



BUSINESS SERVICES

*Quarterly Update
First Quarter 2020*



RESTRUCTURING • INVESTMENT BANKING • DISTRESSED ASSET SUPPORT SERVICES

Table Of Contents

Recent Representative Engagements

page **4**

Market Overview

page **6**

Notable Industry Developments

page **10**

Selected M&A Transactions By Sector

page **12**

Valuation Metrics By Sector

page **18**

Notes

page **22**



Q1 2020 Highlights

May 2020

After outperforming the broader markets during the first two months of 2020, the SCA Business Services Index was significantly impacted by the COVID-19 economic lockdowns, declining by 25.7% for the First Quarter of 2020. While all sectors of Business Services experienced material declines, the Professional Staffing sector was particularly impacted, with the index of public staffing companies declining by one-third as companies across all industries furloughed employees at all levels.

With the U.S. economy shedding 21 million jobs in April and the unemployment rate spiking to 14.7%, the U.S. staffing industry revenue is projected to decline by 21% in 2020, according to *Staffing Industry Analysts*. Although staffing experienced the largest initial impact, all sectors of Business Services have seen a significant decline in revenue as the U.S. economy saw virtually all new business investment put on hold, with companies pulling back on everything from marketing and advertising, to IT projects, employee training and consulting initiatives.

Prior to the COVID-19 economic shutdowns that began in early March, M&A activity in the Business Services sector appeared to be heating up, with several notable strategic acquisitions. These included:

- AMN Healthcare Services Inc. (NYSE: AHS) acquired Stratus Video, a provider of video language interpretation services for the healthcare industry, for \$475 million
- Science Applications International (NYS: SAIC) acquired Unisys Federal, a leading information technology provider to U.S. federal civilian agencies, for \$1.2 billion
- K12 Inc. (NYSE: LRN) acquired leading training provider Galvanize Inc. for \$165 million
- ASGN Inc. (NYSE: ASGN) acquired the federal division of Blackstone Technology Group for \$85 million

While we anticipate that investment and acquisition activity in the Business Services sector will recover over the next year, the next two quarters will be challenging. A possible shakeout of competition in several sectors is likely, as smaller competitors close due to weak demand for various business to business services.

We welcome your comments and hope you find our *SOLiConnect* report informative.

Gregory Hagood
Head of Investment Banking
Senior Managing Director
ghagood@soliccapi.com

Edward R. Casas
Chairman & CEO
Senior Managing Partner
ecapas@soliccapi.com

 *Recent Representative Engagements **

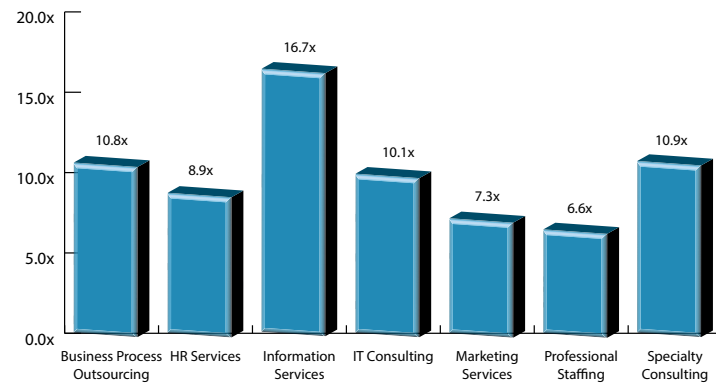
Page Left Intentionally Blank

| | | | | |
|--|---|---|---|--|
| HEALTHCARE |  has merged with  Financial Advisor to Rockford Health System | \$75,000,000  has affiliated with  Financial Advisor to Community Memorial Healthcenter | \$690,600,000 Sale of Assets on behalf of  MedCath Corporation (Nasdaq: MDTH) Sell Side Advisor |  has acquired an interest in  Financial Advisor to Physician Members of Siouxland Surgery Center |
| FINANCIAL SERVICES | \$100,000,000 Capital Placement  Placement Agent and Financial Advisor | \$750,000,000 Assets under Management  Fiduciary Oversight | \$150,000,000 Sale of REO Portfolio  Sell Side Advisor | \$4,500,000,000 of Assets  Financial Advisor |
| REAL ESTATE AND INFRASTRUCTURE | \$357,000,000  has been acquired by  Sell Side Advisor | \$118,000,000 Sale of senior notes secured by property located at 610 Lexington Avenue New York  Financial Advisor | \$212,320,000 Debt Restructuring  The Westland Project Albuquerque, New Mexico Financial Advisor | \$87,000,000 Debt Restructuring for the Illinois Tollway Oasis Project  Financial Advisor |
| ENERGY | Pre Restructuring Invested Capital of Over \$800,000,000  Financial and Restructuring Advisor in Connection with Chapter 11 Bankruptcy | \$240,600,000 Restructured Debt  Restructuring Advisor |  Financial Advisor to Chairman of the Board and its Disinterested Directors in Connection with Chapter 11 Bankruptcy |  Pasadena Tank Corporation has merged with  HMT, Inc. a company sponsored by Berkshire Partners LLC Financial Advisor to Pasadena Tank Corporation |
| MANUFACTURING, BUSINESS SERVICES, OTHER |  has acquired  Tandem Staffing Solutions, Inc. an affiliate of Cerberus Capital Management Buy Side Advisor |  has been acquired by  (TSX:SMT) Sell Side Advisor |  has completed a capital restructuring of \$280,000,000 of senior debt and \$100,000,000 of subordinated debt Financial Advisor | \$177,000,000  has been acquired by  a Company Sponsored by  Buy Side Advisor |

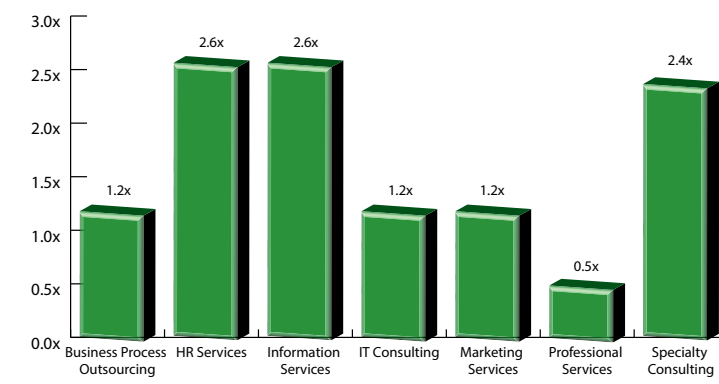
* Includes transactions led by the team of SOLIC professionals at predecessor firms

