



SECTORWATCH: BPO February 2018

- Sector Dashboard
- Public Basket Performance

7 MILE ADVISORS

- Operational Metrics
- Valuation Comparison
- Recent Deals
- Appendix



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OVERVIEW



Dashboard

summary metrics on the sector, with commentary on market momentum by comparing the most recent 12month performance against the last 3-year averages



Public Basket Performance

summary valuation and operating metrics for a basket of comparable public companies



Valuation Comparison

a more graphical, detailed comparison of valuation multiples for the public basket



Recent Deals

the most recently announced sector deals

About Us

7MA provides Investment Banking & Advisory Services to the Business Services and Technology Industries globally.

We advise on M&A and private capital transactions, and provide market assessments and benchmarking. As a close knit team with a long history together and a laser focus on our target markets, we help our clients sell their companies, raise capital, grow through acquisitions, and evaluate new markets.

Sectorwatch

We publish sectorwatch, a review of M&A and operational trends in the industries we focus.

Let us know if we can help

Contact us if there are ways we can assist your M&A or financing strategy.



DASHBOARD

-0.13%

Revenue Growth Momentum

1 - year revenue growth compared to revenue growth average for last 3 years

Current revenue growth rate is less than the average of the last 3 years, indicating that the market may be flattening or declining

Pricing / Gross Margin Momentum

10.4%

1 - year gross profit % compared to gross profit % average for last 3 years

Current gross profit margin exceeds the average of the last 3 years gross profit margin by this amount, indicating supplier pricing power

Profitability Momentum

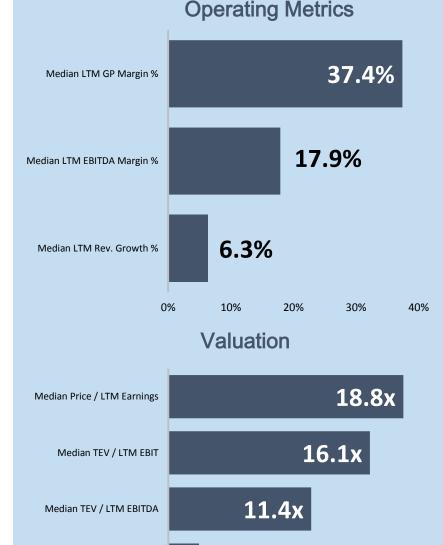
-1.1%

1 - year EBITDA % compared to EBITDA % average for last 3 years

Current EBITDA margin is less than the average of the last 3 years EBITDA margins, which may signal further consolidation

PUBLIC BASKET CONSTITUENTS

NasdaqGS:SYKE	NYSE:SNX
NYSE:WNS	NYSE:G
NasdaqGS:SYNT	NasdaqGS:PAYX
NYSE:MMS	NYSE:FDC
NYSE:DST	NasdaqGS:ADP



2.4x

5x

10x

0x

Median TEV / LTM Revenue

7 MILE

20x

15x

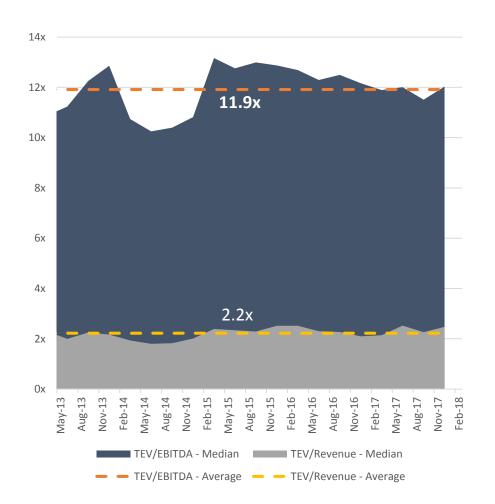
PUBLIC BASKET VALUATION TRENDS

Company	TEV \$m	LTM Rev \$m	Rev Growth YoY	GP %	EBITDA %	TEV / Rev X	TEV / EBITDA X	# FTEs	Rev / FTE \$k
Sykes Enterprises, Incorporated	1,169	1,556	10%	37%	11%	0.8	6.7	55,525	28
WNS (Holdings) Limited	2,000	715	22%	33%	13%	2.8	21.8	33,968	21
Syntel, Inc.	2,073	922	-6%	38%	27%	2.2	8.4	23,011	40
MAXIMUS, Inc.	4,083	2,467	1%	25%	15%	1.7	10.9	20,400	121
DST Systems, Inc.	5,469	2,218	42%	21%	20%	2.5	10.8	-	NA
SYNNEX Corporation	6,010	17,046	21%	9%	4%	0.4	8.9	107,400	159
Genpact Limited	6,563	2,737	6%	38%	15%	2.4	15.7	78,000	35
Paychex, Inc.	23,009	3,238	6%	71%	44%	7.1	16.3	13,700	236
First Data Corporation	35,399	8,129	4%	62%	34%	4.4	11.9	22,000	370
Automatic Data Processing, Inc.	49,792	12,790	6%	43%	21%	3.9	18.3	58,000	221
Average	13,557	5,182	11%	38%	20%	2.8	13.0	41,200	137
Median	5,740	2,602	6%	37%	18%	2.4	11.4	28,490	121

