

ON DECK – FACILITY SERVICES RECESSION-RESISTANCE

ON DECK WITH LEAGUE PARK

RECESSION-RESISTANT CHARACTERISTICS OF FACILITY SERVICES

regardless of economic cycles, the nature of demand supports facility services companies

For what seems like an endless Groundhog Day-like existence, we have heard on the news that a recession is underway due to COVID-19. Analysts will point to an obscure chart that shows it is underway and someone else will then retort with another data point showing a rebound is also underway. We hear about this so much because it breeds fear; recessions can be catastrophic for businesses. However, we don't believe all businesses are equal and certain markets, such as facility services, are well-positioned and even benefit from the storm. It is estimated that three-quarters of companies experience a revenue decline during a recession, yet 14% actually experience revenue and profitability growth. To be recession-proof though, a business must either be providing something that is a high enough priority that even the most frugal consumer will still buy, or conversely, is one that sees demand rise due to the tough conditions that the economy is under. Representative characteristics include a company that provides: (i) repair or maintenance services (e.g., plumbing, HVAC, and painting); (ii) essential public-works services (e.g., electrical); (iii) mandated services (e.g., elevator maintenance and inspections); (iv) safety-oriented services (e.g., fire, security, and environmental); (v) staple services (e.g., janitorial and landscaping); and (vi) building/home management services (e.g., HOA management and leasing).

FACILITY SERVICES BY THE NUMBERS...



\$1,000B+

Aggregate demand for facility services in 2019



2.5%

Aggregate demand CAGR from 2014 to 2019



6.2%

Demand CAGR from 2019 to 2024P (developing economy-driven)



500k+

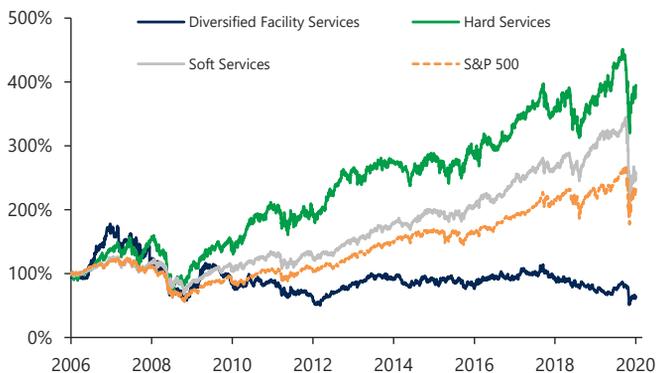
Total number of facility services companies in the United States in 2020

We believe the unique demand requirements of facility services companies have them uniquely positioned in the current market environment. Despite the relative maturity of the facility services market, we also believe the market's comparative resiliency will also be accompanied by private equity firms that are approaching today's market with a focus on investing in fragmented and stable markets. League Park Advisors is an expert in identifying and successfully executing on transactions across the facility services sector and has closed over 20 facility services transactions in the past three years. League Park's financing knowledge base has been cultivated through years of experience and closing transactions throughout numerous economic cycles.

STOCK PRICES: KEY MARKETS VS. S&P 500

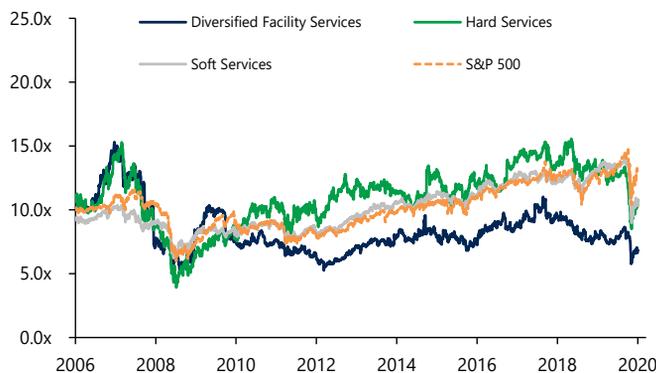
For the Fifteen-Years Ended May 18, 2020

% change in share price



TEV / EBITDA VALUATIONS: KEY MARKETS VS. S&P 500

For the Fifteen-Years Ended May 18, 2020



Sources: Capital IQ, Globe Newswire, IBISWorld, League Park Estimates

League Park is a boutique investment bank that professionally and ethically advises clients on strategies aimed to maximize shareholder value. We assist middle market companies with transactions that generate value through mergers and acquisitions, recapitalizations, capital raising, and outsourced corporate development.

