2020 FACILITY SERVICES REPORT

TM CAPITAL
SUCCESS. REALIZED.

RECENT TM CAPITAL
FACILITY SERVICES TRANSACTIONS

WASTE HARMONICS
simplify | consolidate | save

A PORTFOLIO COMPANY OF

Prospect Partners

HAS BEEN ACQUIRED BY

ARCAPITA

NAUMANN HOBBS MATERIAL HANDLING
The Performance People

A PORTFOLIO COMPANY OF

HCI EQUITY PARTNERS

HAS RECEIVED AN INVESTMENT FROM

CenterGate CAPITAL

Culligan by WaterCo

A PORTFOLIO COMPANY OF

Prospect Partners
Stone Pointe, LLC

HAS BEEN ACQUIRED BY

Culligan Water

A PORTFOLIO COMPANY OF

Advent International
GLOBAL PRIVATE EQUITY

SUMMIT COMPANIES

A PORTFOLIO COMPANY OF

Prospect Partners

HAS BEEN ACQUIRED BY

CI CAPITAL PARTNERS

Mobile Technologies Inc.
EMPOWERING THE USE OF MOBILE DEVICES

A PORTFOLIO COMPANY OF

HKW

HAS BEEN ACQUIRED BY

VESTAR CAPITAL PARTNERS

Partner with the best.
MC SIGN COMPANY
MC SERVICE SOLUTIONS
MC LIGHTING SOLUTIONS

A PORTFOLIO COMPANY OF

SVERICA INTERNATIONAL

HAS BEEN ACQUIRED BY

Caltius Equity Partners

MINER
Docks, Doors & More
Done Right. Right Now.

HAS BEEN ACQUIRED BY

CI CAPITAL PARTNERS

AND ITS PORTFOLIO COMPANY

TOTAL Fleet Solutions

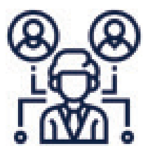
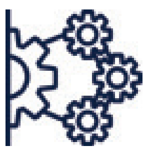
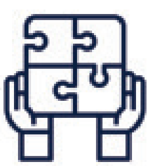
Founded in 1989, TM Capital is the client-first investment banking team advising industry-leading companies across North America and around the world. In everything we do, our professionals share a relentless commitment to engineering extraordinary outcomes with an unmatched standard of client care. Over the last three decades, we have completed more than 350 transactions with a combined value in excess of $25 billion. With offices in Atlanta, Boston and New York, our mission critical capabilities include: complex mergers and acquisitions; debt and equity financings; minority and majority recapitalizations; restructurings; and board advisory services. TM Capital is also a founding member of Oaklins, the world's most experienced mid-market M&A advisor with 700 M&A professionals in 60 offices operating in the major financial centers around the world. For more information, please visit ***www.tmcapital.com.***

1. KEY THEMES & INDUSTRY OVERVIEW

KEY THEMES
FACILITY SERVICES

The $1.2 trillion global facility services ("FS") market is a cornerstone B2B industry within the global economy that has quietly undergone a significant transformation over the past several decades – evolving from a largely in-sourced "cost center" function to an increasingly outsourced, highly sophisticated strategic business practice.[1]

Despite this evolution, many FS trade categories remain highly fragmented, with local, regional and national customers predominantly served by an eclectic universe of local "mom and pops." As business models continue to transform to meet shifting customer needs and the ongoing drive towards vendor rationalization, strategic consolidators and private equity have accelerated their focus on this dynamic, fast-growing industry.

	**Outsourcing is now the preferred service model**	Cost control strategies, emphasis on core operations and the quality and reliability of third-party services are driving the shift from insourcing to outsourcing – today, companies are outsourcing the large majority of their essential FS needs
	**Integrated solutions are a key focus for facility managers**	Property and facility managers are increasingly choosing integrated, multi-service solutions offered by tech-enabled businesses that can deliver a "one-stop-solution" and a user-friendly platform
	**Hybrid delivery models are in vogue**	Growth in the number of hybrid service delivery models has exploded due to the favorable combination of self perform service execution alongside the scalability, reach and capital efficiency of a managed vendor network
	**M&A activity robust, despite the global pandemic**	Highly fragmented, self perform-centric markets comprised of local / regional "mom-and-pops" are continuing to consolidate in light of pandemic-impacted M&A markets – in part due to continued excitement from the private equity community around these essential categories
	**The keys to winning the future are taking shape**	In light of industry-wide shifts, the keys to winning are coming into focus: i) "white glove" client care; ii) transparent fee structures with aligned incentives; iii) technology capabilities that improve outcomes; and iv) business model scalability to service distributed client facility footprints

[1] *Fortune Business Insights, Facilities Management Market – Nov. 2019*

FACILITY SERVICES
INDUSTRY OVERVIEW

SOFT SERVICES

Soft services render a facility more functional, aesthetically pleasing and enhance the security and wellbeing of employees, building occupants and visitors – ***often characterized by lower technical skills / higher labor intensity***

Exterior Building Services
Parking lot maintenance, paving, pest control, window cleaning, power washing, sweeping and storm water

Guard, Concierge & Parking Management
Security guards, mobile patrol, front-desk administration, parking / traffic operation, valet / shuttle and cash services

Janitorial, Cleaning & Restoration
Routine facility cleaning, floor care, window washing, event-driven restoration services and construction / renovation clean-up

Landscaping
Nature-related exterior services including lawn / tree care, irrigation systems and snow / ice management

Laundry, Linen & Uniform
Laundry and textile cleaning, uniform rental, restroom and industrial hygiene supplies

Waste & Site Services
Waste and recycling collection, asset disposition, document shredding and portable restrooms

Hard services are connected to the physical systems and infrastructure of the facility and ensure the safety, welfare and productivity of employees and building occupants – ***often characterized by higher skill labor and regulatory imperatives***

HARD SERVICES

Elevator & Mechanical Systems

Elevators, escalators, material handling systems, loading docks / doors, overhead cranes and compactors / balers

HVACR

Commercial heating, ventilation, air conditioning and refrigeration systems

Fire & Life Safety

Fire suppression systems, sprinklers, fire alarms, fire doors and portable extinguishers

Security Systems & Asset Protection

Alarms, video surveillance, communication systems, access control and safes / ATMs

Plumbing & Electrical

Plumbing, water heaters / filtration, WiFi / broadband, wiring, power systems, low voltage and generators

Signage & Lighting

Interior / exterior lighting, signage, digital / electronic message centers, electronic wayfinding and awnings

OUTSOURCING
THE PREVAILING FACILITY SERVICES MODEL

The outsourced FS model "came of age" in the 2000s; this upcoming decade promises outsized growth and innovation supported by intensive private equity investment and strategic consolidation

The culmination of decades of steady transition, the outsourced services model today is firmly entrenched as the industry standard for businesses of all sizes

The facility services industry has been at the forefront of a broad B2B outsourcing trend. Historical advocates of the in-house management approach cautioned against ceding "control" and voiced concerns that third parties would be slow to respond, downtime would increase and businesses would face significant risk entrusting their critical assets to a collection of local service providers. Regardless, market adoption over the past decade has spoken in resounding favor of the outsourcing model. Outsourced providers now comprise the super-majority of the total facility management market in North America.

What precipitated this sea change over the past decade? Three broad themes have emerged – the three "R's" of outsourcing migration:

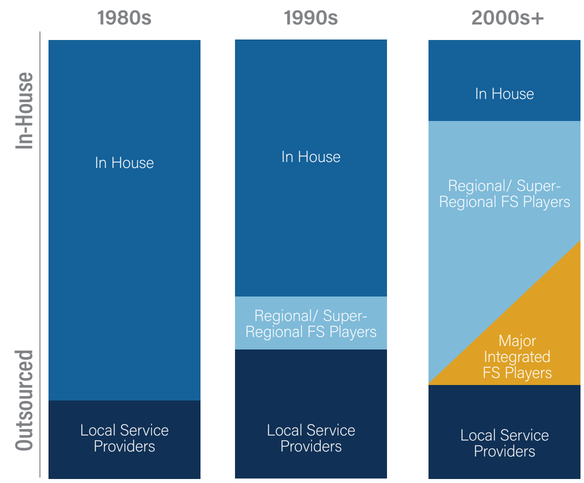
1. **Rationalization** – Businesses are focused on efficiency gains from narrowing operations to core competencies and cutting underutilized in-house resources
2. **Regulations** – Heightened and evolving building codes coupled with legislative, insurance and regulatory compliance requirements mandate specialized services
3. **Responsiveness** – Most importantly, category-leading platforms address the primary criticisms of the outsourcing model head-on by introducing new service techniques and technologies designed to assure responsiveness and optimum customer service outcomes

Facility services are top-of-mind for institutional investors – the ability to disintermediate incumbent service providers and build scale through innovation, superior service delivery and more sophisticated sales and marketing are core elements of the PE playbook

As with any industry at a seminal point in its evolution, private equity has been an agent for aggressive innovation and growth in the FS sector. Institutionally-backed service providers are consolidating local players into highly scalable super-regional and national service platforms. A commitment to "white glove" client care has elevated the customer experience. Investments in technology are activating the power of data to enhance service levels and sales execution.

Facility services offers a favorable combination of size, growth and fragmentation that is truly singular – ensuring the PE spotlight will continue to shine on this sector into the 2020s. Investment in the industry has exploded in the past decade. Despite all the deal activity, the market remains significantly fragmented. Increasingly, private equity firms are raising funds based on the success of past facility services investments and the prospects of future opportunity in the category. Strategic players are compounding this acquisition demand.

Evolution of Outsourcing in FS



"Three R's" of Outsourcing Migration

PREDICTABLE REVENUE STREAMS
SECULAR GROWTH TAILWINDS

A predictable base of intrinsically recurring services and the growing retrofit demands of an aging built environment underpin a strong outlook for the FS industry

Recurring revenue streams are the hallmark of successful facility service platforms

Facility services are essential and repeating at their core, varying only by the degree to which service schedules are mandated by law, insurance requirements or necessity:

- **Soft Services** are essential to maintain functionality of facilities: lawns must be cut, waste collected, facilities cleaned and linens washed according to set daily, weekly or monthly schedules
- **Hard Services** encompass several regulated markets such as fire & life safety and elevator systems with code-mandated inspection and maintenance schedules, while break / fix service of HVACR, signage & lighting and plumbing & electrical follow predictable cycles

Impressively consistent performance across nearly every "hard" and "soft" category during the COVID-19 crisis underscored the power of recurring business. Predictable revenue volumes and cash flows enable business leaders to confidently invest capital, expand capacity and execute long-term growth plans. Service platforms with recurring cash flow can "think big" in adverse market conditions and emerge as category leaders.

Platforms are evaluated not only on their share of recurring revenue but also on the nature of "recurring." This term ranges from "re-occurring" retrofit events (good) to predictable break / fix services (better) to contractually recurring multi-year service agreements (best).

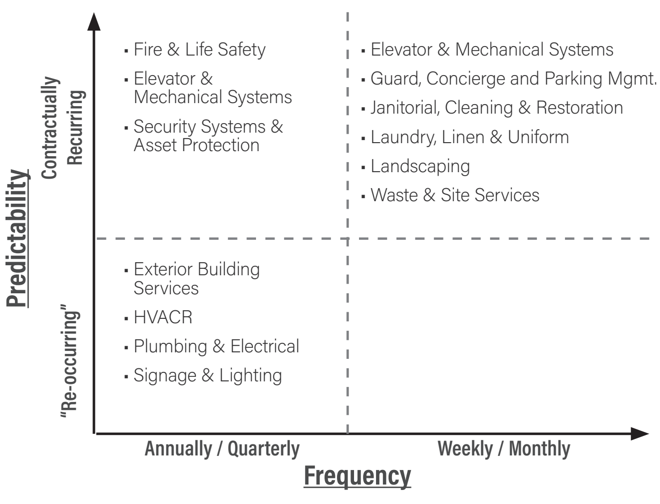
Aging systems and infrastructure are creating an enormous retrofit, upgrade and modernization opportunity

Across the U.S., 65% of commercial buildings were built before 1990. At 20-25 years, facility assets and systems require either a replacement, complete overhaul or more intensive preventative maintenance and frequent break / fix repairs. An uptick in annual planned and preventative maintenance spend is essential to extending the lives of these aging facilities.

Occupancy turnovers also drive a substantial portion of retrofit activity and occur regardless of macroeconomic conditions. In the Great Recession, "hard services" trade specialists experienced steady demand for retrofit projects even while new construction stalled. In addition, building codes are constantly evolving. The frequency and smaller size of retrofits engender predictable revenue characteristics to which investors are ascribing greater "recurring" value today.

Importantly, the facility services industry is reasonably well insulated from changing approaches to "brick-and-mortar" footprints. Buildings and in-store environments are changing, not disappearing. Expanding e-commerce activity creates new FS needs for distribution / fulfillment centers while spurring traditional retailers to change, reconfigure or improve the store experience. FS providers are not dependent on new "doors"; rather, the evolving brick-and-mortar landscape initiates waves of renovation and modernization opportunities.

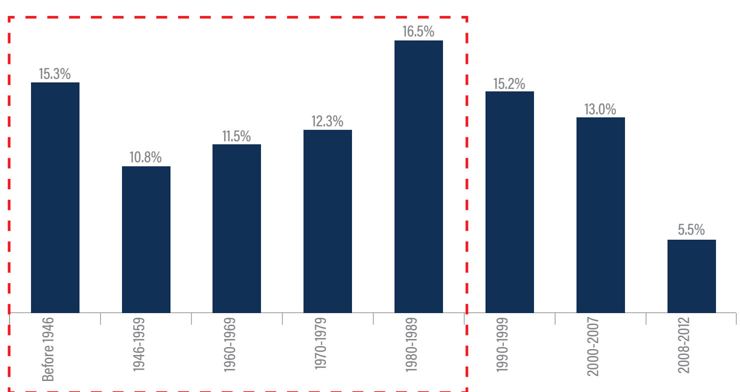
Spectrum of Recurring Services



Note: Reflects approximations by sub-sector; can vary meaningfully by model, end market, customer base, etc.

U.S. Buildings by Construction Year

65% of commercial buildings fall within the retrofit window



Source: U.S. Energy Information Administration, Commercial Buildings Energy Consumption Survey, Released 2015

DELIVERY MODEL BATTLE
SELF PERFORM VS. MANAGED VENDOR NETWORK

Proponents of self perform and managed vendor models have battled for decades, extolling the relative virtues of each model's balance of domain expertise, scalability and capital intensity

Self Perform Service Models

Service performed directly by a provider's own employee technicians

The self perform model champions employee technicians, local / regional market presence and "dirt-under-the-fingernails" expertise. The case for the traditional self perform model is credible domain expertise, full margins (no "middle man") and complete control over service delivery and SLA compliance. Services for local, smaller businesses with a limited facility footprint are typically carved up amongst a fragmented landscape of local self performers.

