

Specialized Services Quarterly Update



Industry Insights & Market Data

RECENT CMG NEWS

- [CMG Serves as Exclusive Advisor to Optimum Building Systems](#)
- [CMG Advises Culinaire International on Strategic Sale to Multinational Buyer](#)
- [CMG Attends AICA Annual Global Meeting in Chicago, IL](#)

SPECIALIZED SERVICES SECTOR HIGHLIGHTS

- Sector Overview: Specialized Services
- Spotlight: Facilities Services
- The Inside Scoop: Q&A Spotlight on Facilities Services
- M&A Transaction Highlights
- Public Markets and Subsector Performance
- U.S. Key Economic Indicators

Steady Demand and a Rising Tide of Investor Confidence

Specialized Services continue to stand out in today's M&A environment—not because they're flashy, but because they're foundational. These are the companies that keep industries running: providers of logistics, testing, compliance, facilities management, and a range of outsourced B2B services that enable scale, safety, and operational efficiency.

While the broader M&A market remains uneven, Specialized Services [in general] is showing resilience—and in many cases, renewed momentum. Investors are leaning into businesses with essential, recurring revenue models and high client retention. Strategic buyers are selectively pursuing tuck-ins that add geographic density or expand the service mix.

Public market sentiment has improved as well: valuation multiples levels are up 2.5% since Q1 2025, and stock prices across key service categories have outpaced broader indices like the S&P 500.

What's Driving the Resilience?

Essential, Recurring, and Hard to Replace



Buyers continue to prioritize businesses with predictable cash flow. Whether it's food safety testing, commercial landscaping, or HR compliance audits, investors are favoring service models deeply embedded in customers' operations.

Asset-Light + Scalable Infrastructure



Capital efficiency is a major differentiator. Businesses that can grow without significant investments in real estate, fleet, or equipment are being rewarded—especially those leveraging workforce systems, subcontracting models, or route density.

A Public Market "Lift"



Publicly traded comps across all subsector categories [Diversified Business Services, Facilities & Residential Services, Industrial Services, Distribution & Logistics) are trading at healthy multiples—in the 10–12x EBITDA range.

That strength is lifting private valuations as buyers aim to capture the delta between small-company pricing and public comps. Private equity platforms are pursuing add-ons that fit these strategic models, where scale benefits are clearest.

Sector-Specific Tailwinds



Services supported by regulatory, health, or safety requirements are often viewed as more defensible. Whether it's environmental testing, workplace safety, foodservice inspections, or cybersecurity protocols, businesses operating in compliance-driven sectors tend to benefit from recurring, non-discretionary demand and a higher barrier to entry.

- In residential services, the shift from DIY to DIFM (Do-It-For-Me) continues, especially in aging households and more complex homes
- In industrial and environmental services, infrastructure spending tailwinds are driving sustained demand

- In facilities and compliance-driven services, regulation, safety, and labor outsourcing are creating real stickiness.

Valuation Trends: The Barbell Remains

The valuation environment remains bifurcated. Top-tier businesses with scalable models and growth visibility are commanding premium multiples and competitive buyer processes. Meanwhile, companies with customer concentration, weaker margins, or underinvested infrastructure are seeing more muted interest—or delaying their exits altogether.

In Q2, we continued to see healthy deal flow in:

- HVAC, fire safety, and other code-driven services
- Testing, inspection, and certification (TIC)
- Logistics and route-based recurring models
- Niche professional services (accounting, HR, training, etc.)

CMG's Perspective

The stronger a company performs across these dimensions, the more likely it is to attract premium interest and command a premium valuation

At a time when many investors are still navigating volatility, the Specialized Services sector offers something rare:

clarity. Demand is steady, business models are understandable, and growth often comes from repeatable execution—not just bold bets.

That said, buyers are being selective. Every transaction now requires a sharper story, a tighter growth plan, and clear KPIs. For owners considering a sale, this is the moment to professionalize reporting, document systems, and ensure the business presents as the high-performing operation it is.

