

Market Update

Environmental Services

Q1 2016



Key Highlights

- Lincoln International Environmental Services Stock Index rose 9.6% in Q1 2016
- Public company trading multiples trended significantly upward, averaging 9.8x in Q1 2016
- Global deal volume increased slightly in Q4 2015 when compared to the previous quarter

Lincoln International's Environmental Services Group

Lincoln International recognizes the importance of understanding a client's industry, value drivers, growth opportunities and challenges. Our extensive environmental services expertise provides in-depth market insights, deep relationships with the most active strategic and financial partners and superior knowledge on how to best position a business and overcome potential issues. These attributes, combined with our globally integrated resources and flawless execution, enable us to consistently deliver outstanding outcomes for our clients.

Lincoln International's dedicated Environmental Services Group has established itself among the most active M&A advisors in the mid-market. Our senior bankers provide sector-specific expertise, global buyer access and unmatched execution within the environmental services space, particularly in our key areas of focus below:

- Consulting & Engineering
- Laboratory Testing
- Remediation & Construction
- Reverse Logistics, Refurbishment & Recycling
- Waste Collection & Disposal

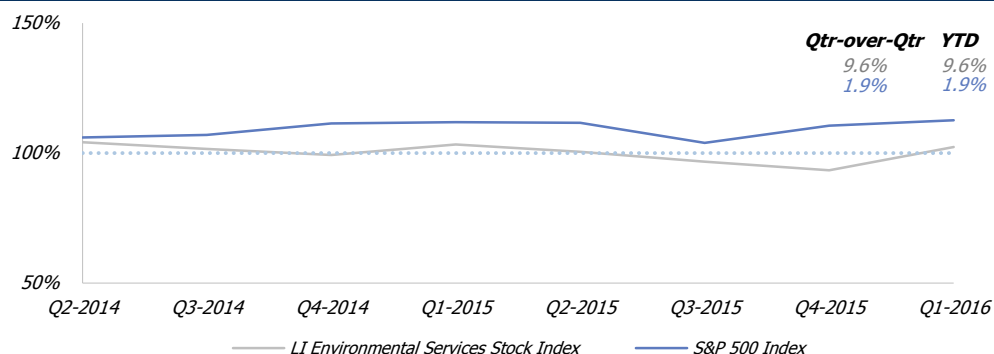
Lincoln International Environmental Services Stock Index rose 9.6% in Q1 2016

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 a variety of sub-sectors, 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.

Stock Index Change



Qtr-over-Qtr Performance

Outperformers*	Change	Underperformers*	Change
Schnitzer Steel Industries, Inc.	28.3%	TRC Companies Inc.	(21.6%)
Progressive Waste Solutions Ltd.	23.9%	RPS Group plc	(12.4%)
US Ecology, Inc.	21.2%	ARCADIS NV	(11.7%)
Sims Metal Management Limited	19.3%	Suez Environnement Company SA	(6.6%)
Clean Harbors, Inc.	18.5%	Veolia Environnement S.A.	(3.2%)
SNC-Lavalin Group Inc.	15.4%		
Waste Connections Inc.	14.7%		
Tetra Tech, Inc.	14.6%		
Casella Waste Systems Inc.	12.0%		
Waste Management, Inc.	10.5%		
Republic Services, Inc.	8.3%		
Amec Foster Wheeler plc	4.9%		
Stericycle, Inc.	4.6%		
AECOM	2.5%		

