



Business Services Update

February 2021

The Mufson Howe Hunter Business Services Update is designed to provide business leaders, investors and industry professionals with current market trends and important developments within the Business Services industry. This monthly report contains recent news, analysis, and M&A activity on selected companies and in-depth coverage of the primary sectors.

Last Twelve Months Performance (Daily from January 31, 2020 to January 31, 2021)
Price as Percent of Base (January 31, 2020 = 0%)

Human Resources Outsourcing Index:



Fixed Asset Management Index:



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Mufson Howe Hunter & Company LLC is a middle-market focused investment bank providing M&A, capital raising and financial advisory services.

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The Mufson Howe Hunter Human Resources Outsourcing Index is currently comprised of AMN Healthcare Services, Inc., Barrett Business Services, Inc., CBIZ, Inc., Computer Task Group, Inc., Corporate Executive Board Co., CRA International, Inc., Cross Country Healthcare, Inc., CT Partners, Exponent, Inc., Fair Isaac Corp., FTI Consulting, Inc., Heidrick & Struggles Intl. Inc., Huron Consulting, Kelly Services, Inc., Kforce, Inc., Korn/Ferry International Inc., Manpower, Inc., On Assignment, Inc., RCM Technologies, Inc., Resources Connection, Inc., Robert Half International, Inc., Team Health Holdings, Inc., and TrueBlue, Inc.

The Mufson Howe Hunter Fixed Asset Management Index is currently comprised of ABM Industries Inc., Arcadis NV, BrightView Holdings, Inc., Brinks Co., Chemed Corp., Comfort Systems USA Inc., CoreCivic, Inc., Corrections Corporation of America, Ecology & Environment, Inc., EMCOR Group Inc., FirstService Corp., G4S plc, Healthcare Services Group Inc., Jacobs Engineering Group Inc., Prosegur Compania de Seguridad SA, Rentokil Initial plc, Rollins Inc., Securitas AB, SP Plus Corporation, Stantec Inc., Tetra Tech, Inc., and The GEO Group, Inc.

The companies that comprise each Index periodically change as a result of mergers, acquisitions, initial public offerings and other transactions; therefore, comparisons to historical time periods and historical performance for each Index do not entirely correspond and correlate to the Index's current performance. Historical performance is not a guarantee or prediction of future results.

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Human Resources Outsourcing

Temporary staffing, HR Outsourcing and Professional Consulting related services for a variety of end-user markets.

Comparative Index Performance

The Mufson Howe Hunter Human Resources Outsourcing Index ^(a) decreased by (3.3%) in January of 2021.

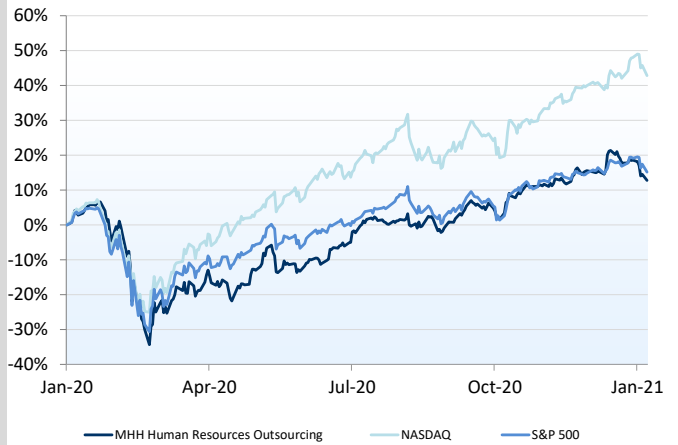
Last Three Years

Daily from January 31, 2018 to January 31, 2021
Price as Percent of Base (January 31, 2018 = 0%)



Last Twelve Months

Daily from January 31, 2020 to January 31, 2021
Price as Percent of Base (January 31, 2020 = 0%)



Price Appreciation

	3-Year	LTM	1-Month
Mufson Howe Hunter Human Resources Outsourcing Index ^(a)	31.8%	12.8%	(3.3%)
NASDAQ	76.4%	42.8%	1.4%
S&P 500	31.5%	15.2%	(1.1%)

(a) Market cap weighted index assuming no dividend reinvestment. Mufson Howe Hunter Human Resources Outsourcing Index is comprised of all companies listed on the following page.

