



Residential Services Market M&A Update

KPMG Corporate Finance LLC
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www.kpmgcorporatefinance.com

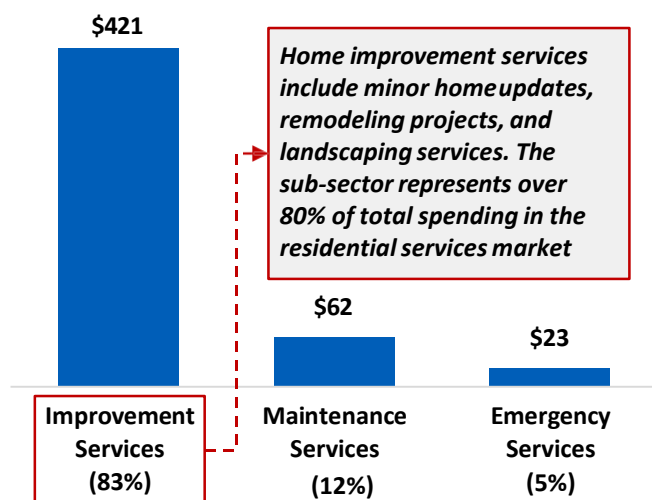
Residential services market M&A update

Residential Services Remain an Attractive Sector for Financial Sponsors

- ✓ Favorable, long-term demographic trends support growth and drive demand
 - Growing home ownership and increased discretionary income
 - Aging population as more baby-boomers reach retirement age
- ✓ Industry revenue and demand remain strong through the COVID-19 global pandemic
 - Increased demand for essential services such as pest control and landscaping
 - Consumers are spending more time at home and are more conscious of services available for their homes
- ✓ Recurring revenue model through contractual or subscription-based service offerings
- ✓ Younger homeowners are more willing to use 3rd party service providers
- ✓ Fragmented sub and micro-sectors are favorable for increased consolidation
- ✓ Attractive and growing market with significant white space

The Residential Services Industry Is a \$506B Market Poised for Significant Growth⁽¹⁾

(\$ in billions)



Recent sector M&A activity

Date	Target	Acquiror
Nov-20	STOP Franchising	Authority Brands
Oct-20	Randy's Sanitation	Republic Services
Oct-20	Magellan Insulation	Installed Building Products
Oct-20	Aztec Solar	Sigora International
Oct-20	Collins Comfort Masters	Wrench Group
Oct-20	Garland Insulating	TruTeam
Oct-20	ServiceMaster	Roark Capital Group
Sep-20	Schill Grounds Management	Landscape Partners, L.P
Sep-20	Monster Tree Service	Authority Brands
Sep-20	Traemand	INGKA
Sep-20	Paradise	Titan Home Improvements
Sep-20	Reynolds Restoration Services	Anthony Worrall
Sep-20	Hutchinson Plumbing Heating Cooling	Horizon Services
Aug-20	WCA	GFL
Aug-20	Superior Sanitation Service, Inc.	Capital Waste Services
Aug-20	JC Roofing & Outters	Restoration Builders
Aug-20	FieDEX Pittsburgh	Blackmon Mooring/AEA
Aug-20	Storm Master Gutters	IBP
Aug-20	Right Choice Installation	SRI
Jul-20	BASS	NearU
Jul-20	Charles George	Wheelabrator/Macquarie
Jul-20	Rolyn	First Service

⁽¹⁾ HomeAdvisor Home Service Market Report 2020

KPMG Corporate Finance LLC has a strong track of partnering with clients over the long term

Ned Stevens



Ned Stevens Overview

- Ned Stevens is the leading provider of year-round, full-service gutter cleaning, maintenance, installation and repair services to 85,000 residential customers in 15 states
- A number of unique attributes contributed to a compelling investment thesis for Ned Stevens
 - ✓ Provider of essential, in-demand service offerings
 - ✓ Noncyclical, recurring revenue model
 - ✓ High customer retention
 - ✓ Highly fragmented industry with significant whitespace
 - ✓ Asset light profile



