



# Commercial & Industrial Services Sector Brief

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Harris Williams | Q4 2024

# What We're Reading

In this sector brief, we have included a collection of articles focused on a variety of trends that the Harris Williams team is seeing from market participants. Commercial and industrial services are mission critical, recurring, and recession-resistant, with many subsectors offering a large, fragmented, total addressable market. This high fragmentation provides ample buy-and-build opportunities and runway for add-on acquisitions. The selected articles highlight trends across the facility management, HVAC, and restoration sectors and underscore future growth avenues and key themes to monitor in 2025.

## 4 Defining Trends of the Next 5 Years in Facilities Management

Facility Executive

"The facilities management industry is evolving at a breakneck pace with technological, social, environmental, and economic trends fundamentally reshaping the sector in recent years...Fortunately, if navigated properly, this shifting landscape provides plenty of room for opportunity and growth."

Read the full article [here](#).

## Facility Management Best Practices for 2025: Navigating the Future of Building Operations

Gordian

"As the demands of building management grow more complex and nuanced, implementing facility management best practices is key to optimizing operations, reducing costs and ensuring long-term sustainability."

Read the full article [here](#).

## Private Equity Is Taking on the Skilled Trades

Forbes

"Private equity firms have been increasingly targeting skilled trades companies like heating, ventilation and air conditioning (HVAC), plumbing and electrical businesses for acquisition and consolidation in recent years."

Read the full article [here](#).

## A Warmer Welcome: The Increasing Adoption of Radiant Heating in Commercial Spaces

ACHR News

"Once upon a time, radiant heating was sort of a niche solution, almost exclusively used in residential applications. But after years of advancements pertaining to the materials, technology, and install of radiant heating systems, they've become a lot more common. It's now not only more efficient, but more cost-effective, too."

Read the full article [here](#).

## Restoration & Remediation Presents the 2024 R&R 360 Industry Outlook

Restoration & Remediation

"Uniquely, this year, a panel of four industry leaders joined Restoration & Remediation Magazine to do a further dive into the key findings and more in an exclusive, thought-provoking webinar. These key findings include finding skilled workers, followed by increased supply costs, and the current economy/inflation."

Read the full article [here](#).

## Recent Harris Williams Industry Content

- **Insights From the 2024 Harris Williams Commercial & Residential Services Conference**



[Link to Read](#)

"The long-term fundamentals of the space are intact: non-discretionary and/or low deferability of services, high fragmentation among providers, and favorable demographic shifts creating growth runway."

- **Private Capital Solutions: Innovative Approaches for a Complex Environment**



[Link to Read](#)

"In this complex environment, PEGs are increasingly interested in innovative approaches to generating liquidity, raising capital, and financing growth."

# Recent Commercial & Industrial Services Transactions Detail

Date	Target	Business Description	Sector	Acquirer(s)
11/20/2024	Endeavor Fire Protection (Building Industry Partners)	A provider of fire protection and life safety installation, maintenance and repair, and inspection services	Fire & Life Safety	API Group Corporation
11/13/2024	Vermont Elevator Inspection Services	A provider of elevator inspection services	Mechanical Services	ATIS (Thompson Street Capital Partners)
11/12/2024	Tropic-Kool	A commercial design-build and HVAC/mechanical services contractor	Mechanical Services	Fidelity Building Services Group (Onex)
11/12/2024	PROtect	A provider of safety, reliability, and compliance services	TICC (Testing, Inspection, Certification & Compliance)	Sterling Investment Partners
11/07/2024	DFS Fire Systems	A provider of fire protection services	Fire & Life Safety	Better Protection (Abry Partners)
11/05/2024	Waste Away Environmental	A provider of residential, commercial, and industrial waste collection services	Waste Management	Amwaste
11/01/2024	System Design Group	A provider of surveillance services to serve homes and businesses	Fire & Life Safety	Pye-Barker Fire & Safety (Leonard Green, Altas)
11/01/2024	Vortex Security Solutions	A provider of security and home solutions for both residential and commercial real estate	Fire & Life Safety	Guardian Protection Services (Knox Lane)
11/01/2024	Covenant Building Service	A provider of commercial cleaning and janitorial services	Environmental & Waste	4M Building Solutions (O2 Investment Partners)
11/01/2024	WaterSMART Solutions	A provider of water management and environmental consulting services	Environmental & Waste	Hazen and Sawyer
10/31/2024	Bridge Crane Express	A provider of fully custom overhead crane systems and related services	Mechanical Services	Crane 1 (L Squared Capital Partners)
10/31/2024	Stealth Monitoring	A provider of live remote video monitoring and surveillance solutions for commercial businesses	Fire & Life Safety	Garda World Security Corporation (BC Partners, HPS Investment Partners)
10/29/2024	MS Fire Protection	A provider of fire sprinkler services	Fire & Life Safety	Pye-Barker Fire & Safety (Leonard Green, Altas)
10/29/2024	United Pool Services of NJ	A provider of pool management services	Landscaping	Coastal Luxury Outdoors (Carl Capital)
10/29/2024	Southwest Contracting & Associates	A provider of tree trimming and thinning services	Landscaping	Community Tree Service (Hastings Equity Partners)
10/27/2024	Southwest Waste Services	A provider of waste management, recycling, and disposal services	Environmental & Waste	Coastal Waste & Recycling (Macquarie Asset Management)
10/25/2024	Cold Tech	A provider of maintenance, installation, servicing of HVAC systems	HVAC	Nene Capital Limited
10/21/2024	North Coast Services	A provider of specialty waste handling and recycling services	Environmental & Waste	TerraCycle
10/21/2024	Recyclops	A provider of recycling services for residential and commercial businesses	Environmental & Waste	BDev Ventures

