



**Evolve**  
Capital Partners

# QUARTERLY DEALS & MARKET ROUNDUP

## Business Process Outsourcing (BPO)

October 2019



*Customer Experience*



*IT / Consulting*



*Operations*



*HR / Payroll*



*Healthcare Industry*

# Overview of Evolve Capital Partners

## ABOUT EVOLVE CAPITAL PARTNERS

- Evolve Capital Partners (Evolve) is a specialized investment bank focused on businesses serving industries at the intersection of finance and technology.
- We are dedicated investment bankers focused on evolving industries, and we support sustainable growth through transformational M&A / financing transactions.
- Evolve is a dedicated, creative, and fully independent investment bank that advises private and public companies on merger, divestiture and acquisition transactions, and capital raising through private placements.
- We also provide structured financial advisory services — our investment banking practice provides a comprehensive suite of solutions to businesses.
- With over 30 engagements executed by its leaders, Evolve has served as a proud partner, bringing renewed value to companies at the intersection of finance and technology.
- Founded in 2012 and based in New York, NY.

## HIGH-TOUCH INVESTMENT BANKING

*Few investment banks have transaction experience across both corporate and asset finance.*



### Our Clients

- Corporations
- Management Teams
- VC & PE Backed Companies
- Independent Directors / Boards



### Investment Banking Advisory

- M&A
- Strategic Alliances
- Capital Raises and Asset Finance
- Financial Restructuring



### Industry Focus

*Finance and Technology Firms*

**Securities**

**Financial Services**

**Financial Management**

**Specialty Finance**

**Enterprise Software**

**Analytics**

**Payments**

**Lending**

**Insurance**

**BPO**

**IoT**

**B2B**

# We Focus Exclusively on Finance and Technology-Related Firms

## Securities



## Payments



## Insurance



## BPO



## Capabilities

### M&A Advisory

*Sales / Recaps*

*Acquisitions*

*Divestiture*

*Strategic Advisory*

## Specialty Finance / Alternative Lending



## Enterprise Software / Data & Analytics



## Bank Technology / Solutions



## Healthcare Tech



## Financing

*Private Placements*

*Debt Capital*

*Restructuring*

## Financial Management Solutions



# Market Summary and Key Multiples

## Industry Stock Market Performance of Evolve Sector Coverage

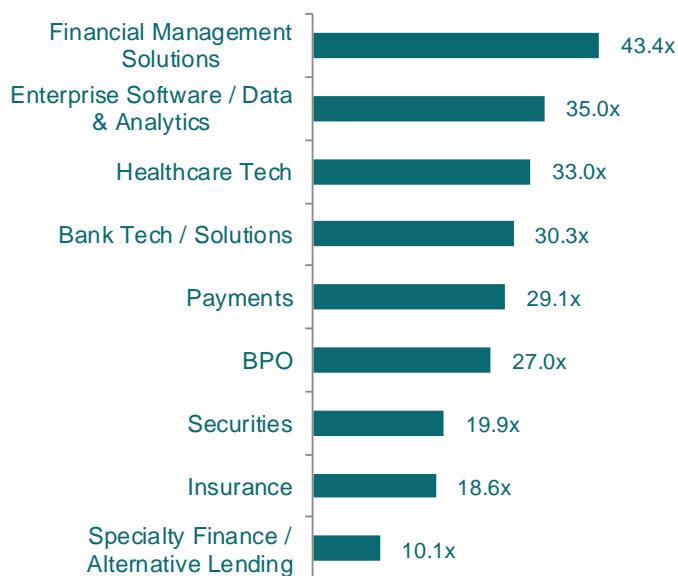
### Indexed Price Performance \*

| Sector                                  | 3 Months | 1 Year  | 3 Years |
|---|----------|---------|---------|
| Bank Tech / Solutions                   | (0.5%)   | 7.6%    | 52.9%   |
| BPO                                     | (6.6%)   | 1.7%    | 49.6%   |
| Enterprise Software / Data & Analytics  | (4.1%)   | 0.6%    | 42.3%   |
| Financial Management Solutions          | (2.9%)   | 11.2%   | 78.0%   |
| Healthcare Tech                         | (10.9%)  | (18.3%) | 45.0%   |
| Insurance                               | (2.8%)   | 4.6%    | 46.8%   |
| Payments                                | (2.4%)   | 2.5%    | 88.3%   |
| Securities                              | (4.7%)   | (5.8%)  | 26.4%   |
| Specialty Finance / Alternative Lending | 0.5%     | (4.3%)  | 39.1%   |

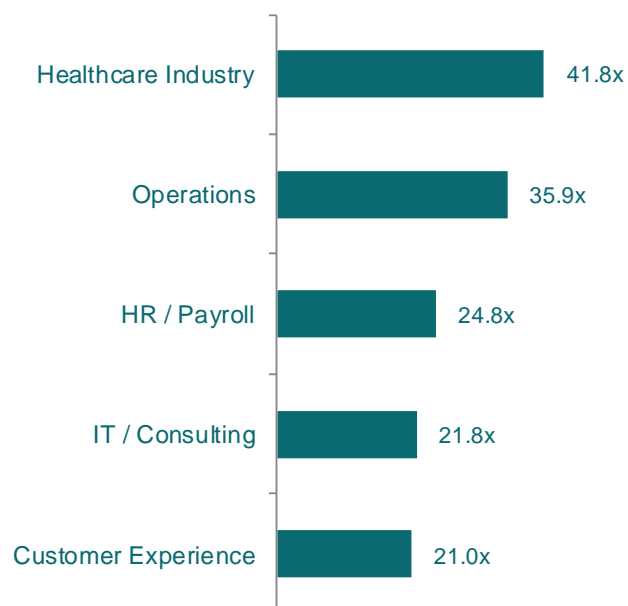
\* Equal weighting method.

