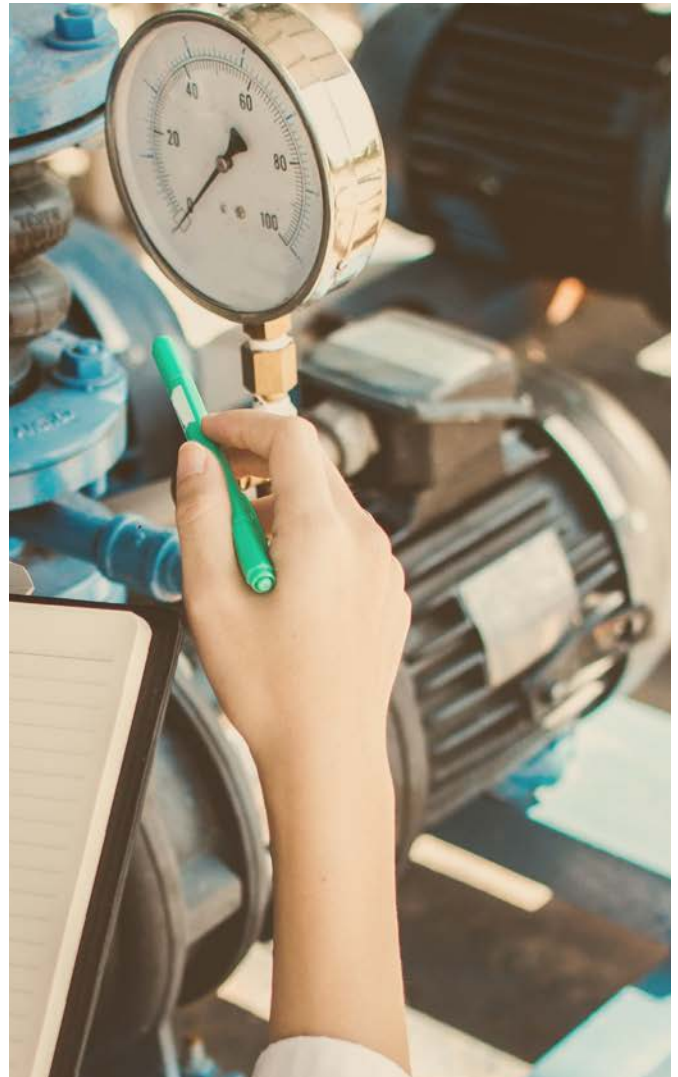


Market Update



Facilities Services
Q1 2021

Facilities Services Insights


The M&A market started 2021 with significant activity, continuing the growing momentum we have seen since a market trough in Q2 2020. According to S&P Global, there were ~13,500 transactions announced globally during Q1 2021. While slightly lower than the recent peak in Q4 2020 (~14,000 transactions), that figure is nearly 20% higher than the number of transactions announced in Q1 2020. As 2021 continues, we expect the global M&A market to remain strong and continue to grow due to availability of financing, abundant private equity capital and the continued recovery of sectors impacted by COVID-19.

Within the facilities services sector, there has also been a continued rise in activity, specifically within the U.S. market. During Q1 2021, private equity-backed facilities services companies were particularly active acquirers. Companies including, AI Fire (Snow Phipps), Reedy Industries (Audax), VLS Recovery (Aurora), Tech-24 (HCI), CoolSys (Ares), Service Champions (Odyssey), Pye Barker (Leonard Green) and Summit Fire (CI) completed acquisitions. Valuations within the facilities services sector have also experienced a significant rise over the last 12 months. As of the end of Q1 2021, the Lincoln Facilities Services Index (14.1x EV/ EBITDA) and S&P 1500 Environmental and Facilities Services Index (15.8x) have all exceeded pre-COVID-19 valuations. Overall, we remain optimistic the facilities services M&A market will continue to remain strong in 2021 with quality assets trading at premium valuations.

Recent Lincoln International Facilities Services Transactions

 Audax Private Equity


has sold

 AI FIRE

to

SNOW PHIPPS

Sell-Side




 WEST SHORE HOME

has been recapitalized by


 LGP | LEONARD GREEN & PARTNERS

Recapitalization




 GEMSPRING CAPITAL


has sold


 THERMA

to


 Blackstone

Sell-Side




 Rotunda Capital Partners


has sold


 MUNCH'S SUPPLY
WE MAKE IT EASY

to


 Ridgmont EQUITY PARTNERS

Sell-Side




 CHAMPLAIN

has sold


 Frontier Fire

to


 Highview CAPITAL

Sell-Side




 Audax Private Equity


has sold


 COOLSYS

to


 ARES

Sell-Side




 THE HALIFAX GROUP


has sold


 K2 Industrial Services™

to


 ASRC INDUSTRIAL SERVICES

Sell-Side




 COMVEST PARTNERS


has sold

 RED HAWK Fire & Security

to

 ADT

Sell-Side



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, Q2 2019, 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 Environmental and Facilities Services and Lincoln Facilities Services increased, and the Lincoln Facilities Services index EV / EBITDA trading multiples increased by 1.9x from 12.2x to 14.1x.

