



Commercial & Industrial Services Sector Brief

Harris Williams | Q3 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 commercial roofing landscape with a focus on key innovations, consolidation trends, and how private equity groups are driving expansion and growth in these sectors in 2024.

2024's Top 5 Commercial Roofing Trends: Key Innovations

Sky Light Roofing

"The year 2024 marks a pivotal moment, introducing commercial roofing trends that are reshaping the way businesses think about their roofing solutions. From advancements in materials to new installation techniques, these trends are setting new standards in durability, energy efficiency, and design."

Read the full article [here](#).

Private Equity is Coming for Your AC Repairman

Forbes

"PE typically looks for certain fact patterns, such as highly prioritizing opportunities with stable cash flows, which provide lenders comfort. Several elements make the HVAC industry particularly attractive to these investors."

Read the full article [here](#).

Commercial Restoration And It's Unique Challenges

Medium

"Professional restoration services play a vital role in this process. Their expertise and experience in dealing with commercial properties specifically ensure that the unique requirements of different industries are met and that the restoration strategies are tailored accordingly."

Read the full article [here](#).

The Impact of Commercial Fire Alarm Systems on Workplace Safety

U.S. Protective Services

"In the current business environment, deploying commercial fire safety solutions transcends regulatory compliance. It is a fundamental aspect of maintaining operational stability. Grasping the significant function of commercial building fire alarms is essential. These systems are ingeniously crafted to shield both human lives and physical assets."

Read the full article [here](#).

How is Private Equity Shaping the Roofing Industry?

Best Roofer Marketing

"Boost in investment allows companies to scale their operations, delivering better quality and faster projects. The partnership between private equity and roofing firms often leads to job creation and better training programs, benefiting the local economy. For roofing businesses, private equity brings opportunities for growth and modernization."

Read the full article [here](#).

Recent Harris Williams Industry Content

- **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."

- **Impact of Presidential Elections on M&A Activity**



[Link to Read](#)

"While distractions are a certainty, our analysis shows limited sustained impacts to U.S. M&A from the presidential election cycle."

Recent Commercial & Industrial Services Transactions Detail

| Date | Target | Business Description | Sector | Acquirer(s) |
|-----------|--|--|----------------------|---|
| 9/3/2024 | Altus Fire and Life Safety | A provider of fire and life safety protection and support services intended to serve cost-effective services | Fire & Life Safety | Apax Partners |
| 8/26/2024 | Premier Building Associates | A leading commercial roofing platform, with a focus on re-roofing and maintenance services | Other | Boyne Capital |
| 8/21/2024 | Fairway Lawn & Tree Service Inc. | A provider of lawn and tree care services intended to meet the needs of residential and commercial property owners | Landscaping | LawnPRO Partners |
| 8/19/2024 | Platinum Parking | A provider of garage management and parking consultation services | Mechanical Services | The Broe Group; Callaway Hudson Partners |
| 8/19/2024 | Absolute Animal Removal | A provider of pest control services | Landscaping | GAM Exterminating Services |
| 8/19/2024 | Adler and Allan Group Limited | A provider of environmental, energy, and infrastructure maintenance services | Other | Goldman Sachs Asset Management International |
| 8/16/2024 | Tilly Design LLC | A provider of custom landscape design intended to support homeowners throughout the entire design process | Landscaping | EdenGrene, Inc. |
| 8/15/2024 | Si Solutions, Inc. | A provider of professional specialty services intended to serve nuclear power, infrastructure, and process industries | Other | MidOcean Partners LLP; Jumana Capital |
| 8/15/2024 | Murray Pest Control, LLC | A provider of pest control services to residential and commercial customers | Landscaping | Clements' Pest Control Services, LLC |
| 8/7/2024 | Environmental Projects, Inc. | A provider of environmental remediation and waste management services for site owners and consultants | Restoration Services | EnviroServe Inc. |
| 8/6/2024 | Water Treatment Technologies of Florida | A provider of water treatment services intended to serve residential and commercial customers | Other | Flotilla Partners LLC |
| 8/2/2024 | Georgia Paving | A provider of asphalt paving and maintenance, striping, seal coating, concrete, and other ancillary services | Other | Sunland Asphalt (Huron Capital) |
| 8/2/2024 | DuraServ | A provider of commercial and industrial overhead door and loading dock facilities services. | Facility Services | Leonard Green & Partners |
| 8/1/2024 | High Standard Icemakers | A company servicing customers, utilizing an inventory consisting of Manitowoc ice machines | Other | Easy Ice (Freeman Spogli) |
| 8/1/2024 | Integrated Fire and Security Solutions and Diversified Systems | A provider of fire alarm and integrated systems | Fire & Life Safety | Fortis Fire & Safety (Imperial Capital) |
| 7/31/2024 | Treasure Valley Fire Protection | A provider of a full suite of design, installation, inspection, and maintenance for fire sprinkler systems | Fire & Life Safety | Pye-Barker Fire & Safety (Leonard Green, Altas) |
| 7/31/2024 | Western Traffic Control | A provider of worksite protection products and services including strategic traffic control planning, permit acquisition, temporary traffic control, and equipment sales and rentals | Other | AWP Safety (Kohlberg) |
| 7/30/2024 | CarePro National Painting | A provider of commercial painting and staining and facility services | Facility Services | Kept Companies (DFW Capital Partners) |
| 7/30/2024 | Katsam Property Services | A leading provider of power sweeping and other facility services to commercial and municipal customers | Facility Services | Unity Partners |

