

BUSINESS SERVICES MONTHLY

APRIL 2023

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 and business process outsourcing.

Facilities

Industrial

Distribution

Logistics

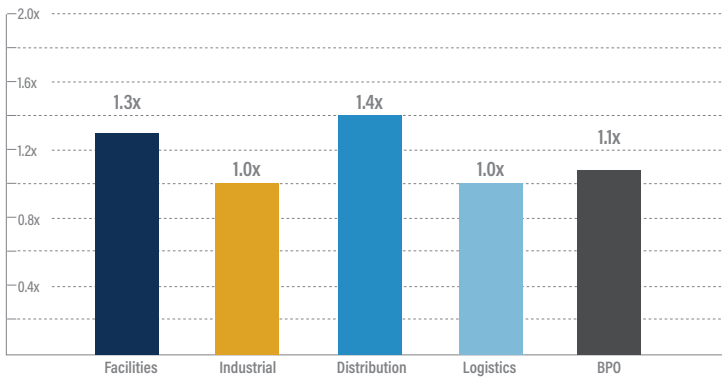
Business Process Outsourcing (BPO)

HEADLINE TRANSACTIONS

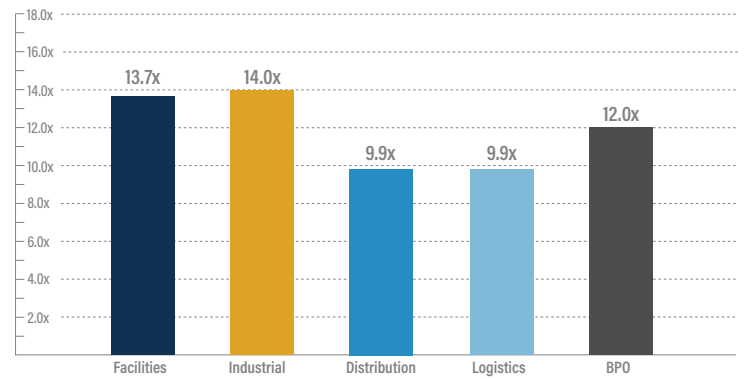
	TARGET	ACQUIROR	ACQUISITION SYNOPSIS
Facilities	 <small>Heating • Air Conditioning • Refrigeration, Inc.</small>	  	<ul style="list-style-type: none"> Flow Service Partners ("Flow"), a portfolio company of RLJ Equity Partners and LP First Capital, has acquired Nunning Heating, Air Conditioning and Refrigeration ("Nunning"), an Evansville, Indiana-based provider of HVAC services Founded in 1978, Nunning has built a strong reputation for providing commercial HVAC/R installation, repair and maintenance services to facilities in the Indiana market The acquisition of Nunning represents the fifth add-on transaction completed by Flow, expanding Flow's HVAC/R service capabilities and footprint - RLJ and LP First will seek to expand the business throughout the Midwest, Southeast and Mid-Atlantic regions
Industrial	 <small>ENGINEERING SERVICES, Inc.</small>		<ul style="list-style-type: none"> Universal Engineering Sciences ("UES"), a national engineering and consulting company, has acquired Faulkner Engineering Services ("Faulkner"), a provider of environmental, geotechnical and construction engineering and testing services Headquartered in Tampa, Florida, Faulkner works with engineers, developers, design build contractors and government agencies to provide engineering and materials testing services - Faulkner specializes in commercial, municipal, industrial and FDOT projects UES has established an aggressive M&A strategy, completing 18 acquisitions since 2019 in the consulting and engineering services industry and has grown its operations to include 3,400+ employees across 70 branches throughout the United States
Distribution	 <small>Fast Friendly Service</small>	 <small>DISTRIBUTION SOLUTIONS GROUP</small>	<ul style="list-style-type: none"> Distribution Solutions Group (Nasdaq:DSGR), an international specialty distribution company, has agreed to acquire HIS Company ("HISCO"), a leading distributor of industrial technology products, for \$269.1 million HISCO operates out of 38 location across North America, providing specialty distribution of products used in electronics design, production and repair as well as providing value-added fabrication and customized repackaging solutions - HISCO generated \$400+ million of revenue and \$29 million of EBITDA in 2022 DSGR plans to combine the operations of HISCO with TestEquity, a leading distributor of test and measurement equipment and solutions, to build an international platform that will serve the electronics design, production and repair industries
Logistics		 	<ul style="list-style-type: none"> Knight-Swift Transportation Holdings (NYSE:KNX), one of the largest for-hire truckload carrier in the industry, has agreed to acquire U.S. Xpress (NYSE:USX), one the nation's largest truckload providers, for total consideration of \$808 million USX, currently ranked #54 on the Transport Topics Top 100 List of the largest carriers in North America, owns and operates a fleet of ~7,200 tractors and ~14,400 trailers The combination of Knight-Swift and US Express will create a national leader in the truckload carrier industry that generates nearly \$10b in annual revenue
BPO	 <small>NATIONAL ENROLLMENT PARTNERS</small>		<ul style="list-style-type: none"> The Hilb Group ("Hilb"), a property and casualty and employee benefits issuance broker, has acquired National Enrollment Partners ("NEP"), a Minnesota-based benefits enrollment and administration provider NEP leverages cutting edge technology, an experienced employee base and a footprint of 21 locations spread throughout 16 states to provide benefits enrollment and administration services to a roster of ~17,000 clients Hilb, with capital backing of The Carlyle Group, has developed an impressive growth through acquisition strategy (completing 150+ acquisitions) that will allow the Company to move quickly through integration and extract significant cost savings and cross-selling synergies

