SPENDING TO GROW

CONSUMER CONFIDENCE DIPS ON UNCERTAINTY

Consumer confidence dipped in July following a strong second quarter. The Brexit vote elevated concerns about global economic prospects, while uncertainty surrounding the upcoming election and the strength of the U.S. economy is weighing on consumer confidence. Economists are forecasting positive albeit lower growth in real consumer spending at 2.6 percent through mid-2017, citing strength in personal finances and low interest rates as key drivers.

Consumer Confidence

Unemployment

Housing Starts (SAAR in 000s)

Existing Home Sales (SAAR in 000s)

Mortgage Rate (30-year)

*Existing home sales data as of June 2016.
MARKET UPDATE

By the numbers, today’s thriving pet industry is continuing its upward trajectory, fueled by the ongoing humanization/premiumization movement.

Pet parents are indulging their companion animals by spending on premium products and services, behaviors that show no signs of abating. Coupled with favorable demographics, industry analysts predict the apparent “perfect storm of positive trends” portends a bullish outlook for the industry.

In 2015, the market for Pet Products and Services grew 4.5 percent to $77 billion in the U.S. and is poised to reach nearly $100 billion by 2020.

<table>
<thead>
<tr>
<th>Product</th>
<th>2015 Revenue</th>
<th>Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pet Food</td>
<td>$30.2</td>
<td>+2.7%</td>
</tr>
<tr>
<td>Veterinary Services</td>
<td>$23.8</td>
<td>+6.0%</td>
</tr>
<tr>
<td>Pet Supplies</td>
<td>$15.2</td>
<td>+4.7%</td>
</tr>
<tr>
<td>Nonmedical Pet Services</td>
<td>$7.9</td>
<td>+6.2%</td>
</tr>
</tbody>
</table>


CASHING IN ON MILLENNIALS

Pet companies are striving to increase share of wallet with Millennials, a group that has swelled by 25 percent between 2007 and 2015 to 43 million pet owners in the U.S., or roughly 31 percent of the nation’s pet-owning population. Gen Y’ers are projected to expand by another 2.6 million pet owners between 2015 and 2020. Millennials reportedly spent almost $11 billion on their pets in 2014.

“Much as computers have always been there for them, Millennials know only a world where treating pets like fully entitled family members is normal, if not expected... and expensive,” said David Lummis, lead pet market analyst at Packaged Facts.

“Millennials have become a strong consumer force in the pet market due to their sheer population numbers and the impressive buying power they bring to the table. They are more likely than other pet owners to both expect to spend and to actually spend more on high-priced pet products and pet care services,” observed Dave Sprinkle, research director at Packaged Facts.

“Perhaps most important for the foreseeable future is the seemingly perennial ability of the human-animal bond to drive pet owners to splurge on products and services running the gamut from life-or-death to ludicrously pampering.”

David Lummis, Packaged Facts

Sources: Pet Product News, Pet Food Industry, public data.
MARKET UPDATE

CHEW ON THIS

Human-grade, natural, free-from, raw, freeze-dried, and superfoods are some of the buzz words of a pet food market that is tapping into the human-animal bond as animal health and well-being take center stage.

The premium pet food category (which includes freeze-dried, raw, and fresh) expanded at twice the growth rate of the overall pet food market in the past 10 years, Evelia Davis told attendees at Petfood Forum 2016. Davis is Vice President of Dog and Cat Consumables at PetSmart. In 2015, the freeze-dried market grew 62.7 percent. Raw frozen pet foods grew 36 percent.

Natural is gaining shelf space in the pet food aisle, accounting for 80 percent of new product introductions in 2015 and $5.5 billion in U.S. sales, reports GfK. According to Packaged Facts, natural foods accounted for 28 percent of all U.S. pet food sold (all channels), up 11 percent in 2015.

The $2.0 billion-plus and growing grain-free segment now accounts for about one-third of dog and cat food sales in the pet specialty channel.

Free-from claims are proliferating from the “better-for-you” movement and dominating pet food sales, with non-GMO and grain-free/gluten-free the most important claims to dog owners and no fillers/by-products a must for cat owners, according to a Packaged Facts November/December 2015 National Pet Owner Survey.

Novel proteins, deemed healthier than conventional proteins, are seeing substantial increases in sales, with kangaroo (144 percent increase) and boar (55 percent increase) among the proteins with sizable gains in pet food meals in 2015.

INVESTORS’ ANIMAL ATTRACTION

Private equity is staking a bigger claim in the pet industry, with platform activity accelerating across the value chain: in Retail, the merger of Pet Supermarket and Pet Valu (Roark Capital) and PETCO (CVC Capital Partners and CPPiB); Hyper Pet (Guardian Capital) in Pet Supplies, and BrightPet Nutrition Group (Graham Partners) in Pet Food.

