

BUSINESS SERVICES
& INDUSTRIALS

M&A UPDATE
Q2 2024





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GLC's Business Services and Industrials Team exclusively works with founders and entrepreneurs of middle-market companies. Our team excels at transitioning business ownership, addressing capital needs, and executing strategic M&A strategies. We are passionate about the people we advise and take a long-term perspective for each client's business. Our team has worked with many business services and industrial companies to evaluate strategic options and has a track record of closing the vast majority of our engaged transactions.





















Business Services

- Architecture & Engineering
- BPO Services
- Construction Services
- Environmental / Facility Services
- Human Capital Management
- Testing, Inspection, Certification
- Training & Education
- Professional Services

Industrials

- Aerospace and Defense
- Automotive
- Building Materials / Products
- Capital Goods
- Chemicals
- Distribution
- Manufacturing
- Transportation

Recent Transactions

 Acquired By Dardanelle Timber Advisor to Sutherlands	 Acquired By  Advisor to Champion Auto Carriers	 Acquired By  Advisor to Octopi Brewing	 Acquired By  A portfolio company of SHOREVIEW Advisor to Augustus Aerospace Company
 Recapitalized By  Advisor to Next Step Energy Solutions	 Recapitalized By  Advisor to Race Technologies	 Acquired By ROADHOUSE BREWING CO. Advisor to Melvin Brewing	 Acquired By  A portfolio company of EUREKA Advisor to Verus Global
 Acquired By Alogent Battery Advisor to AccuSystems	 Acquired By GLADSTONE INVESTMENT Merged with  Advisor to Dema Plumbing	 Recapitalization & Growth Capital STELLUS CAPITAL MANAGEMENT Advisor to Elmdale Partners	 Acquired a Stake in  Advisor to All Pro Capital

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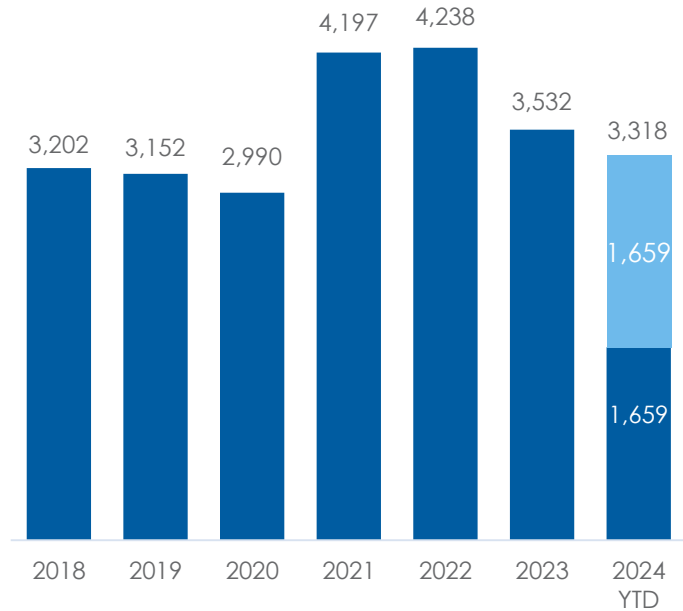
BUSINESS SERVICES

