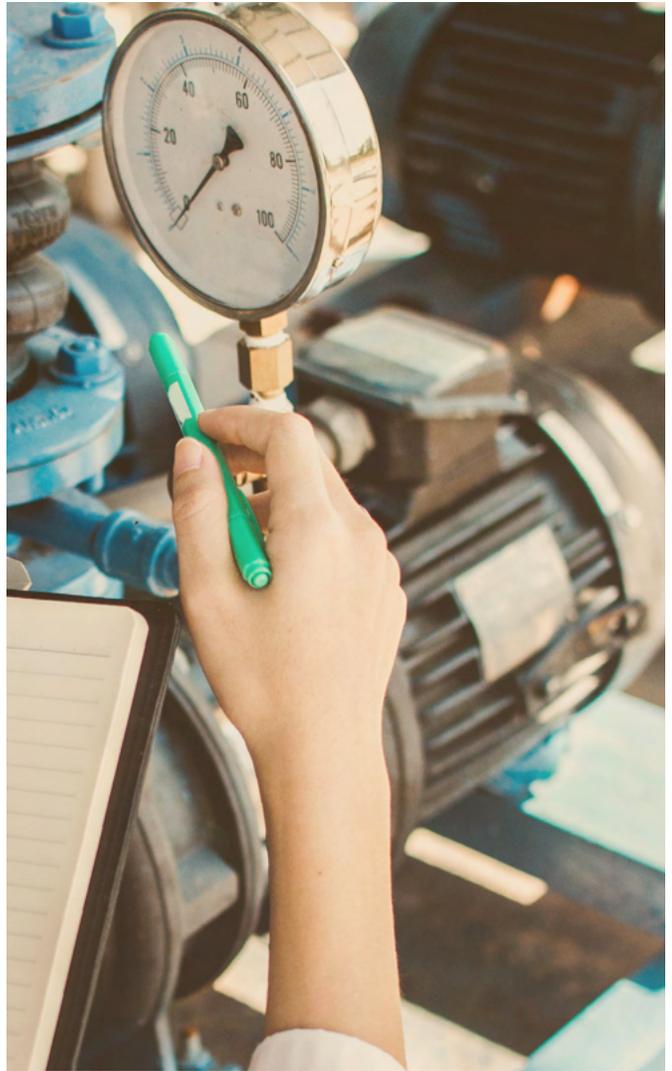


# Market Update



**Facilities Services**  
Q1 2022

## Facilities Services Insights

After a record-breaking end to 2021, mergers and acquisitions (M&A) activity cooled slightly at the start of 2022. Through Q1 2022, approximately 9,800 transactions closed globally, according to S&P Global. This represents an approximately 20% decrease from Q4 2021 and is the lowest quarterly total since Q3 2020. This pullback in activity from the record highs in 2021 was due to a combination of factors, including but not limited to; 1) continued supply chain and operational difficulties as a result of surging material and shipping costs, as well as labor shortages; 2) increased financing costs due to pending interest rate hikes; and 3) unrest in Ukraine, particularly for European-based and cross-border deals. While it may not be another record year, we still expect a highly active market through 2022 as strategic corporates seek to accelerate growth opportunistically and financial sponsors continue to put record levels of dry powder to work.

There has also been continued activity within the facilities services sector, specifically within the United States market. During Q1 2022, private equity-backed facilities services companies were particularly active acquirers. Companies, including Sila Services (Morgan Stanley), Pavement Partners (Shoreline Equity) and Pye-Barker Fire & Safety (Altas), completed acquisitions. As of the end of Q1 2022, the Lincoln facilities services index (13.4x EV/EBITDA) and S&P 1500 Environmental and Facilities Services Index (16.3x) are valued at lower multiples relative to Q4 2021. Overall, we remain optimistic that the facilities services M&A market will continue to remain strong in 2022, with quality assets trading at premium valuations.