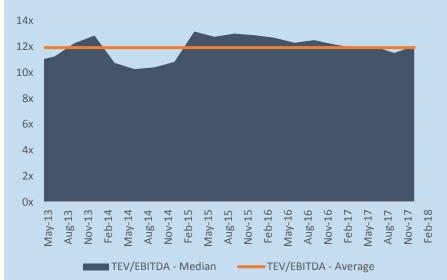
share price as of 14Feb18



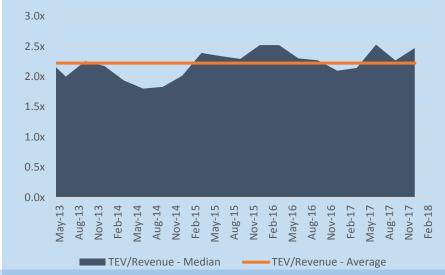
PUBLIC BASKET VALUATION TRENDS



Public EBITDA Multiples Over Time

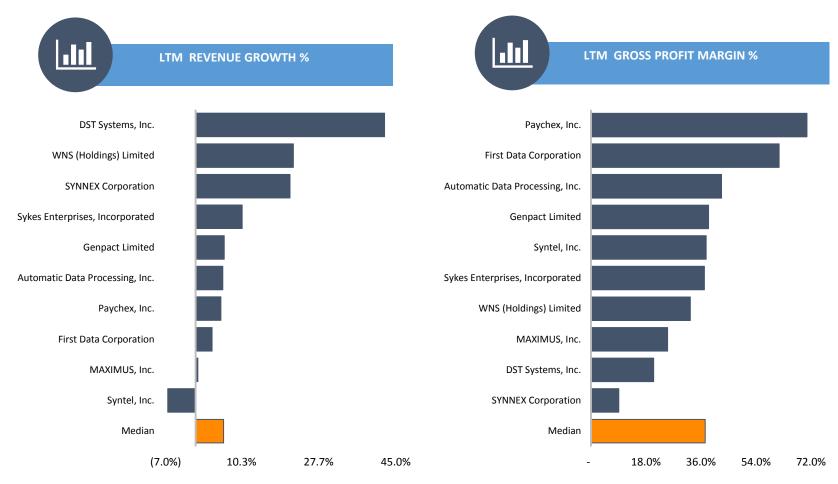


Public Revenue Multiples Over Time



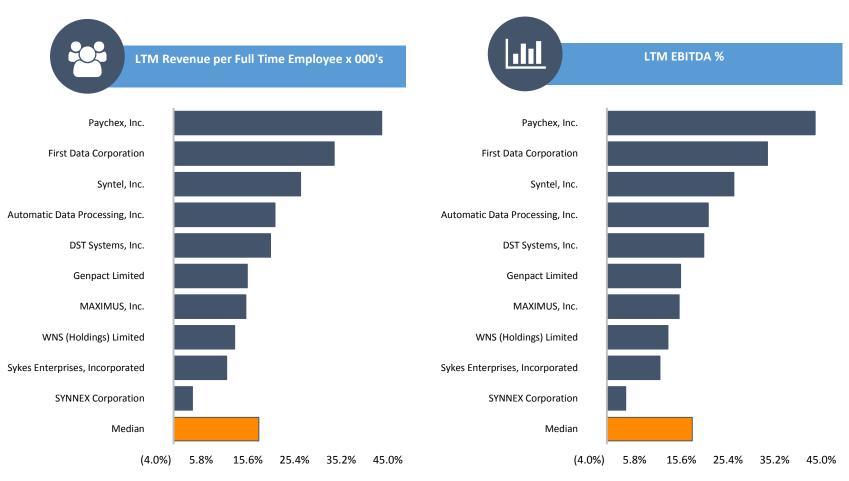


OPERATIONAL METRICS



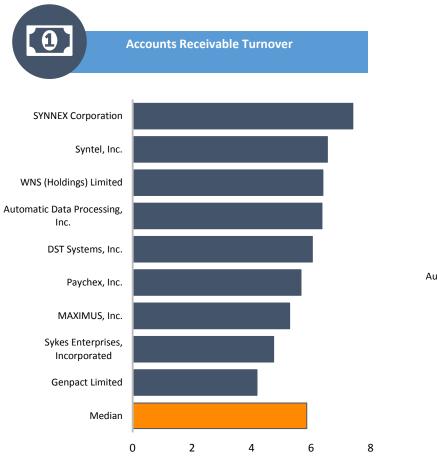


OPERATIONAL METRICS



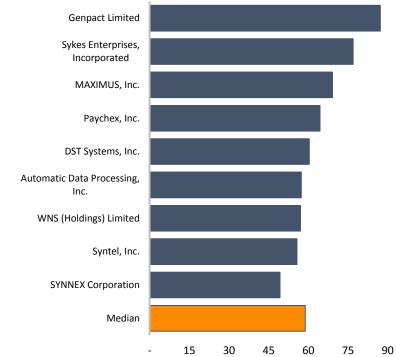


OPERATIONAL METRICS



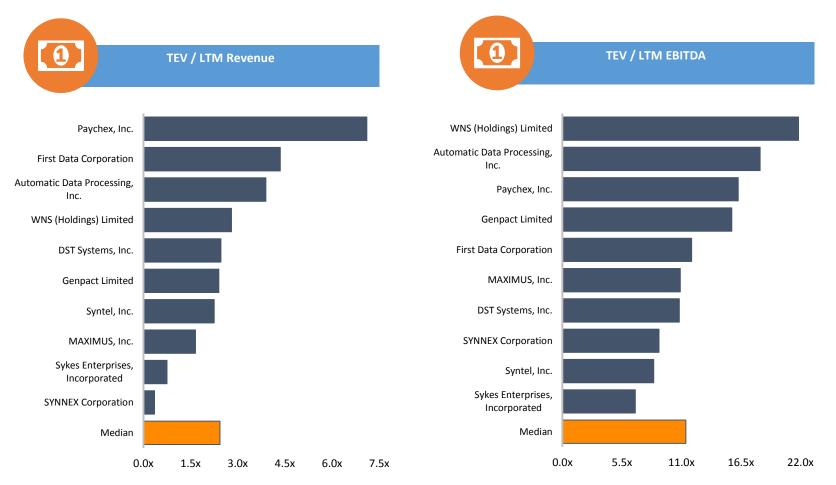


Average Days Sales Outstanding



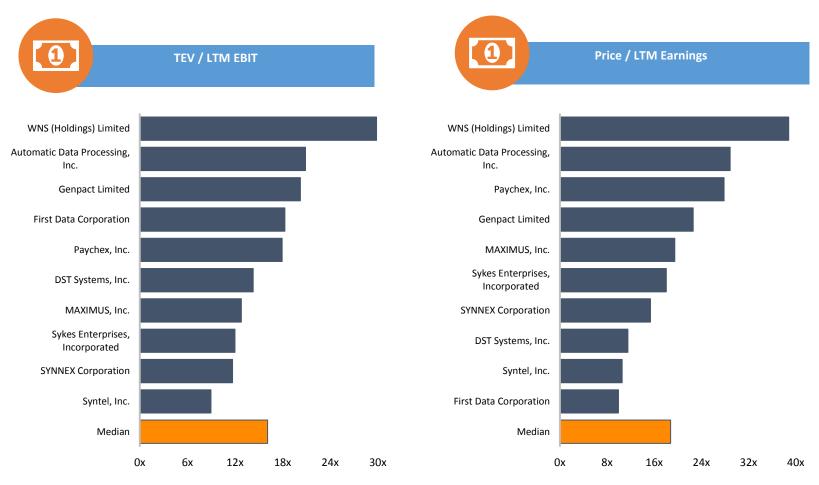


VALUATION



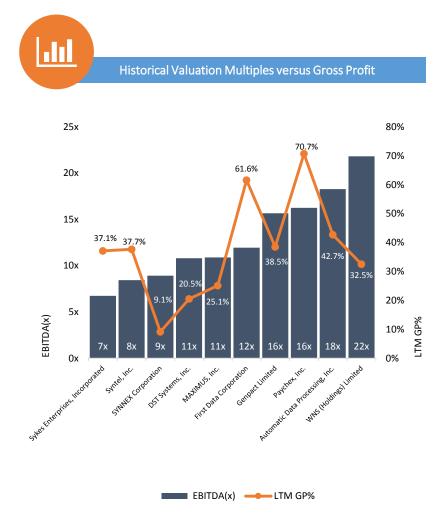


VALUATION



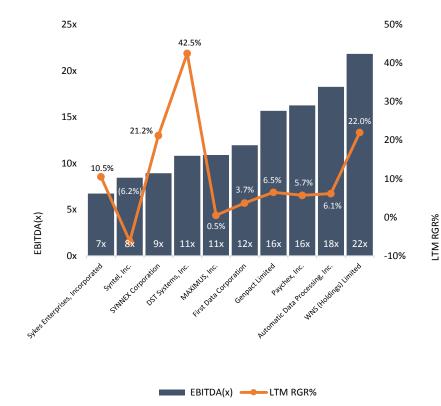


VALUATION



Historica

Historical Valuation Multiples versus Revenue Growth Rate



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RECENT TRANSACTIONS

Date	Target	Buyer	Total Transaction Value	Target Revenue	TEV / Revenue	TEV / EBITDA
7Feb18	Fiserv Solutions, LLC	Warburg Pincus LLC	395.00	-		-
2Feb18	FSK L&S Co., Ltd.	SK Telecom Co., Ltd.	16.56	-	-	-
26Jan18	DM (3000) Engineering Ltd.	AFCON Holdings Ltd.	11.94	-	-	-
17Jan18	Paymark Limited	Ingenico Group - GCS	138.45	53.75	2.2x	5.1x
20Dec17	Computer Age Management Services Pvt. Ltd.	Great Terrain Investment Limited	32.74	74.75	7.0x	-
30Oct17	Xavient Information Systems Inc. (nka:Xavient Digital)	TELUS International, Inc.	130.00	-	-	-
20Oct17	BluePay, Inc.	First Data Corporation	760.00	-	-	-
110ct17	NeoSystems Corp.	Novume Solutions, Inc.	22.20	-	-	-
9Aug17	Symphony Ventures Limited	Livingbridge	4.55	-	-	-
4Aug17	Automatic Data Processing, Inc.	Pershing Square Capital Management, L.P.	-	######################################	-	-
