



## Business Services Update

November 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 Conduent Incorporated, 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> decreased by 6.6% in October of 2018.

### Last Three Years

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



### Last Twelve Months

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



### Price Appreciation

	3-Year	LTM	1 Month
Mufson Howe Hunter Human Resources Outsourcing Index <sup>(a)</sup>	46.0%	11.5%	(6.6%)
NASDAQ	44.6%	8.6%	(9.2%)
S&P 500	30.4%	5.3%	(6.9%)

(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)	\$85.96	\$5,578.3	\$5,982.9	\$22,281.6	\$951.4	\$8.89	0.27 x	6.3 x	9.7 x	16.4%	4.3%
TrueBlue, Inc. (TBI)	26.05	1,023.9	1,107.7	2,499.1	125.8	1.57	0.44 x	8.8 x	16.6 x	26.0%	5.0%
Kelly Services, Inc. (KELY.A)	24.03	932.5	900.3	5,507.9	104.0	1.38	0.16 x	8.7 x	17.4 x	17.7%	1.9%
<b>Mean</b>		<b>\$2,511.6</b>	<b>\$2,663.6</b>	<b>\$10,096.2</b>	<b>\$393.7</b>	<b>\$3.95</b>	<b>0.29 x</b>	<b>7.9 x</b>	<b>14.6 x</b>	<b>20.0%</b>	<b>3.7%</b>
<b>Median</b>		<b>1,023.9</b>	<b>1,107.7</b>	<b>5,507.9</b>	<b>125.8</b>	<b>1.57</b>	<b>0.27 x</b>	<b>8.7 x</b>	<b>16.6 x</b>	<b>17.7%</b>	<b>4.3%</b>
<b>Professional Staffing</b>											
Robert Half International Inc. (RHI)	\$70.38	\$8,469.8	\$8,161.9	\$5,523.4	\$609.4	\$2.75	1.48 x	13.4 x	25.6 x	41.3%	11.0%
Kforce Inc. (KFRC)	37.60	929.5	1,031.7	1,388.6	83.0	1.64	0.74 x	12.4 x	23.0 x	29.9%	6.0%
Resources Connection, Inc. (RECN)	16.60	523.6	554.6	691.5	57.2	0.71	0.80 x	9.7 x	23.5 x	38.1%	8.3%
Hudson Global, Inc (HSON)	1.59	50.9	12.3	461.5	3.0	(0.19)	0.03 x	4.0 x	NM	40.5%	0.7%
<b>Mean</b>		<b>\$2,493.5</b>	<b>\$2,440.1</b>	<b>\$2,016.2</b>	<b>\$188.2</b>	<b>\$1.23</b>	<b>1.01 x</b>	<b>9.9 x</b>	<b>24.0 x</b>	<b>37.4%</b>	<b>6.5%</b>
<b>Median</b>		<b>726.5</b>	<b>793.1</b>	<b>1,040.0</b>	<b>70.1</b>	<b>1.17</b>	<b>0.80 x</b>	<b>11.1 x</b>	<b>23.5 x</b>	<b>39.3%</b>	<b>7.1%</b>
<b>Healthcare Staffing</b>											
ASGN Incorporated (ASGN)	\$78.93	\$4,132.2	\$5,328.4	\$2,909.8	\$317.9	\$3.12	1.83 x	16.8 x	25.3 x	31.6%	10.9%
AMN Healthcare Services, Inc. (AMN)	54.70	2,597.9	3,050.2	2,084.1	249.2	3.00	1.46 x	12.2 x	18.2 x	32.2%	12.0%
Cross Country Healthcare, Inc. (CCRN)	8.73	316.9	381.6	863.0	39.7	1.05	0.44 x	9.6 x	8.3 x	26.2%	4.6%
<b>Mean</b>		<b>\$2,349.0</b>	<b>\$2,920.1</b>	<b>\$1,952.3</b>	<b>\$202.3</b>	<b>\$2.39</b>	<b>1.25 x</b>	<b>12.9 x</b>	<b>17.3 x</b>	<b>30.0%</b>	<b>9.2%</b>
<b>Median</b>		<b>2,597.9</b>	<b>3,050.2</b>	<b>2,084.1</b>	<b>249.2</b>	<b>3.00</b>	<b>1.46 x</b>	<b>12.2 x</b>	<b>18.2 x</b>	<b>31.6%</b>	<b>10.9%</b>
<b>IT Staffing</b>											
RCM Technologies, Inc. (RCMT)	\$4.27	\$52.5	\$81.2	\$197.4	\$8.1	\$0.22	0.41 x	10.0 x	19.2 x	25.2%	4.1%
Computer Task Group, Incorporated (CTG)	5.22	75.5	72.1	324.1	7.2	0.06	0.22 x	10.0 x	NM	19.2%	2.2%
<b>Mean</b>		<b>\$64.0</b>	<b>\$76.7</b>	<b>\$260.7</b>	<b>\$7.7</b>	<b>\$0.14</b>	<b>0.32 x</b>	<b>10.0 x</b>	<b>19.2 x</b>	<b>22.2%</b>	<b>3.2%</b>
<b>Median</b>		<b>64.0</b>	<b>76.7</b>	<b>260.7</b>	<b>7.7</b>	<b>0.14</b>	<b>0.32 x</b>	<b>10.0 x</b>	<b>19.2 x</b>	<b>22.2%</b>	<b>3.2%</b>
<b>Executive Search</b>											
Korn/Ferry International (KFY)	\$49.24	\$2,803.8	\$2,672.3	\$1,831.5	\$248.4	\$1.16	1.46 x	10.8 x	NM	27.4%	13.6%
Heidrick & Struggles International, Inc. (HSII)	33.85	641.8	555.9	672.3	68.8	(0.50)	0.83 x	8.1 x	NM	29.7%	10.2%
<b>Mean</b>		<b>\$1,722.8</b>	<b>\$1,614.1</b>	<b>\$1,251.9</b>	<b>\$158.6</b>	<b>\$0.33</b>	<b>1.14 x</b>	<b>9.4 x</b>	<b>NA</b>	<b>28.6%</b>	<b>11.9%</b>
<b>Median</b>		<b>1,722.8</b>	<b>1,614.1</b>	<b>1,251.9</b>	<b>158.6</b>	<b>0.33</b>	<b>1.14 x</b>	<b>9.4 x</b>	<b>NA</b>	<b>28.6%</b>	<b>11.9%</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, 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, 2018 except RCMT (September 29, 2018); CTG (September 28, 2018); RECN (August 25, 2018) and KFY (July 31, 2018).

