

M&A INDUSTRY REPORT

Business Services

FOCUS is a leading national M&A brand for the lower middle market. With over 40 years of experience, a global footprint, and hundreds of successful deals across myriad industries, FOCUS continues its mission to redefine the banker/client relationship.

Q1 2025



TABLE OF CONTENTS

03	Overview	08	Recent Transactions
04	Market Activity	09	Our Team
05	News & Insights	10	In the Market Deals
06	Sector Highlights		



OVERVIEW

The first quarter of 2025 brought continued momentum to the M&A market, with steady deal flow and strong buyer interest across a range of subsectors.

For owners of small to medium-sized businesses, particularly those offering outsourced B2B services—from staffing and facility management to consulting and IT support—this is an opportune time to evaluate strategic options. Private equity firms and strategic acquirers remain active, seeking high-quality businesses with recurring revenue, specialized expertise, or regional scale. In this report, we break down key trends, notable transactions, and what it all means for business owners considering a sale, partnership, or growth capital investment.

Within **professional services**, buyers are targeting firms with specialized expertise in areas such as accounting, engineering, consulting, legal support, and marketing. Businesses with strong client relationships, recurring or retainer-based revenue models, and scalable operations continue to command premium multiples.

Meanwhile, the **infrastructure services** sector—including engineering & design, environmental services, construction management, and outsourced municipal or utility support—saw heightened interest fueled by federal infrastructure spending and long-term demand for public and private capital projects. Buyers are particularly focused on firms with experienced management teams, local or regional contract footprints, and exposure to high-growth segments such as clean energy or transportation.

In this report, we highlight key trends, notable Q1 transactions, and what business owners should be thinking about now if they are considering a sale, recapitalization, or growth strategy in 2025.