AECOM

amec foster wheeler

ARCADIS

casella

CleanHarbors

Progressive
Waste SolutionsREPUBLIC
SERVICES

RPS

Schnitzer

SIMS
METAL
MANAGEMENT

SNC • LAVALIN

Stericycle
Protecting People. Reducing Risk.suez
environnementTt
TETRA TECH

TRC

us ecology

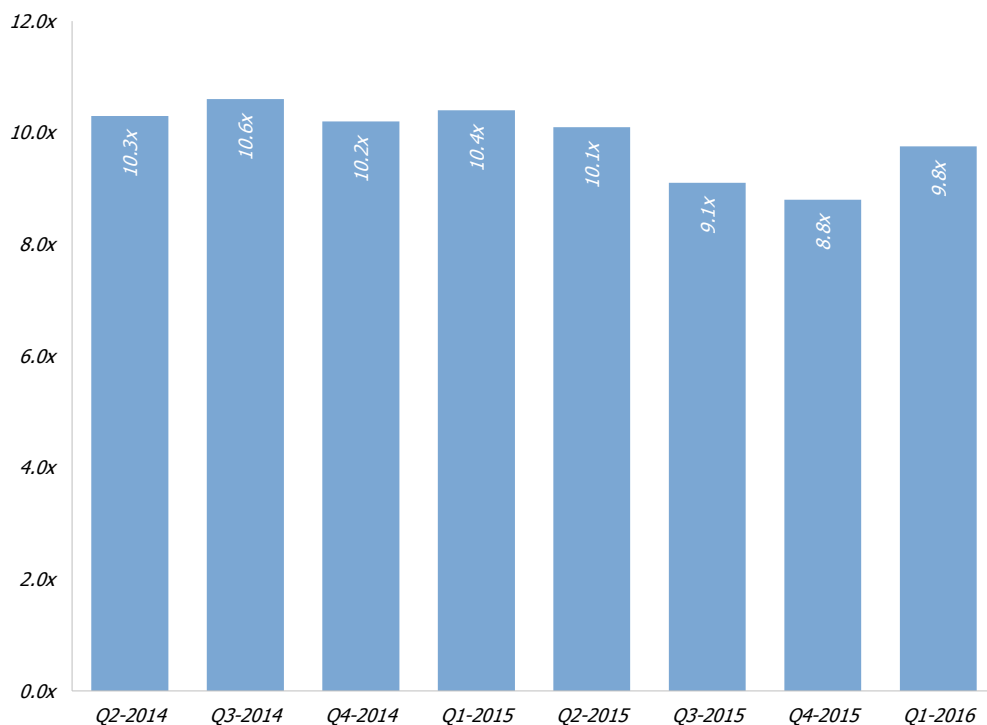
VEOLIA
ENVIRONNEMENT

WASTE CONNECTIONS, INC.

WM
WASTE MANAGEMENT

Public company trading multiples trended upward for the first time since Q1 2015, averaging 9.8x in Q1 2016