## Recent Lincoln International Facilities Services Transactions

<p><b>THOMPSON STREET</b> CAPITAL PARTNERS</p> <p>has sold</p> <p><b>HEALTHCARE LINEN SERVICES GROUP</b></p> <p>to</p> <p><b>YORK CAPITAL</b> MANAGEMENT</p> <p>Sell-Side</p> 	<p><b>BLUEPOINT</b></p> <p>has sold</p> <p><b>FLSA</b></p> <p>to</p> <p><b>SUMMIT</b> COMPANIES</p> <p>a portfolio company of</p> <p><b>BLACKROCK</b></p> <p>Sell-Side</p> 	<p><b>CORTEC</b> Group</p> <p>has sold</p> <p><b>WINDOW NATION</b></p> <p>to</p> <p><b>AEA</b></p> <p>Sell-Side</p> 	<p><b>CAPITALWORKS</b></p> <p>has sold</p> <p><b>BANCOSOURCE</b></p> <p>to</p> <p><b>Cennox</b></p> <p>a portfolio company of</p> <p><b>YORK CAPITAL</b> MANAGEMENT</p> <p>Sell-Side</p>  	<p><b>Audax Private Equity</b></p> <p>has sold</p> <p><b>AI FIRE</b></p> <p>to</p> <p><b>SNOW PHIPPS</b></p> <p>Sell-Side</p> 
<p><b>GEMSPRING</b> CAPITAL</p> <p>has sold</p> <p><b>THERMA</b></p> <p>to</p> <p><b>Blackstone</b></p> <p>Sell-Side</p> 	<p><b>CMS nextech</b></p> <p>has been sold to</p> <p><b>Audax Private Equity</b></p> <p>Sell-Side</p> 	<p><b>WEST SHORE</b> HOME</p> <p>has been recapitalized by</p> <p><b>LGP</b>   LEONARD GREEN &amp; PARTNERS</p> <p>Recapitalization</p> 	<p><b>Rotunda</b> Capital Partners</p> <p>has sold</p> <p><b>MUNCH'S</b> SUPPLY</p> <p>WE MAKE IT EASY</p> <p>to</p> <p><b>Ridgeman</b> EQUITY PARTNERS</p> <p>Sell-Side</p> 	<p><b>Audax Private Equity</b></p> <p>has sold</p> <p><b>CoolSys</b></p> <p>to</p> <p><b>ARES</b></p> <p>Sell-Side</p> 

# About the Lincoln Facilities Services Index

The Lincoln facilities services index is a market cap-weighted, composite stock index similar to the S&P 500 Index. The index is prepared by first selecting a base period, in this case, Q2 2020, and totaling the market caps of the companies in this period. This period and the total market cap is set to a base index at 100%. Next, the current period's total market cap is calculated, divided by the base period's total market cap and then multiplied by the base index (100%).

Quarter-over-quarter indices for the S&P, S&P Environmental and Facilities Services and Lincoln facilities services decreased and the Lincoln facilities services index enterprise value / EBITDA trading multiples decreased by 1.4x from 14.8x to 13.4x.

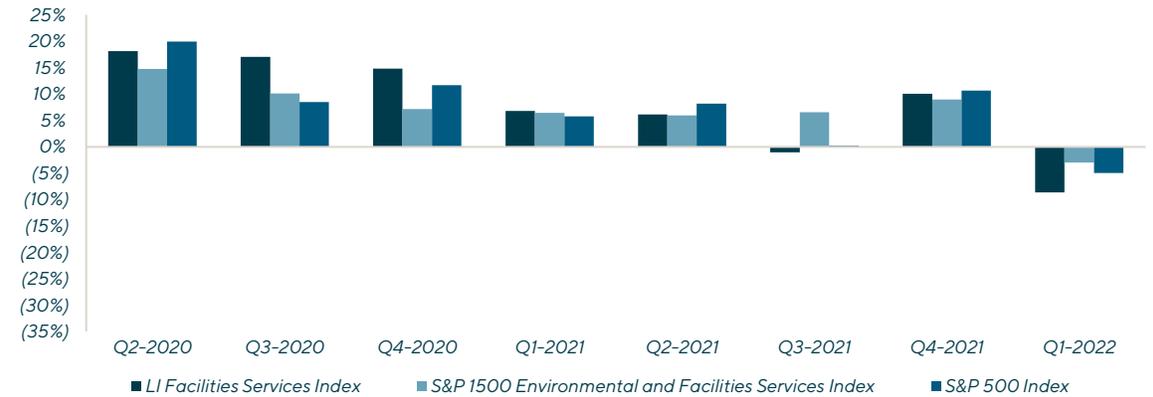
## Facilities Services Financial Performance

