



Business Services Quarterly update

Q4 2018

Deloitte Corporate Finance LLC (DCF) US Business Services leadership



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Asia



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Latin America



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Argentina



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Sao Paulo,
Brazil



Jorge Brito
Quito,
Ecuador



David Lam
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Canada

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Byron Griffin
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Richard Parsons
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Sascha Mauries
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Austria



Claire Deguerry
Paris,
France



Olivier Magnin
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France



Charles Bédier
Paris,
France



Jose Chimeno
Lisbon,
Portugal



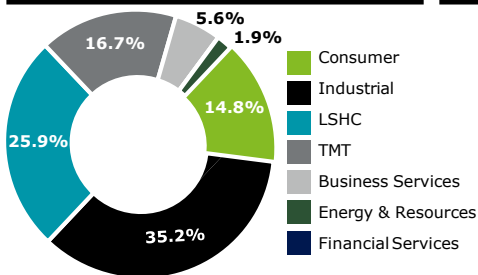
Fernando Baldellou
Madrid,
Spain



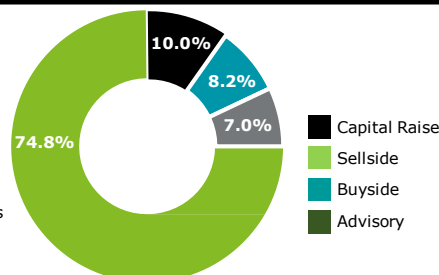
Antonio Solinas
Milan,
Italy

Europe

DCF deals closed by industry²



DCF deals closed by transaction type²



Leading M&A platform³

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

1. Deloitte refers to Deloitte Touche Tohmatsu Limited, its network of member firms, and their related entities.
2. Represents transactions during FY 2018. For certain deals, DCF acted as a subcontractor to a Deloitte member firm.
3. Refers to Deloitte's global M&A platform. Ranked by number of deals closed during 2018. Data accessed via MergerMarket. Accessed January 20, 2019.

Business Services M&A sector coverage

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- Select M&A transactions

Who we are:

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

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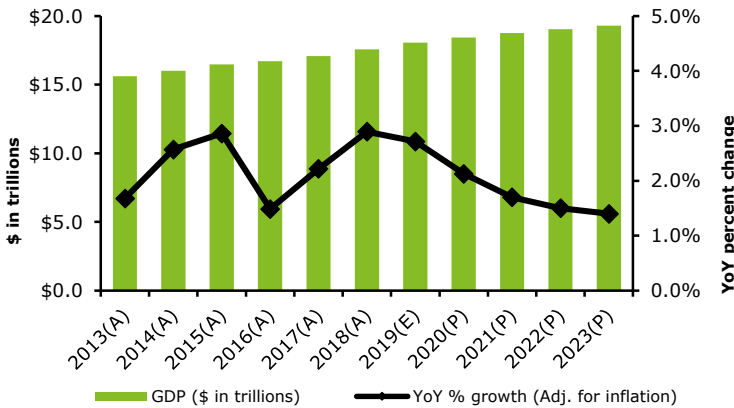
Demonstrated transaction experience

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

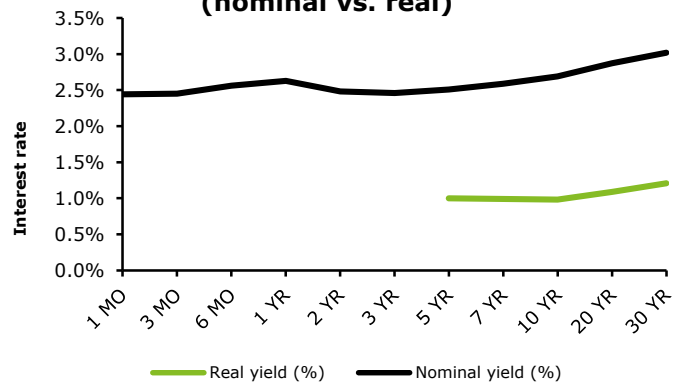
- Orion ICS LLC (Orion or the Company) is a recruitment process outsourcing (RPO), military recruitment, and skilled professional talent services company providing solutions to U.S. businesses, including many Fortune 100 companies.
- DCF advised Orion through its negotiations with L2 Capital and Lakewood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

Macroeconomic outlook

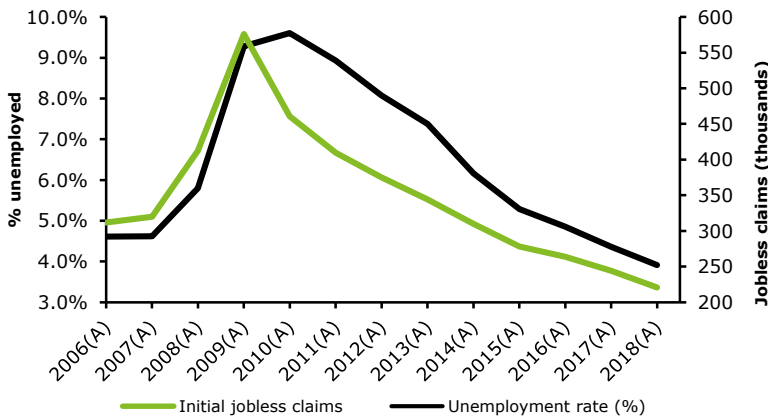
US gross domestic product¹



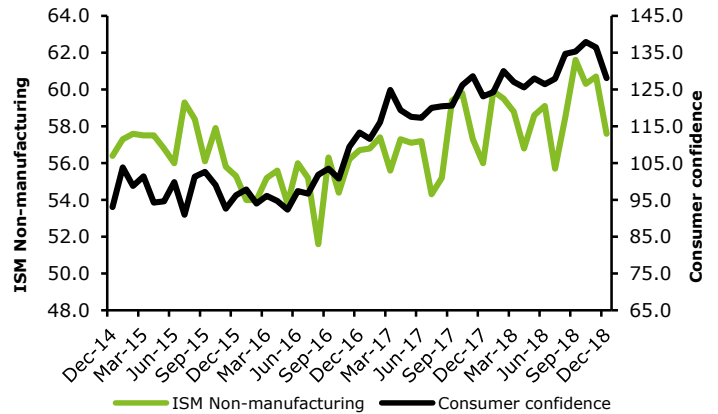
US Treasury yield curve² (nominal vs. real)



US unemployment rate³



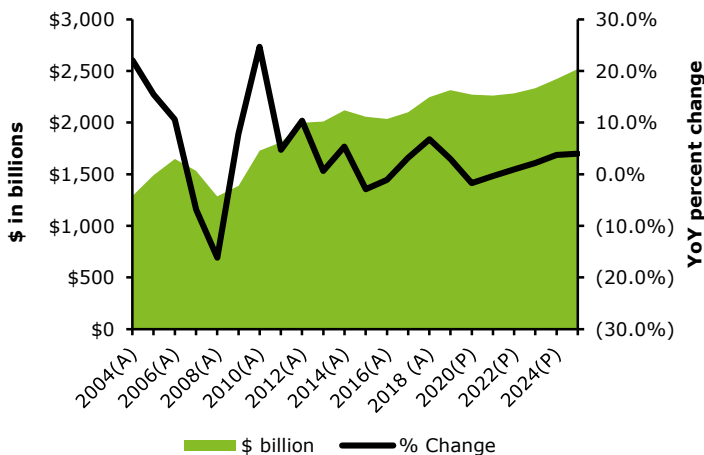
ISM non-manufacturing index and consumer confidence index⁴



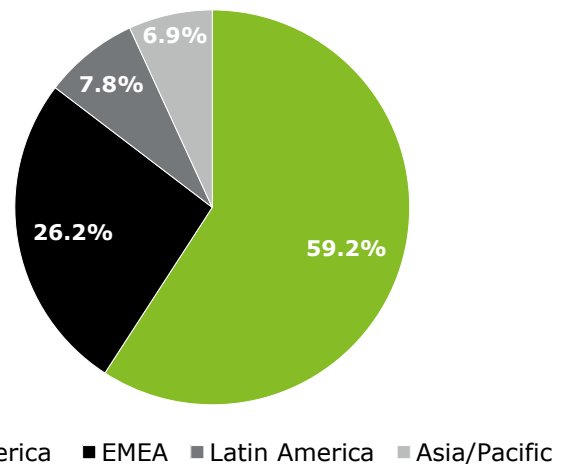
*An ISM Non-manufacturing index value above 50 signals economic expansion.