Bentley’s Pet Stuff, with financial backing from entrepreneur investor Marcus Lemonis, is making a push in specialty retail with a growing footprint that now covers four states (IL, WI, MN, CO).

Add-on acquisition activity is on the rise as sponsors pursue strategies for acquisitive growth: Berwind Corporation’s WellPet acquired Sojos; PetMate, a portfolio company of Wind Point Partners, added-on with Precision Pet Products; The Piddle Place and Southern Pet Containment joined PetSafe (Radio Systems Corporation), backed by TSG Consumer Partners, and Pet Supplies Plus acquired Pet Extreme. Pet Supplies Plus is a portfolio company of Irving Place Capital.

CASE STUDY

This January, Guardian Capital Partners launched its first growth platform in the pet industry with the acquisition of Rose America Corp. (d/b/a Hyper Pet). PNC Bank provided the senior loan facility, and Centerfield Capital Partners provided subordinated debt and equity for the transaction. Wichita, Kansas-based Hyper Pet has a 30-year history in the industry. The company’s innovative dog toys have won multiple industry awards for product development and design. In addition to interactive dog toys, the company manufactures pet collars and leashes under the Hyper Pet and PetWear brands, and private label.

Guardian Capital Partners said it has been proactively seeking investment opportunities in the pet products sector, citing the industry’s size and growth characteristics in its investment thesis.

Chad Clark, Vice President of Guardian, said, “The ever-growing pet industry is in need of novel, innovative products that allow pet owners to interact in a meaningful way with their pets, and Hyper Pet is well positioned to capitalize on this opportunity by expanding its product development pipeline, product breadth, and channel partners.”

In addition to capital resources, Guardian expects to leverage its operating partner network and other professional, customer, and sourcing relationships to accelerate growth.

“Hyper Pet is a category leading innovator in the pet products space; we look forward to partnering with the entire Hyper Pet executive management team and bringing the necessary resources, guidance, and governance to further develop and accelerate the company’s growth strategy.”

Peter Haabestad
Guardian Capital Partners
### Date | Target | Buyer | Deal Stats | Rationale
--- | --- | --- | --- | ---
**Jul-16** | Pet Valu | [ROARK Capital Group](#) | [Colin Ingredients](#) | Merger creates third largest pet specialty retailer and largest small format pet specialty retailer in North America with over 930 stores in the U.S. and Canada.
**Jul-16** | [Circle Food](#) | [Colin Ingredients](#) | [Wind Point Partners](#) | Addition of human grade pet food ingredients to its offering.
**Jul-16** | Precision Pet | [Petmate](#) | [Wind Point Partners](#) | Acquisition broadens product range with addition of wire crates, wooden chicken coops, and puppy pads to serve as a one-stop shop for customers.
**Jul-16** | [Continental Pet](#) | [Crane Group](#) | [Colin Ingredients](#) | Acquisition of French pet food manufacturer creates largest private label pet food producer in Europe. With the acquisition, CBD now has nine factories in seven countries.
**Jun-16** | Per Paradise | [Crane Group](#) | [Colin Ingredients](#) | Acquisition marks foray into pet industry with upscale boarding and grooming company.
**Jun-16** | Allflex | [PSP](#) | [PSP](#) | Enterprise Value (EV): $651M
PSP Investments joins BC Partners as minority investor in Allflex citing increasing demand for animal intelligence products and solutions worldwide.
**Jun-16** | Kane | [Lifeline Container](#) | [Riner Container](#) | Acquisition is move toward product line diversification, leveraging complementary manufacturing processes and customer relationships in the agricultural and pet care markets. Kane has broadened product line to include heat mats for pets and reptiles, animal feeders and watering equipment, and animal sorting products.
**May-16** | [Viva Pets](#) | [Azalea Capital](#) | [PSP](#) | Equity investment in maker of premium dog treats and chews, capitalizing on growth in the natural pet food space. Sponsor is partnering with industry executive Michelle Higdon, whose experience includes positions as CEO of Solid Gold Pet and President of Waggin’ Train.
**May-16** | [Piddle Place](#) | [PetSafe](#) | [TSG Consumer Partners](#) | Acquisition expands pet waste management portfolio with branded indoor pet toilet product.
**May-16** | [4Knines](#) | [Hall Capital Partners](#) | | Acquisition in premium auto/truck liners and seat covers plays into on-the-go consumers who travel with their pet companions. The company is developing plans to expand into specialty pet stores and popular online e-tailers.
**May-16** | [Nature’s Variety](#) | [Agrolimen](#) | | Partnership expected to accelerate growth in the raw pet food category.
**May-16** | It’s a Pet’s Life, Inc. | [4Knines](#) | | Acquisition establishes entry to the Minneapolis market with two locations. At the time of the acquisition, company stated plans to open an additional 8 to 10 Bentley’s Pet Stuff locations in the greater Minneapolis area over the next 12 months.
**Apr-16** | Natural Pet Marketplace, Inc. | [4Knines](#) | | With acquisition, gains entry into the Denver market with three stores. The company has identified Colorado as a top three state for expansion with plans for eight more stores in the Denver area by the end of 2016.
**Apr-16** | Arcaplanet | [Motion Capital Partners](#) | [Permira](#) | Enterprise Value (EV): $394M
EV/Revenue: 2.6x
EV/EBITDA: 10.5x (2016E)
Acquisition establishes new platform investment in pet specialty retail.
**Apr-16** | Dogaholics | | | Acquisition furthers Illinois expansion strategy with retail location in Chicago Lakeview area.

