



Commercial & Industrial Services Sector Brief

Harris Williams | Q3 2023

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 waste management and why investors have been increasingly attracted to this subsector, the M&A market dynamics of this subsector, and current trends in facility security.

Waste Management Industry Trends: Keeping Up with the Times

Upper

“The demand of modern society and awareness of environmental issues is growing each moment. This has brought the waste management industry to the focal point of innovation and investment. The market size of the global waste management industry was estimated at \$989.20 billion in 2021. This evolution in the latest technology will greatly impact the need for waste collectors.”

[Read the full article here.](#)

The Future of Waste Management: 5 Emerging Trends and Predictions

Keter Environmental Services

“Waste management is essential to a sustainable and eco-friendly future. The industry has come a long way, from simple landfills to complex systems that minimize waste and maximize resource recovery. As the world continues to evolve and change, new trends and predictions emerge that shape the future of waste management.”

[Read the full article here.](#)

Large Waste Companies Spent Nearly \$2B on Acquisitions through Q2

Waste Dive

“The industry’s top publicly traded companies spent an estimated \$1.98 billion on transactions in the U.S. and Canada through the first half of 2023, continuing a multiyear trend of big spending on solid waste and recycling acquisitions.”

[Read the full article here.](#)

AI Security Takes a Proactive Approach

FacilityManagement

“Last year, there was a 71% increase in physical attacks on critical U.S. infrastructure, according to a U.S. government report. Whether it’s manufacturing, processing, or energy production, operational continuity is paramount. Yet, the alarming increase in the number of physical attacks that target these facilities – which could include theft or damage to expensive equipment – is putting uptime in jeopardy.”

[Read the full article here.](#)

What Is Facility Security? A Comprehensive Guide

SelectHub

“Facility security is the process of protecting your physical space, hardware and software from unauthorized internal factors and external threats. It considers access control mechanisms, inventory management, visitor management, and maintenance records.”

[Read the full article here.](#)

Recent Harris Williams Industry Content

- **Business Services | 2023 Outlook**



[Link to Read](#)

“As traditional business models give way to modernized structures and approaches, an entirely new economic framework is beginning to take shape: the circular economy. In place of the linear take, make, and waste model long deployed by businesses, the circular economy stands to revolutionize how we approach the production, procurement, and use of materials throughout the economy. In this article, senior bankers from the Harris Williams Energy, Power & Infrastructure Group and Business Services Group share their insights on the opportunities the circular economy presents for investors.”

Recent Commercial & Industrial Services Transactions Detail

Date	Target	Business Description	Sector	Acquirer(s)
9/14/2023	Eastman Fire Protection	An authorized Ansul distributor in the Midwest based in Troy, Michigan	Fire & Life Safety	CertaSite (Riverside)
9/14/2023	AMSconnect	A commercial security and alarm systems company in Palm Desert, California	Fire & Life Safety	Pye-Barker Fire & Safety (Leonard Green)
9/12/2023	Power of Clean Energy	A provider of energy Transition Planning & Project Implementation services based in Nashville, Tennessee	Facility Services	Fidelity Building Services (Onex)
8/29/2023	Allphase Roofing & Restoration	A roofing and restoration services company based in Columbus, OH	Property Restoration	HighGround (Trivest)
8/29/2023	Oberson's Nursery and Landscapes and Dyna-Mist	A provider of landscaping maintenance, enhancement, design solutions, and sweeping and critical winter services; Dyna-Mist offers commercial landscaping solutions	Landscaping	Trinity Hunt Partners
8/29/2023	American Landscaping Partners	A provider of integrated commercial and residential landscaping and chemical application services based in Nashville, Tennessee	Landscaping	Shoreline Equity
8/22/2023	Mr. Fire Protection	A fire protection services company providing professional consultation, estimation, design, installation, purchasing, project management, repair and maintenance of fire sprinkler systems based in Houston, TX	Fire & Life Safety	SuperHero Fire Protection (Hidden Harbor Capital)
8/17/2023	RFI Enterprises, Inc.	A provider of design, installation, and maintenance of integrated security and life safety solutions based in California, Nevada, and Washington	Fire & Life Safety	Pavion (Wind Point Partners)
8/17/2023	Christian Cable Group	Safety leader with emphasis on partner building and customer service based in Haslet, Texas	Fire & Life Safety	Sciens Building Solutions (Carlyle, Huron Capital)
8/15/2023	Global Guardian	Comprehensive provider of security, medical, and travel-related services based in McLean, Virginia	Security	Align Capital Partners
8/10/2023	Atlas Tree Service	A specialist in all aspects of arboriculture including plant health care services for discerning homeowners in the greater Salt Lake City area	Landscaping	SavATree (Apax)
8/9/2023	Minuteman Security & Life Safety	Provider of design, installation, integration, maintenance, and repair of video surveillance, access control, intrusion detection, emergency communications, fire, and license plate recognition systems	Security	Tenex Capital Management
8/9/2023	Pronto Repairs	A hot- and cold-side services provider with long-term customers at hospitals and medical centers in metropolitan New York City	Home Maintenance & Repair Services	Tech24 (HCI Equity Partners)
8/9/2023	Flawless Lawncare & Landscaping	Provider of landscape maintenance services to HOAs and commercial properties	Landscaping	Juniper Landscaping (Bregal Partners)
8/8/2023	Commercial Security, Fire and Life Safety Business - ADT	Commercial security, fire, and life safety business unit of ADT	Security	GTCR
8/8/2023	1GNITE	An environmentally friendly asset recovery, recommerce, and specialized facility services company	Facility Services	CoolSys (Ares)
8/6/2023	Franks Vending	A vending operator based in Pulaski, Tennessee	Other	Five Star Food Service (Freeman Spogli & Co.)
8/3/2023	REECE Complete Security Solution	Specialist in security integration services for the data center, utility, healthcare, and education industry verticals	Security	Pavion (Wind Point)
8/3/2023	Excel Fire Sprinkler	Provider of inspection, testing, installation, design, and fabrication of fire sprinkler systems, specializing in retail, mixed-use, high-rise, and multifamily projects	Fire & Life Safety	Pye-Barker Fire & Safety (LGP)

