



Professional and Tech-Enabled Services Sector Brief

Harris Williams | Q1 2024

What We're Reading

In this sector brief, we have included a collection of articles focused on trends around the legal services space. Given the uptick in demand for legal services coupled with the importance of e-discovery services, the use of GenAI in e-Discovery / managed review, and the ongoing stricter regulatory requirements, the legal services sector continues to garner interest from investors across private equity and strategics alike.

Exploring the Potential Impact of Generative AI on Legal Operations

Legal Dive

"In the legal field, 82% of corporate legal professionals said they think generative AI can be used for legal work, according to a Thomson Reuters survey. Perhaps even more notable is that 54% think generative AI should be used for legal work. All the same, most feel generative AI won't replace the strategic work of lawyers, and a small percentage of legal teams are already using these tools for department operations tasks."

Read the full article [here](#).

Legalweek 2024: A Reasoned and Rational GenAI Revolution in the Legal Industry

Complex Discovery

"Conversations at Legalweek 2024 suggest a consensus that GenAI's year of substantial implementation has arrived, with adoption expected to grow as firms and legal departments navigate change management and strive for long-term integration within their workflows. The emphasis remains on solutions that provide reliable guidance and measure outcomes, with the collective wisdom favoring partnerships with seasoned legal suppliers capable of providing implementation and strategic support."

Read the full article [here](#).

How Agencies, Legal Teams and Corporations Are Safely Using AI for e-Discovery

Law.com

"In fact, AI-powered tools are already being used successfully to automate time-consuming and labor-intensive e-discovery tasks, such as data collection, processing, and review—and the technology is maturing rapidly. As government agencies, legal teams, and corporations become more attuned to its use, AI is poised to drive transformative innovation in the e-discovery industry, driving new efficiencies, increased accuracy, and cost savings."

Read the full article [here](#).

The Critical Role of CFIUS in Safeguarding U.S. National Security

Complex Discovery

"CFIUS, with its expanded authority under FIRRMA, plays an indispensable role in the oversight of foreign investments in the U.S. Its rigorous review process, heightened in the current administration, and its focus on sectors of strategic importance highlight its crucial function in safeguarding national security. The involvement of e-Discovery providers and industry experts is essential in ensuring that CFIUS's mandates are effectively met, providing the expertise and technological support necessary for comprehensive national security protection."

Read the full article [here](#).

Why Law Firms Could be Private Equity's Next Conquest

Forbes

"Several factors play into this, but one is unmistakable: the legal sector might just be the only field where private equity has yet to stake a claim. Lacking access to the deep pockets, operational expertise (and to some extent, a cutthroat, profit-first mentality), the industry lags. Unlike say medicine or dentists practices, law firms tend to be stubbornly set in their ways..."

Read the full article [here](#).

Recent Harris Williams Industry Content

- Legal Sector: The Data Advantage



[Link to Read](#)

- Legal Sector: Four CEOs Discuss GenAI's Impact



[Link to Read](#)

