

# 2024 Q2 INSIGHTS

 **CAS**  
Corporate Advisory Solutions  
INTEGRITY, CONFIDENTIALITY, EXPERIENCE



**M&A Advisor to Global  
Tech-Enabled Outsourced  
Business Services Companies**

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## WELCOME TO OUR SECOND QUARTER 2024 NEWSLETTER

As we progress into the second half of 2024, the CAS team continues to build on the strong momentum established earlier this year. Our engagement across various services – including transaction advisory, strategic consulting, valuation, and exit-prep – remains robust. We’re particularly proud to announce our [most recent successful transaction of the year](#), which has attracted significant industry attention.

In the second quarter, our team served as the exclusive sell-side M&A advisor in the sale of KnovaOne to TRAKAmerica, a leading legal recovery process optimization provider backed by Flexpoint Ford. This acquisition allows TRAKAmerica to expand its service offerings by integrating KnovaOne’s legal-focused business process outsourcing capabilities. The transaction underscores the ongoing trend of substantial investment in innovative solutions that streamline operations and enhance client services in our rapidly evolving technological landscape.

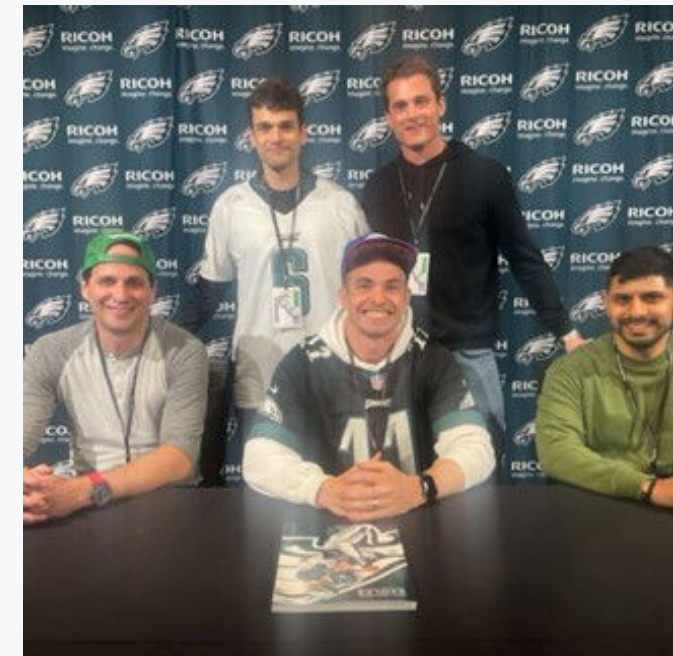
This edition of our newsletter not only highlights additional CAS-related news but also provides a comprehensive overview of current developments in the Tech-Enabled Outsourced Business Services (OBS) sector. We offer our outlook on the highly anticipated fall season, along with valuable insights on topics ranging from valuations to emerging trends. Despite a busy start to the summer, the CAS team remains actively engaged in the industry. We continue to [attend conferences and tradeshows](#) while also fostering team spirit through local [activities in Philadelphia](#), as illustrated in the images below.

For the latest updates and insights, we encourage you to follow our [LinkedIn page](#). To connect with us directly or schedule a brief discussion, please reach out to Allie Baurer at [abaurer@corpadvisorysolutions.com](mailto:abaurer@corpadvisorysolutions.com).

- Michael Lamm & Mark Russell



Mark Russell (Managing Partner) and Drew Sacher (Senior Associate) at CCW 2024 in Las Vegas.



Michael Lamm (Managing Partner), Nick Ciabattone (Director), Mickey Kaiser (Vice President), Patrick Felstedt (Senior Analyst), and Simon Skala-Rosenbaum (Analyst) at 2024 Eagles NFL Draft Party.



# 2024 CONFERENCES

## Conferences CAS *IS* attending

**2024 TransUnion Third-Party Collections Summit**

August 19-21

Park City, UT

**ARMLaw**

September 16-18

Nashville, TN

**AADR 2024**

September 22-25

Las Vegas, NV

**ACG Philadelphia M&A East 2024**

September 30-October 1

Philadelphia, PA

**World Credit Congress & Exhibition**

October 14-16

Orlando, FL

## Conferences CAS is *CONTEMPLATING* attending

**Debt Connection Symposium & Expo**

October 1-4

New Orleans, LA

**National Creditors Bar Association**

October 21-24

New Orleans, LA

**Customer Contact Week**

October 23-25

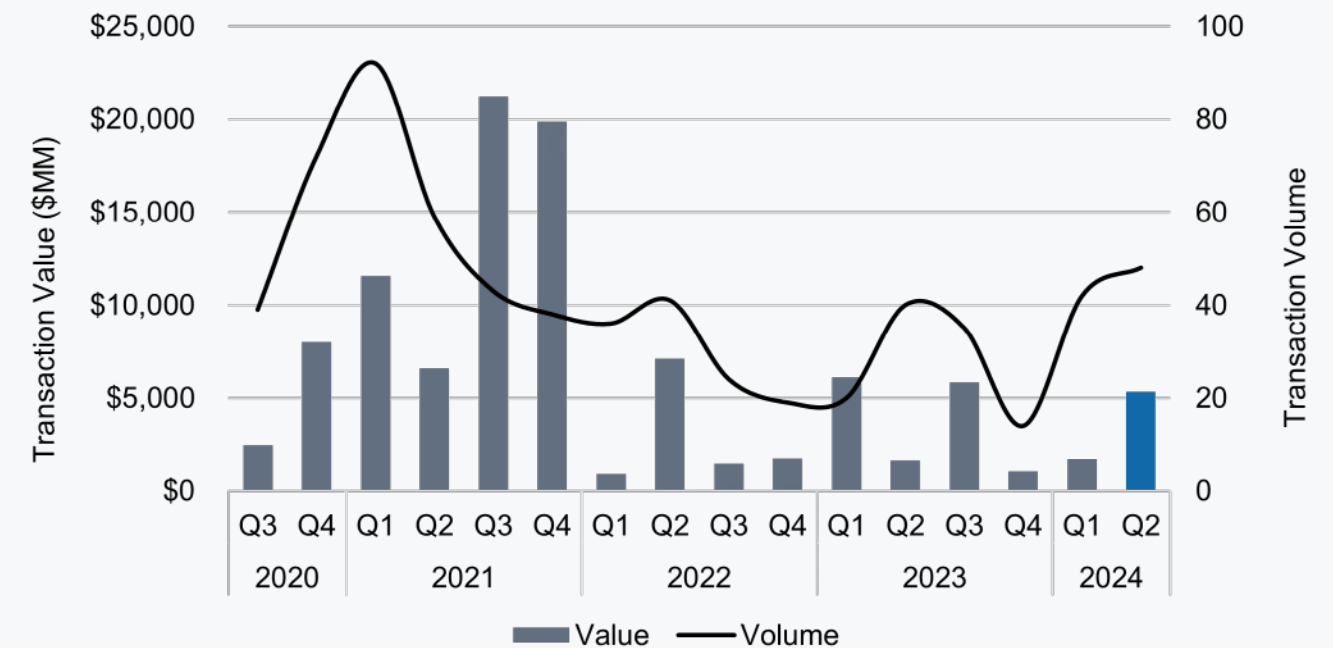
Nashville, TN



# SECOND QUARTER OVERVIEW

During the second quarter of 2024, the global Tech-Enabled Outsourced Business Services (OBS) sector saw a modest increase in transaction volume and a substantial rise in transaction value compared to the first quarter. With just under 50 transactions, volume grew by approximately 14%, while transaction value surged by over 200%. This growth was primarily driven by high-profile M&A activities.