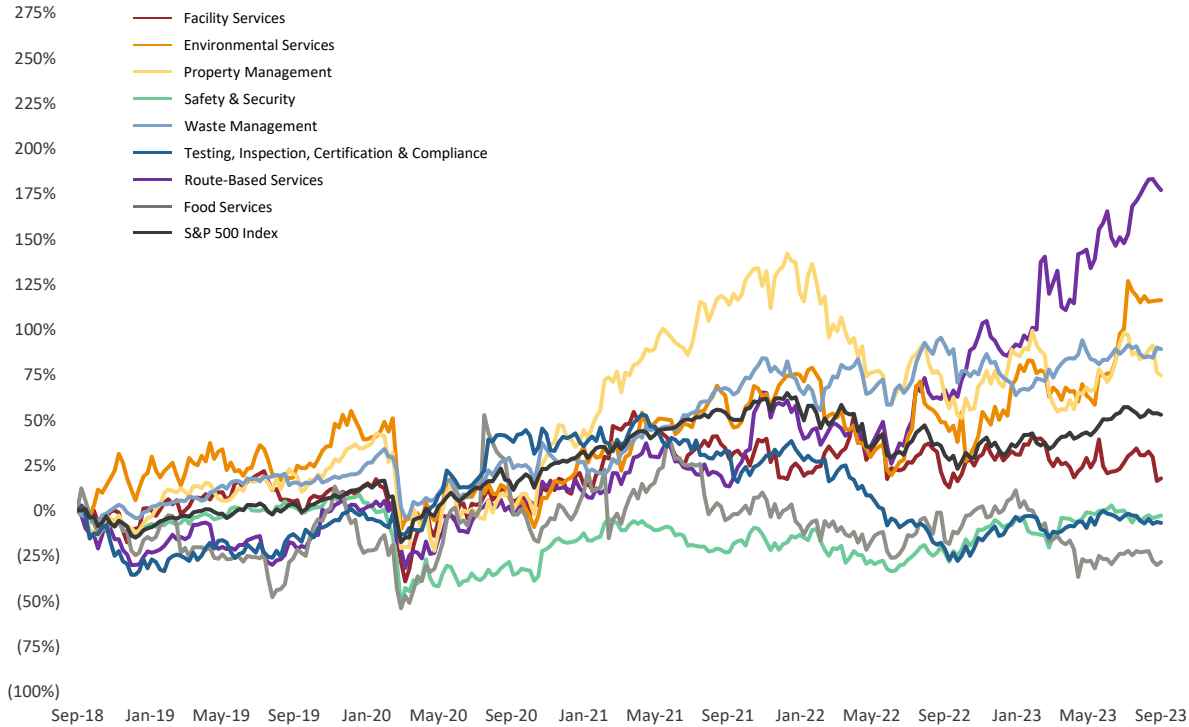
Recent Commercial & Industrial Services Transactions Detail (Cont.)

