

Business Services Overview

The Business Services industry continues to see strong M&A activity, fueled by investor demand for asset-light, recurring-revenue businesses. High-quality assets with consistent growth and resilient margins remain highly sought after, with strategic buyers and private equity firms actively pursuing acquisitions to build scale and expand service offerings.

In the facility and residential services sectors, demand for HVACR and MEP services remains robust. Businesses are increasingly outsourcing maintenance, inspections, and regulatory-driven services to reduce costs and improve efficiency, driving continued growth. The sector’s mission-critical and non-deferrable nature has further enhanced its attractiveness, leading to premium valuations for scalable platforms with strong customer relationships.

Vendor Managed Services (VMS) companies are also seeing increased investor interest. These businesses act as the critical link

between clients and service providers, managing procurement, compliance, and operational efficiency. VMS providers streamline service delivery across collections, facility, and real estate services, reducing administrative burdens for clients while ensuring consistent quality and performance.

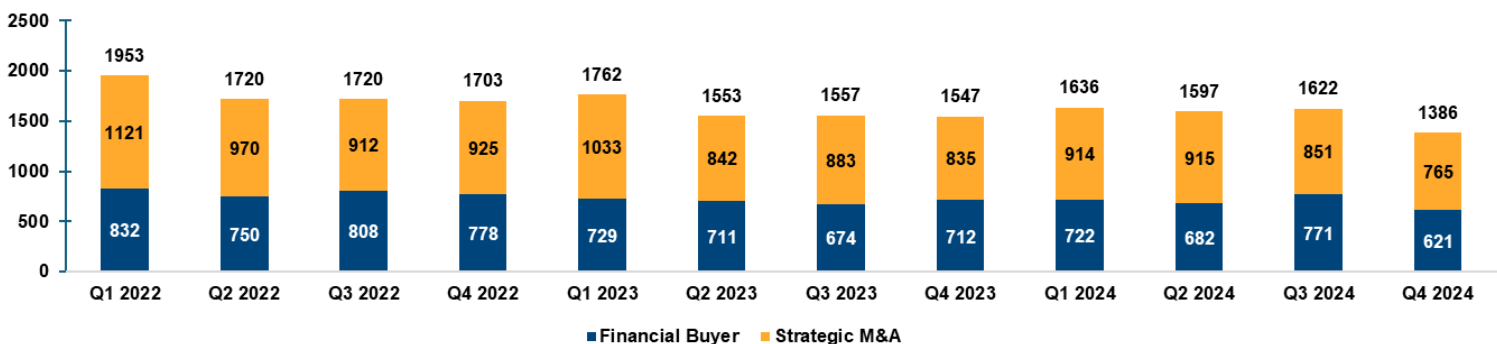
Interest in residential services businesses remains strong, with private equity firms aggressively expanding platforms in landscaping, roofing, and pest control. These route-based sectors benefit from recurring maintenance demand, making them prime targets for consolidation.

Overall, the Business Services sector continues to show strong and dynamic M&A activity, with sustained interest across key subsectors. Recurring revenue, essential services, and fragmented landscapes are creating significant consolidation opportunities, ensuring that well-positioned companies will continue to attract strong valuations and buyer demand.

Business Services Sector: Monthly M&A Transaction Volume


(Financial Buyers represent platform investments)

Business Services M&A Transactions by Quarter



Source: EdgePoint Proprietary Database, Company Filings, CapIQ, News Releases.

