



PCE Industry Report

Business Services



Middle Market M&A Summary

Business Services

4th Quarter 2015

Key Highlights

- The average value of the top ten transactions was \$90 million.
 - The largest transaction was the acquisition of Fulfillment Technologies, LLC. by Singapore Post Enterprise Private Limited. for \$168 million.
 - The small transaction was the acquisition of Whitehouse Laboratories, Inc. by Albany Molecular Research, Inc. for \$56 million.
- The public company industry median TEV/EBIT multiple is 13.9x.
- The public company industry median TEV/EBITDA multiple is 9.1x.

Key Trends

- The Agricultural Services and Sanitary & General Management Services subsector's transaction volumes are trending positively. The Office Furnishings, Equipment, & Products and Professional Services & Consulting subsectors are trending negatively.
- The Professional Service & Consulting subsector's transaction volume was the largest at 75% of the industry over the past quarter.
- Over the next five years, industry performance is expected to grow at an annualized 3.6% through the continued growth area of Information Technology and new business opportunities within the healthcare sector.¹
- The projected 2.3% annualized increase in corporate profits across the economy through 2020 will increase the demand for and spending on professional services.¹

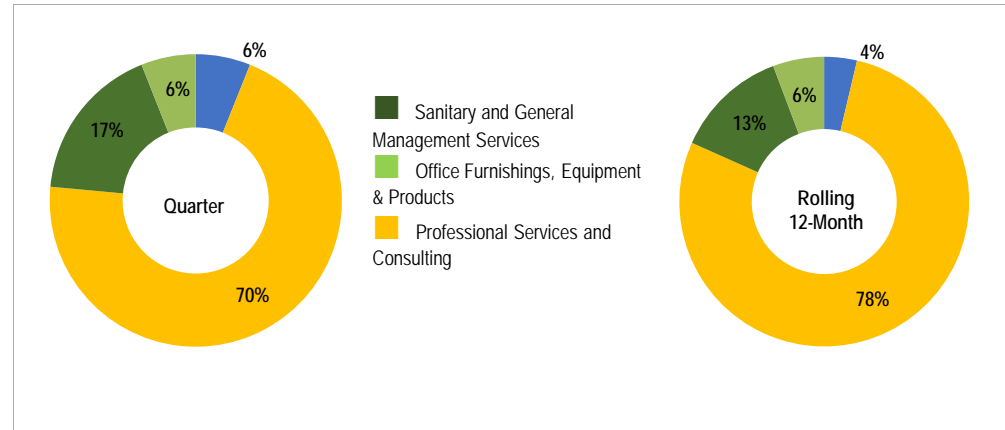
Sources: ¹ *Management Consulting in the US.* (Nov 2015), IBIS World

Industry Trends During Quarter

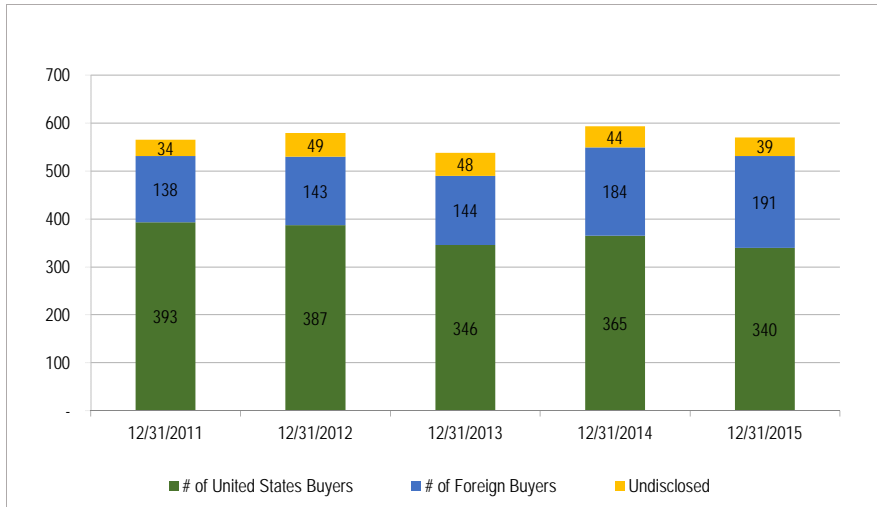
Sector	Transaction Volume	TEV/ Revenue	TEV/EBITDA
Agricultural Services	↑	Market data not available	Market data not available
Professional Services and Consulting	↓	↑	↑
Sanitary and General Management Services	↑	↑	↑
Office Furnishings, Equipment & Products	↓	↓	↓

* Based on transactions with reported financial data only; historically ~ 30% to 40% of transactions report financial data

Transaction Volume as % of Industry



Rolling 12-Month Transaction Volume Trends by Buyer Origin



Largest Transactions Closed During Quarter by Transaction Value (\$ in millions)

Sector	Target	Buyer	Transaction Value
Sanitary and GM services	Fulfillment Technologies, LLC	Singapore Post Enterprise Private Limited	\$168.6
Professional Services	The Bartech Group, Inc.	Impellam Group PLC	\$126.0
Professional Services	SIMOS Insourcing Solutions, Inc.	TrueBlue, Inc.	\$67.5
Professional Services	ATC Group Services, Inc.	Bernhard Capital Partners Management	\$63.4
Sanitary and GM services	Allstate Power Vac, Inc.	Not Available	\$58.8
Professional Services	Whitehouse Laboratories, Inc.	Albany Molecular Research Inc.	\$56.0

