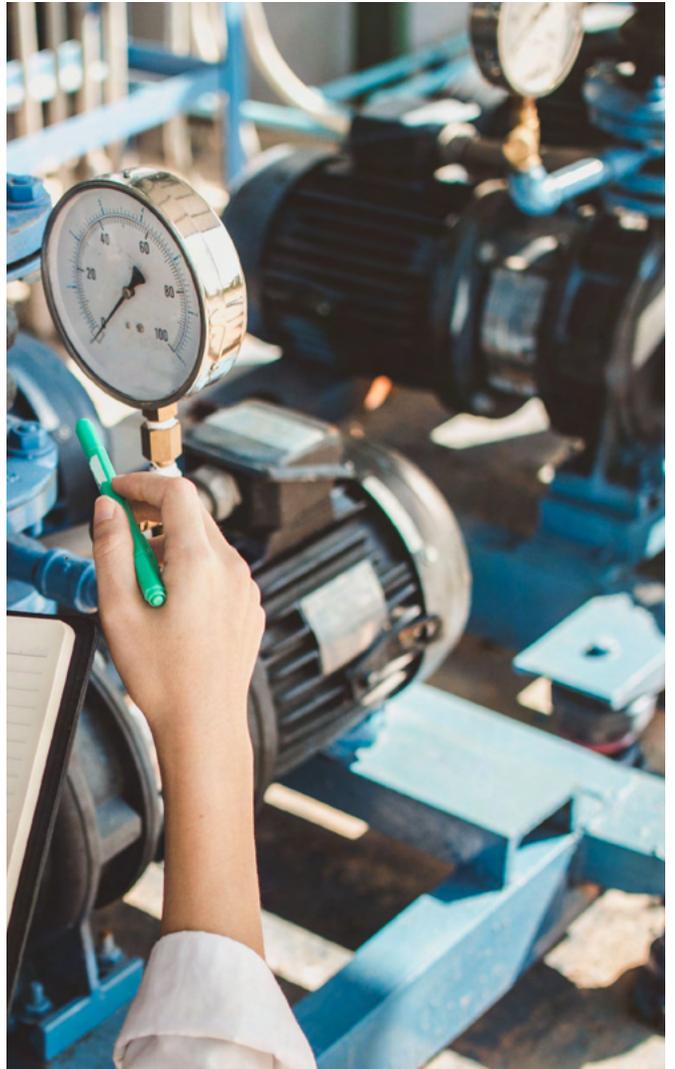


Market Update



Facilities Services
Q4 2022

Facilities Services Insights

After a series of record-breaking quarters throughout 2021, Q4 2022 marks another slight deceleration in mergers and acquisitions (M&A) activity, with 9,000 deals closed, according to S&P Global. This represents a decrease of approximately 9% compared to the approximately 9,775 deals closed in the previous quarter. However, a decline in transaction activity is unsurprising due to the continuous rebalancing of M&A markets following the record-breaking pace of activity in 2021 and early 2022. 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 and a decrease in overall leverage and 2) broader uncertainty about the macroeconomic environment and 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 United States market. During Q4 2022, private equity-backed facilities services companies were particularly active acquirers. Companies, including Smart Care (Wind Point Partners), Tech24 (HCI Equity), Pye-Barker Fire & Safety (Altas Partners) and Easy Ice (Freeman Spogli) completed acquisitions. As of Q4 2022, the Lincoln facilities services index (14.7x EV / EBITDA) is valued at a higher multiple relative to Q3 2022, while the S&P 1500 Environmental and Facilities Services Index (14.6x) decreased. Overall, we remain optimistic that the facilities services M&A market will remain strong in 2023 for both financial and strategic buyers.