- HR & Employee Benefits: Building a Foundation for Employee Well-Being

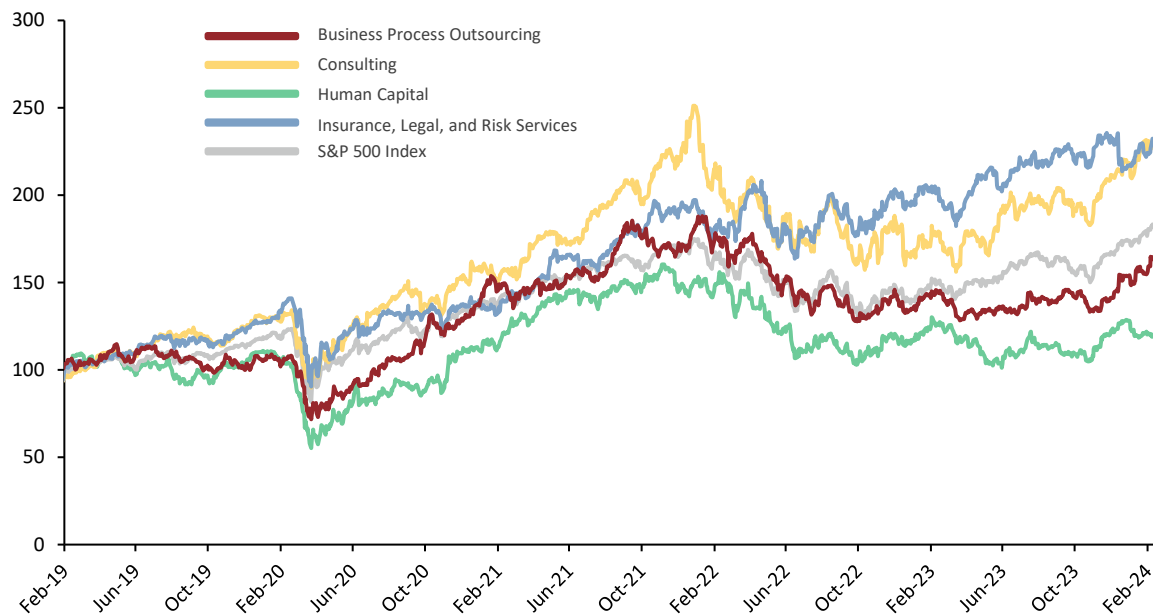


[Link to Read](#)

Professional and Tech-Enabled Services Public Company Performance and Trends¹

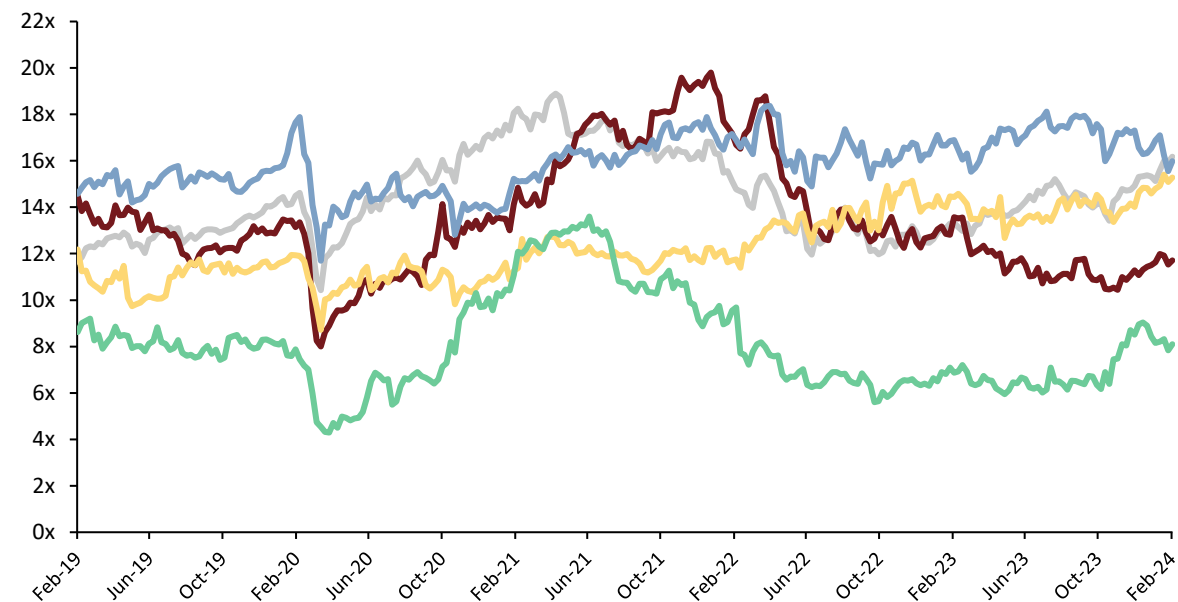
Historical Stock Prices – Past 5 Years

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



Historical Median TEV/LTM EBITDA Multiples – Past 5 Years

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



Representative Key Public Comparables²

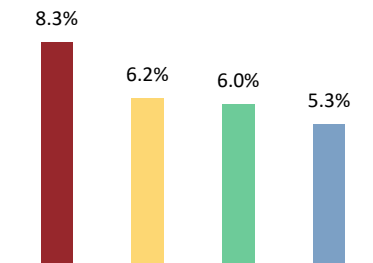


Professional and Tech-Enabled Services Public Company Operating and Valuation Metrics¹