## Industry-wide Multiples and Subsector Multiples

### Sector 2020E Price / Earnings Multiples



### Business Process Outsourcing 2020E Price / Earnings Multiples



Data as of October 1, 2019  
Source: Pitchbook

## Stock Comparables – Business Process Outsourcing Sub-Sectors (1/2)

(All figures in millions of USD, except per share data. Data as of October 1, 2019)

### Customer Experience

|                   | Stock Price | % of 52-Wk. High | Market Value | Enterprise Value | LTM     |         | Growth Rates: |           |           | LTM Margins: |            | EV / Revenue |             |             | EV / EBITDA  |              |              |
|-------------------|-------------|------------------|--------------|------------------|---------|---------|---------------|-----------|-----------|--------------|------------|--------------|-------------|-------------|--------------|--------------|--------------|
|                   |             |                  |              |                  | Revenue | EBITDA  | Revenue:      |           | Earnings  | Gross        | EBITDA     | LTM          | CY 2019     | CY 2020     | LTM          | CY 2019      | CY 2020      |
|                   |             |                  |              |                  |         |         | CY 2019       | CY 2020   |           |              |            |              |             |             |              |              |              |
| Teleperformance   | \$108.41    | 97.0%            | \$12,705     | \$15,767         | \$5,634 | \$1,033 | 11%           | 10%       | 19%       | 33%          | 18%        | 2.8x         | 3.0x        | 2.7x        | 15.3x        | 18.4x        | 15.2x        |
| TTEC              | \$47.11     | 93.4%            | \$2,190      | \$2,511          | \$1,571 | \$180   | 1%            | 9%        | 5%        | 24%          | 11%        | 1.6x         | 1.7x        | 1.5x        | 14.0x        | 13.3x        | 11.9x        |
| Sykes Enterprises | \$30.12     | 94.8%            | \$1,253      | \$1,431          | \$1,606 | \$144   | 3%            | 0%        | (5%)      | 35%          | 9%         | 0.9x         | 0.9x        | 0.9x        | 9.9x         | 8.5x         | 8.2x         |
| <b>MEAN</b>       |             |                  |              |                  |         |         | <b>5%</b>     | <b>6%</b> | <b>6%</b> | <b>31%</b>   | <b>13%</b> | <b>1.8x</b>  | <b>1.9x</b> | <b>1.7x</b> | <b>13.1x</b> | <b>13.4x</b> | <b>11.8x</b> |
| <b>MEDIAN</b>     |             |                  |              |                  |         |         | <b>3%</b>     | <b>9%</b> | <b>5%</b> | <b>33%</b>   | <b>11%</b> | <b>1.6x</b>  | <b>1.7x</b> | <b>1.5x</b> | <b>14.0x</b> | <b>13.3x</b> | <b>11.9x</b> |

### Healthcare Industry

|                                 | Stock Price | % of 52-Wk. High | Market Value | Enterprise Value | LTM     |        | Growth Rates: |             |            | LTM Margins: |            | EV / Revenue |             |             | EV / EBITDA  |              |              |
|---------------------------------|-------------|------------------|--------------|------------------|---------|--------|---------------|-------------|------------|--------------|------------|--------------|-------------|-------------|--------------|--------------|--------------|
|                                 |             |                  |              |                  | Revenue | EBITDA | Revenue:      |             | Earnings   | Gross        | EBITDA     | LTM          | CY 2019     | CY 2020     | LTM          | CY 2019      | CY 2020      |
|                                 |             |                  |              |                  |         |        | CY 2019       | CY 2020     |            |              |            |              |             |             |              |              |              |
| HealthEquity                    | \$55.58     | 54.7%            | \$3,925      | \$3,150          | \$320   | \$128  | 24%           | 81%         | 53%        | 65%          | 40%        | 9.8x         | 11.0x       | 6.1x        | 24.6x        | 26.6x        | 20.3x        |
| Hims Holdings                   | \$33.95     | 83.5%            | \$2,966      | \$2,961          | \$626   | \$161  | 15%           | 10%         | 49%        | 36%          | 26%        | 4.7x         | 4.9x        | 4.5x        | 18.4x        | 18.2x        | 15.8x        |
| Qualicorp                       | \$7.45      | 96.2%            | \$2,092      | \$2,093          | \$500   | \$257  | (23%)         | (4%)        | 1%         | 81%          | 51%        | 4.2x         | 4.2x        | 4.3x        | 8.1x         | 8.7x         | 8.7x         |
| Allscripts Healthcare Solutions | \$10.58     | 74.7%            | \$1,763      | \$2,587          | \$1,587 | \$43   | 44%           | (17%)       | NA         | 41%          | 3%         | 1.6x         | 1.2x        | 1.4x        | 60.7x        | 6.4x         | 8.6x         |
| R1 RCM                          | \$9.05      | 68.6%            | \$1,015      | \$1,632          | \$1,084 | \$50   | 93%           | 38%         | NA         | 15%          | 5%         | 1.5x         | 1.9x        | 1.4x        | 32.4x        | 28.6x        | 9.7x         |
| NextGen Healthcare              | \$15.24     | 72.2%            | \$996        | \$1,028          | \$528   | \$74   | 1%            | 1%          | NA         | 53%          | 14%        | 1.9x         | 1.9x        | 1.9x        | 13.9x        | 13.3x        | 12.5x        |
| Computer Programs & Systems     | \$21.89     | 64.4%            | \$314        | \$444            | \$277   | \$37   | 2%            | (4%)        | 27%        | 53%          | 14%        | 1.6x         | 1.6x        | 1.6x        | 11.9x        | 9.2x         | 9.2x         |
| Castlight Health                | \$1.34      | 32.3%            | \$195        | \$151            | \$154   | (\$24) | 17%           | (8%)        | NA         | 62%          | (16%)      | 1.0x         | 1.0x        | 1.1x        | NMF          | NMF          | NMF          |
| <b>MEAN</b>                     |             |                  |              |                  |         |        | <b>22%</b>    | <b>12%</b>  | <b>33%</b> | <b>51%</b>   | <b>17%</b> | <b>3.3x</b>  | <b>3.5x</b> | <b>2.8x</b> | <b>24.3x</b> | <b>15.9x</b> | <b>12.1x</b> |
| <b>MEDIAN</b>                   |             |                  |              |                  |         |        | <b>16%</b>    | <b>(1%)</b> | <b>38%</b> | <b>53%</b>   | <b>14%</b> | <b>1.8x</b>  | <b>1.9x</b> | <b>1.8x</b> | <b>18.4x</b> | <b>13.3x</b> | <b>9.7x</b>  |

