



Commercial & Industrial Services Sector Brief

Harris Williams | Q1 2024

What We're Attending

Our team is attending WasteExpo 2024 in Las Vegas. Connect with us at the conference to discuss M&A trends in the environmental services sector. Please let us know if you plan on attending.



Date: May 6-9, 2024

Location: Las Vegas Convention Center | Las Vegas, NV

Website Link: <https://www.wasteexpo.com/en.html>

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, security, fire and life safety, and HVAC sectors and underscore growth and development opportunities in these sectors in 2024.

5 Trends Facility Managers Should Watch Out for in 2024

KBS

“When it comes to outsourcing facility services, some facility leaders might be tempted to adopt a more regionalized method and choose local providers that they perceive they can build better relationships with. However, Rihani predicts that more and more savvy facility managers will choose a “best of both worlds” approach in 2024 and select a vendor that can leverage its national strength while also delivering an understanding of local requirements and strong engagement at the site level to get the best service and price.”

Read the full article [here](#).

Security Industry Economic Outlook: Cautious Optimism

Security Infowatch

“Integrators and consultants are feeling optimistic about their business and growth prospects...The security and fire integration markets have become an attractive option for private equity, which continues to expand into the industry via acquisition.”

Read the full article [here](#).

Fire Safety 2024

HSE Study Guide

“Fire safety remains an indispensable aspect of safeguarding lives and properties in 2024. With the alarming frequency of fire incidents globally, understanding and implementing effective fire safety measures have become paramount. From residential areas to industrial sectors, prioritizing fire safety can significantly reduce the devastating impacts of fire emergencies.”

Read the full article [here](#).

Top 5 Technology Trends in Fire Safety

Industry Outlook

“Implementation of fire safety equipment is highly critical in buildings as well as industrial facilities for the safety of people and the prevention of significant loss due to fire. The increasing fire safety awareness, coupled with strict regulatory standards and government efforts, and increased rate of fire safety system deployment in various industries, are factors bolstering the market growth.”

Read the full article [here](#).

HVAC Technology Trends to Watch in 2024

ACHR News

“From cloud-based software that can automate processes and optimize service schedules to mobile devices providing real-time updates and documentation to artificial intelligence that facilitates predictive maintenance, technology has become an indispensable part of the HVAC contractor’s toolbox.”

Read the full article [here](#).

Recent Harris Williams Industry Content

- Environmental Services



[Link to Read](#)

“M&A momentum is expected to continue throughout 2024 as sector fundamentals strengthen and government investment helps stoke meaningful growth.”

- Business Services Outlook 2024



[Link to Read](#)

“Due to their powerful combination of predictable, recurring revenue, non-deferrable demand, and large and diverse end markets, a range of subsectors within business services will continue to attract investor interest throughout 2024.”

Recent Commercial & Industrial Services Transactions Detail

Date	Target	Business Description	Sector	Acquirer(s)
2/14/2024	Fire Systems Professionals	A fire systems and security business serving the Columbus, Ohio, area	Fire & Life Safety	CertaSite
2/12/2024	DryMaster	A restoration company based in Mission Viejo, California	Property Restoration	BMS CAT (AEA Investors)
2/12/2024	American Cleaning Systems	A full-service cleaning company based in Phoenix, Arizona	Property Restoration	Valcourt (Littlejohn Capital)
2/5/2024	J&J Worldwide Services	A provider of facility services to the federal government and civilian customers based in Franklin, Tennessee	Facility Services	CBRE
2/1/2024	Cram Roofing	A company offering re-roofing, maintenance, and emergency repair services based in Texas	Property Restoration	PAX Services (New State Capital Partners)
2/1/2024	ORTECH Consulting	A Canadian environmental, engineering, and science consulting firm	Environmental & Waste	Alliance Technical Group (Morgan Stanley PE)
2/1/2024	GroundsPRO	A commercial grounds maintenance provider based in West Chester Township, Ohio	Landscaping	Visterra Landscape (Trinity Hunt Partners)
1/30/2024	Watson	A provider of installation, emergency repair, and preventative maintenance services for refrigeration equipment based in Raleigh, North Carolina	Mechanical Services	Smart Care (Wind Point Partners)
1/30/2024	A Advantage	A provider of emergency repair, installation, and preventative maintenance services for refrigeration, HVAC, and cooking equipment based in Birmingham, Alabama	Mechanical Services	Smart Care (Wind Point Partners)
1/30/2024	Metroplex	Foodservice industry refrigeration specialists that repair, maintain, and install all forms of refrigeration equipment and lease ice machines based in Dallas, Texas	Facility Services	Smart Care (Wind Point Partners)
1/25/2024	Landscape Effects Property Management	A Canadian provider of landscaping, snow, ice, and other exterior services	Landscaping	Case Facilities Management Solutions (Halifax Group)
1/24/2024	NorthSmart TPM Unit	A TPM maintenance services line of business based in Maple Grove, Minnesota	Field & Route Based Services	Park Place Technologies (Charlesbank, GTCR)
1/23/2024	Eberhard Companies	A well-known commercial roofing provider based in Van Nuys, California, and Las Vegas, Nevada	Property Restoration	Tecta America (Leonard Green, Altas)
1/18/2024	Fourth Generation	A provider of temporary power services to live events and the entertainment industry based in London	Events & Entertainment	CES Power (Allied Industrial Partners)
1/18/2024	Integrated Security and Communications	A company providing security and integration technologies based in Millstone, New Jersey	Security	Pavion (Wind Point Partners)
1/18/2024	R.L. James	A provider of exterior restoration and remediation services such as concrete restoration, painting, waterproofing, and glass and window replacement based in Fort Myers, Florida	Property Restoration	Hidden Harbor Capital Partners
1/18/2024	Guardian Fire Protection Services	A premier provider of fire protection services intended for businesses, organizations, government buildings, and restaurants	Fire & Life Safety	Knox Lane
1/17/2024	The Greenery of Charleston	A leading commercial landscape maintenance and installation provider in the Charleston, South Carolina, market	Landscaping	Ruppert Landscape (Knox Lane)
1/17/2024	Entek Solutions	A full-service HVAC company based in Buford, Georgia	Mechanical Services	PremiStar (Partners Group)
1/11/2024	24 Restore	A full-service disaster restoration company specializing in restoring commercial and residential properties based in Easton, Massachusetts	Property Restoration	Cotton Holdings (Sun Capital)

