

CHILDS

ADVISORY PARTNERS

Quarterly Update

4Q 2013

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May 1, 2014

InterContinental Buckhead, Atlanta, GA

Who Should Attend:

- CEOs, owners and C-level executives of middle market Business Services & Technology firms
- Private equity investors

Contact Susanne Kovalcheck with any questions: skovalcheck@childsap.com

CHILDS News and Events

2/14/14

CHILDS advises Vistex on its acquisition of Counterpoint Systems

2/4/14

CHILDS advises Vistex on its acquisition of hawkeye Channel

12/20/13

CHILDS advises Symmetry on its sale to Great Hill Partners

12/17/13

CHILDS wins award for 2013 "Corporate/Strategic Acquisition of the Year (\$50 - \$250 million)" at M&A Advisor Awards Gala

11/30/13

CHILDS named a finalist by M&A Advisor for "National Boutique Investment Bank" of the Year

11/15/13

CHILDS advises Partner Professional Solutions in its merger with HCTec

11/11/13 - 11/13/13

CHILDS attends the Techserve conference in Las Vegas, NV

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The First Word

2014 Preview: Strong M&A Momentum Continues

2013 was an incredibly busy and successful year for CHILDS Advisory Partners. We closed 11 transactions totaling over \$423 million in aggregate transaction value. While we would like to take the credit for the momentum, the primary drivers are strong business results in our core sectors of focus, the continued activity of private equity, and attractive debt markets.

Strong Business Results in Our Core Sectors

As you may know, we focus on Business Services, Technology, and Tech-enabled Services. The primary driver behind the growth in these sectors is the increasingly services-oriented nature of the US economy and the move toward outsourcing and flexible labor arrangements. These sectors are also highly fragmented which allows for organic growth to be supplemented by acquisition growth, which spurs M&A activity. We look for the "hot" sectors within these verticals to find potential category-leading firms that can command a premium valuation. We will continue to find emerging sub-sectors within these verticals with strong growth drivers and competitors and believe that there is long-term growth potential. Good business results are usually the context behind a strong M&A market and are certainly present today.

Continued Robust Activity Among Private Equity Buyers and Growth Equity Investors

Private equity firms continue to have money they need to deploy, yet the supply of high-quality lower middle-market companies is not as high as the demand. Thus, sellers of high-quality businesses are currently in a great position to execute successful transactions. Of our 2013 sell-sides that closed, 67% were recapitalized by private equity firms. In several of our active processes, there are multiple private equity firms pursuing the transaction. Obviously, motivated buyers help drive more attractive prices and terms for owners. Finally, more than ever, private equity firms are becoming flexible about investing in minority positions, using a low-leverage model or accepting relatively low amounts of equity reinvestment (i.e. rollover) from existing owners.

Attractive Debt Markets

The pricing from lenders is as favorable as we have seen since 2007, especially for private equity backed transactions. With the ability to obtain debt at more favorable terms, financial sponsors have more flexibility to increase the price they are willing to pay for a company. The evolution of "one stop" lenders has also allowed for more efficient debt financing in the lower mid-market. Another impact of this phenomenon is that many sponsor-backed companies are effecting "debt recaps" to issue dividends while not diluting their ownership for performing companies. The only caveat on the debt financing side of the equation is that the debt markets are still relatively conservative for companies that are less than \$10 million in EBITDA and not sponsor-backed. Still, all company owners, whether you are owner-operated or private equity owned, should consider a debt recapitalization in such a market as a way of diversifying your assets.

Conclusion

Nobody knows how long this economic cycle will last. Many think that it ramped slowly and will ebb slowly, so perhaps we have several more years of quality results and favorable capital markets. Others think perhaps we are at the peak now. I think most agree that 2014 should be a great time to execute a transaction. While 2012 M&A activity was driven by tax changes, 2013-2014 activity seems to be very solid and backed by a strong economic backdrop.

As for CHILDS, we continue to build our team as we are bullish on the M&A environment for 2014-2015. We have doubled to 20 investment bankers from 10 in 2011 and have opened offices in Boston and Jacksonville. Our fifth annual conference is scheduled for May 1 in Atlanta and we are expecting a great group of privately held business owners, large companies/buyers and private equity investors.

Thanks to all of our clients for making 2013 a great year and we hope 2014 is rewarding for us all.

