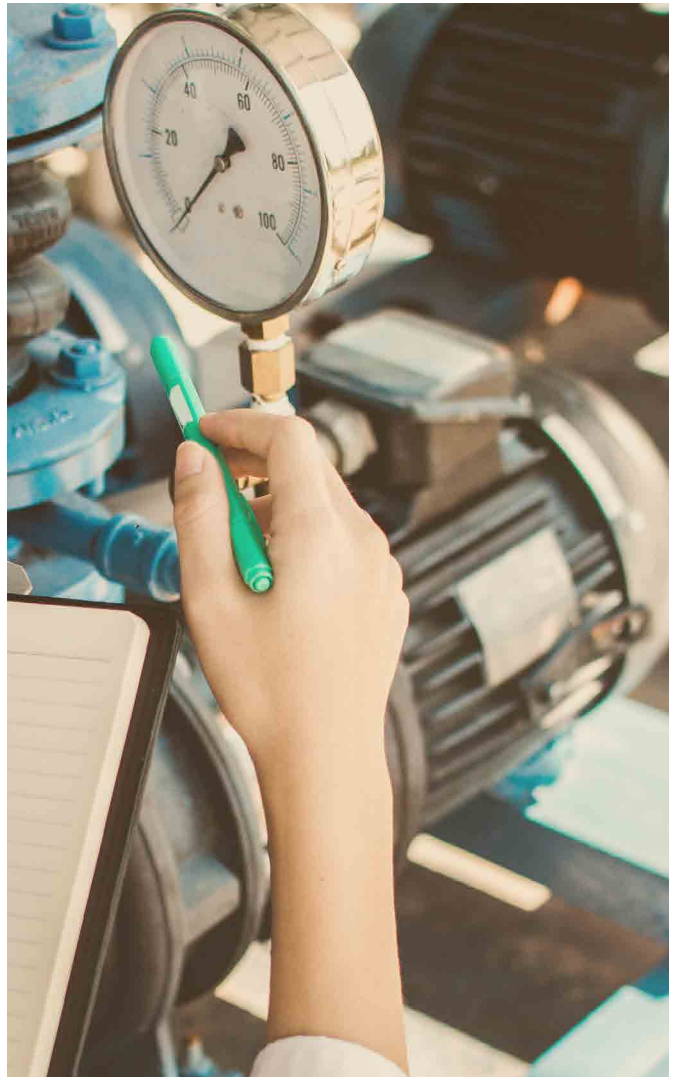


# Market Update











































**Facilities Services**  
Q2 2021

## Facilities Services Insights

The mergers and acquisitions (M&A) market started 2021 with significant activity, continuing the growing momentum we have seen since a market trough in Q2 2020. According to S&P Global, there were approximately 13,500 transactions announced globally during Q2 2021. While slightly lower than the recent peak in Q4 2020 (approximately 14,000), that figure is nearly 20% higher than the number of transactions announced in Q1 2020. As 2021 continues, we expect the global M&A market to remain strong and continue to grow due to availability of financing, abundant private equity capital and the continued recovery of sectors impacted by COVID-19.

Within the facilities services sector, there has also been a continued rise in activity, specifically within the United States market. During Q2 2021, private equity-backed facilities services companies were particularly active acquirers. Companies including AI Fire (Snow Phipps), Reedy Industries (Audax), VLS Recovery (Aurora), Tech-24 (HCI), CoolSys (Ares), Service Champions (Odyssey), Pye Barker (Altus/Leonard Green) and Summit Fire (CI) completed acquisitions. Valuations within the facilities services sector have also experienced a significant rise over the last 12 months. At the end of Q2 2021, the Lincoln facilities services index (14.3x EV/EBITDA) and S&P 1500 Environmental and Facilities Services Index (15.8x) have all exceeded pre-COVID-19 valuations. Overall, we remain optimistic that the facilities services M&A market will continue to remain strong in 2021 with quality assets trading at premium valuations.