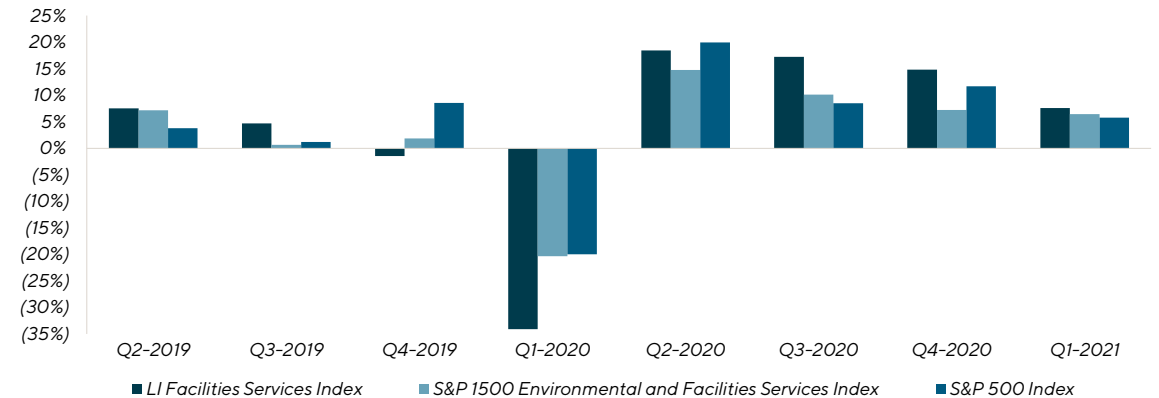
Facilities Services Financial Performance

Quarter-over-Quarter Performance

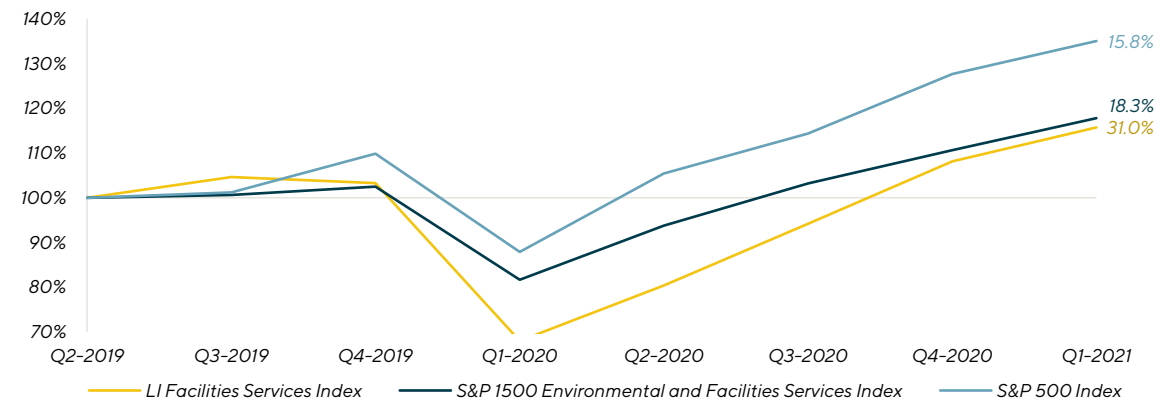
Top Performers	Change	Underperformers	Change
MITIE Group plc	53.4%	Rentokil Initial plc	(4.9%)
Comfort Systems USA, Inc.	42.0%	Terminix Global Holdings, Inc.	(6.5%)
ABM Industries Incorporated	34.8%	Rollins, Inc.	(11.9%)

