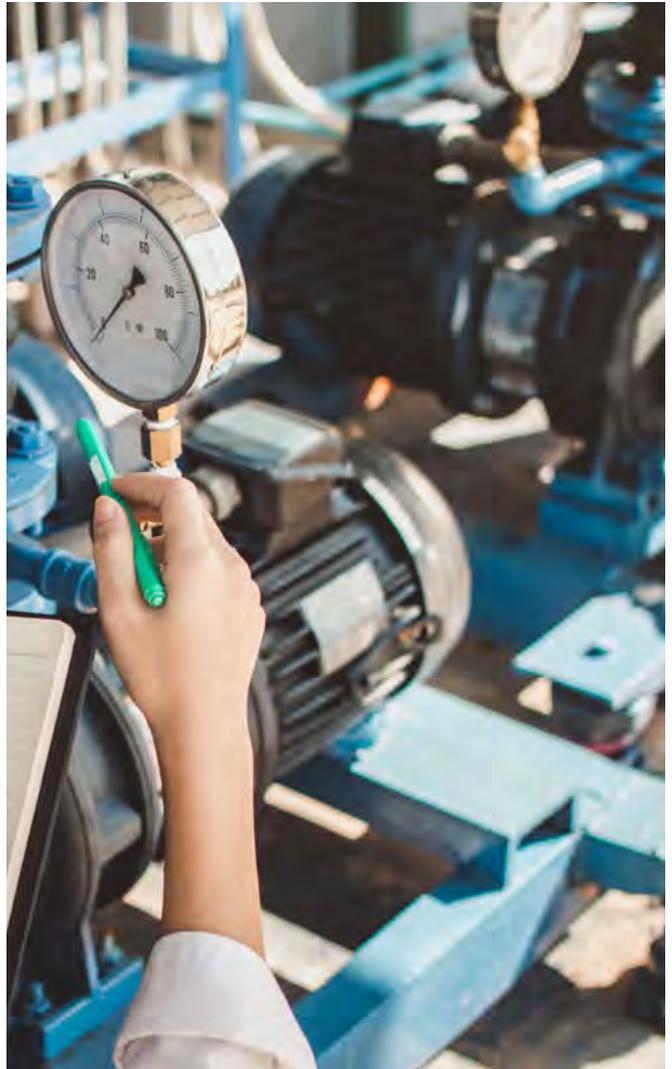


Market Update



Facilities Services
Q3 2022

Facilities Services Insights

After a series of record-breaking quarters throughout 2021, Q3 2022 marks another slight deceleration in mergers and acquisitions (M&A) activity, approximately 7,500 deals closed, according to S&P Global. This represents a decrease of approximately 18% compared to the approximately 8,900 deals closed in the previous quarter. However, a decline in transaction activity is unsurprisingly due to the continuous re-balancing of M&A markets following the record-breaking pace of activity in 2021 and early 2022. Buyers, particularly financial sponsors, remain very active as they look to deploy an estimated approximately \$1 trillion of dry powder in the North American private equity (PE) markets. This pullback in activity from the record highs in 2021 was due to a combination of factors, including but not limited to, 1) increased financing costs due to interest rate hikes, 2) broader concerns about the macroeconomic environment, particularly inflation and 3) uncertainty surrounding geopolitical issues. However, we continue to see both strategic and financial acquirers showing a steady commitment to making investments when they are the right fit for strategic growth and strong returns.

There has also been continued activity within the facilities services sector, specifically within the U.S. market. During Q3 2022, PE-backed facilities services companies were particularly active acquirers. Companies, including Pueblo Mechanical & Controls (OMERS), Tech24 (HCI Equity) and Pye-Barker Fire & Safety (Altas Partners), completed acquisitions. As of Q3 2022, the Lincoln International facilities services index (12.3x EV/EBITDA) and S&P 1500 Environmental and Facilities Services Index (15.1x EV/EBITDA) are both valued at lower multiples relative to Q2 2022. Overall, we remain optimistic that the facilities services M&A market will continue to remain strong in 2022.