Source: S&P Capital IQ as of 1/20/2016 and PCE Proprietary Data

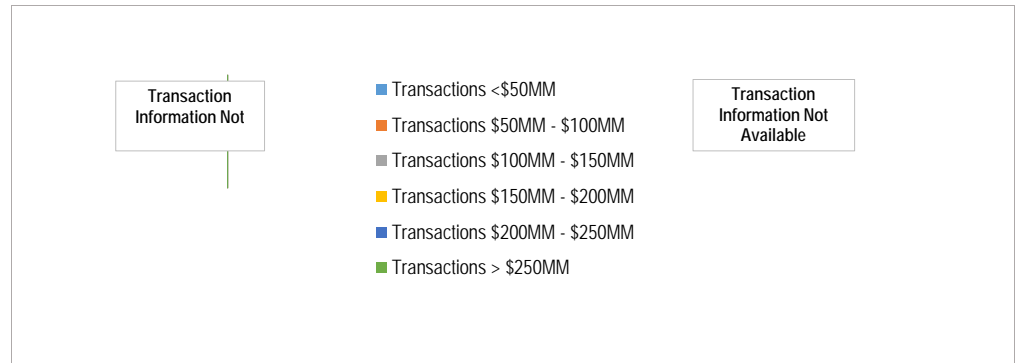


Summary of Sector Transactions During Quarter (\$ in millions)

Transaction Volume	8
Number of Transactions with Disclosed Values	0
Transaction Value*	Not Available
Average Transaction Value*	Not Available
Median Transaction Value*	Not Available

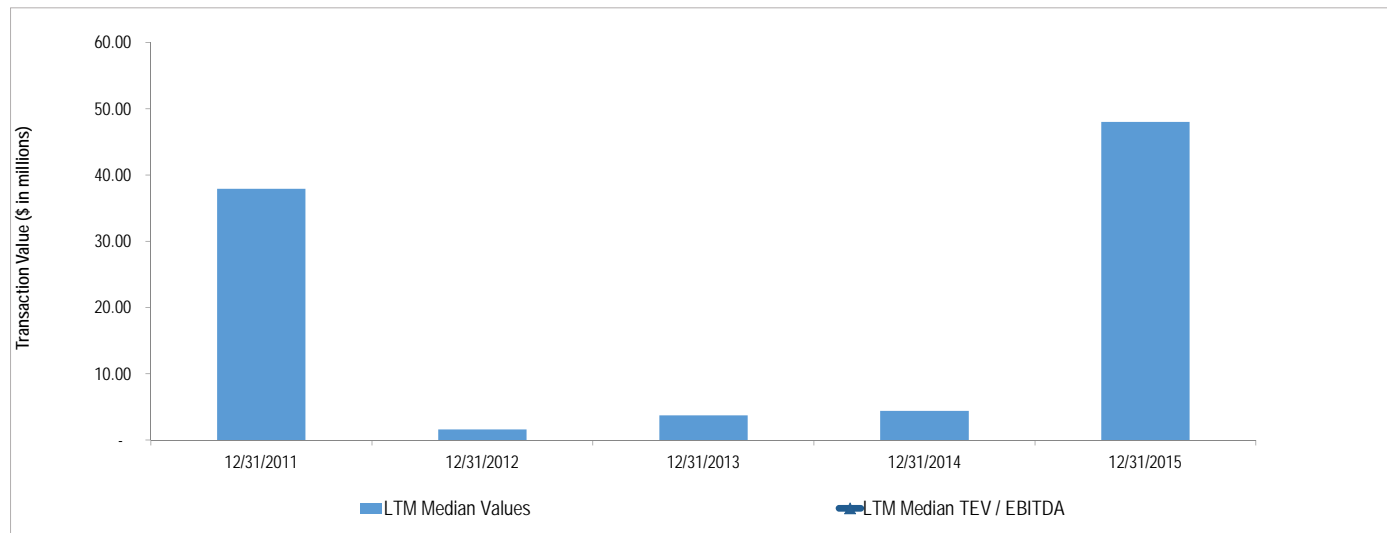
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Transaction by Value & Volume



