



### Business Services Overview

The Business Services sector demonstrates sustained M&A activity, fueled by investor demand for recurring revenue in fragmented industries.

In Commercial & Facilities Services, the shift toward outsourcing essential building management services for efficiency and cost savings continues driving growth. The predictable nature of HVAC, plumbing, electrical, safety, security, and vegetation management services generates financial profiles that are compelling to investors. Market fragmentation strengthens consolidation opportunities at local and regional levels.

Investor interest in Residential Services remains strong, driven by the sub-sector's defensive characteristics. Recurring maintenance and inspection services prove resilient through economic cycles. Much of this spending is nondiscretionary, required to meet building code standards and to satisfy insurance policy requirements.

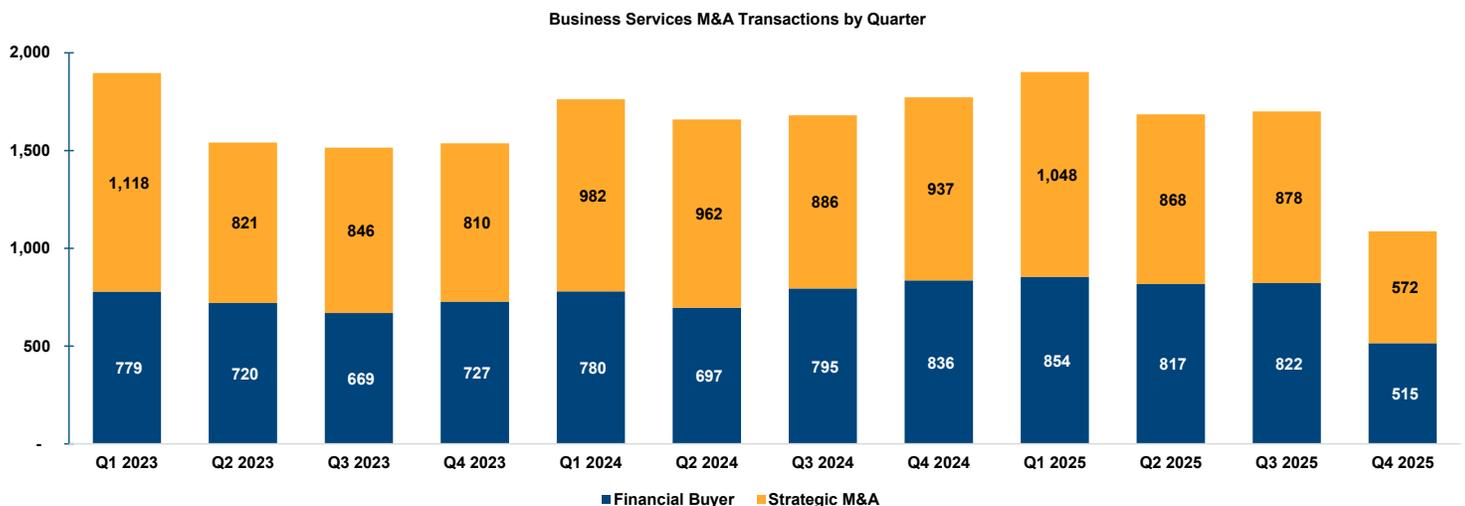
Appetite for Environmental Services remains robust as investors pursue consolidation across the waste management, remediation, and water treatment sectors. Demand for essential services and regulatory tailwinds support sub-sector fundamentals. The prevalence of independent operators and family-owned businesses provides attractive platform investments.

Professional Services, including consulting, IT, BPO, staffing, and information services, attract strong investor interest guided by outsourcing trends and technological efficiencies. Investors prioritize targets with AI capabilities and scale to capture enterprise-wide budgets. Optimization of non-core functions delivers cost efficiencies that appeal to investors and customers.

Across Business Services, dealmaking reflects the sector's diverse opportunity set, with each subsector driven by differentiated growth catalysts and consolidation dynamics.

