KROLL

Industrial and Commercial Services

Industry Insights

Spring 2026

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Industry Highlights

Overview

- The North American Industrial and Commercial Services sector experienced a notable acceleration in M&A activity in 2025, with total transactions increasing by 104 year-on-year ("YoY"), from 700 in 2024, to 804 in 2025
- As tariff-related uncertainty disrupted manufacturing activity, growth shifted meaningfully toward the services economy. Industrial services demonstrated particularly strong performance, outperforming the S&P 500 by 148%.
  - Service-oriented business activity remains robust and now represents some of the most prominent and attractive themes in private equity investment into 2026
- Buyer interest strengthened significantly in the second half of 2025, supported by easing interest rates, improving overall buyer confidence and a strategic pivot toward sectors less exposed to tariffs. The Industrial and Commercial Services space benefited materially from this shift, driving heightened M&A activity
  - Overall, 2025 marked the highest level of M&A activity in the Industrial and Commercial Services sector since 2021, with YoY deal volume growth exceeding the broader North American M&A market by 11.9%
- The three consecutive federal funds rate cuts in late 2025 lowered borrowing costs and boosted dealmaker confidence, improving financing conditions for M&A. With policymakers signaling further easing into 2026, this supportive deal environment is expected to continue through the year.

804 — Deals reported in the Industrial and Commercial Services sector in 2025

14.9% — Increase in YoY deal activity between 2024 and 2025, which represents an 11.9% outperformance relative to broader M&A activity

10.1% — Stock underperformance below the S&P 500 for Industrial and Commercial Services sector from January 2024 to March 2026

12.6x — Aggregate Median EV[1] / LTM[2] EBITDA multiple within Industrial and Commercial Services sector

Sources: CapitalIQ, Company Filings; (1): Enterprise Value; (2) Last Twelve Months

Market Update

Industrial and Commercial Services Industry Overview

Sector	Median Public Trading Multiples[1]	Description of Sector	Key Industry Leaders
Facilities Services	EV / LTM Rev: 0.7x EV / LTM EBITDA: 12.1x	Provide a wide array of commercial facility services, including landscaping and ground maintenance, janitorial and other services	
Industrial Services	EV / LTM Rev: 1.2x EV / LTM EBITDA: 16.2x	Supply a range of support and solutions for industrial facilities and equipment to help maintain, optimize and improve industrial processes	
Environmental Services	EV / LTM Rev: 3.4x EV / LTM EBITDA: 15.6x	Serve a diverse set of customers to create a stronger environment, with common services including collecting, transporting and disposing of waste and garbage	
Engineering Services	EV / LTM Rev: 1.2x EV / LTM EBITDA: 13.1x	Involve companies that help with the design, development, project management and supervision of buildings, roads and other infrastructure projects to provide cost-effective solutions	
Transportation & Logistics Services	EV / LTM Rev: 1.2x EV / LTM EBITDA: 9.9x	Provide a variety of solutions to help with the transfer of goods from one location to another. Key services include management of supply chains, inventory, warehousing, distribution and order fulfillment	

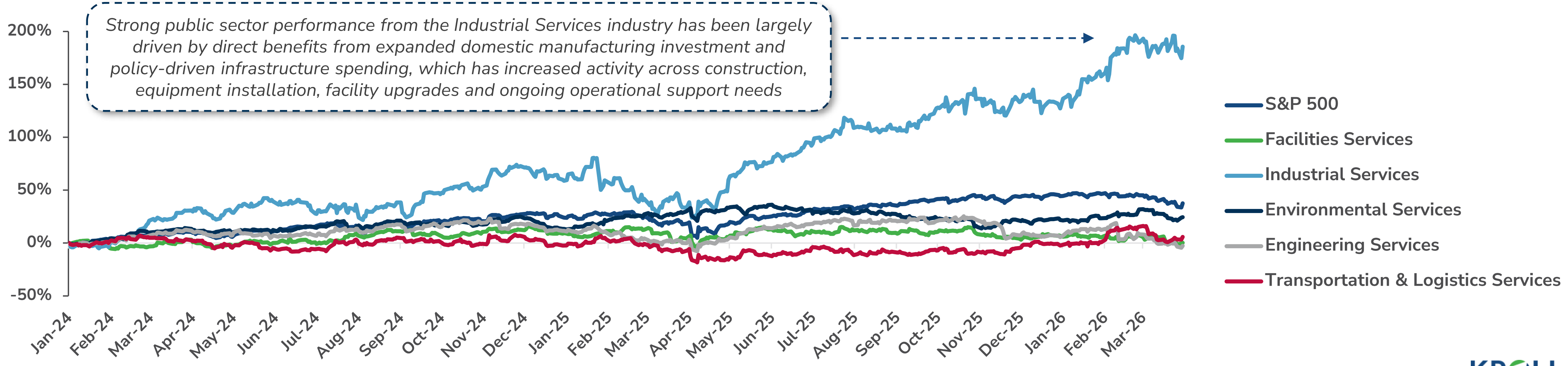
Source: CapitalIQ; (1) Market data as of 3/31/2026