Business Services sector outlook

US corporate profits⁵



Global segmentation of business process outsourcing⁶

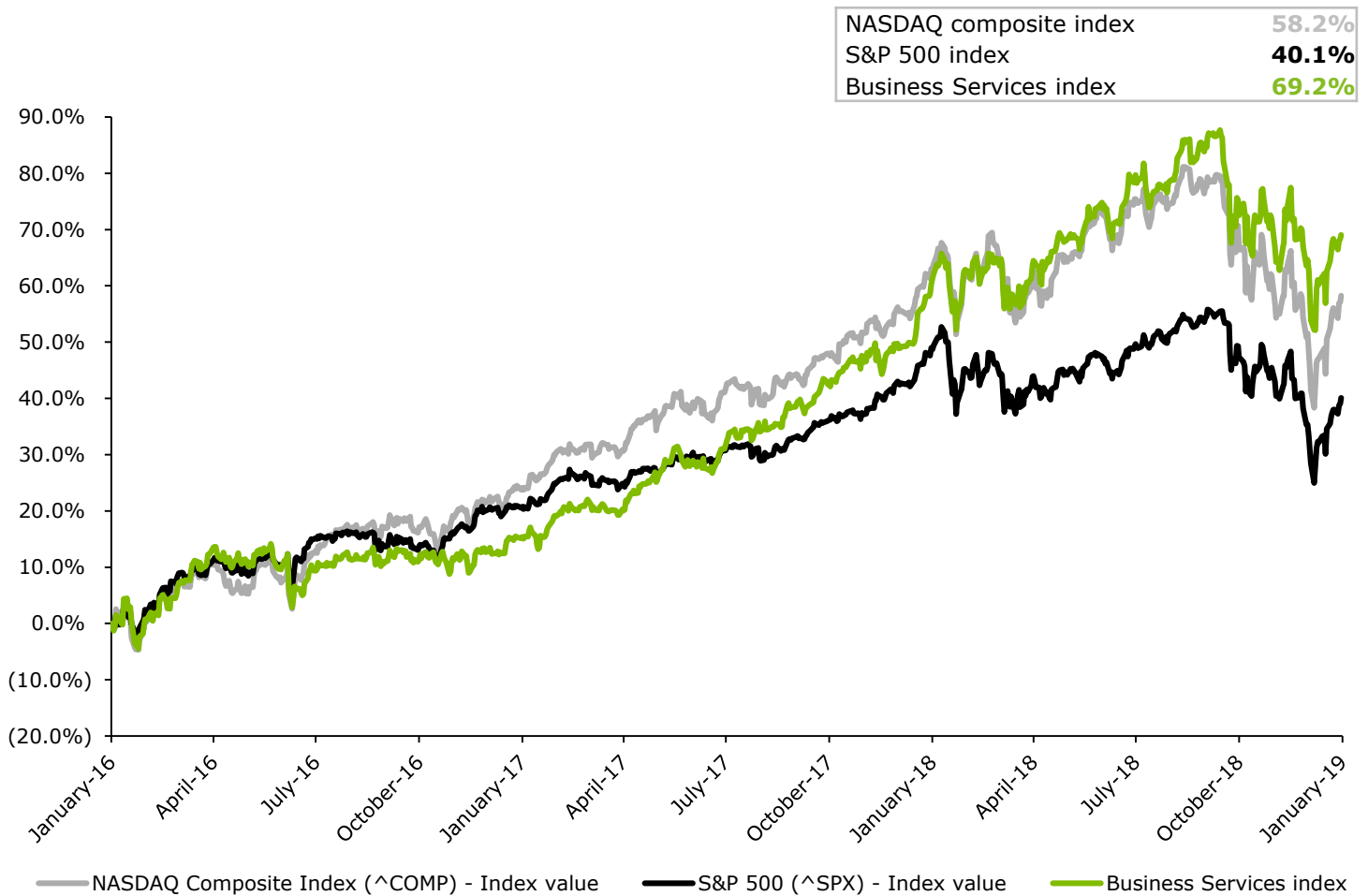


1. US Bureau of Economic Analysis, <https://www.bea.gov>, accessed January 18, 2019, data as of December 31, 2018.
2. US Department of the Treasury, <https://home.treasury.gov>, accessed January 18, 2019, data as of December 31, 2018.
3. US Bureau of Labor Statistics, <https://www.bls.gov>, accessed January 18, 2019, data as of December 31, 2018.
4. S&P Capital IQ, <https://www.capitaliq.com>, accessed January 18, 2019, data as of December 31, 2018.
5. IBIS World, <https://www.ibisworld.com>, accessed January 18, 2019, data as of December 31, 2018.
6. Gartner, <https://www.gartner.com/en>, accessed January 18, 2019, data as of December 31, 2016.

Business Services sector breakdown and trading statistics¹

Sector	Number of companies	% of 52 week high	Median revenue CAGR (3 Yr)	Median LTM EBITDA	Median EBITDA margin	Median enterprise value (\$)	Last twelve months		NTM	
							EV/ Revenue	EV/ EBITDA	EV/ EBITDA	
(\$ in millions)										
Advertising and Marketing	7	84.4 %	5.0 %	\$1,593.5	14.9 %	\$13,767.0	1.1 x	8.6 x	7.9 x	
Business Process Outsourcing	11	83.2	7.9	407.7	17.2	6,422.8	2.2	13.6	11.1	
Consulting	10	84.8	6.5	108.4	11.7	1,410.4	1.3	12.6	11.3	
Education & Training	11	70.4	1.6	67.8	17.3	689.9	1.6	11.1	8.4	
Staffing and Human Resources	14	71.7	8.8	189.0	4.6	2,219.7	0.4	8.1	7.5	
Transaction Processing	14	84.9	10.6	951.8	27.9	11,546.1	5.8	17.0	13.5	
Comparable Public Companies	67	82.9 %	7.9 %	\$345.2	12.9 %	\$3,872.3	1.4 x	11.8 x	10.7 x	

Public comparables three-year stock market performance²



1. S&P Capital IQ, <https://www.capitaliq.com>, accessed January 18, 2019, data as of January 18, 2019.
 2. S&P Capital IQ, <https://www.capitaliq.com>, accessed January 18, 2019, data as of January 18, 2019.

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Advertising and Marketing

Sector update | Q4 2018

Advertising and Marketing

Advertising and Marketing trend



Out of home advertising flourishes as other traditional mediums struggle in the digital age¹

As marketing agencies continue to shift their focus away from television, radio, magazine, and newspaper ads in favor of social media and other digital channels, billboards and other out of home advertising strategies have experienced a resurgence. Billboards comprise 66 percent of the out of home advertising market, with about 370 thousand active billboards in the US and an estimated 15 thousand annual additions. As venture backed startups and large corporations continue to see increasing value in out of home marketing strategies, advertising agencies will likely seek innovative methods to leverage modern technology in the billboard space.



Transaction in focus²



December 28, 2018 – S4 Capital plc has closed its previously announced acquisition of San Francisco based MightyHive, a programmatic solutions provider. The deal was valued at \$150 million. The transaction with S4 Capital is expected to enable MightyHive to meet rapidly growing demand from clients and expand the opportunities the consultancy can help its clients unlock. The merger with MightyHive furthers S4 Capital's strategy of aligning award winning digital creative content, digital media planning and buying, and first party data capabilities and follows S4 Capital's acquisition of international digital creative content and production company MediaMonks earlier this year.

