

## Business Services Update September 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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## TABLE OF CONTENTS

Section 1	Human Resources Outsourcing .....	2
Section 2	Contact Center Services.....	7
Section 3	Fixed Asset Management .....	11

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 Conduent Incorporated, 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., 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 5.1% in August of 2018.

### Last Three Years

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



### Last Twelve Months

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



### Price Appreciation

	3-Year	LTM	1 Month
Mufson Howe Hunter Human Resources Outsourcing Index <sup>(a)</sup>	73.8%	35.1%	5.1%
NASDAQ	69.8%	26.1%	5.7%
S&P 500	47.1%	17.4%	3.0%

(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>											
ManpowerGroup Inc. (MAN)	\$86.06	\$5,665.3	\$6,166.9	\$21,799.5	\$932.5	\$8.42	0.28 x	6.6 x	10.2 x	16.4%	4.3%
TrueBlue, Inc. (TBI)	26.95	1,070.3	1,113.3	2,494.9	124.5	1.46	0.45 x	8.9 x	18.5 x	25.6%	5.0%
Kelly Services, Inc. (KELY.A)	22.45	870.7	867.5	5,454.6	102.6	2.24	0.16 x	8.5 x	10.0 x	17.6%	1.9%
<b>Mean</b>		<b>\$2,535.4</b>	<b>\$2,715.9</b>	<b>\$9,916.3</b>	<b>\$386.5</b>	<b>\$4.04</b>	<b>0.30 x</b>	<b>8.0 x</b>	<b>12.9 x</b>	<b>19.9%</b>	<b>3.7%</b>
<b>Median</b>		<b>1,070.3</b>	<b>1,113.3</b>	<b>5,454.6</b>	<b>124.5</b>	<b>2.24</b>	<b>0.28 x</b>	<b>8.5 x</b>	<b>10.2 x</b>	<b>17.6%</b>	<b>4.3%</b>
<b>Professional Staffing</b>											
Robert Half International Inc. (RHI)	\$65.10	\$7,906.7	\$7,615.5	\$5,374.8	\$590.4	\$2.49	1.42 x	12.9 x	26.2 x	41.1%	11.0%
Kforce Inc. (KFRC)	34.30	846.1	971.3	1,370.2	79.3	1.44	0.71 x	12.2 x	23.8 x	30.0%	5.8%
Resources Connection, Inc. (RECN)	16.90	532.6	552.4	619.0	63.6	0.63	0.89 x	8.7 x	26.8 x	40.3%	10.3%
Hudson Global, Inc. (HSON)	1.62	51.9	9.0	458.9	4.0	(0.17)	0.02 x	2.3 x	NM	40.7%	0.9%
<b>Mean</b>		<b>\$2,334.3</b>	<b>\$2,287.0</b>	<b>\$1,955.7</b>	<b>\$184.3</b>	<b>\$1.10</b>	<b>1.01 x</b>	<b>9.0 x</b>	<b>25.6 x</b>	<b>38.0%</b>	<b>7.0%</b>
<b>Median</b>		<b>689.4</b>	<b>761.8</b>	<b>994.6</b>	<b>71.5</b>	<b>1.04</b>	<b>0.89 x</b>	<b>10.5 x</b>	<b>26.2 x</b>	<b>40.5%</b>	<b>8.0%</b>
<b>Healthcare Staffing</b>											
ASGN Incorporated (ASGN)	\$78.19	\$4,089.7	\$4,577.7	\$2,684.6	\$294.8	\$3.10	1.71 x	15.5 x	25.2 x	32.4%	11.0%
AMN Healthcare Services, Inc. (AMN)	58.60	2,804.3	3,069.8	2,015.8	248.1	2.90	1.52 x	12.4 x	20.2 x	32.3%	12.3%
Cross Country Healthcare, Inc. (CCRN)	11.25	409.5	475.4	867.8	41.5	1.15	0.55 x	11.4 x	9.8 x	26.4%	4.8%
<b>Mean</b>		<b>\$2,434.5</b>	<b>\$2,707.7</b>	<b>\$1,856.0</b>	<b>\$194.8</b>	<b>\$2.38</b>	<b>1.26 x</b>	<b>13.1 x</b>	<b>18.4 x</b>	<b>30.4%</b>	<b>9.4%</b>
<b>Median</b>		<b>2,804.3</b>	<b>3,069.8</b>	<b>2,015.8</b>	<b>248.1</b>	<b>2.90</b>	<b>1.52 x</b>	<b>12.4 x</b>	<b>20.2 x</b>	<b>32.3%</b>	<b>11.0%</b>
<b>IT Staffing</b>											
Computer Task Group, Incorporated (CTG)	\$7.74	\$111.2	\$109.1	\$306.9	\$5.9	\$0.03	0.36 x	18.6 x	NM	18.9%	1.9%
RCM Technologies, Inc. (RCMT)	4.94	60.5	92.0	191.2	7.5	0.21	0.48 x	12.3 x	23.7 x	25.7%	3.9%
<b>Mean</b>		<b>\$85.9</b>	<b>\$100.6</b>	<b>\$249.1</b>	<b>\$6.7</b>	<b>\$0.12</b>	<b>0.42 x</b>	<b>15.4 x</b>	<b>23.7 x</b>	<b>22.3%</b>	<b>2.9%</b>
<b>Median</b>		<b>85.9</b>	<b>100.6</b>	<b>249.1</b>	<b>6.7</b>	<b>0.12</b>	<b>0.42 x</b>	<b>15.4 x</b>	<b>23.7 x</b>	<b>22.3%</b>	<b>2.9%</b>
<b>Executive Search</b>											
Korn/Ferry International (KFY)	\$61.93	\$3,500.4	\$3,216.7	\$1,767.2	\$239.8	\$2.35	1.82 x	13.4 x	26.3 x	27.7%	13.6%
Heidrick & Struggles International, Inc. (HSII)	35.00	662.3	601.0	641.5	61.5	(2.08)	0.94 x	9.8 x	NM	30.1%	9.6%
<b>Mean</b>		<b>\$2,081.4</b>	<b>\$1,908.8</b>	<b>\$1,204.3</b>	<b>\$150.6</b>	<b>\$0.14</b>	<b>1.38 x</b>	<b>11.6 x</b>	<b>26.3 x</b>	<b>28.9%</b>	<b>11.6%</b>
<b>Median</b>		<b>2,081.4</b>	<b>1,908.8</b>	<b>1,204.3</b>	<b>150.6</b>	<b>0.14</b>	<b>1.38 x</b>	<b>11.6 x</b>	<b>26.3 x</b>	<b>28.9%</b>	<b>11.6%</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 August 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 June 30, 2018 except KFY (July 31, 2018); KELY.A and TBI (July 1, 2018); CTG (June 29, 2018) and RECN (May 26, 2018).