Although both metrics remain below the peak levels observed during the COVID-19 pandemic-boostered M&A period, they show a marked improvement compared to the second quarter of 2023. Key transactions contributing to this value increase included Experian's acquisition of illion in Australia and New Zealand, Vista Equity Partners' acquisition of Model N, and Yext's acquisition of Hearsay Systems.



Source: Corporate Advisory Solutions.

The second quarter of 2024 continued to showcase strategic acquirers engaging in horizontal transaction activity, alongside an uptick in financial acquirer-led transactions. In April 2024, CAS acted as the exclusive sell-side M&A advisor to KnovaOne in its sale to TRAKAmerica, a portfolio company of Flexpoint Ford. TRAKAmerica, a leading provider of legal recovery process optimization solutions, recognized a significant opportunity in KnovaOne's legal process outsourcing solution, making this deal one of the most notable in the ARM vertical.

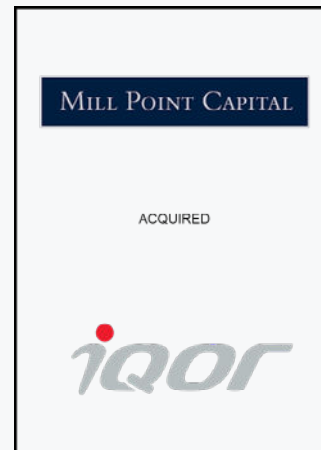
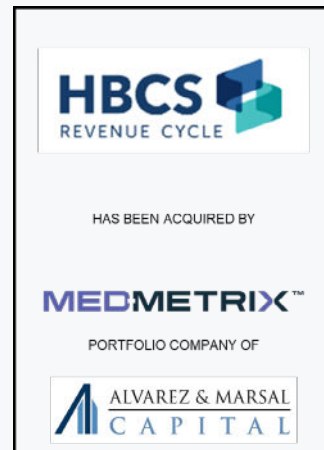
This acquisition underscores the importance of M&A as a growth strategy for prominent industry leaders, allowing TRAKAmerica to expand its offerings to its current client base, acquire valuable technology and domain knowledge, and ultimately provide enhanced value to its clients and vast supplier network.



Another significant transaction in the Accounts Receivables Management (ARM) sector was Flock Financial's \$25 million recapitalization by PennantPark Investment Advisers. This growth capital will enable Flock Financial to capitalize on the current environment of non-performing receivables assets, with receivables prices reverting to the mean while experiencing a consistently high supply of fresh paper – a trend we will explore further in this newsletter.

In the healthcare Revenue Cycle Management (RCM) vertical, MedMetric's acquisition of HBCS exemplified the ongoing consolidation theme within the sector, as industry leaders are striving to provide full-suite solutions while leveraging technology to boost process optimization across their platforms.

The Customer Relationship Management (CRM) vertical, which includes Business Process Outsourcing (BPO), contact/call centers, and Customer Engagement Management (CEM), saw an increasing trend of private equity firms purchasing platforms within the tech-enabled business services industry. MillPoint Capital's announcement of a majority investment in iQor, a leading provider of business process outsourcing solutions, highlighted this trend, allowing iQor to utilize new capital to enhance its product offerings in the growing customer experience market.



As evidenced by the previously mentioned transactions, CAS is observing increased buy-side activity among established and larger players in the Tech-Enabled OBS sector. These industry leaders are actively pursuing acquisitions of smaller competitors to expand their client base, geographical reach, human capital pool, service offerings, and/or data with emerging technology. This trend is primarily driven by the realization that organic growth strategies alone may not suffice in today's competitive landscape. Consequently, high-quality assets in the space are attracting considerable interest and potentially commanding valuation premiums.

# TECH ENABLED OBS SECTOR

## M&A ACTIVITY OVERVIEW:

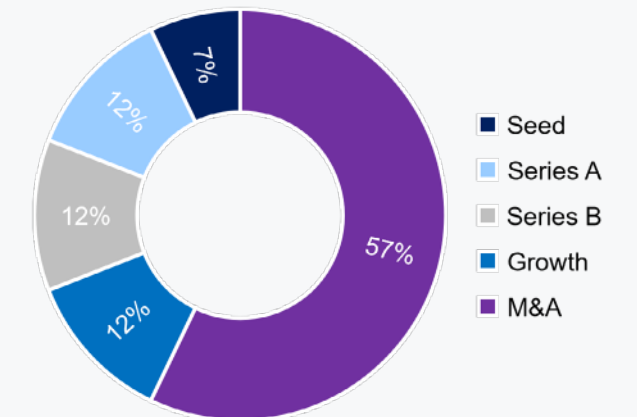
At Corporate Advisory Solutions, we observed elevated transaction values across all three of our main target verticals due to various factors. A partial comeback of vertical megadeals combined with financial investors' all-time high levels of dry powder, as well as several macroeconomic, political, and industry-specific events led to increased activity across the spectrum.

Compared to the first quarter of 2024, CAS witnessed similar levels of M&A activity in the tech-enabled OBS sector but a noticeable increase in later-stage growth investing – including Series B and Growth investing – at the expense of a lower proportion of Seed rounds. Although venture capitalists are still actively investing in emerging solutions, with the majority of new ventures focusing on AI and ML solutions for the space, there seems to be an elevated need for management teams to raise capital to boost post-pandemic growth. Series B investing, which accounted for only 5% of all transaction activity in Q1 2024, is mostly utilized by executives to boost organic spending on items such as sales and marketing, human capital increase, or product development, but also on opportunistic M&A opportunities that can be substantial drivers of business growth.

In the Tech-Enabled OBS sector, Add-On transaction types dominated the M&A volume, as both strategics and private equity-backed strategics continued to stay active on the buy-side, accumulating quality assets to bolster their offerings, target client markets, and enhance operational efficiencies. Notably, several large strategic acquirers announced two or more add-on acquisitions. CAS expects this trend to continue, for inorganic growth through strategic acquisitions is becoming increasingly popular among established Tech-Enabled OBS businesses. Platform transaction types accounted for the majority of M&A value in the second quarter, as financial acquirers made several large acquisitions. This trend is expected to elevate significantly since the cost of capital is projected to decrease over the upcoming quarters.

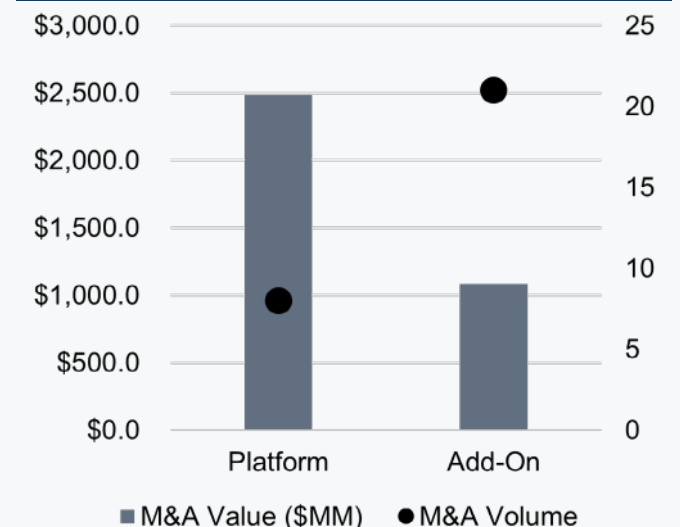
In the ARM vertical, CAS observed an ongoing consolidation trend within the traditional collection agency market in addition to several high-profile ARM technology transactions, showcasing the increased role of technology within the space. Specifically, smaller independent collection agencies are being acquired by middle-market players with established operations and infrastructure, allowing for crucial synergistic cost savings. This enables agencies with ample capital to acquire into specific end-market(s), customer base(s), or human capital resource(s), rather than building them from the ground up.