Market Overview

Enterprise Value to NTM EBITDA by SCA Sector

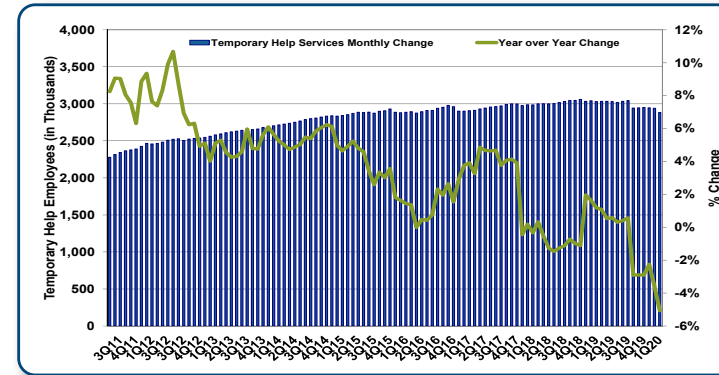


LTM Annual Revenue Growth by SCA Sector

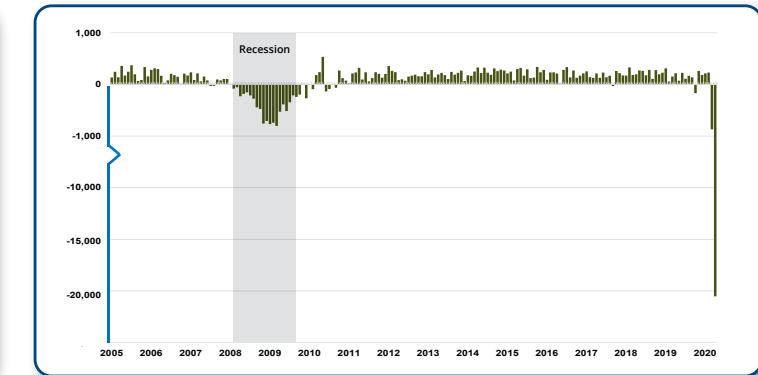


Revenue and EBITDA valuation multiples dropped sharply in Q1 2020, while reported deal volume significantly dropped from 221 deals in Q4 2019 to 175 in Q1 2020

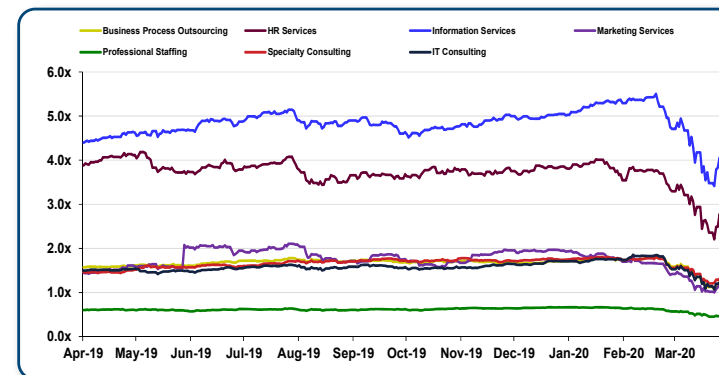
Temporary Help Services Trends



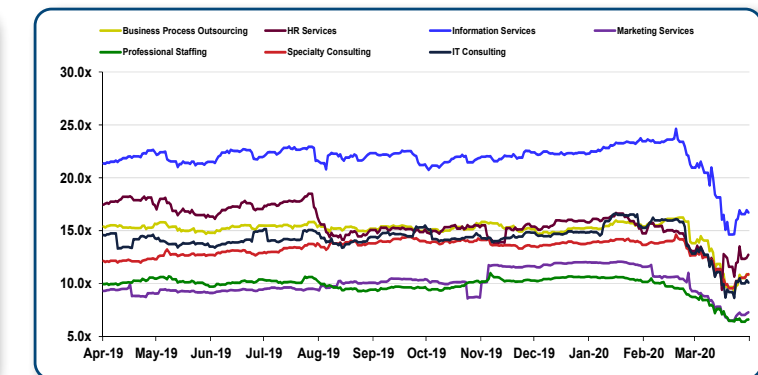
Net Change in U.S. Employment



Business Services Sectors Total Enterprise Value / Revenue



Business Services Sectors Total Enterprise Value / EBITDA

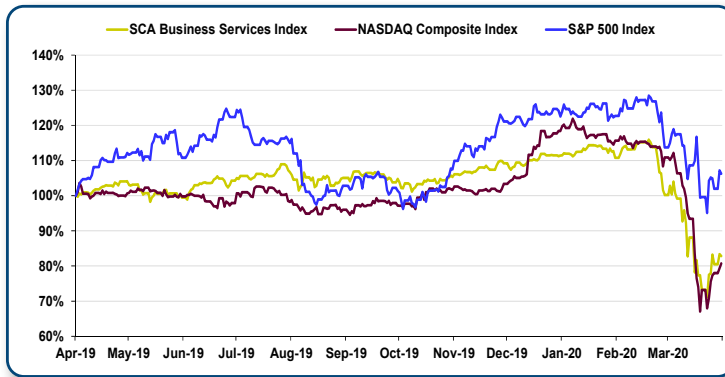


* Please see pages 18-21 for SCA Business Services Universe and additional information in the "Notes" section at the end of this report

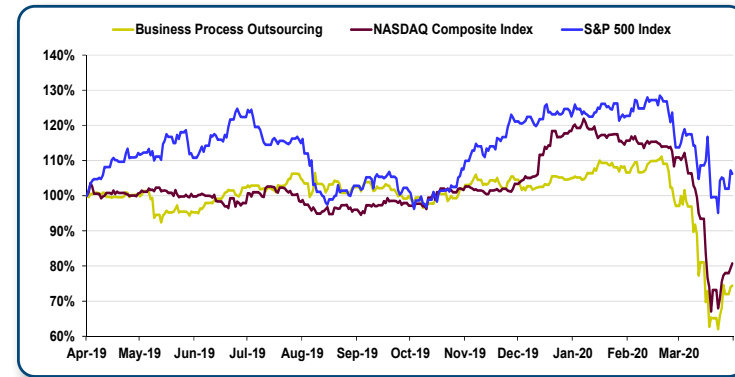
Sector Stock Performance (one year)