Industrial and Commercial Services Public Markets Update

Public Update by Sector

Subsector	Jan-24 to Mar-26 Performance	Median EV/LTM EBITDA Multiple[1]
Facilities Services	0.3%	12.2x
Industrial Services	185.6%	11.3x
Environmental Services	24.4%	13.1x
Engineering Services	(2.6%)	11.2x
Transportation & Logistics Services	5.7%	13.0x
S&P 500	37.6%	17.3x

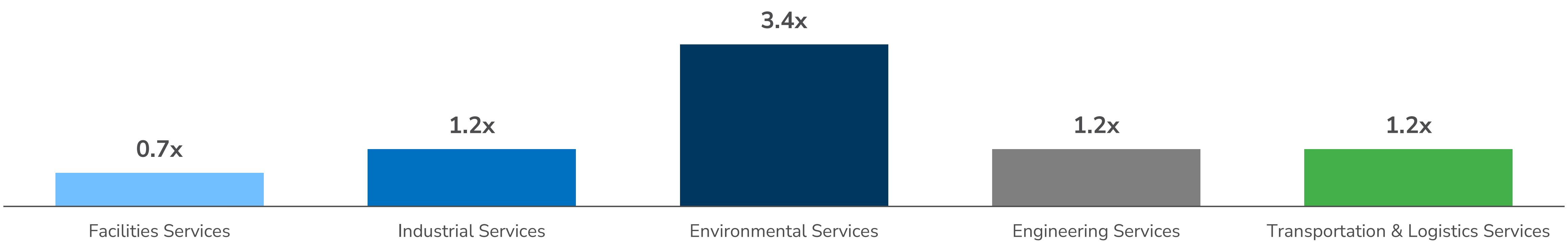
Jan-24 to Mar-26 Indexed Stock Performance



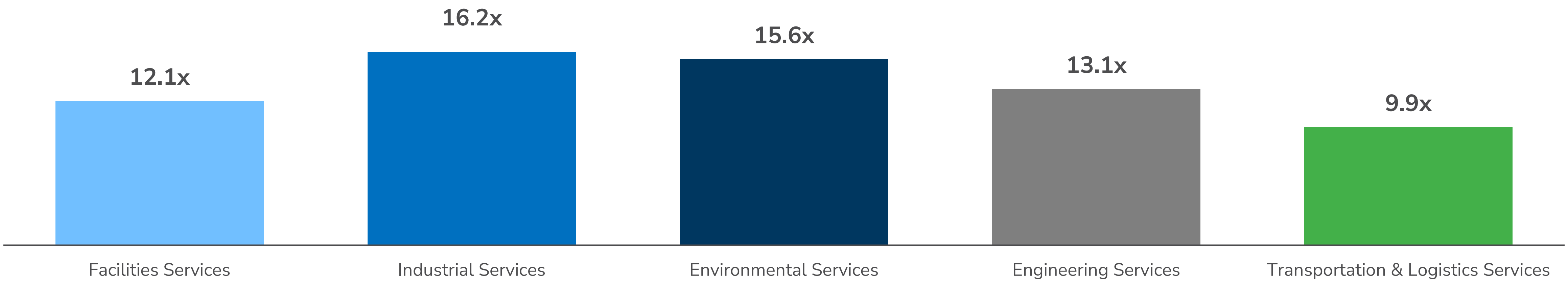
Source: CapitalIQ; (1) Represents median EV/LTM EBITDA multiple over Jan-24 to Mar-26 period

Industrial and Commercial Services Public Markets Update

Median EV / LTM Revenue[1]



Median EV / LTM EBITDA[1]



