



Environmental Services M&A Update

Q1 2025

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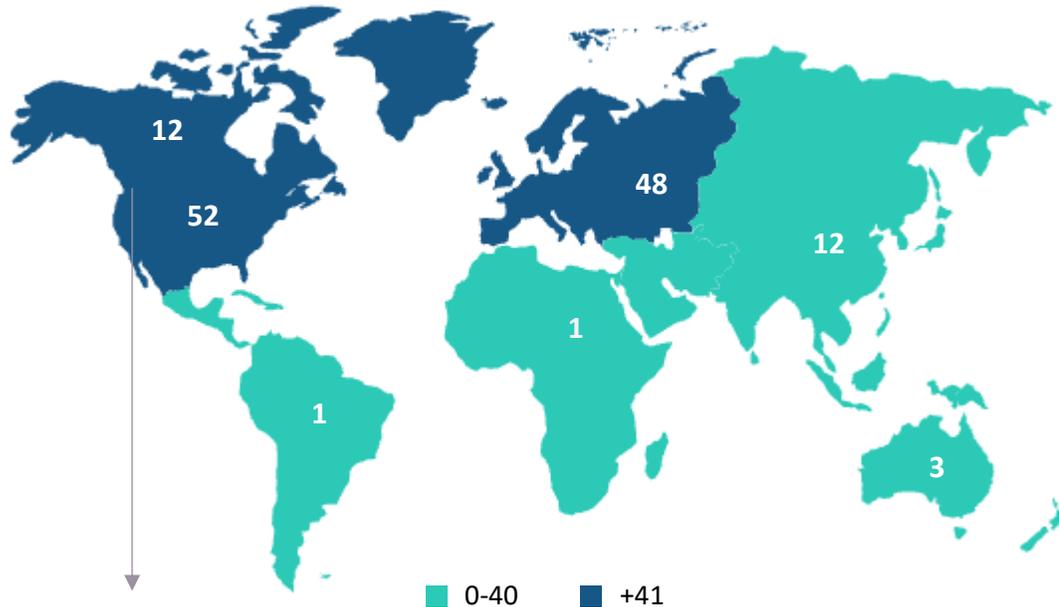
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REPORT HIGHLIGHTS

- In Q1, the NYSE Arca Environmental Services Index increased by 3.5% and outperformed the S&P 500, which decreased by 4.4% over the same period.
- The median EV/EBITDA multiple for reported strategic deals in the Environmental Services sector decreased to 7.1x in Q1 from 15.0x in 2024, and the median EV/Revenue multiple for strategic buyers decreased to 1.3x from 1.8x over the same period.
- M&A deal volume in the sector decreased 9.2% in Q1 to 129 deals from 142 in Q4 2024, and decreased 2.3% from 132 in Q1 of the prior year.
- As a % of total capital invested in M&A transactions, PE participation increased in Q1 to 98.2% from 31.2% in 2024.
- North America was the most active region in Q1 with 64 deals. Most notably in North America was Apollo Global Managements' \$5.5 billion acquisition of GFL Environmental, a Canadian provider of dry and liquid waste management services, in January 2025.



Of the 129 deals in the Environmental Services sector in Q1, North America was the most active with 64. A notable North American deal (in addition to the GFL Environmental deal mentioned on the previous page) was Parsons’ \$36.0 million acquisition of TRS Group, an Indianapolis-based provider of thermal remediation services for the treatment of soils, groundwater, and bedrock, in February 2025. Europe was the second most active with 48 transactions and all other regions combined for a total of 17 deals.



Canada: 12

United States: 52

Southeast: 13

Mid Atlantic: 11

New England: 6

West Coast: 5

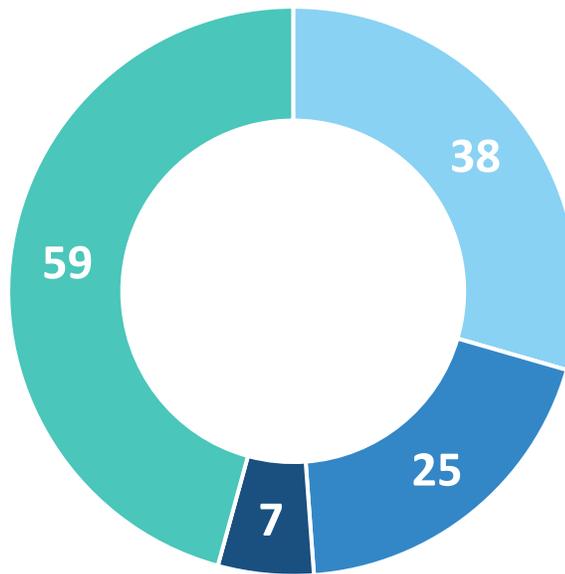
Others: 17

In the U.S. market, the Southeast region was the most active area with 13 deals, followed by the Mid Atlantic with 11 closed transactions. Most notably in the U.S. Market was Nuveen’s \$90.0 million acquisition of Divert, a Massachusetts-based provider of recourse recovery services, in March 2025. The New England and Great Lakes regions saw 6 and 5 transactions close, respectively, and all other U.S. regions combined for a total of 17 completed deals.

In Canada, 12 transactions closed in Q1, including Hy24’s \$50 million acquisition of StormFisher Hydrogen, a Toronto-based producer of green hydrogen derived e-fuels.

Of the 129 Environmental Services deals in Q1, 38 deals were in the Environmental Tech subsector, making it the most active subsector from an M&A volume standpoint. The Industrial Services and Sustainability subsectors saw 25 and 7 transactions close, respectively, and all other subsectors combined for a total of 59 deals in the quarter.