Serving local / regional customers offers favorable pricing and outsized profitability relative to national accounts. However, sales dollars move in smaller increments. Cross-sell opportunities arise from frequent touch points between sales reps, service technicians and customers.

The self perform model can encounter challenges in capital efficient expansion and growth. Regional expansion requires significant upfront investments in systems, fleet, equipment and personnel that challenge the balance sheet strength and near-term profitability objectives of smaller service providers. These challenges contribute to the market fragmentation seen across many FS categories and create opportunities for both strategic consolidation and managed vendor models. Meeting the needs of large, multi-regional customers also presents a challenge for self perform models. Small "mom and pop" platforms struggle to stay top-of-mind for larger customers operating across disparate geographical footprints and seeking vendor consolidation and "one-stop-shop" service management.

Asset-Light Managed Vendor Models

Service provider manages a tight network of third-party service techs

Asset-light or managed vendor models initially emerged to streamline service procurement for national account customers with distributed facility footprints and ambitions for vendor consolidation. The model hinges on forging a scalable, trusted network of local and regional self perform partners with proven service levels and symbiotic relationships to execute service delivery – coordinated and centrally managed by the asset light platform.

Leaders in the category have invested in differentiated technology to automate vendor selection, dispatching, service administration and billing for high-volume services across many physical locations. Large property managers such as CBRE, Cushman & Wakefield and JLL have entered the facility services space or significantly expanded the breadth of their capabilities via asset light managed vendor models. These property managers leverage their scale and tenant bases to carve out meaningful and growing positions across trade categories. At the same time, increasingly sophisticated self performers are challenging the model's "convenience" advantage by evolving into "hybrid" delivery models with partner networks to service national accounts outside their home regions.

While some asset light models have enjoyed huge success, others have struggled to compete with self performers due to limitations in the depth and quality of their partner network. This can lead to inconsistent service – particularly in highly technical trade categories. For asset light platforms, hands-on program management needs to complement automation to offer an effective alternative to the self perform model.

Scorecard: Typical Advantages of Self Perform vs. Asset Light

Without a clear winner, both self perform and asset-light models are enjoying significant commercial success, defining in real-time their relative advantages and spurring the development of "hybrid" models

	Scalability/ Capital Intensity	Service Expertise	Breadth of Offering	Margin Profile
Self Perform		✓		✓
Asset Light	✓		✓	

While every trade category reacts to these two delivery models differently, the identifiable competitive advantages of each gives rise to hybrid models

EMERGENCE OF THE HYBRID DELIVERY MODEL

The battle between self perform and asset-light models has led to the emergence of hybrid service delivery – a 2.0 model that will be a disruptive force in reshaping the FS competitive landscape

A confluence of factors is leading self perform service providers to consider a hybrid approach – a powerful force for transformation

Several factors are driving the emergence of the hybrid platform:

1. Self perform and asset-light models failed to decisively prevail in the decades-long land grab
2. Evolving customer demands require a blend of technical experience, "white glove" client care and geographic reach
3. Well capitalized players and private equity investment aspire to drive growth with local, regional and national capabilities under one roof

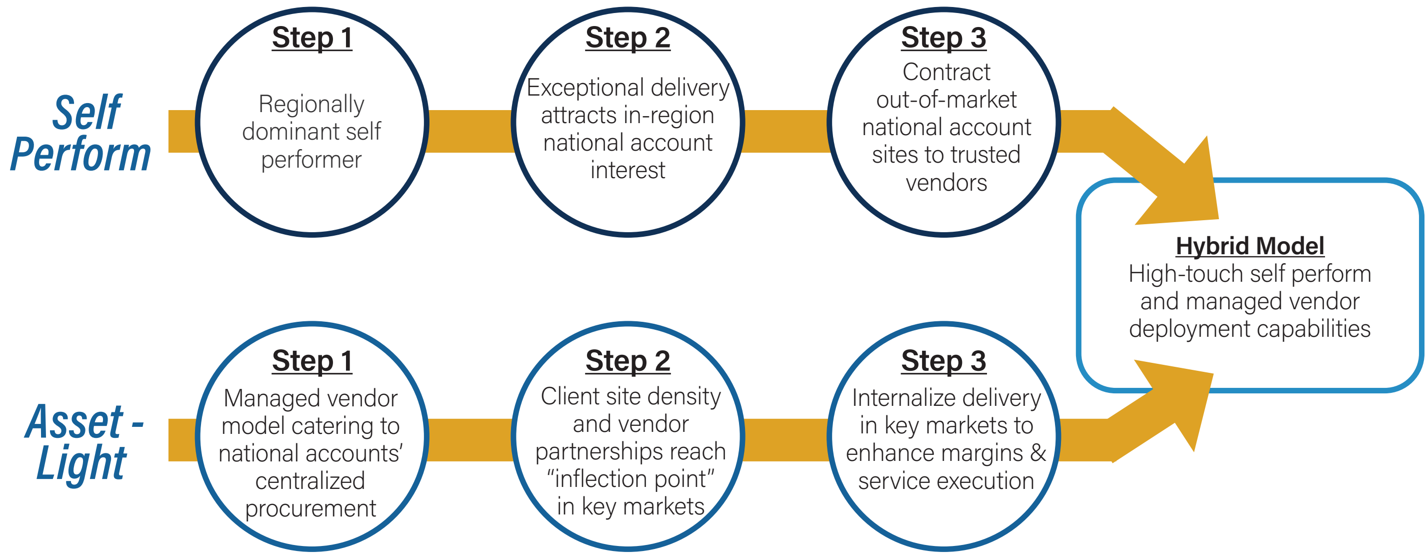
Hybrid delivery is reshaping the competitive landscape across FS trade categories, allowing self perform platforms to grow alongside blue chip customers and provide national reach. With the right capital support, technology and management, hybrid delivery will continue to be a powerful tool for driving consolidation in a highly fragmented industry.

Asset-light platforms are also acquiring top-tier self performers in high-density markets to enhance margins, improve domain expertise and better service key accounts

The asset-light mission in some categories is transitioning from tech-enabled vendor aggregation to high-touch, value-added solutions. Elegant, tech-enabled service platforms (that behave much like logistics companies) are opting today to better incorporate "white glove" client care and customized solutions by building and enhancing self perform capabilities.

Certain asset-light platforms have executed a "go hybrid" approach by acquiring self performers in key markets and trade categories. Bringing select capabilities in-house empowers platforms to shape client facility strategies, market "dirt under the fingernails" credibility and benchmark vendors against internal quality standards. Importantly, the vendor networks are an ideal proving ground for qualifying acquisition targets, enabling them to add hybrid capabilities judiciously by acquiring only top-performing service providers.

"Meeting in the Middle" - Hybrid Model Evolution



CHANNELS TO MARKET CONTINUE TO EVOLVE

Amidst a land grab for market share, top-performing platforms are re-engineering go-to-market strategies that navigate a broad array of sales channels

Routine service procurement decisions often lie with the local facility manager, requiring a "boots-on-the-ground", territory-focused sales model

While there has been a shift to centralized national service procurement for blue chip customers across verticals, a significant percentage of the service market remains managed by regional or local managers. Marketing to the thousands of operators charged with scheduling maintenance and repairs demands more intensive investment in sales and marketing – but can be lucrative for service providers willing put in the work.

While asset-light platforms typically cater to national accounts with centralized service procurement, self performers often deploy field offices with localized sales teams to canvas their home markets. Hybrid models can achieve the best of both worlds. Being top-of-mind when equipment breaks and inspections come due is essential in local procurement. Forward-thinking organizations also cater to the demographics of decision-makers by supplementing calling programs with strong social media presences and search marketing campaigns (e.g. Google AdWords). Long-term recurring revenue can justify meaningful investments in customer acquisition.

"First call" channel partnerships with GC's and multi-property managers – gatekeepers to new construction and retrofit jobs – are essential to building territory dominance

Project work is no longer a "four-letter word" for facility services investors, particularly if oriented to aftermarket retrofit vs. new construction. Once dismissed as cyclical, a balanced portfolio of aftermarket installation, retrofit and modernization projects is now considered important to demonstrating technical expertise in a trade and establishing regional market leadership. These aftermarket projects are viewed favorably as a reliable source of "re-occurring" revenue that follows predictable, non-discretionary retrofit cycles.

Leading platforms are also tempering the volatility of construction demand by tapping the extensive pipelines of "multiplier" partners. General contractors and multi-property managers act as gatekeepers to extensive books of project business. New construction surges during economic expansions, while retrofit / remodel activity provides support during downturns. Leveraging repeat relationships with these multipliers smooths the ebb-and-flow of project work with low business development costs.

Each portfolio manager and general contractor orchestrates dozens of sub-contractors across hundreds of jobs annually. Trust, quality workmanship and on-time / on-budget delivery are essential. In highly technical trade categories, players with sophisticated front-end engineering capabilities or an expert presence in niche verticals are the winners.

Platforms that achieve strong attachment rates of aftermarket service to installation sites realize "flywheel" growth and attract acquisition interest at outsized valuations

Executing the hand-off from installation to aftermarket maintenance / repair is an evolving art – optimizing the attachment rate unlocks significant value. At face value, successful project management should provide the "inside track" to ROI-optimizing aftermarket service. Decision-making, however, often transfers from centralized to local procurement once the project work is complete – presenting hurdles to penetrating the local facility relationship. While electricians, plumbers and mechanics may be best positioned to maintain a system they engineered, less technical trades are particularly prone to missing out on recurring aftermarket revenue streams.

Navigating the "hand-off" across all trades requires a proactive, data-intensive sales effort at the time of and immediately following a construction / retrofit project. During the project, facility services providers should endeavor to build relationships and brand recognition with the end customer whenever possible. Follow-up outreach should be aligned with the ideal prospecting window for the initial aftermarket inspection or servicing cycle. Planned maintenance programs that optimize the TCO equation are particularly effective. Salespeople should leverage the value-add of their "incumbent" position.

Go-To-Market Channels

	Primary Service Categories	Demand Drivers
Channel Partner "Multipliers"	▪ Retrofit / remodel ▪ New construction	▪ Occupancy changes ▪ Code changes ▪ Economic growth
Direct-to-Customer	▪ Recurring break / fix ▪ Preventative maintenance services	▪ Equipment usage ▪ Scheduled maintenance ▪ Regulatory compliance

THE KEYS TO WINNING THE FUTURE

As the facility services market enters a new decade with unprecedented momentum, next-generation winners will emphasize "white glove" service, transparency, actionable data intelligence, tech-enabled solutions and scalability

Providing High Touch Service Solutions

- An increasingly service-oriented economy places a premium on attentive client care, SLA adherence, turnkey solutions and reputational excellence
- The facility services market first benefitted from an explosion in outsourcing; "2.0 models" will evolve to simplify, optimize and modernize service delivery

Service and Billing Transparency

- Opaque, fee-laden trade categories are ripe for disruption in the "age of transparency"
- As the world gets smaller and information more readily available, opaque billing strategies to boost margins such as upcharges and fee-laden services will become antiquated

Shifting the Conversation from Price to Outcomes

- Facility managers will rewrite RFPs to focus on aligning incentives with results rather than enticing low bids
- Innovative service platforms will engineer programs that maintain profit levels while delivering results against clearly stipulated targets

Leverage "Big Data" and Technology

- Actionable intelligence from big data will reduce costs, improve visibility and enhance sustainability
- The next decade will be defined by modern, tech-enabled turnkey service platforms that leverage mobile technology, reporting and analytics to drive improved FS outcomes

Embracing the "____ as a Service" Model

- Customers are willing to pay a premium for enhanced service and outcomes – particularly on a subscription basis
- Subscription models repackage lumpy and unpredictable monthly expenses into easily budgeted "utility" fees (e.g. lighting-as-a-service, water-as-a-service, HVAC-as-a-service, etc.)

Platforms that embrace the next wave of facility services evolution will be uniquely positioned to accelerate organic and acquisition-based growth, capture outsized market share and attract premium valuations

M&A ACTIVITY

Key facility services themes – outsourcing migration, market fragmentation and recurring revenue – are attracting heightened private equity and strategic M&A interest

The facility services category features a number of attributes tailor-made to attract private equity buy-and-build investment and strategic acquisition activity:

1. Fragmented trade categories ripe for consolidation
2. Recurring, recession-resistant demand
3. Value and margin enhancement opportunities through operational improvements and technology enablement
4. Expansive range of exit opportunities

There has been a substantial wave of M&A and investment in the category over the past decade, and runway to continue this trend runs deep into the new decade. This level of market fragmentation is hard to identify anywhere else in the business services universe. Acquisitive players have the opportunity to acquire smaller companies to build scale, expand geographies and deepen service capabilities, leading to vibrant buy-and-build environments.

In addition, large strategic players have increased their activity in the M&A market. National property managers (e.g. CBRE, Cushman & Wakefield, JLL, etc.) have expanded their facility services offerings through acquisition to provide a "one-stop-shop" experience for tenants. Multi-service integrated providers (e.g. ABM, Aramark, Cintas, FirstService, GDI, Mitie / Interserve and ISS) have ramped up acquisition programs to bolt-on both self perform and asset-light capabilities. The competitive tension between private equity and strategic buyers promises to sustain acquisition interest at attractive valuations for the foreseeable future.

Nearly all facility services categories have attracted significant M&A interest, but valuation multiples, transaction volume and degrees of process competition do vary. Key factors that enhance M&A interest include the level of market fragmentation, the degree of recurring revenue and the opportunity for platform enhancement through acquisition.

TM Capital's M&A Quadrant - Relative Transaction Dynamics

Note: Smaller add-on acquisitions are often valued at multiples lower than platforms, adding multiple arbitrage opportunities to the buy-and-build strategy

2. COMPETITIVE LANDSCAPE

COMPETITIVE LANDSCAPE

Market fragmentation, M&A and other industry dynamics have forged a barbell shaped competitive landscape – large players counter-balanced by a highly fragmented array of regional and local players

Sub-Scale Facility Services Platforms

"Middle of the Barbell"

Players building their scale & super regional footprints – building into the "middle" is a value-creating endeavor and the focus of many institutional investors

Major Facility Services Platforms

"Mom & Pop" Players

Single employee / single truck operators often serving as subcontractors to larger firms in local markets

Integrated Facility Services Providers

National providers with significant scale offering a broad range of services

Local Service Providers

Diverse set of thousands of local companies providing single trade coverage or a narrow set of specialized services

Asset-Light Technology-Driven Players

Provide national coverage to large, multi-site customers via a network of subcontracted vendors (portal-based or directly managed)

Specialized Regional Players

Regional players specializing in a single service category

Franchise Models

Models providing a range of services via local franchisees

Private equity investment in the space has contributed to the bifurcation of this market and the evolving middle barbell – a territory where players exhibit a unique combination of scale, reach, systems and sophistication.

It is in this territory where we see hyper-competitive M&A processes and attractive, double digit exit multiples.

