Facility and Residential Services

Market Update

Q3 2025

About Our Firm

Houlihan Lokey, Inc. (NYSE:HLI) is a leading global investment bank with expertise in mergers and acquisitions, capital solutions, financial restructuring, and financial and valuation advisory.

Our firm is the trusted advisor to more top decision-makers than any other independent global investment bank.

CORPORATE FINANCE

2024 M&A Advisory Rankings
All Global Transactions

	Advisor	Deals
1	**Houlihan Lokey**	**415**
2	Rothschild & Co	406
3	Goldman Sachs & Co	371
4	JP Morgan	342
5	Morgan Stanley	309

Source: LSEG (formerly Refinitiv).
Excludes accounting firms and brokers.

FINANCIAL RESTRUCTURING

2024 Global Distressed Debt & Bankruptcy Restructuring Rankings

	Advisor	Deals
1	**Houlihan Lokey**	**88**
2	PJT Partners Inc	59
3	Rothschild & Co	48
4	Lazard	44
5	Perella Weinberg Partners LP	40

Source: LSEG (formerly Refinitiv).

FINANCIAL AND VALUATION ADVISORY

2000–2024 Global M&A Fairness Advisory Rankings

	Advisor	Deals
1	**Houlihan Lokey**	**1,243**
2	Duff & Phelps, A Kroll Business	1,045
3	JP Morgan	1,020
4	UBS	792
5	Morgan Stanley	698

Source: LSEG (formerly Refinitiv).
Announced or completed transactions.

