

## Facilities Management & Maintenance Services M&A Market Q2 2015

The Facilities Management & Maintenance space is expected to continue to grow throughout the fiscal year. With increased corporate profits and a shift towards going green, companies are willing to spend more capital on environmental friendly assets. Additionally, with an increase in infrastructure spending, firms will need to spend additional capital on security and maintenance of their facilities.



Q2'15  
**\$3.9 billion**  
Q1'15  
**\$3.2 billion**

Total global deal value in Q2'15 was \$3.8 billion, representing a 19.1% increase from Q1'15



Q2'15 U.S. M&A in the space has seen a fall in the disclosed deal value at \$0.3 billion as compared to \$2.2 billion in Q1'15. However there has been a slight rise in the deal volume since Q1'15



**44.7%**  
U.S. share of global M&A volume Q2'15

The U.S. accounted for 44.6% share of the global M&A volume in Q2'15, slightly higher than the 40.8% share for Q1'15

## Sector Performance



### Overall Performance

In the past 12 months, Facilities Management & Maintenance Services companies have underperformed with respect to the S&P 500 index. The overall index of our reflected companies for this sector has witnessed a decline of 1.1% whereas the S&P 500 index grew by 11.4%



### Security Services

**0.3%**

This sub-sector increased by meager 0.3% in the past 12 months

**8.5x NTM EBITDA**

It is trading at an average of 8.5x NTM EBITDA as of the end of Q2'15



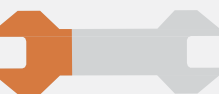
### Environmental-related services



With a decrease of 9.4%, this sub-sector has relatively underperformed in the past 12 months and is trading at an average of 9.6x NTM EBITDA as of the end of Q2'15



### Route-based/facilities management



**5.1%**

This sub-sector has performed relatively better in the past 12 months compared to the other two sub-sectors, increasing by over 5.1%