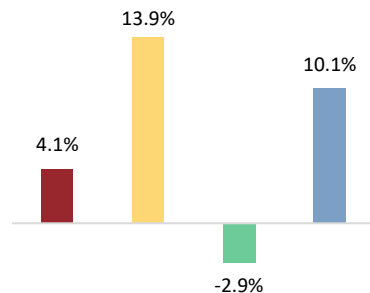
Public Company – Operating Metrics

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

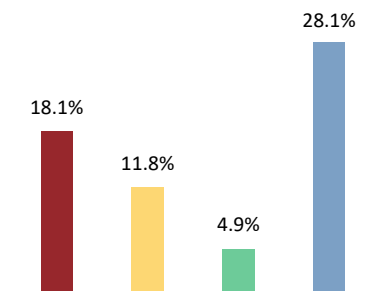
Median 3-Year Revenue CAGR (2021-2024)



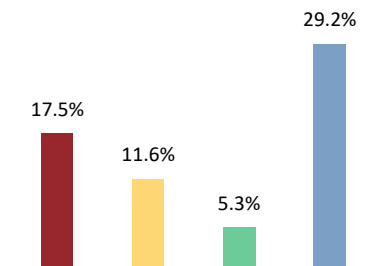
Median LTM Revenue Growth



Median 3-Year EBITDA Margin (2021-2024)



