



# KPMG Corporate Finance LLC

## Business Services M&A Quarterly

**Q3 2018**

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

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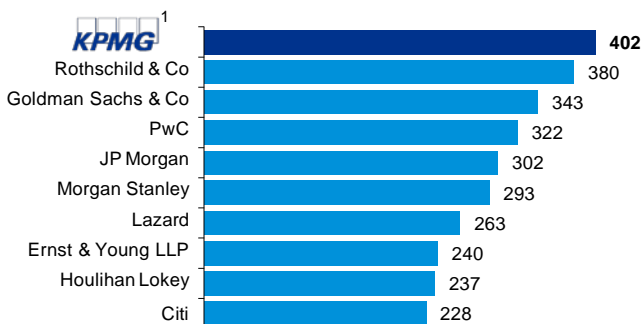


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### M&A League Table – FY 2017

**Global Completed Advisor Ranking**  
 Thompson Reuters<sup>2</sup> League Tables



### KPMG Awards & Recognition



<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; global full market transactions completed by volume.

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# M&A Sector Highlights

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## Consulting & Professional Services

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

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## Engineering & Construction

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

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## Facilities Management & Maintenance Services

- Environmental Services
- Facilities Management
- Security Services

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## Media & Marketing Services

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

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## Transportation & Logistics

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

## GROUP OVERVIEW

KPMG Corporate Finance is a leading Middle Market investment banking platform 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
- Media & Marketing Services
- Information Services
- Consumer Services
- Industrial Services

## Deal Spotlight

KPMG



acted as financial advisor to Ink Global on its sale to

THE STAGWELL GROUP

September 2018

Ink Global is a leading travel media and marketing services company. Through its media partnerships, Ink connects advertisers and brands to more than 802 million travelers. Ink creates and delivers inspiring, awarding winning content for the world's largest airlines, railways, travel companies and its passengers.

KPMG



advised the management team of Authority Brands, a portfolio company of PNC RiverArch, on their sale to

Apax PARTNERS

September 2018

Authority Brands is the parent company of two home service franchisors, the Cleaning Authority, a provider of residential cleaning services to 100,000+ customers, and Homewatch CareGivers, which delivers in-home care services to the elderly, disabled, and patients requiring after-surgery care.



# Consulting & Professional Services

Sector Update | Q3 2018



# Consulting & Professional Services M&A Update



Q3'18  
\$32.7bn<sup>(1)</sup>

Q2'18  
\$15.3bn

In Q3'18, aggregate **Global** deal value for the sector more than double to \$32.7bn, up from \$15.3bn in Q2. Global deal volume rose 9.3%



**U.S.** aggregate sector deal value decreased to \$4.1bn during the quarter, down from \$12.9bn in Q2'18, while volume rose 16.7%



**43.5%**  
U.S. share of global M&A volume in Q3'18

U.S. M&A volume accounted for 43.5% of global M&A activity in Q3'18, up from 40.8% in Q2'18

## Notable Recent U.S. Sector Transactions

Announced / Closed	Target	Target Business Description	Acquirer	TV	EV	LTM	
						EV / Revenue	EV / EBITDA
Closed 19-Sep	Remedy Employer Services	A Professional Employer Organization (PEO), provides outsourced HR services in Florida	CoAdvantage Corp. / Morgan Stanley	NA	NA	NA	NA
Closed 12-Sep	Questex LLC	A B2B information and events services provider serving travel, hospitality, life science / healthcare, and technology industries	MidOcean Partners	NA	NA	NA	NA
Announced 10-Sep	Engility Holdings, Inc.	Provides IT and professional services to the Federal government	Science Applications International Corporation	\$2,490	\$2,450	1.28x	13.7x
Closed 5-Sep	LMG International LLC	A leading employee benefit and risk consulting firm	OneDigital Health and Benefits, Inc.	NA	NA	NA	NA
Closed 28-Aug	24-7 Intouch, Inc.	A multi-channel contact center and Business Process Outsourcing (BPO) solutions provider	Ontario Teachers' Pension Plan Board	NA	NA	NA	NA
Announced 14-Aug	Summit Strategies Group	An investment consulting firm, offering defined contribution and outsourced Chief Investment Officer (CIO) support	Marsh & McLennan Companies	NA	NA	NA	NA
Closed 13-Aug	Buck Consultants	Provider of HR consulting, benefits, administration and technology services	H.I.G. Capital, LLC	NA	NA	NA	NA
Announced 22-Jul	Syntel, Inc.	Operates as an integrated IT and knowledge process outsourcing services provider	Atos SE	\$3,670	\$3,570	3.67x	13.4x

### Notes:

<sup>(1)</sup>During the third quarter, RELX PLC's \$26.2bn acquisition of RELX NV, comprised 80.2% of global aggregate deal value for the Consulting & Professional Services sector. Excluding the transaction, global aggregate deal value for the sector was \$6.5bn in Q3'18.

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

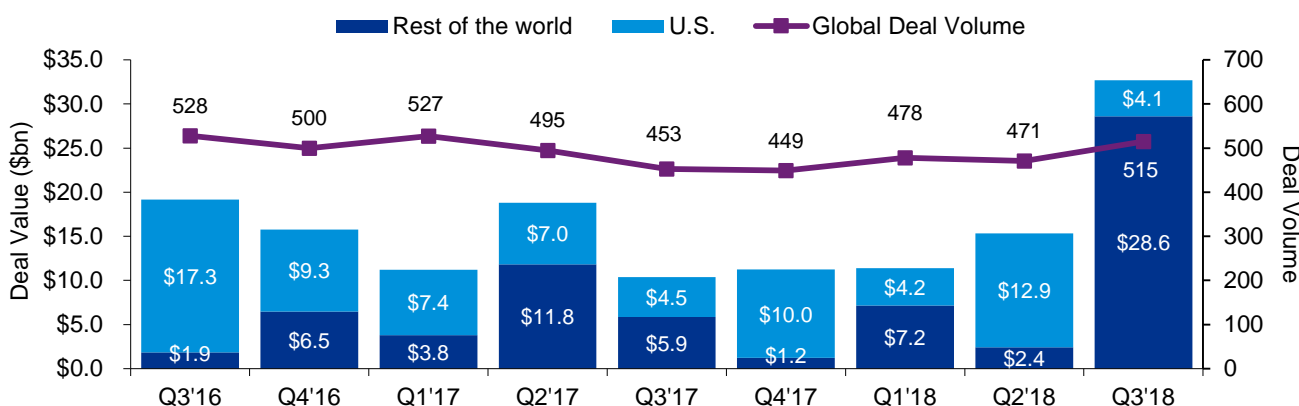
Deal values represent aggregate deal value for disclosed transactions only.

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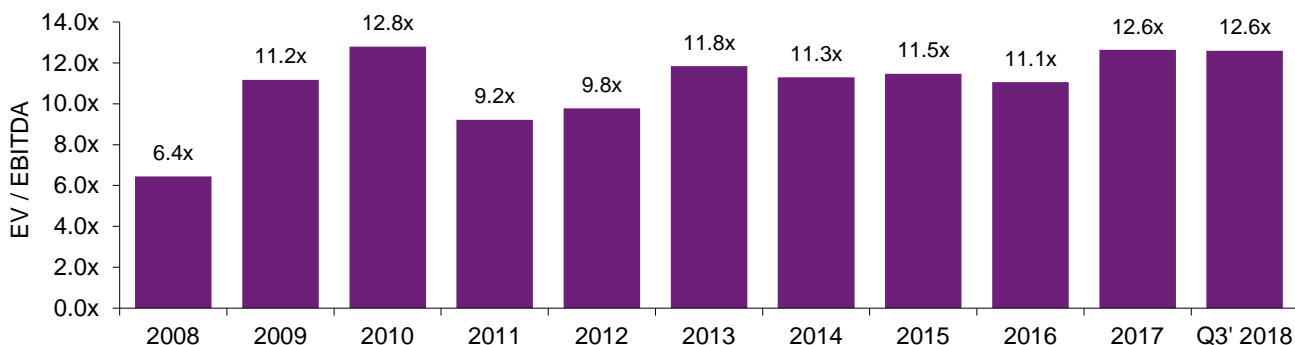
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# Consulting & Professional Services (cont.)

## M&A Activity: Q3'16 – Q3'18



## Historical Public Valuation Multiples: 2008 – Q3' 2018



## 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	7,073.3	49.63	83.1%	8,725.6	6,295.7	620.5	9.9%	4.0%	1.39x	14.1x
CACI International Inc	4,549.5	184.15	78.9%	5,545.1	4,467.9	408.0	9.1%	2.3%	1.24x	13.6x
Exponent, Inc.	2,789.2	53.60	95.1%	2,595.9	345.7	87.4	25.3%	8.1%	NM	NM
FTI Consulting, Inc.	2,713.7	73.19	81.2%	2,968.8	1,926.5	252.5	13.1%	8.1%	1.54x	11.8x
Huron Consulting Group Inc.	1,064.2	49.40	94.5%	1,406.5	753.5	90.3	12.0%	4.0%	1.87x	15.6x
Navigant Consulting, Inc.	1,037.8	23.06	73.7%	1,173.7	950.5	124.1	13.1%	19.9%	1.23x	9.5x
The Hackett Group, Inc.	593.7	20.15	92.7%	593.9	267.5	41.8	15.6%	2.2%	2.22x	14.2x
CRA International, Inc.	405.8	50.22	52.3%	417.9	393.4	28.2	7.2%	11.5%	1.06x	14.8x
<b>Mean</b>			<b>81.4%</b>				<b>13.1%</b>	<b>7.5%</b>	<b>1.51x</b>	<b>13.4x</b>
<b>Median</b>			<b>82.2%</b>				<b>12.5%</b>	<b>6.1%</b>	<b>1.39x</b>	<b>14.1x</b>

### Notes:

- Market Capitalization amounts are based on closing share prices as of September 28, 2018, the last trading day of the quarter.
  - 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.



