



FOUNDERS ADVISORS HCM Market Insights

Q1 2024

M&A Q1 2024 in Review

Quarterly M&A Highlights

- In Q1 2024, M&A activity in North America recovered when compared to Q1 2023. The estimated deal value increased by 10% and total deal count remained flat on a year-over-year basis. The Q1 news bodes well for what many anticipate to be a good year in M&A.
- Borrowing costs continue to be a sticking point in the M&A market, which will create a gradual recovery in M&A volume rather than the anticipated V-shaped recovery. Private Equity activity has lagged expectations due to the Fed pushing back rate cuts.
- In a reversal of historical trends, refinancings of private equity loans outpaced loans for new acquisitions. This comes as Private Equity groups have extended the hold-period for current platforms and have generally favored smaller acquisitions as opposed to new platforms.
- Global M&A volume remains in-line with pre-COVID levels and revised estimates reflect a strong Q4 2023. In Q1 there was steady YoY performance, with an estimated 10,440 deals completed globally, a 4% YoY increase, but a decline in deal value to \$694B. Q1's lower deal value comes as over 95% of deals in Q1 had an EV of less than \$500M, which is the highest percentage for smaller deals in 15 years.

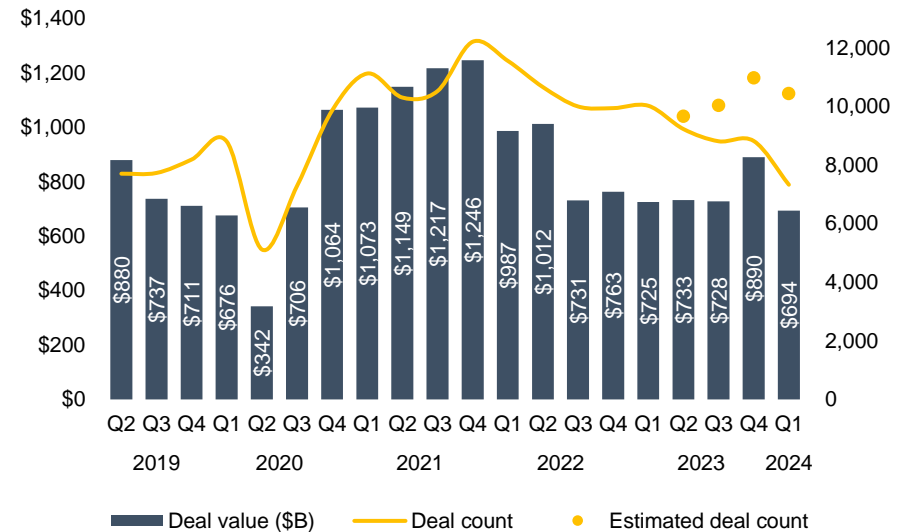
North American M&A Outlook

Coming into the year many expected the Fed to cut rates in the first-half of 2024. However, due to persistent inflation and a stable economy, the Fed has held off on any rate cuts, delaying a reprieve in the debt market.

A heavy level of capital overhang that still needs to work combined with pent-up demand from companies to execute on M&A strategies, should result in a moderate to good level of M&A activity in the coming quarters.

Small deals continue to command a greater share of the M&A market, creating a window for business owners to seek attractive exit opportunities to corporate or PE-backed strategic buyers.

Global M&A Deal Volume

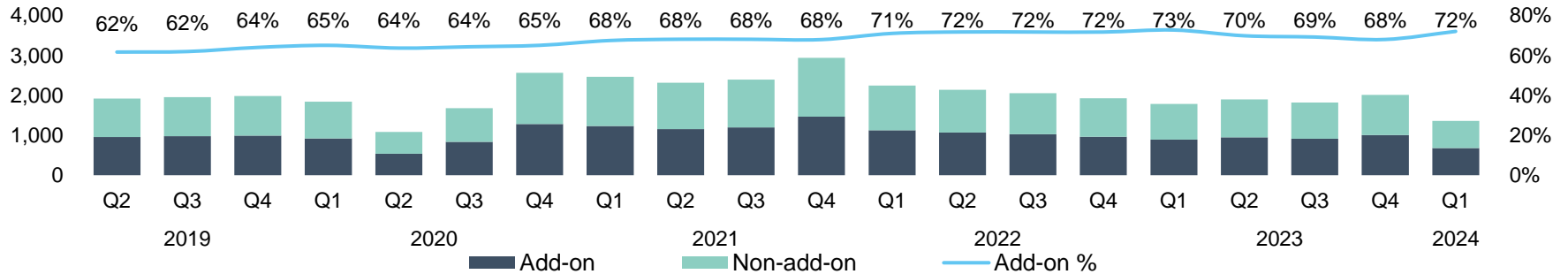


HCM Verticals Covered



M&A Trends

Global Private Equity Deal Count



EV/EBITDA Multiples (North America & Europe)



Private Equity Trends

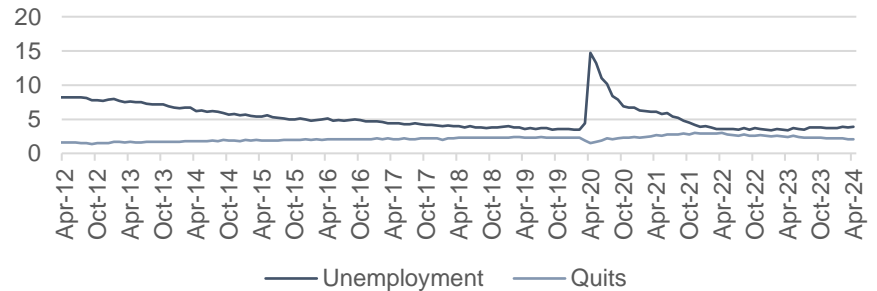
- With lingering high borrowing costs, Private Equity remains skittish to execute on new platform investments that are not considered high quality assets. New platforms represented only 19% of all Private Equity transactions in Q1.
- The window for add-on acquisitions as a more favored alternative for Private Equity has extended, as the smaller check sizes for add-ons are more palatable to investors in the current debt market.
- For the first time, the volume of debt refinancings for PE-backed companies exceeded the loan volume for new acquisitions.
- The add-on acquisition activity reflects the prevalence of the buy-and-build strategy Private Equity is favoring in this market. To many, Leonard Green and Berkshire Partners historic exit of SRS Distribution to Home Depot marks one of the most-successful Private Equity deals and further confirmation of the buy-and-build strategy.
- As the Fed drops interest rates and access to debt becomes easier, a round of Private Equity exits and reinvestments into new platforms will occur. This may create a crowding out affect for smaller deals that are better add-on acquisition candidates.

Labor Market Insights & Macro Trends

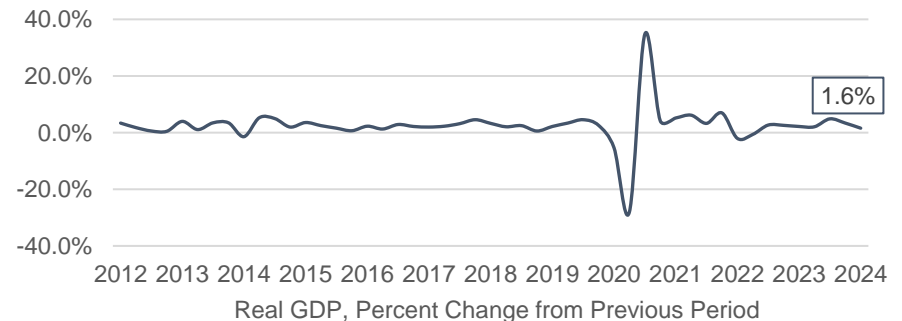
Labor Market Insights

- The US Economy expanded by an annualized 1.6% in Q1, down from a 3.4% growth rate in Q4 2023 and below analysts' forecasts of 2.5%. Even with persistent inflation, the economy remains resilient.^{1,2}
- In the most recent meeting, the Federal Reserve opted to hold interest rates at 5.25% to 5.5%. While not signaling that rate cuts are on the immediate horizon with inflation remaining above the 2% benchmark, many expect rate cuts to come at some point in Q3. A softer jobs report in April indicates a cooling economy, which should precipitate a loosening of the monetary policy.¹
- The April jobs report shows the largest slowdown in the leisure and hospitality sector, which saw a decline in new jobs from 53,000 in March down to 5,000 in April. These services sector are experiencing weakening demand as consumers are hit with a gap between inflation and wage growth.¹
- The Conference Board is forecasting slowing growth in the US economy in the back-half of the year but stopping short of forecasting a recession. Rising household debt levels, softening real income growth, and dwindling savings are expected to weigh on consumer spending this year.³
- The Unemployment Rate has remained in a tight window between 3.7% and 3.9% since August. The job market remains relatively stable but has shown signs of weakening as the unemployment rate edged up slightly in April.¹
- BLS projects jobs to grow 13.6% by 2040 however the talent pool is projected to grow by only 6.2%. This imbalance is the primary driver of emerging staffing automation of certain jobs and digitization that enables workers to deploy their talents for higher-value activities.⁵
- The Healthcare job market continued to outpace the overall labor market, adding 56,000 jobs in April with particular strength in ambulatory healthcare services.⁶