### Business Services Sector: Quarterly U.S. M&A Transaction Volume

*(Financial buyers represent platform investments)*



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

### Market Metrics

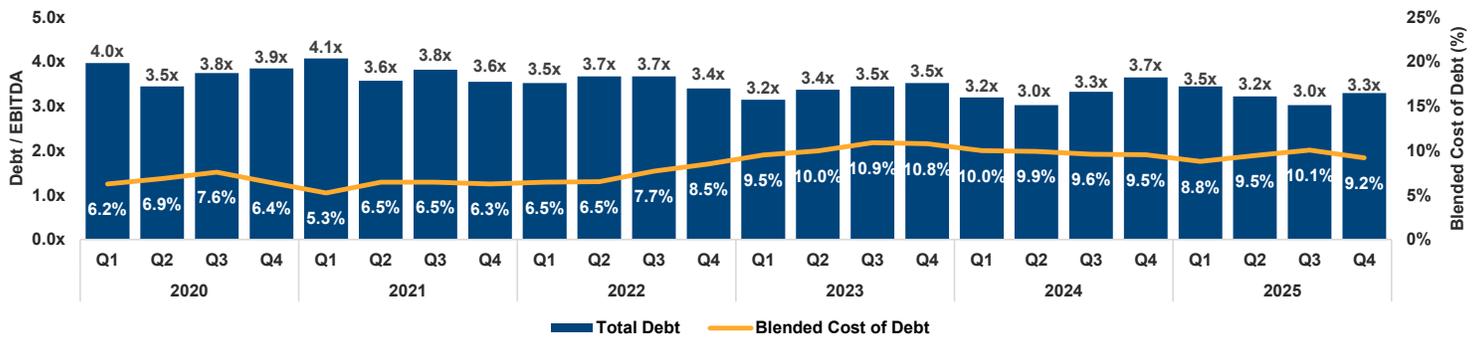
Global M&A activity reached \$4.8 trillion in 2025, a 41% increase over 2024 and the second-highest volume on record, surpassing 2021. Despite headwinds from trade policy, geopolitical, and inflationary pressures, strategic and financial buyers made decisive moves to position themselves for the future.

Mega-deals doubled 2024 levels in 2025, with 71 transactions above \$10 billion, accounting for \$1.5 trillion in volume. Middle-market M&A was more measured as participants digested macroeconomic uncertainty. Transaction volume for deals under \$2 billion increased 8% to \$1.9 trillion, and deals below \$1 billion

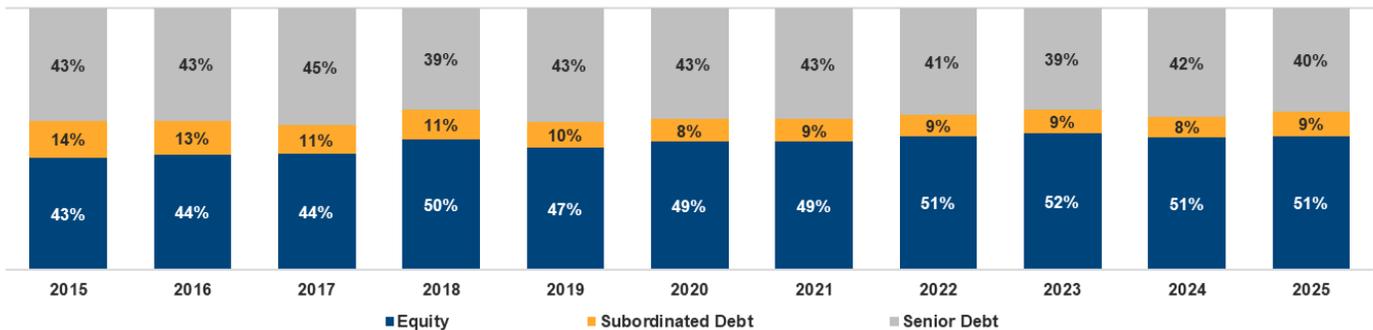
grew just 2% to \$1.4 trillion in volume.

