

# BUSINESS SERVICES MONTHLY

SEPTEMBER 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

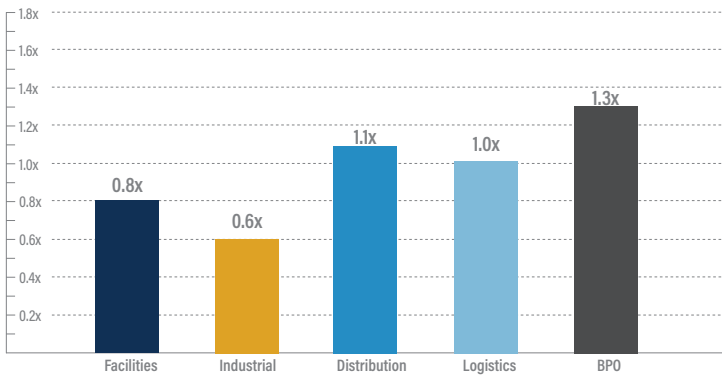
Business Process Outsourcing (BPO)

## HEADLINE TRANSACTIONS

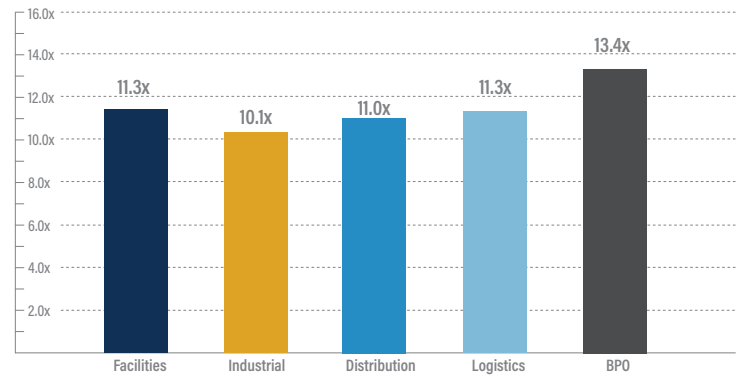
	TARGET	ACQUIROR	ACQUISITION SYNOPSIS
Facilities			<ul style="list-style-type: none"> <li>New York City-based private equity firm, The Riverside Company acquired Portland, OR-based outsourced facilities service provider Performance Systems Integration</li> <li>Performance Systems Integration provides installation and repair of fire and life safety systems, including fire detection, access control and intrusion prevention systems to school districts, property managers and healthcare facilities</li> <li>The Riverside Company is an established upper middle market private equity firm, specializing in investing in companies with EBITDA values below \$25 million across a wide array of industries</li> </ul>
Industrial			<ul style="list-style-type: none"> <li>Santa Monica, CA-based Boxwood Merger Corp. (NasdaqCM:BWMC) agreed to acquire Austin, TX-based Atlas Technical Consultants, a professional industrial consulting and engineering firm, for \$710 million</li> <li>Atlas Technical Consultants provides mission-critical technical services that help public and private sector clients test, inspect, certify, plan, design and manage construction projects across the transportation, industrial and other nonresidential sectors</li> <li>Boxwood Merger Corp. is a publically traded special purpose acquisition company (SPAC) formed by the management team and its co-sponsor, the Macquarie Group, for the purpose of effecting a merger with a company that provides technical and industrial services</li> </ul>
Distribution			<ul style="list-style-type: none"> <li>Myers Industries (NYSE:MYE), operating out of Akron, OH, acquired vehicle parts distributor Tuffy Manufacturing Industries, based in Cuyahoga Falls, OH</li> <li>Tuffy Manufacturing specializes in the distribution of automotive and heavy-duty truck service-related parts, tools and accessories to tire dealers, retreaders and the truck maintenance and repair industry in the Midwestern United States</li> <li>Myers Industries manufactures and sells polymer products to rubber and plastic OEM's operating in the industrial, agricultural, automotive, commercial and consumer markets in North America</li> </ul>
Logistics			<ul style="list-style-type: none"> <li>Heartland Express (NasdaqGS:HTLD), based in North Liberty, IA, agreed to acquire Millis Transfer, a provider of regional and transcontinental dry-van truckload carrier services to manufacturers of consumer and industrial products such as glass containers, food products, paper products and beer</li> <li>Heartland Express acquired Millis Transfer for an enterprise value of \$150 million, which represents a revenue multiple of approximately 1.0x</li> <li>Heartland Express operates as a temperature-controlled and dry-van truckload carrier in the United States and Canada, primarily transporting appliances, automotive parts, packaged foods, consumer products and other retail goods for retailers and manufacturers</li> </ul>
BPO			<ul style="list-style-type: none"> <li>Digital marketing and analytics company, REQ, Inc. acquired integrated online marketing solutions provider Internet Marketing, Inc.</li> <li>Headquartered in San Diego, CA, Internet Marketing, Inc. offers sophisticated, data-driven outsourced search engine optimization, marketing services and sales strategy consulting and analytics to producers of branded consumer products</li> <li>Based in Washington, DC, REQ caters to private corporations, government organizations and nonprofits, specializing in developing back-end digital tools and programs to build and protect brands while tracking and analyzing mission-critical customer data</li> </ul>