Sources: S&P Capital IQ, PitchBook, Equity Research, public data.
<table>
<thead>
<tr>
<th>DATE</th>
<th>TARGET</th>
<th>BUYER</th>
<th>DEAL STATS</th>
<th>RATIONALE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Apr-16</td>
<td>Zoey’s Eatz &amp; Treatz, Inc.</td>
<td></td>
<td></td>
<td>Acquisition furthers Illinois expansion strategy with the addition of 8-year-old business located in Willowbrook.</td>
</tr>
<tr>
<td>Apr-16</td>
<td>The Natural Pet, LLC</td>
<td></td>
<td></td>
<td>Acquisition expands Wisconsin footprint with additional Milwaukee location. Company stated plans for 12 new locations in the Milwaukee area.</td>
</tr>
<tr>
<td>Apr-16</td>
<td>Zingy</td>
<td>Rover</td>
<td>Enterprise Value (EV): $119M (E)</td>
<td>Acquisition of California-based Zingy expands penetration of on-demand, dog walking marketplace.</td>
</tr>
<tr>
<td>Mar-16</td>
<td>Whole</td>
<td>MARS</td>
<td>Enterprise Value (EV): $72M</td>
<td>Mars will leverage pet care technology (called the “Fitbit for dogs”) to analyze pet behavior and health data in new product development.</td>
</tr>
<tr>
<td>Mar-16</td>
<td>mpm</td>
<td>eci</td>
<td>Enterprise Value (EV): $200M EV/Revenue: 4.0x</td>
<td>Acquisition establishes platform in natural pet food space to capitalize on growth in premium segment, fueled by consumer demand for “better for you” and human-grade ingredients.</td>
</tr>
<tr>
<td>Mar-16</td>
<td>Taste</td>
<td></td>
<td></td>
<td>Acquisition expands pet products offering with established line of nylon edible and rubber chew and play toys.</td>
</tr>
<tr>
<td>Mar-16</td>
<td>Precise brands and ANF brands (Texas Farm Products)</td>
<td>Kodo</td>
<td>Kodo plans to leverage its global distribution network to grow sales of Precise brands and ANF brands worldwide. Kodo owned and represented brands outside of Canada and the United States since 2007.</td>
<td></td>
</tr>
<tr>
<td>Feb-16</td>
<td>Day Six Pet Nutrition, LLC</td>
<td></td>
<td></td>
<td>Acquisition increases share in the super premium pet food manufacturing market.</td>
</tr>
<tr>
<td>Feb-16</td>
<td></td>
<td>RAI</td>
<td>New platform investment that River Associates will build through organic and acquisitive growth opportunities.</td>
<td></td>
</tr>
<tr>
<td>Feb-16</td>
<td></td>
<td></td>
<td></td>
<td>Acquisition establishes first retail location in Milwaukee, Wisconsin.</td>
</tr>
<tr>
<td>Feb-16</td>
<td>Greencross Limited</td>
<td>TPG</td>
<td>Enterprise Value (EV): $669M EV/Revenue: 1.4x EV/EBITDA: 11.2x</td>
<td>Platform acquisition in veterinary and pet care to capitalize on a growing and aging pet population.</td>
</tr>
<tr>
<td>Feb-16</td>
<td>Pointer</td>
<td>Fold Hill</td>
<td></td>
<td>Acquisition expands pet food offering with growing brand in baked biscuit snacks and treats.</td>
</tr>
<tr>
<td>Feb-16</td>
<td></td>
<td>wellnext</td>
<td></td>
<td>Acquisition expands curated nutritional supplement portfolio within the direct-to-consumer market.</td>
</tr>
<tr>
<td>Feb-16</td>
<td>Cats and Dogs</td>
<td>Ivanko OOO</td>
<td></td>
<td>Acquisition expands specialty retail footprint.</td>
</tr>
</tbody>
</table>

Sources: S&P Capital IQ, PitchBook, Equity Research, public data.
## M&A Transactions

