

# Business Services Industry Update

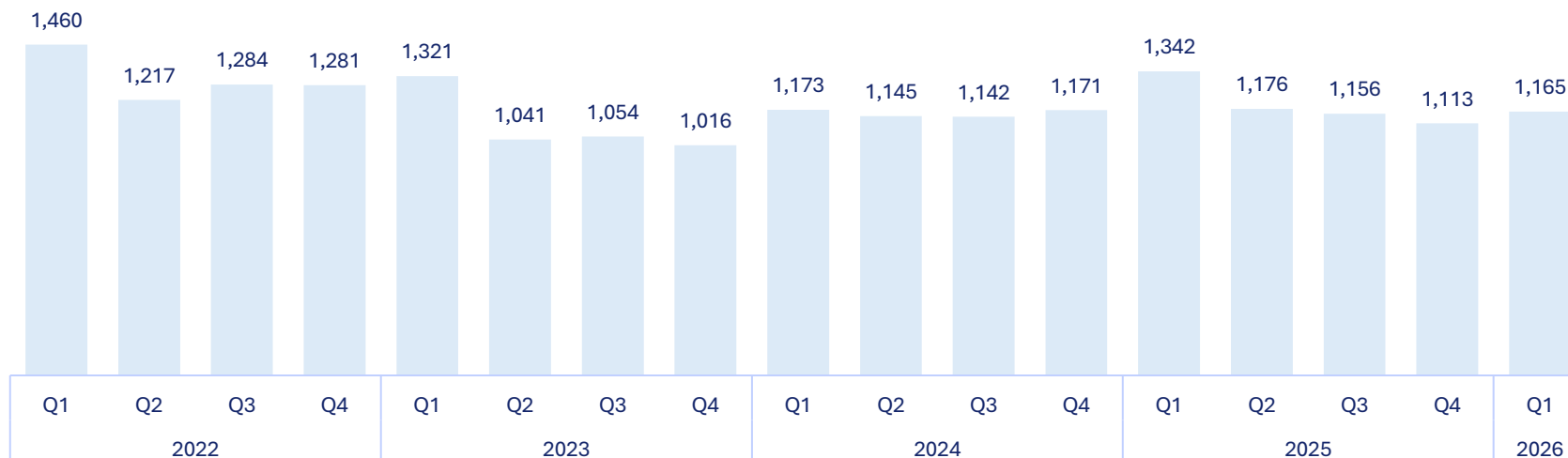
April 2026

# Business Services - M&A Market Update

## SC&H Insights & Observations

### Business Services M&A Deal Count | United States

Source: PitchBook and Capital IQ



### Select Recent and Large Transactions

Date	Apr 2026	Mar 2026	Mar 2026	Feb 2026	Feb 2026	Dec 2025
Value	\$375 Million	\$5.5 Billion	\$1.6 Billion	\$3.3 Billion	\$2.5 Billion	\$2.4 Billion
Target	Intelligence. Engineered.			Backed by WARBURG PINCUS		
Acquirer		READY FOR THE WORKDAY™				

- Business services M&A activity has remained robust through Q1 2026, with deal volume holding steady and buyer appetite strong. The market is active but conviction-driven - buyers are prioritizing quality over quantity.
- Valuations remain strong for high-quality assets, with buyers actively competing for scaled, defensible businesses with recurring revenue, consistent margins, low customer concentration, and strong growth potential.
- AI and automation have become a central part of how buyers evaluate and underwrite business services targets. Providers that embed AI into workflows, reduce labor intensity, or generate proprietary data assets are commanding valuation premiums - making technology enablement an increasingly important part of any value creation story.
- Strategic acquirers remain highly active, pursuing targets that offer vertical depth, new geographic markets, deep customer relationships, or complementary capabilities that enable cross-sell. Portfolio reshaping is equally active, as corporates divest non-core operations to focus capital on higher-growth opportunities.
- Private equity continues to be a significant driver of sector activity, supported by substantial dry powder, a large backlog of maturing portfolio companies, and continued appetite for buy-and-build platforms across managed IT, compliance, staffing, and BPO.
- Macro uncertainty, tariff pressures, and geopolitical friction have sharpened buyer diligence - particularly around cost structure, margin resilience, and offshore delivery exposure.

