



Business Services Quarterly update

Q1 2019

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

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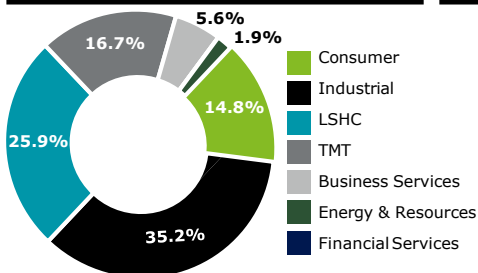
Fernando Baldellou
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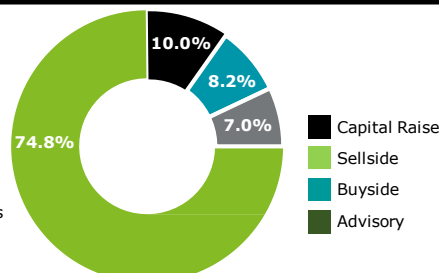
Antonio Solinas
Milan,
Italy

Europe

DCF deals closed by industry²



DCF deals closed by transaction type²



Leading M&A platform³

Mid-market financial advisor	Rank	No. of deals
Deloitte	1	468
PwC	2	447
KPMG	3	403
Goldman Sachs & Co	4	382
EY	5	358
Rothschild & Co	6	325
JPMorgan	7	323
Morgan Stanley	8	277
Citi	9	246
Houlihan Lokey	10	229

1. Deloitte refers to Deloitte Touche Tohmatsu Limited, its network of member firms, and their related entities.
2. Represents transactions during FY 2018. 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 2018. Data accessed via MergerMarket. Accessed January 20, 2019.

Business Services M&A sector coverage

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- 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



The Power of Commitment™
U.S. Legal Support, Inc.
has been recapitalized

The undersigned acted as exclusive financial advisor to U.S. Legal Support, Inc.

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- Founded in 1996 and headquartered in Houston, Texas, U.S. Legal Support, Inc. (U.S. Legal or the Company) is one of the largest providers of litigation support services in the United States.
- DCF ran a highly-competitive marketing process, yielding numerous indications of interest and letters of intent at attractive valuations from potential acquirors. DCF assisted U.S. Legal’s shareholders with selecting the financial partner that would be able to add significant value both financially and operationally, while preserving core values of the business.



Orion ICS LLC
a portfolio company of



Centre Partners Management, LLC
has completed a recapitalization with



L2 Capital, Partners L.P.



Lakewood Capital, LLC

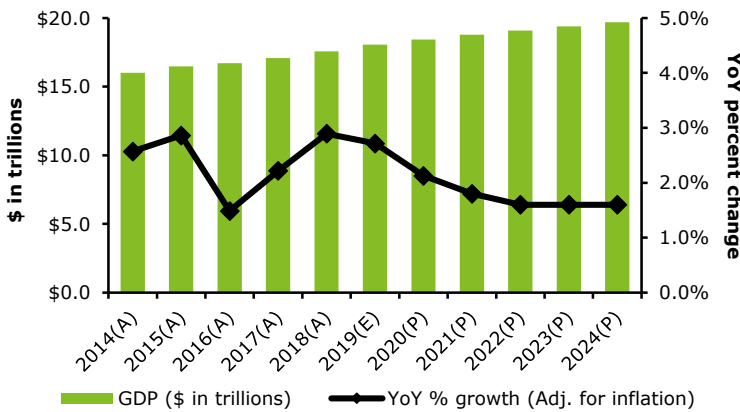
The undersigned acted as exclusive financial advisor to Orion ICS, LLC

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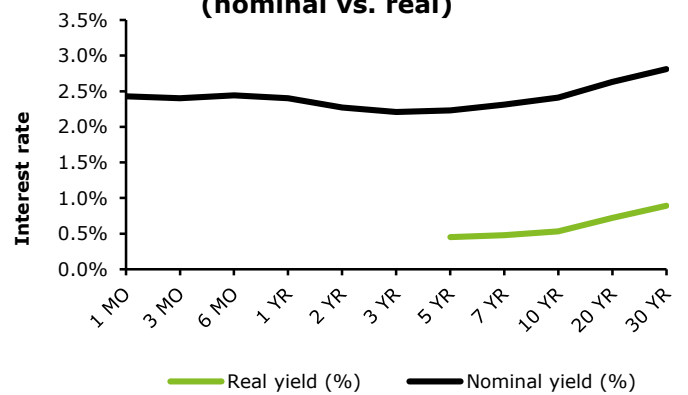
- Orion ICS LLC (Orion or the Company) is a recruitment process outsourcing (RPO), military recruitment, and skilled professional talent services company providing solutions to U.S. businesses, including many Fortune 100 companies.
- DCF advised Orion through its negotiations with L2 Capital and Lakewood Capital to form a mutually beneficial partnership that the Company can leverage for its next phase of growth.

Macroeconomic outlook

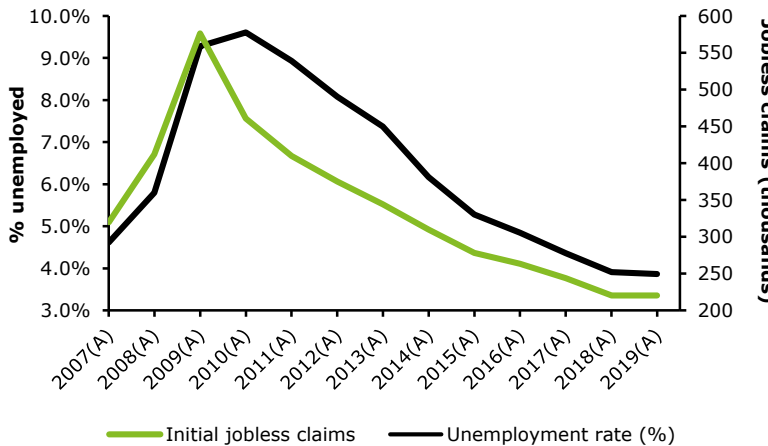
US gross domestic product¹



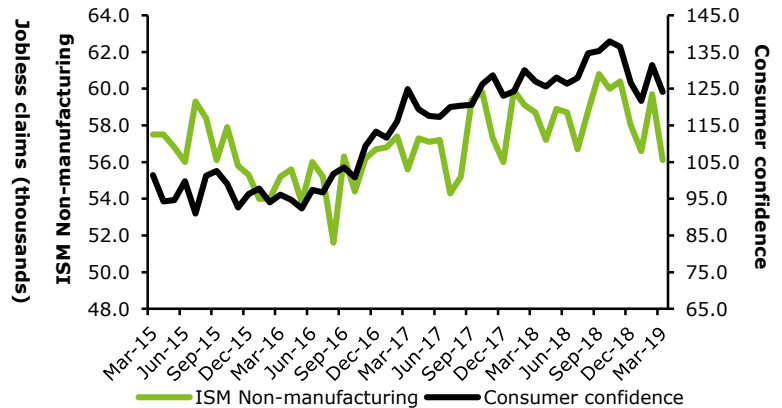
US Treasury yield curve²
(nominal vs. real)



US unemployment rate³



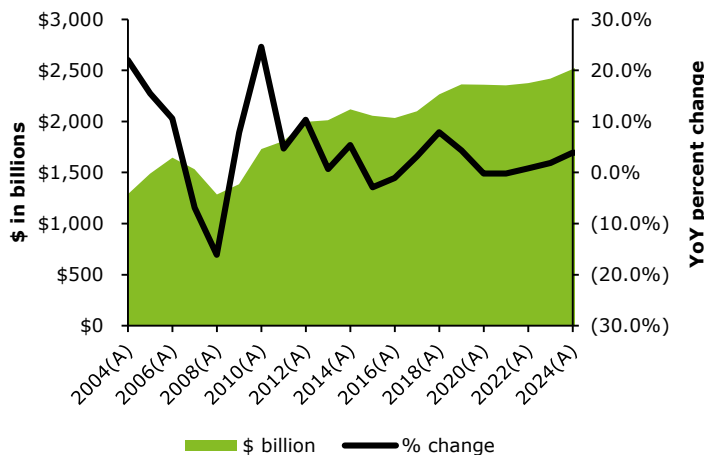
ISM non-manufacturing index and consumer confidence index⁴



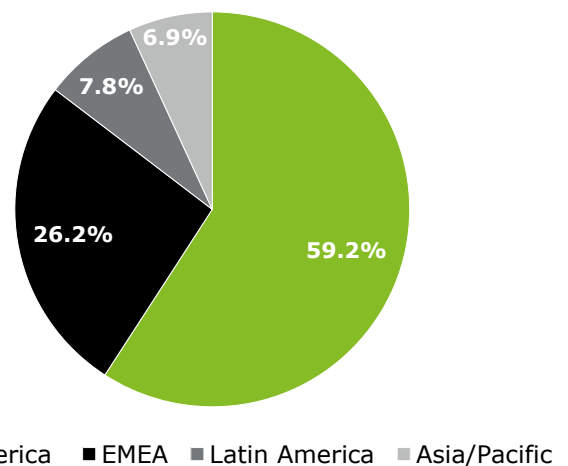
*An ISM Non-manufacturing Index value above 50 signals economic expansion.

