

BUSINESS SERVICES MONTHLY

SEPTEMBER 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

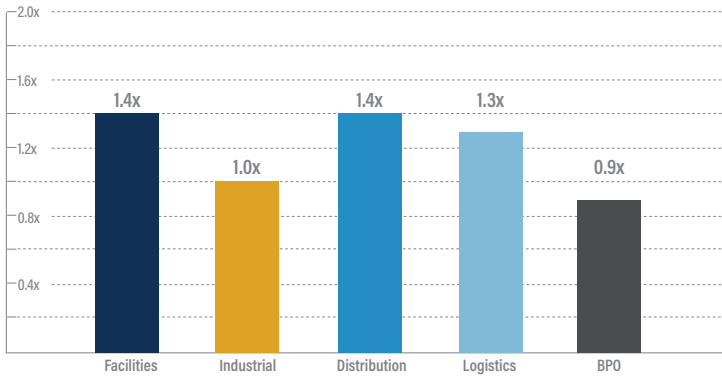
Business Process Outsourcing (BPO)

HEADLINE TRANSACTIONS

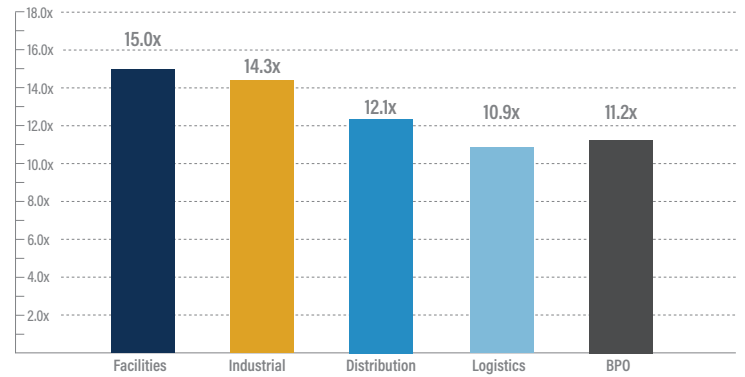
	TARGET	ACQUIROR	ACQUISITION SYNOPSISIS
Facilities	 		<ul style="list-style-type: none"> TM Capital served as exclusive financial advisor to Minuteman Security Technologies, Inc., a portfolio company of Prospect Partners, in its sale to Tenex Capital Management Minuteman is a premier integrator and service provider for enterprise-scale security & life safety systems encompassing video surveillance, access control, fire alarm, mass communication and license plate recognition technology Prospect Partners is a leading investor in pre-middle market businesses – partnering with management to accelerate growth via operational improvements and acquisitions Tenex Capital Management is an operations-oriented middle market private equity firm focused on business services, industrials and healthcare The sale of Minuteman represents TM Capital's fourth successful exit for Prospect Partners
Industrial	 		<ul style="list-style-type: none"> Palladium Equity Partners, a New York-based private equity firm, has acquired Superior Environmental Solutions ("SES"), a provider of specialized industrial and environmental services, from Rosewood Private Investments SES offers a broad range of environmental and industrial restoration services including emergency response services, hydro-blasting, vacuum truck services, sponge blasting, product destruction and waste management services throughout the Midwest and Southeast With this acquisition, Palladium aims to leverage SES's strong reputation and technical expertise to further SES's organic and inorganic growth in the industrial and environmental services market
Distribution			<ul style="list-style-type: none"> Clayton, Dubilier & Rice ("CD&R"), a New York-based private equity firm, has agreed to acquire Veritiv Corporation (NYSE: VRTV), a leading distributor of packaging, facility solutions and print products, in a take-private transaction valued at \$2.3 billion Veritiv is a full-service provider of packaging, JanSan & hygiene products and print solutions through its network of established distribution centers in the U.S. and Mexico Following the acquisition, CD&R plans to accelerate growth in the Vertiv platform by expanding its facility services offerings and introducing a new generation of suppliers to increase the resilience and flexibility of the supply chain without compromising quality and price
Logistics	 		<ul style="list-style-type: none"> Forward Air Corporation (NASDAQ: FWRD), a leader in ground transportation and related logistics services, has agreed to merge with Omni Logistics, an asset-light, high-touch logistics and supply chain management company, in a transaction with a total enterprise value of ~\$3.2 billion; following the merger, Omni Logistics shareholders will receive \$150 million in proceeds and own ~38% of the combined company on a fully diluted basis Omni Logistics specializes in providing domestic and international freight forwarding, fulfillment, customs brokerage and distribution services, serving U.S.-based customers for high-growth end markets The integration of Omni will drive high-margin freight to Forward's LTL network and provide Forward with direct access to more than 7,000 customers in high-growth, high-value end industries and an increased domestic footprint
BPO	 		<ul style="list-style-type: none"> Kohlberg & Company, a New York-based middle-market private equity firm, has acquired a majority stake in Engage PEO, a Fort Lauderdale, Florida-based professional employee organization from Lightyear Capital Engage PEO is a leading provider of outsourced benefits, workers' compensation, payroll and risk management services to U.S.-based small and midsized businesses Under Lightyear Capital's ownership, the Engage PEO platform has expanded through strategic M&A, completing four add-on acquisitions, an initiative that Kohlberg plans to continue to support under new ownership