Recent Lincoln International Facilities Services Transactions

 <p>has received a growth investment from</p>  <p>O2 Investment Partners, LLC</p> <p>Sell-Side</p> 	 <p>has sold</p>  <p>to</p>  <p>SUN CAPITAL PARTNERS, INC.</p> <p>Sell-Side</p> 	 <p>has sold</p>  <p>to</p>  <p>YORK CAPITAL MANAGEMENT</p> <p>Sell-Side</p> 	 <p>has sold</p>  <p>to</p>  <p>SUMMIT COMPANIES</p> <p>a portfolio company of</p>  <p>BLACKROCK</p> <p>Sell-Side</p> 	 <p>has sold</p>  <p>WINDOW NATION</p> <p>to</p>  <p>AEA</p> <p>Sell-Side</p> 
 <p>has sold</p>  <p>AI FIRE</p> <p>to</p>  <p>SNOW PHIPPS</p> <p>Sell-Side</p> 	 <p>has sold</p>  <p>THERMA</p> <p>to</p>  <p>Blackstone</p> <p>Sell-Side</p> 	 <p>has been sold to</p>  <p>Audax Private Equity</p> <p>Sell-Side</p> 	 <p>WEST SHORE HOME</p> <p>has been recapitalized by</p>  <p>LGP LEONARD GREEN & PARTNERS</p> <p>Recapitalization</p> 	 <p>Audax Private Equity</p> <p>has sold</p>  <p>COOLSYS</p> <p>to</p>  <p>ARES</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, Q1 2021, 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 and the S&P 500 Environmental and Facilities Services decreased while the Lincoln facilities services index increased. The Lincoln facilities services index enterprise value / EBITDA trading multiples increased by 2.4x to 14.7x.

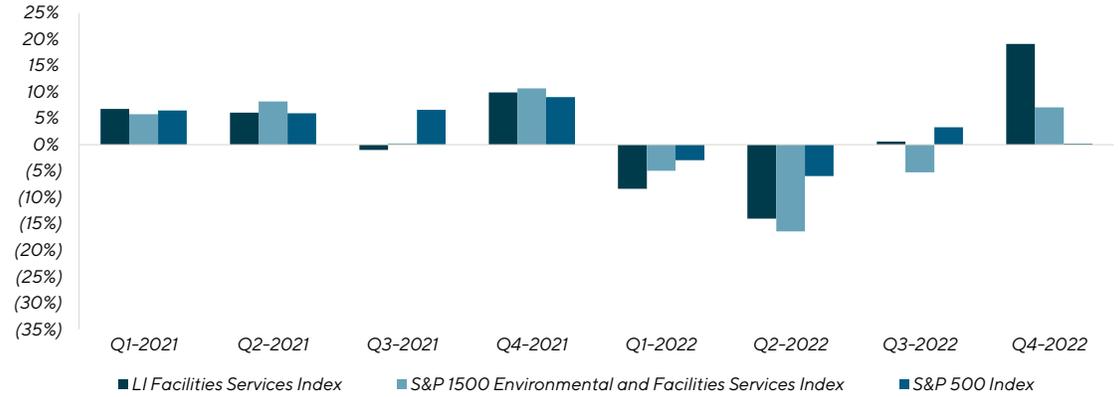
Facilities Services Financial Performance

Quarter-over-Quarter Performance

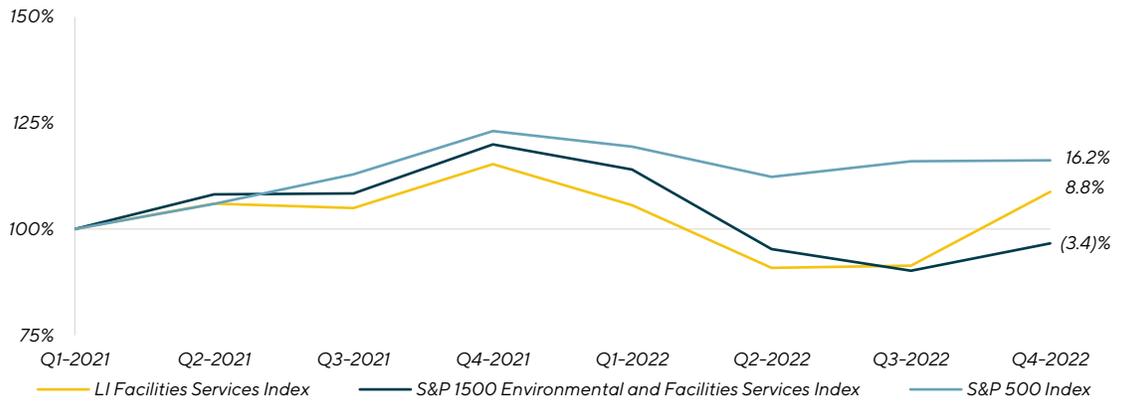
Top Performers	Change	Underperformers	Change
Matrix Service	50.2%	Team	(50.5%)
Aramark	32.5%	BrightView Holdings	(13.2%)
Johnson Controls International	30.0%	FirstService	2.3%

