



## Residential Services Sector Brief

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Harris Williams | Q2 2024

# Residential Services Observations and Market Updates

The residential services industry remains attractive in any economic environment



# What We’re Reading

## How to Increase the Value of Your Home With 5 Popular Home Improvements

BuySide from The Wall Street Journal

Millions of homeowners complete home improvement projects each year. While many enhance quality of life, others, including kitchen and bathroom upgrades, as well as extensive exterior enhancements, serve to improve both the general feel and overall value of homes.

Read the full article [here](#)

## Borrowers Gained \$1.5 Trillion in Home Equity in Q1 2024

The Mortgage Reports

As home prices continue reaching new highs, homeowners are seeing their home equity approach historic peaks in 2024. As a result, many have sizeable home equity reserves that can be tapped and used in a variety of ways, including to complete home improvements or repairs.

Read the full article [here](#)

## Boomers Bought Up the Big Homes. Now They’re Not Budging

The Wall Street Journal

Boomers are on top in today’s housing market. Many of these older homeowners are now staying put given a reluctance to forego their low-rate mortgages and have no plans to leave in the near-term.

Read the full article [here](#)

## Lawn & Landscape eMagazine


Lawn & Landscape

Monthly publication by Lawn & Landscape about the latest industry news, current events, new products, and more.

Read the full article [here](#)


### Recent Harris Williams Residential Services Content

#### Outdoor Living: Opportunities Across the Value Chain



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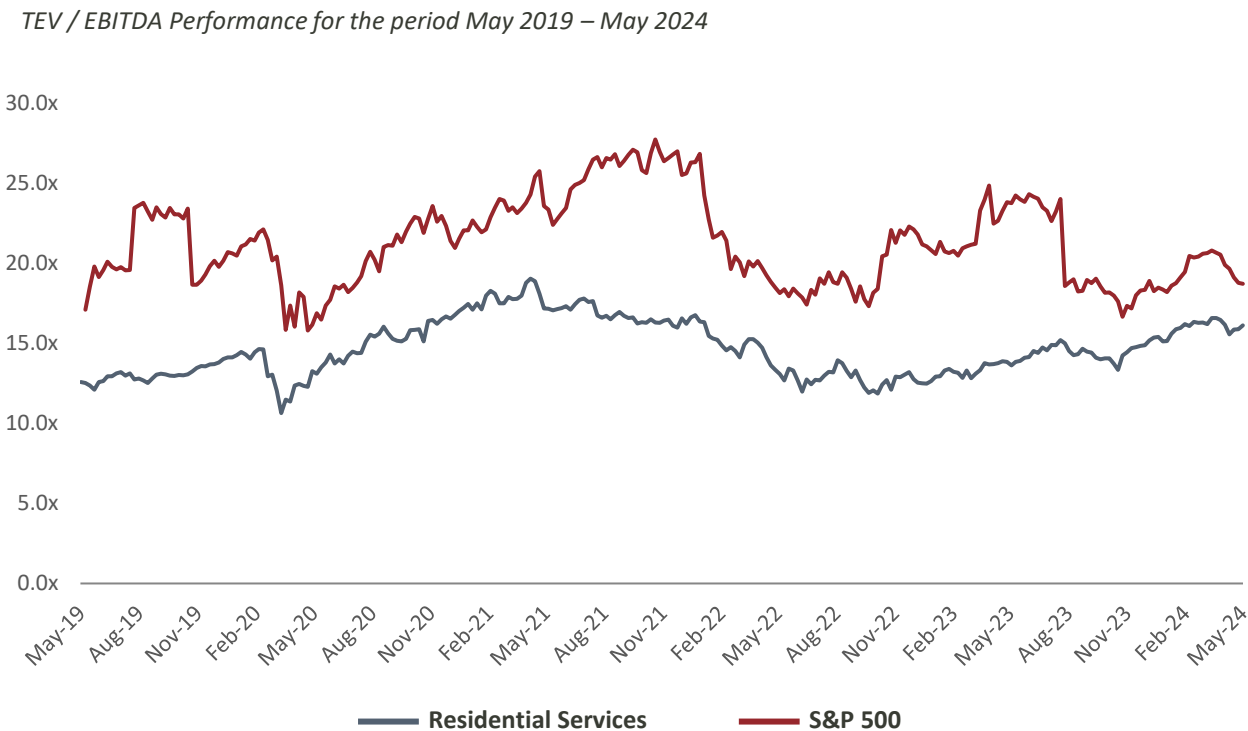
#### 2023 Harris Williams Home Services Study



