



Professional and Tech-Enabled Services Industry Update

Harris Williams | Q2 2022

What We're Reading

In this Industry Update, we have included a collection of articles focused on automation around professional and tech-enabled services. Automation is touching all subsectors from business process outsourcing to legal and insurance services. Harris Williams believes that the industry will continue to evolve and capitalize on sources of automation as companies seek to transform and innovate.

Business Process Outsourcing (BPO) Automation

Nanonets

"The manual and repetitive nature of the tasks embedded in a workflow often lead to human errors and data loss, causing delays and re-work. This is magnified in complex businesses operated at large scale. All the above make workflow management a good target for automation."

Read the full article [here](#).

6 Transformative Trends Influencing the Professional Services Industry

ReachOutSuite

"ResearchAndMarkets.com predicts that the global professional services market is expected to grow at a CAGR of 9.1% to nearly \$8,082.4 billion by 2022. Technological advances present both challenges and opportunities for professional services firms."

Read the full article [here](#).

4 Professional Services Trends in 2022 & Beyond

Virtus Group

"It's no secret that the global COVID-19 pandemic we've experienced over the past 18 months has radically transformed entire industries. Even "traditional" industries like accounting, finance and legal services in typically 'traditional' markets ... have been deeply impacted by the new reality we've faced. Research suggests that there is more change coming."

Read the full article [here](#).

A Guide to Legal Process Outsourcing for Law Firms

Clio

"Legal industry trends for 2020 show that clients expect law firms to go above and beyond the traditional offering of services and support. More law firms are turning to legal outsourcing to stay competitive and profitable. In fact, the global legal process outsourcing market was estimated to expand at a compound annual growth rate of 31.8% from 2019 to 2025. The market is projected to reach \$35.9 billion by 2025."

Read the full article [here](#).

Preserving the Human Touch in Insurance Claims Transformations

Deloitte

"As insurers let enabling technologies such as artificial intelligence handle an increasing share of claims, companies should enhance the capabilities and broaden the roles of claims professionals to reap the benefits of advanced tools while maintaining personal engagement at moments that matter."

Read the full article [here](#).

Recent Harris Williams Industry Content

Technology-Enabled Business Services



[Link to Read](#)

Consulting Q&A: An Emerging M&A Opportunity

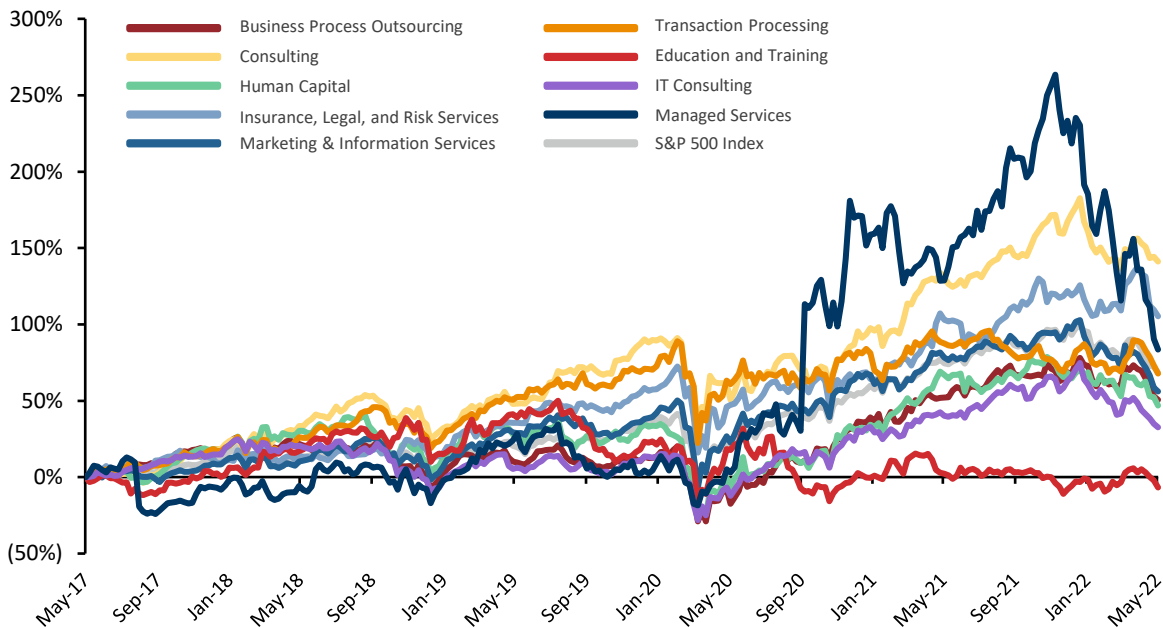


[Link to Read](#)

