

### Industry Highlights

- Despite continued pressures from Covid-19 global M&A activity bounced back towards the end of 2020, with near record volume across a number of geographies and sectors. Looking ahead to 2021, volumes are expected to remain steady as delayed deals begin to close and vaccines roll out. Access to cheap capital and record levels of dry powder should also motivate corporate and private buyers to pursue deals in 2021.
- On October 5, 2020, APi Group Corporation announced the acquisition of SK FireSafety Group and three additional planned acquisitions in its Safety Services and Specialty Services segments. These four complementary businesses are expected to contribute approximately \$200 million of revenue in 2021 with adjusted EBITDA margins of approximately 13% in 2021.
- On December 13, 2020, Company owners of All State Fire Protection Equipment of Western New York announced that they have sold API Group, a publicly traded holding firm based in Minnesota. Paramax Corp., the Williamsville-based investment banking firm, brokered the deal.
- On November 2, 2020, The Hiller Companies announced the purchase of California-based A&D Fire Sprinklers, Inc. A&D Fire Sprinklers has offices in San Diego and Los Angeles, California, Salt Lake City, Utah, and Spokane, Washington and provides expansion into the West Coast of the United States.
- On October 28, 2020, CertaSite announced that acquired Starfire Systems and Starfire Extinguisher, a family-owned business in Franklin, Wis. CertaSite is a new commercial fire protection and life safety company that provides customer service, responsiveness, building safety, and code compliance to customers across the country.
- On October 16, 2020, Pye-Barker Fire announced the acquisition of Commonwealth Fire Protection in Bowling Green, Kentucky. Commonwealth has provided Central Kentucky businesses with fire protection, suppression systems and maintenance services.

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#### Ancillary Revenue Growth by Industry<sup>1</sup>

	Fire & Smoke Alarm	Fire Extinguisher	Alarm Services	Automatic Sprinkler Systems
2013	\$1,192.80	\$1,302.60	\$20,500.30	\$379.80
2014	\$1,168.70	\$1,220.70	\$22,459.30	\$396.80
2015	\$976.50	\$1,228.20	\$23,578.30	\$388.50
2016	\$921.90	\$1,209.30	\$25,348.00	\$381.60
2017	\$987.10	\$1,206.60	\$26,397.70	\$375.00
2018	\$1,091.30	\$1,224.30	\$27,701.40	\$382.20
2019	\$1,075.00	\$1,227.90	\$28,349.90	\$386.90

#### Ancillary Revenue Outlook by Industry<sup>1</sup>

	Fire & Smoke Alarm	Fire Extinguisher	Alarm Services	Automatic Sprinkler Systems
2021	\$968.00	\$1,255.30	\$27,937.70	\$393.70
2022	\$1,063.60	\$1,271.80	\$28,644.00	\$400.80
2023	\$1,098.90	\$1,288.90	\$29,271.40	\$407.80
2024	\$1,114.70	\$1,308.90	\$29,886.50	\$414.40
2025	\$1,134.60	\$1,306.70	\$30,530.30	\$420.80
2026	\$1,153.60	NA	\$31,147.90	\$427.20

<sup>1</sup> Revenue growth and outlook provided by IBISWorld

#### Notable M&A Deals



On December 2, 2020, SFP Holding, Inc. (Summit Companies) is proud to announce that Summit Fire & Security, completed the purchase of Kimbrough Fire Extinguisher Company, Inc. in Dallas, Texas. As Summit Fire & Security strives to provide excellent customer service, expanding their presence into Dallas/Ft. Worth allows the ability to enhance capabilities and resources.



On January 7, 2021, Pye-Barker Fire & Safety announced its acquisition of Nardini Fire Equipment Company, an innovative fire protection company headquartered in Saint Paul, Minnesota and Fargo, North Dakota. With this acquisition, Pye-Barker Fire strengthens its presence in the Midwest while expanding its national footprint by adding services in five new states: Minnesota, North Dakota, South Dakota, Wisconsin, and Iowa.