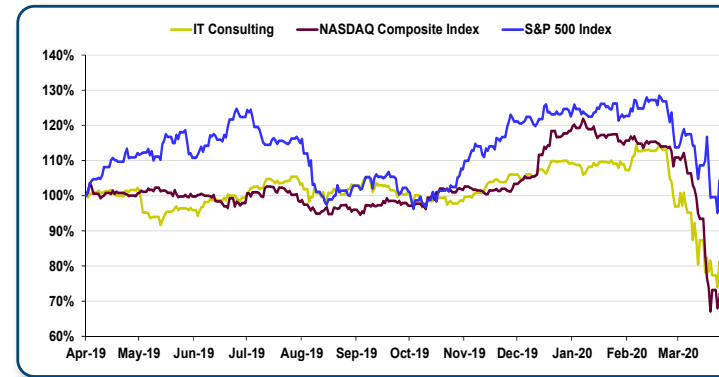
SCA Business Services Universe vs. S&P 500



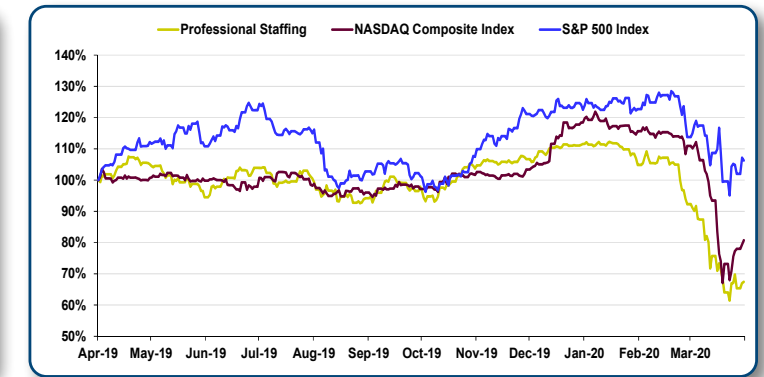
SCA Business Process Outsourcing Sector vs. S&P 500



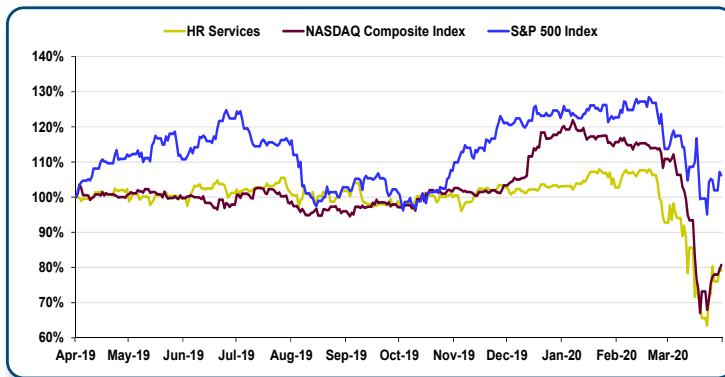
SCA IT Consulting Sector vs. S&P 500



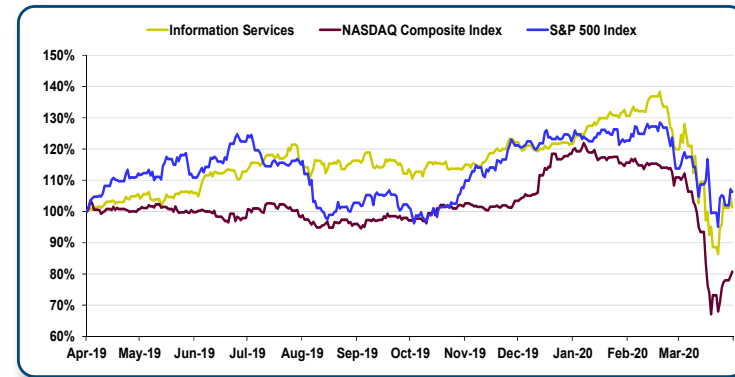
SCA Professional Staffing Sector vs. S&P 500



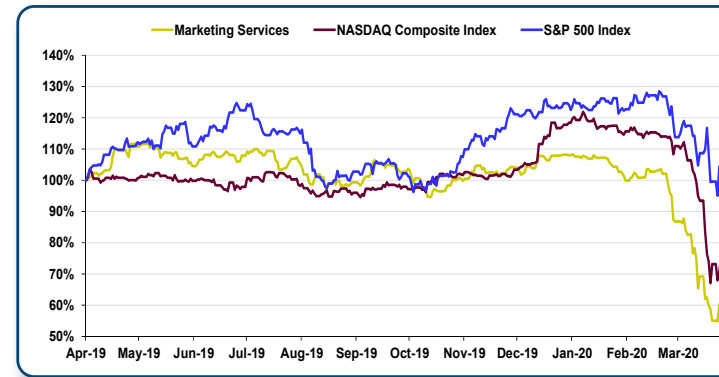
SCA HR Services Sector vs. S&P 500



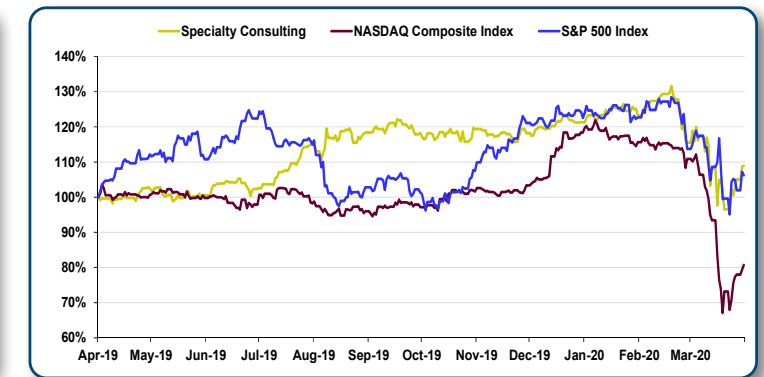
SCA Information Services Sector vs. S&P 500



