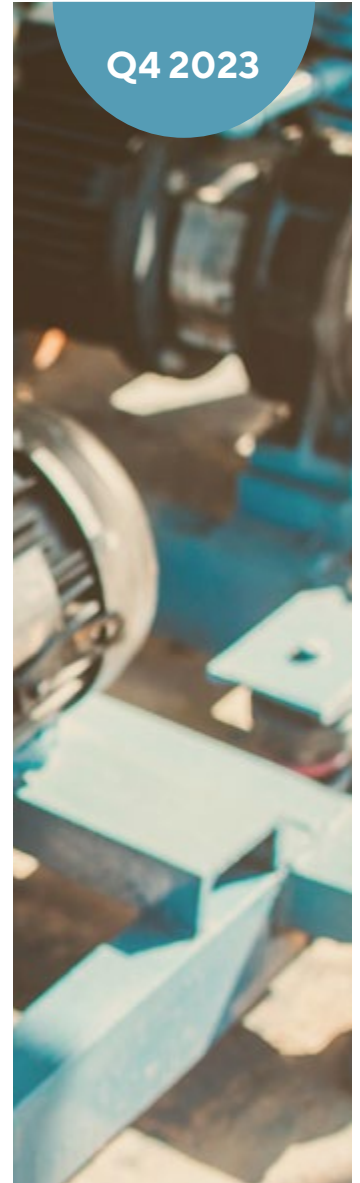


FACILITIES SERVICES

Market Update



Q4 2023



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- Market Insights
- Recent Lincoln International Transactions
- Facilities Services Financial Performance
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Market Insights

After a series of declining quarters since 2021, Q4 2023 marks the first uptick in mergers and acquisitions (M&A) activity in nearly two years, with approximately 7,000 deals closed, according to S&P Global. This represents an increase of approximately 3% compared to the approximately 6,800 deals closed in the previous quarter. This increase in activity from the consistent decline stemmed from a combination of factors, including but not limited to 1) decreased financing costs and an increase in overall leverage available and 2) greater confidence and visibility into the macroeconomy reaching a “soft landing”. We expect to see this level of activity continue to increase in 2024 as the global economy continues to stabilize and lenders put more money to work. Both strategic and financial acquirers are showing a steady commitment to making investments and are eager to deploy capital when the strategic fit is right.

There has also been continued activity within the facilities services sector, specifically within the U.S. market. During Q4 2023, private equity-backed facilities services companies were particularly active acquirers. Companies, including Pye-Barker Fire & Safety (Altas, Leonard Green), SavATree (Apax Partners), Crete Mechanical Group (Ridgmont Equity Partners) and Elevator Service (Carroll Capital) completed acquisitions. As of Q4 2023, the Lincoln Facilities Services Index (13.7x EV/EBITDA) and the S&P 1500 Environmental and Facilities Services Index (15.9x) are both valued at higher multiples relative to Q3 2023. Overall, we are optimistic that the facilities services M&A market will remain strong in 2024 for both financial and strategic buyers.

After a series of declining quarters since 2021, Q4 2023 marks the first uptick in M&A activity in nearly two years, with approximately 7,000 deals closed, according to S&P Global.

Recent Lincoln International Facilities Services Transactions

<p>DUNES POINT CAPITAL</p> <p>has sold</p> <p></p> <p>to</p> <p>INVESTCORP</p> <p>Sell-Side</p> 	<p>HCI EQUITY PARTNERS</p> <p>has sold</p> <p></p> <p>to</p> <p>VESTAR</p> <p>Sell-Side</p> 	<p>NEXTECH</p> <p>a portfolio company of</p> <p>Audax Group</p> <p>has acquired</p> <p></p> <p>Buy-Side</p> 	<p></p> <p>has merged with</p> <p></p> <p>a portfolio company of</p> <p>LITTLEJOHN & CO.</p> <p>Sell-Side</p> 	<p></p> <p>has received a growth investment from</p> <p></p> <p>Sell-Side</p> 
<p>SEASIDE EQUITY PARTNERS</p> <p>has sold</p> <p> ANDERSEN COMMERCIAL PLUMBING</p> <p>to</p> <p></p> <p>SUN CAPITAL PARTNERS, INC.</p> <p>Sell-Side</p> 	<p>THOMPSON STREET CAPITAL PARTNERS</p> <p>has sold</p> <p></p> <p>to</p> <p></p> <p>YORK CAPITAL MANAGEMENT</p> <p>Sell-Side</p> 	<p>BLUEPOINT</p> <p>has sold</p> <p></p> <p>to</p> <p></p> <p>a portfolio company of</p> <p>BLACKROCK</p> <p>Sell-Side</p> 	<p>CORTEC Group</p> <p>has sold</p> <p></p> <p>to</p> <p></p> <p>Sell-Side</p> 	<p>Audax Private Equity</p> <p>has sold</p> <p></p> <p>to</p> <p>SNOW PHIPPS</p> <p>Sell-Side</p> 

