PROFESSIONAL SERVICES REPORT

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

2H 2026

SDR Ventures

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PROFESSIONAL SERVICES REPORT

PROFESSIONAL SERVICES 2H26: WHAT TO KNOW

- Interest in professional services and business process outsourcing remains strong, but we're watching a shift in expectations as AI integration in virtually every professional service is driving a move away from performative tasks toward true creative insights and consultative collaboration.
- Marketing agencies, in particular, are facing the challenge of demonstrating value and ROI rather than performing services such as graphic design and ad placement. The focus is on the strategy, creativity, and knowledge a tech platform still can't match.
- For providers that understand how AI is taking over some tasks in their customers' operations and take the time to find what the customer needs and provide solutions that solve a problem, we believe the future remains bright.

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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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Age of AI Integration: Consulting and Planning, Beyond "Tasks"

When it comes to business services, especially outsourced services under business process outsourcing (BPO), radical changes are being brought to you by the letters A and I. The once-novel parlor trick of Artificial Intelligence is now a real force with real business applications. AI has moved beyond "imagine if" to providing useful services. Business service providers are learning they need to adapt, integrate, and demonstrate value beyond the basics or risk being left behind. As the Harvard Business Review boldly proclaims in a recent headline: "AI is Rewriting the Economics of Outsourcing."[1]

The routine, daily, expected tasks in HR, IT, finance, coding, legal support, marketing, and other sectors are being turned over to AI instead of costly human workers. The practice of many companies for decades has been to cut costs by outsourcing routine tasks to someone else who could do them for less, benefiting those companies that could specialize and provide services to multiple organizations. "That idea no longer works," according to Harvard's findings. Analysts are already wondering if India's $300 billion outsourcing industry can survive AI's arrival, so it makes sense for any company, anywhere, that provides services to other businesses to wonder the same thing. Only those who understand these challenges and adapt their models stand to thrive.[1,2]

The key will be demonstrating value above the basics. Moving from selling operational functions to selling successful outcomes. Solutions, not services. The hard insightful work, not the routine tasks. So in finance and accounting, simply employing AI to create a picture of the data – the profits and losses – that's just table stakes. The added, demonstrated value only humans can provide involves creativity, finding solutions, and creating strategies to do such things as reshaping outcomes to reduce a tax burden or reinvesting in efficiencies and maximizing profits. The businesses that emerge will be those who embrace AI and combine that power with their human strengths including judgment, identifying and managing exceptions, and developing forward-looking strategies.[3,4,5]

One frequently outsourced task – marketing – may be among the most challenged. If a marketing firm only provides graphic design for digital advertising and makes ad buys for the client – and AI can do that – then what is it the firm is actually charging for? Successful firms are changing the mindset and switching from tasks to strategic thinking, problem solving, regulatory compliance, storytelling, and results. This seismic shift is already upending seemingly every digital part of the business process outsourcing world. AI probably won't replace the outsourced physical tasks such as landscaping or window washing, yet, but for anything that can be done digitally – legal document review, medical bill coding, bookkeeping – AI is coming. We believe the smart, successful business services providers will demonstrate AI integration with the value only an experienced, knowledgeable, creative firm can provide.[6,7]

Business service outsourcing remains attractive to investors as investors as a $330 billion global market projected to reach nearly $700 billion by 2033, a compound annual growth rate of nearly 10% from 2026 to 2033. How firms in that space adapt in an AI-powered world and demonstrate value will separate the winners investors seek out from those who fall behind.[8]

Marketing, the Switch From Sales to Solutions

To remain attractive and relevant, marketing firms especially will need to show they can do something real and drive actual, positive, measurable results. Routine tasks are losing currency, tasks like writing copy, sifting through sales and consumer data, and creating graphics. AI can create visual advertising, driving basic, entry-level designers out of the business. What an AI program can't do is create emotional engagement, tell a compelling story, and drive that initial attention all the way to a sale and create a sticky relationship. The challenge for marketing firms is demonstrating to clients that there is a difference, but that will take an intentional focus on strategic planning, on uncovering the intangibles a machine can't spot, and understanding what's just a pretty picture and what triggers a consumer need.[9,10,11]

This summer, independent marketing agency Brunner acquired AdSkate, an AI-powered creative analytics and marketing intelligence platform that helps brands and agencies optimize advertising performance. Said Brunner partner Kevin Amos in the acquisition announcement, "Marketing is entering a new era where creative intelligence is becoming just as important as media intelligence … Today's CMOs aren't asking for more data, they're asking for better answers." AdSkate's homegrown, proprietary platform, Amos said, helps marketers understand not only what is performing, but why.