Select Noteworthy Transactions

Date: October 2024 (Closed)	Overview / Strategic Rationale:	Facility Services						
<p>Target: </p> <hr/> <p>Acquirer: </p> <hr/> <p>Key Metrics:</p> <table border="0"> <tr> <td>Enterprise Value:</td> <td>\$1.4b</td> </tr> <tr> <td>EV/EBITDA:</td> <td>n/a</td> </tr> <tr> <td>EV/Revenue:</td> <td>n/a</td> </tr> </table>	Enterprise Value:	\$1.4b	EV/EBITDA:	n/a	EV/Revenue:	n/a	<p>KKR, a leading global investment firm, has acquired The Parking Spot (TPS), the nation’s leading owner and operator of near-airport parking properties and shuttle services.</p> <ul style="list-style-type: none"> • <i>Founded in 1998, TPS is the preeminent provider of near-airport parking operations in the United States, with 47 strategically located parking properties across the country servicing customers traveling from all major airports.</i> • <i>TPS’s facilities are designed to deliver convenient transportation services to and from airport terminals, and they feature a range of parking options as well as reliable and recognizable shuttle services.</i> 	
Enterprise Value:	\$1.4b							
EV/EBITDA:	n/a							
EV/Revenue:	n/a							
Date: November 2024 (Closed)	Overview / Strategic Rationale:	Residential Services						
<p>Target: </p> <hr/> <p>Acquirer: </p> <hr/> <p>Key Metrics:</p> <table border="0"> <tr> <td>Enterprise Value:</td> <td>n/a</td> </tr> <tr> <td>EV/EBITDA:</td> <td>n/a</td> </tr> <tr> <td>EV/Revenue:</td> <td>n/a</td> </tr> </table>	Enterprise Value:	n/a	EV/EBITDA:	n/a	EV/Revenue:	n/a	<p>The Private Equity business at Goldman Sachs Alternatives has acquired Sila Services from Morgan Stanley Capital Partners.</p> <ul style="list-style-type: none"> • <i>Headquartered in King of Prussia, PA, Sila is a leading provider of residential HVAC, plumbing and electrical services operating across the Northeast, Midwest and Mid-Atlantic regions of the United States.</i> • <i>Since Morgan Stanley’s investment in 2021, Sila has rapidly developed into a residential services leader through a combination of consistently strong organic growth, strategic M&A and significant platform capability building.</i> 	
Enterprise Value:	n/a							
EV/EBITDA:	n/a							
EV/Revenue:	n/a							
Date: December 2024 (Closed)	Overview / Strategic Rationale:	Environmental Services						
<p>Target: </p> <hr/> <p>Acquirer: </p> <hr/> <p>Key Metrics:</p> <table border="0"> <tr> <td>Enterprise Value:</td> <td>n/a</td> </tr> <tr> <td>EV/EBITDA:</td> <td>n/a</td> </tr> <tr> <td>EV/Revenue:</td> <td>n/a</td> </tr> </table>	Enterprise Value:	n/a	EV/EBITDA:	n/a	EV/Revenue:	n/a	<p>Reworld, a leader in sustainable waste solutions, has acquired EnviroVac Waste Transport Systems, a prominent provider of hazardous and non-hazardous waste transportation services with operations in Jacksonville, IL and Arkadelphia, AR.</p> <ul style="list-style-type: none"> • <i>EnviroVac Waste Transport Systems has a fleet of over 25 dedicated drivers and nearly 100 pieces of specialized waste transport equipment. Known for its reliable, long-haul transportation services, EnviroVac Waste Transport Systems serves a diverse clientele including environmental and direct industrial customers</i> • <i>Reworld plans to integrate EnviroVac Waste Transport System’s assets and expertise to expand its operational capacity and service reach throughout the region further.</i> 	
Enterprise Value:	n/a							
EV/EBITDA:	n/a							
EV/Revenue:	n/a							
Date: October 2024 (Closed)	Overview / Strategic Rationale:	Professional Services						
<p>Target: </p> <hr/> <p>Acquirer: </p> <hr/> <p>Key Metrics:</p> <table border="0"> <tr> <td>Enterprise Value:</td> <td>\$2.2b</td> </tr> <tr> <td>EV/EBITDA:</td> <td>21.9x</td> </tr> <tr> <td>EV/Revenue:</td> <td>3.6x</td> </tr> </table>	Enterprise Value:	\$2.2b	EV/EBITDA:	21.9x	EV/Revenue:	3.6x	<p>First Advantage Corporation (NAS:FA), a leading provider of employment background screening, identity, and verification solutions, has acquired Sterling Check Corp. (NAS:STER).</p> <ul style="list-style-type: none"> • <i>Sterling Check is a provider of background screening and identity services. With operations in North America, Europe, the Middle East, Asia Pacific, and Latin America, Sterling conducts more than 100 million annual searches.</i> • <i>First Advantage and Sterling offer complementary technology solutions and services that enable employers across healthcare, retail & e-commerce, transportation, manufacturing, financial services, and other industries to manage risk and hire the best talent.</i> 	
Enterprise Value:	\$2.2b							
EV/EBITDA:	21.9x							
EV/Revenue:	3.6x							