# Notable Business Services M&A Spotlights by Subsectors



## BPO & Managed Services



## Human Capital & Staffing



## Professional / Management Consulting



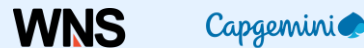
## Architectural, Engineering, & Construction

Target / Acquirer

Valuation

Deal Notes

Oct 2025 (Closed)



\$3.3bn // 16.3x EV/EBITDA

“By combining Capgemini’s global reach, strategy and transformation capabilities, technology and AI leadership with WNS’s industry expertise and platforms, we’re uniquely positioned to help our clients reinvent their business processes end-to-end and lead in their market. We can now move forward in building together a global leader in Intelligent Operations. I am delighted to welcome WNS’ employees to the Group.”

-- Capgemini, CEO

Jan 2026 (Closed)



Undisclosed

Atlantic International acquired Circle8 Group to gain complementary capabilities, expand its geographic footprint, and unlock cross-selling opportunities.

“Circle8’s exceptional growth trajectory, blue-chip client relationships and market-leading position in European IT staffing meaningfully advance our strategy to build a scaled, diversified global workforce solutions business.”

-- Atlantic International, CEO

Mar 2026 (Closed)



\$1.6bn // Undisclosed

“Clients increasingly seek fewer interfaces and greater accountability as they navigate large, complex initiatives. By bringing our strategy, digital innovation and major program delivery capabilities closer together, we can help clients move from insight to implementation with greater speed, capital efficiency and confidence. At the same time, expanding our high-value advisory and digital services enhances our growth trajectory and supports margin expansion — advancing long-term value creation for our shareholders.”

-- Jacobs, CEO

Feb 2026 (Closed)



\$3.3 bn // 14.5x EV/EBITDA

“Joining forces will position our business for accelerated organic growth and create an integrated platform with industry-leading capabilities in advisory, engineering, and program management. With TRC’s highly complementary expertise in power delivery, transmission, distribution, and advisory services, our combined offering will cover the entire utility and infrastructure value chain. Together, we are poised to deliver more complex projects and offer expanded end-to-end services to help solve our clients’ critical needs, from aging infrastructure to grid modernization and electrification.”

-- WSP, CEO

Target / Acquirer

Valuation

Deal Notes

Sep 2025 (Closed)



Undisclosed

“Bringing Auxis into the Grant Thornton platform is a milestone moment for us. Auxis’ proven shared services, nearshoring expertise and tech-enabled solutions are a natural fit for our world-class model. This deal allows us to deepen client engagement and enhance our offerings — delivered with speed, scalability and quality.”

-- Grant Thornton, CEO

May 2025 (Closed)



\$350mm // Undisclosed

“By uniting TELUS Health and Workplace Options, we are creating an unprecedented breadth of experience and expertise that will drive global consistency in Employee and Family Assistance Programs (EFAP) and Wellbeing Solutions in a way that is unmatched in our industry. This acquisition furthers TELUS Health’s practice of partnering with providers, digital health organizations, health plans and employers to create a more robust and localized offering executed at a global scale.”

-- TELUS, CEO

Jan 2026 (Closed)



\$700mm // 4.9x EV/Revenue

“This acquisition marks a pivotal milestone in advancing our global Salesforce capabilities and accelerating our AI-led transformation agenda. It is another significant step towards realizing TCS’s vision of becoming the world’s largest AI-led technology services company. By adding over 400 multi-cloud specialists with deep industry expertise, we are strengthening our advisory and business consulting capabilities and enhancing our AI and data offerings.”

-- Tata Consultancy Services, CEO

May 2025 (Closed)



Undisclosed

JMT acquired Clark Nexsen to expand its geographic reach and deepen its multidisciplinary A&E capabilities.

The deal unites two ENR Top 500 Design Firms, adding 320 professionals and nine offices across Virginia, North Carolina, Georgia, and Tennessee to JMT’s national platform.



SC&H Capital served as the sell-side advisor to Clark Nexsen

# Notable Business Services M&A Spotlights by Subsectors, Cont.



## Residential & Home Services



## Industrial & Commercial Facility Services



## Diversified IT Services



## Logistics & Transportation

Rumor Sale



To-Be-Determined

American Residential Services explores potential sale.