Professional and Tech-Enabled Services Public Company Performance and Trends¹

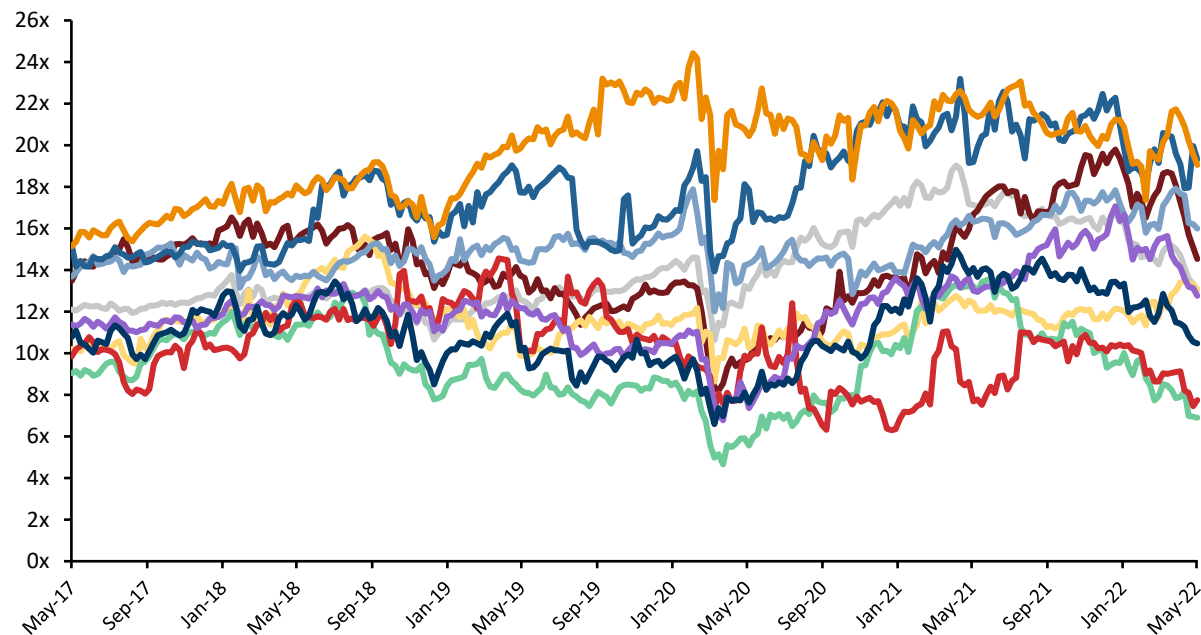
Historical Stock Prices – Past 5 Years

Indexed Stock Price Performance for the period May 2017 – May 2022



Historical Median TEV/LTM EBITDA Multiples – Past 5 Years

Indexed Stock Price Performance for the period May 2017 – May 2022



Representative Key Public Comparables²

accenture

ADTALEM
GLOBAL EDUCATION

adp

AVC
technologies

AON

ASGN
reimagined

Atos

ADP

BBSI

bread financial

Brown & Brown
services

Capgemini

CBIZ

CGI

cognizant

computershare

comscore

CoStar Group

CRA
Global
Associates

Crawford

datto

DXC
TECHNOLOGY

EQUIFAX

EXL

experian

FACTSET

FICO

FIS

FORRESTER

Franklin Covey

F.T.I.
CONSULTING

Gallagher

genpact

globalpayments

GRAND CANYON
EDUCATION

HAYS

HCL

HURON

ICF

INFOVATIM

informa

Infosys

Inspire

IPG

jack henry
ASSOCIATES

K12

Kelly

