



Business Services Quarterly update

Q3 2018

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Argentina



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Brazil



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Ecuador



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Austria



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Paris,
France



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France



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France



Jose Chimeno
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Portugal



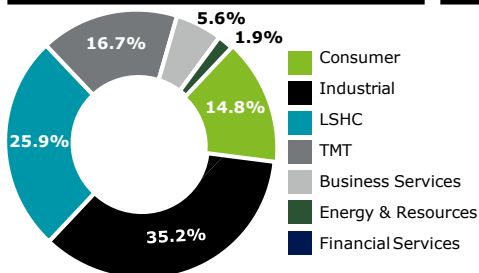
Fernando Baldellou
Madrid,
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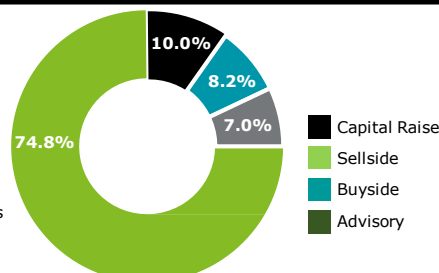
Antonio Solinas
Milan,
Italy

Europe

DCF deals closed by industry²



DCF deals closed by transaction type²



Leading M&A platform³

Mid-Market financial advisor	Rank	No. of deals
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 October 14, 2018.

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



a division of



has been acquired by



a portfolio company of



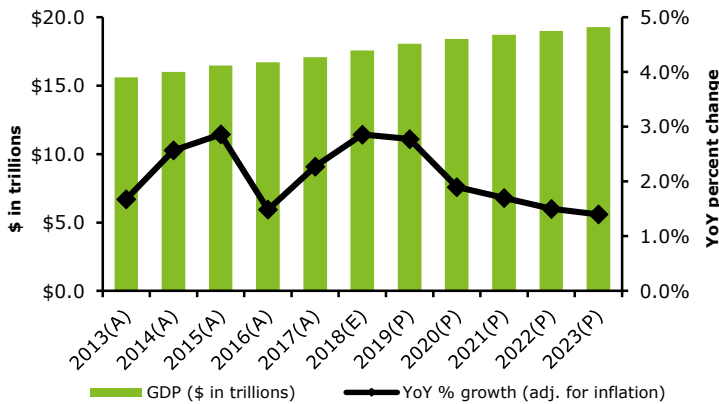
The undersigned acted as an exclusive financial advisor to Donan Solutions, LLC.



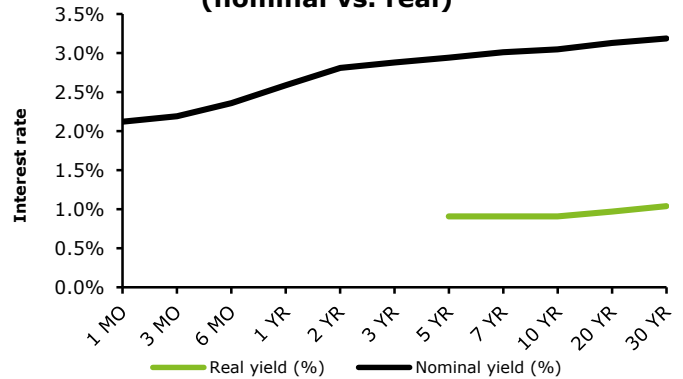
- Founded in 1947, Donan Solutions, LLC (Donan) is a leading provider of independent claims investigation services and forensic engineering services for residential and commercial insurance carriers.
- DCF conducted a limited marketing process to buyers that were intimately familiar with the independent claims investigation process.
- DCF assisted Donan with developing marketing materials, approaching potential investors, completing the due diligence process, and negotiating all aspects of the transaction.
- Through DCF's industry knowledge and positioning of HVAC Forensics' technical expertise, HVAC Forensics generated strong interest and completed the diligence process in a timely manner.
- Donan achieved their liquidity objectives and found an optimal partner for HVAC Forensics going forward.

Macroeconomic outlook

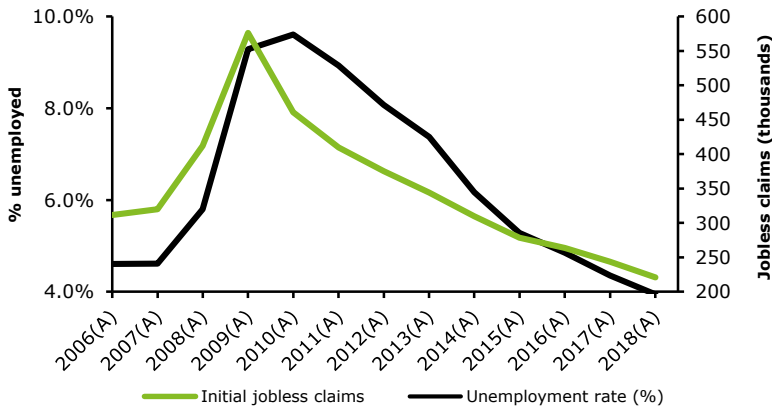
US gross domestic product¹



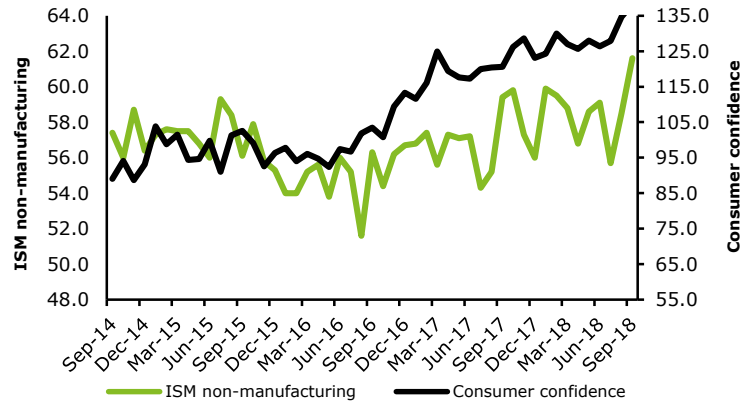
US Treasury yield curve² (nominal vs. real)



US unemployment rate³



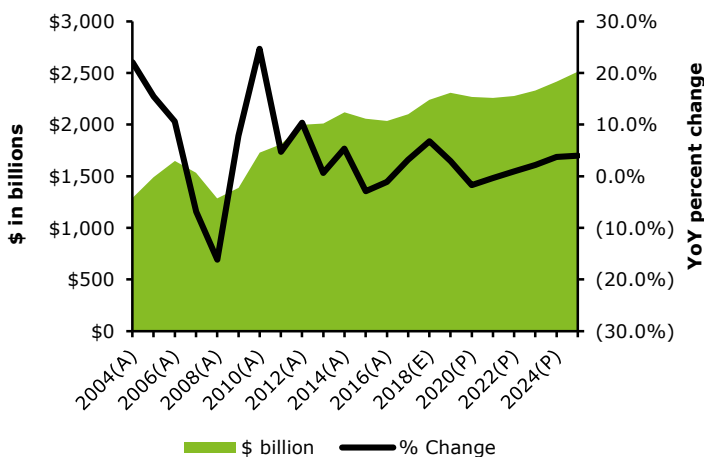
ISM non-manufacturing index and consumer confidence index⁴



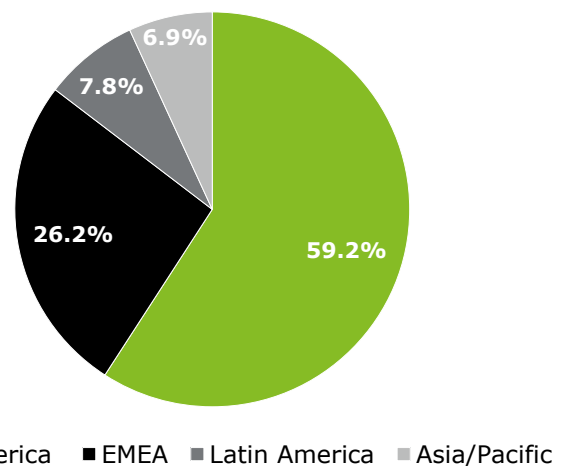
*An ISM non-manufacturing Index value above 50 signals economic expansion.

