



## Business Services Update

November 2017

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 The Advisory Board Co., 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.

The companies that comprise each Index periodically change as a result of mergers, acquisitions, initial public offerings and other transactions; therefore, comparisons to historical time periods and historical performance for each Index do not entirely correspond and correlate to the Index's current performance. Historical performance is not a guarantee or prediction of future results.

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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 5.7% in October of 2017.

### Last Three Years

Daily from October 31, 2014 to October 31, 2017  
Price as Percent of Base (October 31, 2014 = 0%)



### Last Twelve Months

Daily from October 31, 2016 to October 31, 2017  
Price as Percent of Base (October 31, 2016 = 0%)



## Price Appreciation

Mufson Howe Hunter Human Resources Outsourcing Index<sup>(a)</sup>  
NASDAQ  
S&P 500

**3-Year**

**LTM**

**1 Month**

41.2%

30.9%

5.7%

45.3%

29.6%

3.6%

27.6%

21.1%

2.2%

(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	Price/ EBITDA	Price/ EPS	Gross Profit	EBITDA
<b>Commercial Staffing</b>											
Manpower, Inc. (MAN)	\$123.28	\$8,227.0	\$8,573.4	\$20,352.9	\$878.3	\$6.83	0.42 x	9.8 x	18.0 x	16.7%	4.3%
TrueBlue, Inc. (TBI)	27.10	995.7	1,095.5	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	996.5	936.4	5,256.5	98.9	1.26	0.18 x	9.5 x	20.9 x	17.5%	1.9%
<b>Mean</b>		<b>\$3,406.4</b>	<b>\$3,535.1</b>	<b>\$9,394.5</b>	<b>\$371.0</b>	<b>\$3.14</b>	<b>0.34 x</b>	<b>9.1 x</b>	<b>19.8 x</b>	<b>19.8%</b>	<b>3.8%</b>
<b>Median</b>		<b>996.5</b>	<b>1,095.5</b>	<b>5,256.5</b>	<b>135.7</b>	<b>1.33</b>	<b>0.42 x</b>	<b>9.5 x</b>	<b>20.4 x</b>	<b>17.5%</b>	<b>4.3%</b>
<b>Professional Staffing</b>											
Robert Half International, Inc. (RHI)	51.77	6,532.2	6,235.4	5,185.6	577.4	2.55	1.20 x	10.8 x	20.3 x	41.1%	11.1%
Kforce, Inc. (KFRC)	20.95	529.8	658.0	1,341.4	72.7	1.49	0.49 x	9.0 x	14.1 x	30.2%	5.4%
Resources Connection, Inc. (RECN)	15.75	474.5	472.9	581.2	39.2	0.68	0.81 x	12.1 x	23.1 x	37.9%	6.7%
Hudson Global, Inc. (HSON)	1.51	47.4	39.5	435.4	4.9	0.03	0.09 x ‡	8.1 x	NM	41.5%	1.1%
<b>Mean</b>		<b>\$1,896.0</b>	<b>\$1,851.4</b>	<b>\$1,885.9</b>	<b>\$173.6</b>	<b>\$1.19</b>	<b>0.84 x</b>	<b>10.0 x</b>	<b>19.2 x</b>	<b>37.7%</b>	<b>6.1%</b>
<b>Median</b>		<b>502.2</b>	<b>565.5</b>	<b>961.3</b>	<b>56.0</b>	<b>1.08</b>	<b>0.81 x</b>	<b>9.9 x</b>	<b>20.3 x</b>	<b>39.5%</b>	<b>6.1%</b>
<b>Healthcare Staffing</b>											
On Assignment, Inc. (ASGN)	\$61.22	\$3,232.7	\$3,814.7	\$2,567.8	\$268.6	\$2.12	1.49 x	14.2 x	28.9 x	32.2%	10.5%
AMN Healthcare Services, Inc. (AMN)	43.90	2,104.9	2,419.5	1,967.2	240.5	2.37	1.23 x	10.1 x	18.5 x	32.6%	12.2%
Cross Country Healthcare, Inc. (CCRN)	13.65	498.1	500.2	867.9	39.3	0.19	0.58 x	12.7 x	NM	26.3%	4.5%
<b>Mean</b>		<b>\$1,945.2</b>	<b>\$2,244.8</b>	<b>\$1,801.0</b>	<b>\$182.8</b>	<b>\$1.56</b>	<b>1.10 x</b>	<b>12.3 x</b>	<b>23.7 x</b>	<b>30.4%</b>	<b>9.1%</b>
<b>Median</b>		<b>2,104.9</b>	<b>2,419.5</b>	<b>1,967.2</b>	<b>240.5</b>	<b>2.12</b>	<b>1.23 x</b>	<b>12.7 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	\$71.3	\$81.0	\$179.9	\$7.5	\$0.28	0.45 x	10.8 x	13.1 x	26.5%	4.2%
Computer Task Group, Inc. (CTG)	5.04	78.1	66.6	304.1	6.2	0.19	0.22 x	10.8 x	26.9 x	18.2%	2.0%
<b>Mean</b>		<b>\$74.7</b>	<b>\$73.8</b>	<b>\$242.0</b>	<b>\$6.8</b>	<b>\$0.23</b>	<b>0.33 x</b>	<b>10.8 x</b>	<b>20.0 x</b>	<b>22.4%</b>	<b>3.1%</b>
<b>Median</b>		<b>74.7</b>	<b>73.8</b>	<b>242.0</b>	<b>6.8</b>	<b>0.23</b>	<b>0.33 x</b>	<b>10.8 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	\$2,363.1	\$2,325.6	\$1,591.2	\$196.4	\$1.74	1.46 x	11.8 x	24.0 x	27.5%	12.3%
Heidrick & Struggles Intl. Inc. (HSII)	24.85	466.8	361.1	611.8	57.9	1.38	0.59 x	6.2 x	18.0 x	31.2%	9.5%
<b>Mean</b>		<b>\$1,415.0</b>	<b>\$1,343.4</b>	<b>\$1,101.5</b>	<b>\$127.2</b>	<b>\$1.56</b>	<b>1.03 x</b>	<b>9.0 x</b>	<b>21.0 x</b>	<b>29.3%</b>	<b>10.9%</b>
<b>Median</b>		<b>1,415.0</b>	<b>1,343.4</b>	<b>1,101.5</b>	<b>127.2</b>	<b>1.56</b>	<b>1.03 x</b>	<b>9.0 x</b>	<b>21.0 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 October 31, 2017.