Private Sector Value Trends

Rolling 12-Month Value Trends

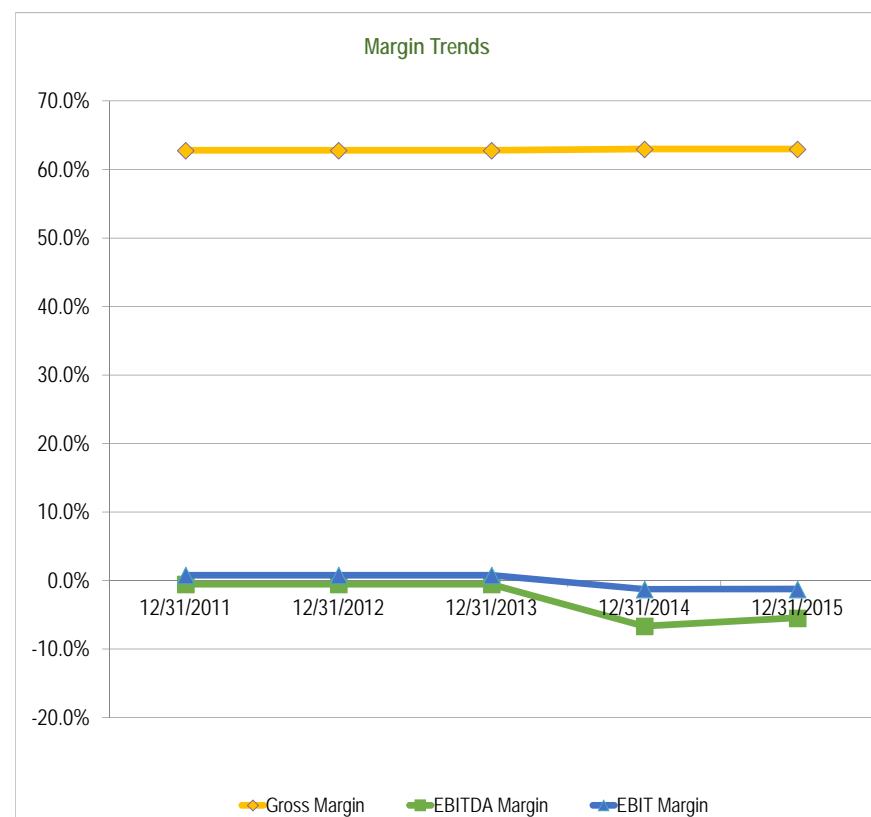
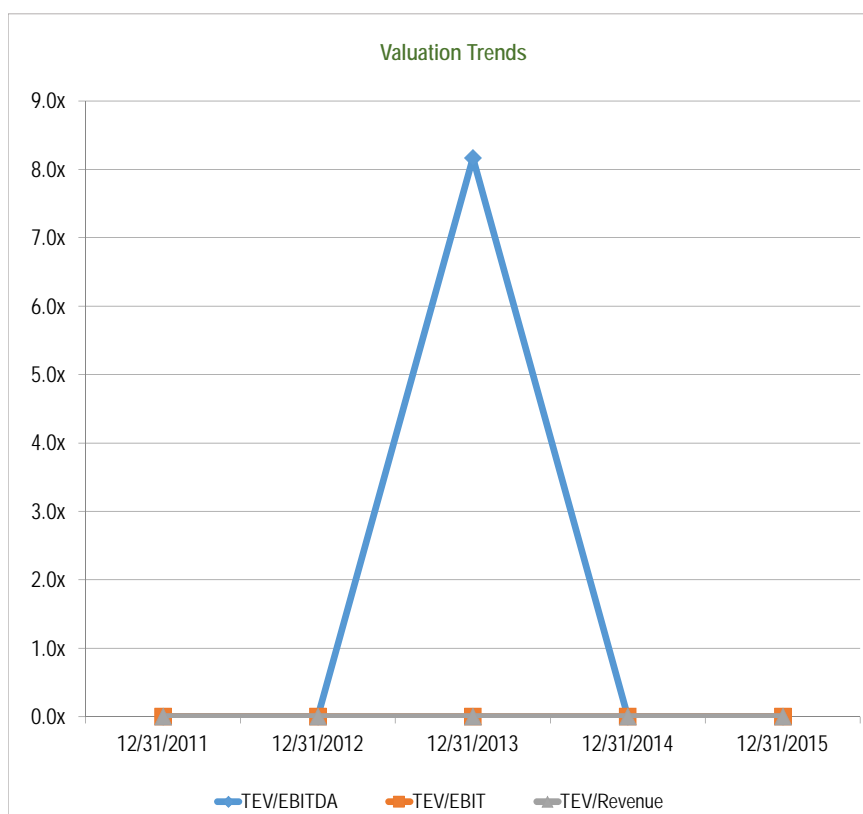


* Values and multiples may be skewed given data includes reported information only. While ~ 30% - 40% of transactions disclose values, only ~ 3% - 5% disclose EBITDA multiples. As a result, data may be a poor indicator of overall market performance.

Summary of Public Comparables as of Quarter End (\$ in millions)

	Total Enterprise Value				Last Twelve Months 12/31/2015 Trends	
	Market Cap	Revenue	EBITDA	EBIT		
Average	\$8	N/A	N/A	N/A	TEV/Revenue	Not available
		N/A	N/A	N/A	TEV/EBITDA	Not available
Median	\$8				TEV/EBIT	Not available

	Margins			Last Twelve Months 12/31/2015 Trends	
	Gross Profit	EBITDA	EBIT		
Average	48.1%	-22.8%	-25.0%	Gross Margin	↓
Median	63.0%	-5.5%	-1.3%	EBITDA Margin	↑
				EBIT Margin	↑



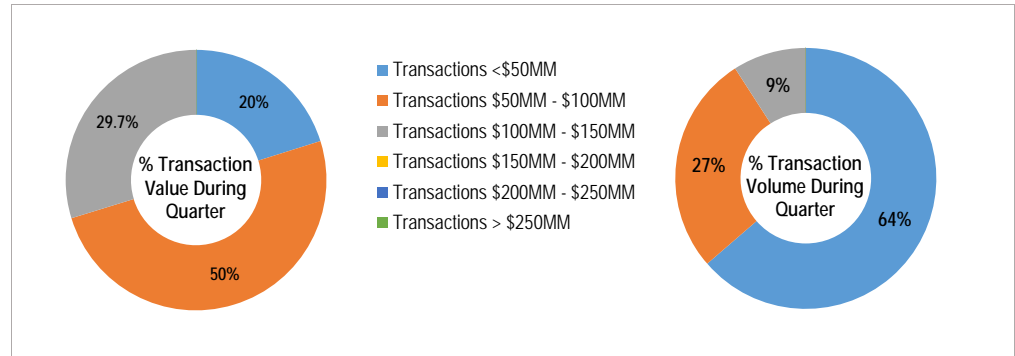
Source: S&P Capital IQ as of 1/20/2016 and PCE Proprietary Data

