



# KPMG Corporate Finance LLC

## Business Services M&A Quarterly

**Q3 2017**

# Global Business Services Coverage Team<sup>1</sup>

## U.S. Business Services Team



**Stephen Guy**  
*Managing Director & Global Group Head*  
 sguy@kpmg.com  
 +1 (410) 949-8909



**W. Christopher Weber**  
*Vice President*  
 wchristopherweber@kpmg.com  
 +1 (410) 949-2849

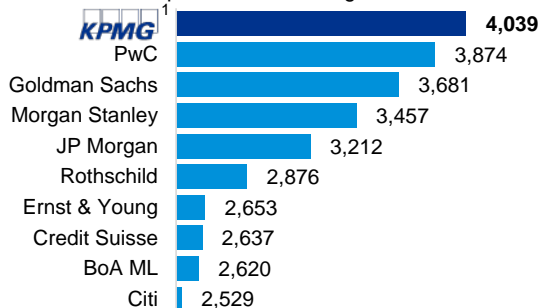


**David Lazarek**  
*Senior Associate*  
 dlazarek@kpmg.com  
 +1 (410) 949-2747

<p><b>UK</b>  <i>London</i>                      Dane Houlihan                      Manuel Sammut                      Jan Crosby  <i>Birmingham</i>                      Kush Purewal  <i>Bristol</i>                      Tim Spooner  <i>Leeds</i>                      Giles Taylor</p>	<p><b>Canada</b>  <i>Toronto</i>                      Neil Blair                      Matt Tedford  <i>Vancouver</i>                      Marco Tomassetti</p>	<p><b>Netherlands</b>  <i>Amsterdam</i>                      Wouter Van der Heijden                      Khalid Bakkali                      Carlo de Haas</p>	<p><b>Germany</b>  <i>Frankfurt</i>                      Steffen Wagner                      Teresa Schawe</p>	<p><b>Switzerland</b>  <i>Geneva</i>                      Patrik Kerler</p>
<p><b>Austria</b>  <i>Vienna</i>                      Kurt Fischer</p>	<p><b>Spain</b>  <i>Madrid</i>                      Eloy Serrano                      Borja Gomez Orue</p>	<p><b>Italy</b>  <i>Milan</i>                      Max Fiani  <i>Rome</i>                      Maria Civita Cafolla</p>	<p><b>Denmark</b>  <i>Copenhagen</i>                      Kim Harpoeth                      Jespersen</p>	<p><b>France</b>  <i>Paris</i>                      Mark Wyatt                      Jean-Christophe Paoli</p>
<p><b>Croatia</b>  <i>Zagreb</i>                      Daniel Radic</p>	<p><b>Belgium</b>  <i>Brussels</i>                      Peter Lauwers</p>	<p><b>Russia</b>  <i>Moscow</i>                      Robert Vartevanian                      John Kallaway</p>	<p><b>Hungary</b>  <i>Budapest</i>                      János Róbert Nagy</p>	<p><b>Ireland</b>  <i>Belfast</i>                      Paul Hollaway</p>
<p><b>Singapore</b>  <i>Singapore</i>                      Vishal Sharma</p>	<p><b>Sri Lanka</b>  <i>Colombo</i>                      Shiluka                      Goonewardene</p>	<p><b>Argentina</b>  <i>Buenos Aires</i>                      Marcelo R Ceballos</p>	<p><b>China</b>  <i>Shanghai</i>                      Andy Qiu                      Rainbow Wang</p>	<p><b>India</b>  <i>India</i>                      KV Kuchimanchi                      Ramanand K V                      Anand Vermani                      Divya Seth                      Sachin Bansal</p>
<p><b>South Korea</b>  <i>Seoul</i>                      Sung-Won Park</p>	<p><b>UAE</b>  <i>Dubai</i>                      Simi Nehra</p>	<p><b>Taiwan</b>  <i>Taipei</i>                      Carol C.Y. Yen</p>	<p><b>Australia</b>  <i>Melbourne</i>                      Peter Turner</p>	

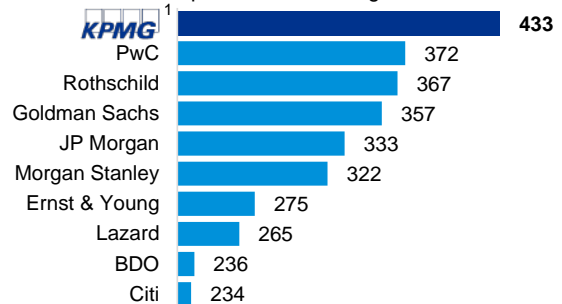
### M&A League Table – Trailing 10 Years

Number of Transactions (<\$500mm)  
 Thompson Reuters<sup>2</sup> League Tables



### M&A League Table – FY 2016

Number of Transactions (<\$500mm)  
 Thompson Reuters<sup>2</sup> League Tables



<sup>1</sup> Refers to the global Corporate Finance practices of KPMG International's network of independent member firms.

<sup>2</sup> Thomson Reuters SDC; each set of figures is taken from the league table press releases issued for that year. Middle market is defined as deals less than US\$500 million.

© 2017 KPMG Corporate Finance LLC, a Delaware limited liability company. Member FINRA and SIPC. KPMG Corporate Finance LLC is a subsidiary of KPMG LLP, a Delaware limited liability partnership and the U.S. member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.  
 All rights reserved.

# M&A Sector Highlights

4

## Consulting & Professional Services

- Specialty Consulting
- Customer Engagement / Call Center Management
- IT Consulting
- HR Staffing & Professional Services

9

## Engineering & Construction

- Diversified Engineering & Construction Providers
- Specialty Engineering & Construction Firms
- Construction Contractors

13

## Facilities Management & Maintenance Services

- Environmental Services
- Facilities Management
- Security Services

17

## Media & Marketing Services

- Advertising Agencies
- Data & Information Services – Diversified
- Data & Information Services – Financial and Market Data & Media
- Diversified Media

22

## Transportation & Logistics

- Trucking
- Marine
- Rail & Rail Services
- Logistics Providers

## GROUP OVERVIEW

KPMG Corporate Finance LLC is a leading Middle Market investment bank to the business services market, serving domestic and international clients. Our Business Services team offers a full range of investment banking and advisory services. Our experience covers a broad range of end markets including:

- Consulting & Professional Services
- Facilities Management & Services
- Engineering & Construction
- Staffing & HRO
- Outsourcing & BPO
- Education & Training
- Marketing Services
- Information Services
- Consumer Services
- Industrial Services

## Deal Spotlight

KPMG



has completed the divestiture of its global Authentication business to



DeLaRue

KPMG Corporate Finance LLC served as the exclusive advisor to E.I. du Pont de Nemours & Company (DuPont) on the divestiture of its Authentication business to De La Rue plc, a UK-based anti-counterfeiting solutions provider. Based in Logan, Utah and with operations in Wilmington, Delaware, DuPont Authentication provides photopolymer films focused on anti-counterfeiting and secure ID applications. Its technology is used to authenticate products ranging from consumer electronics to spirits and also to secure identity documents. DuPont Authentication has a well-established global customer base in both brand protection and identity authentication. Its customers include global governmental entities and leading consumer product companies.



# Consulting & Professional Services

## Sector Update | Q3 2017



# Consulting & Professional Services



Q3'17  
\$10.4bn

Q2'17  
\$18.8bn

During Q3'17, aggregate **Global** sector deal value i declined 44.7%, while deal volume witnessed a 8.5% decrease, compared to Q2'17



**U.S.** deal value decreased from \$7.0bn in Q2'17 to \$4.5bn in Q3'17, while total deal volume in the **U.S.** decreased by 7.5%



**40.6%**  
U.S. share of global  
M&A volume Q3'17

U.S. M&A volume accounted for 40.6% of global M&A activity during Q3'17, a marginal increase from 40.2% in Q2'17

## Notable Recent U.S. Sector Transactions

(\$MM)

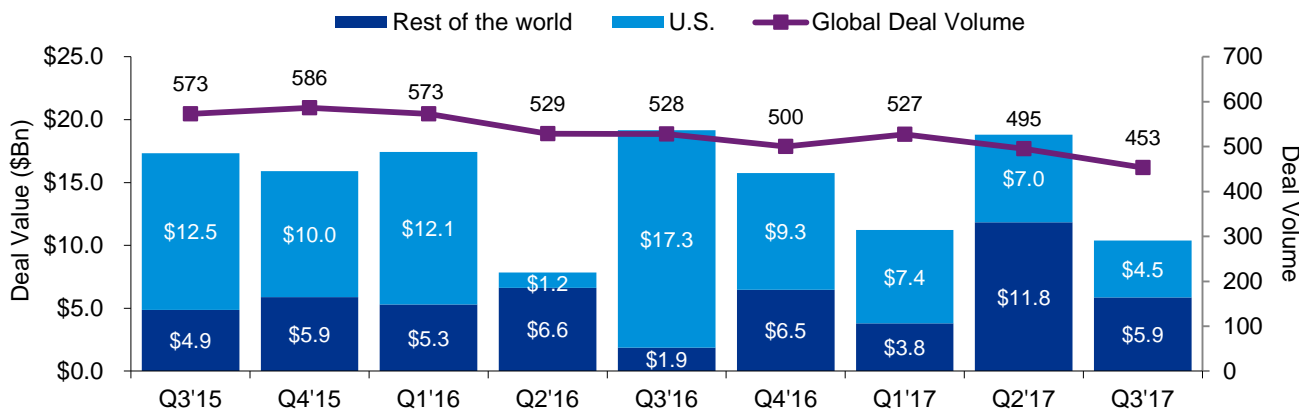
Announced / Closed	Target	Target Business Description	Acquirer	TV	EV	LTM	
						EV / Revenue	EV / EBITDA
Closed 5-Jul	Accountable Healthcare Holdings Corp.	Provides healthcare staffing services	Mitsui & Co., Ltd.	NA	NA	NA	NA
Closed 6-Jul	DHR Operations, LLC	A PEO, provides human resource services to small and medium sized businesses in the U.S.	Oasis Outsourcing, Inc.	NA	NA	NA	NA
Closed 8-Aug	Stratacuity Staffing Partners, Inc.	Provides recruitment and staffing services to the life sciences industry	On Assignment, Inc.	NA	NA	NA	NA
Closed 15-Aug	NCI, Inc	Offers IT and professional services and solutions to U.S. Federal Government agencies	H.I.G. Capital, LLC	\$289	\$285	0.88x	9.6x
Announced 29-Aug	Education Advisory Board	Provides research and consulting services to schools, colleges, and universities	Vista Equity Partners LLC	\$1,550	\$1,550	NA	NA
Closed 12-Sep	CDI Corp.	Provides engineering, IT, and staffing solutions to industrial, energy, and technology industries	AE Industrial Partners	\$173	\$154	0.20x	NM
Closed 25-Sep	Principle Solutions Group	Offers IT staffing and consulting services	Eliassen Group / Riverside Partners	NA	NA	NA	NA
Closed 26-Sep	Driving Ambition Inc.	Provides commercial driver's license staffing services	TransForce, Inc. / Palladium Equity Partners	NA	NA	NA	NA

*Source: S&P Capital IQ. Consulting & Professional Services is defined by an internally originated list of subsectors viewed as best representing the industry. Deal values represents aggregate deal value for disclosed transactions only.*

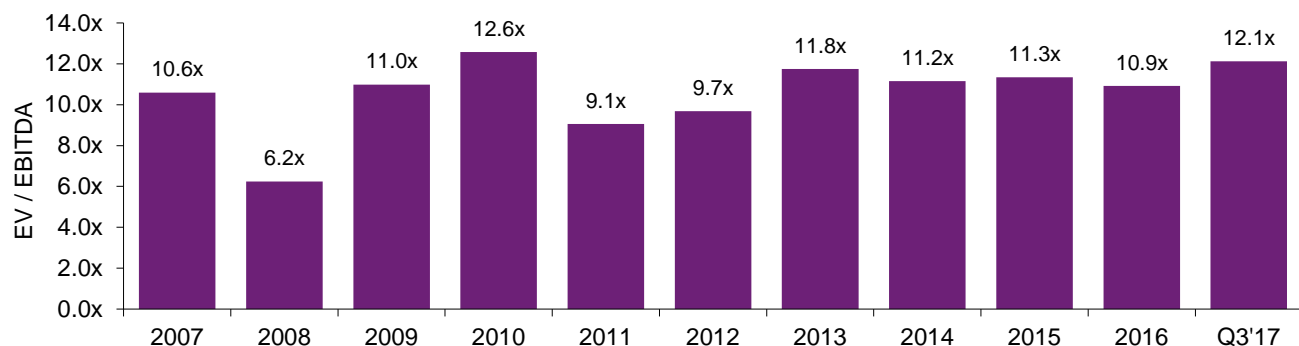
© 2017 KPMG Corporate Finance LLC, a Delaware limited liability company. Member FINRA and SIPC. KPMG Corporate Finance LLC is a subsidiary of KPMG LLP, a Delaware limited liability partnership and the U.S. member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity. All rights reserved.