Deal by Subsector

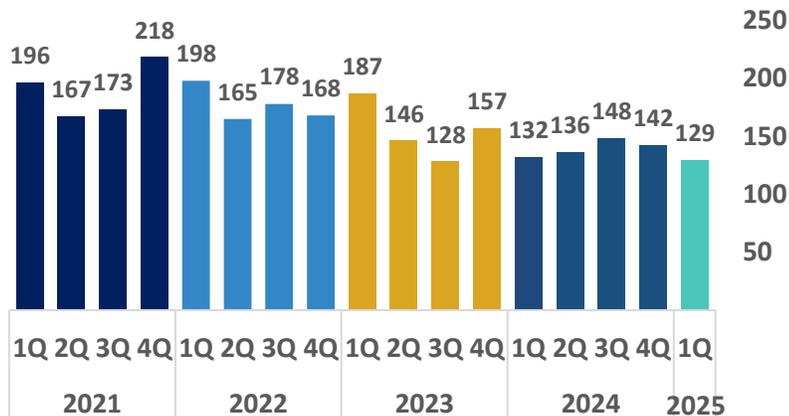


■ Industrial Services
 ■ Environmental Tech
 ■ Sustainability
 ■ Other

   	   	   	   
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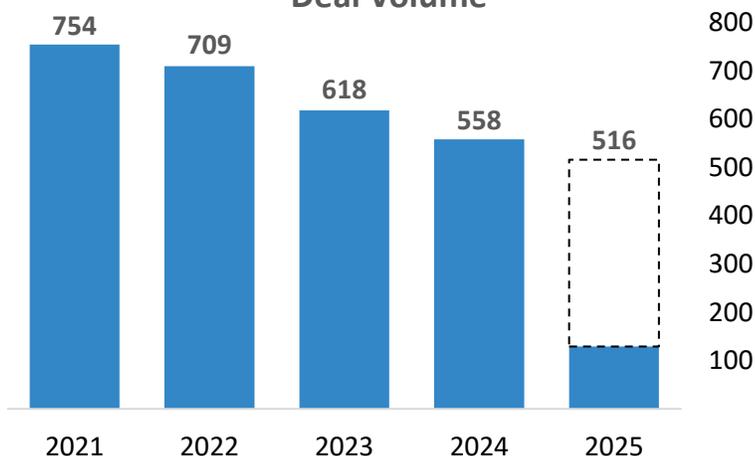
Deal volume in the Environmental Services sector decreased 9.2% in Q1 to 129 deals from 142 in Q4 2024, and decreased 2.3% from 132 deals in Q1 of the prior year. Q1 represents a continued reversal in the trend of generally increasing quarterly deal volume seen from Q3 2023 and suggests a possible de-stabilization in the market resulting from ongoing macroeconomic headwinds such as elevated interest rates, public market volatility, and more recent U.S. tariff policies.

Deal Volume



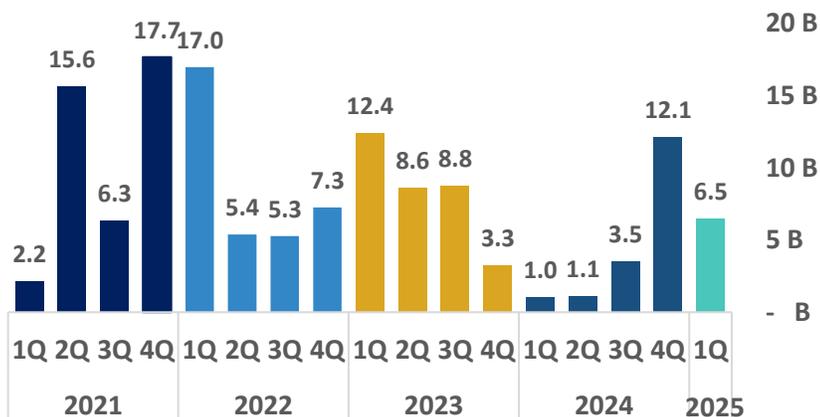
Annual deal volume is on pace to decrease 7.5% to 516 deals in 2025 from 558 in 2024. We attribute this decline in deal volume to persistent challenges such as elevated borrowing costs and cautious buyer sentiment. However, while deal volume is expected to be lower year over year, M&A activity may stabilize later in 2025 as economic conditions become more predictable and buyer confidence improves.

Deal Volume



Following the decline in quarterly deal volume, total capital invested in M&A deals in the sector decreased 46.3% in Q1 to \$6.5B from \$12.1B in Q4 2024, but increased 550.0% from \$1.0B in Q1 of the prior year. The decrease from the prior quarter is primarily due to Waste Management's \$7.2 billion acquisition of Stericycle in Q4 2024. Comparatively, the largest deal in Q1 was Apollo's \$5.5B acquisition of GFL Environmental in January 2025.

Total Capital Invested

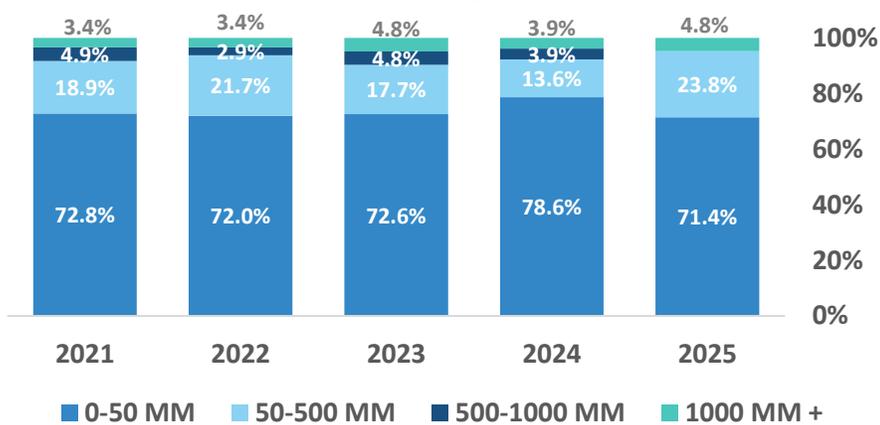


In Q1, we generally saw a shift in mix toward larger-sized deals compared to the prior year. The lower middle market (\$0 - \$50 MM) decreased to 71.4% from 78.6% in 2024. The large cap (\$1000 MM+) and middle (\$50 - \$500 MM) tranches of the market increased to 4.8% and 23.8% from 3.9% and 13.6%, respectively, in 2024. No deals were reported in the upper middle market (\$50 - \$500 MM) in Q1.

