

See if your Staffing company is investment grade. Try our assessment on page 3. This assessment is complimentary for a limited time!

FOUNDERS
ADVISORS

Human Capital Management Market Insights

Q2 2022

M&A Quarter In Review

- Globally, M&A activity continued its modest decline during Q2 2022 but remained historically strong with an estimated 6,429 M&A transactions completed, representing over \$838.2B of enterprise value.
 - In North America, 4,571 transactions were completed with a combined enterprise value of \$547.7 billion.
 - The Business Products & Services, Consumer Products & Services, and Technology industries led the way in global M&A activity in the second quarter, with over 4,933 transactions completed collectively.
 - Dry powder remains at high levels with upwards of \$1.5 trillion yet to be deployed, with active acquirers continuing to chase after quality assets.
 - 16 mega-deals (\$5 billion+) closed during Q2, representing \$207.3B of aggregate deal value.
 - Sponsor backed M&A represented 35.8% of global M&A transactions in the quarter, up slightly from the previous quarter
- Despite major headwinds from a mix of geopolitical tensions, inflation and continued supply chain issues, M&A continues apace as strategic and financial buyers seek to take advantage of market volatility to find attractive growth prospects.

Global M&A Volume



*As of June 30, 2022

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Select HCM Insights

Overview and Outlook

- M&A activity has been strong within the HCM industry, with over 70 staffing and workforce solutions deals taking place during Q2 in the United States. Founders expects activity to remain strong with elevated activity in IT and professional staffing sectors.
- Nursing shortages continue to be an issue, helping fuel demand for healthcare staffing M&A, specifically within the nursing sector. Notable Q2 transactions include Oak Healthcare Staffing's acquisition of Cunningham Elite Staffing and 424 Capital's acquisition of Becker Health.
- Global BPO, a \$250 billion market in 2021, is projected to grow at a 9%+ CAGR between 2022 - 2030. Driving growth factors for customer utilization include improved efficiencies, decreasing operating costs, business agility, and focusing on core competencies to improve competitiveness.
- NAPEO reports that 173,000 SMB clients covered by the PEO industry account for 15.3% of all firms with 10 to 99 employees. This sector serves nearly 4 million worksite employees and maintains its promising long-term outlook.
- In a recent Gartner survey, 64% of workers said they would only consider a new position or job if it allowed flexible hours. They cited having flexible work hours as the main reason for their increased productivity.
- As the staffing industry evolves, digitalization platforms continue their momentum of transforming specific staffing sectors' business models of matching talent with employment needs. Thinking ahead to the next tech-savvy workforce generation, the upcoming Gen Z'ers will demand access to digital platforms providing self-serve work choices.
- International Data Corporation (IDC) analysts said by next year, 60% of G2000 businesses will deploy AI- and ML-enabled platforms to support the entire employee life-cycle experience from onboarding through retirement.
- The US IT staffing market, consistently the most active in M&A transactions, is expected to eclipse \$43.6 Billion by 2027.
- Federal contract spending ballooned from \$36 billion in 2017 to a record-high of approximately \$51B in 2021, a stunning 41% growth over five years. Part of this spending is being directed to strengthening cyber defenses, fortifying IT infrastructure, and protecting critical data in a direct effort to implement emerging technology and modernize outdated systems.

Q2 2022 M&A Trends

- After a monumental year for M&A in 2021, activity has ticked down to a more sustainable pace, partly due to economic and geopolitical uncertainty.
- The historical picture shows an active market filled with acquirers focused on getting the right deals done to drive value and growth.
- Executives maintain a strong appetite for acquisitions as they look to withstand competitive pressures through digital transformation, supply chain efficiencies, and technological advancements. Additionally, executives will look to position themselves for a changing environment through M&A. Strategic and sponsor backed strategics made up ~90% of buyers in Q2, 2022
- Private equity continues to have high levels of dry powder and will not wait for market lows to look for solid deals. Instead, they will continue to unlock value through carefully considered investment strategies.
- No business is immune to current economic challenges. However, there is considerable evidence that strong companies are continuing to command strong interest from private equity groups and average businesses are trading at lower valuations.

Staffing Services Valuation Scorecard Summary

Enterprise Value / Revenue								
4.0x	5.0x	6.0x	7.0x	8.0x	9.0x	10.0x	11.0x	12.0x+
Financial Preparedness	Consistent reporting; ability to analyze at the customer level; GAAP; proof of cash → quality of earnings + full audit is likely with investors							
Revenue Growth	<10%		> 15%		% of Total Recurring Revenue Growth			
Gross Margin	<15%		>28%		Gross Margin reflects the scalability of a company, as well as the value of its services			
EBITDA Margin	<8%		>15%		Ability to generate free cash to continue growth in the business			
Direct Hire Revenue % of Total GP	>20%		<20%		Too much direct hire revenue causes devaluation risk by buyers			
MSP / VMS % of Revenue	>25%		<25%		Building relationships directly with hiring managers is sought after from buyers			
Customer Concentration	> 20% for Top Customer		< 50% for Top 5 Customers		Recognizing that some projects flex up, still don't want to get overly lopsided toward one customer			

Management Teams	Proven and capable management teams willing and capable to lead the enterprise with a new buyer
Recruiters	Industry specific experience and/or well-tenured with networked connections to temporary contractor communities
Sales	A proven sales model with established processes and well-tenured teams networked to prospect/client industries
Net Promoter Score (NPS)	Company should track successes with surveys, Glassdoor, and maintain their NPS
Other	Team quality, W2/1099 contractor compliance, seller trustworthiness, GM, assignment duration, client quality, DSO, EBITDA to free cash flow, internal records, and financial statement quality

The Investment Grade Assessment Overview

12 Sections

90+ Questions

25 Minutes

12-Page Report



The continued desire to help owners get it right has now led to the formation of the Investment Grade Assessment. We've handpicked 90 of the most important questions we've heard buyers and investors ask owners to help owners benchmark the likelihood their company could receive an institutional investment.

Founders has expanded the assessment to include sector specific versions with tailored questions that are weighted based on relevant industry KPIs.

This is a highly efficient tool that provides exceptional value in the short 20 minutes it takes to complete.

Link: <https://app.foundersib.com/auth/sign-up>

Free Discount Code: IGA_ZT

Here's a brief video discussing it further: <https://vimeo.com/647794938>



"I just took the assessment. There are some great insights that serve as areas I need to focus on with the business. So, some great food for thought and guidance and well worth the time of taking it. Plan to take it once a year to make sure we are trending in the right direction!" **Justin Emond, CEO/Founder of Third and Grove**

WHAT ARE ADDBACKS AND HOW DO THEY AFFECT MY COMPANY'S VALUE?

In founder or family-owned businesses, it is common for owners to run personal/non-company related revenue or expenses through the business or to expense certain items that would normally be capitalized. While these practices may come in handy during tax season, they can seriously impact a company's valuation.

If you are a business owner considering an exit or recapitalization, we strongly recommend that you a) gain an understanding of what add-backs/adjustments are, b) understand how they impact valuation, and c) begin the process of identifying and tracking them within your business.

What are addbacks/adjustments?

Addbacks and adjustments come in many forms (typical items and examples are shown below), but generally they can be described as any item on the income statement that is non-core, one-time, or personal in nature. Put simply, addbacks and adjustments are items that should be "added back" to net income and/or zeroed out on the income statement due to one of the previously mentioned reasons. A good rule-of-thumb is to imagine that your business was acquired by a publicly traded corporation or private equity group – any item the acquirer a) would not expect to be part of the business going forward or b) would not include on the income statement is likely an adjustment.

Addback / Adjustment	Examples
Non-Core	<i>Revenue and expenses that do not pertain to the company's core operations</i>
Revenue	<ul style="list-style-type: none"> Revenue generated by other/unrelated business ventures
Expenses	<ul style="list-style-type: none"> Expenses related to other/unrelated business ventures
One-Time / Non-Recurring	<i>Revenue and expenses related to one-time items that will not recur in the future</i>
Revenue	<ul style="list-style-type: none"> Revenue from a trial product/service that was ultimately scrapped Revenue from a large, one-time special project or customer Revenue from a discontinued business line Revenue from a one-time event such as forgiveness of PPP loan
Expenses	Professional Fees <ul style="list-style-type: none"> Expenses related to legal disputes (i.e., attorney fees, settlements) <ul style="list-style-type: none"> Attorney fees such as those related to reviewing/editing contracts or unique agreements and those related to an acquisition One-time accounting fees One-time outsourced marketing projects Costs of a QoE in preparation for a market process Any other one-time / unusual expenses <ul style="list-style-type: none"> Costs of moving to a new facility One-time marketing campaign Start-up costs related to a new business line Severance payments, or one-time employee bonuses not expected going forward
Personal	<i>Revenue / Expenses related to the owner(s) personally that would not occur under new ownership</i>
Revenue	<ul style="list-style-type: none"> Rent on property owned by the shareholders of the company Consulting fees for services the owner provided (assuming consulting is not the company's core model)
Expenses	<ul style="list-style-type: none"> Travel and entertainment expenses unrelated to business trips/meetings Payments to family members who are not working for the business Personal car, health, and other insurance payments; leases for personal vehicles Charitable donations that are discretionary Country club dues Owner salaries/bonuses in excess of market compensation
Capital Expenditures / Prepaid Expenses	<i>Items recorded as expenses on the income statement (presumably for tax purposes) that should instead be recorded on the balance sheet</i>
Expenses	<ul style="list-style-type: none"> Large purchases (such as equipment) that will be used for more than one year Renovations to a new facility Any fees/payments paid in advance (i.e., a 3-year accreditation fee paid upfront)

ADDBACKS (CONTINUED)

What should I do about addbacks/adjustments?

