

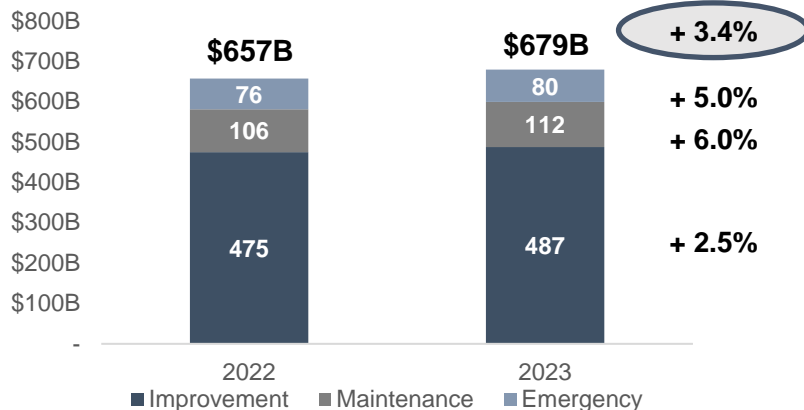


Founders Advisors Home Services M&A Update Q3 2023

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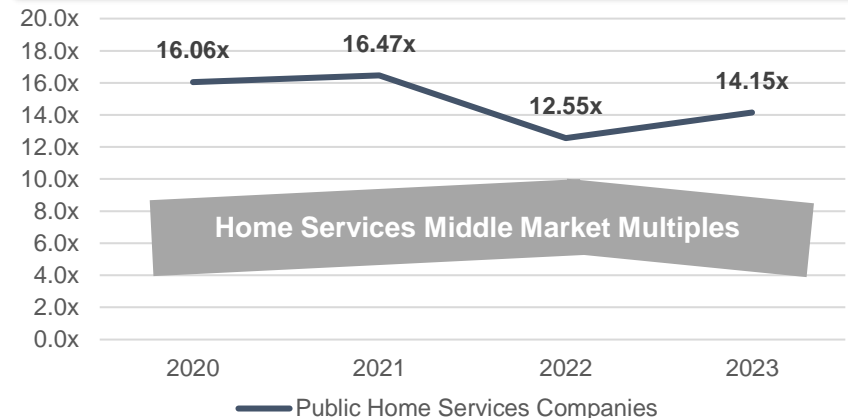
Home Services M&A Overview

Home Services Market Size and Growth Insights



Source: Studies at Harvard University; Angi, Founders Market Research

Enterprise Value EBITDA Multiples



Source: Pitchbook, GF Data

Home Services Market Update

- The U.S. economy continues to power along with strong employment / wage growth; however, rising interest rates and inflation are hurting higher ticket home investments
- Home Services is projected at \$680 billion in revenue this year, +3.4% increase over last year
 - Maintenance (HVAC, Appliance Repair, etc.) continues to grow at +6.0% driven by continued price increases
 - Emergency services growth is projected at +5.0%
 - Home Improvement, the largest segment growth has slowed significantly to 2-3% growth
- Investors are continuing to favor recurring revenue businesses with less discretionary spending which benefits the following Home Services sectors:
 - HVAC:** strong recurring revenues with growth of maintenance plans and critical services
 - Re-Roofing:** although the lifecycle for roofing is 10-20 years, replacing a roof is less discretionary with Insurance subsidizing weather claims
- Capital markets are extremely interested in these less discretionary Home Services sectors and valuation multiples continue to be strong

What We Are Reading

Forbes [Drop in Home Renovation Spending](#)

[Home Services Industry Trends](#)



