



## Business Services Update

February 2018

The Mufson Howe Hunter Business Services Update is designed to provide business leaders, investors and industry professionals with current market trends and important developments within the Business Services industry. This monthly report contains recent news, analysis, and M&A activity on selected companies and in-depth coverage of the primary sectors.

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Mufson Howe Hunter & Company LLC is a middle-market focused investment bank providing M&A, capital raising and financial advisory services.

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The Mufson Howe Hunter Human Resources Outsourcing Index is currently comprised of AMN Healthcare Services, Inc., Automatic Data Processing, Barrett Business Services, Inc., CBIZ, Inc., Computer Task Group, Inc., Corporate Executive Board Co., CRA International, Inc., Cross Country Healthcare, Inc., CT Partners, Exponent, Inc., Fair Isaac Corp., FTI Consulting, Inc., Heidrick & Struggles Intl. Inc., Hudson Global, Inc., Huron Consulting, Insperity, Inc., Kelly Services, Inc., Kforce, Inc., Korn/Ferry International Inc., Manpower, Inc., Navigant Consulting, Inc., On Assignment, Inc., Paychex, Inc., RCM Technologies, Inc., Resources Connection, Inc., Robert Half International, Inc., Team Health Holdings, Inc., Willis Towers Watson Public Limited Company and TrueBlue, Inc.

The Mufson Howe Hunter Contact Center Services Index is currently comprised of Convergys Corporation, Exlservice Holdings, Inc., Genpact Ltd., StarTek, Inc., Sykes Enterprises, Incorporated, TeleTech Holdings Inc. and WNS (Holdings) Ltd.

The Mufson Howe Hunter Fixed Asset Management Index is currently comprised of ABM Industries Inc., Aramark, Brinks Co., Casella Waste Systems Inc., Chemed Corp., Cintas Corporation, Clean Harbors, Inc., Comfort Systems USA Inc., Command Security Corp., Compass Group PLC, CoreCivic, Inc., Corrections Corporation of America, EMCOR Group Inc., FirstService Corp., G4S plc, Healthcare Services Group Inc., Heritage-Crystal Clean, Inc., Prosegur Compania de Seguridad SA, Rentokil Initial plc, Republic Services, Inc., Rollins Inc., Securitas AB, Sodexo, SP Plus Corporation, Stericycle, Inc., The GEO Group, Inc., UniFirst Corp., Waste Connections Inc. and Waste Management, Inc.

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# Human Resources Outsourcing

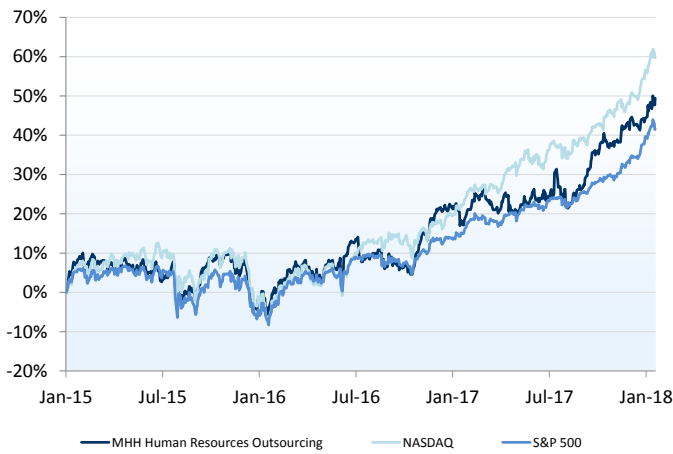
Temporary staffing, HR Outsourcing and Professional Consulting related services for a variety of end-user markets.

## Comparative Index Performance

The Mufson Howe Hunter Human Resources Outsourcing Index<sup>(a)</sup> increased by 5.1% in January of 2018.

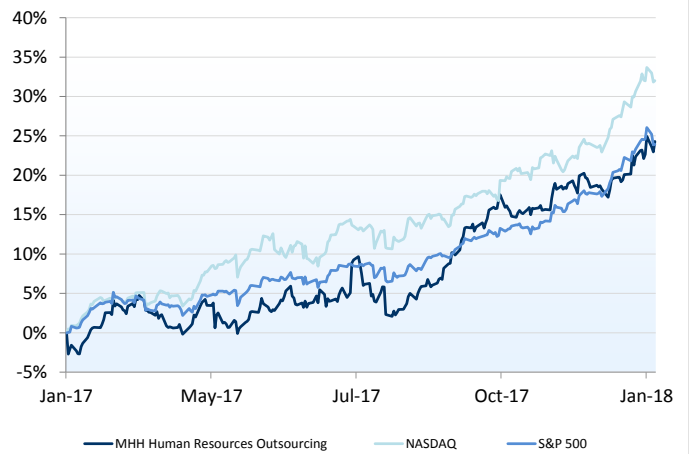
### Last Three Years

Daily from January 30, 2015 to January 31, 2018  
Price as Percent of Base (January 30, 2015 = 0%)



### Last Twelve Months

Daily from January 31, 2017 to January 31, 2018  
Price as Percent of Base (January 31, 2017 = 0%)



## Price Appreciation

	3-Year	LTM	1 Month
Mufson Howe Hunter Human Resources Outsourcing Index <sup>(a)</sup>	49.4%	24.3%	5.1%
NASDAQ	59.9%	32.0%	7.4%
S&P 500	41.5%	23.9%	5.6%

(a) Market cap weighted index assuming no dividend reinvestment. Mufson Howe Hunter Human Resources Outsourcing Index is comprised of all companies listed on the following two pages.

# Human Resources Outsourcing

## Selected Valuation Metrics

(\$ in millions, except per share data)