# Consulting & Professional Services (cont.)

## M&A Activity: Q3'15 – Q3'17



## Historical Public Valuation Multiples: 2007 – Q3'17



## Performance Summary by Sub-sector

Specialty Consulting	Market Cap <sup>(1), (2)</sup>	Share Price <sup>(2)</sup>	Relative 52-Wk EV <sup>(3)</sup>	LTM						
				Revenue	EBITDA <sup>(4)</sup>	EBITDA Margin	Revenue Growth	EV / Revenue	EV / EBITDA	
Booz Allen Hamilton Holding Corporation	5,559.0	37.39	77.4%	7,083.3	5,875.1	558.7	9.5%	5.9%	1.21x	12.7x
CACI International Inc	3,408.7	139.35	92.5%	4,578.0	4,354.6	365.5	8.4%	9.0%	1.05x	12.5x
Exponent, Inc.	1,906.1	73.90	94.4%	1,744.1	311.5	71.9	23.1%	5.2%	NM	24.3x
FTI Consulting, Inc.	1,369.5	35.48	24.8%	1,711.9	1,771.0	149.4	8.4%	(2.2%)	0.97x	11.5x
Navigant Consulting, Inc.	790.7	16.92	17.4%	968.9	948.2	131.9	13.9%	4.1%	1.02x	7.3x
Huron Consulting Group Inc.	728.4	34.30	15.3%	1,115.7	731.8	112.1	15.3%	(0.2%)	1.52x	10.0x
The Hackett Group, Inc.	438.5	15.19	26.2%	444.1	262.6	40.6	15.5%	2.1%	1.69x	10.9x
CRA International, Inc.	337.6	41.05	95.4%	323.7	343.0	29.4	8.6%	9.8%	0.94x	11.0x
Learning Tree International, Inc.	39.7	3.00	100.0%	35.0	72.7	(0.9)	(1.2%)	(10.9%)	0.48x	NM
<b>Mean</b>			<b>60.4%</b>				<b>11.3%</b>	<b>2.5%</b>	<b>1.11x</b>	<b>12.5x</b>
<b>Median</b>			<b>77.4%</b>				<b>9.5%</b>	<b>4.1%</b>	<b>1.04x</b>	<b>11.2x</b>

### Notes:

- Market Capitalization amounts are based on closing share prices as of September 30, 2017.
  - Share prices and market capitalizations may be based on foreign exchange listed stocks and have been converted into USD.
  - Enterprise Value (EV) is defined as Market Capitalization plus Debt, Preferred Equity, and Minority Interest, minus Cash and Cash Equivalents.
  - EBITDA is defined as Earnings before Interest, Taxes, Depreciation, and Amortization.
- Source: S&P Capital IQ, Consulting & Professional Services is defined by an internally originated list of subsectors viewed as best representing the industry. Deal values represents aggregate deal value for disclosed transactions only.

© 2017 KPMG Corporate Finance LLC, a Delaware limited liability company. Member FINRA and SIPC. KPMG Corporate Finance LLC is a subsidiary of KPMG LLP, a Delaware limited liability partnership and the U.S. member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity. All rights reserved.

# Consulting & Professional Services (cont.)

## Performance Summary by Sub-sector (cont.)

(\$MM)

	Market Cap <sup>(1), (2)</sup>	Share Price <sup>(2)</sup>	Relative 52-Wk	EV <sup>(3)</sup>	LTM						
					Revenue	EBITDA <sup>(4)</sup>	EBITDA Margin	Revenue Growth	EV / Revenue	EV / EBITDA	
<b>Customer Engagement / Call Center Management</b>											
Teleperformance SE	8,621.9	149.27	99.2%	10,384.5	4,610.4	709.0	15.4%	15.9%	2.25x	14.6x	
NICE Ltd.	4,812.8	79.75	84.0%	4,895.1	1,178.2	250.8	21.3%	22.1%	4.15x	19.5x	
Nuance Communications, Inc.	4,536.8	15.72	35.1%	6,268.2	1,979.7	406.3	20.5%	1.6%	3.17x	15.4x	
Verint Systems Inc.	2,667.3	41.85	74.8%	3,074.5	1,090.5	97.5	8.9%	1.7%	2.82x	NM	
Convergys Corporation	2,415.0	25.89	55.9%	2,530.0	2,913.6	363.0	12.5%	0.2%	0.87x	7.0x	
West Corporation	1,963.5	23.47	42.9%	4,883.5	2,285.7	636.3	27.8%	(0.3%)	2.14x	7.7x	
TeleTech Holdings, Inc.	1,913.9	41.75	91.1%	2,100.2	1,349.4	171.4	12.7%	6.1%	1.56x	12.3x	
Sykes Enterprises, Incorporated	1,240.7	29.16	38.9%	1,206.3	1,534.3	172.4	11.2%	9.0%	0.79x	7.0x	
LivePerson, Inc.	798.1	13.55	94.2%	743.7	215.6	8.2	3.8%	(4.5%)	3.45x	NM	
<b>Mean</b>			<b>68.4%</b>				<b>14.9%</b>	<b>5.7%</b>	<b>2.35x</b>	<b>11.9x</b>	
<b>Median</b>			<b>74.8%</b>				<b>12.7%</b>	<b>1.7%</b>	<b>2.25x</b>	<b>12.3x</b>	

	Market Cap <sup>(1), (2)</sup>	Share Price <sup>(2)</sup>	Relative 52-Wk	EV <sup>(3)</sup>	LTM					
					Revenue	EBITDA <sup>(4)</sup>	EBITDA Margin	Revenue Growth	EV / Revenue	EV / EBITDA
<b>IT Consulting</b>										
Accenture plc	83,471.4	135.07	86.2%	80,127.4	34,850.2	5,944.2	17.1%	6.0%	2.30x	13.5x
Tata Consultancy Services Limited	71,394.2	37.30	58.5%	66,627.4	18,297.1	4,936.6	27.0%	6.5%	3.64x	13.5x
Cognizant Technology Solutions Corporation	42,843.8	72.54	98.1%	39,456.8	14,131.0	2,775.0	19.6%	6.6%	2.79x	14.2x
Infosys Limited	31,493.0	13.78	17.9%	26,359.8	10,358.0	2,811.0	27.1%	4.2%	2.54x	9.4x
DXC Technology Company	24,449.1	85.88	97.8%	29,725.1	11,590.0	1,218.0	10.5%	57.5%	2.56x	24.4x
Wipro Limited	20,816.6	4.30	77.1%	17,398.2	8,521.0	1,690.9	19.8%	5.4%	2.04x	10.3x
HCL Technologies Limited	19,113.0	13.39	72.3%	17,819.8	7,168.7	1,607.5	22.4%	8.7%	2.49x	11.1x
Capgemini SE	19,086.0	117.20	89.9%	21,647.1	14,482.6	1,842.6	12.7%	2.7%	1.49x	11.7x
Atos SE	16,243.3	155.12	97.0%	16,473.1	14,068.8	1,873.4	13.3%	8.1%	1.17x	8.8x
CGI Group Inc.	14,977.5	51.76	47.5%	16,164.4	8,324.9	1,399.6	16.8%	2.3%	1.94x	11.5x
Alliance Data Systems Corporation	12,292.4	221.55	34.8%	32,053.3	3,230.4	1,465.0	45.4%	(8.9%)	NM	21.9x
Tech Mahindra Limited	6,844.1	7.01	60.5%	5,760.6	4,573.5	634.8	13.9%	10.1%	1.26x	9.1x
Genpact Limited	5,546.0	28.75	65.8%	6,380.9	2,624.2	438.3	16.7%	3.5%	2.43x	14.6x
Teradata Corporation	4,422.7	33.79	98.7%	3,890.7	2,182.0	250.0	11.5%	(9.6%)	1.78x	15.6x
ExlService Holdings, Inc.	1,967.8	58.32	91.5%	1,776.2	720.6	101.1	14.0%	6.8%	2.47x	17.6x
WNS (Holdings) Limited	1,845.0	36.50	92.7%	1,767.8	634.7	86.5	13.6%	8.5%	2.79x	20.4x
Syntel, Inc.	1,644.2	19.65	14.0%	1,955.1	931.8	248.8	26.7%	(5.2%)	2.10x	7.9x
Unisys Corporation	429.0	8.50	16.3%	489.5	2,735.7	130.4	4.8%	(5.3%)	NM	3.8x
<b>Mean</b>			<b>67.6%</b>				<b>18.5%</b>	<b>6.0%</b>	<b>2.24x</b>	<b>13.3x</b>
<b>Median</b>			<b>74.7%</b>				<b>16.8%</b>	<b>5.7%</b>	<b>2.37x</b>	<b>12.6x</b>

### Notes:

1. Market Capitalization amounts are based on closing share prices as of September 30, 2017.
2. Share prices and market capitalizations may be based on foreign exchange listed stocks and have been converted into USD.
3. Enterprise Value (EV) is defined as Market Capitalization plus Debt, Preferred Equity, and Minority Interest, minus Cash and Cash Equivalents.
4. EBITDA is defined as Earnings before Interest, Taxes, Depreciation, and Amortization.

Source: S&P Capital IQ. Consulting & Professional Services is defined by an internally originated list of subsectors viewed as best representing the industry.



# Consulting & Professional Services (cont.)

## Performance Summary by Sub-sector (cont.)

(\$MM)

