

HCM Market Insights

Q4 2022

M&A Year In Review

- Global M&A activity was at its second-highest level in history in 2022. Estimated deal value exceeded \$4.7 trillion, and over 44,000 M&A transactions closed.
- North America experienced strong M&A activity, with 18,576 deals completed for a combined enterprise value of \$2.2 trillion. In Q4, nearly \$500 billion in total deal value closed, a slight increase from Q3.
- Total deal value decreased when compared to 2021 highs. The average EV/EBITDA multiple was estimated at 8.8x in 2022, down from a record high of 11.1x in 2021.
- Sponsor-backed M&A represented 34% of global M&A transactions in Q4, the lowest level in the last eight quarters. Yet dry powder remains at an astonishing level of \$1.3 trillion globally.
- For the fifteenth consecutive year, add-on acquisitions increased as a percentage of total PE transactions, rising to 72%, which will continue in 2023 as platform companies seek growth and business transformation via M&A.

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Global M&A Volume

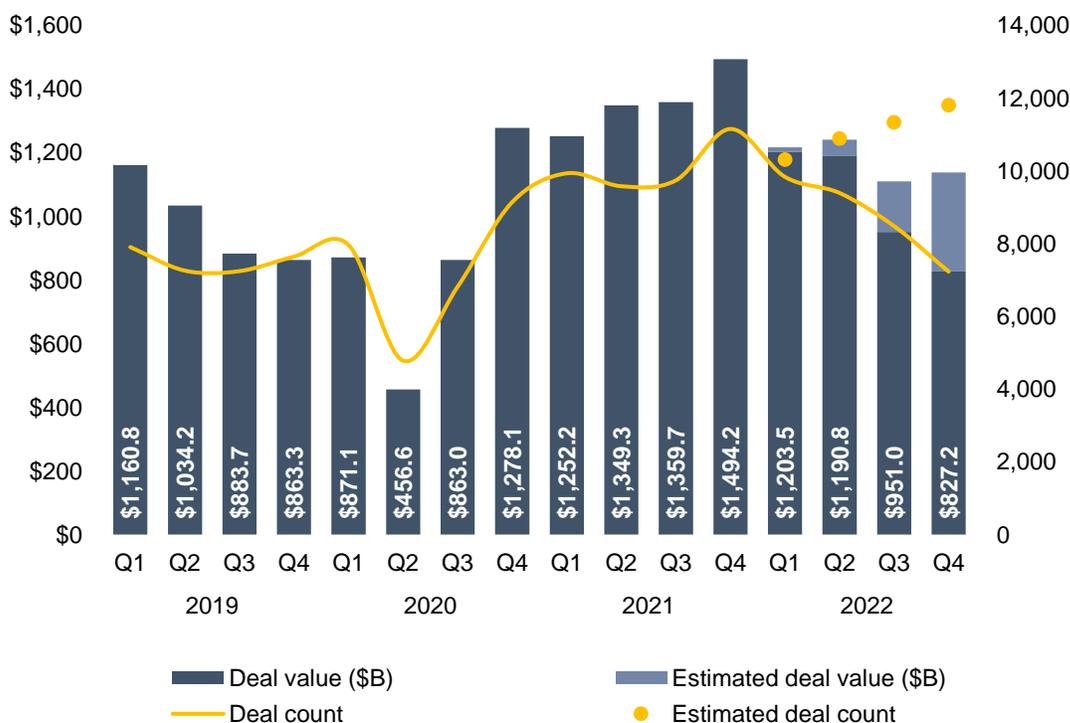


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Select HCM Insights

- The US job market defied the Federal Reserve's attempts to curb its growth by adding an impressive 517,000 jobs in January. The unemployment rate dropped to 3.4%, the lowest since the moon landing in 1969.
- In the fourth quarter of the year, staffing and workforce solutions merger and acquisition activity increased, with 53 transactions taking place in the US. The IT staffing sector continued to be one of the most active staffing M&A segments in 2022, surpassing its peak in 2015. This trend is expected to continue.
- The Human Capital Management (HCM) industry outlook remains positive, driven by remote work, an aging workforce, technology adoption, and ongoing talent acquisition challenges.
- Contrary to the widespread reports of large-scale layoffs in tech and other industries, a survey by RHI revealed companies plan to ramp up hiring in the first half of 2023. The survey, which included responses from 2,175 managers at companies across the US with 20 or more employees, found that 58% of companies plan to add permanent positions, up from 46% in the previous survey from H2 2022. Additionally, 90% of managers reported that finding skilled professionals continues to be challenging...which is no secret to most employers.
- Employers are investing heavily in technology to enhance employee experiences, retention & engagement, and employee training & development.
 - E-learning platforms and tools have become standard for enhancing training and career development within organizations – StuDocu's research projects the e-learning market will reach \$374.3B by 2026.³
- The broad disparity between supply and demand is fueling a steady need for skilled trades staffing as construction firms struggle to source enough qualified labor. UE hit record lows in December, and ~70% of construction firms indicate plans to increase headcount to handle growing backlogs. Additionally, the skilled trades workforce is aging out, with a median worker age above the population average; approximately 40% of the workforce is expected to retire over the next ten years.^{4,5,6}
- The global cybersecurity market is projecting 12.3% CAGR through 2030. Implementation of emerging technologies and geopolitical developments are primary drivers of growing cyber threats driving demand for commercial enterprise and high regulatory sector cybersecurity solutions, services, and consulting.⁷
- A recent NAPEO survey reflected the PEO industry's optimism about the future despite broader economic challenges. Ninety percent of PEO industry executives surveyed anticipate growth over the next 12 months.
- The Federal Reserve Bank of Philadelphia's Professional Forecasters predict a stronger US economy than previously forecasted with continued job gains, lowered UE rate, and a reduced chance of GDP contraction for 2023.

2023 M&A Outlook

- A variety of converging economic factors is causing uncertainty as inflationary pressures continue to hinder certain market sectors. Despite this, many market participants are optimistic about M&A activity in 2023.
- Investors and executives continue to see acquisitions as the fuel for strategic growth, transformation, and increased shareholder value. Additionally, sellers with strong balance sheets and clear strategic visions will control the cards and see increased value in M&A during rapidly evolving and uncertain environments.
 - In a market survey of US CEOs completed by EY, 63% of CEOs indicated they will pursue acquisitions in 2023.
- Companies that make effective acquisitions during downturns often outperform industry peers. The median acquirer during the 2001 recession outperformed its peers by 2.43% over the next six months and 7.01% over the next year.¹
- PE groups maintain a very strong \$1.3 trillion of dry powder that needs to be invested and they remain motivated to complete transactions. However, sellers can expect increased valuation disagreements as debt has become more expensive, causing valuations to slightly temper. A seller's best weapon against buyer valuation headwinds is profitability and proven sustainable cash flow.⁸
- 2023 is expected to be another strong year for add-on acquisitions as platforms seek growth through M&A. In 2022, add-ons made up a record 71.9% of buyout transactions, and this pace is expected to continue in 2023.⁸

Interview with an Expert | Navigating S-Corp Elections

Big Picture | Many companies are initially structured as an LLC but elect to be treated as an S-Corp for tax purposes. However, there are specific don'ts that come with this election, which entrepreneurs often forget or aren't tracking diligently. Consider these common missteps given they can create meaningful issues (time delays + higher costs) during a due diligence phase with a buyer or investor.

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S-Corp Election Considerations

- **What can go wrong in the S-Corp election process?** Many things, including the failure to become an S-Corp because of an ineffective S-Corp election, which makes your company a C-Corp for tax purposes even if your company has been filing tax returns as an S-Corp.
- **How does the cap table and equity incentives impact election status?** An S-Corp can only have one class of stock (i.e., no preferred stock). With an LLC in particular, it's not always apparent that an equity structure actually results in two classes of stock. Also, an S-Corp can only have certain types of stockholders.
- **How does the election effect distributions based on existing operating agreements?** All distributions must be pro rata based on stock ownership. There can be no priority returns or disproportionate distributions. This may require an amendment to the operating agreement of an LLC that later elects to be taxed as an S-Corp.
- **Are there ways to rectify issues?** The IRS has processes for founders to address inadvertent S-Corp terminations and ineffective S-Corp elections, but these processes can be lengthy and expensive depending on the facts. It is best to identify and address any potential S-Corp issues as soon as possible well in advance of a transaction with a buyer or investor.
- **Any other transaction-related considerations entrepreneurs should keep in mind related to S-Corps?** Aside from the due diligence a buyer will conduct regarding valid S-Corp status, a buyer will often want a "step-up" in asset tax basis, which may result in additional taxes for founders.

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Staffing Services Valuation Scorecard Summary

Enterprise Value / EBITDA

| | 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% | | | | >11% | 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 | | Projects will flex up; however, you still don't want to be overly concentrated with one customer | | |

| | |
|---------------------------------|--|
| Management Teams | Proven management teams willing and capable to lead the enterprise with a new buyer post transaction |
| Recruiters | Industry specific experience and/or well-tenured with networked connections within 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, C2C, contractor compliance, seller trustworthiness, GM, assignment duration, client quality, DSO, EBITDA to free cash flow, internal records, and financial statement quality |

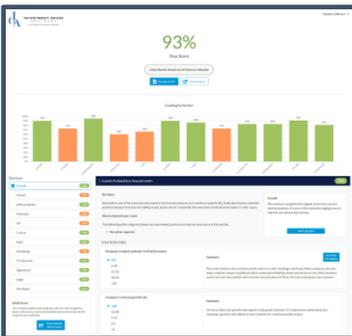
The Investment Grade Assessment Overview

12 Sections

90+ Questions

20 Minutes

12-Page Report



Our continued desire to help owners get it right has led us to create the Investment Grade Assessment (IGA). We've handpicked 90 of the most important questions we've heard HCM 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>

