



Facility Maintenance and Janitorial Services M&A Market Update

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Meridian Capital's Facility & Industrial Services Team

Meet the Team



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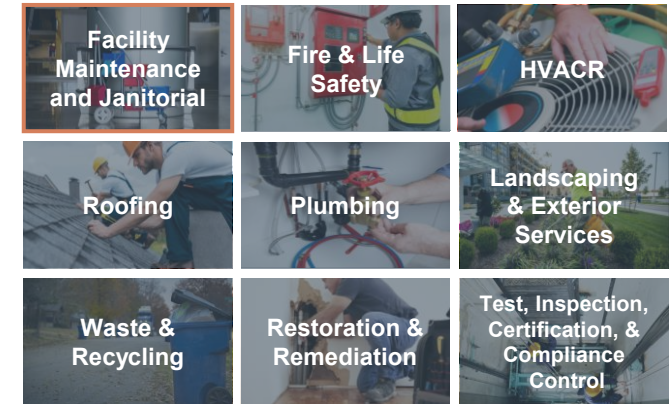
Overview

Meridian Capital's Diversified Industrials team has extensive transaction experience in the facility and industrial services sector.

The coverage team possesses deep industry relationships with leading acquirers in the space and is up-to-date on the latest sector trends and considerations.

Meridian Capital is pleased to present its Winter 2025 Facility Maintenance and Janitorial Services Market Update.

Subsector Coverage



Relevant Transaction Experience

<p>Project Mender</p> <hr/> <p>Provider of Commercial Maintenance & Janitorial Services</p> <p>- Under LOI -</p>	<p>Project Vesta</p> <hr/> <p>F&LS Install and Service Provider</p> <p>- Confidential -</p>	<p>Rubicon Contractors</p> <hr/> <p>RUBICON - Received Growth Capital From -</p> <p>CORBEL CAPITAL PARTNERS</p>	<p>MC Plumbing</p> <hr/> <p>MIKE COUNSEL Plumbing • Rooter</p> <p>- Acquired by -</p> <p>THE SEER GROUP</p>
<p>Mercurio's Heating and Air Conditioning</p> <hr/> <p>MERCURIO'S HEATING & AIR CONDITIONING</p> <p>- Acquired by -</p> <p>TURNPOINT SERVICES</p>	<p>CM Heating</p> <hr/> <p>CM HEATING COMFORT MASTERS</p> <p>- Acquired by -</p> <p>Air Pros</p>	<p>MM Comfort Systems</p> <hr/> <p>MM MM Comfort Systems</p> <p>- Acquired by -</p> <p>MJS</p>	<p>Northwest Landscaping Services</p> <hr/> <p>NLS Northwest Landscape Services</p> <p>- Acquired by -</p> <p>MONARCH LANDSCAPE COMPANIES</p>

01.

