

# Lawn Care

## Mergers & Acquisitions: Current Developments & Outlook

January 2024



PRINCIPIUM  
WHITE OAK

M&A Advisory | Investment Banking  
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# INTRODUCTION

## Dear Clients and Friends,

Principium | White Oak is pleased to present this special report, *Lawn Care Industry Mergers & Acquisitions - Recent Developments and Outlook – January 2024*.

This report covers the high level of consolidation activity within lawn care (fertilization and weed control over the past two years).

This report is intended as a reference tool for both business owners and investors.. Our goal is to shed some light on why consolidation is occurring now and what the future may hold for the lawn care industry. In addition, we identify the major transactions that have occurred to date. We update this report as new developments emerge.

Among the questions we try to answer are the following:

- Why is consolidation increasing in the lawn care industry?
- Who are the players?
- What opportunities and risks does increased consolidation bring?
- What does the outlook for 2024 and beyond look like?

Principium | White Oak provides merger & acquisition and other investment banking services to lawn, landscape and related businesses throughout North America. With 20 years of experience, we have among the strongest teams in the industry. We understand your business and the market. For more information about our firm, please see pages 22-24.

**If you would like to discuss your specific situation, we'd be glad to schedule a time to talk. Contact us today.**

## PRINCIPIUM WHITE OAK

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# EVOLUTION OF THE LAWN CARE INDUSTRY

THE EMERGENCE OF THE LAWN CARE INDUSTRY WAS LARGELY THE RESULT OF THE POST-WORLD WAR II BOOM IN HOME OWNERSHIP AND THE GROWTH OF SUBURBAN AREAS AROUND MAJOR CITIES.

Tree care companies were among the earliest businesses to commercialize lawn care services. Davey Tree experimented with lawn care services in the 1930s and offers lawn care services through many of its branches today.

Lawn care began to take off in the 1960s and 1970s.

In the 1970s, a number of franchise businesses developed. Early franchises included Lawn-A-Mat, Liqui-Green and King Green. These franchises are gone now, but the names remain, in some cases, on former franchisee businesses.

During the 1970s and 1980s, the lawn care industry grew substantially. Local, regional and, in a few cases, national businesses emerged. Some of these businesses attracted capital from public and private markets.

In the 1990s and continuing in the 2000s, the industry began to consolidate significantly. TruGreen became a dominant player in the industry, with the acquisition of ChemLawn, Barefoot, and ScottsLawn Service. After the ScottsLawn Service transaction, TruGreen was more than 10 times as large in terms of revenue as its next larger competitor.

During this period, there was also significant growth in franchise lawn care businesses. Lawn Doctor and Weed Man have emerged as major players, combining for nearly 1,000 franchise territories. Neighborly entered the lawn care segment with its Lawn Pride acquisition, while Authority Brands launched Lawn Squad built on its Weed Pro acquisition. There are other new ones emerging on a regular basis.

Although there have been many acquisition transactions, the industry has remained relatively fragmented as there are always new businesses entering the industry.

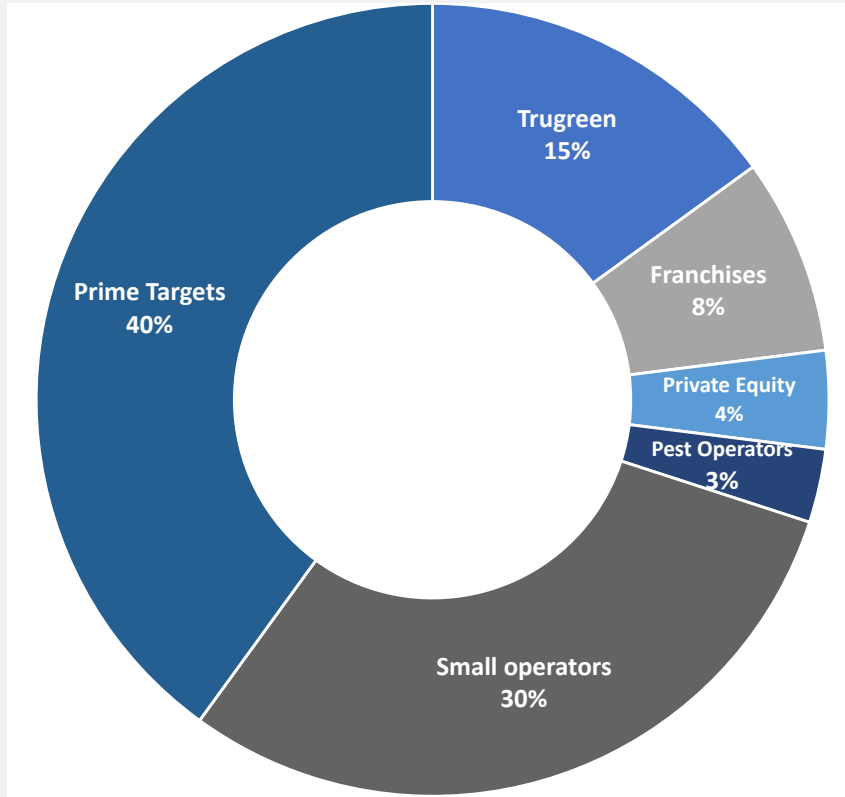
In 2022, the pace of consolidation began to increase significantly, with four new major private equity-backed platforms aggressively seeking add-on acquisitions.

In 2023, this pace has continued as other investors seek platform investments.

Today, we estimate the total lawn care fertilizer and weed control market, including tree and shrub care, is approximately \$7.5 billion.

## CURRENT MARKET SIZE

ALTHOUGH THERE ARE NO SOLID STATISTICS, THE LAWN CARE FERTILIZATION AND WEED CONTROL INDUSTRY IS ESTIMATED TO BE OVER \$10 BILLION.



