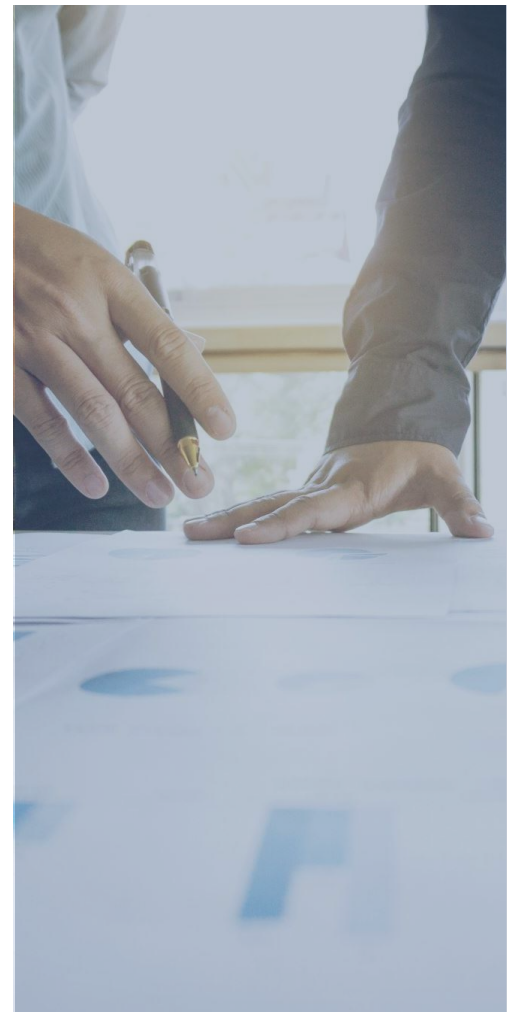


BUSINESS SERVICES  
M&A UPDATE

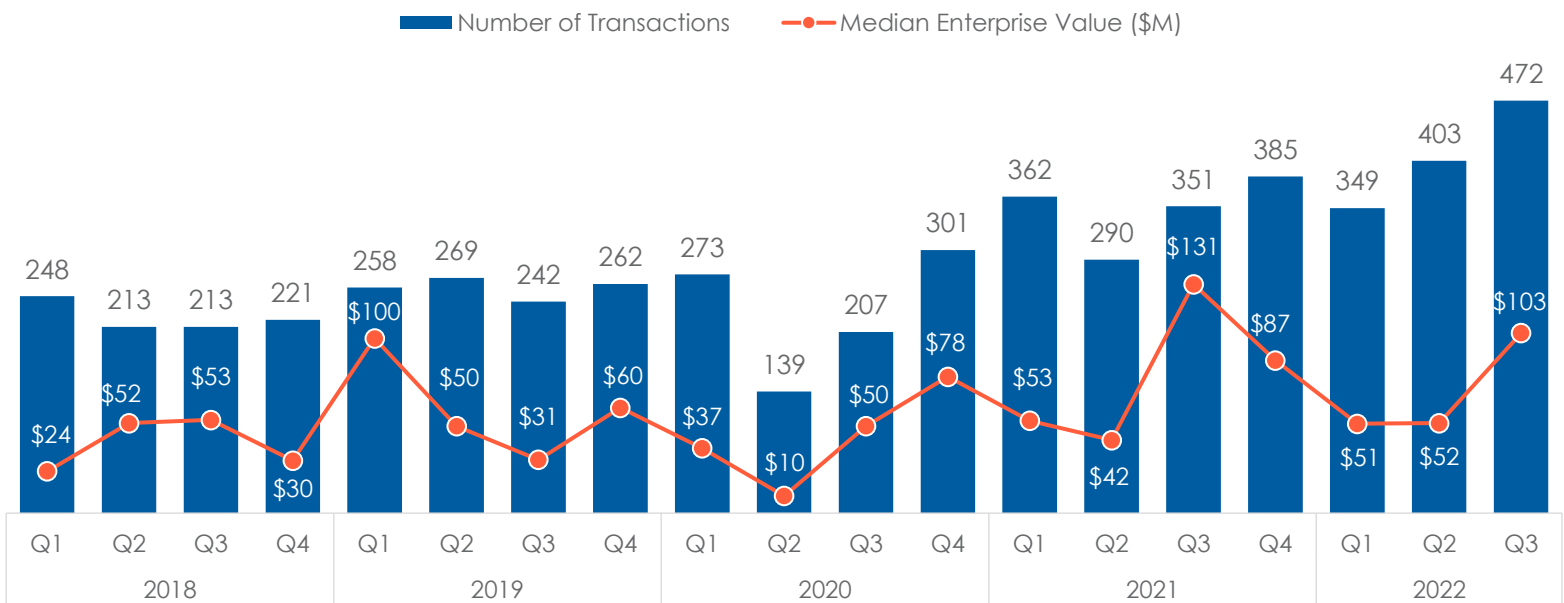
Q3 2022



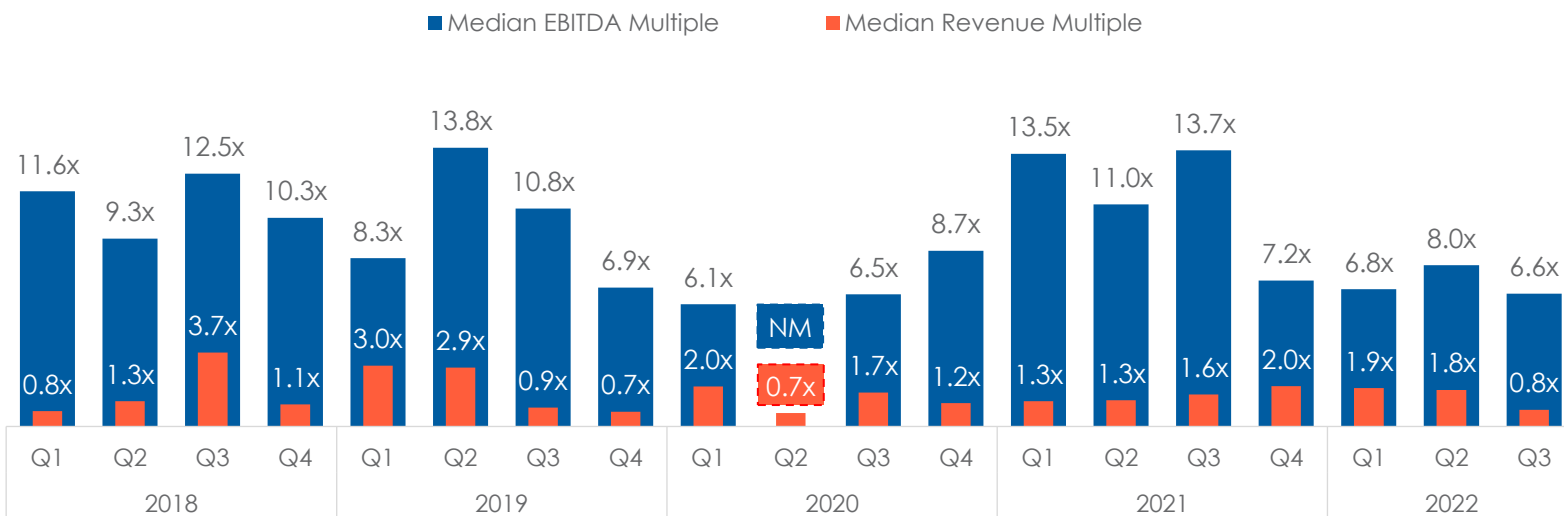
## Deal Flow and Valuation Multiples

More than 470 Business Services transactions closed in Q3 '22, the highest quarterly total in the past four years. Median EV/EBITDA valuation multiples were 6.6x – down from the year ago period. Median EV/REV multiples were 0.8x – down from the year ago period as well. Business Services Companies that transacted in Q3 '22 were more profitable than prior periods, reflecting buyer's focus on acquiring profitable companies in the current M&A market.

### Business Services Transactions & Total Transaction Value



### Median Business Services Valuation Multiple<sup>(1)</sup>



## Subsectors In Focus

Q3 '22, three Business Services subsectors experienced increased transaction activity year-over-year – Consulting & Professional Services, Facility & Industrial Services, and Logistics Services. BPO, HR & Staffing, and Marketing Services subsectors experienced declines YoY following 2021's record performance in those subsectors attributed to the great "reopening" and rebound in human capital and outsourced labor services.

