

## LI Environmental Services Stock Index Down 11.6% in Q2; M&A Activity Drops Slightly

### Qtr-over-Qtr Performance

Outperformers*	Change
Arcadis NV	9.9%
Stericycle, Inc.	9.6%

Underperformers*	Change
AECOM Technology Corporation	-26.5%
Schnitzer Steel Industries Inc.	-29.8%
Sims Metal Management Limited	-34.6%

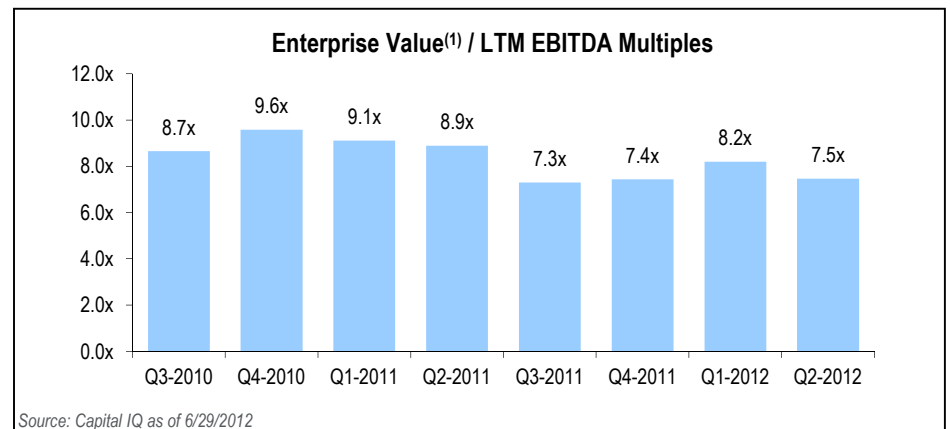
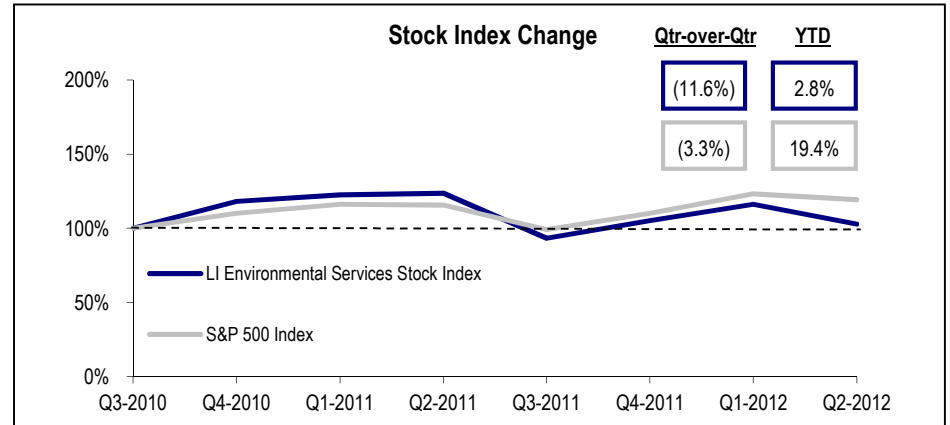
\*Based on qtr-over-qtr share price performance

### Market Intelligence

- 6/11/2012: **AMEC** is seeking acquisitions in Australia, the Middle East and Latin America
- 5/31/2012: **U.S. Ecology** continues to seek buys after its recent acquisition of Dynecol; the company is considering acquisitions of smaller targets, as well as transformational acquisitions
- 5/31/2012: **Safety-Kleen**, an environmental and waste management services company, has reportedly started a sale process
- 5/21/2012: **AECOM Technology Corporation** is actively looking for acquisition targets in Brazil
- 5/14/2012: **Black & Veatch**, an engineering, consulting and construction company offering environmental services, is actively looking for add-on acquisitions
- 5/9/2012: **Cardno**, the Australia-listed engineering and environmental consulting company, plans to make acquisitions in the U.S., Canada and Latin America
- 4/27/2012: **Republic Services** expects to spend \$100 million annually on acquisitions
- 4/9/2012: **Schnitzer Steel Industries** is aggressively seeking acquisitions of privately held companies for its Metals and Auto Parts recycling businesses
- 4/2/2012: **Progressive Waste Solutions** is seeking to complete acquisitions this year as the company continues to generate plenty of free cash flow

### Lincoln International Environmental Services Stock Index ("LI ESSI")

The LI ESSI is a market cap-weighted composite stock index similar to the S&P 500 Index. Given the broad scope of Environmental Services, the LI ESSI is comprised of companies that generate a meaningful portion of revenue from their involvement in a variety of subsectors, including Consulting & Engineering, Recycling & Refurbishment, Remediation & Construction and Waste Collection & Disposal. A full list of the companies included in the LI ESSI is provided on the following page.

