

Shields & Company
INVESTMENT BANKERS

Business Services Sector Update

Q3 2026



UNCERTAINTY DRIVES SIGNIFICANT DECREASE IN M&A ACTIVITY IN Q3

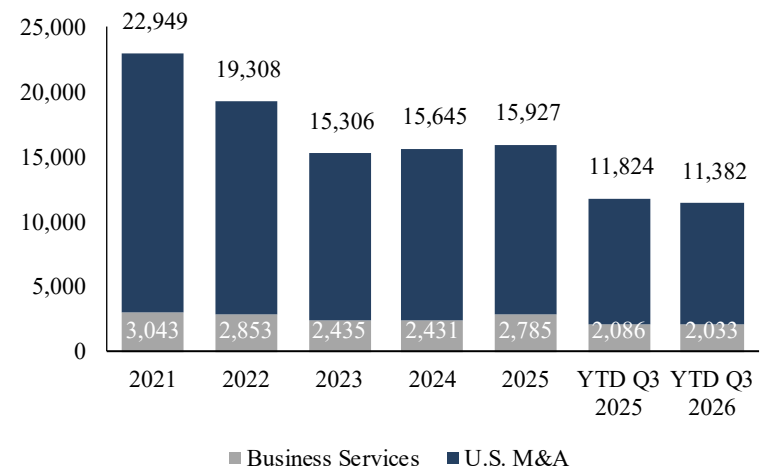
M&A Summary

- U.S. M&A deal activity slowed significantly in Q3. Quarterly M&A volume fell to 3,443 closed transactions, which represents a 15% decrease compared to Q3 2025. As a result, year-to-date (YTD) transaction volume is down approximately 4% compared to the same period in 2025. M&A transaction activity declined in Q3 due to the hawkish interest rate outlook, continued inflation above the Fed's target, increasing geopolitical tensions, uncertainty regarding the economy and the midterm elections, and expectations of AI negatively impacting certain industries.
- Business Services saw a similar pullback in activity with closed transactions decreasing 21% in Q3, which resulted in YTD closings being down 3% compared to 2025. Facilities Services, IT Services, and Specialty Consulting remained the most active subsectors.
- Economic uncertainty and geopolitical tensions will continue to hang over the M&A market and may provide ongoing headwinds.

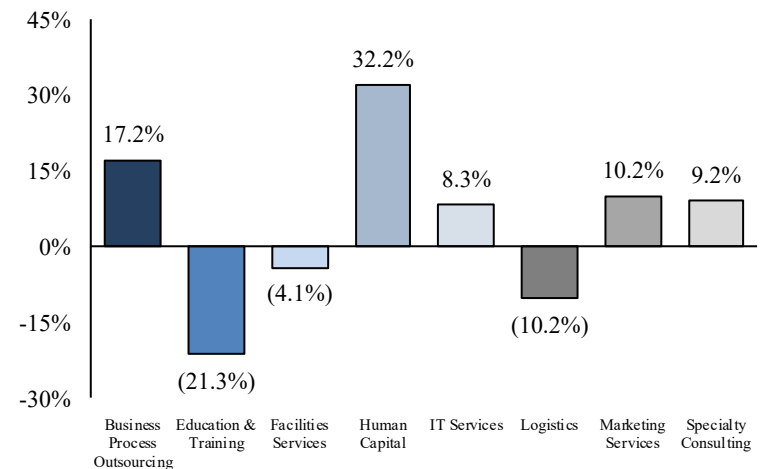
Public Company Performance

- Our Business Services peer groups once again showed mixed results with Human Capital outperforming the other subsectors during Q3. BPO, IT Services, Marketing Services, and Specialty Consulting had strong quarters and outperformed the S&P 500.
- At the end of Q3, Facilities Services (13.7x), Human Capital (12.0x), Logistics (12.0x), and Specialty Consulting (11.5x) all had double-digit median TEV/EBITDA multiples.