Enterprise Value⁽¹⁾ / LTM EBITDA Multiples



Source: Capital IQ as of 3/31/2016; multiples represent adjusted mean

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

LI Environmental Services Stock Index 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		
AECOM	\$30.79	\$35.40	\$4,699	\$8,768	\$(0.24)	\$18,077	0.5x	8.9x	20.2x	70.3%	65.8%	5.5%	3.9x
Amec Foster Wheeler plc	6.42	14.12	2,505	3,888	(0.94)	7,787	0.5x	8.2x	13.4x	36.6%	10.3%	6.1%	2.9x
ARCADIS NV	18.66	35.70	1,554	2,126	1.31	3,892	0.5x	7.8x	11.6x	29.8%	22.6%	7.0%	2.1x
Casella Waste Systems Inc.	6.70	7.24	275	796	(0.32)	547	1.5x	8.8x	28.1x	(1.1%)	(5.2%)	16.7%	5.7x
Clean Harbors, Inc.	49.34	59.29	2,842	4,040	0.76	3,275	1.2x	8.2x	18.3x	(3.7%)	(3.3%)	15.1%	2.4x
Progressive Waste Solutions Ltd.	30.93	32.15	3,366	4,999	1.12	1,926	2.6x	10.4x	23.1x	(4.2%)	(6.5%)	25.0%	3.2x
Republic Services, Inc.	47.65	48.76	16,428	23,972	2.13	9,115	2.6x	9.4x	15.8x	3.5%	13.4%	28.1%	2.9x
RPS Group plc	2.96	3.63	641	753	0.04	809	0.9x	8.2x	14.6x	(0.9%)	(17.7%)	11.4%	1.2x
Schnitzer Steel Industries, Inc.	18.44	20.65	493	681	(7.15)	1,683	0.4x	11.3x	n/m	(32.7%)	(45.7%)	3.6%	3.1x
Sims Metal Management Limited	6.57	9.10	1,315	1,022	(0.81)	4,090	0.2x	13.6x	n/m	(21.0%)	(64.7%)	1.8%	(3.9x)
SNC-Lavalin Group Inc.	36.35	37.05	5,444	5,124	2.05	7,344	0.7x	10.4x	13.8x	16.4%	(0.3%)	6.7%	(0.7x)
Stericycle, Inc.	126.19	151.57	10,682	13,858	2.98	2,986	4.6x	17.6x	21.1x	16.8%	9.6%	26.3%	4.0x
Suez Environnement Company SA	18.35	21.88	9,921	20,891	0.77	17,227	1.2x	8.6x	16.7x	5.7%	7.1%	14.2%	3.8x
Tetra Tech, Inc.	29.82	30.06	1,748	1,815	0.61	1,703	1.1x	9.9x	12.7x	(6.1%)	25.0%	10.7%	0.4x
TRC Companies Inc.	7.25	12.30	225	334	0.65	430	0.8x	7.6x	9.7x	11.4%	35.5%	10.2%	2.5x
US Ecology, Inc.	44.16	52.99	961	1,254	1.18	563	2.2x	10.1x	15.8x	25.9%	9.0%	22.1%	2.4x
Veolia Environment S.A.	24.10	26.16	13,243	23,675	0.79	28,416	0.8x	8.3x	17.5x	4.5%	9.1%	10.0%	3.2x
Waste Connections Inc.	64.59	66.25	7,906	10,073	(0.78)	2,117	4.8x	14.2x	22.9x	1.8%	(0.6%)	33.5%	3.0x
Waste Management, Inc.	59.00	59.99	26,234	35,198	1.65	12,961	2.7x	10.4x	17.0x	(7.4%)	(4.4%)	26.1%	2.6x
Mean							1.6x	10.1x	17.2x	7.7%	3.1%	14.7%	2.4x
Median							1.1x	9.4x	16.7x	3.5%	7.1%	11.4%	2.9x
Adjusted Mean (excludes highest and lowest value)							1.5x	9.8x	17.0x	6.4%	3.4%	14.4%	2.5x

Source: Capital IQ as of 3/31/2016

Lincoln's Insights

2/25/16: **Lincoln International** advised **Oaktree Capital** on its sale of **OpTerra Energy Services** to **ENGIE Group**. OpTerra is a leading, full-service ESCO (energy services company) that designs and implements customized projects that support both public- and private-sector clients in reducing their energy consumption and cost. With a national footprint spanning 25 regional offices across the U.S. and a team of over 200 engineers and technical staff, OpTerra has supported customers across multiple industries in achieving over \$2 billion in energy savings, enhancing energy performance in K-12 education, colleges and universities, commercial and industrial firms, healthcare, IT and municipal markets. The transaction expands ENGIE's services offering to customers in North America.

Market Intelligence

03/31/16: 2015 saw a record of over 230 deals in environmental services, up over 5% from the previous year. Notable transactions included (buyer noted in parentheses): **Trinity Consultants (Levine Leichtman)**, **PSI (Intertek)**, **Energy Solutions (Atkins)** and **CH2M Hill (Apollo Global Mgmt.)**.

03/25/16: **Imagine H2O**, the water innovation accelerator, has announced the winners of its 2016 Water Data Challenge for which 10 data-driven water businesses were selected from a group of 90 startups. **Ceres Imaging**, a breakthrough aerial imaging solution for agriculture to manage water stress and fertilizer application, won the challenge and will receive cash awards, mentorship and industry exposure.

03/14/16: **Tetra Tech (NASDAQ: TTEK)** has acquired **INDUS Corporation**, an IT solutions firm focused on geospatial analysis, secure infrastructure and software applications management for U.S. federal government customers. The acquisition helps expand services to Tetra Tech's key clients such as the **U.S. Environmental Protection Agency**.

