



Industry Update
Business Services
Q1 2023

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Financial Performance

Size Profile, LTM Financials, Forward Estimates

(USD in millions, except per share data)

Company Name	Ticker	Size Profile		TEV	LTM Operating Data			Forward Estimates	
		Price at 03/31/23	% of 52 Week High		Total Assets	LTM Revenue	LTM EBITDA	2023 Est. Revenue	2023 Est. EBITDA
Computer Programming, Data Processing, and Other Computer Related Services									
Microsoft Corporation	MSFT	\$288.30	91.5%	\$2,257,588	\$380,088	\$207,591	\$100,080	\$221,747	\$109,390
Alphabet Inc.	GOOG	\$104.00	72.2%	\$1,280,880	\$369,491	\$284,612	\$87,496	\$299,201	\$116,191
Oracle Corporation	ORCL	\$92.92	99.9%	\$343,110	\$131,620	\$47,958	\$18,604	\$51,631	\$24,716
Adobe Inc.	ADBE	\$385.37	81.4%	\$155,647	\$26,667	\$17,999	\$6,721	\$19,300	\$9,495
International Business Machines Corporation	IBM	\$131.09	85.6%	\$154,378	\$133,637	\$60,585	\$12,644	\$62,287	\$15,339
Intuit Inc.	INTU	\$445.83	87.8%	\$125,590	\$27,202	\$13,684	\$3,399	\$14,803	\$5,685
Automatic Data Processing, Inc.	ADP	\$222.63	81.0%	\$89,828	\$59,882	\$17,662	\$4,878	\$18,348	\$5,052
Booking Holdings Inc.	BKNG	\$2,652.41	99.7%	\$95,198	\$25,206	\$18,173	\$5,604	\$20,612	\$6,826
Fiserv, Inc.	FISV	\$113.03	94.6%	\$96,061	\$76,548	\$18,146	\$7,094	\$17,927	\$7,942
Fidelity National Information Services, Inc.	FIS	\$54.33	50.9%	\$51,117	\$61,078	\$14,546	\$4,114	\$14,525	\$6,070
VMware, Inc.	VMW	\$124.85	94.5%	\$58,575	\$31,237	\$13,350	\$2,709	\$14,121	\$5,188
Activision Blizzard, Inc.	ATVI	\$85.59	99.8%	\$50,411	\$27,393	\$8,143	\$2,091	\$9,476	\$3,610
Cognizant Technology Solutions Corporation	CTSH	\$60.93	67.3%	\$30,302	\$18,147	\$19,414	\$3,534	\$19,472	\$3,307
Carrefour SA	CA	\$20.24	87.2%	\$31,889	\$60,437	\$88,589	\$3,969	\$86,282	\$4,952
eBay Inc.	EBAY	\$44.37	76.0%	\$25,857	\$20,004	\$9,822	\$2,772	\$10,042	\$3,205
San Miguel Food and Beverage, Inc.	FB	\$0.88	75.2%	\$7,167	\$6,099	\$4,959	\$1,037	\$380,178	\$66,308
Tripadvisor, Inc.	TRIP	\$19.86	70.2%	\$2,053	\$2,684	\$1,601	\$139	\$1,728	\$338

Source: Capital IQ

Financial Performance (cont.)

Size Profile, LTM Financials, Forward Estimates

(USD in millions, except per share data)