Based on quarter-over-quarter share price performance

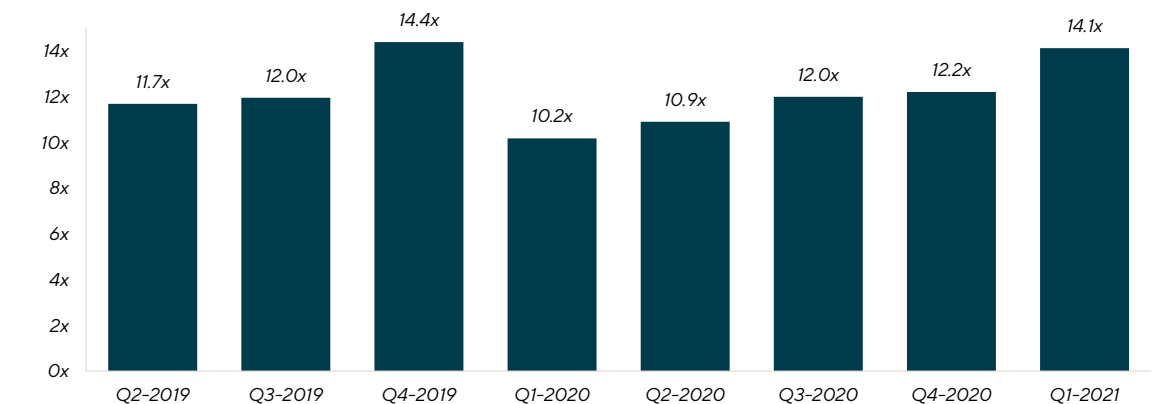
Quarter-over-Quarter Stock Index Change



Two-Year Relative Stock Index Performance



Enterprise Value⁽¹⁾ / LTM EBITDA Multiples



Source: Capital IQ as of 3/31/2021

(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

Company Name	Current Price	52-Wk High	Market Cap	Enterprise Value	Diluted EPS	LTM Rev	EV/LTM Rev	EV/LTM EBITDA	EV/LTM EBIT	LTM Growth Rev	LTM Growth EBITDA	EBITDA Margin	Net Debt / EBITDA
ABM Industries Incorporated	\$51.01	\$55.48	\$3,422	\$3,907	\$0.70	\$5,988	0.7x	10.5x	14.1x	(7.9%)	13.0%	6.2%	1.4x
Aramark	37.78	43.12	9,595	17,153	(2.72)	12,830	1.3x	nmf	nmf	(20.9%)	-0.6x	3.7%	15.4x
BrightView Holdings, Inc.	16.87	18.04	1,770	2,901	(0.39)	2,346	1.2x	15.2x	nmf	(2.4%)	(30.5%)	8.1%	5.6x
Cintas Corporation	341.31	369.20	35,851	38,002	9.14	6,934	5.5x	25.1x	nmf	(2.8%)	(1.0%)	21.9%	1.4x
Comfort Systems USA, Inc.	74.77	76.40	2,697	2,975	4.09	2,877	1.0x	12.2x	16.0x	15.8%	19.9%	8.5%	1.0x
Compass Group plc	20.13	22.41	35,914	40,414	0.08	31,160	1.3x	17.8x	21.8x	(0.1%)	(22.3%)	7.3%	2.8x
EMCOR Group, Inc.	112.16	115.59	6,146	5,779	2.40	8,920	0.6x	9.9x	12.1x	(0.9%)	8.2%	6.5%	(0.2x)
FirstService Corporation	148.30	157.97	6,497	7,270	2.02	2,673	2.7x	nmf	nmf	19.6%	21.0%	9.6%	2.3x
G4S plc	3.38	3.73	5,222	7,438	0.01	10,275	0.7x	9.5x	11.4x	7.3%	8.9%	7.6%	3.6x
Johnson Controls International plc	59.67	62.40	42,937	51,496	1.08	22,317	2.3x	17.6x	24.5x	(6.9%)	0.1x	13.1%	2.4x
Matrix Service Company	13.11	16.32	348	277	(0.72)	946	0.3x	11.8x	nmf	(34.2%)	-0.6x	2.5%	(2.0x)
MITIE Group plc	0.87	1.39	1,227	1,135	0.04	2,706	0.4x	9.8x	11.1x	(6.5%)	(16.3%)	4.3%	2.1x
Prosegur Compañía de Seguridad, S.A.	3.18	3.46	1,728	3,029	0.60	4,495	0.7x	3.2x	3.9x	(2.0%)	78.3%	21.3%	1.4x
Rentokil Initial plc	6.67	7.97	12,356	13,737	0.10	3,351	4.1x	23.1x	nmf	1.6%	(2.5%)	17.7%	2.2x
Rollins, Inc.	34.42	43.00	16,939	17,258	0.53	2,131	8.1x	nmf	nmf	9.0%	14.3%	20.8%	0.7x
Securitas AB	17.03	17.18	6,214	7,950	6.63	12,251	0.6x	11.1x	15.3x	10.0%	(3.3%)	5.9%	2.2x
Terminix Global Holdings, Inc.	47.67	55.00	6,286	6,719	0.15	2,201	3.1x	16.3x	22.8x	8.6%	4.8%	18.7%	3.6x
Sodexo S.A.	95.99	103.33	14,001	19,125	(2.16)	24,855	0.8x	11.3x	14.7x	3.2%	2.6%	6.8%	2.9x
Team, Inc.	11.53	13.84	356	713	(7.74)	933	0.8x	22.4x	nmf	(21.3%)	(0.4%)	3.4%	12.3x
UniFirst Corporation	223.71	258.86	4,219	3,750	6.70	1,786	2.1x	13.6x	22.2x	(2.8%)	(20.0%)	15.4%	(1.6x)
Mean							1.9x	14.1x	15.8x	(1.7%)	(2.1%)	10.5%	3.0x
Median							1.1x	12.2x	15.0x	(1.5%)	1.1%	7.9%	2.2x