The 2026 outlook remains robust, supported by drivers like those that fueled 2025. Strong corporate earnings, resilient U.S. GDP growth, AI advancements, and a projected continuation of interest rate cuts provide investors with confidence to pursue M&A with a long-term, strategic lens. As dealmaking sentiment strengthens, essential services businesses with enduring value propositions, actionable growth, and defensible margins are particularly well-positioned to attract capital.

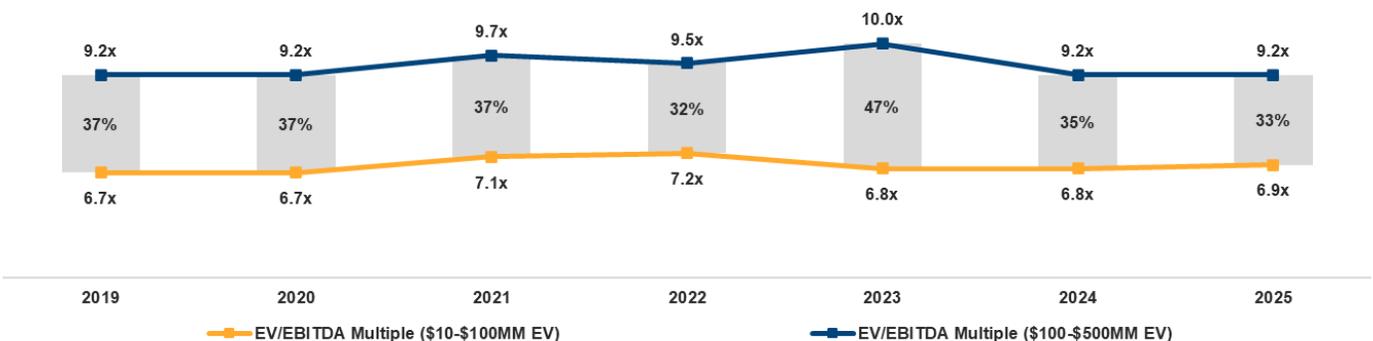
### Middle Market Quarterly Leverage Rates



### Annual Equity and Debt Contributions



### Size Premium Buyouts of Platform Acquisitions



Source: GF Data.