Summary of Sector Transactions During Quarter (\$ in millions)

Transaction Volume	93
Number of Transactions with Disclosed Values	11
Transaction Value*	\$424.19
Average Transaction Value*	\$42.80
Median Transaction Value*	\$23.70

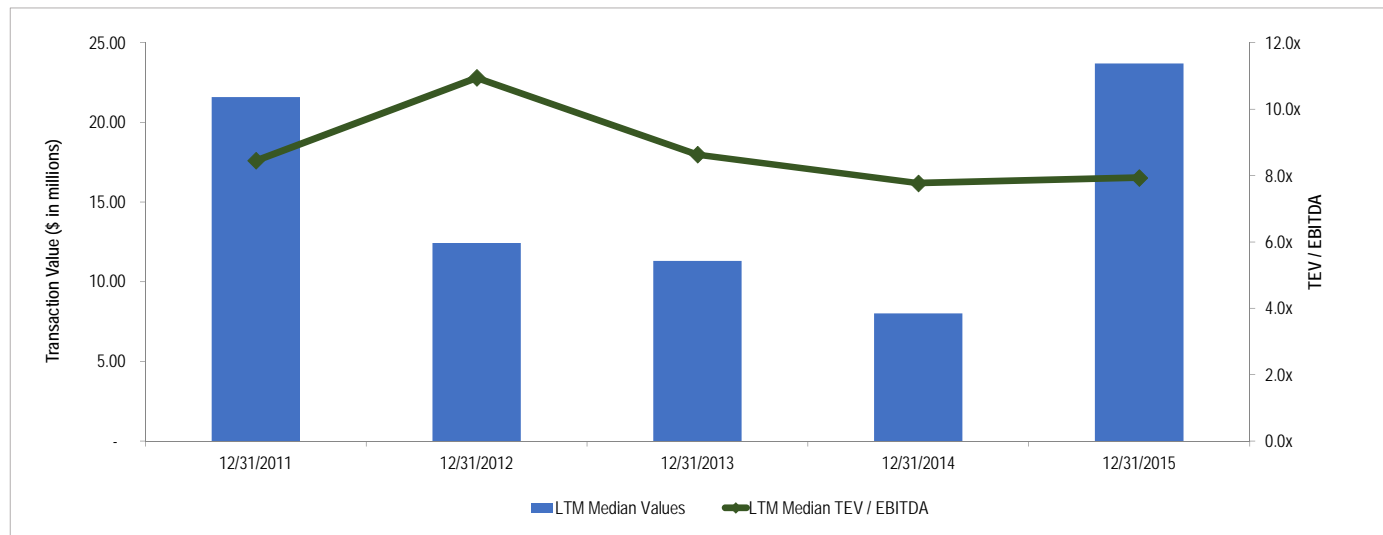
**Based on transactions with reported financial data only; historically ~ 30% to 40% of transactions report financial data.*

Transaction by Value & Volume



Private Sector Value and EBITDA Multiple Trends

Rolling 12-Month Value & Multiple Trends



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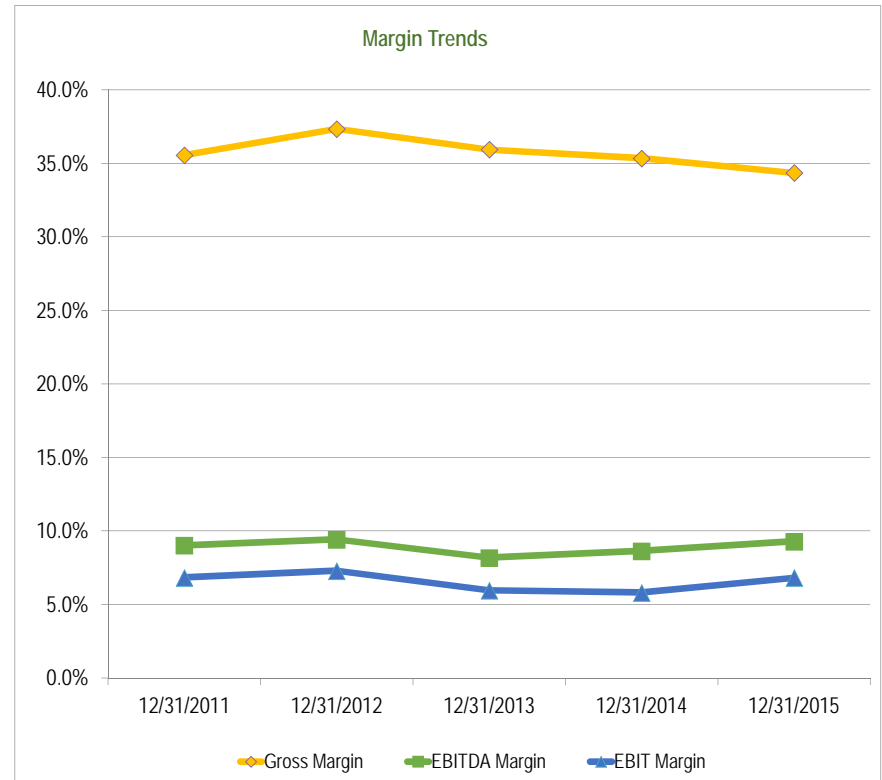
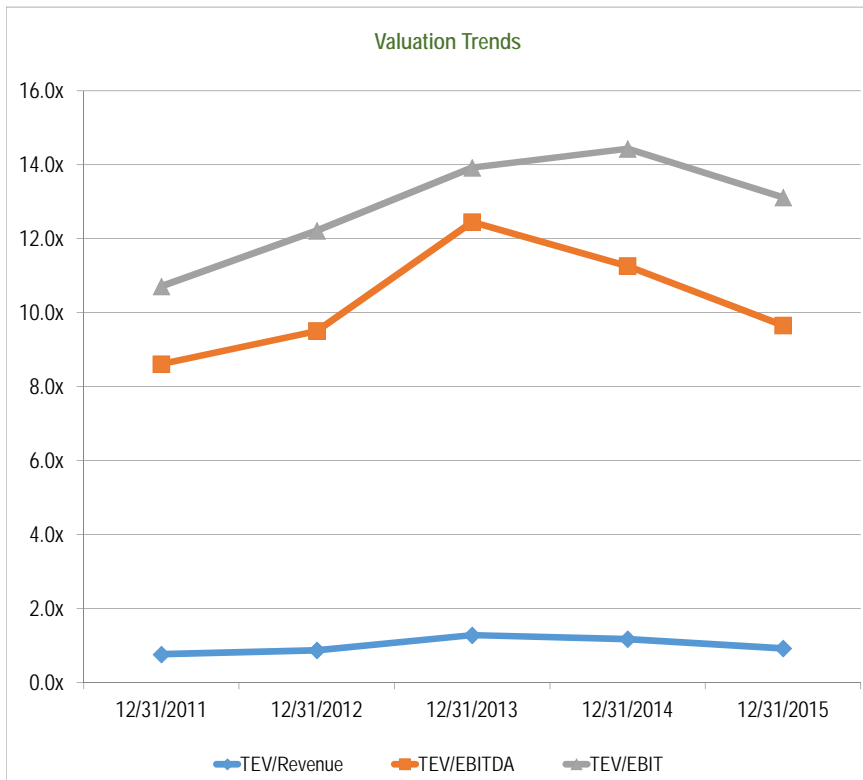
Professional Services and Consulting

