



# Professional Services Market Update - Winter 2022



KPMG Corporate Finance LLC

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# Professional Services Overview

Global professional services industry participants include providers of consulting services, on-shore and off-shore outsourced solutions, data and information services, human capital management and workforce solutions, and risk and compliance services. Key public industry players in each sub-sector are categorized as follows:

Sub-sector	Public Revenue / EBITDA Multiple <sup>(2)</sup>	Description	Key Select Industry Leadership
Business Process Outsourcing	2.68x / 17.2x	On-shore and off-shore outsourced third-party solutions	<ul style="list-style-type: none"> <li>❖ Cognizant</li> <li>❖ Computershare</li> <li>❖ Concentrix</li> <li>❖ ExlService</li> <li>❖ Firstsource Solutions</li> <li>❖ Genpact</li> <li>❖ IBEX</li> <li>❖ TD SYNnex</li> <li>❖ Teleperformance</li> <li>❖ TELUS</li> <li>❖ WNS</li> </ul>
Diversified Data & Information Services	6.73x / 24.6x	Providers of data, analytics, and business information services	<ul style="list-style-type: none"> <li>❖ Alliance Data Systems</li> <li>❖ Equifax</li> <li>❖ Experian</li> <li>❖ Informa</li> <li>❖ Teradata</li> <li>❖ Thomson Reuters</li> <li>❖ Verisk Analytics</li> <li>❖ Wolters Kluwer</li> </ul>
Data & Information Services: Financial & Media	7.08x / 21.7x	Companies offering research, insights, and analytics related to financial market data	<ul style="list-style-type: none"> <li>❖ FactSet Research Systems</li> <li>❖ Fidelity National Information Services</li> <li>❖ Forrester Research</li> <li>❖ Gartner</li> <li>❖ IHS Markit</li> <li>❖ Ipsos</li> <li>❖ Moody's</li> <li>❖ Morningstar</li> <li>❖ Nielsen Holdings</li> <li>❖ S&amp;P Global</li> </ul>
Governance, Risk, and Compliance Services	4.92x / 17.1x	Providers of compliance and risk management solutions	<ul style="list-style-type: none"> <li>❖ Broadridge Financial Solutions</li> <li>❖ Fiserv</li> <li>❖ International Business Machines</li> <li>❖ Oracle</li> <li>❖ SAP</li> </ul>
HR Staffing & Professional Services	1.23x / 12.2x	Workforce solutions	<ul style="list-style-type: none"> <li>❖ 51job</li> <li>❖ Adecco Group</li> <li>❖ AMN Healthcare Services</li> <li>❖ ASGN</li> <li>❖ Capita plc</li> <li>❖ CBIZ</li> <li>❖ Hays</li> <li>❖ Heidrick &amp; Struggles</li> <li>❖ Kelly Services</li> <li>❖ Kforce</li> <li>❖ Korn Ferry</li> <li>❖ ManpowerGroup</li> <li>❖ Marsh &amp; McLennan</li> <li>❖ PageGroup</li> <li>❖ Randstad</li> <li>❖ Resources Connection</li> <li>❖ Robert Half Intl.</li> <li>❖ TrueBlue</li> </ul>

(1) Source: Market statistics sourced from Capital IQ and based on 12/31/2021

(2) Valuation Multiples represent Enterprise Value to LTM Revenue and LTM EBITDA at 1/31/2022

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# Professional Services Overview (cont.)

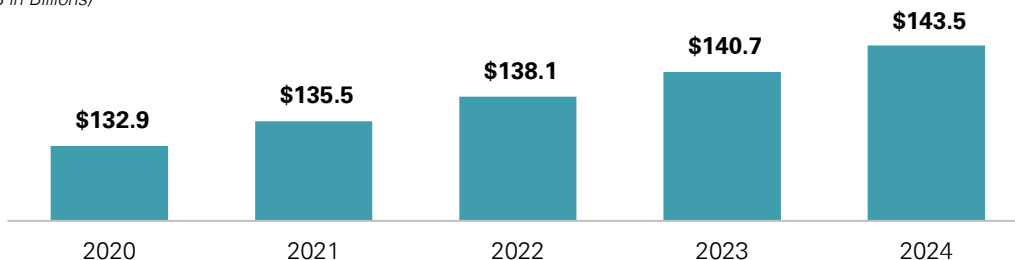
Sub-sector	Public Revenue / EBITDA Multiple <sup>(1)</sup>	Description	Key Select Industry Leadership
Human Resource Outsourcing	3.69x / 18.6x	Outsourced human capital management service offerings	<ul style="list-style-type: none"> <li>❖ Aon</li> <li>❖ Automatic Data Processing</li> <li>❖ Barrett Business Services</li> <li>❖ Insperity</li> <li>❖ LifeWorks</li> <li>❖ Paychex</li> <li>❖ TriNet Group</li> <li>❖ Willis Towers Watson</li> </ul>
IT Consulting	3.36x / 16.6x	Providers of information technology solutions	<ul style="list-style-type: none"> <li>❖ Accenture</li> <li>❖ Atos</li> <li>❖ Capgemini</li> <li>❖ CGI</li> <li>❖ DXC Technology</li> <li>❖ HCL Technologies</li> <li>❖ Infosys</li> <li>❖ Tata Consultancy Services</li> <li>❖ Tech Mahindra</li> <li>❖ Wipro</li> </ul>
Specialty Consulting	1.58x / 13.1x	Advisory, consulting, and analytic service offerings	<ul style="list-style-type: none"> <li>❖ Booz Allen Hamilton</li> <li>❖ CACI International</li> <li>❖ CRA International</li> <li>❖ FTI Consulting</li> <li>❖ Huron Consulting</li> <li>❖ The Hackett Group</li> </ul>

## Sector Perspectives: U.S. Outsourced Services Market

- ❑ The U.S. outsourced services industry is an enormous market with attractive growth drivers
- ❑ Private sector spending accounts for a significant portion of the industry
- ❑ Many commercial sectors require a high level of compliance and operational efficiencies, making operators highly reliant upon outsourced services
- ❑ The increasing adoption of cloud-based enterprise resource planning (“ERP”) functions will continue to have a significant impact on IT services and BPO industries
- ❑ Cloud-based ERP systems, along with other adoptions of new technologies, will drive higher IT services spending on consulting and implementation work
- ❑ Managed IT and BPO clients have continued to increase their reliance on outsourced services as virtual and decentralized work environments have begun to co-exist with traditional in-person office settings, which is a defining market trend in response to the prolonged COVID-19 environment

## The U.S. Outsourced Services Market is a \$136 Billion Market Poised for Continued Expansion

(\$ in Billions)



Source: Market statistics sourced from Capital IQ and based on 12/31/2021, Workday

(1) Valuation Multiples represent Enterprise Value to LTM Revenue and LTM EBITDA at 1/31/2022

