



ENVIRONMENTAL AND FACILITY SERVICES

INDUSTRY UPDATE | NOVEMBER 2016



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HW&Co. DEAL SPOTLIGHT

PREMIUM FRANCHISE BRANDS

PREMIUM FRANCHISE BRANDS
PROFESSIONAL GRADE CLEANING FRANCHISES

JAN-PRO CLEANING SYSTEMS
Measurable Cleaning. Guaranteed Results.*

maid right
LIFE IS SHORT. CLEAN FIRST.

a portfolio company of

Webster Capital

has been acquired by

INCLINE
EQUITY PARTNERS

- Premium Franchise Brands is a global franchise platform providing light commercial and residential cleaning services through over 8,000 unit franchisees
- Recurring revenue drives exceptional visibility
- Customers operating within a variety of end markets, such as banks, business offices, schools, retail and restaurants, outsource their commercial cleaning operations to Jan-Pro due to its commitment to quality and safety and knowledge of industry regulations
- Operates two franchising concepts:
 - Jan-Pro Cleaning Systems: Commercial cleaning franchise founded in 1991 that is the fastest growing franchise concept in the U.S.
 - Maid Right: Residential cleaning franchise that is experiencing rapid growth since launching in 2013

Company Snapshot



● Jan-Pro Locations

	JAN-PRO CLEANING SYSTEMS Measurable Cleaning. Guaranteed Results.*	maid right LIFE IS SHORT. CLEAN FIRST.
Year Founded	1991	2013
Cleaning Segment	Light Commercial	Residential
Target Customers	< 50k square feet	Dual-income families, retirees, and households earning > \$100k
End Customers	48,000+	2,800+
Specialty Processes	EnviroShield® disinfecting, HEPA-filter vacuuming, Green Seal™ cleaning detergents	

CONTINUED MOMENTUM ACROSS ENVIRONMENTAL AND FACILITY SERVICES LANDSCAPE

- Harris Williams & Co's leadership across the facility services industry continues to grow in 2016. In the last twenty four months, the firm has successfully closed more than a dozen industrial and facility services transactions. Most recently, the firm advised Premium Franchise Brands (PFB) on its sale to Incline Equity Partners

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ROARK
CAPITAL GROUP

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Advent International
GLOBAL PRIVATE EQUITY

a portfolio company of

The **Blackstone Group**®

has been acquired by

MHL PARTNERS | **Goldman Sachs**

a portfolio company of

Fenway Partners

has been acquired by

CAPSTONE LOGISTICS

a portfolio company of

TJC THE JORDAN COMPANY

a portfolio company of

H.I.G. CAPITAL | **MSOUTH**
EQUITY PARTNERS, LLC

has been acquired by

THE JORDAN COMPANY

SUMMARY

M&A | SELECT RECENT ACTIVITY

Cushman & Wakefield has acquired EnSite Solutions in a transaction that increases the Company's critical environment services. EnSite is a leading provider of maintenance and repair for HVAC, generator, UPS, and fire protection equipment. Steve Quick, Cushman & Wakefield CEO, Global Occupier Services said, "Adding EnSite Solutions demonstrates Cushman & Wakefield's commitment to growing [its] Integrated Facilities Management platform." Read more [here](#).

Cushman & Wakefield is in talks to acquire Pristine Environments, the AGI Partners-backed facility management company. Pristine Environments provides energy efficiency, production optimization, and janitorial services to commercial and industrial sites. Pristine Environments would further solidify Cushman & Wakefield's strategy of getting deeper into Integrated Facilities Management. Read more [here](#).

ATC Group Services, a leading full-service environmental consulting and industrial hygiene firm, announced that it has agreed to acquire Environmental Compliance Services ("ECS"), a leading multi-regional provider of environmental consulting, site remediation, and regulatory compliance services. ATC CEO Bobby Toups said, "Environmental consulting is the heart of ATC's business, and ECS's expertise and service offering are a perfect addition to our existing environmental capabilities." Read more [here](#).

CVC-backed Betafence is seen as a near-term sale candidate. Betafence, provider of fencing solutions, access control, and detection products, generates revenue of EUR 341m. Betafence is experiencing rapid growth, having acquired three companies since 2014. Read more [here](#).

LEADERSHIP CHANGES | SELECT RECENT ACTIVITY

Interserve, an international support services and construction group, announced that its CEO Adrian Ringrose will step down from the Board and leave the Company. Ringrose will continue in his current role as the Board undertakes the process to select a new CEO. Read more [here](#).

