



Houlihan Lokey

# Testing, Inspection, Certification, and Compliance

Market Update

Q2 2023

# ABOUT OUR FIRM

## Key Facts and Figures



**36**  
LOCATIONS  
WORLDWIDE<sup>(1)</sup>

**~2,000**  
TOTAL FINANCIAL  
PROFESSIONALS

**326**  
MANAGING  
DIRECTORS<sup>(1,2)</sup>

**2,000+**  
CLIENTS SERVED  
ANNUALLY

**\$7B**  
MARKET  
CAPITALIZATION<sup>(3)</sup>

**\$1.8B**  
REVENUE<sup>(4)</sup>

## Our Ranking by Service

### Corporate Finance

#### 2022 M&A Advisory Rankings Global Transactions Under \$1 Billion

Advisor	Deals
<b>1 Houlihan Lokey</b>	<b>381</b>
2 Rothschild & Co	369
3 JP Morgan	217
4 Lazard	206
5 Goldman Sachs & Co	203

Source: Refinitiv. Excludes accounting firms and brokers.

### Corporate Finance

#### 2022 M&A Advisory Rankings All U.S. Transactions

Advisor	Deals
<b>1 Houlihan Lokey</b>	<b>191</b>
2 Goldman Sachs & Co	188
3 JP Morgan	160
4 Jefferies LLC	135
5 Piper Sandler & Co	132

Source: Refinitiv.

### Financial Restructuring

#### 2022 Global Distressed Debt & Bankruptcy Restructuring Rankings

Advisor	Deals
<b>1 Houlihan Lokey</b>	<b>58</b>
2 PJT Partners Inc	30
3 Lazard	29
4 Rothschild & Co	25
5 Moelis & Co	21

Source: Refinitiv.

### Financial and Valuation Advisory

#### 1998 to 2022 Global M&A Fairness Advisory Rankings

Advisor	Deals
<b>1 Houlihan Lokey</b>	<b>1,232</b>
2 JP Morgan	1,030
3 Duff & Phelps, A Kroll Business	938
4 Morgan Stanley	725
5 BofA Securities Inc	710

Source: Refinitiv. Announced or completed transactions.

**No. 1** Global M&A Advisor for  
Transactions Under \$1 Billion

**No. 1** U.S. M&A Advisor  
**Leading** Capital Markets Advisor

**No. 1** Global Restructuring Advisor  
**1,500+** Transactions Completed Valued  
at More Than \$3.0 Trillion Collectively

**No. 1** Global M&A Fairness Opinion  
Advisor Over the Past 25 Years  
**1,000+** Annual Valuation Engagements

Learn More About  
Corporate Finance

Learn More About  
Financial Restructuring

Learn More About  
Financial and Valuation Advisory

Learn More About  
Our Industry Coverage

## Fully Integrated Financial Sponsors Coverage

**26** Senior officers dedicated to  
the sponsor community in the  
Americas and Europe

**1,000+** Sponsors covered, providing  
market insights and  
knowledge of buyer behavior

**700+** Companies sold to financial  
sponsors over the past five years

## Houlihan Lokey Is a Global Firm

### Americas

Atlanta Houston San Francisco  
Baltimore Los Angeles São Paulo  
Boston Miami Washington,  
Chicago Minneapolis D.C.  
Dallas New York

### Europe and Middle East

Amsterdam Madrid Stockholm  
Antwerp Manchester Tel Aviv  
Dubai Milan Zurich  
Frankfurt Munich  
London Paris

### Asia-Pacific

Beijing Mumbai Sydney  
Fukuoka Nagoya Tokyo  
Gurugram Shanghai  
Hong Kong Singapore  
SAR

(1) As of June 30, 2023. (2) Excludes corporate MDs. (3) As of August 2023. (4) LTM ended June 30, 2023.

# ABOUT OUR BUSINESS SERVICES INDUSTRY GROUP

Houlihan Lokey's Business Services Group combines extensive industry relationships with substantial experience to offer a broad array of M&A, corporate finance, restructuring, and financial and valuation advisory services to the business services industry.

Based on number of transactions and according to data provided by Refinitiv, Houlihan Lokey was ranked the No. 1 investment bank for all global business services M&A transactions in 2022.\*

\*Excludes accounting firms and brokers.

2022 M&A Advisory Rankings All Global Business Services Transactions		
Advisor	Deals	
1 Houlihan Lokey	69	
2 Rothschild & Co	50	
3 Lincoln International	37	
4 Goldman Sachs & Co	34	
5 GCG	26	

Source: Refinitiv. Excludes accounting firms and brokers.

[Learn More About Our Business Services Industry Coverage](#)

## Key Facts and Figures

**130+**

Dedicated business services bankers

**69**

Completed business services M&A/  
private placement transactions in CY22

**\$33.5B**

In global business services deals in CY22

## Industry Sector Coverage

We cover a broad array of sectors, with bankers dedicated to each of our primary coverage areas.