ABOUT THE LINCOLN FACILITIES SERVICES INDEX

The Lincoln Facilities Services Index is a market cap-weighted, composite stock index similar to the S&P 500 Index. The index is prepared by first selecting a base period, in this case, Q1 2022, and totaling the market caps of the companies in this period. This period and the total market cap is set to a base index at 100%. Next, the current period's total market cap is calculated, divided by the base period's total market cap and then multiplied by the base index (100%).

Quarter-over-quarter indices for the S&P, S&P 500 Environmental and Facilities Services and the Lincoln Facilities Services Index increased. The Lincoln Facilities Services Index Enterprise Value / EBITDA trading multiples increased by 0.4x to 13.7x.

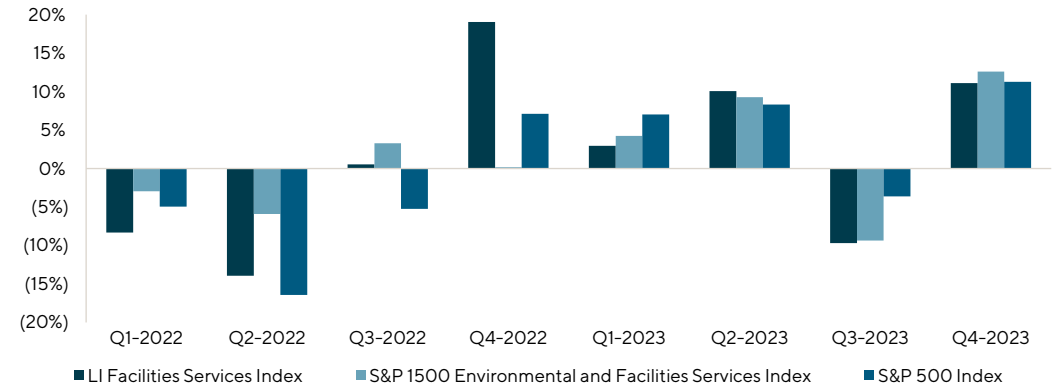
Facilities Services Financial Performance

QUARTER-OVER-QUARTER PERFORMANCE

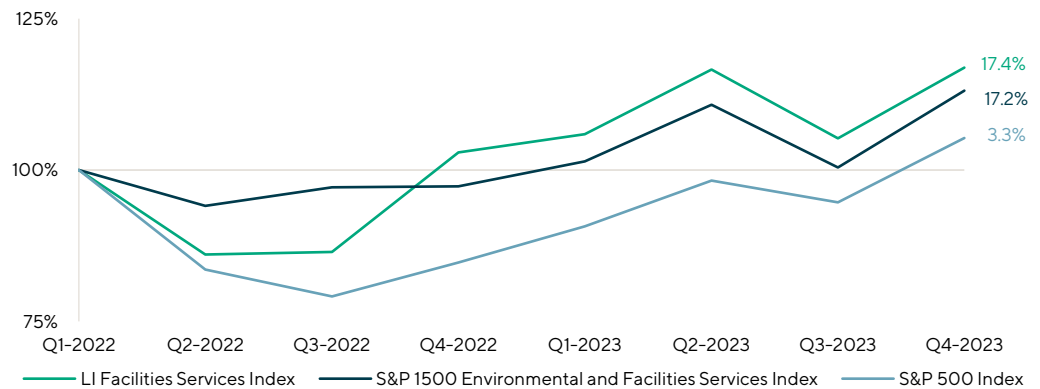
Top Performers	Change	Underperformers	Change
Cintas	25.3%	Rentokil Initial	(24.6%)
Securitas AB	23.3%	Aramark	(19.0%)
Comfort Systems USA	20.7%	Matrix Service	(17.1%)