Smart marketing firms are already learning how to employ AI to speed basic functions and directing energy to the irreplaceable quest for connection. AI still can't create and enhance a brand voice – who the client is, not what it sells. Patagonia sells jackets and other outdoor gear. So do lots of companies. But Patagonia's brand prioritizes sustainability over consumption, it incorporates recycled materials and donates a part of its sales to causes its customers support. Environmental responsibility is part of who Patagonia is. Anyone can sell a jacket, Patagonia strives to provide its customers with an emotion, a feeling they did something good and joined a movement by choosing the brand.[12,13]

Purely AI-generated content can lack authenticity. It can't understand nuances and – in regulated industries – it can miss red flags and fumble compliance-related judgment calls, cross guardrails, overstate deliverables, and even stretch sensibilities or unintentionally offend. Only an experienced marketer, a person, can make the judgment call when the question becomes "is this funny, or offensive?"[14]

Successful marketing firms are also upskilling team members and incorporating new search optimizations for their clients. Search engine optimization, SEO, is so 2017. Today, AI-assisted searches are appearing at the top of search engine requests, creating the new field of generative engine optimization, GEO, the art of how an AI search engine will locate, present, and describe a client's brand. A recent survey of communications pros found 73% agreed GEO is important but nearly 30% said no one at their organization is in charge of GEO optimization. Catching the eye of AI search platforms today places a renewed emphasis on earned media coverage in authoritative publications, websites that are clear, informative, and uncluttered, and real third-party references.[15]

Relying solely on organic SEO-led search traffic is a risky proposition. A holistic marketing approach includes GEO, personalized customer relationships, community building, and audience development. Strategies need to evolve beyond "page rankings" to creating depth, trust, and differentiation that AI content struggles to match.[16]

AI isn't replacing outsourced marketing firms, but it's reshaping them. While clients may imagine "more, faster, cheaper" campaigns, successful marketing firms explain that results are what matter, not the volume of content flying out the door. To do that, firms will need to demonstrate experience, know-how, value, creativity, and authenticity. Marketers will need to market themselves.[17]

Everyone, Everywhere, Change Is the New Normal

Across professional services, disruptors are changing the way businesses operate and justify their reasons for their existence. And of course, AI is part of these shifts. But the technology can be leveraged to be a benefit, not a threat. In accounting for example, a Stanford University study found accounting firms could incorporate AI to produce data-related results faster for their clients while the human experts focus their energy on anomalies, questionable results, and complex analysis. Far from sinking under the AI wave, accounting firms are in demand, not just as bolt-ons to larger firms but increasingly Wall Street and private equity investors have recognized the field's value and are creating new organizations.[18,19]

For their part, law firms are finding ways to incorporate AI platforms to sift through eDiscovery dumps while learning to build digital "walls" that protect proprietary data and client-related information. The American Bar Association has even issued AI guidance, and there are discussions in legal circles about replacing the traditional billable hour in favor or results-centric rates. If AI drafts a brief faster than it used to take a lawyer, does the firm take a pay cut? The client is still getting a solution to the problem, so would a flat rate better apply? And amid changes in the legal profession, we're watching a move toward relaxing the rules of law firm ownership by nonlawyers. "Amazon Legal" maybe?[20,21,22,23,24]

In human resources, AI platforms can not only draft job descriptions, post them, sift applications, and schedule interviews, HR professionals are finding ways to "teach" the platforms their own specific needs and policies and track employees and match them with available training and potential new tasks or positions. In healthcare, outsourcing is a global $400 billion market with an anticipated respectable 7.5% CAGR through 2034 fueled by rising operational and regulatory complexities, increasing administrative costs across billing, coding, claims management, and compliance requirements. And as in so many services, AI is finding its way into the medical billing and coding field, doing the repetitive tasks humans used to do. But experts warn AI still doesn't replace human experience and judgment, creating opportunities for healthcare outsourced services companies to demonstrate the worth of an experienced eye trained to spot redundant care, investigate denials for the reasoning behind them, and to find and correct errors.[25,26,27]

Even in the tech fields of IT and cybersecurity, firms are adapting and proving worth. AI is great at scanning massive amounts of data and flagging security threats. But cybercriminals are also using AI. Firms are finding it still takes experts to understand new attacks, new tactics, and new program twists. Experienced, trained people still need to interpret what the AI is "seeing," to develop new strategies, uncover vulnerabilities, and apply creative approaches to investigations. The publication Cybersecurity Insiders reports, "Firms that fail to adapt may struggle, but those that successfully combine human expertise with AI technologies are likely to thrive in the evolving digital landscape."[28]

As in marketing, many professional services are adapting to the newest technologies driving efficiency. But the best are documenting and demonstrating their worth and the vital capabilities they bring to the table, beyond the basics AI can manage, to both clients and potential investors.