Company	Market & Capitalization			LTM Performance <sup>(3)</sup>			Valuation			Margins	
	Price <sup>(1)</sup>	Equity Value	Enterprise Value <sup>(2)</sup>	Revenue	EBITDA <sup>(4)</sup>	EPS	Enterprise Value/ Revenue EBITDA		Price/ EPS	Gross Profit	EBITDA
<b>Commercial Staffing</b>											
Manpower, Inc. (MAN)	\$123.28	\$8,707.0	\$9,053.4	\$21,034.3	\$872.6	\$6.79	0.43 x	10.4 x	18.2 x	16.6%	4.1%
TrueBlue, Inc. (TBI)	27.10	1,004.9	1,104.7	2,574.1	135.7	1.33	0.43 x	8.1 x	20.4 x	25.2%	5.3%
Kelly Services, Inc. (KELY.A)	26.31	1,083.3	1,085.0	5,374.4	108.4	1.39	0.20 x	10.0 x	18.9 x	17.8%	2.0%
<b>Mean</b>		<b>\$3,598.4</b>	<b>\$3,747.7</b>	<b>\$9,660.9</b>	<b>\$372.2</b>	<b>\$3.17</b>	<b>0.35 x</b>	<b>9.5 x</b>	<b>19.2 x</b>	<b>19.8%</b>	<b>3.8%</b>
<b>Median</b>		<b>1,083.3</b>	<b>1,104.7</b>	<b>5,374.4</b>	<b>135.7</b>	<b>1.39</b>	<b>0.43 x</b>	<b>10.0 x</b>	<b>18.9 x</b>	<b>17.8%</b>	<b>4.1%</b>
<b>Professional Staffing</b>											
Robert Half International, Inc. (RHI)	51.77	7,128.3	6,780.9	5,266.8	581.1	2.59	1.29 x	11.7 x	20.0 x	41.1%	11.0%
Kforce, Inc. (KFRC)	20.95	654.9	783.2	1,357.9	76.2	1.57	0.58 x	10.3 x	13.4 x	30.0%	5.6%
Resources Connection, Inc. (RECN)	15.75	513.0	504.7	590.4	46.4	0.84	0.85 x	10.9 x	18.7 x	38.3%	7.9%
Hudson Global, Inc. (HSON)	1.51	66.6	58.1	435.4	4.9	0.03	0.13 x ‡	11.9 x	NM	41.5%	1.1%
<b>Mean</b>		<b>\$2,090.7</b>	<b>\$2,031.7</b>	<b>\$1,912.6</b>	<b>\$177.1</b>	<b>\$1.26</b>	<b>0.91 x</b>	<b>11.2 x</b>	<b>17.3 x</b>	<b>37.7%</b>	<b>6.4%</b>
<b>Median</b>		<b>584.0</b>	<b>643.9</b>	<b>974.2</b>	<b>61.3</b>	<b>1.20</b>	<b>0.85 x</b>	<b>11.3 x</b>	<b>18.7 x</b>	<b>39.7%</b>	<b>6.7%</b>
<b>Healthcare Staffing</b>											
On Assignment, Inc. (ASGN)	\$61.22	\$3,982.8	\$4,564.8	\$2,567.8	\$268.6	\$2.12	1.78 x	17.0 x	28.9 x	32.2%	10.5%
AMN Healthcare Services, Inc. (AMN)	43.90	2,563.0	2,863.0	1,967.2	240.5	2.37	1.46 x	11.9 x	18.5 x	32.6%	12.2%
Cross Country Healthcare, Inc. (CCRN)	13.65	511.1	596.3	867.9	39.3	0.19	0.69 x	15.2 x	NM	26.3%	4.5%
<b>Mean</b>		<b>\$2,352.3</b>	<b>\$2,674.7</b>	<b>\$1,801.0</b>	<b>\$182.8</b>	<b>\$1.56</b>	<b>1.31 x</b>	<b>14.7 x</b>	<b>23.7 x</b>	<b>30.4%</b>	<b>9.1%</b>
<b>Median</b>		<b>2,563.0</b>	<b>2,863.0</b>	<b>1,967.2</b>	<b>240.5</b>	<b>2.12</b>	<b>1.46 x</b>	<b>15.2 x</b>	<b>23.7 x</b>	<b>32.2%</b>	<b>10.5%</b>
<b>IT Staffing</b>											
RCM Technologies, Inc. (RCMT)	\$3.64	\$76.0	\$84.7	\$179.9	\$7.5	\$0.28	0.47 x	11.3 x	13.1 x	26.5%	4.2%
Computer Task Group, Inc. (CTG)	5.04	80.6	69.1	304.1	6.2	0.19	0.23 x	11.2 x	26.9 x	18.2%	2.0%
<b>Mean</b>		<b>\$78.3</b>	<b>\$76.9</b>	<b>\$242.0</b>	<b>\$6.8</b>	<b>\$0.23</b>	<b>0.35 x</b>	<b>11.2 x</b>	<b>20.0 x</b>	<b>22.4%</b>	<b>3.1%</b>
<b>Median</b>		<b>78.3</b>	<b>76.9</b>	<b>242.0</b>	<b>6.8</b>	<b>0.23</b>	<b>0.35 x</b>	<b>11.2 x</b>	<b>20.0 x</b>	<b>22.4%</b>	<b>3.1%</b>
<b>Executive Search</b>											
Korn/Ferry International, Inc. (KFY)	\$41.83	\$2,518.2	\$2,484.7	\$1,632.3	\$201.6	\$1.86	1.52 x	12.3 x	22.5 x	27.4%	12.4%
Heidrick & Struggles Intl. Inc. (HSII)	24.85	495.9	390.2	611.8	57.9	1.38	0.64 x	6.7 x	18.0 x	31.2%	9.5%
<b>Mean</b>		<b>\$1,507.1</b>	<b>\$1,437.5</b>	<b>\$1,122.0</b>	<b>\$129.8</b>	<b>\$1.62</b>	<b>1.08 x</b>	<b>9.5 x</b>	<b>20.3 x</b>	<b>29.3%</b>	<b>10.9%</b>
<b>Median</b>		<b>1,507.1</b>	<b>1,437.5</b>	<b>1,122.0</b>	<b>129.8</b>	<b>1.62</b>	<b>1.08 x</b>	<b>9.5 x</b>	<b>20.3 x</b>	<b>29.3%</b>	<b>10.9%</b>

(continued on next page)

NA = Not Available; NM = Not Meaningful; LTM = Latest Twelve Months

‡ = excluded from Mean and Median calculations

Source: Public Filings, Press Releases and Published Research Reports.

(1) As of close on January 31, 2018.

(2) Enterprise value is defined as equity value plus net debt, preferred stock and minority interests. Net Debt includes long term debt, short term debt, postretirement benefits and unfunded pensions, if applicable, less cash and cash equivalents.

(3) As of September 30, 2017 except KELY.A, KFRC, MAN and RHI (December 31, 2017) RECN (November 25, 2017); KFY (October 31, 2017); and TBI (October 1, 2017).

(4) Excludes non-recurring and discontinued operations.

