



The Top Environmental Firms

Winning Market Share, and Buying It

In both the private and public sectors, sustainability and attention to resource cleanup, protection and reuse are the trends of the day. The Top 200 Environmental Firms have been engaged in all sectors of the green marketplace for years, even decades. Now, they

are reaping new rewards from this growing cachet of environmental correctness. Infrastructure spending, buoyant economies and the firms' own push for size and payback are combining to generate another year of solid results for the Top 200. But some executives worry about signs of trouble that could stunt firm growth a little, or a lot.

Total revenue for the Top 200 in 2006 climbed 12.5% to \$42.2 billion, another positive result to add to the previous year's 13.6% hike and a four-year trend of upward market growth overall and in most key environmental market segments (see chart, p. 40).

The strength of the U.S. market alone kept many environmental firms close to home. Domestic revenue grew 13.4% in 2006 to \$36.4 billion. But firms are also following clients around the world or benefitting from new funding sources for cleanup and infrastructure upgrade and expansion abroad, as well as new environmental awareness. "We had a great year last year, and it was all organic," says Richard Fox, CDM president. "Growth came in all of our sectors: water, remediation, municipal, private and federal."

The Top 200's international revenue rose 7.4% to \$5.8 billion in 2006. Asia's flat market a year ago has abruptly

reversed itself in the 2007 survey. The same number of firms reporting revenue there in the last two years saw a 65.1% rise in 2006.

Some results among the 2007 Top 200 are related to changes in the firms participating. The list's growth rate might have been more significant if one potential behemoth had been included. *EnergySolutions*, a Utah-based nuclear waste cleanup and management giant, last year acquired two former key players on the list, BNFL and GTS Duratek, and did not participate as it reportedly prepares to go public.

Changing Faces.

Even without *EnergySolutions*, the list is robust. CH2M Hill Ltd. retained its top spot, increasing environmental revenue by more than \$550 million. Bechtel dropped to third place, with environmental revenue likely lost to new work in oth-

er booming construction sectors, but The Shaw Group Inc. zoomed from 12th place to fourth on the strength of its domestic waste cleanup work.

Two more firms—MWH Global Inc. and Black & Veatch—joined the nine others in the billion-dollar club, and two others, Earth Tech Inc. and AECOM Technology Corp., are just shy of that figure and could become members next year. “Markets are very healthy right now,” says Steven Guttenplan, CEO of AECOM environmental subsidiary Metcalf & Eddy Inc. “In the last three to four years, we have had a strong sustained volume of growth.”

Environmental Resources Management, formerly The ERM Group, held onto its position as the leading firm with 100% of its revenue from environmental work, increasing the total by more than \$65 million. Malcolm Pirnie rose to second place, greatly assisted by the departure of BNFL and Duratek.

Green Machine

This year's Top 200 list is supported by additional environmental market data from design firms that participated in ENR's separate Sourcebook survey.

Tables that show design-firm revenue rankings in selected environmental breakout markets such as asbestos abatement and sanitary and storm sewer work are displayed on pp. 45-49.

Former Vice President Al Gore's 2006 movie, “An Inconvenient Truth,” about the perils of global warming and climate change spurred by greenhouse-gas emissions, resonated with people around the world and their leaders.

“Politicians are willing to spend more money than they might have otherwise,” says Robert B. Uhler, CEO of MWH Global. “The issues used to be crime, housing and pensions. Now it's

The 2007 Top 200 Firms Get Bigger

Markets Show Need and Investment

| TYPE OF WORK | REVENUE IN \$ MIL. | % OF TOTAL ENVIR. REV. |
|--------------------------|--------------------|------------------------|
| HAZARDOUS WASTE | 12,490.2 | 29.6 |
| NUCLEAR WASTE | 4,582.0 | 10.9 |
| WATER | 8,004.2 | 19.0 |
| WASTEWATER | 8,486.9 | 20.1 |
| AIR | 2,811.9 | 6.7 |
| ENVIRONMENTAL SCIENCE | 2,611.8 | 5.8 |
| ENVIRONMENTAL MANAGEMENT | 2,433.1 | 6.2 |
| OTHER | 783.1 | 1.9 |
| PRIVATE | 15,188.1 | 36.0 |
| FEDERAL | 13,724.2 | 32.5 |
| STATE/LOCAL | 13,291.0 | 17. |

Most Regions Attract Companies

| | # OF FIRMS WITH ENVIR. REV. IN: | REVENUE IN \$ MIL. | % OF TOTAL INT'L MARKET |
|-----------------------|---------------------------------|--------------------|-------------------------|
| EUROPE | 45 | 1,953.1 | 33 |
| AUSTRALIA/NEW ZEALAND | 13 | 382.8 | 7 |
| ASIA | 34 | 727.2 | 12 |
| CANADA | 40 | 1,157.5 | 20 |
| LATIN AMERICA | 42 | 441.8 | 8 |
| MIDDLE EAST | 22 | 1,089.5 | 19 |
| AFRICA | 9 | 78.9 | 1 |

*BASED ON 2006 ENVIRONMENTAL REVENUE IN THE TOP 200 FIRMS SURVEY. NUMBERS ROUNDED UP OR DOWN.



Drilling Down. More work flows from water supply projects.

