



## **Q3 2023 Business Services Update**

October 2023

# LAKESIDE'S BUSINESS SERVICES PRACTICE

## Differentiated transaction experience across multiple business services subsectors

### MEET OUR BUSINESS SERVICES TEAM



**Josh Garner**  
Managing Director



**Chase Wichelmann**  
Vice President



**Jacob Atkinson**  
Associate

- Our experience advising business services companies is unmatched by firms of our size who serve the lower middle market
- We have executed dozens of business service transactions across various subsegments, geographies, and sizes
- We maintain regular dialogue with acquirers of business services companies, including corporate buyers, private equity firms, and family offices

### SELECT BUSINESS SERVICES EXPERIENCE

- |                       |                            |
|-----------------------|----------------------------|
| Marketing Services    | Remediation Services       |
| Education & Training  | Supply Chain Services      |
| Professional Services | Linen and Laundry Services |
| Janitorial Services   | IT Services                |

### REPRESENTATIVE BUSINESS SERVICES TRANSACTIONS

 has received an equity investment from 	 has been acquired by  portfolio company of 	 portfolio company of  has been acquired by 	 has been acquired by Concierge Building Services
 has been acquired by 	 portfolio company of  has been acquired by 	 has been acquired by 	 has been acquired by 
 has been acquired by 	 has been acquired by 	 has been acquired by 	 has been acquired by  portfolio company of 
 has been acquired by 	 has been acquired by 	 has been acquired by 	 has been acquired by 

Note: Select transactions completed by Lakeside team members while at prior firms

## INDUSTRY NEWS

### Lakeside is committed to keeping our finger on the pulse of the business services market

#### WORTHWHILE READS

The articles below are taken from various industry periodicals, websites, and blogs from around the web that highlight key themes in industrial products.

##### Digital Transformation as a Service is Poised to Drive Enterprise Growth

MIT

*“Technology has become the nervous system of the enterprise—connecting corporate strategy, finance, innovation, operations, and HR to ensure that all parts of the business are in alignment...Digital transformation as a service helps rebuild an organization from the ground up to make it more efficient and more flexible.”*

Read the article [here](#)

##### M&A Trends in the Business Services Sector

RSM

*“Buyers are seeking resilience, and subsectors like facilities management, cleaning, and security are attractive investments due to both their stability and potential for bolt-on acquisitions...At the same time, sellers are also often seeking to move up the value chain before engaging in M&A.”*

Read the article [here](#)

##### Where’s the Last Pocket of New Growth

Accenture

*“Driving growth is an exhaustive fight for market share across most consumer-focused industries. With the explosion of digital channels, companies are paying more to sell to the same customers.”*

Read the article [here](#)

##### The Future of the Logistics Industry

PWC

*“New entrants to the industry are finding ways to carve out the more lucrative elements of the value chain by exploiting digital technology or new ‘sharing’ business models, and they don’t have asset-heavy balance sheets or cumbersome existing systems weighing them down.”*

Read the article [here](#)

##### Consulting Services to see Rebound as Uncertainty Clears

Financial Times

*“Consultancy bosses say clients are postponing many big decisions amid the current uncertainties — but pent-up demand will begin to be released once the outlook clears.”*

Read the article [here](#)

#### RECENT NOTABLE TRANSACTIONS

The transactions highlighted below were high profile transactions completed in recent quarters.

PFSW

has been acquired by

GXO

PFSweb, Inc (NASDAQ: PFSW) is a global B2B commerce services company. The Company provides order management, customer care services, billing information management, and distribution services.

GXO Logistics (NYSE:GXO) is the world’s largest pure-play contract logistics provider. The Company manages outsourced supply chains and warehousing for clients across all industries.

ARx  
AuthorityRx

has been acquired by

SUNRx

AuthorityRx is a technology and pharmacy consulting firm. The Company offers 340B auditing and compliance services to help license retail pharmacies, accredit specialty pharmacies and design health plan solutions for providers.