### HR / Payroll

|                           | Stock Price | % of 52-Wk. High | Market Value | Enterprise Value | LTM      |         | Growth Rates: |            |            | LTM Margins: |            | EV / Revenue |             |             | EV / EBITDA  |              |              |
|---------------------------|-------------|------------------|--------------|------------------|----------|---------|---------------|------------|------------|--------------|------------|--------------|-------------|-------------|--------------|--------------|--------------|
|                           |             |                  |              |                  | Revenue  | EBITDA  | Revenue:      |            | Earnings   | Gross        | EBITDA     | LTM          | CY 2019     | CY 2020     | LTM          | CY 2019      | CY 2020      |
|                           |             |                  |              |                  |          |         | CY 2019       | CY 2020    |            |              |            |              |             |             |              |              |              |
| Automatic Data Processing | \$160.43    | 91.9%            | \$69,578     | \$69,631         | \$14,175 | \$3,447 | 7%            | 6%         | 17%        | 43%          | 24%        | 4.9x         | 5.1x        | 4.8x        | 20.2x        | 23.0x        | 19.3x        |
| Paychex                   | \$81.89     | 92.6%            | \$29,328     | \$29,412         | \$3,773  | \$1,554 | 8%            | 17%        | 11%        | 69%          | 41%        | 7.8x         | 8.6x        | 7.3x        | 18.9x        | 21.1x        | 18.1x        |
| TriNet Group              | \$60.10     | 78.1%            | \$4,203      | \$4,382          | \$3,661  | \$290   | NA            | NA         | 67%        | 19%          | 8%         | 1.2x         | 5.0x        | 4.6x        | 15.1x        | 12.6x        | 11.2x        |
| Insperty                  | \$96.42     | 66.5%            | \$3,971      | \$3,809          | \$4,088  | \$231   | 16%           | 13%        | 43%        | 18%          | 6%         | 0.9x         | 1.0x        | 0.9x        | 16.5x        | 15.9x        | 13.6x        |
| Cornerstone OnDemand      | \$53.75     | 85.8%            | \$3,262      | \$3,236          | \$554    | \$38    | 10%           | 8%         | NA         | 74%          | 7%         | 5.8x         | 6.1x        | 5.7x        | 84.5x        | 33.0x        | 26.3x        |
| Benefitfocus              | \$23.25     | 38.3%            | \$760        | \$898            | \$273    | (\$18)  | 9%            | 15%        | NA         | 51%          | (7%)       | 3.3x         | 3.5x        | 3.0x        | NMF          | 86.9x        | 71.3x        |
| <b>MEAN</b>               |             |                  |              |                  |          |         | <b>10%</b>    | <b>12%</b> | <b>35%</b> | <b>46%</b>   | <b>13%</b> | <b>4.0x</b>  | <b>4.9x</b> | <b>4.4x</b> | <b>31.1x</b> | <b>32.1x</b> | <b>26.6x</b> |
| <b>MEDIAN</b>             |             |                  |              |                  |          |         | <b>9%</b>     | <b>13%</b> | <b>30%</b> | <b>47%</b>   | <b>7%</b>  | <b>4.1x</b>  | <b>5.0x</b> | <b>4.7x</b> | <b>18.9x</b> | <b>22.0x</b> | <b>18.7x</b> |

