

US Disaster Restoration & Remediation Services

Sector Brief Review – Oct 2023



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Disaster Restoration Services M&A Overview

M&A Overview of Disaster Restoration Market

- Disaster restoration market continued to witness accelerated deal activity in 2023 with multiple strategic and PE backed acquisitions announced in line with the momentum of 2022
- **Traction was seen in strategic acquisitions** - Commercial Restoration Company acquired Project X Restoration in Mar 23, after announcing 2 acquisitions in 2022
- **PE Platform deals:** Kohlberg & Company + Partners group backed BluSky Restoration group platform announced acquisition of Mammoth Restoration continuing its 2022 momentum of 3 acquisitions. Similarly Trivest Partners backed Highground Restoration announced acquisition of Florida based Expert Water Removal
- Global disaster restoration market stood at **~US\$ 66 Bn in 2022** and is expected to grow at a **CAGR of ~6% to ~US\$ 92 Bn by 2028**. North America has ~37% share in the global market

Key Trends Shaping Restoration Market M&A

PE backed platforms continue to dominate M&A through roll-up consolidation

New PE firms entering the restoration space by announcing platform formations – continued demand for strong deals

Structured M&A seen with number of franchise acquisition deals

Non-discretionary nature of the industry insulates it from global macro uncertainty – keeping investor interest intact

Competition from strategic (non PE) buyers intact

Increasing focus on consolidation with demonstrated success of businesses having full menu of restoration services and a national footprint

Source: Market Growth Report, Benchmark International, Company Press Releases

Active PE Backed Platform Buyers

PE Firm

Platform Company

Platform Overview

Platform Acquisitions

AEA investors



AEA acquired BMS – the 2nd largest non-franchise provider of property reconstruction & restoration services in 2019 and since then has acquired seven restoration companies to create a national platform



TSG Consumer Partners



TSG Consumer Partners acquired ATI restoration in 2020 and created a disaster restoration platform by acquiring multiple niche companies in last 3 years



Trinity Hunt Partners



Trinity Hunt Partners created a new national restorations company FLEET Response which has developed hubs in Pacific Northwest, Midwest and Southwest, and Southeast US through acquisition of restoration businesses in these regions



Active PE Backed Platform Buyers (cont'd)

PE Firm

Platform Company

Platform Overview

Platform Acquisitions

Trivest
Partners



Trivest launched a new restoration brand Highground in 2020 after the platform acquisition of Dry Force LLC, a Texas-based water restoration and reconstruction company. It has completed multiple bolt-on acquisitions since last 2-3 years



Partners
Group /
Kohlberg
Group



Partners Group and Kohlberg jointly acquired BluSky a leading US provider of commercial restoration services. Since the acquisition BluSky has bought 8 companies to create a national platform



High View
Capital



Highview capital has launched its restoration platform by acquiring Bassett creek services through its portfolio company Watterson



Active Strategic Buyers

Acquiror

M&A Overview

Key Acquisitions



FirstOnsite Restoration company operates as a subsidiary of Canada based FirstService Corp (listed on NASDAQ & TSX). FirstService acquired Global restoration for \$505 mn from Delos Capital in 2019. Global restoration operates the FirstOnsite brand. Since the acquisition FirstOnsite has completed multiple bolt-on acquisitions in the disaster restoration space in North America



Incorporated in 2012 as Virtus Group, CRC was rebranded in 2018 positioning it into restoration market. Since 2022 the company has completed 3 acquisitions to expand regional coverage



Selected Disaster Restoration Transactions (1/2)