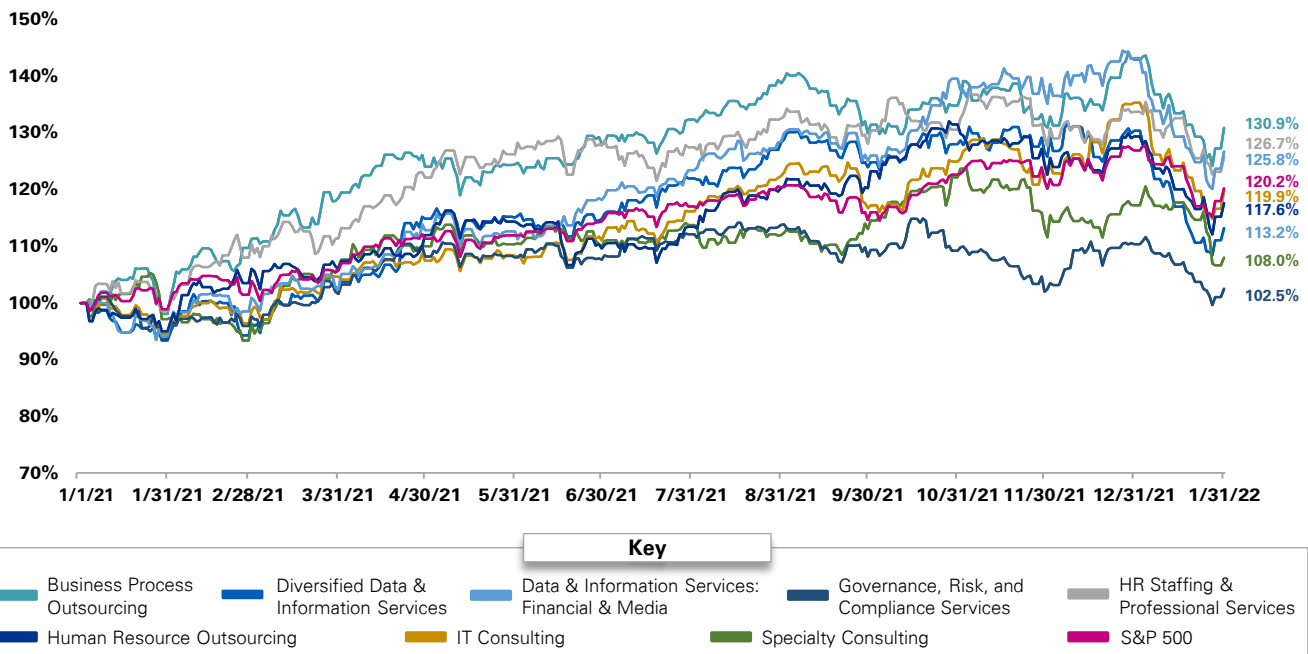
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# Professional Services Public Markets Update

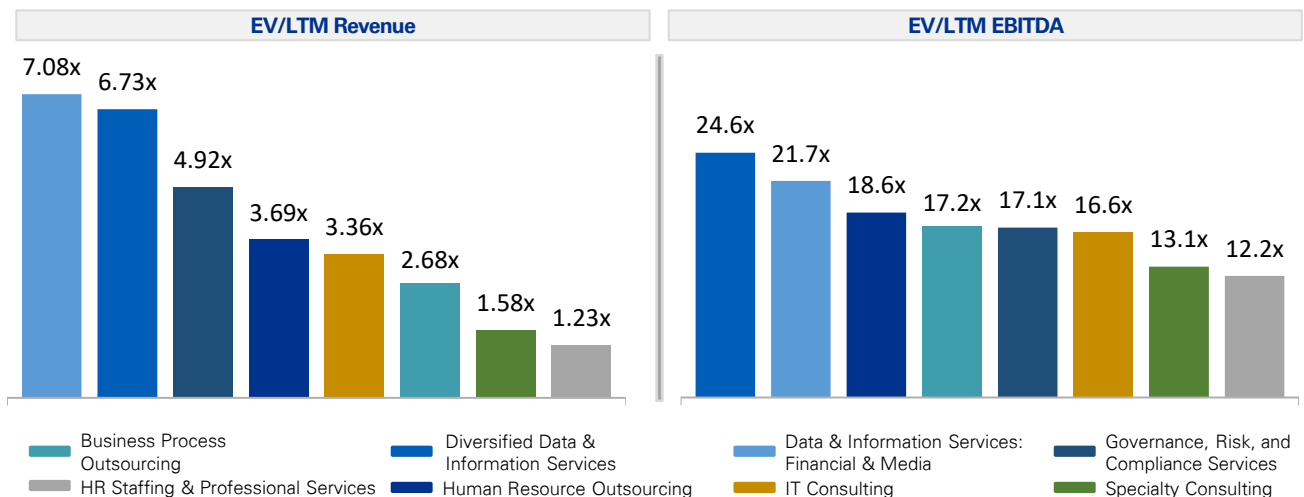
□ LTM Professional Services sub-sectors performance has varied relative to the S&P 500 (+20.2% as of Jan-22)

Sub-Sector	Performance (1/1/21 - 1/31/22)	Relative to the S&P 500	Mean EV/LTM EBITDA Multiples
Business Process Outsourcing Services	+30.9%	10.7%	17.2x
Financial & Media	+26.7%	6.5%	21.7x
HR Staffing & Professional Services	+25.8%	5.6%	12.2x
IT Consulting Services	+19.9%	(0.3)%	16.6x
Human Resource Outsourcing Services	+17.6%	(2.6)%	18.6x
Diversified Data & Information Services	+13.2%	(7.0)%	24.6x
Specialty Consulting Services	+8.0%	(12.2)%	13.1x
Governance, Risk, and Compliance	+2.5%	(17.7)%	17.1x

## Indexed Stock Performance (1/1/2021 through 1/31/2022)



## Financial Metrics<sup>(1)</sup> for Professional Services Peer Groups (1/31/2022)



Source: Market statistics sourced from Capital IQ

(1) Financial metrics represent the average of constituents reporting in respective categories

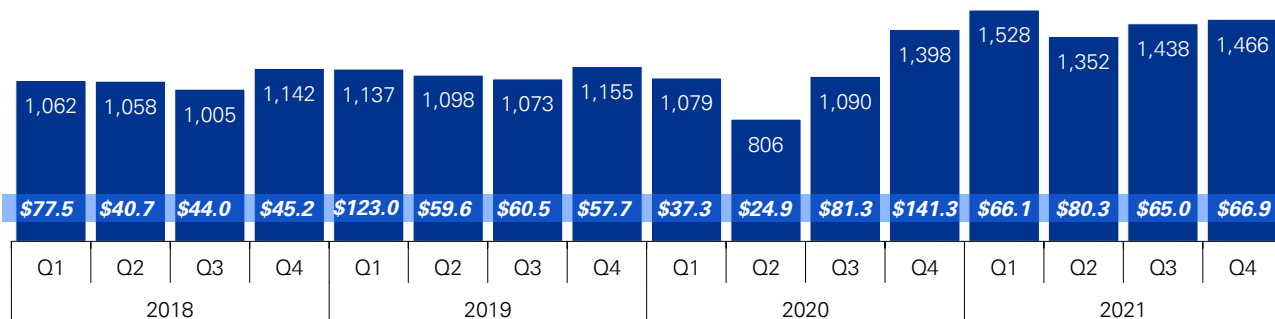
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# Professional Services M&A Market Commentary