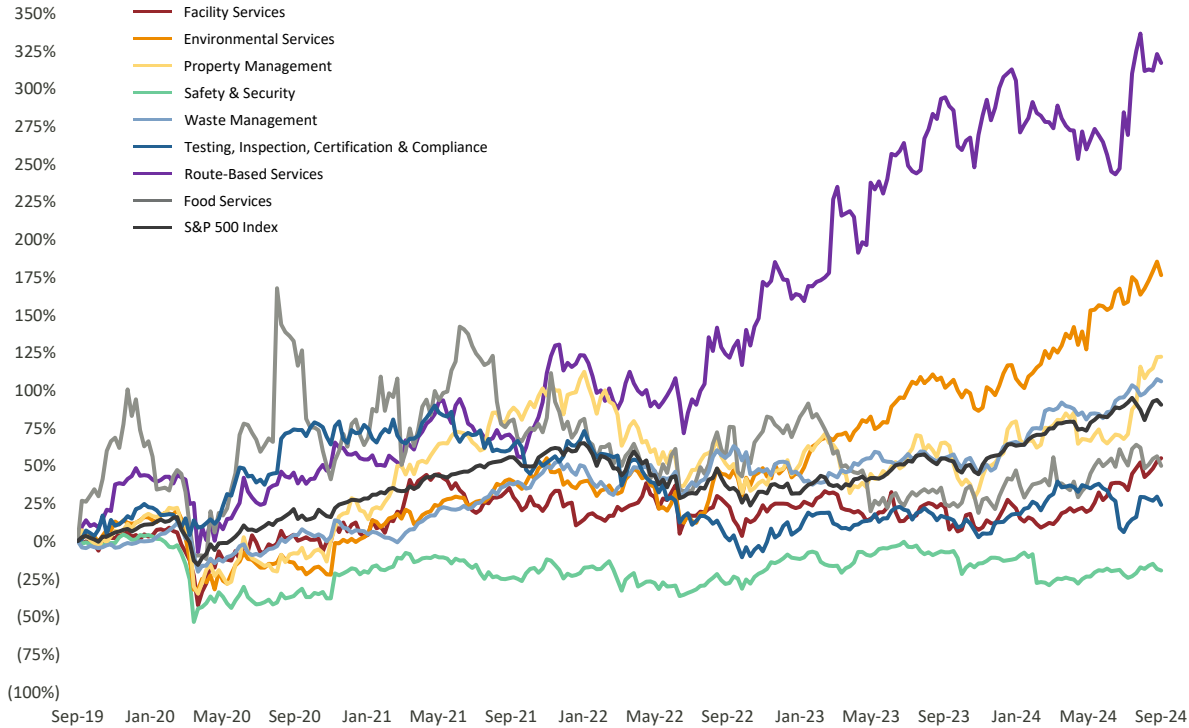
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|-----------|--|--|----------------------|--|
| 7/24/2024 | Marmic Fire & Safety Co (HGGC) | A provider of fire protection solutions | Fire & Life Safety | KKR Ascendant Fund |
| 7/23/2024 | Standard Electronics | A provider of fire alarm and low voltage | Fire & Life Safety | Sciens Building Solutions |
| 7/23/2024 | OJS Building Services | A company specializing in HVAC maintenance and retrofit projects | Other | Dowagiac |
| 7/21/2024 | TFS (OnPoint Group) | A leading nationwide provider of material handling fleet management services | Property Management | Southfield Capital |
| 7/18/2024 | Low Voltage Integrated Systems | A fire and life safety company based in California | Fire & Life Safety | Sciens Building Solutions (Carlyle, Huron Capital) |
| 7/18/2024 | Helinick | An integrator that specializes in the design and implementation of electronic security, fire safety, communications, and building management systems based in Romania | Facility Services | Convergint (Leonard Green, Harvest Partners) |
| 7/18/2024 | ABC Burglar Alarm Systems | A provider of security and alarm systems based in Bowie, Maryland | Security | Pye-Barker Fire & Safety (Leonard Green, Altas) |
| 7/17/2024 | Allstar Fire Protection | A fire protection company based in Nashville, Tennessee | Fire & Life Safety | Pye-Barker Fire & Safety (Leonard Green, Altas) |
| 7/17/2024 | OnSolve | A leading provider of critical event management based in Ormond Beach, Florida | Security | Garda World Security |
| 7/16/2024 | Garden City Fire & Safety | A routine maintenance and service provider for code-compliance and fire protection based in Garden City, Kansas | Fire & Life Safety | Pye-Barker Fire & Safety (Leonard Green, Altas) |