SCA Marketing Services Sector vs. S&P 500



SCA Specialty Consulting Sector vs. S&P 500



* Please see pages 18-21 for SCA Business Services Universe and additional information in the "Notes" section at the end of this report

Notable Industry Developments



March Employment Drops from February, Losing 27,000 Jobs

According to the March ADP National Employment Report, total nonfarm payroll employment decreased by -27,000 jobs, compared to the previous month. Goods-producing employment decreased by 9,000 jobs in March after experiencing growth in January of +11,000 jobs. Service-providing employment rose by -18,000 jobs in March, a significant decline from the gain of +172,000 last month. By sector, Education & Health increased by +48,000 jobs in March, Professional & Business declined by -3,000, Leisure & Hospitality declined by -11,000, Transportation & Utilities declined by -3,000, Construction decreased by -16,000 jobs, and Manufacturing increased by +6,000 jobs. The unemployment rate increased compared to the prior month, at 4.4% in March. Q1 employment momentum has halted across most industries and company sizes as a result of the COVID-19 outbreak, recent bearish market outlook, and large increase in fiscal stimulus.

Q1 GDP Slides 4.8% as the COVID-19 Outbreak Stuns Global Markets

The Bureau of Labor Statistics reported an estimated Q1 GDP drop of -4.8%, down from +2.1% in the fourth quarter. The decrease in real GDP in the first quarter reflected negative contributions from personal consumption expenditures (PCE), nonresidential fixed investment, exports, and private inventory investment that were partly offset by positive contributions from residential fixed investment, federal government spending, and state and local government spending. Imports, which are a subtraction in the calculation of GDP, decreased likewise. The decrease in PCE reflected decreases in services, led by health care, and goods, led by motor vehicles and parts. The decrease in nonresidential fixed investment primarily reflected a decrease in equipment, led by transportation equipment. The decrease in exports primarily reflected a decrease in services, led by travel.

First Quarter 2020

Growth Halted in Temporary Penetration Rate

First quarter 2020 marked the end of the 40th consecutive quarter of year-over-year increases in demand for temporary workers. Demand for temporary workers in the U.S. is expected to decrease 28.7% on a seasonally adjusted basis for the second quarter 2020, when compared with the same period in 2019 due to the COVID-19 outbreak, according to the Palmer Forecast. According to the Bureau of Labor Statistics (BLS), results for temporary help for the preceding 2020 first quarter decreased by 1.1%. There were 49,500 temporary jobs lost in March. The "temporary penetration rate" represents the percentage of temporary workers to total workers and is commonly used as a metric to track the staffing sector. The temporary penetration rate is significant, as marginal increases have a larger macroeconomic impact, amplifying growth as the broader labor market improves. It represents temporary help as a percentage of total employments, a proxy for short-term labor demand. In March 2020, the participation rate dropped 70 bps from February to 62.4%. The temporary employment market continues to show major decline, primarily due to anemic GDP growth, as well as domestic and worldwide economic uncertainty.

Small Business Optimism Deteriorates in First Quarter 2020

The most recent National Federation of Independent Business (NFIB) report stated the NFIB Small Business Optimism Index fell in March, down -17.0 points from the prior month. No confirmed sign of a recession had been identified but unemployment, capital spending, and inventory investment are all predicted to have a negative outlook. Per the report, as reported in NFIB's monthly jobs report, job creation plans fell eight points to a net 1%, the lowest level since December 2012. Three times as many owners reduced employment as reported an increase in their workforce. The Global Uncertainty Index has risen +111 points over the past three months, as more owners are unable to make a statement confidently, good or bad, about the future of economic conditions.

Selected M&A Transactions



| Date | Target | Buyer | Enterprise Value (\$ mm) | Enterprise Value / Revenue | Enterprise Value / EBITDA |
|-------------------------------------|---|----------------------------|--------------------------|----------------------------|---------------------------|
| Business Process Outsourcing | | | | | |
| 3/17/2020 | Monaeo | Topia | n/a | n/a | n/a |
| Description: | Topia acquired Monaeo, a provider of outsourcing services with a cloud-based tax compliance and data analytics platform designed to control tax risks created by travel. | | | | |
| 2/24/2020 | JPD Financial, Inc | Glantus Limited | n/a | n/a | n/a |
| Description: | Glantus Limited acquired JPD Financial, Inc., a business process outsourcing firm based in San Jose, California. | | | | |
| 2/24/2020 | ItsBchain | iQSTEL (PINX: IQST) | n/a | n/a | n/a |
| Description: | iQSTEL (OTC: IQST) acquired ItsBchain, a provider of business process outsourcing and developer of in-house telecom blockchain solutions. The company is based in Coral Gables, Florida. | | | | |
| 2/4/2020 | Activer Solutions | Xceedance Inc. | n/a | n/a | n/a |
| Description: | Xceedance Inc. acquired Activer Solutions, a provider of business process outsourcing services to the property and casualty insurance industry based in Marlborough, Massachusetts. | | | | |
| 2/4/2020 | Knoah Solutions, Inc. | 24-7 Intouch, Inc. | n/a | n/a | n/a |
| Description: | 24-7 Intouch, Inc. acquired Knoah Solutions, Inc., an offshore outsourcing company which provides multi-channel customer and technical support, and business process outsourcing services. The company is based in Henderson, Nevada. | | | | |
| 1/23/2020 | Educe | Expo Group | n/a | n/a | n/a |
| Description: | Expo Group acquired Educe, a provider of events and engagement strategy for higher education institutions. | | | | |
| 1/8/2020 | Andesa Services, Inc. | Company Management | n/a | n/a | n/a |
| Description: | The company management of Andesa Services, Inc. acquired the company. Andesa Services, Inc. develops a range of software-as-a-service (SaaS) solutions for insurance brokers and business process outsourcing services and is based in Allentown, Pennsylvania. | | | | |
| 1/3/2020 | Acline HR | Lyons HR | n/a | n/a | n/a |
| Description: | Lyons HR acquired Acline HR, a provider of employee leasing, payroll, human resources, work compensation, outsourcing and supplemental employee benefit services. The company is based in Punta Gorda, Florida. | | | | |