# Consulting & Professional Services (cont.)

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

(\$MM)

Customer Engagement / Call Center Management	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
Teleperformance SE	10,905.0	188.80	84.8%	12,395.7	4,864.1	737.4	15.2%	0.1%	2.55x	16.8x
NICE Ltd.	6,947.8	113.24	88.0%	6,888.5	1,392.5	332.8	23.9%	10.2%	4.95x	20.7x
Nuance Communications, Inc.	4,967.4	17.32	78.2%	6,805.6	1,984.7	291.7	14.7%	2.3%	3.43x	23.3x
Verint Systems Inc.	3,251.8	50.10	84.7%	3,656.2	1,195.0	142.6	11.9%	9.6%	3.06x	NM
Convergys Corporation	2,162.3	23.74	46.7%	2,218.3	2,701.3	328.7	12.2%	(5.6%)	0.82x	6.7x
LivePerson, Inc.	1,619.5	25.95	91.3%	1,549.8	233.8	8.5	3.6%	7.4%	NM	NM
Sykes Enterprises, Incorporated	1,287.9	30.49	73.4%	1,215.5	1,637.7	162.0	9.9%	5.3%	0.74x	7.5x
TTEC Holdings, Inc.	1,195.9	25.90	11.9%	1,421.4	1,510.8	178.6	11.8%	8.2%	0.94x	8.0x
<b>Mean</b>			<b>69.9%</b>				<b>12.9%</b>	<b>4.7%</b>	<b>2.36x</b>	<b>13.8x</b>
<b>Median</b>			<b>81.5%</b>				<b>12.0%</b>	<b>6.3%</b>	<b>2.55x</b>	<b>12.4x</b>

IT 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
Tata Consultancy Services Limited	115,245.2	30.10	97.2%	110,084.5	18,659.6	4,992.3	26.8%	2.0%	NM	22.1x
Accenture plc	109,055.3	170.20	87.0%	104,375.6	39,573.5	6,767.8	17.1%	13.6%	2.64x	15.4x
Cognizant Technology Solutions Corporation	44,765.0	77.15	48.4%	41,267.0	15,512.0	3,203.0	20.6%	7.4%	2.66x	12.9x
Infosys Limited	43,960.8	10.06	93.8%	40,737.2	11,119.0	2,977.0	26.8%	5.9%	3.66x	13.7x
DXC Technology Company	26,294.2	93.52	52.1%	31,111.2	24,602.0	5,421.0	22.0%	61.8%	1.26x	5.7x
Capgemini SE	20,952.6	125.94	54.1%	23,759.7	15,142.9	1,883.1	12.4%	1.6%	1.57x	12.6x
HCL Technologies Limited	20,880.6	14.99	87.6%	20,075.5	8,008.0	1,834.9	22.9%	8.6%	2.51x	10.9x
Wipro Limited	20,217.9	4.47	82.6%	17,403.5	8,008.0	1,483.3	18.5%	(4.4%)	2.17x	11.7x
CGI Group Inc.	17,969.1	64.43	83.2%	19,307.5	8,603.3	1,444.0	16.8%	(0.8%)	2.24x	13.4x
Alliance Data Systems Corporation	12,975.5	236.16	51.1%	33,649.3	3,358.1	1,772.5	52.8%	(0.3%)	NM	19.0x
Atos SE	12,517.8	119.09	15.0%	12,805.9	14,804.7	1,858.1	12.6%	0.9%	0.86x	6.9x
Tech Mahindra Limited	9,088.3	10.28	89.6%	8,024.5	4,631.0	738.1	15.9%	0.8%	1.73x	10.9x
Genpact Limited	5,814.3	30.61	32.4%	6,717.7	2,860.7	414.6	14.5%	6.6%	2.35x	16.2x
Teradata Corporation	4,491.3	37.71	47.5%	4,106.3	2,202.0	147.0	6.7%	2.1%	1.86x	NM
WNS (Holdings) Limited	2,561.5	50.75	80.3%	2,536.3	777.6	117.6	15.1%	15.8%	3.26x	21.6x
ExlService Holdings, Inc.	2,271.5	66.20	94.1%	2,106.7	807.3	112.9	14.0%	8.8%	2.61x	18.7x
Unisys Corporation	1,040.7	20.40	96.0%	1,136.1	2,786.9	270.8	9.7%	2.5%	0.41x	4.2x
<b>Mean</b>			<b>70.1%</b>				<b>19.1%</b>	<b>7.8%</b>	<b>2.12x</b>	<b>13.5x</b>
<b>Median</b>			<b>82.6%</b>				<b>16.8%</b>	<b>2.5%</b>	<b>2.24x</b>	<b>13.1x</b>

### Notes:

1. Market Capitalization amounts are based on closing share prices as of September 28, 2018, the last trading day of the quarter.
2. Share prices and market capitalizations may be based on foreign exchange listed stocks and have been converted into USD.
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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.	65,904.7	150.66	98.5%	65,733.8	12,859.3	2,918.1	22.7%	6.0%	NM	22.5x
Marsh & McLennan Companies, Inc.	41,771.9	82.72	44.3%	47,068.9	14,760.0	3,505.0	23.7%	7.7%	3.19x	13.4x
Aon plc	37,315.5	153.78	82.1%	43,437.5	10,900.0	2,270.0	20.8%	11.9%	3.99x	19.1x
The Ultimate Software Group, Inc.	10,042.7	322.19	92.9%	9,867.4	1,035.5	107.0	10.3%	15.1%	NM	NM
Randstad NV	9,781.7	53.42	8.9%	11,542.5	27,482.0	1,244.8	4.5%	1.9%	0.42x	9.3x
Adecco Group AG	8,795.5	52.80	2.2%	10,684.9	27,653.7	1,316.1	4.8%	(0.3%)	NM	8.1x
Robert Half International Inc.	8,469.8	70.38	69.9%	8,161.9	5,523.4	609.4	11.0%	6.5%	1.48x	13.4x
ManpowerGroup Inc.	5,578.3	85.96	7.5%	5,982.9	22,281.6	951.4	4.3%	9.5%	NM	6.3x
Insperity, Inc.	4,944.9	117.95	95.9%	4,733.4	3,558.7	177.2	5.0%	11.1%	1.33x	NM
51job, Inc.	4,752.6	76.99	35.6%	3,985.7	494.1	156.6	31.7%	23.0%	NM	NM
ASGN Incorporated	4,132.2	78.93	62.3%	5,328.4	2,909.8	317.9	10.9%	13.3%	1.83x	16.8x
Hays plc	3,862.7	2.66	83.9%	3,702.4	7,591.5	338.5	4.5%	7.8%	0.49x	10.9x
Cornerstone OnDemand, Inc.	3,335.0	56.75	90.5%	3,232.7	519.4	(12.2)	(2.3%)	13.1%	NM	NM
Capita plc	3,087.8	1.86	5.2%	4,286.7	5,436.2	535.5	9.8%	(5.4%)	0.79x	8.0x
Korn/Ferry International	2,803.8	49.24	35.2%	2,672.3	1,831.5	248.4	13.6%	15.1%	1.46x	10.8x
AMN Healthcare Services, Inc.	2,597.9	54.70	55.7%	3,050.2	2,084.1	249.2	12.0%	5.9%	1.46x	12.2x
PageGroup plc	2,341.4	7.46	73.9%	2,227.8	1,913.2	181.5	9.5%	7.1%	1.16x	12.3x
CBIZ, Inc.	1,296.3	23.70	93.3%	1,476.1	901.6	105.2	11.7%	7.5%	1.64x	14.0x
TrueBlue, Inc.	1,023.9	26.05	48.6%	1,107.7	2,499.1	125.8	5.0%	(4.3%)	0.44x	8.8x
Kelly Services, Inc.	932.4	24.03	23.8%	900.2	5,507.9	104.0	1.9%	6.4%	NM	8.7x
Kforce Inc.	929.5	37.60	75.8%	1,031.7	1,388.6	83.0	6.0%	3.5%	0.74x	12.4x
Heidrick & Struggles International, Inc.	641.8	33.85	53.8%	555.9	672.3	68.8	10.2%	9.9%	0.83x	8.1x
Resources Connection, Inc.	522.9	16.60	71.6%	529.4	654.1	51.0	7.8%	12.5%	0.81x	10.4x
Barrett Business Services, Inc.	491.5	66.78	27.9%	461.5	940.4	35.1	3.7%	4.9%	0.49x	13.1x
Cross Country Healthcare, Inc.	316.9	8.73	18.2%	381.6	863.0	39.7	4.6%	(0.6%)	0.44x	9.6x
GP Strategies Corporation	278.6	16.85	3.0%	366.3	514.3	27.0	5.2%	1.8%	0.71x	13.6x
DHI Group, Inc.	112.8	2.10	42.5%	121.8	188.0	26.9	14.3%	(11.3%)	0.65x	4.5x
Computer Task Group, Incorporated	75.5	5.22	6.8%	72.1	324.1	7.2	2.2%	6.6%	NM	10.0x
<b>Mean</b>				<b>50.4%</b>			<b>9.6%</b>	<b>6.7%</b>	<b>1.22x</b>	<b>11.5x</b>
<b>Median</b>				<b>51.2%</b>			<b>8.6%</b>	<b>6.8%</b>	<b>0.82x</b>	<b>10.8x</b>
<b>Total Mean</b>				<b>62.5%</b>			<b>13.2%</b>	<b>6.9%</b>	<b>1.70x</b>	<b>12.6x</b>
<b>Total Median</b>				<b>73.7%</b>			<b>12.0%</b>	<b>6.5%</b>	<b>1.46x</b>	<b>12.4x</b>

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# Engineering & Construction

Sector Update | Q3 2018



# Engineering & Construction M&A Update

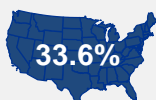


Q3'18  
\$8.2bn  
Q2'18  
\$8.1bn

**Global** aggregate deal value for the E&C sector was roughly flat in Q3'18, while global sector deal volume experienced a modest increase of 2.4%



**U.S.** E&C deal value increased to \$4.9bn<sup>(1)</sup> in Q3'18, up from \$1.5bn in Q2'18. The total number of **U.S.** transactions increased 20.3%



The U.S. accounted for 33.6% of global E&C M&A activity in Q3'18, up from 28.6% in Q2'18

## Notable Recent U.S. Sector Transactions

(\$MM)

