

# BUSINESS SERVICES MONTHLY

AUGUST 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

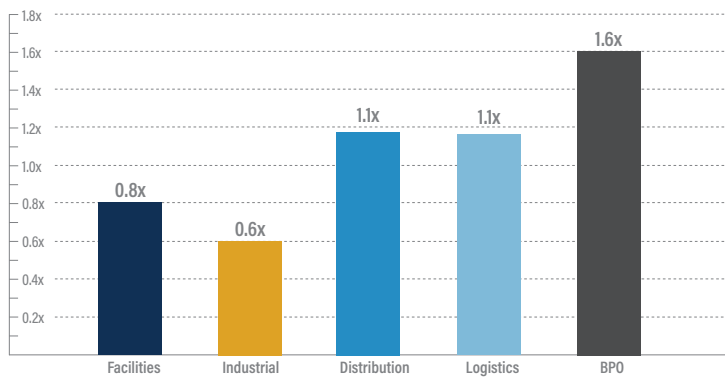
Business Process Outsourcing (BPO)

## HEADLINE TRANSACTIONS

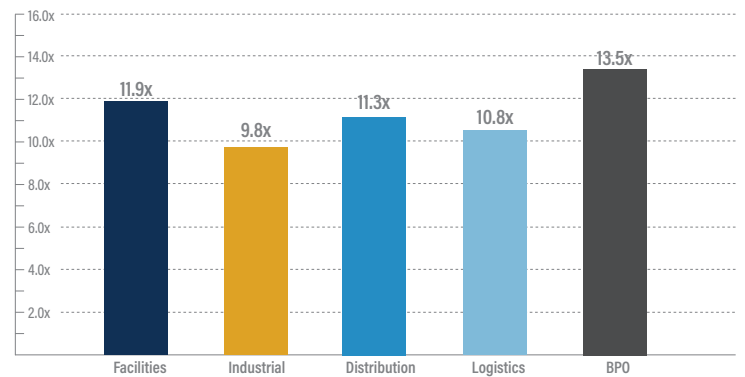
	TARGET	ACQUIROR	ACQUISITION SYNOPSIS
Facilities			<ul style="list-style-type: none"> <li>St. Louis, MO-based 4M Building Solutions acquired Cranston, RI-based Heritage Healthcare Services, a provider of building maintenance and cleaning services for healthcare facilities in the United States</li> <li>Heritage Healthcare Services offers a comprehensive suite of professional housekeeping, medical facility maintenance and commercial laundry services to healthcare providers, including senior living communities</li> <li>4M Building Solutions provides a diversified portfolio of facilities services including cleaning, painting, grounds maintenance and LEED certification support to commercial clients in the United States</li> </ul>
Industrial			<ul style="list-style-type: none"> <li>MYR Group (NasdaqGS:MYRG), a Rolling Meadows, IL-based construction services firm, acquired Santa Fe Springs, CA-based CSI Electrical Contractors for \$80 million</li> <li>CSI Electrical Contractors provides electrical design and construction services to clients across a range of industries including aerospace, biotech, pharmaceutical and retail in the Western United States</li> <li>MYR Group, through its Transmission, Distribution, Commercial and Industrial segments, offers construction and maintenance services for large electrical engineering projects in North America</li> </ul>
Distribution			<ul style="list-style-type: none"> <li>Carrollton, TX-based Carrier Enterprise, LLC, a subsidiary of Watsco, Inc. (NYSE:WSO), agreed to acquire Blue Bell, PA-based Peirce-Phelps, Inc., a multi-location distributor of heating, ventilation and air conditioning products for \$85 million</li> <li>Peirce-Phelps offers a wide variety of HVAC products and accessories as well as installation, building management and energy consumption control services to clients throughout the Mid-Atlantic United States</li> <li>Carrier Enterprise distributes commercial HVAC products and accessories as well as an extensive array of other industrial air quality equipment and water tanks</li> </ul>
Logistics			<ul style="list-style-type: none"> <li>Toronto, Canada-based investment firm Brookfield Asset Management (TSX:BAM.A) formed holding company DJP XX, LLC to acquire Darien, CT-based Genesee &amp; Wyoming (NYSE:GWR) for \$8.4 billion, representing an EBITDA multiple of 12.5x</li> <li>Genesee &amp; Wyoming, operating through its North American, Australian and European segments, owns and leases 120 short-line freight railroads across the United States, United Kingdom, Canada and Europe</li> <li>Brookfield Asset Management is a global investment and private equity firm that invests in real estate, energy and natural and renewable resource assets</li> </ul>
BPO			<ul style="list-style-type: none"> <li>Established insurance broker Arthur J. Gallagher &amp; Co. (NYSE:AJG), based in Rolling Meadows, IL, agreed to acquire Stonehenge Insurance Solutions, headquartered in Palm Beach Gardens, FL</li> <li>Stonehenge Insurance Solutions is an insurance agency offering outsourced commercial insurance and consulting services to professional employer organizations and staffing firms</li> <li>Arthur J. Gallagher provides insurance brokerage, consulting, third party claims settlement and administrative services to businesses and public entities in the United States and internationally</li> </ul>