The tide may be rising—but not all boats are lifted equally. CMG continues to work with founders and families across the services spectrum to help position their businesses for the strongest possible outcomes in today's market.

Spotlight: Facilities Services

Durable Demand and Focused Consolidation

Essential Backbone of the Economy

Facilities Services remains one of the most attractive niches within business services, anchored by offerings like fire safety, HVAC, janitorial, landscaping, and security. Regulatory requirements and the operational need for safe, functional spaces create steady demand—even in volatile markets.

Fragmentation Fuels Opportunity

The sector's highly fragmented landscape drives M&A activity. Private equity is actively consolidating local and regional providers to build integrated platforms with broader reach. Recent activity underscores this trend [see notable transactions on page 5].

The PE Playbook: Integration and Efficiency

Facilities Services carries unique operational dynamics:

- Balancing local customer relationships with scaled operations
- Navigating licensing, compliance, and union issues in certain trades
- Optimizing technician routes across urban and suburban geographies

Investors are targeting businesses that demonstrate:

- High recurring revenue through service contracts
- Strong technician retention and embedded customer relationships
- Digital tools enhancing transparency and service tracking

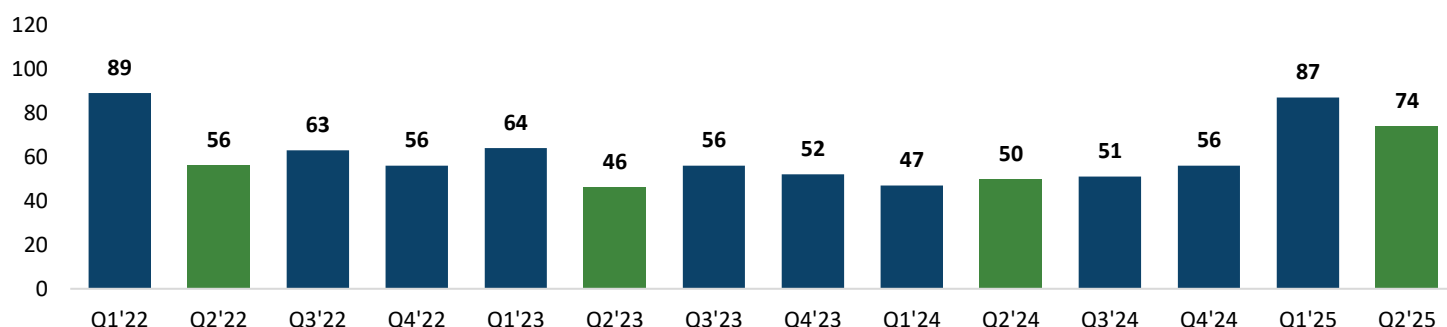
Valuations Remain Solid

Valuations have moderated from the peaks of 2021–22 but remain healthy for well-run operators. Businesses with EBITDA above \$5M and integrated service offerings often trade in the 9–12x range—or higher.

Outlook

The outlook for facilities services remains bright. Positioned at the crossroads of regulatory compliance, operational necessity, and technological change, the sector should stay active. Consolidation is likely to continue as strategic and financial buyers pursue scalable, multi-service platforms.

Facilities Services M&A Deal Activity (Q1 2022 – Q2 2025)



Source: CapIQ

The Inside Scoop: Q&A Spotlight on Facilities Services

With Tyler Frances, Alpine Investors

We spoke with Tyler Frances from Alpine Investors, to unpack where growth is accelerating, what metrics buyers care about most, and how founder-led businesses can position themselves for a successful exit.

What are the most active or fastest-growing verticals within facilities services right now—landscaping, specialty cleaning, HVAC, fire protection, or something else?

It helps to split the market into commercial and residential. On the commercial side, services like HVAC and fire protection remain strong due to their operational and compliance importance. But the real acceleration is happening in mission-critical services tied to data centers and utilities—thanks to massive investments from hyperscalers and the urgent need to modernize the aging U.S. power grid.