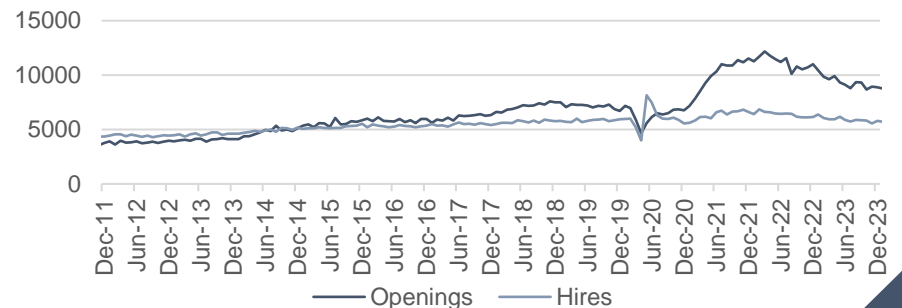
Unemployment (UE) & Quits Rates (%)



U.S. Gross Domestic Product (GDP)



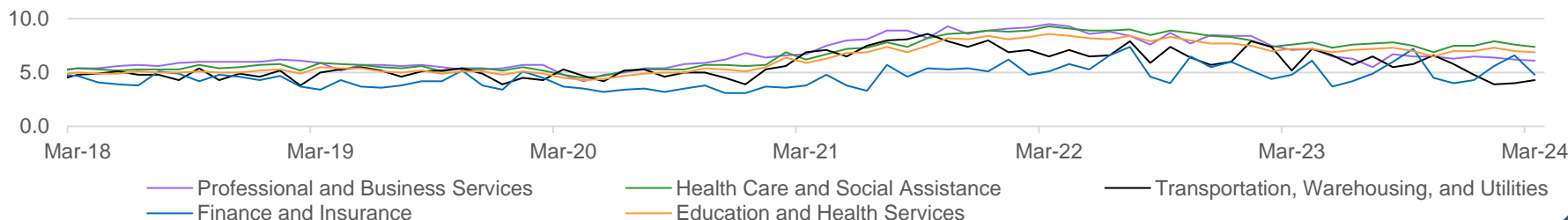
Job Openings and Hires (Thousands)



HCM Market Insights

- The US government has reallocated half of its \$39B of committed capital from the CHIPS Act to a variety of global, publicly traded technology companies, including TSMC, Intel, Samsung, GlobalFoundries, and Micron, who will use the funds to construct new chip factories. These projects are expected to create thousands of long-term construction jobs over the next 10 years, with some builds estimated to employ 10,000+ tradespeople over the life of the project.^{1,2,3}
- Cybersecurity and technology development are areas of emphasis for the federal government over the last few years. Government contractors in this space have received a boon over the last year with more government contracts and a larger portion of budgets up for grabs.^{5,6}
- Market uncertainties requiring experienced executive leadership across a variety of industries and a performing stock market that enables baby boomer leaders to feel comfortable exiting the workforce are two key drivers expected to perpetuate growth tail winds for the executive search sector.
- According to TechServe Alliance's recent Employment Index, April marked the fourth consecutive month of IT employment gains demonstrating favorable outlook for IT talent demand. Additionally, as AI surges into the staffing industry, IT staffing firms with the access to the right talent have an opportunity to capitalize on these dynamic shifts in the talent market.¹⁰
- S&P Global Ratings expects global IT spending to accelerate growth in 2024 to 8% up from a 4% growth rate in the prior year. The IT Services segment is expected to grow by 7% this year, driven by public cloud infrastructure spend.⁸
- The current physician shortage is expected to reach 124,000 physicians by 2034, putting stress on healthcare providers. With this trend the locum tenens staffing market has grown by a CAGR of over 10% over the last 3-years and is expected to continue the momentum.⁴
- Earlier this year Forbes reported that the U.S is short 340,000 accountants, and companies across all industries are looking for ways to attract talent. Job title "Accountant" has risen to the second-most posted position on the undergraduate job board Handshake.⁷
- The FTC recently voted in favor of a rule banning noncompete agreements nationwide. Noncompete agreements are common practices in the lower middle market across a variety of industries. The final rule will become effective 120 days after publication in the Federal Register.⁹
- The nurse staffing sector continues to settle into a post-covid new normal where higher pay, improved benefits, and balanced nurse-to-patient ratios are top of mind priorities for nurses.⁴
- Despite challenges in the broader economy, small business govcon sector optimism remains high. Attention is being placed in areas of agility that allow govcon providers to shift gears, adapting to market changes, service diversification, and investments in new tech, like AI.

Job Openings Rates by Industry (percentage)



Featured Article: Capital Gains Taxes & Non-Competes

By: Billy Pritchard - Director, Founders Advisors
April 26, 2024

Our deal teams at Founders Advisors are reviewing and processing important news items on key macro environmental factors for lower middle market business owners. Two notable proposals for legislative changes at the federal level are currently in the spotlight:

- *President Biden's proposal for **Capital Gains Tax Increases**, and*
- *The FTC's rule proposal **Banning Noncompetes**.*

Let's review what each policy change considers and discuss the potential impacts on near-term M&A activity.

1) Capital Gains Tax Increase Proposal

"[The President's Budget] also proposes taxing capital gains at the same rate as wage income for those with more than \$1 Million in income..." – The White House Fact Sheet

President Biden's FY 2025 Budget proposal (released last month) includes tax policy change which aims to increase the capital gains tax rate for high-income earning taxpayers. Under this proposed plan, the tax rate on long-term capital gains could nearly double, rising from the current rate of 20% to 39.6% for those high-income earners. When combined with the existing Net Investment Income Tax (NIIT) of 3.8%, the effective capital gains tax rate could reach 43.4%.

Impact on Lower Middle Market Business Operations and M&A Activity

For lower middle market businesses, especially those structured as pass-through entities such as S corporations and partnerships, owners often realize significant capital gains upon the sale of their

businesses. The proposed tax increase could significantly impact the after-tax proceeds for private business shareholders, potentially altering their investment strategies, operating timelines, and exit plans.

The prospect of higher capital gains taxes may incentivize business owners to accelerate their exit timelines to avoid potential tax hikes. Following President Biden's election win in 2020, we saw a similar surge in deal activity as a capital gains tax increase was discussed heavily during that election cycle. As a result of this recent Budget Proposal and the pending election on the horizon, we might witness a similar uptick in M&A activity towards the back half of 2024.

A surge in deal activity can be beneficial for owners that are well prepared to pursue a transaction in the near term. However, as we saw in 2020 and 2021, this type of deal activity ramp up can cause resource constraints on the industry as a whole. It may prove difficult for sellers to get the attention of prospective buyers, and third parties that are critical to the execution of these transactions (like a Q of E provider) may become resource constrained.

For founders and owners considering a future exit, we would suggest speaking to both a tax and M&A advisor in the near term.

For additional reading, please review the [Department of the Treasury's General Explanations](#).

Article continued on page 7

Capital Gains Taxes & Non-Competes (cont.)

