



Mufson Howe Hunter

Business Services Update October 2022

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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 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 September 30, 2021 to September 30, 2022
Price as % of Base (September 30, 2021 = 0%)

Human Resources Outsourcing Index



Fixed Asset Management Index



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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., 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.

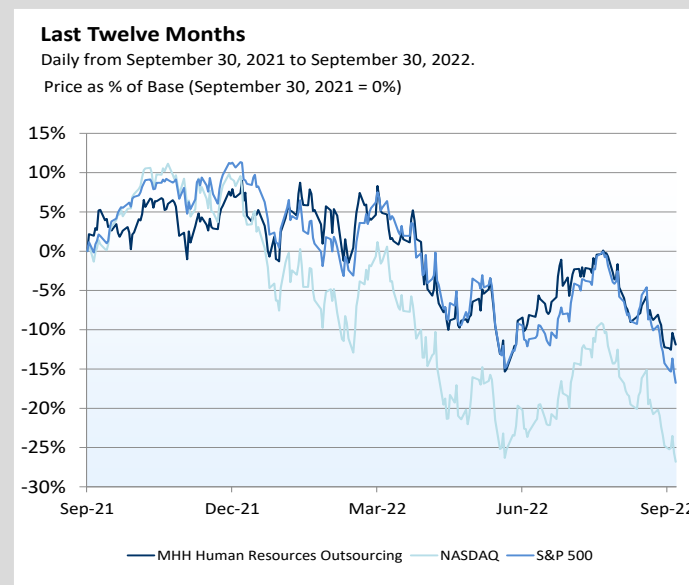
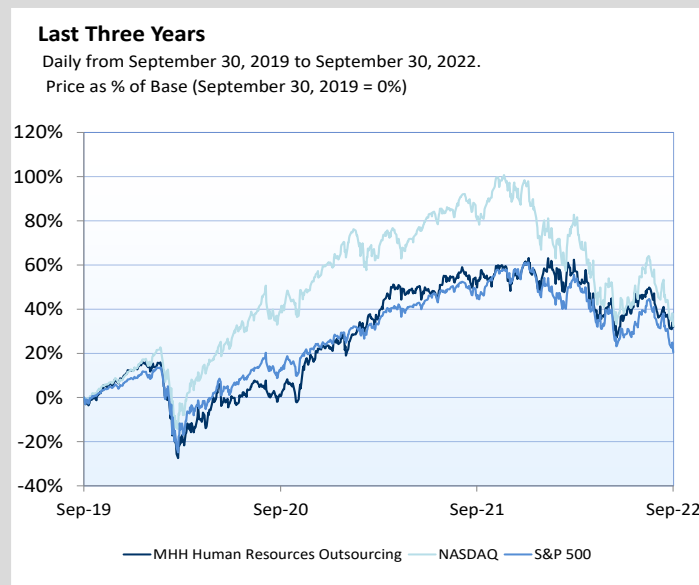
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Human Resources Outsourcing

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

Comparative Index Performance

The MHH Human Resources Outsourcing Index^(a) decreased by 4.0% in September of 2022.



Price Appreciation

	3-Year	LTM	1-Month
MHH Human Resources Outsourcing Index ^(a)	31.9%	-11.9%	-4.0%
NASDAQ	32.2%	-26.8%	-10.3%
S&P 500	20.5%	-16.8%	-9.6%

(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.