M&A Transaction Volume



Q3 2026 Peer Group Returns ⁽¹⁾

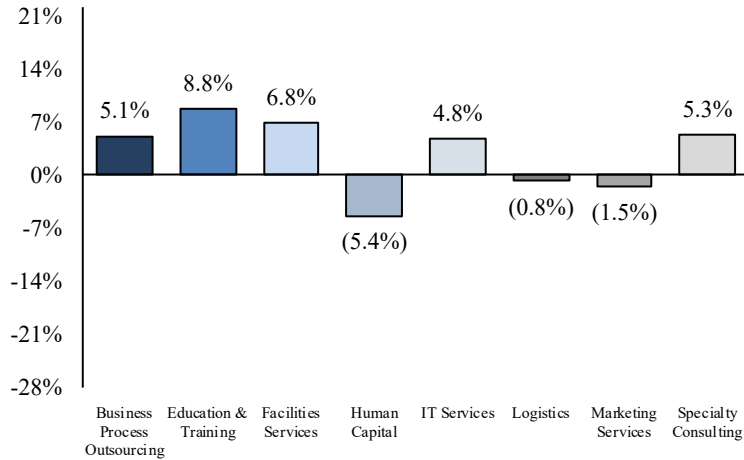


SELECT BUSINESS SERVICES TRANSACTIONS

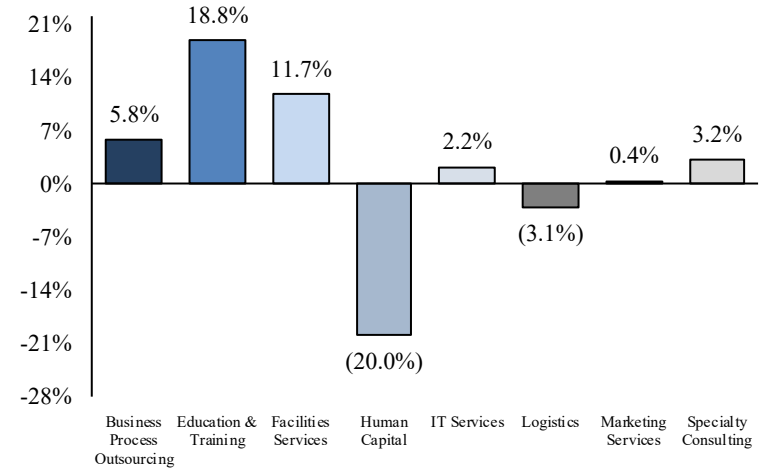
Date	Target	Description	Buyer
Sep-26	Machen McChesney	Machen McChesney is a CPA and business advisory firm offering accounting, audit, tax, valuation, and wealth management services to businesses and individuals.	Frazier & Deeter, L.L.C.
Sep-26	Evergreen Fire and Security, Inc.	Evergreen Fire and Security, Inc. provides life safety and security solutions for government entities, schools, industrial and commercial occupancies, and corporations.	APi Group Corporation
Sep-26	The College of Health Care Professions	The College of Health Care Professions provides allied health education and training services in the United States.	HCA Healthcare, Inc.
Sep-26	NextGen Security, LLC	NextGen Security, LLC provides design, installation, and maintenance of security, video surveillance, and access control systems.	Apax Partners LLP
Sep-26	Callibrity Solutions, LLC	Callibrity Solutions, LLC provides enterprise AI, legacy modernization, platform engineering, custom software, and digital product development technology consulting services.	CGI Inc.
Aug-26	Support Zebra LLC	Support Zebra LLC is a BPO and customer experience company offering outsourced customer support, technical support, content moderation, and back-office processing.	Lean Staffing Solutions, Inc.
Aug-26	Hansen & Adkins, Inc.	Hansen & Adkins, Inc. provides vehicle transportation and logistics services for equipment manufacturers, dealerships, financial institutions, corporate fleets, and individuals.	Proficient Auto Logistics, Inc.
Aug-26	Cedarstone Holdings LLC	Cedarstone Holdings LLC operates as a business services and outsourcing firm. It provides back-office, financial, and analytics services to nonprofits and faith-aligned groups.	Gloo Holdings, Inc.
Aug-26	Eze Castle Integration, Inc.	Eze Castle Integration, Inc. provides cloud, IT, and cybersecurity services to hedge funds, private equity firms, and other investment and technology-driven businesses.	Wind Point Advisors, LLC
Aug-26	IFC Benefit Solutions, Inc.	IFC Benefit Solutions, Inc. provides employee benefits, HR, and insurance solutions.	Summit Financial Group
Jul-26	Reach Social Commerce LLC	Reach Social Commerce LLC operates as a digital marketing agency offering creator outreach and activation, channel setup, performance tracking, and paid advertising management.	AMZ Ecommerce Advisers, LLC
Jul-26	DSD PT Consulting PLLC	DSD PT Consulting PLLC provides online virtual courses and pediatric pelvic floor therapy educational resources and courses in the United States.	Summit Professional Education, LLC
Jul-26	Passport Global, Inc.	Passport Global, Inc. offers e-commerce shipment services such as cross-border management, in-country enablement, and marketplace management solutions.	Global-E Online Ltd.
Jul-26	Cadwalader, Wickersham & Taft LLP	Cadwalader, Wickersham & Taft LLP provides legal advisory services to financial institutions, industrial, energy, consumer, and government clients.	Hogan Lovells
Jul-26	Archenia, Inc.	Archenia, Inc. operates as a performance marketing company that provides customer leads and operates within the marketing and advertising technology sector.	Marchex, Inc.
Jul-26	TEAM Companies	TEAM Companies provides workforce compliance, contractor compliance monitoring, and workforce screening services to safety-sensitive employers.	DISA Global Solutions, Inc.

