

## Bowstring Advisors Update MARCH 2019

### The First Word

#### 2018 Wrap and 2019 Predictions for Middle-Market M&A

Despite the trade war and stock market volatility, 2018 was another strong year for middle-market mergers & acquisitions, with continued solid activity among PE buyers. Within the middle market, the lower middle market (from sub-\$100 million to \$500 million in Total Enterprise Value) remained the most active segment. This was due to a combination of new PE fund formation plus the increased willingness of larger PE funds to move down-market in search of higher returns. PE buyers also continue to be aggressive in seeking sub-\$100 million companies to add to established platforms.

The combination of strong buyer demand, limited seller supply, robust debt financing markets and good earnings performance has created a positive atmosphere for valuations that many have come to view as a “new normal” in the marketplace -- but which we believe is still subject to cyclicalities. One thing that we don't see slowing is the “off the charts” demand for growth businesses with a recurring revenue model.

We expect another strong M&A year in 2019, with signs of potential slowing into 2020. These positive factors are driving the markets:

- Continued untapped capital ...
- Strong earnings performance ...
- Aggressive interest in U.S. assets among foreign buyers ...
- Extraordinary 9-year run has allowed owners to achieve earnings targets and exit at a satisfactory value.

Possible warning signs:

- International economies could pull us down ...
- Lenders are becoming a little more cautious ...
- Loan rates are moving up ...
- Labor scarcity is driving costs up and depressing the ability to hire.

Given the current momentum, we think 2019 will continue to see solid M&A activity and valuations. But because of the warning signs and simply because of the historical economic cycles it is very difficult to feel as bullish about 2020. We will all have to wait and see on that one!

On March 1st Bowstring Advisors was acquired by Citizens Financial Group, Inc. – one of the nation's oldest and largest financial institutions. We are now operating as a division of Citizens Capital Markets. The acquisition will enable us to provide a broader set of solutions to our clients, and allow us to leverage additional senior talent, capacity and scale. See the next page for the official February 19<sup>th</sup> announcement.

In meeting with Citizens, what impressed us the most and instilled confidence was our mutual dedication to understanding and serving our clients' needs. It's a cultural cornerstone of both firms and will continue to be at the core of everything we do. Rest assured we are committed to putting clients first and look forward to an even brighter future together.



Jim Childs  
Managing Partner & CEO  
Bowstring Advisors, a division of Citizens Capital Markets

## Citizens Financial Group Further Expands M&A Advisory Team with Bowstring Advisors Acquisition

*Transaction strengthens coverage with additional sector expertise to serve growing client need*

PROVIDENCE, RI (February 19, 2019) – Citizens Financial Group, Inc. (“Citizens”) [NYSE: CFG] today announced a definitive agreement to purchase certain assets of Bowstring Advisors (“Bowstring,” formerly CHILDS Advisory Partners), an Atlanta-based merger and acquisition advisory firm that delivers a range of financial services to commercial and industrial clients nationwide. This transaction, which follows several other recent additions of key industry talent, products and solutions, further strengthens Citizens’ advisory capabilities.

“Clients view Citizens as a trusted partner committed to delivering complete solution sets, quality execution and excellent service throughout their business life cycle,” said Donald McCree, vice chairman and head of Commercial Banking. “We continue to move decisively to broaden our capabilities. The addition of the highly regarded Bowstring team more than doubles our M&A advisory business with deep knowledge in key industry sectors such as healthcare, technology and business services, while strengthening our coverage nationally and further enhancing our ability to deliver for our clients.”

“We share Citizens’ ambition to build robust advisory capabilities, as well as their commitment to exceptional client solutions. We look forward to delivering Citizens’ broad set of capital markets capabilities to our growing client base,” said Bowstring CEO Jim Childs, who founded the firm in 2009.

Bowstring will become part of Citizens Capital Markets, Inc., complementing Western Reserve Partners, which significantly increased the bank’s M&A capabilities when it was acquired in 2017. The addition of the Bowstring team will further accelerate the build out of Citizens’ M&A and financial advisory capabilities. Citizens’ recently released eighth annual [Middle Market M&A Outlook](#) noted a strong appetite among mid-sized companies for growth through M&A. This transaction further strengthens Citizens’ growing presence in the Southeast and nationally.

The transaction, which is expected to close in the first half of 2019, subject to Bowstring receiving FINRA approval, will be funded with cash. Under the terms of the agreement, Citizens’ wholly-owned subsidiary, Citizens Capital Markets, Inc. (“CCMI”), will purchase certain assets of Bowstring and upon closing, Bowstring will operate as a division of CCMI. Terms of the transaction were not disclosed.