Future Forward, Tomorrow's Professional Services Today

- In one example of advertising agencies and brands diving headfirst into AI, publicly traded Publicis Groupe – a multinational advertising and communications firm which counts Microsoft, American Airlines and Reckitt Benckiser, the makers of Lysol brand cleaners – acquired in May the U.S. data specialist LiveRamp Holdings for $2.5 billion. Earlier in 1H26 Publicis acquired sports marketing agency 160over90 and content measurement firm Adge.AI for another $3 billion. Publicis' moves are seen as a signal the firm is moving beyond traditional advertising and marketing, moving to compete more with consulting firms such as Accenture to help clients adapt to the AI environment.[29]

- Utah-based digital marketing firm Scorpion in June acquired Philadelphia's 1SEO Digital Agency, a marketing firm that focuses on digital promotion and lead generation. 1SEO, founded in 2009, specializes in helping local businesses in the home services, health, and legal sectors. With the deal, 1SEO clients gain access to Scorpion's proprietary AI-driven RevenueMAX platform. One of Scorpion's major clients is Clio, a legal software and technology provider. Prior to the acquisition, 1SEO had been a portfolio company of Skyharbor Capitol which acquired it in 2023. Scorpion's acquisition of 1SEO is part of Scorpion's ongoing push to expand its digital marketing solutions to businesses nationwide.[30]

- Cherry Bekaert, one of the largest U.S. assurance, tax, and advisory firms, has been busy in 2026. In January, the North Carolina firm announced the acquisition of Washington, DC-based Tarsus, an accounting and advisory firm offering a suite of services including outsourced accounting, bookkeeping, and fractional CFO services. Tarsus also has offices in California, Missouri, and Bangalore, India. In February, Cherry Bekaert acquired Los Angeles-based accounting and advisory firm Richardson Kontogouris Emerson LLP, which provides accounting, tax, and litigation support services. And in June, Cherry Bekaert acquired Houston-based accounting and advisory firm Calvetti Ferguson, which also has offices in Dallas, San Antonio, and Nashville, specializing in services for venture capital and private equity firms, oil and gas, financial services, and professional services.[31,32,33]

At Your Service, Today and Tomorrow

In the business of serving other business, business as usual might not be good business. Changes, driven by the real-world adoption of AI capabilities – no more futuristic predictions of what AI could do – are forcing business service providers to learn what computing enhancements can do for them and put them to work. Then they'll need to use that beefed-up capability to offer better services and demonstrate better value to the customer.

That doesn't mean everyone – from marketing firms to lawyers to accountants – needs to throw money at every flashy AI promise. An MIT study found 95% of surveyed businesses weren't getting their money back on AI spends in 2025. The disappointment in ROI rates "seems to be determined by approach," the study finds, adding, "The core barrier to scaling is not infrastructure, regulation, or talent. It is learning." The revolution is more holistic, it requires not just letting AI read and summarize emails or make PowerPoints, it requires reviewing and rethinking the entire business process. Workflows need to adjust. If time is saved on one aspect, where is that time and brain power redirected?[34,35]

The focus is changing from "tasks" to strategy and consulting. As they come to understand what enhanced computing capacity can let them do in-house, we believe business services clients will begin asking what an outsourced provider actually does for them and how they earn their pay. For providers, that will involve a deeper understanding of customer problems to provide more thoughtful and creative solutions.

Interest across the sector of business services and business process outsourcing remains strong, but it can be stronger for those who take steps today to prepare for tomorrow. As the tech consulting firm ISG reports, "BPO growth will depend on whether providers can move from simply running operations to improving them … providers that can help clients make that shift will be better positioned for the next wave of BPO growth." Demand is out there, but buyers increasingly want to see a service company's ability, and willingness, to evolve. These are interesting times as the older, task-oriented model of BPO shifts to the more creative and consultative era of KPO, "knowledge process outsourcing." Maybe AI can design a suit that fits you. But a skilled, creative tailor can make you look good in it.[36,37]