### Business Services Subsector Detail and Deep Dive

Business Processes Outsourcing	Consulting & Professional Services	Facility & Industrial Services	HR & Staffing	Logistics Services	Marketing Services
<ul style="list-style-type: none"> <li>Data Processing</li> <li>Electronic Document Processing</li> <li>Fraud Management</li> <li>Office Services &amp; Supplies</li> <li>Online Bill Payment</li> <li>Writing, Editing, Translation</li> </ul>	<ul style="list-style-type: none"> <li>Accounting, Auditing, and Taxation</li> <li>Credit Reporting</li> <li>IT Consulting &amp; Other Services</li> <li>Legal Services</li> <li>Research, Development, and Testing</li> </ul>	<ul style="list-style-type: none"> <li>Building Care &amp; Improvement</li> <li>Commercial Rental &amp; Leasing</li> <li>Environmental &amp; Facilities Services</li> <li>Security &amp; Alarm</li> <li>Warehousing &amp; Storage</li> </ul>	<ul style="list-style-type: none"> <li>Development Training</li> <li>Employee Leasing</li> <li>Executive Placing</li> <li>Online Recruiting</li> <li>Payroll</li> <li>Secretarial Services</li> <li>Temporary Help</li> </ul>	<ul style="list-style-type: none"> <li>Air Courier</li> <li>Charter Air Freight</li> <li>Ground Courier</li> <li>Postal Courier</li> <li>Technology Distributors</li> </ul>	<ul style="list-style-type: none"> <li>Bookbinding</li> <li>Commercial Interior Design</li> <li>Commercial Photography</li> <li>Commercial Printing</li> <li>Engraving</li> <li>Film Processing</li> <li>Graphic Design</li> </ul>

### Q3 2022 Subsector M&A Tracking

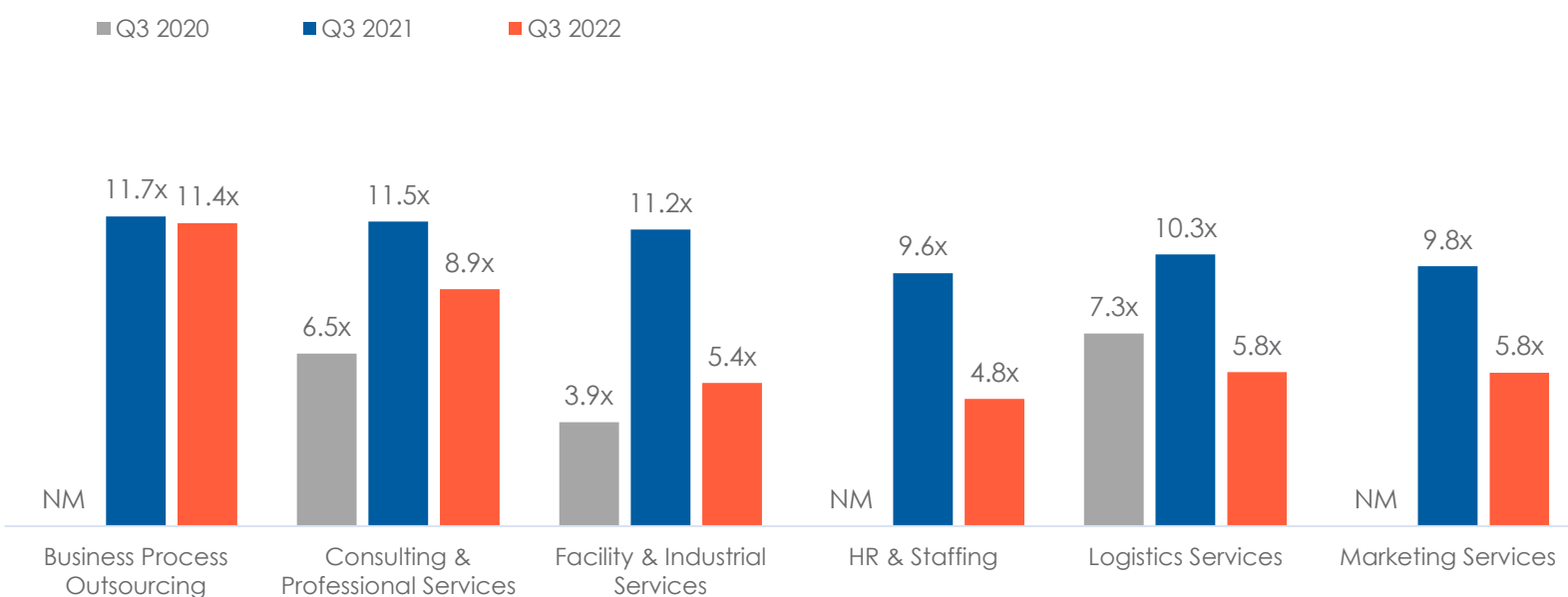
# of Transactions					
25	181	130	23	106	7
YoY M&A Trend					
↓	↑	↑	↓	↑	↓
Average EV (\$M)					
\$1,599	\$112	\$102	\$127	\$19	N/A
Median EV (\$M)					
\$1,864	\$151	\$199	\$127	\$637	N/A