HR Staffing & Professional Services	Market Cap <sup>(1), (2)</sup>	Share Price <sup>(2)</sup>	Relative 52-Wk	EV <sup>(3)</sup>	LTM					
					Revenue	EBITDA <sup>(4)</sup>	EBITDA Margin	Revenue Growth	EV / Revenue	EV / EBITDA
Automatic Data Processing, Inc.	48,584.2	109.32	65.7%	47,803.0	11,982.4	2,722.0	22.7%	4.3%	3.99x	17.6x
Marsh & McLennan Companies, Inc.	42,954.7	83.81	97.7%	47,710.7	13,497.0	3,231.0	23.9%	2.4%	3.53x	14.8x
Aon plc	37,176.9	146.10	96.1%	39,826.9	11,796.0	2,543.0	21.6%	11.5%	3.38x	15.7x
Adecco Group AG	13,250.4	77.81	89.3%	14,351.3	26,676.6	1,395.3	5.2%	5.4%	0.54x	10.3x
Randstad Holding NV	11,336.2	61.86	66.5%	13,185.1	25,439.2	1,138.3	4.5%	12.3%	0.52x	11.6x
ManpowerGroup Inc.	7,862.6	117.82	93.9%	8,267.5	19,976.3	853.2	4.3%	1.7%	0.41x	9.7x
Robert Half International Inc.	6,351.8	50.34	96.1%	6,054.9	5,199.4	591.6	11.4%	(1.7%)	1.16x	10.2x
The Ultimate Software Group, Inc.	5,655.3	189.60	17.5%	5,554.3	860.7	62.3	7.2%	16.1%	NM	NM
Capita plc	5,042.3	7.58	32.0%	8,101.5	6,338.6	872.7	13.8%	4.2%	1.28x	9.3x
51job, Inc.	3,722.1	60.61	95.5%	2,891.9	374.9	114.4	30.5%	11.1%	NM	NM
Hays plc	3,664.6	2.54	95.3%	3,514.9	6,598.9	299.1	4.5%	13.8%	0.53x	11.8x
On Assignment, Inc.	2,834.6	53.68	92.1%	3,395.4	2,530.1	263.0	10.4%	5.6%	1.34x	12.9x
Cornerstone OnDemand, Inc.	2,338.3	40.61	63.2%	2,271.5	445.0	(45.5)	(10.2%)	8.6%	NM	NM
Korn/Ferry International	2,227.5	39.43	96.7%	2,190.0	1,591.2	196.4	12.3%	13.6%	1.38x	11.1x
AMN Healthcare Services, Inc.	2,191.2	45.70	98.7%	2,505.8	1,945.5	236.0	12.1%	7.1%	1.29x	10.6x
PageGroup plc	2,064.8	6.68	91.2%	1,945.6	1,679.8	155.3	9.2%	11.9%	1.16x	12.5x
Insperty, Inc.	1,834.5	88.00	80.6%	1,695.1	3,109.8	127.5	4.1%	8.6%	0.55x	13.3x
Kelly Services, Inc.	954.0	25.09	94.7%	893.9	5,175.5	98.7	1.9%	(6.5%)	NM	9.1x
CBIZ, Inc.	878.0	16.25	95.7%	1,089.2	831.1	91.5	11.0%	5.8%	1.31x	11.9x
TrueBlue, Inc.	840.2	22.45	48.8%	922.2	2,610.4	138.9	5.3%	(7.6%)	NM	6.6x
Cross Country Healthcare, Inc.	519.3	14.23	60.9%	521.4	854.4	38.8	4.5%	6.2%	0.61x	13.4x
GP Strategies Corporation	516.0	30.85	97.6%	550.8	502.9	39.3	7.8%	2.7%	1.10x	14.0x
Kforce Inc.	510.9	20.20	38.6%	634.9	1,336.8	73.8	5.5%	1.2%	0.47x	8.6x
Resources Connection, Inc.	415.6	13.90	23.9%	401.3	581.2	37.0	6.4%	(2.1%)	0.69x	10.8x
Barrett Business Services, Inc.	412.4	56.53	57.3%	398.1	881.8	29.9	3.4%	8.4%	0.45x	13.3x
Heidrick & Struggles International, Inc.	397.3	21.15	38.9%	339.1	595.6	55.6	9.3%	5.0%	0.57x	6.1x
DHI Group, Inc.	131.1	2.60	12.7%	177.5	215.6	39.5	18.3%	(9.1%)	0.82x	4.5x
Computer Task Group, Incorporated	84.2	5.36	60.7%	75.6	308.1	5.8	1.9%	(7.1%)	NM	13.0x
RCM Technologies, Inc.	68.7	5.72	44.5%	78.4	175.7	6.3	3.6%	(5.0%)	0.45x	12.4x
Hudson Global, Inc	45.8	1.46	65.7%	37.9	425.4	4.0	0.9%	(0.7%)	NM	9.5x
<b>Mean</b>				<b>70.3%</b>			<b>8.9%</b>	<b>4.3%</b>	<b>1.20x</b>	<b>11.3x</b>
<b>Median</b>				<b>73.5%</b>			<b>6.8%</b>	<b>5.2%</b>	<b>0.82x</b>	<b>11.6x</b>
<b>Total Mean</b>				<b>67.9%</b>			<b>12.7%</b>	<b>4.7%</b>	<b>1.67x</b>	<b>12.1x</b>
<b>Total Median</b>				<b>75.9%</b>			<b>11.8%</b>	<b>5.1%</b>	<b>1.33x</b>	<b>11.7x</b>

### Notes:

1. Market Capitalization amounts are based on closing share prices as of September 30, 2017.

2. Share prices and market capitalizations may be based on foreign exchange listed stocks and have been converted into USD.

3. Enterprise Value (EV) is defined as Market Capitalization plus Debt, Preferred Equity, and Minority Interest, minus Cash and Cash Equivalents.

4. EBITDA is defined as Earnings before Interest, Taxes, Depreciation, and Amortization.

Source: S&P Capital IQ. Consulting & Professional Services is defined by an internally originated list of subsectors viewed as best representing the industry.



© 2017 KPMG Corporate Finance LLC, a Delaware limited liability company. Member FINRA and SIPC. KPMG Corporate Finance LLC is a subsidiary of KPMG LLP, a Delaware limited liability partnership and the U.S. member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity. All rights reserved.





# Engineering & Construction

## Sector Update | Q3 2017



# Engineering & Construction



Q3'17  
\$3.7bn  
Q2'17  
\$1.5bn

**E&C Global** aggregate deal value increased to \$3.7bn in Q3'17 from \$1.5bn in Q2'17. Sector deal volume witnessed an 11.9% increase, compared to Q2'17.



**U.S.** E&C deal value decreased by 70.5%, to \$127.4m in Q3'17, compared to Q2'17. However, the total number of **U.S.** transactions increased by 40% to 49 in Q3'17, compared to the prior quarter.



The U.S. accounted for 24.9% of global E&C M&A activity in Q3'17, an increase from 19.9% in Q2'17

## Notable Recent U.S. Sector Transactions

(\$MM)

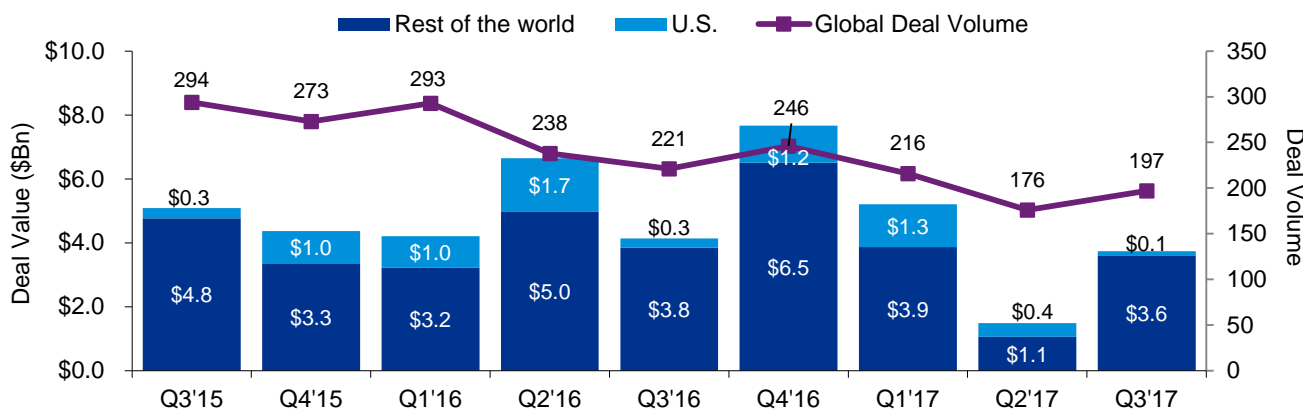
Announced / Closed	Target	Target Business Description	Acquirer	TV	EV	LTM	
						EV / Revenue	EV / EBITDA
Closed 26-Jun	Robert H. Vogel Engineering, Inc.	Offers civil engineering, land surveying, and site planning services	Timmons Group, Inc.	NA	NA	NA	NA
Announced 6-Jul	Shimmick Construction Company, Inc.	Operates as a heavy civil construction company	AECOM	NA	\$175	0.58x	NA
Closed 6-Jul	Halmar International, LLC	offers design/build, construction, and procurement management services for mass transit, aviation, and civil construction markets	ITINERA USA	\$60	\$120	0.48x	NA
Closed 13-Jul	Doosan Hydro Technology, Inc.	Engages in the design, manufacture, and construction of custom engineered water and wastewater treatment plants	Shanghai Safbon Water Service Co.,Ltd.	\$7	\$7	NA	NA
Closed 14-Jul	NEXT Electric, Inc.	Operates as an electrical contractor	IES Holdings, Inc.	NA	NA	NA	NA
Announced 2-Aug	CH2M HILL Companies, Ltd.	Provides engineering, construction, consulting, EPC, and technical services	Jacobs Engineering Group Inc.	\$3,375	\$3,263	0.63x	NM
Closed 7-Aug	NuVision Engineering, Inc.	Offers technology and applications engineering services to the U.S. Federal government and public utilities	Carr's Group plc	\$20	\$20	2.27x	NA
Closed 1-Sep	Colorado Lining International, Inc.	Operates as a geosynthetics contractor	Raven Industries, Inc.	\$16	\$16	NA	NA

Source: S&P Capital IQ. Engineering & Construction is defined by an internally originated list of subsectors viewed as best representing the industry. Deal values represents aggregate deal value for disclosed transactions only.

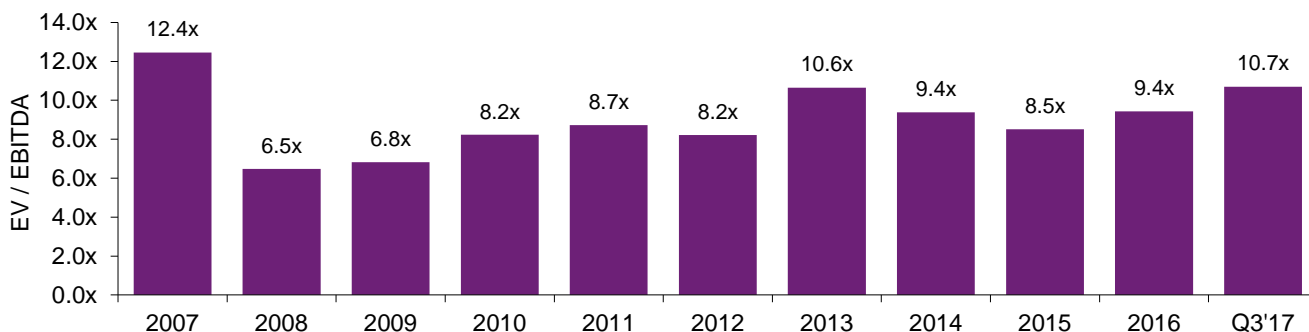
© 2017 KPMG Corporate Finance LLC, a Delaware limited liability company. Member FINRA and SIPC. KPMG Corporate Finance LLC is a subsidiary of KPMG LLP, a Delaware limited liability partnership and the U.S. member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity. All rights reserved.

# Engineering & Construction (cont.)

## M&A Activity: Q3'15 – Q3'17



## Historical Public Valuation Multiples: 2007 – Q3'17



## Performance Summary by Sub-sector

(\$MM)

	Market Cap <sup>(1), (2)</sup>	Share Price <sup>(2)</sup>	Relative 52-Wk	EV <sup>(3)</sup>	LTM					
					Revenue	EBITDA <sup>(4)</sup>	EBITDA Margin	Revenue Growth	EV / Revenue	EV / EBITDA
<b>Diversified Engineering &amp; Construction</b>										
HOCHTIEF Aktiengesellschaft	10,808.3	168.23	44.7%	11,105.6	24,598.0	1,104.8	4.5%	12.6%	0.45x	10.1x
SNC-Lavalin Group Inc.	7,914.7	45.12	65.4%	7,572.8	6,081.3	412.3	6.8%	(7.9%)	1.25x	18.4x
Jacobs Engineering Group Inc.	7,010.8	58.27	63.9%	6,596.8	10,009.5	643.7	6.4%	(8.7%)	0.66x	10.2x
Fluor Corporation	5,889.7	42.10	23.7%	5,606.3	19,308.5	562.3	2.9%	4.8%	NM	10.0x
Quanta Services, Inc.	5,798.7	37.37	87.4%	6,186.8	8,523.7	655.0	7.7%	14.4%	0.73x	9.4x
AECOM	5,768.5	36.81	72.6%	9,074.7	17,670.1	790.5	4.5%	1.5%	0.51x	11.5x
Stantec Inc.	3,153.6	27.71	72.6%	3,620.7	2,660.5	285.8	10.7%	22.7%	1.36x	12.7x
Amec Foster Wheeler plc	2,663.9	6.83	48.4%	4,246.0	6,404.1	392.2	6.1%	(11.2%)	0.66x	10.8x
KBR, Inc.	2,501.1	17.88	92.8%	2,508.1	4,463.0	9.0	0.2%	7.3%	0.56x	NM
Balfour Beatty plc	2,451.5	3.61	35.7%	2,872.5	9,278.2	75.3	0.8%	3.8%	NM	NM
ARCADIS NV	1,863.8	21.55	85.3%	2,478.2	3,763.7	216.4	5.7%	(0.5%)	0.66x	11.5x
URSUS Spółka Akcyjna	64.0	1.08	44.4%	106.7	77.5	0.6	0.7%	(5.6%)	1.38x	NM
<b>Mean</b>			<b>61.4%</b>				<b>4.8%</b>	<b>2.8%</b>	<b>0.82x</b>	<b>11.6x</b>
<b>Median</b>			<b>64.6%</b>				<b>5.1%</b>	<b>2.6%</b>	<b>0.66x</b>	<b>10.8x</b>

### Notes:

- Market Capitalization amounts are based on closing share prices as of September 30, 2017.
  - Share prices and market capitalizations may be based on foreign exchange listed stocks and have been converted into USD.
  - Enterprise Value (EV) is defined as Market Capitalization plus Debt, Preferred Equity, and Minority Interest, minus Cash and Cash Equivalents.
  - EBITDA is defined as Earnings before Interest, Taxes, Depreciation, and Amortization.
- Source: S&P Capital IQ, Engineering & Construction is defined by an internally originated list of subsectors viewed as best representing the industry. Deal values represents aggregate deal value for disclosed transactions only.