After accounting for the existing business held by TruGreen and other private equity platforms, franchise operations and pest control companies, the remaining market share can be further divided between target companies and nontarget companies. The median lawn care business has annual revenues of approximately \$700 thousand and would not necessarily represent a highly

desirable target. We estimate about 30% of the dollar amount of sector revenues are generated by other nontarget companies with annual revenue of less than \$1 million. Independent companies with annual revenues of greater than \$1 million typically represent more desirable targets as tuck-in acquisitions.

Source: Principium | White Oak estimates

## EARLIER PRIVATE EQUITY TRANSACTIONS

ALTHOUGH PRIVATE EQUITY ACTIVITY IN THE LAWN CARE FERTILIZATION & WEED CONTROL SPACE WAS SLOW TO DEVELOP PRIOR TO 2022, THERE WERE SOME IMPORTANT TRANSACTIONS LEADING UP TO THIS POINT.

Among the early investors in the lawn care industry, **Golder Thoma Cressey** (now known as GTCR) backed the lawn care company **Barefoot, Inc.** Barefoot grew rapidly through organic growth and acquisitions, completing an initial public offering in 1991. By the time **ServiceMaster** acquired Barefoot, Inc. in 1997 and merged it into TruGreen-Chemlawn, Barefoot was the nation's second largest lawn care company with 500,000 customers.

In 2007, **Clayton Dubilier & Rice** (CD&R) acquired **ServiceMaster**, which at that time included **TruGreen Lawncare**, Terminix, TruGreen Landcare and a variety of home and business services.

In 2014, ServiceMaster spun-off TruGreen as a separate company owned by CD&R. While CD&R has exited its investment in ServiceMaster, TruGreen remains a portfolio company of CD&R.

**Lawn Dawg** was founded in 1997 by former Barefoot managers following Barefoot's acquisition by TruGreen. The Company, based in New Hampshire, also had branches in New York, Massachusetts and Maine.

In 2009, private equity firm **Brighton Partners** acquired a 70% interest in Lawn Dawg. Lawn Dawg was sold to **TruGreen** in 2017.

In December 2019, Arkansas-based **Fairway Lawns** was acquired by **Prairie Capital** and **Rising Point Capital**. After just two and a half years, Prairie and Rising Point exited their investment via a sale to **Morgan Stanley Capital Partners**.

**The Green Group**, sponsored by **FMI Investment Partners**, was formed in 2020. It completed a series of acquisitions before being acquired by **Turf Master Brands** in 2022.





# TRUGREEN – THE “800 POUND GORILLA”

TRUGREEN IS UNQUESTIONABLY THE LARGEST PLAYER IN THE LAWN CARE FERTILIZATION AND WEED CONTROL SECTOR. WITH REVENUES OF APPROXIMATELY \$1.5 BILLION, WE ESTIMATE THAT IT CONTROLS BETWEEN 15% AND 25% OF THE LAWN CARE MARKET.

## TruGreen History Timeline

1973	TruGreen founded in Michigan
1968	ChemLawn founded in Ohio
1987	Ecolab acquires ChemLawn
1987	Waste Management acquires TruGreen after failed bid for ChemLawn
1991	ServiceMaster acquires TruGreen
1992	TruGreen acquires ChemLawn
1996	TruGreen acquires Barefoot, Inc.
2007	Clayton, Dubilier & Rice (CD&R) Acquires ServiceMaster, taking it private
2014	ServiceMaster spins off TruGreen
2017	TruGreen merges with Scotts LawnService



TruGreen has been the largest company in the lawncare industry since it acquired its larger competitor ChemLawn 30 years ago.

TruGreen has been an active participant in merger & acquisition transactions throughout much of its existence. It has been an independent company since being spun off by ServiceMaster in 2014, but has been directly or indirectly controlled by private equity firm Clayton, Dubilier & Rice since CD&R acquired ServiceMaster in 2007.

After its merger with Scotts LawnService in 2017, TruGreen was more than 10 times the size of its nearest competitor.

Acquisitions have been a part of TruGreen's customer acquisition strategy for many years. It has competed 10-20 acquisitions in most recent years, including occasional businesses in the \$10-20 million revenue range and many in the \$1-5 million range. Due to its very wide coverage in the U.S., TruGreen's acquisitions almost always have the advantage of increased route density.

We do not necessarily expect TruGreen to compete in the market for larger target companies at prevailing valuations, but we expect it to continue to be a major factor in \$1-5 million acquisitions as the sector continues to consolidate.

# NEW LARGER PRIVATE EQUITY PLATFORMS

DURING 2022 AND 2023, FIVE NEW LARGE-SCALE PRIVATE EQUITY PLATFORMS WERE INITIATED.

## Morgan Stanley

Has acquired



(May 2022)

During 2022 and 2023, five private equity firms launched new lawn care platforms while a number of other private equity firms developed an interest in lawn care and searched for additional lawncare targets to acquire.



Has acquired



(August 2022)

**CenterOak Partners** launched its **Turf Masters Lawn Care Services** platform in 2022 with the acquisition of Georgia-based **Turf Masters Lawncare, LLC** and **All Turf Holdings, LLC** along with Raleigh-based **Green Group Holdings, LLC**.



Has acquired



(August 2022)

**Morgan Stanley Capital Partners** acquired its lawn care platform, **Fairway Lawns**, in 2022. Arkansas-based Fairway had been a portfolio company of Prairie Capital and Rising Point Capital. Fairway has made a number of add-on acquisitions

**Huron Capital** acquired Indiana-based **Experigreen Lawn Care** in 2022. Experigreen had been led by industry veteran, Joe Kucik, who remains chairman of the board. David Alexander, former president of TruGreen, is a Huron operating partner who will work with Experigreen.

## GTCR

Has acquired



(December 2022)

Private equity firm **GTCR** acquired **Senske Services**, a Kennewick, Washington-based lawn care, pest control and home service provider as a platform for a broader national expansion in the residential lawn care and pest control industries. Senske currently has operations in Washington, Idaho, Utah, Colorado, Texas, Arkansas and Maryland.



