

TECHNOLOGY & BUSINESS SERVICES

Q3 2022 MARKET UPDATE

G2 Capital Advisors is pleased to present its Technology & Business Services (“T&BS”) industry update for Q3 2022, providing commentary and analysis on M&A and market trends within the Technology & Business Services sectors and sub-sectors.

The US economic outlook remains uncertain with a general negative sentiment. While supply chain issues are easing, the hiring and job markets remain strong, and consumer spending while slowing is not plummeting, The Conference Board forecasts that economic weakness will intensify and spread more broadly over the coming months driven by inflation and a hawkish Federal Reserve stepping in to aggressively increase the federal funds rate. The Federal Reserve typically walks rates up slowly because they work with a lag, but one that can be powerful. The current rate of increases has them moving more quickly to offset the lag which is a delicate balance. The Federal Reserve’s rate increases represent the fastest tightening since the 1980s when they ultimately raised rates to nearly 20%, sending unemployment to greater than 10%.

The impact on the T&BS M&A market is largely just emerging. We are seeing a slowdown in response increasing costs of leverage and the general uncertainty in the market as well as a marked increase in scrutiny of fit and during diligence. Additionally, many private equity firms were able to return capital to investors from strong exits over the last couple of years, taking the pressure off near term exits. However, quality deals are getting done and 2022 volume is expected to be up from pre-pandemic levels.

Several sectors in particular have seen increased deal volume generated by significant tailwinds. Cybersecurity software and services deals have received interest and attention driven by the ongoing diplomatic tensions between the US and Russia created by Russia’s invasion of Ukraine earlier in the year, as well as the continued fraying of relations with China in response to a host of factors. There has been a similar boom in IT consulting services sector, as companies continue to need highly-specialized, knowledgeable consultants to help them adapt to the ever-changing technology landscape and offset a tight skilled labor force.

IT SERVICES & CLOUD SOLUTIONS

OUTSOURCED BUSINESS SERVICES

TECH-ENABLED SERVICES & SOFTWARE

FACILITY SERVICES

STRATEGIC CONSULTING & BUSINESS ADVISORY

SELECT G2 T&BS TRANSACTIONS

KAISER CONSULTING

has been acquired by

PINE TREE EQUITY PARTNERS

Sell-Side Advisor

Anyone Home
a portfolio company of **SoprisCapital**

has been acquired by **inhabit**
a portfolio company of **GSV** GREATER SLM VENTURES, **INSIGHT PARTNERS**, **Goldman Sachs**, **PSG**

Sell-Side Advisor

VITALYST
LEARN • MASTER • TRANSFORM

a portfolio company of **BAIRD**

has been acquired by **Alithya**

Sell-Side Advisor

G2 SECURE STATE

a portfolio company of **TENEX CAPITAL MANAGEMENT**

has acquired **SAS SERVICES**

Buy-Side Advisor

Cibēs

has acquired **symmetry**
ELEVATING SOLUTIONS

Buy-Side Advisor

Cibēs

has acquired **AMERICAN ELEVATOR**
"The Southeast's Leading provider of Accessibility Solutions"

Buy-Side Advisor

ZRG
STOP SEARCHING • START BUILDING

A portfolio company of **RFE INVESTMENT PARTNERS**

has acquired **ROSERVAN**
a ZRG company

Buy-Side Advisor

ARCLIGHT
DESIGNING SOFTWARE AND PROCESSES

has been acquired by **Addison Group**

a portfolio company of **ODYSSEY PARTNERS**

Sell-Side Advisor

Sources: CNBC, The Conference Board, Federal Reserve, New York Times, S&P Capital IQ, US Bureau of Labor Statistics, Wall Street Journal

G2 CLOSED PROJECTS YTD 2022



has been acquired by



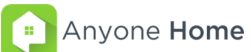
Sell-Side Advisor

About the Mandate:


Kaiser Consulting, LLC (“Kaiser Consulting” or the “Company”) offers a full suite of accounting, finance, and information technology compliance solutions to help organizations navigate the complexities of growth and change. The Company’s accomplished professionals collaborate with executives and management teams to reduce business and operational risks, bridge resource gaps, and optimize company-wide financial performance. A trusted advisor since its founding by Lori Kaiser in 1992, Kaiser Consulting serves enterprises of all sizes, including privately held and publicly traded businesses, multinational Fortune 100 and Fortune 500 companies, closely held entities, visionary start-ups, and mission-driven nonprofit organizations.

G2 Capital Advisors, LLC (“G2”) was engaged by Kaiser Consulting as its exclusive financial advisor. G2 led a targeted sell-side transaction process focused on identifying the right partner and deal structure to support the strong, differentiated platform Lori Kaiser and her team have built. G2 successfully led Kaiser Consulting through a sale process that achieved our client’s goals through an acquisition by Pine Tree Equity in August 2022. In partnership with Pine Tree, Kaiser Consulting will continue to service its clients in the same industry-leading manner as it has for decades with the same leadership and focus on relationships and client service.

“G2 was a trusted partner to me and to the Company throughout the process providing key insights, advice, and leadership,” said Lori Kaiser, CEO and founder of Kaiser Consulting. “With G2’s support we achieved an outcome that exceeded our expectations. We couldn’t be more pleased with the result.” Kaiser continued, “I remain the largest individual shareholder in the Company and am dedicated to ensuring Kaiser Consulting clients continue to experience the industry leading service they have come to expect and that our employees continue to thrive and benefit from our culture that includes recognition as a seven time “Best Places to Work” award recipient.”







a portfolio company of



has been acquired by



a portfolio company of

Sell-Side Advisor

About the Mandate:

Anyone Home, Inc. (“Anyone Home” or “the Company”) is an industry-leading SaaS-based CRM platform and tech-enabled managed services provider assisting residential property managers in capturing and converting leads and driving engagement with residents. The Company delivers unmatched insights into the customer journey and the industry’s most accurate and actionable lease attribution and analytics reporting.

G2 Capital Advisors, LLC (“G2”) was engaged by Anyone Home as its exclusive financial advisor. G2 led a highly targeted and strategic sell-side transaction process focused on identifying the right partner to accelerate the growth of the Anyone Home platform. In March 2022, the transaction was successfully executed through a sale to InhabitIQ, a leader in property management software innovation. InhabitIQ is a portfolio company of investors including Goldman Sachs Asset Management, Insight Partners, Greater Sum Ventures, and Providence Strategic Growth.

