



Business Services quarterly update

Q2 2018

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Korea

Latin America



Marcos Bazan
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Argentina



Reinaldo Grasson
Sao Paulo,
Brazil



Jorge Brito
Quito,
Ecuador



David Lam
Vancouver,
Canada

North America

Europe



Byron Griffin
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United Kingdom



Katie Folwell-Davies
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Richard Parsons
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Germany



Albert Hannak
Wien,
Austria



Claire Deguerry
Paris,
France



Olivier Magnin
Paris,
France



Charles Bédier
Paris,
France



Jose Chimeno
Lisbon,
Portugal

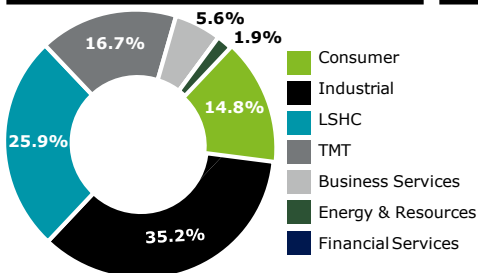


Fernando Baldellou
Madrid,
Spain

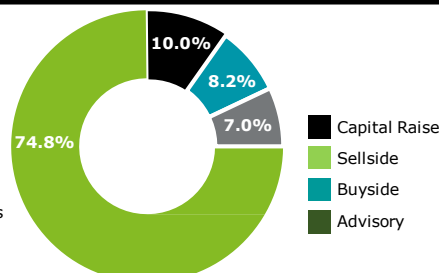


Antonio Solinas
Milan,
Italy

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	190
PwC	2	167
Deloitte	3	165
Morgan Stanley	4	148
JPMorgan	5	146
Rothschild	6	144
KPMG	7	133
EY	8	131
Citi	9	120
Lazard	10	98

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 H1 2018. Data accessed via MergerMarket. Accessed July 10, 2018.

Business Services M&A sector coverage

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- 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

HVAC FORENSICS
a division of
DONAN
has been acquired by
CCG
a portfolio company of
CAROUSEL CAPITAL

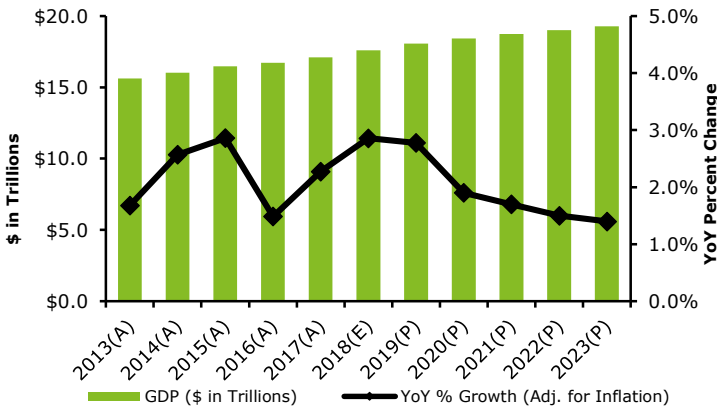
The undersigned acted as an exclusive financial advisor to Donan Solutions, LLC.

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Deloitte Corporate Finance LLC

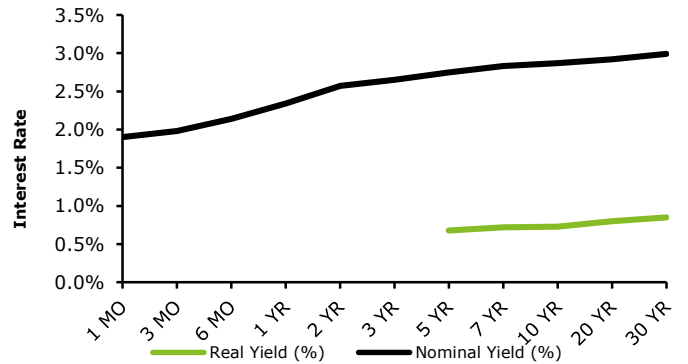
- Founded in 1947, Donan is one of the largest forensic investigation firms in the United States, with offices across the country and diverse service offerings, including forensic engineering, fire investigation, component testing, litigation support and unmanned aerial vehicle (UAV) services.
- DCF assisted Donan in achieving its liquidity objectives and finding a strategic partner for HVAC Forensics going forward.

Macroeconomic outlook

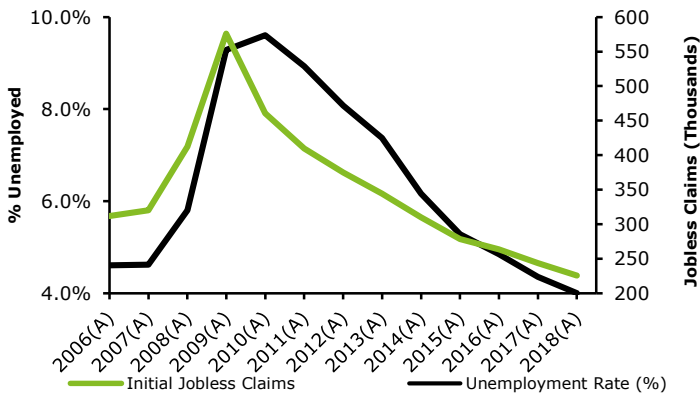
US gross domestic product¹



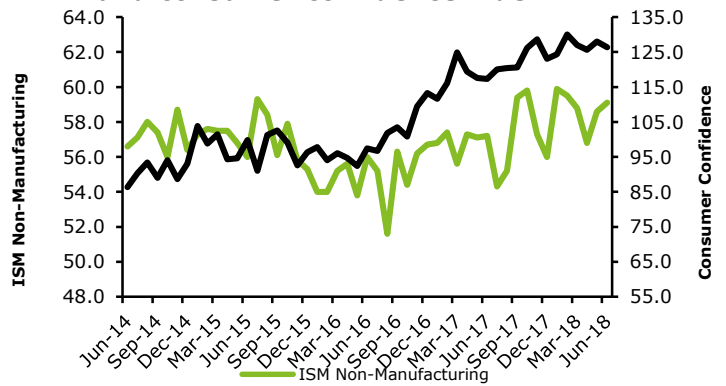
US Treasury yield curve² (nominal vs. real)



US unemployment rate³



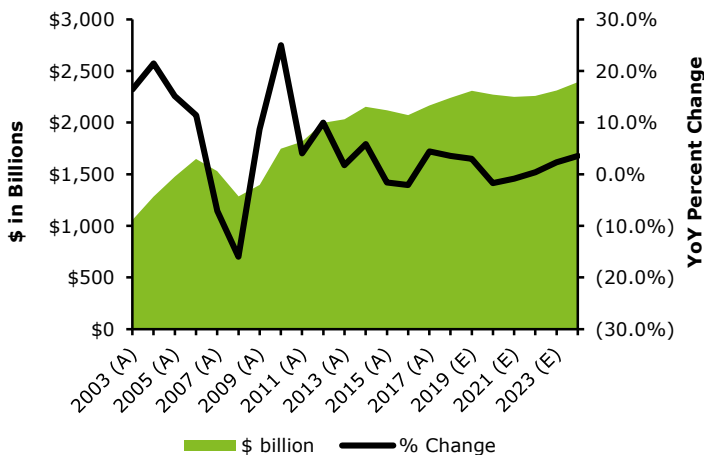
ISM non-manufacturing index and consumer confidence index⁴



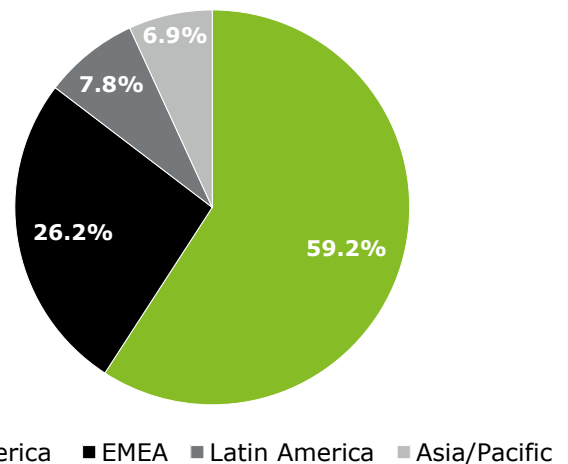
*An ISM Non-Manufacturing Index value above 50 signals economic expansion.

