



Evolve  
Capital Partners

# QUARTERLY DEALS & MARKET ROUNDUP

## Business Process Outsourcing (BPO)

July 2020



*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**

**Evolve Capital Partners**

**Capabilities**

**M&A Advisory**

*Sales / Recaps*

*Acquisitions*

*Divestiture*

*Strategic Advisory*

**Financing**

*Private Placements*

*Debt Capital*

*Restructuring*

**Specialty Finance / Alternative Lending**

**Enterprise Software / Data & Analytics**

**Bank Technology / Solutions**

**Healthcare Tech**

**Financial Management Solutions**

# Market Summary and Key Multiples

## Industry Stock Market Performance of Evolve Sector Coverage

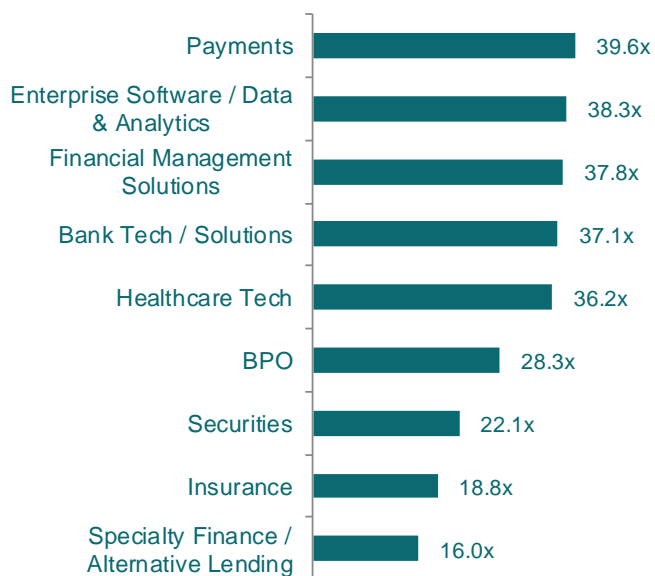
### Indexed Price Performance \*

Sector	3 Months	1 Year	3 Years
Bank Tech / Solutions	45.0%	14.8%	50.1%
BPO	29.6%	(15.7%)	20.0%
Enterprise Software / Data & Analytics	48.3%	15.0%	70.0%
Financial Management Solutions	46.3%	20.5%	104.2%
Healthcare Tech	35.2%	28.4%	36.2%
Insurance	24.0%	(11.2%)	12.2%
Payments	60.0%	2.9%	76.4%
Securities	24.7%	(4.4%)	9.1%
Specialty Finance / Alternative Lending	44.8%	(24.0%)	1.3%

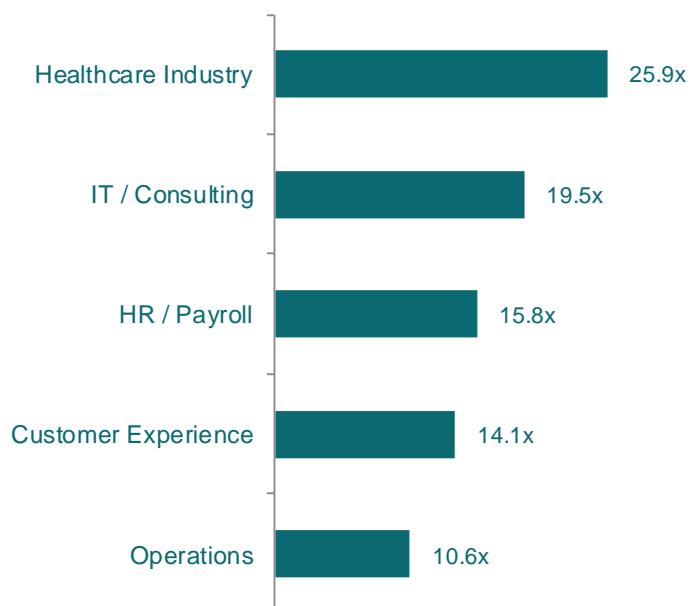
\* Equal weighting method.

