



Business and Financial
Services Quarterly
Update

Q3 2021



Deloitte Corporate Finance LLC's (DCF) Business and Financial Services Practice

DCF is a leading global middle-market M&A adviser. Our professionals have extensive knowledge in the Business and Financial Services space and use their experience to help clients enhance value.



Business and Financial Services Leadership



James Miller
Managing Director
Head of Business and Financial Services
Charlotte, NC
jamesmiller5@deloitte.com



Chris Parides
Senior Vice President
Charlotte, NC
cparides@deloitte.com



Bo Sadow
Vice President
Charlotte, NC
lsadow@deloitte.com



Ryan Soer
Vice President
Charlotte, NC
rysoer@deloitte.com



Organization Overview

#1

2020 Global M&A
Advisor by deals
completed.⁽¹⁾

487

Completed deals
in the last 12
months.

- Deep relationships in place to gain **critical strategic intelligence** and effectively market businesses.
- Worldwide, DCF has access to **2,400 Corporate Finance professionals** across 60 countries that complement the North American team.
- **Top global middle-market financial advisor** in 2020 according to Mergermarket.⁽¹⁾



Sector Focus

- Legal Support Services
- Insurance Services
- Human Capital Management
- Education and Training
- Business Process Outsourcing
- Real Estate Services
- Specialty Consulting
- Compliance/Risk Management
- Information Services
- Specialized Financial Services

Table of contents

Case study	4
Deloitte thought leadership	5
Notable recent M&A transactions	6
Business process outsourcing	7
Consulting	8
Financial services	9
Education and training	10
Insurance, legal support, and risk services	11
Staffing and recruiting	12



Case study

Ethos Risk Services, LLC

Deal Contacts

James Miller, Chris Parides, Ryan Soer



has completed a recapitalization with



The undersigned acted as
exclusive financial advisor to
Ethos Risk Services, LLC

Deloitte.

"The Deloitte Corporate Finance team was instrumental throughout every stage of the process. I was particularly impressed with their expertise and in-depth knowledge of the insurance services sector. We truly appreciate and value the guidance and dedication DCF provided – we're confident we could not have picked a better advisor."

Micah Smith
Chief Executive Officer
Ethos Risk Services, LLC

Client Overview

- Ethos Risk Services, LLC (Ethos) is a leading provider of investigative and risk mitigation services aimed at minimizing fraud for national and regional insurance carriers.
- Ethos' proprietary software platform allows the company to enhance workforce efficiency, reduce case turnaround times, and scale operations to meet the needs of a large, blue-chip customer base.

Situation Overview

- After receiving preemptive interest from multiple parties, Ethos engaged DCF to test the market while managing interest from the preemptive parties.
- The transaction enabled all passive shareholders to fully exit the business and for key management members to receive an equity stake in the company.
- DCF added significant value throughout the sale process by:
 - Managing preemptive interest while simultaneously conducting a targeted marketing process, ultimately driving significant incremental value from a preemptive bidder.
 - Successfully completing an accelerated due diligence process and negotiating favorable terms despite increased market turbulence and uncertainty.
 - Working alongside the company's management team and board to structure a transaction that met all stakeholders' needs.

Key Takeaways

- DCF exhibited both the strength of our relationships with the key players in the insurance services space and a deep knowledge of the ongoing trends in the industry.
- The DCF team successfully illustrated Ethos' differentiated market position and growth potential with compelling analysis.

Deloitte thought leadership

Deloitte thought leadership

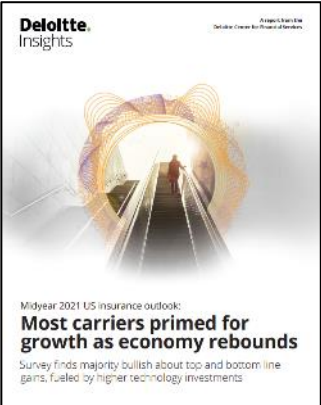
- Deloitte stays abreast of industry trends and makes significant investments in producing cutting-edge thought leadership.
- Deloitte is deeply committed to providing insights that help keep clients on the forefront of critical trends
- Focused research covering industry drivers and trends helps enable Deloitte to demonstrate eminence in the business services market by redefining the lens through which industry leaders operate.