M&A UPDATE

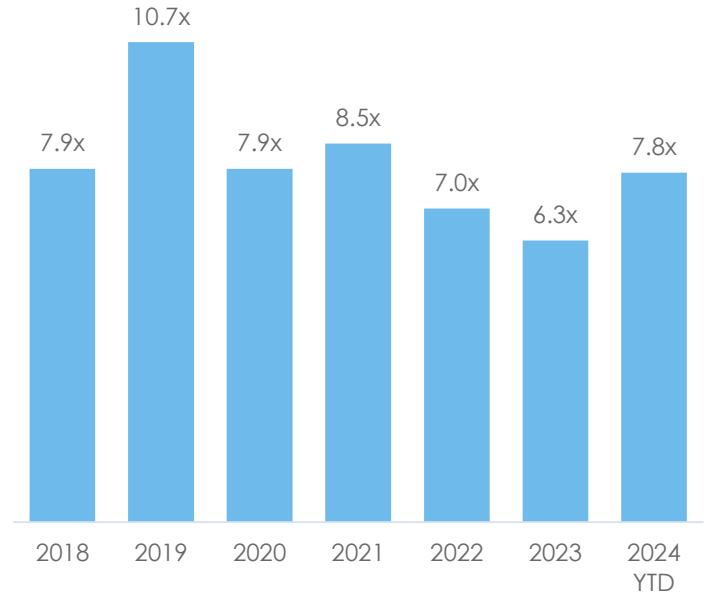
Q2
2024

Transaction Volume

■ 2H Annualized

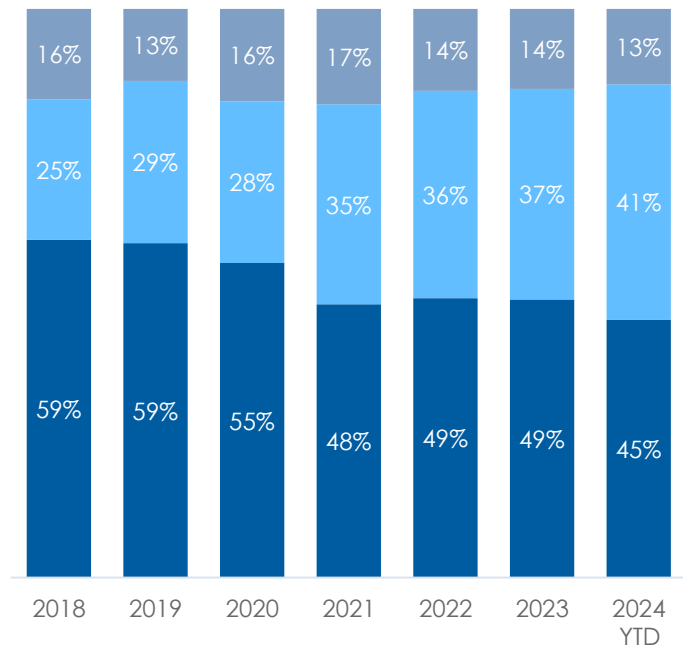


Median EBITDA Multiple



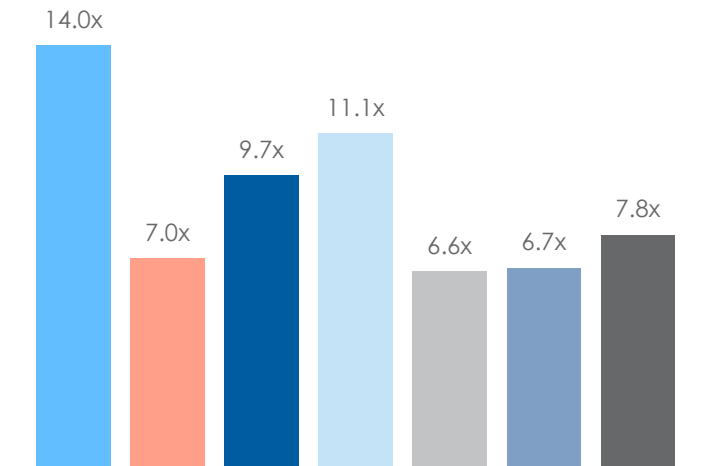
Buyer Type (% of Volume)

■ Strategic ■ PE Add-on ■ PE Platform



Median EBITDA Multiple By Subsector (1)

■ BPO ■ Construction & Engineering
 ■ Consulting & Professional Services ■ Environmental Services
 ■ Logistics ■ Marketing Services
 ■ Other Commercial Services



Source: Capital IQ, PitchBook
 Note: Data as of 6/30/2024
 Note: Excludes multiples <2.0x and >20.0x
 (1) Since 2021



Acquired By



Commercial Services

Landscaping

May 2024 – Verde Property Services, the operating arm of San Diego-based Verde Equity Partners, acquired Labahn's Landscaping (\$21M in revenue) to expand its comprehensive commercial landscaping solutions.