Selected Valuation Metrics

Human Resources Outsourcing

(\$ 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 EBITDA		Price/ EPS	Gross Profit	EBITDA
Commercial Staffing											
ManpowerGroup Inc. (MAN)	\$64.69	\$3,347.2	\$3,943.3	\$20,400.6	\$762.40	\$8.11	0.19 x	5.2 x	8.0 x	17.8%	3.7%
TrueBlue, Inc. (TBI)	19.08	624.3	643.6	2,318.4	117.2	2.22	0.28 x	5.5 x	8.6 x	26.8%	5.1%
Kelly Services, Inc. (KELY.A)	\$13.59	515.7	454.8	5,009.4	107.4	\$1.53	0.09 x	4.2 x	8.9 x	19.9%	2.1%
Mean		\$1,495.7	\$1,680.5	\$9,242.8	\$329.0	\$4.0	0.2 x	5.0 x	8.5 x	21.5%	3.6%
Median		624.3	643.6	5,009.4	117.2	2.2	0.2 x	5.2 x	8.6 x	19.9%	3.7%
Professional Staffing											
Robert Half International Inc. (RHI)	\$76.50	\$8,165.7	\$7,804.4	\$7,281.0	\$1,048.8	\$6.16	1.07 x	7.4 x	12.4 x	42.8%	14.4%
Kforce Inc. (KFRC)	58.65	1,155.4	1,162.3	1,701.5	120.1	4.28	0.68 x	9.7 x	13.7 x	29.5%	7.1%
Resources Connection, Inc. (RGP)	18.07	609.9	580.1	825.9	99.4	2.14	0.70 x	5.8 x	8.4 x	39.8%	12.0%
Mean		\$3,310.3	\$3,182.2	\$3,269.5	\$422.8	\$4.2	0.8 x	7.7 x	11.5 x	37.4%	11.2%
Median		1,155.4	1,162.3	1,701.5	120.1	4.3	0.7 x	7.4 x	12.4 x	39.8%	12.0%
Healthcare Staffing											
AMN Healthcare Services, Inc. (AMN)	\$105.96	\$4,591.9	\$5,298.4	\$5,480.8	\$822.2	\$10.39	0.97 x	6.4 x	10.2 x	32.4%	15.0%
Cross Country Healthcare, Inc. (CCRN)	28.37	1,058.1	1,167.5	2,819.1	318.0	6.03	0.41 x	3.7 x	4.7 x	22.6%	11.3%
Mean		\$2,825.0	\$3,232.9	\$4,149.9	\$570.1	\$8.2	0.7 x	5.1 x	7.5 x	27.5%	13.1%
Median		2,825.0	3,232.9	4,149.9	570.1	8.2	0.7 x	5.1 x	7.5 x	27.5%	13.1%
IT Staffing											
ASGN Incorporated (ASGN)	\$90.37	\$4,536.6	\$5,406.2	\$4,484.5	\$495.8	\$5.32	1.21 x	10.9 x	17.0 x	30.0%	11.1%
RCM Technologies, Inc. (RCMT)	16.69	170.3	170.7	266.7	24.9	1.93	0.64 x	6.9 x	8.7 x	28.2%	9.3%
Computer Task Group, Incorporated (CTG)	6.70	104.0	87.4	375.2	17.1	0.98	0.23 x	5.1 x	6.8 x	22.8%	NM
Mean		\$1,603.6	\$1,888.1	\$1,708.8	\$179.2	\$2.7	0.7 x	7.6 x	10.8 x	27.0%	10.2%
Median		170.3	170.7	375.2	24.9	1.9	0.6 x	6.9 x	8.7 x	28.2%	10.2%

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 September 30, 2022.

(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 September 30, 2022 except TBI (September 25, 2022); RGP (August 27, 2022); KFV (July 30, 2022); KELY .A (July 3, 2022); CRA & RCM (July 2, 2022); EXPO & CTG (July 1, 2022) and FICO (June 30, 2022).

(4) Excludes non-recurring and discontinued operations.

Selected Valuation Metrics (cont'd)