Jim Childs

Recent CHILDS Transactions



has been acquired by



February 2014



has been acquired by



February 2014



has been acquired by



December 2013



has been acquired by



A portfolio company of Snow Phipps

November 2013



has merged with



November 2013



has been acquired by



October 2013



has been acquired by



September 2013



has been recapitalized by



August 2013



has been acquired by



July 2013



has been acquired by



May 2013



A Portfolio Company of Kayne Anderson
has been recapitalized by



March 2013



has merged with a subsidiary of

Conversion Capital

March 2013



has been acquired by



February 2013



has been acquired by



October 2012



has been recapitalized by an investor group led by



September 2012



has received a growth equity investment from



April 2012



has been acquired by



April 2012



Fahrenheit technology
IT Staffing Division
has been acquired by



January 2012



has been recapitalized by



December 2011



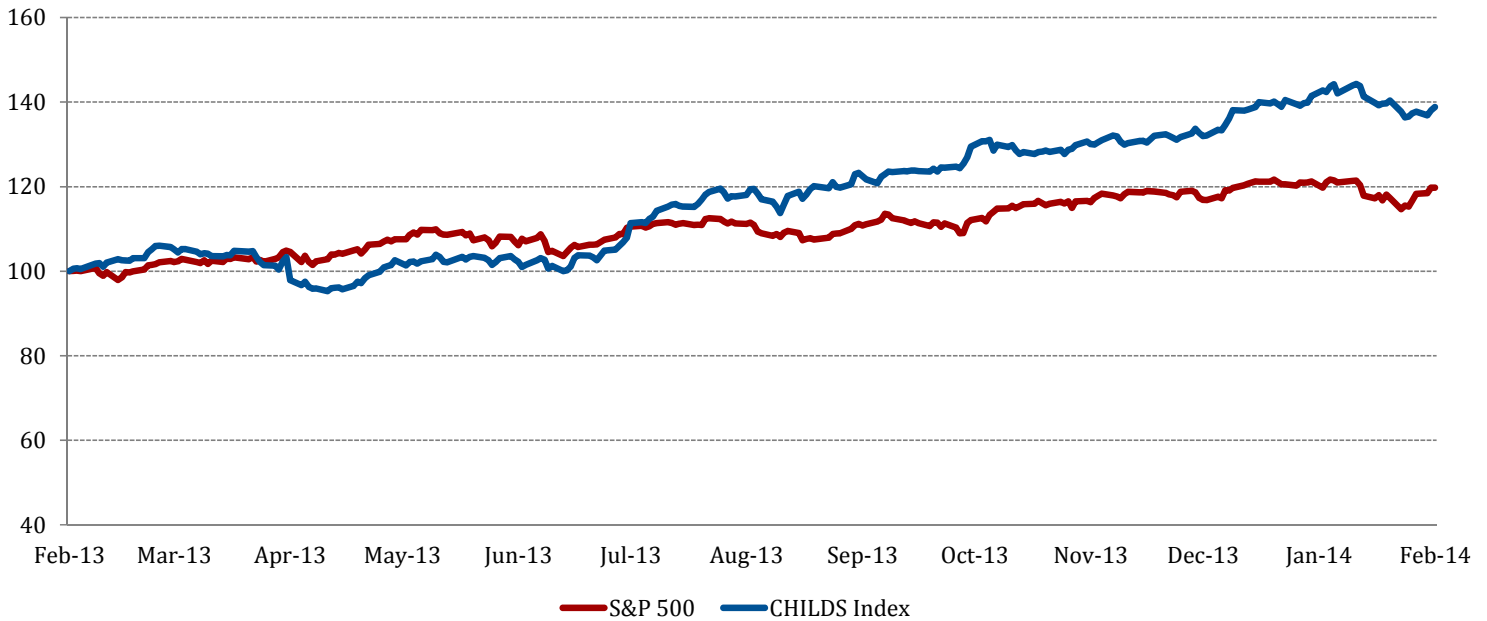
has been acquired by



December 2011

Business Services & Technology Market Update

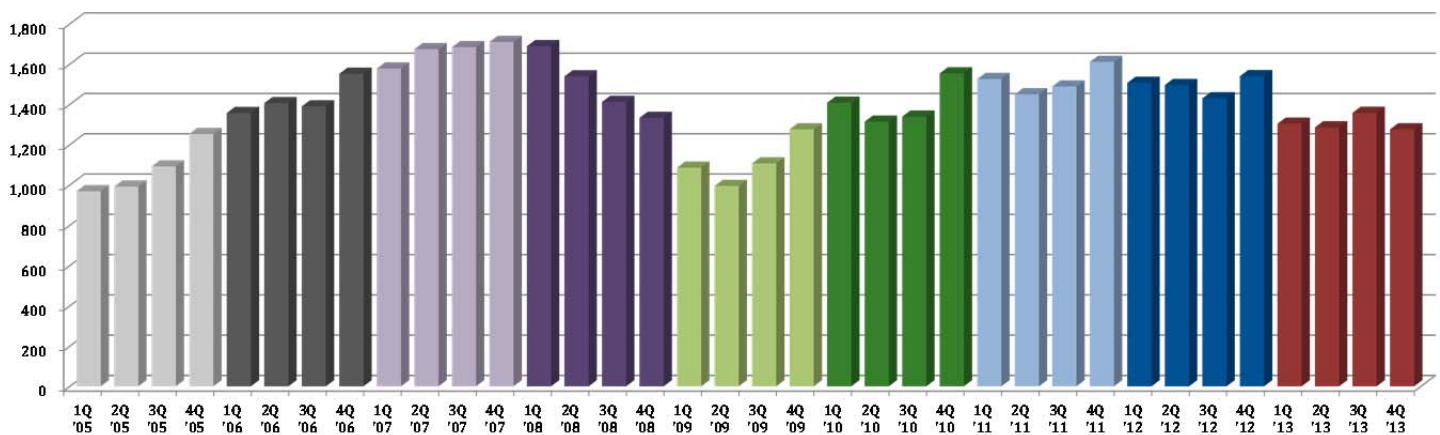
CHILDS Advisory Partners (“CHILDS”) tracks a list of publicly traded companies in our core sectors. The CHILDS Business Services & Technology Index has outperformed the S&P 500 Index by approximately 19% over the past year.



Note: The CHILDS Business Services & Technology Index is made up of select public companies in the following sectors: IT/Professional Services, Software, Business Process Outsourcing, Human Capital Management, Marketing & Information Services and Facilities Services. Index data as of February 12, 2014.

Business Services & Technology M&A Transactions by Quarter (2005 – 2013)

Business Services & Technology M&A volume was down in 4Q 2013 vs. 3Q 2013 and down year-over-year. We noted a total of 1,276 transactions in 4Q 2013 compared to 1,358 transactions noted in 3Q 2013 and 1,540 in 4Q 2012.



