

Professional Services

Industry Update

September 2021

What We're Seeing

The professional services industry continues to attract both private and public investors. Here is a list of select recent transactions across the sector.

Announced August 2, 2021



CIVC Partners announces investment in YOUNG & Associates^a

Consulting

- YOUNG is a leading nationwide property damage consulting firm, providing damage assessments, cost estimating, forensic engineering, and construction project management services.
- Founded in 1997 by Ray and Linda Young, the company has since established itself as a trusted service provider to insurance carriers and claims services firms.

Announced July 21, 2021



Renovus Capital's acquisition of LeapPoint^b

Consulting

- LeapPoint is an industry-leading digital consulting firm specializing in connecting work, technology, and talent to drive unparalleled business experiences and outcomes.
- Recognized by Forbes and Vault as a top consulting firm four years in a row, the acquisition follows a period of record-setting growth for LeapPoint as it continues to drive digital transformation for some of the world's largest companies.

Announced July 15, 2021



SIX Pillars PARTNERS



Six Pillars and Merit Capital partner with the Liberty Group^c

Workforce Solutions

- Liberty, founded in 1977 and headquartered in Houston, Texas, is a leading specialty temporary staffing and executive search firm.
- The company focuses on serving the multi-family real estate industry throughout the U.S. and fulfills on-site temporary staffing needs across various multi-family residential job functions, including property management, marketing, leasing, maintenance, accounting, and IT.

Announced July 6, 2021



Tenex Capital makes a strategic investment in BELAY^d

Workforce Solutions

- BELAY, headquartered in Roswell, Georgia, is a virtual staffing company that offers assistants, bookkeepers, social media strategists, and website specialists services.
- The company provides remote staff for roles including assistants, bookkeepers, website specialists and social media strategists, enabling clients to focus on building their business.

Announced June 29, 2021



Oak Hill acquires Trinity Consultants from Levine Leichtman Capital Partners^e

Consulting

- Headquartered in Dallas, Texas, Trinity is a leading EHS, engineering and science consulting firm that provides regulatory-driven technical consulting services to clients in various industrial and healthcare end markets globally.
- Through the partnership with Oak Hill, Trinity plans to continue to expand into new geographies and services offerings through accretive M&A.

Announced June 28, 2021



EQT announces acquisition of PRO Unlimited from Harvest and Investcorp^f

Workforce Solutions

- Headquartered in San Francisco, California, PRO Unlimited provides workforce management services intended to manage the entire ecosystem of the contingent workforce.
- The Company is differentiated through its focus on high-skilled labor, its staffing agency-neutral approach, and its unique integrated solutions of services, software, and proprietary market data.

a. [PR Newswire](#)

c. [PR Newswire](#)

e. [PR Newswire](#)

b. [Renovus Capital](#)

d. [PR Newswire](#)

f. [Business Wire](#)

What We're Reading

WORKFORCE SOLUTIONS & TRAINING SERVICES INDUSTRY NEWS & TRENDS

In this Industry Update, we have included a collection of articles focused on workforce solutions, training services, and the current labor market. Given the post-pandemic labor market, lack of skilled workers, and demand for permanent and temporary workers, Harris Williams believes that investors will continue to be attracted to the workforce solutions and training sectors.

STAFFING, TRAINING, AND THE LABOR MARKET

Ready to Work: Workforce Industry Recovers, Grows after Pandemic – Altoona Mirror

8/7/21

"The staffing, recruiting and workforce solutions industry provides job and career opportunities for 16 million employees per year. About 3 million temporary and contract employees work for America's staffing companies during an average week, and over the course of a year, America's staffing companies hire 16 million temporary and contract employees, according to the American Staffing Association. 'The pandemic hit the industry hard right out of the gate. Many companies were forced to shut down ... and it left many with uncertainty across all industries for supplies and demands. Many companies hired our employees after the lockdown outright or never brought them back. We are starting to see signs of normalcy come back, but our overall numbers have been down week to week compared to 2019.'"

Read the full article [here](#).