Source: Capital IQ

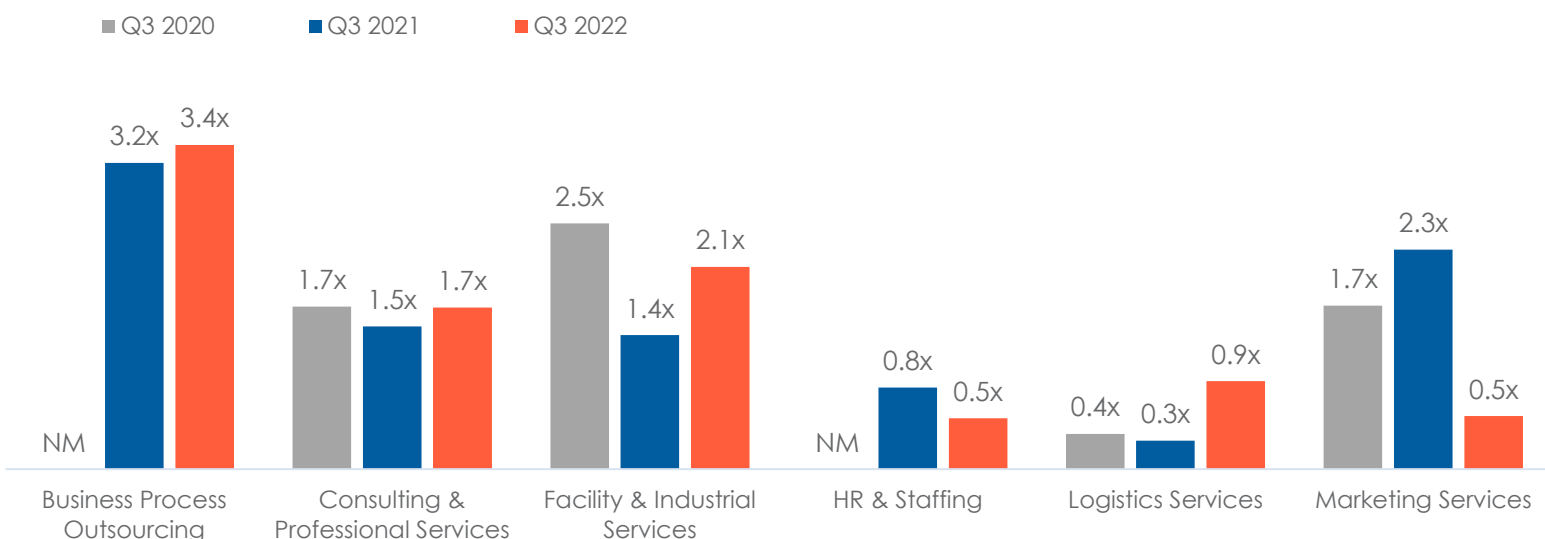
### Valuation Multiples by Subsector

Nearly every Business Services subsector is reporting EV/EBITDA multiples in excess of 5.0x (excluding the HR & Staffing subsector) and nearly every Business Services subsector is reporting EV/Revenue multiples in excess of 0.5x (excluding the HR & Staffing and Marketing Services subsectors). Overall, valuation multiples for all Business Services subsectors have retreated from 2021 highs.