Announced / Closed	Target	Target Business Description	Acquirer	TV	EV	LTM	
						EV / Revenue	EV / EBITDA
Closed 1-Oct	PowerTeam Services	A provider of maintenance and construction services to the utility industry	Clayton, Dubilier & Rice	NA	NA	NA	NA
Closed 11-Sep	8760 Engineering, LLC	Specializes in design consulting for mechanical & electrical building systems	Bernhard, LLC	NA	NA	NA	NA
Closed 4-Sep	Power Grid Engineering, LLC	Provides transmission substation engineering and field services	CE Power Solutions, LLC	NA	NA	NA	NA
Closed 3-Aug	Mercury Communications, Inc.	A general contractor, specializing in planning, designing, deploying, and maintaining infrastructure projects	The Keeley Companies	NA	NA	NA	NA
Announced 30-Jul	Berger Group Holdings, Inc.	Provides infrastructure engineering, environmental science and economic development consultancy services	WSP Global, Inc.	\$400	\$400	0.80x	8.9x
Closed 20-Jul	Capital Land Services, Inc.	Offers site acquisition, design, engineering, and construction services to telecom and oil & gas markets	Telamon Corporation	NA	NA	NA	NA
Announced 2-Jul	The Gordian Group, Inc.	A software provider, offering workflow solutions for building construction and maintenance service companies	Fortive Corporation	\$775	\$775	NA	NA
Closed 2-Jul	Huen Companies	Provide commercial and industrial electrical construction services	MYR Group, Inc.	\$47	\$47	NA	NA

### Notes:

<sup>(1)</sup>During the third quarter, Brookfield Business Partners' \$4.6bn announced acquisition of Westinghouse Electric, comprised 94.8% of U.S. aggregate deal value for the Engineering & Construction sector. Excluding the transaction, U.S. aggregate deal value for the sector was \$251m in Q3'18.

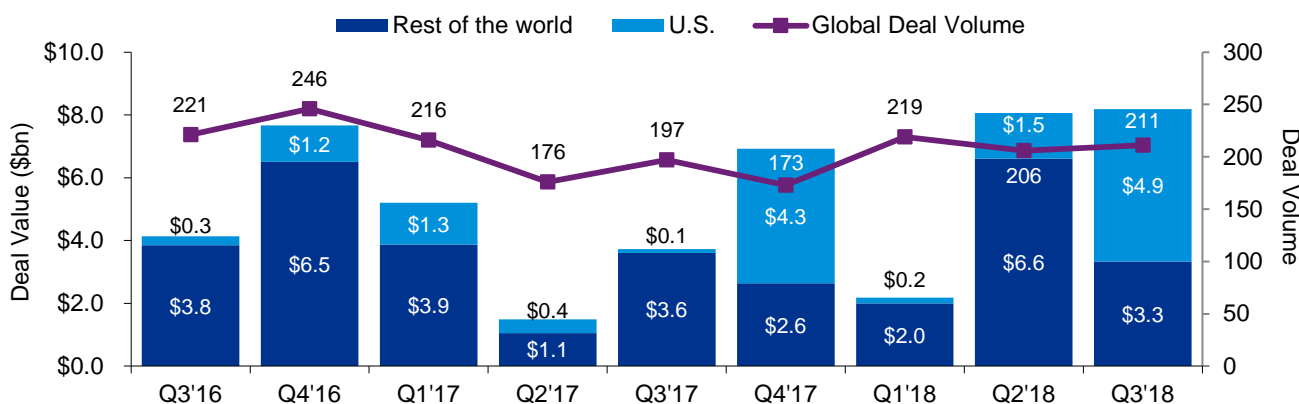
Source: S&P Capital IQ. Engineering & Construction is defined by an internally originated list of subsectors viewed as best representing the industry. Deal values represents aggregate deal value for disclosed transactions only.

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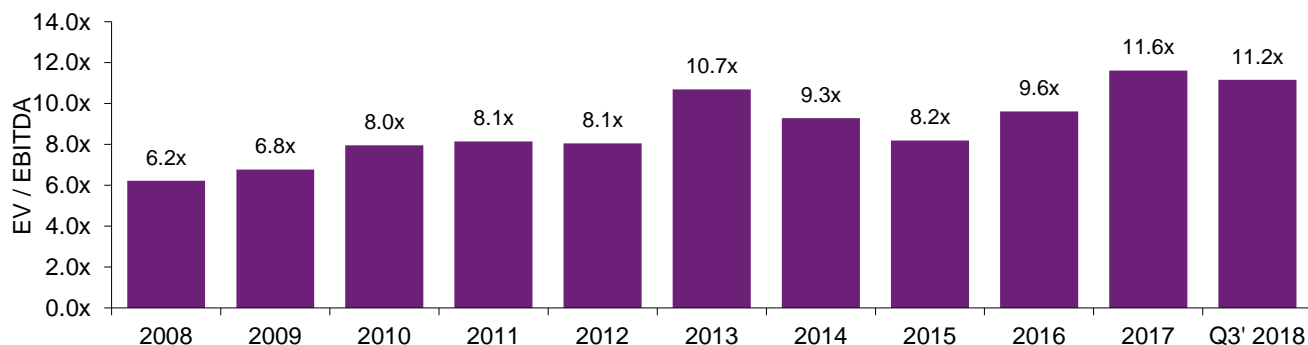
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# Engineering & Construction (cont.)

## M&A Activity: Q3'16 – Q3'18



## Historical Public Valuation Multiples: 2008 – Q3' 2018



## Performance Summary by Sub-sector

	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 and Construction</b>											
Jacobs Engineering Group Inc.	10,855.7	76.50	93.8%	12,464.5	13,495.9	945.8	7.0%	34.7%	0.92x	13.2x	
HOCHTIEF Aktiengesellschaft	10,548.8	164.17	41.3%	13,585.5	26,620.3	1,366.7	5.1%	2.2%	0.51x	9.9x	
Fluor Corporation	8,170.0	58.10	80.2%	8,184.3	19,676.5	775.3	3.9%	1.0%	0.42x	10.6x	
SNC-Lavalin Group Inc.	7,153.0	40.75	16.9%	9,162.2	7,813.7	747.4	9.6%	16.6%	1.17x	12.3x	
AECOM	5,251.1	32.66	19.1%	8,512.3	19,706.1	751.1	3.8%	8.3%	0.43x	11.3x	
Quanta Services, Inc.	4,983.4	33.38	15.0%	5,722.1	10,161.9	690.1	6.8%	11.8%	0.56x	8.3x	
KBR, Inc.	2,973.0	21.13	92.3%	3,555.0	4,276.0	261.0	6.1%	(3.3%)	0.83x	13.6x	
Stantec Inc.	2,830.5	24.86	18.8%	3,376.5	2,617.3	254.7	9.7%	(4.7%)	1.29x	13.3x	
Balfour Beatty plc	2,431.7	3.58	27.5%	2,622.2	8,698.2	130.6	1.5%	(7.7%)	NM	20.1x	
Arcadis NV	1,467.8	16.74	10.5%	2,023.9	3,682.7	238.2	6.5%	(4.4%)	0.55x	8.5x	
<b>Mean</b>				<b>41.5%</b>			<b>6.0%</b>	<b>5.4%</b>	<b>0.74x</b>	<b>12.1x</b>	
<b>Median</b>				<b>23.3%</b>			<b>6.3%</b>	<b>1.6%</b>	<b>0.56x</b>	<b>11.8x</b>	

### Notes:

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  - 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 and 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	19,469.5	61.44	64.8%	33,783.9	8,025.8	2,619.4	32.6%	5.1%	4.21x	12.9x
John Wood Group PLC	6,730.5	10.07	94.0%	8,310.1	8,366.6	416.7	5.0%	80.0%	0.99x	19.9x
Clean Harbors, Inc.	4,014.8	71.58	96.7%	5,409.6	3,102.2	448.8	14.5%	7.4%	1.74x	12.1x
Tetra Tech, Inc.	3,779.3	68.30	85.8%	4,003.2	2,182.0	248.4	11.4%	7.4%	1.83x	16.1x
McDermott International, Inc.	3,327.3	18.43	20.7%	5,993.3	4,019.8	552.9	13.8%	38.2%	1.49x	10.8x
Dycom Industries, Inc.	2,842.5	84.60	30.7%	3,366.1	2,787.0	234.6	8.4%	(9.1%)	1.21x	14.3x
Primoris Services Corporation	1,279.2	24.82	19.5%	1,571.8	2,340.2	156.0	6.7%	(2.6%)	0.67x	10.1x
Aegion Corporation	820.1	25.38	66.5%	1,096.8	1,339.3	99.8	7.5%	(0.3%)	0.82x	11.0x
MYR Group Inc.	540.7	32.64	32.5%	597.5	1,432.3	83.3	5.8%	4.3%	0.42x	7.2x
North American Construction Group Ltd.	244.7	9.80	93.0%	342.3	263.3	57.8	21.9%	20.7%	1.30x	5.9x
Orion Group Holdings, Inc.	218.1	7.55	42.3%	300.7	599.0	38.3	6.4%	6.8%	0.50x	7.9x
IBI Group Inc.	109.4	3.50	2.4%	208.6	267.9	28.1	10.5%	(18.7%)	0.78x	7.4x
<b>Mean</b>			<b>54.1%</b>				<b>12.0%</b>	<b>11.6%</b>	<b>1.33x</b>	<b>11.3x</b>
<b>Median</b>			<b>53.6%</b>				<b>9.5%</b>	<b>6.0%</b>	<b>1.10x</b>	<b>10.9x</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)	8,017.3	19.64	55.4%	8,190.9	18,116.3	525.7	2.9%	(2.9%)	0.45x	15.6x
EMCOR Group, Inc.	4,369.9	75.11	38.9%	4,367.2	7,753.6	478.4	6.2%	1.7%	0.56x	9.1x
MasTec, Inc.	3,516.8	44.65	30.7%	5,115.7	6,573.3	551.4	8.4%	3.6%	0.78x	9.3x
Granite Construction Incorporated	2,088.3	45.70	17.8%	2,153.9	3,128.9	198.5	6.3%	9.6%	0.69x	10.9x
Bovis Homes Group PLC	1,880.5	13.99	21.1%	1,824.7	1,362.6	189.2	13.9%	(3.1%)	1.34x	9.6x
Tutor Perini Corporation	940.3	18.80	10.1%	1,600.8	4,540.8	204.6	4.5%	(5.6%)	NM	7.8x
Aecon Group Inc.	752.2	12.56	33.9%	939.6	2,085.3	117.1	5.6%	(12.1%)	0.45x	8.0x
Great Lakes Dredge & Dock Corporation	386.3	6.20	100.0%	766.3	652.2	67.4	10.3%	(9.9%)	1.17x	11.4x
Bird Construction Inc.	259.5	6.10	23.9%	286.9	1,040.7	7.8	0.7%	(12.1%)	NM	NM
Stuart Olson Inc.	121.9	4.41	18.0%	208.8	810.4	27.6	3.4%	6.6%	NM	7.6x
<b>Mean</b>			<b>35.0%</b>				<b>6.2%</b>	<b>(2.4%)</b>	<b>0.78x</b>	<b>9.9x</b>
<b>Median</b>			<b>27.3%</b>				<b>5.9%</b>	<b>(3.0%)</b>	<b>0.69x</b>	<b>9.3x</b>
<b>Total Mean</b>			<b>44.2%</b>				<b>8.3%</b>	<b>5.3%</b>	<b>1.00x</b>	<b>11.2x</b>
<b>Total Median</b>			<b>31.6%</b>				<b>6.6%</b>	<b>1.9%</b>	<b>0.80x</b>	<b>10.8x</b>