INTEGRATED FACILITY SERVICES PLAYERS

	Soft Services						Hard Services					
	Exterior Building Services	Guard, Concierge & Parking Mgmt.	Janitorial, Cleaning & Restoration	Landscaping	Laundry, Linen & Uniform	Waste & Site Services	Elevator & Mechanical Systems	HVACR	Fire & Life Safety	Security Systems & Asset Protection	Plumbing & Electrical	Signage & Lighting
ABM Building Value	√	√	√	√			√	√		√	√	√
aramark	√		√	√	√			√				√
ATALIAN Global Services	√	√	√	√			√			√		√
Cintas			√		√				√			
Cushman & Wakefield	√		√	√			√	√	√		√	
eliorGroup			√	√	√							
FirstService Realty NYC	√		√						√			
G4S		√							√	√		
GDI Integrated Facility Services	√		√				√	√			√	
mitie Interserve [2]		√	√			√			√	√	√	
ISS		√	√				√	√				√
KBS	√		√	√				√			√	√
PROSEGUR		√							√	√		
Rentokil Initial	√		√	√		√						
sodexo	√	√	√	√	√	√	√			√		√

[2] *Mitie acquisition of Interserve announced in June 2020*

ASSET-LIGHT, TECHNOLOGY-DRIVEN PLATFORMS

	Soft Services						Hard Services					
	Exterior Building Services	Guard, Concierge & Parking Mgmt.	Janitorial, Cleaning & Restoration	Landscaping	Laundry, Linen & Uniform	Waste & Site Services	Elevator & Mechanical Systems	HVACR	Fire & Life Safety	Security Systems & Asset Protection	Plumbing & Electrical	Signage & Lighting
Managed Platforms												
Advanced Service Solutions	√			√				√	√		√	√
DMG Divisions Maintenance Group	√		√	√			√	√	√	√	√	
Front Street	√		√	√				√	√		√	√
MC group											√	√
Merit	√			√								
telgian			√						√	√		
Technology Aggregators												
CBRE | facilitysource	√		√	√				√	√		√	√
JLL corrigo	√		√	√		√	√	√	√	√	√	√
SMS Assist	√		√	√				√		√	√	√
Vixxo	√		√	√		√	√	√	√	√	√	√

FRANCHISOR MODELS & DIVERSIFIED SUB-BRANDS

Authority Brands: ASP America's Swimming Pool Co., Benjamin Franklin The Punctual Plumber, Cleaning Authority, Homewatch CareGivers, Mister Sparky, Mosquito Squad, One Hour Heating & Air Conditioning

neighborly: Aire Serv, Bright & Beautiful, Countrywide Grounds Maintenance, Drain Doctor Plumbing, Dream Doors, Dryer Vent Wizard, Five Star Painting, Glass Doctor, The Grounds Guys, Locatec, Molly Maid, Mosquito Joe, Mr. Appliance, Mr. Electric, Mr. Handyman, Mr. Rooter Plumbing, PG Portland Glass, Protect Painters, Rainbow International Restoration, Real Property Management, Window Genie

ServiceMaster: AmeriSpec Inspection Services, Copesan, Merry Maids, ServiceMaster Clean, ServiceMaster Restore, Terminix, Terminix Commercial

REPRESENTATIVE SECTOR-FOCUSED SERVICE PROVIDERS

Soft Services

Exterior Building Services

ACE Asphalt	Advanced Pavement Group	All-Clean! Soft Wash	aptive
Arrow Exterminators	AtlanticSouthern Paving and Sealcoating	Clark Pest Control	Coco Paving Inc.
Cook's Pest Control	Let'sPave	North American Roofing	PPW Perfect Power Wash
Rabine Group	Rose Paving LLC	SCA Sweeping Corp of America	Job Gun Pressure Washers

Guard, Concierge & Parking Mgmt.

Allied Universal	AM-GARD	SSI	First Security Services
GardaWorld	Gavin de Becker & Associates	LAZ Parking	PPS
Premier Parking	SecurAmerica	securiguard	SP+ Parking
UAS	Top Notch	Towne Park	Vescom

Janitorial, Cleaning & Restoration

4M Building Solutions	BMS CAT	CCS	DMS Facility Services
Global Restoration Holdings	Harvard	Jani-King	Janitronics
Kleen-Tech	LMS Legacy Maintenance Services	Marsden Services	Maxons Restorations
The Millard Group	Pritchard Industries Southeast	Red Coats, Inc.	Vanguard

Landscaping

Bartlett Tree Experts	Bland Landscaping Co. Inc.	BrightView	Davey
Greenleaf	Heartland	LandCare	Lawn Doctor
Metco Landscape	Monarch Landscape Management	Moore Landscapes	NatureScapes Landscape Services
Santa Rita Landscaping	SavATree	TruGreen	Yellowstone Landscape

Laundry, Linen & Uniform

ACE Uniform	Alsco	Angelica	Clean
Crown Health Care Laundry Services	Encore Textile Services	Halifax Linen Service	Healthcare Linen Services Group
ImageFirst	K-Bro Linen Systems	Linen King	Mission Linen Supply
Novo Health Services	PureTex Solutions	UniFirst	Unitex

Waste & Site Services

ESI EnviroSolutions	fbserwis	ITRenew	Lifespan
Liquid Environmental Solutions	Nationwide Waste Service	New Market Waste Solution	Quest Resource Management Group
Rubicon	RWS Facility Services	Safety-Kleen[3]	Stericycle
United Site Services	Valet Living	Waste Harmonics	WindRiver Environmental

[3] *Subsidiary of Clean Harbors*

Hard Services

Elevator & Mechanical Systems

3PHASE Elevator Corporation	ALLIANCE Elevator Solutions	CRANE 1 Service • Safety • Systems	DURA SERV
EMSAR	ESI Elevator Systems Inc	Naumann Hobbs Material Handling The Performance People	NWESTCO
ONPOINT Group	ORACLE Elevator	RMS	Southwest Elevator Company
SIMMERS Crane Design & Services	SPECIALIZED Elevator	UNITEC Elevator Safety • Integrity • Experience	TECH24

HVACR

ACIS Innovative Solutions	APEX Service Partners	Climate Pros Inc.	Comfort Systems USA
CoolSys	Goettl	Horizon Services	Limbach
Pueblo Mechanical & Controls, Inc.	Reedy Industries	Service Logic	Southern HVAC
TEMP-CON Incorporated	Therma	Wrench Group	TURNPOINT SERVICES

Fire & Life Safety

AI FIRE	API Group	CertaSite	Consolidated Fire Protection
Fire Safety and Protection, LLC	FLSA	Koorsen Fire & Security	MARMIC Fire & Safety
National Fire & Safety	Protegis Fire & Safety	Pye-Barker Fire & Safety, Inc.	RFP Rapid Fire Protection, Inc.
sciens Building Solutions	Summit Companies	Hiller Fire Protection	VSC Fire & Security

Security Systems & Asset Protection

ADT	AMERISAFE	BANCSOURCE	BENSON Systems
BURROUGHS	Cennox	Convergint Technologies	FireKing
MINUTEMAN Power Technologies	MONITOR AMERICA	PRIORITY ONE Security	ProTech
SETEC Security & Energy Technologies Corporation	VECTOR SECURITY	VYANET SECURITY	WIZARD WORKS Security Systems, Inc.

Plumbing & Electrical

ACE Plumbing Rooter Inc.	ARENS Electric LLC	Beacon Plumbing	Boston Standard
Brothers Plumbing • Heating • Electric	Dauenhauer Plumbing | Heating & Air[4]	David Gray Plumbing	ELITE POWER
Elmstar Electric Corporation	KIRBY Electric	LEN The Plumber	MAGNOLIA Plumbing • Heating • Cooling
Roto-Rooter Plumbing & Water Cleanup	THUNDER	VALLEY VEC	Wilkinson Electric Inc

Signage & Lighting

Albireo Energy Partnering for Success	Allen Industries	AGI	broadwaynational
CHANDLER Signs	COAST SIGN Incorporated	CUMMINGS	DAKTRONICS
FEDERAL HEATH Visual Communications	Illumetek Corp	Kieffer | Starlite	MC group Building Better Brands
PATTISON Outdoor Advertising	Rogers Electric	WALTON	YESCO

[4] *Subsidiary of Turnpoint Services*

3. SECTOR HIGHLIGHTS
SOFT SERVICES

SOFT SERVICES

Soft services render a facility more functional, aesthetically pleasing and enhance the security and wellbeing of employees, building occupants and visitors – ***often characterized by lower technical skills / higher labor intensity***

EXTERIOR BUILDING SERVICES

The building exterior presents myriad service requirements for facility operators. The addressable market in North America is massive and diverse: $17b for pest control, $26b for paving, $10b for window cleaning and power washing and $2b for street sweeping.[5]

These services are predominantly outsourced and localized. The common threads across service categories are specialized technical labor, capital equipment investment and route-based models. All three factors present hurdles to internalizing services. Very few operators have a sufficiently dense local facility footprint to rationalize investing in paving equipment or devoting crews to power washing and pest control. The industry standard beyond the "four walls" is to outsource responsibility to the experts.

By the same logic, the service landscape is heavily fragmented and localized. Route density and equipment utilization are paramount. Organic growth is incremental as increased market share justifies further fleet investments. National accounts are faced with a dilemma: services must be outsourced, but they are loathe to deal with hundreds of local service providers. The massive market opportunity will reward innovative platforms that consolidate self-delivery in major regions, administer reliable asset-light programs or build respected franchise brands.

Attractive Sector Attributes

- Predominantly outsourced services; few facilities with in-house capabilities
- Ample adjacent service opportunities
- Continued transition to planned & preventative maintenance programs

Key Valuation Drivers

- Concentrated route / market density within targeted geographies
- Emphasis on aftermarket services rather than new construction
- Scalable buy-and-build infrastructure in place

Notable Recent Transactions

Target		Acquirer	Date
jobs / amst	acquired by	Keystone Capital	Jun-20
Bob Popp Building Services, Inc.	acquired by	TopGun Pressure Washing	Apr-20
Certus	acquired by	Imperial Capital	Dec-19
TopGun Pressure Washing	acquired by	Osceola Capital Management	Aug-19
AtlanticSouthern Paving and Sealcoating	acquired by	Harbor Beach Capital	Aug-19
Let's Pave	acquired by	Saw Mill Capital	Jun-19
Clark Pest Control	acquired by	Rollins	Jan-19
North American Roofing	acquired by	Silver Oak Services Partners	Nov-18
East Coast Lot & Pavement	acquired by	KBS	Jan-18
SCA Sweeping Corp of America	acquired by	Soundcore Capital Partners	Feb-17

[5] *IBISWorld, Various Reports (Pest Control, Paving Contractors, Building Exterior Cleaners, Street Cleaning) – Dec 2019 to May 2020*

> *Prophet Equity focuses its investing on strategically viable businesses that have significant value creation upside. Our investment in the Exterior Facilities Maintenance / Paving Maintenance space through Ace Asphalt has exemplified the importance of this thesis. Through our hands on, Holistic Value Creation™ (HVC™) approach, we have demonstrated the ability to dramatically scale the businesses both geographically and financially, driving significant value creation for all stakeholders."*
>
> *- Michael Hirschfeld, Principal, Prophet Equity*

Prophet Equity ACE ASPHALT

PAVING & PARKING LOT MAINTENANCE

SUB-SECTOR SPOTLIGHT

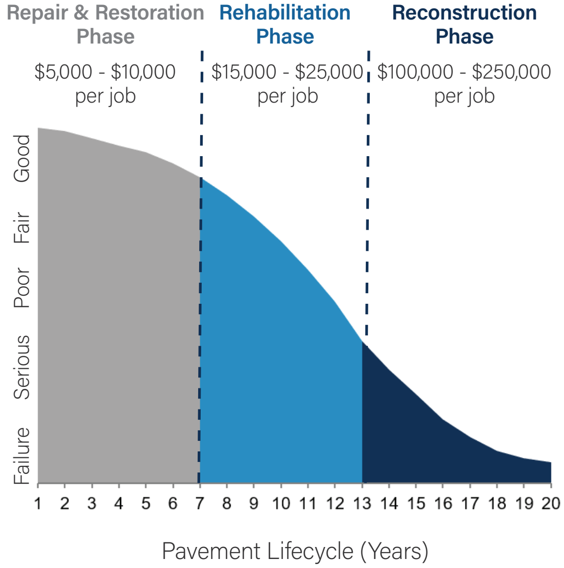
A Powerful Case for Preventative Maintenance

The $26 billion U.S. paving & parking lot maintenance sub-sector typifies many of the dynamics at play across the building exterior. Services are nearly always outsourced. Equipment fleets require careful management to maximize utilization and cash flow. The need to haul equipment to job sites gives rise to "hub-and-spoke" field office networks as platforms expand geographically.

Against this backdrop, predictable aftermarket service creates significant revenue visibility, instilling growth focused providers with the confidence to invest in their businesses. All pavement degrades naturally from the moment it's laid. The lifespan of a parking lot, however, can be extended with disciplined maintenance programs. Routine annual maintenance such as patching and seal coating can add 3-5 years of life. Larger rehabilitation projects can involve overlaying new surfaces to add another 5-7 years. All told, for every $1 spent on maintenance and upkeep, $4-5 of heavy reconstruction services can be avoided. Service providers seek to build and expand upon a reliable book of business spanning all lifecycle stages. Innovators are taking this a step further – engineering preventative maintenance programs that eliminate cost variability and "lock in" clients to scheduled maintenance contracts that guarantee upkeep at fixed annual fees.

The natural deterioration of paved surfaces is "recession-indifferent." Parking lot repair is essential for ADA-compliance, limiting liability / insurance costs and simply for the "curb appeal" that attracts customers. Facility managers loathe to defer essential services that will only result in a higher asset replacement bill in the future. Moreover, the public sector is a reliable countercyclical buyer of paving services for roadways and public lots – leading self perform platforms commonly hold preferred contracts with local municipalities. These dynamics are attracting a flurry of private equity investment to capitalize on predictable demand, build super-regional platforms and better manage the parking lot portfolios of key accounts.

Predictable Maintenance Lifecycle



Select Sponsor-Owned Platforms

ACE Asphalt acquired by Prophet Equity

Advanced Pavement Group acquired by Dubin Clark

Atlantic Southern Paving and Sealcoating acquired by Harbor Beach Capital

Let's Pave acquired by Saw Mill Capital

Rose Paving LLC acquired by Merit Capital Partners

GUARD, CONCIERGE & PARKING MANAGEMENT

An increasingly urbanized world is heightening demand for people-based security and building operations services. Threats – real and perceived – have given rise to a $39 billion U.S. market for security services to guard people, assets and reputations.[6] Logistics operations encompassing traffic management, parking, valet / shuttle and concierge services are essential to the day-to-day functioning of the "knowledge economy."

The category's low capital intensity allows providers to address evolving market demands and add to their services. For example, cash handling and security guard specialists have expanded into personal protection, loss prevention, investigation, remote monitoring and alarm / fire services.