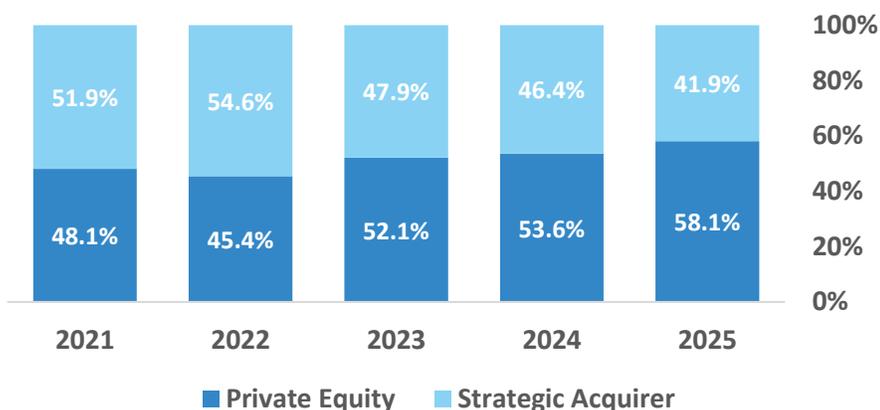
As a % of total deal volume, PE buyers trended higher in Q1 relative to strategic buyers, representing 58.1% of deal volume in the sector and up from 53.6% in 2024. Q1 marks the highest percentage of deal volume from PE buyers over the last five years.

Following the trend in deal volume, total capital invested by PE investors (as a % of overall capital invested) increased significantly in Q1 to 98.2% from 31.2% in 2024. The increase in total capital invested from PE buyers is primarily due to Apollo's \$5.5B acquisition of GFL Environmental in January 2025.

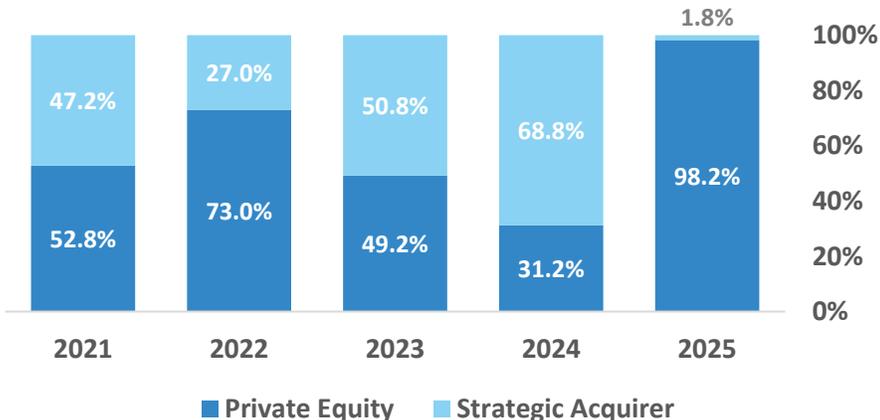
Deal Volume by Deal Size



Deal Volume by Acquirer



Total Capital Invested by Acquirer

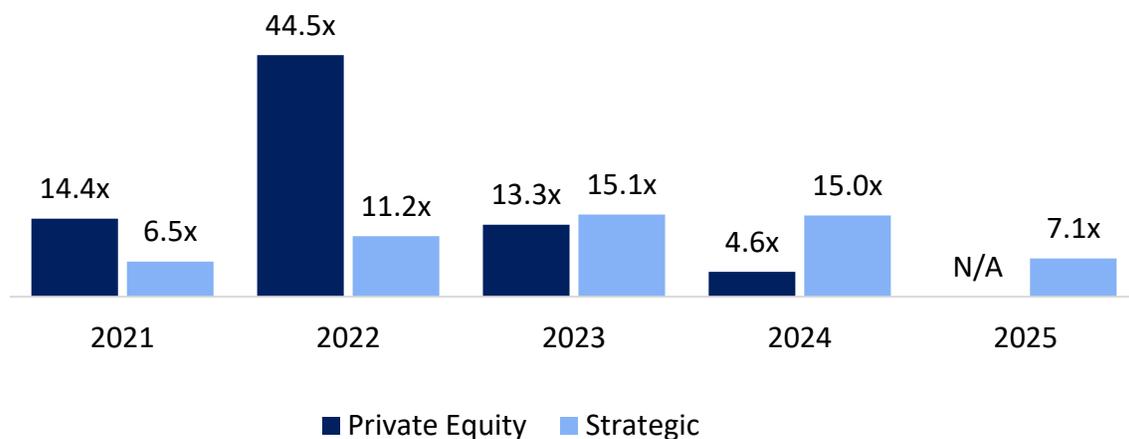


The median EV/EBITDA multiple for reported strategic deals decreased to 7.1x in Q1 from 15.0x in 2024, and no PE EV/EBITDA multiples were reported during the period.

