

BUSINESS SERVICES MONTHLY

FEBRUARY 2020

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

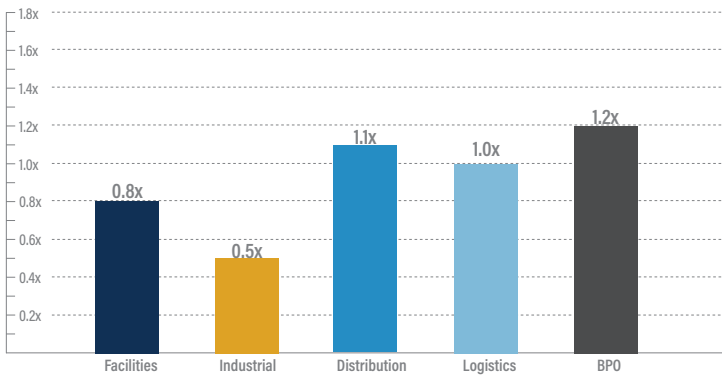
Business Process Outsourcing (BPO)

HEADLINE TRANSACTIONS

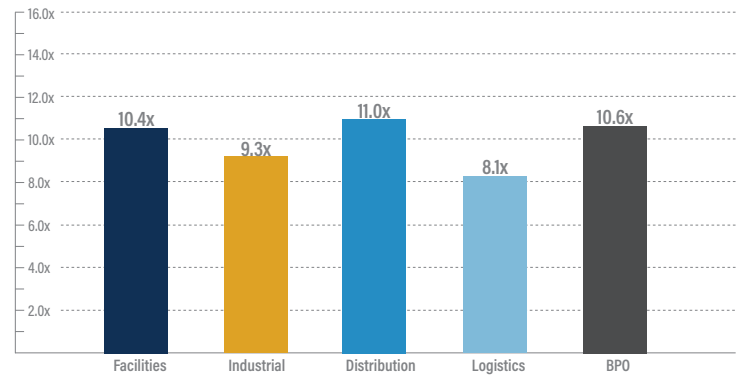
	TARGET	ACQUIROR	ACQUISITION SYNOPSISIS
Facilities	 WASTE HARMONICS	 ARCAPITA	<ul style="list-style-type: none"> TM Capital served as exclusive financial advisor to Waste Harmonics, a portfolio company of Chicago, IL-based private equity firm Prospect Partners, in its sale to Arcapita, a global investment firm with North American headquarters in Atlanta, GA Waste Harmonics delivers a comprehensive suite of managed waste solutions including consolidated waste collection and coordination, recycling and sustainability optimization, remote equipment monitoring, smart equipment rental, compliance reporting and waste stream auditing to blue-chip customers in a range of industries Arcapita is a leading private investment firm focused on growth-oriented opportunities globally, having completed over eighty investments with a total transaction value exceeding \$30 billion
Industrial	 VSB	 Partners Group <small>REALIZING POTENTIAL IN PRIVATE MARKETS</small>	<ul style="list-style-type: none"> International private equity and investment management firm Partners Group acquired VSB Group, a leading European developer and operator in the renewable energy sector based in Dresden, Germany VSB operates throughout the renewable energy value chain, providing project development and management services for onshore wind and solar power generation sites in Europe Partners Group is a leading private equity firm focused on investing in a range of industries including industrials and business services, having deployed over \$66 billion in capital in over 240 businesses since 1996
Distribution	 GALCO <small>INDUSTRIAL ELECTRONICS</small>	 FS Freeman Spogli & Co.	<ul style="list-style-type: none"> Leading middle-market private equity firm Freeman Spogli & Co. agreed to acquire Galco Industrial Electronics, based in Madison Heights, MI, a distributor of industrial and commercial electronic control, automation and motion products Galco specializes in distributing hard-to-find components and accessories for a range of industrial and electrical equipment, offering greater than three million SKUs to more than 64,000 customers across the globe In addition to its consumer practice, Freeman Spogli focuses on investing in the distribution sector, targeting business-to-business, route-based, specialty and wholesale distributors with EBITDA's between \$10 - \$75 million
Logistics	 PRIME <small>DISTRIBUTION SERVICES</small> <small>AN ASCENT GLOBAL LOGISTICS COMPANY</small>	 C.H. ROBINSON	<ul style="list-style-type: none"> Global third-party logistics services provider C.H. Robinson, based in Eden Prairie, MN, agreed to acquire Plainfield, IN-based Prime Distribution Services, a leading provider of retail logistics solutions and freight consolidation services, for \$225 million, representing a revenue multiple of approximately 2.1x Prime Distribution Services possesses a network of five food-grade warehouse facilities across the United States, offering a comprehensive suite of logistics solutions that help its retail clients meet delivery requirements and minimize transportation costs C.H. Robinson is a global leader among third-party logistics platforms, with approximately \$20 billion in freight under management and nearly eighteen million shipments completed annually
BPO	 ACTIVER <small>SOLUTIONS</small>	 XCEEDANCE	<ul style="list-style-type: none"> Boston, MA-based Exceedance, a global provider of insurance consulting, managed services and data science, agreed to acquire Marlborough, MA-based Activer Solutions, an outsourced back-office solutions provider serving the property and casualty insurance industries Activer Solutions serves as a strategic partner to property and casualty insurance providers in the United States, offering policy record-keeping, client communication management, billing and account reconciliation and document printing and distribution for its clients across the United States Exceedance supports its global customer base of insurance providers by enhancing and optimizing workflow efficiency, as well as providing fundamental services including policy administration and claims handling