KFORCE

Korn Ferry

LINCOLN TECH

LiveRamp

Marginal Group

Marsh McLennan

Moody's

Morningstar

NetApp

Nielsen

Omnicon Group

PAYCHEX

Pearson

PUBLICIS
GROUP

rackspace

randstad

RESOURCES

rh

SCOR

snowflake

s|three

SEI

SCS
CONSULTING

Tech Mahindra

TRIMBLE

trueblue

ttec

Verisk

VIAD

WU

wtw

wipro

WNS

Wolters Kluwer

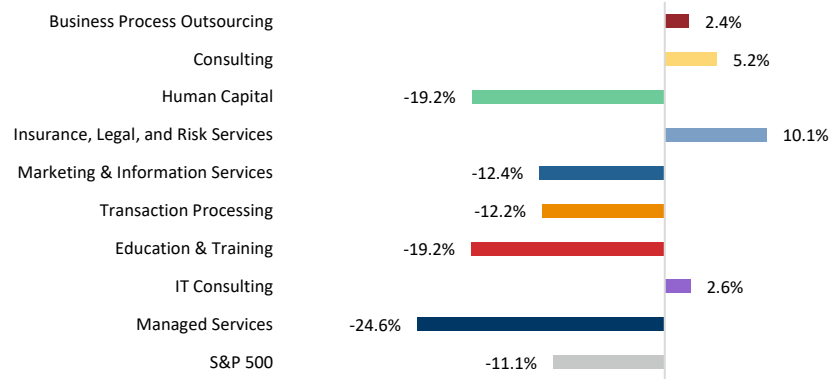
WPP

ZOVIO

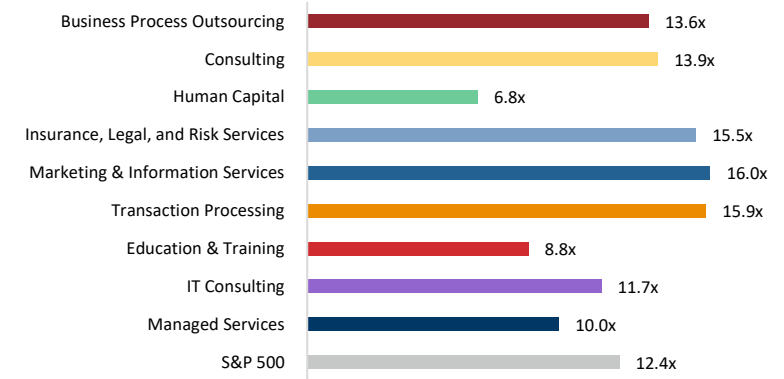
zscaler

Professional and Tech-Enabled Services Public Performance and Trends (Cont.)^{1, 2}

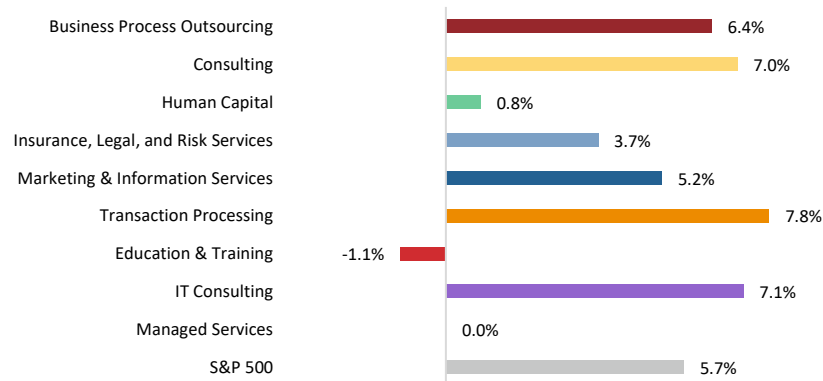
12-Month & Change In Stock Price



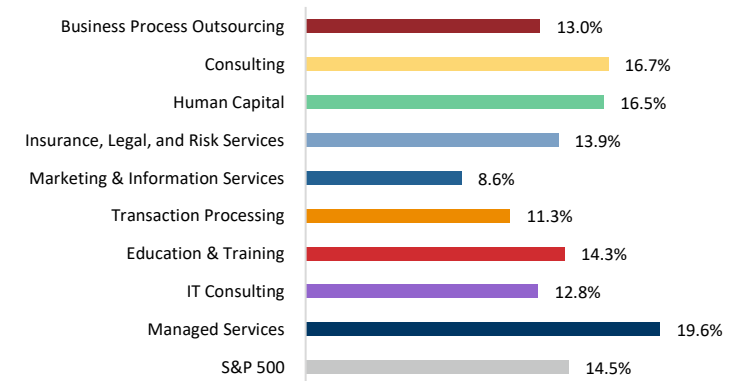
Median TEV/2022E EBITDA Multiple



Median 3-Year Revenue CAGR (2018-2021)

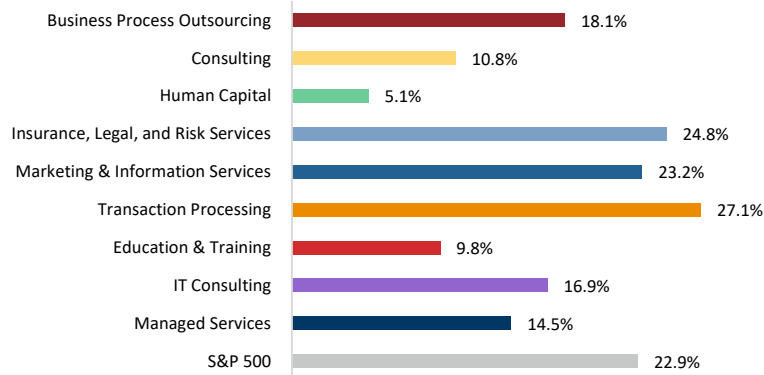


Median LTM Revenue Growth

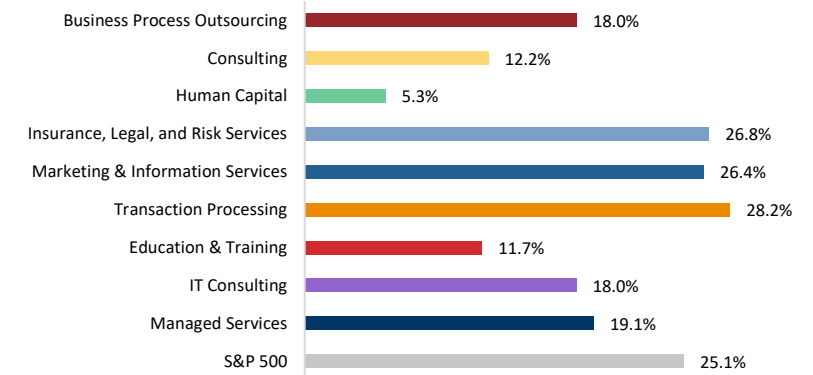


Professional and Tech-Enabled Services Public Performance and Trends (Cont.)^{1, 2}