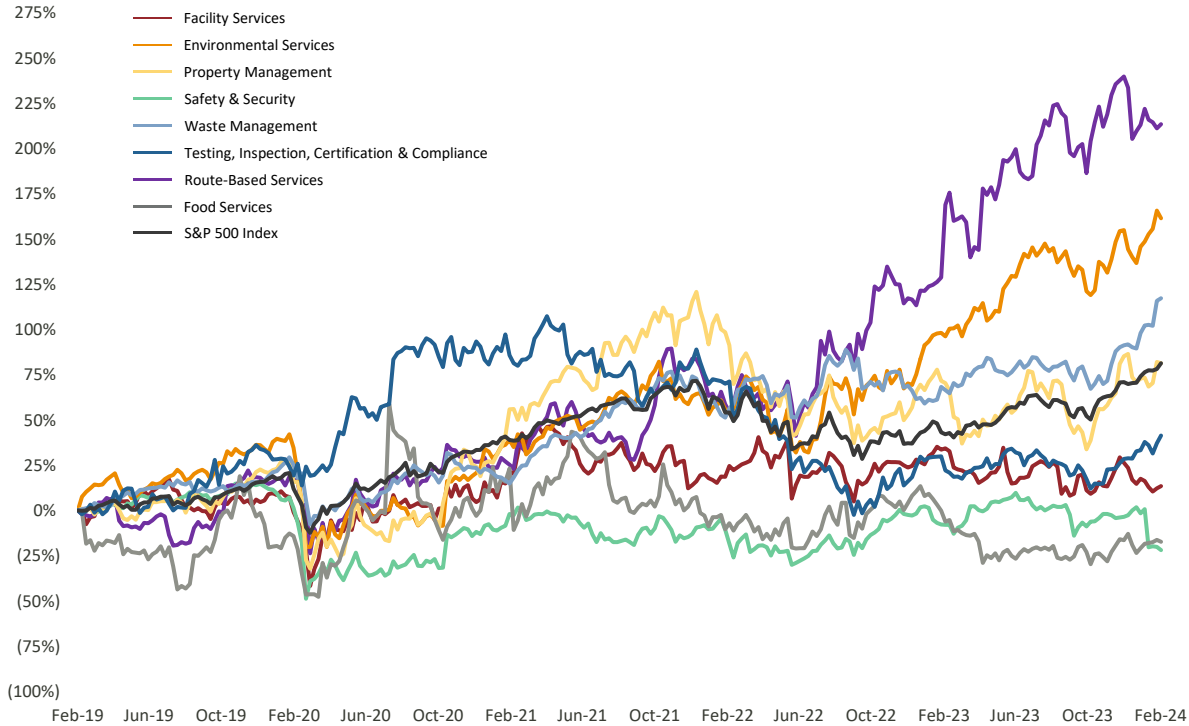
Recent Commercial & Industrial Services Transactions Detail (Cont.)