PUBLIC COMPANY OPERATING METRICS

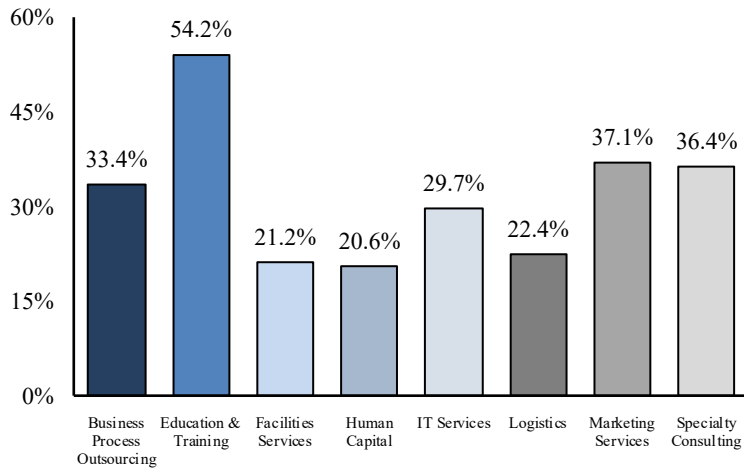
3-Year Revenue CAGR ⁽²⁾



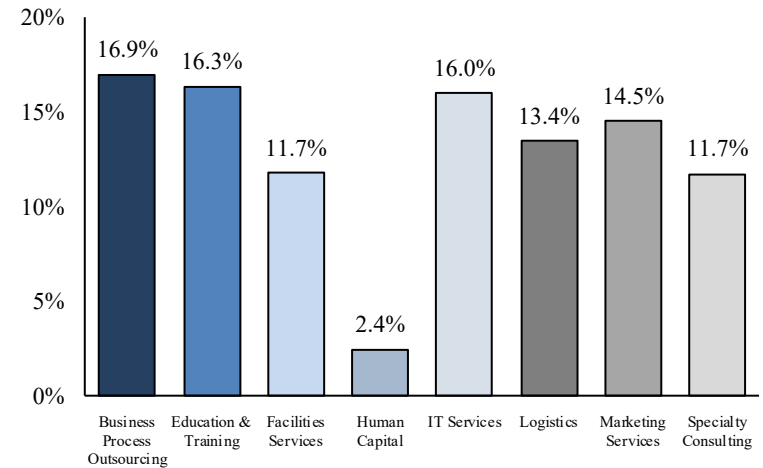
3-Year EBITDA CAGR ⁽²⁾



LTM Gross Margin ⁽²⁾

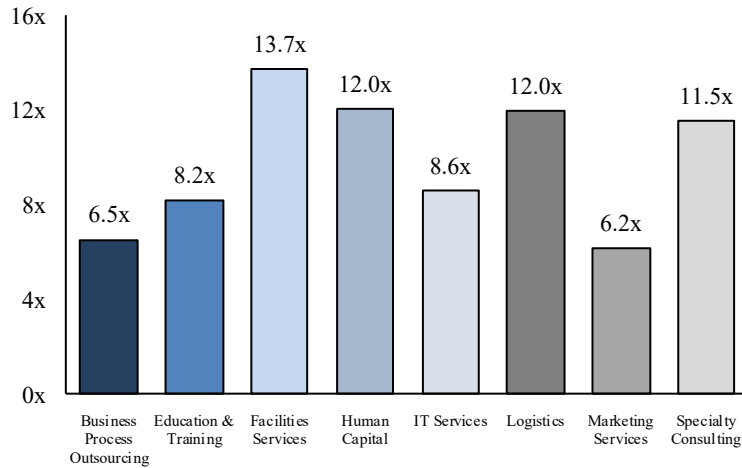


LTM EBITDA Margin ⁽²⁾

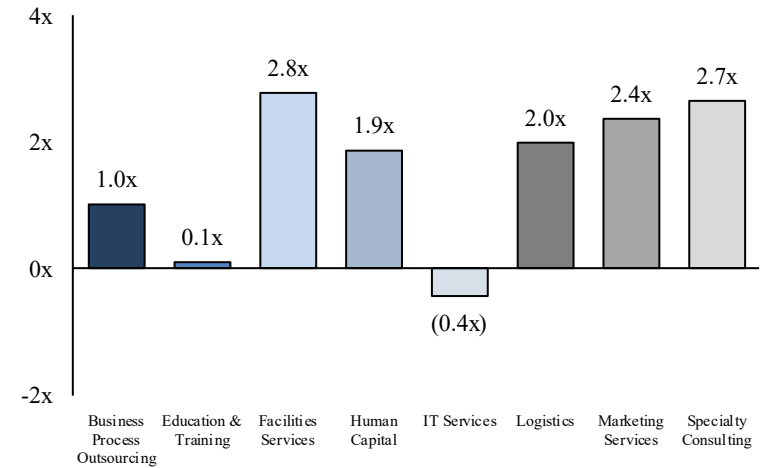


PUBLIC COMPANY VALUATION METRICS

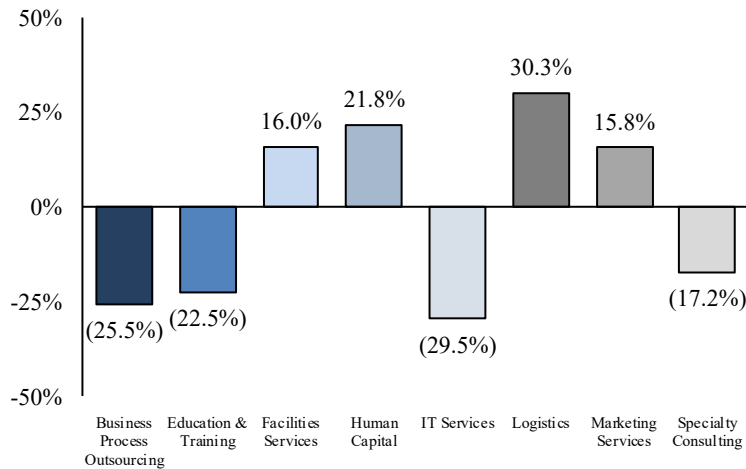
TEV/LTM EBITDA ⁽²⁾



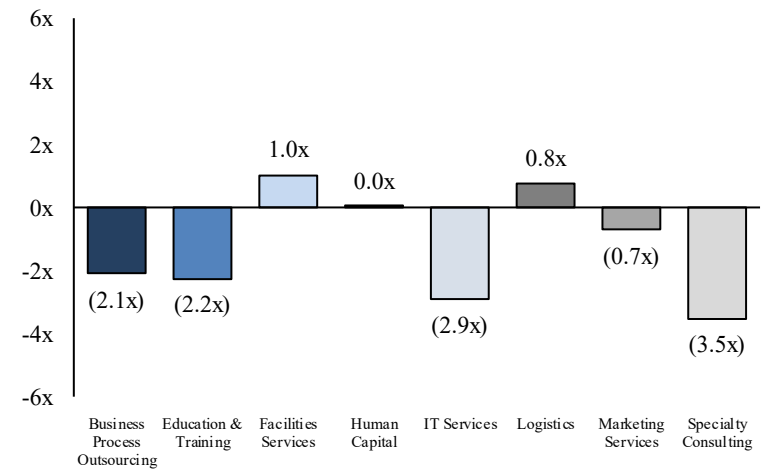
Net Debt/LTM EBITDA ⁽²⁾



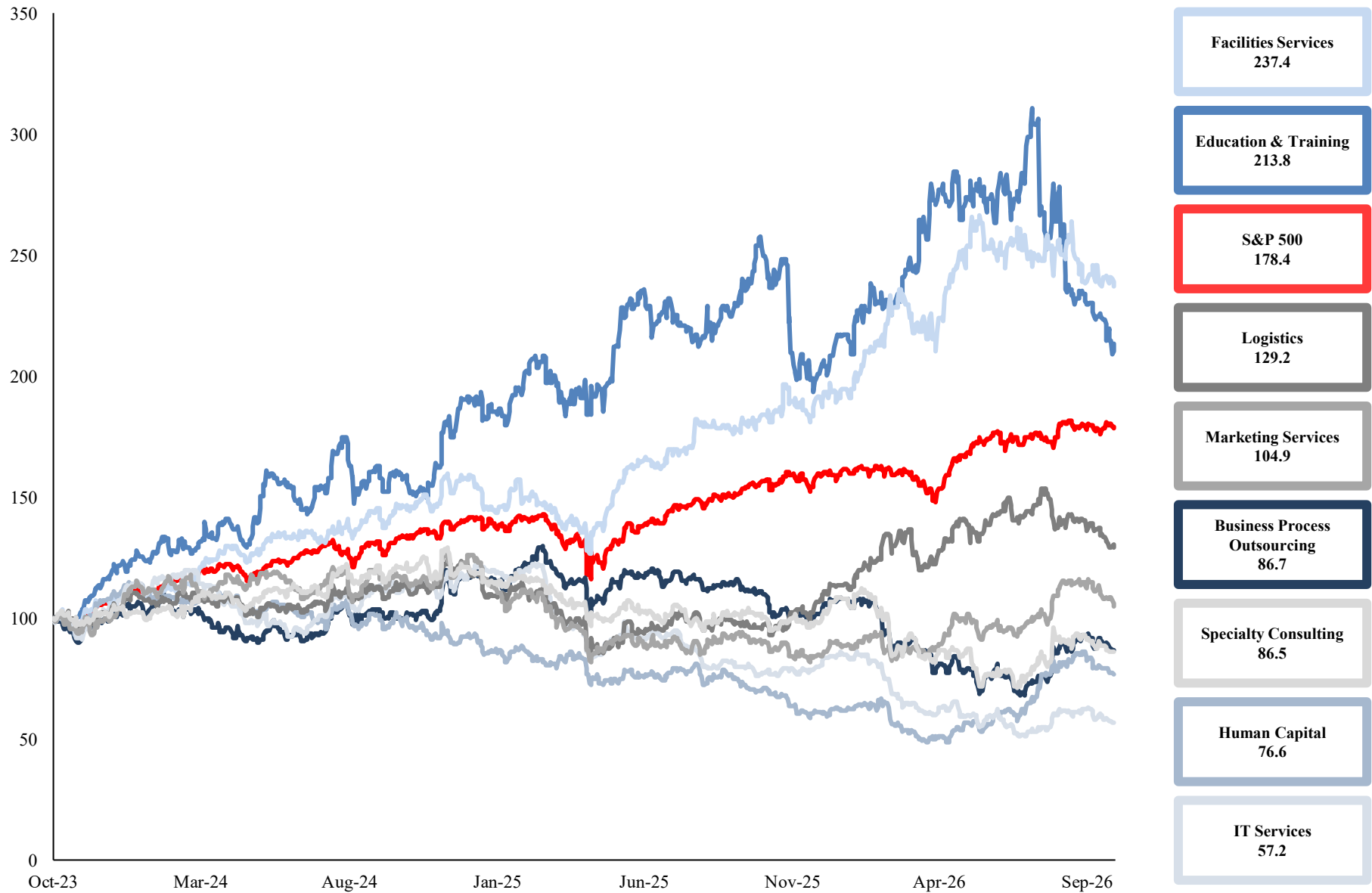
LTM Change in Stock Price ⁽¹⁾



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	\$26,383	\$21,642	\$7,237	\$4,036	1.2x	6.5x	6.4x	5.9x
Computershare Limited	\$16,697	\$3,268	\$931	\$1,076	5.1x	15.5x	12.9x	12.3x
DXC Technology Company	\$3,548	\$12,484	\$2,871	\$1,367	0.3x	2.6x	2.3x	2.3x
ExlService Holdings, Inc.	\$5,312	\$2,237	\$862	\$379	2.4x	14.0x	10.4x	9.3x
Genpact Limited	\$6,143	\$5,250	\$1,914	\$879	1.2x	7.0x	6.0x	5.5x
TaskUs, Inc.	\$1,030	\$1,227	\$470	\$215	0.8x	4.8x	4.4x	4.0x
TTEC Holdings, Inc.	\$844	\$2,041	\$476	\$173	0.4x	4.9x	4.1x	3.9x
