

Shields & Company
INVESTMENT BANKERS

Business Services Sector Update

Q1 2026



M&A ACTIVITY INCREASED WHILE STOCK PERFORMANCE WAS MIXED

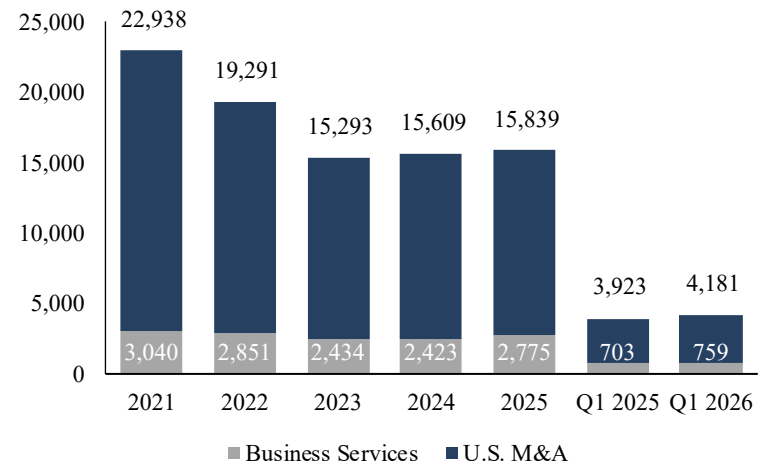
M&A Summary

- ▶ U.S. M&A deal volume in Q1 2026 increased approximately 7% compared to Q1 2025. M&A transactions increased on a year-over-year basis despite increasing geopolitical uncertainty. The M&A market continues to be supported by historically high levels of private equity dry powder, strong corporate balance sheets, and reasonable debt availability even with some turbulence in the private credit markets related to AI-driven valuation adjustments for enterprise software companies.
- ▶ The Business Services sector saw a similar uptick in activity, with 759 closed transactions in Q1 2026, which represents a year-over-year increase of approximately 8%. Facilities Services, IT Services, and Specialty Consulting remained the most active subsectors.
- ▶ Going forward, the M&A market may soften if geopolitical tensions continue to escalate or the turmoil in the tech private debt market spreads to the broader market.

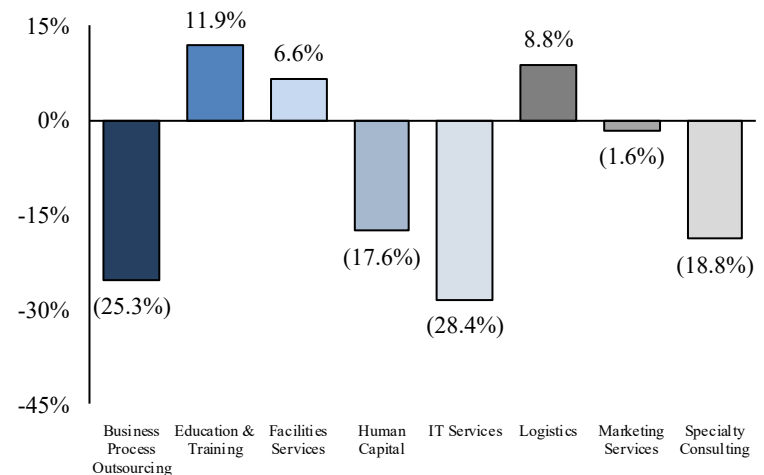
Public Company Performance

- ▶ The public company stock indexes for our Business Services peer groups showed mixed results with Education & Training outperforming the other subsectors during Q1 2026.
- ▶ At the end of Q1, Facilities Services (13.7x), Specialty Consulting (11.1x), and Logistics (11.0x) were the only peer groups with a median TEV/EBITDA multiple in double digits.

