



MERGERS, ACQUISITIONS, AND
CAPITAL RESOURCES SINCE 1956

FOR MORE INFORMATION CONTACT

**Corporate Finance
Associates 24461 Ridge
Route, Suite A200
Laguna Hills, CA 92653**

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.

info@cfaw.com
www.cfaw.com

BUSINESS SERVICES

FIRST QUARTER

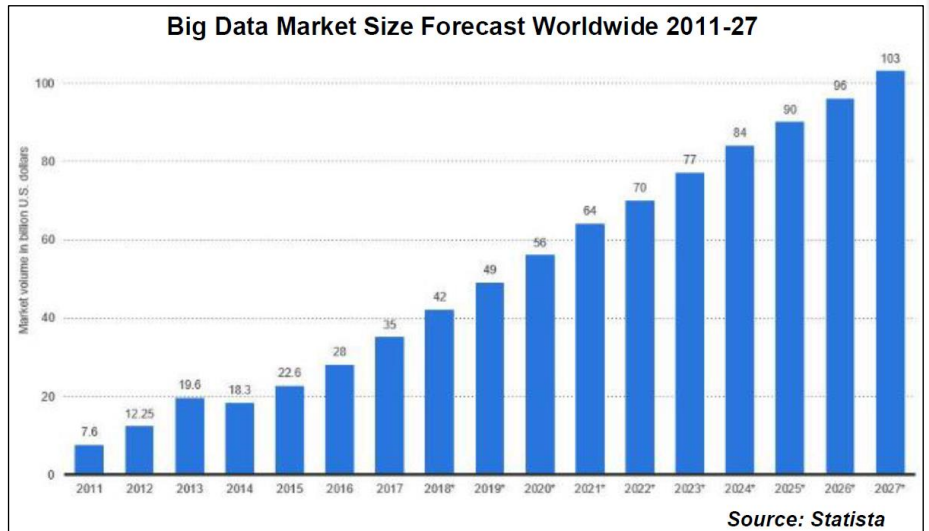
2019

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 2018 included 667 closed deals, according to data published by industry data tracker *FactSet*.

One of the notable middle market transactions closed in November when Forrester Research, Inc. acquired SiriusDecisions, Inc., a portfolio company of JMI Management Inc., for US\$245 million in cash, subject to certain adjustment. The acquisition enhances Forrester Research's innovation strategy and technology services. Founded in 2001, SiriusDecisions is located in Wilton, Connecticut and provides business to business research and advisory services. It has around 340 employees.



As businesses rely more heavily on analytical data to improve processes and drive sales the market for big data has steadily grown year over year.

Transactional Overview

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

December 2018 - SPS Commerce, Inc. acquired CovalentWorks LP for US\$23 million in cash and stock. Under the terms of transaction, SPS Commerce, Inc. paid US\$20 million in cash and US\$3 million in stock to CovalentWorks LP. SPS Commerce engages in the provision of cloud-based supply chain management solutions. CovalentWorks specializes in making Electronic Data Interchange, a computer-to-computer exchange of business documents between companies. The company was founded in 1999 and is headquartered in Houston, TX.

December 2018 - Chryscapital Management Co acquired an 80% majority stake in Gebbs Healthcare Solutions, Inc. for a reported value of US\$141.8 million. Chryscapital Management is an independent investment firm. GeBBS Healthcare Solutions provides revenue cycle management and health information management solutions to healthcare providers and pharmacies. It specializes in the development of workflow technology platforms that automate and streamline revenue cycle management processes, such as data coding, payment processing, module and document management and customized reporting and follow-up. The company was founded in 2005 and is headquartered in Culver City, CA.

| Selected Q1 Closed Transactions | |
|---|---|
| Target/Issuer | Buyers/Investors |
| Pillow Homes, Inc. | Expedia Group, Inc. |
| Flywheel Digital LLC | Ascential Plc |
| Boon & Sons, Inc. | Casella Waste Systems, Inc. |
| MatrixCare, Inc. | ResMed, Inc. |
| Mosquito Squad Franchising Corp | Apax Partners (UK) Ltd.; Authority Brands LLC |
| Feastly, Inc. | Credible, Inc. |
| Fairway Outdoor Advertising LLC Five Billboard Operations/ | Lamar Advertising Co. |
| eBrevia, Inc. | Donnelley Financial Solutions, Inc. |

December 2018 - S4 Capital Plc acquired MightyHive, Inc., a portfolio company of Alchemist Accelerator LLC, for an enterprise value of US\$150 million in cash and stock. S4 Capital operates as a media investment company focused on digital marketing solutions. MightyHive develops media consultancy services. It offers solutions to fix online advertising by using first-party data to power campaigns. The firm also offers call center remarketing, custom audience tool and dealership direct tools. The company was founded in 2012 and is headquartered in San Francisco, CA.

Industry Update

Major American companies are leaking personal user information and other data online as a result of poor website security practices, according to new research from New York-based search marketing company Seer Interactive. In particular, sensitive information on American charity donors, political party supporters, and online shoppers has been revealed online, and as many as one in five e-commerce sites in the US are still leaving their customers exposed. Bloomberg also conducted research and found that in one instance a simple Google search exposed a charity donor's full name and address, donation amount, method and date of payment, and their email address. In another example, US bakery chain Panera Bread earlier this year said it fixed an error on its website that could have left the personal information of as many as 7 million customers available to scammers.

Industry Indicators

- US corporate profits, an indicator of corporate demand for business services, rose 10.3% in the third quarter of 2018 compared to the same period in 2017.
- The value of US nonresidential construction spending, a driver for business services demand, rose 5.2% year-to-date in October 2018 compared to the same period in 2017.
- Total US revenue for administration and support and waste management and remediation services rose 7.2% in the third quarter of 2018 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.