Business Services sector outlook

US corporate profits⁵



Global segmentation of business process outsourcing⁶

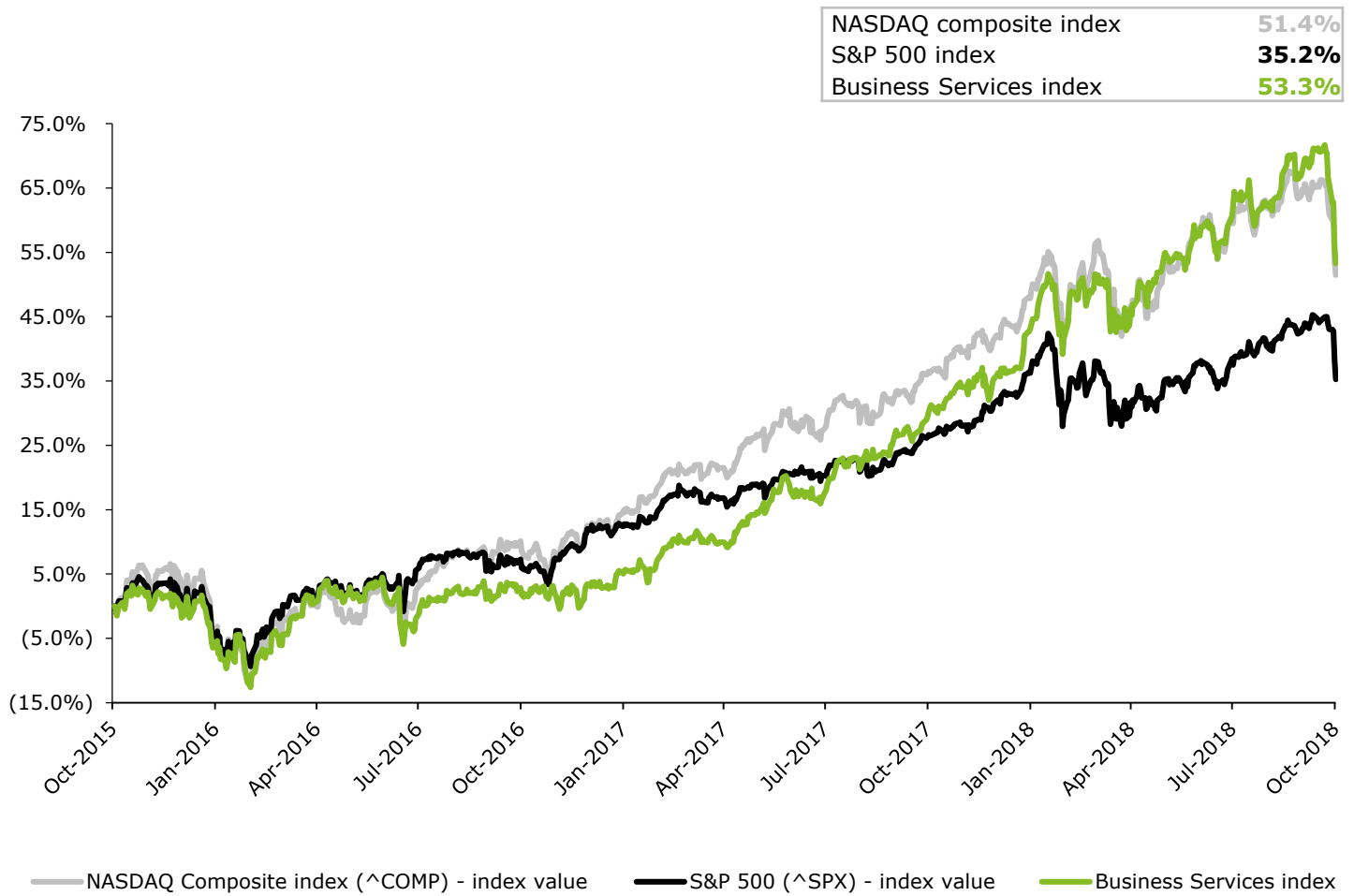


1. US Bureau of Economic Analysis, <https://www.bea.gov>, accessed October 14, 2018, data as of September 30, 2018.
2. US Department of the Treasury, <https://home.treasury.gov>, accessed October 14, 2018, data as of September 30, 2018.
3. US Bureau of Labor Statistics, <https://www.bls.gov>, accessed October 14, 2018, data as of September 30, 2018.
4. S&P Capital IQ, <https://www.capitaliq.com>, accessed October 14, 2018, data as of September 30, 2018.
5. IBIS World, <https://www.ibisworld.com>, accessed October 14, 2018, data as of June 30, 2018.
6. Gartner, <https://www.gartner.com/en>, accessed October 14, 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	82.3 %	4.9 %	\$1,166.0	14.4 %	\$9,967.4	1.2 x	8.4 x	7.6 x
Business Process Outsourcing	11	86.8	7.6	414.6	15.1	6,235.3	2.2	12.0	10.6
Consulting	10	87.5	5.6	108.2	11.8	1,497.1	1.4	13.5	12.7
Education & Training	11	74.5	1.5	71.6	17.2	757.9	1.6	11.7	8.3
Staffing and Human Resources	14	75.8	9.6	179.3	4.6	2,444.7	0.4	9.0	7.8
Transaction Processing	14	90.2	11.1	922.5	26.7	13,002.4	5.4	19.2	15.5
Comparable Public Companies	67	85.1 %	8.3 %	\$338.5	13.1 %	\$4,615.9	1.6 x	12.9 x	11.0 x

Public comparables three-year stock market performance²



1. S&P Capital IQ, <https://www.capitaliq.com>, accessed October 14, 2018, data as of October 14, 2018.
 2. S&P Capital IQ, <https://www.capitaliq.com>, accessed October 14, 2018, data as of October 14, 2018.

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Advertising and Marketing

Sector update | Q3 2018

Advertising and Marketing

Advertising and Marketing trend



Driving increased customer engagement through an omni-channel approach¹

As the number of sales channels that consumers interact with continues to grow, businesses are increasingly utilizing omni-channel marketing approaches that boost touchpoints with customers and enhance the customer experience. In order to maximize customer engagement, advertising and marketing agencies constantly need to adapt to shifting market needs and be able to provide expertise in both digital and physical channels. Growth and success for marketers will likely be largely predicated on their ability to leverage new and existing channel infrastructure, while managing the advertising mandates of their clients.