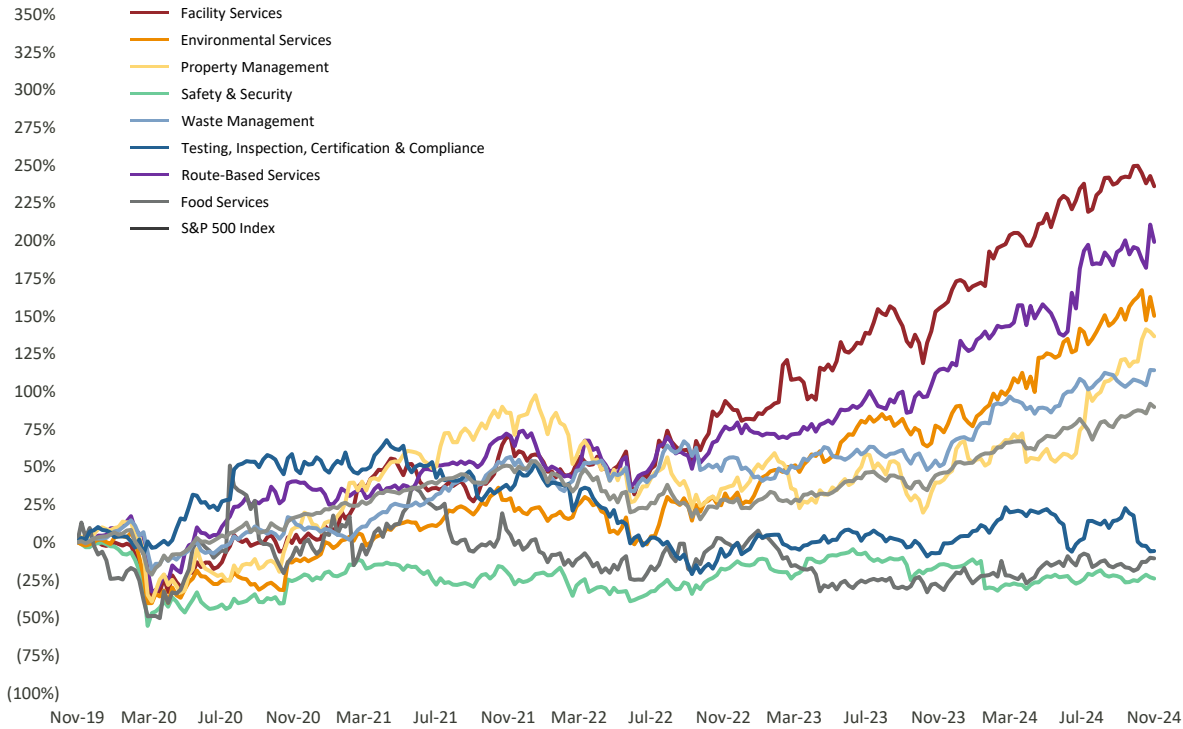
# Recent Commercial & Industrial Services Transactions Detail (Cont.)