| Date | Target | Buyer | Enterprise Value (\$ mm) | Enterprise Value / Revenue | Enterprise Value / EBITDA |
|----------------------------|---|--|--------------------------|----------------------------|---------------------------|
| Consulting Services | | | | | |
| 3/2/2020 | Fine Points Professionals | FlashPoint Leadership | n/a | n/a | n/a |
| Description: | FlashPoint Leadership acquired Fine Points Professionals, a provider of leadership consulting services based in Colorado Springs, Colorado. | | | | |
| 2/26/2020 | Brennan Environmental | J.S. Held; Kelso Private Equity | n/a | n/a | n/a |
| Description: | Brennan Environmental was acquired by J.S. Held, via its financial sponsor Kelso Private Equity, through an LBO. Brennan Environmental provides environmental consulting services and is based in Summit, New Jersey. | | | | |
| 2/12/2020 | Affiliated Benefit Consultants | Arthur J. Gallagher & Company (NYSE: AJG) | n/a | n/a | n/a |
| Description: | Arthur J. Gallagher & Company (NYSE: AJG) acquired Affiliated Benefit Consultants, a provider of consulting services to its clients based in Oak Brook, Illinois. | | | | |
| 1/28/2020 | Baker-Meekins | Evergreen Advisors | n/a | n/a | n/a |
| Description: | Evergreen Advisors acquired Baker-Meekins, a provider of consultancy services based in Lutherville-Timonium, Maryland. | | | | |
| 1/23/2020 | Crabtree, Rowe & Berger | Carr, Riggs & Ingram | n/a | n/a | n/a |
| Description: | Carr, Riggs & Ingram acquired Crabtree, Rowe & Berger, a provider of financial consulting and accounting services based in Huntsville, Alabama. | | | | |
| 1/1/2020 | HighPointe Financial Group | Synergy Wealth Solutions | n/a | n/a | n/a |
| Description: | Synergy Wealth Solutions acquired HighPointe Financial Group, a provider of financial consultancy services based in Overland Park, Kansas. | | | | |

| Date | Target | Buyer | Enterprise Value (\$ mm) | Enterprise Value / Revenue | Enterprise Value / EBITDA |
|--------------------|---|---|--------------------------|----------------------------|---------------------------|
| HR Services | | | | | |
| 2/10/2020 | Avesta Systems | Clearlake Capital Group; OnShift | n/a | n/a | n/a |
| Description: | Avesta Systems was acquired by OnShift, via its financial sponsor Clearlake Capital Group, through an LBO. Avest Systems is a developer of customized software applications designed for EMS organizations. | | | | |
| 1/9/2020 | ShiftPixy - PEO Business | Vensure Employer Services | \$19.0 | n/a | n/a |
| Description: | The PEO business of ShiftPixy was acquired by Vensure Employers Services for \$19 million. The company is a provider of human resources services based in Irvine, California. | | | | |

| IT Services | | | | | |
|--------------------|--|--|----------|------|-----|
| 3/16/2020 | Unisys Federal | Science Applications International (NYSE: SAIC) | \$1200.0 | 1.7x | n/a |
| Description: | Unisys Federal was acquired by Science Applications International (NYS: SAIC) for \$1.2 billion. The company is an information technology provider to U.S. federal civilian agencies and the Department of Defense. The company is based in Blue Bell, Pennsylvania. | | | | |
| 3/3/2020 | Trexel - Solution Provider Division | Nordicom Technologies | n/a | n/a | n/a |
| Description: | Nordicom Technologies acquired The Solution Provider Division of Trexel, a provider of information technology solutions based in Duluth, Georgia. | | | | |
| 2/13/2020 | Circle Media - Operator Business | Smith Micro Software (NasdaqGS: SMSI) | \$13.5 | n/a | n/a |
| Description: | The Operator Business unit of Circle Media was acquired by Smith Micro Software (NAS: SMSI) for \$13.5 million. The company is a developer of digital parental control applications based in Portland, Oregon. | | | | |
| 2/4/2020 | ComputerHABITS | Pact-One Solutions | n/a | n/a | n/a |
| Description: | ComputerHABITS was acquired by Pact-One Solutions, a subsidiary of Executech. ComputerHABITS is a provider of information technology solutions for the healthcare and dental practice sector. | | | | |

| Date | Target | Buyer | Enterprise Value (\$ mm) | Enterprise Value / Revenue | Enterprise Value / EBITDA |
|--------------|--|--------------------------|--------------------------|----------------------------|---------------------------|
| 1/27/2020 | Blackstone Federal Services | ASGN (NYSE: ASGN) | \$85.0 | 1.9x | n/a |
| Description: | Blackstone Federal Services, a subsidiary of Blackstone Technology Group, was acquired by ASGN (NYSE: ASGN) for \$85 million. The company is an information technology provider and engineering services based in Arlington, Virginia. | | | | |
| 1/2/2020 | AWI Networks | Infowest | n/a | n/a | n/a |
| Description: | Infowest acquired AWI Networks, a provider of internet services based in Saint George, Utah. | | | | |

| Marketing Services | | | | | |
|---------------------------|---|--|-----|-----|-----|
| 3/16/2020 | BH Media Group | Lee Enterprises (NYSE: LEE) | n/a | n/a | n/a |
| Description: | BH Media Group, a subsidiary of Berkshire Hathaway (NYSE: BRK.B), was acquired by Lee Enterprises (NYSE: LEE). The company is an operator of a media organization which distributes print and digital media in markets across the country. | | | | |
| 2/6/2020 | Archer Group | Bounteous; Mountaingate Capital | n/a | n/a | n/a |
| Description: | Archer Group was acquired by Bounteous, via its financial sponsor Mountaingate Capital, through an LBO. The company offers various services including digital strategy, experience design, usability research, technology, and media marketing. | | | | |
| 2/5/2020 | Blackbird | Intermediate Capital Group (LON: ICP) | n/a | n/a | n/a |
| Description: | Blackbird was acquired by Schireson, via its financial sponsor Intermediate Capital Group, through an LBO. The company provides marketing and advertising services and is based in New York. | | | | |
| 1/15/2020 | ANGLES Public Relations | Knoodle Advertising | n/a | n/a | n/a |
| Description: | Knoodle Advertising acquired ANGLES Public Relations, a provider of marketing, public relations and advertising services for growth oriented businesses. | | | | |
| 1/6/2020 | Compass Marketing Solutions | MeritDirect; Mountaingate Capital | n/a | n/a | n/a |
| Description: | Compass Marketing Solutions was acquired by MeritDirect, via its financial sponsor Mountaingate Capital, through an LBO. The company provides targeted sales and marketing information for both businesses and consumers. | | | | |