#### TTM EV/EBITDA Multiple by Business Services Subsector <sup>(1)</sup>



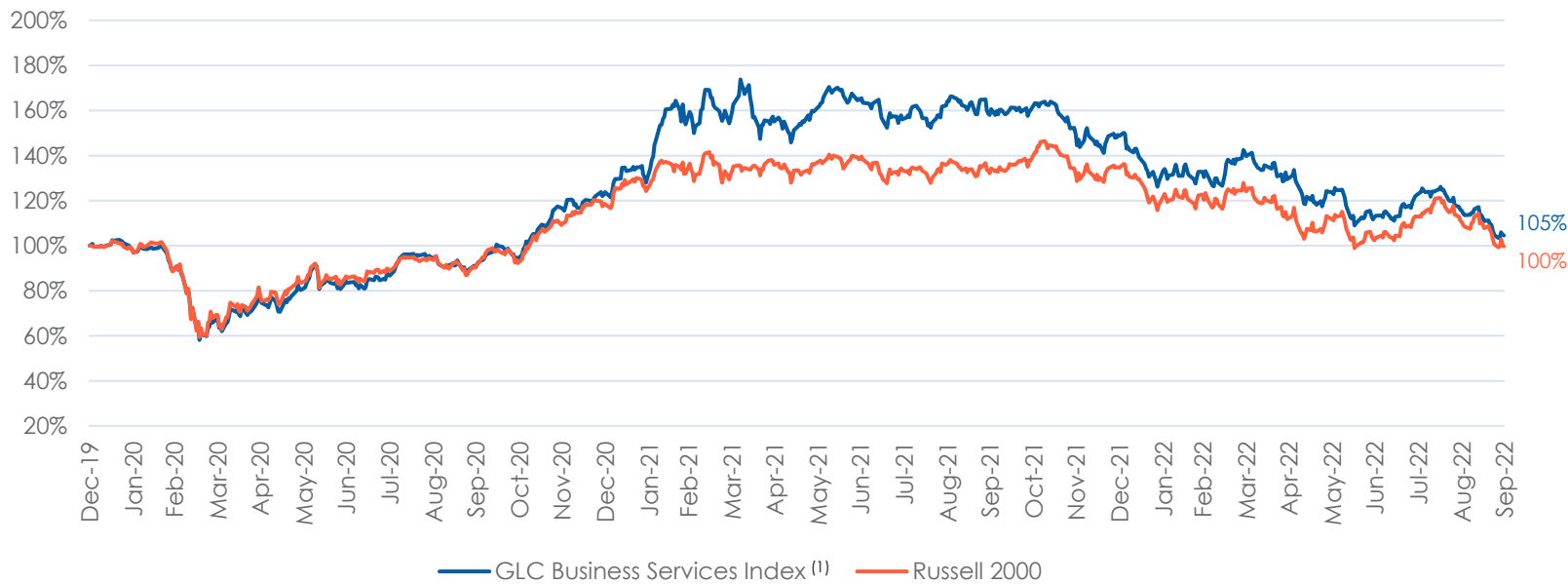
#### TTM EV/Revenue Multiple by Business Services Subsector