BPO Services



Engineering and Infrastructure



Environmental Services



Equipment-as-a-Service



Facility and Residential Services



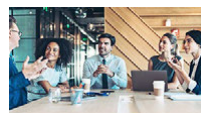
HCM Services



IT Services



Marketing Services



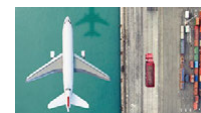
Specialty Consulting and Risk Services



Testing, Inspection, Certification, and Compliance



Training and Education



Transportation and Logistics

## Featured Business Services Industry Transactions

**VLS**  
ENVIRONMENTAL SOLUTIONS  
a portfolio company of  
**I SQUARED CAPITAL**  
has acquired  
**Texas Molecular**  
Drug development  
Buy-side Advisor

**OPEN HEALTH**  
a portfolio company of  
**AMULET CAPITAL**  
PROTECTOR  
has been acquired by  
**astorg**  
Sell-side Advisor

**GANNETT FLEMING**  
has received a strategic investment from  
**OCEANSOUND PARTNERS**  
Sell-side Advisor

**HILL internationa**  
has been acquired by  
**GISI**  
Sell-side Advisor & Fairness Opinion

**Odyssey**  
has acquired  
**MAGNA**  
LEGAL SERVICES  
a portfolio company of  
**CIVIC PARTNERS**  
Buy-side Advisor

**HOST HEALTHCARE**  
has been acquired by  
**Medical Solutions**  
a portfolio company of  
**Centerbridge** **CDPQ**  
Sell-side Advisor

**WILLIAMS MARSTON**  
a portfolio company of  
**ALIGN CAPITAL PARTNERS**  
has been acquired by  
**KELSCO**  
Sell-side Advisor

**PHENNA GROUP**  
a portfolio company of  
**inflexion**  
has received secondary investment from  
**Oakley Capital**  
Sell-side Advisor

**us ecology**  
has been acquired by  
**REPUBLIC SERVICES**  
Sell-side Advisor

**REVHEALTH**  
has received an investment from  
**WINDROSE HEALTH INDUSTRIES**  
Sell-side Advisor

**OCEAN TOMO**  
a portfolio company of  
**B WALVEN CAPITAL**  
has been acquired by  
**JSHELD**  
a portfolio company of  
**KELSO**  
Sell-side Advisor

**UniversiPure**  
a portfolio company of  
**tilia**  
has been acquired by  
**AURORA CAPITAL PARTNERS**  
Sell-side Advisor

# TESTING, INSPECTION, CERTIFICATION, AND COMPLIANCE TEAM



Houlihan Lokey is pleased to present its latest testing, inspection, certification, and compliance (TICC) global industry update. Our dedicated TICC practice operates within Houlihan Lokey's Business Services Group and has earned a global reputation for providing superior service and achieving outstanding results in M&A advisory, capital-raising, and financial and valuation advisory services.

Our clients have included early-stage, mid-sized, and large private, PE-backed, and publicly owned businesses, and we understand that an industry driven by continuous innovation and evolution requires the sophistication of an advisor who thinks ahead of the market and utilizes solid industry relationships to advance its clients' vision. We optimize client outcomes by running well-executed, competitive processes, focusing on deep domain knowledge to position for synergy and scarcity value, and leveraging our world-class strategic and private equity access to bring the right senior decision-makers to the negotiation table.

## Leadership



**Ranon Kent**  
Managing Director  
[RKent@HL.com](mailto:RKent@HL.com)  
+1 310.712.6523



**Jonathan Harrison**  
Managing Director  
[JHarrison@HL.com](mailto:JHarrison@HL.com)  
+44 (0) 20 7747 7564



**James Sutch**  
Director  
[James.Sutch@HL.com](mailto:James.Sutch@HL.com)  
+44 (0) 74 3633 8062



**Tom Battersby**  
Director  
[Tom.Battersby@HL.com](mailto:Tom.Battersby@HL.com)  
+44 (0) 161 240 6424



**Alex Heikali**  
Senior Vice President  
[AHeikali@HL.com](mailto:AHeikali@HL.com)  
+1 310.788.5294



**Kevin Rogstad**  
Vice President  
[KRogstad@HL.com](mailto:KRogstad@HL.com)  
+44 (0) 20 7907 4284



**Alexander van Aubel**  
Associate  
[AvanAubel@HL.com](mailto:AvanAubel@HL.com)  
+44 (0) 20 7747 7591



**Alex Cohen**  
Associate  
[Alex.Cohen@HL.com](mailto:Alex.Cohen@HL.com)  
+1 310.788.5226

## Contact Us

Please reach out to us to schedule a call to discuss this quarter's market update or to explore how we can serve your business needs.

[Request a Meeting](#)

[Learn More About Us](#)

## Subsector Coverage



- Calibration and Metrology
- Certification
- Inspection
- Integrity Management
- Laboratory/Product Testing
- Non-Destructive Testing and Inspection
- Quality Assurance/Control
- Tech-Enabled Solutions
- Regulatory Compliance/GRC
- Utility Services

## Featured Transactions

 has acquired  a portfolio company of  Buyside Advisor	 has been acquired by  Sellside Advisor	 has been acquired by  Sellside Advisor	 a portfolio company of  has sold a minority stake to  Sellside Advisor
 Seeing Food Clearly a portfolio company of  has been acquired by  Sellside Advisor	 a portfolio company of  has been acquired by  Sellside Advisor	 People. Machinery. Science. a portfolio company of  has received a majority investment from  Sellside Advisor	 a portfolio company of  has received secondary investment from  Sellside Advisor
 a portfolio company of  has been acquired by  Sellside Advisor	 has invested in  Buyside Advisor	 a portfolio company of  has been acquired by  Sellside Advisor	 has been acquired by  Sellside Advisor

Tombstones included herein represent transactions closed from 2018 forward.



