



Industrial Services M&A Update

Q1 2025

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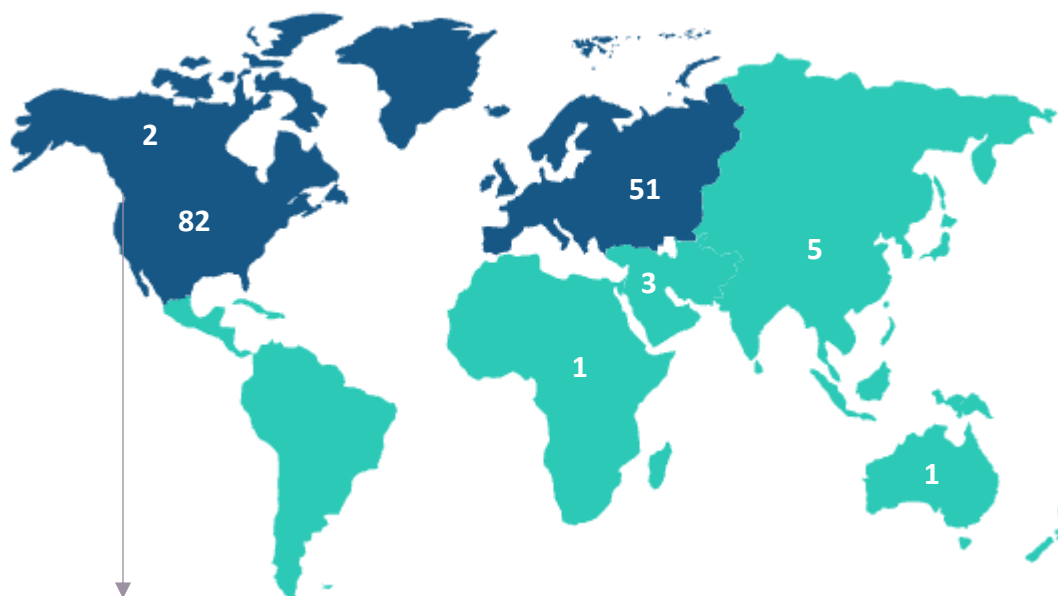


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- In Q1, the S&P 500 Industrial Services Index decreased by 1.4%, but outperformed a 4.4% decrease in the S&P 500 over the same period.
- No EV/EBITDA or EV/Revenue multiples were reported in the industrial services sector during this period.
- M&A deal volume in the Industrial Services sector decreased 19.4% in Q1 to 145 deals from 180 in Q4 of 2024, and decreased 27.5% from 200 deals in Q1 of the prior year.
- As a % of total capital invested in M&A transactions in the sector, PE participation increased significantly in Q1 to 90.4% from 58.3% in 2024.
- North America was the most active region in Q1 with 84 deals. Most notably in North America was Permira's \$1.8 billion acquisition of Encore Fire Protection, a Rhode Island-based provider of fire protection services, in January 2025.



Of the 145 deals in the Industrial Services sector in Q1, North America was the most active with 84. A notable North American deal (in addition to the Encore Fire Protection deal mentioned on the previous page) was Blackstone's \$1.1 billion acquisition of AI Fire, a California-based provider of fire and life safety services in January 2025. Europe was the second most active with 51 transactions and all other regions combined for a total of 10 deals.



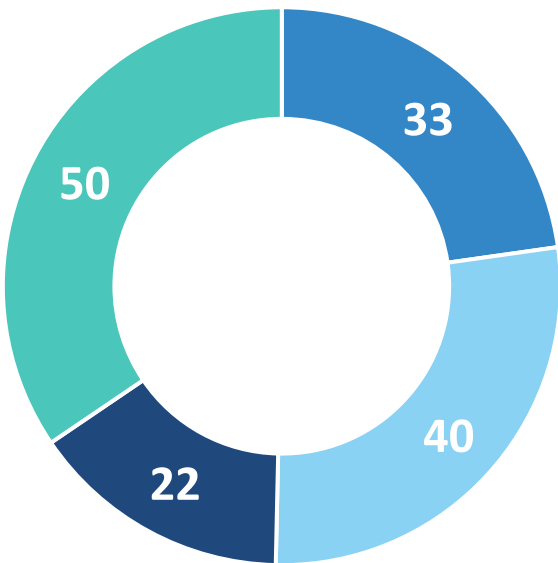
Canada:	2
United States:	82
Southeast:	21
West Coast:	14
Great Lakes:	13
South:	10
Others:	24

In the U.S. market, the Southeast region was the most active area with 21 deals, followed by the West Coast and Great Lakes with 14 and 13 closed transactions, respectively. Most notably in the Southeast region was Apollo Merieux Nutrisciences' \$375.8 billion acquisition of Bureau Veritas, a US-based provider of testing services for the food industry, in January 2025. The South region saw 10 closed transactions and all other U.S. regions combined for a total of 24 completed deals.