(4) Excludes non-recurring and discontinued operations.

# Human Resources Outsourcing

## Selected Valuation Metrics

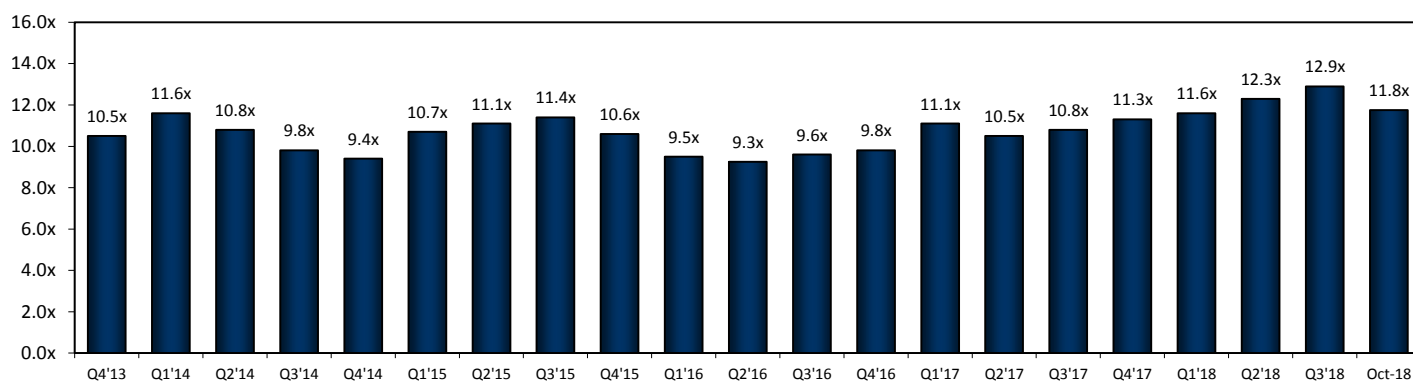
(\$ in millions, except per share data)

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)	\$144.08	\$63,068.5	\$63,906.5	\$13,571.8	\$3,052.0	\$3.88	4.71 x	20.9 x	NM	43.7%	22.5%
Willis Towers Watson Public Limited Company (WLTW)	143.16	18,602.0	22,496.0	8,133.0	1,365.0	4.24	2.77 x	16.5 x	33.8 x	39.3%	16.8%
Paychex, Inc. (PAYX)	65.49	23,516.3	23,050.0	3,450.8	1,432.4	2.67	6.68 x	16.1 x	24.5 x	69.5%	41.5%
Insperty, Inc. (NSP)	109.85	4,592.8	4,331.4	3,688.3	196.5	3.00	1.17 x	22.0 x	NM	18.0%	5.3%
Barrett Business Services, Inc. (BBSI)	62.92	464.4	433.3	947.6	37.1	4.14	0.46 x	11.7 x	15.2 x	63.0%	3.9%
<b>Mean</b>		<b>\$22,048.8</b>	<b>\$22,843.4</b>	<b>\$5,958.3</b>	<b>\$1,216.6</b>	<b>\$3.59</b>	<b>3.16 x</b>	<b>17.4 x</b>	<b>24.5 x</b>	<b>46.7%</b>	<b>18.0%</b>
<b>Median</b>		<b>\$18,602.0</b>	<b>\$22,496.0</b>	<b>\$3,688.3</b>	<b>\$1,365.0</b>	<b>\$3.88</b>	<b>2.77 x</b>	<b>16.5 x</b>	<b>24.5 x</b>	<b>43.7%</b>	<b>16.8%</b>
<b>Professional &amp; Consulting</b>											
Fair Isaac Corporation (FICO)	\$192.71	\$5,579.9	\$6,253.8	\$1,032.5	\$234.2	\$4.57	6.06 x	NM	NM	69.9%	22.7%
FTI Consulting, Inc. (FCN)	69.11	2,562.4	2,616.7	1,990.6	262.0	5.09	1.31 x	10.0 x	13.6 x	34.9%	13.2%
Exponent, Inc. (EXPO)	50.46	2,624.5	2,422.2	352.1	88.7	0.98	6.88 x	NM	NM	37.1%	25.2%
Huron Consulting Group Inc. (HURN)	54.49	1,178.2	1,485.1	775.6	92.7	(0.85)	1.91 x	16.0 x	NM	35.5%	12.0%
CBIZ, Inc. (CBZ)	22.18	1,216.8	1,381.8	918.1	105.5	1.20	1.51 x	13.1 x	18.4 x	13.0%	11.5%
Navigant Consulting, Inc. (NCI)	21.60	972.1	698.3	957.4	123.1	1.64	0.73 x	5.7 x	13.1 x	30.4%	12.9%
CRA International, Inc. (CRAI)	42.15	341.5	334.9	405.9	30.6	1.56	0.83 x	11.0 x	27.0 x	30.6%	7.5%
<b>Mean</b>		<b>\$2,067.9</b>	<b>\$2,170.4</b>	<b>\$918.9</b>	<b>\$133.8</b>	<b>\$2.03</b>	<b>2.75 x</b>	<b>11.1 x</b>	<b>18.0 x</b>	<b>35.9%</b>	<b>15.0%</b>
<b>Median</b>		<b>1,216.8</b>	<b>1,485.1</b>	<b>918.1</b>	<b>105.5</b>	<b>1.56</b>	<b>1.51 x</b>	<b>11.0 x</b>	<b>16.0 x</b>	<b>34.9%</b>	<b>12.9%</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 on October 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, 2018 except CRAI (September 29, 2018); EXPO (September 28, 2018); and PAYX (August 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
October 25	CUBO, Inc.	Provides temporary staffing services	CAREER CO., LTD. (TSE:6198)	ND
October 18	Beautiful Minds Promotions	Provides temporary staffing services for hospitality events	Mobile Promotions (David Walley)	ND
October 15	CER Staffing Solutions Limited	Provides temporary and permanent recruiting services	Castlerock Recruitment Group Ltd.	ND
October 10	AddisonEmerson Staffing Solutions, LLC	Provides temporary staffing services for the telecommunications industry	Cloudteam, LLC	ND
October 10	Exelteam/MPC	Provides human resource services	DLSI (ENXTPA:ALDLS)	ND
October 10	Orion Managed Services Limited	Provides technology-focused staffing services	TechnoPro Holdings, Inc. (TSE:6028)	ND
October 4	TwentyPine	Provides IT staffing services	Mitchell Martin, Inc.	ND
October 1	Passionate About People Limited	Provides staffing services	Staffline Group plc (AIM:STAF)	ND
October 1	Willis Towers Watson Public Limited Company (NasdaqGS:WLTW)	Provides risk management services	Dero Courtage	ND