# 2023 HOULIHAN LOKEY BUSINESS SERVICES CONFERENCE

Autumn 2023

(In Person) | New York | October 12, 2023

## Examples of Previous TICC Sector Participating Companies

 Environmental testing, monitoring, and consulting services provider	 Global TICC services provider to energy, biofuels, and agriculture sectors	 Advanced anticounterfeiting and brand protection solutions	 Sustainability and supply chain services provider
 Provider of X-ray food inspection and contaminant detection services	 Provider of tech-enabled certification, testing, and supply chain compliance solutions to the food sector	 A multi-disciplinary provider of certification and testing services	 Global provider of testing, inspection, certification and compliance
 Testing and inspection into the natural asset and built environment	 Tech-enabled compliance, regulatory, and risk management provider	 Laboratory-based testing, risk-management, and research solutions provider to the food sector	 Provider of testing and inspection services
 Tech-enabled quality control and supply chain audit provider	 Global TICC player focused on built environment and infrastructure	 Management of utility construction and maintenance services	 High-pressure processing (HPP) service provider to the food sector

## Examples of Confirmed Autumn 2023 Presenting Companies

## Selected 2022 Attendees

## Key Takeaways for Featured Companies

- An opportunity to meet peers from your industry
- For those considering international growth, an opportunity to raise one's profile and potentially interact with add-on targets
- Opportunity to engage with a broad set of financial investors in an informal setting



# TICC MARKET UPDATE

## Introduction

- M&A in the TICC sector is experiencing increased momentum in Q1 and Q2 2023 following temporarily decreased volume in 2022.
- While the pace of M&A in other sectors remains below 2021 levels, the number of TICC sector transactions in Q1 and Q2 2023 is higher than any quarter over the past 2 years. Similarly, while the volume of TICC transactions with an EV in excess of \$300M+ remains lower than 2021 levels, key platforms in the sector have been highly successful in securing smaller add-on acquisitions.
- Increases in government, regulatory, corporate, and consumer standards continue to drive growth in the sector, with tech-enablement/digitalization and innovative software solutions driving efficiency and advancements in service delivery and value to clients. TICC businesses focused on ESG-related themes (e.g., measuring and reducing carbon footprints, etc.) are also benefiting from favorable tailwinds and market growth.

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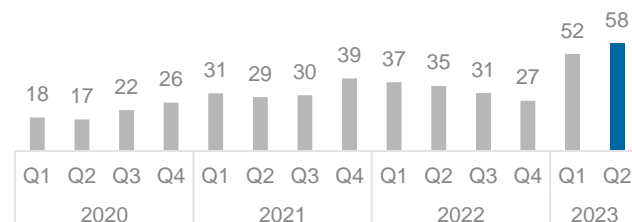
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## Q2 2023 Quick Facts

### TICC M&A Transaction Volume

**58**

Transactions Q2 2023



### Houlihan Lokey TICC Index Performance<sup>(1)</sup>

**4.7%**

Increase Over Prior Quarter











On a quarterly basis, the Houlihan Lokey TICC Index outperformed the STOXX All Europe 100

Source: S&P Capital IQ. Data as of June 30, 2023.












(1) The Houlihan Lokey TICC Index consists of a diversified set of companies across the TICC sector. See page 14 for a complete list.

# FEATURED SECTOR NEWS

The larger TICC sector platforms have been highly acquisitive in H1 23 in search of expansions of their product offering and global reach.










Date	Company	Headline	Article Link
06/29/2023		UL Solutions was accredited to ISO/IEC 17065 by ANSI ANAB, validating its certification expertise in functional safety and autonomy. This covered ISO 26262, ISO 21448, ISO 13849, IEC 61508, and IEC 62061, highlighting UL Solutions' commitment to quality and cybersecurity in automotive innovation.	<a href="#">Read More</a>
06/29/2023		TÜV SÜD Schweiz AG acquired Lonza Ltd.'s process safety lab, enhancing support for process safety and expanding capabilities in Switzerland's Valais region.	<a href="#">Read More</a>
06/28/2023		TÜV SÜD launched an advanced lab in New Brighton, Minnesota, on June 28, accredited for medical device testing. The facility aimed to accelerate research in microbiology, biocompatibility, and more, underlining TÜV SÜD's commitment to healthcare innovation.	<a href="#">Read More</a>
06/23/2023		AmSpec Group, a global inspection, testing, and certification leader, has expanded its operations in Finland to cater to the growing demand for energy-sector inspection services. This expansion covers key ports like Kotka, Hamina, Helsinki, Turku, and more in response to client needs in the Nordics.	<a href="#">Read More</a>
06/20/2023		Intertek invested in its Manchester center, enhancing corrosion testing with Instron load frames. The versatile rigs enabled diverse material testing, supporting sectors like energy, aerospace, and marine while prioritizing sustainability.	<a href="#">Read More</a>
06/14/2023		Intertek proudly revived the Intertek Moody brand, offering engineering-based inspection expertise for global energy challenges. Moody assured quality, safety, and sustainability in evolving industries.	<a href="#">Read More</a>
06/12/2023		Applus+ expanded its capabilities through the acquisition of Rescoll, enhancing its presence in medical device and aerospace sectors. Rescoll's expertise in testing and R&D added value to Applus+'s services, solidifying its position in key industry areas.	<a href="#">Read More</a>
06/12/2023		Element has acquired NCT Co., Ltd., a battery testing company in South Korea, expanding its presence in Asia and adding battery testing capabilities. The acquisition strengthens Element's Connected Technologies business, combining expertise in battery safety, reliability, and wireless testing.	<a href="#">Read More</a>
06/5/2023		Element launched a Lab Solutions division within its Life Sciences business unit. The division consolidated acquisitions to provide chromatography solutions, automation, and more for quality analytical data. It served various industries across the U.K. and Ireland and planned expansion.	<a href="#">Read More</a>
06/5/2023		UL Solutions, a global safety science leader, collaborated with SIRIM Berhad for fire door testing expansion in Malaysia through UL Solutions Witnessed Test Data Program (WTDP). SIRIM conducted testing in line with UL Solutions standards, further enhancing safety evaluation.	<a href="#">Read More</a>

