



Commercial & Industrial Services Sector Brief

Harris Williams | Q4 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 the property management and commercial building sectors, various technological evolution in these subsectors, and the importance of ongoing and preventative maintenance.

Property Management Is Evolving Rapidly. Here Are the Trends for 2024

Buffalo Business First

"Property management is important to the efficient and sustainable operation of buildings and infrastructure. As we near the end of the year and begin to shift focus to 2024, the world of property management is evolving rapidly. Advances in technology, changing demographics, environmental issues, and the need for greater cost-efficiency are constants in our work to manage commercial real estate."

Read the full article [here](#).

State of the Roofing Industry: 2023

Building Enclosure

"The previous few years were marked by rising costs and inflation, supply chain disruptions, and labor shortages, but as we look ahead, there is reason for cautious optimism. From the return to more normal lead times and availability, to green shoots in attracting and retaining a skilled labor force, and a growing emphasis on sustainable building materials and transparency, there are many factors that will continue to shape the roofing industry positively."

Read the full article [here](#).

Smart Commercial Buildings: Top 10 Technologies to Watch Out For

CIM

"In recent years, the rapid advancement of digital technology has significantly impacted various industries, and commercial real estate is no exception. A marked shift is evident in how buildings are being designed, constructed, managed, and used. At the forefront of this evolution is the concept of 'smart buildings.'"

Read the full article [here](#).

5 Emerging Trends That Are Reshaping the Commercial HVAC Industry

Metalphoto of Cincinnati

"The Internet of Things (IoT) has touched just about every facet of our lives. But how is it affecting the way we do business? For one, it's enabling companies to become more flexible. This is all thanks to software, online platforms, and interconnectivity like we've never seen before. It's rapidly changing all industries, including commercial HVAC."

Read the full article [here](#).

6 Reasons Ongoing Maintenance Is Essential for Commercial Buildings

First Response Maintenance Solutions

"Ongoing and preventative maintenance is more than just hooking potential clients and generating new business. In truth, your current tenants' peace of mind and wellbeing should be your main priority. This is because focusing on relationship-building and retaining tenants makes more business sense than constantly having to find new ones."

Read the full article [here](#).

Recent Harris Williams Industry Content

- Business Services | Infrastructure & Outsourced Services

Infrastructure & Outsourced Services Momentum



[Link to Read](#)

"Companies serving essential infrastructure end markets often feature several traits that resonate strongly with these investors, including earnings visibility, defensibility, and stable long-term demand."

- Business Services | The Circular Economy



[Link to Read](#)

"The circular economy is crucial to deliver on waste management, climate, and many other ESG-related goals."