<table>
<thead>
<tr>
<th>DATE</th>
<th>TARGET</th>
<th>BUYER</th>
<th>DEAL STATS</th>
<th>RATIONALE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Feb-16</td>
<td>Franchise Bancorp Inc. (35% stake)</td>
<td>WTF Holdings</td>
<td>Enterprise Value (EV): $5M EV/Revenue: 2.1x EV/EBITDA: 17.2x</td>
<td>Acquisition further Illinois expansion strategy with the addition of 8-year-old business located in Willowbrook.</td>
</tr>
<tr>
<td>Jan-16</td>
<td>HYPER PET GUARDIAN CAPITAL PARTNERS</td>
<td>Private Investor</td>
<td>Enterprise Value (EV): $10.5M EV/Revenue: 2.2x EV/EBITDA: 17.2x</td>
<td>Acquisition marks foray into pet industry with designer of branded and private label products in dog toys, pet collars, and leashes.</td>
</tr>
<tr>
<td>Jan-16</td>
<td>emerald PET PRODUCTS</td>
<td>Private Investor</td>
<td>Enterprise Value (EV): $10.5M EV/Revenue: 2.2x EV/EBITDA: 17.2x</td>
<td>Investor Glenn Novotny, Sr. acquired maker of treats and chews under the Smart n’ Tasty and Twizzies brands.</td>
</tr>
<tr>
<td>Jan-16</td>
<td>Performance Pet Care</td>
<td>BERWIND</td>
<td>Enterprise Value (EV): $10.5M EV/Revenue: 2.2x EV/EBITDA: 17.2x</td>
<td>Acquisition of raw pet food and gourmet treats maker fast tracks penetration in fast-growing raw nutrition category.</td>
</tr>
<tr>
<td>Jan-16</td>
<td>Southern Pet Containment</td>
<td>PetSafe TSG INVESTMENT PARTNERS</td>
<td>Enterprise Value (EV): $10.5M EV/Revenue: 2.2x EV/EBITDA: 17.2x</td>
<td>Acquisition will leverage the distribution network and resources of buyer to enhance SPC’s presence in Florida.</td>
</tr>
<tr>
<td>Jan-16</td>
<td>FarmBox</td>
<td>GrubMarket</td>
<td>Enterprise Value (EV): $10.5M EV/Revenue: 2.2x EV/EBITDA: 17.2x</td>
<td>Acquisition further strategy aimed at national expansion in the online grocery market, including pet food.</td>
</tr>
<tr>
<td>Dec-15</td>
<td>CENTURY</td>
<td>MannaPro</td>
<td>Enterprise Value (EV): $10.5M EV/Revenue: 2.2x EV/EBITDA: 17.2x</td>
<td>Acquisition moves Manna-Pro into the cat and dog market with pet supplement brand.</td>
</tr>
<tr>
<td>Dec-15</td>
<td>NutriVet</td>
<td>MannaPro</td>
<td>Enterprise Value (EV): $10.5M EV/Revenue: 2.2x EV/EBITDA: 17.2x</td>
<td>Acquisition moves Manna-Pro into the cat and dog market with pet supplement brand.</td>
</tr>
<tr>
<td>Nov-15</td>
<td>CPP INVESTMENT BOARD</td>
<td>provet</td>
<td>Enterprise Value (EV): $10.5M EV/Revenue: 2.2x EV/EBITDA: 17.2x</td>
<td>Acquisition furthers penetration in growing Turkish veterinary market.</td>
</tr>
<tr>
<td>Nov-15</td>
<td>Cocoro Corporation</td>
<td>Soukai Drug Co., Ltd</td>
<td>Enterprise Value (EV): $6M EV/Revenue: .2x</td>
<td>Complementary acquisition broadens pet product portfolio into dog and cat bedding, cited by Central as the fifth largest category in dog and cat supplies.</td>
</tr>
<tr>
<td>Nov-15</td>
<td>Masterfeeds Altech</td>
<td>Dolly</td>
<td>Enterprise Value (EV): $6M EV/Revenue: .2x</td>
<td>Acquisition strengthens Alltech’s presence in Canada by creating one of the country’s largest animal nutrition offerings.</td>
</tr>
<tr>
<td>Nov-15</td>
<td>BERRIWOOD</td>
<td>vioVet</td>
<td>Enterprise Value (EV): $6M EV/Revenue: .2x</td>
<td>Acquisition broadens vioVet’s product range with the introduction of Berriwood’s raw and frozen food offering.</td>
</tr>
<tr>
<td>Nov-15</td>
<td>Old Mill PET PRODUCTS</td>
<td>muttPet</td>
<td>Enterprise Value (EV): $6M EV/Revenue: .2x</td>
<td>Acquisition offers diversification into natural grain- and gluten-free pet treats.</td>
</tr>
<tr>
<td>Nov-15</td>
<td>Pet Stuff LLC</td>
<td></td>
<td>Enterprise Value (EV): $6M EV/Revenue: .2x</td>
<td>Acquisition nearly doubles Bentley’s store count from 8 to 15 and expands services throughout Chicago’s North Side neighborhoods.</td>
</tr>
</tbody>
</table>