FACILITY MAINTENANCE AND JANITORIAL SERVICES M&A MARKET UPDATE

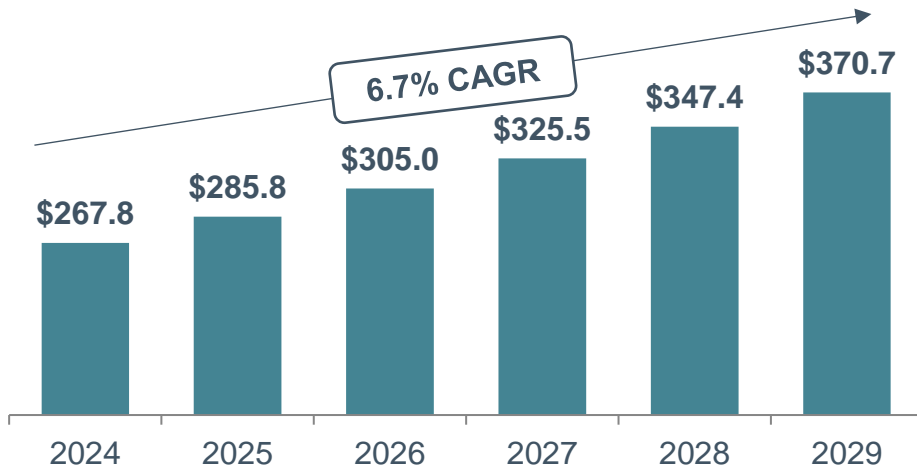




Facility Maintenance and Janitorial Services Industry Overview

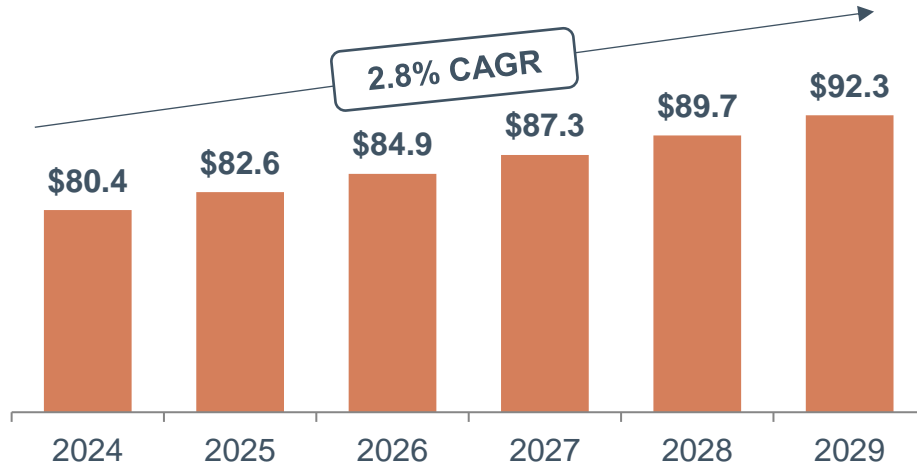
U.S. Facility Services Market Size¹ (\$B)

Large and growing market boosted by outsourcing trends driving demand



U.S. Janitorial Services Market Size² (\$B)

Increased compliance and regulatory requirements driving growth for janitorial services



Facility Maintenance and Janitorial Service Types



1: Mordor Intelligence
2: Grand View Research



Facility Maintenance and Janitorial Services Industry Trends



Recurring Revenue Continues to Drive Value

A high percentage of revenue in the facility maintenance and janitorial space comes from schedule and programmatic maintenance, repair, and cleaning services (ex: biweekly janitorial program), leading to customer stickiness and recurring revenue



Outsourcing Trend Drives Demand For Maintenance

Businesses are increasingly turning to outsourced service providers to handle all non-core operations leading to increased demand for maintenance service providers



Robust and Accelerated M&A Activity

The highly fragmented market has driven M&A activity within the facility maintenance and janitorial services space. This has led to more expansion and accelerated strategic acquisitions aimed at consolidation and service offering expansion

Facility Maintenance and Janitorial Services Industry Trends (cont.)



Service Provider Differentiation

Service providers primarily differentiate themselves through breadth of service offerings (i.e. ability to provide a single-source solution), technology and process enablement, route and trip optimization, quality assurance, and customer service excellence



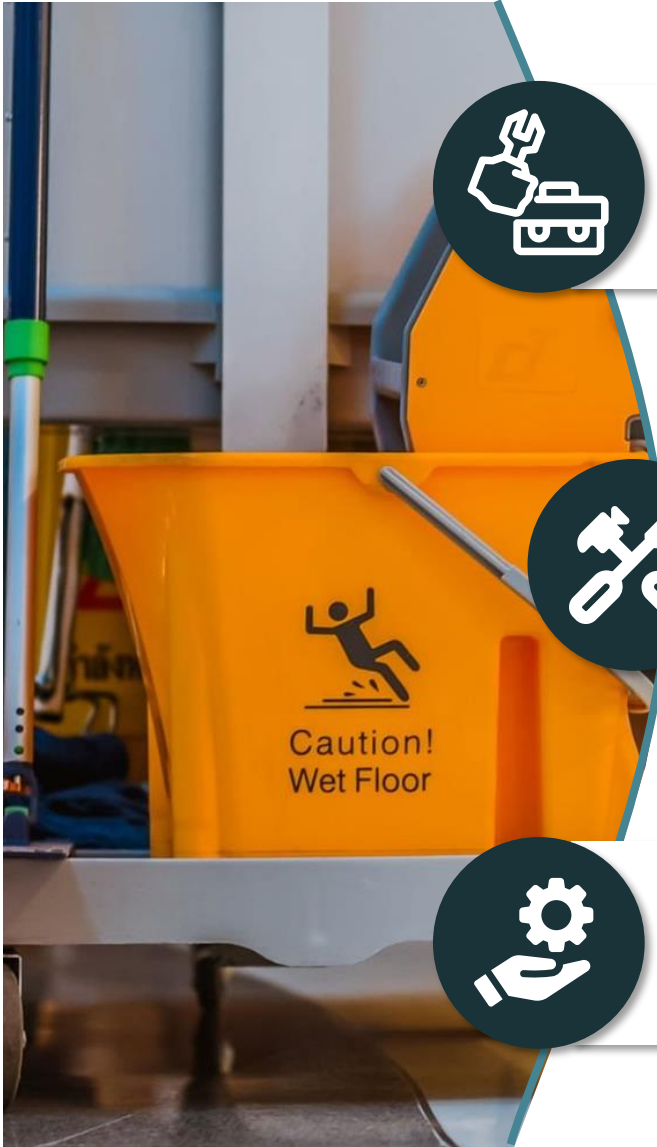
Single Source and Preventative Maintenance Solutions

Customers prioritize maintaining a clean environment while seeking cost-effective providers. They also look to consolidate the number of service providers to streamline operations and enhance efficiency



