

Home Services Industry Update

Q4 2024



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If you have questions about this report or would like to discuss an in-depth assessment of your company's valuation, our team is ready to assist you.



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Sources: IBISWorld Roofing Contractors in the U.S. Industry Report; IBISWorld Electricians in the U.S. Industry Report; IBISWorld HVAC Contractors in the U.S. Industry Report; IBISWorld Plumbers in the U.S. Industry Report; Pitchbook Data; GF Data; Centerline Capital Partners independent research.

In this first quarterly report of 2025, Centerline Capital Partners will provide analysis and commentary on capital markets activity, valuation trends, merger & acquisition (M&A), and industry research within the home services⁽¹⁾ sector.

Key takeaways from 2024 are:

- Home services like plumbing, electrical, and HVAC were in high demand as homeowners prioritize maintenance and energy efficiency upgrades.
- Contractors operating in densely populated and high-growth areas continued to leverage high demand for services, resulting in premium pricing and continued revenue growth.
- Skilled labor shortages persist across the trades, prompting businesses to invest in workforce development, training programs, and automation tools.
- Private investors focused on adding home service companies to their portfolios, working with Sellers to build smaller companies into larger regional players.

As we enter 2025, the landscape for home services providers is expected to evolve significantly, as participants in the industry adapt to economic conditions, regulatory changes, and shifting consumer expectations.



ECONOMIC

- The 2025 economic outlook suggests moderate growth and a stable interest rate environment.
- Essential services such as roofing, plumbing, HVAC, and electrical are expected to see strong demand as homeowners prioritize maintenance and repair.



REGULATORY

- In 2025, contractors can expect to see changes in safety standards, environmental regulations, and consumer protection laws.
- Prioritizing compliance allows contractors to avoid workflow bottlenecks and maintain reputation.



CONSUMER

- Homeowners increasingly demand transparency, communication, and personalized service.
- Increasing demand for automated and green technologies will require owners and operators to stay current on the latest technology developments.

⁽¹⁾ Home Services is a broad term that can refer to a variety of services and businesses engaged in the upkeep, maintenance, repair, and improvement to residential properties. In this report Home Services refers specifically to businesses that operate in the roofing, electrical, plumbing, and HVAC industries.

INDUSTRY TRENDS & UPDATES – ROOFING CONTRACTORS

Continued rate cuts, declining inflation, and increased construction of residential and commercial properties are expected to bolster the industry over the next 5 years.

- Broad inflation and a high-interest rate environment over 2023 and 2024 has restricted industry performance as residential construction activity declined.
- Recent rate cuts and expected economic growth will greatly benefit roofing companies as residential and commercial construction activity ramps up in 2025.
- Roofing contracting remains a highly fractured industry with few large players and a focus on local and regional operations, providing significant opportunity for increased market share capture.
- While ongoing service opportunities vary based on size and location, roofing contractors can rely on a regular need for maintenance as a secondary revenue stream.
- Outlook for the industry is generally positive, as industry participants are expected to benefit from housing market expansion, growth in nonresidential construction, and increased demand for eco-friendly and energy-efficient roofing solutions.
- Private transaction multiples since 2020 have averaged **5.0x – 5.5x** EBITDA.

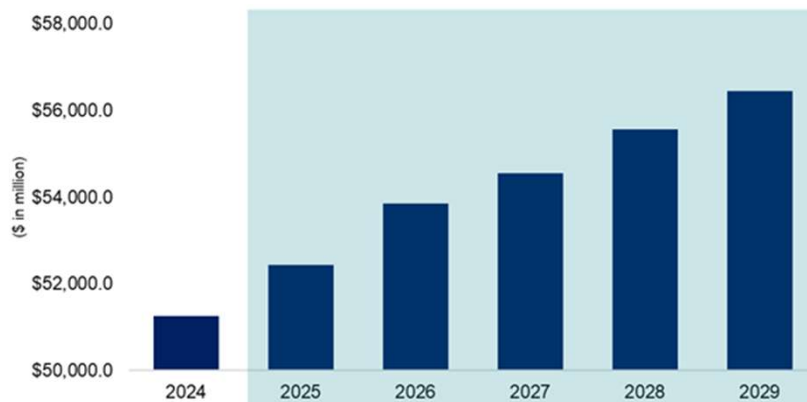
NOTABLE TRANSACTIONS

Target	Acquirer	Date
	 Salt Creek Capital	November 11, 2024
	Morgan Stanley CAPITAL PARTNERS	May 1, 2023
	LIGHTBAY CAPITAL	December 28, 2022



