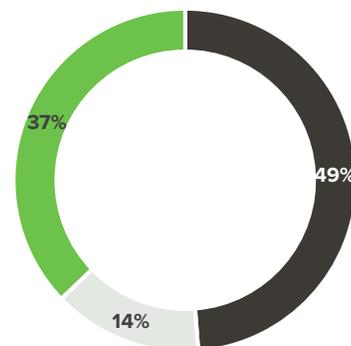
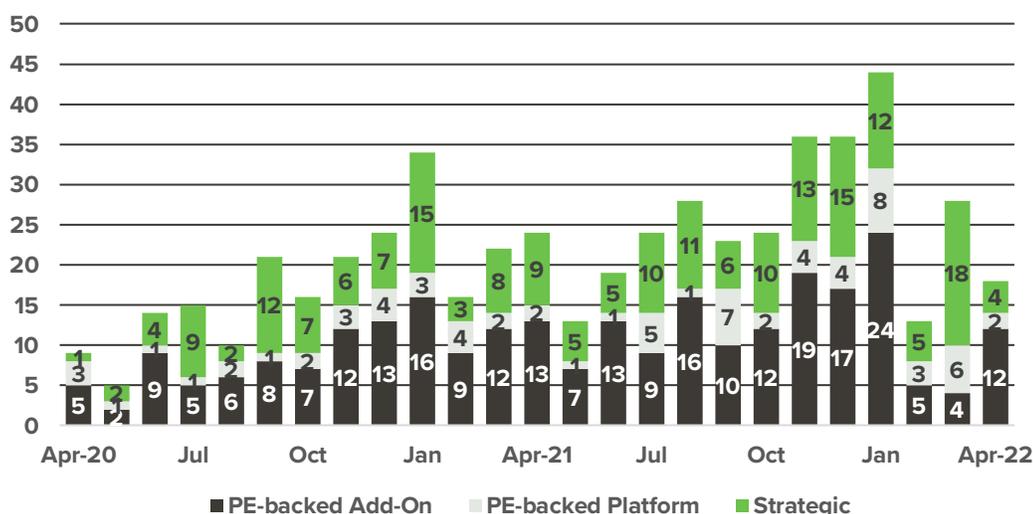


# Specialty Contracting Monthly Report May 2022

Oaklins  
MEMBER FIRM

While the deal activity once again slowed down in April, the market for specialty contracting is still going strong. The new construction values have continued trending upwards across all sectors, and the construction unemployment rate of 4.6% in April is the lowest in over 10 years. While commodity prices remain volatile and inflation continues at extreme highs, margins continue to be impacted. As such, it comes as no surprise that service-based businesses continue to be seen as a strong buy for investors, where the material costs can be passed through more easily and the client is in less of a negotiable position.

## Specialty Contracting deals by buyer type (last 2 years)



### YoY INFLATION

**+8.3 %**

THE NATIONAL RATE OF INFLATION INCREASED 0.3% IN THE MONTH OF MARCH, RESULTING IN A 8.3% INCREASE OVER THE PAST 12 MONTHS