Human Resources Outsourcing

Selected Valuation Metrics

(\$ in millions, except per share data)

Company	Market & Capitalization			LTM Performance ⁽³⁾			Valuation			Margins	
	Price ⁽¹⁾	Equity Value	Enterprise Value ⁽²⁾	Revenue	EBITDA ⁽⁴⁾	EPS	Enterprise Value/Revenue	Price/EBITDA	Price/EPS	Gross Profit	EBITDA
Commercial Staffing											
ManpowerGroup Inc. (MAN)	\$88.44	\$4,863.7	\$4,857.5	\$18,001.0	\$445.6	\$0.41	0.27 x	10.9 x	NM	15.7%	2.5%
TrueBlue, Inc. (TBI)	18.59	659.7	665.9	1,846.4	32.6	(4.01)	0.36 x	20.4 x	NM	23.9%	1.8%
Kelly Services, Inc. (KELY.A)	19.52	767.2	631.6	4,516.0	59.0	(1.83)	0.14 x	10.7 x	NM	18.3%	1.3%
Mean		\$2,096.9	\$2,051.7	\$8,121.1	\$179.1	(\$1.81)	0.26 x	14.0 x	NA	19.3%	1.8%
Median		767.2	665.9	4,516.0	59.0	(1.83)	0.27 x	10.9 x	NA	18.3%	1.8%
Professional Staffing											
Robert Half International Inc. (RHI)	\$67.50	\$7,517.3	\$7,245.6	\$5,109.0	\$408.9	\$2.70	1.42 x	17.7 x	25.0 x	39.4%	8.0%
Kforce Inc. (KFRC)	42.65	886.4	888.7	1,397.7	84.6	2.62	0.64 x	10.5 x	16.3 x	28.3%	6.1%
Resources Connection, Inc. (RGP)	11.54	375.1	383.4	647.2	39.5	0.38	0.59 x	9.7 x	30.5 x	38.6%	6.1%
Mean		\$2,926.3	\$2,839.2	\$2,384.6	\$177.6	\$1.90	0.88 x	12.6 x	23.9 x	35.4%	6.7%
Median		886.4	888.7	1,397.7	84.6	2.62	0.64 x	10.5 x	25.0 x	38.6%	6.1%
Healthcare Staffing											
AMN Healthcare Services, Inc. (AMN)	\$72.12	\$3,391.9	\$4,318.1	\$2,393.7	\$298.8	\$1.48	1.80 x	14.5 x	NM	33.1%	12.5%
Cross Country Healthcare, Inc. (CCRN)	8.76	329.1	407.6	835.9	24.1	(0.52)	0.49 x	16.9 x	NM	24.1%	2.9%
Mean		\$1,860.5	\$2,362.8	\$1,614.8	\$161.4	\$0.48	1.15 x	15.7 x	NA	28.6%	7.7%
Median		1,860.5	2,362.8	1,614.8	161.4	0.48	1.15 x	15.7 x	NA	28.6%	7.7%
IT Staffing											
ASGN Incorporated (ASGN)	\$82.91	\$4,385.9	\$5,144.9	\$3,950.6	\$397.9	\$3.76	1.30 x	12.9 x	22.1 x	27.6%	10.1%
Computer Task Group, Incorporated (CTG)	6.52	99.0	88.2	366.1	14.7	0.53	0.24 x	6.0 x	12.3 x	21.0%	4.0%
RCM Technologies, Inc. (RCMT)	2.63	31.4	49.3	157.8	(4.9)	(0.50)	0.31 x	NM	NM	25.9%	NM
Mean		\$1,505.5	\$1,760.8	\$1,491.5	\$135.9	\$1.26	0.62 x	9.5 x	17.2 x	24.8%	7.0%
Median		99.0	88.2	366.1	14.7	0.53	0.31 x	9.5 x	17.2 x	25.9%	7.0%
Executive Search											
Korn Ferry (KFY)	\$45.60	\$2,462.3	\$2,332.3	\$1,695.4	\$200.5	\$0.86	1.38 x	11.6 x	NM	24.6%	11.8%
Heidrick & Struggles International, Inc. (HSII)	29.16	564.5	343.9	621.6	76.5	(1.95)	0.55 x	4.5 x	NM	27.5%	12.3%
Mean		\$1,513.4	\$1,338.1	\$1,158.5	\$138.5	(\$0.54)	0.96 x	8.1 x	NA	26.1%	12.1%
Median		1,513.4	1,338.1	1,158.5	138.5	(0.54)	0.96 x	8.1 x	NA	26.1%	12.1%
Professional & Consulting											
Fair Isaac Corporation (FICO)	\$450.11	\$13,159.5	\$13,955.4	\$1,308.5	\$401.4	\$8.98	NM	NM	NM	72.5%	30.7%
Exponent, Inc. (EXPO)	82.58	4,263.6	4,041.4	378.4	90.2	1.55	NM	NM	NM	33.9%	23.8%
FTI Consulting, Inc. (FCN)	109.97	3,813.8	4,021.5	2,436.9	310.1	4.88	1.65 x	13.0 x	22.6 x	32.2%	12.7%
CBIZ, Inc. (CBZ)	25.91	1,389.5	1,492.1	963.9	115.6	1.42	1.55 x	12.9 x	18.2 x	14.4%	12.0%
Huron Consulting Group Inc. (HURN)	52.96	1,137.4	1,344.1	844.1	81.6	(1.08)	1.59 x	16.5 x	NM	29.8%	9.7%
CRA International, Inc. (CRAI)	53.21	413.8	583.6	490.2	48.1	2.82	1.19 x	12.1 x	18.9 x	28.7%	9.8%
Mean		\$4,029.6	\$4,239.7	\$1,070.3	\$174.5	\$3.09	1.50 x	13.6 x	19.9 x	35.3%	16.5%
Median		2,601.7	2,756.8	904.0	102.9	2.18	1.57 x	12.9 x	18.9 x	31.0%	12.4%