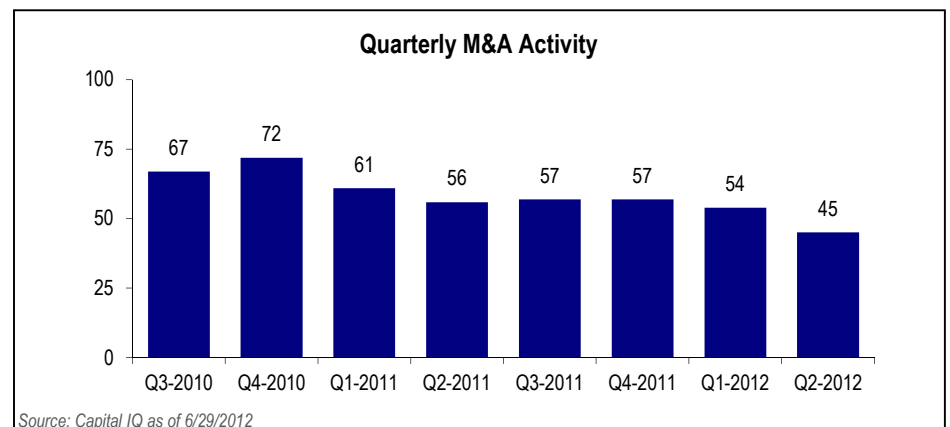


Source: Capital IQ as of 6/29/2012

(1) Enterprise Value is calculated as market capitalization plus total net debt, preferred equity and minority interest

### Environmental Services M&A Activity

Global deal volume in the Environmental Services space was down slightly in Q2 2012 over the previous several quarters. A list of select M&A transactions from Q2 2012 is provided on the following page.



Source: Capital IQ as of 6/29/2012

Note: Represents closed M&A transactions for targets classified under relevant SIC codes or tracked on Lincoln's industry watch list

## LI Environmental Services Stock Index Data (\$ in millions, except per share data)

	Current	52-Wk	Market	Enterprise	Diluted	LTM	EV / LTM			LTM Growth		EBITDA	Net Debt/
	Price	High	Cap	Value	EPS	Rev	Rev	EBITDA	EBIT	Rev	EBITDA	Margin	EBITDA
AECOM Technology Corporation	\$16.45	\$28.25	\$1,857	\$ 2,709	\$ 2.22	\$8,205	0.3x	6.0x	7.6x	12%	3%	5.5%	1.8x
AMEC plc	15.72	18.65	5,014	4,198	0.97	5,115	0.8x	9.2x	10.9x	11%	11%	9.0%	(1.8x)
Arcadis NV	21.83	22.30	1,616	2,025	1.54	2,722	0.7x	9.0x	11.2x	6%	3%	8.3%	1.8x
Casella Waste Systems Inc.	5.85	7.15	158	632	(2.93)	481	1.3x	7.1x	20.7x	3%	6%	18.5%	5.3x
Clean Harbors, Inc.	56.42	71.63	3,007	3,297	2.56	2,121	1.6x	8.8x	13.7x	17%	16%	17.7%	0.8x
Progressive Waste Solutions Ltd.	18.91	23.72	2,198	3,517	(1.65)	1,856	1.9x	6.5x	12.7x	17%	19%	29.1%	2.5x
Republic Services, Inc.	26.46	31.73	9,796	16,629	1.53	8,210	2.0x	6.8x	10.9x	1%	(2%)	29.9%	2.8x
RPS Group plc	3.27	4.03	699	736	0.21	710	1.0x	7.6x	11.0x	15%	6%	13.6%	0.4x
Schnitzer Steel Industries Inc.	28.02	59.06	751	1,078	2.34	3,660	0.3x	5.7x	10.0x	21%	(11%)	5.2%	1.6x
Sims Metal Management Limited	9.84	19.01	2,015	2,322	(2.06)	9,709	0.2x	6.4x	9.9x	18%	8%	3.8%	0.8x
SNC-Lavalin Group Inc.	37.39	58.79	5,648	6,473	2.38	7,210	0.9x	9.0x	11.2x	30%	(6%)	10.0%	1.1x
Stericycle, Inc.	91.67	93.95	7,800	9,139	2.80	1,738	5.3x	17.4x	20.0x	16%	12%	30.2%	2.5x
Suez Environnement Company SA	10.73	17.99	5,440	17,591	0.76	18,799	0.9x	6.6x	12.9x	7%	4%	14.2%	3.7x
Tetra Tech Inc.	26.08	28.00	1,654	1,659	1.50	1,925	0.9x	7.8x	10.7x	18%	19%	11.0%	0.0x
TRC Companies Inc.	6.08	7.20	170	167	0.43	293	0.6x	7.0x	9.0x	22%	nmf	8.1%	(0.1x)
URS Corporation	34.88	47.16	2,642	3,216	(5.89)	9,587	0.3x	4.8x	6.2x	4%	6%	7.0%	0.7x
US Ecology, Inc.	17.74	22.71	325	354	1.08	154	2.3x	6.9x	10.3x	29%	42%	33.2%	0.6x
Veolia Environnement S.A.	12.66	25.21	6,428	28,944	(1.24)	37,583	0.8x	7.1x	15.6x	3%	(0%)	10.8%	4.7x
Waste Connections Inc.	29.92	35.95	3,691	4,597	1.40	1,550	3.0x	9.2x	14.2x	15%	15%	32.1%	1.8x
Waste Management, Inc.	33.40	38.06	15,453	25,475	2.02	13,570	1.9x	7.7x	12.4x	7%	1%	24.4%	2.9x
Mean							1.4x	7.8x	12.1x	14%	8%	16.1%	1.7x
Median							0.9x	7.1x	11.1x	15%	6%	12.3%	1.7x
Adjusted Mean (excludes highest and lowest value)							1.2x	7.5x	11.9x	13%	7%	15.8%	1.7x

