



ENVIRONMENTAL AND FACILITY SERVICES

INDUSTRY UPDATE | JULY 2015



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SUMMARY

M&A | SELECT RECENT ACTIVITY

Pennoni, an ENR Top 100 engineering, science, and design consulting firm, acquired the assets of Philip Post & Associates, headquartered in Chapel Hill. The firm will now do business as Philip Post & Associates, a Division of Pennoni. Founded in 1979, Philip Post & Associates is a civil engineering and land surveying firm providing land planning, site design, water/wastewater, and construction inspection services. Read more [here](#).

On June 17, Tighe & Bond, a regional leader in engineering and environmental consulting headquartered in Westfield, MA, acquired Waterfront Engineers, a New Hampshire-based firm that provides specialized engineering services for shoreline challenges and waterfront facilities. This move allows Tighe & Bond to offer their clients additional services relating to shoreline challenges and waterfront facilities. Waterfront Engineers also brings in added support for Tighe & Bond's growth strategy for New Hampshire. Read more [here](#).

GHD and GHA have merged to create a business with more than 250 members of staff and offices across the UK, including in St Albans. Global engineering, architecture, environmental and construction services provider GHD said that joining up with GHA Livigunn, an engineering business that serves the water, nuclear, power, waste, bioenergy and chemical sectors, would boost its UK presence. Read more [here](#).

G2 Consulting Group, headquartered in Troy, MI, acquired Schleede-Hampton Associates (Birmingham, MI) in an attempt to expand their geotechnical engineering services to the construction industry. This move comes after years of friendly competition and much consideration. G2 Consulting is a geotechnical, geoenvironmental, and construction engineering firm that has delivered thousands of telecommunications, land development and civil infrastructure projects for two decades across the United States. Schleede-Hampton Associates, Inc. is a multidisciplinary engineering firm that provides consulting services in the fields of Geotechnical, Environmental and Construction Materials Engineering. Read more [here](#).

American Water Works, the largest publicly traded US water and wastewater utility company, has agreed to acquire Keystone Clearwater Solutions from Rex Energy for \$130 million. Keystone, headquartered in Hershey, Pennsylvania, is a water service provider offering a range of water-related services to the oil and gas industry primarily in the Appalachian region of Pennsylvania, Ohio and West Virginia. The acquisition delivers on one of American Water's growth strategies to develop complementary businesses. 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	Jul-14	Jan-15	Current	2015E	2016P	Current	2015E
Engineering, Construction, and Consulting	(4.9%)	(13.2%)	10.3x	9.2x	10.2x	8.0x	7.8x	15.8x	15.3x
Facility Services	0.3%	2.5%	11.4x	10.4x	12.5x	10.6x	9.8x	27.0x	20.7x
Remediation, Cleaning, and Abatement	(5.1%)	2.8%	12.3x	9.1x	12.5x	8.4x	7.3x	24.4x	18.7x
Test, Measurement, and Control	(1.9%)	(4.0%)	13.1x	11.9x	13.5x	11.7x	10.8x	23.1x	19.6x
Waste Management and Recycling	0.6%	(2.0%)	8.8x	9.0x	8.7x	8.9x	8.1x	24.3x	20.1x
Water and Wastewater	3.1%	(1.4%)	11.6x	11.2x	10.0x	11.1x	10.1x	25.8x	21.4x
S&P 500	0.2%	7.5%	NM	NM	NM	NM	NM	19.3x	17.8x

(1) As of July 17, 2015.