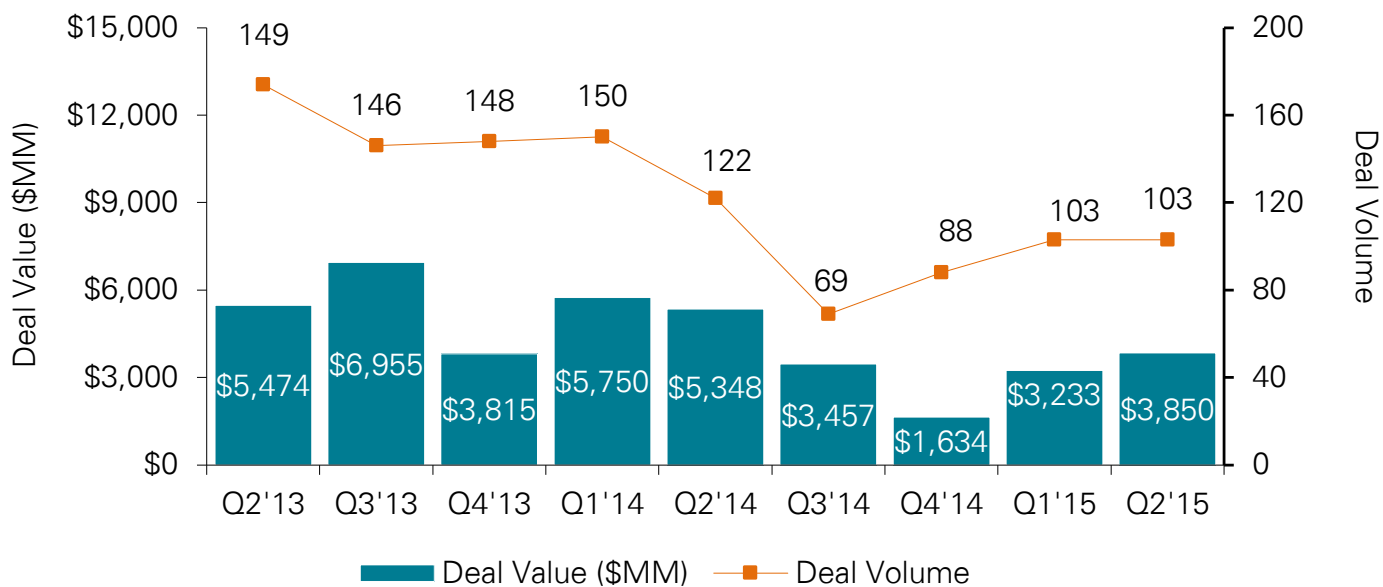
**9.5x NTM EBITDA**

It is being valued at an average of 9.5x NTM EBITDA as of the end of Q2'15

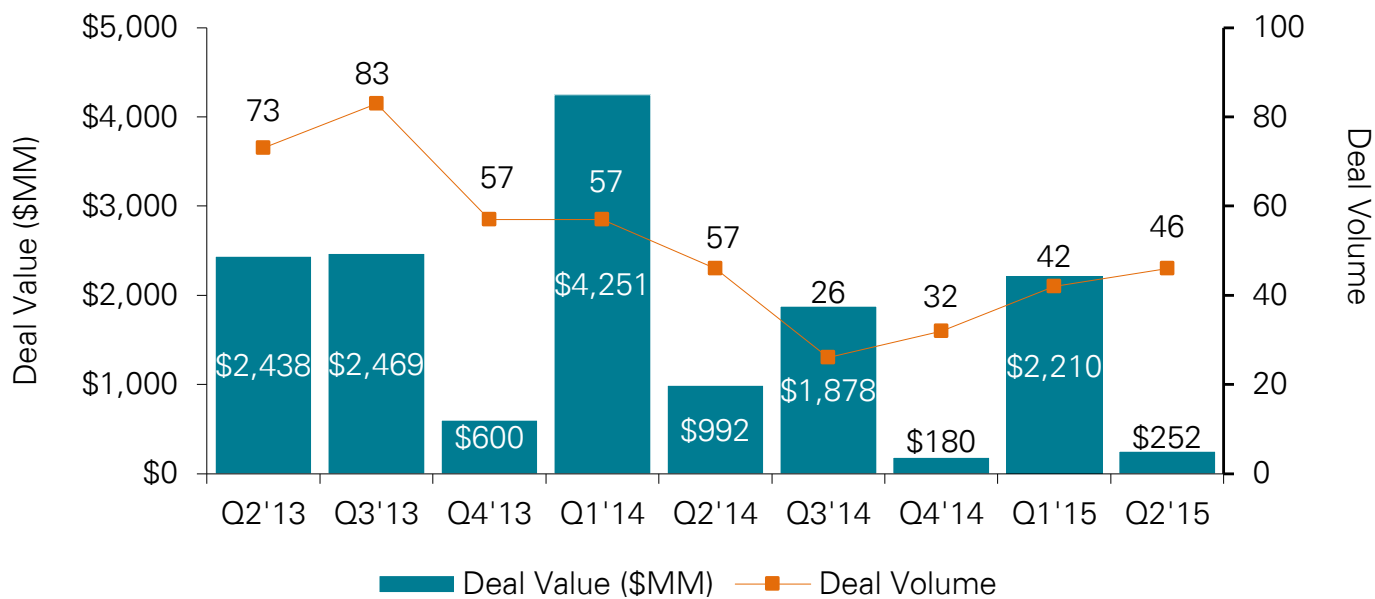
Source: Capital IQ.

Notes: M&A growth analysis based on deals closed during the respective periods. Deal value multiples represent aggregate deal value for disclosed transactions only. The sub-sector performances are based on internally originated lists of representative public companies within the sub-sectors. The list of public companies selected in each sub-sector can be found on pages 3-4.