Sources: S&P Capital IQ, PitchBook, Equity Research, public data.
# Industry Metrics

## Public Company Operating Metrics

<table>
<thead>
<tr>
<th>Company Name</th>
<th>Country</th>
<th>Ticker</th>
<th>Current Stock Price (2)</th>
<th>% of 52W High</th>
<th>Market Capitalization (3)</th>
<th>Enterprise Value (4)</th>
<th>Enterprise Value / TTM EBITDA</th>
<th>Total Debt/TTM Revenue</th>
<th>TTM Revenue</th>
<th>TTM Margin / Gross EBITDA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unicharm Corporation</td>
<td>Japan</td>
<td>TSE:8113</td>
<td>$24.52</td>
<td>91.0%</td>
<td>$14,612</td>
<td>$14,413</td>
<td>2.0x</td>
<td>12.0x</td>
<td>0.6x</td>
<td>57.12%</td>
</tr>
<tr>
<td>Spectrum Brands Holdings, Inc.</td>
<td>United States</td>
<td>NYSE:SPB</td>
<td>15.077</td>
<td>98.0%</td>
<td>7,398</td>
<td>11,572</td>
<td>2.5x</td>
<td>13.2x</td>
<td>4.6x</td>
<td>5,098</td>
</tr>
<tr>
<td>Blue Buffalo Pet Products, Inc.</td>
<td>United States</td>
<td>NasdaqGS:BUFF</td>
<td>25.68</td>
<td>89.2%</td>
<td>5,044</td>
<td>5,156</td>
<td>4.7x</td>
<td>20.4x</td>
<td>1.5x</td>
<td>1,091</td>
</tr>
<tr>
<td>Pets at Home Group plc</td>
<td>United Kingdom</td>
<td>LSE:PETS</td>
<td>3.56</td>
<td>81.2%</td>
<td>1,678</td>
<td>1,889</td>
<td>1.8x</td>
<td>11.5x</td>
<td>1.6x</td>
<td>1,162</td>
</tr>
<tr>
<td>Central Garden &amp; Pet Company</td>
<td>United States</td>
<td>NasdaqGS:CENY</td>
<td>25.74</td>
<td>92.3%</td>
<td>1,259</td>
<td>1,616</td>
<td>0.8x</td>
<td>2.0x</td>
<td>2.0x</td>
<td>1,802</td>
</tr>
<tr>
<td>PetMed Express, Inc</td>
<td>United States</td>
<td>NasdaqGS:PETS</td>
<td>20.24</td>
<td>95.7%</td>
<td>608</td>
<td>564</td>
<td>1.5x</td>
<td>16.6x</td>
<td>0.0x</td>
<td>256</td>
</tr>
<tr>
<td>Freshpet, Inc</td>
<td>United States</td>
<td>NasdaqGM:FRPT</td>
<td>10.20</td>
<td>77.0%</td>
<td>316</td>
<td>355</td>
<td>2.8x</td>
<td>32.5x</td>
<td>7.5x</td>
<td>125</td>
</tr>
<tr>
<td>OurPet’s Company</td>
<td>United States</td>
<td>OTC:OPCO</td>
<td>0.81</td>
<td>76.4%</td>
<td>14</td>
<td>19</td>
<td>0.8x</td>
<td>7.0x</td>
<td>1.3x</td>
<td>24</td>
</tr>
<tr>
<td><strong>Median</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Stock Price</td>
<td>$22.38</td>
<td></td>
<td>$1,668</td>
<td>90.1%</td>
<td>$1,752</td>
<td>1.9x</td>
<td>11.5x</td>
<td>1.5x</td>
<td>$1,117</td>
<td>40.3%</td>
</tr>
<tr>
<td><strong>Mean</strong></td>
<td>$38.18</td>
<td></td>
<td>$3,891</td>
<td>87.7%</td>
<td>$4,423</td>
<td>2.1x</td>
<td>13.2x</td>
<td>1.7x</td>
<td>$2,079</td>
<td>40.0%</td>
</tr>
</tbody>
</table>

**Note:** Figures in bold and italic type were excluded from median and mean calculation.

1. As of 8/24/2016.
2. Market Capitalization is the aggregate value of a firm’s outstanding common stock.
3. Enterprise Value is the total value of a firm (including all debt and equity).
4. Source: S&P Capital IQ
FACILITY MANAGEMENT
MARKET UPDATE

The Facility Management market is large, highly fragmented, and expanding:

The Global FM market is expected to grow from $780 billion to $945 billion between 2016 and 2025, a CAGR of 2.2 percent. Integrated Facility Management (IFM) is growing at three times the overall market rate. IFM revenues are projected to grow from $75 billion to $131 billion—a CAGR of 6.3 percent—over the same period.