Self-Perform vs. Vendor-Perform

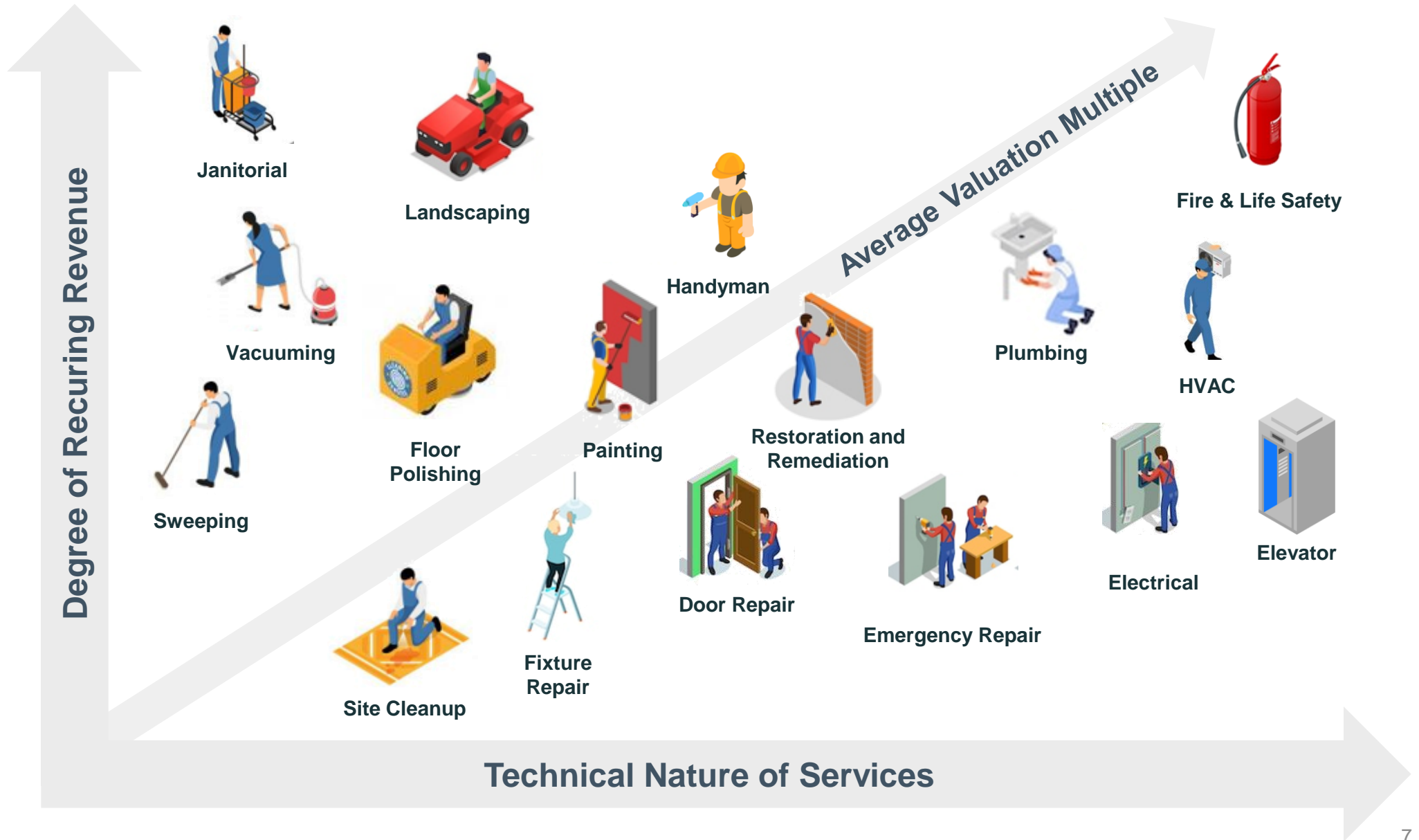
"Self-perform" refers to when a facility service provider employs staff for services, ensuring work quality but with higher operational costs. A "vendor-perform" model outsources jobs to subcontractors, reducing overhead but may compromise quality control





Representative Facility Maintenance and Janitorial Service Matrix


Premium valuation multiples are driven by both the technical complexity of the service offering as well as the extent to which revenue is recurring





Valuation Benchmarks and Drivers for the Facility & Industrial Services Industry

Investors tend to evaluate and determine the attractiveness of an acquisition opportunity based on the following business metrics

	Premium Valuation 	
Revenue Mix	<50% Recurring or Reoccurring	>70% Recurring or Reoccurring
Service Offering	Single Service / Non-Technical	Single Source Solution with Programmatic Approach
EBITDA Margin Profile	<10%	>20%
Service Mix	<30% Technician or Skilled Labor	>70% Technician or Skilled Labor
Revenue Growth Rate	<5%	>10%
Geography	Single Geography	Multi-State
Labor Base	Significant Union Labor	Non-Union
Customer Concentration	>50% of Revenue from Single Customer	<10% of Revenue from Top Customer
Platform Opportunity	Limited	Sizable and Highly Scalable