Extensive knowledge network







DCF can leverage its expansive cross-business knowledge network, extensive consulting reports, and in-depth industry research to drive results and provide differentiated insights for our clients.



Recent insights



Notable recent M&A transactions ⁽¹⁾

<p>Business Process Outsourcing</p> 	<p>TPG Capital LP's acquisition of Visma AS</p> <ul style="list-style-type: none"> • Visma AS offers a range of administrative solutions, including web-based ERP and invoicing, and CRM solutions. • TPG Capital is a private equity and venture capital firm primarily focused on technology and business services. • The acquisition further cements Visma AS Clearview a market leader in back-office and ERP solutions. 	<p>Close Date: September 2021 EV: \$12,200 MM Rev: \$2,235.31 EV/Rev: 5.5x EV/EBITDA: 19.0x</p>
<p>Consulting</p> 	<p>GHO Capital Partners LLP's acquisition of ClearView Healthcare Partners LLC</p> <ul style="list-style-type: none"> • ClearView Health provides strategic consulting services to life science and healthcare companies and investors. • GHO is a private equity firm specializing in buyouts of middle market companies in the healthcare sector. • The acquisition could enable ClearView to drive even greater adoption of new technology in the healthcare space. 	<p>Close Date: September 2021 EV: \$730 MM Rev: N/A EV/Rev: N/A EV/EBITDA: 17.0x</p>
<p>Education and Training</p> 	<p>Learning Technologies Group Plc's acquisition of GP Strategies Corporation</p> <ul style="list-style-type: none"> • GP Strategies is a global training business specializing in managed digital learning strategies. • Learning Technologies Group provides learning solutions to corporate and government clients. • Post-acquisition, GP Strategies is set to further accelerate the transition from in-person to digital education. 	<p>Close Date: October 2021 EV: \$406 MM Rev: \$508 MM EV/Rev: 0.8x EV/EBITDA: 9.5x</p>
<p>Financial Services</p> 	<p>KKR & Co. Inc.'s acquisition of Spark Infrastructure Group</p> <ul style="list-style-type: none"> • Spark Infrastructure Group is an investment manager specializing in global utility infrastructure markets. • KKR & Co. is a private equity and real estate investment firm specializing in direct and fund of fund investments. • The deal emphasizes the growth of investment theses capitalizing on government infrastructure spending. 	<p>Close Date: Pending EV: \$4,666 MM Rev: \$188 MM EV/Rev: 24.8x EV/EBITDA: 26.8x</p>
<p>Insurance, Legal, and Risk</p> 	<p>Silver Lake Partners' acquisition of RAC Group Limited</p> <ul style="list-style-type: none"> • RAC Group Limited is an automotive services business offering roadside assistance and insurance services. • Silver Lake Partners is a US-based private equity firm specializing in technology-related investments. • The acquisition could enable RAC to grow the synergies between its insurance and breakdown assistance lines. 	<p>Close Date: Pending EV: \$5,120 Rev: \$837 EV/Rev: 5.9x EV/EBITDA: 14.9x</p>
<p>Staffing and Recruiting</p> 	<p>Apollo Global Management, Inc.'s acquisition of EmployBridge Holding Company</p> <ul style="list-style-type: none"> • EmployBridge offers skilled light industrial staffing services to specialty manufacturers and logistics firms. • Apollo Global Management is an alternative asset management firm specializing in private equity and credit. • The transaction could allow EmployBridge to expand its client base in the short-staffed skilled manufacturing space. 	<p>Close Date: July 2021 EV: N/A Rev: N/A EV/Rev: N/A EV/EBITDA: N/A</p>

Business process outsourcing (BPO)

Sector trends

- Rising employment costs and labor shortages have supported revenue growth within the BPO industry, as businesses seek cost-effective customer experience (CX), back-office, and technology-enabled contact center solutions.
- Capitalizing on the growth of the digital economy, specialist data security outsourcing businesses have continued to expand their offerings to lower the probability of data breaches as instances of hacking continue to rise.
- BPO firms are anticipated to benefit from further advances in cloud computing and process automation that will streamline remote management of record retrieval and Enterprise Resource Planning (ERP) systems.