No. 1
Global M&A Advisor

No. 1
Global Restructuring Advisor

No. 1
Global M&A Fairness Opinion Advisor Over the Past 25 Years

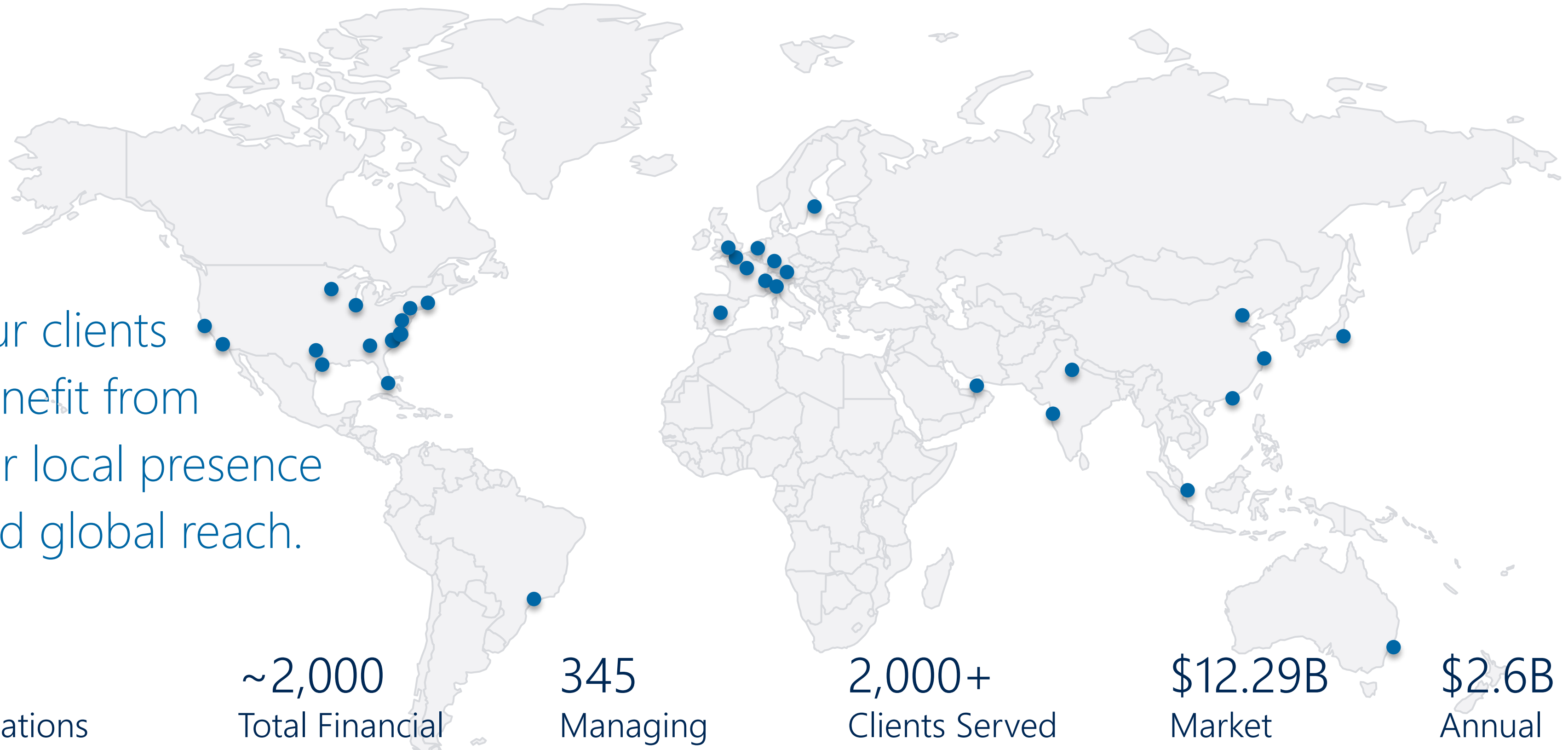
Leading
Capital Solutions Group

1,800+
Transactions Completed Valued at More Than $3.8 Trillion Collectively

2,000+
Annual Valuation Engagements

Learn more about how our advisors can serve your needs:

- Corporate Finance →
- Financial Restructuring →
- Financial and Valuation Advisory →
- Our Industry Coverage →



Our clients benefit from our local presence and global reach.

33	~2,000	345	2,000+	$12.29B	$2.6B
Locations Worldwide	Total Financial Professionals	Managing Directors[1]	Clients Served Annually	Market Cap[2]	Annual Revenue[3]

AMERICAS

- Atlanta
- Baltimore
- Boston
- Charlotte
- Chicago
- Dallas
- Houston
- Los Angeles
- Miami
- Minneapolis
- New York
- San Francisco
- São Paulo
- Washington, D.C.

EUROPE AND MIDDLE EAST

- Amsterdam
- Dubai
- Frankfurt
- London
- Madrid
- Manchester
- Milan
- Munich
- Paris
- Stockholm
- Zurich

ASIA-PACIFIC

- Beijing
- Gurugram
- Hong Kong SAR
- Mumbai
- Shanghai
- Singapore
- Sydney
- Tokyo

(1) As of September 30, 2025.
(2) As of November 28, 2025.
(3) LTM ended September 30, 2025.

Fully Integrated Financial Sponsor Coverage

28

Senior officers dedicated to the sponsor community in the Americas and Europe.

1,900+

Sponsors covered, providing market insights and knowledge of buyer behavior.

850+

Companies sold to financial sponsors over the past five years.

HLI LISTED NYSE

About **Our Business Services Industry Group**

Houlihan Lokey’s Business Services Group combines extensive industry relationships with substantial experience to offer a broad array of M&A, corporate finance, restructuring, and financial and valuation advisory services to the business services industry.

2024 M&A Advisory Rankings
All Global Business Services Transactions

	Advisor	Deals
1	**Houlihan Lokey**	**86**
2	Rothschild & Co	62
3	Goldman Sachs & Co	54
4	Benchmark International	49
5	JP Morgan	46

Source: LSEG (formerly Refinitiv).
Excludes accounting firms and brokers.

Based on number of transactions and according to data provided by LSEG (formerly Refinitiv), Houlihan Lokey was ranked the

No. 1

investment bank for all global business services M&A transactions.

Business Services Industry Coverage

Featured Business Services Industry Transactions

Startek, Inc., has been acquired by funds managed by CSP Management Limited
Financial Advisor

Gannett Fleming has received a strategic investment from OceanSound Partners
Financial Advisor

Shamrock Environmental Corp., a portfolio company of CenterOak Partners, has been acquired by Republic Services
Sellside Advisor

Relam, a portfolio company of Paceline Equity Partners
Second Lien Term Loan & DDTL Refinancing & Dividend Recapitalization
$135,000,000
Exclusive Placement Agent

Mariani Premier Group, a portfolio company of CI Capital Partners
Revolver, Term Loan & Delayed Draw Term Loan
Refinancing & Growth Capital
$740,000,000
Exclusive Placement Agent