If you plan to pursue an exit or recapitalization, you should identify any potential addbacks or adjustments to your financial statements and begin tracking them regularly. This can be done however it is easiest/most efficient for you and your team, but we recommend the following:

- Record addbacks on a monthly basis. When looking back quarterly or annually to identify addbacks, it is easy to forget when/where these items appear on the income statement, and you might forget about others entirely. You reduce the risk of leaving out some items (leaving additional value on the table) by recording addbacks each month.
- Record the exact dollar amount, and which account it affects – This is particularly true if only a portion of an account is added back. For example, if \$20,000 out of a \$30,000 “Travel and Entertainment” (T&E) expense was for your family’s vacations, that \$20,000 could be added back to EBITDA; however, it may be helpful for buyers to know where that \$20,000 was originally recorded. By doing so, they can see that the T&E line was artificially inflated.
- Keep notes. If you find yourself in a discussion over whether certain addbacks are reasonable, it will be beneficial to keep careful notes on why you chose to add back the expense. For example, if you add back “marketing expenses” of \$50,000, a buyer may question this choice since marketing expenses are considered normal business practices. However, if you can explain that these expenses were related to a marketing campaign for a trial product that was discontinued (and therefore, will not be incurred again next year), the buyer is more likely to agree with your rationale.

How do addbacks affect valuation?

Since companies are often valued on a multiple of EBITDA, the primary way addbacks and adjustments affect valuation is when they alter EBITDA. Hypothetically, if you receive an offer for your company based on a multiple of seven times trailing twelve months (TTM) EBITDA and your company’s unadjusted EBITDA is \$7.0 million, the buyer has essentially valued your company at \$49 million. Now assume that your company has tracked addbacks & adjustments for the past 12 months:

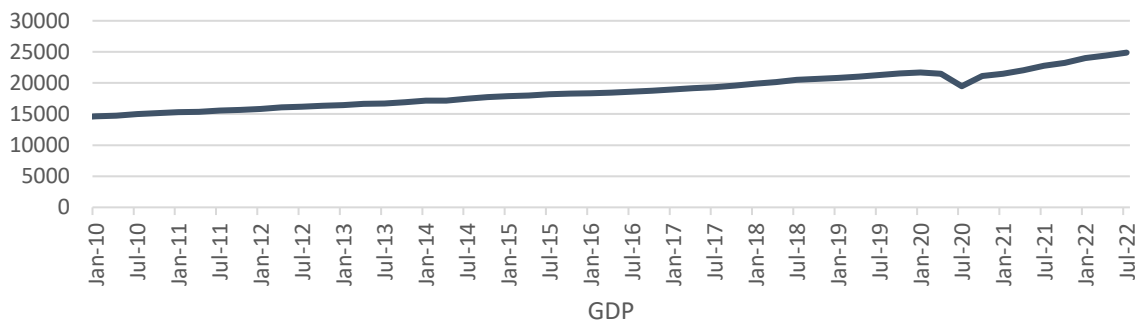
EBITDA:	\$7,000,000
Plus:	
Owner salary in excess of market compensation (<i>owner received \$600k when market is closer to \$250k</i>)	\$350,000
Proceeds from forgiveness of PPP loan	(\$230,000)
Fees paid to attorneys + cost to settle legal dispute	\$100,000
Salary paid to child or spouse (<i>who does not work for the business</i>)	\$85,000
Cost of Quality of Earnings in preparation for a market process	\$75,000
Implementation and installation of new enterprise reporting or accounting system	\$60,000
Lease for personal vehicle + family’s travel expenses	\$35,000
One-time donation to local charity	\$25,000
Adjusted EBITDA:	\$7,500,000
Offer of 7x Adjusted EBITDA:	\$52,500,000

Some of these expenses may seem immaterial on their own, but if combined, they increase your EBITDA by \$500,000. At a 7x multiple, this translates to a \$3.5 million bump in your total valuation.

While all of the examples mentioned above may rationally be considered adjustments or addbacks, it is important to keep in mind that once valuation discussions begin, buyers may disagree with certain adjustments or even make adjustments of their own. Addbacks and adjustments are often evaluated on a case-by-case basis, making it important to carefully track and provide explanations for each item. This is an area where an experienced and reputable M&A advisor can provide tremendous value. An M&A advisor’s experience allows them to not only have the advantage of seeing what are customary and non-customary addbacks and/or adjustments, but also the knowledge and experience to appropriately defend the position of the seller or buyer with data and financial analysis.

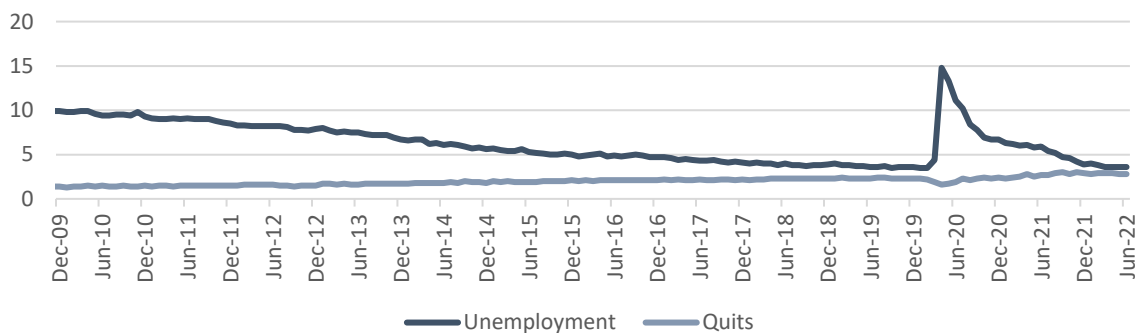
Labor Force Indicators

U.S. Gross Domestic Product



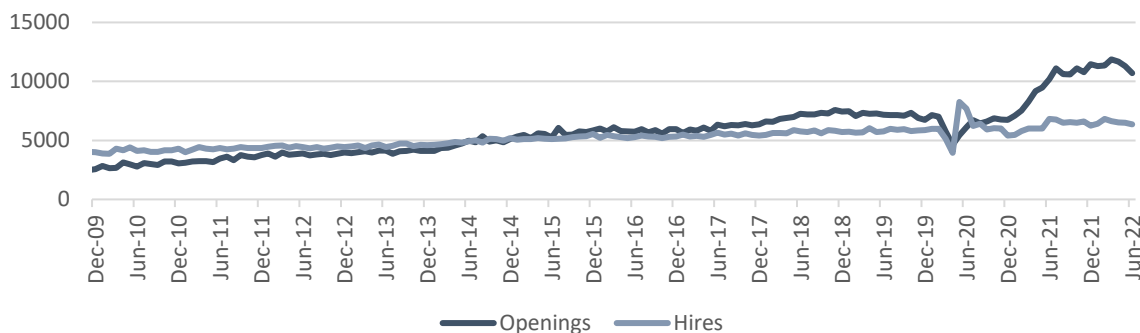
- US GDP declined by 0.9% in Q2 2022, the second consecutive quarter of negative GDP growth
- The main drags on growth in the quarter stemmed from inventories and a decline in business investment

Unemployment & Quits Rates (monthly, %)



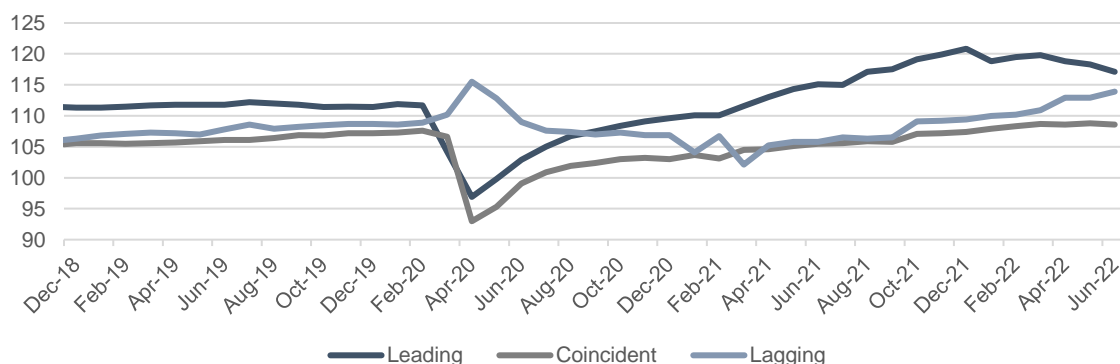
- The US unemployment rate fell to 3.5% in July, a slight decrease from June and a decrease from a high of 4% in January
- Quits rate remained unchanged at 2.8%
- Total Separations decreased slightly in June to 3.9%

Job Openings and Hires (monthly, in thousands)



- Job openings fell by over 400,000 in the quarter to 10.7mm
- Hires decreased slightly in the quarter to 6.4mm
- The largest decrease in job openings was once again in retail, accounting for a decrease of 343,000 in openings

Leading, Coincident, and Lagging Economic Index indicators (LEI,CEI,LAG)



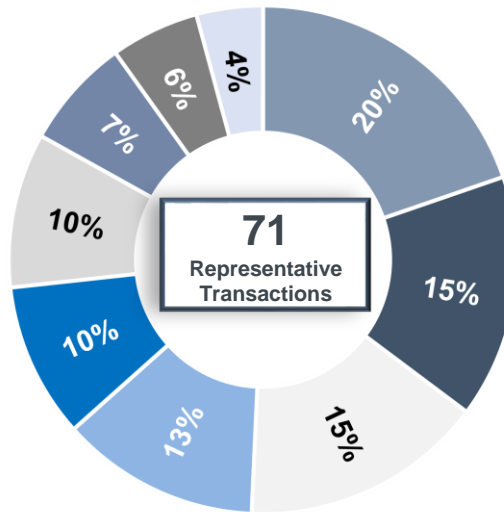
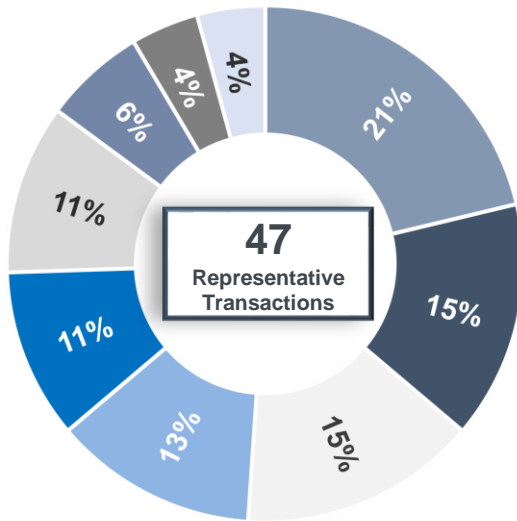
- The LEI decreased -0.8% in June to 117.1. The LEI has decreased 1.8% over the first half of 2022
- The CEI decreased by 0.1 to 108.6 marking a 1.2% change over the first half of the year
- The LAG increased 3.0 in Q2. It now stands at 113.9
- The decrease of the LEI for the fourth consecutive quarter indicates economic growth will slow further in the near-term

