

7 Mile Advisors



Sectorwatch:

Business Process Outsourcing

January 2022



Business Process Outsourcing

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Overview

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.

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

DASHBOARD

- Summary metrics on the sector
- Commentary on market momentum by comparing the most recent 12-month performance against the last 3-year averages.

PUBLIC BASKET PERFORMANCE

- Summary valuation and operating metrics for a basket of comparable public companies.

VALUATION COMPARISON

- Graphical, detailed comparison of valuation multiples for the public basket.

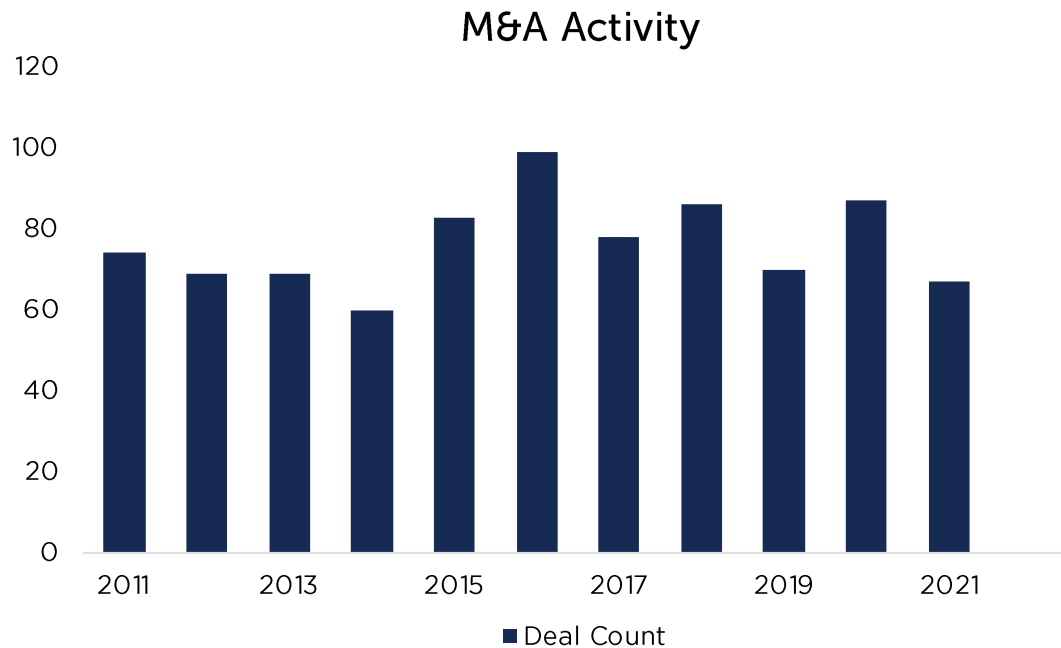
RECENT DEALS

- The most recently announced deals in the sector

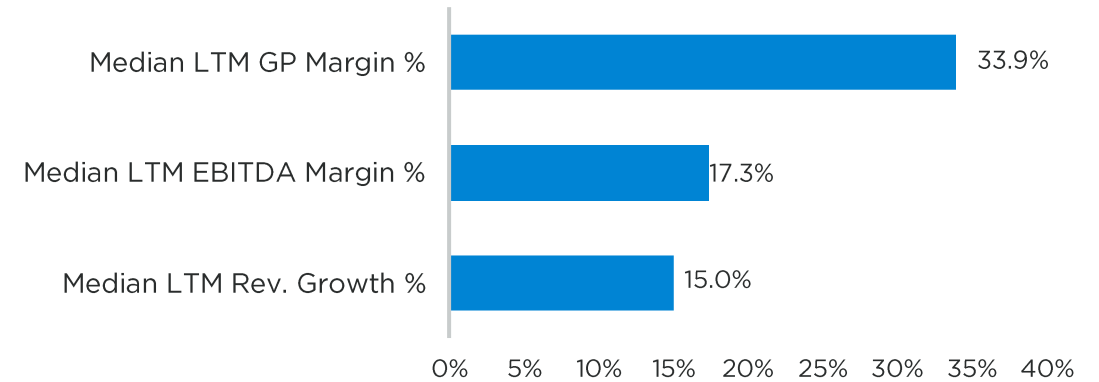
Dashboard

REVENUE GROWTH MOMENTUM ↑ 5.9%

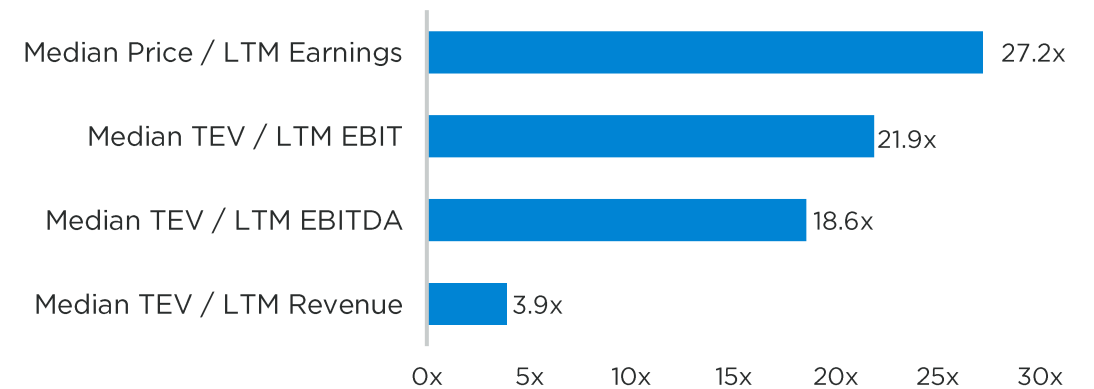
1 - year revenue growth compared to revenue growth average for last 3 years - Current revenue growth rate exceeds the average of the last 3 years by this amount, indicating that market momentum is increasing