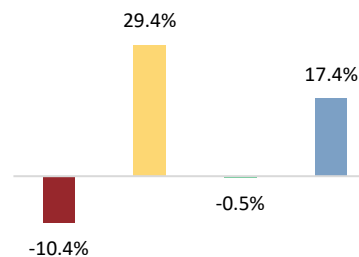
Median LTM EBITDA Margin



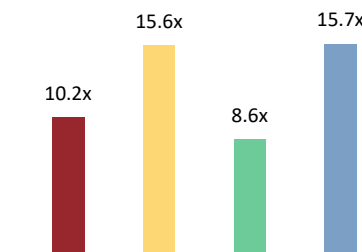
Public Company – Valuation Metrics

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

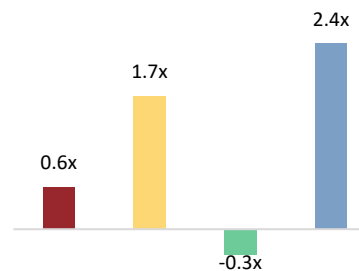
12-Month Change in Stock Price



Median TEV / 2024E EBITDA Multiple



Net Debt / LTM EBITDA



Business Process Outsourcing

Consulting

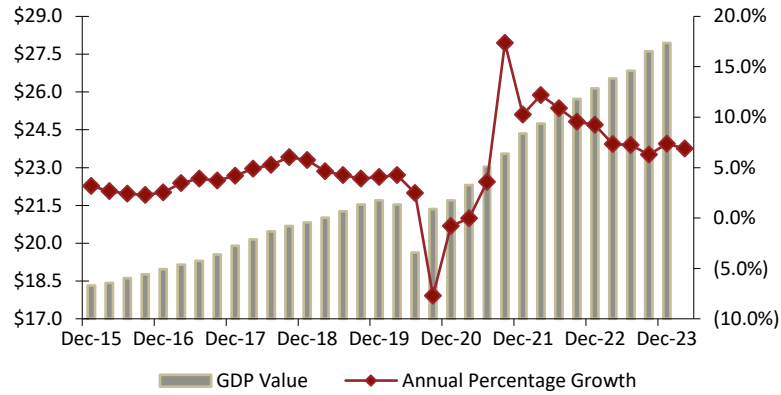
Human Capital

Insurance, Legal, and Risk Services

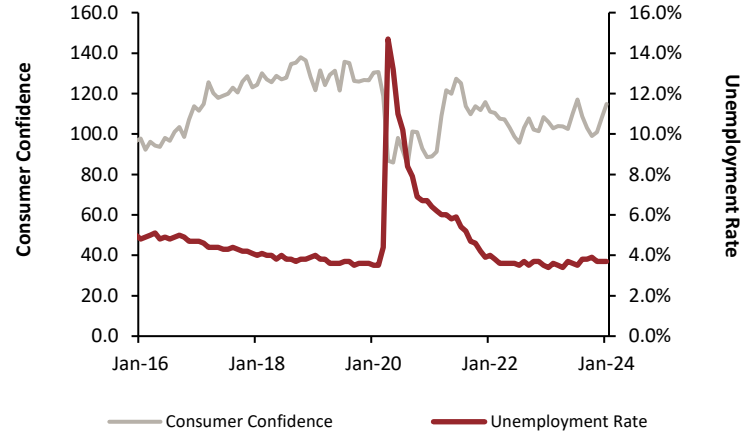
Economic Trends

U.S. GDP Growth¹

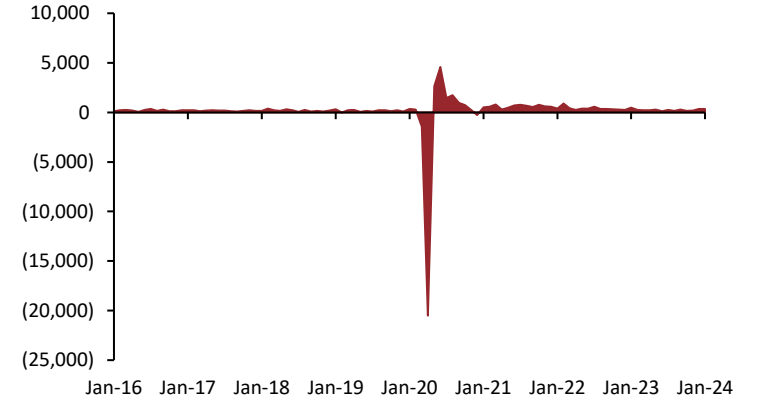
(In billions indexed to 2015 USD)



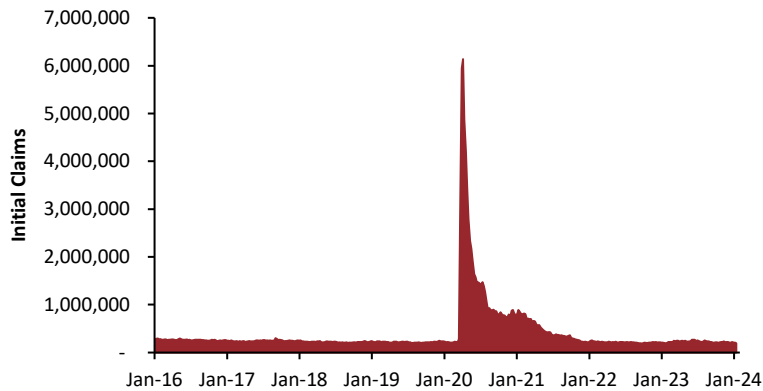
Consumer Confidence and Unemployment Rate^{2,3}