Select Advertising and Marketing M&A transactions³

(\$ in Millions)

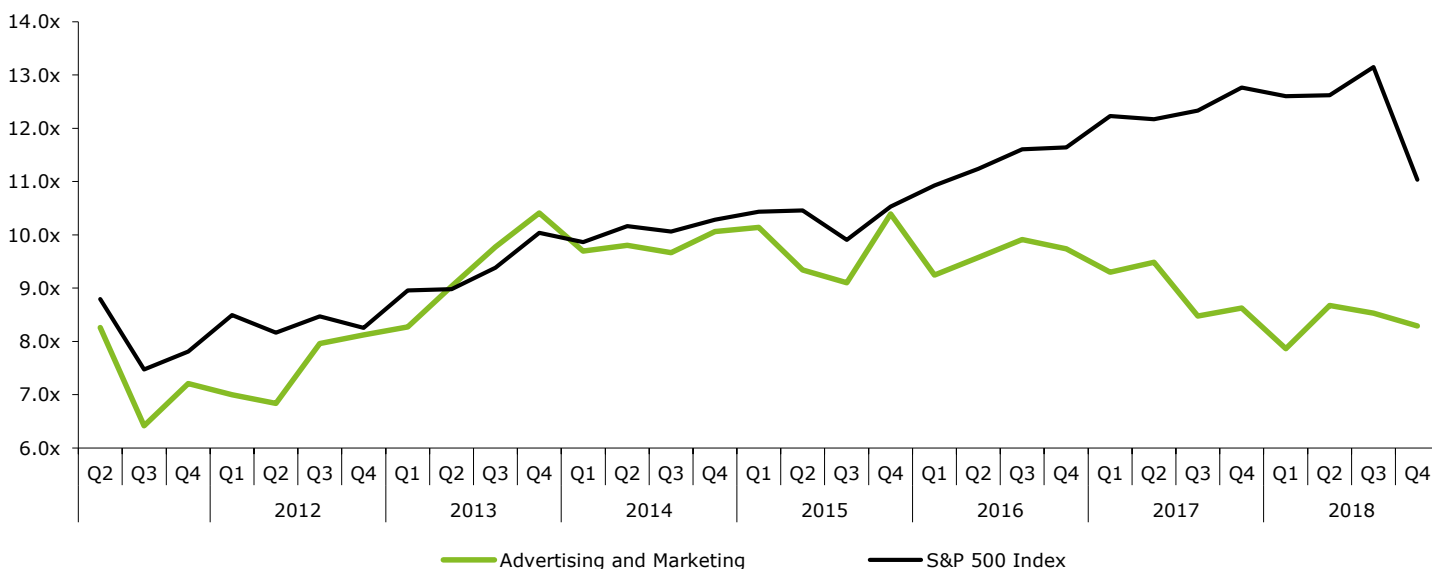
Close date	Target/Acquiror	Target business description	Enterprise value ("EV")	EV/ Revenue	EV/ EBITDA
Pending	Gannett Co., Inc. MediaNews Group, Inc.	Operates as a media and marketing solutions company.	\$1,632.0	0.5 x	5.4 x
Pending	Multiplus S.A. TAM Linhas Aereas S.A.	Operates a network of loyalty programs in Brazil.	733.1	1.4	6.4
December-18	495 Communications, LLC Good Life Networks Inc.	Provides cross-platforms advertising and content marketing services.	15.0	1.0	7.9
December-18	MightyHive, Inc. S4 Capital plc	Provides online advertising and marketing services.	150.0	3.7	13.5
October-18	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

1. Zachary Crockett, "The hottest advertising trend of 2018? Billboards.," <https://thehustle.co/billboard-advertising>, accessed January 22, 2019.
2. Iris Dorbian, "S4 Capital completes MightyHive buyout," <https://www.pehub.com/2018/12/s4-capital-completes-mightyhive-buyout/>, accessed January 22, 2019.
3. S&P Capital IQ, <https://www.capitaliq.com>, accessed January 18, 2019. Data as of January 18, 2019.

Advertising and Marketing public comparables¹

Company (Ticker)	% of 52 Week high	LTM revenue	Revenue CAGR (3 Yr)	LTM EBITDA	EBITDA margin	Enterprise value	LTM		NTM
							EV/ Revenue	EV/ EBITDA	EV/ EBITDA
<i>(\$ in Millions)</i>									
Cheil Worldwide Inc. (KOSE:A030000)	93.4 %	\$3,234.4	9.2 %	\$191.7	5.9	\$1,645.7	0.5 x	8.6 x	8.0 x
Hakuhodo DY Holdings Inc (TSE:2433)	78.7	12,225.9	6.7	665.1	5.4	5,298.9	0.4	8.0	7.9
Omnicom Group Inc. (NYSE:OMC)	89.2	15,380.0	0.4	2,352.0	15.3	20,301.0	1.3	8.6	7.9
Publicis Groupe S.A. (ENXTPA:PUB)	82.9	10,843.5	3.3	1,996.3	18.4	17,271.6	1.6	8.7	8.6
The Interpublic Group of Companies, Inc. (NYSE:IPG)	85.9	8,157.9	2.3	1,190.7	14.6	10,262.3	1.3	8.6	6.9
WPP plc (LSE:WPP)	58.6	19,934.7	8.3	3,035.7	15.2	20,616.2	1.0	6.8	7.1
Median	84.4 %	\$11,534.7	5.0 %	\$1,593.5	14.9 %	\$13,767.0	1.1 x	8.6 x	7.9 x
Mean	81.4 %		5.0 %		12.5 %		1.0 x	8.2 x	7.7 x

Advertising and Marketing historical EV/EBITDA multiples²



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1. S&P Capital IQ, <https://www.capitaliq.com>, accessed January 18, 2019, data as of January 18, 2019.
 2. S&P Capital IQ, <https://www.capitaliq.com>, accessed January 18, 2019, data as of January 18, 2019.

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Business Process Outsourcing

Sector update | Q4 2018

Business Process Outsourcing

Business Process Outsourcing trend



Business process outsourcing growth in the Philippines¹

As small- and medium-sized companies continue to transition to the cloud, demand for business process outsourcing services has grown significantly. Lloyd Ernst, CEO of the business process outsourcing company Cloudstaff, contends that enterprises are increasingly recognizing the opportunity to leverage untapped talent in the Philippines. Although a considerable amount of outsourced hiring has been focused on other regions, including Singapore and Hong Kong, it is estimated that 1.3 million people are currently employed by business process outsourcing companies in the Philippines. Ernst and other technology executives assert that the high level of English language proficiency and exposure to Western culture within Filipino communities streamlines training processes for the Pinoy population.



Segment in focus – legal services²



2018 – 2018 was a year marked by significant M&A activity in the legal services sector. Select transaction highlights from this past year include the acquisition of U.S. Legal Support, CIVC Partners’ acquisition of Magna Legal Services, and the roll-up of Advanced Discovery, Consilio, and DiscoverReady. Leading companies of scale in this industry, defined by recurring revenue, limited cyclical, and a fragmented base of smaller competitors, garnered significant interest from private equity firms.