Recent Lincoln International Facilities Services Transactions

 <p>has sold</p>  <p>to</p>  <p>Sell-Side</p> 	 <p>has sold</p>  <p>to</p>  <p>Sell-Side</p> 	 <p>has sold</p>  <p>to</p>  <p>a portfolio company of</p>  <p>Sell-Side</p> 	 <p>has sold</p>  <p>to</p>  <p>Sell-Side</p> 	 <p>has sold</p>  <p>to</p>  <p>Sell-Side</p> 
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 <p>has sold</p>  <p>to</p>  <p>Sell-Side</p> 	 <p>has been sold to</p>  <p>Sell-Side</p> 	 <p>has been recapitalized by</p>  <p>Recapitalization</p> 	 <p>has sold</p>  <p>to</p>  <p>Sell-Side</p> 	 <p>has sold</p>  <p>to</p>  <p>Sell-Side</p> 
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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, Q4 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 0.2x from 12.5x to 12.3x.

Facilities Services Financial Performance

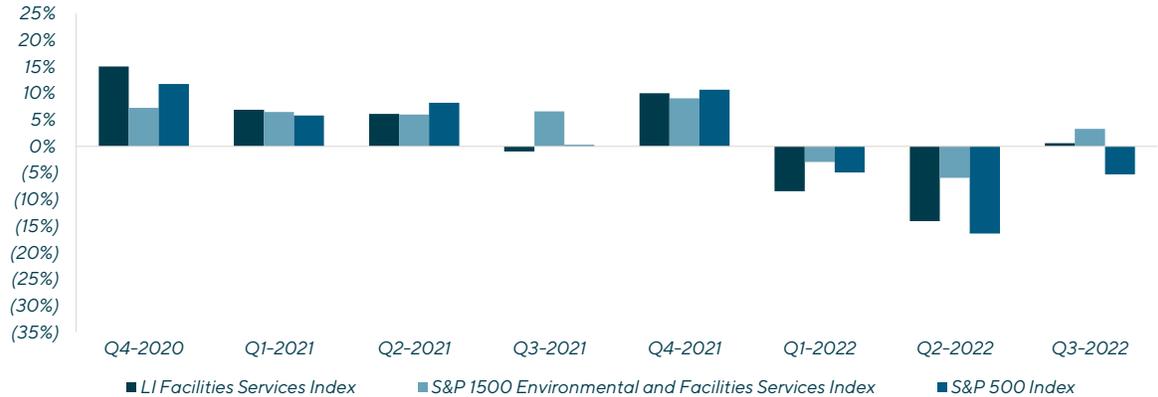
Quarter-over-Quarter Performance

Top Performers	Change
Team	42.6%
Comfort Systems USA, Inc.	17.1%
EMCOR Group	12.2%

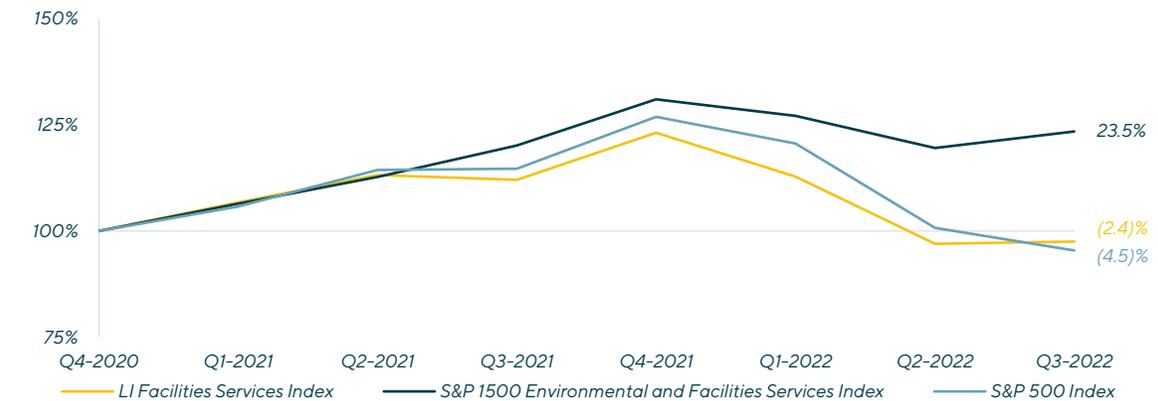
Underperformers	Change
BrightView Holdings	(33.8%)
Securitas AB	(18.7%)
Matrix Service	(18.2%)