In Canada, 2 transactions closed in Q1, including Maverick Aviation Group's acquisition of Vision Inspection Services Canada, a provider of non-destructive testing services committed to providing quality aviation safety.

Of the 145 deals in Q1, 40 deals were in the Environmental Services sector, making it the most active from an M&A volume standpoint. Construction and Engineering was the second most active with 33, followed by Facilities, Utilities, Energy, and TIC Services with 22 completed transactions. All other subsectors combined for 50 closed deals.

Deal by Subsector



■ Construction and Engineering

■ Environmental Services

■ Facilities, Utilities, Energy, and TIC Services

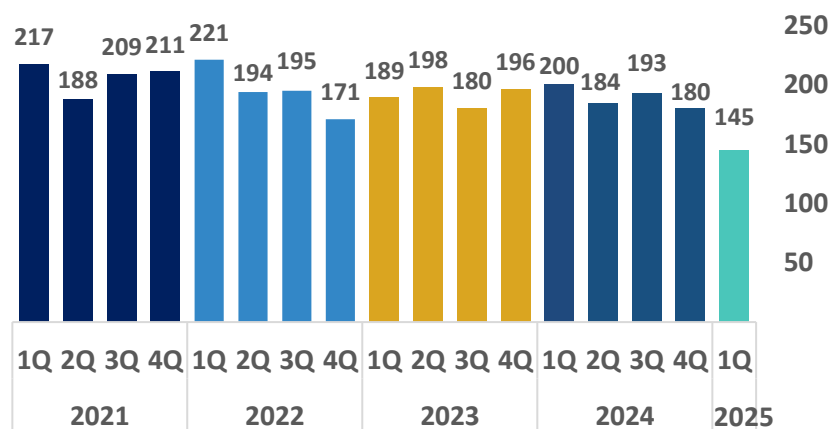
■ Other

Deal volume in the Industrial Services sector decreased 19.4% in Q1 to 145 deals from 180 in Q4 2024, and decreased 27.5% from 200 deals in Q1 of the prior year. The decrease in quarterly deal volume in Q1 is indicative of broader macroeconomic uncertainty from a higher interest rate environment, public market volatility and more recent U.S. tariff policies.

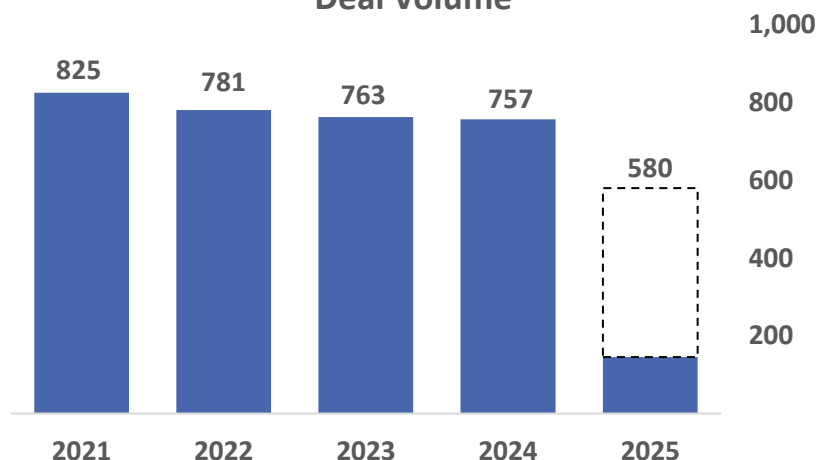
Annual deal volume is on pace to decrease 23.4% to 580 deals in 2025, down from 757 in 2024. We attribute this decline in deal volume to persistent challenges such as elevated borrowing costs and cautious buyer sentiment. However, while deal volume is expected to be lower year-over-year, M&A activity may stabilize later in 2025 as the tariff impact is sorted out leading to improved economic conditions and investor sentiment.