Business Services sector outlook

US corporate profits⁵



Global segmentation of business process outsourcing⁶

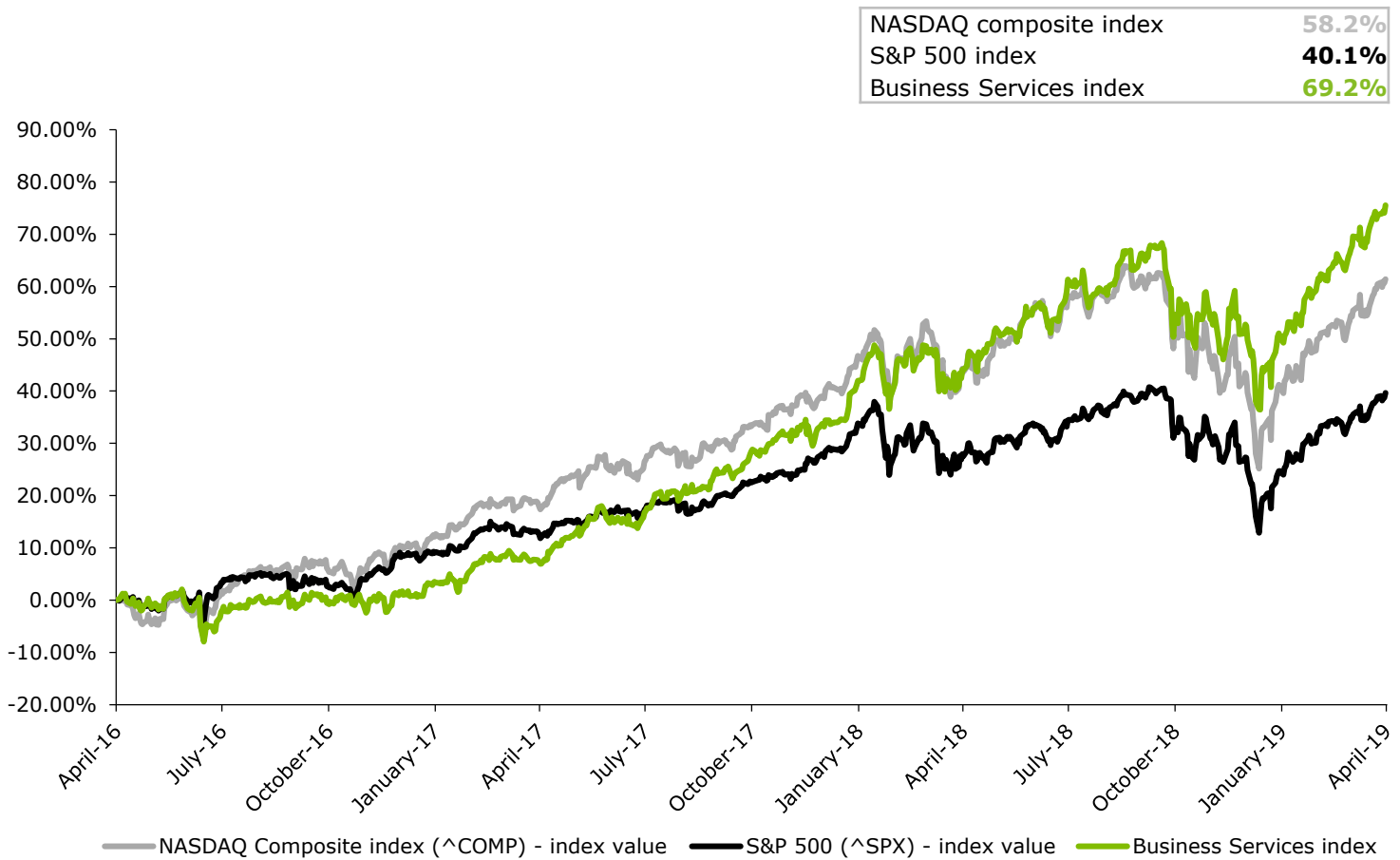


- US Bureau of Economic Analysis, <https://www.bea.gov>, accessed April 15, 2019, data as of March 29, 2019.
- US Department of the Treasury, <https://home.treasury.gov>, accessed April 15, 2019, data as of March 29, 2019.
- US Bureau of Labor Statistics, <https://www.bls.gov>, accessed April 15, 2019, data as of March 29, 2019.
- S&P Capital IQ, <https://www.capitaliq.com>, accessed April 15, 2019, data as of March 29, 2019.
- IBIS World, <https://www.ibisworld.com>, accessed April 15, 2019, data as of March 31, 2018.
- Gartner, <https://www.gartner.com/en>, accessed January 18, 2019, 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	7	85.9 %	4.2 %	\$1,792.1	13.6 %	\$12,974.8	1.1 x	8.5 x	8.0 x	
Business Process Outsourcing	11	89.8	8.1	450.0	17.0	7,753.9	2.4	13.4	11.5	
Consulting	10	91.0	6.7	107.0	10.8	1,456.3	1.4	12.2	11.7	
Education & Training	11	82.6	1.0	71.6	17.1	1,005.5	1.8	11.5	8.8	
Staffing and Human Resources	14	80.1	7.8	201.5	4.6	2,532.2	0.4	9.7	8.4	
Transaction Processing	14	98.0	10.1	967.5	29.3	12,468.9	6.2	19.0	15.2	
Comparable Public Companies	67	88.8 %	7.2 %	\$371.7	12.6 %	\$4,591.2	1.4 x	12.4 x	11.2 x	

Public comparables three-year stock market performance²



1. S&P Capital IQ, <https://www.capitaliq.com>, accessed April 14, 2019, data as of April 14, 2019.
 2. S&P Capital IQ, <https://www.capitaliq.com>, accessed April 14, 2019, data as of April 14, 2019.

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Advertising and Marketing

Sector update | Q1 2019

Advertising and Marketing

Advertising and Marketing trend



Increased popularity of streaming services drives growth in the audio advertising sector¹

In recent years, heightened consumer demand for alternatives to traditional TV and radio has contributed to the unprecedented growth of subscription music and video streaming platforms. Advertising agencies are increasingly capitalizing on the widespread adoption of streaming services by developing and launching audio ad campaigns that aim to ingratiate their clients' products with intent listeners. Audio advertisers have also been able to enhance their ability to target specific groups of users based on age, gender and listening or watching preferences by leveraging subscriber data collected by these streaming platforms.



Transaction in focus²



April 14, 2019 – French ad holding company Publicis Groupe S.A. (Publicis) announced it would pay about \$4.4 billion for marketing services company, Epsilon Data Management (Epsilon), to give it a leg up in digital marketing and to assist clients in tailoring advertising to specific consumers. Many major ad holding companies have grappled with whether to own data or to insource the data from providers. Publicis intends to leverage Epsilon's collection of consumer data from loyalty programs and email campaigns to help it shift away from traditional TV commercials and billboards, where sales are falling as consumer product companies increasingly spend more on digital advertising.