Business Services sector outlook

US corporate profits⁵



Global segmentation of business process outsourcing⁶

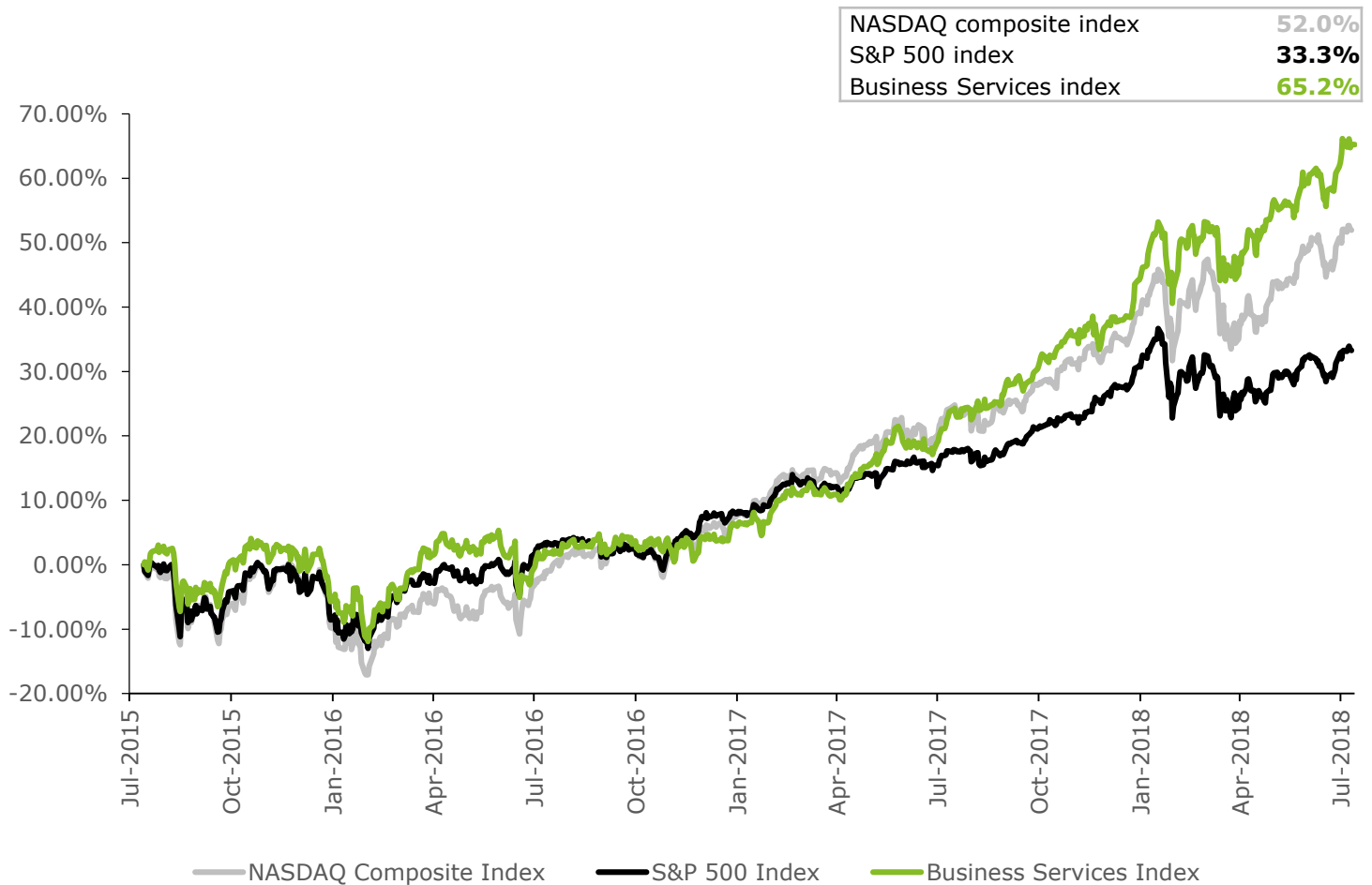


- US Bureau of Economic Analysis, <https://www.bea.gov>, accessed July 3, 2018, data as of June 30, 2018.
- US Department of the Treasury, <https://home.treasury.gov>, accessed July 3, 2018, data as of June 30, 2018.
- US Bureau of Labor Statistics, <https://www.bls.gov>, accessed July 3, 2018, data as of June 30, 2018.
- S&P Capital IQ, <https://www.capitaliq.com>, accessed July 3, 2018, data as of June 30, 2018.
- IBIS World, <https://www.ibisworld.com>, accessed July 16, 2018, data as of June 30, 2018.
- Gartner, <https://www.gartner.com/en>, accessed July 17, 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	7	84.1 %	5.7 %	\$1,166.0	14.4 %	\$10,178.5	1.2 x	8.3 x	7.6 x
Business Process Outsourcing	11	90.9	6.8	417.0	15.3	6,738.0	2.3	13.8	11.7
Consulting	10	95.6	5.6	109.1	11.8	1,503.2	1.4	13.8	12.7
Education & Training	11	92.4	1.5	71.6	17.0	532.1	1.8	12.6	9.7
Staffing and Human Resources	14	91.4	9.1	171.2	4.7	2,968.6	0.5	11.0	9.5
Transaction Processing	14	95.0	12.3	911.1	24.4	12,807.6	5.5	18.6	16.1
Comparable Public Companies	67	93.4 %	7.6 %	\$342.4	13.1 %	\$4,566.3	1.6 x	13.9 x	12.3 x

Public comparables three-year stock market performance²



1. S&P Capital IQ, <https://www.capitaliq.com>, accessed July 23, 2018, data as of July 23, 2018.
 2. S&P Capital IQ, <https://www.capitaliq.com>, accessed July 23, 2018, data as of July 23, 2018.

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Advertising and Marketing

Sector update | Q2 2018

Advertising and Marketing

Advertising and Marketing trend



Driving customer life time value through strategic B2B marketing¹

Key players within the B2B advertising and marketing space have heightened their focus on improving customer lifetime value (CLV) in order to reduce attrition rates. Increased utilization of data analysis has enabled marketers to identify actionable patterns that can have a profound effect on businesses' brand loyalty. These patterns can be used to implement a calculated diversification of consumer engagement, between email, telephonic, and social media marketing. Although useful data analysis can be difficult to implement, many organizations believe it is their best chance at increasing CLV. The interconnected relationship of CLV, consumer engagement, and data analysis will continue to be a crucial area of focus for B2B marketers in 2018.



Transaction in focus²



July 03, 2018 – Dealnet Capital Corp. (TSX VENTURE: DLS), announced that it has signed a binding agreement to sell all of the issued and outstanding shares of Impact Mobile Inc., the Company's wholly-owned mobile messaging business, for total cash consideration of \$27.5 million to IMImobile Canada Inc., a wholly-owned subsidiary of IMImobile PLC. Approximately \$25 million of the total consideration is payable on the closing of the transaction, which is expected to be before July 19, 2018. The balance of the purchase price is due six months from the closing date. On closing of the transaction, the Company's \$12 million of senior secured debentures will be redeemed in full.