# Human Resources Outsourcing

## Selected Valuation Metrics

(\$ in millions, except per share data)

Company	Market & Capitalization			LTM Performance <sup>(3)</sup>			Valuation			Margins	
	Price <sup>(1)</sup>	Equity Value	Enterprise Value <sup>(2)</sup>	Revenue	EBITDA <sup>(4)</sup>	EPS	Enterprise Value/ Revenue EBITDA		Price/ EPS	Gross Profit	EBITDA
<b>HR Outsourcing</b>											
Automatic Data Processing (ADP)	\$116.26	\$51,972.6	\$51,627.3	\$12,541.7	\$2,713.5	\$3.32	4.12 x	19.0 x	NM	42.9%	21.6%
Paychex, Inc. (PAYX)	63.79	24,453.3	24,248.1	3,237.7	1,415.6	2.23	7.49 x	17.1 x	28.6 x	70.7%	43.7%
Towers Watson & Co. (NasdaqGS:WLTW)	161.08	19,896.9	23,728.9	7,969.0	1,585.0	3.78	2.98 x	15.0 x	NM	42.1%	19.9%
Insperty, Inc. (NSP)	94.90	2,390.7	2,207.2	3,202.8	135.2	1.82	0.69 x	16.3 x	NM	16.8%	4.2%
Barrett Business Services (BBSI)	60.79	470.8	438.9	896.8	31.8	2.57	0.49 x	13.8 x	23.7 x	60.8%	3.5%
<b>Mean</b>		<b>\$19,836.9</b>	<b>\$20,450.1</b>	<b>\$5,569.6</b>	<b>\$1,176.2</b>	<b>\$2.74</b>	<b>3.15 x</b>	<b>16.2 x</b>	<b>26.1 x</b>	<b>46.7%</b>	<b>18.6%</b>
<b>Median</b>		<b>\$19,896.9</b>	<b>\$23,728.9</b>	<b>\$3,237.7</b>	<b>\$1,415.6</b>	<b>\$2.57</b>	<b>2.98 x</b>	<b>16.3 x</b>	<b>26.1 x</b>	<b>42.9%</b>	<b>19.9%</b>
<b>Professional &amp; Consulting</b>											
Fair Isaac Corp. (FICO)	\$145.16	\$4,594.5	\$5,093.7	\$932.2	\$211.4	\$3.02	5.46 x	24.1 x	NM	69.2%	22.7%
FTI Consulting, Inc. (FCN)	42.75	1,590.3	1,893.5	1,781.9	159.6	1.61	1.06 x	11.9 x	26.6 x	32.0%	9.0%
Exponent, Inc. (EXPO)	73.85	1,835.1	1,669.6	319.7	75.6	1.82	5.22 x	22.1 x	NM	36.2%	23.6%
Huron Consulting (HURN)	36.60	859.5	1,225.9	724.8	96.7	0.93	1.69 x	12.7 x	NM	36.9%	13.3%
Navigant Consulting, Inc. (NCI)	17.31	891.3	1,059.0	948.6	128.1	1.09	1.12 x	8.3 x	15.9 x	31.3%	13.5%
CBIZ, Inc. (CBZ)	16.95	835.9	1,043.1	839.0	89.7	0.80	1.24 x	11.6 x	21.3 x	11.9%	10.7%
CRA International (CRAI)	42.26	364.5	344.4	352.6	30.7	1.55	0.98 x	11.2 x	27.3 x	30.4%	8.7%
<b>Mean</b>		<b>\$1,567.3</b>	<b>\$1,761.3</b>	<b>\$842.7</b>	<b>\$113.1</b>	<b>\$1.54</b>	<b>2.40 x</b>	<b>14.5 x</b>	<b>22.8 x</b>	<b>35.4%</b>	<b>14.5%</b>
<b>Median</b>		<b>891.3</b>	<b>1,225.9</b>	<b>839.0</b>	<b>96.7</b>	<b>1.55</b>	<b>1.24 x</b>	<b>11.9 x</b>	<b>24.0 x</b>	<b>32.0%</b>	<b>13.3%</b>

NA = Not Available; NM = Not Meaningful; LTM = Latest Twelve Months  
 ‡ = excluded from Mean and Median calculations  
 Source: Public Filings, Press Releases and Published Research Reports.

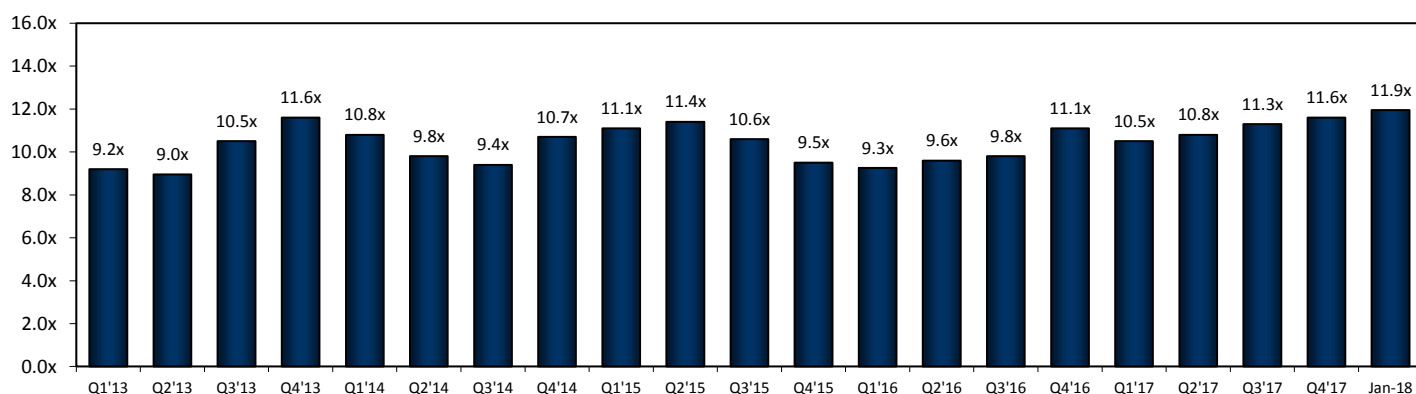
(1) As of close on January 31, 2018.

(2) Enterprise value is defined as equity value plus net debt, preferred stock and minority interests. Net Debt includes long term debt, short term debt, postretirement benefits and unfunded pensions, if applicable, less cash and cash equivalents.

(3) As of September 30, 2017 except PAYX (November 30, 2017) and EXPO (September 29, 2017).

(4) Excludes non-recurring and discontinued operations.