### IT / Consulting

|                                | Stock Price | % of 52-Wk. High | Market Value | Enterprise Value | LTM      |         | Growth Rates: |           |           | LTM Margins: |            | EV / Revenue |             |             | EV / EBITDA  |              |              |
|--------------------------------|-------------|------------------|--------------|------------------|----------|---------|---------------|-----------|-----------|--------------|------------|--------------|-------------|-------------|--------------|--------------|--------------|
|                                |             |                  |              |                  | Revenue  | EBITDA  | Revenue:      |           | Earnings  | Gross        | EBITDA     | LTM          | CY 2019     | CY 2020     | LTM          | CY 2019      | CY 2020      |
|                                |             |                  |              |                  |          |         | CY 2019       | CY 2020   |           |              |            |              |             |             |              |              |              |
| Accenture                      | \$189.62    | 93.5%            | \$120,769    | \$115,080        | \$43,274 | \$6,973 | 6%            | 10%       | 7%        | 30%          | 16%        | 2.7x         | 2.9x        | 2.6x        | 16.5x        | 17.0x        | 15.8x        |
| Tata Consultancy Services      | \$29.04     | 88.4%            | \$108,958    | \$108,257        | \$21,285 | \$6,012 | NA            | NA        | 8%        | 45%          | 28%        | 5.1x         | NA          | NA          | 18.0x        | NA           | NA           |
| Infosys                        | \$11.19     | 94.8%            | \$47,409     | \$44,975         | \$12,098 | \$3,021 | NA            | NA        | (17%)     | 34%          | 25%        | 3.7x         | NA          | NA          | 14.9x        | NA           | NA           |
| Cognizant Technology Solutions | \$60.62     | 78.2%            | \$33,480     | \$32,103         | \$16,458 | \$3,098 | 9%            | 4%        | 13%       | 38%          | 19%        | 2.0x         | 2.0x        | 1.9x        | 10.4x        | 9.5x         | 9.7x         |
| HCL Technologies               | \$14.94     | 87.8%            | \$20,258     | \$20,258         | \$6,612  | \$1,522 | NA            | NA        | 8%        | 63%          | 23%        | 3.1x         | NA          | NA          | 13.3x        | NA           | NA           |
| Capgemini                      | \$23.43     | 89.5%            | \$19,416     | \$22,250         | \$15,670 | \$2,079 | 10%           | 1%        | (10%)     | 27%          | 13%        | 1.4x         | 1.4x        | 1.4x        | 10.7x        | 10.8x        | 9.4x         |
| Wipro                          | \$3.29      | 76.3%            | \$18,723     | \$14,365         | \$8,397  | \$1,739 | (1%)          | 2%        | 3%        | 30%          | 21%        | 1.7x         | 1.7x        | 1.7x        | 8.3x         | 8.7x         | 8.3x         |
| Atmos Energy                   | \$112.98    | 98.1%            | \$13,354     | \$17,037         | \$2,903  | \$1,126 | 15%           | (5%)      | 10%       | 69%          | 39%        | 5.9x         | 5.2x        | 5.4x        | 15.1x        | 16.1x        | NA           |
| OpenText                       | \$40.31     | 90.5%            | \$10,851     | \$12,526         | \$2,869  | \$1,048 | 7%            | 4%        | (3%)      | 68%          | 37%        | 4.4x         | 4.4x        | 4.3x        | 12.0x        | 12.2x        | 11.4x        |
| Tech Mahindra                  | \$9.94      | 81.8%            | \$9,584      | \$8,364          | \$4,971  | \$997   | 4%            | 5%        | 9%        | 44%          | 20%        | 1.7x         | 1.7x        | 1.7x        | 8.4x         | NA           | NA           |
| Amdocs                         | \$66.02     | 97.7%            | \$8,971      | \$8,563          | \$4,059  | \$693   | 3%            | 3%        | 3%        | 35%          | 17%        | 2.1x         | 2.1x        | 2.1x        | 12.4x        | 10.4x        | NA           |
| DXC Technology                 | \$28.08     | 29.8%            | \$7,356      | \$16,911         | \$20,361 | \$3,563 | 21%           | (8%)      | NA        | 28%          | 17%        | 0.8x         | 0.8x        | 0.8x        | 4.7x         | 3.6x         | 4.3x         |
| CACI International             | \$226.15    | 96.2%            | \$5,627      | \$7,220          | \$4,986  | \$464   | 5%            | 16%       | 22%       | 8%           | 9%         | 1.4x         | 1.6x        | 1.3x        | 15.6x        | 18.7x        | 14.7x        |
| WNS Global Services            | \$58.52     | 90.0%            | \$2,906      | \$3,023          | \$824    | \$159   | 8%            | 12%       | 24%       | 37%          | 19%        | 3.7x         | 3.9x        | 3.5x        | 19.1x        | 18.0x        | 15.4x        |
| ExlService Holdings            | \$66.19     | 94.5%            | \$2,262      | \$2,366          | \$949    | \$134   | 16%           | 12%       | (9%)      | 34%          | 14%        | 2.5x         | 2.7x        | 2.4x        | 17.6x        | 16.1x        | 14.3x        |
| MindTree                       | \$10.16     | 67.5%            | \$1,643      | \$1,540          | \$1,021  | \$154   | 15%           | 13%       | 6%        | 38%          | 15%        | 1.5x         | 1.6x        | 1.4x        | 10.0x        | NA           | NA           |
| Hexaware Technologies          | \$5.30      | 81.3%            | \$1,583      | \$1,577          | \$713    | \$111   | 11%           | 19%       | 12%       | 47%          | 16%        | 2.2x         | 2.4x        | 2.0x        | 14.2x        | 14.9x        | 12.7x        |
| Virtusa                        | \$35.56     | 62.4%            | \$1,076      | \$1,414          | \$1,267  | \$94    | 24%           | 10%       | (7%)      | 29%          | 7%         | 1.1x         | 1.2x        | 1.1x        | 15.0x        | 13.2x        | 12.0x        |
| OneSpan                        | \$14.27     | 66.0%            | \$576        | \$508            | \$221    | \$5     | 7%            | 13%       | NA        | 66%          | 2%         | 2.3x         | 2.5x        | 2.2x        | 92.5x        | 23.5x        | 23.1x        |
| Aptitude Software              | \$7.07      | 81.3%            | \$393        | \$308            | \$95     | \$26    | 16%           | (23%)     | 55%       | NA           | 27%        | 3.2x         | 3.3x        | 4.3x        | 11.9x        | 13.2x        | NA           |
| Unisys                         | \$6.97      | 34.5%            | \$361        | \$673            | \$2,899  | \$316   | 3%            | 4%        | NA        | 23%          | 11%        | 0.2x         | 0.2x        | 0.2x        | 2.1x         | 1.6x         | 1.5x         |
| Be. Think. Solve. Execute      | \$1.11      | 86.0%            | \$146        | \$169            | \$171    | \$20    | 10%           | 12%       | 16%       | 65%          | 11%        | 1.0x         | 1.1x        | 1.0x        | 8.6x         | 7.9x         | 7.4x         |
| <b>MEAN</b>                    |             |                  |              |                  |          |         | <b>10%</b>    | <b>5%</b> | <b>8%</b> | <b>41%</b>   | <b>19%</b> | <b>2.4x</b>  | <b>2.2x</b> | <b>2.2x</b> | <b>16.0x</b> | <b>12.7x</b> | <b>11.4x</b> |
| <b>MEDIAN</b>                  |             |                  |              |                  |          |         | <b>9%</b>     | <b>5%</b> | <b>8%</b> | <b>37%</b>   | <b>17%</b> | <b>2.2x</b>  | <b>2.0x</b> | <b>1.9x</b> | <b>12.8x</b> | <b>13.2x</b> | <b>11.7x</b> |