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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 2018



# Facilities Management & Maintenance Services M&A Update



Q3'18  
\$3.5bn

Q2'18  
\$3.0bn

In Q3'18, aggregate **global** deal value increased 16.0% to \$3.5bn, up from \$3.0bn in Q2'18. However, **global** deal volume decreased 20.3%



Q3'18 **U.S.** aggregate deal value increased to \$2.0bn, up from \$1.6bn in Q2'18, while deal volume was relatively flat during the quarter



**37.3%**

U.S. share of global M&A volume Q3'18

U.S. deal volume accounted for 37.3% of global M&A activity in Q3'18, up from 32.8% in Q2'18

## Notable Recent U.S. Sector Transactions

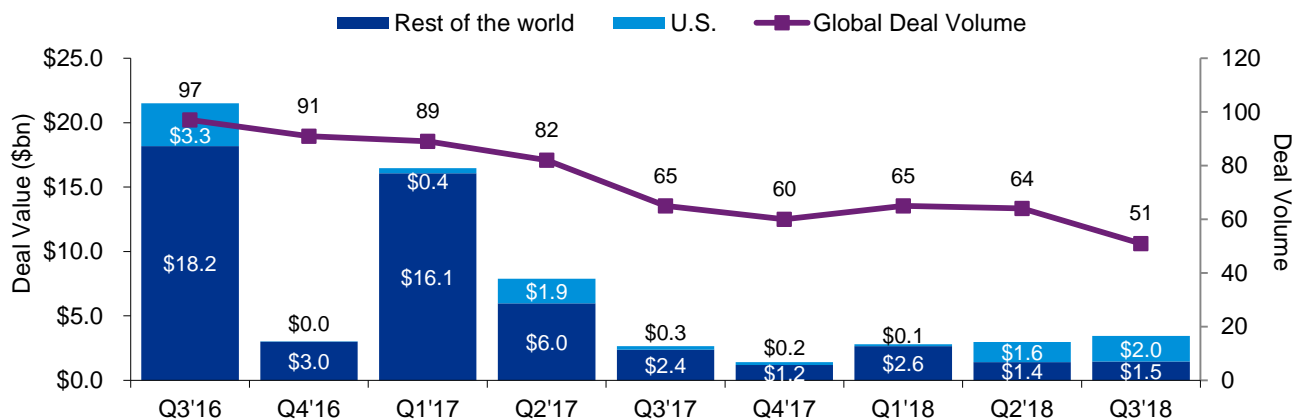
Announced / Closed	Target	Target Business Description	Acquirer	TV	EV	LTM	
						EV / Revenue	EV / EBITDA
Closed 24-Sep	Authority Brands, LLC	Franchisor of residential cleaning and in-home elderly care services	Apax Partners, LLP	NA	NA	NA	NA
Closed 17-Sep	Viewpoint Crm, Inc.	A remote video monitoring company, that offers technology-centric security and surveillance solutions	Prosegur Compañía de Seguridad, S.A.	NA	NA	NA	NA
Closed 17-Sep	Duncan Solutions, Inc.	Provides parking management services	AnaCacia Capital & Alpin Group	NA	NA	NA	NA
Closed 20-Aug	Mid-South Services, LLC	Offers workplace catering and vending food services to corporate clients in Alabama	Five Star Food Service Inc. / PNC Riverarch Capital	NA	NA	NA	NA
Closed 14-Aug	Mosquito Joe, Inc.	A franchisor of mosquito control solutions	Neighborly Inc. / Harvest Partners	NA	NA	NA	NA
Closed 17-Jul	Great American Tank Wash, Inc.	Provides industrial tank wash cleaning and maintenance services	QualaWash Holdings, LLC	NA	NA	NA	NA
Announced 16-Jul	U.S. Security Associates, Inc.	A full-service uniformed security, consulting and investigation services	Allied Universal	\$1,000	\$1,000	0.67x	10.5x
Closed 29-Jun	The Service Companies, Inc.	Provides outsourced managed services to the hospitality industry, including housekeeping, cleaning, laundry and staffing services	Gridiron Capital, LLC	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.

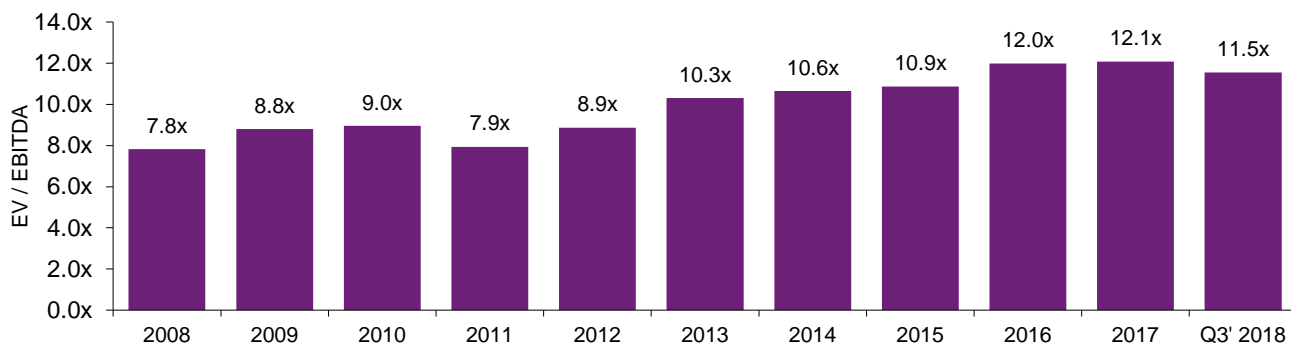
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# Facilities Management & Maintenance Services (cont.)

## M&A Activity: Q3'16 – Q3'18



## Historical Public Valuation Multiples: 2008 – Q3' 2018



## Performance Summary by Sub-sector

	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>Security</b>											
SECOM CO., LTD.	17,813.3	81.61	94.5%	16,548.9	8,872.4	1,779.0	20.1%	6.9%	1.87x	9.3x	
Securitas AB	6,354.9	17.41	69.7%	8,314.8	10,657.1	684.7	6.4%	(5.4%)	0.78x	12.1x	
G4S plc	4,889.2	3.16	21.0%	6,997.4	9,934.6	665.0	6.7%	(6.5%)	0.70x	10.5x	
Sohgo Security Services Co., Ltd.	4,455.8	44.01	22.2%	3,918.6	3,955.3	421.8	10.7%	5.0%	0.99x	9.3x	
Prosegur Compañía de Seguridad, S.A.	3,720.7	6.22	21.8%	4,324.8	4,868.7	597.1	12.3%	(2.9%)	0.89x	7.2x	
The Brink's Company	3,553.9	69.75	10.6%	4,255.7	3,481.5	387.3	11.1%	7.2%	1.22x	11.0x	
dormakaba Holding AG	3,172.3	757.61	36.9%	3,899.0	2,859.5	431.8	15.1%	5.2%	1.36x	9.0x	
S-1 Corporation	2,782.8	82.34	30.9%	2,441.6	1,759.6	309.1	17.6%	3.8%	1.39x	7.9x	
Loomis AB (publ)	2,421.9	32.19	23.8%	2,987.5	1,997.2	360.0	18.0%	(5.8%)	1.50x	8.3x	
<b>Mean</b>			<b>36.8%</b>				<b>13.1%</b>	<b>0.8%</b>	<b>1.19x</b>	<b>9.4x</b>	
<b>Median</b>			<b>23.8%</b>				<b>12.3%</b>	<b>3.8%</b>	<b>1.22x</b>	<b>9.3x</b>	

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# Facilities Management & Maintenance Services (cont.)