- Year-over-year, global Q4 2021 announced transaction value was down ~52.7% compared to Q4 2020, due to the absence of several large transactions announced in Q4 2020, including S&P Global's \$45.4 bn acquisition of IHS Markit, and the acquisition of Slack Technologies by Salesforce.com for \$29.4 bn. Announced transaction volume increased ~4.9% over the same period
- Quarter-over-quarter, global Q4 2021 transaction activity increased ~1.9% compared to Q3 2021. Over the same period, announced transaction was up ~2.9%

## Professional Services Announced Deal Volume and Value<sup>(1)</sup>

Deal Volume (# of transactions); Deal Value (\$ in bn)



## Recent Notable U.S. Professional Services Deals

January 2022

### Northbound Executive Search / HireQuest

HireQuest, an on-demand, temporary, and commercial staffing services company, has announced to acquire Northbound Executive Search, a provider of executive placement and short-term consultant services primarily to blue chip clients in the financial services industry. Transaction terms were undisclosed

January 2022

### True Digital Security / Cerberus Cyber Sentinel Corporation

Cerberus Cyber Sentinel Corporation, a cybersecurity consulting and managed services firm, has acquired True Digital Security for \$170m. True Digital Security operates as a cybersecurity operations and compliance company

December 2021

### Edgile / Wipro

Wipro, an IT consulting and outsourced business services company, has acquired Edgile for \$230m, 5.22x LTM Revenue. Edgile is a provider of transformational cybersecurity consulting services focused on risk and compliance, digital identity, information and cloud security services

December 2021

### CompuCom Systems / Variant Equity Advisors

Variant Equity Advisors, a private equity firm, has acquired CompuCom Systems for \$305m. CompuCom Systems provides managed workplace, infrastructure modernization, and digital consulting services

December 2021

### PK global / Concentrix Corporation

Concentrix Corporation, a provider of customer experience (CX) solutions and technologies, has acquired PK Global for \$1,575m. PK is a CX design engineering company offering digital engineering, cloud engineering, data & analytics, and digital strategy services

December 2021

### Core BTS / Nomura Research Institute

Nomura Research Institute, a Japanese based research, consulting, and managed services firm, has acquired Core BTS for \$463m. Core BTS is a provider of technology consulting and managed services

December 2021

### ADAM HCM / Ceridian HCM Holding

Ceridian, a human capital management (HCM) software company, has acquired ADAM HCM, a provider of payroll, human capital management (HCM) software, and outsourcing services. Transaction terms were undisclosed

November 2021

### Lucas Associates / Korn Ferry

Korn Ferry, an organizational consulting firm providing talent acquisition, leadership and professional development solutions acquired Lucas Associates for \$90m. Lucas Associates operates as an executive recruiting services firm.

(1) Market statistics sourced from Capital IQ, Merger Market, Pitchbook, Wall Street research, press releases. Notes: M&A analysis based on deals announced during respective periods. Deal value represents aggregate deal value for disclosed transactions for time periods noted above

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# Select Public Professional Services Companies

## Public Markets Key Trading Statistics (1/31/2022)

Sub-sectors	Indexed Share Price % Change		LTM Financials		Valuation Multiples Enterprise Value To:	
	1/1/20 - 1/31/22	1/1/21 - 1/31/22	Gross Margin	EBITDA Margin	LTM Revenue	LTM EBITDA
Business Process Outsourcing	72.7%	30.9%	28.6%	15.1%	2.68x	17.2x
Diversified Data & Information Services	29.9%	13.2%	54.1%	28.5%	6.73x	24.6x
Data & Information Services: Financial & Media	52.0%	26.7%	60.7%	30.5%	7.08x	21.7x
Governance, Risk, and Compliance Services	7.6%	2.5%	57.4%	29.5%	4.92x	17.1x
HR Staffing & Professional Services	25.1%	25.8%	29.0%	9.7%	1.23x	12.2x
Human Resource Outsourcing	20.3%	17.6%	36.5%	18.3%	3.69x	18.6x
IT Consulting	40.3%	19.9%	30.1%	18.5%	3.36x	16.6x
Specialty Consulting	8.3%	8.0%	30.8%	12.3%	1.58x	13.1x
<b>Professional Services Sector Mean</b>	<b>34.2%</b>	<b>20.1%</b>	<b>38.7%</b>	<b>18.8%</b>	<b>3.60x</b>	<b>17.1x</b>