Has acquired



(December 2022)

In December 2023, **Golden Gate Capital** recapitalized Richmond-based **Virginia Green**, a large regional lawn care company.



## OTHER PLATFORMS

IN ADDITION TO THE LARGE SCALE, PRIVATE EQUITY-BACKED CONSOLIDATION PLATFORMS THAT EMERGED IN 2022, THERE ARE SEVERAL REGIONALLY-FOCUSED LAWN CARE PLATFORMS.



**HCI** | EQUITY PARTNERS

**Grasshopper Lawns** is a northeast Pennsylvania-based company acquired by **HCI Equity Partners** as the initial acquisition in its lawn care acquisition program.



(2023)

**Ecosystems** is a New Jersey-based portfolio company of private equity firm **Dubin Clark**. Ecosystems offers sprinkler systems and outdoor lighting in addition to lawn care services. Dubin Clark also owns Florida-based **Super Home Services**.

**Tuff Turf Mole Busters** is based in the Grand Rapids area, serving western Michigan. It was acquired by **Credo Private Capital** in 2022.



Has acquired

**TUFF TURF**

(2022)

**Nutrients Plus Lawn Care, Inc.** of Pompano Beach, Florida, was acquired by **Leykar Investments** in 2022.

Leykar's portfolio includes several other landscape services companies, including **Nanak's Landscaping**, **GemLawn and Landscaping** and **Shinto Landscaping**.

**Mainly Grass** has been a unit of holding company, **Chenmark**, since 2017. Mainly Grass serves southern Maine, southern New Hampshire, northern Massachusetts and Cape Cod.

**LEYKAR**  
INVESTMENTS

Has acquired



NUTRIENTS PLUS LAWN CARE INC. (2022)

**CHENMARK**

Has acquired

**MAINLY GRASS**

NEW ENGLAND | Loyal. Local. Lawn Experts.

(2017)

# LANDSCAPE SERVICES PLATFORMS

SOME LANDSCAPE SERVICES PLATFORMS HAVE ADDED LAWN CARÉ UNITS.



HEARTLAND



QUALITY CARE  
LAWN

STERLING  
INVESTMENT PARTNERS, L.P.

Some private equity-backed landscape services platforms, including one focused on commercial landscape services and another focused on residential landscape services, have added residential lawn care units. It is too early to see this as a trend, but it may reflect a growth opportunity for some mature landscape consolidators.

**Heartland Company** acquired **Quality Care Lawn** in 2023 in connection with a landscape services acquisition.



PERENNIAL  
SERVICES GROUP



**Perennial Services Group** acquired **Portage Turf of Revenna, Ohio**, in its initial round of acquisitions in 2022.

**American Landscaping Partners** acquired **Lawn Matters** in connection with its landscape services operations in northeast Ohio.

TENEX | CAPITAL MANAGEMENT

AMERICAN  
LANDSCAPING  
PARTNERS



LAWN MATTERS™  
For beautiful lawns, trees and shrubs

SHORELINE  
EQUITY PARTNERS

## OTHER MAJOR PLAYERS

THERE ARE OTHER MAJOR PLAYERS IN THE LAWN CARE SPACE, NOTABLY DAVEY TREE, RYAN LAWN & TREE AND SAVATREE.

s



**The Davey Tree Expert Company** is a large diversified tree services company. It is an employee-owned company through an employee stock ownership plan (ESOP) and direct shareholdings.

Davey was a pioneer in developing lawn care programs and continues to offer lawn care fertilization and weed control through many of its residential service branches.

Davey is an active acquiror of tree care businesses, many of which offer lawn care services as a complement to their tree care business.



**SavATree** has grown significantly by acquisition under private equity ownership in recent years. It is currently a portfolio company of **Apax Funds**.

SavATree has offered lawn care services for many years, sometimes using the brand name **SavALawn**. It has also added many businesses that offer lawn care in addition to tree services during its aggressive acquisition push.



**Ryan Lawn & Tree** is an independent, ESOP-owned lawn and tree care company based in Kansas City, with additional locations in Omaha, Springfield (Missouri), St. Louis, Tulsa and Wichita.

Ryan has acquired a number of businesses, including law, tree, irrigation and landscaping businesses.

Many other local and regional tree care companies also provide lawn care services.

## HOME SERVICES PLATFORMS

MANY INVESTORS HAVE FOCUSED ON HOME SERVICES IN RECENT YEARS, INCLUDING SERVICES SUCH AS GUTTER CLEANING, PLUMBING, HVAC, PAINTING, MAID SERVICES AND MANY MORE. SOME OF THOSE INVESTORS HAVE DEVELOPED PLATFORMS THAT INCLUDE MULTIPLE RESIDENTIAL SERVICES, SOME INCLUDING LAWN CARE. IT SEEMS LIKELY THAT THERE WILL BE ADDITIONAL PLATFORMS OF THIS TYPE DEVELOP THAT WILL INCLUDE LAWN CARE.



**Ned Stevens Gutter Cleaning**, a portfolio company of **Cobepa** has launched an expansion of its home services platform into lawn care with the acquisition of Pennsylvania-based **GoGreen**.

Private equity firm **Dubin Clark** recapitalized **Evergreen Lawn & Pest Control**, based in Orlando, in 2021 and formed a new residential services holding company, **Super Home Services**.



Subsequently, Super Home Services acquired **Super Heat & Air** and **Swat Mosquito Services**.



**Southwind** is a residential services company based in Kansas City. It is a portfolio company of **VantEdge Partners**. Southwind launched **DreamLawn-Powered by Holganix** in 2022 and plans to expand the new company beyond its initial market in Kansas City.

**Dubin Clark** has also acquired **EcoSystems Total Outdoor Solutions**, based in Freehold, New Jersey. EcoSystems offers irrigation, drainage, lawn care, mosquito control and outdoor lighting.



