



KPMG Corporate Finance LLC

Business Services  
M&A Quarterly

**Q4 2018**

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

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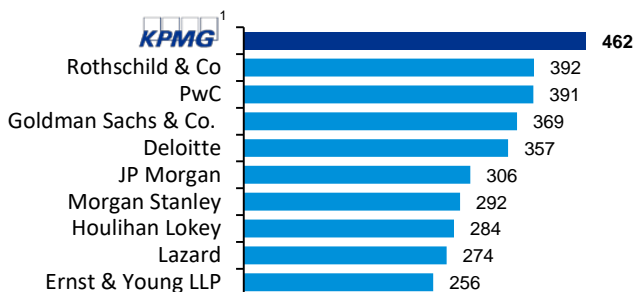


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### M&A League Table – FY 2018

**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
- Logistics Providers
- Rail & Rail Services
- Marine

## 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 SmartLink in connection with securing a new credit facility*

KPMG Corporate Finance LLC (“KPMG CF”) is pleased to announce that it served as the exclusive financial advisor to Smartlink, LLC (“Smartlink” or the “Company”) in connection with securing a new credit facility. Headquartered in Annapolis, Maryland, Smartlink is a leading national services and staffing company, delivering end-to-end services and solutions to U.S. wireless network providers, supporting new and existing communications infrastructure. The Company provides national coverage along with local expertise in offering site development (new site builds and site modifications), as well as contingent staffing services. The new credit facility will be used to refinance existing senior and junior debt, to fund a shareholder dividend and to support working capital.





# Consulting & Professional Services

## Sector Update | Q4 2018



# Consulting & Professional Services M&A Update



Q4'18  
\$28.9bn

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

In Q4'18, aggregate **Global** deal value for the sector fell 11.7% to \$28.9bn, from \$32.7bn in Q3'18, while global deal volume rose 5.8%



**U.S.** aggregate sector deal value increased to \$26.8bn during the quarter, up from \$4.1bn in Q3'18, while deal volume decreased 1.3%



**40.6%**  
U.S. share of global M&A activity in Q4'18

U.S. M&A volume accounted for 40.6% of global M&A activity in Q4'18, down slightly from 43.5% in Q3'18

## Notable Recent U.S. Sector Transactions

(\$MM)

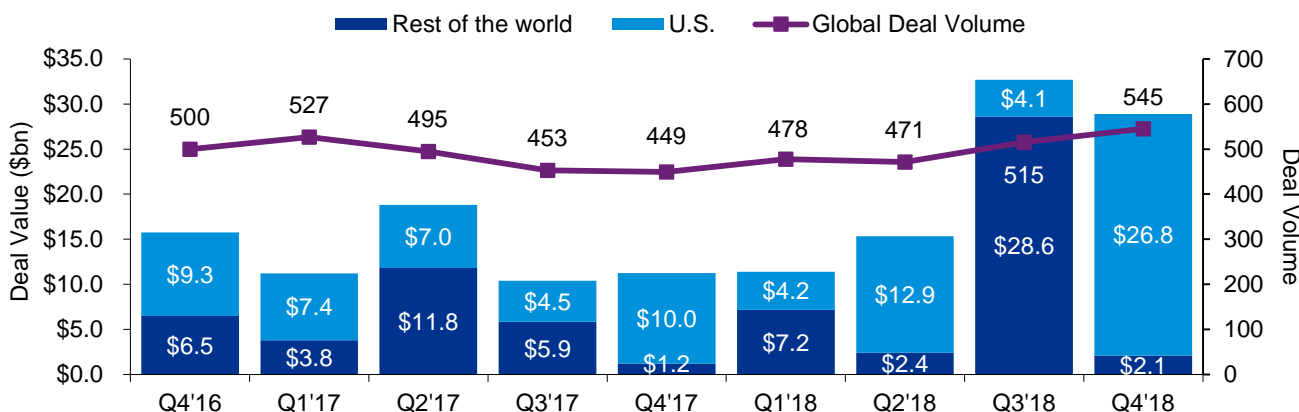
Announced / Closed	Target	Target Business Description	Acquirer	TV	EV	LTM	
						EV / Revenue	EV / EBITDA
Closed 3-Jan	SiriusDecisions	Provides research-based advisory, consulting and learning solutions globally	Forrester Research	\$245	\$245	2.82x	30.6x
Closed 20-Dec	Oasis Outsourcing Holdings	A professional employer organization (PEO), providing workforce solutions in the U.S.	Paychex North America	\$1,200	\$1,000	NA	NA
Closed 17-Dec	Stern Investor Relations	Provides investor relations services to biotechnology and healthcare companies	Precision Medicine Group	NA	NA	NA	NA
Closed 20-Nov	Surge Resources	Provides PEO services, including payroll & tax reporting, employee benefits & administration and workplace safety	GPB Capital Holding	NA	NA	NA	NA
Closed 16-Nov	IntraLinks Holdings	A global SaaS solutions provider for secure enterprise content collaboration	SS&C Technologies Holdings	\$1,500	\$1,500	4.62x	11.4x
Closed 5-Nov	Eliassen Group	A provider of technology staffing and consulting services	Stone Point Capital	NA	NA	NA	NA
Closed 18-Oct	Paradigm Group	An employee benefit consulting and brokerage services provider	OneDigital Health & Benefits	NA	NA	NA	NA
Closed 12-Oct	Reis	Provides commercial real estate market information and analytical tools	Moody's Corporation	\$278	\$263	5.46x	37.8x

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.

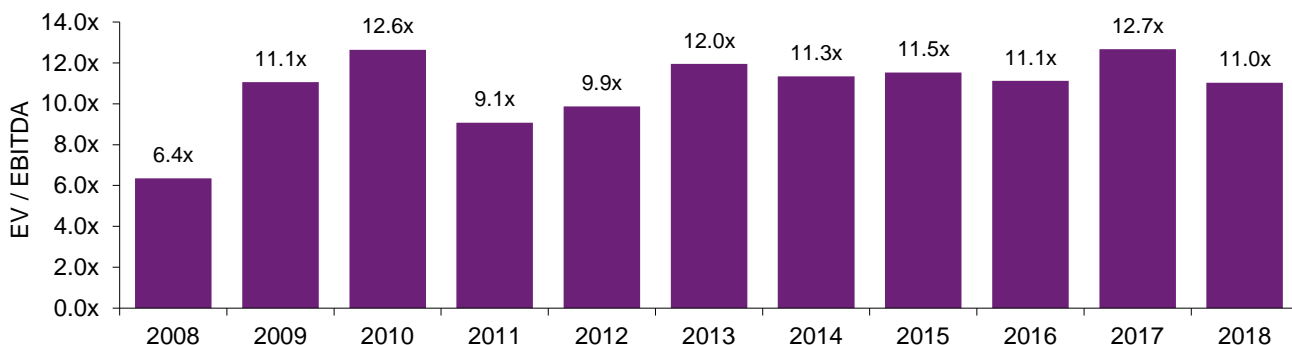
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# Consulting & Professional Services (cont.)

## M&A Activity: Q4'16 – Q4'18



## Historical Public Valuation Multiples: 2008 – 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	6,415.4	45.07	55.8%	7,856.8	6,366.9	631.7	9.9%	3.6%	1.23x	12.4x
CACI International Inc	3,579.0	144.03	16.3%	4,599.4	4,547.9	442.6	9.7%	3.4%	1.01x	10.4x
Exponent, Inc.	2,637.5	50.71	80.4%	2,435.2	352.1	88.7	25.2%	6.8%	NM	NM
FTI Consulting, Inc.	2,470.8	66.64	63.9%	2,525.1	1,990.6	262.0	13.2%	10.1%	1.27x	9.6x
Huron Consulting Group Inc.	1,109.5	51.31	77.2%	1,416.3	775.6	92.7	12.0%	5.9%	1.83x	15.3x
Navigant Consulting, Inc.	1,024.3	24.05	74.2%	750.5	957.4	123.1	12.9%	1.9%	0.78x	6.1x
The Hackett Group, Inc.	472.6	16.01	12.5%	470.9	269.8	42.1	15.6%	2.5%	1.75x	11.2x
CRA International, Inc.	344.7	42.55	17.0%	338.1	405.9	30.6	7.5%	9.7%	0.83x	11.1x
<b>Mean</b>			<b>49.7%</b>				<b>13.2%</b>	<b>5.5%</b>	<b>1.24x</b>	<b>10.9x</b>
<b>Median</b>			<b>59.9%</b>				<b>12.4%</b>	<b>4.7%</b>	<b>1.23x</b>	<b>11.1x</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.
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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.