Company Name	Ticker	Size Profile			LTM Operating Data		Forward Estimates		
		Price at 03/31/23	% of 52 Week High	TEV	Total Assets	LTM Revenue	LTM EBITDA	2023 Est. Revenue	2023 Est. EBITDA
Advertising									
Omnicom Group Inc.	OMC	\$94.34	97.7%	\$22,336	\$25,238	\$14,322	\$2,259	\$14,746	\$2,447
The Interpublic Group of Companies, Inc.	IPG	\$37.24	94.2%	\$16,733	\$16,664	\$9,399	\$1,697	\$9,682	\$1,821
Lamar Advertising Company	LAMR	\$99.89	83.5%	\$14,218	\$6,442	\$2,056	\$916	\$2,126	\$981
Clear Channel Outdoor Holdings, Inc.	CCO	\$1.20	33.9%	\$7,357	\$4,949	\$2,501	\$644	\$2,613	\$566
Consumer Credit Reporting, Mercantile Reporting, and Adjustment and Collection Agency									
S&P Global Inc.	SPGI	\$344.77	82.6%	\$128,411	\$62,024	\$11,952	\$5,598	\$12,366	\$5,832
Moody's Corporation	MCO	\$306.02	88.4%	\$62,216	\$14,719	\$5,416	\$2,258	\$5,879	\$2,623
Equifax Inc.	EFX	\$202.84	85.0%	\$30,030	\$11,584	\$5,061	\$1,544	\$5,315	\$1,783
Services to Dwellings and Other Buildings									
Rollins, Inc.	ROL	\$37.53	87.2%	\$20,704	\$2,139	\$2,763	\$603	\$3,019	\$684
ABM Industries Incorporated	ABM	\$44.94	83.2%	\$4,246	\$4,918	\$7,862	\$430	\$8,155	\$531
Healthcare Services Group, Inc.	HCSG	\$13.87	67.5%	\$1,067	\$719	\$1,681	\$61	\$1,688	\$98

Source: Capital IQ

Financial Performance (cont.)

Size Profile, LTM Financials, Forward Estimates

(USD in millions, except per share data)

Company Name	Ticker	Size Profile			LTM Operating Data		Forward Estimates		
		Price at 03/31/23	% of 52 Week High	TEV	Total Assets	LTM Revenue	LTM EBITDA	2023 Est. Revenue	2023 Est. EBITDA
Miscellaneous Equipment Rental and Leasing									
United Rentals, Inc.	URI	\$395.76	82.1%	\$35,821	\$24,629	\$12,403	\$3,848	\$14,125	\$6,767
Upbound Group, Inc.	RCII	\$0.00	#DIV/0!	\$3,213	\$2,741	\$4,102	\$258	\$3,926	\$413
TAL Education Group	TAL	\$6.41	61.3%	\$557	\$4,724	\$1,020	\$99	\$1,189	\$221
The Aaron's Company, Inc.	AAN	\$9.66	43.1%	\$1,062	\$1,826	\$2,348	\$231	\$2,213	\$150
Personnel Supply Services									
Robert Half International Inc.	RHI	\$80.57	68.0%	\$6,763	\$2,912	\$7,140	\$906	\$6,710	\$721
ASGN Incorporated	ASGN	\$82.67	66.5%	\$4,192	\$3,525	\$4,619	\$489	\$4,552	\$514
ManpowerGroup Inc.	MAN	\$82.53	83.7%	\$4,229	\$8,890	\$19,437	\$707	\$18,835	\$572
Korn Ferry	KFY	\$51.74	76.0%	\$2,228	\$3,406	\$2,826	\$472	\$2,765	\$383
TrueBlue, Inc.	TBI	\$17.80	58.9%	\$480	\$957	\$2,168	\$79	\$2,028	\$51

