



# BUSINESS SERVICES REPORT

Explore M&A Activity, Capital Market  
Conditions and Current Trends for the  
Business Services Industry



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1H 2022

**SDR***Ventures*

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# BUSINESS SERVICES REPORT

## BUSINESS SERVICES 1H22: WHAT TO KNOW

- ❑ The business of helping business is evolving with each technological advance. We're watching how business services are adapting as many industries struggle with supply chain disruptions.
- ❑ Maybe it was inevitable that e-commerce would one day rule the world, but Covid hit fast forward. We're watching opportunities to build better, more reliable, easier-to-use platforms both for D2C and B2B applications.
- ❑ The emerging field of "digital twin" modeling is helping producers deliver new products to the market faster and with more confidence as advances in technology, processing, and machine learning help innovators identify needs, address potential problems, and maximize efficiencies faster than ever.

## The Business Of Helping Business Goes High Tech

Doesn't matter what business you're in. In today's Business Services Industry, you're probably in the tech business in some way. In 2022, business services are often about helping other industries innovate, evolve, scale, and find efficiencies through tech solutions. From getting things in the back door by managing a "supply web" instead of a fragile "supply chain" to moving things out the front door through e-commerce and fulfillment management.

As pandemic-driven e-commerce demand boomed and pandemic-sparked supply chains gasped under the strain, we're watching how business service providers are enabling operations to overcome unforeseen obstacles, or even see them before they develop.

Once considered a buzzword, today's digital twin technology is real, helping clients model their evolution and develop future-proof solutions that help them avoid the unexpected. A digital twin builds a complete, virtual model of a target product or service and then applies a comprehensive array of data points that allows producers to evaluate and measure every conceivable condition before sending a product out the door. And as these systems learn, improve, become faster and more powerful, a consortium of some of the biggest players has formed including Dell, Johnson Controls, Microsoft, and GE. Digital twin applications are no longer fanciful phantoms, they are real, and businesses are seeking out these services.<sup>1,2</sup>

Once a product is developed, producing it requires materials. Pandemic-driven supply chain issues – whether due to consumer panic buying, COVID-related factory and port shutdowns, or rapid whipsaws in demand – tested traditional just-in-time delivery models, outsourcing to the lowest-cost provider no matter how distant and relying on single-stream supply chains. As companies expand their network of factories and diversify their suppliers, the traditional supply chain – built to be cheap, not resilient – is becoming a "supply web." And that web, also called

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## ABOUT SDR

Established in 2002, SDR Ventures has developed deep M&A and capital transaction knowledge and expertise. SDR offers transaction advisory, private capital formation and business consulting services across a wide range of industries. We serve business owners and operators of privately held companies and provide them with a professional-class experience.

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“multiple sourcing,” is increasingly tech-driven and complex. We’re keenly interested in the maturation of supply web solutions and the innovators who will manage that web efficiently, nimbly, and dependably.<sup>3</sup>

And finally, getting product out the door. E-commerce retailing – online shopping – has been on a steady upward trajectory since the late ‘90s. But apparently, nothing kicks change into gear faster than a global pandemic. As brick-and-mortar stores struggled, those retailers not already meeting consumer demand on the internet were forced to engage. In 1998, government figures show e-commerce in the U.S. was a \$5 billion sector. By 2019, retailers were doing \$571 billion in sales. Then, add a pandemic and the following year, with shoppers ordering from home, e-commerce sales hit \$815 billion. So how are retailers going to keep up, get faster, cheaper, more reliable, and enhance the consumer experience? We believe opportunities abound for those who can deliver the e-commerce services sought by both single item, direct-to-consumer (D2C) retailers and large volume, big ticket business to business (B2B) suppliers.<sup>4</sup>

## Digital Twin Tech: Growth Mirrors Demand

By one analysis, the market for digital twin technology is poised for a five-year growth spurt, from nearly \$7 billion this year to \$73.5 billion by 2027, an impressive compound annual growth rate of (CAGR) of 60%. Another analysis predicts 40% CAGR by 2030. In either case, there are strong indications of sector growth. Demand for these technologies is seen across the spectrum, including manufacturing, healthcare, and supply chain management. The space saw a slowdown, as did many sectors, during the pandemic as factories went offline or slowed production in 2020. But demand is expected to increase, especially in healthcare, where computer giant Dell has shown interest in precision medicine. Manufacturing, too, is engaged as they look to speed the time from prototype to production with digital solutions that spot flaws during the design phase and point the way to improvements.<sup>5,6</sup>

The North American market is expected to be a leader in the digital twin revolution, especially in auto and aerospace, including interest from the U.S. Air Force. On the supply side, some of the leaders in digital twin tech include names already familiar, such as Amazon, Dell, IBM, Microsoft, and Autodesk, as well as some less familiar such as MEIK Labs, and TWAICE Technologies. And the number of vendors is rising with the incorporation of advanced technologies including light detection and ranging and FLIR (forward-looking infrared).