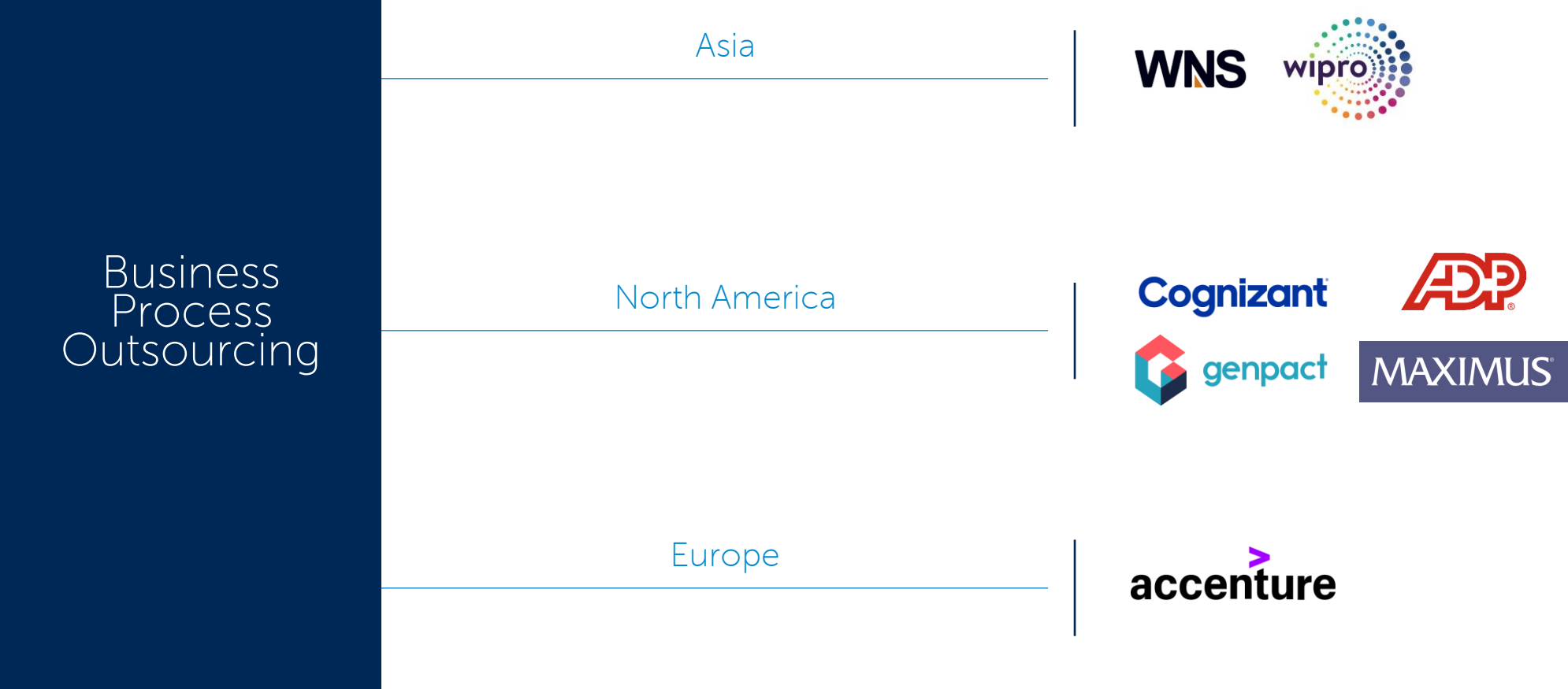
Operating Metrics



Valuation



Public Basket Overview

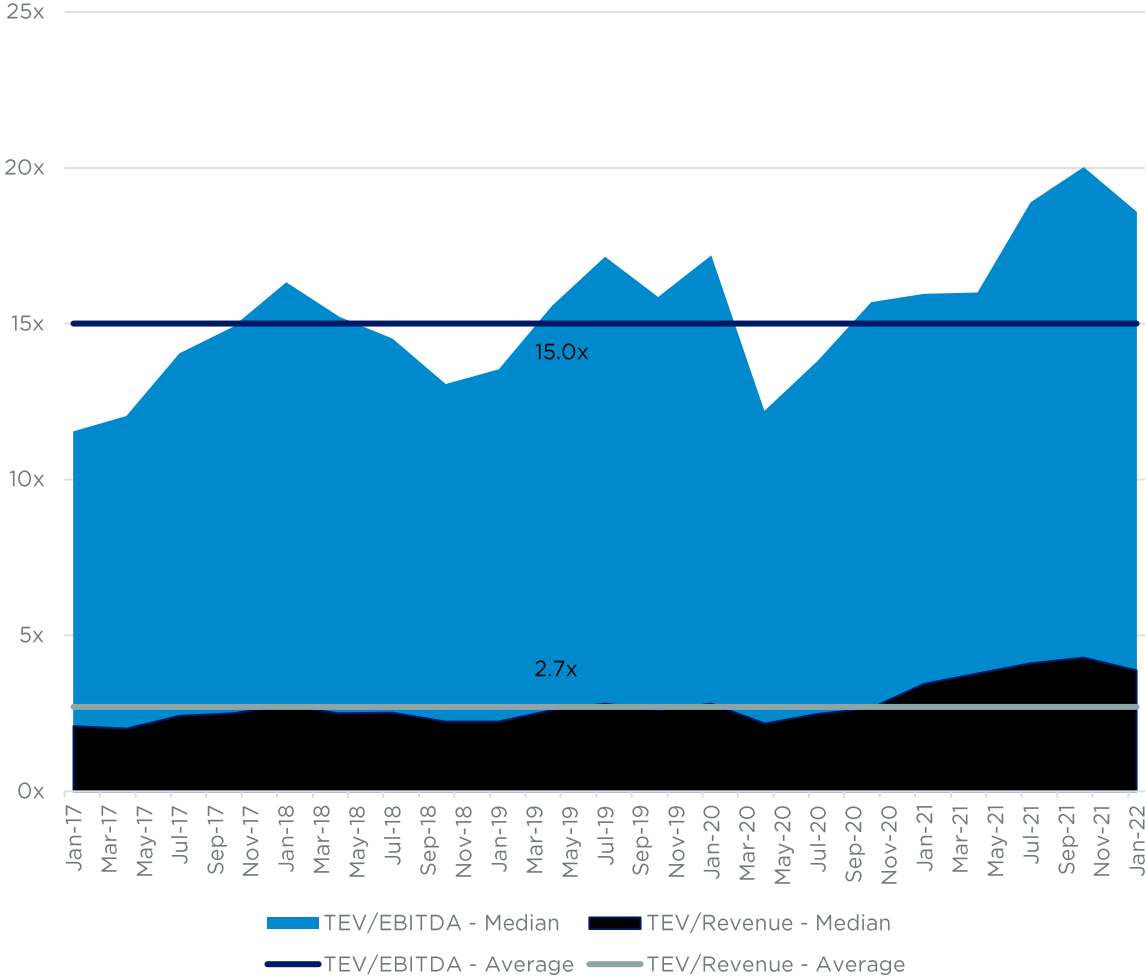


Public Basket

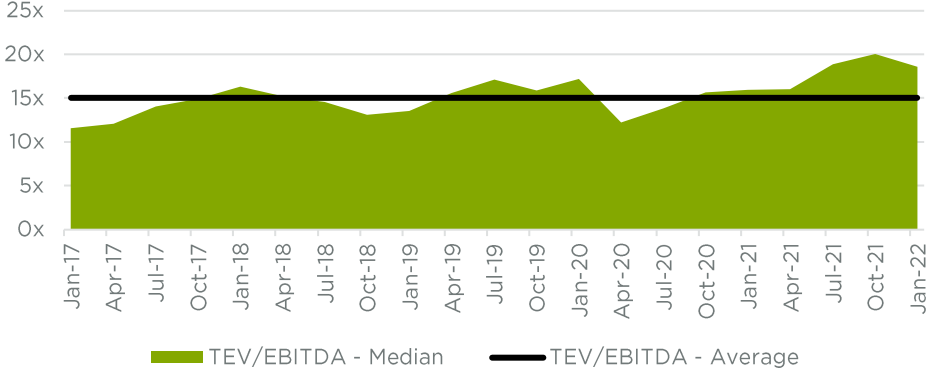
Company	TEV \$m	LTM EBITDA \$m	LTM Rev \$m	Rev Growth YoY	GP %	EBITDA %	TEV / Rev X	TEV / EBITDA X	# FTEs	Rev / FTE \$k
WNS Global Services	4,086	175	1,055	15.0%	33.9%	16.6%	3.9x	23.3x	49,511	21
Maximus	6,336	489	4,254	22.9%	22.3%	11.5%	1.5x	13.0x	35,800	119
Genpact	10,467	689	3,901	5.4%	35.9%	17.7%	2.7x	15.2x	105,400	37
Wipro	41,797	2,250	10,073	21.3%	30.5%	22.3%	4.1x	18.6x	220,000	46
Cognizant Technology Solutions	43,523	3,108	17,914	6.9%	37.3%	17.3%	2.4x	14.0x	318,400	56
Automatic Data Processing	93,270	4,036	15,367	5.5%	42.5%	26.3%	6.1x	23.1x	56,000	274
Accenture	210,708	9,064	53,736	20.1%	32.3%	16.9%	3.9x	23.2x	674,000	80
Average	58,598	2,830	15,186	13.9%	33.5%	18.4%	3.5x	18.6x	208,444	90
Median	41,797	2,250	10,073	15.0%	33.9%	17.3%	3.9x	18.6x	105,400	56

