

# Market Update

## Facilities Services

Q1 2017



### FS Stock Highlights

From last quarter:

- LI Facilities Services Index increased 3.9%
- S&P 1500 Environmental and Facilities Services Index increased 4.2%
- S&P 500 Index increased 5.5%
- Facilities Services Enterprise Value / LTM EBITDA multiples decreased 4.2% to 11.9x

## LI Facilities Services ("FS") Index rallies, up 3.9% 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, Q2 2015, 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 below. A full list of the companies included in the LI Facilities Services Index can be found on page 3. Figures shown below are historically updated to reflect the updated LI Facilities Services Index.

### Recent Facilities Services Transactions

Andax Private Equity  
has sold



to




SILVER OAK  
has sold





to




THE HALIFAX GROUP  
has refinanced




COMPLUS  
has been recapitalized by

CLVC  
has sold



to

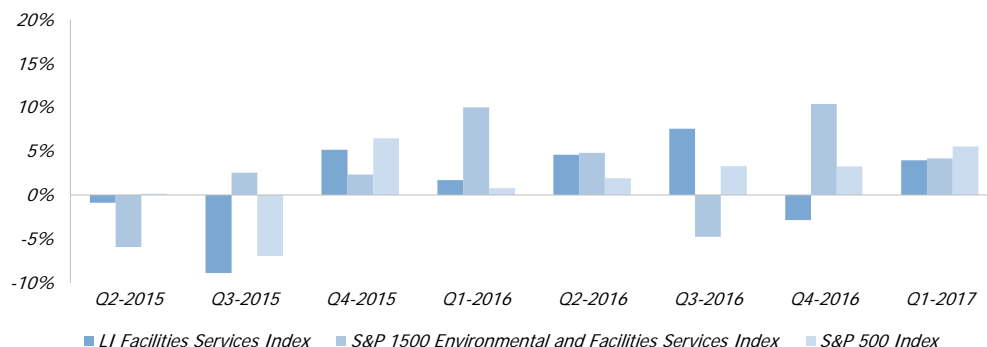



### Quarter over Quarter Performance

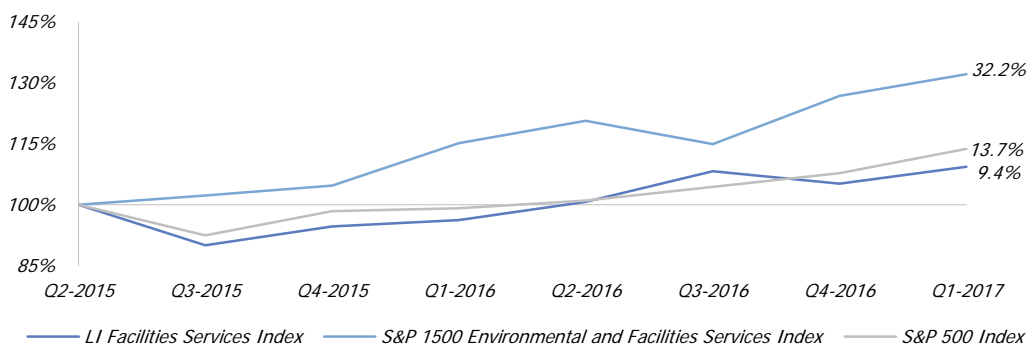
| Outperformers            | Change | Underperformers        | Change  |
|--------------------------|--------|------------------------|---------|
| G4S plc                  | 29.5%  | Matrix Service Company | (27.3%) |
| FirstService Corporation | 26.2%  | Team, Inc.             | (31.1%) |
| Rentokil Initial plc     | 11.0%  | Interserve plc         | (34.9%) |