Based on quarter-over-quarter share price performance

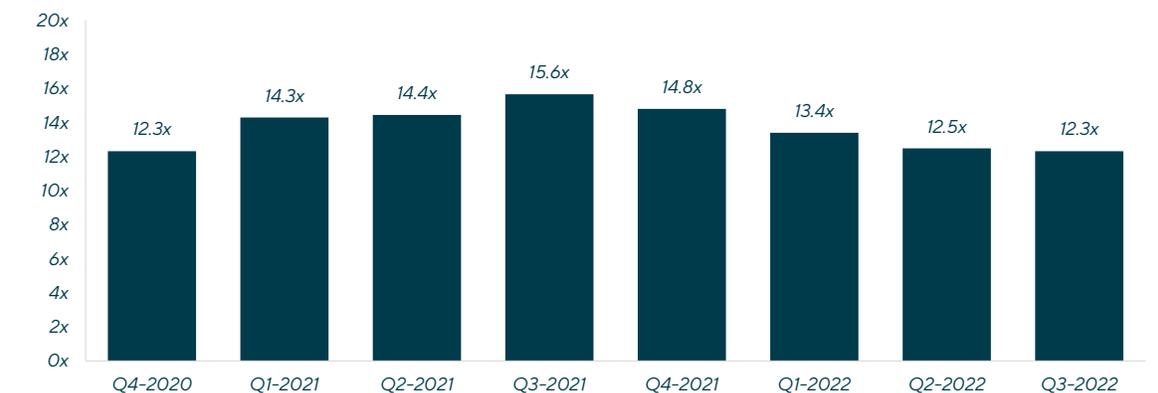
Quarter-over-Quarter Stock Index Change



Two-Year Relative Stock Index Performance



Enterprise Value⁽¹⁾ / LTM EBITDA Multiples



Source: Capital IQ as of 9/30/2022

(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	EV/LTM EBIT	LTM Growth Rev	LTM Growth EBITDA	EBITDA Margin	Net Debt / EBITDA
Facilities Services													
ABM Industries	\$43.42	\$54.00	\$2,900	\$4,020	\$2.14	\$7,072.9	0.6x	8.3x	10.5x	20.5%	7.0%	6.8%	2.3x
Aramark	30.63	39.95	7,881	15,255	0.57	14,341	1.1x	14.1x	28.3x	37.8%	1271.7%	7.5%	6.8x
BrightView Holdings	12.00	17.53	1,116	2,340	0.38	2,651	0.9x	9.3x	21.0x	9.4%	13.1%	9.5%	4.9x
Cintas	373.53	461.44	38,221	40,926	11.65	7,854	5.2x	20.6x	25.8x	10.4%	18.8%	25.3%	1.4x
Comfort Systems USA	83.15	103.74	2,982	3,279	5.59	3,289	1.0x	12.6x	17.5x	16.4%	(1.3%)	7.9%	1.1x
Compass Group	20.41	22.38	36,218	39,603	0.41	27,568	1.4x	21.8x	27.6x	25.9%	268.6%	6.6%	1.8x
EMCOR Group	102.96	135.98	5,266	5,013	6.92	10,192	0.5x	8.0x	9.8x	15.8%	2.7%	6.1%	(0.4x)
FirstService	121.22	198.76	5,357	6,091	2.87	3,373	1.8x	19.5x	28.9x	18.4%	7.9%	9.3%	1.7x
Johnson Controls International	47.88	81.77	33,309	42,324	1.74	24,693	1.7x	10.3x	13.0x	11.1%	40.5%	16.6%	1.9x
Matrix Service	5.06	11.76	136	101	(3.30)	682	0.1x	NM	NM	(1.8%)	NM	(7.6%)	0.7x
Mitie Group	0.68	0.95	946	861	0.02	5,131	0.2x	5.3x	6.9x	49.0%	83.8%	3.1%	(0.5x)
Prosegur Compañía de Seguridad	1.76	3.21	947	2,435	0.06	4,046	0.6x	6.8x	11.8x	2.0%	22.5%	8.9%	4.0x
Rentokil Initial	5.77	8.04	10,695	12,460	0.14	4,003	3.1x	16.3x	24.9x	4.6%	9.6%	19.1%	2.3x
Rollins	34.92	40.11	17,197	17,234	0.67	2,479	7.0x	NM	38.9x	12.2%	NM	21.7%	0.1x
Securitas AB	8.60	15.22	3,135	4,946	9.03	11,831	0.4x	6.7x	8.8x	(2.1%)	15.3%	6.2%	2.4x
Terminix Global Holdings	40.65	53.33	4,939	5,698	0.96	2,070	2.8x	15.9x	22.9x	4.8%	3.5%	17.3%	2.1x
Sodexo	70.10	91.97	10,249	14,657	3.00	21,443	0.7x	11.7x	16.2x	9.2%	115.4%	5.8%	3.5x
Team	0.74	7.19	32	435	(5.64)	899	0.5x	NM	NM	10.9%	NM	(1.9%)	NM
UniFirst	172.18	236.91	3,238	2,828	5.89	1,950	1.5x	11.2x	19.4x	8.9%	(15.6%)	12.9%	(1.6x)
Facilities Services Mean							1.6x	12.3x	19.5x	13.9%	116.5%	9.5%	1.9x
Facilities Services Median							1.0x	11.5x	19.4x	10.9%	14.2%	7.9%	1.9x