### Transaction Volume by Transaction Type



Source: Corporate Advisory Solutions.

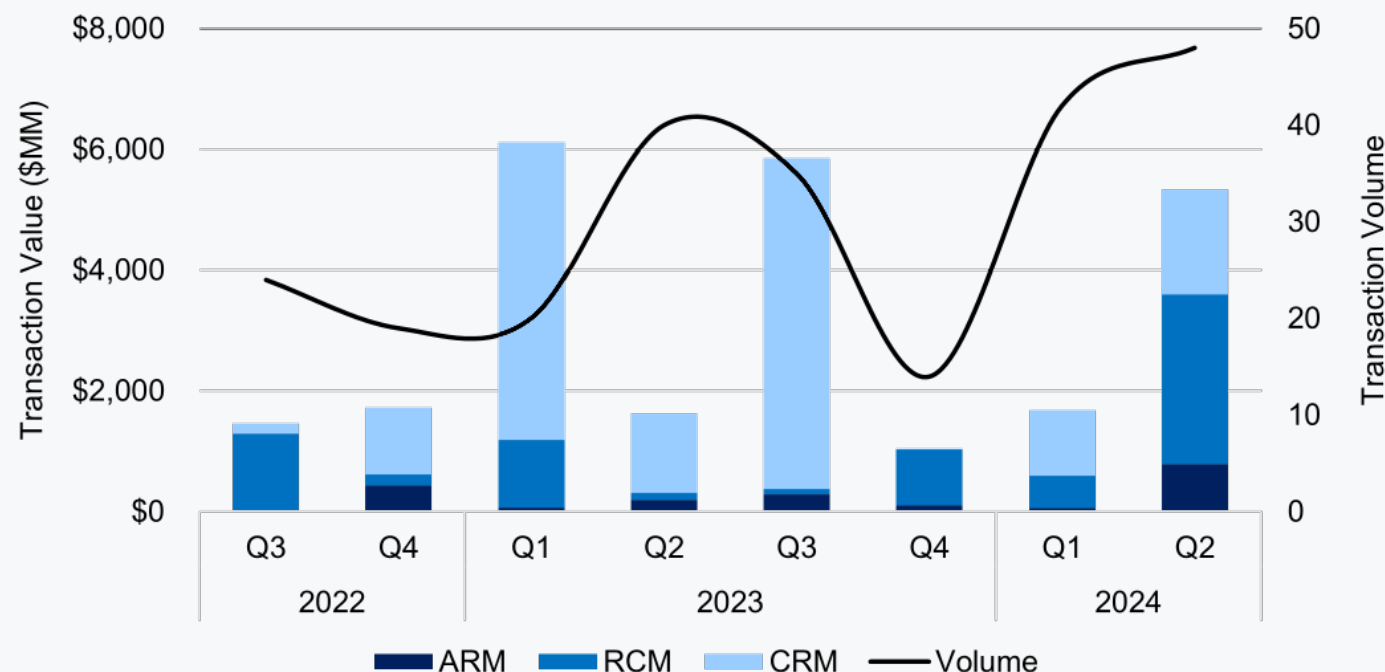
### Value & Volume by M&A Type



Source: Corporate Advisory Solutions.

The healthcare RCM vertical saw the highest level of transaction value among the three target verticals during Q2 of 2024. A combination of fragmented ecosystems of RCM providers and major industry-specific headwinds created a perfect opportunity for niche providers to partner with larger, usually private equity backed players to bootstrap growth in coming years. The ongoing desire to create a full-service platform of front-end, middle-end, and back-end offerings with operational efficiencies that come with inorganic M&A growth is an expected trend within this vertical.

The broader CRM vertical experienced limited M&A activity but continued its strong trend of being the leading space for AI-themed investing, as investors continue to pour capital into a saturating pool of companies deploying artificial intelligence solutions aimed to partially replace a significant human-capital element within the space. The overwhelming amount of raised capital within the vertical is spent on a combination of further product development – with high sales and marketing spend – highlighting the race for companies to deliver and penetrate the market to compete with established market leaders.



Source: Corporate Advisory Solutions.

## INDUSTRY OUTLOOK:

CAS anticipates heightened M&A and capital raising activity for the remainder of 2024, primarily driven by critical political and macroeconomic events in the second half of the year. The sizable level of uncertainty surrounding November's election season and its potential impact on tax legislation and regulatory compliance is likely to fuel M&A activity, as business owners typically try to mitigate uncertainty in financial markets when possible. Consequently, we expect a surge in M&A transactions toward the end of Q3 and throughout Q4, while companies rush to finalize deals before potential shifts in the political and economic landscape.

Recent events have underscored the volatile and unpredictable nature of the election season. However, we can make some informed predictions about the probable political agendas of each party's nominated candidate, if given a presidential mandate. If the presumed Democratic nominee, current Vice President Kamala Harris, is elected, a significant overhaul of United States tax policy is expected, similar to President Biden's propositions. Vice President Harris has stood behind President Biden when he stated that lower- and middle-income classes would likely see personal income tax cuts; while higher income brackets and businesses would face substantially higher tax rates for the foreseeable future. Conversely, if the officially nominated Republican presidential candidate, former President Trump, is elected for a second term, he would likely seek to extend and possibly expand his previous tax cuts from 2017.