Source: Capital IQ

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Valuation Metrics

Return Profile, Trading Multiples

Company Name	Ticker	Return Profile					Trading Multiples		
		Return on Assets	Return on Equity	Revenue Growth	EBITDA Margin	EBITDA Growth	5-yr Beta	TEV / LTM Revenue	TEV / LTM EBITDA
Computer Programming, Data Processing, and Other Computer Related Services									
Microsoft Corporation	MSFT	14.8%	39.3%	10.4%	48.0%	7.8%	0.9x	10.2x	21.2x
Alphabet Inc.	GOOG	12.9%	23.6%	9.8%	32.1%	-0.4%	0.0x	4.5x	14.0x
Oracle Corporation	ORCL	7.3%	N/A	14.7%	38.8%	1.1%	1.0x	7.1x	18.3x
Adobe Inc.	ADBE	14.5%	33.9%	11.5%	37.3%	3.1%	1.3x	9.5x	25.5x
International Business Machines Corporation	IBM	3.4%	10.1%	3.8%	19.8%	-1.2%	0.9x	2.6x	13.2x
Intuit Inc.	INTU	6.4%	12.4%	19.9%	24.8%	10.8%	1.2x	9.5x	38.2x
Automatic Data Processing, Inc.	ADP	4.6%	78.3%	9.9%	27.2%	14.6%	0.8x	5.3x	19.5x
Booking Holdings Inc.	BKNG	12.5%	68.3%	56.0%	31.3%	74.6%	1.3x	5.7x	18.3x
Fiserv, Inc.	FISV	2.9%	8.1%	9.3%	38.7%	24.9%	0.9x	5.4x	13.9x
Fidelity National Information Services, Inc.	FIS	1.4%	-44.6%	4.7%	28.3%	1.9%	0.8x	3.6x	12.6x
VMware, Inc.	VMW	4.4%	399.4%	3.9%	20.3%	-9.1%	0.8x	4.5x	22.3x
Activision Blizzard, Inc.	ATVI	4.0%	8.2%	-14.5%	23.6%	-48.6%	0.4x	7.9x	33.5x
Cognizant Technology Solutions Corporation	CTSH	10.6%	18.8%	5.0%	18.3%	6.3%	1.1x	1.5x	8.2x
Carrefour SA	CA	2.8%	12.5%	15.8%	4.5%	10.7%	0.5x	0.4x	8.1x
eBay Inc.	EBAY	6.4%	-17.1%	-6.0%	29.4%	-16.9%	1.3x	2.6x	8.9x
San Miguel Food and Beverage, Inc.	FB	9.6%	22.8%	15.8%	20.9%	10.4%	0.9x	1.5x	7.0x
Tripadvisor, Inc.	TRIP	2.6%	2.4%	65.4%	9.2%	N/A	1.4x	1.6x	17.7x
	Mean	7.1%	42.3%	13.8%	26.6%	5.6%	0.9x	4.9x	17.7x
	Median	6.4%	15.7%	9.9%	27.2%	4.7%	0.9x	4.5x	17.7x

Source: Capital IQ

Valuation Metrics (cont.)

Return Profile, Trading Metrics

Company Name	Ticker	Return Profile					Trading Multiples		
		Return on Assets	Return on Equity	Revenue Growth	EBITDA Margin	EBITDA Growth	5-yr Beta	TEV / LTM Revenue	TEV / LTM EBITDA
Advertising									
Omnicom Group Inc.	OMC	5.0%	36.6%	0.3%	15.8%	-2.9%	0.8x	1.6x	10.1x
The Interpublic Group of Companies, Inc.	IPG	4.8%	26.0%	6.7%	16.1%	1.6%	1.1x	1.5x	9.4x
Lamar Advertising Company	LAMR	5.7%	36.4%	13.7%	45.0%	15.4%	1.4x	7.5x	16.6x
Clear Channel Outdoor Holdings, Inc.	CCO	3.5%	N/A	10.7%	22.6%	37.0%	2.5x	3.0x	13.2x
	Mean	4.7%	33.0%	7.9%	24.9%	12.8%	1.5x	3.4x	12.3x
	Median	4.9%	36.4%	8.7%	19.4%	8.5%	1.3x	2.3x	11.7x
Consumer Credit Reporting, Mercantile Reporting, and Adjustment and Collection Agency									
S&P Global Inc.	SPGI	6.5%	15.6%	34.8%	44.5%	5.6%	1.1x	11.2x	25.2x
Moody's Corporation	MCO	8.6%	49.0%	-12.1%	42.7%	-24.5%	1.3x	11.3x	26.5x
Equifax Inc.	EFX	5.2%	14.9%	-0.3%	30.5%	-7.9%	1.5x	6.0x	19.6x
	Mean	6.8%	26.5%	7.5%	39.2%	-8.9%	1.3x	9.5x	23.7x
	Median	6.5%	15.6%	-0.3%	42.7%	-7.9%	1.3x	11.2x	25.2x
Services to Dwellings and Other Buildings									
Rollins, Inc.	ROL	14.9%	31.0%	11.2%	21.7%	9.5%	0.7x	7.4x	34.0x
ABM Industries Incorporated	ABM	4.2%	11.4%	17.8%	5.5%	-4.4%	1.1x	0.5x	9.8x
Healthcare Services Group, Inc.	HCSG	4.5%	7.9%	2.9%	3.7%	1.1%	0.4x	0.6x	15.6x
	Mean	7.8%	16.8%	10.7%	10.3%	2.1%	0.7x	2.8x	19.8x
	Median	4.5%	11.4%	11.2%	5.5%	1.1%	0.7x	0.6x	15.6x

Source: Capital IQ

Valuation Metrics (cont.)