Kelly has acquired Motion Recruitment, a portfolio company of Littlejohn & Co.
Buyside Advisor

CompassMSP, LLC, has been acquired by Agellus Capital, LLC
Sellside Advisor

Huge, a subsidiary of The Interpublic Group of Companies, has strategically combined with Hero Digital, a portfolio company of AEA Investors
Sellside Advisor

Cooper Parry, a portfolio company of Waterland Private Equity, has been acquired by Lee Equity Partners
Sellside Advisor

Transaction Pending
Applied Technical Services, a portfolio company of Odyssey Investment Partners, has agreed to be acquired by SGS
Lead Sellside Advisor

Challenger Optimization Inc., a portfolio company of Marlin Equity Partners, has been acquired by Richardson Sales Performance, a portfolio company of Truelink Capital
Sellside Advisor

Dependable Highway Express’s LTL division has been acquired by Knight Transportation and Swift Transportation
Sellside Advisor

Tombstones included herein represent transactions closed from 2022 forward.

Industry Sector Coverage

We cover a broad array of sectors, with financial professionals dedicated to each of our primary coverage areas.

- BPO Services
- Education Technology and Services
- Engineering and Infrastructure
- Environmental Services
- Equipment-as-a-Service
- Facility and Residential Services
- HCM Services
- IT Services
- Marketing Services
- Specialty Consulting and Risk Services
- Testing, Inspection, Certification, and Compliance
- Transportation and Logistics

Key Facts and Figures

170+
Dedicated Business Services Financial Professionals

86
Completed Business Services M&A/Private Placement Transactions in CY24

About **Our Facility and Residential Services Team**

Houlihan Lokey's dedicated Facility & Residential Services practice has advised companies and clients across more than 20 subsectors over the past few years. We have earned a reputation as a thought leader in the industry and a partner to our clients, having achieved outstanding results in M&A advisory, capital raising, and financial and valuation advisory services for companies within our sector.

Our clients run the gamut from early-stage businesses and midsized private companies to large, publicly traded corporations. We have deep experience working with family- and founder-owned businesses as well as companies owned by institutional sponsors.

We understand the unique value drivers and characteristics of companies across multiple subsectors in this essential—and often critical—outsourced services industry. Our disciplined, intellectually driven approach to process strategy and our deep industry relationships help clients achieve their strategic goals. Our experience and market intelligence are invaluable—particularly in complex macroeconomic environments—when leveraged to maximize valuation and deal certainty for our clients.

Featured Transactions

Action Elevator, a portfolio company of Align Capital Partners, has been acquired by H.I.G. Advantage

Sellside Advisor

Astro Pak Corporation has been acquired by The Stephens Group, LLC

Sellside Advisor

Adiuva Capital has sold Konzmann GmbH to KLAR Partners Limited

Sellside Advisor

Bernhard Capital Partners has sold its stake in Brown & Root Industrial Services to One Equity Partners

Sellside Advisor

CCMP Growth Advisors, LP, has acquired Airo Mechanical, a portfolio company of Thomas Investments and Stephens Capital Partners

Exclusive Buyside Advisor & Placement Agent

City Wide Facility Solutions has received a minority equity investment from Warburg Pincus

Exclusive Financial Advisor

Flow Service Partners, a portfolio company of RLJ Equity and LP First Capital, has been acquired by Quad-C

Sellside Advisor

Mariani Premier Group, a portfolio company of CI Capital Partners

Revolver, Term Loan & Delayed Draw Term Loan

Refinancing & Growth Capital

$740,000,000

Exclusive Placement Agent

Subsector Coverage

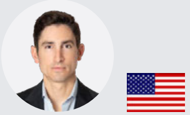
Technical Services

- Automation and Controls
- Fire and Security
- Code Compliance
- HVAC
- Commercial Kitchen Equipment
- Mechanical, Electrical, and Plumbing
- Doors and Overhead Doors
- Refrigeration
- Elevators and Escalators
- Roofing and Exterior Repair
- Equipment Repair
- Utility and Energy Management

Managed Services

- Aviation Site Services
- Janitorial and Sanitation
- Catering and Foodservice
- Laundry Services
- Equipment-as-a-Service
- Multisite Property Services
- Exterior Care
- Pest Control
- Grounds Management
- Response and Restoration
- Interior Maintenance and Care
- Security Services