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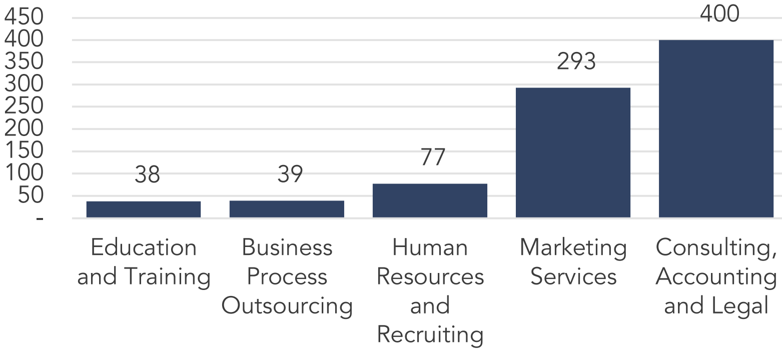
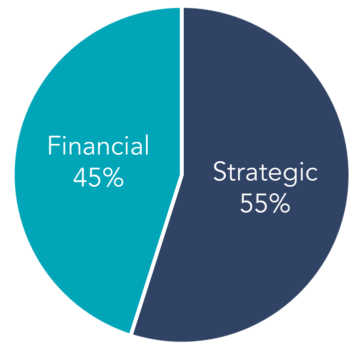
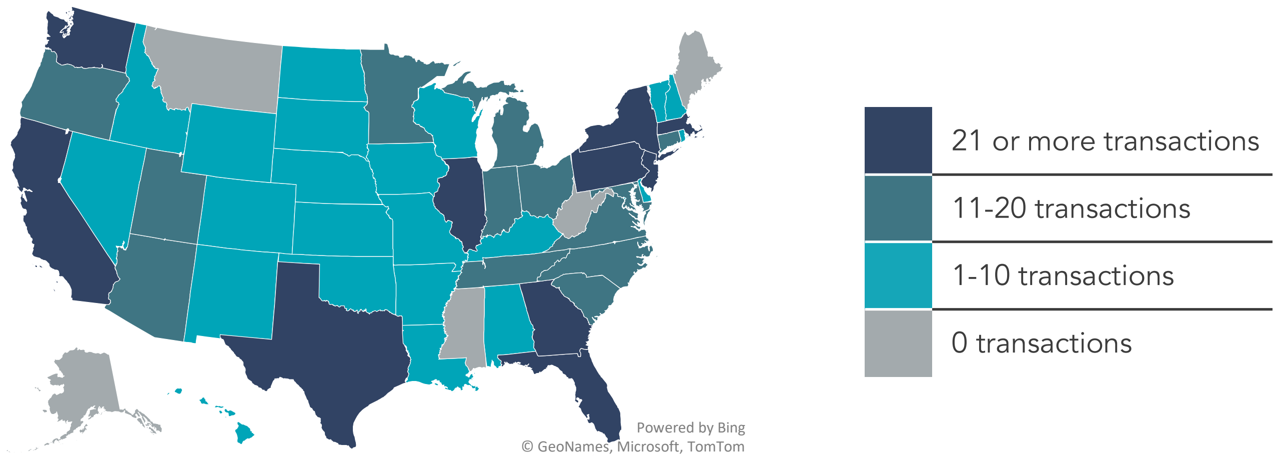
TRANSACTIONS BY SEGMENT



TRANSACTIONS BY TYPE



TRANSACTIONS BY LOCATION



TRANSACTION ACTIVITY

Date	Target	Buyer(s)	Segment	Amount ($ in Mil)	TEV/ Rev	TEV/ EBITDA
6/22/26	Eide Bailly	Reverence Capital Partners	Consulting, Accounting and Legal	1,800.00	2.1x	-
6/10/26	Crowe	Kohlberg Kravis Roberts	Consulting, Accounting and Legal	3,000.00	0.5x	-
5/11/26	Emerald Holding	Apollo Global Management	Marketing Services	1,381.12	2.9x	35.4x
5/5/26	Optimum Healthcare IT	Infosys	Human Resources and Recruiting	465.00	1.7x	-
4/30/26	Jefferson Wells International	Bain Capital, Sikich	Human Resources and Recruiting	100.00	1.3x	-
4/28/26	SEMrush	Adobe	Marketing Services	1,531.36	3.5x	-
4/27/26	Cumming Group	Leonard Green & Partners	Consulting, Accounting and Legal	3,000.00	3.9x	-
3/13/26	Learfield	TPG	Marketing Services	2,000.00	-	10.0x
2/9/26	Clear Channel Outdoor Holdings	Apollo Global Management, Mubadala Capital, TWG Global	Marketing Services	6,009.98	3.8x	12.7x

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.
***: SDR advised transaction, contact us for more information

ACTIVE BUYERS

MOST ACTIVE STRATEGIC BUYERS

FIRM	RECENT SUBSIDIARY ACQUISITIONS			
Salesforce	Fin	Qualified	Cimulate	
Yes&	modo modo	meta leap creative	Symmetri	
Platform Accounting Group	Shoreline Advisors	St. Clair & Associates, P.C. Certified Public Accountants	Green Coast Advisors	
Toptal	adeva	No Single Individual	Graphite	
Reign Maker	Pulse 2.0	Hyphen		

SELECT SPONSORS WITH ACTIVE PORTFOLIO HOLDINGS

FIRM	RECENT SUBSIDIARY ACQUISITIONS				
Ares	Allegiant Experts	Cooley & Associates	Finadium	Sway	Hucke and Associates Property Tax Specialists
Blackstone	Sharff, Wittmer, Kurtz, Jackson & Diaz, P.A. (SWKJD) Certified Public Accountants	Grace Consulting, Inc.	Browne Consulting Life Science Accountants	CPower	Kaiser Associates
MountainGate Capital	Hypelinks	Owl Solutions	Cartbloom	sightx	healthleaders
Aprio	Waldron H. Rand & Company, P.C. Certified Public Accountants	Isdaner & Company, LLC Certified Public Accountants	Price Kong CPAs • Consultants	CAVU	Hoffman, Stewart & Schmidt, P.C.
Audax Private Equity	Parlade Schaefer Schortz CPA / Advisors	Meditax Solutions, LLC	Berman Hopkins CPAs & Associates, LLP	RDG the financial center	keystone
CPP Investments	MP Wired for HR	propelHR	Bisnow	Silicon Valley Retirement Services	Boats Group