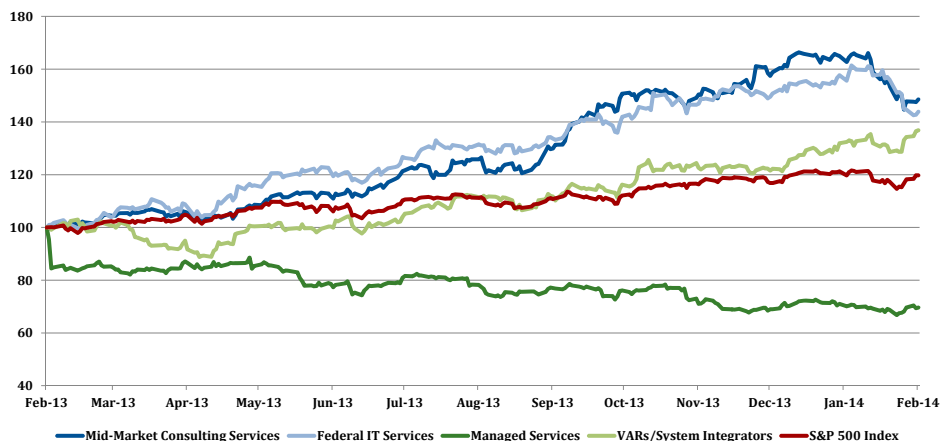
Source: CHILDS database and Capital IQ

Sector Update: Technology and Professional Services

IT/Professional Services Comparable Public Company Analysis

Public Company Stock Performance

Over the last year, the Mid-Market Consulting, Federal IT Services and VARs/System Integrators indices outperformed the S&P. The Managed Services index underperformed the S&P by approximately 50% and has experienced a negative return over the past 12 months.



Mid-Market Consulting

The average LTM EBITDA multiple is 10.5x, which is lower than last quarter's multiple of 10.8x.

Company Name	Stock Price	% of 52 Wk High	Enterprise Value /	
			LTM Revenue	LTM EBITDA
Ciber, Inc.	\$4.06	81.4%	0.3x	10.2x
CRA International Inc.	\$19.26	83.4%	0.7x	6.9x
Edgewater Technology Inc.	\$6.04	79.6%	0.5x	10.7x
Exponent Inc.	\$70.63	87.7%	2.7x	12.6x
FTI Consulting, Inc.	\$36.86	78.9%	1.2x	7.6x
Huron Consulting Group Inc.	\$65.17	93.0%	2.3x	12.0x
Mattersight Corporation	\$5.81	90.7%	2.8x	NM
Navigant Consulting Inc.	\$17.83	90.1%	1.3x	7.6x
Perficient Inc.	\$19.75	81.9%	1.9x	15.5x
Resources Connection Inc.	\$13.29	83.4%	0.7x	9.2x
Sapient Corp.	\$15.73	87.6%	1.6x	12.2x
The Hackett Group, Inc.	\$5.90	78.9%	0.9x	9.1x
Towers Watson & Co.	\$110.33	83.8%	2.2x	12.0x
Average		84.6%	1.5x	10.5x

Federal IT Services

The average LTM EBITDA multiple increased to 7.7x in the fourth quarter, up from 6.4x in the third quarter.

Company Name	Stock Price	% of 52 Wk High	Enterprise Value /	
			LTM Revenue	LTM EBITDA
CACI International Inc.	\$71.33	89.2%	0.8x	9.1x
ICF International Inc.	\$33.49	92.3%	0.8x	8.2x
ManTech International Corporatio	\$28.11	90.4%	0.4x	5.6x
Science Applications International (\$36.74	92.1%	0.5x	7.9x
Tyler Technologies, Inc.	\$91.94	85.1%	6.9x	35.7x *
Average		89.8%	1.9x	7.7x

Managed Services

The average LTM EBITDA multiple has decreased to 9.0x in 4Q 2013 from 11.6x in the third quarter.

Company Name	Stock Price	% of 52 Wk High	Enterprise Value /	
			LTM Revenue	LTM EBITDA
CenturyLink, Inc.	\$30.19	72.1%	0.0x	0.0x
Equinix, Inc.	\$190.75	82.4%	6.1x	14.4x
Internap Network Services Corp.	\$7.94	82.7%	2.0x	12.1x
Limelight Networks, Inc.	\$2.06	80.5%	0.5x	NM
Rackspace Hosting, Inc.	\$31.49	48.1%	2.7x	9.4x
Average		73.2%	2.3x	9.0x

VARs/System Integrators

The average LTM EBITDA multiple is 8.1x, an increase from last quarter's multiple of 6.7x.

Company Name	Stock Price	% of 52 Wk High	Enterprise Value /	
			LTM Revenue	LTM EBITDA
Atos S.A.	\$93.40	100.0%	0.7x	6.8x
Black Box Corporation	\$26.44	83.7%	0.6x	7.5x
Cap Gemini S.A.	\$73.07	100.0%	0.8x	8.4x
Datalink Corporation	\$13.47	87.9%	0.4x	10.4x
ePlus inc.	\$57.41	85.7%	0.5x	7.2x
Average		91.4%	0.6x	8.1x

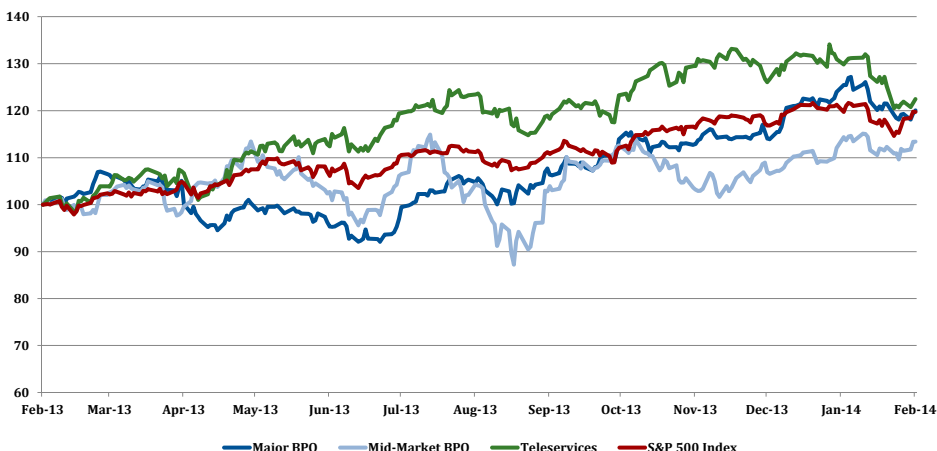
*Excluded from average calculations. LTM = Last Twelve Months. Data obtained from Capital IQ. Stock prices as of February 12, 2014 in US\$.