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

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

Deloitte.
Deloitte Corporate Finance LLC

Select Business Process Outsourcing M&A transactions²

(\$ in Millions)

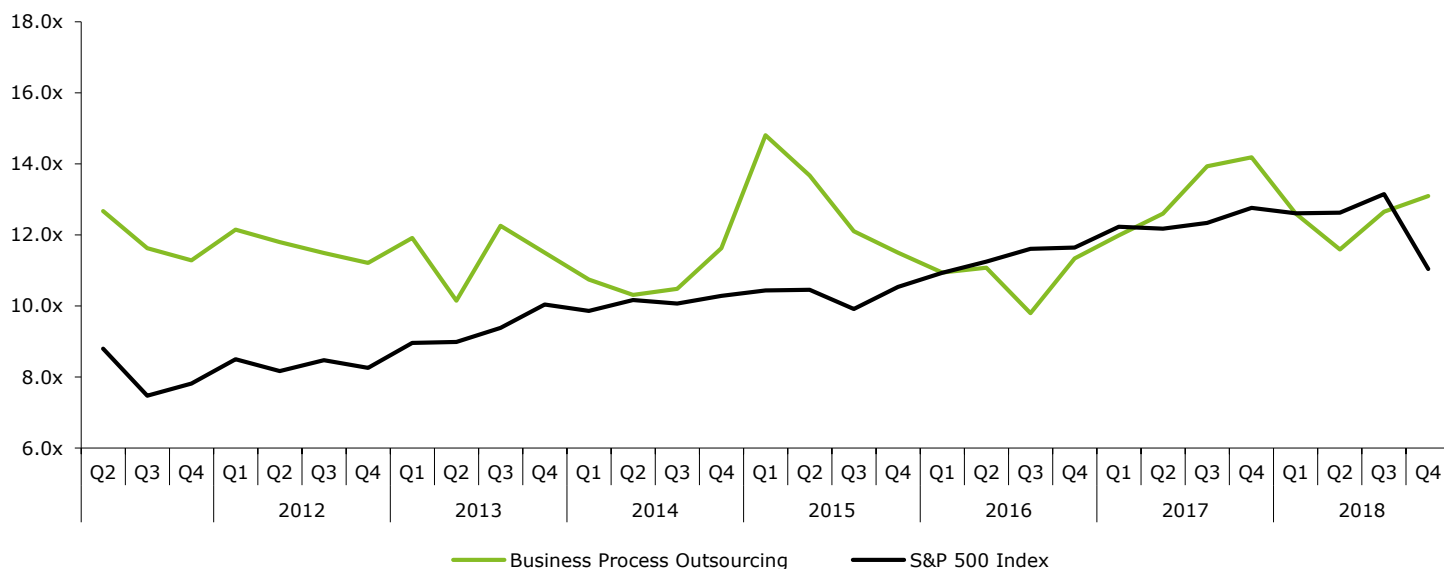
Close date	Target/ Acquiror	Target business description	Enterprise value ("EV")	EV/ Revenue	EV/ EBITDA
Pending	Cortex Business Solutions Inc. TransZap P2P Canada, Inc.	Supplies e-commerce products and services in Canada and the United States.	\$30.3	3.3 x	21.4 x
December-18	Communis plc Output Services Group, Inc.	Provides integrated business services in the United Kingdom and internationally.	225.0	0.4	6.8
October-18	Convergys Corporation Concentrix Corporation	Provides customer management services to communications and media, technology, financial services, retail, healthcare, government, travel and hospitality, and other vertical markets worldwide.	2,544.7	0.9	7.4
October-18	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
October-18	TravelClick, Inc. Amadeus Americas, Inc.	Provides cloud-based software solutions for hoteliers worldwide.	1,520.0	4.1	17.7
April-18	CSRA Inc. General Dynamics Corporation	Delivers information technology solutions and professional services to government customers to modernize legacy systems, protecting networks and assets.	9,871.1	1.9	11.7

1. Leah Callon Butler, "Where the Future of Crypto Payments Is Being Built," <https://www.coindesk.com/where-the-future-of-crypto-payments-is-being-built>, accessed January 22, 2019.
2. John McNulty, "Legal Services Stays Hot," <https://peprofessional.com/2018/12/legal-services-stays-hot/>, accessed February 11, 2019.
3. S&P Capital IQ, <https://www.capitaliq.com>, accessed January 22, 2019. Data as of January 22, 2019.

Business Process Outsourcing public comparables¹

Company (Ticker)	% of 52 Week high	LTM revenue	Revenue CAGR (3 Yr)	LTM EBITDA	EBITDA margin	Enterprise value	LTM		NTM
							EV/Revenue	EV/EBITDA	EV/EBITDA
<i>(\$ in Millions)</i>									
Cognizant Technology Solutions Corporation (NasdaqGS:CTSH)	78.2 %	\$15,824.0	9.9 %	\$3,305.0	20.9 %	\$34,495.3	2.2 x	10.4 x	9.4 x
Computershare Limited (ASX:CPU)	87.5	2,297.6	5.2	575.8	25.1	8,049.7	3.5	14.0	11.6
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)	57.4	24,162.0	48.3	5,453.0	22.6	21,934.2	0.9	4.0	4.6
ExlService Holdings, Inc. (NasdaqGS:EXLS)	83.1	846.1	12.3	117.2	13.9	1,968.3	2.3	16.8	11.6
Genpact Limited (NYSE:G)	82.9	2,899.9	6.3	407.7	14.1	6,422.8	2.2	15.8	11.4
Sykes Enterprises, Incorporated (NasdaqGS:SYKE)	85.2	1,629.7	7.9	155.3	9.5	1,081.5	0.7	7.0	5.9
Tata Consultancy Services Limited (NSEI:TCS)	83.2	20,190.8	10.4	5,474.4	27.1	99,082.2	4.9	18.1	16.7
TTEC Holdings, Inc. (NasdaqGS:TTEC)	78.3	1,516.7	5.7	174.9	11.5	1,716.3	1.1	9.8	8.0
Wipro Limited (BSE:507685)	99.5	7,713.3	4.6	1,340.9	17.4	18,286.9	2.4	13.6	10.8
WNS (Holdings) Limited (NYSE:WNS)	83.2	801.3	13.2	137.6	17.2	2,200.4	2.7	16.0	13.5
Median	83.2 %	\$2,701.3	7.9 %	\$407.7	17.2 %	\$6,422.8	2.2 x	13.6 x	11.1 x
Mean	82.7 %		11.0 %		17.4 %		2.2 x	12.0 x	10.4 x

Business Process Outsourcing historical EV/EBITDA multiples²



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1. S&P Capital IQ, <https://www.capitaliq.com>, accessed January 18, 2019, data as of January 18, 2019.
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Consulting
Sector update | Q4 2018

Consulting

Consulting trend

High attrition rates of junior staff within the consulting industry¹

Many consultancies and other professional services firms are struggling to retain junior talent beyond the first few years of employment. With millennials being less likely to stick with an employer for a long period of time and comprising the majority of consultancy staff ranking below Senior Manager, high turnover rates may persist in the industry. Some professional services firms have implemented solutions aimed at driving higher retention of junior staff, such as Deloitte's WorkAgility Programme which enables employees to take extended time off for travel. It is anticipated that consultancies will continue to look for innovative channels to connect with and cater to their junior staff.



Transaction in focus²

December 3, 2018 - Accenture (NYSE: ACN) has acquired Enaxis Consulting (Enaxis), a Houston based management consulting firm with deep experience in digital capabilities, data science and agile project delivery focused on the upstream oil and gas and oilfield services sectors and the airline industry. Enaxis' advisory services enable clients to transform their organizations, improve operational efficiency and drive innovation. Enaxis serves Fortune 100 and Fortune 500 companies and regularly consults with chief information officers, chief technology officers, chief digital officers, and other company leaders on the design and agile implementation of emerging digital technologies and business operating models. Clients draw upon Enaxis' deep experience in organizational change management and its expertise in advanced analytics, robotic process automation, and the internet of things technologies.