Human Resources Outsourcing

(\$ 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 EBITDA		Price/ EPS	Gross Profit	EBITDA
Executive Search											
Korn Ferry (KFY)	\$46.95	\$2,506.2	\$2,399.3	\$2,737.2	\$528.2	\$6.06	0.88 x	4.5 x	7.7 x	28.9%	19.3%
Heidrick & Struggles International, Inc. (HSII)	25.99	516.2	138.5	1,126.6	122.1	3.70	0.12 x	1.1 x	7.0 x	24.0%	10.8%
Mean		\$1,511.2	\$1,268.9	\$1,931.9	\$325.2	\$4.9	0.5 x	2.8 x	7.4 x	26.5%	15.1%
Median		1,511.2	1,268.9	1,931.9	325.2	4.9	0.5 x	2.8 x	7.4 x	26.5%	15.1%
Professional & Consulting											
Fair Isaac Corporation (FICO)	\$412.01	\$10,404.3	\$12,248.9	\$1,363.1	\$552.2	\$13.61	8.99 x	22.2 x	30.3 x	78.6%	40.5%
FTI Consulting, Inc. (FCN)	165.71	5,574.7	5,809.2	2,930.7	329.1	6.33	1.98 x	17.7 x	26.2 x	30.9%	11.2%
Exponent, Inc. (EXPO)	87.67	4,481.4	4,351.5	468.0	149.0	1.90	9.30 x	NM	NM	45.0%	31.8%
CBIZ, Inc. (CBZ)	42.78	2,162.8	2,647.9	1,359.8	211.1	2.03	1.95 x	12.5 x	21.1 x	17.3%	15.5%
Huron Consulting Group Inc. (HURN)	66.25	1,233.1	1,618.6	1,067.0	121.9	4.25	1.52 x	13.3 x	15.6 x	30.4%	11.4%
CRA International, Inc. (CRAI)	88.74	633.2	778.5	580.7	70.0	5.85	1.34 x	11.1 x	15.2 x	30.6%	12.0%
Mean		\$4,081.6	\$4,575.8	\$1,294.9	\$238.9	\$5.7	4.2 x	15.4 x	21.7 x	38.8%	20.4%
Median		3,322.1	3,499.7	1,213.4	180.0	5.1	2.0 x	13.3 x	21.1 x	30.8%	13.8%

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 September 30, 2022.

(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 September 30, 2022 except TBI (September 25, 2022); RGP (August 27, 2022); KFY (July 30, 2022); KELY .A (July 3, 2022); CRA & RCM (July 2, 2022); EXPO & CTG (July 1, 2022) and FICO (June 30, 2022).

(4) Excludes non-recurring and discontinued operations.

Selected M&A Transactions

Human Resources Outsourcing

Announced	Target	Target Description	Acquirer	Value
Sep 29	Eleviant Technologies, Inc.	Provides information technology (IT) consulting and managed IT services, including digital transformation, mobile and web application development, and cloud migration.	Computer Task Group, Incorporated. (NasdaqGS:CTG)	\$18.6

ND – Not disclosed. Transaction values in millions.

Selected News

Human Resources Outsourcing

Barrett Business Services, Inc. (NasdaqGS:BBSI) appointed **Joseph Clabby** to its **Board of Directors**.

Huron Consulting Group, Inc. (NasdaqGS:HURN) appointed **Joy Brown** to its **Board of Directors**.

Korn Ferry (NYSE:KFY) reported first quarter net income of \$77.2 million for fiscal year 2023 as compared to \$74.8 million for the prior year period. Earnings per share were \$1.45 versus \$1.37 for the prior year period. Revenues for the quarter increased to \$695.9 million from \$585.4 million for the same period in fiscal year 2022.

Paychex, Inc. (NasdaqGS:PAYX) reported first quarter net income of \$379.2 million for fiscal year 2023 as compared to \$333.6 million for the prior year period. Earnings per share were \$1.05 versus \$0.92 for the prior year period. Revenues for the quarter increased to \$1,206.2 million from \$1,082.9 million for the same period in fiscal year 2022.