Labahn's Landscaping is a commercial landscape and property maintenance serving Southern California. Labahn's Landscaping has been providing landscaping services to commercial clients for over 40 years.

The acquisition pushes Verde Property Services into the Top 100 landscape maintenance companies in the U.S., furthering its mission to provide end-to-end commercial landscaping solutions throughout Southern California and beyond.

Deal Value **EV/EBITDA**
\$16M 7.8x

Consulting and Professional Services

Human Capital and Staffing Services

May 2024 – Vienna Parent Corporation, a special purpose entity formed by Justin Christian (founder of BCforward a global workforce fulfillment firm) acquired TSR Inc (\$88M in revenue), a leading staffing company focused on recruiting professionals for short- and long-term assignments, permanent placements, and project work in the banking, asset management, pharmaceuticals, insurance, health care, public utility, and publishing industries.

TSR Inc is a publicly traded company on the NASDAQ (TSRI) with the purchase price representing a 74% premium to TSR's most recent closing price.



Acquired By

Vienna Parent Corporation

Deal Value **EV/EBITDA**
\$29M 10.2x



Acquired By



Environmental Services

Sand Service and Logistics

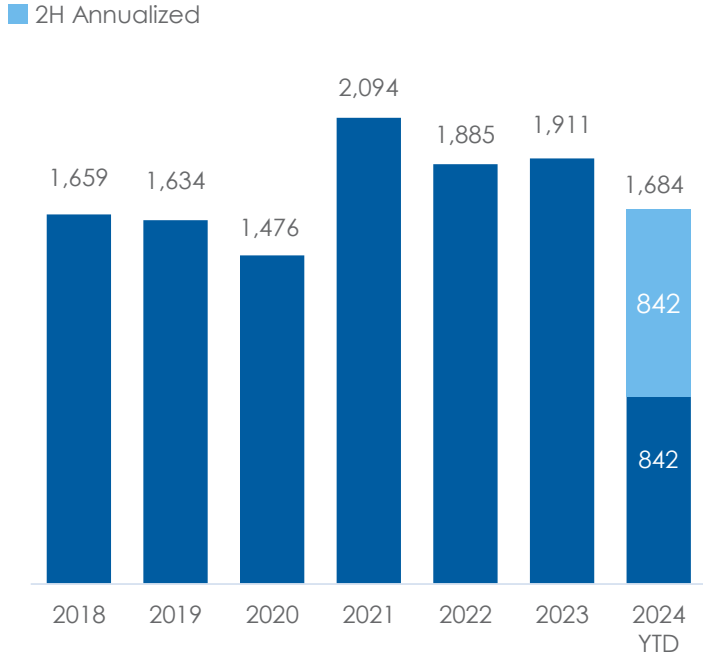
June 2024 – ProPetro Holding Corp. (NYSE: PUMP), provider of premium integrated completion services to leading upstream oil and gas companies, acquired AquaProp – leading provider of wet sand and environmental solutions to the hydraulic fracturing industry.

The deal structure includes cash consideration, future earnout incentives, and potential growth capex considerations tailored to support and align with AquaProp and ProPetro growth targets and objectives, a construct designed to maximize value creation for ProPetro shareholders.