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

(\$MM)

Facilities Management	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
Compass Group PLC	35,248.4	22.26	95.1%	40,034.8	31,543.3	2,944.8	9.3%	4.2%	1.27x	13.6x
Cintas Corporation	21,501.7	197.81	74.0%	23,919.2	5,310.3	1,345.9	25.3%	17.5%	4.50x	17.8x
Sodexo S.A.	15,455.4	106.12	40.0%	18,554.1	24,855.9	1,809.5	7.3%	1.1%	0.75x	10.3x
Rollins, Inc.	13,241.0	60.69	82.8%	13,153.1	1,754.4	362.7	20.7%	6.7%	NM	NM
Aramark	10,603.4	43.02	68.7%	18,316.0	15,530.2	1,336.6	8.6%	6.3%	1.18x	13.7x
Iron Mountain Incorporated	9,877.8	34.52	34.8%	17,872.0	2,521.6	1,375.8	54.6%	8.2%	NM	13.0x
Rentokil Initial plc	7,628.9	4.15	61.6%	9,045.4	3,107.2	596.7	19.2%	(4.0%)	2.91x	15.2x
ISS A/S	6,502.6	35.21	30.7%	8,735.7	12,450.3	745.6	6.0%	(1.6%)	0.70x	11.7x
HomeServe plc	4,437.7	13.37	88.8%	4,748.5	1,262.8	260.4	20.6%	12.6%	3.76x	18.2x
EMCOR Group, Inc.	4,369.9	75.11	38.9%	4,367.2	7,753.6	478.4	6.2%	1.7%	0.56x	9.1x
UniFirst Corporation	3,323.4	173.65	60.2%	3,084.9	1,666.0	281.5	16.9%	4.7%	1.85x	11.0x
FirstService Corporation	3,035.5	84.42	83.7%	3,434.2	1,805.2	172.2	9.5%	8.8%	1.90x	19.9x
Aggreko Plc	2,908.3	11.38	65.8%	3,875.0	2,385.7	682.1	28.6%	7.0%	1.62x	5.7x
ABM Industries Incorporated	2,123.7	32.25	24.7%	3,103.1	6,291.5	274.3	4.4%	19.2%	0.49x	11.3x
Comfort Systems USA, Inc.	2,089.1	56.40	88.7%	2,120.1	1,941.9	157.1	8.1%	13.0%	1.09x	13.5x
SP Plus Corporation	815.1	36.50	45.5%	909.1	842.6	96.3	11.4%	(6.9%)	1.08x	9.4x
Mitie Group plc	690.7	1.91	9.9%	951.1	3,093.1	143.2	4.6%	6.6%	NM	6.6x
Mears Group plc	502.2	4.85	33.7%	559.8	1,140.9	62.2	5.5%	(7.0%)	0.49x	9.0x
<b>Mean</b>			<b>57.1%</b>				<b>14.8%</b>	<b>5.5%</b>	<b>1.61x</b>	<b>12.3x</b>
<b>Median</b>			<b>60.9%</b>				<b>9.4%</b>	<b>6.5%</b>	<b>1.18x</b>	<b>11.7x</b>

Environmental-related 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
Waste Management, Inc.	38,738.9	90.36	85.3%	48,489.9	14,618.0	4,093.0	28.0%	2.3%	3.32x	11.8x
Republic Services, Inc.	23,658.1	72.66	79.7%	31,858.7	10,067.2	2,792.1	27.7%	2.1%	3.16x	11.4x
Waste Connections, Inc.	21,008.5	79.77	90.2%	24,673.3	4,743.8	1,499.6	31.6%	4.9%	NM	16.5x
Stericycle, Inc.	5,039.9	58.68	11.3%	7,660.7	3,548.9	685.3	19.3%	(1.4%)	2.16x	11.2x
Clean Harbors, Inc.	4,014.8	71.58	96.7%	5,409.6	3,102.2	448.8	14.5%	7.4%	1.74x	12.1x
Covanta Holding Corporation	2,106.1	16.25	53.8%	4,533.1	1,729.0	332.0	19.2%	6.9%	2.62x	13.7x
US Ecology, Inc.	1,616.9	73.75	89.6%	1,840.6	524.7	114.9	21.9%	7.6%	3.51x	16.0x
Casella Waste Systems, Inc.	1,327.9	31.06	83.4%	1,829.9	624.6	115.1	18.4%	5.5%	2.93x	15.9x
Daiseki Co., Ltd.	1,182.7	27.67	48.4%	997.6	455.8	104.4	22.9%	8.5%	2.19x	9.6x
Tervita Corporation	810.3	6.89	20.5%	1,076.4	1,582.0	121.7	7.7%	6.0%	0.68x	8.8x
Renewi plc	595.0	0.74	0.2%	1,320.3	2,197.6	210.0	9.6%	35.1%	0.60x	6.3x
Heritage-Crystal Clean, Inc	492.1	21.35	52.5%	479.6	382.6	38.9	10.2%	7.2%	1.25x	12.3x
Sanix Incorporated	111.9	2.34	32.4%	180.0	447.7	16.1	3.6%	(2.0%)	0.40x	11.2x
<b>Mean</b>			<b>57.2%</b>				<b>18.0%</b>	<b>6.9%</b>	<b>2.05x</b>	<b>12.1x</b>
<b>Median</b>			<b>53.8%</b>				<b>19.2%</b>	<b>6.0%</b>	<b>2.17x</b>	<b>11.8x</b>

<b>Total Mean</b>			<b>52.6%</b>				<b>15.5%</b>	<b>4.9%</b>	<b>1.65x</b>	<b>11.5x</b>
<b>Total Median</b>			<b>50.4%</b>				<b>13.4%</b>	<b>5.4%</b>	<b>1.32x</b>	<b>11.2x</b>

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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 2018



# Media & Marketing Services M&A Update

Total global deal value  
**\$68.6bn**



Aggregate **Global** media & marketing sector deal value increased 65.4% to \$68.6bn in Q3'18, while total deal volume witnessed a 9.0% decline

U.S. deal value  
**\$5.7bn**



In Q3'18, **U.S.** media & marketing sector deal value decreased 75.7% to \$5.7bn, on the back of a 14.6% decline in deal volume



Q3'18 **41.7%** | Q2'18 **44.4%**  
U.S. share of global M&A volume

The U.S. accounted 41.7% of global M&A volume in Q3'18, slightly down from 44.4% in Q2'18

## Notable Recent U.S. Sector Transactions

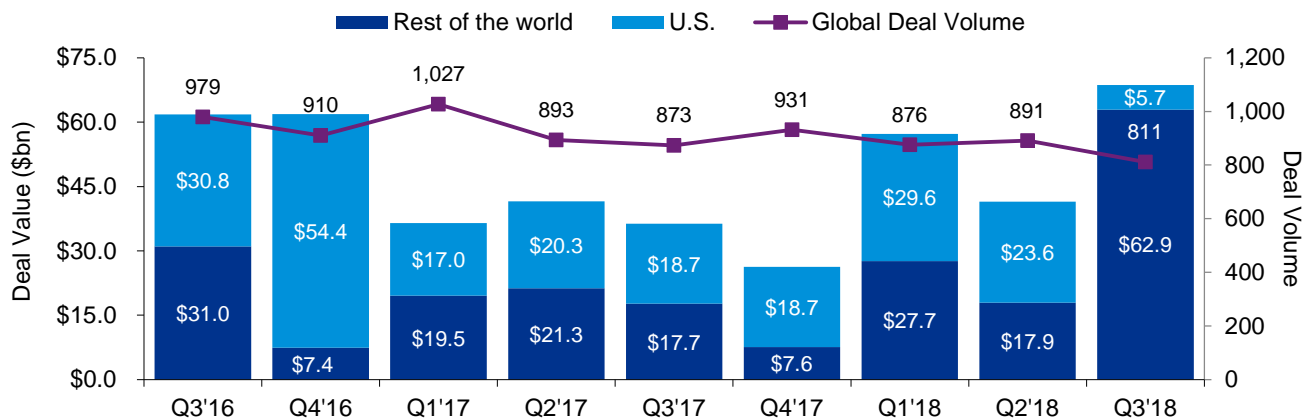
Announced / Closed	Target	Business Description	Acquirer	TV	EV	LTM	
						EV / Revenue	EV / EBITDA
Closed 20-Sep	Fire & Rain, LLC	Provides field force training, leadership development, meetings and event consultancy services to the pharmaceutical and life science industry	2e Creative, Inc.	NA	NA	NA	NA
Closed 6-Sep	CPC Strategy Inc.	A retail-focused digital marketing agency	Elite SEM, Inc.	NA	NA	NA	NA
Closed 4-Sep	CHIEF	A creative agency, specializing in branding, marketing, design, media, technology, and digital user experience	ByteCubed, LLC / Enlightenment Capital	NA	NA	NA	NA
Closed 14-Aug	Hirshorn Zuckerman Design Group	Operates a branding, content and design agency	WPP, Inc	NA	NA	NA	NA
Closed 2-Aug	Beekeeper Marketing, Inc.	An online marketing management agency	Advantage Solutions, Inc.	NA	NA	NA	NA
Closed 17-Jul	Giant Creative/Strategy, LLC	Operates as a healthcare advertising agency	Huntsworth plc	\$72	\$80	2.50x	11.4x
Closed 16-Jul	Stone Temple Consulting Corporation	A digital marketing agency, providing marketing strategy, market research, and reporting & analytics services	Perficient, Inc.	NA	NA	NA	NA
Closed 3-Jul	Screenvision Cinema Network, LLC	Offers cinema advertising, on-screen advertising, in-lobby promotions and integrated marketing programs	ABRY Partners, LLC	NA	NA	NA	NA

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.

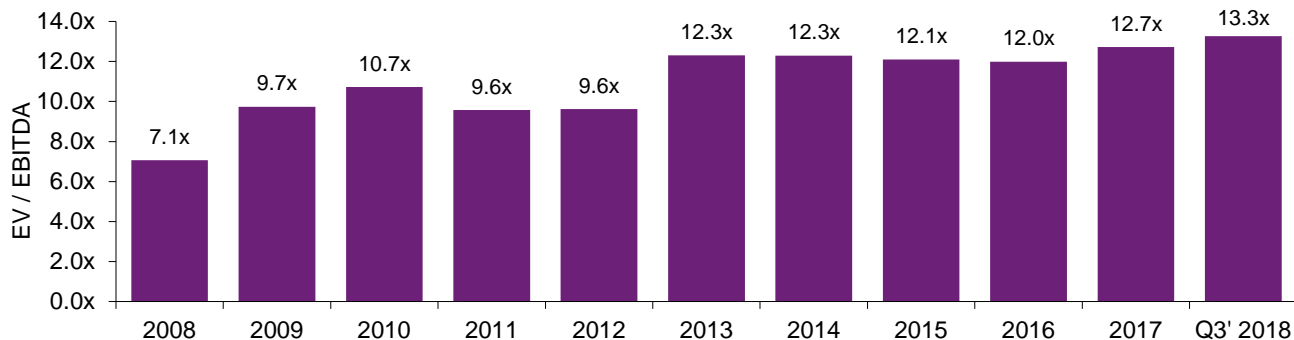
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# Media & Marketing Services (cont.)