Select recent M&A activity ⁽¹⁾

Close Date	Target	Acquiror	Implied EV (MM)	EV/EBITDA
Pending	Probe Group Pty Ltd	KKR & Co. Inc.	N/A	N/A
Pending	Echo Global Logistics, Inc.	The Jordan Company, L.P.	\$1,399	15.8x
Oct-21	Clarabridge Inc.	Qualtrics International Inc.	\$1,125	N/A
Sep-21	Visma AS	TPG Capital LP	\$12,200	19.0x
Sep-21	ServiceChannel.com, Inc.	Fortive Corporation	\$1,200	N/A
Aug-21	Vestcom International, Inc.	Avery Dennison	\$1,450	N/A



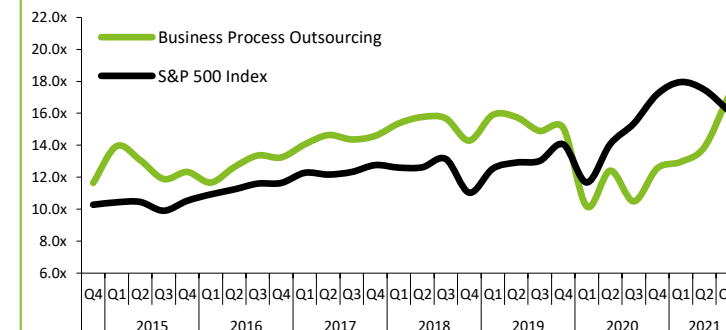
Select public comparables ⁽²⁾

Company Name	Enterprise Value (MM)
Automatic Data Processing, Inc.	\$87,039
Barrett Business Services, Inc.	\$529
Cognizant Technology Solutions	\$39,357
ExlService Holdings, Inc.	\$4,097
Genpact Limited	\$2,281
TriNet Group, Inc.	\$6,530

Trading metrics ⁽³⁾



Historical EV/EBITDA multiples ⁽³⁾



Consulting

Sector trends

- The digitization of the US economy throughout the pandemic has fueled the adoption of advanced technologies and cloud-based platforms, triggering the demand for outsourced IT and specialty consulting services to address the rise in data backup, data security, and system upgrades.
- Management consultants continue to see labor shortages in part due to large technology firms disrupting the typical graduate school recruiting pipeline. This change has encouraged consultants to recruit throughout the year and offer additional compensation and travel flexibility.

Select public comparables (2)

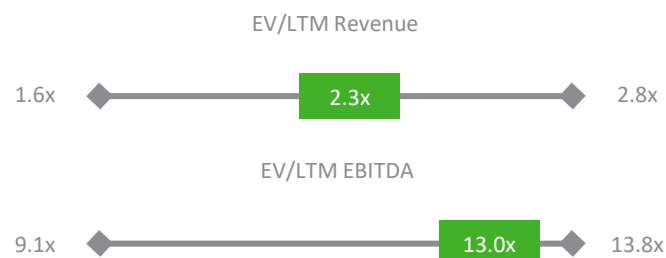
Company Name	Enterprise Value (MM)
Accenture plc	\$203,331
Booz Allen Hamilton Holding Corp.	\$13,417
DXC Technology Company	\$12,547
Exponent, Inc.	\$5,621
The Hackett Group, Inc.	\$559
Wipro Limited	\$46,566

Select recent M&A activity (1)

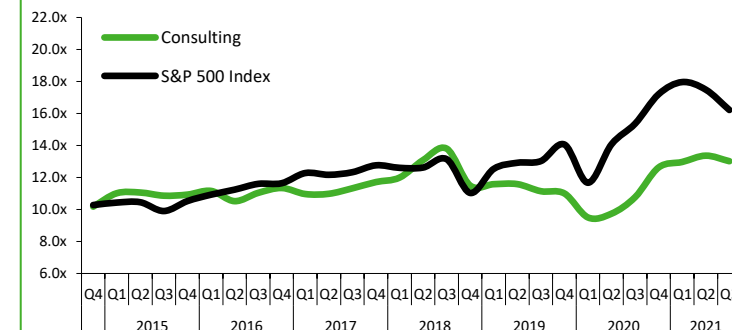
Close Date	Target	Acquiror	Implied EV (MM)	EV/EBITDA
Pending	Engel & Voelkers AG	Permira Advisers LLP	\$823	N/A
Sep-21	Clearview Healthcare Partners	GHO Capital Partners LLP	\$730	17.0x
Aug-21	Regulatory & Quality Solutions, LLC	Linden Capital Partners LLC	\$385	N/A
Aug-21	Leonard Curtis Recovery Ltd.	Arete Capital Partners LLP; Svella	\$55	6.7x
Aug-21	Erichsen & Horgen	Multiconsult ASA	\$47	12.3x
Jul-21	Valtech SE	BC Partners Limited	\$1,400	N/A