MARKET ACTIVITY

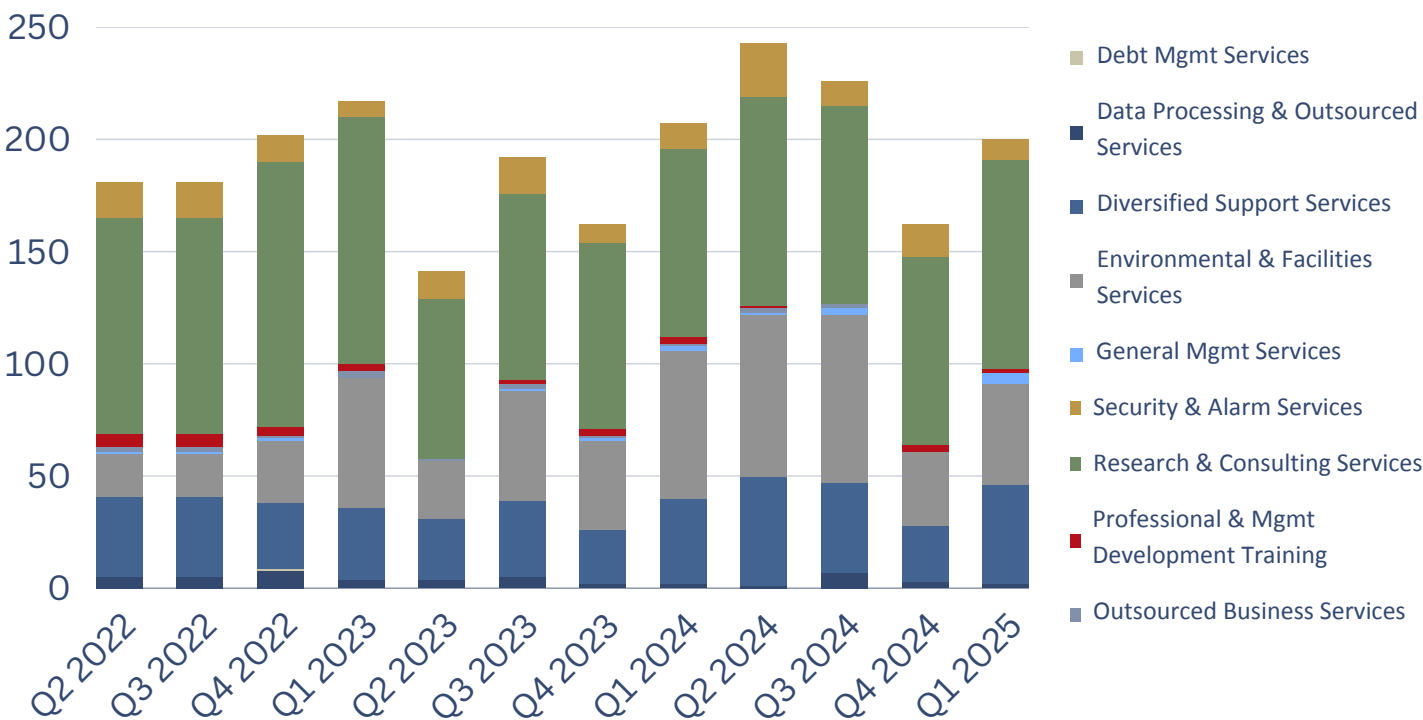
Business Services M&A Activity

Infrastructure Services

- **M&A activity in the Business Services sector rose 18% in Q1 2025**, with 200 transactions reported versus 165 in Q4 2024. The most notable increases came from Diversified Support Services (+43%) and Environmental & Facility Services (+22%), signaling renewed interest in essential outsourced services.
- **Water treatment and remediation services remain highly active**, driven by ongoing consolidation. Clearwater Industries, backed by EAI (Economic Alternatives, Inc.), acquired Artech Water Systems of Madison, CT—strengthening its East Coast presence. This follows EAI’s 2024 acquisition of Clearwater as part of a broader strategy to expand water treatment capabilities nationwide.
- **Ruppert Landscaping continues its strategic expansion**, completing two acquisitions in January 2025. The Maryland-based commercial landscaping firm added Lawnsapes, Inc. in Panama City, FL, and Ocean Woods Landscaping, Inc. in South Carolina, enhancing its footprint in the Southeast.
- **Mechanical and facility engineering services saw continued momentum**, with PremiStar entering the Illinois market through the acquisition of Dahme Mechanical’s HVAC division. The company has now completed eight acquisitions over the past three years—five of which closed in 2024—underscoring its aggressive growth strategy in the facility services sector.

Professional Services

- Professional Services deal activity remained strong in Q1. Acquisitions of consulting firms and accounting, tax and advisory firms represented the majority of deal announcements in the quarter.
- More than half of the buyers in the professional services sector were private equity or private equity backed platform companies
- The most active acquirers in Q1 included Baker Tilly (3 deals), Veritext (3 deals), Ampleo (2 deals), Aprio (2 deals), and SD Mayer & Associates (2 deals)



NEWS & INSIGHTS



Infrastructure Services M&A Trends: What's Ahead for Engineering & Construction in 2025?

For middle-market business engaging in engineering & construction (E&C) for the infrastructure services sector, 2025 is a promising year. In spite of uncertainty surrounding other areas of the economy, infrastructure is enjoying an uptick in both government spending and private investment.

[Click here to read now](#)



The Three Components to Buy Side Work

Trying to buy a company is one of the most difficult things to do in business. Why is buy side work so difficult? In the world of M&A, buyers far outnumber sellers. This truth runs contrary to conventional wisdom that says buying is easier than selling.

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Human Capital Management: Year In Review

In the FOCUS HCM 2024 Year in Review, we take a closer look at M&A activity in two key parts of the HCM market: Staffing and Recruiting and HR Outsourcing/PEO and HR Consulting market. Both markets continued to benefit from historically low unemployment rates and continued GDP growth

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SECTOR HIGHLIGHT: INFRASTRUCTURE SERVICES





Overview

The infrastructure services sector continues to present a compelling opportunity for consolidation and investment, driven by both long-term structural trends and near-term tailwinds. The \$580 billion allocation from the Infrastructure Investment and Jobs Act and the Inflation Reduction Act has begun to flow into projects across the country, supporting robust demand for specialty contractors, engineering firms, and service providers.

According to the American Society of Civil Engineers, the U.S. faces a \$5.6 trillion infrastructure investment need through 2039—leaving a significant funding gap that is increasingly being filled by private capital. This gap, coupled with heightened regulatory scrutiny around maintenance and repairs, is accelerating demand for outsourced infrastructure services.

Private equity groups, armed with an estimated \$2.6 trillion in dry powder, and strategic buyers are actively pursuing platform and add-on acquisitions to diversify offerings and enhance operational capabilities. The first half of 2024 witnessed strong M&A momentum across civil and structural engineering, construction services, water remediation, and environmental infrastructure—activity that has continued into early 2025.

Infrastructure By The Numbers

-  **\$580B in Federal Spending:** Massive government investment is fueling demand for subcontractors, engineers, and field service providers
-  **Regulations Are Tightening:** Aging infrastructure and stricter compliance rules are driving new project volume
-  **Premium Valuations for Niche Operators:** Contract stability, strong safety records, or technical know-how are commanding higher multiples
-  **700+ Deals Closed:** Owners like you are selling to national buyers or partnering for growth—now is a strong seller's market.