share price as of 24Jan22

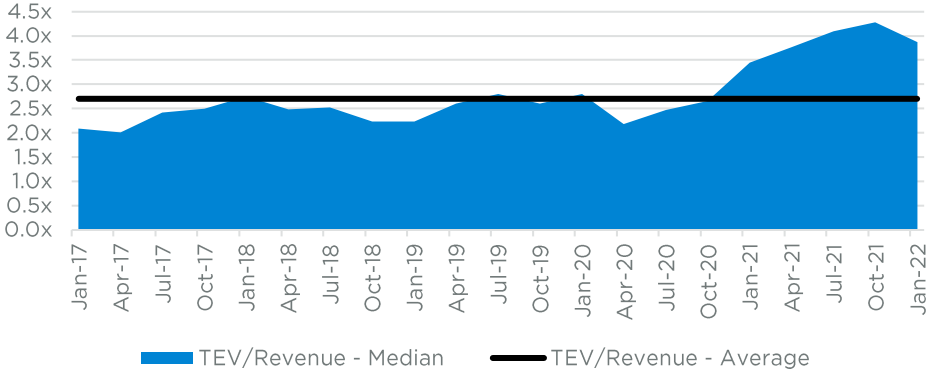
Public Basket



Public EBITDA Multiples over Time

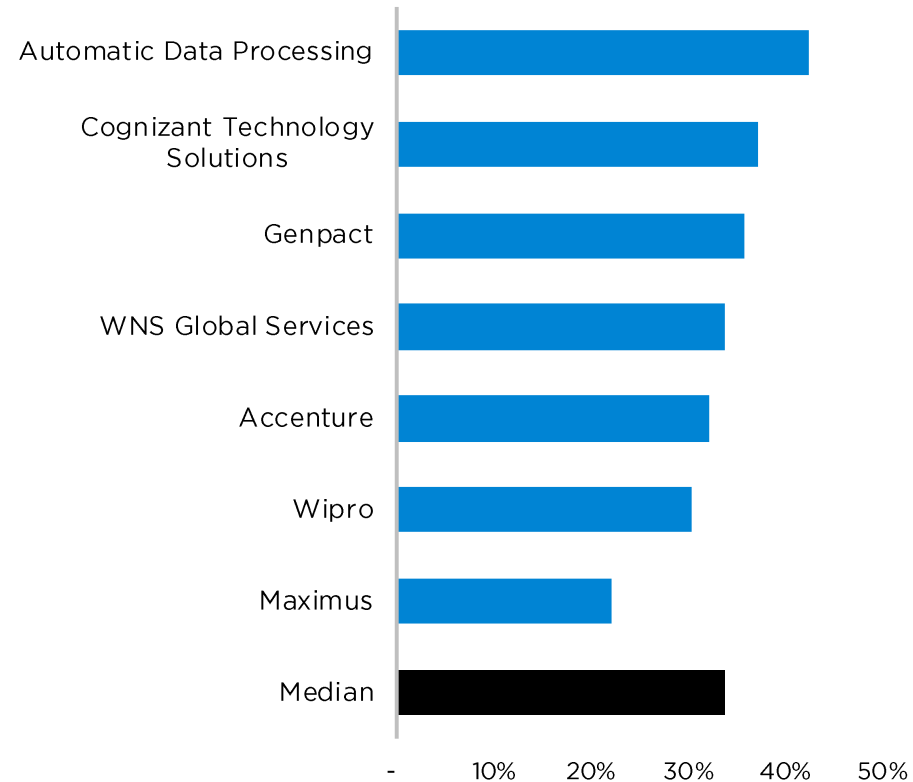


Public Revenue Multiples over Time

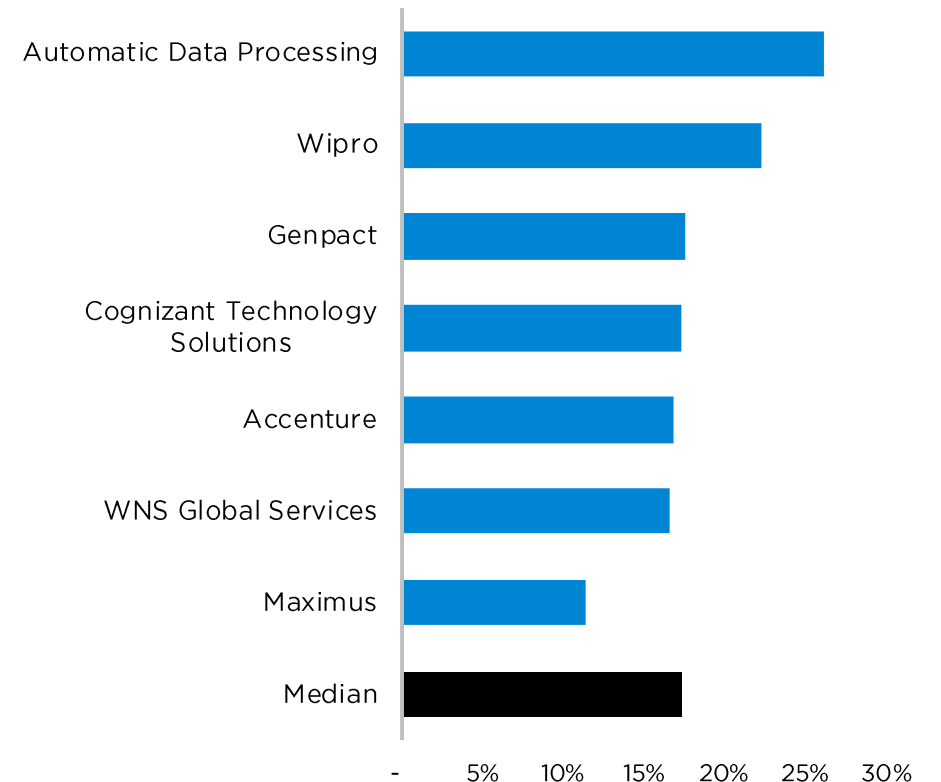


Operational Metrics

LTM Gross Profit Margin %

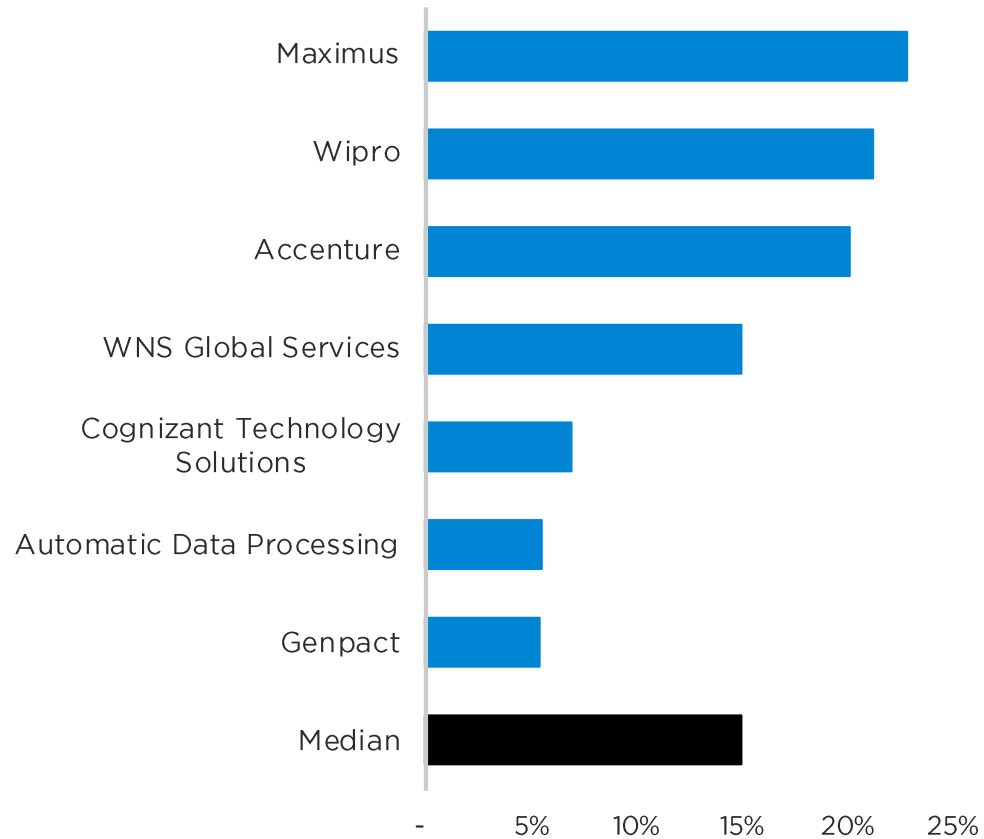


LTM EBITDA %

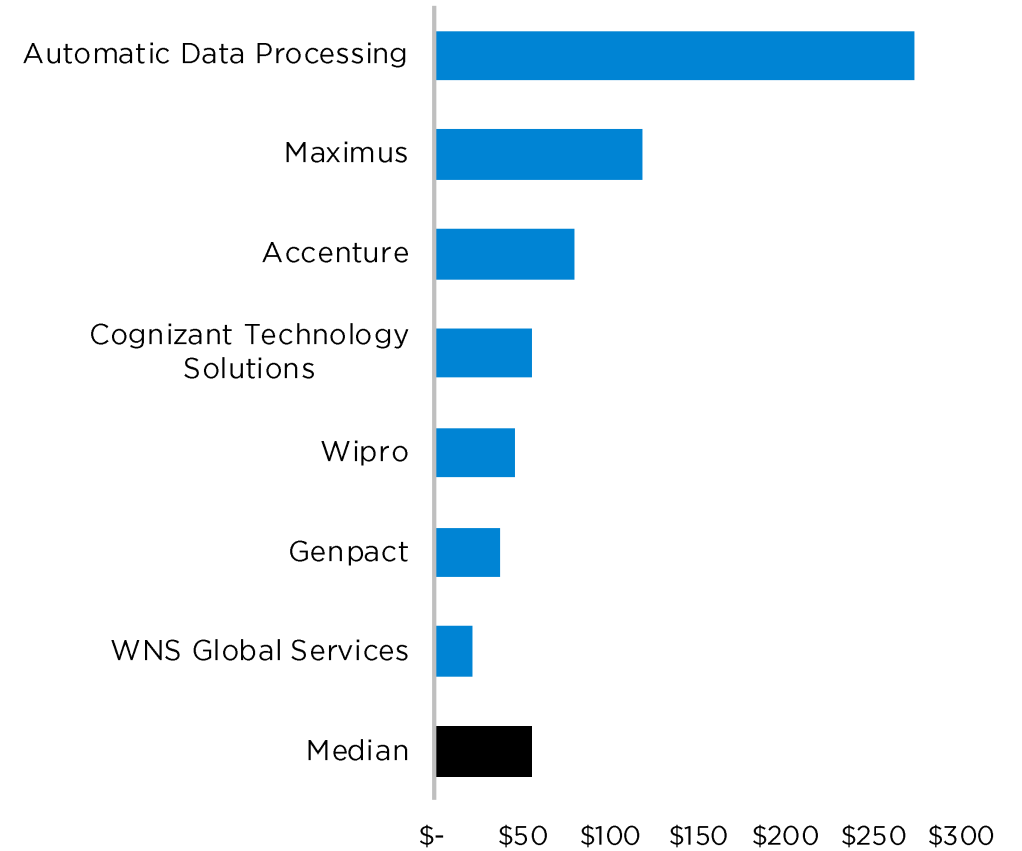


Operational Metrics

LTM Revenue Growth %

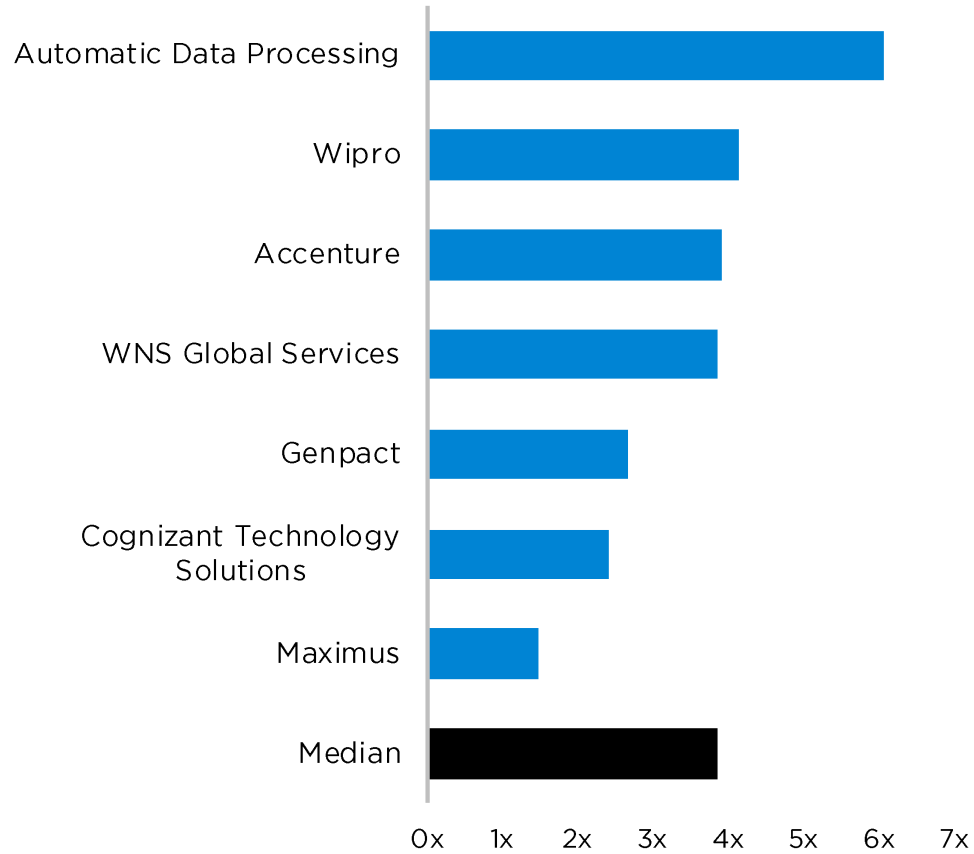


LTM Revenue per Full Time Employee x 000's

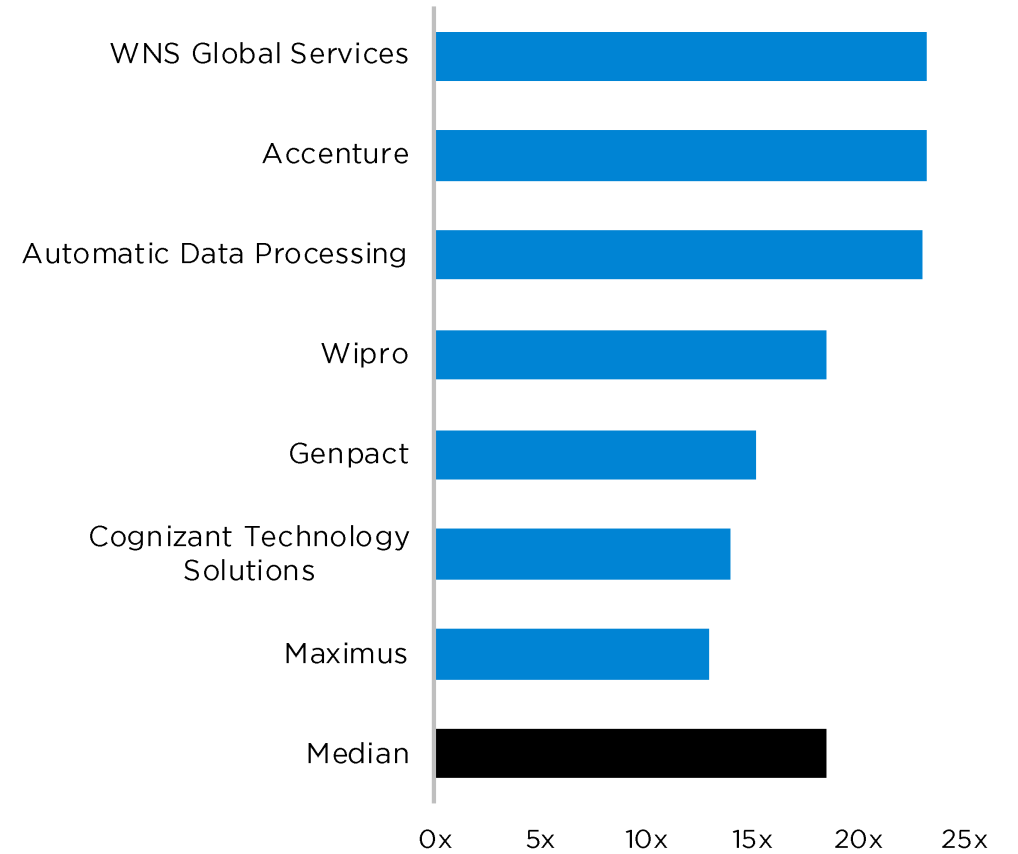


Valuation

TEV / LTM Revenue

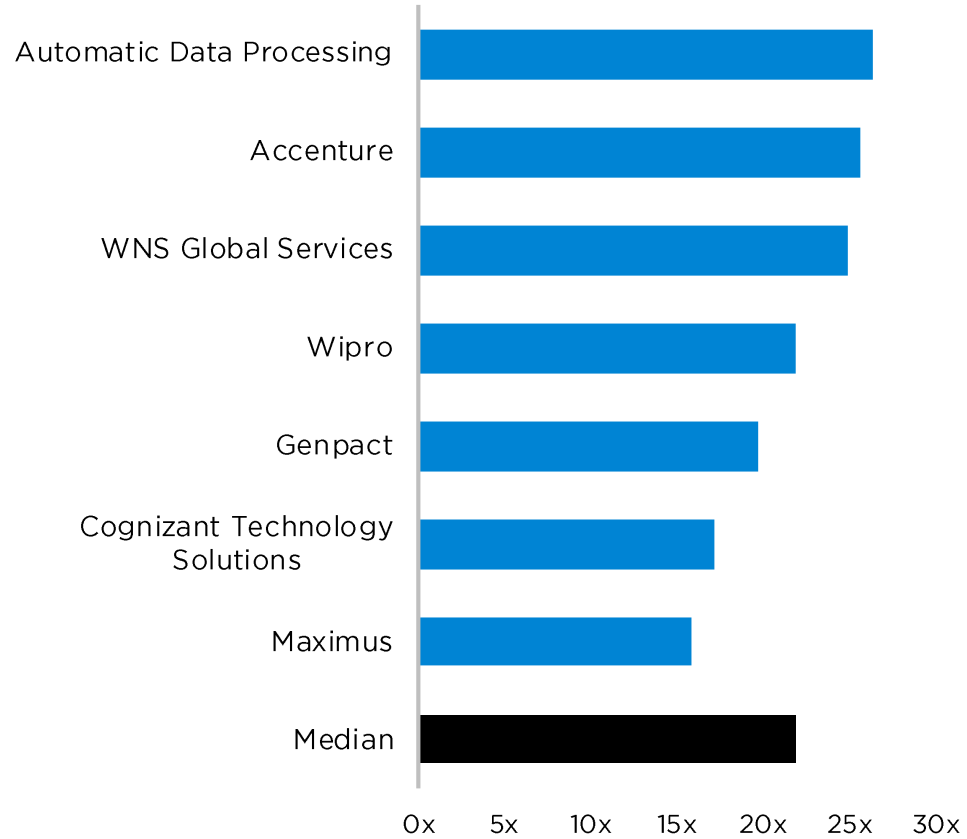


TEV / LTM EBITDA

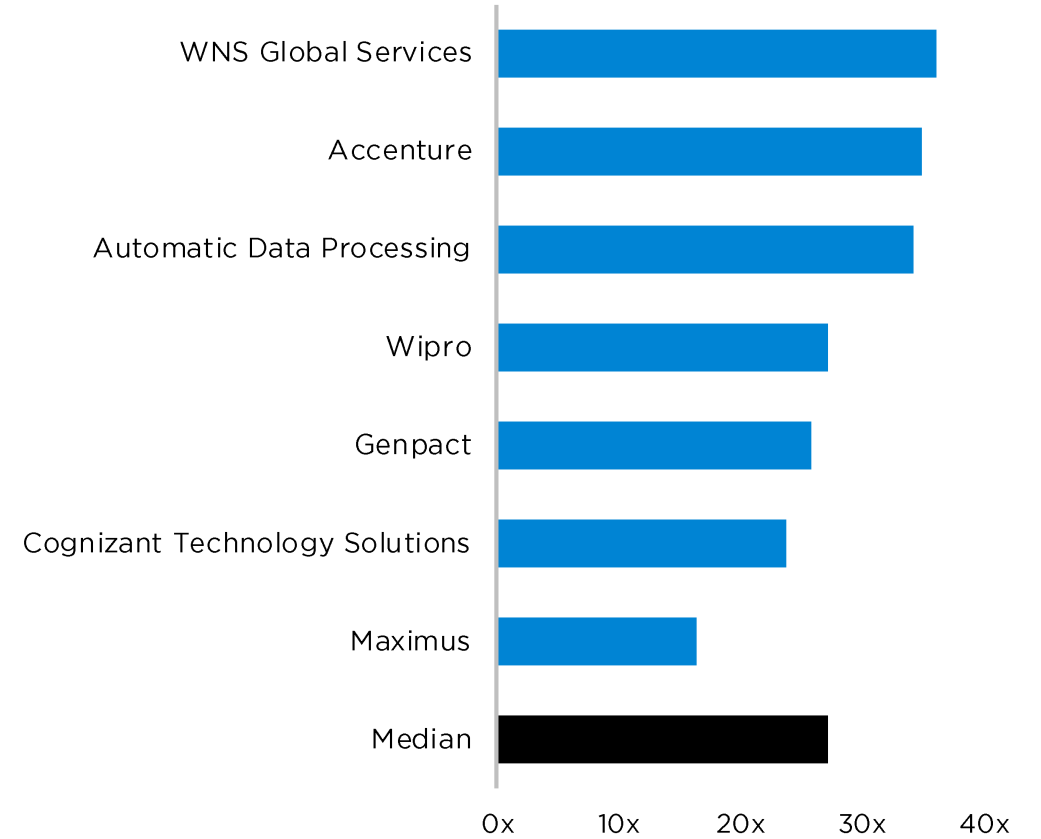


Valuation

TEV / LTM EBIT

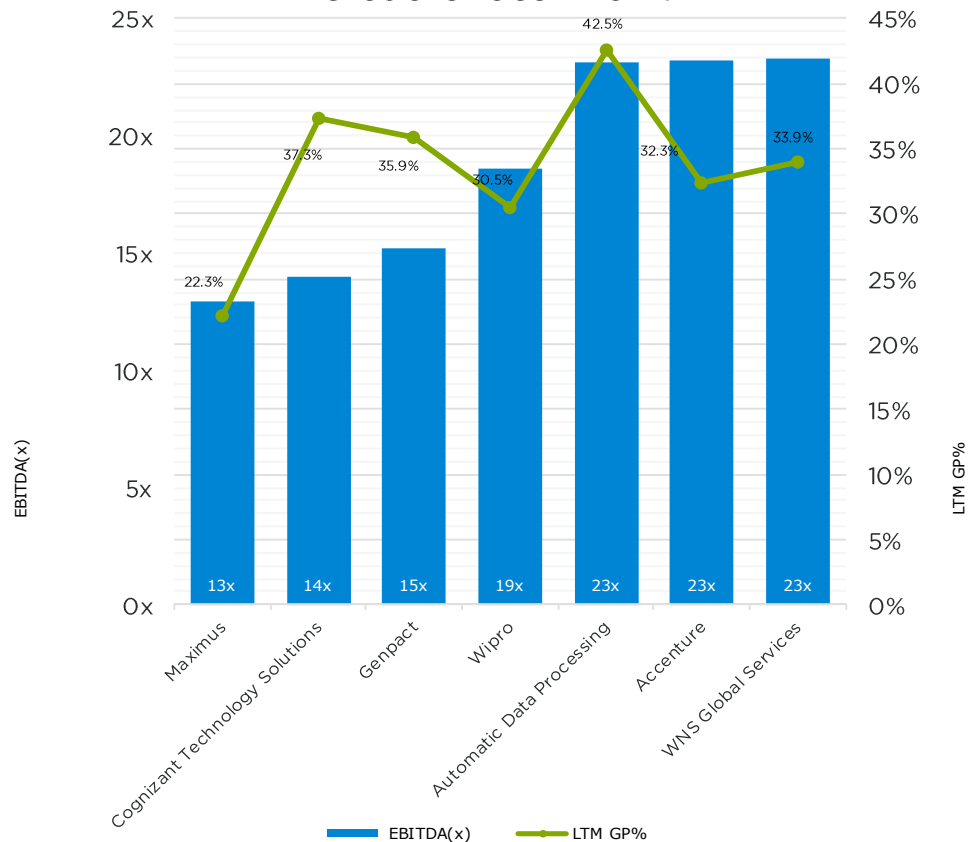


Price / LTM Earnings

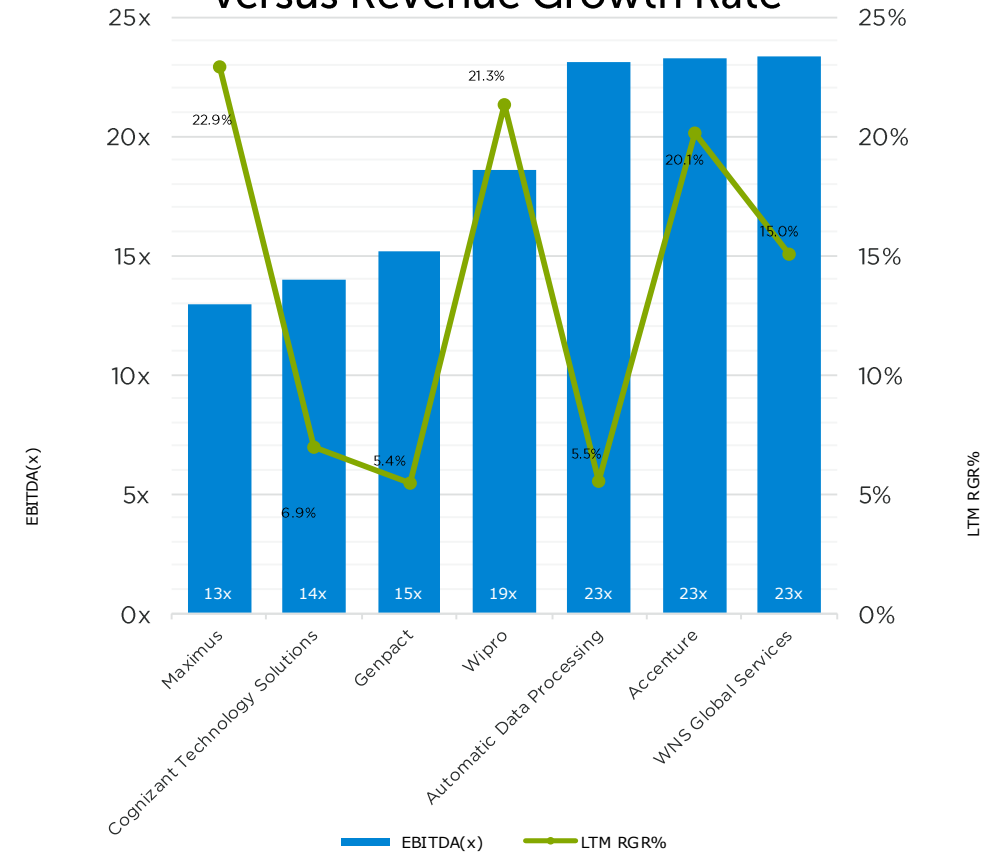


Valuation

Historical Valuation Multiples versus Gross Profit



Historical Valuation Multiples versus Revenue Growth Rate



Recent Transactions