Transaction in focus²



September 27, 2018 – Evoke, part of Huntsworth plc, announced the acquisition of New Jersey-based Navience Healthcare Solutions. Navience is a full-service market access and payer marketing agency helping clients navigate the complexities of the ever-changing market access landscape by identifying, developing, and executing tailored solutions, backed by a robust analytics offering. Huntsworth's principal areas of focus are marketing services to healthcare clients, which are primarily large and mid-size pharmaceutical and biotech companies.

Select Advertising and Marketing M&A transactions³

(\$ in millions)

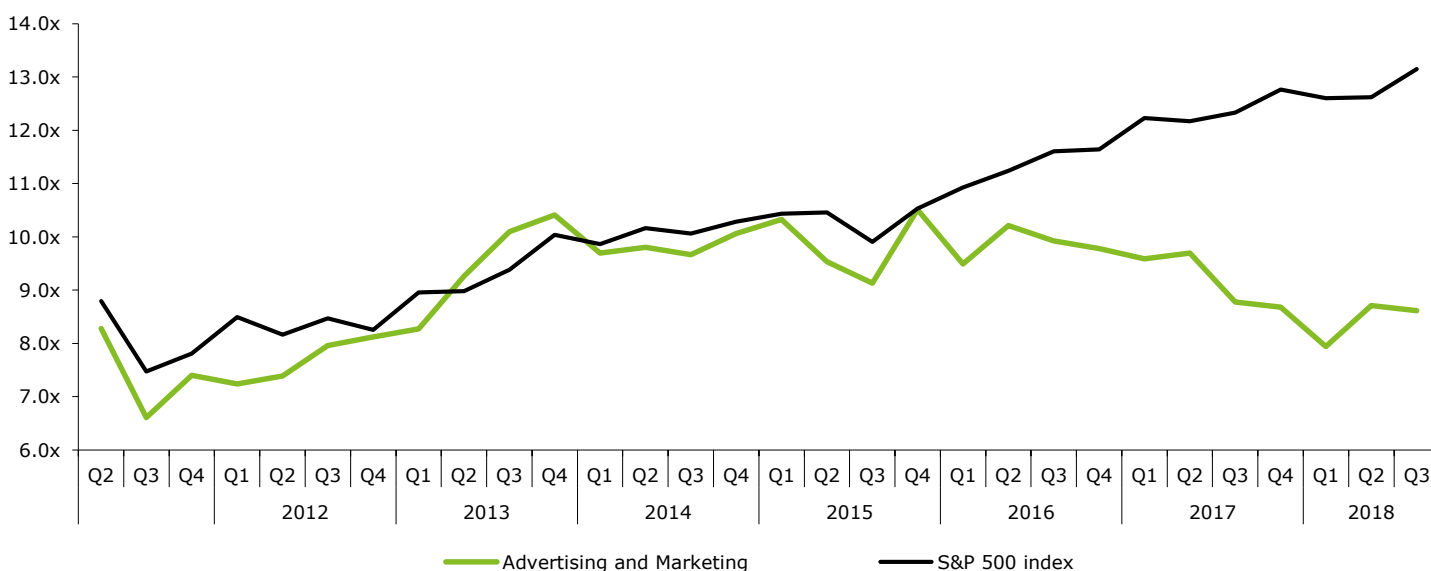
Close date	Target/Acquirer	Target business description	Enterprise value ("EV")	EV/Revenue	EV/EBITDA
Pending	Multiplus S.A. TAM Linhas Aereas S.A.	Operates a network of loyalty programs in Brazil.	\$733.1	1.4 x	6.4 x
October-18	Navience Healthcare Solutions LLC Huntsworth plc	Operates as a payer advisory and marketing agency that offers market research and analytics services.	70.0	10.9	18.4
October-18	Web.com Group, Inc. Siris Capital Group, LLC	Provides a range of Internet services to small businesses in North America, South America, and the United Kingdom.	2,034.7	2.7	14.3
July-18	Impact Mobile, Inc. IMImobile Canada Inc.	Provides services to brands, carriers, and agencies to support their mobile marketing needs globally.	20.9	2.6	6.9
May-18	CommerceHub, Inc. GTCR, LLC and 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
May-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. Ted Vrontas, "The 7 Biggest Digital Advertising Trends Taking Place Right Now," <https://instapage.com/blog/digital-advertising-trends>, accessed October 15, 2018.
2. Evoke, "Evoke Acquires Navience Healthcare Solutions, LLC," <https://www.prnewswire.com/news-releases/evoke-acquires-navience-healthcare-solutions-llc-300720411.html>, accessed October 14, 2018.
3. S&P Capital IQ, <https://www.capitaliq.com>, accessed October 14, 2018. Data as of October 14, 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)	98.0 %	\$3,234.2	10.4 %	\$182.0	5.6	\$1,620.4	0.5 x	8.9 x	8.2 x
Hakuhodo DY Holdings Inc (TSE:2433)	96.1	12,249.5	6.1	660.1	5.4	5,501.3	0.4	8.3	8.6
Omnicom Group Inc. (NYSE:OMC)	93.1	15,380.0	0.4	2,352.0	15.3	21,018.1	1.4	8.9	8.7
Publicis Groupe S.A. (ENXTPA:PUB)	85.4	10,843.5	3.3	1,996.3	18.4	17,817.5	1.6	8.9	8.8
The Interpublic Group of Companies, Inc. (NYSE:IPG)	94.0	8,157.9	2.3	1,172.5	14.4	11,122.6	1.4	9.5	7.5
WPP plc (LSE:WPP)	70.7	19,934.7	8.3	3,035.7	15.2	23,445.8	1.2	7.7	7.4
Median	93.5 %	\$11,546.5	4.7 %	\$1,584.4	14.8 %	\$14,470.1	1.3 x	8.9 x	8.4 x
Mean	89.6 %		5.1 %		12.4 %		1.1 x	8.7 x	8.2 x

Advertising and Marketing historical EV/EBITDA multiples²



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1. S&P Capital IQ, <https://www.capitaliq.com>, accessed October 14, 2018, data as of October 14, 2018.
 2. S&P Capital IQ, <https://www.capitaliq.com>, accessed October 14, 2018, data as of October 14, 2018.

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Business Process Outsourcing

Sector update | Q3 2018

Business Process Outsourcing

Business Process Outsourcing trend



Business process outsourcing in emerging markets¹

As technological advancements continue to spread and trigger disruptions in the market, the business process outsourcing sector has experienced significant growth in several developing countries. The lack of adequate technological training and education in these developing countries has created large workforces that are well-suited for performing business process outsourcing services. Many large corporations continue to leverage business process outsourcing services to save time, money, and resources, so that their staff can focus on essential core business operations.



Transaction in focus²



October 5, 2018 - Concentrix confirmed the acquisition of Convergys has officially closed and the integration with Concentrix has begun. The transaction makes Concentrix the second largest global provider of customer engagement services and enhances the company's ability to deliver even greater transformation services to impact clients. The new combined Concentrix organization will provide services in more than 70 languages from approximately 275 locations in 40+ countries across 6 continents.