Source: Capital IQ | Note: All values based on publicly available data as of 9/30/2022

Heard on the Street

9/28/2022: Tech24 (HCI Equity Partners), a Greenville, South Carolina-based national provider of maintenance and repair services for foodservice and commercial heating, ventilation and air conditioning (HVAC) equipment, announced the acquisition of Allied Service Group. Allied is a provider of maintenance, repair and install services for foodservice and HVAC equipment in restaurants and grocery stores in the Tennessee and Mississippi markets and represents Tech24's 12th add-on acquisition under HCI Equity's ownership. In Q3 2022, Tech24 announced three other acquisitions: AmeriCold (8/28/2022), Arrowhead Commercial Equipment (8/28/2022) and TEMCO (7/26/2022). AmeriCold provides cold-side repair and installation services in the New York metro area, Washington D.C. and Southeast Florida, while Arrowhead and TEMCO strengthen Tech24's geographic presence in Arizona and Mississippi, respectively.

9/19/2022: ABM Industries (NYSE:ABM), the New York-based facilities services provider, noted no slowdown in acquisition opportunities as the company progresses towards its goal of adding approximately \$2 billion of acquisition revenue by 2025. In 2022, ABM acquired Able Services, Momentum and, most recently in Q3 2022, RavenVolt, which the company acquired for approximately \$170 million plus potential earn-out payments of up to \$280 million. Chief Executive Officer Scott Salmaris, noted ABM is seeing more caution in the marketplace but continues to see ample opportunity for tuck-in acquisitions that generate approximately \$100 million in revenue.

8/31/2022: Massey Services, a family-owned, Orlando, Florida-based provider of pest prevention, termite protection and landscaping services is seeking additional acquisitions in Tennessee and Virginia. In the last two years, Massey has completed eight acquisitions in existing and new markets, ranging in size from \$1 million to \$10 million, including two acquisitions in Tennessee and one in Virginia. Tony Massey,

Chief Executive Officer of Massey, noted the company is continuing to opportunistically seek acquisitions in additional states in existing geographies, namely Florida, Georgia, Louisiana, South Carolina, North Carolina and Oklahoma, and new geographies including Washington D.C. and Texas. In 2022, Massey expects to generate more than \$350 million of revenue with operating margins above 25%. Historically, the company has grown organically 8%-12% per year and an additional 2%-3% per year through acquisitions. Approximately 86% of the business is residential and operates via a network of 176 service centers.

8/25/2022: CenterOak Partners, the Dallas, Texas-based private equity firm, announced the formation of Turf Masters Lawn Care Services, a residential lawn services platform based out of Atlanta. The Turf Masters platform is formed via the combination of Turf Masters Lawncare, All Turf Holdings and Green Group Holdings. The existing owners and management teams will continue to be active members of the consolidated entity and Andy Kadrich, the founder of Turf Masters Lawncare will lead the platform as Chief Executive Officer. Turf Masters provides recurring lawn, tree and shrub care services for more than 100,000 customers annually and operates 20 branches across 10 states. CenterOak plans to support growth via increasing service offerings and pursuing add-on acquisitions across the fragmented lawncare industry.