(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	Price/EBITDA	Price/EPS	Gross Profit	EBITDA
<b>HR Outsourcing</b>											
Automatic Data Processing, Inc. (ADP)	\$134.14	\$59,091.7	\$58,800.5	\$13,072.1	\$2,781.6	\$3.99	4.50 x	21.1 x	33.6 x	42.8%	21.3%
Paychex, Inc. (PAYX)	68.35	24,537.7	24,113.5	3,380.9	1,425.5	2.58	7.13 x	16.9 x	26.5 x	69.9%	42.2%
Willis Towers Watson Public Limited Company (WLTW)	151.60	19,986.9	23,782.9	8,089.0	1,485.0	3.25	2.94 x	16.0 x	NM	39.8%	18.4%
Insperty, Inc. (NSP)	95.25	4,001.1	3,748.9	3,431.9	156.2	2.35	1.09 x	24.0 x	NM	17.9%	4.6%
Barrett Business Services, Inc. (BBSI)	96.57	705.8	685.7	934.4	38.4	3.60	0.73 x	17.9 x	26.8 x	61.8%	4.1%
<b>Mean</b>		<b>\$21,664.6</b>	<b>\$22,226.3</b>	<b>\$5,781.7</b>	<b>\$1,177.3</b>	<b>\$3.15</b>	<b>3.28 x</b>	<b>19.2 x</b>	<b>29.0 x</b>	<b>46.4%</b>	<b>18.1%</b>
<b>Median</b>		<b>\$19,986.9</b>	<b>\$23,782.9</b>	<b>\$3,431.9</b>	<b>\$1,425.5</b>	<b>\$3.25</b>	<b>2.94 x</b>	<b>17.9 x</b>	<b>26.8 x</b>	<b>42.8%</b>	<b>18.4%</b>
<b>Professional &amp; Consulting</b>											
Fair Isaac Corporation (FICO)	\$193.32	\$5,768.7	\$6,364.7	\$977.4	\$223.3	\$3.94	6.51 x	NM	NM	69.5%	22.8%
FTI Consulting, Inc. (FCN)	60.48	2,227.9	2,517.3	1,859.2	220.9	3.47	1.35 x	11.4 x	17.4 x	34.0%	11.9%
Exponent, Inc. (EXPO)	48.30	2,512.0	2,333.4	339.9	85.3	0.84	6.87 x	NM	NM	37.2%	25.1%
CBIZ, Inc. (CBZ)	23.00	1,247.9	1,465.1	880.0	101.0	1.11	1.66 x	14.5 x	20.7 x	12.8%	11.5%
Huron Consulting Group Inc. (HURN)	40.90	879.0	1,251.1	737.4	90.1	(8.31)	1.70 x	13.9 x	NM	36.0%	12.2%
Navigant Consulting, Inc. (NCI)	22.14	1,000.5	1,178.1	947.3	123.4	1.58	1.24 x	9.5 x	14.0 x	30.9%	13.0%
CRA International, Inc. (CRAI)	50.89	411.2	410.6	381.4	26.8	1.13	1.08 x	15.3 x	NM	30.3%	7.0%
<b>Mean</b>		<b>\$2,006.7</b>	<b>\$2,217.2</b>	<b>\$874.6</b>	<b>\$124.4</b>	<b>\$0.54</b>	<b>2.92 x</b>	<b>12.9 x</b>	<b>17.4 x</b>	<b>35.8%</b>	<b>14.8%</b>
<b>Median</b>		<b>1,247.9</b>	<b>1,465.1</b>	<b>880.0</b>	<b>101.0</b>	<b>1.13</b>	<b>1.66 x</b>	<b>13.9 x</b>	<b>17.4 x</b>	<b>34.0%</b>	<b>12.2%</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.