## Global Facilities Maintenance & Management Services M&A Trend Q2'13 – Q2'15



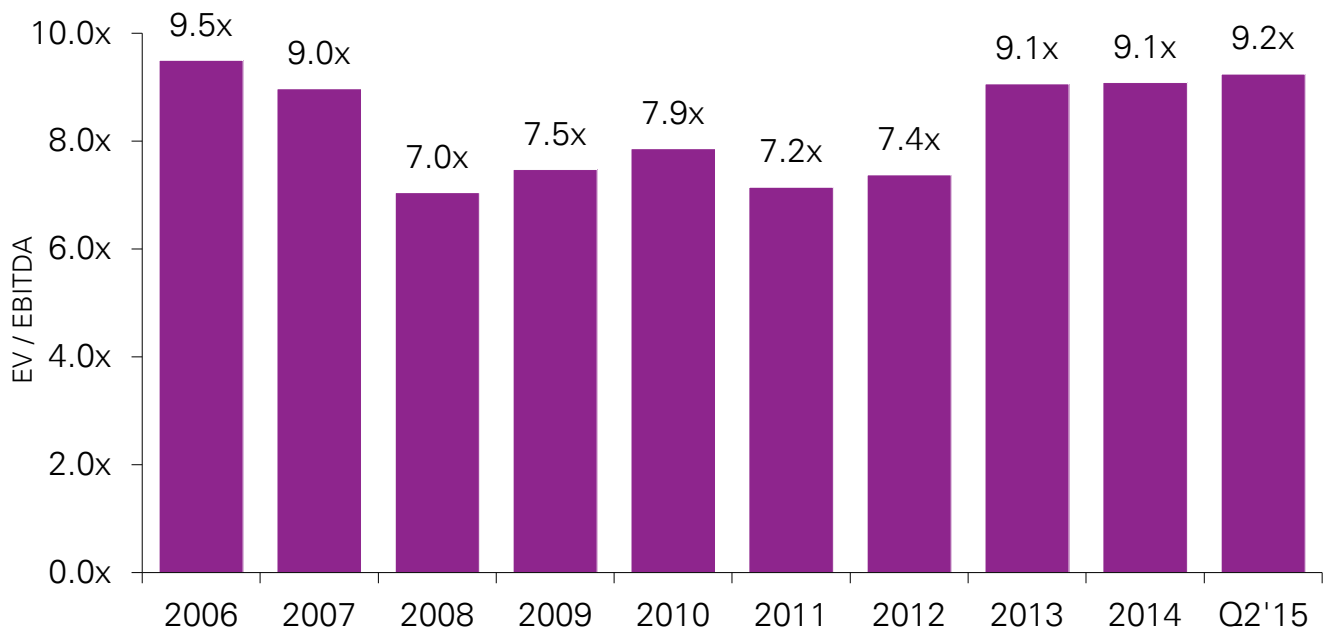
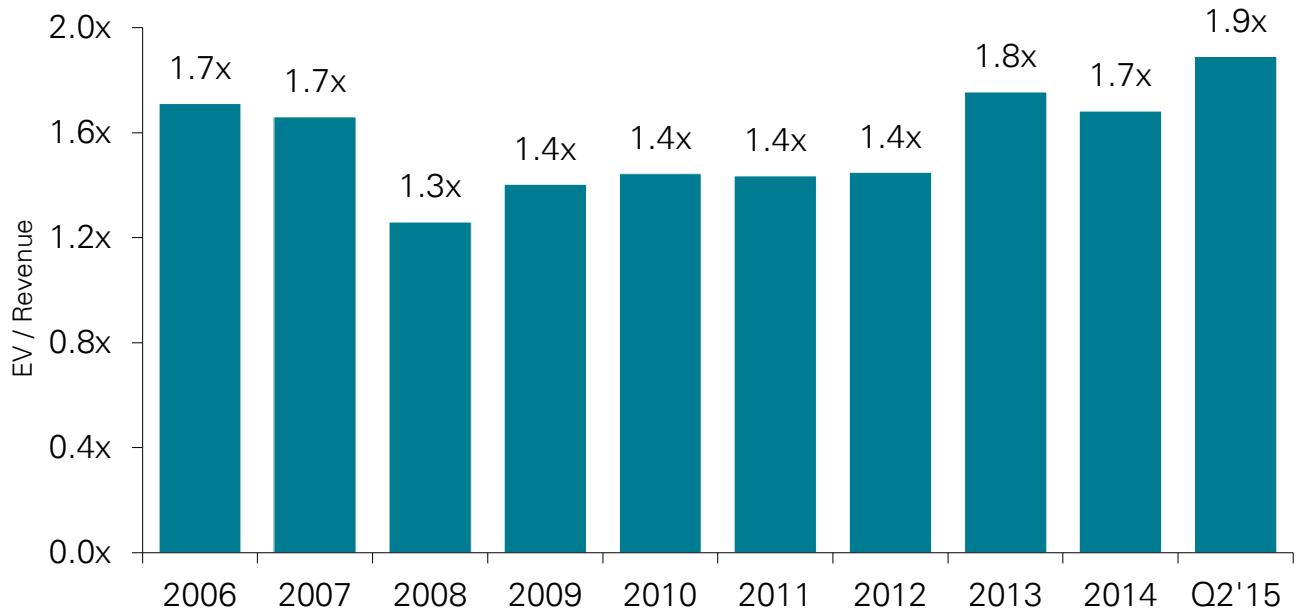
## U.S. Facilities Maintenance & Management Services M&A Trend Q2'13 – Q2'15