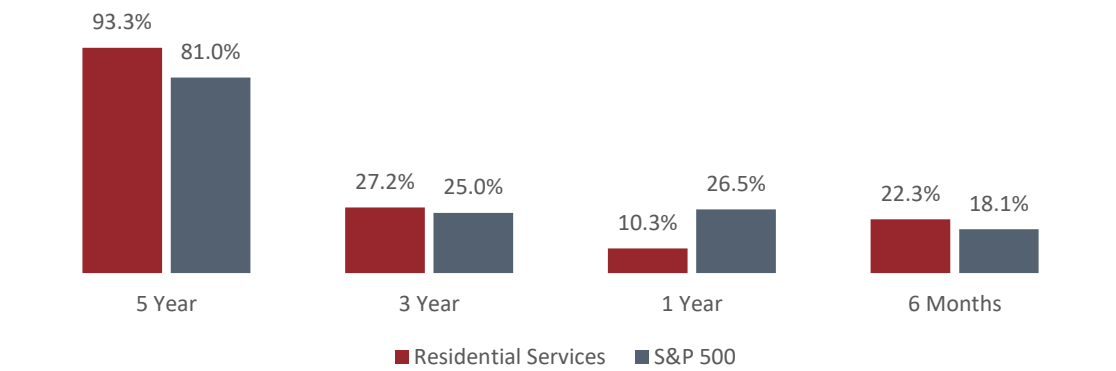
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# Residential Services Public Company Trended Stock Performance

## Public Multiple Performance – 5 Years<sup>1</sup>



## Stock Performance<sup>1</sup>



## What They're Saying<sup>2</sup>

- ### Rentokil Initial
- Rentokil has experienced a positive start to the year with total revenue and organic revenue growing by +4.9% and +3.1%, respectively
  - North American organic growth has stabilized, and Rentokil has reiterated FY '24 expectations of +2% - 4% organic revenue growth accompanied by modest margin progression
- ### Rollins
- Rollins has seen 14% total revenue growth with double-digit growth across all major service lines for Q1 '24 vs. Q1 '23; Commercial: +11.4%, Residential: +16.5%, and Termite: +11.7%
- ### FirstService
- FirstService grew overall revenue and adj. EBITDA by +14% and +2%, respectively, over prior quarter '23
  - Residential segment grew +11% (8% organic) vs. Q1 '23; FirstService Brands grew by 16% vs. Q1 '23, which was driven by double-digit organic growth at Century Fire Protection and contribution from their recent acquisition of Roofing Corp of America



# Residential Services Market Landscape

To view full market map please contact:  
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Select sub-verticals and platforms:



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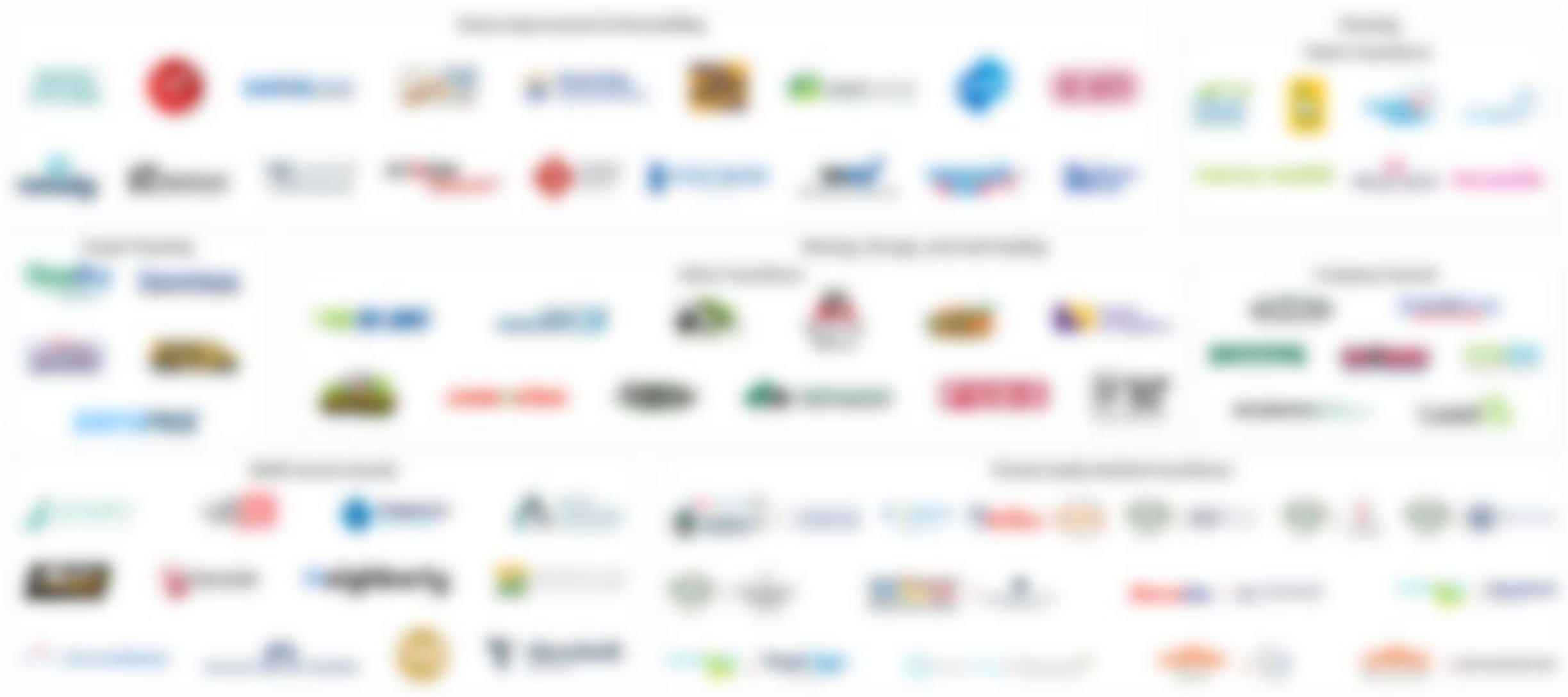
Select sub-verticals and platforms:



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Select sub-verticals and platforms:





### Consumer Global Coverage

› North America › Europe › Asia

### Consumer Sector Coverage Areas

› Consumer Products › Consumer Services  
› Consumer Multi-Site › Food and Beverage

  has been recapitalized by  	 a portfolio company of   has been acquired by  	 a portfolio company of   has been acquired by  	 a portfolio company of   has been acquired by 	 a portfolio company of funds managed by   has been acquired by  
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Learn more about our experience advising premier Residential Services companies.



