



ENVIRONMENTAL AND FACILITY SERVICES

INDUSTRY UPDATE | SEPTEMBER 2015



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SUMMARY

M&A | SELECT RECENT ACTIVITY

On September 1st, Rentokil Initial plc announced the agreement to acquire The Steritech Group, Inc. – one of the leading pest control businesses in North America, operating in both the United States of America and Canada – further accelerating the growth of its pest control business. The Company has agreed to acquire Steritech for USD 425m in cash, subject to US regulatory approval. Rentokil also becomes the third largest pest control company in Canada, creating a competitive national business, twice the size of its current Canadian operations. Read more [here](#).

Waste Pro has acquired Waste Away Services, LLC, a full service hauling company serving approximately 1,850 customers in Elberton, GA. The operations will become part of Waste Pro's existing Athens, GA location adding both staff and equipment. Waste Away Services is one of three residential and commercial waste service and disposal companies acquired by Waste Pro in the past three months. In April, Waste Pro acquired Henson Waste Disposal, adding the service operations into their Asheville, NC division. The third acquisition occurred in May, when Waste Pro acquired Liberty Waste Services. Read more [here](#).

SouthWaste Services, the non-hazardous liquid waste services provider owned by Rock Hill Capital and GulfStar Group's merchant banking arm, is in late stages of its sale process. SouthWaste provides services that include processing sewer and grease trap waste, as well as hydro-jetting or clearing pipe blockages. It operates in Houston, Dallas, Fort Worth, San Antonio, Austin and other areas in Texas, as well as Orlando and Central Florida. Read more [here](#).

Brockport-based Sunnking Inc., an electronics recycling company started in 2000, has acquired Coast 2 Coast Electronics Recyclers in Syracuse to provide additional services to customers. Sunnking specializes in refurbishing, reselling, and recycling electronic products from residential and commercial sources. Read more [here](#).

US Ecology Inc. has sold off one of the businesses it acquired with its purchase of EQ Holdings Inc. – Allstate Power-Vac Inc., an environmental cleaning firm. The Boise, Idaho-based US Ecology sold Allstate, based in Rahway, N.J., to a private investor group, the company said in a news release. The value of the deal is approximately \$58 million. Allstate provides industrial cleaning and maintenance for utilities, refineries, chemical plants, paper mills and refinery services such as tank cleaning, centrifuge and temporary storage. It provides infrastructure support primarily to utilities and pipelines including hydro-excavation, sewer cleaning, sewer line inspection and rehabilitation services, with activities primarily in the Northeast United States. 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	Jul-14	Jan-15	Current	2015E	2016P	Current	2015E
Engineering, Construction, and Consulting	(9.9%)	(21.3%)	10.7x	9.2x	9.1x	8.7x	7.9x	17.3x	14.2x
Facility Services	(8.3%)	2.2%	11.7x	10.4x	11.6x	10.8x	9.8x	26.5x	18.9x
Remediation, Cleaning, and Abatement	(8.7%)	(1.6%)	12.3x	9.4x	12.1x	8.4x	7.0x	19.3x	17.5x
Test, Measurement, and Control	(9.3%)	(18.2%)	13.1x	11.8x	12.5x	10.8x	9.8x	22.6x	17.5x
Waste Management and Recycling	(8.1%)	(10.1%)	8.9x	9.2x	9.1x	8.5x	7.5x	22.7x	19.8x
Water and Wastewater	(2.6%)	(7.0%)	11.6x	11.1x	10.0x	10.9x	10.2x	22.8x	20.4x
S&P 500	(5.2%)	1.6%	NM	NM	NM	NM	NM	20.8x	16.7x