### CONSTRUCTION UNEMPLOYMENT

**4.6 %**

THE UNEMPLOYMENT RATE FOR THE CONSTRUCTION INDUSTRY WAS 4.6% FOR THE MONTH OF APRIL, DOWN FROM 6.0% IN MARCH

### Deal of the Month

ACQUIRER



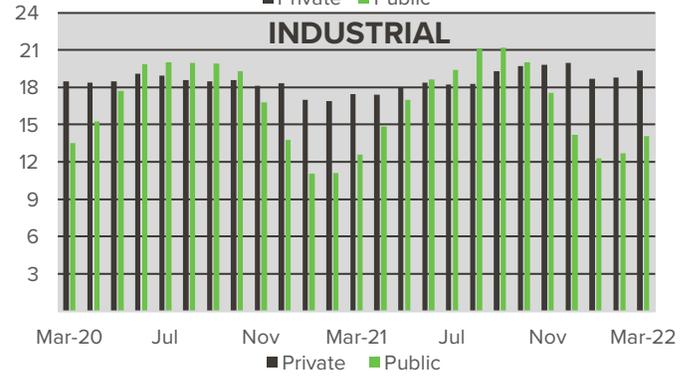
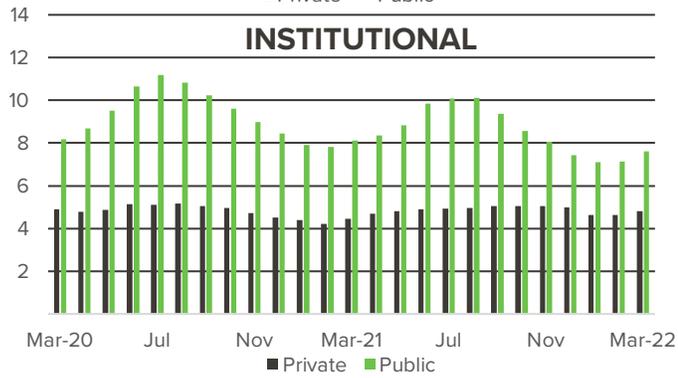
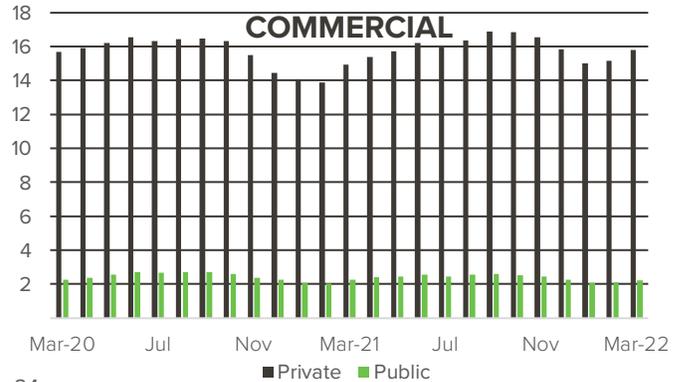
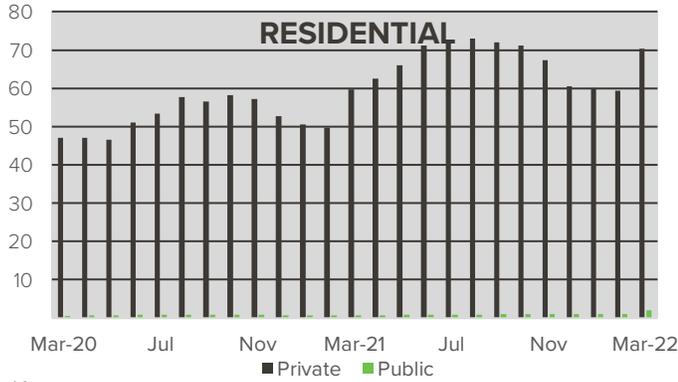
TARGETS