# BUSINESS SERVICES GROWTH & VALUATION TRENDS

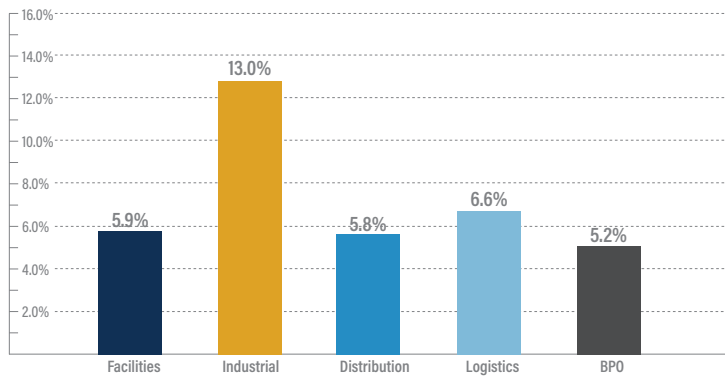
Enterprise Value / LTM Revenue



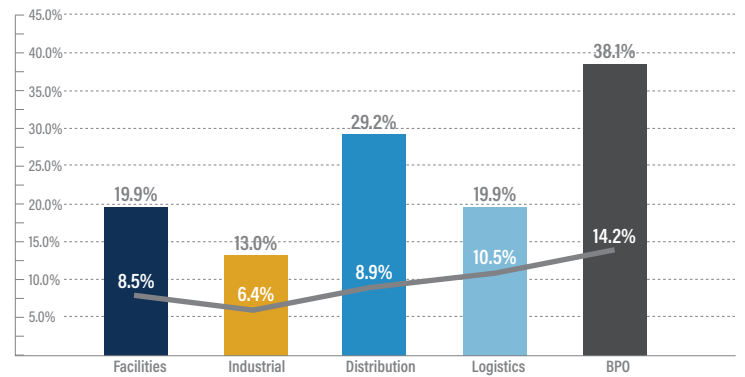
Enterprise Value / LTM EBITDA



LTM Revenue Growth

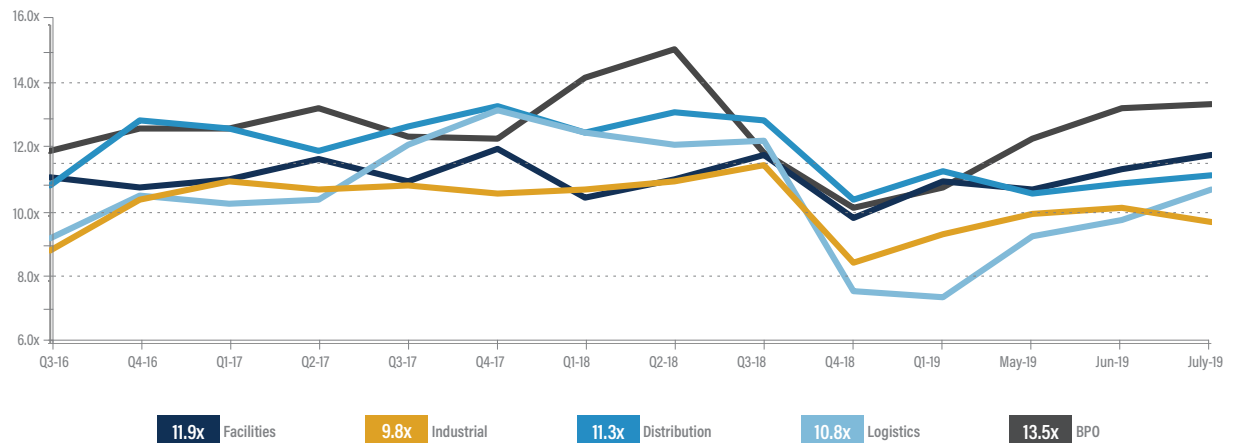


LTM Gross & EBITDA Margins\*



\*EBITDA Margins shown as the gray line.

EBITDA Multiples Over Time



# SELECTED BUSINESS SERVICES TRANSACTIONS

Target	Acquiror	Facilities Transactions
Critical System Solutions, LLC	Sciens Building Solutions, LLC	Designs, installs and maintains fire detection, security, access control and sprinkler systems for commercial clients in the southeastern United States

Klein's Restoration Services, LLC	Yak Access, LLC	Offers environmental restoration services including monitoring, timber matting, construction access and water management in Ohio
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Global Protection Management, LLC	SOS Security, LLC	Provides security services to commercial and residential customers in Delaware
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Target	Acquiror	Distribution Transactions
VSP Technologies, Inc.	Diploma PLC	Distributes gaskets and fluid-sealing products to the industrial maintenance, repair and operations industry in Virginia

Richmond Electric Supply Co., Inc.	Locke Supply Company	Engages in wholesale distribution of electrical supplies, construction materials and lighting fixtures in Virginia
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Bezac Equipment Company	Johnson-Lancaster and Associates, Inc.	Distributes cooking equipment and restaurant supplies, including décor, to clients in the foodservice industry in Ohio
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Target	Acquiror	BPO Transactions
