

7 Mile Advisors



Sectorwatch:

Business Process Outsourcing

March 2022



Business Process Outsourcing

- 4 [Sector Dashboard](#)
- 5 [Public Basket Overview](#)
- 6 [Public Basket Performance](#)
- 8 [Operational Metrics](#)
- 11 [Valuation Comparison](#)
- 14 [Recent Deals](#)
- 15 [Appendix](#)

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

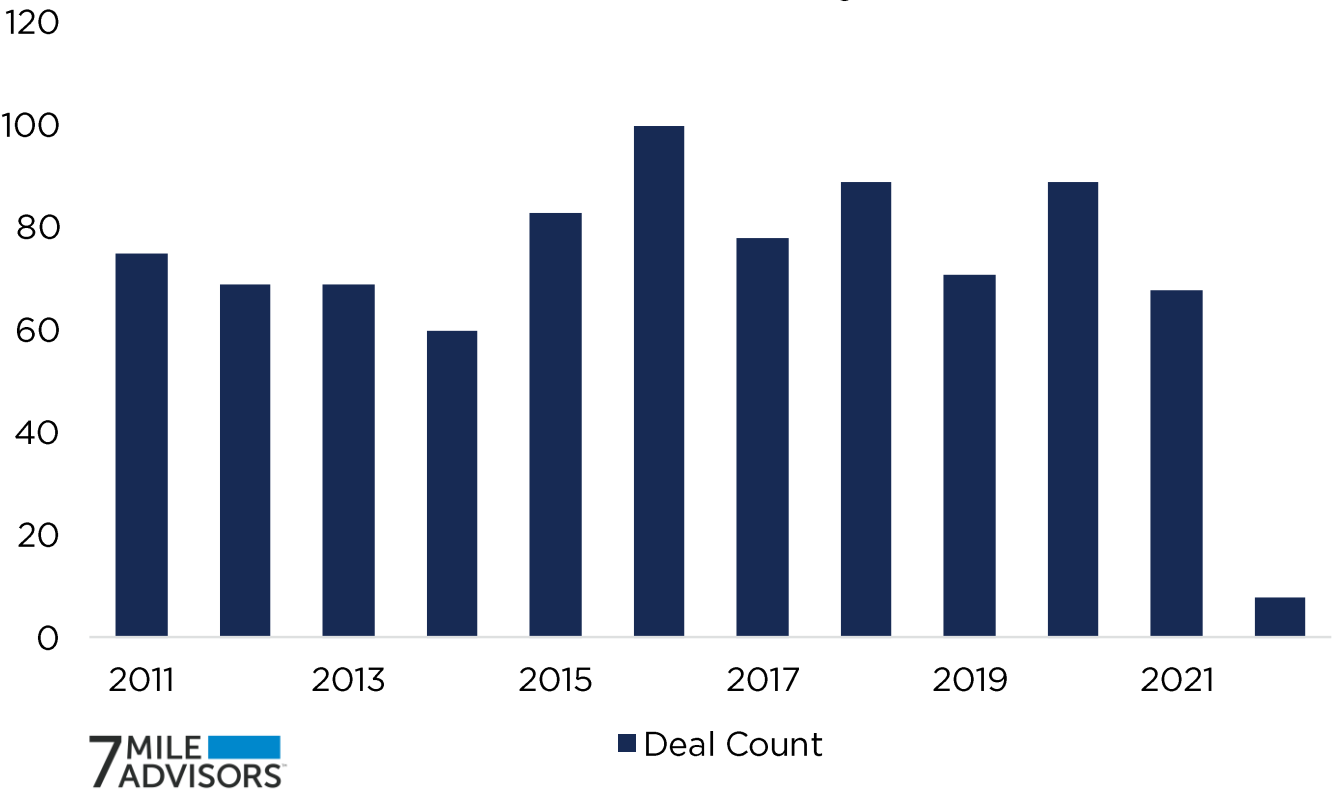
- The most recently announced deals in the sector

