

BUSINESS SERVICES MONTHLY

DECEMBER 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

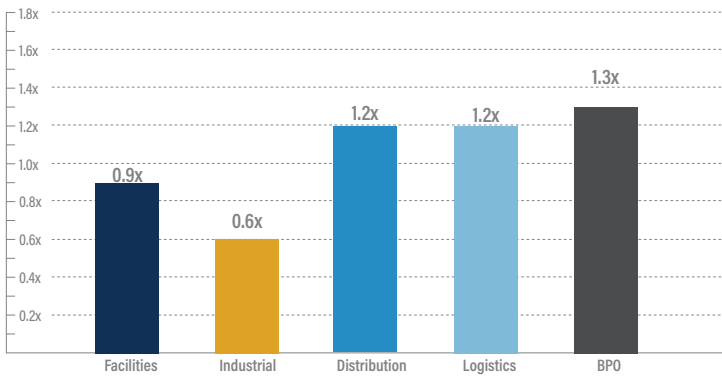
Business Process Outsourcing (BPO)

HEADLINE TRANSACTIONS

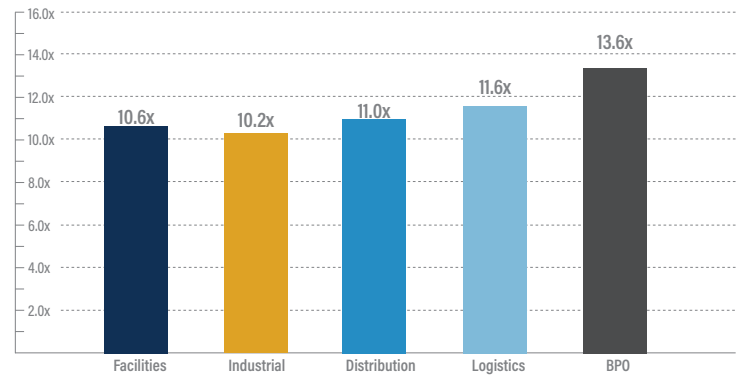
	TARGET	ACQUIROR	ACQUISITION SYNOPSISIS
Facilities			<ul style="list-style-type: none"> Boca Raton, FL-based ADT Inc. (NYSE:ADT) agreed to acquire Critical Systems, based in Marietta, GA, as part of a continued strategic effort to expand its commercial security systems integration services platform Critical Systems is a commercial security integration company providing enterprise-class fire alarm, fire suppression, life-safety and building security solutions for high-rise properties, healthcare campuses and other commercial clients in the greater Atlanta region ADT provides security and automation solutions, including fire and life safety systems, video surveillance and access control, for homes and businesses across the United States and Canada, earning annual revenues greater than \$5 billion
Industrial			<ul style="list-style-type: none"> Littleton, CO-based Oldcastle Infrastructure, a leading provider of building products and services, acquired Torrent Resources, a Phoenix, AZ-based industrial drainage services provider Torrent Resources offers installation and maintenance for industrial site water drainage systems, including storm water dry wells, piping and pump systems, as well as technical analysis, engineering and design review for construction and engineering businesses in the United States Oldcastle Infrastructure provides a full suite of building products and services, including over 16,000 pipe, precast, storm water, enclosure and building accessory products, to construction clients and contractors in North America
Distribution			<ul style="list-style-type: none"> New York-based private equity firm Tailwind Capital Group acquired Kansas City, MO-based Banner Solutions from New York-based High Road Capital Partners as part of a continued string of recent investments in the specialty industrial distribution sector Banner Solutions is a leading wholesale distributor of door hardware, electronic access control and security products primarily for repair, replacement and renovation projects in the commercial and residential markets in the United States Tailwind Capital specializes in making control investments in the healthcare, business services and industrial services sectors, and has a fund size of \$1.8 billion
Logistics			<ul style="list-style-type: none"> Lineage Logistics, based in Colton, CA, agreed to acquire Dallas, TX-based Emergent Cold, a leading provider of cold storage facilities and temperature-controlled logistics services in North America Emergent Cold provides refrigerated transportation and logistics services, order fulfillment and value-added services including case picking, blast freezing and export inspections with locations in New Zealand, Australia, Sri Lanka and Vietnam Lineage Logistics offers temperature-controlled public warehousing facilities for storage of food commodities, including beef, poultry, seafood, grains and vegetables to agricultural companies in the United States and internationally
BPO			<ul style="list-style-type: none"> Irvine, CA-based NextGen Healthcare, a provider of ambulatory-focused technology solutions, acquired Cary, NC-based patient experience platform Medfusion for \$43 million Medfusion operates a patient engagement portal built to provide hospitals and medical centers clinical and financial administration solutions, including streamlined billing and online copay, by connecting medical professionals directly with patients NextGen Healthcare provides electronic health record software and service solutions to medical providers across the United States, streamlining workflows, prescription management, documentation and letter generation and referral tracking, among other intensive back-office healthcare administration requirements