“G2 was a trusted partner to Anyone Home throughout the sale process providing key insights, advice, and leadership,” said Todd Katler, CEO and founder of Anyone Home. “They exceeded our expectations in their level of support and expertise. We couldn’t be more pleased with the result.”

“The combination of Anyone Home and InhabitIQ represents a world-class partnership with expansive growth opportunities,” said Matt Konkle, President of G2. “The G2 team is honored to have worked with Todd and his team to create strategic value within an industry vertical that is a key focus for G2.”



a portfolio company of



has been acquired by



Sell-Side Advisor

About the Mandate:

Founded in 1992, Vitalyst, LLC (“Vitalyst” or “the Company”) is an award-winning Microsoft Gold Partner that provides best-in-class employee experience and transformative change enablement services via an on-demand, subscription-based training platform. The Company serves as a strategic partner to a diverse base of Fortune 1000 blue-chip customers across a wide variety of industries. Vitalyst’s more than 165 professionals currently support over 350 business applications for over 400 clients that operate in more than 20 countries.

G2 Capital Advisors, LLC (“G2”) was engaged by Vitalyst as its exclusive financial advisor. G2 led a highly targeted, strategic, and efficient sell-side transaction process focused on identifying the right partner for the Company. OUTCOME. In January 2022, the transaction was successfully executed through a sale to Alithya Group, Inc. (NASDAQ: ALYA, “Alithya”), a leader in strategy and digital transformation.

“Vitalyst is a highly differentiated service provider that, with Alithya’s partnership, is primed to continue on an exciting growth trajectory. We are eager to see what opportunities their new partnership will unlock. This transaction is a fantastic example of G2’s strategy of partnering with market-leading organizations within industry verticals that we know incredibly well.” said Kerri Ford, G2 Managing Director and Head of Technology & Business Services.

Brett Tucker, Partner at Baird shared, “The Vitalyst management team has done an exceptional job leading the business and we were honored to partner with a best-in-class team at G2. Kerri and the team at G2 ran an outstanding process, and we couldn’t be more pleased with the result.”

G2 CLOSED PROJECTS YTD 2022



a portfolio company of

TENEX
CAPITAL MANAGEMENT
has acquired



Buy-Side Advisor

About the Mandate:

G2 Secure Staff (the “Company”), headquartered in Irving, Texas, is a leading aviation services provider offering a broad range of solutions ranging from full ground handling and cabin cleaning to passenger assistance, cargo, and security services. The Company employs over 8,000 professionals across more than 80 domestic airports. Since January 2020, G2 has been a portfolio company of Tenex Capital Management.

G2 Capital Advisors, LLC is engaged as the exclusive buy-side advisor to G2 Secure Staff to help the Company execute its growth strategy by identifying strong partners through a targeted M&A process. Our team works as a trusted advisor and long-term strategic partner in growing our clients’ businesses and brings valuable experience and a breadth of relationships to every engagement.

G2 Capital Advisors’ engagement led to G2 Secure Staff’s recent acquisition of S.A.S Services Group, Inc. (“S.A.S.”), a premium aviation ground support service partner providing new airport locations, new service offerings, and a bolstering of support in existing locations. Julie Gostic, President of G2 Secure Staff, commented, “G2 Capital Advisors identified an acquisition partner that is an excellent fit for our acquisition criteria from service areas to culture and vision. We are excited to add S.A.S. to the G2 Secure Staff family and are grateful for the work G2 Capital Advisors is doing to promote our relationship with S.A.S.” Gabriel Wood, Managing Director at Tenex Capital Management stated, “We look forward to further growth opportunities and are thankful that G2 Capital Advisors was able to source a company that met all aspects of our strategy.” Kerri Ford, G2 Capital Advisors Managing Director and Head of Technology and Business Services, noted, “G2 Capital Advisors has deep roots with facility services-related businesses such as G2 Secure Staff. It was an honor to support an industry leader in the execution of its growth strategy and our team was thrilled to work alongside such a stellar executive team and investor.”



has acquired



and



Buy-Side Advisor

About the Mandate:

Cibes Lift Group is one of the world’s most innovative manufacturers of space-saving lifts designed for fast and easy installation, also offering a wide range of conventional lift solutions. Thanks to the wide range of lift products and a flexible design concept, the lift solutions of Cibes Lift Group adapt to the requirements of public, commercial, and private settings. Sales, installation, and maintenance services are provided by a global network of subsidiaries and partners. The company group is headquartered in Gävle, Sweden, and has production facilities in Sweden and China. In 2021 the Group had approximately 1200 employees and a revenue of 1.9 billion SEK.

G2 Capital Advisors, LLC (“G2”) served as the exclusive buy-side advisor to Cibes, leading a bespoke buy-side effort focused on identifying and engaging with American companies that have a strong market presence and operations within residential elevator markets.

G2’s mandate with Cibes began in 2021 and led to a successful acquisition of American Elevator of Atlanta (“AEA”), followed this month by the acquisition of Bella Elevator LLC, manufacturer of Symmetry Elevating Solutions (“Bella” or “Symmetry”). The acquisition secures a manufacturing center for Cibes in the United States and further establishes its U.S. presence after its 2021 acquisition of AEA. Symmetry adds local manufacturing capabilities, an enhanced home elevator and accessibility product portfolio, and an increased reach in the U.S. and Canada through a robust 80-location distributor network. Bella will remain in operation and work in tandem with Cibes to promote the Cibes and Symmetry brands across the U.S.



A portfolio company of



has acquired



Buy-Side Advisor

About the Mandate:

ZRG Partners, LLC. (“ZRG” or the “Company”) is a rapidly growing global talent advisory firm providing a range of executive search, consulting & advisory, and interim solutions across the Industrials, Life Sciences, Consumer, Financial Services, Sports, and Technology industries, among others.

G2 Capital Advisors, LLC (“G2”) served as the exclusive buy-side advisor to ZRG leading a strategic M&A effort focused on identifying and engaging with potential acquisition candidates in the human capital consulting market. ZRG and RFE continued their partnership with G2 to leverage the firms’ deep-rooted expertise across the Technology & Business Services practice. G2 was engaged by ZRG for a second time with a heavy focus on services-oriented businesses including specialty consulting and executive search.

