



Professional and Tech-Enabled Services Sector Brief

Harris Williams | Q4 2024

What We're Reading

In this sector brief, we have included a collection of articles focused on the transformative impact of technology, data, and AI on the Office of the CFO. These advancements have not only streamlined efficiency but also required CFOs, supporting businesses, and their teams to develop new skill sets and ways of thinking. Technology's growing importance in financial operations is positioning CFOs as pivotal leaders of the digital transformation for organizations.

The Changing Role of the CFO: From Number Crunchers to Strategic Players

CFO Corner

"CFOs no longer need to create static Excel master files and present them to a boardroom. AI and advanced data analytics have replaced that competency. Simply put, the industry has changed. It's no longer about delivering numbers to the C-Suite; it's about the story those numbers tell and how finance leaders extract insights from the data to drive change... The role of the CFO is expanding beyond the traditional accounting, finance, and treasury sectors, taking on more digital functions."

Read the full article [here](#).

2024 CFO Agenda: AI and Digital Transformation

The Wall Street Journal

"Combining AI's capabilities with human knowledge may be the recipe for faster and more accurate decision-making, but several risks will need to be managed... As more companies move from pilot to implementation of generative AI in finance, it may fall on CFOs to help their organizations ride the wave, and not be tossed by it... Implementing generative AI tools for repetitive and manual tasks in areas like reporting can free up finance teams to turn their attention to high-value activities."

Read the full article [here](#).

The Evolution of the CFO Role in the Digital Age

World Economic Magazine

"The role of the CFO has evolved dramatically in the digital age... Traditionally focused on financial reporting, compliance, and cost management, the modern CFO now plays a crucial role in strategic decision-making, digital transformation, and driving innovation. The digital age has brought an explosion of data, providing CFOs with unprecedented insights into business performance. CFOs must harness the power of big data and advanced analytics to support data-driven decision-making."

Read the full article [here](#).

How Will AI Change the Office of the CFO?

Forbes

"By implementing AI, the office of the CFO can not only enhance efficiency but also position the company as innovative and forward-thinking, attracting top talent and increasing investor confidence. In a rapidly evolving business landscape, staying ahead of the competition requires strategic and continuous implementation of new technologies... Looking ahead, the role of AI in financial operations will be to become your trusted "copilot" in the cockpit of your business."

Read the full article [here](#).

The Modern CFO and the Role of Automation

Forbes

"Over the past decade, the role of a chief finance officer has evolved quite a bit. Once seen as a strictly tactical position focusing on budgeting and reporting, today's modern CFO has a greater opportunity to contribute to the business in a strategic, operational, and cross-functional way... The largest driver of this shift is that the new Office of the CFO is facing more pressure and more responsibility than ever before, both externally and internally."

Read the full article [here](#).

Recent Harris Williams Industry Content

- Insurance Services: A Growing Need for Technical Specialists



[Link to Read](#)

- Data & Information Services: AI, Verticalization, and Actionable Insights



[Link to Read](#)