## Recent Lincoln International Facilities Services Transactions

 <p>has sold</p>  <p>to</p>  <p>Sell-Side</p> 	 <p>has sold</p>  <p>to</p>  <p>a portfolio company of</p>  <p>Sell-Side</p> 	 <p>has sold</p>  <p>to</p>  <p>Sell-Side</p> 	 <p>has been recapitalized by</p>  <p>Recapitalization</p> 	 <p>has sold</p>  <p>to</p>  <p>Sell-Side</p> 
 <p>has sold</p>  <p>to</p>  <p>Sell-Side</p> 	 <p>has sold</p>  <p>to</p>  <p>Sell-Side</p> 	 <p>has sold</p>  <p>to</p>  <p>Sell-Side</p> 	 <p>has sold</p>  <p>to</p>  <p>Sell-Side</p> 	 <p>has sold</p>  <p>to</p>  <p>Sell-Side</p> 

# About the Lincoln Facilities Services Index

The Lincoln facilities services index is a market cap-weighted composite stock index similar to the S&P 500 Index. The index is prepared by first selecting a base period, in this case, Q3 2019, and totaling the market caps of the companies in this period. This period and the total market cap is set to a base index at 100%. Next, the current period's total market cap is calculated, divided by the base period's total market cap and then multiplied by the base index (100%).

Quarter-over-quarter indices for the S&P, S&P Environmental and Facilities Services and Lincoln facilities services increased, and the Lincoln facilities services index EV / EBITDA trading multiples increased by 0.2x from 14.1x to 14.3x.

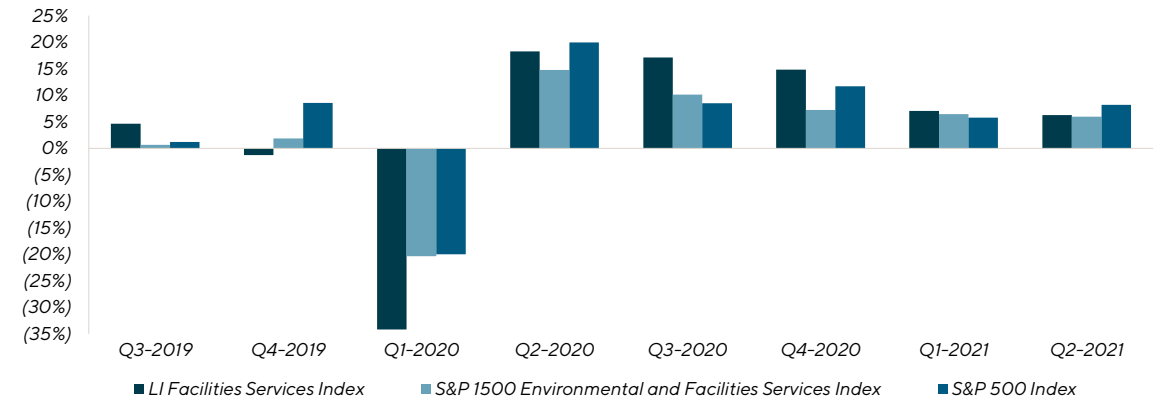
## Facilities Services Financial Performance