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# 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	9,232.0	159.84	47.1%	10,701.1	4,864.1	737.4	15.2%	(3.1%)	2.20x	14.5x
NICE Ltd.	6,655.9	107.62	72.5%	6,660.6	1,425.9	353.6	24.8%	7.0%	4.67x	18.8x
Nuance Communications, Inc.	3,804.7	13.23	16.0%	5,538.5	2,051.7	362.9	17.7%	5.0%	2.70x	15.3x
Verint Systems Inc.	2,761.6	42.31	33.9%	3,149.6	1,218.2	164.6	13.5%	9.5%	2.59x	19.1x
TTEC Holdings, Inc.	1,319.7	28.57	28.8%	1,506.6	1,516.7	174.9	11.5%	2.7%	0.99x	8.6x
LivePerson, Inc.	1,196.0	18.86	48.6%	1,129.7	241.5	4.6	1.9%	10.3%	4.68x	NM
Sykes Enterprises, Incorporated	1,054.9	24.73	21.7%	979.6	1,629.7	155.3	9.5%	2.8%	0.60x	6.3x
<b>Mean</b>			<b>38.4%</b>				<b>13.4%</b>	<b>4.9%</b>	<b>2.63x</b>	<b>13.8x</b>
<b>Median</b>			<b>33.9%</b>				<b>13.5%</b>	<b>5.0%</b>	<b>2.59x</b>	<b>14.9x</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	102,061.1	27.20	60.4%	97,337.0	18,484.3	5,003.4	27.1%	(2.2%)	NM	19.5x
Accenture plc	89,886.6	141.01	19.5%	85,921.1	40,294.7	6,569.6	16.3%	11.3%	2.13x	13.1x
Infosys Limited	41,162.8	9.47	61.9%	37,506.3	11,313.0	3,002.0	26.5%	5.7%	3.32x	12.5x
Cognizant Technology Solutions Corporation	36,756.7	63.48	15.6%	32,717.7	15,824.0	3,305.0	20.9%	6.8%	2.07x	9.9x
Wipro Limited	21,365.6	4.74	84.8%	18,298.7	7,713.3	1,340.9	17.4%	(10.0%)	2.37x	13.6x
HCL Technologies Limited	19,295.7	13.86	35.5%	18,941.4	8,178.7	1,899.5	23.2%	7.4%	2.32x	10.0x
CGI Group Inc.	16,915.3	61.19	82.4%	18,153.6	8,901.7	1,493.3	16.8%	1.6%	2.04x	12.2x
Capgemini SE	16,133.8	99.38	8.1%	18,900.0	15,142.9	1,883.1	12.4%	0.7%	1.25x	10.0x
DXC Technology Company	14,893.6	53.17	6.8%	19,477.6	24,162.0	5,453.0	22.6%	28.8%	0.81x	3.6x
Tech Mahindra Limited	9,193.5	10.39	79.5%	8,131.9	4,512.6	767.5	17.0%	(4.7%)	1.80x	10.6x
Atos SE	8,739.4	81.84	9.7%	9,023.4	14,804.7	1,858.1	12.6%	(2.9%)	0.61x	4.9x
Alliance Data Systems Corporation	8,175.4	150.08	5.5%	29,202.1	3,247.5	1,785.8	55.0%	(8.5%)	NM	16.4x
Genpact Limited	5,130.5	26.99	16.2%	6,073.0	2,899.9	407.7	14.1%	6.0%	2.09x	14.9x
Teradata Corporation	4,534.2	38.36	44.5%	4,263.2	2,202.0	154.0	7.0%	2.1%	1.94x	NM
WNS (Holdings) Limited	2,060.3	41.26	16.4%	2,053.4	790.2	127.4	16.1%	10.6%	2.60x	16.1x
ExlService Holdings, Inc.	1,802.6	52.62	36.6%	1,861.4	846.1	117.2	13.9%	11.0%	2.20x	15.9x
Unisys Corporation	593.4	11.63	28.9%	759.5	2,808.9	289.0	10.3%	2.4%	NM	2.6x
<b>Mean</b>			<b>36.0%</b>				<b>19.4%</b>	<b>3.9%</b>	<b>1.97x</b>	<b>11.6x</b>
<b>Median</b>			<b>28.9%</b>				<b>16.8%</b>	<b>2.4%</b>	<b>2.08x</b>	<b>12.3x</b>

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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	93.0%	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	49.7%	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	691.5	56.1	8.1%	19.0%	0.77x	9.4x
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>6.9%</b>	<b>1.22x</b>	<b>11.5x</b>
<b>Median</b>				<b>51.7%</b>			<b>8.8%</b>	<b>6.8%</b>	<b>0.81x</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 | Q4 2018



# Engineering & Construction M&A Update

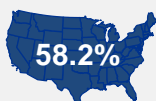


Q4'18  
\$3.6bn  
Q3'18  
\$8.2bn

**Global** aggregate deal value for the sector was down 56.2% in Q4'18<sup>(1)</sup>, while global sector deal volume increased by 21.3%



**U.S.** E&C deal value decreased to \$2.1bn in Q4'18, from \$4.9bn<sup>(1)</sup> in Q3'18, while the total number of **U.S.** transactions remained relatively flat at 73 in Q4'18



The U.S. accounted for 58.2% of global E&C M&A activity in Q4'18, up significantly from 28.5% in Q3'18

## Notable Recent U.S. Sector Transactions

Announced / Closed	Target	Target Business Description	Acquirer	TV	EV	LTM	
						EV / Revenue	EV / EBITDA
Closed 18-Dec	Berger Group Holdings	Provides infrastructure engineering, environmental science and economic development consultancy services	WSP Global	\$400	\$400	1.00x	8.9x
Closed 30-Nov	Erickson Construction	provides construction services and pre-fabricated building components in the western U.S.	Asahi Kasei Homes Corp.	\$106	\$106	NA	NA
Announced 21-Nov	The Kleinfelder Group	Provides engineering, architecture and scientific consulting solutions globally	Wind Point Partners	NA	NA	NA	NA
Closed 20-Nov	SCST	A provider of environmental services, facilities consulting and special inspection & materials testing	Atlas Technical Consultant	NA	NA	NA	NA
Closed 5-Nov	CHI Engineering Services	Provides engineering, procurement and construction management services for the energy industry	NV5 Global	\$55	\$55	1.00x	NA
Closed 2-Nov	William Charles Construction Company	Offers heavy civil construction, asphalt paving, environmental construction and remediation services	IEA Energy Services	\$90	\$90	NA	4.3x
Closed 2-Nov	MWH Global	Provides engineering, procurement, and construction management services in North America and the U.K.	Oaktree Capital Management	\$103	\$103	NA	NA
Closed 22-Oct	Dorsey Engineering	A provider of engineering consulting and design services in North America	Kennedy Associates	NA	NA	NA	NA

### Notes:

<sup>(1)</sup>The large spike in U.S. aggregate deal value during Q3'18 was attributable to Brookfield Business Partners' \$4.6bn acquisition of Westinghouse Electric, which comprised 94.8% of U.S. aggregate deal value for the Engineering & Construction sector.

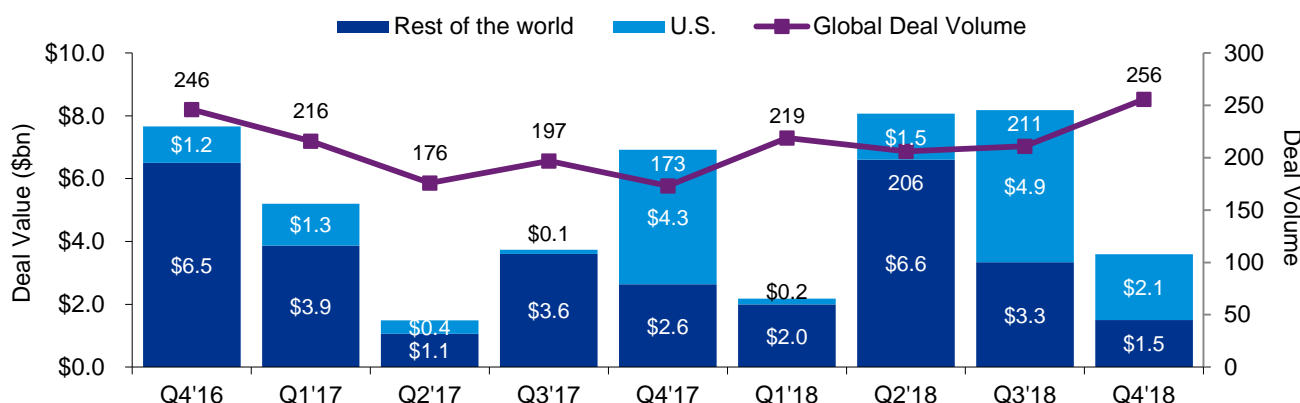
Source: S&P Capital IQ. Engineering & Construction is defined by an internally originated list of subsectors viewed as best representing the industry. Deal values represents aggregate deal value for disclosed transactions only.