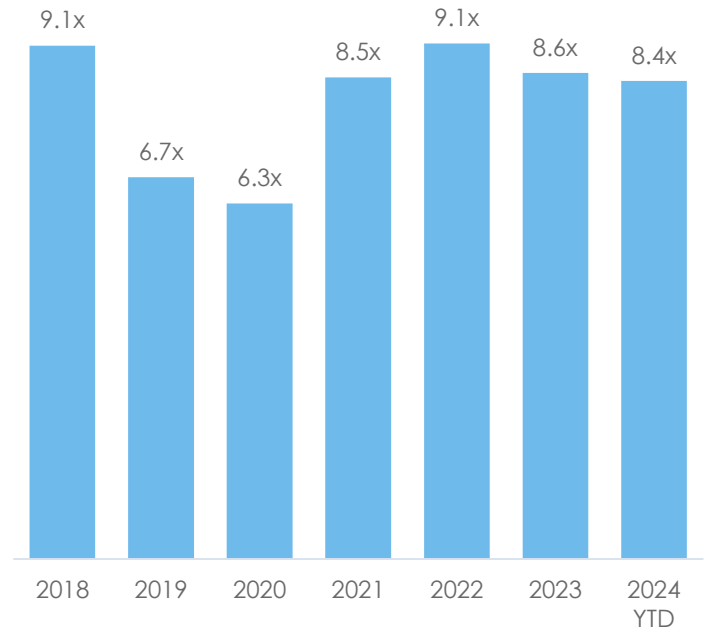
Deal Value **EV/EBITDA**
\$36M NA

Source: Capital IQ, PitchBook

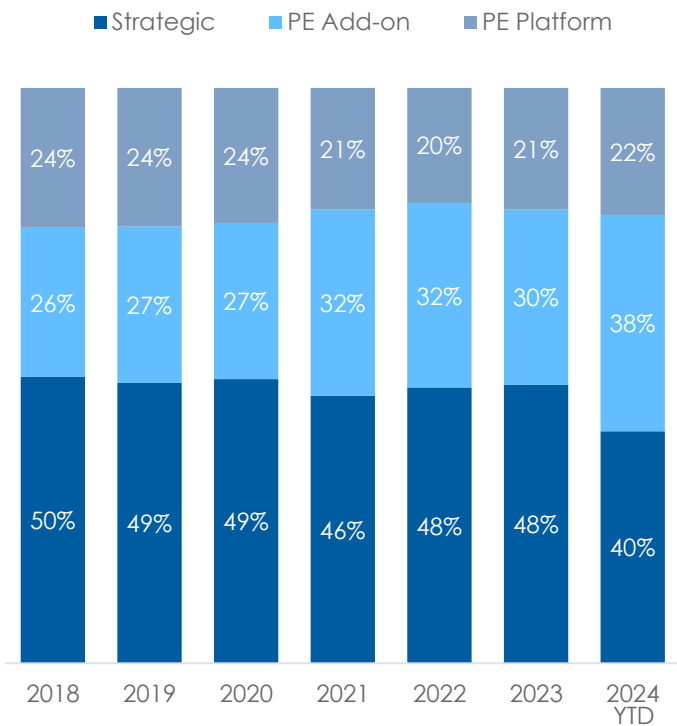
Transaction Volume



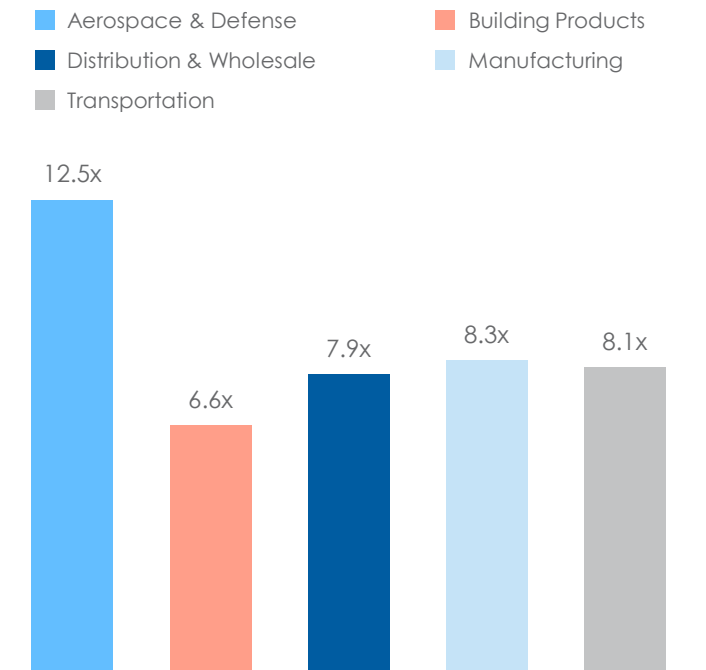
Median EBITDA Multiple



Buyer Type (% of Volume)



Median EBITDA Multiple By Subsector (1)



INDUSTRIALS

SELECT TRANSACTIONS

Q2
2024

Inradoptics

Acquired By



Deal Value **EV/EBITDA**
\$19M 8.1x

Manufacturing

Photonics Technologies

July – 2024 Luxium Solutions, a private equity backed (SK Capital and Edgewater Capital Partners) technology leader in crystal scintillation materials for radiation detection applications acquires Inrad Optics (OTCMKTS: INRD), an integrated manufacturer specializing in glass, crystal, and metal based optical components and assemblies.