## Public Markets Detail (1/31/2022)

Company	Country	Market Data				LTM Financials			Valuation Multiples Enterprise Value To:			
		Share Price	% 52-Wk High	Market Cap <sup>(1)</sup>	Enterprise Value <sup>(2)</sup>	Revenue	Gross Margin	EBITDA Margin	LTM Revenue	LTM EBITDA	CY 2022 Revenue	CY 2022 EBITDA
<b>Business Process Outsourcing</b>												
Cognizant Technology Solutions Corporation	US	\$85.42	92.8%	\$44,867	\$44,132	\$17,914	37.7%	17.9%	2.46x	13.8x	2.19x	11.7x
Teleperformance SE	FR	\$373.43	82.9%	\$21,933	\$24,834	\$7,710	30.7%	17.2%	3.22x	18.7x	2.93x	13.7x
Concentrix Corporation	US	\$200.99	99.6%	\$10,448	\$11,576	\$5,587	35.3%	15.1%	2.07x	13.7x	1.78x	11.1x
TD SYNnex Corporation	US	\$104.57	79.9%	\$10,080	\$13,748	\$31,614	6.0%	2.8%	0.43x	15.5x	0.22x	8.2x
Genpact Limited	BM	\$49.75	92.1%	\$9,356	\$10,446	\$3,901	36.3%	17.8%	2.68x	15.0x	2.38x	12.8x
Computershare Limited	AU	\$13.73	92.6%	\$8,290	\$9,354	\$2,283	13.7%	20.6%	4.10x	19.9x	3.31x	12.5x
TELUS International (Cda) Inc.	CA	\$28.40	71.2%	\$7,552	\$8,601	\$2,036	22.3%	17.2%	4.23x	24.6x	3.38x	13.6x
WNS (Holdings) Limited	IN	\$84.16	92.0%	\$4,109	\$4,016	\$1,055	33.6%	14.7%	3.81x	25.8x	3.64x	16.6x
ExlService Holdings, Inc.	US	\$120.52	82.4%	\$4,014	\$4,007	\$1,076	38.8%	18.9%	3.72x	19.8x	3.22x	15.4x
Firstsource Solutions Limited	IN	\$2.12	65.3%	\$1,447	\$1,587	\$774	30.1%	13.6%	2.05x	15.0x	1.78x	10.8x
IBEX Limited	US	\$14.52	56.9%	\$257	\$318	\$443	29.7%	10.4%	0.72x	6.9x	0.63x	4.2x
<b>Mean</b>							<b>28.6%</b>	<b>15.1%</b>	<b>2.68x</b>	<b>17.2x</b>	<b>2.31x</b>	<b>11.9x</b>
<b>Median</b>							<b>30.7%</b>	<b>17.2%</b>	<b>2.68x</b>	<b>15.5x</b>	<b>2.38x</b>	<b>12.5x</b>
<b>Diversified Data &amp; Information Services</b>												
Thomson Reuters Corporation	CA	\$107.21	87.1%	\$52,225	\$54,664	\$6,254	35.0%	25.0%	8.74x	35.0x	8.27x	23.9x
Experian plc	IE	\$41.35	83.5%	\$37,793	\$42,150	\$5,946	38.1%	30.2%	7.09x	23.5x	6.42x	18.0x
Verisk Analytics, Inc.	US	\$196.13	84.7%	\$31,609	\$34,731	\$2,946	64.3%	44.8%	11.79x	26.3x	10.83x	22.1x
Equifax Inc.	US	\$239.76	79.9%	\$29,251	\$32,711	\$4,789	59.6%	32.0%	6.83x	21.4x	6.13x	17.0x
Wolters Kluwer N.V.	NL	\$101.08	85.7%	\$26,129	\$28,836	\$5,441	71.0%	30.1%	5.30x	17.6x	5.17x	16.3x
Informa plc	GB	\$7.45	91.9%	\$11,188	\$14,165	\$2,120	29.1%	14.8%	6.68x	45.1x	4.91x	17.1x
Teradata Corporation	US	\$40.34	67.7%	\$4,377	\$4,377	\$1,933	61.3%	19.6%	2.26x	11.5x	2.26x	9.7x
Alliance Data Systems Corporation	US	\$69.04	53.9%	\$3,437	\$18,857	\$3,655	74.6%	31.9%	5.16x	16.2x	4.93x	15.2x
<b>Mean</b>							<b>54.1%</b>	<b>28.5%</b>	<b>6.73x</b>	<b>24.6x</b>	<b>6.12x</b>	<b>17.4x</b>
<b>Median</b>							<b>60.4%</b>	<b>30.1%</b>	<b>6.76x</b>	<b>22.4x</b>	<b>5.65x</b>	<b>17.0x</b>

Source: Market statistics sourced from Capital IQ

All figures in USD and in millions (except share price data), where applicable, converted at rates as of 1/31/2022

(1) Market Capitalization based on closing share prices as of 1/31/2022

(2) Enterprise Value (EV) equals Market Capitalization plus Debt, Preferred Equity, and Minority Interest, minus Cash and Cash Equivalents

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# Select Public Professional Services Companies (cont.)

## Public Markets Detail (1/31/2022)

Company	Country	Market Data				LTM Financials			Valuation Multiples Enterprise Value To:			
		Share Price	% 52-Wk High	Market Cap <sup>(1)</sup>	Enterprise Value <sup>(2)</sup>	Revenue	Gross Margin	EBITDA Margin	LTM Revenue	LTM EBITDA	CY 2022 Revenue	CY 2022 EBITDA
<b>Data &amp; Information Services: Financial &amp; Media</b>												
S&P Global Inc.	US	\$415.22	85.8%	\$100,016	\$102,259	\$8,076	73.2%	56.5%	12.66x	22.4x	11.76x	20.8x
Fidelity National Information Services, Inc.	US	\$119.92	76.9%	\$73,024	\$91,602	\$13,521	36.8%	35.6%	6.77x	19.0x	6.14x	13.7x