NA = Not Available; NM = Not Meaningful; LTM = Latest Twelve Months

‡ = excluded from Mean and Median calculations

Source: Public Filings, Press Releases and Published Research Reports.

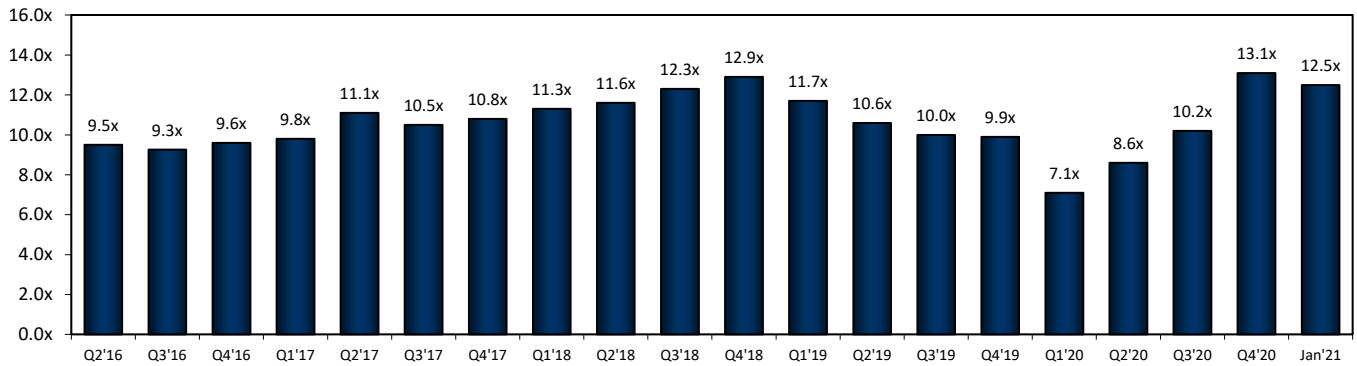
(1) As of close on January 29, 2021.