ND – Not disclosed. Transaction values in millions.

## Selected News

**AMN Healthcare Services, Inc. (NYSE:AMN)** reported third quarter net income of \$27.9 million for fiscal year 2018 as compared to \$28.1 million for the prior year period. Earnings per share were \$0.58 versus \$0.57 for the prior year period. Revenues for the quarter increased to \$526.8 million from \$494.4 million for the same period in fiscal year 2017.

**ASGN Incorporated (NYSE:ASGN)** reported third quarter net income of \$49.2 million for fiscal year 2018 as compared to \$34.9 million for the prior year period. Earnings per share were \$0.93 versus \$0.66 for the prior year period. Revenues for the quarter increased to \$906.4 million from \$667.0 million for the same period in fiscal year 2017.

**Automatic Data Processing, Inc. (NasdaqGS:ADP)** reported first quarter net income of \$505.4 million for fiscal year 2019 as compared to \$412.6 million for the prior year period. Earnings per share were \$1.15 versus \$0.93 for the prior

year period. Revenues for the quarter increased to \$3,323.2 million from \$3,077.2 million for the same period in fiscal year 2018.

**CBIZ, Inc. (NYSE:CBZ)** reported third quarter net income of \$13.6 million for fiscal year 2018 as compared to \$9.7 million for the prior year period. Earnings per share were \$0.24 versus \$0.18 for the prior year period. Revenues for the quarter increased to \$224.2 million from \$207.7 million for the same period in fiscal year 2017.

**Computer Task Group, Incorporated (NasdaqGS:CTG)** reported third quarter net income of \$1.1 million for fiscal year 2018 as compared to \$0.0 million for the prior year period. Earnings per share were \$0.08 versus \$0.00 for the prior year period. Revenues for the quarter increased to \$90.3 million from \$74.0 million for the same period in fiscal year 2017.

**Exponent, Inc. (NasdaqGS:EXPO)** reported third quarter net income of \$17.5 million for fiscal year 2018 as compared to \$14.6 million for the prior year period. Earnings per share were \$0.32 versus \$0.27 for the prior year period. Revenues for the quarter increased to \$88.7 million from \$82.4 million for the same period in fiscal year 2017.

**FTI Consulting, Inc. (NYSE:FCN)** reported third quarter net income of \$44.3 million for fiscal year 2018 as compared to \$32.2 million for the prior year period. Earnings per share were \$1.14 versus \$0.85 for the prior year period. Revenues for the quarter increased to \$513.0 million from \$449.0 million for the same period in fiscal year 2017.

**Heidrick & Struggles International, Inc. (NasdaqGS:HSII)** reported third quarter net income of \$16.5 million for fiscal year 2018 as compared to \$8.2 million for the prior year period. Earnings per share were \$0.85 versus \$0.43 for the prior year period. Revenues for the quarter increased to \$187.6 million from \$159.8 million for the same period in fiscal year 2017.

**Huron Consulting Group Inc. (NasdaqGS:HURN)** reported third quarter net income of \$8.5 million for fiscal year 2018 as compared to \$4.4 million for the prior year period. Earnings per share were \$0.38 versus \$0.20 for the prior year period. Revenues for the quarter increased to \$198.4 million from \$176.4 million for the same period in fiscal year 2017.

**Huron Consulting Group Inc. (NasdaqGS:HURN)** announced the appointment of **Sean Freeburger** as **Chief Information Officer**, effective immediately.

**Kforce Inc. (NasdaqGS:KFRC)** reported third quarter net income of \$16.2 million for fiscal year 2018 as compared to \$10.1 million for the prior year period. Earnings per share were \$0.64 versus \$0.40 for the prior year period. Revenues for the quarter increased to \$355.5 million from \$341.1 million for the same period in fiscal year 2017.