Waste Management Inc., a comprehensive waste and environmental services provider, appointed James Fish as the company's CEO, replacing longtime CEO David Steiner. Steiner will remain on the board of the company. Waste Management was ~6 months into a longer, pre-planned transition but recent strong performance may have accelerated the change. Mr. Fish has been heavily involved in Waste Management's Industrial and Environmental Services and may be more aggressive with acquisitions in the space. Read more [here](#).

PUBLIC MARKETS | KEY TRADING STATISTICS¹

Key Trading Statistics¹

	Stock Price % Change		TEV / LTM EBITDA as of			TEV / EBITDA		P/E	
	1 Month	12 Month	Aug-15	Feb-16	Current	2016E	2017P	Current	2016E
Engineering, Construction, and Consulting	2.6%	(23.2%)	9.3x	8.5x	9.1x	8.5x	7.7x	20.7x	16.5x
Facility Services	1.4%	12.1%	11.6x	11.1x	10.9x	11.2x	10.5x	20.7x	20.1x
Remediation, Cleaning, and Abatement	7.7%	3.7%	9.7x	8.2x	11.2x	12.2x	8.5x	23.3x	23.0x
Test, Measurement, and Control	2.6%	3.7%	11.9x	10.5x	13.2x	13.4x	12.9x	21.2x	22.0x
Waste Management and Recycling	2.2%	(0.0%)	9.2x	8.7x	9.5x	9.4x	8.2x	21.2x	22.2x
Water and Wastewater	0.1%	11.1%	11.0x	11.5x	12.5x	13.3x	11.3x	24.2x	22.2x
S&P 500	2.6%	2.8%	10.5x	9.6x	10.7x	9.6x	8.8x	16.6x	18.4x

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OUR PRACTICE

Harris Williams & Co. is a leading advisor to the environmental and facility services M&A market. Our environmental and facility services practice includes experience across a broad range of sectors, including services and products that meet exacting demands for a variety of end markets.

ENVIRONMENTAL AND FACILITY SERVICES SECTORS

- Engineering, Construction, and Consulting (ECC)
- Facility Services
- Remediation, Cleaning, and Abatement
- Test, Measurement, and Control
- Waste Management and Recycling
- Water and Wastewater