# Engineering & Construction (cont.)

## Performance Summary by Sub-sector (cont.)

(\$MM)

Specialty Engineering & Construction	Market Cap <sup>(1), (2)</sup>	Share Price <sup>(2)</sup>	Relative 52-Wk	EV <sup>(3)</sup>	LTM					
					Revenue	EBITDA <sup>(4)</sup>	EBITDA Margin	Revenue Growth	EV / Revenue	EV / EBITDA
Eversource Energy	19,152.6	60.44	72.5%	30,603.9	7,684.3	2,631.7	34.2%	1.7%	3.98x	11.6x
Clean Harbors, Inc.	3,240.6	56.70	73.6%	4,528.6	2,863.4	415.3	14.5%	3.1%	1.58x	10.9x
Dycom Industries, Inc.	2,670.0	85.88	38.6%	3,391.3	3,066.9	422.9	13.8%	14.8%	1.11x	8.0x
Tetra Tech, Inc.	2,632.5	46.55	86.7%	2,819.7	2,030.8	216.7	10.7%	11.3%	1.39x	13.0x
McDermott International, Inc.	2,064.5	7.27	68.8%	2,243.9	2,508.4	304.3	12.1%	(5.8%)	0.89x	7.4x
Chicago Bridge & Iron Company N.V.	1,699.6	16.80	26.8%	3,336.3	9,494.6	9.3	0.1%	(8.2%)	NM	NM
Primoris Services Corporation	1,513.3	29.42	94.9%	1,646.0	2,302.4	162.5	7.1%	21.7%	0.71x	10.1x
Aegion Corporation	768.5	23.28	61.5%	1,053.1	1,310.0	127.4	9.7%	6.4%	0.80x	8.3x
MYR Group Inc.	480.6	29.14	29.6%	519.8	1,283.2	73.3	5.7%	19.9%	0.41x	7.1x
Layne Christensen Company	249.5	12.55	98.6%	379.5	595.4	11.4	1.9%	3.2%	0.64x	NM
Hill International, Inc.	246.4	4.75	74.7%	383.5	413.5	2.2	0.5%	(0.5%)	0.93x	NM
Willbros Group, Inc.	203.8	3.22	74.4%	250.8	730.6	(9.8)	(1.3%)	(6.9%)	NM	NM
Orion Group Holdings, Inc.	185.0	6.56	23.4%	270.2	584.5	31.2	5.3%	(1.9%)	0.46x	8.7x
IBI Group Inc.	184.4	5.91	99.5%	286.0	276.8	33.4	12.1%	3.2%	1.03x	8.6x
North American Energy Partners Inc.	113.3	4.35	58.1%	186.1	193.0	39.4	20.4%	17.3%	0.96x	4.7x
<b>Mean</b>			<b>65.4%</b>				<b>9.8%</b>	<b>5.3%</b>	<b>1.15x</b>	<b>8.9x</b>
<b>Median</b>			<b>72.5%</b>				<b>9.7%</b>	<b>3.2%</b>	<b>0.93x</b>	<b>8.6x</b>

Construction Contractors	Market Cap <sup>(1), (2)</sup>	Share Price <sup>(2)</sup>	Relative 52-Wk	EV <sup>(3)</sup>	LTM					
					Revenue	EBITDA <sup>(4)</sup>	EBITDA Margin	Revenue Growth	EV / Revenue	EV / EBITDA
Skanska AB (publ)	9,481.3	23.14	29.4%	9,381.6	17,621.4	506.7	2.9%	1.5%	0.53x	18.5x
EMCOR Group, Inc.	4,105.8	69.38	77.9%	4,138.4	7,660.8	425.3	5.6%	3.8%	0.54x	9.7x
MasTec, Inc.	3,839.7	46.40	86.2%	5,217.9	5,976.4	598.6	10.0%	24.0%	0.87x	8.7x
Granite Construction Incorporated	2,308.7	57.95	78.4%	2,133.0	2,701.9	127.0	4.7%	9.0%	0.79x	16.8x
Bovis Homes Group PLC	1,974.1	14.67	82.9%	1,985.5	1,389.4	204.5	14.7%	3.4%	1.43x	9.7x
Tutor Perini Corporation	1,413.8	28.40	69.2%	2,104.8	4,944.2	252.1	5.1%	0.3%	0.43x	8.3x
Aecon Group Inc.	826.5	14.06	83.2%	1,235.9	2,342.3	113.6	4.9%	(5.2%)	0.53x	10.9x
Bird Construction Inc.	338.5	7.96	65.1%	295.0	1,149.6	20.1	1.7%	(4.1%)	NM	14.7x
Great Lakes Dredge & Dock Corporation	297.8	4.85	75.0%	707.3	759.7	76.2	10.0%	(2.2%)	0.93x	9.3x
Stuart Olson Inc.	112.9	4.14	14.0%	179.7	695.2	15.6	2.2%	(6.5%)	NM	11.5x
<b>Mean</b>			<b>66.1%</b>				<b>6.2%</b>	<b>2.4%</b>	<b>0.76x</b>	<b>11.8x</b>
<b>Median</b>			<b>76.4%</b>				<b>5.0%</b>	<b>0.9%</b>	<b>0.66x</b>	<b>10.3x</b>
<b>Total Mean</b>			<b>64.3%</b>				<b>7.2%</b>	<b>3.7%</b>	<b>0.94x</b>	<b>10.7x</b>
<b>Total Median</b>			<b>72.5%</b>				<b>5.7%</b>	<b>3.1%</b>	<b>0.79x</b>	<b>10.1x</b>

**Notes:**

1. Market Capitalization amounts are based on closing share prices as of September 30, 2017.
  2. Share prices and market capitalizations may be based on foreign exchange listed stocks and have been converted into USD.
  3. Enterprise Value (EV) is defined as Market Capitalization plus Debt, Preferred Equity, and Minority Interest, minus Cash and Cash Equivalents.
  4. EBITDA is defined as Earnings before Interest, Taxes, Depreciation, and Amortization.
- Source: S&P Capital IQ. Engineering & Construction is defined by an internally originated list of subsectors viewed as best representing the industry.





# Facilities Management & Maintenance Services

Sector Update | Q3 2017



# Facilities Management & Maintenance Services



Q3'17  
\$2.7bn

Q2'17  
\$7.9bn

Total **global** deal value decreased by 65.8% in Q3'17 to \$2.7bn from \$7.9bn in Q2'17. **Global** deal volume fell by 20.7% from 82 reported deals in Q2'17 to 65 in Q3'17.



Q3'17 **U.S.** M&A deal value decreased to \$282.5m, compared to \$1.9bn in Q2'17. Deal volume in the **U.S.** witnessed a 17.2% fall compared to Q2'17.



**36.9%**

U.S. share of global M&A volume Q3'17

U.S. deal flow accounted for 36.9% of global M&A activity in Q3'17, a slight increase from 35.4% in Q2'17, despite a fall in both global and U.S. deal volume for the quarter.

## Notable Recent U.S. Sector Transactions

(\$MM)

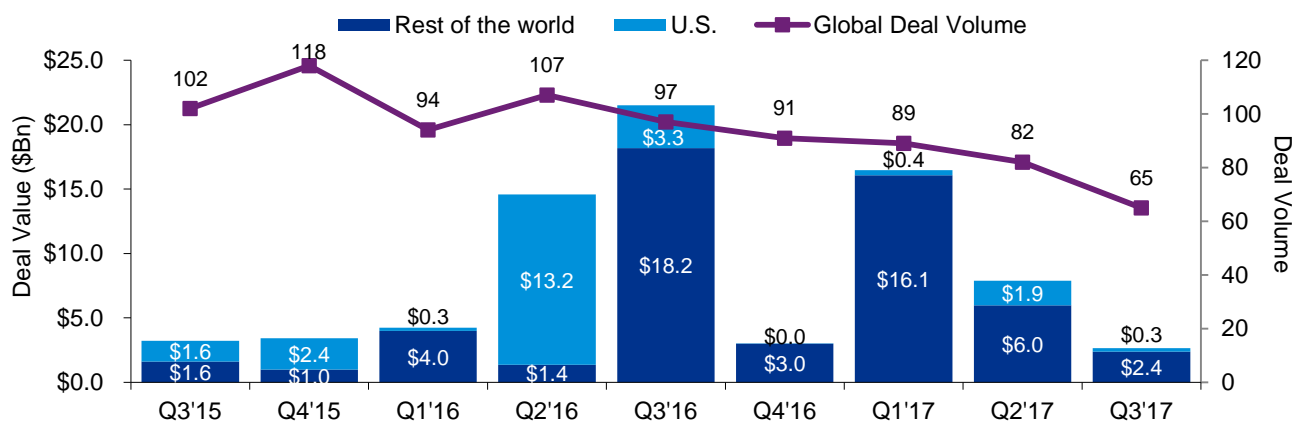
Announced / Closed	Target	Target Business Description	Acquirer	TV	EV	LTM	
						EV / Revenue	EV / EBITDA
Closed 3-Jul	Severn Trent Environmental Services, Inc.	Provides water and wastewater contract management, customer service, operations support, and systems improvement services	Alston Capital Partners / PPC Enterprises LLC	\$62	\$62	NA	NA
Closed 10-Jul	Envirovac	Provides industrial cleaning, hazardous waste cleanup and transportation, and inspection services	Audax Group, Inc.	NA	NA	NA	NA
Closed 12-Jul	Drain Pro Inc.	Offers plumbing, heating, drain cleaning, tank pumping, septic design and installation services	Wind River Environmental / Gryphon Investors	NA	NA	NA	NA
Closed 31-Jul	Duncan Solutions, Inc.	Provides parking management services to municipal and commercial clients	Navient Corporation	\$80	\$80	1.45x	NA
Closed 31-Jul	Service Logic, LLC	Offers energy efficiency solutions and HVAC / mechanical services	Warburg Pincus	NA	NA	NA	NA
Closed 15-Aug	Aramendia Plumbing, Heating & Air Ltd.	Provides plumbing, heating, and air conditioning services	EnerCare, Inc.	\$24	\$24	NA	NA
Closed 1-Sep	GCA Services Group, Inc.	Provides janitorial cleaning, environment cleaning, facilities operations, maintenance, and staffing services	ABM Industries Incorporated	\$1,237	\$1,237	1.12x	12.4x
Closed 5-Sep	Summit Fire Protection Co., Inc.	Offers fire protection and mechanical contracting services	CI Capital Partners LLC	NA	NA	NA	NA
Closed 8-Sep	Girard Environmental Services, Inc.	Provides landscaping services	BrightView Landscapes / KKR	NA	NA	NA	NA

Source: S&P Capital IQ. Facilities Management & Maintenance is defined by an internally originated list of subsectors viewed as best representing the industry. Deal values represents aggregate deal value for disclosed transactions only.

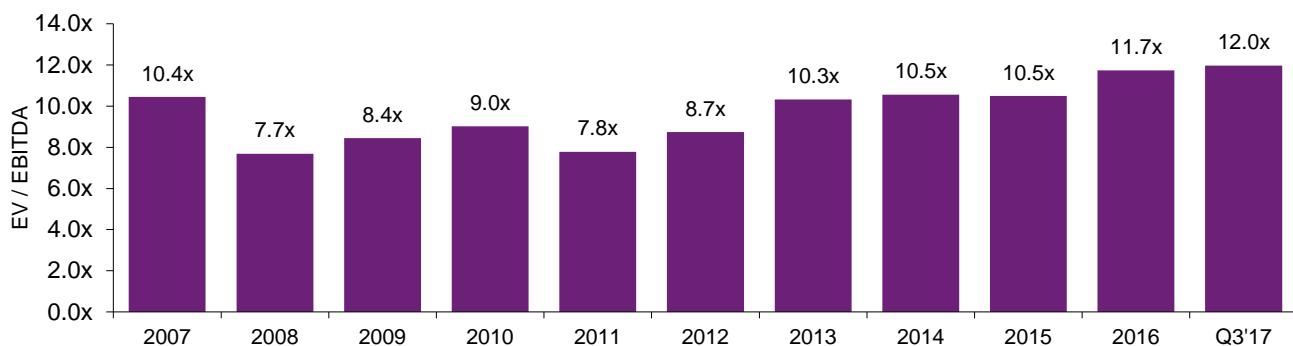
© 2017 KPMG Corporate Finance LLC, a Delaware limited liability company. Member FINRA and SIPC. KPMG Corporate Finance LLC is a subsidiary of KPMG LLP, a Delaware limited liability partnership and the U.S. member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity. All rights reserved.