Based on quarter-over-quarter share price performance

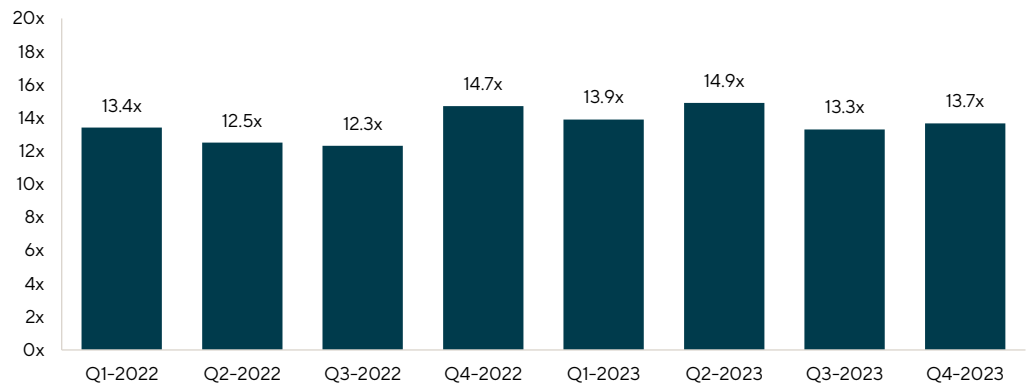
QUARTER-OVER-QUARTER STOCK INDEX CHANGE



TWO-YEAR RELATIVE STOCK INDEX PERFORMANCE



ENTERPRISE VALUE⁽¹⁾ / LTM EBITDA MULTIPLES



Source: Capital IQ as of 12/31/2023

(1) Enterprise value is calculated as market capitalization plus total net debt, preferred equity and minority interest

LINCOLN FACILITIES SERVICES INDEX STOCK DATA

(\$ in millions, except per share)

	Current Price	52-Wk High	Market Cap	Enterprise Value	Diluted EPS	LTM Rev	EV / LTM			LTM Growth		EBITDA Margin	Net Debt / EBITDA
							Rev	EBITDA	EBIT	Rev	EBITDA		
Facilities Services													
ABM Industries	\$44.83	\$53.05	\$2,818	\$4,074	\$2.14	\$8,096	0.5x	8.8x	12.0x	3.7%	(0.1%)	5.7%	2.7x
Aramark	28.10	45.72	7,370	13,568	2.57	18,854	0.7x	8.9x	13.8x	15.5%	31.1%	8.1%	4.1x
BrightView Holdings	8.42	9.16	788	1,652	(0.12)	2,816	0.6x	6.4x	15.4x	1.5%	(0.4%)	9.1%	3.4x
Cintas	602.66	607.79	61,078	63,677	13.80	9,194	6.9x	28.7x	33.2x	9.8%	11.8%	24.2%	1.2x
Comfort Systems USA	205.67	211.61	7,324	7,234	8.00	4,966	1.5x	16.1x	19.6x	28.0%	48.8%	9.0%	(0.2x)
Compass Group	27.33	28.66	46,733	51,154	0.75	37,864	1.4x	17.9x	20.9x	33.2%	38.1%	7.6%	1.5x
EMCOR Group	215.43	227.50	10,135	9,716	11.48	12,093	0.8x	11.0x	12.7x	12.3%	37.0%	7.3%	(0.5x)
FirstService	162.54	169.49	7,254	8,161	2.96	4,275	1.9x	20.7x	30.2x	19.3%	25.1%	9.2%	1.6x
Johnson Controls International	57.64	70.43	39,234	48,374	2.69	26,793	1.8x	13.2x	17.1x	5.9%	5.4%	13.7%	2.2x
Matrix Service	9.78	12.99	266	249	(1.82)	784	0.3x	NM	NM	4.8%	NM	(3.3%)	0.7x
Mitie Group	1.26	1.40	1,605	1,734	0.07	5,069	0.3x	7.9x	9.6x	16.5%	89.1%	4.3%	0.6x
Prosegur Compañía de Seguridad	1.95	2.42	1,034	2,718	0.12	4,652	0.6x	5.9x	9.0x	15.4%	23.5%	10.0%	3.5x
Rentokil Initial	5.61	8.46	14,053	18,307	0.12	6,116	3.0x	15.6x	22.8x	63.7%	72.9%	19.1%	3.6x
Rollins	43.67	45.04	21,138	21,591	0.83	2,981	7.2x	32.3x	37.8x	13.1%	20.0%	22.4%	0.7x
Securitas AB	9.80	10.53	5,616	9,686	2.55	14,297	0.7x	9.0x	11.6x	28.9%	46.1%	7.5%	3.8x
Sodexo	110.11	115.29	16,117	20,902	3.80	24,552	0.9x	16.4x	21.6x	13.8%	(4.8%)	5.2%	3.7x
Team	6.60	11.25	29	308	(25.17)	860	0.4x	1.3x	NM	3.3%	NM	26.8%	1.2x
UniFirst	182.91	205.59	3,424	3,335	5.98	2,285	1.5x	12.1x	22.8x	11.1%	13.7%	12.0%	(0.3x)
Facilities Services Mean							1.7x	13.7x	19.4x	16.7%	28.6%	11.0%	1.9x
Facilities Services Median							0.8x	12.1x	18.4x	13.5%	24.3%	9.1%	1.6x