Select Noteworthy Transactions

Date: January 2026	Overview / Strategic Rationale:	Facility Services
<p><b>Target:</b> </p> <hr/> <p><b>Acquirer:</b> </p> <hr/> <p><b>Key Metrics:</b></p> <p>Enterprise Value: \$475M</p> <p>EV/EBITDA: 6.6x</p>	<p>Established in 1984 and headquartered in Beltsville, Maryland, The Bowers Group (“Bowers”) is a leading mechanical contractor and trusted building partner. Recognized for excellence in designing, fabricating, installing, and maintaining advanced building systems, Bowers is committed to fostering innovation and maintaining exceptional standards of quality.</p> <ul style="list-style-type: none"> <li><i>Bowers strengthens Legence’s presence in the Northern Virginia/DC Metro region, particularly in mission-critical sectors such as data centers and healthcare, while adding premier mechanical, plumbing, and process system expertise that complements Legence’s existing platform.</i></li> <li><i>Bowers adds a 1,700-person skilled union workforce and 370,000+ square feet of fabrication capacity.</i></li> </ul>	
<p><b>Date:</b> September 2025</p> <p><b>Target:</b> </p> <hr/> <p><b>Acquirer:</b> </p> <hr/> <p><b>Key Metrics:</b></p> <p>Enterprise Value: ND</p> <p>EV/EBITDA: ND</p>	<p><b>Overview / Strategic Rationale:</b></p> <p>Erie Home is one of America’s largest and fastest-growing home services companies, specializing in high-quality roofing and basement waterproofing. With more than 100 locations nationwide, it blends local expertise with national reach to deliver exceptional products and service.</p> <ul style="list-style-type: none"> <li><i>Following the acquisition, Leaf now serves customers through a network of more than 300 field offices, staffed by over 3,100 trained sales consultants and 2,400 licensed installers. The organization is supported by advanced data-driven marketing, real-time financing solutions, and a fully integrated, end-to-end technology platform.</i></li> <li><i>The combined company now operates in 48 U.S. states and Canada, enabling coast-to-coast customer reach.</i></li> </ul>	<p><b>Residential Services</b></p>
<p><b>Date:</b> August 2025</p> <p><b>Target:</b> </p> <hr/> <p><b>Acquirer:</b> </p> <hr/> <p><b>Key Metrics:</b></p> <p>Enterprise Value: ND</p> <p>EV/EBITDA: ND</p>	<p><b>Overview / Strategic Rationale:</b></p> <p>Founded in 2014, O6 Environmental (“O6 Env”) serves as a super-regional leader in environmental &amp; industrial services for the utility, manufacturing and industrial, chemical, government, and other end markets. The company provides a fully integrated, end-to-end service model, encompassing environmental remediation, industrial cleaning, non-hazardous and hazardous waste disposal, demolition and dismantling, and emergency response solutions.</p> <ul style="list-style-type: none"> <li><i>Quad-C will support O6 Env to expand its geographic footprint and broaden its service offerings.</i></li> <li><i>O6 Env’s programmatic customer relationships provide unparalleled insight into recurring demand.</i></li> </ul>	<p><b>Environmental Services</b></p>
<p><b>Date:</b> October 2025</p> <p><b>Target:</b> </p> <hr/> <p><b>Acquirer:</b> </p> <hr/> <p><b>Key Metrics:</b></p> <p>Enterprise Value: \$3,784M</p> <p>EV/EBITDA: 13.7x</p>	<p><b>Overview / Strategic Rationale:</b></p> <p>WNS Limited, formerly listed on the NYSE as WNS, is a digital-first business transformation and services company. It combines industry expertise with talent, technology, and AI to co-create innovative solutions for more than 700 clients worldwide. Its offerings span industry-specific services, customer experience, finance and accounting, human resources, procurement, and research and analytics, helping businesses to reimagine their digital future.</p> <ul style="list-style-type: none"> <li><i>Through the acquisition of WNS, Capgemini strengthens its position as a global leader in intelligent operations, enabling clients to leverage agentic AI to transform end-to-end business processes.</i></li> <li><i>The next wave of transformation will be powered by intelligent, domain- and industry-focused operations, using hyper-automation to drive efficiency, agility, and superior outcomes.</i></li> </ul>	<p><b>Professional Services</b></p>

Sources: CapIQ, Company Filings, Pitchbook, and News Releases.