Select Consulting M&A transactions³

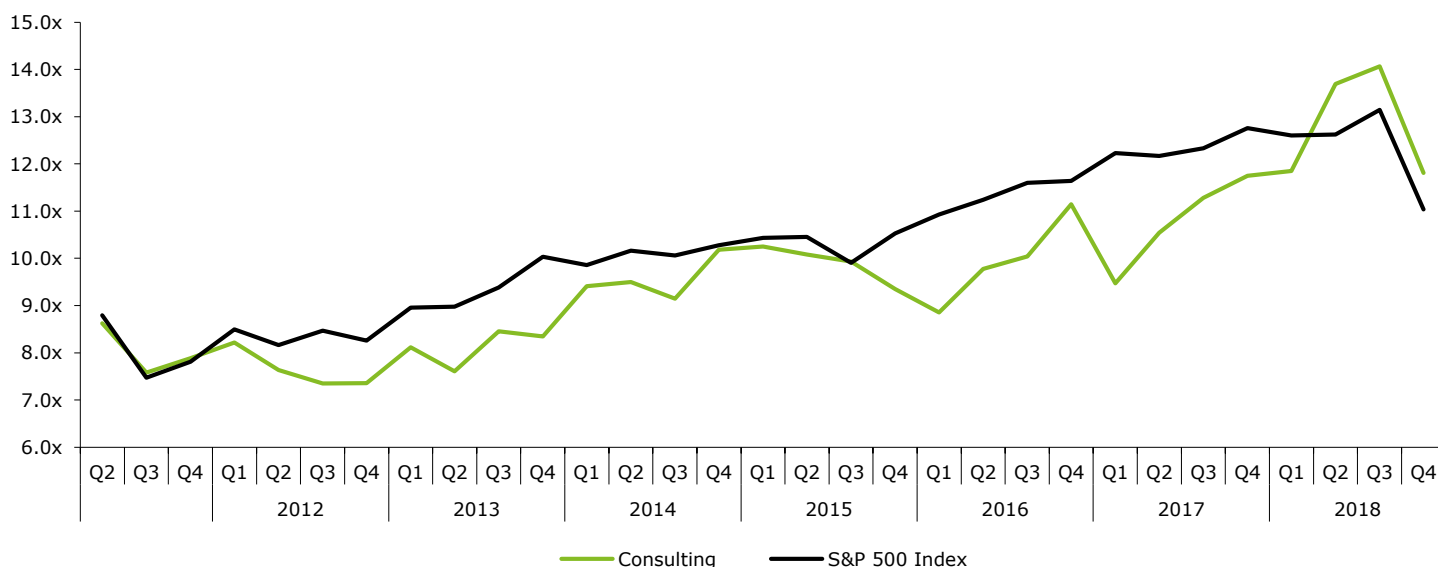
(\$ in Millions)					
Close date	Target/ Acquiror	Target business description	Enterprise value ("EV")	EV/ Revenue	EV/ EBITDA
Pending	Project Management Partners Pty Ltd OUTSOURCING Inc.	Offers advice and support to organizations to run projects and programmes.	\$29.6	0.5 x	N/A x
January-19	Imperva, Inc. Thoma Bravo, LLC	Engages in the development, market, sale, and support of cyber security solutions that protect business critical data and applications in the cloud or on premises worldwide.	1,814.7	5.2	365.7
December-18	Enaxis Consulting LP Accenture plc	Provides management consulting services to operators in the oil and gas and airline industries.	N/A	N/A	N/A
August-18	Thoreau Holdco, LLC and Navigant Consulting Ankura Consulting Group, LLC	Provides professional and advisory services to clients primarily in the financial services sector.	470.0	1.5	11.9
December-17	CH2M HILL Companies, Ltd. Jacobs Engineering Group Inc.	Provides engineering, construction, consulting, design, procurement, program management, and technical services in the United States.	3,263.1	0.6	N/A
May-17	The CJS Solutions Group LLC Tech Mahindra (Americas), Inc.	Offers healthcare technology consulting services.	220.0	1.9	N/A

1. Consultancy.uk, "How consulting leaders can tackle the retention problem of juniors," <https://www.consultancy.uk/news/19569/how-consulting-leaders-can-tackle-the-retention-problem-of-juniors>, accessed January 22, 2019.
2. Accenture, "Accenture Acquires Enaxis Consulting a Provider of Digital Transformation Services to Oil and Gas and Airline Companies," <https://newsroom.accenture.com/news/accenture-acquires-enaxis-consulting-a-provider-of-digital-transformation-services-to-oil-and-gas-and-airline-companies.htm>, accessed January 22, 2019.
3. S&P Capital IQ, <https://www.capitaliq.com>, accessed January 18, 2019. Data as of January 18, 2019.

Consulting public comparables¹

Company (Ticker)	% of 52 Week high	LTM revenue	Revenue CAGR (3 Yr)	LTM EBITDA	EBITDA margin	Enterprise value	LTM		NTM
							EV/ Revenue	EV/ EBITDA	EV/ EBITDA
<i>(\$ in Millions)</i>									
Accenture plc (NYSE:ACN)	84.9 %	\$40,294.7	8.9 %	\$6,569.6	16.3 %	\$91,090.8	2.3 x	13.9 x	12.5 x
Booz Allen Hamilton Holding Corporation (NYSE:BAH)	89.9	6,366.9	6.2	631.7	9.9	8,208.4	1.3	13.0	12.5
CBIZ, Inc. (NYSE:CBZ)	83.4	918.1	7.3	105.5	11.5	1,280.8	1.4	12.1	10.6
CRA International, Inc. (NasdaqGS:CRAI)	71.7	405.9	9.5	30.6	7.5	334.6	0.8	10.9	N/A
Exponent, Inc. (NasdaqGS:EXPO)	97.1	352.1	6.0	88.7	25.2	2,554.8	7.3	28.8	24.9
FTI Consulting, Inc. (NYSE:FCN)	83.8	1,990.6	4.1	262.0	13.2	2,598.5	1.3	9.9	11.3
Huron Consulting Group Inc. (NasdaqGS:HURN)	85.2	775.6	14.0	92.7	12.0	1,357.3	1.7	14.6	12.7
ICF International, Inc. (NasdaqGS:ICFI)	79.8	1,281.2	4.3	111.4	8.7	1,463.5	1.1	13.1	10.7
Navigant Consulting, Inc. (NYSE:NCI)	97.1	957.4	5.2	123.1	12.9	805.9	0.8	6.5	10.6
Resources Connection, Inc. (NasdaqGS:RECN)	84.8	723.6	6.7	63.0	8.7	541.6	0.7	8.6	9.1
Median	84.8 %	\$937.8	6.5 %	\$108.4	11.7 %	\$1,410.4	1.3 x	12.6 x	11.3 x
Mean	85.8 %		7.2 %		12.6 %		1.9 x	13.2 x	12.8 x

Consulting historical EV/EBITDA multiples²



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Education and Training

Sector update | Q4 2018

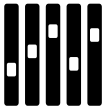
Education & Training

Education & Training trend



Leveraging massive open online courses as an economical customer acquisition tool¹

Many educational institutions and venture backed education technology companies, such as edX and FutureLearn, are integrating massive open online course (MOOC) platforms into their suite of offerings. While universities and education technology companies historically saw little value in the altruistic business model of MOOC platforms, between 25 and 30 MOOC based degrees were announced in 2018. This trend is likely signaling that universities believe MOOC platforms can serve as an inexpensive marketing tool that can lead to monetization of students that eventually choose to pursue a full fledged degree program.



Transaction in focus²



December 18, 2018 – Cambium Learning Group, Inc. (Cambium or the Company), a leading educational technology solutions company committed to helping all students reach their full potential, announced that it has completed its previously announced sale to certain affiliates of Veritas Capital, a leading private equity investment firm. Cambium is an award winning educational technology solutions leader dedicated to helping all students reach their potential through individualized and differentiated instruction. Using a research based, personalized approach, Cambium delivers SaaS resources and instructional products that engage students and support teachers in fun, positive, safe, and scalable environments.