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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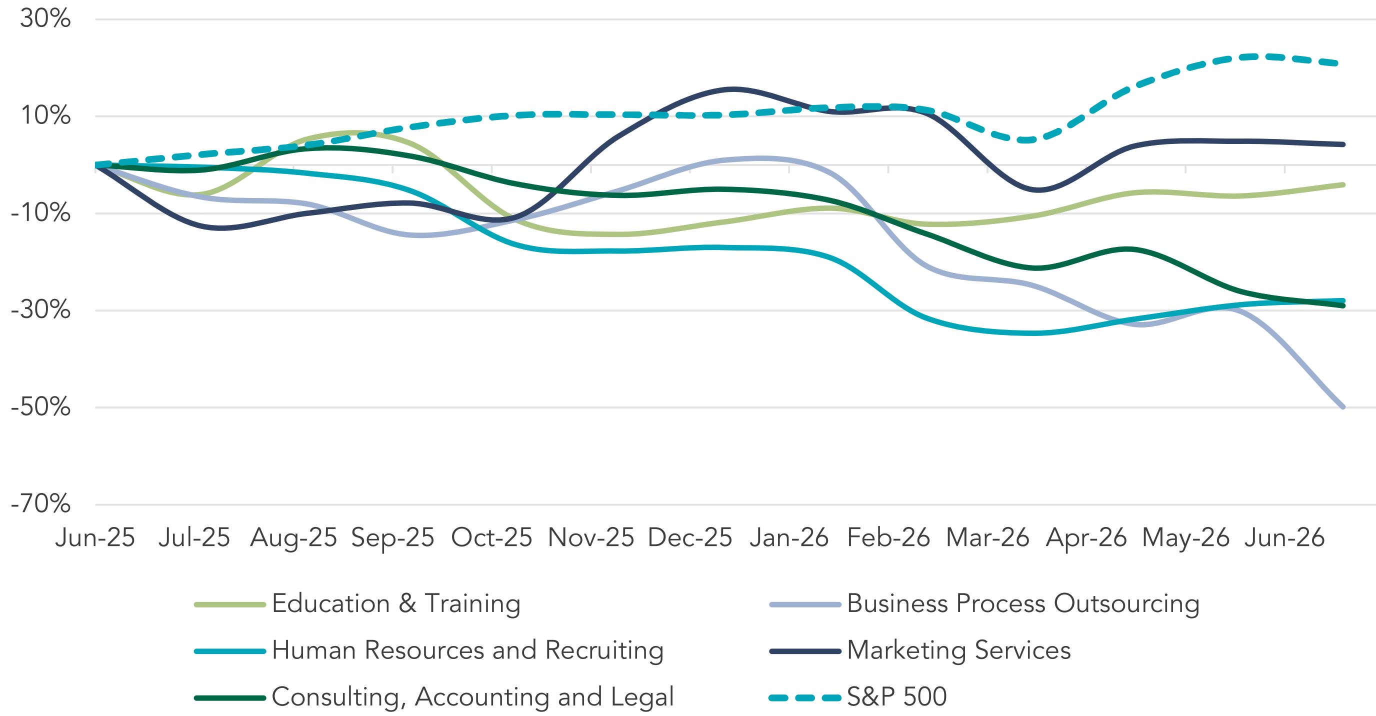
PUBLIC BASKET

PROFESSIONAL SERVICES SEGMENTS VS. S&P 500

Segment Market Cap Performance – Trailing 12 Months



BUSINESS PROCESS OUTSOURCING

		Market Stats					Operating Stats		LTM Multiples			NTM Multiples	
Company Name	Symbol	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	$ 18,319	$ 38.73	(36.9%)	(53.3%)	44.5%	6.7%	18.5%	0.8x	4.5x	8.4x	0.8x	4.2x
Genpact	G	4,661	27.50	(26.2%)	(41.2%)	56.5%	9.1%	17.3%	1.1x	6.1x	8.4x	1.0x	5.1x
Teleperformance	TEP	3,053	52.50	(8.9%)	(27.7%)	49.3%	0.2%	17.3%	0.7x	3.8x	5.5x	0.7x	3.4x
Segment Average				(24.0%)	(40.8%)	50.1%	5.3%	17.7%	0.9x	4.8x	7.5x	0.8x	4.2x
Segment Median				(26.2%)	(41.2%)	49.3%	6.7%	17.3%	0.8x	4.5x	8.4x	0.8x	4.2x