The private equity owner of American Residential Services (ARS) is exploring a sale of the heating, ventilation, and air conditioning (HVAC) and plumbing services provider that could value it at over \$3.5 billion, according to three sources familiar with the matter.

The potential sale comes as private equity firms continue to favor residential services investments, a sector that remains resilient during periods of market volatility due to steady, recurring demand.

Mar 2026 (Announced)



\$5.5bn // 8.0x EV/EBITDA

The combined company will deliver innovative products and outstanding services to approximately 1.5 million business customers across North America.

“For decades, Cintas and UniFirst have built their reputations on a shared commitment to service excellence and putting customers first. By combining, we will be better positioned to drive growth and deliver on efficiencies that will benefit our collective customers and employee-partners.”

-- Cintas, CEO

Apr 2026 (Announced)



\$375mm // 2.7x EV/Revenue

Wipro acquired Mindsprint, Olam Group's IT and digital services arm, for \$375 million - its largest acquisition to date - paired with an \$800 million, eight-year transformation contract.

The deal deepens Wipro's AI-powered capabilities in the food and agri-business sector while giving Olam a scaled technology partner across its farm-to-fork value chain.

Mar 2026 (Announced)



Undisclosed

The combined company will be one of the largest and most diversified logistics and shipping technology platforms.

“This combination brings together two complementary leaders at a pivotal moment for the logistics industry. Auctane's category-defining shipping software and WWEX Group's scaled parcel and freight service offerings create an integrated solution with the data, distribution and volume necessary to help customers drive smarter decision-making and superior execution across the logistics lifecycle.”

-- Thoma Bravo, Partner

Feb 2026 (Announced)



\$2.5bn // Undisclosed

“By bringing together best-in-class essential services under one umbrella, we have an opportunity to redefine what homeowners expect from a residential services provider—exceptional quality, reliability, and scale, all delivered locally. This partnership positions Champions Group to set a new standard for the industry and create long-term value for customers, employees, and the communities it serves.”

-- Blackstone, Managing Director

Dec 2025 (Closed)



Undisclosed

“Service Logic is the leading independent operator in a large and growing HVAC services market. Its durable organic growth, operational excellence, and disciplined approach to strategic acquisitions have created a differentiated platform with national scale. We are excited to work alongside the management team to further strengthen the Company's platform, accelerate M&A, and continue enhancing its capabilities in local markets.”

-- Bain Capital, Partner

Dec 2025 (Announced)



\$2.4bn // 3.9x EV/Revenue

Coforge acquired Encora, an AI-native engineering firm backed by Advent International and Warburg Pincus, for \$2.35 billion - its most transformative deal to date.

The combination creates a ~\$2.5 billion tech services platform with a scaled AI-led engineering, cloud, and data core, and meaningfully expands Coforge's nearshore delivery presence and U.S. client footprint.

Mar 2026 (Closed)



Undisclosed

“This acquisition represents a meaningful strategic opportunity for Echo and our customers. ITS has built a highly differentiated set of solutions, including drop trailer and trailer pool capabilities, backed by best-in-class execution that delivers reliability and flexibility across complex networks. By applying Echo's proprietary technology, advanced analytics, and growing AI capabilities to the ITS solution set, we will strengthen our value proposition for a broader range of customers.”

-- Echo, CEO

# Subsector Spotlight – Fire Protection

M&A activity is on the rise in the fire protection sector. Buyers hope to capitalize on favorable market demand dynamics, while sellers look to benefit from recent industry growth and favorable valuations.

Below are some key themes SC&H is observing in the fire protection sector:

## Key Fire Protection Themes

### Active Acquirers

Established private-equity-backed consolidators like Eagle Fire (backed by Cobepa), Altus Fire & Life Safety (backed by Apax), and SuperHero Fire Protection (backed by Hidden Harbor Capital Partners) continue to aggressively seek out acquisitions

Buyers are targeting companies that have a high percentage of earnings from recurring service and maintenance contracts and broad exposure to new construction and rehab projects

### Growing Addressable Market

With a total market valued at \$26B - \$33B and growing at ~4% annually, buyers are keen on capturing its future organic/inorganic growth