Residential services are seeing a shift. The COVID-era remodeling boom has faded, and economic uncertainty is making homeowners more cautious. The focus now is on essential repairs—things you can't live without. For example, someone in the Southeast is far more likely to fix a broken AC than upgrade their kitchen.

What KPIs are buyers scrutinizing most heavily right now—recurring revenue, customer retention, technician utilization?

Buyers are laser-focused on revenue quality. Recurring contracts are gold, but even reoccurring maintenance and repair work is attractive. What they want to avoid is exposure to new construction—it's cyclical and unpredictable. Smaller, consistent jobs are preferred over large, lumpy projects that can swing the P&L.

In residential, recurring revenue is less common outside of landscaping. Most services follow multi-year replacement cycles, so buyers look for businesses with low construction exposure and strong local brand presence that drives steady inbound demand.

What trends are you seeing in cross-selling or bundling services—are integrated providers commanding a premium over single-service specialists?

Yes—especially when bundling leads to better revenue quality. If a provider installs security doors, then adds an intercom system with a monthly subscription, that's a win: higher upfront value and recurring income.

Cross-selling across service types—like HVAC and landscaping—is also gaining traction, particularly with national accounts. These clients prefer fewer vendors across multiple sites, creating a big opportunity for integrated providers to consolidate services under one roof.

Where do you see untapped white space in the facilities services market—either underserved niches or emerging needs that could drive the next wave of consolidation?

Anywhere new technologies are being deployed faster than service capacity can keep up. Data centers and utilities are prime examples—both are seeing explosive demand for installation and maintenance, and the supply side hasn't caught up yet. That imbalance creates a ripe opportunity for growth and consolidation.









For founder-led businesses, what pitfalls are most common when preparing for a sale in this sector? Any early moves that make a real difference in valuation or buyer interest?

The biggest mistake is tying too much revenue to new construction—it's volatile and drags down valuation. Another risk is relying on storm-driven work, like post-hurricane roofing. It's feast or famine, and buyers don't like that unpredictability.

Founders should focus on building a diversified book of smaller, repeatable jobs and direct relationships with end customers—not intermediaries like general contractors. Also, brand equity matters: strong reviews, inbound leads, and efficient marketing all boost buyer interest and valuation.



Select Services M&A Transactions

Date	Acquirer	Target	Target Description
Diversified Services			
Jun-25	 TJC	 WEDGEWOOD WEDDINGS	Provider of wedding management services and offers various wedding packages
Jun-25	 Pearson	 eDynamic Learning — CAREER & ELECTIVE COURSES —	Operator of an online career and elective courses platform to serve the middle and high school market
May-25	 netrio	 AGIO A Netrio Company	Provider of managed information technology and cybersecurity services
Facilities & Residential Services			
May-25	 ENDURANT DISASTER RECOVERY	 Parker Young Construction	Provider of disaster repair and renovation services
May-25	 4M Building Solutions	 BROKATE "JANITORIAL"	Provider of comprehensive janitorial and disinfecting services
Apr-25	 EAGLE FIRE	 SOUTHEASTERN SOUND, INC. PROFESSIONAL SOUND AND ELECTRONIC SYSTEMS	Provider of electronics system contracting services for fire protection and security equipment
Industrial Services			
May-25	 IEQT	 SEVEN SEAS WATER GROUP Water and Wastewater	Provider of water desalination and wastewater treatment plant services
May-25	 SHENANDOAH	 PROPIPE PROFESSIONAL PIPE SERVICES	Provider of pipeline inspection, cleaning, and rehabilitation services
Apr-25	 verdantas	 ATLANTIC Environmental Consulting Services, L.L.C.	Provider of environmental engineering services
Distribution, Transportation & Logistics			
May-25	 PROVIDENCE EQUITY PARTNERS		Provider of freight forwarding and logistics services
Apr-25	 DHL Group	 IDS	Provider of 3PL fulfillment services and distribution services
Apr-25	 FITZMARK	 HPL	Provider of cold storage transportation services