Date	Target	Business Description	Sector	Acquirer(s)
10/17/2024	Futurepast	A provider of greenhouse gas consulting, accounting, risk management, and environmental claims services	Environmental & Waste	Omnex Engineering and Management
10/16/2024	Sprout Commercial Landscape Services	A provider of commercial landscaping services	Landscaping	Landscape Workshop (Carousel Capital)
10/16/2024	MDL Énergie	A provider of repair and maintenance services to commercial and industrial facilities	Facility Services	Integrated Power Services (Searchlight Capital Partners)
10/16/2024	Trimscape Lawn Care	A provider of commercial landscaping services	Landscaping	Landscape Workshop (Carousel Capital)
10/16/2024	All Around Landscaping	A provider of commercial and residential landscaping services	Landscaping	Landscape Workshop (Carousel Capital)
10/15/2024	GeoStabilization	A provider of geohazard mitigation services intended to protect people and infrastructure	Infrastructure Services	Leonard Green Partners
10/13/2024	Storm Guardian Generators	A provider of commercial and residential electrical, plumbing, and generator installation services	Mechanical Services	Liberty Service Partners
10/11/2024	LCS Landscapes	A provider of landscape maintenance services	Landscaping	Riverview Companies Lawn Green
10/09/2024	CRMM	A provider of install and logistics for heavy equipment	Mechanical Services	MEI Rigging & Crating (Olympus Partners)
10/09/2024	Spider Man Pest Control	A provider of pest control services to residential and commercial businesses	Landscaping	Arrow Exterminators (LSE:RTO)
10/08/2024	TPS Parking Management	A provider of airport parking and reservation services	Facility Services	KKR
10/08/2024	Enviroguard Pest Solutions	A provider of pest control services	Landscaping	Northwest Exterminating Co (NYSE:ROL)
10/08/2024	D&G Exterminating Co	A provider of pest control services	Landscaping	Northwest Exterminating Co (NYSE:ROL)
10/07/2024	Fortress Safe & Lock	A provider of automotive locksmith services	Fire & Life Safety	Acme Lock
10/03/2024	Kigo	A leader in recycling education, community composting, and food waste prevention	Environment & Waste	Better Earth
10/03/2024	Dumpster Depot	A provider of waste removal services for commercial and construction businesses	Environment & Waste	Capital Waste Services (GFL Environmental)
10/03/2024	Southern Valet	A provider of transportation and parking management services	Facility Services	Propark, Inc. (Abry Partners)
10/03/2024	Pasco Fire and Safety Equipment Company	A provider of inspection, testing, and maintenance of fire extinguishers	Fire & Life Safety	Pye-Barker Fire & Safety (Leonard Green, Altas)
10/02/2024	Arbor-Nomics Turf	A commercial and residential provider of lawn care services	Landscaping	Senske (GTCR)

# Commercial & Industrial Services Public Company Performance and Trends<sup>1</sup>

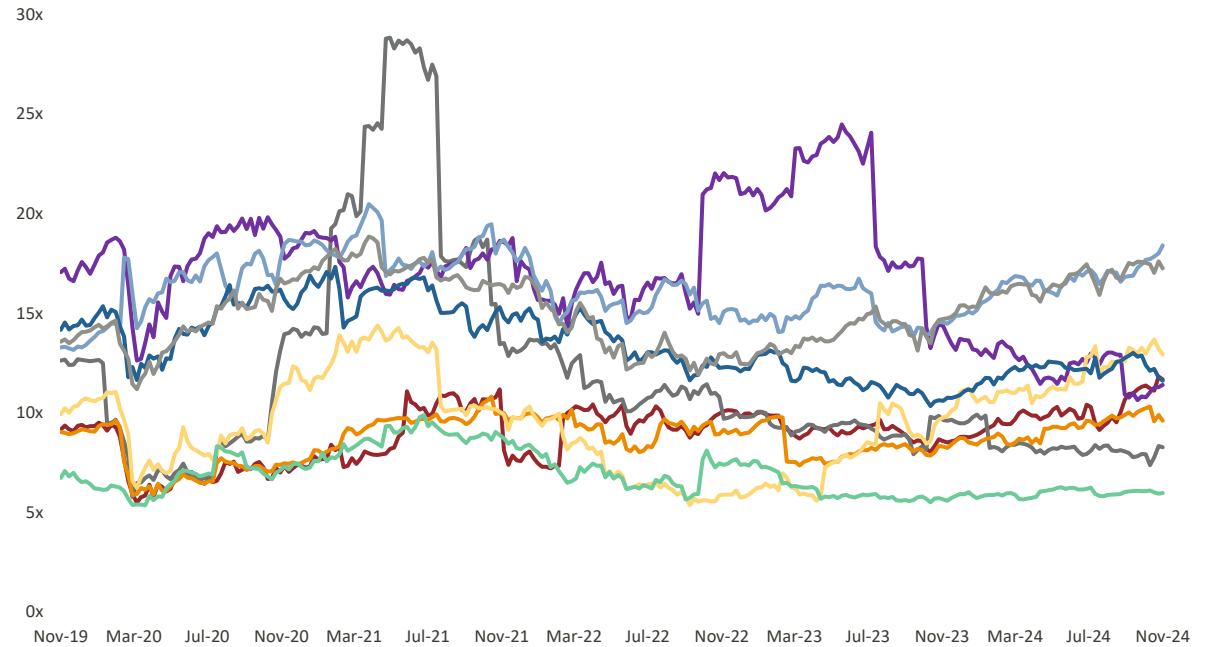
## Historical Stock Prices – Last 5 Years