Date	Target	Business Description	Sector	Acquirer(s)
8/2/2023	Fire Defense Services	A company with experience and deep capabilities in fire suppression, fire alarm, and monitoring systems and services	Fire & Life Safety	The Hiller Companies (Littlejohn & Co.)
8/2/2023	MTC	Provider of a multitude of ISO tank container services such as cleaning, storage, repair & maintenance, heating, and testing in the Port of Rotterdam and surrounding areas	Facility Services	Boasso Global (KKR)
8/1/2023	Lima Company	A blended service provider of commercial and industrial HVAC, refrigeration, plumbing, and energy services throughout eastern Pennsylvania, Delaware, Maryland, and New Jersey	Mechanical Services	CoolSys (Ares Management)
8/1/2023	High Sierra Fire Protection	Provider of installations, services, and repairs for fire suppression systems throughout Nevada and California	Fire & Life Safety	Endeavor Fire Protection (Building Industry Partners)
7/31/2023	Cooling & Heating Specialists	A full-service heating, ventilation, and air conditioning company	Mechanical Services	The Kelvin Group (Southfield Capital)
7/31/2023	Tree Preservation and Landscaping	A tree care business based in Los Angeles, California	Landscaping	A Plus Tree (Hyperion)
7/31/2023	The Tree Men	A tree care business based in Los Angeles, California	Landscaping	A Plus Tree (Hyperion)
7/31/2023	Treecology	A tree care business based in Portland, Oregon	Landscaping	A Plus Tree (Hyperion)
7/31/2023	Water Out	Provider of services for over 20,000 water damages around Fort Wayne, Indiana	Environmental & Waste	Midwest Remediation (CID Capital)
7/31/2023	Excel Mechanical	An HVAC/plumbing contractor focused on conventional heating and cooling; also offers ventilation, refrigeration, and plumbing services for residential and commercial applications	Mechanical Services	Taconic Capital
7/27/2023	Ally Services	A regional provider of essential home and facility services, including repair, maintenance, and replacement of plumbing, water filtration, and HVAC systems	Facility Services	Aldine Capital
7/24/2023	William Douglas Management	A property management company based in Charlotte, North Carolina	Property Management	Odevo
7/19/2023	CAM Services	A provider of a wide range of services such as snow removal, power sweeping, power washing, fencing, electrical services, and hauling	Facility Services	Tendit Group (Osceola Capital)
7/19/2023	Louisiana Landscape Specialty	A commercial landscaping company based in Gretna, Louisiana	Landscaping	Landscape Workshop (Carousel Capital, McKinney Capital)
7/18/2023	CERK Security	A regional security integrator providing services throughout Texas	Security	NextGen Security (Dunes Point Capital)
7/18/2023	K&J Integrated Systems	A provider of low-voltage installation and support services for the commercial, distribution, and higher education industry verticals	Mechanical Services	Pavion (Wind Point Partners)
7/10/2023	Trash Butler	A leading national provider of tech-enabled doorstep valet trash and recycling solutions designed for multifamily apartment communities	Environmental & Waste	TZP Group
7/7/2023	Applied Golf Management	A New Jersey-based golf and hospitality management company	Facility Services	Troon (TPG Capital)
7/5/2023	Towne Park	A parking and hospitality solutions provider based in Conshohocken, PA	Property Management	Greenbriar Equity Group

