



Business Services quarterly update

Q1 2018

Deloitte Corporate Finance LLC | www.investmentbanking.deloitte.com

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France



Olivier Magnin
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France



Charles Bédier
Paris,
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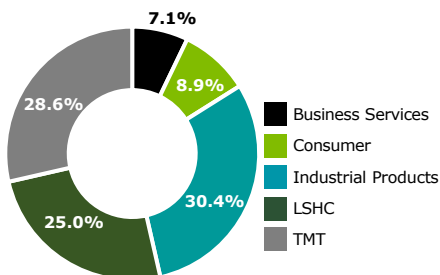


Fernando Baldellou
Madrid,
Spain

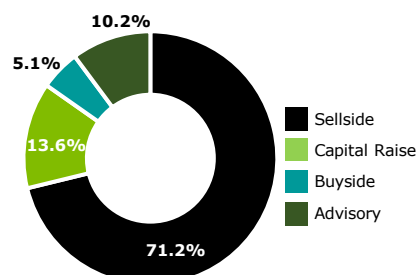


Antonio Solinas
Milan,
Italy

DCF deals closed by industry²



DCF deals closed by transaction type²



Leading M&A platform³

Mid-Market financial advisor	Rank	No. of deals
Goldman Sachs & Co	1	76
Deloitte	2	73
PwC	3	69
EY	4	63
JPMorgan	5	62
KPMG	6	62
Morgan Stanley	7	59
Rothschild	8	59
Citi	9	55
Bank of America	10	48

1. Deloitte refers to Deloitte Touche Tohmatsu Limited, its network of member firms, and their related entities.
2. Represents transactions during FY 2017. For certain deals, DCF acted as a subcontractor to a Deloitte member firm.
3. Refers to Deloitte's global M&A platform. Ranked by number of deals closed during Q1 2018. Data accessed via MergerMarket. Accessed April 13, 2018.

Business Services M&A sector coverage

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In this update:

- Business Services trends
- Economic outlook
- Industry analysis
- Select M&A transactions

Who we are:

Deloitte Corporate Finance LLC is a leading global middle market M&A adviser. The firm's professionals have extensive knowledge in the Business Services space and use their experience to help clients maximize value.

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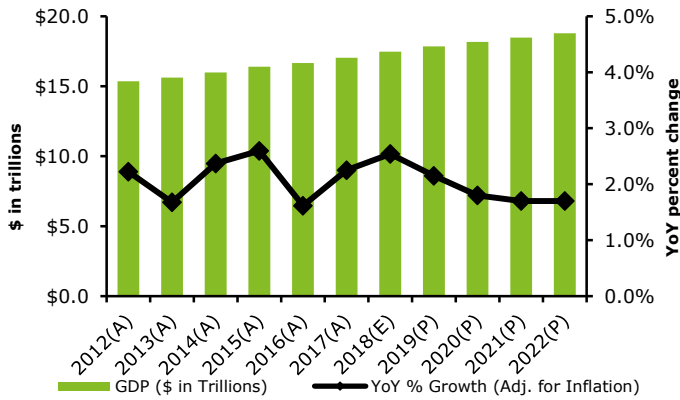
Demonstrated transaction experience



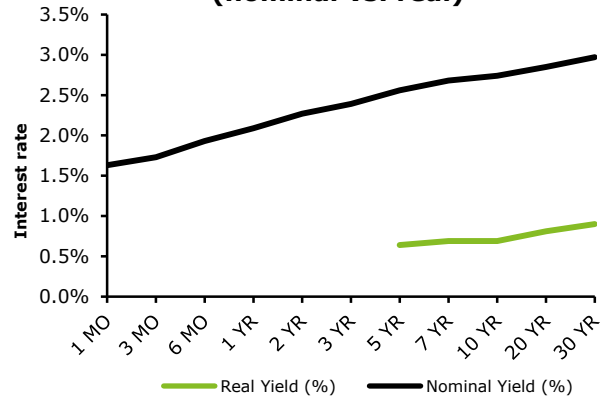
- Founded in 1947, Donan Solutions, LLC (Donan) is a leading provider of independent claims investigation services and forensic engineering services for residential and commercial insurance carriers. Donan offers a variety of services, including forensic engineering, fire investigation, component testing, litigation support, UAV services, and HVAC Forensics, in 50 states across the United States.
- DCF assisted Donan in achieving its liquidity objectives and finding an optimal partner for HVAC Forensics going forward.

Macroeconomic outlook

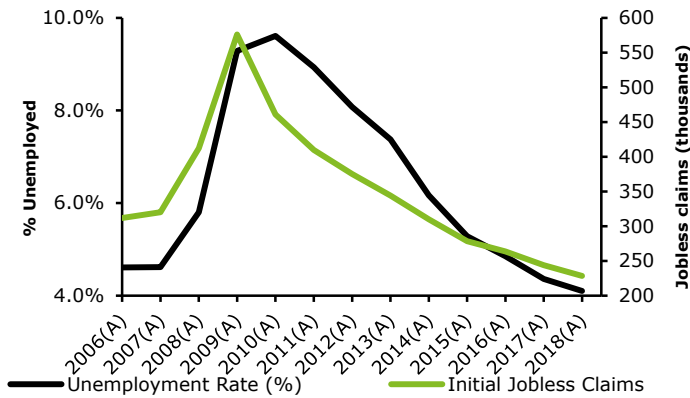
US gross domestic product¹



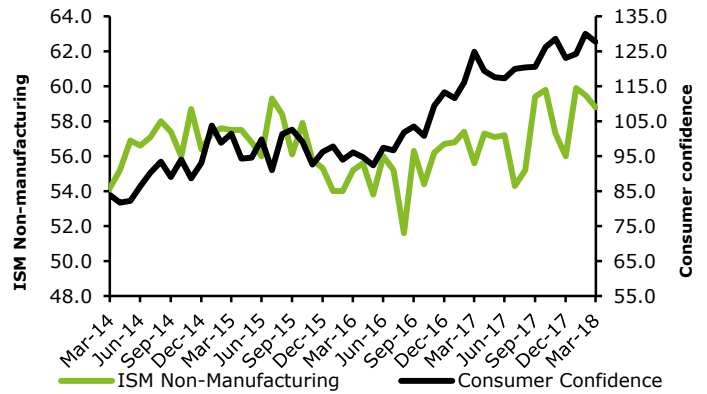
US Treasury yield curve² (nominal vs. real)



US unemployment rate³



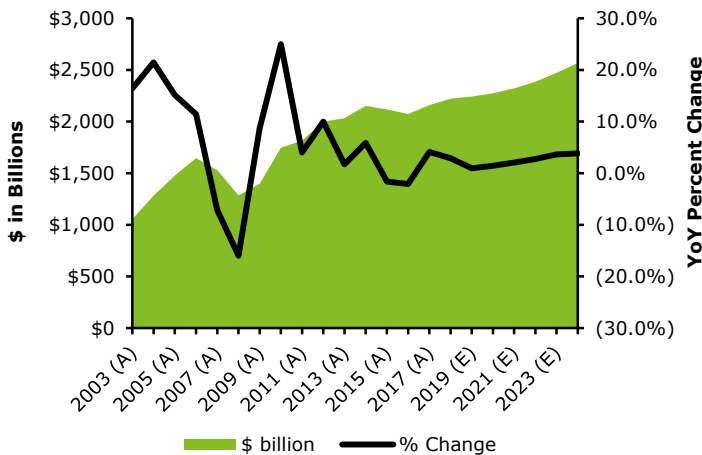
ISM non-manufacturing index and consumer confidence index⁴



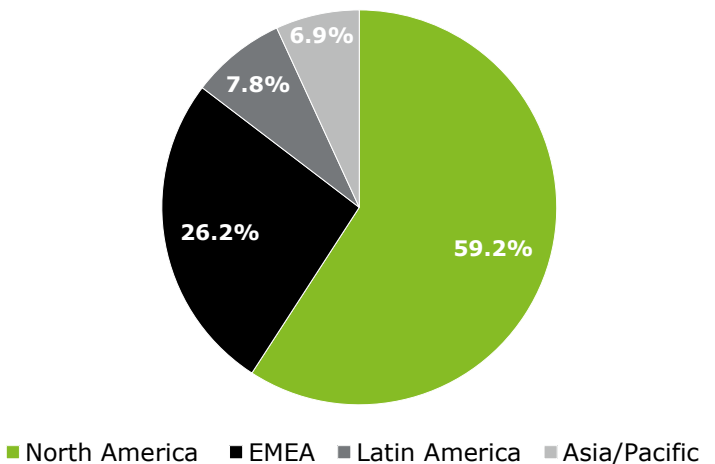
*An ISM Non-Manufacturing Index value above 50 signals economic expansion.