Select Education and Training M&A transactions³

(\$ in Millions)

Close date	Target/Acquiror	Target business description	Enterprise value ("EV")	EV/ Revenue	EV/ EBITDA
Pending	Childrens Services Education Pty Ltd Australian Apex Education Pty Ltd	Provides vocational training and education services to international students.	\$2.2	0.5 x	3.6 x
December-18	Cambium Learning Group, Inc. Veritas Capital Fund Management, LLC	Provides educational technology solutions in the United States and internationally.	725.2	4.5	24.4
November-18	The Learning House, Inc. Wiley Education Services	Develops a cloud-based technology platform for enabling colleges and universities to create, manage, and develop online degrees and programs.	200.0	3.3	28.6
August-18	Capella Education Company Strayer Education, Inc. (nka: Strategic Education, Inc.)	Provides online postsecondary education and job-ready skills services in the United States.	797.0	1.8	11.5
April-18	CEB Talent Assessment Exponent Private Equity LLP	Engages in the development, implementation, and sale of objective assessment products and services worldwide.	400.0	4.1	10.5
March-18	NGRAIN (Canada) Corporation Universal mCloud Corp.	Designs and develops 3D technology solutions that support industrial activities, such as inspection, maintenance, and training.	2.0	2.1	7.6

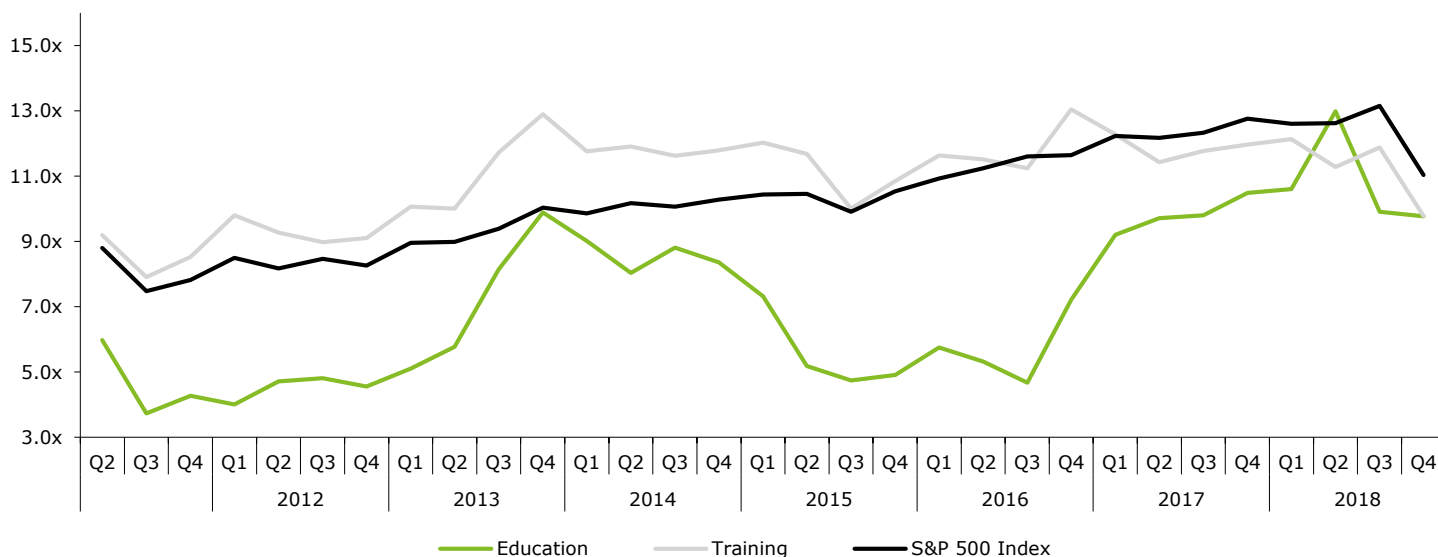
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2. Business Wire, "Veritas Capital Completes Acquisition of Cambium Learning Group," <https://www.businesswire.com/news/home/20181218005160/en/Veritas-Capital-Completes-Acquisition-Cambium-Learning-Group>, accessed January 22, 2019.
3. S&P Capital IQ, <https://www.capitaliq.com>, accessed January 18, 2019. Data as of January 18, 2019.

Education & Training public comparables¹

Company (Ticker)	% of 52 Week high	LTM revenue	Revenue CAGR (3 Yr)	LTM EBITDA	EBITDA margin	Enterprise value	LTM		NTM
							EV/Revenue	EV/EBITDA	EV/EBITDA
(\$ in Millions)									
Education									
American Public Education, Inc. (NasdaqGS:APEI)	65.8 %	\$298.8	(3.6) %	\$55.3	18.5 %	\$301.4	1.0 x	5.4 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)	66.0	578.9	(16.5)	97.6	16.9	689.9	1.2	7.1	6.3
Adtalem Global Education Inc. (NYSE:ATGE)	81.5	1,222.3	(13.5)	273.7	22.4	2,708.3	2.2	9.9	9.3
Grand Canyon Education, Inc. (NasdaqGS:LOPE)	69.8	939.4	7.7	332.5	35.4	4,319.9	4.6	13.0	19.5
Lincoln Educational Services Corporation (NasdaqGS:LINC)	86.4	260.5	31.8	7.2	2.7	82.9	0.3	11.6	6.9
Strategic Education, Inc. (NasdaqGS:STRA)	70.4	510.8	5.4	67.8	13.3	1,986.5	3.9	29.3	10.1
Universal Technical Institute, Inc. (NYSE:UTI)	91.2	317.0	(4.4)	(18.9)	N/A	149.9	0.5	N/A	N/A
Median	75.9 %	\$476.7	(1.0) %	\$69.7	16.9 %	\$873.9	1.7 x	11.6 x	9.3 x
Mean	78.7 %		1.1 %		17.9 %		2.0 x	13.0 x	9.9 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)*	80.7 %	\$215.7	1.3 %	\$11.1	5.2 %	\$376.8	1.7 x	33.9 x	17.2 x
GP Strategies Corporation (NYSE:GPX)	57.4	513.8	1.7	28.5	5.6	342.0	0.7	12.0	7.7
John Wiley & Sons, Inc. (NYSE:JW.A)	72.7	1,792.5	0.5	317.9	17.7	3,395.1	1.9	10.7	8.8
Wilmington plc (LSE:WIL)	67.4	161.1	8.7	32.4	20.1	253.2	1.6	7.8	8.0
Median	67.4 %	\$513.8	1.7 %	\$32.4	17.7 %	\$342.0	1.6 x	10.7 x	8.0 x
Mean	65.8 %		3.6 %		14.5 %		1.4 x	10.2 x	8.2 x

Education and Training historical EV/EBITDA multiples³



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1. S&P Capital IQ, <https://www.capitaliq.com>, accessed January 18, 2019, data as of January 18, 2019.
 2. S&P Capital IQ, <https://www.capitaliq.com>, accessed January 18, 2019, data as of January 18, 2019.

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

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Staffing and Human Resources

Sector update | Q4 2018

Staffing and Human Resources

Staffing and Human Resources trend



Increased candidate engagement through texting¹

While it is common practice for recruiting and staffing agencies to assess potential candidates through phone calls, some industry operators suggest that interviewing via texting may present an opportunity for recruiters to work faster and hire better in a candidate-led market. Some of the potential benefits of interviewing via texting include greater communication optionality for candidates that are currently working, more personalized conversations, and an increased ability to connect with multiple candidates simultaneously.



Transaction in focus²



January 22, 2019 - Medicus Healthcare Solutions (Medicus), a privately held temporary physician staffing company, is in a late stage auction process said two sources briefed on the matter. Medicus was projected to generate approximately \$225 million in 2017 revenues and had an EBITDA margin of roughly 12 percent, according to last year's report. The Blackstone Group has been circling Medicus, the two sources said. AMN Healthcare Services (NYSE:AMN) is also a potential buyer, the first source said. A Medicus sale would come amid a lively M&A market for medical staffing businesses and a shortage of highly trained doctors and nurses nationwide.