SUNRx is a leading healthcare technology company providing 340B administrative services, split billing, invoice analysis, and referral / advanced claims capture.

MaxKelsen

has been acquired by

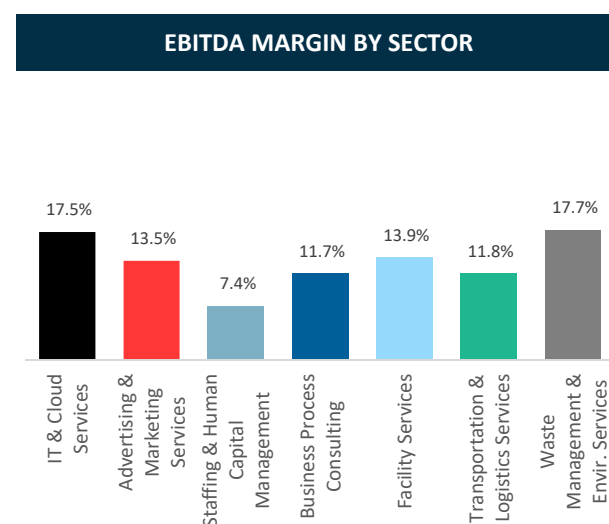
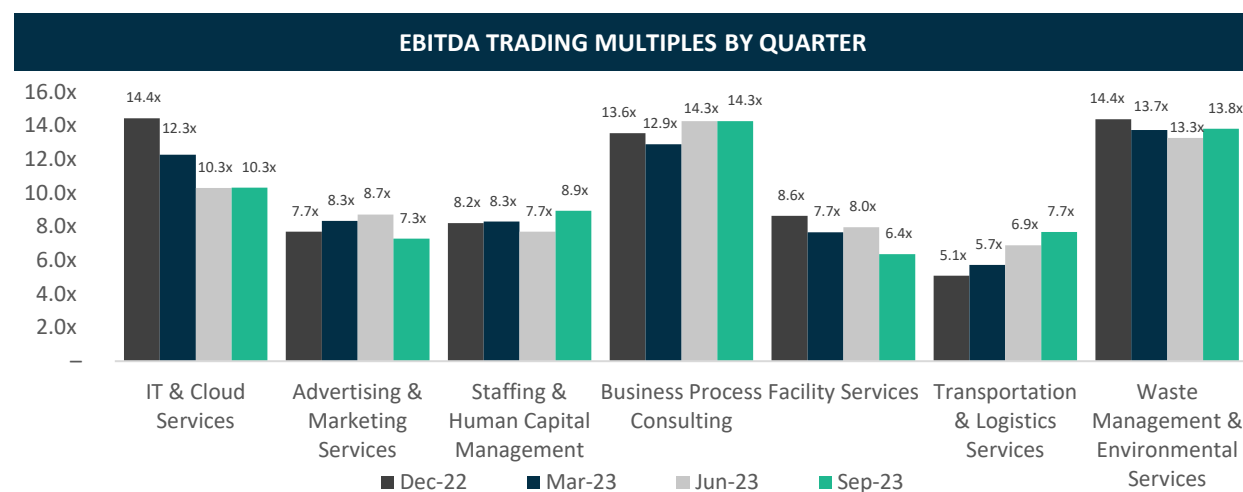
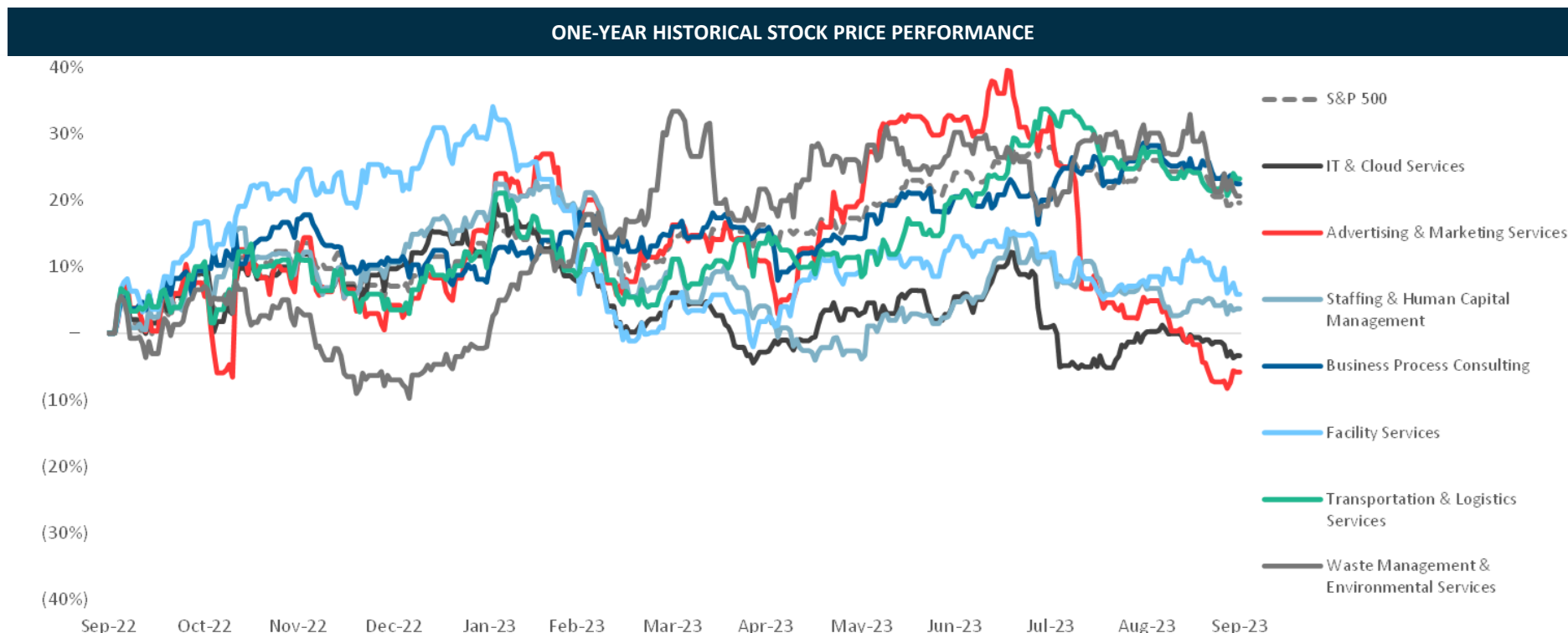
BAIN  
& COMPANY

