



U.S. Landscaping Industry

September 25, 2015

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Executive Summary

Executive Summary

Introduction

- The landscape industry in the U.S. reported **\$76bn** revenues, growing at CAGR of **3.7%** from 2010-2014, and is expected to grow by 5.3% to **\$80bn** in 2015
- The industry is **labor intensive** and **highly fragmented**, with less capital expenditure required

Industry Segments

- **Urban Segment** contributes to **49%** of the total industry revenue and **commercial** contributes **51%**
- Single family residential properties generate majority revenues
- Lawn maintenance is the biggest service followed by build/design across corporates

Trends

- **Economic:** The industry has very high correlation with the housing and infrastructure sectors
- **Service:** Maintenance is the fastest growing service after build/design

Growth Drivers

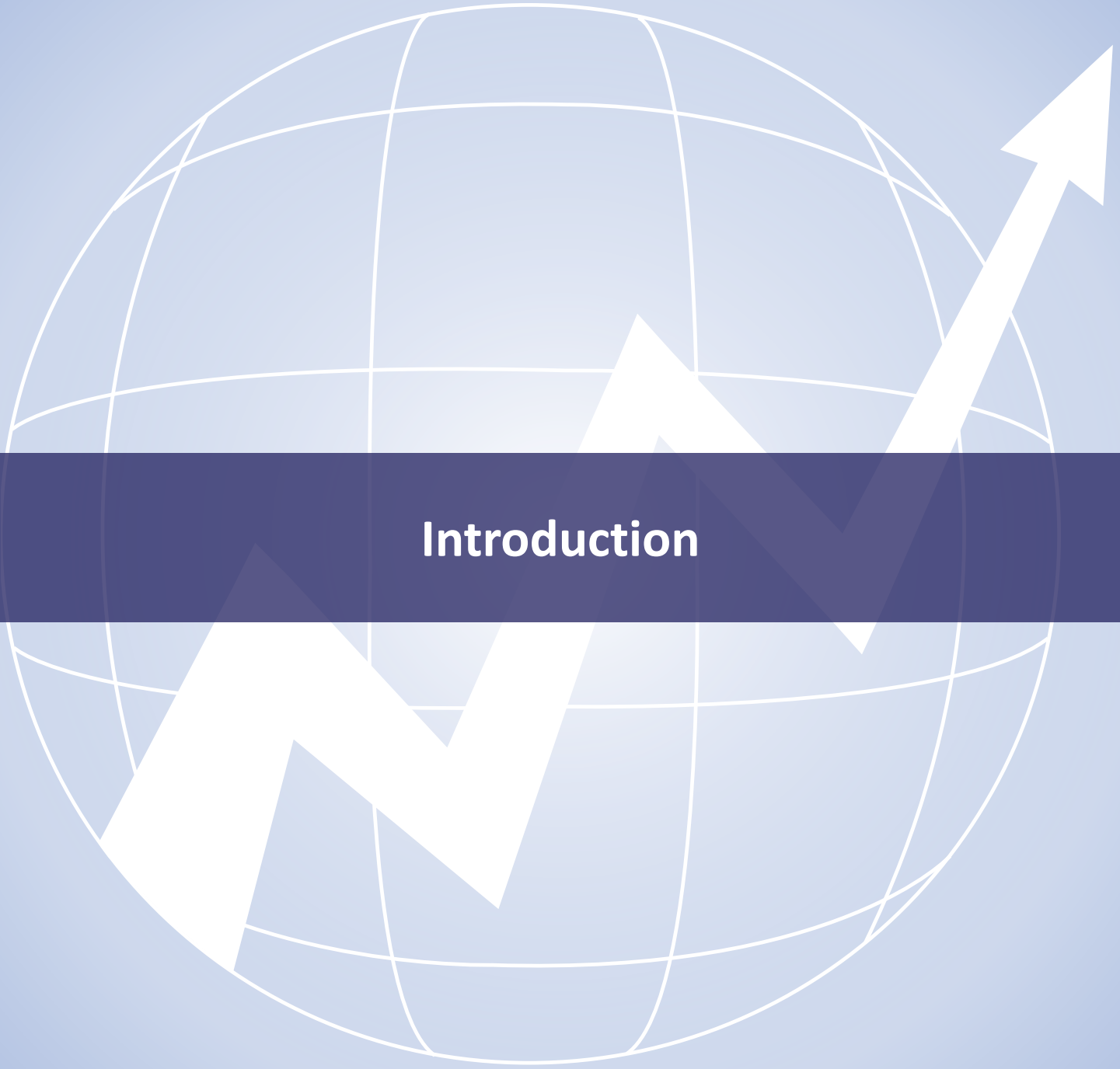
- Improving real estate and infrastructure market, increase in commercial property occupancy, rising disposable income, increasing concerns on changing weather patterns, demand from utilities, cleanup and recovery are expected to drive growth

Recent M&A Activity

- Since the beginning of 2012 there have been over 40 transactions in the industry in the U.S.
- **Strategic buyers** accounted for **over 80%** and **financial buyers** for **about 20%** of the M&A activity
- Transaction values typically have a range of **2x-5x adjusted EBITDA**, mostly **3x-4x**

Competitive Landscape

- Majority of local payers, with regional know-how, provide significant acquisition opportunities
- Of \$76bn revenues, **top 3** companies accounted for **under 5%** and **top 100** accounted for **under 15%**
- The industry employs **958,711 people** and represents **466,768 businesses**



Introduction

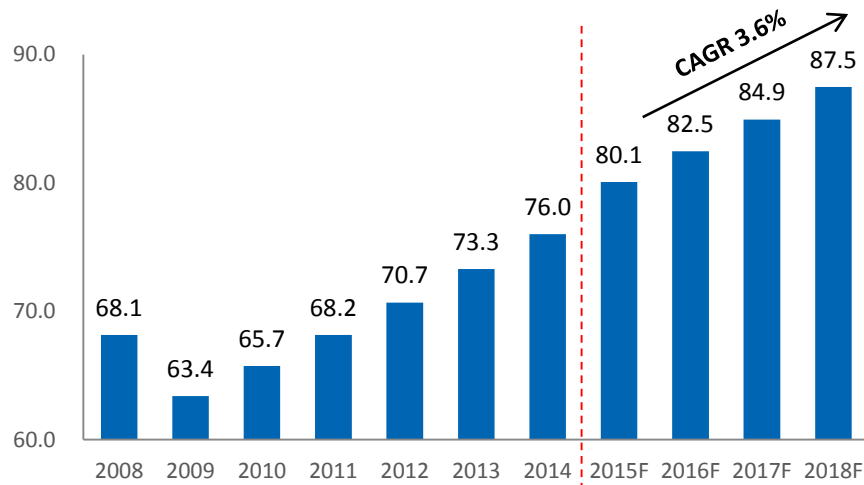
Introduction

Overview

Overview

- Landscaping refers to any activity that beautifies a vacant land, exteriors or interiors of a building, or public spaces like parks and gardens
- The industry can be divided into:
 - **Urban Landscape Services** (includes residential and others)
 - **Commercial Landscape Services**
- The Industry also includes companies that design, install and maintain irrigation systems and companies that perform tree cutting-related services
- In 2014, the industry had revenues of **\$76bn**, reporting a **CAGR of 3.7%** for the period 2010-2014, and is expected to grow to **\$80bn** in 2015

Size (\$bn)



Services

- **Enhancement Services**
 - Represent landscape installation projects for existing landscape maintenance customers
 - Enhancements such as outdoor kitchens, decks and patios
- **Construction Services**
 - Represent projects undertaken for customers who are not maintenance customers. Construction services may be further broken down into:
 - Design-Build Services
 - Bid-Build Services

(1) Source: IBISWorld's Landscaping Services Market Research Report, July 2015.

(2) Source: CCG Advisors Landscape Industry Report, 2013.

Introduction

Overview

Labor Intensive

- Labor intensive industry, comprising arborists, lawn care specialists, landscape and irrigation designers, technicians, sales staff and experts
- Employs 958,711 people and represents 466,768 businesses⁽¹⁾
- No formal training or licenses required for basic lawn mowing services
- Not capital intensive and does not rely on expensive equipment
- Most tools and equipment's used have low costs and are one-time expenditures

Fragmented Industry

- While there has been significant acquisition activity in the industry over the past two decades, the industry remains highly fragmented⁽²⁾
 - In 2014, the **top 3** companies accounted for less than 5% of overall market revenues and the top 100 accounted for less than **15%**
 - Most landscape companies are privately held businesses with annual revenues less than **\$5mn**

Company	Revenue (\$mn)	Headquarters
Brickman Group / ValleyCrest Landscape Companies	2,000	California
TruGreen Cos.	936	Tennessee
The Davey Tree Expert Company	789	Ohio
Scotts Lawn Service	323	Ohio
Bartlett Tree Experts	210	Connecticut

(1) Source: IBISWorld's Landscaping Services Market Research Report, July 2015.

(2) Source: CCG Advisors Landscape Industry Report, 2013.