LONG-TERM OUTLOOK

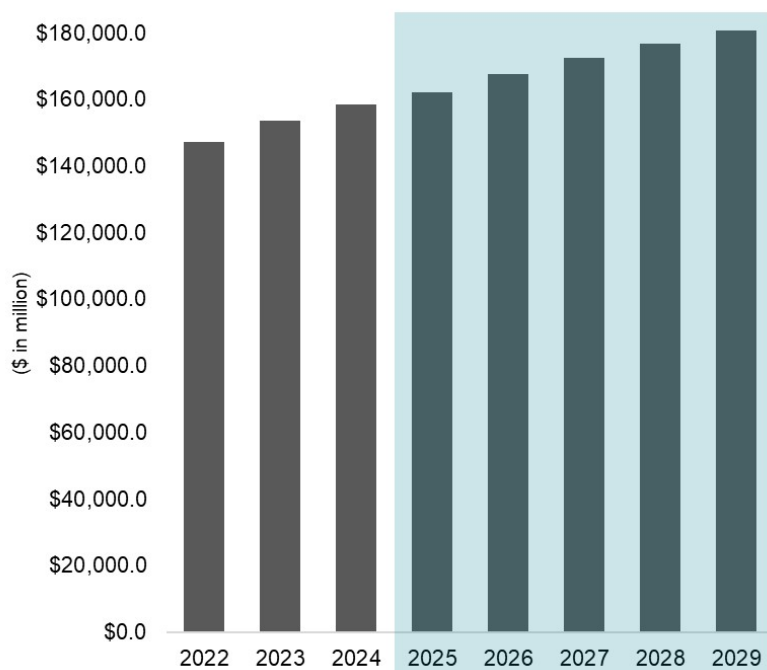
Industry revenue in 2024 totaled more than \$51.2 billion and is anticipated to grow over the coming 5-year period by a compound annual growth rate of 1.9%, to \$56.4 billion in 2029.



Increasing commercial constructions and a rebounding residential market continues to drive growth in the climate control and plumbing industry.

- Nonresidential construction, the plumbing and HVAC industries leading market, is booming again due to continued e-commerce warehouse and data center construction.
- Despite high mortgage rates depressing new housing starts, there remains a consistent need for residential plumbing services, providing a reliable income stream and growth channel.
- Over the coming 5 years, the industries two major downstream markets are expected to improve
 - Rate cuts are creating downward pressure on mortgage rates, resulting in increased activity within the residential construction sector.
 - The value of nonresidential construction is expected to increase steadily, with public construction likely to see the strongest growth in the near term.
- The perpetual need to maintain and replace existing infrastructure will continue regardless of the overall economic environment.
- Private transaction multiples since 2020 have averaged **5.5x – 6.0x** EBITDA.

LONG-TERM OUTLOOK



Low volatility and a fragmented industry coupled with essential services is expected to drive average revenue growth of 2.5% over the coming 5 years.

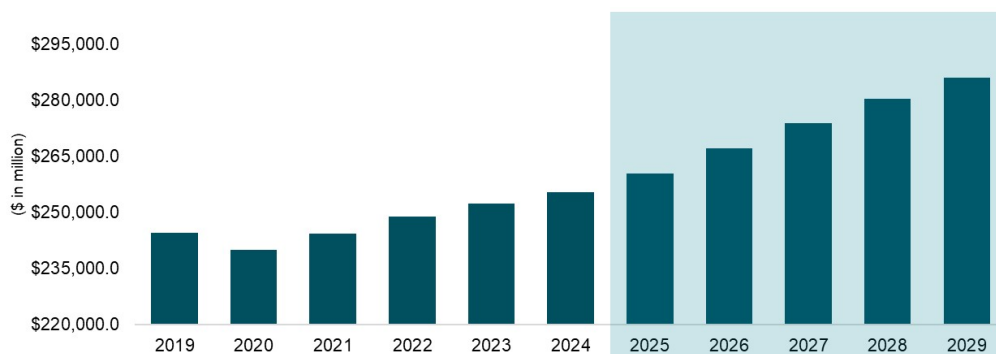
NOTABLE TRANSACTIONS

Target	Acquirer

The push for energy efficiency and greener energy systems has powered electrician's work.

- Electrical contractors and installers power the modern economy and digital lifestyle and provide an economically essential service.
- While most electrical work is new construction and installation in both residential and nonresidential projects, more than one-third of industry revenue comes from electrical upgrades and servicing.
- Over the coming 5 years, industry revenue growth is expected to outpace inflation as professionals in the space find opportunities in sustained renovation activity and green energy upgrades.
- Labor shortages remain a major issue across the broader industry, resulting in an increase in revenue for companies responding to high demand for services.
- Electrical service is provided by a small army of highly trained, licensed electrician businesses, each serving individual communities; restrictions and safety regulations unify this otherwise highly disparate industry.
- Private transaction multiples since 2020 have averaged **6.5x – 7.0x** EBITDA.

LONG TERM OUTLOOK



Electrical Contractor revenue is expected to expand at a CAGR of 2.3%, surpassing \$286 billion by 2029.

NOTABLE TRANSACTIONS



HOME SERVICES M&A HIGHLIGHTS



has been acquired by



November 2024

AVI Roofing, Inc. a provider of roofing and repair & maintenance services based in Denver, Colorado, announced its acquisition by Salt Creek Capital, a San Francisco-based private equity firm.