Date	Target	Acquirer	Date	Target	Acquirer
Aug-23	Service Environments of Texas, Inc.	Beartown Restore Group, LLC	Sep-22	Mackenzie Restoration	ATI Restoration (TSG Consumer)
May-23	Mammoth Restoration	BluSky Restoration Contractors, LLC	Aug-22	Pro-Care, Inc.	BluSky Restoration Contractors, LLC
Apr-23	Carolina Restoration Services	ATI Restoration (TSG Consumer)	Aug-22	Highland Construction	BMS CAT (AEA Investors)
Mar-23	Project X Restoration	Commercial Restoration Company	Aug-22	Just Right Cleaning and Construction	FLEET Response (Trinity Hunt Partners)
Feb-23	Expert Water Removal	Highground Restoration (Trivest Partners)	Aug-22	Advanced Restoration & ProFire	Montera Investment Group
Dec-22	ServiceMaster Restore (Texas / Ohio Franchises)	VantEdge Partners	Jul-22	All Country Remediation	ATI Restoration (TSG Consumer)
Dec-22	Rocky Mountain Restoration	Highground Restoration (Trivest Partners)	Jun-22	Bassett Creek Services	Watterson Environmental Group
Dec-22	PureDry Restoration	Highground Restoration (Trivest Partners)	May-22	Florida Catastrophe Group	BluSky Restoration Contractors, LLC
Nov-22	DRYmedic Restoration Services	Authority Brands (Apax Partners)	Apr-22	American Integrity Restoration	BluSky Restoration Contractors, LLC
Oct-22	Watermark Restoration	FirstOnSite Restoration L.P.	Apr-22	Watterson Environmental Group	Highview Capital
Oct-22	Accent Property Restoration	BMS CAT (AEA Investors)	Mar-22	RestorePro Construction	FLEET Response (Trinity Hunt Partners)
Oct-22	Same Day Restoration	Highground Restoration (Trivest Partners)	Mar-22	Cousino Restoration	FLEET Response (Trinity Hunt Partners)
Sep-22	Armstrong's Restoration	Watterson (Highview Capital)	Jan-22	Advance Catastrophe Tech. & Target Solutions	Cotton Holdings

Selected Disaster Restoration Transactions (2/2)

Date	Target	Acquirer	Date	Target	Acquirer
Jan-22	J&M Keystone	ATI Restoration (TSG Consumer)	Nov-20	Mark 1 Restoration Service	ATI Restoration (TSG Consumer)
Jan-22	Stat Services	FirstOnSite Restoration L.P.	Nov-20	ATI Restoration	TSG Consumer Partners
Dec-21	J.C. Restoration, Inc.	BluSky Restoration Contractors, LLC	Nov-20	Spectrum Restoration Services Ltd.	FirstOnSite Restoration L.P.
Nov-21	Camp Construction Services	Sterling Investment Partners	Nov-20	ABK Restoration Services	Canstar Construction (Fulcurm Capital)
Nov-21	Stronghouse Solutions	O2 Investment Partners	Jul-20	ServiceMaster	Roark Capital
Oct-21	BluSky Restoration Contractors, LLC	Partners Group and Kohlberg	May-20	Restoration 1	MPK Equity Partners
Sep-21	Roadrunner Restoration	Achates Ventures	Feb-20	Dry Force Restoration (High Ground)	Trivest Partners
Aug-21	1-800 Packouts of the Gulf Coast LLC	FirstOnSite Restoration L.P.	Feb-20	J.Keith Moore Construction Limited	FirstOnSite Restoration L.P.
Jul-21	Sunbelt Waterproofing & Restoration	Concentric Equity Partners & Northaven Capital Partners	Jan-20	Reynolds Restoration Services, Inc.	SitelogIQ, Inc.
Jan-21	Advanced Disaster Recovery	Brookstone Partners	Aug-19	JPL Disaster Recovery	FirstOnSite Restoration L.P.
May-21	Maxons Restorations Inc.	FirstOnSite Restoration L.P.	Jun-19	Belfor	American Securities
Mar-21	Blair Duron Restoration	Crescendo Capital Partners	May-19	United Services, Inc.	BluSky Restoration Contractors, LLC
Dec-20	Dayspring Restoration (Fleet Response)	Trinity Hunt Partners, L.P.	May-19	FirstOnSite	FirstService Corporation
			Mar-19	ServPro	Blackstone

Have questions about this report or would like to speak to our team?

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