| Date | Target | Buyer | Enterprise Value (\$ mm) | Enterprise Value / Revenue | Enterprise Value / EBITDA |
|--------------|---|-----------------------------|--------------------------|----------------------------|---------------------------|
| 1/3/2020 | Converlytics | ManyChat | n/a | n/a | n/a |
| Description: | ManyChat acquired Converlytics, a company which specializes in marketing analysis services and is based in California. | | | | |
| 1/3/2020 | Acceleration Music Group | Fusion Entertainment | n/a | n/a | n/a |
| Description: | Fusion Entertainment acquired Acceleration Music Group, a provider of music marketing services based in Nashville, Tennessee. | | | | |

Professional Staffing

| | | | | | |
|--------------|---|---|-----|-----|-----|
| 3/5/2020 | Roberts Companies | PTS Advance | n/a | n/a | n/a |
| Description: | PTS Advance acquired The Roberts Companies, a provider of staffing services to professionals and individuals based in California. | | | | |
| 2/10/2020 | Zen Cloud Technologies | 10Pearls | n/a | n/a | n/a |
| Description: | 10Pearls facquired Zen Cloud Technologies, a provider of staffing and consultancy services based in San Francisco, California. | | | | |
| 2/7/2020 | Corvirtus | Jeniffer Yugo | n/a | n/a | n/a |
| Description: | Corvirtus was acquired in a management buyout by Jeniffer Yugo for an undisclosed amount on February 7, 2020. The company specializes in talent management, solutions for hiring and retaining talent and is based in Colorado Springs, Colorado. | | | | |
| 1/7/2020 | Midwest Executive Search | Versique Search & Consulting | n/a | n/a | n/a |
| Description: | Versique Search & Consulting acquired Midwest Executive Search which specializes in banking and financial services placement for employers and candidates and is based in Saint Paul, Minnesota. | | | | |

Page Left Intentionally Blank

Valuation Metrics by Sector

| Ticker | Company Name | Stock Price | % of 52 Week High | Market Cap (\$mm) | Enterprise Value (\$mm) | Enterprise Value to: | | | P/E |
|--|---------------------------|-------------|-------------------|-------------------|-------------------------|----------------------|------------|------------|-------|
| | | | | | | LTM Revenue | LTM EBITDA | NTM EBITDA | |
| Business Process Outsourcing ^[1] | | | | | | | | | |
| CNDT | Conduent | \$2.45 | 17.3% | \$519.1 | \$1,999.1 | 0.4x | nm | 4.4x | nm |
| EXLS | ExlService Holdings | 52.03 | 65.2% | 1,788.0 | 1,801.1 | 1.8x | 10.4x | 9.4x | 26.7x |
| G | Genpact | 29.20 | 64.6% | 5,559.6 | 6,926.1 | 2.0x | 12.1x | 9.5x | 18.7x |
| PRGX | PRGX Global | 2.80 | 32.9% | 66.5 | 99.3 | 0.6x | 53.3x | 3.5x | nm |
| PRSC | Providence Service | 54.88 | 76.3% | 714.9 | 752.2 | 0.5x | 62.0x | 12.2x | nm |
| SYKE | Sykes Enterprises | 27.12 | 70.9% | 1,126.8 | 1,276.3 | 0.8x | 8.1x | 6.8x | 17.7x |
| TTEC | TTEC | 36.72 | 72.8% | 1,707.2 | 2,149.5 | 1.3x | 10.9x | 9.1x | 22.3x |
| WNS | WNS Global Services | 42.98 | 56.7% | 2,133.7 | 2,173.1 | 2.4x | 12.7x | 8.2x | 19.0x |
| | | | | | Mean | 1.2x | 10.8x | 7.9x | 20.9x |
| HR Services ^[2] | | | | | | | | | |
| JOBS | 51job | \$61.39 | 63.2% | \$4,074.1 | \$2,700.2 | 4.7x | 31.8x | nm | 53.2x |
| ADP | Automatic Data Processing | 136.68 | 75.0% | 59,012.2 | 59,869.4 | 4.1x | 16.3x | 14.4x | 24.1x |
| BBSI | Barrett Business Services | 39.64 | 41.4% | 298.4 | 199.8 | 0.2x | 3.0x | 3.6x | 6.3x |
| DHX | DHI Group | 2.16 | 48.6% | 118.8 | 143.1 | 1.0x | 5.3x | 4.6x | 9.0x |
| NSP | Insperity | 37.30 | 25.7% | 1,468.9 | 1,395.1 | 0.3x | 6.5x | 5.3x | 10.1x |
| PAYX | Paychex | 62.92 | 69.5% | 22,570.4 | 22,669.6 | 5.5x | 13.4x | 13.9x | 20.5x |
| | | | | | Mean | 2.6x | 8.9x | 8.4x | 14.0x |

[1] PRGX and PRSC excluded from mean calculation of LTM EBITDA multiple.