# Facilities Management & Maintenance Services (cont.)

## M&A Activity: Q3'15 – Q3'17



## Historical Public Valuation Multiples: 2007 – Q3'17



## Performance Summary by Sub-sector

					LTM					
	Market Cap <sup>(1), (2)</sup>	Share Price <sup>(2)</sup>	Relative 52-Wk	EV <sup>(3)</sup>	Revenue	EBITDA <sup>(4)</sup>	EBITDA Margin	Revenue Growth	EV / Revenue	EV / EBITDA
<b>Environmental Services</b>										
Waste Management, Inc.	34,441.6	78.27	96.9%	43,487.6	14,125.0	3,855.0	27.3%	5.4%	3.08x	11.3x
Republic Services, Inc.	22,246.5	66.06	93.8%	29,993.8	9,708.0	2,723.0	28.0%	4.4%	3.09x	11.0x
Waste Connections, Inc.	18,444.0	69.96	96.7%	22,060.8	4,400.4	1,368.2	31.1%	53.9%	NM	16.1x
Stericycle, Inc.	6,112.0	71.62	15.5%	8,939.9	3,606.7	777.6	21.6%	1.8%	2.48x	11.5x
Clean Harbors, Inc.	3,240.6	56.70	73.6%	4,528.6	2,863.4	415.3	14.5%	3.1%	1.58x	10.9x
Covanta Holding Corporation	1,939.8	14.85	52.9%	4,727.8	1,613.0	296.0	18.4%	0.1%	2.93x	16.0x
US Ecology, Inc.	1,174.3	53.80	92.9%	1,449.1	478.3	106.7	22.3%	(4.1%)	3.03x	13.6x
Renewi plc	1,091.1	1.36	62.7%	1,783.2	975.8	99.4	10.2%	12.5%	1.83x	17.9x
Daiseki Co., Ltd.	1,075.8	25.17	87.5%	936.8	420.1	94.2	22.4%	(7.0%)	2.23x	9.9x
Casella Waste Systems, Inc.	790.3	18.80	96.3%	1,290.6	582.7	113.0	19.4%	3.8%	2.21x	11.4x
Heritage-Crystal Clean, Inc.	491.9	21.75	98.0%	495.7	355.5	41.3	11.6%	4.2%	1.39x	12.0x
Sanix Incorporated	133.6	2.80	69.7%	210.8	460.2	23.1	5.0%	(15.2%)	0.46x	9.1x
Newalta Corporation	68.4	0.78	15.7%	339.8	179.9	29.2	16.3%	14.4%	1.89x	11.6x
<b>Mean</b>			<b>73.2%</b>				<b>19.1%</b>	<b>6.0%</b>	<b>2.18x</b>	<b>12.5x</b>
<b>Median</b>			<b>87.5%</b>				<b>19.4%</b>	<b>3.8%</b>	<b>2.22x</b>	<b>11.5x</b>

### Notes:

- Market Capitalization amounts are based on closing share prices as of September 30, 2017.
  - Share prices and market capitalizations may be based on foreign exchange listed stocks and have been converted into USD.
  - Enterprise Value (EV) is defined as Market Capitalization plus Debt, Preferred Equity, and Minority Interest, minus Cash and Cash Equivalents.
  - EBITDA is defined as Earnings before Interest, Taxes, Depreciation, and Amortization.
- Source: S&P Capital IQ, Facilities Management & Maintenance is defined by an internally originated list of subsectors viewed as best representing the industry. Deal values represents aggregate deal value for disclosed transactions only.

© 2017 KPMG Corporate Finance LLC, a Delaware limited liability company. Member FINRA and SIPC. KPMG Corporate Finance LLC is a subsidiary of KPMG LLP, a Delaware limited liability partnership and the U.S. member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity. All rights reserved.

# Facilities Management & Maintenance Services (cont.)

## Performance Summary by Sub-sector (cont.)

(\$MM)										
LTM										
Facilities Management	Market Cap <sup>(1), (2)</sup>	Share Price <sup>(2)</sup>	Relative 52-Wk	EV <sup>(3)</sup>	Revenue	EBITDA <sup>(4)</sup>	EBITDA Margin	Revenue Growth	EV / Revenue	EV / EBITDA
Compass Group PLC	33,561.3	21.22	55.9%	37,575.5	26,973.0	2,512.1	9.3%	5.7%	1.39x	15.0x
Sodexo S.A.	18,523.3	124.69	34.4%	21,051.3	21,531.8	1,411.9	6.6%	(4.6%)	0.98x	14.9x
Cintas Corporation	15,588.0	144.28	98.3%	18,216.1	4,520.0	1,121.2	24.8%	17.7%	4.03x	16.2x
Iron Mountain Incorporated	10,370.4	38.90	82.4%	16,600.9	2,305.5	1,213.6	52.6%	13.3%	NM	13.7x
Rollins, Inc.	10,058.1	46.14	99.6%	9,863.3	1,618.4	329.6	20.4%	4.4%	NM	NM
Aramark	9,953.7	40.61	87.7%	15,336.7	14,494.1	1,285.4	8.9%	0.5%	1.06x	11.9x
ISS A/S	7,405.9	40.21	42.3%	9,754.3	12,241.1	769.2	6.3%	2.7%	0.80x	12.7x
Rentokil Initial plc	7,385.6	4.03	91.5%	8,748.4	3,135.9	686.0	21.9%	18.7%	2.79x	12.8x
EMCOR Group, Inc.	4,105.8	69.38	77.9%	4,138.4	7,660.8	425.3	5.6%	3.8%	0.54x	9.7x
HomeServe plc	3,488.3	11.15	98.5%	3,839.8	983.0	177.9	18.1%	10.2%	3.91x	21.6x
Aggreko plc	3,208.6	12.59	58.9%	4,129.7	2,106.5	695.7	33.0%	8.6%	1.96x	5.9x
UniFirst Corporation	3,070.4	151.50	96.0%	2,757.8	1,551.1	249.5	16.1%	5.7%	1.78x	11.1x
ABM Industries Incorporated	2,716.8	41.71	57.4%	2,933.8	5,277.9	192.6	3.6%	3.5%	0.56x	15.2x
FirstService Corporation	2,357.5	65.60	83.3%	2,692.1	1,601.0	142.2	8.9%	12.9%	1.68x	18.9x
Comfort Systems USA, Inc.	1,325.1	35.70	68.9%	1,395.4	1,666.9	129.2	7.8%	2.5%	0.84x	10.8x
Mitie Group plc	1,226.5	3.43	61.2%	1,427.0	2,662.7	27.9	1.0%	(7.2%)	0.54x	NM
SP Plus Corporation	877.0	39.50	97.3%	1,019.3	897.5	107.2	11.9%	0.1%	1.14x	9.5x
Mears Group plc	673.7	6.52	55.1%	700.8	1,227.0	63.0	5.1%	0.6%	0.57x	11.1x
Carillion plc	295.6	0.69	4.9%	1,101.5	5,403.9	(130.5)	(2.4%)	(2.0%)	NM	NM
Blanco Technology Group plc	46.7	0.76	0.0%	56.6	32.9	6.6	19.9%	3.1%	1.72x	8.6x
<b>Mean</b>			<b>67.6%</b>				<b>14.0%</b>	<b>5.0%</b>	<b>1.54x</b>	<b>12.9x</b>
<b>Median</b>			<b>73.4%</b>				<b>9.1%</b>	<b>3.7%</b>	<b>1.14x</b>	<b>12.7x</b>

LTM										
Security	Market Cap <sup>(1), (2)</sup>	Share Price <sup>(2)</sup>	Relative 52-Wk	EV <sup>(3)</sup>	Revenue	EBITDA <sup>(4)</sup>	EBITDA Margin	Revenue Growth	EV / Revenue	EV / EBITDA
SECOM CO., LTD.	15,897.8	72.84	59.8%	13,377.1	8,289.3	1,704.0	20.6%	(8.0%)	1.61x	7.9x
Securitas AB	6,106.3	16.73	41.9%	7,951.8	10,846.1	692.8	6.4%	8.7%	0.73x	11.5x
G4S plc	5,771.7	3.73	48.8%	7,930.3	10,428.8	837.7	8.0%	10.0%	0.76x	9.5x
Sohgo Security Services Co., Ltd.	4,605.8	45.82	74.9%	4,147.4	3,711.3	384.2	10.4%	(5.4%)	1.12x	10.8x
Prosegur Compañía de Seguridad, S.A.	4,477.6	7.48	67.5%	4,630.6	4,784.8	555.8	11.6%	10.3%	0.97x	8.3x
dormakaba Holding AG	4,257.3	1,019.09	91.4%	4,890.7	2,630.4	400.1	15.2%	14.4%	1.86x	12.2x
The Brink's Company	4,253.0	84.25	99.7%	4,640.5	3,153.6	340.8	10.8%	5.7%	1.47x	13.6x
Loomis AB (publ)	2,986.1	39.70	78.3%	3,513.2	2,043.1	378.3	18.5%	5.9%	1.72x	9.3x
S-1 Corporation	2,635.9	77.99	28.5%	2,384.9	1,659.4	309.3	18.6%	1.3%	1.44x	7.7x
Ascent Capital Group, Inc.	158.6	13.04	26.3%	1,848.6	565.1	310.7	55.0%	(1.1%)	3.27x	5.9x
<b>Mean</b>			<b>61.7%</b>				<b>17.5%</b>	<b>4.2%</b>	<b>1.50x</b>	<b>9.7x</b>
<b>Median</b>			<b>63.7%</b>				<b>13.4%</b>	<b>5.8%</b>	<b>1.45x</b>	<b>9.4x</b>

<b>Total Mean</b>			<b>67.9%</b>				<b>16.3%</b>	<b>5.1%</b>	<b>1.73x</b>	<b>12.0x</b>
<b>Total Median</b>			<b>73.6%</b>				<b>15.2%</b>	<b>3.8%</b>	<b>1.61x</b>	<b>11.4x</b>

### Notes:

1. Market Capitalization amounts are based on closing share prices as of September 30, 2017.
  2. Share prices and market capitalizations may be based on foreign exchange listed stocks and have been converted into USD.
  3. Enterprise Value (EV) is defined as Market Capitalization plus Debt, Preferred Equity, and Minority Interest, minus Cash and Cash Equivalents.
  4. EBITDA is defined as Earnings before Interest, Taxes, Depreciation, and Amortization.
- Source: S&P Capital IQ. Facilities Management & Maintenance is defined by an internally originated list of subsectors viewed as best representing the industry.







# Media & Marketing Services

Sector Update | Q3 2017



# Media & Marketing Services M&A Update

Total global deal value  
**\$36.3**  
billion



**Global** media & marketing services deal value witnessed a 12.7% decline to \$36.3bn in Q3'17 from \$41.6bn in Q2'17, while deal volume declined slightly by 2.2%.

U.S. deal value  
**\$18.7**  
billion



**U.S.** media & marketing services deal value for the quarter decreased from \$20.3bn in Q2'17 to \$18.7bn in Q3'17, however, **U.S.** deal volume increased by 3.8%.



Q3'17 **40.9%** | Q2'17 **38.5%**  
U.S. share of global M&A volume

The U.S. accounted 40.9% of global M&A volume in Q3'17, compared to 38.5% in Q2'17.