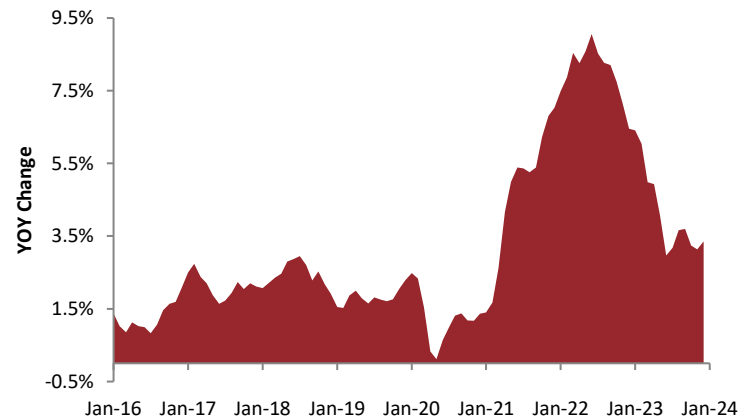
Non-Farm Payrolls (1-Month Net Change)³



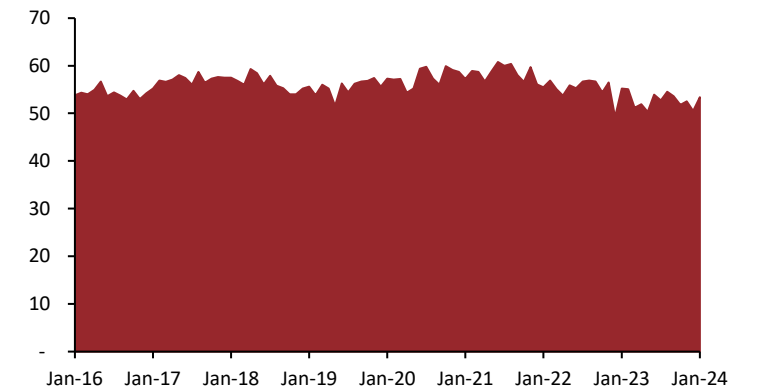
U.S. Initial Jobless Claims⁴



Consumer Price Index³

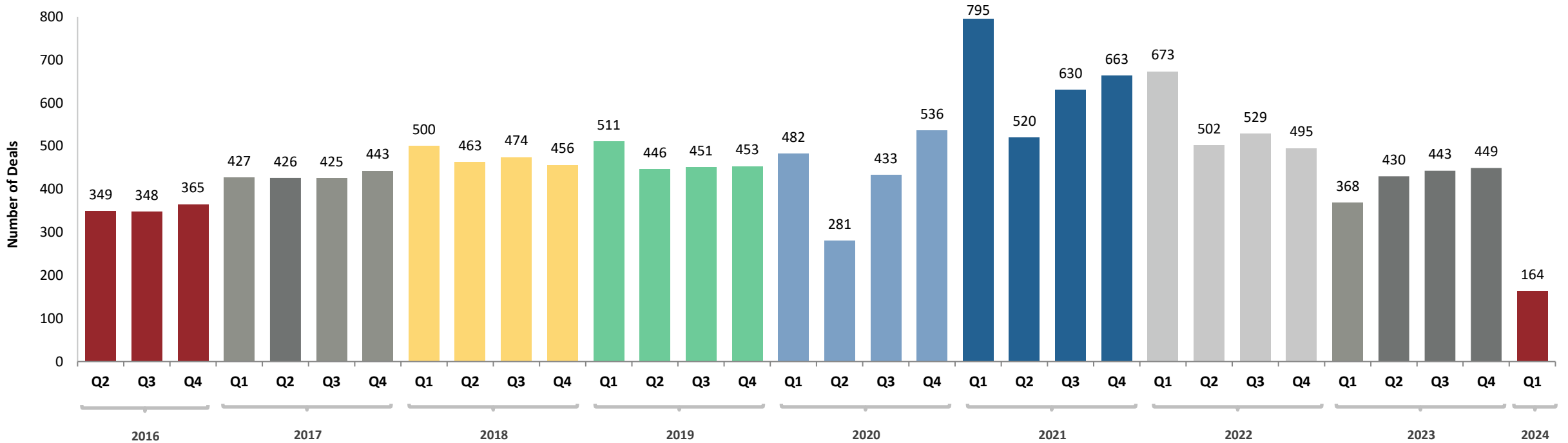


ISM Non-Manufacturing Index⁵



M&A Market Trends

Professional and Tech-Enabled Services M&A Volume by Year¹



Legal Services Transactions

ALLIANCE IMAGING LLC
DISCOVERY & TRIAL SUPPORT

Target

Array

Buyer

Chambers AND PARTNERS

Target

abry partners

Buyer

CP
COUNSEL PRESS

Target

ALIGN CAPITAL PARTNERS

Buyer

Recent Professional and Tech-Enabled Services Transactions Detail | Legal Services