- Rising Demand for Mission-Critical C-Suite Advisory Services

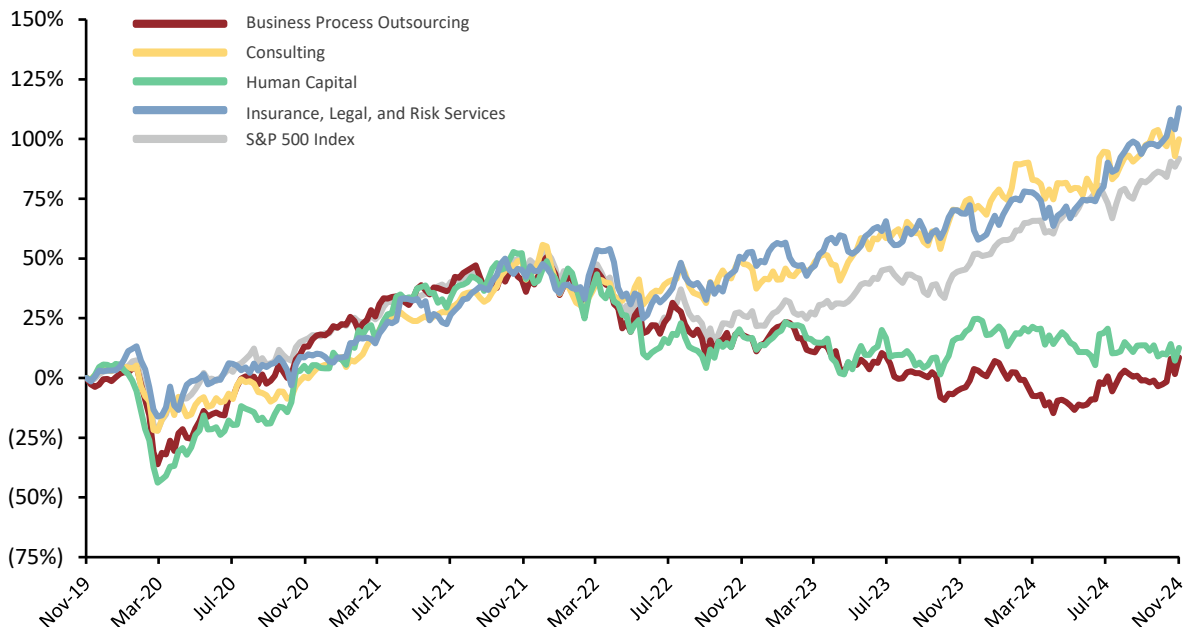


[Link to Read](#)

Professional and Tech-Enabled Services Public Company Performance and Trends¹

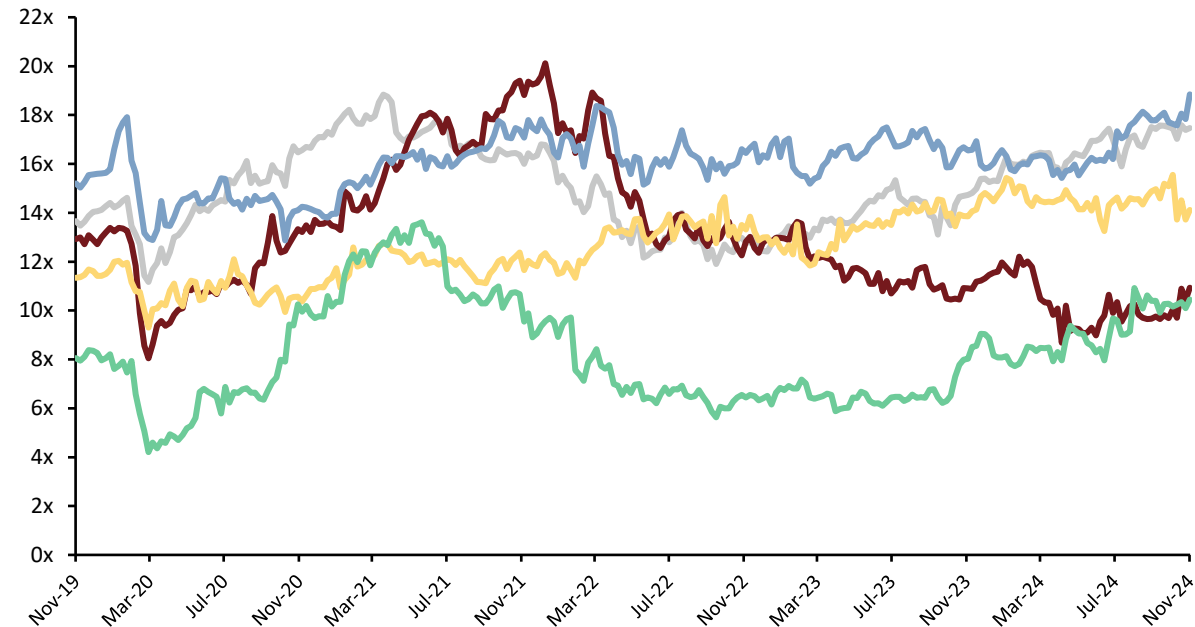
Historical Stock Prices – Past 5 Years

Indexed Stock Price Performance for the Period November 2019 – November 2024



Historical Median TEV/LTM EBITDA Multiples – Past 5 Years

Median TEV/LTM EBITDA Multiples Performance for the Period November 2019 – November 2024