(2) Enterprise value is defined as equity value plus net debt, preferred stock and minority interests. Net Debt includes long term debt, short term debt, postretirement benefits and unfunded pensions, if applicable, less cash and cash equivalents.

(3) As of December 31, 2020 except RGP (November 28, 2020); KFY (October 31, 2020); EXPO (October 2, 2020); KELY.A and TBI (September 27, 2020); CRAI and RCMT (September 26, 2020); CTG (September 25, 2020).

(4) Excludes non-recurring and discontinued operations.

Historical Enterprise Value-to-LTM EBITDA Multiples



Selected M&A Transactions

Announced	Target	Target Description	Acquirer	Value
Jan 7	Unico Solution, Inc.	Offers data integration, data quality, governance, cloud integration, managed services, connector development, master data management, and API management services	Huron Consulting Group Inc. (NasdaqGS:HURN)	ND
Jan 4	Borden Perlman Insurance Agency, Inc.	Offers personal and commercial insurance services in the United States	CBIZ, Inc. (NYSE:CBZ)	ND

ND – Not disclosed. Transaction values in millions.

Selected News

Automatic Data Processing, Inc. (NasdaqGS:ADP) reported second quarter net income of \$647.5 million for fiscal year 2021 as compared to \$651.6 million for the prior year period. Earnings per share were \$1.51 versus \$1.50 for the prior year period. Revenues for the quarter increased to \$3,695.7 million from \$3,669.5 million for the same period in fiscal year 2020.

Fair Isaac Corporation (NYSE:FICO) reported first quarter net income of \$86.5 million for fiscal year 2021 as compared to \$54.9 million for the prior year period. Earnings per share were \$2.90 versus \$1.82 for the prior year period. Revenues for the quarter increased to \$312.4 million from \$298.5 million for the same period in fiscal year 2020.

Robert Half International Inc. (NYSE:RHI) reported net income of \$306.3 million for fiscal year 2020 as compared to \$454.4 million for the prior year. Earnings per share were \$2.70 versus \$3.90 for the prior year. Revenues for the year decreased to \$5,109.0 million from \$6,074.4 million for fiscal year 2019.

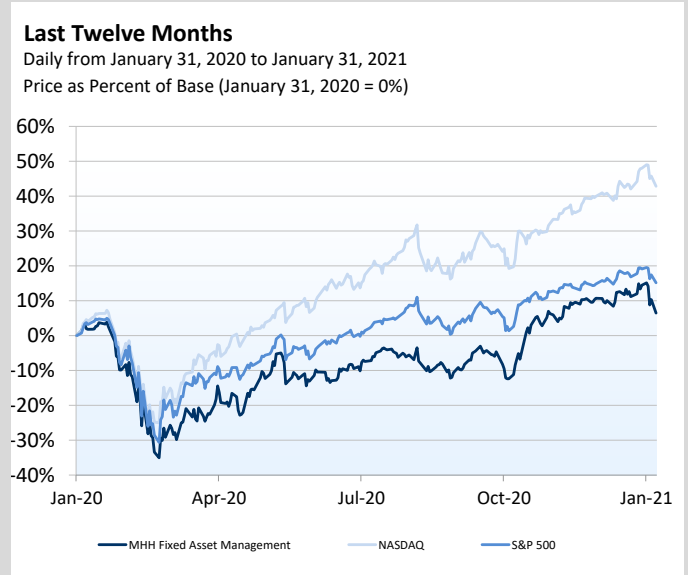
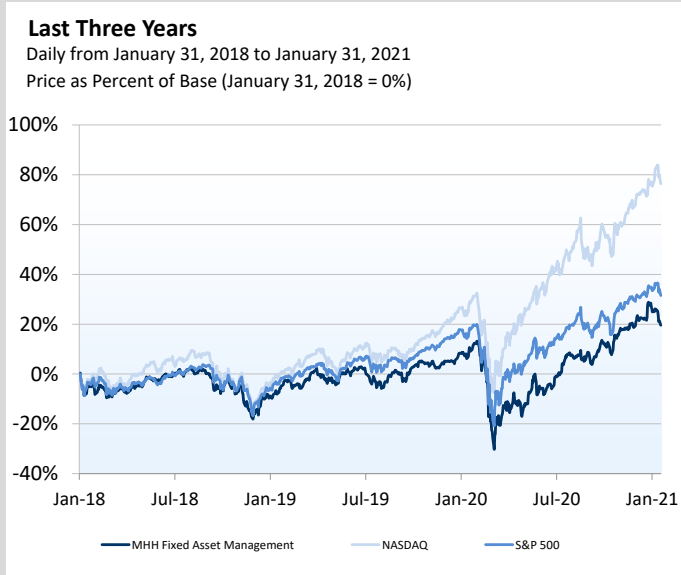
Note: All per share results are reported on a fully-diluted basis.