(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 and TBI (October 1, 2017); RECN (August 26, 2017); and KFY (July 31, 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	\$51,668.5	\$50,887.3	\$12,541.7	\$2,713.5	\$3.32	4.06 x	18.8 x	NM	42.9%	21.6%
Towers Watson & Co. (NasdaqGS:WLTW)	161.08	21,631.2	25,142.2	7,969.0	1,585.0	3.78	3.16 x	15.9 x	NM	42.1%	19.9%
Paychex, Inc. (PAYX)	63.79	22,921.6	22,610.6	3,182.6	1,390.8	2.19	7.10 x	16.3 x	29.1 x	70.9%	43.7%
Insperty, Inc. (NSP)	94.90	1,978.3	1,838.9	3,202.8	135.2	3.63	0.57 x	13.6 x	26.1 x	16.8%	4.2%
Barrett Business Services (BBSI)	60.79	443.5	429.1	896.8	31.8	2.57	0.48 x	13.5 x	23.7 x	60.8%	3.5%
<b>Mean</b>		<b>\$19,728.6</b>	<b>\$20,181.6</b>	<b>\$5,558.6</b>	<b>\$1,171.3</b>	<b>\$3.1</b>	<b>3.07 x</b>	<b>15.6 x</b>	<b>26.3 x</b>	<b>46.7%</b>	<b>18.6%</b>
<b>Median</b>		<b>21,631.2</b>	<b>22,610.6</b>	<b>3,202.8</b>	<b>1,390.8</b>	<b>3.32</b>	<b>3.16 x</b>	<b>15.9 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	\$4,446.3	\$4,927.4	\$932.2	\$211.4	\$3.02	5.29 x	23.3 x	NM	69.2%	22.7%
The Advisory Board Co. (ABCO)	53.93	2,197.9	2,656.1	781.8	115.5	1.70	3.40 x	23.0 x	31.7 x	51.4%	14.8%
FTI Consulting, Inc. (FCN)	42.75	1,582.6	1,885.7	1,781.9	159.6	1.61	1.06 x	11.8 x	26.6 x	32.0%	9.0%
Exponent, Inc. (EXPO)	73.85	1,904.8	1,739.3	319.7	75.6	1.82	5.44 x	23.0 x	NM	36.2%	23.6%
Huron Consulting (HURN)	36.60	777.3	1,164.5	724.8	96.7	0.93	1.61 x	12.0 x	NM	36.9%	13.3%
CBIZ, Inc. (CBZ)	16.95	915.8	1,127.0	839.0	89.7	0.80	1.34 x	12.6 x	21.3 x	11.9%	10.7%
Navigant Consulting, Inc. (NCI)	17.31	794.9	962.6	948.6	128.1	1.09	1.01 x	7.5 x	15.9 x	31.3%	13.5%
CRA International (CRAI)	42.26	342.7	322.5	352.6	30.7	1.55	0.91 x	10.5 x	27.3 x	30.4%	8.7%
<b>Mean</b>		<b>\$1,620.3</b>	<b>\$1,848.1</b>	<b>\$835.1</b>	<b>\$113.4</b>	<b>\$1.56</b>	<b>2.51 x</b>	<b>15.5 x</b>	<b>24.6 x</b>	<b>37.4%</b>	<b>14.5%</b>
<b>Median</b>		<b>1,249.2</b>	<b>1,451.9</b>	<b>810.4</b>	<b>106.1</b>	<b>1.58</b>	<b>1.48 x</b>	<b>12.3 x</b>	<b>26.6 x</b>	<b>34.1%</b>	<b>13.4%</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.

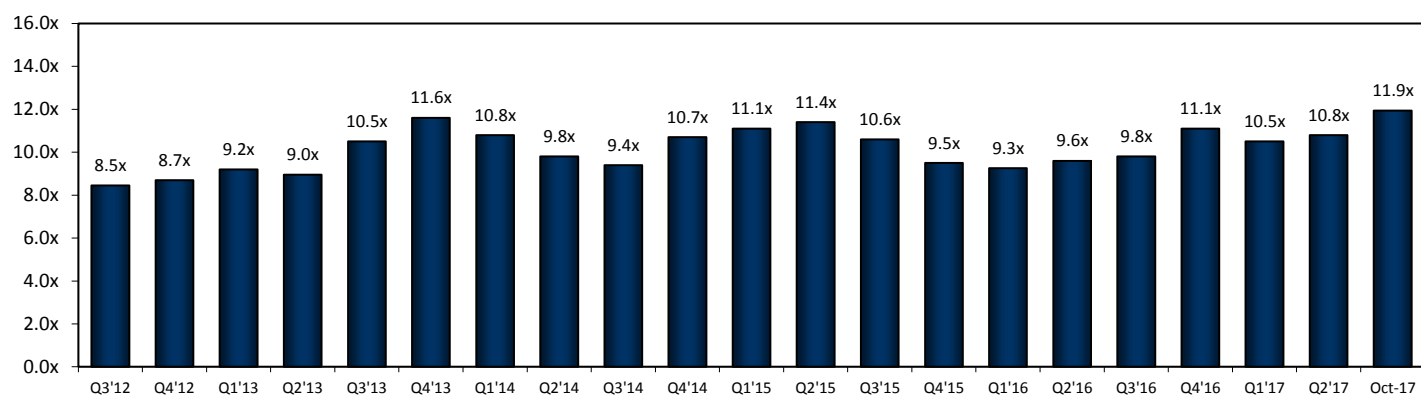
(1) As of close on October 31, 2017.