Source: Capital IQ | Note: All values based on publicly available data as of 12/31/2023

Heard on the Street

12/20/2023: Pye-Barker Fire & Safety (Altas, Leonard Green), an Atlanta, GA-based provider of fire protection equipment services, has announced its acquisition of American Fire & Safety Supply, a full-service fire protection provider for fire extinguishers, fire suppression systems, emergency lighting, exit signage and fire sprinkler systems based in Ocala, Florida. This transaction is one of eight for the company in Q3 2023 and 30 in 2023. With the addition of America Fire, Pye-Barker increases its Southeastern presence while expanding its full-service customer base and reinforcing its status as the industry's most prolific consolidator. The acquisition continues Pye-Barker's aggressive M&A strategy centered around geographic expansion, increasing its footprint to 182 branches across 40 states.

12/12/2023: SavATree (Apax Partners), a Bedford Hills, New York-based provider of professional tree, shrub and lawn care services, announced the acquisition of three plant health service companies in Q4 2023, including 1) Arborscapes based in North Carolina, 2) Mr. Amoto Lawn & Tree Services based in Nebraska and 3) Sussex Tree based in Delaware. These acquisitions mark SavATree's entry into both Nebraska and North Carolina and the expansion of the platform's national footprint to 88 locations across 34 states.

11/2/2023: Elevator Service (Carroll Capital), a Grand Rapids, Michigan-based elevator services provider, announced the acquisition of three elevator service companies in Q4 2023, including 1) A-1 Elevator Service based in Louisiana, 2) Pinnacle Elevator based in Louisiana and 3) Allrise Elevator Company based in Missouri. These acquisitions mark Elevator Service's ("ESI") sixth add-on acquisition in the last two years and the launch of ESI's platform into the Southeast region. ESI's growth strategy has been centered around entering new markets, creating density in the region and then subsequently gaining market share in those geographies.

10/2/2023: GTCR, a Chicago-based private equity firm, announced the acquisition of ADT's commercial security, fire and life safety business. Moving forward as a standalone organization, ADT Commercial will rebrand as Everon and be led by former Protection1 executives Dan Bresingham and Tim Whall. Dan, also former President of ADT's commercial division, will lead the combined platform as the Chief Executive Officer, and Tim will serve as an active director of the company's board. The transaction value is estimated at \$1.6 billion with an adjusted EV / EBITDA multiple of 11x, marking GTCR's fourth investment in the security and fire and life safety industry.