## Notable Recent U.S. Sector Transactions

(\$MM)

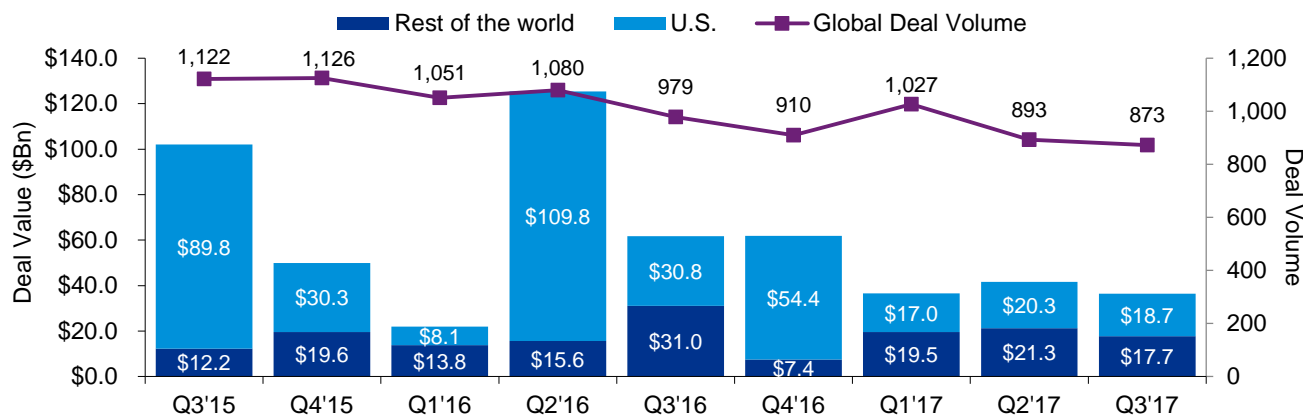
Announced / Closed	Target	Business Description	Acquirer	TV	EV	LTM	
						EV / Revenue	EV / EBITDA
Announced 6-Jul	HSN, Inc.	Operates as an interactive multi-channel retailer	QVC Group / Liberty Interactive Corp.	\$1,829	\$2,604	0.74x	10.7x
Announced 31-Jul	Scripps Networks Interactive, Inc.	Develops lifestyle-oriented content through a portfolio of television networks and websites	Discovery Communications, Inc.	\$15,052	\$14,920	4.30x	9.3x
Closed 8-Aug	NeuStar, Inc.	Provides marketing services and customer intelligence services through various cloud-based platforms that provide informative, real-time analytics	Golden Gate Private Equity / GIC Special Investments	\$2,942	\$2,886	2.48x	6.9x
Closed 9-Aug	Wire Stone, LLC	Operates as a marketing agency providing brand and content strategy	Accenture plc	NA	NA	NA	NA
Closed 14-Sep	WebMD Health Corp.	Provides health information services, health plans, and health-focused publications online	Internet Brands / KKR	\$3,751	\$2,641	3.73x	14.3x
Closed 19-Sep	Spectrio, LLC	Operates as an audio / video marketing company	Bertram Capital Management LLC	NA	NA	NA	NA
Closed 29-Sep	Angie's List, Inc.	Provides local consumer review service and an e-commerce marketplace	ANGI Homeservices Inc.	\$629	\$588	1.88x	NM

Source: S&P Capital IQ. Media & Marketing Services is defined by an internally originated list of subsectors viewed as best representing the industry. Deal values represents aggregate deal value for disclosed transactions only.

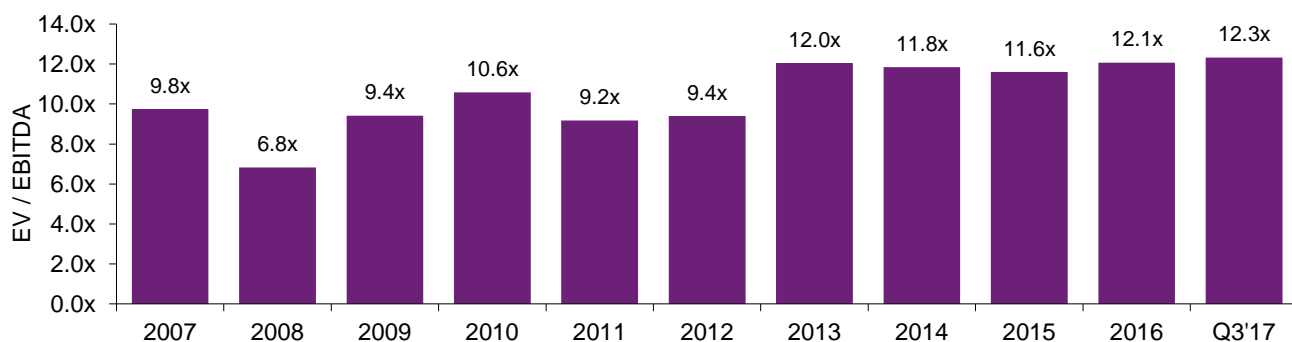
© 2017 KPMG Corporate Finance LLC, a Delaware limited liability company. Member FINRA and SIPC. KPMG Corporate Finance LLC is a subsidiary of KPMG LLP, a Delaware limited liability partnership and the U.S. member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity. All rights reserved.

# Media & Marketing Services (cont.)

## M&A Activity: Q3'15 – Q3'17



## Historical Public Valuation Multiples: 2007 – Q3'17



## Performance Summary by Sub-sector

(\$MM)

Advertising Agencies	Market Cap <sup>(1), (2)</sup>	Share Price <sup>(2)</sup>	Relative 52-Wk	EV <sup>(3)</sup>	LTM					
					Revenue	EBITDA <sup>(4)</sup>	EBITDA Margin	Revenue Growth	EV / Revenue	EV / EBITDA
WPP plc	23,090.7	18.57	6.9%	29,937.5	19,813.5	3,569.6	18.0%	11.4%	1.51x	8.4x
Omnicom Group Inc.	17,092.0	74.07	13.5%	20,890.1	15,410.5	2,320.0	15.1%	0.5%	1.36x	9.0x
Publicis Groupe S.A.	15,783.8	69.84	27.5%	18,270.5	11,207.1	1,969.2	17.6%	2.0%	1.63x	9.3x
Dentsu Inc.	12,367.0	43.87	24.2%	14,627.4	7,875.3	1,500.1	19.0%	0.5%	1.86x	9.8x
The Interpublic Group of Companies, Inc.	8,176.1	20.79	19.9%	9,611.0	7,825.5	1,091.6	13.9%	0.6%	1.23x	8.8x
Hakuhodo DY Holdings Inc	4,891.3	13.13	71.0%	3,921.1	11,372.5	504.5	4.4%	(7.2%)	NM	7.8x
Havas SA	4,625.6	10.93	94.8%	4,722.5	2,620.7	377.6	14.4%	3.2%	1.80x	12.5x
Ströer SE & Co. KGaA	3,595.4	65.04	84.3%	4,227.0	1,390.0	280.2	20.2%	19.3%	3.04x	15.1x
Cheil Worldwide Inc.	1,721.5	15.91	53.8%	1,350.0	2,840.5	170.4	6.0%	1.9%	0.48x	7.9x
Innocean Worldwide Inc.	1,169.9	58.49	62.6%	556.8	954.3	92.7	9.7%	(0.6%)	0.58x	6.0x
MDC Partners Inc.	642.7	11.00	95.1%	1,739.9	1,474.9	150.8	10.2%	8.9%	1.18x	11.5x
Harte Hanks, Inc.	66.3	1.07	30.6%	22.7	397.1	1.7	0.4%	(3.4%)	NM	13.2x
<b>Mean</b>			<b>48.7%</b>				<b>12.4%</b>	<b>3.1%</b>	<b>1.47x</b>	<b>9.9x</b>
<b>Median</b>			<b>42.2%</b>				<b>14.2%</b>	<b>1.3%</b>	<b>1.43x</b>	<b>9.1x</b>

**Notes:**

- Market Capitalization amounts are based on closing share prices as of September 30, 2017.
  - Share prices and market capitalizations may be based on foreign exchange listed stocks and have been converted into USD.
  - Enterprise Value (EV) is defined as Market Capitalization plus Debt, Preferred Equity, and Minority Interest, minus Cash and Cash Equivalents.
  - EBITDA is defined as Earnings before Interest, Taxes, Depreciation, and Amortization.
- Source: S&P Capital IQ. Media & Marketing Services is defined by an internally originated list of subsectors viewed as best representing the industry. Deal values represents aggregate deal value for disclosed transactions only.



# Media & Marketing Services (cont.)

## Performance Summary by Sub-sector (cont.)

(\$MM)

Data & Information Services - Diversified	Market Cap <sup>(1), (2)</sup>	Share Price <sup>(2)</sup>	Relative 52-Wk	EV <sup>(3)</sup>	LTM					
					Revenue	EBITDA <sup>(4)</sup>	EBITDA Margin	Revenue Growth	EV / Revenue	EV / EBITDA
Thomson Reuters Corporation	32,718.1	45.80	48.4%	40,017.6	11,201.0	2,520.0	22.5%	(7.8%)	3.57x	15.9x
Experian plc	18,343.5	20.10	36.3%	21,793.1	4,335.0	1,516.0	35.0%	(5.9%)	NM	14.4x
IHS Markit Ltd.	17,448.6	44.08	69.1%	21,364.9	3,528.8	1,085.8	30.8%	46.0%	NM	19.7x
Verisk Analytics, Inc.	13,689.4	83.19	60.4%	15,948.5	2,030.0	941.6	46.4%	3.2%	NM	16.9x
Wolters Kluwer N.V.	13,091.7	46.21	88.8%	15,780.5	5,053.1	1,342.8	26.6%	5.4%	3.12x	11.8x
Equifax Inc.	12,758.3	105.99	28.6%	15,247.1	3,294.3	1,220.4	37.0%	9.4%	4.63x	12.5x
Alliance Data Systems Corporation	12,292.4	221.55	34.8%	32,053.3	3,230.4	1,465.0	45.4%	(8.9%)	NM	21.9x
Informa plc	7,420.4	9.01	73.6%	9,522.8	2,095.4	658.3	31.4%	24.4%	4.54x	14.5x
Teradata Corporation	4,422.7	33.79	98.7%	3,890.7	2,182.0	250.0	11.5%	(9.6%)	1.78x	15.6x
Fair Isaac Corporation	4,303.5	140.50	82.5%	4,784.6	914.8	202.2	22.1%	3.8%	NM	23.7x
UBM plc	3,598.3	9.15	31.4%	4,390.2	1,209.6	329.9	27.3%	11.8%	3.63x	13.3x
Axiom Corporation	1,966.5	24.64	33.1%	2,033.9	878.0	77.9	8.9%	0.0%	2.32x	NM
<b>Mean</b>			<b>57.1%</b>				<b>28.7%</b>	<b>6.0%</b>	<b>3.37x</b>	<b>16.4x</b>
<b>Median</b>			<b>54.4%</b>				<b>29.0%</b>	<b>3.5%</b>	<b>3.57x</b>	<b>15.6x</b>

Data & Information Services - Financial and Market Data & Media	Market Cap <sup>(1), (2)</sup>	Share Price <sup>(2)</sup>	Relative 52-Wk	EV <sup>(3)</sup>	LTM					
					Revenue	EBITDA <sup>(4)</sup>	EBITDA Margin	Revenue Growth	EV / Revenue	EV / EBITDA
Fidelity National Information Services, Inc.	31,044.0	93.39	98.3%	40,084.0	9,351.0	2,499.0	26.7%	7.9%	4.29x	16.0x
Moody's Corporation	26,589.1	139.21	98.4%	28,321.3	3,834.9	1,838.7	47.9%	8.7%	NM	15.4x
Gartner, Inc.	11,271.2	124.41	87.7%	14,110.0	2,746.2	373.3	13.6%	15.1%	NM	NM
MSCI Inc.	10,527.9	116.90	96.0%	11,854.0	1,198.5	607.2	50.7%	6.0%	NM	19.5x
CoStar Group, Inc.	9,580.2	268.25	81.9%	9,320.4	894.7	220.4	24.6%	10.1%	NM	NM
FactSet Research Systems Inc.	7,065.4	180.11	87.7%	7,413.2	1,221.2	400.4	32.8%	8.3%	NM	18.5x
The Dun & Bradstreet Corporation	4,302.2	116.41	43.7%	5,619.7	1,717.1	427.7	24.9%	1.9%	3.27x	13.1x
CoreLogic, Inc.	3,896.7	46.22	86.6%	5,449.0	1,912.6	404.8	21.2%	2.4%	2.85x	13.5x
Morningstar, Inc.	3,614.6	84.99	96.7%	3,505.0	847.0	228.3	27.0%	7.5%	4.14x	15.4x
The Advisory Board Company	2,186.3	53.63	83.0%	2,644.5	799.1	120.8	15.1%	(0.7%)	3.31x	21.9x
GfK SE	2,027.5	55.54	78.8%	2,427.0	1,678.2	157.0	9.4%	(0.6%)	1.45x	15.5x
Ipsos SA	1,442.6	34.61	39.0%	2,050.8	2,034.1	226.4	11.1%	1.4%	1.01x	9.1x
Forrester Research, Inc.	742.2	41.85	73.0%	616.9	327.8	37.7	11.5%	1.3%	1.88x	16.4x
<b>Mean</b>			<b>80.8%</b>				<b>24.3%</b>	<b>5.3%</b>	<b>2.77x</b>	<b>15.8x</b>
<b>Median</b>			<b>86.6%</b>				<b>24.6%</b>	<b>6.0%</b>	<b>3.06x</b>	<b>15.5x</b>

### Notes:

1. Market Capitalization amounts are based on closing share prices as of September 30, 2017.
2. Share prices and market capitalizations may be based on foreign exchange listed stocks and have been converted into USD.
3. Enterprise Value (EV) is defined as Market Capitalization plus Debt, Preferred Equity, and Minority Interest, minus Cash and Cash Equivalents.
4. EBITDA is defined as Earnings before Interest, Taxes, Depreciation, and Amortization.