G2’s mandate with ZRG began in 2019 with a core focus on establishing a growth strategy to better serve their clients’ needs and accelerate growth. This work led to the successful transaction of Brimstone Consulting in December 2021 followed this week by the acquisition of RoseRyan, Inc., a leading outsourced accounting and interim services firm. RoseRyan, headquartered in the heart of Silicon Valley, serves a range of business from start-ups to Fortune-500 companies across the technology, life sciences and private equity sectors globally. Together, ZRG and RoseRyan will leverage an extensive network of interim financial professionals, human capital search professionals, and business consultants to better serve its client base. “The nature of the workforce has evolved and having even greater bandwidth in the finance and accounting consulting sector through RoseRyan is fantastic,” ZRG CEO Larry Hartmann said. “This complements our current interim team, led by Mark Viner, and also adds important consulting capability to allow us to service a wide range of clients, who need support in accounting and HR.”

SELECT ONGOING G2 PROJECTS

Executive Search Services

PROJECT GLOBE

Sell-Side

About the Mandate:

G2 is currently service as the exclusive sell-side advisor to an international, tech-enabled executive search firm. The Company specializes in finding senior-level talent for clients who are seeking to digitally revolutionize themselves and the markets they operate in.

Outsourced Business Services

PROJECT LANDING

Buy-Side

About the Mandate:

G2 is currently serving as the exclusive buy-side advisor to a private-equity backed provider of executive and professional search services looking to grow its business via add-on acquisitions.

Managed Services

PROJECT WILDCAT

Sell-Side

About the Mandate:

G2 is currently serving as the financial advisor to an IT managed services provider.

Human Capital Management

PROJECT SCALE

Buy-Side

About the Mandate:

G2 is currently serving as the exclusive buy-side advisor to a private-equity backed human capital services company, providing HR, compliance, payroll, tax administration, employee benefit, and workers' compensation services.

Managed Services

PROJECT PEAR

Restructuring

About the Mandate:

G2 is currently serving as the financial advisor to an IT managed services provider.

Facility Services

PROJECT ESCO

Buy-Side

About the Mandate:

G2 is currently serving as the exclusive buy-side advisor to a provider of energy efficiency and facility services.

KEY T&BS TRADING STATISTICS

Sector	Number of Companies	Median Enterprise Value (\$MM)	LTM ⁽¹⁾			
			Median Revenue Growth	Median EBITDA Growth	Median EV / Revenue	Median EV / EBITDA
Digital Transformation	23	\$10,258	1.4%	(0.8)%	1.7x	11.1x
Software Implementation	18	\$10,865	1.0%	(1.0)%	1.7x	11.3x
Outsourced Managed Services	8	\$6,692	(1.9)%	(4.5)%	0.9x	7.9x
Data & Analytics Software	16	\$6,763	6.3%	1.6%	4.7x	11.3x
Cybersecurity Software	34	\$6,275	5.7%	2.1%	5.1x	12.7x
Cybersecurity Services	9	\$1,734	0.2%	1.3%	1.4x	13.0x
Human Capital Management (Software)	8	\$16,068	4.9%	9.8%	8.4x	20.6x
Human Capital Management (Services)	5	\$6,925	2.4%	3.1%	4.2x	18.7x
Strategic Consulting & Business Advisory	10	\$2,175	2.5%	0.9%	1.9x	15.5x
E-Commerce Software	6	\$1,460	5.2%	16.2%	3.8x	30.6x
Executive Search & Staffing	20	\$619	(0.7)%	1.3%	0.3x	5.7x
Real Estate & Energy Optimization Software	8	\$4,560	4.0%	5.7%	9.0x	34.6x
Facility, HVAC, & Janitorial Services	10	\$3,868	3.3%	1.4%	0.6x	9.9x
Home Services	4	\$5,649	2.2%	0.4%	2.3x	17.2x

