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Facility Services

Industry News

Metropolis Raises \$1.7bn to Acquire SP Plus

TechCrunch [Full Article](#)

Metropolis, an AI-powered parking platform, announced that it raised \$1.7bn in both equity and debt to acquire SP Plus (NASDAQ:SP), a provider of parking facility management services. Metropolis secured \$650m in loans and raised \$1.05bn in a Series C preferred stock round; the company had previously raised \$226m in total. Metropolis offers a computer vision system to parking structures, removing the need for entry/exit payment. Customer information and payments are handled by the Metropolis app resulting in a checkout-free payment experience.

By acquiring SP Plus, Metropolis continues to vertically integrate, gaining management of 3,300 parking facilities, as well as parking and shuttle bus operations at 160 airports across North America. Including its acquisition of Nashville-based Premier Parking last year, Metropolis has expanded its technology facility services offerings to more than 360 cities. The take-private deal, expected to close in 2024, valued SP Plus at \$54 a share, a 52% premium over its pre-acquisition closing share price.

Facility Management Market Size Estimated to Increase by \$730bn

Technavio [Full Article](#)

According to a global facility management services study conducted by Technavio, the facility management market size was valued at \$1,260 billion in 2022, and is projected to increase by \$730.53 billion by 2027, growing at a CAGR of 9.29% from 2022 to 2027. The driver behind this growth is the expectation that companies will continue to outsource facility services and further support the global "return to the office" trend. Additionally, growth in global infrastructure development, increasing customer desires for the use of green and sustainable products, and access to heightened security measures are expected to bolster industry growth. However, persistent shortages in skilled labor roles remains a challenge.

KBS Acquires Kimco Facility Services

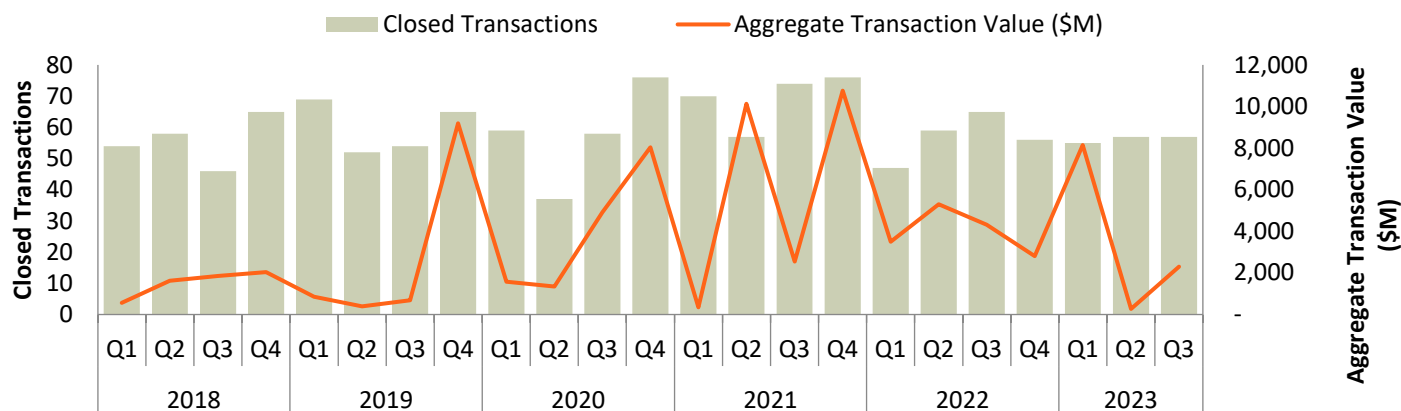
PR Newswire [Full Article](#)

Kellermeyer Bergensons Services (KBS) recently acquired Kimco Facility Services, marking its fifteenth acquisition in four years. KBS, a portfolio company of Cerberus Capital Management, L.P., is the largest privately held North American facility services company.

With over 50 years in business, Kimco provides customized commercial cleaning programs, maintenance, and technology-enabled facility services. Widely respected for its longstanding client relationships, Kimco will provide KBS with expanded reach across the telecommunications, industrial and manufacturing, government, education, healthcare, and banking industries. Kimco will operate as a KBS company moving forward.