(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 EXPO (September 29, 2017); PAYX (August 31, 2017); and ABO and BBSI (June 30, 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
October 30	Young Samuel Chambers ("YSC") Ltd.	Provides leadership consulting services	Graphite Capital Management LLP	\$95.1
October 16	Evolve Technologies and Services Private Limited	Provides temporary and permanent staffing services	TeamLease Staffing Services Private Limited	\$6.0
October 12	Talent Function Group LLC	Provides staffing consulting services	Jobvention Corp.	ND
October 9	GD Intérim EST S.A.S.	Provides temporary recruitment and staffing services	Ergalis SAS	ND
October 5	Global Cash Card Inc.	Provides customized paycard solutions	Automatic Data Processing, Inc. (NasdaqGS:ADP)	ND
October 3	Mullin International LLC	Provides career transition and redeployment services	Lee Hecht Harrison, LLC	ND
October 2	StaffMasters, Inc.	Provides strategic staffing solutions	Hire Dynamics, LLC	ND

ND – Not disclosed. Transaction values in millions.

## Selected News

**Computer Task Group, Incorporated (NasdaqGS:CTG)** reported third quarter net income of \$0.0 million for fiscal year 2017 as compared to (\$16.2) million for the prior year period. Earnings per share were \$0.00 versus (\$1.03) for the prior year period. Revenues for the quarter decreased to \$74.0 million from \$78.1 million for the same period in fiscal year 2016.

**CRA International, Inc. (NasdaqGS:CRAI)** reported third quarter net income of \$3.2 million for fiscal year 2017 as compared to \$3.2 million for the prior year period. Earnings per share were \$0.38 versus \$0.38 for the prior year period. Revenues for the quarter increased to \$91.3 million from \$81.7 million for the same period in fiscal year 2016.

**Exponent, Inc. (NasdaqGS:EXPO)** reported third quarter net income of \$14.6 million for fiscal year 2017 as compared to \$11.3 million for the prior year period. Earnings per share were \$0.54 versus \$0.42 for the prior year period. Revenues for the quarter increased to \$82.4 million from \$74.2 million for the same period in fiscal year 2016.

**FTI Consulting, Inc. (NYSE:FCN)** reported third quarter net income of \$32.2 million for fiscal year 2017 as compared to \$21.7 million for the prior year period. Earnings per share were \$0.85 versus \$0.52 for the prior year period. Revenues for the quarter increased to \$449.0 million from \$438.0 million for the same period in fiscal year 2016.

**Heidrick & Struggles International, Inc. (NasdaqGS:HSII)** reported third quarter net income of \$8.2 million for fiscal year 2017 as compared to \$6.9 million for the prior year period. Earnings per share were \$0.43 versus \$0.37 for the prior year period. Revenues for the quarter increased to \$159.8 million from \$143.5 million for the same period in fiscal year 2016.

**Hudson Global, Inc (NasdaqGS:HSOON)** reported third quarter net income of (\$0.8) million for fiscal year 2017 as compared to (\$1.9) million for the prior year period. Earnings per share were (\$0.03) versus (\$0.06) for the prior year period. Revenues for the quarter increased to \$118.1 million from \$108.1 million for the same period in fiscal year 2016.

**Kforce Inc. (NasdaqGS:KFRC)** reported third quarter net income of \$10.1 million for fiscal year 2017 as compared to \$9.0 million for the prior year period. Earnings per share were \$0.40 versus \$0.34 for the prior year period. Revenues for the quarter increased to \$341.1 million from \$336.5 million for the same period in fiscal year 2016.

**ManpowerGroup Inc. (NYSE:MAN)** reported third quarter net income of \$137.7 million for fiscal year 2017 as compared to \$129.2 million for the prior year period. Earnings per share were \$2.04 versus \$1.87 for the prior year period. Revenues for the quarter increased to \$5,464.8 million from \$5,088.2 million for the same period in fiscal year 2016.

**Navigant Consulting, Inc. (NYSE:NCI)** reported third quarter net income of \$11.9 million for fiscal year 2017 as compared to \$17.2 million for the prior year period. Earnings per share were \$0.25 versus \$0.35 for the prior year period. Revenues for the quarter increased to \$237.5 million from \$237.1 million for the same period in fiscal year 2016.

**Navigant Consulting, Inc. (NYSE:NCI)** announced the appointment of **Kathleen Walsh** to its **Board of Directors**.

**On Assignment, Inc. (NYSE:ASGN)** reported third quarter net income of \$34.9 million for fiscal year 2017 as compared to \$29.8 million for the prior year period. Earnings per share were \$0.66 versus \$0.55 for the prior year period. Revenues for the quarter increased to \$667.0 million from \$629.4 million for the same period in fiscal year 2016.