1) LTM as of September 30, 2022
Source: S&P Capital IQ

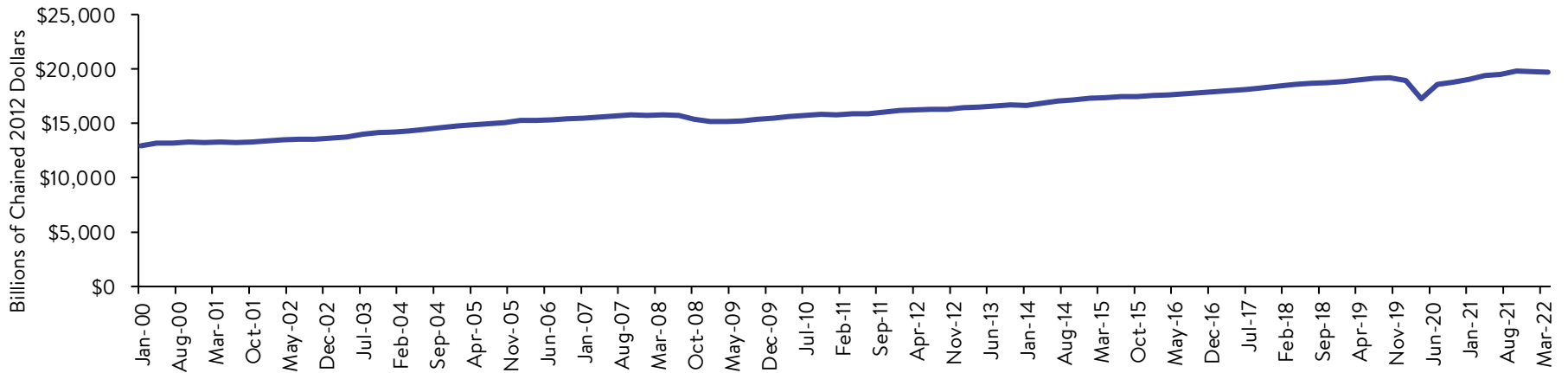
SELECT Q3 2022 M&A TRANSACTIONS

Date	Acquirer	Target	Description	Enterprise Value (\$MM)	EV / LTM Revenue	EV / LTM EBITDA
Sep-22	Google LLC	Mandiant, Inc.	Mandiant, Inc. engages in the provision of cyber security solutions.	\$5,357.1	11.1x	NM
Sep-22	Quad-C Management, Inc.	Synoptek, LLC	Synoptek, LLC provides information technology management and consultancy services to organizations worldwide.	ND	N/A	N/A
Sep-22	Accenture plc	Inspirage, LLC.	Inspirage, LLC. offers end-to-end consulting and technology solutions that link enterprise resource planning (ERP), supply chain management, product lifecycle management, and logistics management.	ND	N/A	N/A
Sep-22	Kelso & Company, L.P.	Emtec, Inc.	Emtec, Inc. provides industry-specific transformative digital solutions in the United States, Canada, and India.	ND	N/A	N/A
Sep-22	ASGN Incorporated	GlideFast Consulting LLC	GlideFast Consulting LLC provides information technology (IT) consulting, integrations, and managed support services to Fortune 500 companies.	\$350.0	N/A	N/A
Aug-22	Accelalpha Inc.	Frontera Consulting, LLC	Frontera Consulting, LLC offers business and technology consulting services to global organizations.	ND	N/A	N/A
Aug-22	Thoma Bravo, L.P.; Thoma Bravo Fund XV, L.P.	SailPoint Technologies Holdings, Inc.	SailPoint Technologies Holdings, Inc. provides enterprise identity security solutions in the United States, Europe, the Middle East, Africa, and internationally.	\$7,051.2	15.2x	NM
Aug-22	KKR & Co. Inc.	Barracuda Networks, Inc.	Barracuda Networks, Inc. designs and develops security and data protection solutions.	ND	N/A	N/A
Aug-22	Cornerstone OnDemand, Inc.	SumTotal Systems, LLC	SumTotal Systems, LLC, a HR software company, develops talent acquisition, onboarding, learning management, and talent management solutions.	\$200.0	N/A	N/A
Jul-22	Brookfield Business Partners L.P.	CDK Global, Inc.	CDK Global, Inc. provides integrated data and technology solutions to the automotive, heavy truck, recreation, and heavy equipment industries in the United States and internationally.	\$8,220.4	4.7x	14.2x
Jul-22	AEA Investors LP	Bespoke Partners	Bespoke Partners provides executive search and growth advisory services primarily to private equity firms in the software and technology industries.	ND	N/A	N/A
Jul-22	Tailwind Capital Group, LLC	Onix Networking Corporation	Onix Networking Corporation operates as an IT consulting and services company.	ND	N/A	N/A
Jul-22	Alithya Group Inc.	Datum Consulting Group, LLC	Datum Consulting Group, LLC operates as a software development and consulting company offering a broad range of software expertise and services within the Enterprise Content Management markets.	\$45.6	2.5x	7.6x
Jul-22	Schneider Electric S.E.	AutoGrid Systems, Inc.	AutoGrid Systems, Inc. develops software applications and cloud computing solutions for the energy industry.	ND	N/A	N/A

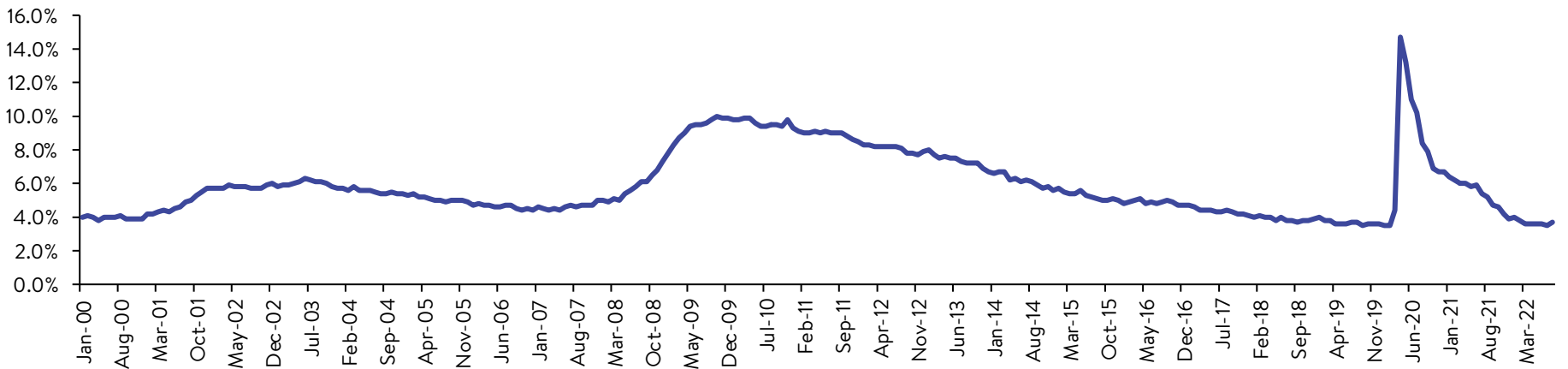
Source: S&P Capital IQ, company websites