Industry Segments

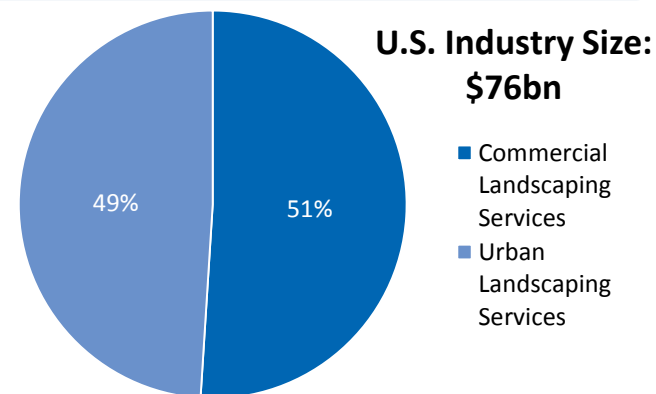
Industry Segments

By Urban and Commercial

Overview

- The Landscape industry comprises of two major segments:
 - **Urban Landscapes:** Includes planning and incorporating trees and parks in cities and towns
 - **Commercial Landscapes:** includes landscaping of areas around buildings and plants inside buildings
- **Revenues are generated from different properties:** Single family residential, commercial/industrial, multifamily structures, governmental/institutional and other
- **The segments comprise of different services:** Lawn maintenance/ mowing, design/build, lawn care, tree and ornamental, snow and ice removal, irrigation and others

Revenue Breakdown by Segment (2014)⁽¹⁾



Urban Landscapes⁽²⁾

- It is important to incorporate tree canopies and parks into cities and towns. They provide a wide range of lifestyle benefits improving the quality of life for residents:
 - Parks and tree canopies help reduce noise
 - Tree-lined streets and larger yard trees reduce crime rates
 - Looking at plants and trees, through a window, reduces stress and lower blood pressure
 - Walking in a natural environment improves attention and memory
 - Green spaces help lower stress, health care costs, and improve quality of life

Commercial Landscapes⁽²⁾

- Businesses that provide clients with landscaped areas and plants around and inside buildings tend to be more successful
 - Commercial offices having high-quality landscapes have 7% higher rental rates
 - Shoppers may spend 9 to 12% more for goods and services in business districts with high quality tree canopies
 - Shoppers are willing to travel a greater distance and a longer time to visit a district with a high-quality tree canopy
 - Companies providing employees with natural interactions can benefit

(1) Source: IBISWorld's Landscaping Services Market Research Report, July 2015.

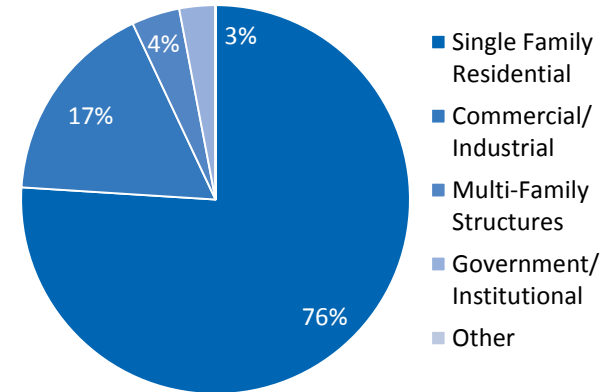
(2) Source: National Association of Landscape Professionals.

Industry Segments

By Property Type

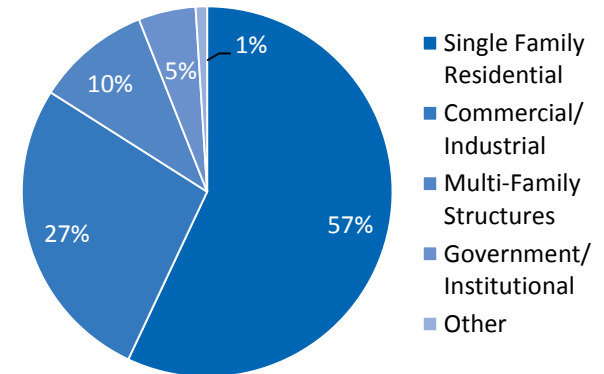
Companies with Sales < \$200K

- Smaller companies with sales of less than \$200K form a major part of the fragmented industry and earn 76% of their revenues from single family residential properties
- Commercial/Industrial properties generate about 17% of the revenues
- The rest comes from multi-family structures and government/institutional properties



Companies with Sales > \$200K

- The larger companies with sales of over \$200K earn 57% of their revenues from single family residential properties
- As compared to the smaller companies they earn more from the commercial/industrial and multi-family structures which contribute about 27% and 10% of the revenues respectively
- The earnings from government/institutional properties is almost the same for both the groups



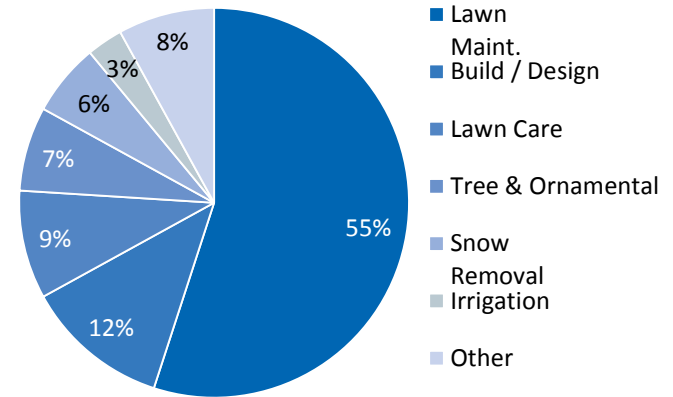
(1) Source: Lawn & Landscape research on 'State of The Landscape Market' 2015.

Industry Segments

By Service Type

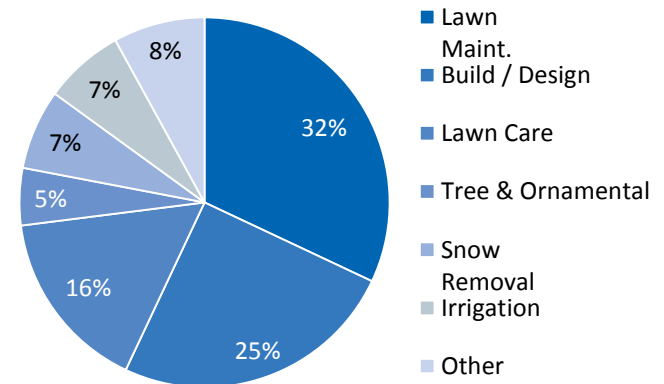
Companies with Sales < \$200K

- The smaller companies generate 55% of their revenues from lawn maintenance services
- Services like build/design, lawn care, tree & ornamental, snow removal, irrigation and others have an almost similar share in the remaining 45%



Companies with Sales > \$200K

- Companies with sales of over \$200K have similar revenue generated from lawn maintenance and build/design services which contribute 32% and 25% of the total revenues respectively
- Lawn care contributes to 16% of the revenues while other services are almost equally contributing to the remaining revenue



(1) Source: Lawn & Landscape research on 'State of The Landscape Market' 2015.

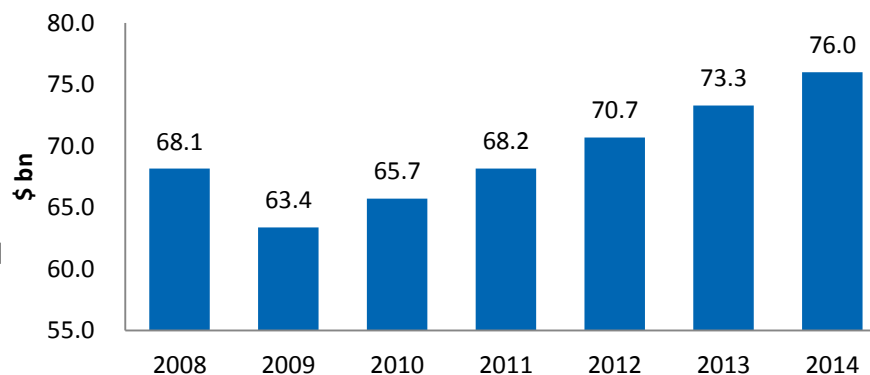


Trends

Trends

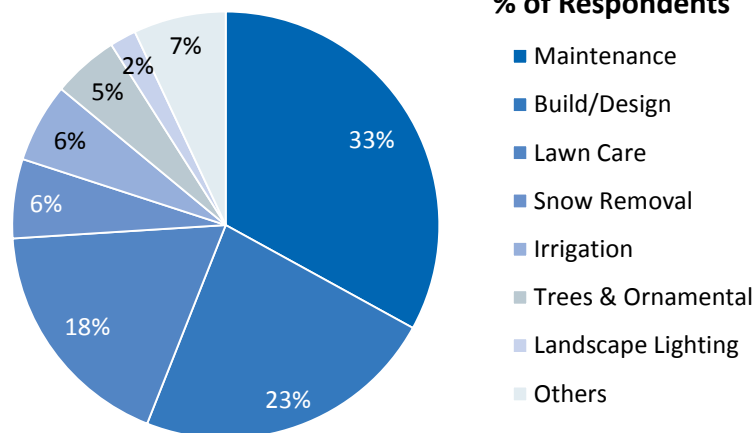
Economic Trends⁽¹⁾

- The industry has very high correlation with the housing and infrastructure sectors. Consequently, the industry has had a difficult few years coping with the slump in demand from residential, commercial and institutional clients due to the economic downturn (2008-2009)
- During the recession, financially strapped homeowners cut back on spending by performing yard maintenance themselves instead of contracting industry services. Others cancelled or postponed plans to upgrade or remodel their patios and yards
- However, the industry rebounded 2010 onwards, growing at a steady rate of 3.7% to reach \$76bn in 2014



Service Trends⁽²⁾

- Lawn and Landscape survey in 2014 among 602 companies to determine the fastest growing service in 2014 gave the following results:
 - Maintenance services grew the fastest according to 33% of the respondents
 - Build/design services grew the fastest according to 23% of the respondents
 - Lawn care grew the fastest according to 18% of the respondents



(1) Source: IBISWorld's Landscaping Services Market Research Report, July 2015, Forbes.