Select Business Process Outsourcing M&A transactions³

(\$ in millions)

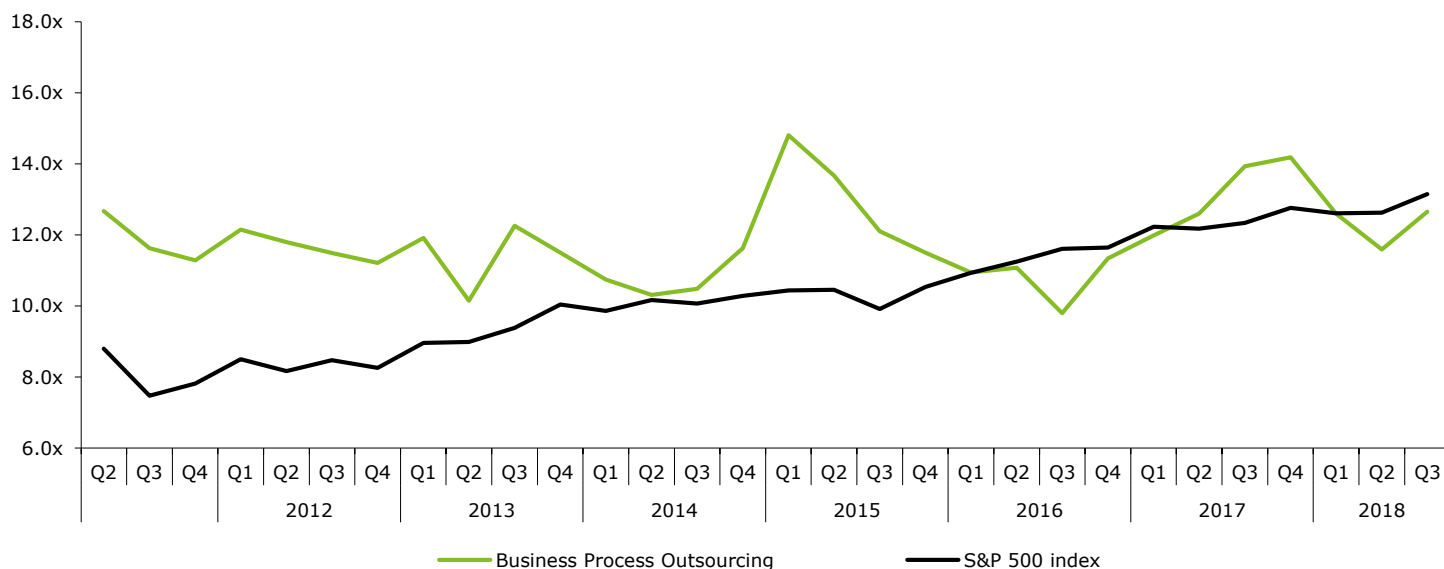
Close date	Target/acquiror	Target business description	Enterprise value ("EV")	EV/Revenue	EV/EBITDA
October-18	Convergys Corporation Concentrix Corporation	Provides customer management services to communications and media, technology, financial services, retail, healthcare, government, travel and hospitality, and other vertical markets worldwide.	\$2,544.7	0.9 x	7.4 x
October-18	TravelClick, Inc. Amadeus Americas, Inc.	Provides cloud-based software solutions for hoteliers worldwide.	1,520.0	4.1	17.7
October-18	Impetus Automotive Limited MSX International Limited	Provides automotive consultancy services to vehicle manufacturers in the United Kingdom, mainland Europe, the Asia Pacific, and the Russian Federation.	40.4	1.1	N/A
April-18	CSRA Inc. General Dynamics Corporation	Delivers a range of 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.	9,871.1	1.9	11.7
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

1. Market Watch, "Business Process Outsourcing (BPO) Services Market Top Companies Insights and Latest Trends," <https://www.marketwatch.com/press-release/business-process-outsourcing-bpo-services-market-top-companies-insights-and-latest-trends-industry-valued-to-be-usd-52-million-by-2023-2018-10-10>, accessed October 15, 2018.
2. Concentrix, "Concentrix Announces Close of Acquisition with Convergys," <https://www.prnewswire.com/news-releases/concentrix-announces-close-of-acquisition-with-convergys-300725157.html>, accessed October 14, 2018.
3. S&P Capital IQ, <https://www.capitaliq.com>, accessed October 14, 2018, data as of October 14, 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)	86.5 %	\$15,512.0	11.1 %	\$3,203.0	20.6 %	\$39,201.4	2.5 x	12.2 x	10.9 x
Computershare Limited (ASX:CPU)	95.0	2,297.6	5.2	575.8	25.1	8,478.4	3.7	14.7	12.3
Convergys Corporation	91.4	2,701.3	(3.1)	328.7	12.2	2,281.1	0.8	6.9	N/A
DXC Technology Company (NYSE:DXC)	82.2	24,602.0	54.4	5,421.0	22.0	29,747.5	1.2	5.5	6.2
ExlService Holdings, Inc. (NasdaqGS:EXLS)	93.2	807.3	13.2	112.9	14.0	1,984.0	2.5	17.6	12.0
Genpact Limited (NYSE:G)	82.3	2,860.7	6.2	414.6	14.5	6,341.7	2.2	15.3	11.0
Sykes Enterprises, Incorporated (NasdaqGS:SYKE)	95.3	1,637.7	7.6	162.0	9.9	1,222.3	0.7	7.5	6.7
Tata Consultancy Services Limited (NSEI:TCS)	83.6	18,484.3	9.7	5,002.4	27.1	92,427.5	5.0	18.5	14.9
TTEC Holdings, Inc. (NasdaqGS:TTEC)	59.1	1,510.8	5.7	178.6	11.8	1,408.9	0.9	7.9	7.1
Wipro Limited (BSE:507685)	95.0	8,008.0	4.5	1,483.3	18.5	17,023.8	2.1	11.5	10.3
WNS (Holdings) Limited (NYSE:WNS)	90.1	777.6	13.1	117.6	15.1	2,446.4	3.1	20.8	16.6
Median	90.1 %	\$2,701.3	7.6 %	\$414.6	15.1 %	\$6,341.7	2.2 x	12.2 x	10.9 x
Mean	86.7 %		11.6 %		17.3 %		2.3 x	12.6 x	10.8 x

Business Process Outsourcing historical EV/EBITDA multiples²



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1. S&P Capital IQ, <https://www.capitaliq.com>, accessed October 14, 2018, data as of October 14, 2018.
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Consulting
Sector update | Q3 2018

Consulting

Consulting trend



Consulting industry may be faced with increased regulations in Europe¹

Due to independence concerns, regulators in the United Kingdom are considering barring auditors from performing consulting services for the companies that they audit. The Financial Reporting Council has administered fines upwards of \$30 million on auditors, including KPMG and PwC. This move could potentially open up opportunities for European consulting firms to absorb significant market share from large professional services firms that have traditionally used audit relationships to parlay consulting services.



Transaction in focus²



October 1, 2018 - Computacenter intends to integrate its existing U.S. business with FusionStorm, leading to the current Computacenter headcount increasing by circa 50% in the Americas region. This acquisition enables Computacenter to broaden the range of services offered in the U.S., matching those commonly offered in Europe and providing a consistent experience for international clients. FusionStorm's technology sourcing and professional services capabilities will be combined with Computacenter's existing managed services business within the U.S. An initial cash consideration of \$70 million was paid upon completion of the acquisition with up to \$20 million of additional deferred cash consideration based on performance by FusionStorm over the 15-month period following completion. Computacenter will contribute \$45 million to refinance FusionStorm's existing facilities. Funds for the acquisition will be sourced from an existing Computacenter debt facility of £100 million, and from existing cash resources as required.