Sources: CapIQ, Company Filings, Pitchbook, News Releases

Selected Recently Announced & Closed Transactions

Date	Target	Acquirer	Target Description	EV (\$ millions)	EBITDA Multiple
FACILITY SERVICES					
12/20/2024	Security Fire Systems	Blackford Capital	Security Fire Systems is a leading provider of sprinkler design, engineering, and installation services located in Dallas-Fort Worth	-	-
12/19/2024	Servello & Son	Landscape Workshop	Servello & Son is a leading provider of commercial landscaping services in the Orlando area	-	-
12/5/2024	Rose Paving	Atlantic Southern Paving	Rose Paving provides professional preventative and restorative pavement maintenance services to businesses throughout Illinois	-	-
12/18/2024	Seacoast Security	Pye-Barker Fire & Safety	Seacoast Security specializes in integrated security systems, fire detection and alarms, CCTV and access control for commercial customers in Maine, New Hampshire, and Vermont	-	-
12/2/2024	Consolidated Mechanical	Limbach Holdings (NAS: LMB)	CMI is a provider of mechanical, millwright, steel fabrication, plumbing construction, maintenance, and outage services	\$23	-
10/1/2024	The Parking Spot	Kohlberg Kravis Roberts	TPS is the preeminent provider of near-airport parking operations in the U.S	\$1,425	-
8/3/2024	Airtron Heating & Air Conditioning	Gamut Capital	Airtron Heating & Air Conditioning is a leading designer, installer, and maintenance provider for HVAC systems	\$500	-
RESIDENTIAL SERVICES					
12/20/2024	Green Wave Pest Solutions	Certus Pest	Green Wave Pest Solutions is a provider of pest control services to residential customers in the Las Vegas area	-	-
11/11/2024	Sila Services	Goldman Sachs Alternatives	Sila is a leading provider of residential HVAC, plumbing and electrical services operating across the Northeast, Midwest and Mid-Atlantic regions	-	-
12/20/2024	Meehan's Lawn Service	LawnPRO Partners	Meehan's provides lawn fertilization, tree & shrub care, mulch bed weed control, and perimeter pest controlservices to residential customers in Northeast Ohio	-	-
12/19/2024	Ultra Safe Pest Management	Ned's Home	Ultra Safe Pest Management provides residential pest control services to customers in the Greater Boston region	-	-
12/5/2024	Quality First Roofing	Roofing Services Solutions	Quality First Roofing is a provider of re-roofing services to residential and multi-family customers in Florida	-	-
11/22/2024	New Berlin Heating & Air Conditioning	Sila Services	New Berlin delivers heating, cooling, and air quality services to homeowners in the Milwaukee area	-	-
11/20/2024	Colman Heating & Air	Del-Air Plumbing, Air Conditioning, and Electric	Colman Heating & Air is a leading provider of home comfort along Florida's Space Coast	-	-
ENVIRONMENTAL SERVICES					
12/12/2024	EnviroVac Waste Transport Systems	Reworld	EnviroVac is a leading provider of hazardous and non-hazardous waste transportation services in Jacksonville, Illinois	-	-
12/13/2024	Tri-State Utilities & Pipe Vision	Vortex Companies	Tri-State is a full-service trenchless infrastructure solutions provider; Pipe Vision offers advanced pipe cleaning and inspection services	-	-
12/18/2024	Clearfield MMG	VLS Environmental Solutions	Clearfield MMG is a leading provider of specialized environmental remediation and waste management services in the mid-Atlantic region	-	-
11/13/2024	Groundwater Sciences	Verdantas	Groundwater Sciences provides solutions for complex groundwater and soil contamination problems	-	-
10/8/2024	Environmental Solutions Group	Terex (NYS: TEX)	Environmental Solutions Group provides equipment and technology solutions for the solid waste industry	\$1,725	8.7x
10/27/2024	Southwest Waste Services	Coastal Waste & Recycling	Southwest Waste provides collection, processing, recycling, and disposal services for construction and demolition volumes in Florida	-	-
PROFESSIONAL SERVICES					
12/23/2024	Loft & Co	Inszone Insurance Services	Loft & Co is a provider of commercial, personal, and benefits insurance in Denver, Colorado	-	-
12/20/2024	Case Anywhere	Counsel Press	Case Anywhere is a case management and eService platform designed to improve efficiencyfor litigators, courts, judges and neutral	-	-
11/15/2024	McGriff Insurance Services	Marsh McLennan (NYS: MMC)	McGriff Insurance Services is a full-service insurance broker providing risk management and insurance solutions to clients across the United States	\$7,750	-
10/31/2024	Sterling Check	First Advantage (NAS: FA)	Sterling Check is a provider of background screening and identity services	\$2,200	27.1x
10/29/2024	Equitable Value	Marshall & Stevens	Equitable Value is a provider of valuation advisory and litigation support services	-	-
10/25/2024	Teamwork Services	PrestigePEO	Teamwork Services is a Georgia-based PEO that provides regulatory compliance, payroll processing and benefits administration services	-	-