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
November-18	Martin Healthcare Group HNI Healthcare, Inc.	Provides physician staffing and practice management services for hospitals.	25.0	N/A	N/A
October-18	Envision Healthcare Corporation KKR & Co. L.P.	Provides various healthcare services in the United States.	10,418.6	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, LLC On Assignment, Inc. (nka:ASGN Incorporated)	ECS Federal, LLC provides information technology services to military, federal civilian, and commercial clients.	775.0	N/A	N/A

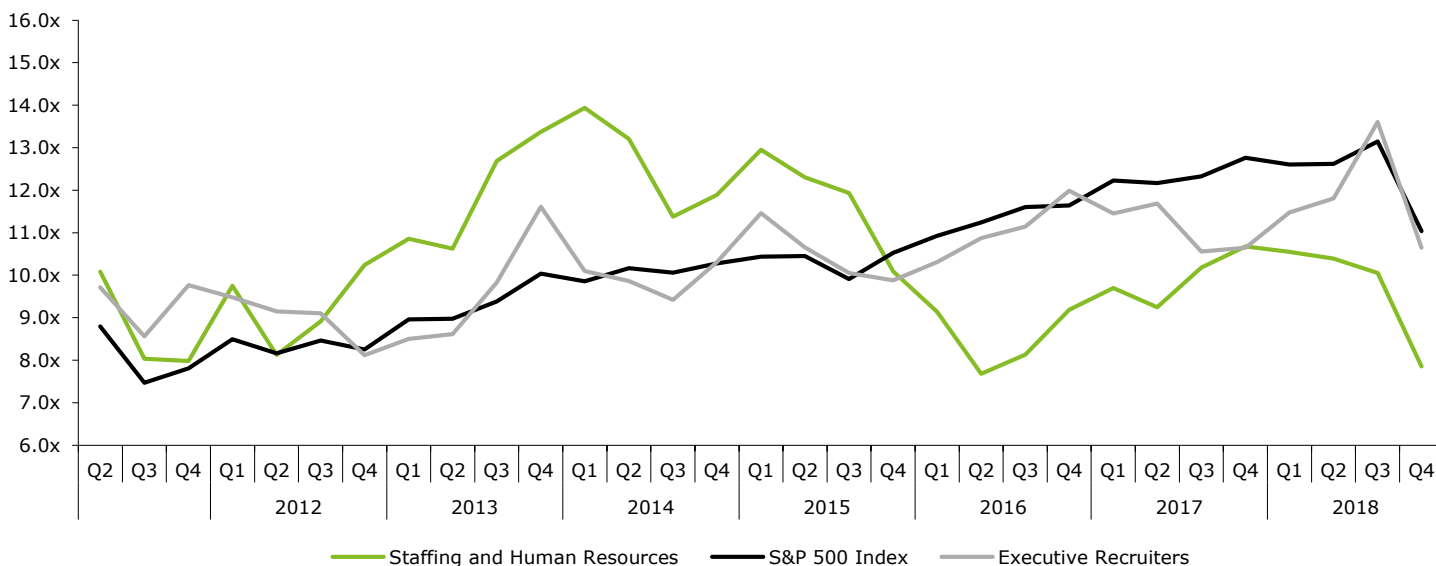
1. Avionte, "Top 3 Recruiting Trends for Staffing Success in 2019," <https://www.avionte.com/2018/11/top-three-recruiting-trends-for-staffing-success-in-2019/>, accessed January 22, 2019.
2. Dane Hamilton and Deborah Balshem, "Medicus Healthcare in advanced sale process, sources say," <http://www.mergermarket.com/intelligence/intelligenceDetail.asp?id=1028126&sortkey=0&zzone=100&mode=4&style=20&page=1&contextid=935516531&legacycontextid=935516495>, accessed January 24, 2019.
3. S&P Capital IQ, <https://www.capitaliq.com>, accessed January 18, 2019. Data as of January 18, 2019.

Staffing and Human Resources public comparables¹

Company (Ticker)	% of 52 Week high	LTM revenue	Revenue CAGR (3 Yr)	LTM EBITDA	EBITDA margin	Enterprise value	LTM EV/Revenue	LTM EV/EBITDA	NTM EV/EBITDA
<i>(\$ in Millions)</i>									
Executive Recruiters									
Heidrick & Struggles International, Inc. (NasdaqGS:HSII)	73.9 %	\$700.1	11.3 %	\$74.7	10.7 %	\$470.5	0.7 x	6.3 x	5.6 x
Korn Ferry (NYSE:KFY)	65.3	1,883.7	20.8	265.6	14.1	2,393.5	1.3	9.0	7.6
Median	69.6 %	\$1,291.9	16.0 %	\$170.2	12.4 %	\$1,432.0	1.0 x	7.7 x	6.6 x
Mean	69.6 %		16.0 %		12.4 %		1.0 x	7.7 x	6.6 x

Company (Ticker)	% of 52 Week high	LTM revenue	Revenue CAGR (3 Yr)	LTM EBITDA	EBITDA margin	Enterprise value	LTM EV/Revenue	LTM EV/EBITDA	NTM EV/EBITDA
<i>(\$ in Millions)</i>									
Diversified Staffing									
Adecco Group AG (SWX:ADEN)	62.4 %	\$27,648.4	3.4 %	\$1,254.8	4.5 %	\$9,763.8	0.4 x	7.8 x	7.4 x
ASGN Incorporated (NYSE:ASGN)	64.6	3,149.2	17.8	345.2	11.0	4,310.7	1.4	12.5	9.7
Barrett Business Services, Inc. (NasdaqGS:BBSI)	59.2	947.6	9.5	38.6	4.1	400.1	0.4	10.4	10.6
Hays plc (LSE:HAS)	71.1	7,591.5	14.4	338.5	4.5	2,701.7	0.4	8.0	7.4
Impellam Group PLC (AIM:IPEL)	87.0	2,908.1	12.6	69.5	2.4	467.6	0.2	6.7	6.9
Insperty, Inc. (NYSE:NSP)	81.6	3,688.3	13.1	196.5	5.3	3,872.3	1.0	19.7	14.6
Kelly Services, Inc. (NasdaqGS:KELY.A)	72.2	5,521.5	0.2	108.4	2.0	889.5	0.2	8.2	7.0
Kforce Inc. (NasdaqGS:KFRC)	75.4	1,403.0	2.3	85.2	6.1	892.1	0.6	10.5	9.1
ManpowerGroup Inc. (NYSE:MAN)	53.5	22,235.5	4.5	939.8	4.2	5,010.6	0.2	5.3	5.8
PageGroup plc (LSE:PAGE)	72.6	1,913.2	10.8	181.5	9.5	1,737.8	0.9	9.6	7.9
Randstad NV (ENXTAM:RAND)	68.8	27,522.7	8.2	1,267.5	4.6	10,168.6	0.4	8.0	7.3
Robert Half International Inc. (NYSE:RHI)	75.3	5,664.9	4.2	628.1	11.1	6,822.9	1.2	10.9	9.9
SThree plc (LSE:STHR)	63.7	1,567.5	13.4	65.3	4.2	426.6	0.3	6.5	5.6
TrueBlue, Inc. (NYSE:TBI)	80.0	2,518.7	(0.8)	126.5	5.0	1,011.7	0.4	8.0	7.6
Median	71.7 %	\$3,418.7	8.8 %	\$189.0	4.6 %	\$2,219.7	0.4 x	8.1 x	7.5 x
Mean	70.5 %		8.1 %		5.6 %		0.6 x	9.4 x	8.3 x

Staffing and Human Resources historical EV/EBITDA multiples²



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1. S&P Capital IQ, <https://www.capitaliq.com>, accessed January 18, 2019, data as of January 18, 2019.
 2. S&P Capital IQ, <https://www.capitaliq.com>, accessed January 18, 2019, data as of January 18, 2019.

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Transaction Processing

Sector update | Q4 2018

Transaction Processing

Transaction Processing trend



Voice commerce transforming the payments space¹

As the older subgroup of millennials approach their peak earning years, industry experts expect that the voice assisted retail segment will experience robust growth. Currently 8 percent of people use voice commands to make purchases, but this number is projected to increase to 31 percent of US adults by 2022. The propagation of new payment channels, including voice commerce, will be driven by the 30 billion internet of things (IoT) and connected devices expected to join the internet over the next 2 years. As consumers are continuously groomed to leverage the voice activated technology for internet queries and other activities, the payments space will likely endure further disruption from devices that can execute transactions and other commerce functions.



