



Mufson Howe Hunter

Business Services Update February 2024

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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 January 31, 2023, to January 31, 2024. Price as % of Base (January 31, 2023 = 0%)

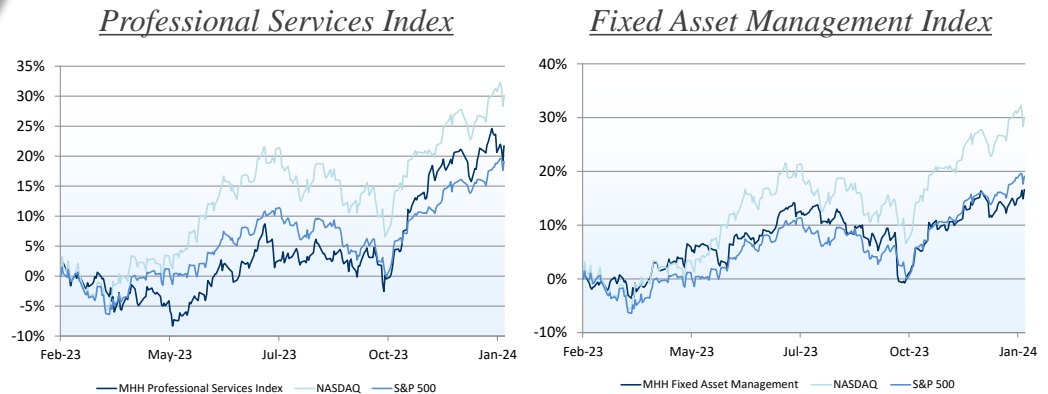


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The Mufson Howe Hunter Professional Services Index is currently comprised of AMN Healthcare Services, Inc., ASGN Incorporated, CBIZ, Inc., Computer Task Group, Inc., CRA International, Inc., Cross Country Healthcare, Inc., CT Partners, Exponent, Inc., Fair Isaac Corp., FTI Consulting, Inc., Heidrick & Struggles Intl. Inc., Huron Consulting Group Inc., Kelly Services, Inc., Kforce, Inc., Korn Ferry International Inc., ManpowerGroup Inc., RCM Technologies, Inc., Resources Connection, Inc., Robert Half International, Inc., and TrueBlue, Inc.

The Mufson Howe Hunter Fixed Asset Management Index is currently comprised of ABM Industries Inc., Arcadis NV, BrightView Holdings, Inc., Chemed Corp., Comfort Systems USA Inc., CoreCivic, Inc., EMCOR Group Inc., FirstService Corp., Healthcare Services Group Inc., Jacobs Solutions Inc., Prosegur Compania de Seguridad SA, Rentokil Initial plc, Rollins Inc., Securitas AB, SP Plus Corporation, Stantec Inc., Tetra Tech, Inc., The Brinks Company, 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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Professional Services

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

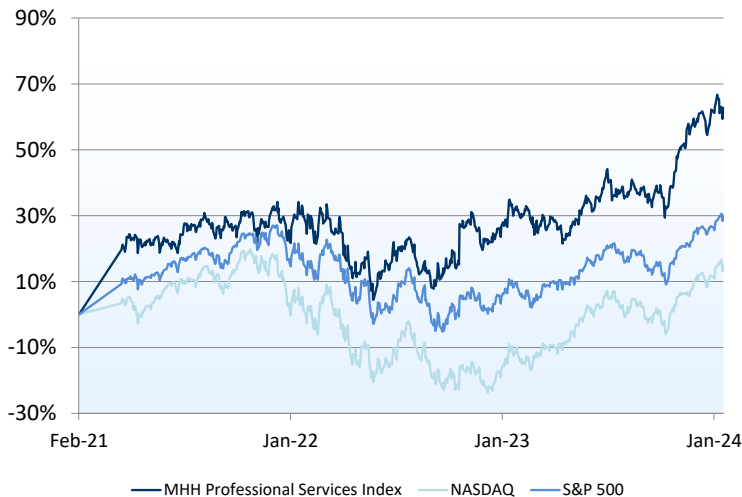
Comparative Index Performance

The MHH Professional Services Index^(a) increased by 2.3% in January 2024.