Recent Commercial & Industrial Services Transactions Detail

Date	Target	Business Description	Sector	Acquirer(s)
11/17/2023	Summit Environmental Technologies	An environmental lab serving a broad, national customer base that includes manufacturing facilities, waste disposal, paper mills, and wastewater based in Cuyahoga Falls, Ohio	Environmental & Waste	Alliance Technical Group (Morgan Stanley Private Equity)
11/17/2023	Fremont Analytical	An environmental lab serving the Pacific Northwest with various organic and inorganic analyses for soil, water, hazardous waste, and air based in Seattle, Washington	Environmental & Waste	Alliance Technical Group (Morgan Stanley Private Equity)
11/17/2023	Orange Coast Analytical	An environmental testing laboratory with a skilled team of chemists, biologists, and engineers based in Texas	Environmental & Waste	Alliance Technical Group (Morgan Stanley Private Equity)
11/17/2023	Chester LabNet	An environmental testing laboratory with an international reach in support of stack testing and ambient air analytical projects based in Oregon	Environmental & Waste	Alliance Technical Group (Morgan Stanley Private Equity)
11/16/2023	BASS United Fire & Security Systems	A provider of installation and service for fire alarm and life safety solutions in South Florida and the Caribbean based in Pompano Beach, Florida	Fire & Life Safety	Sciens Building Solutions (Carlyle, Huron Capital)
11/15/2023	Sonitrol Security Services; Sonitrol of Charleston; Sonitrol of The Midlands	All three Sonitrol companies offer security alarms, fire detection, video surveillance, and access control services	Security	Pye-Barker Fire & Safety (Leonard Green, Altas)
11/14/2023	Shooter and Lindsey	A landscaping maintenance and installation provider	Landscaping	Juniper Landscaping (Bregal Partners)
11/14/2023	CraneTech	A leading provider of overhead crane inspection, maintenance, and manufacturing services across the U.S. based in Stockton, California	TICC (Testing, Inspection, Certification & Compliance)	Balance Point Capital Advisors
11/13/2023	S&W Contracting	A specialized electrical company focused on commercial and industrial services with an expertise in traffic signals based in Murfreesboro, Tennessee	Mechanical Services	Crete Mechanical Group (Ridgemont Equity Partners)
11/9/2023	Pressure Pros	A leading provider of pressure washing services for commercial, industrial, and multi family properties based in West Columbia, South Carolina	Facility Services	Kept Companies (DFW Capital Partners)
11/8/2023	First Response	A provider of restoration services to commercial, residential, and government institutions based in South Bend, Indiana	Property Restoration	BluSky (Partners, Kohlberg)
11/8/2023	Camin Cargo	A provider of inspection, sampling, inventory control, and laboratory analysis services to oil, gas, and petrochemical industries based in Linden, New Jersey	TICC (Testing, Inspection, Certification & Compliance)	Macquarie Capital
11/8/2023	Adroit Systems Company	A security and fire detection company based in Greenville, South Carolina	Fire & Life Safety	Pye-Barker Fire & Safety (Leonard Green, Altas)
11/8/2023	Fielding Environmental	A fully integrated environmental solutions provider	Environmental & Waste	GFL Environmental Inc.
11/7/2023	Superior Restoration	A provider of water damage restoration, mold remediation, fire damage repair, and other related services based in Lake Elsinore, California	Property Restoration	HighGround (Trivest)
11/7/2023	Benchmark Landscaping	A provider of landscape maintenance, enhancement, and installation services primarily to commercial customers	Landscaping	United Land Services (Centre Partners, LP First Capital)
11/7/2023	Georgia Scapes	A provider of landscape maintenance, enhancement, and installation services primarily to commercial customers	Landscaping	United Land Services (Centre Partners, LP First Capital)
11/7/2023	ASM Global	An events and venue management group based in Los Angeles, California	Events & Entertainment	Legends (Sixth Street Partners)
11/6/2023	Waste Consolidators	A premium valet trash firm based in Mesa, Arizona	Environmental & Waste	Ally Waste Services (RF Investment Partners)
11/2/2023	Bob's Overhead Door	A commercial and residential door specialist based in Baltimore, Maryland	Home Maintenance & Repair Services	Miner (OnPoint)

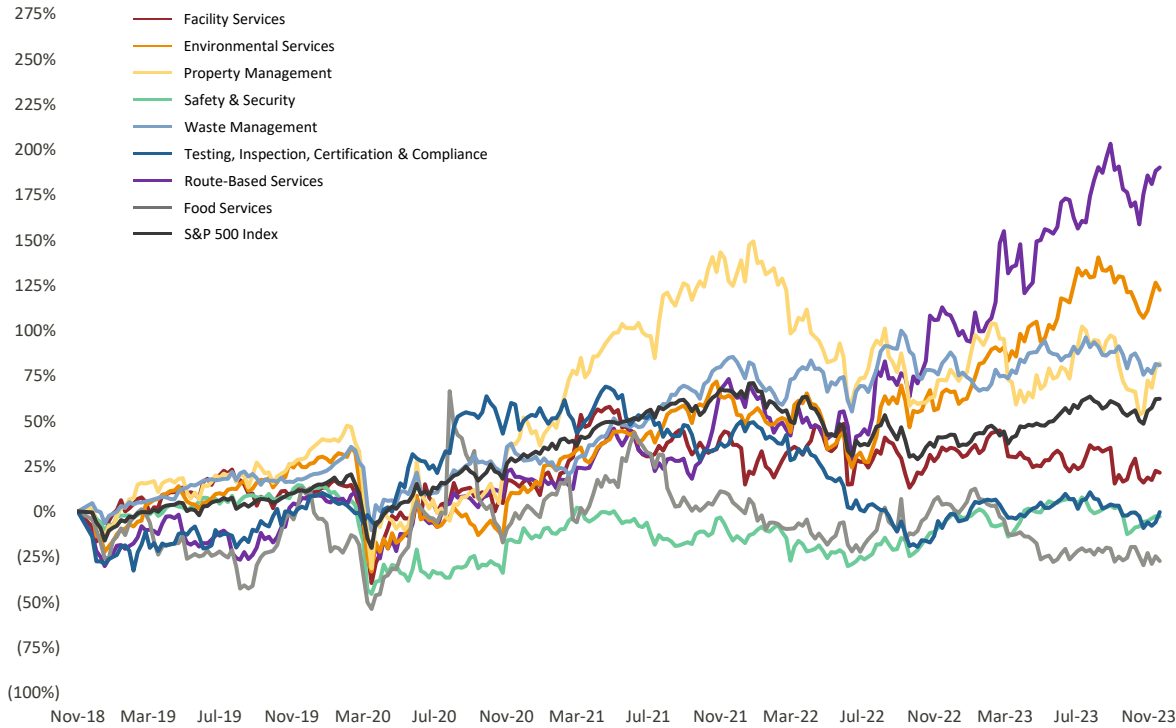
Recent Commercial & Industrial Services Transactions Detail (Cont.)