Source: Capital IQ

Note: All values based on publicly available data as of 3/31/2021

Heard on the Street

03/08/2021: Rentokil Initial (LON:RTO), the UK-based pest control and hygiene services provider, announced that it is seeking strategic acquisition opportunities that bolster its digital offering and hygiene operations. Chief Executive Officer, Andy Ransom, announced that Rentokil does not foresee a slowdown in their potential opportunities over the medium term. This perspective is due to the fact that the global pest control sector is still largely fragmented with approximately 40,000 operators. In 2020 alone, Rentokil expanded into 20 new geographic markets.

02/26/2021: United Site Services, the Platinum Equity-backed portable toilets vendor, is exploring a potential sale. While financial sponsors are expected to be involved, United Site Services may consider a sale to a special purpose acquisition company (SPAC). United Site Services currently maintains 100 locations and serves over 115,000 customers.

01/04/2021: National Fire & Safety, the Highview Capital-backed fire protection and life safety company, has announced Chris Gannon as its new Chief Executive Officer effective immediately. Prior Chief Executive Officer, Greg Londo, will remain an investor in the business going forward. Gannon plans to focus on national geographic footprint expansion with both organic growth initiatives and strategic add-on acquisitions.

M&A Transaction Highlights

Closed	Target	Target Description	Acquirer
Mar-21	Duquette Refrigeration	Provides commercial refrigeration and HVAC services	CoolSys (Ares)
Mar-21	Sierra Air	Provides HVAC services	Service Champions (Odyssey)
Mar-21	EMSAR (Emigrant Capital)	Provides equipment maintenance and repair services	Gauge Capital
Mar-21	Cascade Thermal Solutions	Provides repair and maintenance services for refrigeration, sterilization, incubation and thermal laboratory equipment	Full Spectrum Group (Pfungsten)
Mar-21	AI Fire (Audax)	Provides repair, servicing, installation and inspection for fire life safety systems	Snow Phipps Group
Mar-21	United Fire Protection	Provides fire protection and life safety services	Pye-Barker Fire & Safety (Leonard Green)
Mar-21	Alliance Mechanical Services	Provides services, installation and maintenance for commercial HVAC and foodservice equipment	Tech-24 (HCI)
Mar-21	B38 Group Holdings	Provides a range of services such as facilities management, building maintenance support and technical services	Bellrock Property & Facilities Management (Ardian)
Mar-21	Crown Health Care Laundry (Quilvest Capital)	Provides healthcare laundry processor and linen management services	The Pritzker Organization
Mar-21	Advance Plumbing Company	Provides plumbing services	Liquid Environmental Solutions (Audax)
Mar-21	Control Works	Provides building automation control systems	Reedy Industries (Audax)
Mar-21	Ace Asphalt of Arizona (Prophet Equity)	Provides paving, concrete, parking lot maintenance solutions and construction services	Sunland Asphalt & Construction (Huron)
Mar-21	Eagle Elevator Co.	Provides elevator maintenance services	3 Phase Elevator Corporation (Fort Point)
Feb-21	Salute Mission Critical	Provides mission critical data center services	LLR Partners (Red Badge Management)
Feb-21	Valley Pest Control	Provides pest control services	Arrow Exterminators
Feb-21	Airo Mechanical	Provides HVAC and plumbing services	Thomas Investments
Feb-21	Hydro Technology	Provides industrial and environmental cleaning services	Superior Environmental Solutions (Rosewood)
Feb-21	Greenix Pest Control	Provides subscription-based pest control services	Riata Capital Group
Feb-21	Capitol Engineering Company	Provides HVAC systems to industrial, commercial and institutional clients	American Refrigeration Company (Southfield)
Feb-21	Night Owl Security	Provides security systems, fire alarm systems, video surveillance and access control solutions	Summit Fire Protection (CI)
Feb-21	Better Fire	Provides fire protection services	Summit Fire & Security (CI)
Feb-21	Kimbrough Fire Extinguisher Company	Provides fire protection services	Summit Fire & Security (CI)
Feb-21	Mountain High Fire & Safety	Provides fire protection services	Summit Fire & Security (CI)
Feb-21	Hcfco	Provides fire alarm services	Summit Fire & Security (CI)
Feb-21	R.N.A. of Ann Arbor	Provides cleaning and maintenance services	Revolent Capital Solutions
Feb-21	Marmic Fire & Safety (Thompson Street)	Provides fire suppression installation and inspection services	HGGC
Feb-21	Pacific Trans Environmental Services	Provides hazardous waste management, treatment, disposal, recycling and environmental services	VLS Recovery Services (Aurora)
Feb-21	Legacy Fire Protection	Provides fire protection services	AI Fire (Audax)
Jan-21	Advanced DRI	Provides emergency recovery services	Brookstone Partners
Jan-21	Hudson Valley Contracting	Provides emergency response services	Brookstone Partners
Jan-21	Urban Elevator Service	Provides elevator installation, modernization, repair and maintenance services	Skydeck Capital