Select Consulting M&A transactions³

(\$ in millions)

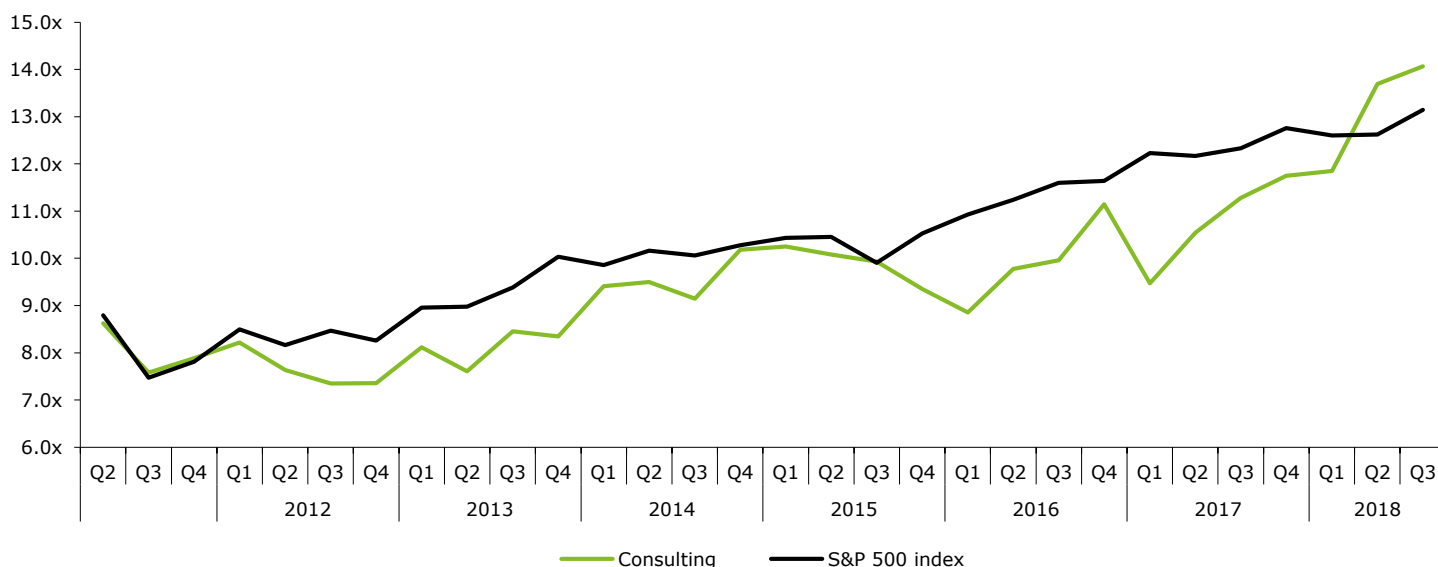
Close date	Target/acquiror	Target business description	Enterprise value ("EV")	EV/ Revenue	EV/ EBITDA
Pending	Project Management Partners Pty Ltd OUTSOURCING Inc.	Offers advice and support to organizations to run projects and programs.	\$29.6	0.5 x	N/A x
October-18	FusionStorm, Inc. Computacenter plc	Provides information technology (IT) consulting, technology solutions, and cloud/managed services to enterprises.	90.0	0.2	N/A
August-18	Thoreau Holdco, LLC & 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	11.9
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

1. John Glover, "U.K. Audit Watchdog to Review Industry, Considers Consulting Ban," <https://www.bloomberg.com/news/articles/2018-10-08/u-k-audit-watchdog-to-review-industry-considers-consulting-ban>, accessed October 14, 2018.
2. Fusion Storm, "Computacenter Acquires FusionStorm," <https://fusionstorm.com/news/computacenter-acquires-fusionstorm/>, accessed October 14, 2018.
3. S&P Capital IQ, <https://www.capitaliq.com>, accessed October 14, 2018, data as of October 14, 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)	90.8 %	\$39,573.5	8.4 %	\$6,767.8	17.1 %	\$97,551.7	2.5 x	14.4 x	13.5 x
Booz Allen Hamilton Holding Corporation (NYSE:BAH)	94.0	6,295.7	5.9	620.5	9.9	8,692.9	1.4	14.0	13.8
CBIZ, Inc. (NYSE:CBZ)	92.9	901.6	7.0	105.2	11.7	1,418.6	1.6	13.5	11.9
CRA International, Inc. (NasdaqGS:CRAI)	74.0	393.4	8.7	28.2	7.2	363.2	0.9	12.9	N/A
Exponent, Inc. (NasdaqGS:EXPO)	91.1	352.1	6.0	88.8	25.2	2,385.0	6.8	26.9	23.3
FTI Consulting, Inc. (NYSE:FCN)	84.2	1,926.5	3.1	252.5	13.1	2,813.4	1.5	11.1	12.7
Huron Consulting Group Inc. (NasdaqGS:HURN)	94.5	753.5	11.3	90.3	12.0	1,394.4	1.9	15.4	13.4
ICF International, Inc. (NasdaqGS:ICFI)	89.4	1,253.6	4.3	111.2	8.9	1,623.6	1.3	14.6	12.1
Navigant Consulting, Inc. (NYSE:NCI)	83.9	950.5	5.2	124.1	13.1	1,112.5	1.2	9.0	15.1
Resources Connection, Inc. (NasdaqGS:RECN)	86.4	691.5	5.1	57.2	8.3	562.4	0.8	9.8	11.3
Median	90.1 %	\$926.1	5.9 %	\$108.2	11.8 %	\$1,521.1	1.4 x	13.7 x	13.4 x
Mean	88.1 %		6.5 %		12.6 %		2.0 x	14.2 x	14.1 x

Consulting historical EV/EBITDA multiples²



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Deloitte.

Education and Training

Sector update | Q3 2018

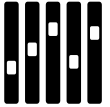
Education & Training

Education & Training trend



Expansion of the millennial workforce drives digital focus¹

As baby boomers age and begin to exit the workforce, bright-eyed millennials continue to take their place. Unlike previous generations, millennials are equipped with the tools to access troves of information in an increasingly decentralized way, a phenomenon that has caused many individuals to seek on-demand delivery of training and educational content. The shifting demographic of the current workforce demands digital training and education services. This trend is expected to continue to have significant impacts on the education and training services sector as corporations look to acquire or adopt innovative e-learning solutions in an effort to retain top talent.



Transaction in focus²



October 9, 2018 – John Wiley & Sons, Inc., a global leader in research and education, announced it has signed a definitive agreement to acquire Learning House, a diversified education services provider, from Weld North Holdings. Under the terms of the agreement, Learning House shareholders will receive \$200 million in cash. The transaction is expected to close on or around November 1, 2018, subject to customary closing and regulatory conditions. Learning House and Wiley's existing education services business will combine to create a diversified software and services leader in the \$2.3 billion OPM market, with approximately \$200 million in combined annual revenue, over 60 university partners ranging from national to regional, over 800 online graduate and undergraduate degree programs across disciplines, and targeted institutional services such as student recruitment and enrollment.