# BUSINESS SERVICES GROWTH & VALUATION TRENDS

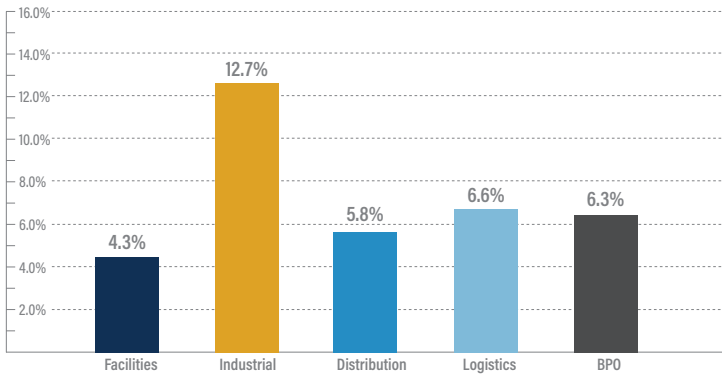
Enterprise Value / LTM Revenue



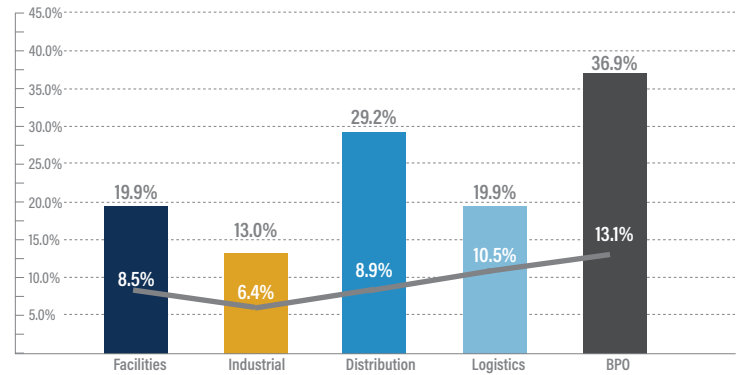
Enterprise Value / LTM EBITDA



LTM Revenue Growth

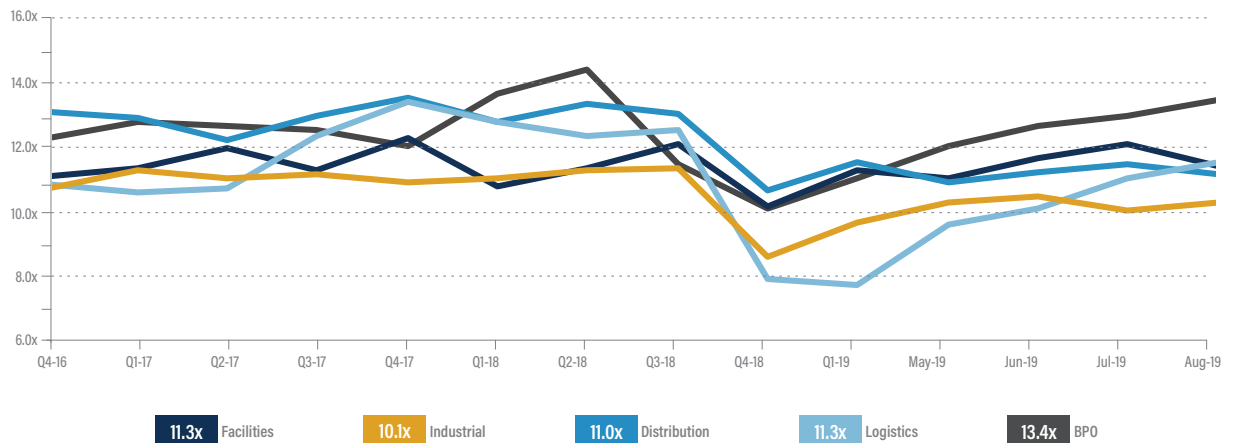


LTM Gross & EBITDA Margins\*



\*EBITDA Margins shown as the gray line.

EBITDA Multiples Over Time



# SELECTED BUSINESS SERVICES TRANSACTIONS

Target	Acquiror	Facilities Transactions
Georgian Bay Fire & Safety Ltd.	Fire Safety and Protection, LLC	Offers life safety and property protection services from nine branch locations in Eastern Canada

R.J.G. Enterprises, Inc.	Kinderhook Industries, LLC	R.J.G., d.b.a. Chemtron Corp., provides environmental services, including waste management and facility restoration services to companies in Ohio
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Carolina Coating Solutions and Industrial Services Inc.	Superior Industrial Maintenance Company, Inc.	Provides corrosion protection and surface cleaning services in North Carolina
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Target	Acquiror	Distribution Transactions
BENTELER Distribution International GmbH	Van Leeuwen Pipe and Tube Group BV.	Distributes steel tubes for hydraulic and pneumatic applications in Germany

Nationwide Plastics, Inc.	Curbell Plastics, Inc.	Distributes plastic sheets, rods, tubes and other products in Texas
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Franklin Electric Company, Inc.	US Electrical Services, Inc.	Distributes electrical supplies to construction and industrial maintenance companies and OEM's in the Philadelphia metropolitan area
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Target	Acquiror	BPO Transactions
Fairway Technologies, Inc.	Accenture plc	Offers technology consultation, system integration and staffing services in California