North American Transaction Data

Staffing & Workforce Solutions

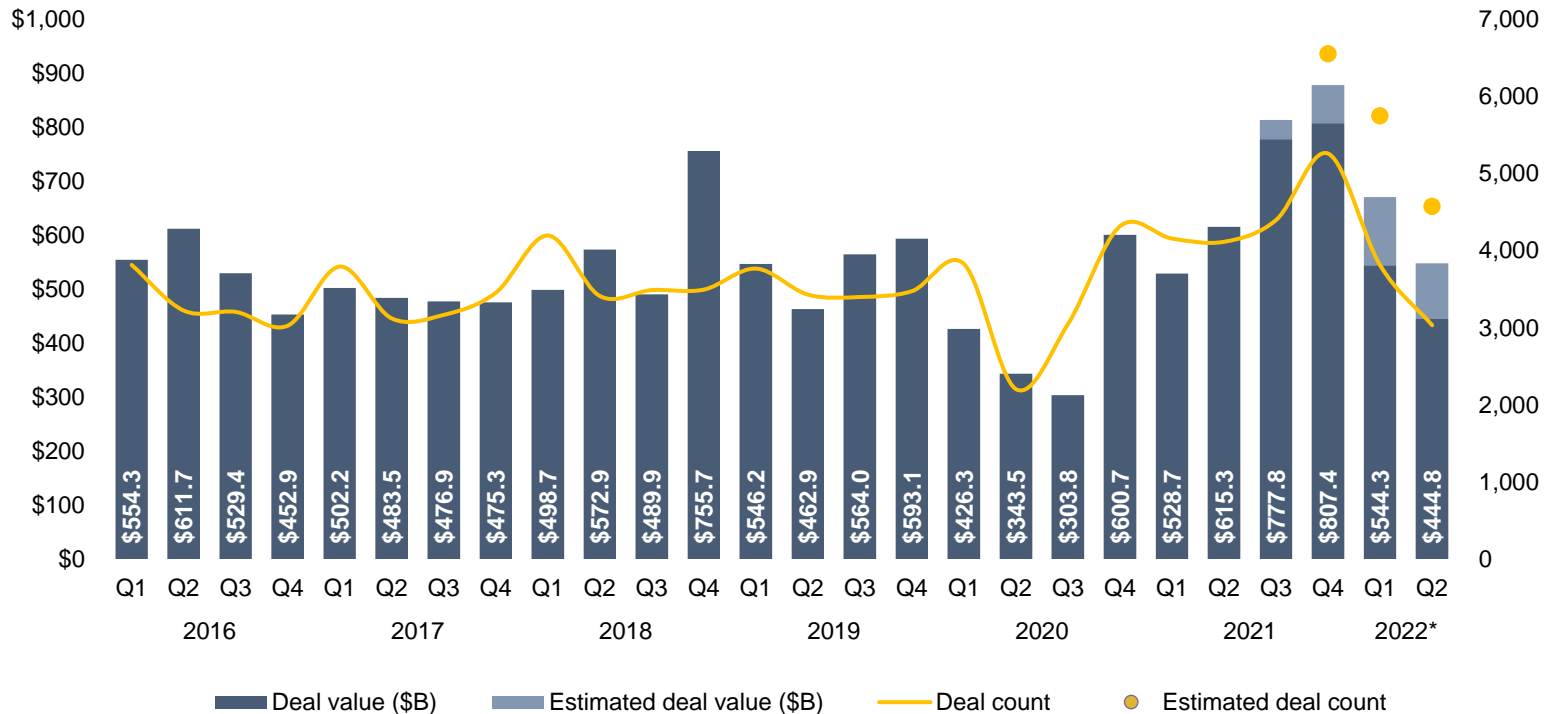
Q1 2022

Q2 2022



- Place & Search
- IT Staffing
- Direct Work Engagement
- Talent Acquisition Technology
- Healthcare Staffing
- Industrial & Commercial Staffing
- Finance, Accounting, Legal
- Other Professional Staffing
- Other Workforce Solutions

North America M&A Activity By Quarter



Notable Human Capital Management Transactions*

Notable Transactions across Human Capital Management




Cerner reached an agreement to be acquired by Oracle in an all-cash deal for an approximate \$28.3B in equity value on June 8, 2022. Cerner is a leader in digitized medical care, providing digital information systems used in hospitals.



Connetics USA, an international healthcare recruitment firm, was acquired by AMN Healthcare on May 13, 2022. Connetics USA's international recruiting and staffing solutions will expand AMN's current healthcare staffing solutions to help face the growing shortage of healthcare professionals.



EduBrite reached a definitive agreement to be acquired by LinkedIn, a subsidiary of Microsoft, for an undisclosed amount on June 28, 2022. The acquisition will allow LinkedIn to integrate the company's rigorous certification assessment engine into the LinkedIn Learning platform, enabling LinkedIn to test better and verify people's skills.



Epic Staffing Group was acquired by The Pritzker Organization through an LBO on April 18, 2022, for an undisclosed amount in an all-cash deal. Epic is a diversified national provider of outsourced employment to the biopharmaceutical and healthcare industries.



Humanforce was acquired by Accel-KKR through an AUD 60 million LBO on April 28, 2022. This funding will enable the company to expand its suite of solutions rapidly, pursue acquisitions, and enhance its market leadership position with frontline and deskless workforces. The investment will be used for acquisition purposes.



Brookson, a provider of independent contractor support and compliance services, was acquired by People 2.0, via its financial sponsor TPG, through an LBO on June 21, 2022, for an undisclosed amount. Adding Brookson significantly enhances People 2.0's ability to unburden independent contractors and facilitate flexible, remote, and separate work arrangements.



Anaplan was acquired by Thoma Bravo through an all cash, \$10.7 billion public-to-private LBO on June 21, 2022. Anaplan stockholders received \$63.75 per share. Anaplan is a provider of a leading cloud-native platform for orchestrating business performance.



On May 2, 2022, Kelly Services acquired Pediatric Therapeutic Services for an undisclosed amount. The acquisition gives Kelly entry into the fast-growing therapeutic services market for state and federally mandated in-school therapy. In this specialty domain, Kelly previously didn't have a presence.



JBC Technology, a provider of staffing services for enterprises in the advertising, cosmetics, hospitality, and retail sectors, was acquired by WorkGenius for \$136mm on June 7, 2022. The combined company will be close to \$100mm in revenue. WorkGenius provides a pioneering end-to-end freelance hiring and management solution.



The company is in talks to be acquired by Deel for AUD 122 million on June 22, 2022. The acquisition will expand Deel's customer base and reinforce its leadership in the global payroll space. PayGroup is a leading global payroll provider, business process outsourcing, and cloud-based human capital management solutions with a strong foothold in APAC.



The company, a subsidiary of SkillSoft, entered into a definitive agreement to be acquired by Cornerstone OnDemand through an LBO on June 13, 2022. The deal was announced to be \$200mm. The deal indicates that Cornerstone is becoming a legacy technology provider as they acquire Sumtotal Systems' Learning Management Systems technologies.



Headway Workforce Solutions, a subsidiary of FirstTek Technologies, was acquired by Staffing 360 Solutions (NAS: STAF) for an estimated \$14 million on May 19, 2022. Headway is one of the largest US providers of survey research personnel; its unique survey research niche is a valuable tool and differentiator in the staffing industry.