## Historical Enterprise Value-to-LTM EBITDA Multiples



## Selected M&A Transactions

Announced	Target	Target Description	Acquirer	Value
January 31	Monster.com India Pvt. Ltd.	Operates an online job seeking network	Qess Corp Limited (BSE:539978)	\$7.5
January 29	Infinity HIT, LLC	Provides technical consulting and staffing services	The CJS Solutions Group LLC	ND
January 25	Temporary Staffing Business Related to Osaka Branch of Crie Anabuki Inc.	Provides temporary staffing services	LIKE Staffing Co., Ltd.	\$0.1
January 19	Work Market Inc.	Develops a mobile application	Automatic Data Processing, Inc. (NasdaqGS:ADP)	ND
January 19	Sapporo Career Support, K.K.	Offers temporary manpower staffing services	Mediaflag Inc. (TSE:6067)	\$2.9
January 19	Arlington Resources, Inc.	Offers human resources solutions	CornerStone Staffing Solutions, Inc.	ND
January 11	50% Stake in Recon Solutions Pty Ltd and 50% Stake in Recon Technology Pty Ltd	Provides contractors and permanent staffing	People Infrastructure Ltd (ASX:PPE)	\$3.7
January 10	Rumba Solutions LLC	Provides staffing and IT consulting services	Technosoft Corporation	ND
January 9	Kranect LLC	Provides IT staffing and consulting services	KORE1, Inc.	ND
January 9	Career Professionals Inc.	Offers permanent staffing services	SEEK Professionals, LLC	ND
January 5	Gros Executive Recruiters, Inc.	Offers staffing services	Molding Business Services LLC	ND

ND – Not disclosed. Transaction values in millions.

## Selected News

**Automatic Data Processing, Inc. (NasdaqGS:ADP)** reported second quarter net income of \$467.5 million for fiscal year 2018 as compared to \$510.9 million for the prior year period. Earnings per share were \$1.05 versus \$1.13 for the prior year period. Revenues for the quarter increased to \$3,235.4 million from \$2,987.3 million for the same period in fiscal year 2017.

**Cross Country Healthcare, Inc. (NasdaqGS:CCRN)** announced that the acting Corporate Controller, **Christopher R. Pizzi** will be appointed to **Chief Financial Officer**. The company's currently Chief Financial Officer, **William J. Burns** will be appointed to **Chief Operating Officer**.

**Fair Isaac Corporation (NYSE:FICO)** reported first quarter net income of \$27.3 million for fiscal year 2018 as compared to \$37.9 million for the prior year period. Earnings per share were \$0.86 versus \$1.16 for the prior year period. Revenues for the quarter increased to \$235.3 million from \$219.6 million for the same period in fiscal year 2017.

**Insperity, Inc. (NYSE:NSP)** announced that its current President, **Richard G. Rawson**, is set to retire effective May 18, 2018.

**Korn/Ferry International (NYSE:KFY)** reported second quarter net income of \$36.3 million for fiscal year 2018 as compared to \$30.2 million for the prior year period. Earnings per share were \$0.64 versus \$0.52 for the prior year period. Revenues for the quarter increased to \$443.0 million from \$401.9 million for the same period in fiscal year 2017.

**Resources Connection, Inc. (NasdaqGS:RECN)** reported second quarter net income of \$8.1 million for fiscal year 2018 as compared to \$5.7 million for the prior year period. Earnings per share were \$0.27 versus \$0.16 for the prior year period. Revenues for the quarter increased to \$156.7 million from \$147.6 million for the same period in fiscal year 2017.

**Resources Connection, Inc. (NasdaqGS:RECN)** announced the appointment of its current **Chief Executive Officer, Kate W. Duchene**, to its Board of Directors.

**Robert Half International Inc. (NYSE:RHI)** reported net income of \$290.6 million for fiscal year 2017 as compared to \$343.4 million for the prior year. Earnings per share were \$2.33 versus \$2.67 for the prior year. Revenues for the year increased to \$5,266.8 million from \$5,250.4 million for fiscal year 2016.

*Note: All per share results are reported on a fully-diluted basis.*

# Contact Center Services

Outsourced customer management and business process outsourcing services, including: customer care, fulfillment, marketing, technical support and acquisition services.

## Comparative Index Performance

The Mufson Howe Hunter Contact Center Services Index<sup>(a)</sup> increased by 4.0% in January of 2018.

### Last Three Years

Daily from January 30, 2015 to January 31, 2018  
Price as Percent of Base (January 30, 2015 = 0%)



### Last Twelve Months

Daily from January 31, 2017 to January 31, 2018  
Price as Percent of Base (January 31, 2017 = 0%)



## Price Appreciation

	3-Year	LTM	1 Month
Mufson Howe Hunter Contact Center Services Index <sup>(a)</sup>	64.9%	28.3%	4.0%
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S&P 500	41.5%	23.9%	5.6%

(a) Market cap weighted index assuming no dividend reinvestment. Mufson Howe Hunter Contact Center Services Index is comprised of all companies listed on the following page.



## Selected Valuation Metrics

(\$ in millions, except per share data)

Company	Market & Capitalization			LTM Performance <sup>(3)</sup>			Valuation			Margins	
	Price <sup>(1)</sup>	Equity	Enterprise	Revenue	EBITDA	EPS	Enterprise Value/		Price/	Gross	
		Value	Value <sup>(2)</sup>				Revenue	EBITDA		Profit	EBITDA
<b>On-Shore</b>											
Convergys Corporation (CVG)	\$23.27	\$2,150.4	\$2,249.7	\$2,860.8	\$356.8	\$1.27	0.79 x	6.3 x	18.4 x	36.9%	12.5%
TTEC Holdings, Inc. (TTEC)	39.70	1,820.2	2,003.5	1,395.7	171.0	1.31	1.44 x	11.7 x	30.4 x	25.0%	12.3%
Sykes Enterprises, Incorporated (SYKE)	31.02	1,319.9	1,258.7	1,555.9	173.6	1.36	0.81 x	7.2 x	22.8 x	37.1%	11.2%
StarTek, Inc. (SRT)	12.50	201.8	224.4	298.1	15.6	0.11	0.75 x	14.4 x	NM	12.4%	5.2%
<b>Mean</b>		<b>\$1,373.1</b>	<b>\$1,434.1</b>	<b>\$1,527.6</b>	<b>\$179.3</b>	<b>\$1.01</b>	<b>0.95 x</b>	<b>9.9 x</b>	<b>23.8 x</b>	<b>27.8%</b>	<b>10.3%</b>
<b>Median</b>		<b>1,570.0</b>	<b>1,631.1</b>	<b>1,475.8</b>	<b>172.3</b>	<b>1.29</b>	<b>0.80 x</b>	<b>9.5 x</b>	<b>22.8 x</b>	<b>30.9%</b>	<b>11.7%</b>
<b>Off-Shore</b>											
Genpact Limited (G)	\$33.94	\$6,551.9	\$7,332.7	\$2,684.3	\$450.3	\$1.07	2.73 x	16.3 x	31.6 x	39.1%	16.8%
WNS (Holdings) Limited (WNS)	44.46	2,236.4	2,131.6	714.6	91.6	1.09	2.98 x	23.3 x	40.7 x	32.5%	12.8%
ExlService Holdings, Inc. (EXLS)	60.75	2,062.0	1,858.4	741.7	103.5	1.37	2.51 x	18.0 x	44.4 x	34.4%	14.0%
<b>Mean</b>		<b>\$3,616.8</b>	<b>\$3,774.2</b>	<b>\$1,380.2</b>	<b>\$215.1</b>	<b>\$1.18</b>	<b>2.74 x</b>	<b>19.2 x</b>	<b>38.9 x</b>	<b>35.4%</b>	<b>14.5%</b>
<b>Median</b>		<b>2,236.4</b>	<b>2,131.6</b>	<b>741.7</b>	<b>103.5</b>	<b>1.09</b>	<b>2.73 x</b>	<b>18.0 x</b>	<b>40.7 x</b>	<b>34.4%</b>	<b>14.0%</b>
<b>All Companies</b>											
<b>Mean</b>		<b>\$2,334.7</b>	<b>\$2,437.0</b>	<b>\$1,464.4</b>	<b>\$194.6</b>	<b>\$1.08</b>	<b>1.71 x</b>	<b>13.9 x</b>	<b>31.4 x</b>	<b>31.1%</b>	<b>12.1%</b>
<b>Median</b>		<b>2,062.0</b>	<b>2,003.5</b>	<b>1,395.7</b>	<b>171.0</b>	<b>1.27</b>	<b>1.44 x</b>	<b>14.4 x</b>	<b>31.0 x</b>	<b>34.4%</b>	<b>12.5%</b>