Date	Target	Business Description	Sector	Acquirer(s)
1/11/2024	Innovative Refrigeration Systems	A family-owned business located in Lyndhurst, Virginia, specializing in design build engineering and aftermarket services for industrial refrigeration systems	Property Restoration	CCMP Growth Advisors
1/10/2024	SERVPRO West Coast DRT	A top franchisee of SERVPRO and provider of property cleaning, restoration, and reconstruction services based in Encino, California	Property Restoration	Orangewood Partners
1/9/2024	Commercial Division of Austin Generator	The commercial division of Austin Generator, an Austin, Texas-based generator market providing maintenance, repair services, and equipment sales and rentals	Mechanical Services	GenServe (GenNx360)
1/9/2024	BCTS	A provider of HVAC, electrical, and plumbing maintenance, repair, and replacement services based in Lenexa, Kansas	Mechanical Services	Investcorp
1/8/2024	Quick Roofing	A residential and commercial roofing service provider headquartered in the Dallas-Fort Worth metro area with operations in nine states across the Southwest, Southeast, and Great Plains	Mechanical Services	Centre Partners
1/6/2024	Eventive Sports	A sports marketing and event management company based in Birmingham, Alabama	Events & Entertainment	Tron (TPG Capital)
1/4/2024	Southwest Refrigeration	A refrigeration service provider in the South Florida market	Facility Services	Easy Ice (Freeman Spogli)
1/4/2024	Roxboro Refrigeration's leasing unit	A provider of ice machine sales, leases, and services to customers in North Carolina and Virginia	Facility Services	Easy Ice (Freeman Spogli)
12/28/2023	WRM Companies	A provider of a complete solution for liquid waste collection, processing, and compliance for all types of waste generators	Environmental & Waste	Ridgewood Infrastructure

Commercial & Industrial Services Public Company Performance and Trends¹

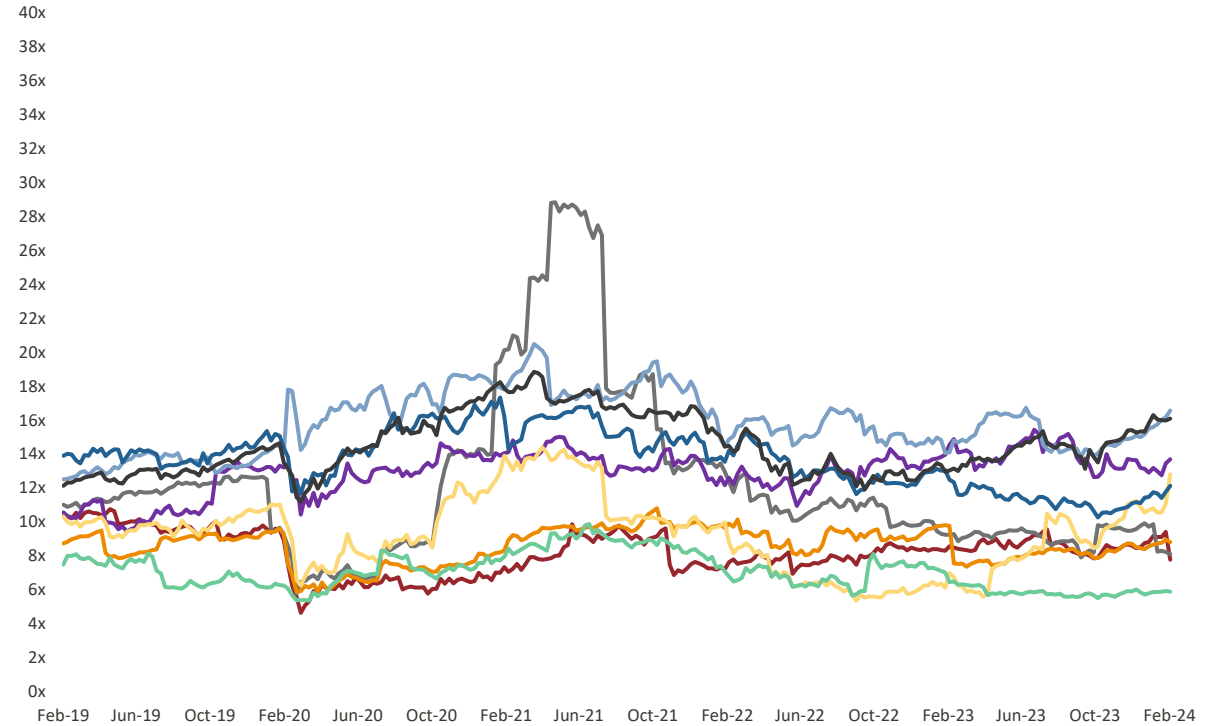
Historical Stock Prices – Last 5 Years

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



Historical Median TEV/LTM EBITDA Multiples – Last 5 Years

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



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



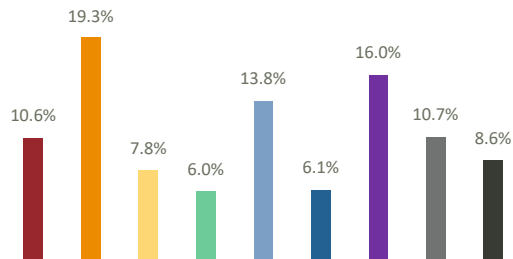
1. S&P Capital IQ as of 2/26/2024; ABM Industries, ADT, ALS, Aramark, Bureau Veritas, Casella Waste Systems, CBRE Group, Cintas Corporation, Clean Harbors, Comfort Systems, Cushman & Wakefield, Ecolab, EMCOR Group, Eurofins Scientific, GFL Environmental, Intertek Group, ISS, Jones Lang LaSalle, Mitie Group, Prosegur Compañía de Seguridad, Rentokil Initial, Republic Services, Securitas, SGS, Sodexo, Stericycle, UniFirst, Veolia Environment, Waste Connections, and Waste Management

