

REVENUE VISIBILITY UNDERPINS BUYER APPETITE FOR GOVERNMENT IT MARKET BUSINESSES

GOVERNMENT INFORMATION TECHNOLOGY SERVICES SECTOR UPDATE | FEBRUARY 2024



**CAPSTONE
PARTNERS**

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Capstone Partners, a subsidiary of Huntington Bancshares Incorporated (NASDAQ:HBAN), has been a trusted advisor to leading middle market companies for over 20 years, offering a fully integrated range of expert investment banking and financial advisory services uniquely tailored to help owners, investors, and creditors through each stage of the company's lifecycle.

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Government IT Services

Revenue Visibility Underpins Buyer Appetite for Government IT Market Businesses

KEY SECTOR TAKEAWAYS

Capstone Partners' Aerospace, Defense, Government, & Security (ADGS) Group is pleased to share its Government Information Technology (IT) Services report. Bipartisan congressional support for government IT modernization initiatives has bolstered the non-cyclical nature of the space. Despite a regression in sector merger and acquisition (M&A) volume in 2023, healthy government contract flow for prime contractors has offered favorable projections for transaction activity in 2024.

1. M&A activity in the Government IT Services sector declined 18.8% year-over-year (YOY) in 2023 with 91 transactions announced or completed, compared to 112 in 2022.
2. Although the sector's M&A environment slowed in 2023, the average enterprise value paid for businesses in the space outpaced the prior year.
3. Increasing government contract values for IT services has provided middle market businesses with a plethora of subcontracting opportunities.
4. IT and systems modernization projects across the government have continued to drive healthy demand forecasts and contract backlogs for leading public companies.
5. Well positioned middle market companies offering innovative solutions to age old challenges, many propelled by agile, customized software automation, continue to garner significant interest and valuation premiums.
6. Firms with unique specialization in higher growth segments such as IT Modernization, Cloud Computing, Digitalization, Data Analytics, Intelligence, and Special Operations, remain attractive.
7. Quality advances in technology are enabling improved interactions between government agencies and their customers and offer real enhancements to civic engagement.

Capstone Partners has developed a full suite of corporate finance solutions, including, financial advisory services, merger and acquisition advisory, debt advisory, and equity capital financing to help privately owned businesses and private equity firms navigate through each stage of a company's lifecycle.

To learn more about Capstone's wide range of advisory services and Government Information Technology Services sector knowledge, please [contact us](#).

TECHNOLOGY MODERNIZATION FUELS HEALTHY CONTRACT OUTLOOK

Systems modernization has continued to be a leading driver of growth in the Government IT Services sector. Bipartisan support in the federal government has helped to keep funding for modernization contracts at elevated levels, highlighted by the introduction of the Modernizing Government Technology (MGT) Reform Act of 2023 by representatives Nancy Mace (R-South Carolina) and Gerry Connolly (D-Virginia). The MGT 2023 bill aims to reform and reauthorize the Technology Modernization Fund (TMF), a revolving funding mechanism that allocates critical resources to federal agencies for cybersecurity, data protection, and IT system modernization projects. The reformation of the TMF would create a sustainable investment vehicle outside of the annual appropriations cycle, allowing federal agencies to work with private sector players to plan upgrades for legacy IT systems, according to a press release.¹ Continued bipartisan support in Congress for technology modernization initiatives will likely support sustained growth for sector players in 2024.

In addition to IT modernization, appetite for broader sector services has remained robust. Book-to-bill ratios among leading public companies in the sector have indicated strong multi-year contract flow and healthy demand from government customers. Booz Allen Hamilton (NYSE:BAH) recorded a 2.4x book-to-bill ratio in its fiscal year Q2 2024, the highest in its last 12 quarters, bringing the company’s trailing-twelve-months (TTM) book-to-bill ratio to 1.3x, according to an investor presentation.² ICF International (Nasdaq:ICFI) recorded similarly strong bookings, with a book-to-bill ratio of 1.7x in Q3 2023, and a TTM ratio of 1.3x, according to an earnings call.³

Leading market participants have tailored their capabilities towards the most in-demand government services such as IT network modernization, cybersecurity, software development, and intelligence. CACI International’s (NYSE:CACI) most recent high-value contract awards have centered around the company’s systems modernization and software development capabilities. This includes an eight-year \$1.3 billion contract to modernize the IT system of an Intelligence Community customer and a five-year \$917 million software development contract with the U.S. Air Force, according to its fiscal year Q1 2024 earnings release.⁴ Additionally, Leidos (NYSE:LDOS) was awarded the ten-year \$7.9 billion Common Hardware Systems 6th Generation (CHS-6) contract in September 2023, providing cybersecurity risk and IT hardware management for the U.S. Army, according to a press release.⁵ The proliferation of highly lucrative, multi-year contracts has provided revenue visibility not only for prime contractors, but also for middle market businesses in the space. U.S. government contracts for large-scale software design and development, and network modernization have typically provided outsourced opportunities for middle market players who can supplement the solution set of the prime contractor. Businesses who are able to service these kinds of subcontracting opportunities at scale may draw increased M&A interest from both strategic and financial buyers.