### Quarter-over-Quarter Performance

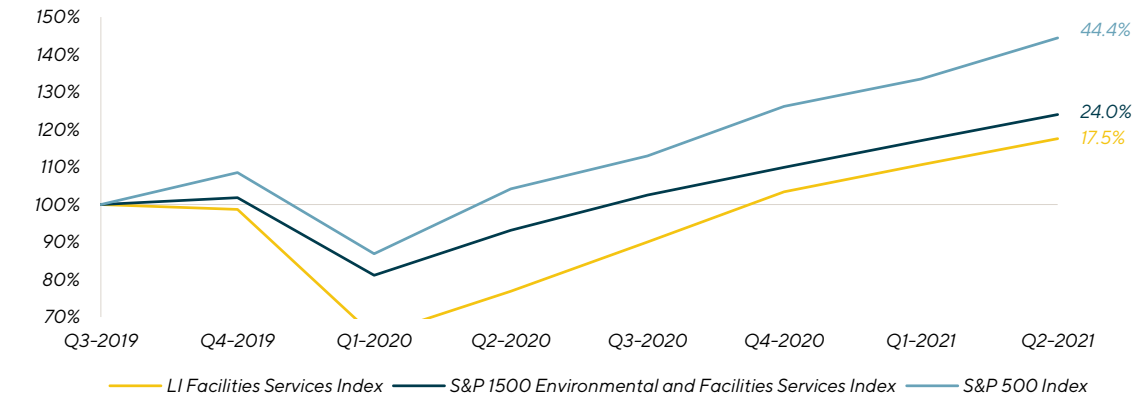
Top Performers	Change	Underperformers	Change
MITIE Group plc	53.4%	Rentokil Initial plc	(4.9%)
Comfort Systems USA, Inc.	42.0%	Terminix Global Holdings, Inc.	(6.5%)
ABM Industries Incorporated	34.8%	Rollins, Inc.	(11.9%)

Based on quarter-over-quarter share price performance

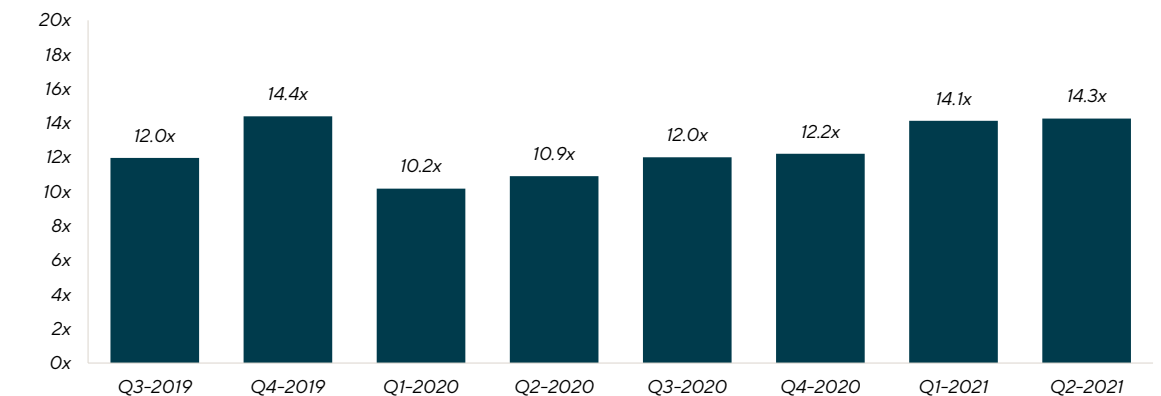
### Quarter-over-Quarter Stock Index Change



### Two-Year Relative Stock Index Performance



### Enterprise Value<sup>(1)</sup> / LTM EBITDA Multiples



Source: Capital IQ as of 6/30/2021

(1) Enterprise value is calculated as market capitalization plus total net debt, preferred equity and minority interest

