

FLASH REPORT – July 2023

Business Services: Commercial & Facility Services

EdgePoint

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What We're Seeing

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- EdgePoint's Commercial & Facility Services index significantly outperformed the S&P 500 through Q1 2023 and continues to outpace the S&P 500 through Q2 YTD 2023. EdgePoint expects momentum in the Commercial and Facility Services sector to continue through year-end.

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- Strategic and financial acquirers were active investors across Commercial & Facility Services during 2021 & 2022 and remain active through Q2 2023.
- Consolidation activity remained particularly strong among both corporate and PE-backed platforms in services subsectors such as landscape maintenance, roofing, and life safety and HVAC services
- Overall lower middle market deal volume has moderated YTD 2023 relative to prior years. In select key recurring services verticals, PE buyers continue to pay a premium for new platforms and strategic bolt-on acquisitions.

For more information and insights, please contact the EdgePoint Business Services Group:



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Recent EdgePoint Transactions – Business Services

06 ENV
Environmental Services

has been acquired by

WARREN
EQUITY PARTNERS

RACHLIN
PARTNERS

has been acquired by

Huckabee

a portfolio company of

GODSPEED
CAPITAL

BIRCHCREST
Tree and Landscape, Inc.

has been acquired by

GUNNISON

a portfolio company of

WARREN
EQUITY PARTNERS

RAILCOMM

has been acquired by

TRACSYS

CENTURY

has been acquired by

FALCON
AFFILIATES

edko

has been acquired by

INCLINE
EQUITY PARTNERS

KENWAY
CONSULTING

has been recapitalized by

SVOBODA
CAPITAL PARTNERS

EXACTA
LAND SURVEYORS

has been acquired by

SUMMIT PARK

EMS

has been acquired by

HEPACO

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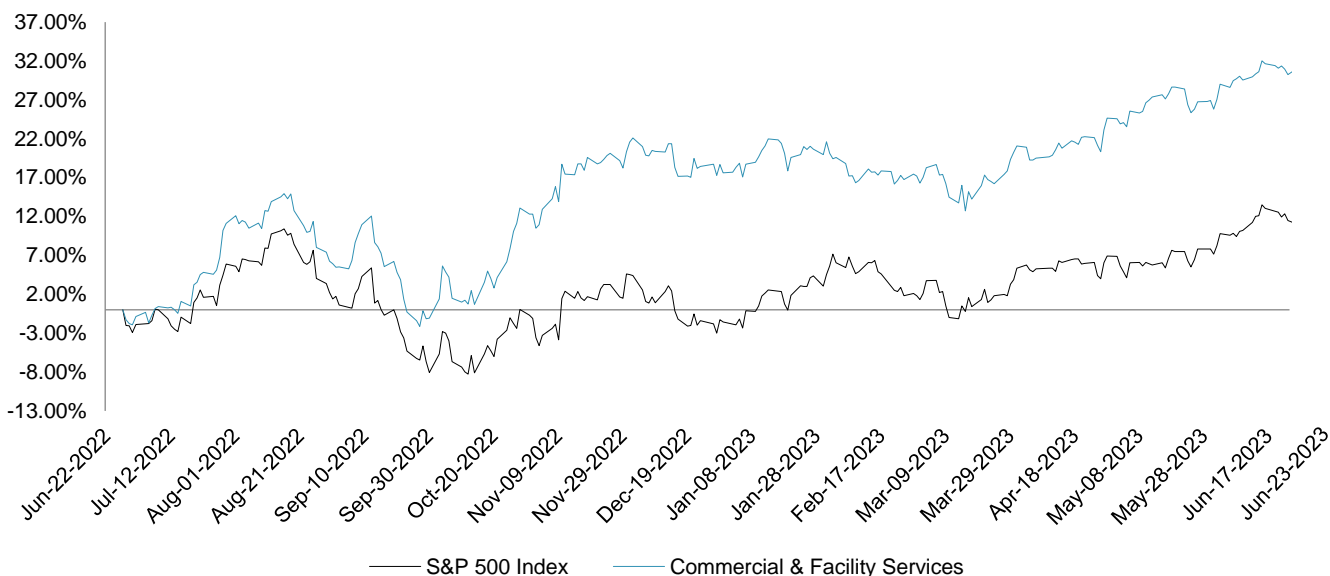
EdgePoint Public Comparable Index Constituents

