

# Market Update

## Facilities Services

Q2 2018



### FS Stock Highlights

From last quarter:

- LI Facilities Services Index increased 2.6%
- S&P 1500 Environmental and Facilities Services Index increased 1.8%
- S&P 500 Index increased 2.9%
- Facilities Services Enterprise Value / LTM EBITDA multiples increased from 11.8x to 12.2x

## LI Facilities Services ("FS") Index increased 2.6% 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, Q3 2016, 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

**Caltius**  
Equity Partners

has sold

**ACADEMY**  
FIRE LIFE SAFETY

to

Audax Group




Audax Private Equity

has sold

**COZZINI BROS**  
NATIONWIDE SHARPENING

to

**BIRCH HILL**  
equity partners





**SILVER OAK**  
SERVICES PARTNERS

has sold

**ACCENT**  
FOOD SERVICES

to

Audax Group



**THE HALIFAX GROUP**

has refinanced

**K2 Industrial Services**  
for Industrial Service Specialist

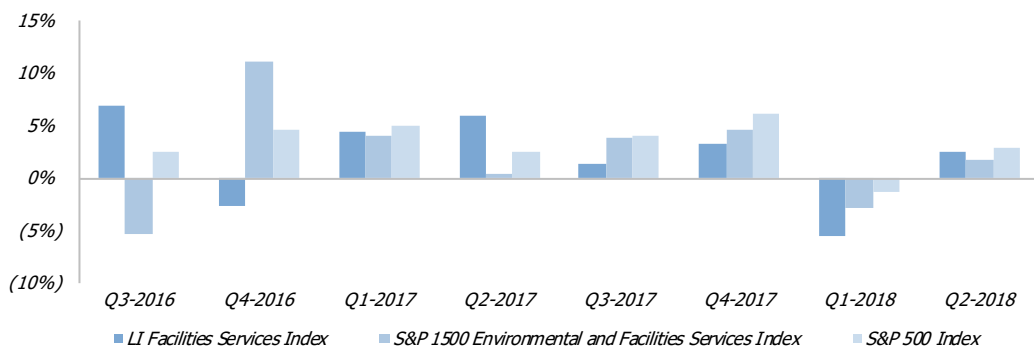


### Quarter over Quarter Performance

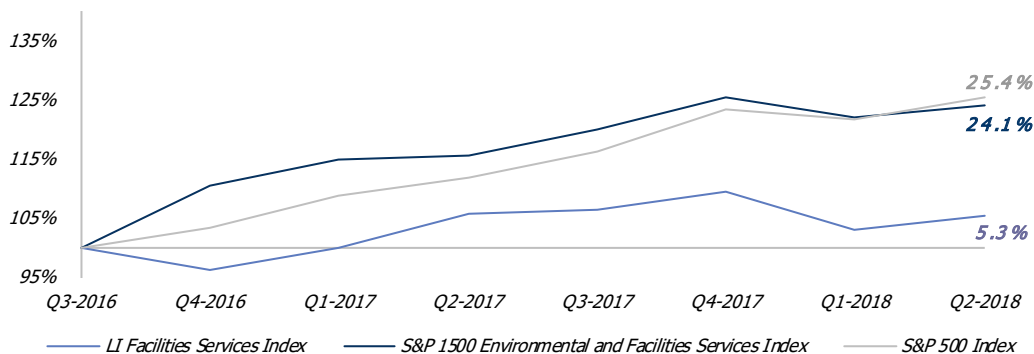
Outperformers	Change	Underperformers	Change
Team, Inc.	68.0%	Prosegur Compañía de Seguridad, S.A.	(10.3%)
Matrix Service Company	33.9%	ABM Industries Incorporated	(12.8%)
Rentokil Initial plc	29.1%	Interserve plc	(21.3%)

Based on quarter-over-quarter share price performance

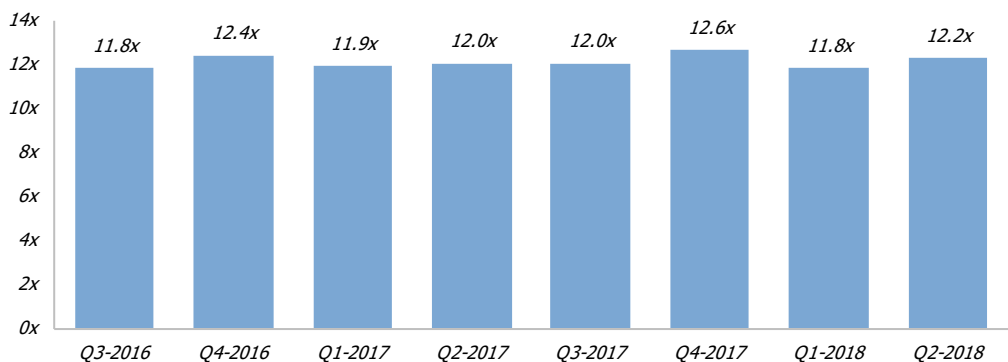
### Quarter over Quarter Stock Index Change