Business Services sector outlook

US corporate profits⁵



Global segmentation of business process outsourcing⁶

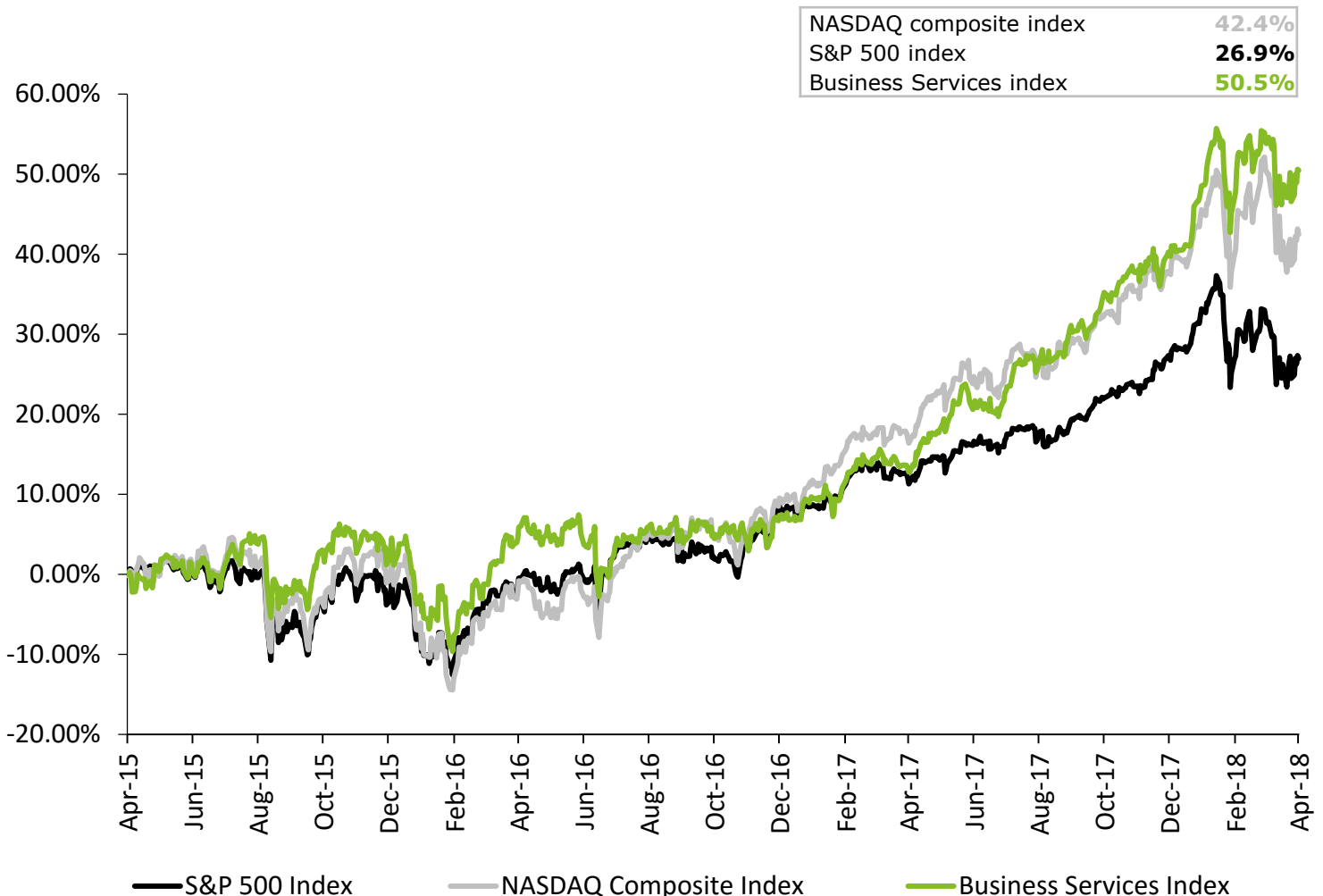


1. US Bureau of Economic Analysis. Accessed April 9, 2018. Data as of March 31, 2018.
2. US Department of the Treasury. Accessed April 9, 2018. Data as of March 31, 2018.
3. US Bureau of Labor Statistics. Accessed April 9, 2018. Data as of March 31, 2018.
4. S&P Capital IQ. Accessed April 9, 2018. Data as of March 31, 2018.
5. IBIS World. Accessed April 9, 2018. Data as of March 31, 2018.
6. Gartner. Accessed April 9, 2018. Data as of December 31, 2016.

Business Services sector breakdown and trading statistics¹

Sector	Number of companies	% of 52 week high	Median revenue CAGR (3 Yr)	Median LTM EBITDA	Median EBITDA margin	Median enterprise value (\$)	Last Twelve Months		NTM
							EV/Revenue	EV/EBITDA	EV/EBITDA
(\$ in Millions)									
Advertising and Marketing	9	82.7 %	7.8 %	\$831.6	14.8 %	\$7,996.9	1.2 x	8.5 x	7.8 x
Business Process Outsourcing	12	91.7	6.4	487.1	15.6	7,668.3	2.4	14.9	12.0
Consulting	10	96.4	5.3	108.3	10.4	1,296.9	1.2	12.4	11.2
Education & Training	13	90.2	(1.2)	55.7	15.9	515.8	1.9	12.7	10.2
Staffing and Human Resources	15	93.6	10.5	174.8	4.5	2,797.6	0.5	11.1	9.3
Transaction Processing	14	93.9	11.6	841.4	22.8	12,115.0	5.0	19.2	15.8
Comparable Public Companies	73	93.9 %	6.5 %	\$345.5	12.8 %	\$3,568.8	1.5 x	12.6 x	11.1 x

Public comparables three-year stock market performance²



1. S&P Capital IQ. Accessed April 15, 2018. Data as of April 15, 2018.
 2. S&P Capital IQ. Accessed April 15, 2018. Data as of April 15, 2018.

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Advertising and Marketing

Sector update | Q1 2018

Advertising and Marketing

Advertising and Marketing trend



Leveraging B2C content marketing measurement systems¹

The use of technology to relieve marketers of some of their more mundane duties is expected to bear fruit in 2018. Brands and agencies have been experimenting with using machine learning to process data and handle repetitive tasks so that their teams can focus on generating insightful and creative work. “Now that autonomous technologies are emerging to do the heavy lifting around data management and campaign execution, marketers will be freed up to return to creative, sparking a renaissance that’s informed by data and, perhaps, more meaningful than ever before,” said Amy Inlow, CMO of AI marketing platform Albert.



Transaction in focus²



March 06, 2018 – CommerceHub, Inc. (NASDAQ:CHUBA) (NASDAQ:CHUBK) (CommerceHub), GTCR (GTCR), and Sycamore Partners (Sycamore) announced a definitive agreement whereby affiliates of GTCR and Sycamore, two leading private equity firms, will acquire all outstanding shares of CommerceHub, a leading distributed commerce network for retailers and brands. The all-cash deal provides substantial value to CommerceHub stockholders. Under the terms of the agreement, funds affiliated with GTCR and Sycamore will acquire all outstanding shares of CommerceHub’s Series A, B, and C common stock for a total value of approximately \$1.1 billion.