MARKET INDICATORS

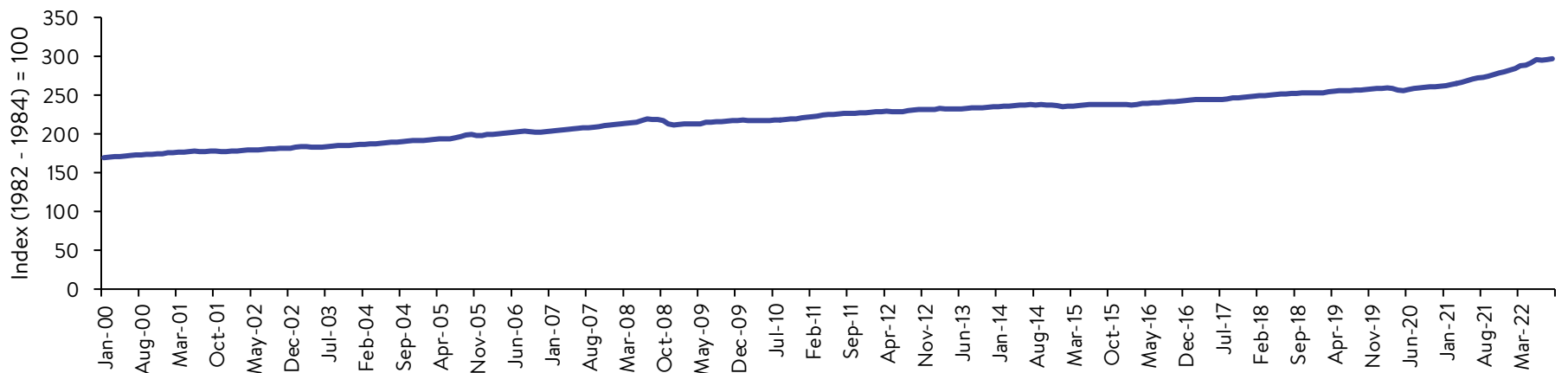
US Real GDP Growth



US Unemployment Rate



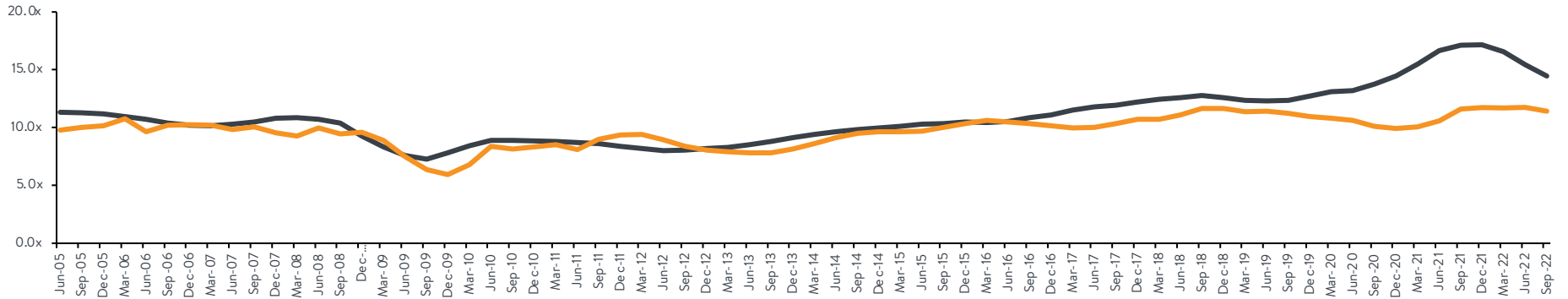
Consumer Price Index for All Urban Consumers: All Items Average



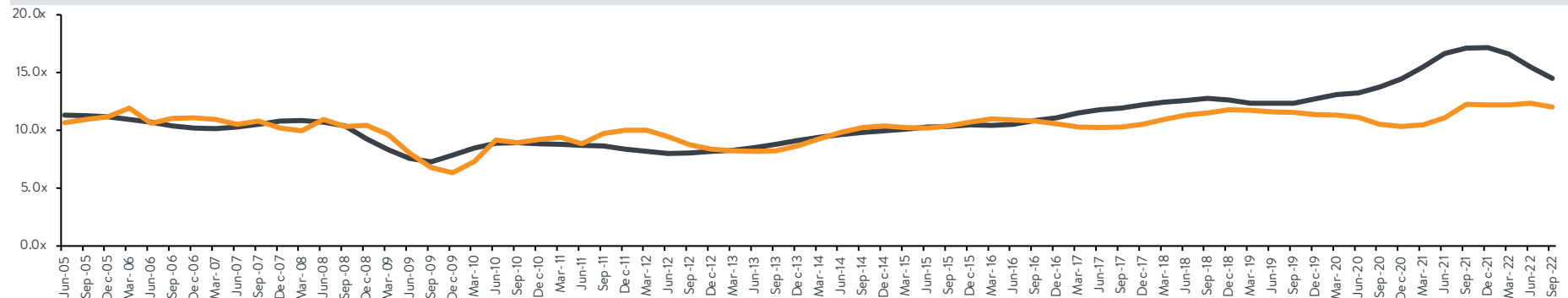
Source: Federal Reserve Economic Data

MARKET INDICATORS

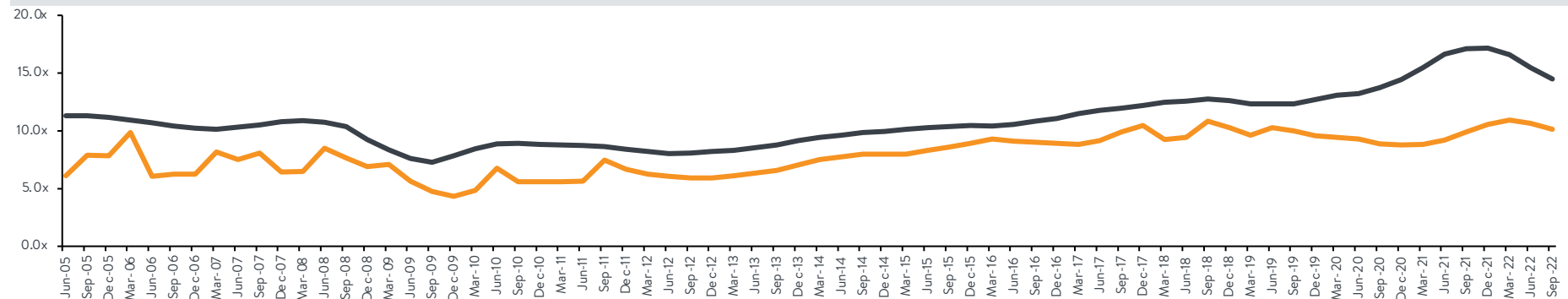
Digital Transformation Mean EV / LTM EBITDA



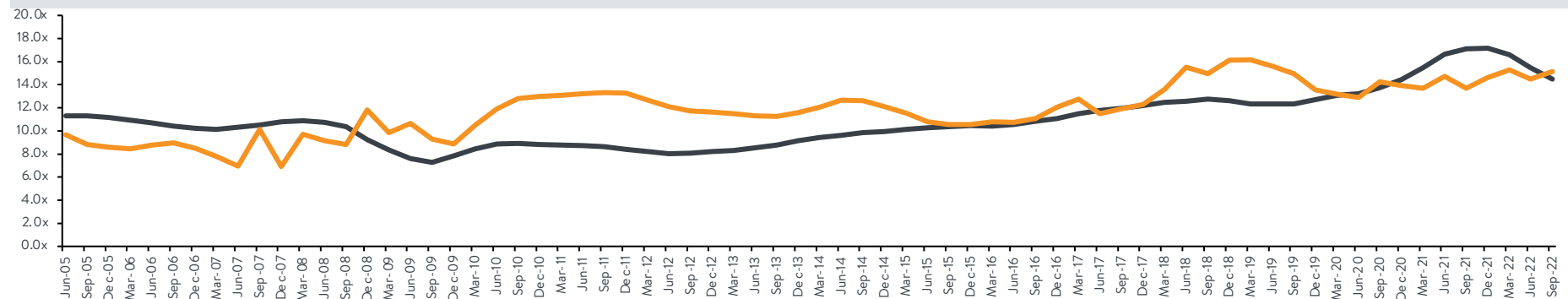
Software Implementation Mean EV / LTM EBITDA