Business Process Outsourcing Median					1.2x	6.5x	6.0x	5.5x
Education & Training								
American Public Education, Inc.	\$638	\$668	\$373	\$84	1.0x	7.6x	6.5x	5.8x
Bright Horizons Family Solutions Inc.	\$4,222	\$3,028	\$772	\$476	1.4x	8.9x	8.1x	7.5x
Covista Inc.	\$4,416	\$1,954	\$1,120	\$445	2.3x	9.9x	8.5x	7.5x
Franklin Covey Co.	\$181	\$263	\$198	\$20	0.7x	8.9x	5.8x	NA
Graham Holdings Company	\$4,640	\$5,068	\$1,518	\$660	0.9x	7.0x	10.6x	11.3x
Grand Canyon Education, Inc.	\$3,626	\$1,142	\$608	\$359	3.2x	10.1x	9.4x	8.7x
KinderCare Learning Companies, Inc.	\$975	\$2,735	\$546	\$233	0.4x	4.2x	4.7x	4.3x
Laureate Education, Inc.	\$5,317	\$1,830	\$673	\$533	2.9x	10.0x	9.0x	8.3x
Lincoln Educational Services Corporation	\$706	\$571	\$342	\$61	1.2x	11.7x	9.2x	7.5x
Perdoceo Education Corporation	\$1,268	\$859	\$686	\$249	1.5x	5.1x	4.6x	4.4x
Phoenix Education Partners, Inc.	\$652	\$1,014	\$573	\$172	0.6x	3.8x	2.6x	2.5x
Strategic Education, Inc.	\$1,572	\$1,286	\$631	\$247	1.2x	6.4x	5.4x	4.8x
Stride, Inc.	\$2,710	\$2,518	\$951	\$510	1.1x	5.3x	4.4x	4.2x