M&A Transaction Volume



Q1 2026 Peer Group Returns ⁽¹⁾

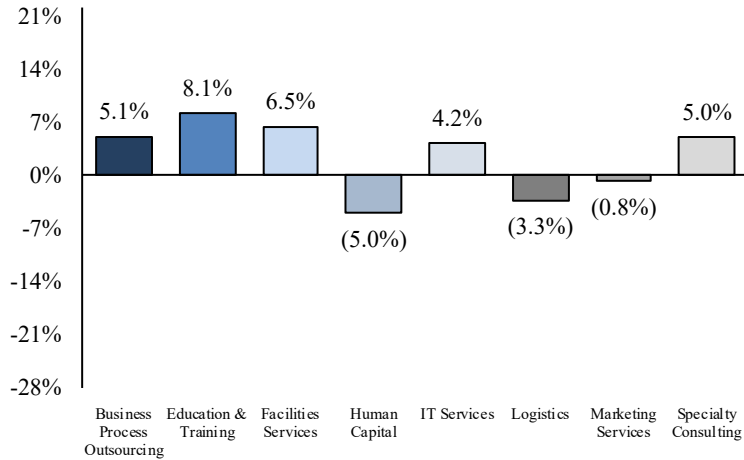


SELECT BUSINESS SERVICES TRANSACTIONS

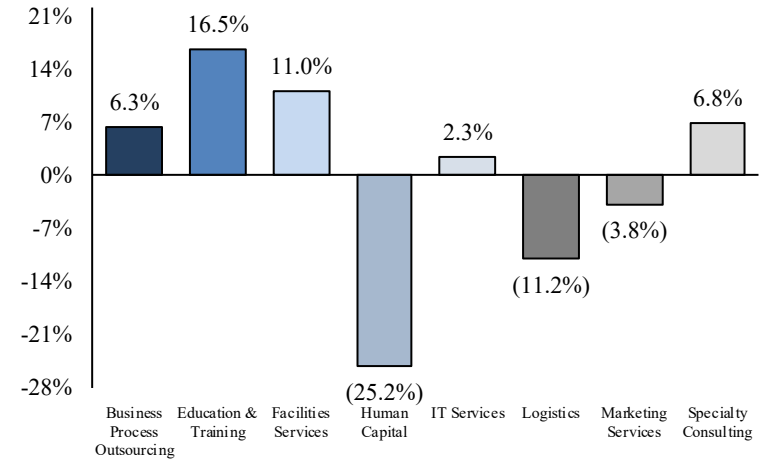
Date	Target	Description	Buyer
Mar-26	Upswell, LLC	Upswell, LLC provides direct mail advertising and marketing services.	Mountaingate Capital Management, LP
Mar-26	Metric Search Inc.	Metric Search Inc. offers specialist search services and human capital solutions.	Southfield Capital LP
Mar-26	Cyber Advisors, LLC	Cyber Advisors, LLC provides managed IT services, cybersecurity solutions, and IT infrastructure support.	Sterling Investment Partners Advisers, LLC
Mar-26	Process Improvement Institute Inc.	Process Improvement Institute, Inc. provides training and consulting services.	Trinity Consultants, Inc.
Mar-26	The File Room, Inc.	The File Room, Inc. operates as a full-service records management company.	Access Information Management Corporation
Mar-26	Axcel Learning	Axcel Learning is a leading online professional education, certification, and test preparation platform.	Inverness Graham Investments, Inc.
Mar-26	WayRoll LLC	WayRoll LLC doing business as WayRoll HR provides human resource and payroll services to businesses.	Premier Payroll Solutions, LLC
Mar-26	ASG 365, LLC	ASG 365, LLC provides information technology (IT) consulting solutions.	IT Partners LLC
Mar-26	Access Security Controls International, Inc.	Access Security Controls International, Inc. provides fire detection and security system services.	Pye-Barker Fire & Safety, LLC
Mar-26	Eduardo E. Lozano & Co., Inc.	Eduardo E. Lozano & Co., Inc. provides logistics and supply chain management services.	Redwood Logistics, LLC
Mar-26	Graviton Consulting Services, Inc.	Graviton Consulting Services, Inc. provides information technology consulting services.	Highstreet IT Solutions, LLC
Mar-26	KCIC, LLC	KCIC, LLC operates as a consulting company that specializes in insurance assets and litigation challenges.	Lee Equity Partners, LLC
Feb-26	Richardson Kontogouris Emerson LLP	Richardson Kontogouris Emerson LLP provides accounting services.	Cherry Bekaert LLP
Feb-26	Tora Consulting, LLC	Tora Consulting, LLC provides strategic environmental and engineering business advisory services.	ALL4 Inc.
Feb-26	Johnson & Quin, Inc.	Johnson & Quin, Inc. operates as a direct mail production and integrated marketing company.	Direct Marketing Solutions, Inc.