Indexed Stock Price Performance for the Period November 2019 – November 2024



## Historical Median TEV/LTM EBITDA Multiples – Last 5 Years

Median TEV/LTM EBITDA Multiples for the Period November 2019 – November 2024



Facility Services      Environmental Services      Property Management      Safety & Security      Waste Management      TICC      Route-Based Services      Food Services      S&P 500 Index



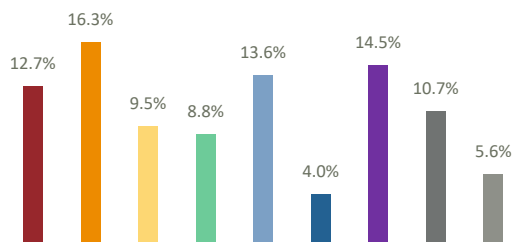
1. S&P Capital IQ as of 11/19/2024; ABM Industries, ADT, ALS, Aramark, Bureau Veritas, Casella Waste Systems, CBRE Group, Cintas Corporation, Clean Harbors, Comfort Systems, Cushman & Wakefield, Ecolab, EMCOR Group, Eurofins Scientific, GFL Environmental, Intertek Group, ISS, Jones Lang LaSalle, Mitie Group, Prosegur Compañía de Seguridad, Rentokil Initial, Republic Services, Securitas, SGS, Sodexo, UniFirst, Veolia Environment, Waste Connections, and Waste Management

