

Facilities Management & Maintenance Services M&A Market Q4 2015



Q4'15
\$3.4 billion

Q3'15
\$3.2 billion

Total **global** facilities management & maintenance services deal value in Q4'15 was \$3.4 billion, representing a 5.8% increase from Q3'15



Q4'15 **U.S.** facilities management & maintenance services M&A in the space has seen a rise in the disclosed deal value at \$2.4 billion as compared to \$1.6 billion in Q3'15. Also, there has been a considerable rise in the deal volume since Q3'15



40.7%

U.S. share of global M&A volume Q4'15

The U.S. accounted for 40.7% share of the global M&A volume in Q4'15, much higher than the 32.3% share for Q3'15

Sector Performance



Overall Performance

In 2015, Facilities Management & Maintenance Services companies have slightly underperformed the S&P 500 index. The overall index of our selected companies for this sector has witnessed a decline of 2.9% whereas S&P 500 index declined by 0.7%



Security Services

7.0%

With an increase of 7.0%, this sub-sector has performed relatively the best in 2015 compare to the other two sub-sectors

85x NTM EBITDA



Trading at an average of 8.5x NTM EBITDA as of the end of Q4'15



Environmental-related services



With a decrease of 11.2%, this sub-sector has drastically underperformed in 2015 and is trading at an average of 8.6x NTM EBITDA as of the end of Q4'15