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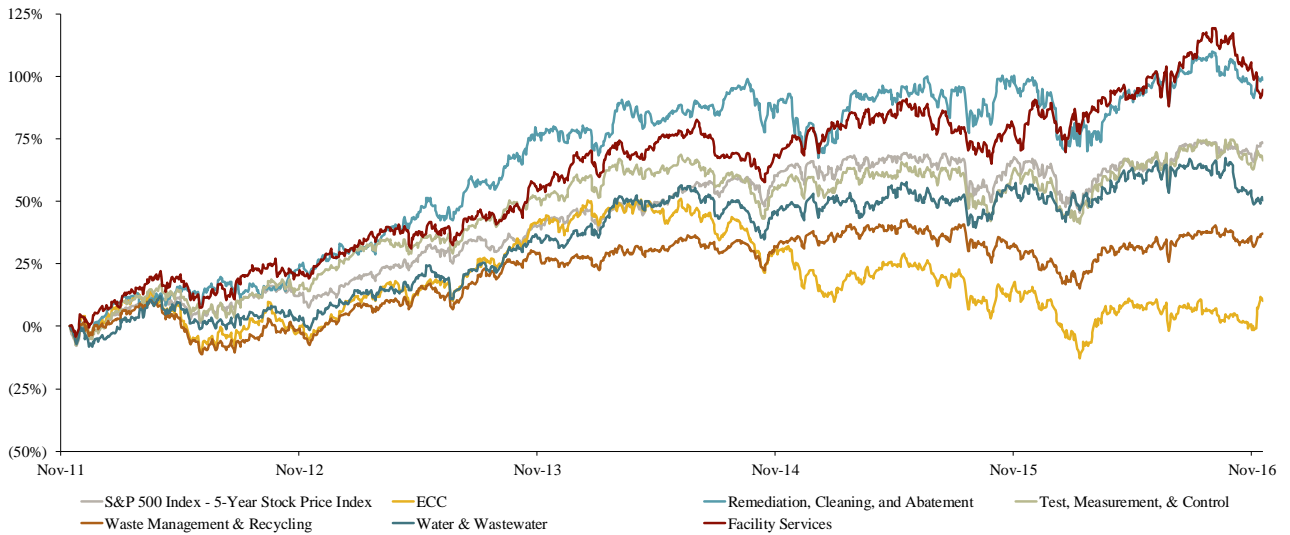
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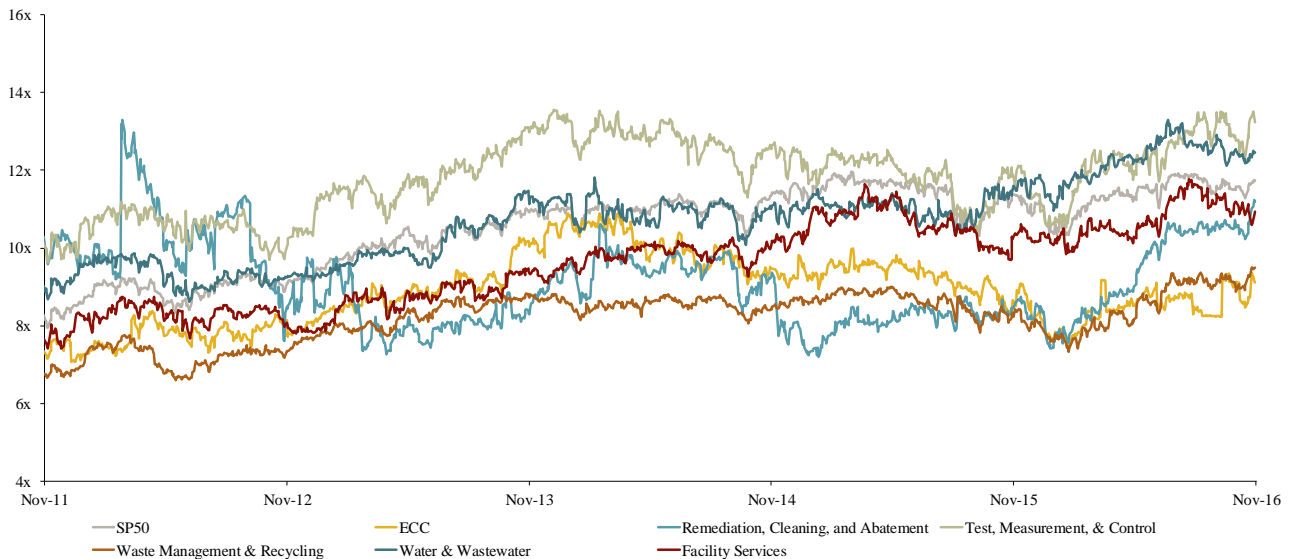
PUBLIC COMPARABLES – MARKET PERFORMANCE

PUBLIC COMPARABLES 5-YEAR PRICE INDEX ('11 - '16)¹



	5-Year Minimum	5-Year Median	3-Year Median	Current	5-Year Maximum
Engineering, Construction, and Consulting	(12.9%)	13.1%	18.9%	10.1%	51.0%
Facility Services	(4.3%)	68.6%	79.5%	94.7%	119.3%
Remediation, Cleaning, and Abatement	(5.7%)	78.5%	90.1%	98.7%	109.9%
Test, Measurement, and Control	(7.7%)	53.4%	60.7%	66.3%	74.8%
Waste Management and Recycling	(11.0%)	28.0%	32.9%	37.0%	42.8%
Water and Wastewater	(8.2%)	44.7%	50.8%	50.3%	67.3%
S&P 500	(7.9%)	49.4%	62.3%	73.5%	74.1%

PUBLIC COMPARABLES TEV/LTM EBITDA ('11 - '16)¹



	5-Year Minimum	5-Year Median	3-Year Median	Current	5-Year Maximum
Engineering, Construction, and Consulting	7.1x	8.9x	9.3x	9.1x	10.9x
Facility Services	7.4x	9.8x	10.3x	10.9x	11.8x
Remediation, Cleaning, and Abatement	7.2x	8.9x	8.8x	11.2x	13.3x
Test, Measurement, and Control	9.6x	12.0x	12.3x	13.2x	13.6x
Waste Management and Recycling	6.6x	8.4x	8.6x	9.5x	9.5x
Water and Wastewater	8.6x	10.8x	11.2x	12.5x	13.3x
S&P 500	7.9x	10.9x	11.3x	11.7x	12.0x

PUBLIC COMPARABLES – INDEX

Engineering, Construction, and Consulting

Abengoa SA	Fomento de Construcciones y Contratas, S.A.	Stantec Inc.
AECOM	WSP Global Inc.	Tetra Tech Inc.
Amecc Foster Wheeler plc	IHS Inc.	TRC Companies Inc.
ARCADIS NV	Interserve plc	CITIC Envirotech Ltd.
Cardno Limited	Jacobs Engineering Group Inc.	WS Atkins plc
Chicago Bridge & Iron Company N.V.	Leidos Holdings, Inc.	