### Quarter-over-Quarter Performance

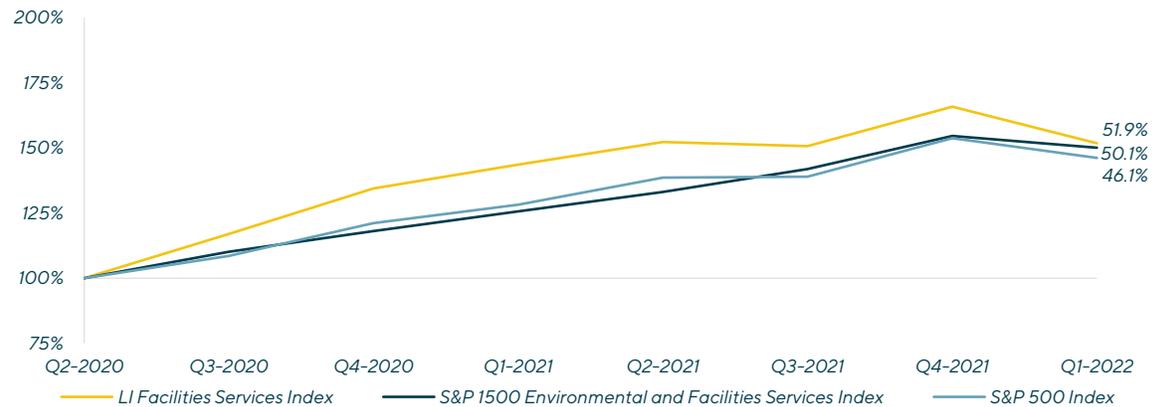
Top Performers	Change	Underperformers	Change
MITIE Group plc	53.4%	Rentokil Initial plc	(4.9%)
Comfort Systems USA, Inc.	42.0%	Terminix Global Holdings, Inc.	(6.5%)
ABM Industries Incorporated	34.8%	Rollins, Inc.	(11.9%)

Based on quarter-over-quarter share price performance

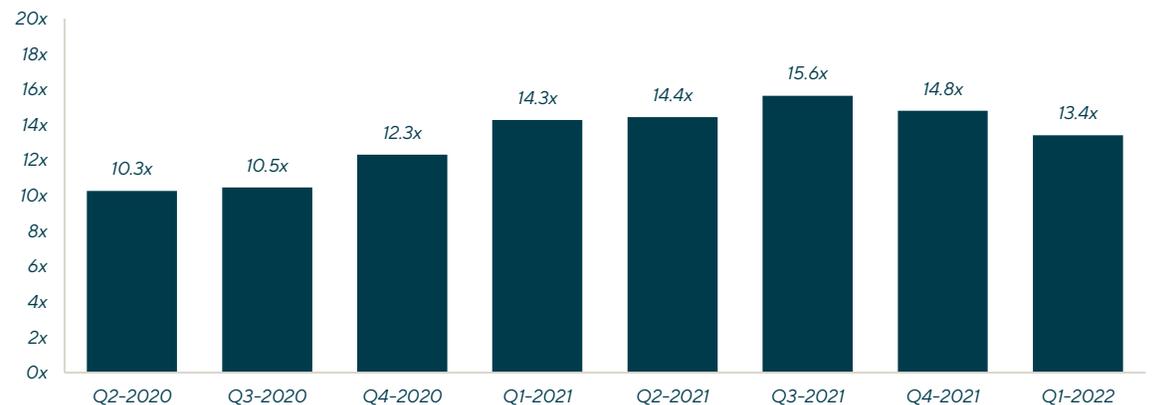
### Quarter-over-Quarter Stock Index Change



### Two-Year Relative Stock Index Performance



### Enterprise Value<sup>(1)</sup> / LTM EBITDA Multiples



Source: Capital IQ as of 3/31/2022

(1) Enterprise value is calculated as market capitalization plus total net debt, preferred equity and minority interest