Date	Target	Buyer / Investor	Total Transaction Amount	Target Revenue	TEV / Revenue	TEV / EBITDA
30-Dec-21	Parla!	ABAI Group	-	-	-	-
22-Dec-21	Keating Consulting Group	EisnerAmper	-	-	-	-
21-Dec-21	Xenon Arc	Peak Rock Capital	-	-	-	-
17-Dec-21	Swiss Post Solutions	AS Equity Partners	405.51	-	-	-
10-Dec-21	Corcentric	Millais Limited	50.00	-	-	-
06-Dec-21	VXI Global Solutions	-	-	-	-	-
29-Nov-21	Officium Labs	Arise Virtual Solutions	-	-	-	-
22-Nov-21	Mayen Telekomünikasyon Hizmetleri	Majorel	-	-	-	-
02-Nov-21	EC Infosystems	DFW Capital Partners	-	-	-	-
01-Nov-21	Mercantile Adjustment Bureau	Remitter	-	-	-	-
26-Oct-21	Sapia	Stefanini	-	-	-	-
07-Oct-21	Goodbay Technologies	24-7 Intouch	-	-	-	-
04-Oct-21	ResultsCX	ChrysCapital	400.00	-	-	-
30-Sep-21	Datlas	Kyma Investment Partners	-	-	-	-
26-Sep-21	Seertech Solutions	Quadrant Private Equity	-	-	-	-
15-Sep-21	Silver Management Group	Apex Clearing	-	-	-	-
31-Aug-21	NCB Management Services	Trive Capital	-	-	-	-
27-Aug-21	Sykes Enterprises	Sitel Group	2,200.00	1,789.03	0.00	13.25