The North American FM market is estimated at more than $166 billion*. IFM is the fastest growing segment, valued at $30 billion*, and is projected to reach $43 billion by 2019, a CAGR of 6.1 percent.

In 2016, the five largest global FM participants accounted for a combined market share of 9.5 percent.

A number of factors are expected to drive future industry growth and consolidation:

- Increased outsourcing as customers look to reduce operating costs and concentrate resources on core revenue generating activities
- Continued shift toward service integration to fuel growth in IFM, driven by the convergence of facility management services, property management, and energy management (EM). EM is expected to be one of the fastest growing service sectors, as EM converges with FM. IFM services are projected to achieve a 13.9 percent penetration by 2025, up from 9.7 percent in 2016.
- Use of technology to improve service delivery and reporting to the customer.
- Importance of service quality and vendor management
- Recovery in the commercial construction market and improving levels of retail/industrial/commercial investing
- Fragmentation will force consolidation as participants look to acquire technology and service capabilities to build scale and enhance their customer value proposition.

*2013 figure includes IFM as well as single and bundled services.

Sources: Frost & Sullivan.
<table>
<thead>
<tr>
<th>DATE</th>
<th>TARGET</th>
<th>BUYER</th>
<th>DEAL STATS</th>
<th>RATIONALE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aug-16</td>
<td>Integral</td>
<td>JLL</td>
<td>Enterprise Value (EV): $330M EV/Revenue: .6x</td>
<td>Acquisition broadens JLL’s integrated facilities management capabilities in the UK and makes it one of the largest providers of mobile engineering services for property worldwide.</td>
</tr>
<tr>
<td>Aug-16</td>
<td>SMS Assist</td>
<td>Goldman Sachs</td>
<td></td>
<td>Minority investment to further develop integrated technology platform and expand to new markets.</td>
</tr>
<tr>
<td>Jun-16</td>
<td>Kira</td>
<td>Central Council of the Tlingit and Haida Indian Tribes of Alaska</td>
<td></td>
<td>CCHITA plans to leverage Kira’s foothold in the public sector to boost revenue while also helping the company compete in the Alaska market.</td>
</tr>
<tr>
<td>Apr-16</td>
<td>Subloos Pty Ltd</td>
<td>Masys</td>
<td></td>
<td>Acquisition expands footprint into New Zealand and South East Asia and further penetrates Australian market.</td>
</tr>
<tr>
<td>Mar-16</td>
<td>Real Estate Service Group Sr</td>
<td>Symbic</td>
<td></td>
<td>Combination brings together two leading integrated facilities management players in North America. Vixxo formerly did business as First Service Networks.</td>
</tr>
<tr>
<td>Feb-16</td>
<td>Optimum Services</td>
<td>EmpowerCapital</td>
<td></td>
<td>Acquisition advances expansion strategy in UK landscape services market, strengthening commercial position in key locations including Greater London and Birmingham. Third acquisition for platform since January 2015.</td>
</tr>
<tr>
<td>Feb-16</td>
<td>Quadrion</td>
<td>Chemvorn Capital</td>
<td></td>
<td>Acquisition furthers international growth strategy with expansion into North American market. Operations in the UK, the Netherlands, Belgium, and Luxembourg also strengthens market position in Europe.</td>
</tr>
<tr>
<td>Jan-16</td>
<td>ITL</td>
<td>Atalian</td>
<td></td>
<td>Acquisition is foundational asset for growth platform in fragmented janitorial services industry. Silver Oak stated plans to invest in both new and existing markets and is actively looking for add-on acquisition opportunities.</td>
</tr>
<tr>
<td>Dec-15</td>
<td>CCS</td>
<td>Silver Oak</td>
<td></td>
<td>Acquisition of cloud-based technology solutions provider to automate the building maintenance and management process and enhance service delivery.</td>
</tr>
<tr>
<td>Dec-15</td>
<td>Corrigo</td>
<td>JLL</td>
<td></td>
<td>Acquisition solidifies GDI’s market positioning as a one-stop-shop in outsourced facility maintenance services, combining Ainsworth’s HVAC-R, mechanical, electrical and technical services offering with GDI’s commercial janitorial services platform.</td>
</tr>
<tr>
<td>Nov-15</td>
<td>Martin Potts &amp; Associates</td>
<td>JLL</td>
<td></td>
<td>Acquisition expands JLL’s project management and retail services expertise in the Western U.S.</td>
</tr>
<tr>
<td>Nov-15</td>
<td>GCA Services Group</td>
<td>Goldman Sachs</td>
<td></td>
<td>Platform acquisition of national player in facility services.</td>
</tr>
<tr>
<td>Nov-15</td>
<td>Ainsworth</td>
<td>GDI Integrated Facility Services</td>
<td>Enterprise Value (EV): $16M</td>
<td></td>
</tr>
</tbody>
</table>

