



Houlihan
Lokey

Facility and Residential Services Market Update

Summer 2026

About Our Firm

Houlihan Lokey, Inc. (NYSE:HLI) is a leading global investment bank recognized for delivering independent strategic and financial advice to corporations, financial sponsors, and governments. Our firm is the trusted advisor to more top decision-makers than any other independent global investment bank.

CORPORATE FINANCE

2025 M&A Advisory Rankings
All Global Transactions

	Advisor	Deals
1	Houlihan Lokey	458
2	Goldman Sachs & Co	441
3	Rothschild & Co	400
4	JP Morgan	364
5	Morgan Stanley	357

Source: LSEG.
Excludes accounting firms and brokers.

No. 1
Global M&A Advisor

Leading
Capital Solutions Group

FINANCIAL RESTRUCTURING

2025 Global Distressed Debt &
Bankruptcy Restructuring Rankings

	Advisor	Deals
1	Houlihan Lokey	83
2	PJT Partners Inc	55
3	Lazard	50
4	Rothschild & Co	44
5	Evercore Inc	33

Source: LSEG.

No. 1
Global Restructuring Advisor

1,900+
Transactions Completed Valued at
More Than \$4 Trillion Collectively

FINANCIAL AND VALUATION ADVISORY

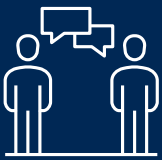
2001–2025 Global M&A
Fairness Advisory Rankings

	Advisor	Deals
1	Houlihan Lokey	1,170
2	Duff & Phelps, A Kroll Business	1,069
3	JP Morgan	1,034
4	UBS	769
5	Morgan Stanley	716

Source: LSEG.
Announced or completed transactions.

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

2,500+
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.

34

Locations
Worldwide

AMERICAS

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

~2,000

Total Financial
Professionals

365

Managing
Directors⁽¹⁾

**EUROPE
AND
MIDDLE
EAST**

Amsterdam	Milan
Dubai	Munich
Frankfurt	Paris
London	Stockholm
Madrid	Zurich
Manchester	

2,000+

Clients Served
Annually

\$9.32B

Market
Cap⁽²⁾

**ASIA-
PACIFIC**

Beijing	Shanghai
Gurugram	Singapore
Hong Kong SAR	Sydney
Mumbai	Tokyo

\$2.5B

Annual
Revenue⁽³⁾

**Fully Integrated Financial
Sponsor Coverage**

33

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

2,000+

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

850+

Companies sold to financial sponsors over the past five years.



(1) As of June 30, 2026.
(2) As of August 31, 2026.
(3) LTM ended June 30, 2026.

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.

2025 M&A Advisory Rankings
All Global Business Services Transactions

Advisor	Deals
1 Houlihan Lokey	92
2 Rothschild & Co	50
3 JP Morgan	47
4 Oaklins	42
5 Clearwater	41

Source: LSEG.
Excludes accounting firms and brokers.

Based on number of transactions and according to data provided by LSEG, 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



ENTRUST Solutions Group, a portfolio company of Kohlberg, has been acquired by Leidos.

Self-Advised



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

Self-Advised



Relam, a portfolio company of Paceline Equity Partners, Second Lien Term Loan & DDITL Refinancing & Dividend Recapitalization.

Exclusive Placement Agent



Mariani Premier Group, a portfolio company of C Capital Partners, Revolver, Term Loan & Delayed Draw Term Loan Refinancing & Growth Capital.

Exclusive Placement Agent



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

Buy-Side Advisor



CompassMSP has been acquired by Agellus Capital.

Self-Advised



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

Self-Advised



Cooper Perry, a portfolio company of Waterland Private Equity, has been acquired by Lee Equity Partners.

Self-Advised



Applied Technical Services, a portfolio company of Odyssey Investment Partners, has been acquired by SGS.

Self-Advised



Challenger Optimization Inc., a portfolio company of Martin Equity Partners, has been acquired by Richardson Sales Performance, a portfolio company of TrueLink Capital.