Representative Key Public Comparables²

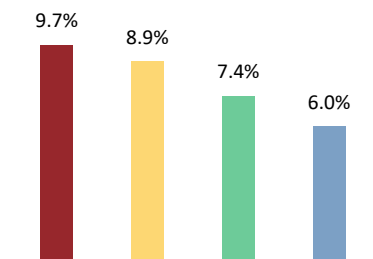


Professional and Tech-Enabled Services Public Company Operating and Valuation Metrics¹

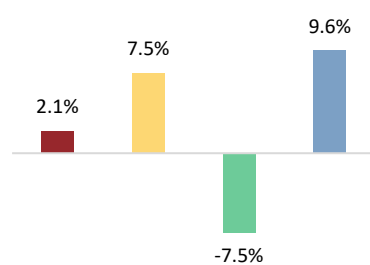
Public Company – Operating Metrics

Indexed Stock Price Performance for the Period November 2019 – November 2024

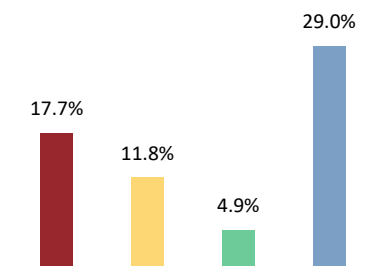
Median 3-Year Revenue CAGR (2021-2024)



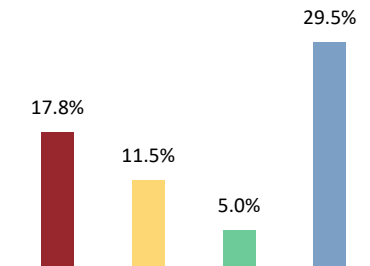
Median LTM Revenue Growth



Median 3-Year EBITDA Margin (2021-2024)