MaxKelson is an analytics and software agency. The Company’s consulting and managed services division provides IT, artificial intelligence and machine learning solutions to a wide range of global clients.

Bain & Company is a leading management consulting firm, supporting companies with strategy, operations, technology, M&A integration, and private equity consulting

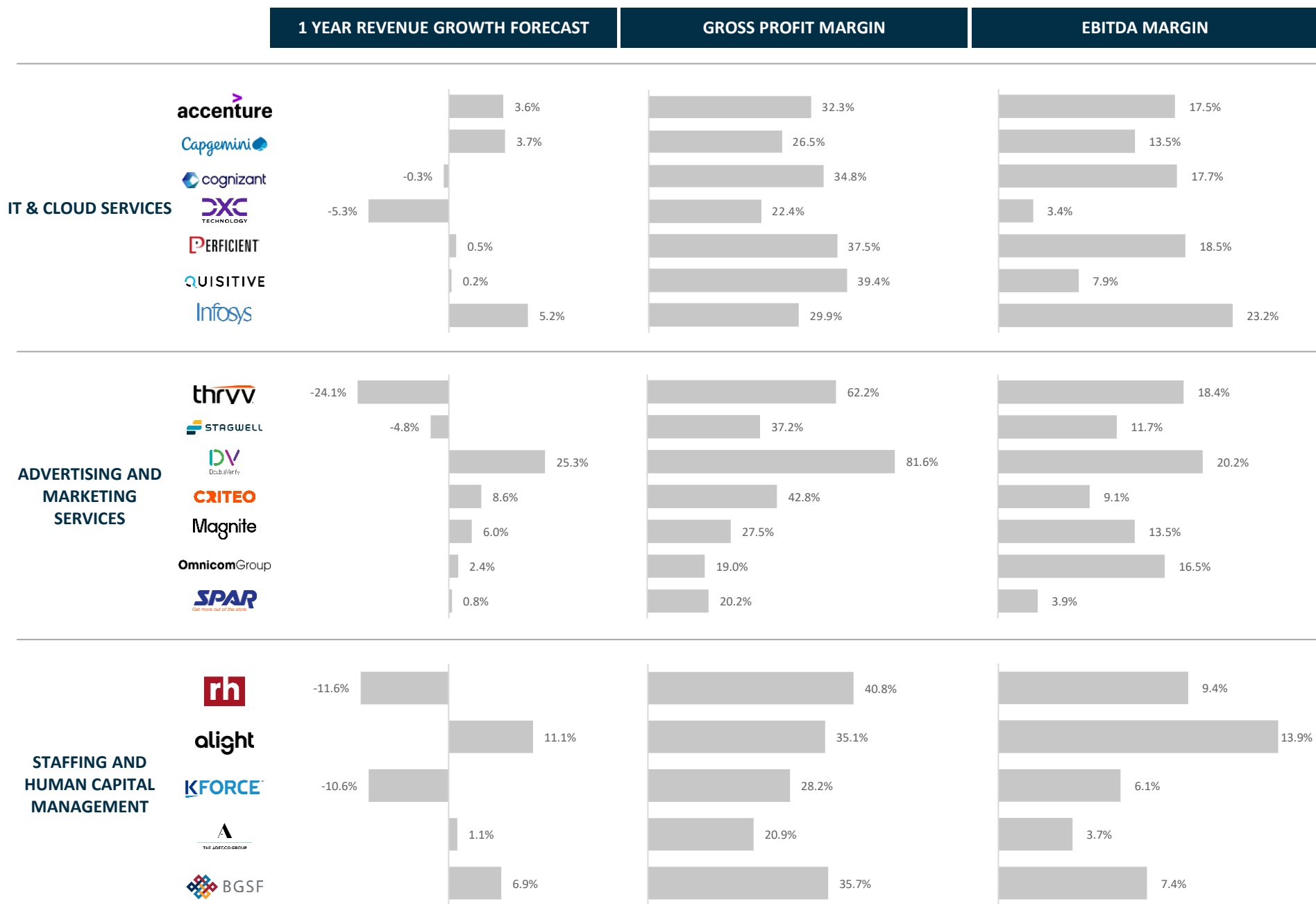
# BUSINESS SERVICES PUBLIC COMPANY PERFORMANCE

Below is a look at how publicly traded business services companies performed by sector

