

Fall 2024

M&A Thrives in a Rising Environmental Testing Market

Strategic buyers prioritize inorganic growth through smaller tuck-in acquisitions to boost profit margins and accelerate expansion.

Environmental Testing: Mergers & Acquisition Landscape

What Drives the Deal Activity?

Expanding Portfolio
with New Sources

Developing Business
& Innovation

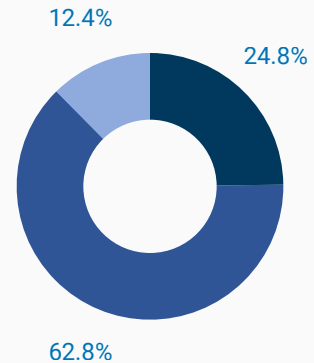
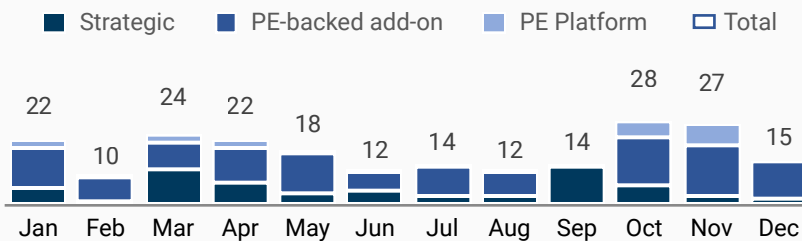
Acquiring Enhanced
Digital Capabilities

Increasing Average
Profitability Margins

Strategic buyers prioritize inorganic growth through smaller tuck-in acquisitions to boost profit margins and accelerate expansion.

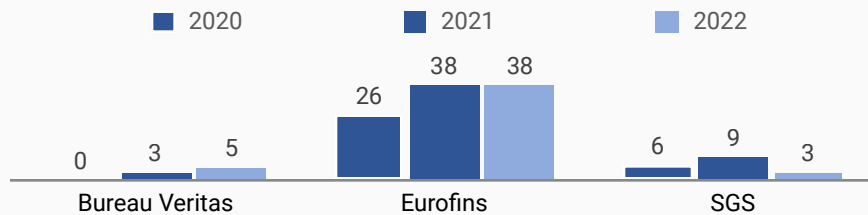
TICC M&A Activities is Characterized by PE Platform Acquisitions

Monthly Number of Deals in the TICC Sector – By Buyer Type, 2023



M&A Has Remained a Consistent Growth Driver For TICC Major Players

Number of M&A Acquisitions



Spotlight on TICC Transactions

November 2023



- Summit offers environmental lab testing for consulting, wastewater treatment, sewage assessment, and API testing services.
- Alliance Technology Group to broaden service offerings.

June 2023



- Riner Engineering offers geotechnical engineering and construction materials testing and inspection services.
- Universal Engineering Sciences LLC to enhance geotechnical expertise.

March 2023



- Alpha Analytical offers comprehensive environmental laboratory services, covering air, water, soil, and emerging contaminants like PFAS.
- Pace Analytics to enhance laboratory services.

Jan 2023



- Atlas Technical Consultants, Inc. offers professional testing, inspection, engineering, and consulting services.
- GI Manager LP to bolster investment portfolio.



Key Trends and Opportunities

Prominent Trends To Expedite Environmental Testing Market



Laboratory Workflow Automation

- Environmental testing labs have embraced automation to ensure data integrity, efficiency, increased output, and reduced administrative burdens and costs.
- For example, when a parameter surpasses its threshold, lab managers are alerted.



Adoption of Cloud Technology

- Cloud computing provides laboratories with a vital advantage: seamless storage and access to data from any location at any time.
- Cloud-based systems, like Laboratory Information Management Systems, utilize cloud technology for improved security and automated, timely updates.



Use of Artificial Intelligence (AI) and Machine Learning (ML)

- AI/ML boosts experimental design, speeds up result analysis across multiple tests, and facilitates data-driven decision-making.
- For instance, AI effectively estimates mineral composition, cutting testing costs when combined with basic infrared spectrophotometry.