Five Reasons Why the Rapidly Expanding Contingent Workforce is a C-Suite Priority – Forbes

8/6/21

"According to a report from Intuit, 80% of large U.S. corporations plan to increase the use of a flexible workforce in the coming years, with contingent workers making up over 40% of the total workforce. In addition, 62% of enterprises perceive contingent labor as a vital component of their overall workforce, according to the 'State of Contingent Workforce Management' report from research firm Ardent Partners. The pandemic accelerated this trend. Many companies realized they could shift from full-time in-office workers to a hybrid approach with both employee and non-employee remote workers."

"Despite its size, the contingent workforce has often been associated with 'non-core' business functions. But at many leading companies, this paradigm is changing. The reality is this workforce increasingly consists of highly skilled workers who couldn't be more critical in companies' war for talent, with billions of dollars of associated spending."

Read the full article [here](#).

The 2021 Employment Market and What It Means for Recruitment – Forbes

8/4/21

"If 2020 didn't cause employers in the Northwest (and across the U.S.) to rethink their staffing strategies, 2021 likely will. Whether a company's focus is on building back or positioning for growth, many employers are busy re-aligning staffing and business goals."

"In 2020, the Bureau of Labor Statistics found that the median tenure of employees aged 25 to 34 was just 2.8 years, although the median tenure overall was 4.1 years. In early 2021, LinkedIn research showed that many employees were 'sheltering in job.' Others may have felt stuck or just grateful to have an income. I also heard employees express that they were nervous to step out into an uncertain economic climate even if they were dissatisfied with their job. In February 2021, though, research from the Achievers Workforce Institute (via SHRM) found that 52% of employed adults were looking for a new job."

Read the full article [here](#).

August 2021 Hiring Trends - The Demand for Skilled Talent – Robert Half

8/1/21

"Our research shows that job optimism is strong among U.S. workers, signaling career moves on the horizon. Employers are facing new hiring and retention challenges as they adapt to the needs of a more mobile workforce."

Read the full article [here](#).