Select Public Company Data

Diversified Services and Facilities & Residential Services

Company	Market Information		LTM Financials		Operating Metrics		TEV to LTM	
	\$ / Share	TEV	Revenue	EBITDA	Growth	EBITDA%	Revenue	EBITDA
Diversified Business Services								
Accenture plc	\$298.89	\$186,636	\$68,483	\$11,768	6.2%	17.2%	2.7x	14.7x
Automatic Data Processing, Inc.	308.40	126,873	20,203	5,949	6.8%	29.4%	6.3x	nmf
Booz Allen Hamilton Holding Corporation	104.13	16,266	11,980	1,414	12.4%	11.8%	1.4x	10.9x
CGI Inc.	104.86	25,715	10,534	1,873	4.6%	17.8%	2.3x	12.4x
Conduent Incorporated	2.64	1,132	3,186	10	-14.4%	0.3%	0.4x	11.9x
ExlService Holdings, Inc.	43.79	7,181	1,903	324	14.2%	17.0%	3.8x	nmf
Franklin Covey Co.	22.82	260	280	31	-0.4%	11.0%	0.9x	6.9x
Freshworks Inc.	14.91	3,443	752	-88	20.5%	-11.7%	4.6x	nmf
Genpact Limited	44.01	8,575	4,851	814	7.3%	16.8%	1.8x	9.7x
Intertek Group plc	64.94	11,351	4,248	916	1.9%	21.6%	2.4x	11.3x
IQVIA Holdings Inc.	157.59	39,933	15,497	2,926	2.8%	18.9%	2.6x	13.0x
Korn Ferry	73.33	3,338	2,730	374	-1.2%	13.7%	1.2x	7.8x
ManpowerGroup Inc.	40.40	2,946	17,540	357	-3.8%	2.0%	0.2x	5.2x
Marsh & McLennan Companies, Inc.	218.64	128,748	25,799	7,652	9.2%	29.7%	5.1x	16.4x
Omnicom Group Inc.	71.94	18,581	15,911	2,553	5.2%	16.0%	1.2x	6.7x
Pearson plc	14.68	10,947	4,447	810	-3.3%	18.2%	2.2x	11.7x
PROS Holdings, Inc.	15.66	893	336	-5	8.0%	-1.4%	2.7x	nmf
Robert Half Inc.	41.05	4,022	5,672	310	-7.8%	5.5%	0.7x	10.3x
Skillssoft Corp.	15.97	589	527	80	-3.3%	15.1%	1.1x	7.4x
Stride, Inc.	145.19	6,039	2,286	423	14.9%	18.5%	2.6x	13.9x
The Hackett Group, Inc.	25.42	715	308	42	3.5%	13.5%	2.3x	16.7x
The Interpublic Group of Companies, Inc.	24.48	11,497	9,001	1,665	-4.3%	18.5%	1.3x	6.0x
Mean	\$84.26	\$27,985	\$10,294	\$1,827	3.6%	13.6%	2.3x	10.7x
Median	\$43.90	\$7,878	\$4,649	\$617	4.0%	16.4%	2.3x	11.1x
Facilities & Residential Services								
ABM Industries Incorporated	\$47.21	\$4,549	\$8,498	\$418	3.5%	4.9%	0.5x	8.5x
Acuity Inc.	298.34	9,767	4,169	699	9.2%	16.8%	2.3x	13.4x
APi Group Corporation	34.03	16,710	7,136	790	3.2%	11.1%	2.3x	17.4x
Aramark	41.87	16,867	17,624	1,205	4.5%	6.8%	1.0x	6.7x
BrightView Holdings, Inc.	16.65	2,833	2,729	318	-2.8%	11.7%	1.0x	7.6x
Cintas Corporation	222.87	92,440	10,340	2,854	7.7%	27.6%	9.1x	nmf
Comfort Systems USA, Inc.	536.21	18,966	7,322	965	31.5%	13.2%	2.6x	17.1x
Compass Group PLC	0.00	64,307	43,826	3,559	9.6%	8.1%	1.4x	15.8x
EMCOR Group, Inc.	534.89	24,009	15,001	1,560	14.3%	10.4%	1.6x	12.2x
Frontdoor, Inc.	58.94	5,046	1,891	406	5.6%	21.5%	2.7x	12.4x
Installed Building Products, Inc.	180.32	5,628	2,933	475	4.3%	16.2%	1.9x	10.8x
ISS A/S	27.80	6,619	11,628	606	6.5%	5.2%	0.5x	8.0x
Johnson Controls International plc	105.62	81,136	23,248	4,114	14.1%	17.7%	3.5x	17.5x
Lennox International Inc.	573.24	21,608	5,367	1,119	7.8%	20.9%	4.0x	17.4x
Rentokil Initial plc	4.82	16,525	6,805	1,242	1.1%	18.2%	2.2x	10.8x
Rollins, Inc.	56.42	28,054	3,463	783	9.5%	22.6%	8.1x	nmf
Sodexo S.A.	0.00	13,820	25,150	1,400	4.4%	5.6%	0.5x	7.6x
Mean	\$161.13	\$25,228	\$11,596	\$1,324	7.9%	14.0%	2.7x	12.2x
Median	\$56.42	\$16,710	\$7,322	\$965	6.5%	13.2%	2.2x	12.2x