Key Performance Indicators Highlight Persistent Demand

Company	Backlog	Book-to-Bill Ratios
Booz Allen Hamilton (NYSE:BAH)	\$35.0 Billion (+10.1% YOY)	TTM: 1.3x FYQ2 '24: 2.4x
CACI International (NYSE:CACI)	\$26.7 Billion (+7% YOY)	TTM: 1.4x FYQ1 '24: 1.7x
ICF International (Nasdaq:ICFI)	\$3.8 Billion (+2.7% YOY)	TTM: 1.3x Q3 '23: 1.7x
Leidos Holdings (NYSE:LDOS)	\$38 Billion (+8.6% YOY)	TTM: 1.2x Q3 '23: 2.0x
SAIC (NYSE:SAIC)	\$23.0 Billion (-2.9% YOY)	TTM: 1.0x FYQ3 '24: 1.3x

TTM = trailing-twelve-months
Source: Investor Presentations, 10-Qs, and Capstone Partners

SECTOR M&A SLOWS, BUYERS PRIORITIZE PREDICTABILITY

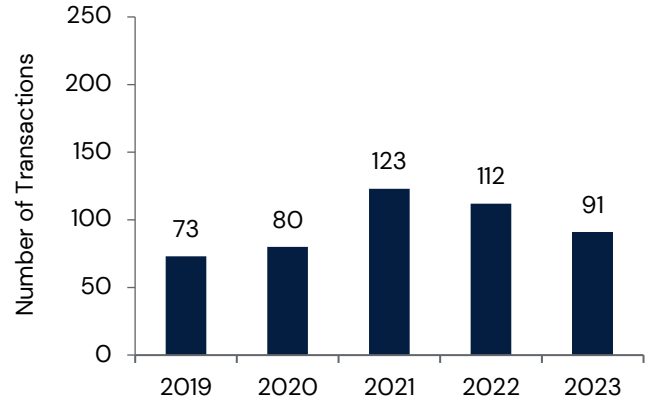
M&A volume in the Government IT Services sector cooled in 2023, falling 18.8% YOY to 91 transactions announced or completed. Broader M&A trends in 2023 were not favorable compared to previous years, as total volume in the M&A market declined 24.1% YOY in 2023. High borrowing costs and a tepid exit environment helped slow transaction volume. Amid the drop in M&A appetite in 2023, the Government IT Services sector managed to exceed pre-pandemic and broader market levels.

Businesses with high revenue visibility were frequently targeted during 2023, as an opaque macroeconomic environment forced buyers to prioritize targets with consistent financial performance. In the Government IT Services space, a proven contract waterfall remained a key criteria for buyers while evaluating acquisitions. The flight to quality resulted in robust valuations for M&A in the sector, with the average enterprise value for deals in the space reaching \$957.5 million in 2023, a 10.4% YOY increase.

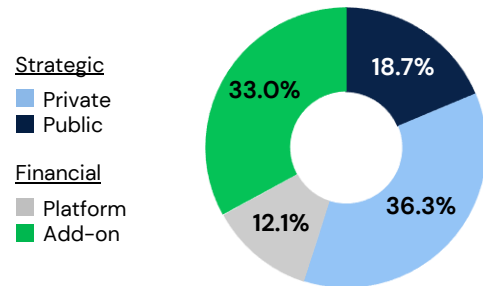
A costly debt environment placed significant pressure on leveraged buyouts, forcing sponsors to prioritize add-on acquisitions (36.3% of total transactions) over new platform deals. Sponsors who completed platform deals (12.1%) in 2023 largely used the transaction’s proceeds and the financial profile of the target to execute buy-and-build strategies. Notably, NewSpring Capital acquired Bridge Core, technical solutions provider to the Intelligence Community, in July 2023 for an undisclosed sum. Bridge Core used the proceeds from the transaction to pursue an aggressive M&A strategy throughout 2023, according to a press release.⁶ This included the acquisition of GeoYeti (September 2023, undisclosed), a data science provider to the Intelligence Community and Department of Defense (DOD), and teKnoluxion (October 2023, undisclosed) which offers cloud services and IT consulting to the Intelligence Community. Among the main subsegments of the Government IT Services sector, financial buyers were highly acquisitive in the Intelligence vertical, accounting for the majority (58.8%) of transactions in the segment.

