

BUSINESS SERVICES MONTHLY

MAY 2019

Our business services team brings a uniquely tech-enabled focus to mission critical, high value outsourced services companies providing facilities, industrial and distribution services, logistics, staffing and business process outsourcing.

Facilities











Industrial

Distribution

Logistics

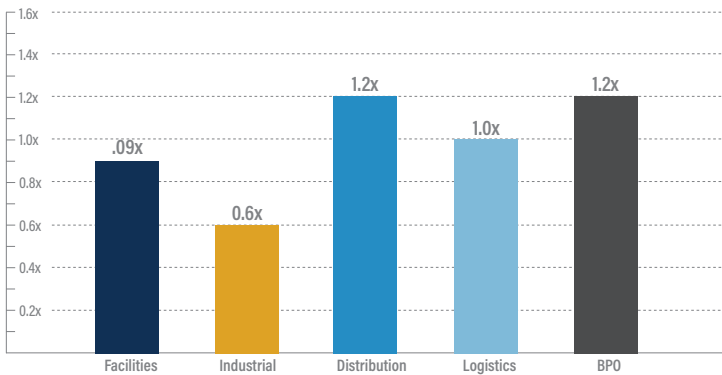
Business Process Outsourcing (BPO)

HEADLINE TRANSACTIONS

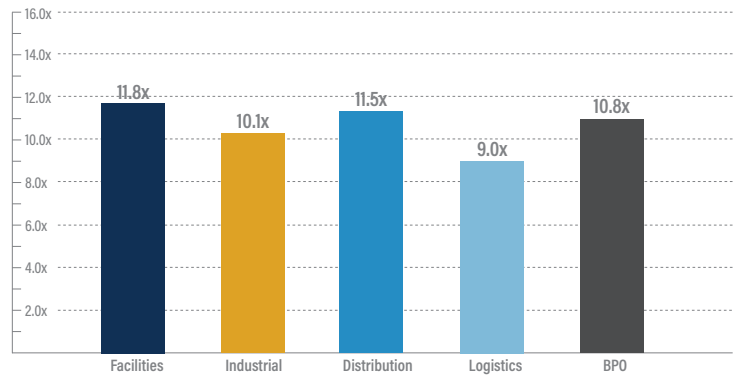
Facilities			<ul style="list-style-type: none"> • Kellermeier Bergensons Services (KBS), an Oceanside, CA-based provider of facilities services for retail and commercial customers, acquired Capital Contractors, an Islandia, NY-based provider of commercial janitorial management services • Capital Contractors provides contract cleaning and related facilities services via an asset-light delivery model and serves 4,000+ customers primarily on the East Coast • KBS is a portfolio company of GI Partners, a San Francisco, CA-based private equity firm; Capital Contractors was a portfolio company of Palladium Equity Partners, a New York, NY-based private equity firm
Industrial			<ul style="list-style-type: none"> • Waste Management (NYSE:WM), a Houston, TX-based provider of waste management and environmental services, has agreed to acquire Advanced Disposal Services (NYSE:ADSW), a Ponte Vedra, FL-based provider of waste management services, for \$4.94 billion (12.7x LTM EBITDA) • Advanced Disposal is the fourth largest solid waste company in the U.S. and provides non-hazardous solid waste collection, transfer, recycling and disposal services in 16 states and the Bahamas • The acquisition significantly expands Waste Management's footprint in the East Coast and is expected to generate more than \$100 million in cost synergies annually after close, which is expected by the first quarter of 2020
Distribution			<ul style="list-style-type: none"> • Ridgemont Equity Partners, a Charlotte, NC-based private equity firm, acquired Munch's Supply, a New Lenox, Illinois-based distributor of heating, ventilation and air conditioning (HVAC) equipment and supplies • Munch's distributes products to customers in the Midwest, Great Plains and Rocky Mountain states – the Company maintains 27 locations and operates a fleet of 70 vehicles • Munch's was a portfolio company of Rotunda Capital Partners, a Bethesda, MD-based private equity firm
Logistics			<ul style="list-style-type: none"> • GlobalTranz Enterprises, a Scottsdale, AZ-based provider of technology and third-party logistics solutions, acquired Circle 8 Logistics, a Chicago, IL-based third-party logistics provider • Circle 8 brokers truckload, flatbed, intermodal, temperature-controlled and less-than-truckload (LTL) capacity throughout North America • The transaction represents GlobalTranz's ninth acquisition since January 2017; GlobalTranz was acquired by Providence Equity Partners, a Providence, RI-based private equity firm in May 2019 and was previously owned by The Jordan Company, a New York, NY-based private equity firm
BPO	 Institutional Retirement & Trust Business		<ul style="list-style-type: none"> • Principal Financial Group (NasdaqGS:PFG), a Des Moines, IA-based provider of retirement, asset management and insurance products and services, has agreed to acquire the Institutional Retirement & Trust (IRT) business of Wells Fargo & Company (NYSE:WFC), for \$1.35 billion • IRT provides benefits consulting, investment management, retirement administration and trust and custody services to 75 million U.S. retirement customers • The acquisition will double the size of Principal's U.S. retirement business while bringing on attractive institutional trust and custody offerings for the non-retirement market