BUSINESS SERVICES GROWTH & VALUATION TRENDS

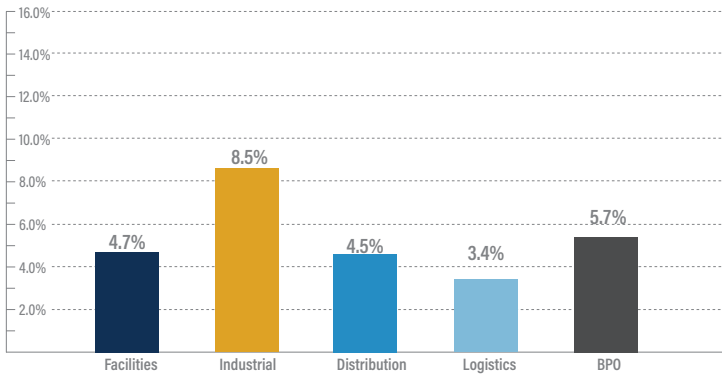
Enterprise Value / LTM Revenue



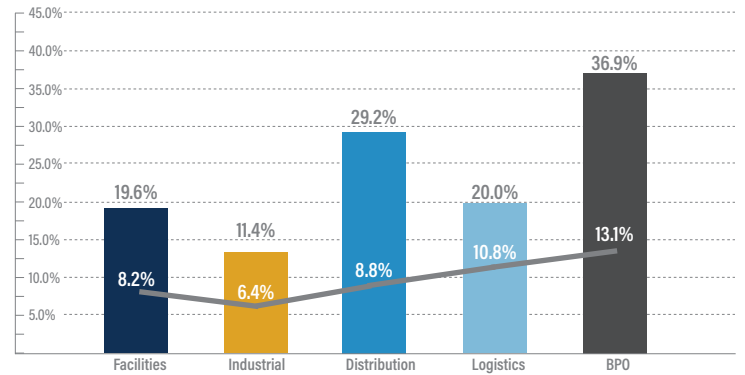
Enterprise Value / LTM EBITDA



LTM Revenue Growth

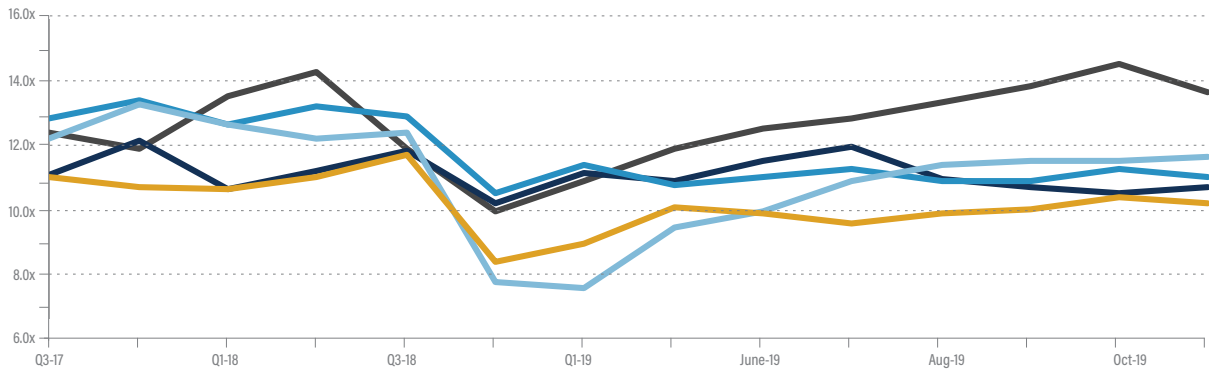


LTM Gross & EBITDA Margins*



*EBITDA Margins shown as the gray line.

EBITDA Multiples Over Time



10.6x Facilities

10.2x Industrial

11.0x Distribution

11.6x Logistics

13.6x BPO

SELECTED BUSINESS SERVICES TRANSACTIONS

Target	Acquiror	Facilities Transactions
Mac Systems, Inc.	Summit Companies	Tulsa, OK-based Mac Systems develops and installs fire detection and security systems for residential, commercial and industrial customers in Oklahoma

VSC Fire & Security, Inc.	Markel Corporation	VSC Fire & Security, based in Ashland, VA, installs and services fire and life safety systems for residential and commercial customers in the Southeast
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Future Cleaning Services Limited	Noonan Services Limited	York, United Kingdom-based Future Cleaning Services provides commercial cleaning and sanitation services for nonresidential clients in the U.K.
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Target	Acquiror	Distribution Transactions
American Bolt & Screw Mfg. Corp	Bufab AB	Ontario, CA-based American Bolt & Screw distributes fasteners, nuts and other hardware products for manufacturing and assembly clients nationwide

TRINITY 3, LLC	Capital Southwest Corporation; Rotunda Capital Partners, LLC	St. Paul, MN-based TRINITY 3 distributes custom-built technology hardware products for the education market in the Upper Midwest
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Pinnacle Agriculture Enterprises, LLC	J.R. Simplot Company	Loveland, CO-based Pinnacle Agriculture Enterprises distributes agricultural crop inputs and related services in the Midwest
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Target	Acquiror	BPO Transactions
Market Data Services Limited	Calero Software, LLC	Kent, United Kingdom-based Market Data Services provides market data and telecom expense management solutions for commercial clients internationally

