

Bowstring Advisors Update

JULY 2018



Why the Name Change to Bowstring Advisors?

After 10 years as CHILDS Advisory Partners, we officially announced our new name.

Our firm continues to grow rapidly in terms of professionals and practice areas thus we felt a “non-personal” name was more reflective of our broader reach. Our goal is to be a top 10 player in the U.S. and we feel our new name, Bowstring Advisors, supports that vision.

A bowstring joins two ends of a bow and launches an arrow toward its target. It is designed for a singular purpose – to propel. Like the bowstring, we exist to give guidance and counsel to clients that propels them and their companies toward their goals.

Learn more at www.bowstringadvisors.com.



Save the Date: 5/14/19

Bowstring Advisors 10th Annual Conference will be on May 14, 2019 at The St. Regis Hotel in Atlanta. Last year, over 400 business owners, executives and investors interested in middle-market growth opportunities were in attendance.

The First Word

Middle-Market M&A is on Fire. Will it Last? We Think it Might.

There is no doubt about it, the middle market is on fire and sellers are benefiting from today's robust market. There are several factors contributing to this feverish environment for M&A:

- Shift from public money to private
- Sustained strength in the economy
- Big funds moving down-market
- Availability of cheap debt capital

The net result is considerably more money chasing middle-market targets, thereby increasing deal activity and valuations. Additionally, private equity firms now own an estimated 10 percent of middle-market companies; because PE firms prefer 4- to 7-year hold periods, this drives additional regular activity as portfolios cycle. PE-backed companies also tend to pursue acquisition strategies, which have been particularly relevant for companies valued at under \$100M in EV.

So will this frenzied market last? If you buy the concept that private equity is the new capital paradigm, and that it may eventually own 20-30 percent of the middle market, then this trend has a long way to go. As long as returns in this segment continue to outperform public equity returns, our guess is that institutional money will continue to reallocate to PE funds focused on the middle market. We believe it is very possible that this level of activity and valuations may be sustainable for the next decade or so.

The single biggest caveat is that of economic cycles. Clearly, activity will slow when we hit a speed bump in the economy. As we all know, the question is not if, but when. In a downturn, leveraged buyout investments can stagnate and increase PE holding periods. Additionally, owners often are unwilling to exit with depressed financials that come with a business downturn, resulting in reduced transaction volumes during a contraction.

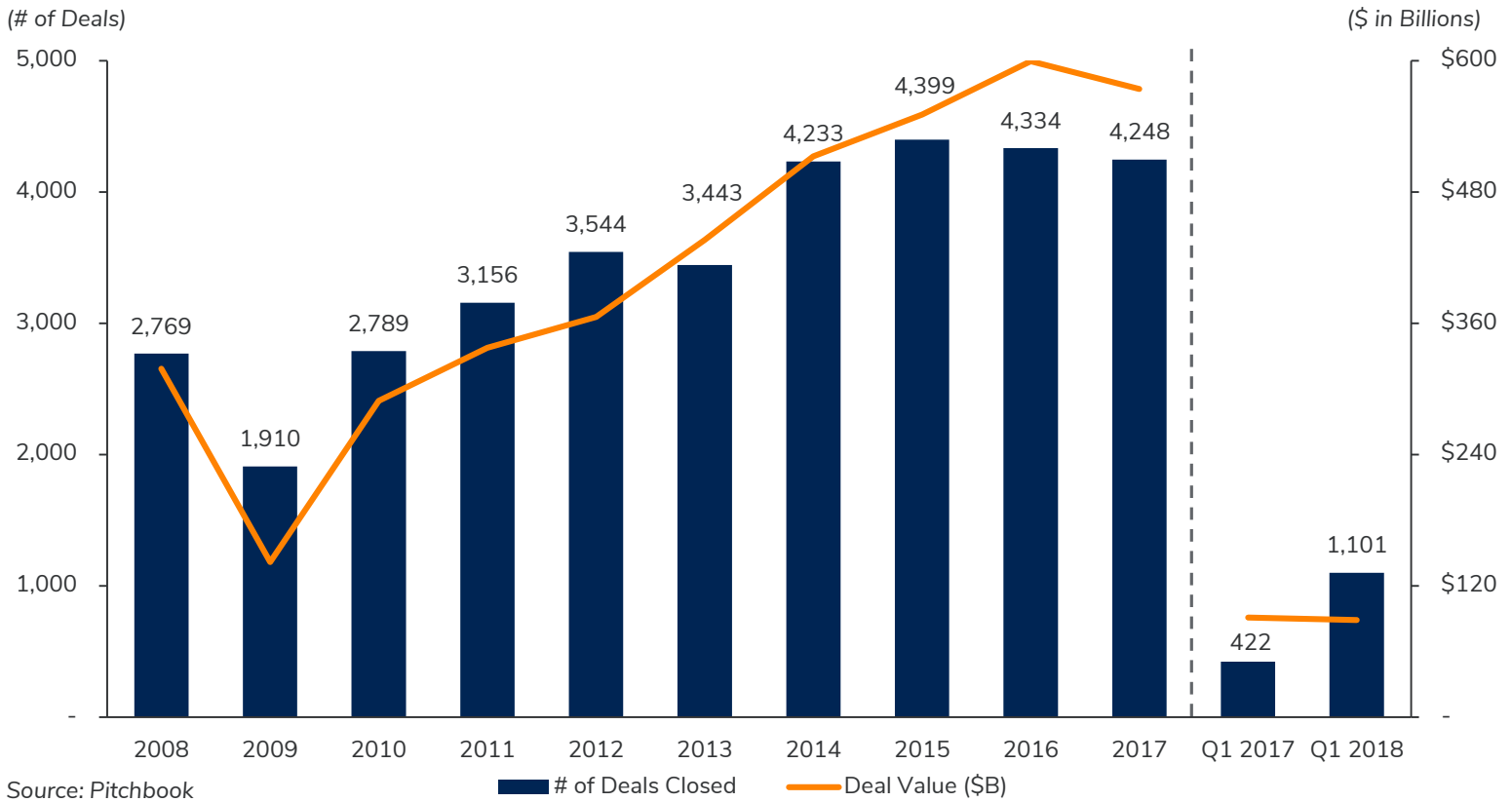
So, the big question in the near term is when we will see a downturn. 2019 appears to be shaping up nicely. 2020 is a presidential election year and the economy is often propped up as a result. While I certainly don't have a crystal ball, I'm increasingly optimistic that a U.S. downturn is still 2 to 4 years away.

