

Market Update

Facilities Services

Q3 2016



FS Stock Highlights

From last quarter:

- LI Facilities Services Index increased 7.6%
- S&P 1500 Environmental and Facilities Services Index decreased 4.8%
- S&P 500 Index increased 3.3%
- Facilities Services Enterprise Value / LTM EBITDA multiples increased 5.6% to 11.8x


LI Facilities Services ("FS") Index continues incline, up 7.6% this quarter

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, Q4 2014, 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 page 3. Figures shown above are historically updated to reflect the updated LI Facilities Services Index.

Recent Facilities Services Transactions



has been recapitalized by


has sold



to





has acquired



from





has received a significant investment from





has sold



to

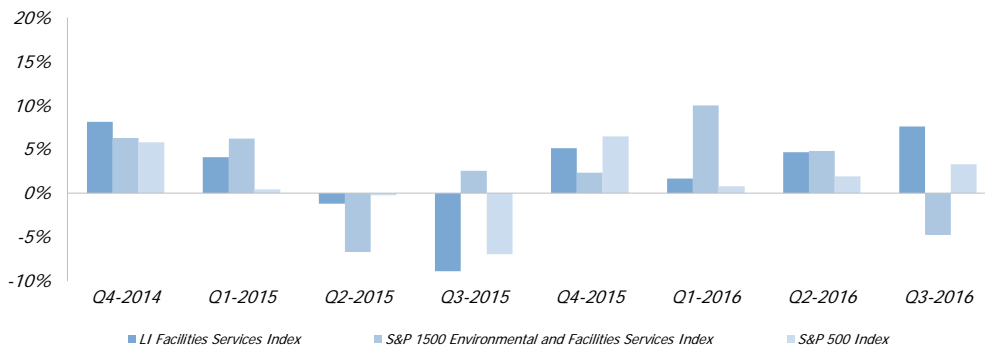



Quarter over Quarter Performance

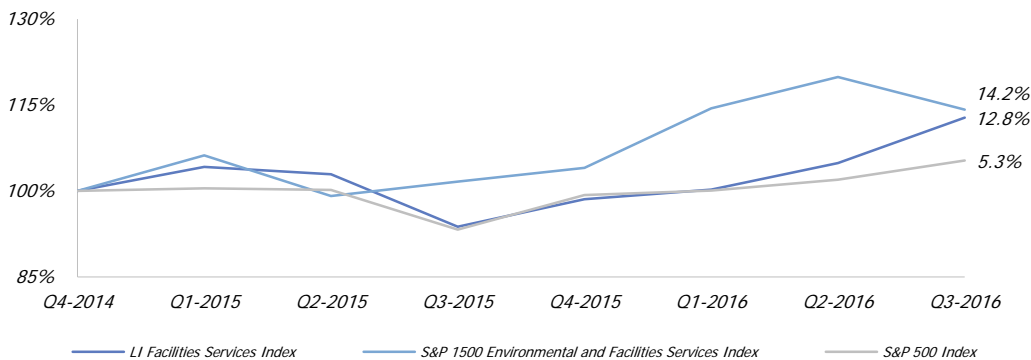
Outperformers	Change	Underperformers	Change
Interserve plc	41.4%	Comfort Systems USA Inc.	(10.0%)
Team, Inc.	31.7%	ServiceMaster Global Holdings, Inc.	(15.4%)
G&K Services Inc.	24.7%	MITIE Group plc	(22.7%)

Based on quarter-over-quarter share price performance

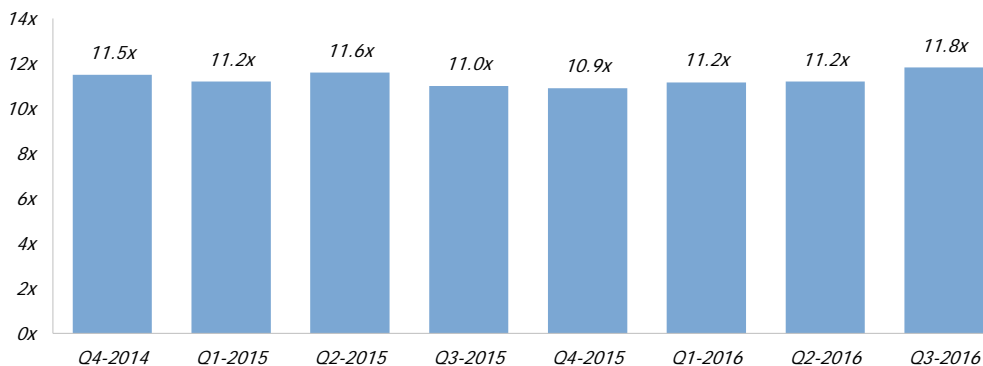
Quarter over Quarter Stock Index Change



Two Year Relative Stock Index Performance



Enterprise Value⁽¹⁾ / LTM EBITDA Multiples



Source: Capital IQ as of 09/30/2016

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

Heard on the Street

07/14/2016: Smart Lunches, an online ordering and delivery platform for school lunches, will look to secure a round of institutional capital before the end of 2016

