



FOUNDERS ADVISORS
HCM Market Insights

August 2024 Update

M&A Q2 2024 in Review

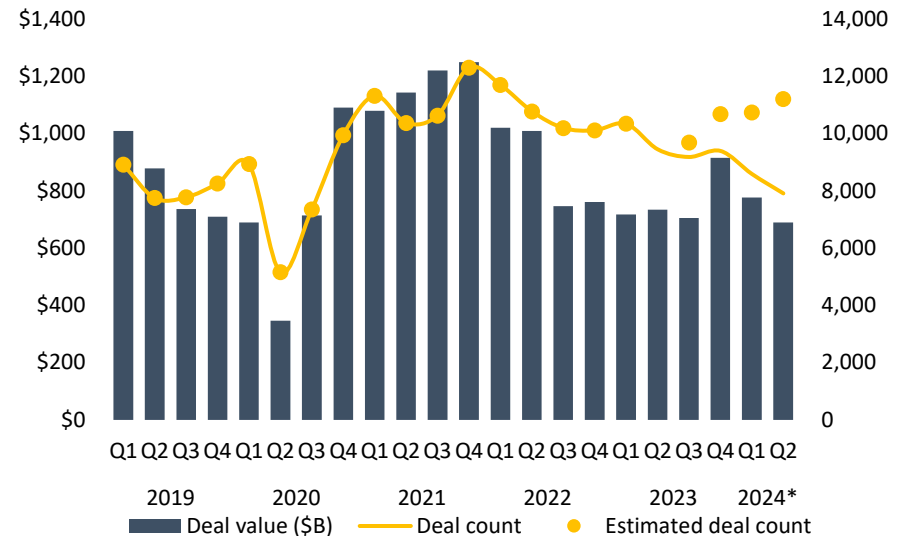
Quarterly M&A Highlights

- M&A activity in Q2 built on the early momentum in Q1 and recorded an 18% year-over-year increase in deal count. Over the first half of the year, estimated deal count has risen 10% compared to 2023. Looking back, Q3 2023 appears to be the bottom of the trough from the market's slide from the 2021 peak.
- In the first half of the year in North America, M&A volume increased by 6% in deal count and 9% in estimated deal value. In Q2, there was an estimated 4,593 transactions completed with an estimated deal value of \$378B.
- As expected, the recovery in M&A appears to be gradual. This is most evident in the relatively flat total deal value. While the overall deal count has increased precipitously, the market continues to favor smaller deals, and total deal value increased by a mere 1% in the first half of the year.
- One of the main drivers of increasing activity was PE's tepid reentrance into the market. The persistently high interest rates stifled PE's resurgence. However, momentum is building as PE's share of deal value increased to 41%, up from 33% in Q1 2024.

M&A Outlook

- A weaker than expected jobs report in July has quickly shifted market expectations towards an impending Fed rate cut in September. Critics claim that the Fed has remained on the sidelines too long, as the Fed has trailed major European central banks, including the Swiss National Bank and the Bank of England, who began cutting rates earlier in the year.
- Morgan Stanley's Global Investment Committee is expecting slow and shallow Fed rate cuts to 3.5% toward the end of 2025. However, this outlook is contingent upon a relatively durable labor market to support consumer spending. The loosening in monetary policy could benefit sectors that rely on lower interest rates, including real estate and M&A. The combination of pent-up demand for M&A and lower interest rates will create a dynamic M&A market in the coming months.

Global M&A Deal Volume

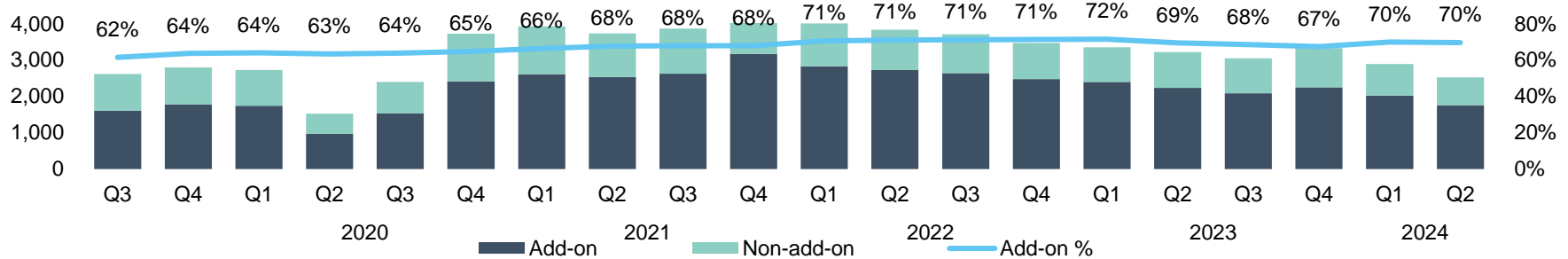


HCM Verticals Covered



M&A Trends

Global Private Equity Deal Count



EV/EBITDA Multiples (North America & Europe)



Private Equity Trends

- In the first half of 2024, PE deal activity has outpaced 2023 by approximately 12%, propelling the overall gains recovery in the M&A market.
- Capital overhang remains at record levels and PE fund managers have yet to invest close to \$200B in capital commitments of fund vintages from 2020 and older.
- More factors than ever are combining to render the lower middle market the best prospective dealmaking environment for both owners and PE buyers in year.
- PE exits also picked up in Q2, one of the linchpins of the private equity value chain. PE has opted to hold portfolio companies for longer periods in recent years, due to depressed exit valuations. The median hold time for exits had risen to an all-time high, 7.1 years, in 2023; in 2024, however, this number has fallen to 5.8 years, which is relatively inline with the last decade.
- PE's share of the M&A market rebounded in Q2, as PE transactions accounted for 41% of total deal value. This reversed a trend of PE's share of M&A activity sliding since the beginning of 2022.

Labor Market Insights & Macro Trends

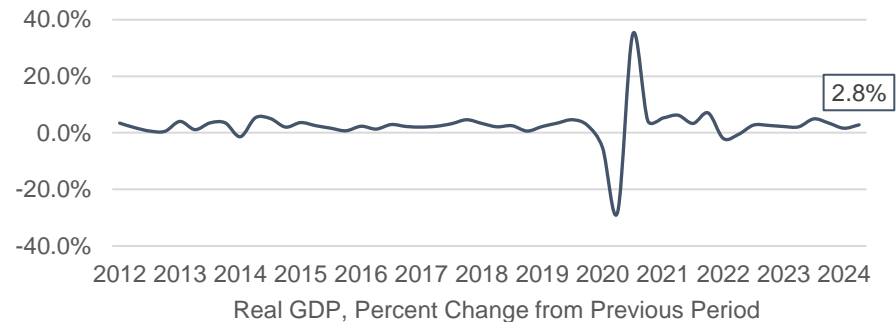
Labor Market Insights

- The U.S. Economy continued its better-than-expected run in Q2, with GDP growth rate accelerating to 2.8%, topping consensus estimates of 2% and surpassing the 1.6% growth rate in Q1. Despite inflationary pressures and domestic and geopolitical uncertainty, the economy extended a run in the market longer than many had anticipated at the start of the year.^{1,2}
- Despite the encouraging performance in Q2, growing recessionary fears have risen as the most recent jobs report signals a weakening labor market. The Unemployment Rate rose above market expectations to 4.3% in July, the highest unemployment rate in nearly three years.^{1,2}
- While the Federal Reserve's monetary policy has served to bring rampant inflation in check, the inflation rate fell to 3% in June, down from a peak of 9.1% the year prior. Many fear that the policy has created deleterious effects on the labor market and broader economy.^{1,2}
- In the most recent meeting, the Federal Reserve opted to hold interest rates steady, maintaining the target range of 5.25% to 5.5%. The Fed will undoubtedly opt to lower rates in the coming months, with estimates of up to a 1.25% rate cut.
- BLS projects the U.S. economy to add almost 4.7 million jobs over the next decade, increasing total employment to 169.1 million. However, total population is projected to grow slower than previous decades, constraining labor force participation and driving staffing automation and digitization.
- The July jobs report shows a continued upward trend in transportation, warehousing, and construction job growth, continuing to rebound from their low in January of this year.
- The Healthcare job market continued to outpace the overall labor market, adding 55,000 jobs in July, with particular strength in home health services.³