Today, the prevalence of technology in traditionally personnel-based operations has emerged as both an opportunity and a threat. Providers are adding tech-enabled capabilities to protect against displacement via automation. Remote guarding / escort, IoT-based video / alarm and GPS-based patrol route management are becoming de rigeur for security firms. Technology allows commercial property owners to better monetize parking lots and streamline operations by routing drivers and automating payment. Intelligent platforms will integrate manpower, data and technology into smarter systems that more efficiently manage building operations.

Attractive Sector Attributes

- Urbanization fueling sustainable, increased service demand
- Low capital intensity
- Increasingly tech-enabled – new growth avenues abound

Key Valuation Drivers

- Degree of "value add" – holistic, consultative approach to security vs. staffing
- Tech-enablement of service delivery
- Specialized vertical expertise

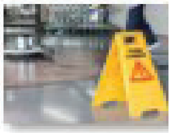
Notable Recent Transactions

ISA acquired by Mangrove PPS, Jul-20	SOSSecurity acquired by Allied Universal, Nov-19	GardaWorld acquired by BC Partners, Oct-19	American Heritage acquired by Mangrove PPS, Sep-19	securadyne systems acquired by Allied Universal, Apr-19
Corporate Concierge acquired by JLL, Mar-19	Single Source Group acquired by Southfield Capital Advisors, Mar-19	JBM acquired by Mangrove PPS, Dec-18	U.S. Security Associates acquired by Allied Universal, Oct-18	Premier Parking acquired by River Associates, Jun-17

[6] *IBISWorld, Security Services Industry – Feb 2020*

> *"Mangrove formed Patrol Protect Secure, Inc. ("PPS") in 2018 with the acquisition of JBM Patrol and Protection after spending some time looking at the industry and its competitive dynamics. We felt there was a tremendous opportunity in the contract security industry to build a best-in-class platform by focusing on service excellence and recruiting, training and retaining high quality people – filling a void left in this category by large contract security firms, which increasingly sacrifice quality for volume."*
>
> *- Mark Danzi, Managing Director, Mangrove Equity Partners*

JANITORIAL, CLEANING & RESTORATION



The world's collective consciousness has perhaps never been more acutely focused on cleanliness and the importance of regular sanitization in commercial workspaces. The post-COVID-19 world for contract cleaning services will be marked by increased awareness, a more strategic perception of service offerings and the potential for growth and margin enhancement in a $61b market.[7]

Long gone are the days of the in-house janitor pushing a mop around the office – particularly in industries where cleanliness is a strategic imperative. COVID-19-related shutdowns raised awareness overnight of the role of cleaning services in business continuity plans. Heightened compliance and regulatory requirements in commercial cleaning are likely to follow. Rigorous, regular cleaning and disinfection will be the new standard, and the post-COVID-19 world is likely to see commercial cleaning shift from simply a cost center to a strategic driver of health, safety and wellbeing. Even in the cost-conscious retail vertical, hygiene will receive unprecedented levels of scrutiny.

On the heels of COVID-19, we expect to see a rise in brands that seek to become the "good housekeeping seal" for commercial cleaning and sanitization in the eyes of property managers, building occupants and visitors alike. We are seeing investors aggressively pursue commercial cleaning M&A opportunities as a result of this renewed focus on office space hygiene. We're also seeing continuing consolidation and platform building within the restoration services – an essential, non-deferable, event-driven category.

Attractive Sector Attributes

- Multi-year contract opportunities
- Highly fragmented, barbell-shaped market = buy-and-build opportunity
- Enhanced focus on hygiene and cleanliness due to COVID-19 changing pricing dynamics

Key Valuation Drivers

- High contract renewal rates and long tenured key account relationships
- End market diversification & specialization in sensitive environments
- "Strategic partner" characteristics – opportunity to expand scope of facility services

Notable Recent Transactions

Target		Acquirer	Date
TFM Services	acquired by	GenCap America	Aug-20
Restoration 1 Water Damage Experts	acquired by	MPK Equity Partners / Princeton Equity Group	Apr-20
HSS Hospitality Staffing Solutions	acquired by	KBS	Jan-20
KBS	acquired by	cerberus	Nov-19
Blackmon Mooring / BMS CAT	acquired by	AEA	Sep-19
Global Restoration Holdings	acquired by	FirstService	May-19
SERVPRO	acquired by	Blackstone	Mar-19
Pritchard Industries	acquired by	Alvarez & Marsal Capital	Oct-18
The Service Companies	acquired by	Gridiron Capital	Jun-18
GCA Services Group	acquired by	ABM	Sep-17

[7] *IBISWorld, Janitorial Services Industry – Dec 2019*

[8] *ABM Establishes Expert Advisory Council to Support COVID-19 Response and Enhanced Clean™ Program – Jul 2020*

> *Now more than ever, clients are turning to ABM for expertise and guidance to keep their facilities safe for employees, tenants, students, travelers, and the public. Our Expert Advisory Council will help us deliver innovative solutions like EnhancedClean™ to our clients and lead the industry through this pandemic"*
>
> *- Tom Gallo, SVP of Strategy & Transformation, ABM Industries*[8]

LANDSCAPING

Landscaping, like other building service categories beyond the "four walls," is predominantly outsourced and heavily localized. The sector distinguishes itself by virtue of scale ($102 billion in the U.S. market)[9], regularly scheduled route-based service and relatively modest capex requirements. Campuses, shopping environments, hospitals and residential communities all contract for routine mowing, tree care, irrigation and fertilization services. Northern operators often provide snow removal as well (an additional $15 billion market). The relatively low cost to the facility P&L amplifies the stability of the business model across economic cycles: on average, facilities spend $0.24/sf per year on grounds versus $0.58/sf on parking and $1.68/sf on cleaning.[10]

The landscaping market is increasingly consolidating, yet still heavily fragmented. **BrightView** is the industry heavyweight with ~10x the market share of its closest competitor and near double-digit acquisitions since its June 2018 IPO – yet it commands <3% market share. Further consolidation makes clear sense: procurement is centralizing, territory density drives down costs and scale enables value-add services. Private equity has taken note of these dynamics, and the industry has seen a flurry of recent platform transactions. This interest has driven multiples for players with scale to double digit levels.

Attractive Sector Attributes

- Expansive, non-discretionary market with predictable route-based delivery model
- Ample adjacent service opportunities
- Extraordinarily fragmented market still in the early innings of consolidation

Key Valuation Drivers

- Efficient route density within core target markets to optimize equipment utilization
- Significant revenue weighting towards maintenance and enhancements vs. projects
- Effective year-round labor management – particularly in seasonal northern climates

Notable Recent Transactions

- Santa Rita Landscaping Inc. acquired by Westhook – Feb-20
- Signature Coast acquired by BrightView – Jan-20
- Yellowstone Landscape acquired by Harvest Partners – Nov-19
- Heartland acquired by Sterling Investment Partners, LP – Sep-19
- Sunrise Landcare acquired by Plexus Capital – Sep-19
- Metco Landscape acquired by Westhook – Sep-18
- Bland Landscaping Co. Inc. acquired by Prospect Partners – Jan-18
- Juniper acquired by ZS Fund L.P. – Nov-17
- SavATree Tree, Shrub & Lawn Care acquired by CI Capital Partners – Jun-17
- Greenleaf Landscape Maintenance, Inc. acquired by SCG Partners – Oct-15

[9] IBISWorld, Landscaping Services Industry – Jun 2020
[10] Building Owners and Managers Association International, 2018

> *"Despite COVID-led market disruption, commercial landscaping remains a highly attractive and essential industry with actionable growth opportunities. Internally, we've increased our focus on health and safety and have stepped up proactive communication with our customers and business partners. Our management teams are making sure our field and office employees are practicing safe social distancing, increasing sanitation, and have implemented new systems to work remotely. Externally – while the pace of M&A activity has slowed – our conversations with prospective partners have continued and have been focused on sharing best practices to manage through the challenging environment."*
>
> *- Michael Hooks, Managing Partner, Westhook Capital*

LAUNDRY, LINEN & UNIFORM

Nearly all enterprises of scale today contract with third parties for laundry, linen and uniform services, a $15 billion market. This category was one of the earliest adopters of the outsourced model.

The market divides neatly into two camps. Cintas, Aramark and UniFirst control 50% of the market, while nearly 3,000 local and regional businesses service the other half.[11] This provides ample competitive space for strong regional players to emerge and consolidate below the "Big 3." High caliber platforms with the scale to convert their upfront equipment investments into recurring free cash flow are reinvesting in technology to solve client pain points. Foremost among these has been addressing asset shrinkage with tracking technology throughout the pick-up / clean / drop-off process as well as on-site at the client.

Growth prospects within the category can vary considerably by end market. Reliable laundry services are absolutely mission critical for the healthcare sector, which comprises 25% of the market. Aging demographics and a shift towards smaller outpatient facilities is expanding and diversifying the addressable market. Across the board, COVID-19 has heightened focus on hygiene and sanitization practices. This new spotlight presents an opportunity for service providers to gain market share through superior delivery.

Attractive Sector Attributes

- Predictable route-based business model underpinned by daily / weekly service
- Fragmented market under the "Big 3" – opportunity for regional consolidation
- Increasing service demand and growth opportunities due to COVID-19 in multiple verticals

Key Valuation Drivers

- Regional leadership, route density and infrastructure
- Scale vs. capex profile – capital intensity can limit free cash flow until scale is achieved
- End market diversification and focus on high-growth sectors such as healthcare

Notable Recent Transactions

Target		Acquirer	Date
doritex (The uniform service people)	acquired by	Cintas	Jan-20
Linen King	acquired by	Seaport Capital	Jan-20
Paris Healthcare Linen Services	acquired by	NOVO Health Services (The Healthcare Linen Professionals)	Jan-20
Faultless Healthcare Linen	acquired by	ImageFIRST Healthcare Laundry Specialists	May-19
BBJ Linen	acquired by	Orchard Holdings	May-19
ImageFIRST Healthcare Laundry Specialists	acquired by	Calera Capital	Oct-18
Emerald Textiles (Clean Matters.)	acquired by	Encore Textile Services	Jul-18
PureStar	acquired by	Cornell Capital	Jun-18
AmeriPride Linen and Apparel Services	acquired by	aramark	Jan-18
Angelica	acquired by	KKR	Jun-17

[11] *IBISWorld, Industrial Laundry & Linen Supply Industry – May 2020*

> *"The laundry services sector possesses solid long term growth dynamics, customers who truly value both service and product quality, and specialty end market requirements that provide meaningful opportunities for companies to differentiate. Coupled with technology trends that continue to encourage consolidation in multi-site services businesses generally, these characteristics make laundry services an attractive area for investment."*
>
> *- Ethan Thurow, Managing Director, Calera Capital*

WASTE & SITE SERVICES

Waste & site services are essential, predictable and primed for disruptive innovation in the new decade. Managing complex facility waste streams is fundamentally a logistical challenge – making it uniquely suited to technology and scale efficiencies. Next-generation business models are challenging and disrupting traditional, vertically integrated waste management providers, creating value in a massive $52+ billion U.S. industry that is sure to attract investment at an accelerating pace.[12]

Demand for waste services expands steadily across economic cycles: consistent 2-3% YoY growth for solid waste management (higher in other waste stream areas and emerging services such as sustainability and waste analytics) as an expanding population continues to generate more waste per capita. However, a mature market has engendered complacency among service providers. As a result, businesses are evidencing dissatisfaction with the incumbent hauler direct model.

The new decade will be results-driven. FS providers will continue to challenge traditional waste companies with attention to service, cost savings and technology. IoT is empowering data-driven decisions: route optimization, "just-in-time" collection and waste stream tracking. Recent deals in the space underscore trends toward increased consolidation and investor interest.

Attractive Sector Attributes

- Multi-year recurring contracts with high switching costs and strong renewal rates
- Sizable, cycle resistant industry ripe for disruption
- Predictable route-based business model

Key Valuation Drivers

- Tech-enabled delivery models disrupt antiquated models
- Net new client acquisition track record and existing customer retention rates
- Diversification – lower relative exposure to price-sensitive end markets

Notable Recent Transactions

Target		Acquirer	Date
Waste Harmonics	acquired by	Arcapita	Jan-20
DTG	acquired by	Clairvest	Jan-20
Restaurant Technologies	acquired by	West Street Capital Partners	Aug-19
Graybill Processing, Inc.	acquired by	Graycliff Partners; NCK Capital	Sep-18
RiverRoad	acquired by	Rubicon	Aug-18
Invisible Waste Services	acquired by	Valet Living	Jun-18
Liquid Environmental Solutions	acquired by	Audax Group	Dec-17
RWS Recycling & Waste Solutions	acquired by	Atar Capital	Sep-17
United Site Services	acquired by	Platinum Equity	Aug-17
WindRiver Environmental	acquired by	Gryphon Investors	Apr-17

[12] *IBISWorld, Waste Collection Services Industry – Jun 2020*

"The waste and site services industry is attractive for a number of reasons: (i) services are fundamental and essential to customers' operations, creating long-tenured relationships with low churn; (ii) the competitive landscape is highly fragmented, providing significant consolidation opportunities; and (iii) the broad range of adjacent on-premise facility services allow for potential diversification. Additionally, many industry participants have yet to adopt technology to improve service delivery through real-time visibility, providing clear "line of sight" opportunities for investors and entrepreneurs to build differentiated platforms by investing in systems and tech-enabled solutions."

- Cyrus Nikou, Founder & Managing Partner, Atar Capital

SUB-SECTOR SPOTLIGHT

Next Gen Service Models Challenging Incumbents

Widespread unhappiness with the management of common trash collection is creating unique growth opportunities at local, regional and national levels. The commercial collection segment of the municipal solid waste ("MSW") logistics chain constitutes a ~$22 billion industry in North America. Commercial accounts are increasingly demanding tangible ROI – greater service, more transparency, cost savings – for this significant expense line of their facility budgets.

Traditional asset heavy "hauler direct" models (e.g. traditional waste management companies) have been slow to evolve to address client demands for improved transparency, cost efficiency and sustainability. Local / regional haulers are focused more on maintaining books of businesses to finance their trucking fleets, and vertically integrated "oligarchs" generate most of their profitability from their landfill operations. In fact, many of them backwards integrated into collection as a means to "fill the landfill." This bias – and the need to sustain an extensive logistics network – results in inflexible service, fee-laden billing practices and program bloat.