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.

## U.S. Multiple Valuation Trends 2006 – Q2'15



Source: Capital IQ

Note: The Facilities Management & Maintenance valuation trend is based on an internally originated list of public companies viewed as best representing the sector. The list of public companies selected in each sub-sector can be found on pages 3-4.

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

Company	Market Cap <sup>(1), (2)</sup>	Share Price <sup>(2)</sup>	% 52-Wk High <sup>(3)</sup>	Enterprise Value <sup>(4)</sup>	Last Twelve Months (LTM)				EV/NTM Revenue <sup>(6)</sup>	EV/NTM EBITDA <sup>(7)</sup>
					Revenue	Rev Growth	EBITDA <sup>(5)</sup>	EBITDA Margin		
<b>Route-based/Facilities Management</b>										
ABM Industries Incorporated	1,854.4	32.87	97.6%	2,137.7	5,134.5	4.5%	185.2	3.6%	NM	8.9x
Aggreko plc	5,782.1	22.63	79.8%	6,714.3	2,457.7	0.3%	885.2	36.0%	2.5x	7.0x
Carillion plc	2,313.1	5.38	88.4%	2,657.9	5,445.2	4.8%	290.8	5.3%	NM	6.6x
Cintas Corporation	9,676.7	84.59	95.9%	10,149.9	4,551.0	1.9%	836.0	18.4%	2.3x	11.4x
Compass Group PLC	27,395.5	16.56	86.1%	31,257.9	25,911.1	0.8%	2,374.1	9.2%	1.1x	11.8x
FirstService Corporation	1,378.0	38.31	54.2%	1,726.8	2,777.1	14.9%	212.4	7.6%	1.1x	12.4x
G&K Services Inc.	1,382.3	69.14	93.3%	1,614.1	930.7	4.5%	141.9	15.3%	1.6x	10.4x
HomeServe plc	2,222.6	6.77	96.6%	2,345.5	867.9	2.8%	151.5	17.5%	2.3x	12.1x
Iron Mountain Inc.	6,530.7	31.00	74.6%	10,739.2	3,096.9	1.6%	929.7	30.0%	3.6x	11.9x
Mears Group plc	674.3	6.62	84.7%	671.1	1,307.2	(3.1%)	76.6	5.9%	NM	8.8x
MITIE Group PLC	1,697.0	4.95	95.5%	2,076.2	3,378.1	2.4%	229.5	6.8%	0.5x	8.1x
Regeneris Plc	255.8	3.34	60.9%	220.6	311.3	5.5%	20.7	6.7%	0.7x	7.6x
Rentokil Initial plc	4,228.7	2.33	96.0%	5,707.1	2,713.0	(2.8%)	643.7	23.7%	1.9x	8.1x