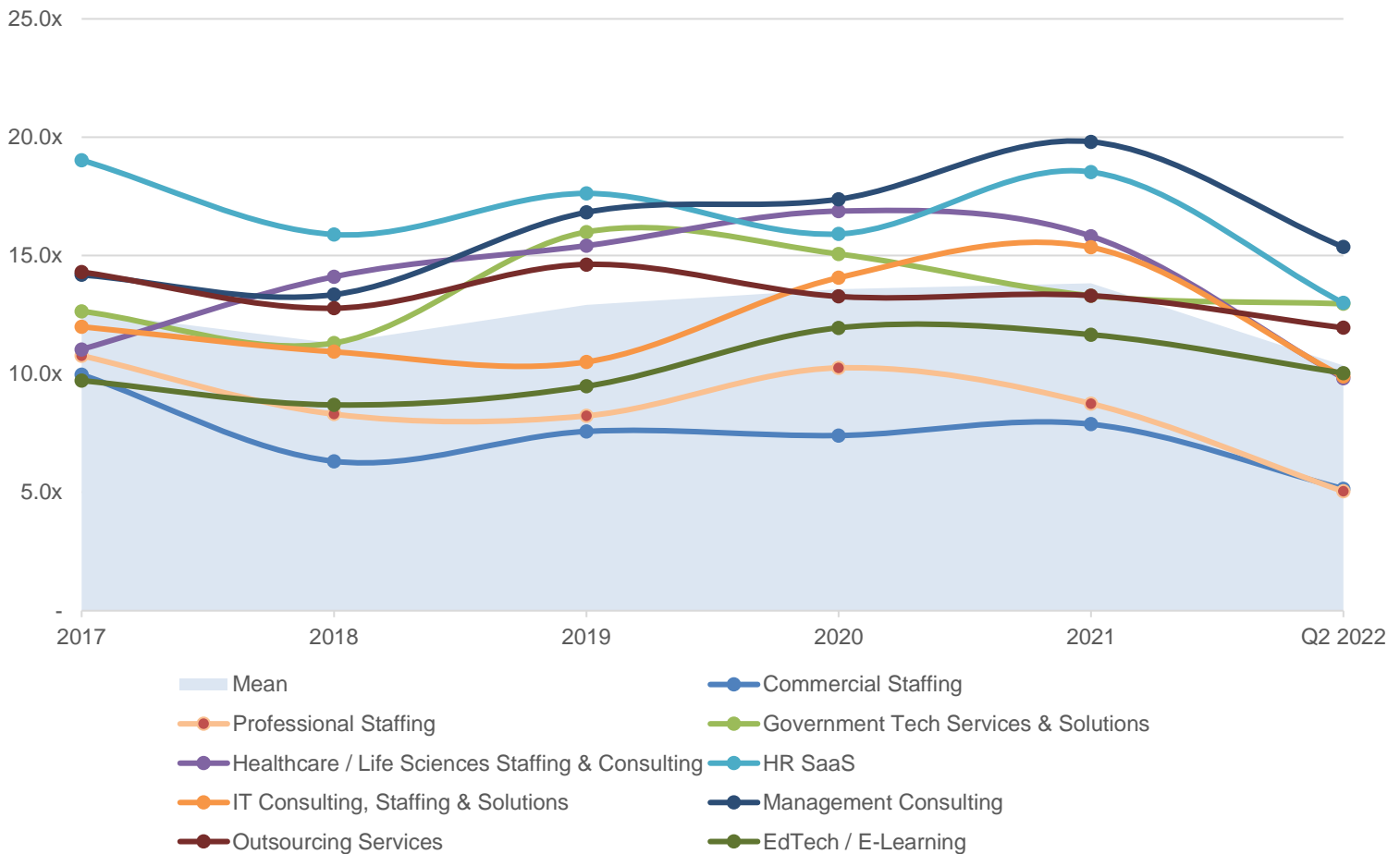
Public Company Valuation Metrics

Public Trading Valuation Data Summary (as of June 30th)

(\$ in billions)

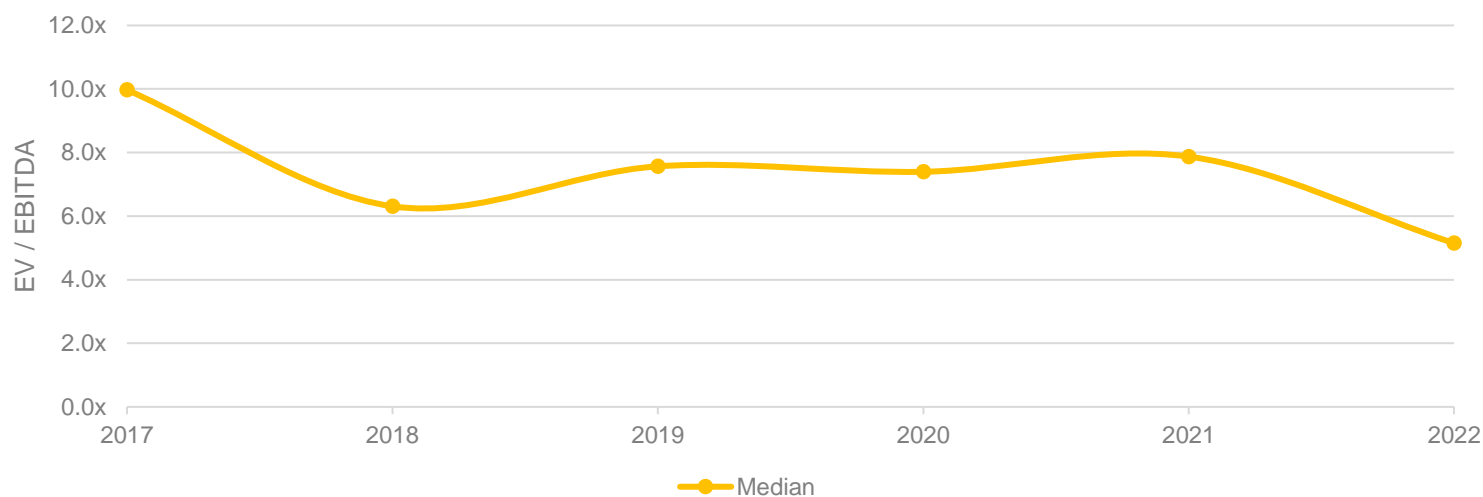
HCM Segment	Aggregate Market Cap	Aggregate Enterprise Value	Aggregate LTM Revenue	Aggregate LTM EBITDA	Median EV/LTM EBITDA
Commercial Staffing	\$24	\$28	\$97	\$5	5.1x
Professional Staffing	\$37	\$41	\$101	\$6	5.0x
Government Tech Services & Solutions	\$52	\$68	\$49	\$5	13.0x
Healthcare / Life Sciences Staffing & Consulting	\$9	\$10	\$12	\$1	9.8x
HR SaaS	\$416	\$487	\$97	\$33	13.0x
IT Consulting, Staffing & Solutions	\$320	\$324	\$147	\$26	9.9x
Management Consulting	\$347	\$372	\$116	\$24	15.4x
Outsourcing Services	\$246	\$265	\$102	\$15	12.0x
EdTech / E-Learning	\$10	\$10	\$5	\$1	10.1x
Mean	\$162	\$178	\$81	\$13	10.4x
Min	\$9	\$10	\$5	\$1	5.0x
Max	\$416	\$487	\$147	\$33	15.4x
Standard deviation	\$167	\$184	\$48	\$12	3.5x

Historical Valuations (as of March 31st)