4th Quarter 2015

Summary of Public Comparables as of Quarter End (\$ in millions)

	Total Enterprise Value				Last Twelve Months 12/31/2015 Trends	
	Market Cap	Revenue	EBITDA	EBIT		
Average	\$1,871	2.7x	13.3x	19.9x	TEV/Revenue	↑
Median	\$518	0.9x	9.7x	13.1x	TEV/EBITDA	↑
					TEV/EBIT	↑

	Margins			Last Twelve Months 12/31/2015 Trends	
	Gross Profit	EBITDA	EBIT		
Average	37.9%	6.2%	-1.0%	Gross Margin	↑
Median	34.3%	9.3%	6.8%	EBITDA Margin	↓
				EBIT Margin	↓



Source: S&P Capital IQ as of 1/20/2016 and PCE Proprietary Data

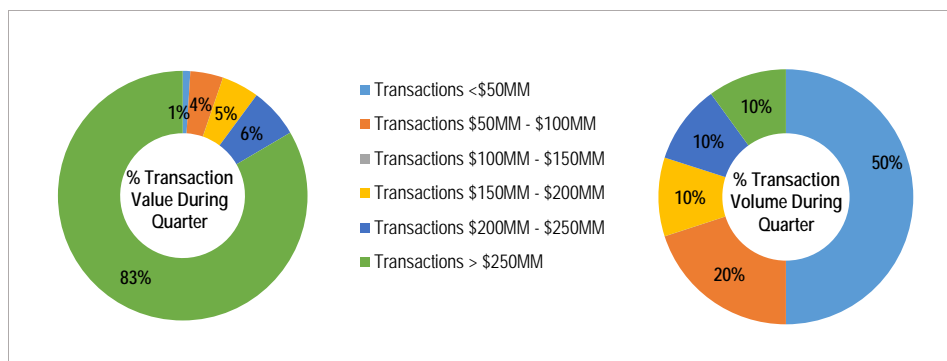


Summary of Sector Transactions During Quarter (\$ in millions)

Transaction Volume	23
Number of Transactions with Disclosed Values	10
Transaction Value*	\$3,475.82
Average Transaction Value*	\$347.58
Median Transaction Value*	\$38.62

**Based on transactions with reported financial data only; historically - 30% to 40% of transactions report financial data.*