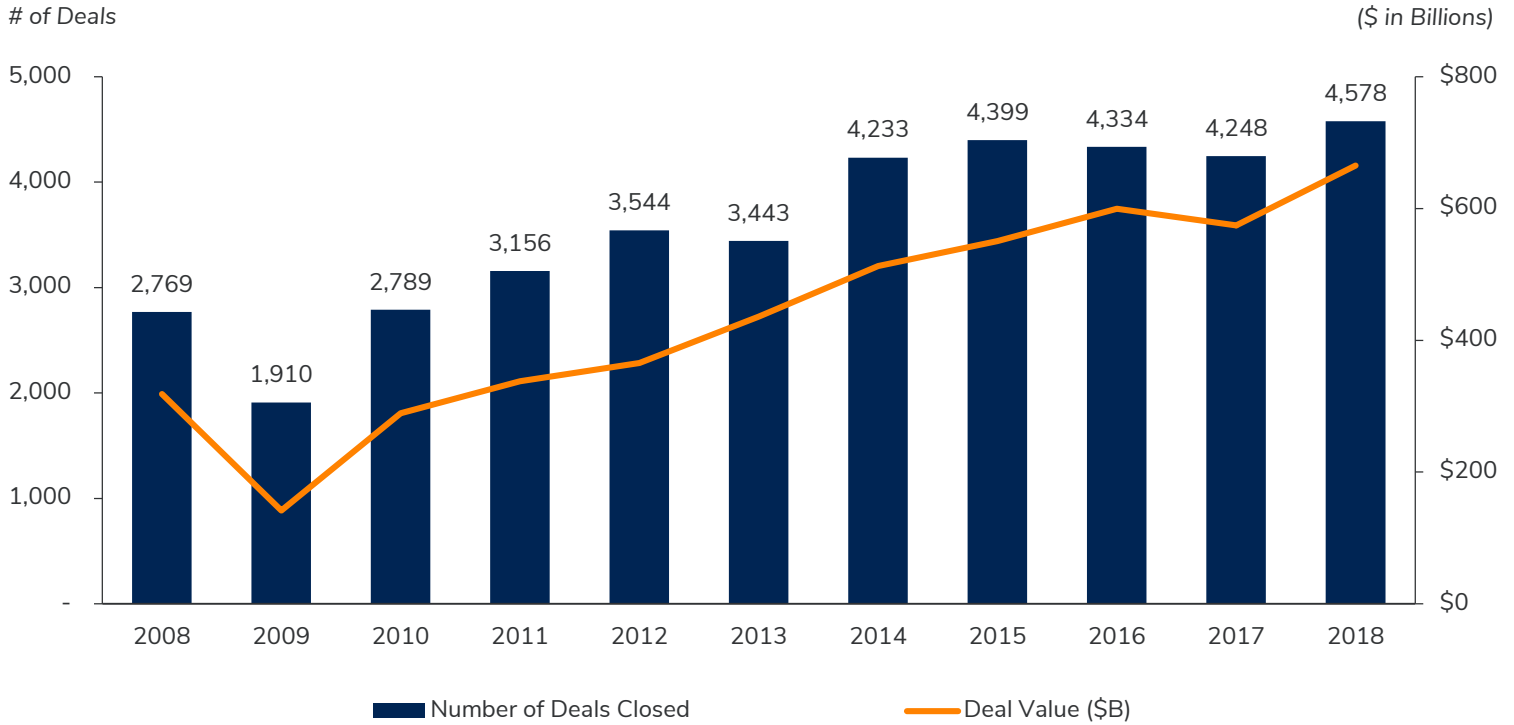
Debevoise & Plimpton LLP acted as legal advisor to Citizens. Morris Manning & Martin, LLP acted as legal advisor to Bowstring on the transaction.

For more information about Citizens, visit the Citizens Commercial Banking website at [www.citizensbank.com/commercial](http://www.citizensbank.com/commercial).