Leadership



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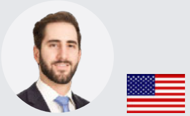

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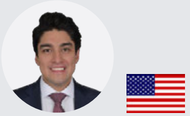

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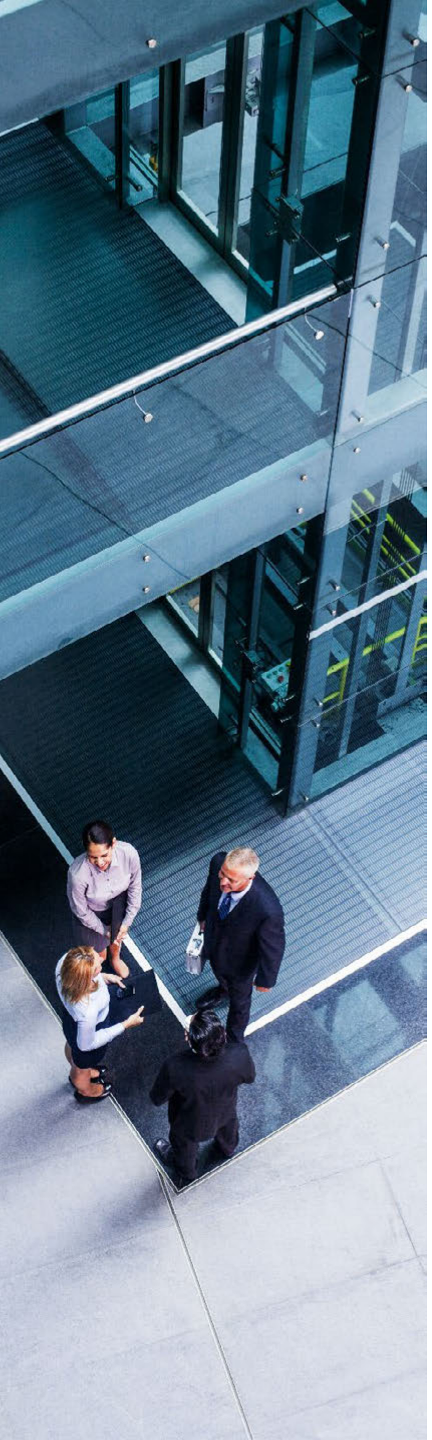
Contact Us

Please reach out to discuss this quarter's market update or to explore how we can serve your business needs.

Request a Meeting

Learn More About Us



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Introduction **Facility and Residential Services Market Update**

In 2025 YTD, the facility and residential services (F&RS) market demonstrated continued resilience with strong participation by both strategic and private equity players. Investors have successfully developed a thesis around (and are attracted to) the nondiscretionary suite of mission-critical services, recurring revenue streams, large, diverse end markets, and the highly fragmented landscape with actionable consolidation opportunities. These fundamentals continue to channel capital throughout the sector.

Despite uncertainty about the direction of tariffs and macroeconomic conditions, we continue to see strong interest from buyers and lenders in pursuing M&A opportunities across the F&RS market with high-quality assets that have demonstrated strong growth stories and persistent margins. Engagement in the F&RS space has been met with robust enthusiasm and confidence from investors, even amid ongoing M&A headwinds driven by elevated interest rates and macroeconomic uncertainty. These dynamic market conditions create a powerful proposition for market consolidation. Valuations across the sector remain durable, and the "best" assets continue to command premium multiples.

The residential services sector continues to attract strong investor interest, particularly as buyers seek underpenetrated subverticals that offer compelling business model fundamentals. Large, private-equity-backed platforms remain highly active in pursuing add-on acquisitions to enhance scale, expand service offerings, and reinforce competitive positioning. Both current and prospective investors are closely tracking residential housing fundamentals (i.e., mortgage rates, inventory, lagging home sales), consumer confidence, and financing availability—key indicators that inform the outlook for homeowner demand and the sector's capacity for sustained growth. In Europe, roll-ups are more nascent in the space; however, there are active consolidators such as KEYTO Group, backed by Fidelio Capital, which recently acquired GreenThumb in the United Kingdom. These subsectors offer an exciting landscape for consolidation with the potential for immense roll-up activity. Characterized by high fragmentation across multiple subsectors, the F&RS market is currently in the nascent stages of consolidation, promising lucrative opportunities in any economic environment.