Self-Advised



Dependable Highway Express's LTL division has been acquired by Knight Transportation and Swift Transportation.

Self-Advised

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.



Accounting and Legal Services



Customer Experience and BPO



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

~200

Dedicated Business Services Financial Professionals

92

Completed Business Services M&A/Private Placement Transactions in CY25



ONE HOULIHAN LOKEY

GLOBAL CONFERENCE

Highlights | ONE Houlihan Lokey Global Conference New York



May 12–14, 2026



New York Marriott Marquis

4,200+

Conference
Attendees

435+

Participating
Companies

90+

Sectors
Represented



Business Services | Industrials | Infrastructure | Oil & Gas



Consumer | Healthcare | Real Estate



Financial Services | FinTech | Technology

100

Insightful
Panels

3

Day
Event

Targeted

1x1
Meetings

The 2026 ONE Houlihan Lokey Global Conference in New York was an outstanding success, bringing together over 4,200 attendees and more than 435 participating companies for three days of meaningful dialogue, actionable insights, and high-value networking. Across the program, discussions highlighted the rapid transformation shaping today's markets—from accelerating digital disruption to evolving competitive dynamics—and the strategic responses driving M&A activity worldwide.

This event highlighted key themes from across 95 sectors within multiple industries and services, including:

- Business Services
- Capital Solutions
- Consumer
- Financial Services
- FinTech
- Financial and Valuation Advisory
- Financial Restructuring
- Financial Sponsors
- Healthcare
- Infrastructure
- Industrials
- Oil & Gas
- Real Estate
- Technology

Next Stop:
ONE Houlihan Lokey
London



Mark Your Calendar
November 17–19, 2026
London Hilton on Park Lane



About Our Facility and Residential Services Team

Houlihan Lokey's dedicated Facility and 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 midsize 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

 KEYSTONE WARREN EQUITY PARTNERS VDA, a portfolio company of Keystone Capital, has been acquired by Warren Equity Partners Sellside Advisor	 COLT capstreet LEVINE LECHTMAN CAPITAL PARTNERS The Colt Group, a portfolio company of The Capstreet Group, has been acquired by Levine Leichtman Capital Partners Sellside Advisor	 OUTWORK LANDSCAPE WORKSHOP Landscaping Assets of Outwork Group have been acquired by Landscape Workshop Sellside Advisor	 abry partners Prestonwood Landscape Services, LLC Abry Partners has acquired Prestonwood Landscape Services Buy-side Advisor	 INVESTCORP SMART MANAGED SOLUTIONS Investcorp has acquired Smart Managed Solutions Buy-side Advisor	 BEACON KELSO ARA Beacon Communications has been acquired by Kelso and ARA Services Partners Sellside Advisor	 POLLEN STREET Hometree 24x7 energy Transaction Pending Pollen Street Capital has agreed to acquire Hometree, alongside Hometree's simultaneous acquisition of OVO Energy's Home Services division Buy-side & Financing Advisor
---	---	---	---	--	---	--

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



Casey Schwartz
Managing Director
CRSchwartz@HL.com
+1 310.789.5737



Disha Mehta
Managing Director
DMehta@HL.com
+1 212.497.4249



Jérôme Vivien
Managing Director
Jerome.Vivien@HL.com
+33 1 53 43 38 31



Calvin Simonson
Director
Calvin.Simonson@HL.com
+1 212.331.8247



James Wanless
Director
James.Wanless@HL.com
+44 20 7550 7444



Ryan Whyte
Director
Ryan.Whyte@HL.com
+1 704.247.1461



Nick Rosenberger
Vice President
Nicholas.Rosenberger@HL.com
+1 310.789.5721



Stefano Capriolo
Vice President
Stefano.Capriolo@HL.com
+1 212.339.9251

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





Table of Contents

08

Introduction

09

Additional Facility and
Residential Services |
M&A Highlights

10

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

11

Equity Market Index
Performance

12

Public Trading Multiples

13

Disclaimer

Introduction Facility and Residential Services Market Update

A notable valuation arbitrage defines the facility and residential services market in Q2 2026.

