

## LI Environmental Services Stock Index down 3.7% in Q3;

### Qtr-over-Qtr Performance

Outperformers*	Change
TRC Companies Inc.	16.6%
Veolia Environnement S.A..	11.7%
Waste Management, Inc.	7.5%
Underperformers*	Change
AECOM	-16.8%
Clean Harbors, Inc.	-18.2%
Schnitzer Steel Industries, Inc.	-22.5%

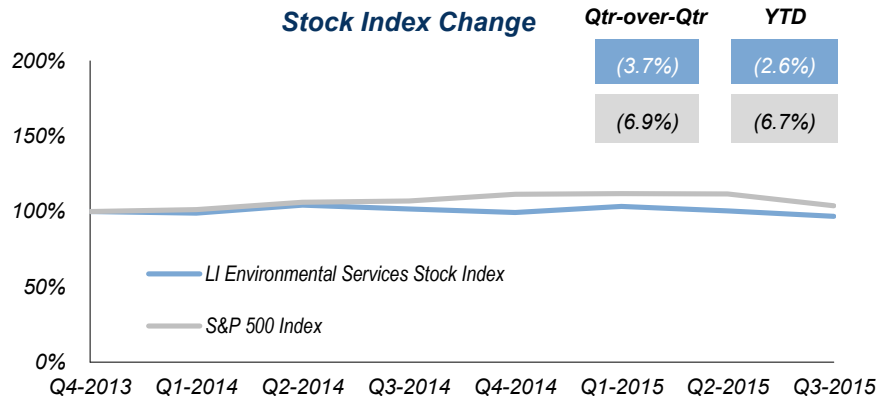
\* Based on qtr-over-qtr share price performance

### Market Intelligence

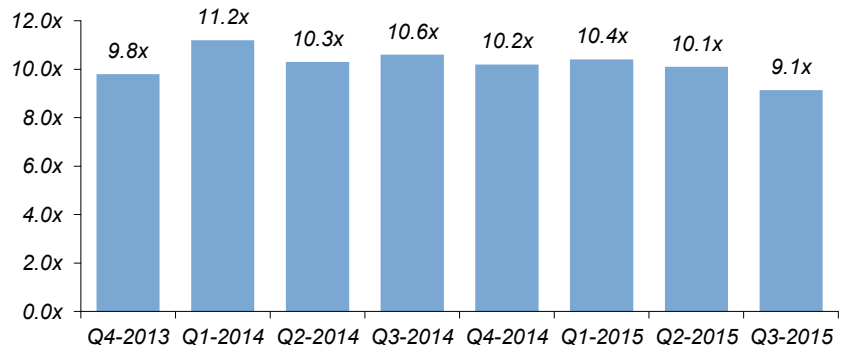
- 9/30/2015: **ADS Waste Holdings**, the non-hazardous solid waste management company owned by High Star Capital, is speculated to be exploring a sale while also considering an IPO
- 9/16/2015: **Cardno Limited** (ASX:CDD), the Australia-based infrastructure and environmental services company, is receiving a \$215-million takeover bid from **Crescent Capital Partners**, an Australia-based private equity firm which already controls a 19.6% voting stake
- 9/10/2015: **Casella Waste Systems** (NASDAQ:CWST), the Vermont-based solid waste management company, had activist investor JCP Investment Management call for the removal of Chairman and CEO John Casella, as well as say it would move forward with its proxy fight to elect two directors
- 9/1/2015: **Amec Foster Wheeler** (NYSE:AMFW), the U.K.-based provider of consultancy, engineering, project management, operations and construction services, could pursue buys to fill operational or geographic voids
- 8/4/2015: **Suez** (EPA:SEV), the France-based wastewater treatment and waste management company, is actively seeking acquisitions in several business areas including smart water, recovery and international development
- 8/4/2015: **Tetra Tech** (NASDAQ:TTEK), the California-based provider of environmental consulting and engineering services, is eyeing acquisitions and aiming to move leverage into a target range of 1-2x EBITDA