Sources: EdgePoint Proprietary Database, Company Filings, CapIQ, News Releases

Spotlight | Test & Measurement

The Test & Measurement (T&M) sector is becoming increasingly attractive to private equity investors due to its mission-critical services and stable growth dynamics. These companies provide essential testing, inspection, certification, and compliance (TICC) solutions, allowing clients in industries like Aerospace & Defense and Life Sciences to meet stringent regulatory standards while focusing on core operations.

Recurring revenue models, driven by regular service requirements, ensure consistent cash flow, reducing investment risk. Additionally, the sector's fragmented landscape presents ample opportunities for consolidation, enabling private equity firms to build scalable platforms with broader geographic reach and enhanced offerings.

Regulatory tailwinds, such as increased compliance requirements

from U.S. federal agencies, continue to drive demand for T&M services. Furthermore, the sector's resilience during economic uncertainty, as businesses seek to extend the life of existing equipment, enhances its appeal.

Strong valuations, supported by high margins and recurring revenues, further solidify the sector's attractiveness. Investors are also leveraging technological advancements like data analytics and device compatibility to add value and differentiate their portfolio companies.

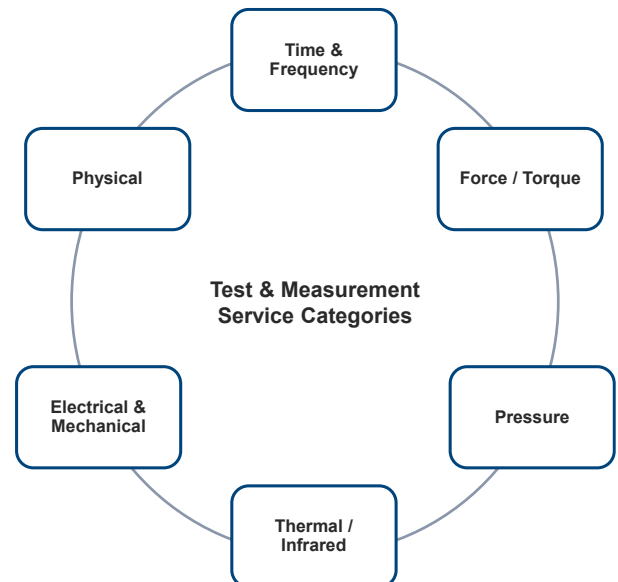
Overall, the T&M sector offers private equity firms a compelling mix of stability, growth potential, and consolidation opportunities, making it an ideal target for investment in the industrial technology space.

Key T&M Companies by Primary Sub-Sector

TICC	Instrumentation	Life Science Instruments
 	 	
 	 	 
 	 	 
 	 	 

T&M Service Categories

- **Time & Frequency:** Calibration and testing of clocks, oscillators, and other timekeeping devices for accuracy and reliability
- **Force / Torque:** Measurement and calibration of tools like torque wrenches and force gauges to ensure accurate application of force
- **Pressure:** Calibration and testing of instruments like pressure gauges and sensors to maintain accuracy in measuring gas or liquid pressure
- **Thermal / Infrared:** Testing of temperature-measuring devices, such as infrared thermometers and thermal cameras
- **Electrical / Mechanical:** Testing and calibration of both mechanical and electrical systems, such as motors, tools, and electrical meters to verify their performance, accuracy, and functionality
- **Physical:** Precise measurement and calibration of physical dimensions of objects using tools like micrometers and calipers