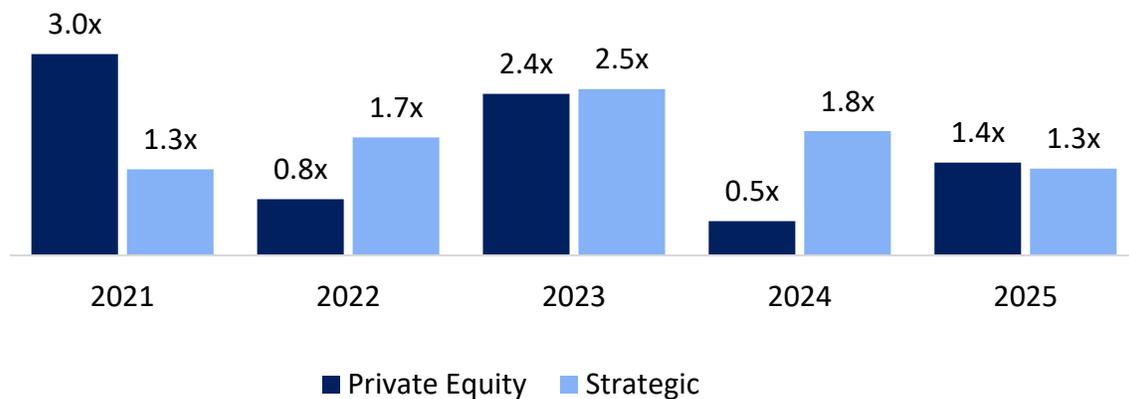
The median EV/Revenue multiple for reported private equity deals increased to 1.4x in Q1 from 0.5x in 2024, and decreased for strategic deals to 1.3x from 1.8x in the prior year.

Q1 marked the lowest reported median EV/Revenue multiple for strategic buyers since 2021.

Reported EV/EBITDA Multiples



Reported EV/Revenue Multiples



Active Strategic Investors

Investor	2025 Env. Services Investments	Select Targets
 PARSONS	1	 TRS Group Accelerating Value
 Axius [®] water	1	 AEROMOD Wastewater Process Solutions
 ClearWater Industries	1	 ARTEC

Active Private Equity Investors

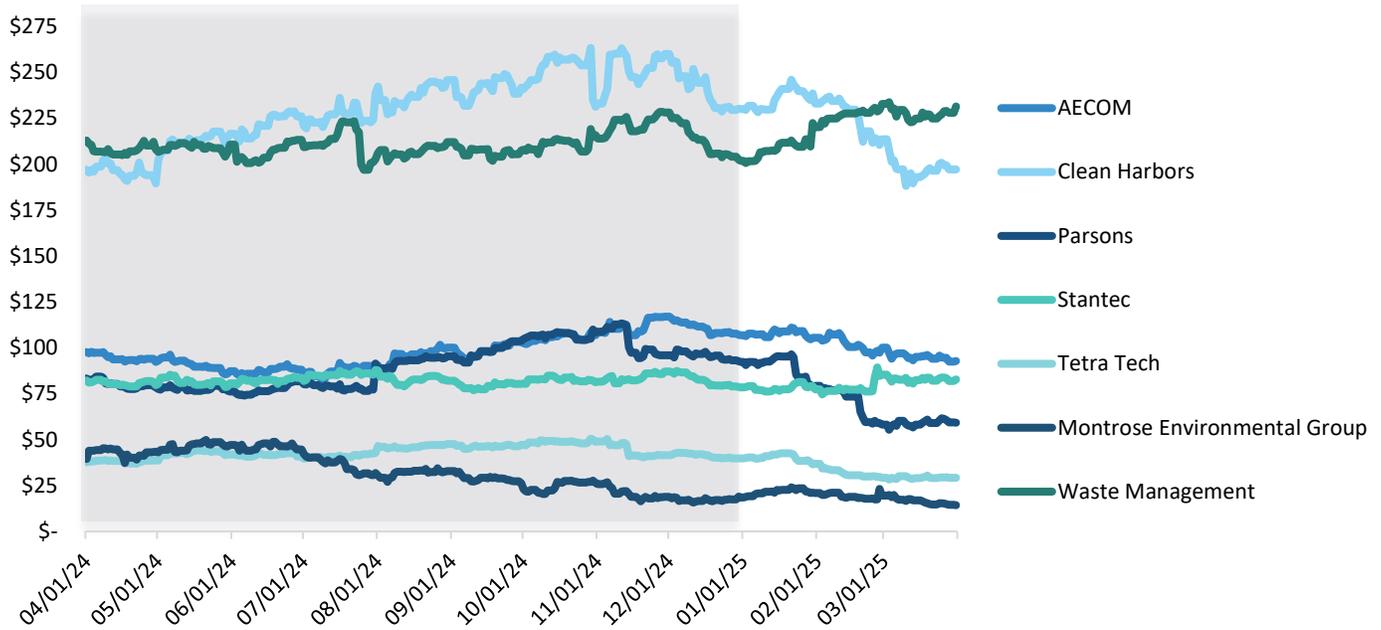
Investor	2025 Env. Services Investments	Select Targets
Morgan Stanley INVESTMENT MANAGEMENT	2	 RHA deliveringsolutions
 EMK Capital	2	 WasteFocus Focused on environmental solutions
BlackRock	1	 LEBLANC environnement inc.

Largest Deals (Disclosed)