BUSINESS SERVICES GROWTH & VALUATION TRENDS

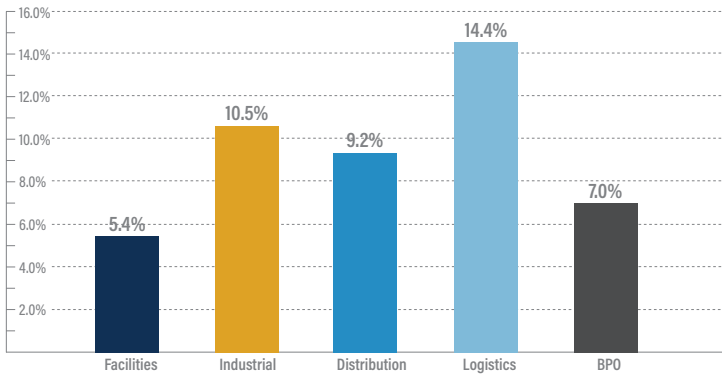
Enterprise Value / LTM EBITDA



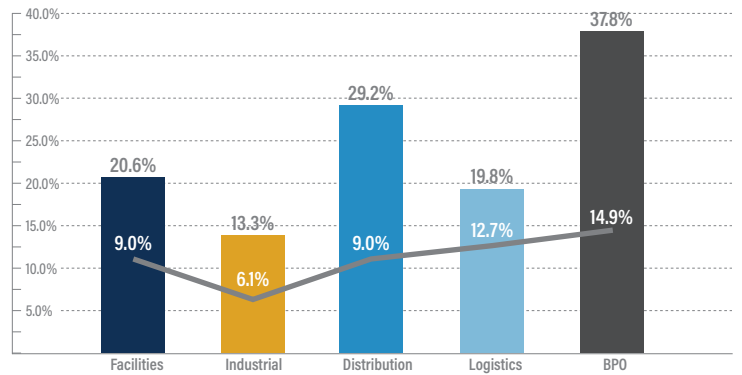
Enterprise Value / LTM EBITDA



LTM Revenue Growth

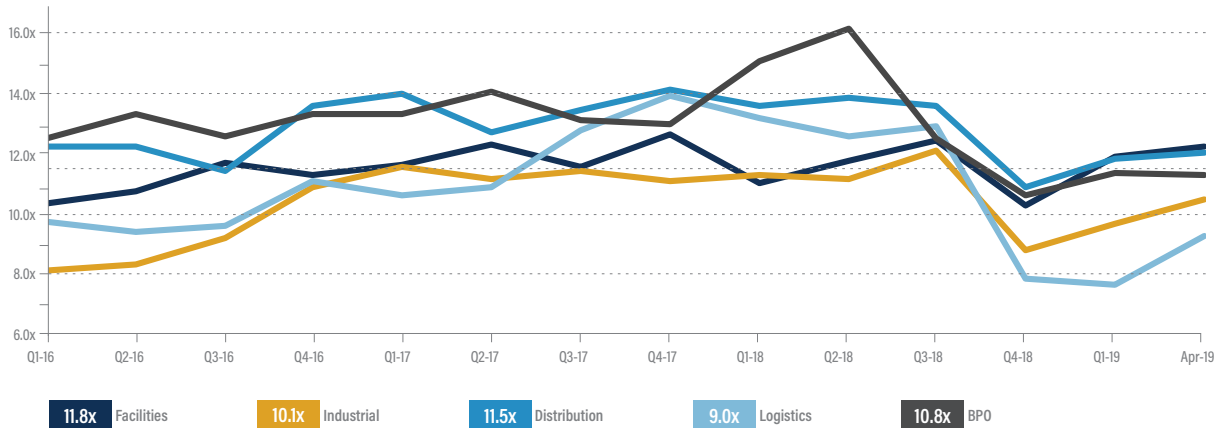


LTM Gross & EBITDA Margins*



*EBITDA Margins shown as the gray line.

EBITDA Multiples Over Time



SELECTED BUSINESS SERVICES TRANSACTIONS

Target	Acquiror	Facilities Transactions
Birmingham Tank Wash, Inc.	QualaWash Holdings, LLC	Provides trailer cleaning, repair, and maintenance services

Prosegur Cash Holding France SAS	Loomis AB (publ) (OM:L00M B)	Provides cash in transit, banking, and transport services in southern France and internationally
----------------------------------	------------------------------	--

The KeyW Holding Corporation	Jacobs Engineering Group Inc. (NYSE:JEC)	Provides commercial janitorial management services in North America
------------------------------	--	---

Target	Acquiror	Distribution Transactions
Ohio Transmission Corporation	Genstar Capital	Engages in the distribution of industrial equipment

The Merit Distribution Group, Inc.	Center Rock Capital Partners	Engages in the wholesale distribution of paint sundry, hardware, and drywall related products
------------------------------------	------------------------------	---

Bailey Lumber & Supply Co.	US LBM Holdings, Inc.	Distributes lumber and building material products
----------------------------	-----------------------	---

Target	Acquiror	BPO Transactions
Pangea3 LLC	Ernst & Young LLP	Provides legal process outsourcing services to Fortune 1000 companies and Am Law 200 law firms worldwide