**Paychex, Inc. (NasdaqGS:PAYX)** reported first quarter net income of \$227.8 million for fiscal year 2018 as compared to \$217.4 million for the prior year period. Earnings per share were \$0.63 versus \$0.60 for the prior year period. Revenues for the quarter increased to \$816.8 million from \$785.5 million for the same period in fiscal year 2017.

**Resources Connection, Inc. (NasdaqGS:RECN)** reported first quarter net income of \$2.1 million for fiscal year 2018 as compared to \$5.6 million for the prior year period. Earnings per share were \$0.07 versus \$0.15 for the prior year period. Revenues for the quarter decreased to \$141.2 million from \$143.4 million for the same period in fiscal year 2017.

**Robert Half International Inc. (NYSE:RHI)** reported third quarter net income of \$84.7 million for fiscal year 2017 as compared to \$90.6 million for the prior year period. Earnings per share were \$0.68 versus \$0.71 for the prior year period. Revenues for the quarter decreased to \$1,324.7 million from \$1,338.5 million for the same period in fiscal year 2016.

**TrueBlue, Inc. (NYSE:TBI)** reported third quarter net income of \$21.2 million for fiscal year 2018 as compared to \$23.4 million for the prior year period. Earnings per share were \$0.51 versus \$0.56 for the prior year period. Revenues for the quarter decreased to \$660.8 million from \$697.1 million for the same period in fiscal year 2017.

*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 3.2% in October of 2017.

### Last Three Years

Daily from October 31, 2014 to October 31, 2017  
Price as Percent of Base (October 31, 2014 = 0%)



### Last Twelve Months

Daily from October 31, 2016 to October 31, 2017  
Price as Percent of Base (October 31, 2016 = 0%)



## Price Appreciation

	3-Year	LTM	1 Month
Mufson Howe Hunter Contact Center Services Index <sup>(a)</sup>	45.9%	24.0%	3.2%
NASDAQ	45.3%	29.6%	3.6%
S&P 500	27.6%	21.1%	2.2%

(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 Value	Enterprise Value <sup>(2)</sup>	Revenue	EBITDA	EPS	Enterprise Value/Revenue	Enterprise Value/EBITDA	Price/EPS	Gross Profit	EBITDA
<b>On-Shore</b>											
Convergys Corporation (CVG)	\$25.73	\$2,400.1	\$2,515.1	\$2,860.8	\$356.8	\$1.27	0.88 x	7.0 x	20.3 x	36.9%	12.5%
TeleTech Holdings, Inc. (TTEC)	41.65	1,909.3	2,095.6	1,395.7	171.0	1.31	1.50 x	12.3 x	NM	25.0%	12.3%
Sykes Enterprises, Incorporated (SYKE)	28.94	1,231.4	1,196.9	1,555.9	173.6	1.36	0.77 x	6.9 x	21.3 x	37.1%	11.2%
StarTek, Inc. (SRT)	11.94	190.4	214.0	298.1	15.6	0.11	0.72 x	13.7 x	NM	12.4%	5.2%
<b>Mean</b>		<b>\$1,432.8</b>	<b>\$1,505.4</b>	<b>\$1,527.6</b>	<b>\$179.3</b>	<b>\$1.01</b>	<b>0.97 x</b>	<b>10.0 x</b>	<b>20.8 x</b>	<b>27.8%</b>	<b>10.3%</b>
<b>Median</b>		<b>1,570.4</b>	<b>1,646.2</b>	<b>1,475.8</b>	<b>172.3</b>	<b>1.29</b>	<b>0.82 x</b>	<b>9.7 x</b>	<b>20.8 x</b>	<b>30.9%</b>	<b>11.7%</b>
<b>Off-Shore</b>											
Genpact Limited (G)	\$30.45	\$5,873.9	\$6,708.9	\$2,684.3	\$450.3	\$1.07	2.50 x	14.9 x	NM	39.1%	16.8%
ExlService Holdings, Inc. (EXLS)	62.42	2,118.7	1,915.0	741.7	103.5	1.37	2.58 x	18.5 x	NM	34.4%	14.0%
WNS (Holdings) Limited (WNS)	37.92	1,909.9	1,829.5	671.5	85.6	1.04	2.72 x	21.4 x	NM	32.2%	12.8%
<b>Mean</b>		<b>\$3,300.9</b>	<b>\$3,484.5</b>	<b>\$1,365.8</b>	<b>\$213.1</b>	<b>\$1.16</b>	<b>2.60 x</b>	<b>18.3 x</b>	<b>NA</b>	<b>35.3%</b>	<b>14.5%</b>
<b>Median</b>		<b>2,118.7</b>	<b>1,915.0</b>	<b>741.7</b>	<b>103.5</b>	<b>1.07</b>	<b>2.58 x</b>	<b>18.5 x</b>	<b>NA</b>	<b>34.4%</b>	<b>14.0%</b>
<b>All Companies</b>											
<b>Mean</b>		<b>\$2,233.4</b>	<b>\$2,353.6</b>	<b>\$1,458.3</b>	<b>\$193.8</b>	<b>\$1.08</b>	<b>1.67 x</b>	<b>13.5 x</b>	<b>20.8 x</b>	<b>31.0%</b>	<b>12.1%</b>
<b>Median</b>		<b>1,909.9</b>	<b>1,915.0</b>	<b>1,395.7</b>	<b>171.0</b>	<b>1.27</b>	<b>1.50 x</b>	<b>13.7 x</b>	<b>20.8 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

