

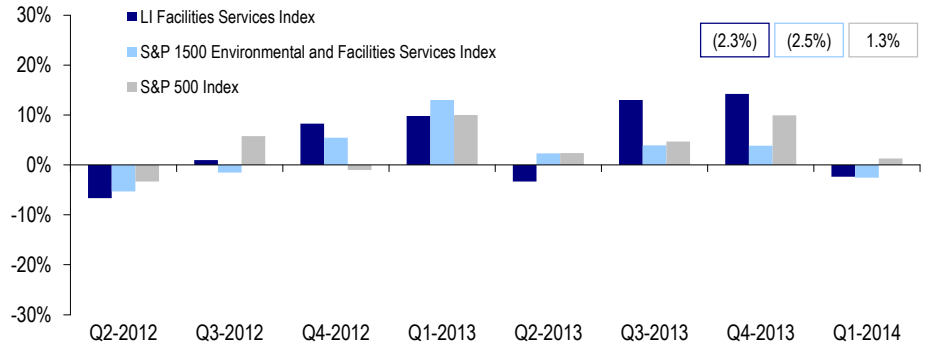
LI Facilities Services (“FS”) Index down 2.3% in Q1; M&A Activity Continues to Climb

Qtr over Qtr Performance

Outperformers*	Change
Matrix Service Company	38.3%
Interserve plc	17.2%
FirstService Corporation	14.8%
Underperformers*	Change
Johnson Controls Inc.	-7.8%
G4S plc	-8.0%
Comfort Systems USA Inc.	-21.4%

*Based on quarter over quarter share price performance

Quarter over Quarter Stock Index Change

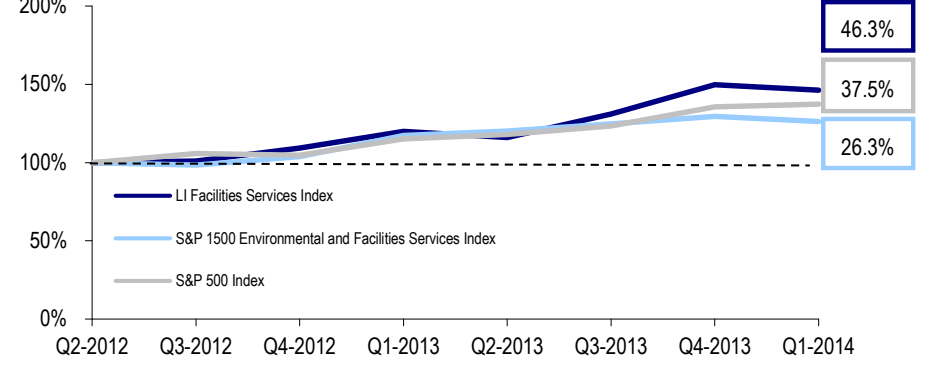


FS Stock Highlights

From last quarter:

- LI Facilities Services Index decreased 2.3%
- S&P 1500 Environmental and Facilities Services Index decreased 2.5%
- S&P 500 Index increased 1.3%
- Facilities Services Enterprise Value / LTM EBITDA multiples decreased 3.0% to 10.9x

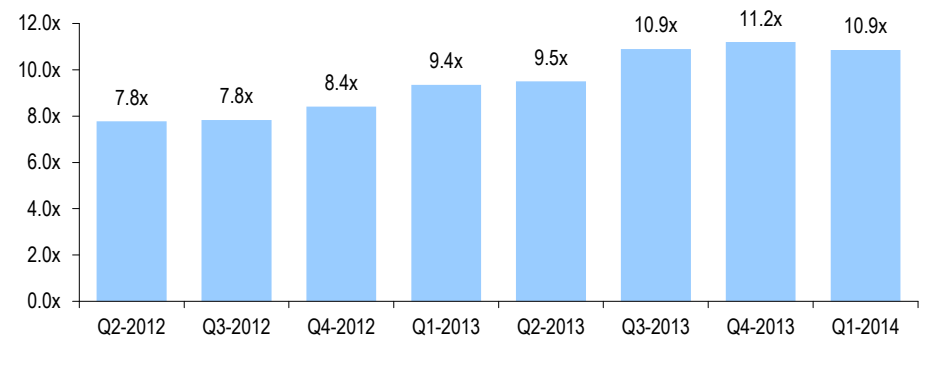
Two Year Relative Stock Index Performance