Trading metrics (3)



Historical EV/EBITDA multiples (3)



Education and training

Sector trends

- The abrupt transition for low-tech segments to a digital environment throughout the pandemic thus far has created a favorable backdrop for cyberattacks. As a consequence, complex cybersecurity training has increased in its importance to training businesses as they look to expand their service offerings.
- As the global workforce ages and digitization accelerates, companies have become increasingly eager to bridge the growing skills gap and support their workforce.

Select recent M&A activity ⁽¹⁾

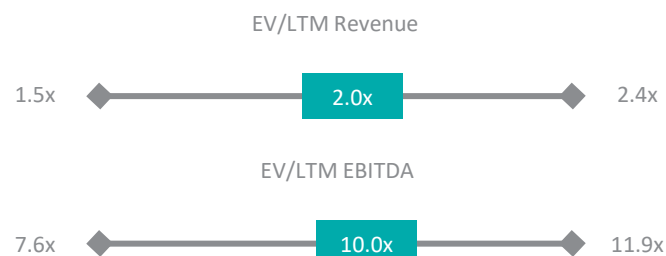
Close Date	Target	Acquiror	Implied EV (MM)	EV/EBITDA
Pending	De Agostini Scuola S.p.A.	Arnoldo Mondadori Editore SpA	\$187	7.4x
Oct-21	GP Strategies Corporation	Learning Technologies Group Plc	\$406	9.5x
Aug-21	Simbionix USA Corporation	Surgical Science Sweden AB	\$305	N/A
Aug-21	Medac	KKR & Co. Inc.	\$235	N/A
Jul-21	Epic! Creations Inc.	Think and Learn Private Limited	\$500	N/A
Jul-21	Go1	Madrona Venture Group, SEEK Limited	\$1,000	N/A



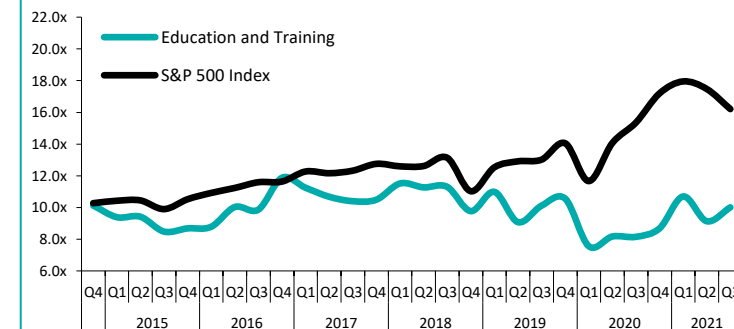
Select public comparables ⁽²⁾

Company Name	Enterprise Value (MM)
Adtalem Global Education Inc.	\$2,557
Franklin Covey Co.	\$585
Grand Canyon Education	\$3,911
John Wiley & Sons, Inc.	\$3,982
Pearson plc	\$8,623
Stride, Inc.	\$1,426

Trading metrics ⁽³⁾



Historical EV/EBITDA multiples ⁽³⁾



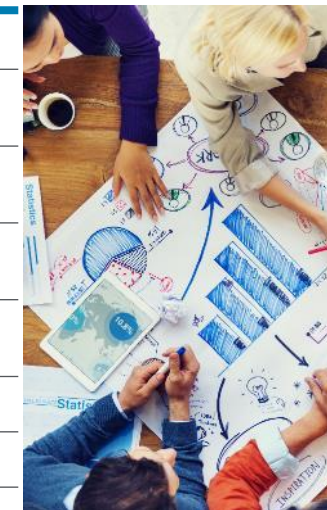
Financial Services

Sector trends

- The pandemic emphasized the competitive strength of financial services businesses that employed Software-as-a-Service (SaaS) and subscription-based models, affording them greater flexibility to implement new product lines to take advantage of the global shift toward digital commerce.
- Employers continue to leverage income payment software to efficiently manage payroll and provide employees with early income access as a counter-incentive to employees joining the gig economy.
- Special acquisition companies (SPACs) have gained substantial momentum in 2021 listing vehicles for payment providers, offering a faster execution process and upfront price discovery.
- Multi-asset trading platforms offering cryptocurrencies have garnered increased popularity of late among retail investors.