NA = Not Available; NM = Not Meaningful; LTM = Latest Twelve Months

‡ = excluded from Mean and Median calculations

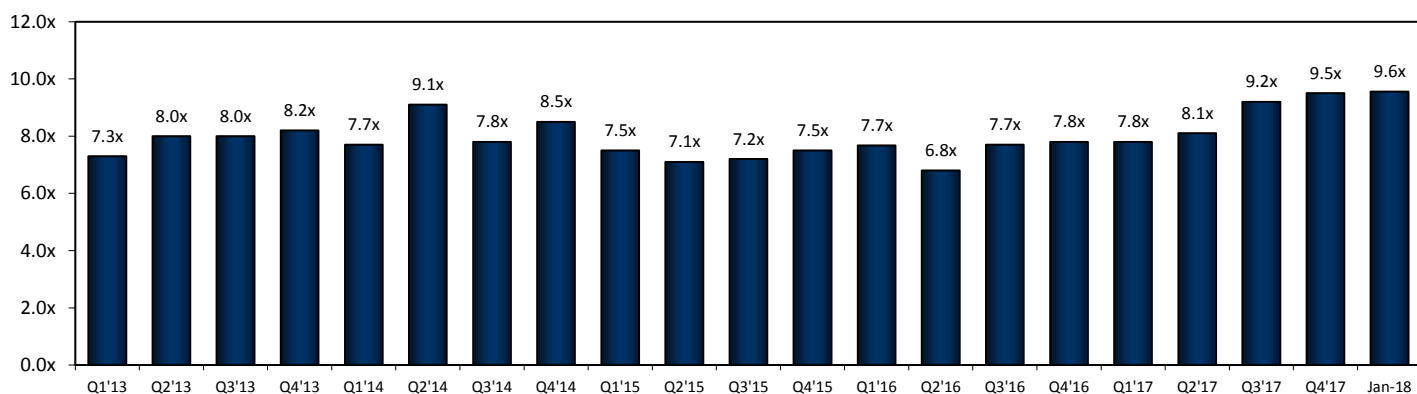
Source: Public Filings, Press Releases and Published Research Reports.

(1) As of close January 31, 2018.

(2) Enterprise value is defined as equity value plus net debt, preferred stock and minority interests. Net Debt includes long term debt, short term debt, postretirement benefits and unfunded pensions, if applicable, less cash and cash equivalents.

(3) As of September 30, 2017 except for WNS (December 31, 2017).

## Historical Enterprise Value-to-LTM EBITDA Multiples



## Selected M&A Transactions

Announced	Target	Target Description	Acquirer	Value
January 29	Dv-Com Gmbh and D+S 360	Provides contact center services	Ströer SE & Co. KGaA (DB:SAX)	ND
January 22	ADI BPO Services Private Limited	Provides contact center services	MPS Limited (BSE:532440)	ND
January 19	Call Center Resources, Inc.	Provides call center services	Innovest Global, Inc. (OTCPK:IVST)	ND
January 18	TeleQuality Communications, Inc.	Provides telecommunications and network connectivity products	Education Networks of America, Inc.	ND
January 10	DST Systems, Inc. (NYSE:DST)	Provides technology-based processing and servicing solutions	SS&C Technologies Holdings, Inc. (NasdaqGS:SSNC)	\$5,724.0
January 10	Performance Health Technology, Ltd.	Offers business process outsourcing services	Providence Plan Partners	ND
January 8	French Overseas Territories, ATS France and 58% stake in Intelcia	Provides contact center services	SFR Group SA	\$658.8
January 4	Vantage Sourcing, LLC	Provides business process outsourcing services	MRS Associates, Inc.	ND

ND – Not disclosed. Transaction values in millions.

## Selected News

**WNS (Holdings) Limited (NYSE:WNS)** announced that the current **President** and **Chief Executive Officer, Andrea Ayers**, will transition from her role as the company searches for a replacement.

**WNS (Holdings) Limited (NYSE:WNS)** reported third quarter net income of \$26.3 million for fiscal year 2018 as compared to \$18.0 million for the prior year period. Earnings per share were \$0.51 versus \$0.35 for the prior year period. Revenues for the quarter increased to \$188.6 million from \$145.4 million for the same period in fiscal year 2017.