Facility Services

Facility Services M&A

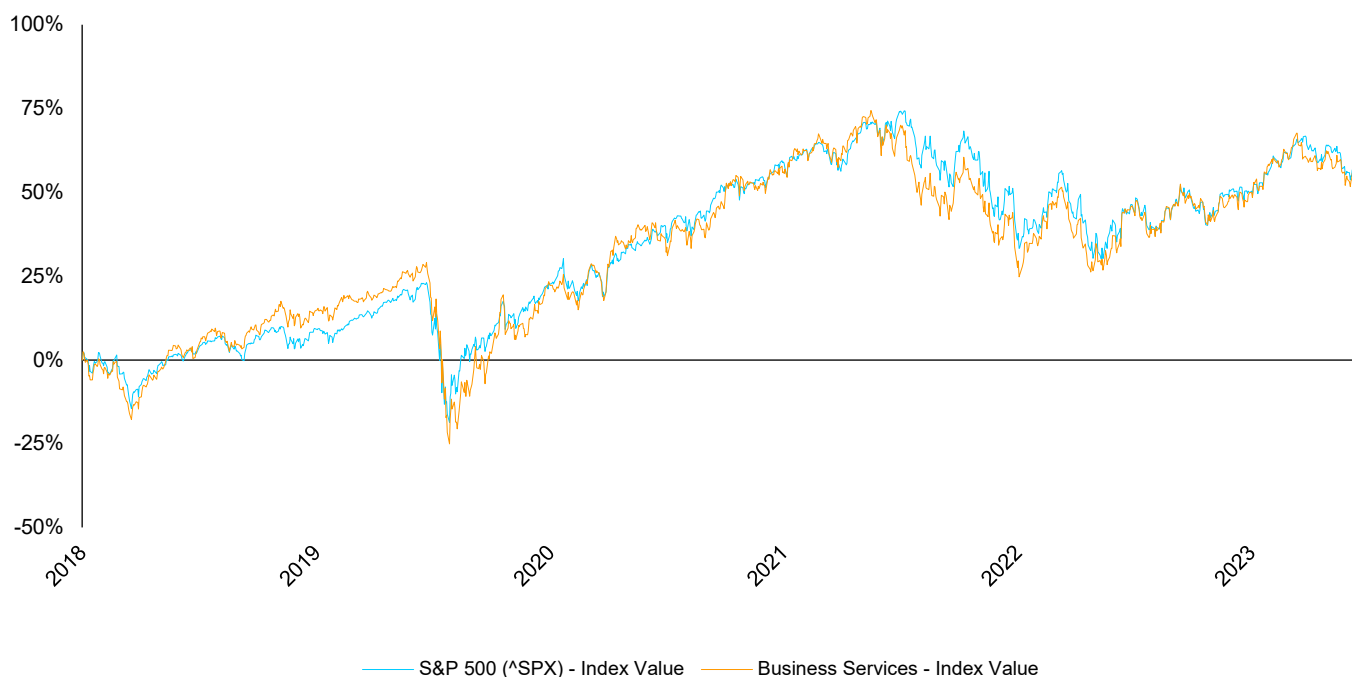


Selected Q3 2023 Facility Services Transactions

Date Closed	Target	Buyers/Investors	Enterprise Value (\$M)	EV / LTM Revenue	EBITDA
9/21/2023	Nightwatch Security Services, Inc.	Per Mar Security and Research Corporation	-	-	-
9/14/2023	Alarm Monitoring Services, Inc.	Pye-Barker Fire & Safety, LLC	-	-	-
9/8/2023	Biservicus Sistemas De Seguridad Sa	Mitie Facilities Services S.A.	3.54	0.5x	-
9/8/2023	West Coast Fire & Integration Inc.	Climatec, LLC	-	-	-
9/8/2023	Coble's Sandrock, Inc.	Meridian Waste Services, LLC	-	-	-
9/5/2023	United Laboratories International, LLC	Shaw Kwei & Partners	-	-	-
8/23/2023	Force Security Solutions, LLC	Konica Minolta Business Solutions, U.S.A., Inc.	-	-	-
8/19/2023	Colt Recycling, LLC	Elemental Holding S.A.	-	-	-
8/17/2023	Christian Cable Group, Inc.	Sciens Building Solutions, LLC	-	-	-
8/17/2023	RFI Communications & Security Systems, Inc.	Pavion Corp.	-	-	-
8/15/2023	Assets of Accel Protection and Technologies, LLC	American Integration Contractors, LLC	-	-	-
8/15/2023	AAA Fire Safety & Alarm, Inc.	Pye-Barker Fire & Safety, LLC	-	-	-
8/10/2023	UNISON Facility Services S.A.	Mytilneos S.A. (ATSE:MYTIL)	27.85	0.3x	4.9x
8/3/2023	RFI Electronics, Inc. - Oregon	Pavion Corp.	-	-	-
8/3/2023	Arrowhead Environmental Partners, LLC	Waste Connections, Inc. (NYSE:WCN)	-	-	-
8/3/2023	Jiyuan Zhongchen Co Ltd	Anhui Zhonghuan Co Ltd. (SZSE:300692)	24.80	-	-