All data as of 6/30/25, \$ in millions, TEV - Total Enterprise Value; LTM - Last Twelve Months

Source: Capital IQ

2025 Carter Morse & Goodrich All rights reserved. This material may not be reproduced in any format by any means or redistributed without the prior written consent of Carter Morse & Goodrich. Carter Morse & Goodrich gathers its data from sources it considers reliable; however, it does not guarantee the accuracy or completeness of the information provided within this presentation. The material presented reflects information known to the authors at the time this presentation was written, and this information is subject to change.

Select Public Company Data

Industrial Services and Distribution, Transportation & Logistics

Company	Market Information		LTM Financials		Operating Metrics		TEV to LTM	
	\$ / Share	TEV	Revenue	EBITDA	Growth	EBITDA%	Revenue	EBITDA
Industrial Services								
Ashford Hospitality Trust, Inc.	\$6.02	\$3,204	\$1,144	\$212	-14.7%	18.5%	2.8x	14.8x
Axalta Coating Systems Ltd.	29.69	9,378	5,244	1,011	1.0%	19.3%	1.8x	8.9x
AZZ Inc.	94.48	3,708	1,586	327	1.7%	20.6%	2.3x	10.4x
Casella Waste Systems, Inc.	115.38	8,278	1,633	353	21.6%	21.6%	5.1x	nmf
Clean Harbors, Inc.	231.18	15,006	5,945	1,074	8.5%	18.1%	2.5x	10.9x
Construction Partners, Inc.	106.28	7,270	2,189	273	31.5%	12.5%	3.3x	nmf
EMCOR Group, Inc.	534.89	24,009	15,001	1,560	14.3%	10.4%	1.6x	12.2x
Generac Holdings Inc.	143.21	9,698	4,349	730	8.1%	16.8%	2.2x	12.5x
Herc Holdings Inc.	131.69	8,753	3,625	857	8.3%	23.6%	2.4x	9.3x
Ingersoll Rand Inc.	83.18	36,864	7,282	1,947	5.3%	26.7%	5.1x	18.5x
MasTec, Inc.	170.43	15,583	12,464	946	3.0%	7.6%	1.3x	9.0x
Quanta Services, Inc.	378.08	60,274	24,874	2,174	15.8%	8.7%	2.4x	16.6x
Republic Services, Inc.	246.61	90,514	16,179	5,038	6.1%	31.1%	5.6x	18.2x
RPM International Inc.	109.84	16,260	7,299	1,075	-0.6%	14.7%	2.2x	13.7x
United Rentals, Inc.	753.40	62,421	15,579	4,524	7.2%	29.0%	4.0x	12.6x
Waste Management, Inc.	228.82	115,701	22,922	6,732	10.8%	29.4%	5.0x	16.5x
Mean	\$210.20	\$30,432	\$9,207	\$1,802	8.0%	19.3%	3.1x	13.2x
Median	\$137.45	\$15,295	\$6,613	\$1,043	7.6%	18.9%	2.5x	12.6x
Distribution, Transportation & Logistics								