Select Advertising and Marketing M&A transactions³

(\$ in Millions)

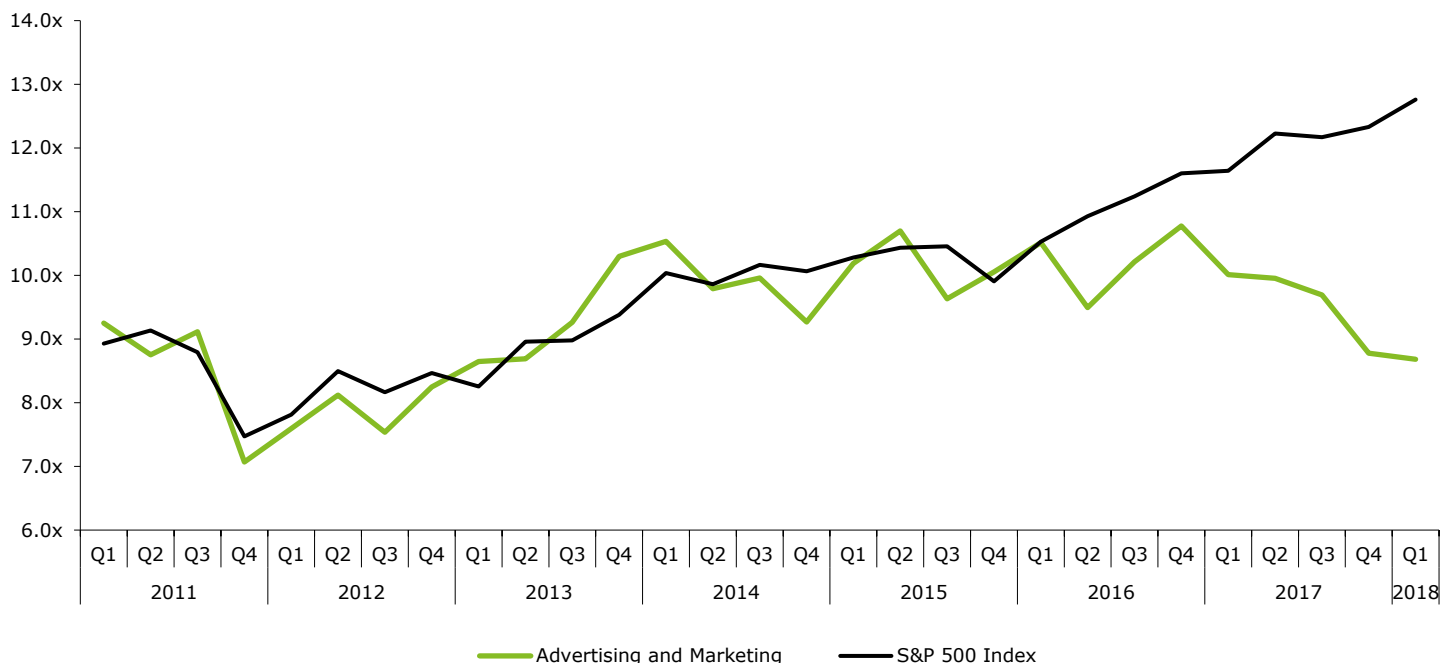
Close date	Target/Acquirer	Target business description	Enterprise value ("EV")	EV/Revenue	EV/EBITDA
Pending	CommerceHub, Inc. GTCR, LLC; Sycamore Partners	Provides cloud-based e-commerce fulfillment and marketing solutions for large retailers, consumer brands, and marketplaces primarily in the United States and Canada.	\$1,089.6	9.8 x	34.1 x
Pending	LiquidHub, Inc. Capgemini SE	Develops digital customer engagement solutions.	500.0	2.0	N/A
Pending	Callidus Software, Inc. SAP America, Inc.	Provides cloud-based digital asset management, brand management, and marketing fulfillment solutions.	2,425.9	9.6	N/A
February-18	WebDAM, Inc. Bynder, LLC	Provides cloud-based sales, marketing, learning, and customer experience solutions worldwide.	49.1	3.0	N/A
July-17	Havas SA Vivendi SA	Provides advertising, media, and digital services worldwide.	4,309.0	1.7	11.4

1. “10 Trends That Will Shape Marketing In 2018.” CMO. January 8, 2018.
2. “Commercehub announces definitive agreement to be acquired by GTCR and Sycamore Partners for \$1.1 billion.” Commercehub Press Release. March 6, 2018.
3. S&P Capital IQ. Accessed April 9, 2018. Data as of April 9, 2018.

Advertising and Marketing public comparables¹

Company (Ticker)	% of 52 Week high	LTM revenue	Revenue CAGR (3 Yr)	LTM EBITDA	EBITDA margin	Enterprise value	LTM		NTM
							EV/ Revenue	EV/ EBITDA	EV/ EBITDA
<i>(\$ in Millions)</i>									
Aimia Inc. (TSX:AIM) ²	22.7 %	\$1,262.5	(13.6) %	\$108.6	8.6 %	\$264.6	0.2 x	2.4 x	1.4 x
Cheil Worldwide Inc. (KOSE:A030000)	85.9	3,159.3	8.2	180.7	5.7	1,616.5	0.5	8.9	0.0
Hakuhodo DY Holdings Inc (TSE:2433)	90.2	11,686.0	5.1	532.5	4.6	4,299.7	0.4	8.1	7.7
MDC Partners Inc. (NasdaqGS:MDCA)	60.8	1,513.8	7.4	175.8	11.6	1,493.4	1.0	8.5	6.9
Omnicom Group Inc. (NYSE:OMC)	86.5	15,315.8	0.1	2,344.5	15.3	19,951.7	1.3	8.5	8.0
Publicis Groupe S.A. (ENXTPA:PUB)	88.0	11,635.4	10.1	2,144.6	18.4	17,511.0	1.5	8.2	8.5
The Interpublic Group of Companies, Inc. (NYSE:IPG)	91.8	7,987.7	1.8	1,133.1	14.2	10,094.0	1.3	8.9	8.4
UBM plc (LSE:UBM)	98.4	1,355.5	22.1	398.5	29.4	5,991.3	4.4	15.0	14.6
WPP plc (LSE:WPP)	65.2	20,633.1	9.8	3,190.0	15.5	26,876.0	1.3	8.4	7.9
Median	87.3 %	\$9,811.6	7.8 %	\$832.8	14.7 %	\$8,042.7	1.3 x	8.5 x	7.9 x
Mean	76.6 %		5.7 %		13.7 %		1.3 x	8.6 x	7.0 x

Advertising and Marketing historical EV/EBITDA multiples³



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1. S&P Capital IQ. Accessed April 27, 2018. Data as of April 27, 2018.
 2. Excluded from median and mean calculations.
 3. S&P Capital IQ. Accessed April 15, 2018. Data as of April 15, 2018.

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Business Process Outsourcing

Sector update | Q1 2018

Business Process Outsourcing

Business Process Outsourcing trend



Business process automation¹

New technologies that have emerged over the past few years, including robotic process automation (RPA), have begun to impact the business process outsourcing (BPO) industry. RPA is slowly penetrating all industries and types of business processes due to the incremental cost savings, speed, and efficiency it provides. Growing businesses are able to avoid hiring large numbers of people for small tasks, such as processing insurance claims and data entry, which can be easily handled through automation. In 2018, automation will be a dominant trend and outsourcing companies will automate more processes to bring innovation to existing clients, improve productivity, and regain a labor cost advantage.



Transaction in focus²



February 2, 2018 - Trimble (NASDAQ: TRMB) announced that it has acquired privately-held e-Builder, a leading SaaS-based construction program management solution for capital program owners and program management firms. e-Builder extends Trimble's ability to accelerate industry transformation by providing an integrated project delivery solution for owners, program managers, and contractors across the design, construction, and operating lifecycle.