Based on quarter-over-quarter share price performance

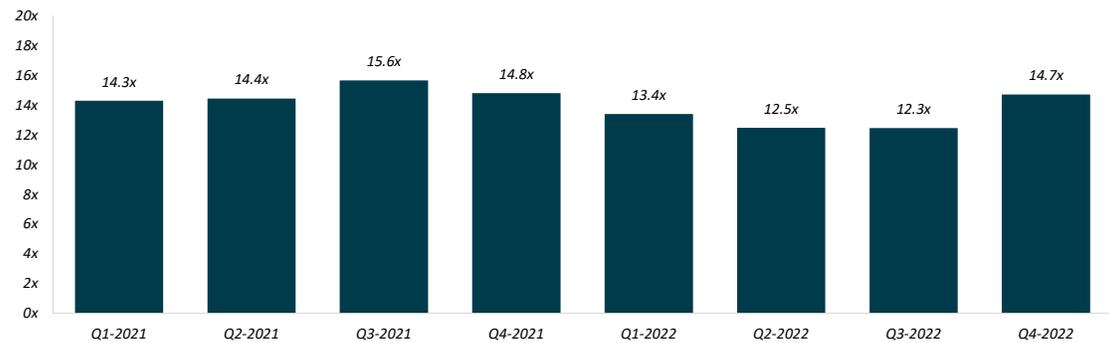
Quarter-over-Quarter Stock Index Change



Two-Year Relative Stock Index Performance



Enterprise Value⁽¹⁾ / LTM EBITDA Multiples



Source: Capital IQ as of 12/31/2022

(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			LTM Growth		EBITDA Margin	Net Debt / EBITDA
							Rev	EBITDA	EBIT	Rev	EBITDA		
Facilities Services													
ABM Industries	\$44.42	\$54.00	\$2,914	\$4,118	\$2.14	\$7,806.6	0.5x	8.9x	11.8x	25.3%	3.1%	5.9%	2.6x
Aramark	41.34	43.33	10,680	17,692	0.75	16,327	1.1x	15.8x	30.0x	35.0%	52.5%	6.9%	6.2x
BrightView Holdings	6.89	15.33	641	2,005	0.14	2,775	0.7x	7.8x	18.6x	8.7%	(2.3%)	9.3%	5.3x
Cintas	451.62	470.23	45,885	48,716	12.28	8,377	5.8x	24.5x	28.7x	12.7%	13.7%	23.7%	1.4x
Comfort Systems USA	115.08	128.68	4,102	4,412	6.31	3,879	1.1x	14.6x	19.9x	33.0%	20.3%	7.8%	1.0x
Compass Group	23.10	23.74	40,517	43,873	0.63	28,428	1.5x	20.7x	24.9x	17.6%	14.3%	7.5%	1.6x
EMCOR Group	148.11	156.67	7,058	7,086	7.39	10,766	0.7x	11.0x	13.2x	12.8%	0.3%	6.0%	0.0x
FirstService	122.51	185.88	5,417	6,363	2.56	3,583	1.8x	20.2x	30.7x	13.1%	1.8%	8.8%	2.3x
Johnson Controls International	64.00	81.45	43,949	52,012	2.19	25,299	2.1x	16.3x	22.0x	6.9%	(11.9%)	12.6%	2.2x
Matrix Service	6.22	9.14	168	169	(1.97)	748	0.2x	NM	NM	13.6%	(4.5%)	(5.0%)	(0.0x)
Mitie Group	0.90	0.99	1,202	1,251	0.02	4,351	0.3x	10.9x	15.1x	(6.0%)	(34.8%)	2.6%	0.4x
Prosegur Compañía de Seguridad	1.89	2.64	1,004	2,503	0.09	4,031	0.6x	6.7x	11.0x	2.9%	NM	9.3%	3.9x
Rentokil Initial	6.12	7.05	15,367	17,096	0.14	3,735	4.6x	23.6x	36.0x	(8.8%)	(9.6%)	19.4%	2.4x
Rollins	36.54	43.06	17,995	17,997	0.70	2,635	6.8x	NM	39.2x	11.6%	5.1%	21.1%	0.0x
Securitas AB	8.34	12.21	4,779	9,615	8.77	11,094	0.9x	13.1x	17.3x	(8.6%)	3.6%	6.6%	6.6x
Sodexo	95.63	102.38	13,959	17,464	4.69	21,276	0.8x	13.2x	17.3x	3.4%	31.3%	6.2%	2.6x
Team	5.25	30.70	23	478	(34.10)	912	0.5x	NM	NM	14.3%	40.7%	(0.6%)	NM
UniFirst	192.99	214.66	3,606	3,255	5.49	2,056	1.6x	13.4x	24.5x	10.2%	(16.8%)	11.8%	(1.4x)
Facilities Services Mean							1.8x	14.7x	22.5x	11.0%	23.0%	8.9%	2.2x
Facilities Services Median							1.0x	13.4x	21.0x	12.2%	3.3%	7.6%	2.2x