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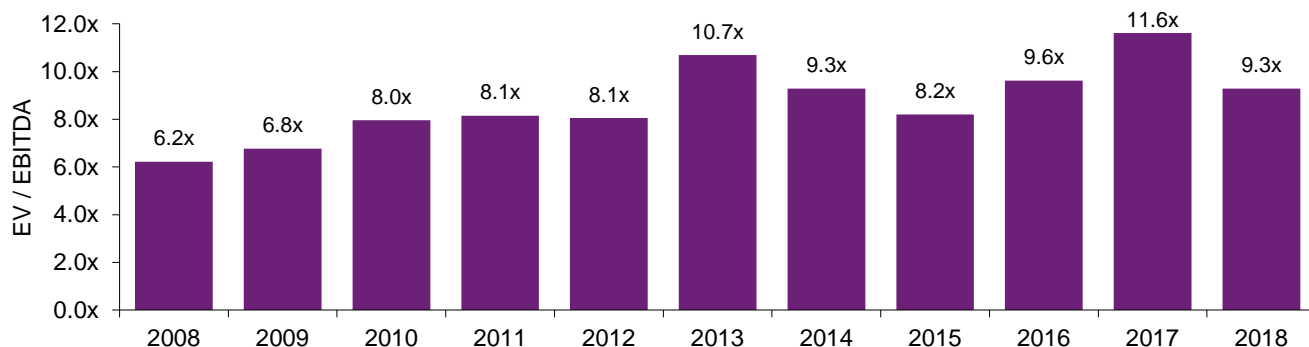
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# Engineering & Construction (cont.)

## M&A Activity: Q4'16 – Q4'18



## Historical Public Valuation Multiples: 2008 – 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>											
HOCHTIEF AG	9,360.8	132.59	7.9%	12,616.9	27,302.4	1,360.0	5.0%	0.5%	0.46x	9.3x	
Jacobs Engineering Group Inc.	8,320.9	58.46	12.2%	9,769.4	14,984.6	876.0	5.8%	46.6%	0.65x	11.2x	
SNC-Lavalin Group Inc.	5,907.8	33.65	12.3%	7,875.0	7,892.0	783.1	9.9%	8.8%	1.00x	10.1x	
Fluor Corporation	4,529.5	32.20	7.5%	4,487.9	19,392.9	757.3	3.9%	(0.7%)	NM	5.9x	
Quanta Services, Inc.	4,410.2	30.10	18.0%	5,273.7	10,537.8	747.3	7.1%	11.3%	0.50x	7.1x	
AECOM	4,143.3	26.50	11.1%	7,069.0	20,155.5	764.3	3.8%	7.5%	NM	9.2x	
Stantec Inc.	2,492.2	21.92	11.3%	3,051.5	2,700.8	251.6	9.3%	(0.9%)	1.13x	12.1x	
Balfour Beatty plc	2,160.7	3.18	21.3%	2,346.8	8,698.2	130.6	1.5%	(6.9%)	NM	18.0x	
KBR, Inc.	2,138.5	15.18	15.4%	2,750.5	4,520.0	302.0	6.7%	8.4%	0.61x	9.1x	
Arcadis NV	1,070.1	12.21	6.7%	1,618.0	3,682.7	238.2	6.5%	(4.7%)	0.44x	6.8x	
<b>Mean</b>			<b>12.4%</b>				<b>6.0%</b>	<b>7.0%</b>	<b>0.68x</b>	<b>9.9x</b>	
<b>Median</b>			<b>11.7%</b>				<b>6.2%</b>	<b>4.0%</b>	<b>0.61x</b>	<b>9.3x</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	20,610.3	65.04	69.1%	34,948.4	8,308.7	2,604.4	31.3%	7.2%	4.21x	13.4x
John Wood Group PLC	4,338.8	6.45	7.9%	5,881.9	8,366.6	416.7	5.0%	55.1%	0.70x	14.1x
Tetra Tech, Inc.	2,865.8	51.77	25.5%	2,995.8	2,200.7	234.5	10.7%	5.3%	1.36x	12.8x
Clean Harbors, Inc.	2,763.9	49.35	16.6%	4,134.7	3,189.5	467.3	14.7%	8.3%	1.30x	8.8x
Dycom Industries, Inc.	1,691.3	54.04	8.2%	2,522.8	2,879.0	236.1	8.2%	(4.8%)	0.88x	10.7x
McDermott International, Inc.	1,181.0	6.54	2.1%	4,157.0	5,349.8	681.9	12.7%	79.2%	0.78x	6.1x
Primoris Services Corporation	979.6	19.13	10.5%	1,294.6	2,640.8	186.2	7.0%	11.0%	0.49x	7.0x
Aegion Corporation	527.4	16.32	10.3%	773.5	1,337.1	103.5	7.7%	(1.6%)	0.58x	7.5x
MYR Group Inc.	466.6	28.17	13.2%	559.8	1,458.3	86.4	5.9%	3.9%	NM	6.5x
North American Construction Group Ltd.	222.4	8.90	55.4%	335.0	279.4	61.3	21.9%	19.7%	1.20x	5.5x
Orion Group Holdings, Inc.	124.3	4.29	4.3%	219.4	583.9	35.2	6.0%	0.9%	NM	6.2x
IBI Group Inc.	99.8	3.20	12.9%	181.6	271.2	28.6	10.6%	(5.9%)	0.67x	6.3x
<b>Mean</b>			<b>19.7%</b>				<b>11.8%</b>	<b>14.9%</b>	<b>1.22x</b>	<b>8.7x</b>
<b>Median</b>			<b>11.7%</b>				<b>9.4%</b>	<b>6.3%</b>	<b>0.83x</b>	<b>7.2x</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)	6,478.4	15.87	13.8%	6,646.5	18,735.7	498.6	2.7%	(2.9%)	NM	13.3x
EMCOR Group, Inc.	3,435.8	59.69	8.6%	3,382.1	7,914.0	482.2	6.1%	3.0%	0.43x	7.0x
MasTec, Inc.	3,131.4	40.56	18.1%	4,837.4	6,594.7	603.7	9.2%	(0.2%)	0.73x	8.0x
Granite Construction Incorporated	1,889.0	40.28	5.8%	1,827.1	3,227.4	224.1	6.9%	7.9%	0.57x	8.2x
Bovis Homes Group PLC	1,476.3	10.98	9.0%	1,421.8	1,362.6	189.2	13.9%	(2.0%)	1.04x	7.5x
Tutor Perini Corporation	798.9	15.97	9.8%	1,454.0	4,464.4	205.6	4.6%	(6.2%)	NM	7.1x
Aecon Group Inc.	773.2	12.91	57.7%	844.3	2,323.0	141.8	6.1%	3.8%	NM	6.0x
Great Lakes Dredge & Dock Corporation	413.6	6.62	65.2%	744.0	693.2	90.5	13.1%	(1.3%)	1.07x	8.2x
Bird Construction Inc.	190.4	4.48	19.8%	160.0	1,053.1	7.1	0.7%	(6.9%)	NM	22.4x
Stuart Olson Inc.	101.4	3.65	12.3%	163.1	790.2	28.1	3.6%	(2.6%)	NM	5.8x
<b>Mean</b>			<b>22.0%</b>				<b>6.7%</b>	<b>(0.7%)</b>	<b>0.77x</b>	<b>9.3x</b>
<b>Median</b>			<b>13.0%</b>				<b>6.1%</b>	<b>(1.6%)</b>	<b>0.73x</b>	<b>7.8x</b>
<b>Total Mean</b>			<b>18.1%</b>				<b>8.4%</b>	<b>7.5%</b>	<b>0.95x</b>	<b>9.3x</b>
<b>Total Median</b>			<b>12.2%</b>				<b>6.8%</b>	<b>1.9%</b>	<b>0.72x</b>	<b>8.1x</b>