Facility Services

ABM Industries Incorporated	Compass Group PLC	MITIE Group PLC
Aramark	ISS A/S	Sodexo S.A.
Cintas Corporation		

Remediation, Cleaning, and Abatement

Products

Ecolab Inc.
 Federal Signal Corp.
 Swisher Hygiene Inc.

Services

EMCOR Group Inc.
 Heritage-Crystal Clean, Inc
 Newalta Corporation
 Rentokil Initial plc

Test, Measurement, and Control

Test and Measurement Products and Technologies

Badger Meter Inc.
 Danaher Corp.
 FLIR Systems, Inc.
 Halma plc
 HORIBA, Ltd.
 Roper Industries Inc.
 Teledyne Technologies Inc.
 Thermo Fisher Scientific, Inc.
 Trimble Navigation Limited
 Waters Corporation

Testing, Inspection, and Certification Services

Bureau Veritas SA
 Intertek Group plc
 SGS SA
 ALS Limited
 Eurofins Scientific SA
 SAI Global Limited
 Mistras Group, Inc.
 Furmanite Corporation

Control Products and Technologies

Calgon Carbon Corporation
 CECO Environmental Corp.
 CLARCOR Inc.
 Flowserve Corp.
 Franklin Electric Co., Inc.
 IDEX Corporation
 Johnson Matthey plc
 L'Air Liquide SA
 Pall Corporation
 Pentair plc
 Rockwell Automation Inc.

Waste Management and Recycling

Diversified Waste Management and Recycling

Fomento de Construcciones y Contratas, S.A.
 ALBA SE
 Séché Environnement SA
 Pennon Group Plc
 Waste Connections Inc.
 Suez Environnement Company SA
 Shanks Group plc
 Transpacific Industries Group Ltd.
 Waste Management, Inc.

Recycled Materials

Mondi plc
 Resolute Forest Products Inc.
 Clearwater Paper Corporation
 LKQ Corp.
 Colas SA
 Eagle Materials Inc.
 Sonoco Products Co.
 WestRock Company

Specialty Waste

Clean Harbors, Inc.
 Stericycle, Inc.
 US Ecology, Inc.
 Heritage-Crystal Clean, Inc
 Newalta Corporation
 Perma-Fix Environmental Services Inc.
 Veolia Environnement S.A.
 Nuverra Environmental Solutions, Inc.

Metals Processing and E-Waste

Commercial Metals Company
 Aurubis AG
 Dowa Holdings Co., Ltd.
 Metalico Inc.
 Schnitzer Steel Industries, Inc.
 Sims Metal Management Limited

Solid Waste Management and Recycling

Republic Services, Inc.
 Progressive Waste Solutions Ltd.
 Casella Waste Systems Inc.

Waste to Energy

Covanta Holding Corporation

Water and Wastewater

Products and Technologies

IDEX Corporation
 Mueller Water Products, Inc.
 Pentair plc
 Watts Water Technologies, Inc.
 Xylem Inc.

Utilities and Services

Aegion Corporation
 American States Water Company
 American Water Works Company, Inc.
 Aqua America Inc.
 California Water Service Group
 Kurita Water Industries Ltd.
 Pennon Group Plc
 Severn Trent Plc
 Suez Environnement Company SA
 The York Water Company
 United Utilities Group PLC
 Veolia Environnement S.A.

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& Government
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& Materials



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Services**



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Energy, Power
& Infrastructure



Healthcare
& Life Sciences



Industrials



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Technology,
Media & Telecom



Transportation
& Logistics



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SOURCES

A. C. Simmonds and Sons	EHS Today	National Waste & Recycling Association
American Water	Environmental Leader	New York Times
Aqua America	Environmental XPRT	PR Newswire
Benesch Law	Eurofins Scientific	Recycling Today
Bloomberg	Global Newswire	S&P CapitalIQ
Business Wire	HazMat Management	SYS.Con Media
Carton Council	Industry Dive	TakePart
Environmental Analyst	Market Wired	The Guardian
Environmental Business International	National Response Corporation	The Wall Street Journal

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