### 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.



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

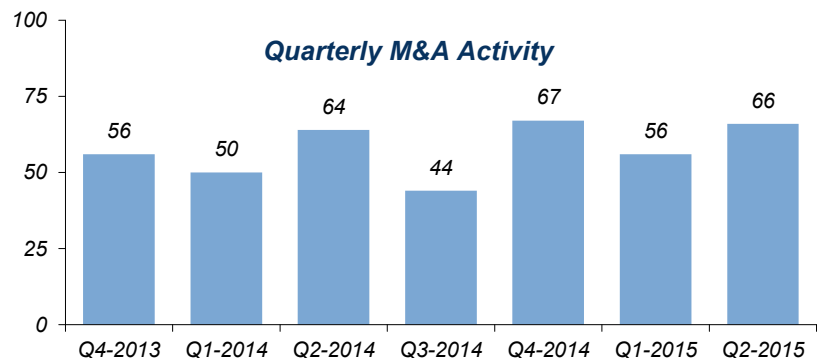


Source: Capital IQ as of 9/30/2015; multiples represent adjusted mean

(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 slightly decreased in Q1 2015 from the



Source: Capital IQ as of 9/30/2015

Note: Represents closed M&A transactions for targets classified under relevant SIC codes or tracked on Lincoln's industry watch list; This chart is subject to change quarterly as this report may be published prior to the announcement of certain transactions completed within the respective periods outlined above

## 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	\$ 27.51	\$ 35.40	\$ 4,153	\$ 8,586	\$(0.68)	\$ 15,829	0.5x	10.0x	22.2x	101.0%	100.0%	5.4%	4.9x
Amec Foster Wheeler plc	10.84	16.95	4,228	5,691	0.47	7,547	0.8x	11.0x	15.5x	14.9%	0.8%	6.9%	2.9x
ARCADIS NV	23.44	35.00	1,942	2,652	1.14	3,484	0.8x	10.7x	15.8x	2.9%	(9.7%)	7.1%	2.8x
Casella Waste Systems Inc.	5.80	6.75	237	762	0.09	567	1.3x	7.3x	18.2x	11.0%	29.1%	18.3%	5.1x
Clean Harbors, Inc.	43.97	59.29	2,569	3,791	(1.06)	3,365	1.1x	7.4x	15.9x	(3.6%)	(0.6%)	15.3%	2.4x
Progressive Waste Solutions Ltd.	26.34	28.76	3,023	4,480	1.01	1,979	2.3x	9.0x	20.5x	(1.3%)	(1.2%)	25.1%	3.1x
Republic Services, Inc.	41.20	43.71	14,375	21,830	1.69	8,963	2.4x	9.2x	16.2x	4.1%	(4.0%)	26.5%	3.1x
RPS Group plc	3.40	4.11	735	845	0.22	907	0.9x	7.1x	11.1x	(7.6%)	(6.9%)	13.2%	1.0x
Schnitzer Steel Industries, Inc.	13.54	24.74	363	622	(7.03)	1,915	0.3x	8.6x	nmf	(24.7%)	(32.5%)	3.8%	2.9x
Sims Metal Management Limited	6.79	9.17	1,395	1,168	0.41	4,870	0.2x	6.1x	11.7x	(26.6%)	(11.3%)	4.0%	(1.3x)
SNC-Lavalin Group Inc.	28.35	39.69	4,246	3,988	7.03	7,477	0.5x	9.8x	15.6x	6.5%	(36.7%)	5.4%	(0.7x)
Stericycle, Inc.	139.31	148.87	11,836	13,490	3.00	2,775	4.9x	18.8x	22.2x	13.4%	3.4%	25.8%	1.2x
Suez Environnement Company SA	17.89	21.45	9,620	20,461	0.51	16,405	1.2x	8.8x	17.7x	(15.5%)	(16.9%)	14.1%	3.9x
Tetra Tech Inc.	24.31	27.84	1,464	1,527	1.49	1,754	0.9x	9.7x	13.7x	(9.1%)	(17.8%)	9.0%	0.4x
TRC Companies Inc.	11.83	12.30	361	324	0.63	415	0.8x	8.1x	10.5x	11.2%	40.8%	9.7%	(0.9x)
US Ecology, Inc.	43.65	52.99	947	1,299	1.39	604	2.1x	9.6x	14.9x	160.7%	76.7%	22.5%	2.6x
Veolia Environnement S.A.	22.80	23.69	12,506	23,981	0.80	27,530	0.9x	8.8x	19.8x	(13.4%)	(5.0%)	9.8%	3.7x
Waste Connections Inc.	48.58	51.10	5,995	7,942	1.85	2,112	3.8x	11.1x	17.6x	3.6%	2.6%	34.0%	2.7x
Waste Management, Inc.	49.81	55.93	22,527	31,381	2.33	13,152	2.4x	9.1x	16.4x	(6.5%)	(1.3%)	26.1%	2.6x
<b>Mean</b>							<b>1.5x</b>	<b>9.5x</b>	<b>16.4x</b>	<b>11.6%</b>	<b>5.8%</b>	<b>14.8%</b>	<b>2.2x</b>
<b>Median</b>							<b>0.9x</b>	<b>9.1x</b>	<b>16.0x</b>	<b>2.9%</b>	<b>(1.3%)</b>	<b>13.2%</b>	<b>2.7x</b>
<b>Adjusted Mean (excludes highest and lowest value)</b>							<b>1.4x</b>	<b>9.1x</b>	<b>16.4x</b>	<b>5.1%</b>	<b>2.7%</b>	<b>14.4%</b>	<b>2.3x</b>