PUBLIC COMPANY OPERATING METRICS

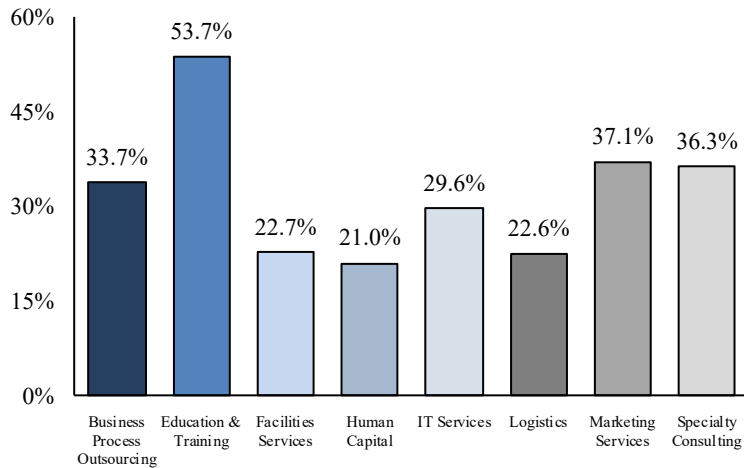
3-Year Revenue CAGR ⁽²⁾



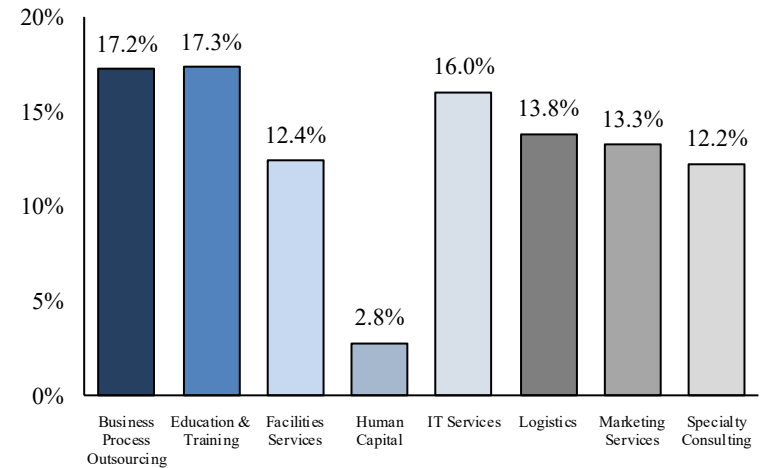
3-Year EBITDA CAGR ⁽²⁾



LTM Gross Margin ⁽²⁾

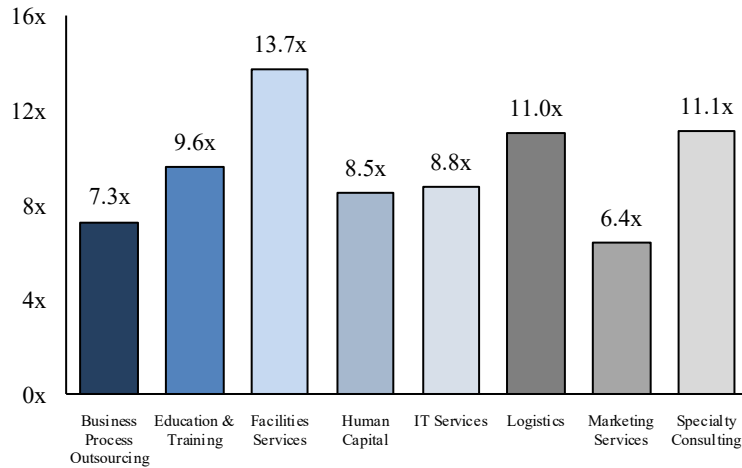


LTM EBITDA Margin ⁽²⁾

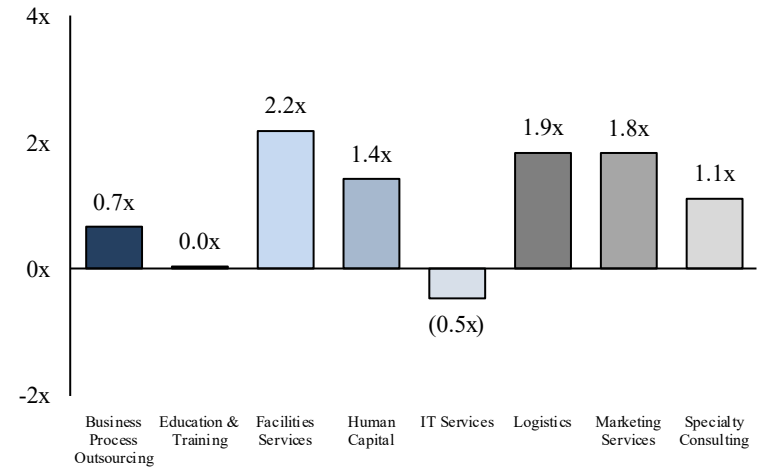