Under the new ownership, Inrad Optics will accelerate investments in technologies that are vital to development of next generation bent X-ray crystal monochromators for spectroscopy and plasma fusion applications, and large-format, ultra-high precision optical components and assemblies.

Building Products

Millwork

April 2024 – LSI Industries (NASDAQ: LYTS), a leading U.S. based manufacturer of commercial lighting and display solutions acquires EMI Industries, a metal and millwork manufacturer of standard and customized fixtures, displays, and equipment for the retail food industries – in an all-cash purchase price of \$50M.

The combination represents a major step forward in EMI's ability to serve a growing portfolio of national retail chains that value an integrated, solutions-based approach, which emphasizes quality, reliability, and deep technical expertise.



Acquired By



Deal Value **EV/EBITDA**
\$50M 9.1x

Building Products

Timber Products



Acquired By



Deal Value **EV/EBITDA**
\$23M 4.2x

May 2024 – Star Equity Holdings (NASDAQ: STRR; STRRP), a publicly traded diversified holding company acquires Timber Technologies, LLC, a Wisconsin-based engineered wood products manufacturer.

Timber Technologies manufactures glue-laminated timber products for various end markets and applications, including agriculture, industrial, infrastructure, and building construction.

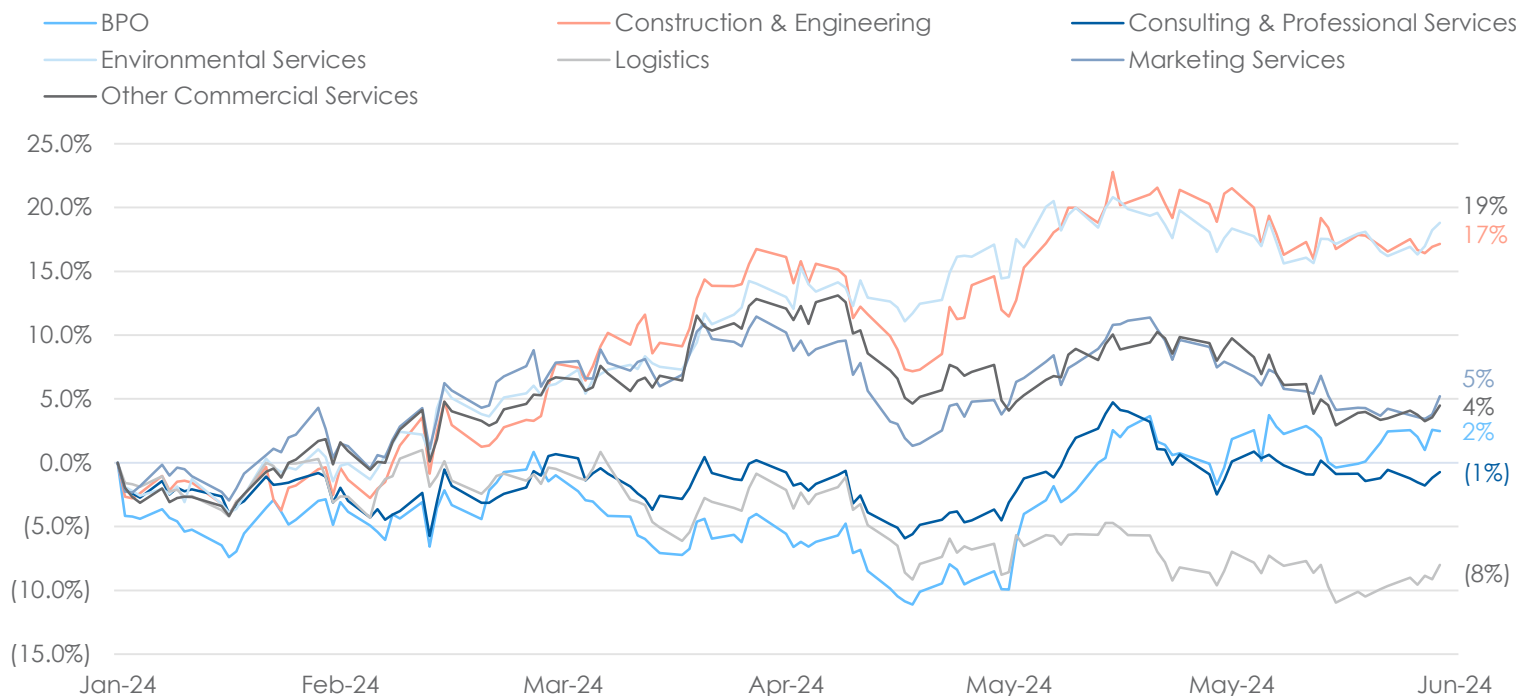
The acquisition marks a significant step forward in Star's expansion strategy to diversify Star's Building Solutions division end markets beyond multi-family and residential construction, with Timber Technologies strategic location allowing for collaboration with Star's existing Midwest area businesses.