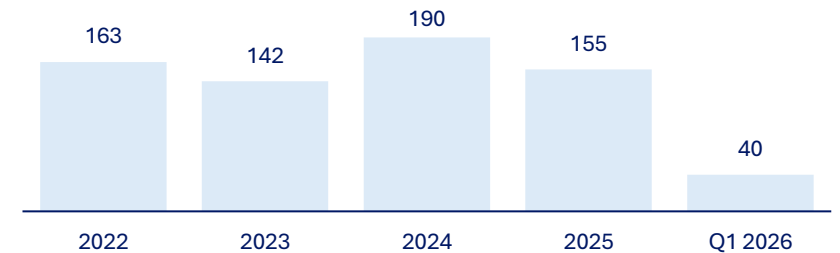
### Evolving Regulations

Constantly evolving regulations and innovations in the space drive opportunities and create new opportunities, especially in the new construction and rehab space

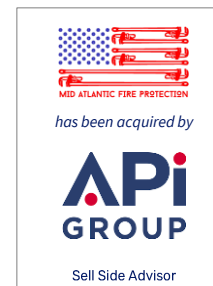
### Growing Desire for Value-Add Services

Fire protection providers with a proven ability to grow their offerings and expand into new attractive geographies are commanding premium valuations

### Fire Protection M&A Deal Trend



### SC&H Capital Advised Mid Atlantic Fire Protection in Sale to APi Group



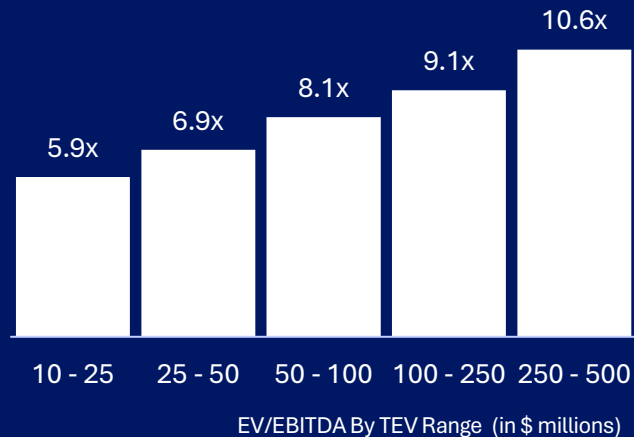
**The Target:** Founded in 2002, Mid Atlantic Fire Protection specializes in the design, installation, inspection, and maintenance of fire protection sprinkler systems.

**The Buyer:** APi was founded in 1926 and has grown to be a premier life safety, security, monitoring, and specialty contracting business. APi has approximately \$7 billion in revenue, operates in over 20 countries, and has ~29,000 team members.

## Lower Middle-Market Business Services Valuation Insight

Lower middle-market valuations in business services remain healthy, supported by sustained buyer appetite for platforms with defensible market positions, differentiated capabilities, and strong customer retention. Investors continue to reward businesses that demonstrate scalable infrastructure, diversified end-market exposure, and consistent margin performance — with larger, more resilient platforms commanding premium multiples.

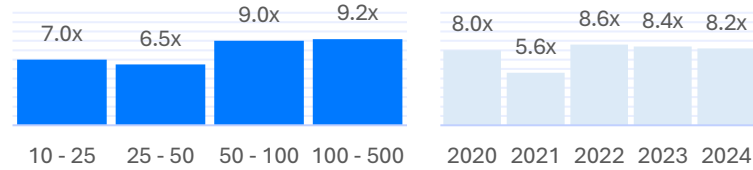
### Lower-Middle Market Business Services EV/EBITDA Multiples | TEV Range



