

# Market Update

## Facilities Services

Q2 2016



### FS Stock Highlights

From last quarter:

- LI Facilities Services Index increased 4.7%
- S&P 1500 Environmental and Facilities Services Index increased 4.8%
- S&P 500 Index increased 1.9%
- Facilities Services Enterprise Value / LTM EBITDA multiples remained flat at 11.2x

## LI Facilities Services ("FS") Index continues incline, up 4.7% 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, Q3 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

**CIVIC**  
has sold  
**ICGA**  
to  
**MERIT CAPITAL PARTNERS**

**GRYPHON INVESTORS**  
has acquired  
**JENSEN HUGHES**  
from  
**HURON**

**WASHING SYSTEMS**  
has received a significant investment from  
**GRYPHON INVESTORS**

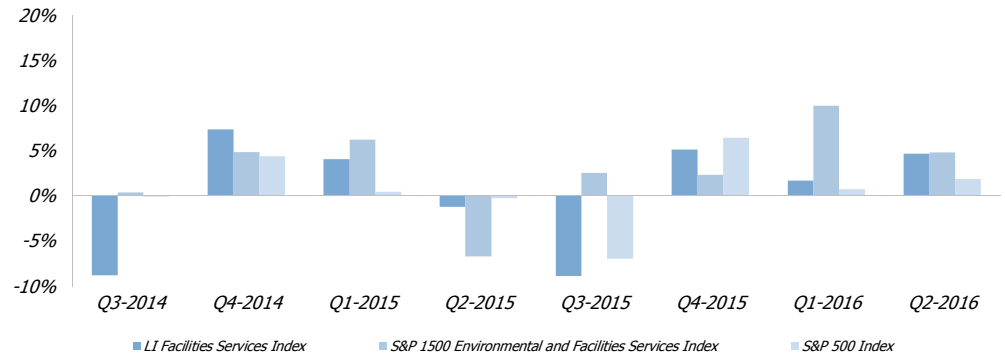
**STERLING**  
has sold  
**LAZER SPOT**  
to  
**GREENBRIAR EQUITY GROUP LLC**

### Quarter over Quarter Performance

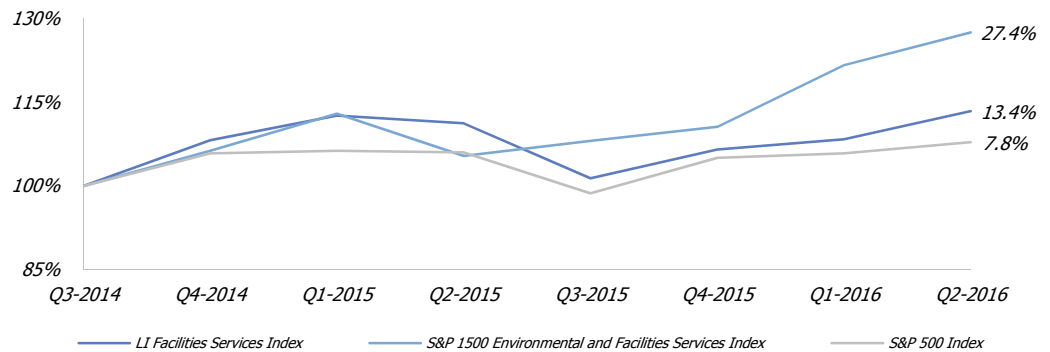
Outperformers	Change	Underperformers	Change
Compass Group plc	15.8%	G4S plc	(6.8%)
Johnson Controls Inc.	13.6%	Interserve plc	(18.3%)
ABM Industries Incorporated	12.9%	MITIE Group plc	(40.0%)

Based on quarter-over-quarter share price performance

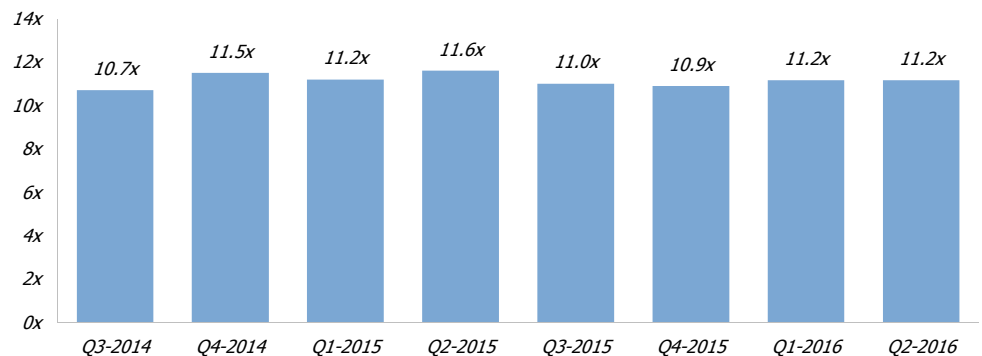
### Quarter over Quarter Stock Index Change