AVI completes more than 5,000 projects annually across the Front Range of Colorado and is a leading provider of complete roofing services for residential, commercial, and HOA and property management end markets.

"This acquisition is an important milestone for us, as it enables us to expand our footprint and continue providing the exceptional service and quality that our customers have come to expect."

- Peter Kruse, Founder AVI Roofing



has been acquired by



December 2024

Sila Services, LLC announced the acquisition of A-Comfort Service, a leading heating, cooling, and plumbing company located in Pittsburgh, Pennsylvania.

Sila Services is a leading home services platform, operating over 35 brands throughout the Northeast, Mid-Atlantic, and Midwest. The company's mission is to attract, develop, and advance the careers of the best tradespeople, ensuring an unmatched level of service and customer satisfaction.

"Becoming part of Sila Services offers the A-Comfort Service team a tremendous set of distinctive resources and unmatched support..."

- Frank Moran and Todd Rhule, A-Comfort Service



has been acquired by



November 2024

Located in Louisville Kentucky, Stansbury Electric Co. is a family-owned electrical contracting company serving residential and commercial clients. Stansbury Electric proudly serves Louisville and surrounding areas, including parts of Indiana.

Based in Danville, Kentucky, KSC Holdings invests in mechanical construction companies and supplies throughout Kentucky and surrounding states.

"This was a great fit for both KSC Holdings and Stansbury Electric. We're excited to see what the future holds for Stansbury Electric."

- Madison Buckley, Vice President of M&A, KSC Ventures

SELECT HOME SERVICES⁽²⁾ M&A ANALYSIS

Deal Date	Company	Description	Investors	Enterprise Value (\$ in mm)
23-Dec-2024	Home Pro Roofing	Provider of residential and commercial roofing services intended to serve clients in Michigan and Ohio markets.	Aligned Exteriors Group, Pearl Street Capital Partners	n/a
23-Dec-2024	Midwest Roofing, Siding & Windows	Provider of re-roofing and building exterior services intended for residential and commercial customers throughout the Twin Cities area.	Dunes Point Capital, Noland's Roofing	n/a
20-Dec-2024	John Nugent & Sons	Provider of heating, cooling, plumbing, electric & generator services intended for residential and commercial customers.	Sila Services	n/a
13-Dec-2024	A Comfort Service	Provider of home services focused on providing comprehensive heating, cooling, and plumbing solutions.	Constitution Capital Partners; Sila Services	n/a
13-Dec-2024	Great Lakes Roofing	Provider of roofing and home improvement services intended to meet the needs of residential and commercial property owners. The company provides services such as roof repair and replacement, siding repair and renovations.	Goldner Hawn, Renovation Systems	n/a
05-Dec-2024	James & Whitney	Provider of construction services specializing in residential and commercial projects. The company offers a range of services, including roofing, siding, window installation, and gutter repair.	CCMP Capital Advisors, CCMP Growth Advisors, Omnia Exterior Solutions	n/a
02-Dec-2024	Aupperle Plumbing and Heating	Provider of plumbing and heating services intended to serve the North Platte market.	The Waldinger Corporation	n/a
01-Dec-2024	Allied Electric	Provider of electrical construction services intended for industrial, institutional, healthcare, senior living, commercial, corporate offices and more.	Continuum Legacy Partners	n/a
22-Nov-2024	New Berlin Heating & Air Conditioning	Provider of heating, ventilation, and air conditioning (HVAC) services intended to serve Greater Milwaukee and Waukesha County, Wisconsin.	Constitution Capital Partners, Sila Services	n/a
13-Nov-2024	Wilson Heating & Air Conditioning	Provider of HVAC services designed to ensure optimal indoor comfort and efficiency. The company offers a range of services, including installation, repair, and maintenance.	Liberty Service Partners, NorthCurrent Partners	n/a
11-Nov-2024	AVI Roofing	Provider of commercial roofing services intended to protect businesses. The company offers comprehensive roofing services, including installation, repair, and maintenance, enabling commercial property owners to safeguard their assets and minimize downtime.	Salt Creek Capital	n/a
04-Nov-2024	Reasonable Plumbing	Provider of plumbing services intended to serve Indianapolis and central Indiana. The company offers emergency plumbing, leak repair, drain cleaning, sewer line repair, water heater, sump pump and water softener repair, installation, and plumbing excavation.	Mister Quik Home Services	n/a

⁽²⁾ Home Services refers to businesses engaged in the roofing, electrical, plumbing, and HVAC industries.