We expect to see additional multi-service residential services companies develop and add lawn and landscape services among their offerings.

We have spoken with a number of investment groups developing or exploring home services platforms. We expect that several of these platforms will ultimately include lawn care and, possibly, residential landscape maintenance services.

## PEST CONTROL AND LAWN CARE

MANY PEST CONTROL COMPANIES ALSO OFFER LAWN CARE SERVICES. THIS IS ESPECIALLY COMMON IN FLORIDA AND OTHER AREAS OF THE SOUTHEAST. THIS MAY BECOME MORE COMMON IN OTHER AREAS.


 The logo for Massey Services Inc. features the word "MASSEY" in a large, bold, blue, italicized sans-serif font. Below it, "SERVICES INC." is written in a smaller, blue, sans-serif font, with a registered trademark symbol (®) to the right. A thin blue horizontal line is positioned between the two lines of text.

There are many similarities between pest control companies and lawn care companies. They are typically subject to the similar state regulations and both provide recurring services to individual homes.

There are, however, significant differences. For example interior pest control services must schedule service when the customer will be home, which may be more complicated than typical scheduling for lawn care services.

Many pest control companies offer lawn care services, especially in Florida and the southeastern U.S.

Many lawn care companies offer perimeter pest control which is a general pest control service delivered around the perimeter of dwellings as an add-on service. Lawn care companies may seek to add more extensive pest control services as a way to add revenues from existing customers.

One pest control company with extensive lawn care services is **Massey Services**. Massey has over \$80 million in lawn care revenues. Other pest control companies with significant lawn care revenues include **Arrow Exterminators** and **ABC Home & Commercial Services**.

In 2023, **Barefoot Mosquito & Pest Control**, a portfolio company of **Incline Equity Partners**, added lawn care services with the acquisition of San Antonio-based **Bob Jenkins Pest & Lawn Services**.

We expect to see many pest control companies adding lawn care services and many lawn care companies adding pest control services.


 The logo for Arrow Exterminators features the word "ARROW" in a large, bold, red, italicized sans-serif font. Below it, "EXTERMINATORS" is written in a smaller, blue, sans-serif font. A blue arrow graphic points to the right, passing behind the text. Below the main text, the tagline "Beyond The Call." is written in a smaller, blue, sans-serif font.


 The logo for ABC Home & Commercial Services features the letters "ABC" in a large, bold, red, sans-serif font. To the right of the letters is a red illustration of a rooster. Below the "ABC" and the rooster, the text "HOME & COMMERCIAL SERVICES" is written in a smaller, green, sans-serif font.


 The logo for Barefoot Mosquito & Pest Control features the word "Barefoot" in a black, sans-serif font. Below it, "Mosquito" is written in a green, sans-serif font with a small mosquito icon integrated into the letter 'o'. Below "Mosquito", "& Pest Control" is written in a black, sans-serif font.

# THE FRANCHISE PLAYERS

FRANCHISORS HAVE HELD A SIGNIFICANT PART OF THE LAWN CARE MARKET AND THAT SHARE IS LIKELY TO GROW.

## Notable Franchisors








Lawn care franchises began to emerge in the 1950s and 1960s. Early franchisors included such companies as Liqui-Green and Lawn-A-Mat.

Today, the largest franchisors are Weed Man and Lawn Doctor.

**Weed Man** was started in Canada in 1970, began franchising in 1976 and entered the US market in 1990. It has grown dramatically through its system of master franchisees and now has over 300 franchise territories.

**Lawn Doctor** has been franchising since 1967 and now counts a total of 625 franchise territories. It is a portfolio company of **CNL Strategic Capital**. It now has affiliated franchises under the Happinest umbrella, including Ecomajds and Mosquito Hunters.

Other larger franchise companies include **SpringGreen Lawn Pest and Tree Care** and **NaturalLawn of America**.

**Nutri-Lawn** is a Canadian company with a mix of franchised and company-owned locations. It is under common ownership with Canadian mosquito franchisor, **Mosquito Buzz**. In December 2023, Nutri-Lawn and Mosquito.Buzz were acquired by Senske Services.

**TruGreen** has franchises in a number of secondary markets, but has not actively marketed franchises in some time. It has repurchased several of its existing franchises.



## RECENT FRANCHISE DEVELOPMENT

THE MAJOR FRANCHISE PLAYERS IN THE LAWN CARE INDUSTRY HAVEN'T CHANGED MUCH IN RECENT YEARS. THIS HAS BEGUN TO CHANGE IN 2022 AND 2023 WITH TWO MAJOR MULTI-BRAND FRANCHISORS MAKING A MOVE INTO THE LAWN CARE SPACE.

### New Lawn Care Franchisors



a community of home service experts

Has acquired



(2022)

Two major multi-brand franchisors, Neighborly and Authority Brands, have launched efforts in the lawn care space recently.

**Neighborly** is owned by private equity firm **KKR**. Among its 30 brands are The Grounds Guys and Mosquito Joe. It recently acquired an Indiana-based company, **Lawn Pride**, and plans to roll out a lawn care franchise brand.

KKR also has a controlling investment in **BrightView**, which owns the **US Lawns** franchise business.



Has acquired



(2023)

**Authority Brands** is owned by private equity firm **Apax Funds**. Among its 15 brands are Monster Tree Service, Mosquito Squad and ASP-America's Swimming Pool Co. In March 2023, Authority Brands acquired Ohio-based **Weed Pro, Ltd.** and plans to launch a lawn care franchise and has launched a franchise brand under the name **Lawn Squad**.

Apax Funds also owns **SavATree** which has grown dramatically, having completed many acquisitions. SavATree also offers lawn care services under the **SavALawn** brand.




has established a joint venture with



(2023)

**Empower Brands**, a multi-brand franchisor and a portfolio company of **Mid-Ocean Partners**, has established a joint venture with **Canopy Lawn Care**. Empower will build the established Canopy brand into a franchise opportunity.