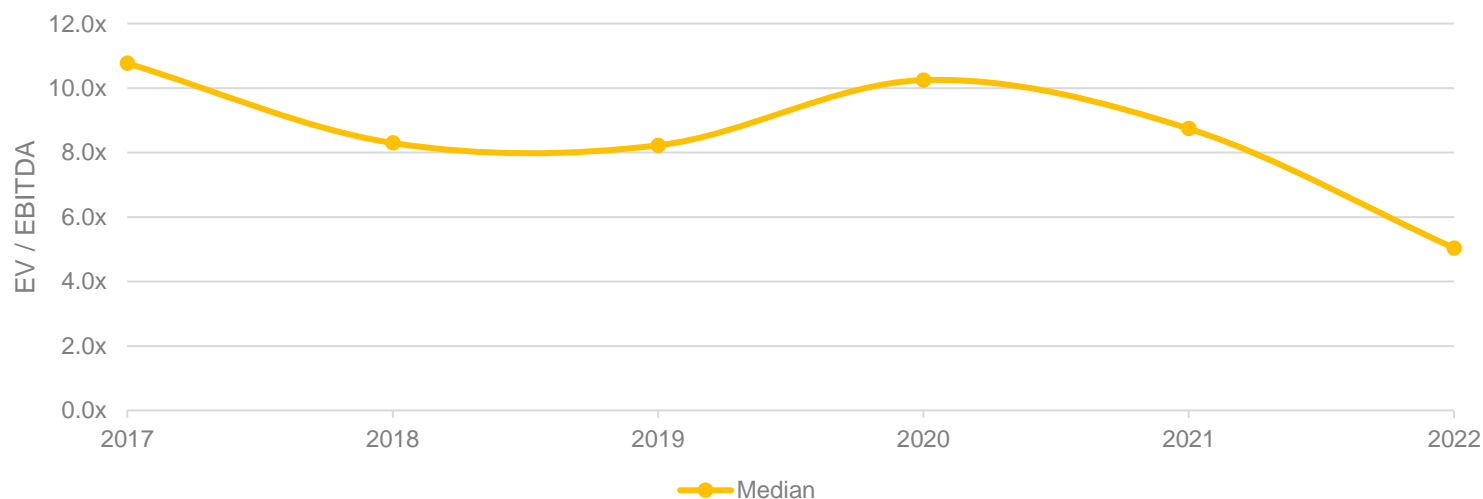


Historical Valuations by Segment

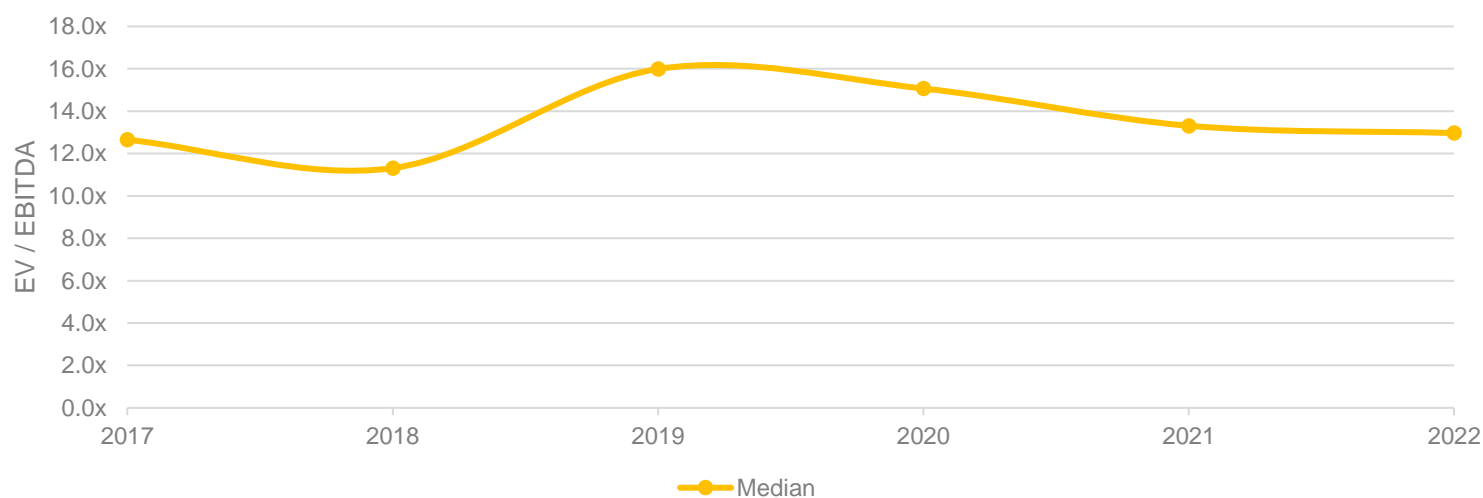
Commercial Staffing



Professional Staffing

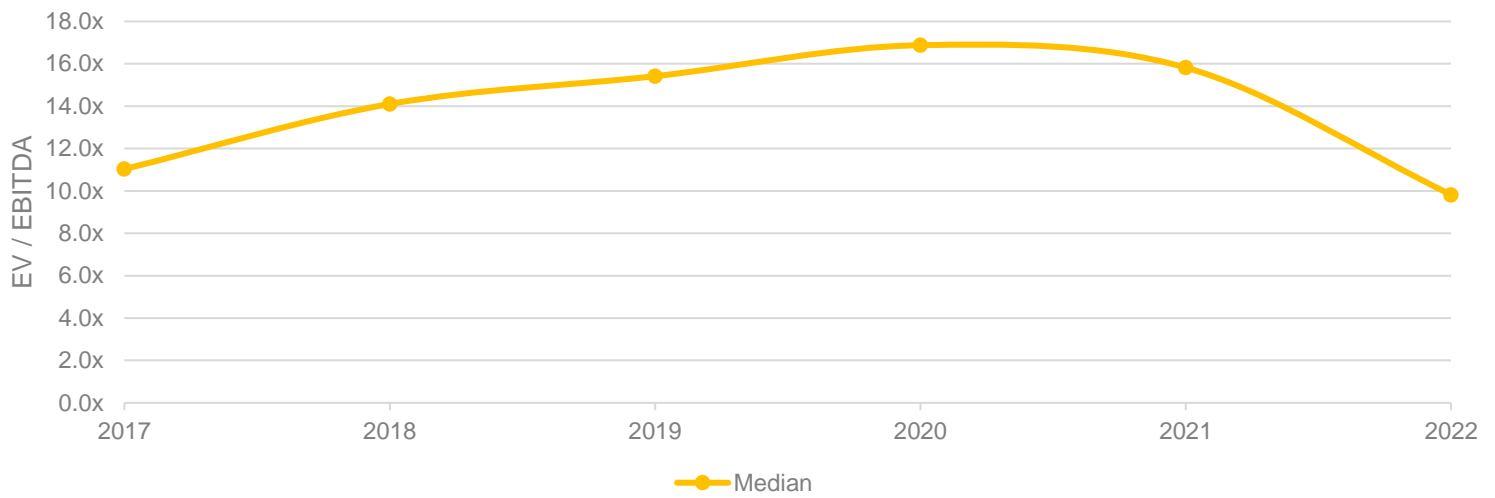


Government Tech Services & Solutions

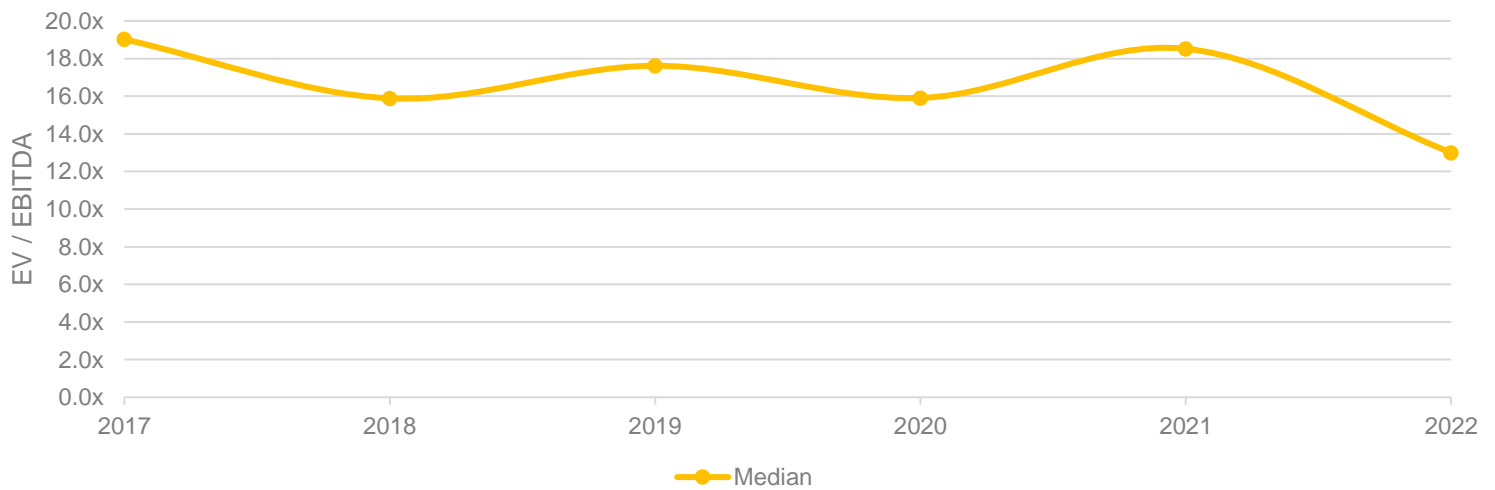


Historical Valuations by Segment

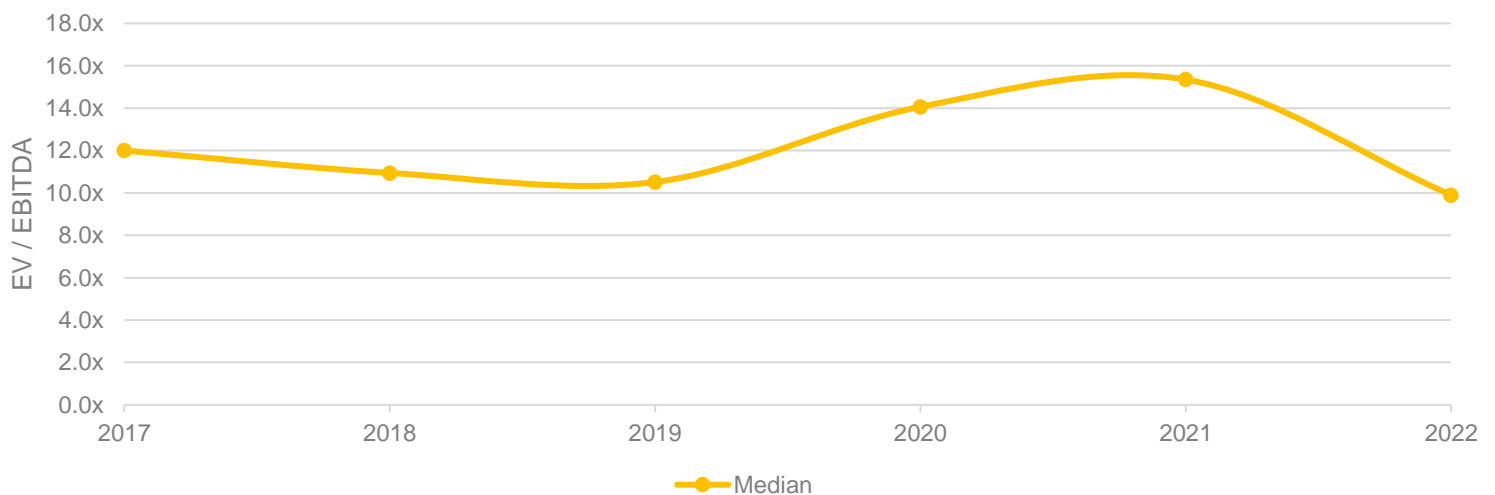
Healthcare / Life Sciences Staffing & Consulting