Select Recently Closed Transactions

Date	Target	Acquirer	Sponsor	Target Description	EV (\$mm)	EBITDA Multiple
<b>FACILITY SERVICES</b>						
Feb-26	Coastal Electric Company of Florida	Kassel Mechanical	---	Provider of electrical services for commercial, residential, and retail markets.	-	-
Jan-26	The Bowers Group	Legence (NAS: LGN)	---	Provider of mechanical services intended to serve commercial, institutional, and mission-critical markets.	\$475	6.6x
Dec-25	PurgeRite	Vertiv (NYS: VRT)	---	Provider of mechanical flushing, purging, and filtration services for data centers and other mission-critical facilities.	\$1,250	10.0x
Sep-25	Langford Electric	Industrial Construction Services ("ICS") Holding	Stellex Capital Management	Provider of electrical services for industrial and commercial markets.	-	-
Sep-25	CEC Facilities Group	Sterling Infrastructure (NAS: STRL)	---	Provider of electrical, mechanical, technology, and infrastructure services for mission-critical markets.	\$505	9.6x
Aug-25	CLS Facility Services	FirstCall Mechanical Group	SkyKnight Capital	Provider of facility management and maintenance services to industries across the country.	-	-
<b>RESIDENTIAL SERVICES</b>						
Feb-26	Tucker Hill Air, Plumbing, and Electric	The Chill Brothers	Forum Asset Management	Provider of multi-trade home services across HVAC, plumbing, and electrical.	-	-
Jan-26	Landmark Exteriors	Valor Exterior Partners	Osceola Capital Management	Provider of roofing, siding, and other exterior home services.	-	-
Jan-26	RJ Home Inspections	LaunchPad Home Group	RFE Investment Partners	Provide of home inspection services.	-	-
Sep-25	Tuscan Electric Heating & Plumbing	The SEER Group	Genstar Capital	Provider of residential electrical, HVAC, and plumbing services.	-	-
Sep-25	Erie Home	Leaf Home	Gridiron Capital	Provider of home services, specializing in roofing and basement waterproofing systems.	-	-
Aug-25	Tangney & Sons Plumbing and Sewer	Sila Services	Goldman Sachs Alternatives	Provider of residential plumbing and sewer services.	-	-
<b>ENVIRONMENTAL SERVICES</b>						
Feb-26	Vecta Environmental Services	EnviroVac	Saw Mill Capital	Provider of mechanical and emergency response services for industrial, environmental, and infrastructure markets.	-	-
Jan-26	Environmental Evolutions National	Miller Integrated Solutions	KLH Capital	Provider of environmental remediation and emergency response services for industrial and infrastructure markets.	-	-
Nov-25	ACE Environmental Holdings	Miller Environmental Group	Coalesce Capital	Provider of environmental remediation and emergency response services for commercial and residential markets.	-	-
Aug-25	Newterra	Grundfos	---	Provider of environmental remediation and mechanical services for industrial and infrastructure markets.	-	-
Aug-25	Buckeye Elm Contracting	Garnett Station Partners	---	Provider of environmental remediation, vapor intrusion management, and emergency response.	-	-
Aug-25	O6 Environmental	Quad-C Management	---	Super-regional provider of environmental remediation and essential environmental and industrial services.	-	-
<b>PROFESSIONAL SERVICES</b>						
Feb-26	Dayforce	Thoma Bravo	---	Provider of cloud-based human capital management solutions for large businesses.	\$12,734	-
Jan-26	ENTRUST Solutions Group	Leidos Holdings (NYS: LDOS)	---	Provider of consulting and engineering services intended for the utility and infrastructure markets.	\$2,400	-
Dec-25	Heidrick & Struggles International	Advent International	Corvex Private Equity	Provider of global leadership advisory and on-demand talent solutions.	\$1,300	19.2x
Oct-25	WNS (Holdings)	Capgemini (PAR: CAP)	---	Provider of digital-led business transformation and services.	\$3,784	13.7x
Sep-25	TRC Advisory	Elixirr International (LON: ELIX)	---	Provider of consultancy, specializing in growth strategy, commercial effectiveness, and value acceleration.	\$125	7.6x
Aug-25	NVS Global	Acuren (NYS: TIC)	---	Provider of tech-enabled engineering, testing, inspection, and consulting solutions for the built environment.	\$1,703	14.2x

Note: Bold denotes EdgePoint served as the exclusive sell-side advisor to the target.

Sources: EdgePoint Proprietary Database, Company Filings, CAPIQ, and News Releases.

## Environmental Services Spotlight

The Environmental Services industry, including environmental remediation, waste management, water and wastewater services, demolition, industrial cleaning, ecological restoration, emergency response, and other related services, continues to attract investor interest enabled by expanding market opportunity. The industry has generated strong momentum in recent years, driven by durable underlying fundamentals that support sustained, long-term growth.