BUSINESS SERVICES GROWTH & VALUATION TRENDS

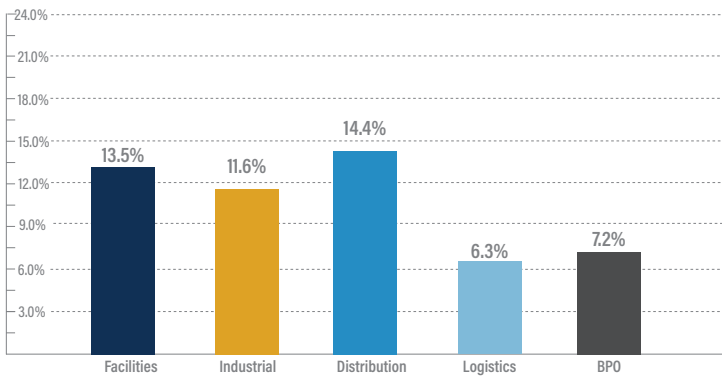
Enterprise Value / LTM Revenue



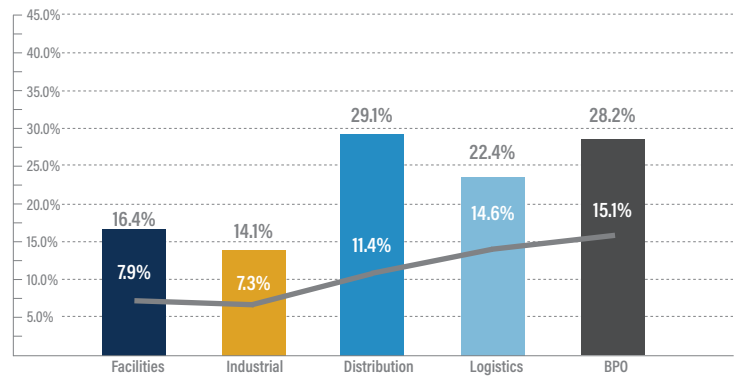
Enterprise Value / LTM EBITDA



LTM Revenue Growth

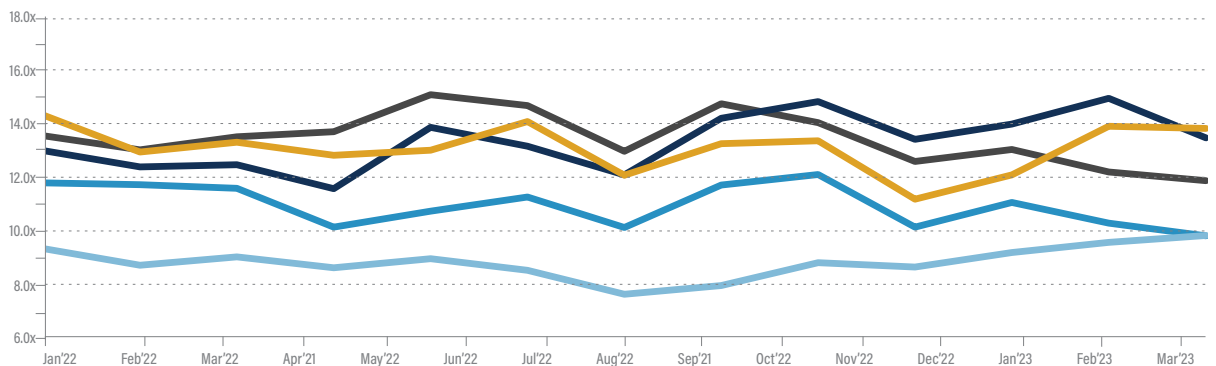


LTM Gross & EBITDA Margins*



*EBITDA Margins shown as the gray line.

EBITDA Multiples Trends



13.7x Facilities 14.0x Industrial 9.9x Distribution 9.9x Logistics 12.0x BPO

SELECTED BUSINESS SERVICES TRANSACTIONS

Target	Acquiror	Facilities Transactions
Island Pump & Tank	Hidden Harbor Capital	Island Pump & Tank is a provider of facility, building and alternative energy services to fuel retailers and government agencies

PrimeFlight Aviation Services, Inc.	The Sterling Group and Capitol Meridian Partners	PrimeFlight provides mission-critical services to commercial airline, airport, cargo and general aviation customers
-------------------------------------	--	---

F.L. Sons Fire Equipment, Inc.	Marmic Fire & Safety	F.L. Sons offers fire extinguishers, fire suppression systems and emergency light maintenance services
--------------------------------	----------------------	--

Target	Acquiror	Distribution Transactions
Refrigeration Sales Company, LLC	The Master Group	RSC provides heating, ventilation and air conditioning distribution services to the Ohio and western Pennsylvania markets

Thomas Skinner & Son	Regimen Equity Partners, Inc.	Thomas Skinner & Son is a Richmond, Canada-based distributor of industrial metalworking equipment
----------------------	-------------------------------	---

Allied Oil & Supply, Inc.	RelaDyne, Inc.	Allied Oil & Supply is a specialty distributor of industrial oils and greases for use in medium- and heavy-duty equipment
---------------------------	----------------	---

Target	Acquiror	BPO Transactions
KnowledgeVine, LLC	Alliant Insurance Services, Inc.	KnowledgeVine provides Human Performance Improvement (HPI) technology and training services to improve workplace safety