Select Advertising and Marketing M&A transactions³

(\$ in Millions)

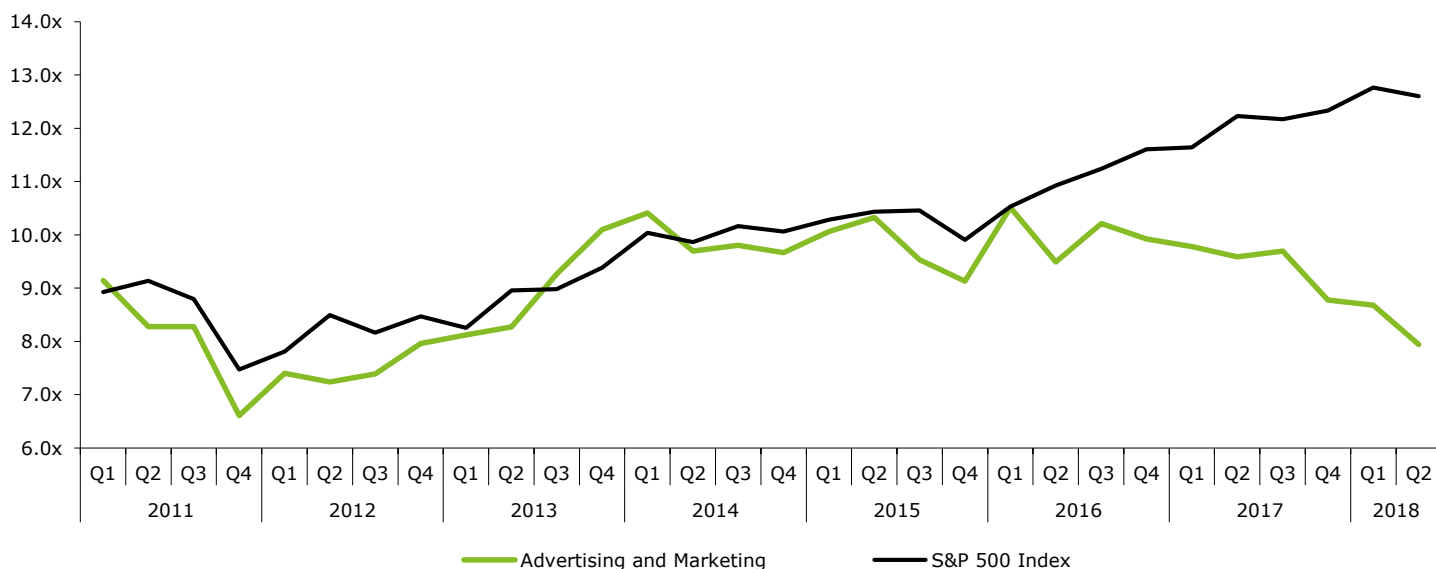
Close date	Target/Acquiror	Target business description	Enterprise value ("EV")	EV/Revenue	EV/EBITDA
Pending	LiquidHub, Inc. Capgemini SE	Develops digital customer engagement solutions.	\$500.0	2.0 x	N/A x
Pending	Web.com Group, Inc. Siris Capital Group, LLC	Provides a range of internet marketing services to small businesses in North America, South America, and the United Kingdom.	1,864.3	2.5	12.7
July-18	Impact Mobile, Inc. IMImobile Canada Inc.	Provides services to brands, carriers, and agencies to support their mobile marketing needs globally.	27.5	2.6	6.9
May-18	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.	1,055.9	9.5	33.1
April-18	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

1. Mike Mothner, "4 B2B Marketing Trends In 2018," <https://www.business2community.com/b2b-marketing/4-b2b-marketing-trends-in-2018-02091176>, accessed July 10, 2018.
2. Dealnet Capital Corp., "Dealnet Sells Impact Mobile for \$27.5 Million," <https://markets.businessinsider.com/news/stocks/dealnet-sells-impact-mobile-for-27-5-million-1027337139>, accessed July 11, 2018.
3. S&P Capital IQ, <https://www.capitaliq.com>, accessed July 9, 2018. Data as of July 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>									
Cheil Worldwide Inc. (KOSE:A030000)	87.9	3,308.8	10.4	184.8	5.6	1,404.0	0.4	7.6	7.2
Hakuhodo DY Holdings Inc (TSE:2433)	92.5	12,570.3	5.7	568.2	4.5	4,589.1	0.4	8.1	7.5
MDC Partners Inc. (NasdaqGS:MDCA)	41.2	1,496.0	6.1	156.6	10.5	1,414.4	0.9	9.0	6.4
Omnicom Group Inc. (NYSE:OMC)	82.5	15,385.2	0.4	2,351.5	15.3	19,060.3	1.2	8.1	7.7
Publicis Groupe S.A. (ENXTPA:PUB)	80.7	10,843.5	3.3	2,220.3	20.5	18,128.0	1.7	8.2	8.9
The Interpublic Group of Companies, Inc. (NYSE:IPG)	83.3	7,987.7	1.8	1,139.8	14.3	10,052.1	1.3	8.8	7.6
WPP plc (LSE:WPP)	73.7	20,633.1	9.8	3,190.0	15.5	25,594.9	1.2	8.0	7.8
Median	82.5 %	\$10,843.5	5.7 %	\$1,139.8	14.3 %	\$10,052.1	1.2 x	8.1 x	7.6 x
Mean	77.4 %		5.4 %		12.3 %		1.0 x	8.3 x	7.6 x

Advertising and Marketing historical EV/EBITDA multiples²



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1. S&P Capital IQ, <https://www.capitaliq.com>, accessed July 23, 2018, data as of July 23, 2018.
 2. S&P Capital IQ, <https://www.capitaliq.com>, accessed July 23, 2018, data as of July 23, 2018.

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Business Process Outsourcing

Sector update | Q2 2018

Business Process Outsourcing

Business Process Outsourcing trend



Business process outsourcing in the digital age¹

Many players within the BPO space are heavily investing in tech-enabled applications and process enhancement technologies to streamline workflows and increase efficiencies. At the onset, many believed that the as-a-service software business model would entirely replace traditional sourcing services. Instead of as-a-service taking over, the market has grown as a whole. Q2 2018 figures have compelled ISG to take a more bullish stance on the traditional sourcing space, as they have raised the 2018 forecast to 4.4 percent growth. This forecast is a reflection of industry wide confidence to embrace technological advances.



Transaction in focus²



April 16, 2018 - SS&C Technologies Holdings, Inc. (Nasdaq: SSNC), a leading global provider of financial services software and software-enabled services, announced the completion of the acquisition of DST Systems, Inc. (NYSE: DST), a leading global strategic advisory, technology, and operations outsourcing company. The addition of DST's financial services and healthcare businesses provides SS&C with additional scale and breadth across institutional, alternative, wealth management and healthcare segments. SS&C will manage approximately 13,000 global clients and delivered pro forma 2017 revenue of approximately \$3.9 billion.