| 7/15/2024 | Sterling Commercial Roofing | A roofing services provider based in Sterling, Illinois | Property Restoration | Tecta America (Altas Partners, Leonard Green) |
| 7/11/2024 | Soil-Away Restoration Services | A disaster restoration company based in Hooksett, New Hampshire | Property Restoration | Insurcomm (Summit Partners) |
| 7/6/2024 | Ice machine division of Ed's Refrigeration | A provider of ice machine services based in Albuquerque, New Mexico | Mechanical Services | Easy Ice (Freeman Spogli) |
| 7/2/2024 | Cox Fire Protection | A provider of fire and life safety protection services based in Florida | Fire & Life Safety | Pye-Barker Fire & Safety (Leonard Green, Altas) |
| 7/1/2024 | Clinton Electric | A provider of electrical installation, lighting design, lighting controls, fire alarm systems, medium/high-voltage distribution, and structured wiring as well as utility-scale solar projects | Other | Craft Work Capital Investments |
| 7/1/2024 | Secuni | A provider of security solutions for businesses including access control, intrusion detection, and surveillance | Security | Minuteman Security Technologies (Tenex Capital Management) |
| 6/26/2024 | American Overhead Door & Dock (North American Door & Dock) | A leading commercial door and dock company in the tri-state area, currently serving Pennsylvania, New Jersey, Delaware, New York, and select other geographies | Mechanical Services | Guardian Capital Partners |
| 6/26/2024 | Lupini Construction | A provider of waterproofing and masonry restoration, with a specialty in historical restoration projects based in Utica, New York | Property Restoration | Valcourt (Littlejohn Capital) |
| 6/26/2024 | Citadel Security Holdings | A provider of manned guarding, event security, and patrol services based in Nixa, Missouri | Security | Great Range Capital |