Date	Target	Business Description	Sector	Acquirer(s)
11/2/2023	Koetter Fire Protection	A premier full-service, specialty fire systems company based in Dallas, Texas	Fire & Life Safety	Pye-Barker Fire & Safety (Leonard Green, Altas)
10/31/2023	Ambient Temperature Corp (ATCO)	A union mechanical services provider based in Newburyport, Massachusetts	Mechanical Services	The Exigent Group (Huron Capital)
10/31/2023	Global Facility Solutions (GFS)	A provider of energy efficiency, sustainability, and engineering services based in Columbia, Maryland	Mechanical Services	The Exigent Group (Huron Capital)
10/26/2023	Southern Elevator Group	A provider of elevator maintenance, modernization, installation, and repair services based in Charlotte, North Carolina	Mechanical Services	Plexus Capital
10/25/2023	National Power	A leading provider of power reliability and resilience solutions for mission critical operations	Home Maintenance & Repair Services	Ridgemont Equity Partners
10/25/2023	Advance Security Integration	One of the largest franchisees under the Security 101 brand umbrella based in Southington, Connecticut	Security	Security 101 (Gemspring Capital)
10/25/2023	Big Apple Group	A provider of testing and inspection services firm based in Hicksville, New York	TICC (Testing, Inspection, Certification & Compliance)	RMA Companies (OceanSound Partners)
10/24/2023	A-1 Elevator Service and Pinnacle Elevator	The leading independent service providers in the Southern Louisiana and Mississippi markets	Mechanical Services	Elevator Service (Carroll Capital)
10/20/2023	Accuro	A British provider of business-critical facilities management services to the education and healthcare sectors	Facility Services	OCS (CD&R)
10/18/2023	Central State Door Service	A commercial and residential doors and dock equipment provider based in Middletown, Pennsylvania	Home Maintenance & Repair Services	Miner (OnPoint)
10/18/2023	ATALIAN Global Services, Inc. (U.S.-based assets)	A leading integrated facility services provider headquartered in France	Facility Services	GDI Integrated Facility Services (Birch Hill Equity)
10/17/2023	Total Services HVAC and Appliances Company	A provider of HVAC services based in Guyton, Georgia	Mechanical Services	Southeast Mechanical (Palladin)
10/12/2023	Golding Mechanical Services	A full-service HVAC and controls contractor based in Memphis, Tennessee	Mechanical Services	PremiStar (Partners Group)
10/12/2023	Key Security Designs	A full-service security system integrator based in California	Security	Sciens Building Solutions (Carlyle, Huron Capital)
10/12/2023	Knight Commercial	A provider of mitigation, reconstruction, and roofing services to leading commercial property owners and asset managers	Property Restoration	Omers Private Equity
10/11/2023	AmSpec Group (Olympus Partners)	A testing, inspection, and certification company specializing in energy, commodities, and fuels based in New Jersey	TICC (Testing, Inspection, Certification & Compliance)	TPG Rise Climate
10/5/2023	Tech24	A company engaged in commercial foodservice equipment repair and maintenance based in Greenville, South Carolina	Home Maintenance & Repair Services	Vestar Capital Partners
10/5/2023	Comtrom Systems	A security, alarm, and fire detection company based in Palm Desert, California	Fire & Life Safety	Pye-Barker Fire & Safety (Leonard Green, Altas)
10/5/2023	Rental Uniform Service	A family-owned and operated uniform and facility services rental business based in North Carolina	Facility Services	Cintas
10/4/2023	AMPAM Parks Mechanical	A full-service provider of design-build plumbing solutions serving the multifamily end market	Mechanical Services	Gemspring Capital