## M&A Activity: Q3'16 – Q3'18



## Historical Public Valuation Multiples: 2008 – Q3' 2018



## Performance Summary by Sub-sector

	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>Advertising Agencies</b>											
WPP plc	18,301.1	14.67	12.6%	24,885.1	19,934.7	3,035.7	15.2%	(4.1%)	1.25x	8.2x	
Omnicom Group Inc.	15,261.8	68.02	15.0%	19,024.4	15,385.2	2,351.5	15.3%	0.3%	1.24x	8.1x	
Publicis Groupe S.A.	13,794.7	59.81	17.7%	17,383.6	10,843.5	1,996.3	18.4%	(8.6%)	1.60x	8.7x	
Dentsu Inc.	13,090.8	46.44	84.7%	15,300.9	8,760.5	1,608.9	18.4%	8.7%	1.75x	9.5x	
The Interpublic Group of Companies, Inc.	8,777.2	22.87	59.3%	10,520.1	8,094.7	1,166.0	14.4%	5.4%	1.30x	9.0x	
Hakuhodo DY Holdings Inc	6,551.4	17.56	96.6%	5,475.2	12,249.5	660.1	5.4%	6.7%	0.45x	8.3x	
Ströer SE & Co. KGaA	3,190.5	57.02	7.1%	5,270.6	1,721.1	317.4	18.4%	14.9%	3.06x	16.6x	
Cheil Worldwide Inc.	1,975.3	19.50	85.1%	1,570.6	3,234.2	182.0	5.6%	10.5%	0.49x	8.6x	
Innocean Worldwide Inc.	1,052.2	52.61	26.3%	408.4	1,069.4	99.1	9.3%	7.6%	NM	4.1x	
MDC Partners Inc.	238.4	4.15	4.1%	1,437.0	1,485.3	161.9	10.9%	(1.1%)	0.97x	8.9x	
<b>Mean</b>			<b>40.9%</b>				<b>13.1%</b>	<b>4.0%</b>	<b>1.34x</b>	<b>9.0x</b>	
<b>Median</b>			<b>22.0%</b>				<b>14.8%</b>	<b>6.1%</b>	<b>1.25x</b>	<b>8.7x</b>	

### Notes:

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  - 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.
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- 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)										
					LTM					
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>	Revenue	EBITDA <sup>(4)</sup>	EBITDA Margin	Revenue Growth	EV / Revenue	EV / EBITDA
Fidelity National Information Services, Inc.	35,864.5	109.07	91.8%	44,178.5	8,889.0	2,558.0	28.8%	(1.8%)	4.97x	17.3x
Moody's Corporation	32,085.7	167.20	58.4%	36,225.7	4,530.2	2,136.3	47.2%	13.8%	NM	17.0x
MSCI Inc.	15,759.8	177.41	90.1%	16,966.0	1,371.2	726.2	53.0%	11.3%	NM	23.4x
CoStar Group, Inc.	15,314.8	420.84	85.7%	14,348.5	1,072.3	286.5	26.7%	15.4%	NM	NM
Gartner, Inc.	14,394.7	158.50	94.5%	16,683.7	3,760.6	507.1	13.5%	25.3%	4.44x	NM
FactSet Research Systems Inc.	8,581.2	223.71	78.0%	8,918.1	1,350.1	423.5	31.4%	10.6%	NM	21.1x
Morningstar, Inc.	5,367.9	125.90	70.1%	5,141.0	968.9	264.7	27.3%	10.0%	NM	19.4x
The Dun & Bradstreet Corporation	5,290.8	142.51	93.7%	6,444.1	1,813.1	531.9	29.3%	4.6%	3.55x	12.1x
CoreLogic, Inc.	3,999.4	49.41	53.7%	5,721.6	1,870.6	409.6	21.9%	(0.1%)	3.06x	14.0x
Ipsos SA	1,333.8	30.63	8.5%	1,894.2	2,021.5	232.2	11.5%	(4.0%)	0.94x	8.2x
Forrester Research, Inc.	829.6	45.90	68.6%	686.5	344.8	31.6	9.2%	4.3%	1.99x	21.7x
<b>Mean</b>			<b>72.1%</b>				<b>27.2%</b>	<b>8.1%</b>	<b>3.16x</b>	<b>17.1x</b>
<b>Median</b>			<b>78.0%</b>				<b>27.3%</b>	<b>10.0%</b>	<b>3.31x</b>	<b>17.3x</b>
LTM										
Data & Information Services - Diversified	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
Thomson Reuters Corporation	31,917.0	45.60	85.0%	39,476.1	11,412.0	2,487.0	21.8%	38.1%	3.46x	15.9x
Experian plc	23,201.1	25.71	95.3%	26,437.4	4,662.0	1,432.0	30.7%	5.0%	NM	18.5x
IHS Markit Ltd.	21,269.2	53.96	85.1%	27,182.4	3,886.1	1,279.3	32.9%	10.1%	NM	21.2x
Verisk Analytics, Inc.	19,855.6	120.55	94.4%	22,500.9	2,301.9	1,045.4	45.4%	10.6%	NM	21.5x
Wolters Kluwer N.V.	17,025.6	62.37	88.4%	19,315.6	4,984.2	1,402.4	28.1%	(4.5%)	3.88x	13.8x
Equifax Inc.	15,722.2	130.57	75.7%	18,084.3	3,415.8	982.8	28.8%	2.7%	NM	18.4x
Alliance Data Systems Corporation	12,975.5	236.16	51.1%	33,649.3	3,358.1	1,772.5	52.8%	(0.3%)	NM	19.0x
Informa plc	12,439.6	9.94	49.4%	16,040.2	2,374.3	749.2	31.6%	5.1%	NM	21.4x
Fair Isaac Corporation	6,660.9	228.55	87.5%	7,299.7	1,005.9	224.9	22.4%	7.9%	NM	NM
Teradata Corporation	4,491.3	37.71	47.5%	4,106.3	2,202.0	147.0	6.7%	2.1%	1.86x	NM
<b>Mean</b>			<b>75.9%</b>				<b>30.1%</b>	<b>7.7%</b>	<b>3.07x</b>	<b>18.7x</b>
<b>Median</b>			<b>85.0%</b>				<b>29.7%</b>	<b>5.1%</b>	<b>3.46x</b>	<b>18.7x</b>
LTM										
Diversified Media	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
The Walt Disney Company	173,918.1	116.94	95.5%	198,385.1	57,906.0	17,423.0	30.1%	5.0%	3.43x	11.4x
Comcast Corporation	162,246.3	35.41	36.7%	223,492.3	87,179.0	28,388.0	32.6%	3.9%	2.56x	7.9x
Twenty-First Century Fox, Inc.	85,422.5	46.33	84.9%	99,321.5	30,400.0	6,905.0	22.7%	4.8%	3.27x	14.4x
Discovery, Inc.	21,823.4	32.00	96.1%	41,823.4	8,155.0	2,945.0	36.1%	27.8%	NM	14.2x
CBS Corporation	21,625.6	57.45	70.5%	31,223.6	14,319.0	3,112.0	21.7%	7.8%	2.18x	10.0x
Viacom, Inc.	13,738.6	33.76	86.7%	23,207.6	12,777.0	2,918.0	22.8%	(3.7%)	1.82x	8.0x
News Corporation	7,795.8	13.19	18.9%	8,919.8	8,342.0	862.0	10.3%	8.7%	1.07x	10.3x
Axel Springer SE	7,220.6	66.92	19.8%	9,404.8	4,257.8	732.2	17.2%	11.3%	2.21x	12.8x
The New York Times Company	3,817.2	23.15	62.6%	3,538.9	1,578.3	252.9	16.0%	3.4%	2.24x	14.0x
Sinclair Broadcast Group, Inc.	2,899.7	28.35	21.5%	5,757.5	2,760.1	756.8	27.4%	3.4%	2.09x	7.6x
TEGNA Inc.	2,574.6	11.96	35.0%	5,681.5	1,980.8	637.3	32.2%	1.1%	2.87x	8.9x
Meredith Corporation	2,283.1	51.05	15.0%	5,503.7	1,605.9	418.3	26.0%	29.5%	3.43x	13.2x
Gannett Co., Inc.	1,131.1	10.01	40.2%	1,258.2	2,819.7	297.6	10.6%	(4.4%)	0.45x	4.2x
<b>Mean</b>			<b>52.6%</b>				<b>23.5%</b>	<b>7.6%</b>	<b>2.30x</b>	<b>10.5x</b>
<b>Median</b>			<b>40.2%</b>				<b>22.8%</b>	<b>4.8%</b>	<b>2.23x</b>	<b>10.3x</b>
<b>Total Mean</b>			<b>60.1%</b>				<b>23.6%</b>	<b>6.9%</b>	<b>2.26x</b>	<b>13.3x</b>
<b>Total Median</b>			<b>69.3%</b>				<b>22.5%</b>	<b>5.1%</b>	<b>2.13x</b>	<b>13.0x</b>

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# Transportation & Logistics

## Sector Update | Q3 2018



# Transportation & Logistics M&A Update



Q3'18  
\$14.9bn

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Q2'18  
\$53.7bn

In Q3'18, aggregate **Global** T&L sector deal value decreased to \$14.9bn<sup>(1)</sup> from \$53.7.2bn<sup>(2)</sup> in Q2'18, while deal volume was up 11.3%

Q3'18  
21.4%



Q2'18  
15.9%

The **U.S.** accounted for 21.4% of global T&L M&A activity in Q3'18, up from 15.9% in Q2'18



Reported **U.S.** T&L sector deal value increased to \$1.2bn in Q3'18, up from \$127.6m in Q2'18

## Notable Recent U.S. Sector Transactions

(\$MM)

Announced / Closed	Target	Business Description	Acquirer	TV	EV	LTM	
						EV / Revenue	EV / EBITDA
Announced 25-Sep	Smith Transportation Services, Inc.	An asset-light transportation services provider	Post Capital Partners, LLC	NA	NA	NA	NA
Announced 13-Sep	AFN Logistics	Provides freight brokerage, third-party logistics (3PL), and transportation management services	GlobalTranz Enterprises, Inc. / The Jordan Company	NA	NA	NA	NA
Closed 31-Aug	Mode Transportation	An asset-light transportation services provider	York Capital Management	\$239	\$239	NA	10.0x
Closed 31-Jul	Rock-It Cargo USA LLC	Provides specialty transportation services to the music and entertainment industry	ATL Partners	NA	NA	NA	NA
Closed 16-Jul	Berry Aviation, Inc.	Provides private aviation, aerial transportation and, maintenance services	Acorn Growth Companies	NA	NA	NA	NA
Closed 10-Jul	MNX Global Logistics	Provides specialized and expedited transportation and logistics services	Audax Group, Inc.	NA	NA	NA	NA
Closed 3-Jul	Landair Holdings, Inc.	A dedicated truckload carrier, the Company also provides 3PL transportation, warehousing and logistics inventory management services	Covenant Transportation Group, Inc.	\$99	\$99	0.81x	NA
Closed 1-Jul	Unlimited Freight, LLC	A leading multi-modal 3PL transportation service provider	Berkshire Hathaway, Inc.	NA	NA	NA	NA

### Notes:

<sup>(1)</sup>During the third quarter, COSCO Shipping's announced acquisition of Orient Overseas for \$10.4bn comprised 69.8% of global aggregate deal value for the Transportation and Logistics sector. Excluding the transaction, Q3'18 global aggregate deal value for the sector was \$4.5bn.