**ManpowerGroup Inc. (NYSE:MAN)** reported third quarter net income of \$158.0 million for fiscal year 2018 as compared to \$137.7 million for the prior year period. Earnings per share were \$2.43 versus \$2.04 for the prior year period. Revenues for the quarter decreased to \$5,418.7 million from \$5,464.8 million for the same period in fiscal year 2017.

**Paychex, Inc. (NasdaqGS:PAYX)** reported first quarter net income of \$243.6 million for fiscal year 2019 as compared to \$210.4 million for the prior year period. Earnings per share were \$0.67 versus \$0.58 for the prior year period. Revenues for the quarter increased to \$862.8 million from \$792.9 million for the same period in fiscal year 2018.

**Resources Connection, Inc. (NasdaqGS:RECN)** reported first quarter net income of \$5.7 million for fiscal year 2019 as compared to \$2.1 million for the prior year period. Earnings per share were \$0.18 versus \$0.07 for the prior year period. Revenues for the quarter increased to \$178.6 million from \$141.2 million for the same period in fiscal year 2018.

**Robert Half International Inc. (NYSE:RHI)** reported third quarter net income of \$115.2 million for fiscal year 2018 as compared to \$84.7 million for the prior year period. Earnings per share were \$0.95 versus \$0.68 for the prior year period. Revenues for the quarter increased to \$1,466.2 million from \$1,324.7 million for the same period in fiscal year 2017.

**Robert Half International Inc. (NYSE:RHI)** announced the appointment of **Dirk A. Kempthorne** to its **Board of Directors**, effective October 31, 2018.

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

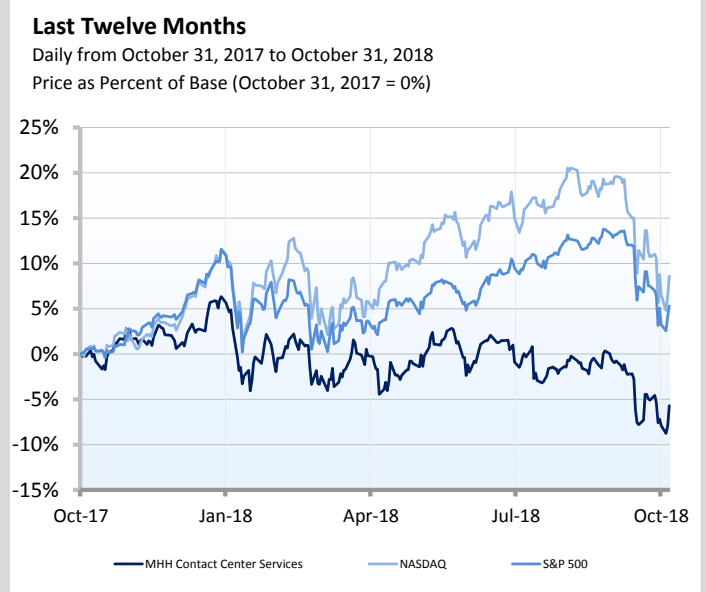
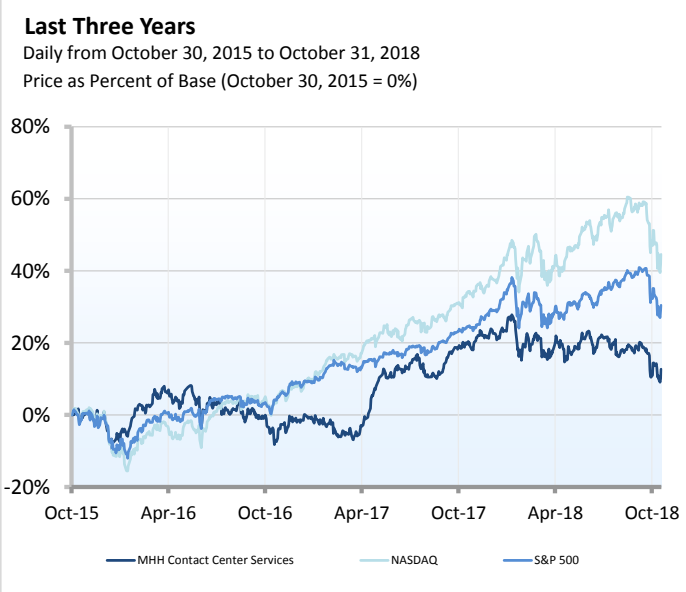


# Contact Center Services

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> decreased by 5.0% in October of 2018.



### Price Appreciation

	3-Year	LTM	1 Month
Mufson Howe Hunter Contact Center Services Index <sup>(a)</sup>	12.7%	(5.7%)	(5.0%)
NASDAQ	44.6%	8.6%	(9.2%)
S&P 500	30.4%	5.3%	(6.9%)