## Industry-wide Multiples and Subsector Multiples

### Sector 2021E Price / Earnings Multiples



### Business Process Outsourcing 2021E Price / Earnings Multiples



Data as of July 1, 2020  
Source: Pitchbook

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

(All figures in millions of USD, except per share data. Data as of July 1, 2020)

## 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 LT	Gross	EBITDA	LTM	CY 2020	CY 2021	LTM	CY 2020	CY 2021
							CY 2020	CY 2021									
Teleperformance	\$125.70	94.6%	\$14,804	\$17,815	\$5,997	\$1,238	NA	NA	23%	98%	21%	3.0x	NA	NA	14.4x	NA	NA
TTEC	\$46.38	91.9%	\$2,161	\$2,573	\$1,682	\$210	8%	4%	24%	24%	12%	1.5x	1.6x	1.5x	12.2x	12.3x	11.5x
Sykes Enterprises	\$27.02	70.7%	\$1,094	\$1,263	\$1,623	\$159	(1%)	0%	0%	35%	10%	0.8x	0.8x	0.8x	8.0x	7.3x	8.6x
<b>MEAN</b>							<b>3%</b>	<b>2%</b>	<b>16%</b>	<b>53%</b>	<b>14%</b>	<b>1.8x</b>	<b>1.2x</b>	<b>1.2x</b>	<b>11.5x</b>	<b>9.8x</b>	<b>10.0x</b>
<b>MEDIAN</b>							<b>3%</b>	<b>2%</b>	<b>23%</b>	<b>35%</b>	<b>12%</b>	<b>1.5x</b>	<b>1.2x</b>	<b>1.2x</b>	<b>12.2x</b>	<b>9.8x</b>	<b>10.0x</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 LT	Gross	EBITDA	LTM	CY 2020	CY 2021	LTM	CY 2020	CY 2021
							CY 2020	CY 2021									
HealthEquity	\$59.44	67.0%	\$4,244	\$5,382	\$635	\$104	85%	38%	(74%)	59%	16%	8.5x	10.1x	7.3x	51.8x	27.6x	24.7x
Hms Holdings	\$32.58	80.1%	\$2,881	\$2,993	\$650	\$155	6%	9%	31%	34%	24%	4.6x	4.7x	4.3x	19.3x	16.3x	16.6x
Qualicorp	\$5.34	49.5%	\$1,512	\$1,643	\$497	\$217	NMF	9%	7%	81%	44%	3.3x	4.7x	4.3x	7.6x	9.9x	9.3x
R1 RCM	\$11.78	84.2%	\$1,353	\$1,953	\$1,231	\$122	37%	2%	NA	18%	10%	1.6x	1.6x	1.6x	16.0x	11.5x	9.0x
Allscripts Healthcare Solutions	\$6.60	55.6%	\$1,072	\$2,049	\$1,756	\$56	1%	(4%)	NA	40%	3%	1.2x	1.2x	1.2x	36.6x	6.8x	7.2x
NextGen Healthcare	\$10.94	52.9%	\$723	\$764	\$540	\$54	2%	(5%)	(28%)	50%	10%	1.4x	1.4x	1.5x	14.2x	8.5x	8.9x
Computer Programs & Systems	\$22.39	62.6%	\$325	\$430	\$275	\$43	(2%)	(4%)	51%	52%	16%	1.6x	1.6x	1.6x	9.9x	8.6x	10.1x
Castlight Health	\$0.79	24.5%	\$118	\$92	\$147	(\$80)	(9%)	(8%)	NA	60%	(54%)	0.6x	0.6x	0.7x	NMF	NMF	NMF
<b>MEAN</b>							<b>17%</b>	<b>5%</b>	<b>(2%)</b>	<b>49%</b>	<b>9%</b>	<b>2.8x</b>	<b>3.3x</b>	<b>2.8x</b>	<b>22.2x</b>	<b>12.7x</b>	<b>12.2x</b>
<b>MEDIAN</b>							<b>2%</b>	<b>(1%)</b>	<b>7%</b>	<b>51%</b>	<b>13%</b>	<b>1.6x</b>	<b>1.6x</b>	<b>1.6x</b>	<b>16.0x</b>	<b>9.9x</b>	<b>9.3x</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 LT	Gross	EBITDA	LTM	CY 2020	CY 2021	LTM	CY 2020	CY 2021
							CY 2020	CY 2021									
Automatic Data Processing	\$149.11	81.8%	\$64,084	\$64,741	\$14,757	\$3,779	6%	(3%)	15%	43%	26%	4.4x	4.4x	4.6x	17.1x	18.4x	18.7x
Paychex	\$76.30	84.3%	\$27,370	\$27,469	\$4,106	\$1,694	15%	(4%)	12%	68%	41%	6.7x	6.8x	7.1x	16.2x	17.1x	17.5x
TriNet Group	\$60.86	79.1%	\$4,095	\$4,190	\$3,970	\$360	NMF	3%	46%	18%	9%	1.1x	4.5x	4.4x	11.6x	11.1x	11.3x
Cornerstone OnDemand	\$38.99	60.5%	\$2,489	\$2,400	\$587	\$44	7%	27%	NA	73%	8%	4.1x	4.2x	3.3x	54.2x	18.5x	16.3x
Insperty	\$64.03	44.2%	\$2,482	\$2,489	\$4,391	\$216	12%	(3%)	28%	17%	5%	0.6x	0.6x	0.6x	11.5x	10.0x	11.4x