Last Three Years

Daily from February 28, 2021 to February 29, 2024

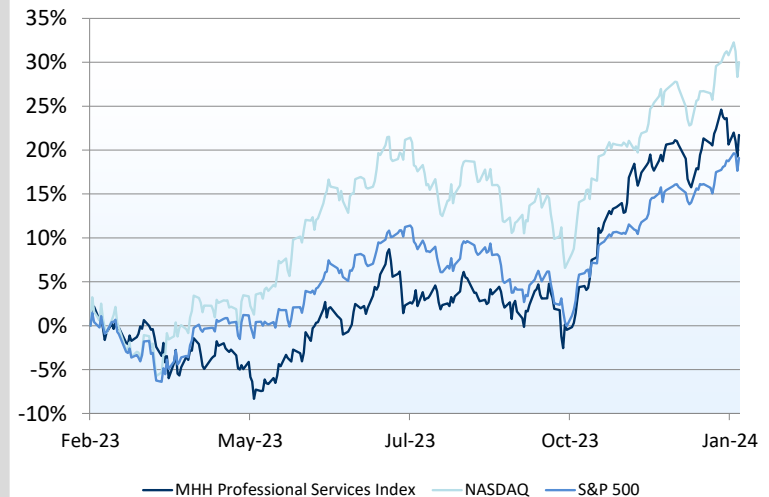
Price as % of Base (February 1, 2021 = 0%)



Last Twelve Months

Daily from February 28, 2023 to February 29, 2024

Price as % of Base (February 1, 2023 = 0%)



Price Appreciation

	3-Year	LTM	1-Month
MHH Professional Services Index ^(a)	62.8%	21.7%	2.3%
NASDAQ	14.6%	30.0%	4.0%
S&P 500	30.0%	19.1%	3.4%

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

Selected Valuation Metrics

Professional Services

(\$ 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)	\$74.14	\$3,618.7	\$4,374.0	\$18,914.5	\$399.5	\$1.76	0.2 x	10.9 x	NM	17.8%	2.1%
Kelly Services, Inc. (KELY.A)	20.55	724.9	672.4	4,837.3	95.3	0.64	0.1 x	7.1 x	31.9 x	20.1%	2.0%
TrueBlue, Inc. (TBI)	13.78	429.1	446.1	1,971.8	30.0	(0.15)	0.2 x	14.9 x	NM	26.7%	1.5%
Mean		\$1,590.9	\$1,830.8	\$8,574.5	\$174.9	\$0.8	0.2 x	11.0 x	31.9 x	21.5%	1.9%
Median		724.9	672.4	4,837.3	95.3	0.6	0.2 x	10.9 x	31.9 x	20.1%	2.0%
Professional Staffing											
Robert Half Inc. (RHI)	\$79.54	\$8,283.1	\$7,769.1	\$6,392.5	\$518.1	\$3.88	1.2 x	15.0 x	20.5 x	40.3%	8.1%
Kforce Inc. (KFRC)	68.35	1,292.9	1,330.6	1,588.0	96.1	2.66	0.8 x	13.8 x	25.7 x	28.2%	6.1%
Resources Connection, Inc. (RGP)	13.46	451.0	371.8	704.5	52.0	0.79	0.5 x	7.2 x	17.1 x	39.4%	7.4%
Mean		\$3,342.4	\$3,157.2	\$2,895.0	\$222.0	\$2.4	0.9 x	12.0 x	21.1 x	36.0%	7.2%
Median		1,292.9	1,330.6	1,588.0	96.1	2.7	0.8 x	13.8 x	20.5 x	39.4%	7.4%
Healthcare Staffing											
AMN Healthcare Services, Inc. (AMN)	\$74.01	\$2,796.8	\$3,706.8	\$4,096.5	\$580.0	\$6.89	0.9 x	6.4 x	10.7 x	33.3%	14.2%
Cross Country Healthcare, Inc. (CCRN)	21.25	747.0	738.5	2,233.9	172.1	2.84	0.3 x	4.3 x	7.5 x	22.3%	7.7%
Mean		\$1,771.9	\$2,222.6	\$3,165.2	\$376.0	\$4.9	0.6 x	5.3 x	9.1 x	27.8%	10.9%
Median		1,771.9	2,222.6	3,165.2	376.0	4.9	0.6 x	5.3 x	9.1 x	27.8%	10.9%
IT Staffing											
ASGN Incorporated (ASGN)	\$92.82	\$4,381.1	\$5,337.0	\$4,526.9	\$472.3	\$4.55	1.2 x	11.3 x	20.4 x	29.1%	10.4%
RCM Technologies, Inc. (RCMT)	27.55	215.8	225.4	262.4	23.3	1.81	0.9 x	9.7 x	15.2 x	28.8%	8.9%
Christie Group plc (CTG)	1.11	28.7	38.5	87.3	2.9	0.02	0.4 x	13.5 x	NM	28.2%	3.3%
Mean		\$1,541.9	\$1,867.0	\$1,625.5	\$166.2	\$2.1	0.8 x	11.5 x	17.8 x	28.7%	7.5%
Median		215.8	225.4	262.4	23.3	1.8	0.9 x	11.3 x	17.8 x	28.8%	8.9%