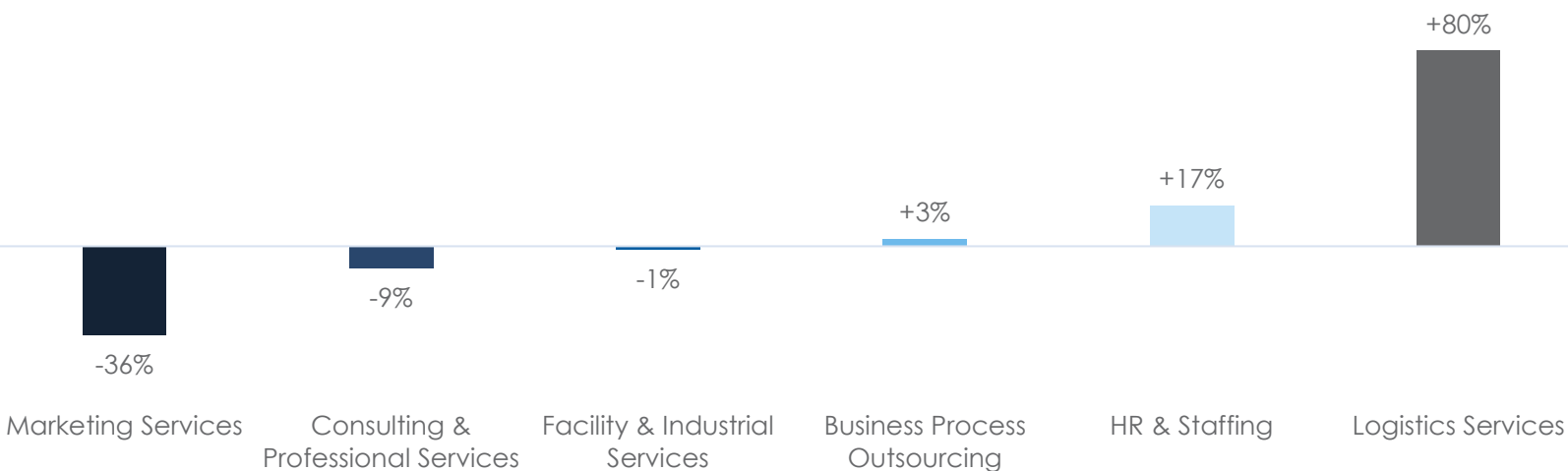
## Index Performance

In Q3 '22, public company valuations declined. The Russell Index ("Russell") retreated during Q3 '22 finishing down -3% and the Business Services Index finished down -8%. The Business Services Index continues to outperform the Russell over the past 2+ years with a 5%+ return – mainly driven by the following subsectors: Logistics Services and HR & Staffing. These subsectors are viewed as highly "mission critical" for the vast majority of businesses and over the past couple of years consumer demand experienced record levels due to low interest rates and persistent macro demand drivers.