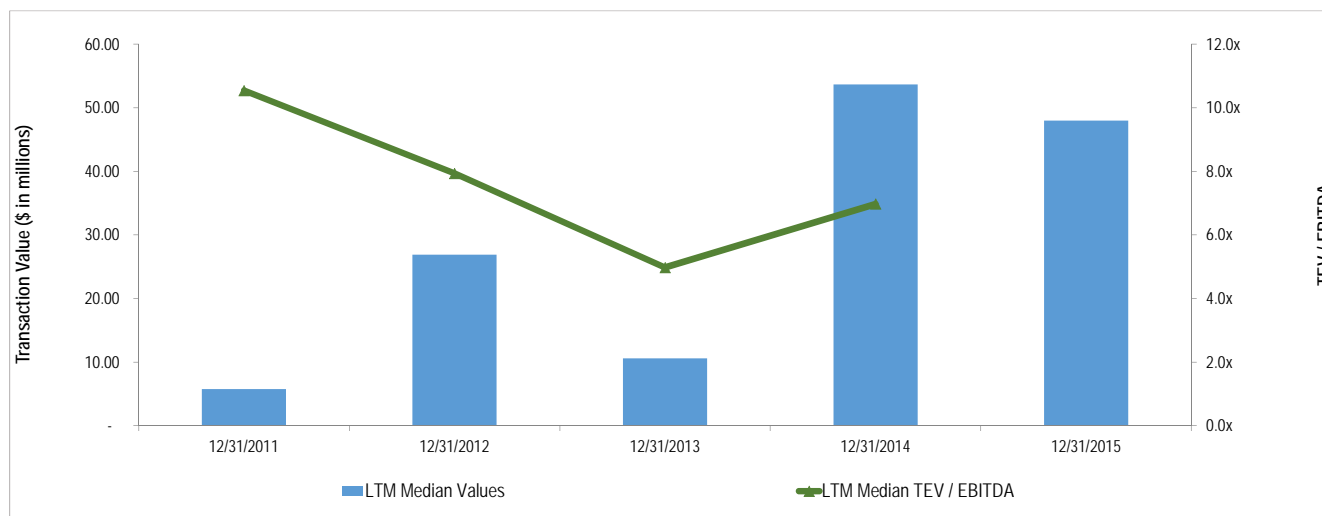
Transaction by Value & Volume



Based on transactions with disclosed financial data only

Private Sector Value and EBITDA Multiple Trends

Rolling 12-Month Value & Multiple Trends



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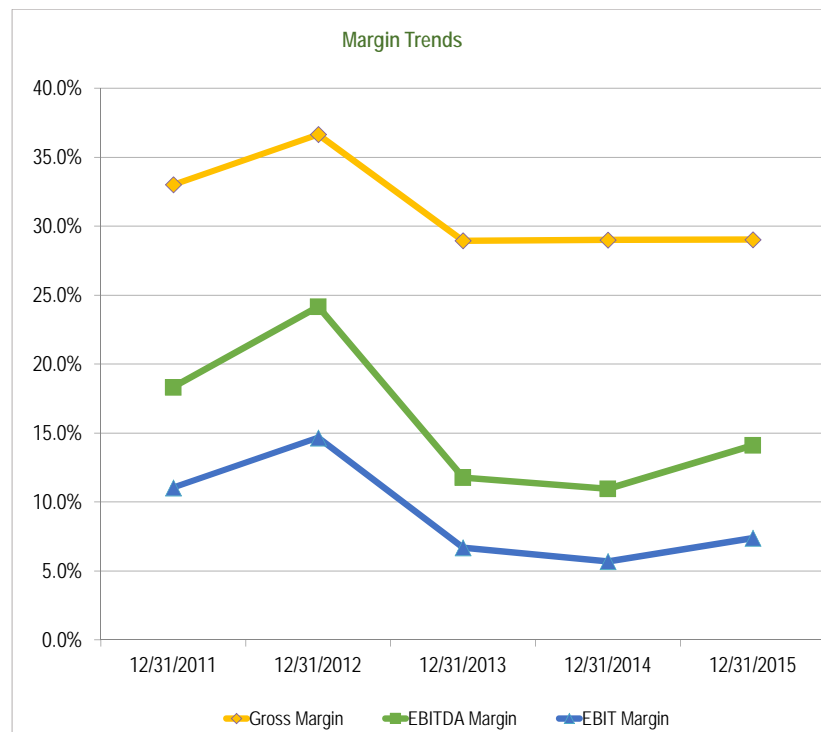
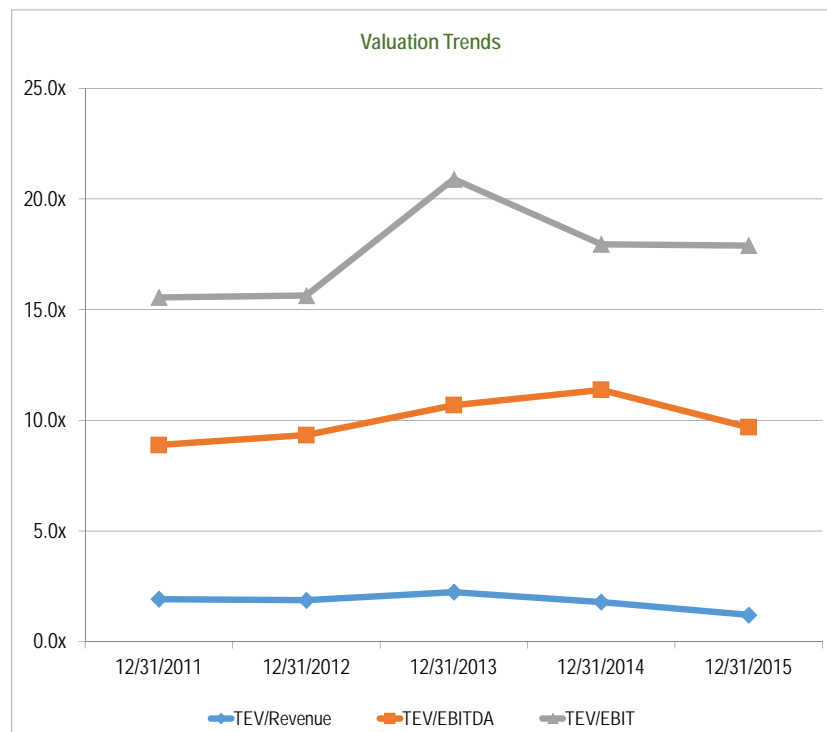
Sanitary and General Management Services