Sources: S&P Capital IQ, PitchBook, Equity Research, public data.
## INDUSTRY METRICS

### PUBLIC COMPANY OPERATING METRICS

<table>
<thead>
<tr>
<th>Company Name</th>
<th>Country</th>
<th>Ticker</th>
<th>Current Stock Price ($)</th>
<th>% of $2W High</th>
<th>Market Capitalization ($)</th>
<th>Enterprise Value ($)</th>
<th>Enterprise Value / TM</th>
<th>Total Debt / TM</th>
<th>TM Revenue</th>
<th>TTM Margins / EBITDA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Compass Group PLC</td>
<td>United Kingdom</td>
<td>LSE:CPG</td>
<td>21.44</td>
<td>96.6%</td>
<td>$31,932</td>
<td>$35,937</td>
<td>1.3x</td>
<td>16.0x</td>
<td>2.0x</td>
<td>$26.192</td>
</tr>
<tr>
<td>Solenis S.A.</td>
<td>France</td>
<td>ENXTPA:SW</td>
<td>118.48</td>
<td>98.7%</td>
<td>17,336</td>
<td>10,202</td>
<td>0.8x</td>
<td>11.6x</td>
<td>2.0x</td>
<td>22,248</td>
</tr>
<tr>
<td>Rentokil Initial plc</td>
<td>United Kingdom</td>
<td>LSE:RODT</td>
<td>3.86</td>
<td>97.1%</td>
<td>5,214</td>
<td>6,710</td>
<td>2.2x</td>
<td>11.1x</td>
<td>2.0x</td>
<td>2,514</td>
</tr>
<tr>
<td>EMCOR Group Inc.</td>
<td>United States</td>
<td>NYSE:EME</td>
<td>57.17</td>
<td>90.2%</td>
<td>3,167</td>
<td>3,861</td>
<td>0.5x</td>
<td>9.3x</td>
<td>1.6x</td>
<td>7,155</td>
</tr>
<tr>
<td>ABM Industries Inc.</td>
<td>United States</td>
<td>NYSE:ABM</td>
<td>38.15</td>
<td>98.9%</td>
<td>2,134</td>
<td>2,297</td>
<td>0.5x</td>
<td>15.1x</td>
<td>1.5x</td>
<td>5,052</td>
</tr>
<tr>
<td>Bühler SE</td>
<td>Germany</td>
<td>DB:G1F</td>
<td>0.31</td>
<td>59.6%</td>
<td>1,360</td>
<td>1,658</td>
<td>0.2x</td>
<td>3.0x</td>
<td>1.1x</td>
<td>6,905</td>
</tr>
<tr>
<td>MTIE Group PLC</td>
<td>United Kingdom</td>
<td>LSE:MTO</td>
<td>3.62</td>
<td>80.3%</td>
<td>1,253</td>
<td>1,511</td>
<td>0.1x</td>
<td>8.0x</td>
<td>2.0x</td>
<td>3,215</td>
</tr>
<tr>
<td>SP Plus Corporation</td>
<td>United States</td>
<td>NasdaqGS:SP</td>
<td>25.44</td>
<td>96.4%</td>
<td>2,999</td>
<td>3,266</td>
<td>0.8x</td>
<td>9.4x</td>
<td>2.6x</td>
<td>909</td>
</tr>
<tr>
<td>Median</td>
<td></td>
<td></td>
<td>$27.87</td>
<td>96.8%</td>
<td>$2,805</td>
<td>$2,929</td>
<td>0.7x</td>
<td>10.5x</td>
<td>2.0x</td>
<td>$5,979</td>
</tr>
<tr>
<td>Mean</td>
<td></td>
<td></td>
<td>$26.83</td>
<td>90.8%</td>
<td>$7,905</td>
<td>$8,055</td>
<td>0.9x</td>
<td>10.5x</td>
<td>1.9x</td>
<td>$9,274</td>
</tr>
</tbody>
</table>

**NOTE:** Figures in bold and italic type were excluded from median and mean calculation.

(1) As of 8/24/2016.

(2) Market Capitalization is the aggregate value of a firm’s outstanding common stock.

(3) Enterprise Value is the total value of a firm (including all debt and equity).