# FEATURED SECTOR NEWS (CONT.)

Date	Company	Headline	Article Link
06/01/2023		Applus+ acquired automotive testing provider CFI, enhancing its component testing services for major OEMs. This move aligns with the company's tech-driven strategy amid industry changes in energy transition and electrification.	<a href="#">Read More</a>
06/01/2023		Montrose Environmental Group (NYSE:MEG) completed the acquisition of Matrix Solutions Inc., a leading Canadian environmental and engineering consulting company. The acquisition received shareholder support and court approval.	<a href="#">Read More</a>
06/01/2023		Phenna Group concluded its seventh acquisition in 2023, including Evolution Water Services in the water sector. The ISO-accredited company enhances Phenna's built environment division with specialized water services.	<a href="#">Read More</a>
5/30/2023		AmSpec expanded its renewable energy sector with hydrogen verification services, aiding businesses in providing sustainable products. Verification covered production and value chains, ensuring global sustainability standards and market access.	<a href="#">Read More</a>
05/23/2023		Montrose collaborated with Thermo Fisher to provide a real-time ethylene oxide monitoring solution that met EPA regulations. They combined expertise and systems to offer a comprehensive solution for compliance with low-level EtO emissions monitoring.	<a href="#">Read More</a>
05/15/2023		UL Solutions, in collaboration with ITRI and SAHTECH, launched the Hazardous Locations Personnel Competency Training Center in Taiwan. The center aimed to provide education on safety and health engineering for hazardous locations, offering practical courses to enhance competency and prevent accidents.	<a href="#">Read More</a>
05/11/2023		SGS has acquired a majority stake in Nutrasource Pharmaceutical and Nutraceutical Services Inc. The global CRO specializes in nutraceutical and pharmaceutical compliance, offering clinical trial management, regulatory support, testing services, and product development.	<a href="#">Read More</a>
05/11/2023		UL Solutions opened an office in Riyadh to serve Saudi Arabia and the Middle East with fire safety, security, and sustainability services. This expansion aligned with Saudi Arabia's Vision 2030 plan for economic transformation and supported key developments in various sectors.	<a href="#">Read More</a>
05/09/2023		Intertek supported CarbonLeap's CO <sub>2</sub> reduction initiatives through fuel blending solutions. It ensured accurate CO <sub>2</sub> savings calculations for marine and road transport, aiding supply chain decarbonization efforts.	<a href="#">Read More</a>
05/08/2023		The Tentamus Group welcomed Pegaso Management Srl to its global network. Based in Italy, Pegaso Management provides organizational consulting and sustainability services, particularly in the food industry, offering audit and certification services for quality schemes.	<a href="#">Read More</a>
05/04/2023		Applus+ drove EV development via research and labs, like MARBEL for efficient batteries and eCharge4Drivers for improved charging. It expanded global EV component testing, promoting sustainable mobility.	<a href="#">Read More</a>



# FEATURED SECTOR NEWS (CONT.)

Date	Company	Headline	Article Link
05/04/2023	 Normec Group	Normec acquired i2 Analytical, enhancing environmental, construction, and food testing. Joining forces accelerates smart tech-driven solutions and expansion across Europe, in line with Normec's growth strategy.	<a href="#">Read More</a>
04/28/2023	 PHENNA GROUP	Phenna Group acquired Cansford Laboratories, bolstering its Health Sciences platform. Cansford Laboratories, a leader in drug, alcohol, and steroid testing, aligned with Phenna Group's focus on top-tier assurance and consultancy services.	<a href="#">Read More</a>
04/18/2023	 TÜV SÜD	TÜV SÜD Vietnam launched an advanced electrical and electronics testing lab in Ho Chi Minh City, enhancing consumer product testing capabilities for luminaries, home appliances, and IT equipment. The inauguration was attended by industry leaders and dignitaries.	<a href="#">Read More</a>
04/14/2023	 element	Element's Troy lab in Michigan expanded EV testing capacity with in-ground reactive mass bedplates, accommodating heavy electric vehicle components for safety assessment under extreme driving conditions. The larger area enhanced the facility's ability to conduct comprehensive testing for vehicle manufacturers.	<a href="#">Read More</a>
04/12/2023	 intertek Total Quality. Assured.	Intertek achieved accreditation from IACET, allowing its Electrical team to provide CEU-accredited training courses for engineers. The program covered topics like hazardous locations, safety certifications, and PCB spacings, enhancing participants' industry knowledge and skills.	<a href="#">Read More</a>
04/05/2023	 AmSpec	AmSpec expanded its Latin American presence through the acquisition of Oil Test Internacional. This move added six business divisions and operations in 13 countries, enhancing AmSpec's network to 78 facilities across Central America, South America, and the Caribbean.	<a href="#">Read More</a>
04/04/2023	 MONTROSE ENVIRONMENTAL	Montrose Environmental Group, Inc. (NYSE:MEG) appointed John Jackson as Chief Information Officer, reporting to Chief Executive Officer Vijay Manthripragada. With 20+ years of experience, Mr. Jackson brings expertise in digital solutions, data management, and cybersecurity to lead Montrose's IT and information security teams and strategy.	<a href="#">Read More</a>
04/04/2023	 Lloyd's Register	Lloyd's Register acquired a 50% stake in ISF Watchkeeper, a work and rest hours compliance software, enhancing maritime safety standards. Jointly owned with ICS, the digital solution aided crew compliance and offered benchmarking for fleet assessment.	<a href="#">Read More</a>
04/03/2023	 MONTROSE ENVIRONMENTAL	Montrose Environmental collaborated with Sensors, Inc., to distribute SEMTECH® HI-FLOW 2 methane quantification technology across North America and Europe. This innovative technology accurately measured methane emissions for compliance and environmental impact reduction.	<a href="#">Read More</a>