Source: Capital IQ, Mergermarket, Company Filings

M&A Transaction Highlights (cont'd)

Closed	Target	Target Description	Acquirer
Jan-21	Great Lakes Fire and Safety Equipment	Provides fire and safety protection services	CertaSite (The Riverside Company)
Jan-21	United Air Temp, Air Conditioning and Heating	Provides HVAC services	Summit Park
Jan-21	Sound & Signal Systems of New Mexico	Provides fire alarm and security services	Summit Fire & Security (CI)
Jan-21	Emerald Acquisition	Provides pavement maintenance services	Atlantic Southern Paving and Sealcoating (Harbor Beach)
Jan-21	InDemand Industrial Services	Provides industrial maintenance and construction services	Progress Equity Partners
Jan-21	ICE Technical Maintenance Services	Provides maintenance and support services for commercial property facilities	CBRE Group
Jan-21	SecurAmerica	Provides security and facility services	Allied Universal Security Services (Warburg Pincus)
Jan-21	Watson Security Group	Provides security services	KENDELL (Keystone Capital)
Jan-21	Emerald Landscape Services	Provides development and management services for installation and maintenance projects	Stay Green
Jan-21	Ready Engineering Corporation	Provides designing, engineering, installation and support services for electrical, control and industrial information systems	Shermco Industries (Gryphon)
Jan-21	Valcourt Building Services	Provides exterior building maintenance and repair services	Littlejohn & Co
Jan-21	AIS Commercial Parts & Service	Provides foodservice distribution services	Tech-24 (HCI)
Jan-21	Arborwell	Provides tree care and maintenance services	SavATree (CI)
Jan-21	Eichenauer Services	Provides commercial kitchen equipment services	Tech-24 (HCI)
Jan-21	Cutting Edge Property Maintenance	Provides commercial landscaping services	BrightView Holdings
Jan-21	Scottie's Building Services	Provides commercial window cleaning, pressure washing, glass restoration and high dusting services	JOBS Group (Keystone Capital)
Jan-21	Exterior Diagnostic Services	Provides waterproofing and restoration services for commercial and industrial applications	JOBS Group (Keystone Capital)
Jan-21	Nardini Fire Equipment	Provides fire protection solutions	Pye-Barker Fire & Safety (Leonard Green)
Jan-21	Environmental Pest Service (Concentric Equity)	Provides pest control services	Rentokil
Jan-21	Cranney Companies	Provides plumbing, cooling, heating, electrical and drain cleaning services	The Flint Group
Jan-21	Eagle Fire	Provides fire protection services	Rosewood Private Investments
Jan-21	A. Molly Company	Provides environmental and damage restoration services	Hudson Valley (Brookstone Partners)
Jan-21	Mulligan Security	Provides armored car services	Protos Security (Southfield Capital)
Jan-21	LYNX Franchising (Incline Equity)	Provides commercial cleaning services	MidOcean Partners
Jan-21	Service Champions (CenterOak Partners)	Provides air-conditioning repair and electrical services	Odyssey Investment Partners
Jan-21	Texas Chiller Systems	Provides HVAC solutions	Orion Group Partners (Alpine)

Source: Capital IQ, Mergermarket, Company Filings



Advisory Services

Mergers & Acquisitions
Capital Advisory
Joint Ventures & Partnering
Valuations & Opinions

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About Lincoln International

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