Moody's Corporation	US	\$343.00	84.1%	\$63,764	\$69,673	\$5,969	73.8%	51.6%	11.67x	22.6x	10.50x	21.1x
IHS Markit Ltd.	GB	\$116.79	86.0%	\$46,609	\$51,286	\$4,658	63.3%	39.2%	11.01x	28.1x	10.62x	23.3x
Gartner, Inc.	US	\$293.89	79.6%	\$24,169	\$26,764	\$4,540	69.3%	24.2%	5.89x	24.3x	5.06x	25.5x
FactSet Research Systems Inc.	US	\$421.89	85.2%	\$15,946	\$16,094	\$1,628	50.5%	33.4%	9.89x	29.6x	9.16x	25.3x
Morningstar, Inc.	US	\$287.41	82.1%	\$12,386	\$12,426	\$1,618	59.3%	24.6%	7.68x	31.3x	N/A	NM
Nielsen Holdings plc	US	\$18.86	66.4%	\$6,769	\$12,523	\$6,407	57.5%	16.1%	1.95x	12.1x	3.47x	8.1x
Ipsos SA	FR	\$45.25	89.8%	\$2,010	\$2,489	\$2,424	64.1%	12.6%	1.03x	8.1x	1.00x	6.8x
Forrester Research, Inc.	US	\$55.02	90.3%	\$1,055	\$1,089	\$481	59.0%	11.4%	2.26x	19.8x	2.03x	17.7x
<b>Mean</b>							<b>60.7%</b>	<b>30.5%</b>	<b>7.08x</b>	<b>21.7x</b>	<b>6.64x</b>	<b>18.0x</b>
<b>Median</b>							<b>61.3%</b>	<b>29.0%</b>	<b>7.23x</b>	<b>22.5x</b>	<b>6.14x</b>	<b>20.8x</b>
<b>Governance, Risk, and Compliance Services</b>												
Oracle Corporation	US	\$81.16	76.3%	\$216,733	\$272,769	\$41,399	80.0%	44.5%	6.59x	14.8x	6.30x	12.8x
SAP SE	DE	\$123.66	85.1%	\$145,862	\$153,230	\$31,664	72.3%	25.6%	4.84x	18.9x	4.62x	13.8x
International Business Machines Corporation	US	\$133.57	87.4%	\$119,786	\$167,771	\$57,350	54.9%	20.9%	2.93x	14.0x	2.76x	10.1x
Fiserv, Inc.	US	\$105.70	83.0%	\$69,787	\$90,831	\$15,801	51.5%	35.4%	5.75x	16.2x	5.24x	12.9x
Broadridge Financial Solutions, Inc.	US	\$159.22	85.9%	\$19,039	\$23,188	\$5,169	28.5%	21.0%	4.49x	21.4x	4.07x	17.2x
<b>Mean</b>							<b>57.4%</b>	<b>29.5%</b>	<b>4.92x</b>	<b>17.1x</b>	<b>4.60x</b>	<b>13.4x</b>
<b>Median</b>							<b>54.9%</b>	<b>25.6%</b>	<b>4.84x</b>	<b>16.2x</b>	<b>4.62x</b>	<b>12.9x</b>
<b>HR Staffing &amp; Professional Services</b>												
Marsh & McLennan Companies, Inc.	US	\$153.64	87.7%	\$77,572	\$88,982	\$19,820	43.8%	26.9%	4.49x	16.7x	4.21x	16.0x
Robert Half International Inc.	US	\$113.26	93.7%	\$12,399	\$12,034	\$6,461	41.7%	12.4%	1.86x	15.1x	1.65x	12.3x
Randstad N.V.	NL	\$64.47	86.1%	\$11,860	\$12,131	\$27,323	19.5%	4.3%	0.44x	10.4x	0.42x	7.3x
Adecco Group AG	CH	\$47.10	65.4%	\$8,184	\$8,907	\$24,177	20.1%	5.3%	0.37x	6.9x	0.35x	6.6x
ASGN Incorporated	US	\$114.87	87.1%	\$5,985	\$6,402	\$4,305	28.1%	10.5%	1.49x	14.2x	1.48x	12.4x
ManpowerGroup Inc.	US	\$104.87	83.8%	\$5,688	\$5,527	\$20,397	16.1%	3.2%	0.27x	8.6x	0.25x	7.0x
AMN Healthcare Services, Inc.	US	\$101.34	78.5%	\$4,791	\$5,525	\$3,252	33.3%	13.7%	1.70x	12.4x	1.40x	10.1x
Korn Ferry	US	\$66.38	78.4%	\$3,612	\$3,390	\$2,255	27.8%	17.3%	1.50x	8.7x	1.28x	6.7x
51job, Inc.	CN	\$50.40	63.8%	\$3,399	\$1,871	\$658	64.4%	16.2%	2.84x	17.5x	2.67x	7.9x
Hays plc	GB	\$1.93	79.5%	\$3,229	\$2,948	\$7,801	5.2%	2.1%	0.38x	18.3x	0.31x	7.8x
PageGroup plc	GB	\$7.79	84.0%	\$2,462	\$2,364	\$1,956	50.4%	6.2%	1.21x	19.6x	0.90x	7.1x
CBIZ, Inc.	US	\$38.63	94.2%	\$1,997	\$2,362	\$1,073	14.9%	12.2%	2.20x	18.0x	1.82x	13.3x
Kforce Inc.	US	\$68.67	84.3%	\$1,394	\$1,397	\$1,524	28.7%	7.1%	0.92x	12.9x	0.86x	10.7x
TrueBlue, Inc.	US	\$26.60	80.8%	\$944	\$964	\$2,070	24.8%	3.6%	0.47x	12.8x	0.42x	8.9x
Heidrick & Struggles International, Inc.	US	\$43.77	87.5%	\$858	\$592	\$878	24.2%	12.9%	0.67x	5.2x	0.61x	4.8x
Capita plc	GB	\$0.42	56.4%	\$706	\$1,939	\$4,505	21.5%	9.0%	0.43x	4.8x	0.45x	4.4x
Kelly Services, Inc.	US	\$17.08	63.3%	\$672	\$711	\$4,901	18.3%	1.6%	0.15x	9.2x	0.13x	5.8x
Resources Connection, Inc.	US	\$17.43	86.5%	\$567	\$567	\$712	38.7%	9.6%	0.80x	8.3x	0.70x	5.8x
<b>Mean</b>							<b>29.0%</b>	<b>9.7%</b>	<b>1.23x</b>	<b>12.2x</b>	<b>1.11x</b>	<b>8.6x</b>
<b>Median</b>							<b>26.3%</b>	<b>9.3%</b>	<b>0.86x</b>	<b>12.6x</b>	<b>0.78x</b>	<b>7.5x</b>