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# Facilities Management & Maintenance Services

Sector Update | Q4 2018



# Facilities Management & Maintenance Services M&A Update



Q4'18  
\$3.1bn

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Q3'18  
\$3.4bn

In Q4'18, aggregate **global** deal value was down roughly 10% compared to Q3'18, **Global** deal volume was up 54.9% during Q4'18 compared to Q3'18



In Q4'18 **U.S.** aggregate deal value fell 20% to \$1.6bn, while deal volume increased 84.2% compared to Q3'18



**44.3%**  
U.S. share of global M&A volume Q4'18

U.S. deal volume accounted for 44.3% of global M&A activity in Q4'18, up from 37.3% in Q3'18

## Notable Recent U.S. Sector Transactions

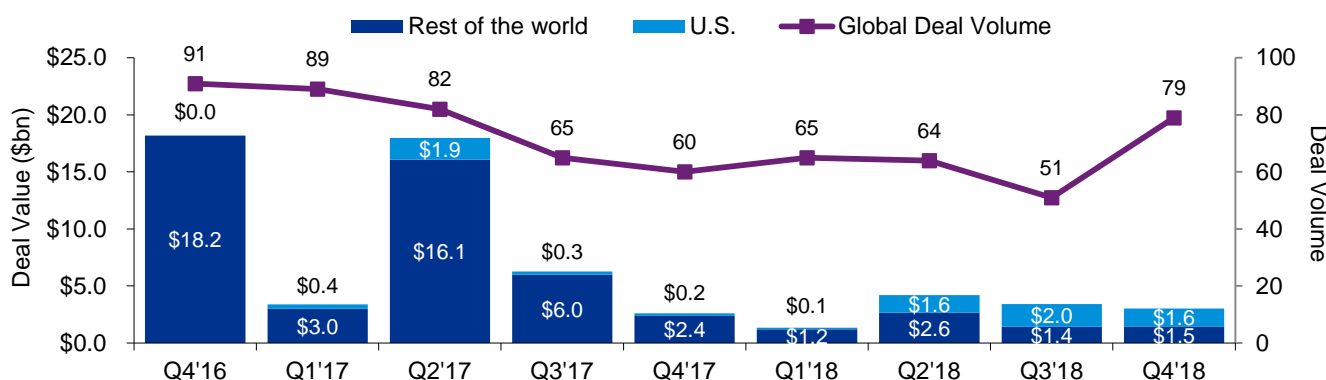
Announced / Closed	Target	Target Business Description	Acquirer	TV	EV	LTM	
						EV / Revenue	EV / EBITDA
Closed 2-Jan	Quality Solutions	Provides on-demand facility maintenance and project management services	Cushman & Wakefield	NA	NA	NA	NA
Closed 7-Dec	Mosquito Squad Franchising Corporation	An outdoor pest control franchisor with 250+ franchisees in the U.S., Kenya, Indonesia and Puerto Rico	Authority Brands / Apax Partners	NA	NA	NA	NA
Closed 3-Dec	Red Hawk Fire & Security	Provides fire and life safety solutions in the U.S.	ADT	\$318	\$318	NA	NA
Closed 28-Nov	Apex Companies	Offers services to assess, prevent and cure environmental issues related to water, ground, facilities and air quality	Sentinel Capital Partners	NA	NA	NA	NA
Closed 14-Nov	Ecoserv Industrial Disposal	A provider of non-hazardous industrial wastewater disposal services	US Ecology	\$87	\$87	NA	NA
Closed 5-Nov	SI Technologies	A provider of integrated security solutions, specializing in strategic commercial customers with a presence in the government sector	Convergint Technologies	NA	NA	NA	NA
Closed 26-Oct	U.S. Security Associates	A full-service safety and security solutions provider	Allied Universal	\$1,000	\$1,000	0.67x	10.5x
Closed 22-Oct	America's Swimming Pool Company	A swimming pool cleaning services franchisor with 100+ franchise in 21 states in the U.S.	Authority Brands / Apax Partners	NA	NA	NA	NA
Closed 22-Oct	Trans Environmental	A provider of environmental remediation, industrial cleaning and emergency response services	HEPACO	NA	NA	NA	NA

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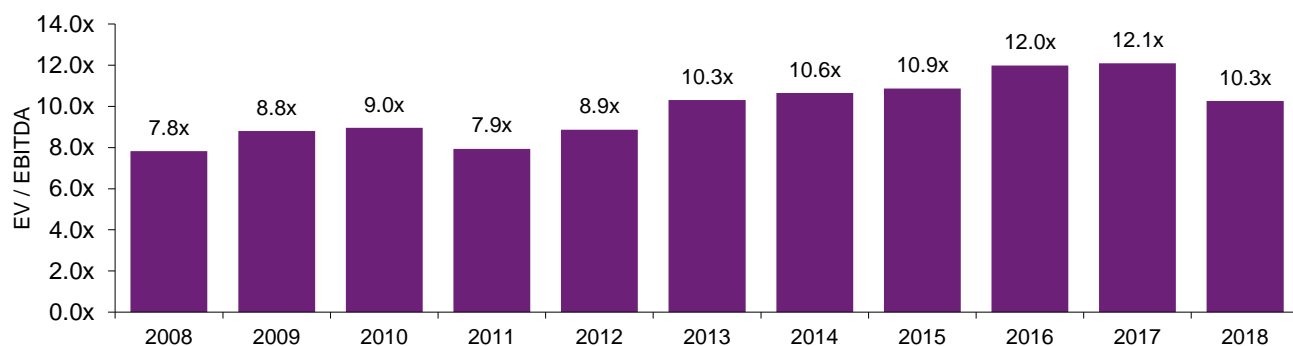
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# Facilities Management & Maintenance Services (cont.)