Date	Target	Business Description	Acquirer(s)
02/06/2024	Alliance Imaging LLC	Provider of data collection, processing of electronically stored information (ESI) and paper documents, online document review, and trial preparation	Omni-Invictus
02/06/2024	Right Legal Group	Provides services in the areas of wills, probates, and estate planning	Vespa Capital
02/01/2024	Pinnacle	Provides consulting, software innovation, managed services, risk management, change management, and more, helping law firms, corporations, and their law departments drive strategic change	Harbor Global (Renovus Capital)
12/14/2023	CliftonLarsonAllen LLP	Provider of forensic auditing and investigation, IT testing, litigation support, and internal audit / transaction services	Sikich
12/13/2023	BryteBridge	Provider of outsourced compliance, legal, and filing services to nonprofit organizations	RFE Investment Partners & Knox Capital
12/07/2023	Dickinson Mackaman Tyler & Hagen	Provider of full range of legal and business consulting services to a diversified client base	Bradshaw, Fowler, Proctor & Fairgrave
12/06/2023	Snow, Christensen & Martineau	Provider of full suite of legal services to clients in Utah and across the United States	Spencer Fane
12/06/2023	Litigation Solutions Inc.	Provider of litigation support services, such as document scanning, collections, digital forensics, and trial and deposition support services to law firms, government, and corporate counsels	Omni-Invictus
12/05/2023	Ulmer & Berne	Provider of legal services focusing on employee benefits, tax, healthcare, and real estate	Greensfelder Hemker & Gale
12/04/2023	Red Maple Group	Provides services in the areas of litigation economics, forensic analysis, economic damage analyses, statistical research, business valuations, fraud/forensic services, and mergers and acquisitions	Resolution Economics (Levine Leichtman Capital)
11/21/2023	Evolution Process Service	Provider of services including subpoenas, evictions, divorce papers, foreclosures, and collections	Evolution Process Service (Apax Partners)]
11/20/2023	ROBIC L.L.P.	Provider of intellectual property services in the areas of corporate and business law, including technology transfer, licensing, competition, telecommunications, and information technology	IPH Limited
11/14/2023	Ratner & Prestia PC	Provider of patent protection, litigation, post-grant proceedings, risk management, and licensing services	Buchanan Ingersoll & Rooney
11/09/2023	Chambers and Partners	Provider of legal rankings publishing, and insights intelligence services intended to help organizations make informed decisions	Abry Partners
11/09/2023	Acorn Legal Solutions	Provider of fully managed e-Discovery solutions	Array
11/09/2023	Affirmative Action Plan (Biddle Consulting Group)	Provider of affirmative action planning, diversity, equity and inclusion (DE&I), pay equity, and related training services.	Resolution Economics (Levine Leichtman Capital)

Recent Professional and Tech-Enabled Services Transactions Detail | Legal Services



Date	Target	Business Description	Acquirer(s)
11/01/2023	Exigent Group Limited	Provider of alternative legal services intended to help legal departments transform from cost-center to business partners by leveraging technology	Morae Global Corporation (Lateral Investment Management)
10/28/2023	AAAgent Services	Provider of registered agent services intended to serve commercial clients	Registered Agent Solutions Inc. (Lexitas)
10/27/2023	Regency-Brentano	Provider of court reporting and transcription services intended for law firms, corporations, government agencies, healthcare, and other industries	Magna Legal Services (Odyssey Investment Partners)
10/24/2023	Counsel Press Inc.	Provider of preparation of appellate documents, document sequencing and pagination, electronic document and brief preparation, and electronic filing	Align Capital Partners
10/20/2023	ProSearch Strategies	Developer of a cloud-based e-discovery management platform intended to offer strategic legal business information	Consello Capital
10/17/2023	Legal Management Consulting (Stout)	Provider of legal management consulting services intended to serve corporate law departments and law firms	Harbor Global (Renovus Capital)
10/12/2023	DWF Group PLC	Provides services in areas such as mergers, acquisitions, private equity, venture capital, finance litigation, corporate and tax, and debt finance	Inflexion Private Equity Partners
09/19/2023	Tax Guard	Provider of tax compliance monitoring services intended to help lenders accurately assess tax-related credit risk associated with potential borrowers	Cogency Global (Bertram Capital)
09/08/2023	Pahl & McCay PLC	Provider of full suite of legal services to clients in California and across the United States	Spencer Fane
09/08/2023	FCC Division of Exiger	Provider of financial crime, risk management, and regulatory compliance services intended to serve banking, capital markets, and fintech companies	Capgemini
09/07/2023	Technology, Patents & Licensing Inc.	Provider of patent and intellectual property (IP) consulting services for corporations, patent attorneys and IP litigators, business owners, and investors	J.S. Held (Kelso & Co)
09/06/2023	Sichenzia Ross Ference LLP	Provider of legal advisory services focused on M&A, corporate and securities, litigation, joint ventures, public offerings, and corporate and commercial transactions	Carmel, Milazzo & Feil
08/30/2023	GCR Inc.	Provider of consulting services and technology solutions to corporations, governments, airports, utilities, and organizations worldwide	Modaxo Inc.
08/22/2023	iLawyer Marketing	Offers services that include SEO, PPC, web design, video production, social media marketing, legal content writing, chatbots, geofencing, and retargeting	EverService (Sunstone Partners)
08/21/2023	Trial Exhibits Inc.	Provider of jury consulting, graphic exhibits, and trial presentation services. It offers jury and trial consulting, focus groups and mock trials, jury selection, and document management	U.S. Legal Support (ABRY Partners)
08/15/2023	PC Forensics LLC	Provider of digital evidence consulting services related to the investigation, civil, and criminal litigation, including data collection	Level Legal