24-Aug-21	Persona (Ireland)	Mail Metrics	-	-	-	-
23-Aug-21	Innovative Vision Marketing	Support Services Group Holdings	-	-	-	-
20-Aug-21	Straive	Baring Private Equity Asia	-	-	-	-
10-Aug-21	Mphasis	Blackstone	2,800.00	1,367.75	0.00	13.49
05-Aug-21	WorkCompEDI	BSC Capital Partners	-	-	-	-
27-Jul-21	Emerge BPO	Itel	-	-	-	-
20-Aug-21	Hexaware Technologies	The Carlyle Group	3,000.00	843.12	-	-

Appendix

*Public Basket
Contact Information*



WNS Global Services

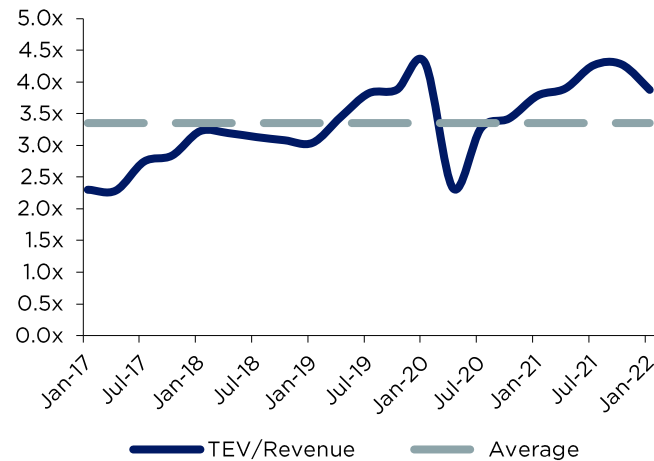
WNS (Holdings) Ltd is a global provider of business process management (BPM) services, offering comprehensive data, voice, analytical and business transformation services with a blended onshore, nearshore and offshore delivery model.

The company has two reportable segments namely WNS Global BPM and WNS Auto Claims BPM. It generates maximum revenue from WNS Global BPM segment. Geographically, it derives a majority of revenue from the US and also has a presence in the UK, Australia, Europe, South Africa and Rest of the world.