Dashboard

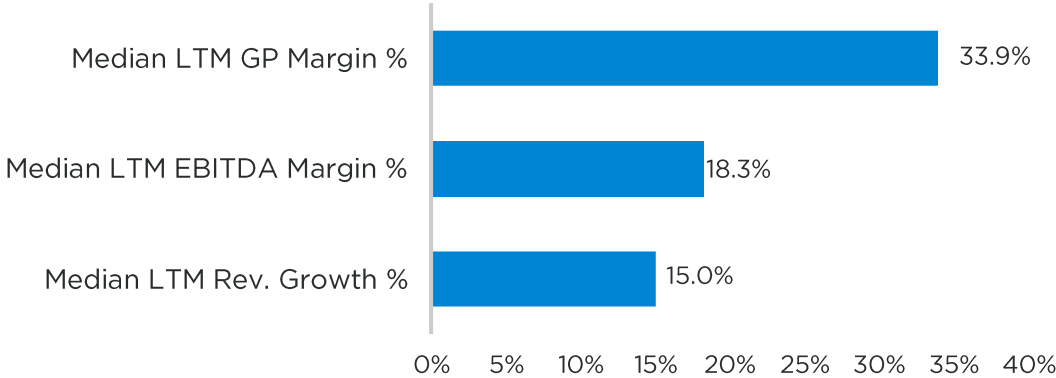
REVENUE GROWTH MOMENTUM ↑5.4%

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

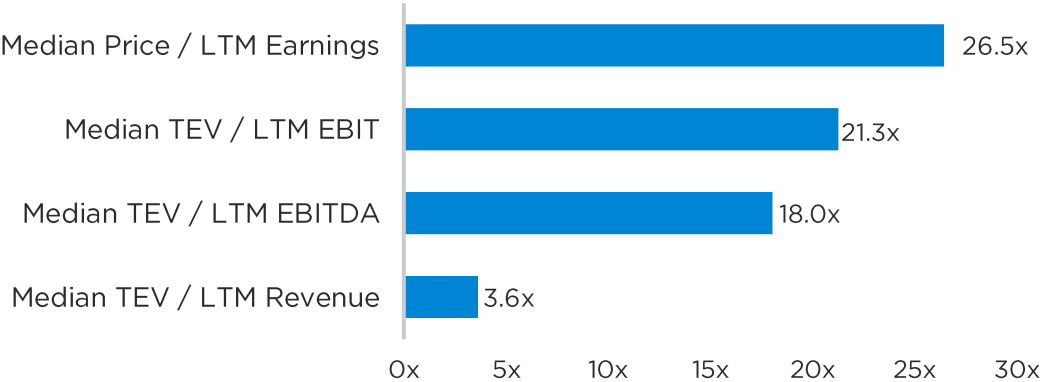
M&A Activity



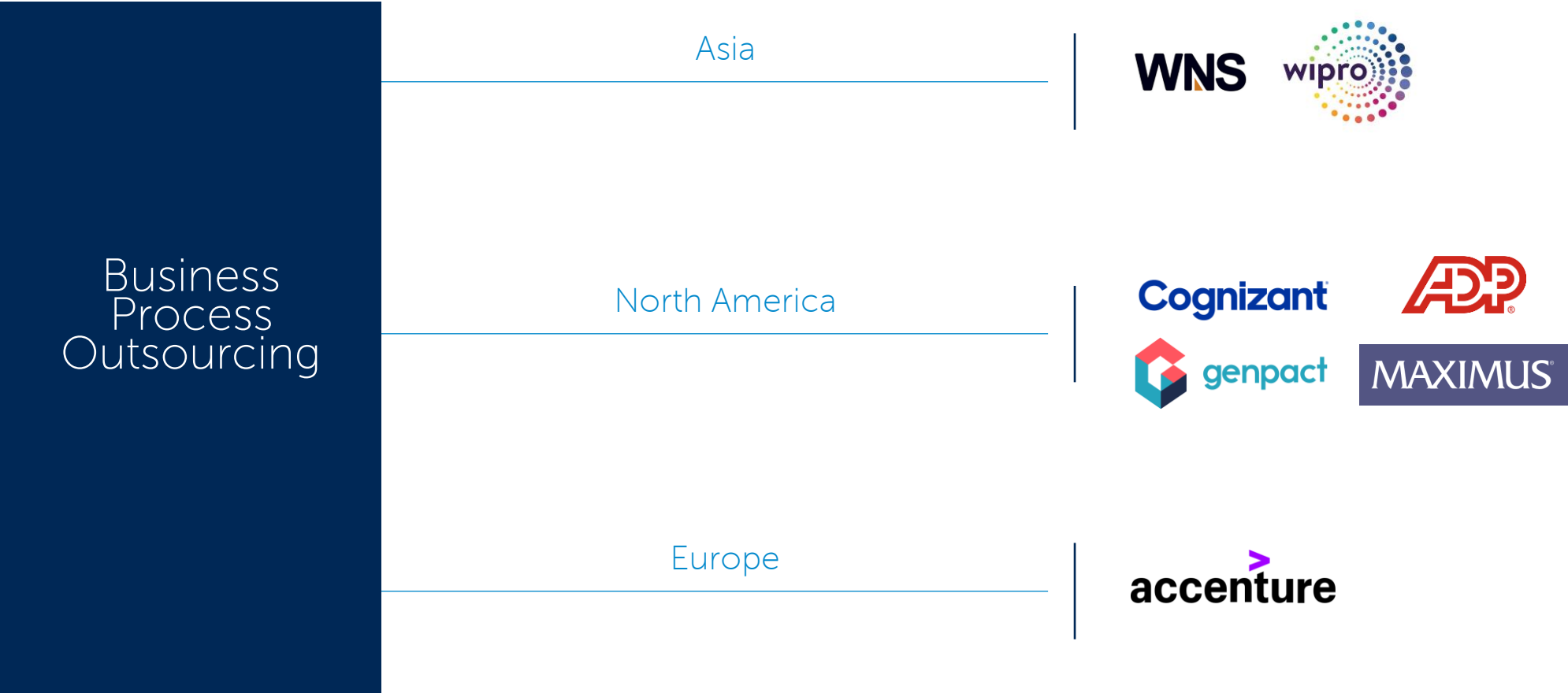
Operating Metrics



Valuation



Public Basket Overview

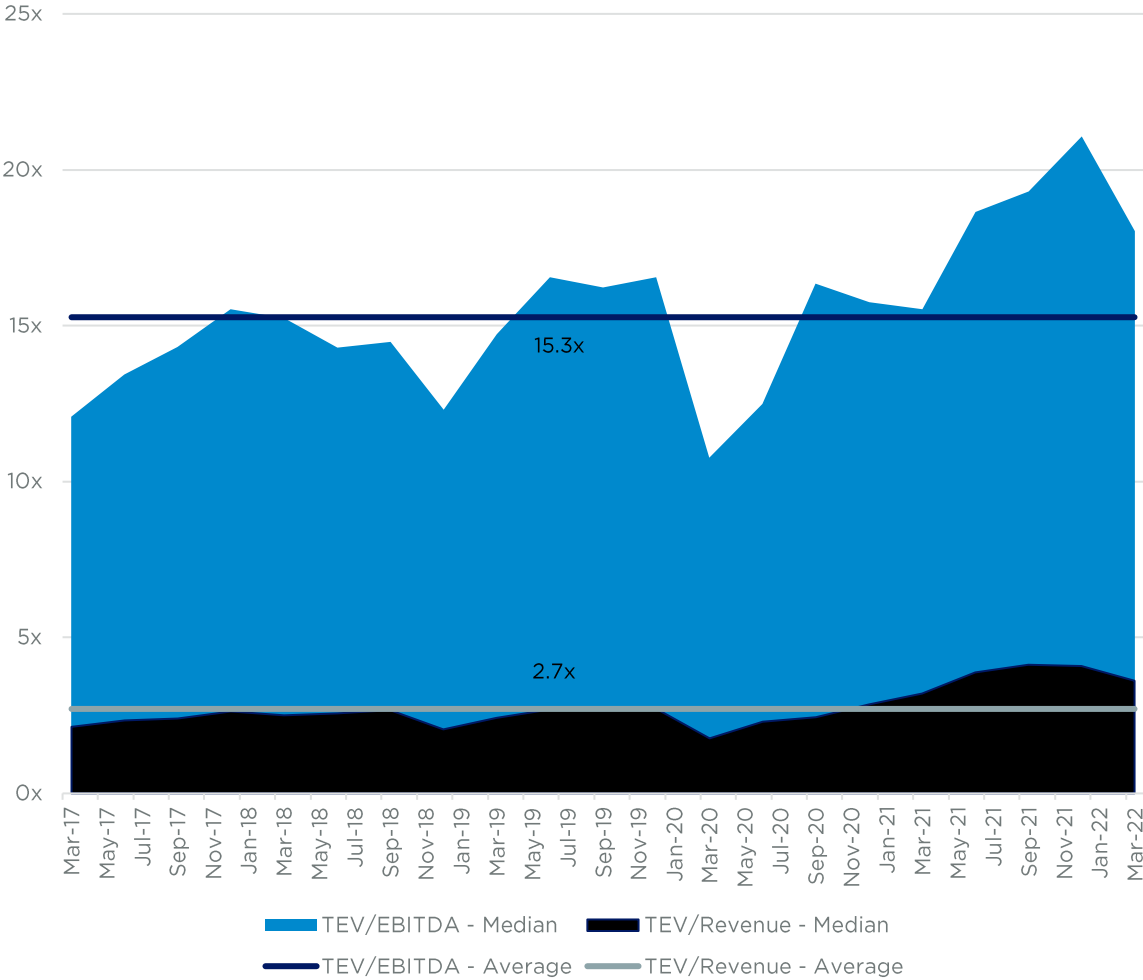


Public Basket

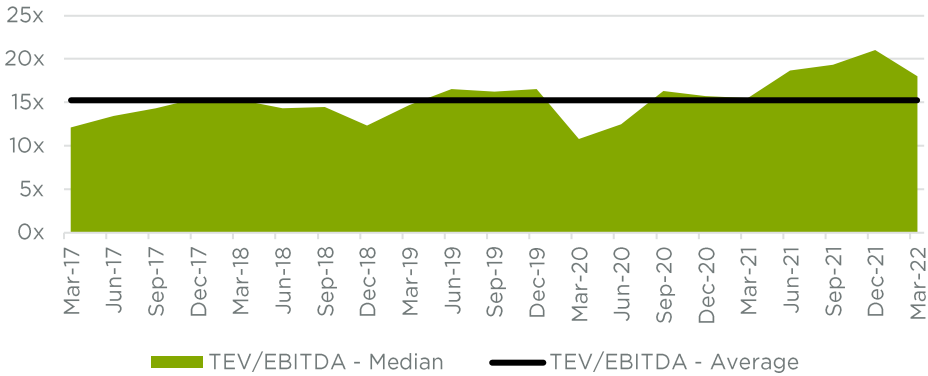
Company	TEV \$m	LTM EBITDA \$m	LTM Rev \$m	Rev Growth YoY	GP %	EBITDA %	TEV / Rev X	TEV / EBITDA X	# FTEs	Rev / FTE \$k
WNS Global Services	4,130	209	1,055	15.0%	33.9%	19.8%	3.9x	19.8x	49,610	21
Maximus	6,229	499	4,460	24.3%	21.7%	11.2%	1.4x	12.5x	35,800	125
Genpact	9,278	702	4,022	8.4%	35.6%	17.5%	2.3x	13.2x	109,600	37
Wipro	40,578	2,250	10,073	21.3%	30.5%	22.3%	4.0x	18.0x	220,000	46
Cognizant Technology Solutions	46,860	3,380	18,507	11.1%	37.3%	18.3%	2.5x	13.9x	330,600	56
Automatic Data Processing	90,877	3,702	15,279	8.3%	40.8%	24.2%	5.9x	24.5x	56,000	273
Accenture	204,216	9,415	56,695	24.1%	32.3%	16.6%	3.6x	21.7x	699,000	81
Average	57,453	2,880	15,727	16.1%	33.2%	18.6%	3.4x	17.7x	214,373	91
Median	40,578	2,250	10,073	15.0%	33.9%	18.3%	3.6x	18.0x	109,600	56