Benefitfocus	\$11.15	39.5%	\$358	\$535	\$294	\$2	14%	(12%)	NA	51%	1%	1.8x	1.8x	2.1x	NMF	35.5x	19.9x
<b>MEAN</b>							<b>11%</b>	<b>2%</b>	<b>25%</b>	<b>45%</b>	<b>15%</b>	<b>3.1x</b>	<b>3.7x</b>	<b>3.7x</b>	<b>22.1x</b>	<b>18.4x</b>	<b>15.9x</b>
<b>MEDIAN</b>							<b>12%</b>	<b>(3%)</b>	<b>21%</b>	<b>47%</b>	<b>8%</b>	<b>3.0x</b>	<b>4.3x</b>	<b>3.8x</b>	<b>16.2x</b>	<b>17.7x</b>	<b>16.9x</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 LT	Gross	EBITDA	LTM	CY 2020	CY 2021	LTM	CY 2020	CY 2021
							CY 2020	CY 2021									
Accenture	\$214.59	98.5%	\$136,715	\$134,250	\$44,547	\$8,016	4%	2%	11%	31%	18%	3.0x	3.1x	3.0x	16.7x	18.3x	15.2x
Tata Consultancy Services	\$27.61	84.5%	\$103,592	\$100,022	\$22,113	\$6,078	NA	NA	9%	44%	27%	4.5x	NA	NA	16.5x	NA	NA
Infosys	\$9.66	81.9%	\$40,958	\$38,540	\$12,780	\$3,262	NA	NA	5%	33%	26%	3.0x	NA	NA	11.8x	NA	NA
Cognizant Technology Solutions	\$56.42	78.9%	\$30,500	\$29,617	\$16,898	\$2,855	4%	(4%)	5%	36%	17%	1.8x	1.8x	1.8x	10.4x	9.1x	10.7x
HCL Technologies	\$7.28	83.5%	\$19,758	\$18,791	\$9,656	\$2,284	NA	NA	NA	48%	24%	1.9x	NA	NA	8.2x	NA	NA
Capgemini	\$23.00	87.5%	\$18,928	\$20,513	\$15,812	\$2,181	2%	10%	(2%)	27%	14%	1.3x	1.3x	1.2x	9.4x	8.4x	8.0x
Wipro	\$2.89	69.9%	\$16,442	\$13,312	\$8,598	\$1,786	2%	(5%)	8%	29%	21%	1.5x	1.6x	1.6x	7.5x	7.6x	NA
Atmos Energy	\$100.69	83.2%	\$12,316	\$16,524	\$2,783	\$1,214	13%	(10%)	8%	76%	44%	5.9x	4.7x	5.2x	13.6x	NA	NA
OpenText	\$42.21	88.1%	\$11,498	\$14,517	\$3,030	\$1,042	3%	14%	(38%)	68%	34%	4.8x	5.0x	4.3x	13.9x	13.1x	12.6x
Amdocs	\$61.10	79.1%	\$8,157	\$8,065	\$4,145	\$785	2%	1%	10%	35%	19%	1.9x	2.0x	2.0x	10.3x	10.0x	NA
Tech Mahindra	\$7.20	61.0%	\$6,961	\$5,844	\$5,144	\$971	NA	NA	12%	48%	19%	1.1x	NA	NA	6.0x	NA	NA
CACI International	\$218.48	75.7%	\$5,481	\$7,231	\$5,598	\$514	15%	11%	19%	7%	9%	1.3x	1.4x	1.2x	14.1x	14.8x	12.2x
DXC Technology	\$16.14	28.2%	\$4,096	\$12,254	\$19,577	(\$3,050)	(5%)	(10%)	NA	24%	(16%)	0.6x	0.6x	0.7x	NMF	3.1x	4.7x
WNS Global Services	\$54.71	72.1%	\$2,721	\$2,711	\$928	\$281	6%	(0%)	47%	37%	24%	2.9x	3.2x	3.2x	12.3x	12.6x	17.5x
ExlService Holdings	\$62.37	78.2%	\$2,140	\$2,221	\$998	\$182	12%	(6%)	5%	34%	18%	2.2x	2.3x	2.4x	12.2x	13.6x	16.4x
MindTree	\$12.19	82.9%	\$2,006	\$1,898	\$1,071	\$157	NA	NA	12%	37%	15%	1.8x	NA	NA	12.1x	NA	NA
Hexaware Technologies	\$4.41	77.8%	\$1,316	\$1,367	\$826	\$140	NA	NA	15%	24%	17%	1.7x	NA	NA	9.8x	NA	NA
OneSpan	\$27.10	95.8%	\$1,092	\$1,000	\$263	\$33	18%	3%	19%	69%	13%	3.8x	4.0x	3.9x	30.2x	35.8x	38.9x
Virtusa	\$31.30	59.3%	\$943	\$1,299	\$1,312	\$98	9%	(6%)	54%	27%	7%	1.0x	1.0x	1.1x	13.2x	11.2x	13.6x
Unisys	\$10.51	58.0%	\$662	\$598	\$2,768	\$148	4%	NMF	NA	23%	5%	0.2x	0.2x	0.3x	4.0x	1.3x	2.2x
Aptitude Software	\$4.21	48.0%	\$237	\$197	\$76	\$15	9%	(6%)	(1%)	53%	20%	2.6x	2.6x	2.7x	12.8x	NMF	13.2x
<b>MEAN</b>							<b>7%</b>	<b>(0%)</b>	<b>11%</b>	<b>39%</b>	<b>18%</b>	<b>2.3x</b>	<b>2.3x</b>	<b>2.3x</b>	<b>12.3x</b>	<b>12.2x</b>	<b>13.8x</b>
<b>MEDIAN</b>							<b>4%</b>	<b>(2%)</b>	<b>9%</b>	<b>35%</b>	<b>18%</b>	<b>1.9x</b>	<b>2.0x</b>	<b>2.0x</b>	<b>12.1x</b>	<b>11.2x</b>	<b>12.9x</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 July 1, 2020)