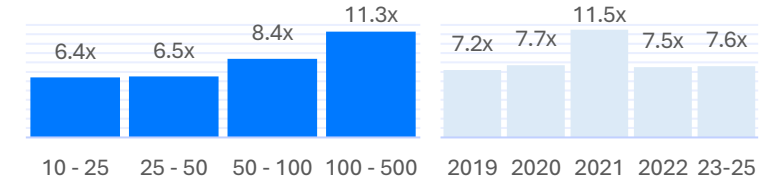
# EV/EBITDA Multiples By Subsectors



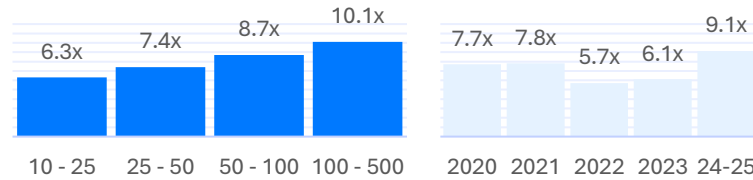
### BPO & Managed Services



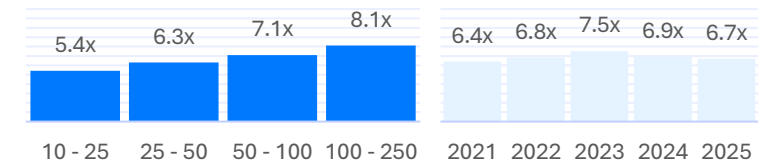
### Human Capital & Staffing



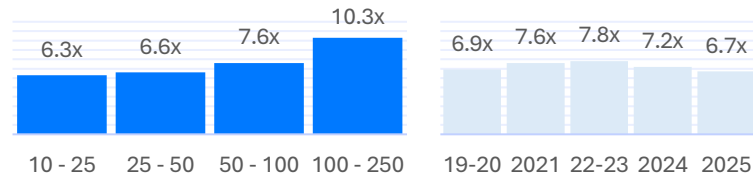
### Professional / Management Consulting



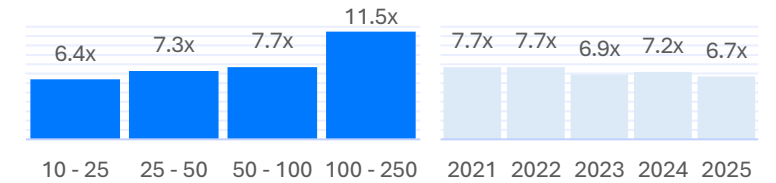
### Architectural, Engineering, & Construction



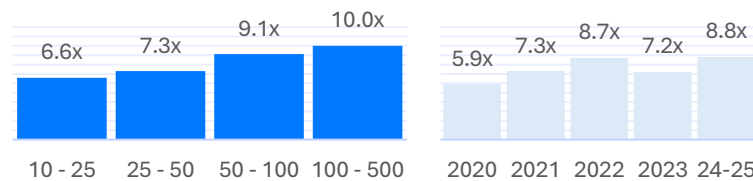
### Residential & Home Services



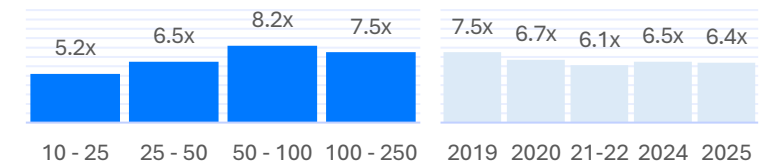
### Industrial & Commercial Facility Services



### Diversified IT Services



### Logistics & Transportation



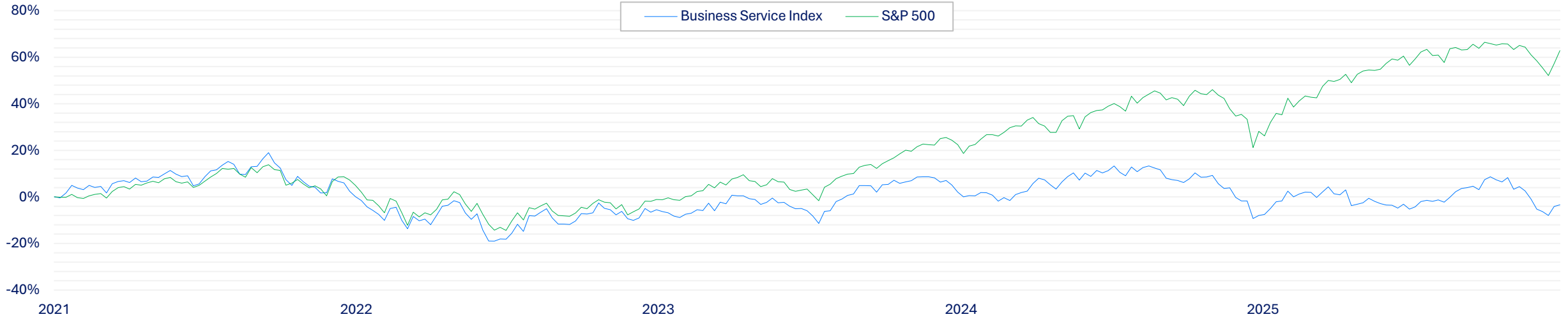
Source: GF Data

EV/EBITDA By TEV Range (in \$ millions)