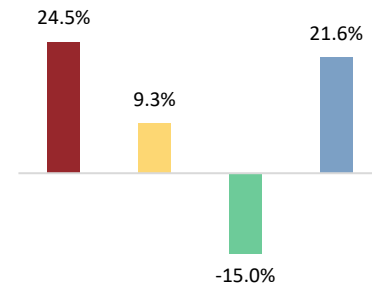
Median LTM EBITDA Margin



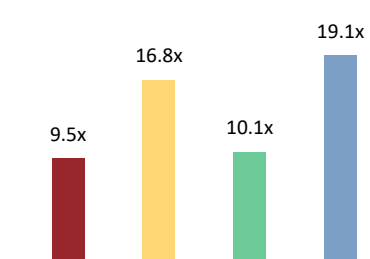
Public Company – Valuation Metrics

Indexed Stock Price Performance for the Period November 2019 – November 2024

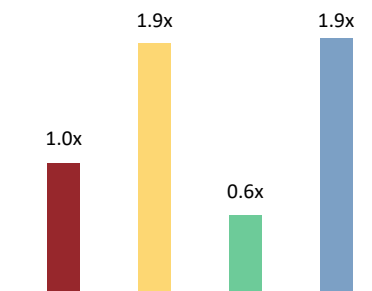
12-Month Change in Stock Price



Median TEV / 2024E EBITDA Multiple



Net Debt / LTM EBITDA



Business Process Outsourcing

Consulting

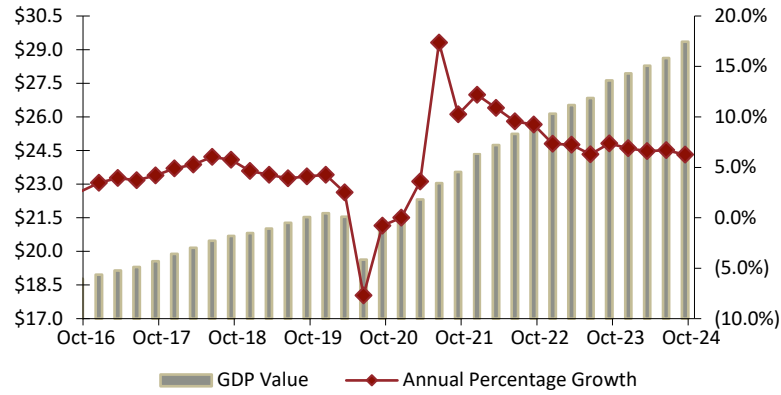
Human Capital

Insurance, Legal, and Risk Services

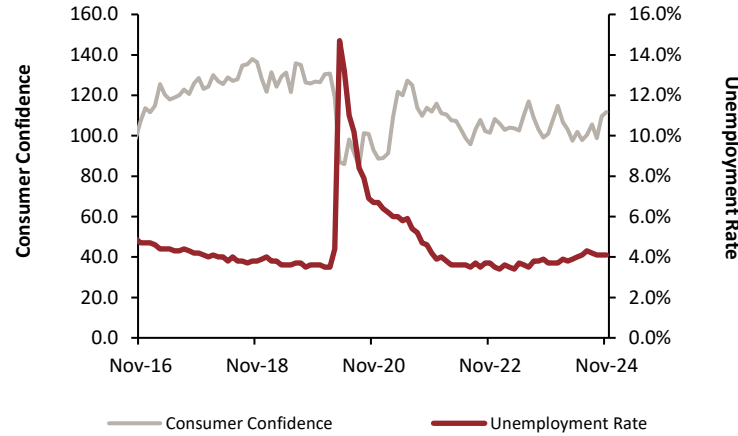
Economic Trends

U.S. GDP Growth¹

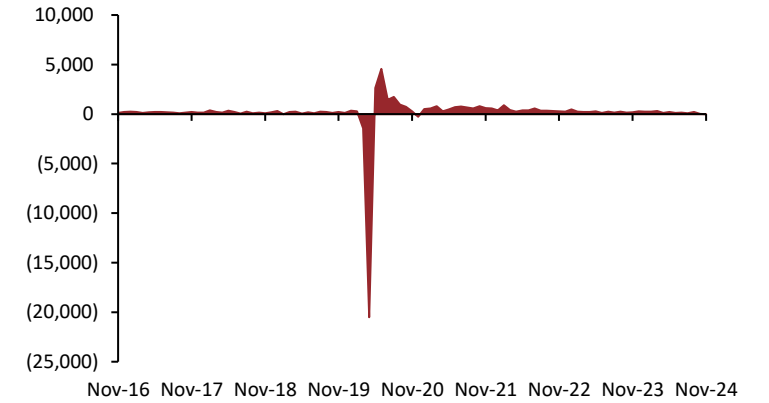
(In billions indexed to 2016 USD)



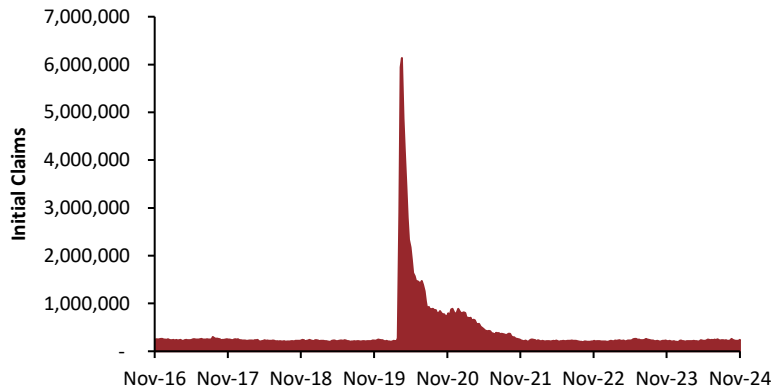
Consumer Confidence and Unemployment Rate^{2,3}