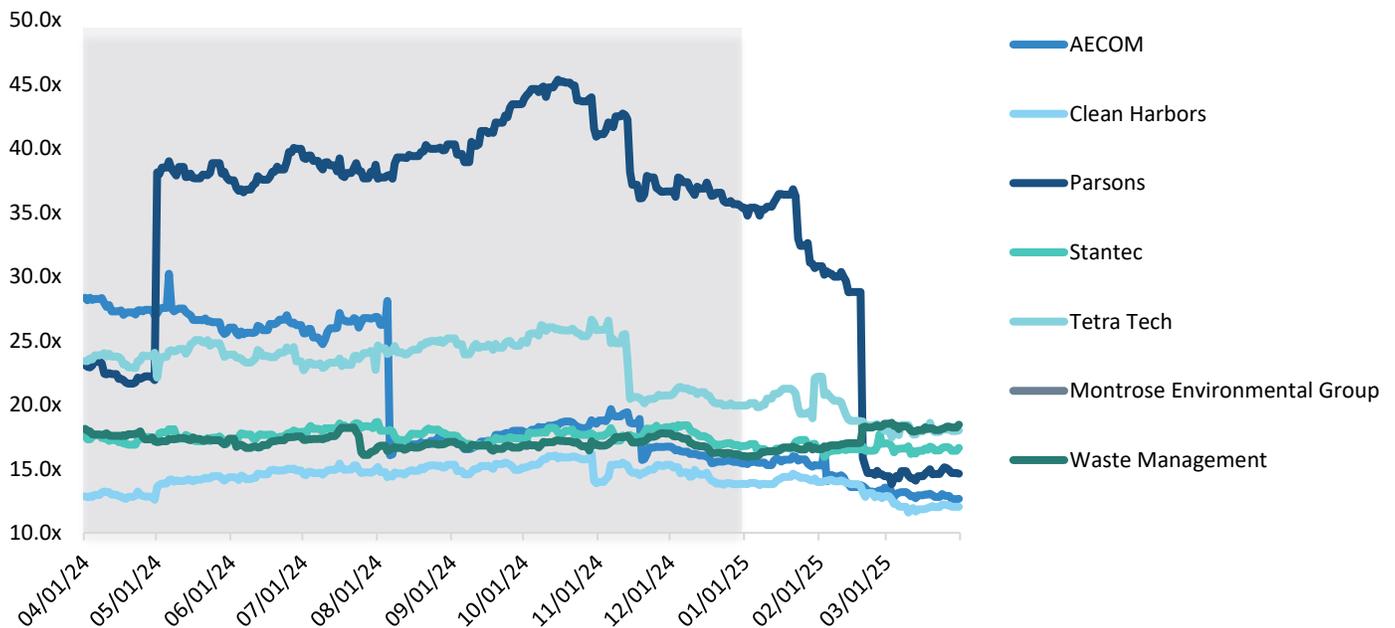
Deal Date	Company Name	Investor	Deal Type	Deal Size (\$mm)	EV		Target Business Description
					Revenue	EBITDA	
31-Mar-2025	Divert	Nuveen	Merger/ Acquisition	\$ 90.0			Provider of resource recovery services.
18-Mar-2025	Sembcorp Environment	TBS Energi Utama	PE Growth/ Expansion	306.6			Provider of medical and bio-hazardous waste management services.
04-Mar-2025	Aquassay	AQUITI Gestion	PE Growth/ Expansion	1.5			Provider of water management services based in Le Palais-sur-Vienne, France.
03-Mar-2025	Nextchem	Azzurra Capital	Merger/ Acquisition	114.5			Provider of green chemistry and technologies intended to support the energy transition.
03-Mar-2025	Atlantic Coast Recycling	Undisclosed Investor	PIPE	70.0			Provider of recycling services intended to serve municipalities and businesses.
21-Feb-2025	Rock Compliance	Andwis	Merger/ Acquisition	33.6			Provider of compliance management services.
21-Feb-2025	dynaCERT	Undisclosed Investor	Merger/ Acquisition	3.5			DynaCERT Inc is engaged in the transportable hydrogen generator aftermarket product.
18-Feb-2025	Rae.Man	Haiki Combat	PIPE	3.1	1.28x	7.06x	Provider of waste management services based in Sale, Italy.
17-Feb-2025	Srichakra Polyplast	Action Tesa	PIPE	9.2			Manufacturer of food grade bottle to bottle recycled products.
12-Feb-2025	Chestnut Carbon	Cloverlay	Merger/ Acquisition	160.0			Operator of a nature-based carbon offset platform.
11-Feb-2025	StormFisher Hydrogen	Hy24	Buyout/ LBO	50.0			Producer of green hydrogen derived e-fuels.
04-Feb-2025	TRS Group	Parsons	Reverse Merger	36.0			Provider of thermal remediation services for the treatment of soils, groundwater, and bedrock.
04-Feb-2025	Bolder Industries	CIM Group	Merger/ Acquisition	25.0			Provider of waste management services intended to divert more waste from landfills.
29-Jan-2025	MCI Carbon	Mitsubishi UBE Cement Corporation	Merger/ Acquisition	5.0			Developer of carbon dioxide mineral carbonation technology intended to transform carbon dioxide.
26-Jan-2025	Arbaflame	PEARL Infrastructure Capital	PE Growth /Expansion	4.5			Developer of a thermal treatment technology designed to transform biomass.
14-Jan-2025	Greenwave Technology Solutions	Undisclosed Investor	Merger/ Acquisition	4.0			Operator of several metal recycling facilities in Virginia and North Carolina.
10-Jan-2025	Liulin County Hangtai Clean Energy	Huasuo Holdings Company	Merger/ Acquisition	2.8			Provider of clean energy power generation, transmission, power supply and heat production.
07-Jan-2025	GFL Environmental	Apollo Global Management	PE Growth/ Expansion	5,539.1			Provider of dry and liquid waste management services.
Mean				358.8	1.28x	7.06x	
Median				29.3	1.28x	7.06x	
High				5,539.1	1.28x	7.06x	
Low				1.5	1.28x	7.06x	

Target	Investor	Driver	Deal Synopsis
 GFL <small>GREEN FOR LIFE environmental</small>	APOLLO	Buyout/ LBO	<p>GFL Environmental (“GFL”), a Canadian provider of dry and liquid waste management services, was acquired by Apollo Global Management (“Apollo”) for \$5.5 billion in January 2025. The acquisition of a GFL’s Environmental Services division aligns with Apollo’s strategy to invest in essential environmental infrastructure and is consistent with previous investments like its acquisition of OEG Energy Group.</p>
	 CLOVERLAY	PE Growth/ Expansion	<p>Chestnut Carbon, a New York-based operator of a nature-based carbon offset platform, was acquired by Cloverlay for \$160 million in February 2025. The acquisition of Chestnut Carbon allows Cloverlay to support its mission of generating forest carbon offsets, aiming to accelerate the path to net-zero emissions across various industries.</p>
		PE Growth/ Expansion	<p>In March 2025, Dubai-based Azzurra Capital (“Azzurra”) acquired an 8% stake in Nextchem, an Italian provider of green chemistry, for \$114.5 million. The investment positions Azzurra to be a key player in the global push toward sustainability and provides potential upside from the long-term growth in the clean energy sector.</p>
		Merger/ Acquisition	<p>TRS Group, an Indianapolis-based provider of thermal remediation services for the treatment of soils, groundwater, and bedrock, was acquired by Parsons for \$36.0 million in February 2025. The acquisition of TRS Group enhances Parson’s environmental remediation capabilities in both of their operating segments and serves as a force multiplier for their already industry leading PFAS remediation solutions.</p>