8/2/2023	Superior Environmental Solutions, LLC	Palladium Equity Partners, LLC	-	-	-
8/2/2023	Fire Defense Services ,Inc.	The Hiller Companies, Inc.	-	-	-
8/2/2023	Nature's Choice Corporation	Compost360	-	-	-
8/1/2023	High Sierra Fire Protection, LLC	Endeavor Fire Protection Inc.	-	-	-
7/30/2023	Banks Septic Tank Service	OnSyte Septic Service, LLC	-	-	-
7/28/2023	Pinnacle Recycling, LLC	Rumpke Waste & Recycling	-	-	-
7/20/2023	Advanced Engineered Systems Corporation	Pye-Barker Fire & Safety, LLC	-	-	-
7/18/2023	CERK Security LLC	NextGen Security, LLC	-	-	-
7/18/2023	K&J Integrated Systems, Inc.	Pavion Corp.	-	-	-
7/13/2023	Charah Solutions, Inc.	SER Capital Partners	331.38	1.1x	-
7/12/2023	ISO Network, L.L.C.	NextGen Security, LLC	-	-	-
7/11/2023	Sureserve Group plc	Cap10 Partners LLP	268.99	0.7x	8.6x
7/5/2023	Cason Environmental & Demolition Services, LLC	EIS Holdings, LLC	-	-	-
7/5/2023	Securiguard Middle East - L L C	Palms Sports PJSC (ADX:PALMS)	81.67	-	-
7/5/2023	Sentry Protective Systems, Inc.	Wayne Alarm Systems, Inc.	-	-	-

Business Services

The Business Services industry is seeing a slowdown in M&A activity due to the increase in interest rates and labor shortages. Despite a decline in transaction volume, valuation multiples remain steady and Business Services continues to track closely to the performance of the S&P 500. Increased use of technology has made the sector more efficient and increased potential offerings, allowing Business Services performance to remain on-pace.



