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# Facility Services

## Industry News

### **Global Facility Management Market (2020 to 2025) - Growing Trend of Outsourcing Facility Management Operations**

PR Newswire [Full Article](#)

The global facility management market as a whole is projected to grow from \$39.5B in 2020 to \$65.5B by 2025, with an implied CAGR of 10.6%.

Services are considered to be one of the most important aspects of the facility management market. Facility services majorly focus on improving business processes and optimizing facility operations. Due to the important of the services segment and increased trend of outsourcing, the services segment is expected to grow at a higher CAGR than the facility management market as a whole.

### **Major Impact of Coronavirus on Facility Maintenance and Services**

PR Newswire [Full Article](#)

The coronavirus pandemic is having a high impact of the facilities maintenance and services industry. Currently, the properties are managed by about 5 – 10 percent of the total resource personnel deployed which will add up the cost for facility management companies in the short-term.

Social distancing, remote working, and reduction of open public spaces have reduced the amount of workers on site. This will inevitably lead to a negative impact on the industry resulting in reduced income and layoffs/furloughs.

Firms across the entire services landscape are being forced to re-evaluate company policies to help protect their hourly workers, encouraging them to stay home if they are sick or symptomatic and reviewing sick leave policies. This, in turn, will lead to increased costs across the board.

### **Facility Management in 2021**

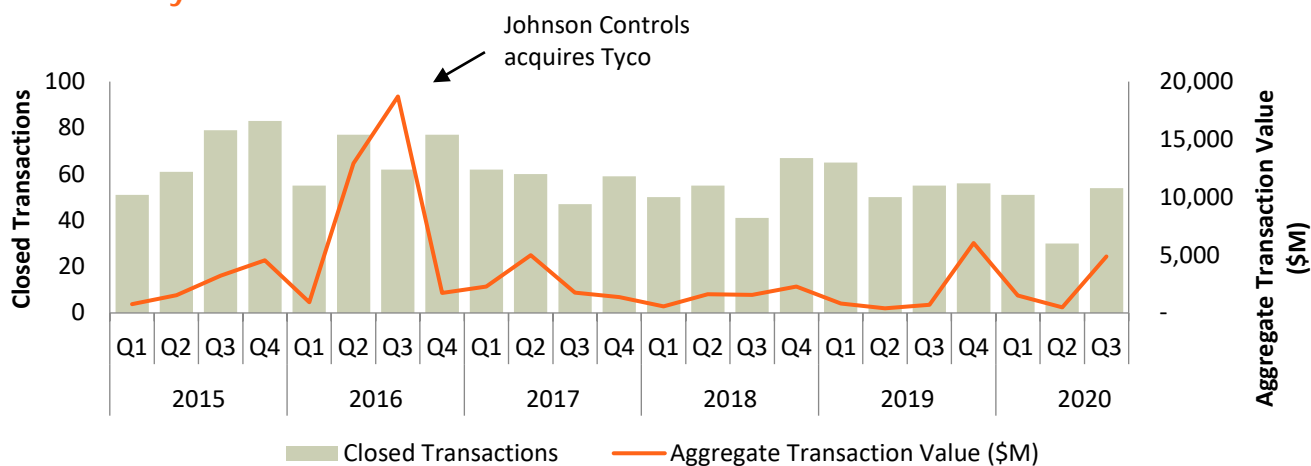
Infraspeak [Full Article](#)

As 2021 begins, many companies will continue their operations remotely. However, for those that are slowly returning to the office, facility management is key. "Sensor technology and analytics can be used to monitor desk occupancy, washroom distancing, and cleaning regimes. Plus, temperature and humidity sensors improve comfort and minimize the chances of spreading the virus through air."

If there's one thing COVID-19 brought to the forefront, it's remote monitoring. Fortunately, facility managers had IoT on their side. Sensor technology has almost endless applications in FM, including asset tagging, lighting, HVAC, fire suppression, security, inventory management, and equipment monitoring.