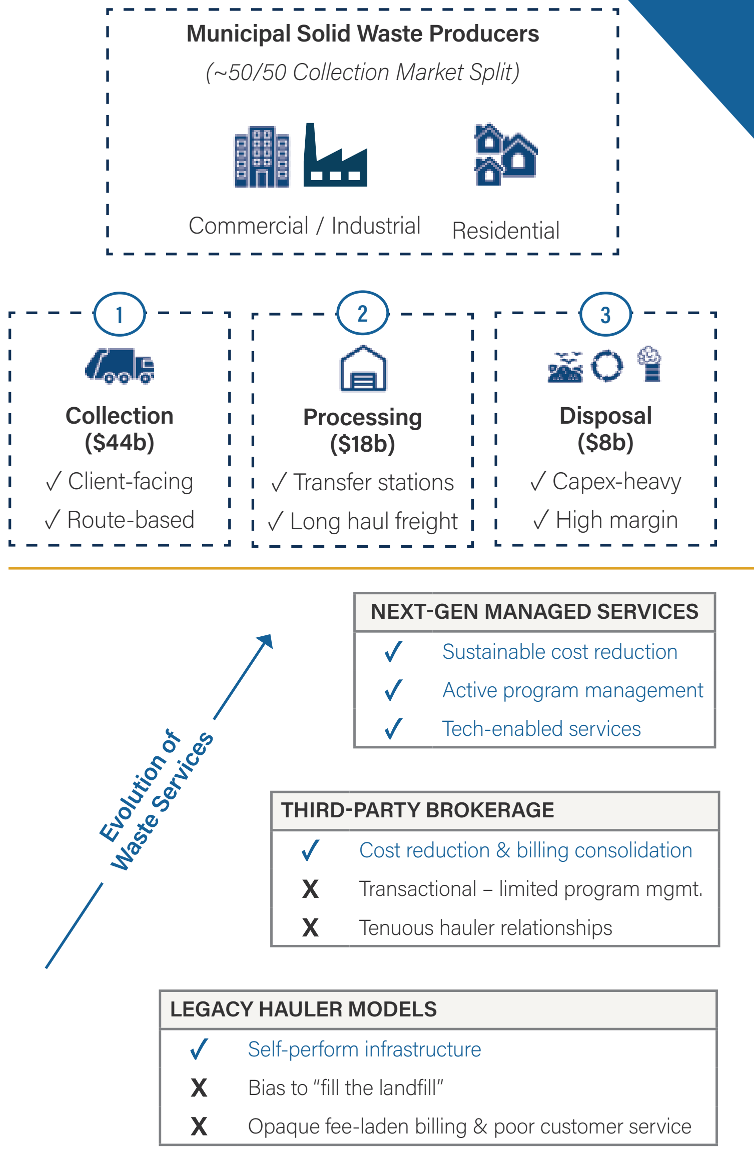
FS providers observed the hauler direct model's shortcomings in the '90s and shifted to a managed vendor model of channeling national accounts business to local haulers, leveraging volume to negotiate pricing and streamlining administration through consolidated invoicing. These waste brokerage models deliver cost savings but not much more.

Innovators from both the "asset heavy" hauler and "asset-light" brokerage camps and newer 2.0 business models such as **Waste Harmonics, New Market Waste, Quest Resources, Rubicon** and **RWS Facility Service**s are promoting next-gen managed waste services that emphasize:

Turnkey solutions – waste stream audits, program optimization, equipment rental and reporting / analytics

"White glove" service – upfront billing practices, hyper-responsiveness and constructive issue resolution

Data-driven decisions – Tracking waste streams from compactor ⟶ truck ⟶ disposal to right-size collection cycles, improve efficiency and drive sustainability



WASTE HARMONICS
simplify | consolidate | save

A PORTFOLIO COMPANY OF

Prospect Partners

HAS BEEN ACQUIRED BY

ARCAPITA

Recent TM Capital Transaction

- TM Capital served as exclusive financial advisor to Waste Harmonics, a portfolio company of Prospect Partners, in its sale to Arcapita, a global investment firm
- Waste Harmonics delivers a comprehensive suite of recurring managed waste solutions including consolidated waste collection and coordination, recycling and sustainability optimization, remote equipment monitoring, smart equipment rental, compliance reporting and waste stream auditing
- The Company is a trusted partner for nearly 100 blue chip clients in the c-store & petroleum, freight & logistics, grocery, retail, hospitality, QSR and entertainment markets
- In partnership with Arcapita, Waste Harmonics plans to pursue strategic acquisitions while also aggressively driving organic growth

4. SECTOR HIGHLIGHTS
HARD SERVICES

HARD SERVICES

Hard services are connected to the physical systems and infrastructure of the facility and ensure the safety, welfare and productivity of employees and building occupants – ***often characterized by higher skill labor and regulatory imperatives***

ELEVATOR & MECHANICAL SYSTEMS

Buildings contain myriad mechanical systems that are integral to both safe occupancy as well as the daily conduct of business. Elevators, conveyors, material handling equipment, cranes, loading docks and overhead doors must operate safely and reliably. Maximizing uptime and output for these systems is often a core component of profitability. Elevator maintenance alone represents a $25 billion industry.[13]

Mechanical systems require constant maintenance. The parts requirements and service cadence can vary substantially across different equipment categories and OEMs. As a result, OEMs have historically been the gatekeepers for mechanical system services – performing installations and aftermarket maintenance themselves or through exclusive partners. Recently, independent providers have disrupted this dynamic, promoting service-first models. Their ability to work across OEM brands and service "heterogeneous" environments is valuable to customers seeking vendor consolidation.

Elevator maintenance, in particular, has attracted enormous PE interest due to its monthly maintenance requirements (e.g. lubing and greasing cables) and regulatory / insurance mandates. We expect national / regional platforms will continue to emerge, focused on pushing an OEM-agnostic, recurring maintenance focused service message to customers.

Attractive Sector Attributes

- Critical asset uptime demands regularly scheduled preventative maintenance models (i.e. MRR)
- Demand for independent service providers that can work across OEM brands increasing
- Opportunity to differentiate as equipment category expert

Key Valuation Drivers

- % of revenue tied to multi-year, MRR-based preventative maintenance contracts
- Multi-OEM expertise within equipment category
- Proven ability to scale operations organically and via acquisition

Notable Recent Transactions

Target	Transaction	Buyer / Investor	Date
Tech24	acquired by	HCI Equity Partners	Jun-20
Unitec Elevator	acquired by	Arcline	May-20
ESI Elevator Systems Inc	acquired by	ShoreView	Mar-20
Landmark Elevator, Inc	acquired by	Oracle Elevator	Feb-20
Southwest Elevator Company	acquired by	Align Capital Partners	Sep-19
Naumann Hobbs Material Handling	acquired by	CenterGate Capital	Sep-19
MHS Materials Handling Solutions	Received an investment from	Crane 1	Jun-19
Specialized Elevator	acquired by	CIVC Partners	May-19
Oracle Elevator	acquired by	L² Capital Partners	May-17
OnPoint Group	acquired by	Harvest Partners	Mar-17

[13] *IBISWorld, Elevator Installation & Service Industry – Apr 2020*

L Squared invested in Oracle Elevator in the Spring of 2017. We found elevator service to be a compelling category for numerous reasons. First, the recurring revenue story is vibrant - multi-year, MRR-based preventative maintenance contracts are standard in the industry and unusual to find in the facility services sector. Second, the competitive landscape is highly fragmented with few providers of real scale offering an independent, national service alternative to the big four elevator manufacturers. Last - and most important - is the life safety-oriented nature of elevator services. This creates significant revenue resiliency across market cycles. We are seeing this in real-time now given the current environment."

- Sean Barrette, Partner, L Squared Capital Partners

HEATING, VENTILATION, AIR CONDITIONING & REFRIGERATION

HVACR equipment is the definition of mission critical – businesses cannot bring employees or customers into a building if heating and cooling systems don't work. Perishable goods will waste without refrigeration. This translates into equipment owners signing up for regular preventative maintenance programs and service providers adhering to tight SLA time frames for emergency break / fix repair. The end result – numerous recurring revenue service elements underpinning a $93 billion HVACR market.[14]

Efficiency has long been the #1 theme reshaping the industry landscape, and COVID-19 has heightened focus on indoor air quality. High-tech solutions such as building automation, IoT-enabled equipment and small particulate air filtration are disrupting the HVACR market more than any other facility services sector. An attractive, readily measured ROI coupled with elevated eco-consciousness is compounding upgrade and modernization demand. The service demands and technical expertise required to work on next-gen systems is also greater.

HVACR is one of the most hyperactive categories of facility services M&A. The rapid technological innovation and professionalization of the category has given rise to substantial consolidation and platform building. The intersecting features of mission critical demand, tech-enabled efficiency and a heavily fragmented competitive landscape will sustain investor interest in the category at attractive multiples for the foreseeable future.

Attractive Sector Attributes

- Mission critical category with recurring planned maintenance and break / fix demand
- Entering a tech-enabled / efficiency-driven upgrade and modernization cycle
- Heavily fragmented service landscape

Key Valuation Drivers

- Aftermarket service vs. installation mix
- Technology forward mentality – energy efficiency, smart / connected systems, IoT, automation
- Regional expertise – ability to navigate energy efficiency regulations & standards

Notable Recent Transactions

Target		Acquirer	Date
Huckestein Mechanical Services, Inc.	acquired by	Service Logic	Jan-20
Horizon Services	acquired by	New Mountain Capital LLC	Nov-19
ACIS Innovative Solutions	acquired by	Caltius Capital Management	Sep-19
Frank Gay Services	acquired by	Best Home Services	Jul-19
Budderfly	acquired by	Balance Point Capital Partners	Jun-19
Reedy Industries	acquired by	Audax Group	Mar-19
CoolSys	acquired by	Ares	Mar-19
Goettl Air Conditioning	acquired by	Baum Capital Partners	Aug-18
Climate Pros Inc.	acquired by	Saw Mill Capital	Jan-18
Pueblo Mechanical & Controls, Inc.	acquired by	Huron Capital	Dec-17

[14] *IBISWorld, Heating & Air-Conditioning Contractors Industry – Dec 2019*

> *"Caltius Equity Partners finds the facility services industry attractive given the significant installed base of mission critical infrastructure requiring service, maintenance and upgrading. The sector has attractive long-term organic growth prospects due to its recurring revenue nature and increased outsourcing trends, and certain sub-sectors are highly fragmented which creates consolidation opportunities that can be enhanced through national or regional density."*
>
> *- Michael Morgan, Managing Director, Caltius Equity Partners*

FIRE & LIFE SAFETY

The fire & life safety ("FLS") category is one of the hottest facility services categories in terms of growth, consolidation and private equity scrutiny. FLS services are growing at a high single-digit pace and today constitute a $19+ billion U.S. industry.[15] Facilities are emphasizing safety programs, building code updates are increasingly stringent and technology innovation (coupled with insurance incentives) are spurring modernization and retrofits. Investors are taking note.

Against this dynamic growth backdrop, the competitive landscape remains extraordinarily fragmented. Over 1,500 FLS providers exist with at least $1 million of revenue, but fewer than 25 exceed $100 million. Market forces, however, are driving consolidation, and a number of companies are quickly building substantial scale. Fire protection is increasingly system-oriented – requiring sprinkler, alarm and extinguisher technicians to collaborate as one team. Multi-facility platforms are centralizing procurement as FLS becomes a strategic imperative.

M&A activity is accelerating as a deep buyer universe of private equity platforms and strategic consolidators bring order and scale to the category. The past five years have witnessed the formation of at least a dozen new FLS private equity platforms and a similar number of sponsor-to-sponsor trades. In a heavily competitive M&A market for platforms of scale, certain private equity firms have elected to partner with an operating executive to greenfield their entry into the category. Diversified service platforms also view FLS as an accretive tangential category. **APi Group** first expanded its family of companies into FLS in 1969, and **Emcor** and **Cintas** acquired divisions in the early 2000s. More recent entrants include **ADT** (via Red Hawk Fire & Security), **FirstService Corporation** (via Century Fire Protection), **Johnson Controls** (via Tyco) and **Pon Holdings** (via Hiller Companies). Strong industry tailwinds and competitive buyer tension promise to sustain M&A activity at premium valuation levels for the foreseeable future.

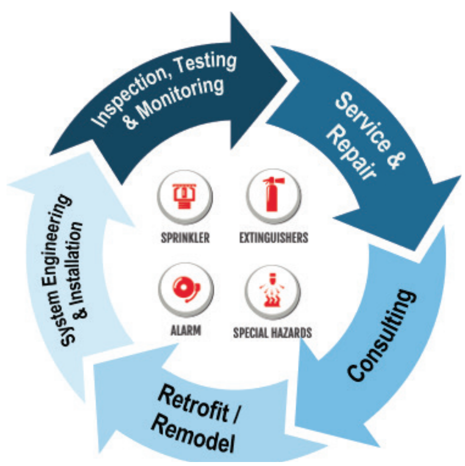
Attractive Sector Attributes

- Code-mandated recurring revenue – predictable inspection & repair cycles
- Technical requirements create competitive moat
- Substantial buy-and-build opportunities across a heavily fragmented landscape

Key Valuation Drivers

- Mix of aftermarket service revenue (inspection and maintenance) vs. new construction work
- Capabilities spanning multiple asset categories: wet / dry suppression, alarm, extinguisher, etc.
- Buy-and-build track record / platform "DNA"

Predictable, Recurring Revenue Model



[15] *MicroMarketMonitor, North America Active & passive Fire Protection Systems Market – 2016*

"CI Capital looks for opportunities to partner with exceptional management teams to pursue buy-and-build growth strategies across our portfolio. We identified the FLS industry as an attractive market for our investment model due to the large market size, highly fragmented industry structure, resilient recurring, regulatory-driven aftermarket revenue streams, and scarcity of scaled platforms. The buy-and-build opportunity with Summit has been very exciting. Since investing in Summit Companies in September of 2017, we have completed over 30 acquisitions which have served to significantly scale the business and broaden the company's geographic footprint, while maintaining Summit's attractive mix of recurring revenue."

- Will Swayne, Managing Director, CI Capital Partners

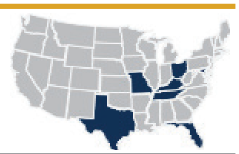
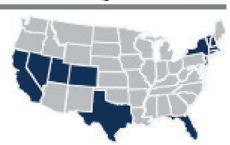
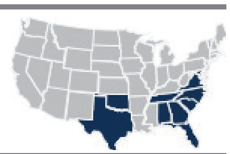
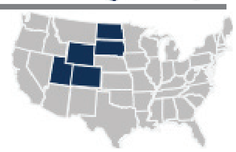
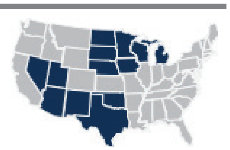
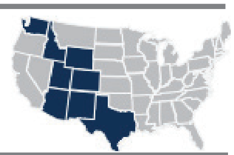
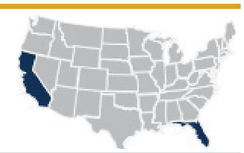
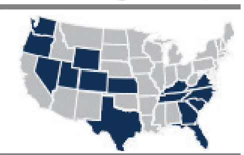
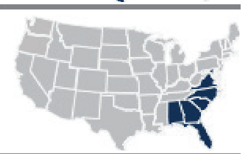
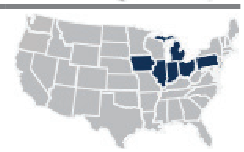
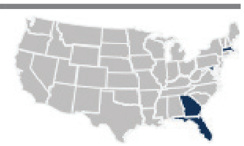
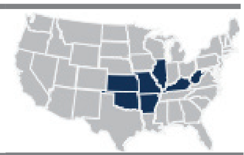
CI CAPITAL PARTNERS SUMMIT COMPANIES

FIRE & LIFE SAFETY
EXTRAORDINARY WAVE OF PE-DRIVEN CONSOLIDATION

M&A TREND SPOTLIGHT

Fire & Life Safety exemplifies many of the core characteristics of facility services that appeal most to private equity investors. Recurring revenue is codified into law. The industry is heavily fragmented – few service providers can operate across geographies or asset categories. Buy-and-build strategies can effectively forge in-region density and expand territory coverage. Credible scale and regional dominance have clear benefits when life safety is the central theme. Large-scale strategic buyers and upstream private equity firms present attractive exit opportunities.