Select Business Process Outsourcing M&A transactions³

(\$ in Millions)

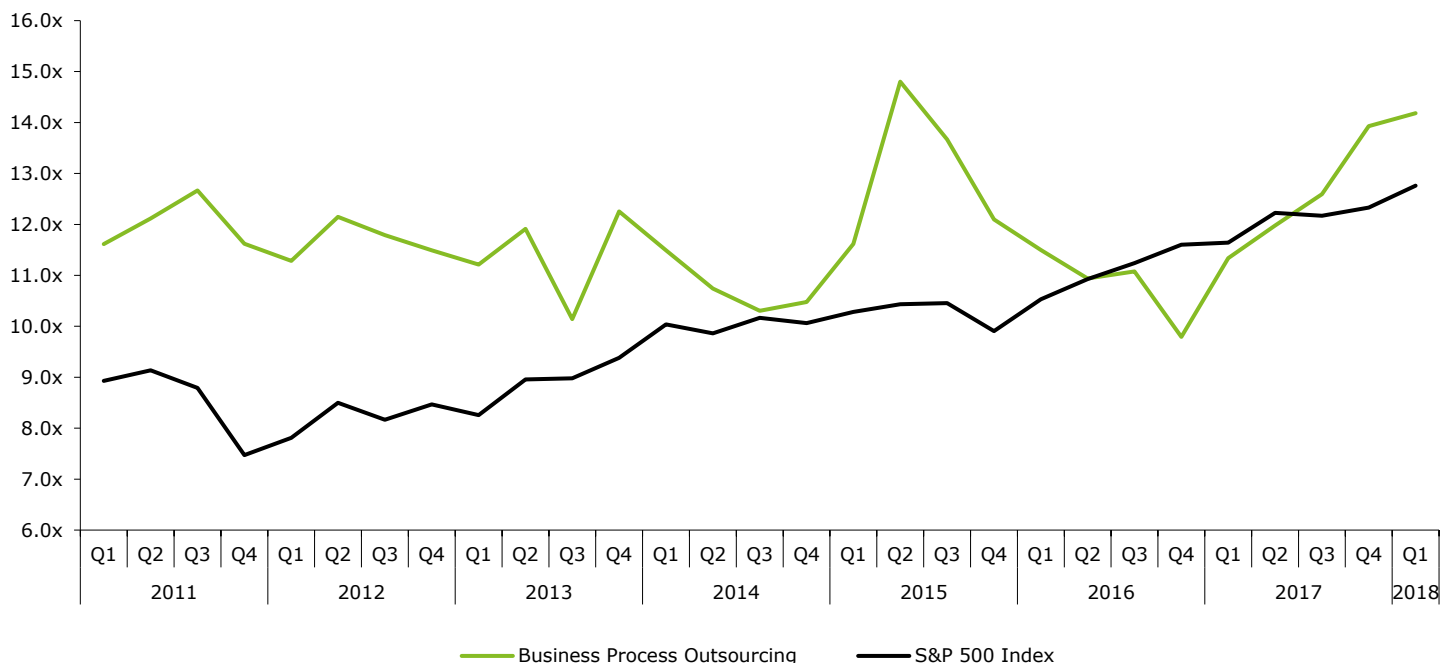
Close date	Target/Acquirer	Target business description	Enterprise value ("EV")	EV/Revenue	EV/EBITDA
February-18	e-Builder, Inc. Trimble, Inc.	Develops and provides a cloud-based construction program management solution that manages capital program cost, schedule, and documents through a workflow.	\$500.0	9.4 x	N/A x
February-18	SQS Software Quality Systems AG Assystem Technologies SA	Provides end-to-end software and business process quality solutions.	418.0	1.1	13.7
December-17	PAREXEL International Corporation Pamplona Capital Management LLP	Operates as a biopharmaceutical outsourcing services company worldwide.	5,007.4	2.4	14.6
September-17	Kofax Ltd. Thoma Bravo, LLC	Provides capture and business process management (BPM) software and related maintenance and professional services.	1,350.0	0.3	N/A

1. "Business Process Outsourcing: 7 Trends to Expect in 2018." Time Doctor. January 2018.
 2. "Trimble Acquires e-Builder to Expand its Construction Management Solutions." PR Newswire Press Release. February 2, 2018.
 3. S&P Capital IQ. Accessed April 9, 2018. Data as of April 9, 2018.

Business Process Outsourcing public comparables¹

Company (Ticker)	% of 52 Week high	LTM revenue	Revenue CAGR (3 Yr)	LTM EBITDA	EBITDA margin	Enterprise value	LTM		NTM
							EV/ Revenue	EV/ EBITDA	EV/ EBITDA
<i>(\$ in Millions)</i>									
Cognizant Technology Solutions Corporation (NasdaqGS:CTSH)	95.9 %	\$14,810.0	13.0 %	\$3,032.0	20.5 %	\$43,638.0	2.9 x	14.4 x	12.6 x
Computershare Limited (ASX:CPU)	93.6	2,229.5	3.7	549.4	24.6	8,159.8	3.7	14.9	12.5
Convergys Corporation (NYSE:CVG)	87.9	2,792.1	(0.7)	358.2	12.8	2,208.3	0.8	6.2	6.8
DXC Technology Company (NYSE:DXC)	95.9	20,151.0	28.3	3,164.0	15.7	35,542.0	1.8	11.2	7.0
ExlService Holdings, Inc. (NasdaqGS:EXLS)	90.7	762.3	15.1	111.6	14.6	1,791.4	2.3	16.1	12.0
Genpact Limited (NYSE:G)	91.3	2,736.9	6.3	424.8	15.5	6,817.1	2.5	16.0	13.5
Sykes Enterprises, Incorporated (NasdaqGS:SYKE)	84.6	1,586.0	6.1	170.4	10.7	1,158.3	0.7	6.8	6.7
Tata Consultancy Services Limited (NSEI:TCS)	97.0	18,917.2	9.2	4,996.4	26.4	92,629.0	4.9	18.5	16.8
TTEC Holdings, Inc. (NasdaqGS:TTEC)	72.7	1,477.4	6.0	185.0	12.5	1,738.7	1.2	9.4	8.5
Wipro Limited (BSE:507685)	82.3	8,373.0	5.1	1,586.2	18.9	16,280.4	1.9	10.3	9.4
WNS (Holdings) Limited (NYSE:WNS)	98.3	758.0	12.4	109.7	14.5	2,332.1	3.1	21.3	15.6
Median	91.3 %	\$2,736.9	6.3 %	\$424.8	15.5 %	\$6,817.1	2.3 x	14.4 x	12.0 x
Mean	90.0 %		9.5 %		17.0 %		2.3 x	13.2 x	11.0 x

Business Process Outsourcing historical EV/EBITDA multiples²



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1. S&P Capital IQ. Accessed April 27, 2018. Data as of April 27, 2018.
 2. S&P Capital IQ. Accessed April 15, 2018. Data as of April 15, 2018.

Deloitte.
Consulting
Sector update | Q1 2018

Consulting

Consulting trend



Accounting firms dominate Consulting market¹

Since 2012, the Big Four accounting firms' combined global revenue from consulting and other advisory work has risen 44 percent, compared with just three percent growth from auditing. The result is that the bulk of the firms' revenue now comes from consulting and advisory, \$56 billion last year, compared to \$47 billion from auditing. Five years ago, auditing pulled in roughly the same amount—\$46 billion—while consulting and advisory's haul was only \$39 billion.



Transaction in focus²



November 1, 2017 - Duff & Phelps Corporation (Duff & Phelps), a premier global valuation and corporate finance advisor, and London based private equity firm Permira Advisers Ltd. (Permira) announced that a company backed by the Permira funds has agreed to acquire Duff & Phelps for \$1.75 billion. Selling equity holders include The Carlyle Group, Neuberger Berman, the University of California's Office of the Chief Investment Officer of the Regents and Pictet & Cie.