Select recent M&A activity ⁽¹⁾

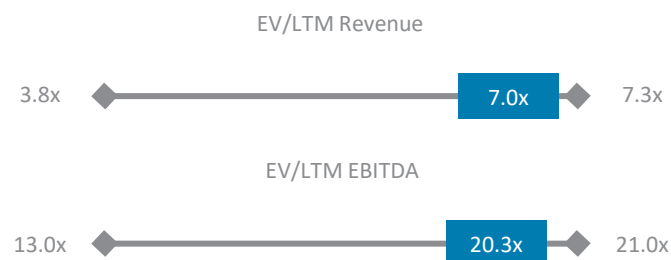
Close Date	Target	Acquiror	Implied EV (MM)	EV/EBITDA
Pending	MUFG Union Bank, N.A.	US Bancorp	\$7,971	N/A
Pending	Spark Infrastructure Group	KKR & Co. Inc.	\$4,666	26.8x
Pending	Western Union Business Solutions	The Baupost Group, LLC	\$910	N/A
Pending	Charles Stanley Group Plc	Raymond James Financial, Inc.	\$256	9.2x
Pending	Bullish (GI) Limited	Far Peak	\$8,127	N/A
Jul-21	Fleet Mortgages Ltd.	Starling Bank Ltd.	\$69	21.9x



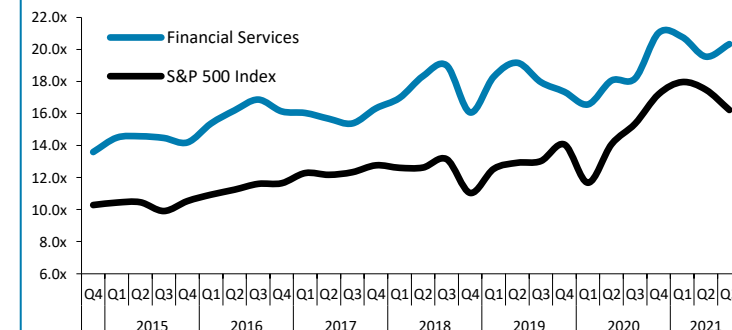
Select public comparables ⁽²⁾

Company Name	Enterprise Value (MM)
Artisan Partners AM Inc.	\$3,154
Broadridge Financial Solutions, Inc.	\$23,762
Gartner, Inc.	\$27,762
The Western Union Company	\$10,148
Thomson Reuters Corporation	\$58,833
Visa Inc.	\$481,401

Trading metrics ⁽³⁾



Historical EV/EBITDA multiples ⁽³⁾



Insurance, Legal, and Risk Services

Sector trends

- Insurers have increasingly integrated their policy management systems with advancing technology like artificial intelligence (AI) and machine learning (ML) to optimize the policy lifecycle.
- Flattening premium revenues would accelerate this trend toward insurers embracing new technologies to broaden their revenue base.
- Some law firms have begun to gravitate toward outsourcing services that are not part of their core competencies to shared captive back-office centers. These functions include accounting, payroll, IT and data security, research, and human resources.⁽⁴⁾
- This trend has gained in importance within the legal services space since the pandemic, as law firms have been inundated with fresh litigation.

Select recent M&A activity ⁽¹⁾

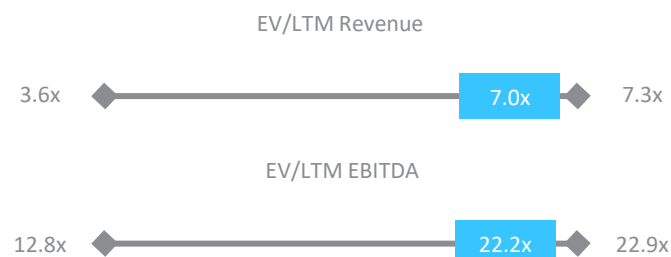
Close Date	Target	Acquiror	Implied EV (MM)	EV/EBITDA
Pending	RAC Group Limited	Silver Lake Partners	\$5,120	14.9x
Pending	Willis Re Limited	Arthur J. Gallagher & Co.	\$4,000	N/A
Pending	American National Group, Inc.	Brookfield Asset Management Reinsurance Partners	\$5,108	N/A
Sep-21	Sphera Solutions, Inc.	Blackstone Group Inc	\$1,400	N/A
Aug-21	Global Claims Services, Inc.	GTCR LLC	N/A	N/A
Aug-21	Coverforce Pty Ltd	Steadfast Group Ltd.	\$302	10.6x