Despite a decrease in quarterly deal volume, total capital invested in M&A deals in the Industrial Services sector increased significantly by 925% in Q1 to \$4.1B from \$0.4B in Q4, and increased 32.3% from \$3.1B in Q1 of the prior year. The increase from Q4 2024 is primarily due to a shift towards larger transactions including Permira's \$1.8 billion acquisition of Encore Fire Protection in January 2025. Comparatively, the largest transaction in Q4 2024 was Altrad Group's \$85.1 million acquisition of Beerenberg in November 2024.

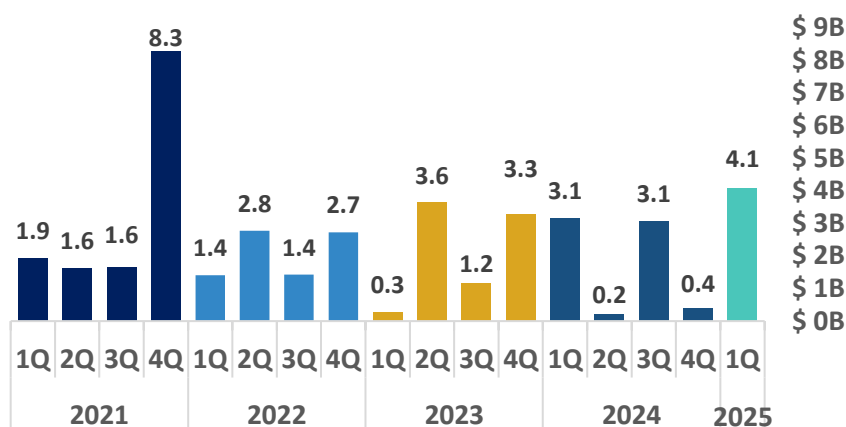
Deal Volume



Deal Volume

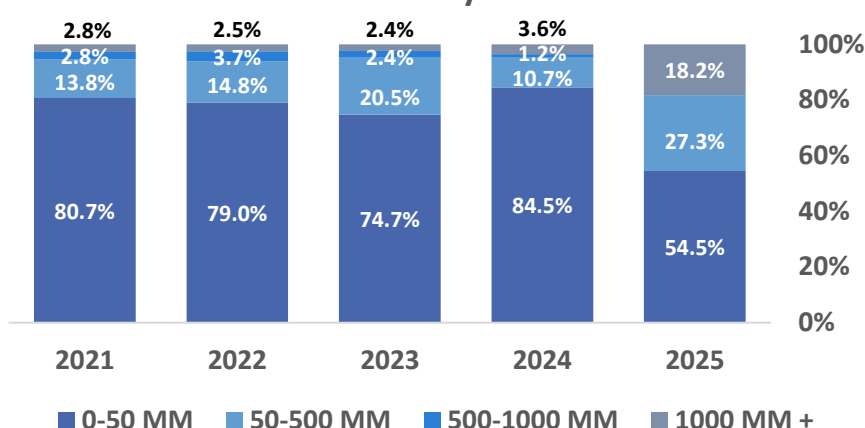


Total Capital Invested



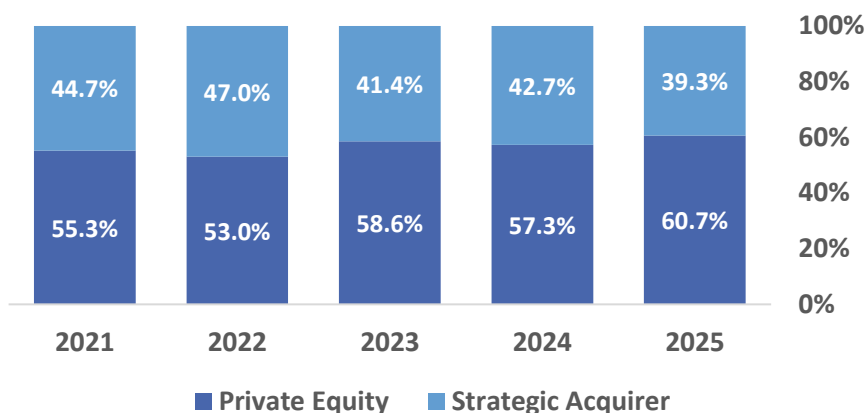
In Q1, we generally saw a shift in mix towards larger-sized deals from the prior year. The large cap (\$1000 MM+) and middle market (\$50-500 MM) increased to 18.2% and 27.3% from 3.6% and 10.7%, respectively. The lower middle market (\$0-50 MM) decreased to 54.5% from 84.5% in 2024 and no deals were reported in the upper middle market (\$500-\$1000) in Q1.