Select Consulting M&A transactions³

(\$ in Millions)

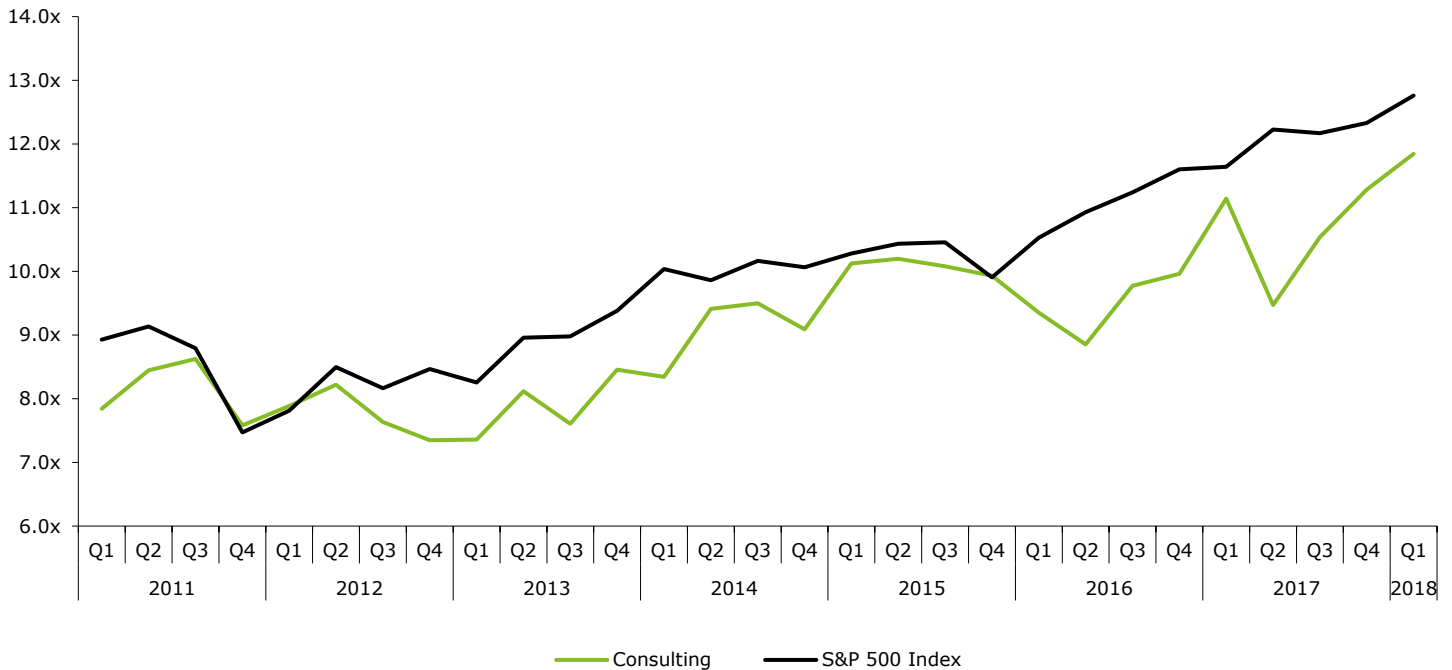
Close date	Target/Acquirer	Target business description	Enterprise value ("EV")	EV/Revenue	EV/EBITDA
November-17	Duff & Phelps Corporation Permira Advisers Ltd.	Provides legal management, consulting, valuation, alternative asset management, compliance and regulatory consulting, and other business services.	\$1,750.0	N/A x	N/A x
May-17	The CJS Solutions Group LLC Tech Mahindra (Americas), Inc.	Offers healthcare technology consulting services.	220.0	1.9	N/A
April-17	CEB, Inc. Gartner, Inc.	Operates as a practice insight and technology company in the United States, Europe, and internationally.	3,680.7	3.9	18.4
March-17	Everett Spingo, Inc. Computer Sciences Corporation	Provides technology consulting, outsourcing, and support services worldwide.	8,642.0	0.5	5.1

1. "How Did the Big Four Auditors Get \$17 Billion in Revenue Growth? Not From Auditing." Wall Street Journal. April 7, 2018.
2. "Duff & Phelps to be Acquired by the Permira Funds for \$1.75 Billion." BusinessWire. November 1, 2017.
3. S&P Capital IQ. Accessed April 9, 2018. Data as of April 9, 2018.

Consulting public comparables¹

Company (Ticker)	% of 52 Week high	LTM revenue	Revenue CAGR (3 Yr)	LTM EBITDA	EBITDA margin	Enterprise value	LTM		NTM
							EV/Revenue	EV/EBITDA	EV/EBITDA
<i>(\$ in Millions)</i>									
Accenture plc (NYSE:ACN)	92.0 %	\$37,125.7	6.3 %	\$6,030.7	16.2 %	\$95,186.1	2.6 x	15.8 x	13.7 x
Booz Allen Hamilton Holding Corporation (NYSE:BAH)	97.1	6,117.6	4.7	581.2	9.5	7,338.1	1.2	12.6	12.3
CBIZ, Inc. (NYSE:CBZ)	94.9	880.0	6.5	101.0	11.5	1,242.8	1.4	12.3	11.4
CRA International, Inc. (NasdaqGS:CRAI)	97.0	381.4	7.4	28.4	7.4	466.5	1.2	16.4	0.0
Exponent, Inc. (NasdaqGS:EXPO)	99.3	339.9	5.1	85.3	25.1	2,081.2	6.1	24.4	22.3
FTI Consulting, Inc. (NYSE:FCN)	97.6	1,859.2	1.8	220.9	11.9	2,334.1	1.3	10.6	0.0
Huron Consulting Group Inc. (NasdaqGS:HURN)	79.1	732.6	5.3	104.0	14.2	1,122.4	1.5	10.8	12.5
ICF International, Inc. (NasdaqGS:ICFI)	97.0	1,229.2	5.4	112.7	9.2	1,452.8	1.2	12.9	11.9
Navigant Consulting, Inc. (NYSE:NCI)	88.0	939.6	7.0	125.8	13.4	1,095.2	1.2	8.7	8.7
Resources Connection, Inc. (NasdaqGS:RECN)	92.9	619.0	1.1	63.6	10.3	517.7	0.8	8.1	10.2
Median	95.9 %	\$909.8	5.3 %	\$108.3	11.7 %	\$1,347.8	1.2 x	12.5 x	11.7 x
Mean	93.5 %		5.1 %		12.9 %		1.8 x	13.3 x	10.3 x

Consulting historical EV/EBITDA multiples²



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1. S&P Capital IQ. Accessed April 27, 2018. Data as of April 27, 2018.
 2. S&P Capital IQ. Accessed April 15, 2018. Data as of April 15, 2018.

Deloitte.
Education and Training
Sector update | Q1 2018

Education & Training

Education & Training trend



AI and people are smarter together¹

Leading companies increasingly recognize that artificial intelligence (AI) and related technologies are most effective when they complement humans, not replace them. Amazon now has 100,000 robots in operation, which has shortened training for holiday workers to less than two days. Walmart recently deployed virtual reality technology to improve its in-store training and effectively simulate customer environments. Manufacturers such as Airbus and Nissan are finding ways to use collaborative robots, or “co-bots,” that work side by side with workers in factories. There is also growing recognition that AI tools require human oversight. Behind the scenes, major tech firms have tens of thousands of humans continuously watching, training, and improving their algorithms.



Transaction in focus²



February 6, 2018 – Gartner, Inc. (NYSE: IT), the world’s leading research and advisory company, announced that it has reached a definitive agreement to sell CEB Talent Assessment, formerly SHL, to Exponent Private Equity, a UK-based private equity firm, for \$400 million.

Select Education and Training M&A transactions³

(\$ in Millions)

Close date	Target/Acquirer	Target business description	Enterprise value (“EV”)	EV/Revenue	EV/EBITDA
April-18	CEB Talent Assessment Exponent Private Equity LLP	Provides talent measurement solutions.	\$400.0	4.1 x	10.5 x
November-17	The Advisory Board Company OptumInsight, Inc.	Provides leading practices research and insight, technology, consulting and management, and data-enabled services internationally.	1,300.0	1.6	6.3
September-17	Nord Anglia Education, Inc. Canada Pension Plan Investment Board; Baring Private Equity Asia	Operates premium international schools.	4,349.0	4.9	24.8
July-17	Jhana Education, Inc. Franklin Covey Corporation	Develops and offers bite-sized, online learning content for leaders and managers.	10.7	N/A	N/A
April-17	Emantras Inc. GP Strategies Corporation	Provides training, education, and designs work flow solutions.	N/A	N/A	N/A

