



BUSINESS SERVICES REPORT

Explore M&A Activity, Capital Market
Conditions and Current Trends for the
Business Services Industry



2H 2021

SDR*Ventures*

720.221.9220 | [SDRVENTURES.COM](https://www.sdrventures.com)

Investment Banking & Securities Offered Through SDR
Capital Markets, LLC, Member FINRA & SIPC.



BUSINESS SERVICES REPORT

BUSINESS SERVICES 2H21: WHAT TO KNOW

- ❑ They may not get the attention of high-profile high tech sector acquisitions, but the necessary skilled-trade service businesses – including HVAC, electrical, and plumbing – are getting attention.
- ❑ Judging from activity throughout 2021, we believe 2022 could be a busy year for rollups focusing on established businesses that come fully stocked with a highly skilled team of field service technicians.
- ❑ The focus on tradespeople is changing as companies and regions offer relocation services and hiring bonuses for those willing to switch teams.

Overlooked No More: The Trades

Companies large and small, backed into a corner by an ongoing labor shortage, can always raise wages to attract warm bodies. Amazon last year raised its minimum for warehouse workers to \$18 an hour. Walmart moved its minimum to \$12. Costco, \$16. Chipotle, \$18. All well above the federal minimum wage of \$7.25 an hour as the national unemployment rate slid under 3.9% as 2021 ended.^{1,2}

But there is a labor-intensive, service business sector where workers can't simply be hired out of thin air: skilled vocational trades. It can take, on average, six to 10 years to become a master plumber, including apprenticeships and journeyman status. Becoming a master electrician can take six to eight years. Becoming a qualified, certified trade professional takes time.^{3,4}

When you need a plumber, HVAC service, or an electrician, you need a plumber, HVAC service, or an electrician. There aren't ways around these essential, high-skill services. Builders and homeowners need these services, and employers are stalking the same pool for the same skilled workers.

More than half of the contractors surveyed by the U.S. Chamber of Commerce for the 2021 year-end Commercial Construction Index reported difficulty hiring skilled labor in the trades and 45% said the shortage of skilled workers caused them to turn down jobs.⁵ Whether it's electricians, plumbers, or carpenters, the story is the same. Skilled workers are in demand.⁶

If companies can't hire, acquire. We believe we're watching the initial stages of a coming wave of consolidation in the skilled trades, including plumbing, HVAC, and electrical. The move to more efficient home energy solutions alone are driving the HVAC sector at a nearly 10% Compound Annual Growth Rate (CAGR) expected to push U.S. market value to \$36 billion by 2035 and spur a 13% increase in demand for skilled installers and mechanics.⁷ Already, we're seeing activity from existing companies and interest from private equity acquiring established companies stocked with a team of trained labor.^{8,9}

CONTENTS

[Transaction Activity](#)

[Active Buyers](#)

[Public Basket](#)

[M&A Market Activity](#)

[About SDR Ventures](#)

ABOUT SDR

Established in 2002, SDR Ventures has developed deep M&A and capital transaction knowledge and expertise. SDR offers transaction advisory, private capital formation and business consulting services across a wide range of industries. We serve business owners and operators of privately held companies and provide them with a professional-class experience.

BUSINESS SERVICES CONTACTS



Andy Limes

Co-Founder
Business Services Team
720.221.9220
alimes@sdrventures.com



Scott Mitchell

Managing Director
Business Services Team
720.221.9220
smitchell@sdrventures.com



Morgan Hoffman

Senior Analyst
Business Services Team
720.221.9220
mlhoffman@sdrventures.com

The information contained herein is based on sources we believe reliable but is not guaranteed by us and is not to be considered all-inclusive. It is not to be construed as an offer or consultation of an offer to sell or buy any securities.



BUSINESS SERVICES REPORT

Recruiting, Bonuses, and Relocation

As firms scramble to fill an anticipated 430,000 skilled labor positions in the coming year, hiring has emerged to a “bidding war” level for the best workers. Bonuses, a renewed focus on company culture, workplace enhancements typically considered white collar such as meals and fitness packages, and even relocation offers for skilled tradespeople are becoming the norm.^{10,11}

The shortage of skilled tradespeople has been exacerbated by a pandemic-driven boom in home improvement projects, a housing shortage, and Baby Boomers aging out of the trades workforce.^{12,13,18}

Some operations are so desperate for workers, they’re combining bonuses with relocation assistance in an attempt to lure skilled workers away from their current location – an enticement once associated with high-level white-collar workers.^{14,15,16}

In Canada, the eastern province of Nova Scotia in 2021 launched a recruitment program for skilled tradespeople, including income tax breaks for those willing to relocate. The province launched a national advertising campaign as the province's minister of labor admitted, “We are unabashedly asking for workers in the trades and in healthcare to make Nova Scotia their home.”¹⁷

For investors and larger companies, acquiring an operation already staffed with skilled tradespeople is increasingly attractive.

Mergers & Acquisitions

As the trades environment becomes more competitive and contractors find they can pass higher labor costs on to consumers where lower-skilled sectors cannot, we’re watching for a spike in M&A activity. Some players are moving aggressively.¹⁸