PUBLIC COMPANY VALUATION METRICS

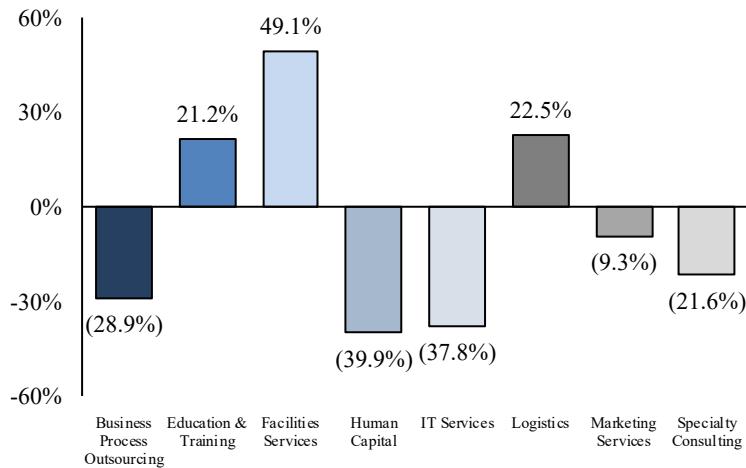
TEV/LTM EBITDA ⁽²⁾



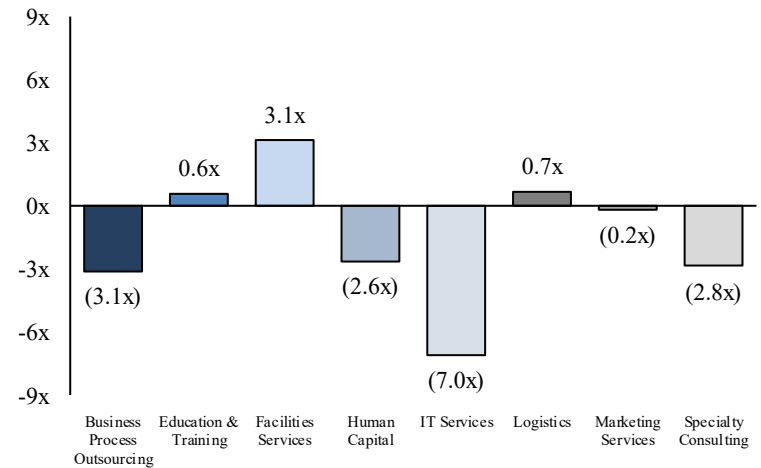
Net Debt/LTM EBITDA ⁽²⁾



LTM Change in Stock Price ⁽¹⁾



LTM Change in EBITDA Multiple ⁽²⁾



3-YEAR STOCK RETURN ⁽¹⁾



3-YEAR LTM EBITDA MULTIPLE (2)