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Company Name	Enterprise Value (EV)	LTM Margins		EBITDA		EV/EBITDA		Revenue		Revenue Growth		Stock Price	% of 52 Wk High
		Gross	EBITDA	LTM	2022E	LTM	2022E	LTM	LTM	LTM	3-Yr. CAGR		
ABM Industries	4,401	13.7%	5.5%	430	531	8.4x	8.3x	7,862	17.8%	6.5%	44.94	83.2%	
Aramark	17,480	14.6%	6.8%	1,213	1,540	7.7x	11.4x	17,721	23.6%	3.6%	35.80	78.3%	
BrightView Holdings	2,011	24.2%	8.9%	247	289	6.3x	7.0x	2,777	4.8%	4.8%	5.62	40.2%	
Cintas	49,870	46.8%	23.6%	2,027	2,297	23.6x	21.7x	8,606	13.0%	5.8%	462.68	98.4%	
Comfort Systems USA	5,533	18.1%	8.5%	375	411	14.6x	13.5x	4,430	34.7%	16.8%	145.96	95.9%	
Compass Group	38,485	6.7%	7.8%	2,311	2,931	18.3x	13.1x	29,671	41.5%	5.8%	20.33	99.7%	
EMCOR Group	7,833	14.8%	6.4%	733	733	8.3x	10.7x	11,374	11.6%	6.9%	162.59	95.7%	
FirstService	9,532	31.5%	9.0%	352	398	19.1x	18.4x	3,930	16.5%	15.4%	190.43	95.8%	
Johnson Controls International	52,125	33.8%	12.7%	3,323	4,132	13.3x	12.6x	26,093	5.7%	3.2%	60.22	86.5%	
Matrix Service	157	2.2%	-4.8%	(38)	20	NM	7.7x	790	15.8%	-15.4%	5.40	56.7%	
Mitie Group	1,124	11.1%	5.2%	207	207	7.9x	5.4x	3,945	1.1%	22.0%	0.82	93.2%	
Rentokil Initial	18,022	80.9%	19.0%	706	1,267	24.8x	14.2x	3,714	25.6%	11.0%	5.92	99.5%	
Rollins	18,733	51.5%	21.8%	603	656	27.4x	28.6x	2,763	11.4%	10.0%	37.53	87.2%	
Securitas AB	94,837	19.9%	7.1%	10,152	12,820	9.0x	7.4x	142,390	28.9%	8.1%	92.28	76.9%	
Sodexo	16,627	14.5%	6.3%	1,456	1,810	10.8x	9.2x	22,948	20.2%	0.5%	90.06	94.0%	
UniFirst	2,991	33.9%	11.6%	244	301	11.3x	9.9x	2,112	11.0%	4.3%	176.23	85.7%	
Median		19.0%	8.1%	654	694	11.3x	11.0x	6,146	16.2%	6.2%	52.58	90.2%	
Mean		26.1%	9.7%	1,521	1,896	14.1x	12.4x	18,195	17.7%	6.8%	96.05	85.4%	

Source: S&P Capital IQ (as of June 23, 2023)

EdgePoint Public Comparable Index Trailing Twelve Months Stock Performance



Source: S&P Capital IQ (as of June 30, 2023)

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Selected Q2 2023 Commercial & Facility Services Transactions