- ❑ Coolsys, parent company over a hefty stable of HVAC and refrigeration companies and backed by Ares Management, moved hard throughout 2021 reporting five acquisitions. The company reports it is aiming for a \$2 billion valuation by next year and is in the market to acquire 20-30 businesses in the next five years. In November, the company wrapped up a busy year with the acquisition of Triangle Refrigeration, a 50-year-old Pennsylvania-based HVAC and plumbing company with operations in four states. Coolsys in 2021 also acquired: T&O Refrigeration, a Georgia-based firm operating in three states; TRS-SESCO of North Carolina; Duquette Refrigeration of Massachusetts; and C.E. Holt Refrigeration with operations in the Carolinas. Coolsys announced its aggressive growth strategy in 2021 when it acquired four operations. The company reports it is interested in companies with a \$10 million valuation and above.¹⁹
- ❑ In July, Reedy Industries, a leader in commercial and industrial HVAC, plumbing, and building controls services announced it had acquired CS3, adding its mechanical, HVAC, and building controls services and expanding Reedy’s coverage in the Southeast. Reedy was active throughout 2021 with 11 acquisitions across the country.²⁰
- ❑ HEPACO, a major provider of environmental and emergency response services backed by Gryphon Investors, marked its sixth acquisition since 2017 in January when it acquired the Field Services Division of Summit Environmental. The Field Services Division acquired by HEPACO specializes in emergency response, industrial services, and waste management. The combined company will have 750 employees at 46 locations.²¹



BUSINESS SERVICES REPORT

A Look Ahead: Backlog Bonanza

There should be no shortage of demand for a shrinking workforce of skilled tradespeople in the coming years, and the numbers tell us specialty service providers in HVAC, plumbing, electrical and other skilled trades should remain in demand. As 2021 ended, the backlog of authorized homes that had yet to break ground was up 45% over 2020. Labor shortages are among the biggest factors holding back construction. Completion rates for multifamily homes have also lagged.²² The outlook for commercial real estate services is equally interesting as firms look to repurpose office space and update facilities to be more environmentally friendly.²³

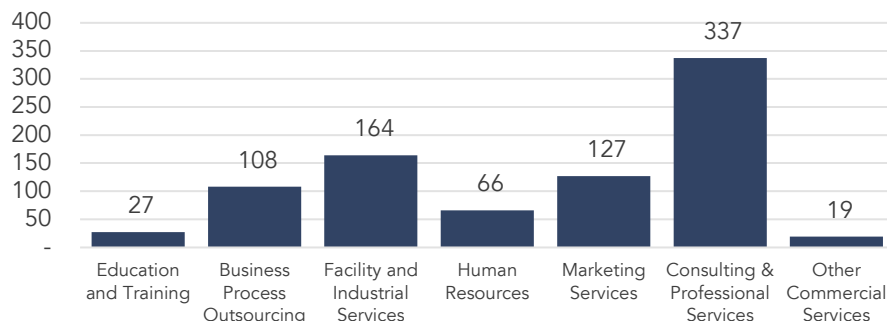
By one estimate, there are nearly 129,000 plumbing businesses of all sizes in the U.S., some 224,000 electrician businesses, and more than 118,000 HVAC businesses. That leaves a lot of room for activity, and in none of those sectors is there a single company with more than 5% national market share, according to IBISWorld analysts. We anticipate an interesting year of M&A activity in the less-than-glamorous but highly in-demand skilled trade services sector.^{24,25,26}