Route-based/facilities management

This sub-sector has declined by over 3.2% in 2015



(3.2)%



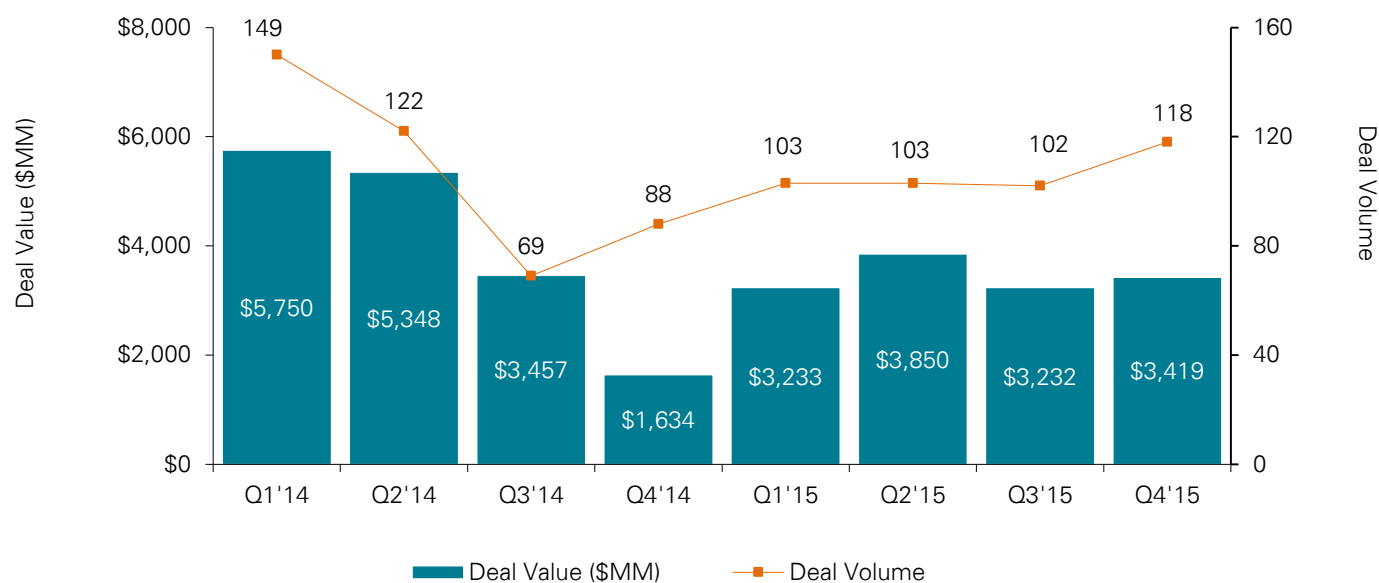
9.8x NTM EBITDA

Valued at an average of 9.8x NTM EBITDA as of the end of Q4'15

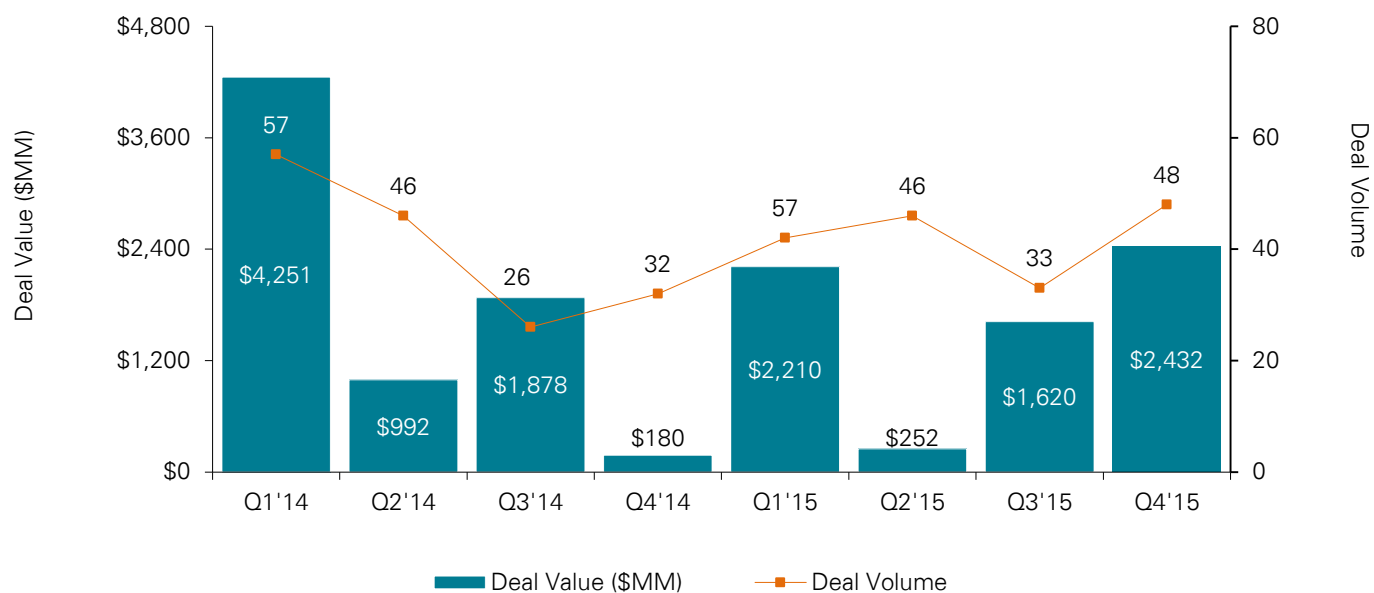
Source: Capital IQ.

Notes: M&A growth analysis based on deals closed during the respective periods. Deal value represents aggregate deal value for disclosed transactions only. The sub-sector performances are based on internally originated lists of public companies viewed as representative of the sub-sectors. The list of public companies selected in each sub-sector can be found on pages 4-5.