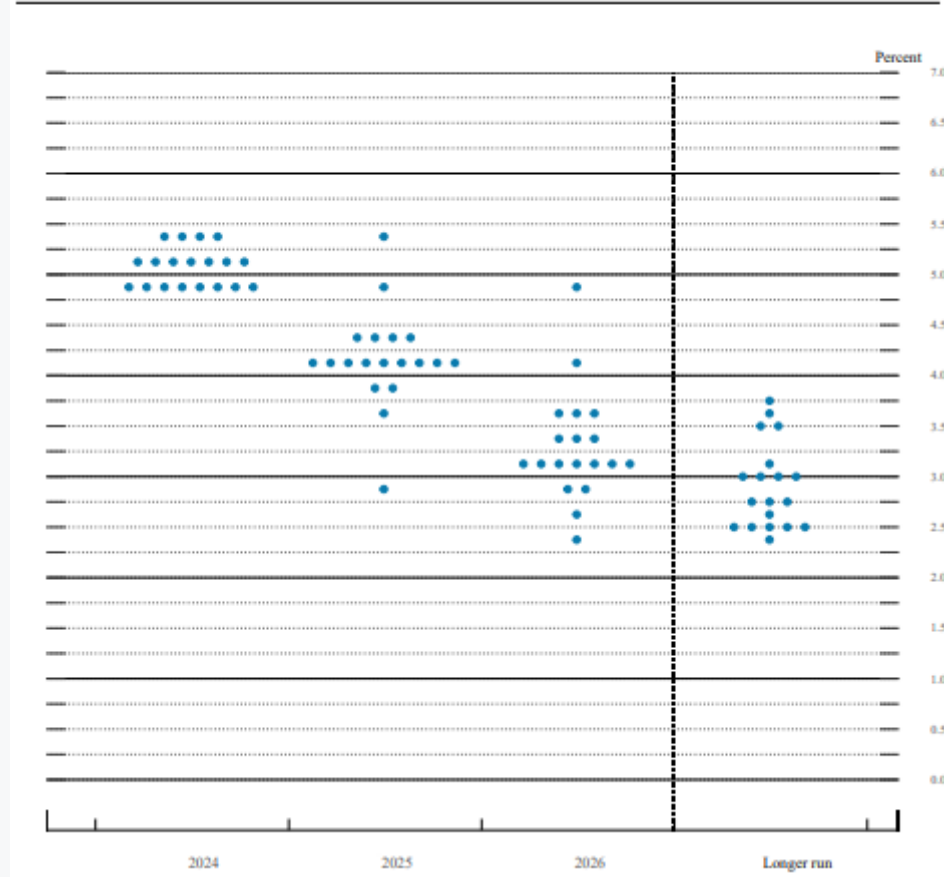
	Republican President (Donald Trump)	Democratic President (Kamala Harris)
<b>Tax Policy</b>	<ul style="list-style-type: none"> <li>Extend and possibly expand the 2017 Tax Cuts and Jobs Act, which lowered individual and corporate tax rates and nearly doubled the standard deduction.</li> </ul>	<ul style="list-style-type: none"> <li>Extend the 2017 personal income tax cuts for those earning under \$400,000 after 2025.</li> <li>Increase the top personal income tax rate to 39.6%.</li> <li>Raise corporate tax rate from 21% to 28%.</li> <li>Implement a "Billionaire Minimum Income Tax" with a 20% minimum tax rate on "full income, including unrealized appreciation."</li> </ul>
<b>Compliance</b>	<ul style="list-style-type: none"> <li>Push for deregulation and reduced power of regulatory agencies like the FTC and CFPB.</li> <li>Potentially ease M&amp;A review processes and rollback consumer protection regulations.</li> </ul>	<ul style="list-style-type: none"> <li>Strengthen the authority and enforcement powers of the FTC and CFPB.</li> <li>Increase scrutiny of M&amp;A deals, especially in tech and financial sectors.</li> <li>Expand consumer protections, particularly in credit reporting and debt collection.</li> <li>Support stricter regulations on student loan practices and medical debt reporting.</li> </ul>
<b>Foreign Policy</b>	<ul style="list-style-type: none"> <li>Implement stricter immigration policies and advocate for reshoring, potentially reducing the available workforce for OBS and challenging the outsourcing service model.</li> <li>Pursue "America First" approach to international relations, possibly leading to increased trade tensions and a more complex regulatory environment for global service providers.</li> </ul>	<ul style="list-style-type: none"> <li>Pursue comprehensive immigration reform and strengthen international alliances, potentially expanding the talent pool for outsourced services and facilitating easier cross-border operations.</li> <li>Focus on multilateral cooperation and clean energy initiatives, possibly creating new opportunities for OBS in emerging sectors while promoting a more stable global business environment.</li> </ul>
<b>Spending</b>	<ul style="list-style-type: none"> <li>Likely to prioritize defense spending and infrastructure investment.</li> <li>Potential focus on reducing overall government spending, particularly in social programs.</li> </ul>	<ul style="list-style-type: none"> <li>Emphasizes increases in social spending, including education, healthcare, and climate initiatives.</li> <li>Support large-scale infrastructure projects and clean energy investments.</li> </ul>
<b>Trade Policy</b>	<ul style="list-style-type: none"> <li>Aggressive stance on China trade, including revoking most favored nation status and phasing out imports of essential goods.</li> <li>Implementation of broad 10% tariffs on other countries and push for the Trump Reciprocal Trade Act.</li> </ul>	<ul style="list-style-type: none"> <li>Maintain a generally restrictive trade policy, including selective use of tariffs and export controls.</li> <li>Strengthen foreign investment scrutiny through CFIUS and implement "reverse" CFIUS for outbound investments.</li> </ul>

Source: Corporate Advisory Solutions, Goldman Sachs.

A Republican presidency would generally imply a more favorable operating environment for Tech-Enabled OBS companies. This would likely include maintaining or lowering tax rates, pushing for further deregulation, and opposing restrictive policies from major regulatory agencies such as the Consumer Financial Protection Bureau (CFPB). In contrast, a Democratic presidency would typically be more pro-consumer, likely attempting to pass legislation that strengthens consumer rights and empowers regulatory agencies with broader authority. These contrasting approaches to governance and regulation could significantly impact the Tech-Enabled OBS sector, influencing both operational strategies and market dynamics.

Another set of events with a major macroeconomic effect that has been in the background, given recent major political developments, are the remaining 2024 Federal Open Market Committee (FOMC) meetings and their perspective decision on federal fund rates, which is the main driver of borrowing costs within the U.S. economy. Guided primarily by falling inflation measured by lower Consumer Price Index (CPI) and a weaker U.S. labor market (indicated by a rising unemployment rate), it is expected that the Federal Reserve officials will make their first interest rate cut since the start of the COVID-19 pandemic during their September meeting, having massive implications on the broader United States economy.

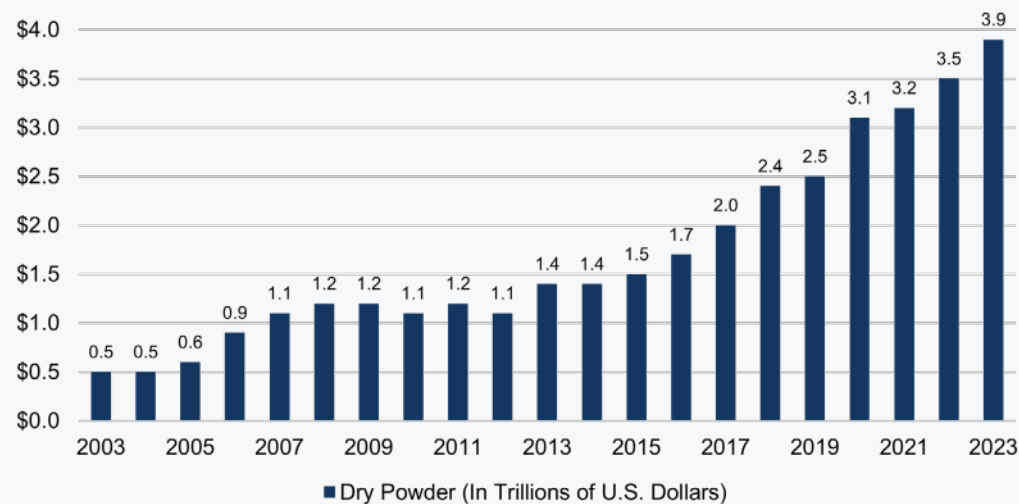
Figure 2. FOMC participants' assessments of appropriate monetary policy: Midpoint of target range or target level for the federal funds rate



Source: Summary of Economic Projections by FOMC June 2024.

According to the most recent dot plot (representing target range for the federal funds rate), most FOMC participants anticipate the 2024 federal funds rate to end within the 5.25% to 4.75% range, indicating one or two rate cuts in 2024 from the current target range of 5.50% to 5.25%. Decreasing interest rates have a potential material impact on the Tech-Enabled OBS sector, as companies from conglomerates to small and medium-sized businesses should have the ability to access cheaper financing in debt capital markets – utilizing it to pursue growth in their target markets and indirectly boost potential revenues for their outsourcing partners.