CHILDS Quarterly Update: 4Q 2013

BPO Comparable Public Company Analysis

Public Company Stock Performance

In the last twelve months, the Teleservices segment has outperformed the S&P 500 by approximately 3%. The Major BPO segment has tracked the S&P 500, while the Mid-Market BPO segment has underperformed the market by approximately 6%.



Major BPO

The average LTM EBITDA multiple is 9.9x this quarter, up from last quarter's multiple of 9.3x.

Company Name	Stock Price	% of 52 Wk High	Enterprise Value /	
			LTM Revenue	LTM EBITDA
Accenture plc	\$81.21	94.6%	1.7x	10.8x
CGI Group, Inc.	\$31.06	82.3%	1.3x	9.1x
Cognizant Technology Solutions Co.	\$98.45	96.9%	2.9x	14.0x
Computer Sciences Corporation	\$61.45	99.4%	0.7x	4.4x
Convergys Corporation	\$19.66	80.5%	0.7x	5.9x
Genpact Ltd.	\$14.61	68.6%	1.6x	9.0x
Infosys Ltd.	\$58.20	94.8%	3.6x	13.6x
Iron Mountain Inc.	\$27.18	68.4%	3.0x	10.9x
Pitney Bowes Inc.	\$25.05	96.3%	2.0x	9.1x
Tata Consultancy Services Limited	\$34.01	88.2%	5.2x *	17.3x
Unisys Corporation	\$32.27	91.2%	0.3x	3.7x
Wipro Ltd.	\$9.09	95.8%	3.0x	14.2x
Xerox Corporation	\$10.66	84.3%	0.9x	6.2x
Average		87.8%	1.8x	9.9x

Mid-Market BPO

The average LTM EBITDA multiple is 10.0x this quarter, a decrease from last quarter's multiple of 10.7x.

Company Name	Stock Price	% of 52 Wk High	Enterprise Value /	
			LTM Revenue	LTM EBITDA
Aditya Birla Nuvo Limited	\$17.91	85.8%	1.0x	5.7x
Epiq Systems, Inc.	\$13.89	82.7%	1.9x	10.4x
HCL Technologies Ltd.	\$24.12	98.8%	3.6x	14.7x
Hexaware Technologies Limited	\$2.34	99.2%	1.6x	7.4x
iGATE Corporation	\$31.96	77.2%	2.7x	11.8x
ITC Limited	\$5.18	84.3%	7.8x *	21.9x *
Mphasis Limited	\$6.15	74.1%	1.2x	6.7x
Syntel, Inc.	\$83.84	89.7%	3.9x	11.7x
Tech Mahindra Limited	\$30.32	98.4%	2.6x	11.7x
Average		87.8%	2.3x	10.0x

Teleservices

The average LTM EBITDA multiple has decreased to 7.8x from 8.2x in the third quarter of 2013.

Company Name	Stock Price	% of 52 Wk High	Enterprise Value /	
			LTM Revenue	LTM EBITDA
Convergys Corporation	\$19.66	80.5%	0.7x	5.9x
StarTek, Inc.	\$6.64	91.7%	0.4x	10.6x
Sykes Enterprises, Incorporated	\$20.28	87.1%	0.6x	7.0x
TeleTech Holdings Inc.	\$21.96	81.1%	0.9x	7.5x
Average		85.1%	0.7x	7.8x

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CHILDS Quarterly Update: 4Q 2013

IT/Professional Services and BPO Notable Transactions

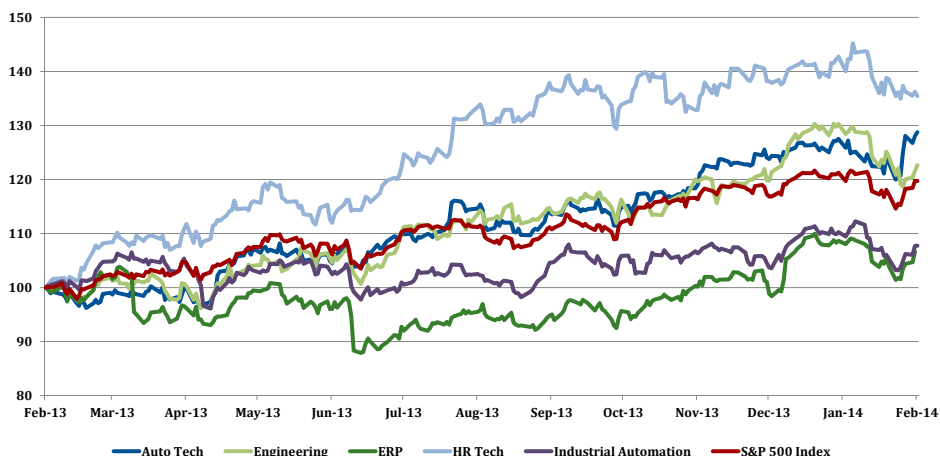
Date Closed	Buyer	Target	Target Description/Comment
12/23/2013	Engility	Dynamics Research Corporation	Dynamics Research Corporation provides management consulting, science, engineering, technical, and information technology (IT) services and solutions
12/20/2013	Great Hill Partners	Symmetry	Symmetry Corporation provides hosting and cloud services, proprietary governance, risk, and compliance software, project consulting, and technical managed services for SAP customers
11/28/2013	Dimension Data Holdings	NextiraOne Management	NextiraOne Management SAS designs, installs, maintains, and supports business and communications solutions offering unified communications services, such as collaboration, communication, mobility, infrastructure, management, and protection services
11/26/2013	Sutter Hill Ventures	Mattersight Corporation	Mattersight Corporation provides enterprise analytics services with a focus on customer and employee interactions and behaviors
11/21/2013	NTT Data	Optimal Solutions Integration	Optimal Solutions Integration is an IT consulting company that provides SAP solutions-based business transformation services for Fortune 1000 companies, midsize enterprises, and small businesses worldwide
11/4/2013	Symbio	Freeborder	Freeborder provides IT services to large and medium-sized businesses primarily focusing on financial services, travel, and Internet e-commerce industries in the United States, Europe, and China
10/31/2013	itelligence	Aster Group	Aster Group operates as an entrepreneurial business and technology services company providing SAP business planning and consolidation services
10/17/2013	Iron Mountain Information Management	Cornerstone Records Management	Cornerstone Records Management provides records and information management services, specializing in document storage and retrieval
10/11/2013	Perficient	CoreMatrix Systems	CoreMatrix Systems provides consulting services to deploy cloud based solutions, offering services for the design, implementation, adoption, and support of on-demand software/cloud based solutions
10/3/2013	Pixius Communications	Advantage Outsourcing	Advantage Outsourcing provides business IT solutions in the United States, offering infrastructure services, including support desk, desktop support, systems and network management, data management, and IT security services