Heard on the Street

- 3/30/2014: **Cintas Corporation**, a provider of uniform and document management services, announced an agreement to combine Cintas' Document Shredding business with Shred-it's Document Shredding business
- 3/25/2014: **ServiceMaster**, the Tennessee-based residential and commercial building maintenance services company, has filed an S-1 statement with the SEC to raise up to \$100 million in an initial public offering
- 3/13/2014: **ISS**, the Denmark-based provider of facilities services, announced its final offer price of \$29.46 per share
- 1/31/2014: **Staffline Group**, the UK-based recruitment and outsourcing organization, will seek acquisition opportunities as a part of its continued growth strategy
- 1/9/2014: **Unifirst**, the Massachusetts-based work-wear and textile services company, will spend its excess cash on acquisitions
- 1/8/2014: **UGL Limited**, the Australian-based outsourced engineering and property management company, will divest its property services unit, DTZ Holdings

Enterprise Value⁽¹⁾ / LTM EBITDA Multiples



Source: Capital IQ as of 3/31/2014

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

About the LI Facilities Services Index

The LI Facilities Services Index is a market cap weighted composite stock index similar to the S&P 500 Index. The index is prepared by first selecting a base period, in this case, Q2 2012, and totaling the market caps of the companies in this period. This period and the total market cap is set to a base index at 100%. Next, the current period's total market cap is calculated, divided by the base period's total market cap and then multiplied by the base index (100%). The result is the index value used for plotting the Relative Stock Index Performance graph above. A full list of the companies included in the LI Facilities Services Index can be found on the back page. Figures shown above are historically updated to reflect the updated LI Facilities Services Index.

LI Facilities Services Index Stock Data (\$ in millions except per share data)

	Current Price	52-Wk High	Market Cap	Enterprise Value	Diluted EPS	LTM Rev	EV / LTM			LTM Growth		EBITDA Margin	Net Debt/ EBITDA
							Rev	EBITDA	EBIT	Rev	EBITDA		
ABM Industries Incorporated	\$ 28.74	\$29.50	\$1,606	\$ 1,938	\$ 1.29	\$4,854	0.4x	10.6x	15.6x	10%	20%	3.8%	1.8x
Cintas Corporation	59.61	63.28	7,156	8,104	2.70	4,523	1.8x	10.2x	13.5x	7%	8%	17.5%	1.2x
Comfort Systems USA Inc.	15.24	20.95	571	539	0.73	1,357	0.4x	8.4x	11.8x	2%	51%	4.7%	(0.8x)
Compass Group plc	15.19	16.36	27,109	29,214	0.39	29,143	1.0x	11.6x	14.4x	4%	4%	8.7%	0.8x
EMCOR Group Inc.	46.79	47.81	3,131	3,060	1.82	6,417	0.5x	10.7x	14.0x	1%	(6%)	4.5%	(0.3x)
FirstService Corporation	47.83	50.47	1,719	2,169	(0.46)	2,344	0.9x	12.3x	19.4x	11%	17%	7.5%	1.3x
G&K Services Inc.	61.17	65.36	1,221	1,365	2.61	925	1.5x	10.5x	13.9x	6%	20%	14.0%	1.1x
G4S plc	4.01	5.24	6,189	8,963	(0.28)	12,330	0.7x	10.0x	15.4x	(1%)	(15%)	7.3%	3.0x
Interserve plc	12.12	12.20	1,721	1,800	0.63	3,639	0.5x	10.8x	18.3x	12%	27%	4.6%	0.4x
Johnson Controls Inc.	47.32	52.50	31,422	38,257	1.88	43,216	0.9x	9.9x	13.2x	3%	56%	9.0%	1.7x
Matrix Service Company	33.78	34.92	890	840	1.15	999	0.8x	13.3x	17.2x	81%	82%	6.3%	(0.8x)
MITIE Group PLC	5.40	5.74	1,943	2,317	0.22	3,618	0.6x	12.9x	17.8x	6%	(13%)	5.0%	2.0x
Prosegur Compañía de Seguridad, S.A.	6.40	7.06	3,670	4,719	0.37	5,064	0.9x	7.5x	9.8x	1%	2%	12.4%	1.7x
Rentokil Initial plc	2.04	2.22	3,698	5,410	0.08	3,863	1.4x	7.1x	13.4x	(9%)	7%	19.6%	2.3x
Rollins Inc.	30.24	30.70	4,417	4,298	0.84	1,337	3.2x	18.6x	22.5x	5%	7%	17.2%	(0.5x)
Securitas AB	11.45	11.48	4,180	5,682	0.77	10,037	0.6x	8.7x	12.2x	(1%)	8%	6.5%	2.3x
Sodexo S.A.	104.32	107.97	15,806	17,178	3.95	25,210	0.7x	11.5x	15.2x	1%	(15%)	5.9%	0.9x
Team, Inc.	42.86	48.09	871	932	1.40	727	1.3x	13.4x	19.1x	6%	(15%)	9.5%	0.8x
UGL Limited	6.53	9.94	1,071	1,697	0.22	3,646	0.5x	15.2x	26.4x	(5%)	(43%)	3.1%	5.5x
UniFirst Corp.	109.94	117.91	2,203	2,072	5.93	1,379	1.5x	7.9x	10.9x	6%	12%	18.9%	(0.6x)
Mean							1.0x	11.1x	15.7x	7%	11%	9.3%	1.2x
Median							0.9x	10.6x	14.8x	5%	7%	7.4%	1.2x
Adjusted Mean (ex cludes highest and lowest value)							0.9x	10.9x	15.4x	4%	10%	9.1%	1.1x