Return Profile, Trading Metrics

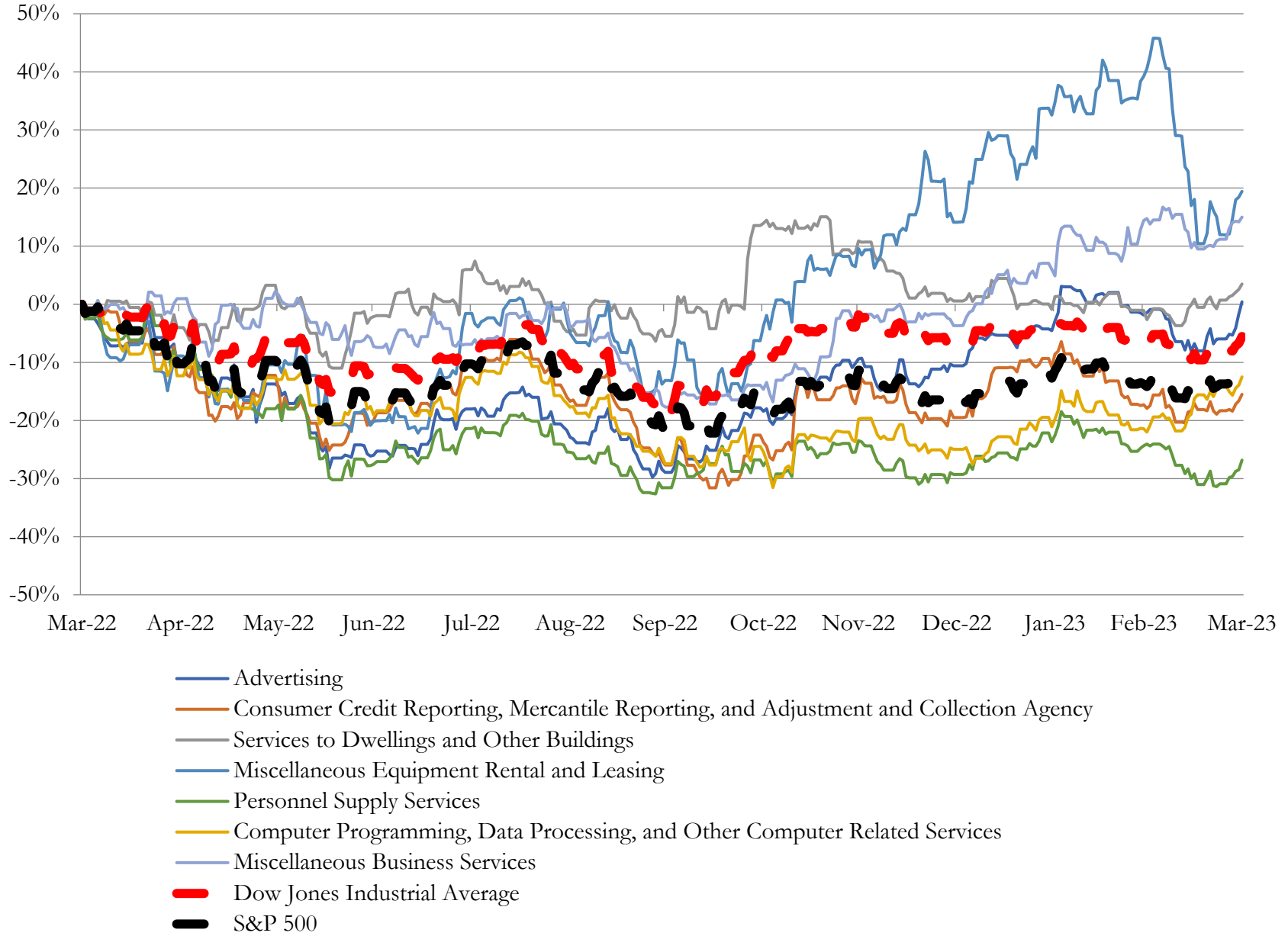
Company Name	Ticker	Return Profile					Trading Multiples		
		Return on Assets	Return on Equity	Revenue Growth	EBITDA Margin	EBITDA Growth	5-yr Beta	TEV / LTM Revenue	TEV / LTM EBITDA
Miscellaneous Equipment Rental and Leasing									
United Rentals, Inc.	URI	9.2%	32.3%	19.8%	31.1%	34.6%	1.8x	3.3x	10.7x
Upbound Group, Inc.	RCII	4.0%	2.4%	-7.4%	7.5%	-35.7%	0.0x	0.7x	8.9x
TAL Education Group	TAL	-0.1%	-5.2%	-75.2%	15.1%	N/A	-0.1x	0.8x	5.0x
The Aaron's Company, Inc.	AAN	5.7%	-2.0%	29.0%	9.7%	-46.1%	1.0x	0.4x	4.4x
	Mean	4.7%	6.9%	-8.5%	15.8%	-15.7%	0.7x	1.3x	7.3x
	Median	4.8%	0.2%	6.2%	12.4%	-35.7%	0.5x	0.7x	7.0x
Personnel Supply Services									
Robert Half International Inc.	RHI	20.6%	44.6%	12.0%	14.1%	28.5%	1.3x	1.0x	7.1x
ASGN Incorporated	ASGN	7.2%	14.2%	14.3%	10.9%	13.7%	1.7x	1.1x	9.7x
ManpowerGroup Inc.	MAN	4.3%	14.2%	-7.2%	3.7%	-3.2%	1.6x	0.2x	6.1x
Korn Ferry	KFY	8.0%	16.4%	14.8%	16.7%	2.7%	1.5x	0.8x	4.8x
TrueBlue, Inc.	TBI	3.3%	10.2%	-4.3%	3.7%	-19.2%	1.4x	0.3x	7.2x
	Mean	8.7%	19.9%	5.9%	9.8%	4.5%	1.5x	0.7x	7.0x
	Median	7.2%	14.2%	12.0%	10.9%	2.7%	1.5x	0.8x	7.1x