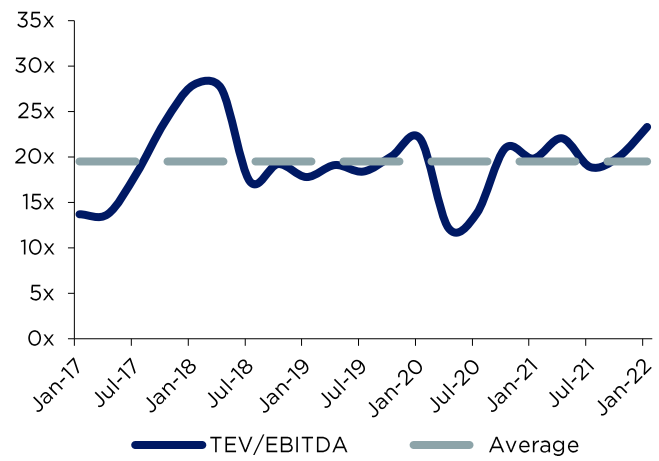
Public Basket

WNS Global Services

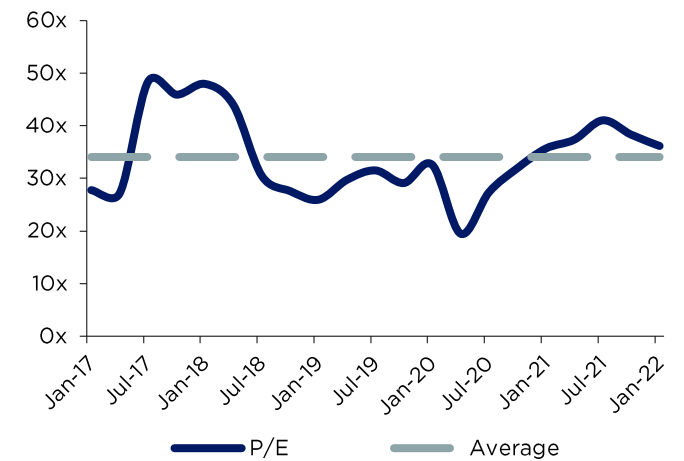
Revenue Multiples - WNS Global Services



EBITDA Multiples - WNS Global Services



P/E Multiples - WNS Global Services



Company Name	Date	Deal Synopsis
HealthHelp	15-Mar-17	The company was acquired by WNS Global Services (NYS: WNS) for \$95 million on March 15, 2017. With the acquisition of HealthHelp, WNS has taken a major step forward in strengthening their end-to-end Healthcare and Insurance BPM offerings.
Denali Sourcing Services	31-Jan-17	The company was acquired by WNS (Holdings) (NYSE: WNS) for \$39.63 million on January 31, 2017. The purchase price includes a contingent consideration of up to \$6.3 million depending on the achievement of revenue targets over a three year period. The acquisition of Denali Sourcing Services adds a strategic procurement capability to the existing Finance and Accounting solutions.

Maximus

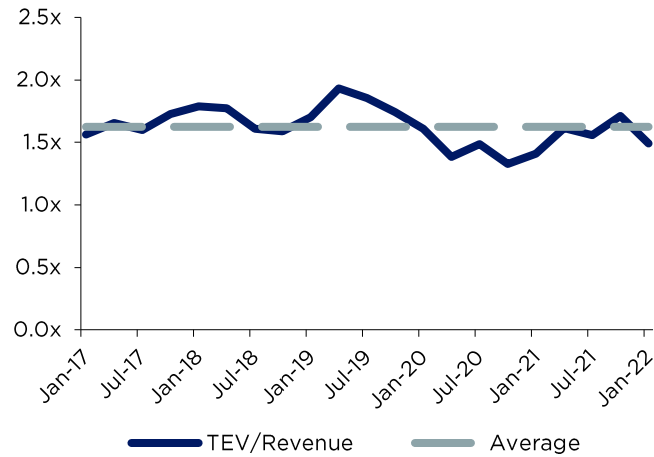
Maximus Inc is an operator of government health and human services programs in the United States, United Kingdom, Canada, Australia, and Saudi Arabia.

The company offers business solutions to improve the cost-effectiveness, efficiency, and quality of government-sponsored benefit programs, such as Medicaid, Medicare, Health Insurance BC, and child support programmes. Most of its revenue is derived from long-term contractual arrangements with governments around the world. The largest segment by revenue, health services, provides customer center operations and support services, health insurance enrollment services, and health plan oversight services.

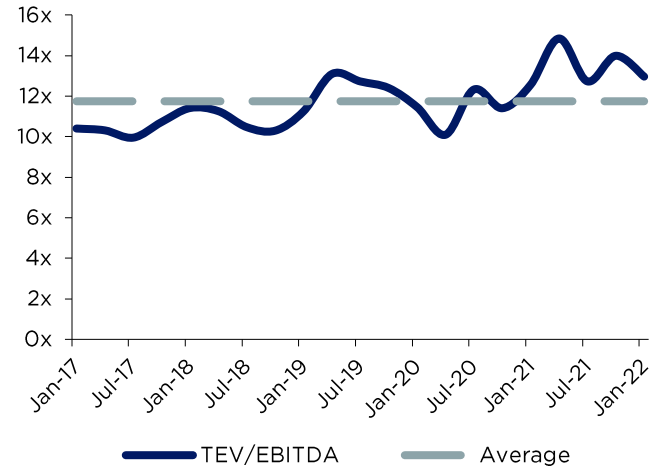
Public Basket

Maximus

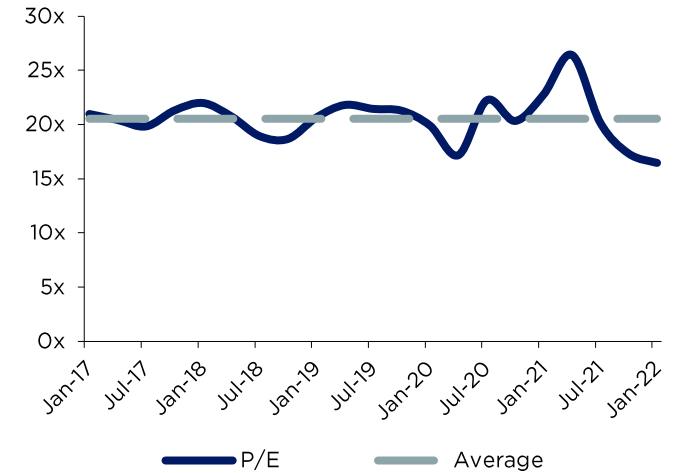
Revenue Multiples - Maximus



EBITDA Multiples - Maximus



P/E Multiples - Maximus



Company Name	Date	Deal Synopsis
Veterans Evaluation Services	01-Jun-21	The company was acquired by Maximus (NYS: MMS) for \$1.4 billion on June 1, 2021. The acquisition gives Maximus access to a robust business tied to the Department of Veterans Affairs that conducts medical disability examinations for veterans.
Attain	01-Mar-21	The company was acquired by Maximus (NYS: MMS) for \$419.09 million on March 1, 2021. The acquisition allows Maximus to expand in the US.

Genpact

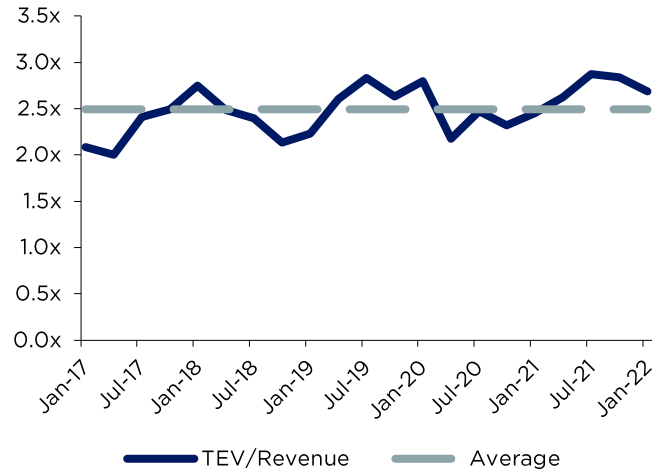
Genpact Ltd is a provider of business process management services.

Clients are industry verticals and operate in banking and financial services, insurance, capital markets, consumer product goods, life sciences, infrastructure, manufacturing and services, healthcare, and high-tech. Genpact's services include aftermarket, direct procurement, risk and compliance, human resources, IT, industrial solutions, collections, finance and accounting, and media services. Genpact's end market by revenue is India. The company is a General Electric spin-off, which is still a large source of revenue for Genpact.

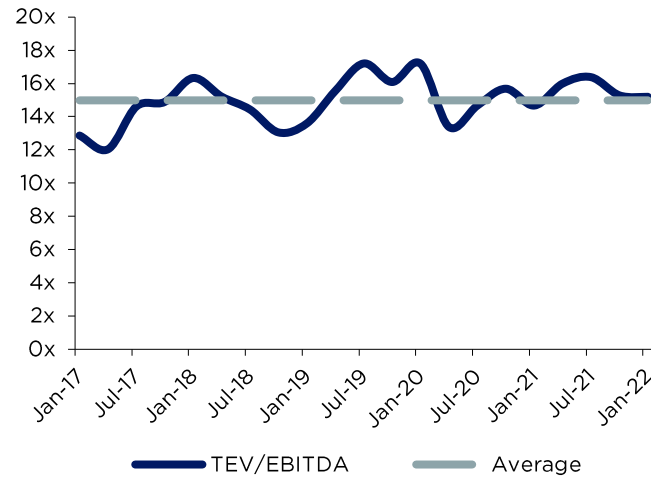
Public Basket

Genpact

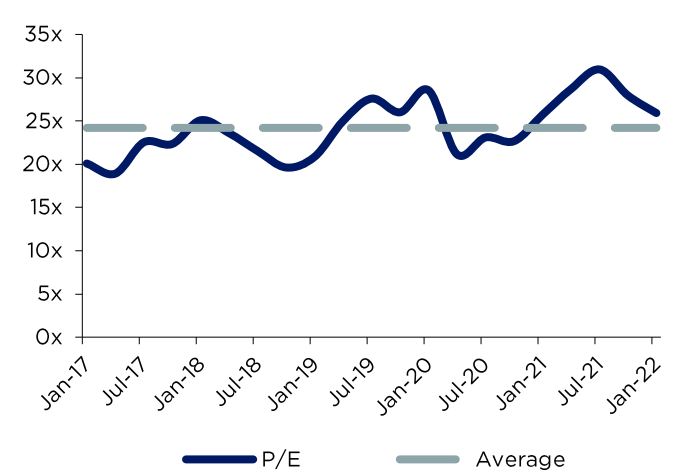
Revenue Multiples - Genpact



EBITDA Multiples - Genpact



P/E Multiples - Genpact



Company Name	Date	Deal Synopsis
Hoodoo Digital	04-Jan-22	The company was acquired by Genpact (NYS: G) for an undisclosed amount on January 4, 2022. The acquisition furthers Genpact's strategy to fuse experience and process innovation to help clients drive end-to-end digital transformation and win in the growing experience economy.
Enquero	31-Dec-20	The company was acquired by Genpact (NYS: G) for \$148.9 million on December 31, 2020. The acquisition will accelerate Genpact's ability to leverage data and cloud technologies to drive digital transformation services through advanced analytics.