# Lincoln Facilities Services Index Stock Data

\$ in millions

Company Name	Current Price	52-Wk High	Market Cap	Enterprise Value	Diluted EPS	LTM Rev	EV/LTM Rev	EV/LTM EBITDA	EV/LTM EBIT	LTM Growth Rev	LTM Growth EBITDA	EBITDA Margin	Net Debt / EBITDA
ABM Industries	\$44.35	\$55.48	\$2,977	\$3,347	\$3.17	\$5,868	0.6x	7.4x	9.3x	(8.4%)	33.3%	7.7%	0.8x
Aramark	37.25	43.12	9,497	16,769	(2.22)	10,408	1.6x	15.7x	nmf	(34.7%)	(19.7%)	10.2%	nmf
BrightView Holdings	16.12	19.17	1,692	2,778	(0.14)	2,423	1.1x	9.2x	nmf	0.4%	19.2%	12.4%	3.6x
Cintas Corporation	382.00	383.77	40,130	42,343	10.24	7,116	6.0x	25.3x	nmf	0.4%	15.3%	23.5%	1.4x
Comfort Systems	78.79	88.53	2,849	3,068	4.17	2,797	1.1x	12.8x	15.3x	(2.6%)	1.7%	8.6%	0.9x
Compass Group	21.02	22.89	37,498	41,342	(0.20)	21,903	1.9x	nmf	nmf	(29.7%)	(81.1%)	2.2%	8.0x
EMCOR Group	123.19	129.45	6,721	6,495	5.86	9,225	0.7x	10.2x	12.8x	2.4%	13.6%	6.9%	(0.2x)
FirstService	171.61	177.55	7,522	8,289	2.56	3,060	2.7x	nmf	nmf	17.5%	24.0%	10.0%	1.8x
Johnson Controls	68.63	68.95	49,188	57,419	2.32	23,230	2.5x	17.5x	23.4x	2.6%	18.8%	14.1%	2.4x
Matrix Service	10.50	16.32	279	231	(1.00)	694	0.3x	nmf	nmf	(46.7%)	(103.4%)	(0.3%)	26.6x
MITIE Group	0.94	1.23	1,337	1,451	(0.01)	3,526	0.4x	15.0x	19.8x	30.3%	(16.9%)	2.7%	1.2x
Prosegur Compañía	3.27	3.43	1,778	3,171	0.07	3,987	0.8x	10.8x	21.0x	(11.2%)	(69.0%)	7.4%	4.8x
Rentokil Initial	6.84	7.99	12,659	14,090	0.14	4,137	3.4x	17.2x	nmf	23.4%	34.2%	19.8%	1.9x
Rollins	34.20	43.00	16,831	17,083	0.68	2,294	7.4x	nmf	nmf	9.0%	22.9%	22.7%	0.4x
Securitas	15.79	17.60	5,763	7,538	7.47	12,308	0.6x	11.8x	16.6x	2.7%	(9.5%)	5.2%	3.0x
Terminix	47.71	55.00	6,133	6,684	0.34	1,976	3.4x	19.3x	nmf	6.5%	28.1%	17.5%	1.6x
Sodexo	93.31	104.39	13,617	18,501	(4.53)	19,630	0.9x	nmf	nmf	(21.0%)	(67.9%)	2.8%	9.0x
Team	6.70	13.84	207	591	(2.34)	810	0.7x	nmf	nmf	(28.3%)	(55.2%)	2.4%	19.8x
UniFirst Corporation	234.64	258.86	4,430	3,936	7.79	1,790	2.2x	13.2x	20.5x	(3.5%)	1.1%	16.7%	(1.7x)
<b>Mean</b>							<b>2.0x</b>	<b>14.3x</b>	<b>17.3x</b>	<b>(4.8%)</b>	<b>(11.1%)</b>	<b>10.1%</b>	<b>4.7x</b>
<b>Median</b>							<b>1.1x</b>	<b>13.2x</b>	<b>18.2x</b>	<b>0.4%</b>	<b>1.7%</b>	<b>8.6%</b>	<b>1.9x</b>

Source: Capital IQ | Note: All values based on publicly available data as of 6/30/2021

## Heard on the Street

**06/17/2021: Cross-Fire & Security**, the life safety company backed by AE Industrial Partners (AEI), is seeking to utilize M&A to build an integrated fire and life safety services platform. AEI, who acquired Cross-Fire in May 2021, indicated Cross-Fire is seeking targets with EBITDA between \$1 and \$30 million. Through potential acquisitions, Cross-Fire aims to become a “one-stop shop” for landlords and building owners in the fire and life safety market.