Stock Price

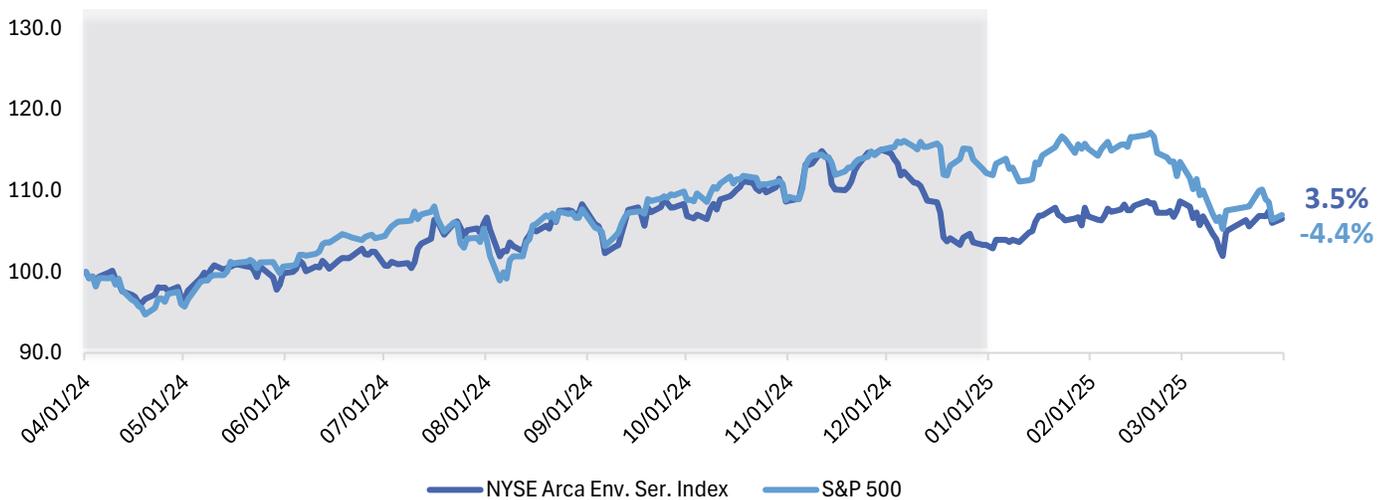


EV/EBITDA



Index Performance

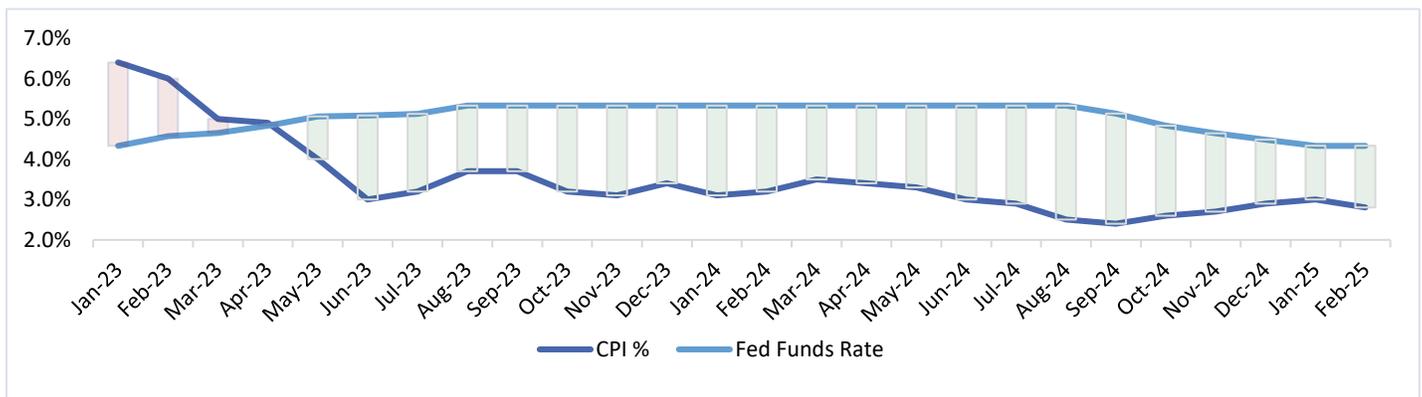
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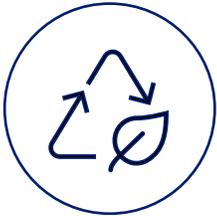
Key External Drivers

Overall, the Environmental Services industry tends to be more stable and resistant to volatility in the broader economy than other industries.

In March 2025, the Federal Reserve left the federal funds rate unchanged, maintaining its target range of 4.25%–4.50%, as expected. The central bank reaffirmed its forecast for two quarter-percentage-point cuts later in the year, following three rate reductions in 2024 due to slowing inflation. Despite this cautious stance, looming tariffs could reignite price growth and hinder economic expansion. The Fed also revised its forecast for U.S. gross domestic product (GDP) growth down to 1.7%, a decrease from the 2.1% growth rate projected in December. This strategy reflects the Fed’s ongoing efforts to balance inflation control with sustaining economic momentum amid challenges, including the threat of higher tariffs. While market volatility remains, the M&A environment continues to be favorable for strategic deal-making and capital deployment.