Article continued

2) FTC's Final Rule Banning Non-Competes

"...the Federal Trade Commission issued a final rule to promote competition by banning noncompetes nationwide, protecting the fundamental freedom of workers to change jobs, increasing innovation, and fostering new business formation." – [FTC Press Release](#)

Earlier this week, the Federal Trade Commission ("FTC") voted in favor of a rule banning noncompete agreements nationwide. Noncompete agreements are common practices in the lower middle market across a variety of industries. These agreements, often included in employment contracts, restrict employees from working for competitors or starting their own competing businesses for a specified period after leaving their current employer. The final rule will become effective 120 days after publication in the Federal Register.

Impact on Lower Middle Market Business Operations and M&A Activity

Noncompete agreements have been a common tool for businesses to protect their intellectual property, trade secrets, and client relationships. While this ban may foster innovation and entrepreneurship, it could also pose challenges for businesses seeking to safeguard their proprietary information.

Additionally, the ban of noncompete agreements could impact the attractiveness of private companies in M&A transactions, depending on the business model. Buyers may perceive increased risk if key employees are not bound by non-compete agreements, potentially affecting valuation and deal structures. In those

scenarios, sellers would need to rely more heavily on other forms of protection, such as retention bonuses and stock option incentive plans to mitigate the risk of talent departures post-acquisition.

The proposed ban does include notable exceptions, including the continued exception for the sale of a business. It is very common for selling shareholders (and option holders) of a private business to be subject to noncompete provisions in the transaction documents for a period of time post-sale. This exception would still remain in the FTC's proposed rule, which should give sellers and buyers structure options to derisk the potential departure of key employees after the deal.

This FTC rule is already meeting resistance and immediate legal challenges. While the viability of this rule is hard to predict, founders and owners considering a future exit should begin thinking through alternatives to a traditional non-compete agreement.

Concluding Thoughts

As a business owner, it's imperative to monitor proposed legislation changes and consider the potential impact on business operations and M&A activity. President Biden's Capital Gains Tax Increase and the FTC's Ban on Noncompetes represent major policy shifts that could significantly impact the M&A landscape in the lower middle market. As always, we recommend staying informed through conversations with our team of M&A advisors.

Please reach out to discuss these policy changes, as well as other questions about the current M&A market.

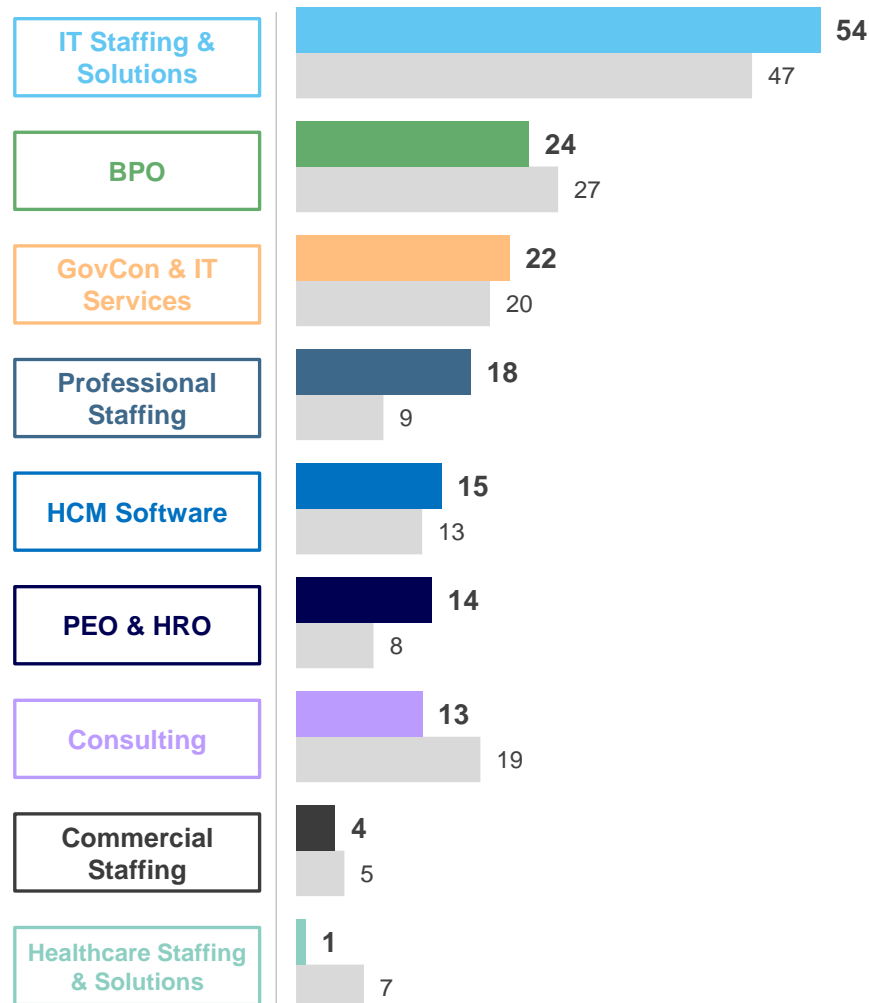
HCM M&A Trends

Highlighted Transactions















































Date	Target	Buyer	Industry Subgroup
Mar-24	 WISER PARTNERS <small>RETAINED EXECUTIVE SEARCH</small>	 zrg <small>MOVE FORWARD</small>	Professional Staffing
Mar-24	 CertiPay	 VensureHR	PEO & HRO
Feb-24	 LOCKSTEP <small>TECHNOLOGY GROUP</small>	 RENOVUS <small>CAPITAL</small>	GovCon
Feb-24	 HiredScore	 workday	HCM Software
Feb-24	 Juno <small>technologies</small>	 Sigma <small>Defense</small>	GovCon
Feb-24	 TruHR <small>SOLUTIONS</small>	 ONEDIGITAL	PEO & HRO
Feb-24	 seaford consulting	 CRIMSON PHOENIX	GovCon
Feb-24	 ADVANTIS GLOBAL <small>Connecting People to Opportunity</small>	 INSPIR <small>SOLUTIONS</small>	IT Staffing & Solutions
Feb-24	 morson <small>group</small>	 ONEX	Professional Staffing
Feb-24	 SEATec <small>ENGINEERED OPTIMIZED SOLVED</small>	 OliverWyman	GovCon
Jan-24	 BelFlex <small>STAFFING NETWORK</small>	 elwood staffing	Commercial Staffing

Q1 M&A Activity by Vertical* (165 Total)

Q1 2024 transaction count in colored bars; Q4 2023 transaction count in grey bars



Notable HCM Private Equity Platforms

Platform	Private Equity Group	Vertical	Notable Add-ons
		GovCon & IT Solutions	  
		IT Staffing & Solutions	   
		IT Staffing & Solutions	   
		GovCon & IT Solutions	  
	  NEW MOUNTAIN CAPITAL	PEO & HRO	   
		GovCon & IT Solutions	   
	  	IT Staffing & Solutions	   
		PEO & HRO	   
		Professional Staffing	   

Why it's Important to be Investment Grade

Key reasons why becoming Investment Grade is important to driving value for all stakeholders