Applied Industrial Technologies, Inc.	\$232.45	\$9,041	\$4,499	\$561	0.5%	12.5%	2.0x	14.8x
Builders FirstSource, Inc.	116.69	17,890	16,167	1,973	-5.5%	12.2%	1.1x	8.3x
C.H. Robinson Worldwide, Inc.	95.95	12,991	17,359	804	-0.2%	4.6%	0.7x	14.1x
Cardinal Health, Inc.	168.00	45,501	222,286	3,165	0.9%	1.4%	0.2x	13.7x
Expeditors International of Washington, Inc.	114.25	14,918	11,060	1,153	24.1%	10.4%	1.3x	10.7x
Fastenal Company	42.00	48,448	7,774	1,742	4.8%	22.4%	6.4x	nmf
FedEx Corporation	227.31	86,377	87,926	11,009	0.3%	12.5%	1.0x	5.5x
GXO Logistics, Inc.	48.70	10,627	12,230	822	23.4%	6.7%	0.9x	5.2x
Hub Group, Inc.	33.43	2,468	3,862	332	-4.6%	8.6%	0.6x	6.2x
J.B. Hunt Transport Services, Inc.	143.60	16,121	12,064	1,560	-2.2%	12.9%	1.3x	9.5x
Knight-Swift Transportation Holdings Inc.	44.23	10,179	7,412	1,049	1.2%	14.1%	1.4x	8.3x
McKesson Corporation	732.78	93,777	359,051	5,416	16.2%	1.5%	0.3x	15.8x
MSC Industrial Direct Co., Inc.	85.02	5,294	3,744	408	-4.1%	10.9%	1.4x	11.5x
Old Dominion Freight Line, Inc.	162.30	34,261	5,730	1,845	-2.6%	32.2%	6.0x	18.3x
Owens & Minor, Inc.	9.10	2,909	10,720	487	2.8%	4.5%	0.3x	4.3x
Performance Food Group Company	87.47	21,338	57,949	1,497	7.2%	2.6%	0.4x	12.4x
RXO, Inc.	15.72	3,246	5,070	123	32.4%	2.4%	0.6x	13.8x
Ryder System, Inc.	159.00	15,247	12,669	2,750	6.2%	21.7%	1.2x	4.8x
Saia, Inc.	273.99	7,679	3,242	659	8.9%	20.3%	2.4x	10.8x
SiteOne Landscape Supply, Inc.	120.94	6,444	4,575	338	4.7%	7.4%	1.4x	13.8x
Sysco Corporation	75.74	49,820	80,788	4,436	3.6%	5.5%	0.6x	10.3x
United Parcel Service, Inc.	100.94	106,029	90,910	11,613	1.3%	12.8%	1.2x	7.6x
US Foods Holding Corp.	77.01	22,726	38,279	1,622	6.3%	4.2%	0.6x	13.3x
W.W. Grainger, Inc.	1040.24	52,352	17,239	2,917	3.7%	16.9%	3.0x	17.3x
Werner Enterprises, Inc.	27.36	2,364	2,973	318	-7.7%	10.7%	0.8x	7.0x
WESCO International, Inc.	185.20	14,165	21,813	1,409	-1.8%	6.5%	0.6x	8.3x
XPO, Inc.	126.29	18,801	8,008	1,216	1.9%	15.2%	2.3x	12.5x
Mean	\$168.36	\$27,075	\$41,681	\$2,267	4.5%	10.9%	1.5x	10.7x
Median	\$114.25	\$15,247	\$12,064	\$1,409	1.9%	10.7%	1.1x	10.7x
Mean - All	\$152.46	\$27,591	\$20,687	\$1,863	5.6%	13.9%	2.3x	11.5x
Median - All	\$98.45	\$14,541	\$7,593	\$1,030	4.7%	13.6%	1.9x	11.5x