5Jun17	Westcon Group, Inc.	SYNNEX Corporation	830.00	4,532.08	0.2x	15.8x
3Apr17	Connextions, Inc.	TeleTech Healthcare Solutions, Inc.	80.00	-	-	-
12Dec16	Lionbridge Technologies, Inc.	H.I.G. Capital, LLC	459.13	556.65	0.8x	11.2x
1Sep16	Emric AB	Tieto Oyj	_	21.62	-	-
22Aug16	RedCore Pty Ltd.	Accenture plc	-	-	-	-
28Jul16	Idea Couture, Inc.	Cognizant Technology Solutions Corporation	-	-	-	-
28Jul16	A Cunning Plan, SL	Accenture plc	-	4.55	-	-
18Jul16	MobGen Holding B.V.	Accenture plc	-	-	-	-
11Jul16	Aditya Birla Minacs Worldwide Ltd.	Concentrix Corporation	420.00	-	-	-
22Apr16	ReD Associates U.S., Inc.	Cognizant Technology Solutions Corporation	-	-	-	-
20Apr16	INTERSHOP Communications Aktiengesellschaft	Shareholder Value Management AG	-	45.35	-	-
18Apr16	Duck Creek Technologies, Inc.	Apax Partners LLP	_	-	-	-
14Apr16	Copier Source, Inc.	Visual Edge Technology, Inc.	-	-	-	-
7Apr16	CSU Cardsystem S.A.	SulAmérica Investimentos DTVM S.A.; Sul America Expertise FIA; Sul América Expertise Equities Long Only Fund, LLC	-	130.42	-	-
6Apr16	BHS Hire, LLC	Hire Velocity, LLC	-	-	-	-
4Apr16	MphasiS Limited	The Blackstone Group L.P.	0.01	912.44	1.1x	6.9x
1Apr16	Softbank Technology Corp.	-	-	402.34	-	-
31Mar16	C2C Title Services, LLC	ARMA Acquisition, LLC	-	-	-	-
30Mar16	GRUPA DataContact Sp z o.o.	Armatis-LC	-	-	-	-
25Mar16	ThreePro Group Inc.	Ganesha Holdings Co., Ltd.	-	82.51	-	-



SECTORWATCH: BPO February 2018

Appendix: Public Basket Constituents

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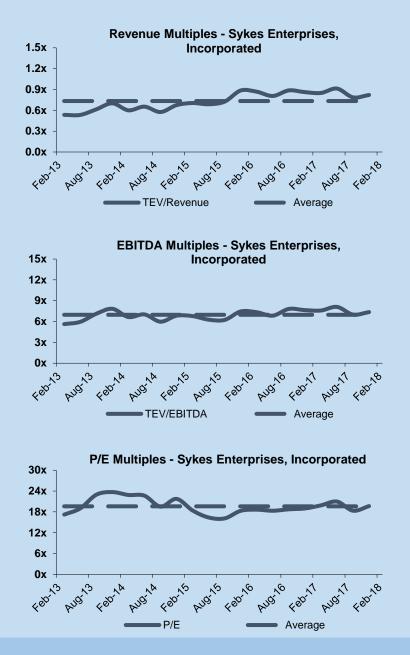
Sykes Enterprises, Incorporated

Sykes Enterprises, Incorporated, together with its subsidiaries, provides business process outsourcing solutions. Its customer care services include product information requests, describing product features, activating customer accounts, resolving complaints, cross-selling/upselling, handling billing inquiries, changing addresses, claims handling, ordering/reservations, pregualification and warranty management, providing health information, and roadside assistance. The company's technical support services comprise handling inquiries regarding hardware, software, communications services, communications equipment, Internet access technology, and Internet portal usage; and customer acquisition services focuses around digital marketing, demand generation, and in-bound sales conversion, as well as inbound and outbound up-selling its clients' products and services. It also provides technical staffing services and outsourced corporate help desk services; and fulfillment services, such as order and payment processing, inventory control, product delivery, and product returns handling. The company offers its services through phone, email, social media, text messaging, chat, and digital self-service support. Sykes Enterprises, Incorporated provides its services to corporations, public businesses. in the medium-sized and institutions communications. financial services. technology/consumer, transportation and leisure, healthcare, and other industries. It operates in the United States, Canada, Latin America, Australia, the Asia Pacific Rim, Europe, and Africa. Sykes Enterprises, Incorporated was founded in 1977 and is headquartered in Tampa, Florida.