Rollins Inc.	6,238.1	28.53	98.4%	6,123.9	1,429.1	5.8%	268.2	18.8%	4.1x	NM
Sodexo S.A.	14,451.9	94.88	89.0%	15,532.5	20,927.3	2.4%	1,409.4	6.7%	0.7x	10.0x
SP Plus Corporation	578.0	26.11	95.5%	822.2	858.2	3.1%	84.6	9.9%	0.9x	9.4x
UniFirst Corp.	2,252.2	111.85	89.8%	2,045.4	1,449.4	3.8%	277.0	19.1%	1.4x	7.4x
<b>Route-based/Facilities Management Mean</b>			<b>88.6%</b>			<b>3.1%</b>		<b>14.1%</b>	<b>1.8x</b>	<b>9.5x</b>
<b>Route-based/Facilities Management Median</b>			<b>93.3%</b>			<b>2.8%</b>		<b>9.9%</b>	<b>1.5x</b>	<b>9.1x</b>
<b>Security Services</b>										
Ascent Capital Group, Inc.	559.5	42.74	63.5%	2,015.9	545.0	12.7%	345.6	63.4%	3.6x	5.6x
G4S plc	6,526.8	4.22	86.8%	9,528.6	10,672.5	(3.0%)	805.7	7.5%	0.8x	9.9x
Kaba Holding AG	2,483.1	594.32	83.1%	2,443.0	1,081.2	9.6%	168.0	15.5%	2.2x	12.7x
Loomis AB	2,107.0	28.01	80.6%	2,675.8	1,678.1	25.5%	278.8	16.6%	1.5x	8.3x
Prosegur Compañía de Seguridad, S.A.	3,279.3	5.48	87.4%	4,140.9	4,152.6	5.6%	496.7	12.0%	0.9x	7.6x
S-1 Corporation	2,372.4	70.20	87.3%	2,446.0	1,586.1	26.9%	290.8	18.3%	1.4x	6.6x
Secom Co. Ltd.	14,179.1	64.96	87.9%	12,084.8	7,006.6	2.2%	1,436.8	20.5%	1.9x	9.0x
Securitas AB	4,818.0	13.20	83.0%	6,398.6	8,531.4	11.6%	532.2	6.2%	0.6x	9.9x
Sohgo Security Services Co. Ltd.	3,969.8	39.49	95.8%	3,280.6	3,048.2	11.4%	291.8	9.6%	1.1x	10.5x
The ADT Corporation	5,750.4	33.57	78.3%	10,784.4	3,509.0	4.6%	1,797.0	51.2%	3.0x	5.9x
The Brink's Company	1,431.1	29.43	87.5%	1,702.0	3,388.8	(10.3%)	177.9	5.2%	0.5x	5.4x
Tyco International Ltd.	16,201.3	38.48	83.5%	16,435.3	10,279.0	1.6%	1,046.0	10.2%	1.7x	10.8x
<b>Security Services Mean</b>			<b>83.7%</b>			<b>8.2%</b>		<b>19.7%</b>	<b>1.6x</b>	<b>8.5x</b>
<b>Security Services Median</b>			<b>85.1%</b>			<b>7.6%</b>		<b>13.8%</b>	<b>1.4x</b>	<b>8.7x</b>

