

The Right Strategy with the Right Capital



Walnut Lake Partners (WLP) is an independent investment bank providing capital placement and M&A advisory services to private middle-market companies. WLP advises businesses at critical inflection points — growth, acquisition, recapitalization, sale — and pairs each client with institutional capital aligned with its strategy and shareholder objectives.

WLP provides a comprehensive strategic and financial service offering to middle-market firms in the AEC sector. Our deep experience in both the AEC industry and capital markets enables us to provide a unique approach to helping firms evaluate strategies at this critical inflexion point.

AEC Industry Outlook

The global Architecture, Engineering, and Construction (AEC) services market is expanding rapidly, projected to grow from \$146.7 billion in 2026 to \$426.6 billion by 2033 (a 16.5% CAGR). Momentum is driven by unprecedented private equity activity, digital transformation, and capital reallocation toward mega-projects like AI data centers, semiconductor manufacturing, water infrastructure and grid modernization.

- **Infrastructure Investment:** Government initiatives, such as the Infrastructure Investment and Jobs Act and clean energy mandates, are boosting investments in transportation, water systems, and energy projects.
- **Margin Pressure:** Tariffs on steel and aluminum are contributing to rising material costs that are squeezing contractor margins and prompting project delays.
- **Digital Transformation:** Digital services is approaching 50% of total AEC market revenue. The increasing adoption of artificial intelligence (“AI”), automation, and building information modeling (“BIM”) technology is revolutionizing project design and delivery leading to more recurring, high-margin revenue.
- **Sustainability Efforts:** Growing demand for environmentally sustainable and energy-efficient design is transforming the AEC industry and driving innovation in green architecture and smart buildings.
- **Automation:** Automation is freeing up engineers and designers from repetitive tasks, allowing them to focus on creative problem-solving and value creation, especially in areas like environmental sustainability and design resiliency.
- **Labor:** A chronic labor shortage across specialized engineering disciplines continues to cap organic organic growth while a more diverse labor force is fostering collaboration and generating innovative solutions to industry challenges.

Capital Markets Trends



Private equity firms, family offices and debt funds are flush with cash and looking to deploy capital in AEC sector.



The fragmented AEC market is ripe for consolidation with over 100,000 small companies.



Valuation multiples remain strong for both platforms and add-ons with high-recurring revenue, steady growth and resilient margins. High growth end-markets drive top valuations.



Acquisitions are creating strategic value by providing access to skilled professionals, integrating advanced technologies like AI and BIM to boost efficiency, and expanding services and geographic reach to enhance market position and client value.



Companies have many capital options available today, from a range of debt options to minority and majority recapitalizations. Firms can accelerate growth and shareholder value without selling 100% of the company.

Expertise in Evolving Strategic Capital Markets

The unique ability of WLP to source the right capital partner that aligns with strategy and shareholder objectives differentiates us in the AEC sector. Our focus on delivering value through strategic planning and financial support ensures that firms can use capital to fuel growth while preserving long-term shareholder value.

- Access to a large network of private equity firms, family offices, strategic buyers, senior and subordinated lenders investing in the AEC sector
- Deep senior experience in developing and executing strategic plans, M&A strategies, and complex financings
- A proven process built for fast execution
- Active in both debt and equity capital markets, providing real-time insights into market pricing and terms

Select Private Equity Platforms

PE Firm	Company	Area of Focus
Sterling Investment Partners	Verdantas	Environmental/Sustainable Engineering
Godspeed Capital	Insite, Infrastructure C&E, ERG	MEP, Water, Federal
HIG Capital	CHA Consulting	Engineering/Consulting - Infrastructure
Wind Point Partners	MOREgroup	AE Services – Education, healthcare, government
Blackstone	Salas O’Brien	Engineering/Consulting – Public, Private
Carlyle	Quest Global	Global Engineering, Tech – Private Markets
Oceansound Partners	GFT	Engineering/Consulting - Infrastructure
Bernhard Capital	Grace Design Studios	AEC Services - Education, Healthcare, Government
VSS	HFV Companies	AEC Services – Public, Private
Veritas Capital	Trinity Consultants	Engineering/Consulting – Natural/Built Environments

Services

- Preliminary assessment / valuation to assist with short-term and long-term planning
- Acquisition strategy planning and deal execution
- Debt/equity growth financings to complement acquisition program
 - Leveraged recapitalizations
 - Minority recapitalizations
 - Majority recapitalizations
- Sale or divestiture
- Introductions to network of advisors including wealth managers to assist with estate planning, deal preparation

Jon Doehr
612.810.7311
jd@walnutlakepartners.com

Minneapolis, MN
www.walnutlakepartners.com