Commercial & Industrial Services Public Company Performance and Trends¹

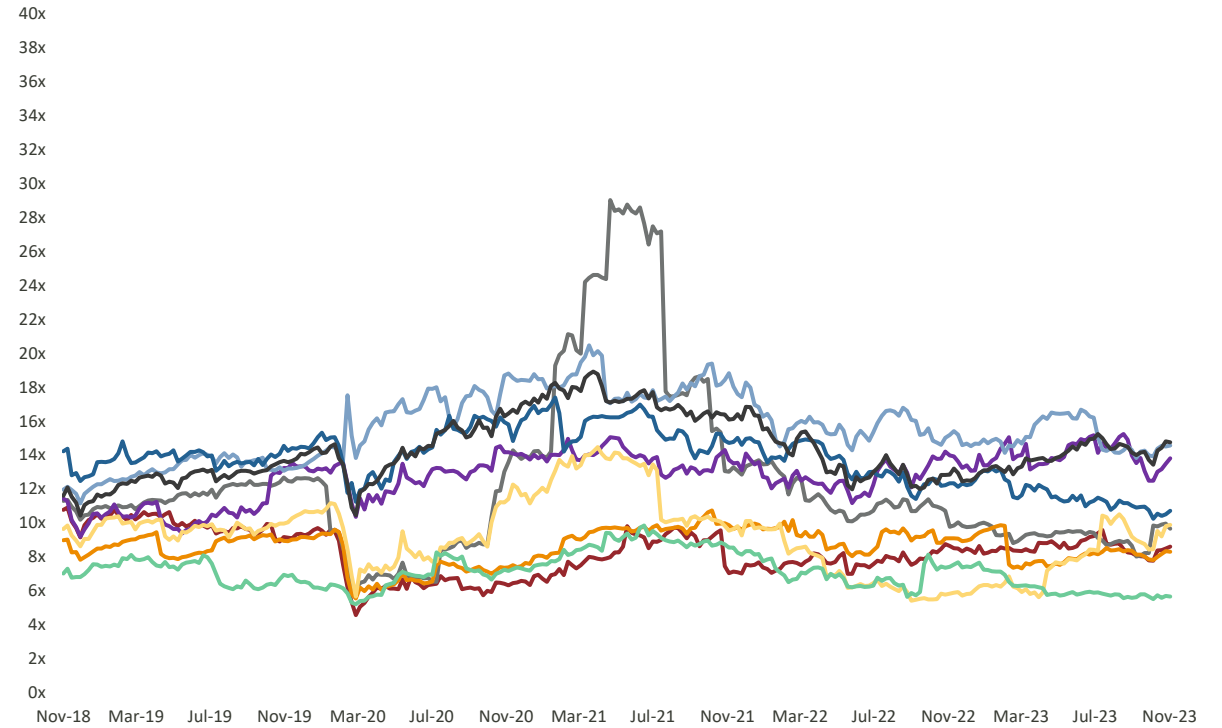
Historical Stock Prices – Last 5 Years

Indexed Stock Price Performance for the Period November 2018 – November 2023



Historical Median TEV/LTM EBITDA Multiples – Last 5 Years

Median TEV/LTM EBITDA Multiples for the Period November 2018 – November 2023



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



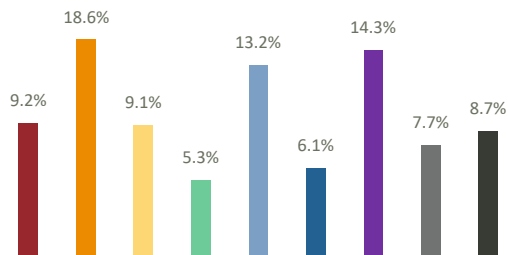
1. S&P Capital IQ as of 11/27/2023; ABM Industries, ADT, ALS, Aramark, Bureau Veritas, Casella Waste Systems, CBRE Group, Cintas Corporation, Clean Harbors, Comfort Systems, Cushman & Wakefield, Ecolab, EMCOR Group, Eurofins Scientific, GFL Environmental, Intertek Group, ISS, Jones Lang LaSalle, Mitie 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