Select Advertising and Marketing M&A transactions³

(\$ in millions)

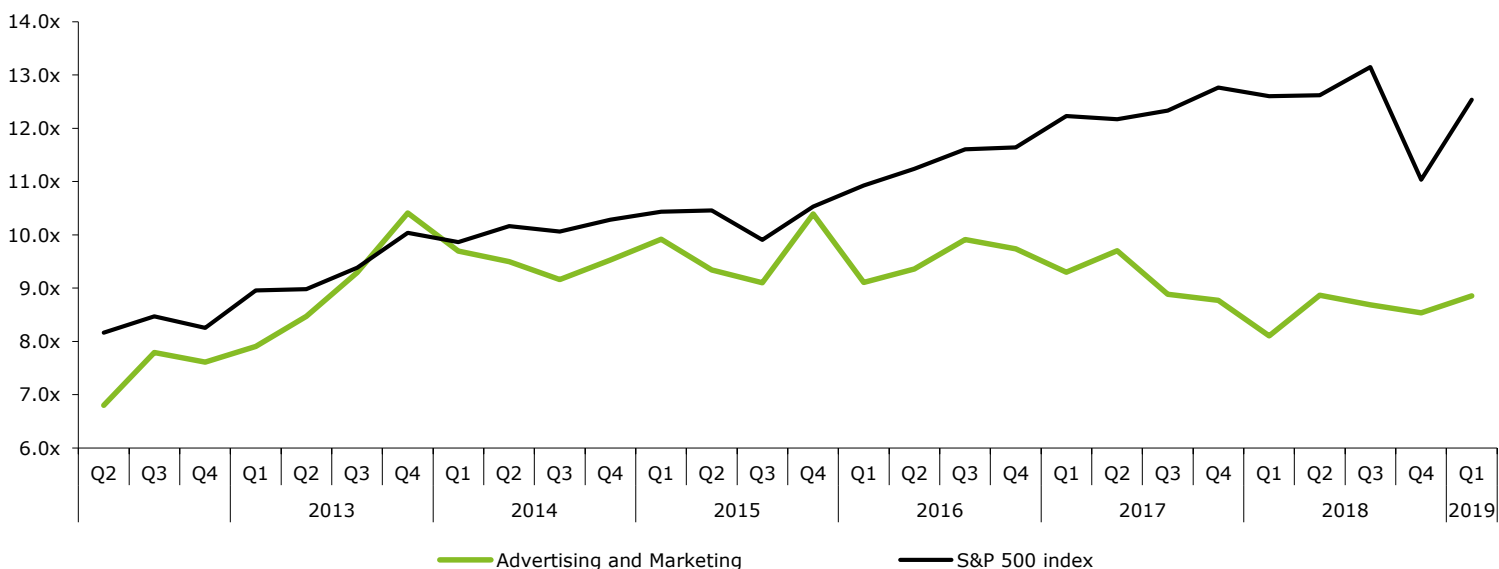
Close date	Target/acquiror	Target business description	Enterprise value (EV)	EV/Revenue	EV/EBITDA
Pending	Epsilon Data Management, LLC Publicis Groupe Holdings B.V.; MMS USA	Provides marketing solutions that integrate data, creativity, and technologies for advertisers.	\$4,400.0	2.3 x	8.2 x
Pending	Dynamic Yield Ltd. McDonald's Corporation	Develops a machine learning engine that enables marketers to increase revenue through personalization, recommendations, and automatic optimization across web, mobile, and email.	300.0	N/A	N/A
December-18	Digital Evolution Group Dentsu Inc.	Offers email marketing, social media marketing, data management, web content management, portals and collaboration, customer relationship management, and demand generation.	150.0	3.3	N/A
December-18	495 Communications, LLC Lighthouse Digital Inc.	Provides cross-platforms advertising and content marketing services.	15.0	1.0	7.9
December-18	MightyHive, Inc. S4 Capital plc	Provides online advertising and marketing services.	150.0	3.7	13.5
October-18	Navienc Healthcare Solutions LLC Huntsworth plc	Operates as a payer advisory and marketing agency that offers market research and analytics services.	70.0	10.9	18.4

1. Emma Mulcahy, "From podcast advertising to radio sponsorship, 2019 audio marketing trends," <https://www.thedrum.com/news/2019/03/29/podcast-advertising-radio-sponsorship-2019-audio-marketing-trends>, accessed April 17, 2019.
2. Megan Graham, "Publicis announces \$4.4 billion deal to acquire data marketing company Epsilon," <https://www.cnbc.com/2019/04/14/publicis-to-buy-epsilon-for-4point4-billion.html>, accessed April 17, 2019.
3. S&P Capital IQ, <https://www.capitaliq.com>, accessed April 15, 2019. Data as of April 15, 2019.

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>									
Cello Health plc (AIM:CLL)	92.9 %	\$211.0	1.8 %	\$15.5	7.3 %	\$172.1	0.8 x	11.1 x	8.7 x
Cheil Worldwide Inc. (KOSX:A030000)	99.6	3,124.1	7.4	196.1	6.3	1,882.9	0.6	9.6	8.9
Dentsu Inc. (TSE:4324)	79.4	9,283.3	2.6	1,558.2	16.8	13,115.2	1.4	8.4	8.0
Hakuhodo DY Holdings Inc (TSE:2433)	91.5	13,042.6	6.7	695.4	5.3	6,185.5	0.5	8.9	9.6
Huntsworth plc (LSE:HNT)	64.2	286.7	10.1	47.9	16.7	542.5	1.9	11.3	9.0
Omnicom Group Inc. (NYSE:OMC)	95.0	15,129.5	(0.1)	2,341.4	15.5	22,118.2	1.5	9.4	9.1
Publicis Groupe S.A. (ENXTPA:PUB)	83.5	10,269.1	(2.2)	1,989.9	19.4	15,668.6	1.5	7.9	6.4
The Interpublic Group of Companies, Inc. (NYSE:IPG)	92.2	8,262.4	2.5	1,308.2	15.8	13,930.1	1.7	10.6	9.4
WPP plc (LSE:WPP)	71.1	19,885.5	8.4	2,346.0	11.8	22,067.9	1.1	9.4	7.5
Median	91.5 %	\$9,283.3	2.6 %	\$1,308.2	15.5 %	\$13,115.2	1.4 x	9.4 x	8.9 x
Mean	85.5 %		4.1 %		12.8 %		1.2 x	9.6 x	8.5 x

Advertising and Marketing historical EV/EBITDA multiples²



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1. S&P Capital IQ, <https://www.capitaliq.com>, accessed April 14, 2019, data as of April 14, 2019.
 2. S&P Capital IQ, <https://www.capitaliq.com>, accessed April 14, 2019, data as of April 14, 2019.

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Business Process Outsourcing

Sector update | Q1 2019

Business Process Outsourcing

Business Process Outsourcing trend



Business process outsourcing prevails on the backdrop of industry headwinds¹

The global proliferation of innovative technologies such as social media, cloud computing, artificial intelligence, and automation is expected to continue driving steady growth in the business process outsourcing (BPO) sector regardless of political, commercial, and social trends. Increased corporate transparency in the industry and heightened protectionist political sentiments in western economies have not substantially impacted the growth and success of BPO firms in established and emerging markets that have focused their business development initiatives on technological training and integration. Increased pressure on BPO companies to offer a more comprehensive and cost-effective suite of services has driven healthy competition as customers seek to capture incremental value from labor and digital arbitrage propositions.



Transaction in focus²



February 21, 2019 – Genstar Capital (Genstar), a private equity firm focused on targeted segments of the software, industrial technology, healthcare, and financial services industries, announced that its portfolio company, Drilling Info Holdings, Inc. (Drillinginfo), has closed on the acquisition of Cortex Business Solutions Inc. (Cortex), its fifth add-on acquisition since Genstar invested in Drillinginfo in July 2018. The acquisition of Cortex, a network-as-a-service company that enables automation of accounts payable and receivable processes for the oil and gas industry, comes five months after the acquisition Oildex, one of the largest oil & gas business automation software firms in North America, transforming the way the industry connects, collaborates, and automates data exchanges in energy.