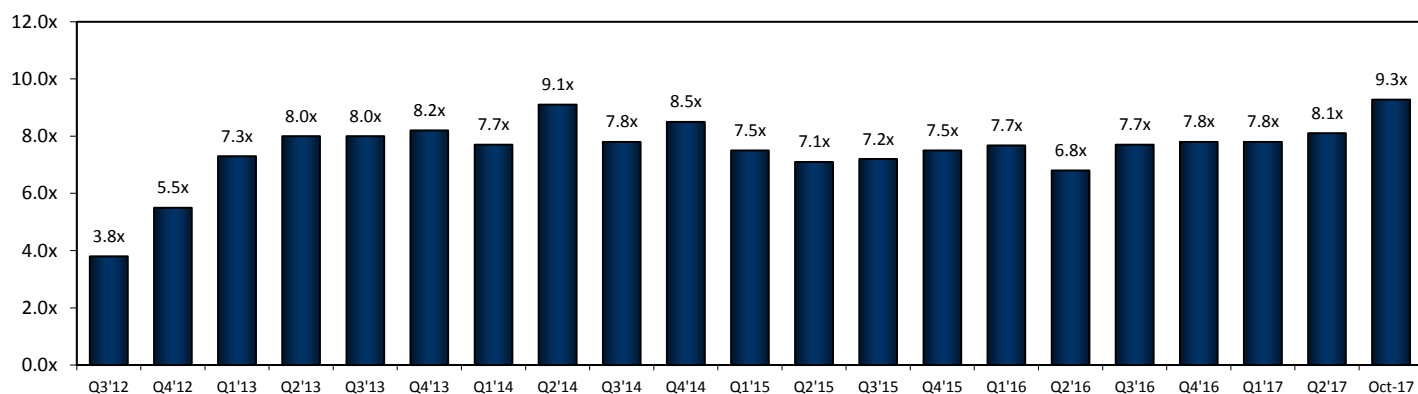
Source: Public Filings, Press Releases and Published Research Reports.

(1) As of close October 31, 2017.

(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.

## Historical Enterprise Value-to-LTM EBITDA Multiples



## Selected M&A Transactions

Announced	Target	Target Description	Acquirer	Value
October 26	Health Integrated, Inc.	Provides care management services	ExlService Holdings, Inc. (NasdaqGS:EXLS)	ND
October 17	IECISA Electronic Payment System	Provides IT services in Spain and Latin America	Ingenico Group - GCS (ENXTPA:ING)	ND

*ND – Not disclosed. Transaction values in millions.*

## Selected News

**ExlService Holdings, Inc. (NasdaqGS:EXLS)** reported third quarter net income of \$21.1 million for fiscal year 2017 as compared to \$16.1 million for the prior year period. Earnings per share were \$0.60 versus \$0.46 for the prior year period. Revenues for the quarter increased to \$192.3 million from \$171.2 million for the same period in fiscal year 2016.

**WNS (Holdings) Limited (NYSE:WNS)** reported second quarter net income of \$18.9 million for fiscal year 2018 as compared to \$12.6 million for the prior year period. Earnings per share were \$0.36 versus \$0.24 for the prior year period. Revenues for the quarter increased to \$186.5 million from \$149.8 million for the same period in fiscal year 2017.

**WNS (Holdings) Limited (NYSE:WNS)** announced the appointment of **Mario Vitale** to its **Board of Directors** effective October 27, 2017.

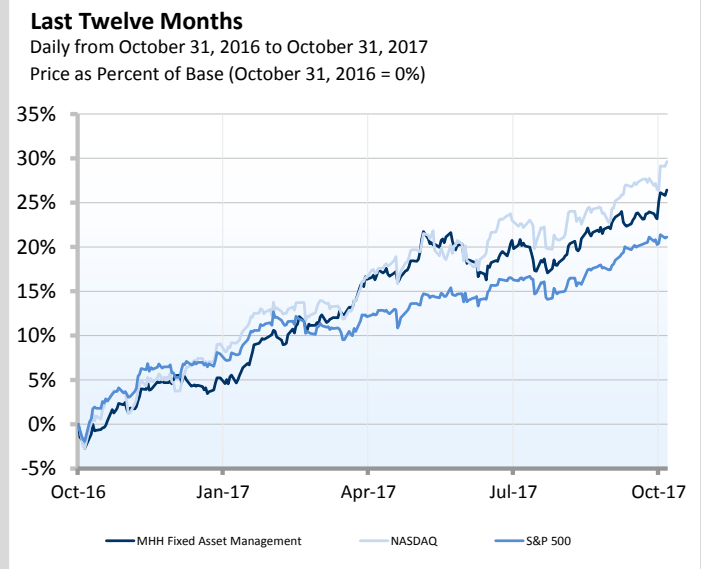
*Note: All per share results are reported on a fully-diluted basis.*

# 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 2.4% in October of 2017.



### Price Appreciation

	3-Year	LTM	1 Month
Mufson Howe Hunter Fixed Asset Management Index <sup>(a)</sup>	46.0%	26.4%	2.4%
NASDAQ	45.3%	29.6%	3.6%
S&P 500	27.6%	21.1%	2.2%

(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.