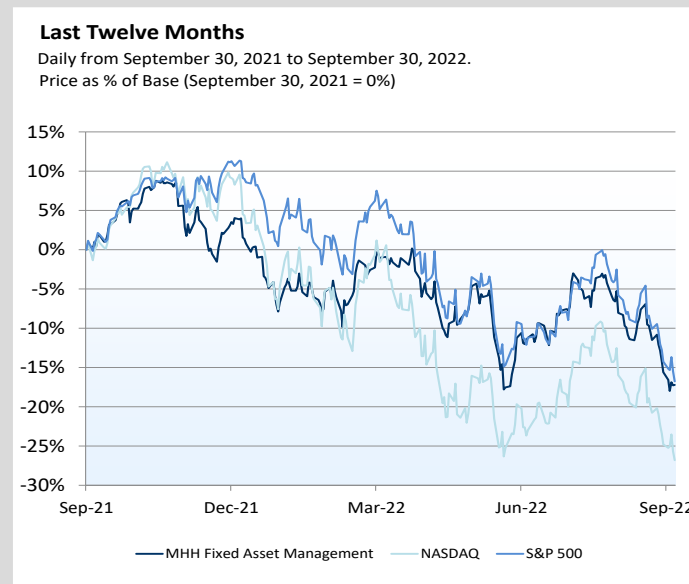
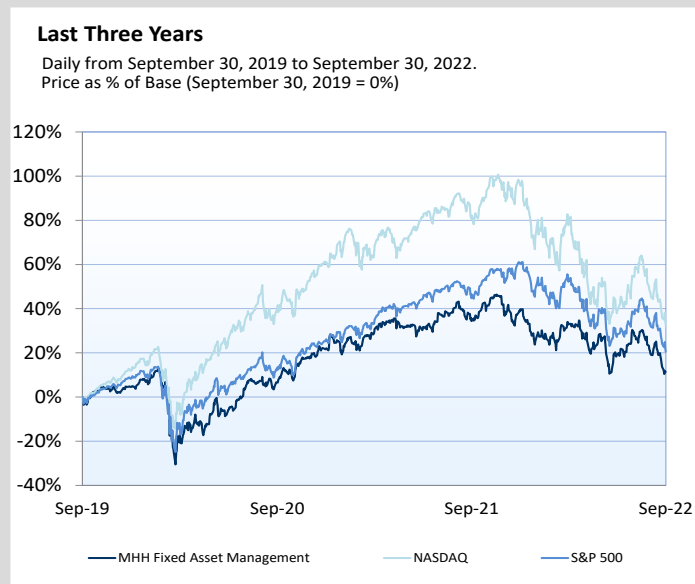
Note: All per share results are reported on a fully-diluted basis.

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 MHH Fixed Asset Management Index^(a) decreased by 7.1% in September 2022.



Price Appreciation

	3-Year	LTM	1-Month
MHH Fixed Asset Management Index ^(a)	11.4%	-17.2%	-7.1%
NASDAQ	32.2%	-26.8%	-10.3%
S&P 500	20.5%	-16.8%	-9.6%

(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.

Selected Valuation Metrics

Fixed Asset Management

(\$ in millions, except per share data)