02/25/16: The U.S. solar industry installed 7,286 megawatts of solar photovoltaics in 2015, supplying 30% of all new electric generating capacity and marking the first time that solar beat out natural gas additions.

02/18/16: **MYR Group**, a specialty contractor serving the electrical infrastructure industry, is rumored to be exploring a sale process. A close comparable, **Pike Corporation**, was taken private in 2014 by **Court Square Capital Partners** for \$617 million at 8x TTM EBITDA.

02/15/16: **Anthesis Group**, a global sustainability services and solutions provider, has acquired **Mosaic Sustainability**, an environmental and sustainability consulting firm. This marks Anthesis' eighth acquisition and first in the U.S. since being founded in September 2013.

02/04/16: **GFL Environmental Inc.**, a diversified environmental company offering services in solid and liquid waste management and soil remediation, has acquired **Transforce Inc.'s Matrec solid waste division** for C\$800 million. The acquisition brings GFL's total enterprise value to \$2.4 billion and solidifies its position as a leader in the Canadian environmental services industry by expanding operations into Quebec and Eastern Ontario.

02/02/16: **Kurion**, the California-based startup credited for stabilizing Japan's Fukushima Daiichi nuclear power plant in the wake of the 2011 tsunami, has been acquired by **Veolia Environment S.A. (EPA: VIE)** for \$350 million. Veolia is now able to provide all existing solutions in nuclear facility cleanup and treatment of low and medium-level radioactive waste.

01/21/16: The **U.S. Environmental Protection Agency** recently released a survey showing \$271 billion is required to maintain and improve the nation's wastewater infrastructure. The funding would apply to infrastructure and treatment technology over the next five years.

01/20/16: **Veolia Ireland**, the energy, waste and water management business that operates as a subsidiary of France-based **Veolia Environment S.A. (EPA: VIE)**, is considering takeover opportunities valued between €10 million and €50 million.

01/19/16: **Waste Connections, Inc. (NYSE: WCN)** and **Progressive Waste Solutions Ltd. (NYSE: BIN)** have entered into a definitive agreement to merge in an all-stock transaction. The transaction is expected to close in Q2 2016 and be more than 20% accretive on a free cash flow per share basis. The merger will create an industry leader with enhanced scale and a stronger financial profile.

01/18/16: **Amec Foster Wheeler plc (NYSE: AMFW)** has announced that Samir Brikho is stepping down as Chief Executive after the stock price dropped over 40% in Q4 2015. Ian McHoul, current Chief Financial Officer, assumes the role of interim CEO with immediate effect.

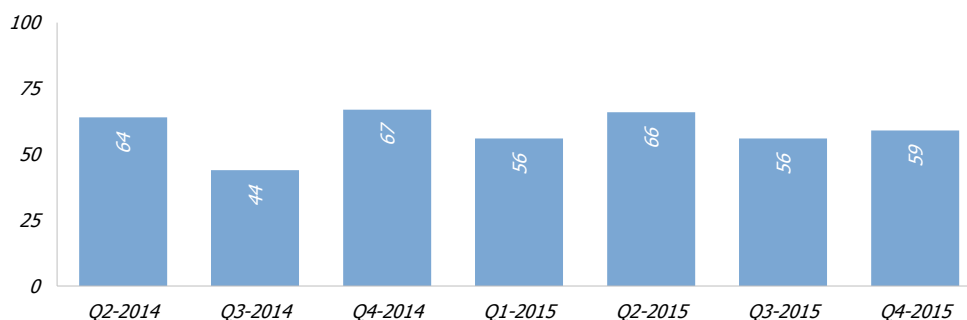
01/14/16: Total global corporate funding in the solar sector, including PE/VC, debt financing and public capital raises came to \$25.3 billion in 2015. The five largest VC deals were: **Sunnova Energy** (\$300 million), **Silicor Materials** (\$105 million), **Sunlight Financial** (\$80 million), **Sungevity** (\$50 million) and **Conergy** (\$45 million).