Source: Capital IQ as of 6/29/2012

## Select M&A Transactions (\$ in millions)

Closed	Target	Target Description	Acquirer	Enterprise	EV / LTM	
				Value	Rev.	EBITDA
Announced	Gall Thomson Environmental Ltd.	Supplier of anti-pollution and safety components for the oil and gas industry	Phoenix Equity Partners	\$118	3.9x	7.4x
Announced	Michael Brandman Associates	Provider of contract environmental services for public and private clients	FirstCarbon Solutions, Inc.	-	-	-
Announced	WSP Group plc	Provides consulting and engineering services	GENIVAR Inc.	\$549	0.5x	8.1x
Jun-12	Wastequip	Provider of waste and recycling equipment and services	Centerbridge Partners L.P.	-	-	-
Jun-12	Rooney Engineering, Inc.	Engineering and design services for a variety of industries	Tetra Tech Inc.	-	-	-
Jun-12	DBA Engineering Ltd.	Materials engineering and geotechnical and geo-environmental studies	SNC-Lavalin Group Inc.	-	-	-
Jun-12	Vac-All Service, Inc.	Provides environmental and industrial cleaning services	Environmental Quality Company	-	-	-
Jun-12	North Fork Associates Inc.	Land use planning and environmental consulting	Dudek & Associates, Inc.	-	-	-
Jun-12	Barnard Dunkelberg & Company	Environmental planning services	Mead & Hunt, Inc.	-	-	-
Jun-12	The Palmerton Group, LLC	Environmental consulting services	GZA GeoEnvironmental, Inc.	-	-	-
May-12	Unidel Group Pty Ltd.	Infrastructure strategy, pre-construction and project support services	AMEC plc	\$42	-	-
May-12	Technicontrol S.A.	Technical inspections, testing and quality control	Bureau Veritas SA	-	-	-
May-12	Weatherford Subsea Controls Business	Provides subsea and topside communication and control systems	Proserv Group AS	-	-	-
May-12	Flipsnap, Inc.	Mobile phone recycling company	eRecyclingCorps, LLC	-	-	-
Apr-12	EN Engineering L.L.C.	Engineering and consulting for the natural gas and industrial markets	CIVC Partners, L.P.	-	-	-
Apr-12	Environmental Drilling Solutions, LLC	Provides solids control services to the oil and gas industry	Element Partners	-	-	-

Source: Capital IQ, Mergermarket, Company Filings as of 6/29/2012

## About Lincoln International

Lincoln International specializes in merger and acquisition advisory services, debt advisory services, private capital raising and restructuring advice on mid-market transactions. Lincoln International also provides fairness opinions, valuations and pension advisory services on a wide range of transaction sizes. With 12 offices (three in the Americas, two in Asia and seven in Europe) and strategic partnerships with leading institutions in China and Korea, Lincoln International has strong local knowledge and contacts in the key global economies. The firm provides clients with senior-level attention, in-depth industry expertise and integrated resources. By being focused and independent, Lincoln International serves its clients without conflicts of interest. More information about Lincoln International can be obtained at [www.lincolninternational.com](http://www.lincolninternational.com).

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## Lincoln International's Global Footprint



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