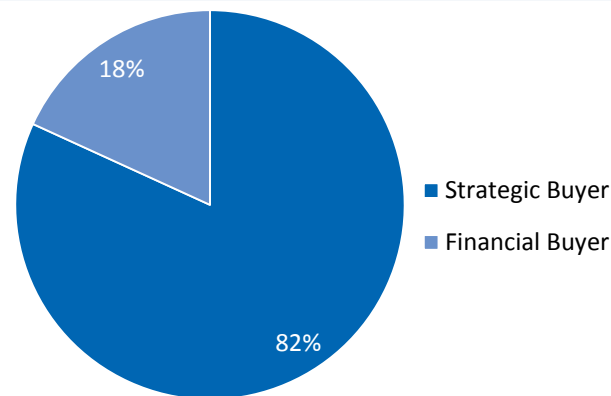
(2) Source: Lawn & Landscape research on 'State of The Landscape Market' 2015.

Trends

M&A Trends

- The level of M&A interest and activity in the commercial landscape services industry is the highest in recent times, since late 1990s when TruGreen Landcare, Landcare USA and others were competing to acquire many regional landscape services
- Landscape services companies are again receiving investment interest
- The interest is the result of industry fundamentals, including high level of recurring revenue, turnaround in the housing segment
- During the next few years of rebound in real estate, the industry is estimated to grow at a CAGR of 3.6% till 2018
- The industry remains highly fragmented, with considerable opportunities to consolidate
 - Most of the transactions have been undertaken by Strategic buyers
 - There are a few financial deals that have taken place in the recent past
- A major hurdle to further capital inflows to the industry is lack of exit opportunities for private equity investments

Strategic Buying vs. Financial Buyers⁽¹⁾



Seasonal Trends

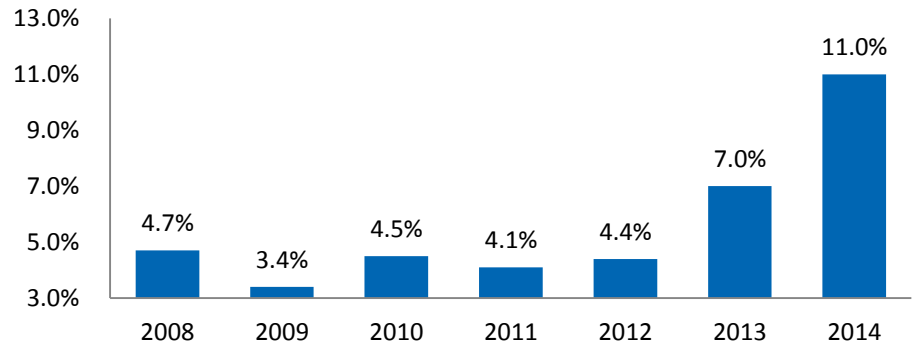
- Landscaping companies offer a range of services
- Spring and summer months are peak seasons for this industry
- The fall season changes weather and thus the focus
 - Landscapers work on laying gardens and providing maintenance services such as pruning, weeding and fertilization
 - To maintain an income stream during winters, the companies focus on clearing snow from driveways and parking lots

(1) Note: The strategic buying vs. financial buying chart has been made based on the list of M&A transactions that we could find from January 1, 2012 onwards.

Trends

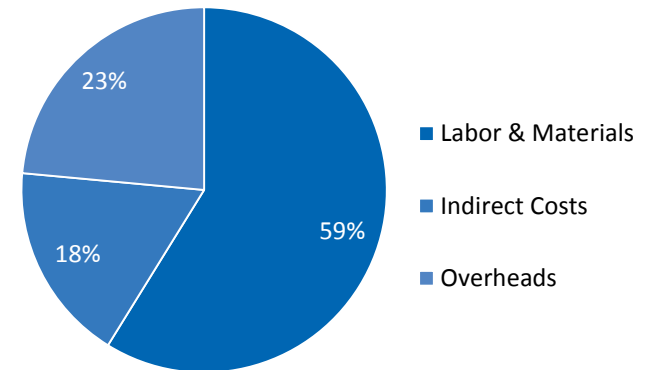
Margin Trends⁽¹⁾

- Sales growth in 2013 kept up a strong pace, and profitability improved by 400bps to reach 11% in 2014
- This compared with margins that averaged less than 5% each year since 2008 due to recessionary trends
- Overhead, or selling, general and administrative expenses have significantly declined over the past two years, leading to an improvement in the profit margins



Cost Trends⁽²⁾

- Companies usually manage a profit margin of 10%-15% which may change according to market situation
- The major costs in landscape construction is labor and materials, (40%-50% of the total costs)
- 15% are indirect costs, such as fuel, equipment and repair costs
- Overheads forming the rest of the cost include: rent, taxes, management and administrative salaries and other items
- Big firms have economy of scale in overheads as it can spread them over a larger number of jobs, and get pricing advantage



(1) Source: Forbes Issue of 'Business is Blooming for Landscapes'.

(2) Source: Article on 'Gauging your Business' by Jeff Chaltas.



Key Growth Drivers

Key Growth Drivers

Summary

Improving Housing, Real Estate & Infrastructure Market

- Improvement in economic scenario improve the real estate market and increase the infrastructure spending. This increasing activity will lead to more demand for landscape companies services
- Property with well-maintained landscape commands a higher value monetarily and aesthetically

Increase in Commercial Property Occupancy Rates

- Increase in commercial property occupancy rates will increase business for landscape companies
- The landscape businesses are more successful when they provide clients with landscaped areas around buildings and plants inside buildings

Rising Consumer Disposable Incomes

- With increasing disposable income, more and more consumers will purchase property and will be able to afford the services of professional landscapers
- Due to lack of professional skills and ability people will be more inclined to hiring a professional

Changing Weather Patterns

- With increasing temperature, trees grow faster and require to be maintained at more frequent intervals by landscaping professionals
- High amount of snowfall, drought situations provide business opportunities for landscapers

Ageing Population & Trend towards Home Service Outsourcing

- As the population ages and people get busy with work, they are more inclined to use the services of professional landscapers and hence outsource the work of maintaining their properties to professionals

Utilities, Cleanup & Recovery

- Landscapers are hired by governments and town planners to layout the design and structure of the properties, to avoid over growth of trees and plants near electric wires and also while laying underground utility lines as they plan out the structure for safely laying out the pipelines and wires

Key Growth Drivers

Combating Global Warming with Landscaping

Coordination with Local & Regional Leaders

- Landscape architects work with regional, local leaders and planning departments to design/implement components of mitigation strategies and programs
- Low-carbon, smart growth, communities are designed by urban planners and landscape architects that provide access to complete streets, enable transportation, and offer ample green space

Reduce Emissions from Transportation

- The U.S. has 5% of world population but emits 1/5th of global GHG emissions. 1/3rd of U.S. GHG emissions come from the transportation sector
- To reduce emissions from the transportation sector, communities can work with landscape architects to apply smart growth strategies to create neighborhoods with access to multiple transportation options

Achieve Energy Efficiency

- Energy use in the U.S. can be cut by 23% by 2020 by implementing simple energy efficiency measures
- Authorities are hiring landscapers to plan and have, green technologies like smart tree placement, green roofs and walls to reduce summer cooling energy needs by 7%-47% and winter heating needs by 2%-8%

Building Climate Resilient Communities

- In preparation of anticipated changes, landscape architects are working with policymakers and other professionals to create "climate resilient communities," having increased capacity to cope with increased incidence, duration, and magnitude of events like sea level rise, flooding, rising temperatures

Enhance Capability to Serve as Carbon Sink

- Landscape architects can work with parks departments, conservation biologists, restoration ecologists, arborists, and other scientists to develop ecologically-sound plant and animal migration strategies and programs that help ensure all species can adapt to a rapidly changing environment



Business Challenges

Business Challenges

Work Environment

- Landscaping requires working in unforgiving weather
 - Heat and humidity can make physical labor associated with mulching or masonry uncomfortable
 - Those offering snow removal services face working in cold temperatures at late-night or early morning hours