As of 9/30/2023

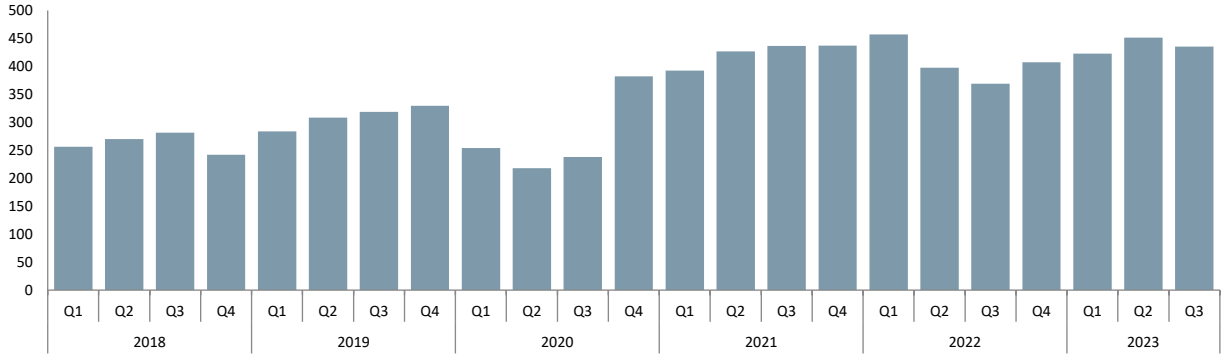
Company Name	Ticker	Enterprise Value	LTM Financials			Valuation Metrics		LTM Margins	
			Revenue	Gross Profit	EBITDA	EV / Revenue	EV / EBITDA	Gross Margin	EBITDA Margin
ABM Industries Incorporated	NYSE:ABM	\$3,974	\$8,015	\$1,091	\$436	0.5x	9.1x	13.6%	5.4%
ACCO Brands Corporation	NYSE:ACCO	\$1,633	\$1,881	\$566	\$211	0.9x	7.7x	30.1%	11.2%
Barrett Business Services, Inc.	NasdaqGS:BBSI	\$495	\$1,065	\$236	\$61	0.5x	8.1x	22.2%	5.7%
Brady Corporation	NYSE:BRC	\$2,585	\$1,332	\$657	\$258	1.9x	10.0x	49.4%	19.3%
CBIZ, Inc.	NYSE:CBZ	\$3,189	\$1,511	\$213	\$187	2.1x	17.0x	14.1%	12.4%
Cintas Corporation	NasdaqGS:CTAS	\$51,602	\$8,992	\$4,287	\$2,158	5.7x	23.9x	47.7%	24.0%
Clean Harbors, Inc.	NYSE:CLH	\$11,320	\$5,346	\$1,665	\$997	2.1x	11.4x	31.1%	18.7%
Copart, Inc.	NasdaqGS:CPRT	\$39,009	\$3,870	\$1,769	\$1,639	10.1x	23.8x	45.7%	42.4%
Deluxe Corporation	NYSE:DLX	\$2,512	\$2,236	\$1,202	\$337	1.1x	7.4x	53.7%	15.1%
Equifax Inc.	NYSE:EFX	\$28,005	\$5,062	\$2,812	\$1,486	5.5x	18.8x	55.5%	29.4%
FTI Consulting, Inc.	NYSE:FCN	\$6,341	\$3,222	\$1,027	\$376	2.0x	16.9x	31.9%	11.7%
Healthcare Services Group, Inc.	NasdaqGS:HCSG	\$710	\$1,675	\$202	\$56	0.4x	12.7x	12.1%	3.3%
HNI Corporation	NYSE:HNI	\$2,330	\$2,210	\$816	\$176	1.1x	13.2x	36.9%	8.0%
Huron Consulting Group Inc.	NasdaqGS:HURN	\$2,252	\$1,264	\$391	\$144	1.8x	15.7x	30.9%	11.4%
ICF International, Inc.	NasdaqGS:ICFI	\$3,085	\$1,927	\$681	\$185	1.6x	16.7x	35.4%	9.6%
Insperty, Inc.	NYSE:NSP	\$3,526	\$6,284	\$1,042	\$269	0.6x	13.1x	16.6%	4.3%
Interface, Inc.	NasdaqGS:TILE	\$1,042	\$1,289	\$425	\$140	0.8x	7.5x	33.0%	10.8%
Kelly Services, Inc.	NasdaqGS:KELY.A	\$586	\$4,887	\$986	\$90	0.1x	6.5x	20.2%	1.8%