Investors are consistently rewarding compliance-driven, recurring revenue streams, driving public equities to historical premiums. However, private market pricing remains highly disciplined. This public-private disconnect presents a compelling opportunity for capital allocators to build scale at a relative discount.

The extent of this public market premium is stark. Over the past 12 months, sector indices have more than doubled in value, meaningfully outpacing the broader market as investors crowd into defensive, nondiscretionary assets.

While public markets traded at a premium, private M&A volume remained highly disciplined yet active, generating \$17.7 billion in disclosed transaction value across 267 deals year-to-date.* Private equity sponsors and well-capitalized strategics can leverage this divergence by acquiring stable, cash-flowing private assets at a relative discount to public market multiples. By executing targeted buy-and-build strategies in highly fragmented, route-based subsectors, such as HVAC and pest control, sponsors can capture immediate scale efficiencies and create scaled platforms capable of commanding premium multiples upon exit.

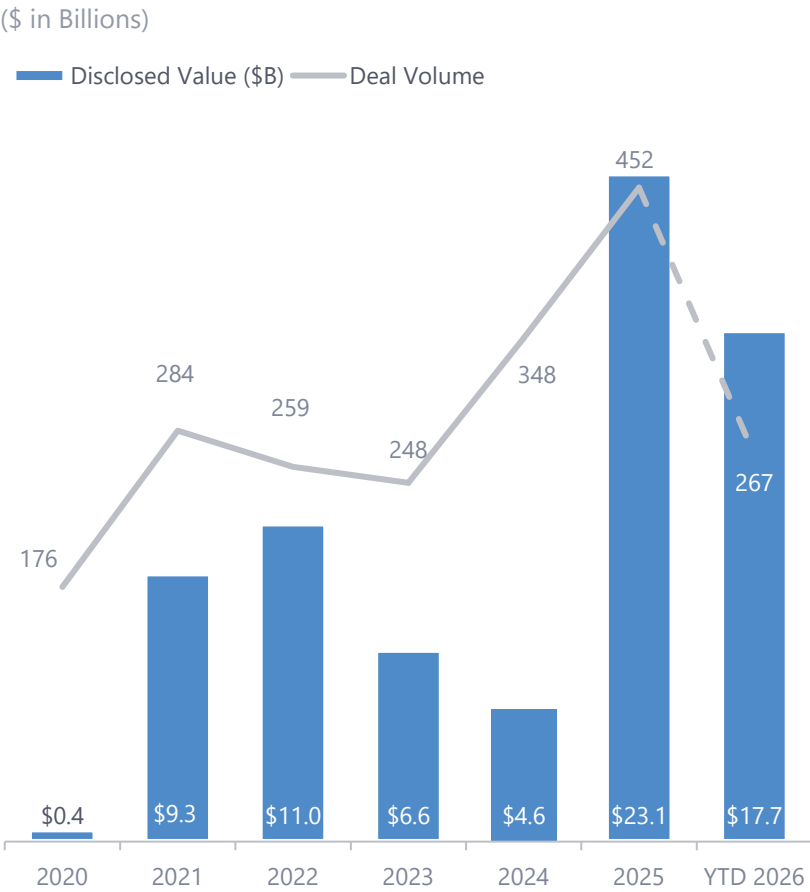
Looking ahead over the next six to 12 months, we anticipate private market platform valuations will remain resilient, underpinned by sustained buyer interest in regulatory-driven business models. Conversely, tuck-in valuations may experience slight compression. As the initial wave of prime targets is absorbed, disciplined acquirers will be in a stronger position to dictate terms on smaller, nonplatform assets.

**As of June 30, 2026.*



Additional Facility and Residential Services M&A Highlights

Transaction Value and Deal Volume⁽¹⁾



Source: S&P Capital IQ as of June 30, 2026.

(1) 2025 transaction value largely fuelled by a \$5.0 billion transaction between Cintas Corporation and UniFirst Corporation, and a \$5.1 billion transaction between Compass, Inc., and Anywhere Real Estate Inc. 2026 transaction value largely fuelled by a \$6.7 billion transaction between Blackstone Inc. and URBASER, S.A.