Back to School – Staffing Industry Analysts

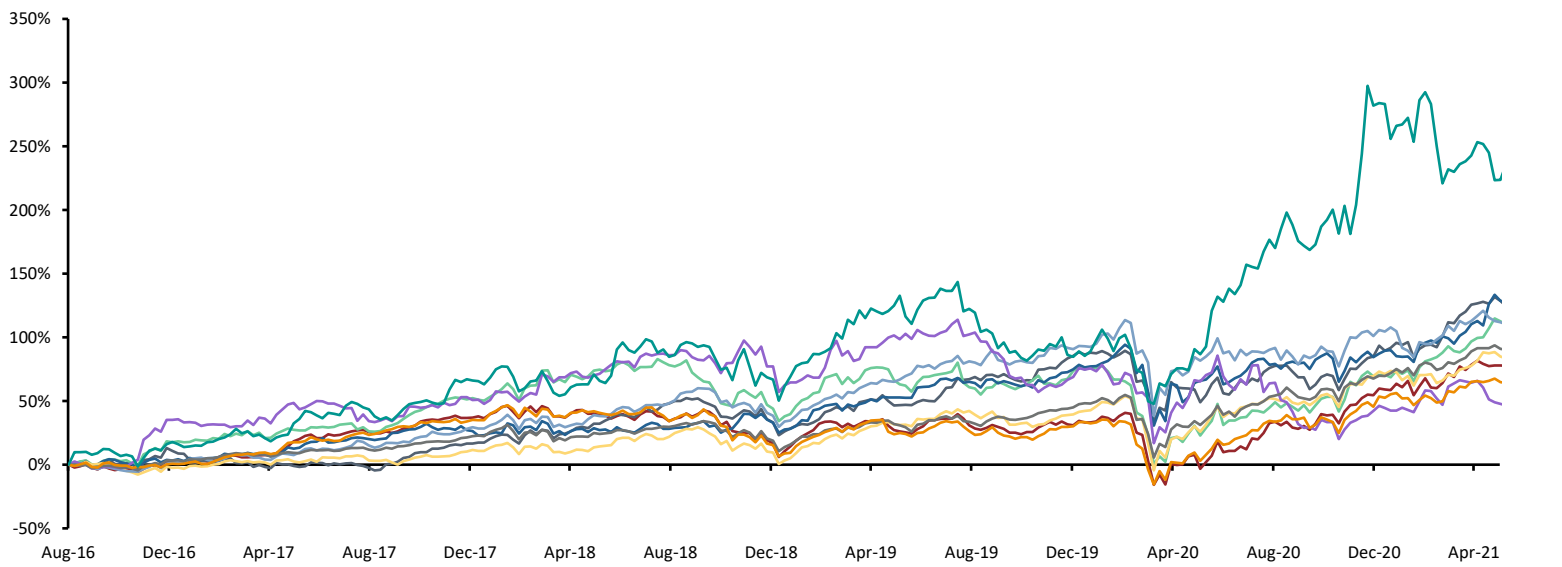
7/19/21

"Eighty-seven percent of companies say they have a skills gap now or will within a few years, according to a report by McKinsey & Co. Companies have long lamented the skills gap — the mismatch between open positions and workers with the right skills to fill them. Skills gaps appear in IT and technical positions as well as other job categories. To tackle the problem, some companies are turning to training workers, upskilling existing or prospective workers. 'Employers are figuring out there aren't a lot of software developers sitting out there not doing anything,' says Dr. Shaun McAlmont, President, Career Learning, at education firm Stride Inc. To bridge the gap, many staffing firms offer a variety of training programs from a recruit-train-deploy model for IT workers to high school diploma programs for blue-collar workers. There are companies that have offered training both online and in-person, although the pandemic sent many of those in-person efforts online as well."

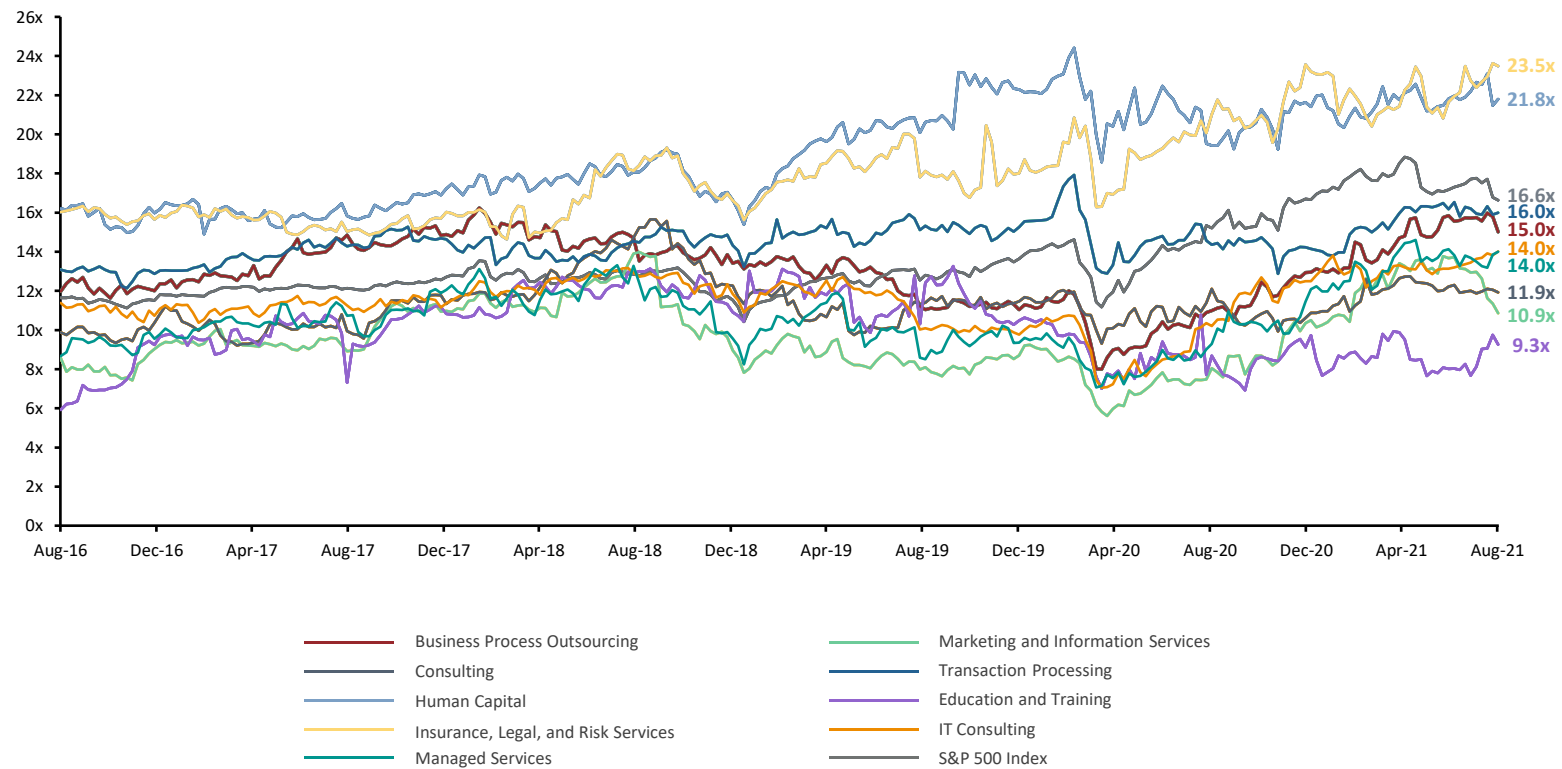
Read the full article [here](#).