Company	Market & Capitalization			LTM Performance ⁽³⁾			Valuation			Margins	
	Price ⁽¹⁾	Equity	Enterprise	Revenue	EBITDA ⁽⁴⁾	EPS	Enterprise Value/		Price/	Gross	
		Value	Value ⁽²⁾				Revenue	EBITDA	EPS	Profit	EBITDA
Facility Maintenance											
Rollins, Inc. (ROL)	\$34.68	\$17,078.9	\$17,355.5	\$2,634.8	\$556.8	\$0.70	6.59 x	31.2 x	49.5 x	51.5%	21.1%
Rentokil Initial plc (LSE:RTO)	5.32	13,358.5	15,087.5	3,735.3	723.4	0.17	4.04 x	20.9 x	30.5 x	77.7%	19.4%
Chemed Corporation (CHE)	436.56	6,491.8	6,730.3	2,129.3	414.3	17.23	3.16 x	16.2 x	25.3 x	36.3%	19.5%
FirstService Corporation (TSX:FSV)	119.76	5,295.2	6,241.7	3,582.7	315.2	2.56	1.74 x	19.8 x	46.8 x	31.5%	8.8%
EMCOR Group, Inc. (EME)	115.48	5,503.2	5,813.0	10,766.5	643.7	7.39	0.54 x	9.0 x	15.6 x	14.4%	6.0%
Comfort Systems USA, Inc. (FIX)	97.33	3,469.4	3,914.5	3,879.3	301.7	6.31	1.01 x	13.0 x	15.4 x	17.6%	7.8%
ABM Industries Incorporated (ABM)	38.23	2,529.0	3,794.4	7,491.1	440.5	3.18	0.51 x	8.6 x	12.0 x	14.6%	5.9%
BrightView Holdings, Inc. (BV)	7.94	738.4	2,145.3	2,724.9	262.8	0.25	0.79 x	8.2 x	32.2 x	24.5%	9.6%
SP Plus Corporation (SP)	31.32	631.6	1,145.3	902.7	126.4	2.31	1.27 x	9.1 x	13.6 x	41.2%	14.0%
Healthcare Services Group, Inc. (HCSG)	12.09	895.7	821.5	1,686.6	43.7	0.28	0.49 x	18.8 x	43.7 x	10.7%	2.6%
Mean		\$5,599.2	\$6,304.9	\$3,953.3	\$382.9	\$4.0	2.0x	15.5x	28.5x	32.0%	11.5%
Median		4,382.3	4,863.8	3,153.8	364.8	2.4	1.1x	14.6x	27.9x	28.0%	9.2%
Manned Security Services											
Securitas AB (publ) (OM: SECU B)	\$6.99	\$4,003.4	\$5,913.2	\$11,175.7	\$708.3	\$0.95	0.53 x	8.3 x	7.4 x	18.1%	6.3%
The Brink's Company (BCO)	48.44	2,250.0	4,952.1	4,442.8	591.2	3.59	1.11 x	8.4 x	13.5 x	23.3%	13.3%
The GEO Group, Inc. (GEO)	7.70	928.1	2,944.9	2,313.6	490.7	0.54	1.27 x	6.0 x	14.4 x	29.6%	21.2%
Prosegur Compañía de Seguridad, S.A. (BME:PSG)	1.52	806.9	2,286.7	4,037.8	393.4	0.10	0.57 x	5.8 x	15.2 x	23.6%	9.7%
CoreCivic, Inc. (CXW)	8.84	1,016.4	2,122.6	1,846.0	322.0	1.04	1.15 x	6.6 x	8.5 x	24.4%	17.4%
Mean		\$1,500.8	\$3,036.6	\$3,969.3	\$417.6	\$1.0	0.9x	7.0x	11.8x	19.8%	NA
Median		972.3	2,615.8	3,175.7	442.0	0.7	1.1x	6.6x	13.5x	23.4%	NA
Environmental Services											
Jacobs Solutions Inc. (J)	\$108.49	\$13,843.9	\$17,832.4	\$14,628.3	\$1,527.1	\$3.56	1.22 x	11.7 x	30.4 x	23.3%	10.4%
Tetra Tech, Inc. (TTEK)	128.53	6,853.1	7,121.2	2,808.6	352.1	4.84	2.54 x	20.2 x	26.5 x	20.1%	12.5%
Stantec Inc. (TSX:STN)	44.12	4,885.9	6,349.0	3,117.8	357.8	1.34	2.04 x	17.7 x	32.9 x	54.4%	11.5%
Arcadis NV (ARCAD)	32.95	2,951.0	3,245.2	3,727.4	272.2	2.08	0.87 x	11.9 x	15.9 x	16.6%	7.3%
Mean		\$7,133.5	\$8,637.0	\$6,070.5	\$627.3	\$3.0	1.7 x	15.4 x	26.4 x	28.6%	10.4%
Median		5,869.5	6,735.1	3,422.6	355.0	2.8	1.6 x	14.8 x	28.5 x	21.7%	11.0%

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 September 30, 2022.

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(3) As of September 30, 2022 except ABM (July 31, 2022); TTEK (July 03, 2022); J (July 01, 2022) and RTO, BV, SECU B, PSG, STN and ARCAD (June 30, 2022).

(4) Excludes non-recurring and discontinued operations.