# Lincoln Facilities Services Index Stock Data

\$ in millions

Company Name	Current Price	52-Wk High	Market Cap	Enterprise Value	Diluted EPS	LTM Rev	EV/LTM Rev	EV/LTM EBITDA	LTM Growth Rev	LTM Growth EBITDA	EBITDA Margin	Net Debt / EBITDA
<b>Facilities Services</b>												
ABM Industries	\$46.04	\$54.46	\$3,079	\$4,038	\$2.14	\$6,672.4	0.6x	8.6x	13.7%	9.0%	7.0%	2.0x
Aramark	37.60	40.70	9,656	17,294	0.13	13,300	1.3x	18.7x	17.5%	312.0%	6.9%	8.3x
BrightView Holdings	13.61	19.17	1,351	2,435	0.43	2,591	0.9x	9.4x	11.2%	36.2%	10.0%	4.2x
Cintas	425.39	461.44	43,567	46,388	11.29	7,615	6.1x	25.3x	10.4%	19.8%	24.0%	1.5x
Comfort Systems USA	89.01	103.74	3,190	3,520	3.93	3,074	1.1x	13.8x	7.6%	2.4%	8.3%	1.3x
Compass Group	21.69	23.96	38,696	42,297	0.20	24,179	1.7x	NM	(6.2%)	NM	5.7%	2.6x
EMCOR Group	112.63	135.98	5,932	5,373	7.06	9,904	0.5x	8.3x	12.6%	7.6%	6.5%	(0.9x)
FirstService	144.84	205.06	6,401	7,107	3.05	3,249	2.2x	22.7x	17.2%	14.9%	9.6%	1.6x
Johnson Controls International	65.57	81.77	46,055	54,138	2.19	24,189	2.2x	12.8x	9.5%	61.5%	17.5%	1.6x
Matrix Service	8.22	14.15	220	155	(2.48)	653	0.2x	NM	(17.8%)	NM	(7.4%)	1.3x
Mitie Group	0.72	1.04	1,026	1,012	0.02	4,711	0.2x	5.4x	78.7%	84.6%	4.0%	(0.1x)
Prosegur Compañía de Seguridad	2.19	3.41	1,178	2,559	0.08	3,978	0.6x	7.3x	(8.9%)	6.6%	8.8%	3.9x
Rentokil Initial	6.91	8.70	12,822	14,587	0.14	4,003	3.6x	19.0x	4.6%	9.6%	19.1%	2.3x
Rollins	35.05	40.11	17,261	17,298	0.71	2,424	7.1x	NM	12.2%	NM	22.0%	0.1x
Securitas	11.40	16.70	4,156	5,835	8.59	11,911	0.5x	7.9x	(9.4%)	10.7%	6.2%	2.3x
Terminix Global Holdings	45.63	53.33	5,540	6,330	1.00	2,045	3.1x	17.5x	4.3%	12.8%	17.7%	2.2x
Sodexo	81.98	97.73	11,979	16,387	3.00	21,443	0.8x	13.1x	9.2%	115.4%	5.8%	3.5x
Team	2.21	12.26	95	436	(6.01)	875	0.5x	NM	2.6%	NM	(2.7%)	(14.2x)
UniFirst	184.28	242.80	3,474	3,048	6.78	1,902	1.6x	11.1x	7.4%	0.9%	14.4%	(1.6x)
<b>Facilities Services Mean</b>							<b>1.8x</b>	<b>13.4x</b>	<b>9.3%</b>	<b>46.9%</b>	<b>9.7%</b>	<b>1.2x</b>
<b>Facilities Services Median</b>							<b>1.1x</b>	<b>12.8x</b>	<b>9.2%</b>	<b>12.8%</b>	<b>8.3%</b>	<b>1.6x</b>

Source: Capital IQ | Note: All values based on publicly available data as of 3/31/2022

## Heard on the Street

**2/23/2022: Infinity Home Services (North Branch Capital)** has been formed from the acquisitions of Infinity Exteriors (Wisconsin), Overhead Solutions (Wisconsin) and Premier Roofing & Exteriors (Michigan). The three companies will continue to operate independently under their respective brands and share functional areas, including lead generation, purchasing, sales and technology.

**2/16/2022: Sodexo**, the French-based facility services provider, announced that Chairwoman of the Board of Directors, Sophie Bellon, has been appointed as Chief Executive Officer. The board of directors noted strong momentum around the priorities set by Sophie to strengthen Sodexo's competitiveness and accelerate its transformation.