Based on quarter-over-quarter share price performance

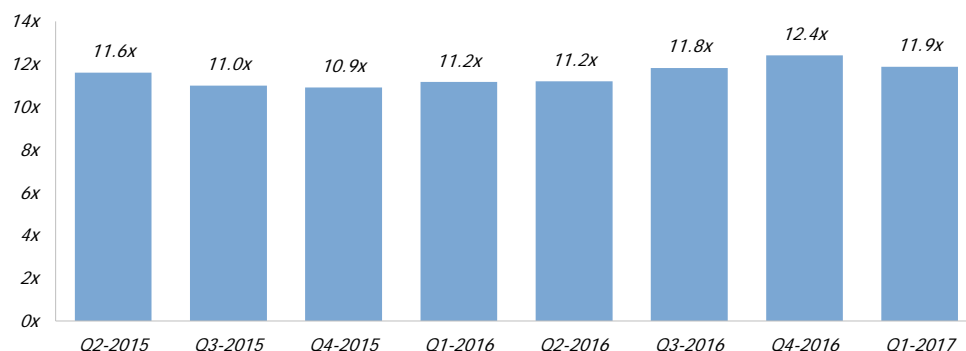
### Quarter over Quarter Stock Index Change



### Two Year Relative Stock Index Performance



### Enterprise Value<sup>(1)</sup> / LTM EBITDA Multiples



Source: Capital IQ as of 3/31/2017

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

## Heard on the Street

**01/13/2017: Comfort Systems USA**, the Houston-based mechanical installation and service provider, is seeking acquisitions to further build out its services business

**01/16/2017: Massey Services**, a Florida-based provider of pest prevention, termite protection and landscape services, is targeting acquisitions in the Southeastern U.S.

**01/23/2017: Warburg Pincus** is exploring strategic alternatives for its investment in **Safety-Kleen Europe**, a provider of used oil collection, recycling and parts cleaning services

**02/13/2017: FirstService Corporation**, the North American property services provider, is looking to leverage its "active acquisition pipeline" to continue positive revenue momentum in 2017

**02/24/2017: Rentokil**, the U.K.-based pest control and hygiene services company, plans to spend a minimum of £150 million on acquisitions this year

**03/14/2017: Enercare**, the Toronto, Ontario-based home and commercial services and energy solutions provider, is looking for acquisition opportunities in the HVAC space