We believe that other multi-brand franchisors may add lawn care franchise brands in 2023.



## VALUATION OBSERVATIONS

FOR LARGER AND MORE STRATEGIC ACQUISITIONS, VALUATIONS INCREASED SIGNIFICANTLY IN 2022. FOR SMALLER TRANSACTIONS AND OTHER FUTURE TRANSACTIONS, THE OUTLOOK IS LESS CLEAR.

In 2022, valuations for larger lawn care transactions reached historic levels, and in some cases, exceeded 10x EBITDA. However, such valuations remain uncommon and only apply to highly desirable transactions.

More traditional valuations for lawn care companies with less than \$10 million in revenue have been 5x to 8x EBITDA, which corresponds to approximately \$1.00 to \$1.60 per dollar of revenue assuming ~20% EBITDA margins. Although lawn care valuations are often described based on a multiple of revenues, valuations are actually determined based on an evaluation of the company based on its present and anticipated cash flows.

The following factors will affect valuation:

<b>Business Characteristics</b>	<b>Higher Valuation</b> 	<b>Lower Valuation</b> 
<b>Size of Business</b>	Larger	Smaller
<b>Business Reputation</b>	Better	Poorer
<b>Desirable Market</b>	More Desirable	Less Desirable
<b>Geographic Fit</b>	Stronger	Weaker
<b>Operational Fit</b>	Stronger	Weaker
<b>Pricing</b>	Higher	Lower
<b>Operating Margins</b>	Higher	Lower
<b>Business Systems</b>	Strong	Weak
<b>Customer Retention</b>	Higher	Lower
<b>Management Team</b>	Stronger	Weaker
<b>Employee Retention &amp; Tenure</b>	Higher	Lower
<b>Accounting Quality</b>	Strong	Weak
<b>Data Availability</b>	Easily Obtained	Unavailable

## VALUATION OBSERVATIONS (CONTINUED)

FOR LARGER AND MORE STRATEGIC ACQUISITIONS, VALUATIONS INCREASED SIGNIFICANTLY IN 2022. FOR SMALLER TRANSACTIONS AND OTHER FUTURE TRANSACTIONS, THE OUTLOOK IS LESS CLEAR.

Valuations for larger acquisitions have been pushed higher by the existence of multiple, potentially competitive, new platforms seeking to launch and "stake out" territory. As these new platforms build out their broader networks, they will likely try to "average down" by offering lower valuations for add-on acquisitions.

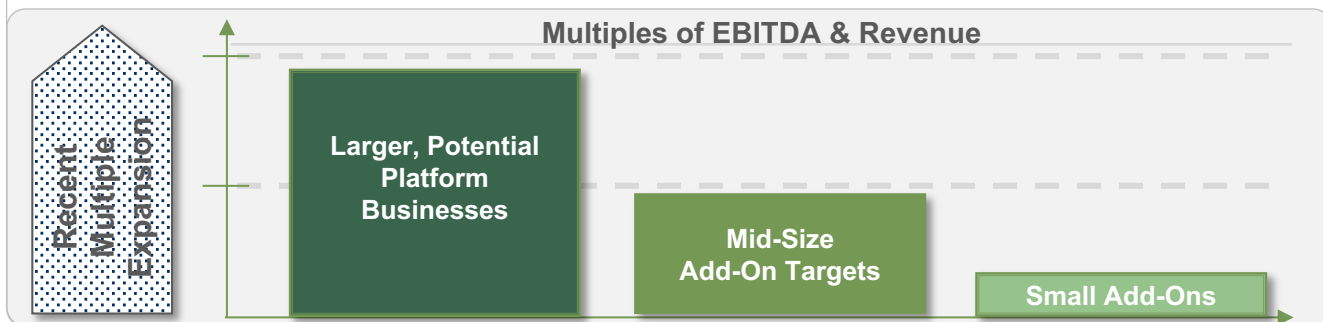
In addition, rising interest rates and general economic conditions are likely to affect valuations to some degree going forward.

The valuation for smaller add-on acquisitions has not yet moved upward a great deal. However, there should be more competition for high-quality smaller add-on acquisitions in markets where the new players have made initial acquisitions.

We expect TruGreen to continue to be active in acquisitions in the \$1 to \$5 million revenue segment, which is the same segment that will be the focus for add-on acquisitions for the new private equity platforms. This tier of companies may be attractive to TruGreen, the new platforms and existing local or regional companies. As a result, despite buyers' attempts to hold the line on valuations, in at least some cases, we would expect to see valuations for these businesses to increase.

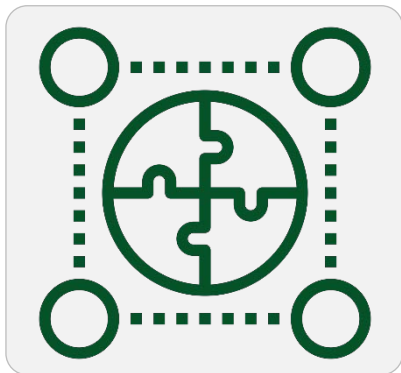
These acquisitions can be highly accretive to earnings when they result in increased route density. With higher route density, an acquirer theoretically can be more efficient and do more with existing labor hours, vehicles and fuel, resulting in considerable synergies.

As more platforms are established with wider overlapping footprints, there is potential for valuation tailwinds to trickle further down market to some degree as the acquirors can focus more on revenue multiples given their established presence in these markets and their ability to produce higher returns; this phenomenon has played out in the pest control industry over the last decade.



# EFFECTS OF INDUSTRY CONSOLIDATION

LAWN CARE BUSINESS OWNERS SHOULD BE EVALUATING HOW INDUSTRY CONSOLIDATION WILL AFFECT THEIR BUSINESS.



The pace of consolidation suggests that there will be significant changes in the industry.

For some business owners, it is time to seriously consider becoming part of a larger organization, reaping the benefit of what for some lawn care businesses, have been historically high valuations.