Source: Market statistics sourced from Capital IQ

All figures in USD and in millions (except share price data), where applicable, converted at rates as of 1/31/2022

(1) Market Capitalization based on closing share prices as of 1/31/2022

(2) Enterprise Value (EV) equals Market Capitalization plus Debt, Preferred Equity, and Minority Interest, minus Cash and Cash Equivalents

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# Select Public Professional Services Companies (cont.)

## Public Markets Detail (1/31/2022)

Company	Country	Market Data				LTM Financials			Valuation Multiples Enterprise Value To:			
		Share Price	% 52-Wk High	Market Cap <sup>(1)</sup>	Enterprise Value <sup>(2)</sup>	Revenue	Gross Margin	EBITDA Margin	LTM Revenue	LTM EBITDA	CY 2022 Revenue	CY 2022 EBITDA
<b>Human Resource Outsourcing</b>												
Automatic Data Processing, Inc.	US	\$206.17	82.8%	\$86,674	\$88,278	\$15,697	44.9%	26.1%	5.62x	21.6x	5.26x	20.5x
Aon plc	IE	\$276.44	84.7%	\$60,909	\$69,727	\$12,078	43.7%	19.2%	5.77x	30.1x	5.35x	16.9x
Paychex, Inc.	US	\$117.76	84.7%	\$42,488	\$42,369	\$4,332	70.3%	43.1%	9.78x	22.7x	9.12x	21.3x
Willis Towers Watson Public Limited Company	GB	\$233.96	86.1%	\$29,153	\$32,635	\$9,698	44.5%	25.8%	3.37x	13.0x	3.40x	12.8x
TriNet Group, Inc.	US	\$85.20	77.9%	\$5,602	\$5,472	\$4,371	19.9%	10.2%	1.25x	12.3x	4.64x	11.1x
Insperty, Inc.	US	\$107.53	83.2%	\$4,140	\$4,075	\$4,738	17.2%	4.1%	0.86x	21.1x	0.75x	13.4x
LifeWorks Inc.	CA	\$21.63	73.3%	\$1,499	\$1,954	\$799	30.3%	13.1%	2.44x	18.6x	2.31x	12.2x
Barrett Business Services, Inc.	US	\$64.00	73.7%	\$480	\$391	\$932	21.4%	4.6%	0.42x	9.1x	0.38x	8.1x
<b>Mean</b>							<b>36.5%</b>	<b>18.3%</b>	<b>3.69x</b>	<b>18.6x</b>	<b>3.90x</b>	<b>14.5x</b>
<b>Median</b>							<b>37.0%</b>	<b>16.2%</b>	<b>2.90x</b>	<b>19.9x</b>	<b>4.02x</b>	<b>13.1x</b>
<b>IT Consulting</b>												
Accenture plc	IE	\$353.58	84.7%	\$223,463	\$221,881	\$53,736	32.3%	16.8%	4.13x	24.6x	3.63x	19.2x
Tata Consultancy Services Limited	IN	\$50.04	92.4%	\$185,107	\$178,448	\$24,812	43.6%	27.3%	7.19x	26.3x	6.49x	23.9x
Infosys Limited	IN	\$23.25	88.9%	\$97,461	\$95,529	\$15,644	32.8%	26.1%	6.11x	23.4x	5.38x	20.7x
Wipro Limited	IN	\$7.67	77.4%	\$41,920	\$39,449	\$9,996	30.5%	21.4%	3.95x	18.4x	3.45x	15.7x
HCL Technologies Limited	IN	\$14.72	79.8%	\$39,877	\$38,604	\$11,184	38.1%	23.4%	3.45x	14.7x	3.09x	13.7x
Cappgemini SE	FR	\$221.16	89.7%	\$38,037	\$44,811	\$20,130	26.3%	13.0%	2.23x	17.1x	2.03x	12.2x
CGI Inc.	CA	\$85.26	92.9%	\$20,642	\$22,624	\$9,591	31.0%	17.6%	2.36x	13.4x	2.27x	11.1x
Tech Mahindra Limited	IN	\$19.81	80.5%	\$17,366	\$16,250	\$5,454	36.1%	18.0%	2.98x	16.6x	2.52x	13.6x
DXC Technology Company	US	\$30.08	68.1%	\$7,587	\$11,561	\$16,841	22.5%	11.2%	0.69x	6.1x	0.70x	4.2x
Atos SE	FR	\$35.39	45.0%	\$3,913	\$6,663	\$13,016	7.9%	10.0%	0.51x	5.1x	0.54x	4.8x
<b>Mean</b>							<b>30.1%</b>	<b>18.5%</b>	<b>3.36x</b>	<b>16.6x</b>	<b>3.01x</b>	<b>13.9x</b>
<b>Median</b>							<b>31.7%</b>	<b>17.8%</b>	<b>3.22x</b>	<b>16.9x</b>	<b>2.81x</b>	<b>13.6x</b>
<b>Specialty Consulting</b>												
Booz Allen Hamilton Holding Corporation	US	\$76.73	84.3%	\$10,225	\$12,733	\$8,105	24.1%	11.3%	1.57x	13.9x	1.42x	13.4x
CACI International Inc	US	\$247.46	85.1%	\$5,792	\$8,149	\$6,093	34.5%	10.6%	1.34x	12.7x	1.23x	11.5x
FTI Consulting, Inc.	US	\$145.81	92.4%	\$4,849	\$5,092	\$2,727	31.4%	13.8%	1.87x	13.6x	1.78x	12.5x
Huron Consulting Group Inc.	US	\$44.12	73.6%	\$905	\$1,226	\$856	29.3%	8.8%	1.43x	16.3x	1.27x	10.9x
CRA International, Inc.	US	\$85.06	72.9%	\$632	\$761	\$569	28.5%	12.0%	1.34x	11.2x	1.29x	11.5x
The Hackett Group, Inc.	US	\$19.14	82.1%	\$570	\$522	\$267	37.2%	17.5%	1.95x	11.2x	1.81x	8.5x
<b>Mean</b>							<b>30.8%</b>	<b>12.3%</b>	<b>1.58x</b>	<b>13.1x</b>	<b>1.47x</b>	<b>11.4x</b>
<b>Median</b>							<b>30.3%</b>	<b>11.6%</b>	<b>1.50x</b>	<b>13.1x</b>	<b>1.36x</b>	<b>11.5x</b>
<b>Total Mean</b>							<b>38.7%</b>	<b>18.8%</b>	<b>3.60x</b>	<b>17.1x</b>	<b>3.30x</b>	<b>13.0x</b>
<b>Total Median</b>							<b>34.7%</b>	<b>17.0%</b>	<b>2.45x</b>	<b>16.2x</b>	<b>2.38x</b>	<b>12.5x</b>

Source: Market statistics sourced from Capital IQ

All figures in USD and in millions (except share price data), where applicable, converted at rates as of 1/31/2022

(1) Market Capitalization based on closing share prices as of 1/31/2022

(2) Enterprise Value (EV) equals Market Capitalization plus Debt, Preferred Equity, and Minority Interest, minus Cash and Cash Equivalents

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# U.S. Professional Services Transaction History

Closed Date	Target	Buyer	Enterprise Value (\$mm)	EV / LTM Revenue	EV / LTM EBITDA
Pending	StarTek	Capital Square Partners	\$450	0.64x	4.3x
Pending	Bottomline Technologies	Thoma Bravo	\$2,616	5.42x	56.8x
Pending	Fuze	8x8	\$250	1.93x	NA
Pending	Scaled Agile	Leeds Equity Partners; Eurazeo	NA	NA	NA
Pending	Corporate Finance Group	CVC Capital Partners; The Carlyle Group	NA	NA	NA
Pending	Navint Partners	Globant	NA	NA	NA
Pending	Involta	The Carlyle Group	NA	NA	NA
Dec-21	Creative Systems and Consulting	ICF International	\$160	NA	NA
Dec-21	Sirius Computer Solutions	CDW	\$2,500	1.23x	10.4x
Dec-21	Neustar	TransUnion	\$3,100	NA	NA
Dec-21	ProQuest	Clarivate	\$5,324	6.08x	21.0x
Nov-21	Integrated Design	Automatic Data Processing	NA	NA	NA
Nov-21	ClearEdge Partners	Accenture	NA	NA	NA
Nov-21	Mark J. Becker & Associates	Arthur J. Gallagher & Co.	NA	NA	NA
Nov-21	Data Driven Safety	Verisk Analytics	\$93	NA	NA
Nov-21	Coleman Research Group	VisasQ	\$103	2.36x	46.5x
Nov-21	Karani	Mastech Digital	\$8	NA	NA
Oct-21	Medallia	Thoma Bravo	\$6,530	13.17x	NM
Oct-21	Coretelligent	Norwest Equity Partners	NA	NA	NA
Oct-21	Cornerstone OnDemand	Clearlake Capital Group	\$5,211	6.28x	27.0x
Oct-21	Trace3	American Securities Management	NA	NA	NA
Oct-21	Cloudera	Clayton, Dubilier & Rice; KKR & Co.	\$4,484	5.08x	NA
Oct-21	Frame.io	Adobe	\$1,275	NA	NA
Oct-21	Competitive Computing	Xerox Holdings	NA	NA	NA
Oct-21	ettain Group	ManpowerGroup	\$925	NA	11.5x
Oct-21	Pinnacle 21	Certara	\$313	NA	NA
Oct-21	Clarabridge	SAP	\$1,125	NA	NA
Oct-21	Boomi	TPG Capital; Francisco Partners Management	\$4,000	NA	NA
Sep-21	Cella	Randstad	\$130	NA	NA
Sep-21	Hilco Retail Consulting	Accenture	NA	NA	NA

Source: Capital IQ, Merger Market, Pitchbook, Wall Street research, press releases

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# U.S. Professional Services Transaction History (cont.)