Safety

- Routine landscaping tasks such as mowing on an incline, performing equipment maintenance, etc. can present safety challenges for landscaping business
- Investments in employee safety gear, proper training, obtaining proper insurance for business can help relieve some of the stress associated with the potential for injury

Seasonal Income

- The profitability and success of landscape business will be directly affected by seasonal changes
- Winter is a difficult financial time for business. Those offering alternative services, will find their income drop significantly once spring and summer quickly transition into the fall and winter months

Minimum Wage Legislation & Obamacare

- Proposal to raise federal minimum wage from \$7.25 per hour to \$10.10 per hour can raise the labor costs as companies in this industry still have many employees at or near federal minimum wage rates
- The impact of Obamacare on those companies within the industry to which it applies may be very significant

Business Challenges

Immigration Reform

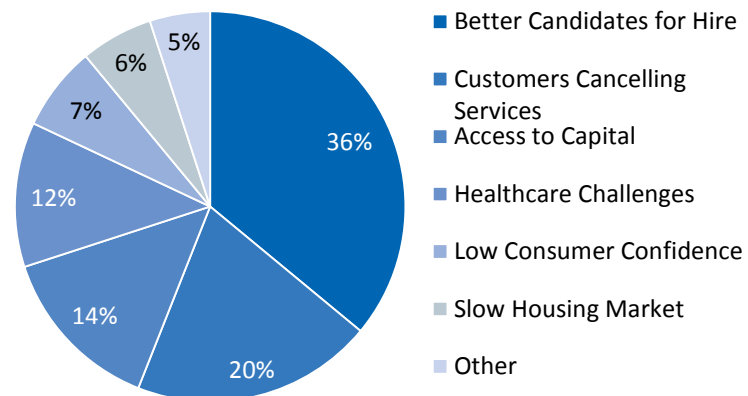
- Landscapers across the U.S. complain of a lack of qualified employees for crews and management positions. Access to an adequate workforce is a continuing challenge to the industry
- Companies rely on guest workers through the H-2B visa program. The government has made it challenging for businesses to have confidence to expect to meet their employment requirements through this program

Increasing Competition

- The barriers to entry for the Landscaping Services industry are extremely low
- In the past, even though the market had been relatively weak, the number of landscaping companies grew
- This rise in the number of contractors, during slow market growth, put significant pressure on pricing

Challenges⁽¹⁾

- A survey conducted by Lawn & Landscape in 2014, where they asked -
 - “What economic challenge would you fix to improve your business in 2015?”
- Majority (36%) of the respondents chose the quality of labor as a challenge they face
- Customers cancelling services is another problem that the companies face
- Other challenges included: access to capital, healthcare challenges, low consumer confidence and slow housing market



(1) Source: Lawn & Landscape research on 'State of The Landscape Market' 2015.



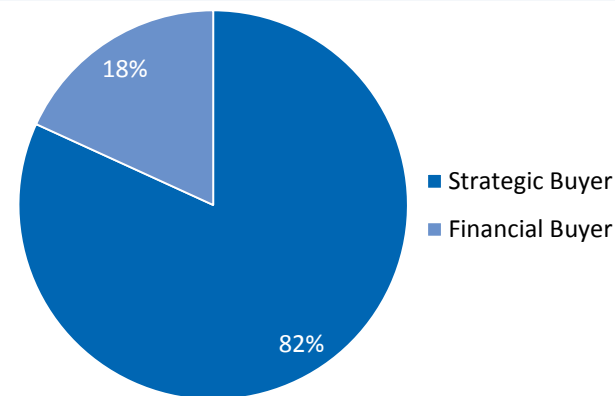
Recent M&A Activity

Recent M&A Activity

Overview

- Since the beginning of 2012 there have been over 40 transactions in the industry in the U.S.
- In 2014 the M&A activity was highest in the industry in the last six years
- Buyers are seeking growth opportunities as the economy grows and construction revives
- Strategic buyers accounted for over 80% of the M&A activity while Financial buyers accounted for about 20%

Strategic Buying vs. Financial Buying⁽¹⁾



Valuations⁽²⁾

- Typical range of 2x to 5x adjusted EBITDA, mostly 3x to 4x
- Depends on size, business mix, systems, working capital, capex requirements, profitability and growth prospects, synergies
- Mostly trade in a very tight range

People who are Interested

- Private equity firms have been active owners among the **largest** companies in the industry
- Brickman Group was controlled by Leonard Green & Partners prior to its acquisition by KKR&Co., The ValleyCrest Companies was controlled by MSD Capital
- TruGreen Landcare is currently owned by Aurora Resurgence a private equity company
- Yellowstone landscape was developed by and is controlled by GridIron Capital

(1) Note: The strategic buying vs. financial buying chart has been made based on the list of M&A transactions that we could find from January 1, 2012 onwards.

(2) Source: Mergers & Acquisitions Industry Review Landscape Services Report by The Principium Group October 2014.

Recent M&A Activity

Announce Date	Target Name	Acquirer Name	Target Company Description
September 2015	Custom Property Management Inc.	FirstService Corp.	Custom Property Management, Inc. company's line of business includes providing landscaping and garden services.
April 2015	Kerns Brothers Tree Service & Landscaping LLC	Davey Tree Expert Co.	Kerns Brothers Tree Service and Landscaping LLC provides tree and landscape care services.
April 2015	Nature First Tree Care Inc.	Davey Tree Expert Co.	Nature First Tree Care Inc. provides trees related services.
March 2015	Golden Associates Landscape Architects	Atwell LLC	Golden Associates Landscape Architects provides landscape solutions and context sensitive design.
January 2015	Yellowstone Landscape Group Inc.	CIVC Partners LP	Yellowstone Landscape Group, Inc. provides landscape design, construction, and management services.
January 2015	H&G Landscape Architects	Stewart Engineering	H&G Landscape Architects operates as a landscape architecture firm.
October 2014	VMC Landscape	Terracare	VMC cares for the landscaping at commercial, retail, municipal and large residential properties.
September 2014	Countryside Nursery & Landscape	AVEW Holdings Inc	Countryside Nursery & Landscape Inc provides landscaping and garden services.
August 2014	Lawn Logic Landscaping	Davey Tree Expert Co.	Lawn Logic provides landscape maintenance, tree maintenance, fertilization and irrigation.
April 2014	Wetland Studies & Solutions	Davey Tree Expert Co.	Wetland Studies & Solutions was a natural and cultural resources consulting company.
April 2014	SunTerra Landscape	Merit Service Solutions	SunTerra Landscape Services delivers landscape maintenance services.
April 2014	ValleyCrest Co. LLC	Brickman Group Ltd LLC	ValleyCrest Companies landscapes private homes, resorts, corporate campuses, retail centers, and master-planned communities.
April 2014	A. R. Star Services	Ruppert Landscape	A. R. Star Services Inc. Is a provider of commercial landscape management services.
February 2014	Cortese Tree Specialists Inc.	Davey Tree Expert Co.	Cortese Tree Specialists, Inc. line of business includes providing forestry services on a contract or fee basis.
February 2014	Superior NW Tree & Shrub Care Inc.	Davey Tree Expert Co.	The company is involved in Landscape Designers & Consultants, Tree Service, Lawn Maintenance, Stump Removal & Grinding.
February 2014	Maier Forest and Tree	Davey Tree Expert Co.	Maier specializes in pruning, tree and stump removal, plant health care, and consulting services.
February 2014	Paramount Landscape & Maintenance Inc.	Private Investor	Paramount Landscape & Maintenance Inc. operates as a landscape maintenance provider.
February 2014	Nitro Green Professional Lawn & Tree Care Inc.	Swingle Inc.	Nitro Green Professional Lawn & Tree Care, Inc provides services in the fields of lawn care, tree pruning, pest and weeds management.
January 2014	Hadden Landscaping	Greater Texas Landscapes	Hadden provides landscape design, construction and maintenance services for commercial sites and homeowner associations.
December 2013	Metheny Commercial Lawn Maintenance	Brickman Group Ltd LLC	Metheny Commercial Lawn Maintenance was a provider of full service landscape maintenance.
November 2013	Brickman Group Ltd LLC	KKR & Co. LP	The Brickman Group provides commercial landscaping services.

(1) Source: Bloomberg

(2) Source: Mergers & Acquisitions Industry Review Landscape Services Report by The Principium Group October 2014.