PUBLIC COMPARABLE COMPANIES

	Latest Twelve Months				TEV / LTM		TEV / EBITDA	
	TEV	Revenue	Gross Profit	EBITDA	Revenue	EBITDA	2026P	2027P
(\$ in millions)								
Business Process Outsourcing								
Cognizant Technology Solutions Corporation	\$28,024	\$21,108	\$7,117	\$3,834	1.3x	7.3x	6.7x	6.3x
Computershare Limited	\$12,047	\$3,188	\$896	\$1,038	3.8x	11.6x	9.5x	9.3x
DXC Technology Company	\$4,295	\$12,683	\$3,076	\$1,914	0.3x	2.2x	2.4x	2.5x
ExlService Holdings, Inc.	\$4,734	\$2,088	\$801	\$359	2.3x	13.2x	9.5x	8.5x
Genpact Limited	\$6,679	\$5,080	\$1,831	\$850	1.3x	7.9x	6.4x	5.9x
TaskUs, Inc.	\$637	\$1,184	\$472	\$217	0.5x	2.9x	2.7x	2.5x
TTEC Holdings, Inc.	\$963	\$2,137	\$504	\$188	0.5x	5.1x	4.3x	4.3x
Business Process Outsourcing Median					1.3x	7.3x	6.4x	5.9x
Education & Training								
American Public Education, Inc.	\$966	\$649	\$352	\$70	1.5x	13.8x	10.1x	8.9x
Bright Horizons Family Solutions Inc.	\$5,332	\$2,934	\$745	\$457	1.8x	11.7x	10.1x	9.2x
Covista Inc.	\$4,425	\$1,889	\$1,084	\$429	2.3x	10.3x	8.4x	7.7x
Franklin Covey Co.	\$166	\$262	\$199	\$18	0.6x	9.4x	5.3x	NA
Graham Holdings Company	\$4,344	\$4,912	\$1,470	\$487	0.9x	8.9x	8.9x	9.6x
Grand Canyon Education, Inc.	\$4,259	\$1,106	\$588	\$343	3.9x	12.4x	10.9x	10.1x
KinderCare Learning Companies, Inc.	\$1,065	\$2,733	\$598	\$281	0.4x	3.8x	4.9x	4.3x
Laureate Education, Inc.	\$4,955	\$1,702	\$657	\$506	2.9x	9.8x	8.4x	7.8x
Lincoln Educational Services Corporation	\$1,292	\$518	\$313	\$50	2.5x	25.9x	17.4x	13.8x
Perdoceo Education Corporation	\$1,771	\$846	\$673	\$238	2.1x	7.5x	6.9x	6.4x
Phoenix Education Partners, Inc.	\$949	\$1,015	\$571	\$195	0.9x	4.9x	3.8x	3.5x
Strategic Education, Inc.	\$1,703	\$1,268	\$621	\$242	1.3x	7.0x	5.7x	5.1x
Stride, Inc.	\$3,571	\$2,519	\$990	\$517	1.4x	6.9x	5.8x	NA
Universal Technical Institute, Inc.	\$1,924	\$855	\$482	\$106	2.3x	18.2x	16.6x	14.5x
Education & Training Median					1.7x	9.6x	8.4x	8.4x

PUBLIC COMPARABLE COMPANIES (CONTINUED)