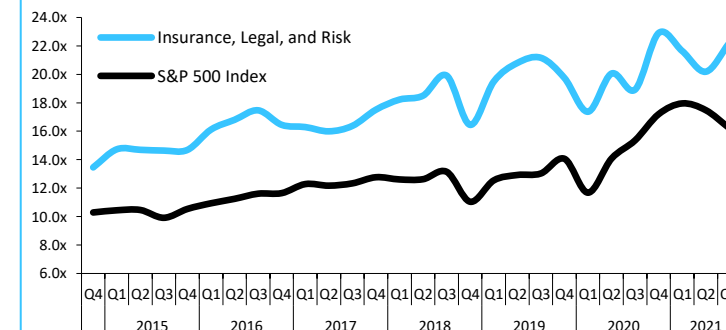
Select public comparables ⁽²⁾

Company Name	Enterprise Value (MM)
Aflac Incorporated	\$42,295
Aon plc	\$74,677
Arthur J. Gallagher & Co.	\$35,729
Marsh & McLennan Companies, Inc.	\$91,915
Ping An Insurance Group	\$387,265
Sompo Holdings, Inc.	\$10,738

Trading metrics ⁽³⁾



Historical EV/EBITDA multiples ⁽³⁾



Staffing and Recruiting

Sector trends

- Highly skilled industrial staffing has seen increased demand in recent years as many companies struggle to fill open positions due to skill mismatches.
- Similarly, manufacturing staffing has enjoyed greater market attention due to generational changes. A substantial proportion of the Baby Boomers that make up the current manufacturing workforce are expected to retire by 2030, decreasing supply.
- Considering the manufacturing sector's strong multiplier effect, these underlying population forces are expected to precipitate significant headwinds to US GDP.

Select recent M&A activity ⁽¹⁾

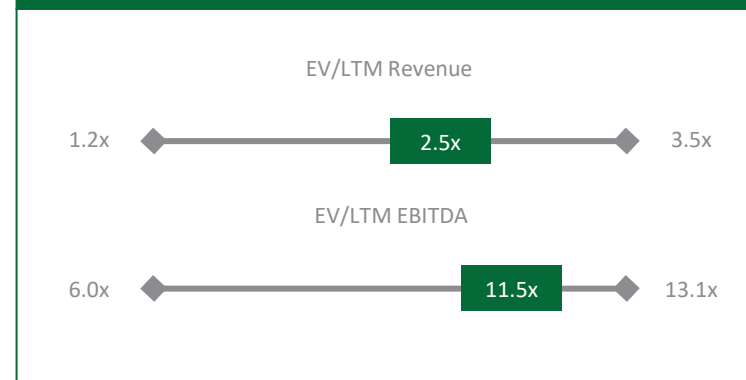
Close Date	Target	Acquiror	Implied EV (MM)	EV/EBITDA
Pending	AKKA Technologies	Adecco Group AG	\$1,975	10.6x
Pending	OmniPoint US	The Planet Group	N/A	N/A
Pending	Trustaff, Inc.	Trilantic Capital, Cornell Capital	N/A	N/A
Oct-21	Ettain Group, LLC	ManpowerGroup Global	\$925	11.5x
Aug-21	Oxford Global Resources, LLC	H.I.G. Capital, LLC	\$525	N/A
Jul-21	EmployBridge	Apollo Global Management, Inc.	N/A	N/A