Complimentary Discount Code: IGA_NE

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

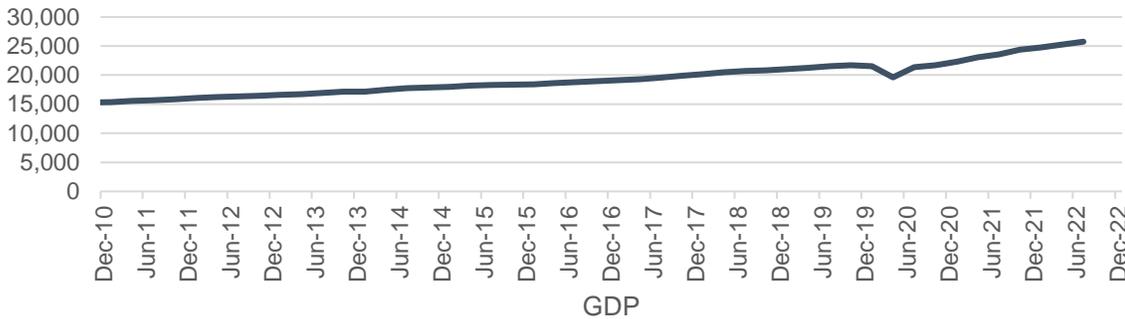
Scan Here



"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**

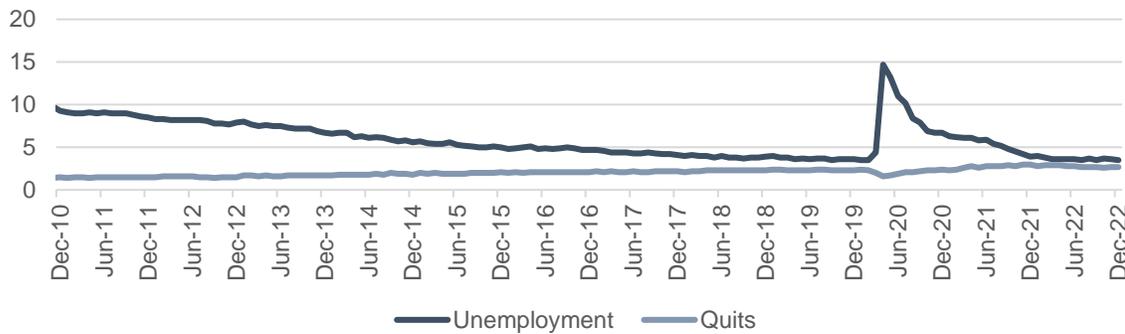
US Labor Force Indicators

U.S. Gross Domestic Product (GDP)



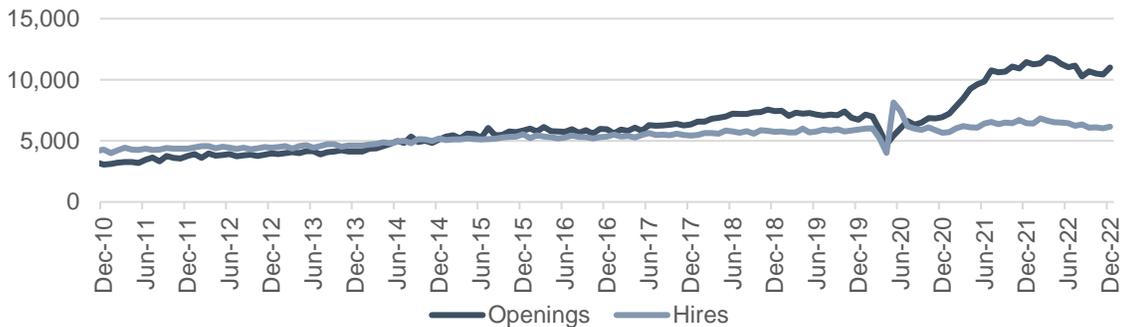
- GDP grew for a second consecutive quarter and at an annualized rate of 2.9%, beating forecasts of 2.6%.
- Spending on goods increased by 1.1% over the quarter, while growth in services slowed, compared to the previous quarter, but still increased at 2.6%.

Unemployment (UE) & Quits Rates (%)



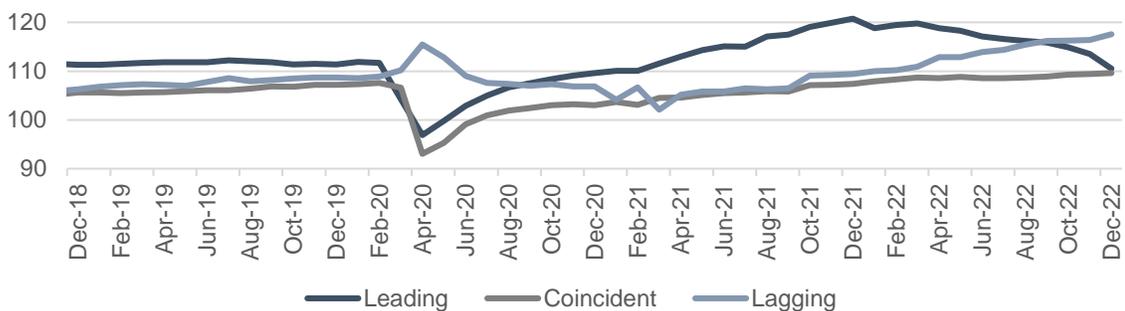
- The UE rate fell to 3.5% in December, a decrease of nearly 0.5% on the year, indicating the job market remains strong.
- Quits remained flat over the quarter, falling slightly on the year to 2.7%, down from an all-time high in 2021.

Job Openings and Hires (Thousands)



- Job openings increased to a 6-month high in December, topping over 11 million openings. The largest increases came in food services, retail trade, and construction.
- Hires remained flat in December after declining to an 18-month low in November.

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

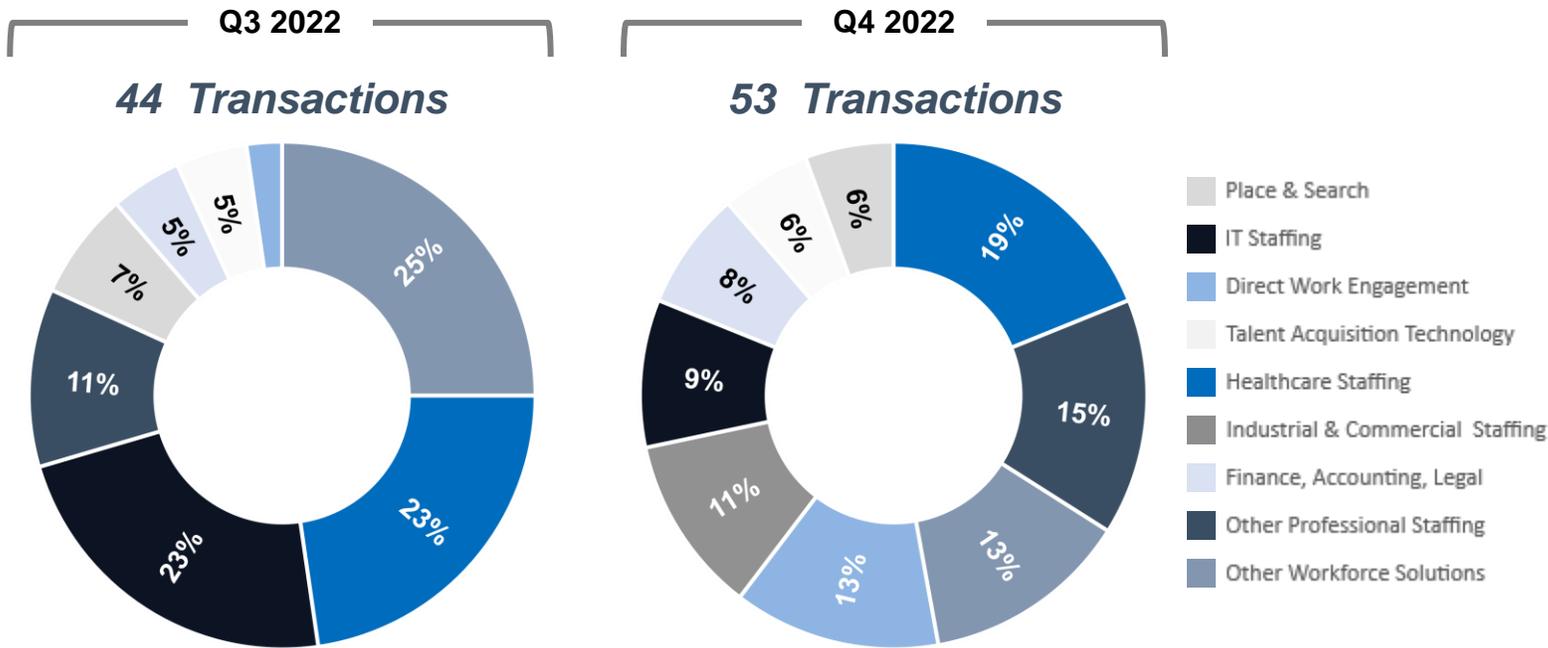


- The LEI decreased for the ninth consecutive month in December. The decline over the past months signals a potential weakening in 2023 economic growth.
- The CEI remained steady in December. The rise in the CEI over the later half of 2022, mirrors growth in Real GDP.
- The LAG increased for the sixteenth consecutive month. This trend has been driven by an increase in interest rates and persistent inflation.