# FEATURED TRANSACTIONS EXECUTED BY HOULIHAN LOKEY'S TICC TEAM

## Houlihan Lokey Advises Calspan



has been acquired by



Sellside Advisor

- Calspan Corp., the premier, independent provider of testing and technology development services, solutions, and systems in the aerospace, defense, and automotive industries, has been acquired by TransDigm Group (NYSE:TDG). The acquisition by TransDigm Group will leave Calspan well positioned for future stability and success, affording a smooth and lasting transition from the company's current private ownership.
- TransDigm Group, through its wholly owned subsidiaries, is a leading global designer, producer, and supplier of highly engineered aircraft components for use on nearly all commercial and military aircraft in service today.
- Houlihan Lokey served as the financial advisor to Calspan in the transaction.

## Houlihan Lokey Advises Pace



a portfolio company of



has received a majority investment from



Sellside Advisor

- Pace®, North America's leading provider of analytical testing and related outsourced scientific solutions to the life sciences industry, and a portfolio company of Aurora Capital Partners (Aurora), a leading middle-market private equity firm and former majority owner of Pace, has received a majority investment from Leonard Green & Partners, LP (LGP). Financial terms were not disclosed.
- LGP is a leading private equity investment firm founded in 1989 and based in Los Angeles, with more than \$50 billion of assets under management.
- Houlihan Lokey served as the lead financial advisor and assisted in marketing, structuring, and negotiating the transaction on behalf of Pace and Aurora.

## Houlihan Lokey Advises Phenna Group



a portfolio company of



has received secondary investment from



Sellside Advisor

- Inflexion completed a minority investment in Phenna Group in February 2021, and the 18-month partnership more than doubled EBITDA and tripled headcount as an international TICC platform of scale was created.
- Formed in 2018, Phenna Group has rapidly emerged as one of the fastest-growing TICC groups globally, with revenue growth of around 100% CAGR over the past three years. Today, the group comprises 32 independent businesses that provide specialist TICC services across infrastructure, built environment, niche industrial, health sciences, and certification and compliance divisions. The business operates across 12 countries in four continents.
- Houlihan Lokey served as the exclusive financial advisor to Inflexion and the Phenna Group shareholders.