BUSINESS SERVICES GROWTH & VALUATION TRENDS

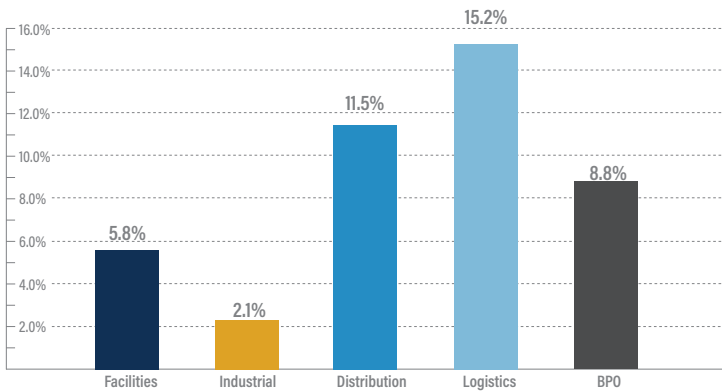
Enterprise Value / LTM Revenue



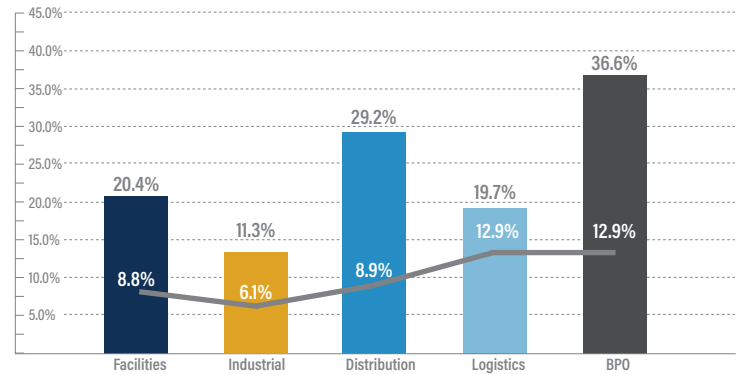
Enterprise Value / LTM EBITDA



LTM Revenue Growth

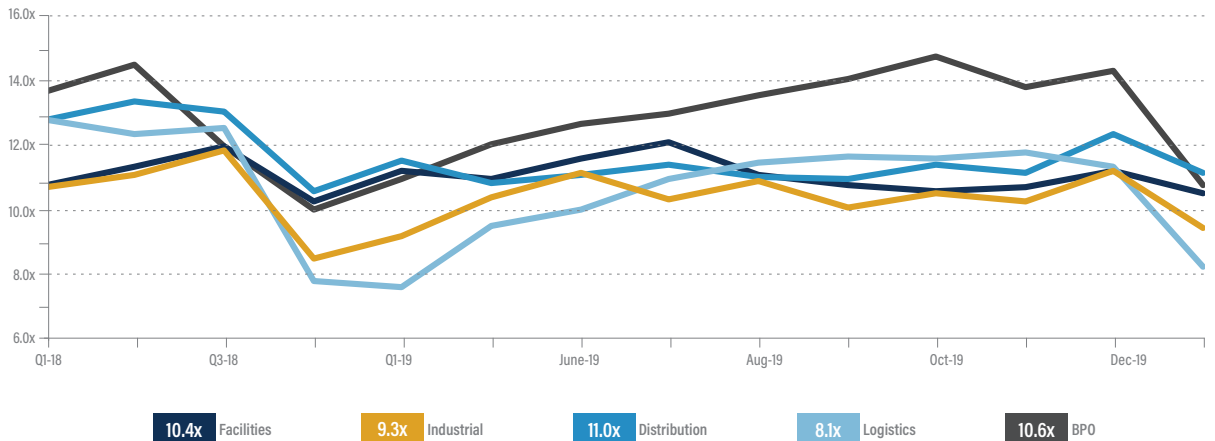


LTM Gross & EBITDA Margins*



*EBITDA Margins shown as the gray line.

EBITDA Multiples Over Time



SELECTED BUSINESS SERVICES TRANSACTIONS

Target	Acquiror	Facilities Transactions
Huckestein Mechanical Services, Inc.	Service Logic, LLC	Pittsburgh, PA-based Huckestein Mechanical Services offers HVAC services, including system maintenance, to commercial customers in Pennsylvania, Ohio and West Virginia

Aegis Fire Systems Technology, Inc.	Rapid Fire Protection, Inc.	Aegis Fire Systems Technology, based in Pleasanton, CA, designs, installs and services fire and life safety systems for commercial customers in the San Francisco Bay Area
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Spectrum Mechanical & Service Contractors, LLC	HB McClure Company	Tempe, AZ-based Spectrum Mechanical & Service Contractors offers HVAC installation and repair services to commercial and municipal clients in the Southwestern US
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Target	Acquiror	Distribution Transactions
Oxford Hardware Limited	Kason Industries, Inc.	Worcester, UK-based Oxford Hardware distributes commercial kitchen and refrigeration equipment and components for the restaurant and hospitality industries in the UK

Flow-Tech, Inc.	Cross Company	Flow-Tech, based in Hunt Valley, MD, distributes instrumentation and calibration equipment to power plants, OEM's and engineering companies in the US
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Primaflow Limited	Newbury Investments Limited	Crick, UK-based Primaflow distributes tube fittings, mixers and other plumbing and heating system components to wholesalers and service providers in the UK
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Target	Acquiror	BPO Transactions
Merit Benefits Group, Inc.	Group RHI, LLC	Oak Brook, IL-based Merit Benefits Group serves as a third-party administration provider for employee benefit and qualified retirement plans in the US