**06/03/2021: 3Phase Elevator**, the Canton, Massachusetts-based provider of elevator and escalator services was acquired by Boston, Massachusetts-based Berkshire Partners. Berkshire acquired 3Phase from Fort Point Capital, who held 3Phase for three years and guided the company through six add-on acquisitions. Berkshire Partners will assist 3Phase in enhancing their digital and go-to-market capabilities to strengthen existing services and attract new customers.

**05/13/2021: Aramark (NYSE: ARMK)**, the Philadelphia, Pennsylvania-based food, facilities and uniform services provider has lagged behind peers, particularly in the company’s uniform business. This has sparked questions as to whether a divestiture of the uniform segment is in the future. Revenues for ARMK’s uniform and career apparel segment were down 9% year-over-year while margins fell to 3.7% for Q2 2021 from 5.3% in Q1 2021. ARMK continues to seek deleveraging opportunities while also simultaneously attempting to expand its healthcare business.

**05/10/2021: Climate Pros**, the Glendale Heights, Illinois-based heating, ventilation and air conditioning (HVAC) repair and maintenance services company backed by Saw Mill Capital, acquired Precision Mechanical Contracting. Precision is a leading provider of commercial refrigeration and HVAC services in the Northeast and Mid-Atlantic. This represents the ninth acquisition completed by Climate Pros in partnership with Saw Mill. In April, Climate Pros acquired TrueTemp, a leading provider of commercial refrigeration and HVAC services in the Pacific Northwest. These acquisitions have expanded Climate Pros’ geographic footprint and the company continues to actively seek additional acquisitions.

**04/06/2021: Valcourt Building Services**, the McLean, Virginia-based high-rise building maintenance and repair services firm backed by Littlejohn & Co., merged with JOBS Group, a Houston, Texas-based high-rise façade maintenance company backed by Keystone Capital. JOBS portfolio of companies operates under the AMST, April Building Services, EDS, JOBS Building Services and Scottie’s Building Services trade names. The merger will add metal restoration, parking deck cleaning and architectural surface maintenance to Valcourt service offerings and expand Valcourt’s geographic footprint beyond its current strong presence in the Eastern United States.

# M&A Transaction Highlights

Closed	Target	Target Description	Acquirer
Jun-21	West Virginia Elevator	Provides escalator and elevator installation and repair services	3 Phase Elevator Corporation (Berkshire Partners)
Jun-21	Pye-Barker Fire & Safety	Provides the sale and servicing of fire protection products	Atlas Partners, Leonard Green & Partners
Jun-21	ArchKey Solutions	Provides design-assist and design-build pre-construction and construction solutions	One Rock Capital Partners
Jun-21	Xanitos	Provides hospital housekeeping, patient transportation and central laundry services to hospitals	Angeles Equity Partners
Jun-21	3 Phase Elevator Corporation	Provides escalator and elevator installation and repair services	Berkshire Partners
Jun-21	Republic Fire Protection/Fire Ranger Marine /Fire Ranger Extinguisher Service	Provides fire protection services	Summit Fire & Security (CI Capital Partners)
Jun-21	Thayer Corporation	Provides HVAC, plumbing and refrigeration solutions for commercial, industrial or institutional projects	Best in Class Technology Services (Dunes Point Capital)
Jun-21	Temperature Control Corp	Provides residential air conditioning and heating, repair, installation and replacement services	Affordable Water Heaters and Plumbing (Dubin Clark)
Jun-21	West Bay Landscape	Provides landscape design and maintenance services primarily for the commercial sector	BrightView Holdings
Jun-21	TBS Southeast/Facility Maintenance Specialist/Jaguar Coffee	Provides commercial foodservice equipment and HVAC services	Smart Care Equipment Solutions (Audax)
Jun-21	Baytree Landscape Contractors	Provides landscaping services	BrightView Holdings
Jun-21	Oak Mountain Industries/Bisco Refractories/Glasrock	Provides refractory maintenance, installation, fabrication and large project services to industrial customers	Industry Services (Osceola Capital)
Jun-21	Gold Landscape	Provides lawn and garden services	Outworx Group (Mill Point Capital)
Jun-21	Gilbar Industries	Provides HVAC services	Intermediate Capital Group
Jun-21	WCA Group	Provides installation and repair services for HVAC, duct, plumbing and sewer systems	Wrench Group (Investcorp Holdings)
Jun-21	HSG	Provides building exterior maintenance services for all property types	JOBS Group (Keystone Capital, Littlejohn & Co)
Jun-21	Coastal Mechanical Services	Provides mechanical contracting services	Rogers Mechanical Contractors (Craft Work Capital, Aterian)
Jun-21	Arrow Pipeline Repair	Provides plumbing, drain cleaning, pipeline repair and replacement services	Goettl Home Services (Tree Line Capital, Baum Capital)
May-21	Thermal Resource Sales and Supermarket Environment Services Company	Provides engineered HVAC system design and energy optimization solutions	CoolSys (Ares)
May-21	Advantage Green Lawn and Pest Solutions	Provides residential pest control and lawn care services	Arrow Exterminators
May-21	Sila Heating & Air Conditioning	Provides heating and air conditioning services and products	Morgan Stanley Private Equity