Proves you have a high-quality business



Gives stakeholders the confidence you are driving enterprise value



Makes it easier to recruit talent



Clients find your company more attractive



Positions you to leverage your equity on the buy-side



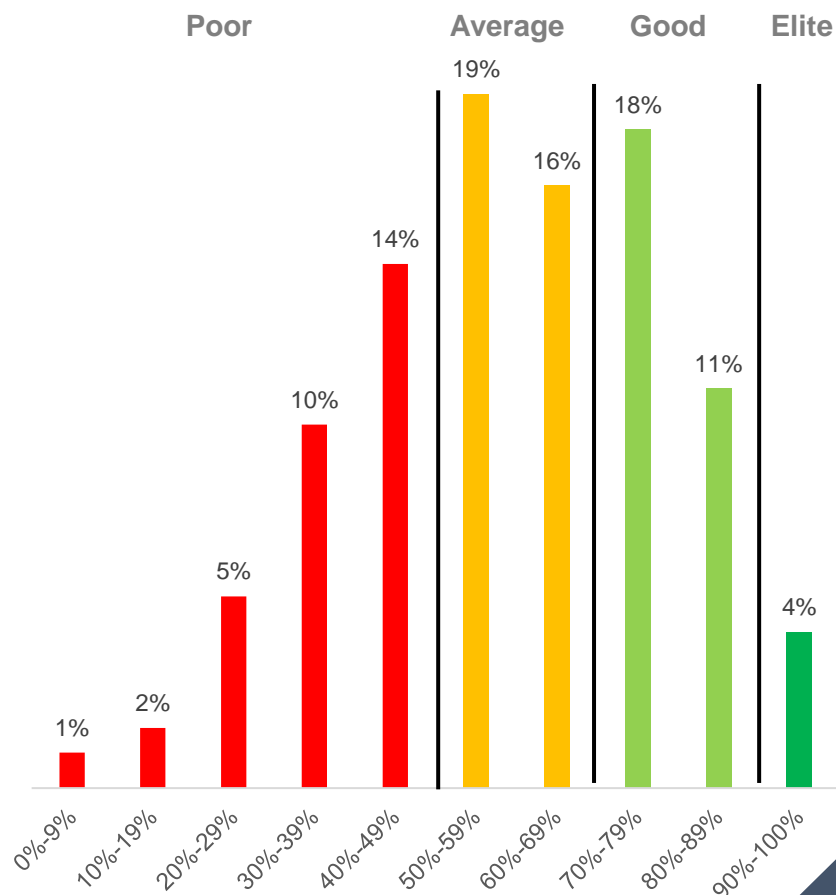
Enables you to negotiate better terms with your bank



Makes the ownership journey more fun

Few private companies are truly investment grade

Distribution of Investment Grade Overall Scores



Is My Company Exit Ready?

Identify Key Areas to Maximize Your Company's Enterprise Value with our Investment Grade Assessment

Only Takes ~15 Minutes

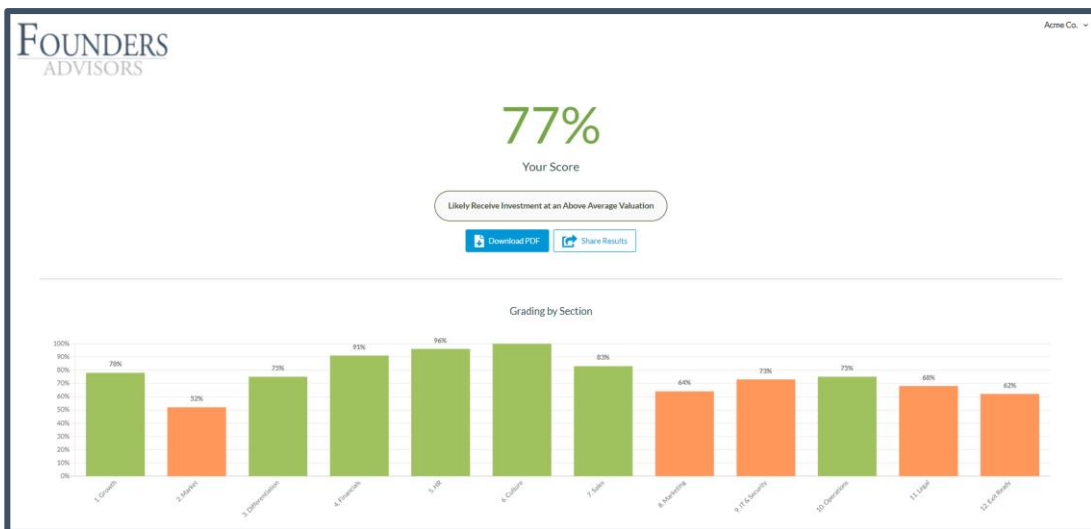
**2,100+ Assessment
Completed by Owners**

12 Key Sections

**Identifies Areas of Improvement
that Maximize EV**

**Questions Curated from
Decades of M&A Experience**

**Prescriptive Report with
Highly Useful Data**



Complimentary Discount Code:

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Price: ~~\$299~~ \$0

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

**Scan Here for
Assessment**

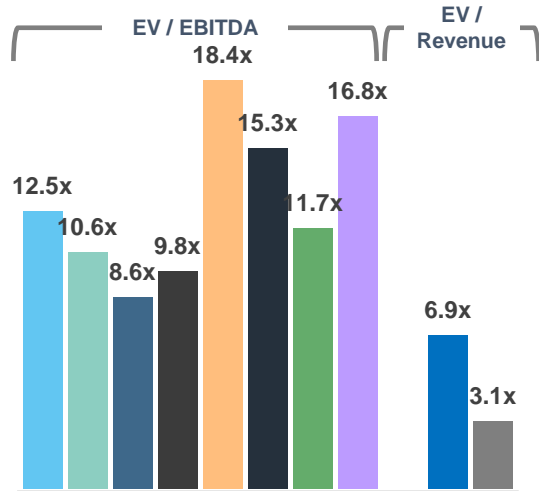


HCM Landscape

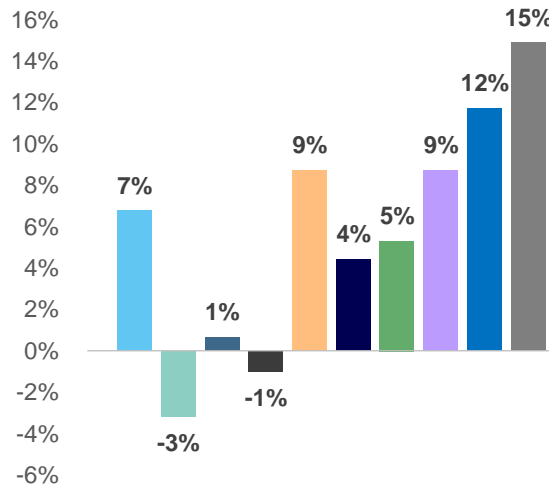


Public Company Valuation Metrics

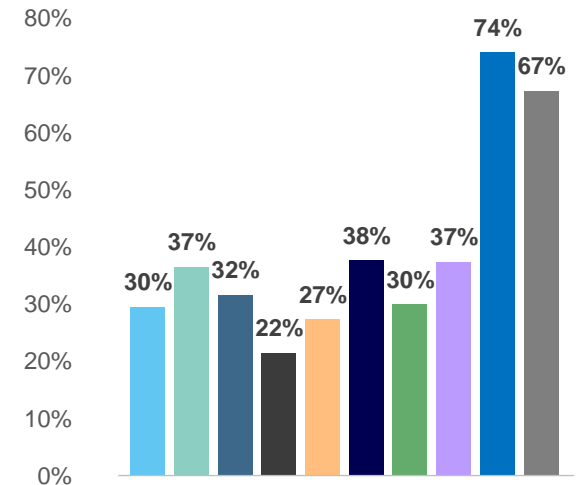
Average Trading Multiple



Average Revenue Growth



Average Gross Margin

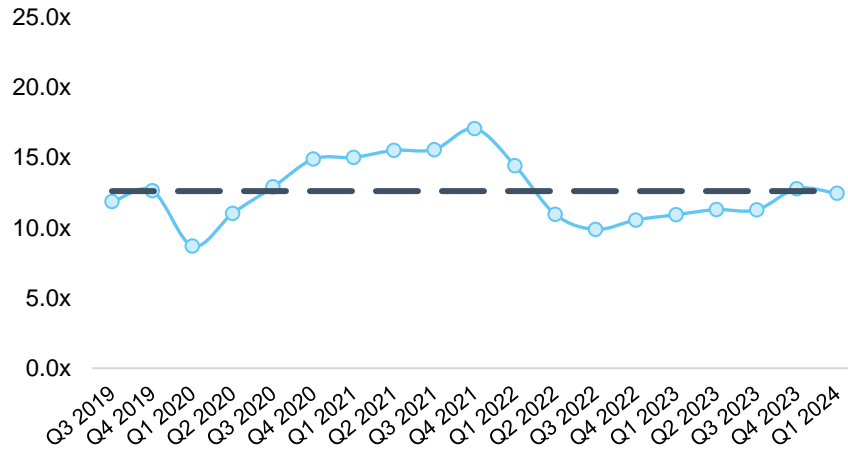


Verticals Represented*

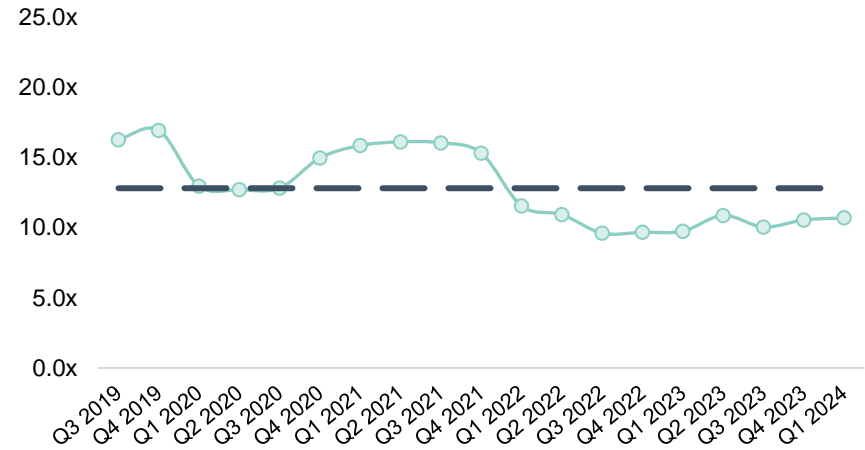


Historical Public Valuations by Segment (EV / EBITDA)

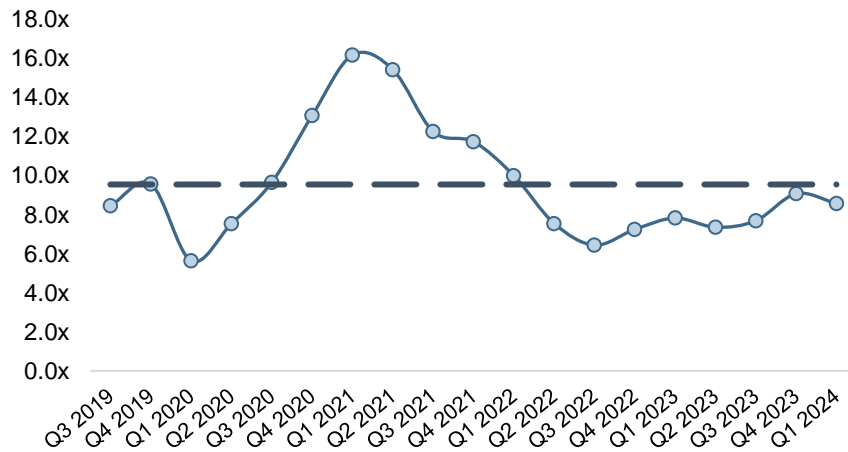
IT Staffing & Solutions



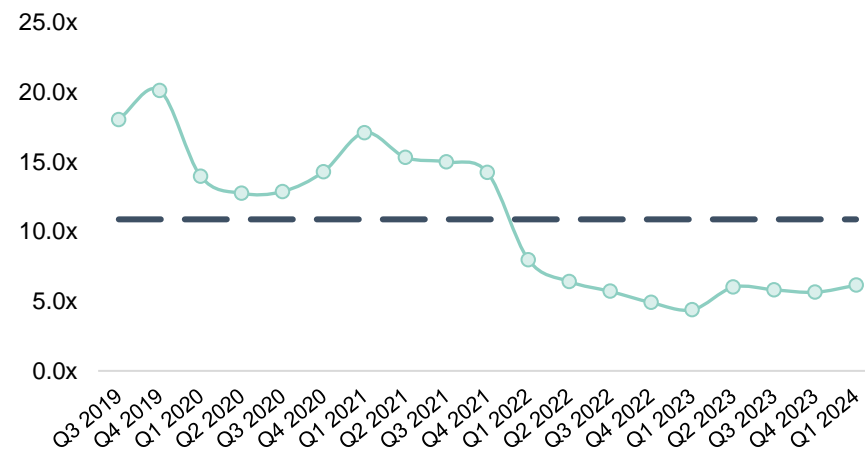
Healthcare Staffing & Solutions



Professional Staffing

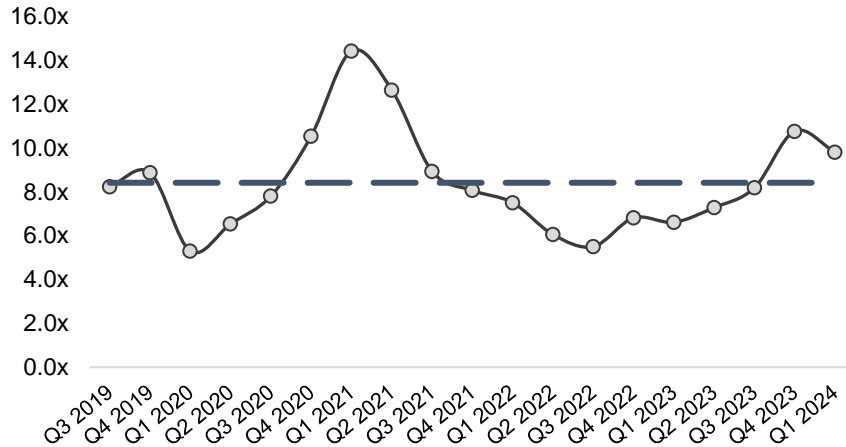


Healthcare Staffing Only

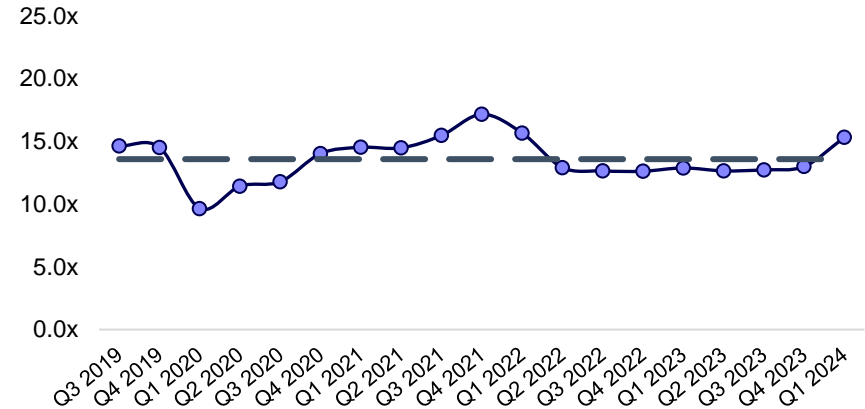


Historical Public Valuations by Segment (EV / EBITDA)