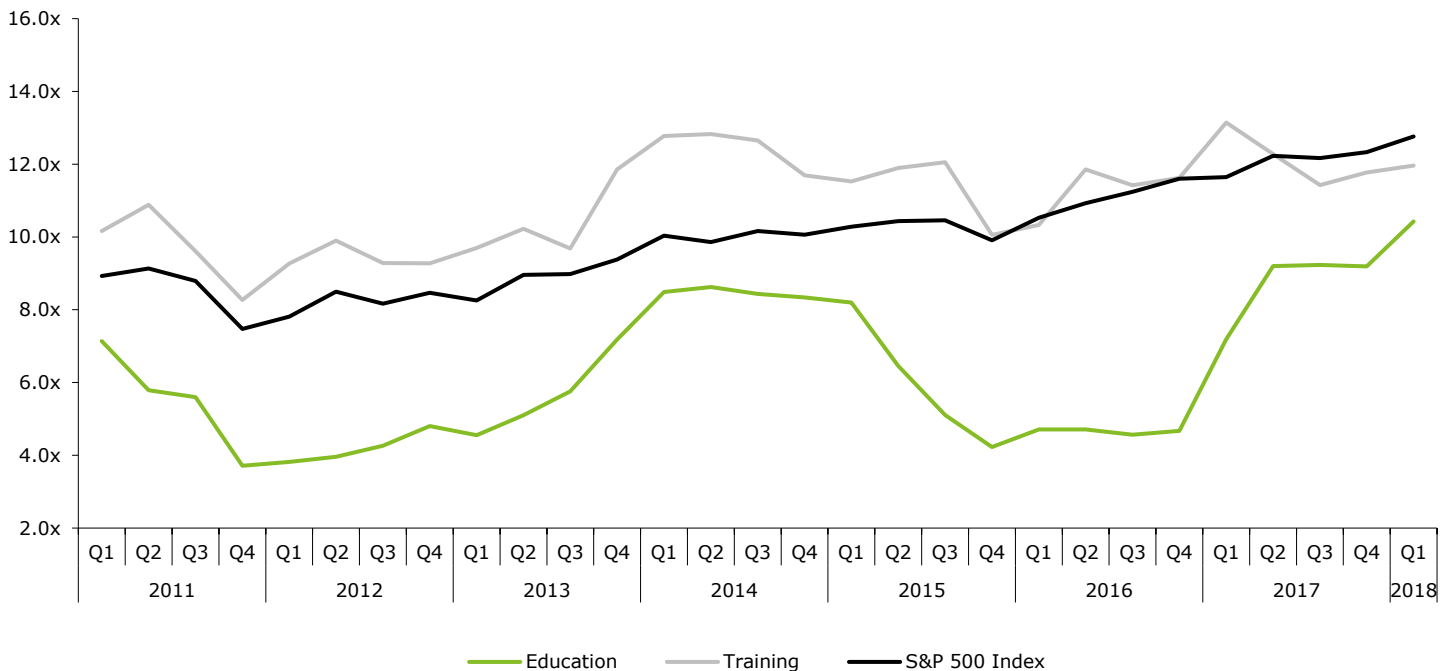
1. “The Rise of the Social Enterprise.” 2018 Deloitte Global Human Capital Trends. April 2018.
2. “Gartner Signs Definitive Agreement to Sell CEB Talent Assessment to Exponent for \$400 Million.” Gartner Press Release. February 6, 2018.
3. S&P Capital IQ. Accessed April 9, 2018. Data as of April 9, 2018.

Education & Training public comparables¹

Company (Ticker)	% of 52 Week high	LTM revenue	Revenue CAGR (3 Yr)	LTM EBITDA	EBITDA margin	Enterprise value	LTM		NTM
							EV/Revenue	EV/EBITDA	EV/EBITDA
<i>(\$ in Millions)</i>									
Education									
American Public Education, Inc. (NasdaqGS:APEI)	88.9 %	\$299.2	(5.1) %	\$55.7	18.6 %	\$487.4	1.6 x	8.7 x	9.0 x
Bridgepoint Education, Inc. (NYSE:BPI)	37.2	478.4	(9.2)	27.2	5.7	(26.9)	N/A	N/A	NM
Capella Education Company (NasdaqGS:CPLA)	94.3	440.4	2.6	70.2	15.9	919.7	2.1	13.1	10.5
Career Education Corporation (NasdaqGS:CECO)	92.0	596.4	(13.3)	69.5	11.7	743.2	1.2	10.7	7.3
Adtalem Global Education Inc. (NYSE:ATGE)	95.2	1,809.3	(2.1)	319.2	17.6	2,838.4	1.6	8.9	9.6
Grand Canyon Education, Inc. (NasdaqGS:LOPE)	93.6	974.1	12.1	337.0	34.6	4,852.3	5.0	14.4	13.4
Lincoln Educational Services Corporation (NasdaqGS:LINC)	50.3	261.9	6.3	2.4	0.9	84.5	0.3	35.7	15.3
Strayer Education, Inc. (NasdaqGS:STRA)	95.8	454.9	0.7	73.2	16.1	970.3	2.1	13.2	12.2
Universal Technical Institute, Inc. (NYSE:UTI)	79.8	321.2	(5.2)	9.1	2.8	95.8	0.3	10.5	8.0
Median	92.0 %	\$454.9	(2.1) %	\$69.5	15.9 %	\$743.2	1.6 x	11.9 x	10.0 x
Mean	80.8 %		(1.5) %				1.8 x	14.4 x	10.7 x

Company (Ticker)	% of 52 Week high	LTM revenue	Revenue CAGR (3 Yr)	LTM EBITDA	EBITDA margin	Enterprise value	LTM		NTM
							EV/Revenue	EV/EBITDA	EV/EBITDA
<i>(\$ in Millions)</i>									
Training									
Franklin Covey Co. (NYSE:FC)	78.7 %	\$197.8	(1.9) %	\$6.6	3.3 %	\$378.3	1.9 x	57.7 x	22.0 x
GP Strategies Corporation (NYSE:GPX)	68.0	509.2	0.5	31.6	6.2	397.6	0.8	12.6	7.9
John Wiley & Sons, Inc. (NYSE:JW.A)	97.3	1,771.1	(1.2)	326.3	18.4	4,129.0	2.3	12.7	10.1
Wilmington plc (LSE:WIL)	87.3	167.2	10.0	30.8	18.4	362.3	2.2	11.8	9.1
Median	83.0 %	\$353.5	(0.4) %	\$31.2	12.3 %	\$387.9	2.0 x	12.6 x	9.6 x
Mean	82.8 %		1.8 %				1.8 x	23.7 x	12.3 x

Education and Training historical EV/EBITDA multiples²



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1. S&P Capital IQ. Accessed April 27, 2018. Data as of April 27, 2018.
 2. S&P Capital IQ. Accessed April 15, 2018. Data as of April 15, 2018.

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Staffing and Human Resources

Sector update | Q1 2018

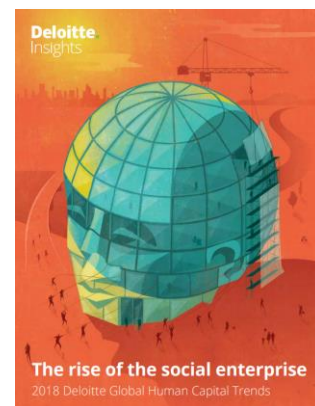
Staffing and Human Resources

Staffing and Human Resources trend



The workforce ecosystem¹

In this year’s Deloitte Global Human Capital Trends survey, 50 percent of the respondents reported a significant number of contractors in their workforces; 23 percent reported a significant number of freelancers, and 13 percent reported a significant number of gig workers. All of this suggests that, in simplest terms, the traditional employer-employee relationship is being replaced by the emergence of a diverse workforce ecosystem—a varied portfolio of workers, talent networks, gig workers, and service providers that offers employers flexibility, capabilities, and the potential for exploring different economic models in sourcing talent.



Human Capital
Research & Insights

Transaction in focus²



January 31, 2018 - On Assignment, Inc. (NYSE: ASGN), one of the foremost providers of IT and professional services in the technology, creative/digital, engineering, and life sciences sectors, announced that it has signed a definitive agreement to acquire ECS Federal, LLC (ECS) from Roy Kapani, the company’s majority owner and founder, and Lindsay Goldberg, a private investment firm, for \$775 million in cash.