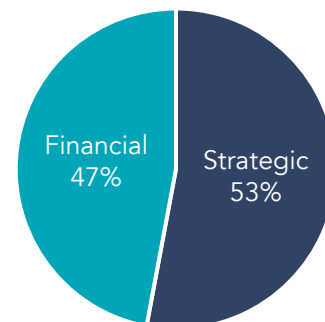


BUSINESS SERVICES REPORT

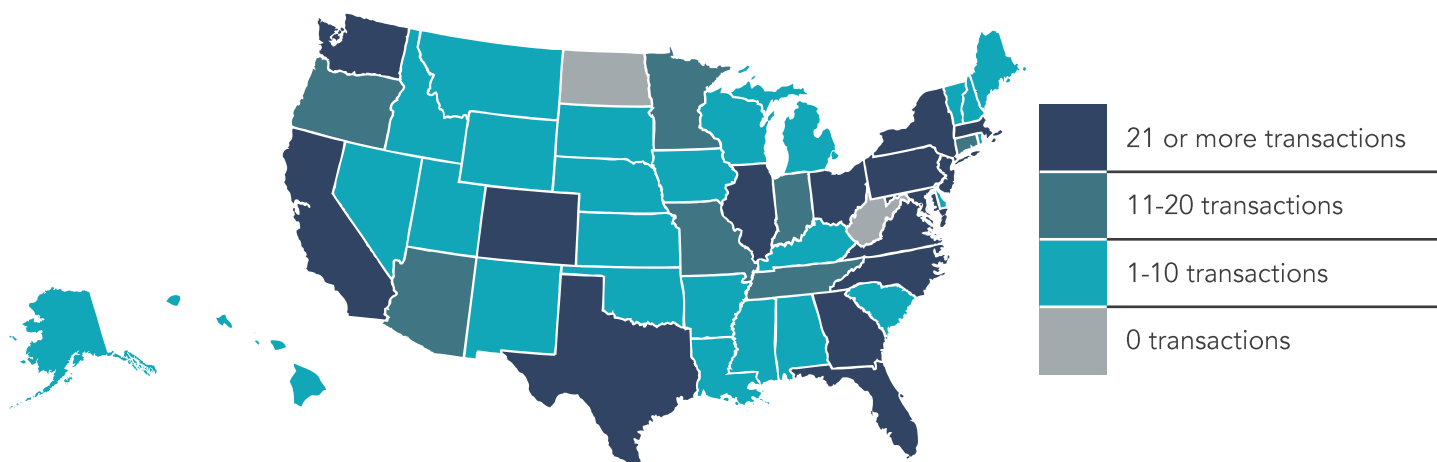
TRANSACTIONS BY SEGMENT



TRANSACTIONS BY TYPE



TRANSACTIONS BY LOCATION



TRANSACTION ACTIVITY

Date	Target	Buyer(s)	Segment	Amount (\$ in Mil)	TEV/Rev	TEV/EBITDA
12/15/21	24 Seven	Glendower Capital, Pantheon Ventures	Human Resources	-	-	-
12/14/21	Terminix Global Holdings	Rentokil Initial	Facility and Industrial Services	6,700.00	3.3x	20.7x
12/14/21	R.R. Donnelley & Sons	Chatham Asset Management	Marketing Services	2,300.00	0.5x	6.6x
12/1/21	Meredith	Dotdash	Marketing Services	2,700.00	0.9x	3.7x
12/1/21	Blumling & Gusk	McNees Wallace & Nurick	Consulting & Professional Services	-	-	-
10/19/21	PwC (global mobility tax and immigration services business)	Clayton, Dubilier & Rice	Consulting & Professional Services	2,200.00	-	-
10/15/21	GP Strategies	Learning Technologies Group	Education and Training	394.00	0.8x	15.1x
9/20/21	The Colography Group	Halstatt Legacy Partners	Consulting & Professional Services	-	-	-
9/14/21	At Your Pace Online	American Safety Council, Ridgmont Equity Partners	Education and Training	-	-	-

If You Are a Business Owner Looking for Additional Transaction Activity Within Your Industry, Please Call Our Offices at 720.221.9220.

Source: PitchBook Financial Data and Analytics

Note: This data represents recorded transactions only, and is not all-inclusive. Nevertheless, they are typically representative of the industry.



BUSINESS SERVICES REPORT

ACTIVE BUYERS

MOST ACTIVE STRATEGIC BUYERS

FIRM	SELECT SUBSIDIARY BRANDS				
 Stantec	 Cardno		 COX McLAIN Environmental Consulting		
 Gallagher	 Bradawn Insurance Services, Inc.		 MARK J. BECKER & Associates, LLC		
 Bowman CONSULTING	 1519	 pcd ENGINEERING a Bowman company	 BT a Bowman company	 Engineering Intelligence KIBART	

SELECT SPONSORS WITH ACTIVE PORTFOLIO HOLDINGS

FIRM	SELECT SUBSIDIARY BRANDS					
 Audax Group	 ARCTIC AIR CONDITIONING & REFRIGERATION		 CAPSTONE MECHANICAL	 WATERMARK Research Partners, LLC	 RUYLE Mechanical Services Inc.	
 ALERA GROUP	 AGM —Benefit Solutions—	 B.D.S. BENEFIT DESIGN SPECIALISTS, INC.			 FRINGE BENEFIT ANALYSTS	
 WARBURG PINCUS	 B&D ENTERPRISES	 C&L SERVICES 1971-2021 50 YEARS TOTAL PAVEMENT MAINTENANCE	 Metro Sweeping Services We sweep while you sleep	 Mobile Sweep	 MSA SECURITY	

Source: PitchBook Financial Data and Analytics

Note: This data represents recorded transactions only, and is not all-inclusive. Nevertheless, they are typically representative of the industry.