Source: Capital IQ

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LTM Equity Performance

Major Indexes



Source: Capital IQ

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Recent M&A Activity

Last Twelve (12) Months as of March 31, 2023

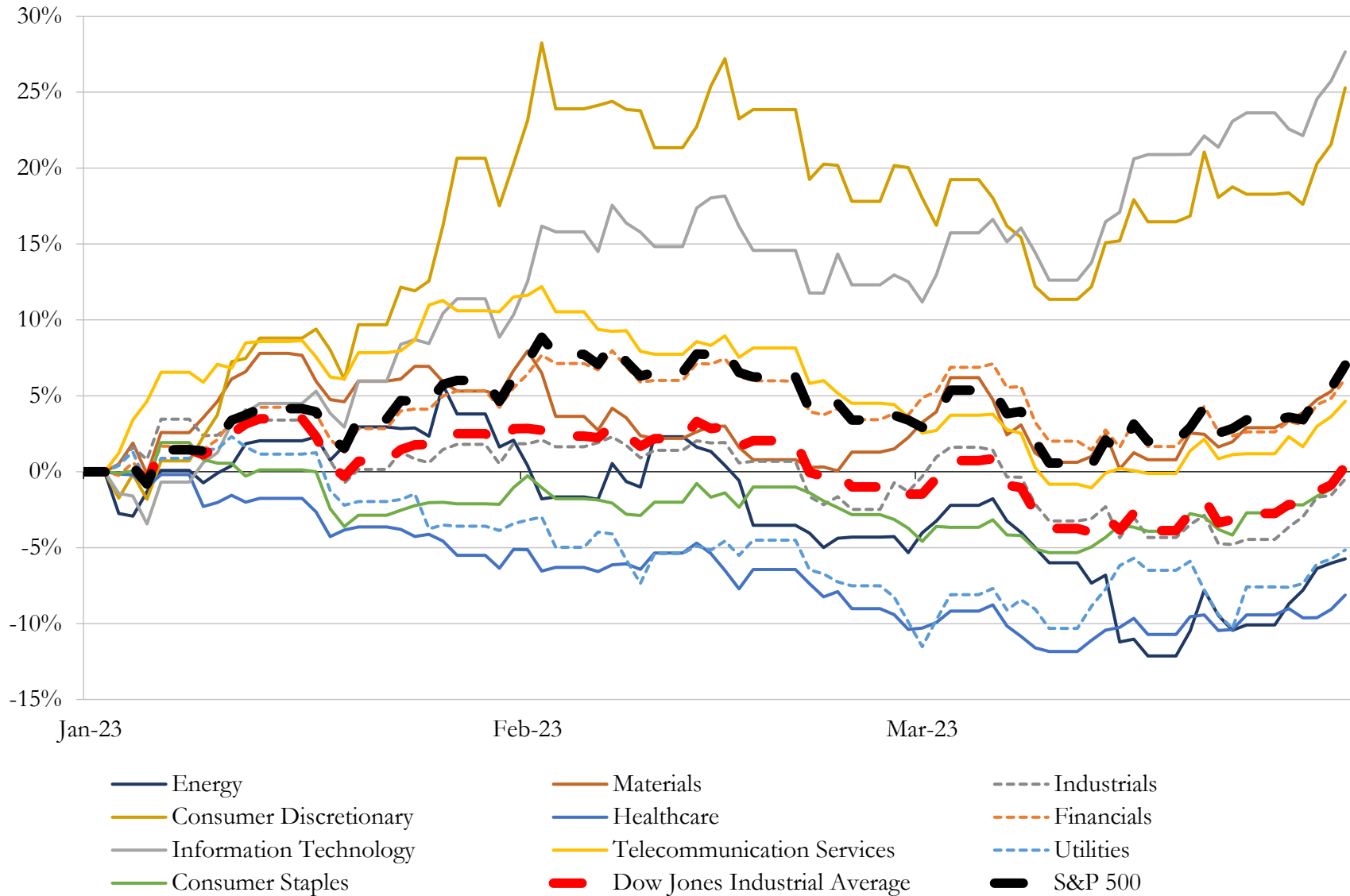
(USD in millions)

Close Date	Target	Acquirer	Implied TEV
Sep-22	Citrix Systems, Inc.	TIBCO Software Inc. (nka:CLOUD SOFTWARE GROUP, INC.)	\$16,655
May-22	Zynga Inc.	Take-Two Interactive Software, Inc.	\$12,714
May-22	Aspen Technology, Inc. (nka:AspenTech Corporation)	Emerson Electric Co.	\$11,012
Jun-22	Anaplan, Inc.	Thoma Bravo, L.P.	\$10,081
Nov-22	Zendesk, Inc.	Hellman & Friedman LLC; GIC Private Limited; Abu Dhabi Investment	\$9,891
Oct-22	Avalara, Inc.	Vista Equity Partners Management, LLC	\$8,368
Jul-22	CDK Global, Inc.	Brookfield Business Partners L.P.	\$8,220
Feb-23	Coupa Software Incorporated	Abu Dhabi Investment Authority; Thoma Bravo, L.P.; Thoma Bravo Fund	\$8,194
Aug-22	SailPoint Technologies Holdings, Inc.	Thoma Bravo, L.P.; Thoma Bravo Fund XV, L.P.	\$7,051
Jul-22	Vonage Holdings Corp.	Telefonaktiebolaget LM Ericsson (publ)	\$6,316
Jun-22	Datto Holding Corp.	Kaseya Limited	\$6,028
Sep-22	Mandiant, Inc.	Google LLC	\$5,357