You can expect that competition will increase as these new platforms roll out new marketing strategies and take advantage of economies of scale and synergies realized from multiple acquisitions.

In addition to creating risks, industry consolidation may present the opportunity for some lawn care business owners to firmly position their business as the locally-owned option for customers.

Consolidation may also give some independent businesses a chance to strengthen their management teams as some experienced managers may be in the market as a result of consolidation.

It is a good time to re-examine exit strategies. There may be better options available than may have previously been anticipated. On the other hand, some exit options may disappear in the midst of consolidation.

One factor that is highly unpredictable is future valuation. While there was a frenzy of activity in 2022 and early 2023, there are a variety of potential headwinds, including the impact of sustained high interest rates that may affect future valuations. It is far from a sure thing that a business can be sold for the same valuation in 2024 or 2025 that it might have been sold for in 2022.

As you consider the impact on your particular business and your future plans, we would be glad to speak with you about your situation and our perspective on the industry.

# OUTLOOK FOR 2024 & BEYOND

THE OVERALL OUTLOOK FOR THE LAWN CARE SECTOR IS STRONG.



## Industry Growth

We believe the lawn care sector will continue to grow at a rate greater than the overall economy for the next five years.



## Inflation

Continued high rates of inflation will make managing labor costs, material costs and fuel costs more challenging. Managing prices will continue to be very important.



## Consolidation

With the consolidation of the industry, competition will become more intense and more visible - for customers and for employees. The new consolidators are likely to invest in more aggressive marketing and better systems. In some cases, consolidators will be competing for acquisitions.



## Interest Rates

Continued high interest rates will affect industry valuations and the ability of smaller players to easily complete acquisitions.



## Durability

Lawn care companies have been touted by some as being "recession-resistant", which is one of the characteristics that has made them attractive investment targets. Of course, they are not "recession-proof". A prolonged economic severe economic downturn would no doubt impact sales, cancellation rates, and pricing.



## Franchise Growth

Franchised businesses will continue to play a major role in the lawn care industry.

We expect to see multiple well-funded new lawn care franchises emerge.

**Despite potential headwinds, we expect lawn care merger & acquisition activity to continue to be strong over the next two to three years. Predicting valuation trends is very difficult with potentially divergent forces. We are likely to see some consolidation among the private equity platforms at some point.**

## SELECTED TRANSACTIONS: 2022-2023

THIS LIST INCLUDES ANNOUNCED OR KNOWN LAWN CARE DEALS FROM 2022 AND 2023. THIS LIST IS INCOMPLETE AS THERE ARE TYPICALLY MANY TRANSACTIONS THAT ARE EITHER NOT ANNOUNCED OR ANNOUNCED ON A DELAYED BASIS.

	<b>Acquiror</b>	<b>Sponsor</b>	<b>Target</b>	<b>Location</b>	<b>Date</b>
Platform	Morgan Stanley	New Platform (1)	Fairway Lawns	Little Rock	AR 2022
Add-on	Fairway Lawns	Morgan Stanley	Luv-A-Lawn	Orlando	FL 2022
Add-on	Fairway Lawns	Morgan Stanley	Plant It Earth	Tampa	FL 2022
Add-on	Fairway Lawns	Morgan Stanley	NexGreen	Columbus	OH 2022
Add-on	Fairway Lawns	Morgan Stanley	Real Green	Austin	TX 2022
Add-on	Fairway Lawns	Morgan Stanley	Rainscapes	Knoxville	TN 2022
Add-on	Fairway Lawns	Morgan Stanley	Kapp's Green Lawn	Fort Wayne	IN 2023
Add-on	Fairway Lawns	Morgan Stanley	Your Green Team	Tampa	FL 2023
Add-on	Fairway Lawns	Morgan Stanley	Next Level Turf	Tampa	FL 2023
Add-on	Fairway Lawns	Morgan Stanley	Andy's Sprinkler & Drainage	Carrolton	TX 2023
Add-on	Fairway Lawns	Morgan Stanley	GroGreen	Plano	TX 2023
Add-on	Fairway Lawns	Morgan Stanley	Real Turf Solutions	Valrico	FL 2023
Add-on	Fairway Lawns	Morgan Stanley	One Call	Hilliard	OH 2023
Add-on	Fairway Lawns	Morgan Stanley	Green Queen	Atlanta	GA 2023
Platform	GTCR	New Platform	Senske Services	Kennewick	WA 2022
Add-on	Senske Services	GTCR	Blades of Green	Edgewater	MD 2023
Add-on	Senske Services	GTCR	Liqui-Lawn	Longmont	CO 2023
Add-on	Senske Services	GTCR	Barnes Quality Pest	Bend	OR 2023
Add-on	Senske Services	GTCR	National Turf	Springfield	VA 2023
Add-on	Senske Services	GTCR	Emerald Lawns	Austin	TX 2023
Add-on	Senske Services	GTCR	Ace of Blades	Springdale	AR 2023
Add-on	Senske Services	GTCR	Nutri-Lawn & Mosquito.buzz	Toronto	ON 2023
Add-on	Senske Services	GTCR	DesertGreen	Richland	WA 2022
Add-on	Senske Services	GTCR	Scientific Spray	Tacoma	WA 2022
Add-on	Senske Services	Independent (2)	Yard Master Services	Idaho Falls	ID 2022
Add-on	Senske Services	Independent (2)	All Seasons Pest Control	Tacoma	WA 2022
Add-on	Senske Services	Independent (2)	A+ Pest Control	Tacoma	WA 2022
Add-on	Senske Services	Independent (2)	Growing Green	Denver	CO 2022
Add-on	Senske Services	Independent (2)	Green Mountain	Denver	CO 2022
Add-on	Senske Services	Independent (2)	Rentokil (Selected Lawn Ops)	WA and UT	WA 2022

Notes:

(1) Platform acquired from Prairie Capital and Rising Point Capital.

