



ENVIRONMENTAL AND FACILITY SERVICES

INDUSTRY UPDATE | NOVEMBER 2015



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SUMMARY

M&A | SELECT RECENT ACTIVITY

TransForce Inc., a North American leader in the transportation and logistics industry, today announced that it has entered into a definitive Share Purchase Agreement with GFL Environmental Inc., headquartered in Toronto, Ontario, under which TransForce will sell its Waste Management segment to GFL for \$800 million. Read more [here](#).

Enercon Services, Inc., a \$300 million diversified energy consulting company with corporate headquarters in Atlanta, Georgia has acquired Terra Environmental Services, Inc. of Tampa, Florida, an advanced remediation and environmental services company. Terra specializes in remediation support including responsible party determination, remedial investigation, and remedial design. Read more [here](#).

The Riverside Company has added Drain Doctor to its Dwyer Group franchising platform. Based in Peterborough, England, Drain Doctor is a franchisor of plumbing concepts throughout the UK. Dwyer is a holding company for 13 trade service franchise brands that together include more than 2,000 franchisees in seven countries. Drain Doctor serves both residential and commercial customers through 42 franchisees. Drain Doctor has held the UK master license to Dwyer's Mr. Rooter brand and system since 1993. Read more [here](#).

Kinderhook Industries, LLC announced the acquisition of Allstate Power Vac, Inc. Founded in 1984 and based in Rahway, NJ, Allstate Power Vac is a leading environmental and industrial service provider in the Northeast United States. The Company provides a comprehensive suite of environmental and industrial services. Allstate is Kinderhook's fifth environmental services platform investment and 25th transaction in the environmental services sector. Read more [here](#).

With the ongoing Cardno / Crescent takeover bid saga and only days following the recent news that Tetra Tech is to acquire Coffey, another Australian consultancy player WorleyParsons is beginning to feel the heat amid rising speculation that it could become the latest acquisition target. Like its peers, 30,000-strong WP has been hard hit by the downturn in the domestic natural resources sector exacerbated by the global oil price collapse, which has forced its share price down to a near ten-year low, making it vulnerable to a takeover bid. The current exchange rate trend would appear to favor an overseas buyer. Read more [here](#).

PUBLIC MARKETS | KEY TRADING STATISTICS¹Key Trading Statistics¹

	Stock Price % Change		TEV / LTM EBITDA as of			TEV / EBITDA		P/E	
	1 Month	12 Month	Nov-14	May-15	Current	2015E	2016P	Current	2015E
Engineering, Construction, and Consulting	(3.5%)	(16.0%)	11.2x	11.4x	9.1x	9.2x	8.4x	17.9x	13.4x
Facility Services	(3.4%)	9.6%	11.1x	11.8x	11.7x	10.4x	9.4x	26.3x	19.8x
Remediation, Cleaning, and Abatement	1.6%	(13.6%)	12.3x	9.4x	12.4x	8.3x	7.6x	20.1x	19.0x
Test, Measurement, and Control	(3.0%)	(10.8%)	12.2x	12.5x	13.7x	11.0x	10.1x	23.6x	19.3x
Waste Management and Recycling	(0.4%)	(7.0%)	8.9x	9.5x	9.0x	8.3x	7.8x	22.7x	20.7x
Water and Wastewater	(5.1%)	(3.3%)	11.5x	11.3x	10.3x	10.9x	10.2x	24.0x	22.0x
S&P 500	(1.2%)	(2.4%)	NM	NM	NM	NM	NM	20.8x	17.4x