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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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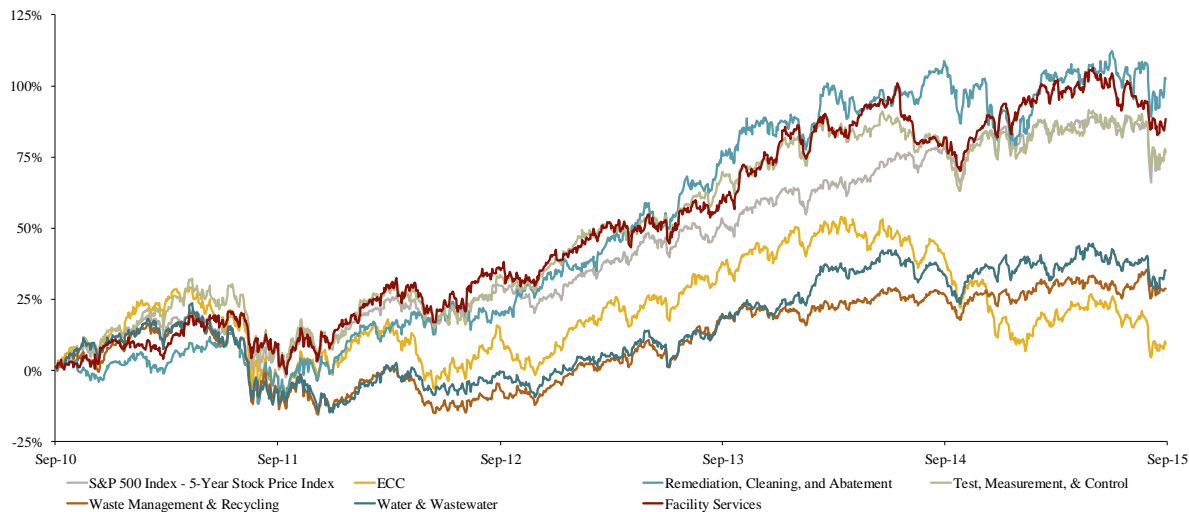
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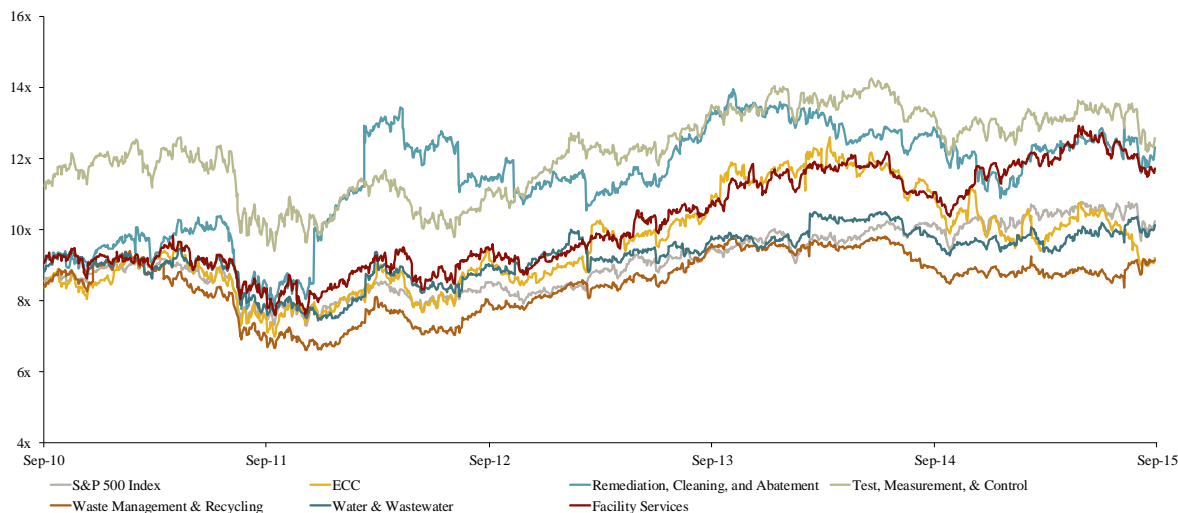
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PUBLIC COMPARABLES – MARKET PERFORMANCE

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	(12.6%)	18.5%	24.5%	10.1%	53.9%
Facility Services	(1.3%)	48.7%	80.4%	86.5%	106.3%
Remediation, Cleaning, and Abatement	(11.7%)	45.5%	87.8%	102.9%	112.3%
Test, Measurement, and Control	(1.0%)	48.6%	76.7%	77.8%	91.6%
Waste Management and Recycling	(15.5%)	12.0%	22.1%	28.8%	35.4%
Water and Wastewater	(14.9%)	12.6%	29.5%	35.1%	44.7%
S&P 500	(2.3%)	37.9%	65.0%	77.3%	89.3%

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	9.7x	11.3x	11.6x	12.9x
Remediation, Cleaning, and Abatement	7.8x	11.6x	12.3x	12.1x	14.0x
Test, Measurement, and Control	9.4x	12.3x	13.1x	12.5x	14.3x
Waste Management and Recycling	6.6x	8.7x	8.8x	9.1x	9.8x
Water and Wastewater	7.4x	9.3x	9.7x	10.0x	10.5x
S&P 500	7.3x	9.0x	9.8x	10.2x	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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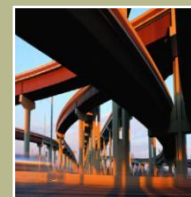
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SOURCES

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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