

# BUSINESS SERVICES MONTHLY

AUGUST 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

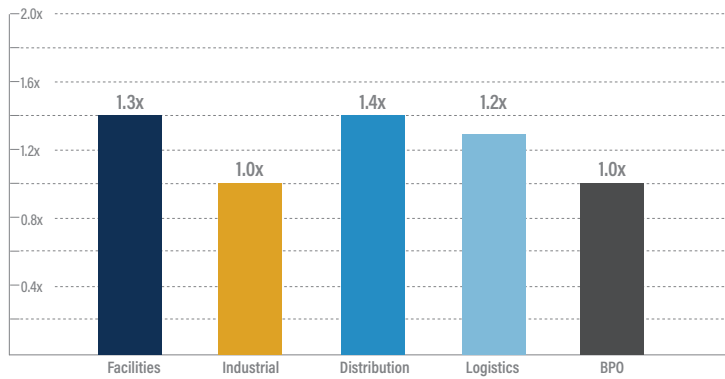
Business Process Outsourcing (BPO)

## HEADLINE TRANSACTIONS

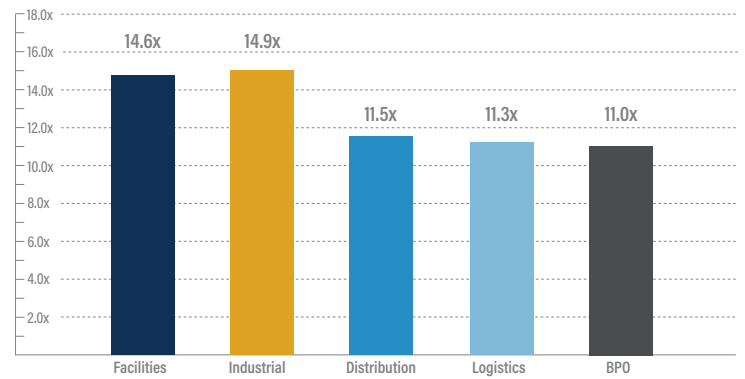
	TARGET	ACQUIROR	ACQUISITION SYNOPSISIS
Facilities			<ul style="list-style-type: none"> <li>JF Lehman &amp; Company, a New York-based private equity firm, has agreed to acquire Heritage-Crystal Clean (Nasdaq: HCCI), an Illinois-based waste management provider, in a take-private transaction valued at \$1.2 billion</li> <li>Heritage-Crystal Clean provides parts cleaning, hazardous and non-hazardous waste and used oil collection services to small and mid-sized customers in the industrial and vehicle maintenance sectors in North America</li> <li>Through the merger, JF Lehman will acquire Heritage-Crystal Clean's outstanding shares for \$45.50 per share, representing a premium of ~25% to the Company's recent average share price</li> <li>The acquisition represents JF Lehman's second platform investment in the waste management services sector; JF Lehman plans to leverage the recent commercial momentum for environmentally-conscious businesses to accelerate growth in the Heritage-Crystal Clean platform</li> </ul>
Industrial			<ul style="list-style-type: none"> <li>ATI Restoration, a portfolio company of TSG Consumer Partners, has acquired Jenkins Enterprises, a provider of restoration, remodeling and construction services across Northern Virginia</li> <li>Jenkins Enterprises provides complete construction, restoration and remodeling services in both residential and commercial structures</li> <li>The acquisition will complement ATI's existing operational footprint across Pennsylvania, Delaware and Maryland and adds to its highly acquisitive track record, now having completed 13 transactions since launching its accelerated growth plan in 2020</li> </ul>
Distribution			<ul style="list-style-type: none"> <li>Graybar, a leading distributor of electrical, communications and data networking products, has acquired Shepherd Electric Supply, a Baltimore-based electrical distributor serving a wide range of customers</li> <li>Shepherd has solidified its reputation as a leading provider of electrical products across Maryland, Virginia and D.C., serving customers across the commercial, industrial and government sectors</li> <li>With this transaction, Graybar continues its recent flurry of acquisitions within the electrical distribution space and further consolidates its market share across the Mid-Atlantic region</li> </ul>
Logistics			<ul style="list-style-type: none"> <li>PICKUP Now, a Plano, Texas-based provider of last mile logistics services, has agreed to merge with Point Pickup Technologies, a Connecticut-based provider of retail-branded fulfillment and delivery services</li> <li>PICKUP Now is a Dallas-based provider of curated same-day and scheduled delivery services with extensive expertise delivering white glove services for large/bulk-format furniture and appliances</li> <li>With this merger, Point Pickup and PICKUP Now cement their combined status as the go-to provider for last-mile delivery, together serving a wide range of customers across the retail, grocery, e-commerce and home improvement sectors</li> </ul>
BPO			<ul style="list-style-type: none"> <li>Westland Insurance, a subsidiary of BroadStreet Partners, has acquired Andrew Agencies, a leading insurance provider across Canada's westernmost provinces</li> <li>Andrew Agencies has earned a reputation as the preeminent full-service insurance and financial services provider across Western Canada, with 22 total locations throughout Manitoba, Saskatchewan and Alberta</li> <li>This transaction represents the fifth acquisition since BroadStreet Partners, owned by Ontario Teachers' Pension Plan, acquired the company in April 2023</li> </ul>