Deal Volume by Deal Size



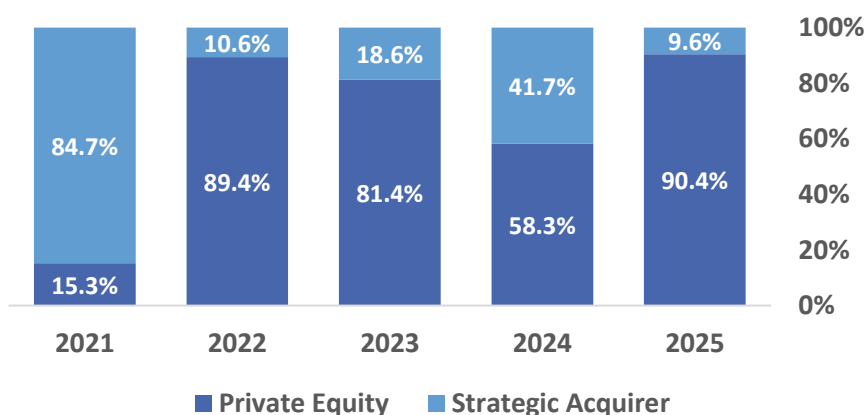
As a % of total deal volume, PE buyers trended higher in Q1 relative to strategic buyers, representing 60.7% of deal volume in the sector, up from 57.3% in 2024. Q1 marks the highest level of participation in the sector (from a volume standpoint) from PE buyers versus strategic buyers over the last five years.

Deal Volume by Acquirer



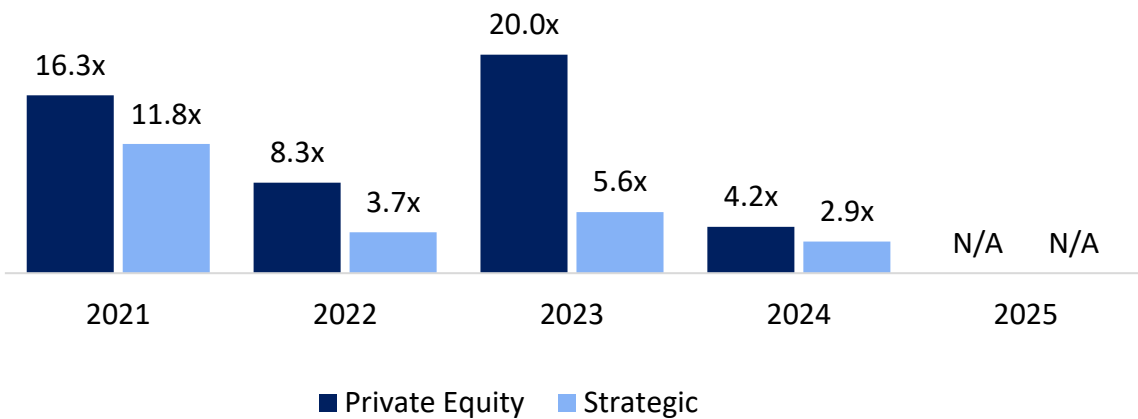
Total capital invested by PE investors (as a % of overall capital invested) increased significantly in Q1 to 90.4% from 58.3% in 2024. Q1 represents the highest % of capital invested by PE buyers over the last five years and is indicative of the magnitude of private equity capital raised for buyouts in the Industrial Services sector. Blackstone's \$1.1 billion acquisition of AI Fire and Permira's \$1.8 billion acquisition of Encore Fire Protection in January 2025 are illustrative of PE's active posture in the sector.