Harris Williams Professional and Tech-Enabled Services Experience

Selected Transactions


a portfolio company of

has been acquired by



a portfolio company of
RLH Equity Partners
has been acquired by



a portfolio company of
RLH Equity Partners
has been acquired by



a portfolio company of

has been acquired by



has acquired



a business division of



a portfolio company of
SOUTHFIELD
has been acquired by



a portfolio company of
TAILWIND CAPITAL
has been acquired by



has acquired
SCALED AGILE
a portfolio company of
LEEDS Equity Partners



a portfolio company of
Audax Private Equity
has been acquired by



has received an investment from



a portfolio company of

has received an investment from
Morgan Stanley
Capital Partners


a portfolio company of

has received an investment from



a portfolio company of

has been acquired by



a portfolio company of

has been acquired by



a portfolio company of

has been acquired by

and merged with


Harris Williams Transaction Spotlight


a portfolio company of

has been acquired by


Company Background

Buck is a trusted provider of HR, pensions and employee benefits-related consulting, administration services, and technology to organizations in North America and the U.K. Headquartered in New York, N.Y., the firm offers its services to sectors like healthcare, analytics, consulting, information technology, and human resources.

Transaction Overview

Harris Williams advised BCHR Holdings, L.P., dba Buck, a portfolio company of H.I.G. Capital, on its sale to Arthur J. Gallagher & Co.

Coverage Areas

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

Professional & Tech-Enabled Services Coverage Areas

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

 <p>BUCK a portfolio company of</p>  <p>H.I.G. CAPITAL has been acquired by</p> 	 <p>inspirage a portfolio company of</p> <p>RLH Equity Partners has been acquired by</p> 	 <p>UTTEGRATION a portfolio company of</p> <p>RLH Equity Partners has been acquired by</p> 	 <p>MAGNA LEGAL SERVICES a portfolio company of</p>  <p>CIVIC PARTNERS has been acquired by</p> 
 <p>WENDEL has acquired</p>  <p>ACAMS a business division of</p> 	 <p>Ntiva a portfolio company of</p> <p>SOUTHFIELD has been acquired by</p> 	 <p>AST a portfolio company of</p> <p>TAILWIND CAPITAL has been acquired by</p> 	 <p>EURAZEO has acquired</p> <p>SCALED AGILE a portfolio company of</p> <p>LEEDS Equity Partners RUBICON technology partners</p>

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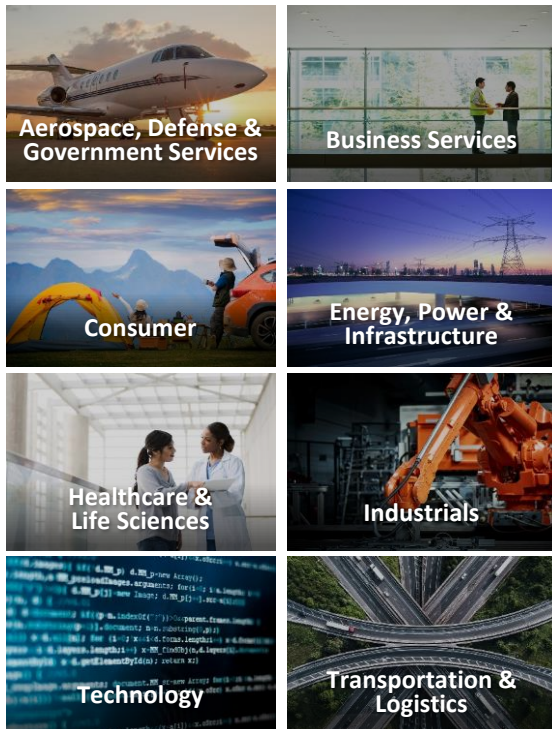
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Proven Expertise

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 & Disclaimers

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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