Emerging trends in the Environmental Services sector:



Shift Toward Renewable Energy

Global investments fueling growth in renewable energy technologies

The global shift towards renewable energy sources continues to accelerate. Significant investments are being made in solar, wind, and battery technologies, leading to increased demand for professionals skilled in these areas. According to Bloomberg, global investments in renewable energy reached \$2.1 trillion in 2023.



Climate Risk Impact

Rising risks and their impact on commercial properties

Climate considerations are gaining attention due to increased regulation and more severe weather events. In January, catastrophic wildfires in Los Angeles destroyed homes and businesses. The rising frequency of extreme weather events, particularly in wildfire and flood-prone areas, is making climate risk harder to ignore.



Shifts in Policy

Policy challenges in sustainability and climate strategies

Companies and countries will face a challenging policy landscape as they implement sustainability and climate strategies. In 2025, election outcomes will reshape the global approach to climate and energy transitions. In the U.S., President Trump's deregulatory actions may weaken climate protections as seen during his first term.



AI's Impact on Sustainability

Balancing AI's sustainability benefits and energy demands

As AI becomes more integrated into industries, its impact on sustainability becomes a growing debate. While AI can improve energy efficiency and aid in emissions and climate analysis, the increasing demand for AI-driven data centers will raise electricity consumption, much of which comes from fossil fuels. This may hinder climate goals by increasing emissions, despite AI's potential benefits.



Proven, Professional, Principled.

Investment Bankers for the Middle Market

About

R.L. Hulett is a middle-market investment bank based in St. Louis, Missouri, providing M&A and financial advisory services to middle-market companies. Since its founding in 1981, the firm has advised in over 280 transactions in a variety of industries including Environmental Services, Transportation & Logistics, Packaging, Food & Consumer, Industrials, Business Services, Healthcare, and Software/Tech-Enabled Services. The firm has an experienced team of M&A advisors consisting of former business owners, seasoned corporate executives, professional service firm partners, CPAs and MBAs. Our ability to deliver customized solutions to meet or exceed our clients' expectations is what sets us apart from our competitors.

Our Clients

\$10 - 250MM
Revenue

\$2 - 20MM
EBITDA

Middle Market
Privately Owned

Industries Served



**Environmental
Services**



**Tech-Enabled
Services**



**Plastics &
Packaging**



Industrials



**Transportation
& Logistics**



**Food &
Consumer**





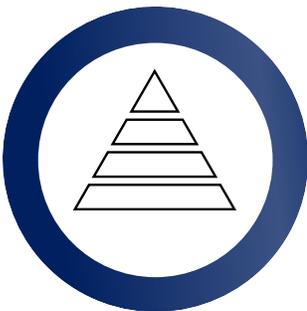
Sell-Side Advisory: Sell your business

Sell your business for the highest price and for the best terms. At R.L Hulett, communicating the value of your business to targeted buyers and finding the best fit for your team is our forte. We strive to maintain your company's culture and heritage even as you transition out of your business.



Buy-Side Advisory: Buy a business

Searching for acquisition targets can be a challenging and time-consuming task when trying to run your own business at the same time. Navigating the risks and pitfalls in negotiating valuation and deal structure can also be a daunting task for many business owners. Let our team help you minimize your risk and reduce time wasting efforts with our decades of experience in advising in both buy and sell-side M&A transactions. We utilize industry-leading M&A databases to scout for opportunities and pre-screen for "real" actionable targets so you can stay focused on what matters.



Capital Raise: Gain financial support

With nearly 40 years of experience in middle-market M&A advisory, we know how to package up your deal and put you in front of the right kind of investors who have the capital and the industry expertise you need to grow your business. Our team will develop a go-to-market strategy and advise on deal structure, valuation, due diligence and transition issues. Whether you are seeking capital for growth or trying to buy out other shareholders, we have the tools, expertise, and experience to execute a strategic process and find the optimal outcome to meet your objectives.



Restructuring: reorganization of your business

In today's uncertain economic times, more and more companies are finding themselves in unfamiliar, and unwanted, positions. Many business owners are hoping recovery is just around the corner; however, proactive measures are often required to maximize the remaining value of the business. Our team can aid banking institutions with workout situations by implementing internal controls over cash management and performing on-going cash flow modeling for their clients. We can also help business owners avoid having trouble making payments on their debts and avoid the cumbersome and low-value asset liquidation process.

Below are two recent transactions facilitated by R.L. Hulett, showcasing our expertise in the Environmental Services sector. Each transaction exemplifies our commitment to delivering exceptional value and strategic growth for our clients.



Has been acquired by

**Environmental Restoration
Employee Stock
Ownership Plan**



The Seller: Founded in St. Louis, Missouri in 1997, ER has grown to be the leading national provider of environmental emergency response and remediation services to the USEPA with coverage spanning over 43 states. Additionally, ER provides emergency remediation and rapid response services to the U.S. Army Corps of Engineers as well as a number of commercial and industrial customers. Several members of the ER ownership group were seeking liquidity and retirement and this ESOP transaction enabled these owners to monetize their investment but also afford the employees with a way to become owners themselves and help secure the long-term continuity of the business.

Transaction Rationale: In this transaction, RLH advised the Seller and facilitated the transaction process by helping ownership evaluate strategic alternatives from a sale/control buyout standpoint. This enabled ER ownership to compare transaction dynamics and economics of a sale/control buyout with an ESOP alternative. RLH assisted in the ESOP transaction process by sharing marketing materials, financial models and insights gained in the sale process.



Was recapitalized by

**MERIT
CAPITAL
PARTNERS**



The Seller: U.S. Minerals, headquartered in Dyer, Indiana, is a leading recycler and processor of coal slag. The Company's facilities, located in Baldwin and Coffeen, Illinois, Harvey, Louisiana and Galveston, Texas, process coal slag from the bottom of power-plant boilers into two beneficial re-use products: roofing granules and surface-blasting abrasives. Roofing customers utilize coal slag to produce asphalt shingles. Abrasives customers use coal slag to remove particles, like rust and paint, from metal and wood surfaces.