Total Capital Invested by Acquirer

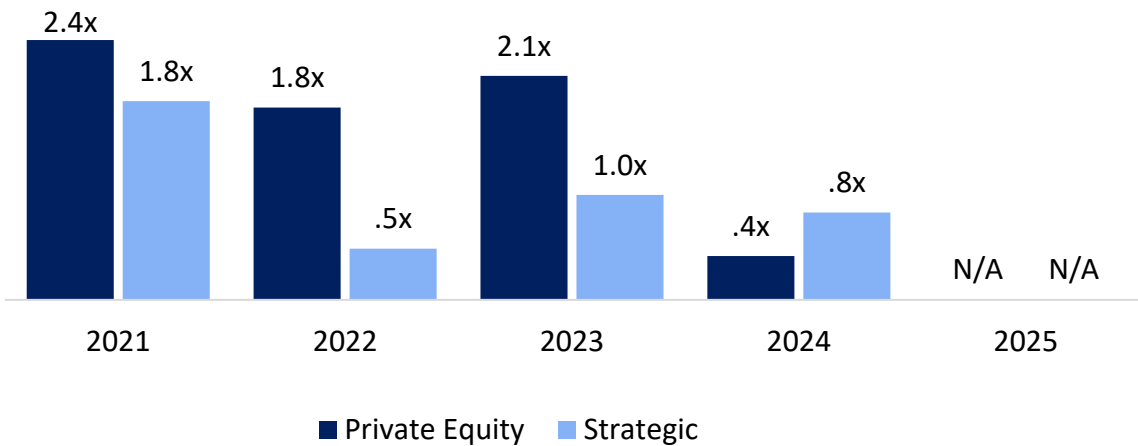


No EV/EBITDA or EV/Revenue multiples were reported during Q1.

Reported EV/EBITDA Multiples



Reported EV/Revenue Multiples



Active Strategic Investors








Investor	2025 Industrial Services Investments	Select Targets
	1	
	1	
	1	

Active Private Equity Investors

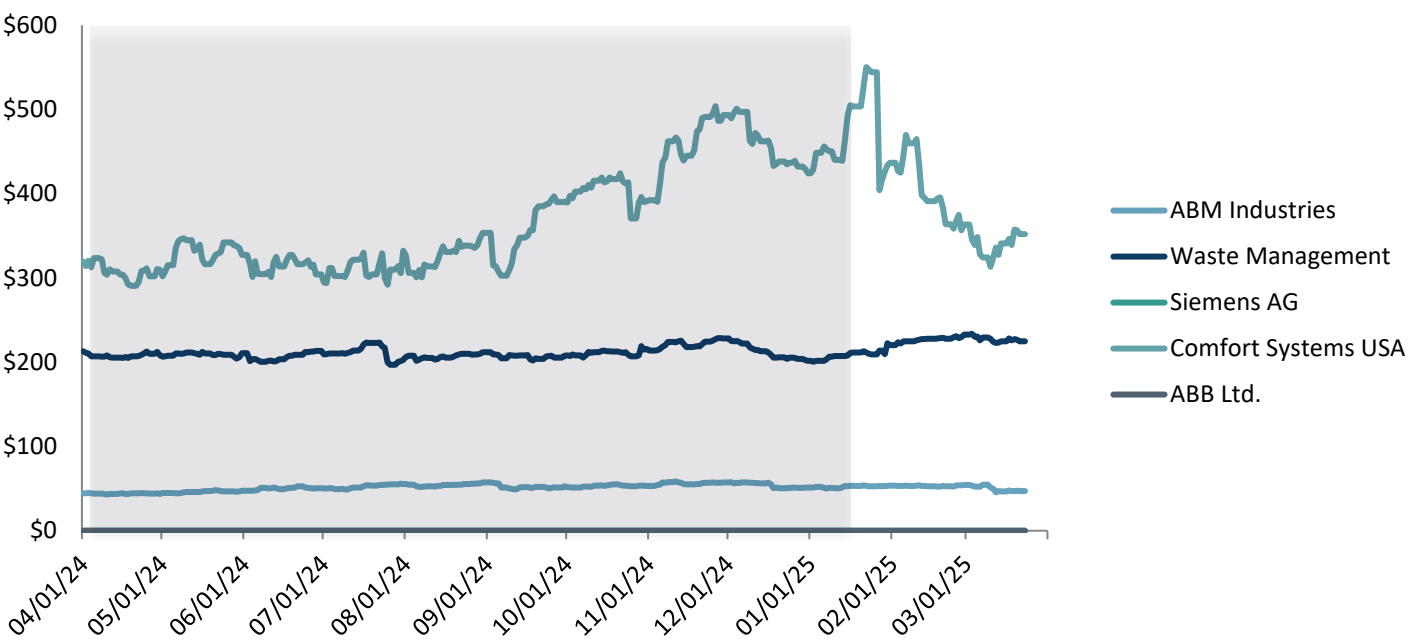
Investor	2025 Industrial Services Investments	Select Targets
Blackstone	3	   A Salas O'Brien Company
	3	  
IK Partners	3	  

