

March 2023

Home Services M&A Market Update

The home services industry experienced a transformative year in 2022 in terms of deal volume and industry value, making it a highly attractive sector for investors.

Home Services Industry Overview

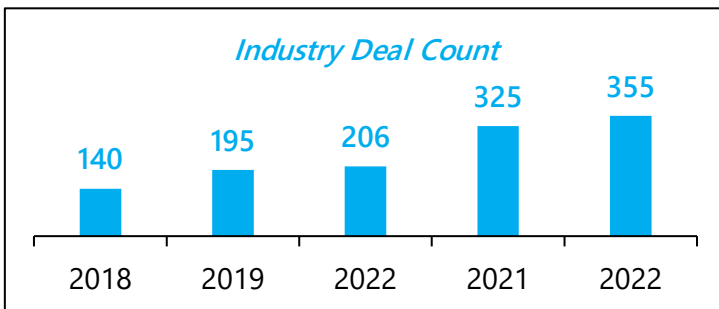
The home services industry has experienced significant growth in recent years, with a market size estimated to be worth \$641 billion in 2021¹. This growth is expected to continue, with a projected CAGR of 6.7% from 2021 to 2028.



¹ IBIS World

M&A Landscape

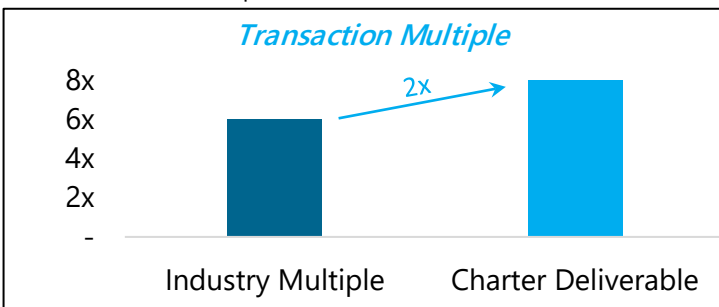
The home services industry has seen a significant amount of M&A activity in recent years, driven by the desire to expand market share, offer a broader range of services to customers, and achieve cost savings through economies of scale. The industry's competitiveness is driving companies to seek M&A as a way to gain a competitive edge and improve profitability. This trend is likely to continue as companies adapt to changing market conditions.



The Charter Value

By leveraging Charter's industry expertise and network, owners looking to transition ownership can rely on Charter's experience to help generate the best value.







- Charter's sell-side advisory services within the home services space has been able to obtain above market transaction multiples.



* Transaction Multiple = Enterprise Value / EBITDA

* EBITDA = A proxy for free cash flow

Active Private Equity Platforms

PLATFORM	OWNERSHIP	LTM DEAL COUNT	SEGMENT
 HEARTLAND HOME SERVICES		19	HVAC
		12	Pest Control
		11	Landscaping
	KNOX-LANE	9	Electric & Plumbing
		6	Home Repair

Highlighted Transaction



WEST MICHIGAN TREE SERVICES
A leading tree care service provider headquartered in Grand Rapids, Michigan

Has been acquired by Bedford Hills, New York-based



SAVATREE
Charter principals served as exclusive M&A advisor to West Michigan Tree Services.



Founded in 1924, West Michigan Tree Services is a leading landscape and tree removal company based in Grand Rapids, Michigan. SavATree, the acquirer, is a provider of a variety of tree services and is a portfolio company of Apax Partners. Charter principals served as the exclusive M&A advisor to West Michigan Tree Services.

A Differentiated Approach to Investment Banking

Founded in 1989, Charter Capital Partners is a premier investment banking firm headquartered in Grand Rapids, Michigan. Charter offers a comprehensive range of investment banking and private capital investing advisory services, including buy-side and sell-side M&A, capital raise, succession planning, and valuation services.

Advisory Services Snapshot

Type	Expertise
M&A Advisory	<ul style="list-style-type: none">• Go-to-market sell-side advisory• Buy-side growth strategies• General financial advisory• Succession planning
Capital Raise	<ul style="list-style-type: none">• Equity or debt capital raise• Dividend recapitalization• Minority investors
Valuation Opinions	<ul style="list-style-type: none">• Buy-sell agreements• Gift, estate, and income tax matters• Shareholder disputes
Capital Management	<ul style="list-style-type: none">• Licensed Fund Management• Registered Investment Advisers

Midwest Culture with Bulge Bracket Experience

Our transaction teams are staffed with senior bankers who have experience in closing complex M&A transactions. We have earned a reputation for valuation levels that exceed both client and market expectations. Charter was recognized as one of the top 100 most referred middle-market advisory firms in the US, according to a survey of 1,000 private equity firms, strategic acquirers, and family offices compiled by Axial, a network of middle market investors, advisors, and CEOs.

Global Buyer Network

Through our experience closing hundreds of deals we have built a global, highly connected network of strategic and private equity buyers. In addition, we maintain long-lasting relationships with acquirers of previous clients. This is supported by multiple comprehensive databases that help us identify the most qualified buyers.

Founder-Owned and Family-Held Focus

Our team has a keen understanding of the deal dynamics that are unique to family-owned and/or closely held businesses, helping to ensure that all owner-specific goals are achieved. We are selective with our clients to ensure cultural alignment and enable us to optimize the value we deliver.

Broker-dealer services offered through M&A Securities Group, Inc. ("MAS"), member FINRA/SIPC, a separate entity from Charter Capital Partners and Charter Private Capital Management. Certain transactions included within this report were performed by principals of Charter acting in their capacity as licensed investment banking agents of MAS.

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