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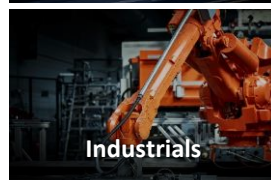
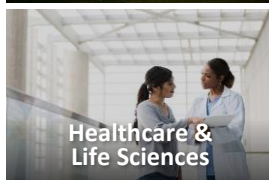
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## Deep Industry Experience



## Proven Expertise

MERGERS & ACQUISITIONS

PRIVATE CAPITAL SOLUTIONS

PRIMARY FUND PLACEMENT

## Core Values That Drive Success



75% Revenue from repeat clients

87% Managing Directors promoted from within

30+ Year history

# Harris Williams: Residential Services Experience

## Residential Services Transaction Experience

 has acquired  a franchisee of 	 has acquired 	 has been recapitalized by 	 a portfolio company of  has been acquired by 
 has been acquired by  and funds advised by 	 a portfolio company of  has been acquired by 	 a portfolio company of  has been acquired by 	 has invested in  a portfolio company of 
 a portfolio company of  has been recapitalized by 	 a portfolio company of funds managed by  has been acquired by 	 a portfolio company of  has been acquired by funds managed by 	 a portfolio company of  has been acquired by 
 has acquired 	 a portfolio company of  has entered into a growth capital partnership with 	 a portfolio company of  has been acquired by 	 has been recapitalized by 

## Harris Williams: Transaction Spotlight

has been  
recapitalized by

### Company Background

Virginia Green is a leading provider of subscription-based lawn treatment, pest control, and tree and shrub services.

### Successful Outcome

The transaction delivered a successful outcome for Virginia Green. The acquisition will enable Virginia Green to expand geographically and serve more homeowners with top-notch lawn care services.

### Our Role

Harris Williams served as the exclusive financial advisor to Virginia Green in this transaction.

December 2023

### Relevant Subsectors

Lawn Treatment	Aeration & Overseeding
Tree & Shrub Care	Pest Control

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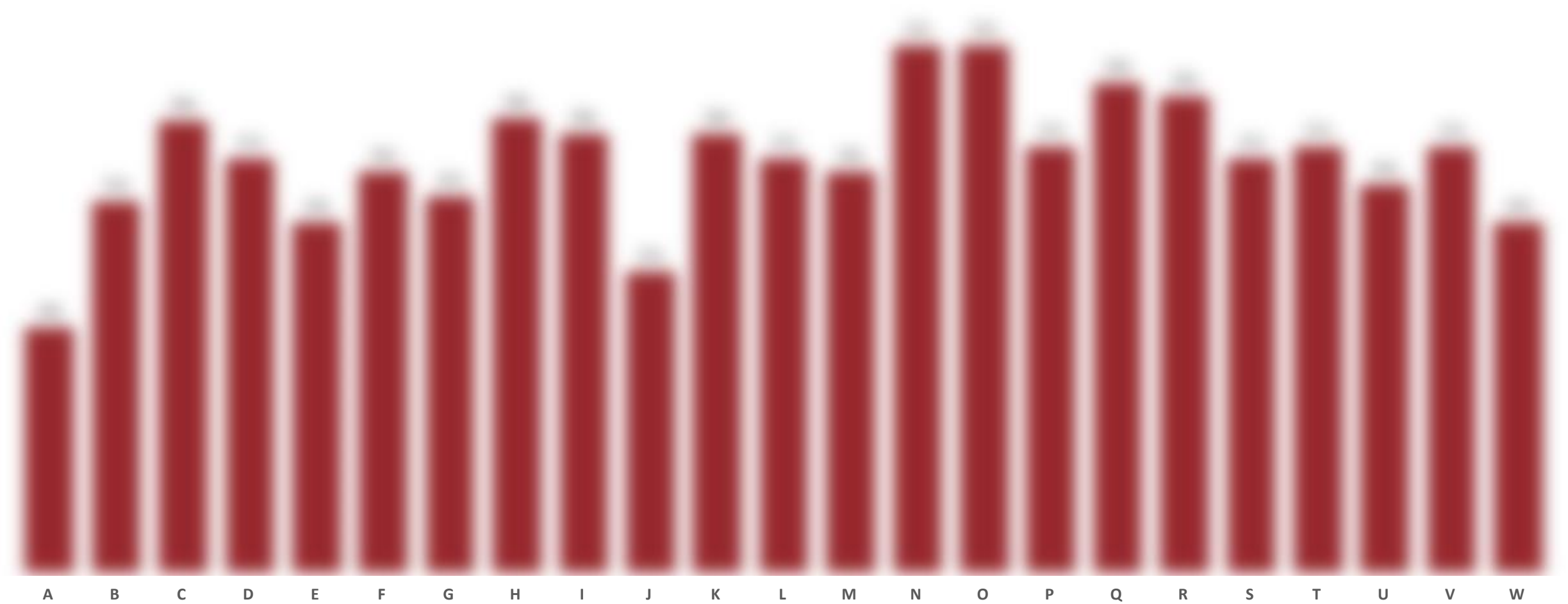
## Appendix