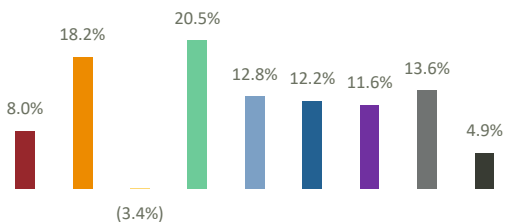
Public Company – Operating Metrics

Performance for the Period November 2020 – November 2023

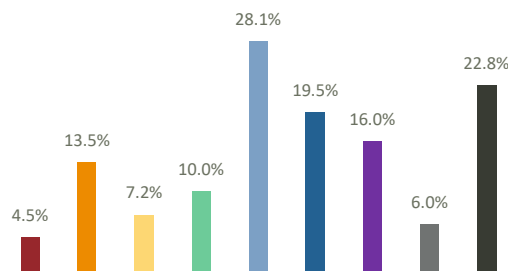
Median 3-Year Revenue CAGR



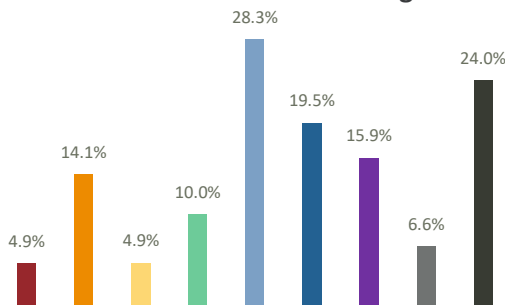
Median LTM Revenue Growth



Median 3-Year EBITDA Margin

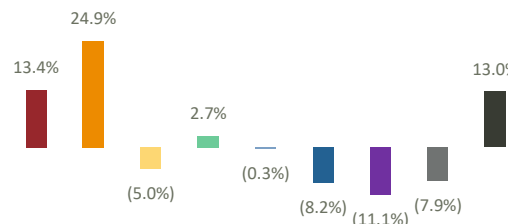


Median LTM EBITDA Margin

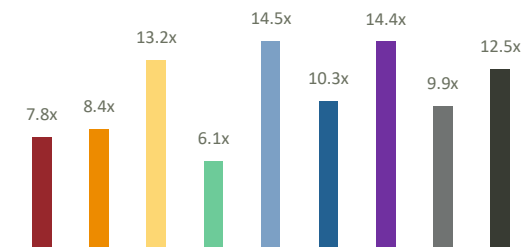


Public Company – Valuation Metrics

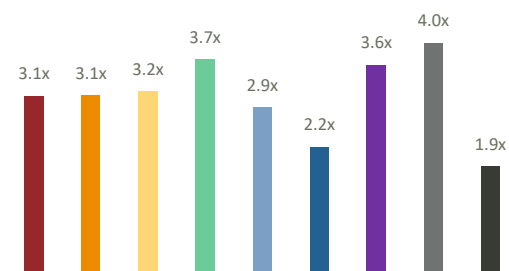
12-Month Change in Stock Price



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

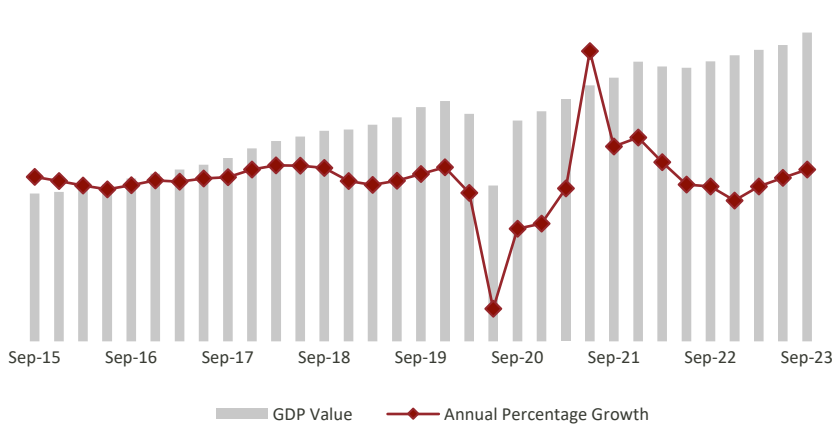


¹ S&P Capital IQ as of 11/27/2023; ABM Industries, ADT, ALS, Aramark, Bureau Veritas, Casella Waste Systems, CBRE Group, Cintas Corporation, Clean Harbors, Comfort Systems, Cushman & Wakefield, Ecolab, EMCOR Group, Eurofins Scientific, GFL Environmental, Intertek Group, ISS, Jones Lang LaSalle, Mitie Group, Prosegur Compañía de Seguridad, Rentokil Initial, Republic Services, Securitas, SGS, Sodexo, Stericycle, UniFirst, Veolia Environment, Waste Connections, and Waste Management