# Facility Services

## Facility Services M&A

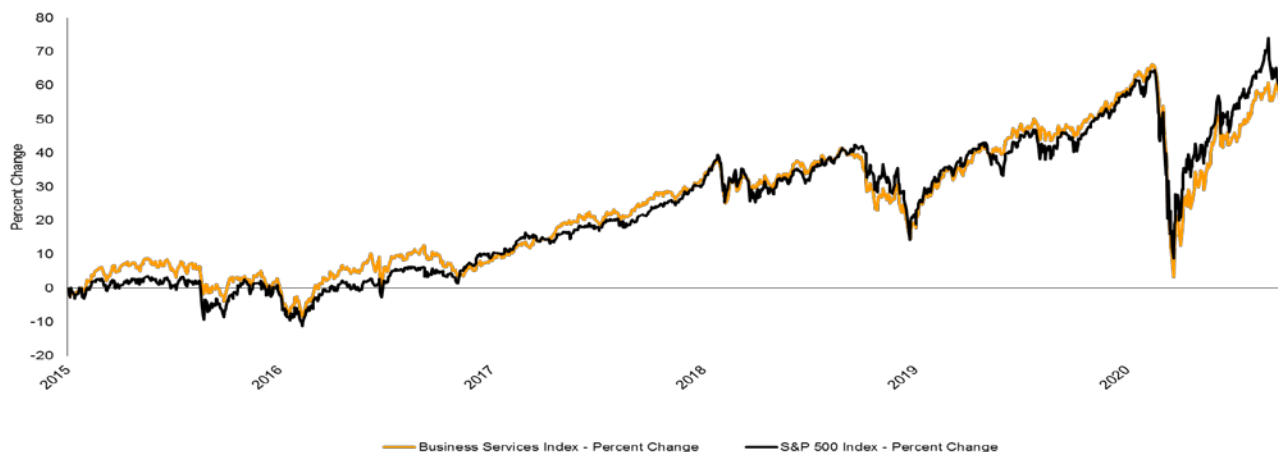


## Selected Q3 2020 Facility Services Transactions

Date Closed	Target	Buyers/Investors	Enterprise		EV / LTM
			Value (\$M)	Revenue	EBITDA
09/22/2020	Landscape Workshop LLC	Carousel Capital Partners LP	-	-	-
09/21/2020	Spotless Group Holdings Limited	Downer EDI Services Pty Ltd	118.43	0.72x	16.66x
09/03/2020	Romprest Service SA	EUOPREST TEAM '98 SRL	10.62	1.28x	7.82x
09/01/2020	Domus Building Cleaning Company Limited	Alpine Building Maintenance Inc.	-	-	-
08/31/2020	Service Works, Inc.	Allied Universal	-	-	-
08/04/2020	Impel S.A. (WSE:IPL)		-	-	-
07/29/2020	ISS A/S (CPSE:ISS)	Longview Partners LLP	-	-	-
07/21/2020	Value Waste Services, LLC	Valet Living Inc.	-	-	-
07/08/2020	Viridor Limited	KKR & Co. Inc. (NYSE:KKR)	4,586.78	4.57x	17.30x
07/01/2020	Shandong Shifang Environmental Protection & Bio-Energy Co., Ltd.	BECE Legend Group Co., Ltd.	74.85	2.52x	5.49x
07/01/2020	TokyoSafety Corporation	Kyoei Security Service Co., Ltd.	-	-	-

# Business Services

The Business Services industry continued to rebound in the third quarter of 2020 after hitting lows in March. The sector was hit hard by depressed economic activity at the outset of the COVID-19 outbreak in the U.S. The sector is tied heavily to economic output and as manufacturing activity rose, Business Services companies reclaimed much of their lost value.