(3) Source: Landscape Industry: History, Trends & Opportunities by CCG Advisors, Q1 2013

Recent M&A Activity

Announce Date	Target Name	Acquirer Name	Target Company Description
November 2013	All-American Lawn & Property Maintenance	Enviro-Serv Inc	All-American Lawn and Property Maintenance provides landscaping services.
October 2013	Austex Holdings	AVEW Holdings Inc.	Austex offers pool design and construction, they offer full landscaping and monthly service plans.
October 2013	John Deere Landscapes LLC	Clayton Dubilier & Rice LLC	John Deere Landscapes, Inc. provides landscape architectural services.
June 2013	Peach Tree Landscape	LUSA Holdings	Peach Tree provides landscape maintenance and design/build services to office, retail, industrial, multi-family and residential clients.
May 2013	Green Tree Experts	Davey Tree Expert Co.	Green Tree offered all aspects of residential tree care, including tree preservation, consultation and diagnosis and hazardous tree removal.
February 2013	Glenwood Tree Experts	SavATree	Glenwood Tree Experts provides tree care services.
February 2013	S&S Tree & Landscaping Specialists	Davey Tree Expert Co.	S&S Tree and Landscaping Specialists provides tree, turf care, and landscaping services.
January 2013	Grounds Unlimited	McKinney Capital	Grounds Unlimited, a Birmingham-based landscaping firm with large commercial clients.
October 2012	C&S Co.	Barnhart Crane & Rigging Co.	C&S Companies provides engineering, architecture, planning, environmental, and construction services.
April 2012	Bellomo-Herbert & Co. Inc	G-A-I Consultants Inc.	Bellomo-Herbert and Company, Inc. provides landscape architectural services.
November 2012	Western Lawns	Landscape Partners	Provide services like sprinklers, landscaping & lawn services, lawn maintenance, landscape contractors, designers & consultants.
October 2012	The Watchman Group	Ruppert Landscape	The Watchman Group specializes in project management and site development. It is focused on sports field, golf course development.
September 2012	Landkeepers	Davey Tree Expert Co.	LandKeepers is a full-service land and property management company.
August 2012	KMA Gardens	Fockele Garden Co.	KMAgardens creates gardens for clients.
July 2012	Highridge Corp.	Plantscapes	Highridge specializes in irrigation design, garden structures, outdoor lighting and landscape maintenance.
July 2012	Ecoscapes	Ruppert Landscape	Ecoscapes provides commercial grounds management services.
July 2012	Aesthetic Landscaping	Consolidated Landscaping	Aesthetic Landscape, Inc is a full service landscape and irrigation company.
June 2012	Francis Landscaping	Greenscape	Francis Landscapes is a provider of design, build and manage services.
June 2012	Haden Stanzale	Stewart Engineering	Involved in landscape architecture, land, environmental, campus, recreation, park planning, urban design.
June 2012	Design Studio West	Matrix Design Group	Design Studios West, Inc. a Denver-based landscape architecture and planning firm.
April 2012	Dreamscapes	Suburban Landscape Management	Dreamscapes is a Kansas-based landscaping services company.
February 2012	Cornerstone Solutions Group	Austin Outdoor	Cornerstone is a full service, design/build commercial landscape contractor & landscape architecture services.
January 2012	Preferred Landscape and Lighting	Millard Group Inc.	Preferred Landscape and Lighting provides professional landscaping and lighting services.

(1) Source: Bloomberg

(2) Source: Mergers & Acquisitions Industry Review Landscape Services Report by The Principium Group October 2014.

(3) Source: Landscape Industry: History, Trends & Opportunities by CCG Advisors, Q1 2013



Competitive Landscape

Competitive Landscape

Division of Players in the Market

National Players

- Have operations in U.S. and abroad
- Mostly owned by private equity firms
- BrightView (Brickman Group & ValleyCrest Companies)
- TruGreen Landcare
- Davey Tree Expert Company

Regional / Inter-Regional Players

- Revenues of \$50mn-\$150mn
- Usually in one region, some have operations in multiple regions
- Ruppert Landscape
- Yellowstone
- The Groundskeeper

Local & Regional Players

- Revenues of \$7.5mn - \$50mn
- Estimated 200 plus companies
- Varying ownership
- Some “below the radar”
- Acres Group
- Lucas Tree Expert
- Spring-Green Lawncare

Local Players

- Revenues of \$1mn - \$7.5mn
- Usually founder owner
- Hundreds of companies
- Significant number of underperforming and/or plateaued businesses
- Significant acquisition opportunities

Small Local Players

- Have revenues of under \$1mn
- Usually highly dependent on owner operator
- Thousands of companies
- Usually poor acquisition targets

\$76bn industry is highly fragmented. A majority of the industry inks less than \$500K annual revenue and nearly half post net profit margins of less than 10%.

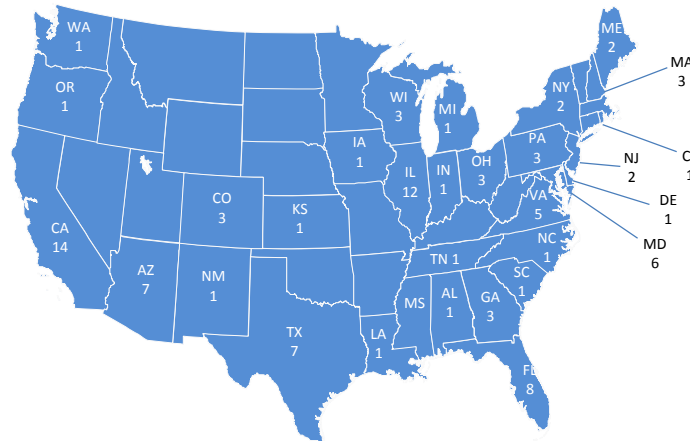
(1) Source: Mergers & Acquisitions Industry Review Landscape Services Report by The Principium Group October 2014.

Competitive Landscape

Top 100 Landscaping Companies (May 2015)

Overview

- Small businesses handle a major portion of the landscaping industry and provide services to homeowners and local businesses
- Larger companies often operate on a national level and undertake projects for commercial establishments such as resorts, office complexes and hotels
- Larger companies set up units in smaller locales to capture local and residential business, forcing small businesses to compete
- Local landscapers compete by specializing in certain neighborhoods where they garner referrals
- California has the most top 100 companies with 14 (*indicated in the Map on right*). Illinois has 12 and Florida has 8
- The combined entity of Brickman Group and ValleyCrest is the largest company based on Revenues
- The oldest company in the list is Davey Tree Expert Co. founded in 1880 and the youngest is BrightView (combined entity of Brickman and ValleyCrest) founded in 2014



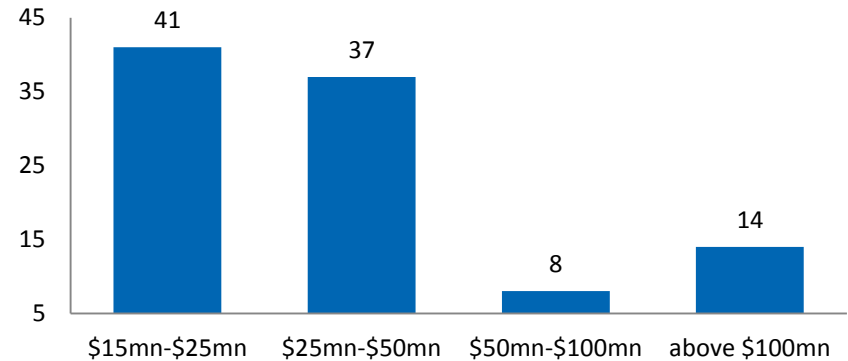
(1) Source: Lawn & Landscape Top 100 List, 2011-2015.

Competitive Landscape

Top 100 Landscaping Companies (May 2015)

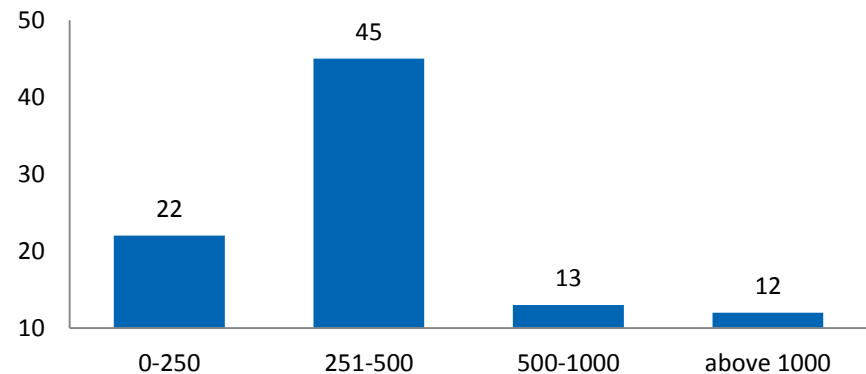
Revenues

- Of the total revenues of \$76bn in 2014, the top 3 companies accounted for less than 5% and the top 100 accounted for less than 15%
- The combined revenues of the top 100 companies in 2014 was \$8bn, which was 11% more than that in 2013
- The revenues for top 100 companies fall in the range of \$15mn to \$2bn
 - Most companies are privately held businesses with annual revenues ranging between \$15mn to \$25mn
- BrightView had the highest combined revenue of \$2bn



Employees⁽¹⁾

- Employee wages is a major cost that the landscaping companies face
- The total number of seasonal plus year round employees for 92 of the top 100 companies was 86,255
- 45 of the top 100 companies had an employee strength ranging from 251 to 500 employees
- Only 12 had an employee strength of over 1,000 employees
- BrightView had 22,200 employees, the highest number of employees in the list



(1) Note: 92 of 100 companies reported their number of employees.