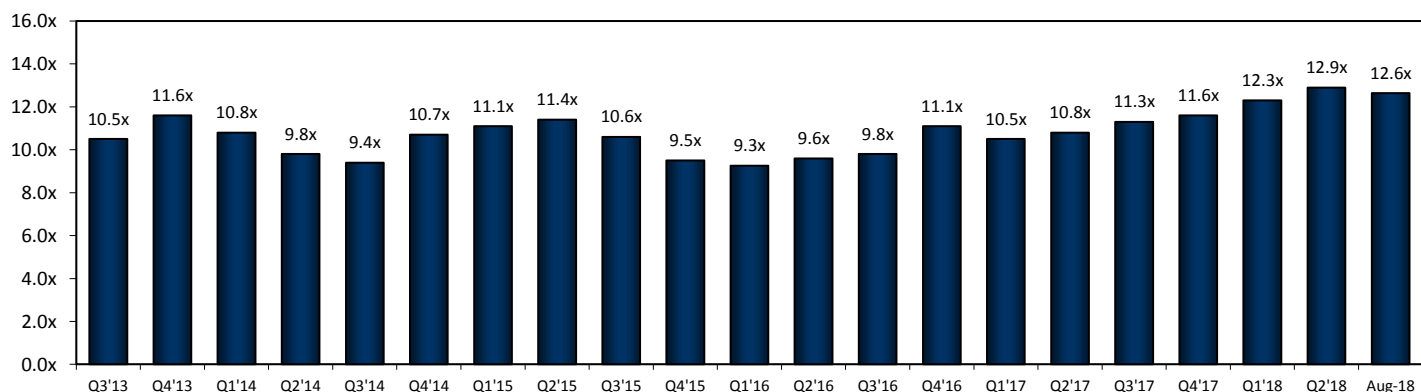
(1) As of close on August 31, 2018.

(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 June 30, 2018 except EXPO (June 29, 2018) and PAYX (May 31, 2018).

(4) Excludes non-recurring and discontinued operations.

## Historical Enterprise Value-to-LTM EBITDA Multiples



## Selected M&A Transactions

Announced	Target	Target Description	Acquirer	Value
August 29	GreenFoot Technologies	Provides staffing services	Bigfoot Project Investments, Inc. (OTCPK:BGFT)	ND
August 28	Key Resources Inc.	Provides staffing services	Monroe Staffing Services LLC	\$12.1
August 10	Quattro Group Holdings Limited	Provides staffing services	Gap personnel holdings limited	\$10.1
August 3	Envision Experience	Provides career transition services	Lakeland Tours, LLC	ND
August 1	Celergo LLC	Provides payroll management services	Automatic Data Processing, Inc. (NasdaqGS:ADP)	ND
August 1	HOPE NET Co.,Ltd.	Provides temporary staffing services	MIRAIT Holdings Corporation (TSE:1417)	\$0.8

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

## Selected News

**AMN Healthcare Services, Inc. (NYSE:AMN)** reported second quarter net income of \$35.5 million for fiscal year 2018 as compared to \$31.3 million for the prior year period. Earnings per share were \$0.73 versus \$0.63 for the prior year period. Revenues for the quarter increased to \$558.1 million from \$489.8 million for the same period in fiscal year 2017.

**Automatic Data Processing, Inc. (NasdaqGS:ADP)** reported net income of \$1,620.8 million for fiscal year 2018 as compared to \$1,733.4 million for the prior year. Earnings per share were \$3.66 versus \$3.85 for the prior year. Revenues for the year increased to \$13,325.8 million from \$12,379.8 million for fiscal year 2017.

**Barrett Business Services, Inc. (NasdaqGS:BBSI)** reported second quarter net income of \$11.2 million for fiscal year 2018 as compared to \$11.1 million for the prior year period. Earnings per share were \$1.46 versus \$1.47 for the prior year period. Revenues for the quarter increased to \$231.6 million from \$225.6 million for the same period in fiscal year 2017.

**CBIZ, Inc. (NYSE:CBZ)** reported second quarter net income of \$13.1 million for fiscal year 2018 as compared to \$11.0 million for the prior year period. Earnings per share were \$0.23 versus \$0.19 for the prior year period. Revenues for the quarter increased to \$232.6 million from \$211.0 million for the same period in fiscal year 2017.

**CRA International, Inc. (NasdaqGS:CRAI)** reported second quarter net income of \$6.8 million for fiscal year 2018 as compared to \$3.8 million for the prior year period. Earnings per share were \$0.79 versus \$0.44 for the prior year period. Revenues for the quarter increased to \$105.5 million from \$93.6 million for the same period in fiscal year 2017.

**Cross Country Healthcare, Inc. (NasdaqGS:CCRN)** reported second quarter net income of \$1.5 million for fiscal year 2018 as compared to \$4.9 million for the prior year period. Earnings per share were \$0.04 versus \$0.13 for the prior year period. Revenues for the quarter decreased to \$204.6 million from \$209.3 million for the same period in fiscal year 2017.

**Cross Country Healthcare, Inc. (NasdaqGS:CCRN)** announced the appointment of Darrell S. Freeman Sr. to its **Board of Directors**, effective **August 1, 2018**.