Source: Capital IQ, PitchBook

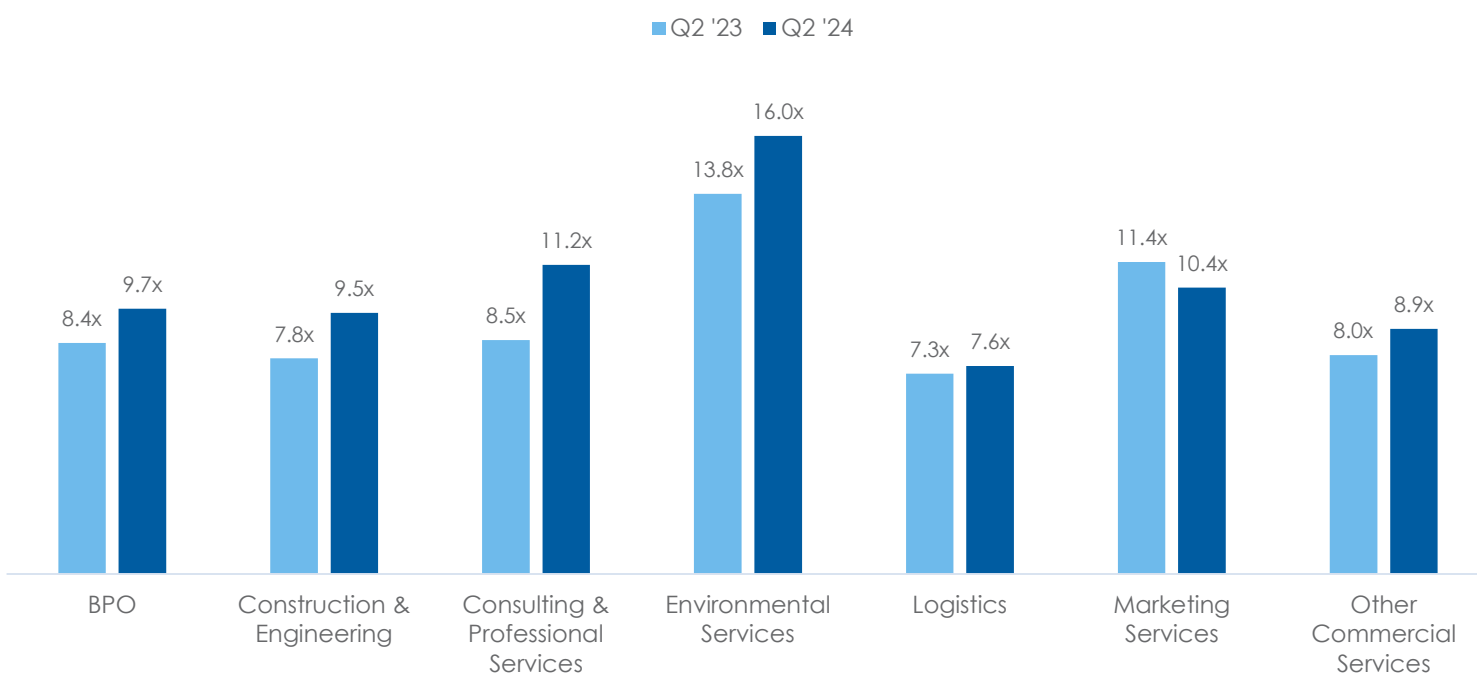
BUSINESS SERVICES PUBLIC MARKETS UPDATE

Q2
2024

Business Services Public Indices



Median EBITDA Multiples by Business Services Subsector