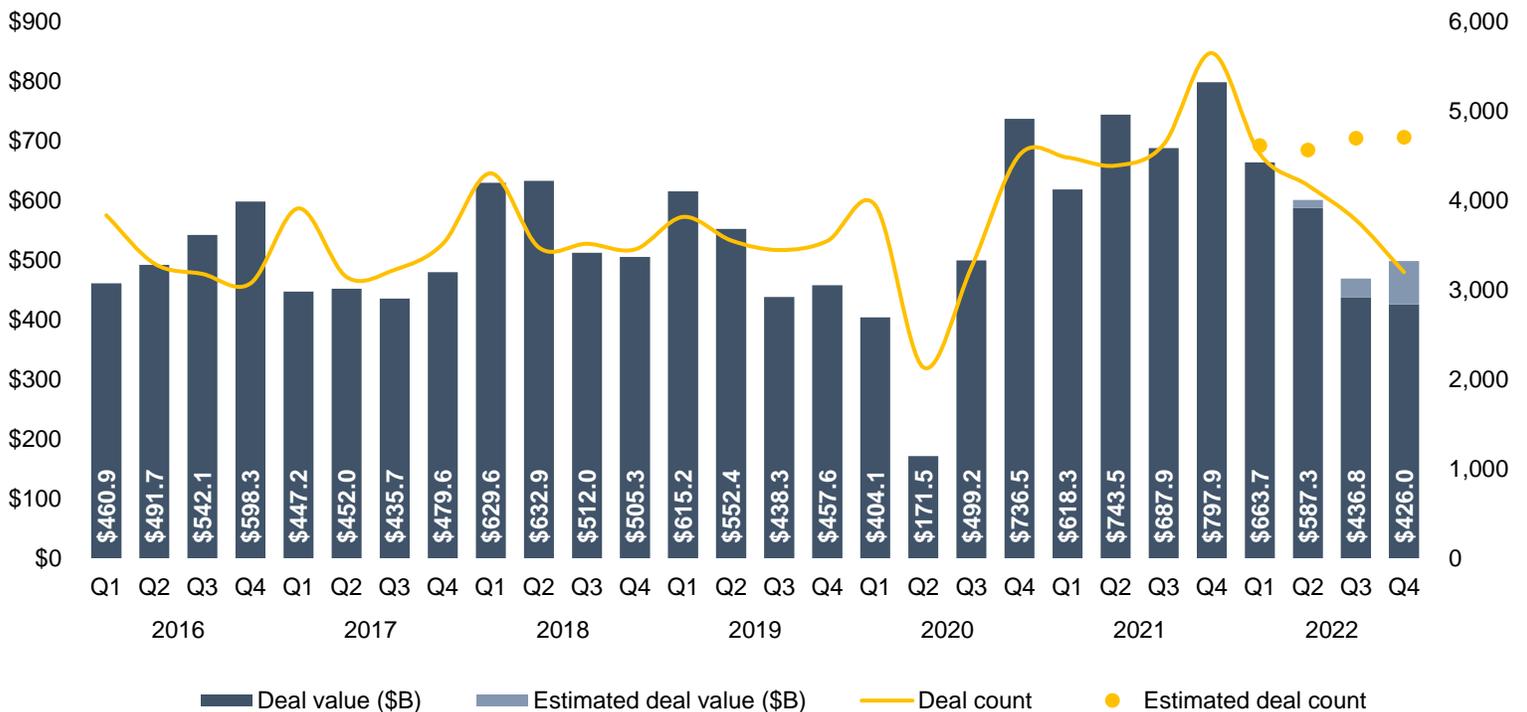
The Conference Board publishes LEI, CEI, and LAG indexes designed to signal potential peaks and troughs in the business cycle for the [US economy](#).

North American Transaction Data

Staffing & Workforce Solutions M&A Activity By Quarter



North American M&A Activity By Quarter



HCM Transactions*

Notable Transactions across HCM

| | | | |
|---|---|---|---|
|   <p>Zigatta, an IT staffing, consulting, and solutions firm, was acquired by Improving Enterprises on January 13, 2023, for an undisclosed amount. The acquisition combines two world class technology services firms and provides Zigatta with substantial new growth opportunities. Zigatta was advised by Founders Advisors in the sale to Improving Enterprises.</p> |   <p>Counter Threat Solutions was acquired by Silveredge, via its financial sponsor Godspeed Capital, for an undisclosed amount in October; the acquisition was the third add-on in 2022. Silveredge delivers innovative solutions in cybersecurity, analytics, and agile development.</p> |   <p>Hueman People Solutions was acquired by Shore Capital Partners through an LBO on December 1, 2022, for an undisclosed amount. Headquartered in Florida, Hueman offers a comprehensive suite of human capital services including RPO, direct hire, executive search, risk adjustment staffing, and talent marketing solutions.</p> |   <p>National Skilled Trades Masters was acquired by PROMAN for an undisclosed amount in November. Trades Masters is a temporary staffing company with locations across Texas. With the acquisition PROMAN, a French based temporary employment and human resources firm, expands its footprint in North America and aims to exceed \$300M in revenue in 2023.</p> |
|---|---|---|---|

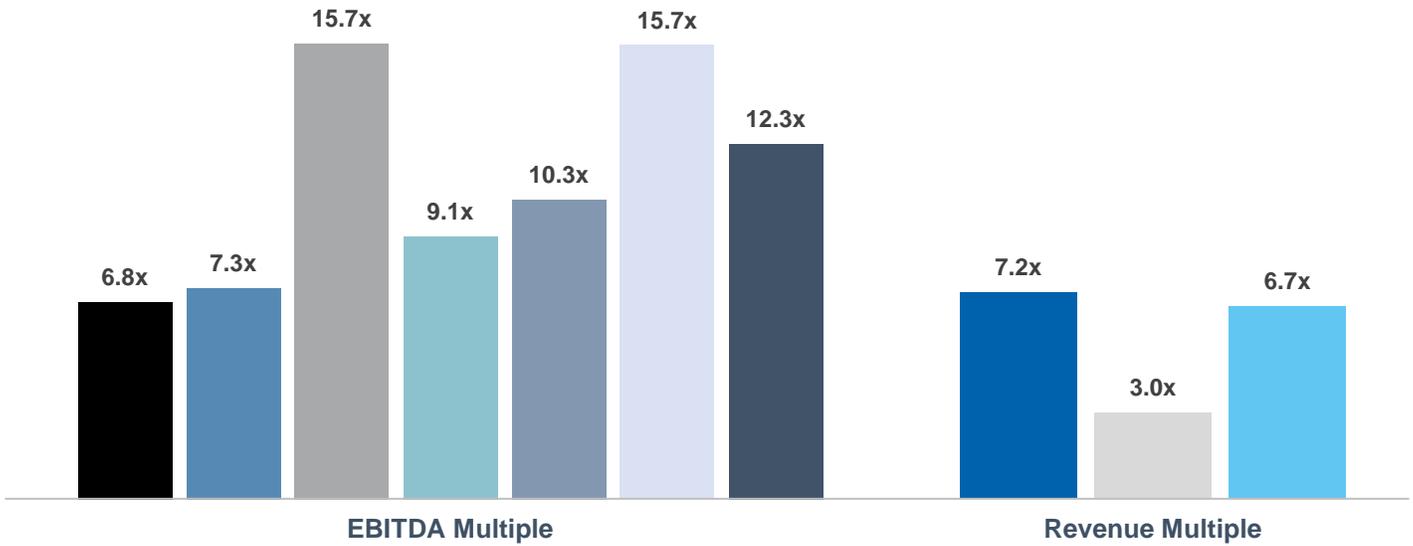
| Date | Target | Buyer | Industry Subgroup | Purchase Price | Revenue | EBITDA | EV / Revenue | EV / EBITDA |
|--------|---|---|--------------------------|----------------|---------|---------|--------------|-------------|
| Dec-22 |  |  | Healthcare Staffing | N/A | N/A | N/A | N/A | N/A |
| Dec-22 |  |  | IT Consulting & Staffing | \$43M | \$30M | N/A | 1.4x | N/A |
| Dec-22 |  |  | Recruiting | N/A | N/A | N/A | N/A | N/A |
| Nov-22 |  |  | IT Services & Staffing | \$644M | \$188M | \$26.2M | 3.6x | 26.0x |
| Nov-22 |  |  | Outsourcing: PEO | N/A | N/A | N/A | N/A | N/A |
| Nov-22 |  |  | Professional Staffing | N/A | N/A | N/A | N/A | N/A |
| Nov-22 |  |  | Recruiting | N/A | N/A | N/A | N/A | N/A |
| Nov-22 |  |  | Executive Search | \$12M | \$9M | \$1.8M | 1.3x | 6.7x |
| Oct-22 |  |  | Recruiting | \$300M | N/A | N/A | N/A | N/A |
| Oct-22 |  |  | Staffing | N/A | N/A | N/A | N/A | N/A |
| Oct-22 |  |  | Executive Search | N/A | N/A | N/A | N/A | N/A |