SELECT HOME SERVICES M&A ANALYSIS

Deal Date	Company	Description	Investors	Enterprise Value (\$ in mm)
01-Nov-2024	Chenal Heating & Air	Provider of heating, ventilation, and air conditioning services (HVAC) intended for residential and commercial customers. The company specializes in air conditioning, heating, furnace, and repair services, thus providing its customers with tailored services as per their needs.	CenterOak Partners, HomeTown Services	n/a
01-Nov-2024	Fountain Comfort Group	Provider of air conditioning, heating, plumbing, and electrical services intended for Lenexa, Kansas. The company offers heating and cooling installations, repairs, and maintenance services.	Southwind, VantEdge Partners	n/a
01-Nov-2024	Stansbury Electric	The company offers electrical work, including new construction wiring, emergency services, generator installation, surge protection, and switch installations, enabling customers in Louisville to maintain electrical safety and efficiency.	KSC Ventures	n/a
31-Oct-2024	DWC Mechanical	Provider of heating, ventilation, and air conditioning (HVAC) services based in Amherst, New York. The company offers installation, maintenance, and designing services.	Alliance Group, Trinity Hunt Partners	n/a
28-Oct-2024	Trinity Exteriors	Provider of roofing and siding services for residential and commercial properties catering to clients in Eden Prairie, Minnesota.	Aligned Exteriors Group, Pearl Street Capital Partners	n/a
22-Oct-2024	K-F Electric	Provider of electrical contracting services designed for residential and commercial applications.	Western Heating & Air Conditioning	n/a
10-Oct-2024	Total Comfort	Provider of heating, ventilation, and air conditioning (HVAC) services intended to serve individuals and businesses. The company offers water filter replacements, priority emergency service, air conditioner installation, furnace installation, and heat pump repairs.	Seacoast Service Partners, White Wolf Capital Group	n/a
07-Oct-2024	Hobby Electric	Provider of electrical services intended for commercial, industrial, and manufacturing clients, providing engineers, and project managers repairs, wire, installing/maintaining devices, troubleshooting electrical equipment & carrying out safety checks in large facilities.	Apogem Capital	n/a
04-Oct-2024	Excel Heating & Cooling	Provider of HVAC services and smart thermostat installation intended to serve residential and commercial sectors. The company offers services that include heating and cooling as well as indoor air quality solutions, helping clients to improve the longevity, energy efficiency and safety of their HVAC systems while reducing associated costs.	Valley Air	n/a
03-Oct-2024	Comfortrol	Provider of commercial HVAC solutions designed to optimize building performance and comfort. The company offers a range of services, including design, installation, and maintenance.	FirstCall Mechanical, SkyKnight Capital	n/a
01-Oct-2024	2 Sons Plumbing	Provider of plumbing, electrical, heating, and air service company designed to address residential and commercial needs. The company offers a wide range of services, including emergency repairs, trenchless sewer replacement, and advanced diagnostic technology, enabling homeowners and businesses to receive prompt, reliable, and competitive prices.	Stellex Capital Management	n/a
01-Oct-2024	Honest Abe Plumbing	The company offers plumbing repairs and installations, heating and cooling, electrical work, and general home maintenance, enabling residential and commercial customers to access high-quality, convenient, and cost-effective services.	Ally Services Group, Watchtower Capital Partners	n/a
18-Sep-2024	HP Roofing	Provider of exterior roofing services across Vermont and New Hampshire. The company offers comprehensive roofing services such as roof replacement, complete exterior service, preventive maintenance, windows and doors, siding, decking, and roof maintenance and repair services to customers.	Osceola Capital Management, Valor Exterior Partners	n/a

SELECT HOME SERVICES M&A ANALYSIS

Deal Date	Company	Description	Investors	Enterprise Value (\$ in mm)
18-Sep-2024	Mid-Atlantic Power Specialists	Provider of specialty electrical services catering to the data center market in Northern Virginia. The company offers services such as power and load survey, battery maintenance and installation, electrical testing and preventive maintenance, and infrared services.	Wacona Capital	n/a
04-Sep-2024	Massey Construction Group	Provider of construction services based in Naples, Florida. The company offers damage restoration, roofing services, including repairs, replacements and installations and general contracting for South Florida residents.	Restoration Builders	n/a
03-Sep-2024	Kent Island Mechanical	The company offers full-service mechanical contracting, including refrigeration and plumbing, cooling tower installation and replacements, system evaluations, sheet metal and ductwork installation, renovations/retrofits, equipment system upgrades and spec and temperature controls.	Limbach Holdings (NAS: LMB)	\$20.0
01-Sep-2024	CW Air Conditioning & Heating	Provider of comprehensive air conditioning and heating services catering to homeowners and businesses in Arizona. The company offers expert installation, repair, and maintenance for all makes and models, utilizing technologies and practices, enabling customers to schedule regular maintenance to extend the life of their systems and offers helpful tips for maintaining efficient operation.	Rescue One Air	n/a
01-Sep-2024	Woodstock Heating & Cooling	The company offers air condition installation, maintenance, heating repair, heating installation, indoor air quality solutions and other related services, enabling to serve the community with repair and maintenance services.	LightBay Capital	n/a
26-Aug-2024	Premier Building Associates	The company offers a comprehensive range of roofing and re-roofing services including repairs, replacements and maintenance, serving primarily in the New England and Tri-State markets of Connecticut, New York and New Jersey.	Boyne Capital	n/a
20-Aug-2024	Allied Experts	Provider of heating, ventilation, and air conditioning services intended for households across South Jersey. The company offers heating, cooling, duct cleaning, air conditioner repair, insulation, and plumbing services, enabling customers with comfort, higher indoor air quality, and energy-efficient homes.	Constitution Capital Partners, Sila Services	n/a
07-Aug-2024	Best Choice Roofing & Home Improvement	Provider of roofing services intended to serve customers across the United States. The company offers a comprehensive range of services including roof inspections, repairs, and replacements, and provides customers with various exceptional exterior remodeling services by focusing on providing fast and reliable roof repairs and replacements.	Brightstar Capital Partners	n/a
05-Aug-2024	Valor Mechanical Services	Provider of heating, ventilation and air conditioning (HVAC) services catering to education and commercial customers across the Austin metro area. The company offers a comprehensive range of preventative maintenance services for cooling towers, chillers, split systems, boilers, pumps, and other systems.	FirstCall Mechanical, SkyKnight Capital	n/a
04-Aug-2024	Spears Refrigeration	Provider of HVAC services for residential and commercial clients in Arlington, Texas. The company offers repair, maintenance and replacement services for heating, air conditioning and refrigeration systems.	Mako Industries	n/a
02-Aug-2024	Harley Exteriors	Provider of home renovation services intended for places of various shapes and sizes throughout the Greater Seattle area.	O2 Investment Partners	n/a
31-Jul-2024	Drytech Roofing	Provider of roofing and home improvement services intended to serve homeowners in Maryland. The company offers services including residential roofing, fencing installation, siding installation, insulated vinyl siding and attic insulation.	Audax Private Equity	n/a
30-Jul-2024	HummingBird HVAC	Provider of HVAC services catering to homes and businesses across Syracuse and Upstate New York. The company offers installation, repair, and maintenance for heating and cooling systems, including heat pumps ductless mini-splits, and UV light air purification.	Grasshopper Heating & Cooling	n/a