# Commercial & Industrial Services Public Company Performance and Trends (Cont.)<sup>1</sup>

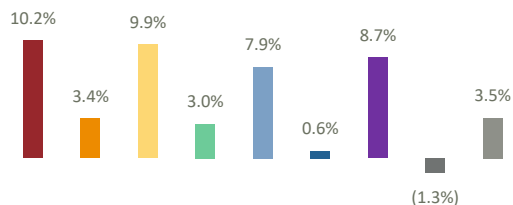
## Public Company – Operating Metrics

Performance for the Period November 2021 – November 2024

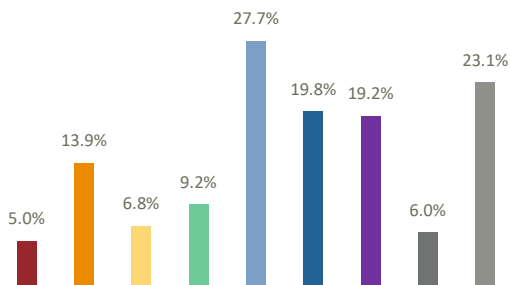
### Median 3-Year Revenue CAGR



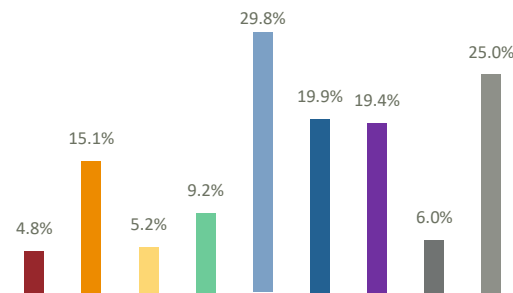
### Median LTM Revenue Growth



### Median 3-Year EBITDA Margin

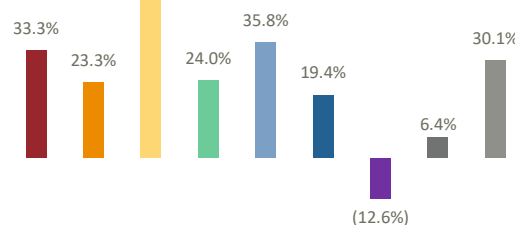


### Median LTM EBITDA Margin

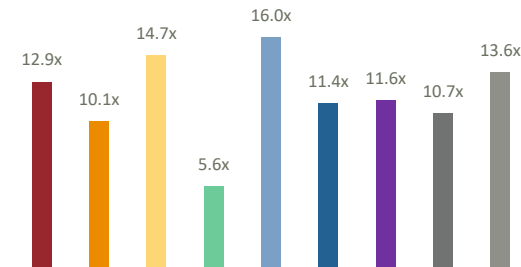


## Public Company – Valuation Metrics

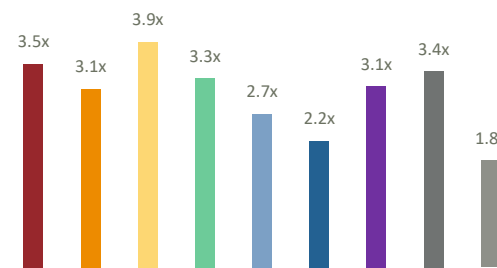
### 12-Month Change in Stock Price



### Median TEV / 2024E EBITDA Multiple



### Net Debt / LTM EBITDA



Facility Services    Environmental Services    Property Management    Safety & Security    Waste Management    TICC    Route-Based Services    Food Services    S&P 500 Index

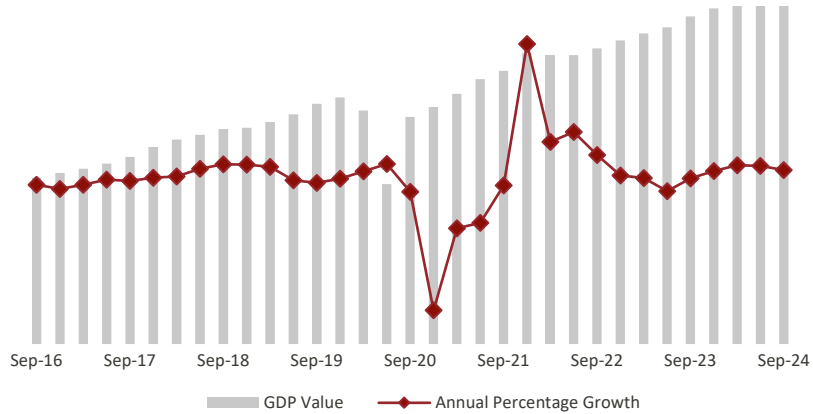


<sup>1</sup> S&P Capital IQ as of 11/19/2024; ABM Industries, ADT, ALS, Aramark, Bureau Veritas, Casella Waste Systems, CBRE Group, Cintas Corporation, Clean Harbors, Comfort Systems, Cushman & Wakefield, Ecolab, EMCOR Group, Eurofins Scientific, GFL Environmental, Intertek Group, ISS, Jones Lang LaSalle, Mitie Group, Prosegur Compañía de Seguridad, Rentokil Initial, Republic Services, Securitas, SGS, Sodexo, UniFirst, Veolia Environment, Waste Connections, and Waste Management

# Economic Trends

## U.S. GDP Growth<sup>1</sup>

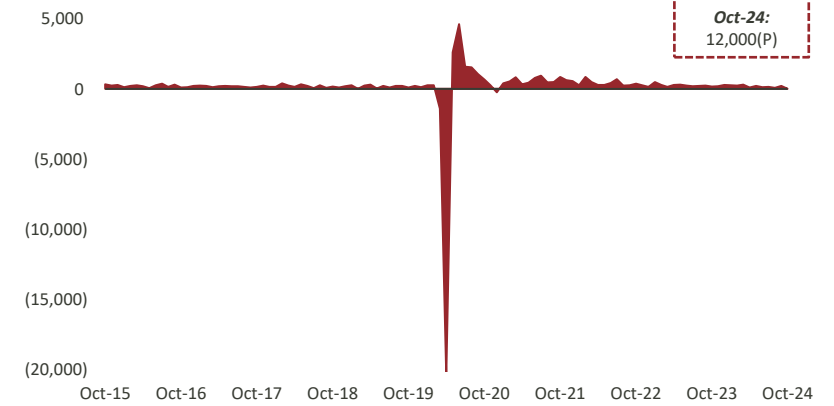
(In billions indexed to 2016 USD)