The anticipated decrease in interest rates, coupled with record levels of dry powder held by private equity firms, is poised to ignite a significant wave of M&A activity and consolidation in the tech-enabled OBS sector post the upcoming Presidential election. Lower borrowing costs will make acquisitions more financially attractive; while private equity firms, eager to deploy their substantial capital inventory, are likely to view the sector ripe for investment.



Source: Bain & Company; Prequin - Global PE Report 2024.

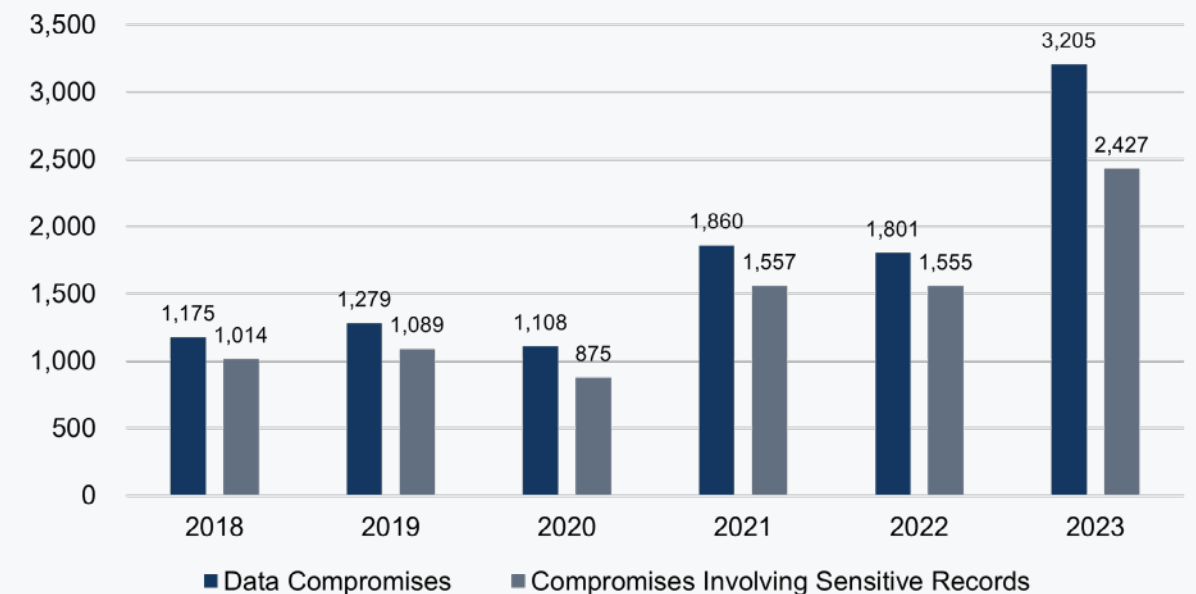
This combination of factors is expected to drive increased competition for quality assets, potentially leading to higher valuations. CAS anticipates a surge in both strategic acquisitions by existing players looking to expand their service offerings or geographical reach and platform investments by private equity firms aiming to capitalize on the sector's growth potential. While the exact timing and scale of this consolidation wave remain uncertain, industry participants should prepare for a dynamic period in the coming months

Pivoting to recent developments in compliance and regulation, the recent Supreme Court decision to overturn the Chevron Deference marks a seismic shift in the regulatory landscape, with far-reaching implications for tech-enabled OBS sector. The 6-to-3 ruling, which limits federal agencies' power to interpret ambiguous statutes, is likely to reduce regulatory uncertainty, but it will potentially lead to more complex and time-consuming legal challenges. Agencies like the Consumer Financial Protection Bureau (CFPB) or Federal Communication Commission (FCC) may see their interpretive authority challenged, potentially putting some passed regulations into question. This creates another piece of uncertainty for business owners who have already invested in implementing compliance rules that arose from previous decisions. Smaller businesses, with limited capital resources for compliance and technology implementations, may be particularly affected, potentially struggling to adapt to varying interpretations of regulations across different jurisdictions.



June 28, 2024 - Supreme Court overturns Chevron doctrine in 6-to-3 decision.

On the technological side, the tech-enabled OBS sector is continuing to experience a transformative shift, driven primarily by artificial intelligence (AI) products shaped for different niche markets. An increasing number of AI-powered solutions are entering the ecosystem, with companies eagerly adopting these technologies to streamline operations, boost efficiency, and increase resource utilization. However, the elevated technological implementation comes with heightened risks, such as cybersecurity incidents. Verticals within the tech-enabled OBS sector, which handles vast amounts of sensitive personal data, have become an attractive target for cybercriminals, leading to a surge in cyber incidents.



Source: ITRC - 2023 Data Breach Report.

As both AI implementation and robust cybersecurity measures require substantial investment, smaller industry players will face considerable challenges to limit resources to stay ahead of the competition and protect their digital infrastructure. The financial pressure is likely to further catalyze industry consolidation, with smaller firms seeking partners with established players that have dedicated, large IT departments, to remain competitive and secure in this evolving landscape.

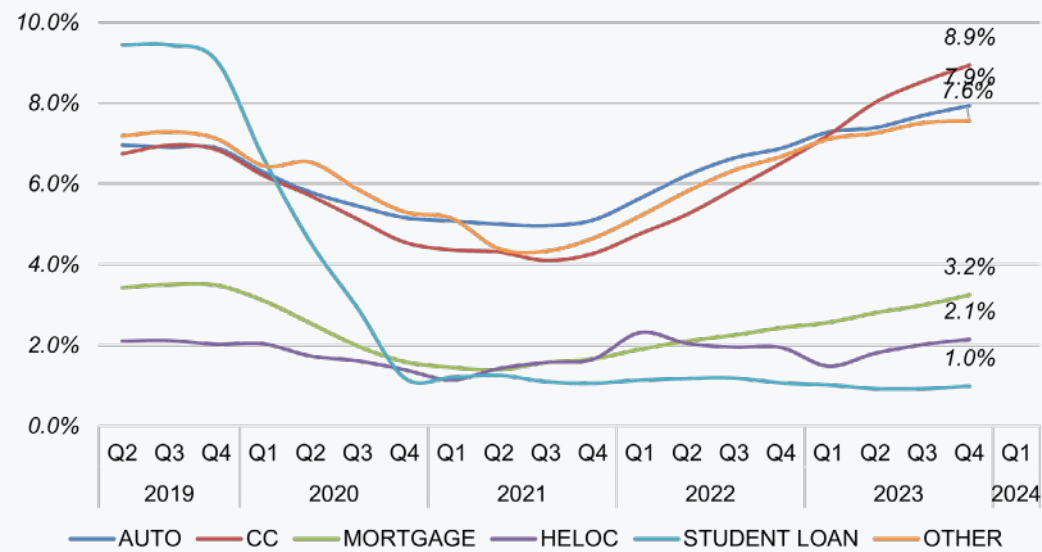
We at Corporate Advisory Solutions are eager to leverage our expertise and insights to assist you in the navigation of this evolving M&A landscape and exploration of strategic opportunities!

# MARKET PERFORMANCE AND VALUATION:

The tech-enabled outsourced business services market, comprising only publicly traded companies, continues to underperform the broader market, as represented by the S&P 500. This underperformance stems not only from the benchmark's heavy weighting toward technology companies rather than service-based firms, but also from several industry-specific headwinds. These risks, observed over recent quarters – along with emerging pressures – are causing service-based, human-capital-intensive industries to lag behind the broader market.