8/6/2022: Pueblo Mechanical & Control, the Tucson, Arizona-based provider of HVAC and mechanical services announced it was acquired by OMERS Private Equity from Huron Capital Partners. Jeff Kahn, Director at OMERS, notes that Pueblo is well-positioned to capitalize on secular trends towards energy efficiency, sustainability, decarbonization and digitization as potential areas of future growth, in addition to pursuing strategic M&A.

M&A Transaction Highlights

Closed	Target	Target Description	Acquiror
Sep-22	Authority Brands	Provides home maintenance services via a franchise-based business model	British Columbia Investment Management Corporation
Sep-22	Perfect Surface	Provides bathroom and kitchen refinishing and construction services to residential, hospitality and property management firms	Valet Living (GI Manager)
Sep-22	Knight Security Systems	Provides security design and installation services for access control, video surveillance, intrusion and safety systems	Mobile Communications America (Sentinel Capital Partners)
Sep-22	Security & Access Systems	Provides security system manufacturing, installation, repair and testing services for the retail market	Rapid Fire Safety & Security (Concentric Equity Partners)
Sep-22	United Security Specialists	Provides on-site protection, property security risk assessments, mobile route patrols, special events and disaster security support and security guard services	James Maritime Holdings
Sep-22	Allied Service Group	Provides equipment maintenance and repair services for foodservice providers in Tennessee	Tech24 (HCI Equity Partners)
Sep-22	Sinak Plumbing Company	Provides residential and commercial HVAC and plumbing services	Royal House Partners (CPS Capital, 1801 Holdings)
Sep-22	Life Safety Systems	Provides fire and life safety products and services for its clients	Sciens Building Solutions (Carlyle)
Sep-22	Black Electric	Provides electrical contracting services	SunGrid Solutions (Hull Street Energy)
Sep-22	Precision Cleaning	Provides multi-family cleaning, interior painting, water extraction, maintenance, resurfacing and carpet cleaning services	Valet Living (GI Manager)
Sep-22	Grapids Heating & Cooling	Provides HVAC installation, maintenance and repair services	Any Hour Services (Knox Lane)
Sep-22	Precision Plumbing, Heating, Cooling & Electrical	Provides plumbing, HVAC and electrical services	Any Hour Services (Knox Lane)
Sep-22	Chandler Air	Provides a full range of heating and cooling services	Any Hour Services (Knox Lane)
Sep-22	All Hours Air	Provides HVAC and plumbing services	Any Hour Services (Knox Lane)
Sep-22	Armstrong's Restoration	Provides restoration, mitigation and other emergency response services	Watterson (Highview Capital)
Sep-22	MTL Technologies	Provides design, installation and maintenance services for commercial refrigeration equipment	Due North (Ronin Equity Partners)
Sep-22	Industrial Fire and Safety Equipment	Provides fire safety equipment-related services intended to serve clients in the mining, construction and fire protection industry	Pye-Barker Fire & Safety (Altas Partners)
Sep-22	ReSource Colorado	Provides commercial carpet installation, maintenance and cleaning services	Spectra Contract Flooring
Sep-22	AC Corporation	Provides electrical, plumbing, process piping and controls equipment services	Crete Mechanical Group (Ridgemont Equity Partners)
Sep-22	Capital City Tree Experts	Provides tree removal, stump grinding, pruning and other arboriculture and plant healthcare services to homeowners and commercial clients	SavATree (Apax Partners)
Sep-22	Integrated Security Group	Provides commercial security services	Pye-Barker Fire & Safety (Altas Partners)
Sep-22	NextGen Security	Provides design, installation, and maintenance of security, video surveillance and access control systems	Dunes Point Capital
Sep-22	Briscoe Protective Systems	Provides home security and safety services	Pye-Barker Fire & Safety (Altas Partners)
Sep-22	Kings III of America	Provides emergency phones for use in elevators, at poolside, in garages, car parks, cash points, arenas and large facilities	Arcline Investment Management
Sep-22	Crossfire	Provides fire safety engineering and performance-based design engineering services	Jensen Hughes (Gryphon)
Sep-22	Allegiant Fire Protection	Provides fire protection and suppression system maintenance and installation services	Valley Fire Protection Systems (Building Industry Partners)
Sep-22	RavenVolt	Provides electric microgrid system and onsite power generation solutions	ABM Industries
Sep-22	MG Security Services	Provides armed and unarmed security guard services, crisis management, fraud prevention and private investigation services	Security Services Holdings