Public Markets¹

HISTORICAL STOCK PRICES – LAST 5 YEARS



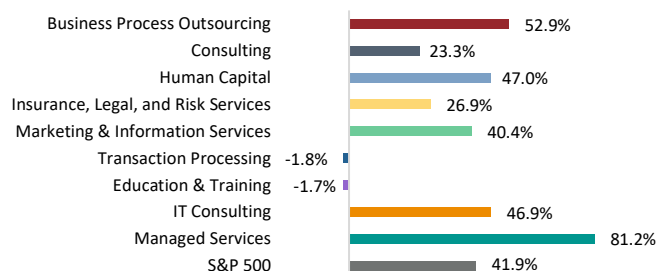
HISTORICAL MEDIAN TEV/LTM EBITDA MULTIPLES – LAST 5 YEARS



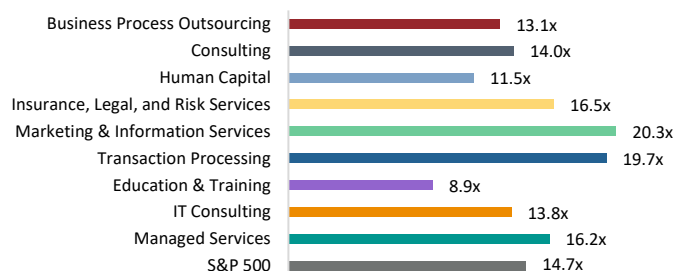
Notes: Data as of August 10, 2021. Comparable company sets listed on page 9. Sub-sector indices weighted by stock price.