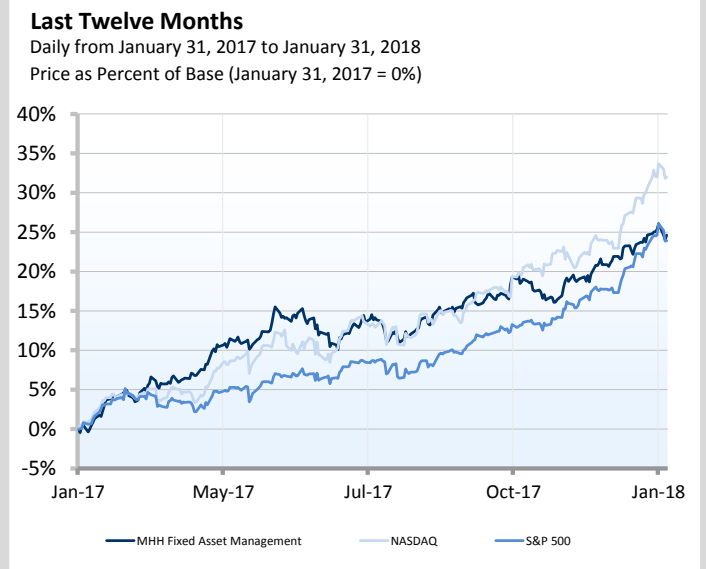
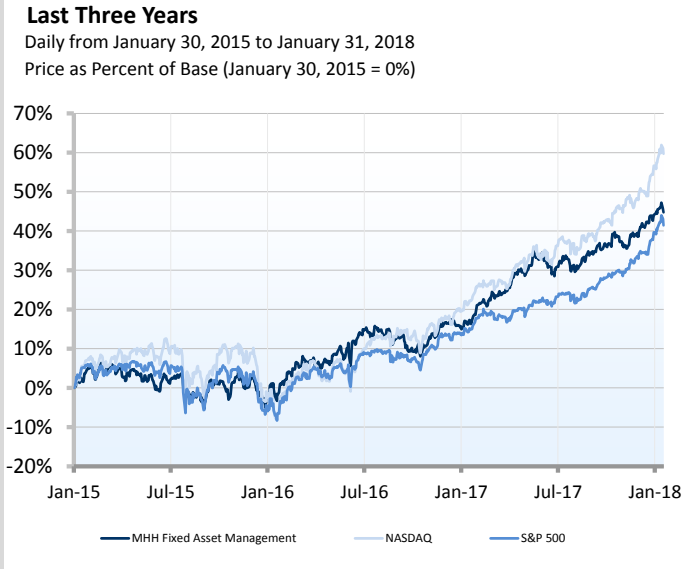
*Note: All per share results are reported on a fully-diluted basis.*

# Fixed Asset Management

Outsourced facility management services including: facility maintenance, food service contracting, manned security services, uniform/linen rental and waste management services.

## Comparative Index Performance

The Mufson Howe Hunter Fixed Asset Management Index<sup>(a)</sup> increased by 2.1% in January of 2018.



### Price Appreciation

	3-Year	LTM	1 Month
Mufson Howe Hunter Fixed Asset Management Index <sup>(a)</sup>	45.5%	24.6%	2.1%
NASDAQ	59.9%	32.0%	7.4%
S&P 500	41.5%	23.9%	5.6%

(a) Market cap weighted index assuming no dividend reinvestment. Mufson Howe Hunter Fixed Asset Management Index is comprised of all companies listed on the following two pages.

## Selected Valuation Metrics

(\$ in millions, except per share data)

Company	Market & Capitalization			LTM Performance <sup>(3)</sup>			Valuation			Margins	
	Price <sup>(1)</sup>	Equity Value	Enterprise Value <sup>(2)</sup>	Revenue	EBITDA <sup>(4)</sup>	EPS	Enterprise Value/Revenue	EBITDA	Price/EPS	Gross Profit	EBITDA
<b>Facility Maintenance</b>											
Rollins, Inc. (ROL)	\$49.34	\$10,754.9	\$10,647.8	\$1,674.0	\$349.5	\$0.84	6.36 x	30.5 x	58.5 x	51.0%	20.9%
Rentkil Initial plc (LSE:RTO)	4.14	7,581.0	8,996.9	3,363.3	735.7	0.13	2.68 x	12.2 x	31.2 x	76.4%	21.9%
EMCOR Group, Inc. (EME)	81.28	4,780.4	4,714.6	7,624.3	446.6	3.62	0.62 x	10.6 x	22.5 x	14.5%	5.9%
Chemed Corporation (CHE)	260.57	4,160.3	4,223.9	1,641.8	238.5	7.82	2.57 x	17.7 x	33.3 x	30.7%	14.5%
Healthcare Services Group, Inc. (HCSG)	55.18	4,043.2	3,986.8	1,866.1	135.3	1.12	2.14 x	29.5 x	49.4 x	13.6%	7.3%
ABM Industries Incorporated (ABM)	38.03	2,491.5	3,606.9	5,453.6	198.5	1.22	0.66 x	18.2 x	31.3 x	10.5%	3.6%
FirstService Corporation (TSX:FSV)	65.38	2,348.2	2,688.2	1,705.5	157.8	1.19	1.58 x	17.0 x	54.9 x	30.3%	9.3%
Comfort Systems USA, Inc. (FIX)	42.60	1,574.7	1,626.9	1,719.0	135.5	1.64	0.95 x	12.0 x	25.9 x	21.0%	7.9%
SP Plus Corporation (SP)	38.55	855.9	1,006.3	904.9	109.3	2.01	1.11 x	9.2 x	19.1 x	21.1%	12.1%
<b>Mean</b>		<b>\$4,287.8</b>	<b>\$4,610.9</b>	<b>\$2,883.6</b>	<b>\$278.5</b>	<b>\$2.18</b>	<b>2.07x</b>	<b>17.4x</b>	<b>36.2x</b>	<b>29.9%</b>	<b>11.5%</b>
<b>Median</b>		<b>4,043.2</b>	<b>3,986.8</b>	<b>1,719.0</b>	<b>198.5</b>	<b>1.22</b>	<b>1.58x</b>	<b>17.0x</b>	<b>31.3x</b>	<b>21.1%</b>	<b>9.3%</b>
<b>Food Services</b>											
Compass Group PLC (LSE:CPG)	\$20.65	\$32,695.0	\$37,719.2	\$31,434.8	\$2,946.0	\$0.82	1.20 x	12.8 x	25.0 x	24.5%	9.4%
Sodexo S.A. (ENXTPA:SW)	127.77	18,989.3	20,921.5	25,587.8	1,971.8	6.14	0.82 x	10.6 x	20.8 x	15.4%	7.7%
Aramark (ARMK)	45.81	11,250.3	16,300.3	14,834.1	1,275.8	1.31	1.10 x	12.8 x	34.9 x	11.0%	8.6%
<b>Mean</b>		<b>\$20,978.2</b>	<b>\$24,980.3</b>	<b>\$23,952.3</b>	<b>\$2,064.5</b>	<b>\$2.76</b>	<b>1.04x</b>	<b>12.1x</b>	<b>26.9x</b>	<b>17.0%</b>	<b>8.6%</b>
<b>Median</b>		<b>18,989.3</b>	<b>20,921.5</b>	<b>25,587.8</b>	<b>1,971.8</b>	<b>1.31</b>	<b>1.10x</b>	<b>12.8x</b>	<b>25.0x</b>	<b>15.4%</b>	<b>8.6%</b>
<b>Manned Security Services</b>											
Securitas AB (OM:SECU B)	\$18.32	\$6,687.0	\$8,321.9	\$11,579.1	\$755.6	\$0.87	0.72 x	11.0 x	21.1 x	17.6%	6.5%
G4S plc (LSE:GFS)	3.96	6,125.5	8,368.1	11,184.9	898.4	0.21	0.75 x	9.3 x	18.6 x	18.0%	8.0%
The GEO Group, Inc. (GEO)	22.55	2,756.9	5,468.6	2,261.0	389.3	0.95	2.42 x	14.0 x	23.8 x	24.6%	17.2%
Prosegur Compañía de Seguridad, S.A. (BME:PSG)	8.28	4,957.3	5,192.6	5,245.4	624.9	0.36	0.99 x	8.3 x	22.8 x	23.9%	11.9%
The Brink's Company (BCO)	83.40	4,210.3	4,740.4	3,247.3	355.3	2.31	1.46 x	13.3 x	36.0 x	21.4%	10.9%
CoreCivic, Inc. (CXW)	23.21	2,743.5	4,122.0	1,789.1	429.6	1.11	2.30 x	9.6 x	20.8 x	29.6%	24.0%
Command Security Corporation (MOC)	3.00	29.5	48.4	182.5	1.5	0.04	0.26 x	32.3 x	76.5 x	10.9%	0.8%
<b>Mean</b>		<b>\$3,930.0</b>	<b>\$5,180.3</b>	<b>\$5,069.9</b>	<b>\$493.5</b>	<b>\$0.84</b>	<b>1.27x</b>	<b>14.0x</b>	<b>31.4x</b>	<b>20.9%</b>	<b>11.4%</b>
<b>Median</b>		<b>3,483.6</b>	<b>5,192.6</b>	<b>3,247.3</b>	<b>429.6</b>	<b>0.87</b>	<b>0.99x</b>	<b>11.0x</b>	<b>22.8x</b>	<b>21.4%</b>	<b>10.9%</b>
<b>Uniform / Linen Rentals</b>											
Cintas Corporation (CTAS)	\$168.45	\$17,938.0	\$20,513.5	\$6,003.6	\$1,192.1	\$4.75	3.42 x	17.2 x	35.4 x	44.9%	19.9%
UniFirst Corporation (UNF)	165.30	3,354.0	2,979.9	1,620.6	268.0	5.64	1.84 x	11.1 x	29.3 x	37.8%	16.5%
<b>Mean</b>		<b>\$10,646.0</b>	<b>\$11,746.7</b>	<b>\$3,812.1</b>	<b>\$730.0</b>	<b>\$5.19</b>	<b>2.63x</b>	<b>14.2x</b>	<b>32.4x</b>	<b>41.3%</b>	<b>18.2%</b>
<b>Median</b>		<b>10,646.0</b>	<b>11,746.7</b>	<b>3,812.1</b>	<b>730.0</b>	<b>5.19</b>	<b>2.63x</b>	<b>14.2x</b>	<b>32.4x</b>	<b>41.3%</b>	<b>18.2%</b>