share price as of 22Mar22

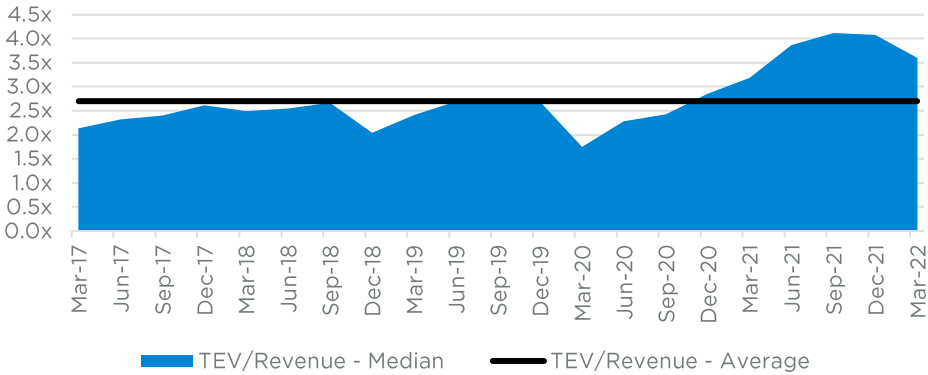
Public Basket



Public EBITDA Multiples over Time

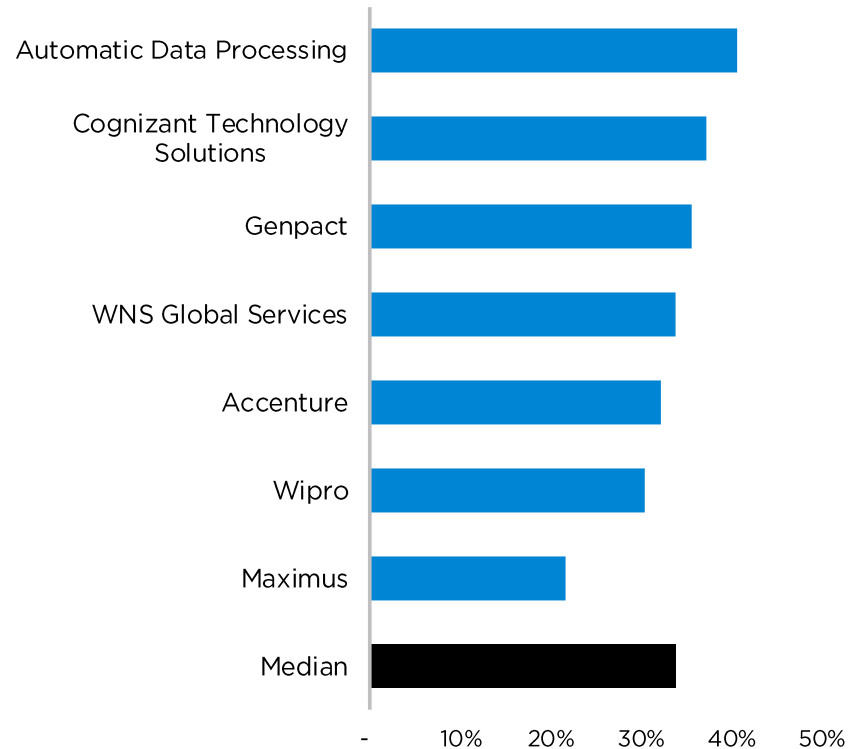


Public Revenue Multiples over Time

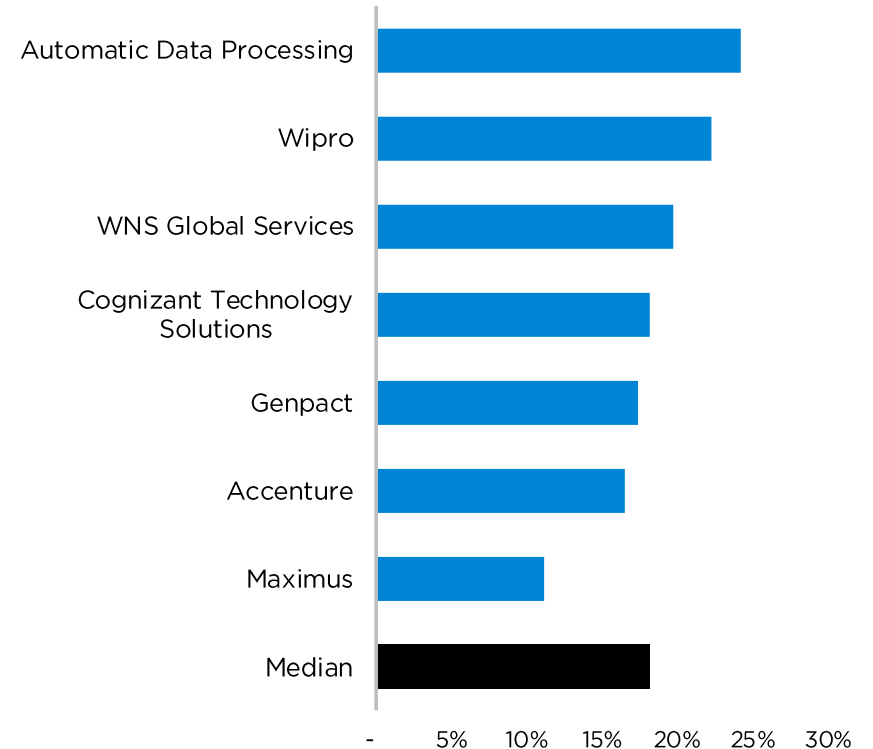


Operational Metrics

LTM Gross Profit Margin %

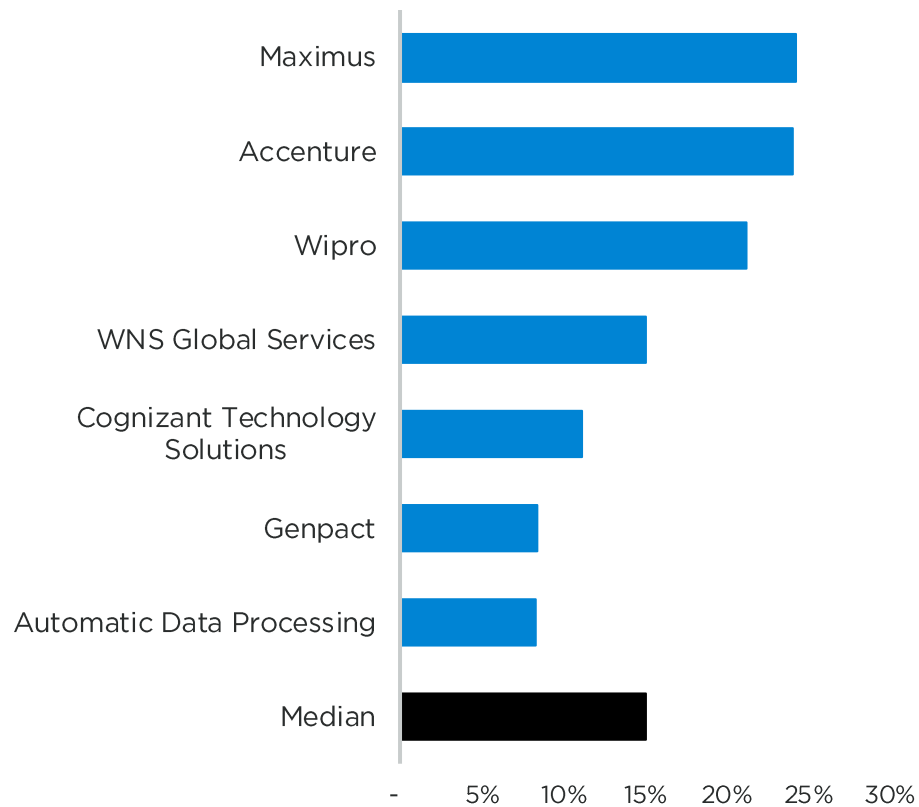


LTM EBITDA %

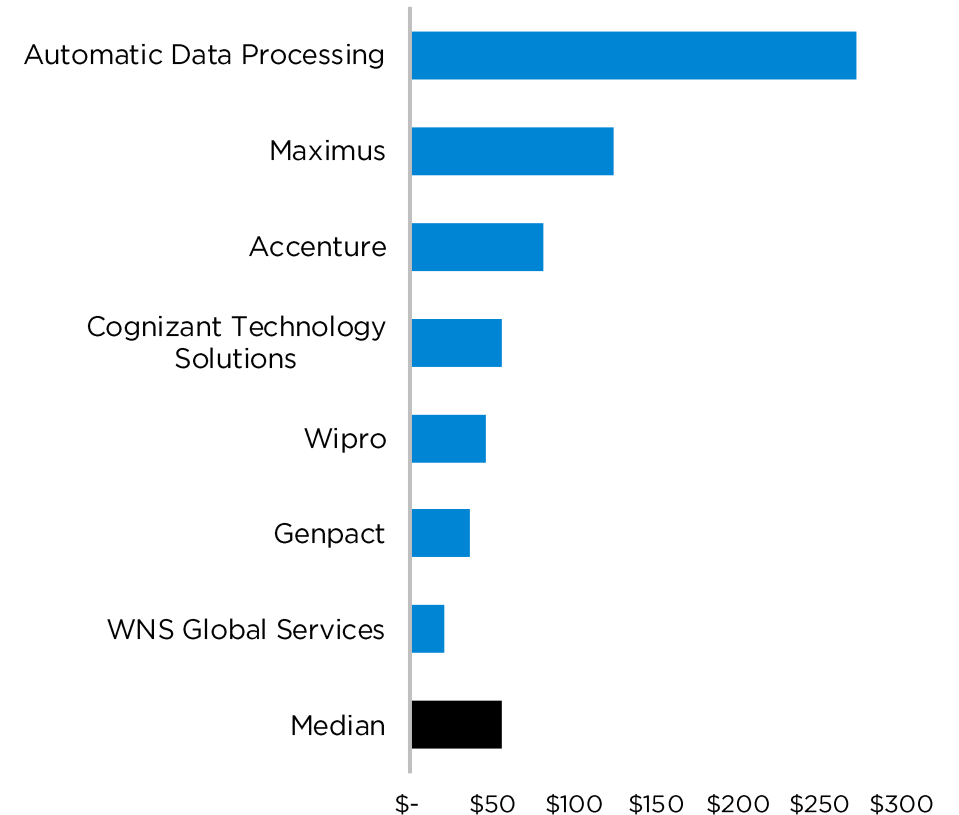


Operational Metrics

LTM Revenue Growth %

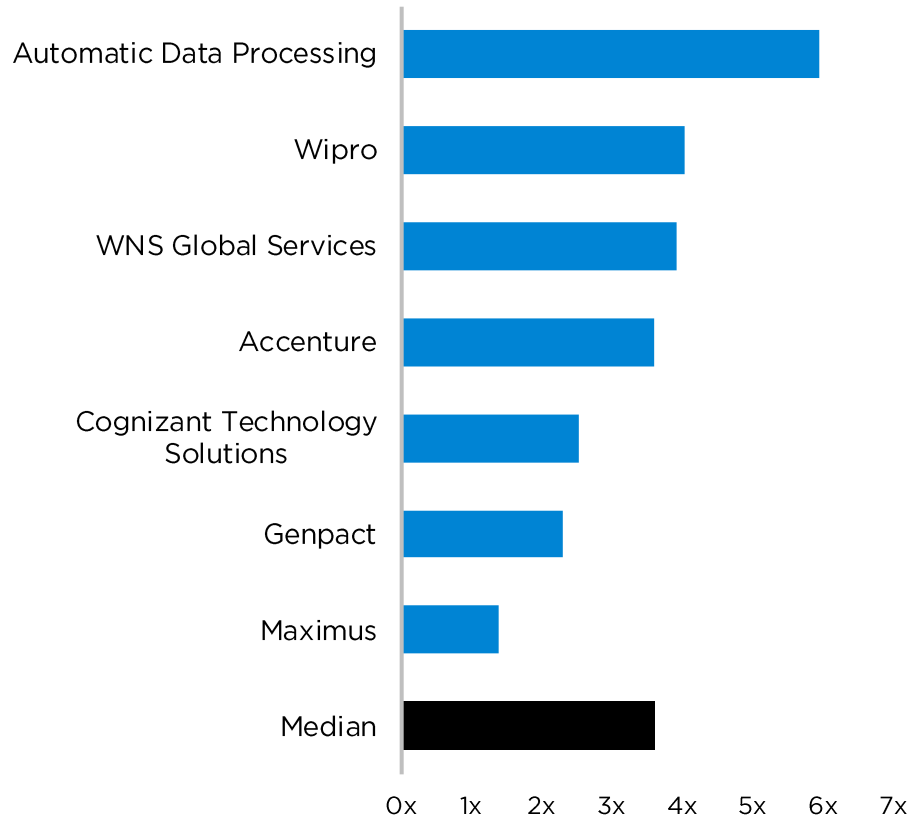


LTM Revenue per Full Time Employee x 000's

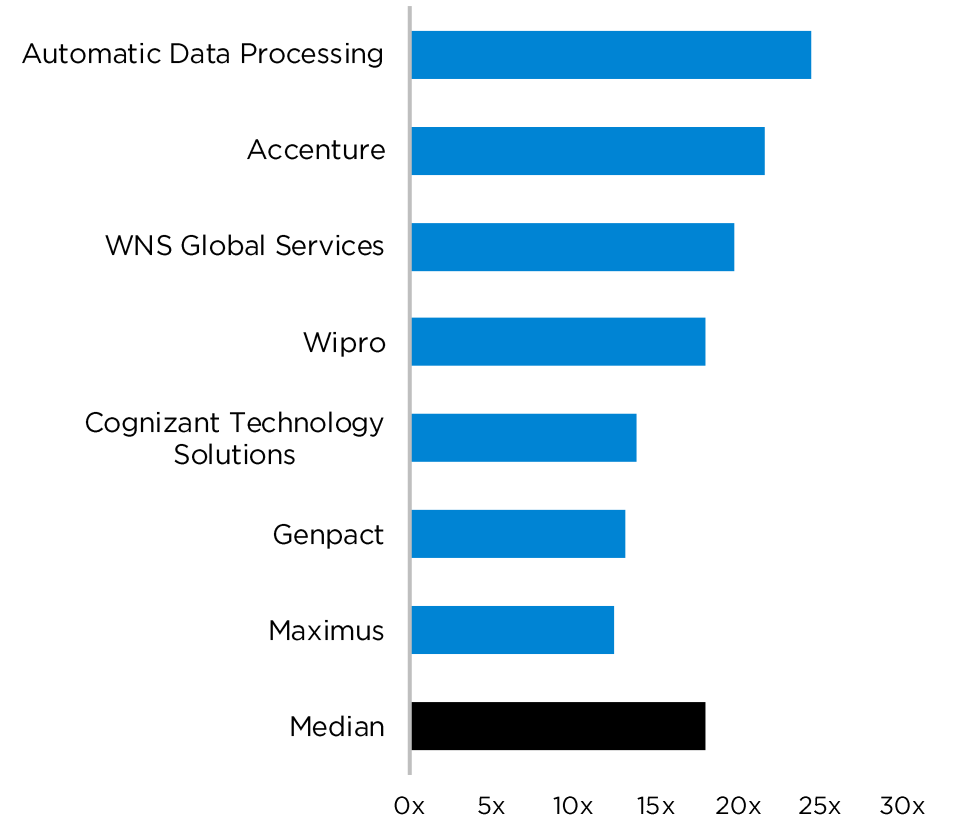


Valuation

TEV / LTM Revenue

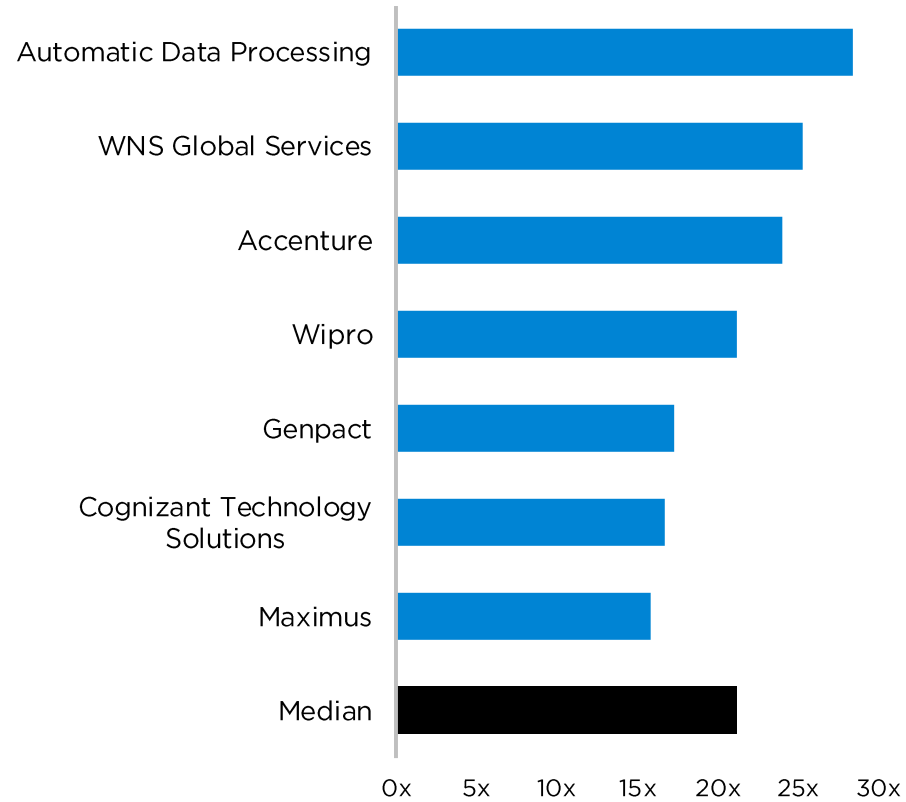


TEV / LTM EBITDA

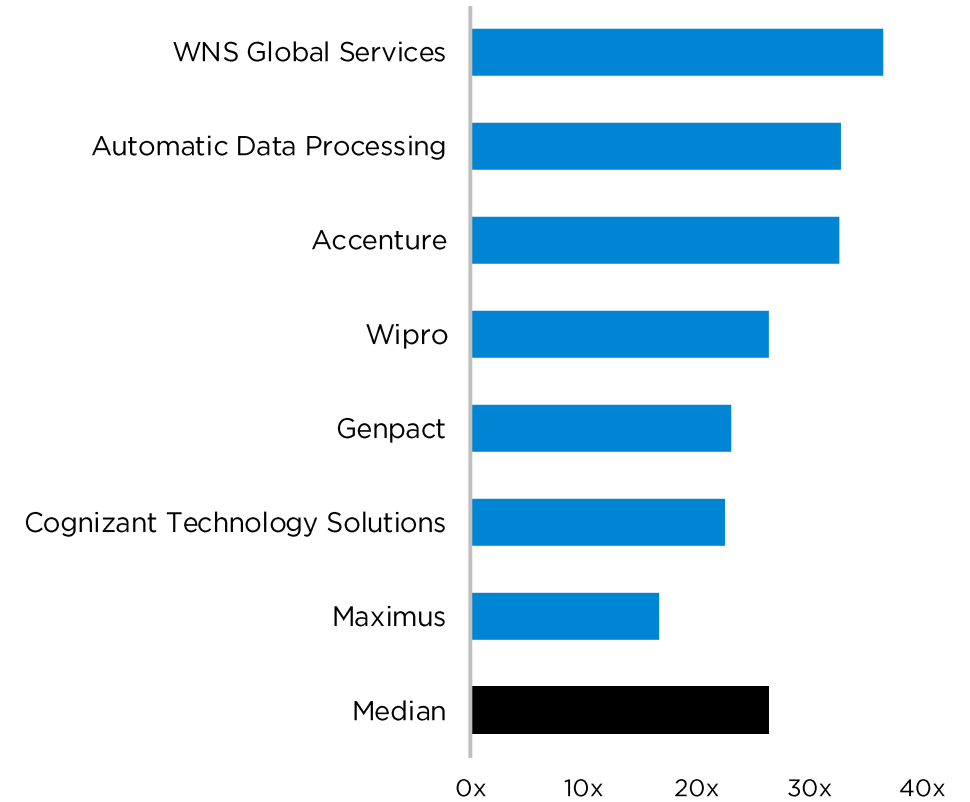