Company Profiles

Company Profiles

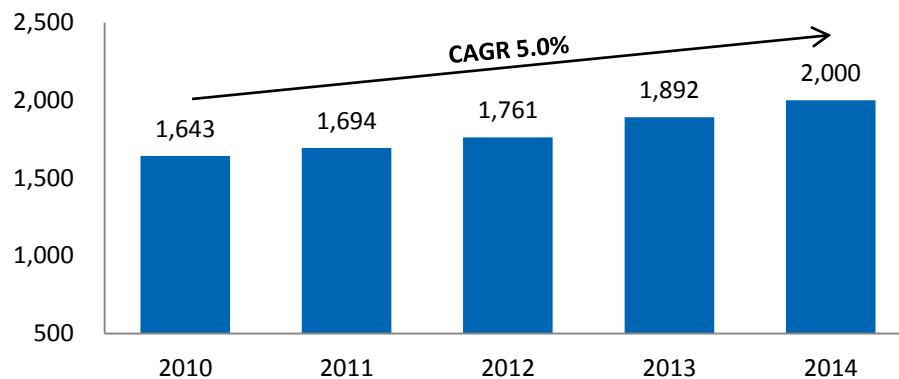
BrightView



Description

- The Brickman Group and ValleyCrest Companies provide services in the U.S. As of June 2014, ValleyCrest Companies, LLC operates as a subsidiary of The Brickman Group Ltd. LLC. The combined entity will be called BrightView
- ValleyCrest Companies merged with Brickman Group in a \$1.6bn buyout
- The combined entity reported a revenue of \$2bn in 2014 on a proforma basis and had 22,200 employees
- Brickman provides commercial landscaping services for corporate and commercial facilities, educational institutions, healthcare facilities, hotels, housing communities, parks, public spaces and retail centers
- The companies offer
 - **Landscape Development Services** for developers, general contractors, public agencies, and landscape architects
 - **Landscape Maintenance Services** for resorts and retail centers, corporate campuses and public spaces
- Also provide golf course maintenance services for private and municipal golf courses and golf resorts, tree relocation and preservation services for landscape contractors, architects and developers

Revenue Trend (\$mn)⁽¹⁾⁽²⁾



Key Customers

- **Corporate & Commercial:** Delmar Gardens, Fiat Chrysler Auto Tech Center, Marriott Corporate HQ, Omni Park Metro District
- **Education:** Dean College, DePaul University, Mercer University
- **Healthcare:** Asbury Methodist Village, Kensington Park
- **Hotels & Resorts:** Hotel Del Coronado, Nemaocolin Woodlands Resort, Rancho Valencia, Renaissance Schaumburg CC
- **Housing Communities:** Lincoln Meadows, Pioneer Ridge, Sun City Community Association, TPC River's Bend
- **Parks & Public Spaces:** Shedd Aquarium, The National Mall, Woodlawn Cemetery

(1) Note: The historical revenue figures have been calculated by adding the revenues of Brickman Group and ValleyCrest Company.

(2) Source: Lawn & Landscape Top 100 List, 2011-2015.

Company Profiles

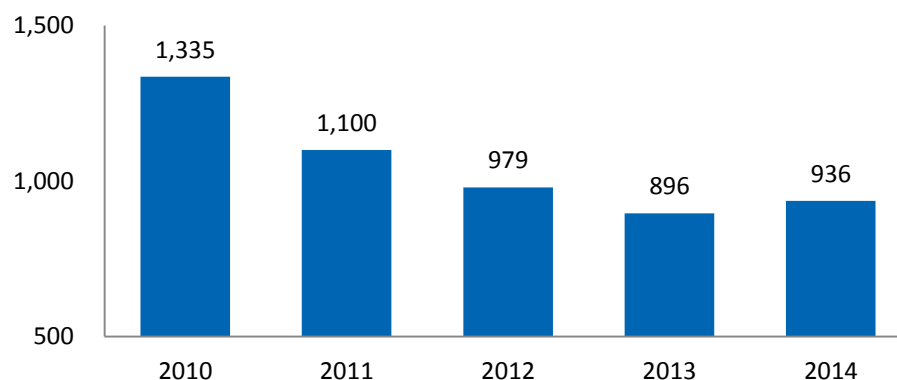
TruGreen Companies LLC.



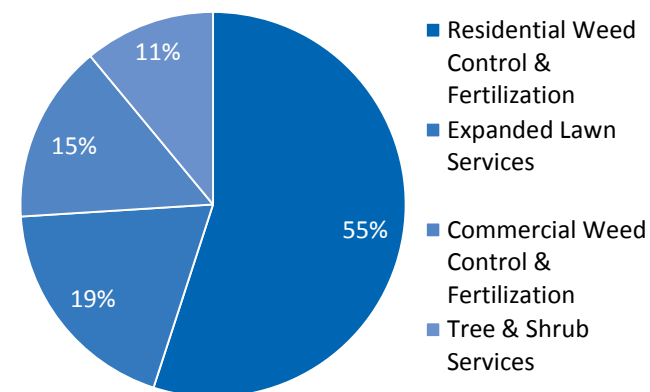
Description

- The Based in Memphis, Tennessee. TruGreen Companies L.L.C. is a former subsidiary of The ServiceMaster Company, LLC. The company was acquired by Aurora Resurgence in 2011
- David Alexander serves as the president of the company that has about 8500 employees and reported a revenue of \$936mn in 2014
- The company provides services to residential and commercial customers in the U.S.:
 - Lawn care
 - Tree and shrub care
 - landscaping services
- It offers:
 - Insect treatments
 - Feeding of landscape ornamental trees and shrubs
 - Insect and disease control
 - Fire ant control and nuisance pest control
 - Fungicidal treatments for landscaping and turf grasses
- About 85% of its revenue comes from the urban segment and the rest 15% comes from the commercial segment
- Chemical lawn care /fertilization generate 70% of the companies total revenues

Revenue Trend (\$mn)⁽²⁾



Segmental Breakdown⁽¹⁾⁽³⁾



(1) Note: The segmental breakdown figures have been taken form ServiceMaster's 10K filing of 2011. TruGreen was later acquired by Aurora Resurgence.

(2) Source: Lawn & Landscape Top 100 List, 2011-2015.

(3) Source: Service Master 10K Filing 2011.

Company Profiles

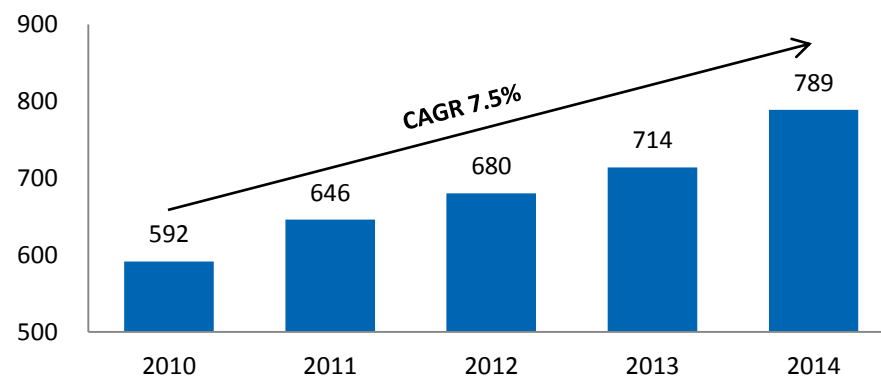
The Davey Tree Expert Company



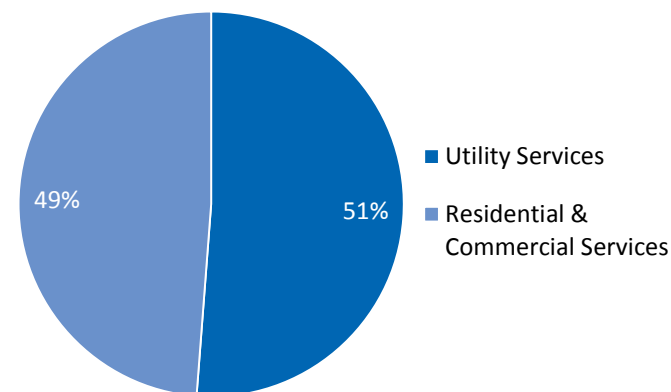
Description

- The Davey Tree Expert Company, together with its subsidiaries, provides arboriculture, horticulture, environmental, and consulting services in the U.S. and Canada
- In 2014, the company reported a revenue of \$789mn and had 8,657 employees. The utility segment contributes to 51% of the total revenues
- It operates in two business segments:
- **Utility** - Principally engaged in providing services to utility customers (investor-owned, municipal utilities, and rural electric cooperatives) including:
 - Practice of line-clearing and vegetation management around power lines
 - Rights-of-way and chemical brush control
 - Natural resource management and consulting
 - Forestry R&D and environmental planning
- **Residential and Commercial** - Provides services to residential and commercial customers including:
 - Treatment, preservation, maintenance, removal, planting of tree grounds maintenance, tree surgery, tree feeding and tree spraying
 - Shrubs and other plant life, the practice of landscaping, the application of fertilizer, herbicides and insecticides
 - Natural resource management and consulting, forestry research and development, and environmental planning

Revenue Trend (\$mn)⁽¹⁾



Segmental Breakdown⁽²⁾



(1) Source: Lawn & Landscape Top 100 List, 2011-2015.