9/30/2020		LTM Financials				Valuation Metrics		LTM Margins	
Company Name	Ticker	Enterprise Value	Revenue	Gross Profit	EBITDA	EV / Revenue	EV / EBITDA	Gross Margin	EBITDA Margin
ABM Industries Incorporated	NYSE:ABM	\$3,169	\$6,151	\$836	\$371	0.5x	8.5x	13.6%	6.0%
ACCO Brands Corporation	NYSE:ACCO	\$1,540	\$1,733	\$535	\$220	0.9x	7.0x	30.9%	12.7%
Barrett Business Services, Inc.	NasdaqGS:BBSI	\$300	\$893	\$608	\$45	0.3x	6.7x	68.1%	5.0%
Brady Corporation	NYSE:BRC	\$1,911	\$1,081	\$529	\$175	1.8x	10.9x	48.9%	16.2%
CBIZ, Inc.	NYSE:CBZ	\$1,515	\$956	\$142	\$121	1.6x	12.5x	14.8%	12.7%
Cintas Corporation	NasdaqGS:CTAS	\$37,413	\$7,021	\$3,211	\$1,498	5.3x	25.0x	45.7%	21.3%
Clean Harbors, Inc.	NYSE:CLH	\$4,438	\$3,219	\$1,014	\$541	1.4x	8.2x	31.5%	16.8%
Copart, Inc.	NasdaqGS:CPRT	\$24,855	\$2,206	\$1,008	\$907	11.3x	27.4x	45.7%	41.1%
Deluxe Corporation	NYSE:DLX	\$1,902	\$1,858	\$1,115	\$323	1.0x	5.9x	60.0%	17.4%
Equifax Inc.	NYSE:EFX	\$22,125	\$3,915	\$2,276	\$1,041	5.7x	21.3x	58.1%	26.6%
FTI Consulting, Inc.	NYSE:FCN	\$3,985	\$2,437	\$786	\$310	1.6x	12.9x	32.2%	12.7%
Healthcare Services Group, Inc.	NasdaqGS:HCSG	\$1,449	\$1,784	\$257	\$125	0.8x	11.6x	14.4%	7.0%
Herman Miller, Inc.	NasdaqGS:MLHR	\$2,036	\$2,443	\$915	\$304	0.8x	6.7x	37.4%	12.4%
HNI Corporation	NYSE:HNI	\$1,581	\$2,009	\$746	\$192	0.8x	8.2x	37.1%	9.5%
Huron Consulting Group Inc.	NasdaqGS:HURN	\$1,177	\$878	\$274	\$94	1.3x	12.6x	31.2%	10.7%
ICF International, Inc.	NasdaqGS:ICFI	\$1,770	\$1,469	\$528	\$129	1.2x	13.7x	35.9%	8.8%
Insperty, Inc.	NYSE:NSP	\$2,480	\$4,306	\$801	\$238	0.6x	10.4x	18.6%	5.5%
Interface, Inc.	NasdaqGS:TILE	\$1,005	\$1,236	\$480	\$173	0.8x	5.8x	38.8%	14.0%
Kelly Services, Inc.	NasdaqGS:KELY.A	\$544	\$4,612	\$849	\$76	0.1x	7.2x	18.4%	1.6%