M&A TRANSACTION HIGHLIGHTS

Closed	Target	Target Description	Acquirer
Dec-23	Best in Class Technology Services	Provides heating, ventilation and air conditioning (HVAC), electrical and plumbing maintenance, repair and replacement services	Investcorp
Dec-23	AllRise Elevator Company	Provides elevator design, installation, maintenance and modernization services	Elevator Service (Carroll Capital)
Dec-23	American Fire & Safety Supply	Provides fire protection, life safety and security services	Pye-Barker Fire & Safety (Altas, Leonard Green)
Dec-23	Roofing Corp of America	Provides roofing maintenance, repair, re-roofing and new roof installation services	FirstService
Dec-23	Profile Security Services	Provides integrated security solutions across the maritime, local authorities and manufacturing industries	OCS (Clayton, Dubilier & Rice)
Dec-23	Alarmguard Security	Provides security system installation, maintenance and monitoring services	Pye-Barker Fire & Safety (Altas, Leonard Green)
Dec-23	Sentry Watch	Provides security system installation and maintenance services	Pye-Barker Fire & Safety (Altas, Leonard Green)
Dec-23	Nitro-Lift	Provides nitrogen, fabrication and chemical services	USA DeBusk (Alston Capital Partners)
Dec-23	Watchtower Security	Provides managed video surveillance and asset protection services	TruArc Partners
Dec-23	Heartland	Provides landscape maintenance services across commercial end markets	Pritzker Private Capital
Dec-23	Big Fish HVAC	Provides HVAC and refrigeration installation, repair, maintenance and replacement services	Tech24 (HCI Equity Partners, Vestar Capital Partners)
Dec-23	Star Protection Agency	Provides a full suite of unarmed security services across a diverse range of end markets	Allied Universal (Warburg Pincus, CDPQ)
Dec-23	Bear Mountain Mechanical	Provides HVAC installation, maintenance, repair and emergency services	PremiStar (Partners Group)
Dec-23	National Healthcare Resources	Provides healthcare environment support services	The Facilities Group (Greenbriar Equity Group, Revolent Capital Solutions)
Dec-23	Brothers Gutters	Provides gutter installation, replacement, maintenance and cleaning services	Evive Brands (The Riverside Company)
Dec-23	Atlas Pest and Wildlife Control	Provides full-service pest and nuisance wildlife control services	Orkin Canada (Rollins)
Dec-23	Arborscapes	Provides tree and plant health services and landscape implementation, design and maintenance services	SavATree (Apax Partners)
Dec-23	Mr. Amoto Lawn & Tree Services	Provides lawn and tree health care services	SavATree (Apax Partners)

M&A TRANSACTION HIGHLIGHTS (CONTINUED)