08/03/2016: Clean Harbors, the Norwell, Massachusetts based provider of environmental, energy and industrial services, is planning to sell a subsidiary in its industrial services group for \$50 million

08/04/2016: Apache Industrial Services, the MML Capital Partners portfolio company, recently kicked off a sale process

08/12/2016: SMS Assist, the Chicago-based provider of exterior maintenance, facilities maintenance, interior maintenance and property management services, is focused on organic growth as valuation tops \$1 billion

08/16/2016: Alliance Security, a Warwick, Rhode Island-based security business, may seek an advisor to raise up to \$100 million in

outside capital to fund organic growth and acquisitions

08/16/2016: Spotless Group, the Australian-based facilities services group, has decided not to sell its laundries unit

09/13/2016: Noonan Services, the London-based contract-cleaning and facilities-management company owned by **Alchemy Partners**, has been earmarked for sale next year

09/18/2016: Centerra Group, a Florida-based private security contractor, plans to acquire a security company in the fourth quarter

09/29/2016: Prosegur Compania de Seguridad, the Spanish security group, has mandated Goldman Sachs and Citi to list 25%-40% of its cash-in-transit business, **Prosegur Cash**

LI Facilities Services Index Stock Data

(\$ in millions except per share data)

Company	Current Price	52-Wk High	Market Cap	Enterprise Value	Diluted EPS	LTM Rev	EV/LTM Rev	EV/LTM EBITDA	EV/LTM EBIT	LTM Growth Rev	LTM Growth EBITDA	EBITDA Margin	Net Debt/EBITDA
ABM Industries Incorporated	\$39.70	\$40.47	\$2,214	\$2,387	\$1.33	\$5,099	0.5x	14.2x	21.5x	12.4%	27.2%	3.3%	1.0x
Aramark	38.03	38.30	9,276	14,573	1.05	14,418	1.0x	11.9x	20.2x	(2.1%)	7.2%	8.5%	4.3x
Cintas Corporation	112.60	119.94	11,812	12,857	4.42	5,001	2.6x	13.2x	16.0x	9.3%	11.6%	19.5%	1.1x
Comfort Systems USA Inc.	29.31	35.00	1,088	1,089	1.54	1,608	0.7x	8.9x	11.2x	6.3%	39.2%	7.6%	0.0x
Compass Group plc	19.47	19.81	31,981	35,932	0.55	26,192	1.4x	15.0x	19.2x	2.3%	3.4%	9.1%	1.8x
EMCOR Group Inc.	59.62	60.33	3,625	3,710	2.94	7,155	0.5x	9.7x	12.1x	9.7%	10.7%	5.4%	0.2x
FirstService Corporation	46.49	52.99	1,673	1,983	0.78	1,358	1.5x	17.7x	24.5x	13.9%	37.3%	8.2%	2.0x
G&K Services Inc.	95.49	98.22	1,883	2,098	3.61	978	2.1x	13.2x	17.1x	4.3%	13.7%	16.3%	1.4x
G4S plc	2.97	3.38	4,586	7,042	0.03	9,272	0.8x	9.8x	14.6x	(15.0%)	(12.0%)	7.7%	3.5x
Interserve plc	4.79	8.01	694	1,136	0.02	4,311	0.3x	6.2x	11.5x	(12.5%)	(45.1%)	4.2%	2.4x
Johnson Controls Inc.	46.53	48.97	43,542	52,256	0.47	36,225	1.4x	15.6x	21.2x	(5.6%)	3.5%	9.3%	2.2x
Matrix Service Company	18.76	26.22	498	425	1.07	1,312	0.3x	6.7x	10.1x	(2.3%)	96.8%	4.8%	(1.1x)
MITIE Group plc	2.50	4.44	880	1,135	0.21	3,215	0.4x	5.5x	6.7x	(4.8%)	(10.8%)	6.4%	1.4x
Prosegur Compañía de Seguridad, S.A.	6.99	7.22	4,184	4,975	0.31	4,269	1.2x	10.3x	13.5x	(2.4%)	(3.2%)	11.3%	1.6x
Rentokil Initial plc	2.89	2.92	5,285	6,758	0.07	2,514	2.7x	11.7x	22.1x	(8.2%)	(9.2%)	23.0%	2.6x
Rollins Inc.	29.28	29.71	6,392	6,265	0.72	1,526	4.1x	21.1x	25.1x	5.1%	7.5%	19.4%	(0.4x)
Securitas AB	16.78	17.84	6,127	7,894	7.03	9,867	0.8x	12.5x	16.6x	7.3%	10.0%	6.4%	2.8x
ServiceMaster Global Holdings, Inc.	33.68	42.21	4,564	6,986	0.89	2,661	2.6x	11.9x	13.8x	5.2%	1.2%	22.0%	4.1x
Sodexo S.A.	119.15	120.83	17,837	19,702	4.64	22,248	0.9x	12.5x	16.0x	6.3%	12.5%	7.1%	1.1x
Team, Inc.	32.71	39.52	959	1,320	(0.08)	1,140	1.2x	16.5x	37.2x	35.3%	(12.5%)	7.0%	4.5x
UniFirst Corp.	131.86	137.01	2,671	2,323	5.86	1,463	1.6x	8.5x	12.2x	1.0%	(1.7%)	18.6%	(1.3x)
Mean							1.4x	12.0x	17.3x	3.1%	8.9%	10.7%	1.7x
Median							1.2x	11.9x	16.0x	4.3%	7.2%	8.2%	1.6x
Adjusted Mean (excludes highest and lowest value)							1.3x	11.9x	16.8x	2.4%	7.1%	10.5%	1.7x