Date

Key Development Headline

11/7/17 Sykes Enterprises Seeks Acquisitions





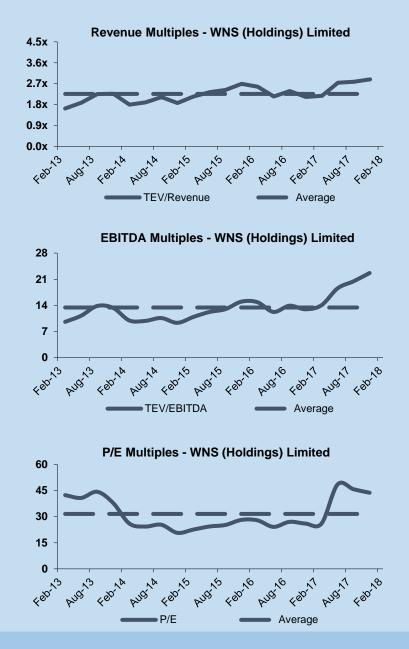
WNS (Holdings) Limited

WNS (Holdings) Limited, a business process management company, provides data, voice, analytical, and business transformation services worldwide. It operates through two segments, WNS Global BPM and WNS Auto Claims BPM. The company offers industry-specific services to clients primarily in the insurance; travel and leisure; diversified businesses, including manufacturing, retail, consumer packaged goods, media and entertainment, and telecommunications; utilities; consulting and professional services; healthcare; banking and financial services; and shipping and logistics industries. It also provides a range of services in the areas of customer interaction, finance and accounting, research and analytics, technology, legal, and human resources outsourcing services across various industries. In addition, the company offers transformation services designed to help its clients to modify their business processes to enhance productivity, and manage changes in the business environment and leverage business knowledge to increase market competitiveness. Further, it provides claims handling and repair management services for automobile repairs through a network of third party repair centers; and a suite of accident management services, such as credit hire and credit repair. WNS (Holdings) Limited was founded in 1996 and is based in Mumbai, India.

Date	Key Development Headline
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10/20/17 WNS (Holdings) Limited Mulls Acquisitions

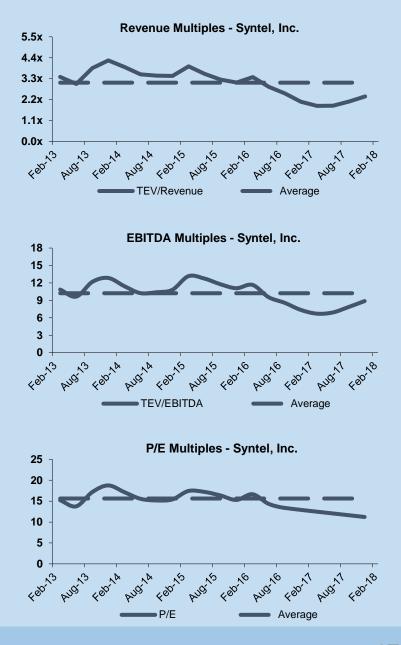
3/14/17 WNS (Holdings) Ltd. (NYSE:WNS) acquired HealthHelp Inc. from MTS Health Investors, LLC, Essex Woodlands Health Ventures and others for \$95 million.





Syntel, Inc.

Syntel, Inc. provides digital transformation, information technology (IT), and knowledge process outsourcing (KPO) services worldwide. The company operates through Banking and Financial Services; Healthcare and Life Sciences; Insurance; Manufacturing; and Retail, Logistics, and Telecom segments. It offers managed services, including software applications development, maintenance, and digital modernization testing, as well as IT infrastructure, cloud, and migration services. The company also provides a range of consulting and implementation services built around enterprise architecture; data warehousing and business intelligence; enterprise application integration; and SMAC technologies, including social media, Web and mobile applications, big data, analytics, and Internet of things. In addition, it offers KPO services that provide outsourced solutions for knowledge and business processes; and business intelligence, enterprise resource planning, and business and technology consulting services. The company offers its products to various companies in the banking and financial services, healthcare and life sciences, insurance, manufacturing, retail, logistics and telecom, and other industries. Syntel, Inc. was founded in 1980 and is headquartered in Troy, Michigan.





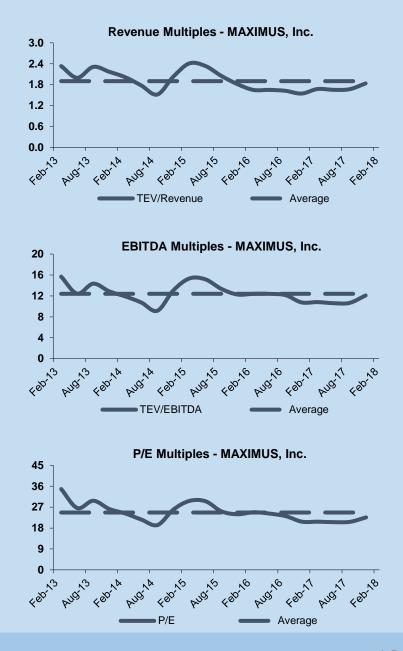
MAXIMUS, Inc.