## M&A Activity: Q4'16 – Q4'18



## Historical Public Valuation Multiples: 2008 – 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.	18,130.9	83.07	70.2%	15,398.3	8,765.7	1,685.0	19.2%	3.8%	1.76x	9.1x	
Securitas AB	5,843.4	16.01	25.7%	7,688.6	11,099.1	725.6	6.5%	(1.5%)	0.69x	10.6x	
Sohgo Security Services Co., Ltd.	4,742.7	46.85	29.6%	4,159.1	3,888.1	420.5	10.8%	1.6%	1.07x	9.9x	
G4S plc	3,887.4	2.51	19.5%	5,947.0	9,934.6	665.0	6.7%	(6.1%)	0.60x	8.9x	
The Brink's Company	3,272.3	64.65	19.2%	4,498.2	3,484.4	402.8	11.6%	4.1%	1.29x	11.2x	
S-1 Corporation	3,051.0	90.28	70.0%	2,719.5	1,791.4	304.9	17.0%	(1.5%)	1.52x	8.9x	
Prosegur Compañía de Seguridad, S.A.	3,030.6	5.06	9.6%	3,720.6	4,572.2	544.0	11.9%	(11.3%)	0.81x	6.8x	
dormakaba Holding AG	2,523.5	602.67	5.6%	3,244.4	2,859.5	431.8	15.1%	1.4%	1.13x	7.5x	
Loomis AB (publ)	2,421.0	32.18	31.0%	2,948.9	2,088.9	372.5	17.8%	(0.7%)	1.41x	7.9x	
<b>Mean</b>			<b>31.1%</b>				<b>13.0%</b>	<b>(1.1%)</b>	<b>1.14x</b>	<b>9.0x</b>	
<b>Median</b>			<b>25.7%</b>				<b>11.9%</b>	<b>(0.7%)</b>	<b>1.13x</b>	<b>8.9x</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	33,350.4	21.03	77.9%	37,799.8	29,958.0	2,816.6	9.4%	(1.6%)	1.26x	13.4x
Cintas Corporation	17,659.7	167.99	29.5%	20,281.1	5,393.0	1,399.2	25.9%	11.7%	3.76x	14.5x
Sodexo S.A.	14,918.6	102.47	36.4%	17,625.3	23,687.8	1,577.5	6.7%	(3.1%)	0.74x	11.2x
Rollins, Inc.	11,816.2	36.10	47.9%	11,697.5	1,791.7	372.3	20.8%	7.0%	NM	NM
Iron Mountain Incorporated	9,276.4	32.41	28.4%	17,405.8	2,577.5	1,418.4	55.0%	8.4%	NM	12.3x
Rentokil Initial plc	7,893.3	4.30	80.6%	9,277.1	3,107.2	596.7	19.2%	(4.7%)	2.99x	15.5x
Aramark	7,166.7	28.97	8.5%	14,204.3	15,789.6	1,416.0	9.0%	6.4%	0.90x	10.0x
ISS A/S	5,156.4	27.92	4.7%	7,309.3	12,367.8	732.1	5.9%	(4.0%)	0.59x	10.0x
HomeServe plc	3,661.5	11.03	45.3%	4,033.2	1,223.7	226.5	18.5%	4.3%	3.30x	17.8x
EMCOR Group, Inc.	3,435.8	59.69	8.6%	3,382.1	7,914.0	482.2	6.1%	3.0%	0.43x	7.0x
UniFirst Corporation	2,738.8	143.07	16.5%	2,468.2	1,696.5	280.0	16.5%	4.7%	1.45x	8.8x
FirstService Corporation	2,469.9	68.66	42.0%	2,844.7	1,848.2	178.7	9.7%	8.4%	1.54x	15.9x
Aggreko Plc	2,386.6	9.34	37.7%	3,331.0	2,385.7	682.1	28.6%	2.0%	1.40x	4.9x
ABM Industries Incorporated	2,120.2	32.11	45.1%	3,020.1	6,442.2	303.3	4.7%	18.1%	0.47x	10.0x
Comfort Systems USA, Inc.	1,614.2	43.68	20.9%	1,692.0	2,055.6	176.1	8.6%	15.0%	0.82x	9.6x
SP Plus Corporation	659.7	29.54	16.5%	747.3	802.3	96.9	12.1%	(12.0%)	0.93x	7.7x
Mitie Group plc	508.8	1.41	4.6%	764.4	2,926.8	122.5	4.2%	(2.6%)	NM	6.2x
Mears Group plc	458.8	4.15	34.9%	515.0	1,140.9	62.2	5.5%	(6.2%)	0.45x	8.3x
<b>Mean</b>			<b>32.6%</b>				<b>14.8%</b>	<b>3.0%</b>	<b>1.40x</b>	<b>10.8x</b>
<b>Median</b>			<b>32.2%</b>				<b>9.5%</b>	<b>3.6%</b>	<b>0.93x</b>	<b>10.0x</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.	37,940.6	88.99	62.0%	47,875.6	14,724.0	4,139.0	28.1%	1.6%	3.25x	11.6x
Republic Services, Inc.	23,398.3	72.09	64.7%	31,569.6	10,070.9	2,804.3	27.8%	0.3%	3.13x	11.3x
Waste Connections, Inc.	19,565.4	74.25	56.4%	23,083.2	4,818.4	1,524.1	31.6%	4.1%	4.79x	15.1x
Stericycle, Inc.	3,323.9	36.69	5.5%	6,121.0	3,521.0	609.8	17.3%	(1.7%)	1.74x	10.0x
Clean Harbors, Inc.	2,763.9	49.35	16.6%	4,134.7	3,189.5	467.3	14.7%	8.3%	1.30x	8.8x
Covanta Holding Corporation	1,739.3	13.42	9.7%	4,182.3	1,756.0	341.0	19.4%	6.6%	2.38x	12.3x
US Ecology, Inc.	1,387.6	62.98	56.1%	1,638.5	542.1	123.2	22.7%	7.5%	3.02x	13.3x
Casella Waste Systems, Inc.	1,222.8	28.49	51.4%	1,736.4	637.2	117.7	18.5%	6.3%	2.73x	14.8x
Daiseki Co., Ltd.	888.6	20.78	12.2%	686.9	455.8	102.9	22.6%	9.3%	1.51x	6.7x
Tervita Corporation	541.0	4.60	1.4%	1,078.9	1,684.9	140.0	8.3%	(9.3%)	0.64x	7.7x
Heritage-Crystal Clean, Inc.	530.4	23.01	46.8%	513.6	398.9	43.2	10.8%	9.0%	1.29x	11.9x
Renewi plc	336.0	0.42	0.8%	1,121.3	2,055.6	200.3	9.7%	16.0%	0.55x	5.6x
Sanix Incorporated	80.5	1.69	11.3%	157.7	443.0	23.7	5.3%	(1.9%)	NM	6.7x
<b>Mean</b>			<b>30.4%</b>				<b>18.2%</b>	<b>4.3%</b>	<b>2.19x</b>	<b>10.4x</b>
<b>Median</b>			<b>16.6%</b>				<b>18.5%</b>	<b>6.3%</b>	<b>2.06x</b>	<b>11.3x</b>
<b>Total Mean</b>			<b>31.5%</b>				<b>15.5%</b>	<b>2.5%</b>	<b>1.60x</b>	<b>10.3x</b>
<b>Total Median</b>			<b>28.9%</b>				<b>13.4%</b>	<b>2.5%</b>	<b>1.29x</b>	<b>10.0x</b>

### Notes:

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- 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.





# Media & Marketing Services

Sector Update | Q4 2018



# Media & Marketing Services M&A Update

Total global deal value  
**\$110.2bn**



Aggregate **Global** media & marketing sector deal value increased to \$110.2bn in Q4'18, up from \$68.6bn in Q3'18, while global deal volume increased 15.3%

U.S. deal value  
**\$46.3bn**



In Q4'18, **U.S.** media & marketing sector deal value increased to \$46.3bn, up from \$5.7bn in Q3'18, while the total number of transactions increased 11.6%



Q4'18 **40.3%** | Q3'18 **41.7%**  
U.S. share of global M&A volume

The U.S. accounted for 40.3% of global M&A activity in Q4'18, slightly down from 41.7% in Q3'18

## Notable Recent U.S. Sector Transactions

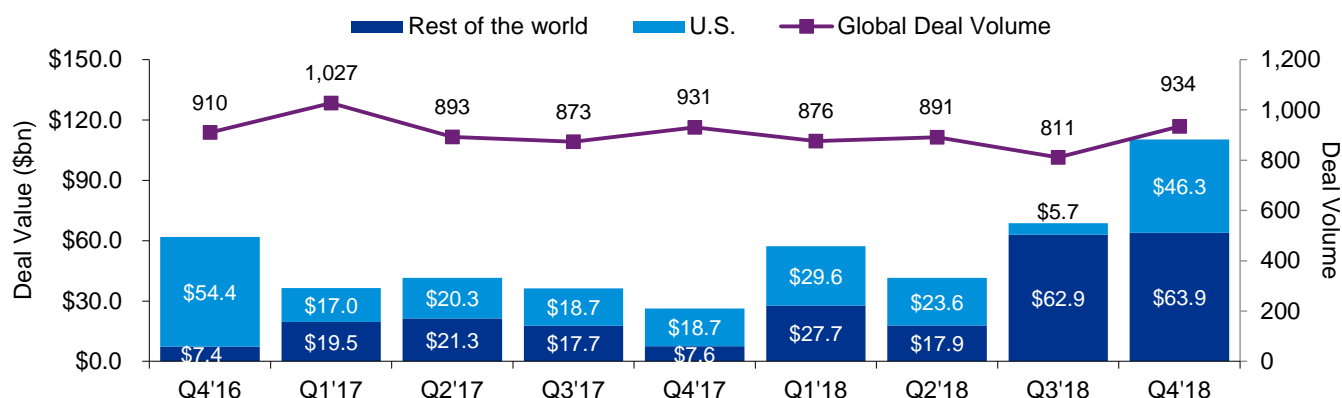
Announced / Closed	Target	Business Description	Acquirer	TV	EV	LTM	
						EV / Revenue	EV / EBITDA
Closed 21-Dec	XO Group Inc.	A consumer internet and media company, operating with brands including The Knot, The Nest, and The Bump	WeddingWire, Inc.	\$927	\$811	5.00x	35.9x
Closed 20-Dec	Method Communications	Provides public relations services in the U.S.	Chime Communications	NA	NA	NA	NA
Closed 20-Dec	Adaptly	Offers marketing services and technology solutions	Accenture	NA	NA	NA	NA
Closed 10-Dec	Phase Ten Strategic Corporation	A full-service event marketing and public relations agency	The Freeman Companies	NA	NA	NA	NA
Announced 27-Nov	Periscope	A creative agency, providing advertising and marketing services to brands globally	Quad Graphics	\$133	\$133	NA	NA
Closed 1-Nov	Activate Marketing Services	Offers marketing services, including buyer insights, demand generation and Event & field marketing	Next Fifteen Communications Group	NA	NA	NA	NA
Closed 15-Oct	Sneak Attack Media	Provides digital marketing and creative services	The Syndicate	NA	NA	NA	NA
Closed 15-Oct	Vicinity Enterprises	Provides digital content and advertising services	Surf Media Inc.	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.