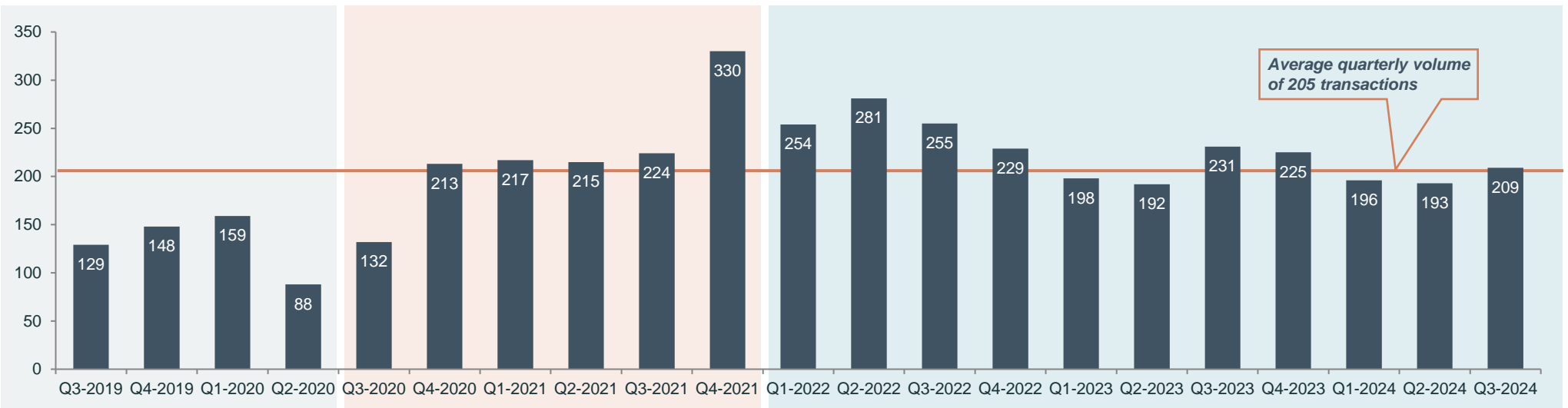


Facility Services M&A Activity

COVID-19 slows M&A activity due to uncertainty in facility utilization, growth forecasts, and expected pricing dislocation from buyers

Historically low interest rates, government economic stimulus, accumulation of dry powder, and pressure to deploy capital leads to a record period of M&A

M&A activity remains robust despite increased financing costs and broader macroeconomic and geopolitical challenges



M&A Commentary

- Facility services continues to see robust M&A and investment activity with runway to continue
- The sub-sector remains highly attractive to private equity investors who focus on regional buy-and-build strategies, predictable revenue, acquiring several local businesses to build scale, expand geographic reach, deepen/expand service capabilities, and economies of scale
- Strategics in the space have remained acquisitive focusing on expanding service offerings to serve as a “one-stop-shop” service provider
- M&A activity is driven by market fragmentation in many service categories, with many founder-owned businesses seeking ownership transitions, liquidity, or capital to support growth and acquisition strategies



Representative Strategic Investor Universe

Diversified Facility Maintenance & Janitorial

Fire & Life Safety


















Commercial HVAC & Plumbing

Commercial Landscaping

Elevator Maintenance



Select Strategic Buyer Profiles

Company	HQ Location	Ownership	Geography	Services	# of Acquisitions	Commentary
	Denver, CO		Locations in WA, CA, CO, AZ, WI, NV, and MI	 	3	<ul style="list-style-type: none"> Focus on self-perform commercial janitorial and facility maintenance services Recent acquisitions focused on expanding service capabilities
	New York, NY	Public (NYS: ABM)	Locations across the U.S., Canada, and Europe	 	39	<ul style="list-style-type: none"> Diversified facility services platform with an assorted set of self-perform capabilities Seeking to provide greater diversification across markets, customers, and platform
	Crowley, TX		Locations across the U.S.		3	<ul style="list-style-type: none"> Vendor-managed facility maintenance and construction services Acquired Advanced Service Solutions in January 2022 - interior and exterior services for commercial clients
	St. Louis, MO		Locations in 19 states across the Midwest, Southeast, and Northeast		24	<ul style="list-style-type: none"> Self-perform commercial janitorial services Highly acquisitive with three acquisitions in 2023
	Oceanside, CA		Locations across the U.S.	 	16	<ul style="list-style-type: none"> Diversified facility services platform with an assorted set of self-perform capabilities Recapitalized by KKR in March 2024 to help accelerate growth and go-to-market capabilities




