Spotlight | Vendor Managed Services

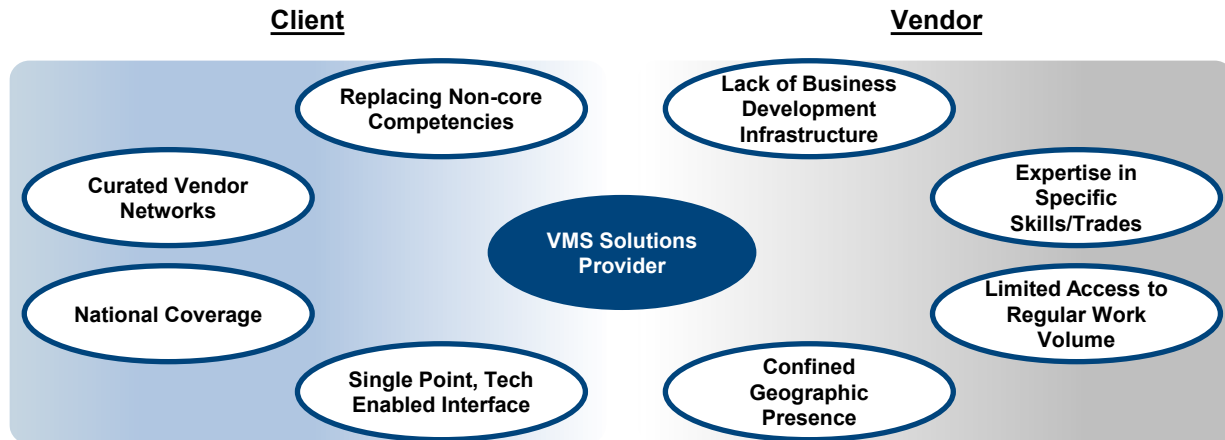
Vendor Managed Services (VMS) companies are becoming increasingly attractive to investors as they provide vital, outsourced functions through an asset-light model. They serve as a critical link between clients who require a specific service and providers who can perform that work. Clients who outsource these

services to VMS providers are freed up to focus on core competencies. VMS companies offer a strategic partnership in which the vendor assumes responsibility for specific operational tasks, leading to increased efficiency, cost savings, and improved overall performance for the client.

Key VMS Companies by Primary Sub-Sector

Collections	Facility Services	Real Estate Services
 	 	 
 	 	 
 	 	 
 	 	 

Dual Value Proposition for Client and Vendor



- VMS providers are a critical link between clients who require a specific service and vendors who can perform that work
- The VMS value proposition lies in their ability to organize, cultivate and manage a national network of partners to provide service at a local level and on a timely basis
- Vendors are typically independent contractors, and VMS companies must distinguish themselves via timely payment and the quality/quantity of work leads to ensure priority status
- In turn, vendor partners benefit from steady work volumes without significant investment in sales and marketing, but they must maintain high levels of quality and on-time project delivery to remain in the network
- Clients rely on quality and timely workmanship and real-time status updates, often through a user-friendly, tech-enabled interface

Vendor Managed Services — Thought Leader Interview

Tim began working in all aspects of the signage industry while still in college at Kent State University in the early 90's. Upon graduating he realized that sales and entrepreneurship were in his future. At 24 years old he purchased the name, tagline ("In Business Since 1952"), and a crane from the sole owner of MC Sign Company.

Through hard work, strategic vision, and a little luck, Tim embarked on a journey that would see him progressively grow MC Sign from a one-person local Ashtabula, Ohio company into a national signage powerhouse serving a variety of recognized retail and commercial clients.

Early on he realized that growing an asset-heavy business with sign production and heavy cranes and trucks traveling further to install outdoor lighted signs, required a significant amount of capital investment and increased liability.

He decided to divest his production and installation assets and pivot to a Vendor Managed Services (VMS) model whereby he could scale sign production and choose service providers as needed on a local/regional basis to better serve national customers. This innovation on Tim's part revolutionized the outdoor lighted sign service model.

Tim discusses below some of the VMS issues that have impacted his journey:



Tim Eippert
Chairman, Stratus



Question: Why has the Vendor-Managed Services Model Been Particularly Successful in the Electrical, Signage, and Building Controls Sector?