This has been a big year for our firm. A hot market, our largest conference to date and most of all, a new name. I encourage you to follow us at [LinkedIn](https://www.linkedin.com/company/bowstring-advisors) for our latest updates.

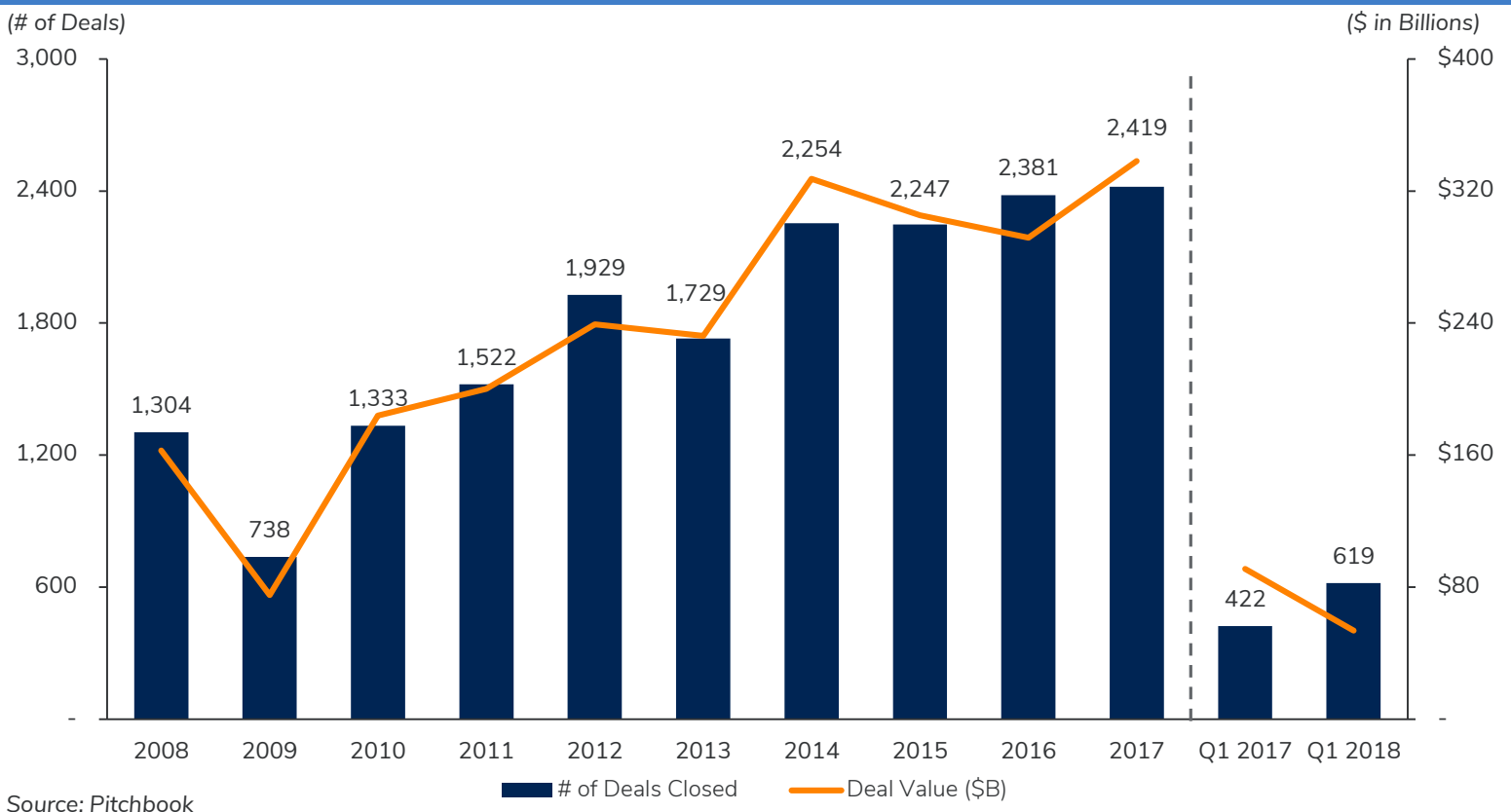
Jim Childs
CEO, Bowstring Advisors

Market Update

Total U.S. Private Equity Activity