Janitorial



Facility Maintenance



Select Strategic Buyer Profiles

Company	HQ Location	Ownership	Geography	Services	# of Acquisitions	Commentary
 ORION	New York, NY	 ALPINE	Locations across the U.S.	 	38	<ul style="list-style-type: none"> Mix of self-perform and vendor-managed facility maintenance capabilities Highly acquisitive with ten acquisitions in 2023
 THE FACILITIES GROUP	Tampa, FL	 GREENBRIAR EQUITY GROUP, L.P.	Locations across the U.S.	 	16	<ul style="list-style-type: none"> Self-perform and vendor-managed facility maintenance and janitorial capabilities M&A priorities focused on expanded service lines and geographic reach
 PRITCHARD	New York, NY	 LITTLEJOHN & Co.	Locations throughout the Northeast and Southeast		9	<ul style="list-style-type: none"> Self-perform janitorial and industrial cleaning services Acquired ACP Facility Services in December 2023, growing services in the life sciences and manufacturing end-markets
 Lessen	Scottsdale, AZ	 FIFTH WALL  MONROE CAPITAL	Locations across the U.S.	 	3	<ul style="list-style-type: none"> Vendor-managed facility maintenance and janitorial services for residential and commercial customers Raised \$500 million of venture funding from Monroe Capital and Fifth Wall in Jan-23
 VIXXO	Scottsdale, AZ	 BRAEMONT CAPITAL	Locations across the U.S.		2	<ul style="list-style-type: none"> Vendor-managed facilities management services Received growth equity investment from Braemont Capital in March 2023 to support organic and M&A-driven growth initiatives

 **Janitorial**
 **Facility Maintenance**



Select Private Equity Investor Universe





Select, Recent Transaction Activity

Date	Target	Acquirer / Investor	Target Description
Under LOI	Project Mender	PE Firm Backing Platform Opportunity	Provider of commercial maintenance and janitorial services.
Dec-24	Project Vesta (Confidential)	PE-backed Strategic Acquirer	Fire & life safety install and service provider.
Nov-24	Tropic-Kool	Fidelity Building Services Group	Provider of commercial HVAC building and maintenance services.
Nov-24	KFM 24/7	Identiti Resources	Provider of diversified facility services.
Nov-24	Covenant Building Service	4M Building Solutions	Provider of commercial cleaning and janitorial services.
Sep-24	Guaranteed Carpet Services	DCS Solutions	Provider of commercial and residential carpet cleaning services.
Aug-24	Duncan & Sons Building Maintenance	Clean Team	Provider of cleaning and maintenance services.
Aug-24	Cushman & Wakefield Facilities Solutions	Vixxo	Provider of facility maintenance and construction services
Aug-24	Thario Building Services	4M Building Solutions	Provider of commercial cleaning services.
Jul-24	Katsam Property Services	Unity Partners	Provider of commercial cleaning and property maintenance services.
Jul-24	Facility Maintenance of America	Diversified Maintenance Systems	Provider of janitorial services.
Jul-24	Hi-Tec Building Services	4M Building Solutions	Provider of commercial cleaning and custodial services.
Jun-24	DuraServ	Leonard Green & Partners	Provider of commercial overhead door facility services.
May-24	Paramount Building Solutions	GDI Integrated Facility Services	Provider of janitorial and floor care services.
Apr-24	SG360	4M Building Solutions	Provider of janitorial services.
Mar-24	Kellermeyer Bergensons Services	Ares Management, BlackRock, KKR	Provider of tech-enabled, integrated facility management services.
Mar-24	Horizon Services	4M Building Solutions	Provider of commercial cleaning services.
Feb-24	J&J Worldwide Services	CBRE Group	Provider of outsourced facility services.
Feb-24	Facility Concierge Services	Diversified Maintenance Systems	Provider of janitorial services catering to the corporates.
Jan-24	Mike Counsil Plumbing	The SEER Group	Provider of plumbing services.
Dec-23	EcoSweep	Fleetwash	Provider of facility cleaning and maintenance services.
Dec-23	ACP Facility Services	Pritchard Industries	Provider of commercial maintenance and cleaning services.
Nov-23	United Service Companies	The Facilities Group	Provider of integrated facility solutions.
Nov-23	Budget Janitorial	Office Pride Commercial Cleaning Services	Provider of facility maintenance and management services.
Sep-23	Rubicon Contracting	Corbel Capital Partners	Provider of exterior facility services
Sep-23	LCS Facility Group	4M Building Solutions	Provider of facility maintenance and outsourcing services.
Aug-23	Orion Group	Alpine Investors	Provider of commercial facility services.
Aug-23	Turnkey Project Services	Omni Workspace Company	Provider of facility services.
Aug-23	3B Cleaning & Floor Care Service	Diversified Maintenance Systems	Provider of cleaning services.
Jul-23	IFS Group	Kleen-Tech	Provider of janitorial and facility services.
May-23	CLM Midwest	Orion Group	Provider of facilities maintenance and landscaping services.
May-23	Window Gang	Premium Service Brands	Provider of building cleaning and maintenance services.
May-23	South Shore Building Services	Valcourt Building Services	Provider of commercial cleaning services.