### Two Year Relative Stock Index Performance



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



Source: Capital IQ as of 6/29/2018

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

## Heard on the Street

**6/28/2018: Brightview**, the U.S.-based landscaping services provider, has sold 21.3 million shares for \$22 a share in its public offering on the NYSE, raising \$468.6 million in the process.

**6/28/2018: Restaurant Technologies**, the U.S.-based cooking oil management company, is preparing for a sale. This expected sale comes simultaneous to the sale of a similar asset, **Mahoney Environmental**, a cooking oil recycling company.

**6/25/2018: Fleetwash**, the facility cleaning and vehicle washing services provider, is in the beginning stages of a sale process. Sponsor, **DFW Capital Partners**, is marketing the Company on approximately \$20 million in LTM EBITDA. Prospective buyers are expected to value the business at a range of 7x-9x EBITDA.

**6/20/2018: Compass Group**, the U.K.-based food and support services provider, has collected first-round bids for the laundry services business of its U.S. subsidiary, Crothall Healthcare. This unit of the business generates approximately \$30 million in EBITDA. The transaction is part of a disciplined divestiture strategy to strengthen Compass' core business.

**6/1/2018: CSC ServiceWorks**, the U.S.-based commercial laundry company, is preparing to explore a sale in response to inbound interest. The company generates more than \$350 million in EBITDA.

**4/24/2018: PureStar Linen Group**, the U.S.-based outsourced laundry and dry cleaning services provider for the hotel and hospitality industry, is exploring a sale.

### 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	\$29.18	\$45.12	\$1,918	\$2,956	\$1.32	\$5,986	0.5x	12.0x	20.0x	13.9%	30.0%	4.1%	4.2x
Aramark	37.10	46.09	9,134	16,782	1.98	15,152	1.1x	12.8x	21.2x	4.6%	2.3%	8.7%	5.8x
Cintas Corporation	185.07	194.09	19,751	22,287	6.11	6,337	3.5x	17.7x	22.5x	27.9%	29.3%	19.9%	2.0x
Comfort Systems USA, Inc.	45.80	48.95	1,697	1,737	1.71	1,872	0.9x	11.9x	16.4x	14.9%	17.6%	7.8%	0.3x
Compass Group plc	21.36	22.08	33,821	38,662	0.98	31,543	1.2x	13.1x	17.2x	16.9%	17.2%	9.3%	1.7x
EMCOR Group, Inc.	76.18	85.08	4,453	4,408	3.89	7,696	0.6x	9.3x	11.4x	0.0%	10.5%	6.1%	(0.1x)
FirstService Corporation	76.02	76.79	2,731	3,113	1.50	1,752	1.8x	19.1x	26.3x	12.6%	20.8%	9.3%	1.6x
G4S plc	3.53	4.52	5,470	7,493	0.21	10,581	0.7x	9.3x	12.0x	12.9%	14.1%	7.6%	2.6x
Interserve plc	0.84	3.25	125	849	(2.38)	4,394	0.2x	13.8x	nmf	9.7%	(78.8%)	1.4%	11.7x
Johnson Controls International plc	33.45	44.37	30,861	43,932	2.24	30,729	1.4x	9.4x	12.2x	19.3%	51.4%	15.3%	2.5x
Matrix Service Company	18.35	20.25	492	455	0.08	1,090	0.4x	14.0x	40.4x	(13.8%)	(12.6%)	3.0%	(1.2x)
MITIE Group plc	2.06	3.83	744	1,008	(0.11)	3,093	0.3x	nmf	8.3x	16.3%	311.2%	4.6%	2.0x
Prosegur Compañía de Seguridad, S.A.	6.53	8.33	3,907	4,460	0.30	5,213	0.9x	7.1x	9.2x	19.7%	24.9%	12.1%	0.8x
Rentokil Initial plc	4.63	4.70	8,501	9,721	0.50	3,261	3.0x	14.5x	22.8x	21.8%	11.4%	20.6%	1.9x
Rollins, Inc.	52.58	54.25	11,472	11,388	0.86	1,707	6.7x	nmf	nmf	7.0%	11.6%	20.8%	(0.2x)
Securitas AB	16.45	16.91	6,007	7,715	0.92	11,155	0.7x	10.9x	14.5x	10.7%	10.0%	6.4%	2.6x
ServiceMaster Global Holdings, Inc.	59.47	60.66	8,053	10,357	3.78	2,944	3.5x	15.5x	18.2x	5.9%	2.3%	22.7%	3.4x
Sodexo S.A.	99.90	133.47	14,815	17,926	6.07	24,856	0.7x	9.9x	12.4x	15.4%	16.2%	7.3%	1.8x
Team, Inc.	23.10	24.80	693	1,057	(3.77)	1,216	0.9x	nmf	nmf	(1.3%)	(69.7%)	1.2%	nmf
UniFirst Corporation	176.90	193.05	3,384	3,146	6.14	1,666	1.9x	11.2x	16.9x	7.4%	10.4%	16.9%	(0.8x)
<b>Mean</b>							<b>1.5x</b>	<b>12.4x</b>	<b>17.8x</b>	<b>11.1%</b>	<b>21.5%</b>	<b>10.3%</b>	<b>3.3x</b>
<b>Median</b>							<b>0.9x</b>	<b>12.0x</b>	<b>16.9x</b>	<b>12.7%</b>	<b>12.8%</b>	<b>8.2%</b>	<b>1.9x</b>