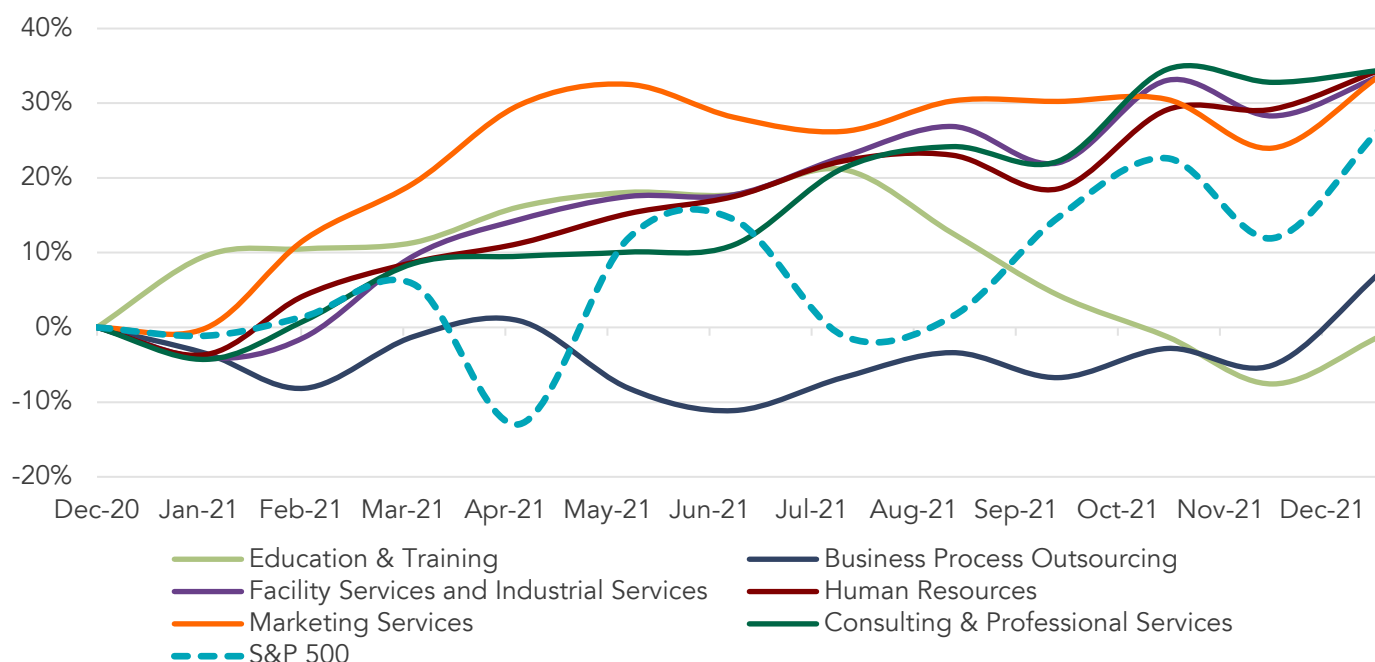


BUSINESS SERVICES REPORT

PUBLIC BASKET

BUSINESS SERVICES SEGMENTS VS. S&P 500

Segment Market Cap Performance – Trailing 12 Months



EDUCATION AND TRAINING

Company Name	Symbol	Market Stats					Operating Stats		LTM Multiples			NTM Multiples	
		Market Cap (\$ in Mil)	Price (\$)	LTM Change	YTD Change	% of 52 Week High	Est. Revenue Growth	EBITDA Margin	TEV/ Rev	TEV/ EBITDA	Price/ EPS	TEV/ NTM Revenue	TEV/ NTM EBITDA
Pearson	PSON	\$ 6,263	\$ 8.28	(15.4%)	(10.7%)	66.3%	4.6%	20.6%	16x	8.0x	16.7x	15x	8.5x
John Wiley & Sons	JWA	3,177	57.27	9.5%	25.4%	86.7%	3.6%	20.7%	2.1x	10.1x	24.3x	2.0x	10.0x
Graham Holdings	GHC	3,119	629.83	5.4%	18.1%	91.9%	10.0%	29.5%	11x	3.2x	6.3x	10x	NM
Stride (Educational Software)	LRN	1,425	33.33	(6.7%)	57.0%	86.8%	4.2%	10.7%	11x	10.7x	26.2x	11x	6.6x
Strategic Education	STRA	1,423	57.84	(19.6%)	(39.3%)	59.8%	(16%)	15.1%	13x	8.5x	36.8x	13x	6.1x
Perdoceo Education	PRDO	824	11.76	8.5%	(6.9%)	83.7%	2.9%	23.6%	0.6x	2.4x	7.5x	0.5x	2.3x
Zovio Solutions	ZVO	42	127	(47.1%)	(73.2%)	17.3%	(8.8%)	(22.3%)	0.2x	NM	NM	0.2x	10.4x
Gasporox	GPX	11	132	15.0%	(29.8%)	61.5%	NM	(20.4%)	6.7x	NM	NM	NM	NM
Segment Average				(6.3%)	(7.4%)	69.3%	2.1%	9.7%	1.8x	7.2x	19.6x	1.1x	7.3x
Segment Median				(0.6%)	(8.8%)	75.0%	3.6%	17.9%	1.2x	8.3x	20.5x	1.1x	7.6x

BUSINESS PROCESS OUTSOURCING

Company Name	Symbol	Market Stats					Operating Stats		LTM Multiples			NTM Multiples	
		Market Cap (\$ in Mil)	Price (\$)	LTM Change	YTD Change	% of 52 Week High	Est. Revenue Growth	EBITDA Margin	TEV/ Rev	TEV/ EBITDA	Price/ EPS	TEV/ NTM Revenue	TEV/ NTM EBITDA
Cognizant Technology Solutions	CTSH	\$ 46,600	\$ 88.72	17.9%	8.3%	98.5%	12.7%	17.3%	2.6x	14.8x	25.0x	2.3x	12.2x
TTEC	TTEC	4,255	90.55	(4.4%)	24.2%	79.9%	11.3%	14.4%	2.3x	15.9x	27.4x	2.1x	13.0x
Unisys	UIS	1,381	20.57	(20.9%)	4.5%	71.9%	2.6%	(14.6%)	0.7x	NM	NM	0.6x	3.5x
StarTek	SRT	213	5.22	(16.5%)	(30.6%)	53.3%	2.2%	7.8%	0.6x	8.1x	NM	0.6x	5.9x
Segment Average				(6.0%)	1.6%	75.9%	7.2%	6.2%	1.5x	12.9x	26.2x	1.4x	8.7x
Segment Median				(10.5%)	6.4%	75.9%	7.0%	11.1%	1.5x	14.8x	26.2x	1.4x	9.1x

Source: PitchBook Financial Data and Analytics



BUSINESS SERVICES REPORT

PUBLIC BASKET (CONTINUED)

FACILITY AND INDUSTRIAL SERVICES

Company Name	Symbol	Market Stats					Operating Stats		LTM Multiples			NTM Multiples	
		Market Cap (\$ in Mil)	Price (\$)	LTM Change	YTD Change	% of 52 Week High	Est. Revenue Growth	EBITDA Margin	TEV/ Rev	TEV/ EBITDA	Price/ EPS	TEV/ NTM Revenue	TEV/ NTM EBITDA
Waste Management	WM	\$ 69,817	\$ 166.90	11.4%	41.5%	99.3%	9.7%	26.3%	4.8x	18.2x	40.5x	4.4x	15.3x
Cintas	CTAS	45,827	443.17	14.4%	25.4%	96.0%	9.3%	25.0%	6.5x	26.1x	414x	6.1x	24.3x
Republic Services	RSG	44,219	139.45	15.5%	44.8%	95.5%	10.0%	27.1%	4.9x	18.1x	36.8x	4.5x	14.7x
Waste Connections	WCN	35,502	136.27	8.1%	32.9%	98.2%	13.8%	28.3%	6.8x	24.0x	614x	6.0x	18.9x
United Rentals	URI	24,056	332.29	(7.2%)	43.3%	80.1%	16.4%	43.1%	3.7x	8.7x	20.1x	3.2x	7.0x
Iron Mountain (US)	IRM	15,152	52.33	19.0%	77.5%	98.5%	6.2%	42.3%	6.0x	19.7x	23.8x	5.7x	15.3x
Cleveland-Cliffs	CVA	10,887	20.82	4.9%	50.9%	79.7%	NM	22.3%	10x	4.1x	5.4x	NM	NM
Aramark	ARMK	9,451	36.85	3.0%	(4.2%)	85.5%	28.2%	6.7%	14x	20.5x	NM	1.1x	12.2x
Stericycle	SRCL	5,479	59.64	(13.8%)	(14.0%)	74.6%	4.4%	14.3%	2.8x	19.7x	142.0x	2.7x	15.4x
Clean Harbors	CLH	5,429	99.77	(7.1%)	31.1%	83.9%	27.7%	17.6%	18x	10.5x	28.3x	14x	8.4x
Casella Waste Systems	CWST	4,390	85.42	10.2%	37.9%	95.1%	15.1%	21.2%	5.9x	28.5x	45.0x	5.1x	21.3x
Unifirst	UNF	3,970	210.40	(15%)	(0.6%)	81.3%	8.5%	16.4%	19x	11.7x	26.5x	18x	NM
ABM Industries	ABM	2,750	40.85	(13.0%)	8.0%	73.6%	21.2%	4.8%	0.6x	12.5x	22.0x	0.5x	7.9x
H&E Equipment Services	HEES	1,600	44.27	23.4%	48.5%	87.3%	(3.1%)	29.6%	2.5x	8.0x	46.6x	2.4x	NM
Fidelity Special Values	FSV	1,280	4.07	4.6%	22.6%	94.2%	NM	NM	2.6x	NM	2.7x	NM	NM
US Ecology	ECOL	1,007	31.94	(3.2%)	(1.1%)	69.9%	6.8%	3.7%	18x	48.1x	NM	1.7x	9.9x
SP+	SP	655	28.22	(10.6%)	(2.1%)	76.9%	(39.2%)	7.0%	12x	16.5x	25.9x	19x	11.1x
Segment Average				3.4%	25.4%	86.4%	9.0%	21.0%	3.3x	18.4x	37.9x	3.2x	14.0x
Segment Median				4.6%	31.1%	85.5%	9.7%	21.8%	2.6x	18.1x	28.3x	2.7x	14.7x