Universal Technical Institute, Inc.	\$1,018	\$884	\$486	\$82	1.2x	12.4x	10.2x	8.0x
Education & Training Median					1.2x	8.2x	7.3x	7.5x

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	\$4,483	\$9,146	\$1,182	\$460	0.5x	9.7x	7.9x	7.5x
APi Group Corporation	\$19,353	\$8,438	\$2,653	\$1,080	2.3x	17.9x	15.8x	13.9x
Aramark	\$19,797	\$19,845	\$3,035	\$1,444	1.0x	13.7x	12.3x	10.7x
Bright View Holdings, Inc.	\$2,301	\$2,738	\$580	\$324	0.8x	7.1x	6.7x	6.1x
Cintas Corporation	\$80,115	\$11,561	\$5,895	\$3,105	6.9x	25.8x	24.4x	22.2x
Comfort Systems USA, Inc.	\$56,266	\$11,228	\$2,881	\$2,003	5.0x	28.1x	23.5x	19.4x
EMCOR Group, Inc.	\$32,363	\$18,598	\$3,613	\$1,991	1.7x	16.3x	14.7x	13.3x
ISS A/S	\$9,136	\$13,709	\$12,561	\$743	0.7x	12.3x	9.3x	8.6x
Mitie Group plc	\$4,154	\$7,532	\$880	\$380	0.6x	10.9x	8.0x	7.4x
Rentokil Initial plc	\$13,598	\$7,133	\$999	\$1,252	1.9x	10.9x	8.9x	8.5x
Rollins, Inc.	\$15,086	\$3,924	\$2,055	\$865	3.8x	17.4x	16.9x	15.4x
Sodexo S.A.	\$13,951	\$27,241	\$3,001	\$1,308	0.5x	10.7x	9.5x	8.9x
UniFirst Corporation	\$4,362	\$2,493	\$914	\$293	1.7x	14.9x	12.9x	12.0x