KPMG CF's Role

- The transaction underscores KPMG CF's long track record of advising clients on multiple acquisitions and its commitment to advising leading residential services companies and investors
- In 2016, KPMG CF's Business Services team first advised the shareholders of Ned Stevens on their sale to Incline Equity. At the time, Ned Stevens had operated for over 50 years under the same family ownership
- The acquisition by AVALT, a family office, positions Ned Stevens to continue to enhance its leading market position by growing through geographic expansion and the addition of ancillary service offerings

Authority Brands



Authority Brands Overview





































- At the time of Apax's acquisition of Authority Brands the Company was the parent to two home service franchise concepts, the Cleaning Authority, a provider of residential cleaning services to 100,000+ customers, and Homewatch Care Givers, which delivers in-home care services
- Under Apax's ownership, Authority Brands has continued to build its brand portfolio by acquiring a number of additional franchise concepts, including STOP Restoration, Monster Tree Service, America's Swimming Pool Company, Benjamin Franklin Plumbing, Mister Sparky, Mosquito Squad, and One Hour Heating and Air Conditioning
- Key business attributes that made Authority Brands a highly attractive investment opportunity included:
 - ✓ Highly diversified franchisee base
 - ✓ Dedicated focus on franchisee development
 - ✓ High degree of recurring revenue through contractual royalties and fees



KPMG CF's Role

- KPMG CF leveraged its deep residential services industry expertise and strong buyer relationships to run a controlled process to maximize shareholder value
- KPMG CF worked closely with the shareholders throughout the process to provide advisory expertise, due diligence services, and negotiated key terms of the successful sale to Apax Partners

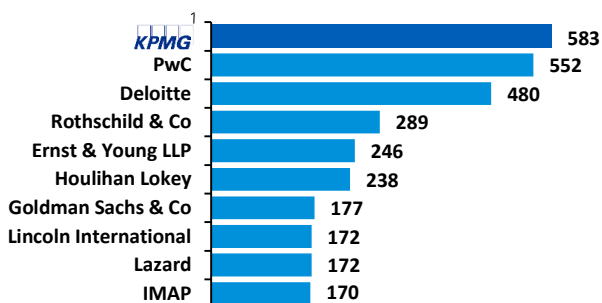
KPMG Corporate Finance's⁽¹⁾ Residential Services M&A Transactions

  <p>has been acquired by</p>  <p>Corporate Finance</p>	  <p>has been acquired by</p>  <p>Corporate Finance</p>	  <p>has been acquired by</p>  <p>Corporate Finance</p>	  <p>has been acquired by</p>  <p>Corporate Finance</p>	  <p>has divested its Landscape Services Division to</p>  <p>Corporate Finance</p>	  <p>acted as financial advisor to Electrolux AB in the disposal of Baring Industries, a division of Electrolux Professional, Inc. to J.F. Duncan Industries, Inc. (Duray, Inc.)</p> <p>Corporate Finance</p>
  <p>has divested its Line Clearance Division and Utility Tree Service, Inc. to</p>  <p>Corporate Finance</p>	  <p>has been acquired by</p>  <p>Corporate Finance</p>	  <p>has been acquired by</p>   <p>Corporate Finance</p>	  <p>has been acquired by</p>  <p>Corporate Finance</p>	  <p>has been acquired by</p>  <p>Corporate Finance</p>	  <p>has been acquired by</p>  <p>Corporate Finance</p>

Leading Middle Market M&A Advisor

Recent Awards*

Number of Completed Transactions Globally – FY 2019



KPMG Corporate Finance LLC U.S. Business Services team



STEPHEN W. GUY
Managing Director & Group Head
 Baltimore, MD
 T: 410.949.8909
 C: 410.409.4159
 E: sguy@kpmg.com



W. CHRISTOPHER WEBER
Director
 Baltimore, MD
 T: 410.949.2849
 C: 202.256.0079
 E: wchristopherweber@kpmg.com



DAVID W. LAZAREK
Vice President
 Baltimore, MD
 T: 410.949.2747
 C: 301.980.1284
 E: dlazarek@kpmg.com

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