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 31, 2024.

(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 January 31, 2023 except ManpowerGroup, Inc., Robert Half Inc., Fair Isaac Corporation (December 31, 2023); Exponent, Inc. (December 29, 2023); Resources Connection, Inc. (November 30, 2023); Korn Ferry (October 31, 2023); Kelly Services, Inc. (October 1, 2023); TrueBlue, Inc. (September 24, 2023); Christie Group Plc (June 30, 2023).

(4) Excludes non-recurring and discontinued operations.

Selected Valuation Metrics (cont'd)

Professional Services

(\$ 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/ EPS	Gross Profit	EBITDA	
Executive Search											
Korn Ferry (KFY)	\$58.67	\$3,082.6	\$2,993.8	\$2,814.8	\$324.8	\$1.97	1.1 x	9.2 x	29.8 x	21.7%	11.5%
Heidrick & Struggles International, Inc. (HSII)	29.97	603.1	345.9	1,009.4	97.1	2.68	0.3 x	3.6 x	11.2 x	24.9%	9.6%
Mean		\$1,842.8	\$1,669.9	\$1,912.1	\$210.9	\$2.3	0.7 x	6.4 x	20.5 x	23.3%	10.6%
Median		1,842.8	1,669.9	1,912.1	210.9	2.3	0.7 x	6.4 x	20.5 x	23.3%	10.6%
Professional & Consulting											
Fair Isaac Corporation (FICO)	\$1,198.83	\$29,793.4	\$31,622.2	\$1,550.7	\$666.5	\$17.89	NM	NM	NM	79.5%	43.0%
FTI Consulting, Inc. (FCN)	191.61	6,673.0	7,007.6	3,339.0	395.4	6.76	2.1 x	17.7 x	28.4 x	32.1%	11.8%
Exponent, Inc. (EXPO)	88.19	4,464.4	4,220.1	497.2	120.0	1.94	8.5 x	NM	NM	35.7%	24.1%
CBIZ, Inc. (CBZ)	63.66	3,158.7	3,768.6	1,558.7	200.8	2.40	2.4 x	18.8 x	26.5 x	14.3%	12.9%
Huron Consulting Group Inc. (HURN)	103.53	1,789.1	2,179.8	1,336.5	155.2	3.88	1.6 x	14.0 x	26.7 x	30.8%	11.6%
CRA International, Inc. (CRAI)	107.24	750.9	866.9	607.3	66.5	4.97	1.4 x	13.0 x	21.6 x	29.7%	10.9%
Mean		\$7,771.6	\$8,277.5	\$1,481.6	\$267.4	\$6.3	3.2 x	15.9 x	25.8 x	37.0%	19.1%
Median		3,811.6	3,994.4	1,443.6	178.0	4.4	2.1 x	15.9 x	26.6 x	31.5%	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 31, 2024.

(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.

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(4) Excludes non-recurring and discontinued operations.