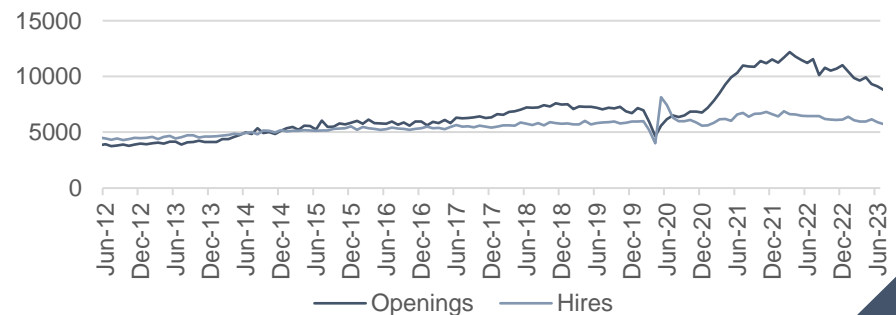
Unemployment (UE) & Quits Rates (%)



U.S. Gross Domestic Product (GDP)



Job Openings and Hires (Thousands)

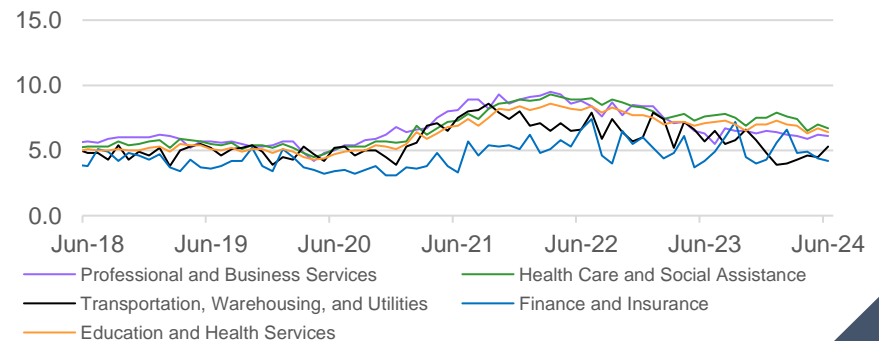


HCM Market Insights

- A recent SIA report shows that consolidation in the U.S. industrial staffing market picked up steam in 2023. In 2023, the 15 largest industrials staffing firms by revenue had a combined market share of 60%, a number that has increased from 41% in 2008. Strategic M&A activity has spurred market consolidation, most notably ProMan's acquisition of PeopleShare in March of 2023.¹
- A majority of construction contractors expect to increase their staffing levels over the next six months, as demand for talent is propelled by strength in nonresidential staffing. According to ABC, the construction workforce shortage sat at 501,000 back in January and should continue to remain elevated.³
- A PwC study found that job postings for jobs requiring AI skills are growing 3.5x faster than the number of postings for all jobs. The number of jobs that require AI skills has grown with rapidity in knowledge-based sectors, including financial services, professional services, and information & communication. Jobs in information & communication are 5x more likely to require AI based skills.²
- Over the past two years, the total number of temporary help jobs in the U.S. has been steadily declining, marking a decline in 23 of the last 24 months. This decline has largely come as a normalization from an unsustainable amount of activity propelled by the pandemic. Travel nursing saw the most dramatic pandemic induced growth, with revenue increasing by over 6x between 2019 and 2022, but that trend quickly reversed over the last two years as travel nursing normalizes to pre-pandemic levels.¹
- In March, the FIT Procurement Act was introduced that could expand the number of companies that compete for federal technology solutions contracts. The bill could also open new avenues for agencies to purchase IT solutions via subscriptions which would create new opportunities for GovCon providers.⁶
- Labor markets that have a persistent imbalance between supply and demand, including skilled trades, IT, and locum tenens have been resilient. However, jobs that are threatened by automation and developments in AI, such as industrial and office/clerical positions, have experienced some pullback in demand.¹


- The continued shift from fee-for-service to value-based care reimbursement across the healthcare landscape is creating coding and billing challenges which are anticipated to drive demand for revenue cycle management and other outsourced solutions.⁵
- According to SIAs recent survey of enterprise buyers, surveyed companies project the overall size of their contingent workforce will remain the same or grow. This widespread contingent workforce adoption provides a strong base of demand for temporary staffing.¹
- The business process outsourcing industry is projected to grow at a rate of 9.4% annually and reach \$370B in 2024. Significant segments in this space include customer service (32.27%), finance and accounting (24.27%), and HR (21.82%).⁷
- Roughly ten million small businesses in the US employed an estimated 56.4 million workers in 2021, bringing in over \$16.2 trillion in revenue.⁸
- The percentage of healthcare facilities reporting a shortage of anesthesia staffing has more than doubled in the past few years, up from 35% in 2020 to 78% in the most recent study. Experts point towards anesthesia staffing as an essential need to deliver high-quality and safe outcomes for patients. Locum tenens staffing firms that are working to solve this imbalance between supply and demand have seen continued growth in demand for their services.⁴

Job Openings Rates by Industry (percentage)




HCM M&A Trends

Highlighted Transactions




United Anesthesia

HAS BEEN ACQUIRED BY




GHR Healthcare

A PORTFOLIO COMPANY OF














MidOcean Partners

UNITED ANESTHESIA WAS EXCLUSIVELY ADVISED BY PRINCIPALS OF

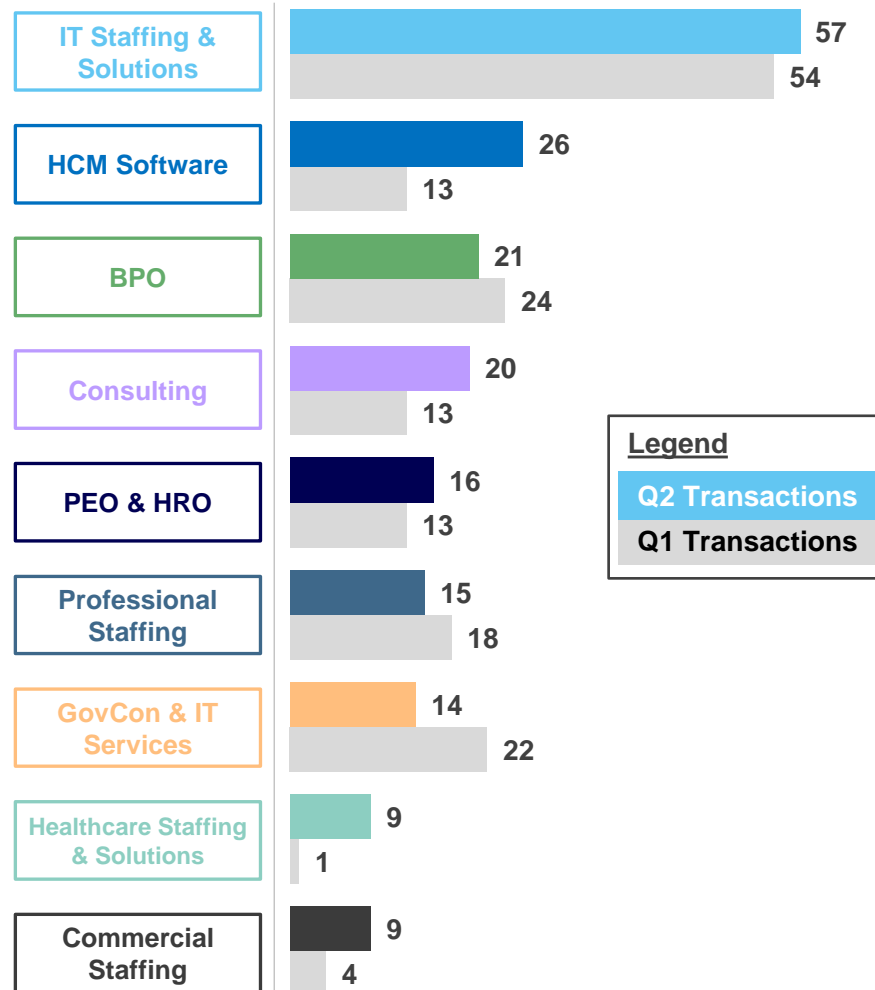


Founders Advisors



















































On June 26th, GHR Healthcare, a leading provider of comprehensive workforce solutions in the healthcare industry, acquired United Anesthesia, a provider of certified registered nurse anesthetists and anesthesiologist staffing. This strategic acquisition marks a significant step in GHR Healthcare's mission to expand its advanced practice and locum tenens staffing services. Founders Advisors acted as the exclusive advisor to United Anesthesia on its sale to GHR Healthcare.