Closed Date	Target	Buyer	Enterprise Value (\$mm)	EV / LTM Revenue	EV / LTM EBITDA
Sep-21	Bridge Solutions Group	Pivotree	\$16	1.96x	NA
Sep-21	Real Capital Analytics	MSCI	\$949	NA	NA
Sep-21	Blue Horseshoe Solutions	Accenture	NA	NA	NA
Sep-21	TRACEPOINT	Booz Allen Hamilton	\$200	NA	NA
Sep-21	PRO Unlimited	EQT Partners	NA	NA	NA
Sep-21	Sherpa Coaching	MLink Technologies / Sweetview Partners	NA	NA	NA
Aug-21	Oxford Global Resources	H.I.G. Capital	\$525	NA	NA
Aug-21	Hunter Technical Resources	Cognizant Technology Solutions	NA	NA	NA
Aug-21	Enterprise Resource Performance	ASGN	NA	NA	NA
Jul-21	LeapPoint	Renovus Capital Partners	NA	NA	NA
Jul-21	Workforce Insight	Accenture	NA	NA	NA
Jul-21	EmployBridge Holding Company	Apollo Global Management	NA	NA	NA
Jul-21	Halfaker And Associates	Science Applications International	\$214	1.29x	NA
Jul-21	CS Technology	Accenture	NA	NA	NA
Jul-21	BTU Analytics	FactSet Research Systems	NA	NA	NA
Jun-21	Library Systems & Services	Evergreen Services Group / Alpine Investors	NA	NA	NA
Jun-21	Integreon	EagleTree Capital	NA	NA	NA
Jun-21	ExactlyIT	Converge Technology Solutions	NA	NA	NA
Jun-21	Ensono	KKR & Co.	NA	NA	NA
Jun-21	Sucherman Consulting Group	ZRG Partners / RFE Investment Partners; Northcreek Mezzanine	NA	NA	NA
Jun-21	Cabot Investment Technology	FactSet Research Systems	NA	NA	NA
May-21	Lionpoint Holdings	Alpha Financial Markets Consulting	\$90	2.99x	13.0x
May-21	Vanguard Software	Wolters Kluwer	\$110	15.28x	NA
May-21	Mackinac Partners	Accordion Partners / FFL Partners; National Industries	NA	NA	NA
May-21	Alvaria	ABRY Partners; Vector Capital	\$1,000	NA	NA
May-21	Kaneko & Krammer	Arthur J. Gallagher & Co.	NA	NA	NA
Apr-21	Norton Jackson & Company	PennSpring Capital	NA	NA	NA
Apr-21	Root	Accenture	NA	NA	NA
Apr-21	Softworld	Kelly Services	NA	NA	NA
Apr-21	Business Talent Group	Heidrick & Struggles International	\$63	NA	NA

Source: Capital IQ, Merger Market, Pitchbook, Wall Street research, press releases

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# U.S. Professional Services Transaction History (cont.)

Closed Date	Target	Buyer	Enterprise Value (\$mm)	EV / LTM Revenue	EV / LTM EBITDA
Mar-21	Cortera	Moody's	\$139	NA	NA
Mar-21	Abacus Data Systems	Thomas H. Lee Partners	NA	NA	NA
Feb-21	HR Analytical Services	DCI Consulting Group	NA	NA	NA
Feb-21	Accudata Systems	Converge Technology Solutions	\$19	0.26x	NA
Feb-21	Bradford Scott Data Corporation	Evergreen Services Group / Alpine Investors	NA	NA	NA
Feb-21	DirectPath	CNO Financial Group	\$47	NA	NA
Feb-21	INT Technologies	ManpowerGroup	NA	NA	NA
Feb-21	Future State	Accenture	NA	NA	NA
Feb-21	Magenic Technologies	Cognizant Technology Solutions	\$232	NA	NA
Jan-21	RLJ Talent Consulting	Recruiter.com Group	\$2	NA	NA
Jan-21	Clear Outcomes	Bixal Solutions	NA	NA	NA
Jan-21	XMI GROWTH	G&A Outsourcing / The Riverside Company	NA	NA	NA
Dec-20	Vicom Computer Services	Converge Technology Solutions	\$25	0.25x	4.9x
Sep-20	Stockell Consulting	Magic Software Enterprises	\$8	NA	NA
		<b>Mean</b>	<b>\$1,207</b>	<b>4.28x</b>	<b>21.7x</b>
		<b>Median</b>	<b>\$232</b>	<b>2.36x</b>	<b>13.0x</b>

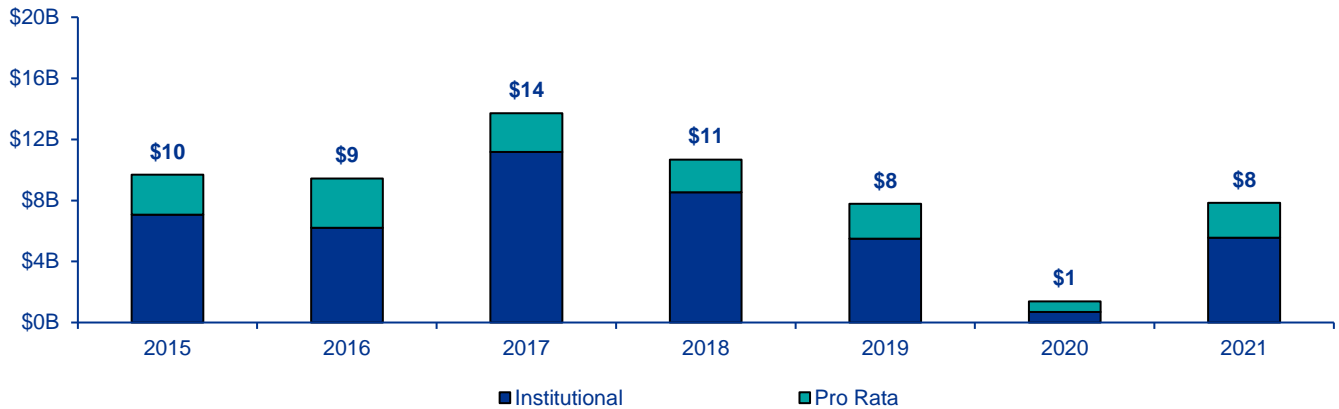
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# Capital Markets Update

## Debt Capital Markets in 2021

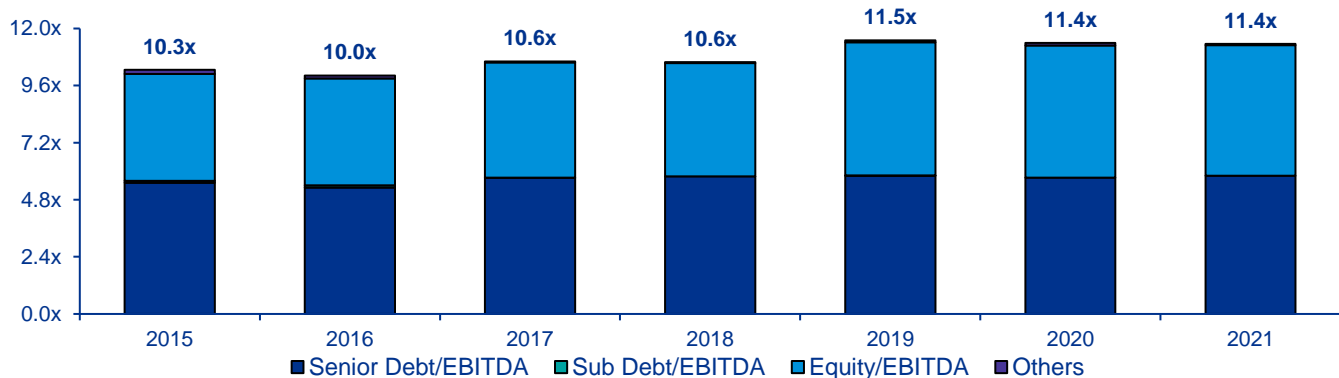
### Middle Market Leveraged Loan Volume (\$bn)<sup>(1)</sup>