Source: Pitchbook









## Stock Comparables – Business Process Outsourcing Sub-Sectors (2/2)

(All figures in millions of USD, except per share data. Data as of October 1, 2019)

| Operations            |             |                  |              |                  |         |         |               |           |            |              |            |              |             |             |              |              |              |
|-----------------------|-------------|------------------|--------------|------------------|---------|---------|---------------|-----------|------------|--------------|------------|--------------|-------------|-------------|--------------|--------------|--------------|
|                       | Stock Price | % of 52-Wk. High | Market Value | Enterprise Value | LTM     |         | Growth Rates: |           |            | LTM Margins: |            | EV / Revenue |             |             | EV / EBITDA  |              |              |
|                       |             |                  |              |                  | Revenue | EBITDA  | CY 2019       | CY 2020   | LT         | Gross        | EBITDA     | LTM          | CY 2019     | CY 2020     | LTM          | CY 2019      | CY 2020      |
| CGI Group             | \$77.76     | 96.5%            | \$20,951     | \$22,408         | \$9,024 | \$1,600 | 5%            | 5%        | 11%        | 18%          | 18%        | 2.5x         | 2.5x        | 2.4x        | 14.0x        | 13.8x        | 13.1x        |
| Genpact               | \$38.62     | 86.7%            | \$7,357      | \$8,624          | \$3,274 | \$535   | 9%            | 17%       | 8%         | 36%          | 16%        | 2.6x         | 2.9x        | 2.5x        | 16.1x        | 16.0x        | 13.2x        |
| Capita                | \$1.80      | 95.6%            | \$3,003      | \$4,779          | \$4,863 | \$592   | (8%)          | (9%)      | 6%         | 25%          | 12%        | 1.0x         | 1.0x        | 1.0x        | 8.1x         | 8.9x         | 8.9x         |
| Mphasis               | \$13.20     | 81.3%            | \$2,460      | \$2,460          | \$1,141 | \$216   | 10%           | 14%       | 18%        | 30%          | 19%        | 2.2x         | 2.3x        | 2.0x        | 11.4x        | NA           | NA           |
| iEnergizer            | \$3.47      | 86.3%            | \$659        | \$661            | \$174   | \$51    | NA            | 7%        | 19%        | 36%          | 29%        | 3.8x         | 3.9x        | 3.7x        | 13.1x        | NA           | 13.0x        |
| Firstsource Solutions | \$0.65      | 74.3%            | \$450        | \$450            | \$545   | \$81    | 4%            | 2%        | 9%         | 32%          | 15%        | 0.8x         | 0.8x        | 0.8x        | 5.6x         | NA           | NA           |
| PRGX Global           | \$4.94      | 51.0%            | \$117        | \$150            | \$174   | \$15    | 9%            | (1%)      | NA         | 40%          | 8%         | 0.9x         | 0.9x        | 0.9x        | 10.2x        | 6.1x         | 6.0x         |
| <b>MEAN</b>           |             |                  |              |                  |         |         | <b>5%</b>     | <b>5%</b> | <b>12%</b> | <b>31%</b>   | <b>17%</b> | <b>2.0x</b>  | <b>2.0x</b> | <b>1.9x</b> | <b>11.2x</b> | <b>11.2x</b> | <b>10.9x</b> |
| <b>MEDIAN</b>         |             |                  |              |                  |         |         | <b>7%</b>     | <b>5%</b> | <b>10%</b> | <b>32%</b>   | <b>16%</b> | <b>2.2x</b>  | <b>2.3x</b> | <b>2.0x</b> | <b>11.4x</b> | <b>11.3x</b> | <b>13.0x</b> |












Source: Pitchbook

## Key M&A Transaction Activity Summary

| Date      | Target   | Acquirer(s)   | Sector              | Value (\$mm) | Transaction Comments  |
|-----------|--|---|---------------------|--------------|---|
| 3/10/2019 |  Nytec                              |  accenture                         | IT / Consulting     | NA           | <ul style="list-style-type: none"> <li>Nytec is an Ireland-based provider of management and technology consulting</li> <li>Nytec will merge with Accenture's Industry X.O after the acquisition</li> </ul>  |
| 10/1/2019 |  erecruit™                          |  Bullhorn™                         | Operations          | NA           | <ul style="list-style-type: none"> <li>Erecruit provides staffing and vendor management software solutions</li> <li>The acquisition enables Bullhorn to strengthen the presence of its Bullhorn One platform in the market</li> </ul>                           |
| 9/30/2019 |  APTUS HEALTH                     |  WebMD health services           | Healthcare Industry | NA           | <ul style="list-style-type: none"> <li>Aptus Health provides healthcare engagement solutions through medical education and health information platforms</li> <li>The transaction benefits both parties from the integration of their core businesses</li> </ul> |
| 9/26/2019 |  emids<br>experience partnership. |  NMC<br>NEW MOUNTAIN CAPITAL LLC | Healthcare Industry | NA           | <ul style="list-style-type: none"> <li>eMids provides healthcare digital engineering and transformation solutions</li> <li>The new funding will be used to continue eMids' innovative prowess and expansion</li> </ul>  |
| 9/30/2019 |  VitalSmarts®                     |  LEEDS   Equity Partners         | Operations          | NA           | <ul style="list-style-type: none"> <li>VitalSmart provides solutions for corporate training</li> <li>The funding will be utilized to expand VitalSmart's business scale to train over 1M corporates annually</li> </ul>   |
| 9/23/2019 |  Pro Safety                       |  RISK STRATEGIES                 | Operations          | NA           | <ul style="list-style-type: none"> <li>Pro Safety Services provides safety training to corporates</li> <li>The acquisition enables Pro Safety Services to tap into RSC's customer base to expand the current model on a national scale</li> </ul>               |