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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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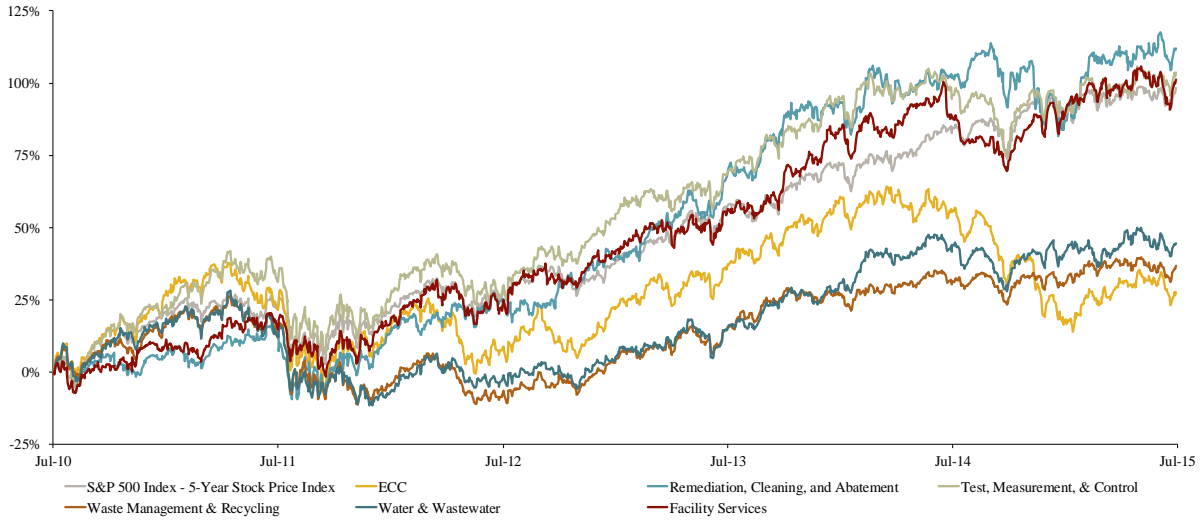
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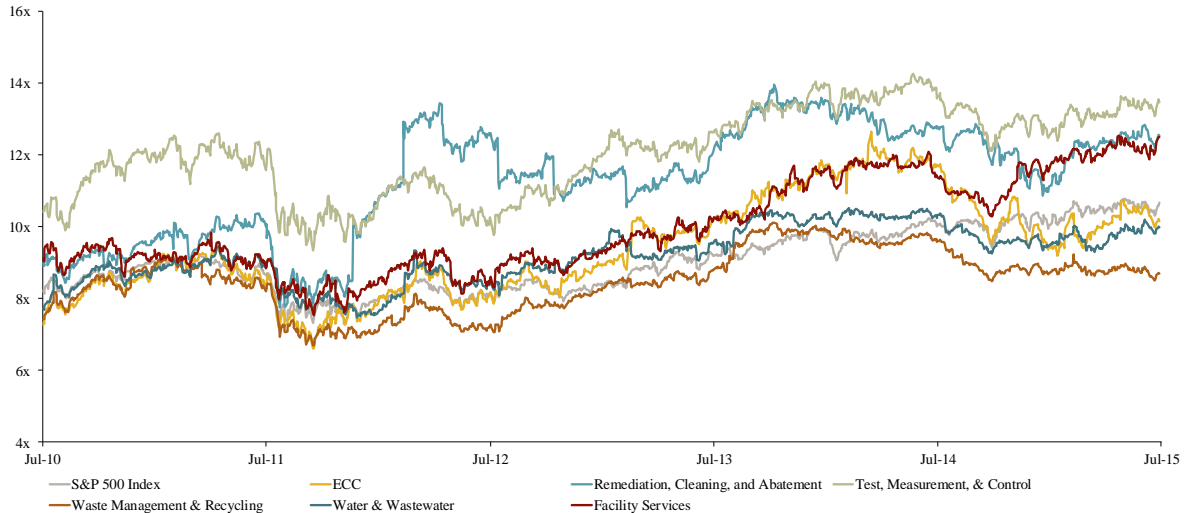
PUBLIC COMPARABLES – MARKET PERFORMANCE

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



	5-Year Minimum	5-Year Median	3-Year Median	Current	5-Year Maximum
Engineering, Construction, and Consulting	(6.8%)	26.3%	32.8%	27.5%	64.1%
Facility Services	(7.3%)	41.4%	75.9%	101.2%	105.8%
Remediation, Cleaning, and Abatement	(9.5%)	39.3%	90.1%	111.9%	117.7%
Test, Measurement, and Control	(5.1%)	53.2%	87.1%	103.6%	105.9%
Waste Management and Recycling	(11.4%)	15.1%	26.9%	36.6%	39.8%
Water and Wastewater	(11.7%)	15.4%	28.6%	44.4%	50.1%
S&P 500	(2.2%)	37.4%	70.2%	98.3%	98.9%

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	6.6x	9.1x	10.2x	10.2x	12.6x
Facility Services	7.5x	9.5x	10.9x	12.5x	12.5x
Remediation, Cleaning, and Abatement	7.8x	11.5x	12.3x	12.5x	14.0x
Test, Measurement, and Control	9.3x	12.2x	13.0x	13.5x	14.3x
Waste Management and Recycling	6.7x	8.6x	8.8x	8.7x	10.1x
Water and Wastewater	7.5x	9.2x	9.7x	10.0x	10.5x
S&P 500	7.3x	8.9x	9.7x	10.7x	10.8x

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.
Amec Foster Wheeler plc	IHS Inc.	TRC Companies Inc.
ARCADIS NV	Interserve plc	United 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.
Nuvera 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.

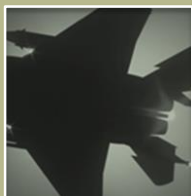
Utilities and Services

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
Services



Building Products
& Materials



Business
Services



Consumer



Energy
& Power



Healthcare
& Life Sciences



Industrials



Specialty
Distribution



Technology,
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Transportation
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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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