Closed	Target	Target Description	Acquirer
Dec-23	Sussex Tree	Provides tree care, plant health care, irrigation, landscaping and crane services	SavATree (Apax Partners)
Dec-23	Copp Systems	Provides security and fire protection services	CertaSite (The Riverside Company)
Dec-23	Advanced Examination Services	Provides non-destructive testing services for the petroleum, chemical and agricultural industries	The Kelvin Group (Southfield Capital)
Dec-23	Georgia Air Solutions	Provides commercial refrigeration and HVAC installation, repair and maintenance services	CoolSys (Ares Management)
Dec-23	Piedmont Door Solutions	Provides commercial door and entrance solutions	Cobalt Service Partners (Alpine Investors)
Dec-23	Selinsky FORCE	Provides critical preventative, planned and emergency industrial maintenance services	KLH Capital
Dec-23	PumpMan	Provides wastewater system repair services	Harrington Process Solutions (Bain Capital)
Dec-23	Tristate Contents Cleaning	Provides comprehensive cleaning services to commercial and residential clients	Advanced Disaster Recovery (Brookstone Partners)
Dec-23	ACP Facility Services	Provides commercial cleaning, disinfection and maintenance services	Pritchard Industries (Littlejohn)
Nov-23	S&S Sprinkler	Provides fire sprinkler custom design, installation and maintenance services	Pye-Barker Fire & Safety (Altas, Leonard Green)
Nov-23	Kelso Industries	Provides HVAC and refrigeration installation and maintenance services	Paceline Equity
Nov-23	Tri-City Air Conditioning	Provides HVAC installation, inspection and maintenance services	Air Conditioning Specialist (Hidden Harbor Capital Partners)
Nov-23	Multi Mechanical	Provides HVAC installation and maintenance services	AMPAM Parks Mechanical (Gemspring Capital)
Nov-23	BASS United Fire & Security Systems	Provides fire alarm and life safety maintenance and installation services	Sciens Building Solutions (Carlyle, Huron Capital Partners)
Nov-23	Service Air Eastern Shore	Provides HVAC repair, replacement and maintenance services	Air Conditioning Specialist (Hidden Harbor Capital Partners)
Nov-23	Frontier Services Group	Provides emergency restoration services to residential and commercial clients	Seaside Equity Partners
Nov-23	Sonitrol Security Services	Provides access control, fire detection, video monitoring and other control system services	Pye-Barker Fire & Safety (Altas, Leonard Green)
Nov-23	CraneTech	Provides overhead crane inspection, maintenance and manufacturing services	Balance Point Capital Advisors
Nov-23	Carolina Custom Security & Sound	Provides integrated security and video surveillance services	Rely Technology
Nov-23	Shooter and Lindsey	Provides landscape maintenance and installation services	Juniper Landscaping (Bregal Partners)
Nov-23	S&W Contracting Company	Provides specialized electrical services focused on the traffic signal, commercial and industrial end markets	Crete Mechanical Group (Ridgemont Equity Partners)
Nov-23	Pressure Pros	Provides mobile power washing, specialty cleaning and maintenance services	Kept Companies (DFW, ACON)
Nov-23	First Response	Provides restoration services to commercial, residential and government institutions	BluSky Restoration Contractors (Partners Group, Kohlberg & Company)
Nov-23	Adroit Systems Company	Provides commercial fire alarm system, intrusion detection and access control services	Pye-Barker Fire & Safety (Altas, Leonard Green)
Nov-23	Silversand Services	Provides landscaping, irrigation and tree and plant care services	Zodega Landscaping (Lincoln Road Global Management)
Nov-23	SLI Landscape	Provides landscaping and irrigation management services for commercial premises	Zodega Landscaping (Lincoln Road Global Management)
Nov-23	Bob's Overhead Door	Provides commercial and residential door maintenance, installation and emergency response services	OnPoint Group (Harvest Partners)

M&A TRANSACTION HIGHLIGHTS (CONTINUED)