[2] JOBS excluded from mean calculation of LTM EBITDA and P/E multiples



| Ticker | Company Name | Stock Price | % of 52 Week High | Market Cap (\$mm) | Enterprise Value (\$mm) | Enterprise Value to: | | | P/E |
|--|---------------------------|-------------|-------------------|-------------------|-------------------------|----------------------|------------|------------|-------|
| | | | | | | LTM Revenue | LTM EBITDA | NTM EBITDA | |
| Information Services ^[3] | | | | | | | | | |
| CPRT | Copart | \$68.52 | 65.3% | \$16,013.5 | \$16,439.3 | nm | 19.6x | 16.7x | 22.3x |
| CSGP | CoStar Group | 587.21 | 78.6% | 21,518.2 | 20,610.8 | 4.7x | 46.3x | 39.2x | 68.3x |
| EFX | Equifax | 119.45 | 72.5% | 14,569.4 | 17,595.0 | 4.1x | 1,099.7x | 13.8x | nm |
| FDS | FactSet Research Systems | 260.68 | 84.0% | 9,881.4 | 10,373.4 | 0.2x | 20.5x | 20.4x | 27.6x |
| FICO | Fair Isaac | 307.69 | 70.5% | 8,968.6 | 9,856.0 | 1.0x | 33.2x | 24.7x | 45.0x |
| FORR | Forrester | 29.23 | 56.5% | 548.3 | 690.2 | 0.3x | 16.3x | 11.2x | nm |
| IT | Gartner | 99.57 | 58.0% | 8,871.8 | 11,683.7 | 5.5x | 19.9x | 16.4x | 38.9x |
| INWK | Innerworkings | 1.17 | 20.1% | 61.0 | 221.8 | nm | 11.3x | 4.7x | nm |
| LQDT | Liquidity Services | 3.88 | 46.5% | 131.9 | 95.2 | nm | nm | nm | nm |
| MORN | Morningstar | 116.25 | 69.8% | 4,981.7 | 5,301.8 | nm | 16.3x | nm | 33.0x |
| RBA | Ritchie Bros. Auctioneers | 33.99 | 75.4% | 3,724.4 | 4,147.8 | nm | 13.2x | 13.4x | 25.0x |
| | | | | | Mean | 2.6x | 16.7x | 15.1x | 29.4x |

[3] CSGP, EFX, and FICO excluded from mean calculation of LTM EBITDA multiple; CSGP excluded from mean calculation of NTM EBITDA multiple; CSGP and FICO excluded from mean calculation of P/E multiple.

| Ticker | Company Name | Stock Price | % of 52 Week High | Market Cap (\$mm) | Enterprise Value (\$mm) | Enterprise Value to: | | | P/E |
|----------------------|--------------------------------|-------------|-------------------|-------------------|-------------------------|----------------------|------------|------------|-------|
| | | | | | | LTM Revenue | LTM EBITDA | NTM EBITDA | |
| IT Consulting | | | | | | | | | |
| ACN | Accenture | \$163.26 | 75.4% | \$104,148.0 | \$102,564.4 | 2.3x | 13.1x | 12.7x | 21.3x |
| CTSH | Cognizant Technology Solutions | 46.47 | 62.1% | 25,495.2 | 23,756.2 | 1.4x | 8.1x | 7.3x | 14.1x |
| CTG | Computer Task Group | 3.83 | 59.1% | 57.7 | 73.5 | 0.2x | 7.2x | 5.1x | 13.2x |
| PRFT | Perficient | 27.09 | 50.4% | 891.0 | 973.6 | 1.7x | 12.8x | 9.3x | 23.6x |
| SNX | Synnex | 73.10 | 47.8% | 3,760.4 | 6,569.9 | 0.3x | 9.2x | 12.3x | 7.0x |
| Mean | | | | | | 1.2x | 10.1x | 9.4x | 15.8x |

Marketing Services ^[4]

| | | | | | | | | | |
|----------|------------------------------------|--------|-------|----------|----------|------|-------|-------|-------|
| HHS | Harte Hanks | \$1.57 | 39.6% | \$9.9 | \$30.9 | 0.1x | nm | 15.5x | nm |
| IPG | The Interpublic Group of Companies | 16.19 | 64.2% | 6,278.9 | 10,324.2 | 1.0x | 7.8x | 7.0x | 9.6x |
| RAMP | LiveRamp Holdings | 32.92 | 54.4% | 2,217.6 | 1,458.9 | 4.1x | nm | nm | nm |
| MDCA | MDC Partners | 1.45 | 42.2% | 104.6 | 1,383.1 | 1.0x | 11.1x | nm | nm |
| OMC | Omnicom Group | 54.90 | 64.6% | 11,906.0 | 14,742.9 | 1.0x | 6.3x | 6.5x | 9.1x |
| PAR: PUB | Publicis Groupe | 28.81 | 47.7% | 6,824.6 | 9,459.0 | 0.8x | 3.8x | 3.5x | 6.2x |
| VVI | Viad | 21.23 | 29.4% | 432.0 | 901.5 | 0.7x | 9.1x | 4.5x | 20.8x |
| WPP | WPP | 6.82 | 47.4% | 8,357.7 | 13,813.1 | 0.8x | 5.7x | 5.9x | 10.7x |
| Mean | | | | | | 1.2x | 7.3x | 7.2x | 8.9x |

Professional Staffing

| | | | | | | | | | |
|-----------|--------------------------|---------|-------|-----------|-----------|------|-------|-------|-------|
| SWX: ADEN | Adecco Group | \$39.73 | 61.7% | \$6,438.9 | \$7,410.1 | 0.3x | 5.2x | 8.0x | 7.9x |
| AMN | AMN Healthcare Services | 57.81 | 64.8% | 2,708.7 | 3,348.0 | 1.5x | 14.2x | 10.4x | 24.1x |
| ASGN | ASGN | 35.32 | 48.6% | 1,872.0 | 2,910.6 | 0.7x | 7.6x | 6.1x | 10.8x |
| CCRN | Cross Country Healthcare | 6.74 | 50.2% | 248.4 | 343.2 | 0.4x | nm | 10.7x | nm |
| KELYA | Kelly Services | 12.69 | 43.9% | 491.8 | 531.3 | 0.1x | 3.5x | 4.4x | 4.5x |
| KFRC | Kforce | 25.57 | 60.0% | 581.3 | 646.8 | 0.5x | 8.3x | 7.9x | 11.2x |
| MAN | ManpowerGroup | 52.99 | 52.5% | 3,109.4 | 3,512.2 | 0.2x | 4.4x | 4.4x | 6.9x |

| Ticker | Company Name | Stock Price | % of 52 Week High | Market Cap (\$mm) | Enterprise Value (\$mm) | Enterprise Value to: | | | P/E |
|-----------|---------------------------|-------------|-------------------|-------------------|-------------------------|----------------------|------------|------------|-------|
| | | | | | | LTM Revenue | LTM EBITDA | NTM EBITDA | |
| AMS: RAND | Randstad | 35.48 | 56.9% | 6,491.0 | 7,530.6 | 0.3x | 5.4x | 6.5x | 9.8x |
| RCMT | RCM Technologies | 1.25 | 29.8% | 16.4 | 55.4 | 0.3x | 6.8x | 5.9x | 4.0x |
| RGP | Resources Connection | 10.97 | 61.2% | 352.6 | 410.2 | 0.6x | 6.8x | 6.6x | 10.8x |
| RHI | Robert Half International | 37.75 | 54.6% | 4,345.8 | 4,349.1 | 0.7x | 6.3x | 6.3x | 9.7x |
| STAF | Staffing 360 Solutions | 0.35 | 15.4% | 3.0 | 45.2 | 0.2x | 5.7x | 3.9x | nm |
| TBI | TrueBlue | 12.76 | 49.6% | 492.9 | 535.6 | 0.2x | 5.2x | 6.1x | 7.9x |
| Mean | | | | | | 0.5x | 6.6x | 6.7x | 9.8x |