CHILDS Quarterly Update: 4Q 2013

Software Comparable Public Company Analysis

Public Company Stock Performance

Over the last twelve months, the HR Tech, Auto Tech, and Engineering indices have outperformed the S&P 500, while the ERP and Industrial Automation have underperformed the index.



HR Technology

The average LTM EBITDA multiple this quarter has decreased to 26.3x from 27.7x in the third quarter of 2013.

Company Name	Stock Price	% of 52 Wk High	Enterprise Value /	
			LTM Revenue	LTM EBITDA
51job Inc.	\$76.54	92.4%	7.0x	21.4x
Automatic Data Processing, Inc.	\$75.58	90.2%	3.0x	14.4x
Bond International Software plc	\$1.55	94.4%	1.1x	11.0x
Callidus Software Inc.	\$11.98	77.3%	4.6x	NM
Cornerstone OnDemand, Inc.	\$57.94	95.9%	15.8x	NM
Dice Holdings, Inc.	\$6.77	64.9%	2.2x	7.4x
Halogen Software Inc.	\$12.42	84.9%	5.0x	NM
Healthstream Inc.	\$29.91	75.2%	5.8x	30.9x
LinkedIn Corporation	\$192.34	74.7%	13.5x	113.2x *
Saba Software, Inc.	\$12.80	92.1%	0.0x	NM
Paychex, Inc.	\$41.47	90.3%	6.1x	14.1x
The Ultimate Software Group, Inc.	\$159.88	94.9%	10.7x	74.0x
WageWorks, Inc.	\$57.12	83.6%	8.0x	37.6x
Workday, Inc.	\$94.97	98.4%	40.1x	NM
Average		86.4%	6.4x	26.3x

Engineering

The average LTM EBITDA multiple for 4Q 2013 is 30.0x, down from 21.5x in the third quarter of 2013.

Company Name	Stock Price	% of 52 Wk High	Enterprise Value /	
			LTM Revenue	LTM EBITDA
3D Systems Corp.	\$67.17	69.0%	14.3x	58.6x
Accelrys Inc.	\$12.48	99.2%	3.6x	53.6x
Ansys, Inc.	\$80.94	90.2%	8.0x	17.2x
Aspen Technology, Inc.	\$45.56	98.3%	11.5x	41.4x
Autodesk, Inc.	\$53.77	99.2%	4.7x	23.4x
Aveva Group plc	\$34.39	77.7%	5.3x	18.0x
Cadence Design Systems Inc.	\$14.58	91.4%	2.7x	11.5x
Dassault Systemes SA	\$112.64	80.4%	4.3x	13.8x
ESI Group SA	\$33.45	76.9%	1.3x	19.0x
Exa Corporation	\$14.39	87.6%	3.3x	81.4x
Mentor Graphics Corp.	\$19.69	81.0%	2.1x	11.4x
Nemetschek AG	\$72.74	93.4%	2.5x	12.7x
PDF Solutions Inc.	\$22.74	85.1%	5.9x	18.1x
PTC Inc.	\$37.34	97.0%	3.4x	15.4x
Stratasys Ltd.	\$114.80	83.1%	12.4x	69.7x
Synopsys Inc.	\$40.61	97.6%	2.7x	14.8x
The ExOne Company	\$43.02	54.6%	12.2x	278.4x *
Average		86.0%	5.4x	30.0x

Enterprise Resource Planning

The average LTM EBITDA multiple this quarter has increased to 14.4x from 12.6x in the third quarter of 2013.

Company Name	Stock Price	% of 52 Wk High	Enterprise Value /	
			LTM Revenue	LTM EBITDA
American Software, Inc.	\$10.45	98.6%	2.3x	14.9x
Concur Technologies, Inc.	\$122.29	93.8%	11.5x	202.5x *
E2open, Inc.	\$24.00	89.0%	9.8x	NM
Exact Holding NV	\$33.72	98.2%	2.4x	10.7x
Industrial & Financial Systems IFS AB	\$27.14	100.0%	1.5x	18.1x
Microsoft Corporation	\$37.47	96.1%	3.0x	7.9x
NetSuite Inc.	\$106.91	91.4%	18.8x	NM
Oracle Corporation	\$38.07	98.2%	4.2x	9.8x
QAD Inc.	\$18.18	98.3%	0.9x	20.9x
Sage Group plc	\$6.96	95.6%	3.6x	12.4x
SAP AG	\$78.37	88.7%	4.2x	12.8x
Selectica, Inc.	\$6.83	65.0%	1.4x	NM
The Descartes Systems Group Inc	\$13.91	93.7%	6.1x	21.7x
Average		92.8%	4.2x	14.4x

Automotive OEM and Dealership Systems

The average LTM EBITDA multiple this quarter has increased to 19.6x from 15.7x in the third quarter of 2013.