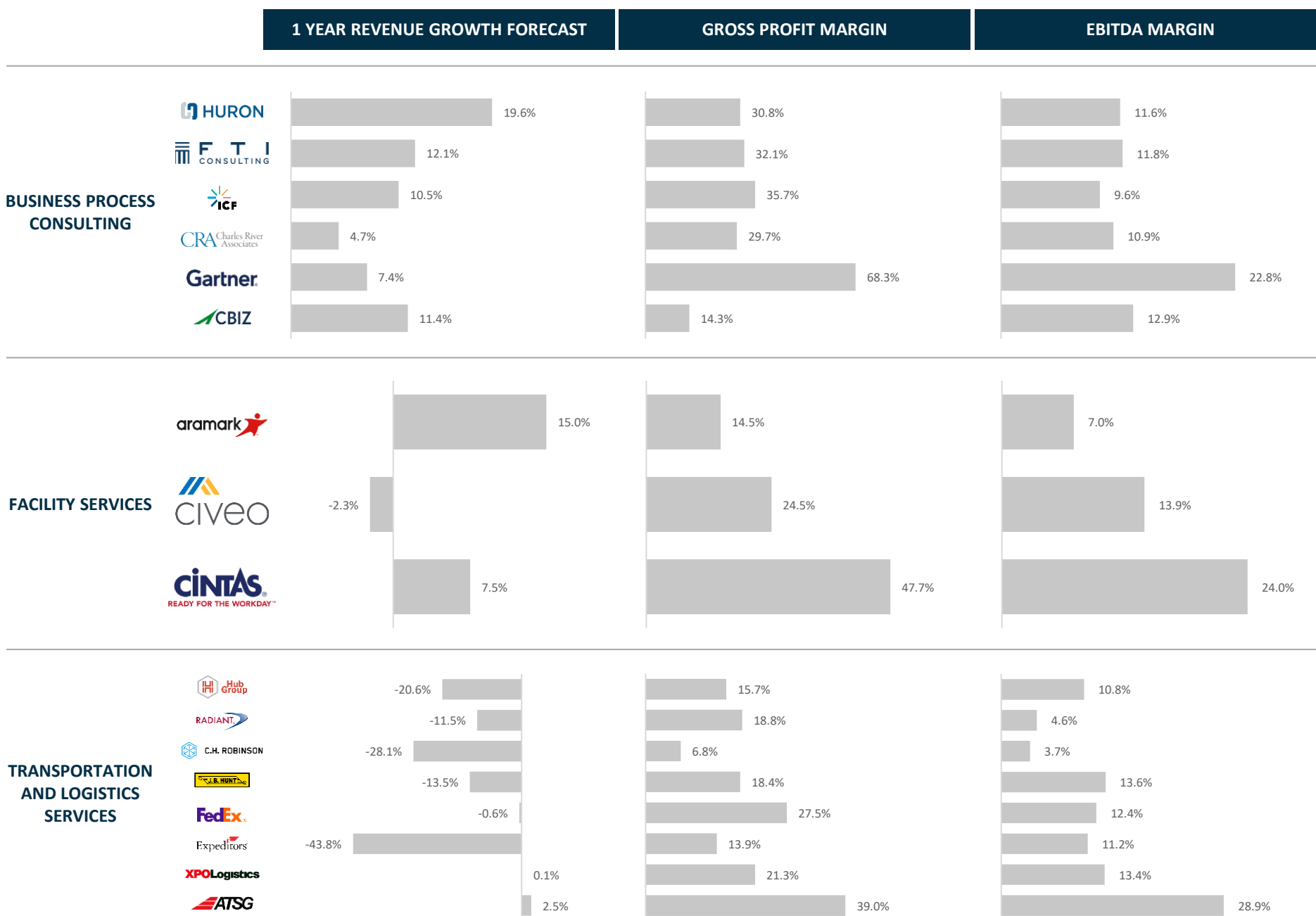


Source: Capital IQ, as of 9/30/23

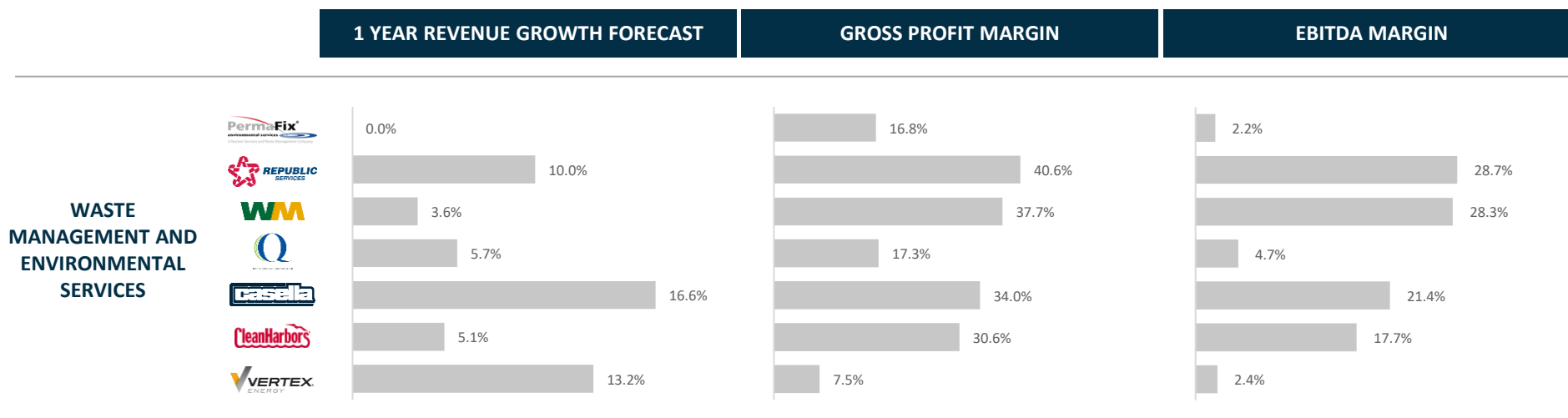
# BUSINESS SERVICES PUBLIC COMPANY BENCHMARKING BY SECTOR