Source: Capital IQ as of 9/30/2015

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

Closed	Target	Target Description	Acquirer	Enterprise Value	EV / LTM Rev. EBITDA
Announced	Fay, Spofford & Thorndike, Inc.	Provides civil engineering, planning, and environmental consulting services	Stantec Inc.	-	-
Announced	Biancamano S.p.A.	Provides waste management services	Kinexia SpA	-	-
Sep-15	Waste Recovery Solutions, Inc. & Chesapeake Waste Solutions, Inc.	Provides commercial and industrial waste management services	Covanta Environmental Solutions LLC	-	-
Sep-15	AQUA TERRA Consultants, Inc.	Provides environmental consulting and water resources engineering services	Re/Spec Inc.	-	-
Sep-15	Tidewater Environmental Services Inc.	Provides environmental consulting and engineering services	Johnson, Mirmiran & Thompson, Inc.	-	-
Sep-15	Valet Waste, LLC	Provides residential waste management and recycling	Harvest Partners, LP, Ares Management, L.P.	-	-
Sep-15	Apex Geoscience Inc.	Provides geotechnical and environmental consulting services	Braun Intertec Corporation	-	-
Sep-15	Grontmij NV	Provides consultancy, design and engineering, and management services	Sweco AB	\$ 428.4	0.6x
Sep-15	Greenway Environmental Limited	Provides commercial and industrial chemical waste services	One51 plc	-	-
Sep-15	Spectrum Analytical, Inc.	Environmental testing laboratory	Eurofins Scientific, Inc.	5.0	-
Sep-15	AKG BV	Processes and recycles polypropylene and plastics	Veolia Environnement S.A.	-	-
Aug-15	Trinity Consultants, Inc.	Provides environmental consulting services, specializing industrial air quality	Levine Leichtman Capital Partners	-	-
Aug-15	Horizon Environmental Corporation	Provides environmental engineering and consulting services	Barr Engineering Company	-	-
Aug-15	Integrated Science & Technology, Inc.	Provides environmental consulting and engineering services	Yonker Environmental Protection Co., Ltd.	-	-
Aug-15	ECO Industrial Environmental Engineering Pte Ltd.	Provides oil and gas and petrochemical waste management	Beijing Capital (Hong Kong) Limited	183.0	-
Aug-15	Nordic Waste Services, Inc	Provides residential waste management and recycling	Waste Management, Inc.	-	-
Jul-15	D.C. Trash Service, Inc.	Provides waste disposal services	Waste Management, Inc.	-	-
Jul-15	Water Solutions Holdings LLC	Provides oil and gas wastewater management	American Water Works Company, Inc.	130.0	-
Jul-15	Waste Away Services, LLC	Provides residential and commercial waste management	Waste Pro USA, Inc.	-	-
Jul-15	Kent & Sullivan Inc.	Provides environmental consulting services	Trihydro Corporation	-	-
Jul-15	Minnow Environmental Inc.	Provides aquatic environmental solutions	Trinity Consultants, Inc.	-	-
Jul-15	Waste Away Services, LLC	Provides residential and commercial waste management	Waste Pro USA, Inc.	-	-

Source: Capital IQ, Mergermarket, Company Filings as of 9/30/2015

## 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 sixteen 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.lincolninternational.com](http://www.lincolninternational.com).

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## Lincoln International's Global Footprint



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