Facilities Services Median					1.7x	13.7x	12.3x	10.7x
Human Capital								
Adecco Group AG	\$7,989	\$27,285	\$5,161	\$911	0.3x	8.8x	8.0x	7.3x
AMN Healthcare Services, Inc.	\$1,770	\$3,434	\$954	\$307	0.5x	5.8x	5.4x	10.0x
Barrett Business Services, Inc.	\$665	\$1,266	\$261	\$56	0.5x	11.8x	10.5x	9.1x
Hays plc	\$1,495	\$8,619	\$1,215	\$95	0.2x	15.8x	10.4x	8.6x
Insperty, Inc.	\$1,580	\$6,872	\$886	\$27	0.2x	NM	7.9x	6.8x
Kelly Services, Inc.	\$637	\$4,063	\$799	\$72	0.2x	8.8x	5.8x	4.7x
Kforce Inc.	\$986	\$1,344	\$372	\$57	0.7x	17.3x	11.4x	10.0x
Korn Ferry	\$3,500	\$2,955	\$731	\$420	1.2x	8.3x	6.2x	5.2x
ManpowerGroup Inc.	\$3,448	\$18,718	\$3,039	\$414	0.2x	8.3x	7.7x	6.5x
Michael Page Plc	\$1,050	\$2,144	\$1,027	\$52	0.5x	20.1x	9.2x	7.2x
Randstad N.V.	\$9,074	\$26,874	\$4,935	\$740	0.3x	12.3x	8.5x	7.9x
Robert Half Inc.	\$3,373	\$5,293	\$1,948	\$61	0.6x	NM	13.3x	9.9x
SThree plc	\$493	\$1,683	\$418	\$33	0.3x	14.8x	12.6x	8.6x
TriNet Group, Inc.	\$3,409	\$4,827	\$855	\$267	0.7x	12.8x	8.0x	8.0x
TrueBlue, Inc.	\$339	\$1,691	\$364	\$1	0.2x	NM	10.5x	5.8x
Human Capital Median					0.3x	12.0x	8.5x	7.9x