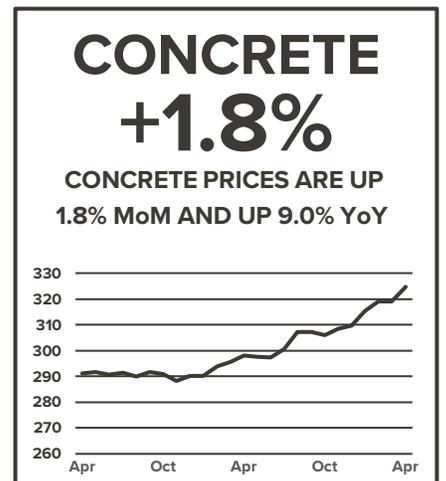
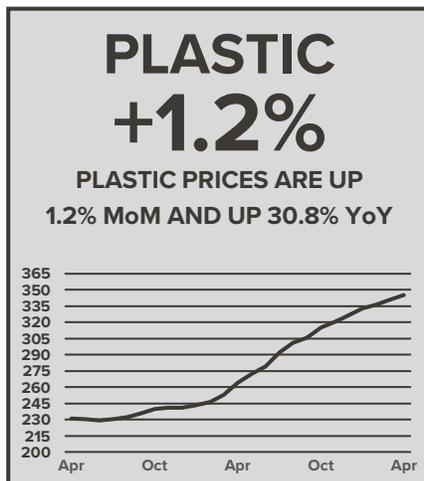
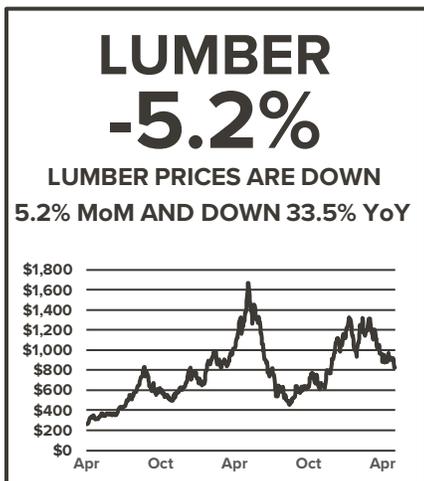
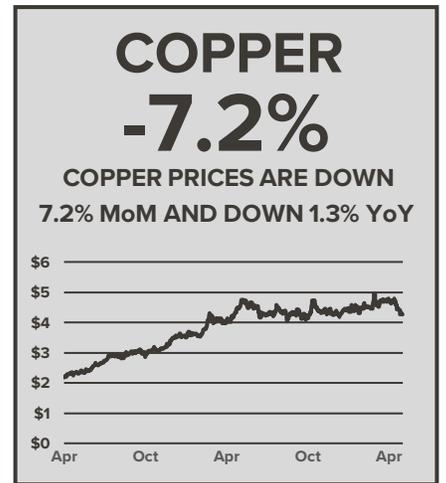
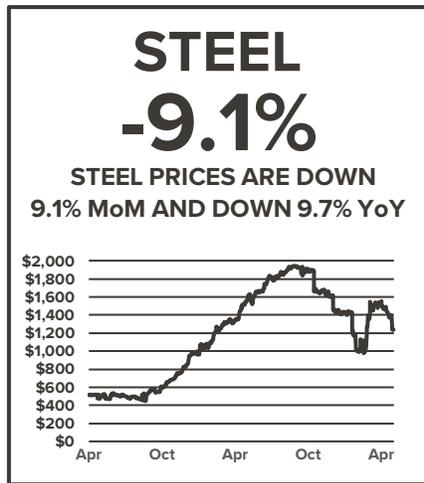
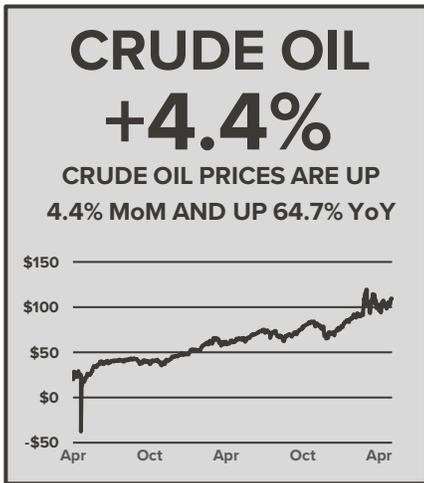
Sector: Mechanical/HVAC