SELECT HOME SERVICES M&A ANALYSIS

Deal Date	Company	Description	Investors	Enterprise Value (\$ in mm)
16-Jul-2024	Easy Electrical Solutions	Provider of electrical services to businesses and homeowners throughout the greater Columbia and Midlands area. The company offers various services including EV charger installation, electrical safety inspections, landscape lighting, generator installation, indoor lighting and LED, lighting and electrical maintenance, panel upgrades, electrical inspection.	Liberty Service Partners, NorthCurrent Partners	n/a
03-Jul-2024	Gary & Sons	Provider of HVAC(Heating, Ventilation, and Air Conditioning) services intended to serve residential and commercial customers. . The company offers round-the-clock emergency repair services, air conditioner repair, heating repair, HVAC installation indoor air quality, and other related services.	Constitution Capital Partners, Sila Services	n/a
01-Jul-2024	Pelt Roofing & Construction	Provider of roofing services catering to residential and commercial customers. The company offers repair, replacement, maintenance and emergency services, prioritizing customer satisfaction, reliability and accurate assessments.	Results Roofing	n/a
27-Jun-2024	Legacy Mechanical Services	Provider of heating, ventilation, air conditioning, and plumbing services based in Kennesaw, Georgia. The company specializes in cooling towers, magnetic chillers, solar technology, air probe sanitizer, air sanitization technology, and salvage programs, providing clients with energy management, building automation systems, and new technologies.	Churchill Asset Management	\$19.2
20-Jun-2024	Freedom Air and Heat	Provider of heating, ventilation, air conditioning, and plumbing services catering to Brevard and Indian River communities and surrounding areas. The company offers a wide range of services including air conditioner repair, troubleshooting, duct cleaning, home insulation, heating repair, drain cleaning and water leak detection.	L Catterton, Len The Plumber	n/a
18-Jun-2024	Universal Refrigeration	Provider of heating, ventilation, and air conditioning services in Auburn, Washington. The company offers residential air conditioning, residential heating, ductless, commercial air conditioning, commercial heating, and other related services, providing customers with services according to their needs.	Ares Management (NYS: ARES), Coolsys	n/a
10-Jun-2024	Bopat Electric Company	The company's services include general electrical services, emergency services, and preventive maintenance and testing, providing clients with an efficient and reliable electrical infrastructure.	BDC Capital, Kroon Electric	n/a
28-May-2024	Palmetto Plumbing	Provider of plumbing and drain cleaning service based in Palmetto, United States. The company offers repair and installation of a wide range of items such as faucets, sinks, showers, toilets, tubs, water heaters, and tank-less water heaters.	Ascension Property Services, SouthWorth Capital Management	n/a
22-May-2024	TPC Mechanical	Operator of a heating, ventilation, and air conditioning company intended for multi-family new installations. The company designs and installs energy-efficient HVAC systems tailored to the mechanical needs of apartment buildings, condominiums, and other multi-unit structures.	Strada Services, Trilantic North America	n/a
17-May-2024	Carter's Plumbing	Provider of plumbing services catering to residential as well as commercial customers. The company provides water heater repair, drain cleaning, sewer repair sump pumps, gas line repair, water filtration and softener, hydrojetting, and all types of plumbing services.	Constitution Capital Partners, Sila Services	n/a
15-May-2024	Hamilton Roofing	The company specializes in installing and repairing roofs for both residential and commercial properties and offers manufacturer warranted systems.	Roofing Corp of America	n/a
06-May-2024	Elo Roofing	The company offers residential roofing, commercial roofing, roof replacement, roof repairs, metal roofing, and asphalt shingle roofing.	Imperial Capital Group, Skyline Roofing Partners	n/a
19-Apr-2024	Mayer Electric	Provider of electrical and low voltage contracting services throughout Western North Dakota and Eastern Montana. The company's low voltage capabilities include voice, data and fiber optic networks along with fire alarm and mass notification, paging and intercom, while its electrical capabilities include designing and building facilities for commercial, residential and governmental sectors.	Hunt Electric	n/a