Notable HCM Private Equity Platforms and Add-on Activity

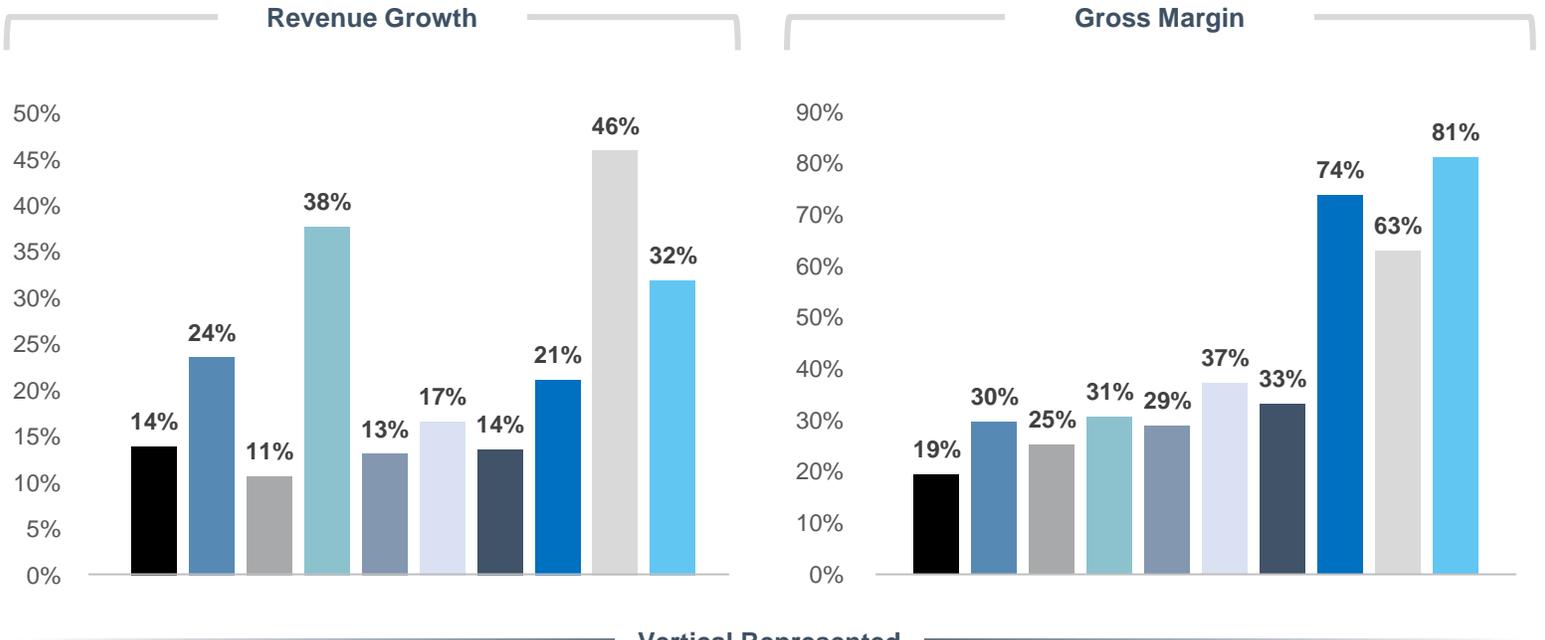


Public Company Valuation Metrics

Average LTM Valuations by HCM Verticals



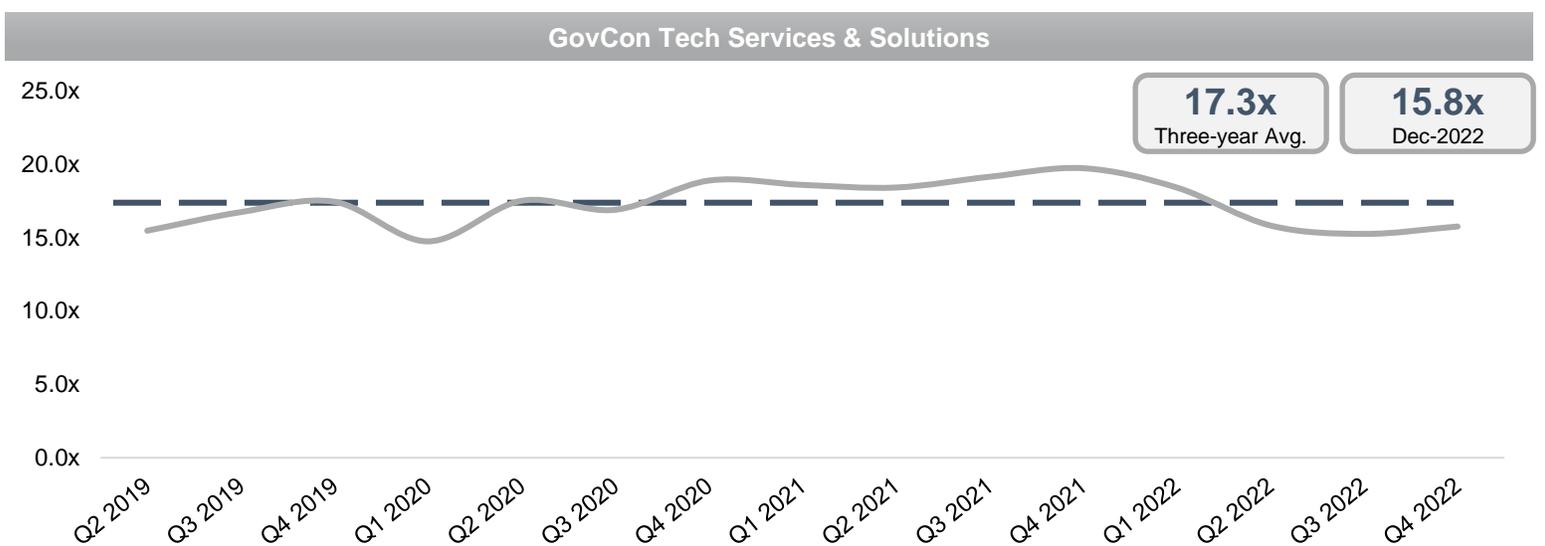
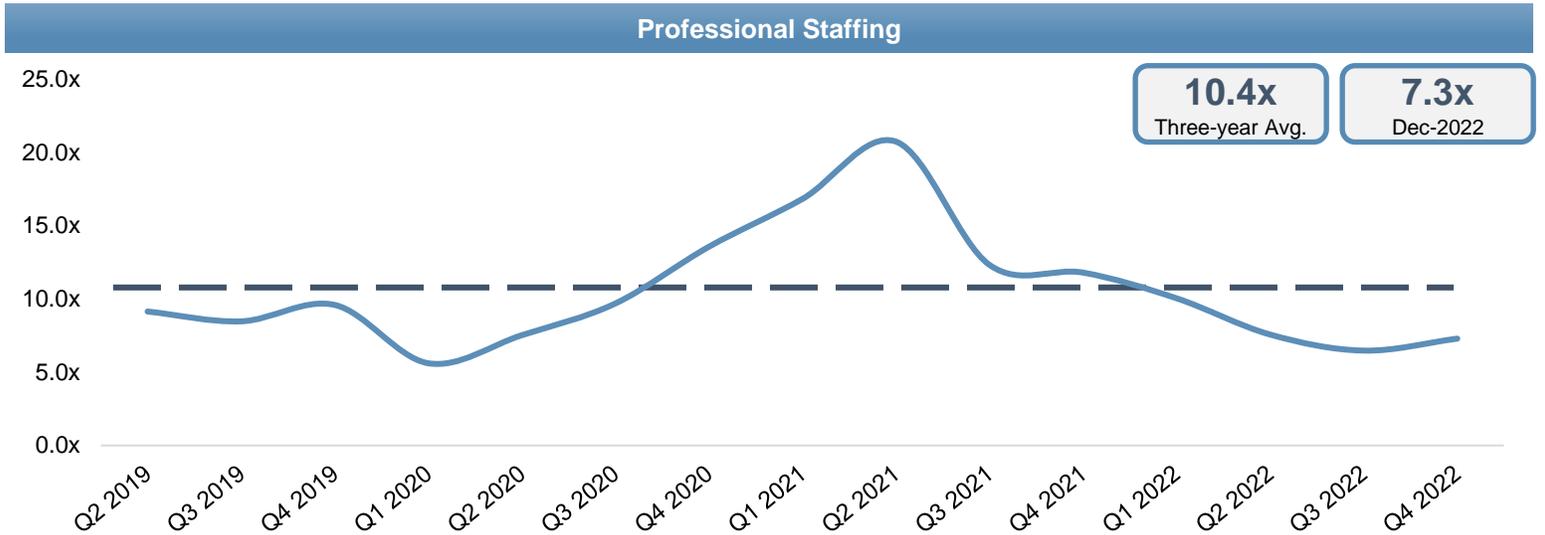
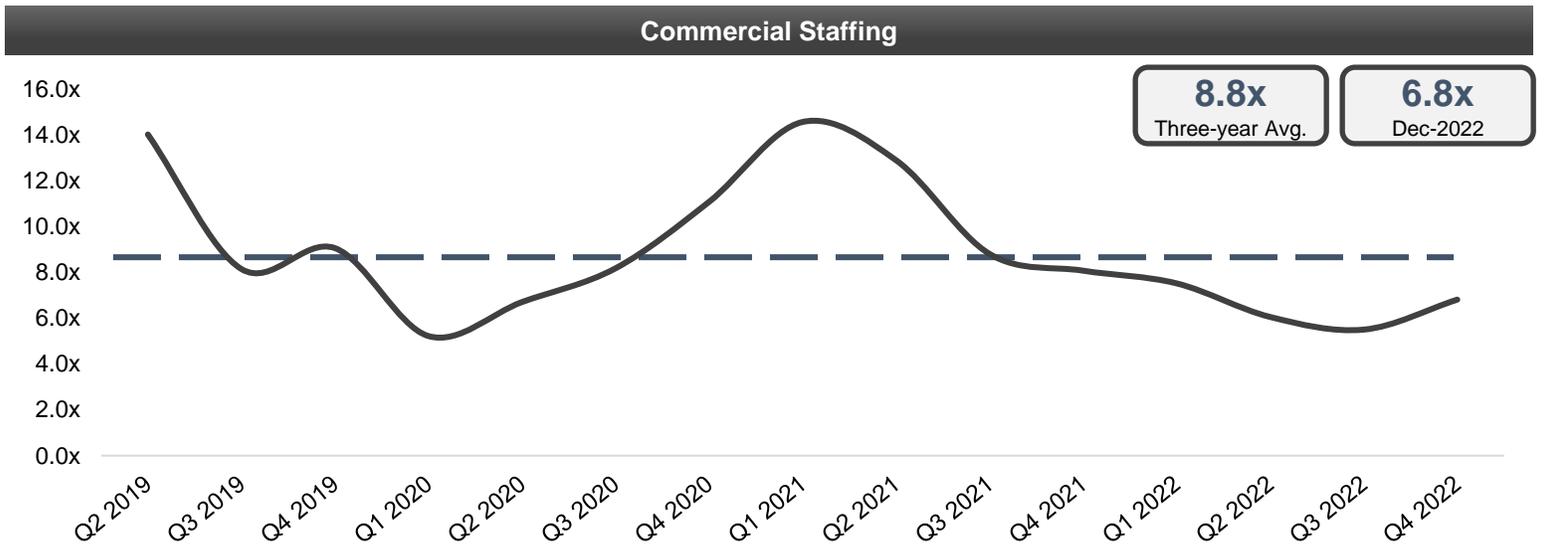
Average Operating Metrics by HCM Vertical