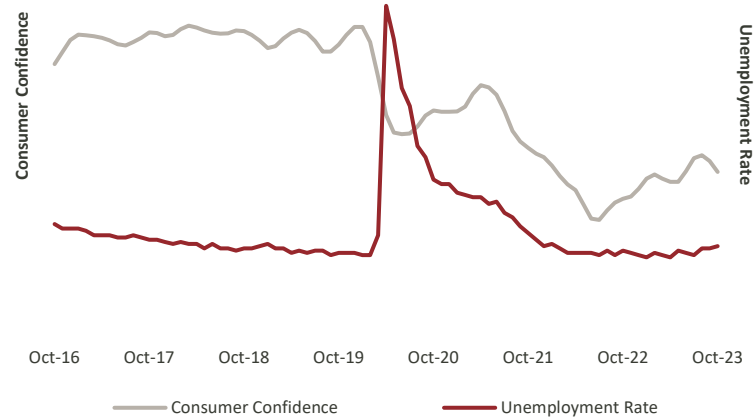
Economic Trends

U.S. GDP Growth¹

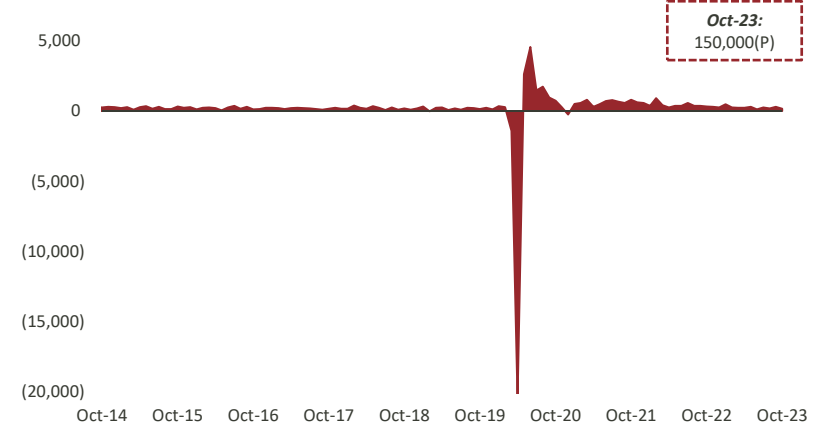
(In billions indexed to 2015 USD)



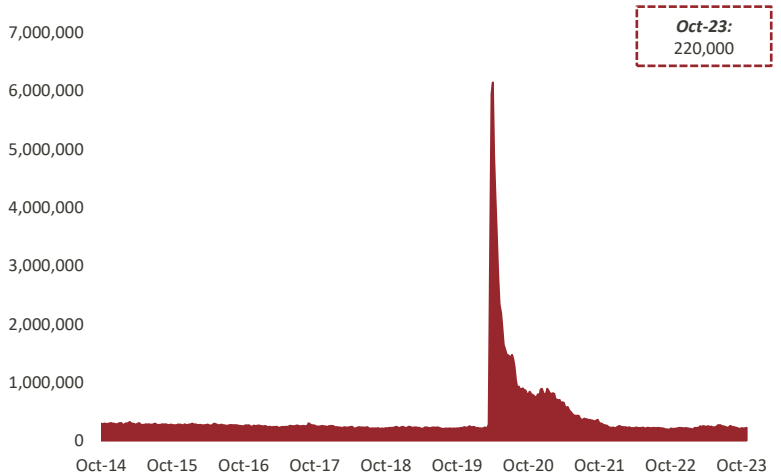
Consumer Confidence & Unemployment Rate²