Select Business Process Outsourcing M&A transactions³

(\$ in Millions)

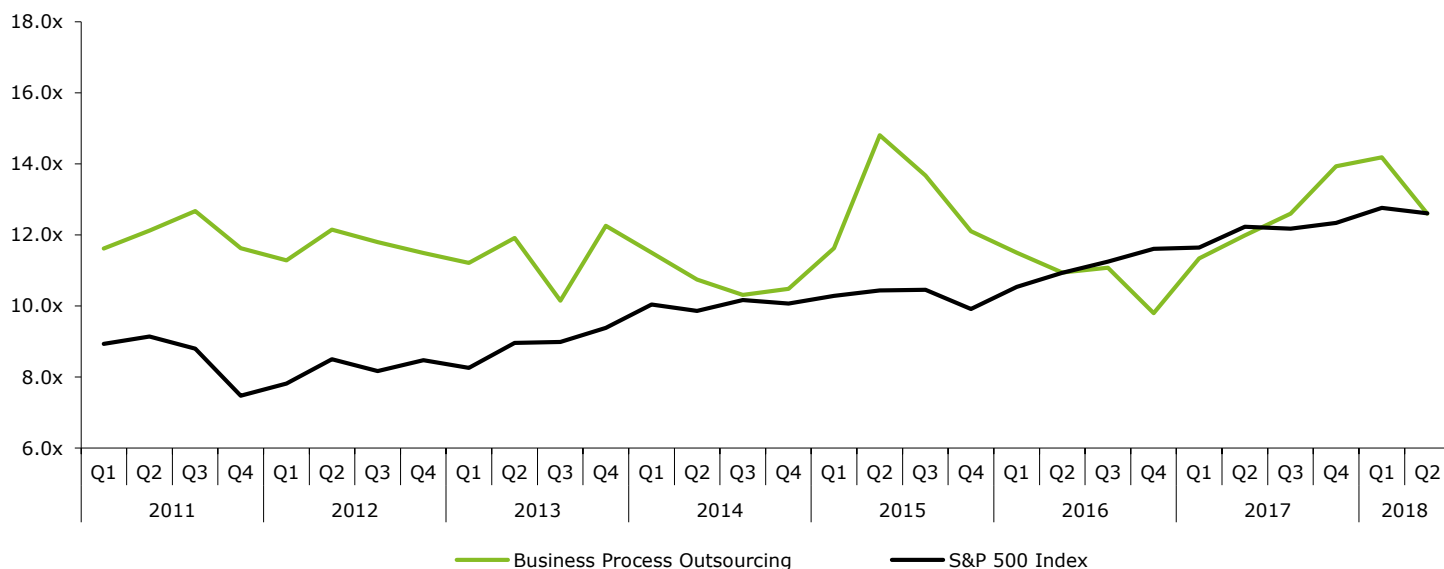
Close date	Target/Acquiror	Target business description	Enterprise value ("EV")	EV/ Revenue	EV/ EBITDA
April-18	CSRA Inc. General Dynamics Corporation	Delivers information technology solutions and professional services to its U.S. government customers to modernize legacy systems, protect networks and assets, and enhance the mission-critical functions for war fighters and citizens.	\$9,871.1	1.9 x	11.7 x
April-18	DST Systems, Inc. SS&C Technologies Holdings, Inc.	Provides technology-based information processing and servicing solutions.	5,671.1	2.6	11.5
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	N/A
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

1. The Data Center Journal, "ISG Index: Global Outsourcing Continues to Accelerate, Up 31% in 2Q18m," <http://www.datacenterjournal.com/isg-index-global-outsourcing-continues-accelerate-31-2q18>, accessed July 10 2018.
2. SS&C Technologies, "SS&C Completes Acquisition of DST," <https://www.ssctech.com/about-us/news-events/press-releases/press-release/n/949>, accessed July 10, 2018.
3. S&P Capital IQ, <https://www.capitaliq.com>, accessed July 9, 2018, data as of July 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)	96.3 %	\$15,176.0	12.2 %	\$3,158.0	20.8 %	\$44,127.3	2.9 x	14.0 x	12.2 x
Computershare Limited (ASX:CPU)	94.5	2,229.5	3.7	549.4	24.6	8,244.5	3.7	15.0	12.6
Convergys Corporation (NYSE:CVG)	93.5	2,738.7	(2.9)	342.4	12.5	2,356.2	0.9	6.9	7.1
DXC Technology Company (NYSE:DXC)	80.6	24,556.0	44.6	5,019.0	20.4	30,796.1	1.3	6.1	6.6
ExlService Holdings, Inc. (NasdaqGS:EXLS)	96.3	786.3	14.7	113.0	14.4	1,978.6	2.5	17.5	12.3
Genpact Limited (NYSE:G)	87.5	2,802.8	6.2	417.0	14.9	6,696.1	2.4	16.1	12.6
Sykes Enterprises, Incorporated (NasdaqGS:SYKE)	87.1	1,616.4	6.8	163.1	10.1	1,187.5	0.7	7.3	6.5
Tata Consultancy Services Limited (NSEI:TCS)	99.7	18,659.6	9.2	4,992.3	26.8	106,230.4	5.7	21.3	18.0
TTEC Holdings, Inc. (NasdaqGS:TTEC)	78.6	1,514.3	6.2	188.7	12.5	1,817.9	1.2	9.6	8.4
Wipro Limited (BSE:507685)	82.5	8,008.0	4.5	1,495.4	18.7	15,139.1	1.9	10.1	9.2
WNS (Holdings) Limited (NYSE:WNS)	93.2	777.7	13.1	118.9	15.3	2,536.4	3.3	21.3	17.3
Median	93.2 %	\$2,738.7	6.8 %	\$417.0	15.3 %	\$6,696.1	2.4 x	14.0 x	12.2 x
Mean	90.0 %		10.8 %		17.4 %		2.4 x	13.2 x	11.2 x

Business Process Outsourcing historical EV/EBITDA multiples²



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1. S&P Capital IQ, <https://www.capitaliq.com>, accessed July 23, 2018, data as of July 23, 2018.
 2. S&P Capital IQ, <https://www.capitaliq.com>, accessed July 23, 2018, data as of July 23, 2018.

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Consulting
Sector update | Q2 2018

Consulting

Consulting trend



Consulting firms forced to innovate to remain competitive in the digital world¹

The consultancy space is undergoing a major upheaval as participants are challenged to meet the ever-growing technological needs of their clients. Commoditization of technical acuity within the consulting industry is increasing the value of highly comprehensive services. These technology trends are forcing consulting firms to adapt and become intensive all-around service firms. The heightened demand for more sophisticated and fully-integrated service offerings from advisory companies is driving premium valuations and consolidation within the sector.



Transaction in focus²



June 25, 2018 - Navigant (NYSE: NCI) and Ankura Consulting Group, LLC announced a definitive agreement under which Navigant will sell its Disputes, Forensics and Legal Technology (DFLT) segment and its Transaction Advisory Services (TAS) practice to Ankura, a leading business advisory and expert services firm. The transaction is valued at \$470 million, and is expected to close during the third quarter, subject to customary regulatory approvals and closing conditions. Ankura is a portfolio company of Madison Dearborn Partners (MDP), a leading private equity firm based in Chicago.