# Fixed Asset Management

## 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/		Price/	Gross Profit	EBITDA
							Revenue	EBITDA	EPS		
<b>Facility Maintenance</b>											
Rentokil Initial plc (LSE:RTO)	\$4.46	\$8,166.6	\$9,515.7	\$3,135.9	\$686.0	\$0.12	3.03 x	13.9 x	36.1 x	76.4%	21.9%
Rollins, Inc. (ROL)	43.91	9,571.3	9,457.9	1,644.9	333.4	0.80	5.75 x	28.4 x	NM	51.0%	20.3%
EMCOR Group, Inc. (EME)	80.51	4,735.1	4,669.3	7,624.3	446.6	3.62	0.61 x	10.5 x	22.3 x	14.5%	5.9%
Healthcare Services Group, Inc. (HCSG)	52.89	3,875.4	3,819.0	1,765.3	132.4	1.09	2.16 x	28.8 x	NM	13.9%	7.5%
Chemed Corporation (CHE)	223.43	3,567.3	3,630.9	1,641.8	238.5	7.82	2.21 x	15.2 x	28.6 x	30.7%	14.5%
ABM Industries Incorporated (ABM)	41.97	2,733.8	2,950.8	5,277.9	192.6	1.42	0.56 x	15.3 x	29.5 x	10.2%	3.6%
FirstService Corporation (TSX:FSV)	69.62	2,499.6	2,829.9	1,648.5	148.4	1.19	1.72 x	19.1 x	NM	29.6%	9.0%
Comfort Systems USA, Inc. (FIX)	44.30	1,637.6	1,689.8	1,719.0	135.5	1.64	0.98 x	12.5 x	27.0 x	21.0%	7.9%
SP Plus Corporation (SP)	38.75	860.3	1,002.6	904.9	109.3	2.01	1.11 x	9.2 x	19.2 x	21.1%	12.1%
<b>Mean</b>		<b>\$4,183.0</b>	<b>\$4,396.2</b>	<b>\$2,818.0</b>	<b>\$269.2</b>	<b>\$2.19</b>	<b>2.02x</b>	<b>17.0x</b>	<b>27.1x</b>	<b>29.8%</b>	<b>11.4%</b>
<b>Median</b>		<b>3,567.3</b>	<b>3,630.9</b>	<b>1,719.0</b>	<b>192.6</b>	<b>1.42</b>	<b>1.72x</b>	<b>15.2x</b>	<b>27.8x</b>	<b>21.1%</b>	<b>9.0%</b>
<b>Food Services</b>											
Compass Group PLC (LSE:CPG)	\$21.94	\$34,691.4	\$38,664.8	\$26,973.0	\$2,512.1	\$0.73	1.43 x	15.4 x	30.1 x	22.7%	9.3%
Sodexo S.A. (ENXTPA:SW)	127.18	18,893.6	21,383.7	21,531.8	1,411.9	4.16	0.99 x	15.1 x	30.6 x	15.4%	6.6%
Aramark (ARMK)	43.69	10,708.6	16,091.7	14,494.1	1,285.4	1.21	1.11 x	12.5 x	36.2 x	10.9%	8.9%
<b>Mean</b>		<b>\$21,431.2</b>	<b>\$25,380.1</b>	<b>\$20,999.6</b>	<b>\$1,736.4</b>	<b>\$2.03</b>	<b>1.18x</b>	<b>14.4x</b>	<b>32.3x</b>	<b>16.3%</b>	<b>8.2%</b>
<b>Median</b>		<b>18,893.6</b>	<b>21,383.7</b>	<b>21,531.8</b>	<b>1,411.9</b>	<b>1.21</b>	<b>1.11x</b>	<b>15.1x</b>	<b>30.6x</b>	<b>15.4%</b>	<b>8.9%</b>
<b>Manned Security Services</b>											
Securitas AB (OM:SECU B)	\$17.53	\$6,398.2	\$8,090.8	\$11,268.4	\$718.2	\$0.84	0.72 x	11.3 x	20.9 x	17.6%	6.4%
G4S plc (LSE:GFS)	3.73	5,768.5	7,905.2	10,428.8	837.7	0.20	0.76 x	9.4 x	18.7 x	18.0%	8.0%
The GEO Group, Inc. (GEO)	25.95	3,172.6	5,868.8	2,261.0	389.3	0.95	2.60 x	15.1 x	27.4 x	24.6%	17.2%
Prosegur Compañía de Seguridad, S.A. (BME:PSG)	7.63	4,563.6	4,714.4	5,014.7	601.7	0.31	0.94 x	7.8 x	24.2 x	22.9%	12.0%
The Brink's Company (BCO)	76.10	3,841.8	4,371.9	3,247.3	355.3	2.31	1.35 x	12.3 x	32.9 x	21.4%	10.9%
CoreCivic, Inc. (CXW)	24.66	2,914.3	4,284.9	1,789.1	429.6	1.11	2.40 x	10.0 x	22.1 x	29.6%	24.0%
Command Security Corporation (MOC)	3.15	31.0	42.0	177.0	0.2	(0.04)	0.24 x	NM	NM	10.8%	0.1%
<b>Mean</b>		<b>\$3,812.9</b>	<b>\$5,039.7</b>	<b>\$4,883.8</b>	<b>\$476.0</b>	<b>\$0.81</b>	<b>1.28x</b>	<b>11.0x</b>	<b>24.4x</b>	<b>20.7%</b>	<b>11.2%</b>
<b>Median</b>		<b>3,507.2</b>	<b>4,714.4</b>	<b>3,247.3</b>	<b>429.6</b>	<b>0.84</b>	<b>0.94x</b>	<b>10.6x</b>	<b>23.2x</b>	<b>21.4%</b>	<b>10.9%</b>
<b>Uniform / Linen Rentals</b>											
Cintas Corporation (CTAS)	\$149.04	\$15,843.6	\$18,471.7	\$5,668.2	\$1,121.2	\$4.61	3.26 x	16.5 x	32.4 x	44.9%	19.8%
UniFirst Corporation (UNF)	157.50	3,193.4	2,843.7	1,591.0	261.2	5.44	1.79 x	10.9 x	29.0 x	37.5%	16.4%
<b>Mean</b>		<b>\$9,518.5</b>	<b>\$10,657.7</b>	<b>\$3,629.6</b>	<b>\$691.2</b>	<b>\$5.02</b>	<b>2.52x</b>	<b>13.7x</b>	<b>30.7x</b>	<b>41.2%</b>	<b>18.1%</b>
<b>Median</b>		<b>9,518.5</b>	<b>10,657.7</b>	<b>3,629.6</b>	<b>691.2</b>	<b>5.02</b>	<b>2.52x</b>	<b>13.7x</b>	<b>30.7x</b>	<b>41.2%</b>	<b>18.1%</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 October 31, 2017.