Performance within the overall ARM vertical, including private companies, has been highly idiosyncratic – with the variations based on different niches, target customer bases, and operational structures, including the implementation of emerging technologies. Debt collection agencies focusing on “problematic” markets, such as healthcare or student loans, continue to face notable challenges from regulatory and political pushback. In contrast, receivables debt buyers are currently operating in an optimal environment, benefiting from lower pricing compared to COVID-19 pandemic highs and a record-high supply of fresh paper.

The most recent Household Debt and Credit Report released by the Federal Reserve highlights that total outstanding debt continues its pandemic-boosted growth; while delinquencies in key markets such as credit cards and auto financing are climbing steeply. At CAS, we anticipate the growing wave of placements to continue. However, the performance of U.S. consumers in the coming months remains uncertain, which will significantly impact liquidation rates.



Source: Household Debt and Credit Report Q1 2024; Transitioning into Delinquency (30+ Days).

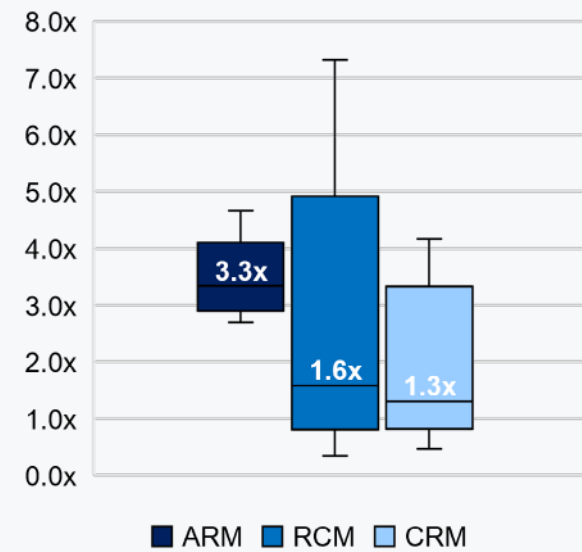
Compared to other tech-enabled OBS industries, the healthcare RC ecosystem faces several major headwinds that will have a long-term impact on the healthcare services space in the coming quarters. Most notably, June's announcement banning medical debt credit reporting and the ongoing crackdown on the high cost of the U.S. healthcare system continue to create significant risks for the broader space. In addition to compliance and regulatory challenges, the healthcare RCM industry continues to experience a historically high shortage of skilled labor, creating major operational inefficiencies while directly increasing costs, due to the need for more expensive, scarce labor. Furthermore, the entire U.S. healthcare system is still recovering from the Change Healthcare cyberattack earlier this year, which exposed major technological vulnerabilities within the system and emphasized the need for increased investment in protecting personal data of the U.S. population.

Lastly, the CRM space, including business process outsourcing and contact center services, is undergoing a structural shift driven by increased adoption of AI-enabled solutions. While we do not expect AI to fully replace complex tasks performed by customer service representatives, the impact of emerging technologies on this space is undeniable. CAS anticipates that increased research and development spending will prompt further automation of basic tasks, potentially making lower-level agents redundant while pushing high-priority and complex tasks to top-performing agents. As highlighted in a recently published Goldman Sachs report, there is ample AI-related spending, but we have yet to see substantial real-world impacts.



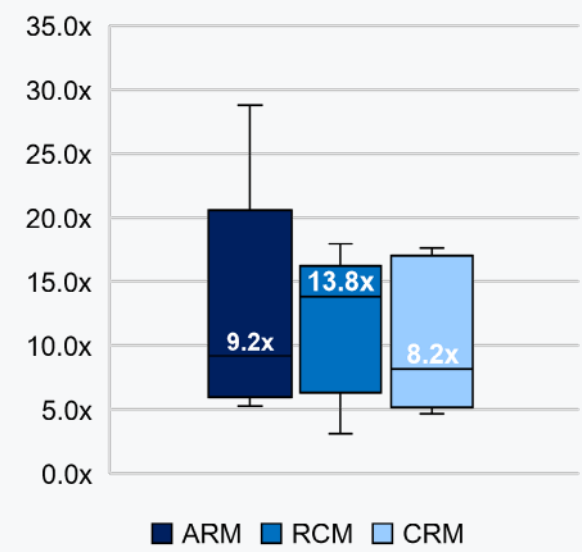
Source: Healthleaders.

## Public Company EV/Revenue Valuations



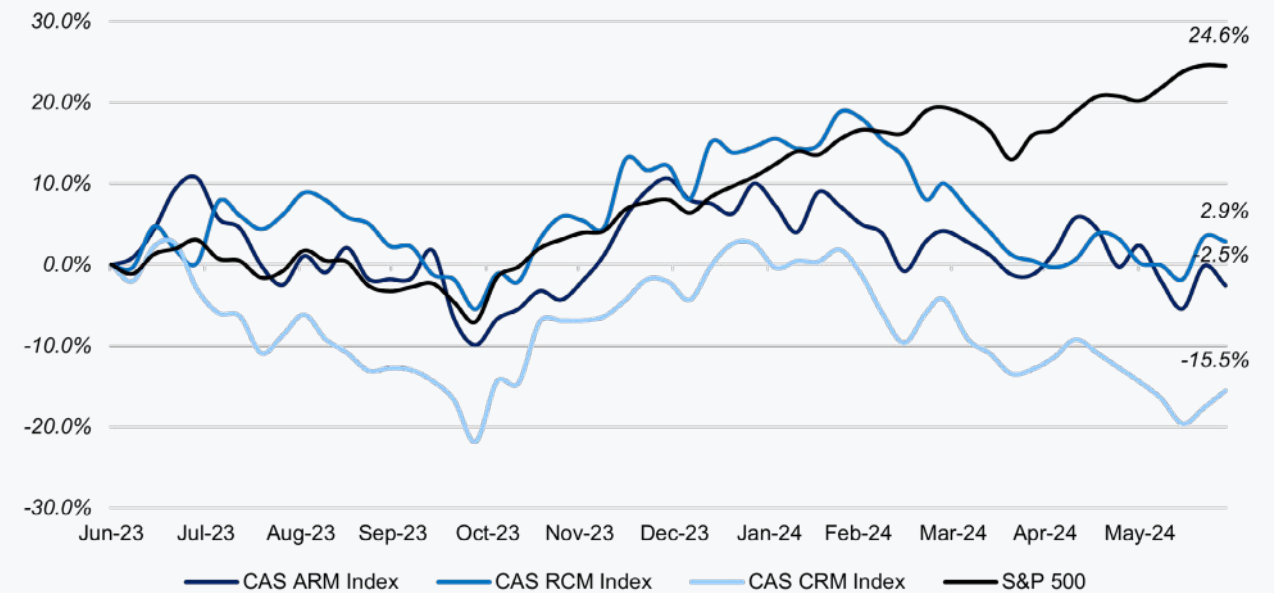
Source: Corporate Advisory Solutions.

## Public Company EV/Revenue Valuations



Source: Corporate Advisory Solutions.

Please note that the valuations and performance discussed pertain specifically to publicly traded companies. These firms generally command higher valuations compared to private companies due to various factors, typically resulting in lower multiples for private entities.



Source: FactSet; Data as of June 30, 2024.