Commercial & Industrial Services Public Company Performance and Trends¹

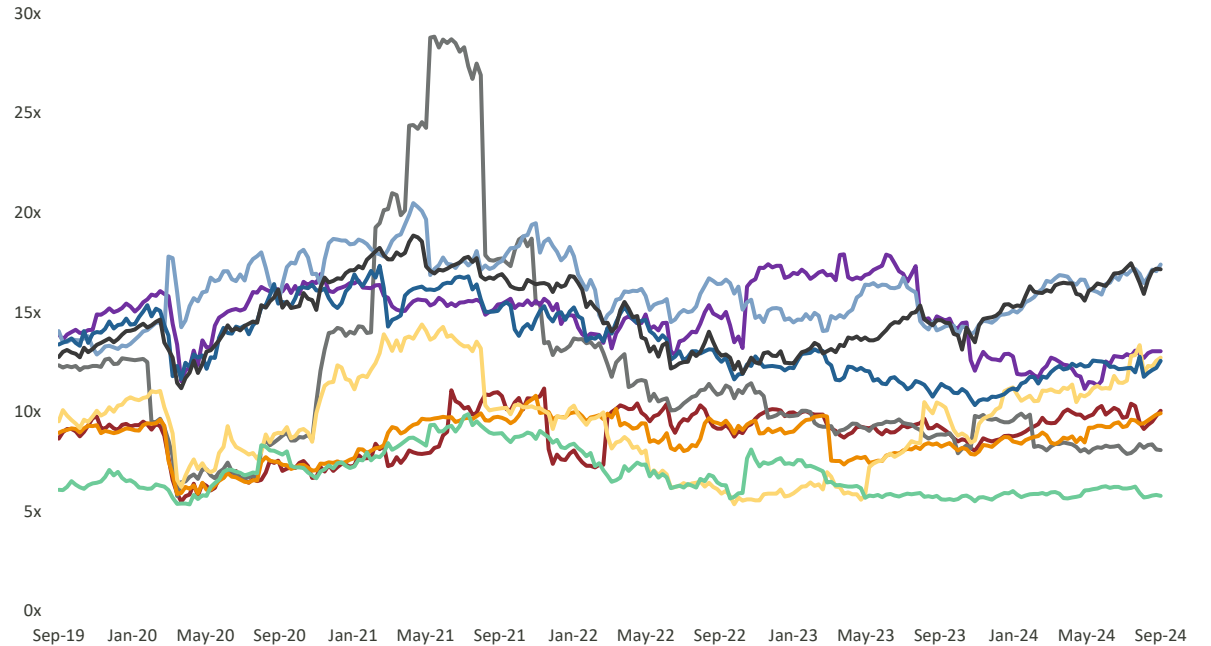
Historical Stock Prices – Last 5 Years

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



Historical Median TEV/LTM EBITDA Multiples – Last 5 Years

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



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



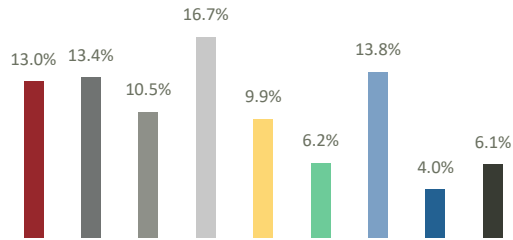
1. S&P Capital IQ as of 9/3/2024; ABM Industries, ADT, ALS, Aramark, Bureau Veritas, Casella Waste Systems, CBRE Group, Cintas Corporation, Clean Harbors, Comfort Systems, Cushman & Wakefield, Ecolab, EMCOR Group, Eurofins Scientific, GFL Environmental, Intertek Group, ISS, Jones Lang LaSalle, Mitie 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