Selected M&A Transactions

Fixed Asset Management

Announced	Target	Target Description	Acquirer	Value
Sep 27	IBI Group, Inc.	Its professional services include urban design and planning, architecture, civil engineering, communications engineering, software development, and other consulting services.	Arcadis NV (ENXTAM:ARCAD)	ND
Sep 23	RPS Group plc. (LSE:RPS)	It offers services in the areas of project and program management; design and development; advisory and management consulting; exploration and development;	Tetra Tech, Inc. (NasdaqGS:TTEK)	\$770.7
Sep 12	Giftge Consult GmbH	Operates as a leading consulting and engineering company for energy transition solutions in Germany.	Arcadis NV (ENXTAM:ARCAD)	ND
Sep 01	Ravenvolt, Inc.	Provides electric microgrid system.	ABM Industries Incorporated (NYSE:ABM).	\$450.0

ND – Not disclosed. Transaction values in millions.

Selected News

Fixed Asset Management

ABM Industries Incorporated (NYSE:ABM) reported third quarter net income of \$56.8 million for fiscal year 2022 as compared to (\$13.7) million for the prior year period. Earnings per share were \$0.85 versus (\$0.20) for the prior year period. Revenues for the quarter increased to \$1,961.4 million from \$1,543.1 million for the same period in fiscal year 2021.

ABM Industries Incorporated (NYSE:ABM) appointed **James DeVries** to its **Board of Directors**.

Cintas Corporation (NasdaqGS:CTAS) reported first quarter net income of \$351.7 million for fiscal year 2023 as compared to \$331.2 million for the prior year period. Earnings per share were \$3.39 versus \$3.11 for the prior year period. Revenues for the quarter increased to \$2,166.5 million from \$1,897.0 million for the same period in fiscal year 2022.

Jacobs Solution Incorporated (NYSE:J) appointed **Bob Pragada** to its **Board of Directors**.

Stericycle, Inc. (NasdaqGS:SRCL) reported second quarter net income of \$10.5 million for fiscal year 2022 as compared to \$29.3 million for the prior year period. Earnings per share were \$0.11 versus \$0.32 for the prior year period. Revenues for the quarter increased to \$679.8 million from \$672.7 million for the same period in fiscal year 2021.

The Brink's Company (NYSE:BCO) appointed **Keith Wyche** to its **Board of Directors**.

The Brink's Company (NYSE:BCO) reported second quarter net income of \$35.1 million for fiscal year 2022 as compared to \$23.9 million for the prior year period. Earnings per share were \$0.73 versus \$0.47 for the prior year period. Revenues for the quarter increased to \$1,133.9 million from \$1,048.8 million for the same period in fiscal year 2021.

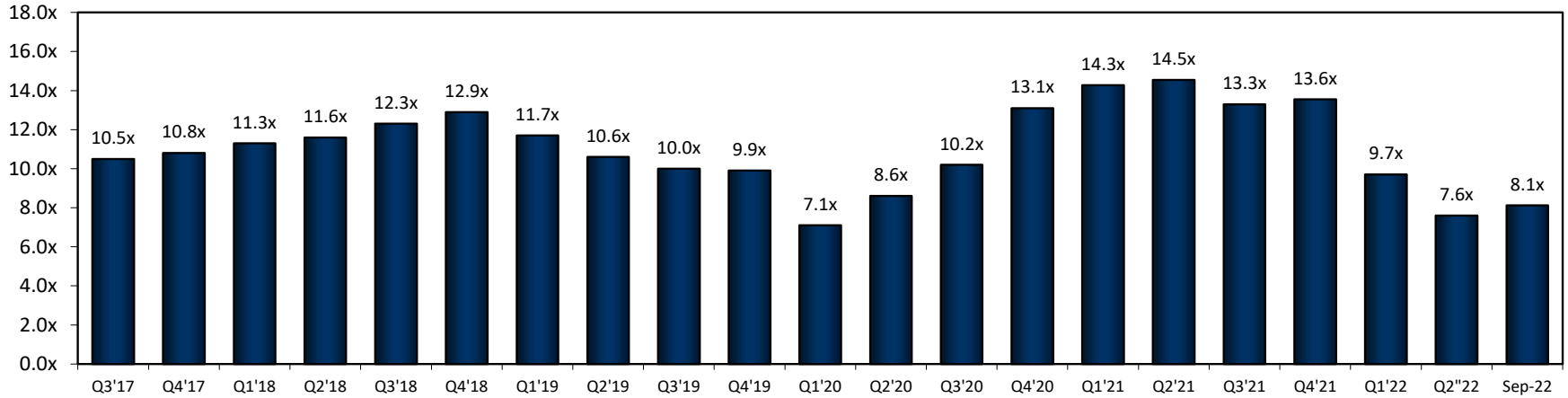
The GEO Group, Inc. (NYSE:GEO) reported second quarter net income of \$53.7 million for fiscal year 2022 as compared to \$42.0 million for the prior year period. Earnings per share were \$0.37 versus \$0.29 for the prior year period. Revenues for the quarter increased to \$588.2 million from \$565.4 million for the same period in fiscal year 2021.