Source: S&P Capital IQ. Media & Marketing Services is defined by an internally originated list of subsectors viewed as best representing the industry.



# Media & Marketing Services (cont.)

## Performance Summary by Sub-sector (cont.)

(\$MM)

Diversified Media	Market Cap <sup>(1), (2)</sup>	Share Price <sup>(2)</sup>	Relative 52-Wk	EV <sup>(3)</sup>	LTM					
					Revenue	EBITDA <sup>(4)</sup>	EBITDA Margin	Revenue Growth	EV / Revenue	EV / EBITDA
Comcast Corporation	181,370.6	38.48	69.6%	244,539.6	83,972.0	27,787.0	33.1%	6.8%	2.91x	8.8x
The Walt Disney Company	152,140.9	98.57	32.0%	173,511.9	55,500.0	16,823.0	30.3%	(0.9%)	3.13x	10.3x
Time Warner Inc.	79,685.8	102.45	96.1%	101,010.8	30,123.0	8,694.0	28.9%	5.7%	3.35x	11.6x
Twenty-First Century Fox, Inc.	48,398.6	26.38	27.3%	64,058.6	28,500.0	7,108.0	24.9%	2.7%	2.25x	9.0x
CBS Corporation	23,312.2	58.00	23.2%	32,326.2	13,202.0	3,049.0	23.1%	4.3%	2.45x	10.6x
Viacom, Inc.	11,633.8	27.84	5.9%	22,643.8	13,170.0	2,925.0	22.2%	5.5%	1.72x	7.7x
Discovery Communications, Inc.	11,628.2	21.29	11.4%	19,744.2	6,273.0	2,483.0	39.6%	2.0%	3.15x	8.0x
Scripps Networks Interactive, Inc.	11,149.6	85.89	90.8%	14,278.3	3,378.6	1,538.7	45.5%	3.3%	4.23x	9.3x
News Corporation	7,805.6	13.26	61.5%	6,472.6	7,599.0	738.0	9.7%	(1.5%)	0.85x	8.8x
Axel Springer SE	6,834.9	63.35	76.8%	8,809.2	3,879.0	618.5	15.9%	4.3%	2.27x	14.2x
Sinclair Broadcast Group, Inc.	3,291.6	32.05	41.8%	6,530.4	2,731.3	893.5	32.7%	11.8%	2.39x	7.3x
The New York Times Company	3,174.7	19.60	94.2%	2,832.9	1,507.6	230.1	15.3%	2.5%	1.88x	12.3x
TEGNA Inc.	2,867.5	13.33	9.0%	6,425.1	3,352.0	1,168.1	34.8%	28.8%	1.92x	5.5x
Meredith Corporation	2,471.3	55.50	52.0%	3,147.8	1,256.1	358.4	28.5%	0.8%	2.51x	8.8x
Time Inc.	1,344.4	13.50	21.1%	2,300.4	2,513.0	384.0	15.3%	(5.6%)	0.92x	6.0x
Gannett Co., Inc.	1,023.3	9.00	33.4%	1,281.3	2,963.8	320.4	10.8%	9.6%	0.43x	4.0x
<b>Mean</b>			<b>46.6%</b>				<b>25.7%</b>	<b>5.0%</b>	<b>2.27x</b>	<b>8.9x</b>
<b>Median</b>			<b>37.6%</b>				<b>26.7%</b>	<b>3.8%</b>	<b>2.33x</b>	<b>8.8x</b>
<b>Total Mean</b>			<b>57.9%</b>				<b>23.0%</b>	<b>4.9%</b>	<b>2.36x</b>	<b>12.3x</b>
<b>Total Median</b>			<b>61.5%</b>				<b>22.2%</b>	<b>3.2%</b>	<b>2.27x</b>	<b>12.0x</b>

### Notes:

1. Market Capitalization amounts are based on closing share prices as of September 30, 2017.
2. Share prices and market capitalizations may be based on foreign exchange listed stocks and have been converted into USD.
3. Enterprise Value (EV) is defined as Market Capitalization plus Debt, Preferred Equity, and Minority Interest, minus Cash and Cash Equivalents.
4. EBITDA is defined as Earnings before Interest, Taxes, Depreciation, and Amortization.

Source: S&P Capital IQ. Media & Marketing Services is defined by an internally originated list of subsectors viewed as best representing the industry.





# Transportation & Logistics

Sector Update | Q3 2017



# Transportation & Logistics M&A Update



Q3'17  
\$9.0bn

Q2'17  
\$3.1bn

**Global T&L deal value for Q3'17 increased to \$9.0bn compared to \$3.1bn in Q2'17, whereas deal volume witnessed a slight decline from 169 reported deals in Q2'17 to 158 in this quarter**

Q3'17  
15.2%



Q2'17  
13.6%

The **U.S.** accounted for 15.2% of global T&L M&A activity in Q3'17, compared to 13.6% in Q2'17



Total **U.S.** T&L deal value in Q3'17 was \$5.3bn, a significant increase from \$998.6m in Q2'17. However the **U.S.** T&L M&A activity increased only marginally from 23 reported deals in Q2'17 to 24 in Q3'17.

## Notable Recent U.S. Sector Transactions

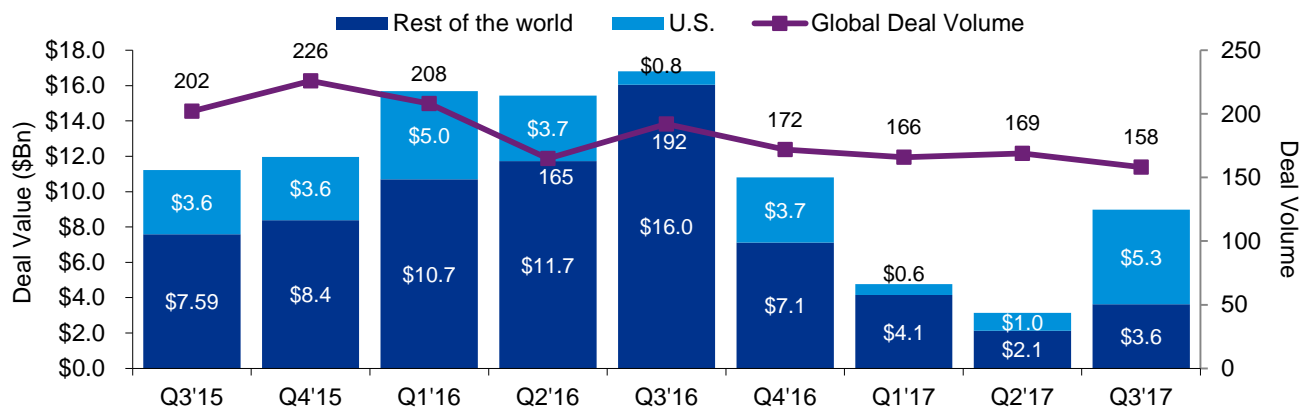
(\$MM)

Announced / Closed	Target	Target Business Description	Acquirer	TV	EV	LTM	
						EV / Revenue	EV / EBITDA
Closed 1-Jul	Steelman Transportation, Inc. and Group One Inc.	Offers trucking and transportation services	Daseke, Inc.	NA	NA	NA	NA
Announced 3-Jul	Global Gateway South Terminal	Operates as a container terminal yard in the N. American Port of Los Angeles, California	EQT Partners AB	\$817	\$875	NA	NA
Closed 6-Jul	Interstate Distributor Co., Inc.	Provides trucking services for Fortune 500 companies	Heartland Express, Inc.	\$117	\$113	0.35x	NA
Closed 6-Jul	Grand Worldwide Logistics Corporation	Offers logistics management, warehousing, and cross dock distribution services	American Fast Freight, Inc.	NA	NA	NA	NA
Closed 17-Jul	Cook-Dupage Transportation Company, Inc.	Provides paratransit and passenger transportation services	National Express Transit Corporation	NA	NA	NA	NA
Closed 28-Jul	Fairrington Transportation Corporation	Provides mailing logistic services	LSC Communications, Inc.	NA	NA	NA	NA
Closed 5-Sep	United Road Services, Inc.	Provides automobile transport services	The Carlyle Group L.P.	NA	NA	NA	NA
Closed 15-Sep	Unitrans, Inc.	Operates as an international logistics service provider	Quick International Courier, Inc.	\$95	\$95	NA	NA

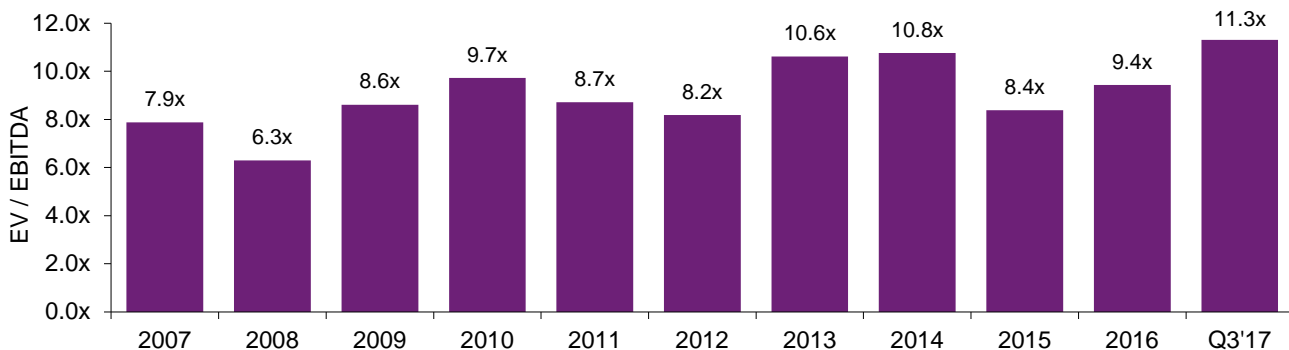
Source: S&P Capital IQ. Transportation & Logistics is defined by an internally originated list of subsectors viewed as best representing the industry. Deal values represents aggregate deal value for disclosed transactions only.

# Transportation & Logistics (cont.)

## M&A Activity: Q3'15 – Q3'17



## Historical Public Valuation Multiples: 2007 – Q3'17



## Performance Summary by Sub-sector

(\$MM)

	Market Cap <sup>(1), (2)</sup>	Share Price <sup>(2)</sup>	Relative 52-Wk	EV <sup>(3)</sup>	LTM						
					Revenue	EBITDA <sup>(4)</sup>	EBITDA Margin	Revenue Growth	EV / Revenue	EV / EBITDA	
<b>Trucking</b>											
Old Dominion Freight Line, Inc.	9,072.0	110.11	99.2%	9,133.1	3,122.4	718.8	23.0%	4.8%	2.93x	12.7x	
Knight-Swift Transportation Holdings Inc.	7,378.6	41.55	51.1%	7,292.1	1,012.7	243.3	24.0%	(1.6%)	NM	NM	
Werner Enterprises, Inc.	2,641.6	36.55	99.7%	2,694.0	2,048.2	334.5	16.3%	1.5%	1.32x	8.1x	
Heartland Express, Inc.	2,089.2	25.08	98.3%	1,917.9	548.9	165.3	30.1%	(15.2%)	3.49x	11.6x	
Saia, Inc.	1,579.0	62.65	99.6%	1,727.0	1,291.9	168.5	13.0%	7.1%	1.34x	10.3x	
Marten Transport, Ltd.	1,120.2	20.55	94.0%	1,110.2	687.8	133.3	19.4%	3.1%	1.61x	8.3x	
ArcBest Corporation	859.9	33.45	97.1%	960.8	2,773.6	146.8	5.3%	4.3%	NM	6.5x	
Covenant Transportation Group, Inc.	530.0	28.98	96.1%	718.7	607.4	97.7	16.1%	(3.3%)	1.18x	7.4x	
YRC Worldwide Inc.	462.7	13.80	67.0%	1,235.5	4,800.8	254.1	5.3%	2.3%	NM	4.9x	
Celadon Group, Inc.	187.1	6.75	64.5%	561.4	965.4	83.5	8.6%	(0.7%)	0.58x	6.7x	
P.A.M. Transportation Services, Inc.	151.8	23.93	67.7%	285.1	376.9	52.4	13.9%	(0.3%)	0.76x	5.4x	
USA Truck, Inc.	111.5	14.05	99.4%	239.2	417.6	18.7	4.5%	(5.9%)	0.57x	12.8x	
<b>Mean</b>			<b>86.1%</b>				<b>15.0%</b>	<b>(0.3%)</b>	<b>1.53x</b>	<b>8.6x</b>	
<b>Median</b>			<b>96.6%</b>				<b>15.0%</b>	<b>0.6%</b>	<b>1.32x</b>	<b>8.1x</b>	

**Notes:**

1. Market Capitalization amounts are based on closing share prices as of September 30, 2017.

2. Share prices and market capitalizations may be based on foreign exchange listed stocks and have been converted into USD.