Notable Transactions

Date	Acquirer	Target
Jun-2026		
May-2026		
Apr-2026		
Mar-2026		
Mar-2026		
Feb-2026		

Key Takeaways

- M&A activity remained resilient through Q2 2026, with 267 YTD transactions representing \$17.7 billion in value, of which 128 transactions totaling \$3.6 billion closed in the second quarter alone.
- Strategic buyers and private equity sponsors are deploying capital into highly fragmented segments, prioritizing route-based HVAC, pest control, plumbing, and specialty installation assets to capture scale efficiencies.
- Deal flow remains insulated from cyclical headwinds, driven by a fundamental mandate to acquire stable, compliance-driven, and recurring route-based revenues.



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

Houlihan Lokey Advises The Colt Group



LEVINE
LEICHTMAN
CAPITAL PARTNERS

The Colt Group, a portfolio company of The Capstreet Group, has been acquired by Levine Leichtman Capital Partners

Sellside Advisor

Transaction Snapshot

Houlihan Lokey is pleased to announce that it has served as the exclusive financial advisor to The Colt Group (Colt), a portfolio company of The Capstreet Group, on its acquisition by Levine Leichtman Capital Partners (LLCP).

Founded in 1981 and headquartered in Pasadena, Texas, Colt provides mission-critical services—including online leak repair, hot tapping, and line stopping—that help customers keep critical assets online and minimize unplanned downtime.

This transaction underscores Houlihan Lokey's preeminent position as an advisor to market leaders in industrial and commercial services, with Colt representing the fifth platform investment for Levine Leichtman Capital Partners VII, L.P.

Houlihan Lokey Advises Outworx Group



Landscaping Assets of Outworx Group have been acquired by Landscape Workshop

Sellside Advisor

Transaction Snapshot

Houlihan Lokey is pleased to announce that the Landscaping Assets of Outworx Group (Outworx) have been acquired by Landscape Workshop.

Outworx's landscaping division is a premier commercial landscaping services provider serving a broad client base across high-growth markets in Florida, Texas, and Utah, operating through its three brands: Aero Groundtek, Gold Landscape, and Lawn Butler.

Landscape Workshop is a leading provider of commercial landscape maintenance services, serving office, industrial, retail, healthcare, and multi-family properties throughout the United States.

Houlihan Lokey served as the exclusive financial advisor to Outworx on the transaction.