Northwestern Benefit Corporation of Georgia	OneDigital Health and Benefits, Inc.	Provides employee benefit programs and consultancy services
---	--------------------------------------	---

Waterstone Management Group, LLC	West Monroe Partners	Provides management and strategy consulting services
----------------------------------	----------------------	--

Target	Acquiror	Industrial Transactions
NXL Construction Services, Inc.	Century Engineering, Inc.	Offers engineering and construction management services

Crews Family Septic LLC	Wind River Environmental, LLC	Offers septic pumping, septic and drain field repair, grease trap cleaning, septic installations and plumbing services
-------------------------	-------------------------------	--

Waterline Renewal Technologies, Inc.	Behrman Capital	Offers industrial water treatment and water infrastructure services
--------------------------------------	-----------------	---

Target	Acquiror	Logistics Transactions
WeDriveU, Inc.	National Express Group PLC	Offers transportation solutions focusing on corporate shuttles, university shuttles, and managed services

Alliance Border Services Inc.	Near North Customs Brokers Inc.	Provides customs brokerage and freight forwarding services
-------------------------------	---------------------------------	--

Michael's Cartage, Inc.	Mason Dixon Intermodal, Inc.	Offers freight transportation services
-------------------------	------------------------------	--

TM Capital's Business Services Industry Contacts



Jarrad Zalkin,
Managing Director
jzalkin@tmcapital.com
617.259.2207



James Grien,
Managing Director
jgrien@tmcapital.com
404.995.6235



David Felts,
Managing Director
dfelts@tmcapital.com
404.995.62552