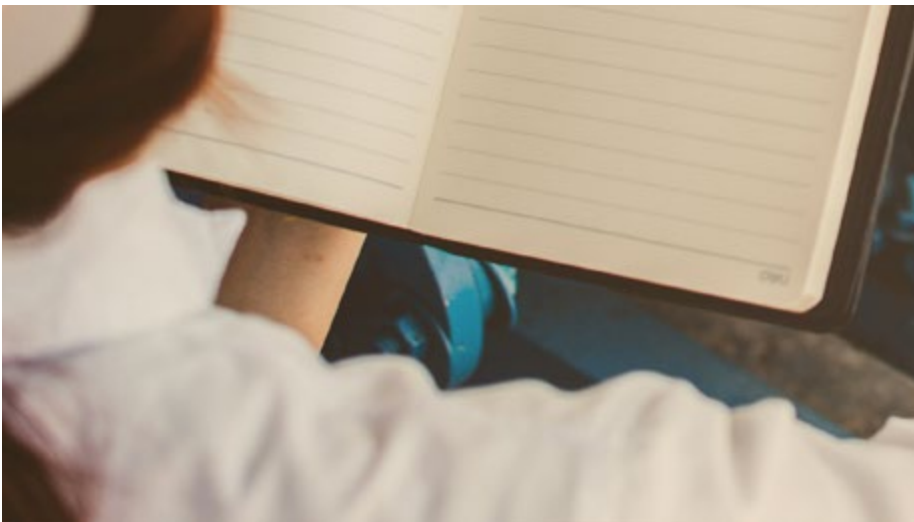
Closed	Target	Target Description	Acquirer
Nov-23	Koetter Fire Protection	Provides a full suite of commercial fire protection services	Pye-Barker Fire & Safety (Altas, Leonard Green)
Nov-23	Elevator Service Company	Provides maintenance, modernization and testing services for home lifts, platform lifts and LULA elevators	Cibes Lift Group (Nalka Invest)
Nov-23	Allied Safety Services	Provides commercial and industrial fire protection services	CertaSite (The Riverside Company)
Oct-23	LCS Facility Group	Provides cleaning and facility maintenance services for commercial buildings	4M Building Solutions (O2 Investment Partners)
Oct-23	Southern Elevator Group	Provides elevator maintenance, modernization, installation and repair services	Plexus Capital
Oct-23	Advance Security Integration	Provides a full suite of integrated security solutions	Security 101 (Gemspring Capital)
Oct-23	Anthem Pest Control	Provides commercial and residential pest, termite and mosquito control services	Aruza Pest Control (Concentric Equity Partners)
Oct-23	A-1 Elevator Service	Provides elevator, lift, dumbwaiter and accessibility services for commercial and residential buildings	Elevator Service (Carroll Capital)
Oct-23	Pinnacle Elevator	Provides elevator repair, maintenance and modernization services	Elevator Service (Carroll Capital)
Oct-23	Liberty Fire Solutions	Provides fire protection maintenance, repair, inspection and installation services	Eagle Fire (Rosewood Private Investments)
Oct-23	Pro-Tec Fire Solutions	Provides fire protection maintenance and repair services	Eagle Fire (Rosewood Private Investments)
Oct-23	Solstys Environmental	Provides pest control services for commercial and residential clients	Massey Services
Oct-23	Atalian USA	Provides facility cleaning, security, technical and energy management services	GDI Integrated Facility Services (Birch Hill Equity Partners)
Oct-23	RK Electric	Provides electrical engineering, design-build and retrofit services	Huron Capital Partners
Oct-23	Key Security Designs	Provides security system integration services for the commercial and real estate market	Sciens Building Solutions (Carlyle, Huron Capital Partners)
Oct-23	Golding Mechanical Services	Provides HVAC maintenance, installation and design services	PremiStar (Partners Group)
Oct-23	Miller Integrated Solutions	Provides industrial cleaning, environmental and mechanical services	KLH Capital
Oct-23	Live Oak Pest Control	Provides pest control and prevention services to commercial and residential clients	PestCo Holdings (Thompson Street Capital Partners)
Oct-23	PestBan+	Provides pest control and termite protection services	PestCo Holdings (Thompson Street Capital Partners)
Oct-23	Rental Uniform Service	Provides rental, lease and purchase services for uniforms and other facility supplies	Cintas
Oct-23	Comtron Systems	Provides fire alarm monitoring, emergency repair and access control services	Pye-Barker Fire & Safety (Altas, Leonard Green)
Oct-23	AMPAM Parks Mechanical	Provides plumbing design-build, pre-fabrication, installation and post-installation services	Gemspring Capital
Oct-23	Versatile Refrigeration	Provides HVAC maintenance, parts replacement and repair services	Crete Mechanical Group (Ridgemont Equity Partners)
Oct-23	ADT's Fire & Security Segment	Provides commercial security, fire and life safety services	GTCR Private Equity
Oct-23	Herbert Recovery Systems	Provides hazardous waste management, emergency response and industrial cleaning services	Miller Environmental Group (GenNx360 Capital Company)

About Lincoln International

We are trusted investment banking advisors to business owners and senior executives of leading private equity firms and their portfolio companies and to public and privately held companies around the world. Our services include mergers and acquisitions advisory, private funds and capital markets advisory, and valuations and fairness opinions. As one tightly integrated team of more than 950 employees in more than 20 offices in 15 countries, we offer an unobstructed perspective on the global private capital markets, backed by superb execution and a deep commitment to client success. With extensive industry knowledge and relationships, timely market intelligence and strategic insights, we forge deep, productive client relationships that endure for decades. Connect with us to learn more at www.lincolninternational.com.

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