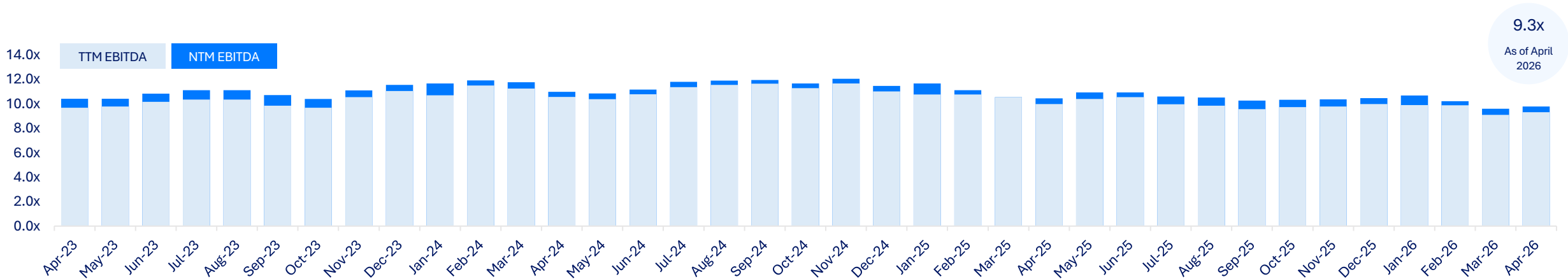
EV / EBITDA By Year

# Public Market Pulse

## Index Share Performance Against S&P 500 (Last 5 years)



## Median TEV/ EBITDA Multiples (Last 3 years)



# Public Market Pulse

## Financial Overview by Subsectors

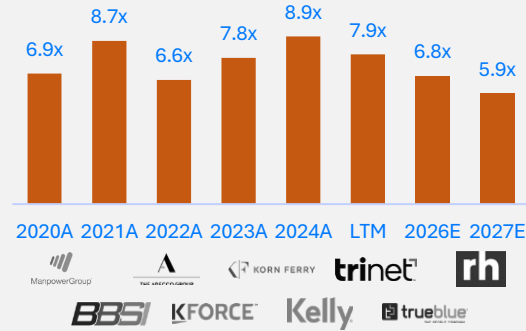
Subcategory	Market Cap	TEV	LTM Revenue	LTM EBITDA	Gross Margins %	EBITDA Margins %	EV/LTM Revenue	EV/LTM EBITDA
BPO & Managed Services	\$1.6	\$1.8	\$3.0	\$0.3	33.7%	16.9%	0.7x	7.0x
Human Capital & Staffing	\$1.4	\$2.4	\$4.3	\$0.2	21.0%	4.2%	0.4x	7.9x
Professional / Management Consulting	\$1.6	\$2.5	\$1.9	\$0.2	32.0%	14.1%	1.3x	9.4x
Architectural, Engineering, & Constructio	\$9.1	\$9.9	\$5.2	\$0.7	26.4%	12.5%	1.7x	12.7x
Residential & Home Services	\$11.2	\$14.1	\$3.8	\$1.0	32.5%	20.3%	2.9x	14.5x
Industrial & Commercial Facility Services	\$9.0	\$14.5	\$8.7	\$1.4	21.7%	13.6%	1.7x	13.8x
Diversified IT Services	\$15.6	\$18.2	\$11.8	\$2.2	24.3%	18.6%	1.1x	7.6x
Logistics & Transportation	\$19.3	\$19.5	\$11.9	\$1.6	18.9%	16.3%	1.3x	7.5x