Source: S&P Capital IQ
GLOBAL CONSUMER PRODUCTS & RETAIL

FOCUS AREAS

OUTDOOR & ACTIVE LIFESTYLE
- Outdoor
- Recreation
- Sporting Goods
- Fitness & Functional

HOME ENVIRONMENT
- Furniture & Home Décor
- Decorative Lighting
- Kitchen & Bath
- Outdoor

APPAREL
- Fitness & Functional
- Performance
- Distribution & Logistics
- Youth / Juvenile

PET
- Food & Treats
- Accessories
- Supplies & Consumables
- Supplements

WHO WE ARE

LEADING INDEPENDENT FIRM
- Independent investment banking advisory firm focused on the middle market since 1989
- Senior bankers with significant experience and tenure; partners average over 20 years of experience
- Offices in Chicago, Cleveland, and Philadelphia
- Founding member and U.S. partner of Global M&A Partners, Ltd., the world’s leading partnership of investment banking firms focusing on middle market transactions
- Deep industry experience across core sectors of focus, including: Business Services, Consumer, Environmental & Industrial Services, Healthcare & Life Sciences, Industrials, and Real Estate

COMPREHENSIVE CAPABILITIES

M&A ADVISORY
- Sell-Side Advisory
- Acquisitions & Divestitures
- Public & Private Mergers
- Special Committee Advice
- Strategic Partnerships & Joint Ventures
- Fairness Opinions & Fair Value Opinions

PRIVATE PLACEMENTS
- All Tranches of Debt & Equity Capital for:
  - Growth
  - Acquisitions
  - Recapitalizations
  - Dividends

FINANCIAL ADVISORY
- General Financial & Strategic Advice
- Balance Sheet
- Restructurings
- Sales of Non-Core Assets or Businesses
- $50M+ Auctions

RESEARCH
- Primary Research
- Industry Benchmarking
- Operating Advisor Network
- White Papers
- Industry Surveys

The information contained in this publication was derived from proprietary research conducted by a division or owned or affiliated entity of Brown Gibbons Lang & Company LLC. Any projections, estimates or other forward-looking statements contained in this publication involve numerous and significant subjective assumptions and are subject to risks, contingencies, and uncertainties that are outside of our control, which could and likely will cause actual results to differ materially. We do not expect to, and assume no obligation to update or otherwise revise this publication or any information contained herein. Neither Brown Gibbons Lang & Company LLC, nor any of its officers, directors, employees, affiliates, agents or representatives makes any representation or warranty, expressed or implied, as to the accuracy, completeness or fitness of any information contained in this publication, and no legal liability is assumed or is to be implied against any of the aforementioned with respect thereto. This publication does not constitute the giving of investment advice or a part of any advice on investment decisions and nothing in this publication is intended to be a recommendation of a specific security or company nor is any of the information contained herein intended to constitute an analysis of any company or security reasonably sufficient to form the basis for any investment decision. Brown Gibbons Lang & Company LLC, its officers and their officers, directors, employees or affiliates, or members of their families, may have a beneficial interest in the securities of a specific company mentioned in this publication and may purchase or sell such securities in the open market or otherwise. Nothing contained in this publication constitutes an offer to buy or sell or the solicitation of an offer to buy or sell any security.
DEDICATED LEADERSHIP

JOHN TILSON
Managing Director
Group Head

PROFESSIONAL EXPERIENCE
• Leads BGL’s Consumer Products & Retail Services practice
• Over 25 years of investment banking and corporate finance experience
• Former Managing Director at Banc One Capital Markets (JP Morgan Chase)
• Former Managing Director at First Chicago Capital Markets, founding the Detroit office for the firm in 1996
• Began investment banking career in 1990 with American National Bank & Trust Company, a subsidiary of First National Bank of Chicago
• Serves on the National Board of Directors for the Gift of Adoption Fund

EDUCATION
• B.S., University of Illinois
• M.B.A., Northwestern University Kellogg School of Management
• Eagle Scout

OUTSIDE INTERESTS
• Backcountry Camping, Hunting, Fly Fishing, Golf
• Lives in Winnetka, Illinois with his wife, three children, dog, and two cats

ALEX TEETER
Director

PROFESSIONAL EXPERIENCE
• Over 13 years of M&A and corporate finance experience
• Former senior banker within the Consumer and Retail group at Key Banc Capital Markets, and M&A and corporate finance attorney for Wilmer Cutler Pickering Hale and Dorr LLP and Calfee, Halter & Griswold LLP

EDUCATION
• B.A., Colgate University
• J.D., Boston College Law School

OUTSIDE INTERESTS
• Triathalons, Skiing, Backcountry Hiking/Camping, Scuba Diving
• Lives in Shaker Heights, Ohio with his wife, two children, and dog

CONTACTS

CHICAGO
One Magnificent Mile
980 N. Michigan Avenue
Suite 1880
Chicago, IL 60611
p. 312.658.1600

CLEVELAND
One Cleveland Center
1375 East 9th Street
Suite 2500
Cleveland, OH 44114
p. 216.241.2800

PHILADELPHIA
One Liberty Place
1650 Market Street
Suite 3600
Philadelphia, PA 19103
p. 610.941.2765

BROWN GIBBONS LANG & COMPANY
INVESTMENT BANKERS