Source: Pitchbook and Media Reports

## Key Financing Transaction Activity Summary

| Date      | Target   | Sector              | Amount (\$mm) | Type                   | Key Investor(s)  |
|-----------|--|---------------------|---------------|------------------------|--|
| 8/13/2019 |  schedulingcity                                   | Operations          | \$22          | Growth Equity          | Private  |
| 7/31/2019 |  harver   | HR / Payroll        | \$15          | Series B               |  INSIGHT PARTNERS   |
| 7/25/2019 |  ciOX HEALTH                                    | Healthcare Industry | \$30          | Private Equity Funding |  Global Health Innovation<br> NMC<br>NEW MOUNTAIN CAPITAL LLC |
| 7/24/2019 |  Health Catalyst<br>ignite outcomes improvement | Healthcare Industry | \$182         | IPO                    | NA   |
| 7/23/2019 |  venminder                                      | Operations          | \$5           | Growth Equity          |  BainCapital VENTURES<br> Mission OG                         |
| 7/23/2019 |  InsightGO                                      | Healthcare Industry | \$17          | Series D               | PiperJaffray   |

Source: Pitchbook and Media Reports



## IPO Activity Summary

| Company   | IPO Date   | Amount Raised (\$mm) | IPO Price | Current Market Price | Total Return |
|---|------------|----------------------|-----------|----------------------|--------------|
|  Health Catalyst<br><small>ignite outcomes improvement</small> | 7/25/2019  | \$182                | \$26.00   | \$29.15              | 12%          |
|  CHANGE<br>HEALTHCARE  | 6/27/2019  | \$557                | \$13.00   | \$12.18              | (6%)         |
|  CERIDIAN  | 4/26/2018  | \$462                | \$22.00   | \$49.33              | 124%         |
|  Appian  | 5/24/2017  | \$75                 | \$12.00   | \$47.29              | 294%         |
|  CONDUENT  | 12/29/2016 | \$386                | \$14.85   | \$6.16               | (59%)        |
|  BLACKLINE  | 10/27/2016 | \$146                | \$17.00   | \$46.70              | 175%         |
|  coupa   | 10/5/2016  | \$133                | \$18.00   | \$133.34             | 641%         |
|  L&T Infotech  | 7/14/2016  | \$185                | \$10.61   | \$21.22              | 100%         |
|  BLACK KNIGHT   | 5/19/2015  | \$441                | \$24.50   | \$60.53              | 147%         |
|  HealthEquity  | 7/30/2014  | \$127                | \$14.00   | \$55.58              | 297%         |
|  Five9   | 4/3/2014   | \$70                 | \$7.00    | \$52.53              | 650%         |
|  TriNet  | 3/26/2014  | \$240                | \$16.00   | \$60.10              | 276%         |
|  Castlight   | 3/13/2014  | \$178                | \$16.00   | \$1.34               | (92%)        |
|  BENEFITFOCUS   | 9/17/2013  | \$131                | \$26.50   | \$23.25              | (12%)        |
|  evertec   | 4/11/2013  | \$505                | \$20.00   | \$30.65              | 53%          |

Market data as of October 1, 2019

Source: Pitchbook

## Select Wall Street Research Updates and Commentary

### Update from Credit Suisse, September 2019

TEP has a resilient business model in our view, having grown LfL revenues by over 5% organically for 29 consecutive quarters. **Over the last decade it has diversified both its industry exposure and customer concentration whilst its share of revenue from eclients has increased from 5% in 2012 to 22% in H119.** In addition it has made a series of acquisitions to develop a high margin, lower volatility, Specialised Services division (14% of revenues in FY18 and 32% of EBITA). We believe the opportunity from Content Moderation can add 90-140bp to revenue growth per year, with the emerging e-gaming services a further opportunity.



### Update from Stifel, October 2019

PAYX expects to roll out several new products in conjunction with the annual HR Tech Conference being held this week in Las Vegas. Enhancements include pay on demand (later this year), which will allow employees to take advances before a scheduled pay check arrives; real time deposits (early 2020), which will give employers the ability to pay in real time (presumably daily) rather than biweekly or semimonthly; and an enhanced chatbot offering (December, first version introduced in 2018) for every customer interaction. The chatbot continues to improve through machine learning and will drive out further operating costs as it increasingly replaces human interaction. **PAYX outperformed the S&P today (+2% vs S&P -2%) and is trading at a 59% premium to the S&P**, above its historical five year premium of 47%, but below its peak of ~75% in June, perhaps reflecting PAYX' defensive characteristics and positioning as a fixed-income alternative.



### Update from BMO Capital Markets, September 2019

As we reflect on Genpact's analyst event, we think the larger picture is that Genpact has benefited, and will continue to benefit, by focusing on doing a few things well. Moreover, we think **Genpact has carved a niche within the broader services sector by leveraging its core competency in financial outsourcing and developing domain expertise in specific BPO solution sets.** Presentations on supply chain and cybercrime lead us to the conclusion that Genpact can expand its solution sets and maintain BPO durable growth in the low to mid-teens. Genpact is negotiating single source on about half of bookings, which we believe demonstrates client confidence in the strength of Genpact's portfolio.