(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 CTAS (August 31, 2017), UNF (August 26, 2017); ABM (July 31, 2017); ARMK, GFS, LSE, and RTO (June 30, 2017); CPG (March 31, 2017); and SW (February 28, 2017).

(4) Excludes non-recurring and discontinued operations.

## Selected Valuation Metrics

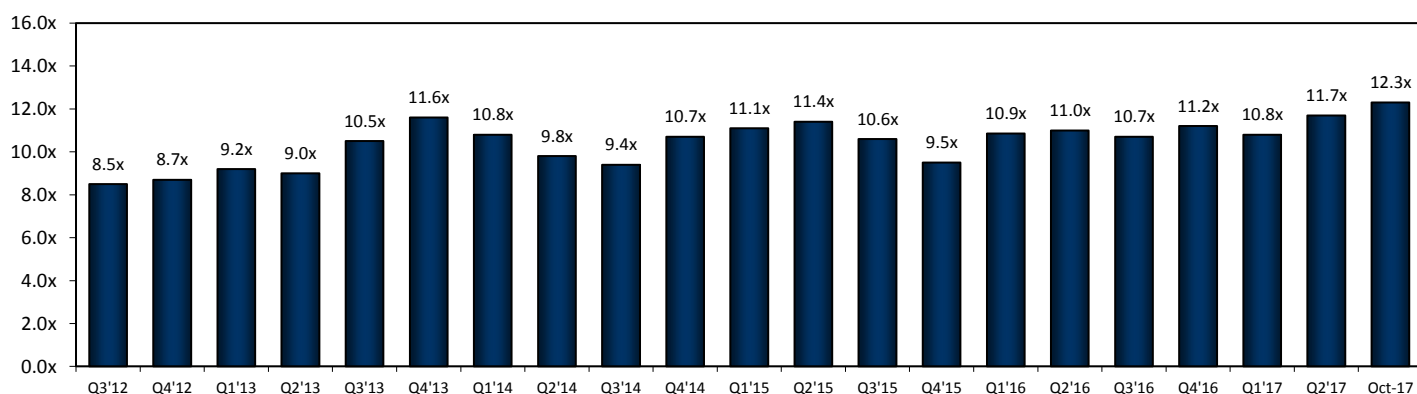
(\$ in millions, except per share data)

Company	Market & Capitalization			LTM Performance <sup>(3)</sup>			Valuation			Margins	
	Price <sup>(1)</sup>	Equity	Enterprise	Revenue	EBITDA <sup>(4)</sup>	EPS	Enterprise Value/		Price/	Gross	
		Value	Value <sup>(2)</sup>				Revenue	EBITDA		Profit	EBITDA
<b>Waste Management Services</b>											
Waste Management, Inc. (WM)	\$82.17	\$35,679.5	\$45,011.5	\$14,293.0	\$3,911.0	\$3.01	3.15 x	11.5 x	27.3 x	37.7%	27.4%
Republic Services, Inc. (RSG)	65.07	21,913.1	29,660.4	9,860.7	2,740.9	2.34	3.01 x	10.8 x	27.9 x	38.3%	27.8%
Waste Connections, Inc. (WCN)	70.67	18,631.5	22,104.6	4,521.9	1,426.3	1.63	4.89 x	15.5 x	NM	41.6%	31.5%
Stericycle, Inc. (SRCL)	70.85	6,046.2	8,874.2	3,599.3	748.2	2.97	2.47 x	11.9 x	23.8 x	44.0%	20.8%
Clean Harbors, Inc. (CLH)	53.51	3,058.3	4,346.3	2,889.7	411.8	0.44	1.50 x	10.6 x	NM	29.7%	14.2%
Casella Waste Systems, Inc. (CWST)	18.46	776.0	1,276.3	591.9	115.1	0.39	2.16 x	11.1 x	NM	32.7%	19.4%
Heritage-Crystal Clean, Inc (HCCI)	19.55	447.3	443.1	356.9	42.0	0.60	1.24 x	10.5 x	32.7 x	25.4%	11.8%
<b>Mean</b>		<b>\$12,364.6</b>	<b>\$15,959.5</b>	<b>\$5,159.1</b>	<b>\$1,342.2</b>	<b>\$1.63</b>	<b>2.63 x</b>	<b>11.7 x</b>	<b>27.9 x</b>	<b>35.6%</b>	<b>21.8%</b>
<b>Median</b>		<b>6,046.2</b>	<b>8,874.2</b>	<b>3,599.3</b>	<b>748.2</b>	<b>1.63</b>	<b>2.47 x</b>	<b>11.1 x</b>	<b>27.6 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 October 31, 2017.
- (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&amp;A Transactions

Announced	Target	Target Description	Acquirer	Value
October 18	Serten Advisors, LLC	Provides real estate management and implementation services	Colliers International Group Inc. (TSX:CIGI)	ND
October 16	AmeriPride Services, Inc.	Provides food, facilities and uniform services	Aramark (NYSE:ARMK)	\$1,000.0
October 10	Millenium Exponet SAS	Provides cleaning and facility management services	Entrepreneur Venture Gestion SA	\$2.2
October 3	Gunma Sohgo Guard System Co., Ltd.	Provides security services	Sohgo Security Services Co.,Ltd. (TSE:2331)	ND
October 5	NixAnderson Matex Controls Sp. z o.o.	Project management and planning services	DK Energy Polska Sp. z o.o.	ND

ND – Not disclosed. Transaction values in millions.