### 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          | \$43.60       | \$45.03    | \$2,427    | \$2,691          | \$1.14      | \$5,203 | 0.5x       | 15.7x         | 23.6x       | 4.7%           | 17.2%             | 3.3%          | 1.5x            |
| Aramark                              | 36.87         | 38.30      | 9,081      | 14,380           | 1.28        | 14,441  | 1.0x       | 11.3x         | 18.5x       | 0.8%           | 9.5%              | 8.8%          | 4.2x            |
| Cintas Corporation                   | 126.54        | 128.85     | 13,311     | 14,308           | 4.55        | 5,144   | 2.8x       | 14.3x         | 17.4x       | 7.7%           | 8.6%              | 19.4%         | 1.0x            |
| Comfort Systems USA, Inc.            | 36.65         | 39.67      | 1,359      | 1,330            | 1.72        | 1,634   | 0.8x       | 10.5x         | 13.2x       | 3.4%           | 12.8%             | 7.8%          | (0.2x)          |
| Compass Group plc                    | 18.86         | 19.52      | 31,007     | 34,855           | 0.60        | 25,529  | 1.4x       | 14.9x         | 19.2x       | (4.1%)         | (3.0%)            | 9.2%          | 1.7x            |
| EMCOR Group, Inc.                    | 62.95         | 73.44      | 3,756      | 3,715            | 3.02        | 7,552   | 0.5x       | 9.4x          | 11.8x       | 12.4%          | 9.3%              | 5.2%          | (0.1x)          |
| FirstService Corporation             | 60.34         | 60.82      | 2,170      | 2,482            | 0.92        | 1,483   | 1.7x       | 19.5x         | 27.4x       | 17.3%          | 26.5%             | 8.6%          | 1.6x            |
| G4S plc                              | 3.81          | 3.86       | 5,891      | 8,005            | 0.13        | 9,371   | 0.9x       | 11.7x         | 16.5x       | (7.4%)         | (9.9%)            | 7.3%          | 3.0x            |
| Interserve plc                       | 2.79          | 5.64       | 405        | 909              | (0.71)      | 4,006   | 0.2x       | 3.1x          | 4.4x        | (15.2%)        | (36.1%)           | 7.2%          | 1.7x            |
| Johnson Controls International plc   | 42.12         | 48.97      | 39,538     | 53,389           | (1.05)      | 40,064  | 1.3x       | 14.2x         | 19.9x       | 24.2%          | 20.2%             | 9.4%          | 3.4x            |
| Matrix Service Company               | 16.50         | 23.45      | 439        | 444              | 1.05        | 1,323   | 0.3x       | 7.3x          | 11.1x       | 0.2%           | 17.3%             | 4.6%          | 0.1x            |
| MITIE Group plc                      | 2.78          | 3.67       | 984        | 1,316            | (0.18)      | 2,868   | 0.5x       | 8.5x          | 10.6x       | (17.5%)        | (29.5%)           | 5.4%          | 2.2x            |
| Prosegur Compañía de Seguridad, S.A. | 6.03          | 7.34       | 3,609      | 4,419            | 0.22        | 4,119   | 1.1x       | 9.3x          | 12.1x       | (4.2%)         | (2.6%)            | 11.5%         | 1.7x            |
| Rentokil Initial plc                 | 3.09          | 3.11       | 5,661      | 7,124            | 0.09        | 2,677   | 2.7x       | 12.2x         | 23.5x       | 3.2%           | (2.4%)            | 21.9%         | 2.5x            |
| Rollins, Inc.                        | 37.13         | 37.29      | 8,095      | 7,953            | 0.77        | 1,573   | 5.1x       | 25.6x         | 30.6x       | 5.9%           | 8.8%              | 19.7%         | (0.5x)          |
| Securitas AB                         | 15.67         | 17.12      | 5,722      | 7,296            | 7.24        | 9,713   | 0.8x       | 11.5x         | 15.6x       | 1.4%           | 5.9%              | 6.5%          | 2.4x            |
| ServiceMaster Global Holdings, Inc.  | 41.75         | 41.81      | 5,611      | 8,126            | 1.13        | 2,746   | 3.0x       | 12.5x         | 14.6x       | 5.9%           | 7.6%              | 23.6%         | 3.9x            |
| Sodexo S.A.                          | 117.89        | 118.85     | 17,649     | 18,980           | 4.15        | 22,568  | 0.8x       | 12.2x         | 15.6x       | 1.7%           | (0.8%)            | 6.9%          | 0.9x            |
| Team, Inc.                           | 27.05         | 39.70      | 806        | 1,127            | (0.45)      | 1,197   | 0.9x       | 18.8x         | nmf         | 22.1%          | (17.0%)           | 5.0%          | 5.3x            |
| UniFirst Corporation                 | 141.45        | 147.65     | 2,869      | 2,555            | 5.72        | 1,509   | 1.7x       | 9.9x          | 15.0x       | 3.3%           | (6.7%)            | 17.0%         | (1.2x)          |
| Mean                                 |               |            |            |                  |             |         | 1.4x       | 12.6x         | 16.9x       | 3.3%           | 1.8%              | 10.4%         | 1.8x            |
| Median                               |               |            |            |                  |             |         | 1.0x       | 11.9x         | 15.6x       | 3.2%           | 6.8%              | 8.2%          | 1.7x            |

Source: Capital IQ

Note: All values based on publicly available data as of 3/31/2017

## M&A Transaction Highlights

(\$ in millions)