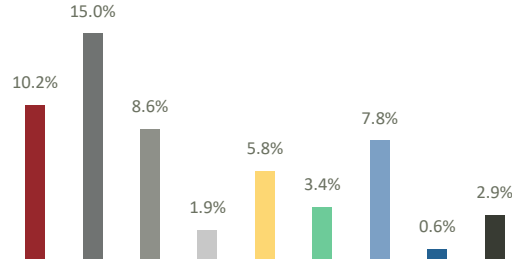
Public Company – Operating Metrics

Performance for the Period August 2021 – August 2024

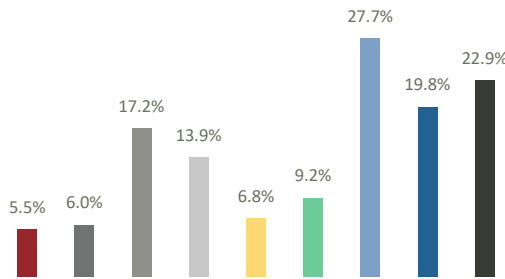
Median 3-Year Revenue CAGR



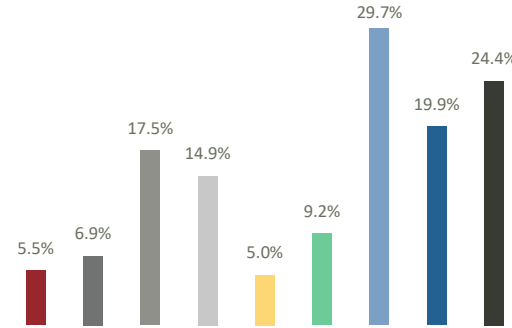
Median LTM Revenue Growth



Median 3-Year EBITDA Margin

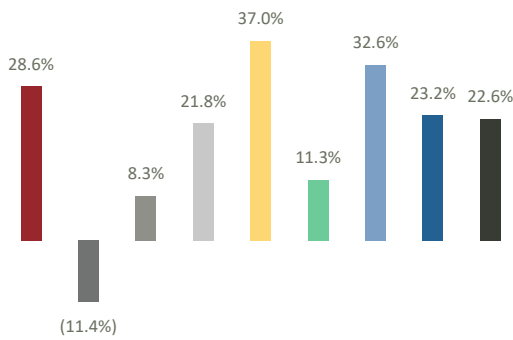


Median LTM EBITDA Margin

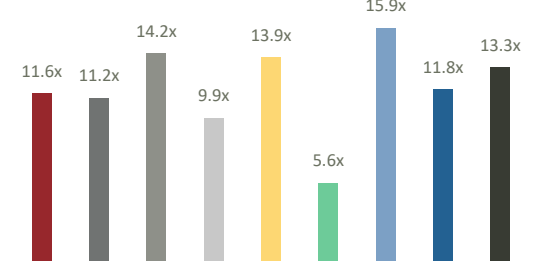


Public Company – Valuation Metrics

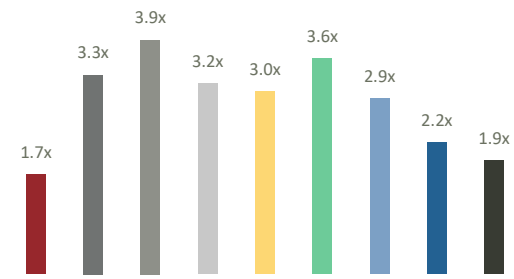
12-Month Change in Stock Price



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

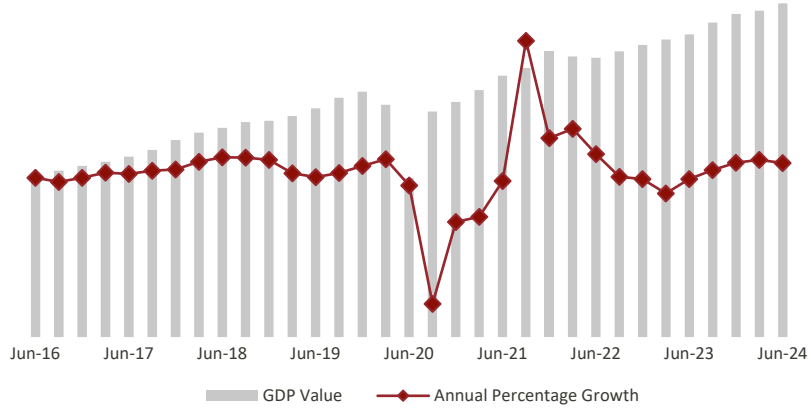


1. S&P Capital IQ as of 9/3/2024; ABM Industries, ADT, ALS, Aramark, Bureau Veritas, Casella Waste Systems, CBRE Group, Cintas Corporation, Clean Harbors, Comfort Systems, Cushman & Wakefield, Ecolab, EMCOR Group, Eurofins Scientific, GFL Environmental, Intertek Group, ISS, Jones Lang LaSalle, Mitie Group, Prosegur Compañía de Seguridad, Rentokil Initial, Republic Services, Securitas, SGS, Sodexo, Stericycle, UniFirst, Veolia Environment, Waste Connections, and Waste Management