Select Education and Training M&A transactions³

(\$ in millions)

Close date	Target/acquiror	Target business description	Enterprise value ("EV")	EV/ Revenue	EV/ EBITDA
Pending	The Learning House, Inc. John Wiley & Sons, Inc.	Develops a cloud-based technology platform for enabling colleges and universities to create, manage, and develop online degree programs and courses.	\$200.0	3.3 x	28.6 x
August-18	Capella Education Company Strayer 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	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

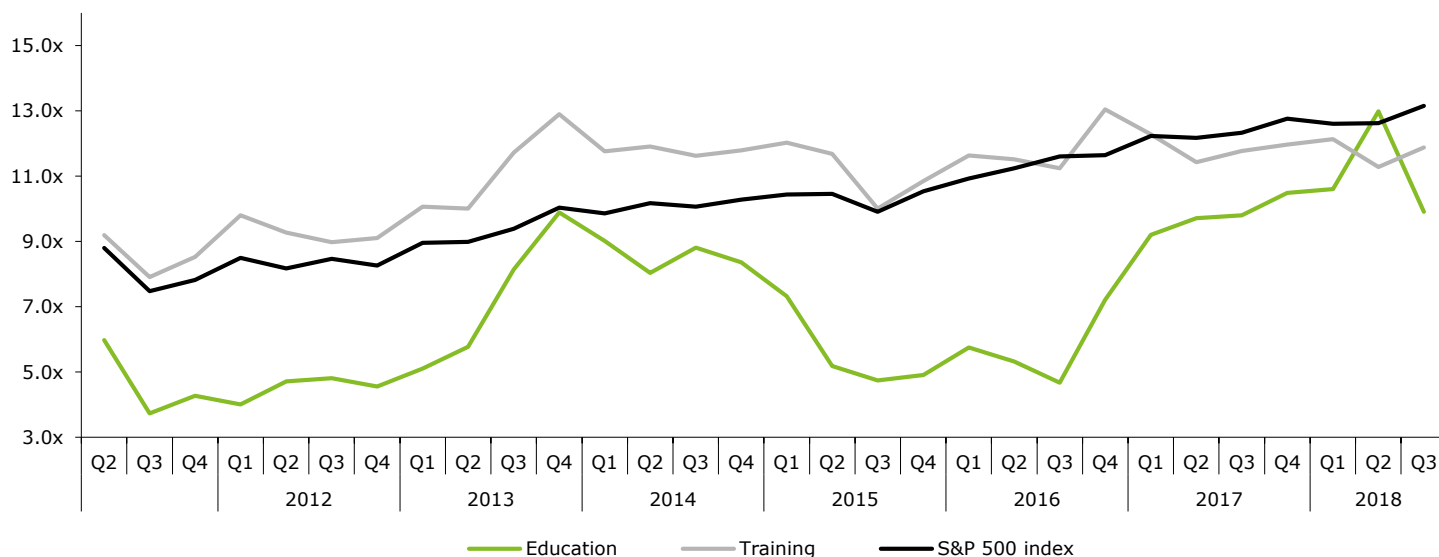
1. Alex Rivas, "How to attract millennial workers - and keep them," <https://www.trainingjournal.com/articles/features/how-attract-millennial-workers-and-keep-them>, accessed October 30, 2018.
2. Business Wire, "Wiley Signs Definitive Agreement to Acquire Learning House from Weld North," <https://www.businesswire.com/news/home/20181009005342/en/Wiley-Signs-Definitive-Agreement-Acquire-Learning-House>, accessed October 14, 2018.
3. S&P Capital IQ, <https://www.capitaliq.com>, accessed October 14, 2018, data as of October 14, 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
(\$ in Millions)									
Education									
American Public Education, Inc. (NasdaqGS:APEI)	65.5 %	\$299.1	(4.3) %	\$54.2	18.1 %	\$302.9	1.0 x	5.6 x	5.7 x
Capella Education Company (NasdaqGS:CPLA)	98.2	442.6	1.6	71.6	16.2	1,057.8	2.4	14.8	11.7
Career Education Corporation (NasdaqGS:CECO)	73.3	578.2	(15.9)	89.2	15.4	789.3	1.4	8.8	7.5
Adtalem Global Education Inc. (NYSE:ATGE)	84.3	1,231.2	(13.6)	278.7	22.6	2,697.4	2.2	9.7	9.6
Grand Canyon Education, Inc. (NasdaqGS:LOPE)	98.7	1,020.1	11.6	355.0	34.8	5,664.5	5.6	16.0	19.0
Lincoln Educational Services Corporation (NasdaqGS:LINC)	73.6	257.7	21.5	4.4	1.7	67.3	0.3	15.1	6.0
Strategic Education, Inc. (NasdaqGS:STRA)	91.9	458.4	1.5	73.8	16.1	2,525.7	5.5	34.2	13.8
Universal Technical Institute, Inc. (NYSE:UTI)	64.0	318.0	(4.7)	(8.8)	N/A	115.4	0.4	N/A	N/A
Median	79.0 %	\$450.5	(1.4) %	\$72.7	16.2 %	\$923.5	1.8 x	14.8 x	9.6 x
Mean	81.2 %		(0.3) %		17.9 %		2.3 x	14.9 x	10.5 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)*	70.8 %	\$204.5	(1.0) %	\$8.3	4.1 %	\$347.4	1.7 x	41.7 x	20.3 x
GP Strategies Corporation (NYSE:GPX)	47.6	514.3	1.6	27.0	5.2	326.6	0.6	12.1	7.6
John Wiley & Sons, Inc. (NYSE:JW.A)	78.3	1,795.6	(0.2)	327.1	18.2	3,620.5	2.0	11.1	9.0
Wilmington plc (LSE:WIL)	66.7	161.1	8.7	32.4	20.1	251.9	1.6	7.8	7.9
Median	66.7 %	\$514.3	1.6 %	\$32.4	18.2 %	\$326.6	1.6 x	11.1 x	7.9 x
Mean	64.2 %		3.4 %		14.5 %		1.4 x	10.3 x	8.1 x

Education and Training historical EV/EBITDA multiples³



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1. S&P Capital IQ, <https://www.capitaliq.com>, accessed October 14, 2018, data as of October 14, 2018.

2. S&P Capital IQ, <https://www.capitaliq.com>, accessed October 14, 2018, data as of October 14, 2018.

* Financial information was withheld from median and mean calculations due to abnormalities in financial data.

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Staffing and Human Resources

Sector update | Q3 2018

Staffing and Human Resources

Staffing and Human Resources trend



Increased investment in social recruiting¹

As staffing and recruiting agencies review the successes and failures of various initiatives launched in 2018, many of these companies plan to allocate larger segments of their budgets for investments in social media channels. According to TalentLyft, a software and services company that specializes in talent acquisition, 94 percent of recruiters plan to use social media for recruiting and 70% of recruiters plan to increase their investment in social recruiting. Social media channels enable recruiters to increase engagement with potential candidates and ultimately find, attract, and hire talent.



Transaction in focus²



October 11, 2018 - Envision Healthcare Corporation announced the completion of the sale of Envision to global investment firm KKR. Envision Healthcare Corporation is a leading provider of physician-led services, post-acute care, and ambulatory surgery services. As a result of the completion of the merger, Envision has become a wholly owned subsidiary of funds affiliated with KKR, and Envision stockholders will receive an amount in cash equal to \$46.00 per share of Envision common stock.