## Houlihan Lokey Advises Apax



has acquired



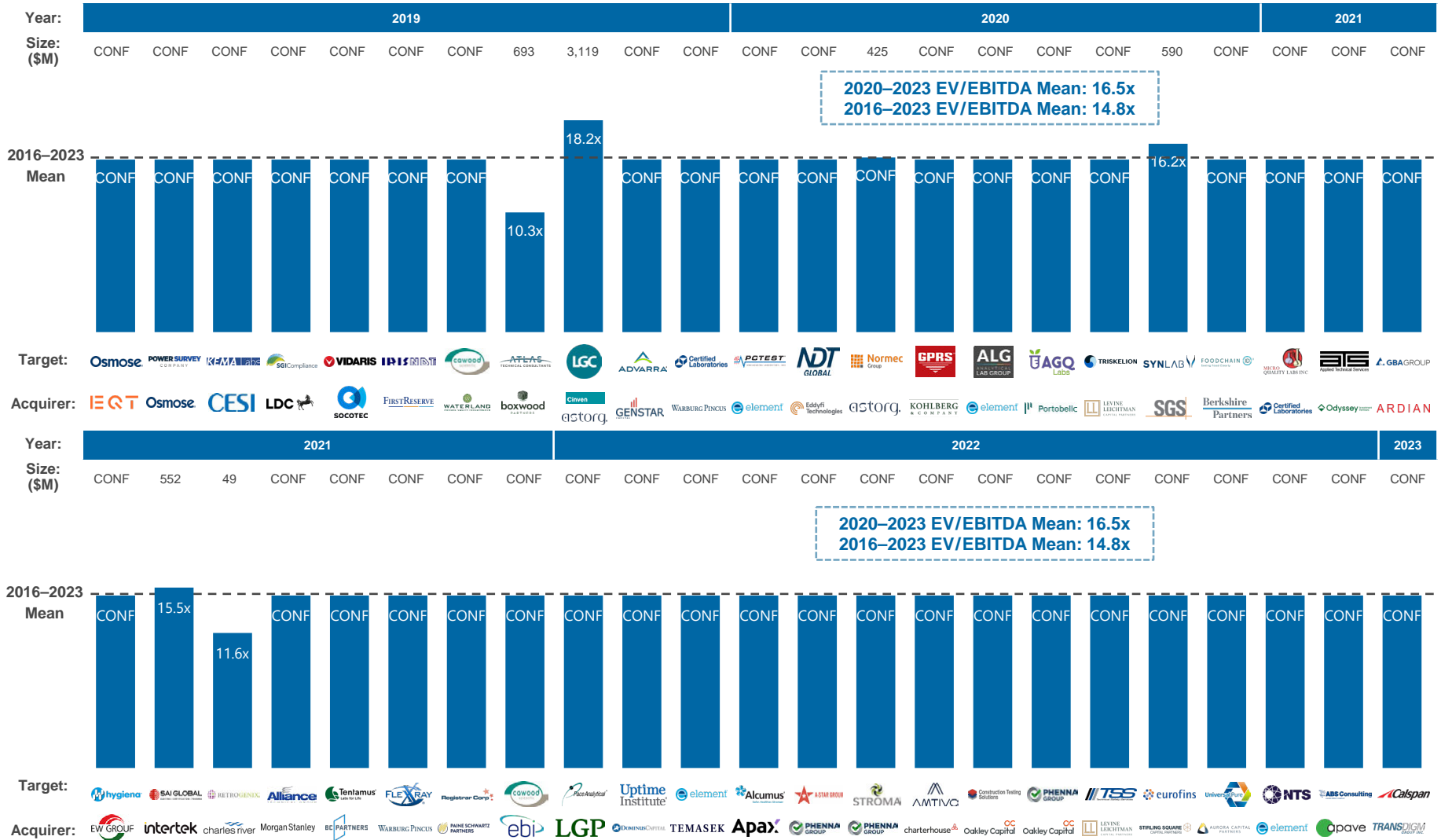
a portfolio company of



Buyside Advisor

- Apax Partners LLP (Apax) has acquired a controlling stake in Alcumus, a global leader in technology-led risk management and compliance solutions, from Inflexion. The transaction valued Alcumus at more than £600 million.
- Alcumus helps organizations of all sizes anticipate, manage, and avoid risks, thereby improving outcomes for employees and company operations.
- Apax is a leading global private equity advisory firm. For nearly 50 years, Apax has worked to inspire growth and ideas that transform businesses. The firm has raised and advised funds with aggregate commitments of more than \$60 billion.
- Houlihan Lokey served as the exclusive financial advisor to Apax.

# RECENT PRECEDENT M&A TRANSACTIONS SAW MULTIPLES ABOVE LONG-TERM TRENDS...

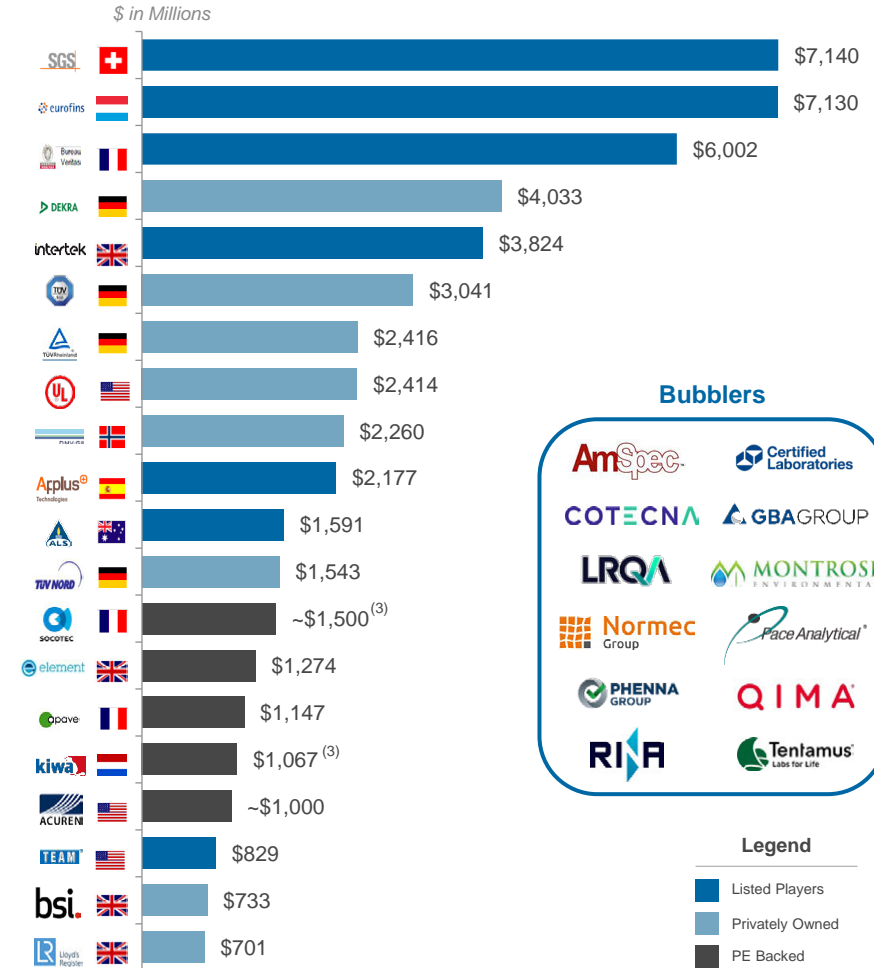


# ...SUPPORTING THE CREATION OF NEW PLATFORMS

2008<sup>(1)(2)</sup>



2022<sup>(2)</sup>



Sources: S&P Capital IQ, company reports, and Houlihan Lokey estimates.

(1) Represents LTM revenue available as of January 31, 2009. Estimates provided where information was not readily available.