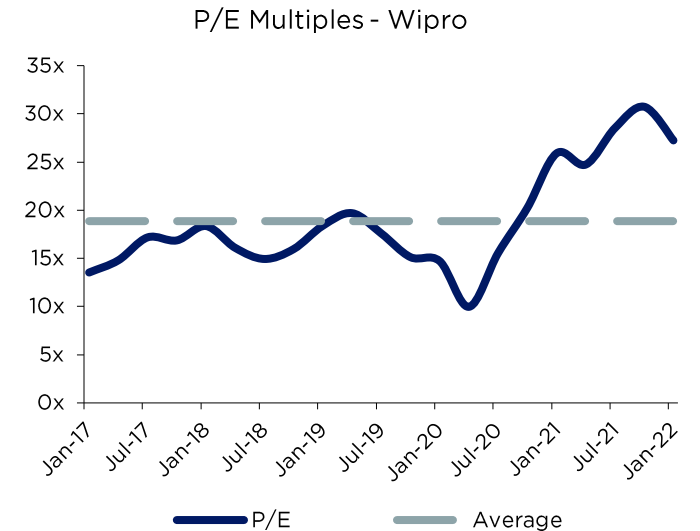
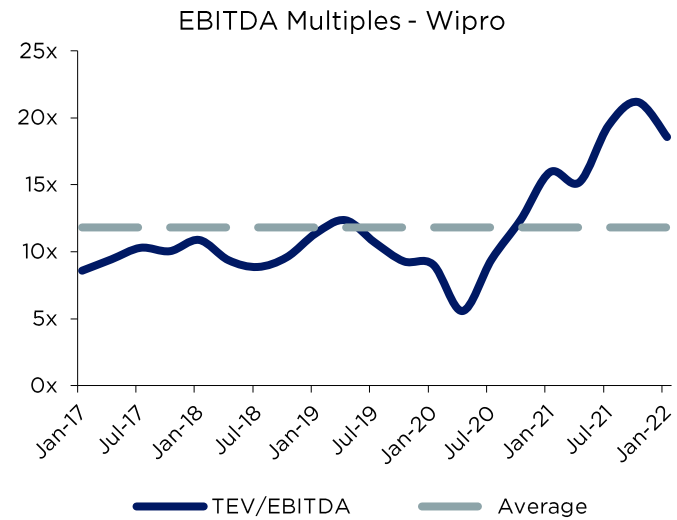
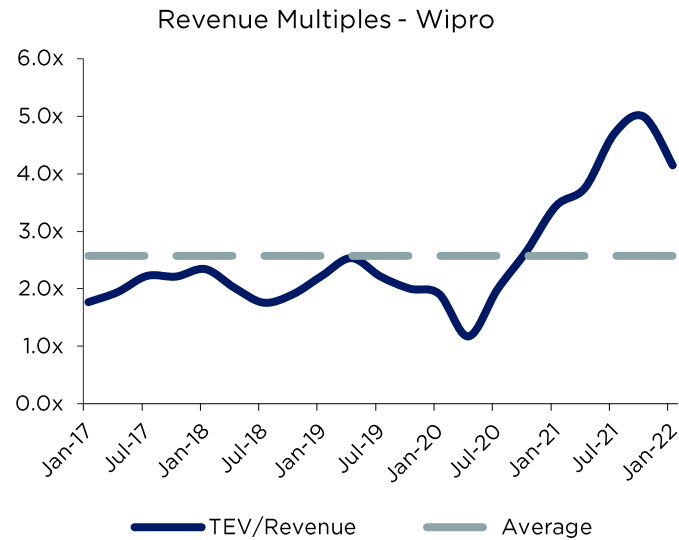
Wipro

Wipro is a leading global IT services provider, with 175,000 employees.

Based in Bengaluru, the Indian IT services firm leverages its offshore outsourcing model to derive over half of its revenue (57%) from North America. The company offers traditional IT services offerings: consulting, managed services, and cloud infrastructure services as well as business process outsourcing as a service.

Public Basket

Wipro



Company Name	Date	Deal Synopsis
Edgile	31-Dec-21	The company was acquired by Wipro (BOM: 507685) for approximately \$230 million on December 31, 2021.
Leanswift Solutions	31-Dec-21	The company was acquired by Wipro (BOM: 507685) for an undisclosed amount on December 31, 2021. The acquisition aligns with Wipro's strategy to invest and expand its cloud transformation business.

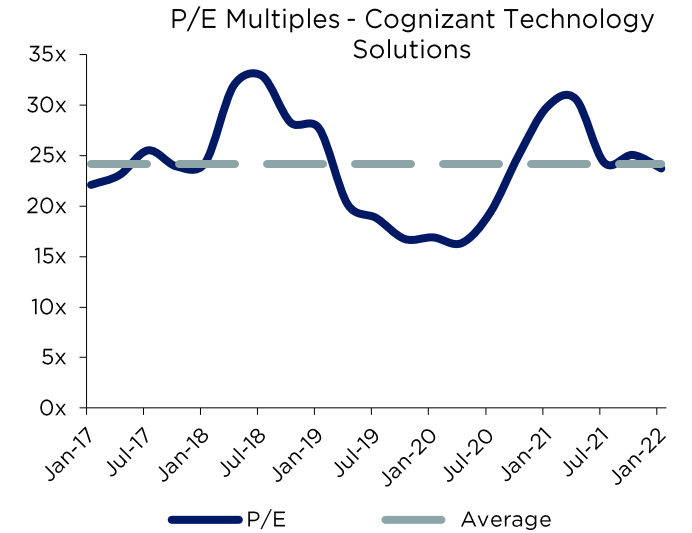
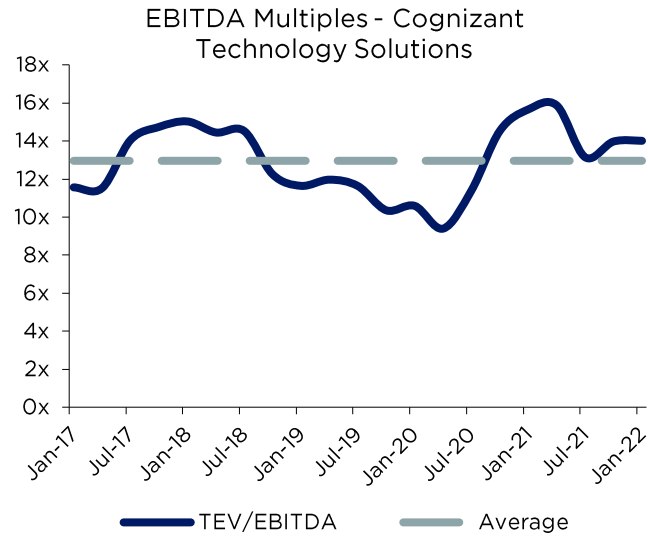
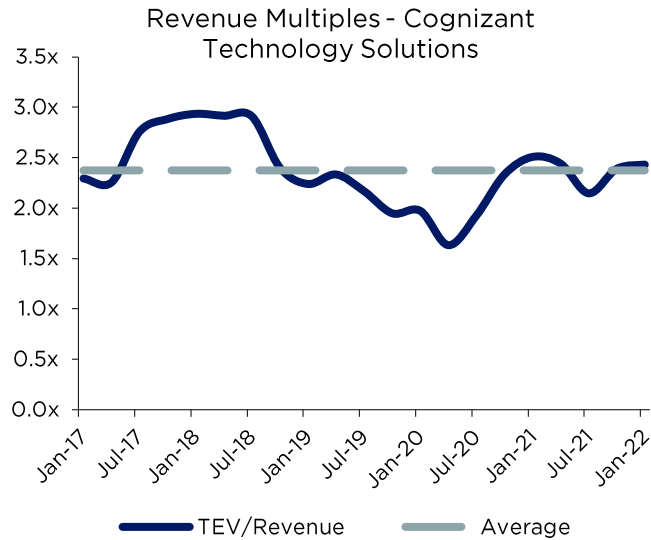
Cognizant Technology Solutions

**Cognizant is a global IT services provider,
offering consulting and outsourcing services to**

Cognizant employs nearly 300,000 people globally, roughly 70% of whom are in India, although the company's headquarters are in Teaneck, New Jersey.