	Latest Twelve Months				TEV / LTM		TEV / EBITDA	
	TEV	Revenue	Gross Profit	EBITDA	Revenue	EBITDA	2026P	2027P
(\$ in millions)								
Facilities Services								
ABM Industries Incorporated	\$3,782	\$8,875	\$1,163	\$429	0.4x	8.8x	6.6x	6.4x
APi Group Corporation	\$19,339	\$7,911	\$2,487	\$982	2.4x	19.7x	16.5x	14.8x
Aramark	\$16,486	\$18,786	\$2,904	\$1,332	0.9x	12.4x	10.4x	9.7x
Bright View Holdings, Inc.	\$2,384	\$2,688	\$609	\$334	0.9x	7.1x	6.4x	6.0x
Cintas Corporation	\$70,135	\$11,027	\$5,553	\$2,902	6.4x	24.2x	21.7x	20.6x
Comfort Systems USA, Inc.	\$47,555	\$9,102	\$2,196	\$1,455	5.2x	32.7x	25.9x	22.1x
EMCOR Group, Inc.	\$31,774	\$16,986	\$3,283	\$1,765	1.9x	18.0x	16.7x	15.4x
ISS A/S	\$7,912	\$12,829	\$11,742	\$661	0.6x	12.0x	8.3x	7.9x
Mitie Group plc	\$3,495	\$6,970	\$793	\$335	0.5x	10.4x	6.9x	6.3x
Rentokil Initial plc	\$19,214	\$6,908	\$951	\$1,233	2.8x	15.6x	12.5x	11.6x
Rollins, Inc.	\$26,253	\$3,761	\$1,984	\$854	7.0x	30.7x	27.7x	25.0x
Sodexo S.A.	\$11,268	\$26,494	\$3,118	\$1,508	0.4x	7.5x	6.3x	5.9x
UniFirst Corporation	\$4,419	\$2,449	\$894	\$322	1.8x	13.7x	13.1x	12.1x
Facilities Services Median					1.8x	13.7x	12.5x	11.6x
Human Capital								
Adecco Group AG	\$6,743	\$26,097	\$5,000	\$820	0.3x	8.2x	6.3x	5.7x
AMN Healthcare Services, Inc.	\$1,442	\$2,730	\$774	\$190	0.5x	7.6x	5.8x	7.3x
Barrett Business Services, Inc.	\$578	\$1,240	\$261	\$66	0.5x	8.8x	8.2x	7.3x
Hays plc	\$887	\$8,566	\$297	\$74	0.1x	12.0x	5.6x	4.3x
Insperty, Inc.	\$729	\$6,812	\$900	\$21	0.1x	34.7x	3.8x	2.9x
Kelly Services, Inc.	\$386	\$4,251	\$853	\$97	0.1x	4.0x	3.9x	2.7x
Kforce Inc.	\$565	\$1,329	\$361	\$53	0.4x	10.7x	7.4x	6.4x
Korn Ferry	\$2,694	\$2,860	\$709	\$419	0.9x	6.4x	5.3x	5.0x
ManpowerGroup Inc.	\$2,174	\$17,957	\$3,022	\$374	0.1x	5.8x	4.9x	4.2x
Michael Page Plc	\$698	\$2,106	\$767	\$103	0.3x	6.8x	2.4x	2.3x
Randstad N.V.	\$6,603	\$26,091	\$4,253	\$728	0.3x	9.1x	4.3x	4.0x
Robert Half Inc.	\$2,060	\$5,379	\$2,002	\$128	0.4x	16.0x	2.4x	2.2x
SThree plc	\$220	\$1,709	\$424	\$39	0.1x	5.6x	2.3x	2.1x
TriNet Group, Inc.	\$2,331	\$4,943	\$819	\$236	0.5x	9.9x	6.0x	5.6x
TrueBlue, Inc.	\$159	\$1,616	\$365	(\$8)	0.1x	NM	5.7x	3.4x
Human Capital Median					0.3x	8.5x	5.3x	4.2x

PUBLIC COMPARABLE COMPANIES (CONTINUED)