Select, Recent Transaction Activity (cont.)

Date	Target	Acquirer / Investor	Target Description
Mar-23	CJS Global	Barings	Provider of janitorial and professional cleaning services.
Mar-23	City Wide Facility Solutions	Edgehill Venture Partners	Provider of building maintenance and related services.
Feb-23	Chain Store Maintenance	Mortgage Contracting Services	Provider of facilities services.
Feb-23	CRS Facility Services	Pritchard Industries	Provider of janitorial cleaning services.
Feb-23	Capital Services	4M Building Solutions	Provider of cleaning and janitorial services.
Feb-23	Howell Service Corporation	Bronco Ventures	Provider of commercial janitorial services.
Dec-22	4M Building Solutions	O2 Investment Partners	Provider of janitorial services.
Dec-22	General Building Maintenance	Pritchard Industries	Provider of building maintenance services.
Dec-22	West Texas Commercial Cleaning	Neatland Holdings	Provider of commercial cleaning services.
Dec-22	Steel River	Cub Investments	Provider of facilities services.
Nov-22	Stratus Building Solutions	Diversified Royalty (TSE: DIV)	Provider of commercial cleaning services.
Nov-22	LineDrive Unlimited	Aspect Investors	Provider of facilities services.
 Oct-22	Mercurio's Heating & Air Conditioning	TurnPoint Services	Provider of HVAC services.
Oct-22	Great Lakes Cleaning	New Image Building Services	Provider of facility cleaning services.
Sep-22	Servis Group	The Facilities Group	Provider of janitorial and facility maintenance services.
 Aug-24	CM Heating	Air Pros	Provider of HVAC services.
Aug-22	TrueSource	OnPoint Group	Provider of facility maintenance services.
Aug-22	Millers Cleaning Services	Diversified Maintenance Systems	Provider of cleaning and janitorial services.
Aug-22	Alpha & Omega Building Services	Scioto Services	Provider of commercial cleaning and facility maintenance services.
Jul-22	Advantage Services	Busy Bees Cleaning Solutions	Provider of a commercial janitorial services.
Jul-22	Summit Service Group	The Facilities Group	Provider of janitorial and facility maintenance services.
Jul-22	RG Maintenance	Automated Access Systems	Provider of facility maintenance services.
Jun-22	The Arthur Jackson Company	Pritchard Industries	Provider of commercial cleaning and facilities services.
Jun-22	Alamo Building Maintenance	4M Building Solutions	Provider of cleaning and building maintenance services.
Jun-22	QAC Services	Provantage	Provider of janitorial services.
Apr-22	Professional Building Maintenance	Makadia Management Group	Provider of janitorial services.
Apr-22	Total Facility Care	The Facilities Group	Provider of janitorial and facility maintenance services.
Apr-22	Legion Building Services	Xanitos	Provider of commercial cleaning services.
Apr-22	Kimco Facility Services	Kellermeyer Bergensons Services	Provider of commercial facility cleaning and maintenance services.
Mar-22	Triad Service Solutions	Tide Rock	Provider of facility maintenance services.
Jan-22	Advanced Service Solutions	Powerhouse	Provider of facilities maintenance services.
Jan-22	Capitol City Janitorial	Pritchard Industries	Provider of janitorial services.
Jan-22	First Choice Facilities	Orion Group	Provider of facilities and exterior services.

02.

**MERIDIAN CAPITAL OVERVIEW
AND INDUSTRIAL SERVICES
COVERAGE TEAM**





MERIDIAN CAPITAL

Firm Overview

Meridian Capital has assisted businesses in achieving their M&A and corporate finance goals since 1995.

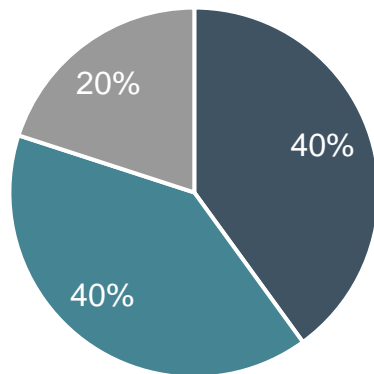
30+ investment banking professionals

300+ transactions completed

Focus on transaction values between \$25M – \$500M

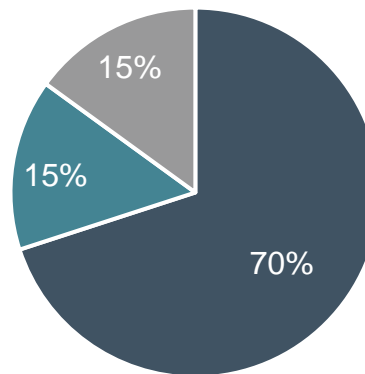
Worldwide Coverage via Global M&A Partners