An unprecedented period of private equity investment reshaped the FLS category over the past five years. At least a dozen buy-and-build platforms materialized to bring scale and greater efficiency to a fragmented landscape. Dozens of institutional investors are still seeking platform vehicles. Competition for assets will continue to drive up valuation multiples in the future – both for add-on acquisitions and platform exits.

PE FIRM	PLATFORM & SELF-PERFORM	TERRITORY
Align Capital Partners	Protegis Fire & Safety Jan 2018	
Audax Group	AI Fire Apr 2017	
Bluepoint Capital Partners	FLSA Fire & Life Safety America Feb 2017	
Boyne Capital	RFP Rapid Fire Protection, Inc. Jul 2019	
CI Capital Partners	Summit Companies Sep 2017	
Highview Capital	National Fire & Safety Apr 2019	
Huron Capital	Sciens Building Solutions Sep 2016	
LGP Leonard Green & Partners	Pye-Barker Fire & Safety, Inc. Dec 2019	
Markel	VSC Fire-Security Nov 2019	
Riverside	CertaSite Jun 2018	
SRM Sunny River Management, LLC	Fire Safety and Protection, LLC Jun 2018	
Thompson Street Capital Partners	Marmic Fire & Safety Sep 2018	

Summit Companies

A PORTFOLIO COMPANY OF

Prospect Partners

HAS BEEN ACQUIRED BY

CI Capital Partners

Recent TM Capital Transaction

- TM Capital served as exclusive financial advisor to Summit Companies ("Summit"), a portfolio investment of Prospect Partners, in its sale to CI Capital Partners, a private equity firm based in New York with $2.4 billion in assets under management
- Summit is a leading pure-play fire and life safety services platform headquartered in the Upper Midwest with end-to-end self-perform capabilities, unmatched technical expertise and a highly recurring base of code-driven, non-discretionary revenue
- Summit's expertise covers the entire spectrum of fire protection categories including wet & dry suppression systems, clean agent suppression, alarms & security monitoring, extinguishers, kitchen hoods and special hazard systems
- Prior to the transaction, the Company had successfully completed more than 20 acquisitions, rapidly expanding its footprint, capabilities and national reach

SECURITY SYSTEMS & ASSET PROTECTION

Servicing the equipment that safeguards buildings, people and assets requires a highly skilled (and continuously trained) work force with zero fault tolerance. It also demands a highly technical skill set that fosters technician scarcity.

The sector covers a diverse array of equipment categories: entry systems, alarms, video surveillance, emergency communications, access control and safes / ATMs. As buildings become increasingly "smart" and tech-enabled, leading platforms are increasingly branching into tangential categories such as fire & life safety, building automation, mechanical controls and cybersecurity. Security alarm services alone comprise $28 billion of annual spend as of 2020.[17]

The narrowly focused alarm electrician or video specialist has given way to today's sophisticated security system integrators. Services are highly consultative and customized – seamlessly integrating security sub-systems into unified security solutions. Upfront system design and implementation generates an essentially perpetual tail of maintenance and repair. More importantly, 24 / 7 monitoring and managed services (i.e. contracted recurring revenue) are hallmarks of the category.

Major national / regional platforms will emerge to capture outsized growth and market share as clients entrust security programs to reputable brands, skilled labor gravitates to the top players and OEMs collaborate strategically with key partners.

Attractive Sector Attributes

- Mission critical equipment essential to core operations
- Exposure to numerous high growth end markets
- Daily use equipment generates predictable break-fix service volume

Key Valuation Drivers

- Technology disintermediation increasing service opportunities and barriers to entry
- Strong service level metrics – rapid deployment, first time fix, etc
- National / multi-regional service footprint

Notable Recent Transactions

- Norris Inc. acquired by Minuteman Security Technologies — Mar-20
- Pelco acquired by Transom Capital Group — May-19
- allcooper Security & Fire Specialists acquired by Securitas — Apr-19
- Shields Business Solutions acquired by Mangrove Equity Partners — Nov-18
- Kratos Public Safety & Security Solutions, Inc. acquired by Securitas Electronic Security — Jun-18
- Convergint Technologies acquired by Ares — Feb-18
- Minuteman Security Technologies acquired by Prospect Partners — Jan-18
- Safe Security acquired by Ironwood Capital — Oct-16
- Eyewitness Surveillance acquired by LLR Partners — Sep-16
- Femoran Security Solutions acquired by Armory Capital Management, LLC — Jan-16

[17] *IBISWorld, Security Alarm Services Industry – Mar 2020*

"In today's environment, customers are relying upon strong security integrators like Minuteman Security Technologies to ensure their employee's and customer's physical and emotional health. Best-in class security integrators need to offer a full suite of video, access control, facial recognition, contact tracing, mass notification and behavioral technologies to combat both visible and invisible threats. Smaller, less sophisticated integrators that are unable to offer a full suite of solutions will struggle in this new environment."

- Brett Holcomb, Principal, Prospect Partners

CASH CYCLE
MANAGEMENT SERVICES

SUB-SECTOR SPOTLIGHT

Technological Disruption Amplifies Service Needs

Financial institutions are investing in technology and automation equipment, requiring up to 3x greater maintenance

80% of consumers use an ATM as a primary interaction method with their bank – surpassing mobile or online banking.[18] Self-service kiosks and automation technology are central to branch transformation strategies, supporting the dual objective of improved customer experience and profitability. At a macro level, remote ATM networks are expanding to supplement optimized branch footprints.

"Next generation" branches are characterized by more self-service kiosks and transaction automation technology, freeing reduced personnel to focus on advisory services. Headcount and low-function equipment are being replaced with higher-function intelligent kiosks and teller cash recyclers. The sustained growth in cash-in-circulation demands a growing installed base of supportive automation.

This rapid proliferation of equipment – coupled with near-constant consolidation and rebranding activity – requires substantial retrofit, modernization and post-installation support services. In conjunction with regulatory-driven inspection and security requirements, financial institutions increasingly depend upon a strategic outsourced service partner with broad product expertise, compliance-oriented service acumen and the scale and service density to meet stringent SLA requirements.

UP TO 3X THE MAINTENANCE SPEND OF LEGACY ATMS

NEXT-GENERATION EQUIPMENT FEATURES MORE SOPHISTICATED FUNCTIONALITY, MECHANICS AND CONNECTIVITY

- ✓ Mobile-enabled cashless transactions
- ✓ Cash recycling – withdrawal and deposit
- ✓ Targeted marketing / cross-selling solutions
- ✓ Video connection to remote tellers

Increased adoption of commercial "smart safes" across sectors has expanded demand for technical services with predictable preventative and break / fix service volume

Recent advancements in smart safe technology improve efficiency across the cash management cycle. Cash-in-transit providers and banks are made aware of the increased cash balance at the time of deposit, allowing cash cycle service partners to extend provisional credit and schedule efficient cash pick-ups.

Smart safes also offer value-added features – such as remote monitoring and time-lock functionality – that enhance non-cash functions in myriad industries. Time-delay opening features and remote monitoring allow pharmacies to comply with FDA regulations governing opioid distribution and reduce theft-related losses. Cellular retailers – where inventory values are rising rapidly as more features are packed into smart phones – can limit losses from employee and non-employee theft by installing smart safes with remote access management functionality. The increased adoption of smart safe technology across sectors provides tailwinds to sophisticated asset protection service providers.

Smart Safes Enable Seamless Communication across the Cash Cycle

1. Customer completes cash-based transaction at retail location and employee deposits cash into smart safe
2. Smart safe connects directly with cash-in-transit provider and bank, informing them of the new cash balance
3. Cash-in-transit provider schedules pick-up and bank extends provisional credit instantly based on cash deposits

[18] *Celent, Survey of 2,500 U.S. Consumers Commissioned by Samsung – Jun 2018*

PLUMBING & ELECTRICAL

Two common features of the plumbing and electrical trades are known to anyone who has encountered a leaky pipe or a faulty fuse box: (i) problems must be resolved immediately and (ii) the service provider landscape is largely local and fragmented, despite the fact that this is a massive $300 billion market.[19]

Few super-regional providers exist in the space. Among the integrated facility service providers, only ABM has a national commercial presence in the category. A substantial portion of plumbing and electrical work is tied to new construction, renovation and retrofit – high value projects but inherently variable and difficult to anticipate. The pathways to building a reliable book of aftermarket service business, adding capacity and realizing scale efficiencies are less straightforward than other facility services categories. As a result, plumbing and electrical have historically been comprised of local operators and divisions of diversified mechanical contractor platforms.

Private equity platform building – while more focused on the residential market – has picked up in recent years. **ARS / Rescue Rooter** has been sponsor-backed since its 2006 carve-out from ServiceMaster. Regional consolidation plays such as **Len the Plumber** and **Burton Plumbing** have attracted sponsors in the past year. Private equity focus on the space remains in the early innings.

Attractive Sector Attributes

- Highly technical, in-demand trade categories
- Fragmented market with thousands of local, "mom and pop" service providers
- 1 Limited private equity investment to date in commercial segments – first-mover opportunity

Key Valuation Drivers

- Strength of relationships with local trade "multipliers" – GCs, builders, etc.
- Aftermarket service vs. installation mix
- Extension into tangential / related trades – HVACR, mechanical systems, etc.

Notable Recent Transactions

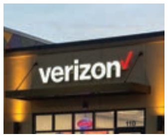
Target		Acquirer	Date
SEC	acquired by	Comfort Systems USA	Announced
CEC	acquired by	Alaris Royalty Corp.	Jun-20
Burton	acquired by	ShoreView	Mar-20
Len The Plumber	acquired by	Thompson Street Capital Partners	Feb-20
PDE Total Energy Solutions Electrical Contractors	acquired by	Morrow Meadows Corporation	Jan-20
Niemeyer Bros. Plumbing Inc.	acquired by	Pueblo Mechanical & Controls, Inc.	Nov-19
VarcoMac Electrical Construction Co	acquired by	Therma	Sep-19
Pace Companies	acquired by	Aterian Investment Partners	Apr-19
The State Group	acquired by	Blue Wolf; Yellow Point Equity Partners	Apr-18
PIE Construction	acquired by	Hamilton Robinson Capital Partners	Apr-18

[19] *IBISWorld, Various Reports (Plumbers, Electricians) – Mar to May 2020*

> *Pueblo has made six acquisitions since Huron Capital's initial investment in December 2017 and a couple of these provided greater depth of service in plumbing and controls. Pueblo always had small teams able to provide these services to its customer base, but these add-ons deepened Pueblo's experience and resources in plumbing and controls. Many customers like that Pueblo can provide plumbing and / or controls services along with the traditional HVAC work. Pueblo's strategy is to continue developing into a broad-based facility services business which can handle the retrofit, service, maintenance, and technical needs of all of a building's mechanical systems."*
>
> *- Scott Hauncher, Partner, Huron Capital Partners*

Huron Capital | Pueblo Mechanical & Controls, LLC

SIGNAGE & LIGHTING



Signage & lighting are integral components of front line marketing and the customer experience. As service mandates expand and technology advances, this once localized "cottage industry" is gaining strategic branding and profit-generating importance.

Leading platforms in the $16.0 billion U.S. sign market are increasingly seen as brand partners rather than service providers.[20] Branding consistency, coordinated re-imaging rollouts and equipment uptime are of paramount importance as c-stores, QSR, banks, retailers and hotels vie for customer loyalty. Program management has replaced project RFPs, and platforms are backwards integrating into manufacturing to control quality and delivery times. Repairs such as bulb and ballast outages – which comprise 60% of the market – are transitioning from break / fix dispatches to planned maintenance.

The signage category extends naturally to lighting assets from the parking lot to the store interior. The TCO advantages of LED technology are creating a generational growth opportunity. In the past, claiming that LED high bay lights could compete with traditional T5 lamps would have been unheard of – today, improved unit costs and up to 50% energy cost savings have changed the conversation. The market is still early in the adoption curve – in 2017, only 19% of total lighting solutions in the U.S. were LED-based. LED market penetration is forecasted to reach 84% by 2035.[21]

Attractive Sector Attributes

- Limited number of large, national service-oriented players accentuates scarcity value
- Pent-up demand for LED-driven tech upgrades
- Predictable refresh cycles & secular demand drivers: M&A, rebranding, tenant turnover

Key Valuation Drivers

- Degree of client partnership – tenure, budgeting visibility, relationships above "procurement"
- Sizable recurring revenue base from sign service / lighting maintenance
- National program management capabilities

Notable Recent Transactions

Target		Acquirer	Date
Advanced Automated	acquired by	Albireo Energy	Jan-20
Icon	acquired by	MC group	Sep-19
Relight	acquired by	NuSutus	Aug-19
AGS	acquired by	Federal Heath Visual Communications	Jun-19
Coastal Signage + Wayfinding	acquired by	MC group	Mar-19
SignResource Identity Group	acquired by	Industrial Opportunity Partners	Jul-18
Principal LED	acquired by	Valesco Industries	Jan-18
MC group	acquired by	Arcapita	Dec-17
Envo Core	acquired by	DFW Capital Partners	Jun-17
Kieffer | Starlite	acquired by	Northstar Capital LLC	Dec-16

[20] IBISWorld, Billboard & Sign Manufacturing Industry, - Apr 2020

[21] US Department of Energy, Energy Savings Forecast of Solid-State Lighting in General Illumination Applications - Dec 2019

"We are investing in the facility services space, and specifically signage and lighting, based on the long-term trend in corporate America of shedding non-core activities in an effort to reduce SG&A and in recognition that 3rd party specialists can do it better, cheaper and faster. This is nothing new. Specifically in facilities, we are also seeing an increasing trend of vendor consolidation as internal resources get cut and spread thin. Therefore, our thesis is to provide turnkey solutions on a nationwide scale to large corporates for mission-critical services that have complex supply chains and fragmented service providers."