Kforce Inc.	NasdaqGS:KFRC	\$739	\$1,380	\$394	\$81	0.5x	9.1x	28.5%	5.9%
Knoll, Inc.	NYSE:KNL	\$1,207	\$1,295	\$477	\$137	0.9x	8.8x	36.8%	10.5%
Korn/Ferry International	NYSE:KFY	\$1,638	\$1,792	\$449	\$192	0.9x	8.5x	25.0%	10.7%
ManpowerGroup Inc.	NYSE:MAN	\$4,313	\$18,143	\$2,885	\$485	0.2x	8.9x	15.9%	2.7%
Matthews International Corporation	NasdaqGS:MATW	\$1,600	\$1,498	\$510	\$150	1.1x	10.7x	34.0%	10.0%
On Assignment, Inc.	NYSE:ASGN	\$4,259	\$3,964	\$1,102	\$404	1.1x	10.5x	27.8%	10.2%
Pitney Bowes Inc.	NYSE:PBI	\$2,835	\$3,357	\$1,162	\$314	0.8x	9.0x	34.6%	9.4%
Quad/Graphics, Inc.	NYSE:QUAD	\$1,247	\$3,156	\$636	\$278	0.4x	4.5x	20.2%	8.8%
R.R. Donnelley & Sons Company	NYSE:RRD	\$2,046	\$5,650	\$1,095	\$370	0.4x	5.5x	19.4%	6.5%
Robert Half International Inc.	NYSE:RHI	\$5,753	\$5,342	\$2,141	\$508	1.1x	11.3x	40.1%	9.5%
Rollins, Inc.	NYSE:ROL	\$18,099	\$2,131	\$1,094	\$442	8.5x	40.9x	51.4%	20.8%
SP Plus Corporation	NasdaqGS:SP	\$1,126	\$662	\$148	\$65	1.7x	17.4x	22.4%	9.8%
Steelcase Inc.	NYSE:SCS	\$1,369	\$3,203	\$1,023	\$273	0.4x	5.0x	31.9%	8.5%
Stericycle, Inc.	NasdaqGS:SRCL	\$8,239	\$2,820	\$1,065	\$502	2.9x	16.4x	37.8%	17.8%
Team, Inc.	NYSE:TISI	\$546	\$933	\$263	\$32	0.6x	17.1x	28.2%	3.4%
Tetra Tech, Inc.	NasdaqGS:TTEK	\$5,561	\$2,349	\$447	\$267	2.4x	20.9x	19.0%	11.3%
The Brink's Company	NYSE:BCO	\$4,411	\$3,605	\$778	\$357	1.2x	12.4x	21.6%	9.9%
TransUnion	NYSE:TRU	\$19,411	\$2,704	\$1,809	\$973	7.2x	20.0x	66.9%	36.0%
TriNet Group, Inc.	NYSE:TNET	\$3,951	\$3,989	\$809	\$437	1.0x	9.0x	20.3%	11.0%
TrueBlue, Inc.	NYSE:TBI	\$530	\$1,919	\$475	\$41	0.3x	12.8x	24.7%	2.2%
UniFirst Corporation	NYSE:UNF	\$3,200	\$1,804	\$639	\$278	1.8x	11.5x	35.4%	15.4%
Viad Corp	NYSE:VVI	\$919	\$752	-\$66	-\$19	1.2x	NM	-8.7%	-2.5%
VSE Corporation	NasdaqGS:VSEC	\$625	\$707	\$79	\$83	0.9x	7.6x	11.2%	11.7%