Commercial & Industrial Services Public Company Performance and Trends (Cont.)¹

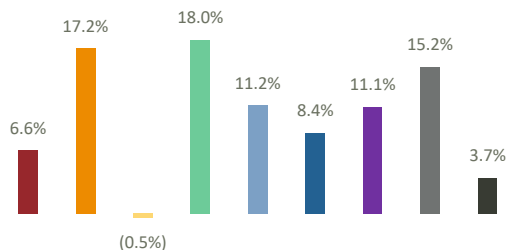
Public Company – Operating Metrics

Performance for the Period February 2021 – February 2024

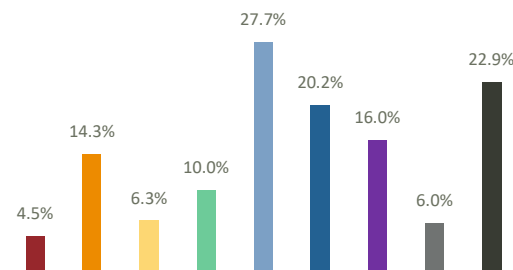
Median 3-Year Revenue CAGR



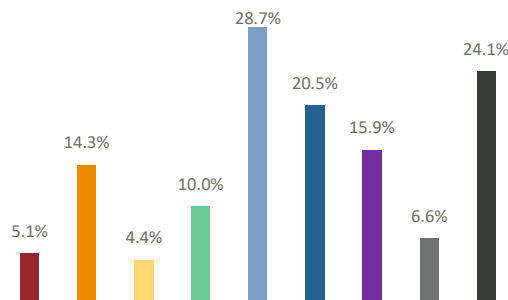
Median LTM Revenue Growth



Median 3-Year EBITDA Margin

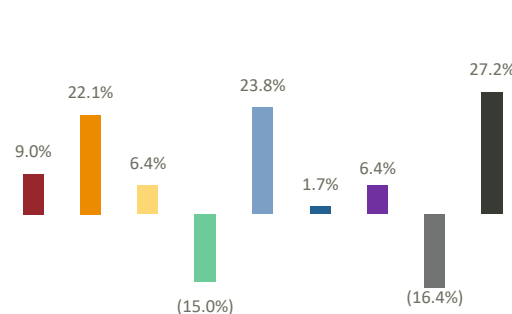


Median LTM EBITDA Margin

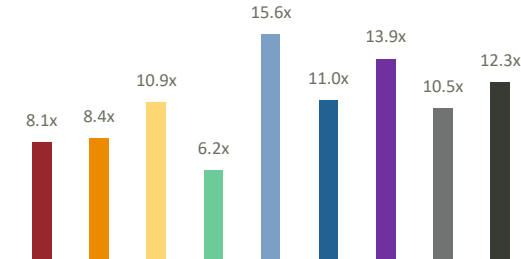


Public Company – Valuation Metrics

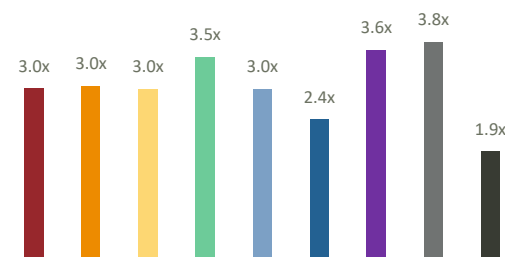
12-Month Change in Stock Price



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

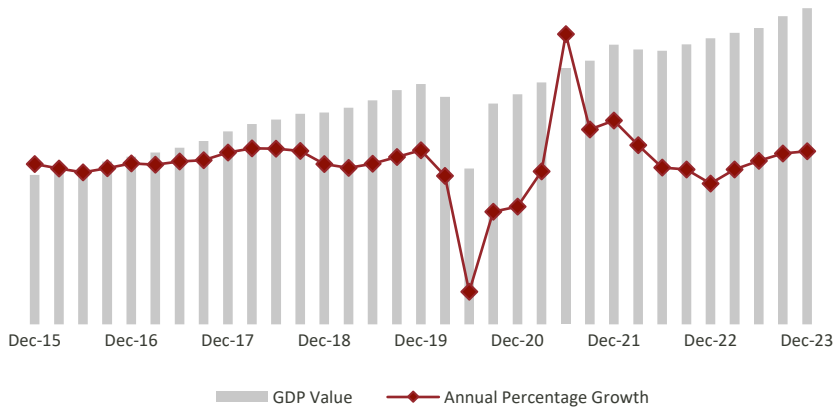