Outsourced Managed Services Mean EV / LTM EBITDA



Data & Analytics Software Mean EV / LTM EBITDA

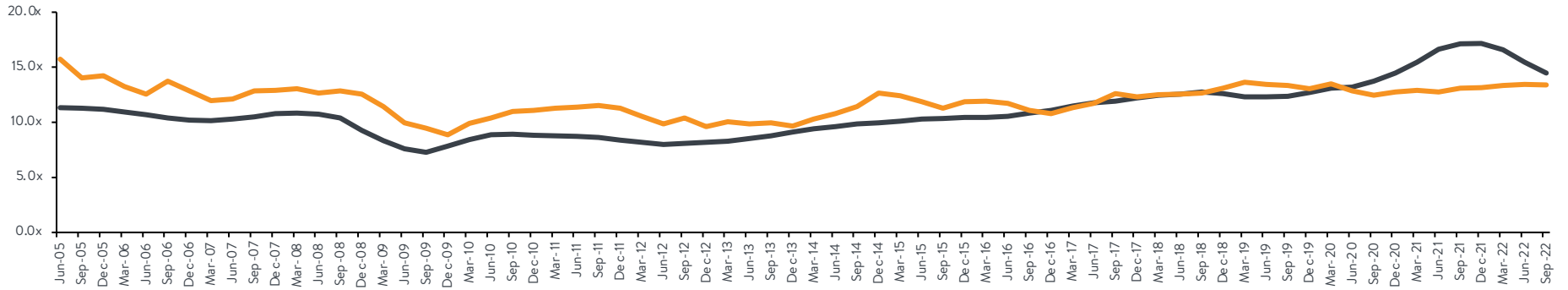


T&BS Sector S&P 500

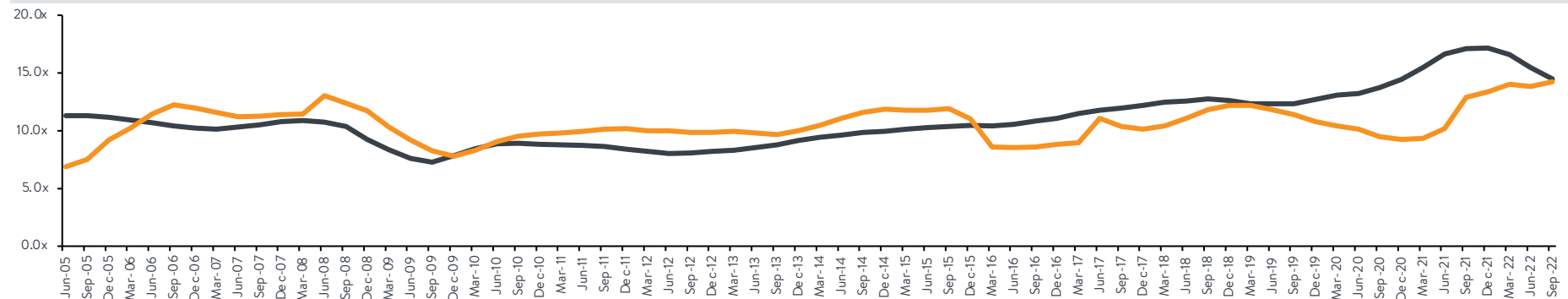
Source: S&P Capital IQ as of trading on September 30, 2022
Past performance is no guarantee of future results

MARKET INDICATORS

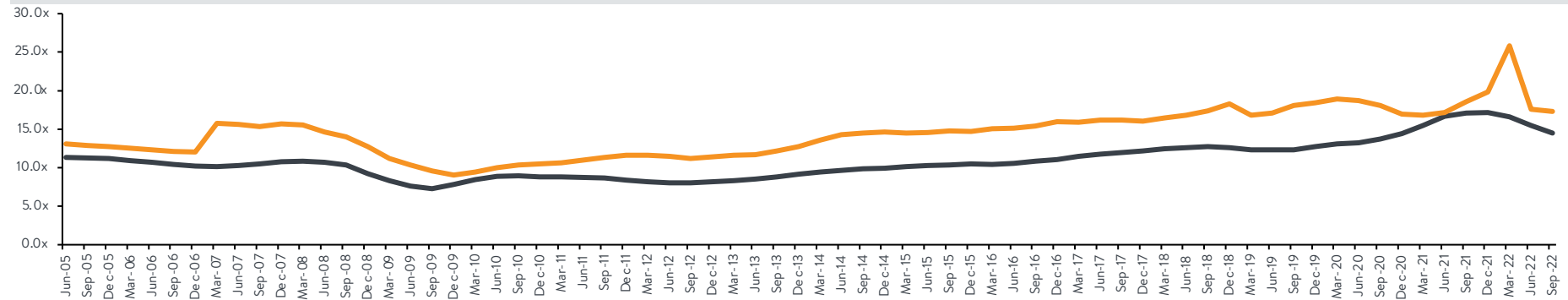
Cybersecurity Software Mean EV / LTM EBITDA



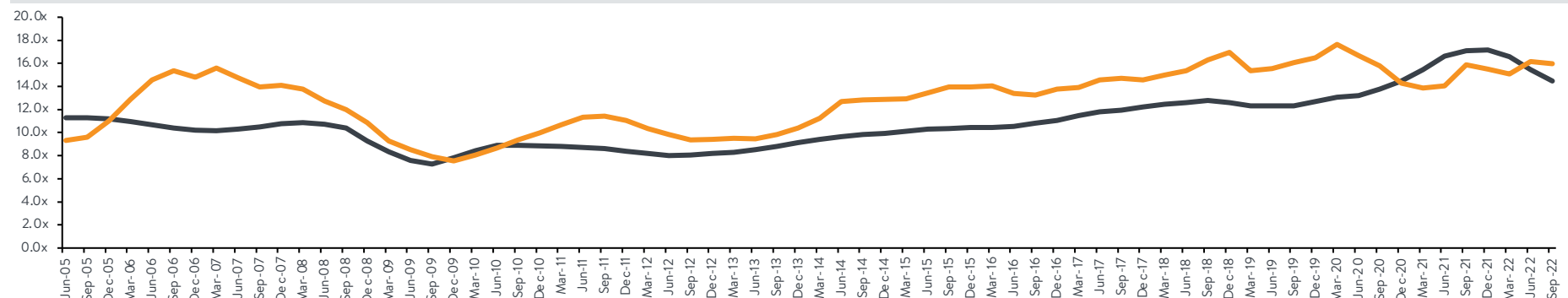
Cybersecurity Services Mean EV / LTM EBITDA