## What A Tangled Web We’ll Weave (For Supply)

Maybe the way we’ve always done it doesn’t work? Since the advent of the standardized shipping container modernized transoceanic freight in the 1950s and ‘60s, manufacturers focused on finding the cheapest way to source components. Often, that meant Asia. Never mind how long that supply chain grew. Remember what they say about chains, weakest link and all that. One link breaks, and the chain is worthless. Enter Covid. Factories shut down then restarted, shipping lines were overloaded, even shipping crates were scarce. From plastic cups to car components, those products producers want to sell to us were no longer available. Maybe things will catch up in time. But here’s the thing. Covid was a cause for the disruption, but that doesn’t mean there won’t be another, different cause, and another. We’ve seen how fragile supply chains can be. We’re seeing demand for something different.<sup>3,8</sup>

Will producers act? That’s the question as we watch the emergence of supply web management and technology, the concept of spreading it around a bit, diversity of both suppliers and geographic regions. To use another old saying, it’s the eggs in one basket thing. The solution may be a system more sophisticated than sending a supplier an order and waiting for the shipment. The tools for real supply chain diversification, monitoring, and real-time management are out there offering data management, scenario analysis, sophisticated modeling, blockchain incorporation, even monitoring a broad, industry-wide overhead view. Industries have tried the cheapest supply chain, now they are looking for the best supply chain.<sup>9,10</sup>



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Looking forward, we're watching end-to-end (E2E) delivery management with every step working openly with the next through a "control tower" capable of tracking deliveries in real time. Here is where machine learning and even, yes, digital twin integration can eliminate friction and predict and avoid disruptions. When industry insiders use the terms "supply chain visibility," "distribution agility," and "supply chain integration" we hear change and innovation in the air and opportunity for those who embrace the next wave.<sup>11,12</sup>

The "supply chain" is becoming a complex "supply web" built on transparency and dependent on technology to manage a network of relationships and flows in real time across the E2E journey. Even the U.S. government is interested, mulling how analyzing and integrating privately held supply chain data (think rail lines and port operations) into a comprehensive model could avoid snarls before they happen.<sup>10,13</sup>

Still think today's supply chain works? In June, cosmetics icon Revlon filed for bankruptcy protection. Supply chain disruptions were among its biggest issues.<sup>14</sup>

## E-Commerce, We're Just Getting Started

If we thought we knew about "buying stuff online" before Covid, we were mistaken. Years from now, it's predicted we'll look back and realize what a transformative year 2020 was in digital sales and distribution, not only in the United States, but around the world. Opportunities in business services for those who can accelerate, improve, and scale e-commerce platforms abound. During Covid's reign, Latin America's online marketplace Mercado Libre, doubled its daily sales. African e-commerce platform Jumia reported a 50% increase in transactions during the first six months of 2020. Online shopping app downloads in Thailand increased 60%. Even in Kazakhstan the online share of retail sales nearly doubled.<sup>15</sup>

E-commerce is seen as so critical, the United Nations fears those countries that cannot overcome barriers to entry, including broadband adoption, will fall further behind the rest of the world.<sup>15</sup>

As e-commerce gobbles market share, we're watching brands that expand beyond their own country and what opportunities that may create – and what issues may arise such as cross-border supply chain and fulfillment. As platforms grow, we're seeing some alternative forms of financing, such as revenue-based financing (RBF), and we'll see how that impacts Merger and Acquisition activity.<sup>16</sup>

What will be interesting to watch is the e-commerce evolution into B2B. The space may be poised for rapid growth in a post-Covid world, now that the power of online consumer sales has grabbed headlines. Many trends in the D2C retail experience are bleeding into B2B. Customers, even business customers, expect an omnichannel experience, the ability to buy across platforms, online and offline. We believe successful providers will meet customers wherever they are. Even in B2B, social media contact is a thing. It's not unheard of for ads pitching something as specific as a commercial rock crusher to appear on a targeted web page.<sup>17,18</sup>

And this isn't just a trend in clothing or electronics. Think big-ticket. Ford Motor Company is getting serious about e-commerce. In June, Ford CEO Jim Farley indicated the company is edging toward 100% online sales and fixed pricing, away from the traditional dealer model in at least the new EV division, which appears to be the future of the company. Ford is already selling directly to consumers in China. During the ongoing shortage of new vehicles, both Ford and General Motors are squabbling with dealerships over dealers padding the suggested retail price for additional profits. Is that rift widening?<sup>19,20</sup>

As e-commerce builds momentum, a number of companies are offering customizable e-commerce web and app products, often with "no code" options that require no special training, touting the ability to create new pages in minutes and autonomy for business operators. Developments in "headless" platforms separate what the customer sees and engages with, the front end, from complex architecture running the site, the back end, eliminating delays or third-party integration that could risk snarling the system. And there is M&A activity in the emerging space. At the end of 2021, Germany's Commercetools acquired Frontastic. In February, headless commerce company Fabric landed \$140 million in Series C funding from mega-investor Softbank.<sup>21,22,23,24</sup>



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## Mergers & Acquisitions

- ❑ As the half closed, Siemens partnered with artificial intelligence provider Nvidia in a digital twin technology project for industrial use. Siemens, known for its work in digital twin tech, plans to incorporate the power of Nvidia's chips and platforms. Siemens says it will use its expertise in creating digital twin simulations that mimic real-world objects while Nvidia's background in gaming and A.I. will lend itself to visual accuracy.<sup>25</sup>
- ❑ Amazon, the elephant of online sales, announced in February its earlier acquisition of Veeqo, a platform that helps e-retailers sell both in and out of the Amazon environment. While Amazon is already estimated to snap up 40% of American online sales, it's been reported the company lusts after sales on other platforms such as eBay, Shopify, and even Walmart. With Veeqo, Amazon stands to charge customers a processing fee for sales on those sites, indirectly snaring a piece of sales even off the Amazon platform. Terms were not disclosed.<sup>26</sup>
- ❑ EPAM Systems, a digital transformation services company, acquired ENGINIETY, a full-service commerce technology delivery firm that specializes in SAP Commerce Cloud solutions. This acquisition will expand EPAM's capabilities for designing and building commerce platforms.

