



Environmental Resources Management (ERM)

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 Directors John Alexander (Global CEO)
 Philip Gore-Randall (Non-Exec Director & Chairman)
 Robin Bidwell (Non-Exec Director & Honorary President)
 Ownership Private (partnership model - c10% of staff are partners) with 57% private equity stake held by Bridgepoint Capital
 Founded 1971 (UK)

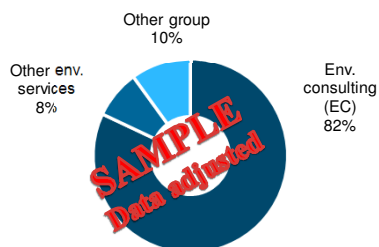
VITAL STATISTICS

2008/09 2009/10

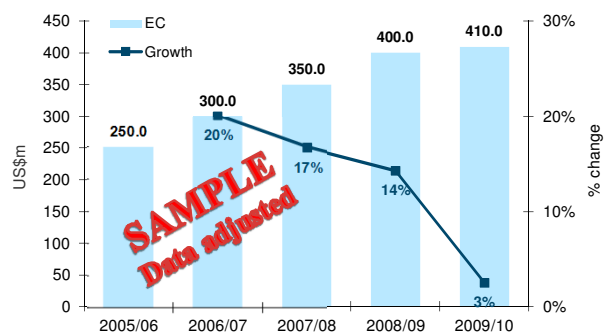
Proportion of group turnover in env. consulting
 Turnover (gross), group*
 Turnover 3-yr growth, group
 Turnover, env. services (inc. env. consulting)
 Turnover, env. consulting (as defined by EA)
 Turnover 3-yr growth, env. consulting
 Operating profit (EBITA), group
 Operating margin, group (% of gross turnover)
 Staff, group (at FY end)
 Staff, environmental (at FY end)
 Turnover per head, environmental
 Contracts, environmental
 Average contract value, environmental

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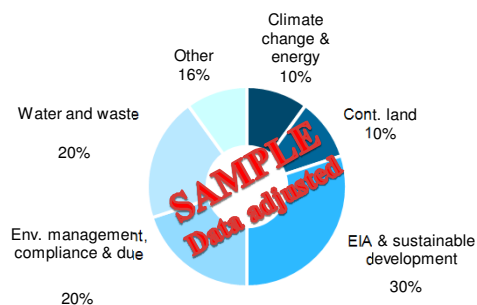
GLOBAL REVENUE BREAKDOWN



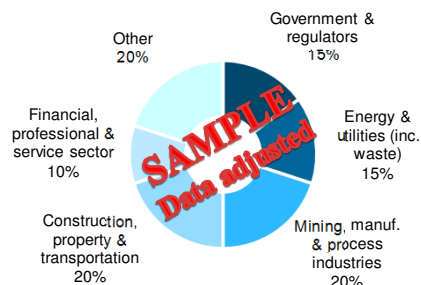
GLOBAL EC REVENUES*



EC SERVICE AREA BREAKDOWN



EC CLIENT OVERVIEW



Notes: *Financial figures based on FY ending 31 March (2009/10 figures = 12 months to 31 Mar '10); group figures as reported in US\$. [Trading PBBIT = profit before bonus, interest, tax and amortization of goodwill]

Environmental Resources Management (ERM)



Key services

Internally, services are organised around five main business lines - sustainability & climate change, impact assessment & planning, performance & assurance, transaction services and contaminated site management. Niche environmental services outside of core consultancy include certification & verification (CVS) and information solutions

Key global clients

BG Group, Chevron, Coca-Cola, Dow Chemical, Eurasian Natural Resources Corp., Honeywell, Mitsubishi Corp., Repsol Exploration, Syngenta, Whirlpool Corp. [Biggest global contract = \$10m in FY 2009/10]

CORPORATE DEVELOPMENTS/M&A

1971	ERL founded in London, UK	
1977	ERM founded in Philadelphia, USA	
1987	ERL (
1993	Establ	
1994	Acquir	th local environmental sciences
	organi	
1995	Establ	
1996	Acquir	
1999	ERM I	
2000	Acquir	
2001	MBO c	up at £200m
2002	Acquir	
2003	Acquir	
2004-5	Expan	
2005	Bridge	valuing firm at US\$535m (c12x
	EBITD	
2006-8	Offices	
2007	Launc	omms and team working; J
	Alexar	
2009	Allianc	
2009	c8-10%	Europe); pay freeze/deferral
	schem	ced as cost-saving measures
	due to	
2009	Resigr	
2009	Partne	ions solutions
2009	Briber	
2010	Unveil	
2010	Appoir	role of acquisitions director -
	filled b	
2010	Acquir	4m - risk management
	specia	
2010	Financ	enue, and an 5.4% drop in
	operat	
2010	Create	strong sales growth (+14%) in
	this se	
2010	Repor); rewards staff for taking pay
	deferr	
2011	Goldman Sachs appointed to conduct strategic review by Bridgepoint - likely as a precursor to the sale of its stake in ERM	