## BUSINESS SERVICES PUBLIC COMPANY BENCHMARKING BY SECTOR (CONT'D)



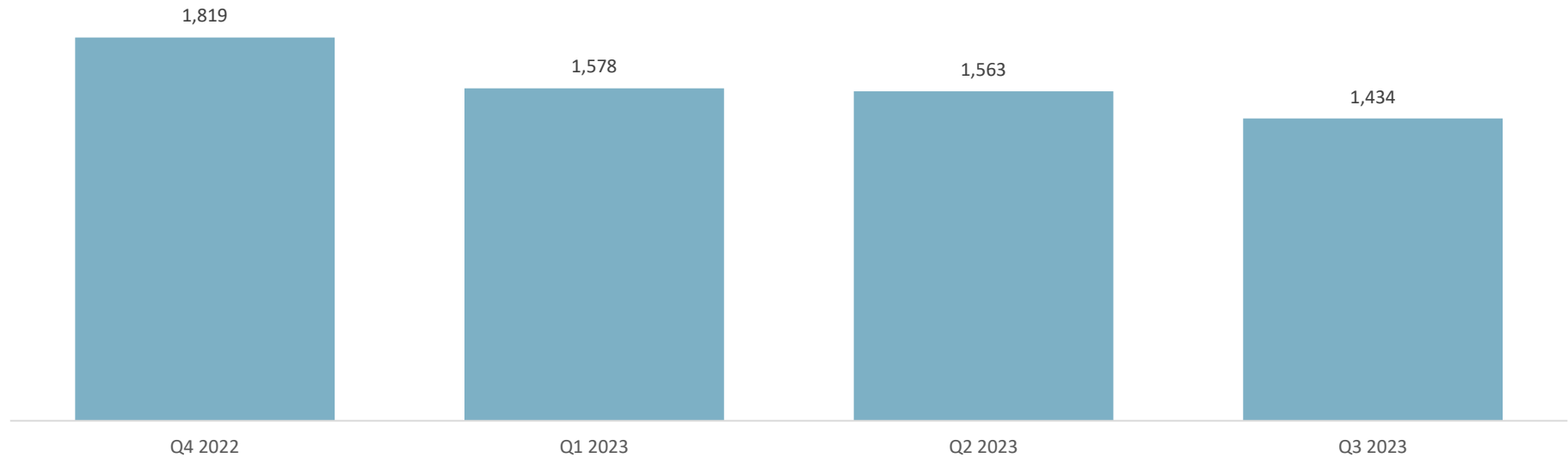
## BUSINESS SERVICES PUBLIC COMPANY BENCHMARKING BY SECTOR (CONT'D)