	Latest Twelve Months				TEV / LTM		TEV / EBITDA	
	TEV	Revenue	Gross Profit	EBITDA	Revenue	EBITDA	2026P	2027P
(\$ in millions)								
IT Services								
Accenture plc	\$119,041	\$72,110	\$23,094	\$12,735	1.7x	9.3x	8.3x	7.8x
Capgemini SE	\$27,357	\$25,399	\$6,868	\$3,275	1.1x	8.4x	6.1x	5.8x
CGI Inc.	\$18,066	\$11,601	\$2,376	\$2,061	1.6x	8.8x	7.5x	7.2x
Conduent Incorporated	\$794	\$3,042	\$552	\$54	0.3x	14.7x	4.9x	4.2x
Endava plc	\$477	\$981	\$237	\$70	0.5x	6.8x	3.6x	3.1x
EPAM Systems, Inc.	\$6,060	\$5,457	\$1,576	\$707	1.1x	8.6x	6.3x	5.7x
Globant S.A.	\$2,332	\$2,455	\$859	\$394	1.0x	5.9x	4.7x	4.4x
Grid Dynamics Holdings, Inc.	\$143	\$412	\$142	\$22	0.3x	6.4x	2.3x	1.9x
HCL Technologies Limited	\$35,868	\$14,480	\$4,971	\$2,849	2.5x	12.6x	11.3x	9.9x
Infosys Limited	\$51,726	\$19,847	\$5,826	\$4,381	2.6x	11.8x	10.5x	9.6x
Tata Consultancy Services Limited	\$85,600	\$29,937	\$11,879	\$7,830	2.9x	10.9x	10.4x	9.8x
Tech Mahindra Limited	\$12,462	\$6,328	\$2,138	\$870	2.0x	14.3x	11.1x	9.7x
Wipro Limited	\$16,847	\$10,433	\$3,089	\$1,935	1.6x	8.7x	8.1x	7.5x
IT Services Median					1.6x	8.8x	7.5x	7.2x
Logistics								
C.H. Robinson Worldwide, Inc.	\$20,500	\$16,233	\$1,388	\$875	1.3x	23.4x	19.4x	16.9x
CSX Corporation	\$94,643	\$14,092	\$6,424	\$6,424	6.7x	14.7x	13.8x	12.9x
Expeditors International of Washington, Inc.	\$17,735	\$11,069	\$1,487	\$1,109	1.6x	16.0x	16.1x	15.3x
FedEx Corporation	\$102,021	\$91,933	\$25,329	\$11,560	1.1x	8.8x	NA	NA
Forward Air Corporation	\$2,195	\$2,495	\$491	\$240	0.9x	9.1x	7.1x	6.2x
Hub Group, Inc.	\$2,393	\$3,729	\$424	\$333	0.6x	7.2x	7.0x	6.3x
Kirby Corporation	\$7,968	\$3,364	\$1,148	\$774	2.4x	10.3x	10.3x	9.3x
Knight-Swift Transportation Holdings Inc.	\$11,492	\$7,470	\$1,805	\$1,041	1.5x	11.0x	9.0x	7.6x
Landstar System, Inc.	\$5,127	\$4,757	\$910	\$228	1.1x	22.5x	18.0x	14.9x
Matson, Inc.	\$5,197	\$3,345	\$761	\$644	1.6x	8.1x	7.5x	7.0x
Old Dominion Freight Line, Inc.	\$40,646	\$5,496	\$2,141	\$1,726	7.4x	23.6x	23.1x	20.0x
Union Pacific Corporation	\$174,336	\$24,510	\$13,812	\$12,438	7.1x	14.0x	13.2x	12.3x
United Parcel Service, Inc.	\$101,859	\$88,661	\$20,038	\$12,270	1.1x	8.3x	8.3x	7.6x
Werner Enterprises, Inc.	\$2,483	\$2,974	\$578	\$342	0.8x	7.3x	6.0x	5.0x
XPO, Inc.	\$25,872	\$8,157	\$1,500	\$1,256	3.2x	20.6x	18.5x	16.1x
Logistics Median					1.5x	11.0x	11.8x	10.8x

PUBLIC COMPARABLE COMPANIES (CONTINUED)