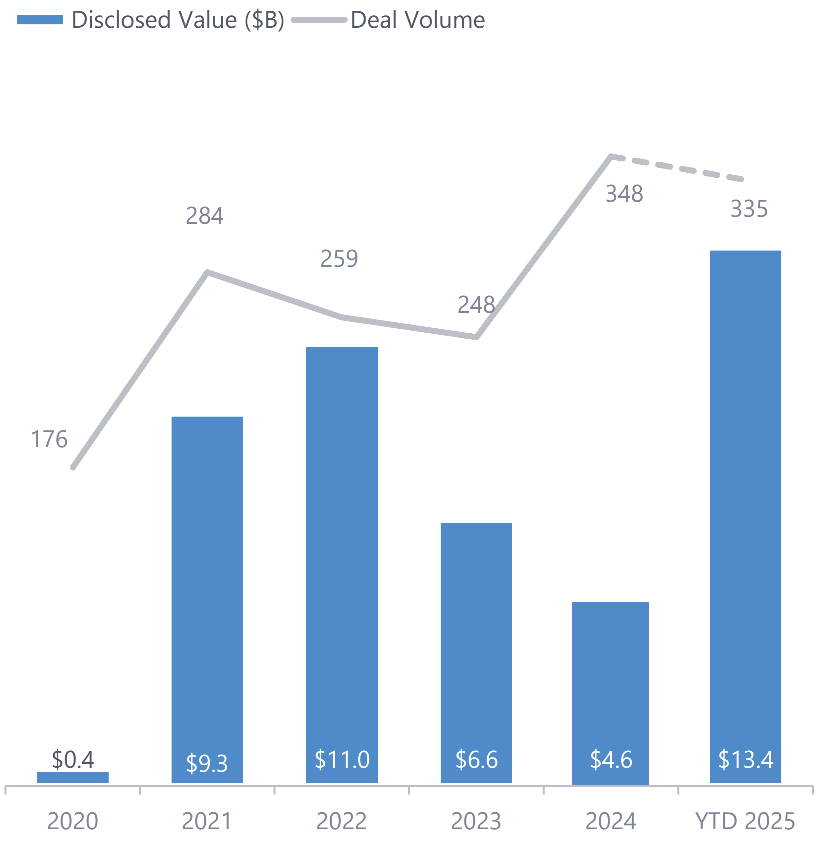
The sector continues to experience robust M&A activity, driven by significant private equity interest in buy-and-build strategies that capitalize on a fragmented market and predictable, recurring revenue streams that persist even in economic uncertainty. A significant portion of the spend on recurring services, such as maintenance and inspection, is insulated from economic uncertainty as these services are often nondiscretionary and are mandated by safety, environmental, and operational regulations. We engage in active dialogue with key industry participants and have witnessed significant consolidation activity from both private equity firms (for example, Blackstone acquiring AI Fire in February 2025 and EQT's tender offer to take Fujitec private in July 2025) and strategic buyers (Mitie PLC's acquisition of Marlowe PLC and OCS's acquisition of EMCOR UK).

Interest in the F&RS sector remains resilient as investors have recognized the sector's stability, driven by durable nondiscretionary demand drivers and recurring revenue dynamics. Investors remain cautiously optimistic about deploying capital, with differentiated and scaled platforms still able to achieve outsized valuation multiples. Given these promising trends and steady M&A activity, the outlook for high-quality assets with impressive growth stories and solid margins remains positive.

Additional Facility and Residential Services M&A Highlights

Transaction Value and Deal Volume

($ in Billions)



Source: S&P Capital IQ as of September 30, 2025.

Notable Transactions

Date	Acquirer	Target
Sep-2025	OCS	EMCOR
Sep-2025	APLEONA	SEG Smart Energy Group
Sep-2025	Levine Leichtman Capital Partners	ENTRO
Sep-2025	KLAR Partners	KONZMANN
Aug-2025	CCMP Growth Advisors	AIRO Mechanical
Aug-2025	OneEquity	Brown & Root
Aug-2025	GHK Capital Partners	Rogers Building Solutions

Key Takeaways

- The sector continues to demonstrate strong M&A activity, with a notable uptick in deals in YTD 2025 and projects for continued growth in Q4 and into 2026, highlighting the sector's resilience despite broader macro uncertainties and interest rate fluctuations.
- Run-rate deal activity through Q3 2025 indicates that M&A has exceeded 2022 highs in terms of both deal volumes and disclosed values.
- Investments across the industry were focused on both commercial and residential service providers, driven by a consistent demand, regulatory tailwinds, and the need for regular inspections and maintenance.
- While deal valuations remain moderate (largely as a function of more conservative EBITDA adjustments), many high-quality assets are still achieving premium valuation multiples driven by strong business fundamentals.