<sup>(2)</sup>During the second quarter, HOCHTIEF's announced acquisition of Abertis Infraestructuras for \$36.8bn comprised 68.5% of global aggregate deal value for the Transportation and Logistics sector. Excluding the transaction, Q2'18 global aggregate deal value for the sector was \$16.9bn.

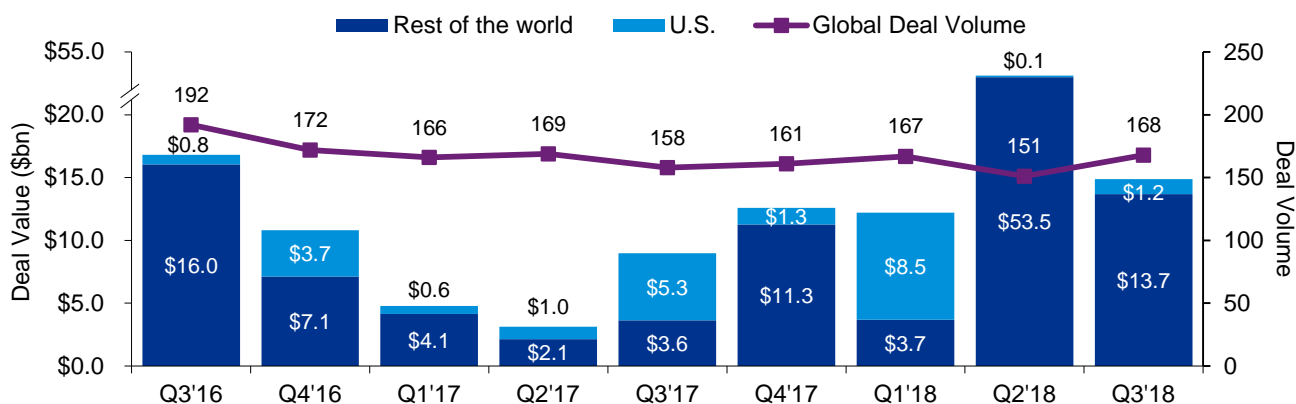
Source: S&P Capital IQ. Transportation & Logistics is defined by an internally originated list of subsectors viewed as best representing the industry. Deal values represents aggregate deal value for disclosed transactions only.

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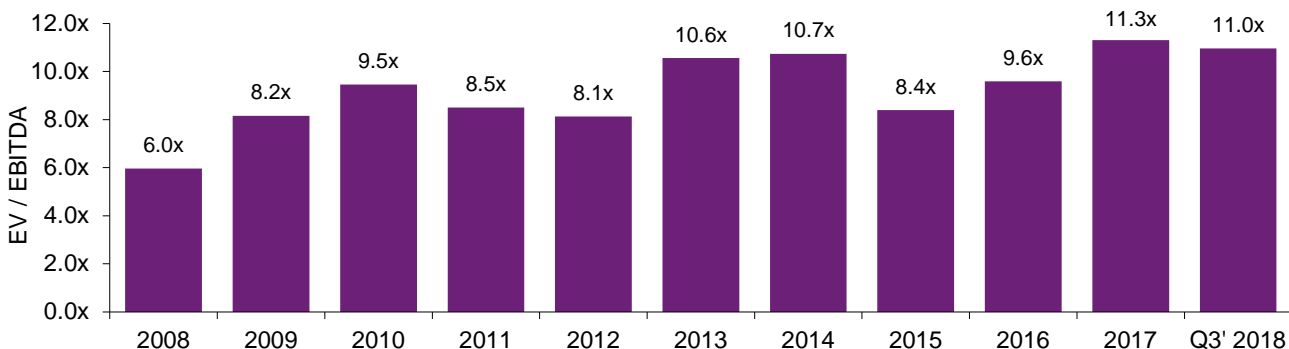
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# Transportation & Logistics (cont.)

## M&A Activity: Q2'16 – Q2'18



## Historical Public Valuation Multiples: 2008 – Q2' 2018



## Performance Summary by Sub-sector

	(SMM)									
	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>Trucking</b>										
Old Dominion Freight Line, Inc.	13,222.7	161.26	86.0%	13,127.2	3,722.6	891.9	24.0%	15.9%	3.53x	14.7x
Knight-Swift Transportation Holdings Inc.	6,141.2	34.48	23.9%	6,886.6	3,981.8	738.5	18.5%	224.7%	1.73x	9.3x
Werner Enterprises, Inc.	2,532.4	35.35	20.0%	2,617.4	2,277.8	384.5	16.9%	10.1%	1.15x	6.8x
Saia, Inc.	1,946.0	76.45	66.8%	2,099.8	1,512.6	209.5	13.9%	13.1%	1.39x	10.0x
Heartland Express, Inc.	1,616.4	19.73	30.0%	1,510.0	660.3	144.5	21.9%	13.5%	2.29x	10.5x
ArcBest Corporation	1,247.0	48.55	86.8%	1,269.3	2,948.4	199.7	6.8%	5.1%	0.43x	6.4x
Marten Transport, Ltd.	1,150.6	21.05	29.3%	1,128.6	737.4	139.7	18.9%	7.2%	1.53x	8.1x
Covenant Transportation Group, Inc.	533.1	29.06	41.1%	679.4	662.2	116.4	17.6%	7.0%	1.03x	5.8x
P.A.M. Transportation Services, Inc.	394.1	65.09	89.5%	573.0	398.8	65.7	16.5%	6.5%	1.44x	8.7x
YRC Worldwide Inc.	305.8	8.98	9.5%	1,040.3	5,000.8	250.7	5.0%	3.5%	NM	4.1x
USA Truck, Inc.	163.3	20.23	47.6%	253.5	497.9	41.7	8.4%	16.8%	0.51x	6.1x
<b>Mean</b>			<b>48.2%</b>				<b>15.3%</b>	<b>29.4%</b>	<b>1.50x</b>	<b>8.2x</b>
<b>Median</b>			<b>41.1%</b>				<b>16.9%</b>	<b>10.1%</b>	<b>1.41x</b>	<b>8.1x</b>

### Notes:

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- 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)

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.	100,445.2	116.75	44.9%	118,304.2	69,004.0	9,735.0	14.1%	7.2%	1.71x	12.2x
FedEx Corporation	63,452.0	240.79	44.0%	78,027.0	67,205.0	8,512.0	12.7%	10.3%	1.16x	9.2x
Deutsche Post AG	43,902.6	35.68	24.6%	60,054.5	70,613.7	5,391.4	7.6%	0.0%	0.85x	11.1x
Kuehne + Nagel International AG	19,064.2	159.31	32.4%	18,964.8	19,974.2	1,203.8	6.0%	8.7%	0.95x	15.8x
DSV A/S	16,469.7	90.99	83.2%	17,323.3	11,841.4	878.9	7.4%	1.4%	1.46x	19.7x
C.H. Robinson Worldwide, Inc.	13,566.3	97.92	87.8%	14,662.8	15,945.6	906.9	5.7%	11.3%	0.92x	16.2x
J.B. Hunt Transport Services, Inc.	13,005.4	118.94	59.4%	13,995.2	7,010.4	1,108.8	15.8%	12.5%	2.00x	12.6x
Expeditors International of Washington, Inc.	12,818.9	73.53	78.7%	11,800.8	7,515.4	811.1	10.8%	12.8%	1.57x	14.5x
Landstar System, Inc.	5,013.3	122.00	80.2%	4,976.9	4,176.8	330.6	7.9%	21.4%	1.19x	15.1x
Agility Public Warehousing Company K.S.C.P.	4,009.6	2.77	76.1%	4,587.3	4,945.3	432.1	8.7%	11.8%	0.93x	10.6x
Ryder System, Inc.	3,879.6	73.07	30.2%	9,784.0	7,797.4	1,822.1	23.4%	9.8%	1.25x	5.4x
Panalpina Welttransport (Holding) AG	3,478.3	146.50	53.1%	3,631.9	5,855.1	142.5	2.4%	5.1%	0.62x	NM
TFI International Inc.	3,190.3	36.27	89.6%	4,398.2	3,240.0	438.1	13.5%	(6.3%)	1.36x	10.0x
Forward Air Corporation	2,104.3	71.70	99.8%	2,125.0	1,187.8	152.7	12.9%	8.9%	1.79x	13.9x
World Fuel Services Corporation	1,880.7	27.68	46.8%	2,473.7	36,747.3	290.9	0.8%	12.7%	NM	8.5x
Atlas Air Worldwide Holdings, Inc.	1,630.4	63.75	53.2%	3,897.6	2,419.9	492.2	20.3%	17.6%	1.61x	7.9x
Hub Group, Inc.	1,567.8	45.60	41.2%	1,816.2	4,493.6	191.1	4.3%	16.7%	0.40x	9.5x
Fortress Transportation and Infrastructure Investors LLC	1,505.1	18.18	58.3%	2,389.0	262.6	132.1	50.3%	32.2%	NM	18.1x
Air Transport Services Group, Inc.	1,268.5	21.47	27.0%	1,757.5	983.7	276.6	28.1%	1.7%	1.79x	6.4x
Echo Global Logistics, Inc.	883.6	30.95	68.7%	1,053.7	2,269.2	65.5	2.9%	25.9%	0.46x	16.1x
<b>Mean</b>			<b>59.0%</b>				<b>12.8%</b>	<b>11.1%</b>	<b>1.22x</b>	<b>12.2x</b>
<b>Median</b>			<b>55.7%</b>				<b>9.8%</b>	<b>10.8%</b>	<b>1.22x</b>	<b>12.2x</b>