EDUCATION AND TRAINING

		Market Stats					Operating Stats		LTM Multiples			NTM Multiples	
Company Name	Symbol	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	$ 9,517	$ 15.85	21.6%	12.1%	99.3%	8.2%	29.7%	2.4x	7.9x	NM	2.2x	NM
Graham Holdings	GHC	4,916	1,141.42	8.0%	3.9%	93.2%	6.6%	13.5%	1.0x	7.6x	16.9x	1.0x	NM
Stride (Educational Software)	LRN	3,667	86.24	(2.2%)	32.8%	50.4%	3.5%	21.1%	1.3x	6.4x	13.5x	1.3x	5.4x
Perdoceo Education	PRDO	2,007	32.00	(14.0%)	9.1%	83.1%	2.7%	29.0%	1.7x	5.8x	12.2x	1.6x	5.2x
Strategic Education	STRA	1,733	76.62	(7.6%)	(4.5%)	87.7%	3.4%	17.8%	1.3x	7.4x	13.6x	1.3x	5.4x
Phoenix Education Partners	PXED	1,176	32.85	4.4%	8.4%	69.8%	3.2%	15.3%	1.0x	6.8x	12.0x	1.0x	4.1x
Segment Average				1.7%	10.3%	80.6%	4.6%	21.0%	1.5x	7.0x	13.6x	1.4x	5.0x
Segment Median				1.1%	8.8%	85.4%	3.5%	19.5%	1.3x	7.1x	13.5x	1.3x	5.3x

Source: PitchBook Financial Data and Analytics

PUBLIC BASKET (CONTINUED)

CONSULTING, ACCOUNTING AND LEGAL

		Market Stats					Operating Stats		LTM Multiples			NTM Multiples	
Company Name	Symbol	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
Houlihan Lokey	HLI	$ 9,263	$ 134.13	(6.6%)	(23.0%)	63.3%	13.6%	23.1%	NM	14.1x	21.6x	2.9x	NM
FTI Consulting	FCN	4,492	149.01	(15.7%)	(12.8%)	78.7%	7.6%	11.4%	1.4x	11.9x	17.7x	1.3x	11.4x
Exponent (Menlo Park)	EXPO	2,851	58.76	(9.9%)	(15.4%)	71.7%	0.4%	25.5%	NM	NM	NM	NM	13.9x
Huron Consulting Group	HURN	1,462	90.16	(29.3%)	(47.9%)	48.3%	9.0%	12.2%	1.3x	10.9x	15.4x	1.2x	8.1x
CBIZ	CBZ	1,721	32.08	19.5%	(36.4%)	41.2%	4.9%	15.1%	1.3x	8.8x	12.7x	1.3x	7.7x
ICF International	ICFI	1,319	72.86	11.6%	(14.6%)	71.6%	7.3%	10.8%	1.1x	9.8x	15.8x	1.0x	8.6x
Segment Average				(5.1%)	(25.0%)	62.5%	7.1%	16.3%	1.3x	11.1x	16.6x	1.5x	9.9x
Segment Median				(8.3%)	(19.2%)	67.5%	7.5%	13.6%	1.3x	10.9x	15.8x	1.3x	8.6x

HUMAN RESOURCES AND RECRUITING

		Market Stats					Operating Stats		LTM Multiples			NTM Multiples	
Company Name	Symbol	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	$ 89,520	$ 223.95	10.2%	(12.9%)	70.9%	7.5%	29.4%	NM	14.3x	20.9x	NM	13.2x
Korn Ferry	KFY	3,386	66.58	5.8%	0.8%	84.8%	2.3%	17.3%	1.0x	5.6x	12.8x	0.9x	5.5x
TriNet Group	TNET	2,274	49.49	35.8%	(16.3%)	65.0%	(0.6%)	7.1%	0.6x	8.2x	14.7x	0.6x	6.8x
Robert Half	RHI	3,140	30.70	20.9%	13.0%	70.1%	1.7%	5.1%	0.6x	11.5x	23.6x	0.6x	10.4x
Upwork Global	UPWK	1,033	8.36	(23.7%)	(57.8%)	36.6%	1.1%	20.1%	1.1x	5.3x	10.3x	1.0x	3.1x
Insperity	NSP	1,577	41.31	52.8%	6.7%	65.3%	2.7%	0.4%	0.2x	NM	NM	0.2x	6.8x
ManpowerGroup	MAN	1,571	33.77	14.6%	13.6%	71.3%	6.1%	1.4%	0.2x	11.6x	NM	0.1x	5.9x
Kforce	KFRC	837	46.92	60.5%	51.7%	92.5%	4.9%	4.0%	0.7x	NM	23.7x	0.7x	11.0x
Segment Average				22.1%	(0.1%)	69.6%	3.2%	10.6%	0.6x	9.4x	17.7x	0.6x	7.8x
Segment Median				17.7%	3.8%	70.5%	2.5%	6.1%	0.6x	9.8x	17.8x	0.6x	6.8x