3. Enterprise Value (EV) is defined as Market Capitalization plus Debt, Preferred Equity, and Minority Interest, minus Cash and Cash Equivalents.

4. EBITDA is defined as Earnings before Interest, Taxes, Depreciation, and Amortization.

Source: S&P Capital IQ, Transportation & Logistics is defined by an internally originated list of subsectors viewed as best representing the industry. Deal values represents aggregate deal value for disclosed transactions only.





# Transportation & Logistics (cont.)

## Performance Summary by Sub-sector (cont.)

(\$MM)

Marine	Market Cap <sup>(1), (2)</sup>	Share Price <sup>(2)</sup>	Relative 52-Wk	EV <sup>(3)</sup>	LTM					
					Revenue	EBITDA <sup>(4)</sup>	EBITDA Margin	Revenue Growth	EV / Revenue	EV / EBITDA
A.P. Møller - Mærsk A/S	38,729.0	1,899.55	58.3%	51,999.5	36,631.0	7,155.0	19.5%	2.6%	1.42x	7.3x
Kirby Corporation	3,561.6	65.95	55.9%	4,155.1	1,835.4	405.5	22.1%	0.9%	2.26x	10.2x
Wallenius Wilhelmsen Logistics ASA	2,593.0	6.13	83.8%	6,172.6	1,155.0	258.0	22.3%	321.5%	NM	23.9x
Matson, Inc.	1,215.3	28.18	32.2%	1,953.9	2,006.6	225.7	11.2%	4.7%	0.97x	8.7x
SEACOR Holdings Inc.	817.5	46.11	32.0%	1,395.1	860.5	110.8	12.9%	29.9%	1.62x	12.6x
Costamare Inc.	660.6	6.18	27.2%	1,797.3	438.9	280.0	63.8%	(8.6%)	4.09x	6.4x
Nordic American Tankers Limited	544.5	5.34	16.2%	954.0	357.5	89.7	25.1%	(19.8%)	2.67x	10.6x
Diana Shipping Inc.	385.3	3.63	33.1%	976.6	124.2	(0.4)	(0.3%)	(0.3%)	NM	NM
Aegean Marine Petroleum Network Inc.	201.1	4.95	10.4%	978.8	5,300.6	106.6	2.0%	39.2%	NM	9.2x
Rand Logistics, Inc.	5.9	0.32	4.6%	247.4	107.7	21.7	20.1%	(10.5%)	2.30x	11.4x
<b>Mean</b>			<b>35.4%</b>				<b>19.9%</b>	<b>36.0%</b>	<b>2.19x</b>	<b>11.1x</b>
<b>Median</b>			<b>32.1%</b>				<b>19.8%</b>	<b>1.7%</b>	<b>2.26x</b>	<b>10.2x</b>

Rail & Rail Services	Market Cap <sup>(1), (2)</sup>	Share Price <sup>(2)</sup>	Relative 52-Wk	EV <sup>(3)</sup>	LTM					
					Revenue	EBITDA <sup>(4)</sup>	EBITDA Margin	Revenue Growth	EV / Revenue	EV / EBITDA
Union Pacific Corporation	92,820.6	115.97	96.8%	107,204.6	19,369.0	9,800.0	50.6%	4.0%	NM	10.9x
Canadian National Railway Company	62,116.2	82.71	79.6%	70,457.7	9,822.6	5,286.8	53.8%	7.6%	NM	13.3x
CSX Corporation	49,556.4	54.26	95.2%	60,298.4	11,549.0	5,196.0	45.0%	6.8%	NM	11.6x
Norfolk Southern Corporation	38,109.2	132.24	96.4%	47,620.2	10,226.0	4,286.0	41.9%	3.1%	4.66x	11.1x
Canadian Pacific Railway Limited	24,495.2	167.68	71.8%	31,090.2	4,822.1	2,546.1	52.8%	3.6%	NM	12.2x
Kansas City Southern	11,457.2	108.68	98.5%	14,200.8	2,468.9	1,179.4	47.8%	5.8%	NM	12.0x
Westinghouse Air Brake Technologies Corporation	7,270.8	75.75	26.6%	8,945.1	3,283.8	567.3	17.3%	9.3%	2.72x	15.8x
Trinity Industries, Inc.	4,827.6	31.90	96.6%	7,496.0	3,998.3	858.5	21.5%	(20.5%)	1.87x	8.7x
Genesee & Wyoming Inc.	4,613.6	74.01	65.2%	7,289.3	2,077.1	615.4	29.6%	3.9%	3.51x	11.8x
The Greenbrier Companies, Inc.	1,372.4	48.15	86.1%	1,593.1	2,013.7	345.2	17.1%	(16.7%)	0.79x	4.6x
American Railcar Industries, Inc.	736.6	38.60	25.6%	1,190.4	536.2	152.2	28.4%	(26.8%)	2.22x	7.8x
FreightCar America, Inc.	243.1	19.56	91.9%	110.9	507.2	10.7	2.1%	(14.3%)	NM	10.4x
<b>Mean</b>			<b>77.5%</b>				<b>34.0%</b>	<b>(2.9%)</b>	<b>2.63x</b>	<b>10.9x</b>
<b>Median</b>			<b>89.0%</b>				<b>35.8%</b>	<b>3.7%</b>	<b>2.47x</b>	<b>11.4x</b>

### Notes:

1. Market Capitalization amounts are based on closing share prices as of September 30, 2017.
2. Share prices and market capitalizations may be based on foreign exchange listed stocks and have been converted into USD.
3. Enterprise Value (EV) is defined as Market Capitalization plus Debt, Preferred Equity, and Minority Interest, minus Cash and Cash Equivalents.
4. EBITDA is defined as Earnings before Interest, Taxes, Depreciation, and Amortization.

Source: S&P Capital IQ. Transportation & Logistics is defined by an internally originated list of subsectors viewed as best representing the industry.



# Transportation & Logistics (cont.)

## Performance Summary by Sub-sector (cont.)

(\$MM)

Logistics Providers	Market Cap <sup>(1), (2)</sup>	Share Price <sup>(2)</sup>	Relative 52-Wk	EV <sup>(3)</sup>	LTM					
					Revenue	EBITDA <sup>(4)</sup>	EBITDA Margin	Revenue Growth	EV / Revenue	EV / EBITDA
United Parcel Service, Inc.	103,901.2	120.09	98.1%	117,419.2	62,924.0	7,847.0	12.5%	4.8%	1.87x	15.0x
FedEx Corporation	60,488.8	225.58	98.7%	72,141.8	60,953.0	8,252.0	13.5%	15.6%	1.18x	8.7x
Deutsche Post AG	53,825.5	44.52	98.6%	58,800.1	67,276.7	5,137.5	7.6%	4.5%	0.87x	11.4x
Kuehne + Nagel International AG	22,120.6	185.04	96.9%	21,784.2	17,945.8	1,120.0	6.2%	5.1%	1.21x	19.5x
DSV A/S	14,061.4	75.65	98.9%	15,100.0	11,043.3	768.1	7.0%	16.6%	1.37x	19.7x
J.B. Hunt Transport Services, Inc.	12,156.1	111.08	98.5%	13,092.0	6,110.2	1,058.4	17.3%	3.2%	2.14x	12.4x
Expeditors International of Washington, Inc.	10,819.0	59.86	96.6%	9,706.9	6,421.8	701.6	10.9%	6.1%	1.51x	13.8x
C.H. Robinson Worldwide, Inc.	10,678.8	76.10	71.5%	11,747.6	13,895.9	848.2	6.1%	7.4%	0.85x	13.9x
Ryder System, Inc.	4,479.7	84.55	96.3%	9,809.2	6,994.9	1,815.6	26.0%	3.9%	1.40x	5.4x
Landstar System, Inc.	4,180.0	99.65	99.0%	4,059.9	3,285.6	271.7	8.3%	6.8%	1.24x	14.9x
Agility Public Warehousing Company K.S.C.P.	4,085.6	2.94	82.9%	4,551.2	4,248.6	365.6	8.6%	3.2%	1.07x	12.4x
Panalpina World Transport (Holding) Ltd.	3,477.1	146.44	99.6%	3,229.8	5,460.7	119.0	2.2%	(0.3%)	0.59x	NM
World Fuel Services Corporation	2,322.5	33.91	10.7%	2,830.4	31,472.3	259.2	0.8%	21.2%	NM	10.9x
TFI International Inc.	2,312.1	25.73	61.3%	3,659.6	3,161.3	378.6	12.0%	15.0%	1.16x	9.7x
Forward Air Corporation	1,733.9	57.23	97.4%	1,745.3	1,028.8	144.4	14.0%	5.6%	1.70x	12.1x
Atlas Air Worldwide Holdings, Inc.	1,662.5	65.80	89.8%	3,529.0	1,970.5	395.9	20.1%	10.6%	1.79x	8.9x
Hub Group, Inc.	1,466.1	42.95	50.6%	1,479.9	3,729.3	146.6	3.9%	7.0%	NM	10.1x
Air Transport Services Group, Inc.	1,439.1	24.34	87.9%	1,904.6	906.1	223.1	24.6%	24.3%	2.10x	8.5x
Fortress Transportation and Infrastructure Investors LLC	1,366.8	18.04	94.8%	1,933.4	179.9	78.0	43.4%	28.4%	NM	24.8x
Echo Global Logistics, Inc.	537.9	18.85	36.8%	725.0	1,752.9	31.7	1.8%	2.1%	0.41x	22.9x
Roadrunner Transportation Systems, Inc.	365.4	9.53	59.7%	764.7	1,972.2	100.8	5.1%	0.0%	NM	7.6x
<b>Mean</b>			<b>82.1%</b>				<b>12.0%</b>	<b>9.1%</b>	<b>1.32x</b>	<b>13.1x</b>
<b>Median</b>			<b>96.3%</b>				<b>8.6%</b>	<b>6.1%</b>	<b>1.24x</b>	<b>12.2x</b>
<b>Total Mean</b>			<b>73.5%</b>				<b>18.9%</b>	<b>9.3%</b>	<b>1.73x</b>	<b>11.3x</b>
<b>Total Median</b>			<b>87.9%</b>				<b>16.1%</b>	<b>3.9%</b>	<b>1.42x</b>	<b>10.9x</b>

### Notes:

1. Market Capitalization amounts are based on closing share prices as of September 30, 2017.
2. Share prices and market capitalizations may be based on foreign exchange listed stocks and have been converted into USD.
3. Enterprise Value (EV) is defined as Market Capitalization plus Debt, Preferred Equity, and Minority Interest, minus Cash and Cash Equivalents.
4. EBITDA is defined as Earnings before Interest, Taxes, Depreciation, and Amortization.

Source: S&P Capital IQ. Transportation & Logistics is defined by an internally originated list of subsectors viewed as best representing the industry.





## **Important Notice**

The information contained herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavor to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act upon such information without appropriate professional advice after a thorough examination of the particular situation. The information contained in this communication does not constitute a recommendation, offer, or solicitation to buy, sell or hold any security of any issuer. Past performance does not guarantee future results.

©2017 KPMG Corporate Finance LLC, a Delaware limited liability company. Member FINRA and SIPC. KPMG Corporate Finance LLC is a subsidiary of KPMG LLP, a Delaware limited liability partnership and the U.S. member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity. All rights reserved.