MAXIMUS, Inc. provides business process services (BPS) to government health and human services programs in the United States. the United Kingdom, Australia, Canada, Singapore, and Saudi Arabia. The company's Health Services segment offers various BPS, appeals, and assessments, as well as related consulting services for state, provincial, and national government programs comprising Medicaid, Children's Health Insurance Program, the Affordable Care Act, Health Insurance British Columbia, the Health Assessment Advisory Service, and Preadmission Screening and Resident Reviews. Its services include health insurance exchange customer contact center operations and support; health insurance program eligibility and enrollment; beneficiary outreach and education; application assistance and independent health plan enrollment counseling; premium payment processing and administration; eHealth solutions; independent disability, long-term sick, and health assessments; occupational health clinical assessments; and specialized program consulting services. MAXIMUS, Inc. was founded in 1975 and is headquartered in Reston, Virginia.

Date

Key Development Headline

5/4/17 MAXIMUS Mulls Acquisitions





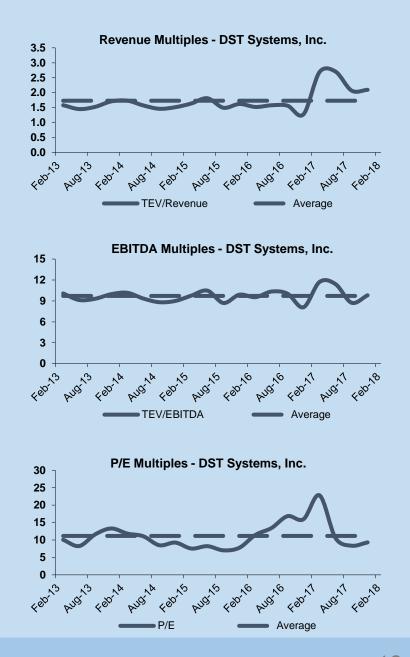
DST Systems, Inc.

DST Systems, Inc. provides technology-based information processing and servicing solutions in the United States, the United Kingdom, Canada, Australia, and internationally. The company's Financial Services segment provides investor, investment, advisor/intermediary, and asset distribution services to companies in the financial services industry. This segment provides customers information processing solutions, such as tracking of purchases, redemptions, and exchanges and transfers of shares; maintaining investor identification and ownership records; reconciling cash and share activity; processing dividends; reporting sales; performing tax and other compliance functions; and providing information for printing of investor trade confirmations, statements, and year-end tax forms. The company's Investments and Other segment invests in equity securities, private equity investments, and other financial interests, as well as owns real estate joint ventures for lease. DST Systems, Inc. was founded in 1968 and is headquartered in Kansas City, Missouri.

Date

Key Development Headline

- 1/11/18 DST Systems, Inc., SS&C Technologies Holdings, Inc. -M&A Call
- 1/10/18 SS&C Technologies Holdings, Inc. (Nasdaq:SSNC) entered into a definitive agreement to acquire DST Systems, Inc. (NYSE:DST) for \$5.1 billion.
- 6/6/17 DST Systems Mulls Acquisitions
- 5/3/17 Paragon Group Limited acquired UK Customer Communications Business from DST Systems, Inc. (NYSE:DST).
- 3/26/17 DST Systems, Inc. (NYSE:DST) entered into a definitive agreement to acquire remaining 50% stake in International Financial Data Services (UK) Ltd. from State Street Corporation (NYSE:STT) for approximately \$180 million.



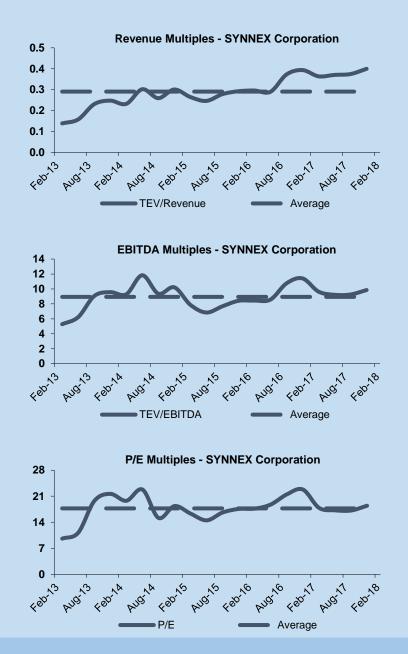
SYNNEX Corporation

SYNNEX Corporation provides business process services in North and South America, the Asia-Pacific, Europe, and internationally. It operates in two segments, Technology Solutions and Concentrix. The Technology Solutions segment distributes peripherals; information technology systems, including data center server and storage solutions; system components; software; networking/communications/security equipment; consumer electronics; and complementary products. It also provides systems design and integration solutions, build-to-order, and configure-to-order assembly capabilities; logistics services that include outsourced fulfillment, virtual distribution, and direct ship to end-users; online services; and financing services comprising net terms, third party leasing, floor plan financing, and letters of credit backed financing and arrangements.. SYNNEX Corporation was founded in 1980 and is headquartered in Fremont, California.