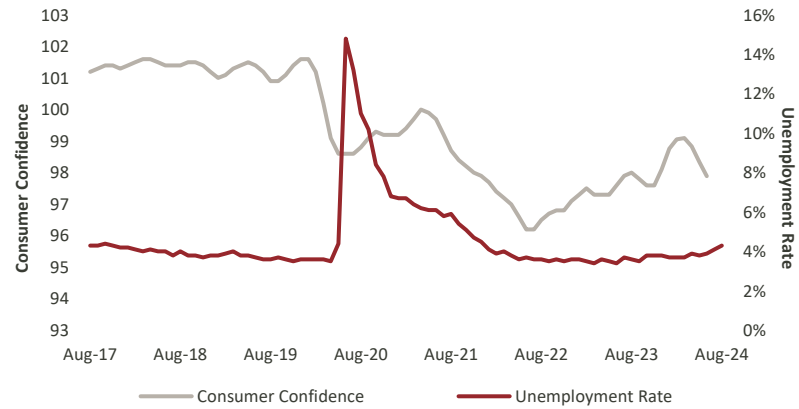
Economic Trends

U.S. GDP Growth¹

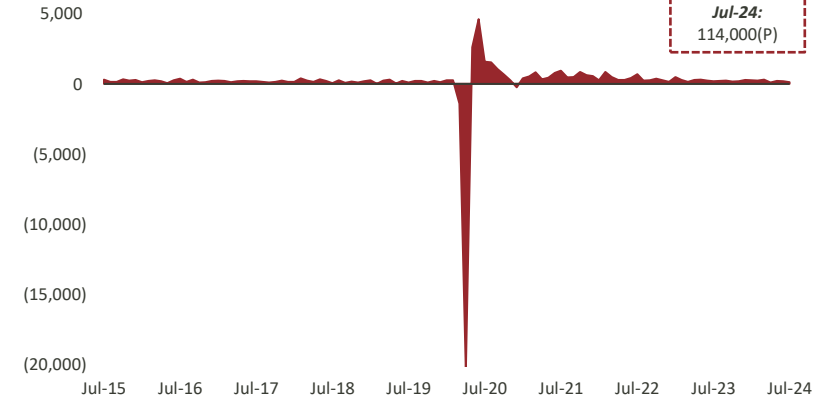
(In billions indexed to 2016 USD)



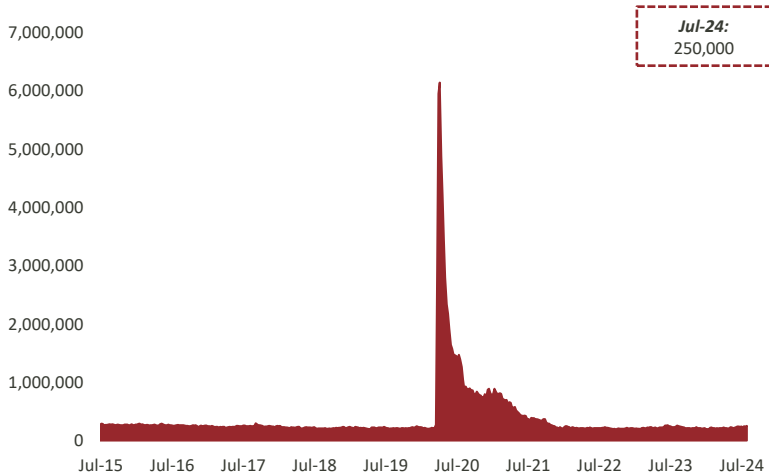
Consumer Confidence & Unemployment Rate²