# BUSINESS SERVICES GROWTH & VALUATION TRENDS

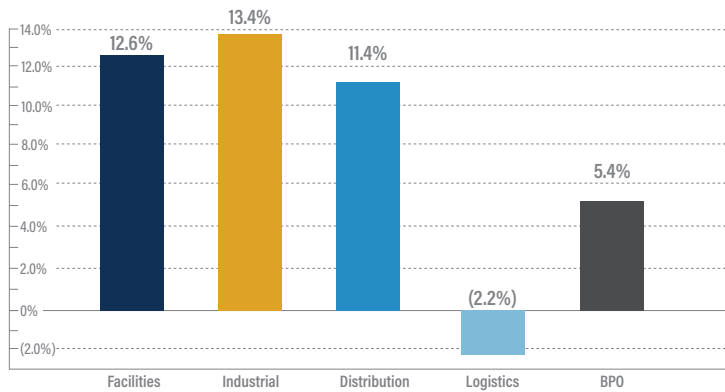
Enterprise Value / LTM Revenue



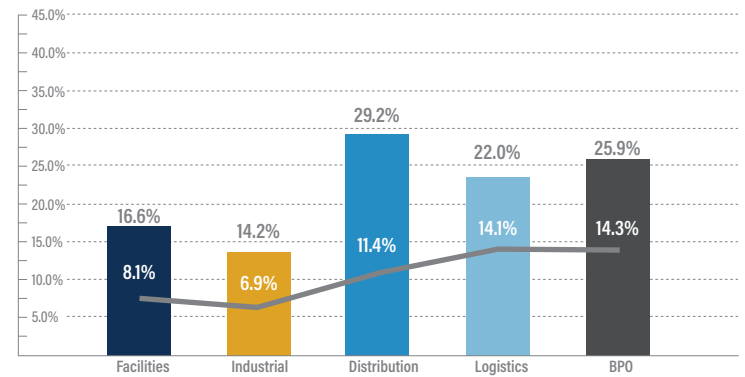
Enterprise Value / LTM EBITDA



LTM Revenue Growth

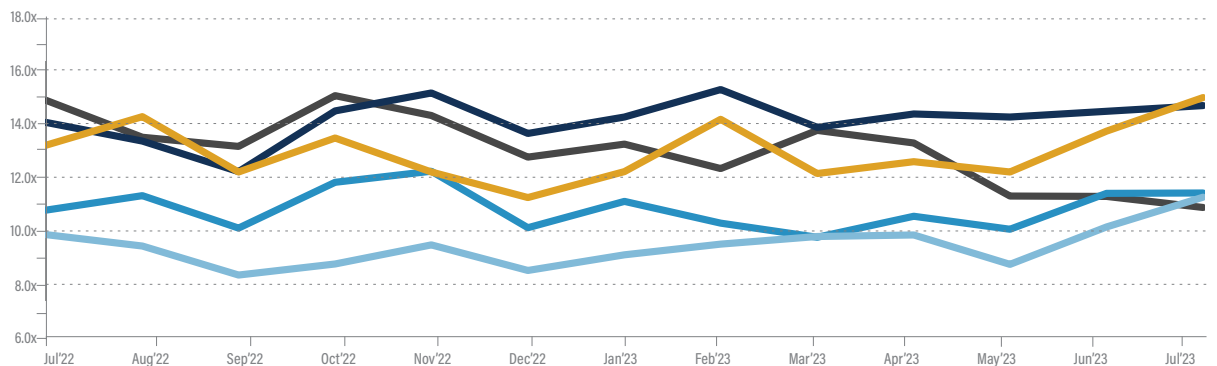


LTM Gross & EBITDA Margins\*



\*EBITDA Margins shown as the gray line.

EBITDA Multiples Trends



14.6x Facilities 14.9x Industrial 11.5x Distribution 11.3x Logistics 11.0x BPO

# SELECTED BUSINESS SERVICES TRANSACTIONS

Target	Acquiror	Facilities Transactions
CAM Services	Tendit Group (Osceola Capital)	CAM Services offers construction and property maintenance services including snow removal, power washing and electrical services

K&J Integrated Systems	Pavion (Wind Point Advisors)	K&J Integrated Systems provides low voltage installation and support for fire, safety and security systems
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Environmental Systems Company	Fidelity Energy & Sustainability (GFI Energy)	Environmental Systems Company services building integrated systems
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Target	Acquiror	Distribution Transactions
SafetyMax	ASA Safety Supply (Trivest Partners)	SafetyMax distributes safety, first aid and fire extinguisher products

Lovan Industries	Imperial Dade Intermediate Holdings (Advent International)	Lovan Industries distributes industrial and janitorial supplies
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ALVF	EVI Industries (NYSEAM:EVI)	ALVF provides a broad range of commercial laundry equipment
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Target	Acquiror	BPO Transactions
SmartLinx Solutions	Lone View Capital Management	SmartLinx Solutions provides human capital management solutions including payroll processing and workforce management