Select Business Process Outsourcing M&A transactions³

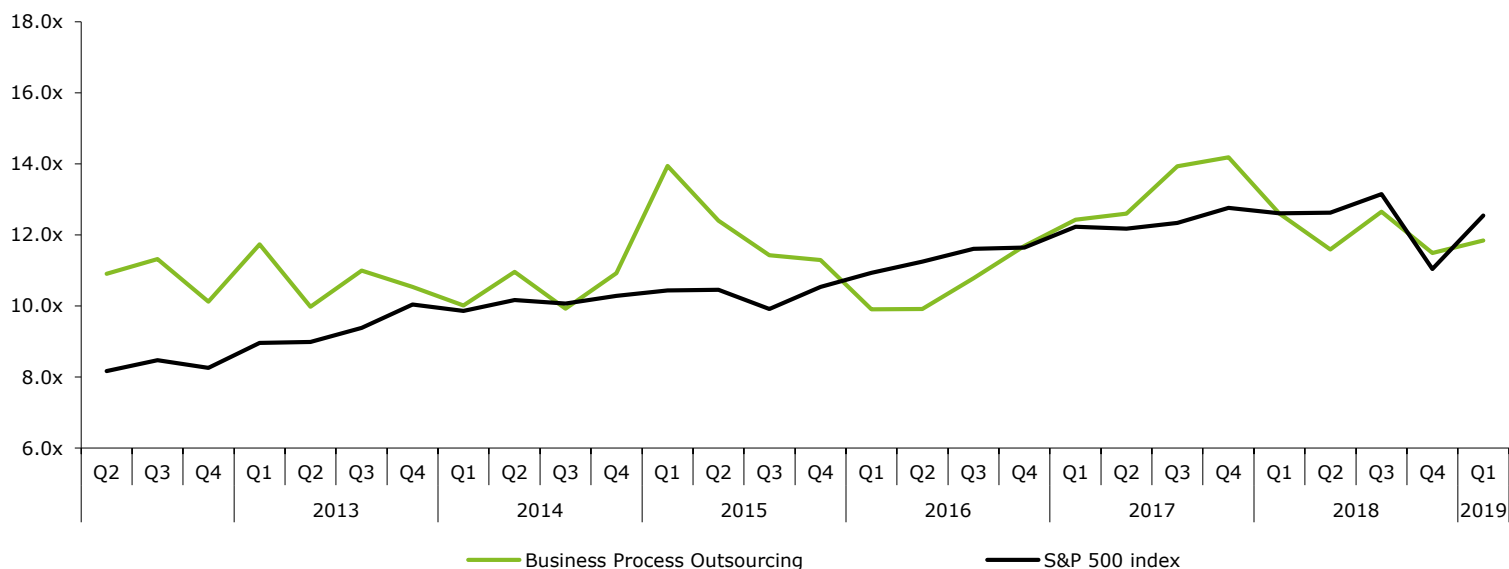
(\$ in millions)						
Close date	Target/Acquirer	Target business description	Enterprise value (EV)	EV/Revenue	EV/EBITDA	
Pending	Cortex Business Solutions Inc. TransZap P2P Canada, Inc.	Supplies e-commerce products and services in Canada and the United States.	\$30.3	3.3 x	21.4 x	
December-18	Communis plc Output Services Group, Inc.	Provides integrated business services in the United Kingdom and internationally.	225.0	0.4	6.8	
October-18	Convergys Corporation Concentrix Corporation	Provides customer management services to communications and media, technology, financial services, retail, healthcare, government, travel and hospitality, and other vertical markets worldwide.	2,544.7	0.9	7.4	
October-18	CSRA Inc. General Dynamics Corporation	Delivers a range of information technology solutions and professional services to government customers to modernize legacy systems, protect networks and assets, and enhance the mission-critical functions for war fighters.	9,871.1	1.9	11.7	

1. Octopus Tech, "Business Process Outsourcing: What to expect in 2019," <https://www.theoctopustech.com/business-process-outsourcing-what-to-expect-in-2019>, accessed April 17, 2019.
2. Genstar Capital, "Drillinginfo Completes Cortex Acquisition, Fifth under Genstar Ownership," <https://www.prnewswire.com/news-releases/drillinginfo-completes-cortex-acquisition-fifth-under-genstar-ownership-300799340.html>, accessed April 18, 2019.
3. S&P Capital IQ, <https://www.capitaliq.com>, accessed April 15, 2019. Data as of April 15, 2019.

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)	89.1 %	\$16,125.0	9.1 %	\$3,320.0	20.6 %	\$38,958.1	2.4 x	11.7 x	10.4 x
Computershare Limited (ASX:CPU)	84.1	2,301.1	5.7	619.3	26.9	8,301.8	3.6	13.4	11.3
DXC Technology Company (NYSE:DXC)	61.5	23,880.0	49.1	5,507.0	23.1	2,281.1	0.1	0.4	N/A
ExlService Holdings, Inc. (NasdaqGS:EXLS)	89.9	883.1	12.0	118.3	13.4	2,074.1	2.3	17.5	12.3
Genpact Limited (NYSE:G)	99.6	3,000.8	6.8	450.0	15.0	7,759.6	2.6	17.2	13.3
Sykes Enterprises, Incorporated (NasdaqGS:SYKE)	87.9	1,625.7	8.1	165.8	10.2	1,151.3	0.7	6.9	6.2
SYNNEX Corporation (NYSE:SNX)	92.1	20,809.9	16.2	943.3	4.5	8,806.7	0.4	9.3	8.1
Tata Consultancy Services Limited (NSEI:TCS)	88.5	21,139.2	10.5	5,697.5	27.0	107,389.8	5.1	18.8	17.0
TTEC Holdings, Inc. (NasdaqGS:TTEC)	94.3	1,509.2	5.5	168.8	11.2	1,847.3	1.2	10.9	9.0
Wipro Limited (BSE:507685)	95.5	8,239.5	4.8	1,500.5	18.2	20,990.5	2.5	14.0	11.7
WNS (Holdings) Limited (NYSE:WNS)	99.7	801.3	13.2	136.3	17.0	2,661.8	3.3	19.5	15.4
Median	89.9 %	\$3,000.8	9.1 %	\$619.3	17.0 %	\$7,759.6	2.4 x	13.4 x	11.5 x
Mean	89.3 %		12.8 %		17.0 %		2.2 x	12.7 x	11.5 x

Business Process Outsourcing historical EV/EBITDA multiples²



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1. S&P Capital IQ, <https://www.capitaliq.com>, accessed April 14, 2019, data as of April 14, 2019.
 2. S&P Capital IQ, <https://www.capitaliq.com>, accessed April 14, 2019, data as of April 14, 2019.

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Consulting
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Consulting

Consulting trend

Consultancies compelled to look inwards to improve internal efficiencies¹

Similar to other professional services businesses, consultancies remain highly vulnerable to change, and face a multitude of risks that need to be mitigated in order to stay successful in the competitive market. The heightened complexity of clients' demands, an industry-wide shift to a freelancing employment model, and time-intensive internal reporting procedures can pose significant threats to consultancies. Industry operators remain optimistic that the adoption of automation technologies will enable consultancies to retain top talent and stay ahead of the aforementioned trends.



Transaction in focus²

January 7, 2019 - IT and consulting services provider, DXC Technology Co. (DXC), announced it would buy software development company, Luxoft Holding Inc. (Luxoft), for about \$2 billion to expand its digital offerings to the financial and automotive sectors. The acquisition will expand DXC's digital offerings portfolio, broaden its presence in high-growth verticals, enhance access to engineering talent globally and strengthen DXC's digital value proposition overall. The combined company is expected to benefit from Luxoft's differentiated solutions, platforms, delivery model and IP, as well as industry-leading partnerships that complement DXC's own. Revenue synergies are expected to come from cross-selling Luxoft offerings across the DXC portfolio, while bringing DXC's expertise in IT modernization and digital integration to Luxoft clients.