Public Markets¹

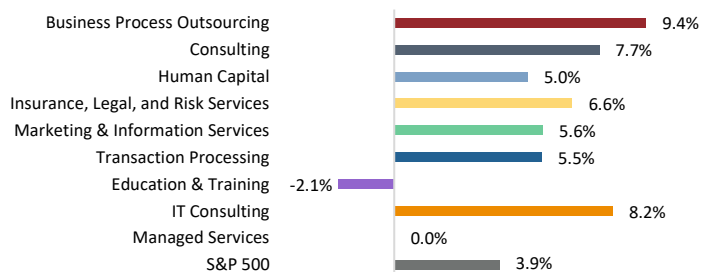
12-MONTH % CHANGE IN STOCK PRICE



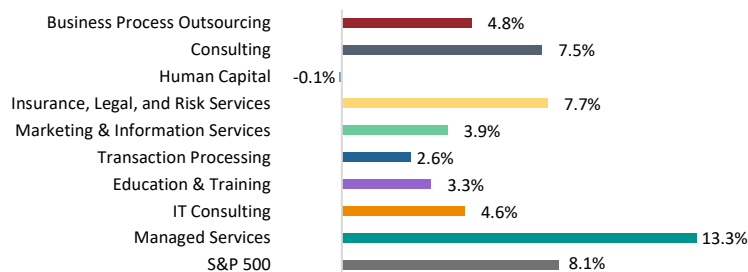
MEDIAN TEV / 2021E EBITDA MULTIPLE



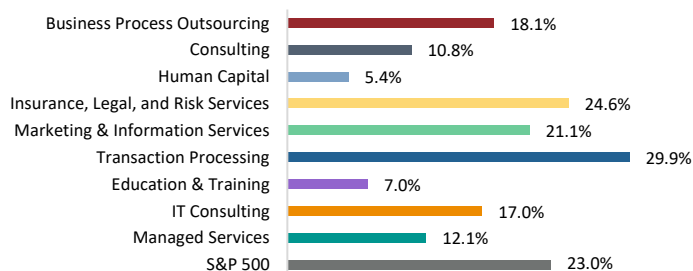
MEDIAN 3-YEAR REVENUE CAGR (2018-2021)



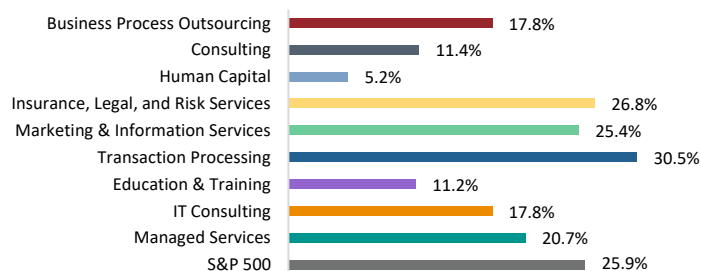
MEDIAN LTM REVENUE GROWTH



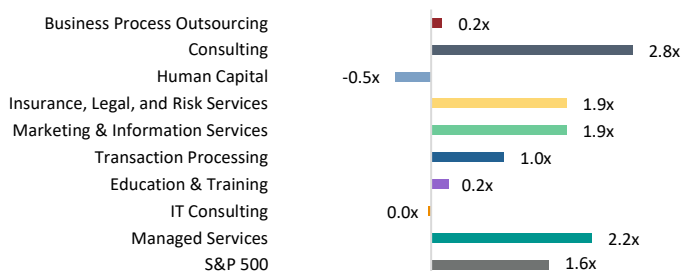
MEDIAN EBITDA MARGIN (2018-2021)



MEDIAN LTM EBITDA MARGIN



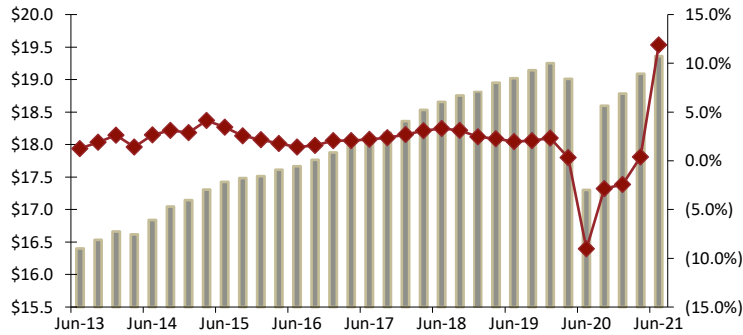
NET DEBT / LTM EBITDA



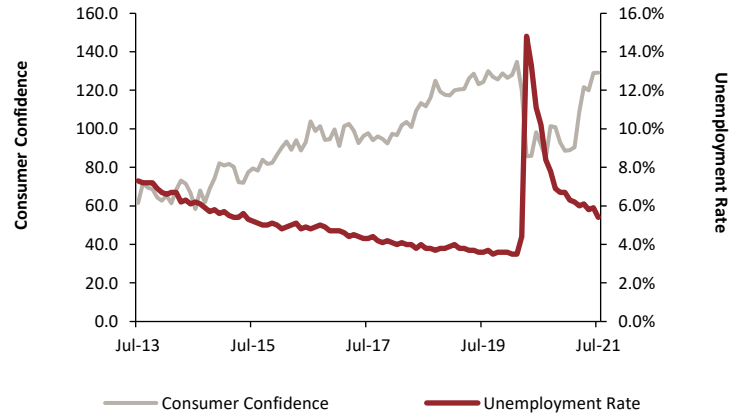
Economic Trends

U.S. GDP GROWTH²

(In billions indexed to 2012 USD)