| Date | Target | Buyer | Industry Subgroup |
|--------|--|---|-------------------------|
| Jun-24 |  OperationsInc |  Gallagher | Healthcare Staffing |
| Jun 24 | Belcan |  cognizant | PEO & HRO |
| Jun-24 | MOTION RECRUITMENT |  Kelly | GovCon |
| Jun-24 | TSPi |  Abt | IT Staffing & Solutions |
| May-24 |  Teamable |  HUMANLY | IT Staffing & Solutions |
| May-24 |  allegiantdefense |  BCS LLC | HCM Software |
| Apr-24 |  Intelligence |  firstsource | BPO |

Q2 M&A Activity by Vertical* (187 Total)



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 |     |

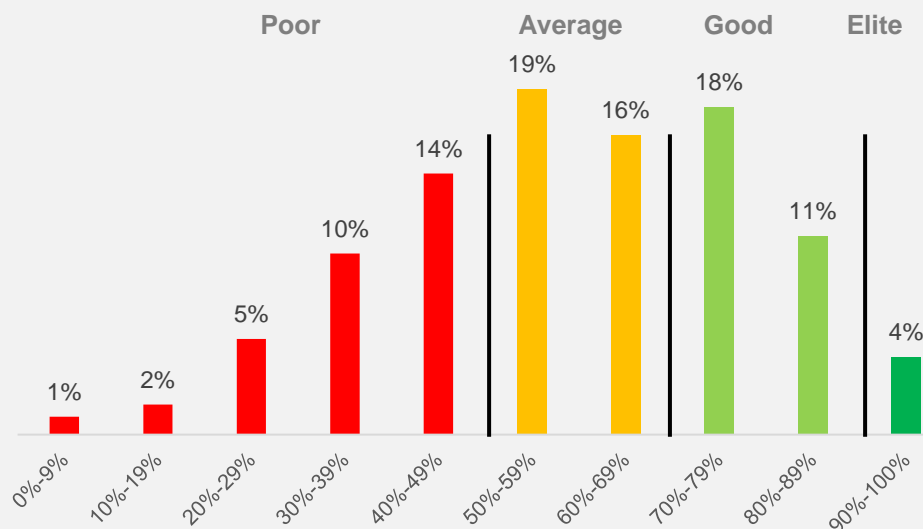
How can I tell if My Company is Exit Ready?

Why it's Important to be Investment Grade

- 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**

12 Key Sections

Questions Curated from Decades of M&A Experience

Only Takes ~15 Minutes

Identifies Areas of Improvement that Maximize EV

2,100+ Assessment Completed by Owners

Prescriptive Report with Highly Useful Data

Scan Here



for Assessment

Complimentary Discount Code:

IGA_NE

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

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

Staffing Services Valuation Scorecard

Below are the key quantitative & qualitative factors that Founders has seen having the most impact on a Staffing Services company's valuation.

| Enterprise Value / EBITDA Multiple | | | | | | | | Importance and Focus |
|------------------------------------|--|------|------|---------------------------|------|--------|--|----------------------|
| 4.0x | 5.0x | 6.0x | 7.0x | 8.0x | 9.0x | 10.0x+ | | |
| Financial Preparedness | Consistent reporting, ability to analyze at the customer level, GAAP → quality of earnings + full audit is likely with investors | | | | | | | |
| Revenue Growth | < 10% | | | > 15% | | | Total Revenue Growth | |
| Gross Margin | < 15% | | | > 25% | | | Gross Margin reflects the scalability of a company, as well as the value of its services | |
| EBITDA Margin | <5% | | | > 12% | | | 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 | > 40% 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 Team | 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 in the temporary candidate 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 | Assignment duration, client quality and tenure, experience of management team, DSO, lack of key man risk, and W2/1099/C2C | | | | | | | |