Operations																		
	Stock Price	% of 52-Wk. High	Market Value	Enterprise Value	LTM		Growth Rates:			LTM Margins:			EV / Revenue			EV / EBITDA		
					Revenue	EBITDA	Revenue:		Earnings LT	Gross	EBITDA	LTM	CY 2020	CY 2021	LTM	CY 2020	CY 2021	
							CY 2020	CY 2021										
CGI Group	\$62.62	71.8%	\$16,322	\$19,025	\$9,223	\$1,646	4%	(4%)	8%	19%	18%	2.1x	2.0x	2.1x	11.6x	11.0x	11.1x	
Genpact	\$36.71	81.2%	\$6,990	\$8,528	\$3,635	\$612	16%	2%	10%	35%	17%	2.3x	2.4x	2.4x	13.9x	13.0x	13.3x	
Mphasis	\$11.67	80.6%	\$2,177	\$2,068	\$1,243	\$249	11%	1%	19%	43%	20%	1.7x	1.7x	1.7x	8.3x	NA	NA	
PRGX Global	\$4.74	64.9%	\$112	\$141	\$168	\$2	(1%)	(4%)	NA	42%	1%	0.8x	0.8x	0.9x	NMF	6.4x	5.0x	
iEnergizer	\$2.58	64.2%	\$490	\$485	\$191	\$61	NA	6%	44%	37%	32%	2.5x	2.6x	2.4x	8.0x	9.1x	8.0x	
Capita	\$0.54	21.7%	\$894	\$2,820	\$4,693	\$303	(10%)	(13%)	NA	27%	6%	0.6x	0.6x	0.7x	9.3x	5.6x	7.9x	
Firstsource Solutions	\$0.48	60.1%	\$330	\$483	\$571	\$90	5%	(2%)	6%	33%	16%	0.8x	0.9x	0.9x	5.4x	NA	NA	
<b>MEAN</b>							<b>4%</b>	<b>(2%)</b>	<b>18%</b>	<b>34%</b>	<b>16%</b>	<b>1.6x</b>	<b>1.6x</b>	<b>1.6x</b>	<b>9.4x</b>	<b>9.0x</b>	<b>9.1x</b>	
<b>MEDIAN</b>							<b>4%</b>	<b>(2%)</b>	<b>10%</b>	<b>35%</b>	<b>17%</b>	<b>1.7x</b>	<b>1.7x</b>	<b>1.7x</b>	<b>8.8x</b>	<b>9.1x</b>	<b>8.0x</b>	