Source: Capital IQ, Mergermarket, Company Filings

## M&A Transaction Highlights (cont'd)

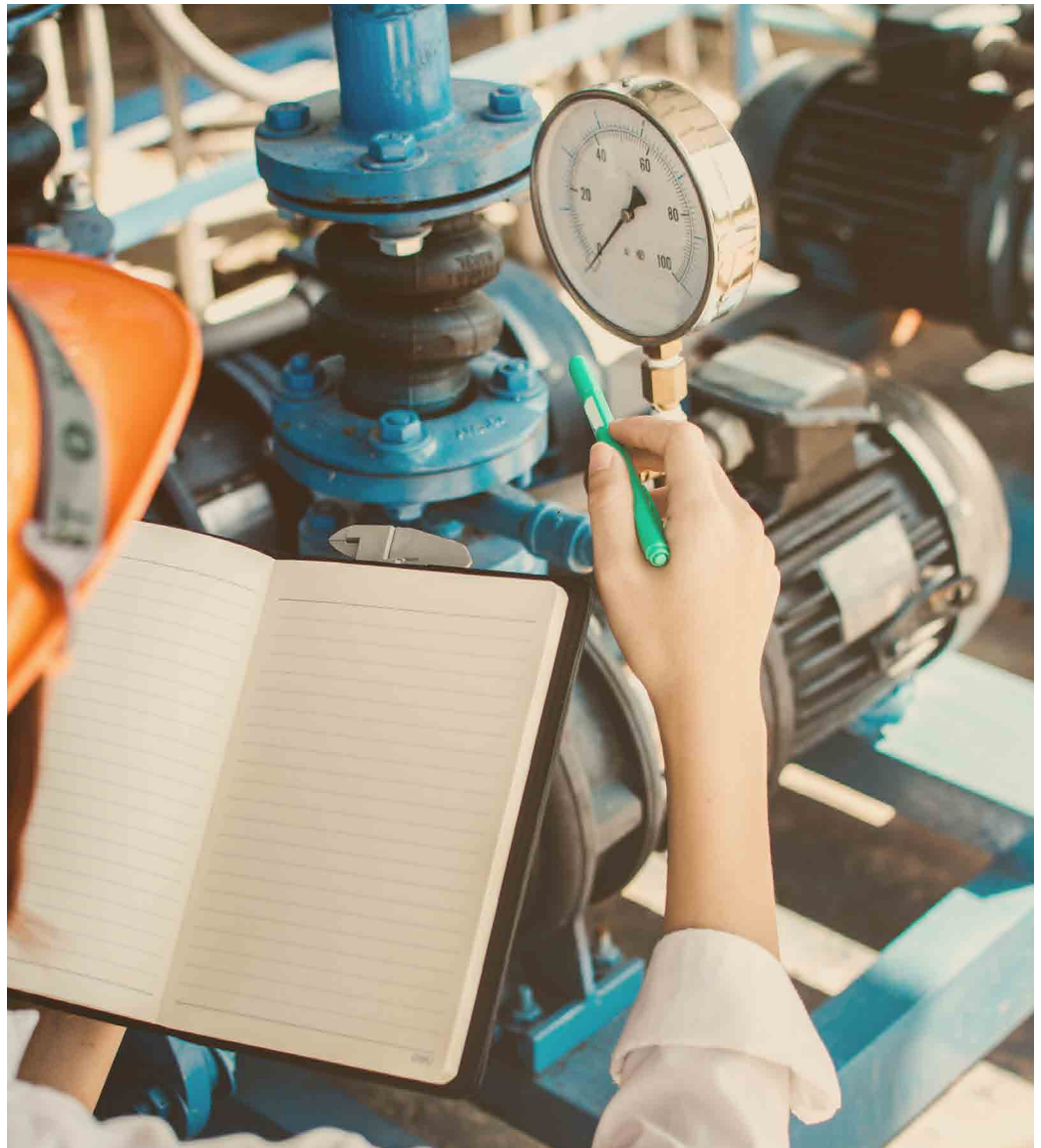
Closed	Target	Target Description	Acquirer
May-21	Texas Fire & Safety	Provides manufacturing services for fire extinguishers, fire suppression systems and emergency exit lights	National Fire & Safety (Highview Capital)
May-21	Dyna-Tech Industries	Provides generator maintenance, rental and repair services, including installation, load balancing and sales services	GenServe (GenNx360 Capital Partners)
May-21	The Termite Man	Provides termite inspections, termite treatment and pest control services	Flick Anticimex
May-21	Energy Savers of Georgia	Provides heating and cooling systems design, installation, maintenance and repair services	NearU Services (SkyKnight Capital)
May-21	Cross-Fire & Security Co.	Provides fire detection and life safety services	AE Industrial Partners
May-21	Reflections Window and Pressure/Spray-Wash	Provides window cleaning and pressure washing services	FLEETWASH (ACON Investments)
May-21	Edmonson Electric	Provides residential electrical, low voltage and HVAC installation services	IES Residential
May-21	Aventura Elevator	Provides elevator and related vertical transportation services	Urban Elevator Service (Skydeck Capital)
May-21	Great Lakes Mechanical	Provides mechanical pre-construction and after market services	Sylvan Group (Blue Point Capital)
May-21	Emerald Isle Landscaping	Provides landscape maintenance, holiday lighting and snow removal services	Top Gun Pressure Washing (Osceola Capital)