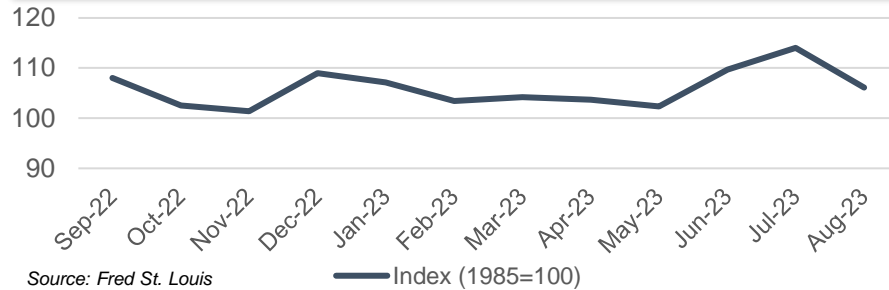
ServiceTitan

JCHS

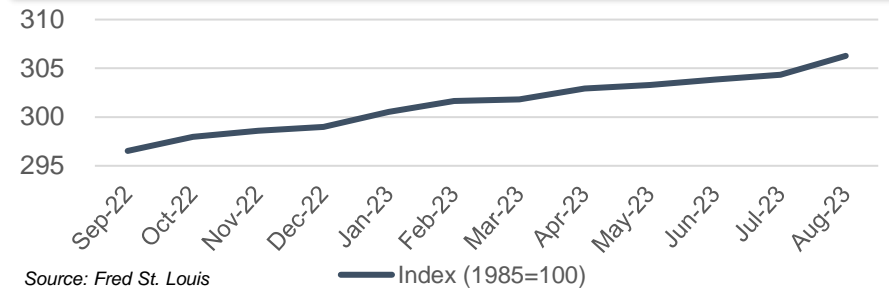
[Slight Gains in 2023 Outlook for Residential Remodeling](#)