Closed	Target	Target Description	Acquirer
06/21/2023	Placements F.I. inc.	Offers sludge and waste collection and treatment services for septic tanks.	Environmental 360 Solutions Ltd.
06/21/2023	Clear View Building Services, Inc.	Provides building cleaning and maintenance and air duct cleaning services.	Valcourt Building Services, LC
06/15/2023	Acadiana Security Plus, LLC	Provides residential and commercial security and fire alarm solutions.	Pye-Barker Fire & Safety, LLC
06/13/2023	Cardinal Roofing & Restoration, LLC	Provides roofing services for residential and commercial properties.	Northpoint Roofing Systems LLC
06/12/2023	Standard Pipe Services, LLC	Engages in the cleaning and trenchless repair of sewer pipes.	Aegion Corporation
06/12/2023	Georgia Scapes, Inc.	Provides landscape services including commercial maintenance and installation.	OneOutdoor Holdings
06/12/2023	Water Damage Clean LLC	Provides water damage, mold removal, and fire damage services for homes and businesses.	Advanced Restoration & Company/ProFire
06/09/2023	Emerald Lawns LLC	Operates as a lawn care, tree care, and pest control company.	Senske, Inc.
06/06/2023	Underground Infrastructure Services	Provides underground infrastructure maintenance services.	Duke's Root Control, Inc.
06/05/2023	Ballou Fire Systems, LLC	Engages in installation, testing and monitoring of life safety systems.	Convergent Technologies LLC
06/02/2023	AB Environmental Inc.	Provides hazardous and non-hazardous waste collection, transportation, and disposal services.	Miller Environmental Group, Inc.
06/01/2023	Raintree Disposal LLC	Provides waste disposal services for residential, commercial, and industrial customers.	CARDS Holdings LLC
06/01/2023	GFL Enviro Operations in CO and NM	Provides solid waste collection operations in Colorado and New Mexico.	Republic Services, Inc. (NYSE:RSG)
05/31/2023	Barnes Quality Pest Control, Inc.	Provides residential and commercial pest control services.	Senske, Inc.
05/26/2023	J&J Refuse LLC	Provides residential garbage collection and waste hauling services.	CARDS Holdings LLC
05/24/2023	Titan Trucking, LLC	Offers environmental services that include solid waste collection and recycling.	TraqIQ, Inc. (OTCPK:TRIQ)
05/17/2023	Discovery Inspections, LLC	Provides home and commercial inspections to property buyers, sellers, and owners.	RIA Solutions, Inc
05/16/2023	Clean D Windows LLC	Provides commercial window cleaning and glass restoration services.	Tendit Group
05/15/2023	Legends Landscape Management, Inc.	Provides landscape and irrigation system management services.	Tendit Group
05/09/2023	Halco Service Corporation	Engages in providing electrical testing and maintenance services.	RESA Power, LLC
05/09/2023	LA Roofing & Builder Group INC	Engages in restoring, repairing, and maintaining commercial and industrial roofs.	Empower Brands Franchising, LLC
05/08/2023	Red River Sanitors, L.L.C.	Provides contract janitorial services to commercial and institutional accounts.	The Facilities Group
05/08/2023	Rising Star Roofing LLC	Provides roof installation and replacement services to residential and commercial customers.	Northpoint Roofing Systems LLC
05/08/2023	Greenway Lawn / Sanford Tree Service Inc.	Offers landscape maintenance, enhancement, and tree care services.	United Land Services Holdings, LLC
05/08/2023	Barnes Waste Disposal, Inc.	Provides waste collection, hauling, and disposal services.	CARDS Holdings LLC
05/03/2023	Piney Woods Sanitation Inc.	Provides solid waste collection services.	Live Oak Environmental, LLC
05/02/2023	Infraspec Services, Inc.	Offers water rehabilitation, sewer cleaning and inspection, and pipeline replacement services.	Aegion Corporation
05/01/2023	Bob's Irrigation & Landscape, Inc.	Operates as an irrigation and landscaping company.	Liberty Landscape Supply
04/27/2023	PermaTreat Inc.	Provides pest and termite control and real estate inspection services.	Maintenance Porter LLC
04/26/2023	Allstar Construction Holdings, LLC	Provides general contracting, construction, building maintenance, and restoration services.	Morgan Stanley Investment Management Inc.
04/22/2023	John's Refuse, LLC	Provides residential and commercial garbage collection services.	CARDS Holdings LLC

Source: S&P Capital IQ (July 1, 2023)