4th Quarter 2015

Summary of Public Comparables as of Quarter End (\$ in millions)

	Total Enterprise Value				Last Twelve Months 12/31/2015 Trends	
	Market Cap	Revenue	EBITDA	EBIT		
Average	\$3,877	1.6x	10.7x	19.1x	TEV/Revenue	↓
Median	\$213	1.2x	9.7x	17.9x	TEV/EBITDA	↓
					TEV/EBIT	↓

	Margins			Last Twelve Months 12/31/2015 Trends	
	Gross Profit	EBITDA	EBIT		
Average	25.7%	13.8%	7.1%	Gross Margin	↑
Median	29.0%	14.1%	7.4%	EBITDA Margin	↑
				EBIT Margin	↑



Source: S&P Capital IQ as of 1/20/2016 and PCE Proprietary Data



Office Furnishings, Equipment & Products

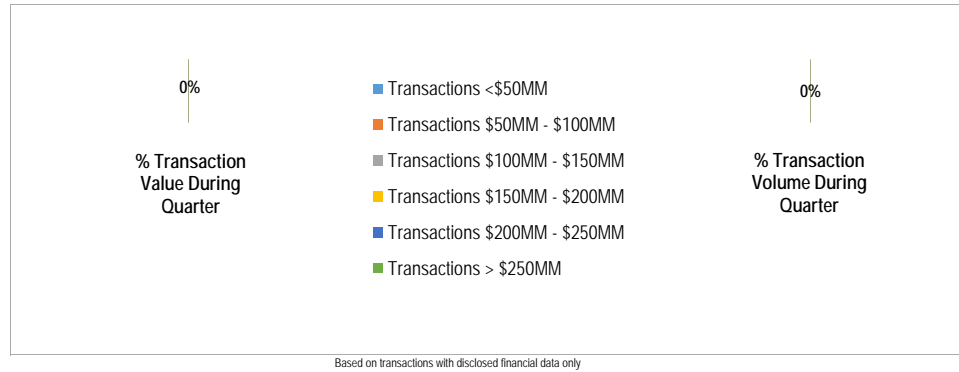
4th Quarter 2015

Summary of Sector Transactions During Quarter (\$ in millions)

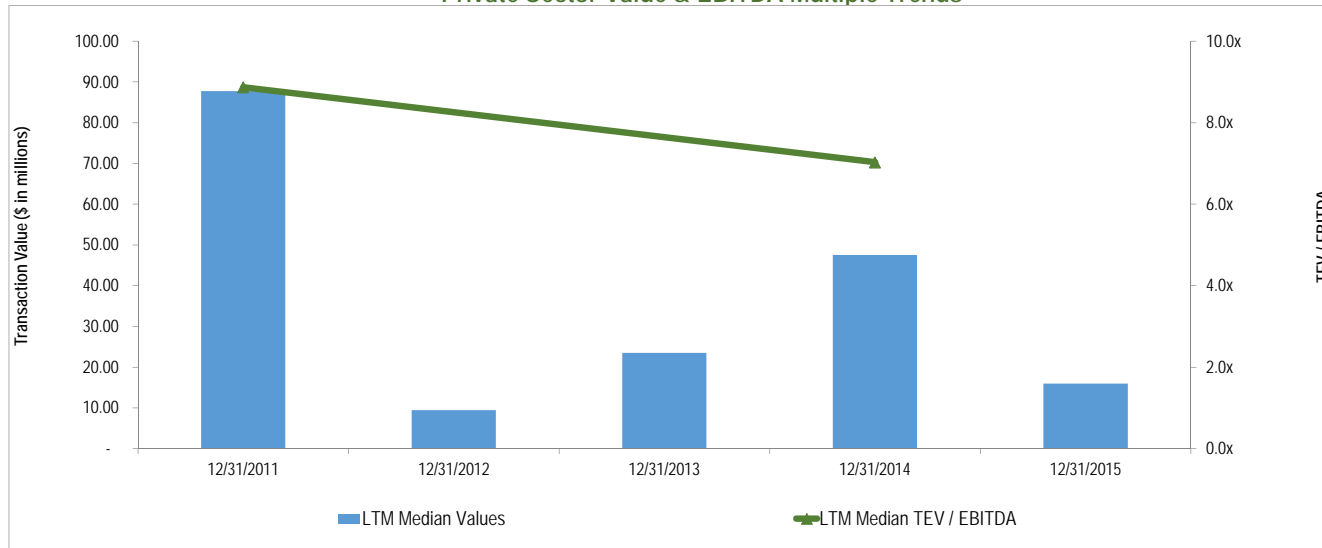
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Transactions by Value & Volume