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	\$108,800	\$73,101	\$23,402	\$12,944	1.5x	8.4x	7.5x	7.3x
Capgemini SE	\$29,131	\$27,344	\$7,338	\$3,597	1.1x	8.1x	6.8x	6.5x
CGI Inc.	\$16,633	\$11,899	\$2,431	\$2,112	1.4x	7.9x	7.0x	6.8x
Conduent Incorporated	\$886	\$2,939	\$547	\$76	0.3x	11.7x	6.0x	5.3x
Endava plc	\$346	\$975	\$214	\$40	0.4x	8.6x	3.3x	2.8x
EPAM Systems, Inc.	\$4,826	\$5,617	\$1,654	\$753	0.9x	6.4x	5.1x	4.9x
Globant S.A.	\$1,908	\$2,451	\$846	\$391	0.8x	4.9x	3.9x	3.8x
Grid Dynamics Holdings, Inc.	\$341	\$423	\$147	\$26	0.8x	12.9x	5.5x	4.8x
HCL Technologies Limited	\$32,700	\$14,769	\$5,022	\$2,794	2.2x	11.7x	10.8x	9.8x
Infosys Limited	\$39,877	\$20,299	\$6,024	\$4,482	2.0x	8.9x	8.3x	8.4x
Tata Consultancy Services Limited	\$73,978	\$30,482	\$12,311	\$7,963	2.4x	9.3x	9.3x	8.8x
Tech Mahindra Limited	\$13,482	\$6,539	\$2,338	\$1,024	2.1x	13.2x	11.7x	10.5x
Wipro Limited	\$14,466	\$10,494	\$3,048	\$1,932	1.4x	7.5x	7.3x	7.0x
IT Services Median					1.4x	8.6x	7.0x	6.8x
Logistics								
C.H. Robinson Worldwide, Inc.	\$18,820	\$16,997	\$1,436	\$933	1.1x	20.2x	17.6x	14.9x
CSX Corporation	\$103,725	\$14,512	\$6,831	\$6,831	7.1x	15.2x	14.2x	13.2x
Expeditors International of Washington, Inc.	\$22,972	\$12,036	\$1,631	\$1,264	1.9x	18.2x	16.7x	16.4x
FedEx Corporation	\$79,636	\$94,720	\$25,876	\$11,844	0.8x	6.7x	8.0x	7.4x
Forward Air Corporation	\$2,094	\$2,518	\$541	\$282	0.8x	7.4x	6.5x	6.3x
Hub Group, Inc.	\$1,998	\$3,729	\$424	\$333	0.5x	6.0x	6.3x	5.5x
Kirby Corporation	\$7,931	\$3,489	\$1,158	\$778	2.3x	10.2x	9.9x	9.0x
Knight-Swift Transportation Holdings Inc.	\$12,549	\$7,729	\$1,881	\$1,050	1.6x	12.0x	9.6x	7.5x
Landstar System, Inc.	\$5,514	\$4,995	\$951	\$245	1.1x	22.5x	17.8x	14.5x
Matson, Inc.	\$6,781	\$3,459	\$796	\$675	2.0x	10.1x	8.3x	8.3x
Old Dominion Freight Line, Inc.	\$35,783	\$5,603	\$2,217	\$1,793	6.4x	20.0x	18.1x	16.3x
Union Pacific Corporation	\$189,879	\$24,700	\$13,962	\$12,586	7.7x	15.1x	14.0x	13.1x
United Parcel Service, Inc.	\$99,360	\$89,930	\$20,156	\$12,084	1.1x	8.2x	7.9x	7.4x
Werner Enterprises, Inc.	\$2,850	\$3,252	\$619	\$342	0.9x	8.3x	6.6x	5.2x
XPO, Inc.	\$23,570	\$8,574	\$1,628	\$1,381	2.7x	17.1x	15.5x	14.0x
Logistics Median					1.6x	12.0x	9.9x	9.0x