## Business Services In A Changed World

Watching the world of business change over the past two years has uncovered new, maybe unanticipated, directions in the Business Services Industry. One thing is certain, the role of tech specialization and service has become integral to how business is done. While the goal of any business is to make the customer experience, whether a D2C purchase or B2B relationship, easy and seamless, there are a lot of moving parts and looming pitfalls to overcome. From supply chain to fulfillment to anticipating what the customer, and the market, may need or want next, technical applications and innovations will lead the way and create new opportunities for those bold enough to explore and invent.



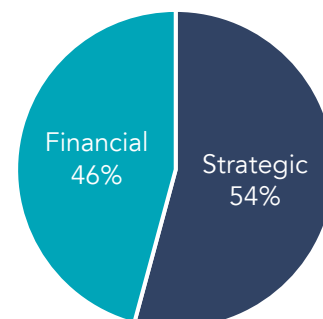


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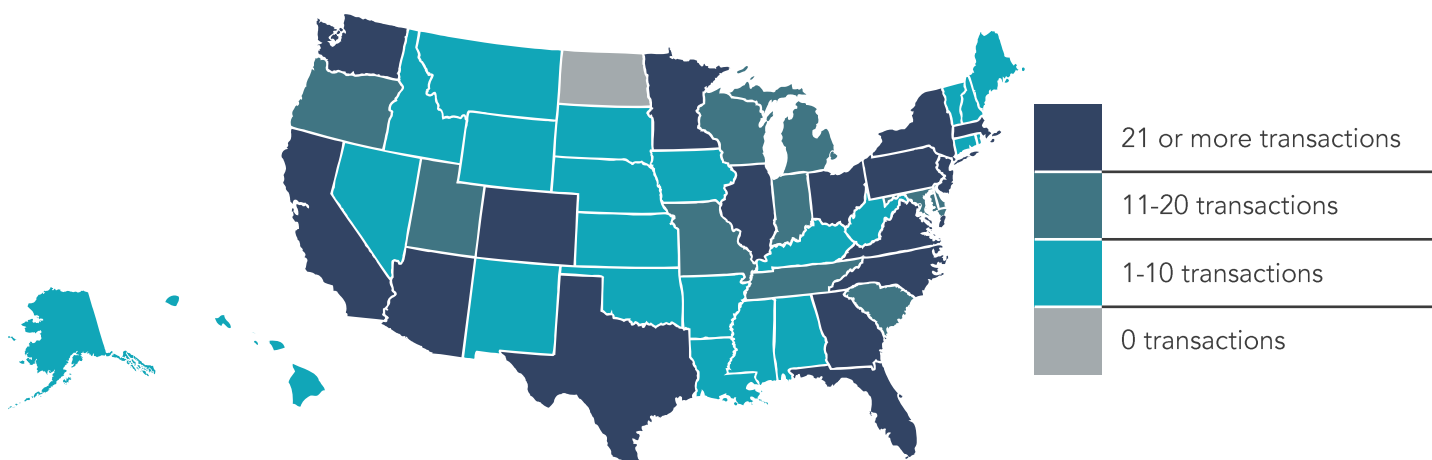
## TRANSACTIONS BY SEGMENT



## TRANSACTIONS BY TYPE



## TRANSACTIONS BY LOCATION



## TRANSACTION ACTIVITY

Date	Target	Buyer(s)	Segment	Amount (\$ in Mil)	TEV/ Rev	TEV/ EBITDA
6/28/22	ICM Partners	Creative Artists Agency	Marketing Services	750.00	-	-
6/22/22	Bassett Creek Services	Highview Capital, Watterson	Facility and Industrial Services	-	-	-
5/25/22	VXI Global Solutions	Bain Capital	Business Process Outsourcing	-	-	-
3/28/22	The Nielsen Company	Brookfield Business Partners	Marketing Services	15,620.00	4.5x	11.5x
2/23/22	R.R. Donnelley & Sons	Chatham Asset Management	Marketing Services	2,019.80	0.4x	6.6x
2/14/22	QualTek USA	Roth CH Acquisition III	Facility and Industrial Services	-	-	-
2/10/22	PAE	Amentum Services	Business Process Outsourcing	1,742.73	0.6x	9.9x
1/19/22	Endeavor Content	CJ E&M	Marketing Services	968.75	-	-
1/6/22	Favorite Healthcare Staffing	Acacium Group, Onex	Human Resources	-	-	-

**If You Are a Business Owner Looking for Additional Transaction Activity Within Your Industry, Please Call Our Offices at 720.221.9220.**

Source: PitchBook Financial Data and Analytics

Note: This data represents recorded transactions only, and is not all-inclusive. Nevertheless, they are typically representative of the industry.