Valuation

TEV / LTM EBIT

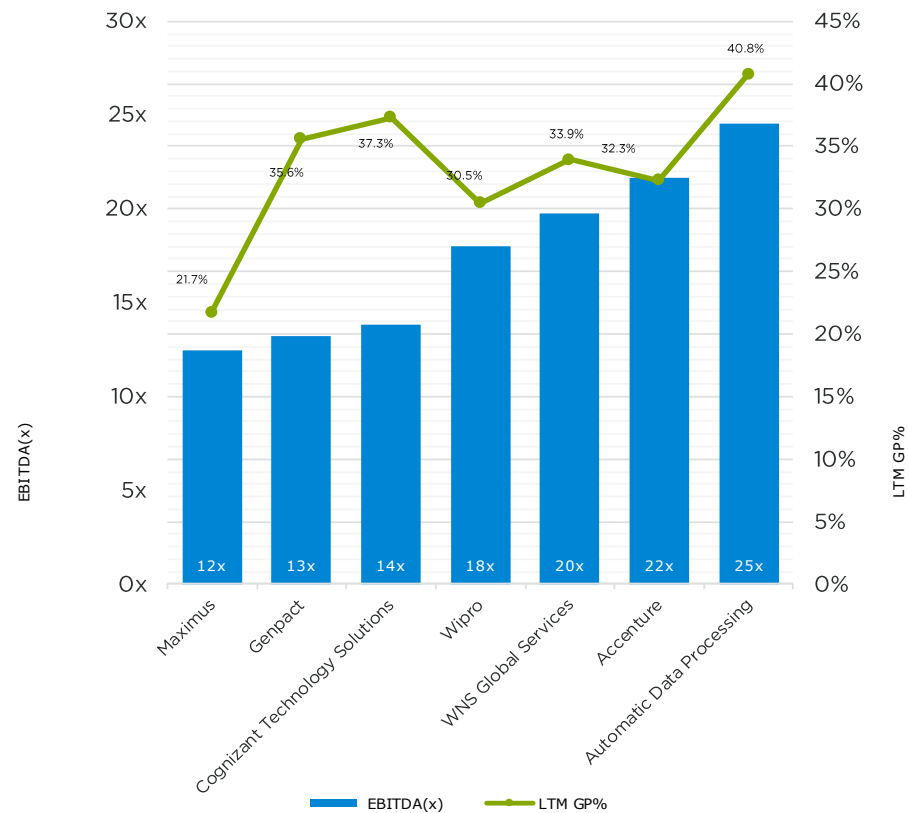


Price / LTM Earnings

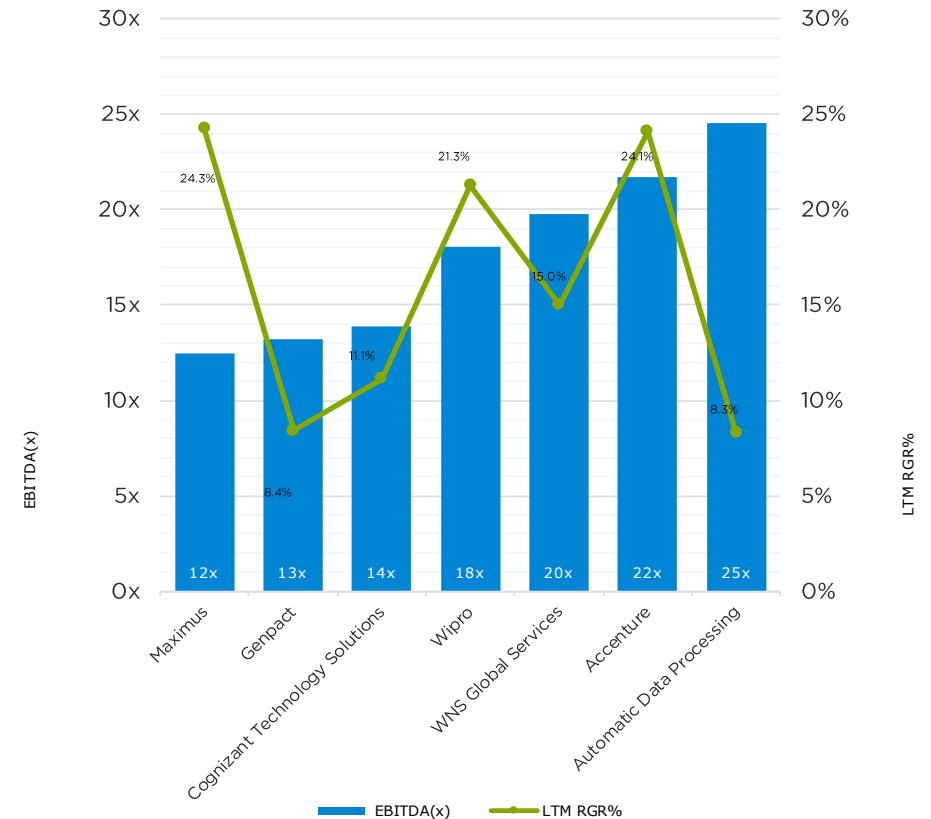


Valuation

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
15-Mar-22	IoTH	Ergon Capital Partners	-	-	-	-
09-Mar-22	EdgeMAC	Blackstone	-	-	-	-
04-Mar-22	April Deutschland	Astrea (Germany)	-	-	-	-
24-Feb-22	Long Term Care Group	ABRY Partners	-	-	-	-
15-Feb-22	UPLevel (Ontario)	ESC Corporate Services	-	-	-	-
01-Jan-21	Supportfinty	LoftyInc Capital Management	-	-	-	-
21-Jan-22	TUYAUTERIE INDUSTRIELLE SOUDURE	Fonds de Consolidation et de Developpement des Entreprises	-	-	-	-
07-Jan-22	Panda Recruitment	Sequoia Capital China	-	-	-	-
01-Jan-22	Mayen Telekomünikasyon Hizmetleri	Majorel	-	-	-	-
30-Dec-21	Parla!	ABAI Group	16.00	-	-	-
22-Dec-21	Keating Consulting Group	EisnerAmper	-	-	-	-
17-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	-	-	-	-
01-Jan-22	Mayen Telekomünikasyon Hizmetleri	Majorel	-	-	-	-
01-Nov-21	EC Infosystems	DFW Capital Partners	-	-	#VALUE!	-
01-Nov-21	Mercantile Adjustment Bureau	Remitter	-	-	-	-
26-Oct-21	Sapia	Stefanini	-	-	-	-
07-Oct-21	Goodbay Technologies	24-7 Intouch	-	-	-	-
30-Sep-21	ResultsCX	ChrysCapital	400.00	-	#VALUE!	-
30-Sep-21	Datlas	Kyma Investment Partners	-	-	-	-
26-Sep-21	Seertech Solutions	Quadrant Private Equity	-	-	-	-
15-Sep-21	Silver Management Group	Apex Clearing	-	-	#VALUE!	-