Commercial & Industrial Services Public Company Performance and Trends¹

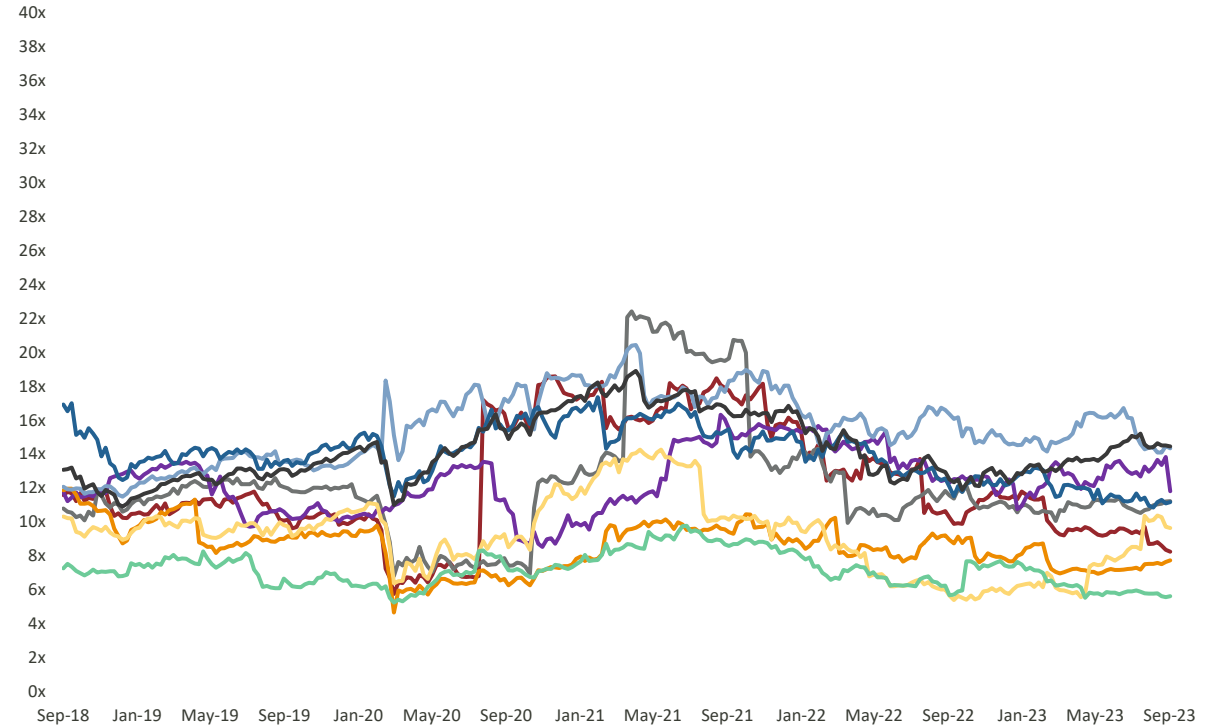
Historical Stock Prices – Last 5 Years

Indexed Stock Price Performance for the period September 2018 – September 2023



Historical Median TEV/LTM EBITDA Multiples – Last 5 Years

Median TEV/LTM EBITDA multiples for the period September 2018 – September 2023



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



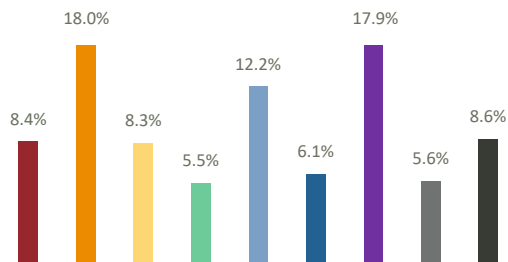
1. S&P Capital IQ as of 09/19/2023; ABM Industries, ADT, ALS, Aramark, Bureau Veritas, Casella Waste Systems, CBRE Group, Cintas Corporation, Comfort Systems, Cushman & Wakefield, Ecolab, EMCOR Group, Eurofins Scientific, GFL Environmental, Heritage-Crystal Clean, Intertek Group, ISS, Jones Lang LaSalle, Mitie Group, Prosegur Compañía de Seguridad, Rentokil Initial Clean Harbors, Republic Services, Securitas, SGS, Sodexo, Stericycle, Veolia Environment, Waste Connections, and Waste Management