Client Type



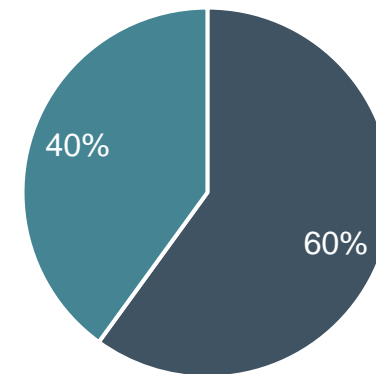
- Family Owned
- Founder Owned
- Private Equity

Transaction Type



- Sell-Side
- Buy-Side
- Capital Raise / Advisory

Buyer Type

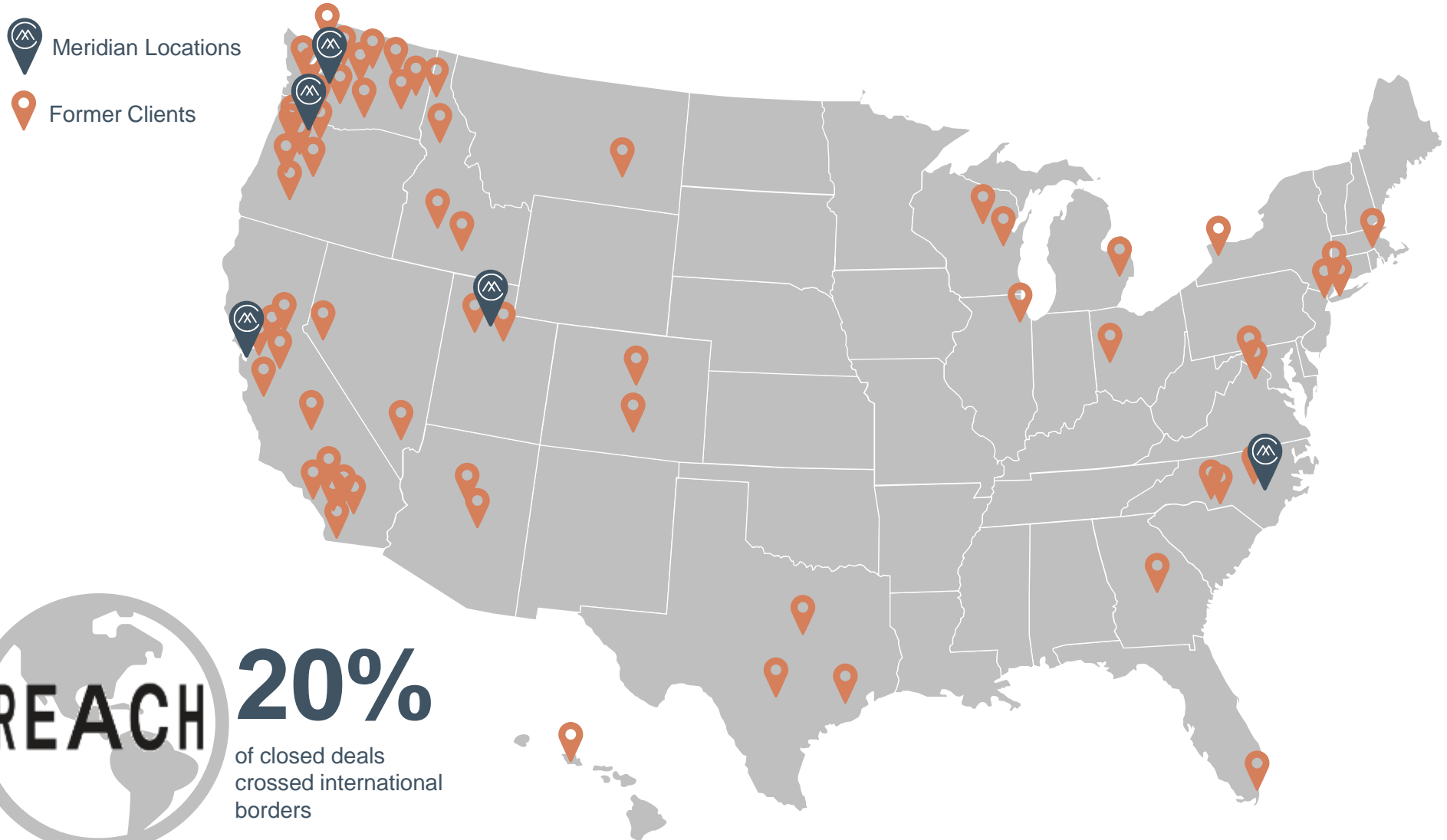


- Strategic
- Financial



Local Attention, National Reputation, Global Expertise

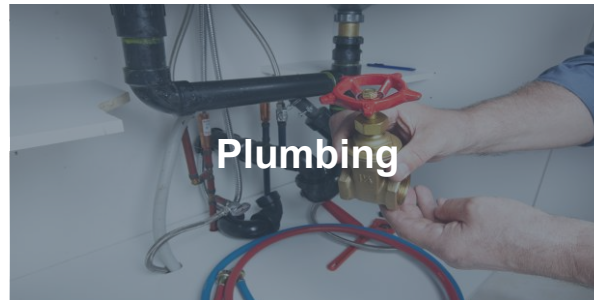
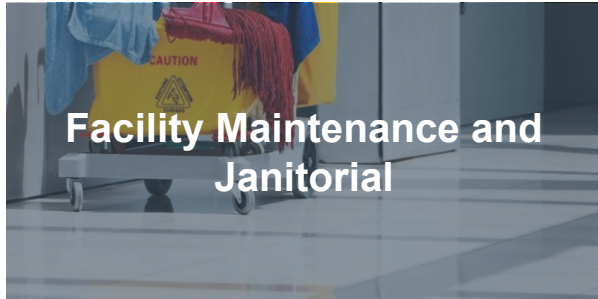
Five offices across the Western U.S. support national and global transaction engagements across all industry sectors



REACH **20%**
of closed deals
crossed international
borders



Meridian's Facility and Industrial Services Coverage



Deep Experience Positioning Facility & Industrial Services Businesses

Meridian has extensive experience representing leading service businesses. Actively defining our clients' value-add, scalability, and geographic growth opportunities are key to maximizing value.



Subsector	Facility Management and Snow Removal Services
Key to Success	Differentiated operational technology delivering higher margins and customer acquisition
Acquirer / Investor	Private Equity (Corbel Capital)



Subsector	Landscaping & Facility Services
Key to Success	Positioning as a compelling base for a hyper-regional West Coast platform to PE investor with an advisor focused on the space
Acquirer / Investor	PE Platform (Audax Group)



Subsector	Residential Heating & Air Conditioning
Key to Success	Experienced management team and group with strong focus in Western Washington state
Acquirer / Investor	PE Platform (TurnPoint Services)



Subsector	Residential Heating & Air Conditioning
Key to Success	Top-rated brand and reputation in rapidly growing MSAs
Acquirer / Investor	PE Platform (Air Pros)



Subsector	Commercial HVAC & Energy Management
Key to Success	Highlight strength of strategic channel sales to JV entity created with major utility brands