Largest Deals (Disclosed)

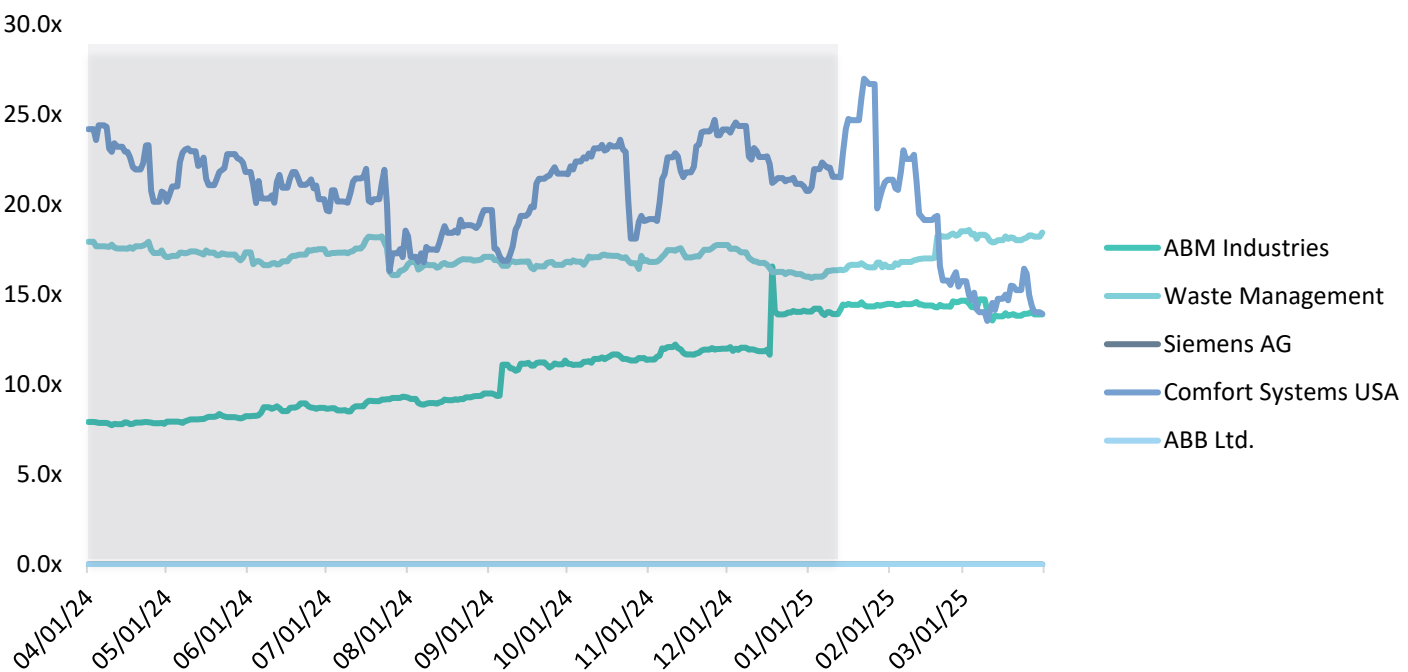
Deal Date	Company Name	Investor	Deal Type	Deal Size (\$mm)	EV		Target Business Description
					Revenue	EBITDA	
21-Mar-2025	Nauyaan Tradings	Reliance Industries	Merger/ Acquisition				Provider of office administration and management services based in Anjar, India.
19-Mar-2025	Contract Resources	Cleanaway Waste Management	Merger/ Acquisition	377.0			Provider of specialized industrial services intended for solar, wind, hydro and hydrogen industries.
17-Mar-2025	3 Phase Rentals	Houston Tents & Events	Merger/ Acquisition				Provider of portable power and HVAC services catering to the entertainment industry.
03-Mar-2025	ACCESS Newswire Compliance Division	CFT Capital Partners, Equiniti Group Flexstone Partners	Buyout/ LBO				Provider of regulatory oversight services intended to serve in Raleigh, North Carolina.
01-Mar-2025	Adrenaline	Evolem, Nord Access	Buyout/ LBO				Provider of an industrial and building maintenance service.
10-Feb-2025	Suisse Technology Partners	Battery Ventures, Goodfellow Cambridge	Buyout/ LBO	7.4			Provider of analysis services in materials and surface technology for industrial customers
05-Feb-2025	Qualterra	Undisclosed Investor	PE Growth/ Expansion	16.6			Provider of sustainable agriculture technologies services intended to integrate environmental and economic impacts.
05-Feb-2025	Abbot Fire Group	Ansor	Buyout/ LBO				Provider of comprehensive fire safety services for businesses and organizations.
03-Feb-2025	Advanced Bridge Inspections	Infrasense	Merger/ Acquisition				Provider of bridge inspection services based in American Fork, Utah.
31-Jan-2025	Encore Fire Protection	Permira	Buyout/ LBO	1,800.0			Provider of fire protection services intended to save lives and protect property.
31-Jan-2025	AI Fire	Blackstone	Buyout/ LBO	1,100.0			Provider of fire and life safety services.
30-Jan-2025	Strucinspect	Franchetti	Merger/ Acquisition	1.9			Provider of artificial intelligence-assisted structural inspection services based in Vienna, Austria.
28-Jan-2025	Alltranstek	Bourque Logistics	Buyout/ LBO				Provider of rail transport management and consulting services to the rail sector.
20-Jan-2025	Drone Sports	Undisclosed Investor	Corporate	0.6			Provider of drone-related services based in Minoh City, Japan.
15-Jan-2025	A1 Sprinkler & Systems Integration	Abu Dhabi Investment Authority, Altas Partner	Buyout/ LBO				Provider of fire protection and security services intended to provide full scope of protection and life safety systems.
06-Jan-2025	Bureau Veritas	Merieux Nutrisciences	Buyout/ LBO	375.8			Provider of testing services intended for the food industry.
Mean				459.9	N/A	N/A	
Median				196.2	N/A	N/A	
High				1,800.0	N/A	N/A	
Low				0.6	N/A	N/A	