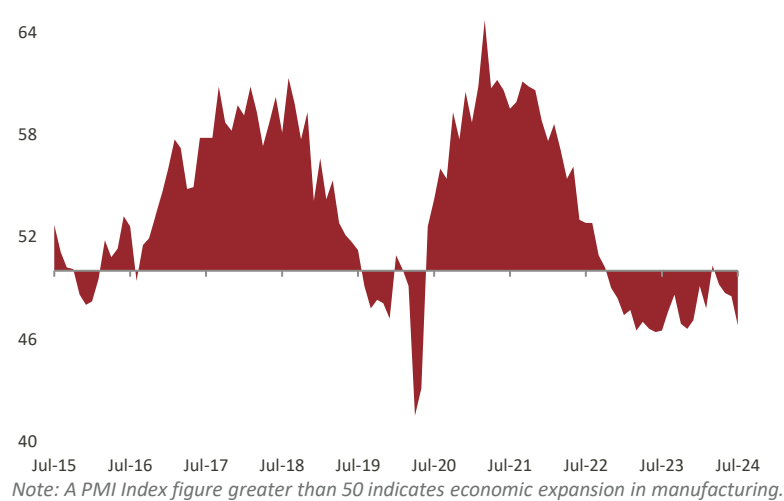
Non-Farm Payrolls (1-Month Net Change)³



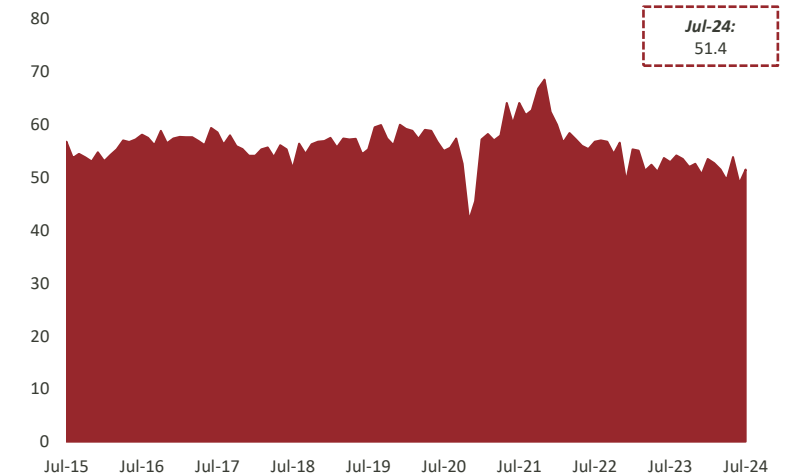
U.S. Initial Jobless Claims⁴



Purchasing Managers Index⁵

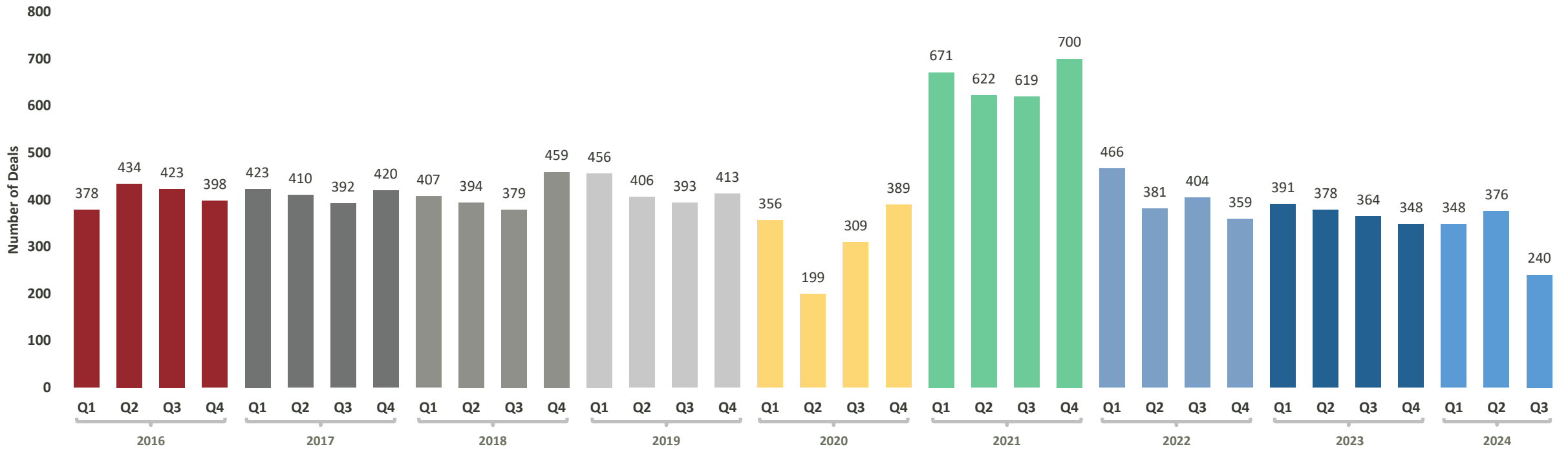


ISM Non-Manufacturing Index⁵



M&A Market Trends

Commercial & Industrial Services M&A Volume by Year¹



AEA has Acquired Nations Roof



- Harris Williams advised AEA on their acquisition of Nations Roof, a provider of roofing services intended for customers throughout the United States. The company offers restoration, deck remediations, coatings, masonry restorations, metal roofing, and other services.

Summit Partners has Acquired Insurcomm



- Harris Williams advised Summit Partners on their acquisition of Insurcomm, a provider of commercial and residential restoration services primarily based in the Northeast. The company is one of the fastest-growing restoration providers in the United States and offers a comprehensive range of property damage restoration services, such as fire and water damage cleanup, mold remediation, and biohazard removal.

Harris Williams Commercial & Industrial Services Experience

Recent Transaction Spotlights

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.

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 life cycle 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.