Source: Capital IQ, Mergermarket, Company Filings

M&A Transaction Highlights (cont'd)

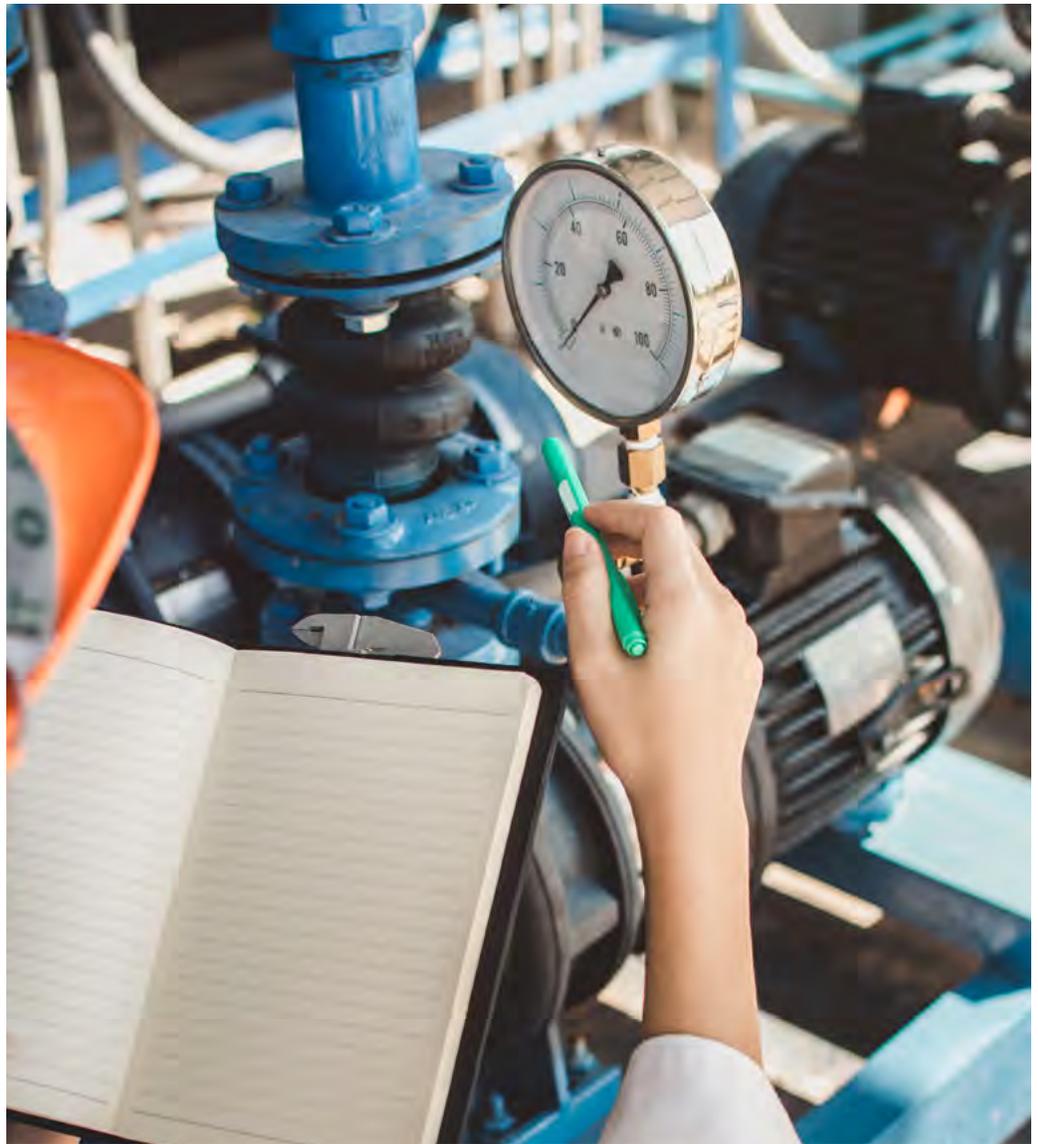
Closed	Target	Target Description	Acquiror
Sep-22	CPS Building Services	Provides mechanical and electrical installation and maintenance services	H.I.G. Capital
Sep-22	Yost & Campbell Heating, Cooling and Generators	Provides repair, replacement, maintenance and installation services for air conditioners, indoor air quality systems, generators and water heaters	Granite Comfort (Tiger Infrastructure Partners)
Aug-22	Irvine Mechanical, Inc.	Provides HVAC maintenance and installation services to commercial and industrial customers	Thermal Concepts (Trivest Partners)
Aug-22	Options Exteriors	Provides residential roof replacement and repair services	Capital Construction Holdings (O2 Investment Partners)
Aug-22	Levolux	Provides design, development, management and installation services for solar shading products	RCapital Partners
Aug-22	Thorpe Specialty Services Corporation	Provides maintenance and engineering services	KLH Capital Partners
Aug-22	AmeriCold	Provides cold-side repair, preventive maintenance and installation services for foodservice and refrigeration equipment	Tech24 (HCI Equity Partners)
Aug-22	Arrowhead Commercial Equipment	Provides foodservice equipment maintenance and repair services	Tech24 (HCI Equity Partners)
Aug-22	Cincinnati Asphalt	Provides asphalt and concrete solutions including maintenance, repair and milling services	Pavement Partners Holding (ShoreLine Equity Partners)
Aug-22	Valley Fire Protection Systems	Provides design, installation and maintenance services for fire protection systems and products	Building Industry Partners
Aug-22	Pueblo Mechanical & Controls	Provides HVAC design, maintenance and installation services	OMERS Private Equity
Aug-22	Turf Masters Lawn care	Provides recurring residential lawn, tree and shrub care services	Turf Masters Lawn Care Services (CenterOak Partners)