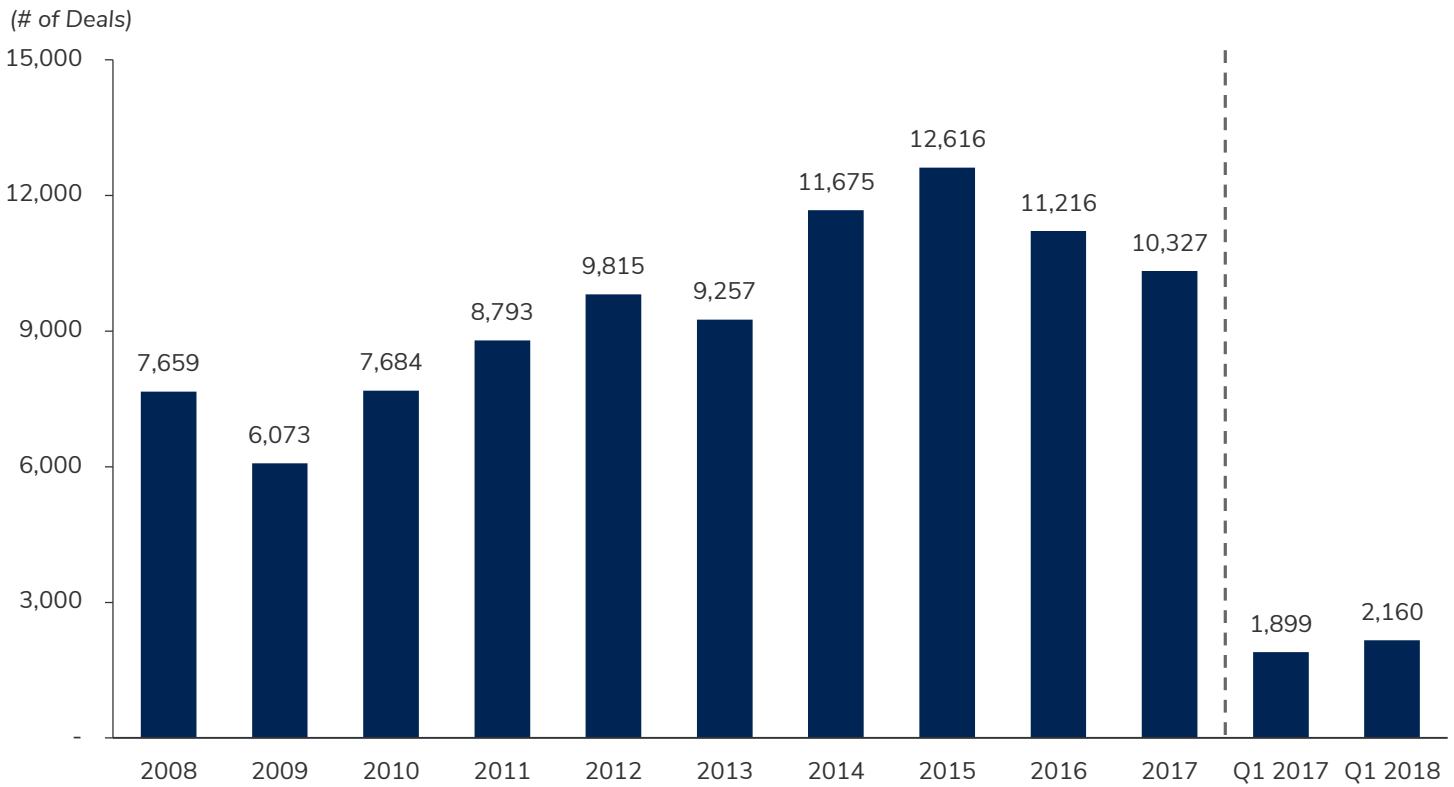


U.S. Middle-Market Private Equity Activity



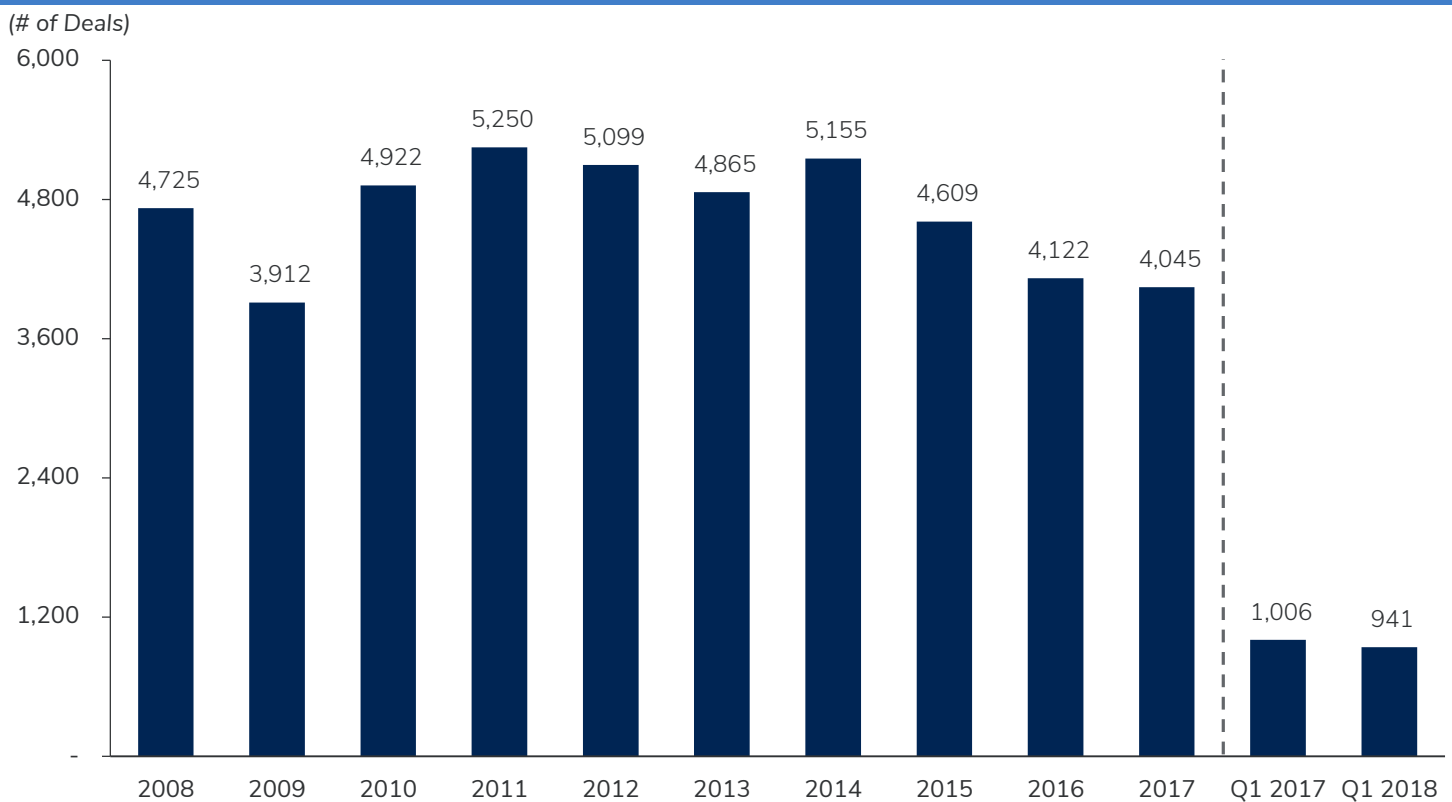
Market Update

Total U.S. M&A Activity



Source: Capital IQ

U.S. Middle-Market M&A Activity

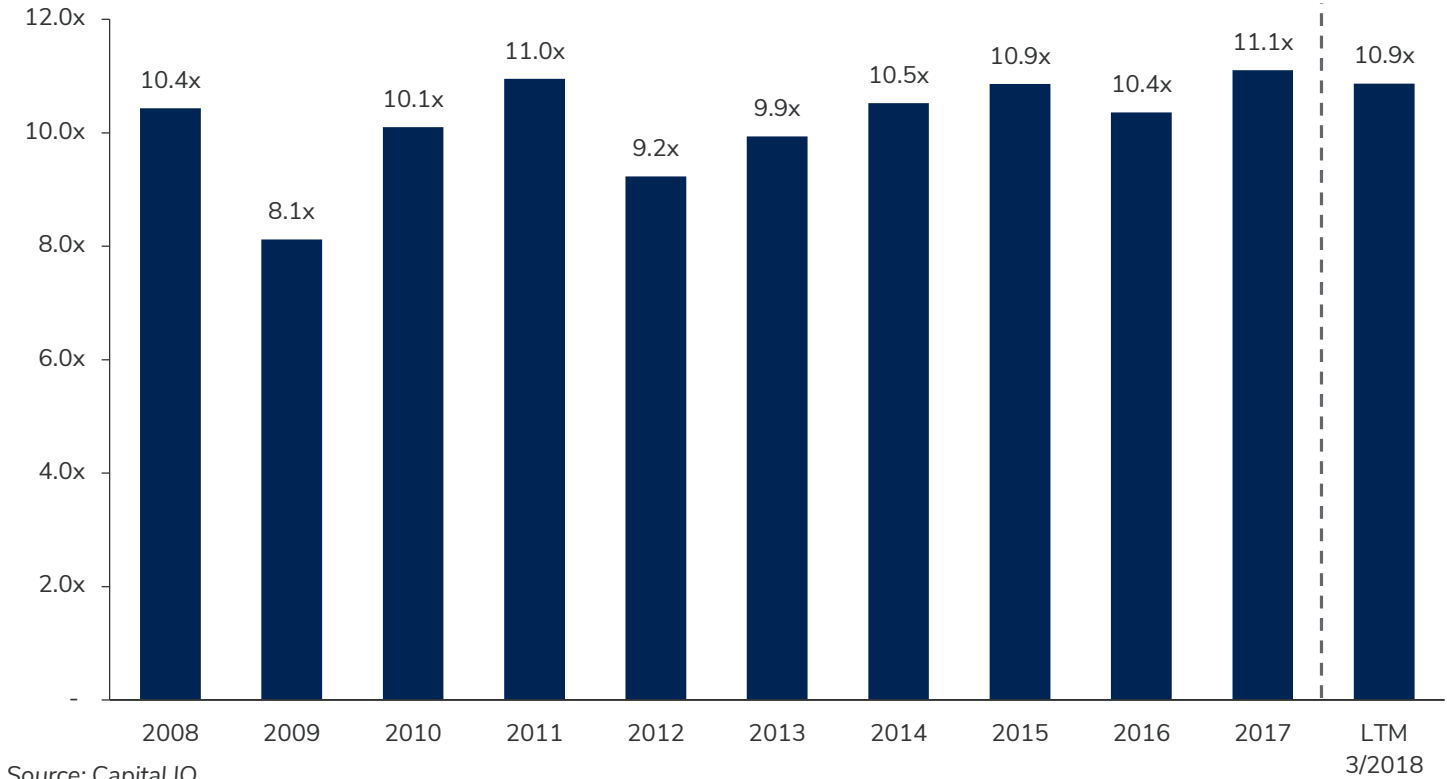


Source: Capital IQ

Market Update

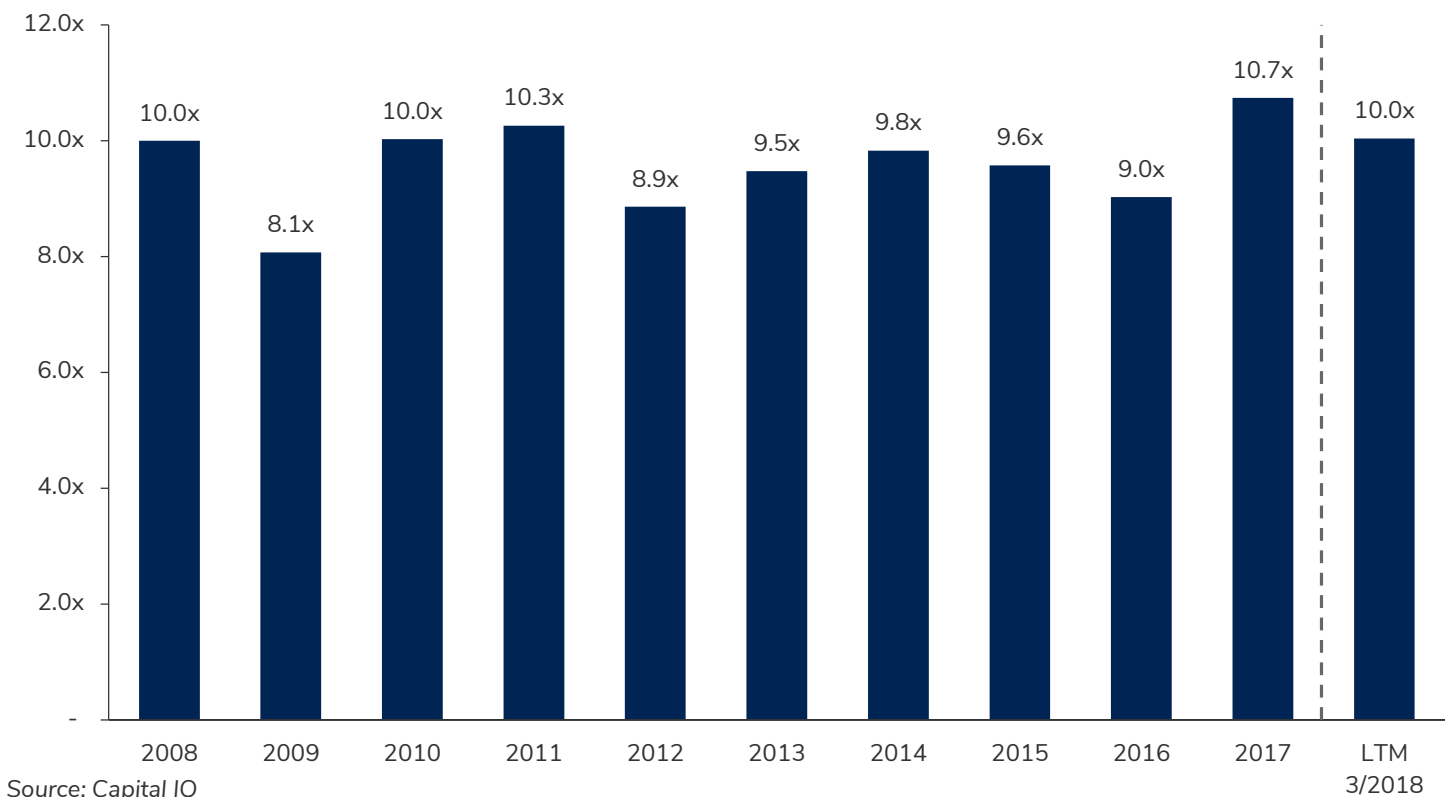
Median U.S. Deal Multiples

(TEV / EBITDA)