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## ACTIVE BUYERS

### MOST ACTIVE STRATEGIC BUYERS

FIRM	RECENT SUBSIDIARY ACQUISITIONS		
			
			
			

### SELECT SPONSORS WITH ACTIVE PORTFOLIO HOLDINGS

FIRM	RECENT SUBSIDIARY ACQUISITIONS				
					
					
					

Source: PitchBook Financial Data and Analytics

Note: This data represents recorded transactions only, and is not all-inclusive. Nevertheless, they are typically representative of the industry.

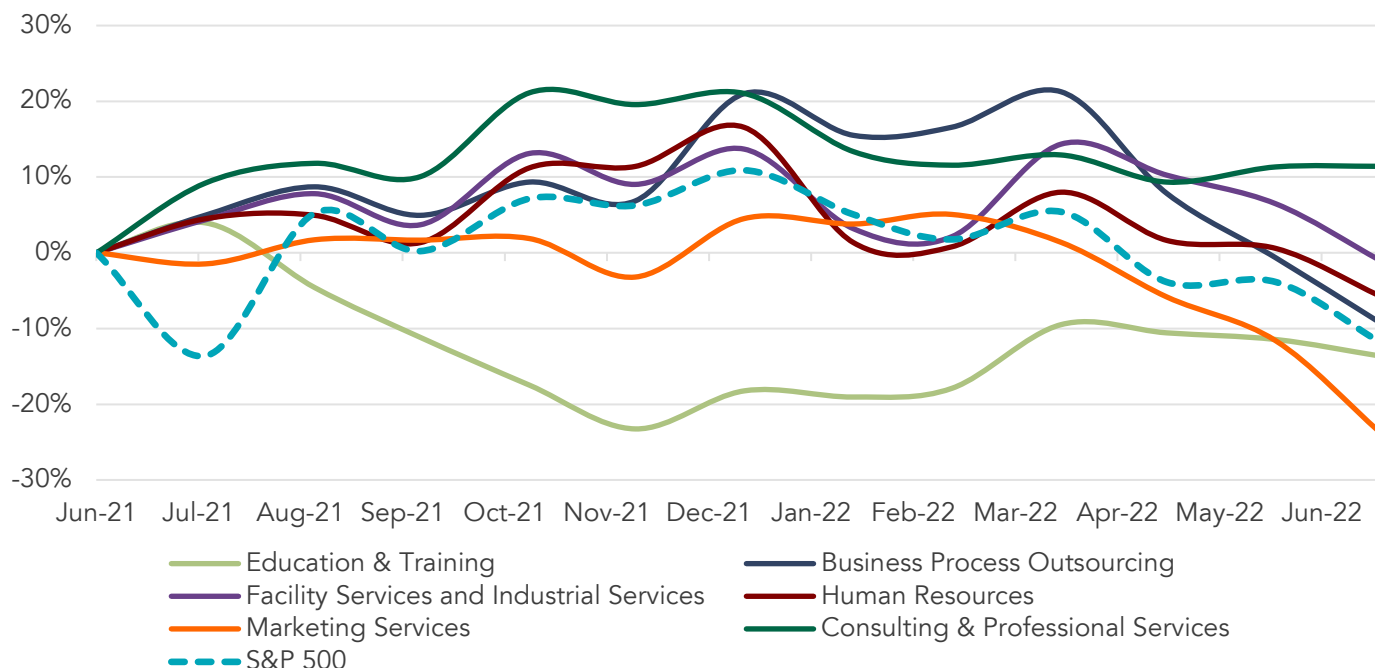


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## PUBLIC BASKET

### BUSINESS SERVICES SEGMENTS VS. S&P 500

Segment Market Cap Performance – Trailing 12 Months



## EDUCATION AND TRAINING

Company Name	Symbol	Market Stats					Operating Stats		LTM Multiples			NTM Multiples	
		Market Cap (\$ in Mil)	Price (\$)	LTM Change	YTD Change	% of 52 Week High	Est. Revenue Growth	EBITDA Margin	TEV/Rev	TEV/EBITDA	Price/EPS	TEV/NTM Revenue	TEV/NTM EBITDA
Pearson	PSON	\$ 6,717	\$ 9.09	(7.8%)	9.9%	73.8%	(4.0%)	212%	16x	7.3x	316x	16x	9.3x
Graham Holdings	GHC	2,767	566.84	(7.3%)	(10.0%)	84.0%	13.4%	20.2%	0.9x	4.3x	8.4x	0.8x	NM
Strategic Education	STRA	1,761	70.58	6.3%	22.0%	84.7%	(15%)	14.5%	16x	11.2x	32.4x	16x	9.9x
Stride	LRN	1,744	40.79	12.3%	22.4%	95.9%	6.9%	14.4%	12x	8.5x	19.2x	12x	6.8x
Perdoceo Education	PRDO	810	11.78	2.6%	0.2%	93.1%	(3.4%)	24.5%	0.5x	2.1x	7.5x	0.5x	2.5x
Zovio Solutions	ZVO	33	0.97	18.3%	(23.6%)	32.3%	(4.0%)	(13.1%)	0.2x	NM	NM	0.2x	NM
Gasporox	GPX	7	0.81	(25.0%)	(38.9%)	50.7%	NM	(15.3%)	3.0x	NM	NM	NM	NM
Segment Average				(0.1%)	(2.6%)	73.5%	1.3%	9.5%	1.3x	6.7x	19.8x	1.0x	7.1x
Segment Median				2.6%	0.2%	84.0%	(2.4%)	14.5%	1.2x	7.3x	19.2x	1.0x	8.0x