(2) Source: Davey Tree Expert Company 10K Filing 2014.

Company Profiles

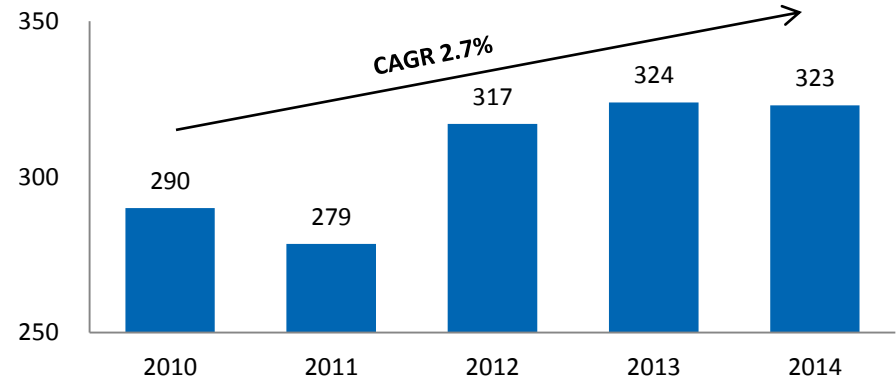
Scotts



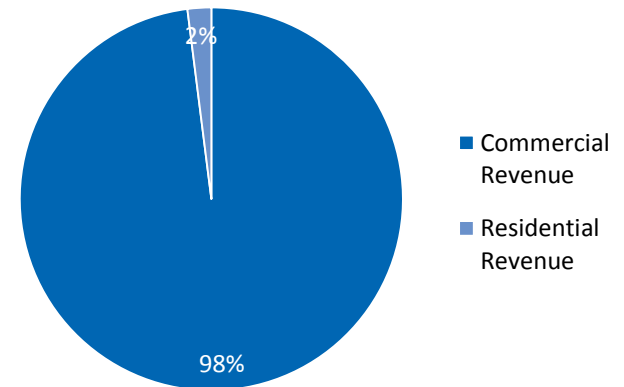
Description

- As of September 30, 2014, the lawn service segment had 84 company-operated locations, and 95 independent franchisees operated locations
- In 2014, the company reported revenues of \$323mn
- The Scotts Miracle-Gro Company manufactures, markets, and sells consumer lawn and garden care products worldwide
- The Global Consumer segment provides lawn care products, such as lawn fertilizers, grass seed products, spreaders, and other durable products, as well as lawn-related weed, pest, and disease control products
- The Scotts Lawn Service segment provides:
 - Urban and commercial lawn care,
 - Tree and shrub care
 - Pest control services through periodic applications of fertilizer and control products
- The company offers its products to home centers, mass merchandisers, warehouse clubs, large hardware chains, independent hardware stores, nurseries, garden centers, and food and drug stores through a direct sales force and network of brokers and distributors

Revenue Trend (\$mn)⁽¹⁾



Segmental Breakdown⁽²⁾



(1) Source: Lawn & Landscape Top 100 List, 2011-2015.

(2) Source: Lawn & Landscape Top 100 List, 2015.

Company Profiles

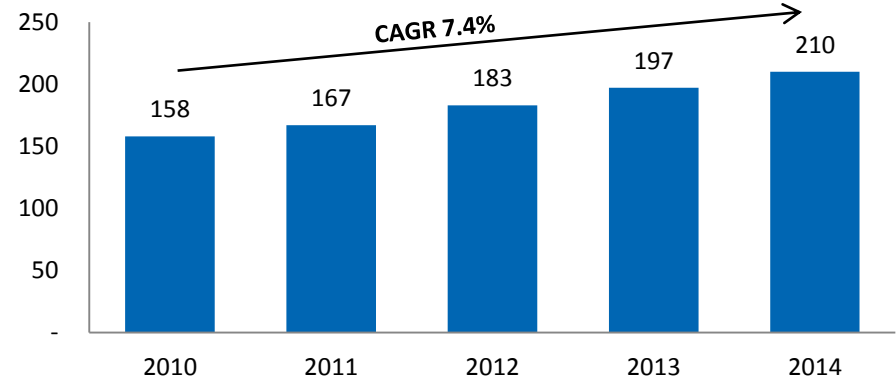
Bartlett Tree Experts



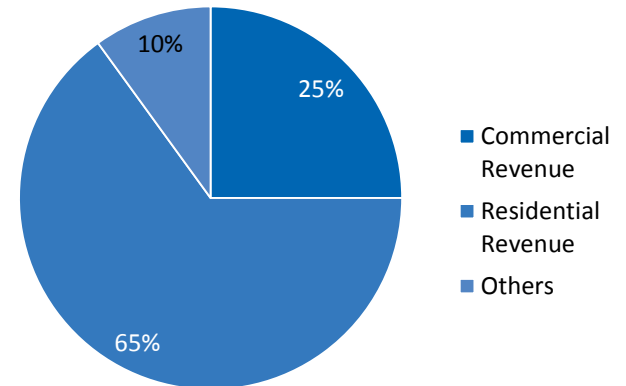
Description

- The Bartlett Tree Expert Company was founded in 1907 and is based in Stamford, Connecticut with additional offices in the U.S., Great Britain, Ireland, and Canada
- It reported a revenue of \$210mn in 2014 and employees 1,535 employees
- The company, a scientific tree and shrub care company, provides landscape tree and shrub care services to residential and commercial customers
- Its services include:
 - Cabling and bracing
 - Deer management
 - Drought services
 - Emergency tree service, pruning, tree inspections, tree inventory and management plan, tree/stump removal, and tree structure evaluation
 - Fertilization and soil management, insect and disease management, mosquito sprays
 - Tree lightning protection systems
 - Plant analysis and diagnostics
 - Storm damage solutions
 - Tick management

Revenue Trend (\$mn)⁽¹⁾

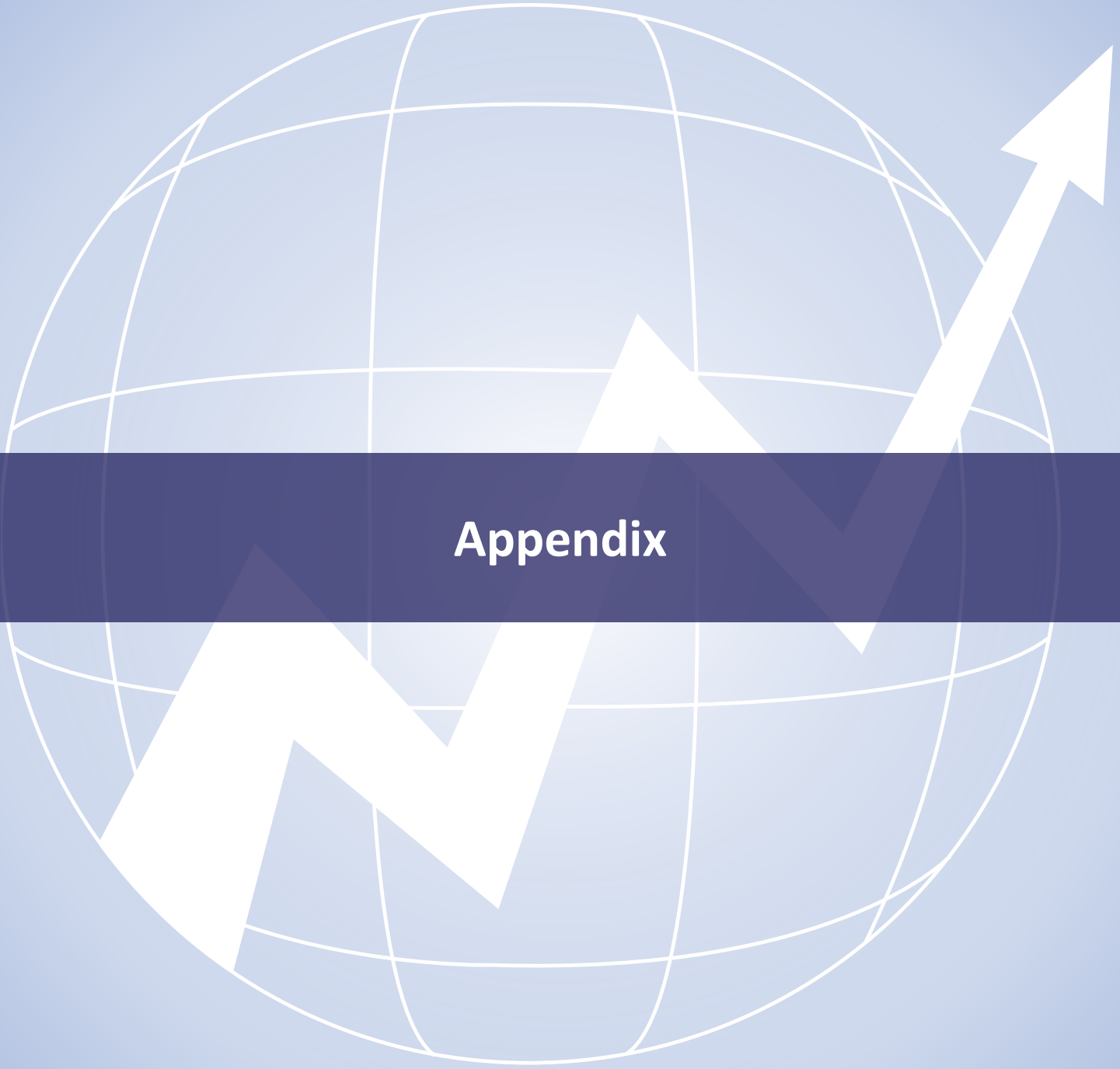


Segmental Breakdown⁽²⁾



(1) Source: Lawn & Landscape Top 100 List, 2011-2015.