SELECT HOME SERVICES M&A ANALYSIS

Deal Date	Company	Description	Investors	Enterprise Value (\$ in mm)
19-Apr-2024	T-Mark Plumbing, Heating, Cooling & Electric	Provider of plumbing, heating, cooling, and electric services to residences and commercials. The company offers a wide range of repair services, customer service, and technical expertise.	Constitution Capital Partners, Sila Services	n/a
16-Apr-2024	Emerald Bay Plumbing	Provider of plumbing and gas piping service catering to commercial and residential clients. The company offers a wide variety of plumbing services and natural gas piping, ranging from service calls to new construction services.	Concentric Equity Partners, Leap Service Partners	n/a
02-Apr-2024	Amped Electric	Provider of electrical services intended for residential and commercial clients. The company specializes in repairs, design, renovation work, landscape lighting, installation services and more.	Evolution Strategy Partners	n/a
01-Apr-2024	Brandon J Roofing	Provider of roofing services catering to residents and businesses of Ellisville, Missouri. The company offers comprehensive roofing services, including roof replacements, repairs, shingle installations, metal roofing, and commercial flat roofing.	CCMP Capital Advisors, Omnia Exterior Solutions	n/a
01-Apr-2024	Reliable Service Partners	The company offers a broad spectrum of HVAC and plumbing services from precision installations and prompt repairs to comprehensive maintenance and thorough inspections.	SIG Partners	n/a
25-Mar-2024	Stan's Heating, Air & Plumbing	Provider of heating, ventilation, and air conditioning (HVAC) services intended for residential customers. The company offers drain cleaning, repair of plumbing systems, fixture replacement, hydro-jetting, and backflow testing services, thereby enabling clients to enjoy less downtime, increased asset life and reliability, and safe and productive environments.	Len The Plumber	n/a
08-Mar-2024	Wallace Electric Company	Provider of electrical services catering to commercial, industrial, and institutional sectors. The company provides a wide range of services including emergency electrical repairs, design and remodeling, lighting and energy audits, and commercial and industrial construction.	Kelso Industries, Oxbow Equity Partners	n/a
01-Mar-2024	Oasis Heating & Cooling	The company offers HVAC repair, installation and electrical repair services to its customers, thereby offering cost-effective heating and air conditioning systems.	People 1st Advisors	n/a
16-Feb-2024	Mecon	Provider of heating, ventilation and air conditioning (HVAC) services intended for commercial and industrial sectors. The company offers installation, maintenance, replacement and repair services for all heating and air conditioning systems as well as gas piping, dryer vent cleaning, and custom duct systems.	FirstCall Mechanical, SkyKnight Capital	\$10.2
15-Feb-2024	Weatherford Electric	Provider of electrical services intended for residential and commercial needs. The company offers a wide range of services including electrical repair, house rewiring, EV chargers, circuit wiring, outdoor lighting and electrical inspection.	Quality Heating Cooling & Plumbing	n/a
05-Feb-2024	Coastal Cooling	The company offers a wide range of services including air conditioning repair, replacement, drain cleaning, ductwork, airflow, preventive maintenance, indoor air quality, air purification, and dehumidification, offering 24/7 emergency service.	Capitala Group, United Air Temp, Air Conditioning and Heating	\$6.0
01-Feb-2024	J & S Mechanical Contractors	Provider of mechanical contracting services catering to government, industrial, institutional, and commercial projects. The company offers project management, construction, renovation, and installation of various mechanical works, including plumbing, heating, and air-conditioning	Comfort Systems USA (NYS: FIX)	\$120.6
16-Jan-2024	Ace Solves It All	Provider of plumbing, and electrical services intended for residential clients. The company offers services such as air conditioning, leak detection, interior lighting, and panels and rewiring.	Churchill Asset Management, Southern Home Services	n/a

SELECT HOME SERVICES M&A ANALYSIS

Deal Date	Company	Description	Investors	Enterprise Value (\$ in mm)
08-Jan-2024	Quick Roofing	Provider of roofing services intended for residential and commercial properties. The company offers services such as storm damage roof repair, roofing repair and maintenance inspection, and solar roof systems.	Centre Partners	\$29.8
01-Jan-2024	Dixie Electric, Plumbing & Air	Provider of heating, ventilation, air conditioning (HVAC), electrical and plumbing services for commercial and industrial, construction and residential needs. The company offers upfront pricing, 24-hour emergency service, and a maintenance plan and specializes in repairs and preventive maintenance across all electrical, plumbing and HVAC services.	MSouth Equity Partners	n/a

Home Services transactions continue to see strong M&A activity, particularly as financial sponsors engaged in buy and build strategies pursue downstream service companies. The preceding details represent a small sample of the total number of transactions that were consummated in 2024.