Vertical Represented

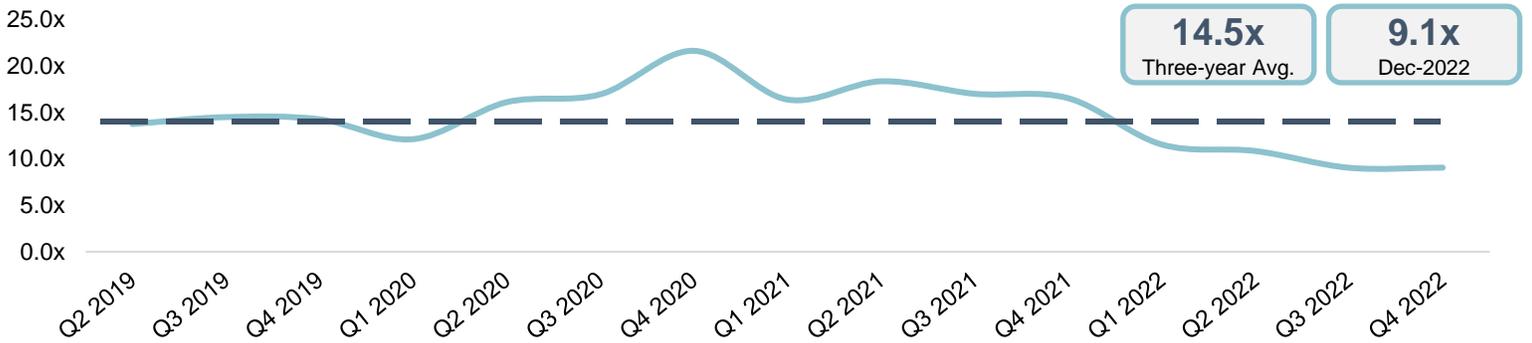
- Commercial Staffing
- Professional Staffing
- Govcon & IT Services
- Healthcare Staffing
- Recruiting Platforms
- Management Consulting
- Outsourcing
- HR SaaS
- EdTech
- IT Consulting & Staffing

Historical Public Valuations by Segment (EV/EBITDA)

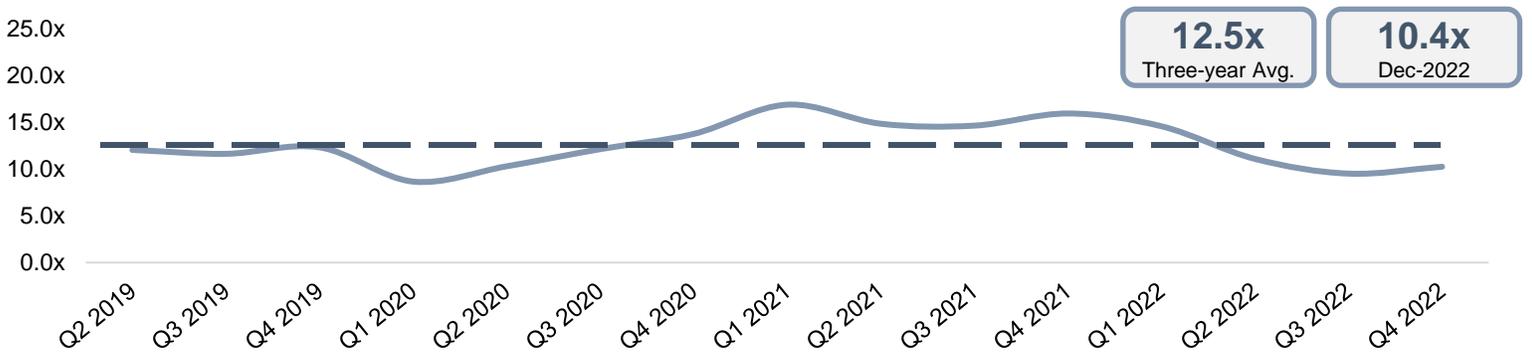


Historical Public Valuations by Segment (EV/EBITDA)

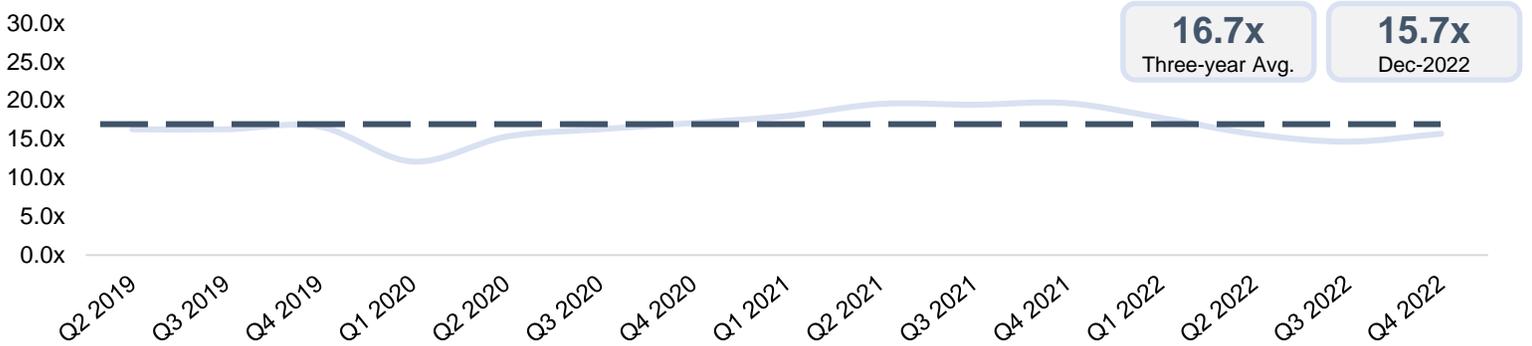
Healthcare / Life Sciences Staffing & Consulting