## BUSINESS PROCESS OUTSOURCING

Company Name	Symbol	Market Stats					Operating Stats		LTM Multiples			NTM Multiples	
		Market Cap (\$ in Mil)	Price (\$)	LTM Change	YTD Change	% of 52 Week High	Est. Revenue Growth	EBITDA Margin	TEV/Rev	TEV/EBITDA	Price/EPS	TEV/NTM Revenue	TEV/NTM EBITDA
Cognizant Technology Solutions	CTSH	\$ 35,174	\$ 67.49	(24.7%)	(23.9%)	72.2%	10.3%	18.2%	18x	10.0x	16.2x	16x	8.8x
TTEC Holdings	TTEC	3,193	67.89	(17.7%)	(25.0%)	59.9%	16.2%	12.9%	17x	13.5x	26.0x	15x	9.8x
Unisys	UIS	814	12.03	(44.3%)	(41.5%)	44.1%	17.2%	(7.6%)	0.5x	NM	NM	0.4x	19x
StarTek	SRT	116	2.89	(34.8%)	(44.6%)	37.6%	(2.4%)	7.8%	0.5x	6.6x	9.3x	0.5x	5.7x
Segment Average				(30.4%)	(33.8%)	53.4%	10.3%	7.8%	1.1x	10.0x	17.2x	1.0x	6.6x
Segment Median				(29.7%)	(33.3%)	52.0%	13.3%	10.3%	1.1x	10.0x	16.2x	1.0x	7.3x

Source: PitchBook Financial Data and Analytics



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## PUBLIC BASKET (CONTINUED)

### FACILITY AND INDUSTRIAL SERVICES

Company Name	Symbol	Market Stats					Operating Stats		LTM Multiples			NTM Multiples	
		Market Cap (\$ in Mil)	Price (\$)	LTM Change	YTD Change	% of 52 Week High	Est. Revenue Growth	EBITDA Margin	TEV/ Rev	TEV/ EBITDA	Price/ EPS	TEV/ NTM Revenue	TEV/ NTM EBITDA
Waste Management	WM	\$ 63,518	\$ 152.98	(3.5%)	(8.3%)	89.9%	7.6%	26.2%	4.2x	15.9x	33.7x	3.9x	13.6x
Republic Services	RSG	41,341	130.87	(12%)	(6.2%)	89.6%	17.9%	27.2%	4.4x	16.1x	310x	3.7x	12.7x
Cintas	CTAS	38,221	373.53	(12.2%)	(5.7%)	80.9%	11.9%	25.4%	5.4x	213x	33.1x	4.8x	19.2x
Waste Connections	WCN	31,878	123.96	(11.3%)	(9.0%)	85.1%	14.7%	28.1%	5.9x	20.8x	50.6x	5.1x	16.3x
United Rentals	URI	17,395	242.91	(31.6%)	(26.9%)	58.5%	14.4%	44.4%	2.7x	6.1x	114x	2.4x	5.0x
Iron Mountain (US)	IRM	14,147	48.69	(12.1%)	(7.0%)	83.1%	14.9%	37.8%	5.7x	15.0x	318x	4.9x	14.1x
Cleveland-Cliffs	CVA	8,065	15.25	(52.2%)	(26.5%)	46.4%	NM	27.3%	0.6x	2.2x	2.2x	NM	NM
Aramark	ARMK	7,881	30.63	(18.5%)	(16.9%)	76.7%	14.7%	7.7%	1.1x	14.1x	53.7x	0.9x	10.6x
Clean Harbors	CLH	4,772	87.67	(21.5%)	(12.1%)	73.7%	15.7%	16.7%	17x	10.1x	211x	15x	8.4x
Stericycle	SRCL	4,038	43.85	(25.6%)	(26.5%)	60.3%	4.5%	9.4%	2.3x	24.4x	NM	2.2x	11.9x
Casella Waste Systems	CWST	3,753	72.68	(17.1%)	(14.9%)	78.4%	13.3%	19.8%	4.7x	23.9x	NM	4.1x	NM
Unifirst	UNF	3,238	172.18	(6.6%)	(18.2%)	72.7%	10.4%	14.2%	15x	115x	29.2x	14x	9.3x
ABM Industries	ABM	2,900	43.42	(5.7%)	6.3%	80.4%	11.3%	4.7%	0.6x	12.6x	20.3x	0.5x	8.4x
H&E Equipment Services	HEES	1,048	28.97	(33.4%)	(34.6%)	57.2%	12.3%	37.3%	18x	4.9x	12.7x	16x	4.2x
Fidelity Special Values	FSV	1,036	3.20	(16.4%)	(21.5%)	74.0%	NM	NM	4.1x	NM	4.9x	NM	NM
SP+	SP	715	30.72	(2.0%)	8.9%	87.8%	(42.4%)	7.9%	10x	12.4x	16.4x	17x	10.4x
Segment Average				(16.9%)	(14.3%)	74.7%	8.7%	22.3%	3.0x	14.1x	25.2x	2.8x	11.1x
Segment Median				(14.3%)	(15.3%)	77.5%	12.8%	25.4%	2.5x	14.1x	25.2x	2.3x	10.6x