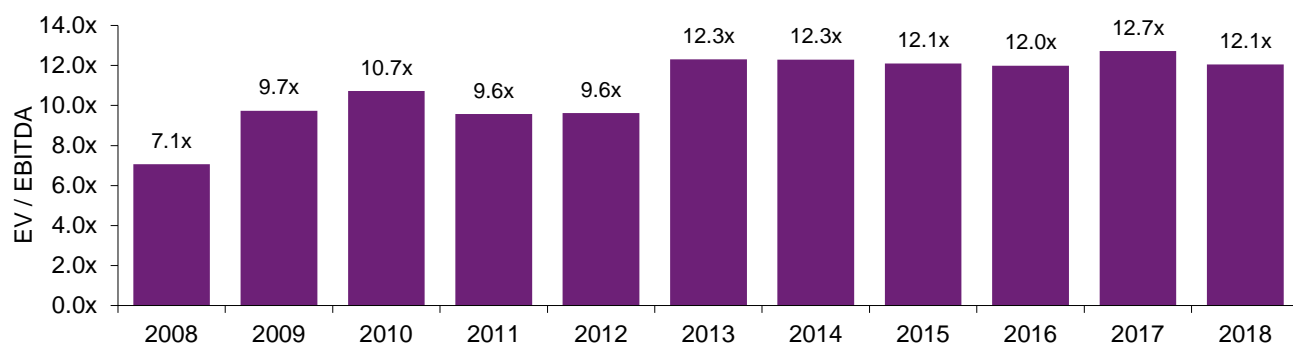
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# Media & Marketing Services (cont.)

## M&A Activity: Q4'16 – Q4'18



## Historical Public Valuation Multiples: 2008 – 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>											
Omnicom Group Inc.	16,413.5	73.24	42.3%	20,052.2	15,380.0	2,352.0	15.3%	0.7%	1.30x	8.5x	
WPP plc	13,615.1	10.79	6.6%	20,047.5	19,934.7	3,035.7	15.2%	(3.4%)	1.01x	6.6x	
Publicis Groupe S.A.	13,224.4	57.34	18.2%	16,761.2	10,843.5	1,996.3	18.4%	(6.8%)	1.55x	8.4x	
Dentsu Inc.	12,602.7	44.71	41.7%	10,849.8	8,784.1	1,562.8	17.8%	6.5%	1.24x	6.9x	
The Interpublic Group of Companies, Inc.	7,929.2	20.63	21.6%	9,605.1	8,157.9	1,190.7	14.6%	3.5%	1.18x	8.1x	
Hakuhodo DY Holdings Inc	5,355.3	14.36	28.0%	5,143.9	12,225.9	665.1	5.4%	4.6%	0.42x	7.7x	
Ströer SE & Co. KGaA	2,743.0	49.03	4.6%	4,757.8	1,827.9	326.3	17.9%	14.4%	2.60x	14.6x	
Cheil Worldwide Inc.	2,047.0	20.21	73.5%	1,647.9	3,234.4	191.7	5.9%	2.4%	0.51x	8.6x	
Innocean Worldwide Inc.	1,137.2	56.86	54.3%	455.5	1,096.5	104.2	9.5%	2.9%	0.42x	4.4x	
MDC Partners Inc.	150.1	2.61	5.1%	1,326.6	1,485.3	148.2	10.0%	(1.9%)	0.89x	9.0x	
<b>Mean</b>			<b>29.6%</b>				<b>13.0%</b>	<b>2.3%</b>	<b>1.11x</b>	<b>8.3x</b>	
<b>Median</b>			<b>24.8%</b>				<b>14.9%</b>	<b>2.6%</b>	<b>1.09x</b>	<b>8.2x</b>	

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  - 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.)

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.	33,583.9	102.55	55.7%	42,074.9	8,877.0	2,616.0	29.5%	(2.7%)	4.74x	16.1x
Moody's Corporation	26,832.9	140.04	18.4%	30,861.9	4,548.1	2,151.1	47.3%	8.2%	NM	14.3x
MSCI Inc.	12,978.7	147.43	36.2%	14,154.9	1,407.1	751.2	53.4%	10.4%	NM	18.8x
CoStar Group, Inc.	12,285.9	337.34	27.4%	11,214.1	1,130.3	305.0	27.0%	17.1%	NM	NM
Gartner, Inc.	11,619.8	127.84	32.8%	13,579.6	3,900.2	570.4	14.6%	17.8%	3.48x	23.8x
FactSet Research Systems Inc.	7,612.4	200.13	29.3%	7,989.4	1,372.6	457.2	33.3%	8.7%	NM	17.5x
The Dun & Bradstreet Corporation	5,300.1	142.74	94.3%	6,418.1	1,792.1	505.1	28.2%	2.8%	3.58x	12.7x
Morningstar, Inc.	4,685.8	109.84	36.5%	4,409.1	1,000.3	280.2	28.0%	9.7%	4.41x	15.7x
CoreLogic, Inc.	2,692.4	33.42	6.5%	4,358.8	1,839.2	416.2	22.6%	(0.6%)	2.37x	10.5x
Ipsos SA	1,024.2	23.52	7.6%	1,576.4	2,021.5	232.2	11.5%	(5.4%)	0.78x	6.8x
Forrester Research, Inc.	816.4	44.70	61.6%	671.9	349.4	31.3	9.0%	3.5%	1.92x	21.4x
<b>Mean</b>			<b>36.9%</b>				<b>27.7%</b>	<b>6.3%</b>	<b>3.04x</b>	<b>15.8x</b>
<b>Median</b>			<b>32.8%</b>				<b>28.0%</b>	<b>8.2%</b>	<b>3.48x</b>	<b>15.9x</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	24,397.8	48.32	72.1%	31,355.9	11,432.0	2,391.0	20.9%	0.9%	2.74x	13.1x
Experian plc	21,803.9	24.28	82.2%	25,164.7	4,819.0	1,469.0	30.5%	5.5%	NM	17.1x
IHS Markit Ltd.	18,908.1	47.97	37.9%	24,821.3	3,886.1	1,279.3	32.9%	8.0%	NM	19.4x
Verisk Analytics, Inc.	17,950.2	109.04	52.1%	20,385.8	2,351.5	1,056.5	44.9%	9.6%	NM	19.3x
Wolters Kluwer N.V.	16,035.0	59.15	75.6%	18,291.7	4,984.2	1,402.4	28.1%	(6.1%)	3.67x	13.0x
Equifax Inc.	11,229.2	93.13	8.9%	13,665.3	3,415.2	850.7	24.9%	1.6%	4.00x	16.1x
Informa plc	10,048.6	8.03	8.9%	13,566.2	2,374.3	749.2	31.6%	(0.1%)	NM	18.1x
Alliance Data Systems Corporation	8,175.4	150.08	5.5%	29,202.1	3,247.5	1,785.8	55.0%	(8.5%)	NM	16.4x
Fair Isaac Corporation	5,414.6	187.00	39.0%	6,088.5	1,032.5	234.2	22.7%	8.9%	NM	NM
Teradata Corporation	4,534.2	38.36	44.5%	4,263.2	2,202.0	154.0	7.0%	2.1%	1.94x	NM
<b>Mean</b>			<b>42.7%</b>				<b>29.9%</b>	<b>2.2%</b>	<b>3.09x</b>	<b>16.6x</b>
<b>Median</b>			<b>41.7%</b>				<b>29.3%</b>	<b>1.9%</b>	<b>3.21x</b>	<b>16.7x</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	163,232.8	109.65	53.2%	185,138.8	59,434.0	17,848.0	30.0%	6.7%	3.12x	10.4x
Comcast Corporation	154,910.6	34.05	26.7%	219,317.6	88,233.0	28,847.0	32.7%	4.4%	2.49x	7.6x
Twenty-First Century Fox, Inc.	89,014.8	48.12	87.4%	102,959.8	30,575.0	6,995.0	22.9%	4.2%	3.37x	14.7x
Discovery, Inc.	17,041.7	24.74	29.6%	36,069.7	9,086.0	3,216.6	35.4%	38.8%	3.97x	11.2x
CBS Corporation	16,365.3	43.72	11.6%	26,036.3	14,411.0	3,138.0	21.8%	5.3%	1.81x	8.3x
Viacom Inc.	10,458.0	25.70	19.5%	19,287.0	12,943.0	3,008.0	23.2%	(0.5%)	1.49x	6.4x
News Corporation	6,680.5	11.35	10.5%	7,799.5	8,745.0	1,017.0	11.6%	13.3%	0.89x	7.7x
Axel Springer SE	6,129.8	56.81	4.0%	8,170.3	4,260.1	717.7	16.8%	(0.4%)	1.92x	11.4x
The New York Times Company	3,676.7	22.29	39.6%	3,375.2	1,597.5	248.7	15.6%	2.0%	2.11x	13.6x
Sinclair Broadcast Group, Inc.	2,562.1	26.34	8.1%	5,403.4	2,860.8	813.5	28.4%	7.4%	1.89x	6.6x
Meredith Corporation	2,380.2	51.94	21.0%	5,700.5	1,971.0	490.6	24.9%	53.3%	2.89x	11.6x
TEGNA Inc.	2,340.3	10.87	15.5%	5,306.2	2,055.5	680.5	33.1%	8.0%	2.58x	7.8x
Gannett Co., Inc.	964.8	8.53	4.1%	1,194.3	2,787.6	301.3	10.8%	(4.3%)	0.43x	4.0x
<b>Mean</b>			<b>25.5%</b>				<b>23.6%</b>	<b>10.6%</b>	<b>2.23x</b>	<b>9.3x</b>
<b>Median</b>			<b>19.5%</b>				<b>23.2%</b>	<b>5.3%</b>	<b>2.11x</b>	<b>8.3x</b>