DataProse, Inc.	Matrix Imaging Solutions, Inc.	DataProse offers billing statement design, print, mail and electronic presentment and payment services
-----------------	--------------------------------	--

Tag Worldwide Holdings	Dentsu Group Inc.	Tag Worldwide is an international provider of corporate information solutions and strategic document handling for businesses
------------------------	-------------------	--

Target	Acquiror	Industrial Transactions
Kordt Engineering Group, LLC	Read Jones Christoffersen	Kordt is a Las Vegas-based civil and structural engineering firm that focusses primarily on commercial retail and landmark building projects

The Blueline Group, LLC	Atwell, LLC	Blueline is provider of civil engineering, land use planning and landscape architecture services
-------------------------	-------------	--

Tendon Systems, LLC	Commercial Metals Company	Tendon Systems offers concrete and restoration services for multi-family residential, parking structures and high-rise buildings
---------------------	---------------------------	--

Target	Acquiror	Logistics Transactions
Legacy Logistics	Estes Forwarding Worldwide, LLC	Legacy Logistics is a provider of logistics services, warehousing and storage solutions and white-glove shipping

RSI Logistics, Inc.	Trinity Industries, Inc.	RSI is an Okemos, Michigan-based provider of rail logistics, logistics technology, bulk terminal and bulk intermodal services
---------------------	--------------------------	---

Byland Transportation, LLC	Sage Freight, LLC	Byland Transportation provides over-the-road logistics and warehousing services to customers in the United States
----------------------------	-------------------	---

TM Capital's Business Services Industry Contacts



Jarrad Zalkin
Managing Director
jzalkin@tmcapital.com
617.259.2207



David Felts
Managing Director
dfelts@tmcapital.com
404.995.6252



James Grien
Managing Director
jgrien@tmcapital.com
404.995.6235



Steven Hunter
Managing Director,
Sponsor Coverage
shunter@tmcapital.com
404.995.6232