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

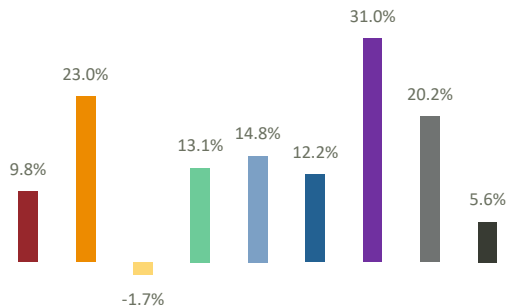
Public Company – Operating Metrics

Performance for the period September 2020 – September 2023

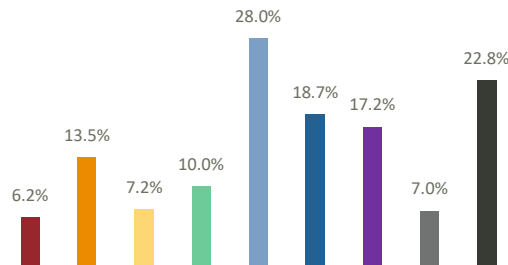
Median 3-Year Revenue CAGR



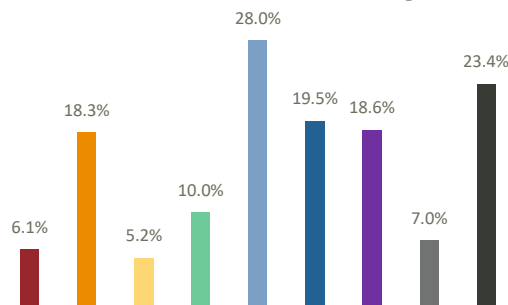
Median LTM Revenue Growth



Median 3-Year EBITDA Margin

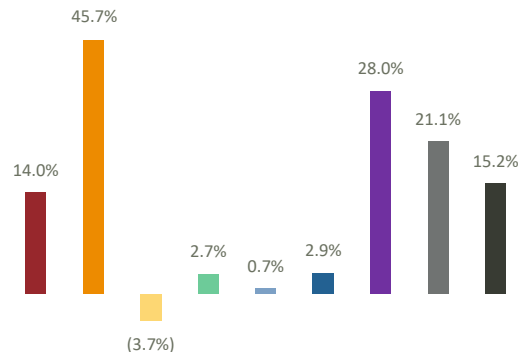


Median LTM EBITDA Margin

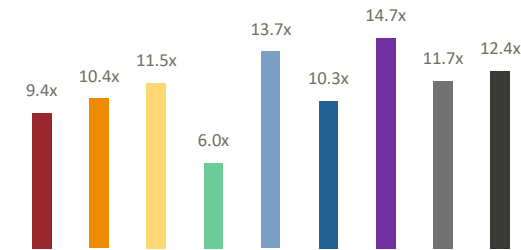


Public Company – Valuation Metrics

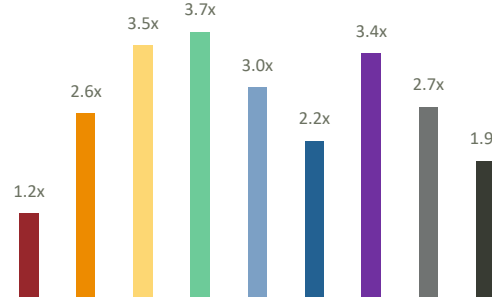
12-Month Change in Stock Price



Median TEV / 2023E 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

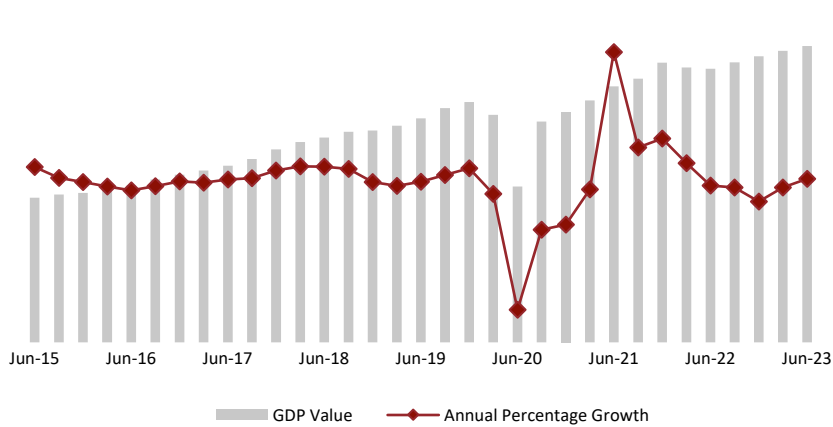


¹ S&P Capital IQ as of 09/19/2023; ABM Industries, ADT, ALS, Aramark, Bureau Veritas, Casella Waste Systems, CBRE Group, Cintas Corporation, Comfort Systems, Cushman & Wakefield, Ecolab, EMCOR Group, Eurofins Scientific, GFL Environmental, Heritage-Crystal Clean, Intertek Group, ISS, Jones Lang LaSalle, Mitie Group, Prosegur Compañía de Seguridad, Rentokil InitialClean Harbors, Republic Services, Securitas, SGS, Sodexo, Stericycle, Veolia Environment, Waste Connections, and Waste Management