Heffler Claims Group, LLC	Duff & Phelps Corporation	Provides settlement administration and claims processing services in Pennsylvania

CoAdvantage, Inc.	Aquiline Capital Partners, LLC	Offers integrated human resources services including staffing support and benefits, payroll and risk management in Florida and Texas
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Top Echelon Network, LLC	SageLink Capital	Provides technical, professional and healthcare contract staffing services in Ohio
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Target	Acquiror	Industrial Transactions
O'Keefe Elevator Company, Inc.	ThyssenKrupp Elevator AG	Specializes in the design, installation, repair and maintenance of elevators in the midwestern United States

NTA, Inc.	International Code Council, Inc.	Provides third-party evaluation, certification and engineering services to the construction and building products industries in Indiana
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WHPacific, Inc.	NV5 Global, Inc.	Offers industrial facilities engineering and land development services in the Western United States
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Target	Acquiror	Logistics Transactions
BWP Transport, Inc.	A&R Logistics, Inc.	Provides bulk transportation services and logistics solutions in Michigan

Armada Logistics, Inc.	Turvo, Inc.	Doing business as ODYN, owns and operates a fleet platform for supply chain management in New England
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Argus Carriers Ltd.	Mullen Group Ltd.	Offers transportation and logistics services in Canada
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## TM Capital's Business Services Industry Contacts



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