Appendix

*Public Basket
Contact Information*



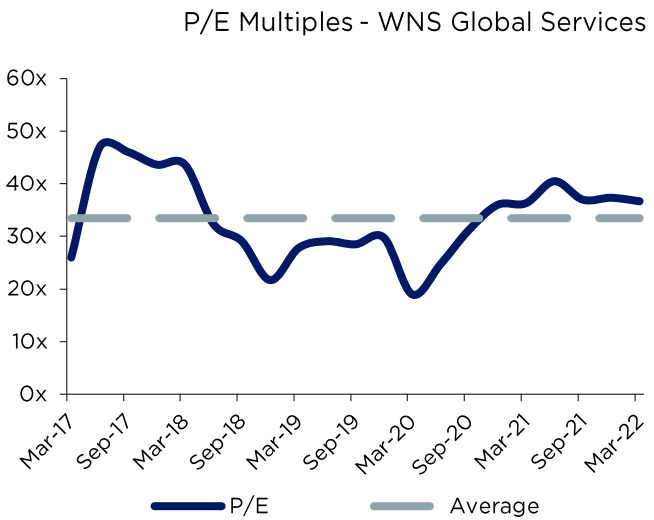
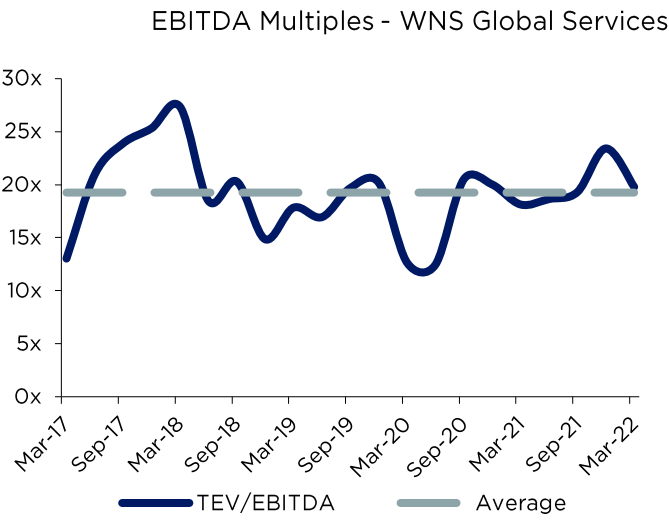
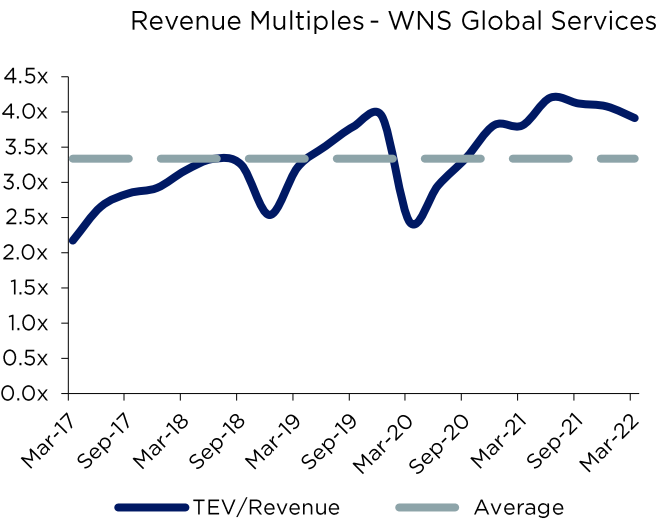
WNS Global Services

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



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

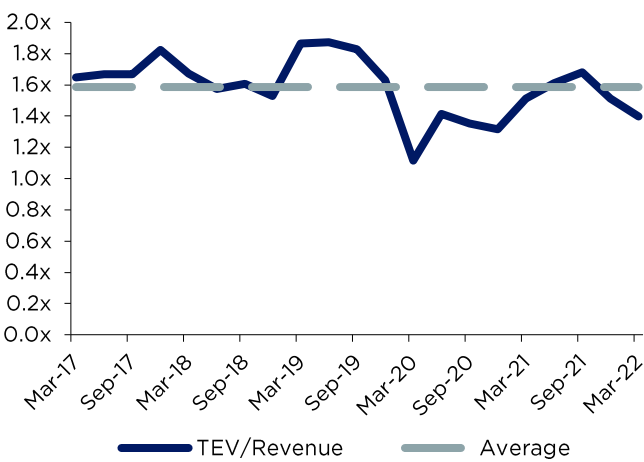
Maximus Inc is an operator of government health and human services programs in the United States, United Kingdom, Canada, Australia, and Saudi Arabia.

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.

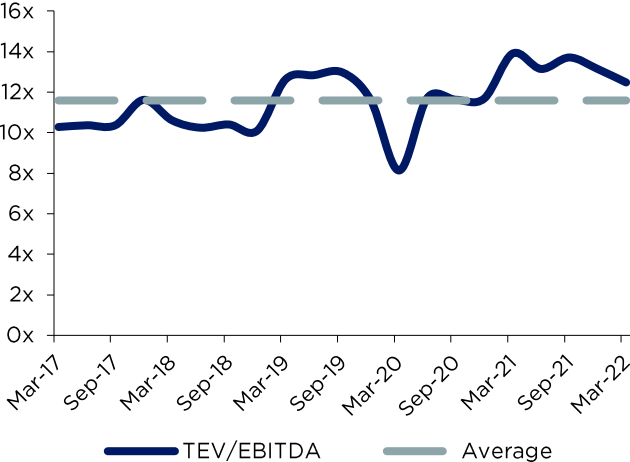
Public Basket

Maximus

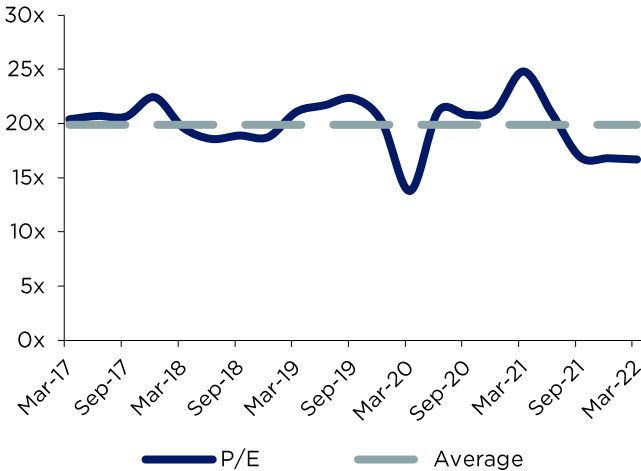
Revenue Multiples - Maximus



EBITDA Multiples - Maximus



P/E Multiples - Maximus



Company Name	Date	Deal Synopsis
Aidvantage	01-Jan-22	The loan servicing business of Navient (NAS: NAVI) was acquired by Maximus (NYS: MMS) for an undisclosed amount in 2022.
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.

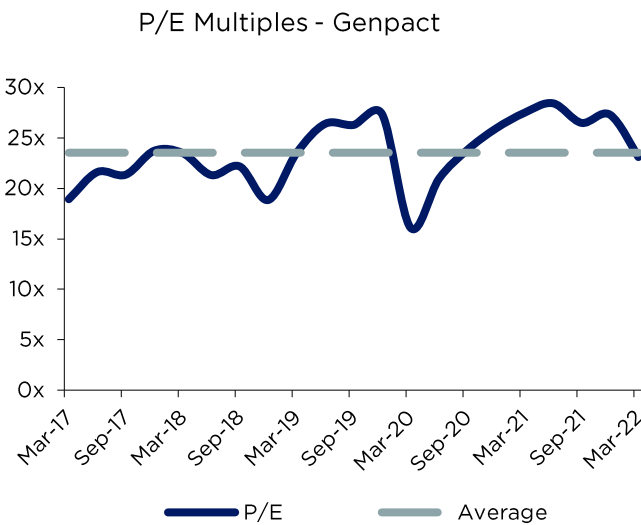
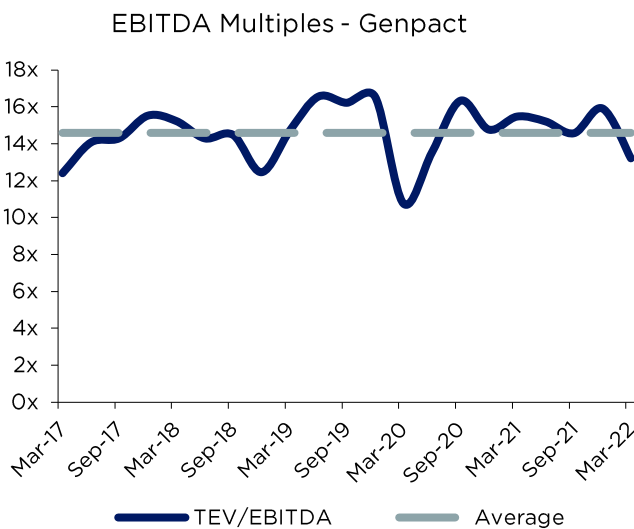
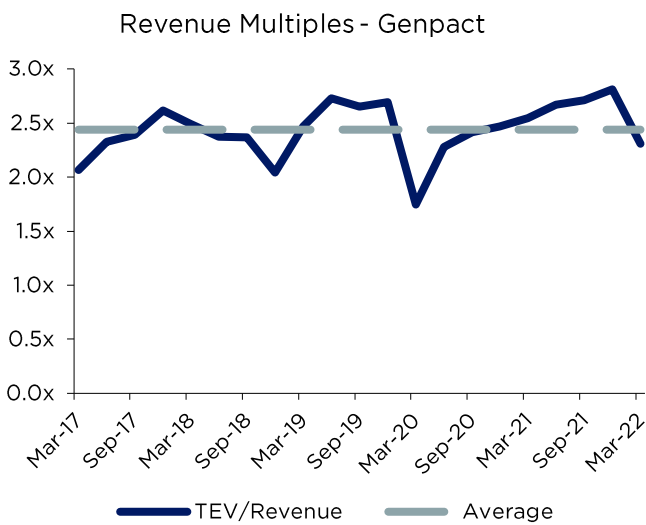
Genpact

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



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.