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 connections services to professional communities in the United States and internationally.	\$156.8	0.8 x	5.8 x
October-18	Envision Healthcare Corporation KKR & Co. L.P.	Provides various healthcare services in the United States.	10,420.0	1.3	9.7
August-18	HeadFirst Source Group N.V. Ruvercap Sourcehub Ag	Provides external professionals hiring services in the Benelux Union.	54.1	0.3	8.7
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

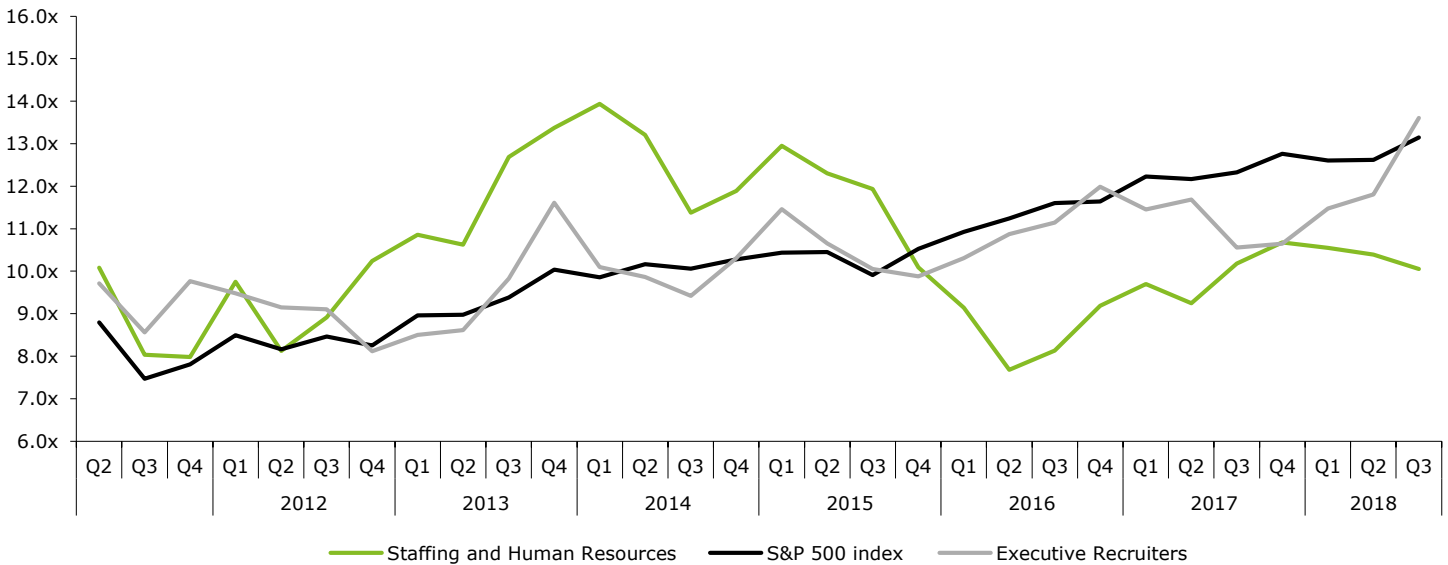
1. Kristina Martic, "15 New Recruiting Trends You Should Implement in 2019," <https://www.talentlyft.com/en/blog/article/87/15-new-recruiting-trends-you-should-implement-in-2019-updated>, accessed November 11, 2018.
2. Business Wire, "KKR Completes Acquisition of Envision Healthcare Corporation," <https://www.businesswire.com/news/home/20181011005441/en/KKR-Completes-Acquisition-Envision-Healthcare-Corporation>, accessed October 14, 2018.
3. S&P Capital IQ, <https://www.capitaliq.com>, accessed October 14, 2018, data as of October 14, 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 EV/Revenue	LTM EV/EBITDA	NTM EV/EBITDA
<i>(\$ in Millions)</i>									
Executive Recruiters									
Heidrick & Struggles International, Inc. (NasdaqGS:HSII)	64.3 %	\$672.3	10.7 %	\$68.8	10.2 %	\$466.4	0.7 x	6.8 x	6.1 x
Korn/Ferry International (NYSE:KFY)	66.5	1,831.5	20.6	248.4	13.6	2,481.6	1.4	10.0	8.1
Median	65.4 %	\$1,251.9	15.7 %	\$158.6	11.9 %	\$1,474.0	1.0 x	8.4 x	7.1 x
Mean	65.4 %		15.7 %		11.9 %		1.0 x	8.4 x	7.1 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)	60.1 %	\$27,653.7	4.1 %	\$1,316.1	4.8 %	\$9,857.8	0.4 x	7.5 x	7.3 x
ASGN Incorporated (NYSE:ASGN)	69.3	3,149.2	17.8	359.6	11.4	4,536.0	1.4	12.6	10.2
Barrett Business Services, Inc. (NasdaqGS:BBSI)	61.9	940.4	10.4	35.1	3.7	417.1	0.4	11.9	8.8
Hays plc (LSE:HAS)	74.1	7,591.5	14.4	338.5	4.5	2,792.0	0.4	8.2	7.7
Impellam Group PLC (AIM:IPEL)	88.5	2,908.1	12.6	69.5	2.4	473.7	0.2	6.8	7.0
Insperty, Inc. (NYSE:NSP)	87.7	3,558.7	12.7	177.2	5.0	4,291.9	1.2	24.2	18.3
Kelly Services, Inc. (NasdaqGS:KELY.A)	70.8	5,507.9	(0.1)	104.0	1.9	863.9	0.2	8.3	7.1
Kforce Inc. (NasdaqGS:KFRC)	78.4	1,388.6	2.7	83.0	6.0	946.7	0.7	11.4	9.5
ManpowerGroup Inc. (NYSE:MAN)	54.3	22,235.5	4.5	934.3	4.2	5,292.7	0.2	5.7	6.0
PageGroup plc (LSE:PAGE)	81.0	1,913.2	10.8	181.5	9.5	1,956.4	1.0	10.8	8.9
Randstad NV (ENXTAM:RAND)	73.7	27,482.0	8.9	1,244.8	4.5	10,952.8	0.4	8.8	7.7
Robert Half International Inc. (NYSE:RHI)	79.3	5,523.4	3.9	609.4	11.0	7,319.5	1.3	12.0	11.1
SThree plc (LSE:STHR)	83.5	1,567.5	13.4	65.3	4.2	558.5	0.4	8.6	7.4
TrueBlue, Inc. (NYSE:TBI)	80.8	2,499.1	(0.4)	125.8	5.0	1,032.3	0.4	8.2	7.7
Median	76.2 %	\$3,353.9	9.6 %	\$179.3	4.6 %	\$2,374.2	0.4 x	8.7 x	7.7 x
Mean	74.5 %		8.3 %		5.6 %		0.6 x	10.4 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 October 14, 2018, data as of October 14, 2018.
 2. S&P Capital IQ, <https://www.capitaliq.com>, accessed October 14, 2018, data as of October 14, 2018.

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Transaction Processing

Sector update | Q3 2018

Transaction Processing

Transaction Processing trend



Decentralization leading to increased fragmentation¹

Revolutionary financial technologies and advanced platforms, such as blockchain, have paved new roads for innovators and entrepreneurs to disrupt the payments sector as funding from hungry investors and acquirors has continued to rise. Legacy financial institutions and payments companies that were historically able to offer a suite of end-to-end services are positioning themselves to adapt through acquisitions as newcomers continue to upend the \$100 trillion payments sector. Over the past 4 years, investors have deployed more than \$130 billion into new technologies and fintech companies. Concerns surrounding security will be a principal point of focus for all stakeholders in the rapidly evolving payments sector.