Source: Capital IQ | Note: All values based on publicly available data as of 12/31/2022

Heard on the Street

12/22/2022: Smart Care (Wind Point Partners), a Saint Paul, Minnesota-based provider of commercial kitchen equipment maintenance and repair services, announced the acquisition of Refrigeration AnyTime, a refrigeration and air conditioning services company based in Manor, Texas. This transaction deepens Smart Care's footprint in Texas, marking the company's third acquisition in the state and eighth overall since Wind Point Partners' investment in 2021. Smart Care has stated its intention to continue to actively pursue acquisition opportunities, specifically among commercial refrigeration, kitchen equipment and heating, ventilation and air conditioning (HVAC) maintenance and repair service providers in the U.S. and Canada.

12/20/2022: Better Protection (Abry Partners), a Chicago-based commercial fire and life safety service provider, announced its platform formation. The new platform is formed by the combination of Chicago-based Assurant Fire Protection (AFP), Complete Fire Pump Service (CFPS) and Xtreme Fire Protection. Alongside this formation, Abry Partners (a Boston-based private equity firm) announced it has made a strategic growth investment in the company and will look to support its further acquisition strategy going forward. With this combination, Better Protection aims to be the leading fire and life safety business in the Chicagoland area with the ability to act as a convenient, one-stop-shop for customer needs. The new platform will be led by Don Mershon, who has more than 30 years of experience in the fire and life safety industry. Don will be supported by Matt Palas, who founded AFP in 2017 and subsequently acquired CFPS in 2020, along with Jim O'Malley, founder of Xtreme Fire Protection.

12/8/2022: Pye-Barker Fire & Safety (Altas Partners), an Atlanta-based provider of fire protection equipment and services has announced its acquisition of Justice Fire & Safety, a provider of fire safety services based in Sioux Falls, South Dakota. This acquisition expands Pye-Barker's

geographic presence into South Dakota and is the fourth acquisition made by Pye-Barker in Q4 2022. Other acquisitions this quarter include 1) ComTronix, which operates in Wyoming, 2) Survivor Fire & Safety Equipment, which operates in New Jersey and 3) Metro Fire & Safety Equipment, which operates in New Jersey. These acquisitions, along with 10 others made throughout 2022, have increased Pye-Barker's number of branch locations in the U.S. by 20% and supported Pye-Barker's acquisition strategy centered on geographic expansion.

12/1/2022: Easy Ice (Freeman Spogli), a Marquette, Michigan-based provider of commercial ice machine rental and related services announced the acquisition of Cube Aire Refrigeration, a Lakeside, California-based provider of ice machine leasing and maintenance services. This transaction marks the fourth in the past year for Easy Ice, which has seen its ice machines increase to over 30,000 units across 47 states. With multiple, recent executive-level additions along with its aggressive growth strategy and designated funds, Easy Ice is expected to continue its acquisitive pattern into 2023.

10/31/2022: Cozzini Bros (Birch Hill Equity Partners), a Chicago-based provider of knife sharpening and blade exchange services announced the appointment of new Chief Executive Officer, Todd Wolfe. Todd brings more than 22 years of professional experience in fixed route operations for mission critical services and previously served as Senior Vice President of Operations at Stericylce, a provider of medical waste disposal and data destruction. Cozzini's previous Chief Executive Officer, Ed Finnegan, who grew the company from a base of 15,000 customers to a national service provider with more than 80,000 customers, will assume the role of Chairman of the Board. When asked about his successor, Ed said, "Todd Wolfe brings significant operating and commercial experience to the table that are crucial for the next several chapters of Cozzini's incredible 117-year old success story."