¹ S&P Capital IQ as of 2/26/2024; ABM Industries, ADT, ALS, Aramark, Bureau Veritas, Casella Waste Systems, CBRE Group, Cintas Corporation, Clean Harbors, Comfort Systems, Cushman & Wakefield, Ecolab, EMCOR Group, Eurofins Scientific, GFL Environmental, Intertek Group, ISS, Jones Lang LaSalle, Mitie Group, Prosegur Compañía de Seguridad, Rentokil Initial, Republic Services, Securitas, SGS, Sodexo, Stericycle, UniFirst, Veolia Environment, Waste Connections, and Waste Management

Economic Trends

U.S. GDP Growth¹

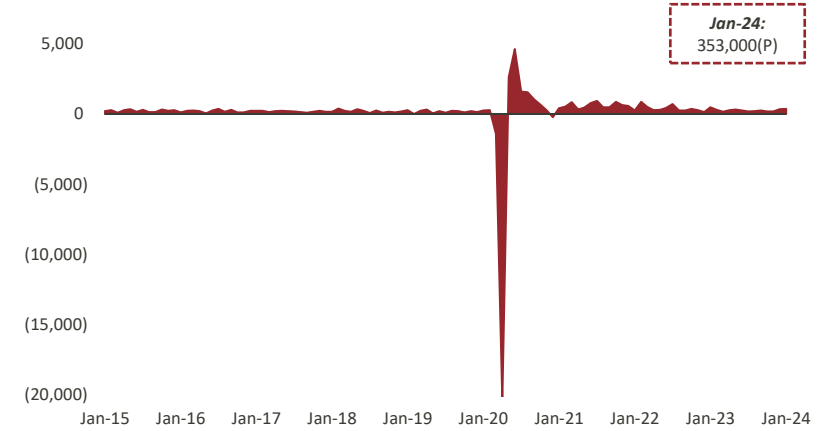
(In billions indexed to 2015 USD)



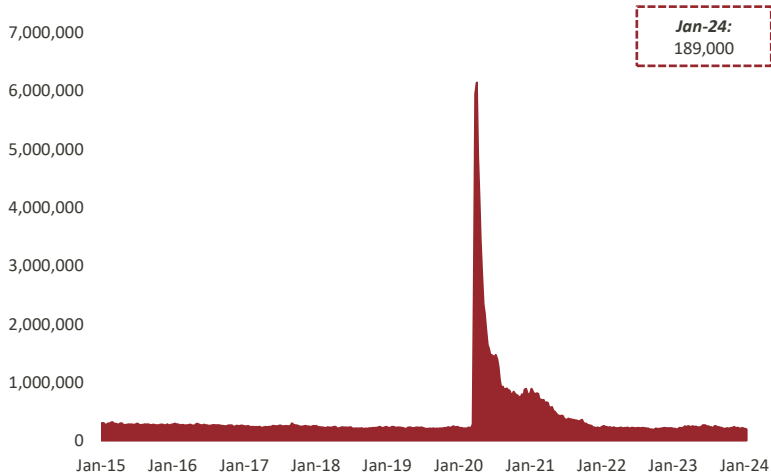
Consumer Confidence & Unemployment Rate²