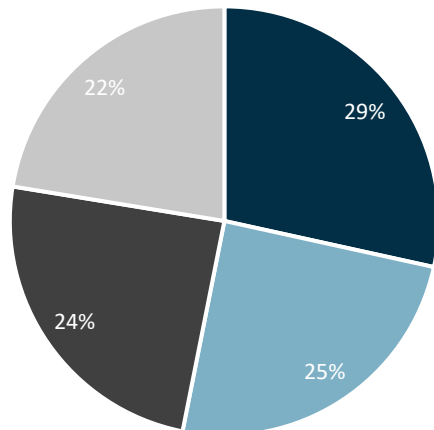
## BUSINESS SERVICES M&A STATISTICS

Below is an overview of M&A volume by quarter for Business Services

NUMBER OF BUSINESS SERVICES TRANSACTIONS BY QUARTER

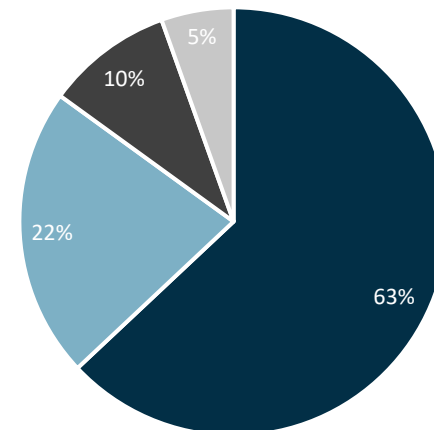


PERCENT OF TRANSACTION VOLUME COMPLETED BY QUARTER



■ Q4 2022 ■ Q1 2023 ■ Q2 2023 ■ Q3 2023

DISTRIBUTION OF TRANSACTIONS BY EV FOR PAST 3 YEARS<sup>1</sup>



■ \$0-\$50M ■ \$51-\$250M ■ \$251-\$1,000M ■ \$1,000+M



## SELECT RECENT BUSINESS SERVICES TRANSACTIONS

Announced Date	Target Name	Business Description	Acquirer	Services Subsector
9/28/2023	Flo-Systems Inc.	Flo-Systems Inc. provides water, wastewater collection, treatment, distribution, and repair services to municipal, industrial, and residential properties.	PumpMan, Inc.	Waste Management & Environmental Services
9/28/2023	MNX Global Logistics	MNX Global Logistics, doing business as MNX, provides expedited transportation and logistics services.	United Parcel Service, Inc.	Transportation & Logistics Services
9/28/2023	Salelytics, LLC	Salelytics, LLC offers inside sales, account management, and inbound support services.	MarketSource Inc.	Staffing & Human Capital Management
9/28/2023	Signal Networking, Inc.	Signal Networking, Inc. is an IT consulting services company.	Orchestrate Technologies	IT & Cloud Services
9/28/2023	Sky Transportation Services, Inc.	Sky Transportation Services, Inc. provides transportation and logistics services.	Warehouse Services, Inc.	Transportation & Logistics Services
9/27/2023	Twenty31 Consulting Inc.	Twenty31 Consulting Inc. provides destination management consulting services for tour operators.	Skift Inc.	Advertising & Marketing Services
9/25/2023	Cardinal Services, Inc.	Cardinal Services, Inc. provides human resource management and staffing services.	Surestaff, LLC	Staffing & Human Capital Management
9/25/2023	Seabulk Towing Services, Inc.	Seabulk provides safe, efficient, and reliable marine logistics, transportation, and infrastructure solutions, including port and terminal services.	Bay-Houston Towing Co.	Transportation & Logistics Services
9/21/2023	Junk Bear, LLC	Junk Bear, LLC provides junk removal services.	Fire Dawgs Inc.	Waste Management & Environmental Services
9/21/2023	Nightwatch Security Services, Inc.	Nightwatch Security Services, Inc. offers installation and support services for electronic security systems for homes and businesses.	Per Mar Security and Research Corporation	Facility Services
9/20/2023	The River Group, LLC	The River Group, LLC operates as a consulting company that provides leadership coaching, growth transformation, and development planning services.	Pearl Meyer & Partners, LLC	Staffing & Human Capital Management
9/19/2023	Bionic Stork Inc.	Bionic Stork Inc. develops an application security posture management platform that helps IT, operations, and security teams at global financial services and technology.	CrowdStrike Holdings, Inc.	IT & Cloud Services