M&A Transaction Highlights

Closed	Target	Target Description	Acquirer
Announced	Derichebourg Multiservices	Provides sanitation, cleaning, aircraft maintenance and temporary staff employment services	Elior Group
Announced	Janney Construction Services	Provides exterior restoration and remodeling services	Legacy Restoration (Bessemer Investors)
Dec-22	4M Building Solutions	Provides janitorial, housekeeping and cleaning services for commercial facilities	O2 Investment Partners
Dec-22	Refrigeration Anytime	Provides commercial refrigeration and HVAC equipment repair services	Smart Care (Wind Point Partners)
Dec-22	Assurant Fire Protection	Provides fire pump and fire protection services	Xtreme Fire Protection (Abry Partners)
Dec-22	Southeast Landscapes	Provides landscape installation, maintenance and irrigation services	Landscape Workshop (Carousel Capital)
Dec-22	Desert Green	Provides lawn care, tree and pest control services	Senske (GTCR)
Dec-22	B. Carlson Heating and Air Conditioning	Provides repair, maintenance and replacement services for heating, cooling and plumbing systems	Radiant Plumbing and Air Conditioning (The Riverside Company)
Dec-22	Industrial Service Solutions	Provides engineering, field and shop services	Wynnchurch Capital
Dec-22	Servis Group	Provides janitorial services to commercial, education, industrial and healthcare customers	The Facilities Group (Greenbriar Equity Group)
Dec-22	Finley's Facilities Services	Provides commercial kitchen equipment repair services	Smart Care (Wind Point Partners)
Dec-22	CMI Legacy	Provides commercial HVAC, mechanical, installation and refrigeration services	CMS Mechanical Services (Audax Group)
Dec-22	ServiceMaster	Provides residential and commercial restoration services	VantEdge Partners
Dec-22	Justice Fire & Safety	Provides sale, installation and service of fire suppression systems	Pye-Barker Fire & Safety (Altas Partners)
Dec-22	Ruppert Landscape	Provides landscape management, landscape construction and tree growing and moving services	Knox Lane
Dec-22	Comet Signs	Provides manufacturing, installation and maintenance of on-premise signage	Stratus (Vestar Capital Partners / Constitution Capital Partners)
Dec-22	Pacific Auxiliary Fire Alarm Company	Provides commercial fire alarm system design, installation, testing, inspection, maintenance, repair and monitoring services	Rapid Fire Safety & Security (Concentric Equity Partners)
Dec-22	Beckwith Electronic Engineering	Provides fire alarm equipment	Convergint Technologies (Harvest Partners / Leonard Green)
Dec-22	Reliable Termite & Pest Control	Provides commercial and residential pest control services	PestCo Holdings (Thompson Street Capital Partners)
Dec-22	Cube Aire	Provides ice maker repair and maintenance services to hotel, restaurant and catering companies	Easy Ice (Freeman Spogli)

Source: Capital IQ, Mergermarket, Company Filings

M&A Transaction Highlights (cont'd)