Jun-22	Revint Holdings, LLC	R1 RCM Inc.	\$4,031
Feb-23	KnowBe4, Inc.	Vista Equity Partners Management, LLC	\$3,769
Oct-22	Frontline Technologies Group LLC	Roper Technologies, Inc.	\$3,738
Jul-22	Bungie, Inc.	Sony Interactive Entertainment LLC	\$3,700
Dec-22	Wind River Systems, Inc.	Aptiv PLC	\$3,500
Oct-22	Ping Identity Holding Corp.	Thoma Bravo, L.P.; Thoma Bravo Fund XV, L.P.	\$2,796
May-22	Bottomline Technologies, Inc.	Thoma Bravo, L.P.; Thoma Bravo Fund XV, L.P.	\$2,616
Mar-23	Duck Creek Technologies, Inc.	Vista Equity Partners Management, LLC	\$2,369
Aug-22	Brightly Software, Inc.	Siemens Smart Infrastructure	\$1,875
Sep-22	Trader Interactive, LLC	carsales.com Ltd	\$1,609
Nov-22	Computer Services, Inc.	Centerbridge Partners, L.P.; Cannae Holdings, Inc.; Bridgeport Partners LLC;	\$1,523
Dec-22	BTRS Holdings Inc.	EQT Partners Inc.; Eqt X Usd Scsp; Eqt X Eur Scsp	\$1,513
Jan-23	ServiceMax, Inc.	PTC Inc.	\$1,485
Jan-23	WillowTree, LLC (nka:WillowTree, a TELUS International Company)	Telus International Holding (U.S.A.) Corp.	\$1,225
Apr-22	ETQ, LLC	Hexagon AB (publ)	\$1,200
Jan-23	UserTesting, Inc.	Thoma Bravo, L.P.; Sunstone Partners Management, LLC; Thoma Bravo	\$1,116
Jan-23	SMS ASSIST, L.L.C.	Lessen Inc.	\$950
Oct-22	FWD Media, Inc.	KIRKBI A/S	\$875