#### Market Commentary:

- ❑ Deal volume in the credit markets continued at a robust pace through the end of the third quarter of 2021 as markets continue to experience aggressive liquidity conditions
- ❑ Middle market leveraged loan volume has gained strong momentum in 2021 and has rebounded to reach \$6.1bn YTD compared to \$1.0bn YTD in 2020
- ❑ Driving market activity is strong M&A volume and sponsored dividend recapitalizations

### Average Purchase Price & Debt Multiples - LBO



#### Libor Transition Update:

- ❑ Libor is expected to phase out and be replaced by SOFR ("Secured Overnight Financing Rate") by the end of 2021. SOFR is based on overnight "repo" funding rates on transactions collateralized by Treasury securities, one of the deepest and most liquid markets in the world
- ❑ One-month and three-month Libor benchmark rates will continue to be published solely for use with legacy contracts
- ❑ Banks can face supervisory actions if they delay replacing the Libor benchmark in pricing new loans and financial contracts in 2022

Source: Standard & Poor | Leveraged Commentary & Data.

(1) Middle market refers to companies with EBITDA of \$50 million or less

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# Highlights from KPMG LLP's 2021 U.S. CEO Outlook

KPMG's survey of more than 1,300 CEOs from large, global companies, including 400 in the U.S., shows that U.S. CEOs remain confident in the growth prospects of the economy and their businesses as confidence in global economic growth is rising

## Growth Strategies

Companies seek to use M&A as a means for growth and to bring new and increased value to their organizations as they position for a post pandemic economy

**86%**

*CEOs surveyed are likely to make acquisitions within the next three years*

"Pursuing inorganic growth, such as M&A or strategic alliances, is no longer about financial engineering or scale. Instead, companies are leveraging inorganic strategies to drive network and revenue synergies."

– **Carl Carande, Vice Chair-Advisory, KPMG U.S. and Global Head of Advisory**

## Resilience Priorities

Nearly all top operational priorities critical to achieving growth objectives will lean heavily on the supply chain function

**59%**

*CEOs said they will ensure their supply chain is resilient in the event of a global lockdown and travel restrictions*

"COVID-19 has brought about great challenges to the supply chain arena. There is a significant supply-and-demand disequilibrium, further exacerbated by raw material shortages, transportation congestion and delays, labor challenges and a shifting regulatory landscape"

– **Brian Higgins, Supply Chain & Operations Practice Leader, KPMG U.S.**

## Sustainable Future

CEOs are seeing significant demand for increased reporting and transparency on ESG issues today from stakeholders

**61%**

*CEOs believe their organization's principal objective is to create long-term value for all stakeholders*

"Today, stakeholders trust and, therefore, expect businesses to help solve our biggest societal challenges. This dynamic manifests itself in many ways... employees, customers, investors and, most recently, regulators are raising expectations on companies to deliver long-term ESG commitments"

– **Scott Flynn, Vice Chair-Audit, KPMG U.S.**

## People-Focused

CEOs identified their employee value proposition as the top operational priority to achieve their growth objectives

**79%**










*CEOs said that addressing burnout among their workforces is a top priority*

"Ensuring a successful outcome includes thinking beyond where teams work and focusing more on how teams work together—enabling purposeful, intentional interactions to help people succeed, learn and develop their careers"

– **Laura Newinski, Deputy Chair and COO, KPMG U.S.**

# KPMG Corporate Finance Professional Services Expertise<sup>1</sup>

## Select Global Professional Services Transaction Experience

  <p><b>NeoSystems</b> has acquired <b>HIGH STREET CAPITAL</b> Corporate Finance</p>	  <p><b>[HPS] FLAG</b> have partnered with <b>BALLAST RESEARCH</b> supported by a majority investment from <b>FALFURIAS CAPITAL</b> Corporate Finance</p>	  <p><b>InXpress</b> has been acquired by <b>HUDSON HILL CAPITAL</b> Corporate Finance</p>	  <p><b>Project Management Institute</b> has acquired <b>DISCIPLINED AGILE</b> Corporate Finance</p>	  <p><b>INNOCEAN WORLDWIDE</b> has been acquired by <b>David &amp; Goliath</b> Corporate Finance</p>
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## KPMG Corporate Finance's Global Business Services Team



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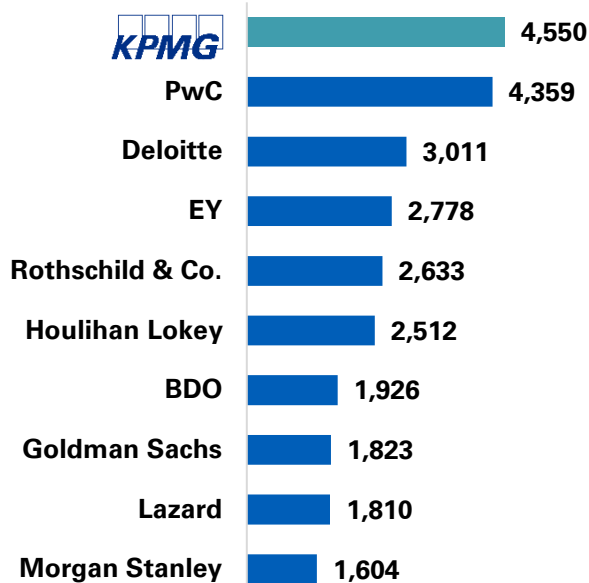
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## Leading Middle Market Investment Banking Platform - FY 2011 to 2020

### Global Completed Advisor Ranking Refinitiv League Tables<sup>(2)</sup>



## Global coverage. Industry knowledge. Middle-market focus.

The Corporate Finance practices of KPMG International's network of independent member firms (KPMG) have been ranked collectively as the number one global mid-market advisor based on total deal volume for the past 20 years, according to Refinitiv. KPMG Corporate Finance provides a broad range of investment banking and advisory services to its domestic and international clients. Our professionals have the experience and depth of knowledge to advise clients on global mergers and acquisitions, sales and divestitures, buyouts, financings, debt restructurings, equity recapitalizations, infrastructure project finance, capital advisory, portfolio solutions, fairness opinions, and other advisory needs.

(1) Represents the global Corporate Finance practices of KPMG International's network of independent member firms.

(2) Thomson Reuters SDC; Each set of figures is taken from the league table press releases issued for that year. Middle market is defined as deals less than US\$500 million.

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