HR SaaS

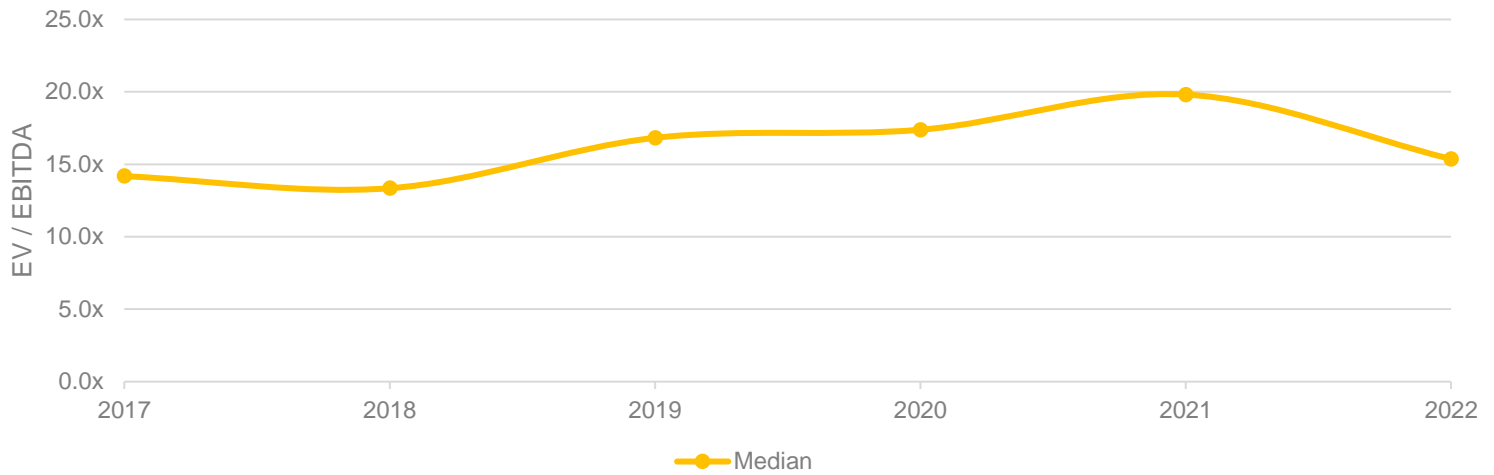


IT Consulting, Staffing & Solutions

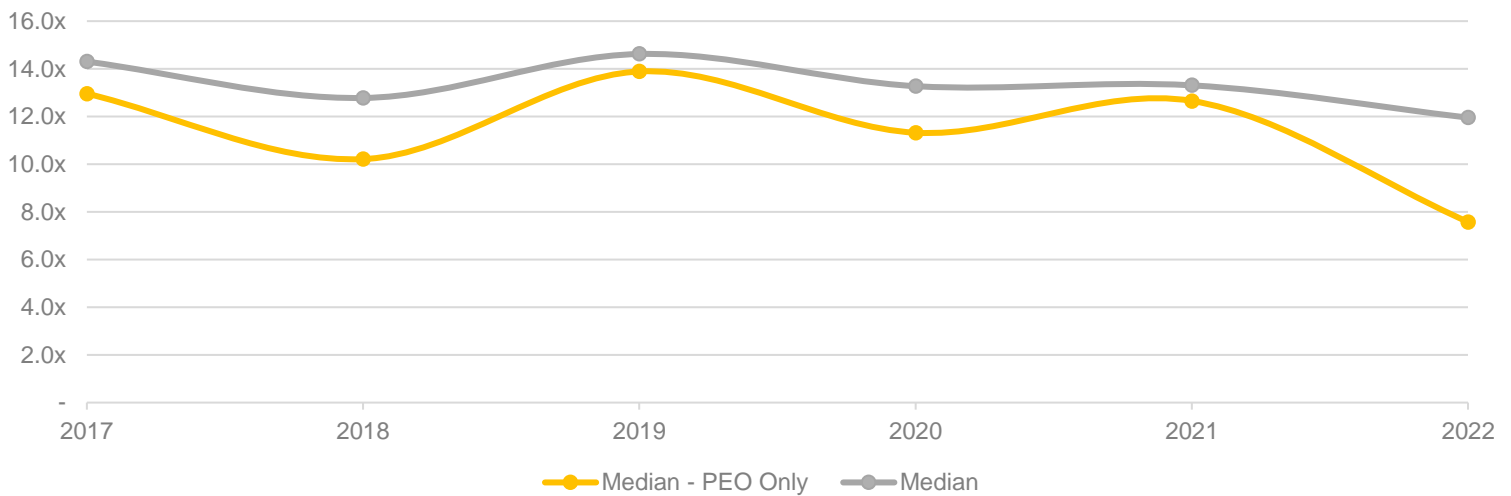


Historical Valuations by Segment

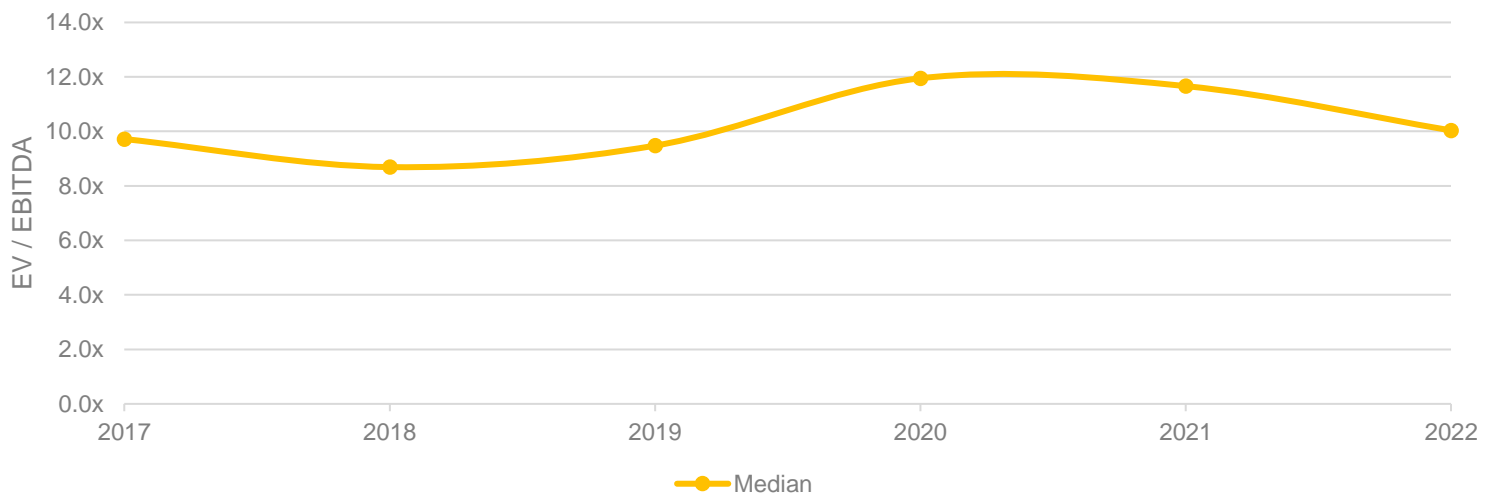
Management Consulting



Outsourcing Services



EdTech / E-Learning



Public Trading Valuation Data (\$ in millions)

Commercial Staffing

Company	Ticker	Price as of 12/31/2021	Price Change 52 Week	Market Cap	Enterprise Value	LTM Revenue	LTM EBITDA	LTM EBITDA Margin	LTM Net Income Margin	EV / LTM EBITDA	P/E	P / Tangible BV
Adecco Group	SWX:ADEN	32.44	-49%	\$5,670	\$9,624	\$24,884	\$1,105	4%	3%	8.7x	8.1x	1.3x
Barrett Business Services	NAS: BBSI	72.87	-1%	\$533	\$426	\$983	\$70	7%	4%	6.0x	11.4x	2.9x
Groupe DLSI	PAR: ALDLS	9.20	-32%	\$24	\$10	\$230	\$10	5%	2%	1.0x	7.0x	0.4x
Empresaria Group	LON: EMR	0.65	-16%	\$39	\$74	\$355	\$22	6%	1%	3.3x	6.6x	0.8x
GDI Integrated Facility Services	TSX: GDI	45.66	-11%	\$824	\$1,098	\$1,362	\$108	8%	2%	10.2x	25.8x	2.6x
Groupe Crit	PAR: CEN	59.00	-9%	\$684	\$373	\$2,403	\$134	6%	2%	2.8x	13.4x	0.9x
Impellam Group	LON: IPEL	4.60	61%	\$252	\$294	\$3,111	\$51	2%	0%	5.8x	11.6x	0.8x
Kelly Services	NAS: KELYA	19.83	-18%	\$749	\$594	\$5,000	\$99	2%	2%	6.0x	10.7x	0.6x
ManpowerGroup	NYSE: MAN	76.41	-36%	\$4,030	\$4,583	\$20,943	\$755	4%	2%	6.1x	9.6x	1.6x
Openjobmetis	MIL: OJM	9.00	-8%	\$126	\$159	\$874	\$33	4%	2%	4.9x	7.7x	0.8x
Poolia	STO: POOL B	12.40	19%	\$57	\$49	\$224	\$16	7%	5%	3.0x	5.4x	2.2x
Randstad	AMS: RAND	46.20	-29%	\$8,823	\$9,227	\$29,883	\$1,792	6%	3%	5.1x	8.7x	1.9x
Robert Walters Group	LON: RWA	4.70	-34%	\$438	\$357	\$1,335	\$103	8%	3%	3.5x	9.3x	1.6x
Synergie	PAR: SDG	26.55	-21%	\$665	\$476	\$3,188	\$147	5%	3%	3.2x	8.1x	1.1x
TrueBlue	NYSE: TBI	17.90	-36%	\$596	\$630	\$2,266	\$113	5%	3%	5.6x	8.2x	1.3x
Mean				\$1,567	\$1,865	\$6,470	\$304	5%	2%	5.0x	10.1x	1.4x
Median				\$596	\$426	\$2,266	\$103	5%	2%	5.1x	8.7x	1.3x

