

BUSINESS SERVICES

FIRST QUARTER

2020

The Business Services Industry Practice Group draws on the experience of CFA dealmakers, who as former business owners, CEOs, and industry professionals, have first-hand knowledge and have completed many transactions in sectors throughout the business services category. Working with your local CFA representative, you can be sure that the collective wealth of knowledge is available to every CFA client.

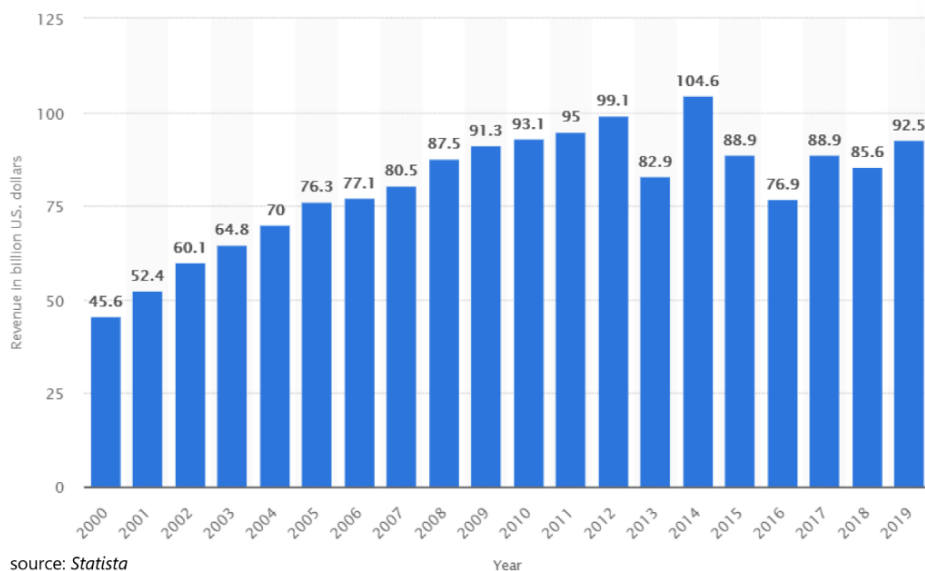
Business Services M&A

M&A activity for North American based target companies in the Business Services sector for Q4 2019 included 773 closed deals, according to data published by industry data tracker *FactSet*.

One of the notable middle market transactions in the sector was announced in December when NV5 Global, Inc. acquired Quantum Spatial, Inc., a portfolio company of Arlington Capital Partners LLC, for US\$318 million in cash. NV5 Global engages in the provision of professional and technical consulting and certification solutions for the public and private sectors. Quantum Spatial is the largest full-service geospatial solutions provider in North America.

Many service businesses continue to outsource a number of functions including data entry, marketing, accounting and more.

Global Market Size of Outsourced Services from 2000-19 (in billion U.S. dollars)



Transactional Overview

Notable closed lower middle market transactions for the period in the Business Services sector include:

December 2019 - Corporate Travel Management Ltd acquired Corporate Travel Planners, Inc. for US\$37.8 million. Corporate Travel Management provides travel management services to the corporate market. Corporate Travel Planners provides travel management services to corporate clients in Central Texas. It also handles corporate incentive travel programs, event planning, leisure vacation services and government travel. The firm offers airfare, hotel, car rental booking, unused ticket tracking, preference profiles and policy & budget management services. The company was founded in 1991 and is headquartered in San Antonio, TX.



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For over 60 years CFA has been advocating on behalf of business owners. Whether you're selling, buying or recapitalizing your company, our business is your business.

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December 2019 - Alithya Group, Inc. acquired Travercent LLC for US\$18 million in cash and stock. Alithya Group engages in the provision of information technology consulting services. Travercent is a cloud-focused consulting group specializing in the healthcare sector. It implements Oracle's cloud ERP, HCM, EPM and BI applications. The company is headquartered in Richardson, TX.

October 2019 - TTEC Holdings, Inc. acquired a 70% majority stake in First Call Resolution LLC (FCR) for US\$115.1 million in cash and contingent payout, subject to working capital adjustments. TTEC Holdings is a digital global customer experience technology and services company focused on the design, implementation and delivery of solutions for brands. Headquartered in Eugene, Oregon, with domestic customer experience centers across the U.S. as well as international locations in Mexico and Poland, FCR provides a wide range of omnichannel customer experience and business process solutions. Founded in 2005, FCR currently supports more than 80 clients and employs approximately 2,000 colleagues.

Selected Q1 Closed Transactions	
Target/Issuer	Buyers/Investors
Maven Wave Partners LLC	ATOS SE
HemaCare Corp.	Charles River Laboratories International, Inc.
Quantum Spatial, Inc.	NV5 Global, Inc.
Born Group, Inc.	Tech Mahindra Ltd.; Tech Mahindra (Singapore) Pte Ltd.
MedPricer.com, Inc.	Premier, Inc. (North Carolina)
First Call Resolution LLC	TTEC Holdings, Inc.
Aspiring Minds, Inc.	SHL Group Ltd.; Exponent Private Equity LLP
DataXu, Inc.	Roku, Inc.

Industry Update

As security threats become more common, convention and trade show organizers are increasingly tasked with effectively tightening security at events. Meanwhile, balancing increased security measures and a welcoming environment is becoming more complicated, according to a recent report from travel management company BCD Travel. When it comes to catastrophic events such as natural disasters, having a response plan in place is most important. For combatting other types of security threats, it may be necessary to screen attendees by using metal detectors and checking attendees' bags at venue entrances. Setting security-related expectations to attendees before the event and having a comprehensive yet flexible security plan in place will help ensure a safe yet hospitable event.

Industry Indicators

- US corporate profits, an indicator of corporate demand for business services, fell 0.8% in the third quarter of 2019 compared to the same period in 2018.
- The value of US nonresidential construction spending, a driver for business services demand, rose 2.2% year-to-date in October 2019 compared to the same period in 2018.
- Total US revenue for administration and support and waste management and remediation services rose 1.2% in the third quarter of 2019 compared to the previous year.

The Business Services Industry Practice Group is a multi-disciplinary group of investment banking advisors within Corporate Finance Associates. Collectively, the Business Services Industry Practice Group provides M&A advice to companies in all sectors of business services including but not limited to those pertaining to professional, scientific, technical, administrative, support, waste management, and remediation activities. For information on mergers, acquisitions, divestitures, recapitalizations, joint ventures or financial resources, contact your local Corporate Finance Associates office.