Fixed Asset Management

Outsourced facility management services including: environmental services, facility maintenance, food service contracting, manned security services, uniform/linen rental, and waste management services.

Comparative Index Performance

The Mufson Howe Hunter Fixed Asset Management Index ^(a) decreased by (2.4%) in January of 2021.



Price Appreciation	3-Year	LTM	1-Month
Mufson Howe Hunter Fixed Asset Management Index ^(a)	19.6%	6.5%	(2.4%)
NASDAQ	76.4%	42.8%	1.4%
S&P 500	31.5%	15.2%	(1.1%)

(a) Market cap weighted index assuming no dividend reinvestment. Mufson Howe Hunter Fixed Asset Management Index is comprised of all companies listed on the following page.

Fixed Asset Management

Selected Valuation Metrics

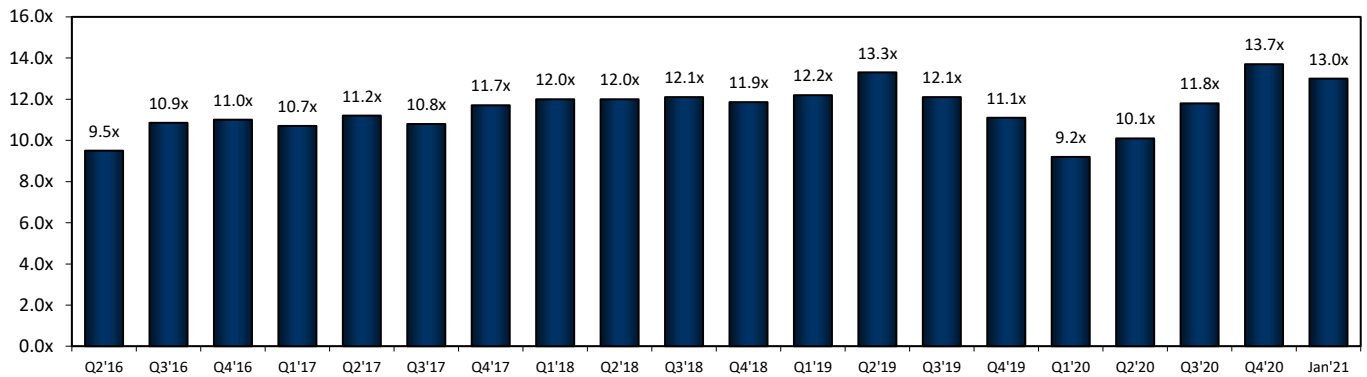
(\$ in millions, except per share data)