Select Staffing and Human Resources M&A transactions³

(\$ in Millions)

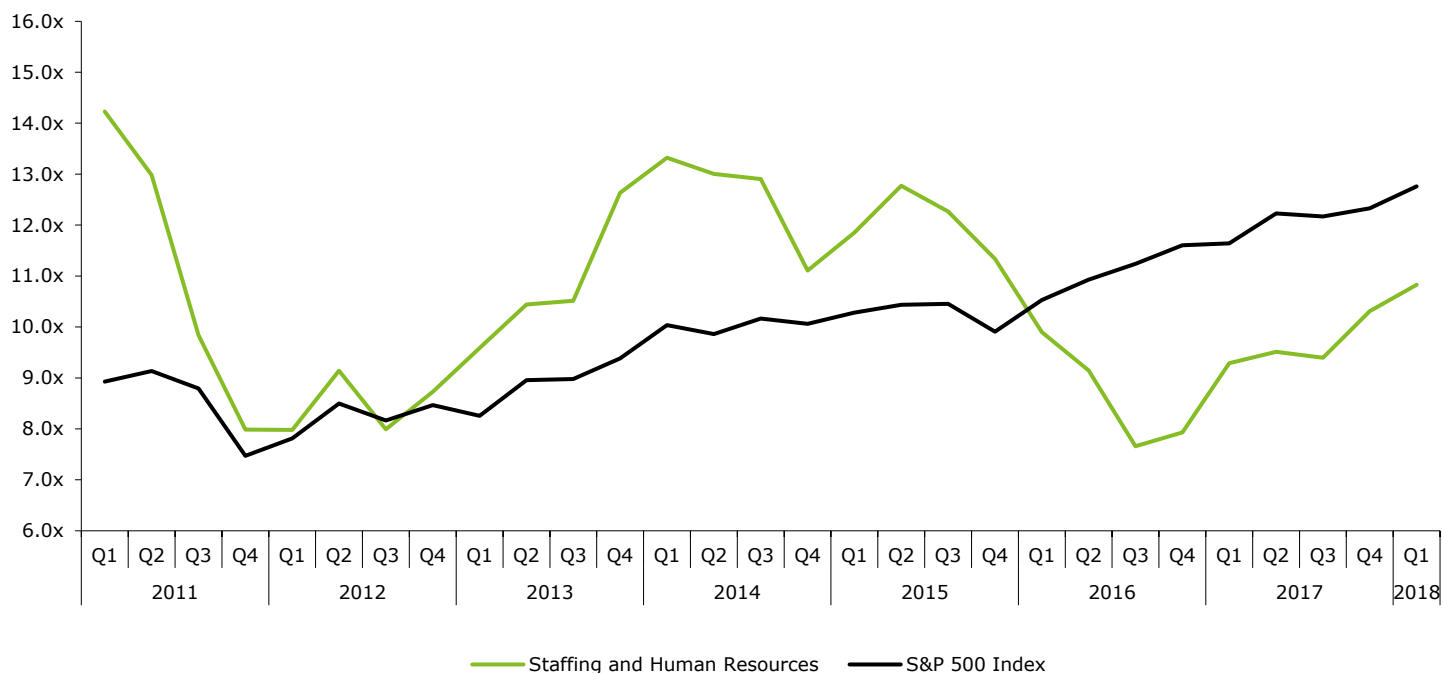
Close date	Target/Acquiror	Target business description	Enterprise value ("EV")	EV/ Revenue	EV/ EBITDA
April-18	ECS Federal, Inc. On Assignment, Inc. (nka:ASGN, Inc.)	Provides technology services and solutions to United States federal government agencies.	\$775.0	1.3 x	11.5 x
July-17	CareerBuilder, LLC Apollo Global Management, LLC; Ontario Teachers' Pension Plan Board	Provides HR software-as-a-service solutions that connect job seekers and employers globally.	627.5	0.9 x	N/A x
July-17	Advantage RN, LLC Cross Country Healthcare, Inc.	Provides staffing services for nurse and medical professional travel assignments, primarily to hospitals and medical facilities in the United States.	86.8	0.9	8.7
May-17	Aon plc, Benefits Administration and HR Business Process Outsourcing Platform The Blackstone Group L.P.	Provides cloud-based HR management services.	4,800.0	2.1	12.1
May-17	Halogen Software Inc. Saba Software, Inc.; 6883621 Canada Inc.	Develops, markets, and sells software-as-a-service based talent management software solutions worldwide.	174.9	2.4	27.5

1. "The Rise of the Social Enterprise." 2018 Deloitte Global Human Capital Trends. April 2018.
2. "On Assignment, Inc. to Acquire ECS Federal, LLC, One of the Largest Privately-Held Government Services Contractors, for \$775 Million in Cash." BusinessWire. January 31, 2018.
3. S&P Capital IQ. Accessed April 9, 2018. Data as of April 9, 2018.

Staffing and Human Resources public comparables¹

Company (Ticker)	% of 52 Week high	LTM revenue	Revenue CAGR (3 Yr)	LTM EBITDA	EBITDA margin	Enterprise value	LTM		NTM
							EV/Revenue	EV/EBITDA	EV/EBITDA
<i>(\$ in Millions)</i>									
Adecco Group AG (SWX:ADEN)	81.8 %	\$28,410.2	5.8 %	\$1,442.1	5.1 %	\$12,185.5	0.4 x	8.4 x	7.9 x
Barrett Business Services, Inc. (NasdaqGS:BBSI)	97.9	920.4	13.1	35.4	3.8	589.5	0.6	16.7	13.5
Hays plc (LSE:HAS)	87.5	7,333.1	13.2	328.6	4.5	3,560.5	0.5	10.8	9.4
Impellam Group PLC (AIM:IPEL)	70.6	2,934.8	17.9	70.0	2.4	494.7	0.2	7.1	5.8
Insperty, Inc. (NYSE:NSP)	98.1	3,300.2	11.9	144.0	4.4	2,961.7	0.9	20.6	15.2
Kelly Services, Inc. (NasdaqGS:KELY.A)	92.8	5,374.4	(1.1)	108.4	2.0	1,126.5	0.2	10.4	0.0
Kforce Inc. (NasdaqGS:KFRC)	90.6	1,357.9	3.7	76.2	5.6	789.6	0.6	10.4	8.3
Korn/Ferry International (NYSE:KFY)	97.6	1,697.9	19.0	216.4	12.7	2,911.8	1.7	13.5	10.4
ManpowerGroup Inc. (NYSE:MAN)	70.8	21,799.5	2.2	932.1	4.3	6,911.9	0.3	7.4	7.1
ASGN Incorporated (NYSE:ASGN)	94.4	2,684.6	15.4	295.0	11.0	4,728.3	1.8	16.0	11.6
PageGroup plc (LSE:PAGE)	95.0	1,853.8	9.4	174.8	9.4	2,163.1	1.2	12.4	10.4
Randstad NV (ENXTAM:RAND)	88.3	28,826.9	9.7	1,294.7	4.5	12,949.8	0.4	10.0	8.7
Robert Half International Inc. (NYSE:RHI)	99.6	5,374.8	3.7	590.0	11.0	7,139.8	1.3	12.1	11.2
SThree plc (LSE:STHR)	82.3	1,505.4	14.3	64.1	4.3	560.8	0.4	8.8	7.2
TrueBlue, Inc. (NYSE:TBI)	91.7	2,508.8	4.9	124.6	5.0	1,164.3	0.5	9.3	8.8
Median	91.7 %	\$2,934.8	9.7 %	\$174.8	4.5 %	\$2,911.8	0.5 x	10.4 x	8.8 x
Mean	89.3 %		9.5 %		6.0 %		0.7 x	11.6 x	9.0 x

Staffing and Human Resources historical EV/EBITDA multiples²



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1. S&P Capital IQ. Accessed April 27, 2018. Data as of April 27, 2018.
 2. S&P Capital IQ. Accessed April 15, 2018. Data as of April 15, 2018.

Deloitte.

Transaction Processing

Sector update | Q1 2018

Transaction Processing

Transaction Processing trend



Driving instant payments with open application programming interfaces¹

We are reaching a tipping point where transaction protection elements (like PINs and 3D Secure) layered onto traditional payment products may be too cumbersome for the new fast, open (yet secure) payments ecosystem. It is likely they will be replaced by a new approach, and soon. Emerging markets are a great example of the need to innovate on authentication and authorization, but also respond to customer preference. In Latin America, the introduction and adoption of mobile wallets was accompanied by a range of secure payments services, with QR codes in the mix but six digit one-time passcodes appearing to win-out. This contrasts with China, where 600 million active WeChat and AliPay users have created #QRCodeContagion, or quick response codes, that allow them to pay quickly and securely in online and physical point of sale transactions. Developing a way to integrate and orchestrate these new payments services and flows at the enterprise level will be a game-changer in 2018.