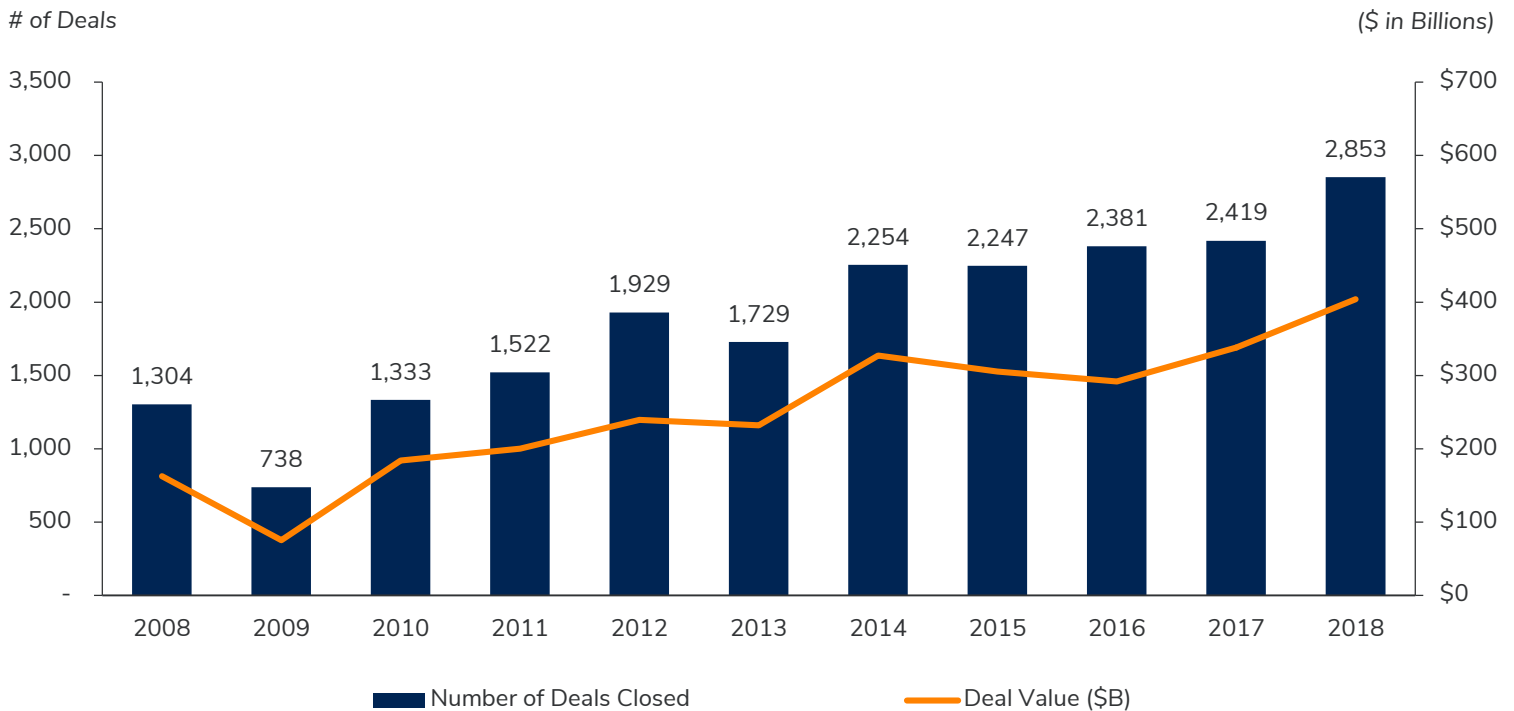


# Market Update

## Total U.S. Private Equity Activity



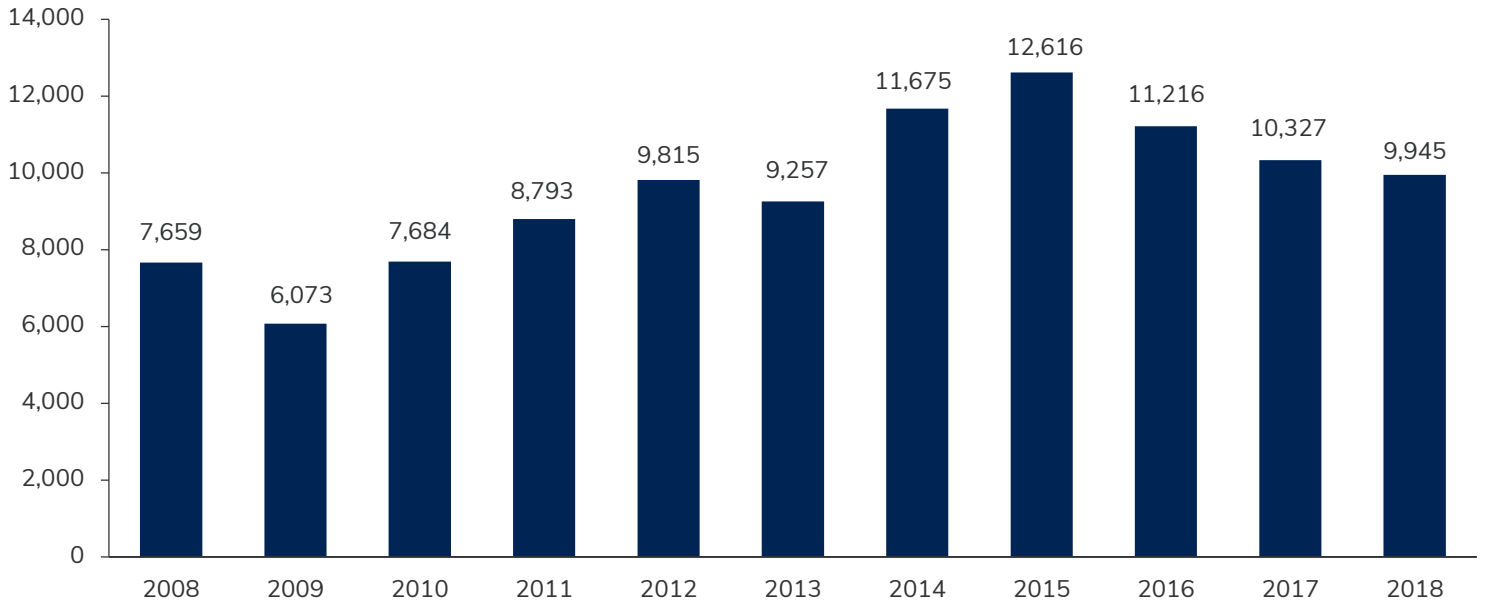
## U.S. Middle-Market Private Equity Activity