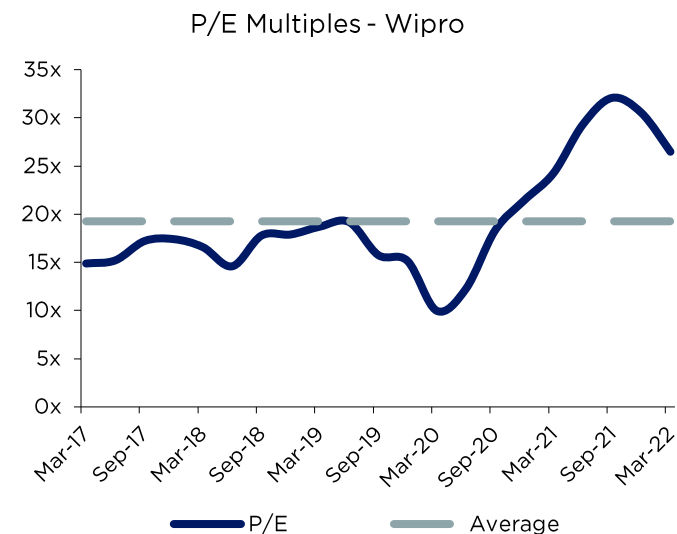
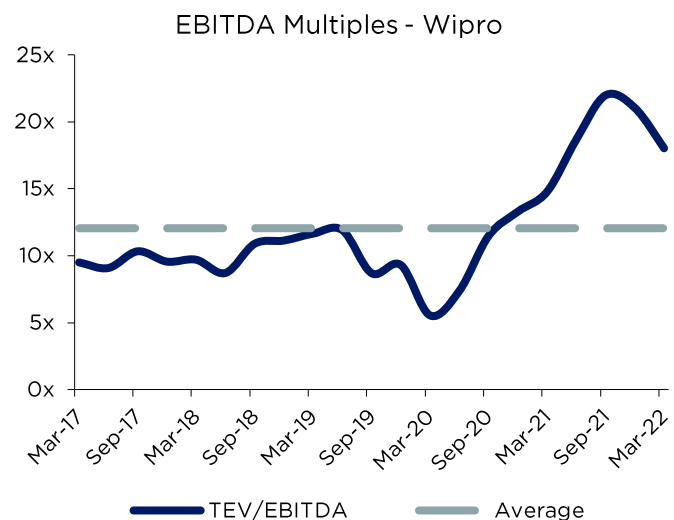
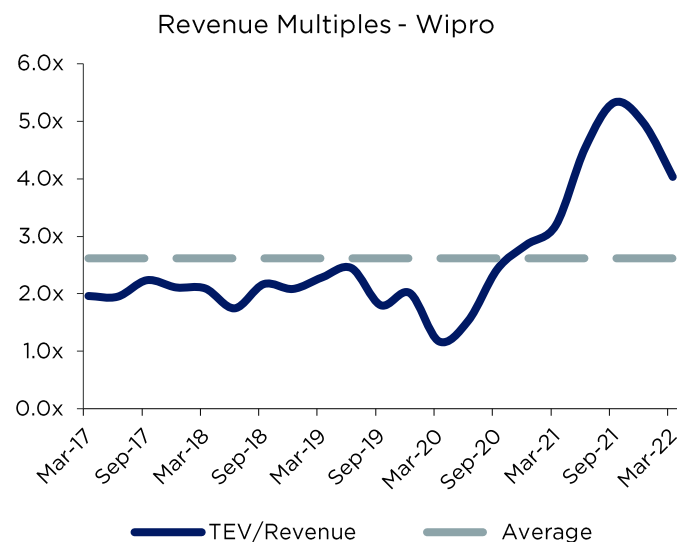
Wipro

**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.

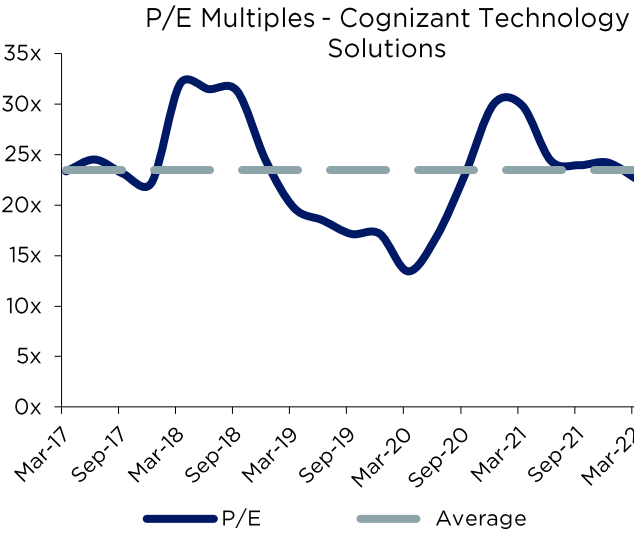
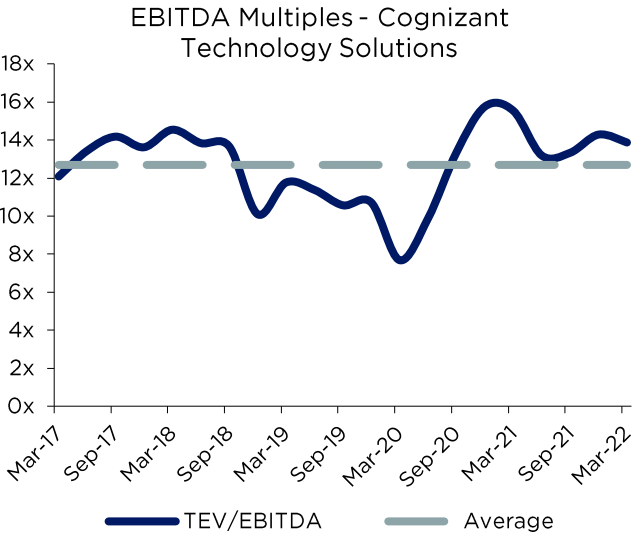
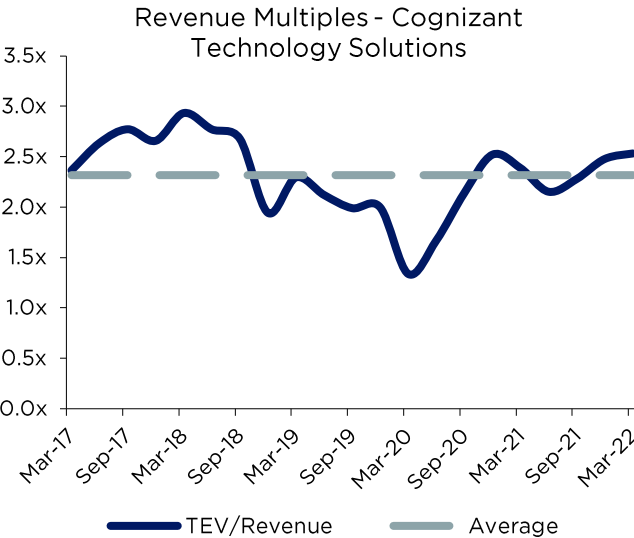
Cognizant Technology Solutions

Cognizant is a global IT services provider, offering consulting and outsourcing services to some of the world's largest enterprises spanning the financial services, media and communications, healthcare, natural resources, and consumer products industries.