## Historical and Estimated Median TEV/ EBITDA Multiples

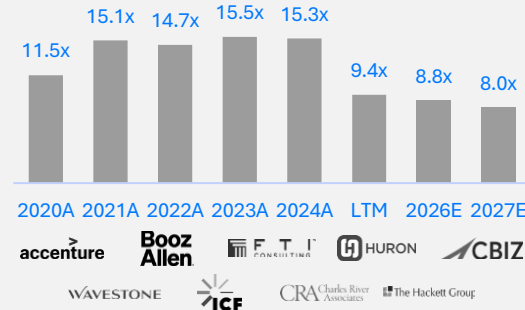
### BPO & Managed Services



### Human Capital & Staffing



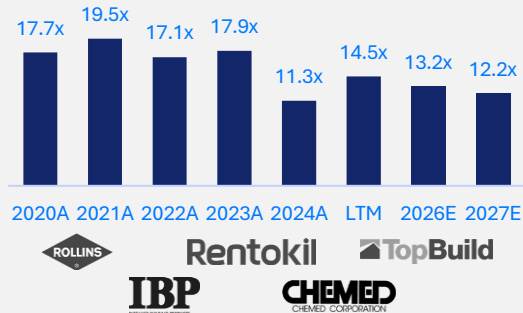
### Professional / Management Consulting



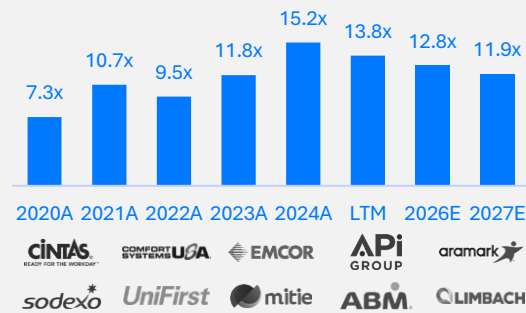
### Architectural, Engineering, & Construction



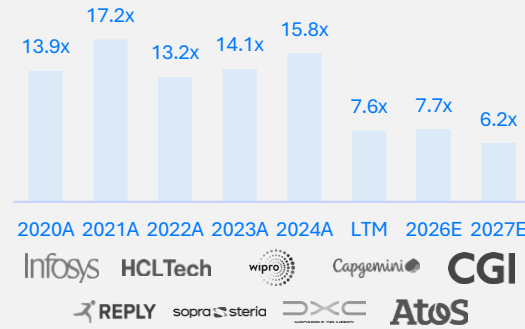
### Residential & Home Services



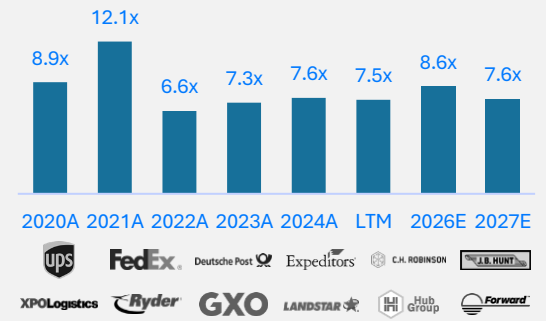
### Industrial & Commercial Facility Services



### Diversified IT Services



### Logistics & Transportation



# About SC&H Capital

SC&H Capital is an investment banking advisory firm focused on delivering outstanding results to leading middle market and growth companies.

Our solution-driven approach combines creativity and industry experience to help founder-owned businesses navigate the M&A process and achieve their goals.

Specialty  
Distribution

Software and  
Technology

Healthcare

Government  
Contracting

Manufacturing

**Business Services**



*Boutique Firm  
Attention + Large  
Firm Execution*

- SC&H Capital has completed hundreds of M&A advisory, financing, and ESOP transactions with an aggregate economic value of over \$11 billion
- Senior banking team professionals have an average of over 20 years of experience in transaction advisory services
- Recognized by clients for providing relevant market and industry insights to help unlock their full strategic value
- Deep business services sector expertise



BPO & Managed Services



Human Capital & Staffing



Professional / Management Consulting



Architectural, Engineering, & Construction



Residential & Home Services



Industrial & Commercial Facility Services



Diversified IT Services



Logistics & Transportation

## Our Solutions

 **Mergers & Acquisitions**

 **Debt Capital Markets**

 **ESOP Transactions**

 **Special Situations**

 **Business Valuations**

[Click to learn more about our services](#)

SC&H Capital brings deep expertise and extensive experience in the business services sector, consistently delivering exceptional outcomes for our clients.