## Market Update

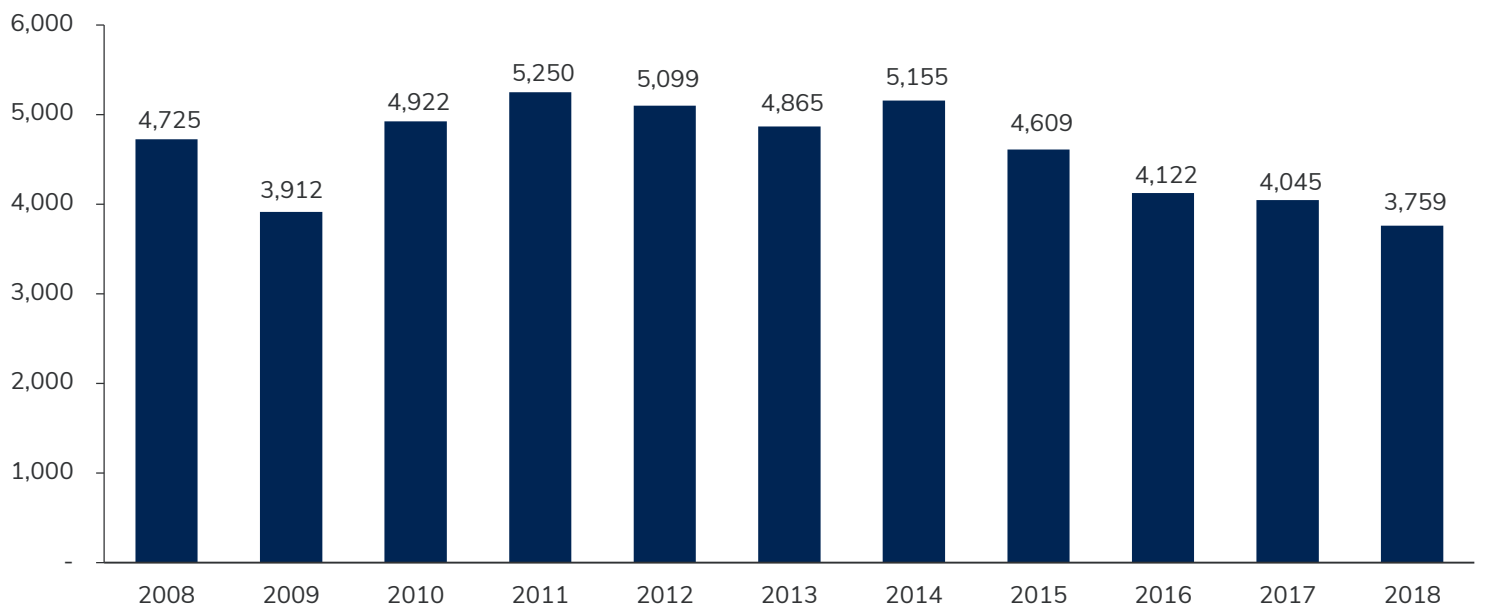
### Total U.S. M&A Activity

# of Deals



### U.S. Middle-Market M&A Activity

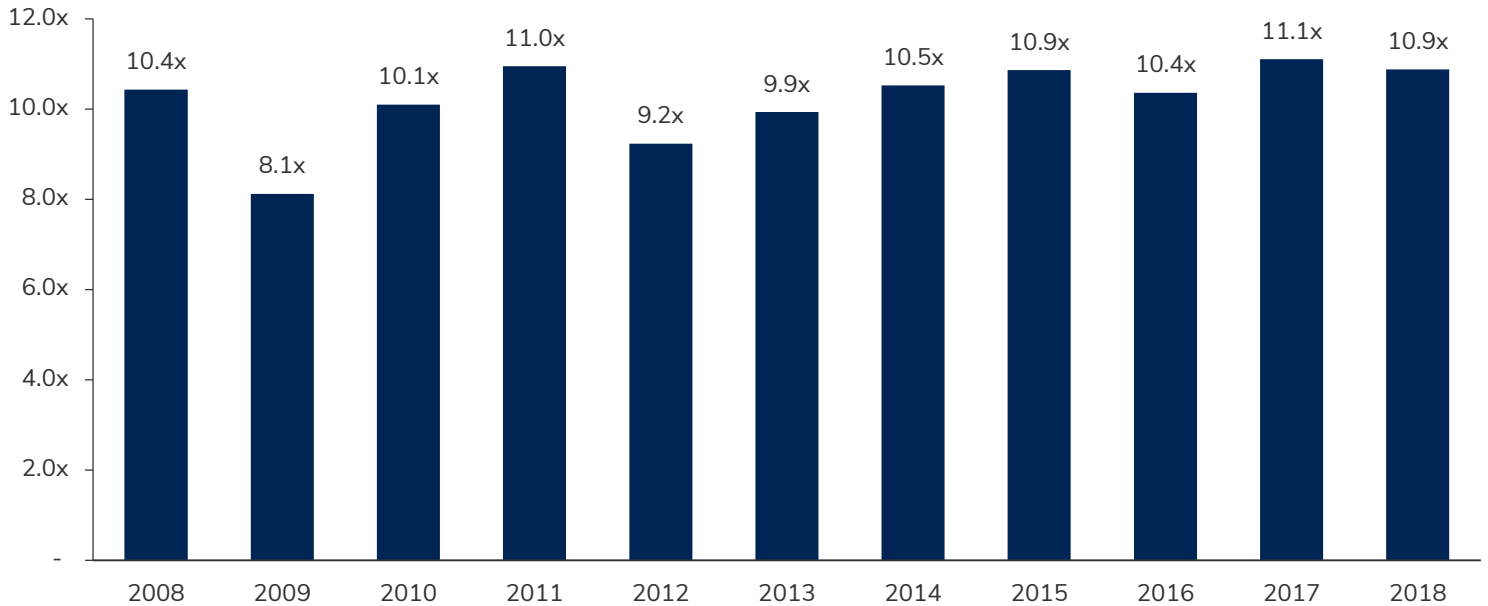
# of Deals



## Market Update

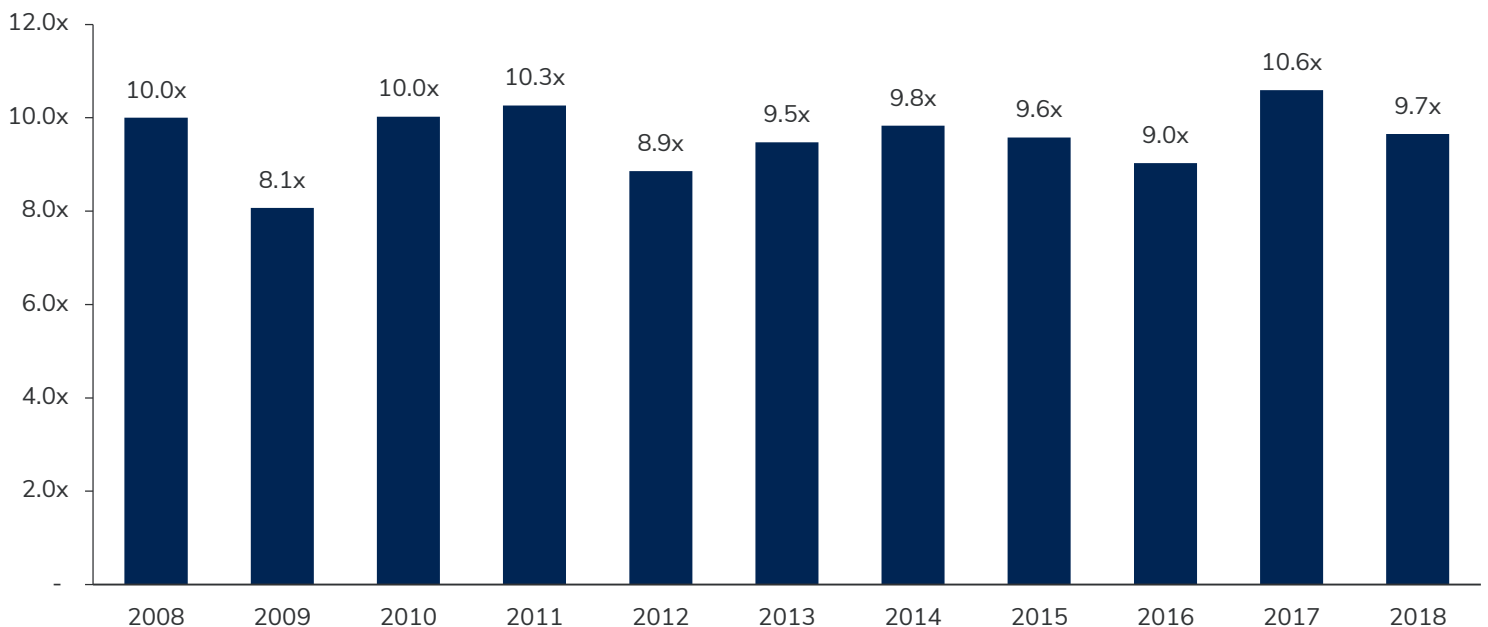
### Median U.S. Deal Multiples

TEV / EBITDA



### Median U.S. Middle-Market Deal Multiples

TEV / EBITDA



# Bowstring Recent Transactions

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Advancing the way the world connects with talent.