Select Consulting M&A transactions³

(\$ in Millions)

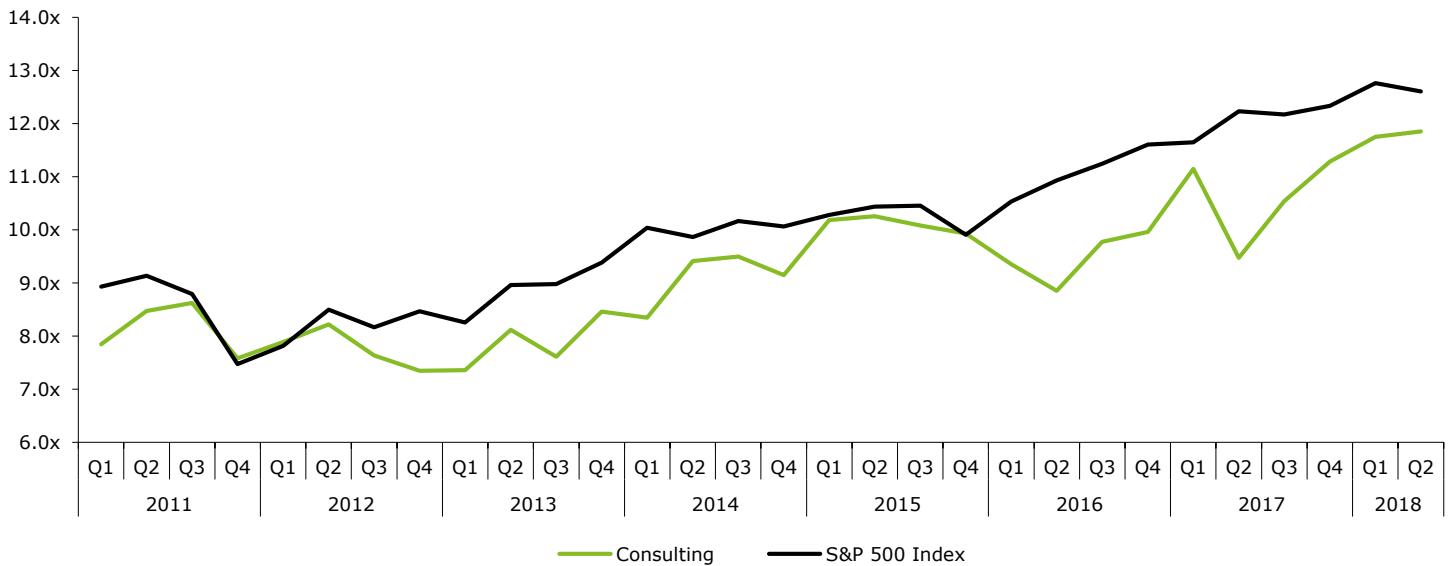
Close date	Target/Acquirer	Target business description	Enterprise value ("EV")	EV/Revenue	EV/EBITDA
Pending	Thoreau Holdco, LLC & Navigant Consulting Ltd. Ankura Consulting Group, LLC	Provides professional services including accounting, computer forensics, valuation and economic analysis, risk management, and investigative and compliance advisory services.	\$470.0	1.5 x	11.9 x
December-17	CH2M HILL Companies, Ltd. Jacobs Engineering Group, Inc.	Provides engineering and technical construction consulting services in the United States and internationally.	3,263.1	0.6	N/A
June-17	TRC Companies, Inc. New Mountain Capital, LLC	Provides engineering, consulting, and construction management services in the United States.	681.3	1.3	13.9
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 Talent Assessment Gartner, Inc.	Engages in the development, implementation, and sale of objective assessment products and services worldwide.	3,680.7	3.9	18.4

1. Consultancy UK, "Trends and challenges in the management consulting industry," <https://www.consultancy.uk/news/13111/trends-and-challenges-in-the-management-consulting-industry>, accessed July 9, 2017.
2. BusinessWire, "Navigant Announces a Definitive Agreement to Sell Its Disputes, Forensics and Legal Technology Segment and Transaction Advisory Services Practice to Ankura for \$470 Million," <https://www.businesswire.com/news/home/20180625005392/en/Navigant-Announces-Definitive-Agreement-Sell-Disputes-Forensics>, accessed July 11, 2018.
3. S&P Capital IQ, <https://www.capitaliq.com>, accessed July 9, 2018, data as of July 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)	98.1 %	\$38,573.6	7.6 %	\$6,276.1	16.3 %	\$103,149.5	2.7 x	16.4 x	14.7 x
Booz Allen Hamilton Holding Corporation (NYSE:BAH)	99.0	6,171.9	5.4	584.8	9.5	8,283.5	1.3	14.2	13.2
CBIZ, Inc. (NYSE:CBZ)	93.1	880.0	6.5	101.0	11.5	1,427.1	1.6	14.1	12.3
CRA International, Inc. (NasdaqGS:CRAI)	91.7	381.4	7.4	26.8	7.0	435.4	1.1	16.2	0.0
Exponent, Inc. (NasdaqGS:EXPO)	92.0	345.7	5.4	87.4	25.3	2,347.3	6.8	26.9	24.2
FTI Consulting, Inc. (NYSE:FCN)	96.5	1,859.2	1.8	220.9	11.9	2,747.6	1.5	12.4	14.3
Huron Consulting Group Inc. (NasdaqGS:HURN)	99.7	737.4	8.9	90.1	12.2	1,331.7	1.8	14.8	13.2
ICF International, Inc. (NasdaqGS:ICFI)	94.4	1,235.6	4.6	113.1	9.2	1,566.3	1.3	13.8	12.5
Navigant Consulting, Inc. (NYSE:NCI)	84.2	947.3	6.1	123.4	13.0	1,138.4	1.2	9.2	9.2
Resources Connection, Inc. (NasdaqGS:RECN)	79.7	654.1	3.5	50.4	7.7	471.9	0.7	9.4	9.9
Median	93.8 %	\$913.6	5.8 %	\$107.1	11.7 %	\$1,496.7	1.4 x	14.1 x	12.8 x
Mean	92.8 %		5.7 %		12.4 %		2.0 x	14.7 x	12.3 x

Consulting historical EV/EBITDA multiples²



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Education and Training
Sector update | Q2 2018

Education & Training

Education & Training trend



The Association for Talent Development (ATD) hosts one of the world’s largest talent development conferences, providing companies the knowledge, strategies, and solutions needed to train and develop their workforce. *Logistics for the conference can be found on their website: <https://www.td.org>*

Legacy private equity behemoths establish social impact investment vehicles¹



Leading alternative investment management companies are increasingly recognizing the investor demand and yield potential for social impact investing. Just in the past two years, both TPG and KKR have pioneered funds dedicated to investing in and profiting from companies with societal and environmental benefits. Tech-enabled companies that meet these needs may have a competitive advantage in the battle for capital, and both investment vehicles include a sector focus on education services. The proliferation of investment theses focused on education services is expected to spark highly visible M&A activity in the industry through 2018 and beyond.



Transaction in focus²



January 18, 2018 – Strayer Education, Inc. (NASDAQ: STRA) announced that its stockholders approved proposals to merge with Capella Education Company. This includes an increase in the number of the company’s authorized shares of common stock to 32,000,000; the issuance of shares of Strayer Education, Inc. common stock to effectuate the merger; and the change of the company’s name from “Strayer Education, Inc.” to “Strategic Education, Inc.”

Select Education and Training M&A transactions³

(\$ in Millions)

Close date	Target/Acquirer	Target business description	Enterprise value ("EV")	EV/Revenue	EV/EBITDA
Pending	Capella Education Company Strayer Education, Inc.	Provides online postsecondary education and job-ready skills services in the United States.	\$797.0	1.8 x	11.5 x
April-18	CEB Talent Assessment Exponent Private Equity LLP	Provides talent measurement solutions.	400.0	4.1	10.5
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
February-17	Apollo Education Group, Inc. Apollo Global Management, LLC; Najafi Companies; The Vistria Group, LLC	Apollo Education Group, Inc. provides private education services in the United States and internationally.	588.6	0.3	2.2