Great Falls Marketing, LLC	S2G-Maine, LLC	Based in Auburn, ME, Great Falls Marketing provides outsourced lead generation, marketing and customer service call center operations to commercial clients in the Northeast US
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Benefit Brokers of WNY, LLC	The Evans Agency, LLC	Amherst, NY-based Benefit Brokers of WNY provides outsourced human resources, payroll and employee benefit administration services to business in the Eastern US
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Target	Acquiror	Industrial Transactions
Global Marine Holdings, LLC	Trafalgar AcquisitionCo, Ltd.	Chelmsford, UK-based Global Marine Holdings, d.b.a. Global Marine Group, provides offshore industrial engineering services for the telecommunications and energy industries

Granite Contracting, LLC	Sloan Construction Company, Inc.	Granite Contracting, based in Cornelius, NC, provides paving and construction services for municipalities, general contractors and real estate development companies
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Pacific Power Engineers, Inc.	Ulteig Engineers, Inc.	Pacific Power Engineers, based in Rancho Cordova, CA, offers power systems engineering services to municipal, military and private commercial clients in the Western US
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Target	Acquiror	Logistics Transactions
RPM Consolidated Services, Inc.	Odyssey Logistics & Technology Corporation	Fullerton, CA-based RPM Consolidated Services offers logistics and specialty transportation services to commercial customers across the Western US

Eagle Transportation, LLC	Nolan Transportation Group, LLC	Based in Hattiesburg, MS, Eagle Transportation offers logistics management solutions to manufacturing and distribution businesses in the Southeastern US
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Clugston Distribution Services, Ltd.	AJWG, Ltd.	Based in Scunthorpe, UK, Clugston Distribution Services provides distribution and ground transportation services for the bulk powder and liquid fuel sectors in the UK
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