| Closed    | Target   | Target Description   | Acquirer                              | Enterprise Value | EV/LTM Rev. | EV/LTM EBITDA |
|-----------|--|--|---------------------------------------|------------------|-------------|---------------|
| Announced | Centerra Group                                 | Provides security and fire support services  | Constellis Holdings                   | -                | -           | -             |
| Announced | Sealed Air Corporation, Diversey Care Division | Offers cleaning and hygiene services   | Bain Capital                          | \$3,200          | 1.2x        | 10.5x         |
| Mar-17    | Criterion Security (nka:PalAmerican Security)  | Provides security services   | Paladin Security Group                | -                | -           | -             |
| Mar-17    | G&K Services                                   | Offers branded uniform solutions and provides facility services                          | Cintas Corporation                    | \$2,270          | 2.3x        | 14.3x         |
| Mar-17    | Concord Security Corporation                   | Provides security services   | Paladin Security Group                | -                | -           | -             |
| Mar-17    | Cozzini Bros                                   | Provides commercial knife rental, exchange and sharpening services                       | Birch Hill Equity Partners Management | -                | -           | -             |
| Mar-17    | Total Safety U.S.                              | Provides integrated industrial safety services   | Littlejohn & Co.                      | -                | -           | -             |
| Mar-17    | Horizon Services                               | Offers plumbing, heating and air conditioning repair and maintenance services            | Sun Capital Partners                  | -                | -           | -             |
| Mar-17    | Sani-Tech JetVac Services                      | Provides storm and wastewater cleaning and inspection services                           | Sweeping Corporation of America       | -                | -           | -             |
| Mar-17    | Sweeping Corporation of America                | Provides contract street sweeping services   | Soundcore Capital Partners            | -                | -           | -             |
| Feb-17    | 8 Solutions                                    | Provides technical cleaning services   | ABM                                   | -                | -           | -             |
| Feb-17    | American Builders Restoration                  | Offers disaster restoration and remediation services                                     | Interstate Restoration Hawaii         | -                | -           | -             |
| Feb-17    | Fire & Life Safety America                     | Provides fire and life safety services   | Blue Point Capital Partners           | -                | -           | -             |
| Feb-17    | W. W. Gay Fire & Integrated Systems            | Offers fire protection products and services   | Sciens Building Solutions             | -                | -           | -             |
| Feb-17    | J.R. Hobbs - Atlanta                           | Offers HVAC installation and maintenance services  | Gladstone Investment Corporation      | -                | -           | -             |
| Feb-17    | Allgood Services Of Georgia                    | Offers pest and wildlife control services  | Rentokil Initial                      | -                | -           | -             |
| Feb-17    | Arrow Vending                                  | Provides customized snacks and refreshment services                                      | Accent Food Services                  | -                | -           | -             |
| Feb-17    | TLC Services                                   | Offers home maintenance services   | CroppMetcalfe                         | -                | -           | -             |
| Feb-17    | Baker Brothers Rotovision                      | Provides plumbing and HVAC services  | Wrench Group                          | -                | -           | -             |
| Feb-17    | CONTAVA  | Designs, installs and services enterprise IT security systems                            | Paladin Security Systems              | -                | -           | -             |
| Jan-17    | Integrated Systems Of Florida                  | Provides security systems integration services   | Red Hawk Fire & Security              | -                | -           | -             |
| Jan-17    | Hoffman Southwest                              | Provides underground pipe inspection, and plumbing, drain and water restoration services | ORIX Capital Partners                 | -                | -           | -             |
| Jan-17    | Corporate Chefs                                | Offers catering services   | Elior North America                   | -                | -           | -             |
| Jan-17    | Continental Services                           | Provides micro-markets/vending, on-site dining and catering services                     | New Heritage Capital                  | -                | -           | -             |
| Jan-17    | Atlas Alarm Corporation                        | Manufactures, monitors and services alarm systems  | American Alarm & Communications       | -                | -           | -             |
| Jan-17    | Canteen Service                                | Provides vending, office coffee, micro-markets and delivery services                     | Casco Bay Vending                     | -                | -           | -             |
| Jan-17    | Marina Landscape Maintenance                   | Offers landscape construction and maintenance services                                   | BrightView Landscapes                 | -                | -           | -             |

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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### Lincoln's Facilities Services Team

#### North America

**Michael J. Iannelli**

Managing Director (Chicago)  
 miannelli@lincolninternational.com  
 +1-312-580-6281

**Lucien G. Webb**

Managing Director (Chicago)  
 lwebb@lincolninternational.com  
 +1-312-506-2747

**Andrew Schwartz**

Director (Chicago)  
 aschwartz@lincolninternational.com  
 +1-312-506-2726

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