The non-cyclical nature of the Government Services space has supported the sector’s continued outperformance compared to the broader M&A market, which is expected to gain positive momentum in 2024.

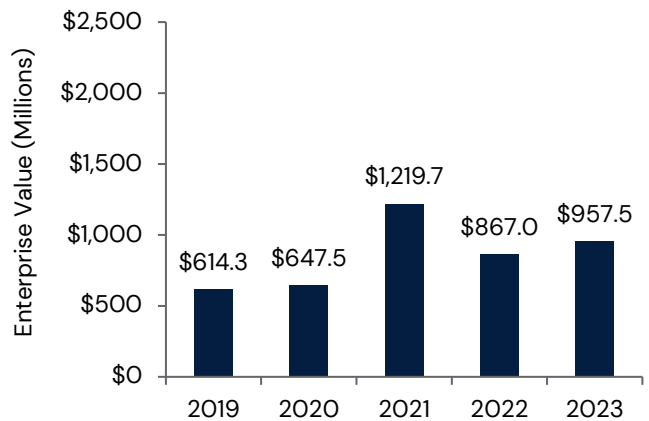
Sector M&A Softens Amid Broader Market Decline in 2023



Private Strategics and Sponsor-Backed Buyers Lead Transaction Activity



Average Enterprise Value Remains Robust, Highlighting Buyers’ Emphasis on Quality



Source: Capital IQ, FactSet, PitchBook, and Capstone Partners



CLIENT Q&A WITH OPS CONSULTING



Greg Foley, Founder & CEO of OPS Consulting

Following the Capstone–advised sale of [OPS Consulting](#) to [The Swift Group](#) in July 2023, Capstone Partners interviewed Greg Foley, Founder and Chief Executive Officer at OPS, to discuss the acquisition, the company’s history, and trends in the Government IT Services sector.

Greg has more than 20 years of experience in the engineering field and as an entrepreneur. Prior to establishing OPS Consulting, he worked for 10 years at Lockheed Martin Missiles and Space. After leaving Lockheed Martin, Greg founded Coastal Research Technology where he held the Senior Engineer position until 1999, when he left to found OPS. Greg has a deep understanding of the Government IT Services sector, founding two successful companies in the space. He received his B.S. from the University of Maryland, Baltimore County, and a Master of Computer Science from Johns Hopkins.

What is OPS Consulting’s history and how has OPS differentiated itself in a competitive market? OPS, established in 1999, is dedicated to delivering top-notch engineering and analytic services to the Intelligence Community. With a remarkable history of growth, the company has experienced tremendous success in securing prime contract opportunities over the past 10 years. Although numerous contractor companies offer similar services, OPS sets itself apart through its unwavering commitment to fostering a strong company culture. We firmly believe that to be a part of the best company you’ve ever worked for, you must join us in the arena and actively contribute to building this exceptional organization—it requires dedication and effort. This philosophy of seeking like-minded individuals is the key differentiator that makes OPS unique.

What key trends are you seeing within Government IT, and in the Intelligence segment in particular? How do they impact your business strategy and M&A discussions? Currently, we are witnessing a consolidation of contracting opportunities, meaning there are fewer chances available but they come with significantly higher values. This trend is likely to persist as the government faces challenges in making timely procurements. It seems that the Government has opted for a strategy of issuing fewer but larger RFPs [Requests for Proposals]. As an example, in the past year, we have observed small business set-aside RFPs with values surpassing \$500 million despite the NAICS codes

requiring less than \$30 million in annual revenue. Securing a contract of this magnitude represents a substantial achievement and demands a considerable effort, considering it could exceed the annual value of the existing company. OPS itself managed to win a \$300 million contract as a small-business set aside, with 100 FTEs [Full Time Equivalents] at the time of the award, despite the contract requiring 122 FTEs—effectively doubling OPS’ size almost overnight.

The consolidation trend extends to larger opportunities as well. Consequently, mid-size companies with revenues exceeding \$30 million find themselves primarily bidding on substantial contracts valued at over \$100 million. For a company to present a compelling and credible proposal, a certain level of “bulk” is necessary, enabling them to craft a feasible execution plan. Thus, the easy way to create “bulk” is to consider M&A activities.

Given that Capstone’s Aerospace, Defense, Government, & Security group led the sell-side process, how pleased were you with the final transaction? What made the Swift Group the right partner for you? I am delighted with the final transaction. Capstone impressed me with their exceptional negotiation skills, which enabled us to maximize our value while maintaining a focus on the long-term goal, rather than getting bogged down in minor budget variances that arose during the due diligence phase. Moreover, they proved to be a genuine partner throughout the process,

Q&A WITH OPS CONSULTING (CONTINUED)

exhibiting patience and providing clear explanations of the steps and terminologies involved in the negotiation. Their dedication and collaborative approach truly made a difference.