Although transaction multiples have generally improved in 2024 as compared to previous years, only a small number of private transaction metrics have been disclosed. As such, similar middle-market transactions must be properly contextualized to represent specific assets and market conditions.

Roofing Contractors

Year	Median TEV (\$ in million)	Median Revenue (\$ in million)	Median EBITDA (\$ in million)	Median EBITDA Margin	Purchase Price		Number of Transactions
					TEV / Revenue	TEV / EBITDA	
2020 - 2022	\$70.5	\$127.5	\$19.3	15.1%	0.6x	3.7x	3
2023	\$36.9	\$41.0	\$6.5	15.8%	0.9x	5.7x	8
2024	\$83.8	\$55.9	\$11.7	20.9%	1.5x	7.2x	7
Total	\$63.7	\$74.8	\$12.5	17.3%	0.9x	5.1x	18

HVAC / Plumbing Contractors

Year	Median TEV (\$ in million)	Median Revenue (\$ in million)	Median EBITDA (\$ in million)	Median EBITDA Margin	Purchase Price		Number of Transactions
					TEV / Revenue	TEV / EBITDA	
2020	\$78.1	\$70.7	\$13.6	19.2%	1.1x	5.8x	5
2021	\$20.9	\$16.5	\$3.6	22.0%	1.3x	5.8x	8
2022	\$27.1	\$27.9	\$5.3	19.1%	1.0x	5.1x	11
2023	\$44.4	\$36.1	\$7.1	19.8%	1.2x	6.2x	8
2024	\$23.4	\$25.5	\$4.2	16.6%	0.9x	5.5x	6
Total	\$38.8	\$35.3	\$6.8	19.3%	1.1x	5.7x	38

Electrical Contractors

Year	Median TEV (\$ in million)	Median Revenue (\$ in million)	Median EBITDA (\$ in million)	Median EBITDA Margin	Purchase Price		Number of Transactions
					TEV / Revenue	TEV / EBITDA	
2021	\$33.6	\$33.7	\$6.0	17.8%	1.0x	5.6x	4
2022 - 2024	\$52.6	\$54.6	\$6.7	12.3%	1.0x	7.8x	5
Total	\$43.1	\$44.2	\$6.4	15.1%	1.0x	6.8x	9

SELECT U.S. PUBLIC COMPANIES ANALYSIS

Due to the fractured nature of the Home Services industry, few companies have grown to the size necessary to be traded in the U.S. public markets. Those firms that have attained the appropriate size and scope remain privately held. As such, detailed financial information of home services providers remains limited .

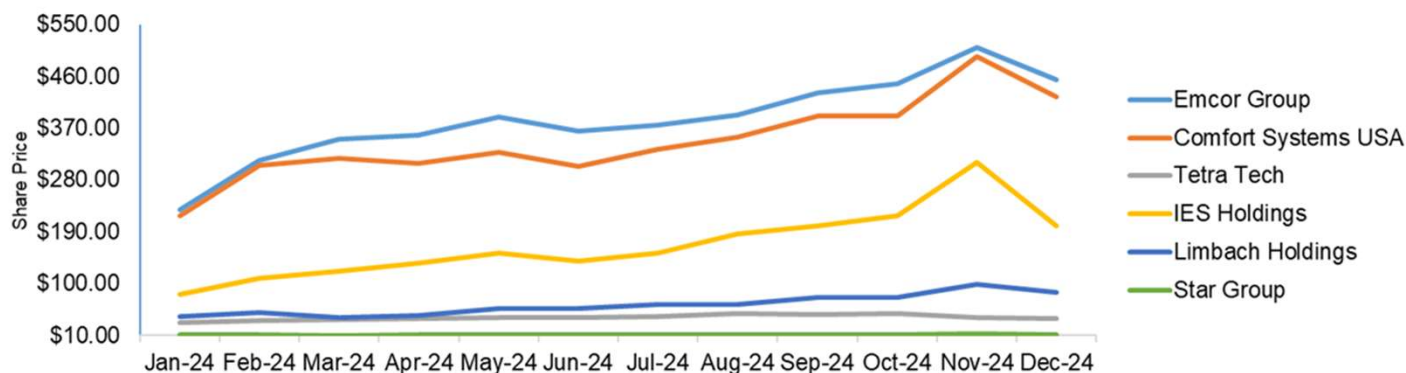
However, companies that operate in the B2B space providing similar services are able to operate at an industrial scale. As such, the comparable company analysis below examines those firms providing comparable services exclusively to commercial clientele on a national scale. Given the size and scope of these companies, a similar company operating in the middle market with a primarily residential client base can expect a deep discount to valuation.