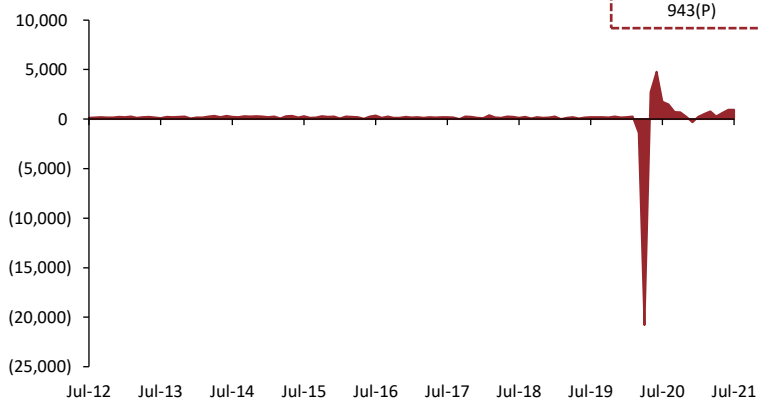


CONSUMER CONFIDENCE AND UNEMPLOYMENT RATE^{3,4}

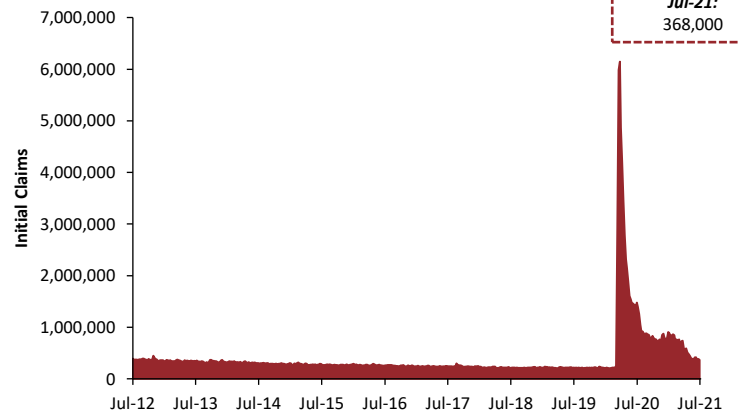


NON-FARM PAYROLLS (1-MONTH NET CHANGE)⁴

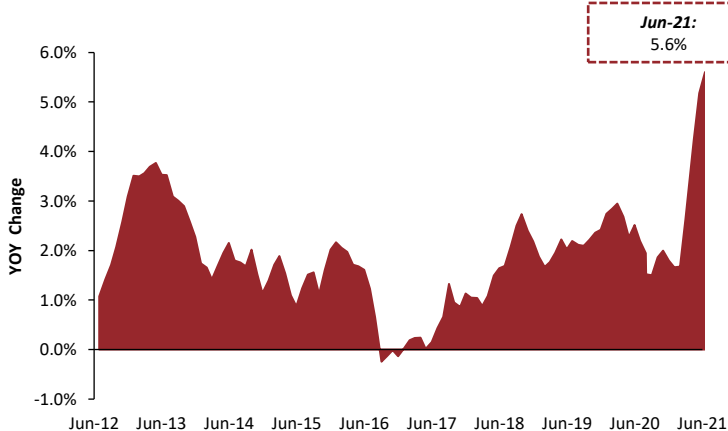
(Payrolls in 000s)