Professional Staffing

Company	Ticker	Price as of 12/31/2021	Price Change 52 Week	Market Cap	Enterprise Value	LTM Revenue	LTM EBITDA	LTM EBITDA Margin	LTM Net Income Margin	EV / LTM EBITDA	P/E	P / Tangible BV
Adecco Group	SWX:ADEN	32.44	-49%	\$5,670	\$9,624	\$24,884	\$1,105	4%	3%	8.7x	8.1x	1.3x
BGSF	NYSE: BGSF	12.36	-2%	\$129	\$148	\$240	\$18	7%	5%	8.3x	12.0x	1.4x
Brunel International	AMS: BRNL	10.38	-5%	\$546	\$539	\$1,064	\$80	8%	4%	6.7x	14.2x	1.7x
Empresaria Group	LON: EMR	0.645	-16%	\$39	\$74	\$355	\$22	6%	1%	3.3x	6.6x	0.8x
Freelance.com	PAR: ALFRE	5.88	-4%	\$341	\$395	\$591	\$19	3%	2%	21.3x	20.9x	2.6x
GEE Group	ASE: JOB	0.522	-8%	\$60	\$49	\$162	\$12	8%	12%	4.0x	5.6x	0.6x
Heidrick & Struggles International	NAS: HSII	32.36	-28%	\$638	\$451	\$1,093	\$148	14%	7%	3.1x	7.8x	1.8x
Kforce	NAS: KFRC	61.34	-3%	\$1,301	\$1,300	\$1,634	\$135	8%	5%	9.7x	13.9x	6.6x
Korn Ferry	NYS: KFY	58.02	-21%	\$3,076	\$2,641	\$2,627	\$539	21%	13%	4.9x	9.3x	2.0x
ManpowerGroup	NYSE: MAN	76.41	-36%	\$4,030	\$4,583	\$20,943	\$755	4%	2%	6.1x	9.6x	1.6x
NGS Group	STO: NGS	16.45	-9%	\$14	\$16	\$59	\$3	5%	3%	5.2x	7.7x	0.5x
Openjobmetis	MIL: OJM	9	-8%	\$126	\$159	\$874	\$33	4%	2%	4.9x	7.7x	0.8x
PageGroup	LON: PAGE	3.996	-30%	\$1,593	\$1,523	\$2,260	\$323	14%	7%	4.7x	8.9x	3.0x
Poolia	STO: POOL B	12.4	19%	\$57	\$49	\$224	\$16	7%	5%	3.0x	5.4x	2.2x
Randstad	AMS: RAND	46.2	-29%	\$8,823	\$9,227	\$29,883	\$1,792	6%	3%	5.1x	8.7x	1.9x
Resources Connection	NAS: RGP	20.37	41%	\$676	\$626	\$760	\$90	12%	9%	6.9x	8.7x	1.9x
Robert Half International	RHI	74.89	-16%	\$8,346	\$8,058	\$6,878	\$994	14%	10%	8.1x	11.9x	5.7x
Robert Walters Group	LON: RWA	4.7	-34%	\$438	\$357	\$1,335	\$103	8%	3%	3.5x	9.3x	1.6x
Sthree	LON: STEM	3.565	-23%	\$578	\$548	\$1,801	\$111	6%	3%	4.9x	9.9x	2.7x
Synergie	PAR: SDG	26.55	-21%	\$665	\$476	\$3,188	\$147	5%	3%	3.2x	8.1x	1.1x
The Caldwell Partners International	TSE: CWL	2.22	41%	\$57	\$29	\$124	\$13	10%	5%	2.3x	5.9x	1.9x
Wise Group (Sweden)	STO: WISE	45.5	39%	\$33	\$49	\$87	\$8	10%	10%	5.8x	6.5x	9.0x
Mean				\$1,693	\$1,860	\$4,594	\$294	8%	5%	6.1x	9.4x	2.4x
Median				\$562	\$464	\$1,078	\$97	7%	4%	5.0x	8.7x	1.8x

Public Trading Valuation Data (\$ in millions)

Government Tech Services & Solutions

Company	Ticker	Price as of 12/31/2021	Price Change 52 Week	Market Cap	Enterprise Value	LTM Revenue	LTM EBITDA	LTM EBITDA Margin	LTM Net Income Margin	EV / LTM EBITDA	P/E	P / Tangible BV
ASGN	NYSE: ASGN	90.25	-8%	\$4,612	\$5,203	\$4,194	\$521	12%	6%	10.0x	15.0x	2.5x
Booz Allen	NYSE: BAH	90.36	5%	\$11,960	\$14,364	\$8,364	\$935	11%	6%	15.4x	21.5x	11.5x
CACI International	NYSE: CACI	281.78	10%	\$6,597	\$8,658	\$6,125	\$625	10%	7%	13.8x	14.4x	2.2x
Calian Group	TSE: CGY	63.06	5%	\$555	\$544	\$427	\$45	11%	2%	12.1x	39.4x	2.4x
ICF International	NAS: ICFI	95	5%	\$1,785	\$2,458	\$1,588	\$164	10%	4%	15.0x	20.9x	2.2x
Leidos	NYSE: LDOS	100.71	-2%	\$13,760	\$19,170	\$13,916	\$1,479	11%	5%	13.0x	15.6x	3.5x
ManTech International	NAS: MANT	95.45	8%	\$3,909	\$4,250	\$2,596	\$284	11%	5%	15.0x	25.7x	2.3x
Maximus	NYSE: MMS	62.51	-29%	\$3,839	\$5,371	\$4,678	\$509	11%	5%	10.6x	12.7x	2.5x
Science Applications International	NYSE: SAIC	93.1	5%	\$5,184	\$7,774	\$7,512	\$675	9%	4%	11.5x	14.8x	3.2x
Mean				\$5,800	\$7,533	\$5,489	\$582	11%	5%	12.9x	20.0x	3.6x
Median				\$4,612	\$5,371	\$4,678	\$521	11%	5%	13.0x	15.6x	2.5x

Healthcare / Life Sciences Staffing & Consulting

Company	Ticker	Price as of 12/31/2021	Price Change 52 Week	Market Cap	Enterprise Value	LTM Revenue	LTM EBITDA	LTM EBITDA Margin	LTM Net Income Margin	EV / LTM EBITDA	P/E	P / Tangible BV
AMN Healthcare Services	NYSE: AMN	109.71	12%	\$4,906	\$5,656	\$4,651	\$752	16%	9%	7.5x	11.2x	4.6x
Calian Group	TSE: CGY	63.06	5%	\$555	\$544	\$427	\$45	11%	2%	12.1x	39.4x	2.4x
Cross Country Healthcare	NAS: CCRN	20.83	26%	\$796	\$1,029	\$2,136	\$233	11%	8%	4.4x	5.0x	2.2x
HealthStream	NAS: HSTM	21.71	-23%	\$664	\$644	\$259	\$53	21%	2%	12.1x	64.9x	2.1x
Huron Consulting Group	NAS: HURN	64.99	29%	\$1,382	\$1,769	\$962	\$103	11%	9%	17.1x	23.5x	2.4x
Impellam Group	LON: IPEL	4.6	61%	\$252	\$294	\$3,111	\$51	2%	0%	5.8x	11.6x	0.8x
Mean				\$1,426	\$1,656	\$1,924	\$206	12%	5%	9.8x	25.9x	2.4x
Median				\$730	\$837	\$1,549	\$78	11%	5%	9.8x	17.6x	2.3x

HR SaaS

Company	Ticker	Price as of 12/31/2021	Price Change 52 Week	Market Cap	Enterprise Value	LTM Revenue	LTM EBITDA	LTM EBITDA Margin	LTM Net Income Margin	EV / LTM EBITDA	P/E	P / Tangible BV
CACI International	NYSE: CACI	281.78	10%	\$6,597	\$8,658	\$6,125	\$625	10%	7%	13.8x	14.4x	2.2x
Ebix	NAS: EBIX	16.9	-50%	\$522	\$1,131	\$991	\$142	14%	6%	7.9x	7.4x	0.8x
HealthStream	NAS: HSTM	21.71	-23%	\$664	\$644	\$259	\$53	21%	2%	12.1x	64.9x	2.1x
Intuit	NAS: INTU	385.44	-22%	\$108,724	\$112,165	\$12,873	\$4,947	38%	19%	22.7x	30.3x	6.4x
New Work	FRA: NWO	130.2	-51%	\$764	\$697	\$347	\$114	33%	13%	6.1x	16.6x	4.6x
Oracle	NYSE: ORCL	69.87	-12%	\$186,198	\$240,607	\$42,440	\$16,402	39%	16%	14.7x	14.3x	N/A
SAP	ETR: SAP	86.93	-27%	\$107,114	\$116,595	\$33,186	\$10,723	32%	17%	10.9x	12.3x	2.4x
Seek (Communications)	ASX: SEK	21	-36%	\$5,124	\$6,177	\$420	\$440	105%	28%	14.0x	36.1x	3.8x
Mean				\$51,964	\$60,834	\$12,080	\$4,181	37%	14%	12.8x	24.5x	3.2x
Median				\$5,861	\$7,418	\$3,558	\$533	33%	15%	13.0x	15.5x	2.4x

Public Trading Valuation Data (\$ in millions)

IT Consulting, Staffing & Solutions

Company	Ticker	Price as of 12/31/2021	Price Change 52 Week	Market Cap	Enterprise Value	LTM Revenue	LTM EBITDA	LTM EBITDA Margin	LTM Net Income Margin	EV / LTM EBITDA	P/E	P / Tangible BV
Accenture	ACN	277.65	-7%	\$175,627	\$173,030	\$59,590	\$11,555	19%	11%	15.0x	22.6x	8.9x
Allgeier	ETR: AEIN	33.7	42%	\$402	\$436	\$489	\$56	11%	3%	7.8x	187.3x	3.1x
ASGN	NYSE: ASGN	90.25	-8%	\$4,612	\$5,203	\$4,194	\$521	12%	6%	10.0x	15.0x	2.5x
Bechtle	ETR: BC8	39.01	-25%	\$5,134	\$5,208	\$6,010	\$515	9%	5%	10.1x	18.3x	3.3x
Calian Group	TSE: CGY	63.06	5%	\$555	\$544	\$427	\$45	11%	2%	12.1x	39.4x	2.4x
Capgemini	PAR: CAP	163.45	0%	\$29,109	\$33,797	\$21,471	\$3,418	16%	6%	9.9x	16.6x	3.1x
CGI Group	TSE: GIB.A	102.54	-9%	\$19,072	\$21,198	\$9,879	\$2,042	21%	11%	10.4x	17.3x	3.5x
Cognizant Technology Solutions	NAS: CTSB	67.49	-3%	\$35,174	\$34,462	\$18,932	\$3,689	19%	12%	9.3x	16.0x	2.9x
Computer Task Group	NAS: CTG	8.56	-11%	\$132	\$114	\$385	\$18	5%	4%	6.2x	11.9x	1.4x
HCL Technologies	NSE: HCLTECH	973.25	-1%	\$33,474	\$31,369	\$11,178	\$2,724	24%	13%	11.5x	22.6x	4.1x
Mphasis	BOM: 526299	2298.45	6%	\$5,479	\$5,329	\$1,605	\$298	19%	12%	17.9x	29.0x	6.1x
Neurones	PAR: NRO	35.6	22%	\$901	\$687	\$686	\$94	14%	7%	7.3x	19.2x	2.6x
Perficient	NAS: PRFT	91.69	12%	\$3,177	\$3,579	\$811	\$176	22%	8%	20.4x	24.8x	9.1x
Science Applications International	NYSE: SAIC	93.1	5%	\$5,184	\$7,774	\$7,512	\$675	9%	4%	11.5x	14.8x	3.2x
Three	LON: STEM	3.565	-23%	\$578	\$548	\$1,801	\$111	6%	3%	4.9x	9.9x	2.7x
The Caldwell Partners International	TSX: CWL	2.22	41%	\$57	\$29	\$124	\$13	10%	5%	2.3x	5.9x	1.9x
Wise Group (Sweden)	STO: WISE	45.5	39%	\$33	\$49	\$87	\$8	10%	10%	5.8x	6.5x	9.0x
Unisys	NYS: UIS	12.03	-53%	\$814	\$933	\$1,991	\$310	16%	-18%	3.0x	13.7x	N/A
Wistron Information	ROCO: 4953	75.3	-21%	\$169	\$154	\$238	\$22	9%	7%	6.9x	10.0x	1.8x
Mean				\$16,825	\$17,076	\$7,758	\$1,384	14%	6%	9.6x	26.3x	4.0x
Median				\$3,177	\$3,579	\$1,801	\$298	12%	6%	9.9x	16.6x	3.1x