### HUMAN RESOURCES

Company Name	Symbol	Market Stats					Operating Stats		LTM Multiples			NTM Multiples	
		Market Cap (\$ in Mil)	Price (\$)	LTM Change	YTD Change	% of 52 Week High	Est. Revenue Growth	EBITDA Margin	TEV/ Rev	TEV/ EBITDA	Price/ EPS	TEV/ NTM Revenue	TEV/ NTM EBITDA
Automatic Data Processing	ADP	\$ 87,744	\$ 210.04	(7.7%)	(14.8%)	84.4%	12.8%	24.4%	5.7x	23.4x	310x	5.1x	19.2x
Robert Half International	RHI	8,276	74.89	(34.4%)	(32.8%)	59.5%	8.6%	13.6%	12x	8.6x	12.7x	1.1x	8.0x
TriNet Group	TNET	4,833	77.62	(21.1%)	(18.5%)	71.0%	(72.9%)	13.1%	1.1x	8.1x	13.4x	3.9x	11.1x
ASGN	ASGN	4,612	90.25	(22.7%)	(26.9%)	68.4%	9.2%	11.3%	12x	110x	18.7x	1.1x	9.3x
ManpowerGroup	MAN	4,030	76.41	(18.6%)	(21.5%)	61.7%	(6.0%)	3.4%	0.2x	6.4x	10.2x	0.2x	6.1x
Inspireity	NSP	3,824	99.83	(0.6%)	(15.5%)	77.2%	16.1%	4.3%	0.7x	16.0x	29.4x	0.6x	10.7x
Korn Ferry	KFY	3,076	58.02	(10.7%)	(23.4%)	68.5%	5.8%	19.7%	10x	5.1x	9.7x	0.9x	5.2x
Upwork	UPWK	2,681	20.68	(11.0%)	(39.5%)	32.1%	27.8%	(10.8%)	4.9x	NM	NM	3.8x	NM
Kforce	KFRC	1,312	61.34	(17.1%)	(18.5%)	75.3%	7.8%	6.8%	0.8x	11.7x	15.9x	0.7x	9.8x
Kelly Services	KELYA	749	19.83	(8.6%)	18.2%	79.3%	7.1%	2.8%	0.1x	4.2x	9.8x	0.1x	NM
Heidrick & Struggles International	HSII	638	32.36	(18.2%)	(26.0%)	64.7%	(15%)	11.5%	0.4x	3.6x	8.6x	0.4x	3.2x
TrueBlue	TBI	596	17.90	(38.0%)	(35.3%)	54.4%	5.1%	4.5%	0.3x	6.2x	9.7x	0.3x	5.2x
Segment Average				(17.4%)	(21.2%)	66.4%	1.7%	8.7%	1.5x	9.5x	15.4x	1.5x	8.8x
Segment Median				(17.7%)	(22.4%)	68.5%	7.5%	9.0%	0.9x	8.1x	12.7x	0.8x	8.7x

### MARKETING SERVICES

Company Name	Symbol	Market Stats					Operating Stats		LTM Multiples			NTM Multiples	
		Market Cap (\$ in Mil)	Price (\$)	LTM Change	YTD Change	% of 52 Week High	Est. Revenue Growth	EBITDA Margin	TEV/ Rev	TEV/ EBITDA	Price/ EPS	TEV/ NTM Revenue	TEV/ NTM EBITDA
Omnicom Group	OMC	\$ 13,087	\$ 63.61	(25.1%)	(13.2%)	69.4%	(18%)	15.9%	12x	7.3x	10.5x	12x	7.1x
Publicis Groupe	PUB	12,171	48.74	(21.0%)	(27.3%)	63.8%	(10.7%)	19.0%	10x	5.5x	10.1x	12x	5.2x
WPP	WPP	10,922	10.00	(24.1%)	(33.8%)	59.9%	(21.4%)	13.5%	0.9x	6.5x	13.9x	1.1x	6.2x
The Interpublic Group of Companies	IPG	10,838	27.53	(22.3%)	(26.5%)	68.9%	(10.2%)	16.4%	13x	7.7x	10.8x	14x	7.2x
OUTFRONT Media	OUT	2,780	16.95	(40.4%)	(36.8%)	57.7%	19.3%	23.6%	4.2x	17.9x	32.0x	3.6x	12.8x
Segment Average				(26.6%)	(27.5%)	63.9%	(5.0%)	17.7%	1.7x	9.0x	15.4x	1.7x	7.7x
Segment Median				(24.1%)	(27.3%)	63.8%	(10.2%)	16.4%	1.2x	7.3x	10.8x	1.2x	7.1x