Houlihan Lokey Advises Investcorp



Investcorp has acquired Smart Managed Solutions

Buyside Advisor

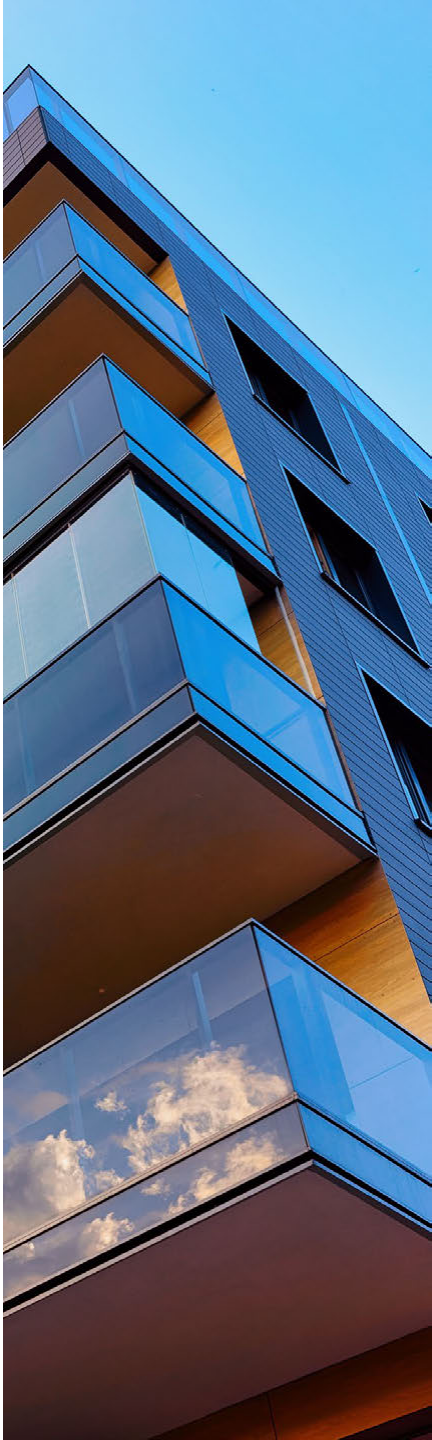
Transaction Snapshot

Houlihan Lokey is pleased to announce that it acted as the exclusive buy-side M&A advisor to Investcorp on its acquisition of a majority stake in Smart Managed Solutions (Smart), a fast-growing U.K. provider of M&E facilities management services.

Founded in 2017, Smart is a specialist provider of critical M&E maintenance services for commercial office buildings and technical end markets, including life sciences, education, and digital infrastructure.

The transaction underscores Houlihan Lokey's extensive expertise in the European facilities services sector, advising a global investment manager with approximately \$62 billion in assets under management.*

*As of December 31, 2025.



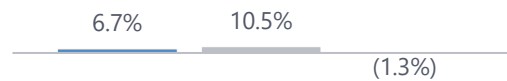
Equity Market Index Performance Facility and Residential Services Subsectors

LTM June 2026 Performance by Subsector

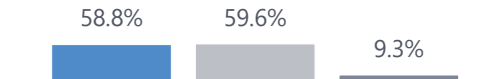
(Share Price Indexed to 100)



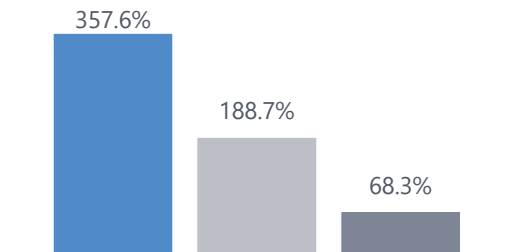
Monthly Performance



YTD Performance



Three-Year Performance



Key Takeaway

Public equities across the facility and residential services subsectors significantly outpaced the broader market, driven by a sustained capital rotation into defensive, noncyclical assets. Over both the past 12 months and the second quarter, both subindices expanded meaningfully past the S&P 500 as investors rewarded route-based, compliance-mandated service models. High-performing outliers like Comfort Systems and Cintas traded at premium multiples, capitalizing on secular tailwinds in data center cooling infrastructure and strong route-based pricing power. Conversely, underperforming outliers like Rentokil and Aramark lagged the broader sector indices, held back by North American integration headwinds and persistent cost inflation across their service portfolios.