Select Consulting M&A transactions³

(\$ in millions)

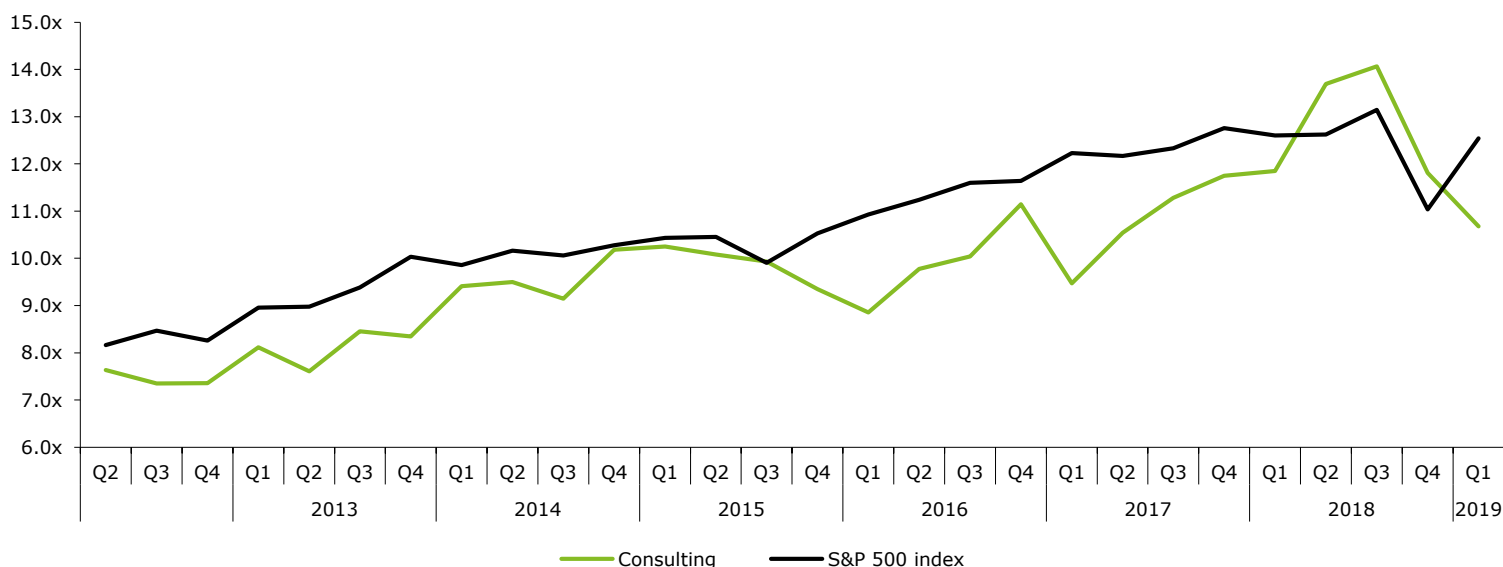
Close date	Target/ acquiror	Target business description	Enterprise value (EV)	EV/ Revenue	EV/ EBITDA
Pending	Luxoft Holding, Inc. DXC Technology Company	Provides software development services and IT solutions to multinational corporations.	\$1,964.8	2.2 x	20.6 x
Pending	Project Management Partners Pty Ltd OUTSOURCING Inc.	Offers advice and support to organizations to run projects and programs.	29.6	0.5	N/A
January-19	Imperva, Inc. Thoma Bravo, LLC	Engages in the development, market, sale, and support of cyber security solutions that protect business critical data and applications in the cloud or on premises worldwide.	1,814.7	5.2	N/A
December-18	Enaxis Consulting LP Accenture plc	Offers management consulting services to oil and gas and airline industry.	N/A	N/A	N/A
September-18	FusionStorm, Inc. Computacenter plc	Provides information technology (IT) consulting, technology solutions, and cloud/managed services to enterprises.	90.0	0.2	N/A
August-18	Thoreau Holdco, LLC and Navigant Consulting Ankura Consulting Group, LLC	Provides professional and advisory services to clients primarily in the financial services sector.	470.0	1.5	11.9

1. Consultancy.uk, "Trends impacting the internal operations of consulting firms," <https://www.consultancy.uk/news/20429/trends-impacting-the-internal-operations-of-consulting-firms>, accessed April 18, 2019.
2. Luxoft, "DXC Technology to Acquire Leading Digital Innovator Luxoft," <https://www.luxoft.com/pr/dxc-technology-to-acquire-leading-digital-innovator-luxoft>, accessed April 22, 2019.
3. S&P Capital IQ, <https://www.capitaliq.com>, accessed April 15, 2019. Data as of April 15, 2019.

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)	99.6 %	\$40,839.6	8.9 %	\$6,676.2	16.3 %	\$109,890.0	2.7 x	16.5 x	14.7 x
Booz Allen Hamilton Holding Corporation (NYSE:BAH)	99.7	6,559.3	7.2	666.5	10.2	9,767.0	1.5	14.7	14.0
CBIZ, Inc. (NYSE:CBZ)	84.4	922.0	7.1	116.2	12.6	1,263.7	1.4	10.9	10.5
CRA International, Inc. (NasdaqGS:CRAI)	89.7	417.6	11.2	38.6	9.3	386.1	0.9	10.0	N/A
Exponent, Inc. (NasdaqGS:EXPO)	96.5	354.6	6.2	97.7	27.6	2,693.9	7.6	27.6	26.3
FTI Consulting, Inc. (NYSE:FCN)	96.6	2,027.9	4.5	260.9	12.9	2,870.4	1.4	11.0	11.0
Huron Consulting Group Inc. (NasdaqGS:HURN)	83.4	795.1	4.4	91.5	11.5	1,294.8	1.6	14.1	12.8
ICF International, Inc. (NasdaqGS:ICFI)	92.4	1,338.0	5.7	120.7	9.0	1,617.9	1.2	13.4	11.7
Navigant Consulting, Inc. (NYSE:NCI)	74.5	672.7	(6.9)	57.1	8.5	593.9	0.9	10.4	8.1
Resources Connection, Inc. (NasdaqGS:RECN)	82.3	730.6	7.1	67.8	9.3	524.0	0.7	7.7	8.8
Median	91.0 %	\$858.6	6.7 %	\$107.0	10.8 %	\$1,456.3	1.4 x	12.2 x	11.7 x
Mean	89.9 %		5.5 %		12.7 %		2.0 x	13.6 x	13.1 x

Consulting historical EV/EBITDA multiples²



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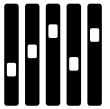
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Education & Training

Education & Training trend

Fleet managers leverage eLearning service providers to streamline orientation and training for truck drivers¹

On the backdrop of one of the most severe driver shortages in American history, fleet management companies are increasingly seeking new technology platforms to flatten the learning curve and get drivers on the road on an accelerated timeline. Through some of these platforms, for-hire carriers are able to assign coursework and training modules to new drivers to complete before orientation. An additional benefit of the trend of digital transformation in the truck driver training space is the ability for carriers to gather crucial feedback from drivers and improve training results.



Transaction in focus²

March 20, 2019 – Career Education Corporation (Career Education), a publicly traded for-profit college company that has shrunk significantly from its 2010 peak enrollment of more than 100,000 and 100 campuses, has announced the purchase of Trident University International (Trident), a fully online for-profit institution with about 4,000 students. Career Education is paying between \$35 million and \$44 million for Trident, which was purchased from the Touro University System for \$190 million in 2007. Career Education says it plans to merge Trident with its American InterContinental University (American InterContinental) institution. American InterContinental and Colorado Technical University are Career Education's two remaining institutions.