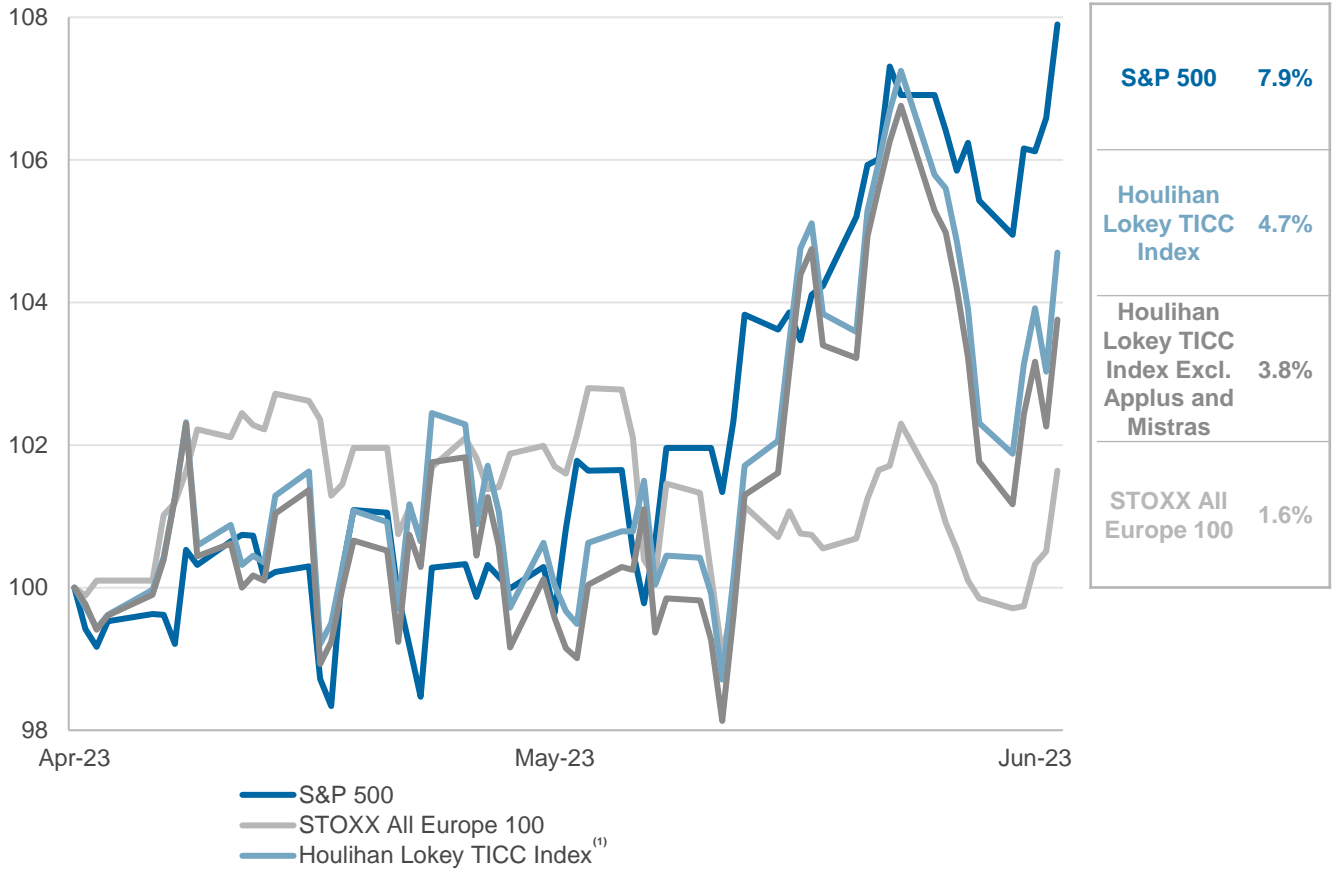
(2) Excludes public companies with minor testing and certification operations.

(3) Houlihan Lokey estimate.

# EQUITY MARKET INDEX PERFORMANCE

- Although the global economy has been slowing, the S&P 500 and Houlihan Lokey TICC Index have had steady performance in Q2-23.
- On a quarterly basis, the Houlihan Lokey TICC Index (4.7%) outperformed the STOXX All Europe 100 (1.6%).
- The Houlihan Lokey TICC Index is showing a healthy upward trend in Q2 2023 and has started to hedge its year-over-year losses.