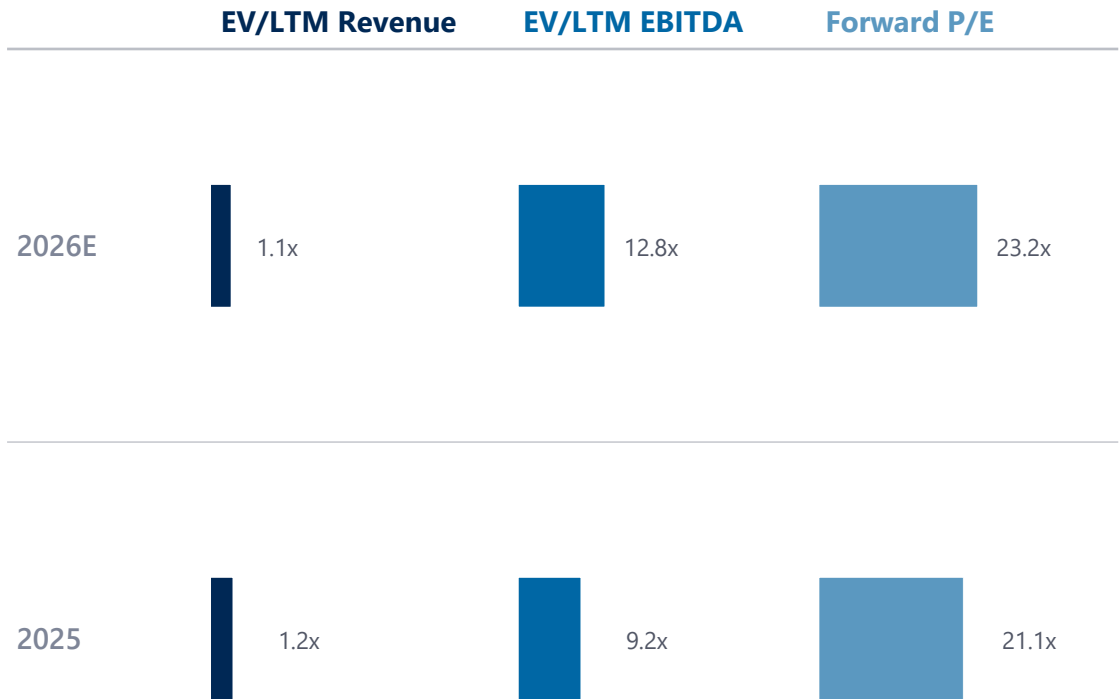
Source: S&P Capital IQ. Data as of June 30, 2026.

(1) The Houlihan Lokey Residential Services and Diversified Facility Management indices consist of a diversified set of companies across the sector, delineated as follows: 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., and Comfort Systems USA, Inc. Residential Services includes Chemed Corp., FirstService Corp., Frontdoor, Comfort Systems USA, Inc., Rentokil Initial PLC, and Rollins.

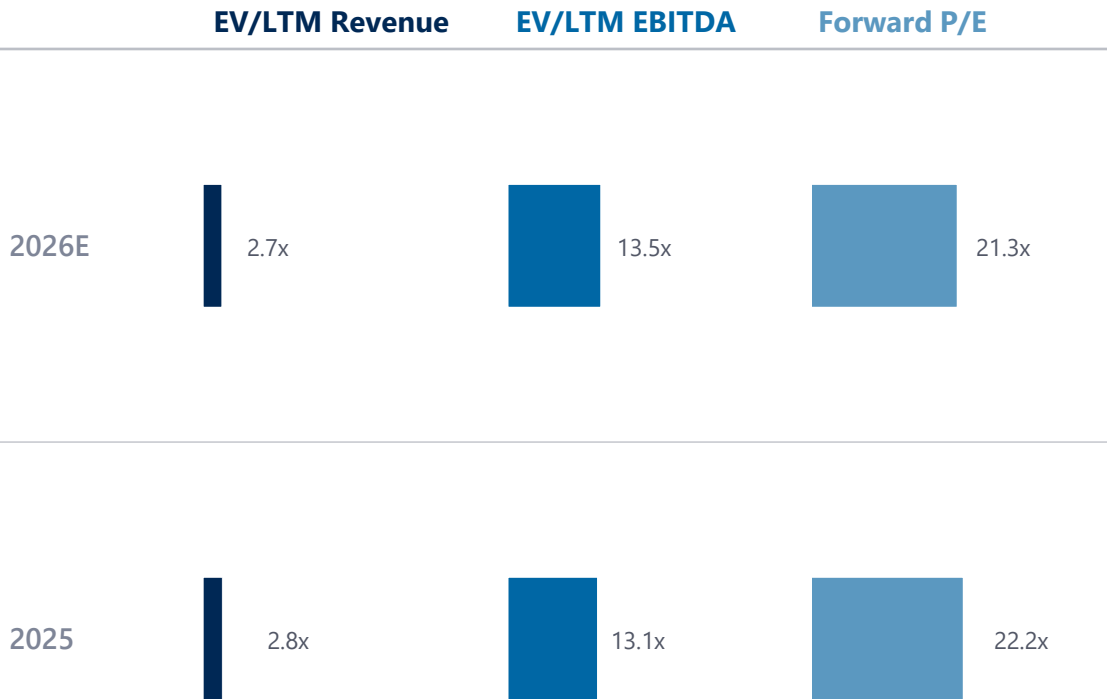


Public Trading Multiples Facility and Residential Services

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 June 30, 2026.
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., and Comfort Systems USA, Inc. Residential Services includes Chemed Corp., FirstService Corp., Frontdoor, Comfort Systems USA, Inc., Rentokil Initial PLC, and Rollins. Values are the median for the entire composite.