Select Education and Training M&A transactions³

(\$ in millions)

Close date	Target/ acquiror	Target business description	Enterprise value (EV)	EV/ Revenue	EV/ EBITDA
Pending	Trident University International American InterContinental University, Inc.	Comprises a university offering online undergraduate, master's, and doctoral programs.	~\$37.0	0.8 x	4.1 x
Pending	Childrens Services Education Pty Ltd Australian Apex Education Pty Ltd	Provides vocational training and education services to international students.	2.2	0.5	3.6
December-18	Cambium Learning Group, Inc. Veritas Capital Fund Management, LLC	Provides educational technology solutions in the United States and internationally.	725.2	4.5	24.4
November-18	The Learning House, Inc. Wiley Education Services	Develops a cloud-based technology platform for enabling colleges and universities to create, manage, and develop online degrees and programs.	200.0	3.3	28.6
August-18	Capella Education Company Strayer Education, Inc. (nka:Strategic Education, Inc.)	Provides online postsecondary education and job-ready skills services in the United States.	797.0	1.8	11.5
April-18	CEB Talent Assessment Exponent Private Equity LLP	Engages in the development, implementation, and sale of objective assessment products and services worldwide.	400.0	4.1	10.5

1. Aaron Huff, "Fast start: carriers use tech to compress driver orientation training," <https://www.ccdigital.com/fast-start-carriers-use-tech-to-compress-driver-orientation-training>, accessed April 18, 2019.
2. Doug Lederman, "Digital Learning in 'Inside Higher Ed' This Week," <https://www.insidehighered.com/digital-learning/insights/2019/03/20/weeks-digital-learning-news-inside-higher-ed>, accessed April 18, 2019.
3. S&P Capital IQ, <https://www.capitaliq.com>, accessed April 15, 2019. Data as of April 15, 2019.

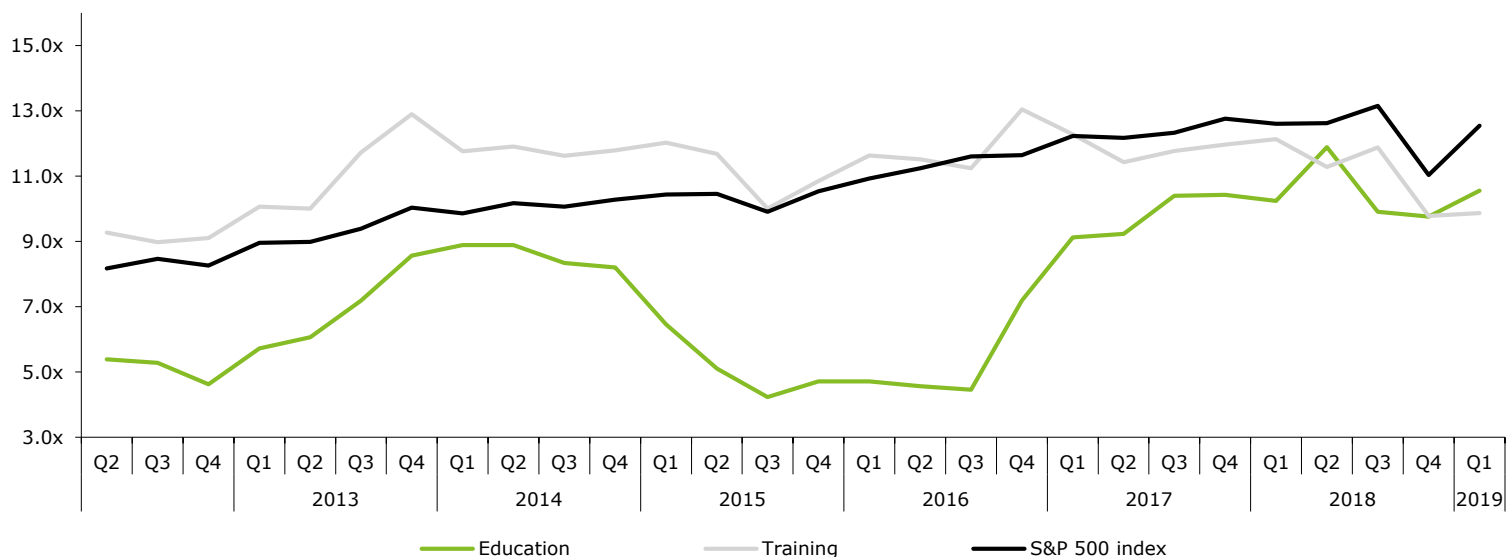
Education & Training public comparables¹

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
(\$ in Millions)									
Education									
American Public Education, Inc. (NasdaqGS:APEI)	72.4 %	\$297.7	(3.2) %	\$50.9	17.1 %	\$343.5	1.2 x	6.7 x	6.6 x
Career Education Corporation (NasdaqGS:CECO) (NasdaqGS:CPLA)	93.1	581.3	(11.8)	106.2	18.3	1,057.8	1.8	10.0	11.7
Adtalem Global Education Inc. (NYSE:ATGE)	81.6	1,230.6	(12.9)	254.1	20.6	2,776.2	2.3	10.9	9.4
Grand Canyon Education, Inc. (NasdaqGS:LOPE)	91.3	845.5	2.8	312.2	36.9	5,545.2	6.6	17.8	17.0
Lincoln Educational Services Corporation (NasdaqGS:LINC)	96.7	263.2	(4.9)	5.0	1.9	112.3	0.4	22.4	8.0
Strategic Education, Inc. (NasdaqGS:STRA)	90.0	634.2	13.4	94.9	15.0	2,639.6	4.2	27.8	12.2
Universal Technical Institute, Inc. (NYSE:UTI)	83.3	318.9	(3.7)	(22.6)	N/A	140.7	0.4	N/A	0.0
Median	90.0 %	\$581.3	(3.7) %	\$94.9	17.7 %	\$1,057.8	1.8 x	14.3 x	9.4 x
Mean	86.9 %		(2.9) %		18.3 %		2.4 x	15.9 x	9.3 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
(\$ in Millions)									
Training									
Franklin Covey Co. (NYSE:FC)*	97.1 %	\$219.5	2.1 %	\$12.5	5.7 %	\$426.2	1.9 x	34.1 x	19.2 x
GP Strategies Corporation (NYSE:GPX)	53.5	515.2	1.7	26.0	5.1	310.3	0.6	11.9	7.2
John Wiley & Sons, Inc. (NYSE:JW.A)	64.6	1,786.1	1.0	305.9	17.1	3,144.1	1.8	10.3	7.4
Wilmington plc (LSE:WIL)	76.5	155.6	7.5	32.5	20.9	289.1	1.9	8.9	9.0
Median	64.6 %	\$515.2	1.7 %	\$32.5	17.1 %	\$310.3	1.8 x	10.3 x	7.4 x
Mean	64.9 %		3.4 %		14.4 %		1.4 x	10.4 x	7.9 x

* Financial information was withheld from median and mean calculations to normalize the data set.

Education and Training historical EV/EBITDA multiples³



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1. S&P Capital IQ, <https://www.capitaliq.com>, accessed April 14, 2019, data as of April 14, 2019.
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Deloitte.

Staffing and Human Resources

Sector update | Q1 2019

Staffing and Human Resources

Staffing and Human Resources trend



Reskilling is a top priority for recruiters and staffers while evaluating potential candidates¹

The rapid evolution of technology has caused many corporations and their outsourced recruiting agencies to place a stronger emphasis on a candidate's ability and eagerness to constantly train and learn new skills that may not yet exist. This focus on reskilling as a talent management strategy is already taking place, said Art Mazor, principal of Deloitte's human capital management consulting practice. "Most big companies today are focused on reskilling, and for good reason: The half-life of skills is two to five years," he said. "That has huge implications for recruiting." Job seekers will need to highlight their ability to ramp quickly with new technologies in order to compete effectively in the market.



Transaction in focus²



March 1, 2019 - Kforce Inc. (KFRC), a provider of professional staffing services and solutions, entered into a stock purchase agreement with ManTech International Corporation (ManTech), to sell Kforce Government Solutions, Inc. (KGS), its federal government solutions business, for an aggregate cash purchase price of \$115.0 million. The operating results of KFRC's federal government solutions business are expected to be reported as a discontinued operation in the quarter that this transaction closes. While this transaction does not include TraumaFX®, KFRC's federal government product business, KFRC continues to explore strategic alternatives for that business.