**2/15/2022: Blank check firms controlled by Warburg Pincus and billionaire Barry Sternlicht are in discussions to merge with Allied Universal**, a Conshohocken, Pennsylvania-based security services firm, and take it public. The possible deal is expected to be valued at approximately \$20 billion.

**2/11/2022: NearU HVAC Services (SkyKnight Capital)**, the Charlotte, North Carolina-based heating, ventilation and air conditioning (HVAC) and home services platform, is under letter of intent with seven acquisition targets and is on track to close 15 acquisitions by the end of 2023. NearU is seeking acquisition targets in all regions of the country, viewing a national presence as a hedge against seasonality, which is inherent in HVAC services. NearU is targeting companies in new markets with revenue around \$7 million.

**2/1/2022: Peak View Roofing (Seaside Equity Partners)**, the Colorado-based provider of roofing and exterior services, announced a strategic growth plan to expand its geographical footprint and diversify its portfolio of services. Peak View is looking to acquire companies with comprehensive, high-quality service offerings and expertise in servicing commercial, multi-family and residential exteriors. As the first growth plan milestone, Peak View acquired Revelation Roofing of the Rockies (Revelation), a full-service roofing provider headquartered in Steamboat Springs, Colorado.

**1/26/2022: Standard Elevator (Arcline Investment Management)**, a vertically integrated elevator parts, components and software platform, was formed after the acquisitions of five elevator servicers and installers in the United States and Canada: Standard Elevator Systems, EMI Porta, ZZIPCO, Texacone and Elevator Equipment Company. Jimmy He, the Founder of Standard Elevator Systems, will lead the Standard platform.

**1/11/2022: AI Fire (TruArc Partners)**, the Long Beach, California-based fire and life safety services company, announced four acquisitions: Blackstone Fire Control, FESS Fire Protection, TEC Control Systems and BCI Technologies. These acquisitions will expand AI Fire's geographic presence into the Carolinas, increase service density in New England markets and expand low voltage service offerings to national account customers. The TruArc-backed company is executing its buy-and-build strategy designed to fuel growth and expand its geographic footprint to service national, regional and local customers.

# M&A Transaction Highlights

Closed	Target	Target Description	Acquirer
Announced	Len The Plumber	Provides residential plumbing and drain cleaning services	L Catterton Partners
Announced	Prosys Services	Provides security management and access control services	Convergint Technologies (Leonard Green, Harvest Partners)
Announced	Restaurant Technologies	Provides edible oil management services for foodservice operators	Energy Capital Partners
Mar-22	Croker Fire Drill Corporation	Provides full-service fire and life safety consulting services	Altus Fire and Life Safety (AE Industrial Partners)
Mar-22	National Heating and Air Conditioning Company	Provides heating and air conditioning services, including installation, repair and maintenance	Heartland Home Services (The Jordan Company)
Mar-22	Carr & Duff	Provides electrical contracting solutions	Gemspring Capital
Mar-22	Batjer & Associates	Provides HVAC and plumbing contracting services	Main Street Capital Corporation
Mar-22	Icesurance	Provides commercial ice machine rental and maintenance services	Easy Ice (Freeman Spogli)
Mar-22	Smart Care Equipment Solutions	Provides commercial kitchen equipment repair and maintenance services	Zone Mechanical (Wind Point)
Mar-22	Jeff's Pest Control Service	Provides pest management and removal services	Clark Pest Control
Mar-22	Absolute Fire Protection	Provides fire sprinkler installation and maintenance services	National Fire & Safety (Highview Capital)
Mar-22	Canady's Heating, Air, Plumbing	Provides heating and air conditioning installation, air quality testing and plumbing services	Len The Plumber (Thompson Street Capital)
Feb-22	Accent Food Services	Provides custom design of personalized vending and coffee and break room services	Sodexo
Feb-22	R. F. Dickson Co.	Provides sweeping services to municipal entities	Sweeping Corporation of America (Warburg Pincus)
Feb-22	NatureScape Landscaping	Provides landscape maintenance and development services	BrightView Holdings
Feb-22	Winter Services	Provides snow and ice management services	BrightView Holdings
Feb-22	Duncan & Sons Building Maintenance	Provides commercial janitorial, maintenance and cleaning services	Garden City Companies
Feb-22	Halley Elevator	Provides escalator and elevator installation and repair services	3 Phase Elevator (Berkshire Partners)
Feb-22	Pointe Pest Control	Provides residential pest control services	PestCo Holdings (Thompson Street Capital)
Feb-22	Elite Maintenance Services	Provides pavement cleaning, power washing, sweeping, striping and patch potholing services	Sweeping Corporation of America (Warburg Pincus)
Feb-22	The Facilities Group	Provides facility maintenance services for commercial properties	Greenbriar Equity
Feb-22	APS FireCo	Provides fire protection equipment manufacturing, inspection and facility management services	Marmic Fire & Safety
Feb-22	Spectra Contract Flooring	Provides commercial flooring installation services	Diverzify (ACON)
Feb-22	We Get Gutters Clean	Provides residential and commercial gutter cleaning services	Mr. Gutter Cleaner
Feb-22	Refrigeration Design & Service	Provides industrial refrigeration design-build services	The Kelvin Group (Southfield Capital)