**Insperty, Inc. (NYSE:NSP)** reported second quarter net income of \$24.6 million for fiscal year 2018 as compared to \$14.0 million for the prior year period. Earnings per share were \$0.58 versus \$0.33 for the prior year period. Revenues for the quarter increased to \$922.3 million from \$795.6 million for the same period in fiscal year 2017.

**Kelly Services, Inc. (NasdaqGS:KELY.A)** reported second quarter net income of (\$15.4) million for fiscal year 2018 as compared to \$18.7 million for the prior year period. Earnings per share were (\$0.40) versus \$0.47 for the prior year period. Revenues for the quarter increased to \$1,386.9 million from \$1,333.6 million for the same period in fiscal year 2017.

**Kforce Inc. (NasdaqGS:KFRC)** reported second quarter net income of \$16.3 million for fiscal year 2018 as compared to \$11.1 million for the prior year period. Earnings per share were \$0.65 versus \$0.44 for the prior year period. Revenues for the quarter increased to \$358.6 million from \$340.3 million for the same period in fiscal year 2017.

**Navigant Consulting, Inc. (NYSE:NCI)** reported second quarter net income of \$28.8 million for fiscal year 2018 as compared to \$8.8 million for the prior year period. Earnings per share were \$0.62 versus \$0.18 for the prior year period. Revenues for the quarter increased to \$165.2 million from \$160.1 million for the same period in fiscal year 2017.

**RCM Technologies, Inc. (NasdaqGM:RCMT)** reported second quarter net income of \$0.4 million for fiscal year 2018 as compared to \$0.2 million for the prior year period. Earnings per share were \$0.03 versus \$0.02 for the prior year period. Revenues for the quarter increased to \$51.7 million from \$45.5 million for the same period in fiscal year 2017.

**Willis Towers Watson Public Limited Company (NasdaqGS:WLTW)** reported second quarter net income of \$58.0 million for fiscal year 2018 as compared to \$33.0 million for the prior year period. Earnings per share were \$0.44 versus \$0.24 for the prior year period. Revenues for the quarter increased to \$1,990.0 million from \$1,953.0 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 0.8% in August of 2018.

### Last Three Years

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



### Last Twelve Months

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



## Price Appreciation

	3-Year	LTM	1 Month
Mufson Howe Hunter Contact Center Services Index <sup>(a)</sup>	33.5%	7.6%	0.8%
NASDAQ	69.8%	26.1%	5.7%
S&P 500	47.1%	17.4%	3.0%

(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 <sup>(4)</sup>	EPS	Enterprise Value/ Revenue EBITDA		Price/ EPS	Gross Profit	EBITDA
<b>On-Shore</b>											
Conduent Incorporated (CNDT)	\$18.17	\$3,824.9	\$5,466.9	\$5,889.0	\$700.0	\$0.62	0.93 x	7.8 x	29.5 x	17.6%	11.9%
Convergys Corporation (CVG)	24.44	2,226.1	2,307.0	2,738.7	342.4	1.14	0.84 x	6.7 x	21.5 x	37.8%	12.5%
TTEC Holdings, Inc. (TTEC)	34.55	1,589.5	1,817.9	1,514.3	188.7	(0.16)	1.20 x	9.6 x	NM	24.7%	12.5%
Sykes Enterprises, Incorporated (SYKE)	28.78	1,207.6	1,135.0	1,616.4	163.1	0.57	0.70 x	7.0 x	50.3 x	36.2%	10.1%
StarTek, Inc. (SRT)	6.29	102.0	130.6	281.6	5.2	(0.82)	0.46 x	25.0 x ‡	NM	9.9%	1.9%
<b>Mean</b>		<b>\$2,212.0</b>	<b>\$2,681.7</b>	<b>\$2,939.6</b>	<b>\$348.5</b>	<b>\$0.54</b>	<b>0.92 x</b>	<b>7.8 x</b>	<b>33.8 x</b>	<b>29.1%</b>	<b>11.7%</b>
<b>Median</b>		<b>1,589.5</b>	<b>1,817.9</b>	<b>1,616.4</b>	<b>188.7</b>	<b>0.57</b>	<b>0.89 x</b>	<b>7.4 x</b>	<b>29.5 x</b>	<b>30.5%</b>	<b>12.2%</b>
<b>Off-Shore</b>											
Genpact Limited (G)	\$28.93	\$5,507.9	\$6,391.5	\$2,802.8	\$417.0	\$1.41	2.28 x	15.3 x	20.5 x	37.8%	14.9%
WNS (Holdings) Limited (WNS)	52.18	2,631.7	2,500.0	758.0	109.7	1.63	3.30 x	22.8 x	32.0 x	33.6%	14.5%
ExlService Holdings, Inc. (EXLS)	56.61	1,951.1	1,780.1	786.3	113.0	1.57	2.26 x	15.7 x	36.0 x	34.5%	14.4%
<b>Mean</b>		<b>\$3,363.6</b>	<b>\$3,557.2</b>	<b>\$1,449.0</b>	<b>\$213.3</b>	<b>\$1.54</b>	<b>2.61 x</b>	<b>18.0 x</b>	<b>29.5 x</b>	<b>35.3%</b>	<b>14.6%</b>
<b>Median</b>		<b>2,631.7</b>	<b>2,500.0</b>	<b>786.3</b>	<b>113.0</b>	<b>1.57</b>	<b>2.28 x</b>	<b>15.7 x</b>	<b>32.0 x</b>	<b>34.5%</b>	<b>14.5%</b>
<b>All Companies</b>											
<b>Mean</b>		<b>\$2,705.5</b>	<b>\$3,056.9</b>	<b>\$2,300.8</b>	<b>\$290.6</b>	<b>\$0.97</b>	<b>1.65 x</b>	<b>12.1 x</b>	<b>31.6 x</b>	<b>31.8%</b>	<b>13.0%</b>
<b>Median</b>		<b>2,226.1</b>	<b>2,307.0</b>	<b>1,616.4</b>	<b>188.7</b>	<b>1.14</b>	<b>1.20 x</b>	<b>9.6 x</b>	<b>30.7 x</b>	<b>34.5%</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.