Company Name	Stock Price	% of 52 Wk High	Enterprise Value /	
			LTM Revenue	LTM EBITDA
Autobytel Inc.	\$17.88	96.8%	2.0x	37.2x
AutoNation Inc.	\$51.26	94.1%	0.6x	12.6x
AutoZone, Inc.	\$542.07	96.5%	2.4x	11.0x
Dealertrack Technologies, Inc.	\$45.88	91.2%	4.4x	30.0x
Equifax Inc.	\$71.38	99.5%	4.3x	13.5x
Exa Corporation	\$14.39	87.6%	3.3x	81.4x *
LKQ Corp.	\$27.63	80.5%	2.0x	16.2x
Solera Holdings Inc.	\$65.36	91.9%	6.6x	17.0x
Average		92.3%	3.2x	19.6x

*Excluded from average calculations. LTM = Last Twelve Months. Data obtained from Capital IQ. Stock prices as of February 12, 2014 in US\$.

CHILDS Quarterly Update: 4Q 2013

Industrial Automation

The average LTM EBITDA multiple for 4Q of is 11.0x, which is down from 13.9x in the third quarter of 2013.

Company Name	Stock Price	% of 52 Wk High	Enterprise Value /	
			LTM Revenue	LTM EBITDA
ABB Ltd.	\$25.54	92.7%	1.5x	10.9x
Echelon Corporation	\$2.91	69.6%	1.0x	NM
Honeywell International Inc.	\$94.29	99.4%	1.9x	11.5x
International Business Machines Corp	\$180.24	83.5%	2.3x	9.2x
National Instruments Corporation	\$28.07	85.2%	2.7x	18.6x *
Rockwell Automation Inc.	\$115.56	95.5%	2.4x	13.1x
Schneider Electric S.A.	\$85.10	93.4%	1.7x	10.4x
Siemens Aktiengesellschaft	\$128.66	93.5%	1.2x	10.7x
Yokogawa Electric Corp.	\$14.17	83.4%	1.1x	11.4x
Average		88.5%	1.8x	11.0x

*Excluded from average calculations. LTM = Last Twelve Months. Data obtained from Capital IQ. Stock prices as of February 12, 2014 in US\$.

Software Notable Transactions

Date Closed	Buyer	Target	Target Description/Comment
1/17/2014	Schneider Electric	Invensys	Invensys provides software products, systems, and control equipment to various industries worldwide
1/16/2014	Open Text Corporation	GXS Group	GXS Group provides business-to-business e-commerce and integration services to enhance business process integration, synchronization, and collaboration among businesses
12/30/2013	PTC	ThingWorx	ThingWorx develops and markets an application development platform for connecting people, systems, and devices
11/25/2013	Vista Equity Partners	Omnitracs	Omnitracs provides Software-as-a-Service based fleet management solutions for trucking customers in the United States
11/22/2013	Towers Watson	Liazon Corporation	Liazon Corporation operates Bright Choices exchange, an online private benefits exchange for businesses in the United States
11/15/2013	Vista Equity Partners	The Active Network	The Active Network provides cloud computing applications for activity and participant management that form an online network connecting a group of activity and event organizers with participants
11/4/2013	Vitera Healthcare Solutions	Greenway Medical Technologies	Greenway Medical Technologies provides integrated IT solutions and managed business services to healthcare providers in the United States
11/4/2013	Thoma Bravo	Empirix	Empirix provides network performance visibility solutions for data sourcing, collection, aggregation, analysis, information generation, and presentation
11/1/2013	Advent International	P2 Energy Solutions	P2 Energy Solutions provides software and data solutions for the oil and gas industry

CHILDS Quarterly Update: 4Q 2013

Sector Update: Business Services

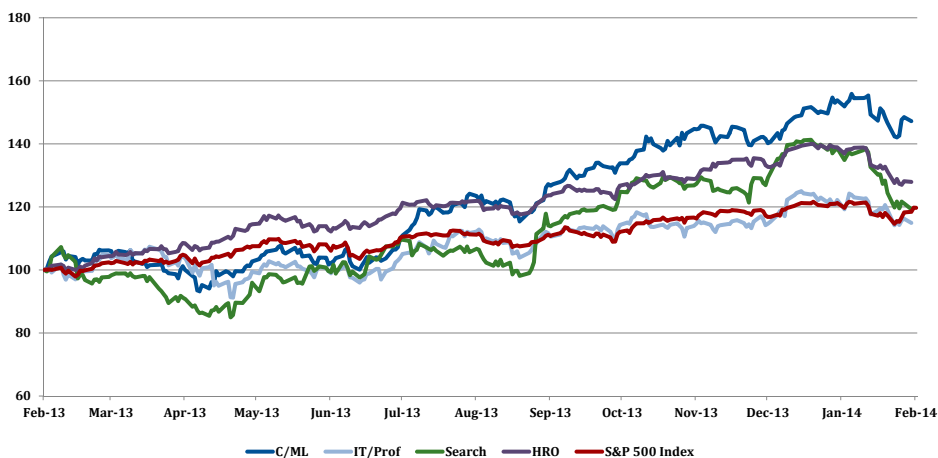
HCM Comparable Public Company Analysis

Public Company Stock Performance

The HCM segments that we track have outperformed or matched the S&P 500 over the past twelve months.

Commercial/Multi-line and HRO have outperformed the market by 27% and 9%, respectively.

The IT/Professional and Search segments have matched the performance of the S&P over the last year.



Commercial & Multi-Line Staffing

The average LTM EBITDA multiple for 4Q 2013 has decreased to 11.9x from 12.3x in the third quarter of 2013.

Company Name	Stock Price	% of 52 Wk High	Enterprise Value /	
			LTM Revenue	LTM EBITDA
Adecco S.A.	\$81.66	96.6%	0.6x	13.8x
Kelly Services, Inc.	\$23.14	89.6%	0.1x	10.0x
ManpowerGroup Inc.	\$76.30	87.5%	0.3x	8.3x
Randstad Holding NV	\$64.19	94.7%	0.6x	16.4x
TrueBlue, Inc.	\$25.66	92.4%	0.5x	11.0x
Average		92.2%	0.4x	11.9x

IT & Professional Staffing

The average LTM EBITDA multiple has increased to 10.9x this quarter from 10.4x in the third quarter of 2013.