Source: Capital IQ, Mergermarket, Company Filings

## M&A Transaction Highlights (cont'd)

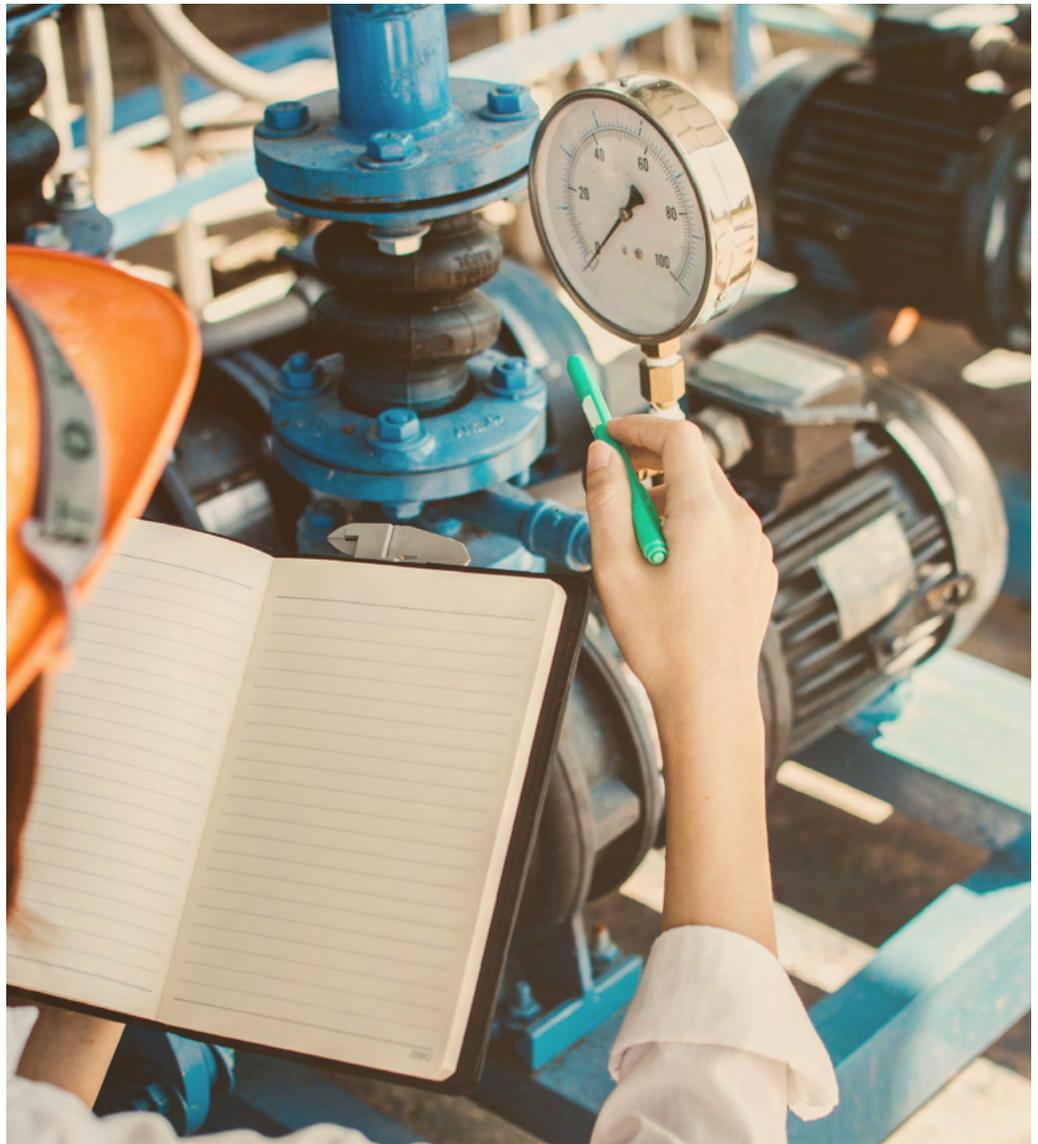
Closed	Target	Target Description	Acquirer
Feb-22	Revelation Roofing	Provides roof replacement, construction and repairs as well as snow removal and other exterior maintenance solutions	Peak View Roofing (Seaside Equity)
Feb-22	Tidel Engineering	Provides cash management and security services	Sesame Cash Management Technologies
Jan-22	Atlanta General Contracting	Provides turnkey residential services, such as painting, cleaning, tile and drywall repair for multi-family communities	Valet Living (GI Partners)
Jan-22	Nationwide Property & Appraisal Services	Provides residential and commercial real estate appraisal management services	Arcapita
Jan-22	New England Ductless	Provides residential and commercial HVAC services	Sila Services (Morgan Stanley)
Jan-22	Boston Standard	Provides residential and commercial HVAC services	Sila Services (Morgan Stanley)
Jan-22	Standard Elevator Systems	Provides elevator field technology, design and modernization services	Arcline Investment Management
Jan-22	EMI Porta	Provides elevator part distribution services	Arcline Investment Management
Jan-22	ZZIPCO	Provides elevator component and engineering services	Arcline Investment Management
Jan-22	Texacone	Provides elevator repair and modernization services	Arcline Investment Management
Jan-22	Elevator Equipment Company	Provides hydraulic elevator maintenance services	Arcline Investment Management
Jan-22	Assured Comfort Heating & Air	Provides HVAC and plumbing services	Southern HVAC (Gryphon Investors)