Public Basket

Cognizant Technology Solutions



Company Name	Date	Deal Synopsis
Hunter Technical Resources	17-Aug-21	The company was acquired by Cognizant (Nasdaq: CTSI) for an undisclosed amount on August 17, 2021. The acquisition will enhance cognizant's access to IT talent across areas such as full stack development, data science, and machine learning.
TQS Integration	30-Jul-21	The company was acquired by Cognizant Technology Solutions (NAS: CTSI) for an undisclosed amount on July 30, 2021. The acquisition will expand Cognizant's presence in Ireland, a hub for the world's leading life science manufacturing experts and an ideal location to offer Industry 4.0 consulting and services to European manufacturing clients.

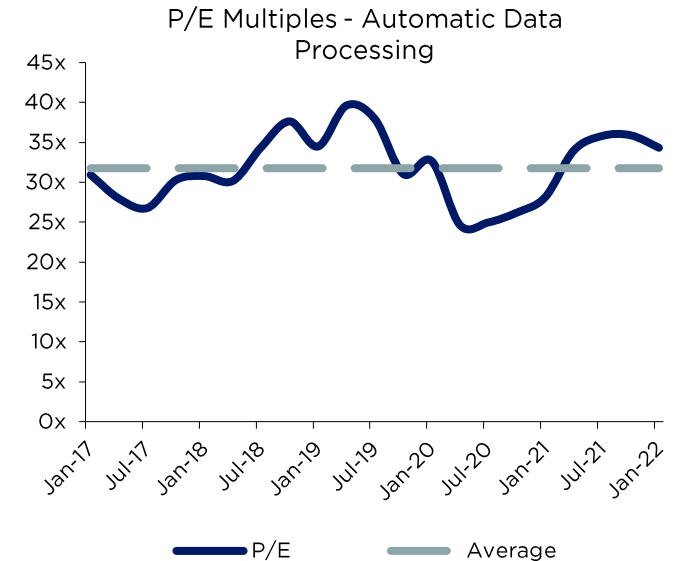
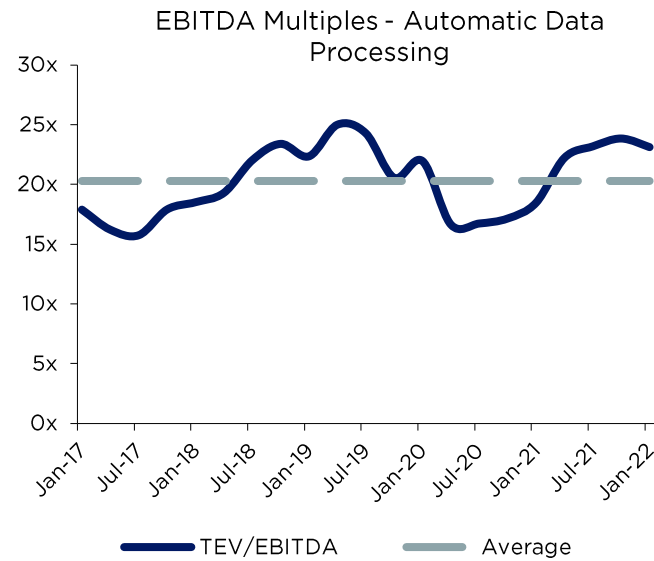
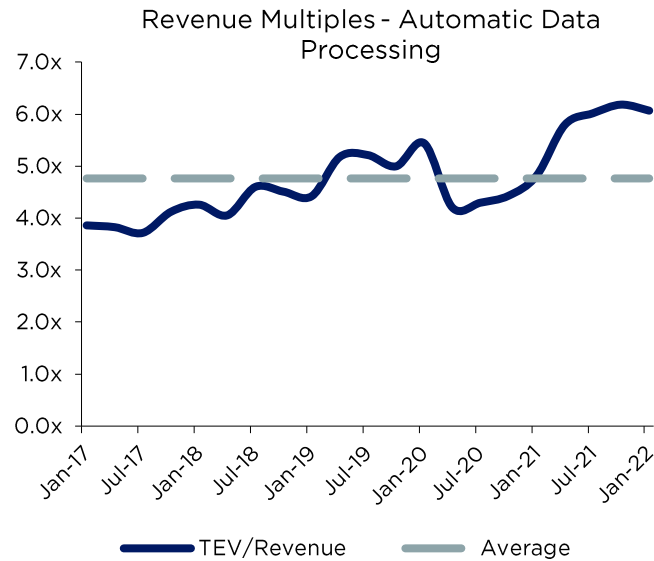
Automatic Data Processing

ADP is a provider of payroll and human capital management solutions servicing the full scope of businesses from micro to global enterprises.

ADP was established in 1949 and serves over 920,000 clients primarily in the United States. ADP's employer services segment offers payroll, HCM solutions, HR outsourcing, insurance and retirement services. The smaller but faster-growing PEO segment provides HR outsourcing solutions to small and midsize businesses through a co-employment model.

Public Basket

Automatic Data Processing



Company Name	Date	Deal Synopsis
BenefitMall Payroll	13-Jun-20	The company, a subsidiary of BenefitMall was acquired by Automatic Data Processing (NAS: ADP) for an undisclosed amount on June 13, 2020.
Celergo	01-Aug-18	The company was acquired by Automatic Data Processing (NASDAQ: ADP) for an undisclosed amount on August 1, 2018. The acquisition will enhance Automatic Data Processing's international payroll offerings with a strong platform and new solutions, including cross-currency and expatriate payment services.

Accenture

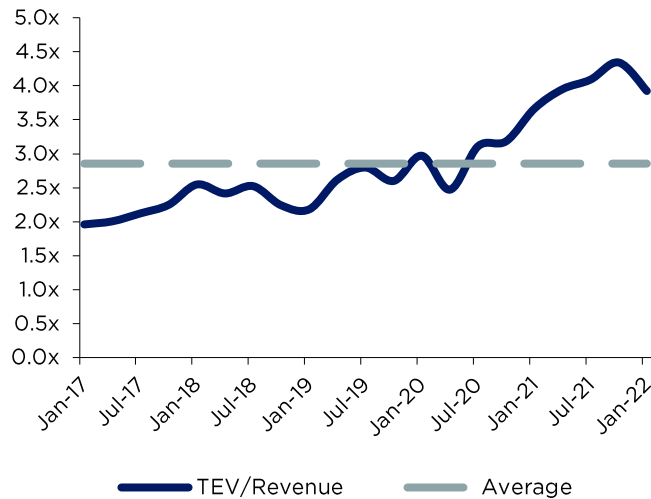
Accenture is a leading global IT-services firm that provides consulting, strategy, and technology and operational services.

These services run the gamut from aiding enterprises with digital transformation to procurement services to software system integration. The company provides its IT offerings to a variety of sectors, including communications, media and technology, financial services, health and public services, consumer products, and resources. Accenture employs just under 500,000 people throughout 200 cities in 51 countries.

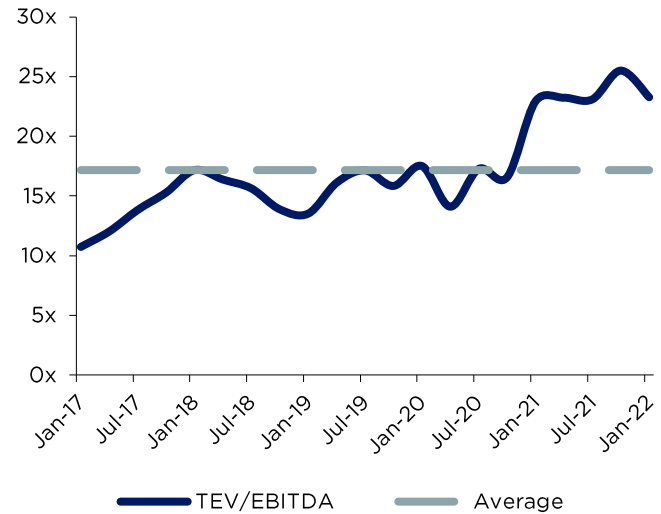
Public Basket

Accenture

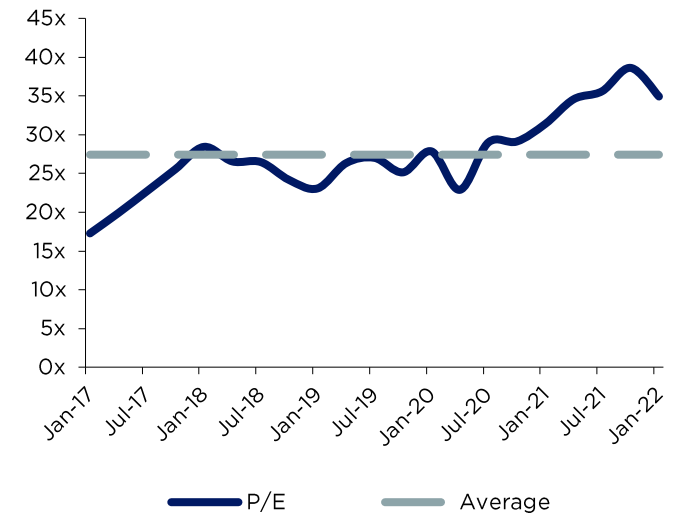
Revenue Multiples - Accenture



EBITDA Multiples - Accenture



P/E Multiples - Accenture



Company Name

Date

Deal Synopsis

tambourine (Japan)

22-Dec-21

The company was acquired by Accenture (NYS: ACN) for an undisclosed amount on December 22, 2021.

Zestgroup

16-Dec-21

The company was acquired by Accenture (NYS: ACN) for an undisclosed amount on December 16, 2021. This acquisition enhance Accenture's ability to build more trusted, circular and net-zero value chains while driving social and economic benefits for all stakeholders.

Contact Info

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. Securities offered through 7M Securities LLC.

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