AccSys, Inc.	ParTech, Inc.	Tampa, FL-based AccSys provides back office software solutions and automation for hospitality clients in the Southeast
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Automated Medical Systems, Inc.	Doctors' Administrative Solutions, LLC	Valdosta, GA-based Automated Medical Systems provides administrative, financial and e-prescription systems automation for medical practices in the U.S.
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Target	Acquiror	Industrial Transactions
JEDCO Energy Services Corp	Strike Group, Inc.	Alberta, Canada-based JEDCO provides construction, maintenance and engineering services for oil and gas pipeline companies in North America

Bowline Construction, LLC	Brand Industrial Services, Inc.	Bowline Construction, based in Norwell, MA, supplies construction access systems for construction projects in the Northeast
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Gaudreau, Inc.	EwingCole, Inc.	Gaudreau, based in Baltimore, Maryland, provides architectural planning and engineering services for commercial and industrial clients nationwide
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Target	Acquiror	Logistics Transactions
SunteckTTS	MODE Transportation, LLC	Jacksonville, FL-based SunteckTTS offers transportation logistics services and contract carrier transportation services in the Southeast

Morgan Southern, Inc.	Mason Dixon Intermodal, Inc.	Morgan Southern, based in Peachtree City, GA, provides intermodal freight transportation solutions for direct shippers and steamship lines nationwide
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ShockWatch, Inc.	Harbour Group Industries, Inc.	Dallas, TX-based ShockWatch, d.b.a. Spotsee, provides temperature monitoring and supply chain management solutions in the US and globally
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TM Capital's Business Services Industry Contacts



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