Transaction in focus²



October 22, 2018 - NCR Corporation announced a definitive agreement to acquire JetPay, a provider of end-to-end payment processing and human capital management solutions. The transaction will be a cash tender offer of \$5.05 per JetPay share, which represents a valuation of nearly 3x revenue. The purchase price is approximately \$184 million and will be financed with a combination of cash on hand and existing capacity under NCR's revolving credit facility. This acquisition will enable NCR to integrate a cloud-based payments platform into its enterprise POS solutions for retail and hospitality industries. It also accelerates NCR's strategy of increasing recurring revenue growth and expanding margins by enhancing its mix of software and services.

Select Transaction Processing M&A transactions³

(\$ in Millions)

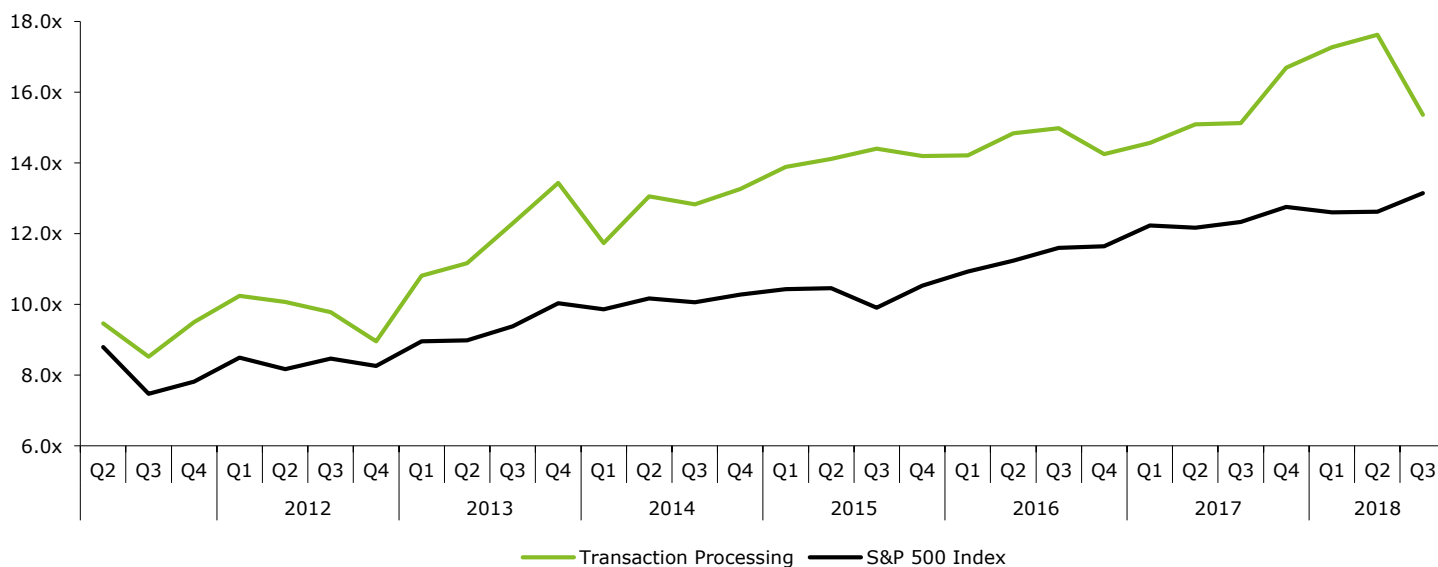
Close date	Target/Acquiror	Target business description	Enterprise value ("EV")	EV/ Revenue	EV/ EBITDA
Pending	JetPay Corporation NCR Corporation	Provides debit and credit card processing, payroll, human capital management (HCM) and card services to businesses and their employees in the United States.	\$176.3	2.2 x	46.9 x
August-18	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. Forbes, "Five Reasons The Payments Business Is Ripe For Big Change," <https://www.forbes.com/sites/rkulkarni/2018/09/19/five-reasons-the-payments-business-is-ripe-for-big-change/#5dba543b4dc7>, accessed October 14, 2018.
2. NCR, "NCR Steps Into Payments, Announces Definitive Agreement to Acquire JetPay," <https://www.ncr.com/news/newsroom/news-releases/company/ncr-steps-into-payments-announces-definitive-agreement-to-acquire-jetpay>, accessed October 29, 2018.
3. S&P Capital IQ, <https://www.capitaliq.com>, accessed October 14, 2018, data as of October 14, 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)	85.6 %	\$4,329.9	17.1 %	\$806.9	18.6 %	\$14,548.3	3.4 x	18.0 x	15.6 x
Cardtronics plc (NasdaqGS:CATM)	73.3	1,442.1	8.3	320.5	22.2	2,154.6	1.5	6.7	N/A
Conduent Incorporated (NYSE:CNDT)	86.6	5,780.0	0.0	713.0	12.3	5,471.4	0.9	7.7	8.0
Euronet Worldwide, Inc. (NasdaqGS:EEFT)	94.4	2,491.9	12.2	463.9	18.6	5,542.2	2.2	11.9	9.6
EVERTEC, Inc. (NYSE:EVTC)	99.5	426.0	5.0	143.1	33.6	2,308.6	5.4	16.1	11.0
Global Payments Inc. (NYSE:GPN)	90.4	3,721.3	0.0	1,222.2	32.8	22,441.6	6.0	18.4	15.2
Jack Henry & Associates, Inc. (NasdaqGS:JKHY)	94.0	1,536.6	6.9	473.7	30.8	11,861.4	7.7	25.0	20.9
Mastercard Incorporated (NYSE:MA)	90.7	13,955.0	13.6	8,209.0	58.8	210,569.5	15.1	25.7	22.3
PayPal Holdings, Inc. (NasdaqGS:PYPL)	91.2	14,969.0	19.0	2,971.0	19.8	93,049.5	6.2	31.3	20.8
The Western Union Company (NYSE:WU)	81.1	5,643.5	0.5	1,347.2	23.9	10,446.1	1.9	7.8	7.4
Total System Services, Inc. (NYSE:TSS)	93.1	4,515.6	20.1	1,038.0	23.0	20,656.0	4.6	19.9	14.6
Visa Inc. (NYSE:V)	92.8	20,030.0	13.9	13,674.0	68.3	323,136.2	16.1	23.6	20.2
Worldpay, Inc. (NYSE:WP)	91.8	3,957.1	10.6	1,168.9	29.5	36,394.5	9.2	31.1	18.0
WEX Inc. (NYSE:WEX)	91.7	1,381.0	17.6	499.1	36.1	10,247.2	7.4	20.5	15.7
Median	91.5 %	\$4,143.5	11.4 %	\$922.5	26.7 %	\$13,204.9	5.7 x	19.1 x	15.6 x
Mean	89.7 %		10.4 %		30.6 %		6.3 x	18.8 x	15.3 x

Transaction Processing historical EV/EBITDA multiples²



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1. S&P Capital IQ, <https://www.capitaliq.com>, accessed October 14, 2018, data as of October 14, 2018.
 2. S&P Capital IQ, <https://www.capitaliq.com>, accessed October 14, 2018, data as of October 14, 2018.

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