The Swift Group was an outstanding match for us, given their remarkably similar approach to company culture. They firmly believe that prioritizing the well-being of employees is of utmost importance, which inherently results in a satisfied mission client. This shared philosophy has laid a strong foundation for a successful and harmonious partnership.

Looking back at the M&A process that resulted in the sale of OPS to The Swift Group, what was one surprise, one lesson learned, and one important decision you feel you got right? The process took longer than I initially anticipated, and it involved a significant level of detail—which, from my perspective, felt like a waste of time. However, I understand The Swift Group’s perspective, as they wanted comprehensive indemnification, even for items of little or no value. While we were in agreement and understood the importance of

addressing issues, it did result in a prolonged back-and-forth exchange of paperwork, ultimately incurring additional legal costs. One decision we made wisely was to remain resolute in our pursuit of individuals with whom we could establish a strong working relationship. We prioritized finding individuals who share our dedication, commitment, and value system. This emphasis on shared values has proven to be a vital factor in our success.

What did you learn from the M&A process that other entrepreneurs might benefit from knowing? Never allow yourself to become so emotionally attached to a deal that you’re unable to walk away at any stage of the process. Though we encountered some last-minute issues, thanks to Capstone’s excellent mediation skills, everything eventually got resolved. On the day of the closing, I began the morning status meeting by stating, “I’m prepared to walk away,” which set the tone for a pragmatic approach. Thankfully, Capstone understood our concerns and skillfully navigated the situation, ensuring a successful resolution and keeping the deal on track.



NOTABLE M&A TRANSACTIONS BY SEGMENT

Cloud Computing



System One, a workforce solutions and outsourced services provider, acquired KeyLogic in November for an undisclosed sum. KeyLogic offers data management for critical missions in the Energy, Commerce, and Defense sectors. The company’s hybrid multicloud transformation services have managed the delivery of 22 petabytes of multi cloud data for major customers across Amazon Web Services and Azure, according to its website.⁷

Cybersecurity



Washington Harbour Partners, a private investment firm focused on the Government Services space, acquired SIXGEN in November for an undisclosed sum. SIXGEN’s cybersecurity solutions for the DOD are expected to be an operational fit for Washington Harbour’s expertise investing in high-growth companies in non-cyclical industries. The transaction marks Washington Harbour’s second platform investment in the sector.

Diversified IT Services



T-Rex Solutions, a provider of technology modernization and transformation services to the federal government, acquired Cyber Cloud Technologies in August for an undisclosed sum. Cyber Cloud provides a suite of services to government clients, including cybersecurity, cloud services, and IT enterprise services. The acquisition is expected to increase T-Rex’s public client footprint, according to a press release.⁸

Healthcare IT



Trend Health Partners acquired Advent Health Partners in December for an undisclosed sum. Advent Health develops a proprietary platform for streamlining medical records and payment processes. The company works with government payors to make reimbursement more accurate and efficient for all parties. The combined company will serve more than 50 health plans and nearly 1,000 hospitals, according to a press release.⁹

Intelligence



In November, Madison Dearborn Partners acquired TS2 Solutions for an undisclosed sum. TS2 provides prototyping, engineering, integration, and technology products to mission critical programs for the DOD. Madison Dearborn’s previous government technology investing experience, including partnerships with Unison and LinQuest, is expected to help enable TS2’s next phase of growth, according to a press release.¹⁰

Software



Evolver, a subsidiary of Convergent Security Solutions, acquired Solutions By Design II in August for an undisclosed sum. Solutions By Design provides application development services to the federal government. The company will be integrated with Evolver, and Convergent Security Solutions’ annual revenue is expected to be in excess of \$150 million with a staff of 600 due to the transaction, according to a press release.¹¹

CAPSTONE CASE STUDY: OPS CONSULTING

Capstone Partners advised [OPS Consulting](#)—a highly specialized provider of sensitive intelligence services to the U.S. national security community—on its sale to The Swift Group. Terms of the deal were confidential (December 2023).

OPS Consulting has over 20 years of experience engineering and deploying solutions to secure missions for the U.S. and its allies, partnering closely with national security agencies and organizations within the intelligence community. The company offers advanced technology in data analytics, high performance computing, and threat mitigation, and regularly consults on acquisition strategies, software and systems development, and information assurance.