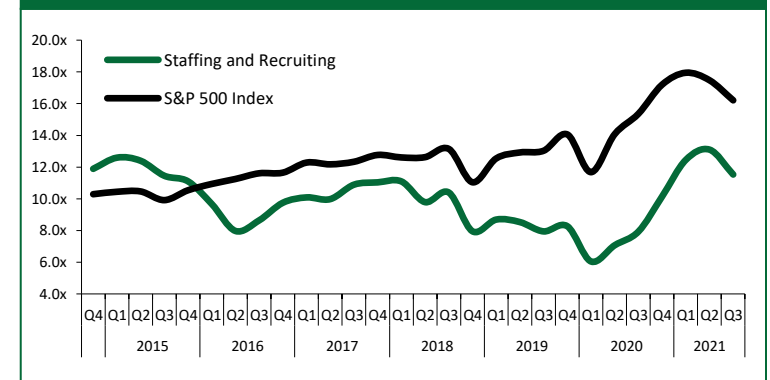
Select public comparables ⁽²⁾

Company Name	Enterprise Value (MM)
Adecco Group AG	\$10,170
Kelly Services, Inc.	\$806
Korn Ferry	\$3,965
ManpowerGroup Inc.	\$6,069
Randstad N.V.	\$13,560
Robert Half International Inc.	\$11,419

Trading metrics ⁽³⁾



Historical EV/EBITDA multiples ⁽³⁾



Appendix

Sources Cited

Page 2:

1. [Mergermarket](#). Accessed October 13, 2021. Data as of January 19, 2021.

Page 6:

1. Relevant transactions announced in Q3, 2021.
 - a. [S&P Capital IQ](#). Accessed October 13, 2021. Data as of October 13, 2021.
 - b. [Mergermarket](#). Accessed October 13, 2021. Data as of October 13, 2021.

Page 7:

1. Relevant transactions announced in Q3, 2021.
 - a. [S&P Capital IQ](#). Accessed October 13, 2021. Data as of October 13, 2021.
 - b. [Mergermarket](#). Accessed October 13, 2021. Data as of October 13, 2021.
2. Select public comparables set in Q3, 2021.
 - a. [S&P Capital IQ](#). Accessed October 13, 2021. Data as of October 13, 2021.
3. Expanded public comparables set in Q3, 2021.
 - a. [S&P Capital IQ](#). Accessed October 13, 2021. Data as of October 13, 2021.

Page 8:

1. Relevant transactions announced in Q3, 2021.
 - a. [S&P Capital IQ](#). Accessed October 13, 2021. Data as of October 13, 2021.
 - b. [Mergermarket](#). Accessed October 13, 2021. Data as of October 13, 2021.
2. Select public comparables set in Q3, 2021.
 - a. [S&P Capital IQ](#). Accessed October 13, 2021. Data as of October 13, 2021.
3. Expanded public comparables set in Q3, 2021.
 - a. [S&P Capital IQ](#). Accessed October 13, 2021. Data as of October 13, 2021.

Page 9:

1. Relevant transactions announced in Q3, 2021.
 - a. [S&P Capital IQ](#). Accessed October 13, 2021. Data as of October 13, 2021.
 - b. [Mergermarket](#). Accessed October 13, 2021. Data as of October 13, 2021.
2. Select public comparables set in Q3, 2021.
 - a. [S&P Capital IQ](#). Accessed October 13, 2021. Data as of October 13, 2021.
3. Expanded public comparables set in Q3, 2021.
 - a. [S&P Capital IQ](#). Accessed October 13, 2021. Data as of October 13, 2021.

Page 10:

1. Relevant transactions announced in Q3, 2021.
 - a. [S&P Capital IQ](#). Accessed October 13, 2021. Data as of October 13, 2021.
 - b. [Mergermarket](#). Accessed October 13, 2021. Data as of October 13, 2021.
2. Select public comparables set in Q3, 2021.
 - a. [S&P Capital IQ](#). Accessed October 13, 2021. Data as of October 13, 2021.
3. Expanded public comparables set in Q3, 2021.
 - a. [S&P Capital IQ](#). Accessed October 13, 2021. Data as of October 13, 2021.

Page 11:

1. Relevant transactions announced in Q3, 2021.
 - a. [S&P Capital IQ](#). Accessed October 13, 2021. Data as of October 13, 2021.
 - b. [Mergermarket](#). Accessed October 13, 2021. Data as of October 13, 2021.
2. Select public comparables set in Q3, 2021.
 - a. [S&P Capital IQ](#). Accessed October 13, 2021. Data as of October 13, 2021.
3. Expanded public comparables set in Q3, 2021.
 - a. [S&P Capital IQ](#). Accessed October 13, 2021. Data as of October 13, 2021.
4. [The American Lawyer](#). Accessed October 13, 2021.