Select Staffing and Human Resources M&A transactions³

(\$ in millions)

Close date	Target/acquiror	Target business description	Enterprise value (EV)	EV/ Revenue	EV/ EBITDA
Pending	DHI Group, Inc. TCS Capital Management, LLC	Provides data, insights, and employment connections through specialized services for technology professionals in the United States and internationally.	\$156.8	0.8 x	5.8 x
April-19	Kforce Government Holdings, Inc. ManTech International Corporation	Provides staffing solutions for government services.	115.0	N/A	13.0
November-18	Martin Healthcare Group HNI Healthcare, Inc.	Provides physician staffing and practice management services for hospitals.	25.0	N/A	N/A
August-18	HeadFirst Source Group N.V. Ruvercap Sourcehub Ag	Provides external professionals hiring services in the Benelux Union.	10,418.6	1.3	9.7
May-18	PeopleFluent, Inc. Learning Technologies Group plc	Provides Software-as-a-Service talent management solutions.	54.1	0.3	8.7

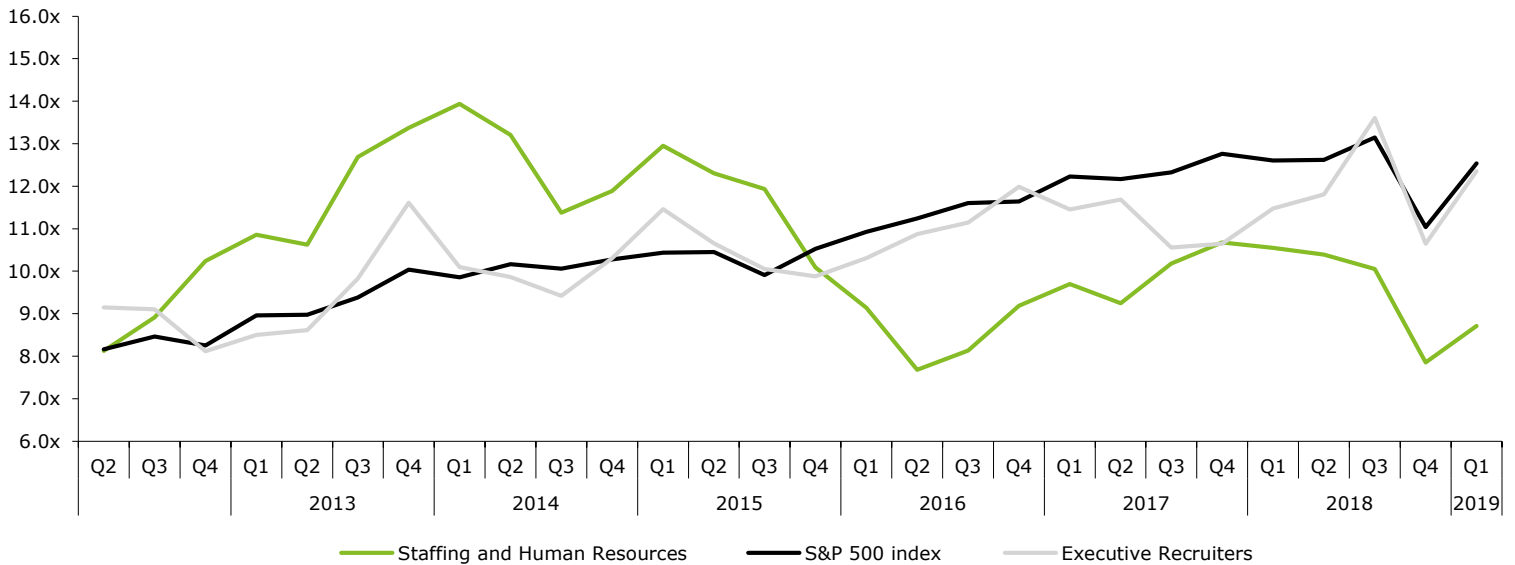
1. Sarah Gale, "Reskilling: The New Trend in Recruiting," <https://www.workforce.com/2019/02/27/reskilling-the-new-trend-in-recruiting>, accessed April 18, 2019.
2. Kforce, "Kforce Enters Into Agreement to Sell Its Federal Government Solutions Business," <https://investor.kforce.com/index.php/news-releases/news-release-details/kforce-enters-agreement-sell-its-federal-government-solutions>, accessed May 10, 2019.
3. S&P Capital IQ, <https://www.capitaliq.com>, accessed April 15, 2019. Data as of April 15, 2019.

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 EV/Revenue	LTM EV/EBITDA	NTM EV/EBITDA
<i>(\$ in Millions)</i>									
Executive Recruiters									
Heidrick & Struggles International, Inc. (NasdaqGS:HSII)	91.6 %	\$716.0	10.5 %	\$82.7	11.5 %	\$507.9	0.7 x	6.1 x	5.9 x
Korn Ferry (NYSE:KFY)	69.0	1,910.6	18.0	284.7	14.9	2,421.5	1.3	8.5	7.4
Median	80.3 %	\$1,313.3	14.2 %	\$183.7	13.2 %	\$1,464.7	1.0 x	7.3 x	6.6 x
Mean	80.3 %		14.2 %		13.2 %		1.0 x	7.3 x	6.6 x

Company (Ticker)	% of 52 Week high	LTM revenue	Revenue CAGR (3 Yr)	LTM EBITDA	EBITDA margin	Enterprise value	LTM EV/Revenue	LTM EV/EBITDA	NTM EV/EBITDA
<i>(\$ in Millions)</i>									
Diversified Staffing									
Adecco Group AG (SWX:ADEN)	82.8 %	\$27,326.5	2.7 %	\$1,299.5	4.8 %	\$10,787.2	0.4 x	8.3 x	8.1 x
ASGN Incorporated (NYSE:ASGN)	71.2	3,399.8	18.1	371.7	10.9	4,591.2	1.4	12.4	10.1
Barrett Business Services, Inc. (NasdaqGS:BBSI)	77.4	940.7	8.3	41.2	4.4	534.8	0.6	13.0	10.2
Hays plc (LSE:HAS)	74.5	7,595.9	14.5	337.5	4.4	2,995.2	0.4	8.9	8.0
Impellam Group PLC (AIM:IPEL)	71.8	2,894.2	8.6	38.6	1.3	397.0	0.1	10.3	5.3
Insperty, Inc. (NYSE:NSP)	97.7	3,828.5	13.7	205.2	5.4	5,053.8	1.3	24.6	18.1
Kelly Services, Inc. (NasdaqGS:KELY.A)	69.3	5,513.9	(0.0)	113.6	2.1	840.7	0.2	7.4	6.6
Kforce Inc. (NasdaqGS:KFRC)	84.3	1,418.4	2.4	88.3	6.2	974.6	0.7	11.0	9.9
ManpowerGroup Inc. (NYSE:MAN)	71.6	21,991.2	4.4	917.5	4.2	5,699.5	0.3	6.2	6.5
PageGroup plc (LSE:PAGE)	84.9	1,975.4	13.3	197.8	10.0	2,069.3	1.0	10.5	8.5
Randstad NV (ENXTAM:RAND)	84.5	27,263.6	7.4	1,238.8	4.5	11,411.4	0.4	9.2	8.7
Robert Half International Inc. (NYSE:RHI)	83.8	5,800.3	4.4	653.2	11.3	7,560.2	1.3	11.6	10.8
SThree plc (LSE:STHR)	73.8	1,605.8	14.0	72.5	4.5	498.8	0.3	6.9	5.8
TrueBlue, Inc. (NYSE:TBI)	83.0	2,499.2	(2.5)	121.6	4.9	1,000.8	0.4	8.2	8.2
Median	80.1 %	\$3,614.2	7.8 %	\$201.5	4.6 %	\$2,532.2	0.4 x	9.7 x	8.4 x
Mean	79.3 %		7.8 %		5.6 %		0.6 x	10.6 x	8.9 x

Staffing and Human Resources historical EV/EBITDA multiples²



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1. S&P Capital IQ, <https://www.capitaliq.com>, accessed April 14, 2019, data as of April 14, 2019.
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Deloitte.

Transaction Processing

Sector update | Q1 2019

Transaction Processing

Transaction Processing trend



Innovation in business to business payments¹

As the consumer payments technology market continues to mature, investors are increasingly focused on innovative operators in the business to business (B2B) payments sector. Many business customers still use paper checks for B2B payments. The B2B payments sector is estimated to represent a total payment volume of \$36 trillion. Whereas, the consumer payments sector is only estimated to represent a total payment volume of \$3 billion. The distinct lack of digitization and automation combined with an expansive market size is expected to make the B2B payments space a particularly attractive market of focus for many in the investment community in 2019 and the coming years.