(continued on next page)

NA = Not Available; NM = Not Meaningful; LTM = Latest Twelve Months

‡ = excluded from Mean and Median calculations

Source: Public Filings, Press Releases and Published Research Reports.

(1) As of close January 31, 2018.

(2) Enterprise value is defined as equity value plus net debt, preferred stock and minority interests. Net Debt includes long term debt, short term debt, postretirement benefits and unfunded pensions, if applicable, less cash and cash equivalents.

(3) As of September 30, 2017 except FSV, HCSG, MOC, ROL and SECU B (December 31, 2017); ARMK (December 29, 2017); CTAS (November 30, 2017); UNF (November 25, 2017); ABM (October 31, 2017); SW (August 31, 2017); and GFS and RTO (June 30, 2017).

(4) Excludes non-recurring and discontinued operations.

## Selected Valuation Metrics

(\$ in millions, except per share data)

Company	Market & Capitalization			LTM Performance <sup>(3)</sup>			Valuation			Margins	
	Price <sup>(1)</sup>	Equity Value	Enterprise Value <sup>(2)</sup>	Revenue	EBITDA <sup>(4)</sup>	EPS	Enterprise Value/Revenue	EBITDA	Price/EPS	Gross Profit	EBITDA
<b>Waste Management Services</b>											
Waste Management, Inc. (WM)	\$88.43	\$38,397.7	\$47,729.7	\$14,293.0	\$3,911.0	\$3.01	3.34 x	12.2 x	29.4 x	37.7%	27.4%
Republic Services, Inc. (RSG)	68.80	22,994.6	30,790.6	9,860.7	2,740.9	2.34	3.12 x	11.2 x	29.5 x	38.3%	27.8%
Waste Connections, Inc. (WCN)	71.82	18,934.7	22,407.8	4,521.9	1,426.3	1.63	4.96 x	15.7 x	43.9 x	41.6%	31.5%
Stericycle, Inc. (SRCL)	75.36	6,433.7	9,171.4	3,599.3	748.2	2.97	2.55 x	12.3 x	25.4 x	44.0%	20.8%
Clean Harbors, Inc. (CLH)	55.34	3,150.7	4,419.0	2,889.7	411.8	0.44	1.53 x	10.7 x	NM	29.7%	14.2%
Casella Waste Systems, Inc. (CWST)	25.58	1,075.5	1,557.9	591.9	115.1	0.39	2.63 x	13.5 x	65.1 x	32.7%	19.4%
Heritage-Crystal Clean, Inc (HCCI)	21.75	497.6	493.4	356.9	42.0	0.60	1.38 x	11.7 x	36.4 x	25.4%	11.8%
<b>Mean</b>		<b>\$13,069.2</b>	<b>\$16,652.8</b>	<b>\$5,159.1</b>	<b>\$1,342.2</b>	<b>\$1.63</b>	<b>2.79 x</b>	<b>12.5 x</b>	<b>38.3 x</b>	<b>35.6%</b>	<b>21.8%</b>
<b>Median</b>		<b>6,433.7</b>	<b>9,171.4</b>	<b>3,599.3</b>	<b>748.2</b>	<b>1.63</b>	<b>2.63 x</b>	<b>12.2 x</b>	<b>32.9 x</b>	<b>37.7%</b>	<b>20.8%</b>

NA = Not Available; NM = Not Meaningful; LTM = Latest Twelve Months

‡ = excluded from Mean and Median calculations

Source: Public Filings, Press Releases and Published Research Reports.