Source: Capital IQ

5 Change in Market Capitalization by Sector

Last Three (3) Months as of March 31, 2023

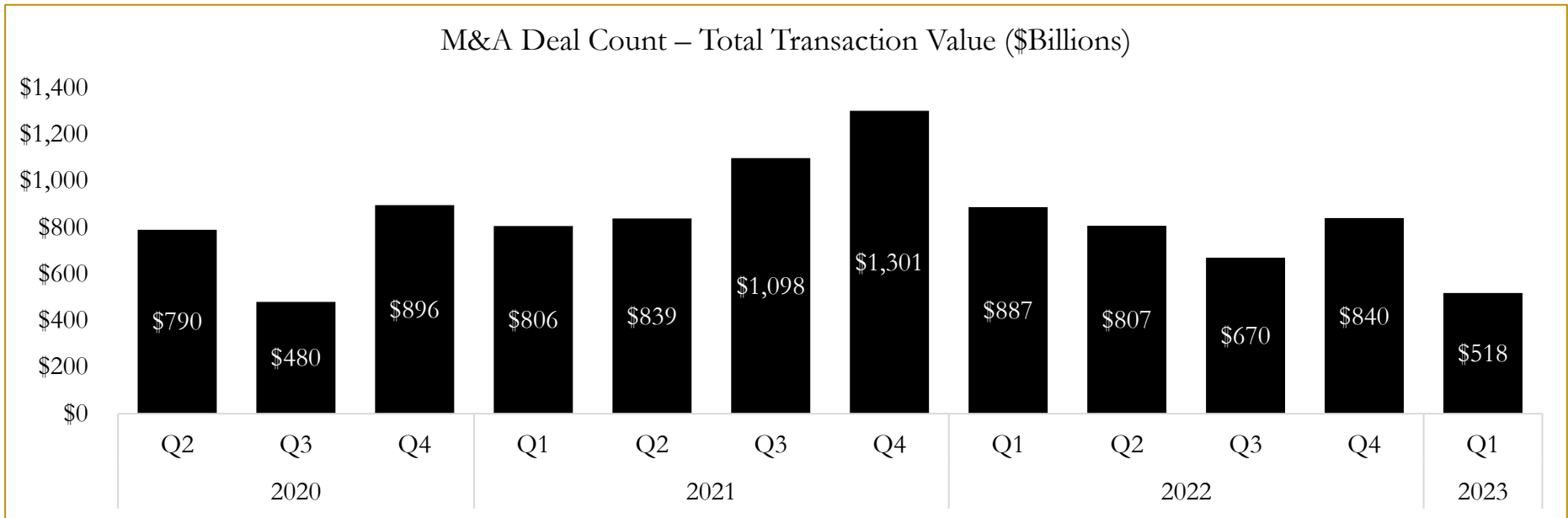
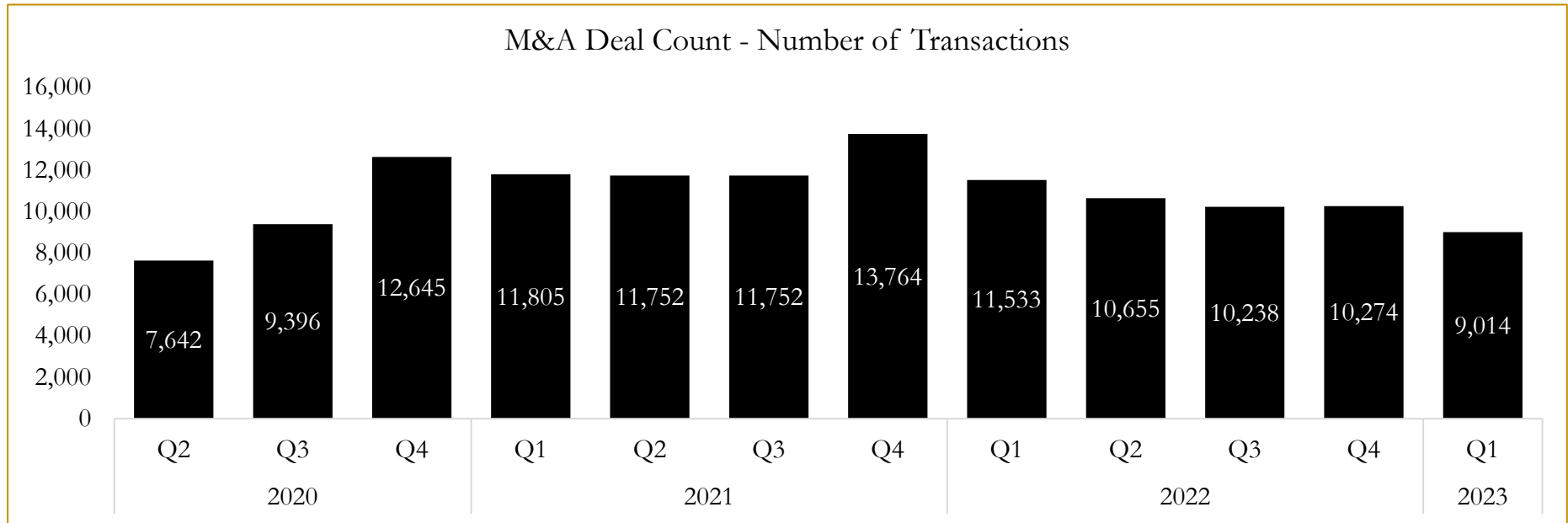


Source: Capital IQ

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M&A Deal Flow Statistics

Last Three (3) Years as of March 31, 2023



Source: Capital IQ

About Houlihan Capital

Houlihan Capital is a leading, solutions-driven valuation, financial advisory and boutique investment banking firm. We pride ourselves on being thought leaders in an ever-changing landscape.

Houlihan Capital is SOC-compliant, a FINRA and SIPC member and committed to the highest levels of professional ethics and standards.

Valuation & Financial Advisory

We provide an array of services that include enterprise valuations, portfolio valuation, valuation of carried interest, transaction opinions, tax and financial reporting compliance, purchase price allocations, and a wide variety of consulting services through our Financial Advisory Group.

Investment Banking

Through our Investment Banking Group, we offer sell-side/buy-side advisory and capital raises. Through our Special Situations desk, we provide services that fit outside the archetypal verticals, including liquidity solutions, transactional advisory, and secondary market advisory and trading.

Litigation Support

Our team provides support for a wide variety of situations including commercial and shareholder disputes, derivatives and structured finance litigation, and fraudulent conveyance.

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