500+

Completed Transactions

\$11B+

in Deal Value Since Inception

35

Seasoned Investment Bankers

### Industry Coverage Overview

- BPO & Managed Services
- Human Capital & Staffing
- Professional / Management Consulting
- Architectural, Engineering, & Construction
- Residential & Home Services
- Industrial & Commercial Facility Services
- Diversified IT Services
- Logistics & Transportation
- Environmental Services
- Education Services
- Landscaping Services
- And More...



## SC&H Capital Business Services Experience

Below is a sample of our recent transactions.

**KNOTT MECHANICAL**  
has been acquired by  
**ASTRA** | **ORION**  
a portfolio company of  
**ALPINE**  
Sell Side Advisor

**MID ATLANTIC FIRE PROTECTION**  
has been acquired by  
**API GROUP**  
Sell Side Advisor

**ONE DAY ROOFING**  
has been acquired by  
**SKYLINE ROOFING PARTNERS**  
a portfolio company of  
**IMPERIAL CAPITAL**  
Sell Side Advisor

**Gerber's**  
has been acquired by  
**casella**  
ESTABLISHED 1974  
Sell Side Advisor

**CLARK NEXSEN**  
has been acquired by  
**JMT**  
Sell Side Advisor

**APPLIED**  
has received a strategic investment from  
**TENCATE**  
a portfolio company of  
**Crestview**  
Sell Side Advisor

**Wise Consulting**  
has been acquired by  
**RSM**  
Sell Side Advisor

**CHAMBERLAIN**  
has been acquired by  
**PAVEMENT PARTNERS**  
a portfolio company of  
**SHORELINE EQUITY PARTNERS**  
Sell Side Advisor

**Glow Networks**  
a division of  
**CSS CORP**  
has been acquired by  
**ALTRUIST**  
Sell Side Advisor

**centretek**  
has been acquired by  
**spm.**  
a portfolio company of  
**Corridor Capital**  
Sell Side Advisor

**Medical Physics, LLC**  
**OMPC** | **APA**  
**National Physics Consultants, LLC**  
has been acquired by  
**APEX**  
Physics Partners  
a portfolio company of  
**BLUE SEA CAPITAL**  
Sell Side Advisor

**PLANNING SOLUTIONS GROUP**  
has been acquired by  
**Wealth Enhancement Group**  
a portfolio company of  
**LIGHTYEAR CAPITAL**  
Sell Side Advisor

**PHOENIX TECHNOLOGY CORPORATION**  
has been acquired by  
**WEST PHYSICS**  
a portfolio company of  
**LNC PARTNERS**  
Sell Side Advisor

**Leach Wallace Associates, Inc.**  
Consulting Engineers  
has been acquired by  
**wsp**  
Sell Side Advisor

**WEST PHYSICS**  
has been acquired by  
**LNC PARTNERS**  
Sell Side Advisor

**Reines RV CENTER**  
has been acquired by  
**CAMPING WORLD**  
Sell Side Advisor

**AMP** | **RMA**  
has been acquired by  
**L2 CAPITAL**  
Sell Side Advisor

**Kraeger-Gilbert Health Physics, Inc.**  
has been recapitalized  
**Seneca Creek**  
Financial Advisor

# Contact Us For More Information



## M&A Advisory Team



**Gregory Hogan**  
*Managing Director*



**Matthew Roberson**  
*Managing Director*



**Craig Bowden**  
*Managing Director*



**Matthew Everett**  
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Richard Zytkowicz, Principal  
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Michael Grabenstein, Sr. VP  
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**Guided by our values — for our clients, colleagues, and communities. Driven by results.**

### Expertly Qualified

We pursue excellence through continuous learning, expanded expertise, and proactive exploration of new opportunities.

### Exceptionally Responsive

We deliver timely, high-value outcomes by actively listening, honoring our commitments, and exceeding expectations.

### People-Focused

Integrity guides everything we do. We value collaboration, accountability, and a commitment to our clients, colleagues, and communities.

### Results Driven

We take ownership of outcomes and innovate continuously to achieve measurable, lasting success for our clients.