Continued Momentum in the Commercial & Industrial Services Sector

| | | | | | |
|--|---|---|--|--|---|
| Morgan Stanley CAPITAL PARTNERS has acquired AMERICAN RESTORATION | A E A has acquired NATIONS ROOF a portfolio company of ACACIA PARTNERS | SUMMIT PARTNERS has acquired Insurcomm | GUARDIAN FIRE PROTECTION SERVICES a portfolio company of RHV Capital has been acquired by KNOX-LANE | WRM The WRM Companies a portfolio company of ENP ENERGY TECHNOLOGY PARTNERS has been acquired by Ridgewood Infrastructure | OMERS has acquired KNIGHT COMMERCIAL |
| WasteHarmonics a portfolio company of ARCAPITA has merged with TPG | THE Hiller COMPANIES a portfolio company of LITTLEJOHN & CO. has merged with UNIFOUR FIRE & SAFETY | BOASSO GLOBAL a portfolio company of Apax has been acquired by KKR | USIC an infrastructure company a portfolio company of Partners Group has received an investment from KOHLEBERG LEIGHTMAN NEUBERGER BERMAN | Audax Group has acquired DISA a portfolio company of SQUARE | TSS Technical Safety Services a portfolio company of the edgewater funds JZ PARTNERS has been acquired by LEVINE LEIGHTMAN CAPITAL PARTNERS |
| CRETE MECHANICAL GROUP has been recapitalized by Ridgemont EQUITY PARTNERS | RESTAURANT TECHNOLOGIES SAFER. SMARTER. SUSTAINABLE a portfolio company of Goldman Sachs has been acquired by ECP | Audax Private Equity has acquired MONARCH a portfolio company of ONE ROCK CAPITAL PARTNERS | VALLEY PROTEINS, INC. has been acquired by DARLING INGREDIENTS | smart care a portfolio company of Audax Private Equity has been acquired by ZONE a portfolio company of WIND POINT PARTNERS | United SITE SERVICES a portfolio company of Platinum Equity has been acquired by PECF USS Holding Corporation |
| TTG a portfolio company of Chartwell Investments ENTREPRENEUR & FOUNDER CAPITAL has been acquired by Sentinel CAPITAL PARTNERS | converjint a portfolio company of ARES has received an investment from HARVEST PARTNERS LGP LEONARD GREEN & PARTNERS | ISS U.S. Institutional and Specialized Contracts Portfolio has been acquired by ARGENBRIGHT HOLDINGS | FIDELITY BUILDING SERVICES GROUP a portfolio company of OAKTREE has been acquired by ONEX | THE CARLYLE GROUP has acquired sciens Building Solutions | BluSky a portfolio company of DOMINUS CAPITAL has been acquired by Partners Group REALIZING POTENTIAL IN PRIVATE MARKETS KOHLEBERG & COMPANY |

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

| | | | |
|--|---|--|--|
|  Morgan Stanley CAPITAL PARTNERS has acquired  AMERICAN RESTORATION |  AEA has acquired  NATIONS ROOF a portfolio company of  ACACIA PARTNERS |  SUMMIT PARTNERS has acquired  Insurcomm |  GUARDIAN FIRE PROTECTION SERVICES a portfolio company of  RHV Capital has been acquired by KNOX-LANE |
|  WRM The WRM Companies a portfolio company of  NXP ENERGY TECHNOLOGY PARTNERS has been acquired by  Ridgewood Infrastructure |  OMERS has acquired  KNIGHT COMMERCIAL |  Waste Harmonics a portfolio company of ARCAPITA has merged with  KSTP a portfolio company of  TPG |  THE Hiller COMPANIES a portfolio company of LITTLEJOHN & CO. has merged with  UNIFOUR FIRE & SAFETY |

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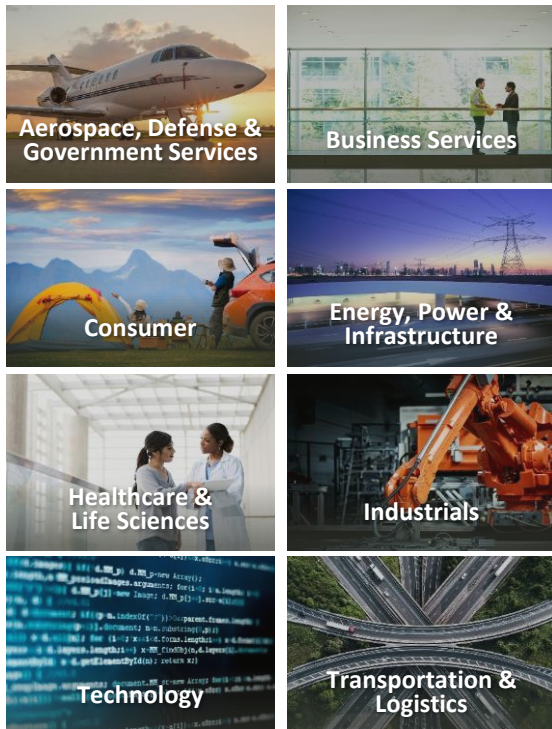
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HW Harris Williams / GLOBAL INVESTMENT BANK

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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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