## CONCLUSION & KEY TAKEAWAYS:

As we reflect on the first half of 2024, the Tech-Enabled Outsourced Business Services (OBS) sector has demonstrated resilience and adaptability in the face of economic uncertainties. The sector has witnessed a notable uptick in M&A and capital investment activity, driven by strategic acquisitions aimed at enhancing market presence and technological capabilities. Key trends include the consolidation of smaller players by established firms, particularly in the ARM and healthcare RCM verticals, and a surge in AI-focused investments across the CRM space. Looking ahead, the sector's trajectory appears promising, shaped by anticipated interest rate cuts, record levels of private equity dry powder, and the transformative potential of AI technologies. However, challenges persist, including regulatory uncertainties stemming from the upcoming U.S. election and the Supreme Court's Chevron Deference ruling. As the industry navigates these dynamics, we expect continued momentum in deal-making – with a focus on operational efficiencies, technological integration, and strategic growth. Companies that can successfully adapt to these evolving market conditions, particularly in leveraging AI while addressing cybersecurity concerns, are likely to emerge as leaders in this dynamic landscape.

At Corporate Advisory Solutions, we remain committed to navigating these evolving trends and assisting clients in seizing opportunities for growth and expansion in this dynamic market. We invite you to reach out to us to explore how we can help your business thrive amidst these changing landscapes.

## PUBLIC COMPARABLES

\$ in Millions	As of 06/30/2024	Price	% of 52 Week High	MarketCap	EnterpriseValue	Revenue	EBITDA	EBITDA Margin	EV/Revenue	EV/EBITDA
Accounts Receivable Management	Encore Capital Group, Inc.	\$41.7	76.2%	\$988.5	\$4,179.5	\$1,222.0	\$321.9	26.3%	3.4x	13.0x
	PRA Group, Inc.	\$19.7	62.6%	\$773.5	\$3,845.8	\$825.7	\$133.5	16.2%	4.7x	28.8x
	Intrum AB	\$2.8	35.5%	\$341.6	\$5,904.1	\$1,872.5	\$547.9	29.3%	3.2x	10.8x
	Host Finance AB	\$5.1	88.4%	\$453.7	\$1,142.7	\$350.9	\$94.2	26.8%	3.3x	12.1x
	Axactor ASA	\$0.4	67.4%	\$116.6	\$1,078.4	\$275.7	\$142.7	51.8%	3.9x	7.6x
	B2 Impact ASA	\$0.8	88.6%	\$300.0	\$1,135.9	\$332.5	\$171.1	51.5%	3.4x	6.6x
	KRUK S.A.	\$115.1	92.1%	\$2,223.1	\$1,274.4	\$444.0	\$242.9	54.7%	2.9x	5.2x
Median			71.8%	\$567.1	\$1,208.6	\$397.4	\$156.9	35.2%	3.3x	9.2x
Revenue Cycle Management	R1 RCM Inc	\$12.6	67.8%	\$5,284.4	\$7,496.1	\$2,254.2	\$541.8	24.0%	3.3x	13.8x
	Streamline Health Solutions, I	\$0.5	32.0%	\$28.5	\$35.9	\$23.1	(\$3.7)	-16.1%	1.6x	NM
	TruBridge, Inc.	\$10.0	37.4%	\$149.6	\$334.7	\$335.6	\$23.0	6.9%	1.0x	14.5x
	CareCloud, Inc.	\$1.9	50.5%	\$30.9	\$40.1	\$117.1	\$12.8	11.0%	0.3x	3.1x
	Cognizant Tech Solutions Co	\$68.0	84.9%	\$33,796.0	\$32,830.0	\$19,353.0	\$3,463.0	17.9%	1.7x	9.5x
	Everyday People Financial In	\$0.2	51.3%	\$24.4	\$44.5	\$28.1	(\$2.3)	-8.3%	1.6x	NM
	Waystar Holding Corp.	\$21.5	90.0%	\$3,583.2	\$5,787.8	\$791.0	\$322.9	40.8%	7.3x	17.9x
Median			51.3%	\$149.6	\$334.7	\$335.6	\$23.0	11.0%	1.6x	13.8x
Customer Relationship Management	Concentrix Corporation	\$63.3	59.6%	\$4,109.0	\$9,610.3	\$7,369.9	\$1,176.1	16.0%	1.3x	8.2x
	NICE Ltd. Sponsored ADR	\$172.0	63.5%	\$10,811.9	\$9,889.4	\$2,377.5	\$598.3	25.2%	4.2x	16.5x
	Conduent, Inc.	\$3.3	78.4%	\$673.8	\$1,720.8	\$3,722.0	\$369.0	9.9%	0.5x	4.7x
	ExiService Holdings, Inc.	\$31.4	90.1%	\$5,093.7	\$5,262.6	\$1,630.7	\$298.5	18.3%	3.2x	17.6x
	Teleperformance SE	\$105.4	59.4%	\$6,398.8	\$11,251.4	\$9,021.9	\$1,764.4	19.6%	1.2x	6.4x
	TELUS International, Inc.	\$5.8	50.2%	\$1,587.7	\$3,146.7	\$2,708.0	\$562.0	20.8%	1.2x	5.6x
	TTEC Holdings, Inc.	\$5.9	17.0%	\$279.0	\$1,275.6	\$2,458.9	\$235.1	9.6%	0.5x	5.4x
Firstsource Solutions Limited	\$2.5	81.2%	\$1,729.0	\$1,886.7	\$753.4	\$115.0	15.3%	2.5x	16.4x	
Genpact Limited	\$32.2	81.6%	\$5,793.5	\$6,851.9	\$4,475.6	\$713.5	15.9%	1.5x	9.6x	
Median			63.5%	\$4,109.0	\$5,262.6	\$2,708.0	\$562.0	16.0%	1.3x	8.2x
Overall Median			65.5%	\$881.0	\$2,516.7	\$1,023.8	\$270.7	18.9%	2.6x	9.5x

Source: FactSet. Data as of June 30, 2024.

# ABOUT CAS,

## Global Tech-Enabled OBS Focus

Corporate Advisory Solutions, LLC ("CAS") is an Independent Investment and Merchant Banking firm (Securities conducted through Finalis Securities Member FINRA/SIPC)\* dedicated to partnering with clients to maximize shareholder value through a suite of transaction advisory and strategic advisory services on a domestic and international basis. While we provide services to clients in all the Outsourced Business Services (OBS) industries, our primary areas of focus and services have included those listed in the infographic below.

### Valuation Services

- Market Valuation Assessment
- Operations Workflow
- Key Value Drivers and Detractors
- General Market Trend Analysis
- Technology Review and Research
- Compliance Assessment
- Financial and Operational Information

### Transaction Advisory

- M&A and Merchant Banking
- Sell-Side and Buy-Side Representation
- Recapitalization and Capital Raising
- Strategic Partnership / Joint Venture
- Fairness Opinions / Market Valuations
- Distressed Asset Sales
- Specialty Finance

### Strategic Advisory

- Board Level Consulting
- Comprehensive Business Assessment
- Regulatory Compliance Assessment
- Financial Performance Reviews
- Contribution Margin Analysis
- Market Research
- Executive Recruitment

We collaborate with businesses operating within heavily regulated sectors at both the state and federal levels. In recent years, there has been a significant shift in technology adoption, leading to disruption in the OBS industries. Consequently, CAS has accumulated substantial expertise in various areas, including digital collections, artificial intelligence, machine learning, IoT, real-time analytics/dashboards, omnichannel communications, alternative credit data, and scoring, among others.