Kforce Inc.	NasdaqGS:KFRC	\$1,185	\$1,652	\$470	\$107	0.7x	11.0x	28.5%	6.5%
Korn/Ferry International	NYSE:KFY	\$2,480	\$2,839	\$642	\$355	0.9x	7.0x	22.6%	12.5%
ManpowerGroup Inc.	NYSE:MAN	\$4,652	\$19,219	\$3,480	\$632	0.2x	7.4x	18.1%	3.3%
Matthews International Corporation	NasdaqGS:MATW	\$1,998	\$1,858	\$573	\$138	1.1x	14.5x	30.8%	7.4%
On Assignment, Inc.	NYSE:ASGN	\$4,952	\$4,608	\$1,352	\$482	1.1x	10.3x	29.3%	10.5%
Pitney Bowes Inc.	NYSE:PBI	\$2,429	\$3,351	\$1,032	\$248	0.7x	9.8x	30.8%	7.4%
Quad/Graphics, Inc.	NYSE:QUAD	\$965	\$3,185	\$616	\$258	0.3x	3.7x	19.4%	8.1%
Robert Half International Inc.	NYSE:RHI	\$7,214	\$6,916	\$2,857	\$718	1.0x	10.0x	41.3%	10.4%
Rollins, Inc.	NYSE:ROL	\$18,540	\$2,870	\$1,483	\$628	6.5x	29.5x	51.7%	21.9%
SP Plus Corporation	NasdaqGS:SP	\$1,264	\$851	\$235	\$118	1.5x	10.7x	27.6%	13.9%
Steelcase Inc.	NYSE:SCS	\$1,772	\$3,235	\$999	\$231	0.5x	7.7x	30.9%	7.1%
Stericycle, Inc.	NasdaqGS:SRCL	\$5,868	\$2,715	\$1,018	\$505	2.2x	11.6x	37.5%	18.6%
Team, Inc.	NYSE:TISI	\$360	\$871	\$216	\$230	0.4x	1.6x	24.8%	26.3%
Tetra Tech, Inc.	NasdaqGS:TTEK	\$9,071	\$3,430	\$669	\$431	2.6x	21.0x	19.5%	12.6%
The Brink's Company	NYSE:BCO	\$6,323	\$4,729	\$1,110	\$655	1.3x	9.7x	23.5%	13.9%
TransUnion	NYSE:TRU	\$19,127	\$3,749	\$2,448	\$1,165	5.1x	16.4x	65.3%	31.1%
TriNet Group, Inc.	NYSE:TNET	\$5,874	\$4,922	\$1,101	\$548	1.2x	10.7x	22.4%	11.1%
TrueBlue, Inc.	NYSE:TBI	\$470	\$2,074	\$557	\$52	0.2x	9.0x	26.9%	2.5%
UniFirst Corporation	NYSE:UNF	\$3,042	\$2,178	\$737	\$248	1.4x	12.3x	33.9%	11.4%
Viad Corp	NYSE:VVI	\$1,307	\$1,212	\$83	\$116	1.1x	11.2x	6.9%	9.6%
VSE Corporation	NasdaqGS:VSEC	\$1,183	\$1,013	\$95	\$97	1.2x	12.1x	9.3%	9.6%