<b>Total Mean</b>			<b>33.2%</b>				<b>23.6%</b>	<b>5.7%</b>	<b>2.17x</b>	<b>12.1x</b>
<b>Total Median</b>			<b>28.6%</b>				<b>22.8%</b>	<b>3.8%</b>	<b>1.93x</b>	<b>11.4x</b>

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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.

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# Transportation & Logistics

Sector Update | Q4 2018



# Transportation & Logistics M&A Update



Q4'18  
\$13.1bn

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Q3'18  
\$14.9bn

In Q4'18, aggregate **Global** T&L sector deal value decreased to \$13.0bn from \$14.9bn in Q3'18, while deal volume was up 17.9%

Q4'18  
20.2%



Q3'18  
21.4%

The **U.S.** accounted for 20.2% of global T&L M&A activity in Q4'18, slightly down from 21.4% in Q3'18



Reported **U.S.** T&L sector deal value increased to \$1.9bn in Q4'18, up from \$1.2bn in Q3'18

## Notable Recent U.S. Sector Transactions

(\$MM)

Announced / Closed	Target	Business Description	Acquirer	TV	EV	LTM	
						EV / Revenue	EV / EBITDA
Closed 3-Dec	American Fast Freight	Providing domestic offshore & international ocean freight forwarding services	Odyssey Logistics & Technology Corporation	\$465	\$465	NA	NA
Closed 3-Dec	CaseStack	Provides integrated logistics solutions to retailers and CPG companies	Hub Group	\$255	\$255	1.05x	11.6x
Announced 21-Nov	Q International Courier	Provides priority transportation and logistics services	Kuehne + Nagel International AG	NA	NA	NA	NA
Closed 9-Nov	Omni Air International	A charter airline, providing transportation solutions	Air Transport Services Group	\$845	\$845	NA	5.8x
Announced 5-Nov	The Nashville & Eastern Railroad Corp.	Operates a short-line railroad system in TN, offering rail freight transportation services	R. J. Corman Railroad Group	NA	NA	NA	NA
Closed 2-Nov	Domek Logistics	Operates as a freight forwarding and customs brokerage company	Masterpiece International / CIVCPartners	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.

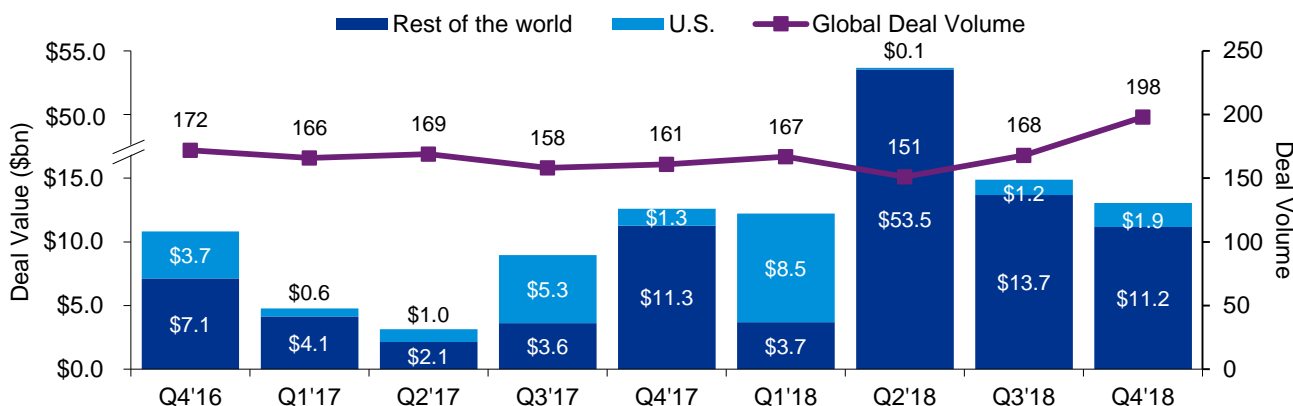
Source: S&P Capital IQ. Transportation & Logistics is defined by an internally originated list of subsectors viewed as best representing the industry. Deal values represents aggregate deal value for disclosed transactions only.

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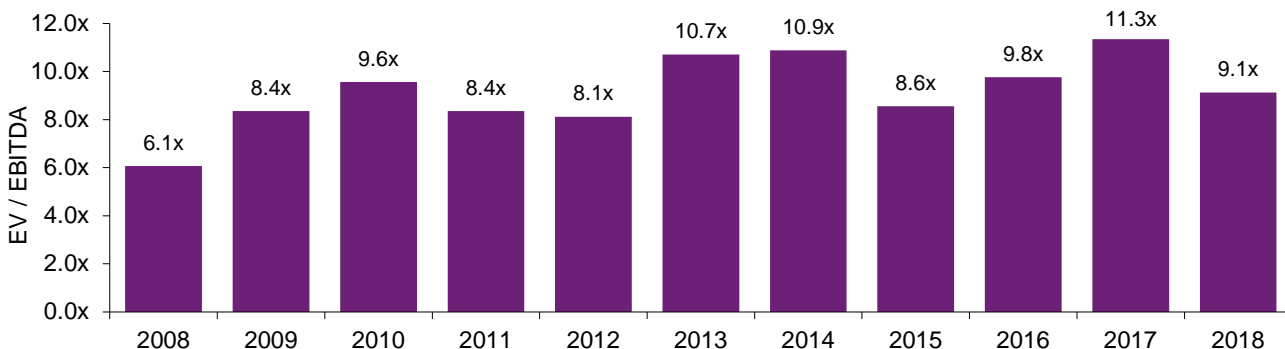