The Swift Group is a privately owned mission-driven and employee-focused government services and solutions provider. Swift offers technology-driven, systems engineering, intelligence, and specialized logistics solutions supporting the national security community. “I don’t think we could have found a better partner for our company and our employees than The Swift Group. As our growth and momentum accelerated this year, identifying the right partner to invest behind our expanding capabilities was the right strategic decision for our company. The partnership will enable OPS to continue to do what we do best, grow our capabilities and service offerings within the Intelligence Community and DOD, which will offer our existing employees additional future advancement opportunities. I’m very excited about the tremendous opportunities we have in front of us,” said Greg Foley, CEO and Founder of OPS Consulting.



“*In executing the transaction, Capstone left a lasting impression with their exceptional negotiation skills and extensive network with acquiring companies, with which they had firsthand knowledge and experience. Their in-depth understanding of each company was impressive; having access to such a broad range of companies not only provided us with valuable alternatives but also offered diverse perspectives. This was instrumental in helping us find the perfect match for OPS Consulting.*”

Greg Foley
CEO and Founder, OPS Consulting



David Brinkley,
Managing Director

“The Capstone team was privileged to work with the owners, management, and employees of OPS Consulting, who are dedicated to assuring decision makers within the U.S. intelligence community are armed with a fundamental understanding of the current, near-term, and future impact of the proliferation of High-Performance Computing (HPC) technologies in the U.S. abroad, and within peer and near-peer geopolitical competitors. The merger with The Swift Group represents a unique opportunity to accelerate the propagation of this expertise within the NSA and through adjacent U.S. government agencies. We look forward to witnessing the growth of this important capability, and its impact on tactical and strategic decision making, in the months to come.”



SELECT TRANSACTIONS

Date	Target	Acquirer	Target Business Description	Enterprise Value (mm)	EV/LTM Revenue	EBITDA
12/15/23	Advent Health Partners	Trend Health Partners	Develops a platform to provide medical record review solutions to government payors.	-	-	-
12/14/23	Clifton Larson Allen	Sikich	Offers information technology testing and advisory services to Government sectors.	-	-	-
12/01/23	Diversified Technical Services	Irys	Provides cybersecurity and IT services catering to Defense and Government sectors.	-	-	-
12/01/23	SADA Systems	Insight Enterprises (Nasdaq:NSIT)	Delivers information technology solutions to organizational problems, serving government clients.	\$800.0	3.2x	-
11/27/23	KeyLogic Systems	GAP Solutions	Provides IT solutions serving Federal, Civil, and National Security sectors.	-	-	-
11/20/23	Cyber Services of Jacobs Solutions	Amentum Services	Offers cybersecurity solutions to federal government and defense agencies.	-	-	-
11/16/23	WaveDancer (Nasdaq:WAVD)	Firefly Neuroscience	Provides IT-related professional services to government and commercial organizations.	-	-	-
11/15/23	SIXGEN	Washington Harbour Partners	Develops cybersecurity solutions for the government and defense communities.	-	-	-
11/15/23	T2S Solutions	Madison Dearborn Partners	Offers mission-focused technology services to the U.S. DOD and Intelligence Community.	-	-	-
11/14/23	Ingalls Information Security	C3 Integrated Solutions	Provides cybersecurity risk management and consulting services to government clients.	-	-	-
11/09/23	Krebs Stamos Group	SentinelOne (NYSE:S)	Operates as a cybersecurity consulting firm serving government and commercial clients.	\$14.0	-	-
11/07/23	ProCom Consulting	Amdocs (Nasdaq:DOX)	Runs as an information technology services firm specializing in the State Government sector.	\$37.0	-	-
11/06/23	Revacomm	IntelliBridge	Delivers security for government agencies facing continually evolving IT cybersecurity threats.	-	-	-
10/31/23	Allied Associates International	Redhorse	Provides technical products and services to the defense and federal law enforcement communities.	-	-	-
10/11/23	Sharecare (Nasdaq:SHCR)	Claritas Capital	Connects people, patients, employers, health plans, and government organizations through its platform.	\$672.3	1.5x	NM
10/06/23	teKnoluxion Consulting	Bridge Core	Operates as an IT consulting company that provides cloud services to the Intelligence Community.	-	-	-
10/04/23	Advanced Network Systems	Magna5	Designs and delivers data networking solutions for government organizations.	-	-	-
10/04/23	Resolvit Resources	Aditi Staffing	Provides IT and management consulting services.	-	-	-
09/28/23	Teal	Aligned Technology Solutions	Offers managed IT and consulting services to government, defense, and other organizations.	-	-	-
09/05/23	GeoYeti	Bridge Core	Provides advanced analytics, data science and application development services.	-	-	-
08/23/23	Sealing Technologies	Parsons (NYSE:PSN)	Delivers advanced cybersecurity and technology solutions to government clients.	\$200.0	-	-
08/16/23	Solutions by Design	Evolver	Offers information technology and management support services.	-	-	-
08/02/23	The Mako Group	Centric Consulting	Provides cybersecurity, risk, audit, and advisory services to government organizations.	-	-	-