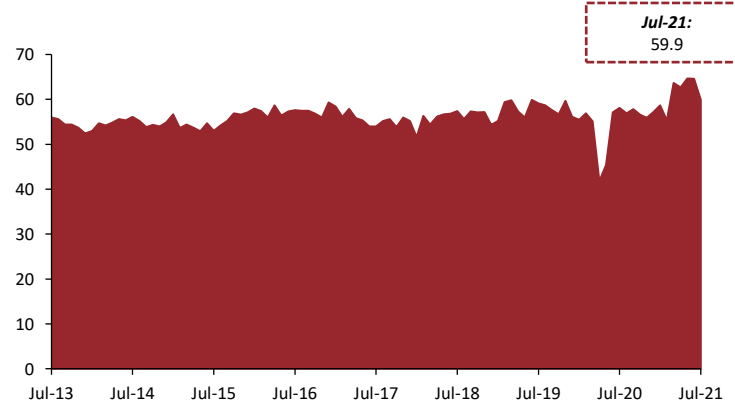
U.S. INITIAL JOBLESS CLAIMS⁵



CONSUMER PRICE INDEX⁴

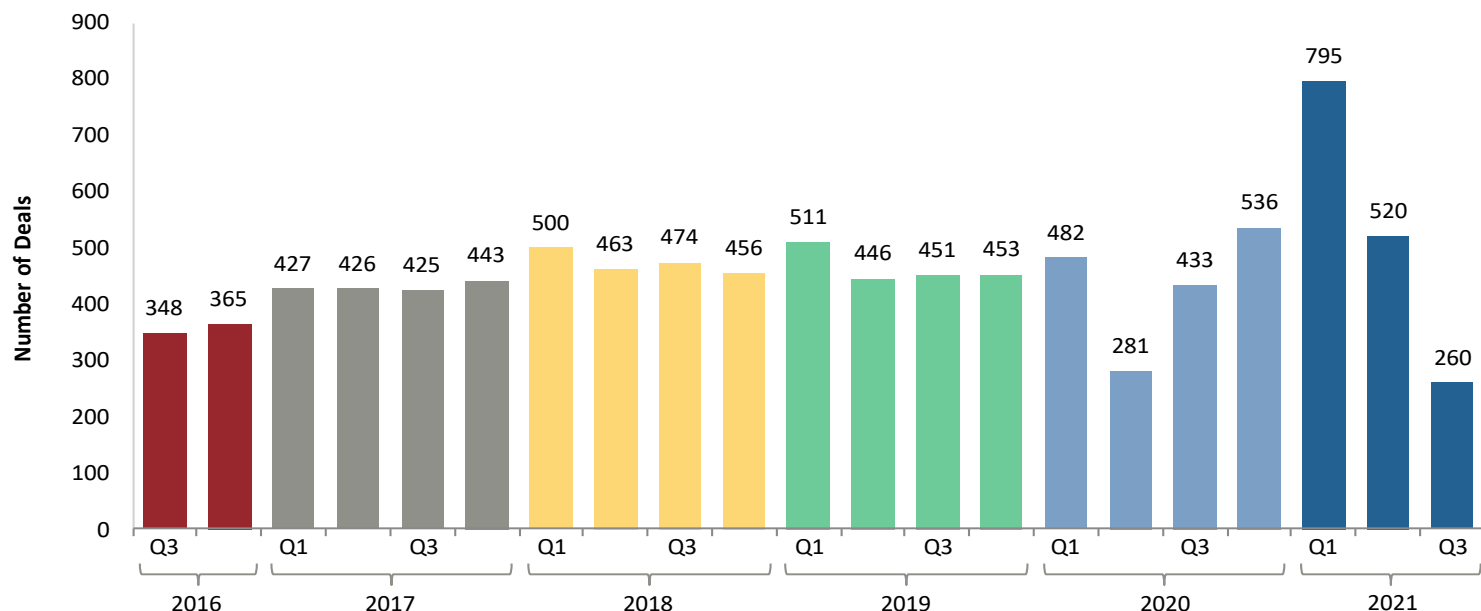


SERVICES PMI⁶



M&A Market Trends¹

PROFESSIONAL SERVICES M&A VOLUME BY YEAR



Note: Data through August 10, 2021.