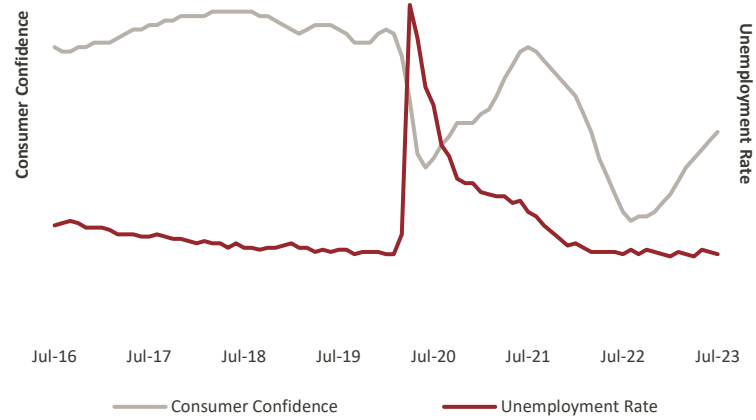
Economic Trends

U.S. GDP Growth¹

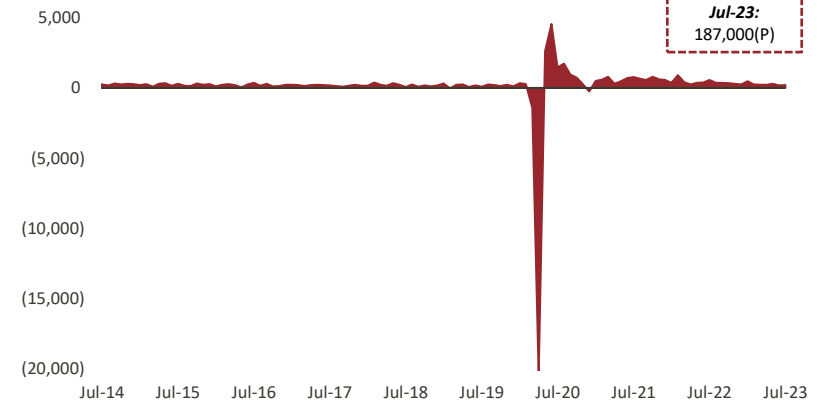
(In billions indexed to 2015 USD)



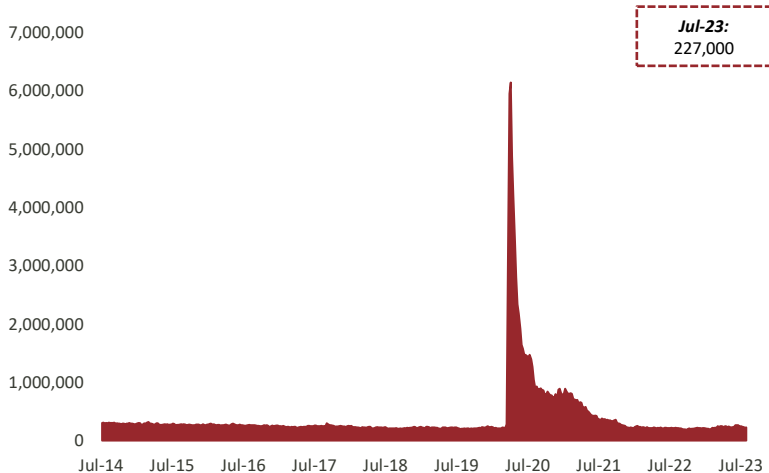
Consumer Confidence & Unemployment Rate²