### Update from Stifel, July 2019

TNET reported 2Q last night beating revenue and EPS by 4% and 5%, respectively, and raising 2019 guidance largely to reflect YTD outperformance. Highlights were continued improvement in key revenue drivers including client retention, revenue/client, s-store sales growth and unit volumes. Volume growth (WSE's) is the only metric formally reported and returned to y/y growth for the first time in six quarters, which gives us increasing conviction the model can yield low mid teens annual EBITDA growth as many of the initiatives taken over the past 2-3 years begin to bear fruit. TNET is trading at 12x EBITDA, a 25% discount to its closest peer, which we view as excessive given its differentiation and the aforementioned improvements. **On balance, we are comfortable with the company's ability to transition back to a growth mode with margin expansion, which should drive continued re-rating of this stock and consensus estimates higher.**



### Update from Credit Suisse, April 2019

Given the trends in 2H18, HMSY faces tough Y/Y comps in 3Q, which get easier in 4Q. Separately, HMSY is upbeat about the trends in the PI segment, noting that 4Q is a seasonally strong quarter for them. Likewise, **HMSY sees growth in its PHM business in 2H, as Medicare plans get risk adjustments, star ratings and HEDIS scores driving a greater push for HMSY's products and services.**



# Appendix – Coverage Universe Components

The coverage universe for various sectors is as follows:

- 1 Payments:**  
PINX:EDNMY, NYS:ADS, NYS:FLT, NYS:WEX, NYS:SHOP, NAS:PYPL, NYS:SQ, PINX:ADYYF, LON:BOKU, NYS:PAGS, NAS:STNE, NYS:EB, NAS:PYPL, NYS:AXP, NYS:MA, NYS:V, NAS:PMTS, NAS:CATM, NYS:DBD, NYS:EVRI, BSP:CIEL3, PAR:WLN, NAS:NEWT, NAS:QIWI, NAS:UEPS, ETR:WDI, NYS:DLX, NYS:EVTC, NYS:GPN, TKS:3769, LON:PAY, NYS:TSS, NAS:IIIV, NAS:EVOP, NAS:ACIW, NAS:EPAY, NAS:FISV, NAS:JKHY, NYS:FIS, GREY:INGIF, HKG:327, SHE:2152, NYS:NCR, NYS:PAR, TSE:LSPD, IDX:MCAS, NAS:EEFT, NAS:MGI, NYS:GDOT, ASX:OFX, NYS:WU
- 2 Bank Technology Solutions:**  
NAS:INTC, NAS:PYPL, NYS:AXP, NYS:IBM, BOM:532466, BOM:538835, NAS:EPAY, NAS:FISV, NAS:JKHY, PINX:CSVI, SWX:CLXN, NYS:FIS, TKS:6457, NYS:QTWO, SES:5CP, SWX:TEMN, STO:INTRUM, NYS:EFX, LON:EXPN, NYS:FICO, NYS:TRU, NAS:ASPS, NAS:CSGP, NAS:RDFN, NAS:RP, NAS:ZG, NYS:BKI, NYS:CLGX, NYS:FNF, TSE:REAL, NYS:STC, AMS:WKL, PAR:SOP, NAS:MITK, NAS:NTWK, NAS:PEGA, PINX:ASOZY
- 3 Specialty Finance / Alternative Lending:**  
NAS:ASFI, NAS:PCPG, NAS:NAVI, NAS:PFMT, NAS:PRAA, NAS:PRGX, NYS:NNI, NAS:CPSS, NAS:CACC, LON:FCH, NAS:MRLN, TSE:CHW, NYS:CIT, ASX:Z1P, NAS:ATLC, NAS:EZPW, NYS:AAN, NAS:FCFS, NAS:SLM, NAS:TBBK, NAS:WRLD, TSE:ECN, NYS:CURO, NAS:GSKY, NYS:AAN, NYS:COF, NYS:DFS, LON:IPF, NYS:OMF, LON:PFG, NYS:RM, NYS:SC, NYS:SYF, LON:TCS, NAS:RCII, NYS:AL, NYS:CAI, TSE:EFN, ASX:FXL, NYS:FLY, NYS:TGH, NYS:URI, NAS:CASH, PINX:DHCPQ, NYS:OCN, NYS:PFSI, NAS:TREE, ETR:FRU, STU:MBC, NYS:XRF, NYS:ELVT, NYS:ENVA, NYS:LC, NYS:ONDK, NYS:YRD
- 4 Securities:**  
AMS:FLOW, PAR:VIL, IEXG:IBKR, NAS:BGCP, NAS:TW, NAS:VIRT, LON:IGG, NYS:LM, NYS:IVZ, NAS:WETF, NYS:BLK, NYS:BEN, NYS:AB, MEX:FINAMEXO, NAS:INTL, SWX:CFT, MIL:MB, PAR:BNP, NSE:ICIBANK, NSE:IIFL, PINX:HSNGY, ETR:COM, NYS:AXP, NYS:BAC, LON:BARC, TSE:BMO, TSE:CM, NYS:C, LON:CBG, ASX:CBA, SES:D05, NYS:FII, LON:HSBA, NYS:JPM, NYS:BAC, NYS:HSBC, LON:LLOY, NYS:MTB, ASX:NAB, NYS:PNC, TSE:RY, LON:RBS, TSE:TD, NYS:USB, NYS:WFC, LON:BME, BSP:B3SA3, PAR:ENX, NAS:CME, NAS:NDAQ, PINX:HKXCY, ETR:DB1, ASX:ASX, BATS:CBOE, NYS:ICE, LON:LSE, SES:S68, TSE:X, NAS:VALU, NAS:MORN, NSE:CRISIL, NYS:FDS, NYS:INFO, NYS:MCO, NYS:MSCI, NYS:IT, NAS:FORR, NYS:RELX, NYS:SPGI, TSE:TRI, LON:NUM, NAS:COWN, ETR:DBK, SWX:CSGN, NYS:GHL, NYS:JPM, NYS:JMP, ASE:LTS, NYS:LAZ, ASX:MQG, NYS:MS, TKS:8604, NYS:PJC, NYS:RFJ, NYS:SF, NYS:GS, SWX:UBSG, NYS:AB, NYS:AMP, NYS:APAM, NYS:BLK, NYS:BK, NYS:CNS, NYS:BEN, LON:HL, NYS:IVZ, NYS:JHG, NAS:NTRS, NAS:SEIC, NAS:UMBF, NYS:MTB, NAS:TROW, NAS:VRTS, NYS:WDR, NAS:WETF, NYS:SCHW, LON:CMCX, NAS:ETFC, NYS:GCAP, NAS:MKTX, TKS:8628, NAS:VIRT, IEXG:IBKR, NAS:TIGR, NAS:FHL, TKS:8698, LON:PLUS, SWX:SQN, NAS:AMTD, NAS:YIN, AMS:KA, NAS:LPLA, NYS:AMK, NAS:SEIC, ASX:BVS, NYS:BR, ASX:CPU, NYS:ENV, LON:SNN, NYS:STT, LON:TCAP, PINX:FDRVF, LON:SOG, CSE:SIM, PAR:LIN, NAS:SSNC, LON:ALFA, ASX:IRE, SWX:TEMN
- 5 Insurance:**  
NAS:BNFT, NAS:HQY, NAS:PAYX, NAS:WDAY, NYS:NSP, NYS:TNET, NAS:VRSK, NYS:RAMP, LON:REL, NYS:CLGX, NYS:FICO, NAS:WLTW, NYS:AON, NYS:AJG, NYS:BRO, NYS:MMC, NAS:GSHD, PINX:AZSEY, PINX:AXAHY, NYS:ALL, NYS:AFG, NYS:AIG, SWX:ZURN, NAS:EVER, NAS:ETHH, NAS:QNST, LON:GOCO, ASX:ISU, LON:MONY, NAS:CINF, NAS:SIGI, NAS:STFC, NYS:CB, NYS:EIG, NYS:MCY, NYS:PGR, LON:RSA, NYS:THG, NYS:HIG, NYS:TRV, HKG:6060, NAS:AMSF, NAS:GBLI, NYS:ARGO, NYS:AIZ, NYS:MKL, NYS:PRA, NYS:RLI, NYS:WRB, NAS:SPNS, NAS:MJCO, NAS:EBIX, NYS:CRD.B, NYS:GWRE, NYS:FNF, NYS:FAF, NYS:ORI, NYS:STC, PINX:AEQOF, NAS:ANAT, NAS:PFG, NYS:AFL, LON:AV, NYS:CI, TSE:GWO, LON:HSD, LON:LGEN, NYS:LNC, TSE:MFC, NYS:MET, NYS:PRI, NYS:PRU, LON:SLA, TSE:SLF, SWX:SLHN, NYS:GL
- 6 BPO:**  
PINX:TLFPY, NAS:SYKE, NAS:TTEC, BSP:QUAL3, NAS:CPSI, NAS:HMSY, NAS:HQY, NAS:MDRX, NAS:NXGN, NAS:RCM, NYS:CSLT, NAS:BNFT, NAS:ADP, NAS:CSOD, NAS:PAYX, NYS:NSP, NYS:TNET, MIL:BET, BOM:507685, NYS:ATO, PINX:CGEMY, NAS:OSPN, NAS:CTSH, NAS:DOX, NAS:EXLS, TSE:OTEX, NAS:VRTU, NSE:HCLTECH, NSE:HEXAWARE, NSE:INFY, NSE:MINDTREE, NSE:TCS, NSE:TECHM, NYS:ACN, LON:APTD, NYS:CACI, NYS:DXC, NYS:UIS, NYS:WNS, LON:IBPO, BOM:526299, BOM:532809, NAS:PRGX, LON:CPI, TSE:GIB.A, NYS:G
- 7 Financial Management Solutions:**  
NAS:BL, NAS:COUP, NAS:INTU, ASX:RKN, NAS:DOCU, LON:SGE, NYS:AVLR, ASX:XRO, NAS:MSTR, NAS:SPLK, NYS:TDC, NAS:AMSWA, NAS:APPN, NAS:EPAY, NYS:PLAN, PINX:BPRMF, LON:APTD, NAS:PEGA, NAS:QADA, NSE:RAMCOSYS, ASX:TNE, BSP:TOTS3, NYS:TYL, NAS:ADP, NAS:CSOD, NYS:CDAY, NAS:PAYX, NAS:PCTY, NAS:WDAY, NYS:HRB, NYS:NSP, NYS:PAYC
- 8 Enterprise Software / Data & Analytics:**  
ETR:SAP, NAS:VERI, NAS:MSTR, TSE:OTEX, NAS:SPLK, PINX:STWRY, NYS:AYX, NAS:WDAY, NYS:MDLA, NAS:CDLX, NYS:CLDR, LON:EXPN, NYS:FICO, NYS:NEWR, NYS:ORCL, NYS:CRM, NYS:VMW, HEL:NOKIA, GREY:SSNLF, NAS:AMBA, NAS:AMZN, NAS:CMCSA, NAS:GOOGL, NAS:GRMN, NAS:IDCC, NAS:LOGM, NAS:MSFT, NAS:QCOM, NAS:SLAB, NAS:TMUS, NYS:T, NYS:FIT, NYS:GLOB, NYS:S, NYS:VZ, ETR:SAP, NYS:ZUO, NYS:ORCL, NYS:IBM, NYS:CRM, NAS:ADBE, NAS:MSFT, NYS:VMW, NAS:SYMC, NAS:PEGA, NAS:FORR, NAS:VRNT, NAS:VRSK, TSE:AIM, NYS:CLGX, NYS:EFX, NYS:IT, NYS:IBM, NYS:RAMP, LON:REL, NYS:TDC, NYS:NLSN, NYS:TRU
- 9 Healthcare Tech:**  
LON:EMIS, NAS:CERN, NAS:CPSI, NAS:HSTM, NAS:MDRX, NAS:NXGN, ETR:COP, NAS:NH, NYS:EVH, NAS:HIIQ, NAS:MGLN, NAS:NUAN, NYS:ANTM, NYS:CNC, NYS:HUM, NYS:MMS, NYS:MOH, NYS:GTS, NYS:UNH, NYS:WCG, NAS:STRM, NAS:TRHC, NAS:HCAT, NAS:INOV, NAS:OMCL, NYS:VCRA, LON:CRW, NAS:STRM, NYS:PHR, NAS:HMSY, NAS:CHNG, NAS:RCM, NAS:SREV



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