Global Facilities Maintenance & Management Services M&A Trend: Q1'14 – Q4'15



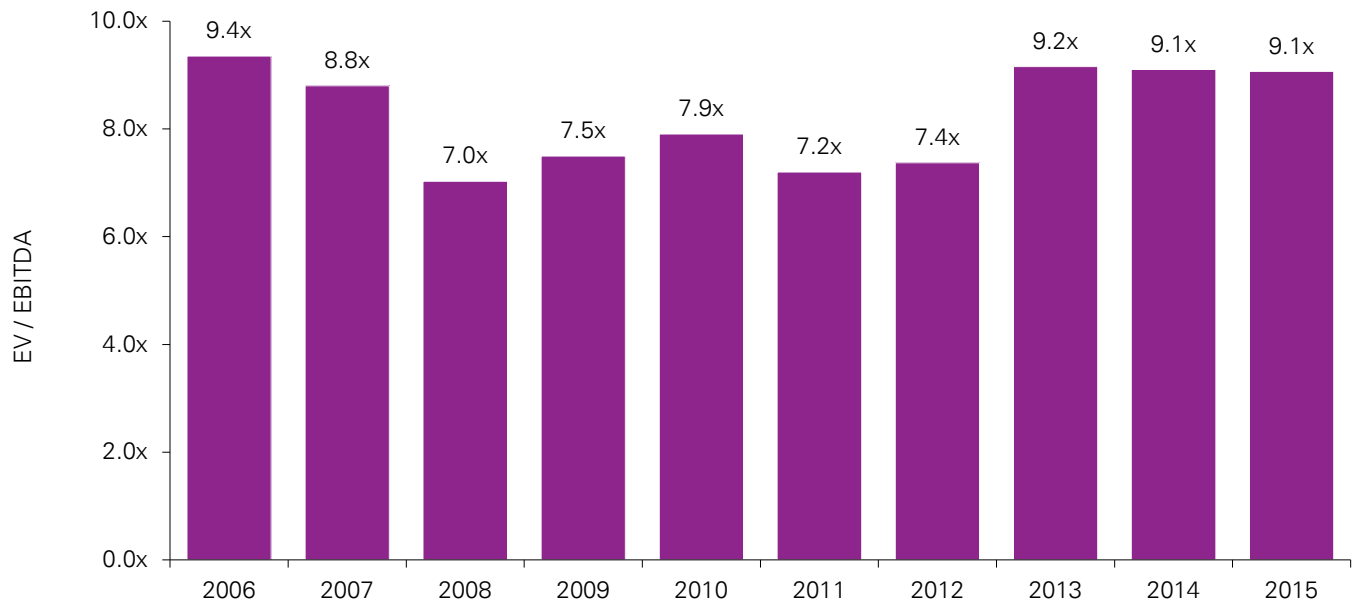
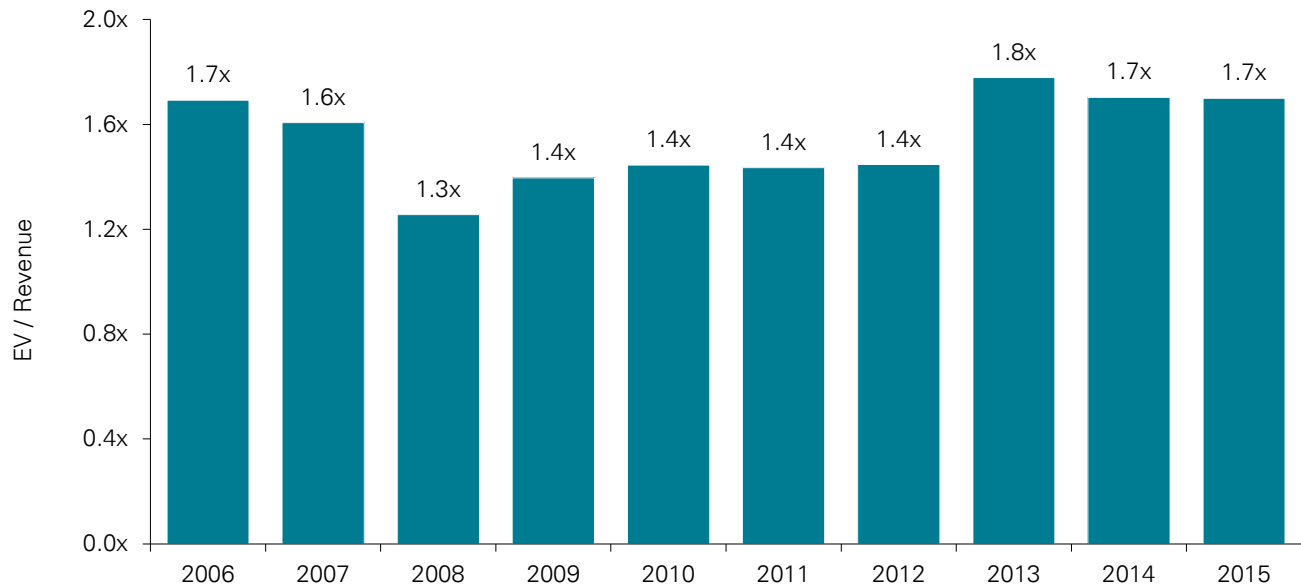
U.S. Facilities Maintenance & Management Services M&A Trend: Q1'14 – Q4'15