May-21	Standard Plumbing and Heating Company /Sheet Metal Crafters	Provides services as an industrial, institutional and commercial mechanical contractor	Reedy Industries (Audax)
May-21	Contractors and Municipal Sweeping Service	Provides street sweeping services	Sweeping Corporation of America (Warburg Pincus)
May-21	All American Portable Air	Provides services as a specialty heating and air conditioning rental company	Mobile Air & Power Rentals (AE Industrial Partners)
May-21	Precision Mechanical Contracting	Provides commercial refrigeration and HVAC services	Climate Pros (Saw Mill Capital)
May-21	New River Heating, Air & Maintenance	Provides heating and air conditioning services	R.S. Andrews Services
May-21	Executive Building Maintenance	Provides janitorial services, hard surface, carpet care and post construction clean-up	Revolent Capital Solutions
May-21	Serco Parking Services	Provides parking enforcement and parking meter management services	LAZ Parking (Harvest Partners)
May-21	Custom Air Products & Services	Provides services in the design, construction, installation and modification of air conditioning systems	Airxcel (L Catterton, Constitution Capital)
May-21	Swanson Fire Protection	Provides fire protection and sprinkler systems as well as monitoring services for fire sprinklers	Baymark Partners
May-21	The Driveway Company Franchising	Provides concrete repair and maintenance services	Stellar Brands (MPK Equity Partners)
May-21	Albany Elevator	Provides elevator maintenance, repair and installation services	TK Elevator (Cinven, Advent)