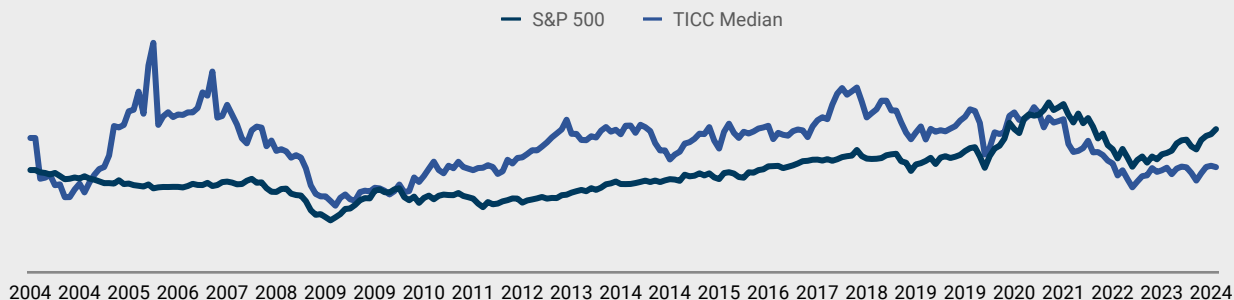


Laboratory Information Management System (LIMS) Implementation

- Implementing an environmental Laboratory Information Management System (LIMS) significantly improves lab operations and ensures compliance with standards like ISO 1702.
- LIMS implementation ensures regulatory compliance and enables seamless laboratory inventory and test management.

TICC⁽¹⁾ Major Players Resilience Through Economic and Commodity Cycle

Historical Trading Performance, 2004 – 2024 (EV / LTM EBITDA)



Source: Cloud IIMS, Medium, Harris Williams, Industry Research, and Press ArticlesNotes: (1) Testing, Inspection, Certification, and Compliance

TICC Median



eurofins

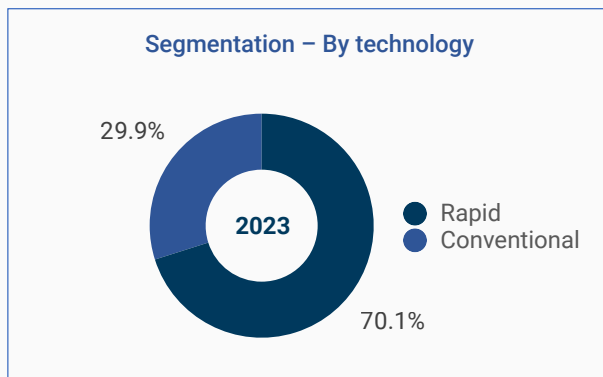
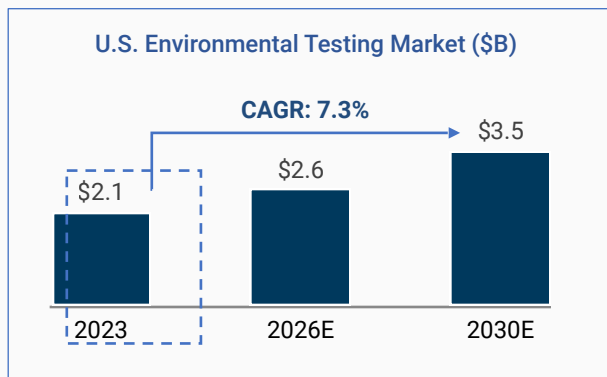
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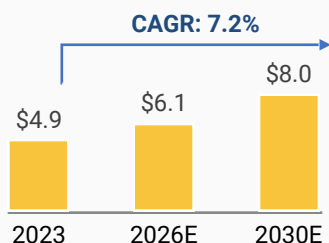
Rising Environmental Testing Market

Environmental testing assesses hazardous or toxic substances, pollutants, or contaminants in soil, air, and water.

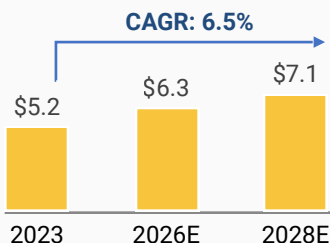
Environmental Testing Market To Experience Strong Growth



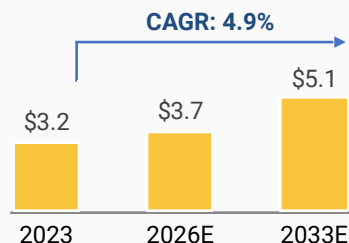
Global Air Quality Monitoring Market (\$B)



Global Water Testing & Analysis Market (\$B)



Global Soil Testing Market (\$B)