### Two Year Relative Stock Index Performance



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



Source: Capital IQ as of 06/30/2016

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

## Heard on the Street

**04/12/2016: Rollins**, the Atlanta-based pest and termite control services provider, continues to seek critter control acquisition opportunities

**05/18/2016: Mitie**, the UK-based security and cleaning services company, said it will not carry out any M&A until Britain has held a referendum regarding its EU membership

**05/25/2016: Matrix Service Company**, the Oklahoma-based construction contractor, is actively working through a "shopping list" of potential acquisitions

**06/13/2016: ABM Industries**, the New York City-based facilities services provider, is interested in making acquisitions to enhance its technical services capabilities

**06/26/2016: Spotless Group**, the Australian-based facilities services group, has several private equity and strategic buyers interested in its laundries unit

### 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	\$36.48	\$37.86	\$2,040	\$2,203	\$0.77	\$5,052	0.4x	15.8x	27.1x	10.7%	(17.7%)	2.8%	1.2x
Aramark	33.42	35.06	8,115	13,436	1.01	14,317	0.9x	11.4x	19.8x	(3.7%)	2.4%	8.2%	4.5x
Cintas Corporation	98.13	98.15	10,500	11,436	3.84	4,777	2.4x	12.5x	15.1x	6.9%	10.2%	19.2%	1.0x
Comfort Systems USA Inc.	32.57	35.00	1,211	1,223	1.43	1,597	0.8x	10.4x	13.1x	9.5%	59.6%	7.4%	0.1x
Compass Group plc	18.90	18.92	31,047	35,081	0.55	26,192	1.3x	14.7x	18.8x	2.3%	3.4%	9.1%	1.8x
EMCOR Group Inc.	49.26	52.37	2,990	2,912	2.76	6,875	0.4x	8.0x	10.1x	7.0%	7.7%	5.3%	(0.2x)
FirstService Corporation	45.52	49.45	1,639	1,894	0.63	1,299	1.5x	18.2x	25.4x	12.2%	39.8%	8.0%	1.7x
G&K Services Inc.	76.57	77.66	1,513	1,736	3.32	956	1.8x	11.7x	15.2x	2.7%	4.8%	15.6%	1.5x
G4S plc	2.43	3.69	3,759	6,212	0.01	10,121	0.6x	8.2x	12.4x	(5.7%)	(4.8%)	7.5%	3.5x
Interserve plc	3.46	8.73	501	1,009	0.47	4,726	0.2x	4.8x	8.8x	4.1%	0.0%	4.5%	2.6x
Johnson Controls Inc.	44.26	51.85	28,697	36,507	0.66	36,317	1.0x	11.2x	15.3x	(5.9%)	4.9%	9.0%	2.0x
Matrix Service Company	16.49	26.22	439	368	1.13	1,317	0.3x	5.0x	7.2x	(0.5%)	147.6%	5.6%	(1.0x)
MITIE Group plc	3.30	4.53	1,146	1,406	0.21	3,215	0.4x	6.9x	8.3x	(4.8%)	(10.8%)	6.4%	1.4x
Prosegur Compañía de Seguridad, S.A.	6.00	6.41	3,588	4,404	0.31	4,428	1.0x	8.7x	11.5x	6.6%	10.9%	11.4%	1.7x
Rentokil Initial plc	2.57	2.57	4,688	6,029	0.07	2,594	2.3x	10.0x	18.9x	(4.4%)	(6.1%)	23.1%	2.5x
Rollins Inc.	29.27	30.42	6,401	6,270	0.70	1,507	4.2x	21.5x	25.5x	5.5%	8.5%	19.3%	(0.5x)
Securitas AB	15.26	16.27	5,569	7,187	6.80	10,119	0.7x	11.3x	15.0x	18.6%	19.7%	6.3%	2.7x
ServiceMaster Global Holdings, Inc.	39.80	42.21	5,402	7,765	1.26	2,631	3.0x	13.6x	15.8x	5.5%	2.3%	21.8%	4.1x
Sodexo S.A.	107.46	108.42	16,087	17,929	4.64	22,248	0.8x	11.4x	14.5x	6.3%	12.5%	7.1%	1.1x
Team, Inc.	24.83	47.55	733	1,081	0.24	1,039	1.0x	14.7x	30.0x	27.5%	(14.4%)	7.1%	4.7x
UniFirst Corp.	115.72	119.46	2,331	1,983	5.86	1,463	1.4x	7.3x	10.4x	1.0%	(1.7%)	18.6%	(1.3x)
Mean							1.3x	11.3x	16.1x	4.8%	13.3%	10.6%	1.7x
Median							1.0x	11.3x	15.1x	5.5%	4.8%	8.0%	1.7x
Adjusted Mean (excludes highest and lowest value)							1.2x	11.1x	15.8x	4.2%	7.8%	10.4%	1.7x