Median U.S. Middle-Market Deal Multiples

(TEV / EBITDA)



Bowstring Recent Transactions

winxnet
Complete Business Technology Solutions

STRATEGICALLY COMBINED WITH

Riverside

ASPIRION
HEALTH RESOURCES

ACQUIRED BY

AQUILINE
CAPITAL PARTNERS LLC

talent rover

ACQUIRED BY

Bullhorn

A PORTFOLIO COMPANY OF

INSIGHT
VENTURE PARTNERS

AEGIS
COMPLIANCE & ETHICS

STRATEGICALLY COMBINED WITH

ankura

MC SIGN
COMPANY

A PORTFOLIO COMPANY OF

Caltius
Equity Partners

RECAPITALIZED BY

ARCAPITA

Accretive
SOLUTIONS

ACQUIRED BY

RESOURCES
GLOBAL PROFESSIONALS

HOLLAND SQUARE GROUP
apply leverage. drive results.

ACQUIRED BY

ALKU
FROM START TO FINISH

A PORTFOLIO COMPANY OF

WestView
CAPITAL PARTNERS

dsg

RECAPITALIZED BY

STONE · GOFF PARTNERS

vaco
Free Yourself

A PORTFOLIO COMPANY OF

QUAD-C

RECAPITALIZED BY

OLYMPUS PARTNERS

AMERICA II ELECTRONICS
The power of distribution™

RECAPITALIZED BY

WYNNCHURCH | CAPITAL

Cirrus
MEDICAL STAFFING

ACQUIRED BY

Webster Capital

StaffMasters

ACQUIRED BY

HireDynamics
Great Jobs • Great People

A PORTFOLIO COMPANY OF

MSOUTH
EQUITY PARTNERS

datAvail

ACQUIRED

Accelatis
Powering IT. Empowering Business.