REPRESENTATIVE LEGAL & INSURANCE SERVICES TRANSACTIONS

Date	Target	Business Description	Acquirer(s)
8/6/21	Keyot	Boutique consulting firm specializing in project delivery and workforce transformation	ThreeBridge Solutions
7/28/21	The Liberty Group	Provides executive search and staffing services	Six Pillars Partners / Merit Capital Partner
7/6/21	BELAY	Virtual staffing company	Tenex Capital Management
6/30/21	Omnipoint Staffing	Provides IT staff augmentation services	The Planet Group (Odyssey)
6/28/21	PRO Unlimited	Provides workforce solution services	EQTPartners
6/25/21	Solution Consultants	Provides IT staffing solutions	Envision
6/9/21	Workforce Solutions Group	HR consulting and talent solutions firm	Cross Country Healthcare
6/8/21	MAS Medical Staffing	Provides medical staffing services	Periscope Equity
6/3/21	EmployBridge	Industrial staffing company	Apollo Global Management
5/27/21	The Planet Group	Provider of outsourced human capital and consulting services	Odyssey Investment Partners
4/30/21	Softworld	Technology staffing and workforce solutions firm	Kelly Services
4/25/21	Therapia Staffing	Provides healthcare staffing services	Gifted Healthcare
3/4/21	The Goal	Provides IT staffing services with a focus on the federal government marketplace	Motion Recruitment Partners
2/16/21	LINK Staffing	Provides general staffing services	HireQuest
2/9/21	TherapyTravelers	Staffing solutions	Epic Staffing Solutions (Webster Equity)
2/8/21	trusstaff Management	Provides travel nurse and allied healthcare staffing services	Cornell Capital / Trilantic
2/8/21	CardioSolution	Provides cardiologist and support personnel staffing services	Cornell Capital / Trilantic

Professional Services Practice Overview



GLOBAL M&A ADVISER

10 INDUSTRY GROUPS

With Robust Experience
Across the Globe

3 DECADES

of Providing Award-
Winning M&A Advisory
Services

1 UNIFIED TEAM

Bringing Firmwide Dedication
to Every Engagement

PROFESSIONAL SERVICES FOCUS AREAS

The Harris Williams Business Services Group has deep experience across commercial and industrial services subsectors.

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

SELECT RECENT PROFESSIONAL SERVICES TRANSACTIONS



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Our Firm

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Aerospace, Defense & Government Services

Business Services

Energy, Power & Infrastructure

Specialty Distribution

Transportation & Logistics

Building Products & Materials

Consumer

Healthcare & Life Sciences

Industrials

Technology

CONSISTENT RECOGNITION FOR QUALITY



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SOURCES

1. S&P Global Capital IQ
2. U.S. Bureau of Economic Analysis
3. The Conference Board
4. U.S. Bureau of Labor Statistics
5. U.S. Department of Labor
6. Institute for Supply Management

Public Comparable Companies:

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

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

Human Capital: 51job, ASGN, Barrett Business Services, Hays, Heidrick & Struggles International, Insperity, Kelly Services, Kforce, Korn Ferry, ManpowerGroup, Randstad, Robert Half International, SThree, TrueBlue, Willis Towers Watson

IL&R Services: Aon, Arthur J. Gallagher & Co., Brown & Brown, Crawford & Company, Marsh & McLennan Companies, Willis Towers Watson

M&I Services: Alliance Data Systems, comScore, CoreLogic, CoStar Group, Equifax, Experian, FactSet, Fair Isaac, Forrester Research, IHS Markit, Informa, LiveRamp Holdings, Moody's, Morningstar, Nielsen Holdings, Omnicom Group, Publicis Groupe, The Interpublic Group of Companies, Thomson Reuters, Verisk Analytics, Viad, Wolters Kluwer, WPP

Transaction Processing: Automatic Data Processing, Fidelity National Information Services, Global Payments, Jack Henry & Associates, Paychex, The Western Union Company

Education and Training: Adtalem Global Education, American Public Education, Franklin Covey, GP Strategies, Grand Canyon Education, K12, Lincoln Educational Services, Pearson, Scholastic, Strategic Education, Zovio

IT Consulting: Accenture, Atos, Capgemini, CGI, Cognizant Technology Solutions, DXC Technology, Genpact, HCL Technologies, Infosys, Tata Consultancy Services, Tech Mahindra, Wipro

Managed Services: American Virtual Cloud Technologies, NetApp, TTEC, Zscaler, Rackspace Technology, Datto, Snowflake

Note: Data through August 10, 2021.

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