Additional Facility and Residential Services M&A Highlights (cont.)

Date	Acquirer	Target	Subsector
Sep-2025	bdc	PMC Energy Performance	Diversified Facility Management
Sep-2025	CentrePartners	Maynor Heating Air Conditioning	Residential Services
Sep-2025	Percheron Capital	enervise	Diversified Facility Management
Sep-2025	QMG	NEVERA	Residential Services
Sep-2025	Ridgeline Roofing & Restoration	Kenneth Daniel Roofing	Residential Services
Sep-2025	Verde Equity Partners	English Garden Care, Inc.	Residential Services
Aug-2025	NexCore	ActionAir Systems LLC; Accutemp Engineering	Diversified Facility Management
Aug-2025	Hidden Harbor Capital Partners	McHale Landscape Design, Inc.	Residential Services

Date	Acquirer	Target	Subsector
Aug-2025	GHK Capital Partners	Rogers Building Solutions	Diversified Facility Management
Jul-2025*	Thornburg; Bowriver Capital	Mechanical Group	Diversified Facility Management
Jul-2025	Gridiron Capital	Greenix	Diversified Facility Management
Jul-2025	PremiStar	Rabe	Diversified Facility Management
Jul-2025*	Construct; redseed; SciFi VC; Thrive Capital	Follio	Diversified Facility Management
Jul-2025	LawnPRO Partners	Green Machine	Residential Services
Jul-2025	Cobepa	Eagle Fire	Diversified Facility Management

Source: S&P Capital IQ.
**Represents investment, not acquisition.*

Featured Transactions Executed by Houlihan Lokey's Facility and Residential Services Team

Houlihan Lokey Advises CCMP Growth Advisors

CCMP GROWTH ADVISORS

AIRO MECHANICAL

CCMP Growth Advisors, LP, has acquired Airo Mechanical, a portfolio company of Thomas Investments and Stephens Capital Partners

Exclusive Buyside Advisor & Placement Agent

- CCMP Growth Advisors is a private equity firm focused on leading buyout and growth equity investments in high-growth, lower-middle-market companies in the industrials and consumer sectors, primarily in North America. CCMP Growth Advisors leverages its extensive investment experience, deep industry relationships, and proprietary research model to identify high-growth companies. CCMP Growth Advisors partners with management to help each of its portfolio companies scale and build enduring growth through strategic and operational support.
- Airo is a leading provider of comprehensive heating, ventilation, and air conditioning (HVAC) and plumbing installation services for an increasingly diverse range of projects, from new construction installations to retrofits and replacements. The company specializes in multifamily and light commercial environments, using only the most advanced tools and best practices to optimize every stage from design and estimation to installation and post-project support. Over the past few years, it has grown in its core market in North Carolina and expanded its presence in other high-growth markets in South Carolina, Florida, Georgia, and Tennessee.
- Houlihan Lokey served as financial advisor and debt advisor to CCMP Growth Advisors.