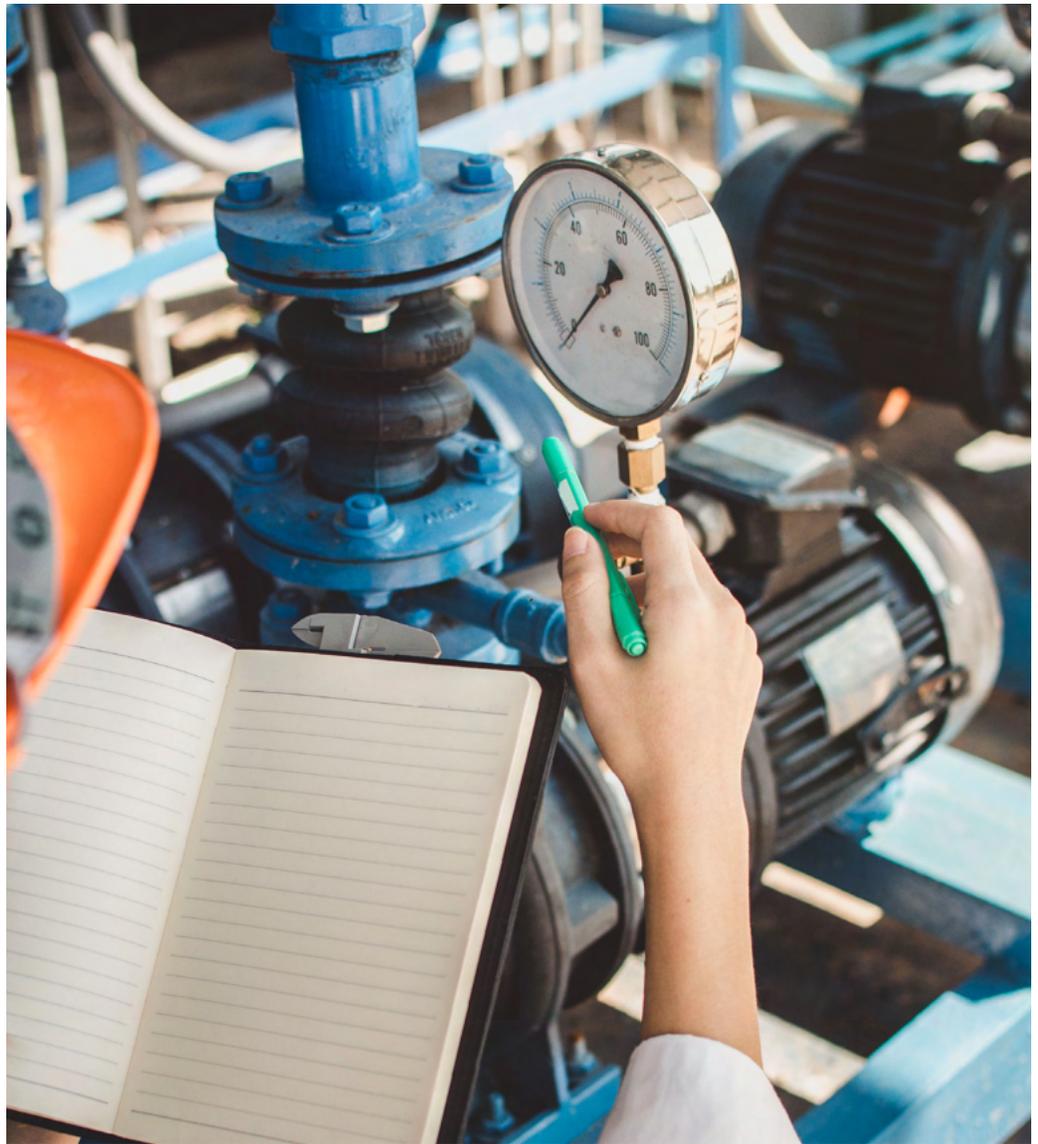
Closed	Target	Target Description	Acquirer
Dec-22	Polar Ice	Provides delivery of ice and dry ice	Easy Ice (Freeman Spogli)
Dec-22	Laundry Equipment Services	Provides commercial laundry equipment installation, repair and maintenance services	Alliance Laundry Systems (BDT Partners / Torreal)
Nov-22	Nu-Tek Roof Systems	Provides commercial and residential roofing, construction and maintenance services	B&B Siding and Roofing
Nov-22	Mountain Air Conditioning & Heating	Provides residential and commercial HVAC replacement, installation, repair and maintenance services	Wrench Group (Leonard Green / Oak Hill Capital / TSG Consumer)
Nov-22	Core Roofing Systems	Provides commercial roofing, maintenance, installation and emergency repair services	Shoreline Equity Partners
Nov-22	Radiance Solar	Provides solar energy systems for commercial, utility and residential customers	Bravo Infrastructure Group
Nov-22	Four Seasons Heating & Air Conditioning	Provides HVAC installation and repair services	Cortec Group
Nov-22	Apex Linen	Provides industrial laundry, linen rental, radio frequency identification tracking and commercial dry cleaning services	PureStar Linen Group (HarbourVest / Cornell Capital / Constitution Capital)
Nov-22	APHIX	Provides professional grounds maintenance services	Caltius Equity Partners
Nov-22	ComTronix	Provides engineering, installation and maintenance of security solutions	Pye-Barker Fire & Safety (Altas Partners)
Nov-22	Viking Fire	Provides fire protection solutions including the design, fabrication, installation, service, repair and inspection of fire sprinkler systems	Rosewood Private Investments
Nov-22	Rose Paving LLC	Provides pavement development services	Tenex Capital Management
Nov-22	Del-Air Heating & Air Conditioning	Provides repair and maintenance services for residential and light commercial air conditioning and heating systems	Astara Capital Partners
Nov-22	WinField United Professional	Provides lawn care services	Heritage Landscape Supply Group (Berkshire Partners / Leonard Green)
Nov-22	Ned Stevens Gutter Cleaning & General Contracting	Provides gutter cleaning, maintenance, installation and repair services for homeowners	The Jordan Company / Cobepa
Oct-22	Eskola Roofing & Waterproofing	Provides installation of commercial and industrial roofing systems	Eagle Merchant Partners
Oct-22	Texscape Services	Provides commercial landscape maintenance and installation-focused services for the commercial sector	Monarch Landscape Holdings (Audax Group)
Oct-22	Dave's Heating & Air Conditioning	Provides residential, commercial and industrial HVAC services	Royal House Partners (CPS Capital)
Oct-22	Century Security And Event Staffing	Provides comprehensive security and event services	Allied Universal Security Services (Warburg Pincus / CDPQ)
Oct-22	Elite Window Cleaning	Provides window cleaning services to residential and commercial buildings	Lawn Doctor (CNL Strategic Capital)