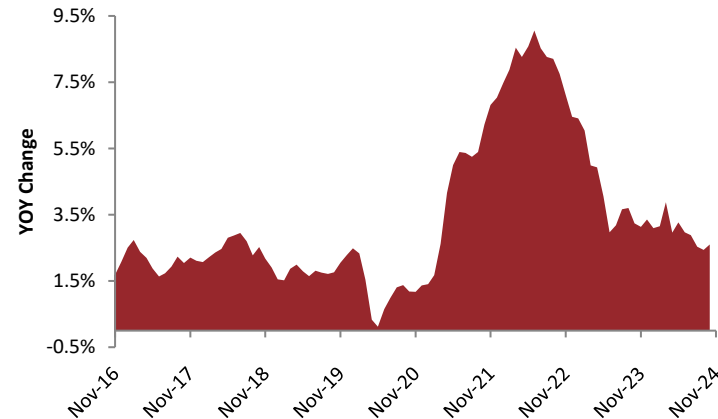
Non-Farm Payrolls (1-Month Net Change)³



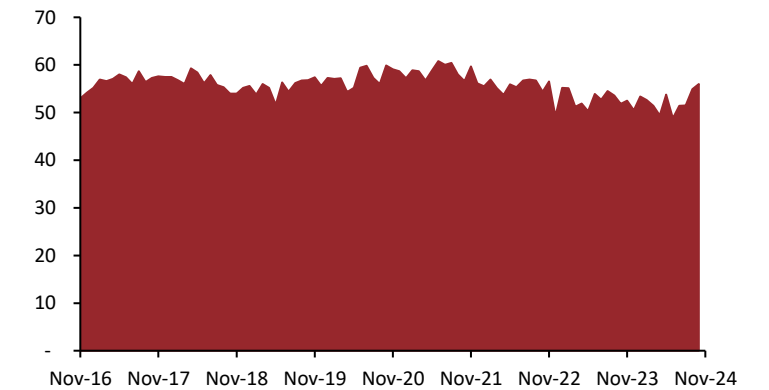
U.S. Initial Jobless Claims⁴



Consumer Price Index³

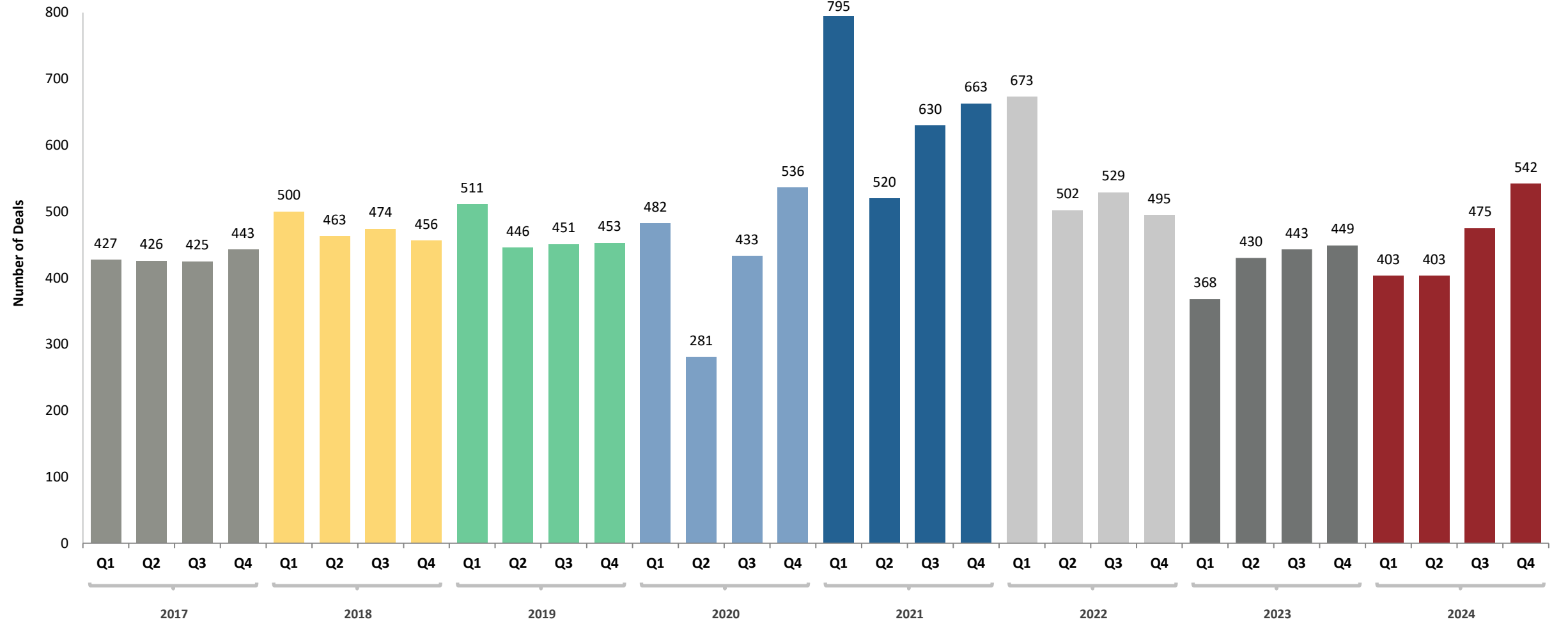


ISM Non-Manufacturing Index⁵



M&A Market Trends

Professional and Tech-Enabled Services M&A Volume¹



Harris Williams Professional and Tech-Enabled Services Experience

Selected Transactions

nuspire
a portfolio company of
abry partners
has been acquired by
PDI TECHNOLOGIES
a portfolio company of
INSIGHT PARTNERS TA GENSTAR

CYBERSHEATH
a portfolio company of
LIGHTVIEW CAPITAL™
has been acquired by
bv INVESTMENT PARTNERS SINCE 1980

ThePurpleGuys Stress-Free IT Support
a portfolio company of
KIAN CAPITAL **PARKSOUTH VENTURES™**
has been acquired by
Ntiva Managed IT & Cloud Services
a portfolio company of
PSP CAPITAL PSP PARTNERS COMPANY

VMG HEALTH
a portfolio company of
NCP NORTHLANE CAPITAL PARTNERS
has been acquired by
INCLINE EQUITY PARTNERS

Direct Travel
has been acquired by
AN INVESTOR GROUP LED BY STEVE SINGH
Durable Madrona
TopTier Blackstone CREDIT & INSURANCE

nwn carousel
a portfolio company of
NEW STATE CAPITAL PARTNERS
has been acquired by
AMERICAN SECURITIES

Morgan Stanley CAPITAL PARTNERS
single-asset continuation vehicle
50 WORLD FIFTY GROUP

BUCK
a portfolio company of
H. I. G. CAPITAL
has been acquired by
Gallagher

inspirage
a portfolio company of
RLH Equity Partners
has been acquired by
accenture

UTTEGRATION
a portfolio company of
RLH Equity Partners
has been acquired by
cognizant

MAGNA LEGAL SERVICES
a portfolio company of
CIVIC PARTNERS
has been acquired by
Odyssey Investment Partners

WENDEL
has acquired
ACAMS
a business division of
ADT/LEM GLOBAL EDUCATION

Ntiva
a portfolio company of
SOUTHFIELD
has been acquired by
PSP PARTNERS

AST
a portfolio company of
TAILWIND CAPITAL
has been acquired by
RECOGNIZE

EURAZEO
has acquired
SCALED AGILE
a portfolio company of
LEEDS EQUITY PARTNERS
RUBICON technology partners