Human Capital Management (Software) Mean EV / LTM EBITDA



Human Capital Management (Services) Mean EV / LTM EBITDA

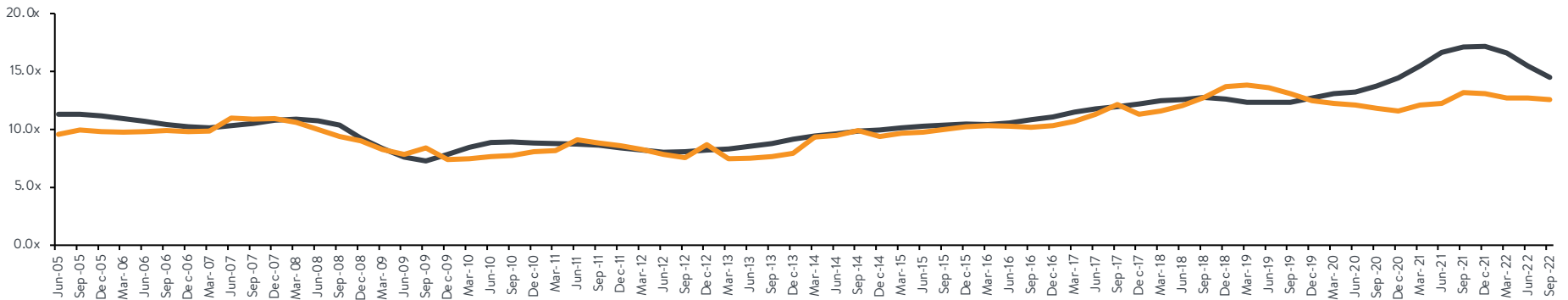


— T&BS Sector — S&P 500

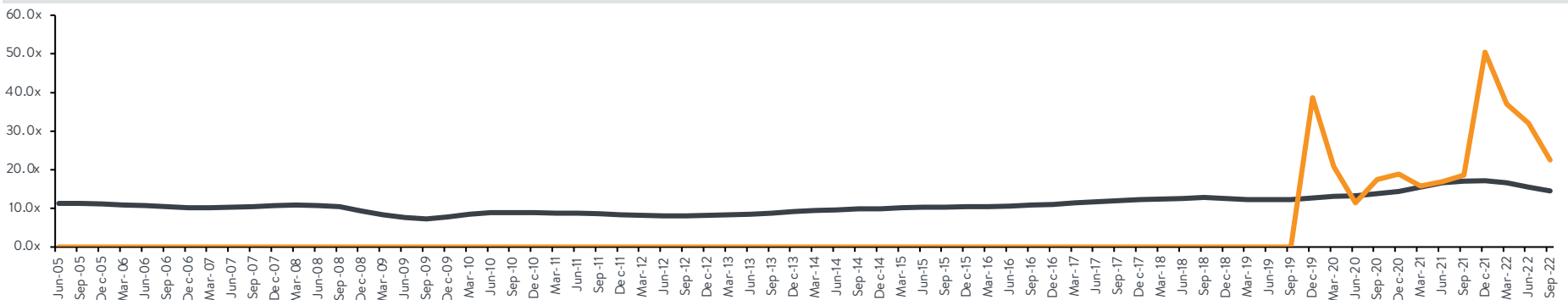
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MARKET INDICATORS

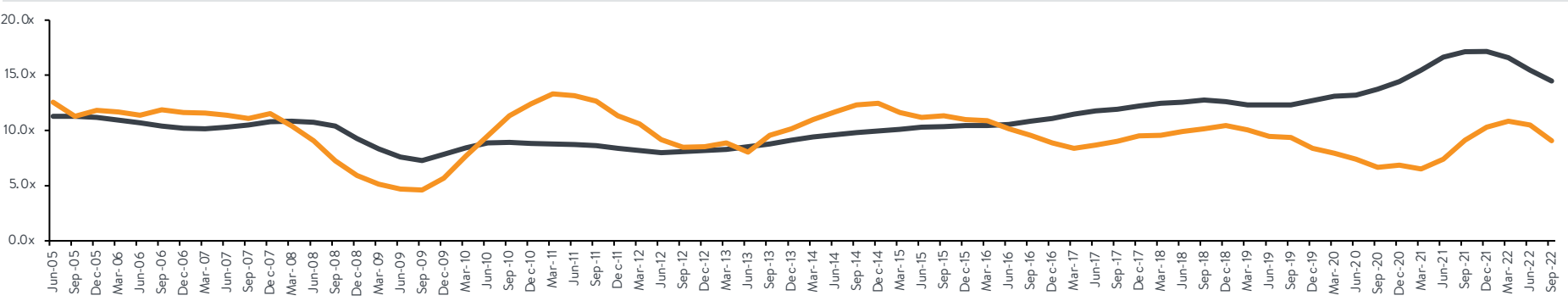
Strategic Consulting & Business Advisory Mean EV / LTM EBITDA



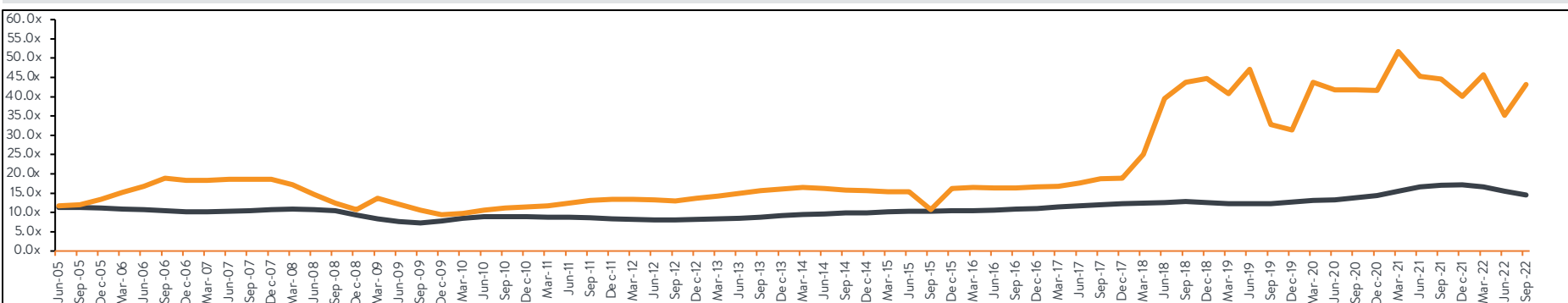
E-Commerce Software Mean EV / LTM EBITDA⁽¹⁾



Executive Search & Staffing Mean EV / LTM EBITDA



Real Estate & Energy Optimization Software Mean EV / LTM EBITDA



(1) Significant variations caused by comparable companies having their EV / LTM EBITDA multiples cross the EV / LTM EBITDA limit of 100.0x on a quarter by quarter basis, with anything over that threshold being classified as non-material.