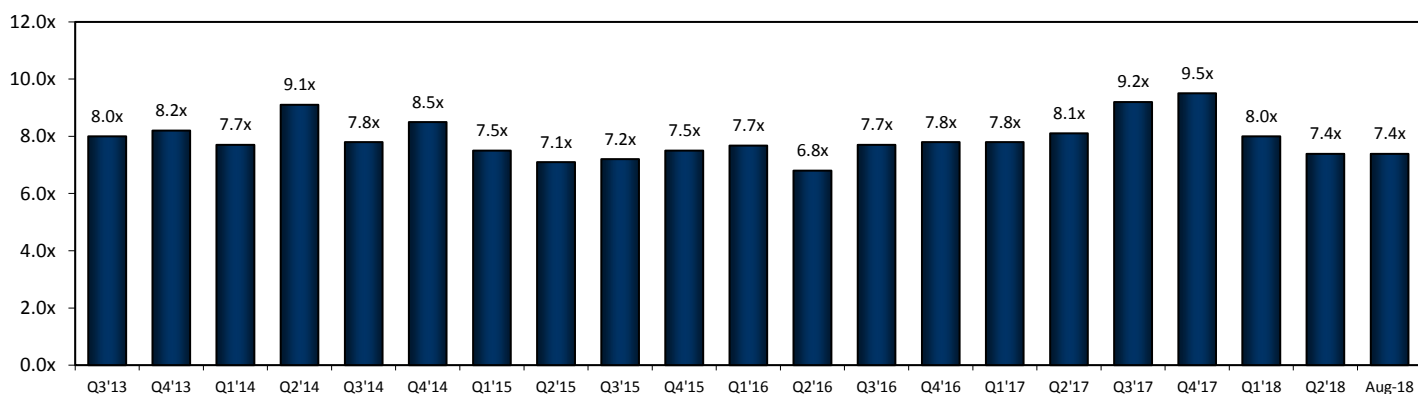
(1) As of close August 31, 2018.

(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 June 30, 2018.

(4) Excludes non-recurring and discontinued operations.

## Historical Enterprise Value-to-LTM EBITDA Multiples



## Selected M&A Transactions

Announced	Target	Target Description	Acquirer	Value
August 29	Max-IS, Inc.	Provides outsourced BPO and technology solutions	PNG Telecommunications, Inc.	ND
August 21	24-7 InTouch Inc. (majority stake, percentage not disclosed)	Provides contact center solutions	Ontario Teachers' Pension Plan Board	ND
August 20	Minamiosaka Computing Center Co., Ltd.	Provides outsourced IT services	Cyberlinks Co., Ltd. (TSE:3683)	ND
August 20	Tanla Solutions Limited (BSE:532790)	Provides outsourced communication services	Tanla Solutions Limited (BSE:532790)	\$48.7
August 20	Dalian MPG Marketing Consulting Co., Ltd.	Provides BPO services	Dalian Recomm CS CO., Ltd.	\$48.7

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

## Selected News

**Conduent Incorporated (NYSE: CNDT)** reported second quarter net income of \$11.0 million for fiscal year 2018 as compared to (\$4.0) million for the prior year period. Earnings per share were \$0.04 versus (\$0.03) for the prior year period. Revenues for the quarter decreased to \$1,387.0 million from \$1,496.0 million for the same period in fiscal year 2017.

**Convergys Corporation (NYSE:CVG)** reported second quarter net income of \$13.9 million for fiscal year 2018 as compared to \$39.8 million for the prior year period. Earnings per share were \$0.14 versus \$0.40 for the prior year period. Revenues for the quarter decreased to \$649.4 million from \$686.8 million for the same period in fiscal year 2017.

**ExlService Holdings, Inc. (NasdaqGS:EXLS)** reported second quarter net income of \$14.5 million for fiscal year 2018 as compared to \$20.4 million for the prior year period. Earnings per share were \$0.41 versus \$0.58 for the prior year period. Revenues for the quarter increased to \$210.1 million from \$189.1 million for the same period in fiscal year 2017.

**Genpact Limited (NYSE:G)** reported second quarter net income of \$64.6 million for fiscal year 2018 as compared to \$68.9 million for the prior year period. Earnings per share were \$0.33 versus \$0.36 for the prior year period. Revenues for the quarter increased to \$728.6 million from \$670.7 million for the same period in fiscal year 2017.

**StarTek, Inc. (NYSE:SRT)** reported second quarter net income of (\$3.7) million for fiscal year 2018 as compared to \$0.6 million for the prior year period. Earnings per share were (\$0.23) versus \$0.03 for the prior year period. Revenues for the quarter decreased to \$59.7 million from \$74.0 million for the same period in fiscal year 2017.