Tim: *The vendor-managed (asset-light) model has been highly successful because of the strong local vendor base available in every market.*

In the facility services industry, whether it's signage, HVAC, plumbing, electrical, or other building services, there are thousands of local vendors operating independently. These vendors are highly skilled but geographically limited—they don't have the ability to scale beyond their local market. That's where we come in.

Question: What Challenges Do Companies Face When Scaling a Vendor-Managed Service Platform and How Can They Overcome These Obstacles?

Tim: *Key Challenges in Scaling a Vendor Network include: **Vendor Volume & Oversight; Front-End Compliance & Risk Management and Performance Management & Accountability***

Critical factors in our vendor grading process included:

- Timeliness
- Compliance with SLAs
- Photo Documentation
- Communication
- Invoice Assurance & Submission
- Customer Satisfaction

Scaling a vendor-managed service platform requires two key elements:

Industry Experts & Dedicated Vendor Management Teams

This is not a part-time job—it requires full-time professionals focused solely on vendor relationships, compliance, and performance monitoring.

Technology & Automation

Managing a large vendor network manually is impossible—companies must invest in technology.

Scaling Is a Continuous Process. Unlike other business models, a vendor-managed network never truly reaches "full scale." Companies must:

- *Continuously evaluate vendors to ensure only the best remain in the network.*
- *Identify & onboard new partners as customer needs evolve.*
- *Adapt to industry changes and refine processes to maintain quality*

Vendor Managed Services — Thought Leader Interview

Question: Why do Customers Prefer the Vendor-Managed Model?

Tim: *One of the biggest advantages to customers is that we are not just a call center—we are industry experts.*

By working with us, they gain:

- One Point of Contact
- Expert Oversight
- Better Pricing & Efficiency
- Applicable to Any Industry

Question: Which Sub-Sectors of the Industry Hold the Most Significant Growth Opportunities Over the Next Few Years?

Tim: *Two key areas with strong growth potential in the signage, lighting and building controls industry are:*

Energy Efficiency & LED Technology Advancements

The demand for energy-efficient solutions continues to grow, making our Energy Services Platform one of the most promising areas for expansion. We expect sustained growth in:

- Interior & Exterior LED Upgrades
- Re-LED Opportunities
- Smart Lighting & IoT Integration

With corporate sustainability goals and government incentives driving investment in energy efficiency, this segment will remain a major growth driver in the coming years.

Digital Signage & Interactive Displays

Another high-growth area is digital transformation in signage and branding. Digital Signage and interactive displays are replacing static signage across multiple industries, with rapid adoption in:

- Quick-Service Restaurants (QSRs)
- Drive-Thru Digital Menus
- Airports, Retail, & Corporate Spaces

This trend will continue across all industries, as businesses prioritize enhanced customer engagement, dynamic content management, and improved branding experiences.

Question: You've Been Through Several Recapitalizations Over the Years. How Has Your Role as Entrepreneur and Founder Evolved?

Tim: *My role as entrepreneur and founder has evolved significantly over the years, particularly as I navigated multiple recapitalizations and the challenges that come with scaling a business. When I first started MC Sign, we were a small, local operation generating less than \$200,000 in annual sales. Today, we are doing over \$400 million, which required a fundamental shift in how I lead and manage the business.*

Balancing Growth While Staying Entrepreneurial: *One of the biggest challenges of scaling a company is maintaining the entrepreneurial mindset that fueled early success while adapting to the needs of a larger organization. From the beginning, I made it a priority to ensure that even as we grew, we continued to operate with speed, agility, and a customer-first mentality.*

The transition from leading a small business to running a large-scale operation requires a shift in mindset, leadership style, and strategic focus. The key is being open-minded, adaptable, and willing to evolve alongside the company.

Through every stage of growth, my goal has been to keep the company dynamic, responsive, and innovative—never allowing size to slow us down. That, I believe, is what sets truly great companies apart.