Source: Capital IQ.

Notes: M&A analysis based on deals closed during the respective periods. Deal value represents aggregate deal value for disclosed transactions only for the time periods noted on the above graphs.

Global NTM Valuation Multiples Trend: 2006 – 2015



Source: Capital IQ

Note: The Facilities Management & Maintenance valuation trend is based on an internally originated list of public companies viewed as best representative of the sector. The list of public companies selected in each sub-sector can be found on pages 4-5.

Facilities Management & Maintenance Services Performance Summary by Sub-sector (\$MM, except per share data)

Company	Market Cap ^{(1), (2)}	Share Price ⁽²⁾	% 52-Wk High ⁽³⁾	Enterprise Value ⁽⁴⁾	Last Twelve Months (LTM)				EV/NTM Revenue ⁽⁶⁾	EV/NTM EBITDA ⁽⁷⁾
					Revenue	Rev Growth	EBITDA ⁽⁵⁾	EBITDA Margin		
Route-based/Facilities Management										
ABM Industries Incorporated	1,596.4	28.47	83.7%	1,879.7	4,897.8	5.3%	147.9	3.0%	NM	8.4x
Aggreko plc	3,444.0	13.48	53.0%	4,376.2	2,500.4	0.6%	866.5	34.7%	1.8x	5.1x
Carillion plc	1,921.7	4.47	81.6%	2,266.6	6,187.0	20.1%	298.2	4.8%	NM	5.8x
Cintas Corporation	9,829.7	91.05	96.5%	10,303.0	4,669.4	4.4%	895.0	19.2%	2.1x	10.9x
Compass Group PLC	28,497.7	17.33	96.0%	32,360.1	26,617.2	4.4%	2,413.6	9.1%	1.2x	13.0x
FirstService Corporation	1,450.1	40.29	95.8%	1,599.1	1,230.1	0.0%	72.7	5.9%	1.2x	14.3x
G&K Services Inc.	1,259.2	62.90	84.9%	1,491.0	950.3	3.0%	145.3	15.3%	1.5x	9.4x
HomeServe plc	1,859.1	6.10	85.8%	1,982.0	915.2	6.3%	157.2	17.2%	2.3x	11.8x
Iron Mountain Inc.	5,703.2	27.01	65.0%	9,911.7	3,033.5	(2.4%)	902.6	29.8%	3.4x	10.5x
Mears Group plc	703.5	6.90	98.5%	700.4	1,322.0	(1.6%)	77.8	5.9%	0.5x	10.8x
MITIE Group PLC	1,628.8	4.59	91.2%	2,008.0	3,477.5	2.9%	219.7	6.3%	0.6x	8.4x
Regeneris Plc	204.9	2.68	71.7%	169.7	318.5	2.6%	24.3	7.6%	0.7x	6.7x
Rentokil Initial plc	4,269.0	2.35	98.0%	5,747.3	2,739.0	(0.6%)	624.2	22.8%	2.0x	8.4x
Rollins Inc.	5,661.5	25.90	85.1%	5,547.3	1,485.3	5.2%	285.3	19.2%	3.6x	18.2x
Sodexo S.A.	14,907.0	97.90	93.5%	15,987.6	22,195.5	10.0%	1,572.7	7.1%	0.7x	9.7x
SP Plus Corporation	531.3	23.90	87.2%	775.6	908.6	8.6%	80.4	8.8%	0.8x	8.5x
UniFirst Corp.	2,096.1	104.20	84.1%	1,889.3	1,459.6	2.9%	277.6	19.0%	1.2x	6.8x
Route-based/Facilities Management Mean			85.9%			4.2%		13.9%	1.6x	9.8x
Route-based/Facilities Management Median			85.8%			3.0%		9.1%	1.2x	9.4x
Security Services										
Ascent Capital Group, Inc.	209.3	16.72	31.5%	1,665.8	557.7	4.0%	338.9	60.8%	3.2x	5.3x
G4S plc	5,138.5	3.33	72.8%	8,140.3	10,820.9	(0.4%)	797.3	7.4%	0.8x	8.9x
dorma+kaba Holding AG	2,856.5	682.67	98.8%	2,727.1	1,158.9	8.1%	181.2	15.6%	1.2x	8.5x
Loomis AB	2,357.1	31.33	90.6%	2,925.8	1,867.3	23.1%	314.7	16.9%	1.5x	8.7x
Prosegur Compañía de Seguridad, S.A.	2,761.9	4.62	75.5%	3,623.6	4,406.9	6.2%	534.1	12.1%	0.8x	7.1x
S-1 Corporation	2,863.4	84.72	92.3%	2,937.1	1,566.1	19.8%	308.5	19.7%	1.7x	8.2x
Secom Co. Ltd.	14,962.4	68.55	91.1%	12,868.2	7,151.1	4.0%	1,448.2	20.3%	1.8x	8.9x
Securitas AB	5,621.9	15.40	96.3%	7,202.5	9,393.5	16.0%	587.9	6.3%	0.7x	10.6x
Sohgo Security Services Co. Ltd.	4,766.7	47.42	90.9%	4,077.5	3,174.7	8.3%	347.6	10.9%	1.3x	11.5x
The ADT Corporation	5,439.6	32.98	76.9%	10,473.6	3,587.0	3.8%	1,820.0	50.7%	2.9x	5.7x
The Brink's Company	1,410.8	28.86	85.8%	1,681.7	3,176.8	(10.7%)	194.4	6.1%	0.6x	NM
Tyco International Ltd.	13,481.7	31.89	72.1%	13,715.7	9,800.0	(5.0%)	1,550.0	15.8%	1.6x	10.0x
Security Services Mean			81.2%			6.4%		20.2%	1.5x	8.5x
Security Services Median			88.2%			5.1%		15.7%	1.4x	8.7x

Facilities Management & Maintenance Services Public Performance Summary by Sub-sector (\$MM, except per share data)