BUSINESS SERVICES GROWTH & VALUATION TRENDS

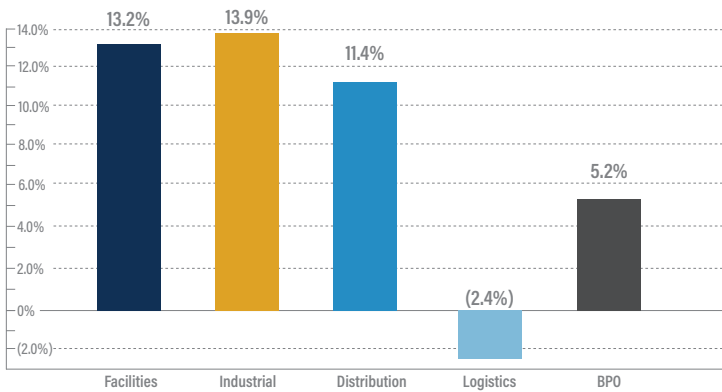
Enterprise Value / LTM Revenue



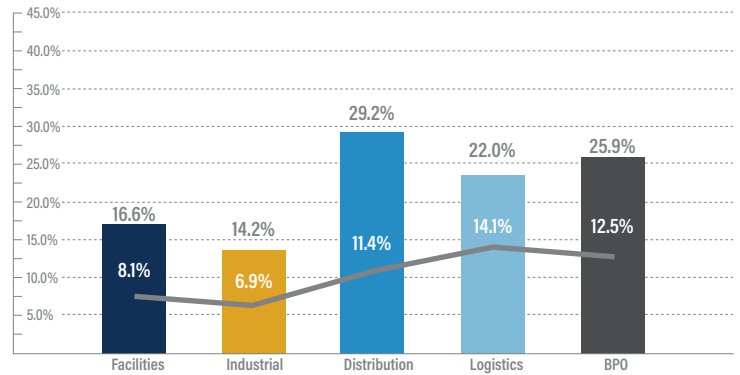
Enterprise Value / LTM EBITDA



LTM Revenue Growth

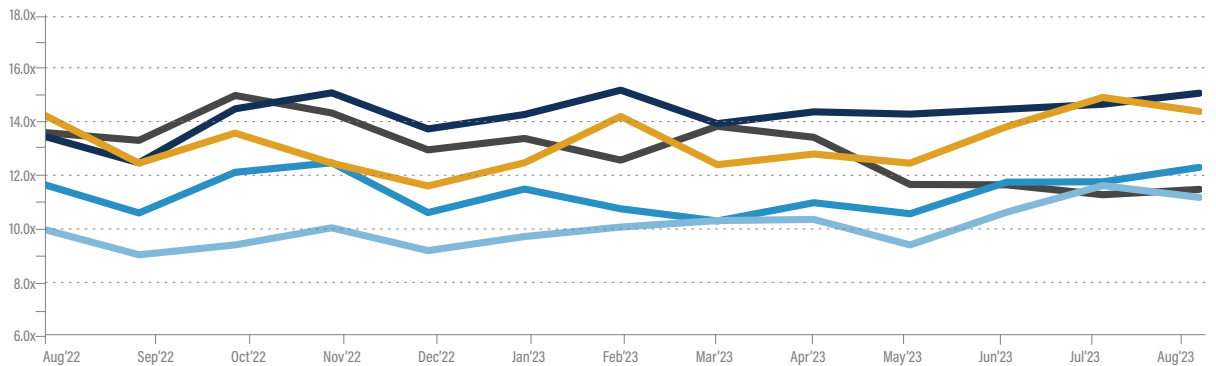


LTM Gross & EBITDA Margins*



*EBITDA Margins shown as the gray line.

EBITDA Multiples Trends



15.0x Facilities 14.3x Industrial 12.1x Distribution 10.9x Logistics 11.2x BPO

SELECTED BUSINESS SERVICES TRANSACTIONS

Target	Acquiror	Facilities Transactions
Custom Lawn Care	HCI Equity Partners	Custom Lawn Care is a provider of residential and commercial lawn care treatment services

Precision Asphalt Maintenance	Tendit Group (Osceola Capital)	Precision Asphalt Maintenance provides asphalt paving and pavement maintenance and repair services
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Fire Defense Services	The Hiller Companies (Littlejohn & Co.)	Fire Defense Services provides fire suppression, fire alarm and monitoring services
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Target	Acquiror	Distribution Transactions
Bruce Supply Corp.	Ferguson (NYSE:FERG)	Bruce Supply Corp is a plumbing distributor that serves commercial, mechanical and HVAC and fire contractors

Envoy Solutions	BradyIFS (Kelso & Company)	Envoy Solutions offers janitorial supplies, packaging solutions and specialty products
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Brockway-Smith Company	Boise Cascade Company (NYSE:BCC)	Brockway-Smith Company distributes doors, windows and millwork products to builders and contractors
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Target	Acquiror	BPO Transactions
William A. Graham	Marsh & McLennan Agency (NYSE:MMC)	William A. Graham offers insurance and employee benefits services

Pro-Flex Administrators	Benefit Resource (Abry Partners)	Pro-Flex Administrators provides full service benefits administration and compliance assistance
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Long Island Employee Benefits Group	U.S. Retirement & Benefits Partners (The Vistria Group and Kohlberg & Company)	Long Island Employee Benefits Group provides retirement plans and health and welfare benefits services
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Target	Acquiror	Industrial Transactions
J&R Restoration	BluSky Restoration (Kohlberg & Company)	J&R Restoration provides water, fire and wind damage restoration contractor services

McAfee Henderson Solutions	Alfred Benesch & Company	McAfee Henderson Solutions provides public and private civil engineering, surveying and construction engineering services
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Tanner Engineering	RTM Engineering	Tanner Engineering offers electrical engineering design services
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Target	Acquiror	Logistics Transactions
A/T Transportation	Online Transport	A/T Transportation provides transportation, logistics and warehousing services

Highways & Skyways of NC	Givens Transportation	Highways & Skyways of NC is a full-service logistics management company
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JHT Holdings	TFI International (TSX:TFII)	JHT Holdings offers automotive and truck transport services
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