Growth is anchored by the essential, non-discretionary nature of services, as well as an evolving regulatory framework, substantial public-sector funding, expansive sustainability and resource reuse mandates, brownfield remediation, energy transition (asset retirements and buildouts), reshoring, and domestic manufacturing buildout. Federal and state regulatory initiatives are supported by

permanent funding vehicles and annual budget appropriations, including funding tied to CERCLA and RCRA site remediation, PFAS-related regulation and enforcement, and the Brownfields Program. These initiatives are further supported by large-scale, multi-year legislative packages such as the Inflation Reduction Act (“IRA”) and the Infrastructure Investment and Jobs Act (“IIJA”), which have collectively allocated more than \$150 billion toward environmental infrastructure and compliance.

Within a highly fragmented market characterized by numerous regional and local operators, environmental services providers are well-positioned to benefit from both strategic and financial capital. As regulatory scrutiny intensifies and environmental compliance becomes increasingly mission-critical for customers, the industry is expected to experience meaningful, long-term tailwinds.

## Dynamics Supporting Long-Term Industry Tailwinds

Mission-Critical, Non-Deferrable Services	Shifting Regulatory Environment	Significant Government Investment	Sustainability and Reuse
<p>Environmental services deliver mission-critical, non-discretionary solutions that safeguard health, safety, and the continuous operation of private and public infrastructure. These services are frequently required to comply with evolving regulatory standards.</p>	<p>Regulatory bodies have implemented stringent standards governing both built and natural environments, affecting new development projects as well as existing infrastructure. These requirements are designed to promote safety, stewardship, and public health.</p>	<p>The IIJA and IRA have directed substantial federal funding toward hardening aging infrastructure throughout the U.S. This capital infusion has and will continue to advance major environmental programs and remediation initiatives, including CERCLA, RCRA, and brownfield redevelopment efforts.</p>	<p>As customers prioritize ESG goals and circular economy initiatives, environmental services become more essential, recurring, and embedded in core operations. Increasing regulatory complexity and compliance requirements introduce additional demand triggers for environmental services.</p>

## Value Enhancers

- **Scale** — Supports national accounts, improves labor and fleet utilization, and reduces concentration risk while positioning the company as an enduring platform for continued growth.
- **Technical Expertise** — Highly trained, credentialed personnel enable complex, compliance-driven work, supporting premium pricing and deepening channel partner relationships.
- **Turnkey Service Offerings** — End-to-end service offerings increase share of wallet, deepen customer relationships, and increase the likelihood of end-user attachment.
- **Technology-Enabled Services** — Data-driven tools enhance efficiency, visibility, and customer stickiness while supporting scalable growth.
- **History of Safety and Compliance** — Strong safety metrics and a clean regulatory history supports competitive bidding, leading to sticky customers.
- **Customers Contracted Under Multi-Year MSAs** — Contracted, recurring revenue provides revenue and volume visibility, and margin stability.

## Recent EdgePoint Environmental

<p><b>Project Indigo</b></p> <p>Leading provider of managed waste solutions</p> <p>Marketing Preparation</p>	<p><b>BUCKEYE ELM</b> CONTRACTING</p> <p>has been acquired by</p> <p><b>GSP</b> Garnett Station Partners</p>
<p><b>Quality</b> ENVIRONMENTAL SERVICES</p> <p>has been acquired by</p> <p><b>CAYMUS EQUITY</b> Private Equity for the Lower-Middle Market</p>	<p><b>06 ENV</b> Environmental Services</p> <p>has been acquired by</p> <p><b>WARREN</b> EQUITY PARTNERS</p>

Recent EdgePoint Business Services Transactions

 <p>has been acquired by</p> 	 <p>has been acquired by</p>  <p>a portfolio company of</p> 	 <p>has been acquired by</p> 	 <p>has been acquired by</p>  <p>a portfolio company of</p> 	 <p>has been acquired by</p> 
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