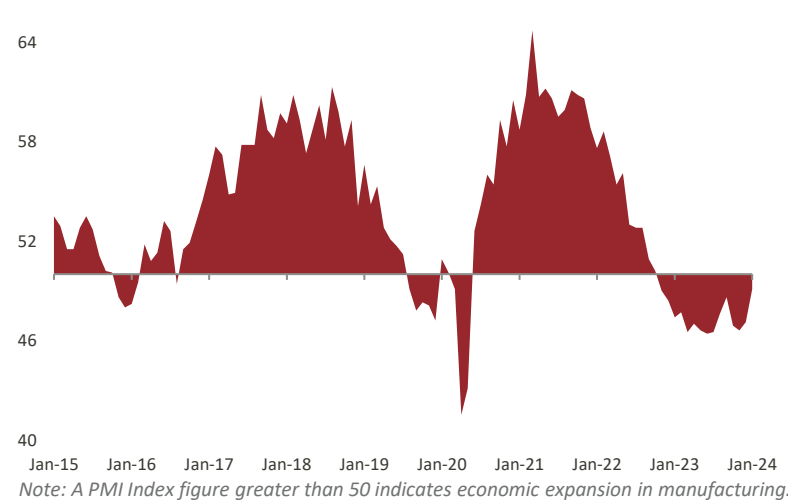
Non-Farm Payrolls (1-Month Net Change)³



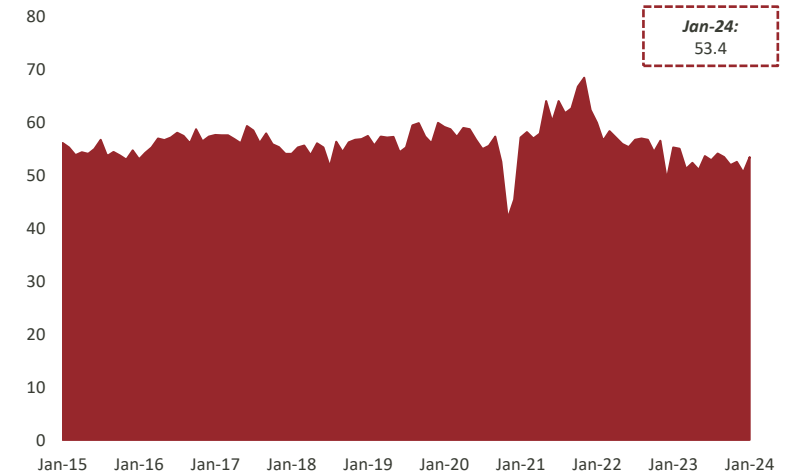
U.S. Initial Jobless Claims⁴



Purchasing Managers Index⁵

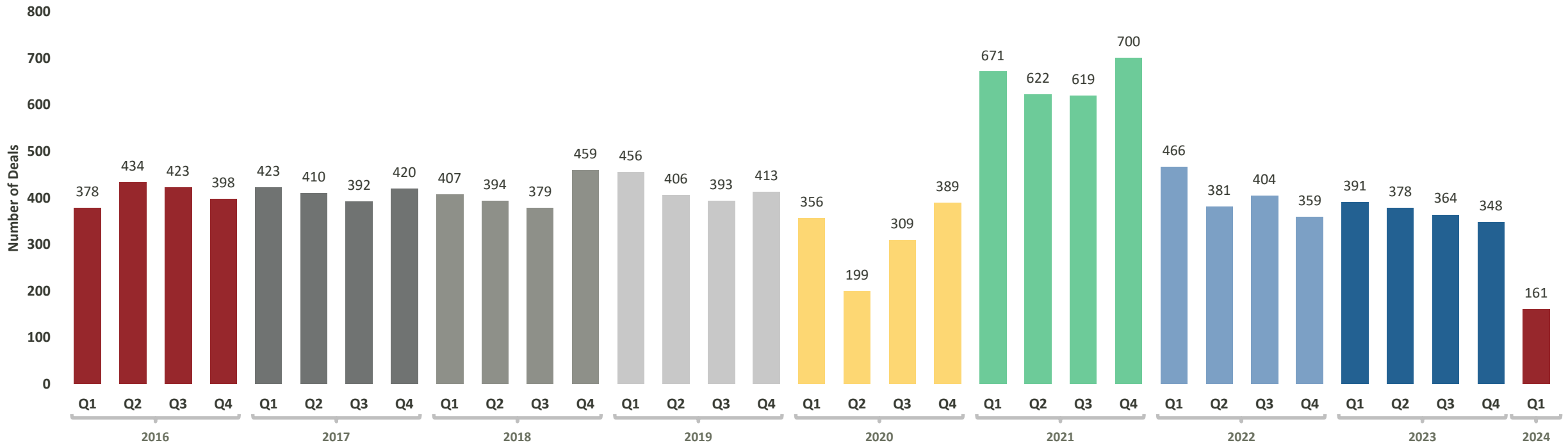


ISM Non-Manufacturing Index⁵



M&A Market Trends

Commercial & Industrial Services M&A Volume by Year¹



Knox Lane Has Acquired Guardian Fire Protection Services

KNOX-LANE



- Harris Williams advised Guardian Fire Protection Services, a portfolio company of RHV Capital, on its sale to Knox Lane. Guardian Fire Protection Services is a leading, scalable one-stop-shop provider of fire protection services with best-in-class technical expertise spanning the entire lifecycle of non-discretionary, mission-critical services.

Ridgewood Infrastructure Acquired Waste Resource Management



- Harris Williams advised Waste Resource Management (WRM), a portfolio company of NGP Energy Technology Partners, on its sale to Ridgewood Infrastructure. WRM provides a complete solution for liquid waste collection, processing, and compliance for all types of waste generators.

Harris Williams Commercial & Industrial Services Experience

Recent Transaction Spotlights

Harris Williams Transaction Spotlight



a portfolio company of



has been acquired by

KNOX-LANE

Company Background

Guardian Fire Protection Services is a leading, scalable one-stop-shop provider of fire protection services with best-in-class technical expertise spanning the entire lifecycle of non-discretionary, mission-critical services.

Successful Outcome

The transaction delivered a successful outcome for RHV Capital and the company. The partnership with Knox Lane will enable Guardian Fire Protection Services to enhance their digital marketing capabilities, increase operational efficiency, expand their geographic presence, and ramp up M&A capabilities.