MARKETING SERVICES

		Market Stats					Operating Stats		LTM Multiples			NTM Multiples	
Company Name	Symbol	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
Publicis Groupe	PUB	$ 24,531	$ 98.73	21.6%	(5.2%)	89.4%	(8.6%)	17.7%	1.3x	7.5x	13.4x	1.5x	6.6x
Omnicom Group	OMC	20,757	72.83	(3.3%)	(9.8%)	83.6%	28.8%	5.2%	1.5x	NM	NM	1.1x	5.7x
WPP	WPP	3,370	3.13	1.6%	(31.2%)	42.6%	(27.4%)	4.0%	0.5x	13.0x	NM	0.7x	4.6x
Outfront Media	OUT	5,768	32.76	23.6%	35.9%	93.7%	6.8%	26.3%	NM	NM	NM	NM	NM
IPD Group	IPG	406	3.91	30.7%	32.7%	84.4%	35.7%	12.9%	1.8x	14.2x	23.4x	1.4x	10.0x
Segment Average				14.9%	4.5%	78.7%	7.0%	13.2%	1.3x	11.6x	18.4x	1.2x	6.8x
Segment Median				21.6%	(5.2%)	84.4%	6.8%	12.9%	1.4x	13.0x	18.4x	1.2x	6.2x

Source: PitchBook Financial Data and Analytics

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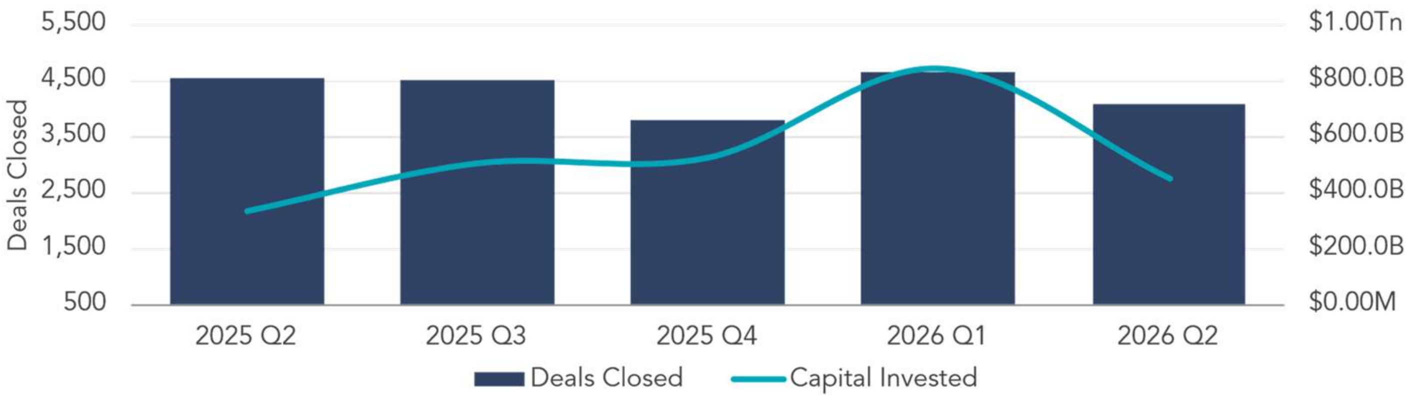
U.S. M&A ACTIVITY SNAPSHOT