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# Select HVAC / Plumbing Transactions

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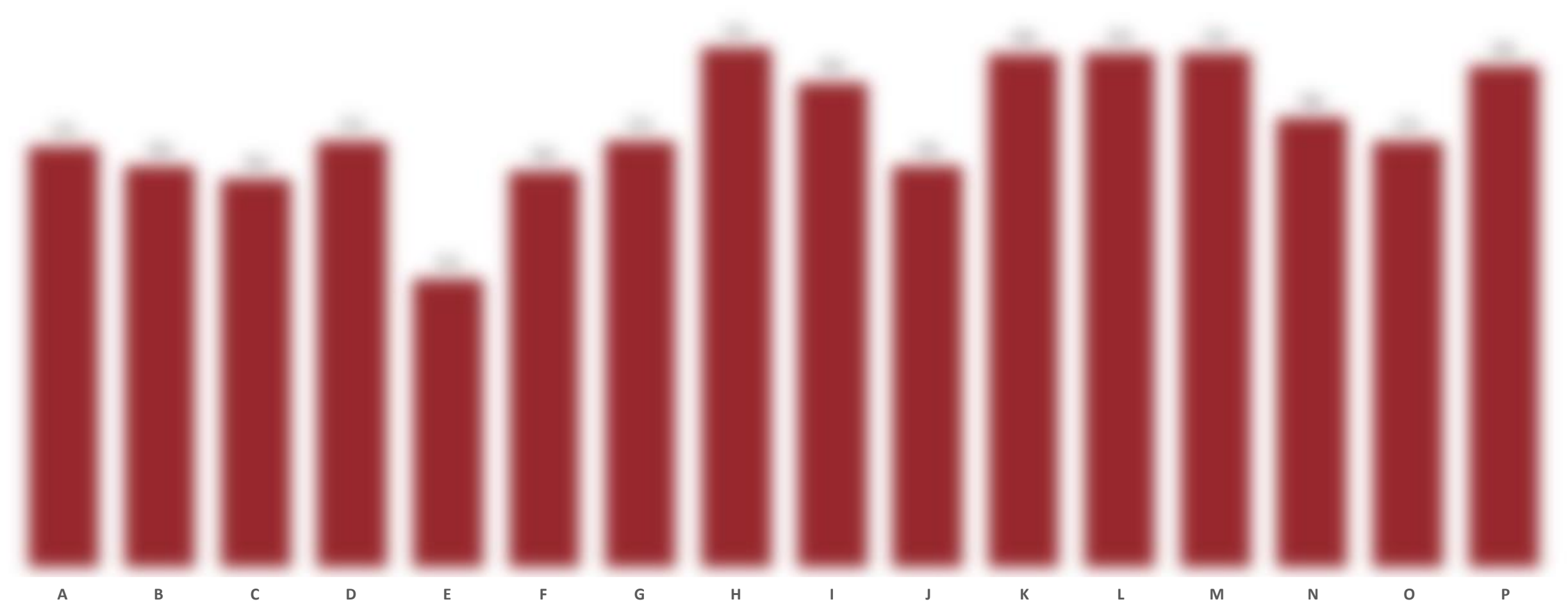
EV / EBITDA