Announced: 4/26 - 4/18 - 4/18 - 4/8/2022

# New construction values (US\$ billions)



# Industry commodity pricing

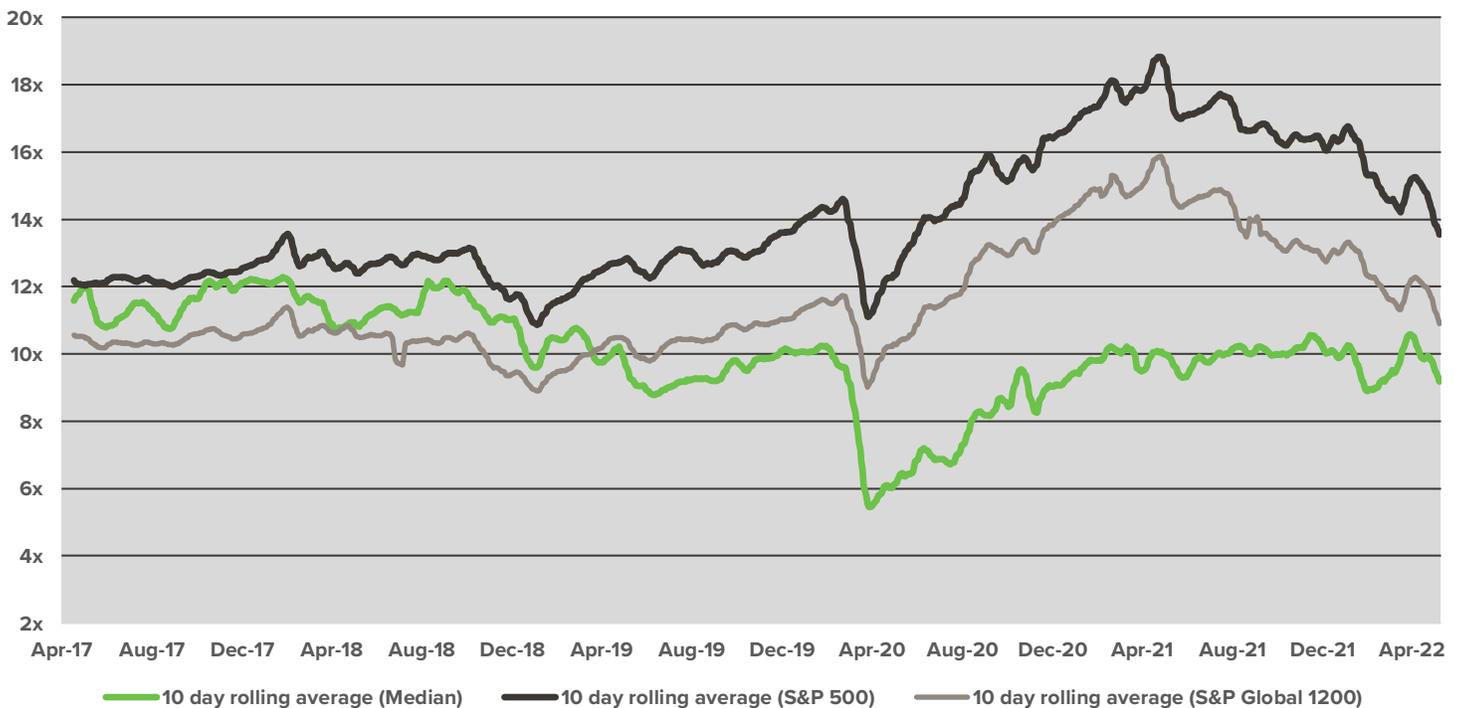


# Public Company Valuations

(US\$ millions except for stock price)

Company Name	Stock Price 04/30/2022	Enterprise Value	LTM				EV/LTM	
			Rev	EBITDA	GM %	EBITDA %	Rev	EBITDA
ABM Industries Incorporated	48.27	4332.57	6672.40	469.70	15.8%	7.0%	0.6x	8.0x
APi Group Corporation	18.56	5087.22	4608.00	370.00	24.6%	8.0%	1.3x	12.5x
Bravida Holding AB (publ)	10.33	21467.53	2405.97	1576.00	15.1%	7.0%	1.0x	10.9x
Comfort Systems USA, Inc.	84.42	3451.48	3289.09	260.82	18.0%	7.9%	1.0x	11.6x
EMCOR Group, Inc.	106.48	5477.71	10192.08	630.21	14.8%	6.2%	0.5x	6.4x
GDI Integrated Facility Services Inc.	33.82	1313.76	1262.10	108.63	22.1%	6.8%	0.8x	10.5x
IES Holdings, Inc.	29.30	732.35	1871.80	92.47	16.2%	4.9%	0.4x	6.6x
Instalco AB (publ)	6.22	17540.06	1020.57	809.00	48.8%	8.5%	2.0x	18.8x
Limbach Holdings, Inc.	6.30	111.77	490.35	19.94	17.5%	4.1%	0.2x	4.5x
MYR Group Inc.	79.09	1408.80	2542.43	161.89	12.9%	6.4%	0.6x	8.1x
Poenina Holding AG	56.30	316.08	413.31	24.74	49.7%	6.6%	0.8x	12.8x
Primoris Services Corporation	23.18	1860.62	3497.63	292.11	11.9%	8.4%	0.5x	5.0x
Quanta Services, Inc.	115.98	20452.09	14242.16	1155.43	14.9%	8.1%	1.6x	10.6x
Rollins, Inc.	33.54	16798.38	2479.43	538.92	51.7%	21.7%	6.8x	26.5x
SPIE SA	23.77	4980.42	8042.60	531.96	8.6%	7.5%	0.7x	7.4x
Terminix Global Holdings, Inc.	45.89	6475.35	2070.00	358.00	41.1%	17.3%	3.2x	17.0x
<b>Median</b>	<b>\$33.68</b>	<b>\$4,656.50</b>	<b>\$2,510.93</b>	<b>\$364.00</b>	<b>16.8%</b>	<b>7.3%</b>	<b>0.8x</b>	<b>10.6x</b>