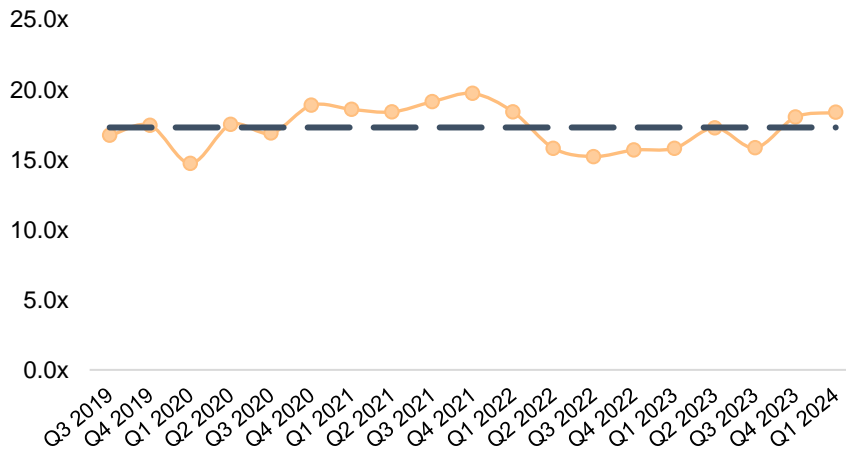
Commercial Staffing



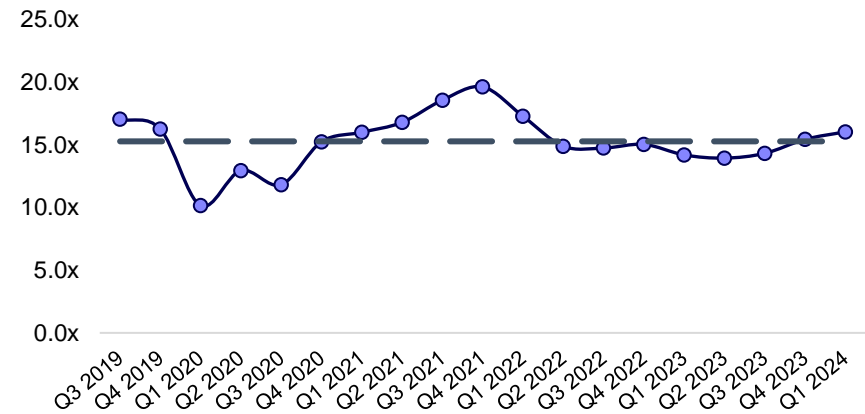
PEO & HRO



GovCon & IT Services

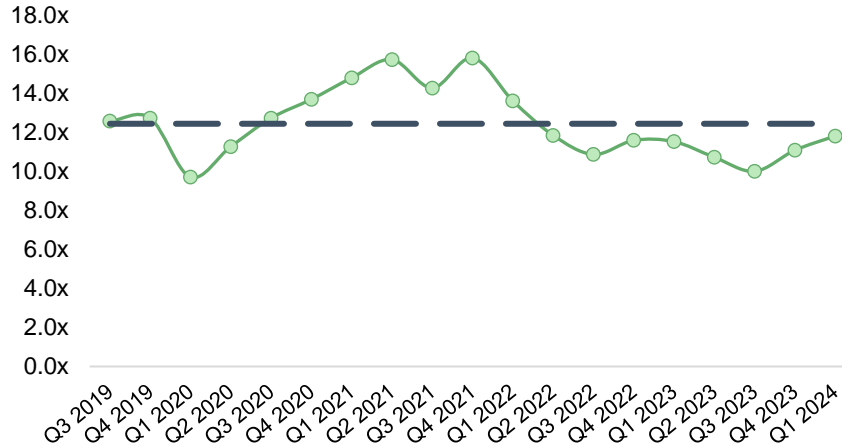


PEO Only

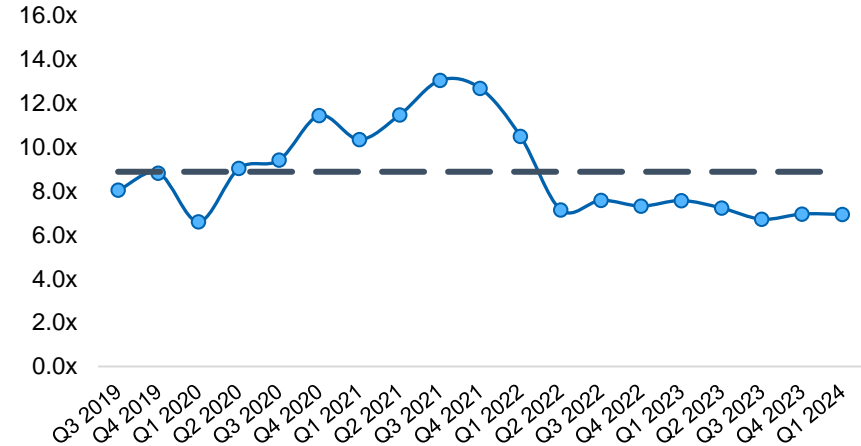


Historical Public Valuations by Segment (EV / EBITDA)

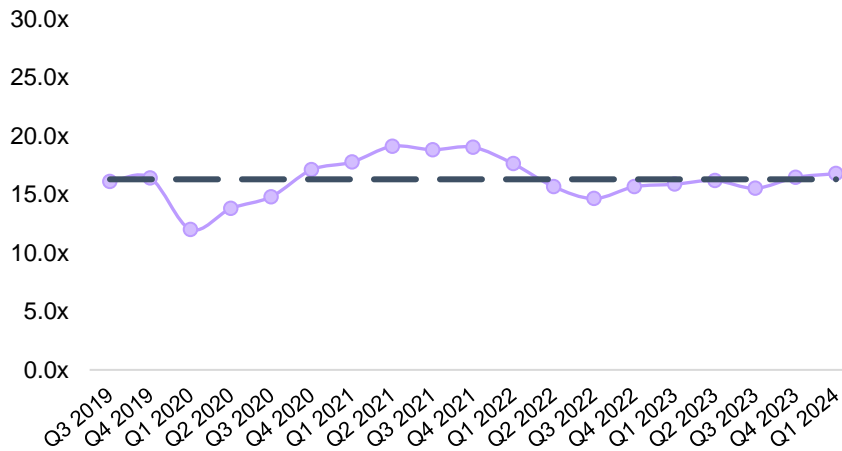
BPO



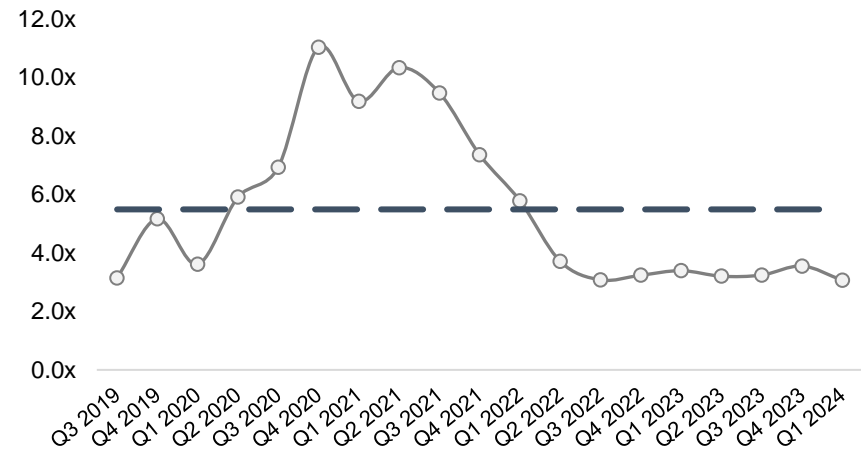
HCM Software (EV/Revenue)



Management Consulting



EdTech (EV/Revenue)



Public Equities Index

IT Staffing & Solutions

Name	% of 52 Week High	EV	Revenue	EBITDA	Revenue Growth	Gross Margin	EBITDA Margin	EV / LTM Revenue	EV / LTM EBITDA
Accenture	89%	216,790	64,574	10,245	2%	33%	16%	3.4x	21.2x
Allgeier	69%	298	526	59	6%	25%	11%	0.6x	4.9x
ASGN	98%	5,801	4,451	464	-3%	29%	10%	1.3x	12.5x
Bechtle	93%	6,953	6,950	551	7%	17%	8%	1.0x	12.6x
Calian Group	85%	557	511	47	15%	31%	9%	1.1x	11.7x
Capgemini	93%	42,864	23,787	3,289	13%	27%	14%	1.8x	13.0x
CGI Group	92%	27,096	10,699	2,052	9%	16%	19%	2.5x	13.2x
Cognizant Technology Solutions	92%	35,167	19,353	3,257	0%	35%	17%	1.8x	10.8x
Cyient	81%	2,583	852	151	29%	38%	18%	3.0x	17.5x
DXC Technology	73%	7,825	13,872	794	-7%	23%	6%	0.6x	9.9x
Genpact	71%	6,861	4,477	743	2%	35%	17%	1.5x	9.2x
Globant	80%	8,707	2,096	353	18%	36%	17%	4.2x	24.7x
Insight Enterprises	95%	6,950	9,176	481	-12%	18%	5%	0.8x	14.4x
Mphasis	84%	5,273	1,602	312	-4%	41%	19%	3.3x	17.1x
Neurones	97%	1,008	740	151	14%	61%	20%	1.4x	6.7x
NTT Data Group	95%	42,245	30,320	4,314	37%	27%	14%	1.4x	9.8x
Perficient	58%	2,259	907	166	0%	37%	18%	2.5x	13.6x
SAIC	90%	8,886	7,444	882	-3%	12%	12%	1.2x	10.1x
SThree	96%	653	1,893	114	2%	25%	6%	0.3x	5.7x
TechnoPro Holdings	73%	2,034	1,493	187	10%	27%	13%	1.4x	10.9x
The Hackett Group	91%	684	291	53	1%	39%	18%	2.3x	13.0x
Wipro	89%	28,143	11,153	N/A	8%	30%	N/A	2.5x	12.9x
Wistron Information	80%	284	284	24	11%	20%	8%	1.0x	11.9x
Min		284	284	24	-12%	12%	5%	0.3x	4.9x
Median		6,861	4,451	409	6%	29%	14%	1.4x	12.5x
Mean		19,997	9,454	1,304	7%	30%	13%	1.8x	12.5x
Max		216,790	64,574	10,245	37%	61%	20%	4.2x	24.7x