NTConnections	NuMSP, LLC	Provides IT consulting and support services, including technical helpdesk and computer support, to small and mid-sized businesses in Virginia
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Benefit Commerce Group, LLC	Alera Group, Inc.	Offers employee benefit plans, HR compliance consultation services and project management solutions to businesses in Arizona
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Target	Acquiror	Industrial Transactions
Blue Earth Solar, Inc.	Primior, Inc.	Offers engineering, procurement, construction and installation of alternative energy systems in California

NFE Manufacturing, Inc.	Cunaxa Ventures, Inc.	Provides machining and engineering services to the oil and gas, mining, aerospace, hydro-electric, forestry and marine industries in Canada
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Design-Build Construction, Inc.	Mahaney Roofing Company, Inc.	Provides architectural design and turnkey construction services to commercial, organizational and residential clients in Tennessee
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Target	Acquiror	Logistics Transactions
D.R. Graham Trucking, LLC	Energy & Environmental Services, Inc.	Offers road transportation and freight services in the Southwestern U.S.

Patriot Rail Company, LLC	First State Investments, LLC; MidRail, LLC	Owns and operates short line and regional freight railroads across the U.S.
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Elemica, Inc.	Eurazeo SE; Eurazeo Capital IV	Provides third-party supply chain network and logistics solutions to manufacturers and distributors in Pennsylvania
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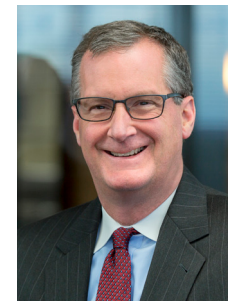
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