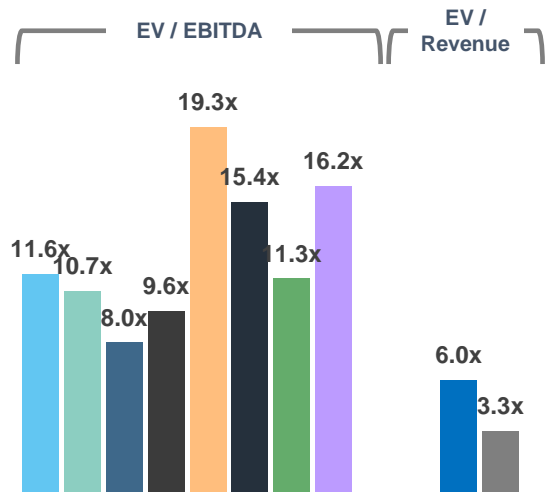


HCM Landscape

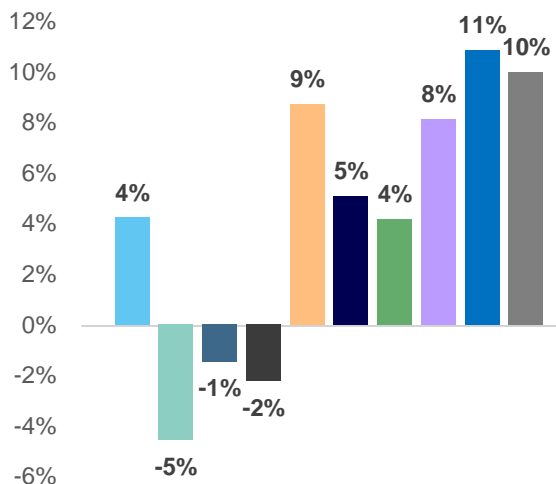


Public Company Valuation Metrics

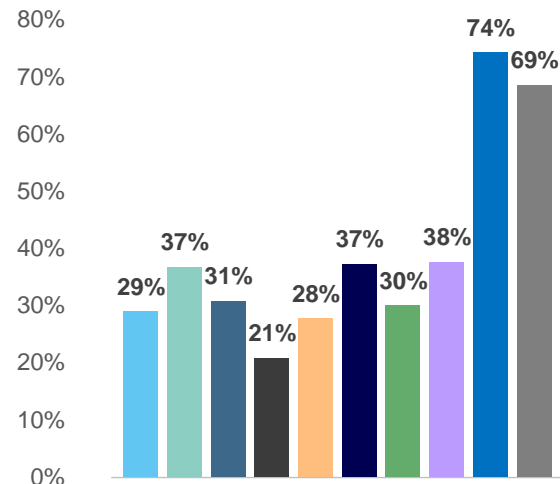
Average Trading Multiple



Average Revenue Growth



Average Gross Margin



Verticals Represented*

IT Staffing & Solutions

Logos: accenture, Capgemini, cognizant, DXC TECHNOLOGY, NTT DATA

Healthcare Staffing & Solutions

Logos: AMN Healthcare, CROSS COUNTRY HEALTHCARE, CALIAN, HURON, HealthStream

Professional Staffing

Logos: Adecco, KORN FERRY, rh, PageGroup, randstad

Commercial Staffing

Logos: Adecco, crit., ManpowerGroup, randstad, trueblue

GovCon & IT Services

Logos: Booz Allen, CACI, SAIC, leidos, maximus

PEO & HRO

Logos: AEP, AON, Insperity, PAYCHEX, wtw

BPO

Logos: CONCENTRIX, IQVIA, wipro, wtw

Management Consulting

Logos: accenture, MarshMcLennan, Booz Allen, Arthur J. Gallagher, Gartner

HCM Software

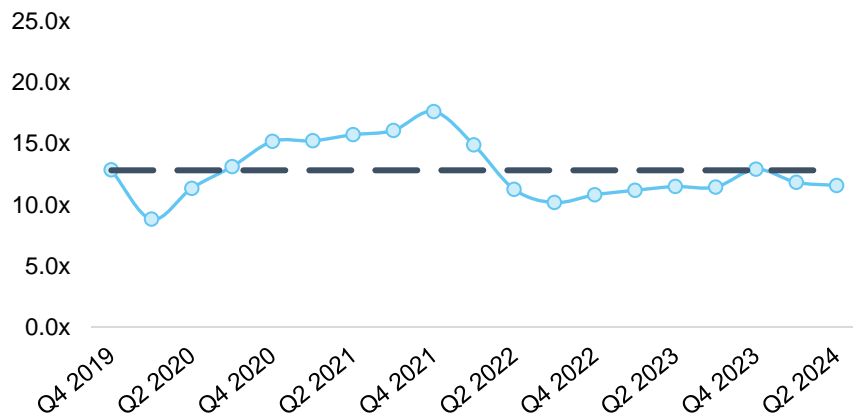
Logos: ORACLE, INTUIT, PAYCHEX, SAP, workday

EdTech

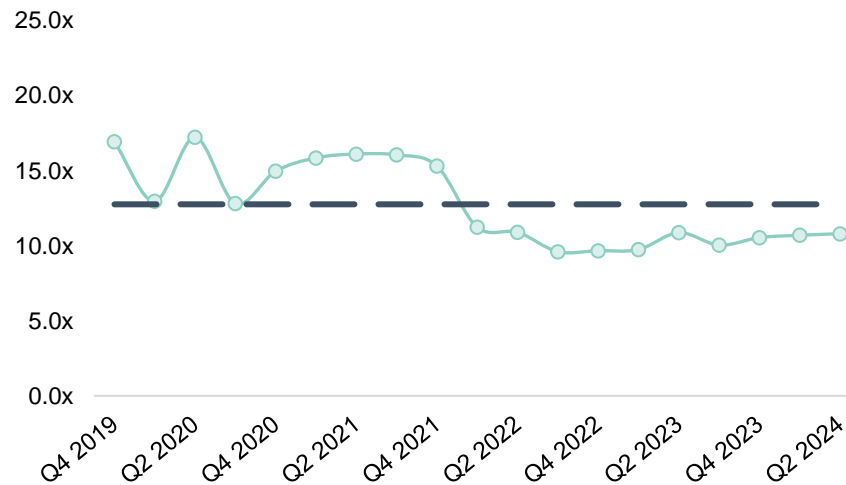
Logos: 2U, coursera, Itg, INSTRUCTURE, udemy

Historical Public Valuations by Segment (EV / EBITDA)

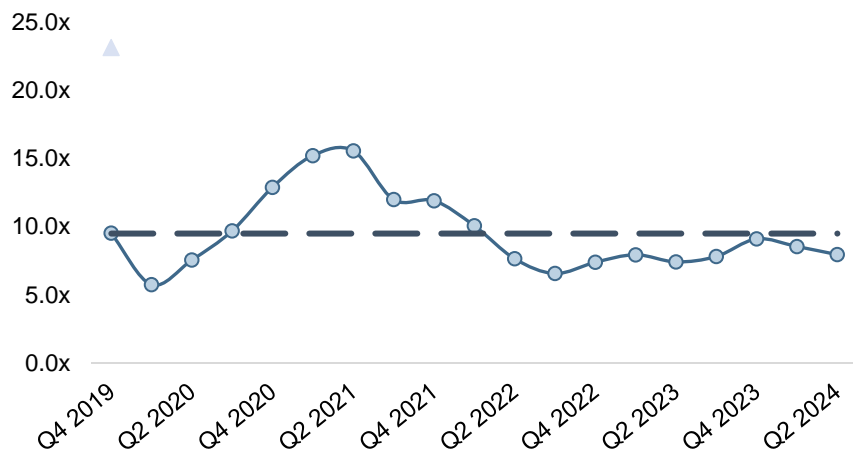
IT Staffing & Solutions



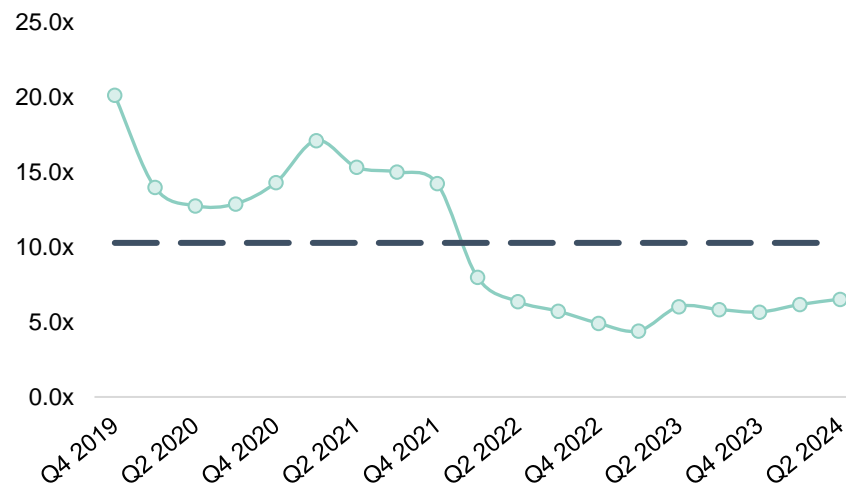
Healthcare Staffing & Solutions



Professional Staffing

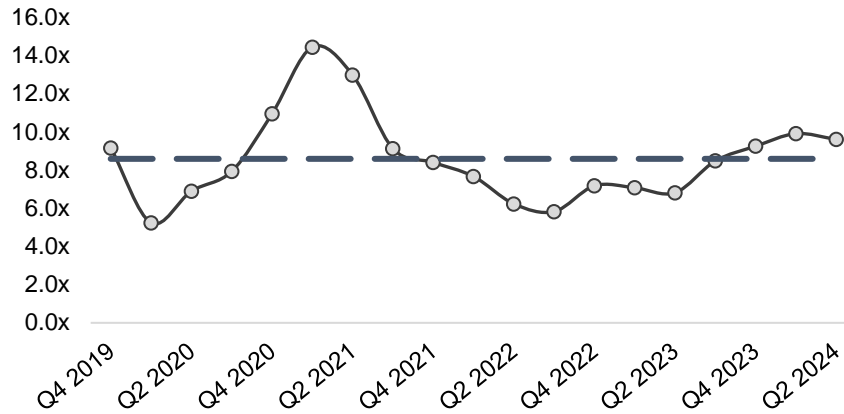


Healthcare Staffing Only

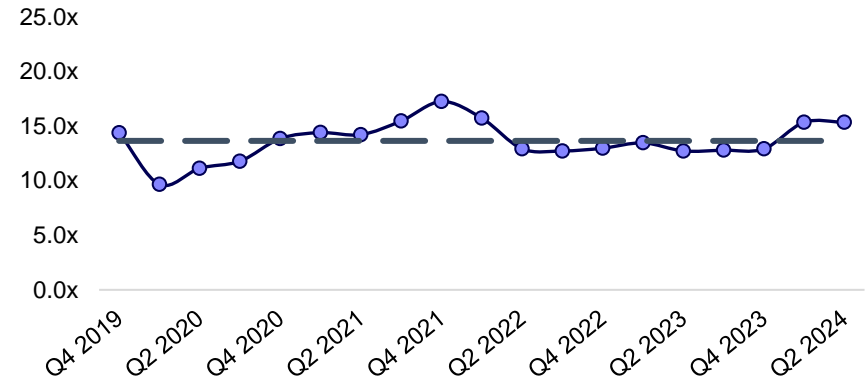


Historical Public Valuations by Segment (EV / EBITDA)