Median	1.1x	11.0x	30.1%	11.1%
Mean	1.8x	12.2x	30.3%	12.8%

Business Services

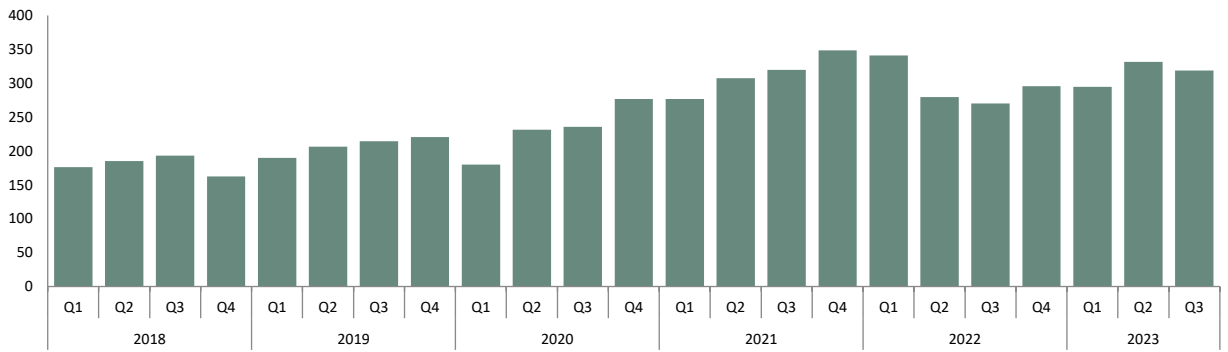
State of the Industry

S&P North America BMI Commercial & Professional Services Index



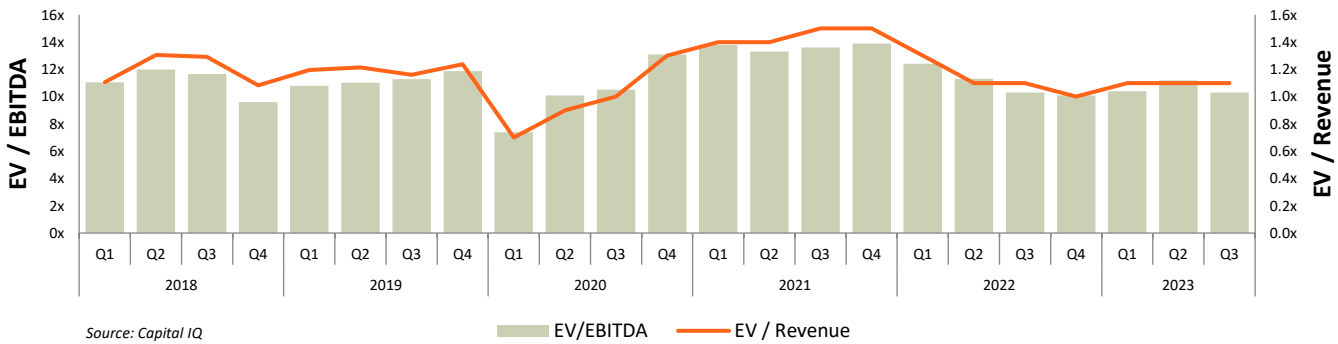
Source: Capital IQ

S&P 500 Professional Services Index



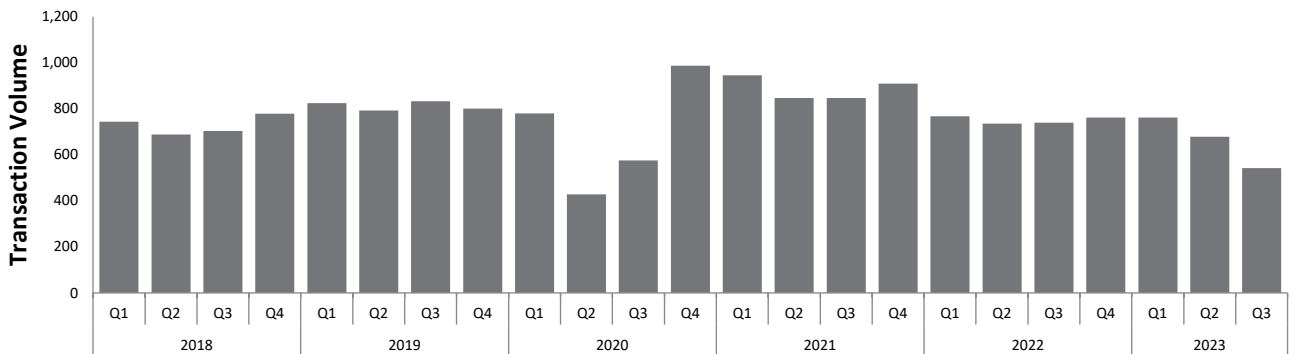
Source: Capital IQ

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, Facility Services, 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



Syrinx is a leading provider of high-end software development and technology staffing solutions serving clients in the greater Boston area. The Company has built a strong reputation in the marketplace since its founding in 1998 through a relentless focus on sourcing high quality, hard-to-find candidates with specialized skillsets across programming languages, including .NET, Python, Java, and SQL. The acquisition of Syrinx adds significant scale to DeWinter's fast-growing technology line of business, Maris Consulting Group, and expands its skillset offering to its clients.



The Sanborn Map Company, Inc. is a geospatial solution provider of analytics, imagery, lidar, photogrammetry, software applications, and related services to government and commercial clients. AppGeo has helped hundreds of governments and businesses develop the best GIS, location intelligence, and geospatial solutions for their needs. AppGeo will continue to operate under the AppGeo brand name as a wholly owned subsidiary of Sanborn, aligning its full range of products and services with the extensive capabilities of Sanborn.



ESCO Technologies provides CareConnect®, the nation's only fully-integrated suite of managed communication and entertainment services designed specifically for senior living communities. CareConnect includes value-added IPTV, nurse call resident safety systems, IT managed services, residential and business voice, on-site technology concierge services, and off-site customer support. Sentricis is an integrated ecosystem of data-driven solutions focused on delivering the highest quality of life for senior residents. Sentricis healthcare technology and security platform is owned by Periscope Equity, a Chicago-based private equity firm, which makes control investments in founder-owned technology-enabled service and software companies.



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