Source: Capital IQ

Note: All values based on publicly available data as of 09/30/2016

M&A Transaction Highlights

(\$ in millions)

Closed	Target	Target Description	Acquirer	Enterprise Value	EV/LTM Rev.	EV/LTM EBITDA
Announced	G&K Services	Provides branded uniform and facility services programs	Cintas Corporation	\$2,134	2.2x	13.4x
Sep-16	Tecta America	Provides commercial roofing contractor services	ONCAP	\$280	-	-
Sep-16	Sanders Security	Provides electronic security systems and services	ADS Security	-	-	-
Sep-16	Arrow Uniform	Offers uniform rental and leasing services	UniFirst Corp.	\$122	1.9x	-
Sep-16	Apollo International	Provides security risk management services	Allied Universal	-	-	-
Sep-16	Complus Data Innovations	Provides parking enforcement software, services and solutions	Thompson Street Capital Partners	-	-	-
Sep-16	Enviro-Tank Clean	Owens and operates non-hazardous waste treatment facilities	QualaWash Holding	-	-	-
Sep-16	Refrigeration Solutions	Provides commercial and industrial refrigeration services	Source Refrigeration & HVAC	-	-	-
Sep-16	Landmark Protection	Provides onsite security services	U.S. Security Associates	-	-	-
Sep-16	Seven Sisters	Provides electrical contracting services	JH Kelly	-	-	-
Sep-16	Inspirus	Provides enterprise workforce recognition solutions	Sodexo S.A.	-	-	-
Sep-16	WSA Systems-Boca	Provides security and fire systems integration services	Sciens Building Solutions	-	-	-
Aug-16	Clean Harbors Catalyst Services	Offers removal and replacement services of catalytic materials	Zachry Holdings	-	-	-
Aug-16	Scientific Pest Management	Provides pest control services	Rollins	-	-	-
Aug-16	QualaWash Holdings	Provides cleaning and repair services for commercial and industrial portable liquid and dry bulk containers	Advent International Corporation	-	-	-
Aug-16	Boomerang Holding	Offers car washing services	Zips Car Wash	-	-	-
Aug-16	Metro Car Wash	Provides car washing services	Mister Car Wash	-	-	-
Aug-16	Process Power & Control	Provides electrical contractor services	Loenbro	-	-	-
Aug-16	Boomerang Clean	Provides on-demand dry cleaning and laundry services	Next Cleaners	-	-	-
Aug-16	Sandwich Isle Pest Solutions	Provides pest control services	The Terminix International Company	-	-	-
Aug-16	W. J. Maloney Plumbing Co.	Provides plumbing services	Hayes Mechanical	-	-	-
Aug-16	Paul Davis Restoration	Provides restoration and repair services	FirstService Corporation	-	-	-
Aug-16	Cavalier Services	Provides janitorial services	Coverall North America	-	-	-
Aug-16	Emmons Commercial	Provides car washing services	Car Wash Partners	-	-	-
Aug-16	AlliedBarton Security Services	Provides security services	Universal Services of America	-	-	-
Jul-16	DBi Services	Provides infrastructure maintenance, operations and management solutions	Sterling Partners	-	-	-
Jul-16	50 State Security Service	Provides security services	U.S. Security Associates	-	-	-
Jul-16	American Service Company	Provides route laundry services	WASH Multifamily Laundry Systems	-	-	-
Jul-16	Vesta	Provides painting, housekeeping and carpet cleaning services	Valet Waste	-	-	-

Source: Capital IQ, Mergermarket, Company Filings

Global Industry Groups

Aerospace & Defense
Automotive & Truck
Building & Infrastructure
Business Services
Chemicals
Consumer
Distribution
Electronics
Energy & Power
Financial Institutions
Food & Beverage
Healthcare
Industrials
Packaging
Technology & Media

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