Company	Market Cap ^{(1), (2)}	Share Price ⁽²⁾	% 52-Wk High ⁽³⁾	Enterprise Value ⁽⁴⁾	Last Twelve Months (LTM)				EV/NTM Revenue ⁽⁶⁾	EV/NTM EBITDA ⁽⁷⁾
					Revenue	Rev Growth	EBITDA ⁽⁵⁾	EBITDA Margin		
Environmental-related Services										
Casella Waste Systems Inc.	245.0	5.98	82.6%	766.0	566.6	0.0%	104.0	18.3%	1.4x	6.9x
Clean Harbors, Inc.	2,398.5	41.65	70.2%	3,536.5	3,407.1	(0.8%)	527.4	15.5%	1.2x	7.5x
Covanta Holding Corporation	2,062.8	15.49	67.2%	4,240.8	1,648.0	(1.3%)	354.0	21.5%	2.7x	10.3x
Daiseki Co. Ltd.	725.4	16.11	75.0%	521.4	415.3	13.2%	75.1	18.1%	1.3x	6.2x
Heritage-Crystal Clean, Inc	236.6	10.60	65.8%	240.0	366.8	16.8%	30.8	8.4%	0.8x	6.1x
Newalta Corporation	141.5	2.52	19.9%	544.0	295.6	103.3%	60.2	20.4%	1.5x	7.1x
Progressive Waste Solutions Ltd.	2,696.1	23.50	84.6%	4,152.8	1,946.3	(3.0%)	486.6	25.0%	2.1x	8.2x
Republic Services, Inc.	15,275.0	43.99	97.0%	22,192.5	9,038.9	3.7%	2,392.7	26.5%	2.4x	8.6x
Sanix Inc.	81.5	1.71	39.4%	173.9	687.0	(14.8%)	(15.6)	(2.3%)	NM	NM
Shanks Group plc	566.5	1.42	85.0%	1,122.9	893.7	(3.9%)	65.8	7.4%	1.2x	9.5x
Stericycle, Inc.	10,249.2	120.60	79.6%	11,884.1	2,774.6	13.4%	718.7	25.9%	3.0x	11.1x
US Ecology, Inc.	792.0	36.44	68.8%	1,194.0	582.0	66.5%	128.9	22.2%	2.3x	9.2x
Waste Connections Inc.	6,891.8	56.32	97.7%	8,787.7	2,111.6	3.6%	708.6	33.6%	4.0x	12.0x
Waste Management, Inc.	23,829.5	53.37	95.4%	33,810.5	13,152.0	(6.5%)	3,433.0	26.1%	2.5x	9.2x
Environmental-related Services Mean			73.0%			13.6%		19.0%	2.0x	8.6x
Environmental-related Services Median			77.3%			1.8%		20.9%	2.1x	8.6x
Total Mean			80.3%			7.9%		17.3%	1.7x	9.1x
Total Median			84.9%			3.8%		16.9%	1.5x	8.7x

Source: Capital IQ.

(1) Market Capitalization based on closing share prices as of December 31, 2015.

(2) Market Capitalization and Share Prices may be based on foreign exchange listed securities and converted to \$USD.

(3) Indicates percentage of current stock price compared to its 52 week high. Closing share prices as of December 31, 2015.

(4) Enterprise Value (EV) equals Market Capitalization plus Debt, Preferred Equity, and Minority Interest, minus Cash and Cash Equivalents.

(5) EBITDA equals Earnings before Interest, Taxes, Depreciation, and Amortization.

(6) EV/NTM Revenue is the multiple of Enterprise Value and the Next Twelve Months of Revenue.

(7) EV/NTM EBITDA is the multiple of Enterprise Value and the Next Twelve Months of EBITDA.

Selected recent transactions¹

KPMG
cutting through complexity



has been acquired by




KPMG
cutting through complexity




has participated in a majority recapitalization with



KPMG
cutting through complexity



has been acquired by




KPMG
cutting through complexity




has been acquired by



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cutting through complexity



has been acquired by*



Global Coverage. Industry Knowledge. Middle-Market Focus.

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KPMG Corporate Finance LLC

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KPMG Corporate Finance¹ is a leading global M&A advisor in the Middle Market

2011-2015		No. of deals
1	PwC	1,970
2	KPMG CF¹	1,830
3	Ernst & Young	1,268
4	Deloitte	1,071
5	Rothschild	1,017

2015		No. of deals
1	PwC	433
2	KPMG CF¹	368
3	Goldman Sachs & Co	365
4	Morgan Stanley	345
5	Ernst & Young	305



has named

KPMG Corporate Finance LLC

Investment Bank of the Year
2015



Source: Thomson Reuters SDC; Middle market is defined as transactions less than US\$500 million.

¹ Represents the global Corporate Finance practices of KPMG International's network of independent member firms.

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