Source: Capital IQ, PitchBook, FactSet, and Capstone Partners

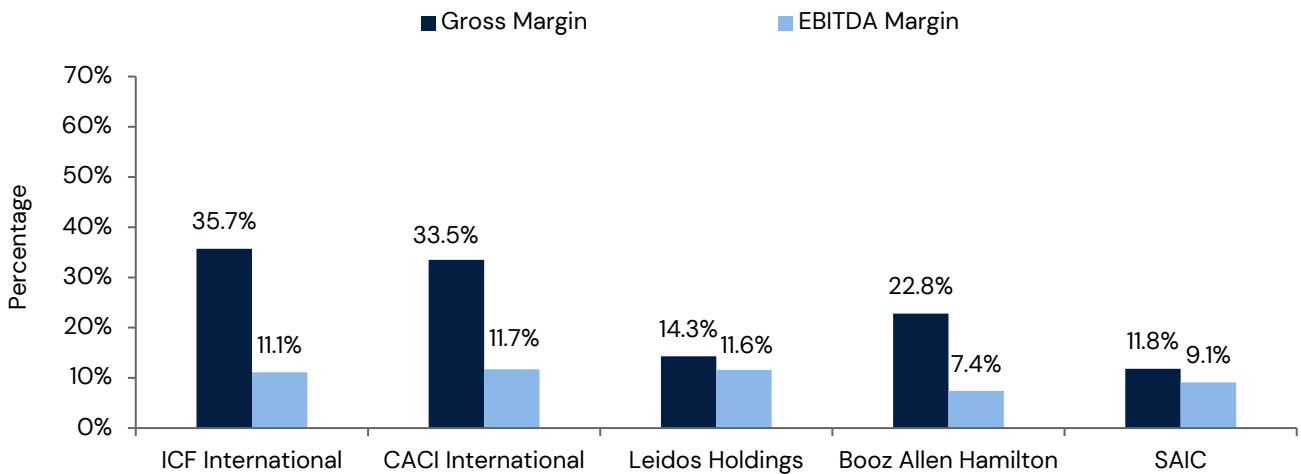
PUBLIC COMPANY DATA

Company	Price	% 52 Wk	Market	Enterprise	LTM			EV/LTM	
	01/11/24	High	Cap	Value	Revenue	EBITDA	Margin	Revenue	EBITDA
ICF International, Inc.	\$130.30	89.6%	\$2,451.8	\$3,191.4	\$1,960.5	\$218.5	11.1%	1.6x	14.6x
CACI International, Inc.	\$329.05	91.6%	\$7,330.6	\$9,324.8	\$6,946.9	\$809.8	11.7%	1.3x	11.5x
Leidos Holdings, Inc.	\$109.71	98.5%	\$15,085.8	\$19,604.8	\$15,155.0	\$1,756.5	11.6%	1.3x	11.2x
Booz Allen Hamilton Holding Corp.	\$127.22	96.9%	\$16,587.1	\$19,673.2	\$10,031.1	\$744.0	7.4%	2.0x	26.4x
Science Applications International Corporation	\$128.05	94.1%	\$6,666.6	\$8,750.6	\$7,675.0	\$700.0	9.1%	1.1x	12.5x

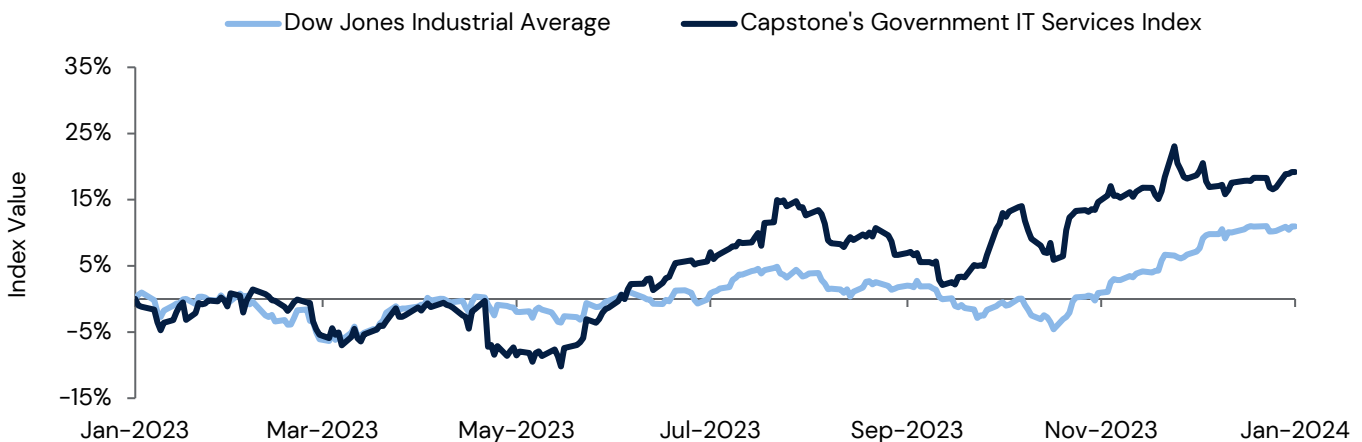
Mean	10.2%	1.5x	15.2x
Median	11.1%	1.3x	12.5x
Harmonic Mean	9.9%	1.4x	13.8x