(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)	\$22.52	\$4,755.6	\$5,948.6	\$5,780.0	\$713.0	\$0.69	1.03 x	8.3 x	32.8 x	18.3%	12.3%
TTEC Holdings, Inc. (TTEC)	25.90	1,195.9	1,421.4	1,510.8	178.6	(0.36)	0.94 x	8.0 x	NM	24.2%	11.8%
Sykes Enterprises, Incorporated (SYKE)	30.49	1,287.9	1,215.5	1,637.7	162.0	0.53	0.74 x	7.5 x	57.3 x	36.1%	9.9%
StarTek, Inc. (SRT)	6.62	244.9	275.5	269.8	4.7	(1.08)	1.02 x	NM	NM	9.8%	1.8%
<b>Mean</b>		<b>\$1,871.1</b>	<b>\$2,215.3</b>	<b>\$2,299.6</b>	<b>\$264.6</b>	<b>(\$0.06)</b>	<b>0.93 x</b>	<b>7.9 x</b>	<b>45.0 x</b>	<b>22.1%</b>	<b>9.0%</b>
<b>Median</b>		<b>1,241.9</b>	<b>1,318.5</b>	<b>1,574.2</b>	<b>170.3</b>	<b>0.09</b>	<b>0.98 x</b>	<b>8.0 x</b>	<b>45.0 x</b>	<b>21.2%</b>	<b>10.9%</b>
<b>Off-Shore</b>											
Genpact Limited (G)	\$30.61	\$5,814.3	\$6,717.8	\$2,860.7	\$414.6	\$1.38	2.35 x	16.2 x	22.2 x	37.3%	14.5%
WNS (Holdings) Limited (WNS)	50.75	2,561.5	2,536.3	777.6	117.6	1.73	3.26 x	21.6 x	29.3 x	34.3%	15.1%
ExlService Holdings, Inc. (EXLS)	66.20	2,277.1	2,112.3	807.3	112.9	1.40	2.62 x	18.7 x	47.2 x	34.3%	14.0%
<b>Mean</b>		<b>\$3,551.0</b>	<b>\$3,788.8</b>	<b>\$1,481.9</b>	<b>\$215.0</b>	<b>\$1.50</b>	<b>2.74 x</b>	<b>18.8 x</b>	<b>32.9 x</b>	<b>35.3%</b>	<b>14.5%</b>
<b>Median</b>		<b>2,561.5</b>	<b>2,536.3</b>	<b>807.3</b>	<b>117.6</b>	<b>1.40</b>	<b>2.62 x</b>	<b>18.7 x</b>	<b>29.3 x</b>	<b>34.3%</b>	<b>14.5%</b>
<b>All Companies</b>											
<b>Mean</b>		<b>\$2,591.0</b>	<b>\$2,889.6</b>	<b>\$1,949.1</b>	<b>\$243.3</b>	<b>\$0.61</b>	<b>1.71 x</b>	<b>13.4 x</b>	<b>37.8 x</b>	<b>27.7%</b>	<b>11.3%</b>
<b>Median</b>		<b>2,277.1</b>	<b>2,112.3</b>	<b>1,510.8</b>	<b>162.0</b>	<b>0.69</b>	<b>1.03 x</b>	<b>12.3 x</b>	<b>32.8 x</b>	<b>34.3%</b>	<b>12.3%</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.

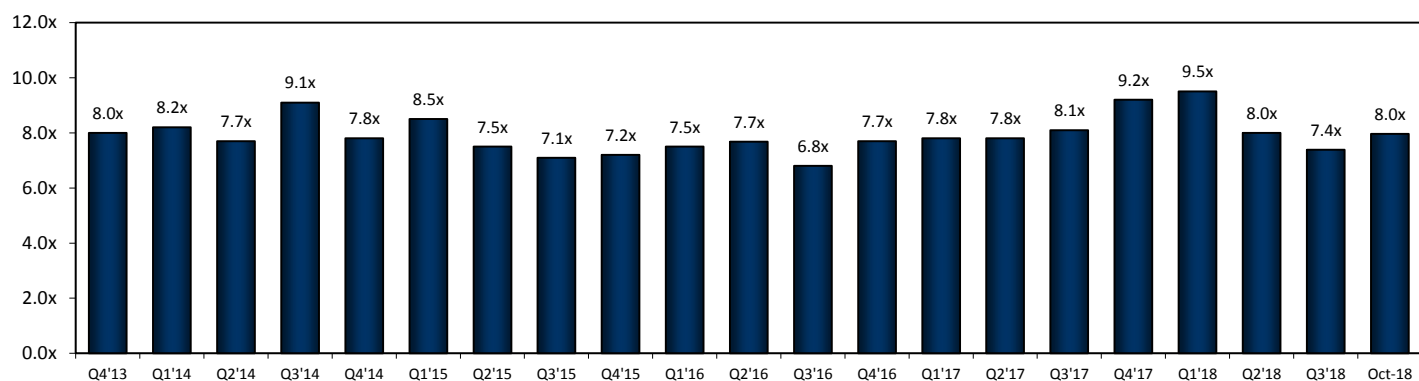
(1) As of close October 31, 2018.

(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, 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
October 30	PT Sinar Jernih Sarana	Provides BPO solutions	Aeon Delight Co., Ltd. (TSE:9787)	ND
October 19	2nd Office LLC	Provides contact center solutions	Intelegencia LLC	ND

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

## Selected News

**WNS (Holdings) Limited (NYSE:WNS)** reported second quarter net income of \$24.8 million for fiscal year 2019 as compared to \$18.9 million for the prior year period. Earnings per share were \$0.48 versus \$0.36 for the prior year period. Revenues for the quarter increased to \$199.1 million from \$186.5 million for the same period in fiscal year 2018.

# 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> decreased by 5.8% in October of 2018.

### Last Three Years

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



### Last Twelve Months

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



### Price Appreciation

	3-Year	LTM	1 Month
Mufson Howe Hunter Fixed Asset Management Index <sup>(a)</sup>	38.2%	(0.4%)	(5.8%)
NASDAQ	44.6%	8.6%	(9.2%)
S&P 500	30.4%	5.3%	(6.9%)