Source: Capital IQ

Note: All values based on publicly available data as of 06/30/2016

## M&A Transaction Highlights

(\$ in millions)

Closed	Target	Target Description	Acquirer	Enterprise Value	EV/LTM Rev.	EV/LTM EBITDA
Announced	AlliedBarton Security Services LLC	Provides security officer services	Universal Services of America, Inc.	-	-	-
Jun-16	Safeguard Pest Control Ltd.	Provides commercial and residential pest management services	Rollins Inc.	-	-	-
Jun-16	Evergreen Industrial Services, Inc.	Provides environmental and industrial cleaning solutions	The Sterling Group, L.P.	-	-	-
Jun-16	NorthAmerican Services Group, LLC	Offers industrial maintenance services	The Sterling Group, L.P.	-	-	-
Jun-16	KIRA Incorporated	Provides facilities maintenance and construction services	Central Council Tlingit And Haida Indian	-	-	-
Jun-16	Corporate Security Services, Inc.	Provides security management services	Convergint Technologies LLC	-	-	-
Jun-16	FirstOnSite Restoration L.P.	Provides disaster restoration services	Interstate Restoration Hawaii LLC	-	-	-
May-16	DeBusk Services Group, LLC	Provides industrial cleaning services	Turnbridge Capital, LLC	-	-	-
May-16	Moore Air Conditioning & Heating Inc.	Provides HVAC repair services	Gac, Inc.	-	-	-
May-16	Service Experts LLC	Provides HVAC system maintenance services	EnerCare Solutions Inc.	\$341	-	-
May-16	AllGood Plumbing, Electric, Heating & Cooling	Provides plumbing, electrical, drain, heating and cooling services	American Residential Services LLC	-	-	-
May-16	Locatec Ortungstechnik GmbH	Offers leak detection and repair services	The Dwyer Group, Inc.	-	-	-
May-16	The ADT Corporation	Provides home security services	Protection 1, Inc.	\$12,383	3.5x	6.8x
May-16	Atkins Gregory Limited	Provides commercial cleaning services	Monthind Clean LLP	-	-	-
Apr-16	Ruco Alarm, LLC	Provides security monitoring and alarm services	TEKIN Systems, LLC	-	-	-
Apr-16	Cannon Hygiene Canada Limited	Provides washroom hygiene, pest control and life safety services	Birch Hill Equity Partners Management Inc.	-	-	-
Apr-16	Jensen Corporate Holdings, Inc.	Provides landscape construction and maintenance services	Signature Landscape Services, Inc.	-	-	-
Apr-16	Alpine Insulation, Inc.	Provides insulation, drywall, floor, paint and steel stud framing services	Installed Building Products, Inc.	-	-	-
Apr-16	H&E Comfort Controls Ltd.	Provides building security solutions	Convergint Technologies LLC	-	-	-
Apr-16	The Security Group (National) Ltd.	Provides security services	Noonan Services Limited	-	-	-
Apr-16	Correctional Management, Inc. And Real Estate	Manages and operates detention and correctional facilities	Corrections Corporation of America	\$35	-	-
Apr-16	Century Fire Protection, LLC	Provides fire protection services	FirstService Corporation	-	-	-
Apr-16	Aon Fire Protection Engineering Corporation	Provides fire protection and life safety consulting services	JENSEN HUGHES, Inc.	-	-	-
Apr-16	Newcomb and Company	Provides HVAC and plumbing services	EMCOR Group Inc.	-	-	-

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

## Global Locations

Amsterdam  
Beijing  
Chicago  
Frankfurt  
London  
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Moscow  
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New York  
Paris  
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## Lincoln's Facilities Services Team

### North America

**Lucien G. Webb**  
Managing Director (Chicago)  
[lwebb@lincolninternational.com](mailto:lwebb@lincolninternational.com)  
+1-312-506-2747

**Michael J. Iannelli**  
Managing Director (Chicago)  
[miannelli@lincolninternational.com](mailto:miannelli@lincolninternational.com)  
+1-312-580-6281

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