Harris Williams acted as exclusive advisor to Guardian Fire Protection Services, a portfolio company of RHV Capital, on this transaction.

Harris Williams Transaction Spotlight



a portfolio company of



has been acquired by



Company Background

WRM provides a complete solution for liquid waste collection, processing, and compliance for all types of waste generators.

Successful Outcome

The transaction delivered a successful outcome for NGP Energy Technology Partners and the company. The partnership with Ridgewood Infrastructure will enable WRM to further scale its business and enhance its service offerings.

Harris Williams acted as lead advisor to WRM, a portfolio company of NGP Energy Technology Partners, on this transaction.

Continued Momentum in the Commercial & Industrial Services Sector

<p>a portfolio company of</p> <p>has been acquired by</p>	<p>a portfolio company of</p> <p>has been acquired by</p>	<p>has acquired</p>	<p>a portfolio company of</p> <p>ARCAPITA</p> <p>has merged with</p> <p>a portfolio company of</p>	<p>a portfolio company of</p> <p>LITTLEJOHN & CO.</p> <p>has merged with</p>	<p>a portfolio company of</p> <p>has been acquired by</p> <p>HEP</p>
<p>a portfolio company of</p> <p>has been acquired by</p>	<p>a portfolio company of</p> <p>has received an investment from</p>	<p>has acquired</p> <p>a portfolio company of</p>	<p>a portfolio company of</p> <p>the edgewater funds</p> <p>JZ PARTNERS</p> <p>has been acquired by</p>	<p>has been recapitalized by</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 been acquired by</p>	<p>a portfolio company of</p> <p>has been acquired by</p> <p>a portfolio company of</p>	<p>a portfolio company of</p> <p>has been acquired by</p>	<p>a portfolio company of</p> <p>has been acquired by</p>	<p>a portfolio company of</p> <p>has received an investment from</p> <p>LGP LEONARD GREEN & PARTNERS</p>
<p>U.S. Industrial and Specialized Contracts Portfolio</p> <p>has been acquired by</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 been acquired by</p> <p>has received an investment from</p>	<p>a portfolio company of</p> <p>has been acquired by funds managed by</p>	<p>a portfolio company of</p> <p>has received a minority investment from</p>

Coverage Areas

- › Commercial & Industrial Services
- › IT Services
- › Professional & Tech-Enabled 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>GUARDIAN FIRE PROTECTION SERVICES</p> <p>a portfolio company of</p>  <p>has been acquired by</p> 	 <p>WRM The WRM Companies</p> <p>a portfolio company of</p>  <p>has been acquired by</p> 	 <p>OMERS</p> <p>has acquired</p> 	 <p>a portfolio company of</p> <p>ARCAPITA</p> <p>has merged with</p>  <p>a portfolio company of</p> 
 <p>THE Hillier COMPANIES</p> <p>a portfolio company of</p> <p>LITTLEJOHN & CO.</p> <p>has merged with</p> 	 <p>INTERMED THE INTERMED GROUP</p> <p>a portfolio company of</p>  <p>has been acquired by</p>  	 <p>BOASSO GLOBAL</p> <p>a portfolio company of</p>  <p>has been acquired by</p> 	 <p>USIC US MANUFACTURING COMPANY</p> <p>a portfolio company of</p>  <p>has received an investment from</p>  

Contact Us

Brian Lucas
Group Head, Managing Director

blucas@harriswilliams.com

(804) 887-6023

Taylor Morris
Managing Director

tmorris@harriswilliams.com

(804) 887-6019

Bill Greven
Vice President

bgreven@harriswilliams.com

(804) 887-6140

Katie Baskind
Business Development Manager

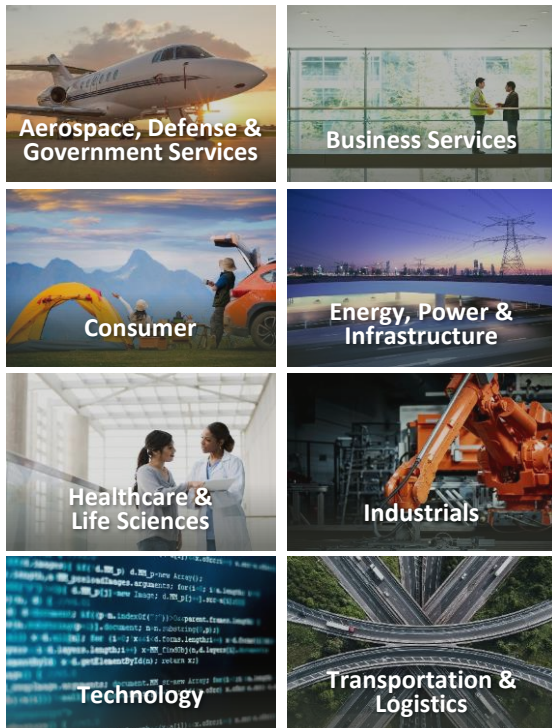
kbaskind@harriswilliams.com

(804) 915-0121

HW Harris Williams / GLOBAL INVESTMENT BANK

Harris Williams is a global investment bank specializing in M&A and private capital advisory services. Clients worldwide rely on us to help unlock value in their business and turn ambitious goals into reality. We approach every engagement with boundless collaboration, pooling expertise and relationships across industries, service offerings, and geographies.