Target	Investor	Driver	Deal Synopsis
		Buyout/ LBO	Encore Fire Protection, a Rhode Island-based provider of fire protection services, was acquired by Permira for \$1.8 billion in January 2025. Permira, a \$89.3 billion AUM private equity firm based in the UK, has an investment thesis in the essential services sector, offering predictable, recurring revenue from mandated fire safety inspections, maintenance, and installations.
	Blackstone	Buyout/ LBO	AI Fire, a California-based provider of fire and life safety services, was acquired by Blackstone for \$1.1 billion in January 2025. The acquisition provides Blackstone with an opportunity to leverage AI Fire's established national presence to drive operational efficiencies, expand market reach, and enhance service capabilities.
		Merger/ Acquisition	Contract Resources, an Australian-based provider of specialized industrial services for solar, wind, hydro and hydrogen industries, was acquired by Cleanaway Waste Management for \$377 million in March 2025. The acquisition will accelerate Cleanaway's Decommissioning, Decontamination, and Remediation (DD&R) growth strategy and create a leading specialist provider of integrated technical services to oil & gas, resources, and industrial customers.
		Buyout/ LBO	Suisse Technology Partners, a Swiss-based provider of materials and surface technology testing and analytical services, was acquired by Goodfellow Cambridge for \$7.4 million in February 2025. The acquisition will allow Goodfellow to gain access to advanced laboratories, testing facilities, and expertise in surface technology, enhancing its ability to serve research and industry. This strategic move positions Goodfellow as a more comprehensive partner by bridging the gap between material supply and application testing.

Stock Price



EV/EBITDA



In Q1, the S&P 500 Industrial Services Index decreased by 1.4%, but outperformed a 4.4% decrease in the S&P 500 over the same period.