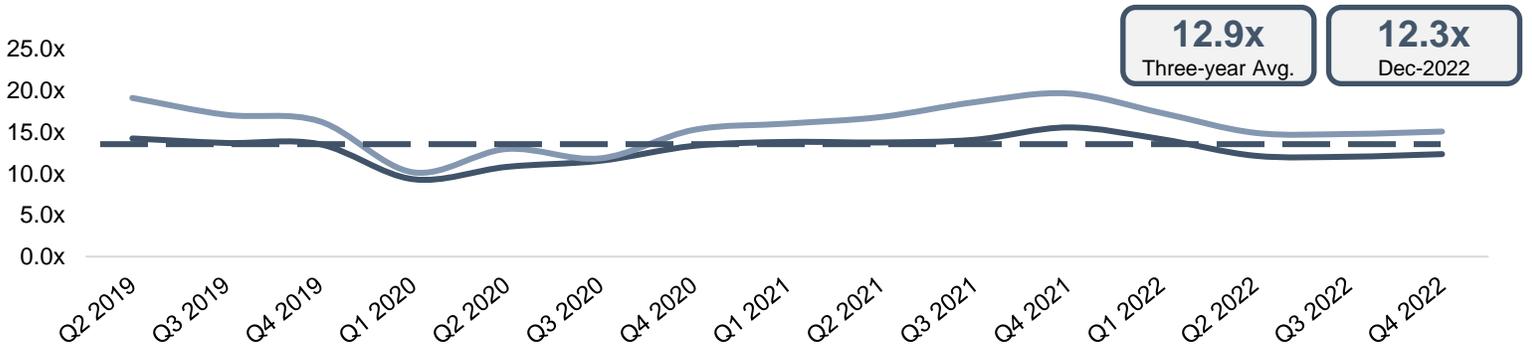
IT Consulting, Staffing & Solutions



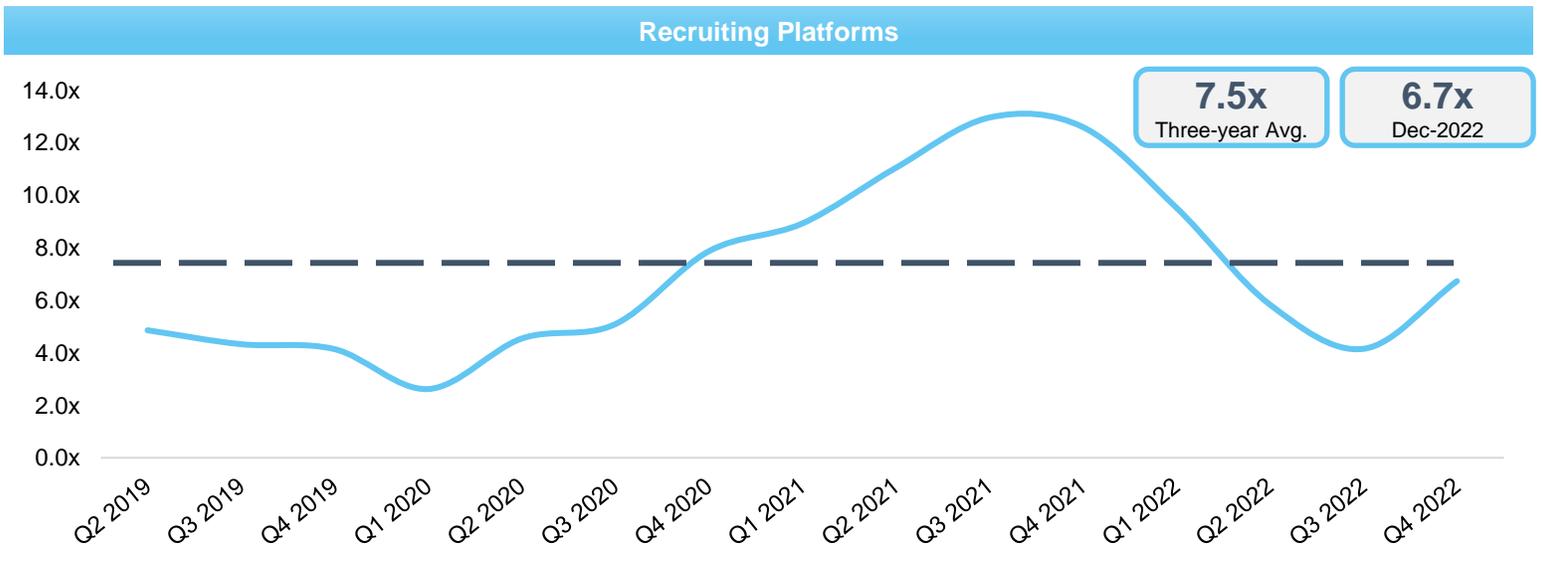
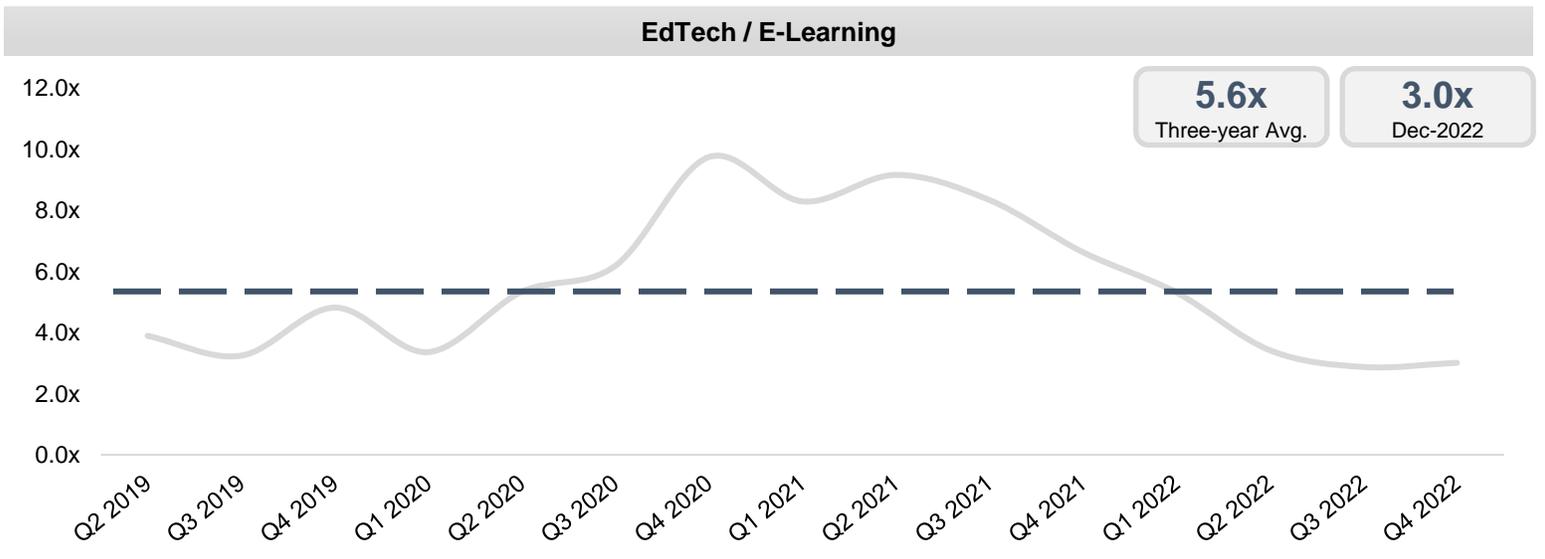
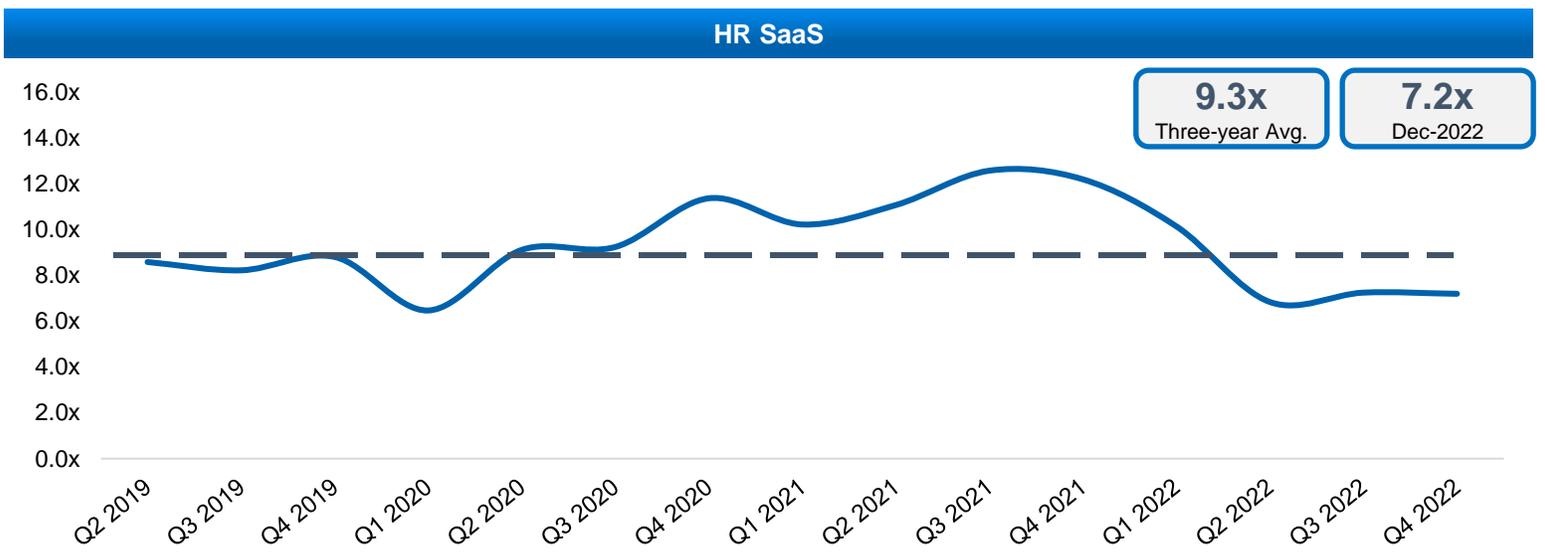
Management Consulting



Outsourcing Services



Historical Public Valuations by Segment (EV/Revenue)



Public Trading Valuation Data (\$ in millions)

Commercial Staffing

| Name | % of 52 Week High | EV | Revenue | EBITDA | Revenue Growth | Gross Margin | EBITDA Margin | LTM Revenue | EV / LTM EBITDA |
|----------------------------------|-------------------|--------------|--------------|------------|----------------|--------------|---------------|-------------|-----------------|
| Adecco Group | 49% | 8,772 | 24,801 | 906 | 10% | 21% | 4% | 0.4x | 9.7x |
| Barrett Business Services | 90% | 540 | 1,039 | 70 | 12% | 22% | 7% | 0.5x | 7.7x |
| GDI Integrated Facility Services | 67% | 1,081 | 1,578 | 100 | 32% | 20% | 6% | 0.7x | 10.9x |
| Groupe Crit | 67% | 438 | 2,485 | 150 | 17% | 6% | 6% | 0.2x | 2.9x |
| Impellam Group | 78% | 354 | 3,260 | 65 | 21% | 12% | 2% | 0.1x | 5.5x |
| Kelly Services | 60% | 590 | 4,982 | 62 | 2% | 20% | 1% | 0.1x | 9.5x |
| ManpowerGroup | 56% | 4,803 | 20,401 | 744 | 0% | 18% | 4% | 0.2x | 6.5x |
| Openjobmetis | 48% | 134 | 833 | 28 | 17% | 9% | 3% | 0.2x | 4.9x |
| Randstad | 54% | 11,767 | 29,553 | 1,640 | 16% | 21% | 6% | 0.4x | 7.2x |
| Robert Walters Group | 39% | 467 | 1,384 | 103 | 14% | 38% | 7% | 0.3x | 4.5x |
| TrueBlue | 58% | 660 | 2,318 | 116 | 12% | 27% | 5% | 0.3x | 5.7x |
| Min | | 134 | 833 | 28 | 0% | 6% | 1% | 0.1x | 2.9x |
| Median | | 590 | 2,485 | 103 | 14% | 20% | 5% | 0.3x | 6.5x |
| Mean | | 2,691 | 8,421 | 362 | 14% | 19% | 5% | 0.3x | 6.8x |
| Max | | 11,767 | 29,553 | 1,640 | 32% | 38% | 7% | 0.7x | 10.9x |

Professional Staffing

| Name | % of 52 Week High | Enterprise Value | Revenue | EBITDA | Revenue Growth | Gross Margin | EBITDA Margin | EV / LTM Revenue | EV / LTM EBITDA |
|------------------------------------|-------------------|------------------|--------------|------------|----------------|--------------|---------------|------------------|-----------------|
| Adecco Group | 49% | 8,772 | 24,801 | 906 | 10% | 21% | 4% | 0.4x | 9.7x |
| BGSF | 73% | 191 | 289 | 23 | 70% | 35% | 8% | 0.8x | 9.5x |
| Brunel International | 56% | 531 | 1,167 | 72 | 23% | 23% | 6% | 0.5x | 7.4x |
| Freelance.com | 52% | 451 | 755 | 24 | 67% | 6% | 3% | 0.6x | 19.2x |
| Hays | 47% | 2,104 | 8,761 | 364 | 17% | 18% | 4% | 0.2x | 5.8x |
| Heidrick & Struggles International | 52% | 178 | 1,123 | 119 | 28% | 24% | 11% | 0.2x | 1.5x |
| Kforce | 72% | 1,145 | 1,701 | 121 | 12% | 29% | 7% | 0.7x | 9.5x |
| Korn Ferry | 56% | 2,593 | 2,826 | 532 | 25% | 93% | 19% | 0.9x | 4.9x |
| ManpowerGroup | 56% | 4,803 | 20,401 | 744 | 0% | 18% | 4% | 0.2x | 6.5x |
| Openjobmetis | 48% | 134 | 833 | 28 | 17% | 9% | 3% | 0.2x | 4.9x |
| PageGroup | 42% | 1,785 | 2,466 | 373 | 31% | 55% | 15% | 0.7x | 4.8x |
| Randstad | 54% | 11,767 | 29,553 | 1,640 | 16% | 21% | 6% | 0.4x | 7.2x |
| Resources Connection | 77% | 591 | 826 | 100 | 24% | 40% | 12% | 0.7x | 5.9x |
| Robert Half International | 60% | 7,649 | 7,281 | 961 | 21% | 43% | 13% | 1.1x | 8.0x |
| Robert Walters Group | 39% | 467 | 1,384 | 103 | 14% | 38% | 7% | 0.3x | 4.5x |
| SThree | 45% | 631 | 1,971 | 127 | 21% | 27% | 6% | 0.3x | 5.0x |
| Synergie | 47% | 583 | 3,206 | 156 | 15% | 11% | 5% | 0.2x | 3.7x |
| TechnoPro | 63% | 2,818 | 1,490 | 208 | 13% | 27% | 14% | 1.9x | 13.5x |
| Min | | 134 | 289 | 23 | 0% | 6% | 3% | 0.2x | 1.5x |
| Median | | 888 | 1,836 | 142 | 19% | 25% | 7% | 0.4x | 6.2x |
| Mean | | 2,622 | 6,157 | 367 | 24% | 30% | 8% | 0.6x | 7.3x |
| Max | | 11,767 | 29,553 | 1,640 | 70% | 93% | 19% | 1.9x | 19.2x |