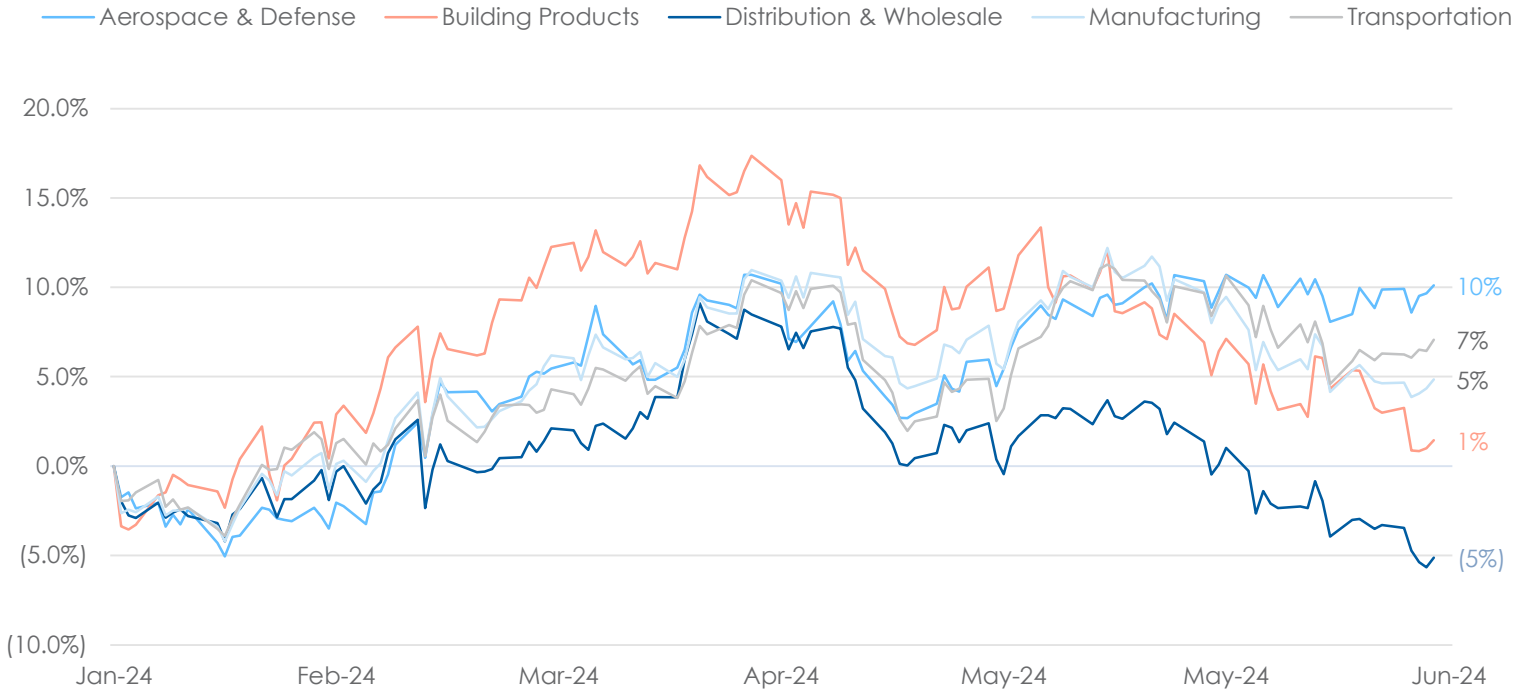


Source: Capital IQ, PitchBook
 Note: Data as of 6/30/2024
 Public companies in respective industries listed in US with Market Cap >\$100m
 Excluding companies with EBITDA multiples <2x and >20x