PUBLIC COMPARABLE COMPANIES (CONTINUED)

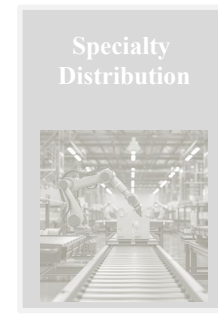
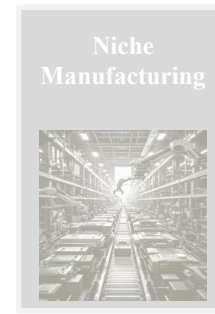
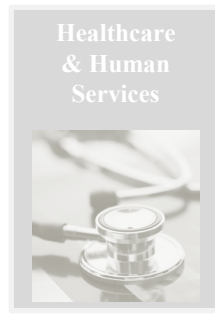
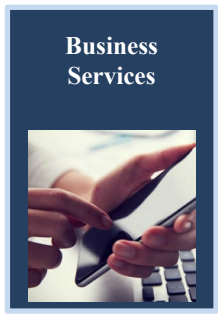
	Latest Twelve Months				TEV / LTM		TEV / EBITDA	
	TEV	Revenue	Gross Profit	EBITDA	Revenue	EBITDA	2026P	2027P
(\$ in millions)								
Marketing Services								
Advantage Solutions Inc.	\$1,772	\$3,606	\$485	\$307	0.5x	5.8x	5.8x	5.7x
Amdocs Limited	\$6,732	\$4,653	\$1,781	\$1,036	1.4x	6.5x	5.7x	5.5x
Deluxe Corporation	\$2,459	\$2,113	\$1,110	\$419	1.2x	5.9x	5.3x	4.9x
Dentsu Group Inc.	\$6,808	\$9,521	\$7,900	\$1,504	0.7x	4.5x	4.5x	4.7x
Omnicom Group Inc.	\$27,795	\$22,371	\$4,242	\$3,677	1.2x	7.6x	6.1x	5.8x
Publicis Groupe S.A.	\$30,550	\$20,590	\$9,610	\$3,413	1.5x	9.0x	8.1x	7.5x
Quad/Graphics, Inc.	\$868	\$2,377	\$514	\$181	0.4x	4.8x	4.5x	4.4x
S4 Capital plc	\$522	\$991	\$876	\$130	0.5x	4.0x	4.6x	4.4x
Stagwell Inc.	\$3,368	\$3,041	\$1,090	\$324	1.1x	10.4x	6.7x	6.4x
WPP plc	\$12,030	\$17,799	\$2,838	\$779	0.7x	15.5x	5.6x	5.6x
<i>Marketing Services Median</i>					0.9x	6.2x	5.7x	5.5x
Specialty Consulting								
CRA International, Inc.	\$1,228	\$795	\$230	\$93	1.5x	13.2x	12.2x	11.5x
Exponent, Inc.	\$3,044	\$567	\$207	\$138	5.4x	22.1x	17.4x	15.1x
FTI Consulting, Inc.	\$4,467	\$3,924	\$1,249	\$438	1.1x	10.2x	10.2x	9.1x
Huron Consulting Group Inc.	\$3,138	\$1,774	\$579	\$243	1.8x	12.9x	11.3x	9.9x
ICF International, Inc.	\$1,902	\$1,821	\$677	\$197	1.0x	9.7x	8.9x	8.3x
Resources Connection, Inc.	\$47	\$452	\$170	(\$5)	0.1x	NM	NA	NA
The Hackett Group, Inc.	\$317	\$283	\$118	\$42	1.1x	7.5x	5.4x	4.9x
<i>Specialty Consulting Median</i>					1.1x	11.5x	10.8x	9.5x
TOTAL INDUSTRY MEDIAN					1.1x	9.8x	8.1x	7.5x

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.

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Sources

Sources: S&P Capital IQ data as of September 30, 2026, and Shields & Company.

Footnotes

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