HUMAN RESOURCES

Company Name	Symbol	Market Stats					Operating Stats		LTM Multiples			NTM Multiples	
		Market Cap (\$ in Mil)	Price (\$)	LTM Change	YTD Change	% of 52 Week High	Est. Revenue Growth	EBITDA Margin	TEV/ Rev	TEV/ EBITDA	Price/ EPS	TEV/ NTM Revenue	TEV/ NTM EBITDA
Automatic Data Processing	ADP	\$ 103,905	\$ 246.58	22.1%	39.9%	99.0%	8.4%	26.3%	6.9x	26.2x	39.0x	6.3x	24.5x
Robert Half International	RHI	12,416	111.52	7.9%	78.5%	92.3%	14.8%	12.8%	2.0x	15.7x	23.8x	18x	12.9x
ASGN	ASGN	6,429	123.40	6.4%	47.7%	94.2%	0.8%	10.4%	17x	16.0x	29.9x	16x	13.3x
TriNet Group	TNET	6,263	95.26	(1.3%)	18.2%	87.1%	(73.2%)	11.1%	14x	12.6x	218x	5.2x	12.5x
ManpowerGroup	MAN	5,279	97.33	(12.6%)	7.9%	77.8%	8.0%	3.1%	0.2x	7.9x	15.7x	0.2x	5.7x
Inspireity	NSP	4,547	18.11	2.3%	45.1%	91.3%	18.4%	4.3%	0.9x	22.2x	38.7x	0.8x	14.5x
Upwork	UPWK	4,380	34.16	(28.9%)	(10%)	53.0%	31.6%	(3.6%)	9.0x	NM	NM	6.9x	NM
Korn Ferry	KFY	4,121	75.73	12%	74.1%	89.4%	17.3%	20.1%	17x	8.6x	15.5x	15x	7.7x
5job	JOBS	3,300	48.93	(28.0%)	(30.1%)	61.9%	5.9%	NM	2.7x	10.5x	34.7x	2.6x	NM
Kforce	KFRC	1,612	75.22	22.2%	78.7%	92.3%	6.9%	6.8%	1.1x	15.6x	219x	10x	12.1x
TrueBlue	TBI	982	27.67	(3.2%)	48.0%	84.1%	12.2%	4.1%	0.5x	11.9x	20.3x	0.4x	9.1x
Heidrick & Struggles International	HSII	857	43.73	(6.1%)	48.8%	87.4%	12.1%	13.9%	0.7x	4.8x	13.4x	0.6x	4.7x
Kelly Services	KELYA	661	16.77	(13.2%)	(18.5%)	62.2%	8.0%	3.6%	0.1x	4.0x	6.2x	0.1x	5.7x
ShiftPixy	PIXY	34	1.17	8.3%	(53.0%)	24.9%	NM	(15.1%)	3.4x	NM	NM	NM	NM
Segment Average				(1.6%)	27.5%	78.4%	5.5%	(0.2%)	2.3x	13.0x	23.4x	2.2x	11.2x
Segment Median				(0.1%)	42.5%	87.2%	8.4%	6.8%	1.6x	12.3x	21.9x	1.5x	12.1x

MARKETING SERVICES

Company Name	Symbol	Market Stats					Operating Stats		LTM Multiples			NTM Multiples	
		Market Cap (\$ in Mil)	Price (\$)	LTM Change	YTD Change	% of 52 Week High	Est. Revenue Growth	EBITDA Margin	TEV/ Rev	TEV/ EBITDA	Price/ EPS	TEV/ NTM Revenue	TEV/ NTM EBITDA
WPP	WPP	\$ 17,428	\$ 15.11	12.9%	38.6%	98.5%	(12.7%)	12.9%	14x	16.7x	NM	16x	8.2x
Publicis Groupe	PUB	16,712	67.03	(0.1%)	33.7%	96.0%	(6.6%)	20.7%	16x	7.8x	16.2x	17x	7.1x
Omnicom Group	OMC	15,574	73.27	(12%)	17.5%	84.8%	0.1%	16.9%	13x	7.6x	114x	13x	7.6x
The Interpublic Group of Companies	IPG	14,746	37.45	(10%)	59.2%	95.2%	(4.3%)	14.2%	18x	12.6x	212x	19x	9.7x
OUTFRONT Media	OUT	3,905	26.82	4.9%	37.1%	92.5%	28.1%	17.6%	5.9x	37.8x	NM	4.6x	17.6x
Segment Average				3.1%	37.2%	93.4%	0.9%	16.5%	2.4x	16.5x	16.2x	2.2x	10.1x
Segment Median				(0.1%)	37.1%	95.2%	(4.3%)	16.9%	1.6x	12.6x	16.2x	1.7x	8.2x