Source: Pitchbook

## Key M&A Transaction Activity Summary

Date	Target	Acquirer(s)	Sector	Value (\$mm)	Transaction Comments
7/8/2020	 Silæxpert	 SILVERLAKE	HR / Payroll	\$681	<ul style="list-style-type: none"> <li>Silæ is a provider of cloud-based HR and payroll solutions for the French market.</li> <li>The acquisition will enable Silæ to continue its growth through product development.</li> </ul>
7/3/2020	 THE SMART GROUP	 ACQUIRE Business Process Outsourcing	Operations	NA	<ul style="list-style-type: none"> <li>The SMART Group offers call center, marketing and sales solutions for businesses.</li> <li>The acquisition will bolster the offerings of the buyer in Australia.</li> </ul>
6/30/2020	 EMPOWER IM Oy	 KLAR PARTNERS	Operations	NA	<ul style="list-style-type: none"> <li>Empower IM Oy provides mission-critical software and BPO services for energy market systems in the Nordic region.</li> <li>The acquisition fits into the buyer's investment strategy to deliver services to a resilient and increasing end market in the region.</li> </ul>
5/7/2020	 EXCELITY	 C CERIDIAN	HR / Payroll	NA	<ul style="list-style-type: none"> <li>Excelity Global is a human capital management service provider, with clients across the APAC region.</li> <li>Through the acquisition, the buyer seeks to accelerate their global momentum by improving their customer experience and operational performance.</li> </ul>
5/5/2020	 Callisto Integration	 accenture	IT / Consulting	NA	<ul style="list-style-type: none"> <li>Callisto Integration provides digital manufacturing services (IoT, Data Analytics, AI) to industries such as food and beverage, chemicals and utilities.</li> <li>The acquisition will expand the buyer's capabilities in North America to better support their clients.</li> </ul>
3/31/2020	 BOYLE SOFTWARE	 BEYONDSOFT beyond your expectations	IT / Consulting	NA	<ul style="list-style-type: none"> <li>Boyle Software is a technology and services company, developing custom software for corporate clients.</li> <li>The target company's services are complementary to the buyer's and will help the latter offer a more comprehensive suite of services.</li> </ul>

