



Business Process Outsourcing *M&A Quarterly Update*

Second Quarter 2021

BPO Sector Continues to be Ripe for M&A

The sector has created an opportunity for both financial and strategic companies to take advantage of the industry's fragmentation, with tailwinds showing demand for BPO in the next decade and beyond

BPO Market Outlook

- **43% of cyber attacks target small businesses;** high-grade data security will be one of the major verticals in BPO in the near and long term
- BPO industry continues to grow with **41% of the growth coming from North America**
- **BPO companies' valuation multiples have remained strong during 2020 and into 2021;** the current median is above the S&P 500 median by 10.6% (15.6x)
- The industry is expected to grow at a **CAGR of 8.0% from 2020 to 2027**
- Reduced international trade barriers, improved telecommunication and advancing IT capabilities are all **signs that point to the BPO Industry continuing to be an important sector around the world**

BPO Middle-Market M&A

M&A Activity

3 M&A transactions closed in Q1 2021, up from the 2 M&A transactions in Q1 2020; M&A is expected to grow as vaccine rollout continues

Financial Sponsors

Private equity and sponsor-backed private companies look to deploy capital in the fragmented industry

Strategic Buyers

Most public and private non-sponsor backed strategics continue to be focused on internal operations but remain cautiously opportunistic for the right acquisition as the world returns to normal



Onshore call centers able to implement the work-from-home agent model have come out ahead during COVID and many are bargain-hunting for acquisition targets. Bargain hunters are looking at target companies that were not able to work from home and struggled to support their existing clients.

– Chad Gardiner, Director & BPO Sector Lead – Bridgepoint Investment Banking

Notable BPO Transactions in Q1 2021

Outsourced Client Support



On January 5, 2021 ODITY S.A.S. announced that it acquired Approche Sur Mesure, a provider of contact center services for the luxury industry.

"ODITY AsM, thanks to its combined size and its new global presence, is becoming a key player in our sector, which is also entering the luxury industry by the big door with AsM. The future synergies between the two companies are endless, in particular thanks to ODITY's digital and software offer. The opportunities for international growth are immense."
– Benoît Vorilhon, Founder, ODITY S.A.S.

Call Center Services



On January 21, 2021 Kingswood Capital Management announced the acquisition of Senture, a company that develops and manages customer service programs.

"We are looking forward to supporting the business' accelerating growth and partnering with Jim Gayhart and the rest of the Senture team to continue to provide exceptional service to Senture's valued clients."
– Alex Wolf, Managing Partner, Kingswood Capital Management

Outsourced Communications Services

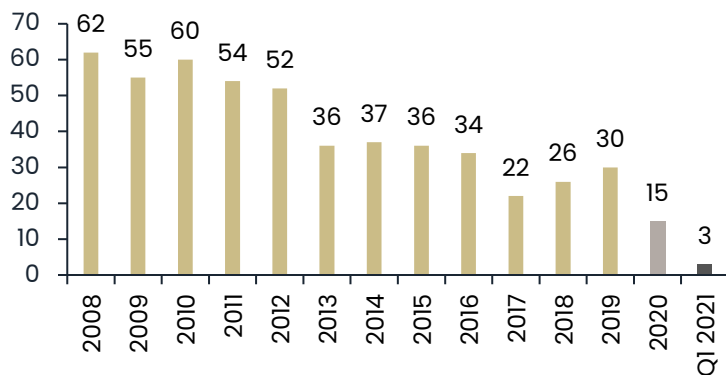


On March 9, 2021 Webhelp SAS, announced it acquired Dynamicall Perú SAC, a company that owns and operates a BPO-contact center.

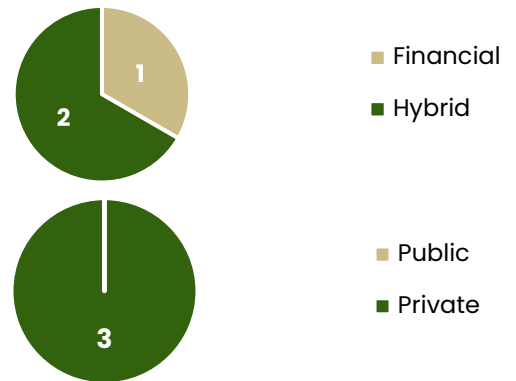
"Dynamicall is an impressive organization, with a strong cultural fit with Webhelp. We have been partnering to serve several major brands successfully in 2020 and are excited to now welcome their talented teams into the Webhelp family. With its superior track record in delivering high-quality services and its attractive client base, Dynamicall reinforces our unique best-shoring capabilities for our clients."
– Olivier Duha, CEO, Webhelp