Public Trading Valuation Data (\$ in millions)

GovCon Tech Services & Solutions

| Name | % of 52 Week High | Enterprise Value | Revenue | EBITDA | Revenue Growth | Gross Margin | EBITDA Margin | EV / LTM Revenue | EV / LTM EBITDA |
|----------------------|-------------------|------------------|--------------|------------|----------------|--------------|---------------|------------------|-----------------|
| ASGN | 69% | 4,996 | 4,485 | 502 | 16% | 30% | 11% | 1.1x | 10.0x |
| Booz Allen Hamilton | 93% | 16,164 | 8,817 | 929 | 11% | 53% | 11% | 1.8x | 17.4x |
| CACI International | 84% | 8,862 | 6,318 | 639 | 4% | 8% | 10% | 1.4x | 13.9x |
| Calian Group | 72% | 560 | 455 | 44 | 12% | 29% | 10% | 1.2x | 12.8x |
| ICF International | 98% | 2,785 | 1,692 | 147 | 6% | 36% | 9% | 1.6x | 18.9x |
| Leidos Holdings | 79% | 19,217 | 14,190 | 1,414 | 5% | 15% | 10% | 1.4x | 13.6x |
| Maximus | 66% | 5,922 | 4,631 | 456 | 9% | 20% | 10% | 1.3x | 13.0x |
| Parsons | 90% | 5,566 | 4,043 | 306 | 10% | 23% | 8% | 1.4x | 18.2x |
| Science Applications | 91% | 8,545 | 7,518 | 620 | 3% | 11% | 8% | 1.1x | 13.8x |
| Synergie | 47% | 583 | 3,206 | 156 | 15% | 11% | 5% | 0.2x | 3.7x |
| Tyler Technologies | 62% | 14,336 | 1,832 | 377 | 27% | 42% | 21% | 7.8x | 38.0x |
| Min | | 560 | 455 | 44 | 3% | 8% | 5% | 0.2x | 3.7x |
| Median | | 5,922 | 4,485 | 456 | 10% | 23% | 10% | 1.4x | 13.8x |
| Mean | | 7,958 | 5,199 | 508 | 11% | 25% | 10% | 1.9x | 15.7x |
| Max | | 19,217 | 14,190 | 1,414 | 27% | 53% | 21% | 7.8x | 38.0x |

Healthcare / Life Sciences Staffing & Consulting

| Name | % of 52 Week High | Enterprise Value | Revenue | EBITDA | Revenue Growth | Gross Margin | EBITDA Margin | EV / LTM Revenue | EV / LTM EBITDA |
|--------------------------|-------------------|------------------|--------------|------------|----------------|--------------|---------------|------------------|-----------------|
| AMN Healthcare Services | 82% | 5,162 | 5,481 | 823 | 69% | 32% | 15% | 0.9x | 6.3x |
| Calian Group | 72% | 560 | 455 | 44 | 12% | 29% | 10% | 1.2x | 12.8x |
| Cross Country Healthcare | 96% | 1,100 | 2,819 | 309 | 125% | 23% | 11% | 0.4x | 3.6x |
| HealthStream | 72% | 732 | 263 | 50 | 3% | 66% | 19% | 2.8x | 14.8x |
| Huron Consulting Group | 92% | 1,838 | 1,067 | 164 | 25% | 29% | 15% | 1.7x | 11.2x |
| Impellam Group | 78% | 354 | 3,260 | 65 | 21% | 12% | 2% | 0.1x | 5.5x |
| Syneos Health | 46% | 6,654 | 5,407 | 711 | 9% | 24% | 13% | 1.2x | 9.4x |
| Min | | 354 | 263 | 44 | 3% | 12% | 2% | 0.1x | 3.6x |
| Median | | 1,100 | 2,819 | 164 | 21% | 29% | 13% | 1.2x | 9.4x |
| Mean | | 2,343 | 2,679 | 309 | 38% | 31% | 12% | 1.2x | 9.1x |
| Max | | 6,654 | 5,481 | 823 | 125% | 66% | 19% | 2.8x | 14.8x |

HR SaaS

| Name | % of 52 Week High | Enterprise Value | Revenue | EBITDA | Revenue Growth | Gross Margin | EBITDA Margin | EV / LTM Revenue | EV / LTM EBITDA |
|-------------------------------|-------------------|------------------|--------------|--------------|----------------|--------------|---------------|------------------|-----------------|
| Ceridian HCM | 43% | 10,705 | 1,192 | 42 | 24% | 37% | 4% | 9.0x | 254.9x |
| Elmo Software | 36% | 340 | 66 | (29) | 32% | 80% | -44% | 5.1x | N/A |
| HealthStream | 72% | 732 | 263 | 50 | 3% | 66% | 19% | 2.8x | 14.8x |
| Intuit | 55% | 114,219 | 13,316 | 3,276 | 29% | 80% | 25% | 8.6x | 34.9x |
| New Work | 45% | 869 | 340 | 107 | 12% | N/A | 31% | 2.6x | 8.1x |
| Oracle | 58% | 304,431 | 46,073 | 17,704 | 11% | 76% | 38% | 6.6x | 17.2x |
| The Sage Group | 65% | 10,023 | 2,485 | 591 | 5% | 93% | 24% | 4.0x | 17.0x |
| Paychex | 80% | 41,268 | 4,748 | 2,115 | 11% | 70% | 45% | 8.6x | 19.5x |
| Paycom Software | 60% | 18,337 | 1,290 | 434 | 30% | 84% | 34% | 14.2x | 42.3x |
| Paycor | 80% | 4,228 | 449 | 4 | 23% | 64% | 1% | 9.3x | 1141.5x |
| Paylocity | 78% | 10,825 | 924 | 134 | 36% | 67% | 14% | 11.7x | 81.1x |
| SAP | 53% | 132,373 | 32,906 | 6,669 | 11% | 71% | 20% | 4.0x | 19.8x |
| Seek (Human Capital Services) | 49% | 5,942 | 809 | 350 | 47% | 99% | 43% | 7.3x | 17.0x |
| Workday | 51% | 40,773 | 5,946 | 124 | 21% | 72% | 2% | 6.9x | 329.7x |
| Min | | 340 | 66 | (29) | 3% | 37% | -44% | 2.6x | 8.1x |
| Median | | 10,705 | 1,192 | 350 | 23% | 74% | 24% | 7.3x | 19.7x |
| Mean | | 50,330 | 8,066 | 2,419 | 21% | 74% | 20% | 7.2x | 139.0x |
| Max | | 304,431 | 46,073 | 17,704 | 47% | 99% | 45% | 14.2x | 1141.5x |

Public Trading Valuation Data (\$ in millions)

IT Consulting, Staffing & Solutions

| Name | % of 52 Week High | Enterprise Value | Revenue | EBITDA | Revenue Growth | Gross Margin | EBITDA Margin | EV / LTM Revenue | EV / LTM EBITDA |
|--------------------------------|-------------------|------------------|--------------|--------------|----------------|--------------|---------------|------------------|-----------------|
| Accenture | 62% | 166,127 | 62,377 | 10,462 | 16% | 32% | 17% | 2.7x | 15.9x |
| Allgeier | 37% | 381 | 502 | 64 | -1% | 24% | 13% | 0.8x | 5.9x |
| ASGN | 69% | 4,996 | 4,485 | 502 | 16% | 30% | 11% | 1.1x | 10.0x |
| Bechtle | 43% | 4,789 | 6,231 | 491 | 19% | 18% | 8% | 0.9x | 9.8x |
| Calian Group | 72% | 560 | 455 | 44 | 12% | 29% | 10% | 1.2x | 12.8x |
| Capgemini | 62% | 33,396 | 22,677 | 3,133 | 19% | 26% | 14% | 1.5x | 10.7x |
| CGI Group | 81% | 22,685 | 10,067 | 1,929 | 6% | 22% | 19% | 2.3x | 11.8x |
| Cognizant Technology Solutions | 63% | 28,180 | 19,366 | 3,585 | 8% | 36% | 19% | 1.5x | 7.9x |
| Computer Task Group | 65% | 109 | 360 | 17 | -6% | 23% | 5% | 0.3x | 6.6x |
| Cyient | 56% | 1,081 | 653 | 121 | 16% | 38% | 18% | 1.7x | 9.0x |
| DXC Technology | 62% | 9,672 | 15,370 | 2,875 | -9% | 22% | 19% | 0.6x | 3.4x |
| Genpact | 82% | 9,717 | 4,341 | 637 | 11% | 35% | 15% | 2.2x | 15.2x |
| Impellam Group | 78% | 354 | 3,260 | 65 | 21% | 12% | 2% | 0.1x | 5.5x |
| Mphasis | 52% | 4,343 | 1,736 | 321 | 26% | 42% | 18% | 2.5x | 13.5x |
| Neurones | 71% | 850 | 696 | 94 | 10% | 61% | 14% | 1.2x | 9.0x |
| NTT Data | 58% | 24,123 | 21,790 | 3,478 | 11% | 26% | 16% | 1.1x | 6.9x |
| Perficient | 43% | 2,823 | 887 | 141 | 25% | 39% | 16% | 3.2x | 20.0x |
| Science Applications | 91% | 8,545 | 7,518 | 620 | 3% | 11% | 8% | 1.1x | 13.8x |
| SThree | 45% | 631 | 1,971 | 127 | 21% | 27% | 6% | 0.3x | 5.0x |
| TechnoPro | 63% | 2,818 | 1,490 | 208 | 13% | 27% | 14% | 1.9x | 13.5x |
| TechnoPro | 63% | 2,818 | 1,490 | 208 | 13% | 27% | 14% | 1.9x | 13.5x |
| The Hackett Group | 72% | 581 | 291 | 57 | 9% | 39% | 20% | 2.0x | 10.1x |
| Wipro | 47% | 24,089 | 11,102 | 2,202 | 22% | 28% | 20% | 2.2x | 11.1x |
| Wistron Information | 72% | 172 | 263 | 23 | 32% | 21% | 9% | 0.7x | 7.5x |
| Min | | 109 | 263 | 17 | -9% | 11% | 2% | 0.1x | 3.4x |
| Median | | 3,583 | 2,615 | 265 | 13% | 27% | 14% | 1.3x | 10.0x |
| Mean | | 14,743 | 8,307 | 1,309 | 13% | 29% | 13% | 1.4x | 10.3x |
| Max | | 166,127 | 62,377 | 10,462 | 32% | 61% | 20% | 3.2x | 20.0x |