The Industrial Services sector plays a crucial role in supporting core industrial operations through maintenance, repair, inspection, and specialty services. This sector benefits from recurring demand, particularly in areas like fire and life safety, environmental services, and facility management, which are essential for compliance and operational continuity. While generally less exposed to economic cycles than manufacturing, some segments can experience moderate cyclicality based on capital spending trends.

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 Industrial Services sector:

Engineering and Infrastructure Innovations



How advanced solutions are transforming engineering services and infrastructure management

The engineering services industry is leveraging new technologies that streamline project design, enhance infrastructure resilience, and improve service delivery. Innovations such as modular engineering, off-site fabrication, and digital twin technologies are helping firms reduce costs, improve quality, and accelerate timelines. As operational pressures and material costs increase, more companies are adopting these solutions to meet the demand for efficient, sustainable infrastructure development.

Skilled Labor Shortage



Addressing labor challenges with AI-driven solutions and workforce development

The broader services sector including engineering, facilities management, and utilities is experiencing a skilled labor shortage, with hundreds of thousands of openings anticipated over the next year. Growing demand for technical, digital, and engineering skillsets is widening the gap. To address this, firms are investing in AI automation, expanding career development initiatives, and strengthening partnerships with educational institutions to build a sustainable, future-ready workforce.

Strategic Sector Growth



Driving value through strategic investments and operational enhancements

Companies in the Industrial services sector are pursuing strategic divestitures, capital optimization, and targeted investments to foster growth. Larger organizations are streamlining portfolios, focusing on reimbursable contracts, and improving cash flow, while mid-sized firms are attracting private equity interest and scaling operations. M&A activity remains strong, with investments in renewable energy services, smart infrastructure technologies, and operational efficiency enhancements leading the way.

Technology Advancements



Affordable innovation in fire safety technology

Access to new technologies is becoming more affordable, enabling organizations with limited budgets to acquire advanced software and tools. From drones to thermal imaging to wireless connectivity, teams now benefit from innovations that make emergency response easier, more efficient, and safer.



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 Industrials Services, Packaging, Business Services, Transportation & Logistics, 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



**Industrials
Services**



Healthcare



**Plastics &
Packaging**



**Food &
Consumer**



T&L



**Tech-Enabled
Services**



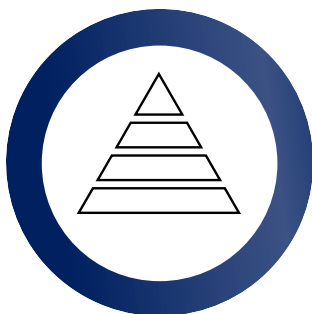
Sell-Side Advisory: Sell your business

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.



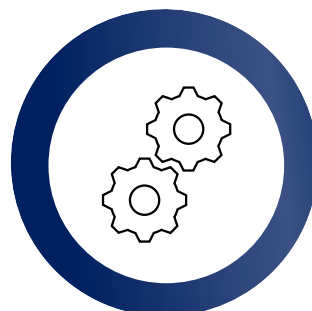
Buy-Side Advisory: Buy a business

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 Industrial 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.



have been acquired by



a portfolio company of



The Seller: Based in St. Louis, Missouri and Hong Kong with additional warehouse locations in California and Virginia, Team Three is a leading global distributor of paper, packaging and disposable plastic products to the foodservice industry. Co-founded by Bob Hubbard and Roy Van in 2009 to create a global platform for companies seeking to expand their sourcing options, Team Three has organically grown revenue and income every year since inception and was awarded a global sourcing role with one of the largest foodservice distributors in the U.S.

The Buyer: Headquartered in Exton, PA, AmerCareRoyal ("ACR") is a single stream resource for over 6,000 disposable products used in the foodservice, janitorial, sanitation, industrial, hospitality and medical industries. With multiple shipping points across North America, ACR's family of companies service national level customers with outstanding customer service and an ever-growing product line.

Transaction Rationale: With the acquisition of Team Three, ACR's revenue now exceeds the billion-dollar mark, and positions them as a leader in their market while also creating a better value proposition for customers.

Selected Transactions

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



has sold substantially all
of its assets to



has sold substantially all
of its assets to



has been acquired by



inventive-group

has been recapitalized
by



has sold substantially all
of its assets to



has been acquired by





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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
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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.



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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
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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.



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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.



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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.



Trusted Advisors. Tenacious Advocates.

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