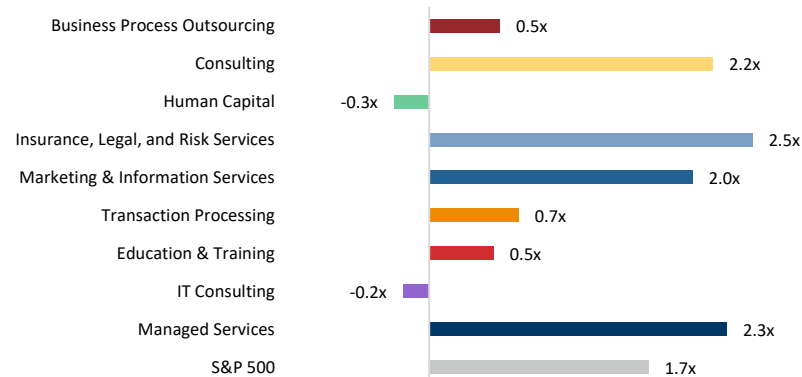
Median EBITDA Margin (2018 – 2021)



Median LTM EBITDA Margin

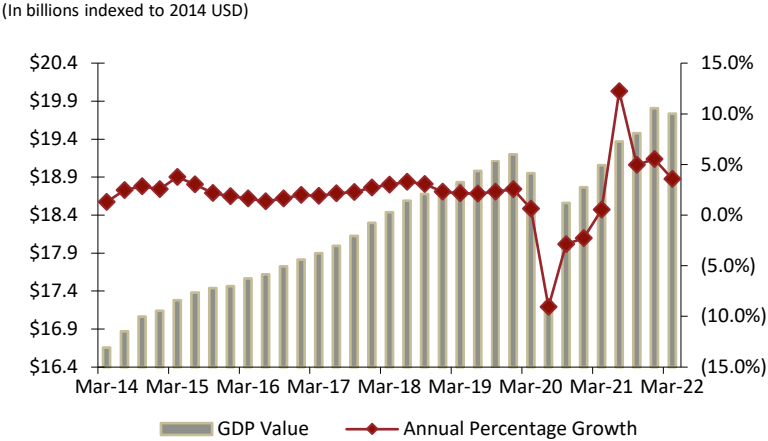


Net Debt / LTM EBITDA

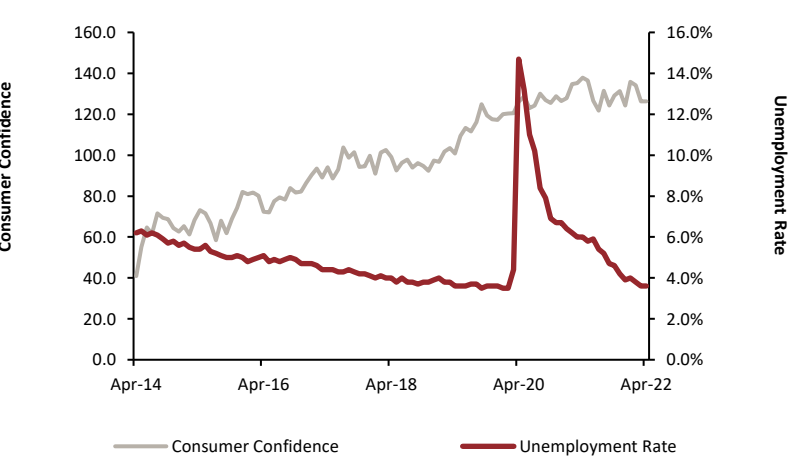


Economic Trends

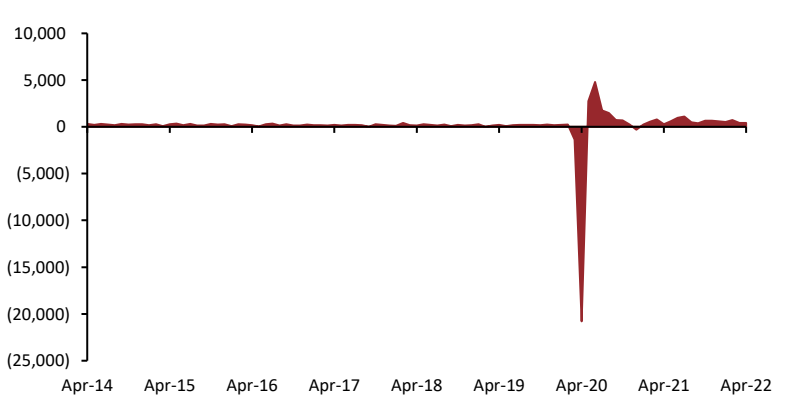
U.S. GDP Growth¹



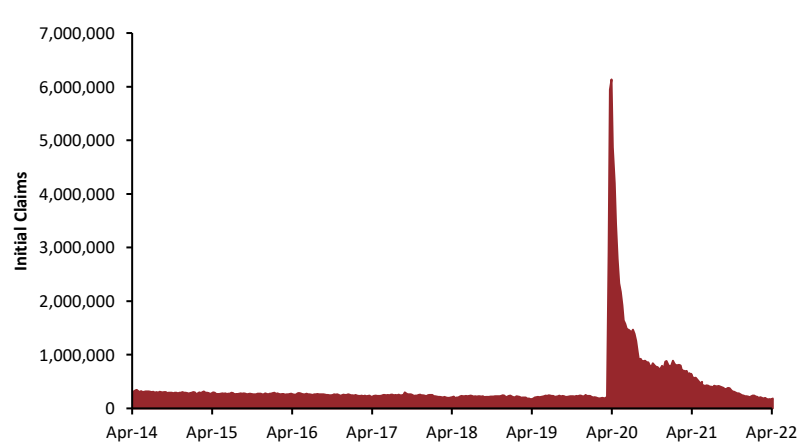
Consumer Confidence & Unemployment Rate^{2,3}