Source: Pitchbook and Media Reports

## Key Financing Transaction Activity Summary

Date	Target	Sector	Amount (\$mm)	Type	Key Investor(s)
6/25/2020	 SEVENROOMS	Operations	\$50	Series B	 <b>PSG</b>   PROVIDENCE STRATEGIC GROWTH
6/24/2020	 <b>ClickUp</b>	Operations	\$35	Series A	 <b>CRAFT</b>
6/18/2020	 botkeeper	Operations	\$25	Series B	 <b>POINT72</b> VENTURES
5/22/2020	 <b>Deel</b>	HR / Payroll	\$14	Series A	<b>ANDREESSEN HOROWITZ</b>
5/11/2020	 SYMEND	Customer Experience	\$52	Series B	 inovia
4/16/2020	 everee	HR / Payroll	\$10	Series A	 origin ventures  <b>SIGNAL PEAK</b> VENTURES

Source: Pitchbook and Media Reports



## IPO Activity Summary

Company	IPO Date	Amount Raised (\$mm)	IPO Price	Current Market Price	Total Return
 RHR 人瑞人才	12/13/2019	\$118	\$3.41	\$3.99	17%
 bill.com	12/12/2019	\$223	\$22.00	\$89.91	309%
 Health Catalyst for better outcomes. improvement.	7/25/2019	\$182	\$26.00	\$28.55	10%
 CHANGE HEALTHCARE	6/27/2019	\$557	\$13.00	\$10.89	(16%)
 CERIDIAN	4/26/2018	\$462	\$22.00	\$84.14	282%
 Appian	5/24/2017	\$75	\$12.00	\$52.84	340%
 BLACKLINE	10/27/2016	\$146	\$17.00	\$87.16	413%
 coupa	10/5/2016	\$133	\$18.00	\$287.79	1,499%
 L&T Infotech	7/14/2016	\$185	\$10.61	\$25.46	140%
 BLACK & KNIGHT	5/19/2015	\$441	\$24.50	\$72.78	197%
 HealthEquity	7/30/2014	\$127	\$14.00	\$59.44	325%
 Five9	4/3/2014	\$70	\$7.00	\$114.13	1,530%
 TriNet	3/26/2014	\$240	\$16.00	\$60.86	280%
 Castlight	3/13/2014	\$178	\$16.00	\$0.79	(95%)
 BENEFITFOCUS	9/17/2013	\$131	\$26.50	\$11.15	(58%)
 evertec	4/11/2013	\$505	\$20.00	\$27.89	39%

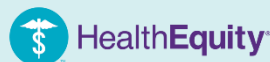
Market data as of July 1, 2020  
Source: Pitchbook

## Select Wall Street Research Updates and Commentary



### Update from BMO, May 2020

G revenue grew 14% y/y, ahead of both our and consensus estimates. The strong revenue report was despite a \$7 million loss due to supply constraints while transitioning to work-from-home, which took away ~1pt of growth. **While a meaningful deceleration, we thought the June Q guide was reasonable, 3-5% rev decline y/y CC. The absolute rev decline is better than CTSH, INFY, and TCS, where consensus is for a 7%, 6-7%, and 5-6% decline in the June Q, respectively.** The results and guidance are supportive of our stance from March, where we wrote that G has a defensible business model and outsourcing should be more resilient in a recession. G's lack of exposure to short-cycle work should help through CY20, as pricing pressure remains minimal and the stickiness of the work is greater than consulting/Services



### Update from Cantor Fitzgerald, July 2020

We reiterate our Overweight rating and \$70 price target. We continue to believe that DCF valuation is more appropriate for HQY shares than P/E, given the long-term growth characteristics of the HSA market in general, HQY's growth outlook in particular, and the company's strong free cash flow generation. **We continue to expect annual top-line growth of 19-20% through FY24, and slightly higher operating margins and modestly higher capital expenditure requirements. We believe that HQY's fundamentals are strong and that the shares' current valuation does not fully reflect the long-term growth potential.**



### Update from Credit Suisse, July 2020

Any Pent-up Demand Would Potentially be an Upside. HMSY has noted in the past that there is an inherent limit CMS puts on the number of claims the company can audit (called an ADR limit). **However, during the pandemic, management is exploring auditing more traditional claims at least. Until management receives clarity, however, uncertainty remains around whether any of the volumes lost in Q2 are recoverable.** HMSY's 2020 outlook assumed there would be a decline in Q2 with a lot being unrecoverable. We estimate \$8.5 mln of revenue from the program in 3Q20 (vs \$0 mln in 2Q20 and \$8.1 mln in 3Q19).