Source: PitchBook Financial Data and Analytics



# BUSINESS SERVICES REPORT

## PUBLIC BASKET (CONTINUED)

### CONSULTING AND PROFESSIONAL SERVICES

Company Name	Symbol	Market Stats					Operating Stats		LTM Multiples			NTM Multiples	
		Market Cap (\$ in Mil)	Price (\$)	LTM Change	YTD Change	% of 52 Week High	Est. Revenue Growth	EBITDA Margin	TEV/ Rev	TEV/ EBITDA	Price/ EPS	TEV/ NTM Revenue	TEV/ NTM EBITDA
FTI Consulting	FCN	\$ 6,234	\$ 180.85	15.0%	17.9%	99.3%	11.7%	12.5%	2.3x	18.6x	28.0x	2.1x	NM
Houlihan Lokey	HLI	5,252	78.93	(10.1%)	(23.8%)	64.4%	(7.7%)	28.7%	2.0x	7.1x	12.3x	2.2x	NM
Exponent (Consulting Services)	EXPO	4,740	91.47	(15.3%)	(21.6%)	71.7%	0.9%	28.2%	9.5x	33.6x	48.7x	9.4x	28.4x
CBIZ	CBZ	2,083	39.96	(4.8%)	2.1%	90.5%	12.7%	11.5%	2.2x	18.9x	27.0x	1.9x	14.0x
ICF International	ICFI	1,785	95.00	0.9%	(7.4%)	87.8%	14.0%	9.1%	15x	17.1x	25.7x	1.4x	13.5x
Huron Consulting Group	HURN	1,382	64.99	41.9%	30.2%	99.9%	8.4%	14.8%	18x	12.1x	16.5x	1.7x	13.5x
Resources Connection	RGP	674	20.37	18.8%	14.2%	94.2%	8.8%	10.5%	0.9x	8.4x	9.7x	0.8x	7.2x
<b>Segment Average</b>				<b>6.6%</b>	<b>1.7%</b>	<b>86.8%</b>	<b>7.0%</b>	<b>16.5%</b>	<b>2.9x</b>	<b>16.5x</b>	<b>24.0x</b>	<b>2.8x</b>	<b>15.3x</b>
<b>Segment Median</b>				<b>0.9%</b>	<b>2.1%</b>	<b>90.5%</b>	<b>8.8%</b>	<b>12.5%</b>	<b>2.0x</b>	<b>17.1x</b>	<b>25.7x</b>	<b>1.9x</b>	<b>13.5x</b>

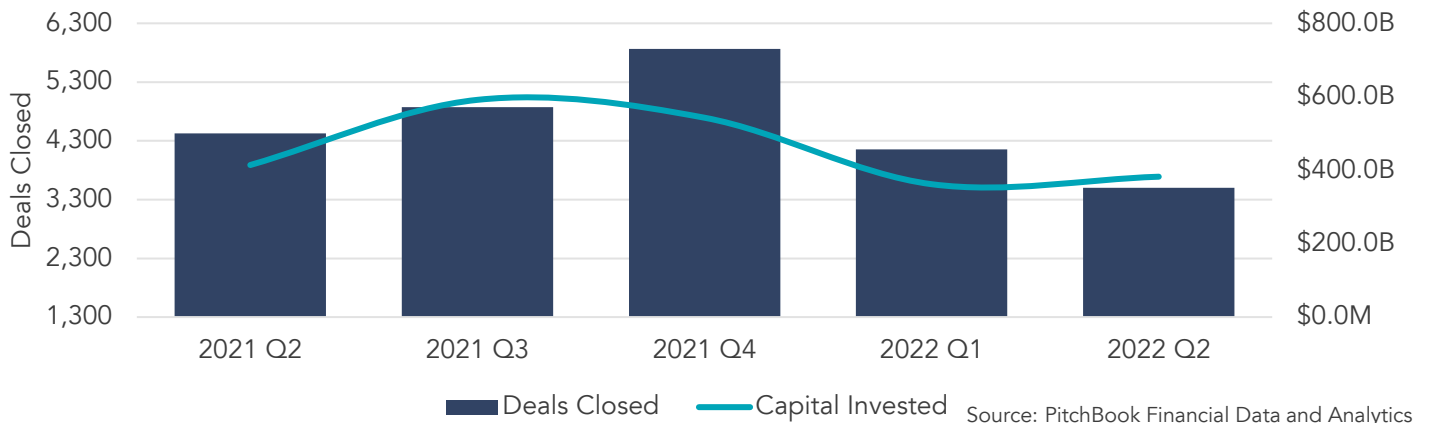
Source: PitchBook Financial Data and Analytics



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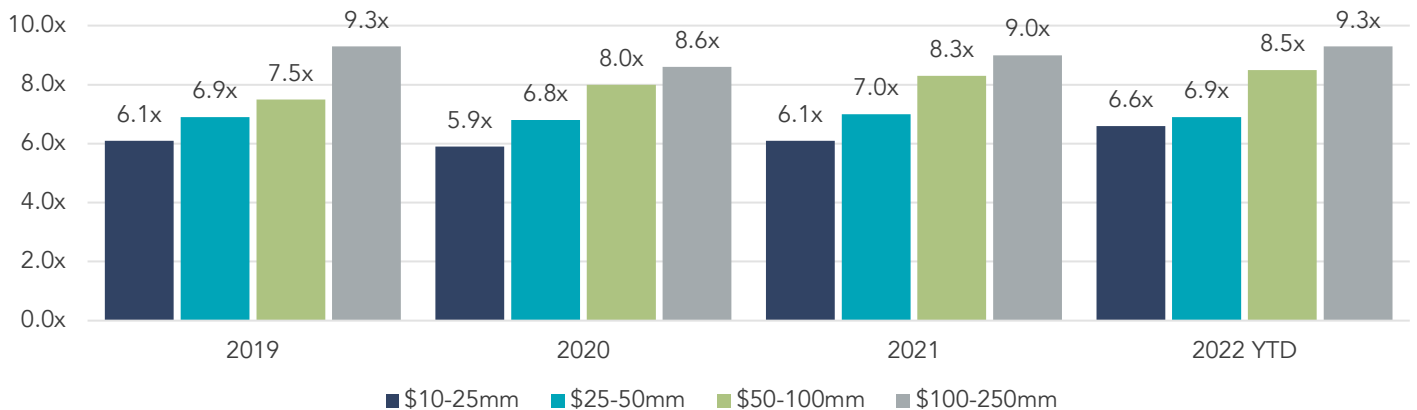
## U.S. M&A ACTIVITY SNAPSHOT