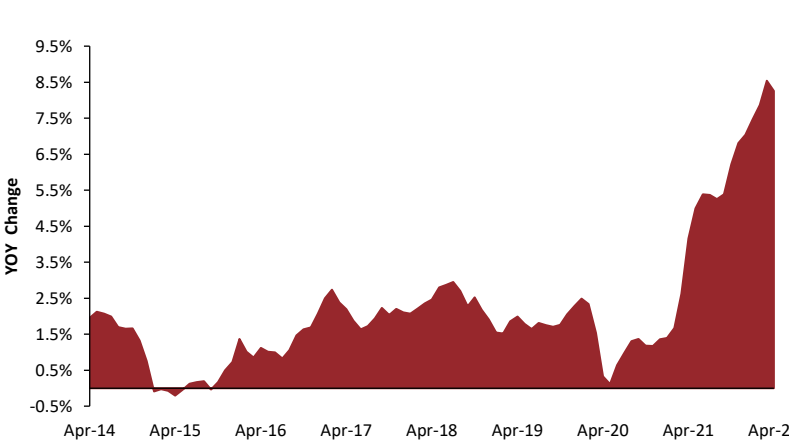
Non-Farm Payrolls (1 Month Net Change)³



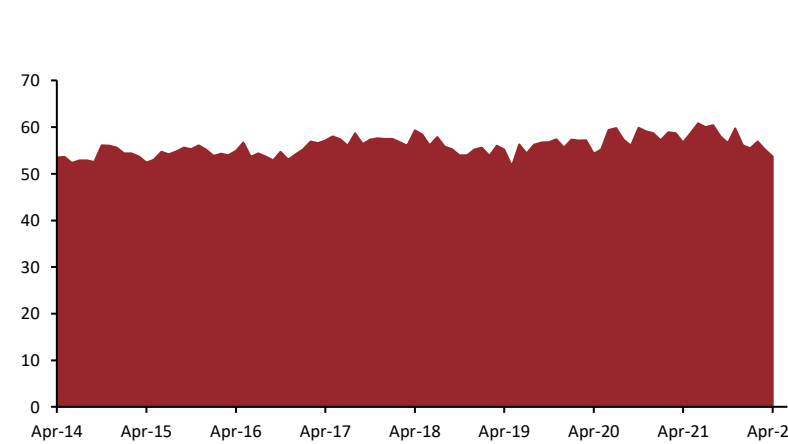
U.S. Initial Jobless Claims⁴



Consumer Price Index³

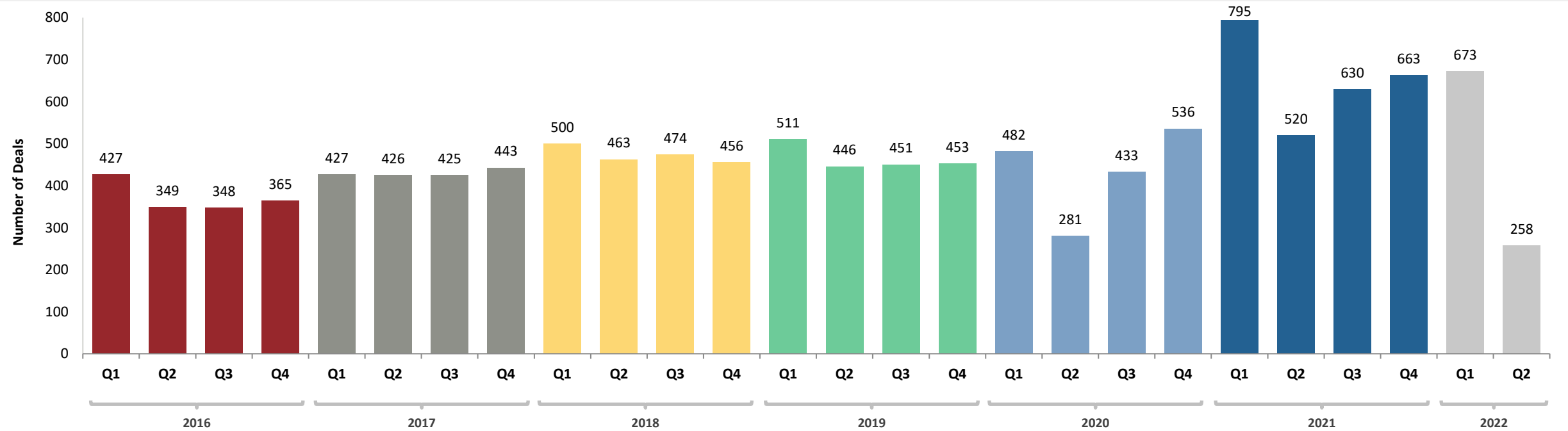


ISM Non-Manufacturing Index⁵



M&A Market Trends

Professional and Tech-Enabled Services M&A Volume by Year¹



PSP Partners Acquires Ntiva



Target



Buyer

- Harris Williams advised Ntiva, a portfolio company of Southfield Capital, on its sale to PSP Capital Partners. Ntiva is a leading provider of managed IT services, strategic consulting, cybersecurity services, cloud services, and telecom solutions.

Recognize Partners Acquires AST



Target



Buyer

- Harris Williams advised AST LLC, a portfolio company of Tailwind Capital, on its sale to Recognize Partners. AST LLC is an award-winning, full-service enterprise systems integrator, serving clients in the public and commercial sectors.

Recent Professional and Tech-Enabled Services Transactions Detail

Date	Target	Business Description	Acquirer(s)
5/10/22	Greystone Property Tax Advisors	Property tax consulting firm	Ryan (Onex)
5/9/22	Peridus Group	HR technology consulting firm	Cielo (Permira)
5/4/22	Commercial Construction Consulting, Inc.	Development advisory and engineering consulting company	Rimkus Consulting Group (Century Equity)
5/3/22	Morrow Sodali	Shareholder engagement and governance advisory firm	TPG Growth
5/2/22	Lighthouse Insurance Group	Insurance agency	Arthur J. Gallagher & Co.
4/27/22	VISTA Staffing Solutions	Outsourced employment provider	Ingenovis Health (Cornell Capital and Trilantic)
4/26/22	Business Benefits Group	Insurance agency	Patriot Growth Insurance Services (GI Partners and Summit Partners)
4/25/22	Ryan Insurance Strategy Consultants	Insurance agency	Arthur J. Gallagher & Co.
4/25/22	Alscott, Inc.	Surety support service provider	GTCR and Apax