**Sykes Enterprises, Incorporated (NasdaqGS:SYKE)** reported second quarter net income of \$7.2 million for fiscal year 2018 as compared to \$8.8 million for the prior year period. Earnings per share were \$0.17 versus \$0.21 for the prior year period. Revenues for the quarter increased to \$396.8 million from \$375.4 million for the same period in fiscal year 2017.

**TTEC Holdings, Inc. (NasdaqGS:TTEC)** reported second quarter net income of \$5.5 million for fiscal year 2018 as compared to \$14.7 million for the prior year period. Earnings per share were \$0.12 versus \$0.32 for the prior year period. Revenues for the quarter decreased to \$349.9 million from \$353.4 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 0.5% in August of 2018.



### Price Appreciation

	3-Year	LTM	1 Month
Mufson Howe Hunter Fixed Asset Management Index <sup>(a)</sup>	52.7%	12.0%	0.5%
NASDAQ	69.8%	26.1%	5.7%
S&P 500	47.1%	17.4%	3.0%

(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/Revenue	Price/EBITDA	Price/EPS	Gross Profit	EBITDA
<b>Facility Maintenance</b>											
Rollins, Inc. (ROL)	\$52.58	\$11,472.3	\$11,388.0	\$1,707.5	\$355.8	\$0.86	6.67 x	32.0 x	61.2 x	51.0%	20.8%
Rentkil Initial plc (LSE:RTO)	4.62	8,490.4	9,708.8	3,178.9	655.6	0.49	3.05 x	14.8 x	9.5 x	80.3%	20.6%
Chemed Corporation (CHE)	321.81	5,128.9	5,257.7	1,700.0	254.7	6.75	3.09 x	20.6 x	47.7 x	31.2%	15.0%
EMCOR Group, Inc. (EME)	76.18	4,453.1	4,408.5	7,695.7	472.0	3.89	0.57 x	9.3 x	19.6 x	14.9%	6.1%
FirstService Corporation (TSX:FSV)	75.84	2,724.0	3,113.7	1,751.6	162.6	1.50	1.78 x	19.2 x	50.6 x	30.6%	9.3%
Healthcare Services Group, Inc. (HCSG)	43.19	3,183.6	3,095.5	1,996.3	104.2	0.94	1.55 x	29.7 x	45.9 x	11.5%	5.2%
ABM Industries Incorporated (ABM)	29.18	1,918.4	2,956.0	5,985.6	246.8	1.32	0.49 x	12.0 x	22.0 x	10.5%	4.1%
Comfort Systems USA, Inc. (FIX)	45.80	1,696.5	1,737.3	1,872.3	146.6	1.71	0.93 x	11.9 x	26.8 x	20.3%	7.8%
SP Plus Corporation (SP)	37.20	830.7	948.3	882.3	102.3	2.24	1.07 x	9.3 x	16.6 x	20.9%	11.6%
<b>Mean</b>		<b>\$4,433.1</b>	<b>\$4,734.9</b>	<b>\$2,974.5</b>	<b>\$277.8</b>	<b>\$2.19</b>	<b>2.13x</b>	<b>17.6x</b>	<b>33.3x</b>	<b>30.1%</b>	<b>11.2%</b>
<b>Median</b>		<b>3,183.6</b>	<b>3,113.7</b>	<b>1,872.3</b>	<b>246.8</b>	<b>1.50</b>	<b>1.55x</b>	<b>14.8x</b>	<b>26.8x</b>	<b>20.9%</b>	<b>9.3%</b>
<b>Food Services</b>											
Compass Group PLC (LSE:CPG)	\$21.33	\$33,777.7	\$38,612.6	\$29,614.5	\$2,764.7	\$0.92	1.30 x	14.0 x	23.1 x	24.5%	9.3%
Sodexo S.A. (ENXTPA:SW)	100.08	14,842.2	17,959.7	23,795.4	1,732.3	5.81	0.75 x	10.4 x	17.2 x	15.1%	7.3%
Aramark (ARMK)	37.10	9,134.5	16,781.6	15,151.8	1,312.1	1.98	1.11 x	12.8 x	18.7 x	10.6%	8.7%
<b>Mean</b>		<b>\$19,251.5</b>	<b>\$24,451.3</b>	<b>\$22,853.9</b>	<b>\$1,936.4</b>	<b>\$2.91</b>	<b>1.06x</b>	<b>12.4x</b>	<b>19.7x</b>	<b>16.8%</b>	<b>8.4%</b>
<b>Median</b>		<b>14,842.2</b>	<b>17,959.7</b>	<b>23,795.4</b>	<b>1,732.3</b>	<b>1.98</b>	<b>1.11x</b>	<b>12.8x</b>	<b>18.7x</b>	<b>15.1%</b>	<b>8.7%</b>
<b>Manned Security Services</b>											
Securitas AB (OM: SECU B)	\$16.73	\$6,106.1	\$7,842.3	\$10,556.6	\$672.8	\$0.87	0.74 x	11.7 x	19.3 x	17.6%	6.4%
G4S plc (LSE:GFS)	3.53	5,463.3	7,483.4	10,315.6	786.7	0.21	0.73 x	9.5 x	17.1 x	17.8%	7.6%
The GEO Group, Inc. (GEO)	27.54	3,360.0	5,953.8	2,277.7	394.2	1.15	2.61 x	15.1 x	23.9 x	24.8%	17.3%
The Brink's Company (BCO)	79.75	4,059.7	4,777.3	3,437.7	370.6	0.08	1.39 x	12.9 x	NM	21.7%	10.8%
Prosegur Compañía de Seguridad, S.A. (BME:PSG)	6.54	3,914.2	4,468.3	4,946.4	596.2	0.29	0.90 x	7.5 x	22.7 x	24.3%	12.1%
CoreCivic, Inc. (CXW)	23.89	2,832.0	4,245.3	1,760.7	402.8	1.40	2.41 x	10.5 x	17.1 x	28.8%	22.9%
<b>Mean</b>		<b>\$4,289.2</b>	<b>\$5,795.1</b>	<b>\$5,549.1</b>	<b>\$537.2</b>	<b>\$0.7</b>	<b>1.46x</b>	<b>11.2x</b>	<b>20.0x</b>	<b>22.5%</b>	<b>\$0.1</b>
<b>Median</b>		<b>3,986.9</b>	<b>5,365.6</b>	<b>4,192.1</b>	<b>499.5</b>	<b>0.6</b>	<b>1.15x</b>	<b>11.1x</b>	<b>19.3x</b>	<b>23.0%</b>	<b>0.1</b>
<b>Uniform / Linen Rentals</b>											
Cintas Corporation (CTAS)	\$185.07	\$19,750.8	\$22,286.8	\$6,337.4	\$1,262.0	\$6.11	3.52 x	17.7 x	30.3 x	44.7%	19.9%
UniFirst Corporation (UNF)	176.90	3,385.6	3,147.1	1,666.0	281.5	6.14	1.89 x	11.2 x	28.8 x	37.8%	16.9%
<b>Mean</b>		<b>\$11,568.2</b>	<b>\$12,717.0</b>	<b>\$4,001.7</b>	<b>\$771.8</b>	<b>\$6.12</b>	<b>2.70x</b>	<b>14.4x</b>	<b>29.6x</b>	<b>41.3%</b>	<b>18.4%</b>
<b>Median</b>		<b>11,568.2</b>	<b>12,717.0</b>	<b>4,001.7</b>	<b>771.8</b>	<b>6.12</b>	<b>2.70x</b>	<b>14.4x</b>	<b>29.6x</b>	<b>41.3%</b>	<b>18.4%</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 August 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 June 30, 2018 except ABM (July 31, 2018); ARMK (June 29, 2018); CTAS (May 31, 2018); UNF (May 26, 2018); CPG (March 31, 2018) and SW (February 28, 2018).