Company	Market & Capitalization			LTM Performance ⁽³⁾			Valuation			Margins	
	Price ⁽¹⁾	Equity Value	Enterprise Value ⁽²⁾	Revenue	EBITDA ⁽⁴⁾	EPS	Enterprise Value/Revenue	Price/EBITDA	Price/EPS	Gross Profit	EBITDA
Facility Maintenance											
Rollins, Inc. (ROL)	\$36.02	\$17,708.3	\$18,026.9	\$2,161.2	\$456.0	\$0.53	8.34 x	39.5 x	68.0 x	51.5%	21.1%
Rentokil Initial plc (LSE:RTO)	7.11	13,135.5	14,424.1	3,351.1	593.7	0.16	4.30 x	24.3 x	44.1 x	79.0%	17.7%
Chemed Corporation (CHE)	517.90	8,261.4	8,234.2	2,079.6	446.3	19.48	3.96 x	18.5 x	26.6 x	33.7%	21.5%
FirstService Corporation (TSX:FSV)	136.66	5,956.6	6,719.1	2,772.4	272.1	2.02	2.42 x	24.7 x	67.7 x	32.5%	9.8%
EMCOR Group, Inc. (EME)	88.30	4,850.4	4,706.3	8,919.5	583.8	2.51	0.53 x	8.1 x	35.2 x	15.4%	6.5%
ABM Industries Incorporated (ABM)	36.74	2,464.5	2,977.0	5,987.6	372.5	0.00	0.50 x	8.0 x	NM	15.0%	6.2%
BrightView Holdings, Inc. (BV)	14.18	1,487.6	2,618.9	2,329.7	190.1	(0.39)	1.12 x	13.8 x	NM	25.1%	8.2%
Comfort Systems USA, Inc. (FIX)	55.43	2,013.0	2,262.8	2,877.3	244.8	3.84	0.79 x	9.2 x	14.4 x	18.9%	8.5%
Healthcare Services Group, Inc. (HCSG)	32.42	2,412.8	2,148.5	1,760.3	125.9	1.32	1.22 x	17.1 x	24.6 x	15.2%	7.2%
SP Plus Corporation (SP)	29.00	670.6	1,342.6	549.0	51.3	(8.21)	2.45 x	26.2 x	NM	23.4%	9.3%
Mean		\$5,896.1	\$6,346.0	\$3,278.8	\$333.6	\$2.13	2.56x	18.9x	40.1x	31.0%	11.6%
Median		3,657.4	3,841.6	2,551.1	322.3	0.93	1.82x	17.8x	35.2x	24.3%	8.9%
Manned Security Services											
G4S plc (LSE:GFS)	\$3.57	\$5,516.4	\$7,508.6	\$9,256.6	\$817.2	\$0.01	0.81 x	9.2 x	NM	16.6%	8.8%
Securitas AB (OM: SECU B)	14.48	5,283.2	7,130.9	13,144.7	917.7	0.81	0.54 x	7.8 x	17.9 x	17.5%	7.0%
The Brink's Company (BCO)	68.13	3,367.9	5,499.9	3,691.0	519.7	0.33	1.49 x	10.6 x	NM	13.4%	14.1%
The GEO Group, Inc. (GEO)	8.94	1,065.2	3,832.4	2,350.1	378.4	0.94	1.63 x	10.1 x	9.5 x	24.3%	16.1%
Prosegur Compañía de Seguridad, S.A. (BME:PSG)	2.78	1,398.6	2,752.6	4,495.2	959.2	1.10	0.61 x	2.9 x	2.5 x	35.4%	21.3%
CoreCivic, Inc. (CXW)	7.11	850.6	2,725.8	1,905.5	398.0	0.45	1.43 x	6.8 x	15.8 x	26.9%	20.9%
Mean		\$2,913.7	\$4,908.4	\$5,807.2	\$665.0	\$0.6	1.09x	7.9x	11.4x	22.4%	14.7%
Median		2,383.2	4,666.1	4,093.1	668.4	0.6	1.12x	8.5x	12.7x	20.9%	15.1%
Environmental Services											
Jacobs Engineering Group Inc. (J)	\$100.96	\$13,133.5	\$14,531.9	\$13,588.8	\$1,133.3	\$3.28	1.07 x	12.8 x	30.8 x	19.0%	8.3%
Tetra Tech, Inc. (TTEK)	121.57	6,592.6	6,996.5	2,339.7	271.1	3.27	2.99 x	25.8 x	37.2 x	19.4%	11.6%
Stantec Inc. (TSX:STN)	35.52	3,981.7	4,777.5	2,794.9	332.2	1.25	1.71 x	14.4 x	28.3 x	52.7%	11.9%
Arcadis NV (ARCAD)	35.08	3,146.3	3,548.9	4,040.6	312.4	0.29	0.88 x	11.4 x	NM	17.2%	7.7%
EEL Corporation (EEL)	0.12	121.7	326.4	373.0	6.5	(0.01)	0.88 x	NM	NM	6.0%	1.7%
Mean		\$5,395.2	\$6,036.2	\$4,627.4	\$411.1	\$1.62	1.50 x	16.1 x	32.1 x	22.8%	8.3%
Median		3,981.7	4,777.5	2,794.9	312.4	1.25	1.07 x	13.6 x	30.8 x	19.0%	8.3%