01/14/16: **Milestone Environmental Services**, backed by **Intervale Capital**, recently acquired its sixth full-service slurry injection facility in Texas. **Milestone** is one of the first companies in the U.S. using slurry injection commercially, a process used to safely sequester oilfield waste beneath multiple confining layers of stone over a mile below the Earth's surface.

Global deal volume increased slightly in Q4 2015 when compared to the previous quarter

Environmental Services M&A Activity

Quarterly M&A Activity



Source: Capital IQ as of 3/31/2016

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

Select M&A Transactions

(\$ in millions)

Closed	Target	Target Description	Acquirer	Enterprise Value	EV / LTM Rev.	EBITDA
Announced	Steel & Resources Co., Ltd.	Provides waste recycling services	Gold Mountain Recycling, Inc.	-	-	-
Announced	Enviro-Viridis Development Corporation	Provides waste and recycling management services	GFL Environmental, Inc.	-	-	-
Announced	Progressive Waste Solutions Ltd.	Provides waste management services	Waste Connections, Inc.	\$ 2,670.0	-	-
Announced	MWH Global, Inc.	Provides water, hydropower, mining and transportation management services	Stantec, Inc.	\$ 793.0	0.7x	10.3x
Announced	Bury, Inc.	Provides engineering, construction, surveying and sustainability consultancy services	Stantec, Inc.	-	-	-
Announced	Kennedy Consulting, Inc.	Provides engineering and environmental consulting services	Johnson, Mirmiran & Thompson, Inc.	-	-	-
Mar-16	Worth Recycling Pty Ltd.	Provides waste treatment, recycling and consulting services	Tox Free Solutions Ltd.	\$ 53.0	-	-
Mar-16	INDUS Corporation	Provides geospatial analysis and other IT solutions	Tetra Tech, Inc.	-	-	-
Mar-16	Terrenus Environmental Ltd.	Provides environmental consulting services	Mabbett Environmental Planning Ltd.	-	-	-
Mar-16	Murtagh Municipal Engineering, Inc.	Provides water and water treatment engineering services	Morrison-Maierle, Inc.	-	-	-
Mar-16	Howard Humphreys (East Africa) Ltd.	Provides environmental consulting services	WS Atkins plc	-	-	-
Mar-16	MHF Engineering PC	Provides drainage engineering services	Bolton & Menk, Inc.	-	-	-
Mar-16	Driplex Water Engineering Ltd.	Provides water treatment services	Suez Environnement Company SA	-	-	-
Feb-16	OpTerra Energy Group, Inc.	Provides energy efficiency and infrastructure development services	ENGIE SA	-	-	-
Feb-16	APR Energy plc	Provides energy planning and design services	Acon Investments, LLC	\$ 769.0	2.4x	8.6x
Feb-16	RWD Consultants, LLC	Provides environmental engineering services	Pennoni Associates, Inc.	-	-	-
Feb-16	WBK Engineering, LLC	Operates as an environmental resources consulting company	Mno-Bradsen	-	-	-
Feb-16	Azimi Pearsall & Associates, Inc.	Provides land surveying and engineering services	Partner Assessment Corporation, Inc.	-	-	-
Feb-16	Newell Recycling Southeast, LLC	Provides waste recycling services	SA Recycling LLC	-	-	-
Jan-16	Anchor Shoring & Caissons Ltd.	Provides environmental engineering services	GFL Excavating Corporation	-	-	-
Jan-16	EPN Group LLC	Provides transportation, water, permitting and general engineering services	Pennoni Associates, Inc.	-	-	-
Jan-16	Triangle Surveying & Mapping, Inc.	Provides surveying services	Maser Consulting P.A.	-	-	-
Jan-16	Accutest Laboratories, Inc.	Operates as an environmental testing laboratory	SGS North America, Inc.	-	-	-

Source: Capital IQ, Mergermarket, Company Filings as of 3/31/2016

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

Global Locations

Amsterdam
Beijing
Chicago
Frankfurt
London
Los Angeles
Madrid
Milan
Moscow
Mumbai
New York
Paris
São Paulo
Tokyo
Vienna
Zurich

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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 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.

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