Transaction in focus²



March 18, 2019 - Fidelity National Information Services Inc (FIS) announced it has agreed to buy Worldpay, Inc. Worldpay) for about \$35 billion, with the US financial services provider striking the biggest deal to date in the fast-growing electronic payments industry. The FIS deal, valuing Worldpay at about \$43 billion including debt, comes a little more than a year after US firm Worldpay paid nearly \$11 billion for the payments firm, which was set up in Britain and spun off from Royal Bank of Scotland in 2010. FIS and Worldpay combined are expected to have annual revenue of about \$12 billion and adjusted core earnings of about \$5 billion.

Select Transaction Processing M&A transactions³

(\$ in millions)

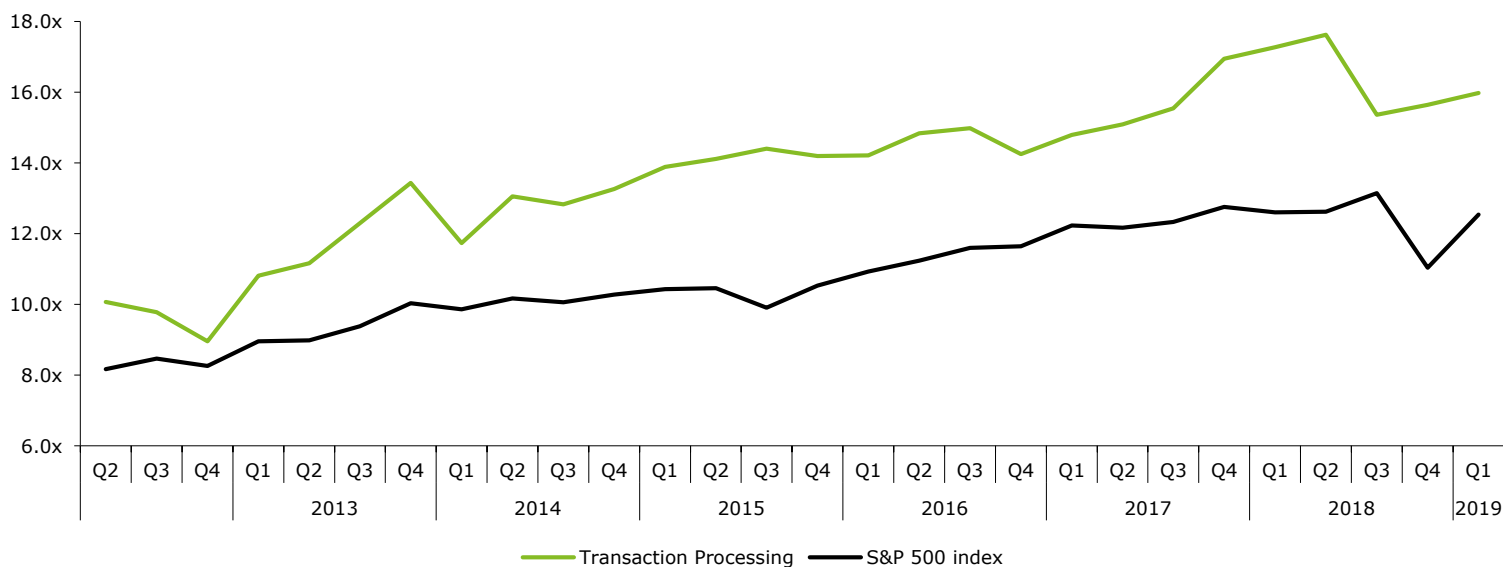
Close date	Target/acquiror	Target business description	Enterprise value (EV)	EV/Revenue	EV/EBITDA
Pending	SpeedPay, Inc. ACI Worldwide, Inc.	Provides electronic and cash bill payment services for utility, auto finance, mortgage, insurance and government industries.	\$750.0	2.1 x	8.3 x
Pending	First Data Corporation Fiserv, Inc.	Provides commerce enabled technology and solutions for merchants, financial institutions, and card issuers in the United States, Canada, Europe, the Middle East, Africa, Latin America, and the Asia Pacific.	41,215.6	4.7	12.5
Pending	Worldpay, Inc. Fidelity National Information Services, Inc.	Provides electronic payment processing services in the United States, Europe, Asia, and Australasia.	43,406.3	11.1	28.0
December-18	JetPay Corporation NCR Corporation	Provides debit and credit card processing, payroll, human capital management (HCM) and card services to businesses and their employees in the United States.	180.4	2.2	50.7
August-18	Cotiviti Holdings, Inc. Versend Technologies, Inc.	Provides analytics-driven payment accuracy and spend management solutions primarily for the healthcare sector in the United States, Canada, the United Kingdom, and India.	4,929.3	6.7	17.1

1. Karla Friede, "5 trends for business payments in 2019," <https://www.banklesstimes.com/2019/04/03/5-trends-for-business-payments-in-2019>, accessed April 18, 2019.
2. Justin Varghese, "U.S. firm FIS buys Worldpay for \$35 billion in payments deal bonanza," <https://www.reuters.com/article/us-worldpay-inc-m-a-fidelity-ntl-inf/u-s-firm-fis-buys-worldpay-for-35-billion-in-payments-deal-bonanza-idUSKCN1QZ0ML>, accessed April 18, 2019.
3. S&P Capital IQ, <https://www.capitaliq.com>, accessed April 15, 2019. Data as of April 15, 2019.

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)	80.6 %	\$4,318.5	15.6 %	\$812.3	18.8 %	\$13,841.3	3.2 x	17.0 x	14.2 x
Cardtronics plc (NasdaqGS:CATM)	89.5	1,345.2	3.9	277.0	20.6	2,395.2	1.8	8.6	N/A
Conduent Incorporated (NYSE:CNDT)	56.2	5,393.0	(6.8)	635.0	11.8	3,733.4	0.7	5.9	6.2
Euronet Worldwide, Inc. (NasdaqGS:EEFT)	98.1	2,536.6	12.7	471.0	18.6	7,092.5	2.8	15.1	11.5
EVERTEC, Inc. (NYSE:EVTC)	93.2	453.9	6.7	173.5	38.2	2,512.5	5.5	14.5	11.4
Global Payments Inc. (NYSE:GPN)	99.8	3,366.4	0.0	1,316.0	39.1	26,774.9	8.0	20.3	16.7
Jack Henry & Associates, Inc. (NasdaqGS:JKHY)	88.0	1,596.9	7.2	490.9	30.7	11,096.5	6.9	22.6	20.9
Mastercard Incorporated (NYSE:MA)	99.1	14,950.0	15.6	8,896.0	59.5	243,067.9	16.3	27.3	23.9
PayPal Holdings, Inc. (NasdaqGS:PYPL)	99.9	15,451.0	18.7	2,733.0	17.7	120,048.5	7.8	43.9	25.7
The Western Union Company (NYSE:WU)	89.4	5,589.9	0.6	1,375.1	24.6	10,794.4	1.9	7.8	7.7
Total System Services, Inc. (NYSE:TSS)	98.8	4,028.2	13.2	1,122.8	27.9	21,049.2	5.2	18.7	14.5
Visa Inc. (NYSE:V)	100.0	21,253.0	14.8	14,273.0	67.2	361,085.9	17.0	25.3	21.8
Worldpay, Inc. (NYSE:WP)	97.8	3,925.4	7.5	1,547.7	39.4	43,244.2	11.0	27.9	20.1
WEX Inc. (NYSE:WEX)	99.6	1,492.6	20.4	547.7	36.7	10,557.5	7.1	19.3	15.2
Median	98.0 %	\$3,976.8	10.1 %	\$967.5	29.3 %	\$12,468.9	6.2 x	19.0 x	15.2 x
Mean	92.2 %		9.3 %		32.2 %		6.8 x	19.6 x	16.1 x

Transaction Processing historical EV/EBITDA multiples²



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