Selected M&A Transactions

Professional Services

Announced	Target	Target Description	Acquirer	Value
Jan 3, 2024	Kelly Services Management Sarl (NasdaqGS:KELY.A)	Gi Group Holding S.r.l. completed the acquisition of European Staffing business of Kelly Services, Inc. (NasdaqGS:KELY.A) on January 3, 2024. Alessandro Fosco Fagotto and Franco Gialloreti of Dentons and Fieldfisher Italy assisted a pool of banks and Gi Group Holding respectively, in relation to a financing operation of €170 million. DLA Piper acted as legal advisor to Kelly Services, Inc. in the transaction.	Gi Group Holding S.r.l.	\$138.0

Selected News

Professional Services

Automatic Data Processing, Inc. (NasdaqGS:ADP) reported second quarter net income of \$878.4 million for fiscal year 2024 as compared to \$813.1 million for the prior year period. Earnings per share were \$2.13 versus \$1.95 for the prior year period. Revenues for the quarter increased to \$4,668.0 million from \$4,391.0 million for the same period in fiscal year 2023.

ECS Federal, LLC. ECS Federal appoint Ryan Garner as CFO.

Fair Isaac Corporation (NYSE:FICO) reported first quarter net income of \$121.1 million for fiscal year 2024 as compared to \$97.6 million for the prior year period. Earnings per share were \$4.80 versus \$3.84 for the prior year period. Revenues for the quarter increased to \$382.1 million from \$344.9 million for the same period in fiscal year 2023.

ManpowerGroup Inc. (NYSE:MAN) reported net income of \$88.8 million for fiscal year 2023 as compared to \$373.8 million for the prior year. Earnings per share were \$1.76 versus \$7.08 for the prior year. Revenues for the year decreased to \$18,914.5 million from \$19,827.5 million for fiscal year 2022.

Robert Half Inc. (NYSE:RHI) reported net income of \$411.1 million for fiscal year 2023 as compared to \$657.9 million for the prior year. Earnings per share were \$3.88 versus \$6.03 for the prior year. Revenues for the year decreased to \$6,392.5 million from \$7,238.1 million for fiscal year 2022.

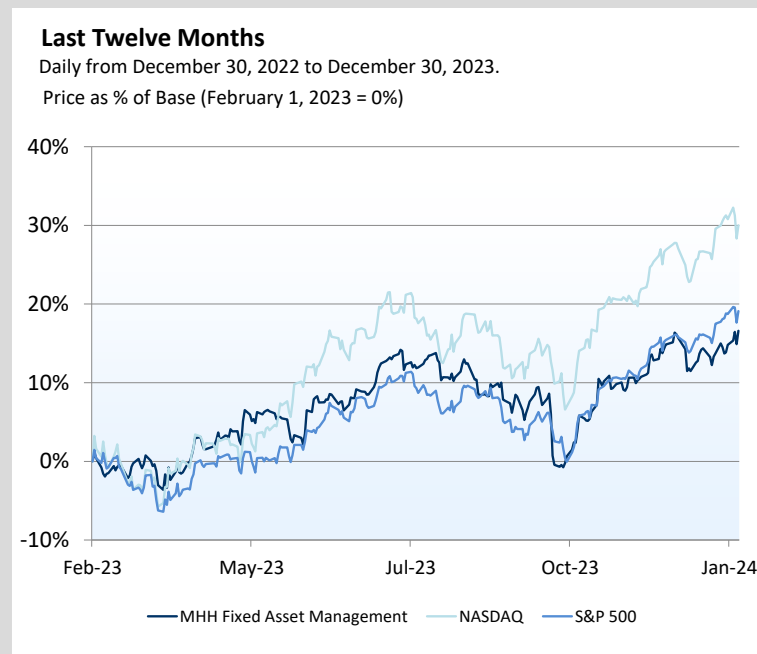
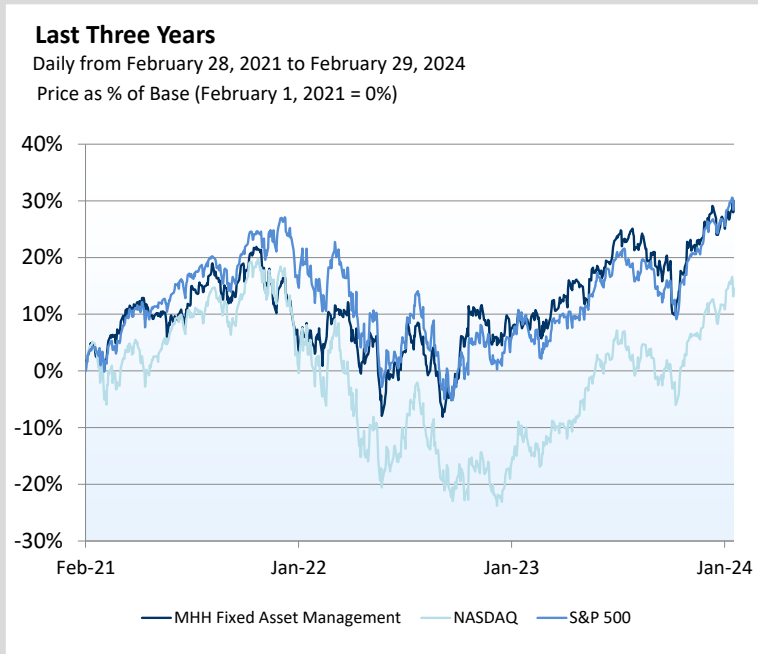
Note: All per share results are reported on a fully-diluted basis.