Equiant Financial Services	Concord Servicing Corporation (Balance Point Capital & Inverness Graham)	Equiant Financial Services provides receivable management, early-stage collections and document custody services
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Hagan Benefits	Arthur J. Gallagher & Co. (NYSE:AJG)	Hagan Benefits offers benefits marketing and administration for government entities, insurance carriers and associations
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Target	Acquiror	Industrial Transactions
Williams Industrial Services Group	EnergySolutions (TriArtisan Capital Advisors)	Williams Industrial Services Group provides construction, maintenance and support services to customers in the energy and industrial end markets

Portland Utilities Construction Company	Aegion (New Mountain Capital)	Portland Utilities Construction Company provides underground utility contractor services
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Pollution Management	Terracon Consultants	Pollution Management provides engineering and environmental services including wastewater and civil engineering services
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Target	Acquiror	Logistics Transactions
Rockfarm Supply Chain Solutions	Redwood Logistics (AEA Investors)	Rockfarm Supply Chain Solutions offers supply chain management, transportation and consulting services globally

V T Mancusi	Alba Wheels Up International (Southfield Capital)	V T Mancusi provides customs brokerage and logistics services for the food ingredient and fragrance sectors
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Jacknife Oilfield Services	Trimac Transportation Services	Jacknife Oilfield Services offers transportation, fluid hauling and mechanical repair services for oil companies
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## TM Capital's Business Services Industry Contacts



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