Consumer Macroeconomics

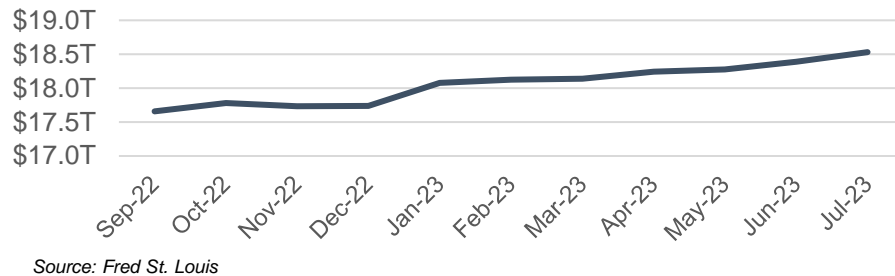
Consumer Confidence



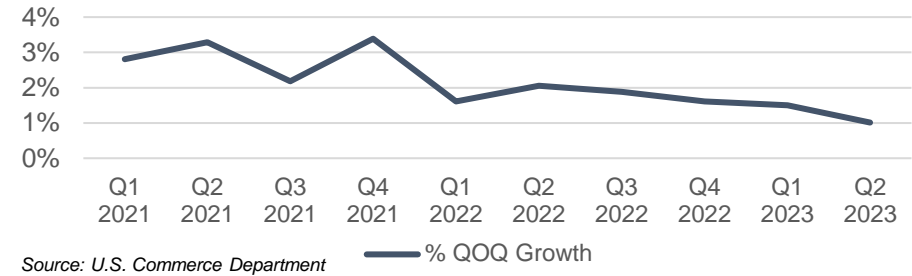
Consumer Price Index



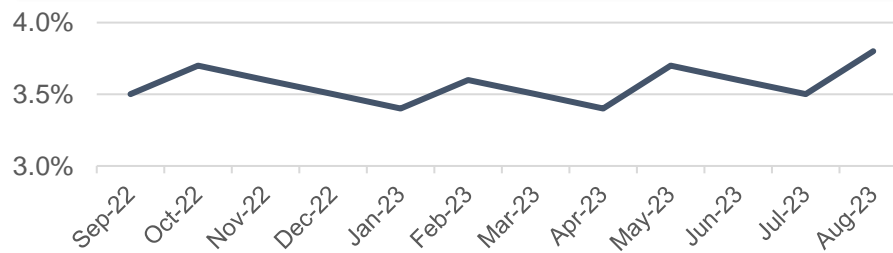
Consumer Spending



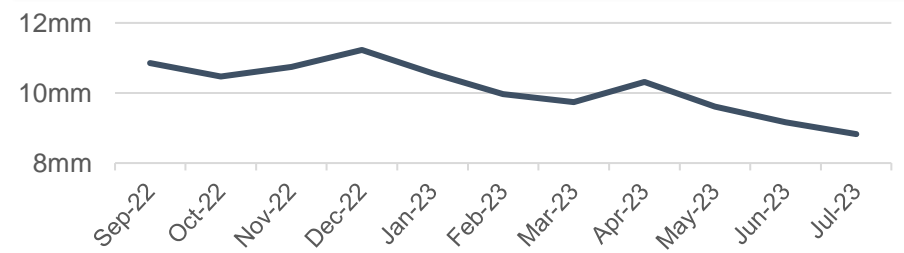