Specialty Consulting ^[5]

| | | | | | | | | | |
|------|--------------------------|---------|-------|-----------|-----------|------|-------|-------|-------|
| CBZ | CBIZ | \$20.92 | 72.8% | \$1,157.0 | \$1,421.8 | 1.5x | 11.8x | 10.8x | 16.5x |
| CRAI | Charles River Associates | 33.41 | 57.4% | 262.3 | 396.1 | 0.9x | 8.0x | 8.1x | 13.2x |
| EXPO | Exponent | 71.91 | 86.8% | 3,726.2 | 3,518.7 | 8.4x | 32.9x | 33.3x | 47.0x |
| FCN | FTI Consulting | 119.77 | 88.4% | 4,490.6 | 4,609.0 | 2.0x | 13.5x | nm | 21.0x |
| HURN | Huron Consulting Group | 45.36 | 64.0% | 1,036.6 | 1,310.5 | 1.4x | 12.8x | 11.3x | 24.3x |
| MMS | Maximus | 58.20 | 71.0% | 3,721.5 | 3,786.3 | 1.2x | 9.1x | 8.0x | 15.4x |
| HCKT | The Hackett Group | 12.72 | 67.3% | 382.0 | 364.0 | 1.3x | 10.2x | 7.2x | 17.7x |
| Mean | | | | | | 2.4x | 10.9x | 9.1x | 18.0x |

OVERALL BUSINESS SERVICES SECTOR

Mean 1.7x 10.2x 9.1x 16.7x

[4] VVI excluded from mean calculation of P/E multiple.

[5] EXPO excluded from mean calculation of LTM / NTM EBITDA and P/E multiples.

 **NOTES**

Notes

- Sources: PitchBook, Bloomberg, company 10-K, 10-Q and 8-K SEC filings, annual reports, press releases, Bureau of Labor Statistics and others as indicated.
- Any public companies chosen for the “SCA Business Services Universe” are companies commonly used for industry information to show performance within a sector. They do not include all public companies that could be categorized within the sector and were not created as benchmarks; they do not imply benchmarking and do not constitute recommendations for a particular security and/or sector. The charts and graphs used in this report have been compiled by SOLIC Capital Advisors solely for purposes of illustration.

For further information regarding our Business Services, please contact: Edward R. Casas, Chairman & CEO/Senior Managing Partner, ecasas@soliccapi.com Gregory Hagood, Senior Managing Director, ghagood@soliccapi.com

To view all of quarterly industry reports or to make changes to your subscription(s), please go to www.soliccapi.com/SOLICconnect

SCA gathers its data from sources it considers reliable. However, it does not guarantee the accuracy or completeness of the information provided within this publication. Any opinions presented reflect the current judgment of the authors and are subject to change. SCA makes no warranties, expressed or implied, regarding the accuracy of this information or any opinions expressed by the authors. (Officers, directors and employees of SOLIC and its subsidiaries may have positions in the securities of the companies discussed.) This publication does not constitute a recommendation with respect to the securities of any company discussed herein, and it should not be construed as such. SCA or its affiliates may from time to time provide investment banking or related services to these companies. Like all SCA employees, the authors of this publication receive compensation that is affected by overall firm profitability.

©2020 SOLIC Capital Advisors, LLC. All rights reserved.
Investment banking, private placement, merger, acquisition and divestiture services offered through SOLIC Capital, LLC. Member FINRA/SIPC. SOLIC Capital Management, LLC is a Registered Investment Adviser in the State of Illinois.
SOLIC is not a certified public accounting firm and does not provide audit, attest, or public accounting services.

About SOLIC

LEADERSHIP TEAM

Edward R. Casas
Chairman & CEO
Senior Managing Partner

Neil F. Luria
Head of Restructuring
Senior Managing Director

Gregory F. Hagood
Head of Investment Banking
Senior Managing Director

Robert E. Annas
Senior Managing Director

Kim J. Brady
Emeritus Senior Advisor

Matthew M. Caine
Managing Director

George N. Koutsonicolis
Managing Director

Raoul Nowitz
Managing Director

S. Waite Popejoy
Managing Director

Matthew E. Rubin
Senior Managing Director

Jeremy Stillings
Managing Director

SOLIC Capital Advisors (“SOLIC”) is a leading middle market financial advisory firm providing restructuring, investment banking and distressed asset support services to companies, lenders, institutional investors, the legal community and other creditor constituencies. SOLIC provides creative solutions to complex challenges by combining market knowledge with deep industry expertise to realize value and deliver results for our clients. SOLIC’s multi-disciplinary team has successfully led nearly 600 mandates, involving in excess of \$150 billion in capitalization, across a wide array of industry sectors, creating significant stakeholder value.

Our firm offers a comprehensive suite of services to assist our clients including: SOLIC Capital Advisors (financial advisory), SOLIC Capital, LLC (FINRA Registered Broker/ Dealer), SOLIC Capital Management (asset management services and Registered Investment Advisor - RIA), and SOLIC Capital Partners (principal investing).





SOLICCONNECT

Business Services | First Quarter 2020

SOLIC Capital Office Locations

1603 Orrington Avenue
Suite 1600
Evanston, Illinois 60201

3284 Northside Parkway, NW
Suite 450
Atlanta, Georgia 30327

425 W. New England Avenue
Suite 300
Winter Park, Florida 32789