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**H I L G** & **PRUDENTIAL**  
CAPITAL CAPITAL GROUP

ACQUIRED BY

**MANAGEMENT**

**acendre**  
people | development | performance

RECAPITALIZED BY

**STRATTAM**  
CAPITAL

**MDI** GROUP IT WORKFORCE SOLUTIONS  
FOR WHAT'S NEXT

ACQUIRED BY

**MOTION**  
RECRUITMENT

A PORTFOLIO COMPANY OF

**LITTLEJOHN & CO.**

**MONDO**

A PORTFOLIO COMPANY OF

RIORDAN, LEWIS & HADEN | Equity Partners

ACQUIRED BY

Addison Group

A PORTFOLIO COMPANY OF

**ODYSSEY**

**AQ** AutoQuotes

RECAPITALIZED BY

**Luminate**  
CAPITAL PARTNERS

**NORTH AMERICAN**  
ROOFING  
Most Trained. Most Reputable.

RECAPITALIZED BY

**SILVER OAK**  
SERVICES PARTNERS

**HAYES**

RECEIVED A GROWTH  
EQUITY INVESTMENT FROM

**PRIMUS**

**compas**

ACQUIRED BY

**AVIONTE**

A PORTFOLIO COMPANY OF

**Serent**  
CAPITAL

**GUARDIAN**  
HEALTHCARE PROVIDERS

ACQUIRED BY

**EPIC HEALTHCARE**  
STAFFING

A PORTFOLIO COMPANY OF

**Webster | Capital**

**nmpi**

ACQUIRED BY

**nmpi**

**3DRESULTS**

ACQUIRED BY

**RIZING**

A PORTFOLIO COMPANY OF

**One Equity Partners**

**winxnet**  
Complete Business Technology Solutions

RECEIVED AN INVESTMENT FROM

**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  
Help. Always. Done Right.

ACQUIRED BY

**ALKU**  
FROM START TO FINISH

A PORTFOLIO COMPANY OF

**WEST VIEW**  
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 I.T. Empowering Business.

**LANNICK**

ACQUIRED BY

**vaco**  
Free Yourself

A PORTFOLIO COMPANY OF

**QUAD-C**

## Bowstring Deal Spotlights



RECAPITALIZED BY



November 2018



Bowstring Advisors, a division of Citizens Capital Markets, served as the exclusive financial advisor to AutoQuotes, the leading technology company for the foodservice equipment and supplies industry, on its majority recapitalization with Luminate Capital Partners.

Kate Schimdt, Chair of the Board of Directors of AutoQuotes, commented, “Bowstring’s detailed approach to working with us and our team was highlighted during every part of the transaction. The team went to great lengths to understand us, our company, our product and our value proposition; they also made sure it was continuously reinforced. Bowstring’s unwavering support gave us the confidence they would successfully market our company, and it’s fair to say they exceeded our expectations. Bowstring made an intimidating process seem simple and we are grateful for their involvement every step of the way.”

This transaction was led by Scott Rhodes, Managing Director at Bowstring and head of the Software practice, leveraging our expertise in Software and Industrial Services.



RECAPITALIZED BY



November 2018



Bowstring Advisors, a division of Citizens Capital Markets, served as the exclusive financial advisor to North American Roofing Services, a leading commercial reroofing and maintenance services company, on its recapitalization with Silver Oak Services Partners.

Kelly Wade, CEO of North American Roofing Services, commented, “The Bowstring team worked tirelessly to guide us through the sale process. The team was comprised of individually unique skill sets, together providing the perfect guidance. They were smart, unbelievably responsive, always brought relevant experience to each situation and had an empathetic understanding of the amount of work challenging myself and my team during the process. Their deep facility services expertise and team approach ultimately ensured the best outcome for our shareholders. We are extremely excited to partner with Silver Oak and I look forward to working with Bowstring again.”

This transaction was led by Jason Wallace, Managing Director at Bowstring and head of Business Services, along with our Industrial Services team.



RECEIVED A GROWTH  
EQUITY INVESTMENT FROM



September 2018




Bowstring Advisors, a division of Citizens Capital Markets, served as the exclusive financial advisor to Hayes, the leading provider of compliance and revenue integrity technology solutions and services for the nation’s premier healthcare organizations, in its growth investment from Primus Capital.

Hayes’ CEO, Peter Butler, commented, “We were extremely pleased by the professionalism and expert guidance we received from the entire Bowstring team. They worked as true partners throughout the entire process and helped ensure we were organized and well prepared for each step along the way.”


This transaction was led by Tom Donahue, Managing Director at Bowstring and head of Technology, leveraging our expertise in Healthcare, IT & Professional Services and Software.