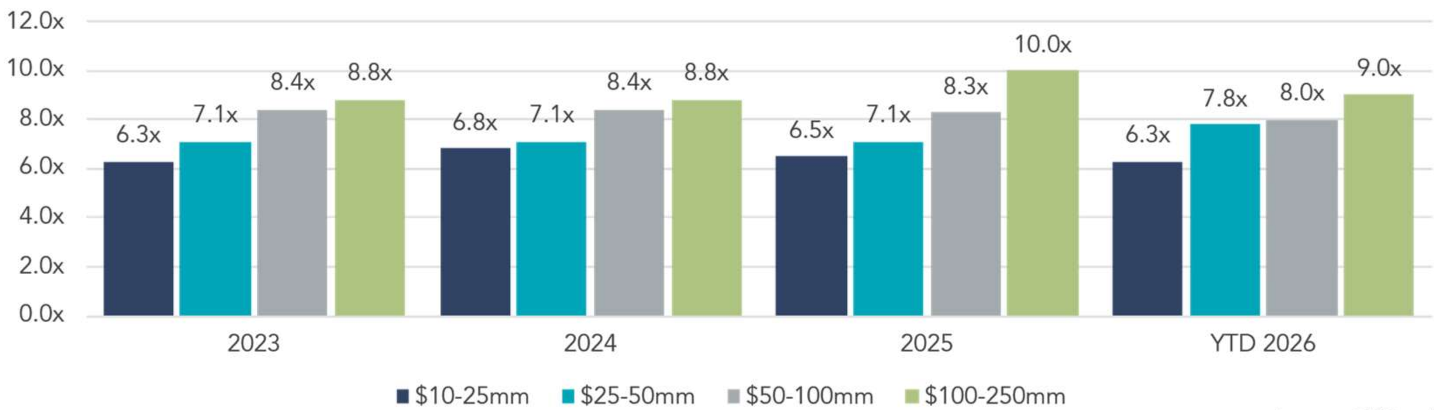
OVERALL U.S. M&A ACTIVITY



Source: PitchBook Financial Data and Analytics

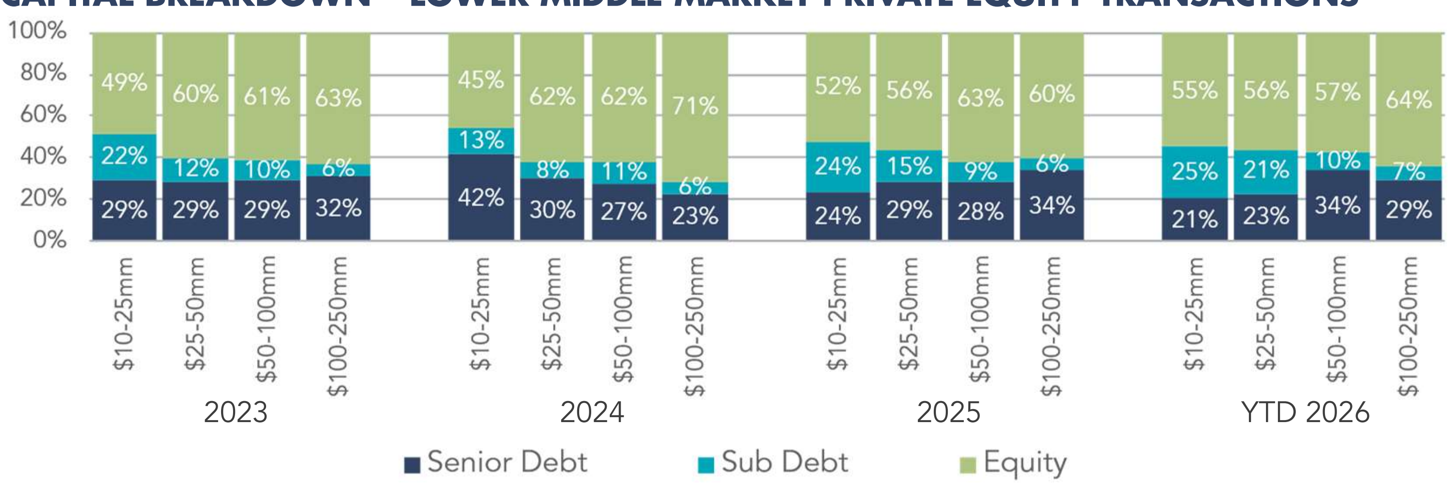
LOWER MIDDLE MARKET PRIVATE EQUITY TRANSACTION MULTIPLES

EBITDA Multiples By Transaction Size



Source: GF Data®

CAPITAL BREAKDOWN – LOWER MIDDLE MARKET PRIVATE EQUITY TRANSACTIONS



Note: The most current source of GF Data is as of May 2026.

Source: GF Data®

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PROFESSIONAL SERVICES REPORT

COMPREHENSIVE PROFESSIONAL SERVICES EXPERTISE

Our robust experience in the Professional 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 Professional Services investment banking expertise includes the following segments:

- Education and Training
- Business Process Outsourcing
- Marketing Services
- Human Resources & Recruiting
- Consulting, Accounting, & Legal

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SELECT TRANSACTION EXPERIENCE

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

- ELK RIVER Wealth Management — has partnered with — ALPHACORE Wealth Advisory — SDR Ventures SELL-SIDE TRANSACTION
- The CFO Project — Has been acquired by — BROADTREE PARTNERS — SDR Ventures SELL-SIDE TRANSACTION
- spinnaker SCA — A merger of — SCA, SPINNAKER — Has been acquired by — Black Lake Capital — SDR Ventures SELL-SIDE TRANSACTION
- ID Intelligent Demand — Has been acquired by — 2X — A portfolio company of — RECOGNIZE — SDR Ventures SELL SIDE TRANSACTION
- COMPLIANCE RESOURCE PARTNERS — Has been acquired by — ACA — SDR Ventures SELL-SIDE TRANSACTION
- Phases ACCOUNTING & TAX SERVICE, INC. — Has been acquired by — APEX ACCOUNTING AND TAX, INC. — SDR Ventures SELL-SIDE TRANSACTION

SDR SERVICE OFFERINGS

SELL-SIDE ADVISORY

PRIVATE CAPITAL FORMATION

BUY-SIDE ADVISORY

EXIT PREPARATION

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