Disclaimer

© 2026 Houlihan Lokey. All rights reserved. This material may not be reproduced in any format by any means or redistributed without the prior written consent of Houlihan Lokey.

Houlihan Lokey is a trade name for Houlihan Lokey, Inc., and its subsidiaries and affiliates, which include the following licensed (or, in the case of Singapore, exempt) entities: in (i) the United States: Houlihan Lokey Capital, Inc., an SEC-registered broker-dealer and a member of FINRA (www.finra.org) and SIPC (www.sipc.org) (investment banking services); (ii) Europe: Houlihan Lokey UK Limited (FRN 792919), authorized and regulated by the U.K. Financial Conduct Authority; Houlihan Lokey (Europe) GmbH, authorized and regulated by the German Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht); (iii) the United Arab Emirates, Dubai International Financial Centre (Dubai): Houlihan Lokey (MEA Financial Advisory) Ltd., regulated by the Dubai Financial Services Authority; (iv) Singapore: Houlihan Lokey (Singapore) Private Limited, an “exempt corporate finance adviser” able to provide exempt corporate finance advisory services to accredited investors only; (v) Hong Kong SAR: Houlihan Lokey (China) Limited, licensed in Hong Kong by the Securities and Futures Commission to conduct Type 1, 4, and 6 regulated activities to professional investors only; (vi) India: Houlihan Lokey Advisory (India) Private Limited, registered as an investment adviser with the Securities and Exchange Board of India (registration number INA000001217); and (vii) Australia: Houlihan Lokey (Australia) Pty Limited (ABN 74 601 825 227), a company incorporated in Australia and licensed by the Australian Securities and Investments Commission (AFSL number 474953) in respect of financial services provided to wholesale clients only. In the United Kingdom, European Economic Area (EEA), Dubai, Singapore, Hong Kong, India, and Australia, this communication is directed to intended recipients, including actual or potential professional clients (UK, EEA, and Dubai), accredited investors (Singapore), professional investors (Hong Kong), and wholesale clients (Australia), respectively. No entity affiliated with Houlihan Lokey, Inc., provides banking or securities brokerage services, nor is any such affiliate subject to FINMA supervision in Switzerland or similar regulatory authorities regarding such activities in other jurisdictions. Other persons, such as retail clients, are NOT the intended recipients of our communications or services and should not act upon this communication.

Houlihan Lokey 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. Any forward-looking information and statements contained herein are subject to various risks and uncertainties, many of which are difficult to predict, that could cause actual results and developments to differ materially from those expressed in, or implied or projected by, the forward-looking information and statements. In addition, past performance should not be taken as an indication or guarantee of future performance, and information contained herein may be subject to variation as a result of currency fluctuations. Houlihan Lokey makes no representations or warranties, expressed or implied, regarding the accuracy of this material. The views expressed in this material accurately reflect the personal views of the authors regarding the subject securities and issuers and do not necessarily coincide with those of Houlihan Lokey. Officers, directors, and partners in the Houlihan Lokey group of companies may have positions in the securities of the companies discussed. This presentation does not constitute advice or a recommendation, offer, or solicitation with respect to the securities of any company discussed herein, is not intended to provide information upon which to base an investment decision, and should not be construed as such. Houlihan Lokey or its affiliates may from time to time provide financial or related services to these companies. Like all Houlihan Lokey employees, the authors of this presentation receive compensation that is affected by overall firm profitability.





Houlihan
Lokey

Corporate Finance
Financial Restructuring
Financial and Valuation Advisory

[HL.com](https://www.hl.com)