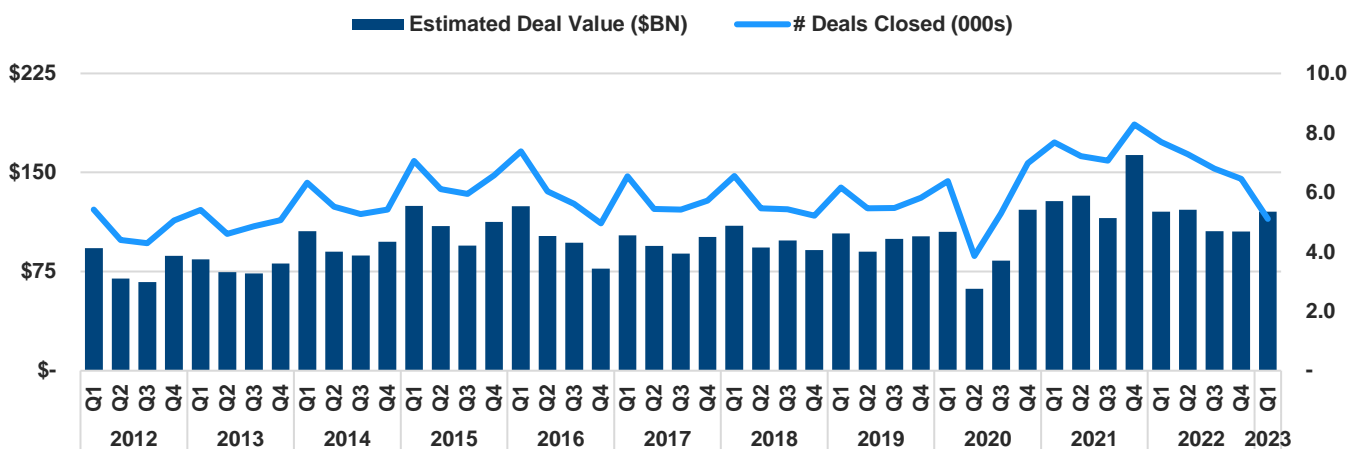
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Selected Q2 2023 Commercial & Facility Services Transactions (Continued)

Closed	Target	Target Description	Acquirer
04/21/2023	LK Estate Services Inc	Provides lawn care and turf maintenance services.	Fairway Lawns, Inc.
04/19/2023	RA Electric, Inc.	Offers electrical installations services for commercial, institutional, and medical projects.	SunGrid Solutions
04/13/2023	Alarm Computer Technology, Inc.	Offers security and life safety systems contracting solutions.	OMNI Resource Management, Inc.
04/12/2023	Trunnell Electric, Inc.	Provides electrical installation and repair services to residential and commercial customers.	M.R. Electricians, Inc.
04/11/2023	Elite Tactical Security Solutions, LLC	Provides specialized security solutions to hospitality and entertainment clients.	MSA Security, Inc.; Allied Universal Security Services LLC
04/10/2023	Your Green Team/Next Level Turf Management	Provides pest control, commercial and residential lawn care, irrigation, and design/build services.	Fairway Lawns, Inc.
04/06/2023	Roofed Right America LLC	Offers commercial and industrial roofing installation and replacement services.	Great Range Capital, LLC
04/05/2023	Music City Roofers LLC	Operates as a residential and commercial roofing contractor.	Feazel Inc.
04/05/2023	Dalton Ventures, Inc.	Operates as a residential estate garden care firm.	McHale Landscape Design, Inc.
04/05/2023	Herbafex, Inc.	Offers commercial pest control, property care, lawn care, irrigation systems, and landscape services.	United Land Services Holdings, LLC
04/04/2023	Macquarie New York Parking 2, LLC	Owens and operates parking facilities in New York City.	Arkview Capital, L.P.
04/04/2023	Weed-Pro, Ltd.	Weed-Pro, Ltd. provides lawn care services.	Authority Brands, LLC
04/04/2023	Champions Hydro-Lawn, Inc.	Engages in commercial erosion control and turf establishment services.	Westco Grounds Maintenance Co., Inc.
04/03/2023	Whittinghill Disposal Service Inc.	Whittinghill Disposal Service Inc. provides waste recycling and disposal services.	CARDS Holdings LLC
04/03/2023	Air Masters HVAC Services of New England, Inc.	Provides HVAC mechanical services, turn-key installations, and building control solutions.	RISE Group, Inc.
04/01/2023	FPC Holdings, LLC	Provides pest control services to residential and commercial clients.	Rollins, Inc. (NYSE:ROL)

Source: S&P Capital IQ (July 1, 2023)

Global Lower-Middle Market Quarterly Deal Flow



Lower-middle market refers to deals valued at \$100 million or less

Source: Pitchbook