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) increased by 2.0% in January 2024.



Price Appreciation

	3-Year	LTM	1-Month
MHH Fixed Asset Management Index ^(a)	30.0%	16.6%	2.0%
NASDAQ	14.6%	30.0%	4.0%
S&P 500	30.0%	19.1%	3.4%

(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)	\$43.31	\$20,963.7	\$21,723.7	\$2,980.6	\$668.0	\$0.83	7.3 x	32.5 x	52.2 x	52.1%	22.4%
Rentokil Initial plc (LSE:RTO)	5.19	12,993.6	17,247.0	6,116.3	1,170.4	0.16	2.8 x	14.7 x	32.7 x	66.0%	19.1%
EMCOR Group, Inc. (EME)	228.11	10,731.3	10,643.7	12,093.5	882.0	11.48	0.9 x	12.1 x	19.9 x	15.9%	7.3%
Chemed Corporation (CHE)	592.79	8,896.3	8,860.1	2,225.2	368.6	16.14	4.0 x	24.0 x	36.7 x	34.5%	16.6%
FirstService Corporation (TSX:FSV)	168.19	7,515.1	8,648.0	4,275.4	394.4	2.96	2.0 x	21.9 x	56.8 x	32.1%	9.2%
Comfort Systems USA, Inc. (FIX)	217.47	7,744.3	7,868.7	4,966.4	448.8	8.00	1.6 x	17.5 x	27.2 x	18.4%	9.0%
ABM Industries Incorporated (ABM)	40.79	3,898.1	5,285.4	8,096.4	460.6	3.79	0.7 x	11.5 x	10.8 x	13.9%	5.7%
BrightView Holdings, Inc. (BV)	8.93	843.1	2,257.9	2,786.8	249.7	(0.19)	0.8 x	9.0 x	NM	23.9%	9.0%
SP Plus Corporation (SP)	51.73	1,016.5	1,549.1	872.4	117.4	1.73	1.8 x	13.2 x	29.8 x	28.0%	13.5%
Healthcare Services Group, Inc. (HCSG)	9.44	697.1	639.7	1,671.6	46.7	0.43	0.4 x	13.7 x	22.0 x	11.9%	2.8%
Mean		\$7,529.9	\$8,472.3	\$4,608.4	\$480.7	\$4.5	2.2x	17.0x	32.0x	29.7%	11.5%
Median		7,629.7	8,258.4	3,628.0	421.6	2.3	1.7x	14.2x	29.8x	25.9%	9.1%
Manned Security Services											
Securitas AB (publ) (OM: SECU B)	\$9.80	\$5,612.1	\$9,681.6	\$14,296.6	\$1,075.3	\$0.23	0.7 x	9.0 x	41.9 x	20.3%	7.5%
The Brink's Company (BCO)	80.84	3,641.9	6,499.0	4,819.9	775.6	2.95	1.3 x	8.4 x	27.4 x	24.1%	16.1%
The GEO Group, Inc. (GEO)	11.12	1,357.3	3,179.6	2,425.6	504.4	0.83	1.3 x	6.3 x	13.4 x	28.6%	20.8%
Prosegur Compañía de Seguridad, S.A. (BME:PSG)	1.90	1,011.5	2,695.3	4,651.9	464.2	0.13	0.6 x	5.8 x	15.1 x	23.1%	10.0%
CoreCivic, Inc. (CXW)	14.22	1,615.5	2,615.3	1,876.8	298.2	0.57	1.4 x	8.8 x	25.0 x	23.0%	15.9%
Mean		\$2,647.7	\$4,934.2	\$5,614.1	\$623.5	\$0.9	1.1x	7.7x	24.5x	23.8%	14.1%
Median		1,615.5	3,179.6	4,651.9	504.4	0.6	1.3x	8.4x	25.0x	23.1%	15.9%
Environmental Services											
Jacobs Solutions Inc. (J)	\$134.77	\$17,023.7	\$20,354.1	\$16,352.4	\$1,473.5	\$5.31	1.2 x	13.8 x	25.4 x	21.4%	9.0%
Stantec Inc. (TSX:STN)	80.75	9,210.5	10,577.8	3,662.5	478.5	2.20	2.9 x	22.1 x	36.8 x	54.4%	13.1%
Tetra Tech, Inc. (TTEK)	158.18	8,457.2	9,411.6	4,029.7	508.4	4.32	2.3 x	18.5 x	36.6 x	18.9%	12.6%
Arcadis NV (ARCAD)	55.28	4,972.9	6,266.9	5,086.6	354.1	1.57	1.2 x	17.7 x	35.2 x	16.3%	7.0%
Mean		\$9,916.1	\$11,652.6	\$7,282.8	\$703.6	\$3.3	1.9 x	18.0 x	33.5 x	27.7%	10.4%
Median		8,833.9	9,994.7	4,558.2	493.5	3.3	1.8 x	18.1 x	35.9 x	20.2%	10.8%