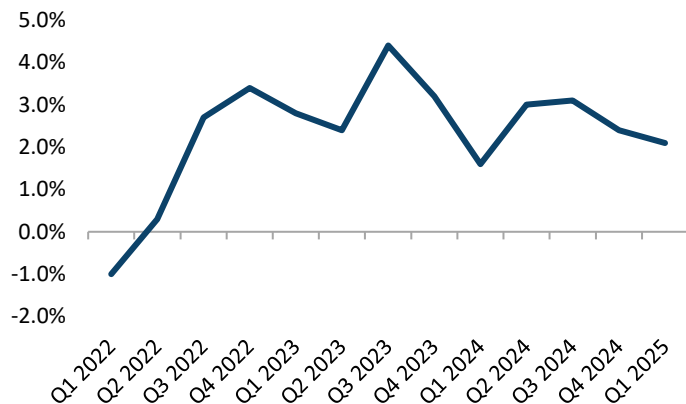
All data as of 6/30/25, \$ in millions, TEV - Total Enterprise Value; LTM - Last Twelve Months

Source: Capital IQ

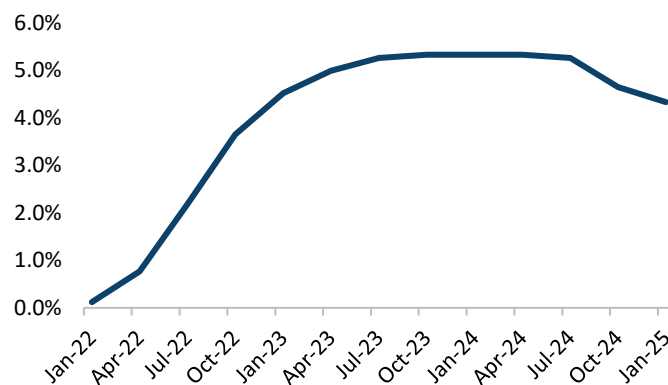
2025 Carter Morse & Goodrich All rights reserved. This material may not be reproduced in any format by any means or redistributed without the prior written consent of Carter Morse & Goodrich. Carter Morse & Goodrich gathers its data from sources it considers reliable; however, it does not guarantee the accuracy or completeness of the information provided within this presentation. The material presented reflects information known to the authors at the time this presentation was written, and this information is subject to change