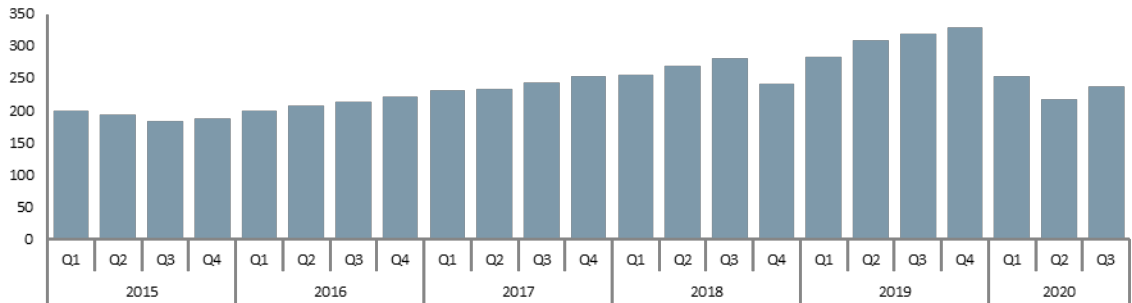
Median	1.0x	10.5x	31.3%	10.4%
Mean	1.8x	12.2x	31.6%	11.8%



# Business Services

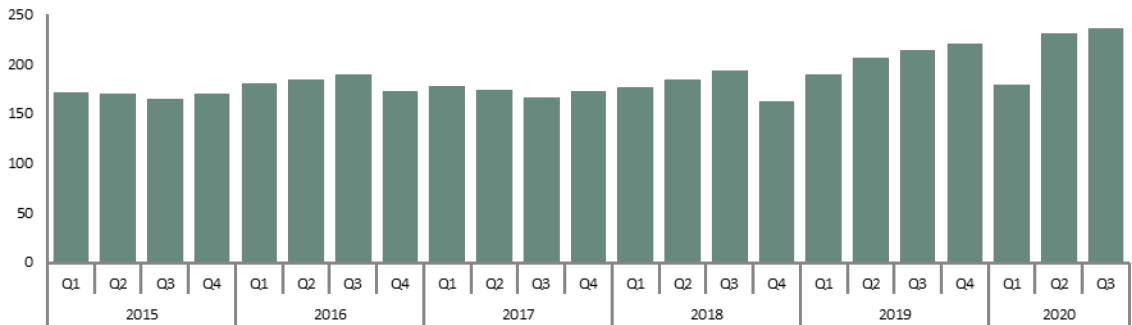
## State of the Industry

**S&P North America BMI Commercial & Professional Services Index**



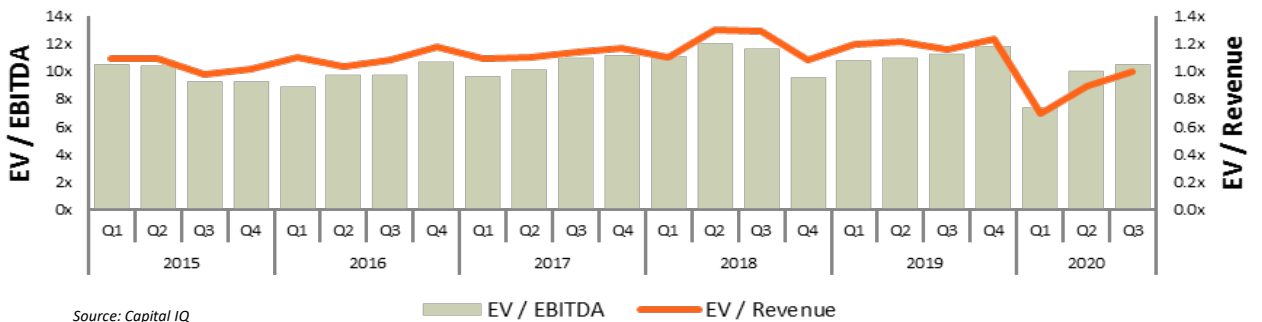
Source: Capital IQ

**S&P 500 Professional Services Index**



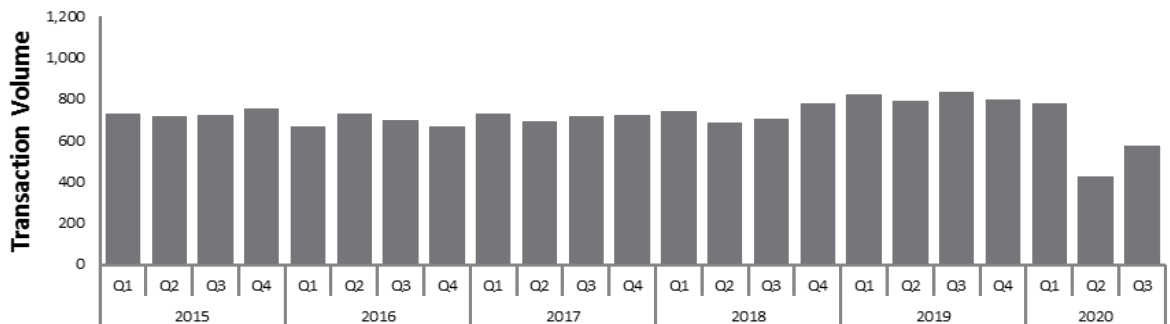
Source: Capital IQ

**Industry Valuations**



Source: Capital IQ

**Business Services Transaction Volume**



Source: Capital IQ



## The Value of Accomplishment

The highest level of expertise and hard work is what accomplishment requires. It's what you deserve and what we do.

- We sweat the small stuff.
- Take a 3:00am call.
- Say yes.
- Say no.
- Dig deeper when things get tough.
- And celebrate with you when your efforts pay off and you can reflect on it all and say, "It's really remarkable what we've accomplished here."
- Then and only then, will we know that we've accomplished something meaningful, too.

### About Mirus

Our global Business Services Group understands the challenges of service delivery, client demands and market dynamics in this sector, with a clear appreciation for how these factors drive value and investor interest. Mirus provides direct access to sector-specific expertise, as well as global buyers and sellers. Our professionals have deep experience and expertise in the following Business Services subsectors: Business Process Outsourcing, Human Capital Management, Tech-Enabled Services and Professional Services.

### Partner Spotlight

An investment banker to middle market firms since 2004, Brendan Kiernan has worked on more than 75 M&A engagements, managing deals for business services, technology, software and healthcare clients. Brendan is a graduate of Boston College and earned his MBA from Bentley's McCallum Graduate School of Business. He holds series 7, 79 and 63 licenses from FINRA.



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*"I hired Mirus to represent me in the sale of my family's life sciences services company. Mirus delivered great value. Its team was highly professional and actively involved in all aspects of the negotiation, from diligence preparation and tactical advice to deal strategy, resulting in a successful sale to a \$2 billion public acquirer. The Mirus team is very good at what they do and I'd happily recommend them to other business owners." - Peter Harris, Principal Shareholder, B&V Testing Services*

## Mirus Business Services Spotlight



has merged with