Page 12:

1. Relevant transactions announced in Q3, 2021.
 - a. [S&P Capital IQ](#). Accessed October 13, 2021. Data as of October 13, 2021.
 - b. [Mergermarket](#). Accessed October 13, 2021. Data as of October 13, 2021.
2. Select public comparables set in Q3, 2021.
 - a. [S&P Capital IQ](#). Accessed October 13, 2021. Data as of October 13, 2021.
3. Expanded public comparables set in Q3, 2021.
 - a. [S&P Capital IQ](#). Accessed October 13, 2021. Data as of October 13, 2021.

Page 13:

1. Relevant transactions announced in Q3, 2021.
 - a. [S&P Capital IQ](#). Accessed October 13, 2021. Data as of October 13, 2021.
 - b. [Mergermarket](#). Accessed October 13, 2021. Data as of October 13, 2021.
2. Select public comparables set in Q3, 2021.
 - a. [S&P Capital IQ](#). Accessed October 13, 2021. Data as of October 13, 2021.
3. Expanded public comparables set in Q3, 2021.
 - a. [S&P Capital IQ](#). Accessed October 13, 2021. Data as of October 13, 2021.



This newsletter is a periodic compilation of certain completed and announced merger and acquisition activity. Information contained in this newsletter should not be construed as a recommendation to sell or a recommendation to buy any security. Any reference to or omission of any reference to any company in this newsletter shall not be construed as a recommendation to sell, buy or take any other action with respect to any security of any such company. We are not soliciting any action with respect to any security or company based on this newsletter. This newsletter is published solely for the general information of clients and friends of Deloitte Corporate Finance LLC. It does not take into account the particular investment objectives, financial situation, or needs of individual recipients. Certain transactions, including those involving early-stage companies, give rise to substantial risk and are not suitable for all investors. This newsletter is based on information that we consider reliable, but we do not represent that it is accurate or complete, and it should not be relied upon as such. Prediction of future events is inherently subject to both known risks, uncertainties and other factors that may cause actual results to vary materially. We are under no obligation to update the information contained in this newsletter. We and our affiliates and related entities, partners, principals, directors, and employees, including persons involved in the preparation or issuance of this newsletter, may from time to time have “long” and “short” positions in, and buy or sell, the securities, or derivatives (including options) thereof, of companies mentioned herein. The companies mentioned in this newsletter may be: (i) investment banking clients of Deloitte Corporate Finance LLC; or (ii) clients of Deloitte Financial Advisory Services LLP and its related entities. The decision to include any company for mention or discussion in this newsletter is wholly unrelated to any audit or other services that Deloitte Corporate Finance LLC may provide or to any audit services or any services that any of its affiliates or related entities may provide to such company. No part of this newsletter may be copied or duplicated in any form by any means or redistributed without the prior written consent of Deloitte Corporate Finance LLC.

About Deloitte Corporate Finance

Deloitte Corporate Finance LLC (DCF), a broker-dealer registered with the U.S. Securities and Exchange Commission (SEC) and member of the Financial Industry Regulatory Authority (FINRA) and the Securities Investor Protection Corporation (SIPC), is an indirect wholly-owned subsidiary of Deloitte Financial Advisory Services LLP and affiliate of Deloitte Transactions and Business Analytics LLP. Investment banking or other services that would require registration as a broker-dealer with the SEC and membership in FINRA would be provided exclusively by DCF. For more information, visit www.investmentbanking.deloitte.com. Please see www.deloitte.com/us/about for a detailed description of the legal structure of Deloitte LLP and its subsidiaries. Certain services may not be available to attest clients under the rules and regulations of public accounting.

About Deloitte

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited, a UK private company limited by guarantee (DTTL), its network of member firms, and their related entities. DTTL and each of its member firms are legally separate and independent entities. DTTL (also referred to as Deloitte Global) does not provide services to clients. In the United States, Deloitte refers to one or more of the US member firms of DTTL, their related entities that operate using the “Deloitte” name in the United States and their respective affiliates. Certain services may not be available to attest clients under the rules and regulations of public accounting. Please see www.deloitte.com/about to learn more about our global network of member firms.