Source: PitchBook Financial Data and Analytics



BUSINESS SERVICES REPORT

PUBLIC BASKET (CONTINUED)

CONSULTING AND PROFESSIONAL SERVICES

Company Name	Symbol	Market Stats					Operating Stats		LTM Multiples			NTM Multiples	
		Market Cap (\$ in Mil)	Price (\$)	LTM Change	YTD Change	% of 52 Week High	Est. Revenue Growth	EBITDA Margin	TEV/ Rev	TEV/ EBITDA	Price/ EPS	TEV/ NTM Revenue	TEV/ NTM EBITDA
Houlihan Lokey	HLI	\$ 7,071	\$ 103.52	10.8%	54.0%	86.3%	15.5%	29.7%	3.2x	10.9x	17.1x	2.8x	NM
Exponent	EXPO	6,083	116.73	19%	29.7%	915%	2.2%	28.6%	12.8x	44.8x	60.5x	12.5x	37.4x
FTI Consulting	FCN	5,261	153.42	13.2%	37.3%	98.5%	5.6%	13.7%	2.0x	14.6x	215x	19x	13.7x
CBIZ	CBZ	2,038	39.12	18.3%	47.0%	96.3%	22.7%	12.5%	2.2x	17.9x	25.9x	18x	13.3x
ICF International	ICFI	1,936	102.55	13.1%	38.0%	94.8%	4.3%	9.1%	15x	16.1x	27.2x	14x	13.7x
Huron Consulting Group	HURN	1,094	49.90	(4.9%)	(15.4%)	80.5%	11.3%	7.2%	16x	22.5x	42.3x	15x	12.6x
Resources Connection	RGP	580	17.84	11.2%	41.9%	918%	21.9%	7.0%	0.9x	12.5x	16.2x	0.7x	6.1x
Segment Average				9.1%	33.2%	91.4%	11.9%	15.4%	3.5x	19.9x	30.1x	3.2x	16.2x
Segment Median				11.2%	38.0%	91.8%	11.3%	12.5%	2.0x	16.1x	25.9x	1.8x	13.5x

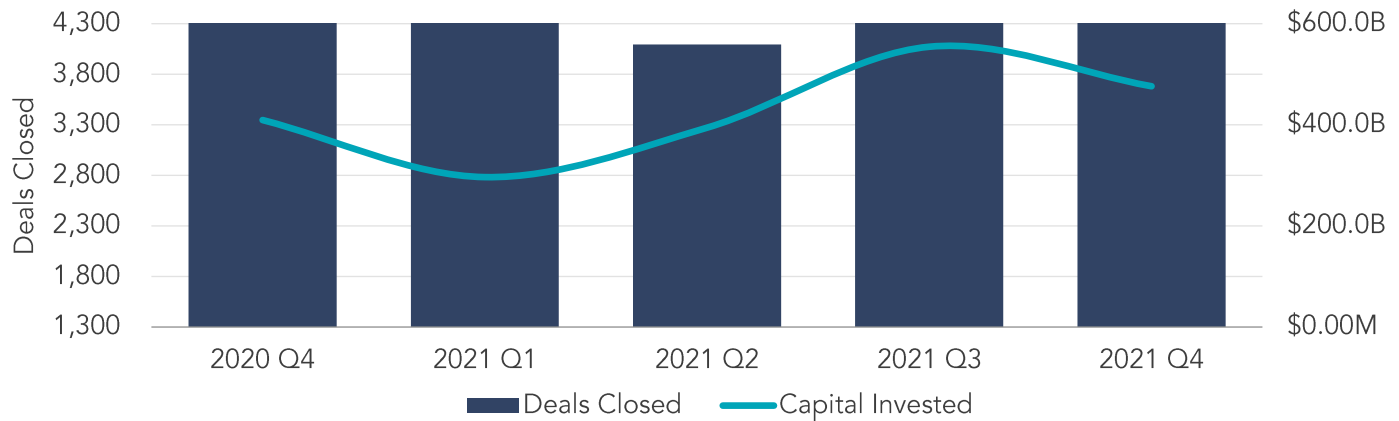
Source: PitchBook Financial Data and Analytics