Waste Connections, Inc. (NYSE:WCN) reported second quarter net income of \$224.1 million for fiscal year 2022 as compared to \$177.0 million for the prior year period. Earnings per share were \$0.87 versus \$0.68 for the prior year period. Revenues for the quarter increased to \$1,816.4 million from \$1,533.9 million for the same period in fiscal year 2021.

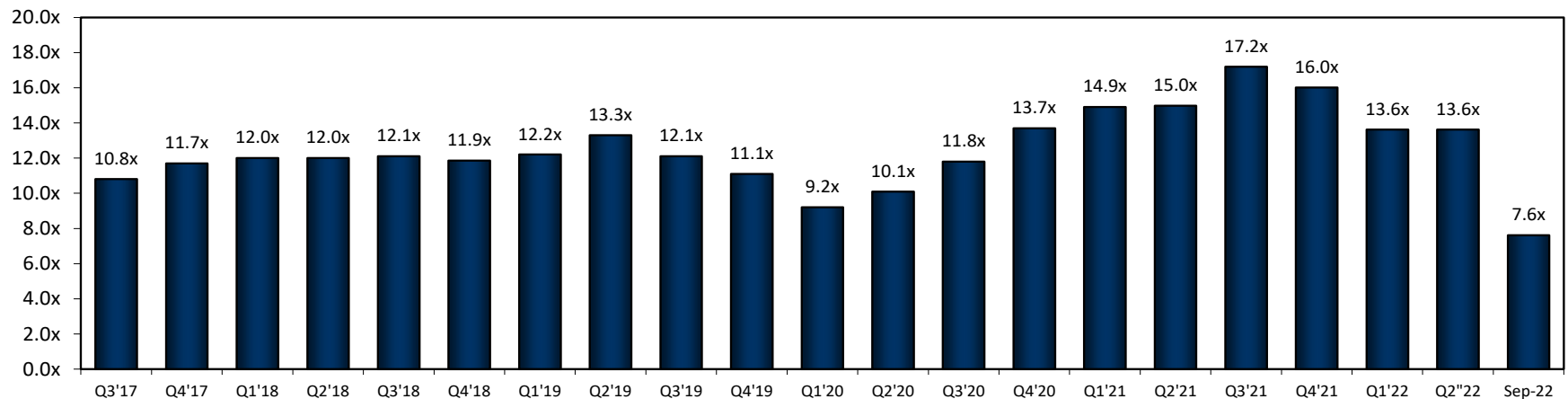
Note: All per share results are reported on a fully-diluted basis.

Historical Enterprise Value-to-LTM EBITDA Multiples

Human Resources Outsourcing



Fixed Asset Management



Mufson Howe Hunter & Co. is an independent investment bank for middle-market companies. We focus on mergers and acquisitions, recapitalizations and raising capital.

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

Broker dealer services provided by our wholly-owned subsidiary

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