Aug-22	All Turf Holdings	Provides recurring residential lawn, tree and shrub care services	Turf Masters Lawn Care Services (CenterOak Partners)
Aug-22	Green Group Holdings	Provides recurring residential lawn, tree and shrub care services	Turf Masters Lawn Care Services (CenterOak Partners)
Aug-22	Lawn Pride	Provides fertilization, aeration, weed and pest control services	Neighborly (KKR)
Aug-22	VLS Environmental Solutions	Provides waste management services	I Squared Capital
Aug-22	Sisco Safety	Provides safety and fire solutions including the sale, service and inspection of fire sprinklers and emergency building systems	Eagle Fire (Rosewood Private Investments)
Aug-22	Carlton-Gray Systems	Provides inspection, service, monitoring and installation of fire alarm and life safety systems	Eagle Fire (Rosewood Private Investments)
Aug-22	Teem Sprinkler	Provides fire protection solutions such as fire sprinkler design, fabrication, installation, repair and maintenance services	Eagle Fire (Rosewood Private Investments)
Aug-22	Contemporary Contractors	Provides HVAC, plumbing and flooring services	Valet Living (GI Manager)
Aug-22	A-Riteway	Provides multifamily renovation services	Valet Living (GI Manager)
Aug-22	ControlByNet	Provides video surveillance software services	Security Services Holdings
Aug-22	Stay Cool Air Conditioning & Heating	Provides air conditioning repair, maintenance and new installation services	Southeastern Home Services
Aug-22	Pat's Heating & Air Conditioning	Provides HVAC and air filtration services	Heartland Home Services (Cobepa)
Aug-22	Mechanical Services, Inc.	Provides maintenance and repair services for HVAC and refrigeration	PremiStar (Partners Group)
Aug-22	Fire Alarm Control Systems	Provides fire alarm and voice communication systems	Sciens Building Solutions (Carlyle)
Aug-22	Lmi Landscapes	Provides landscape maintenance, construction, property enhancements, irrigation management and snow removal services	Orion Group
Aug-22	BGD Enterprise	Provides HVAC and plumbing services	Air Conditioning Specialist (Hidden Harbor Capital Partners)