BUSINESS SERVICES REPORT

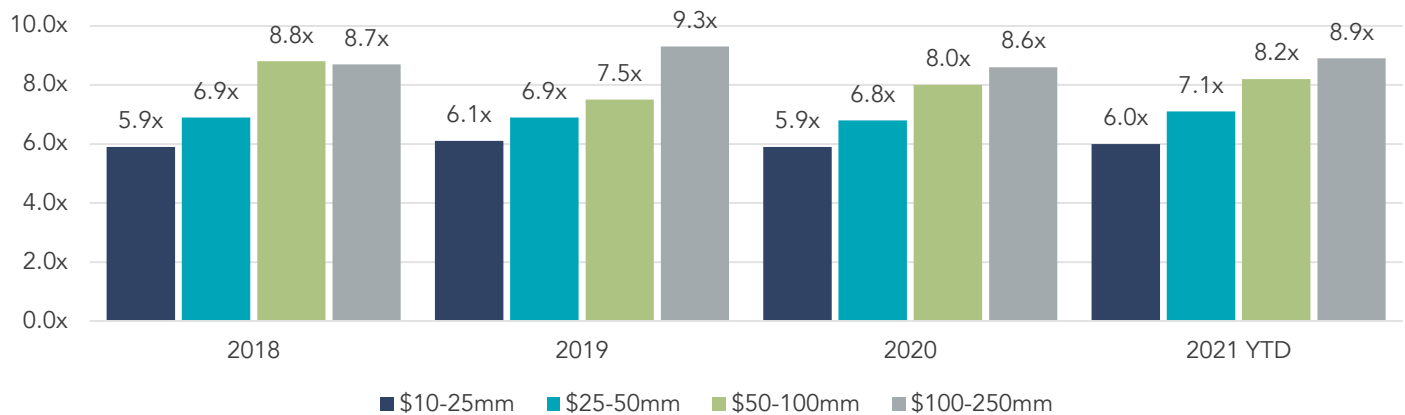
U.S. M&A ACTIVITY SNAPSHOT

OVERALL U.S. M&A ACTIVITY

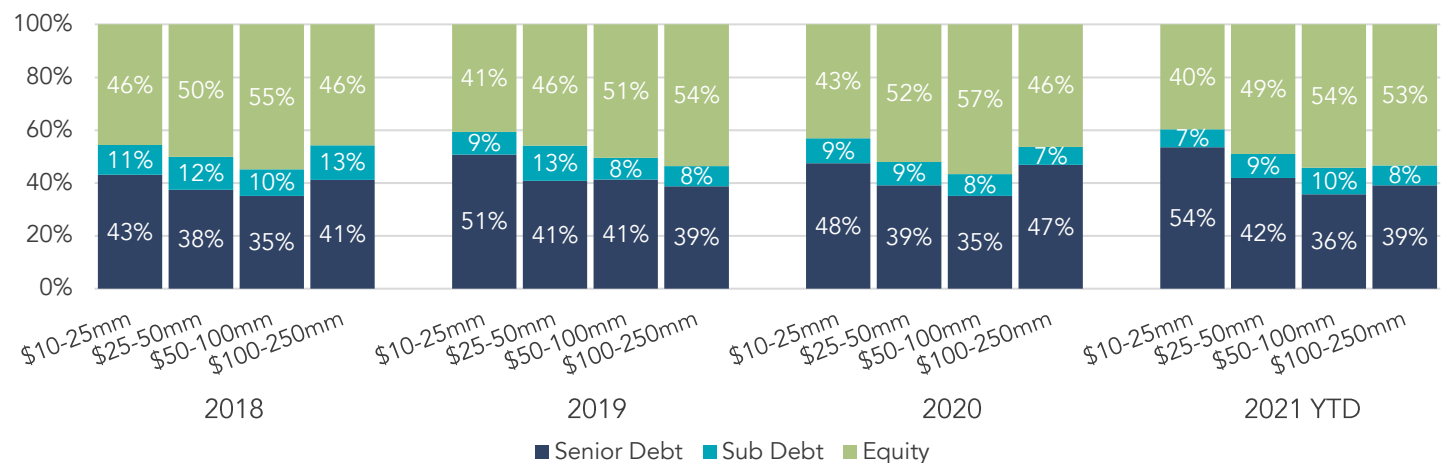


LOWER MIDDLE MARKET PRIVATE EQUITY TRANSACTION MULTIPLES

EBITDA Multiples By Transaction Size



CAPITAL BREAKDOWN – LOWER MIDDLE MARKET PRIVATE EQUITY TRANSACTIONS



Note: The most current source of GF Data is as of November 2021.

Source: GF Data®



BUSINESS SERVICES REPORT

COMPREHENSIVE BUSINESS SERVICES EXPERTISE

Our robust experience in the Business Services Industry makes us an ideal fit to help identify and execute the right M&A options for your business. Through long- or short-term advisory, buy-side analysis, sell-side execution or private capital formation, we can help you maximize the potential of your company and take advantage of the many opportunities that this industry has to offer.

Our Business Services investment banking expertise includes the following segments:

- | | |
|---|--|
| <input type="checkbox"/> Education and Training | <input type="checkbox"/> Marketing Services |
| <input type="checkbox"/> Business Process Outsourcing | <input type="checkbox"/> Specialty Consulting |
| <input type="checkbox"/> Facility and Industrial Services | <input type="checkbox"/> Professional Services |
| <input type="checkbox"/> Human Resources | <input type="checkbox"/> Commercial Services |

CONTACT US



Andy Limes
Co-Founder
Business Services Team
720.221.9220
alimes@sdrventures.com



Scott Mitchell
Managing Director
Business Services Team
720.221.9220
smitchell@sdrventures.com



Morgan Hoffman
Senior Analyst
Business Services Team
720.221.9220
mlhoffman@sdrventures.com

SELECT TRANSACTION EXPERIENCE

SDR has completed numerous transactions types throughout the Business Services Industry, including:



SDR SERVICE OFFERINGS



SELL-SIDE ADVISORY



PRIVATE CAPITAL FORMATION



BUY-SIDE ADVISORY



STRATEGIC CONSULTING



BUSINESS SERVICES REPORT

ADDITIONAL REFERENCES

1. "Big Companies Are Raising Wages for Lowest-Paid Workers," SHRM (Society for Human Resource Management), Stephen Miller, Oct. 7, 2021, <https://www.shrm.org/resourcesandtools/hr-topics/compensation/pages/big-companies-are-raising-wages-for-lowest-paid-workers.aspx>
2. "The Unemployment Situation – December 2021," Bureau of Labor Statistics, Jan. 7, 2022, <https://www.bls.gov/news.release/pdf/empst.pdf>
3. "How to Become a Plumber," Monster.com, Kathleen Walder, Mar. 31, 2021, <https://www.monster.com/career-advice/article/pipe-systems-plumbing-careers>
4. "How Long Does It Take To Be An Electrician? (With Steps)," Indeed.com, Feb. 22, 2021, <https://www.indeed.com/career-advice/career-development/how-long-does-it-take-to-become-an-electrician>
5. "Q4 2021 Commercial Construction Index," U.S. Chamber of Commerce, Dec. 15, 2021, <https://www.uschamber.com/assets/documents/Q4-2021-CCI-Report.pdf>
6. "US Skilled Trades Worker Shortage Worsening Amid Soaring Demand & Workforce Crisis," PRNewswire, PeopleReady Skilled Trades, Aug. 5, 2021 <https://www.prnewswire.com/news-releases/us-skilled-trades-worker-shortage-worsening-amid-soaring-demand--workforce-crisis-301348754.html>
7. "The U.S. HVAC Industry Is Set to Explode in Size Over the Next 10 Years," Air Conditioning Contractors of America, accessed Jan. 15, 2022, <https://www.acca.org/hvac-industry-growth>
8. "Coolsys News," Coolsys, accessed Jan. 15, 2022, <https://coolsys.com/news/>
9. "We Consolidate," AccessHeat, accessed Jan. 15, 2022, <https://www.access-heat.com/hvac>
10. "How a local AEC company is competing for skilled-trade workers in the Dallas-Fort Worth area," Dallas Business Journal, Lauren Lawley Head, Dec. 13, 2021, <https://www.bizjournals.com/dallas/news/2021/12/13/how-local-construction-company-competes-workers.html>
11. "HVAC Contractors Utilize Signing Bonuses and Other Incentives to Attract Quality Employees," Air Conditioning Heating Refrigeration News, Gordon White, Aug. 10, 2021, <https://www.achrnews.com/articles/145340-hvac-contractors-utilize-signing-bonuses-and-other-incentives-to-attract-quality-employees>
12. "Construction Labor Shortage: Study Finds 430,000 Workers Needed," FamilyHandyman, Harrison Kral, Mar. 31, 2021, <https://www.familyhandyman.com/article/construction-labor-shortage/>
13. "Home Depot Was the Best Performer in the Dow. Why the Gains Are Set to Continue Into 2022," Barron's, Logan Moore, Dec. 31, 2021, <https://www.barrons.com/articles/home-depot-was-the-best-performer-in-the-dow-why-the-gains-are-set-to-continue-into-2022-51640987715>
14. "Solar Electrician - Relocation Opportunity to Puerto Rico," ZipRecruiter, accessed Jan. 15, 2022 https://www.ziprecruiter.com/c/Sunnova-Energy-Corp/Job/Solar-Electrician-Relocation-Opportunity-to-Puerto-Rico/-in-Kissimmee,FL?jid=b6b687a9781ad617&utm_campaign=google_jobs_apply&utm_source=google_jobs_apply&utm_medium=organic
15. "Industrial Electrician - \$2,500 In Bonuses Open To Relocation," Fidanto.com, accessed Jan. 15, 2022 https://us.fidanto.com/jobs/job-opening/engineers-all-other/industrial-electrician-2500-in-bonuses-open-to-relocation-894550765?utm_campaign=google_jobs_apply&utm_source=google_jobs_apply&utm_medium=organic
16. "We have immediate openings for the right person," RooterHero.com," accessed Jan. 15, 2022, <https://rooterhero.com/careers>



BUSINESS SERVICES REPORT

ADDITIONAL REFERENCES (CONTINUED)

17. "Help Wanted: Province Launches Recruitment Campaign to Increase Workers in Healthcare, Trades," Novascotia.ca, Dec. 20, 2021 <https://novascotia.ca/news/release/?id=20211220005>
18. "Inflation Forces Homebuilders to Take It Slow, Raise Prices," US News via Associated Press, Sep. 23, 2021, <https://www.usnews.com/news/business/articles/2021-09-20/inflation-forces-homebuilders-to-take-it-slow-raise-prices>
19. "Coolsys News," Coolsys, accessed Jan. 15, 2022, <https://coolsys.com/news/>
20. "News & Events," Reedy Industries, 2021, <https://reedyindustries.com/news/>
21. "HEPACO Acquires Field Services Division Of Summit Environmental Services," HEPACO, Jan. 22, 2021 <https://hepaco.com/About/News/hepaco-acquires-field-services-division-of-summit-environmental-services>
22. "Backlog blues: Permits rise, housing starts slow in October," The Real Deal, Cordelia James, Nov. 17, 2021, <https://therealdeal.com/2021/11/17/backlog-blues-permits-rise-housing-starts-slow-in-october/>
23. "2022 commercial real estate outlook," Deloitte, Jeffrey J. Smith, Kathy Feucht, Sally Ann Flood, Nov. 17, 2021, <https://www2.deloitte.com/us/en/insights/industry/financial-services/commercial-real-estate-outlook.html>
24. "Plumbers in the US - Number of Businesses 2005–2027," IBISWorld, June 30, 2021, <https://www.ibisworld.com/industry-statistics/number-of-businesses/plumbers-united-states/#:~:text=There%20are%20128%2C861%20Plumbers%20businesses,five%20years%20between%202017%20%2D%202022>
25. "Electricians in the US - Number of Businesses 2003–2027," IBISWorld, Sept. 30, 2021, <https://www.ibisworld.com/industry-statistics/number-of-businesses/electricians-united-states/>
26. "Heating & Air-Conditioning Contractors in the US - Number of Businesses 2004–2027," IBISWorld, Dec. 30, 2021, <https://www.ibisworld.com/industry-statistics/number-of-businesses/heating-air-conditioning-contractors-united-states/>