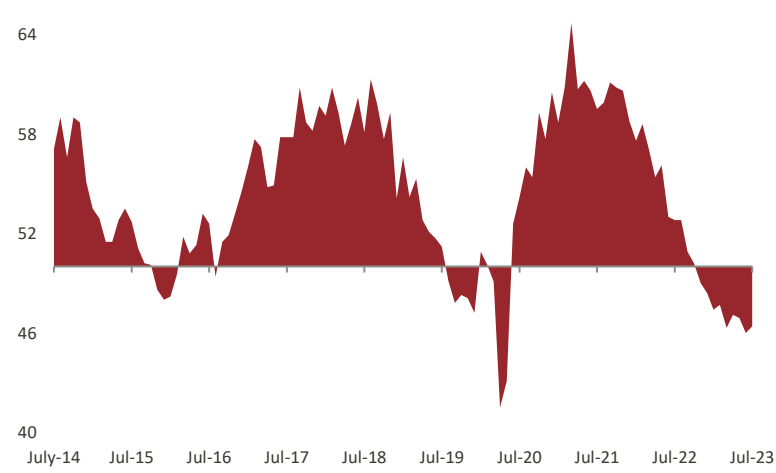
Non-Farm Payrolls (1-Month Net Change)³



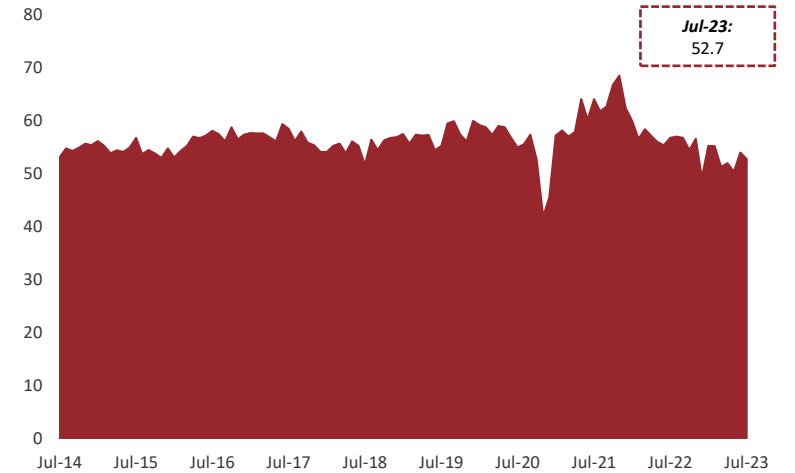
U.S. Initial Jobless Claims⁴



PMI Index⁵

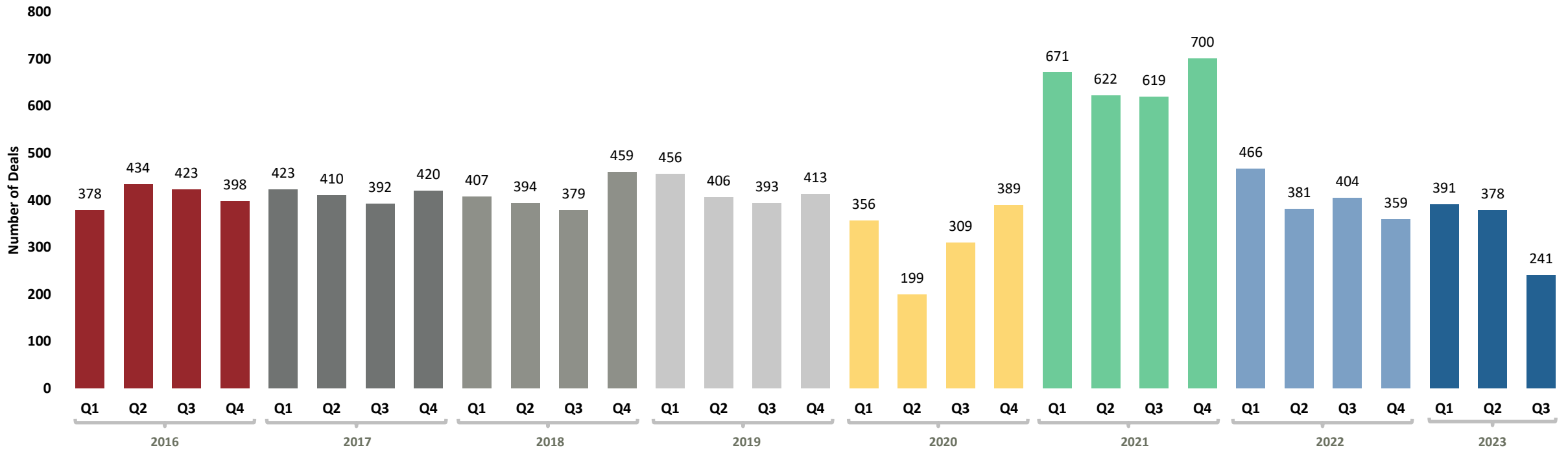


ISM Non-Manufacturing Index⁶



M&A Market Trends

Commercial & Industrial Services M&A Volume by Year¹



Waste Harmonics LLC Merges with Keter Environmental Services



Company A



Company B

- Harris Williams advised Waste Harmonics LLC on its merger with Keter Environmental Services. Waste Harmonics LLC is a premier provider of waste management solutions in the retail, groceries, restaurant, travel, and distribution centers industries in North America.

The Hiller Companies LLC Merges with Unifour Fire & Safety



Company A



Company B

- Harris Williams advised The Hiller Companies LLC on its merger with Unifour Fire & Safety. The Hiller Companies LLC provides fire-related protection in the United States. It provides inspections, routine and emergency maintenance, and servicing and recharging of fire extinguishers.