(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	EBITDA	Price/EPS	Gross Profit	EBITDA
<b>Facility Maintenance</b>											
Rollins, Inc. (ROL)	\$59.20	\$12,918.2	\$12,799.5	\$1,791.7	\$372.3	\$0.98	7.14 x	34.4 x	60.4 x	50.8%	20.8%
Rentokil Initial plc (LSE:RTO)	4.07	7,465.9	8,861.8	3,027.3	581.3	0.13	2.93 x	15.2 x	31.0 x	79.8%	19.2%
Chemed Corporation (CHE)	304.33	4,873.0	4,935.6	1,753.5	265.9	12.25	2.81 x	18.6 x	24.8 x	31.2%	15.2%
EMCOR Group, Inc. (EME)	70.98	4,085.6	4,031.9	7,914.0	482.2	4.42	0.51 x	8.4 x	16.1 x	14.9%	6.1%
Healthcare Services Group, Inc. (HCSG)	40.59	2,995.5	2,915.5	2,011.8	103.8	0.97	1.45 x	28.1 x	41.8 x	11.6%	5.2%
ABM Industries Incorporated (ABM)	30.75	2,024.9	3,004.3	6,291.5	274.3	1.29	0.48 x	11.0 x	23.8 x	10.7%	4.4%
FirstService Corporation (TSX:FSV)	73.04	2,627.4	3,023.1	1,848.2	178.7	1.92	1.64 x	16.9 x	38.0 x	31.2%	9.7%
Comfort Systems USA, Inc. (FIX)	53.48	1,976.4	2,054.1	2,055.6	176.1	2.53	1.00 x	11.7 x	21.1 x	20.5%	8.6%
SP Plus Corporation (SP)	31.96	713.7	801.3	802.3	96.9	2.30	1.00 x	8.3 x	13.9 x	22.1%	12.1%
<b>Mean</b>		<b>\$4,409.0</b>	<b>\$4,714.1</b>	<b>\$3,055.1</b>	<b>\$281.3</b>	<b>\$2.98</b>	<b>2.11x</b>	<b>16.9x</b>	<b>30.1x</b>	<b>30.3%</b>	<b>11.2%</b>
<b>Median</b>		<b>2,995.5</b>	<b>3,023.1</b>	<b>2,011.8</b>	<b>265.9</b>	<b>1.92</b>	<b>1.45x</b>	<b>15.2x</b>	<b>24.8x</b>	<b>22.1%</b>	<b>9.7%</b>
<b>Food Services</b>											
Compass Group PLC (LSE:CPG)	\$19.80	\$31,360.9	\$36,077.7	\$28,890.8	\$2,697.1	\$0.90	1.25 x	13.4 x	22.0 x	24.5%	9.3%
Sodexo S.A. (ENXTPA:SW)	101.37	14,758.3	17,417.5	22,955.0	1,537.7	4.88	0.76 x	11.3 x	20.8 x	15.1%	6.7%
Aramark (ARMK)	35.92	8,853.4	16,566.0	15,530.2	1,336.6	2.01	1.07 x	12.4 x	17.9 x	10.9%	8.6%
<b>Mean</b>		<b>\$18,324.2</b>	<b>\$23,353.7</b>	<b>\$22,458.7</b>	<b>\$1,857.1</b>	<b>\$2.60</b>	<b>1.02x</b>	<b>12.4x</b>	<b>20.2x</b>	<b>16.9%</b>	<b>8.2%</b>
<b>Median</b>		<b>14,758.3</b>	<b>17,417.5</b>	<b>22,955.0</b>	<b>1,537.7</b>	<b>2.01</b>	<b>1.07x</b>	<b>12.4x</b>	<b>20.8x</b>	<b>15.1%</b>	<b>8.6%</b>
<b>Manned Security Services</b>											
Securitas AB (OM: SECU B)	\$17.19	\$6,277.2	\$8,073.7	\$10,809.6	\$706.7	\$0.87	0.75 x	11.4 x	19.7 x	17.7%	6.5%
G4S plc (LSE:GFS)	2.76	4,280.5	6,358.0	9,679.1	647.9	0.16	0.66 x	9.8 x	17.5 x	17.7%	6.7%
The GEO Group, Inc. (GEO)	22.11	2,690.5	5,363.1	2,300.9	395.1	1.22	2.33 x	13.6 x	18.1 x	25.1%	17.2%
The Brink's Company (BCO)	66.32	3,356.9	4,582.8	3,484.4	402.8	(2.36)	1.32 x	11.4 x	NM	22.1%	11.6%
CoreCivic, Inc. (CXW)	22.46	2,665.6	4,336.9	1,794.1	408.8	1.34	2.42 x	10.6 x	16.8 x	28.5%	22.8%
Prosegur Compañía de Seguridad, S.A. (BME:PSG)	5.52	3,304.7	3,982.5	4,426.6	530.5	0.28	0.90 x	7.5 x	19.5 x	25.2%	12.0%
<b>Mean</b>		<b>\$3,762.5</b>	<b>\$5,449.5</b>	<b>\$5,415.8</b>	<b>\$515.3</b>	<b>\$0.3</b>	<b>1.39x</b>	<b>10.7x</b>	<b>18.3x</b>	<b>22.7%</b>	<b>12.8%</b>
<b>Median</b>		<b>3,330.8</b>	<b>4,972.9</b>	<b>3,955.5</b>	<b>469.6</b>	<b>0.6</b>	<b>1.11x</b>	<b>11.0x</b>	<b>18.1x</b>	<b>23.6%</b>	<b>11.8%</b>
<b>Uniform / Linen Rentals</b>											
Cintas Corporation (CTAS)	\$181.87	\$19,769.1	\$22,190.7	\$6,563.1	\$1,328.8	\$7.47	3.38 x	16.7 x	24.4 x	44.9%	20.2%
UniFirst Corporation (UNF)	149.30	2,857.8	2,587.3	1,696.5	280.0	8.21	1.53 x	9.2 x	18.2 x	37.7%	16.5%
<b>Mean</b>		<b>\$11,313.4</b>	<b>\$12,389.0</b>	<b>\$4,129.8</b>	<b>\$804.4</b>	<b>\$7.84</b>	<b>2.45x</b>	<b>13.0x</b>	<b>21.3x</b>	<b>41.3%</b>	<b>18.4%</b>
<b>Median</b>		<b>11,313.4</b>	<b>12,389.0</b>	<b>4,129.8</b>	<b>804.4</b>	<b>7.84</b>	<b>2.45x</b>	<b>13.0x</b>	<b>21.3x</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 October 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, 2018 except CTAS and SW (August 31, 2018); UNF (August 25, 2018); ABM (July 31, 2018); RTO (June 30, 2018); GFS (June 29, 2018); ARMK (June 29, 2018); UNF (May 26, 2018) and CPG (March 31, 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)	\$90.36	\$38,738.9	\$48,489.9	\$14,618.0	\$4,093.0	\$4.99	3.32 x	11.8 x	18.1 x	38.0%	28.0%
Republic Services, Inc. (RSG)	72.66	23,658.1	31,858.7	10,067.2	2,792.1	4.07	3.16 x	11.4 x	17.9 x	38.2%	27.7%
Waste Connections, Inc. (WCN)	79.77	21,008.6	24,673.4	4,743.8	1,499.6	2.66	5.20 x	16.5 x	30.0 x	41.8%	31.6%
Stericycle, Inc. (SRCL)	58.68	5,039.9	7,660.7	3,548.9	685.3	1.93	2.16 x	11.2 x	30.4 x	40.2%	19.3%
Clean Harbors, Inc. (CLH)	71.58	4,014.8	5,409.6	3,102.2	448.8	2.01	1.74 x	12.1 x	35.6 x	29.8%	14.5%
Casella Waste Systems, Inc. (CWST)	31.06	1,327.9	1,829.9	624.6	115.1	0.71	2.93 x	15.9 x	43.9 x	31.8%	18.4%
Heritage-Crystal Clean, Inc (HCCI)	21.35	492.1	479.6	382.6	38.9	0.97	1.25 x	12.3 x	22.1 x	22.6%	10.2%
<b>Mean</b>		<b>\$13,468.6</b>	<b>\$17,200.3</b>	<b>\$5,298.2</b>	<b>\$1,381.8</b>	<b>\$2.48</b>	<b>2.82 x</b>	<b>13.0 x</b>	<b>28.3 x</b>	<b>34.6%</b>	<b>21.4%</b>
<b>Median</b>		<b>5,039.9</b>	<b>7,660.7</b>	<b>3,548.9</b>	<b>685.3</b>	<b>2.01</b>	<b>2.93 x</b>	<b>12.1 x</b>	<b>30.0 x</b>	<b>38.0%</b>	<b>19.3%</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.