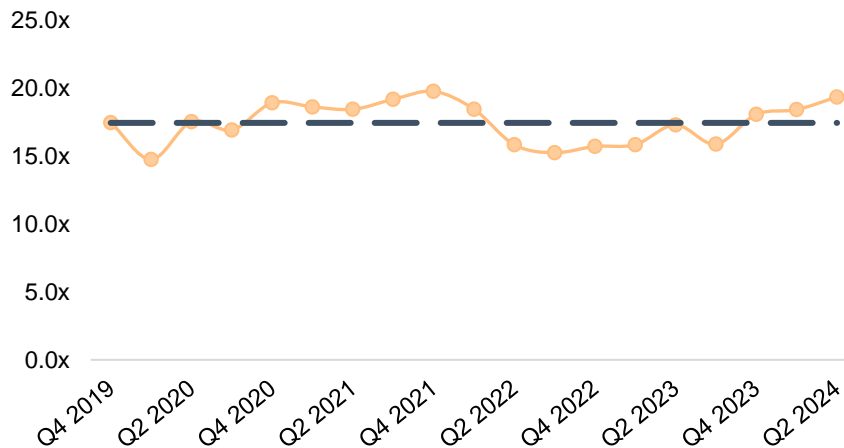
Commercial Staffing



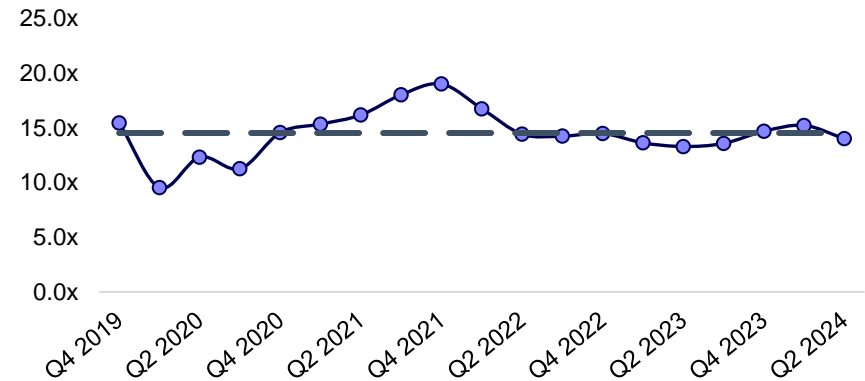
PEO & HRO



GovCon & IT Services

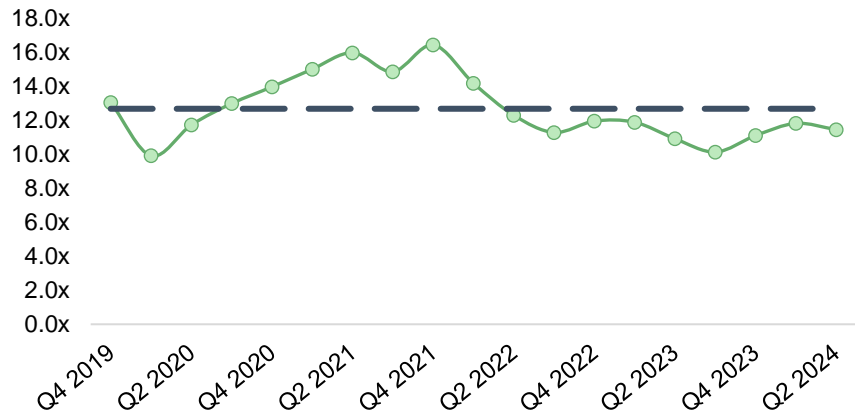


PEO Only

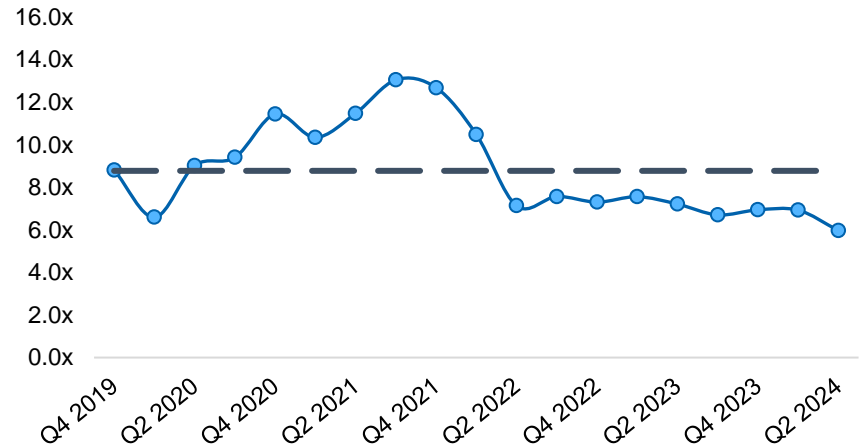


Historical Public Valuations by Segment (EV / EBITDA)

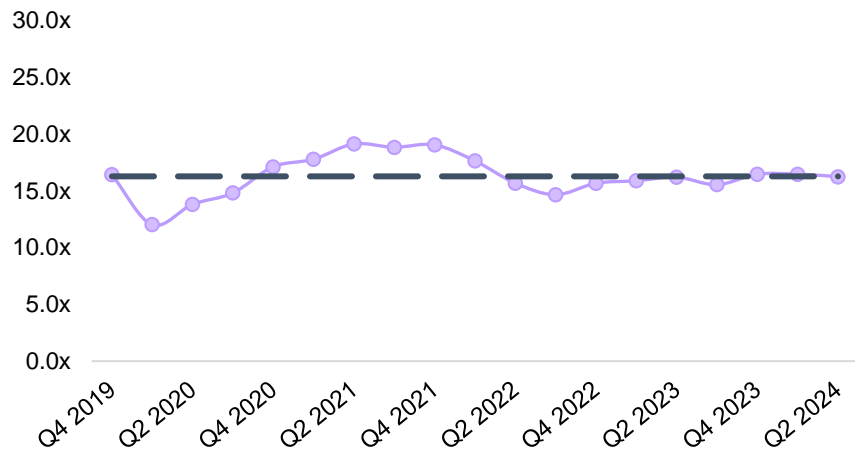
BPO



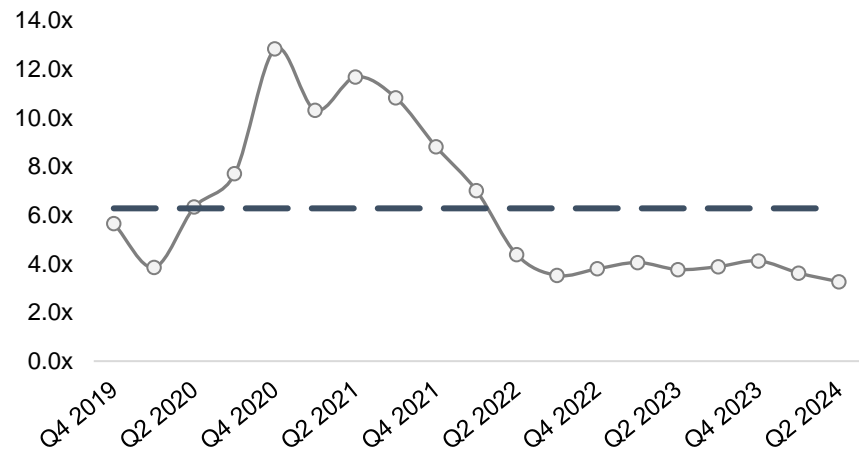
HCM Software (EV/Revenue)