Harris Williams Transaction Spotlight

VMG HEALTH
a portfolio company of
NCP NORTHLANE CAPITAL PARTNERS
has been acquired by
INCLINE EQUITY PARTNERS

Company Background

VMG is a trusted advisor to a diverse base of highly regulated clients in the healthcare space, such as hospital systems, physician groups, and ambulatory surgery centers. The company provides valuation, advisory, compliance, and financial due diligence services while addressing the complex and recurring demands of their clients.

Transaction Overview

Harris Williams advised VMG Health, a portfolio company of Northlane Capital Partners, on its sale to Incline Equity Partners.

Business Services Coverage Areas

- › Tech-Enabled and Professional Services
- › IT Services
- › Commercial & Industrial Services
- › Specialty Distribution

Professional and Tech-Enabled Services Coverage Areas

- › Business Process Outsourcing
- › Financial Services
- › Insurance & Risk Management
- › Consulting
- › Governance, Risk & Compliance
- › Legal Services
- › Education & Training
- › Human Capital Management
- › Marketing & Information
- › Engineering
- › Information Technology
- › Workforce Solutions
- › Compliance
- › eCommerce & Retail

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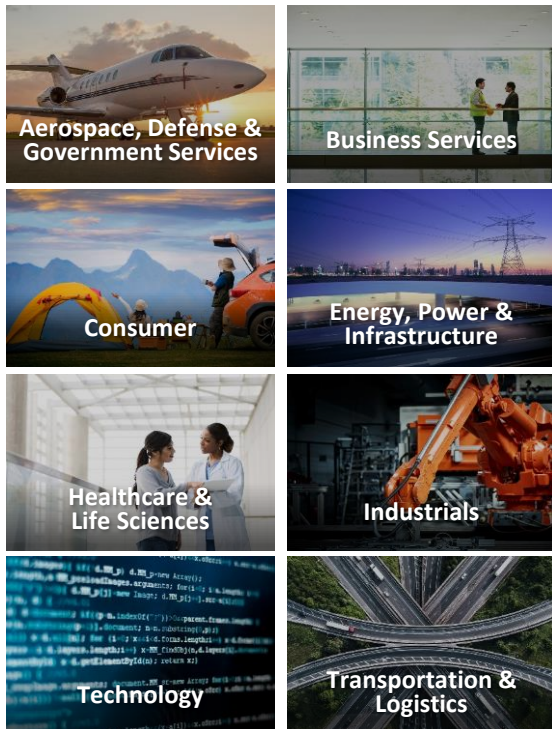
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HW Harris Williams / GLOBAL INVESTMENT BANK

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Deep Industry Experience



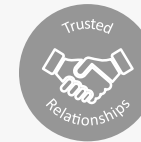
Proven Expertise

MERGERS & ACQUISITIONS

PRIVATE CAPITAL SOLUTIONS

PRIMARY FUND PLACEMENT

Core Values That Drive Success



75% Revenue from repeat clients

87% Managing Directors promoted from within

30+ Year history

Sources & Disclosures

Sources

Public Comparable Companies:

BPO: Cognizant, Computershare, DXC, ExlService, Genpact, Tata Consultancy, TTEC, Wipro, and WNS

Consulting: Accenture, CBIZ, CRA International, FTI Consulting, Huron Consulting Group, ICF International, and Resources Connection

Human Capital: ASGN, Barrett Business Services, Hays, Heidrick & Struggles International, Insperty, Kelly Services, Kforce, Korn Ferry, ManpowerGroup, Randstad, Robert Half International, SThree, TrueBlue

IL&R Services (Insurance, Legal, and Risk): Aon, Arthur J. Gallagher & Co., Brown & Brown, Crawford & Company, Marsh & McLennan Companies, Willis Towers Watson

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