NA = Not Available; NM = Not Meaningful; LTM = Latest Twelve Months
 ‡ = excluded from Mean and Median calculations
 Source: Public Filings, Press Releases and Published Research Reports.

- (1) As of close January 29, 2021.
- (2) Enterprise value is defined as equity value plus net debt, preferred stock and minority interests. Net Debt includes long term debt, short term debt, postretirement benefits and unfunded pensions, if applicable, less cash and cash equivalents.
- (3) As of December 31, 2020 except ABM (October 31, 2020); J (October 2, 2020); TTEK (September 27, 2020); and ARCAD, GFS and RTO (June 30, 2020).
- (4) Excludes non-recurring and discontinued operations.

Historical Enterprise Value-to-LTM EBITDA Multiples



Selected M&A Transactions

Announced	Target	Target Description	Acquirer	Value
Jan 29	Avantium Renewable Polymers B.V.	Produces and markets furandi-carboxylic acid	Worley Limited (ASX:WOR)	\$12.0
Jan 18	Garrie Pest Control LLC	Provides pest control services to commercial and residential customers	Rentokil North America, Inc.	ND
Jan 8	Environmental Pest Service, LLC	Provides pest control, lawn care, and termite control services in the United State	Rentokil North America, Inc.	ND
Jan 5	Tennessee Electric Company, Inc.	Provides mechanical and electrical installation, renovation, maintenance, repair, and replacement services	Comfort Systems USA, Inc. (NYSE:FIX)	ND

ND – Not disclosed. Transaction values in millions.

Selected News

Rollins, Inc. (NYSE:ROL) reported net income of \$260.8 million for fiscal year 2020 as compared to \$203.3 million for the prior year. Earnings per share were \$0.53 versus \$0.41 for the prior year. Revenues for the year increased to \$2,161.2 million from \$2,015.5 million for fiscal year 2019.

Sodexo S.A. (ENXTPA:SW) reported net income of (\$376.6) million for fiscal year 2020 as compared to \$731.4 million for the prior year. Earnings per share were (\$2.58) versus \$4.95 for the prior year. Revenues for the year decreased to \$23,097.4 million from \$24,146.5 million for fiscal year 2019.

UniFirst Corporation (NYSE:UNF) reported first quarter net income of \$41.9 million for fiscal year 2021 as compared to \$48.2 million for the prior year period. Earnings per share were \$2.20 versus \$2.52 for the prior year period. Revenues for the quarter decreased to \$446.9 million from \$465.4 million for the same period in fiscal year 2020.

Note: All per share results are reported on a fully-diluted basis.

Mufson Howe Hunter is an independent investment bank for middle-market companies. We focus on selling businesses, buy-outs, acquisitions and raising capital. Unique to the middle market, our senior bankers have extensive corporate finance experience and deep knowledge of the capital markets.

Mergers & Acquisitions

- Advise buyers and sellers (public and private companies)
- Sale of businesses, strategic acquisitions, management buy-outs and industry build-ups

Raise Capital

- Equity (control and non-control)
- Mezzanine financing
- Senior and junior debt
- Typically raise capital from banks, finance companies, private investment funds and private equity groups

Financial Advisory Services

- Analysis of business strategies and options
- Fairness opinions
- Valuations

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