Source: Capital IQ

Note: All values based on publicly available data as of 3/31/2014

M&A Transaction Highlights (\$ in millions)

Closed	Target	Target Description	Acquirer	Enterprise	EV / LTM	
				Value	Rev.	EBITDA
Announced	Foster Wheeler AG	Provides engineering and construction services	Interserve plc	\$2,752	0.8x	10.6x
Announced	Technsys, Inc.	Provides equipment and engineering services	Levine Leichtman Capital Partners	-	-	-
Mar-14	Rentokil Initial plc, Initial Facilities Bus.	Provides facilities services	Interserve plc	\$415	0.5x	-
Mar-14	Rite Way Service, Inc.	Provides janitorial and commercial services	Diversified Maintenance Systems	-	-	-
Mar-14	Swanson Services Corporation	Provides integrated software services to correctional facilities	Trinity Services Group, Inc.	-	-	-
Mar-14	Hannon Security Services, Inc.	Provides security services	Universal Services of America, Inc.	-	-	-
Mar-14	Grupo Bestway	Provides pest control services and other office services	Rentokil Initial plc	-	-	-
Feb-14	Allpest WA	Provides pest management services	Rollins Inc.	-	-	-
Feb-14	International Security Management Group	Provides security and risk management services	Universal Services of America, Inc.	-	-	-
Jan-14	Kiamalu Consulting & Investigations	Provides professional and consulting services	Universal Services of America, Inc.	-	-	-
Jan-14	Hospitality Staffing Solutions, LLC	Provides hospitality staffing services	Caymus Equity Partners LLC	\$23	-	-
Jan-14	PSAV	Provides audiovisual equipment rentals and services	Olympus Partners	\$900	-	-
Jan-14	Mac-Gray Corp.	Offers laundry facilities management services	CSC ServiceWorks, Inc	\$528	1.6x	8.2x
Jan-14	G&K Services Inc., Direct Sale Program	Provides work-wear, safety gear and other products	Affinity Specialty Apparel, Inc.	-	0.2x	-
Jan-14	EMCOR Energy Services, Inc.	Provides a range of energy services to utilities	TRC Companies Inc.	-	-	-

Source: Capital IQ, Mergermarket, Company Filings

Officer Contacts

NORTH AMERICA

Lucien G. Webb
Managing Director
lwebb@lincolnternational.com
+1-312-506-2747



Michael J. Iannelli
Managing Director
miannelli@lincolnternational.com
+1-312-580-6281



Lincoln International's Global Footprint



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 16 offices in the Americas, Asia and Europe, 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.lincolnternational.com.

Contributor:

Erica Lester, Analyst
elester@lincolnternational.com