(2). Acquisition completed by Senske prior to acquisition of Senske by GTCR.



## SELECTED TRANSACTIONS: 2022-2023 (CONTINUED)

ALSO NOTE: THIS LIST DOES NOT INCLUDE ANY TRANSACTIONS COMPLETED BY TRUGREEN. TRUGREEN DOES NOT TYPICALLY ANNOUNCE THE ACQUISITIONS IT COMPLETES. TRUGREEN IS BELIEVED TO HAVE COMPLETED AT LEAST TEN TRANSACTIONS IN EACH OF 2022 AND 2023

	<b>Acquiror</b>	<b>Sponsor</b>	<b>Target</b>	<b>Location</b>	<b>Date</b>
Platform	CenterOak Partners	New Platform	Turf Masters	Atlanta	GA 2022
Add-on	Turf Masters	CenterOak	All Turf	Atlanta	GA 2022
Add-on	Turf Masters	CenterOak	The Green Group	Raleigh	NC 2022
Add-on	Turf Masters	CenterOak	Mighty Green Lawn Care	Birmingham	AL 2022
Add-on	Turf Masters	CenterOak	Perfectly Green	Atlanta	GA 2022
Add-on	Turf Masters	CenterOak	Fairway Green	Raleigh	NC 2023
Add-on	Turf Masters	CenterOak	MRW Lawns	La Plata	MD 2023
Platform	Huron Capital	New Platform	Experigreen	Mishawaka	IN 2022
Add-on	Experigreen	Huron Capital	Turfman	South Bend	IN 2023
Add-on	Experigreen	Huron Capital	The Organic Lawn Company	Dayton	OH 2022
Add-on	Experigreen	Huron Capital	Top Lawn	Top Lawn	MI 2022
Add-on	Experigreen	Huron Capital	Rankin Lawn	Akron	OH 2022
Add-on	Experigreen	Huron Capital	Everything Green	Chicago	IL 2023
Add-on	Experigreen	Huron Capital	Grow It Green	Dearborn	MI 2023
Add-on	Experigreen	Huron Capital	GroGreen	Walled Lake	MI 2023
Platform	Golden Gate Capital	New Platform	Virginia Green	Richmond	VA 2023
Platform	HCI Lawn Platform	HCI Equity	Grasshopper Lawns	Scranton	PA 2023
Add-on	HCI Lawn Platform	HCI Equity	Custom Lawncare, Inc.	Butler	PA 2023
Add-on	HCI Lawn Platform	HCI Equity	Broo9kside Lawn Service	Medina	OH 2023
Add-on	HCI Lawn Platform	HCI Equity	Delaware Valley Turf	Broomall	PA 2023
Platform	Credo Private Capital	New Platform	Tuff Turf	Grand Rapids	MI 2022
Platform	Dubin Clark	New Platform	EcoSystems Total Outdoor	Freehold	NJ 2022
Add-on	EcoSystems	Dubin Clark	All Wet Irrigation	Dover	NJ 2023
Add-on	EcoSystems	Dubin Clark	Prof. Irrigation Systems	St. Louis	MO 2023
Add-on	Authority Brands	Apax Funds	Weed Pro	Cleveland	OH 2023
Add-on	Neighborly	KKR	Lawn Pride	Indianapolis	IN 2022
Add-on	Southwind	VantEdge Partners	Heritage Lawn & Irrigation	Olathe	KS 2022
Independent	Go Green Lawn & Pest	Independent	Vivid Lawn	Glen Mills	PA 2022
Independent	Arrow Exterminators	Independent	Falcon Lawn and Pest	Orlando	FL 2022
Independent	Unlimited Lawncare	Independent	Curb Appeal	Birmingham	AL 2023
Independent	Unlimited Lawncare	Independent	Emerald Turf	Atlanta	GA 2023
Independent	Unlimited Lawncare	Independent	Nutri-Green	Greenville	SC 2022
Add-On	SavATree	Apax Funds	Lawns Unlimited	Milton	DE 2023
Add-On	SavATree	Apax Funds	Mr. Amato Lawn and Tree	Lincoln	NB 2023
Add-On	Heartland	Sterling Inv. Partners	Quality Care Lawn	Iowa Cvity	IA 2023
Add-On	Ned's Gutter	Copeba	Go Green Lawn & Pest	West Chester	PA 2023
Add-on	Empower Brands	MidOcean Partners	Canopy Lawn Care	Raleigh	NC 2023
Add-on	Barefoot Mosquito	Incline Equity	Bob Jenkins Pest & Lawn	San Antonio	TX 2023

## ABOUT US: RECENT TRANSACTIONS

PRINCIPIUM | WHITE OAK HAS EXTENSIVE EXPERIENCE IN THE LAWN CARE INDUSTRY, HAVING COMPLETED MORE THAN 30 TRANSACTIONS, AND WE REMAIN AMONG THE MOST ACTIVE M&A ADVISORS IN LAWN CARE TODAY. OUR REPUTATION HAS BEEN BUILT OVER TWO DECADES OF RESULTS AND CONSISTENTLY PROVIDING BUSINESS OWNERS WITH THOUGHTFUL ADVICE FOR EVERY SITUATION.

We have completed several notable transactions within the past year, and we maintain an extensive network of relationships with key market participants in order to continually track current trends, acquirers, and transaction metrics.