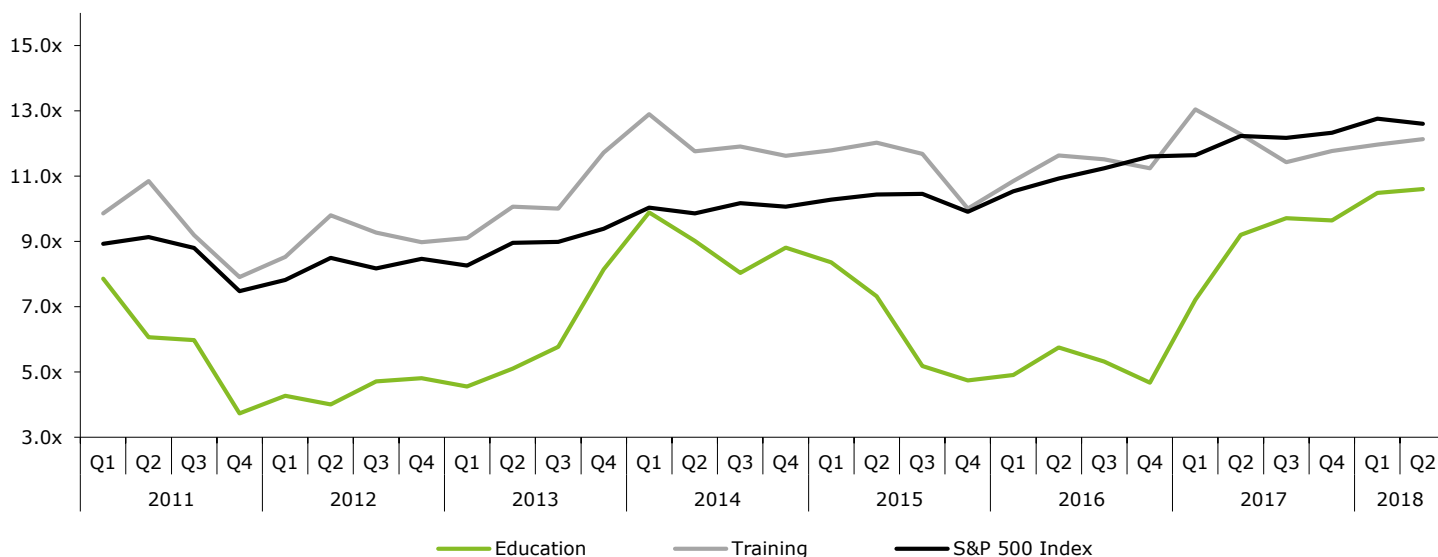
1. David French and Joshua Franklin, “KKR launches unit focused on impact investing,” <http://uk.businessinsider.com/r-exclusive-kkr-launches-unit-focused-on-impact-investing---sources-2018-4?IR=T>, accessed July 11, 2018.
2. Business Wire, “Strayer Education, Inc. Stockholders Approve Proposed Merger with Capella Education Company,” <https://www.businesswire.com/news/home/20180119005688/en/Strayer-Education-Stockholders-Approve-Proposed-Merger-Capella>, accessed July 10, 2018.
3. S&P Capital IQ, <https://www.capitaliq.com>, accessed July 9, 2018, data as of July 9, 2018.

Education & Training public comparables¹

Company (Ticker)	% of 52 Week high	LTM revenue	Revenue CAGR (3)	LTM EBITDA	EBITDA margin	Enterprise value	LTM		NTM EV/EBITDA
							EV/Revenue	EV/EBITDA	
(\$ in Millions)									
Education									
American Public Education, Inc. (NasdaqGS:APEI)	98.6 %	\$298.5	(4.9) %	\$53.0	17.8 %	\$546.1	1.8 x	10.3 x	10.0 x
Capella Education Company (NasdaqGS:CPLA)	99.0	440.6	1.4	70.4	16.0	1,064.2	2.4	15.1	11.8
Career Education Corporation (NasdaqGS:CECO)	97.1	582.4	(14.8)	79.4	13.6	1,111.8	1.9	14.0	10.5
Adtalem Global Education Inc. (NYSE:ATGE)	98.9	1,818.9	(1.8)	326.1	17.9	3,049.1	1.7	9.3	10.3
Grand Canyon Education, Inc. (NasdaqGS:LOPE)	98.9	1,001.6	11.7	351.1	35.1	5,477.1	5.5	15.6	18.8
Lincoln Educational Services Corporation (NasdaqGS:LINC)	48.4	258.5	14.7	1.9	0.7	58.2	0.2	30.3	6.6
Strayer Education, Inc. (NasdaqGS:STRA)	98.8	456.4	1.1	72.1	15.8	1,135.3	2.5	15.7	13.8
Universal Technical Institute, Inc. (NYSE:UTI)	87.6	319.4	(5.1)	(0.6)	N/A	111.1	0.3	N/A	N/A
Median	98.7 %	\$448.5	(0.4) %	\$71.3	16.0 %	\$1,088.0	1.9 x	15.1 x	10.5 x
Mean	90.9 %		0.3 %		16.7 %		2.0 x	15.8 x	11.7 x

Company (Ticker)	% of 52 Week high	LTM revenue	Revenue CAGR (3 Yr)	LTM EBITDA	EBITDA margin	Enterprise value	LTM		NTM EV/EBITDA
							EV/Revenue	EV/EBITDA	
(\$ in Millions)									
Training									
Franklin Covey Co. (NYSE:FC) ²	78.8	204.5	(1.0)	8.3	4.1	379.4	1.9	45.6	22.4
GP Strategies Corporation (NYSE:GPX)	59.2	511.8	0.8	28.7	5.6	359.0	0.7	12.5	9.6
John Wiley & Sons, Inc. (NYSE:JW.A)	93.4	1,796.1	(0.5)	338.8	18.9	3,985.8	2.2	11.8	10.0
Wilmington plc (LSE:WIL)	72.2	167.2	10.0	30.8	18.4	280.0	1.7	9.1	8.2
Median	72.2 %	\$511.8	0.8 %	\$30.8	18.4 %	\$359.0	1.7 x	11.8 x	9.6 x
Mean	74.9 %		3.4 %		14.3 %		1.5 x	11.1 x	9.3 x

Education and Training historical EV/EBITDA multiples³



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1. S&P Capital IQ, <https://www.capitaliq.com>, accessed July 23, 2018, data as of July 23, 2018.
 2. Excluded from median and mean calculations.
 3. S&P Capital IQ, <https://www.capitaliq.com>, accessed July 23, 2018, data as of July 23, 2018.

Deloitte.

Staffing and Human Resources

Sector update | Q2 2018

Staffing and Human Resources

Staffing and Human Resources trend



Artificial intelligence and machine learning disrupt human capital¹

During a time in which it seems technological innovations permeate through every facet of business, artificial intelligence and machine learning have emerged as particularly strong disruptors in the staffing and human capital space. Artificial intelligence and machine learning have enabled organizations to leverage outputs from complex data sets for both hiring and internal utilization purposes. Talent management procedures are expected to continue to evolve and improve along with advancements in data analytics and pattern recognition. Many of the most influential companies and institutions, including Deloitte, are fueling this evolution by investing in artificial intelligence technologies to improve recruiting and internal staffing procedures.



Transaction in focus²



May 14, 2018 - OMERS Private Equity has agreed to acquire Alexander Mann Solutions, a London-based provider of talent acquisition and management services. The deal, expected to close in the second quarter, is valued at \$1.1 billion. The seller is New Mountain Capital, which bought the company in 2013. Established in 1996, Alexander Mann serves more than 100 clients across seven industries in over 85 countries.