Source: Capital IQ, Mergermarket, Company Filings

M&A Transaction Highlights (cont'd)

Closed	Target	Target Description	Acquirer
Oct-22	MTL COOL and Holding Company	Provides design and manufacture services for refrigerated displays to food markets	Minus Forty Refrigeration (Ronin Equity Partners / Nicola Wealth Private Capital / CFT Capital Partners / Northwood Ventures)
Oct-22	Zippy Cleaning and Maintenance Services	Provides commercial cleaning and maintenance solutions to corporate and government clients	ACS Property Services
Oct-22	Bullseye Home Services	Provides a range of plumbing and air conditioning services to residential customers	United Air Temp (Summit Park / Pareto & Company / Capitala Group)
Oct-22	Survivor Fire & Safety Equipment	Provides installation and inspection for fire and safety systems	Pye-Barker Fire & Safety (Altas Partners)
Oct-22	TEK Express	Provides repair services, preventative maintenance and installation for commercial cooking and refrigeration equipment	Tech24 (HCI Equity Partners)
Oct-22	STR Mechanical	Provides installation and replacement of HVAC systems	SkyKnight Capital
Oct-22	Insight Pest Solutions	Provides pest and termite control services	Massey Services (AEA Investors)
Oct-22	American National Skyline	Provides window washing and cleaning, pressure washing and exterior building maintenance services	Valcourt Building Services (Littlejohn & Co)
Oct-22	Palmetto Exterminators	Provides pest control services	CenterOak Partners
Oct-22	Marick	Provides refrigeration, air conditioning and heating solutions for commercial and industrial customers	Orion Group (Alpine Investors)
Oct-22	Metro Fire & Safety Equipment	Provides design, installation, inspection and repair services for fire and safety equipment	Pye-Barker Fire & Safety (Altas Partners)
Oct-22	Reino Linen Service	Provides laundry services to healthcare industry	Healthcare Linen Services Group (York Capital Management)
Oct-22	Elrod Enterprises	Provides commercial and residential pest control services	PestCo Holdings (Thompson Street Capital Partners)
Oct-22	1st Source Restaurant Services	Provides installation, and repair of restaurant equipment including air conditioning and cooking equipment	Tech24 (HCI Equity Partners)
Sep-22	InterCool USA	Provides industrial refrigeration services	RF Investment Partners
Sep-22	Blue Star Security	Provides security and investigative services to Fortune 500 companies and small-to-medium-sized businesses	Security Services Holdings (Southfield Capital)
Sep-22	NextGen Security	Provides design, installation and maintenance of security, video surveillance and access control systems	Dunes Point Capital

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 850 professionals in more than 20 offices in 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.

Connect with a professional in Lincoln International's Business Services Group at www.lincolninternational.com/whoweserve.