Source: Capital IQ, Mergermarket, Company Filings

## M&A Transaction Highlights (cont'd)

Closed	Target	Target Description	Acquirer
Apr-21	Barrier Companies	Provides fire and life safety and containment services	Lincolnshire Management, Veronis Suhler Stevenson
Apr-21	DentCo	Provides outsourced business services to retail, foodservices, healthcare and hospitality sectors	Powerhouse (Lincolnshire Management)
Apr-21	Stella Environmental Services	Provides transfer station management services for the processing of municipal solid waste	Leonard Green & Partners
Apr-21	Pestmaster Services	Provides integrated pest management (IPM) solutions for commercial, residential and government needs	The Riverside Company
Apr-21	Huo	Provides vinyl window and door manufacturing services	West Shore Home, LLC (Leonard Green & Partners)
Apr-21	Spectrum Building Services Co.	Provides multi-residential flooring maintenance, emergency restoration and sanitization services	CARMA Industries (TerraNova Partners)
Apr-21	RGE Services	Provides fire and electrical compliance services	YFM Equity Partners
Apr-21	Haines City Fire Extinguisher Service/ Haines City Fire & Security Services	Provides fire protection services	Pye-Barker Fire & Safety (Leonard Green & Partners)
Apr-21	Triad Mechanical Services	Provides repair and maintenance services for heating, ventilation and air conditioning equipment	Enginuity
Apr-21	United Service Technologies	Provides installation, planned maintenance and repair services for food equipment	Tech-24 (HCI Equity Partners)
Apr-21	CertifiedSafety	Provides turnaround and capital projects management and business support services	OnPoint Industrial Services (Stellus Capital, CapStreet Group)
Apr-21	Zone Mechanical	Provides installation and maintenance services for refrigeration, food service and HVAC systems	Wind Point Advisors
Apr-21	Onyx-Fire Protection Services	Provides fire protection and inspection services	TorQuest Partners
Apr-21	Target Pest Control	Provides pest control services, residential services, commercial services and termite pretreatment services	Northwest Exterminating
Apr-21	Dallas Mechanical Group	Provides construction, service and maintenance solutions	EMCOR Group
Apr-21	Smart Companies	Provides hurricane protection and lifestyle improvement products for homeowners and businesses	Rotunda Capital Partners
Apr-21	JOBS Group	Provides façade, metal surface, elevator cab refurbishment and other related property maintenance services	Valcourt Building Services, LLC (Littlejohn & Co)
Apr-21	Curtis Bay Medical Waste Services	Provides services as a waste-to-energy medical waste processing facility	Aurora Capital Partners
Apr-21	Truetemp Northwest	Provides refrigeration and HVAC services	Climate Pros (Saw Mill Capital)
Apr-21	Gerry's Fire & Safety	Provides fire safety services	Pye-Barker Fire & Safety (Leonard Green & Partners)
Apr-21	Branches Tree Experts	Provides tree care services to homeowners and commercial customers	SavATree (CI Capital Partners)

Source: Capital IQ, Mergermarket, Company Filings



## Advisory Services

Mergers & Acquisitions  
Capital Advisory  
Joint Ventures & Partnering  
Valuations & Opinions

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## About Lincoln International

We are trusted investment banking advisors to business owners and senior executives of leading private equity firms and public and privately held companies around the world. Our advisory services include mergers and acquisitions and capital markets advisory for the mid-market. We also provide valuations and fairness opinions and joint ventures advisory services. As one tightly integrated team of more than 600 professionals across 16 countries, we offer an unobstructed perspective, backed by superb execution and a deep commitment to client success. With extensive industry knowledge and relationships, timely market intelligence and strategic insights, we forge deep, productive client relationships that endure for decades. Connect with us to learn more at: [www.lincolninternational.com](http://www.lincolninternational.com).

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