Tim Eippert
Chairman

Public Company Comparable Index Constituents

Facility Services

Company Name	Enterprise Value (EV)	LTM Margins		EBITDA		EV/EBITDA		Revenue LTM	Revenue Growth		Stock Price	% of 52 Wk High
		Gross	EBITDA	LTM	2024E	LTM	2024E		LTM	LTM		
ABM Industries Incorporated	\$ 4,591	13.3%	5.0%	\$ 414	\$ 496	8.7x	9.2x	\$ 8,359	3.2%	10.3%	\$ 51.18	85.6%
BrightView Holdings, Inc.	2,844	23.3%	11.3%	310	351	7.9x	8.7x	2,740	-1.7%	1.9%	15.99	84.6%
Comfort Systems USA, Inc.	14,933	20.4%	12.0%	779	835	16.6x	17.9x	6,517	31.2%	30.7%	424.06	83.0%
Median		20.4%	11.3%	414	496	8.7x	9.2x	6,517	3.2%	10.3%	51.18	84.6%
Mean		19.0%	9.4%	501	561	11.1x	11.9x	5,872	10.9%	14.3%	163.74	84.4%

Residential Services

Company Name	Enterprise Value (EV)	LTM Margins		EBITDA		EV/EBITDA		Revenue LTM	Revenue Growth		Stock Price	% of 52 Wk High
		Gross	EBITDA	LTM	2024E	LTM	2024E		LTM	LTM		
ADT Inc.	\$ 13,877	79.5%	47.3%	\$ 2,431	\$ 2,572	5.5x	5.4x	\$ 5,140	7.1%	-0.6%	\$ 6.91	83.8%
Rollins, Inc.	23,192	52.6%	22.9%	758	780	25.9x	29.7x	3,311	11.1%	11.9%	46.35	88.9%
NVR, Inc.	23,437	25.6%	20.2%	2,160	2,095	10.9x	11.6x	10,687	10.4%	6.0%	8,178.90	82.1%
Median		52.6%	22.9%	2,160	2,095	10.9x	11.6x	5,140	10.4%	6.0%	46.35	83.8%
Mean		52.6%	30.1%	1,783	1,816	14.1x	15.6x	6,379	9.5%	5.8%	2,744.05	84.9%

Environmental Services

Company Name	Enterprise Value (EV)	LTM Margins		EBITDA		EV/EBITDA		Revenue LTM	Revenue Growth		Stock Price	% of 52 Wk High
		Gross	EBITDA	LTM	2024E	LTM	2024E		LTM	LTM		
CECO Environmental Corp.	\$ 1,183	34.8%	10.1%	\$ 56	\$ 66	19.3x	17.8x	\$ 553	9.0%	20.8%	\$ 30.23	86.0%
Clean Harbors, Inc.	14,995	31.3%	18.5%	1,075	1,111	11.3x	13.5x	5,797	8.4%	18.5%	230.14	86.2%
Median		33.0%	14.3%	565	589	15.3x	15.7x	3,175	8.7%	19.7%	130.19	86.1%
Mean		33.0%	14.3%	565	589	15.3x	15.7x	3,175	8.7%	19.7%	130.19	86.1%

Professional Services


Company Name	Enterprise Value (EV)	LTM Margins		EBITDA		EV/EBITDA		Revenue LTM	Revenue Growth		Stock Price	% of 52 Wk High
		Gross	EBITDA	LTM	2024E	LTM	2024E		LTM	LTM		
Korn Ferry	\$ 3,345	22.8%	12.2%	\$ 329	\$ 450	8.6x	7.4x	\$ 2,709	-3.8%	6.3%	\$ 67.45	83.6%
ManpowerGroup Inc.	3,725	17.3%	2.2%	393	501	6.2x	8.2x	17,854	-5.6%	-4.8%	57.72	72.1%
Robert Half Inc.	6,819	38.8%	5.1%	294	459	17.8x	17.1x	5,796	-9.3%	-3.6%	70.46	80.3%
Median		22.8%	5.1%	329	459	8.6x	8.2x	5,796	-5.6%	-3.6%	67.45	80.3%
Mean		26.3%	6.5%	339	470	10.9x	10.9x	8,786	-6.2%	-0.7%	65.21	78.7%

Source: CapIQ, public trading data as of December 31, 2024

Recent EdgePoint Business Services Transactions



has been acquired by

has been acquired by

An Undisclosed Strategic Buyer




has been recapitalized by





has been acquired by




a portfolio company of


has been acquired by




has been acquired by


has been acquired by






has been acquired by




a portfolio company of

has been acquired by

has been acquired by



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