## Historical TEV/EBITDA Multiples



## Select April transactions

Date	Target	Buyer	Industry Classification
04/26/2022	Patuxent Roofing & Contracting, Inc.	New State Capital Partners LLC	Roofing
04/26/2022	Blue Frost Heating & Cooling	Heartland Home Services, Inc.	Mechanical
04/21/2022	Stryker Electrical Contracting	Sundog Capital	Electrical
04/20/2022	Legion Building Services LLC	Xanitos, Inc.	Cleaning
04/18/2022	Custom Mechanical, Inc.	Heartland Home Services, Inc.	Mechanical
04/14/2022	Nicholson Plumbing, Heating and Air Conditioning	Strikepoint Group Holdings, Inc.	Mechanical
04/13/2022	Action Heating & Cooling, Inc.	CPS HVAC Partners, Inc.	Mechanical
04/08/2022	AQM, Inc.	Sila Heating & Air Conditioning, Inc.	Mechanical
04/07/2022	Jackson And Sons, Inc.	NearU Services	Mechanical
04/06/2022	FOS Fiber Optics, Inc.	Young's Communications, LLC	Electrical
04/05/2022	ESCO Services Inc.	American Residential Services L.L.C.	Mechanical
04/04/2022	Atlantic Electric, LLC	Comfort Systems USA, Inc. (NYSE:FIX)	Electrical
04/04/2022	Atlantic Engineering Group, Inc.	Young's Communications, LLC	Underground Fiber
04/04/2022	Brandt Mechanical Services, Inc.	Southland Industries, Inc.	Industrial
04/04/2022	Kimco Facility Services, LLC	Kellermeier Bergensons Services, LLC	Cleaning

## About Capital Alliance

Capital Alliance is an investment banking firm with a 45+ year history of providing trustworthy advice to private company shareholders who are considering an exit. From initiation to closing, we plan, prepare, market, and negotiate on behalf of our sellers. We are your premier M&A advisor for the middle market.

### Services

- M&A Sell-Side
- M&A Buy-Side
- Pre-Sale Consulting
- Post-Sale Consulting
- Company Valuations

### Strengths

- One-Stop Shop
- Knowledge of All Aspects of Transactions
- Management of Competitive Process
- Independent: No Conflicts of Interests
- Office in Every Major Country in the World

### Selected Oaklins Specialty Contracting Experience

 <p>has been acquired by</p>  <p>M&amp;A SELL-SIDE Business Support Services/Construction &amp; Engineering Services</p>	 <p>has been acquired by</p> <p>a private investor group</p> <p>M&amp;A SELL-SIDE Business Support Services/Construction &amp; Engineering Services</p>	 <p>has been acquired by</p>  <p>M&amp;A SELL-SIDE Construction &amp; Engineering Services</p>
--	--	--



**Ty Rose**  
**Managing Director**  
**901.488.8657**  
**ty.rose@cadallas.com**

Capital Alliance Corporation gathers its data from sources it considers reliable; however, it does not guarantee the accuracy and completeness of the information provided within this report. The material represents information known to the authors at the time this report was prepared, but this information is subject to change. Capital Alliance Corporation makes no representations or warranties, expressed or implied, regarding the accuracy of any material contained within this report.