# Select Exterior Recurring Services Transactions

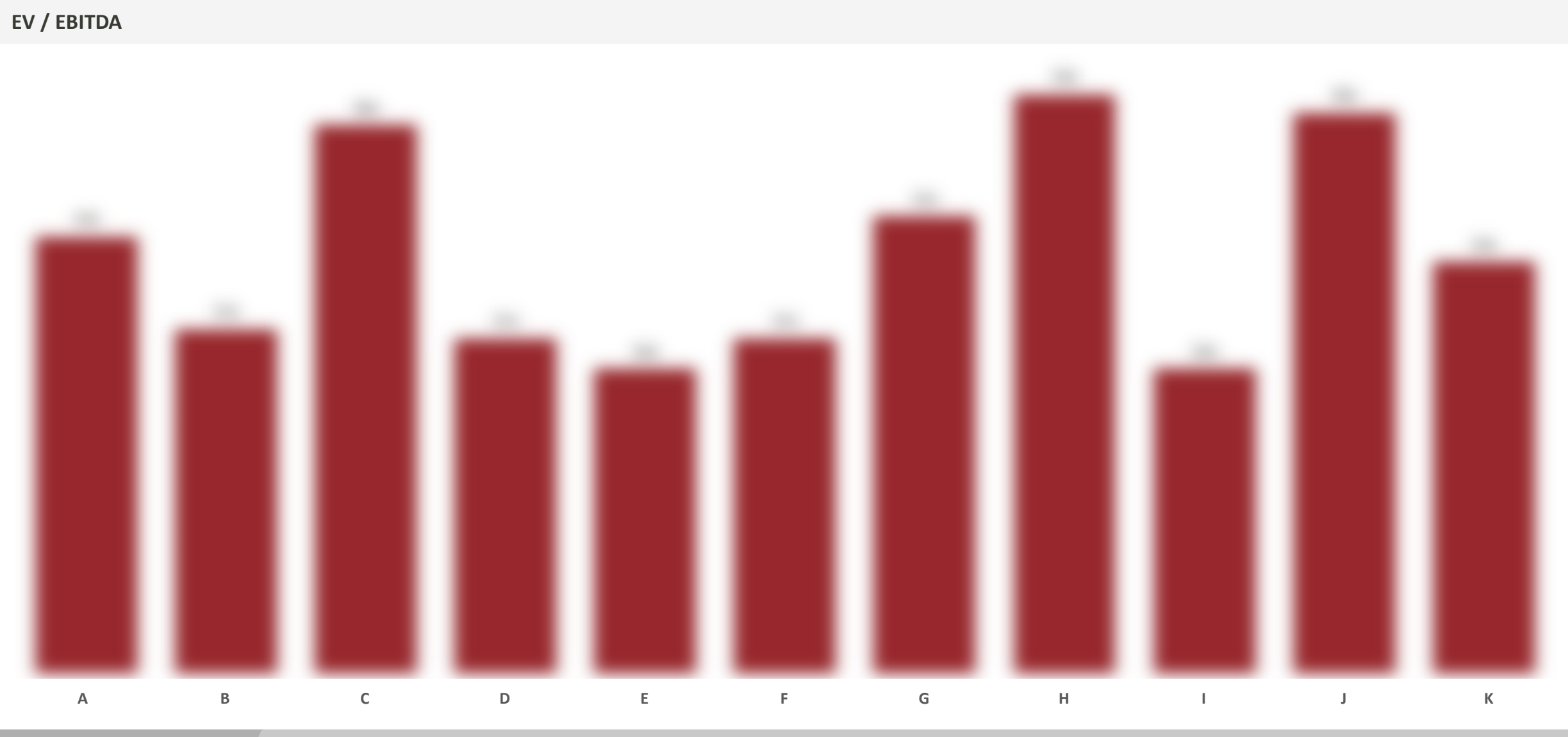
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