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

Company	Market Cap <sup>(1), (2)</sup>	Share Price <sup>(2)</sup>	% 52-Wk High <sup>(3)</sup>	Enterprise Value <sup>(4)</sup>	Last Twelve Months (LTM)				EV/NTM Revenue <sup>(6)</sup>	EV/NTM EBITDA <sup>(7)</sup>
					Revenue	Rev Growth	EBITDA <sup>(5)</sup>	EBITDA Margin		
<b>Environmental-related Services</b>										
Casella Waste Systems Inc.	227.6	5.61	89.0%	748.7	555.9	0.0%	99.0	17.8%	1.4x	7.1x
Clean Harbors, Inc.	3,152.8	53.74	82.0%	4,290.7	3,287.5	(5.9%)	487.7	14.8%	1.3x	7.9x
Covanta Holding Corporation	2,832.1	21.19	83.6%	5,010.1	1,664.0	0.3%	401.0	24.1%	3.1x	10.6x
Daiseki Co. Ltd.	872.4	19.37	91.8%	668.4	388.8	11.5%	71.8	18.5%	1.8x	7.9x
Heritage-Crystal Clean, Inc	327.4	14.70	75.3%	330.8	357.1	23.5%	19.9	5.6%	1.0x	8.7x
Newalta Corporation	640.9	11.40	61.9%	1,043.5	381.0	37.4%	92.5	24.3%	2.3x	9.7x
Progressive Waste Solutions Ltd.	3,080.8	26.85	87.0%	4,537.5	1,999.4	(0.5%)	509.8	25.5%	2.3x	8.6x
Republic Services, Inc.	13,762.3	39.17	93.2%	20,679.8	8,880.5	4.5%	2,347.2	26.4%	2.3x	8.2x
Sanix Inc.	138.0	2.89	25.2%	230.3	797.0	13.5%	(17.9)	(2.2%)	NM	NM
Shanks Group plc	636.6	1.60	89.6%	1,193.0	890.5	(5.4%)	71.2	8.0%	1.3x	10.4x
Stericycle, Inc.	11,388.6	133.91	93.8%	13,023.6	2,649.0	20.5%	729.6	27.5%	4.5x	15.6x
US Ecology, Inc.	1,055.2	48.72	92.9%	1,457.3	530.7	150.8%	121.6	22.9%	2.4x	10.2x
Waste Connections Inc.	5,836.5	47.12	92.5%	7,732.4	2,103.6	7.3%	717.6	34.1%	3.7x	11.1x
Waste Management, Inc.	21,220.0	46.35	82.9%	31,201.0	13,640.0	(2.9%)	3,501.0	25.7%	2.3x	8.7x
<b>Environmental-related Services Mean</b>			<b>80.8%</b>			<b>18.2%</b>		<b>19.5%</b>	<b>2.3x</b>	<b>9.6x</b>
<b>Environmental-related Services Median</b>			<b>88.3%</b>			<b>5.9%</b>		<b>23.5%</b>	<b>2.3x</b>	<b>8.7x</b>
<b>Total Mean</b>			<b>84.2%</b>			<b>9.5%</b>		<b>17.4%</b>	<b>1.9x</b>	<b>9.2x</b>
<b>Total Median</b>			<b>87.4%</b>			<b>4.5%</b>		<b>16.6%</b>	<b>1.7x</b>	<b>8.9x</b>

Source: Capital IQ.

(1) Market Capitalization based on closing share prices as of June 30, 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 it's 52 week high. Closing share prices as of June 30, 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 transactions\*

**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



\*Select transactions represent the corporate finance practices of KPMG International's network of independent member firms.

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The Corporate Finance practices of KPMG International's network of independent member firms (KPMG) have been ranked collectively as a leading global mid-market advisor based on total deal volume announced in 2014, according to Thomson Reuters SDC. KPMG firms operate in 155 countries with over 2,500 professionals who are able to meet the needs of clients across the globe.

### KPMG Corporate Finance LLC

KPMG Corporate Finance LLC (KPMG CF) provides a broad range of investment banking and advisory services to its domestic and international clients. Our professionals have the experience and depth of knowledge to advise clients on global mergers and acquisitions, sales and divestitures, buyouts, financings, debt restructurings, equity recapitalizations, infrastructure project finance, capital advisory, real estate, portfolio solutions, fairness opinions, and other advisory needs. For more information on KPMG CF, please visit [www.kpmgcorporatefinance.com](http://www.kpmgcorporatefinance.com).

### KPMG Corporate Finance\*\* is a leading global M&A advisor in the Middle Market

2012		No. of deals
1	PWC	342
<b>2.</b>	<b>KPMG**</b>	<b>319</b>
3.	IMAP	214
4.	Morgan Stanley	210
5.	Goldman Sachs	197

2013		No. of deals
1	PWC	384
<b>2.</b>	<b>KPMG**</b>	<b>354</b>
3.	Ernst & Young	242
4.	BDO	221
5.	Rothschild	211

2014		No. of deals
1	PWC	426
<b>2.</b>	<b>KPMG**</b>	<b>370</b>
3.	Deloitte	257
4.	Ernst & Young	243
5.	BDO	211

Source: 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.

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

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