SECTOR HIGHLIGHT: PROFESSIONAL SERVICES

Overview





The Professional Services sector remains a dynamic and highly active area for M&A, with over 700 transactions announced or closed across North America in the past 15 months. Defined broadly by S&P Capital IQ to include Human Capital Management (HCM), Research & Consulting (such as Accounting, Legal, and Management Consulting), and Data Processing & Outsourced Services, the sector spans both traditional and tech-enabled service providers.

While deal activity is widespread, it is also strategic—just 12 buyers accounted for 52 of those acquisitions. Notably, only two of the most active acquirers are publicly traded, while the rest are backed by private equity, underscoring PE’s continued focus on roll-up strategies and platform expansion.

Management consulting, in particular, exemplifies the sector’s fragmentation and scale, with nearly 1 million firms in the U.S. alone. Despite its \$400+ billion market size, the average consulting business is small—just three employees and under half a million in annual revenue - while the top 20 firms capture a quarter of total market revenue.


M&A activity is also driven by demand for specialized capabilities within industry verticals and corporate functions, as well as the need to provide complementary services in adjacent fields such as IT, accounting, executive search, and business coaching.

Why it Matters

-  **High Buyer Demand:** PE-backed firms and strategics are actively acquiring in your space
-  **Valuation Potential:** Firms with recurring revenue, specialized expertise, or tech-enabled services are commanding premium multiples
-  **Scalability = Value:** Even small firms can attract buyers if they demonstrate strong margins, niche focus, or leadership succession
-  **Adjacent Service Expansion:** Accounting, IT, and coaching firms are targets for consulting platforms looking to cross-sell


DEALS

Recent Transactions





CELEBRATING 20 YEARS OF CLIENT EXCELLENCE

a portfolio company of




has acquired






For a cleaner planet

has acquired




A Glanua Company




has been recapitalized by


Group of
Private Investors



COMPUTER CONSULTING


has been acquired by







TM

a division of





has been acquired by







has been acquired by





has been acquired by







has been acquired by

Vienna Parent Corporation


an affiliate company of






For a cleaner planet


has acquired




A Glanua Company




has been acquired by







AMP PARTNERS

has been acquired by




a portfolio company of






has been acquired by



TECH CONSULTING


a portfolio company of


LNC | PARTNERS




For a cleaner planet

has received debt from







has been acquired by



CAPITAL PARTNERS



received an investment from



TM

OUR TEAM

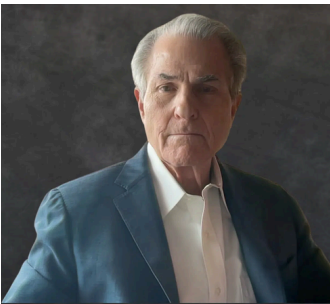
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ACTIVE ENGAGEMENTS IN THE MARKET

Accelerate (Sell Side)

Business consulting business to high tech & startup companies.

Hornet (Sell Side)

Commercial and municipal electrical contracting services company.

Piping (Sell Side)

Provides mechanical, plumbing, HVAC, piping, and custom metal fabrication services.

Amplifier (Sell Side)

Merchandising and fixture installation company.

Liberty (Sell Side)

Irish public relations and communications company,

Prophet (Sell Side) *Signed LOI*

Consulting firm specializing in energy research and analysis

Balance (Sell Side)

Specialized digital accountancy and business advisory firm in Dublin, Ireland.

Nexus (Sell Side)

Strategy consulting, brand consulting, design and transformation company.

Sugar (Sell Side)

Multi-disciplinary project management and sustainable specialist.

Delivery (Sell Side) *Signed LOI*

Outdoor power equipment retailer and service provider.

Gladiator (Sell Side) *Signed LOI*

Telecom/Skilled Trade and IT Staffing Services.

Surface 2 (Sell Side) *Signed LOI*

Specializes in creating renowned equestrian surfaces.

Express (Sell Side)

Ground transportation company.

Monument (Sell Side)

Installer of stone, tile, granite and terrazzo surfaces primarily in commercial building new construction and renovation projects

Quest (Sell Side)

Design consultancy.

ABOUT FOCUS BANKERS

FOCUS Investment Banking is a trusted name in M&A advisory services with a nationwide footprint and a global reach

Experience matters, especially when it comes to navigating the intricacies of your market. We bring senior-level experience and relatable expertise to every deal. From strategic planning to negotiations, we leverage a deep understanding of your industry to deliver customized solutions that drive the maximum value for your business.



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**Top 5
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