### OVERALL U.S. M&A ACTIVITY

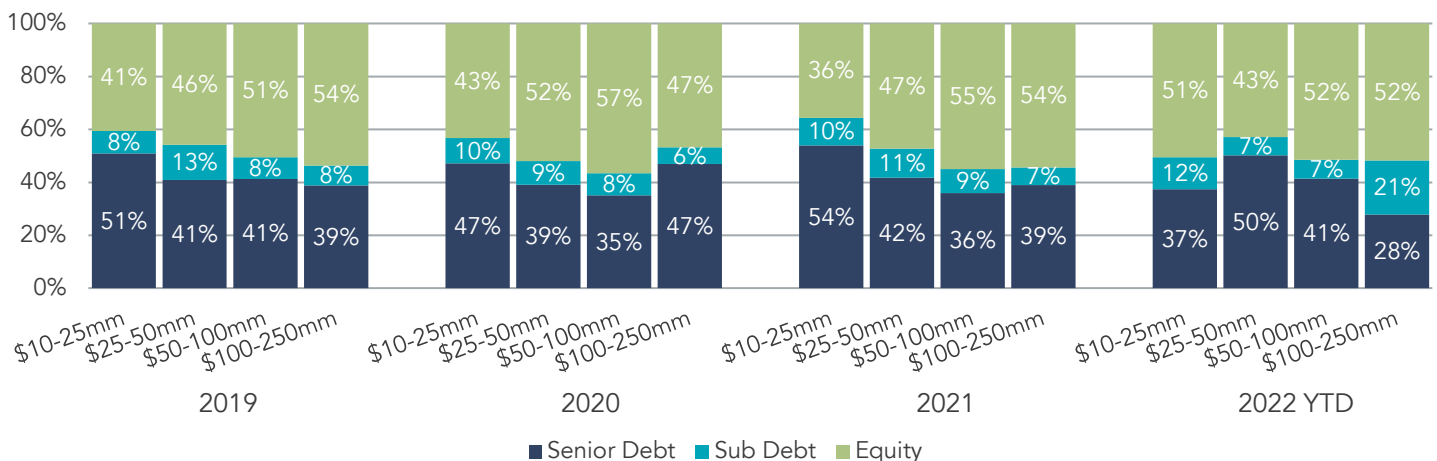


### LOWER MIDDLE MARKET PRIVATE EQUITY TRANSACTION MULTIPLES

EBITDA Multiples By Transaction Size



### CAPITAL BREAKDOWN – LOWER MIDDLE MARKET PRIVATE EQUITY TRANSACTIONS



Note: The most current source of GF Data is as of May 2022.



# BUSINESS SERVICES REPORT

## COMPREHENSIVE BUSINESS SERVICES EXPERTISE

Our robust experience in the Business Services Industry makes us an ideal fit to help identify and execute the right M&A options for your business. Through, buy-side analysis, sell-side execution or private capital formation, we can help you maximize the potential of your company and take advantage of the many opportunities that this industry has to offer.

Our Business Services investment banking expertise includes the following segments:

- |   |  |
|---|--|
| <input type="checkbox"/> Education and Training           | <input type="checkbox"/> Marketing Services    |
| <input type="checkbox"/> Business Process Outsourcing     | <input type="checkbox"/> Specialty Consulting  |
| <input type="checkbox"/> Facility and Industrial Services | <input type="checkbox"/> Professional Services |
| <input type="checkbox"/> Human Resources                  | <input type="checkbox"/> Commercial Services   |

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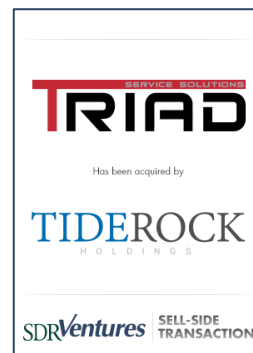
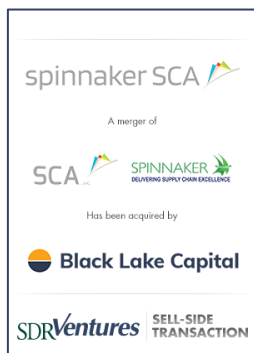
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## SELECT TRANSACTION EXPERIENCE

SDR has completed numerous transactions types throughout the Business Services Industry, including:



## SDR SERVICE OFFERINGS



**SELL-SIDE ADVISORY**



**PRIVATE CAPITAL FORMATION**



**BUY-SIDE ADVISORY**



**STRATEGIC CONSULTING**



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