- Neil Carter, Managing Director, Arcapita

5. M&A TRANSACTION ACTIVITY

DIVERSIFIED FS / FRANCHISOR MODELS

New Platform Acquisitions			
Date	Target	Acquiror	
Aug-20	Divisions Maintenance Group ("DMG")	Roark Capital	
May-20	SIB Fixed Cost Reduction	02 Investment Partners	
Dec-19	Sevan Multi-Site Solutions	ABS Capital Partners	
Mar-19	Servpro Industries	The Blackstone Group	
Jan-18	Advanced Service Solutions	BHMS Investments	

Sponsor Ownership Transitions			
Date	Target	Acquiror	Seller
Jul-19	Home Franchise Concepts	JM Family Enterprises	Trilantic Capital Management
May-19	BGIS (fka: McKinstry FMS)	CCMP Capital Advisors	Brookfield Business Partners
Sep-18	Authority Brands	Apax Partners	PNC RiverArch Capital
Jun-18	Neighborly (fka: The Dwyer Group)	Harvest Partners	The Riverside Company
Oct-16	Lynx Franchising (dba: JAN-PRO)	Incline Equity Partners	Webster Equity Partners

Notable Strategic Acquisitions			
Date	Target	Acquiror	Seller
Jun-20	Interserve Facilities Management	Mitie Group (LSE: MTO)	Private
Jan-19	Quality Solutions	Cushman & Wakefield (NYSE: CWK)	Gridiron Capital
Jun-18	FacilitySource	CBRE (NYSE: CBRE)	Warburg Pincus
Mar-16	FM Facility Maintenance	Vixxo (fka: First Service Networks)	Wind River Holdings

EXTERIOR BUILDING SERVICES

New Platform Acquisitions			
Date	Target	Acquiror	
Jun-20	JOBS - AMST	Keystone Capital	
Apr-20	Aqualis Stormwater Management	DFW Capital Partners	
Dec-19	Certus Pest	Imperial Capital Limited	
Oct-19	JAFLO Inc.	New MainStream Capital	
Aug-19	Top Gun Pressure Washing	Osceola Capital Management	
Aug-19	Atlantic Southern Paving and Sealcoating	Harbor Beach Capital	
Jun-19	Let's Pave	Saw Mill Capital	
May-19	Diversified Fall Protection	North Branch Capital / Baird Principal Group	
Nov-18	North American Roofing	Silver Oak Services Partners	
Nov-17	Road Safety Services	Parallel49 Equity	
Jun-17	Superior Environmental Solutions	Rosewood Private Investments	
Feb-17	Sweeping Corporation of America	Soundcore Capital Partners	
Jul-16	Advanced Pavement	Dubin Clark & Company	
Jul-16	Cutler Repaving	Konza Valley Capital	
Mar-16	Lithko Contracting	The Pritzker Organization	
Oct-15	Rose Paving Company	Merit Capital Partners	
Aug-15	Brown Brothers Asphalt & Concrete	Prophet Equity	

Sponsor Ownership Transitions			
Date	Target	Acquiror	Seller
Oct-19	Ned Stevens Gutter Cleaning	AVALT Holdings	Incline Management
Jan-19	Pro-Vac	RLJ Equity Partners	Peninsula Capital Partners / Silver Peak Partners
Nov-18	City Wide Building Services	NCK Capital	Double R Partners
Aug-16	Tecta America	Onex Corporation	Oaktree Capital Management

Notable Strategic Acquisitions			
Date	Target	Acquiror	Seller
Apr-20	Bob Popp Building Services	Top Gun Pressure Washing (Osceola Capital)	Private
Jan-19	Clark Pest Control	Rollins (NYSE: ROL)	Private
Dec-18	Mosquito Squad Franchising Corporation	Authority Brands (Apax Partners)	Outdoor Living Brands
Oct-18	Mitie Pest Control Limited	Rentokil Initial plc (LSE: RTO)	Mitie Group plc
Aug-18	Mosquito Joe	Neighborly (Harvest Partners)	Buzz Franchise Brands
Jun-18	KFM Striping and Curb Company	Rose Paving Company (Merit Capital Partners)	Private
Mar-18	Copesan Services	ServiceMaster Global Holdings (NYSE: SERV)	Private
Jan-18	East Coast Lot & Pavement / National Maintenance	Kellermeyer Bergensons Services (Cerberus Capital)	Private
Aug-17	Northwest Exterminating Co.	Rollins (NYSE: ROL)	Private

GUARD, CONCIERGE & PARKING MANAGEMENT

New Platform Acquisitions		
Date	Target	Acquiror
Jul-20	Internal Security Associates	Mangrove Equity Partners (via new platform "PPS")
Sep-19	American Heritage Protection Services	Mangrove Equity Partners (via new platform "PPS")
Mar-19	Single Source Security	Southfield Capital
Dec-18	JBM Patrol & Protection	Mangrove Equity Partners (via new platform "PPS")
Jun-17	Premier Parking	River Associates
Feb-16	Duncan Solutions	Marlin Equity Partners

Sponsor Ownership Transitions			
Date	Target	Acquiror	Seller
Oct-19	Garda World Security Corporation	BC Partners	Rhone Capital
Jun-19	SOS Security	Sun Capital Partners	The Jeffrey Hart Group
Jun-16	Electric Guard Dog	Snow Phipps Group	Ulysses Management
Jul-15	Allied Universal	Warburg Pincus	Partners Group Private Equity

Notable Strategic Acquisitions			
Date	Target	Acquiror	Seller
Nov-19	SOS Security	Allied Universal (Warburg Pincus / CDPQ)	Sun Capital Partners
Apr-19	Securadyne Systems	Allied Universal (Warburg Pincus / CDPQ)	Pamlico Capital Management
Apr-19	Whelan Security Company	Garda World Security Corporation (BC Partners)	Private
Mar-19	Corporate Concierge Services	Jones Lang LaSalle (NYSE: JLL)	Private
Feb-19	CIPHER	Prosegur Compañía de Seguridad (BME: PSG)	Private
Dec-18	Imperial Parking / Citizens Parking	ParkJockey (Mubadala Capital)	Ontario Teachers' Pension Plan
Oct-18	U.S. Security Associates	Allied Universal (Warburg Pincus / CDPQ)	West Street Capital Partners
Mar-18	United American Security	Garda World Security Corporation (BC Partners)	LaSalle Capital
Aug-17	OMNIPLEX World Services Corporation	Constellis Holdings (Apollo Global Management)	Altamont Capital Management
May-16	AlliedBarton Security Services	Universal Services of America (Warburg Pincus / CDPQ)	Private

JANITORIAL, CLEANING & RESTORATION

New Platform Acquisitions		
Date	Target	Acquiror
Aug-20	TFM Services	Gen Cap America
Apr-20	Restoration 1	MPK Equity Partners / Princeton Equity Group
Mar-20	The Maids International	Gladstone Investment Corporation
Sep-19	The BMS Enterprises	AEA Investors
Sep-19	Advanced Drying Systems	Clearwell Group / Plexus Capital
Apr-19	Belfor Property Restoration	American Securities
Oct-18	Blue Team Restoration	Palm Beach Capital
Oct-18	Pritchard Industries	A&M Capital Advisors
May-18	1 Priority Environmental Services	02 Investment Partners
Apr-18	Bassett Creek Restoration	Gladstone Investment Corporation
Apr-16	Citron Hygiene	Birch Hill Equity Partners Management

Sponsor Ownership Transitions			
Date	Target	Acquiror	Seller
Nov-19	Kellermeyer Bergensons Services	Cerberus Capital Management	GI Partners
Sep-18	Fleetwash	Acon Investments	DFW Capital Partners
Aug-18	BluSky Restoration Contractors	Dominus Capital	KLH Capital
Jun-18	The Service Companies	Gridiron Capital	Vision Capital / aPriori Capital Partners
May-18	PSSI	The Blackstone Group	Leonard Green & Partners / Harvest Partners
Jul-17	EnviroVac	Audax Group	RLJ Equity Partners
Dec-15	Commercial Cleaning Systems	Silver Oak Services Partners	Invision Capital
Nov-15	Coverall North America	ICV Partners	Centre Lane Partners

Notable Strategic Acquisitions			
Date	Target	Acquiror	Seller
Jan-20	Hospitality Staffing Solutions	Kellermeyer Bergensons Services (Cerberus Capital)	Caymus Equity Partners / Littlejohn Capital
Jun-19	Kleen-Tech Services Corporation	Concierge Building Services (Emko Capital)	Private
Jun-19	Global Restoration Holdings	FirstService Corporation (TSX: FSV)	Delos Capital Management
Apr-19	Capital Contractors	Kellermeyer Bergensons Services (Cerberus Capital)	Palladium Equity Partners
May-18	Servest Group Limited	ATALIAN Group	Private
Sep-17	GCA Services Group	ABM Industries (NYSE: ABM)	Thomas H. Lee Partners / Goldman Sachs
Aug-17	Varsity Contractors	Kellermeyer Bergensons Services (Cerberus Capital)	Private
Jun-17	Aetna Integrated Services	ATALIAN Group	Private
Jan-16	Temco Service Industries	ATALIAN Group	Private

LANDSCAPING

New Platform Acquisitions		
Date	Target	Acquiror
Feb-20	Santa Rita Landscaping	Westhook Capital
Sep-19	HeartLand Company	Sterling Investment Partners
Sep-19	Sunrise Landscape	Plexus Capital
Jul-19	Leahy Landscaping	Anvil Capital
Sep-18	Metco Landscape	Westhook Capital
Jan-18	Bland Landscaping	Prospect Partners
Nov-17	Juniper Landscaping Holdings	ZS Fund
Jun-17	SavATree	CI Capital Partners
May-17	Moore Landscapes	ClearLight Partners
Oct-15	Green Leaf Landscaping	SCG Partners
May-15	Monarch Landscape Companies	One Rock Capital Partners

Sponsor Ownership Transitions			
Date	Target	Acquiror	Seller
Nov-19	Yellowstone Landscape	Harvest Partners	CIVC Partners
Jul-19	Landcare USA	Management Team	Aurora Resurgence Management Partners
Nov-16	Merit Service Solutions	Eureka Equity Partners	L Squared Capital Partners

Notable Strategic Acquisitions			
Date	Target	Acquiror	Seller
Jan-20	Signature Coast Holdings	BrightView Holdings (NYSE: BV)	Private
Jan-20	Summit Landscape Group	BrightView Holdings (NYSE: BV)	Private
Sep-19	Glenn's Greenery / Marshall Gardens	Ambius (Rentokil Initial)	Private
Aug-19	Urban Forestry Services	The F.A. Bartlett Tree Expert Company	Private
May-19	Luke's Landscaping / Desert Classic Landscaping	BrightView Holdings (NYSE: BV)	Firstservice Residential Management
Feb-19	Benchmark Landscapes	BrightView Holdings (NYSE: BV)	Private
Jan-19	Emerald Landscape Company	BrightView Holdings (NYSE: BV)	Private
Aug-18	New Age Communications Construction	Davey Tree Expert Company	Private
Apr-16	Scotts Lawnservices	Trugreen (Clayton, Dublier & Rice)	The Scotts Miracle-Gro Company (NYSE: SMG)

LAUNDRY, LINEN & UNIFORM

New Platform Acquisitions		
Date	Target	Acquiror
Jan-20	Linen King	Seaport Capital
Oct-18	ImageFIRST	Calera Capital
Jun-18	Purestar Linen Group	Cornell Capital
Jun-17	Angelica Corporation	KKR
Jan-17	Encore Textile	Highland Avenue Capital
Oct-16	Superior Health Linens	Thompson Street Capital Partners
Dec-15	La Tavola	Frontenac Company
Mar-14	Crown Healthcare Laundry Services	Quilvest Private Equity

Sponsor Ownership Transitions			
Date	Target	Acquiror	Seller
May-19	BBJ Linen	Orchard Holdings Group	Dubin Clark & Company

Notable Strategic Acquisitions			
Date	Target	Acquiror	Seller
Jan-20	Doritex Corporation	Cintas Corporation (NasdaqGS: CTAS)	Private
Jan-20	Paris Healthcare Linen Services	NOVO Health Services (Tuckahoe Holdings)	Paris Companies
May-19	Faultless Laundry Company	ImageFIRST Healthcare (Calera Capital)	Private
Jul-18	Emerald Textiles	Encore Textile Services (Highland Avenue Capital)	Private
Jan-18	AmeriPride Services	Aramark (NYSE: ARMK)	Private
Mar-17	G&K Services	Cintas Corporation (NasdaqGS: CTAS)	Private

WASTE & SITE SERVICES

New Platform Acquisitions		
Date	Target	Acquiror
Jan-20	Waste Harmonics	Arcapita Group
Jan-20	DTG Recycling Group	Clairvest Group
Nov-19	J&J Services	Main Street Capital Corporation
Mar-19	Miller Environmental Group	GenNx360 Capital Partners
Sep-18	Graybill Processing	Graycliff Partners / NCK Capital
Mar-18	OMNI Environmental Solutions	OEP Capital Advisors
Feb-18	48forty Solutions	Grey Mountain Partners / Yukon Partners
Oct-17	VLS Recovery Services	Aurora Capital Partners
Sep-17	RWS Facility Services	Atar Capital
Sep-17	Cambium United	Seacoast Capital
Aug-17	Stella Environmental Services	Hidden Harbor Capital Partners
Apr-17	EnviroWaste Services Group	Trivest Partners
Feb-17	MAX Environmental Technologies	Altus Capital Partners
Jan-17	New Market Waste Solutions	Zabel Capital
Jan-17	Lewis Clark Recycling and Disposal	Ironwood Capital
Mar-16	Pallet Logistics of America	Silver Oak Services Partners
Dec-15	Northwest Pallet	Huron Capital Partners
Mar-15	Certified Recycling	Parallel49 Equity

Sponsor Ownership Transitions			
Date	Target	Acquiror	Seller
Aug-19	Restaurant Technologies	West Street Capital Partners	Aurora Capital Partners
Aug-19	Chemtron Corporation	Kinderhook Industries	CapitalWorks
May-19	TAS Environmental Services	Blue Point Capital Partners	TEAM Partners
Feb-18	Gold Medal Environmental	Kinderhook Industries	Ironwood Capital
Dec-17	Liquid Environmental Solutions Corporation	Audax Group	ABS Capital Partners
Aug-17	United Site Services	Platinum Equity	Calera Capital
Apr-17	Wind River Environmental	Gryphon Investors	RFE Investment Partners
Sep-15	Valet Living	Ares Capital and Harvest Partners	New Mountain Capital

Notable Strategic Acquisitions			
Date	Target	Acquiror	Seller
Announced	Advanced Disposal Services	Waste Management (NYSE: WM)	Private
Jan-20	Trojan Waste Solutions	Valet Living (Ares Capital)	Private
Apr-19	Sustainable Solutions Group	RWS Facility Services (Atar Capital)	Private
Nov-18	Waste Industries USA	GFL Environmental (TSX: GFL)	Equity Group Investments / HPS Investment Partners
Jun-18	Charter Waste Management	Rubicon Global Holdings	Private
Jun-18	Invisible Waste Services ("IWS")	Valet Living (Ares Capital)	Cascade Engineering
May-18	Waste Services Division of WestRock Company	Rubicon Global Holdings	WestRock Company (NYSE: WRK)
Feb-16	Johnny On The Spot	United Site Services (Platinum Equity)	Dubin Clark & Company / Balance Point Capital
Feb-16	RiverRoad Waste Solutions	Rubicon Global Holdings	Private
Jan-16	Progressive Waste Solutions	Waste Connections (NYSE: WCN)	Private