Management Consulting

| Name | % of 52 Week High | Enterprise Value | Revenue | EBITDA | Revenue Growth | Gross Margin | EBITDA Margin | EV / LTM Revenue | EV / LTM EBITDA |
|-------------------------------|-------------------|------------------|--------------|--------------|----------------|--------------|---------------|------------------|-----------------|
| Accenture | 62% | 166,127 | 62,377 | 10,462 | 16% | 32% | 17% | 2.7x | 15.9x |
| Arthur J. Gallagher & Company | 89% | 45,803 | 7,880 | 2,165 | 7% | 41% | 27% | 5.4x | 21.2x |
| Booz Allen Hamilton | 93% | 16,164 | 8,817 | 929 | 11% | 53% | 11% | 1.8x | 17.4x |
| Brunel International | 56% | 531 | 1,167 | 72 | 23% | 23% | 6% | 0.5x | 7.4x |
| BTS Group | 41% | 516 | 246 | 43 | 34% | N/A | 17% | 2.1x | 12.1x |
| Charles River Associates | 76% | 1,019 | 581 | 87 | 2% | 31% | 15% | 1.8x | 11.7x |
| ExlService Holdings | 81% | 5,681 | 1,333 | 263 | 24% | 37% | 20% | 4.3x | 21.6x |
| FTI Consulting | 87% | 5,668 | 2,931 | 330 | 7% | 31% | 11% | 1.9x | 17.2x |
| Gartner (California) | 76% | 29,111 | 5,277 | 1,218 | 16% | 69% | 23% | 5.5x | 23.9x |
| Huron Consulting Group | 92% | 1,838 | 1,067 | 164 | 25% | 29% | 15% | 1.7x | 11.2x |
| Marsh & McLennan Companies | 82% | 94,788 | 20,839 | 5,570 | 9% | 43% | 27% | 4.5x | 17.0x |
| Maximus | 66% | 5,922 | 4,631 | 456 | 9% | 20% | 10% | 1.3x | 13.0x |
| Perficient | 43% | 2,823 | 887 | 141 | 25% | 39% | 16% | 3.2x | 20.0x |
| Resources Connection | 77% | 591 | 826 | 100 | 24% | 40% | 12% | 0.7x | 5.9x |
| WNS Global Services | 88% | 3,907 | 1,185 | 199 | 17% | 34% | 17% | 3.3x | 19.7x |
| Min | | 516 | 246 | 43 | 2% | 20% | 6% | 0.5x | 5.9x |
| Median | | 5,668 | 1,333 | 263 | 16% | 35% | 16% | 2.1x | 17.0x |
| Mean | | 25,366 | 8,003 | 1,480 | 17% | 37% | 16% | 2.7x | 15.7x |
| Max | | 166,127 | 62,377 | 10,462 | 34% | 69% | 27% | 5.5x | 23.9x |

Public Trading Valuation Data (\$ in millions)

Outsourcing Services

| Name | % of 52 Week High | Enterprise Value | Revenue | EBITDA | Revenue Growth | Gross Margin | EBITDA Margin | EV / LTM Revenue | EV / LTM EBITDA |
|---------------------------|-------------------|------------------|--------------|------------|----------------|--------------|---------------|------------------|-----------------|
| Alight Solutions | 62% | 7,428 | 3,054 | 570 | 10% | 31% | 19% | 2.4x | 13.0x |
| Aon | 79% | 73,905 | 12,429 | 4,125 | 3% | 48% | 33% | 5.9x | 17.9x |
| Automatic Data Processing | 87% | 101,382 | 16,390 | 3,996 | 10% | 41% | 24% | 6.2x | 25.4x |
| Barrett Business Services | 90% | 540 | 1,039 | 70 | 12% | 22% | 7% | 0.5x | 7.7x |
| Brunel International | 56% | 531 | 1,167 | 72 | 23% | 23% | 6% | 0.5x | 7.4x |
| CBIZ | 89% | 2,867 | 1,360 | 182 | 27% | 17% | 13% | 2.1x | 15.7x |
| Capita | 36% | 1,411 | 4,096 | 295 | -6% | 21% | 7% | 0.3x | 4.8x |
| ExlService Holdings | 81% | 5,681 | 1,333 | 263 | 24% | 37% | 20% | 4.3x | 21.6x |
| Genpact | 82% | 9,717 | 4,341 | 637 | 11% | 35% | 15% | 2.2x | 15.2x |
| iEnergizer | 79% | 1,019 | 288 | 107 | 26% | 43% | 37% | 3.5x | 9.6x |
| Impellam Group | 78% | 354 | 3,260 | 65 | 21% | 12% | 2% | 0.1x | 5.5x |
| Insperty | 80% | 4,138 | 34,084 | 255 | 19% | 16% | 1% | 0.7x | 16.2x |
| HireRight | 82% | 1,500 | 830 | 169 | 22% | 45% | 20% | 1.8x | 8.9x |
| Maximus | 66% | 5,922 | 4,631 | 456 | 9% | 20% | 10% | 1.3x | 13.0x |
| Neurones | 71% | 850 | 696 | 94 | 10% | 61% | 14% | 1.2x | 9.0x |
| Paychex | 80% | 41,268 | 4,748 | 2,115 | 11% | 70% | 45% | 8.6x | 19.5x |
| Qualicorp | 39% | 568 | 384 | 153 | -3% | 80% | 40% | 1.5x | 3.7x |
| Synergie | 47% | 583 | 3,206 | 156 | 15% | 11% | 5% | 0.2x | 3.7x |
| TriNet Group | 65% | 4,119 | 4,891 | 642 | 12% | 23% | 13% | 0.8x | 6.4x |
| Willis Towers Watson | 81% | 30,519 | 8,861 | 2,031 | 5% | 13% | 23% | 3.4x | 15.0x |
| Wipro | 49% | 24,089 | 11,102 | 2,202 | 22% | 28% | 20% | 2.2x | 11.1x |
| WNS Global Services | 88% | 3,907 | 1,185 | 199 | 17% | 34% | 17% | 3.3x | 19.7x |
| Min | | 354 | 288 | 65 | -6% | 11% | 1% | 0.1x | 3.7x |
| Median | | 4,013 | 3,233 | 259 | 12% | 30% | 16% | 2.0x | 12.0x |
| Mean | | 14,650 | 5,608 | 857 | 14% | 33% | 18% | 2.4x | 12.3x |
| Max | | 101,382 | 34,084 | 4,125 | 27% | 80% | 45% | 8.6x | 25.4x |

Professional Employer Organizations (PEO) denoted in blue.

EdTech / E-Learning

| Name | % of 52 Week High | Enterprise Value | Revenue | EBITDA | Revenue Growth | Gross Margin | EBITDA Margin | EV / LTM Revenue | EV / LTM EBITDA |
|-----------------------------|-------------------|------------------|------------|------------|----------------|--------------|---------------|------------------|-----------------|
| 2U | 18% | 1,364 | 971 | (192) | 6% | 71% | -20% | 1.4x | N/A |
| BTS Group | 41% | 516 | 246 | 43 | 34% | N/A | 17% | 2.1x | 12.1x |
| Coursera | 29% | 964 | 497 | (154) | 29% | 63% | -31% | 1.9x | N/A |
| Docebo | 33% | 876 | 134 | 4 | 44% | 80% | 3% | 6.6x | 236.1x |
| Ebix | 41% | 1,214 | 1,062 | 153 | 12% | 30% | 14% | 1.1x | 7.9x |
| FranklinCovey | 84% | 614 | 263 | 35 | 17% | 77% | 13% | 2.3x | 17.7x |
| Instructure | 76% | 3,598 | 461 | 92 | N/A | 63% | 20% | 7.8x | 39.0x |
| Learning Technologies Group | 36% | 1,301 | 608 | 99 | 203% | N/A | 16% | 2.1x | 13.2x |
| Udemy | 38% | 1,012 | 599 | (122) | 22% | 56% | -20% | 1.7x | N/A |
| Min | | 516 | 134 | (192) | 6% | 30% | -31% | 1.1x | 7.9x |
| Median | | 1,012 | 497 | 35 | 26% | 63% | 13% | 2.1x | 15.4x |
| Mean | | 1,273 | 538 | (5) | 46% | 63% | 1% | 3.0x | 54.3x |
| Max | | 3,598 | 1,062 | 153 | 203% | 80% | 20% | 7.8x | 236.1x |

Recruiting Platforms

| Name | % of 52 Week High | Enterprise Value | Revenue | EBITDA | Revenue Growth | Gross Margin | EBITDA Margin | EV / LTM Revenue | EV / LTM EBITDA |
|-------------------------------|-------------------|------------------|--------------|------------|----------------|--------------|---------------|------------------|-----------------|
| BOSS Zhipin | 40% | 14,149 | 683 | 79 | 18% | 84% | 12% | 20.5x | 179.9x |
| Seek (Human Capital Services) | 49% | 5,942 | 809 | 350 | 47% | 99% | 43% | 7.3x | 17.0x |
| Recruit Holdings | 41% | 45,637 | 25,939 | 4,095 | 25% | 58% | 16% | 1.8x | 11.1x |
| Upwork Global | 22% | 1,278 | 594 | (80) | 26% | 74% | -13% | 2.2x | N/A |
| ZipRecruiter | 50% | 1,701 | 914 | 105 | 44% | 91% | 11% | 1.9x | 16.2x |
| Min | | 1,278 | 594 | (80) | 18% | 58% | -13% | 1.8x | 11.1x |
| Median | | 5,942 | 809 | 105 | 26% | 84% | 12% | 2.2x | 16.6x |
| Mean | | 13,741 | 5,788 | 910 | 32% | 81% | 14% | 6.7x | 56.1x |
| Max | | 45,637 | 25,939 | 4,095 | 47% | 99% | 43% | 20.5x | 179.9x |

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