Jan-22	The Arcticom Group	Provides HVAC and refrigeration installation and maintenance services	A&M Capital
Jan-22	Commonwealth Electrical Technologies	Provides commercial electrical contracting services for commercial and industrial facilities	Eaglestone (Alterian Investments)
Jan-22	Metz Culinary Management	Provides outsourced food service management	NexPhase Capital
Jan-22	Allbritten Plumbing, Heating and Air Conditioning	Provides residential HVAC, plumbing and electrical services	Redwood Services
Jan-22	JDI Cleaning Systems	Provides disinfection and touch point cleaning services	TrussPoint Equity Partners
Jan-22	Specialized Elevator Services	Provides elevator and escalator maintenance services	3 Phase Elevator (Berkshire Partners)
Jan-22	Systems Electronics	Provides safety, security and communications services for healthcare, education and corporate sectors	Corbett Technology Solutions (Wind Point Partners)
Jan-22	Rasa Floors	Provides flooring installation, repair and renovation services	Saw Mill Capital
Jan-22	Case Facilities Management Solutions	Provides snow management and landscaping services	The Halifax Group
Jan-22	Peltram Plumbing	Provides plumbing and mechanical services to homebuilders and commercial developers	Stellex Capital Management
Jan-22	Twin City Sprinkler	Provides fire protection and safety equipment installation services	Superhero Fire Protection (Hidden Harbor)
Jan-22	Alliance Environmental Group	Provides environmental remediation and indoor air quality services	Incline Equity Partners
Jan-22	Turner Asphalt	Provides pavement maintenance services	Pavement Partners (Shoreline Equity)