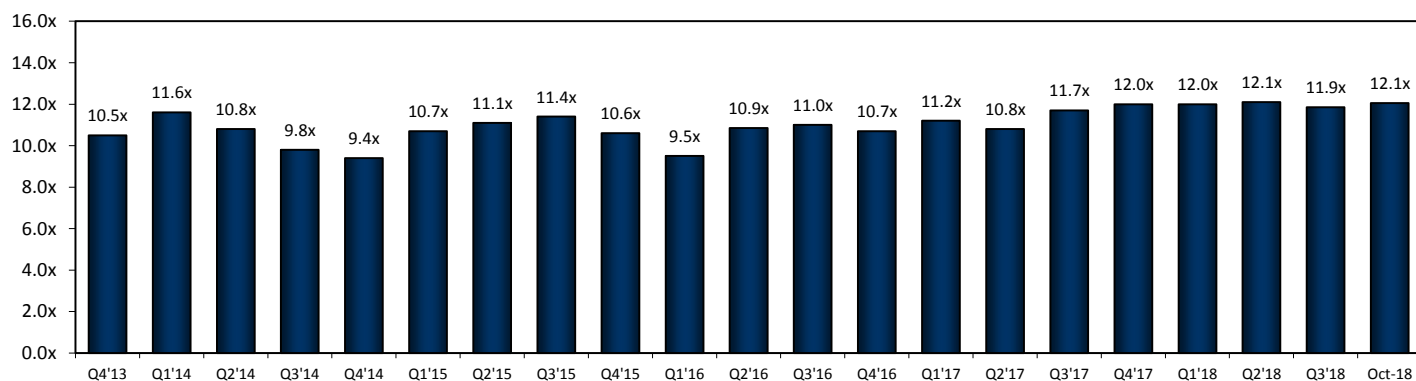
(1) As of close October 31, 2018.

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(3) As of September 30, 2018 except HCCI (September 8, 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
October 31	PCS Morocco	Provides facility management services	GROUPE SAMCIC	ND
October 31	Novae Restauration SA	Provides catering services	Sodexo S.A. (ENXTPA:SW)	ND
October 17	Opteven Assurances, Société Anonyme	Provides accident management services	Ardian ; Ardian Expansion Fund IV S L P; Capzantine	ND
October 17	Rare Hospitality and Services Private Limited	Provides facility management services	Security and Intelligence Services (India) Limited (BSE:540673)	\$9.0
October 8	Vision Security Group Ltd.	Provides security services	Mitie Group plc (LSE:MTO)	
October 3	Assets of WeCare Waste & Recycling, LLC and Valley Sanitation	Provides recycling services	Casella Waste Systems, Inc. (NasdaqGS:CWST)	ND
October 1	ARNDT - Sicherheit und Service GmbH & Co. KG	Provides waste collection services	KÖTTER GmbH & Co. KG Verwaltungsdienstleistungen	ND
October 1	Mitie Pest Control Limited	Provides pest management services	Rentokil Initial plc (LSE:RTO)	\$52.0

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

## Selected News

**ABM Industries Incorporated (NYSE:ABM)** announced the appointment of **LeighAnne G. Baker** to its **Board of Directors**, effective immediately.