### Update from Morgan Stanley, June 2020

Monitoring the quarter for incremental improvements after a strong 3Q20. **Management displayed its flexibility through the quarter, quickly adjusting to changes in the market. As we called out, responding to near-term demand shifts (e.g., moving Strategy & Consulting staff to Operations to support COVID-19 efforts) and effectively managing supply (e.g., performance reviews, reducing subcontractor usage, delaying start dates) highlighted the multiple levers at the company's disposal to adapt to the current environment.** Digital transformation-related tailwinds are likely to help overall growth, particularly as "the New" constitutes 70% of ACN's overall revenue. We expect the company to continue being nimble in the current environment, and we continue to look for incremental improvements in business dimensions, particularly Strategy & Consulting, and industry groups throughout the remainder of 4Q20, which we would expect to influence revenue growth rates into FY21.

### Update from Morgan Stanley, June 2020

Having analysed the pricing for bolt-on "Value Added Services" **it becomes evident how critical business and last-minute travel is for this unit. While these ancillary services only amount to c20% of TLS sales (by our estimate), they may account for half of all TLS' profit.** With higher fixed costs than the core, our base case is for TLS to break-even in FY20, reducing our group estimates, taking them in-line with consensus. Sustained travel bans or a second wave combined with continued dollar weakness could see our bear TLS case manifest, equal to c90% of consensus' net downgrade FY20 vs FY19; leaving minimal room for error in the remaining business.



# 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:ECPG, 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:EHTH, 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



## DISCLAIMER

The principals of Evolve Capital Partners are registered representatives of BA Securities, LLC Member FINRA SIPC, located at Four Tower Bridge, 200 Barr Harbor Drive, Suite 400 W. Conshohocken, PA 19428. Evolve Capital Partners and BA securities, LLC are unaffiliated entities. All investment banking services are offered through BA Securities, LLC, Member FINRA SIPC. This presentation is for informational purposes only and does not constitute an offer, invitation or recommendation to buy, sell, subscribe for or issue any securities or a solicitation of any such offer or invitation and shall not form the basis of any contract with BA Securities, LLC.

The information in this presentation is based upon Evolve Capital Partners estimates and reflects prevailing conditions and our views as of this date, all of which are accordingly subject to change. In preparing this presentation, we have relied upon and assumed, without independent verification, the accuracy and completeness of information available from public sources. In addition, our analyses are not and do not purport to be appraisals of the assets, stock, or business of the Company or any other entity. Neither BA Securities, LLC nor Evolve Capital Partners makes any representations as to the actual value which may be received in connection with a transaction nor the legal, tax or accounting effects of consummating a transaction. BA Securities, LLC and Evolve Capital Partners do not render legal or tax advice, and the information contained in this communication should not be regarded as such.

The information in this presentation does not take into account the effects of a possible transaction or transactions involving an actual or potential change of control, which may have significant valuation and other effects.

If you are not the intended recipient or an authorized representative of the intended recipient, you are hereby notified that any review, dissemination or copying of this presentation is prohibited.

## KEY SENIOR PROFESSIONAL

### Alexander Koles

Founder, CEO, Managing Director  
akoles@evolve-capital.com

Mr. Koles has over 15 years of financial advisory experience including advising middle-market and multinational firms on merger and acquisition strategies and execution, restructurings and capital raises. Prior to founding Evolve Capital Partners, he worked at a number of leading investment banks in leadership roles focused on restructuring transactions. He started his career at Merrill Lynch as an investment banker in the corporate finance group.

## CONTACT

Evolve Capital Partners  
1350 Avenue of the Americas  
2nd Floor  
New York, NY 10019  
T: (646) 688-2792  
[evolve-capital.com](http://evolve-capital.com)