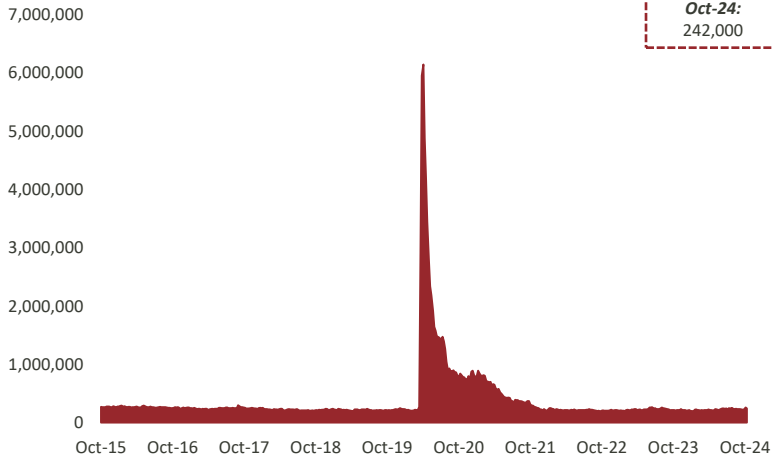
## Consumer Confidence & Unemployment Rate<sup>2</sup>



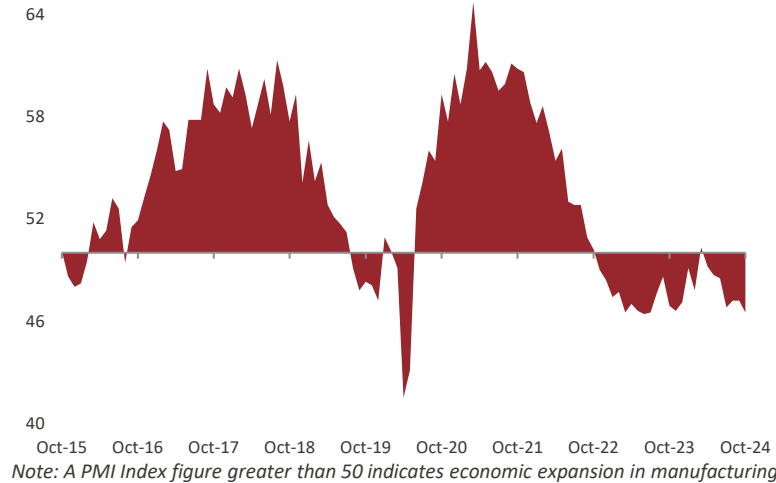
## Non-Farm Payrolls (1-Month Net Change)<sup>3</sup>



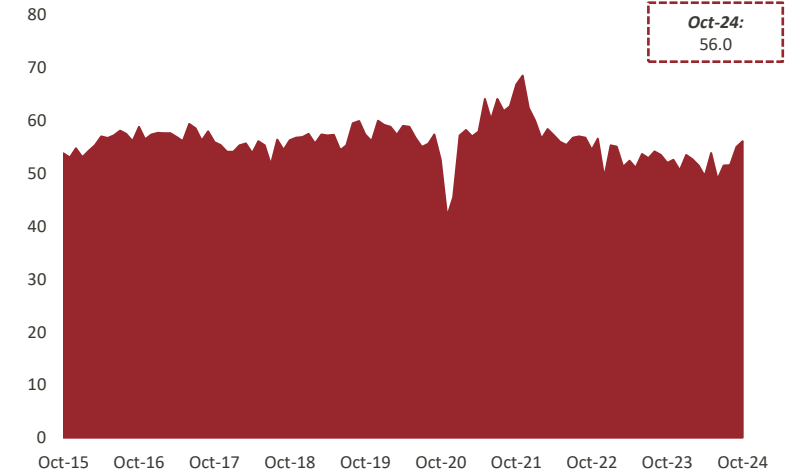
## U.S. Initial Jobless Claims<sup>4</sup>