Source: Capital IQ, Mergermarket, Company Filings

## M&A Transaction Highlights (cont'd)

Closed	Target	Target Description	Acquirer
Jan-22	Chamberlain Contractors	Provides commercial parking lot paving, concrete and related contracting services	Pavement Partners (Shoreline Equity)
Jan-22	Performance Landscapes	Provides landscape maintenance, irrigation, enhancement, installation, arbor care and pest control services	BrightView Holdings
Jan-22	Super Home Services	Provides concierge in-home service solutions, including HVAC and pest control	Route 2 Capital Partners
Jan-22	TP Mechanical Contractors	Provides mechanical contracting services	Temp-Con (Caymus Equity)
Jan-22	Parr Industries	Provides cleaning oil / water separator services for environmental compliance	Liquid Environmental Solutions (Audax)
Jan-22	American Striping Company	Provides pavement maintenance services	Top Gun Facility Services (Osceola Capital)
Jan-22	Apex Pavement Solutions	Provides asphalt and concrete maintenance and repair services	Top Gun Facility Services (Osceola Capital)
Jan-22	Clean Water Works	Provides sewer inspection and rehabilitation services	Capital Infrastructure Group
Jan-22	Commercial Fire Protection	Provides fire and life safety services	National Fire & Safety (Highview Capital)
Jan-22	Mainstream Electric	Provides electric, heating, cooling and plumbing services	Radiant Plumbing and Air Conditioning (Riverside)
Jan-22	Juniper Landscaping Holdings	Provides commercial and residential landscaping services	Bregal Partners
Jan-22	Strickland Fire Protection	Provides fire protection system installation and maintenance services	Pye-Barker Fire & Safety (Altas Partners)
Jan-22	Security 101	Provides commercial security system services	Gemspring Capital
Jan-22	Northwest Fire Suppression	Provides fire protection system monitoring services	Pye-Barker Fire & Safety (Altas Partners)
Jan-22	Odyssey Fire Protection	Provides fire protection system construction and renovation services	Pye-Barker Fire & Safety (Altas Partners)
Jan-22	MEP Holding Co.	Provides electrical, mechanical and controls contracting services	Comfort Systems
Jan-22	Direct Energy Home Services	Provides heating, air conditioning and water heating maintenance, repair and replacement services	Action Furnace
Jan-22	Advance Catastrophe Technologies	Provides disaster planning, remediation and restoration services	Cotton Holdings (Sun Capital)
Jan-22	Target Solutions	Provides full-service property restoration and roofing services	Cotton Holdings (Sun Capital)
Jan-22	Watterson Environmental Group	Provides emergency response, environmental consulting and facilities maintenance for retailers and commercial property owners	Highview Capital
Jan-22	Ferrovial Services	Provides contract management services for state departments of transportation and railroad providers	Genesis Rail Services (Auxo Investment Partners)
Jan-22	Goettl Home Services	Provides residential HVAC maintenance services	Cortec Group
Jan-22	IH Services	Provides facility maintenance and building services	GDI Integrated Facility Services USA
Jan-22	Mid Valley Industrial Services	Provides industrial and environmental cleaning services	Superior Environmental Solutions (Rosewood Private Investments)
Jan-22	milliCare	Provides commercial floor and textile maintenance and cleaning services	Clintar (Riverside)

Source: Capital IQ, Mergermarket, Company Filings



## Advisory Services

Mergers & Acquisitions  
Capital Advisory  
Private Funds Advisory  
Valuations & Opinions

## Contributors

**Luke Webb**  
Managing Director | Chicago  
lwebb@lincolninternational.com  
+1 (312) 506-2747

## About Lincoln International

We are trusted investment banking advisors to business owners and senior executives of leading private equity firms and their portfolio companies and to public and privately held companies around the world. Our services include mergers and acquisitions advisory, private funds and capital markets advisory, and valuations and fairness opinions. As one tightly integrated team of more than 750 professionals across 15 countries, we offer an unobstructed perspective on the global private capital markets, backed by superb execution and a deep commitment to client success. With extensive industry knowledge and relationships, timely market intelligence and strategic insights, we forge deep, productive client relationships that endure for decades. Connect with us to learn more at: [www.lincolninternational.com](http://www.lincolninternational.com).

Connect with a professional in Lincoln International's Business Services Group at [www.lincolninternational.com/business-services](http://www.lincolninternational.com/business-services).