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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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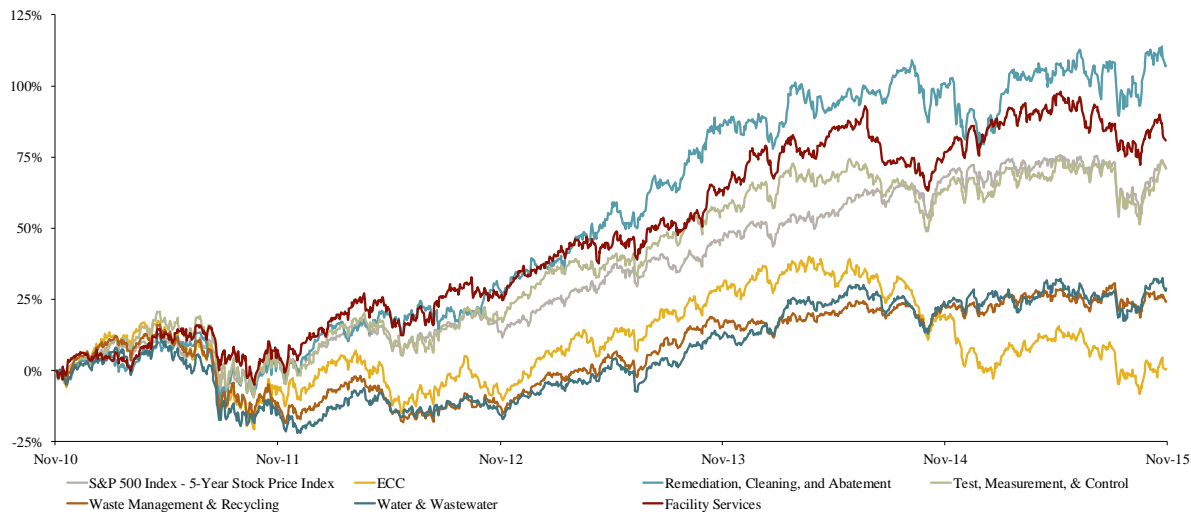
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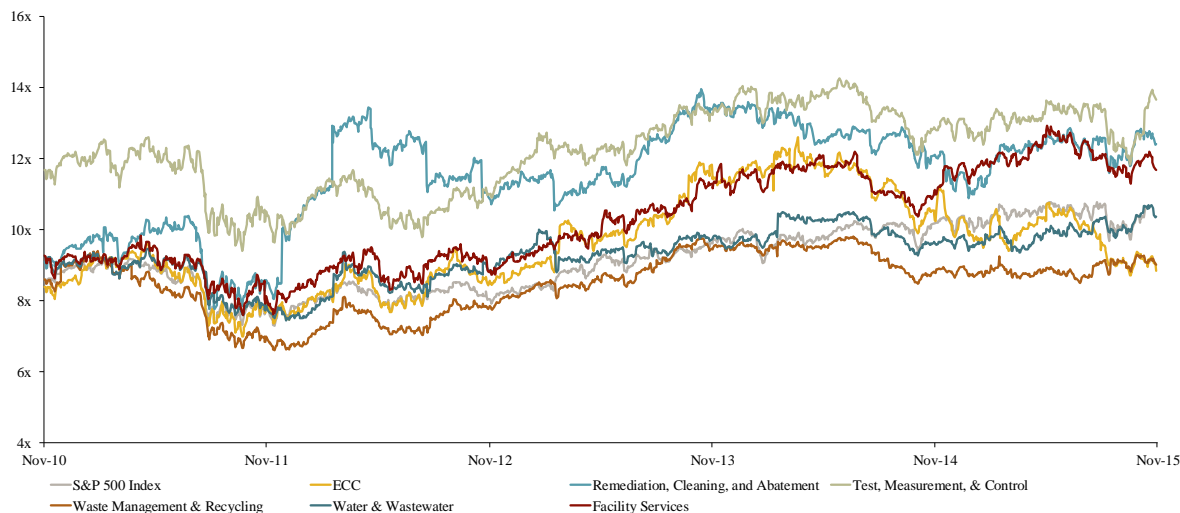
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PUBLIC COMPARABLES – MARKET PERFORMANCE

PUBLIC COMPARABLES 5-YEAR PRICE INDEX ('10 – '15)¹

	5-Year Minimum	5-Year Median	3-Year Median	Current	5-Year Maximum
Engineering, Construction, and Consulting	(20.7%)	7.8%	13.1%	0.6%	39.9%
Facility Services	(5.2%)	44.6%	75.0%	80.7%	97.9%
Remediation, Cleaning, and Abatement	(11.5%)	50.9%	91.1%	107.2%	114.0%
Test, Measurement, and Control	(9.5%)	38.0%	62.5%	70.8%	74.9%
Waste Management and Recycling	(18.5%)	9.3%	19.2%	24.2%	30.6%
Water and Wastewater	(22.2%)	4.1%	21.0%	28.6%	32.5%
S&P 500	(9.4%)	32.4%	54.8%	71.5%	75.6%

PUBLIC COMPARABLES TEV/LTM EBITDA ('10 – '15)¹

	5-Year Minimum	5-Year Median	3-Year Median	Current	5-Year Maximum
Engineering, Construction, and Consulting	7.0x	9.4x	10.3x	9.1x	12.6x
Facility Services	7.6x	9.9x	11.4x	11.7x	12.9x
Remediation, Cleaning, and Abatement	7.8x	11.9x	12.4x	12.4x	14.0x
Test, Measurement, and Control	9.4x	12.3x	13.1x	13.7x	14.2x
Waste Management and Recycling	6.6x	8.7x	8.9x	9.0x	9.8x
Water and Wastewater	7.4x	9.4x	9.8x	10.3x	10.7x
S&P 500	7.3x	9.1x	9.8x	10.6x	10.8x

PUBLIC COMPARABLES – INDEX

Engineering, Construction, and Consulting

Abengoa SA
AECOM
Amec Foster Wheeler plc
ARCADIS NV
Cardno Limited
Chicago Bridge & Iron Company N.V.

Fomento de Construcciones y Contratas, S.A.
WSP Global Inc.
IHS Inc.
Interserve plc
Jacobs Engineering Group Inc.
Leidos Holdings, Inc.

Stantec Inc.
Tetra Tech Inc.
TRC Companies Inc.
United Envirotech Ltd.
WS Atkins plc

Facility Services

ABM Industries Incorporated
Aramark
Cintas Corporation

Compass Group PLC
ISS A/S

MITIE Group PLC
Sodexo S.A.

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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Building Products & Materials



Business Services



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Energy, Power & Infrastructure



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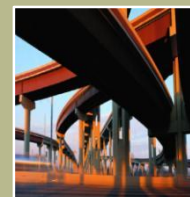
Specialty Distribution



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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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