EV = enterprise value; LTM = last twelve months
 \$ in millions, except per share data
 NM = Not Meaningful

Last-Twelve-Months (LTM) Margin Performance



Capstone's Government IT Services Index Outperforms the Dow Jones Industrial Average



Government IT Services Index includes: BAH, CACI, ICFI, LDOS, SAIC; market capitalization weighted
 Source: Capital IQ as of January 11, 2024

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David brings 20 years of experience executing over \$1bn in strategic transactions for middle market firms in the aerospace, defense and government sectors. David is widely recognized for his industry expertise, which encompasses intelligence and national security activities and applied advanced technologies. In addition, David holds unique security credentials that enable him to advise on the most sensitive government transactions. David also serves as a subject matter expert to the Office of the Secretary of Defense on matters pertaining to the financial health of the U.S. defense industrial base and on Pentagon-sponsored technology investments. Prior to joining Capstone Partners, David founded Castellum Capital Advisors, a boutique investment bank providing advisory services to middle market firms engaged in the national security sector. Prior to founding Castellum Capital, David served as Managing Director of Aronson Capital Partners, where he managed the firm's buy and sell-side investment banking engagements. While at Aronson Capital, David completed transactions featuring prominent government services and technology firms active in international security, intelligence, and defense, with publicly-traded firms based in the US and internationally, and with leading private equity sponsors.



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Ted is a Managing Director at Capstone Partners. Prior to joining Capstone in 2010, Ted ran the corporate finance practice in the Central region for Morgan Stanley Smith Barney's Capital Strategies Group and its predecessor, Citi Capital Strategies. He has over 25 years of experience working with businesses across a variety of industries and has a focused interest in working with businesses that provide products and services to Industrial, Government-related and other markets.

Ted is an active public speaker on the topic of business exits and recapitalizations of privately owned businesses and is a frequent recipient of industry awards for his advisory services. In fact, he previously was recognized by the Global M&A Network for his participation in the Aerospace and Defense Deal of the Year. He was similarly recognized in 2018 for his involvement in the USA Recap Deal of the Year, in 2017 for his participation in the US Corporate M&A Deal of the Year and in 2015 for USA Recapitalization Deal of The Year.



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Joe is a Market Intelligence Analyst at Capstone Partners primarily focusing on the Aerospace, Defense, Government & Security (ADGS) and Healthcare industries. Prior to joining Capstone's Market Intelligence Team, Joe was an intern at Recount Media Inc., a digital media and political news company. At Recount Media he worked on client outreach, social media strategy, and database management for content produced by the company's slate of news podcasts. Joe has a BA in Politics from Bates College.

FIRM TRACK RECORD

Capstone maintains an active presence in the Government IT Services sector with in-depth knowledge of the buyer universe and business characteristics that drive premium valuations in an M&A process. Our frequent conversations with sector participants provide us with increased transparency into market trends and buyer preferences. A sampling of Capstone’s closed deals are outlined below.

 <p>HAS BEEN ACQUIRED BY</p> 	 <p>HAS BEEN ACQUIRED BY</p> 	 <p>HAS BEEN ACQUIRED BY</p>  <p>A portfolio company of</p> 
<p>BRICATA.</p> <p>HAS BEEN ACQUIRED BY</p> <p>AN UNDISCLOSED STRATEGIC BUYER</p>	 <p>HAS BEEN ACQUIRED BY</p> 	 <p>HAS BEEN ACQUIRED BY</p> 
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CAPSTONE’S PROPRIETARY RESEARCH REVEALS TOP SERVICES IN DEMAND

The current stage and initiatives of a business often dictates which financial services are in demand. As the majority of CEOs polled in Capstone’s 2023 Middle Market Business Owners Survey indicated growth strategies are a priority for 2024, the lion’s share (31.5%) of owners anticipate a need for growth strategy support services. Similarly, 28.5% of owners require accounting and audit support to shore-up cash flows and establish financial stability. In addition, more than one-fourth of CEOs demonstrated an interest in accessing relevant industry research to keep up with emerging industry trends, complete competitor analyses, and track capital markets activity in their space.