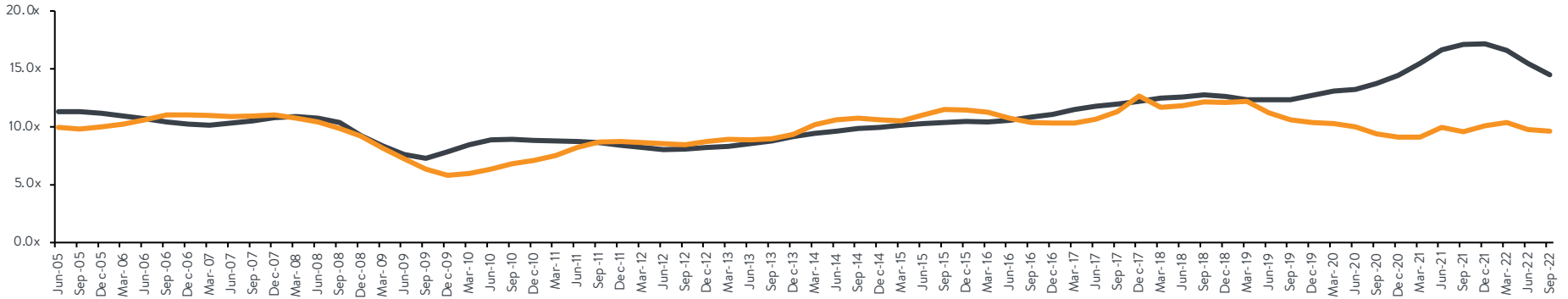
Source: S&P Capital IQ as of trading on September 30, 2022

Past performance is no guarantee of future results

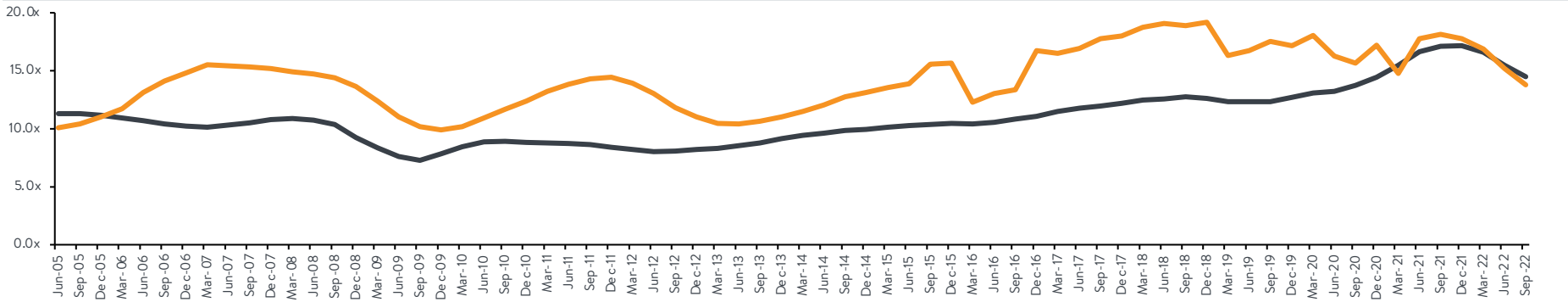
T&BS Sector S&P 500

MARKET INDICATORS

Facility, HVAC & Janitorial Services Mean EV / LTM EBITDA



Home Services Mean EV / LTM EBITDA



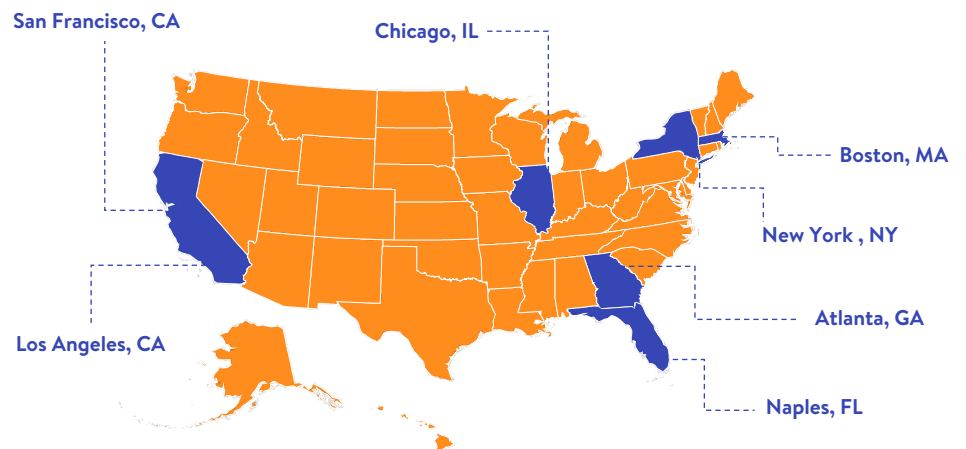
T&BS Sector S&P 500

Source: S&P Capital IQ as of trading on September 30, 2022
Past performance is no guarantee of future results

G2 FIRM OVERVIEW

Overview:

- 400+ mandates in 11 years
- \$4B total executed transaction value
- Extensive industry experience
- Robust strategic and sponsor relationships
- Active touchpoints with logical sellers and buyers



A Multi-faceted Platform:

Focused on crafting bespoke operational and financial advisory solutions for our corporate and investor clients. G2 works with clients across a range of situations.



Sector Expertise:



Technology & Business Services

TBS Focus Sectors:

- Outsourced Business Services
- IT Services & Cloud Solutions
- Tech-Enabled Services & Software
- Facility Services



Industrials & Manufacturing

I&M Focus Sectors:

- Building Products / Construction
- Metals / Materials
- Container / Packaging
- Niche Manufacturing
- Distribution



Transportation & Logistics

T&L Focus Sectors:

- Freight Forwarding
- Trucking / Final Mile
- Warehousing / Distribution
- Third Party Logistics (3PL)
- e-Commerce Fulfillment



Consumer & Retail

C&R Focus Sectors:

- Fast Moving Consumer Goods
- Retail & E-Commerce
- Quick Serve Restaurants
- Fast Casual Dining
- Marketing Services

Connect With Our Team:



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