LANNICK

ACQUIRED BY

vaco
Free Yourself

A PORTFOLIO COMPANY OF

QUAD-C

EB
EverythingBenefits

RECEIVED GROWTH
EQUITY INVESTMENT FROM

arthur ventures

accountable
HEALTHCARE STAFFING

ACQUIRED BY

MITSUI & CO.

G E S
GWINNETT EMERGENCY SPECIALISTS, P.C.
A PARTNERSHIP OF EMERGENCY PHYSICIANS

ACQUIRED BY

Envision
HEALTHCARE

THE Intersect
GROUP

RECAPITALIZED BY

MSOUTH
EQUITY PARTNERS

aim
consulting
AN ADDISON-SUNBEL COMPANY

ACQUIRED BY

Addison Group

A PORTFOLIO COMPANY OF

ODYSSEY

zycron
Information Technology
Services & Solutions

ACQUIRED BY

BG STAFFING, INC.

datAvail

ACQUIRED

AdvancedEPM
CONSULTING

PharmaLogics Recruiting

RECAPITALIZED BY

Webster Capital

datAvail

ACQUIRED

navant

TRINITY
healthcare staffing group

ACQUIRED BY

TNAA
TRAVEL NURSE ACROSS AMERICA

A PORTFOLIO COMPANY OF

GRIDIRON
CAPITAL

MOT
TECHNICAL

ACQUIRED BY

V-SOFT
CONSULTING

Bowstring Deal Spotlights

winxnet
Complete Business Technology Solutions

STRATEGICALLY COMBINED WITH



July 2018



Bowstring Advisors served as the exclusive financial advisor to Winxnet and K&R Network Solutions who merged to form a coast-to-coast managed IT services company prior to entering into a strategic investment partnership with The Riverside Company.

“After a rigorous vetting process, we chose Bowstring due to their experience and proven track record with Managed Service Providers and the IT industry as a whole,” said Chris Claudio, Winxnet CEO. “The Bowstring team delivered as promised, demonstrating their industry prowess during all stages of the engagement, and we could not have been more pleased with the experience and outcome.”

This transaction was led by Tom Donahue, Managing Director at Bowstring Advisors, along with our IT & Professional Services team.

ASPIRION
HEALTH RESOURCES

ACQUIRED BY

AQUILINE
CAPITAL PARTNERS LLC

June 2018



Bowstring Advisors served as the exclusive financial advisor to Aspirion Health Resources, a complex claims revenue cycle management firm headquartered in Columbus, Georgia, in its acquisition by Aquiline Capital Partners, a New York-based private equity firm investing in financial services and technology.

“We are very grateful for the assistance and guidance provided by the Bowstring team in our search for the right partner,” said Lori Lipocky, Aspirion CEO. “Their relationships across the buyer landscape and their persistent, unbiased advice enabled us to find the best outcome for all of our constituents.”

This transaction was led by Ross DeDeyn, Managing Director at Bowstring Advisors, along with our Healthcare Services and IT & Professional Services teams.

talent rover

ACQUIRED BY



A PORTFOLIO COMPANY OF

INSIGHT
VENTURE PARTNERS

March 2018



Bowstring Advisors served as the exclusive financial advisor to Talent Rover, a fast-growing, leading provider of global recruitment software powered by the Salesforce platform with a number of global, marquee enterprise customers, in its acquisition by Bullhorn, the world’s leading provider of software to staffing and recruiting organizations, backed by Insight Venture Partners and Genstar Capital.

“We are very excited to join the Bullhorn family and look forward to contributing to their continued success,” said Kent Gray, co-founder and CEO of Talent Rover. “I believe the combination of our fast-growing software solution for the industry with the global scale and customer support of Bullhorn will produce amazing results for our investors and customers. The Bowstring team provided invaluable guidance and support as we considered a growth capital raise or strategic sale.”

This transaction was led by Scott Rhodes, Managing Director at Bowstring, along with our Software and Human Capital Management teams.



We are the next generation middle-market investment bank.

We combine sector intelligence with a client-focused approach to realize your company's true value.