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.

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(4) Excludes non-recurring and discontinued operations.

Selected M&A Transactions

Fixed Asset Management

Announced	Target	Target Description	Acquirer	Value
Jan 9, 2024	Morrison Hershfield Group, Inc.	Stantec Inc. (TSX:STN) agreed to acquire Morrison Hershfield Group Inc. on January 9, 2024. The acquisition to be completed by way of a court approved plan of arrangement, subject to Morrison Hershfield shareholder approval, court approvals, and certain regulatory approvals and transaction expected close in first quarter of 2024. AEC Advisors LLC acted as financial advisor to Morrison Hershfield Group Inc and Bennett Jones LLP acted as legal advisor to Morrison Hershfield Group Inc and Grant Thornton LLP acted as tax advisory to Morrison Hershfield Group Inc.	Stantec, Inc. (TSX:STN)	N/D
Jan 2, 2024	Summit Industrial Construction, LLC	Comfort Systems USA, Inc. completed the acquisition of Summit Industrial Construction, LLC from The Stephens Group, LLC on February 1, 2024.	Comfort Systems USA, Inc (NYSE:FIX)	N/D

N/D – Not disclosed. Transaction values in millions.

Selected News

Fixed Asset Management

Jacobs Solutions Inc. (NYSE:J) announces changes to the composition of the standing committees of the board.