Transaction in focus²



January 16, 2019 - Financial technology provider, Fiserv Inc (Fiserv), announced it had agreed to buy payment processor First Data Corp (First Data) in a \$22 billion all stock deal, the biggest ever acquisition in the booming market for digital payments. Fiserv said it had secured debt to refinance First Data's existing \$17 billion of obligations, and planned to return to its historical leverage levels within 24 months after the deal closes. The deal illustrates how providers of commoditized banking services are seeking to diversify by developing or acquiring technology that powers transactions such as credit card purchases and payments through a mobile phone.

Select Transaction Processing M&A transactions³

(\$ in Millions)

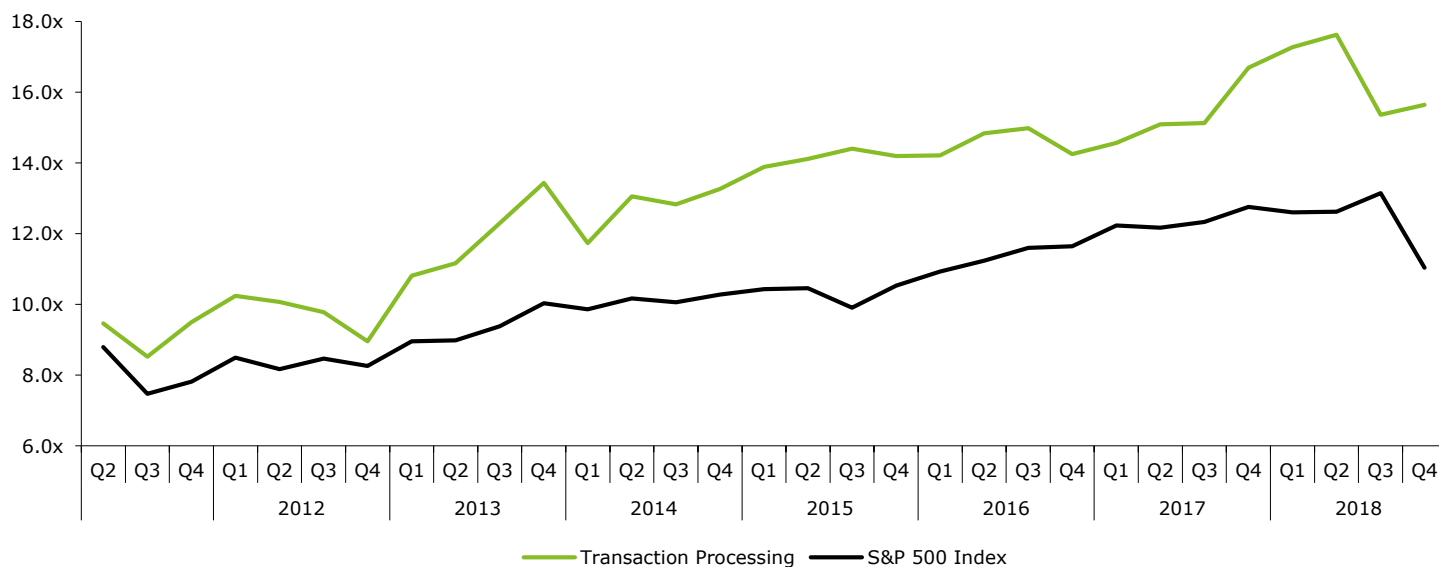
Close date	Target/ Acquiror	Target business description	Enterprise value ("EV")	EV/ Revenue	EV/ EBITDA
Pending	First Data Corporation Fiserv, Inc.	Provides electronic commerce solutions for merchants, financial institutions, and card issuers worldwide.	\$41,340.6	4.8 x	12.8 x
December-18	JetPay Corporation NCR Corporation	Offers credit card acceptance, payment processing, pre-paid card services, payroll services, and human capital management.	179.8	2.2	50.5
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.	4,929.3	6.7	17.1
May-18	Intermedix Corporation R1 RCM Inc.	Provides technology enabled solutions for the healthcare industry in the United States.	460.0	2.4	9.6
January-18	Worldpay Group plc Vantiv, Inc. (nka:Worldpay, Inc.)	Provides payment processing technology and solutions for merchant customers worldwide.	11,527.3	7.5	19.7

1. Yuliia Mamonova, "5 Trends for the Future of Payment Processing - Trends in Payments," <https://ikajo.com/blog/digital-payment-trends>, accessed January 22, 2019.
2. PYMNTS, "12 Ways Consumers Will Pay (And Be Paid) In 2019 And Beyond," <https://www.pymnts.com/news/payment-methods/2018/consumer-trends-mobile-voice-biometrics-cash/>, accessed January 22, 2019.
3. David French, "Fiserv to buy First Data for \$22 billion to boost payments business," <https://www.reuters.com/article/us-fiserv-m-a-first-data/fiserv-to-buy-first-data-for-22-billion-to-boost-payments-business-idUSKCN1PA1JU>, accessed January 23, 2019.
3. S&P Capital IQ, <https://www.capitaliq.com>, accessed January 18, 2019. Data as of January 18, 2019.

Transaction Processing public comparables¹

Company (Ticker)	% of 52 Week high	LTM revenue	Revenue CAGR (3 Yr)	LTM EBITDA	EBITDA margin	Enterprise value	LTM		NTM
							EV/Revenue	EV/EBITDA	EV/EBITDA
<i>(\$ in Millions)</i>									
Broadridge Financial Solutions, Inc. (NYSE:BR)	72.4 %	\$4,377.9	17.0 %	\$836.5	19.1 %	\$12,626.8	2.9 x	15.1 x	13.5 x
Cardtronics plc (NasdaqGS:CATM)	75.4	1,380.3	5.3	297.4	21.5	2,149.6	1.6	7.2	N/A
Conduent Incorporated (NYSE:CNDT)	51.4	5,604.0	0.0	682.0	12.2	3,674.8	0.7	5.4	5.9
Euronet Worldwide, Inc. (NasdaqGS:EEFT)	90.9	2,491.9	12.2	463.9	18.6	5,472.0	2.2	11.8	9.5
EVERTEC, Inc. (NYSE:EVTC)	93.1	435.3	5.4	159.3	36.6	2,463.4	5.7	15.5	11.2
Global Payments Inc. (NYSE:GPN)	87.8	3,540.1	0.0	1,270.0	35.9	22,641.0	6.4	17.8	14.4
Jack Henry & Associates, Inc. (NasdaqGS:JKHY)	79.1	1,567.9	7.1	484.4	30.9	9,895.3	6.3	20.4	18.4
Mastercard Incorporated (NYSE:MA)	88.4	14,455.0	14.8	8,577.0	59.3	203,803.2	14.1	23.8	20.7
PayPal Holdings, Inc. (NasdaqGS:PYPL)	96.5	14,969.0	19.0	2,699.0	18.0	98,936.7	6.6	36.7	22.1
The Western Union Company (NYSE:WU)	83.9	5,626.6	0.7	1,365.8	24.3	10,465.4	1.9	7.7	7.3
Total System Services, Inc. (NYSE:TSS)	85.9	4,283.4	16.7	1,067.1	24.9	19,139.7	4.5	17.9	13.4
Visa Inc. (NYSE:V)	90.6	20,609.0	14.1	13,862.0	67.3	312,984.3	15.2	22.6	19.5
Worldpay, Inc. (NYSE:WP)	79.9	3,941.3	9.0	1,322.4	33.6	32,557.3	8.3	24.6	15.6
WEX Inc. (NYSE:WEX)	77.7	1,439.7	19.0	535.4	37.2	8,673.8	6.0	16.2	12.2
Median	84.9 %	\$4,112.3	10.6 %	\$951.8	27.9 %	\$11,546.1	5.8 x	17.0 x	13.5 x
Mean	82.4 %		10.0 %		31.4 %		5.9 x	17.3 x	14.1 x

Transaction Processing historical EV/EBITDA multiples²



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