Quick Facts

- 39 professionals across three offices in U.S. with headquarters in Atlanta
- 81 transactions closed since 2014
- Named U.S. Boutique Investment Bank of the Year by *The M&A Advisor*
- Nationwide coverage provides access to strategic buyers, financial sponsors and family offices

Service Offerings

Mergers & Acquisitions

Capital Raises

Financial & Strategic Advisory

Bowstring Core Coverage

Healthcare Services	Human Capital Management	Industrial Services	IT & Professional Services	Software
<ul style="list-style-type: none"> ▪ Provider Services ▪ Practice Management ▪ Pharma Services ▪ Alternate Site Care 	<ul style="list-style-type: none"> ▪ Staffing / Recruiting ▪ Education & Training ▪ HR Services ▪ BPO / Professional Services 	<ul style="list-style-type: none"> ▪ Facility ▪ Distribution / Supply Chain ▪ Environmental ▪ Infrastructure 	<ul style="list-style-type: none"> ▪ Consulting ▪ Solution Providers ▪ Managed Services ▪ Tech-Enabled Services 	<ul style="list-style-type: none"> ▪ Human Resources ▪ Marketing ▪ Product / Supply Chain Management ▪ Vertical SaaS ▪ Data & Analytics

Senior Leadership Team

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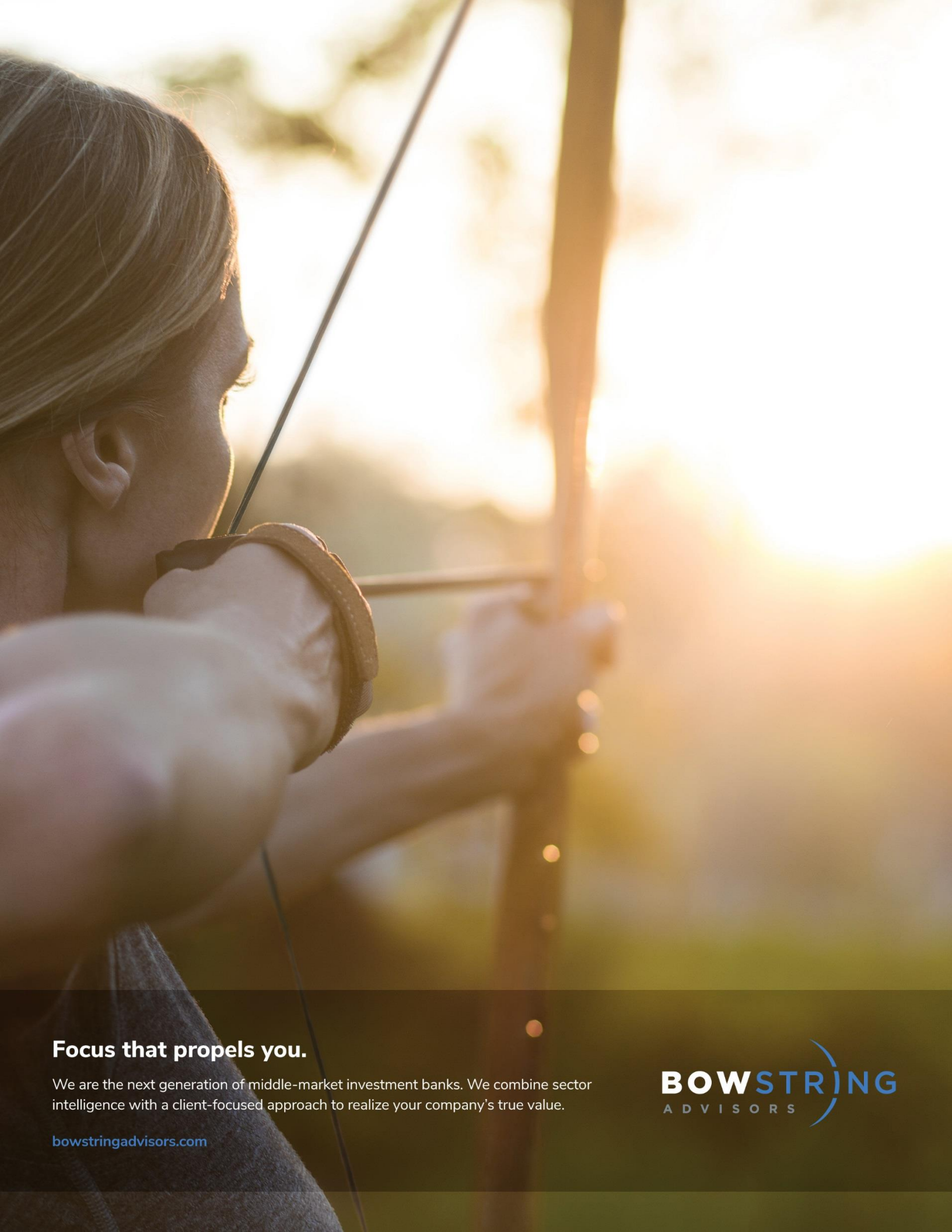
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ATLANTA

BOSTON

LOS ANGELES



Focus that propels you.

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bowstringadvisors.com

BOWSTRING
ADVISORS