Date

Key Development Headline

- 8/31/17 SYNNEX Corporation (NYSE:SNX) completed the acquisition of Westcon Group, Inc. from Datatec PLC.
- 8/31/17 SYNNEX Corporation (NYSE:SNX) completed the acquisition of 10% of Westcon Emerging Markets Group (Pty) Limited and 10% of Westcon Group European Holdings, Limited from Datatec Limited (JSE:DTC) and Datatec PLC.
- 6/6/17 SYNNEX Corporation, Westcon Group, Inc. M&A Call
- 6/5/17 SYNNEX Corporation (NYSE:SNX) entered into a definitive agreement to acquire 100% stake in North America and Latin America Businesses from Westcon Group, Inc. for approximately \$920 million.



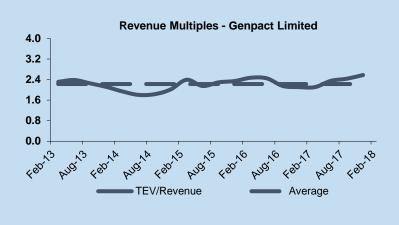


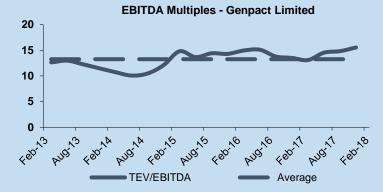
Genpact Limited

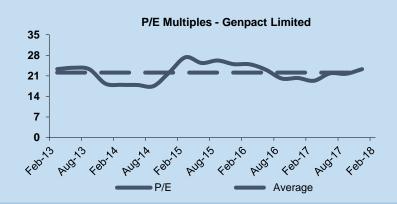
Genpact Limited provides business process outsourcing and information technology (IT) management services worldwide. The company offers finance and accounting services, including accounts payable comprising document management, invoice processing, approval, resolution management, and T&E processing; order to cash services, such as customer master data management, credit and contract management, fulfillment, billing, collections, and dispute management services. Limited was founded in 1997 and is based in Hamilton, Bermuda.

Date	Key Development Headline
11/17/17	Bain Capital And GIC To Sell 10 Million Shares In Genpact
11/8/17	Genpact Limited (NYSE:G) acquired certain assets comprising a portion of IT business of Birlasoft (India) Ltd.
11/8/17	Genpact Limited (NYSE:G) acquired certain assets comprising a portion of Birlasoft's IT business from Birlasoft (U K) Ltd and Birlasoft Inc.

- 9/6/17 Genpact Limited (NYSE:G) acquired Tandemseven Inc.
- 8/2/17 Genpact Limited (NYSE:G) acquired OnSource, LLC from Greybull Stewardship and others.





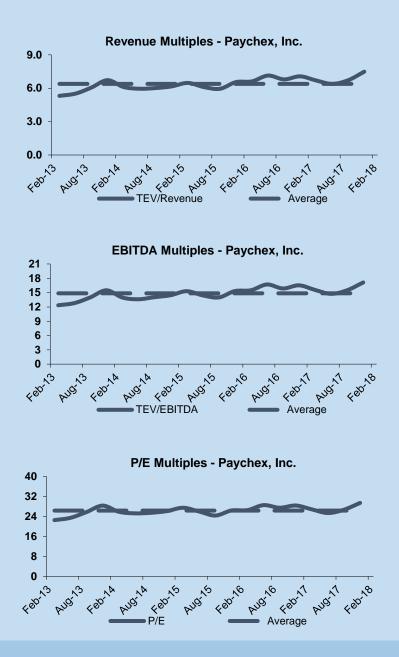




Paychex, Inc.

Paychex, Inc. provides payroll, human resource (HR), retirement, and insurance services for small to medium-sized businesses in the United States and Germany. The company offers payroll processing services that include payroll tax administration services; employee payment services; and regulatory compliance services, such as new-hire reporting and garnishment processing. It also provides HR outsourcing services, such as Paychex HR solutions comprising payroll, employer compliance, HR and employee benefits administration, risk management outsourcing, and the on-site availability of a professionally trained HR representative; and retirement services administration, including plan implementation, ongoing compliance with government regulations, employee and employer reporting, participant and employer online access, electronic funds transfer, and other administrative services. In addition, the company offers insurance services for property and casualty coverage, such as workers' compensation, businessowner policies, commercial auto, and health and benefits coverage, including health, dental, vision, and life; cloud-based HR administration software products for employee benefits management and administration, time and attendance, and recruiting solutions; and other HR services and products, such as employee handbooks, management manuals, and personnel and required regulatory forms. The company was founded in 1979 and is headquartered in Rochester, New York.