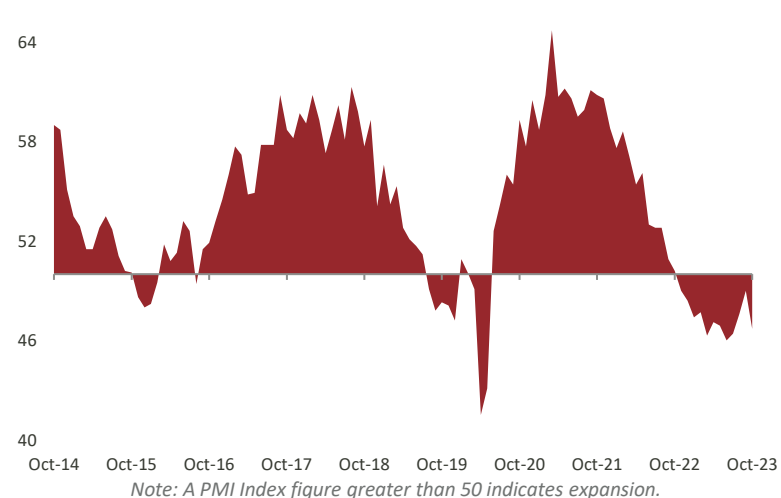
Non-Farm Payrolls (1-Month Net Change)³



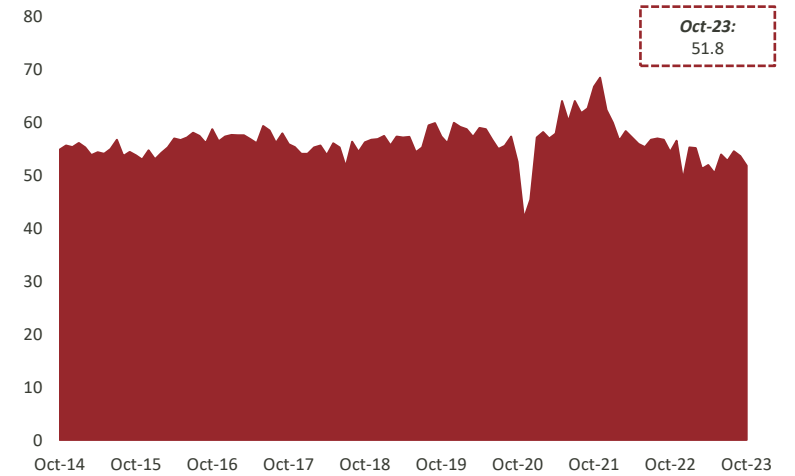
U.S. Initial Jobless Claims⁴



PMI Index⁵

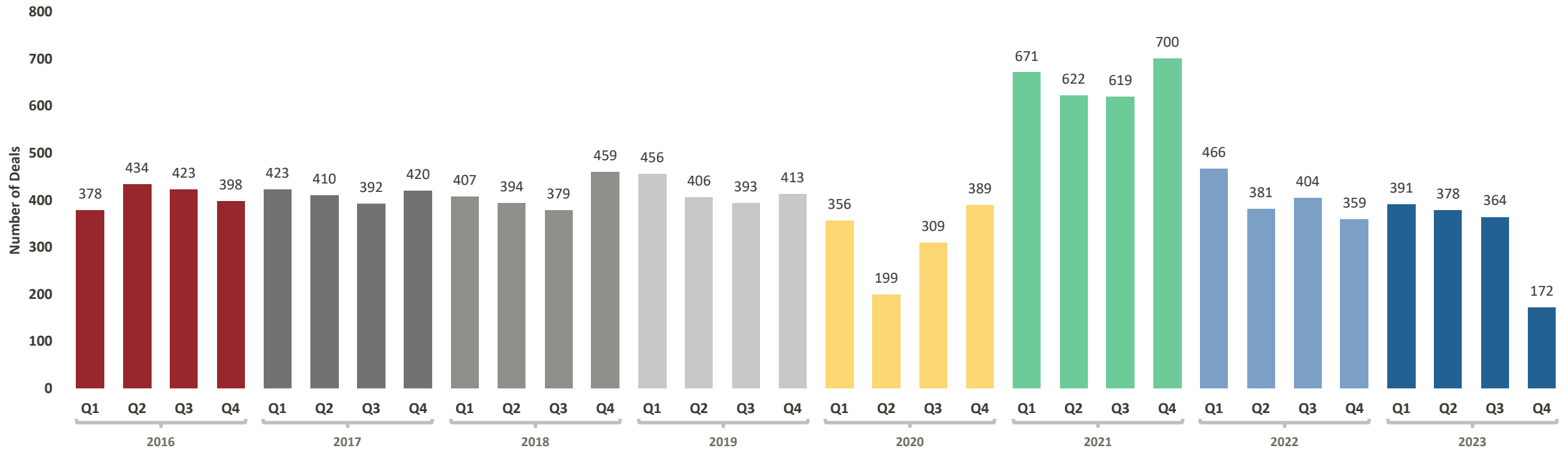


ISM Non-Manufacturing Index⁵



M&A Market Trends

Commercial & Industrial Services M&A Volume by Year¹



OMERS Private Equity Has Acquired Knight Commercial



- Harris Williams advised OMERS Private Equity on its acquisition of Knight Commercial. Knight Commercial provides commercial property restoration services intended to respond to catastrophes and structural compromise of any degree.