Select Staffing and Human Resources M&A transactions³

(\$ in Millions)					
Close date	Target/Acquirer	Target business description	Enterprise value ("EV")	EV/Revenue	EV/EBITDA
Pending	Envision Healthcare Corporation KKR & Co. L.P.	Provides various healthcare services in the United States.	\$10,420.0	1.3 x	9.7 x
May-18	Alexander Mann Solutions Ltd. OMERS Private Equity	Provides talent acquisition and management services to organizations.	1,106.1	N/A	N/A
May-18	PeopleFluent, Inc. Learning Technologies Group plc	Provides Software-as-a-Service talent management solutions.	150.0	1.4	11.2
April-18	ECS Federal, Inc. On Assignment, Inc.	Provides technology services and solutions to United States federal government agencies.	775.0	N/A	N/A
July-17	CareerBuilder, LLC Apollo Global Management, LLC	Connects job seekers and employers in the United States, Canada, China, France, Germany, Greece, India, Italy, the Netherlands, Spain, Sweden, the United Kingdom, and Vietnam.	627.5	0.9	N/A
July-17	Advantage RN, LLC Cross Country Healthcare, Inc.	Provides nurses and healthcare professionals for travel assignments for hospitals and medical facilities in the United States.	86.8	0.9	8.7

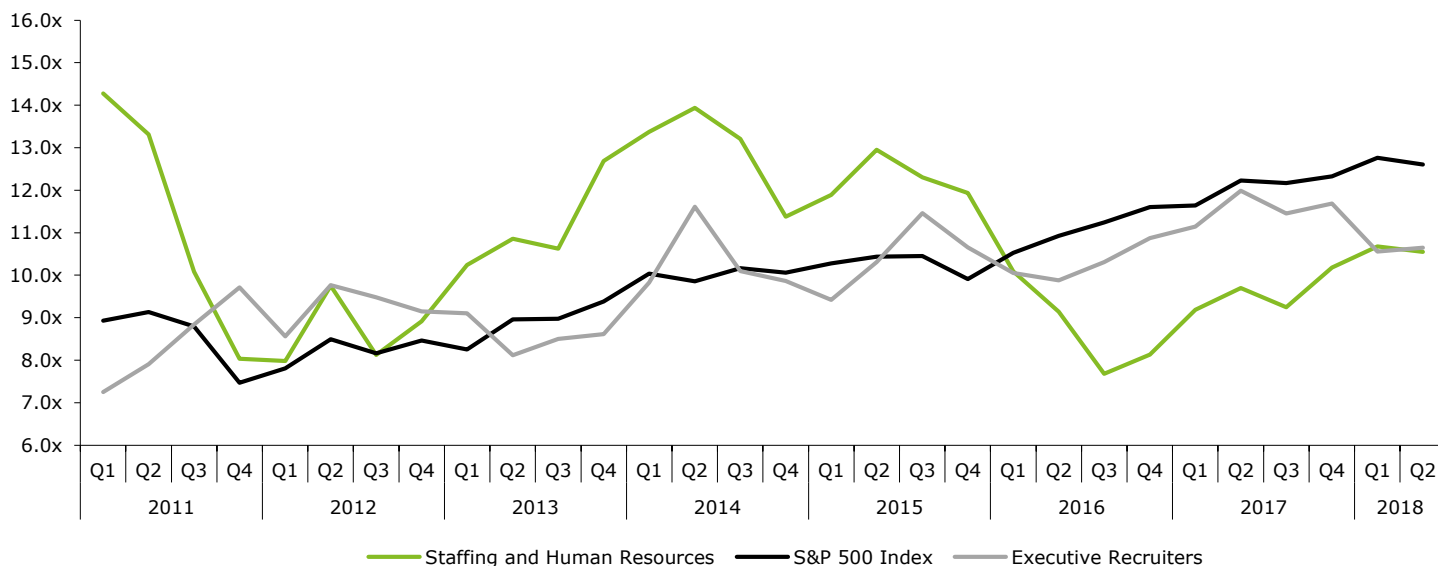
1. Abhishek Agarwal, "Changing trends of recruitment," <https://www.thestatesman.com/supplements/career/changing-trends-recruitment-1502660514.html>, accessed July 11, 2018.
2. Kirk Falconer, "OMERS Private Equity to buy Alexander Mann in \$1.1 bln deal," <https://www.pehub.com/2018/05/omers-private-equity-buy-alexander-mann-1-1-blbn-deal-2/>, accessed July 11, 2018.
3. S&P Capital IQ, <https://www.capitaliq.com>, accessed July 9, 2018, data as of July 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>									
Executive Recruiters									
Heidrick & Struggles International, Inc. (NasdaqGS:HSII)	89.1 %	\$641.5	8.8 %	\$61.5	9.6 %	\$597.2	0.9 x	9.7 x	8.3 x
Korn/Ferry International (NYSE:KFY)	95.5	1,767.2	19.8	239.8	13.6	3,420.2	1.9	14.3	11.3
Median	92.3 %	\$1,204.3	14.3 %	\$150.6	11.6 %	\$2,008.7	1.4 x	12.0 x	9.8 x
Mean	92.3 %		14.3 %		11.6 %		1.4 x	12.0 x	9.8 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>									
Diversified Staffing									
Adecco Group AG (SWX:ADEN)	73.0 %	\$29,101.9	5.0 %	\$1,406.9	4.8 %	\$11,162.4	0.4 x	7.9 x	7.7 x
Barrett Business Services, Inc. (NasdaqGS:BBSI)	98.5	934.4	11.9	38.4	4.1	691.4	0.7	18.0	14.8
Hays plc (LSE:HAS)	91.2	7,333.1	13.2	328.6	4.5	3,689.4	0.5	11.2	10.1
Impellam Group PLC (AIM:IPEL)	73.8	2,934.8	17.9	70.0	2.4	412.5	0.1	5.9	5.1
Inspirity, Inc. (NYSE:NSP)	96.0	3,431.9	12.3	156.2	4.6	3,853.9	1.1	24.7	17.3
Kelly Services, Inc. (NasdaqGS:KELY.A)	71.1	5,454.6	(0.6)	102.6	1.9	886.0	0.2	8.6	0.0
Kforce Inc. (NasdaqGS:KFRC)	97.3	1,370.2	3.2	79.3	5.8	1,007.0	0.7	12.7	9.9
ManpowerGroup Inc. (NYSE:MAN)	63.2	22,281.6	3.8	946.0	4.2	6,102.1	0.3	6.5	6.6
ASGN Incorporated (NYSE:ASGN)	98.1	2,684.6	15.4	294.8	11.0	4,904.6	1.8	16.6	11.9
PageGroup plc (LSE:PAGE)	97.0	1,853.8	9.4	171.4	9.2	2,340.0	1.3	13.7	12.0
Randstad NV (ENXTAM:RAND)	84.7	28,826.9	9.7	1,294.7	4.5	12,041.1	0.4	9.3	8.3
Robert Half International Inc. (NYSE:RHI)	97.0	5,374.8	3.7	590.4	11.0	8,022.3	1.5	13.6	12.7
SThree plc (LSE:STHR)	89.7	1,567.5	13.4	62.0	4.0	564.8	0.4	9.1	7.5
TrueBlue, Inc. (NYSE:TBI)	93.6	2,494.9	2.0	124.5	5.0	1,139.1	0.5	9.1	8.5
Median	92.4 %	\$3,183.4	9.6 %	\$163.8	4.5 %	\$3,014.7	0.5 x	10.3 x	9.2 x
Mean	87.4 %		8.6 %		5.5 %		0.7 x	11.9 x	9.5 x

Staffing and Human Resources historical EV/EBITDA multiples²



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1. S&P Capital IQ, <https://www.capitaliq.com>, accessed July 23, 2018, data as of July 23, 2018.
 2. S&P Capital IQ, <https://www.capitaliq.com>, accessed July 23, 2018, data as of July 23, 2018.

Deloitte.

Transaction Processing

Sector update | Q2 2018

Transaction Processing

Transaction Processing trend



Balancing security and convenience within payment processing¹

The transaction processing space has been marked by security concerns as successful cyberattacks have instilled a sentiment of wariness in the market. Simultaneously, many consumers are increasingly demanding convenience and speed for instant payments from businesses. The industry is experiencing heightened levels of consolidation and partnerships, as payment processing companies strive to bridge the gap between both needs. In July of 2018, BIAS Corp and MyCheck entered into a partnership to better serve their public and private sector clients. BIAS Corp, a global IT systems integrator and Oracle Platinum Partner, plans to use MyCheck's turnkey payment processing solutions to enable their customers to access these digital services quickly and securely.