Houlihan Lokey Advises Adiuva and KONZMANN

Adiuva Capital

KONZMANN GRUPPE

KLAR PARTNERS

Adiuva Capital has sold Konzmann GmbH to KLAR Partners Limited

Sellside Advisor

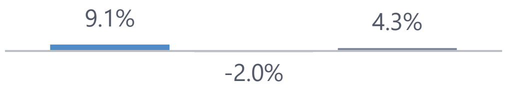
- KONZMANN is a leading group of 21 specialized companies offering comprehensive technical building services (TBS) across Germany. With around 1,100 employees across more than 30 locations, the company delivers 360° building technology and energy services, including heating, ventilation, sanitation, cooling, refrigeration, electricity, engineering, and building automation, and serves customers across commercial, public, and private sectors. KONZMANN is recognized for its sustainable, innovative, and decentralized approach to building lifecycle management, which combines regional presence with in-house engineering and design capabilities. In 2024, it generated a total output of approximately €180 million.
- Under Adiuva, an owner-managed investment company based in Hamburg with a focus on medium-sized companies, KONZMANN Group has successfully strengthened its position as one of the leading midsized 360° TBS platforms through organic growth and extensive M&A to expand its capabilities and geographical coverage.
- KLAR Partners is an independent, middle-market private equity firm focused on field services, professional services, and industrial technology. Headquartered in London, KLAR Partners invests across Northern Europe and currently has more than €1.5 billion in assets under management.
- Houlihan Lokey served as sellside advisor to Adiuva and the shareholders of KONZMANN in a deal that exemplifies its continued success within the F&RS sector.

Equity Market Index Performance Facility and Residential Services Subsectors

LTM September 2025 Performance by Subsector

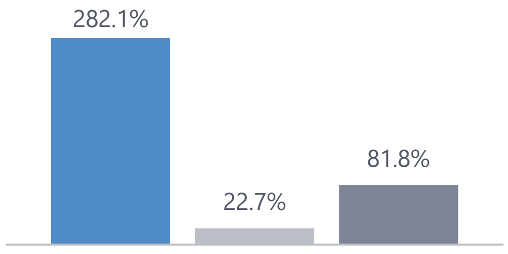
(Share Price Indexed to 100)

Monthly Performance



YTD Performance

Three-Year Performance



Source: S&P Capital IQ. Data as of September 30, 2025.

(1) The Houlihan Lokey Residential Services and Diversified Facility Management indices consist of a diversified set of companies across the Facilities and Residential Services sector, including ABM Industries Inc., Aramark, ISS A/S, Cintas Corp., EMCOR Group, Inc., APi Group Corp., Mitie Group plc, Sodexo S.A., Comfort Systems USA, Inc., Chemed Corp., FirstService Corp., Frontdoor, Inc., and Rollins, Inc.

Key Takeaway

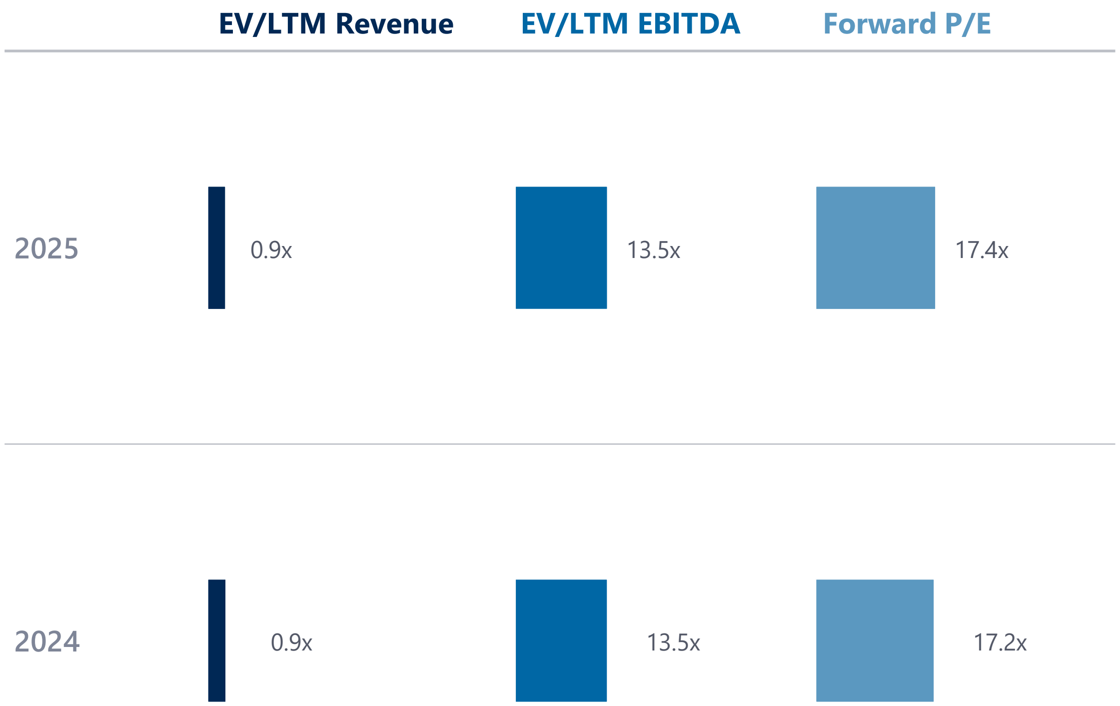
Public markets continued to reach near all-time high valuations, with the S&P 500 gaining 17.2% over the past 12 months. This climb reflects broader investor optimism, as well as expected Fed interest rate cuts in Q4 2025.