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 | 78% | 189,986 | 64,476 | 10,128 | 1% | 33% | 16% | 2.9x | 18.3x |
| Allgeier | 68% | 275 | 519 | 62 | -3% | 29% | 12% | 0.5x | 4.4x |
| ASGN | 83% | 4,992 | 4,371 | 451 | -5% | 29% | 10% | 1.1x | 11.1x |
| Bechtle | 82% | 5,997 | 6,932 | 558 | 3% | 18% | 8% | 0.9x | 10.8x |
| Calian Group | 84% | 532 | 536 | 51 | 15% | 33% | 10% | 1.0x | 10.4x |
| Capgemini | 80% | 36,965 | 24,371 | 3,267 | 2% | 27% | 13% | 1.5x | 11.3x |
| CGI Group | 84% | 24,040 | 10,727 | 2,072 | 6% | 16% | 19% | 2.2x | 11.6x |
| Cognizant Technology Solutions | 85% | 32,844 | 19,301 | 3,244 | -1% | 34% | 17% | 1.7x | 10.1x |
| Cyient | 74% | 2,434 | 863 | 151 | 19% | 42% | 17% | 2.8x | 16.1x |
| DXC Technology | 66% | 7,340 | 13,667 | 1,626 | -5% | 23% | 12% | 0.5x | 4.5x |
| Genpact | 81% | 6,852 | 4,519 | 770 | 3% | 35% | 17% | 1.5x | 8.9x |
| Globant | 71% | 7,738 | 2,195 | N/A | 19% | 36% | N/A | 3.5x | 21.9x |
| Insight Enterprises | 93% | 7,187 | 9,231 | 513 | -9% | 19% | 6% | 0.8x | 14.0x |
| Mphasis | 86% | 5,440 | 1,604 | 312 | -4% | 29% | 19% | 3.4x | 17.4x |
| Neurones | 83% | 827 | 802 | 161 | 11% | 62% | 20% | 1.0x | 5.1x |
| NTT Data Group | 87% | 40,550 | 30,226 | 4,508 | 25% | 27% | 15% | 1.3x | 9.0x |
| Perficient | 77% | 2,933 | 890 | 144 | -3% | 38% | 16% | 3.3x | 20.4x |
| SAIC | 81% | 8,192 | 7,263 | 854 | -6% | 12% | 12% | 1.1x | 9.6x |
| SThree | 89% | 624 | 1,893 | 114 | 2% | 10% | 6% | 0.3x | 5.5x |
| TechnoPro Holdings | 61% | 1,597 | 1,482 | 186 | 10% | 27% | 13% | 1.1x | 8.6x |
| The Hackett Group | 81% | 619 | 297 | 53 | 4% | 40% | 18% | 2.0x | 11.7x |
| Wipro | 95% | 29,301 | 10,842 | 2,106 | -1% | 30% | 19% | 2.7x | 13.9x |
| Wistron Information | 75% | 283 | 293 | 24 | 13% | 20% | 8% | 1.0x | 11.8x |
| Min | | 275 | 293 | 24 | -9% | 10% | 6% | 0.3x | 4.4x |
| Median | | 5,997 | 4,371 | 482 | 2% | 29% | 14% | 1.3x | 11.1x |
| Mean | | 18,154 | 9,448 | 1,425 | 4% | 29% | 14% | 1.7x | 11.6x |
| Max | | 189,986 | 64,476 | 10,128 | 25% | 62% | 20% | 3.5x | 21.9x |

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 | 46% | 3,212 | 3,484 | 419 | -28% | 33% | 12% | 0.9x | 7.7x |
| Calian Group | 84% | 532 | 536 | 51 | 15% | 33% | 10% | 1.0x | 10.4x |
| Cross Country Healthcare | 48% | 481 | 1,776 | 89 | -33% | 22% | 5% | 0.3x | 4.7x |
| HealthStream | 96% | 784 | 283 | 63 | 5% | 66% | 22% | 2.8x | 12.4x |
| Huron Consulting Group | 87% | 2,376 | 1,400 | 131 | 18% | 30% | 9% | 1.7x | 18.2x |
| Min | | 481 | 283 | 51 | -33% | 22% | 5% | 0.3x | 4.7x |
| Median | | 784 | 1,400 | 89 | 5% | 33% | 10% | 1.0x | 10.4x |
| Mean | | 1,477 | 1,496 | 151 | -5% | 37% | 12% | 1.3x | 10.7x |
| Healthcare Staffing Mean | | 1,846 | 2,630 | 254 | -30% | 27% | 9% | 0.6x | 6.2x |
| Max | | 3,212 | 3,484 | 419 | 18% | 66% | 22% | 2.8x | 18.2x |

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 | 67% | 9,018 | 25,810 | 860 | -1% | 20% | 3% | 0.3x | 10.5x |
| BGSF | 73% | 157 | 307 | 23 | 0% | 35% | 7% | 0.5x | 6.9x |
| Brunel International | 74% | 496 | 1,223 | 85 | 13% | 21% | 7% | 0.4x | 6.3x |
| Freelance.com | 45% | 167 | 924 | 34 | 7% | 4% | 4% | 0.2x | 5.0x |
| Hays | 84% | 2,057 | N/A | N/A | N/A | N/A | N/A | 0.2x | 6.5x |
| Heidrick & Struggles | 87% | 485 | 1,053 | 96 | 2% | 26% | 9% | 0.5x | 5.1x |
| Kforce | 83% | 1,267 | 1,478 | 83 | -13% | 28% | 6% | 0.9x | 15.3x |
| Korn Ferry | 95% | 3,075 | 2,763 | 322 | -3% | 88% | 12% | 1.1x | 9.6x |
| ManpowerGroup | 79% | 4,036 | 18,566 | 301 | -4% | 18% | 2% | 0.2x | 13.4x |
| PageGroup | 84% | 1,714 | 2,499 | 231 | 1% | 50% | 9% | 0.7x | 7.4x |
| Randstad | 71% | 9,165 | 26,965 | 1,157 | -10% | 21% | 4% | 0.3x | 7.9x |
| Resources Connection | 65% | 274 | 669 | 43 | -17% | 39% | 6% | 0.4x | 6.3x |
| Robert Half | 72% | 6,414 | 6,152 | 573 | -14% | 40% | 9% | 1.0x | 11.2x |
| Robert Walters Group | 92% | 399 | 1,323 | 61 | -3% | 36% | 5% | 0.3x | 6.5x |
| SThree | 89% | 624 | 1,893 | 114 | 2% | 10% | 6% | 0.3x | 5.5x |
| Synergie | 86% | 508 | 3,364 | 159 | 7% | 29% | 5% | 0.2x | 3.2x |
| TechnoPro Holdings | 61% | 1,597 | 1,482 | 186 | 10% | 27% | 13% | 1.1x | 8.6x |
| Min | | 157 | 307 | 23 | -17% | 4% | 2% | 0.2x | 3.2x |
| Median | | 1,267 | 1,688 | 137 | 0% | 27% | 6% | 0.4x | 6.9x |
| Mean | | 2,438 | 6,029 | 270 | -1% | 31% | 7% | 0.5x | 8.0x |
| Max | | 9,165 | 26,965 | 1,157 | 13% | 88% | 13% | 1.1x | 15.3x |