4/24/22	Innovative Employer Solutions	Provider of HR and workforce consulting services	Engage PEO (Lightyear Capital)
4/20/22	Core Human Factors	Human factors analysis firm	Rimkus Consulting Group (Century Equity)
4/20/22	SolomonEdwardsGroup	Professional services firm	Renovus Capital Partners
4/19/22	Epic Staffing Group	Outsourced employment provider	The Pritzker Organization
4/19/22	Headway Workforce Solutions	HR services firm	Staffing 360 Solutions
4/19/22	Dahlmeier Insurance	Insurance agency	Relation Insurance Services (Aquiline)
4/19/22	MDB Insight Inc.	Consultancy firm	Deloitte Canada
4/19/22	DSG Consulting	Growth consultancy firm	Corporate Visions (The Riverside Company)
4/15/22	The Robertson Group (TRG)	Pharmacy informatics and technology consulting group	Visante

Harris Williams Professional and Tech-Enabled Services Experience

Selected Transactions

 WENDEL has acquired  a business division of  GLOBAL EDUCATION	 a portfolio company of  has been acquired by 	 a portfolio company of  has been acquired by 	 has acquired  a portfolio company of LEEDS Equity Partners 	 a portfolio company of Audax Private Equity has been acquired by 
 has received an investment from 	 a portfolio company of  has received an investment from Morgan Stanley Capital Partners	 a portfolio company of  has received an investment from AQUILINE CAPITAL PARTNERS LLC	 a portfolio company of Apax PARTNERS has been acquired by GTCR	 a portfolio company of  has been acquired by abry partners
 a portfolio company of  has been acquired by LGP	 a portfolio company of  has been acquired by GI PARTNERS and merged with AD ADVANCED DISCOVERY	 has been acquired by 	 a portfolio company of TRIVEST has been acquired by MSOUTH EQUITY PARTNERS	 a portfolio company of  has received an investment from LEEDS Equity Partners