# Transportation & Logistics (cont.)

## M&A Activity: Q4'16 – Q4'18



## Historical Public Valuation Multiples: 2008 – 2018



## 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>Trucking</b>										
Old Dominion Freight Line, Inc.	10,095.3	123.49	15.4%	9,962.9	3,907.9	962.6	24.6%	16.4%	2.55x	10.4x
Knight-Swift Transportation Holdings Inc.	4,346.3	25.07	6.3%	5,228.8	4,700.9	900.0	19.1%	115.6%	1.11x	5.8x
Werner Enterprises, Inc.	2,103.1	29.54	5.7%	2,218.4	2,378.9	403.1	16.9%	12.4%	0.93x	5.5x
Heartland Express, Inc.	1,499.3	18.30	18.9%	1,379.3	629.5	153.5	24.4%	3.7%	2.19x	9.0x
Saia, Inc.	1,421.7	55.82	10.8%	1,542.5	1,581.1	229.0	14.5%	14.7%	0.98x	6.7x
Marten Transport, Ltd.	881.8	16.19	5.7%	846.0	766.4	146.8	19.2%	9.8%	1.10x	5.8x
ArcBest Corporation	880.1	34.26	16.4%	917.4	3,030.2	227.0	7.5%	7.2%	NM	4.0x
Covenant Transportation Group, Inc.	352.2	19.20	6.3%	568.3	717.3	127.6	17.8%	14.4%	0.79x	4.5x
P.A.M. Transportation Services, Inc.	235.4	39.41	19.9%	419.4	422.6	76.8	18.2%	13.1%	0.99x	5.5x
USA Truck, Inc.	121.6	14.97	3.8%	217.8	516.2	44.9	8.7%	15.6%	0.42x	4.8x
YRC Worldwide Inc.	106.6	3.15	4.9%	801.5	5,053.2	248.7	4.9%	3.3%	NM	3.2x
<b>Mean</b>			<b>10.4%</b>				<b>16.0%</b>	<b>20.6%</b>	<b>1.23x</b>	<b>5.9x</b>
<b>Median</b>			<b>6.3%</b>				<b>17.8%</b>	<b>13.1%</b>	<b>0.99x</b>	<b>5.5x</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. 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.	83,779.7	97.53	16.7%	102,328.7	70,275.0	9,977.0	14.2%	6.7%	1.46x	10.3x
FedEx Corporation	42,114.2	161.33	8.4%	57,282.2	68,716.0	8,648.0	12.6%	10.2%	0.83x	6.6x
Deutsche Post AG	33,751.1	27.38	2.7%	49,758.6	70,562.3	5,298.0	7.5%	(2.8%)	0.71x	9.4x
Kuehne + Nagel International AG	15,366.7	128.41	7.8%	15,156.3	20,930.2	1,237.6	5.9%	9.7%	0.72x	12.2x
Expeditors International of Washington, Inc.	11,751.7	68.09	47.2%	10,762.5	7,804.1	828.5	10.6%	12.8%	1.38x	13.0x
DSV A/S	11,727.7	65.83	1.0%	12,595.5	12,017.1	905.1	7.5%	(0.5%)	1.05x	13.9x
C.H. Robinson Worldwide, Inc.	11,562.7	84.09	23.5%	12,606.2	16,453.1	949.6	5.8%	10.7%	0.77x	13.3x
J.B. Hunt Transport Services, Inc.	10,157.8	93.04	10.7%	11,219.7	7,289.6	1,131.3	15.5%	13.3%	1.54x	9.9x
Landstar System, Inc.	3,933.4	95.67	14.1%	3,835.2	4,433.8	357.9	8.1%	23.2%	0.86x	10.7x
Agility Public Warehousing Company K.S.C.P.	3,821.1	2.64	50.3%	4,437.8	5,062.3	447.2	8.8%	8.6%	0.88x	9.9x
Panalpina Welttransport (Holding) AG	3,161.0	133.14	37.3%	3,291.1	6,054.5	144.7	2.4%	6.6%	0.54x	22.8x
Ryder System, Inc.	2,556.2	48.15	7.4%	8,778.6	8,114.6	1,888.9	23.3%	10.7%	1.08x	4.6x
TFI International Inc.	2,260.9	25.87	31.2%	3,343.5	3,340.7	490.6	14.7%	(2.2%)	1.00x	6.8x
Forward Air Corporation	1,601.7	54.85	17.7%	1,613.6	1,220.9	155.6	12.7%	10.9%	1.32x	10.4x
World Fuel Services Corporation	1,439.4	21.41	12.1%	2,055.6	38,633.8	312.9	0.8%	14.7%	NM	6.6x
Air Transport Services Group, Inc.	1,347.6	22.81	54.2%	1,846.2	934.5	293.9	31.4%	(12.5%)	1.98x	6.3x
Hub Group, Inc.	1,270.6	37.07	13.5%	1,314.9	4,486.4	210.7	4.7%	11.2%	NM	6.2x
Fortress Transportation and Infrastructure Investors LLC	1,205.3	14.34	20.6%	2,237.8	303.4	154.9	51.1%	39.4%	NM	14.4x
Atlas Air Worldwide Holdings, Inc.	1,079.7	42.19	16.6%	3,383.2	2,540.7	508.8	20.0%	17.8%	1.33x	6.6x
Echo Global Logistics, Inc.	580.4	20.33	8.4%	736.6	2,404.4	76.6	3.2%	23.7%	NM	9.6x
<b>Mean</b>			<b>20.1%</b>				<b>13.0%</b>	<b>10.6%</b>	<b>1.09x</b>	<b>10.2x</b>
<b>Median</b>			<b>15.4%</b>				<b>9.7%</b>	<b>10.7%</b>	<b>1.02x</b>	<b>9.9x</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	101,846.5	138.23	38.3%	122,357.5	21,084.0	10,763.0	51.0%	6.3%	NM	11.4x
Canadian National Railway Company	53,965.7	74.10	37.0%	62,449.9	10,674.1	5,314.6	49.8%	2.6%	NM	11.8x
CSX Corporation	52,463.8	62.13	49.3%	64,973.8	11,970.0	5,968.0	49.9%	4.9%	NM	10.9x
Norfolk Southern Corporation	40,726.8	149.54	36.8%	51,412.8	11,231.0	5,031.0	44.8%	6.4%	4.58x	10.2x
Canadian Pacific Railway Limited	25,315.4	177.53	37.6%	31,277.8	5,303.0	2,805.1	52.9%	4.3%	NM	11.2x
Kansas City Southern	9,707.0	95.45	16.5%	12,616.0	2,680.4	1,296.7	48.4%	3.8%	4.71x	9.7x
Westinghouse Air Brake Technologies Corporation	6,787.2	70.25	9.6%	10,256.1	4,321.2	598.2	13.8%	11.3%	2.37x	17.1x
Genesee & Wyoming Inc.	4,362.1	74.02	25.3%	6,837.2	2,344.5	724.4	30.9%	6.2%	2.92x	9.4x
Trinity Industries, Inc.	3,012.3	20.59	7.9%	6,208.7	3,610.9	702.7	19.5%	(1.4%)	1.72x	8.8x
The Greenbrier Companies, Inc.	1,279.1	39.54	7.7%	1,376.3	2,391.6	283.0	11.8%	17.0%	0.58x	4.9x
FreightCar America, Inc.	83.4	6.69	1.5%	23.2	307.9	(15.9)	(5.2%)	(24.8%)	NM	NM
<b>Mean</b>			<b>24.3%</b>				<b>33.4%</b>	<b>3.3%</b>	<b>2.81x</b>	<b>10.5x</b>
<b>Median</b>			<b>25.3%</b>				<b>44.8%</b>	<b>4.9%</b>	<b>2.64x</b>	<b>10.6x</b>

### Notes:

1. Market Capitalization amounts are based on closing share prices as of December 31, 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.
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.

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# Transportation & Logistics (cont.)

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

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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	25,255.4	1,255.25	15.3%	33,658.3	37,277.0	3,686.0	9.9%	20.5%	0.90x	9.1x
Kirby Corporation	4,032.6	67.36	20.1%	5,432.1	2,957.3	466.1	15.8%	33.5%	1.84x	11.7x
Wallenius Wilhelmsen ASA	1,447.2	3.43	6.0%	4,627.0	4,076.0	586.0	14.4%	34.8%	1.14x	7.9x
Matson, Inc.	1,367.4	32.02	30.1%	2,263.4	2,174.0	221.4	10.2%	6.2%	1.04x	10.2x
SEACOR Holdings Inc.	675.1	37.00	9.7%	978.1	758.3	146.9	19.4%	31.2%	1.29x	6.7x
Costamare Inc.	488.5	4.39	4.6%	1,489.4	374.9	215.6	57.5%	(9.1%)	3.97x	6.9x
Diana Shipping Inc.	343.2	3.18	7.0%	771.8	212.3	104.4	49.2%	31.1%	3.64x	7.4x
<b>Mean</b>			<b>13.3%</b>				<b>25.2%</b>	<b>21.2%</b>	<b>1.97x</b>	<b>8.6x</b>
<b>Median</b>			<b>9.7%</b>				<b>15.8%</b>	<b>31.1%</b>	<b>1.29x</b>	<b>7.9x</b>
<b>Total Mean</b>			<b>17.9%</b>				<b>20.0%</b>	<b>12.7%</b>	<b>1.56x</b>	<b>9.0x</b>
<b>Total Median</b>			<b>14.1%</b>				<b>14.7%</b>	<b>10.7%</b>	<b>1.11x</b>	<b>9.3x</b>

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3. 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. Transportation & Logistics is defined by an internally originated list of subsectors viewed as best representing the industry.

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