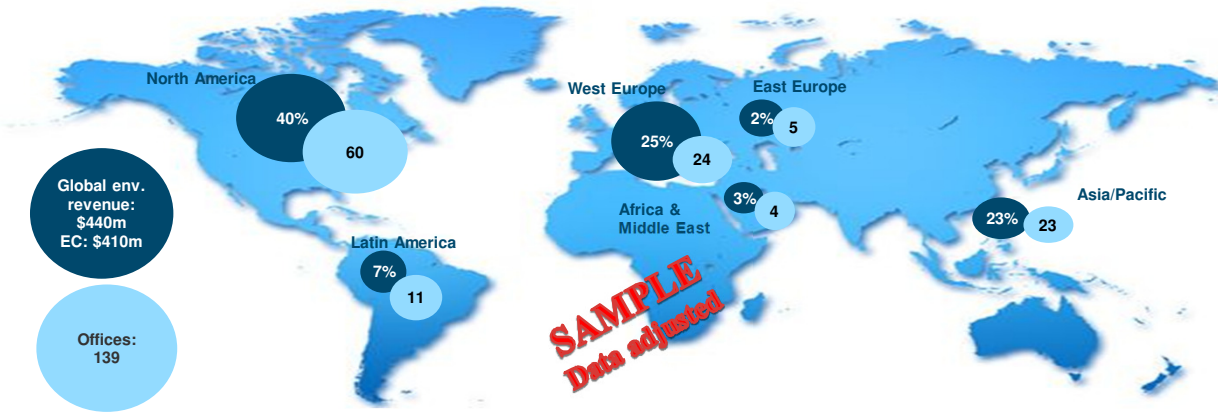
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For further details see EA's article archive for ERM - <http://environment-analyst.com/458>

Environmental Resources Management (ERM)



REGIONAL ANALYSIS OF EC BUSINESS



GEOGRAPHICAL FOOTPRINT

ERM has c130 offices across 40 countries; the global business is organised around four major regions, as follows:

North America (c1,020 employees)
 • Group gross revenue in FY2008/09: \$42.3m
 • At c44% of group revenue, North America is the largest region, primarily due to unconventional gas extraction projects.
 • ERM's most recent M&A activity in North America has been the acquisition of a management specialist in IT ghg emissions solutions.
 • In Q1 2011, ERM announced the formation of a new Environmental Planning Group (MPG) and is currently planning projects in North America, including watershed management.

Europe, Mid-East & Africa
 • Group gross revenue in FY2008/09: \$15.1m (FY2008/09: \$15.1m)
 • The UK is ERM's second largest region, primarily due to the private sector, especially in the oil & gas industry. Recently, ERM has been successful in securing major contracts in France, which are the next largest region.

Asia-Pacific (c640 employees)
 • Revenue in the region in FY2008/09: \$25.1m (3% at constant exchange rates). Trading PBBIT* = \$25.1m.
 • Australia is the group's largest region in Asia-Pacific.
 • Entered the Chinese market in 2007, ERM became the largest environmental consulting staff (c80% = Chinese nationals).
 • Est. In India since 1995, ERM is the largest environmental consulting firm.

Latin America & Caribbean
 • One of the largest EC regions, with revenue in FY08/09: \$5.8m (FY08/09: \$5.8m). Trading PBBIT* = \$2.8m.



onus, interest, tax and amortization of goodwill
 \$36.6m (FY2008/09: \$36.6m)
 ojects relating to
 er oil & gas risk
 are firm Tririga in the
 planning firm Moore
 nicipal and gov't
 ated sediments and
 dling PBBIT* =
 ad ERM's reliance on
 vices. ERM has
 oments. Germany &
 ofit grew by around
 s. FY 2009/10
 f across 8 offices)
 nsultancy in China. In
 ministry. Now c110
 d (FIPB) cleared env.
 2.4m, trading PBBIT*

*Trading PBBIT = profit before bonus, interest, tax and amortization of goodwill



Environmental Resources Management (ERM)

OVERARCHING INSIGHTS

- One of the sector's founding members, ERM has been active in env. consultancy for nearly forty years, positioning itself as the strategic high-end of the market (including work on major projects, including impact assessment)
- Growth over the last decade has been significant, particularly in the global network, following a strong foothold in the UK
- Predominantly MNC clients, with a focus on large-scale developments in UK (for example, infrastructure projects) (covering water, energy, and other sectors)
- ERM's private equity ownership has been a significant private equity success story

GLOBAL STRATEGY

- After a major cost-cutting exercise in FY2009/10 in spite of the global economic downturn, ERM has been able to maintain its core US and European businesses
- Results of a global strategy review in March 2010. Key elements are: to focus on high-growth sectors; to develop a development programme across all geographies; and to underlining intent to make the most of the current economic environment
- Alongside mining and construction, ERM has seen double digits in fiscal 2010

ENVIRONMENT ANALYSIS

- S • A truly global presence, particularly in the oil & gas and retail/energy sectors
- S • Ability to build strong relationships with local perspectives
- W • Low presence in emerging markets
- W • Not allied with major governments, no potential for political risk
- O • First mover advantage in many highly profitable sectors
- O • More bolt-on acquisitions, particularly in the skills services sector
- T • Reputation for high quality work
- T • Staff retention in a competitive market

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To order the full report, Global Environmental Consulting Strategies and Competitor Analysis 2011, please visit our website at:

www.environment-analyst.com/global