## Purchasing Managers Index<sup>5</sup>

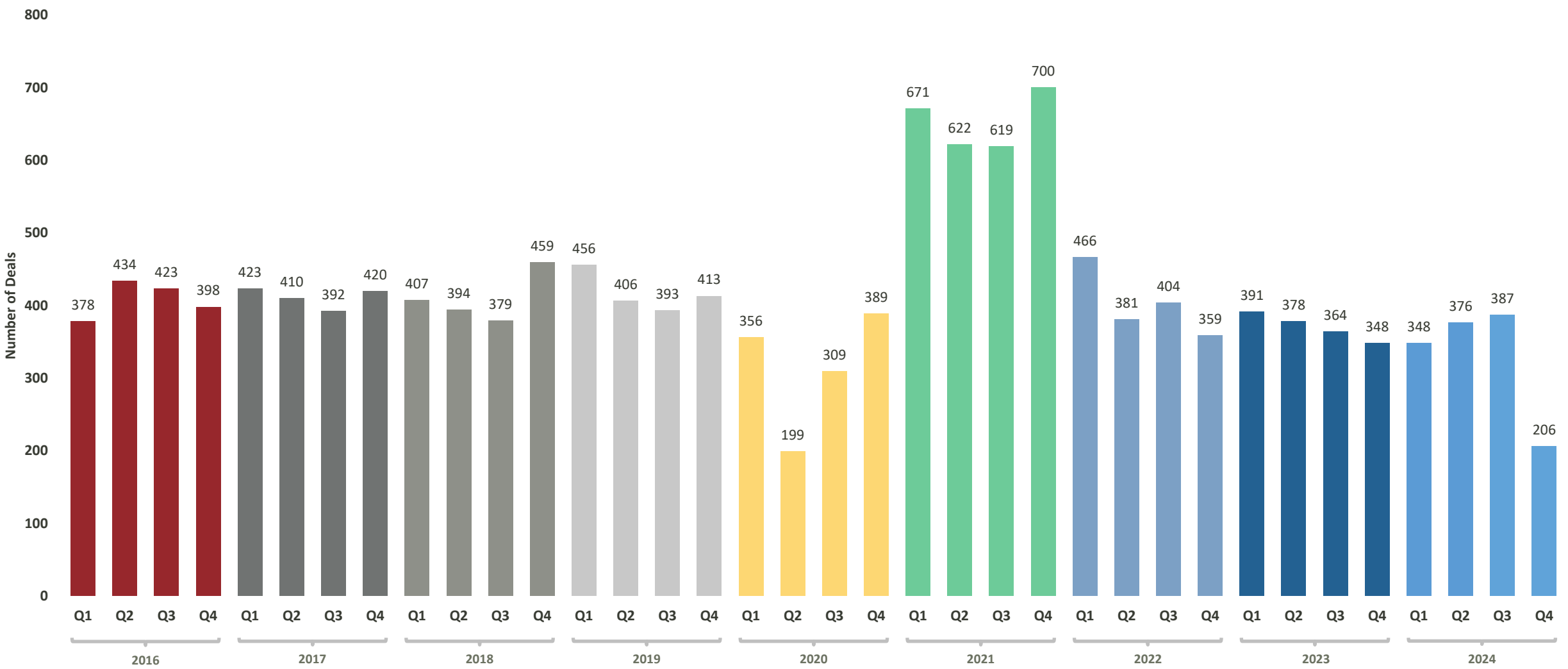


## ISM Non-Manufacturing Index<sup>5</sup>



# M&A Market Trends

**Commercial & Industrial Services M&A Volume by Year<sup>1</sup>**



# Harris Williams Commercial & Industrial Services Experience

## Recent Transaction Spotlights

### Harris Williams Transaction Spotlight



a portfolio company of

KKR

has been acquired by

LGP

#### Company Background

GSI is a leading provider of geohazard mitigation solutions and roadway safety services to critical infrastructure across the United States.

#### Successful Outcome

The transaction delivered a successful outcome for KKR and the Company. The partnership with LGP will enable GSI to continue executing its mission-critical service offering and proven organic and inorganic growth strategies.

Harris Williams acted as lead financial advisor to GeoStabilization International, a portfolio company of KKR, on this transaction.

### Harris Williams Transaction Spotlight

Morgan Stanley  
CAPITAL PARTNERS

has acquired



#### Company Background

American Restoration specializes in offering fire damage restoration and water damage restoration services for residential, commercial, and industrial structures.

#### Successful Outcome

The transaction delivered a successful outcome for Morgan Stanley Capital Partners and American Restoration. The partnership between Morgan Stanley Capital Partners and the Company will enable them to continue to build a best-in-class platform across the residential and commercial restoration space.

Harris Williams acted as exclusive advisor to Morgan Stanley Capital Partners on this transaction.