Management Consulting

Company	Ticker	Price as of 12/31/2021	Price Change 52 Week	Market Cap	Enterprise Value	LTM Revenue	LTM EBITDA	LTM EBITDA Margin	LTM Net Income Margin	EV / LTM EBITDA	P/E	P / Tangible BV
Accenture	ACN	277.65	-7%	\$175,627	\$173,030	\$59,590	\$11,555	19%	11%	15.0x	22.6x	8.9x
Arthur J. Gallagher & Company	NYSE: AJG	163.04	16%	\$34,283	\$40,326	\$7,881	\$2,244	28%	12%	18.0x	31.1x	3.8x
Booz Allen	NYSE: BAH	90.36	5%	\$11,960	\$14,364	\$8,364	\$935	11%	6%	15.4x	21.5x	11.5x
Brunel International	AMS: BRNL	10.38	-5%	\$546	\$539	\$1,064	\$80	8%	4%	6.7x	14.2x	1.7x
BTS Group	STO: BTS B	308	-5%	\$582	\$524	\$233	\$43	18%	11%	12.3x	27.5x	5.2x
CRA International	NAS: CRAI	89.32	3%	\$659	\$810	\$568	\$87	15%	8%	9.3x	14.7x	3.2x
ExlService Holdings	NAS: EXLS	147.33	38%	\$4,961	\$5,073	\$1,190	\$252	21%	10%	20.1x	29.1x	7.0x
FTI Consulting	NYSE: FCN	180.85	32%	\$6,234	\$6,517	\$2,814	\$345	12%	8%	18.9x	27.6x	3.8x
Gartner	NYS: IT	241.83	-3%	\$19,477	\$22,161	\$4,893	\$1,212	25%	16%	18.3x	27.7x	166.3x
Huron Consulting Group	NAS: HURN	64.99	29%	\$1,382	\$1,769	\$962	\$103	11%	9%	17.1x	23.5x	2.4x
Marsh & McLennan Companies	NYSE: MMC	155.25	9%	\$77,922	\$91,274	\$20,281	\$5,735	28%	16%	15.9x	23.9x	7.1x
Maximus	NYSE: MMS	62.51	-29%	\$3,839	\$5,371	\$4,678	\$509	11%	5%	10.6x	12.7x	2.5x
Lifeworks, Inc.	TSE: LWRK	30.88	-8%	\$1,665	\$2,144	\$814	\$138	17%	-2%	15.5x	N/A	3.6x
Perficient	NAS: PRFT	91.69	12%	\$3,177	\$3,579	\$811	\$176	22%	8%	20.4x	24.8x	9.1x
Resources Connection	NAS: RGP	20.37	41%	\$552	\$548	\$760	\$90	12%	9%	6.1x	8.7x	1.9x
WNS Holdings Limited	NYSE: WNS	74.64	-7%	\$3,646	\$3,494	\$1,110	\$271	24%	12%	12.9x	21.9x	4.8x
Mean				\$21,657	\$23,220	\$7,251	\$1,486	18%	9%	14.5x	22.1x	15.2x
Median				\$3,743	\$4,326	\$1,150	\$262	18%	9%	15.4x	23.5x	4.3x

Public Trading Valuation Data (\$ in millions)

Outsourcing Services

Company	Ticker	Price as of 12/31/2021	Price Change 52 Week	Market Cap	Enterprise Value	LTM Revenue	LTM EBITDA	LTM EBITDA Margin	LTM Net Income Margin	EV / LTM EBITDA	P/E	P / Tangible BV
Aon	NYSE: AON	269.68	13%	\$57,106	\$67,439	\$12,338	\$2,980	24%	12%	22.6x	21.5x	48.8x
Automatic Data Processing	NAS: ADP	210.04	5%	\$88,642	\$90,339	\$15,679	\$4,015	26%	18%	22.5x	31.3x	20.9x
Barrett Business Services	NAS: BBSI	72.87	-1%	\$533	\$426	\$983	\$70	7%	4%	6.0x	11.4x	2.9x
Brunel International	AMS: BRNL	10.38	-5%	\$546	\$539	\$1,064	\$80	8%	4%	6.7x	14.2x	1.7x
CBIZ	NYSE: CBZ	39.96	21%	\$2,083	\$2,601	\$1,196	\$168	14%	7%	15.5x	21.0x	2.8x
ExlService Holdings	NAS: EXLS	147.33	38%	\$4,961	\$5,073	\$1,190	\$252	21%	10%	20.1x	29.1x	7.0x
Genpact	NYSE: G	42.36	-7%	\$7,843	\$9,201	\$4,145	\$768	19%	9%	12.0x	18.5x	4.2x
iEnergizer	LON: IBPO	4.685	57%	\$1,080	\$1,168	\$260	\$98	38%	29%	12.0x	14.6x	18.5x
Impellam Group	LON: IPEL	4.6	61%	\$252	\$294	\$3,111	\$51	2%	0%	5.8x	11.6x	0.8x
Insperty	NYSE: NSP	99.83	8%	\$3,824	\$3,647	\$33,581	\$269	1%	3%	13.5x	24.2x	112.7x
Maximus	NYSE: MMS	62.51	-29%	\$3,839	\$5,371	\$4,678	\$509	11%	5%	10.6x	12.7x	2.5x
LifeWorks	TSE: LWRK	30.88	-8%	\$1,665	\$2,144	\$814	\$138	17%	-2%	15.5x	N/A	3.6x
Neurones	PAR: NRO	35.6	22%	\$901	\$687	\$686	\$94	14%	7%	7.3x	19.2x	2.6x
Paychex	NAS: PAYX	113.87	5%	\$41,109	\$40,766	\$4,439	\$2,006	45%	30%	20.3x	30.2x	13.3x
Qualicorp	BVMF: QUAL3	11.15	-61%	\$597	\$855	\$379	\$199	52%	16%	4.3x	9.1x	2.1x
Synergie	PAR: SDG	26.55	-21%	\$665	\$476	\$3,188	\$147	5%	3%	3.2x	8.1x	1.1x
TriNet Group	NYSE: TNET	77.62	7%	\$4,706	\$4,875	\$4,698	\$644	14%	8%	7.6x	11.9x	7.0x
Willis Towers Watson	NAS: WTW	197.39	-15%	\$22,283	\$25,587	\$8,930	\$2,424	27%	19%	10.6x	15.5x	2.0x
WNS Holdings Limited	NYSE: WNS	74.64	-7%	\$3,646	\$3,494	\$1,110	\$271	24%	12%	12.9x	21.9x	4.8x
Mean				\$12,962	\$13,946	\$5,393	\$799	19%	10%	12.1x	18.1x	13.6x
Median				\$3,646	\$3,494	\$3,111	\$252	17%	8%	12.0x	17.0x	3.6x
Mean - PEO Only				\$3,021	\$2,982	\$13,087	\$328	7%	5%	9.1x	15.8x	40.8x
Median - PEO Only				\$3,824	\$3,647	\$4,698	\$269	7%	4%	7.6x	11.9x	7.0x

Pure play PEOs denoted with gray shading.

EdTech / E-Learning

Company	Ticker	Price as of 12/31/2021	Price Change 52 Week	Market Cap	Enterprise Value	LTM Revenue	LTM EBITDA	LTM EBITDA Margin	LTM Net Income Margin	EV / LTM EBITDA	P/E	P / Tangible BV
2U	NAS: TWOU	10.47	-75%	\$842	\$1,663	\$967	\$65	7%	-28%	25.5x	N/A	1.2x
Boxlight	NAS: BOXL	0.6802	-71%	\$45	\$118	\$202	\$12	6%	-7%	10.1x	N/A	0.9x
BTS Group	STO: BTS B	308	-5%	\$582	\$524	\$233	\$43	18%	11%	12.3x	27.5x	5.2x
Calian Group	TSE: CGY	63.06	5%	\$555	\$544	\$427	\$45	11%	2%	12.1x	39.4x	2.4x
Coursera	NYS: COUR	14.18	-64%	\$2,043	\$1,281	\$447	(\$37)	-8%	-37%	N/A	N/A	2.8x
Ebix	NAS: EBIX	16.9	-50%	\$522	\$1,131	\$991	\$142	14%	6%	7.9x	7.4x	0.8x
Stride	NYS: LRN	40.79	24%	\$1,744	\$2,011	\$1,629	\$253	16%	5%	7.9x	16.3x	2.2x
Duolingo	NAS: DUOL	87.55	-37%	\$3,429	\$2,883	\$267	\$2	1%	-21%	1435.2x	N/A	6.6x
The Caldwell Partners International	TSE: CWL	2.22	41%	\$57	\$29	\$124	\$13	10%	5%	2.3x	5.9x	1.9x
Mean				\$1,091	\$1,132	\$587	\$60	8%	-7%	164.3x	19.3x	2.7x
Median				\$582	\$1,131	\$427	\$43	10%	2%	10.1x	16.3x	2.2x

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