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

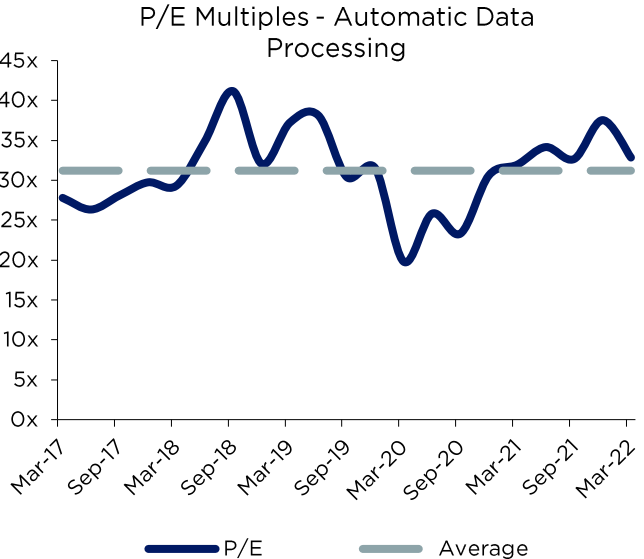
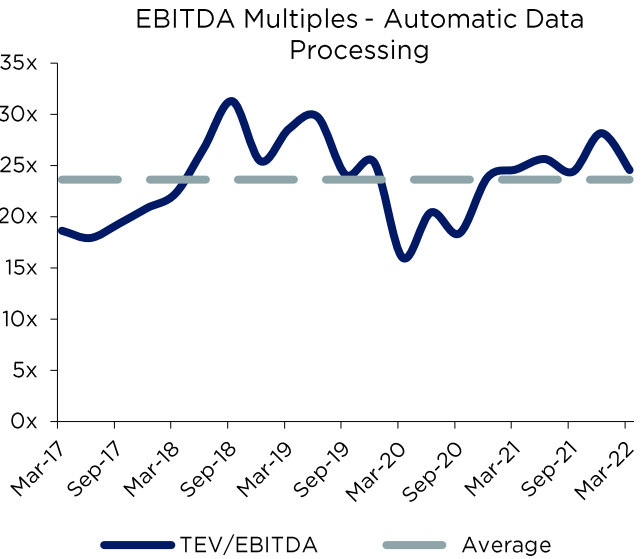
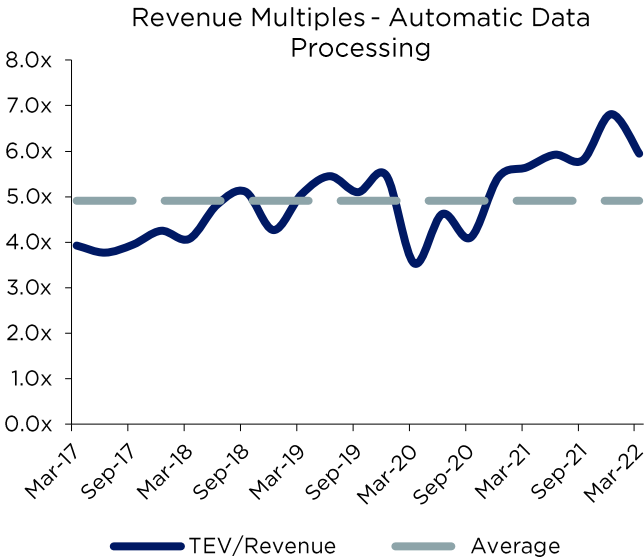


Company Name	Date	Deal Synopsis
Devbridge	09-Dec-21	The company was acquired by Cognizant Technology Solutions (NAS: CTSH) for an undisclosed amount on December 9, 2021.
Hunter Technical Resources	17-Aug-21	The company was acquired by Cognizant (Nasdaq: CTSH) for an undisclosed amount on August 17, 2021. The acquisition will enhance cognizant's access to IT talent across areas such as full stack development, data science, and machine learning.

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.



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.

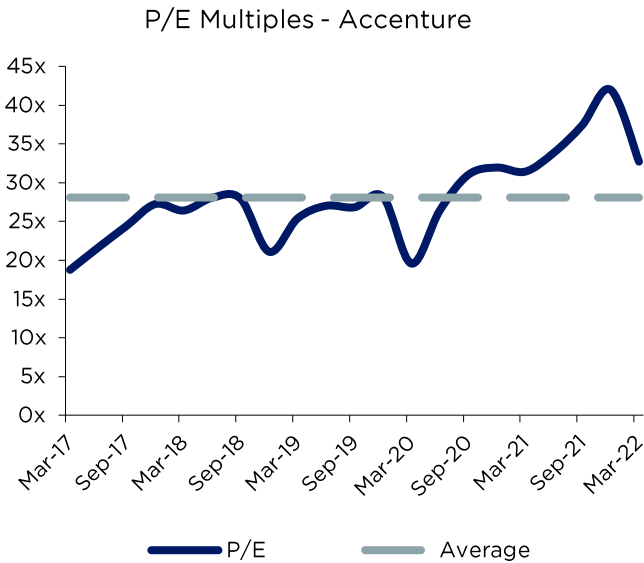
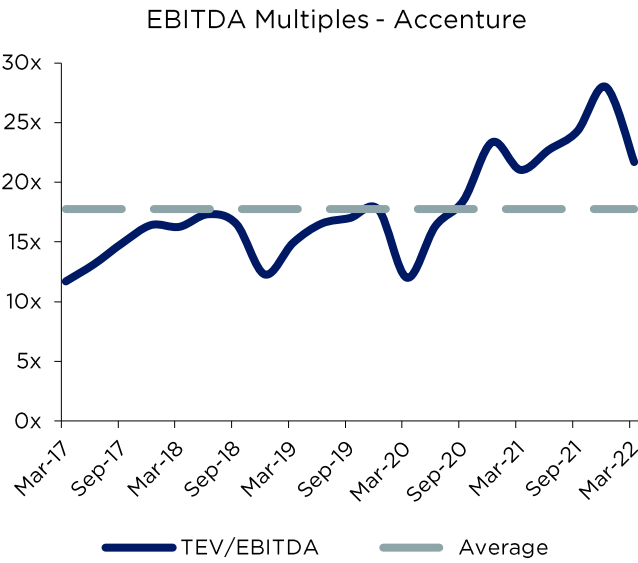
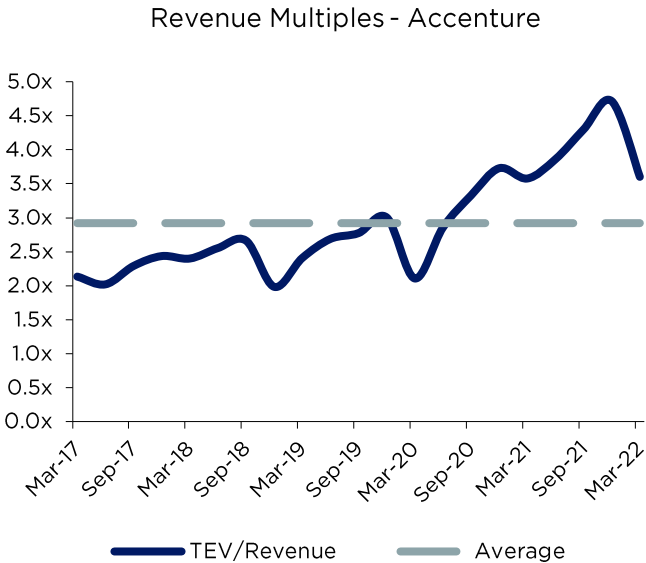
Accenture

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



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.

Leroy Davis, Partner	704.899.5962	leroy@7mileadvisors.com
Tripp Davis, Partner	704.899.5762	tripp@7mileadvisors.com
Andy Johnston, Partner	704.899.5961	andy@7mileadvisors.com
John Cooper, Partner	704.973.3996	john@7mileadvisors.com
Mark Landry, Partner	561.972.0609	mark@7mileadvisors.com
Simon Baitler, Executive Managing Director	310.829.1635	simon.baitler@7mileadvisors.com
Tim Frye, Managing Director	704.973.3994	tim@7mileadvisors.com
Kristina Sergueeva, Managing Director	704.899.5149	kristina@7mileadvisors.com
Horacio Yenaropulos, Managing Director	(+) 54.261.4617300	horacio@7mileadvisors.com
Chris Calton, Senior Advisor	629.236.6119	chris.calton@7mileadvisors.com
Steve Buffington, Vice President	704.960.1828	steve@7mileadvisors.com
Ben Garber, Vice President	412.626.7898	ben.garber@7mileadvisors.com
Garth Martin, Vice President	704.973.3997	garth.martin@7mileadvisors.com
Nicholas Prendergast, Vice President	704.973.3995	nicholas@7mileadvisors.com
Sydney Scadden, Vice President	704.973.3998	sydney@7mileadvisors.com
Ilia Ulianchuk, Vice President	704.414.8743	ilia@7mileadvisors.com
Ariail Barker, Director, Sales & Marketing	704.981.2908	ariail@7mileadvisors.com
Ben Bruggeworth, VP, Business Development	704.365.8859	ben.bruggeworth@7mileadvisors.com
Steve Sypek, VP, Business Development	704.414.8736	steve.sypek@7mileadvisors.com
Emily Halstenberg, Marketing & Sales Manager	704.409.9912	emily@7mileadvisors.com
Alexis Papa, Marketing & Sales Coordinator	704.414.8732	lexi.papa@7mileadvisors.com
Nic Anderko, Analyst, Business Development	704.398.3991	nic.anderko@7mileadvisors.com
Kevin Postigo, Associate	704.912.4903	kevin.postigo@7mileadvisors.com
Conor Smith, Associate	704.855.2134	conor.smith@7mileadvisors.com
Nic Anderle, Senior Analyst	704.826.7492	nic.anderle@7mileadvisors.com
Chris McConnell, Senior Analyst	704.912.4584	chris@7mileadvisors.com
Adam Alderfer, Analyst	704.644.1917	adam@7mileadvisors.com
Lucas Cerbelli, Analyst	704.336.0118	lucas@7mileadvisors.com
Tanner Lange, Analyst	704.672.0611	tanner.lange@7mileadvisors.com
Trent McCauley, Analyst	704.644.1916	trent.mccauley@7mileadvisors.com
Tyler Ratterree, Analyst	704.706.9168	tyler@7mileadvisors.com