## Continued Momentum in the Commercial & Industrial Services Sector

 a portfolio company of <b>KKR</b> has been acquired by <b>LGP</b>	 has acquired 	 has acquired  a portfolio company of <b>ACACIA PARTNERS</b>	 has acquired 	 a portfolio company of <b>RHV Capital</b> has been acquired by <b>KNOX-LANE</b>	 The WRM Companies a portfolio company of <b>HGP ENERGY TECHNOLOGY PARTNERS</b> has been acquired by <b>Ridgewood Infrastructure</b>
 has acquired 	 a portfolio company of <b>ARCAPITA</b> has merged with 	 a portfolio company of <b>LITTLEJOHN &amp; CO.</b> has merged with 	 a portfolio company of <b>Apax</b> has been acquired by <b>KKR</b>	 a portfolio company of <b>Partners Group</b> has received an investment from 	 has acquired <b>DISA</b> a portfolio company of <b>SQUARE</b>
 a portfolio company of the edgewater funds <b>JZ PARTNERS</b> has been acquired by 	 has been recapitalized by <b>Ridgemont EQUITY PARTNERS</b>	 a portfolio company of <b>Goldman Sachs</b> has been acquired by <b>ECP</b>	 has acquired <b>MONARCH</b> a portfolio company of <b>ONE ROCK CAPITAL PARTNERS</b>	 has been acquired by <b>DARLING INGREDIENTS</b>	 a portfolio company of <b>Audax Private Equity</b> has been acquired by <b>ZONE</b> a portfolio company of <b>WIND POINT PARTNERS</b>
 a portfolio company of <b>Platinum Equity</b> has been acquired by <b>PECF USS Holding Corporation</b>	 a portfolio company of <b>Chartwell Investments</b> ENTREPRENEUR & FOUNDER CAPITAL has been acquired by <b>Sentinel CAPITAL PARTNERS</b>	 a portfolio company of <b>ARES</b> has received an investment from  <b>LGP   LEONARD GREEN &amp; PARTNERS</b>	 U.S. Institutional and Specialized Contracts Portfolio has been acquired by <b>ARGENBRIGHT HOLDINGS</b>	 a portfolio company of <b>OAKTREE</b> has been acquired by <b>ONEX</b>	 has acquired <b>sciens Building Solutions</b>

**Coverage Areas**

- › Commercial & Industrial Services
- › Professional & Tech-Enabled Services
- › IT Services
- › Specialty Distribution

**Commercial & Industrial Services Coverage Areas**

- › Environmental & Waste
- › Fire & Life Safety
- › Janitorial
- › Property Management
- › Property Restoration
- › Route-Based Services
- › Security
- › Service Aggregators
- › Specialty Facility Services
- › Mechanical & Technician Services
- › Testing, Inspection, Certification & Compliance

 <p>a portfolio company of</p>  <p>has been acquired by</p> 	<p>Morgan Stanley CAPITAL PARTNERS</p> <p>has acquired</p> 	 <p>has acquired</p>  <p>a portfolio company of</p> 	 <p>has acquired</p> 
 <p>a portfolio company of</p>  <p>has been acquired by</p> 	 <p>The WRM Companies</p> <p>a portfolio company of</p>  <p>has been acquired by</p> 	 <p>has acquired</p> 	 <p>a portfolio company of</p>  <p>has merged with</p>  <p>a portfolio company of</p> 

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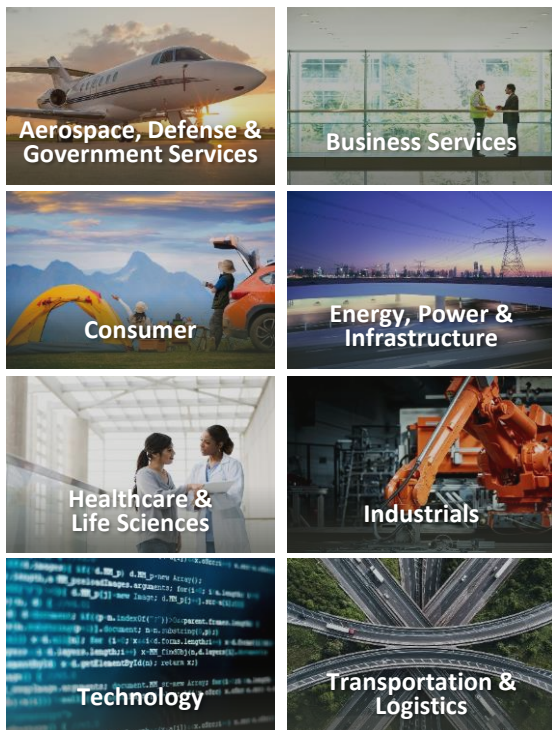
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## Deep Industry Experience



## 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

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