## Bowstring Deal Spotlights




**A PORTFOLIO COMPANY OF**  
RIORDAN, LEWIS & HADEN | Equity Partners

**ACQUIRED BY**




Addison Group

**A PORTFOLIO COMPANY OF**



Odyssey Investment Partners

December 2018



**BOWSTRING**  
ADVISORS  
A DIVISION OF CITIZENS CAPITAL MARKETS

Bowstring Advisors, a division of Citizens Capital Markets, served as the exclusive financial advisor to Mondo, a New York City-based professional staffing firm specializing in information technology and digital marketing, in its acquisition by Addison Group, a leading professional services firm held by Odyssey Investment Partners. Mondo was previously held by the Los Angeles-based private equity group Riordan, Lewis & Haden.

Chris Lewis, Co-Founder of RLH, commented, “We selected Bowstring Advisors for their industry-specific expertise and deep knowledge of the competitive landscape. That sector focus combined with Bowstring’s responsiveness and leadership in the negotiation process led to a successful outcome for management, Mondo’s founder and RLH.”

This transaction was led by Alan Bugler, Managing Director at Bowstring, leveraging our expertise in Human Capital Management and IT & Professional Services.



**GUARDIAN**  
HEALTHCARE PROVIDERS

**ACQUIRED BY**

**EPIC HEALTHCARE STAFFING**

**A PORTFOLIO COMPANY OF**

Webster | Capital

September 2018



**BOWSTRING**  
ADVISORS  
A DIVISION OF CITIZENS CAPITAL MARKETS

Bowstring Advisors, a division of Citizens Capital Markets, served as the exclusive financial advisor to Guardian Healthcare Providers, a specialized healthcare staffing company, on its sale to Epic Healthcare Staffing, a portfolio company of Webster Capital.

Joe Owen, CEO of Guardian, commented, “Attention to detail and responsiveness are hallmarks of Guardian’s service commitment. Bowstring Advisors’ team delivered in both respects. They positioned us perfectly within the crowded healthcare staffing landscape and tailored the process to identify the best partner.”

This transaction was led by Ryan Sugrue, Director at Bowstring, leveraging our expertise in Healthcare and Human Capital Management.



**IT WORKFORCE SOLUTIONS**  
**FOR WHAT'S NEXT**

**ACQUIRED BY**

**MOTION RECRUITMENT**

**A PORTFOLIO COMPANY OF**

LITTLEJOHN & CO.

December 2018



**BOWSTRING**  
ADVISORS  
A DIVISION OF CITIZENS CAPITAL MARKETS

Bowstring Advisors, a division of Citizens Capital Markets, served as the exclusive financial advisor to MDI Group, a leading provider of IT staffing and contingent workforce solutions, on its sale to Motion Recruitment Partners, a portfolio company of Littlejohn & Co.

Ella Kosciak, Chairperson & Owner of MDI Group, commented, “Bowstring’s knowledge of the marketplace and their understanding of all aspects of the transaction are unparalleled. Bowstring’s team took the time to understand our company and vision, which was very important to a successful engagement.”

This transaction was led by Steve Dyott, Director at Bowstring, leveraging our expertise in Human Capital Management and IT & Professional Services.





A DIVISION OF CITIZENS CAPITAL MARKETS

## 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

- 29 professionals across three offices in U.S. with headquarters in Atlanta
- 90+ 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	Human Capital Management	Industrial Services	IT & Professional Services	Software
<ul style="list-style-type: none"> <li>Revenue Cycle Management</li> <li>Provider Services &amp; Technology</li> <li>Payer Services &amp; Technology</li> <li>IT Services</li> </ul>	<ul style="list-style-type: none"> <li>Staffing / Recruiting</li> <li>Education &amp; Training</li> <li>HR Services</li> <li>BPO / Professional Services</li> </ul>	<ul style="list-style-type: none"> <li>Facility</li> <li>Distribution / Supply Chain</li> <li>Environmental</li> <li>Infrastructure</li> </ul>	<ul style="list-style-type: none"> <li>Consulting</li> <li>Solution Providers</li> <li>Managed Services</li> <li>Tech-Enabled Services</li> </ul>	<ul style="list-style-type: none"> <li>Human Resources</li> <li>Marketing</li> <li>Product / Supply Chain Management</li> <li>Vertical SaaS</li> <li>Data &amp; Analytics</li> </ul>