Harris Williams Transaction Spotlight


WENDEL
has acquired

a business division of

GLOBAL EDUCATION

Company Background

The company is an international membership organization focused on enhancing the knowledge and expertise of anti-money laundering, anti-bribery, corruption and financial terrorism, along with organizing related international conferences, seminars and training, enabling clients to meet their continuing professional education needs to avoid financial crime.

Transaction Overview

Harris Williams advised Wendel Group on its acquisition of the Association of Certified Anti-Money Laundering Specialists (ACAMS), a business division of Adtalem Global Education.

Harris Williams Transaction Spotlight


has acquired

a portfolio company of
LEEDS | Equity Partners


Company Background

Scaled Agile is a leading global provider of the framework, platform, and professional training content and certifications for implementing business agility practices across the enterprise.

Transaction Overview

Harris Williams advised Eurazeo on its acquisition of Scaled Agile, a portfolio company of Leeds Equity Partners and Rubicon Technology Partners.

Harris Williams: At a Glance



- **30 years** and thousands of deals closed
- **100%** of revenue is from M&A advisory
- **10** Industry Groups with deep sector expertise
- **70%** of revenue from repeat clients
- **8** offices across the U.S. and Europe

Harris Williams Business Services & Specialty Distribution

- Commercial & Industrial Services
- IT Services
- Professional Services
- Specialty Distribution

Professional and Tech-Enabled Services Sectors

- Business Process Outsourcing
- Consulting
- Education & Training
- Engineering
- Financial Services
- Governance, Risk & Compliance
- Human Capital Management
- Information Technology
- Insurance & Risk Management
- Legal Services
- Marketing & Information
- Workforce Solutions

Harris Williams Professional and Tech-Enabled Services Contacts

Bob Baltimore
Managing Director
bbaltimore@harriswilliams.com
(804) 915-0129

Derek Lewis
Managing Director
dlewis@harriswilliams.com
(804) 915-0118

Anthony Basmajian
Managing Director
abasmajian@harriswilliams.com
(804) 887-6030

Bryce Walker
Director
bwalker@harriswilliams.com
(804) 887-6154

Maury Nolen
Vice President
mnolen@harriswilliams.com
(804) 528-3570

Katie Baskind
Origination Manager
kbaskind@harriswilliams.com
(804) 915-0121

Harris Williams Capabilities and Locations



Harris Williams has a broad range of industry expertise, which creates powerful opportunities. Our clients benefit from our deep-sector experience, integrated industry intelligence and collaboration across the firm, and our commitment to learning what makes them unique. For more information, visit our website at www.harriswilliams.com.

	Aerospace, Defense & Government Services		Business Services		Building Products & Materials		Consumer		Energy, Power, Infrastructure
	Healthcare & Life Sciences		Industrials		Specialty Distribution		Technology		Transportation & Logistics

Office Locations			
United States			
Boston One International Place Suite 2620 Boston, Massachusetts 02110 Phone: +1 (617) 482-7501	Minneapolis 222 South 9th Street Suite 3350 Minneapolis, Minnesota 55402 Phone: +1 (612) 359-2700	San Francisco One Market Plaza, Steuart Tower 11th Floor San Francisco, California 94105 Phone: +1 (415) 288-4260	Europe
Cleveland 1900 East 9th Street 25th Floor Cleveland, Ohio 44114 Phone: +1 (216) 689-2400	Richmond 1001 Haxall Point 9th Floor Richmond, Virginia 23219 Phone: +1 (804) 648-0072	Washington, D.C. 800 17th St. NW 2nd Floor Washington, D.C. 20006 Phone: +1 202-207-2300	Frankfurt Bockenheimer Landstrasse 33-35 60325 Frankfurt Germany Phone: +49 069 3650638 00
			London 25 Savile Row 4th Floor London, England W1S 2ER Phone: +44 20 7518 8900