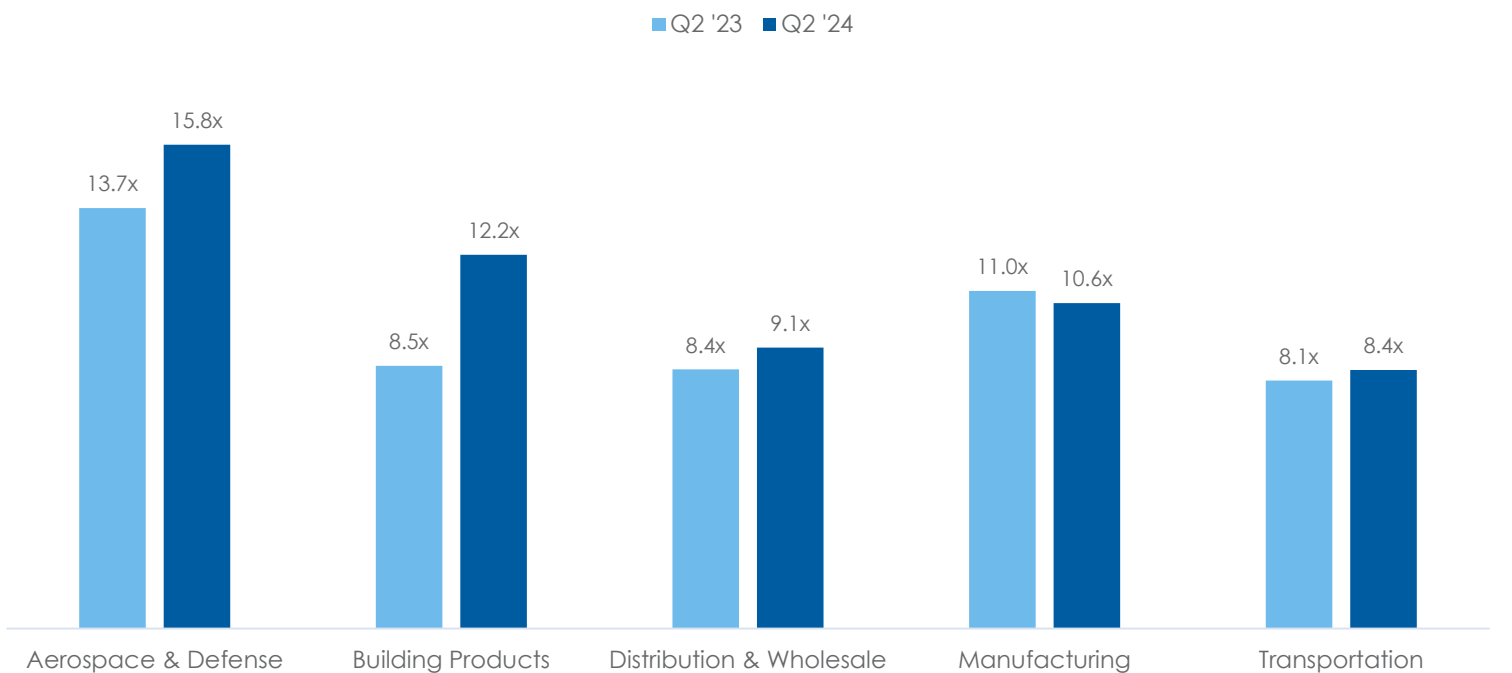
INDUSTRIALS PUBLIC MARKETS UPDATE

Q2
2024

Industrials Public Indices



Median EBITDA Multiples by Industrials Subsector



Source: Capital IQ, PitchBook
 Note: Data as of 6/30/2024
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