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

Important Disclosures

Harris Williams (“HW”) is a trade name under which Harris Williams LLC, Harris Williams Private Capital Advisory Ltd., Harris Williams & Co. Ltd and Harris Williams & Co. Corporate Finance Advisors GmbH conduct business. Harris Williams LLC is a registered broker-dealer and a member of FINRA/ SIPC. Harris Williams & Co. Ltd is a private limited company incorporated under English law with company number 07078852 and its registered office at 13th floor, One Angel Court, London EC2R 7HJ, UK; it is authorized and regulated by the Financial Conduct Authority (the “FCA”). Harris Williams Private Capital Advisory Ltd. is an Appointed Representative of Mirabella Advisers LLP, which is authorised and regulated by the FCA (FCA number 606792). Harris Williams & Co. Corporate Finance Advisors GmbH is registered in the commercial register of the local court of Frankfurt am Main, Germany under HRB 107540 and with VAT No. DE321666994. Harris Williams & Co. Corporate Finance Advisors GmbH’s registered address is Bockenheimer Landstrasse 33-35, 60325 Frankfurt am Main, Germany (email: hwgermany@harriswilliams.com); and its Geschäftsführer/Managing Director is Paul Poggi.

HW is an affiliate of The PNC Financial Services Group, Inc., which, together with its subsidiaries and affiliates and their agents (collectively, “PNC”), engages in a broad range of businesses. PNC may have had, and may currently or in the future have, business with or ownership in the Company and its related persons, potential parties to the proposed transaction and their related persons, or their competitors, customers or suppliers. When HW is engaged to provide adviser services in a transaction, HW is acting only for its client in connection with the proposed transaction.

The distribution of this document in certain jurisdictions may be restricted by law, and accordingly, recipients of this document represent that they are able to receive this document without contravention of any registration requirement or other legal restrictions in the jurisdictions in which they reside or in which they conduct business.

This document does not contain all the information needed to assess any transaction. You must conduct your own investigations and analyses. HW does not provide accounting, tax, investment, regulatory or legal advice to anyone. This document is for discussion purposes only and is not a recommendation, offer or solicitation for the purchase or sale of any security or an invitation or inducement to engage in any transaction or investment activity. HW obtained the information in this document from Company and/or third-party sources. HW has not independently verified such information and no obligation is undertaken to provide updated or additional information. No representation or warranty, expressed or implied, is made in relation to the fairness, accuracy, correctness or completeness of the information, opinions or conclusions expressed herein. All forward-looking statements herein involve assumptions and elements of subjective judgment and analysis and are not facts. Nothing in this document guarantees future results or performance.

This document is only being distributed to, and only made available to, and directed at: (a) persons who are outside the United Kingdom; (b) persons in the United Kingdom who have professional experience in matters relating to investments falling within Article 19(5) of the UK Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the “Order”); (c) high net worth entities and other persons to whom it may otherwise lawfully be communicated falling within Article 49(2)(a) and (d) of the Order; or (d) any other person to whom this document may otherwise lawfully be communicated or caused to be communicated (all such persons in (b) to (d) together being referred to as “Relevant Persons”). This document must not be acted on or relied on by persons who are not Relevant Persons. In the UK, any investment or investment activity to which this document relates is only available to, and will be engaged with, relevant persons.

For documents that pertain to a transaction or potential transaction:

All documents and information HW provides to prospective investors are for information only and may be used solely to evaluate a potential transaction involving the Company. By accepting this document, you agree that, unless provided in a confidentiality agreement between you and HW or the Company or permitted by applicable law, you will: (i) not, and will not allow any person acting on your behalf to, disclose, reproduce or distribute any of this document without the Company’s prior written consent; (ii) keep, and cause anyone acting on your behalf to keep, confidential all non-public information in this document; (iii) use this document only for evaluating a potential transaction involving the Company; and (iv) upon request by HW or the Company, return all materials from the Company or HW and destroy all documents containing information from those materials.

Neither HW nor the Company, nor their respective affiliates, equityholders, directors, officers, managers, employees, contractors, advisors, representatives or agents (the “Protected Persons”), represent or warrant as to the reasonableness or probability of any forward-looking statements made by any Protected Person. No potential investor should rely on them. To the greatest extent permitted by law, the Protected Persons shall have no liability for any information, opinions or conclusions expressed herein, any forward-looking statements or assumptions on which they are based, or errors in or omissions from this document.