Capstone has developed a full suite of [corporate finance solutions](#) to help privately owned businesses and private equity firms through each stage of the company’s lifecycle, ranging from growth to an ultimate exit transaction. In addition, we developed a specialty consulting practice to provide financial advisory services to companies experiencing distress or performance challenges. All of these capabilities are supported by 16 industry groups, an active sponsor coverage group, and a dedicated market intelligence team.

Top Financial Services Required by Business Owners in 2024



Question: Have you ever had, or do you anticipate having, a need for any of the following services?
 Source: Capstone Partners’ Middle Market Business Owner Survey, Total Sample Size (N): 435



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Disclosure

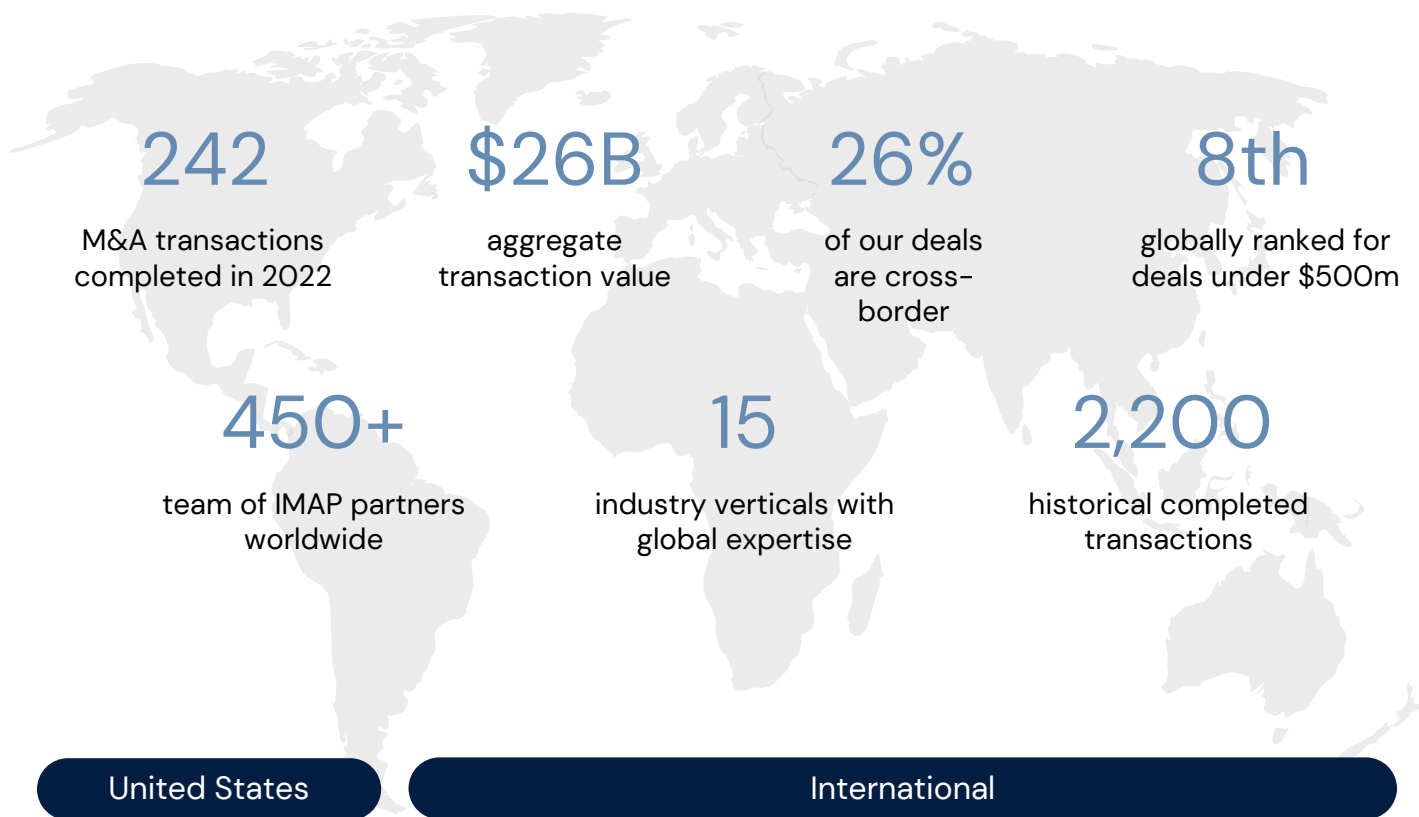
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~200 professionals
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Denver · Detroit · Irvine ·
New York · Tampa

450+ partners
60+ offices in 41 countries

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