Source: CapitalIQ; (1) Market data as of 3/31/2026

Select Active Strategic Buyers

Buyer	Allied Universal	Landscape Workshop	Pye-Barker Fire & Safety
Ownership	Private Equity	Private Equity	Private Equity
Subsector	Security Services	Landscaping Services	Fire & Alarm Services
Select Acquisitions	CI Security; Diversified Maintenance; Mulligan Security; Pinnacle Security *5 Acquisitions in 2025*	Constant Care Grounds Maintenance, Inc.; Green Dream Landscaping; *Land Care Solutions LLC*; *Live Oak Landscape LLC* *15 Acquisitions in 2025*	EVCO Integrated Solutions; Knight Security Systems, Inc.; TAG The Alarm Group; Universal Fire Systems Inc. *47 Acquisitions in 2025*
Acquisition Commentary	*Allied Universal continued its strategic expansion in 2025 through multiple acquisitions, including Mulligan Security and Diversified Maintenance Systems, that broadened its geographic footprint and enhanced key security service capabilities*	*Landscape Workshop is accelerating its disciplined roll-up strategy, leveraging new growth capital to pursue multi-market acquisitions, such as Green Dream Landscaping, as part of a broader plan to expand its Southeast footprint and scale through ongoing strategic M&A*	*Pye-Barker Fire & Safety continued its rapid national expansion through 2025 and into 2026 by advancing its people-first, values-aligned consolidation strategy and strengthening its position as a leading integrated life-safety platform*

Sources: Pitchbook, CapitalIQ, Company Press Releases

Public Companies Spotlight

Company	NYSE:ARMK	NYSE:PWR	NYSE:WM	NYSE:ACM
Subsector	Facilities Services	Industrial Services	Environmental Services	Engineering Services
Share Price[1]	$42.00	$555.57	$233.31	$83.28
Market Cap[1]	$10.7 Billion	$82.1 billion	$92.6 Billion	$10.9 Billion
Revenue Growth[2]	⇧ 7.1%	⇧ 20.3%	⇧ 14.2%	⇩ 1.6%
EBITDA Growth[2]	⇧ 10.2%	⇧ 22.1%	⇧ 14.9%	⇧ 12.0%
EV / EBITDA Multiple[3]	12.6x	35.3x	15.4x	10.6x
Market Commentary	*"We firmly believe in our ability to achieve the numerous growth opportunities immediately ahead for the Company, propelled by the strategic and operational initiatives underway. Our success comes from the teams throughout the organization and around the globe who show up every day with purpose, serving with integrity, solving problems with ingenuity and delivering consistent excellence."* *- John Zilmer, CEO*	*"As we noted last quarter, we are well positioned to achieve record backlog and another year of double-digit earnings per share growth in 2026, and our full-year guidance reflects that confidence. The convergence of utility, power generation and large-load industries continues to create significant opportunities and our collaborative infrastructure solutions, and proven execution capabilities position Quanta as a trusted partner for our customers' most critical programs."* - Duke Austin, CEO & President	*"As we carry our momentum into 2026, we expect to grow free cash flow by nearly 30% at the midpoint of our guidance. This growth is underpinned by our unreplicable solid waste network as well as the intentional investments we have made in recycling and renewable energy projects, our fleet and a premier medical waste network. We plan to harvest the benefits of our investments and return to shareholders approximately $3.5 billion in 2026 through dividends and share repurchases,"* *- Jim Fish, CEO*	*"We outperformed our expectations on every key financial metric in the quarter and raised our full year guidance as a result. Importantly, backlog increased by 9%, highlighted by a 1.5 book-to-burn ratio that featured some of the largest and most iconic projects in the world. Our successes are built on the foundation of having the number one-ranked franchises in each of our end markets, technical leadership, infrastructure domain expertise and trusted client relationships."* *- Troy Rudd, Chairman & CEO*

(1): As of March 31, 2026; (2): YoY from TTM Mar-25 to Mar-26; (3): TTM Mar-26. Sources: Company Earnings Press Releases

Sector Spotlight:

Event and Trade Show Services

Event and Trade Show Services Market Mapping

Creative Agencies

- Creative agencies focus on developing the strategic concepts, branding, messaging and experiential design that shape the overall look, feel and narrative of live and virtual events
- Agencies integrate content creation, environmental design, interactive elements and audience-engagement strategies to deliver cohesive, immersive event experiences aligned with client objectives