Transaction in focus²



February 26, 2018 - R1 RCM Inc. (NASDAQ:RCM), a leading provider of technology-enabled revenue cycle management (RCM) services to healthcare providers, announced a definitive agreement to acquire Intermedix Corp (Intermedix), including its healthcare division comprised of its physician and EMS RCM, practice management, and analytics businesses, in a transaction valued at approximately \$460 million.

Select Transaction Processing M&A transactions³

(\$ in Millions)

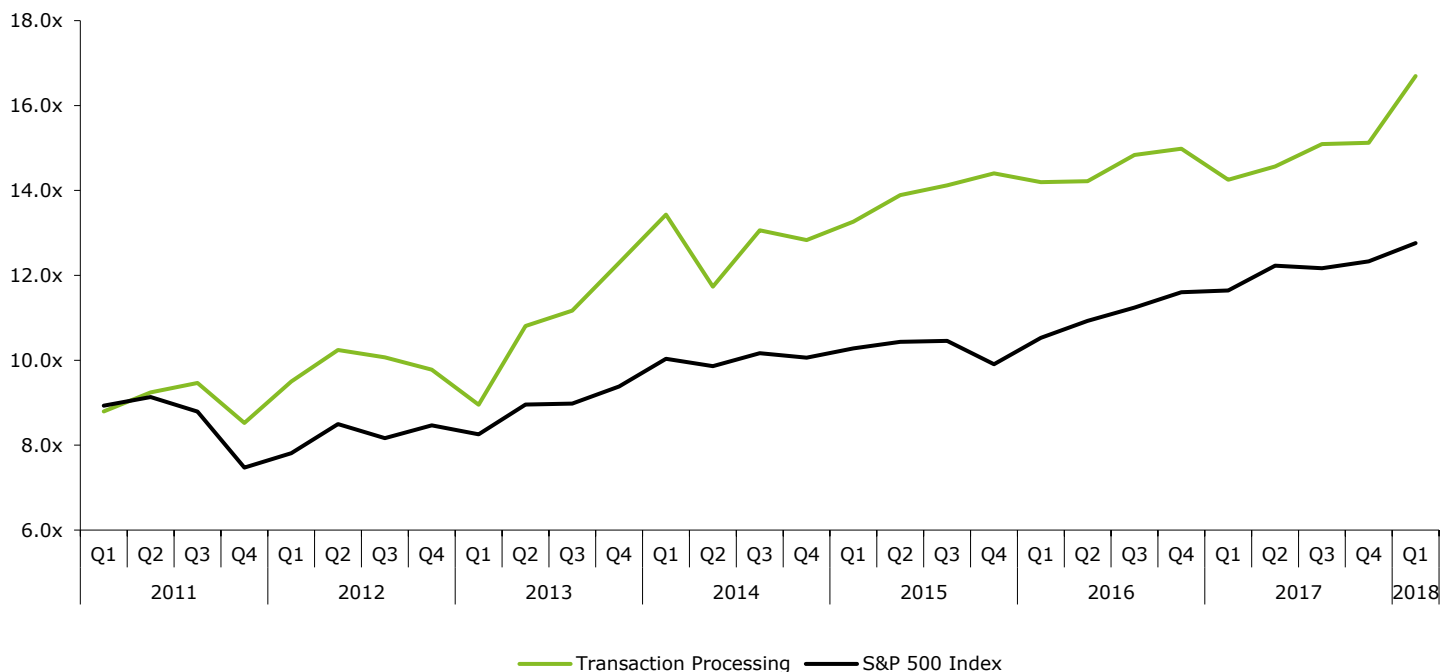
Close date	Target/Acquiror	Target business description	Enterprise value ("EV")	EV/ Revenue	EV/ EBITDA
Pending	Intermedix Corporation R1 RCM, Inc.	Provides technology-enabled solutions that support and connect healthcare providers, public health agencies, and emergency management personnel in the United States.	\$11,527.3	7.5 x	19.7 x
January-18	Worldpay Group plc Vantiv, Inc.	Provides payments processing technology and solutions for merchant customers.	4,013.7	3.8	15.1
December-17	Paysafe Group Plc CVC Capital Partners Ltd.; The Blackstone Group L.P.	Provides online processing of direct debit, credit card, and alternative payment services to businesses internationally.	250.4	4.7	18.9
December-17	Planet Payment, Inc. Fintrax Group Holdings Ltd.	Provides international payment and transaction processing, and multi-currency processing services globally.	716.3	1.2	26.6
July-17	CardConnect Corporation First Data Corporation	Provides payment processing solutions to small and medium business merchants and enterprise customers in the United States.	3,458.7	2.8	14.6

1. "Five Payments Trends to Watch in 2018." ACI Worldwide, January 22, 2018.
 2. "R1 to Acquire Intermedix Corporation." R1 RCM, Inc. Press Release. February 26, 2018.
 3. S&P Capital IQ. Accessed April 9, 2018. Data as of April 9, 2018.

Transaction Processing public comparables¹

Company (Ticker)	% of 52 Week high	LTM revenue	Revenue CAGR (3 Yr)	LTM EBITDA	EBITDA margin	Enterprise value	LTM		NTM
							EV/Revenue	EV/EBITDA	EV/EBITDA
<i>(\$ in Millions)</i>									
Broadridge Financial Solutions, Inc. (NYSE:BR)	95.4 %	\$4,292.3	17.8 %	\$794.2	18.5 %	\$13,385.9	3.1 x	16.9 x	16.4 x
Cardtronics plc (NasdaqGS:CATM)	59.8	1,507.6	12.6	332.7	22.1	2,060.9	1.4	6.2	N/A
Conduent Incorporated (NYSE:CNDT)	95.6	6,022.0	(4.6)	689.0	11.4	5,634.9	0.9	8.2	7.8
Euronet Worldwide, Inc. (NasdaqGS:EEFT)	78.6	2,329.5	10.9	400.2	17.2	3,838.1	1.6	9.6	7.9
EVERTEC, Inc. (NYSE:EVTC)	93.2	407.1	4.0	139.4	34.2	1,887.4	4.6	13.5	11.0
Global Payments Inc. (NYSE:GPN)	93.4	3,975.2	0.0	1,104.6	27.8	21,852.1	5.5	19.8	16.1
Jack Henry & Associates, Inc. (NasdaqGS:JKHY)	94.3	1,472.2	6.5	456.3	31.0	9,322.2	6.3	20.4	17.7
Mastercard Incorporated (NYSE:MA)	95.8	12,497.0	9.8	7,248.0	58.0	182,722.7	14.6	25.2	21.7
PayPal Holdings, Inc. (NasdaqGS:PYPL)	85.9	13,804.0	18.5	2,517.0	18.2	84,699.7	6.1	33.7	20.7
The Western Union Company (NYSE:WU)	87.1	5,524.3	(0.5)	1,302.7	23.6	11,100.2	2.0	8.5	8.0
Total System Services, Inc. (NYSE:TSS)	91.6	4,730.4	23.4	1,012.8	21.4	18,879.9	4.0	18.6	13.9
Visa Inc. (NYSE:V)	98.8	19,355.0	13.7	13,193.0	68.2	293,182.8	15.1	22.2	19.2
Worldpay, Inc. (NYSE:WP)	94.0	4,026.5	16.0	888.6	22.1	29,558.2	7.3	33.3	15.8
WEX Inc. (NYSE:WEX)	97.5	1,250.5	15.2	440.8	35.2	8,869.6	7.1	20.1	14.7
Median	93.7 %	\$4,159.4	11.8 %	\$841.4	22.8 %	\$12,243.1	5.1 x	19.2 x	15.8 x
Mean	90.1 %		10.3 %		29.2 %		5.7 x	18.3 x	14.7 x

Transaction Processing historical EV/EBITDA multiples²



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