Sources & Disclaimers

Sources

Public Comparable Companies:
BPO: Cognizant, Computershare, DXC, ExlService, Genpact, Tata Consultancy, TTEC, Wipro, and WNS
Consulting: Accenture, CBIZ, CRA International, FTI Consulting, Huron Consulting Group, ICF International, and Resources Connection
Human Capital: ASGN, Barrett Business Services, Hays, Heidrick & Struggles International, Insperity, Kelly Services, Kforce, Korn Ferry, ManpowerGroup, Randstad, Robert Half International, SThree, TrueBlue, Willis Towers Watson
IL&R Services (Insurance, Legal, and Risk): Aon, Arthur J. Gallagher & Co., Brown & Brown, Crawford & Company, Marsh & McLennan Companies, Willis Towers Watson
M&I Services (Marketing & Information): Bread Financial Holdings, comScore, CoStar Group, Equifax, Experian, FactSet, Fair Isaac, Forrester Research, Info Yatrim, Informa, LiveRamp Holdings, Moody's, Morningstar, Nielsen Holdings, Omnicom Group, Publicis Groupe, The Interpublic Group of Companies, Thomson Reuters, Verisk Analytics, Viad, Wolters Kluwer, WPP
Transaction Processing: Automatic Data Processing, Fidelity National Information Services, Global Payments, Jack Henry & Associates, Paychex, The Western Union Company
Education and Training: Adtalem, Global Education, American Public Education, Franklin Covey, Grand Canyon Education, K12, Lincoln Educational Services, Pearson, Scholastic, Strategic Education, Zovio
IT Consulting: Accenture, Atos, Capgemini, CGI, Cognizant Technology Solutions, DXC Technology, Genpact, HCL Technologies, Infosys, Tata Consultancy Services, Tech Mahindra, Wipro
Managed Services: American Virtual Cloud Technologies, NetApp, TTEC, Zscaler, Rackspace Technology, Datto, Snowflake

Disclosures and Disclaimers

Harris Williams LLC is a registered broker-dealer and member of FINRA and SIPC. Harris Williams & Co. Ltd is a private limited company incorporated under English law with its registered office at 8th Floor, 20 Farringdon Street, London EC4A 4AB, UK, registered with the Registrar of Companies for England and Wales (registration number 07078852). Harris Williams & Co. Ltd is authorized and regulated by the Financial Conduct Authority. Harris Williams & Co. Corporate Finance Advisors GmbH is registered in the commercial register of the local court of Frankfurt am Main, Germany, under HRB 107540. The registered address is Bockenheimer Landstrasse 33-35, 60325 Frankfurt am Main, Germany (email address: hwgermany@harriswilliams.com). Geschäftsführer/Directors: Jeffery H. Perkins, Paul Poggi. (VAT No. DE321666994). Harris Williams is a trade name under which Harris Williams LLC, Harris Williams & Co. Ltd and Harris Williams & Co. Corporate Finance Advisors GmbH conduct business.

Investment banking services are provided by Harris Williams LLC ("Harris Williams"). Harris Williams is a registered broker-dealer and member of FINRA and SIPC. Harris Williams & Co. Ltd is a private limited company incorporated under English law with its registered office at 8th Floor, 20 Farringdon Street, London EC4A 4AB, UK, registered with the Registrar of Companies for England and Wales, registration number 07078852. Harris Williams & Co. Ltd is authorized and regulated by the Financial Conduct Authority. Harris Williams & Co. Corporate Finance Advisors GmbH is registered in the commercial register of the local court of Frankfurt am Main, Germany, under HRB 107540. The registered address is Bockenheimer Landstrasse 33-35, 60325 Frankfurt am Main, Germany (email address: hwgermany@harriswilliams.com). Geschäftsführers/Directors: Jeffery H. Perkins, Paul Poggi, VAT No. DE321666994. Harris Williams is a trade name under which Harris Williams LLC, Harris Williams & Co. Ltd and Harris Williams & Co. Corporate Finance Advisors GmbH conduct business.

The information and views contained in this content have been prepared in part by Harris Williams. This content does not purport to be comprehensive or to contain all the information that a recipient may need in order to evaluate any investment or potential transaction. This content is not a research report, as such term is defined by applicable law and regulations, and is provided for informational purposes only. Any and all information, including estimates, projections and other forward-looking statements, presented in this document may involve various assumptions and significant elements of subjective judgment and analysis that may or may not be correct. Harris Williams has not independently verified, and neither Harris Williams nor any other person will independently verify, any of the information, estimates, projections or forward-looking statements contained herein or the assumptions on which they are based. The information contained in this document is made as of the date hereof unless stated otherwise. Harris Williams does not expect to update or otherwise revise this document nor provide any additional information, nor correct any inaccuracies herein which may become apparent.

This content is intended for institutional use only and should not be relied upon by retail investors or members of the general public. The information contained herein is believed by Harris Williams to be reliable but Harris Williams makes no representation or warranty as to the accuracy or completeness of such information, and information contained herein that is based on material prepared by others may involve significant elements of subjective judgment and analysis which may or may not be correct. Opinions, estimates and projections contained herein constitute Harris Williams' judgment and are subject to change without notice.

This content is not to be construed as investment advice an offer to buy or sell or a solicitation of an offer to buy or sell any financial instruments or to participate in any particular transaction, nor shall this content form the basis of any contract. It does not constitute and should not be construed as an endorsement or recommendation of any entities' products or services.

No part of this material may be copied or duplicated in any form or by any means, or redistributed, without Harris Williams' prior written consent.