Source: Capital IQ, Mergermarket, Company Filings

M&A Transaction Highlights (cont'd)

Closed	Target	Target Description	Acquiror
Aug-22	Atlas Innovative Services	Provides maintenance, repair and upgrade services for telecommunications infrastructure	New England Electrical Contracting Corporation (Pfungsten Partners)
Aug-22	Mechanical Group Inc.	Provides HVAC maintenance and repair services	Heartland Home Services (Cobepa)
Aug-22	Madden Consulting	Provides elevator maintenance, repair and installation services	American Elevator Corporation
Aug-22	Attenti Electronic Monitoring	Provides remote people monitoring technology services	Allied Universal Security Services
Aug-22	ACI Asphalt & Concrete	Provides commercial asphalt and concrete maintenance and repair services	Soundcore Capital Partners
Jul-22	RoboVent	Provides engineering, manufacturing, installation and maintenance of air filtration and ventilation products	Nederman Holding
Jul-22	Next Level Elevator	Provides maintenance, repair and testing services for commercial elevators and vertical conveyance systems	3Phase Elevator (Berkshire Partners)
Jul-22	Century Linen & Uniform	Provides linen management and uniform rental services	Falcon Affiliates
Jul-22	Summit Service Group	Provides vacuuming, trash collection, disinfection and other janitorial and facility maintenance services	The Facilities Group (Greenbriar Equity Group)
Jul-22	Alliance Commercial Pest Control	Provides commercial and residential pest control services	PestCo Holdings (Thompson Street Capital Partners)
Jul-22	Crenshaw Termite & Pest Control	Provides residential and commercial pest, mosquito reduction and termite control services	Arrow Exterminators
Jul-22	DMC Sweeping	Provides sweeping, cleaning, dust control, highway milling, grinding and water trucking services	Sweeping Corporation of America (Warburg Pincus)
Jul-22	United Road Towing	Provides disaster response, collateral recovery and related vehicle management solutions	Mill Point Capital
Jul-22	TEMCO	Provides maintenance and repair services for commercial kitchen and HVAC equipment	Tech24 (HCI Equity Partners)
Jul-22	SGS Hawaii	Provides grounds management and lawn maintenance services	BrightView Holdings
Jul-22	Cen-Cal Fire Systems	Provides design, fabrication, installation and maintenance of underground and overhead fire protection systems	Sciens Building Solutions (Carlyle)
Jul-22	Rotoco	Provides drain cleanings, septic tank pumping and dry wall installation services	Bessemer Investment Partners
Jul-22	Andersen Commercial Plumbing, Inc.	Provides commercial plumbing and HVAC services	Sun Capital Partners
Jul-22	Bender & Modlin Fire Sprinkler	Provides commercial and industrial fire sprinkler and protection management services	Pye-Barker Fire & Safety (Altas Partners)
Jul-22	Firecom, Inc.	Provides fire and life safety system manufacturing and distribution services	Corbett Technology Solutions (Wind Point Advisors)
Jul-22	Ostrander Holding Company	Provides pest control services	PestCo Holdings (Thompson Street Capital Partners)
Jul-22	Monitor Controls	Provides security system monitoring, installation and support services	American Alarm and Communications
Jul-22	Thrifty Air Conditioning & Refrigeration	Provides ice machine leasing and maintenance services	Easy Ice (Freeman Spogli)
Jul-22	Peninsular Pest Control Service	Provides residential and commercial pest and termite control and landscaping services	Massey Services
Jul-22	Procraft Mechanical	Provides design, installation and maintenance services for mechanical and plumbing projects	Pueblo Mechanical & Controls, LLC (OMERS)
Jul-22	DegreeOne	Provides HVAC and refrigeration maintenance services for the foodservice industry	CMS Nextech (Audax)
Jul-22	Colvin Cleaning Group	Provides industrial cleaning, window cleaning and disinfection services	Kingdom Cleaning

Source: Capital IQ, Mergermarket, Company Filings



Advisory Services

Mergers & Acquisitions
Capital Advisory
Private Funds Advisory
Valuations & Opinions

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About Lincoln International

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