M&A in the Facility Services Sector

The facility services sector — covering businesses such as janitorial services, building maintenance, fire protection, HVAC, landscaping, and security, among others — continues to attract robust interest from private equity investors and strategic buyers alike. Investors are drawn to fragmentation and the recurring revenue, recession-resistant, non-cyclical, and non-discretionary nature of the sector. Diligence scrutiny, however, is vigorous with a process-oriented, sector-aware approach to achieving successful outcomes.

G2 Capital Advisors was the exclusive financial advisor to buyers and sellers in 24 facility services transactions and mandates in the last 24 months*, with several additional transactions in the letter of intent to closing phase. While these transactions span a variety of subsectors, there are common themes and trends shaping deal activity.*

01 Fragmentation Leading to Consolidation

The highly fragmented nature of the sector, with many small to mid-sized firms, often still founder-owned, primes it for consolidation by larger, often private equity-backed, companies. These companies and their investors are actively employing buy-and-build strategies, acquiring smaller businesses to broaden service portfolios, expand geographic reach, and improve client retention as well as allowing private equity firms to deploy additional capital into successful platforms. However, for value creation, acquisitions cannot come at the expense of organic growth and acquirers need a clear strategy for acquisition integration.

02 Focus on Fundamentals

Flash is less important than fundamentals. Buyers appreciate businesses known for quality, service-oriented work and strong project management with stable to increasing pricing and margins. Companies that demonstrate recurring revenue streams, diversified customer bases, and low client concentration tend to command higher valuations. Clear documentation of processes, workforce stability, and the ability to scale operations without sacrificing service quality further strengthen buyer confidence.

03 Founders Balancing Valuation and Legacy

Many founders, especially those with multi-generational ownership, are balancing a desire to monetize at the highest valuation, and maybe retire, with an equally strong desire to maintain stability for their employees, quality for their customers, and, ultimately, preserving the company's legacy. Many selling founders prioritize buyers that will commit to preserving teams and long-term client relationships.

04 Employing Technology

Facility services businesses are using technology internally not just to "run better," but to expand margins, standardize execution, and make the business more scalable and acquirer-friendly. The real value comes from turning what used to be labor-heavy, reactive operations into data-driven, repeatable systems. Examples include i) field service management systems to automate scheduling and dispatching, optimize technician routes (reducing drive time and fuel costs), track job progress in real time, and standardize workflows across teams and ii) mobile workforce enablement providing digital work orders and checklists, on-site photo/video documentation, instant invoicing and customer sign-off, and access to service history and manuals. Additional areas of technology integration include predictive maintenance and IoT integration, data analytics and KPI dashboards, and ERP and financial systems integration.

05 Factors Driving Valuation

Facility services valuation is driven by a combination of financial quality, operational strength, and growth potential, with buyers placing a premium on businesses that demonstrate a high mix of recurring versus project revenue, strong contract visibility, and consistent customer retention. Equally important are well-established teams, low owner dependency, and effective labor management, including employee retention and scalability. Margins and overall size or scale also play a critical role, as they signal both efficiency and platform potential, while robust quality control methodologies reinforce reliability and brand reputation. Valuations, typically expressed as a multiple of EBITDA (earnings before interest, taxes, depreciation, and amortization), vary widely from mid-single digit to high-double digits depending on these and other company and sale process factors.

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"Buyers are prioritizing businesses that pair solid fundamentals with operational sophistication, scalable systems, and clear growth strategies."
— Kerri Ford, Managing Director, G2 Capital Advisors

06 Conclusion

Facility services M&A is active and dynamic, underpinned by durable demand, recurring revenue characteristics, and significant opportunities for consolidation. While investor appetite will remain strong in 2026, successful transactions increasingly depend on more than favorable market dynamics. As private equity and strategic acquirers continue to deploy capital, companies that can demonstrate consistency in performance, effective use of technology, strong teams, and disciplined execution will be best positioned to achieve premium valuations and successful outcomes in an increasingly competitive deal environment.

Reach out to learn more:

If you own a facility services business, G2 can help you evaluate how buyers would value the business, how best to position it for a successful sale in today's M&A environment, who the potential acquirers would be, and what you need to do to get ready to go to market. Contact Kerri Ford today to learn more.

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