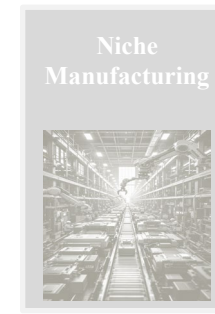
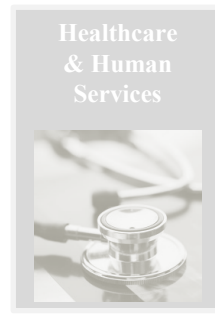
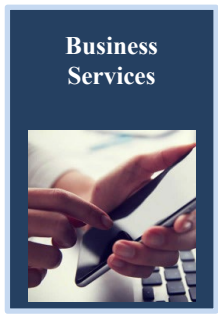
	Latest Twelve Months				TEV / LTM		TEV / EBITDA	
	TEV	Revenue	Gross Profit	EBITDA	Revenue	EBITDA	2026P	2027P
(\$ in millions)								
Marketing Services								
Advantage Solutions Inc.	\$1,710	\$3,543	\$494	\$284	0.5x	6.0x	5.5x	5.2x
Amdocs Limited	\$7,591	\$4,579	\$1,722	\$1,024	1.7x	7.4x	6.3x	6.1x
Deluxe Corporation	\$2,679	\$2,133	\$1,132	\$404	1.3x	6.6x	6.0x	5.7x
Dentsu Group Inc.	\$7,155	\$9,601	\$8,011	\$1,480	0.7x	4.8x	5.2x	4.9x
Omnicom Group Inc.	\$24,813	\$17,272	\$3,208	\$2,793	1.4x	8.9x	5.0x	4.6x
Publicis Groupe S.A.	\$22,174	\$19,671	\$8,829	\$3,582	1.1x	6.2x	5.8x	5.5x
Quad/Graphics, Inc.	\$654	\$2,420	\$523	\$183	0.3x	3.6x	3.4x	3.3x
S4 Capital plc	\$394	\$996	\$888	\$106	0.4x	3.7x	3.5x	3.4x
Stagwell Inc.	\$2,859	\$2,909	\$1,063	\$323	1.0x	8.8x	5.8x	5.5x
WPP plc	\$9,096	\$17,873	\$2,831	\$736	0.5x	12.4x	4.4x	4.3x
<i>Marketing Services Median</i>					0.9x	6.4x	5.3x	5.0x
Specialty Consulting								
CRA International, Inc.	\$1,079	\$752	\$232	\$97	1.4x	11.1x	11.0x	10.2x
Exponent, Inc.	\$2,992	\$537	\$195	\$130	5.6x	23.0x	17.7x	16.0x
FTI Consulting, Inc.	\$5,404	\$3,789	\$1,217	\$464	1.4x	11.7x	12.3x	10.8x
Huron Consulting Group Inc.	\$2,473	\$1,663	\$540	\$222	1.5x	11.1x	9.2x	8.3x
ICF International, Inc.	\$1,602	\$1,873	\$696	\$204	0.9x	7.9x	7.5x	7.0x
Resources Connection, Inc.	\$35	\$507	\$193	\$7	0.1x	5.0x	2.3x	NA
The Hackett Group, Inc.	\$386	\$301	\$117	\$32	1.3x	12.1x	5.8x	5.4x
<i>Specialty Consulting Median</i>					1.4x	11.1x	9.2x	9.2x
TOTAL INDUSTRY MEDIAN					1.1x	9.1x	6.9x	6.4x

ABOUT SHIELDS & COMPANY

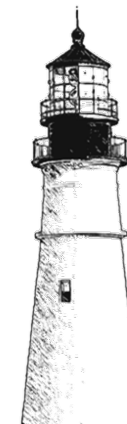
Founded in 1991, Shields & Company, Inc. is a leading, independent, middle-market investment bank located in the Boston area providing corporate finance advisory services to privately-owned and closely-held businesses in North America. While our services include a full range of corporate finance advisory services, our focus is on sell-side merger and acquisition advisory and valuation services. Our M&A practice focuses on six key industries (Business Services; Consumer, Food, & Beverage; Healthcare & Human Services; Industrial Products & Services; Niche Manufacturing; and Specialty Distribution) and our typical client generates \$5–30 million of EBITDA.

The Shields & Company team utilizes its deep experience and knowledge to provide creative, thorough, and professional financial advice. We are committed to providing senior-level attention and objective financial advice for our clients. We embrace a philosophy where our clients' goals come first and, as a result, we design and execute tailored sale processes that maximize shareholder outcomes and exceed client expectations.

INDUSTRIES



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Sources

Sources: S&P Capital IQ data as of March 31, 2026, and Shields & Company.

Footnotes

- (1) Peer group returns calculated based on equal-weighted indices, indexed to 100.
- (2) Metrics are peer group medians.