Company	Ticker	Exchange	Market Cap (\$ in million)	Revenue (\$ in million)	EBITDA (\$ in million)	Valuation Metrics	
						Market Cap / Revenue	Market Cap / EBITDA
Emcor Group	EME	NYS	\$20,880.3	\$14,235.3	\$1,394.6	1.5x	15.0x
Comfort Systems USA	FIX	NYS	\$15,093.4	\$6,517.2	\$772.1	2.3x	19.5x
Tetra Tech	TTEK	NAS	\$10,666.8	\$5,198.7	\$615.3	2.1x	17.3x
IES Holdings	IESC	NAS	\$4,013.5	\$2,884.4	\$330.1	1.4x	12.2x
Limbach Holdings	LMB	NAS	\$964.3	\$517.8	\$55.5	1.9x	17.4x
Star Group	SGU	NYS	\$399.0	\$1,766.1	\$111.6	0.2x	3.6x

High	2.3x	19.5x
Average	1.6x	14.2x
Median	1.7x	16.2x
Low	0.2x	3.6x

*EBITDA Valuations of U.S. Publicly Traded Companies were **16.2x** on December 31, 2024.*

There is a significant valuation premium given to companies with market capitalizations in excess of \$1 billion, due to the scope and scale of the companies. Firms valued at \$1 billion or more typically have multiple streams of revenue, operate at national or international scale, and enjoy greater access to equity and debt markets.

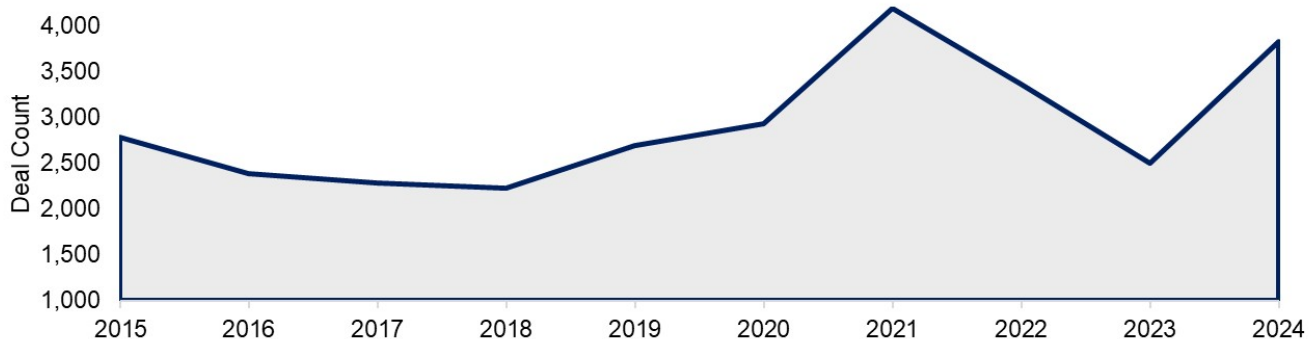


Over 2024, share prices of these companies have remained broadly stable, signaling that public markets broadly agree with the companies' valuation. Additionally, the above share prices are indicative of stable operations a market consensus of the business meeting expectations.

Merger & Acquisition activity in 2025 is expected to build on 2024's gains as political uncertainty diminishes, broader economic activity remains strong, and interest rates continue to decline.

- Recent economic data confirms the US economy remains on solid footing.
 - Historically robust productivity growth remain the key pillars to the US economic outperformance while selective consumer prudence in the face of high prices continues to drive down the rate of inflation.
- 2024 saw total corporate M&A volume of approximately 1,080 deals.
 - Given current macroeconomic data and industry trends, 2025 is expected to see deal growth ranging from 5% - 11% over 2024 volume.
- Coming off a weak 2023, Private Equity deal-making rebounded in 2024 to approximately 380 deals.
 - Assuming stable growth and in GDP and corporate profits as well as a declining interest rate environment, PE deal-making is anticipated to grow by approximately 14% in 2025 to a total volume of 440 transactions.
- New policy implementation at the federal level is expected to catalyze the 2025 M&A rebound via relaxed regulatory oversight.
- Middle-market deal activity appears poised to surge in 2025, driven by increasing margin pressure, the push for scale, and inorganic growth to capture additional market share.
- Private Equity firms expect decreasing interest rates to spur more deal-making as cost to finance acquisitions continues its downward trend since the middle of 2024.

Middle Market Deal Count, 2015 - 2024*



“Middle market businesses continue to demonstrate remarkable resilience and adaptability, driving robust growth as we close out the year. The U.S. Chamber is counting on our newly elected officials to match that optimism with policies that will support and accelerate economic growth over the next decade.”

- Neil Bradley, executive vice president & chief policy officer at the U.S. Chamber of Commerce

* 2024 deal count is estimated based on results through November 2024 and announced deals in December 2024.

Source: White & Case

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