## April–June 2023 Performance



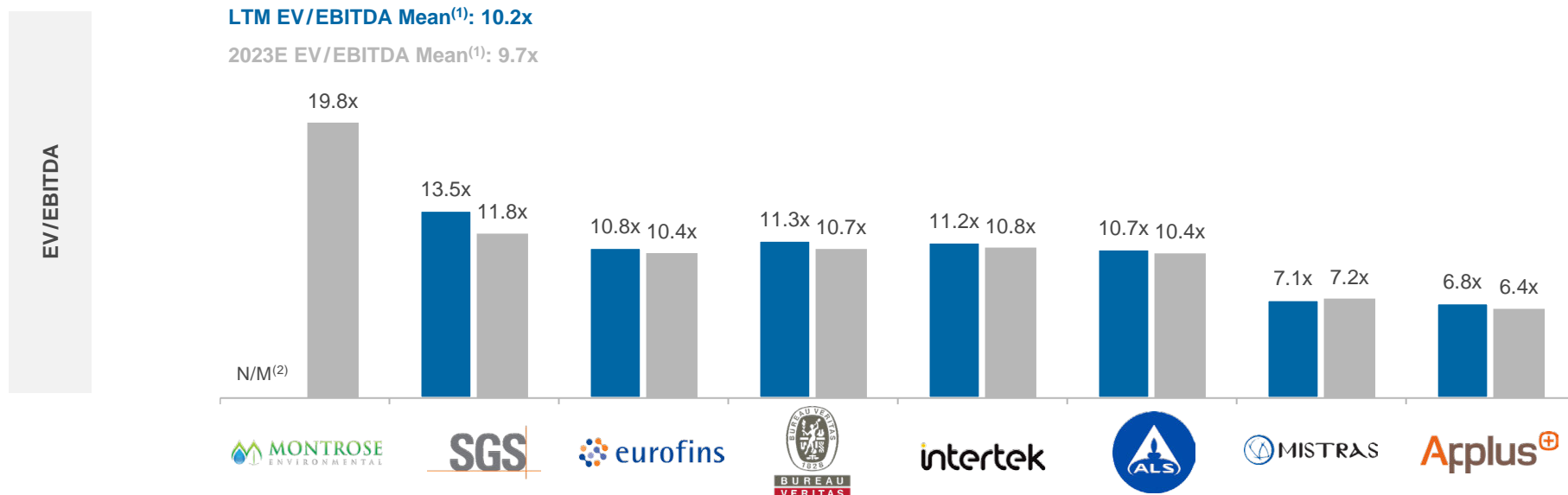
Source: S&P Capital IQ. Data as of June 30, 2023. All share prices rebased to 100.

(1) The Houlihan Lokey TICC Index consists of a diversified set of companies across the TICC sector. See page 15 for a complete list.



# PUBLIC COMPANY VALUATIONS

## TICC



<b>Market Cap (\$M)</b>	\$1,266	\$17,408	\$12,242	\$12,406	\$8,740	\$3,595	\$233	\$1,439
<b>EV (\$M)</b>	\$1,548	\$20,653	\$15,411	\$13,965	\$10,130	\$4,447	\$463	\$2,396
<b>LTM EV/Revenue</b>	2.8x	2.8x	2.2x	2.2x	2.4x	2.9x	0.7x	1.0x
<b>Revenue CAGR (2021–2023E)</b>	6.9%	4.6%	(2.6%)	7.5%	6.3%	5.0%	2.3%	5.6%
<b>EBITDA CAGR (2021–2023E)</b>	4.9%	5.0%	(16.9%)	7.8%	5.2%	8.5%	(3.1%)	7.1%
<b>LTM EBITDA Margin</b>	5.5%	20.5%	20.1%	19.3%	21.3%	27.2%	9.5%	15.1%

Source: S&P Capital IQ. Data as of June 30, 2023.

(1) Mean excluding Montrose.

(2) Montrose LTM EV/EBITDA: 50.04x (over meaningful range).

# PUBLIC COMPARABLES

## TESTING, INSPECTION, CERTIFICATION, AND COMPLIANCE

### Public Comparables

	Market Cap USDm	EV USDm	Net Debt USDm	Net Debt/EBITDA	EV/Revenue		EV/EBITDA		2021–2023E CAGR		EBITDA Margin	
				2022	LTM	2023E	LTM	2023E	Revenue	EBITDA	LTM	2023E
<b><i>Testing, Inspection, Certification, and Compliance</i></b>												
SGS SA	\$17,408.5	\$20,653.7	\$3,733.5	2.5x	2.8x	2.7x	13.5x	11.8x	4.6%	5.0%	20.5%	22.7%
Eurofins Scientific SE	\$12,242.5	\$15,411.0	\$2,825.5	1.8x	2.2x	2.1x	10.8x	10.4x	(2.6%)	(16.9%)	20.1%	20.4%
Bureau Veritas SA	\$12,406.8	\$13,965.7	\$1,447.4	1.2x	2.2x	2.1x	11.3x	10.7x	7.5%	7.8%	19.3%	19.9%
Intertek Group PLC	\$8,740.2	\$10,130.6	\$1,384.5	1.7x	2.4x	2.4x	11.2x	10.8x	6.3%	5.2%	21.3%	21.9%
ALS Ltd.	\$3,595.7	\$4,447.6	\$850.7	2.1x	2.9x	2.7x	10.7x	10.4x	5.0%	8.5%	27.2%	26.3%
Applus Services, SA	\$1,439.3	\$2,396.6	\$991.4	3.0x	1.0x	1.1x	6.8x	6.4x	5.6%	7.1%	15.1%	16.6%
Montrose Environmental Group, Inc.	\$1,266.9	\$1,548.4	\$155.6	5.3x	2.8x	2.5x	N/M	19.8x	6.9%	4.9%	5.5%	12.5%
Mistras Group, Inc.	\$233.9	\$463.4	\$183.3	2.9x	0.7x	0.7x	7.1x	7.2x	2.3%	(3.1%)	9.5%	9.1%
<b>Median</b>				<b>2.3x</b>	<b>2.3x</b>	<b>2.3x</b>	<b>10.8x</b>	<b>10.6x</b>	<b>5.3%</b>	<b>5.1%</b>	<b>19.7%</b>	<b>20.1%</b>
<b>Mean</b>				<b>2.5x</b>	<b>2.1x</b>	<b>2.0x</b>	<b>10.2x</b>	<b>11.0x</b>	<b>4.5%</b>	<b>2.3%</b>	<b>17.3%</b>	<b>18.7%</b>

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