The Buyer: Based in Chicago, Merit Capital Partners manages \$1.7 billion of capital through five institutionally-sponsored limited partnerships investing mezzanine and equity capital in middle-market companies principally in manufacturing, distribution and services industries.

Over the years, R.L. Hulett has completed hundreds of transactions in a wide variety of industries. Below are several representative transactions. Please note that this list is not comprehensive.



FEDERAL STEEL SUPPLY, INC.

has sold substantially all of its assets to



VSA CAPITAL



Federated Software Group, Inc.

has been acquired by



BOEING



TRILOGY WAREHOUSE PARTNERS

has partnered with



REFRIG WAREHOUSE

a portfolio company of



tilia



CLASSIC-EQUINE
EQUIPMENT

has been acquired by



MORTON BUILDINGS



EPIC

has sold substantially all of its assets to



COMPASS GROUP
Equity Partners



RENARD PAPER COMPANY INC.
A Solutions Company

has been acquired by



HP Products
excellence in distribution





R. Trevor Hulett, CPA
Managing Director
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Mr. Hulett has led M&A transactions in a variety of industries including manufacturing/industrial, software development/IT, business services and value-added distribution for over 15 years. Prior to joining the firm, he held senior level accounting and financial management positions in both public accounting and large corporations. Mr. Hulett began his career as a Certified Public Accountant with MPP&W, a St. Louis-based public accounting firm specializing in middle market companies. He then held various management positions in internal audit and corporate accounting with a Fortune 1000 industrial manufacturing company and also spent nine years with Enterprise Rent-A-Car Company as a department manager in the Corporate Accounting group. Mr. Hulett holds his Series 62, 63 and 79 securities registration. Mr. Hulett earned a Bachelor's Degree in Accounting from the University of Missouri, Columbia.



David T. Vass
Director
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Mr. Vass has over 30 years of business management experience including more than 10 years as President of a highly successful consumer products manufacturing company with revenues exceeding \$25 million. During this time, he not only reversed a declining sales and earnings trend, but increased both sales and operating income over 100%. In addition, he has spent over 20 years at the executive level of Vice President of Sales and Business Development. Mr. Vass also has experience in a number of other industry niches including consumer products, commercial furniture and fixtures and metal recycling. He holds a Bachelor's Degree in Economics from DePauw University and an MBA from the University of Michigan.



Christopher Riley
Senior Advisor
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Mr. Riley has owned, operated, and sold multiple businesses spanning five decades in the technology, fabrication, hospitality, real estate, social media, financial services, automotive, private equity and business services industries. He owns multiple companies, United Cutwater and Cutwater Advisory Partners, that focus on identifying, funding, growing, and exiting businesses at their Optimum Value. Prior to joining the firm, he worked in New York in the investment banking industry for 10 years. He began his career with American Express as an Estate and Tax Planning Specialist. With degrees in Finance and Philosophy and a Master's in Organizational Psychology, Chris was educated at Santa Clara University, the London School of Economics and the Harvard Business School. Chris is Series 79 and Series 63 licensed, has seven board certifications in cyber intelligence, and is a licensed forensic investigator.



Ron Litton
Director
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Mr. Litton has been advising business owners in mergers and acquisitions since 2013. His primary industry focus areas have included industrials, paper and packaging, distribution, energy, promotional products and direct to consumer e-commerce. Prior to 2013, Mr. Litton held a variety of C-level roles with several companies in the paper and packaging industry including Unisource, Maverick Paper, Universal Graphics and Sabin Robbins. He has bought and sold a number of businesses, advised in the sale of family/founder owned businesses, and advised in start-ups and turnaround situations for banks, owners, and private equity firms. He enjoys working with owners that want to sell or transition out of their businesses. Ron covers the Kansas City and surrounding markets for the firm. He graduated from Central Missouri State University with a BS in Graphic Arts Technology and Management.



Ryan Hartman
Senior Analyst
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Ryan provides analytical support for senior-level deal managers and, as a senior analyst, supervises the preparation of confidential memorandums, financial models and industry research reports. Ryan graduated with a Bachelor of Science degree in Finance from The Freeman School of Business, Tulane University. Prior to joining the firm, Ryan worked as an equity analyst for Burkenroad reports, an equity research program that produces widely circulated financial reports on small- to medium-sized companies. During his time at Tulane University, Ryan was elected as Vice President of Administration for Tulane's community government, took extensive courses in Investment Banking M&A transactions, and volunteered as a data analyst for American Red Cross.



Lynda Hulett
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Lynda Hulett leads the firm's marketing, administrative and communication efforts. She maintains the firm's proprietary CRM database, manages outbound firm communications and provides administrative support to senior deal managers. Prior to joining R.L. Hulett, Lynda spent the previous ten years in various marketing and administrative functions. Most recently, she worked as a client liaison providing administrative support for a CPA firm. Prior to that, she was employed by Moneta Group, a financial services advisory firm, where she provided marketing and administrative support to the client managers. Lynda graduated from the University of Missouri – Columbia, receiving her business degree with an emphasis in Marketing.



Robert L. Hulett
In Memoriam:
1943-2024

Mr. Hulett founded the firm in 1981 and has negotiated and completed more than 200 transactions throughout his career. He began his career as a Certified Public Accountant and practiced with Peat, Marwick, Mitchell & Co. in St. Louis as an Audit Manager and in New York as the Director of Training for Private Business. Mr. Hulett has also served as Chief Executive & Board Member for various middle market companies. As an educator, he was an adjunct professor at New York University and a tenured faculty member at Lindenwood University in St. Louis. He conducted training sessions for middle market CPA firms throughout the country for more than ten years. Mr. Hulett earned his BS/BA Cum Laude in Accounting from the University of Missouri-Columbia, and an MBA from Lindenwood University.



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