**Chemed Corporation (NYSE:CHE)** reported third quarter net income of \$51.2 million for fiscal year 2018 as compared to \$35.4 million for the prior year period. Earnings per share were \$3.06 versus \$2.13 for the prior year period. Revenues for the quarter increased to \$444.2 million from \$417.4 million for the same period in fiscal year 2017.

**Clean Harbors, Inc. (NYSE:CLH)** reported third quarter net income of \$31.1 million for fiscal year 2018 as compared to \$12.1 million for the prior year period. Earnings per share were \$0.55 versus \$0.21 for the prior year period. Revenues for the quarter increased to \$843.2 million from \$755.8 million for the same period in fiscal year 2017.

**Colliers International Group Inc. (TSX:CIGI)** reported third quarter net income of \$16.2 million for fiscal year 2018 as compared to \$6.3 million for the prior year period. Earnings per share were \$0.41 versus \$0.16 for the prior year period. Revenues for the quarter increased to \$715.7 million from \$618.8 million for the same period in fiscal year 2017.

**Compass Group PLC (LSE:CPG)** announced the appointment of **Karen Witts** as **Chief Financial Officer** on a date to be determined.

**Comfort Systems USA, Inc. (NYSE:FIX)** reported third quarter net income of \$38.5 million for fiscal year 2018 as compared to \$22.3 million for the prior year period. Earnings per share were \$1.02 versus \$0.59 for the prior year period. Revenues for the quarter increased to \$594.5 million from \$480.9 million for the same period in fiscal year 2017.

**Comfort Systems USA, Inc. (NYSE:FIX)** announced the appointment of **Pablo G. Mercado** to its **Board of Directors**, effective **November 1, 2018**.

**EMCOR Group, Inc. (NYSE:EME)** reported third quarter net income of \$79.4 million for fiscal year 2018 as compared to \$64.6 million for the prior year period. Earnings per share were \$1.35 versus \$1.09 for the prior year period. Revenues for the quarter increased to \$2,047.0 million from \$1,886.7 million for the same period in fiscal year 2017.

**Healthcare Services Group, Inc. (NasdaqGS:HCSG)** reported third quarter net income of \$26.1 million for fiscal year 2018 as compared to \$23.5 million for the prior year period. Earnings per share were \$0.35 versus \$0.31 for the prior year period. Revenues for the quarter increased to \$506.9 million from \$491.4 million for the same period in fiscal year 2017.

**Heritage-Crystal Clean, Inc (NasdaqGS:HCCI)** reported third quarter net income of \$6.3 million for fiscal year 2018 as compared to \$4.7 million for the prior year period. Earnings per share were \$0.27 versus \$0.20 for the prior year period. Revenues for the quarter increased to \$99.7 million from \$83.3 million for the same period in fiscal year 2017.

**Republic Services, Inc. (NYSE:RSG)** reported third quarter net income of \$263.4 million for fiscal year 2018 as compared to \$223.2 million for the prior year period. Earnings per share were \$0.81 versus \$0.66 for the prior year period. Revenues for the quarter increased to \$2,565.7 million from \$2,562.0 million for the same period in fiscal year 2017.



**Republic Services, Inc. (NYSE:RSG)** announced the appointment of **Katharine Weymouth** to its **Board of Directors**, effective immediately.

**Rollins, Inc. (NYSE:ROL)** reported third quarter net income of \$66.6 million for fiscal year 2018 as compared to \$51.4 million for the prior year period. Earnings per share were \$0.31 versus \$0.24 for the prior year period. Revenues for the quarter increased to \$487.7 million from \$450.4 million for the same period in fiscal year 2017.

**Securitas AB (OM:SECU B)** reported third quarter net income of \$83.5 million for fiscal year 2018 as compared to \$86.5 million for the prior year period. Earnings per share were \$0.23 versus \$0.24 for the prior year period. Revenues for the quarter increased to \$2,851.2 million from \$2,501.1 million for the same period in fiscal year 2017.

**SP Plus Corporation (NasdaqGS:SP)** reported third quarter net income of \$13.5 million for fiscal year 2018 as compared to \$11.2 million for the prior year period. Earnings per share were \$0.60 versus \$0.50 for the prior year period. Revenues for the quarter decreased to \$187.3 million from \$227.6 million for the same period in fiscal year 2017.

**The Brink's Company (NYSE:BCO)** reported third quarter net income of \$17.4 million for fiscal year 2018 as compared to \$19.9 million for the prior year period. Earnings per share were \$0.34 versus \$0.38 for the prior year period. Revenues for the quarter increased to \$852.4 million from \$849.5 million for the same period in fiscal year 2017.

**UniFirst Corporation (NYSE:UNF)** reported net income of \$163.9 million for fiscal year 2018 as compared to \$70.2 million for the prior year. Earnings per share were \$8.21 versus \$3.44 for the prior year. Revenues for the year increased to \$1,696.5 million from \$1,591.0 million for fiscal year 2017.

**Waste Connections, Inc. (NYSE:WCN)** reported third quarter net income of \$150.8 million for fiscal year 2018 as compared to \$123.2 million for the prior year period. Earnings per share were \$0.57 versus \$0.47 for the prior year period. Revenues for the quarter increased to \$1,281.1 million from \$1,206.5 million for the same period in fiscal year 2017.

**Waste Management, Inc. (NYSE:WM)** reported third quarter net income of \$499.0 million for fiscal year 2018 as compared to \$386.0 million for the prior year period. Earnings per share were \$1.16 versus \$0.87 for the prior year period. Revenues for the quarter increased to \$3,822.0 million from \$3,716.0 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.

## 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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