Date	Key Development Headline				
8/20/17	Paychex, Inc. (NasdaqGS:PAYX) acquired HR Outsourcing Holdings, Inc.				



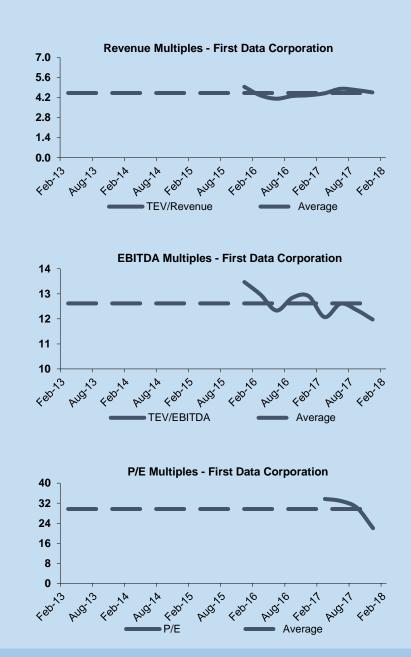


First Data Corporation

First Data Corporation provides electronic commerce solutions for merchants, financial institutions, and card issuers worldwide. It operates through three segments: Global Business Solutions, Global Financial Solutions, and Network & Security Solutions. The Global Business Solutions segment offers retail point-of-sale merchant acquiring and e-commerce services; and mobile payment services and Webstore-in-a-box solutions, as well as its cloud-based Clover point-of-sale operating system, which includes a marketplace for proprietary and third-party business applications. The company was founded in 1989 and is headquartered in Atlanta, Georgia.

Date	Key Development Headline			
11/30/17	First Data Corporation (NYSE:FDC) completed the			
	acquisition of BluePay, Inc. from TA Associates			
	Management, L.P., BluePay management and others.			

- 10/20/17 First Data Corporation, BluePay Holdings, Inc. M&A Call
- 10/19/17 First Data Corporation (NYSE:FDC) entered into a definitive stock purchase agreement to acquire BluePay, Inc. from TA Associates Management, L.P., BluePay management and others for \$760 million.
- 9/26/17 Worldline S.A. (ENXTPA:WLN) completed the acquisition of First Data Lietuva Uab and First Data Latvia Sia and First Data EESTI OU from First Data Corporation (NYSE:FDC).
- 8/9/17 Bidvest Bank Limited acquired First Data Resources South Africa (pty) Ltd from First Data Corporation (NYSE:FDC) and others.



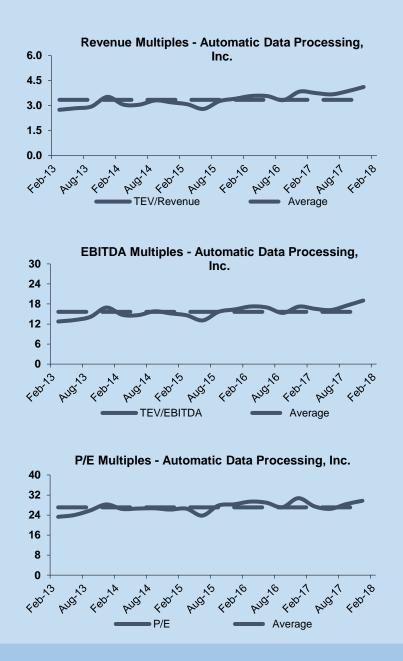


Automatic Data Processing, Inc.

Automatic Data Processing, Inc., together with its subsidiaries, provides business process outsourcing services worldwide. The company operates through two segments, Employer Services and Professional Employer Organization (PEO) Services. The Employer Services segment offers various human resources (HR) business process outsourcing and technology-enabled human capital management solutions to clients. Its offerings include payroll services, benefits administration, talent management, HR management, time and attendance management, insurance services, retirement services, and tax and compliance services. This segment provides a range of solutions, via a software- and service-based delivery model, which businesses of various types and sizes can use to recruit, pay, manage, and retain employees; and serves approximately 570,000 clients via the company's cloud-based strategic software as a service offerings. The PEO Services segment offers HR outsourcing solutions through a coemployment model. The company was founded in 1949 and is headquartered in Roseland, New Jersey.

Date	Key Development Headline					
2/6/18	Financial Engines and ADP Form Strategic Relationship					
1/21/18	Automatic Data Processing, Inc. (NasdaqGS:ADP) acquired WorkMarket from Union Square Ventures, Spark Capital, Foundry Group, Accenture Ventures and other shareholders.					
10/4/17	Automatic Data Processing, Inc. (NasdaqGS:ADP) acquired Global Cash Card Inc.					
9/28/17	KPMG LLP and Automatic Data Processing, Inc. Announce A Joint Service					

8/3/17 Pershing Square Capital Management, L.P. acquired 8% stake in Automatic Data Processing, Inc. (NasdaqGS:ADP).





CONTACT INFORMATION

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