### Senior Leadership Team

<p><b>Jim Childs</b> Managing Partner &amp; CEO</p> <p>404.461.4602 jchilds@bowstringadvisors.com</p>	<p><b>Alan Bugler</b> Managing Director</p> <p>404.461.4604 abugler@bowstringadvisors.com</p>	<p><b>Tom Donahue</b> Managing Director</p> <p>617.663.5508 tdonahue@bowstringadvisors.com</p>	<p><b>Don Holbrook</b> Managing Director</p> <p>949.596.9112 dholbrook@bowstringadvisors.com</p>
<p><b>Cooper Mills</b> Managing Director</p> <p>404.461.4603 cmills@bowstringadvisors.com</p>	<p><b>Dave Phillips</b> Managing Director</p> <p>904.292.9305 dphillips@bowstringadvisors.com</p>	<p><b>Scott Rhodes</b> Managing Director</p> <p>404.461.4621 srhodes@bowstringadvisors.com</p>	<p><b>Jason Wallace</b> Managing Director</p> <p>404.461.4620 jwallace@bowstringadvisors.com</p>
<p><b>Justin Bentley</b> Director</p> <p>404.461.4648 jbentley@bowstringadvisors.com</p>	<p><b>Steve Carr</b> Director</p> <p>404.461.4613 scarr@bowstringadvisors.com</p>	<p><b>Steve Dyott</b> Director</p> <p>404.461.4614 sdyott@bowstringadvisors.com</p>	
	<p><b>David Morse</b> Director</p> <p>404.461.4645 dmorse@bowstringadvisors.com</p>	<p><b>Ryan Sugrue</b> Director</p> <p>404.461.4619 rsugrue@bowstringadvisors.com</p>	

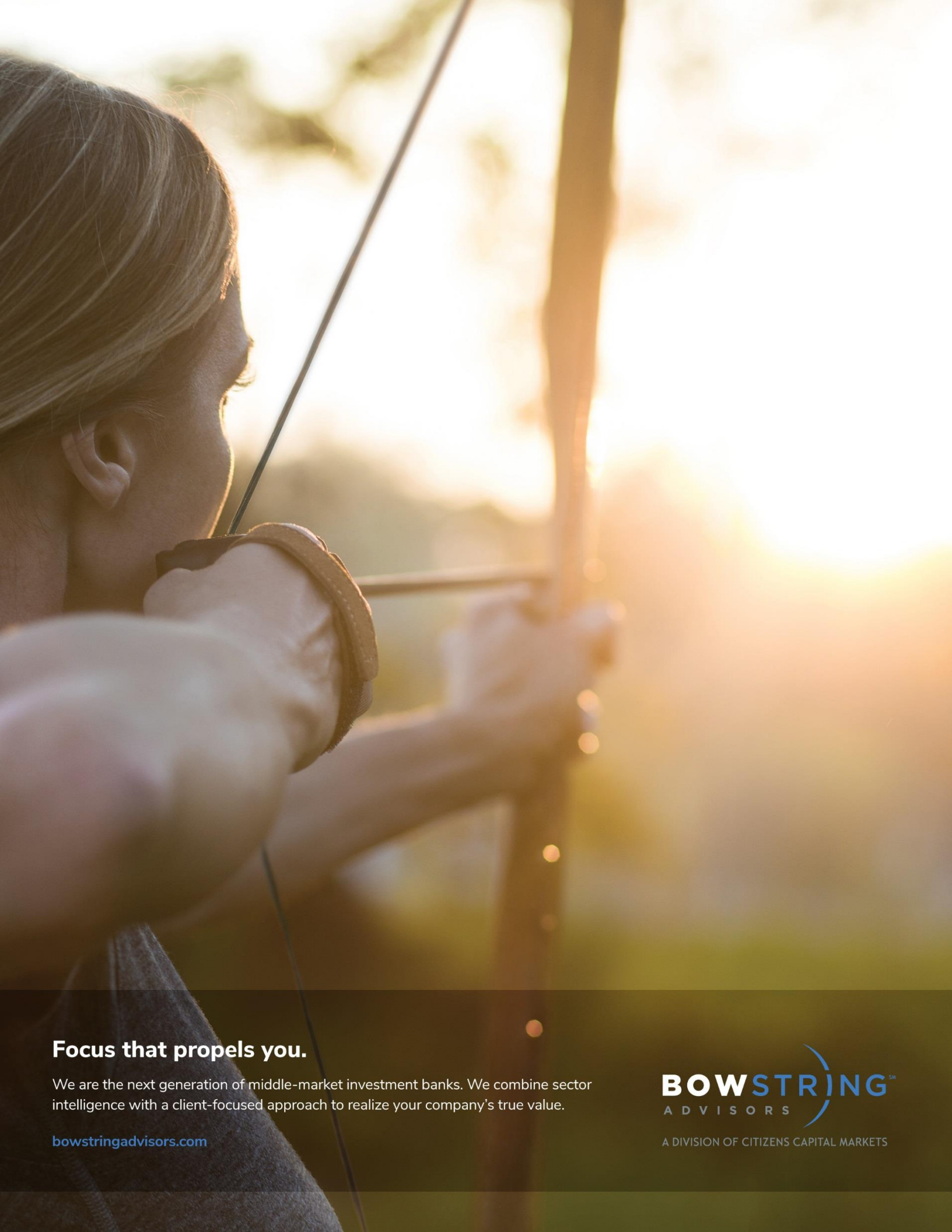
📍 ATLANTA

📍 BOSTON

📍 LOS ANGELES

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**Focus that propels you.**

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**BOWSTRING**<sup>SM</sup>  
ADVISORS

A DIVISION OF CITIZENS CAPITAL MARKETS