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 | 67% | 9,018 | 25,810 | 860 | -1% | 20% | 3% | 0.3x | 10.5x |
| Barrett Business Services | 95% | 751 | 1,080 | 74 | 2% | 22% | 7% | 0.7x | 10.1x |
| GDI Integrated Facility Services | 63% | 853 | 1,845 | 101 | 10% | 18% | 5% | 0.5x | 8.5x |
| Groupe Crit | 76% | 357 | 2,744 | 161 | 9% | 5% | 6% | 0.1x | 2.2x |
| Kelly Services | 85% | 611 | 4,613 | 84 | -7% | 20% | 2% | 0.1x | 7.2x |
| ManpowerGroup | 79% | 4,036 | 18,566 | 301 | -4% | 18% | 2% | 0.2x | 13.4x |
| Randstad | 71% | 9,165 | 26,965 | 1,157 | -10% | 21% | 4% | 0.3x | 7.9x |
| Robert Walters Group | 92% | 399 | 1,323 | 61 | -3% | 36% | 5% | 0.3x | 6.5x |
| TrueBlue | 54% | 340 | 1,844 | (6) | -15% | 26% | 0% | 0.2x | 20.0x |
| Min | | 340 | 1,080 | (6) | -15% | 5% | 0% | 0.1x | 2.2x |
| Median | | 751 | 2,744 | 101 | -3% | 20% | 4% | 0.3x | 8.5x |
| Mean | | 2,837 | 9,421 | 310 | -2% | 21% | 4% | 0.3x | 9.6x |
| Max | | 9,165 | 26,965 | 1,157 | 10% | 36% | 7% | 0.7x | 20.0x |

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 | 83% | 4,992 | 4,371 | 451 | -5% | 29% | 10% | 1.1x | 11.1x |
| Booz Allen Hamilton | 94% | 23,006 | 10,662 | 1,200 | 15% | 54% | 11% | 2.2x | 19.2x |
| CACI International | 98% | 11,440 | 7,325 | 742 | 10% | 8% | 10% | 1.6x | 15.4x |
| Calian Group | 84% | 532 | 536 | 51 | 15% | 33% | 10% | 1.0x | 10.4x |
| ICF International | 94% | 3,460 | 1,974 | 207 | 7% | 36% | 10% | 1.8x | 16.7x |
| Leidos Holdings | 96% | 24,321 | 15,714 | 1,089 | 8% | 15% | 7% | 1.5x | 22.3x |
| Maximus | 95% | 6,504 | 5,124 | 529 | 8% | 23% | 10% | 1.3x | 12.3x |
| Parsons | 96% | 9,771 | 5,805 | 245 | 31% | 22% | 4% | 1.7x | 40.0x |
| Science Applications | 81% | 8,192 | 7,263 | 854 | -6% | 12% | 12% | 1.1x | 9.6x |
| Synergie | 86% | 508 | 3,364 | 159 | 7% | 29% | 5% | 0.2x | 3.2x |
| Tyler Technologies | 99% | 21,786 | 1,992 | 416 | 7% | 44% | 21% | 10.9x | 52.4x |
| Min | | 508 | 536 | 51 | -6% | 8% | 4% | 0.2x | 3.2x |
| Median | | 8,192 | 5,124 | 451 | 8% | 29% | 10% | 1.5x | 15.4x |
| Mean | | 10,410 | 5,830 | 540 | 9% | 28% | 10% | 2.2x | 19.3x |
| Max | | 24,321 | 15,714 | 1,200 | 31% | 54% | 21% | 10.9x | 52.4x |

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 | 71% | 6,685 | 3,138 | 123 | 5% | 34% | 4% | 2.1x | 54.3x |
| Aon | 85% | 74,847 | 13,598 | 3,967 | 7% | 48% | 29% | 5.5x | 18.9x |
| Automatic Data Processing | 93% | 97,702 | 18,912 | 5,495 | 7% | 45% | 29% | 5.2x | 17.8x |
| Barrett Business Services | 95% | 751 | 1,080 | 74 | 2% | 22% | 7% | 0.7x | 10.1x |
| Brunel International | 74% | 496 | 1,223 | 85 | 13% | 21% | 7% | 0.4x | 6.3x |
| CBIZ | 92% | 4,387 | 1,631 | 229 | 11% | 14% | 14% | 2.7x | 19.2x |
| Insperity | 74% | 3,177 | 52,887 | 249 | 6% | 16% | 0% | 0.5x | 12.8x |
| Paychex | 91% | 42,041 | 5,080 | 2,322 | 5% | 72% | 46% | 8.0x | 17.6x |
| Qualicorp | 25% | 309 | 350 | 110 | -11% | 79% | 31% | 0.9x | 2.8x |
| Synergie | 86% | 508 | 3,364 | 159 | 7% | 29% | 5% | 0.2x | 3.2x |
| TriNet Group | 74% | 5,807 | 4,940 | 503 | 1% | 22% | 10% | 1.2x | 11.8x |
| Willis Towers Watson | 94% | 31,636 | 9,912 | 2,003 | 7% | 44% | 20% | 3.3x | 15.8x |
| WNS (Holdings) | 98% | 2,526 | 1,323 | 279 | 8% | 36% | 21% | 1.9x | 9.1x |
| Min | | 309 | 350 | 74 | -11% | 14% | 0% | 0.2x | 2.8x |
| Median | | 4,387 | 3,364 | 249 | 7% | 34% | 14% | 1.9x | 12.8x |
| Mean | | 20,836 | 9,034 | 1,200 | 5% | 37% | 17% | 2.5x | 15.4x |
| PEO Mean | | 29,896 | 16,580 | 1,729 | 4% | 35% | 18% | 3.1x | 14.0x |
| Max | | 97,702 | 52,887 | 5,495 | 13% | 79% | 46% | 8.0x | 54.3x |

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 (Clayton) | 65% | 2,735 | 4,092 | 279 | 0% | 14% | 7% | 0.7x | 9.9x |
| Brunel International | 74% | 496 | 1,223 | 85 | 13% | 21% | 7% | 0.4x | 6.3x |
| Concentrix | 60% | 8,894 | 7,229 | 1,107 | 22% | 36% | 15% | 1.0x | 8.0x |
| Conduent | 80% | 1,723 | 3,721 | 161 | -2% | 22% | 4% | 0.5x | 5.1x |
| Capita | 44% | 1,012 | 3,499 | 60 | -7% | 21% | 2% | 0.3x | 16.8x |
| CBIZ | 92% | 4,387 | 1,631 | 229 | 11% | 14% | 14% | 2.7x | 19.2x |
| ExlService Holdings | 94% | 5,266 | 1,667 | 315 | 12% | 37% | 19% | 3.2x | 16.7x |
| Genpact | 81% | 6,852 | 4,519 | 770 | 3% | 35% | 17% | 1.5x | 8.9x |
| Icon (Consulting Services) | 91% | 29,195 | 8,232 | 1,589 | 5% | 30% | 19% | 3.5x | 18.4x |
| IQVIA | 81% | 50,689 | 15,069 | 3,229 | 4% | 35% | 21% | 3.4x | 15.7x |
| Neurones | 83% | 827 | 802 | 161 | 11% | 62% | 20% | 1.0x | 5.1x |
| Plexus Company | 90% | 3,033 | 3,995 | 222 | -6% | 9% | 6% | 0.8x | 13.7x |
| TaskUs | 86% | 1,311 | 917 | 162 | -4% | 41% | 18% | 1.4x | 8.1x |
| Teleperformance | 59% | 11,195 | 9,030 | 1,719 | 2% | 31% | 19% | 1.2x | 6.5x |
| TTEC Holdings | 16% | 1,285 | 2,406 | 192 | -3% | 21% | 8% | 0.5x | 6.7x |
| Willis Towers Watson | 94% | 31,636 | 9,912 | 2,003 | 7% | 44% | 20% | 3.3x | 15.8x |
| Wipro | 94% | 29,301 | 10,842 | 2,106 | -1% | 30% | 19% | 2.7x | 13.9x |
| WNS (Holdings) | 98% | 2,526 | 1,323 | 279 | 8% | 36% | 21% | 1.9x | 9.1x |
| Min | | 496 | 802 | 60 | -7% | 9% | 2% | 0.3x | 5.1x |
| Median | | 3,710 | 3,858 | 279 | 3% | 30% | 17% | 1.3x | 9.5x |
| Mean | | 10,687 | 5,006 | 815 | 4% | 30% | 14% | 1.7x | 11.3x |
| Max | | 50,689 | 15,069 | 3,229 | 22% | 62% | 21% | 3.5x | 19.2x |