Gross Domestic Product Growth



Unemployment Rate

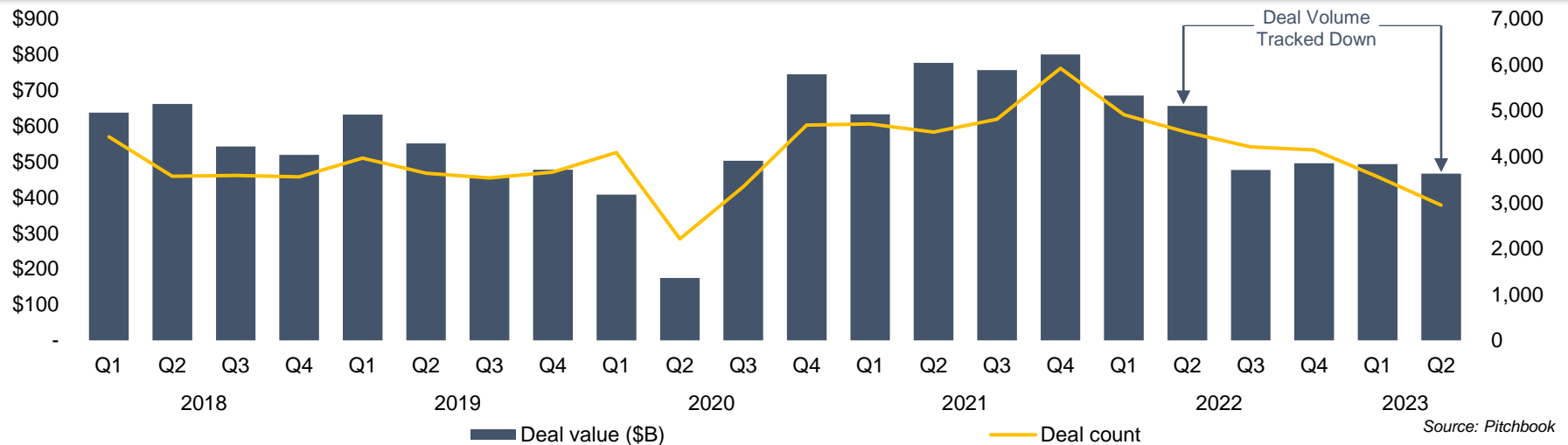


Job Openings

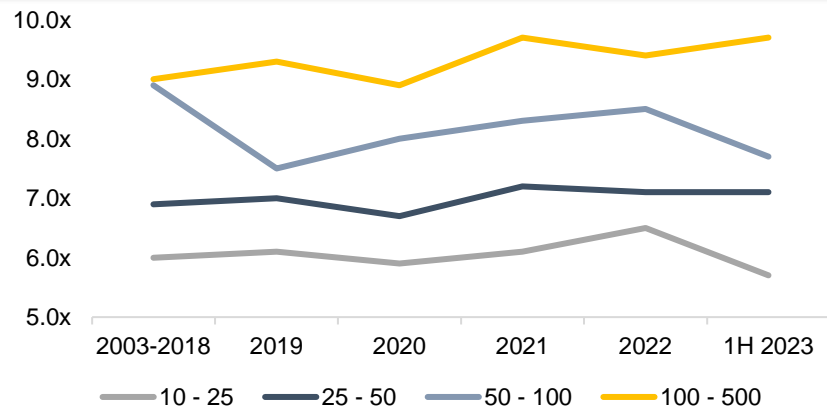


Global M&A Overview

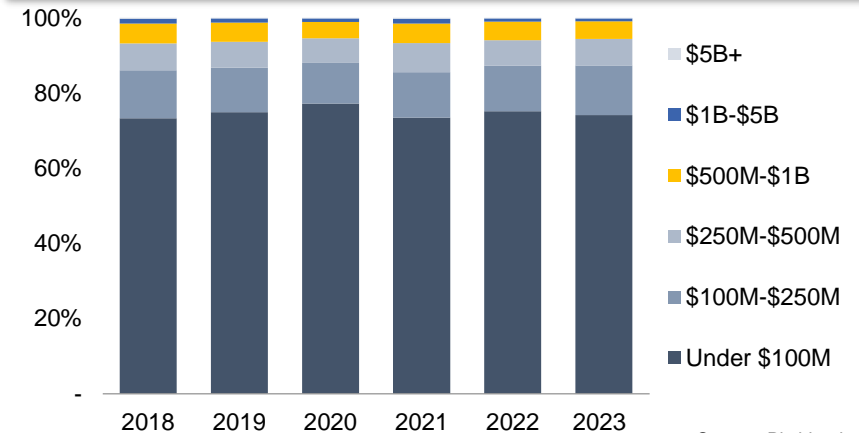
Global Deal Activity has Slowed Amid Macroeconomic Conditions