Harris Williams Commercial & Industrial Services Experience

Recent Transaction Spotlights

Harris Williams Transaction Spotlight



Company Background

Waste Harmonics LLC is a premier provider of waste management solutions in the retail, groceries, restaurant, travel, and distribution centers industries in North America.

Successful Outcome

The transaction delivered a successful outcome for Arcapita Inc. and the company. The merger between Keter Environmental Services, a portfolio company of TPG, and Waste Harmonics LLC will enable the combined entities to enhance sustainability reporting, reach a larger customer base, and expand product offerings.

Harris Williams advised Waste Harmonics LLC, a portfolio company of Arcapita Inc., in this transaction.

Harris Williams Transaction Spotlight



Company Background

The Hiller Companies LLC provides fire-related protection in the United States. It provides inspections, routine and emergency maintenance, and servicing and recharging of fire extinguishers.

Successful Outcome

The transaction delivered a successful outcome for Littlejohn & Co. LLC and the company. The merger between Unifour Fire & Safety and The Hiller Companies LLC will enable the combined entities to further expand their service offerings and extend their geographical reach.

Harris Williams advised The Hiller Companies LLC, a portfolio company of Littlejohn & Co. LLC, in this transaction.

Continued Momentum in the Commercial & Industrial Services Sector

 a portfolio company of ARCAPITA has merged with a portfolio company of 	 a portfolio company of LITTLEJOHN & CO. has merged with 	 a portfolio company of has been acquired by Cressey & Company 	 a portfolio company of has been acquired by 	 a portfolio company of has received an investment from 	 has acquired a portfolio company of
 a portfolio company of the edgewater funds JZ PARTNERS has been acquired by 	 has been recapitalized by 	 a portfolio company of has been acquired by 	 has acquired a portfolio company of 	 has been acquired by 	 a portfolio company of has been acquired by a portfolio company of
 a portfolio company of has been acquired by PECF USS Holding Corporation	 a portfolio company of has been acquired by 	 a portfolio company of has received an investment from LGP LEONARD GREEN & PARTNERS	 U.S. Janitorial and Specialized Contracts Portfolio has been acquired by 	 a portfolio company of has been acquired by 	 has acquired
 a portfolio company of has been acquired by 	 a portfolio company of has been acquired by funds managed by 	 a portfolio company of has received a minority investment from 	 has received an investment from 	 a portfolio company of funds managed by has been acquired by 	 a portfolio company of has been acquired by

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
- › Technician Services
- › Testing, Inspection, Certification & Compliance

 a portfolio company of ARCAPITA has merged with  a portfolio company of	 a portfolio company of LITTLEJOHN & CO. has merged with 	 a portfolio company of  has been acquired by Cressey & Company 	 a portfolio company of Apax has been acquired by KKR
 a portfolio company of  has received an investment from  	 has acquired  a portfolio company of 	 a portfolio company of the edgewater funds JZ PARTNERS has been acquired by 	 has been recapitalized by Ridgmont EQUITY PARTNERS

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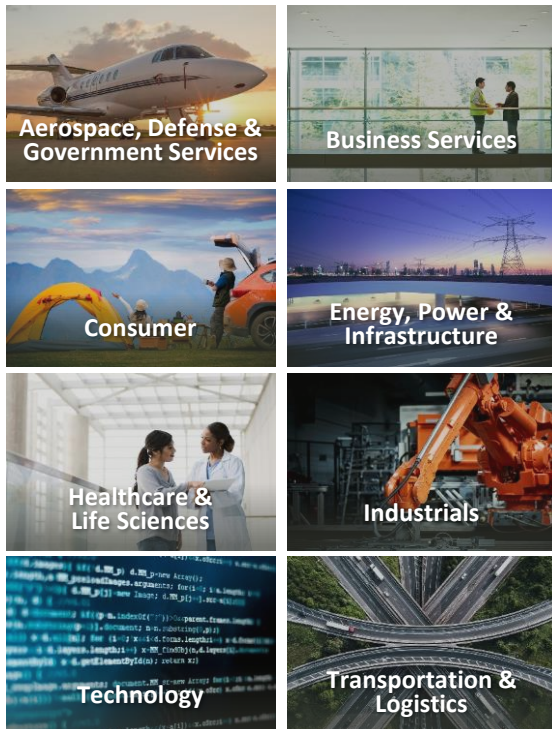
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HW Harris Williams / GLOBAL INVESTMENT BANK

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

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Disclosures and Disclaimers

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