### Business Services Index Performance (since 2019)

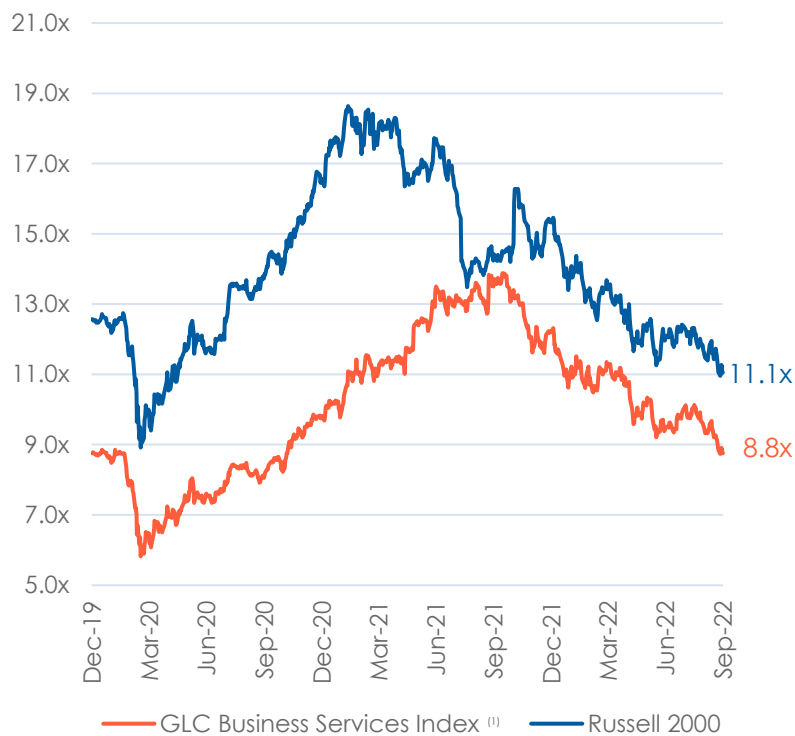


### Subsector Performance (since 2019)

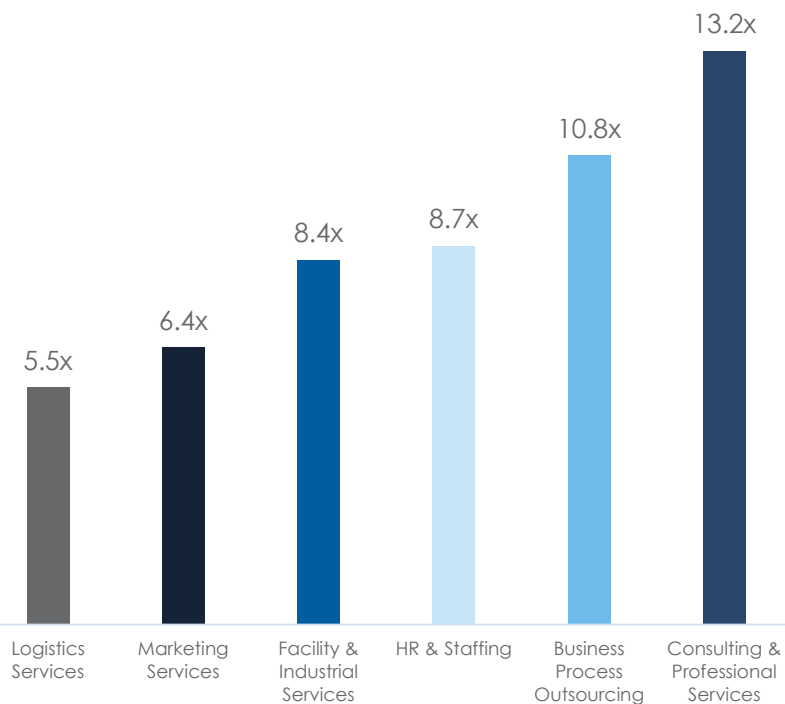


## Valuation Trends

### Business Services EV/EBITDA Performance



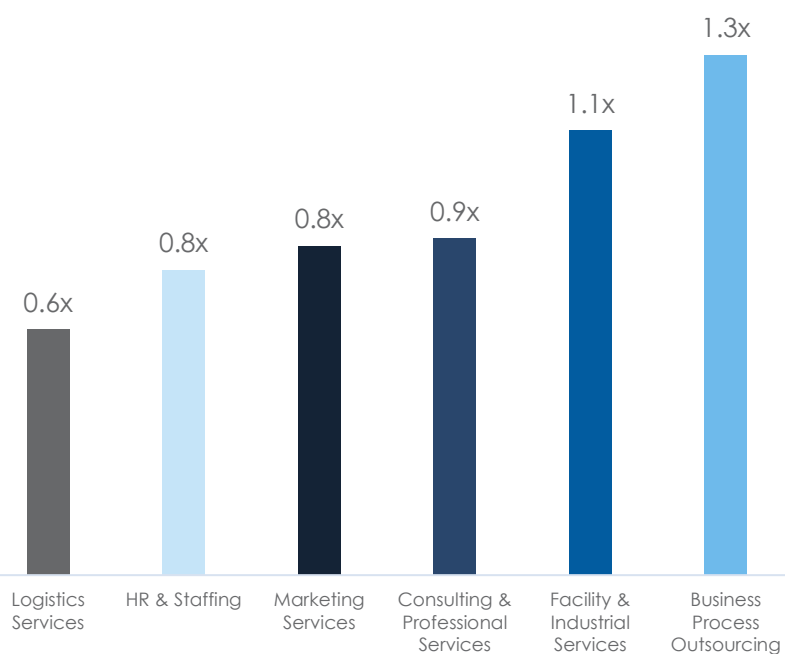
### EoQ Subsector EV/EBITDA Multiples (2)



### Business Services EV/Revenue Performance



### EoQ Subsector EV/Revenue Multiples



# FIRM OVERVIEW

## A Leading, Full-Service Investment Bank

GLC Advisors & Co. is a leading independent investment banking advisory firm, delivering objective, senior-level expertise to successfully execute financial advisory assignments for our clients. We advise Shareholders, Board of Directors, Entrepreneurs, Management Teams, and Capital Providers on material financial transactions regarding strategic alternatives, capital structure, and transactions.

We excel working with founder and owner operators and are passionate about the businesses and people we work with.

**900+**  
CLOSED  
TRANSACTIONS

**\$730B+**  
TRANSACTION  
VALUE

**50+**  
PROFESSIONALS

**15+**  
MANAGING  
DIRECTORS

### Key Capabilities

#### M&A Advisory

- 100% Sale
- Valuations
- Fairness Opinions

#### Capital Raising

- Growth Equity
- Debt Capital
- Minority Recap

#### Restructuring

- Debt Advisory
- Distressed M&A
- 363 Transactions

## Business Services & Diversified Industries Team

GLC's Business Services and Diversified Industries Team is exclusively focused on advising business services and industrials clients in the Middle Market. Our team's advisory work includes M&A (sell-side and buy-side), financing/debt advisories, recapitalizations, fairness opinions, and valuations. We excel at working with founders and owner-operators. Our team is passionate about the businesses and people that hire us to advise in their strategic decisions and events.



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