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 | 78% | 189,986 | 64,476 | 10,128 | 1% | 33% | 16% | 2.9x | 18.3x |
| Arthur J. Gallagher & Company | 97% | 63,564 | 9,901 | 2,418 | 21% | 42% | 24% | 6.0x | 26.3x |
| Booz Allen Hamilton | 94% | 23,006 | 10,662 | 1,200 | 15% | 54% | 11% | 2.2x | 19.2x |
| Brunel International | 74% | 496 | 1,223 | 85 | 13% | 21% | 7% | 0.4x | 6.3x |
| BTS Group | 88% | 535 | 257 | 46 | 5% | N/A | 18% | 2.1x | 11.5x |
| CRA International | 92% | 1,330 | 643 | 88 | 8% | 30% | 14% | 2.1x | 15.1x |
| ExlService Holdings | 94% | 5,266 | 1,667 | 315 | 12% | 37% | 19% | 3.2x | 16.7x |
| FTI Consulting | 93% | 7,869 | 3,611 | 447 | 16% | 33% | 12% | 2.2x | 17.6x |
| Gartner | 92% | 36,573 | 5,971 | 1,305 | 6% | 68% | 22% | 6.1x | 28.0x |
| Huron Consulting Group | 87% | 2,376 | 1,400 | 131 | 18% | 30% | 9% | 1.7x | 18.2x |
| Marsh & McLennan Companies | 97% | 117,954 | 23,286 | 6,466 | 10% | 43% | 28% | 5.1x | 18.2x |
| Maximus | 95% | 6,504 | 5,124 | 529 | 8% | 23% | 10% | 1.3x | 12.3x |
| Perficient | 77% | 2,933 | 890 | 144 | -3% | 38% | 16% | 3.3x | 20.4x |
| Resources Connection | 65% | 274 | 669 | 43 | -17% | 39% | 6% | 0.4x | 6.3x |
| WNS | 98% | 2,526 | 1,323 | 279 | 8% | 36% | 21% | 1.9x | 9.1x |
| Min | | 274 | 257 | 43 | -17% | 21% | 6% | 0.4x | 6.3x |
| Median | | 5,266 | 1,667 | 315 | 8% | 37% | 16% | 2.2x | 17.6x |
| Mean | | 30,746 | 8,740 | 1,575 | 8% | 38% | 16% | 2.7x | 16.2x |
| Max | | 189,986 | 64,476 | 10,128 | 21% | 68% | 28% | 6.1x | 28.0x |

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 | 66% | 8,679 | 1,575 | 285 | 19% | 44% | 18% | 5.5x | 30.4x |
| HealthStream | 96% | 784 | 283 | 63 | 5% | 66% | 22% | 2.8x | 12.4x |
| Intuit | 97% | 185,541 | 15,813 | 4,595 | 12% | 79% | 29% | 11.7x | 40.4x |
| New Work (Holding Companies) | 51% | 315 | 323 | 70 | -5% | N/A | 22% | 1.0x | 4.5x |
| Oracle | 97% | 465,870 | 52,961 | 20,943 | 6% | 71% | 40% | 8.8x | 22.2x |
| Paychex | 91% | 42,041 | 5,080 | 2,322 | 5% | 72% | 46% | 8.0x | 17.6x |
| Paycom | 38% | 7,941 | 1,742 | 719 | 18% | 83% | 41% | 4.6x | 11.0x |
| Paycor HCM | 46% | 2,187 | 581 | 70 | 16% | 66% | 12% | 3.5x | 31.3x |
| Paylocity | 57% | 7,005 | 1,354 | 333 | 24% | 69% | 25% | 5.2x | 21.1x |
| SAP | 99% | 232,827 | 34,520 | 5,942 | 5% | 72% | 17% | 6.7x | 39.3x |
| Seek (Human Capital Services) | 77% | 5,934 | 792 | 224 | -3% | 99% | 28% | 7.5x | 26.5x |
| Sage Group | 85% | 14,774 | 2,850 | 597 | 22% | 93% | 21% | 5.2x | 24.7x |
| Workday | 72% | 55,493 | 7,565 | 542 | 17% | 76% | 7% | 7.3x | N/A |
| Min | | 315 | 283 | 63 | -5% | 44% | 7% | 1.0x | 4.5x |
| Median | | 8,679 | 1,742 | 542 | 12% | 72% | 22% | 5.5x | 23.5x |
| Mean | | 79,184 | 9,649 | 2,823 | 11% | 74% | 25% | 6.0x | 23.4x |
| Max | | 465,870 | 52,961 | 20,943 | 24% | 99% | 46% | 11.7x | 40.4x |

Public Equities Index

EdTech

| Name | % of 52 Week High | EV | Revenue | EBITDA | Revenue Growth | Gross Margin | EBITDA Margin | EV / LTM Revenue | EV / LTM EBITDA |
|-----------------------------|-------------------|--------------|------------|-----------|----------------|--------------|---------------|------------------|-----------------|
| BTS Group | 88% | 535 | 257 | 46 | 5% | N/A | 18% | 2.1x | 11.5x |
| Coursera | 34% | 397 | 657 | (114) | 19% | 52% | -17% | 0.6x | N/A |
| Docebo | 69% | 1,092 | 191 | 5 | 25% | 81% | 3% | 5.7x | N/A |
| FranklinCovey | 78% | 476 | 279 | 33 | 1% | 76% | 12% | 1.7x | 14.0x |
| Instructure | 82% | 4,500 | 557 | 151 | 14% | 65% | 27% | 8.1x | 29.8x |
| Learning Technologies Group | 92% | 960 | 699 | 90 | -4% | N/A | 13% | 1.4x | 10.6x |
| Udemy | 54% | 895 | 749 | (74) | 15% | 59% | -10% | 1.2x | N/A |
| Min | | 397 | 191 | (114) | -4% | 52% | -17% | 0.6x | 10.6x |
| Median | | 895 | 557 | 33 | 14% | 65% | 12% | 1.7x | 12.7x |
| Mean | | 1,265 | 484 | 20 | 11% | 67% | 7% | 3.0x | 16.5x |
| Max | | 4,500 | 749 | 151 | 25% | 81% | 27% | 8.1x | 29.8x |

Founders Advisors Overview

Founders Advisors' Technology and Business Services Team

Neal England | *Managing Director*
nengland@foundersib.com

Chris Weingartner | *Managing Director*
cweingartner@foundersib.com

Billy Pritchard | *Director*
bpritchard@foundersib.com

Chris Jenkins | *Vice President*
cjenkins@foundersib.com

Tucker Helms | *Associate*
thelms@foundersib.com

Adam Crawford | *Senior Analyst*
acrawford@foundersib.com

Robert Reed | *Analyst*
rreed@foundersib.com

Rachael Jenkins | *Practice Group Manager*
rjenkins@foundersib.com

Zane Tarence | *Managing Director*
ztarence@foundersib.com

Brad Johnson | *Director*
bjohnson@foundersib.com

William Short | *Vice President*
wshort@foundersib.com

Swede Umbach | *Associate*
sumbach@foundersib.com

Hampton Simms | *Senior Analyst*
hsimms@foundersib.com

James Childs | *Analyst*
jchilds@foundersib.com

AK Cavnar | *Analyst*
akcavnar@foundersib.com

Relevant Transactions



BIRMINGHAM | **DALLAS**

2400 Fifth Avenue South, Suite 100 • Birmingham, AL 35233 • 205.949.2043

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