Acquirer / Investor	Strategic Buyer



Subsector	Residential Electric Supply & Service
Key to Success	Proactively positioning integrated product & service offering. Dual channel offering
Acquirer / Investor	PE Platform (Thompson Street)



Relevant Transaction Experience

<p>Rubicon Contractor</p> <p>RUBICON - Received Growth Capital From -</p>	<p>MC Plumbing</p> <p>- Acquired by -</p>	<p>Mercurios Heating and Air Conditioning</p> <p>- Acquired by -</p>	<p>CM Heating</p> <p>- Acquired by -</p>	<p>Northwest Landscaping Services</p> <p>- Acquired by -</p>	<p>Mercurios Heating and Air Conditioning</p> <p>- Acquired by -</p>	<p>McKinstry</p> <p>- Recapitalization of -</p>
<p>MM Comfort Systems</p> <p>- Acquired by -</p> <p>Private Investor</p>	<p>Tacoma Electric Supply</p> <p>- Acquired by -</p>	<p>Shoemaker Manufacturing</p> <p>- Acquired by -</p>	<p>AD Systems</p> <p>- Acquired by -</p>	<p>Wilmar Corporation</p> <p>- Acquired by -</p>	<p>Swaggart Brothers</p> <p>- Acquired by -</p>	<p>NW Building Components & Mandere Construction</p> <p>- Acquired by -</p>
<p>GE Johnson</p> <p>- Acquired by -</p>	<p>Smith & Greene Company</p> <p>- Acquired by -</p>	<p>Eco-Pan, Inc.</p> <p>- Acquired by -</p>	<p>Rainier Industries</p> <p>- Acquired by -</p>	<p>Brundage-Bone Concrete Pumping</p> <p>- Acquired by -</p>	<p>Premier Silica</p> <p>- Acquired by -</p>	<p>Miles Sand & Gravel</p> <p>- Strategic advisory -</p>
<p>Axiom Construction</p> <p>- Strategic Advisory -</p>	<p>National Network Services</p> <p>- Acquired by -</p>	<p>Dade Moeller & Associates</p> <p>- Acquired by -</p>	<p>Burton Saw and Supply</p> <p>- Acquired by -</p>	<p>Landmark Irrigation</p> <p>- Acquired by -</p>	<p>Fasteners, Inc.</p> <p>- Acquired by -</p>	<p>Weatherhaven</p> <p>- Acquired by -</p>

Thank you

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