Public Equities Index

Healthcare Staffing & Solutions*

Name	% of 52 Week High	EV	Revenue	EBITDA	Revenue Growth	Gross Margin	EBITDA Margin	EV / LTM Revenue	EV / LTM EBITDA
AMN Healthcare Services	56%	3,686	3,789	499	-28%	33%	13%	1.0x	7.4x
Calian Group	85%	557	511	47	15%	31%	9%	1.1x	11.7x
Cross Country Healthcare	65%	638	2,020	129	-28%	22%	6%	0.3x	4.6x
HealthStream	92%	757	279	60	5%	66%	21%	2.7x	12.7x
Huron Consulting Group	85%	2,147	1,362	128	20%	30%	9%	1.5x	16.7x
Min		557	279	47	-28%	22%	6%	0.3x	4.6x
Median		757	1,362	128	5%	31%	9%	1.1x	11.7x
Mean		1,557	1,592	173	-3%	37%	12%	1.3x	10.6x
Healthcare Staffing Mean		2,162	2,904	314	-28%	28%	10%	0.6x	6.0x
Max		3,686	3,789	499	20%	66%	21%	2.7x	16.7x

Public Equities Index

Professional Staffing

Name	% of 52 Week High	EV	Revenue	EBITDA	Revenue Growth	Gross Margin	EBITDA Margin	EV / LTM Revenue	EV / LTM EBITDA
Adecco Group	80%	10,111	25,923	893	1%	21%	3%	0.4x	11.3x
BGSF	89%	183	313	24	5%	36%	8%	0.6x	7.6x
Brunel International	77%	510	1,223	85	13%	21%	7%	0.4x	6.5x
Freelance.com	61%	250	872	29	24%	4%	3%	0.3x	8.1x
Hays	82%	2,052	N/A	N/A	N/A	N/A	N/A	0.2x	6.5x
Heidrick & Struggles	95%	299	1,027	96	-4%	27%	9%	0.3x	3.1x
Kforce	94%	1,434	1,532	90	-10%	28%	6%	0.9x	15.9x
Korn Ferry	94%	3,237	2,803	302	-1%	88%	11%	1.1x	10.7x
ManpowerGroup	87%	4,512	18,915	340	-5%	18%	2%	0.2x	13.3x
Openjobmetis	99%	256	802	30	-2%	27%	4%	0.3x	9.0x
PageGroup	89%	1,817	2,462	245	10%	52%	10%	0.7x	7.9x
Randstad	83%	10,419	27,513	1,243	-8%	21%	5%	0.4x	8.4x
Resources Connection	76%	362	705	46	-15%	39%	7%	0.5x	7.8x
Robert Half International	90%	7,851	6,393	607	-12%	40%	9%	1.2x	12.9x
Robert Walters Group	84%	371	1,323	61	-3%	36%	5%	0.3x	6.1x
SThree	96%	653	1,893	114	2%	25%	6%	0.3x	5.7x
Synergie	88%	562	3,135	163	5%	29%	5%	0.2x	3.4x
TechnoPro Holdings	73%	2,034	1,493	187	10%	27%	13%	1.4x	10.9x
Min		183	313	24	-15%	4%	2%	0.2x	3.1x
Median		1,043	1,532	114	-1%	27%	6%	0.4x	8.0x
Mean		2,606	5,784	268	1%	32%	7%	0.5x	8.6x
Max		10,419	27,513	1,243	24%	88%	13%	1.4x	15.9x

Public Equities Index

Commercial Staffing

Name	% of 52 Week High	EV	Revenue	EBITDA	Revenue Growth	Gross Margin	EBITDA Margin	EV / LTM Revenue	EV / LTM EBITDA
Adecco Group	80%	10,111	25,923	893	1%	21%	3%	0.4x	11.3x
Barrett Business Services	97%	702	1,069	76	1%	23%	7%	0.7x	9.2x
GDI Integrated Facility Services	78%	983	1,805	98	12%	18%	5%	0.5x	10.1x
Groupe Crit	85%	417	2,568	144	11%	5%	6%	0.2x	3.5x
Kelly Services	99%	809	4,836	72	-3%	20%	1%	0.2x	11.3x
ManpowerGroup	87%	4,512	18,915	340	-5%	18%	2%	0.2x	13.3x
Openjobmetis	99%	256	802	30	-2%	27%	4%	0.3x	9.0x
Randstad	83%	10,419	27,513	1,243	-8%	21%	5%	0.4x	8.4x
Robert Walters Group	84%	371	1,323	61	-3%	36%	5%	0.3x	6.1x
TrueBlue	66%	392	1,906	2	-15%	27%	0%	0.2x	15.9x
Min		256	802	2	-15%	5%	0%	0.2x	3.5x
Median		755	2,237	87	-2%	21%	4%	0.3x	9.6x
Mean		2,897	8,666	296	-1%	22%	4%	0.3x	9.8x
Max		10,419	27,513	1,243	12%	36%	7%	0.7x	15.9x

Public Equities Index

GovCon & IT Services

Name	% of 52 Week High	EV	Revenue	EBITDA	Revenue Growth	Gross Margin	EBITDA Margin	EV / LTM Revenue	EV / LTM EBITDA
ASGN	98%	5,801	4,451	464	-3%	29%	10%	1.3x	12.5x
Booz Allen Hamilton	99%	22,291	10,324	898	14%	54%	9%	2.2x	24.8x
CACI International	99%	10,412	7,131	716	10%	8%	10%	1.5x	14.5x
Calian Group	85%	557	511	47	15%	31%	9%	1.1x	11.7x
ICF International	95%	3,455	1,963	197	10%	36%	10%	1.8x	17.5x
Leidos Holdings	100%	22,179	15,438	946	7%	15%	6%	1.4x	23.4x
Maximus	94%	6,496	4,983	472	5%	22%	9%	1.3x	13.8x
Parsons	99%	9,522	5,443	413	30%	22%	8%	1.7x	23.0x
SAIC	90%	8,886	7,444	882	-3%	12%	12%	1.2x	10.1x
Synergie	88%	562	3,135	163	5%	29%	5%	0.2x	3.4x
Tyler Technologies	93%	18,558	1,952	393	5%	44%	20%	9.5x	47.3x
Min		557	511	47	-3%	8%	5%	0.2x	3.4x
Median		8,886	4,983	464	7%	29%	9%	1.4x	14.5x
Mean		9,884	5,707	508	9%	27%	10%	2.1x	18.4x
Max		22,291	15,438	946	30%	54%	20%	9.5x	47.3x

Public Equities Index

PEO & HRO*

Name	% of 52 Week High	EV	Revenue	EBITDA	Revenue Growth	Gross Margin	EBITDA Margin	EV / LTM Revenue	EV / LTM EBITDA
Alight Solutions	95%	8,203	3,410	186	9%	33%	5%	2.4x	44.1x
Aon	96%	77,145	13,388	3,878	7%	48%	29%	5.8x	19.9x
Automatic Data Processing	97%	104,267	17,674	4,401	6%	42%	25%	5.9x	23.7x
Barrett Business Services	97%	702	1,069	76	1%	23%	7%	0.7x	9.2x
Brunel International	77%	510	1,223	85	13%	21%	7%	0.4x	6.5x
CBIZ	99%	4,477	1,591	223	13%	14%	14%	2.8x	20.1x
HireRight	99%	1,590	722	140	-11%	48%	19%	2.2x	11.4x
Insperity	84%	3,805	43,141	261	8%	16%	1%	0.6x	14.6x
Paychex	95%	43,654	5,030	2,283	6%	72%	45%	8.5x	19.1x
Qualicorp	37%	327	366	132	-10%	79%	36%	0.9x	2.5x
Synergie	88%	562	3,135	163	5%	29%	5%	0.2x	3.4x
TriNet Group	99%	7,485	4,922	550	1%	22%	11%	1.5x	13.6x
Willis Towers Watson	99%	32,772	9,483	2,019	7%	44%	21%	3.5x	16.2x
WNS (Holdings)	97%	2,480	1,301	297	8%	36%	23%	1.9x	10.3x
Min		327	366	76	-11%	14%	1%	0.2x	2.5x
Median		4,141	3,272	242	6%	35%	17%	2.1x	14.1x
Mean		20,570	7,604	1,050	4%	38%	18%	2.7x	15.3x
PEO Mean		31,983	14,367	1,514	4%	35%	18%	3.4x	16.0x
Max		104,267	43,141	4,401	13%	79%	45%	8.5x	44.1x