Select Subsector Leaders

GEORGE P. JOHNSON experience marketing | IMPACT | JACK MORTON | opus

Event Organizers

- Event organizers oversee the end-to-end planning, logistics, vendor coordination and on-site execution required to deliver conferences, trade shows and corporate events
- These firms manage timelines, budgets, registrations, staffing and operational workflows to ensure smooth, compliant and high-quality event delivery aligned with client objectives

Select Subsector Leaders

COMEXPOSIUM | informa | messe frankfurt | RX

General Contractors

- General contractors are responsible for building, installing and managing the physical infrastructure of events, including booths, structures, signage and show-floor environments
- General contractors are the main point of contact at show sites, coordinating labor, materials, safety compliance and on-site construction workflows to ensure timely and high-quality installation and dismantling of event spaces

Select Subsector Leaders

GES | nth degree | T3expo | THE EXPO GROUP

Exhibit Houses

- Exhibit houses design, fabricate and manage custom trade show booths and experiential environments, providing clients with tailored physical assets for events
- These companies offer services such as booth construction, storage, refurbishment, logistics and on-site support to ensure consistent, high-quality exhibit presentation across multiple shows

Select Subsector Leaders

CZARNOWSKI | eXploring inc. | dersē | ORBUS

Robust M&A Activity in the Event and Trade Show Services Space

The event and trade show services sector continues to see robust M&A activity, driven by demand for integrated end-to-end capabilities, expanded geographic reach and scaled creative, digital and production offerings

	Event Organizer	General Contractor	Creative Agency	Creative Agency	General Contractor	General Contractor
Buyer	informa	nth degree	Freeman	Riverside	SHAMROCK CAPITAL	NEW STATE CAPITAL PARTNERS
Target	TARSUS	fern	sparks A Freeman Company	IMPACT XM	nth degree fern	THE EXPO GROUP Today. Tomorrow. Together.
	2023	2023	2023	2023	2024	2024

	General Contractor	Creative Agency	Event Production Services	General Contractor	Exhibit House	Creative Agency
Buyer	TRUELINK CAPITAL	Spiro	encore EVENTS THAT TRANSFORM	SawMill CAPITAL	Platinum Equity	IMPACT XM
Target	GES	2HEADS Meaningful Brand Experiences	FIRST GLOBAL EVENTS AGENCY	T3expo	CZARNOWSKI	JACK MORTON
	2024	2025	2025	2025	2026	2026

Looking ahead, strong M&A activity is expected to continue, as more companies enter the market and drive further consolidation – creating larger, more integrated platforms that are well-positioned to capture growth and meet rising client demand

Sources: CapIQ, Pitchbook, Mergermarket

Denotes Kroll served as sell-side advisor

Evolving Industry Dynamics and Prospective Buyer Needs

Key Industry Trends

Increasing Importance of In-Person Engagement – The return of in-person events since COVID-19 has been significant, as many companies have recognized the value of face-to-face engagement after experiencing limited brand interaction through virtual events during the pandemic

Rise of Corporate Events – While the event industry has traditionally been anchored in trade associations and large industry conferences, an increasing number of companies are now hosting their own customer and supplier events, contributing to strong expansion in the corporate event market, which is forecast to grow at a CAGR of 10.8% until 2029[1]

Demand for One-Stop-Shop Event Contractors – General contractors are increasingly expanding beyond their traditional roles and offering agency-style event design services, a trend reflected in consolidation across the sector with acquisitions such as Freeman's purchase of Sparks, GES's purchase of Spiro and ImpactXM's purchase of Jack Morton

Consolidation of Assets Across Event Organizers – Large event organizers have been highly active in acquiring new shows, driving rapid consolidation across the industry as portfolios increasingly concentrate under a small number of major players, including groups such as Hyve Events, Informa, Clarion and Nineteen Group

Preparing for a Sale – Buyer Focus Areas

To prepare effectively for a sale, shareholders and management must be ready to address the critical questions potential buyers will raise.

The following areas represent the core focus points that typically guide buyer due diligence throughout an M&A process in the event services sector:

Corporate Event vs. Trade Show Mix	*End Market Exposure and Diversity*
Recurring Revenue from Annual and Multiyear Events	*Contracted and Forward Booked Revenue*
Event Concentration and Dependency Risk	*Labor Model and Union Dynamics*
Technology Platform and Workflow Enablement	*Supply Chain and Vendor Ecosystem Stability*

(1) Source: Technavio

For more information please visit:

Kroll.com