Key Economic Indicators

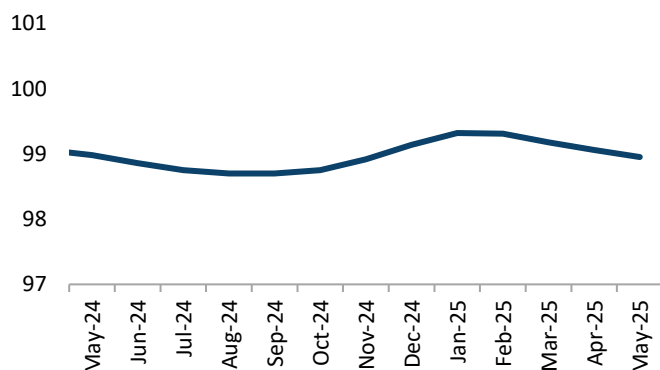
Quarterly Real GDP % Change



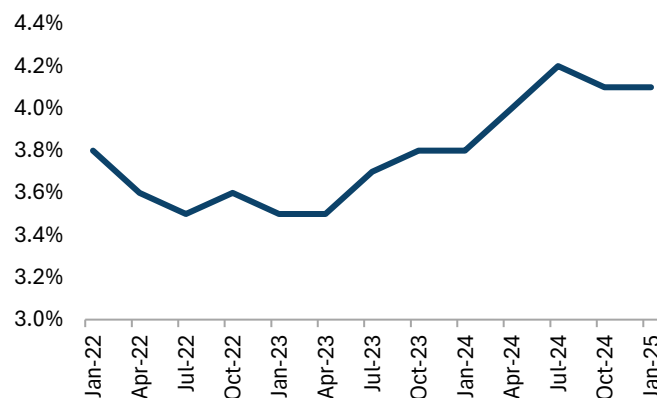
Fed Funds Rate



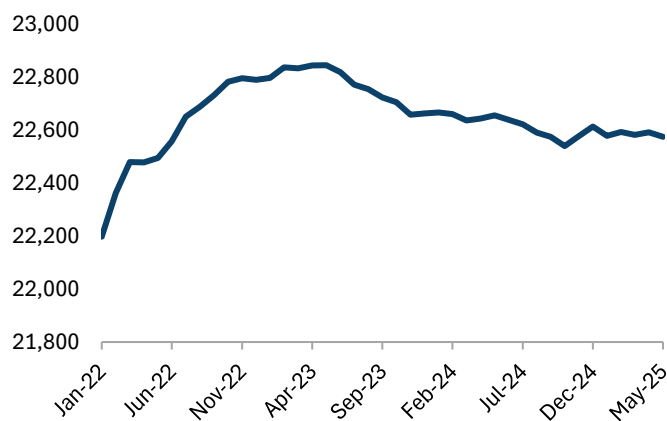
Business Confidence Index



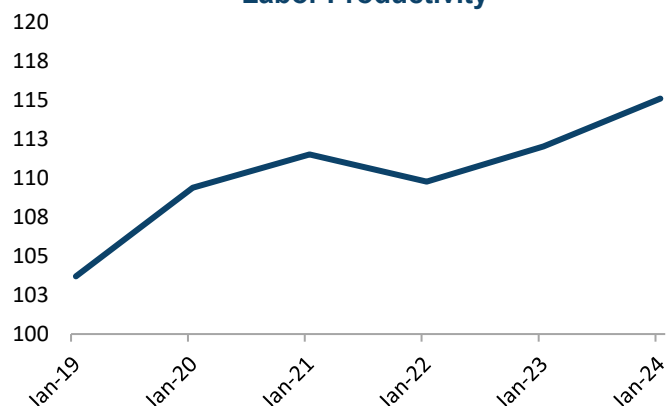
U.S. Unemployment Rates



Business Services Employment



Private Nonfarm Business Sector:
Labor Productivity



Sources: U.S. Bureau of Labor Statistics, Federal Reserve Economic Data, US Census Bureau and Trading Economics

M&A Expertise For Founders & Families

Founded in 1987, Carter Morse & Goodrich is a boutique M&A advisory firm that specializes in representing founder-led and family-held businesses that are leaders in niche markets. We fully understand and appreciate the unique dynamics of these companies and the importance of owner legacies, which has enabled us to become a trusted advisor to hundreds of founders and families.

CMG Industry Groups



Manufacturing

- Aerospace & Defense
- Tools & Equipment
- Diversified Industrial
- Niche Manufacturing



Consumer

- Food & Beverage
- Infant & Juvenile, Pet Care
- Sporting Goods, Apparel & Accessories
- Household Goods



Services

- Diversified Services
- Facilities & Residential
- Industrial Services
- Distribution & Logistics



HVAC

- Manufacturing
- Distribution
- HVAC Services
- Building Automation

1987
Founded

\$5 Billion
Aggregate Transaction
Values

450+
Client Engagements

1 Objective
Successful Client Outcomes

Select Services Transactions



CULINAIRE

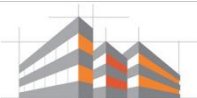
has been acquired by

Undisclosed Multinational
Strategic Buyer



ARISTA

has been acquired by



BARRIER COMPANIES

has been recapitalized by



Tree, Shrub & Lawn Care

has sold a majority
Interest to



Career TEAM

has been recapitalized by



Terence Hannafin

Partner
Head of Services

📞 516-381-7497 (Mobile)

✉️ thannafin@cartermorse.com

The Tide Mill Building
99 Harbor Road
Southport, CT 06890
+1-203-349-8371

Joseph Brown House
50 S. Main Street
Providence, RI 02903
+1-401-829-0826