(2) Source: Lawn & Landscape Top 100 List, 2015.



Appendix

Appendix

I-Bankers

I- Banker	Target	Acquirer
Matheson Financial Advisors	Golden Associates Landscape Architects	Atwell LLC
Harris Williams & Co.	Yellowstone Landscape Group Inc.	CIVC Partners LP
Transact Capital Partners	H&G Landscape Architects	Stewart Engineering
Waterview Advisors	VMC Landscape	Terracare
CCG Advisors	SunTerra Landscape	Merit Service Solutions
CCG Advisors	Metheny Commercial Lawn Maintenance	Brickman Group Ltd LLC
Moelis & Co	ValleyCrest Co. LLC	Brickman Group Ltd LLC
KPMG Corp Finance	ValleyCrest Co. LLC	Brickman Group Ltd LLC
Barclays Capital	Brickman Group Ltd LLC	KKR & Co. LP
Morgan Stanley	Brickman Group Ltd LLC	KKR & Co. LP
Credit Suisse Securities	Brickman Group Ltd LLC	KKR & Co. LP
UBS Loan Finance LLC	John Deere Landscapes LLC	Clayton Dubilier & Rice LLC
ING Capital LLC	John Deere Landscapes LLC	Clayton Dubilier & Rice LLC
HSBC Securities (USA) Inc.	John Deere Landscapes LLC	Clayton Dubilier & Rice LLC
Natixis	John Deere Landscapes LLC	Clayton Dubilier & Rice LLC
Arlington Capital Advisors	C&S Co.	Barnhart Crane & Rigging Co.
FHL Capital	Grounds Unlimited	McKinney Capital
Principium Group	NA	NA

Appendix

Advisers

Name	Company	Location	Contact	E-Mail
Richard Arlington	Richard Arlington & Associates	Lake City	814.864.2586	rich@richarlington.com
Bill Arman	The Harvest Group	Arkansas	949.466.8837	bill@harvestlandscapeconsulting.com
Tony Bass	Bass Consulting	Macon, Georgia	478.822.9706	tony@tonybassconsulting.com
Steven Cesare	The Harvest Group	Orange County	760-685-3800	Steve@harvestlandscapeconsulting.com
Domenic Chiarella	7 of 7 BEST Business, Life Strategies LLC	New York City	203.264.6863	domenic@7of7best.com
Jason Cupp	Kincaide Ltd.	Kansas City	913.735.7011	jason@jasoncupp.com
Ron Edmonds	The Principium Group	Memphis	888.229.5740	ron@principiumgroup.com
Daniel S. Gordon	Turf Books	New York City	973.300.0288	dan@turfbooks.com
Peter Haakon	Lawn Business Consultants	Washington D.C.	703.965.6876	Pete@LawnBusinessConsultants.com
Phil Harwood	Pro-Motion Consulting, Inc	Detroit	248.436.8121	phil@mypmcteam.com
Peter J. Holton	Caber Hill Advisors	Chicago	312.618.0715	peter@caberhill.com
James R. Huston	J.R. Huston Consulting, Inc.	Granby, Colorado	303.901.3240	jhuston@jrhuston.biz
Chris Knosp	Mike Albert Fleet Solutions	Cincinnati	513.554.2935	chrisk@mikealbert.com
Kent Kohn	Pro-Motion Consulting, Inc.	Chicago	262.483.8468	kent@mypmcteam.com
Brian Kraff	Market Hardware	Washington D.C.	888.262.8761	NALP@markethardware.com
Ed Laflamme	The Harvest Group	New York City	203.848.4696	ed@harvestlandscapeconsulting.com
Mike Lysecki	Landscape Management Network	Toronto, Canada	888.347.9864	mike@golmn.com
Chris Noon	Greenlight Consulting Services		978.838.3107	cnoon@greenlcs.com
Jeffrey Scott	The Leader's Edge Peer Group	New York City	203.220.8931	Jeff@jeffreyscott.biz
Bill Silverman	Springboard Business Coaching	Philadelphia	856.751.1989	bill@springboardbizcoaching.com
Ken Thomas	Envisor Consulting	Atlanta	404.987.2499	kenthomas@envisorco.com
Matt Hudson	Cotleur & Hearing Landscape Company	Jupiter, Florida	561.319.2474	NA
Joe Palimeno	Vander Kooi & Associates	Philadelphia	303.697.6467	cvk@qwestoffice.net
Gary Ostwald	Vander Kooi & Associates	Colorado	303.697.6467	cvk@qwestoffice.net

Appendix

Advisers (contd.)

Name	Company	Location	Contact	E-Mail
Mark Borst	Vander Kooi & Associates	New York City	303.697.6467	cvk@qwestoffice.net
Chris James	Vander Kooi & Associates	Colorado	303.697.6467	cvk@qwestoffice.net
Katherine Moody	Lawn Management Company Inc.	Texas	832.763.6510	katherinemood@lmcinc.biz
Scott Jamieson	Bartlett Tree Experts	Chicago	NA	sjamieson@bartlett.com
Brett Lemcke	R. M. Landscape Inc.	New York City	NA	blemcke@rmlandscape.com
Jim McCutcheon	HighGrove Partners LLC	Atlanta	NA	jim.mccutcheon@highgrove.com
Jason Becker	Caterpillar Inc.	Carolina	NA	becker_jason@cat.com
Jeff Buhler	Massey Services	Florida	NA	jbuhler@masseyservices.com
Jim Campanella	Lawn Dawg	Boston	NA	jim@lawndawg.com
Jon Cundiff	Weed-Man	Kansas City	NA	jonc@turfsupinc.com
Joy Diaz	Land Care Inc.	Nevada	NA	joyd@landcareinc.ne
Kristen Fefes	Associated Landscape Contractors of Colorado	Denver	NA	kfefes@alcc.com
Tom Fochtman	Ceibass Ventures	Denver	NA	tom@ceibass.com
Zach Johnson	Colorado State University	Colorado	NA	z.johnson@colostate.edu
Paul McDonough	Koch Industries Inc.	Ohio	NA	paul.mcdonough@kochind.com
Shayne Newman	YardApes	New York City	NA	Shayne@yardapes.com
Roger Phelps	STIHL Inc.	Virginia	NA	Roger.Phelps@stihl.us
Barbara Stropko	New Desert Gallery Inc.	Arizona	NA	barb@newdesertgallery.com
Andrew Ziehler	Ziehler Lawn and Tree Care	Ohio	NA	aziehler@discoverziehler.com
Dickson DeMarche	The LaurelRock Company	Connecticut	NA	dickson.demarche@laurelrock.com
Linda Carroll	Jefferson Landscapign	Washington	206.992.9117	jeffersonlandscaping@comcast.net
Rob Boyker	Avid Landscape Design & Development	Washington	206.310.1345	rob@avidlandscape.com
Michael Murphy	Sunrise Landscape Design	Washington	360.696.4572	michaelmurphy1977@hotmail.com

Appendix

Conferences

Name of the Conference	Date	Location
Cities Alive: Annual Green Roof & Wall Conference	Oct. 05-08, 2015	New York
Urban Land Institute Fall Meeting	Oct. 05-08, 2015	San Francisco, CA
WaterSmart Innovations Conference and Exposition	Oct. 07-09, 2015	Las Vegas, NV
APLD International Landscape Design Conference	Oct. 08-11, 2015	Washington D.C.
Wealth Building Summit	Oct. 21, 2015	Louisville, Kentucky
National Association of Landscape Professionals' Green Industry Conference	Oct. 21-23, 2015	Louisville, KY
American Society of Landscape Architects Annual Meeting & Expo	Nov. 06-09, 2015	Chicago, IL
Chesapeake Conservation Landscaping Council's Turning a New Leaf Conference	Nov. 13, 2015	Towson, MD
Landscape Industry Show	Feb. 03-04, 2016	Ontario Convention Center
The Premier Rocky Mountain Regional Green Industry Conference	Feb. 09-12, 2016	Denver, Colorado
2016 Nevada Landscape Association Trade Show & Conference	Feb. 18, 2016	Nevada
Leaders Forum (Formerly Great Escape)	Feb. 25-27, 2016	Los Cabos, Mexico
Landscape New Jersey 2016 - 39th Annual Trade Show and Conference	Mar. 02, 2016	New Jersey
US-IALE 2016 Annual Meeting	Apr. 02-08, 2016	Los Cabos, Mexico
California Spring Trials	Apr. 09-14, 2016	California
Lawn Care Summit	December/January	To Be Decided