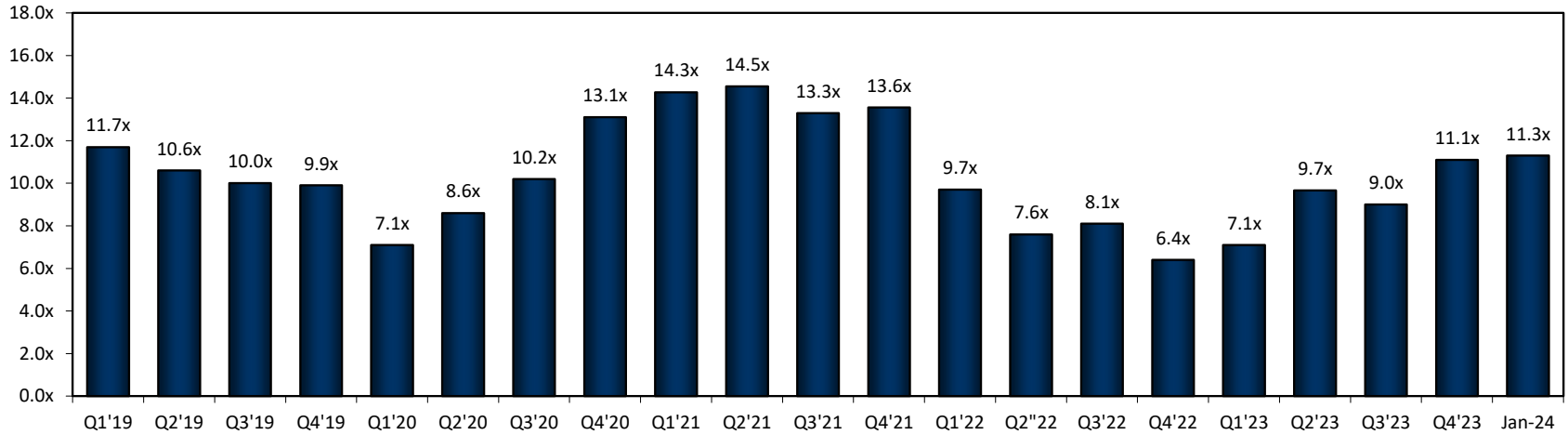
Tetra Tech, Inc. (NasdaqGS:TTEK) Announces the Retirement of J. Kenneth Thompson from the Board of Directors.

UniFirst Corporation (NYSE:UNF) reported first quarter net income of \$42.3 million for fiscal year 2024 as compared to \$34.0 million for the prior year period. Earnings per share were \$2.26 versus \$1.81 for the prior year period. Revenues for the quarter increased to \$593.5 million from \$541.8 million for the same period in fiscal year 2023.

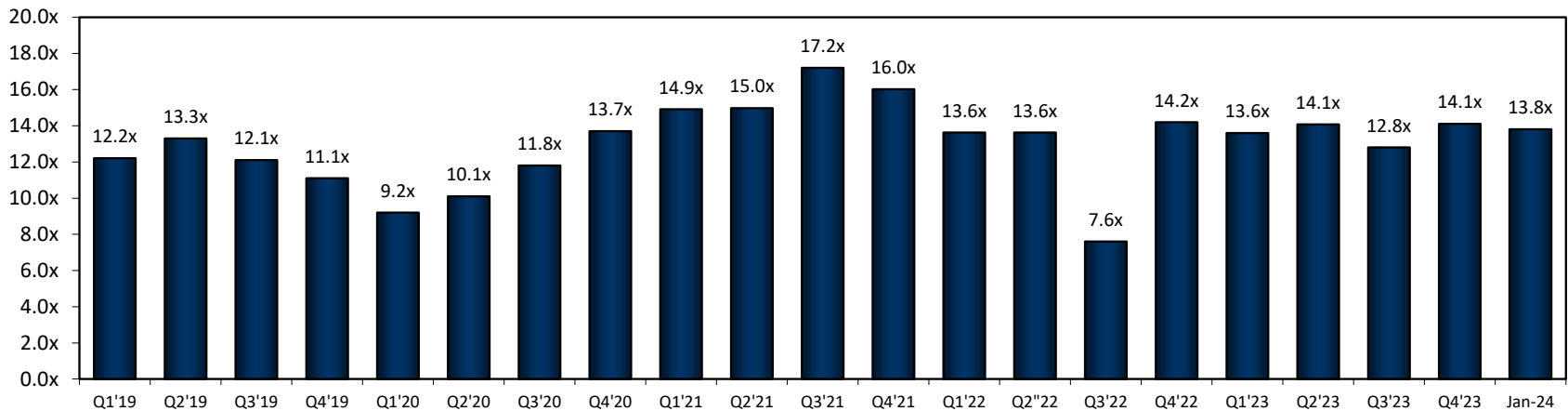
Note: All per share results are reported on a fully-diluted basis.

Historical Enterprise Value-to-LTM EBITDA Multiples

Professional Services



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
- Sale of businesses, strategic acquisitions, management buy-outs and industry build-ups

Capital Raises

- 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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C o n t a c t U s

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