Company Name	Stock Price	% of 52 Wk High	Enterprise Value /	
			LTM Revenue	LTM EBITDA
CDI Corp.	\$17.03	88.7%	0.3x	8.6x
Computer Task Group Inc.	\$16.01	61.3%	0.6x	10.1x
Kforce Inc.	\$21.02	96.8%	0.7x	14.3x
Mastech Holdings, Inc.	\$14.38	71.9%	0.6x	11.0x
On Assignment Inc.	\$30.91	86.6%	1.2x	12.2x
RCM Technologies Inc.	\$6.59	91.3%	0.4x	8.5x
Robert Half International Inc.	\$40.02	92.9%	1.2x	11.8x
AMN Healthcare Services Inc.	\$14.40	88.9%	0.8x	10.5x
Cross Country Healthcare, Inc.	\$10.39	90.0%	0.7x	47.6x *
Average		85.4%	0.7x	10.9x

Executive Search

The average LTM EBITDA multiple decreased to 7.1x this quarter from 10.4x in the third quarter of 2013.

Company Name	Stock Price	% of 52 Wk High	Enterprise Value /	
			LTM Revenue	LTM EBITDA
CTPartners Executive Search Inc.	\$5.93	84.8%	0.4x	6.2x
Heidrick & Struggles International Inc.	\$16.41	78.6%	0.4x	5.9x
Korn/Ferry International	\$23.39	88.0%	1.1x	9.2x
Average		83.8%	0.6x	7.1x

HR Outsourcing

The average LTM EBITDA multiple is 11.3x for the fourth quarter, up from 12.8x in the third quarter of 2013.

Company Name	Stock Price	% of 52 Wk High	Enterprise Value /	
			LTM Revenue	LTM EBITDA
Automatic Data Processing, Inc.	\$75.58	90.2%	3.0x	14.4x
Barrett Business Services Inc.	\$63.75	62.4%	0.7x	13.2x
Capita plc	\$17.08	95.9%	2.3x	15.0x
Insperty, Inc.	\$27.45	69.2%	0.2x	5.6x
Paychex, Inc.	\$41.47	90.3%	6.1x	14.1x
Towers Watson & Co.	\$110.33	83.8%	2.2x	12.0x
Xchanging PLC	\$3.01	97.5%	0.5x	5.0x
Average		84.2%	2.1x	11.3x

*Excluded from average calculations. LTM = Last Twelve Months. Data obtained from Capital IQ. Stock price as of February 12, 2014 in US\$.

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HCM Notable Transactions

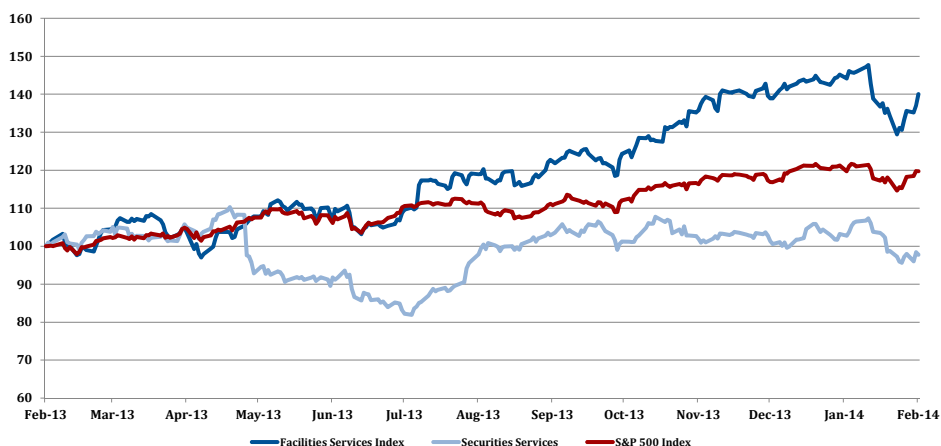
Date Closed	Buyer	Target	Target Description/Comment
12/16/2013	Onward Search	Match Creative Talent	Match Creative Talent specializes in matching creative, marketing and business-support professionals to opportunities in the advertising, marketing, entertainment, corporate, and design industries
12/9/2013	Accountable Healthcare Staffing	HRN Services	HRN Services engages in recruiting and providing supplemental healthcare staff recruited nationwide, offering licensed and non-licensed acute care nursing personnel, and medical and healthcare providers to community-based hospitals and medical centers
12/6/2013	On Assignment	CyberCoders	CyberCoders provides online recruitment and staffing solutions in the areas of IT, finance, education, engineering, healthcare, and other industries in the United States
12/2/2013	HKA Enterprises	Midcom	Midcom provides contract recruiting and staffing solutions for technical oriented positions in industries such as aerospace, automotive, manufacturing, oil & gas, power/energy, and construction
12/2/2013	On Assignment	Whitaker Medical	Whitaker Medical offers medical staffing solutions of all specialties of locum tenens professionals
12/2/2013	Cross Country Healthcare	On Assignment (Allied Healthcare Division)	On Assignment divested of its Allied Healthcare staffing division consisting of nurse, allied, and physician staffing services
11/23/2013	AMN Healthcare	Shiftwise	ShiftWise operates as a VMS, providing healthcare-specific Software-as-a-Service solutions that enable hospitals and staffing agencies to procure and manage contingent healthcare workers in the United States
11/15/2013	HCTec	Partner Professional Solutions	Partner Professional Solutions specializes in providing national healthcare IT staffing and business solutions
11/7/2013	Dice Holdings	on Targetjobs	On Targetjobs operates online job boards, employment websites, and a network of local employment websites that feature content, including job postings, news, events, online recruitment, and career resources
10/8/2013	Magic Software Enterprises	AllStates Technical Services (U.S. Enterprise Operations)	AllStates Technical services divested of its U.S. enterprise operations providing staffing and consulting solutions for IT, engineering, and telecom personnel
10/2/2013	Employbridge	Employment Plus	Employment Plus provides commercial and light industrial staffing services to companies nationwide through a branch network with over 70 locations
10/2/2013	Orchard Holdings Group	Lucas Group	Lucas Group provides executive search and recruiting services, offering retained recruiting, contingency recruiting, contract recruiting, and request services

CHILDS Quarterly Update: 4Q 2013

Facilities Services Comparable Public Company Analysis

Public Company Stock Performance

The Facilities Services index has outperformed while the Security Services index has underperformed the S&P 500 over the past twelve months.