Lower Middle Market EBITDA Multiples Remain Strong



Deals Under \$500MM Dominate Deal Volumes



Home Services Industry Valuation Trends

Financial Ratios

Enterprise Value (EV) / EBITDA

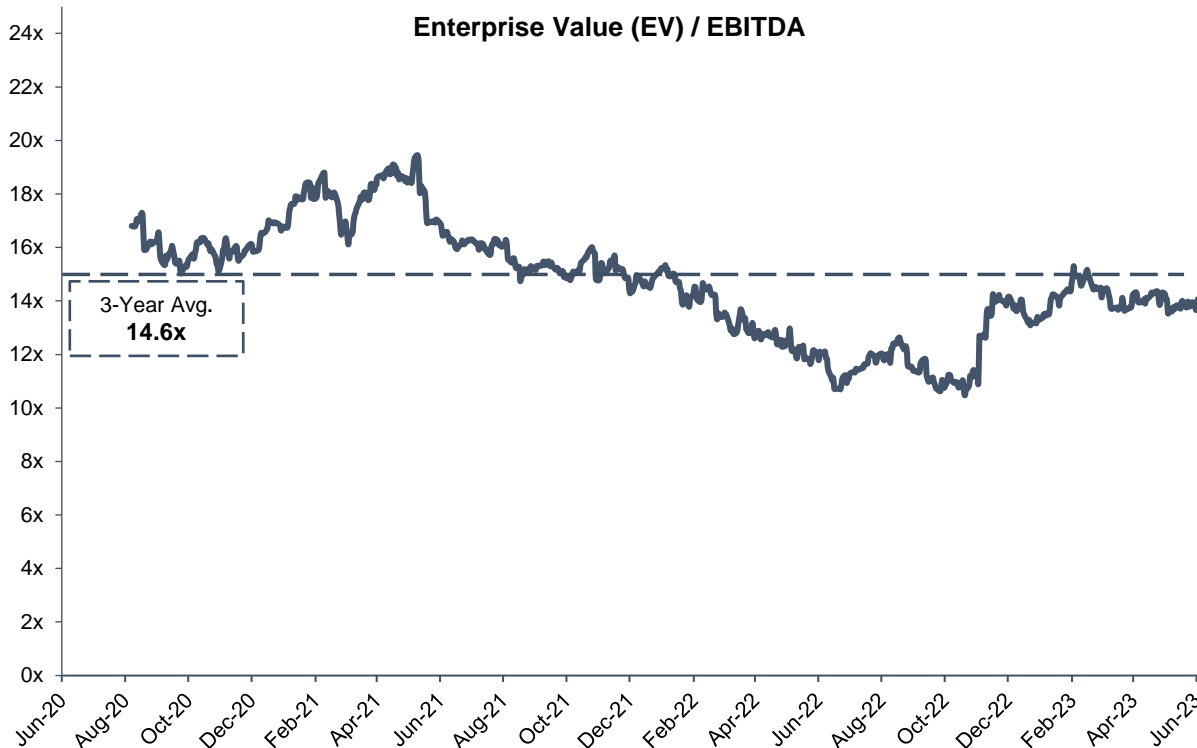
EV / EBITDA
3-Year Avg.
14.6x EBITDA

Current Valuation
Relative to 3-Year
Avg.
96%

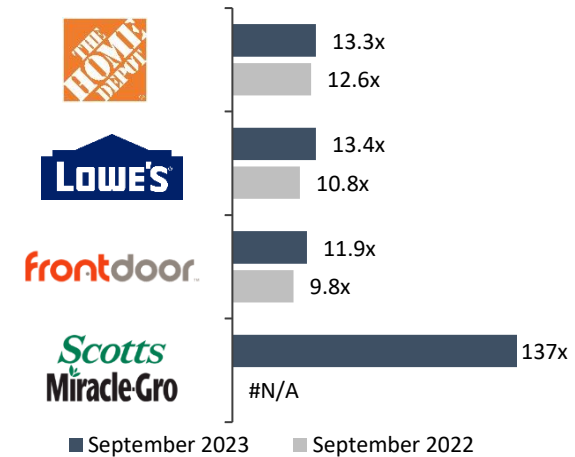
3-Year CAGR
-8.2%

Current Avg. Public
Comp Multiple
13.0x

Enterprise Value (EV) / EBITDA



EV / LTM EBITDA Multiple



EV / NTM EBITDA Multiple



Relevant Recent Home Services Transactions

Seller	Acquirer	Date	Sector	Description of Seller
Knight Plumbing, Heating & Air Conditioning	Gryphon Investors	Jul. 19, 2023	HVAC	The company offers services such as plumbing repair, sewer cleaning, leak detection, prevention, and other air services.
Cardinal Roofing and Restoration	Northpoint Roofing Systems	Jun. 13, 2023	Roofing	Provider of roofing services intended to serve residential and commercial properties
Georgia Scapes	OneOutdoor Holdings	Jun. 12, 2023	Landscaping	The company offers general landscape and grounds management services to commercial and residential customers
Allstar Construction	Morgan Stanley Capital Partners	Apr. 26, 2023	Roofing	The company offers residential roofing, storm damage repair, windows and doors installation, and gutter installation services.
Zodega Landscape Services	Lincoln Road Global Management	Mar. 20, 2023	Landscaping	Provider of residential and commercial landscaping and lawn services intended to offer maintenance services
Professional Pool Solutions	Pool Troopers	Mar. 08, 2023	Pool Services	Operator of a pool maintenance and repair company intended for residential and commercial swimming pools
The Ranch Pool Service	Smart Pool Services	Mar. 02, 2023	Pool Services	Operator of pool service platform intended to provide reliable, knowledgeable pool service at reduced rates
Universal Roofing & Exteriors	Elite Claim Solutions	Feb. 27, 2023	Roofing	Provider of home roofing services catering to both the residential and commercial sectors
Infinity Home Services	LightBay Capital, Freeman Spogli	Dec. 28, 2022	Roofing	Provider of roofing and other exterior home services intended to serve residential and commercial clients.
Stay Cool Air Conditioning & Heating	Southeastern Home Services	Aug. 15, 2022	HVAC	Provider of residential home services catering to the Tampa Bay area
Deer Park Roofing	Roofing Corp of America	Aug. 05, 2022	Roofing	Operator of commercial and residential roofing company intended to serve across the Midwest United States.
B. Carlson Heating, Cooling, & Plumbing	Radiant Plumbing and Air Conditioning	Aug. 03, 2022	HVAC	Provider of HVAC and plumbing services intended to serve both residential and commercial sectors
Linear Roofing & General Contractors	Capital Construction	Jul. 29, 2022	Roofing	Provider of roof services intended to serve across the southern United States
OyBoy Heating and Cooling	American Residential Services	Jun. 01, 2022	HVAC	Provider of HVAC services across South Central Utah
Ideal Services Heating & Cooling	NearU Services	Mar. 22, 2022	HVAC	Provider of HVAC, plumbing, and electrical services serving residential and light commercial customers
American Lawn & Landscape	Bell Valley Capital	Mar. 08, 2022	Landscaping	Provider of residential landscaping services for communities in Naperville, Bolingbrook and Romeoville