Public Equities Index

BPO

Name	% of 52 Week High	EV	Revenue	EBITDA	Revenue Growth	Gross Margin	EBITDA Margin	EV / LTM Revenue	EV / LTM EBITDA
Advantage Solutions	87%	3,177	4,225	301	4%	13%	7%	0.8x	10.5x
Brunel International	77%	510	1,223	85	13%	21%	7%	0.4x	6.5x
Concentrix (US)	54%	9,193	6,560	998	13%	36%	15%	1.2x	9.2x
Conduent	89%	1,851	3,722	25	-4%	22%	1%	0.5x	5.2x
Capita	35%	1,004	3,499	60	-7%	21%	2%	0.3x	16.6x
CBIZ	99%	4,477	1,591	223	13%	14%	14%	2.8x	20.1x
ExlService Holdings	88%	5,252	1,631	314	15%	37%	19%	3.2x	16.7x
Genpact	71%	6,861	4,477	743	2%	35%	17%	1.5x	9.2x
Icon (Consulting Services)	97%	31,272	8,120	1,516	5%	30%	19%	3.9x	20.6x
IQVIA	97%	58,429	14,984	3,220	4%	35%	21%	3.9x	18.1x
Neurones	97%	1,008	740	151	14%	61%	20%	1.4x	6.7x
Plexus Company	83%	2,865	4,099	248	0%	9%	6%	0.7x	11.5x
TaskUs	77%	1,219	924	157	-4%	42%	17%	1.3x	7.7x
Teleperformance	40%	10,704	9,030	1,719	2%	31%	19%	1.2x	6.2x
TTEC Holdings	27%	1,466	2,463	215	1%	22%	9%	0.6x	6.8x
Willis Towers Watson	99%	32,772	9,483	2,019	7%	44%	21%	3.5x	16.2x
Wipro	88%	28,143	11,153	N/A	8%	30%	N/A	2.5x	12.9x
WNS	97%	2,480	1,301	297	8%	36%	23%	1.9x	10.3x
Min		510	740	25	-7%	9%	1%	0.3x	5.2x
Median		3,827	3,910	297	5%	30%	17%	1.3x	10.4x
Mean		11,260	4,957	723	5%	30%	14%	1.7x	11.7x
Max		58,429	14,984	3,220	15%	61%	23%	3.9x	20.6x

Public Equities Index

Management Consulting

Name	% of 52 Week High	EV	Revenue	EBITDA	Revenue Growth	Gross Margin	EBITDA Margin	EV / LTM Revenue	EV / LTM EBITDA
Accenture	89%	216,790	64,574	10,245	2%	33%	16%	3.4x	21.2x
Arthur J. Gallagher & Company	98%	61,970	9,377	2,178	18%	42%	23%	6.2x	28.4x
Booz Allen Hamilton	99%	22,291	10,324	898	14%	54%	9%	2.2x	24.8x
Brunel International	77%	510	1,223	85	13%	21%	7%	0.4x	6.5x
BTS Group	91%	557	248	37	11%	N/A	15%	2.2x	15.1x
CRA International	99%	1,105	624	82	6%	30%	13%	1.8x	13.5x
ExlService Holdings	88%	5,252	1,631	314	15%	37%	19%	3.2x	16.7x
FTI Consulting	91%	7,401	3,489	415	15%	33%	12%	2.1x	17.8x
Gartner	98%	38,916	5,907	1,432	8%	68%	24%	6.6x	27.2x
Huron Consulting Group	85%	2,147	1,362	128	20%	30%	9%	1.5x	16.7x
Marsh & McLennan Companies	98%	113,915	22,736	6,239	10%	42%	27%	5.0x	18.3x
Maximus	94%	6,496	4,983	472	5%	22%	9%	1.3x	13.8x
Perficient	58%	2,259	907	166	0%	37%	18%	2.5x	13.6x
Resources Connection	76%	362	705	46	-15%	39%	7%	0.5x	7.8x
WNS	97%	2,480	1,301	297	8%	36%	23%	1.9x	10.3x
Min		362	248	37	-15%	21%	7%	0.4x	6.5x
Median		5,252	1,631	314	10%	36%	15%	2.2x	16.7x
Mean		32,163	8,626	1,536	9%	37%	15%	2.7x	16.8x
Max		216,790	64,574	10,245	20%	68%	27%	6.6x	28.4x

Public Equities Index

HCM Software

Name	% of 52 Week High	EV	Revenue	EBITDA	Revenue Growth	Gross Margin	EBITDA Margin	EV / LTM Revenue	EV / LTM EBITDA
Dayforce	88%	10,973	1,514	265	21%	43%	17%	7.2x	41.5x
HealthStream	92%	757	279	60	5%	66%	21%	2.7x	12.7x
Intuit	97%	187,001	15,094	4,248	10%	78%	28%	12.4x	44.0x
New Work	36%	359	331	102	-2%	N/A	31%	1.1x	3.5x
Oracle	95%	423,876	52,510	20,345	9%	72%	39%	8.1x	20.8x
Paychex	95%	43,654	5,030	2,283	6%	72%	45%	8.5x	19.1x
Paycom	53%	11,278	1,694	588	23%	84%	35%	6.7x	19.2x
Paycor HCM	71%	3,414	560	58	19%	66%	10%	5.6x	58.9x
Paylocity	75%	9,373	1,292	299	29%	69%	23%	7.3x	31.4x
SAP	98%	224,618	33,768	7,602	6%	72%	23%	6.7x	29.5x
Seek	89%	6,678	792	224	-3%	99%	28%	8.4x	29.8x
Sage Group	98%	16,686	2,675	517	12%	93%	19%	6.2x	32.3x
Workday	88%	67,540	7,259	451	17%	76%	6%	9.3x	N/A
Min		359	279	58	-3%	43%	6%	1.1x	3.5x
Median		11,278	1,694	451	10%	72%	23%	7.2x	29.7x
Mean		77,401	9,446	2,849	12%	74%	25%	6.9x	28.6x
Max		423,876	52,510	20,345	29%	99%	45%	12.4x	58.9x

Public Equities Index

EdTech

Name	% of 52 Week High	EV	Revenue	EBITDA	Revenue Growth	Gross Margin	EBITDA Margin	EV / LTM Revenue	EV / LTM EBITDA
2U	6%	963	946	(128)	-2%	73%	-14%	1.0x	N/A
BTS Group	91%	557	248	37	11%	N/A	15%	2.2x	15.1x
Coursera	66%	1,490	636	(123)	21%	52%	-19%	2.3x	N/A
Docebo	87%	1,412	181	0	27%	81%	0%	7.8x	N/A
FranklinCovey	81%	492	280	35	3%	76%	12%	1.8x	15.2x
Instructure	75%	3,267	530	146	12%	65%	27%	6.2x	22.4x
Learning Technologies Group	64%	1,005	716	119	31%	N/A	17%	1.4x	8.5x
Udemy	69%	1,266	729	(99)	16%	58%	-14%	1.7x	N/A
Min		492	181	(128)	-2%	52%	-19%	1.0x	8.5x
Median		1,136	583	17	14%	69%	6%	2.0x	15.2x
Mean		1,307	533	(2)	15%	67%	3%	3.1x	15.3x
Max		3,267	946	146	31%	81%	27%	7.8x	22.4x

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Relevant Transactions



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