Facilities Services

The average LTM EBITDA multiple was 9.5x this quarter, an increase from 8.8x in 3Q 2013.

Company Name	Stock Price	% of 52 Wk High	Enterprise Value /	
			LTM Revenue	LTM EBITDA
ABM Industries Incorporated	\$27.24	93.3%	0.4x	9.7x
EMCOR Group Inc.	\$41.46	92.4%	0.4x	9.4x
Fluor Corporation	\$79.90	95.2%	0.4x	10.2x
Johnson Controls Inc.	\$48.32	92.0%	0.9x	9.0x
MITIE Group PLC	\$5.35	96.3%	0.6x	12.8x
Pike Electric Corporation	\$9.92	62.2%	0.7x	7.7x
Rentokil Initial plc	\$2.07	100.0%	1.3x	7.6x
Average		90.2%	0.7x	9.5x

Security Services

The average LTM EBITDA multiple was 7.7x this quarter, a decrease from 12.4x in 3Q 2013.

Company Name	Stock Price	% of 52 Wk High	Enterprise Value /	
			LTM Revenue	LTM EBITDA
G4S plc	\$3.86	73.7%	0.7x	10.4x
National Security Group Inc.	\$8.84	84.2%	0.7x	4.7x
Securitas AB	\$10.41	89.5%	0.5x	8.0x
Average		82.5%	0.6x	7.7x

*Excluded from average calculations. LTM = Last Twelve Months. Data obtained from Capital IQ. Stock price as of February 12, 2014 in US\$.

Facilities Services Notable Transactions

Date Closed	Buyer	Target	Target Description/Comment
12/24/2013	BTG Pactual Group	Star Atlantic Waste Holdings	Star Atlantic Waste Holdings offers solid waste collection, treatment, and disposal services
12/23/2013	Rockwell Collins	ARINC Corporation	ARINC provides communications, engineering, and systems integration support to aircraft, airlines, airports, train systems, nuclear power plants and other critical national infrastructure, and military aircraft platforms
11/26/2013	Clayton, Dubilier & Rice, Inc.	Brand Energy	Brand Energy provides concrete formwork, shoring, and multi-craft industrial services to the downstream energy infrastructure construction markets
11/18/2013	Aquilex Holdings	Inland Industrial Services Group	Inland Industrial Services provides environmental and industrial cleaning services in the Midwest and North Eastern United States
11/14/2013	Virginia-American Water Company	Dale Service Corporation	Dale Service Corporation provides wastewater collection and treatment services
10/7/2013	Sterling Infosystems	Gallery Associates	Gallery Associates, doing business as HR Plus, provides background screening, drug and occupational health screening, and fingerprinting services

About CHILDS Advisory Partners

CHILDS Advisory Partners provides exceptional investment banking services to high-performing business services and technology companies. Our unique combination of global sector focus, process excellence and strength of team allow us to maximize value—and achieve successful outcomes for our clients. Collectively, our senior bankers have executed over 450 M&A and financing transactions. CHILDS is a member of FINRA and SIPC and is a registered broker-dealer.

Our Services

Sell-side Advisory: When you desire to sell or merge your business, we help you prepare, position and execute the process with confidentiality and speed to obtain maximum results.

Buyouts & Recapitalizations: We know the private equity groups interested in the sector and can help you prepare for due diligence and transaction success.

Buy-side Advisory: CHILDS can source deals, qualify them and negotiate them on your behalf. Our sourcing “engine”, market knowledge and experience in creative deal structures will ensure that you see as many deals as possible and have the ability to get them done.

Debt/Equity Capital Raises: We advise companies seeking equity or debt capital for growth, recapitalization or restructuring. CHILDS can help you negotiate with your existing lenders to renew or restructure debt facilities. If needed, we can tap into our many banking relationships to solicit and negotiate term sheets with other potential lenders as well.

Financial & Strategic Advisory: We provide an objective and disciplined methodology to help your team develop a winning plan for short-term performance and long-term value creation. Whether it’s a Value Creation Road Map, Strategic Alternatives Assessment, Employee Stock Ownership Plan, or Fairness Opinion, we provide insight to the options available for company owners to maximize value and liquidity.

Sector Focus

Technology & Professional Services			Business Services	
IT/Professional Services	Business Process Outsourcing	Software	Human Capital Management	Facilities Services
<ul style="list-style-type: none"> ▪ Consulting ▪ Managed Services ▪ Federal ▪ VARs/System Integrators ▪ IT Outsourcing 	<ul style="list-style-type: none"> ▪ Revenue Cycle Management ▪ Legal Process Outsourcing ▪ Teleservices ▪ Knowledge Process Outsourcing ▪ Collections / Receivables ▪ Tech-enabled Business Services 	<ul style="list-style-type: none"> ▪ HCM ▪ Automotive ▪ Engineering ▪ Enterprise Resource Planning ▪ Industrial Automation 	<ul style="list-style-type: none"> ▪ Staffing ▪ Human Resource Outsourcing ▪ Professional Employment Organization ▪ HCM Technology 	<ul style="list-style-type: none"> ▪ Facilities Management ▪ Security ▪ Building & Janitorial ▪ Engineering & Maintenance ▪ Environmental Services ▪ Logistics

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