Rail and 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	120,411.9	162.83	95.1%	141,530.9	20,576.0	10,548.0	51.3%	5.1%	NM	13.4x
Canadian National Railway Company	65,693.9	89.66	91.3%	74,574.9	10,135.3	5,129.6	50.6%	(2.4%)	NM	14.5x
CSX Corporation	63,594.9	74.05	92.2%	75,993.9	11,584.0	5,541.0	47.8%	0.0%	NM	13.7x
Norfolk Southern Corporation	50,545.4	180.50	89.5%	60,041.4	10,954.0	4,898.0	44.7%	5.6%	NM	12.3x
Canadian Pacific Railway Limited	30,139.9	211.37	92.5%	36,662.9	4,978.3	2,517.3	50.6%	(1.3%)	NM	14.6x
Kansas City Southern	11,572.6	113.28	66.2%	14,529.3	2,638.0	1,268.9	48.1%	4.6%	NM	11.5x
Westinghouse Air Brake Technologies Corporation	10,125.6	104.88	77.0%	11,782.3	4,201.3	563.9	13.4%	17.8%	2.80x	20.9x
Genesee & Wyoming Inc.	5,468.8	90.99	93.6%	8,001.4	2,318.2	707.4	30.5%	7.7%	3.45x	11.3x
Trinity Industries, Inc.	5,412.3	36.64	71.0%	8,349.4	3,653.6	742.2	20.3%	(5.4%)	2.29x	11.2x
The Greenbrier Companies, Inc.	1,934.7	60.10	95.5%	1,961.7	2,318.3	280.5	12.1%	13.8%	0.85x	7.0x
American Railcar Industries, Inc.	879.8	46.10	87.2%	1,309.0	515.9	138.1	26.8%	0.8%	2.54x	9.5x
FreightCar America, Inc.	200.3	16.07	44.6%	118.8	301.0	(27.5)	(9.1%)	(35.4%)	NM	NM
<b>Mean</b>			<b>83.0%</b>				<b>32.3%</b>	<b>0.9%</b>	<b>2.38x</b>	<b>12.7x</b>
<b>Median</b>			<b>90.4%</b>				<b>37.6%</b>	<b>2.7%</b>	<b>2.54x</b>	<b>12.3x</b>

### Notes:

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- 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.	100,445.2	116.75	44.9%	118,304.2	69,004.0	9,735.0	14.1%	7.2%	1.71x	12.2x
FedEx Corporation	63,452.0	240.79	44.0%	78,027.0	67,205.0	8,512.0	12.7%	10.3%	1.16x	9.2x
Deutsche Post AG	43,902.6	35.68	24.6%	60,054.5	70,613.7	5,391.4	7.6%	0.0%	0.85x	11.1x
Kuehne + Nagel International AG	19,064.2	159.31	32.4%	18,964.8	19,974.2	1,203.8	6.0%	8.7%	0.95x	15.8x
DSV A/S	16,469.7	90.99	83.2%	17,323.3	11,841.4	878.9	7.4%	1.4%	1.46x	19.7x
C.H. Robinson Worldwide, Inc.	13,566.3	97.92	87.8%	14,662.8	15,945.6	906.9	5.7%	11.3%	0.92x	16.2x
J.B. Hunt Transport Services, Inc.	13,005.4	118.94	59.4%	13,995.2	7,010.4	1,108.8	15.8%	12.5%	2.00x	12.6x
Expeditors International of Washington, Inc.	12,818.9	73.53	78.7%	11,800.8	7,515.4	811.1	10.8%	12.8%	1.57x	14.5x
Landstar System, Inc.	5,013.3	122.00	80.2%	4,976.9	4,176.8	330.6	7.9%	21.4%	1.19x	15.1x
Agility Public Warehousing Company K.S.C.P.	4,009.6	2.77	76.1%	4,587.3	4,945.3	432.1	8.7%	11.8%	0.93x	10.6x
Ryder System, Inc.	3,879.6	73.07	30.2%	9,784.0	7,797.4	1,822.1	23.4%	9.8%	1.25x	5.4x
Panalpina Welttransport (Holding) AG	3,478.3	146.50	53.1%	3,631.9	5,855.1	142.5	2.4%	5.1%	0.62x	NM
TFI International Inc.	3,190.3	36.27	89.6%	4,398.2	3,240.0	438.1	13.5%	(6.3%)	1.36x	10.0x
Forward Air Corporation	2,104.3	71.70	99.8%	2,125.0	1,187.8	152.7	12.9%	8.9%	1.79x	13.9x
World Fuel Services Corporation	1,880.7	27.68	46.8%	2,473.7	36,747.3	290.9	0.8%	12.7%	NM	8.5x
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Hub Group, Inc.	1,567.8	45.60	41.2%	1,816.2	4,493.6	191.1	4.3%	16.7%	0.40x	9.5x
Fortress Transportation and Infrastructure Investors LLC	1,505.1	18.18	58.3%	2,389.0	262.6	132.1	50.3%	32.2%	NM	18.1x
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Echo Global Logistics, Inc.	883.6	30.95	68.7%	1,053.7	2,269.2	65.5	2.9%	25.9%	0.46x	16.1x
<b>Mean</b>			<b>59.0%</b>				<b>12.8%</b>	<b>11.1%</b>	<b>1.22x</b>	<b>12.2x</b>
<b>Median</b>			<b>55.7%</b>				<b>9.8%</b>	<b>10.8%</b>	<b>1.22x</b>	<b>12.2x</b>

Rail and Rail Services	Market Cap <sup>(1), (2)</sup>	Share Price <sup>(2)</sup>	Relative 52-Wk	EV <sup>(3)</sup>	LTM					
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Union Pacific Corporation	120,411.9	162.83	95.1%	141,530.9	20,576.0	10,548.0	51.3%	5.1%	NM	13.4x
Canadian National Railway Company	65,693.9	89.66	91.3%	74,574.9	10,135.3	5,129.6	50.6%	(2.4%)	NM	14.5x
CSX Corporation	63,594.9	74.05	92.2%	75,993.9	11,584.0	5,541.0	47.8%	0.0%	NM	13.7x
Norfolk Southern Corporation	50,545.4	180.50	89.5%	60,041.4	10,954.0	4,898.0	44.7%	5.6%	NM	12.3x
Canadian Pacific Railway Limited	30,139.9	211.37	92.5%	36,662.9	4,978.3	2,517.3	50.6%	(1.3%)	NM	14.6x
Kansas City Southern	11,572.6	113.28	66.2%	14,529.3	2,638.0	1,268.9	48.1%	4.6%	NM	11.5x
Westinghouse Air Brake Technologies Corporation	10,125.6	104.88	77.0%	11,782.3	4,201.3	563.9	13.4%	17.8%	2.80x	20.9x
Genesee & Wyoming Inc.	5,468.8	90.99	93.6%	8,001.4	2,318.2	707.4	30.5%	7.7%	3.45x	11.3x
Trinity Industries, Inc.	5,412.3	36.64	71.0%	8,349.4	3,653.6	742.2	20.3%	(5.4%)	2.29x	11.2x
The Greenbrier Companies, Inc.	1,934.7	60.10	95.5%	1,961.7	2,318.3	280.5	12.1%	13.8%	0.85x	7.0x
American Railcar Industries, Inc.	879.8	46.10	87.2%	1,309.0	515.9	138.1	26.8%	0.8%	2.54x	9.5x
FreightCar America, Inc.	200.3	16.07	44.6%	118.8	301.0	(27.5)	(9.1%)	(35.4%)	NM	NM
<b>Mean</b>			<b>83.0%</b>				<b>32.3%</b>	<b>0.9%</b>	<b>2.38x</b>	<b>12.7x</b>
<b>Median</b>			<b>90.4%</b>				<b>37.6%</b>	<b>2.7%</b>	<b>2.54x</b>	<b>12.3x</b>

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# 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	28,173.2	1,405.39	30.7%	37,692.1	34,914.0	3,366.0	9.6%	17.9%	1.08x	11.2x
Kirby Corporation	4,924.6	82.25	63.4%	6,366.2	2,793.7	441.2	15.8%	43.9%	2.28x	14.4x
Wallenius Wilhelmsen ASA	1,814.8	4.29	10.4%	5,242.4	4,004.0	641.0	16.0%	94.7%	1.31x	8.2x
Matson, Inc.	1,692.5	39.64	95.1%	2,612.2	2,128.5	223.0	10.5%	3.8%	1.23x	11.7x
SEACOR Holdings Inc.	900.4	49.41	47.9%	1,213.6	714.7	130.6	18.3%	30.1%	1.70x	9.3x
Costamare Inc.	722.2	6.49	35.4%	1,669.3	385.2	228.5	59.3%	(8.7%)	4.33x	7.3x
Diana Shipping Inc.	444.7	4.12	50.2%	934.2	194.7	76.8	39.5%	38.1%	4.80x	12.2x
<b>Mean</b>			<b>47.6%</b>				<b>24.1%</b>	<b>31.4%</b>	<b>2.39x</b>	<b>10.6x</b>
<b>Median</b>			<b>47.9%</b>				<b>16.0%</b>	<b>30.1%</b>	<b>1.70x</b>	<b>11.2x</b>
<b>Total Mean</b>			<b>60.8%</b>				<b>19.6%</b>	<b>15.5%</b>	<b>1.64x</b>	<b>11.2x</b>
<b>Total Median</b>			<b>61.4%</b>				<b>15.8%</b>	<b>9.3%</b>	<b>1.41x</b>	<b>11.2x</b>

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





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