(4) Excludes non-recurring and discontinued operations.

## Selected Valuation Metrics

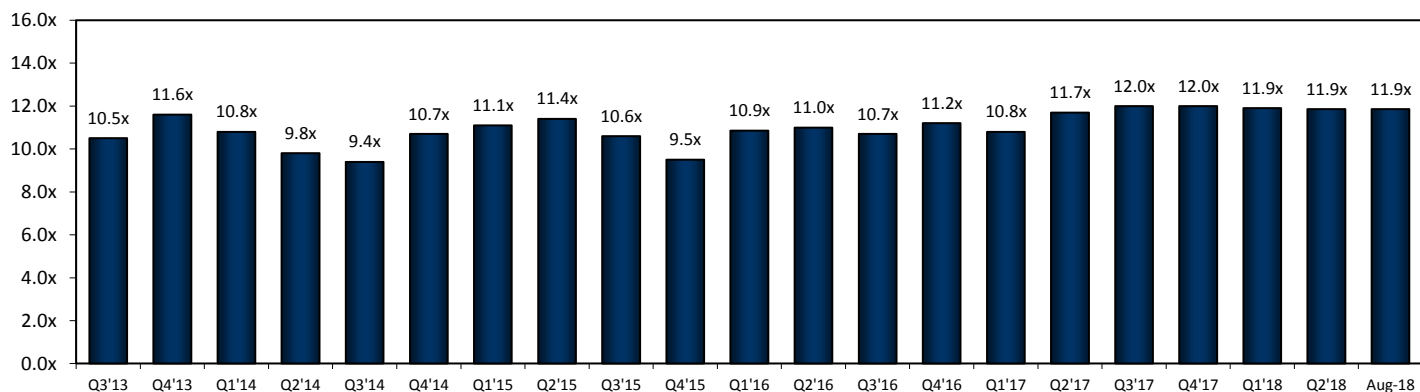
(\$ in millions, except per share data)