Waste Harmonics Merges With Keter Environmental Services



ARCAPITA



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

Harris Williams Commercial & Industrial Services Experience

Recent Transaction Spotlights

Harris Williams Transaction Spotlight

OMERS

has acquired

**KNIGHT
COMMERCIAL**

Company Background

Knight Commercial provides commercial property restoration services intended to respond to catastrophes and structural compromise of any degree.

Successful Outcome

The acquisition of Knight Commercial will enable OMERS Private Equity to further pursue their investment thesis in property restoration. Through the partnership with OMERS, Knight Commercial will be able to expand their geographic presence and increase their M&A activity. Harris Williams advised OMERS Private Equity on this transaction.

Harris Williams Transaction Spotlight

WasteHarmonics

a portfolio company of

ARCAPITA

has merged with

KETER

a portfolio company of

TPG

Company Background

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

Harris Williams advised Waste Harmonics, a portfolio company of Arcapita, on this transaction.

Continued Momentum in the Commercial & Industrial Services Sector

 has acquired 	 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 Partners Group 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 Goldman Sachs has been acquired by 	Audax Private Equity has acquired  a portfolio company of ONE ROCK CAPITAL PARTNERS	 has been acquired by DARLING INGREDIENTS
 a portfolio company of Audax Private Equity has been acquired by  a portfolio company of 	 a portfolio company of Platinum Equity has been acquired by PECF USS Holding Corporation	 a portfolio company of Chartwell Investments ENTREPRENEUR & FOUNDER CAPITAL has been acquired by 	converjint a portfolio company of ARES has received an investment from  LGP LEONARD GREEN & PARTNERS	 U.S. Janitorial and Specialized Contracts Portfolio has been acquired by ARGENBRIGHT HOLDINGS	 a portfolio company of OAKTREE has been acquired by ONEX
 has acquired 	 a portfolio company of  has been acquired by Partners Group REALIZING POTENTIAL IN PRIVATE MARKETS KOHLBERG & COMPANY	 a portfolio company of  has been acquired by funds managed by Apax	 a portfolio company of ALTAS PARTNERS has received a minority investment from LGP LEONARD GREEN & PARTNERS	 has received an investment from 	 a portfolio company of funds managed by  has been acquired by KKR

Coverage Areas

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

Commercial & Industrial Services Coverage Areas

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

 has acquired 	 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 

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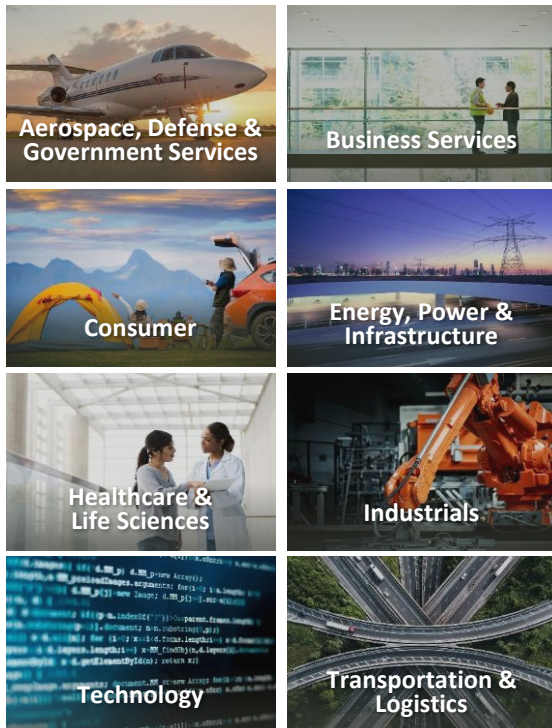
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HW Harris Williams / GLOBAL INVESTMENT BANK

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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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