ELEVATOR & MECHANICAL SYSTEMS

New Platform Acquisitions		
Date	Target	Acquiror
Jul-20	J&J Worldwide Services	Arlington Capital Partners
Jun-20	Tech-24	HCI Equity Partners
Mar-20	D&H United Fueling Solutions	KLH Capital
Mar-20	Elevator Systems Inc. ("ESI")	ShoreView Industries
Sep-19	Southwest Elevator Co. of Texas	Align Capital Partners
Sep-19	Naumann/Hobbs Material Handling	CenterGate Capital
May-19	Specialized Elevator Services Holdings	CIVC Partners
Feb-19	Full Spectrum	Pfingsten Partners
Aug-18	CSA Service Solutions (dba: EMSAR)	Emigrant Capital Corp
Apr-18	3Phase Elevator	Fort Point Capital
Mar-18	NorthPoint Technical Services	Lion Equity Partners
Nov-17	Smart Care Equipment Solutions	Audax Group
Jun-17	Nwestco	WestView Capital Partners
May-17	Oracle Elevator Company	L Squared Capital Partners
Oct-15	Crane 1 Services	Pfingsten Partners

Sponsor Ownership Transitions			
Date	Target	Acquiror	Seller
May-20	Unitec Elevator Company	Arcline Investment Management	Pacific Avenue Capital Partners
Jun-19	Rotating Machinery Services	Cortec Group	Incline Management
Mar-17	OnPoint Group	Harvest Partners	CI Capital Partners

Notable Strategic Acquisitions			
Date	Target	Acquiror	Seller
Jul-20	Winnipeg Elevator	Thyssenkrupp Elevator Canada	Private
Feb-20	Landmark Elevator	Oracle Elevator Company (L Squared Capital Partners)	Private
Nov-19	Duncan Entrance Systems	Oracle Elevator Company (L Squared Capital Partners)	Private
Jun-19	Material Handling Solutions ("MHS")	Crane 1 Services (Pfingsten Partners)	Private

FIRE & LIFE SAFETY

New Platform Acquisitions		
Date	Target	Acquiror
Jul-20	Classic Fire Protection	McCain Capital Partners
Nov-19	VSC Fire & Security	Markel Corporation
Oct-19	APi Group	J2 Acquisition Limited
Jul-19	Rapid Fire Protection	Boyne Capital Partners
Jan-19	SK AeroSafety	Levine Leichtman Capital Partners
Sep-18	Marmic Fire & Safety	Thompson Street Capital Partners
Aug-18	Pro-Tec Fire & Safety	Lincoln Road Global Management
Jun-18	Fire Safety & Protection	Sunny River Management
Jun-18	CertaSite	The Riverside Company
Feb-18	Fire Door Solutions	Emigrant Capital
Sep-16	WSA Systems-Boca	Huron Capital Partners (via new platform Sciens)

Sponsor Ownership Transitions			
Date	Target	Acquiror	Seller
Nov-19	Pye-Barker Fire & Safety	Leonard Green & Partners	Carousel Capital Partners
Aug-19	Performance Systems Integration ("PSI")	The Riverside Company	Peterson Partners
Apr-19	National Fire & Safety (fka: Frontier Fire)	Highview Capital	Champlain Capital Management
Dec-17	Protegis Fire & Safety (fka: ISA & ABCO)	Align Capital Partners	Gen Cap America
Nov-17	SEAM Group	Align Capital Partners	Evolution Capital Partners
Sep-17	Summit Companies	CI Capital Partners	Prospect Partners
Apr-17	AI Fire (fka: Academy Fire & Impact Fire)	Audax Group	Caltius Capital Management
Mar-17	Total Safety	Littlejohn & Co.	Warburg Pincus
Feb-17	Fire & Life Safety America ("FLSA")	Blue Point Capital Partners / Five Points Capital	PNC RiverArch Capital
Dec-15	Jensen Hughes	Gryphon Investors	Huron Capital Partners

Notable Strategic Acquisitions			
Date	Target	Acquiror	Seller
Apr-20	Basic Fire and Safety	PSI (The Riverside Company)	Private
Jan-20	Aegis Fire Systems Technology	Rapid Fire Protection (Boyne Capital Partners)	Private
Dec-19	Fire Control Systems of Charlotte	Marmic Fire & Safety (Thompson Street Capital)	Private
Nov-19	Florida Fire Service	Protegis (Align Capital Partners)	Private
Sep-19	Triangle Fire	Pye-Barker Fire & Safety (Leonard Green & Partners)	Private
Aug-19	Georgian Bay Fire & Safety	Fire Safety & Protection (Sunny River Management)	Private
Jul-19	American Fire Technologies	The Hiller Companies (Pon Holdings)	Private
Feb-19	Professional Fire & Security	Fire Safety & Protection (Sunny River Management)	Private
Dec-18	Red Hawk Fire & Security	ADT (NYSE: ADT)	Comvest Partners
Aug-18	A-1 National Fire	Summit Companies (CI Capital Partners)	Private
Mar-18	Tri State Fire Protection	AI Fire (Audax Group)	Private
Jan-18	Integrated Fire Protection	FLSA (Blue Point Capital Partners / Five Points Capital)	Private
Nov-17	Trinity Fire Partners	Fire Door Solutions (Emigrant Capital)	Private
Jul-17	Sabah International	Sciens Building Solutions (Huron Capital Partners)	Private
Sep-16	Olsen Fire Protection	Viking Automatic Sprinkler Company (Api Group)	Private
Sep-16	Tyco International plc	Johnson Controls (NYSE: JCI)	Private
Apr-16	Century Fire	FirstService Corporation (TSX: FSV)	Wafra Partners
Apr-16	Aon Fire Protection Engineering	Jensen Hughes (Gryphon Investors)	Aon Plc (NYSE:AON)

HVACR

New Platform Acquisitions		
Date	Target	Acquiror
Nov-19	Horizon Services	New Mountain Capital
Sep-19	Air Conditioning Innovative Solutions ("ACIS")	Caltius Capital Management
Jun-19	Budderfly	Balance Point Capital Advisors
Jun-19	Astar Heating & Cooling	Dubin Clark & Company
Mar-19	Reedy Industries	Audax Group
Aug-18	Goettl Air Conditioning	Baum Capital Partners
Mar-18	Temp-Con	Caymus Equity Partners
Mar-18	All4	JMH Capital
Jan-18	Climate Pros	Saw Mill Capital
Dec-17	Pueblo Mechanical & Controls	Huron Capital Partners
Oct-17	American Refrigeration Company ("ARC")	Southfield Capital
Jun-17	Therma Corporation	Gemspring Capital
Aug-16	Turnpoint Services	Trivest Partners
Oct-15	Air Temp Mechanical Services	Anvil Capital / Ironwood Capital
Aug-15	Conditioned Air	Gemini Investors

Sponsor Ownership Transitions			
Date	Target	Acquiror	Seller
Apr-20	Wrench Group	Leonard Green & Partners	Investcorp Holdings
Mar-19	CoolSys	Ares Capital	Audax Group
Jul-17	Service Logic	Warburg Pincus	Sterling Investment Partners
May-16	Southern HVAC	MSouth Equity Partners	Pulte Capital Partners
Jan-15	CoolSys	Audax Group	Arsenal Capital Partners

Notable Strategic Acquisitions			
Date	Target	Acquiror	Seller
Jul-20	Ellington A/C & Heat	Turnpoint Services (Trivest Partners)	Private
Mar-20	Cool Air Mechanical	Turnpoint Services (Trivest Partners)	Private
Jan-20	Huckestein Mechanical Services	Service Logic (Barings)	Private
Oct-19	Southern Air Heating & Cooling	Best Home Services (Alpine Investors)	Private
Aug-19	AIRmasters	Reedy Industries (Audax Group)	Private
Jul-19	Frank Gay Services	Best Home Services (Alpine Investors)	Private
Jul-19	Best Home Services	Apex Services Partners (Alpine Investors)	Private
May-19	Service Champions	Moore Home Services (CenterOak Partners)	Private
Oct-18	Enercare	Brookfield Infrastructure (NYSE: BIP)	Private
Nov-15	Ainsworth	GDI Integrated Facility Services (TSX: GDI)	CEDA International Corporation

PLUMBING & ELECTRICAL

New Platform Acquisitions		
Date	Target	Acquiror
Jun-20	Carey Electric Contracting	Alaris Royalty Corp.
Mar-20	Burton Plumbing Services	ShoreView Industries
Feb-20	Len The Plumber	Thompson Street Capital Partners
Apr-19	The Pace Companies	Aterian Investment Partners
Nov-18	Electric Power Systems	Industrial Growth Partners
Apr-18	The State Group	Blue Wolf Capital / Yellow Point Equity
Apr-18	PNE Corporation	Hamilton Robinson Capital Partners

Sponsor Ownership Transitions			
Date	Target	Acquiror	Seller
May-19	Unified Power	Incline Management	Pfingsten Partners
Jan-19	Osmose Utilities Services	EQT Group	Kohlberg & Company
Jun-18	Sunbelt-Solomon Solutions	Trilantic Capital Management	Grey Mountain Partners
Nov-17	RESA Power	Blue Sea Capital	Audax Group
Mar-15	Agility Recover	LLR Partners	Generation Partners

Notable Strategic Acquisitions			
Date	Target	Acquiror	Seller
Announced	Starr Electric Company	Comfort Systems USA (NYSE: FIX)	Private
Apr-20	AVI-SPL	Whitlock (Marlin Equity Partners)	Private
Mar-20	Meetze Plumbing	Turnpoint Services (Trivest Partners)	Private
Jan-20	PDE Total Energy Solutions	Morrow-Meadows Corporation	Private
Dec-19	Corley Plumbing Air Electric	Turnpoint Services (Trivest Partners)	Private
Nov-19	Niemeyer Brothers Plumbing	Pueblo Mechanical & Controls (Huron Capital)	Private
Sep-19	VarcoMac	Therma Corporation (Gemspring Capital)	Private
Apr-19	Clockwork/ Affiliate Entities	Authority Brands (Apax Partners)	Private
Apr-19	Walker Engineering	Comfort Systems USA (NYSE: FIX)	Private
Feb-19	Empire Electric M & S	Sciens Building Solutions (Huron Capital Partners)	CEDA International Corporation

SECURITY SYSTEMS & ASSET PROTECTION

New Platform Acquisitions		
Date	Target	Acquiror
Jul-20	AMP Smart	Seacoast Capital
May-19	Pelco	Transom Capital Group
Nov-18	Shields Business Solutions	Mangrove Equity Partners
Jan-18	Minuteman Security Technologies	Prospect Partners
Oct-16	Safe Security	Ironwood Capital
Sep-16	Eyewitness Surveillance	LLR Partners
Jan-16	FE Moran Security Solutions	Armory Capital
Apr-15	Bancsource	CapitalWorks
Feb-15	Pro-Vigil	The Riverside Company

Sponsor Ownership Transitions			
Date	Target	Acquiror	Seller
Feb-18	Convergint Technologies	Ares Management Corporation	KRG Capital Partners
Aug-15	Safemark Systems	MSouth Equity Partners	Milestone Partners
Jul-15	Protection 1	Apollo Global Management	GTCR Private Equity
Apr-15	Ackerman Security	Imperial Capital Limited	Sverica Capital Management

Notable Strategic Acquisitions			
Date	Target	Acquiror	Seller
Mar-20	Norris	Minuteman Security Technologies (Prospect Partners)	Private
Nov-19	ADT Security Services Canada	TELUS Communications	ADT (NYSE: ADT)
Apr-19	Allcoopers Limited	Securitas AB (OM: SECU B)	Private
Jun-18	Kratos Public Safety & Security Solutions	Securitas AB (OM: SECU B)	Kratos Defense & Security Solutions
Apr-17	Centerra Group	Constellis Holdings (Apollo Global Management)	A&M Capital Advisors
Jan-17	Spartan Security Services	ATALIAN Group	Private
May-16	ADT Inc.	Protection 1 (Apollo Global Management)	Private

SIGNAGE & LIGHTING

New Platform Acquisitions		
Date	Target	Acquiror
Jul-18	Signresource	Industrial Opportunity Partners
Jan-18	Principal LED	Valesco Industries
Jun-17	Envocore	DFW Capital Partners
Dec-16	Kieffer | Starlite	Northstar Capital
Aug-16	Indigo Signworks	Akoya Capital
Mar-16	Chandler Signs	Quabbin Capital

Sponsor Ownership Transitions			
Date	Target	Acquiror	Seller
Apr-20	SitelogIQ	AEA Investors	Oaktree Capital Group
Mar-19	FastSigns	Freeman Spogli & Co. / LightBay Capital	Levine Leichtman Capital Partners
Dec-17	MC Group	Arcapita Group	Caltius Capital Management
Sep-15	MC Group	Caltius Capital Management	Sverica Capital Management
Jan-15	CoolSys	Audax Group	Arsenal Capital Partners

Notable Strategic Acquisitions			
Date	Target	Acquiror	Seller
Jan-20	Advanced Automated Systems	Albireo Energy (Huron Capital Partners)	Private
Sep-19	ICON Identity Solutions	MC Group (Arcapita Group)	Merit Capital Partners
Aug-19	Relight Solutions	NuSutus	Private
Jun-19	Advance Graphic Systems	Federal Heath Sign Company (Hendricks Holding Co.)	Advance Graphic Systems
Mar-19	Coastal Signage + Wayfinding	MC Group (Arcapita Group)	Private
Dec-18	Burton Signworks	Kieffer | Starlite	Private
Jan-18	Integra Service Group	MC Group (Arcapita Group)	Private

TM CAPITAL'S
FACILITY SERVICES TEAM

We continue to broaden our facility services reach with several key transactions this year. Reach out to our team to see how we can orchestrate an extraordinary outcome for you.

JARRAD ZALKIN
MANAGING DIRECTOR
617.259.2207
jzalkin@tmcapital.com

DAVID FELTS
MANAGING DIRECTOR
404.995.6252
dfelts@tmcapital.com

KEVIN ATCHUE
PRINCIPAL
617.259.2209
katchue@tmcapital.com

JORDAN CLEARE
VICE PRESIDENT
404.995.6236
jcleare@tmcapital.com

BRADLEY GOLDSTEIN
ASSOCIATE
404.995.6248
bgoldstein@tmcapital.com

AMIR PARIKH
ANALYST
617.259.2213
aparikh@tmcapital.com

TM CAPITAL

SUCCESS. REALIZED.