9/18/2023	White Lake Dock & Dredge, Inc.	White Lake Dock & Dredge, Inc. provides environmental services.	ENTACT, LLC	Waste Management & Environmental Services
9/15/2023	Ghost Dancer, LLC	Ghost Dancer, LLC offers food catering services.	North American Traditional Indigenous Food Systems	Facility Services
9/15/2023	Local Motion, Inc.	Local Motion, Inc. offers transportation services.	Beacon Mobility Corp.	Transportation & Logistics Services
9/14/2023	C&L Water Systems Inc.	C&L Water Systems Inc. provides water pipeline rehabilitation, repair, and maintenance services.	Aegion Corporation	Waste Management & Environmental Services
9/14/2023	TITUS/ONE Inc.	TITUS/ONE Inc. provides digital marketing agency services.	ZoomerMedia Limited	Advertising & Marketing Services
9/12/2023	Netrix Information Technologies, Inc.	Netrix Information Technologies, Inc., a technology company, offers data backup, managed services, IT consulting, and network security services.	IT Partners LLC	IT & Cloud Services
9/11/2023	Cody Corporation	Cody Corporation provides commercial and industrial boiler repair services.	Thermogenics Inc.	Facility Services
9/10/2023	NC Pest Control LLC	NC Pest Control LLC provides pest control services to residential and commercial customers.	Pest & Termite Consultants, LLC	Facility Services
8/29/2023	American Landscaping Partners LLC	American Landscaping Partners LLC provides integrated commercial and residential landscaping and chemical application services.	Shoreline Equity Partners, LLC	Waste Management & Environmental Services
8/25/2023	Southern Elevator Co., Inc.	Southern Elevator Co., Inc. operates as an elevator maintenance, repair, and modernization company.	Plexus Capital, LLC	Facility Services
8/22/2023	Semones Heating & Air Conditioning LLC	Semones Heating & Air Conditioning LLC offers repair, maintenance, and installation services.	Engineered Heating And Air, LLC	Facility Services
8/16/2023	Junk N More LLC.	Junk N More LLC. provides residential, commercial, and concrete junk removal services.	Fire Dawgs Inc.	Waste Management & Environmental Services
8/9/2023	Pronto Repairs, Inc.	Pronto Repairs, Inc. provides repair and maintenance services for foodservice and commercial HVAC equipment.	Commercial Foodservice Repair Company, Inc.	Facility Services

Source: Capital IQ, as of 9/30/23

## ABOUT LAKESIDE PARTNERS



Lakeside Partners is a boutique investment bank specializing in M&A advisory services. We serve founder & family-owned businesses in the lower middle market by advising their owners through transactions. We leverage decades of experience and relationships to execute processes that unlock exceptional value.

### FIRM CONTACTS

**Josh Garner**  
Managing Director  
(206) 475-8557  
jgarner@lakesidepartners.com

**Tom Newell**  
Managing Director  
(206) 295-9746  
tnewell@lakesidepartners.com

**Chase Wichelmann**  
Vice President  
(651) 356-1753  
cwichelmann@lakesidepartners.com

**Jacob Atkinson**  
Associate  
(360) 773-9164  
jatkinson@lakesidepartners.com

OFFICE LOCATIONS: SEATTLE | MINNEAPOLIS

### OUR INDUSTRY EXPERIENCE

