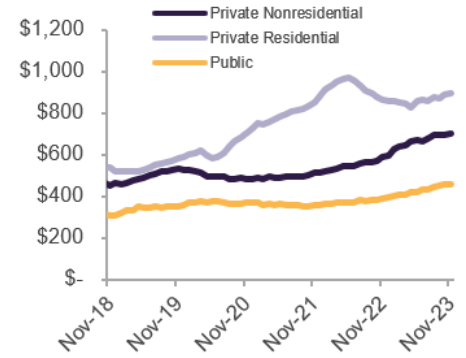
### Interest Rates



### Housing Permits



### Construction Spending

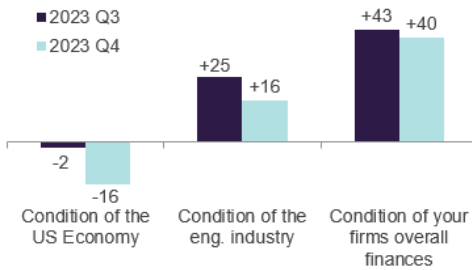


## American Council of Engineering Companies (ACEC) Q4 2023 Business Sentiment

Engineering firms are optimistic about business conditions within the sector as future backlogs are expected to grow or stay steady in 2024.

### Future Economic Sentiment

(12 Months From Now)

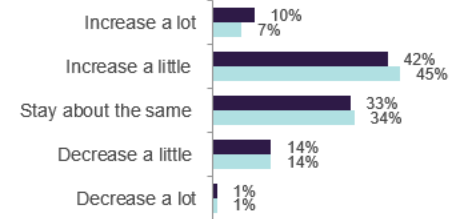


### Sector Sentiment By Industry

Transportation-Airports	+80
Transportation-Roads and Bridges	+80
Water/Wastewater	+79
Energy and Utilities	+78
Science and Technology	+74
Healthcare and Facilities	+70

### Future Backlog

(12 Months From Now)

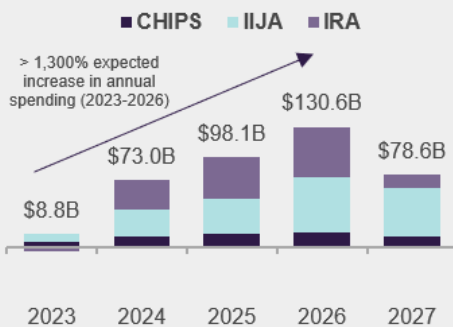


Larger firms with more than 500 employees have the highest rating (+57) compared to other firm sizes.

## Current Industry Drivers

As the industry benefits from regulation towards infrastructure reform and environmental awareness, M&A activity is expected to remain elevated.

### Policy Impact On Fiscal Spending



CHIPS: CHIPS and Science Act

IIJA: Infrastructure Investment and Jobs Act

IRA: Inflation Reduction Act

### M&A Activity

Buyer	Target	Highlight
		GRP was one of six acquisitions made by Verdantas in 2023. Company is backed by RTC Partners
		SAM, LLC is one of the largest geospatial firms in the U.S. It's acquisition of Wellston Associates was one of six acquisitions in 2023
		IMEG added around 350 employees to its 2,200-person base through two acquisitions. The company made six acquisitions in 2023
		Publicly-traded NV5 announced five acquisitions in 2023 further bolstering its capabilities in infrastructure and utility projects

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Sources: Bloomberg, CapIQ, Federal Reserve Bank of St. Louis, American Council of Engineering Companies, U.S Census Bureau, Industry Research, Truist IAG, U.S. Congressional Joint Committee on Taxation, Congressional Budget Office  
Data as 1/30/2024

Source: Truist IAG, Strategas, U.S. Congressional Joint Committee on Taxation, Congressional Budget Office; uses May 2023 JCT Estimates to update Green Tax provisions. Negative value in 2023 for IRA represents reduced expected tax revenues due to green energy tax credits.

Sentiment: The ACEC Business Survey is based on net rating of surveyed firms. A positive net rating indicates overall sentiment is optimistic while a negative net rating indicates an overall pessimistic sentiment.

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