The residential services sector is facing organic growth pressures in the current macro environment, particularly with consumer-oriented businesses. Despite this dynamic, nondiscretionary services are demonstrating resilient performance given the critical nature of services and the lower likelihood of voluntary deferrals.

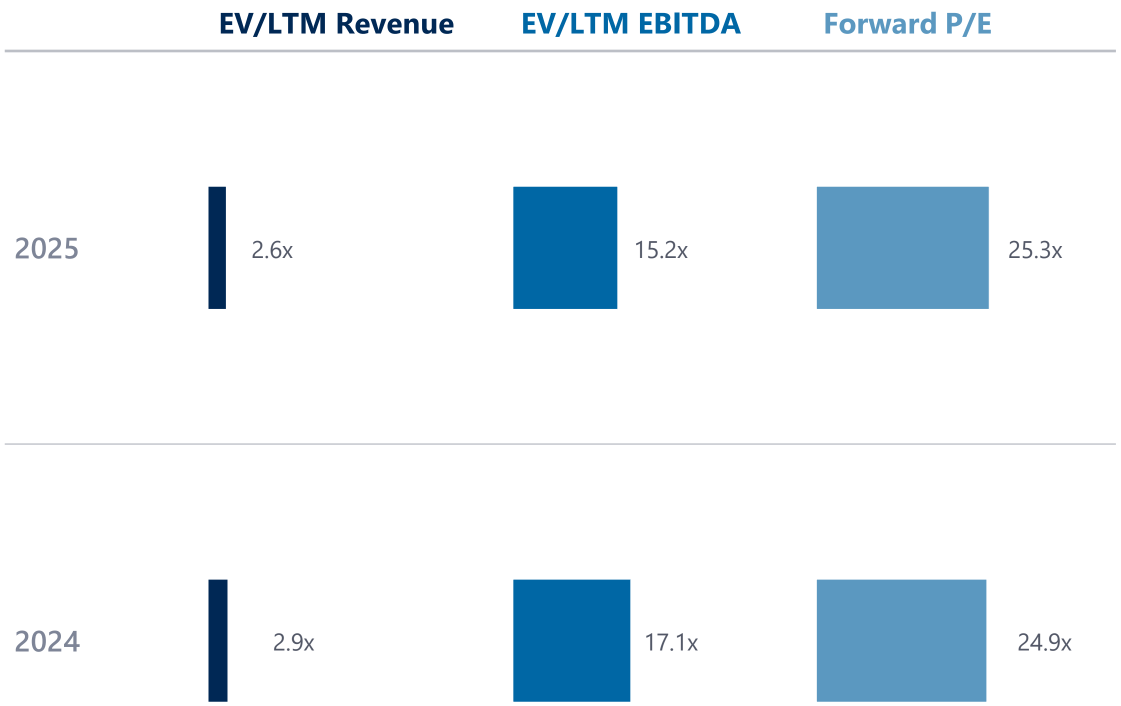
The diversified facility management sector continues to demonstrate strong market performance driven by robust business fundamentals. This strength is rooted in the nondiscretionary and often mission-critical nature of its services and businesses' continued investment in maintenance, repair, and operational services.

Public Trading Multiples Facility and Residential Services

Diversified Facility Management



Residential Services



Source: Trading multiples based on share price, other market data, and broker consensus future earnings estimates from S&P Capital IQ as of September 30, 2025.
Notes: Diversified Facility Management includes ABM Industries Inc., Aramark, ISS A/S, Cintas Corp., EMCOR Group, Inc., APi Group Corp., Mitie Group plc, Sodexo S.A., Comfort Systems USA, Inc.,. Residential Services includes Chemed Corp., FirstService Corp., Frontdoor, and Rollins. Values are the median for the entire composite.

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Houlihan Lokey

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Financial Restructuring

Financial and Valuation Advisory

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