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)	\$81.34	\$35,169.7	\$45,095.7	\$14,556.0	\$4,066.0	\$4.66	3.10 x	11.1 x	17.5 x	37.9%	27.9%
Republic Services, Inc. (RSG)	68.36	22,417.2	30,563.8	10,076.2	2,810.8	3.95	3.03 x	10.9 x	17.3 x	38.5%	27.9%
Waste Connections, Inc. (WCN)	75.28	19,823.6	23,503.8	4,679.4	1,472.4	2.59	5.02 x	16.0 x	29.1 x	41.8%	31.5%
Stericycle, Inc. (SRCL)	65.29	5,587.3	8,270.7	3,583.3	711.3	(0.11)	2.31 x	11.6 x	NM	40.6%	19.9%
Clean Harbors, Inc. (CLH)	55.55	3,121.3	4,526.5	3,005.8	429.6	1.92	1.51 x	10.5 x	28.9 x	29.7%	14.3%
Casella Waste Systems, Inc. (CWST)	25.61	1,093.2	1,590.7	613.0	115.0	(0.61)	2.60 x	13.8 x	NM	32.0%	18.8%
Heritage-Crystal Clean, Inc (HCCI)	20.10	462.6	454.6	368.7	38.5	1.01	1.23 x	11.8 x	19.9 x	23.2%	10.4%
<b>Mean</b>		<b>\$12,525.0</b>	<b>\$16,286.5</b>	<b>\$5,268.9</b>	<b>\$1,377.7</b>	<b>\$1.92</b>	<b>2.69 x</b>	<b>12.2 x</b>	<b>22.5 x</b>	<b>34.8%</b>	<b>21.5%</b>
<b>Median</b>		<b>5,587.3</b>	<b>8,270.7</b>	<b>3,583.3</b>	<b>711.3</b>	<b>1.92</b>	<b>2.60 x</b>	<b>11.6 x</b>	<b>19.9 x</b>	<b>37.9%</b>	<b>19.9%</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 August 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 June 30, 2018 except HCCI (June 16, 2018).  
 (4) Excludes non-recurring and discontinued operations.

## Historical Enterprise Value-to-LTM EBITDA Multiples



## Selected M&A Transactions

Announced	Target	Target Description	Acquirer	Value
August 30	Singapore Paints & Contractor Pte Ltd	Provides waterproofing, painting and repair services	Asanuma Corporation (TSE:1852)	ND
August 29	China Recycling Environmental Services Co., Ltd.	Provides waste management services	China Resources and Environment Co.,Ltd. (SHSE:600217)	\$104.3
August 22	Mobile Windscreens Limited	Provides glass repair services	Ryds Bilglas AB	ND
August 21	Dial a Dump Industries Pty Ltd	Provides waste removal services	Bingo Industries Limited (ASX:BIN)	ND
August 13	Plasgran Limited	Provides recycling services	British Polythene Limited	\$44.0
August 3	Controlled Environmental Solutions Business of Stericycle, Inc.	Provides outsourced compliance solutions	Cantel Medical Corp. (NYSE:CMD)	\$17.0
August 2	SLV Security Services Private Limited	Provides security services	Security and Intelligence Services (India) Limited (BSE:540673)	ND
August 1	Alam Flora Sdn Bhd.	Provides waste collection services	Malakoff Corporation Berhad (KLSE:MALAKOF)	\$232.4

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

## Selected News

**Aramark (NYSE:ARMK)** reported third quarter net income of \$72.6 million for fiscal year 2018 as compared to \$65.3 million for the prior year period. Earnings per share were \$0.29 versus \$0.26 for the prior year period. Revenues for the quarter increased to \$3,971.6 million from \$3,593.3 million for the same period in fiscal year 2017.

**Casella Waste Systems, Inc. (NasdaqGS:CWST)** reported second quarter net income of \$1.7 million for fiscal year 2018 as compared to (\$53.7) million for the prior year period. Earnings per share were \$0.04 versus (\$1.28) for the prior year period. Revenues for the quarter increased to \$165.6 million from \$154.0 million for the same period in fiscal year 2017.

**Clean Harbors, Inc. (NYSE:CLH)** reported second quarter net income of \$30.7 million for fiscal year 2018 as compared to \$25.9 million for the prior year period. Earnings per share were \$0.54 versus \$0.45 for the prior year period. Revenues for the quarter increased to \$849.1 million from \$752.8 million for the same period in fiscal year 2017.

**CoreCivic, Inc. (NYSE:CXW)** reported second quarter net income of \$39.2 million for fiscal year 2018 as compared to \$45.5 million for the prior year period. Earnings per share were \$0.33 versus \$0.38 for the prior year period. Revenues for the quarter increased to \$449.9 million from \$436.4 million for the same period in fiscal year 2017.

**G4S plc (LSE:GFS)** reported second quarter net income of \$66.7 million for fiscal year 2018 as compared to \$97.8 million for the prior year period. Earnings per share were \$0.04 versus \$0.06 for the prior year period. Revenues for the quarter decreased to \$2,377.3 million from \$2,570.9 million for the same period in fiscal year 2017.

**Stericycle, Inc. (NasdaqGS:SRCL)** reported second quarter net income of \$27.7 million for fiscal year 2018 as compared to (\$144.0) million for the prior year period. Earnings per share were \$0.31 versus (\$1.74) for the prior year period. Revenues for the quarter decreased to \$883.3 million from \$917.7 million for the same period in fiscal year 2017.

**The GEO Group, Inc. (NYSE:GEO)** reported second quarter net income of \$37.4 million for fiscal year 2018 as compared to \$31.0 million for the prior year period. Earnings per share were \$0.31 versus \$0.25 for the prior year period. Revenues for the quarter increased to \$583.5 million from \$577.1 million for the same period in fiscal year 2017.

*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.

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- Typically raise capital from banks, finance companies, private investment funds and private equity groups

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