## Selected News

**Chemed Corporation (NYSE:CHE)** reported third quarter net income of \$35.4 million for fiscal year 2017 as compared to \$26.8 million for the prior year period. Earnings per share were \$2.13 versus \$1.62 for the prior year period. Revenues for the quarter increased to \$417.4 million from \$392.6 million for the same period in fiscal year 2016.

**Colliers International Group Inc. (TSX:CIGI)** reported third quarter net income of \$4.2 million for fiscal year 2017 as compared to \$9.5 million for the prior year period. Earnings per share were \$0.11 versus \$0.24 for the prior year period. Revenues for the quarter increased to \$574.1 million from \$462.1 million for the same period in fiscal year 2016.

**Comfort Systems USA, Inc. (NYSE:FIX)** reported third quarter net income of \$22.3 million for fiscal year 2017 as compared to \$20.5 million for the prior year period. Earnings per share were \$0.59 versus \$0.54 for the prior year period. Revenues for the quarter increased to \$480.9 million from \$428.8 million for the same period in fiscal year 2016.

**EMCOR Group, Inc. (NYSE:EME)** reported third quarter net income of \$64.6 million for fiscal year 2017 as compared to \$51.5 million for the prior year period. Earnings per share were \$1.09 versus \$0.84 for the prior year period. Revenues for the quarter decreased to \$1,886.7 million from \$1,923.2 million for the same period in fiscal year 2016.

**EMCOR Group, Inc. (NYSE:EME)** announced the appointment of **William Reid** to its **Board of Directors**.

**GEO Group, Inc. (NYSE:GEO)** reported third quarter net income of \$38.5 million for fiscal year 2017 as compared to \$43.7 million for the prior year period. Earnings per share were \$0.31 versus \$0.39 for the prior year period. Revenues for the quarter increased to \$566.8 million from \$554.4 million for the same period in fiscal year 2016.

**Healthcare Services Group, Inc. (NasdaqGS:HCSG)** reported third quarter net income of \$23.5 million for fiscal year 2017 as compared to \$19.7 million for the prior year period. Earnings per share were \$0.31 versus \$0.27 for the prior year period. Revenues for the quarter increased to \$491.4 million from \$392.7 million for the same period in fiscal year 2016.

**Heritage-Crystal Clean, Inc. (NasdaqGS:HCCI)** reported third quarter net income of \$4.7 million for fiscal year 2017 as compared to \$2.3 million for the prior year period. Earnings per share were \$0.20 versus \$0.10 for the prior year period. Revenues for the quarter increased to \$83.3 million from \$81.9 million for the same period in fiscal year 2016.

**Rollins, Inc. (NYSE:ROL)** reported third quarter net income of \$51.4 million for fiscal year 2017 as compared to \$49.7 million for the prior year period. Earnings per share were \$0.24 versus \$0.23 for the prior year period. Revenues for the quarter increased to \$450.4 million from \$424.0 million for the same period in fiscal year 2016.

**Securitas AB (OM:SECU B)** reported third quarter net income of \$95.6 million for fiscal year 2017 as compared to \$85.1 million for the prior year period. Earnings per share were \$0.26 versus \$0.23 for the prior year period. Revenues for the quarter increased to \$2,777.7 million from \$2,604.4 million for the same period in fiscal year 2016.

**The Brink's Company (NYSE:BCO)** reported third quarter net income of \$19.9 million for fiscal year 2017 as compared to \$24.5 million for the prior year period. Earnings per share were \$0.38 versus \$0.48 for the prior year period. Revenues for the quarter increased to \$849.5 million from \$755.8 million for the same period in fiscal year 2016.

**UniFirst Corporation (NYSE:UNF)** reported net income of \$70.2 million for fiscal year 2017 as compared to \$125.0 million for the prior year. Earnings per share were \$3.44 versus \$6.17 for the prior year. Revenues for the year increased to \$1,591.0 million from \$1,468.0 million for fiscal year 2016.

**Waste Connections, Inc. (NYSE:WCN)** reported third quarter net income of \$123.2 million for fiscal year 2017 as compared to \$88.6 million for the prior year period. Earnings per share were \$0.47 versus \$0.34 for the prior year period. Revenues for the quarter increased to \$1,206.5 million from \$1,084.9 million for the same period in fiscal year 2016.

**Waste Management, Inc. (NYSE:WM)** reported third quarter net income of \$386.0 million for fiscal year 2017 as compared to \$302.0 million for the prior year period. Earnings per share were \$0.87 versus \$0.68 for the prior year period. Revenues for the quarter increased to \$3,716.0 million from \$3,548.0 million for the same period in fiscal year 2016.

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



**Mufson Howe Hunter** is an independent investment bank for middle-market companies. We focus on selling businesses, buy-outs, acquisitions and raising capital. Unique to the middle market, our senior bankers have extensive corporate finance experience and deep knowledge of the capital markets.

## Mergers & Acquisitions

- Advise buyers and sellers (public and private companies)
- Sale of businesses, strategic acquisitions, management buy-outs and industry build-ups

## Raise Capital

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

## Financial Advisory Services

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

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