Government Regulations & Environmental Consciousness to Drive the Market

Growing Occurrences Of Water Borne Diseases Make Water Testing Critical

Increasing Testing Services To Limit Infrastructure Collapse

Degrading Air Quality And Its Unhealthy Levels

Rising Federal Fundings To Expand Environmental Testing Capabilities

Increasing Government Scrutiny For Environment

Increasing Adoption of Data and Advanced Technologies

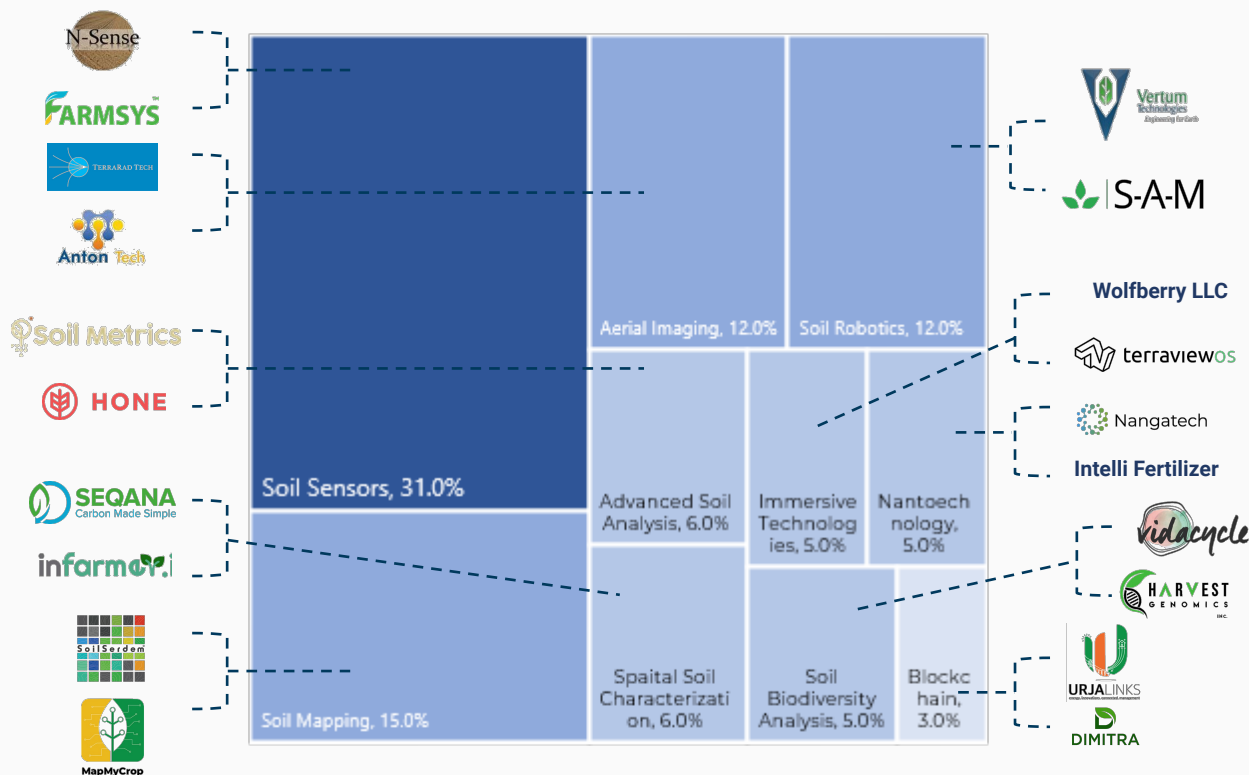
Source: Grand View Research, Future Market Insights, Allied Market Research, Verified Market Research, Investec, Industry Research, and Press Articles



Market Segments and Dynamics

Startups Are Developing Solutions To Improve Soil Monitoring And Analysis

Impact of Top 10 Soil Monitoring Trends and Companies Catering to the Trends



Evolving Air Testing Technique

Real Time Monitoring and Sensing Technology

- ✓ Air quality testing trend: Real-time monitoring systems widely adopted
- ✓ Past limitations: Occasional sampling and lab analysis hindered prompt detection of pollutant level changes.
- ✓ Sensor technology advancement enables continuous air quality monitoring.

Innovations in Wastewater Testing

Sensor Technology and Microfluidics

- ✓ Real-time sensors monitor pH, turbidity, dissolved oxygen, and contaminants, ensuring rapid response to water quality changes.
- ✓ Microfluid devices utilize tiny channels and sensors to analyze small volumes, detecting low contaminant concentrations precisely.

Source: Cloud IIMS, Medium, Industry Research, and Press Articles

GENERATIONAL EXPERIENCE YOU CAN TRUST.