### RECENT TRANSACTIONS

**nutri-lawn**  
ecology friendly lawn care  
and  
**mosquito.buzz**  
Toronto, Ontario  
have been acquired by  
**Sensre services**  
a portfolio company of  
**GTCR**  
**PRINCIPIUM**  
**WHITE OAK**  
advised Nutri-Lawn and Mosquito.Buzz  
in connection with this transaction

**weedPRO**  
LOVE YOUR LAWN  
Sheffield Village, Ohio  
has been acquired by  
**AUTHORITY BRANDS**  
a portfolio company of  
**Apax**  
**PRINCIPIUM**  
**WHITE OAK**  
represented Weed Pro  
in connection with this transaction  
March 31, 2023

**BLADES OF GREEN**  
Edgewater, Maryland  
has been acquired by  
**Sensre services**  
a portfolio company of  
**GTCR**  
**PRINCIPIUM**  
**WHITE OAK**  
Initiated this transaction and  
advised Blades of Green

**Loyalty**  
LAWN CARE  
St. Louis, Missouri  
has been acquired by  
**Green Group**  
an affiliate of  
**FMI INVESTMENT PARTNERS**  
**PRINCIPIUM**  
MERGERS & ACQUISITIONS | ADVISORY SERVICES

**GreenTurf**  
Emmaus, Pennsylvania  
has been acquired by  
**TRUGREEN**  
a portfolio company of  
**CLAYTON DUBILIER & RICE**  
**PRINCIPIUM**  
MERGERS & ACQUISITIONS | ADVISORY SERVICES

### Book A Phone Call

If you would like to discuss your specific situation, we'd be happy to set up a call with one of our senior advisers to help you understand how your business may be affected by consolidation in the industry.

Click on the button above or email us at [info@principium-whiteoak.com](mailto:info@principium-whiteoak.com) or visit [principium-whiteoak.com/schedule](http://principium-whiteoak.com/schedule) .

## ABOUT US: OUR FIRM

IN EARLY 2022, PRINCIPIUM JOINED FORCES WITH THE HIGHLY EXPERIENCED PRINCIPALS OF WHITE OAK CAPITAL PARTNERS TO FORM THE LEADING M&A ADVISORY TEAM DEDICATED TO THE GREEN INDUSTRY.

### – DEEP & EXPERIENCED TEAM –

**+3** Sr. Investment Banking Professionals

**+50** Years of Combined M&A Experience

### – EXTENSIVE TRANSACTION EXPERIENCE –

**+\$3B** Cumulative M&A Deal Value

**+150** M&A Transactions

**+25** Strategic Advisory Assignments

### – EXPERIENCE IN BOTH LARGE AND SMALL TRANSACTIONS –

**+\$500K to \$500MM** M&A Advisory

### – INDUSTRY FOCUS –

#### GREEN INDUSTRY COVERAGE

Lawn Care

Landscape

Tree Care

Vegetation Management

Irrigation

#### OTHER RESIDENTIAL & FACILITY SERVICES

Snow & Ice Management

Franchise - Home and Comm. Svcs







Pest Control

Disaster Restoration

Other Residential & Facility Services

# ABOUT US: OUR FIRM

THE PRINCIPALS OF PRINCIPIUM | WHITE OAK BRING MORE THAN 50 YEARS OF DEDICATED M&A EXPERIENCE ON TRANSACTIONS BOTH LARGE AND SMALL, WITH DEEP GREEN INDUSTRY AND RESIDENTIAL SERVICES EXPERTISE. WE COLLABORATE AS A TEAM WITH EVERY CLIENT IN ORDER TO ACHIEVE THE BEST POSSIBLE OUTCOMES FOR SHAREHOLDERS.

<p><b>Team Member</b></p>	 <p><b>Ron Edmonds, Partner</b></p>	 <p><b>Matt Stemmler, Partner</b></p>	 <p><b>Neil Roberson, Partner</b></p>
<p><b>Years of Experience</b></p>	<p><b>20+ Years Industry Experience</b></p> <ul style="list-style-type: none"> <li>• Most experienced advisor in the lawn and landscape industry</li> </ul>	<p><b>15+ Years M&amp;A Experience</b></p> <ul style="list-style-type: none"> <li>• Experience as sell-side advisor and leading acquisitions for public co.</li> </ul>	<p><b>15+ Years M&amp;A Experience</b></p> <ul style="list-style-type: none"> <li>• Extensive experience in M&amp;A and raising debt and growth equity capital</li> </ul>
<p><b>Transaction Experience</b></p>	<p><b>100+ Transactions</b></p> <ul style="list-style-type: none"> <li>• Transactions exclusively within the lawn &amp; landscape industry</li> </ul>	<p><b>50+ Transactions</b></p> <ul style="list-style-type: none"> <li>• Long tenure at leading investment bank focused on transactions \$50-\$250m</li> </ul>	<p><b>50+ Transactions</b></p> <ul style="list-style-type: none"> <li>• Advised both large/small, public/private companies on capital needs \$5-\$500m</li> </ul>
<p><b>Prior Experience</b></p>			
<p><b>Education</b></p>	<ul style="list-style-type: none"> <li>• MS, Accounting: Oklahoma State University</li> <li>• BS, Accounting: Oklahoma State University</li> </ul>	<ul style="list-style-type: none"> <li>• BE, Civil Engineering: Vanderbilt University</li> <li>• MBA: Vanderbilt University</li> </ul>	<ul style="list-style-type: none"> <li>• BBA, Finance: University of Tennessee</li> <li>• MBA: Vanderbilt University</li> </ul>
<p><b>Additional Details</b></p>	<ul style="list-style-type: none"> <li>• Founder of Principium Capital</li> <li>• 20 years experience in green industry M&amp;A.</li> <li>• Frequent speaker at industry events</li> <li>• Frequent contributor to industry publications</li> </ul>	<ul style="list-style-type: none"> <li>• Founder of White Oak Capital Partners (M&amp;A advisory)</li> <li>• Sr. Director of M&amp;A for ServiceMaster; led acquisitions team for Terminix &amp; SVM Brands</li> <li>• Decade at Raymond James (investment banking-M&amp;A)</li> </ul>	<ul style="list-style-type: none"> <li>• Founder of White Oak Capital Partners (M&amp;A advisory)</li> <li>• Decade at Raymond James (investment banking-M&amp;A, capital raising)</li> <li>• Fixed income research &amp; trading at FTN Financial, major industry player</li> </ul>

# DISCLAIMER

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