Private Sector Value & EBITDA Multiple Trends



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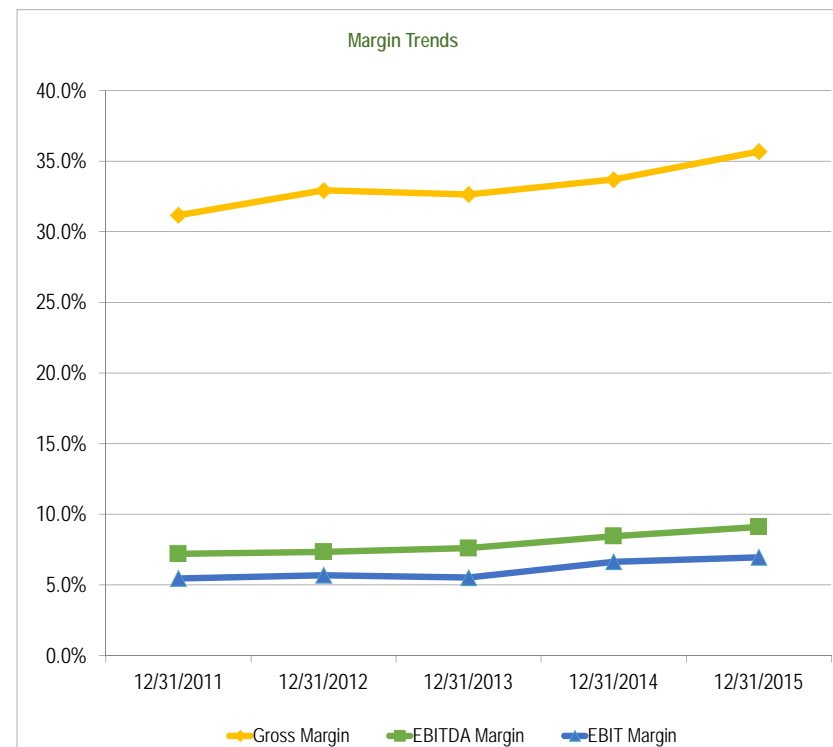
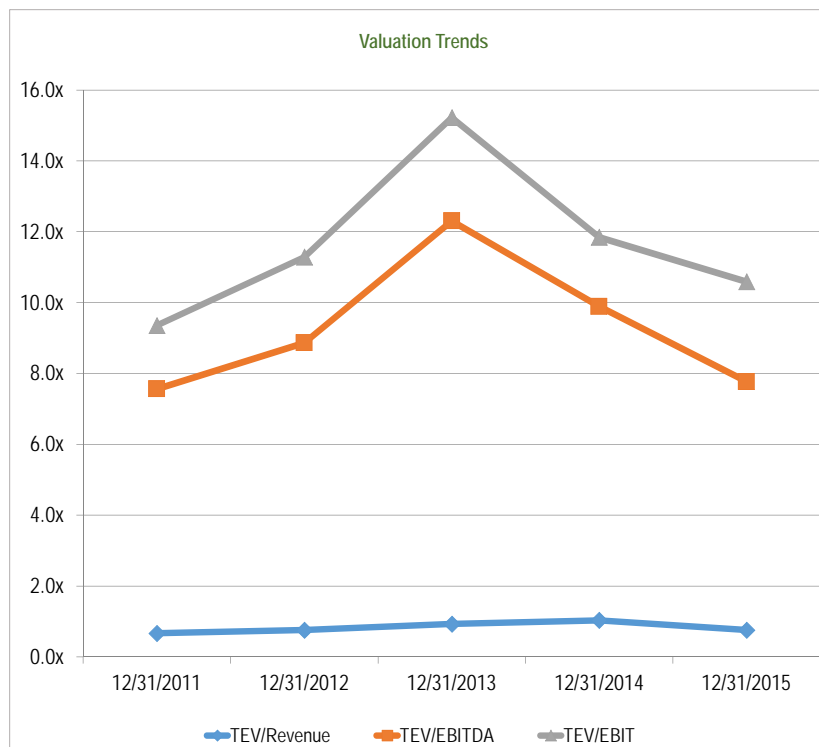
Office Furnishings, Equipment & Products

4th Quarter 2015

Summary of Public Comparables as of Quarter End (\$ in millions)

	Total Enterprise Value				Last Twelve Months	
	Market Cap	Revenue	EBITDA	EBIT	12/31/2015 Trends	
Average	\$786	0.8x	7.6x	10.1x	TEV/Revenue	↓
Median	\$753	0.8x	7.8x	10.6x	TEV/EBITDA	↓
					TEV/EBIT	↓

	Margins			Last Twelve Months	
	Gross Profit	EBITDA	EBIT	12/31/2015 Trends	
Average	34.6%	9.9%	7.4%	Gross Margin	↑
Median	35.7%	9.1%	7.0%	EBITDA Margin	↑
				EBIT Margin	↑



Source: S&P Capital IQ as of 1/20/2016 and PCE Proprietary Data

About PCE

When you're navigating the critical and sometimes challenging phases of the business life cycle, nothing is more important than getting the right advice at the right time. At PCE, that's our specialty. Providing clients with the insightful strategies, creative solutions, and expert guidance they need to address the challenges they face today and achieve the goals they set for tomorrow.

PCE, a leading financial services firm for mid-market companies, offers a full range of services:

- M&A (mergers & acquisitions)
- Growth Capital – Equity & Debt
- Business Valuation
- ESOP (Employee Stock Ownership Plans)
- Financial & Management Consulting
- MBO (management buy outs)
- Bankruptcy
- Restructuring
- Fairness and Solvency Opinion
- Management Consulting
- Succession Planning
- Strategic Analysis
- Litigation Support

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- Banking, Finance & Insurance
- Building Products & Construction
- Business Services
- Consumer & Food
- Diversified Industrials
- Healthcare
- IT & Telecom
- Power & Energy
- Transportation & Logistics

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Data Assumptions

This report represents transaction activity as mergers & acquisitions, consolidations, restructurings and spin-offs. Targets are defined as U.S. Based companies with either foreign or U.S. based buyers. Transaction information provided is based on closed/disclosed dates only.

Glossary

EBIT - Earnings Before Interest and Taxes
EBITDA - Earnings Before Interest, Taxes, Depreciation, Amortization
LTM - Last Twelve Months
TEV - Total Enterprise Value