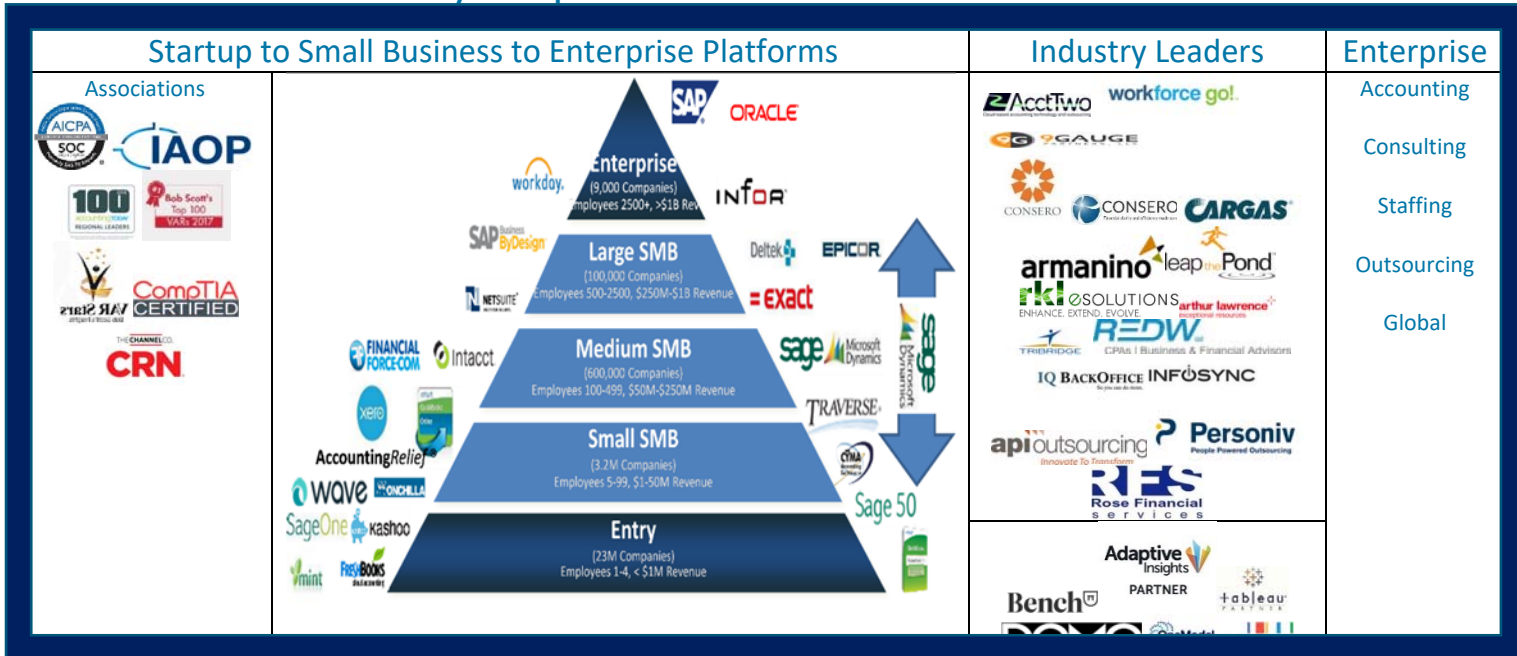


Backoffice FAO Industry Snapshot



Market Growth Factors

- Digital transformation to a modern platform
- “Finance as a Service” and managed FAO support services
- Demand for F&A optimization: clarity, analytics, spend efficiencies
- Shortage of certified functional and technical specialists
- Increased industry complexities, globalization, compliance, and regulations
- Buyers spend \$4X on services for every dollar on tech
- 10% spend management fee available for trusted partners

Industry Commentary

- While the global enterprise market is highly competitive, the middle-market, defined as deals below \$1m ACV, is bifurcated into Implementation Consultants and Outsourcing (FAOs, BPOs, MSPs).
 1. By Platform & Industry there are more than ~500 operating Consulting & Implementation firms in North America with greater than >\$1m across non-Intuit-QBO solutions for front and backoffice services.
 2. By Outsourcing firm, more than 200 FAO-BPO outsourcing solution service providers with middle-market technical competencies. Lower middle market open for consolidation based on technical competencies **Overlap exists for the above 2 groups.*

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M&A Corporate Development Consolidation Landscape

- Corporate development consolidation opportunity to consolidate fragmented platform and industry books without strategic capabilities into a national leader.
- Add-on capabilities include:
 - Analytics, AI, Automation, Apps ~By Function/Specialization
 - Board, Management, Investor Reporting <10
 - Executive Recruiting & Staffing ~40 private
 - ERP, BPaaS, Outsourcing Advisors and consultants ~ 140
 - FAO MSPs ~200
 - Industry Backoffice leaders ~ By Industry
 - Resellers & service providers in North America greater than \$1m:

Resellers by Platform		Services	Tools & Vendors
<ul style="list-style-type: none"> • Oracle • Sage ~200 • Workday • Deltek • MSFT ~500 • SAGE • NetSuite ~100 • Epicor ~45 • AdaptiveInsights ~103 • Qlik ~17 	<ul style="list-style-type: none"> • Infor • IFS • Zoho ~50 • IBM • SFDC ~99 • ServiceNow • AWS • Google • Thomson – 150 • HostAnalytics • Acumatica 	<ul style="list-style-type: none"> • By Industry • By Specialization/Function 	

Problems solved by consolidation:

- Monetize demand for “FaaS” – “Finance as a service” across market demand for analytics and automation beyond reporting and support services.
- Scalability. Majority of the firms trapped into either Implementation consulting or SMB model.
- Portfolio. Portfolio of solutions, services, tools.