Brands Y'all Consumer Summit

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The Founders Advisors team is excited to share the dates of our 2024 event for owners of consumer-focused businesses. Brands Y'all offers founder/owners an opportunity to learn from industry leaders and network with like-minded entrepreneurs in a fun and relaxing environment. Our past guests rated our previous events among their all-time favorites.

Brands Y'all Consumer Summit is scheduled for April 22nd – April 24th, 2024 and will be held at Ross Bridge Resort & Spa in Birmingham, Alabama.

Join our Waitlist [HERE](#)

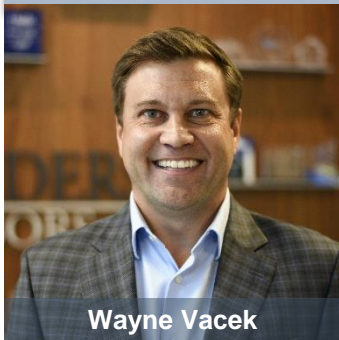
Founders Advisors Consumer Team

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Founders Home Services Sector Coverage Leader

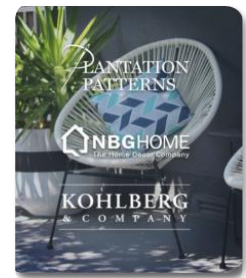
Select Transactions

DIRECTOR



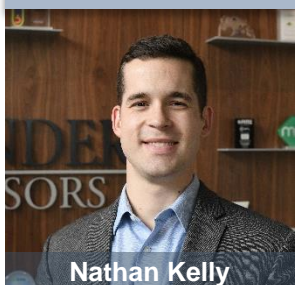
Wayne Vacek has 25 years of experience serving mostly large and medium sized companies in the Home Services industry. After receiving his MBA from Harvard Business School, Wayne started his career at Bain & Co.

Before joining Founders Advisors in 2022, Wayne most recently served in a Corporate Development Strategy role at Lowe's Home Improvement. He has a passion for advising business owners in M&A and helping them achieve their desired outcomes.

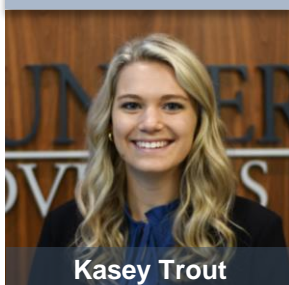


Consumer Team

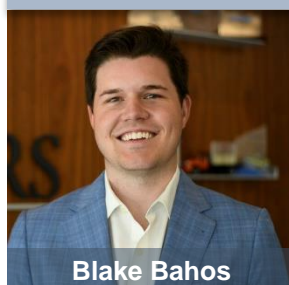
DIRECTOR



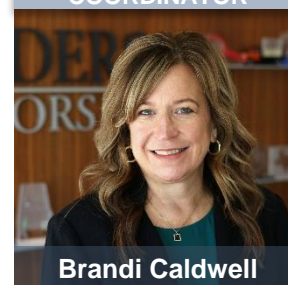
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PRACTICE GROUP COORDINATOR



Home Services Sector Coverage

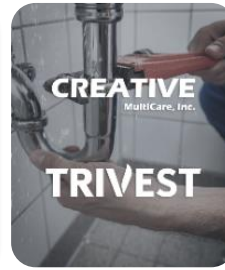
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Industry Size

\$679B+

Total Addressable
Market

Selected Home Services Experience



Home Services Sub-Verticals

HVAC/
Plumbing/
Electrical

Landscaping

Roofing

Pest Control

Pool Services

Appliance
Repair

Selected Buyer Relationships



NearU



BAUM



GI PARTNERS

SKYKNIGHT



LIGHTBAY CAPITAL



OMERS

Charlesbank

Riverside

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