Crystal Rock is a 100 year old direct-to-consumer home and office water, coffee, filtration and office supply service delivery business. The company bottles and distributes Crystal Rock® Waters purified water, Vermont Pure® natural spring water, Cool Beans® coffee, and other break room items to the commercial office and residential customers throughout New York and New England. Cott is a route-based service company with a leading volume-based national presence in the North America and European home and office bottled water delivery industry and a leader in custom coffee roasting, blending of iced tea, and extract solutions for the U.S. foodservice industry.



has received an investment from



Virtual is a leading technology-focused association management company, which combines advanced systems, industry best practices, and innovation to deliver strategic guidance, execution, and world-class business operations to tech and standards organizations. Through an investment by Striker Partners, Virtual joined forces with Drohan Management Group and Professional Credential Services to form a newly combined firm providing professional services to technology and standards-setting organizations, business and trade associations, scientific professional societies, state governments, and professional licensing associations.



has been acquired by



FleetLogix provides outsourced labor to rental car agencies across the U.S.. The company uses a proprietary technology platform to track and analyze performance at each site, to ensure quality and efficiency in its service delivery, and to provide data and metrics to its managers and its clients. Striker Partners is a private, family-based investment firm formed to make majority equity investments in profitable and growing businesses. Striker Partners brings technology expertise to the company and represents a great cultural fit.



has been acquired by



State Cleaning Service, Inc. is a full-service janitorial and building maintenance expert providing a full array of services to general office buildings, life science properties and manufacturing buildings. Pritchard Industries, Inc. is the largest privately-held facility maintenance company in the United States. Since 1914, the Company has been a full-service provider of cost-effective, precision building services and facility maintenance to commercial office buildings, corporate facilities, industrial plants, educational facilities, medical complexes, and entertainment arenas