### Valuation Services

- **Expertise:** CAS has one of the largest proprietary database of OBS companies currently in the systems boosted by big media presence.
- **Deal Experience:** CAS has completed over 20 Tech-Enabled OBS transactions in the past three years with over 25 valuations each year for industry participants.
- **Track Record:** At CAS, we focus 100% of our time in the OBS sector, offering services from transaction and strategic advisory to M&A exit-prep engagements.
- **Industry Trends:** CAS is well-versed in the latest trends within the OBS sector, allowing us to best position our clients for future changes and long-term success.
- **Relationships:** CAS is a leader in a niche OBS market knowing majority of players, provides a well-rounded view on different verticals.
- **Global Network:** CAS frequently attends and presents at industry conferences and networks with a diverse set of industry professionals.

\* Michael Lamm and Mark Russell are Registered Representatives of Finalis Securities, LLC. Finalis Securities is not affiliated with Corporate Advisory Solutions, LLC.

### Dedicated Tech-Enabled OBS Expertise



**MICHAEL LAMM**  
Managing Partner

Michael, a Managing Partner at CAS, leads M&A engagements, investment opportunities, and strategic consulting while guiding the firm's growth. With over a decade's experience, he's a respected voice in industry associations and frequently speaks on M&A trends, contributing expertise to publications.



**MARK RUSSELL**  
Managing Partner

As a CAS co-founder, Mark oversees operations and transaction advisory engagements, including the firm's Merchant Banking. With extensive experience, he provides valuation and strategic consulting services, guiding clients through acquisitions and managing securities transactions as a Registered Representative of Finalis Securities LLC.

# ABOUT CAS,

## Recent Transactions & OBS Expertise

In FY 2023, CAS successfully closed 10 transactions. Additionally, in 2024, we concluded two more deals – one in January and another in April, as detailed below. With over 140 successful M&A engagements in the OBS sector, these transactions demonstrate our skilled guidance through both acquisition and divestiture processes, confirming our deep insight and expertise in the M&A landscape, particularly within the OBS sector.

**Industry Expertise:** During our tenure in the OBS Sector, the CAS team members have completed more than 140 M&A engagements (both buy-side and sell-side), an average of 25 company valuations each year, and an increasing number of market intelligence reports and operational reviews. CAS is geographically agnostic, having provided services worldwide, with the principals of CAS having past clients based in Germany, Luxembourg, the U.K., France, Canada, Australia, the Philippines, and India (e.g., EOS, Natixis Bank, Altisource Holdings, CIBC, etc.).

**140+**

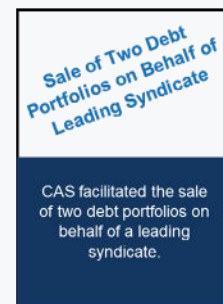
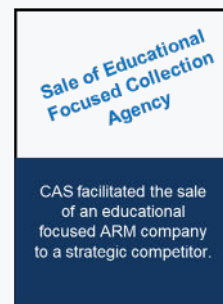
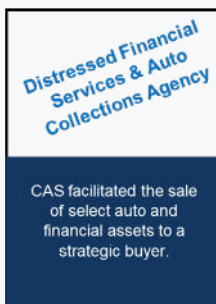
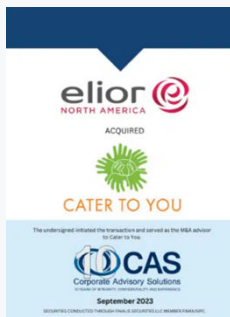
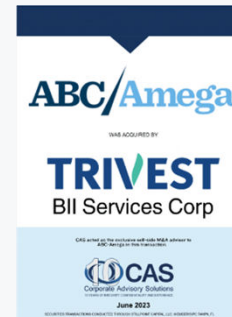
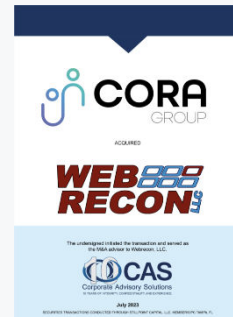
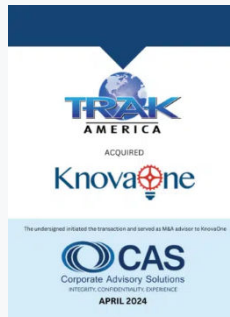
Completed OBS M&A Engagements

**\$2.5+ Billion**

Deal Value in OBS M&A Engagements

**\$25+**

Years of OBS M&A Experience



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Readers should not solely rely on this information for investment decisions and are encouraged to consult with CAS associates for further clarification or questions.

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# ADVISORY BOARDS

## The Strategic Imperative in 2024

By Candida Toccia Seasock

[Candida Toccia Seasock is Founder and Chair of Executive Leaders for Advisory Boards, which helps companies create advisory boards -ELAB - Executive Leaders for Advisory Boards (advisory-boards.org)]

Amidst the rapidly changing business environment of 2023, seeking seasoned advice has never been more critical for businesses to succeed in 2024. Irrespective of the industry or company size, leaders can significantly improve their chances of success by receiving high-quality guidance. Although seeking external advice may seem daunting, especially with the formalities of boards of directors, one increasingly popular alternative is the use of advisory boards. These boards provide invaluable expertise without relinquishing control, offering a distinct advantage for business owners seeking to thrive in the upcoming year.

### Why Good Advice Matters: Unveiling the Impact of Advisory Boards

**Expertise and Experience:** Advisory boards are comprised of accomplished professionals with extensive industry experience. Their insights turbocharge decision-making and adeptly guide leaders away from potential pitfalls.

**Skills Gap Solution:** Access to specialized skills isn't universal among business leaders. Advisory boards step into these gaps, delivering on-demand legal, HR, and regulatory expertise.

**Networking Prowess:** Advisors bring expansive industry networks, unlocking doors to valuable contacts, potential clients, investors, and partners – a transformative asset for businesses.

**Speed to Implementation:** Advisory boards offer a swift and flexible setup, allowing assessment of contributions before formal commitments. It's less red tape and more agility in action.

**Safe Environment:** Advisors create a secure space for leaders to discuss tentative options—a perfect test ground before unveiling plans to the public or a formal board.

**Personal and Professional Growth:** Over time, advisors metamorphose into mentors, pivotal in a leader's personal development. Their guidance extends beyond the current company, influencing future ventures.

**Strategic Roadmap:** Advisory boards contribute to developing a strategic roadmap akin to a GPS, pinpointing and eliminating growth impediments while offering continuous guidance for seamless scaling.

**Confidence Booster:** An advisory board acts as a confidence booster for leadership. Knowing experienced individuals are in your corner provides reassurance when confronting business challenges.

**Diverse Thinking Hub:** Advisory boards often feature individuals with diverse backgrounds, fostering well-rounded and innovative solutions to business problems.

**Long-term Growth Catalyst:** Advisory boards significantly contribute to a company's long-term growth and success, guiding critical decision-making that shapes a company's future trajectory.

### Beyond Monetary Considerations

Put simply, receiving wise guidance from an advisory board can bring more than just monetary gains. It can provide a strategic edge, promote personal and professional growth, and be a critical factor in overall business success. While setting up an advisory board may require time and coordination, the returns on investment are undoubtedly worth it.

Advisory boards offer valuable support to growth companies through expertise, strategic guidance, industry connections, and mentorship. They enhance the company's credibility, provide market insights, and help with risk mitigation, access to capital, international expansion, and diverse perspectives. Advisory boards are instrumental in problem-solving, governance, talent acquisition, product development, and exit strategies, making them a key resource for company growth and success.