Source: Capital IQ

Note: All values based on publicly available data as of 6/29/2018

## M&A Transaction Highlights

(\$ in millions)

Closed	Target	Target Description	Acquirer	Enterprise Value	EV/LTM Rev.	EV/LTM EBITDA
Jun-18	Southwest Waterworks Contractors	Provides design, installation and repair of pumps and pump systems	PumpMan Holdings	-	-	-
Jun-18	FacilitySource	Provides facility support software and services	CBRE Group	\$290	-	-
Jun-18	The Dwyer Group	Provides commercial and residential restoration and cleaning services	Harvest Partners	-	-	-
Jun-18	Clean Linen Services	Provides laundry services to commercial and operational needs of businesses	Alsco	-	-	-
Jun-18	Restaurant Equipment Maintenance Corporation	Provides kitchen equipment repair services	Smart Care Equipment Solutions	-	-	-
Jun-18	Nicor Energy Services Company	Provides HVAC repair, maintenance and installation services	American Water Enterprises	365	2.8x	7.5x
May-18	Servest Group Limited	Provides facility management services	Atalian	644	1.0x	-
May-18	Pecan Grove Solutions	Provides installation, repair and maintenance of commercial aquatic equipment	QSI Facilities	-	-	-
May-18	Environmental Earthscapes	Provides landscaping services	BrightView Landscapes	-	-	-
May-18	Armco Security Limited	Provides intruder alarm, fire alarm and CCTV camera installation services	Carlton Alarms	-	-	-
May-18	Priora FM SA	Provides building and real estate management services	ENGIE Services	-	-	-
May-18	Superior Industrial Maintenance Company	Provides industrial coating, tank lining, inspection and tank repair services	Warren Equity Partners	-	-	-
May-18	Plumline Services LLC	Provides plumbing, heating and cooling repair and installation services	Wrench Group	-	-	-
May-18	Renewal Services, Inc.	Provides handling, recycling and water disposal services	American Residuals Group	80	-	-
May-18	Unity Electric Co., Inc.	Provides electrical, power and information technology infrastructure solutions	ENGIE North America	-	-	-
May-18	Advanced Pest Management	Provides pest control services	Rentokil	-	-	-
Apr-18	The Hitmen Termite & Pest Control	Provides pest control services for residential buildings	Rentokil	-	-	-
Apr-18	GenServe	Provides power generator maintenance, repair and sales	GenNx360 Capital Partners	-	-	-
Apr-18	Fire Bright Solutions	Provides installation and design of fire alarm systems	JLA Limited	-	-	-
Apr-18	The State Group	Provides electrical and mechanical services	Blue Wolf Capital Partners	-	-	-
Apr-18	Scubair Limited	Provides design, installation and maintenance of air conditioning systems	Venture Equity Partners	-	-	-

Source: Capital IQ, Mergermarket, Company Filings

## Global Industry Groups

Business Services  
Consumer  
Energy, Power & Infrastructure  
Healthcare  
Industrials  
Technology, Media & Telecom

## Global Locations

Amsterdam  
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Chicago  
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Frankfurt  
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Milan  
Moscow  
Mumbai  
Munich  
New York  
Paris  
San Francisco  
São Paulo  
Stockholm  
Tokyo  
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