Transaction in focus²



February 26, 2018 - Cotiviti Holdings, Inc. (NYSE: COTV), a leading provider of payment accuracy and analytics-driven solutions focused primarily on the healthcare industry, and Verscend Technologies, Inc., a portfolio company of Veritas Capital and a leader in data-driven healthcare solutions, announced that they have entered into a definitive agreement whereby Verscend has agreed to acquire Cotiviti for \$4.9 billion in cash.

Select Transaction Processing M&A transactions³

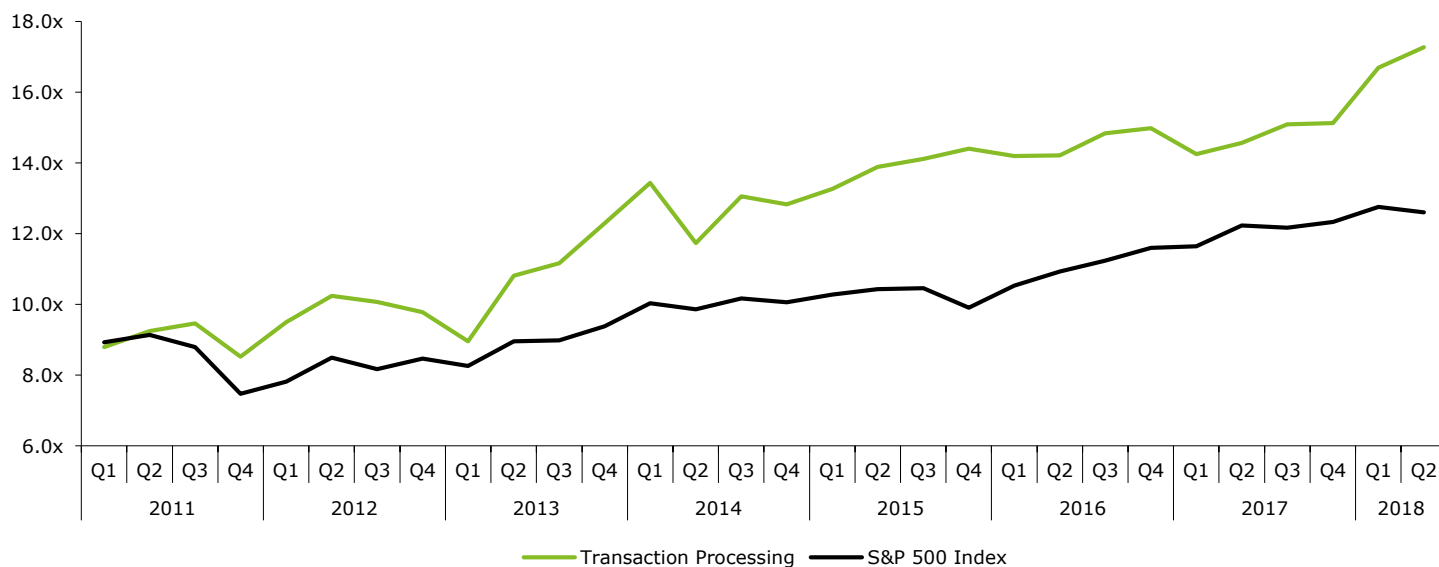
(\$ in Millions)					
Close date	Target/Acquirer	Target business description	Enterprise value ("EV")	EV/Revenue	EV/EBITDA
Pending	Convergys Corporation Concentrix Corporation	Provides customer management services to communications and media, technology, financial services, retail, healthcare, government, travel and hospitality, and other vertical markets worldwide.	\$2,534.0	0.9 x	7.4 x
Pending	Cotiviti Holdings, Inc. Verscend 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.	4,936.6	6.7	17.1
May-18	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.	460.0	2.4	9.6
January-18	Worldpay Group plc Vantiv, Inc.	Provides payments processing technology and solutions for merchant customers.	11,527.3	7.5	19.7
December-17	Paysafe Group Plc CVC Capital Partners Ltd.; The Blackstone Group	Provides online processing of direct debit, credit card, and alternative payment services to businesses and individuals in Europe, North America, and internationally.	4,013.7	3.8	15.1

1. BIAS Corporation, "BIAS and MyCheck Team Up," <https://www.prnewswire.com/news-releases/bias-and-mycheck-team-up-to-bring-seamless-secure-cloud-based-mobile-payment-processing-to-the-public-and-private-sector-300678099.html>, accessed July 11, 2018.
2. Business Wire, "Veritas Capital-backed Verscend to Acquire Cotiviti for \$4.9 Billion," <https://www.businesswire.com/news/home/20180619005755/en/Veritas-Capital-backed-Verscend-Acquire-Cotiviti-4.9-Billion>, accessed July 11, 2018.
3. S&P Capital IQ, <https://www.capitaliq.com>, accessed July 9, 2018, data as of July 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)	98.6 %	\$4,355.3	18.0 %	\$821.7	18.9 %	\$14,824.4	3.4 x	18.0 x	17.8 x
Cardtronics plc (NasdaqGS:CATM)	76.3	1,486.2	10.8	329.9	22.2	2,092.7	1.4	6.3	N/A
Conduent Incorporated (NYSE:CNDT)	87.1	5,889.0	0.0	700.0	11.9	5,496.4	0.9	7.9	8.0
Euronet Worldwide, Inc. (NasdaqGS:EEFT)	84.7	2,329.6	10.9	403.6	17.3	4,156.8	1.8	10.3	8.5
EVERTEC, Inc. (NYSE:EVTC)	98.9	416.1	4.4	142.6	34.3	2,175.3	5.2	15.3	11.2
Global Payments Inc. (NYSE:GPN)	97.9	3,850.4	0.0	1,160.7	30.1	22,597.5	5.9	19.5	15.8
Jack Henry & Associates, Inc. (NasdaqGS:JKHY)	99.2	1,503.1	6.7	470.2	31.3	10,552.7	7.0	22.4	19.2
Mastercard Incorporated (NYSE:MA)	98.7	13,343.0	12.0	7,697.0	57.7	214,099.3	16.0	27.8	23.4
PayPal Holdings, Inc. (NasdaqGS:PYPL)	96.6	13,804.0	18.5	2,645.0	19.2	94,349.7	6.8	35.7	22.4
The Western Union Company (NYSE:WU)	91.0	5,611.3	0.2	1,313.5	23.4	11,551.1	2.1	8.8	8.2
Total System Services, Inc. (NYSE:TSS)	98.0	4,730.4	23.4	1,015.5	21.5	20,104.1	4.2	19.8	14.7
Visa Inc. (NYSE:V)	99.0	19,355.0	13.7	13,193.0	68.2	326,169.4	16.9	24.7	21.2
Worldpay, Inc. (NYSE:WP)	99.8	3,949.0	12.9	1,000.5	25.3	34,307.3	8.7	34.3	17.9
WEX Inc. (NYSE:WEX)	98.8	1,314.0	16.2	459.3	35.0	10,524.1	8.0	22.9	16.5
Median	98.3 %	\$4,152.1	11.5 %	\$911.1	24.4 %	\$13,187.7	5.5 x	19.6 x	16.5 x
Mean	94.6 %		10.6 %		29.7 %		6.3 x	19.6 x	15.7 x

Transaction Processing historical EV/EBITDA multiples²



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1. S&P Capital IQ, <https://www.capitaliq.com>, accessed July 23, 2018, data as of July 23, 2018.
 2. S&P Capital IQ, <https://www.capitaliq.com>, accessed July 23, 2018, data as of July 23, 2018.

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