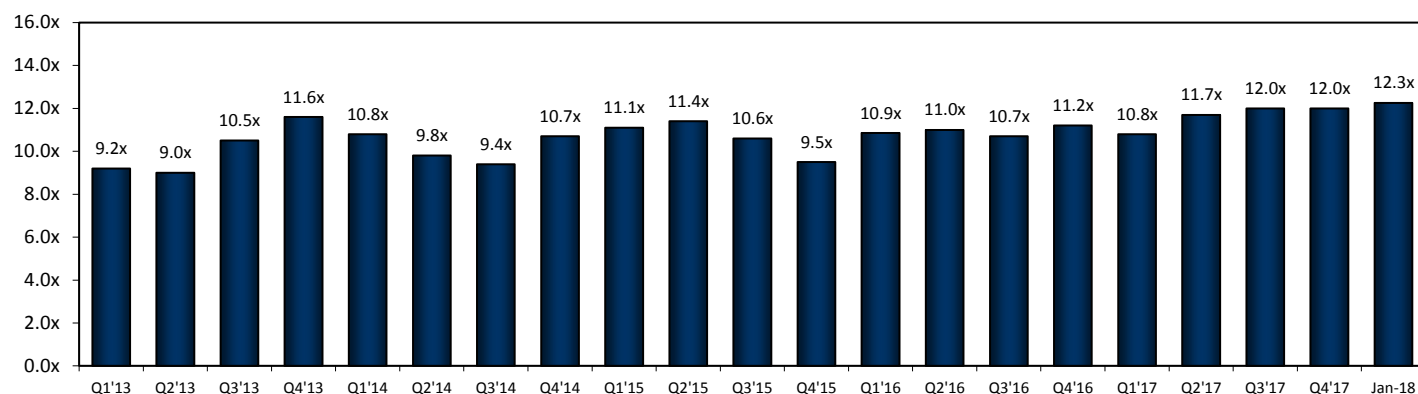
(1) As of close January 31, 2018.

(2) Enterprise value is defined as equity value plus net debt, preferred stock and minority interests. Net Debt includes long term debt, short term debt, postretirement benefits and unfunded pensions, if applicable, less cash and cash equivalents.

(3) As of September 30, 2017 except HCCI (September 9, 2017).

(4) Excludes non-recurring and discontinued operations.

## Historical Enterprise Value-to-LTM EBITDA Multiples



## Selected M&A Transactions

Announced	Target	Target Description	Acquirer	Value
January 30	Lifetouch Inc.	Provides professional photography services for schools and families	Shutterfly, Inc. (NasdaqGS:SFLY)	\$825.0
January 26	Ikos Environment And Vi Environment And CAPIK	Provides waste management services	Paprec France SA	ND
January 24	Greenpiece Landscapes India Pvt Ltd.	Provides landscaping services	Quess Corp Limited (BSE:539978)	\$4.1
January 23	Cannon Hygiene Limited	Provides facilities management services	Rentokil Initial plc (LSE:RTO)	ND
January 23	U.S. Industrial Cleaning Services Division of Veolia Environmental Services North America Corp.	Provides industrial cleaning and maintenance services	Clean Harbors, Inc. (NYSE:CLH)	\$120.0
January 23	Capital Commerce Center	Comprises real estate re-entry facilities	CoreCivic, Inc. (NYSE:CXW)	ND
January 11	Foodcheri SAS	Develops a mobile application for food delivery services	Sodexo S.A. (ENXTPA:SW)	ND
January 10	Elite Miljø A/S	Provides cleaning and environmental services	Coor Service Management Holding AB (publ) (OM:COOR)	\$35.3
January 10	Rodoban Seguranca e Transporte de Valores Ltda.	Provides manned security services	The Brink's Company (NYSE:BCO)	\$145.0
January 9	OBOS Eiendomsdrift AS	Provides facilities management services	Oslo Bolig Og Sparelag	\$5.8
January 4	Ovenia Oy	Provides real estate property management services	Colliers International Group Inc. (TSX:CIGI)	ND

## Fixed Asset Management

January 4	Complete Disposal Company, Inc.	Provides solid waste management services	Casella Waste Systems, Inc. (NasdaqGS:CWST)	\$17.0
January 2	Süddeutschen Bewachung GmbH	Provides security services	Securitas AB (OM:SECU B)	ND
January 2	Cascade Water Services, Inc.	Provides water treatment and environmental services	Ecolab Inc. (NYSE:ECL)	ND
January 2	Automatic Alarm SAS	Distributes electronic alarm and safety systems	Securitas AB (OM:SECU B)	\$53.0
January 2	Süddeutschen Bewachung GmbH	Provides security services	Securitas AB (OM:SECU B)	ND
January 2	Johnson & Thompson	Provides monitoring, maintenance and installation services to retail companies	Securitas AB (OM:SECU B)	ND
January 2	Saratoga County Landfill of Finch Paper Holdings, LLC	Provides waste disposal services	Waste Management, Inc. (NYSE:WM)	ND
<i>ND – Not disclosed. Transaction values in millions.</i>				

### Selected News

**Compass Group PLC (LSE:CPG)** announced that **Dominic Blakemore** will succeed **Richard Cousins** as **Chief Executive Officer** effective January 1, 2018.

**Sodexo S.A. (ENXTPA:SW)** reported net income of \$897.6 million for fiscal year 2017 as compared to \$790.8 million for the prior year. Earnings per share were \$5.95 versus \$5.15 for the prior year. Revenues for the year increased to \$25,695.8 million from \$25,133.5 million for fiscal year 2016.

**Rollins, Inc. (NYSE:ROL)** reported net income of \$179.1 million for fiscal year 2017 as compared to \$167.4 million for the prior year. Earnings per share were \$0.82 versus \$0.77 for the prior year. Revenues for the year increased to \$1,674.0 million from \$1,573.5 million for fiscal year 2016.



**Securitas AB (OM:SECU B)** reported net income of \$345.1 million for fiscal year 2017 as compared to \$333.3 million for the prior year. Earnings per share were \$0.95 versus \$0.91 for the prior year. Revenues for the year increased to \$11,629.6 million from \$11,120.7 million for fiscal year 2016.

**Sodexo S.A. (ENXTPA:SW)** announced that **Denis Machuel** will succeed **Michel Landel** as **Chief Executive Officer**.

**UniFirst Corporation (NYSE:UNF)** reported first quarter net income of \$34.2 million for fiscal year 2018 as compared to \$28.2 million for the prior year period. Earnings per share were \$1.67 versus \$1.38 for the prior year period. Revenues for the quarter increased to \$415.8 million from \$386.1 million for the same period in fiscal year 2017.

*Note: All per share results are reported on a fully-diluted basis.*

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## Mergers & Acquisitions

- Advise buyers and sellers (public and private companies)
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## Raise Capital

- Equity (control and non-control)
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- Senior and junior debt
- Typically raise capital from banks, finance companies, private investment funds and private equity groups

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- Analysis of business strategies and options
- Fairness opinions
- Valuations

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