Selected BPO Customer Care Segment M&A Transaction Statistics

Transaction Volume 2008–Q1 2021



BPO Transaction Buyer Statistics Q1 2021



Selected Recent BPO Customer Care Segment M&A Transactions

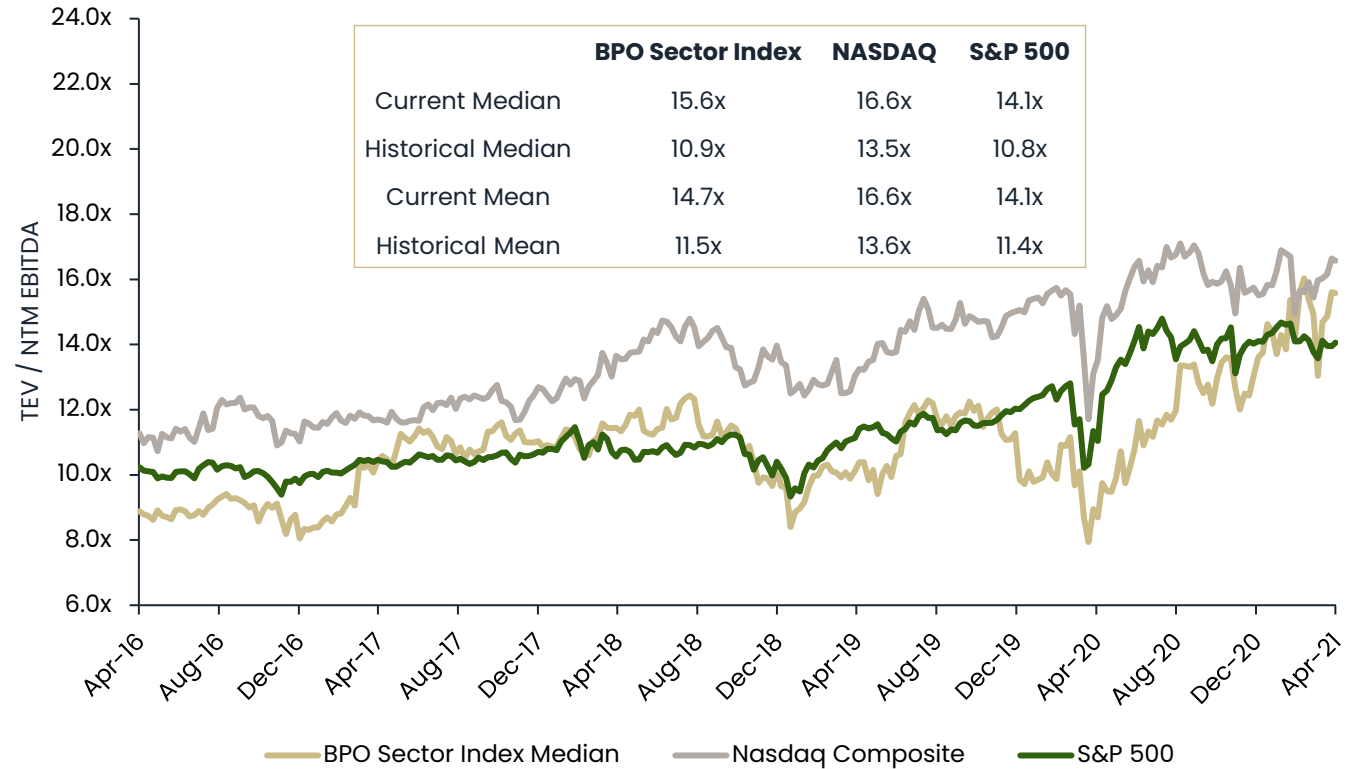
Date	Target	Buyer	Business Description
03/09/2021	Dynamicall Perú SAC	Webhelp SAS	Owns and operates a BPO–contact center which offers customer care
01/21/2021	Senture	Kingswood Capital Management ^(a)	Develops and manages customer service programs for government agencies and commercial organization
01/05/2021	Approche Sur Mesure	ODITY S.A.S.	Provides contact center services for the luxury industry worldwide
12/17/2020	Bill Gosling Outsourcing	Owner Resource Group	Provides customer sale and acquisition, customer care and contact center technology
12/01/2020	Total Card	Vervent	Provides customized contact center support and financial products and services
11/13/2020	Finaccess Group	Fusion BPO Services	Provides business outsourcing and cell center services, financial market data and software
10/14/2020	DRS Services USA	Valor IT	Owners and operates call centers and provides appointment–scheduling services

(a) Sponsor-backed strategies.

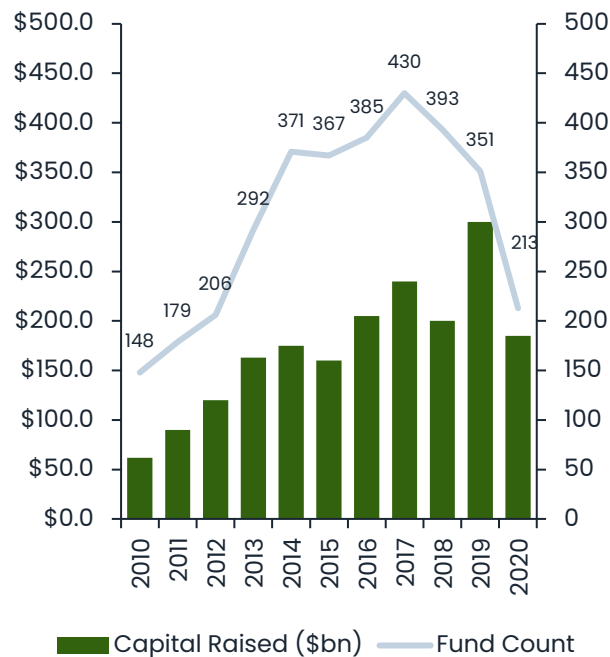
(b) Private Equity Firm.

Sources: S&P Capital IQ


Rolling TEV / NTM EBITDA BPO Sector Comparison Apr. 2016 – Apr. 2021




PE Fundraising Activity 2010-2020




Selected Bridgepoint BPO Transaction Experience




Has been acquired by




Sell-side Advisor




Has acquired select assets from




Buy-side Advisor




Has been acquired by



Sell-side Advisor



Has been acquired by



Buy-side Advisor

Note: BPO Sector Index Companies – CTSI, TTEC, SYKE, ADP, TEP.

Note: Selected transactions listed above include those executed by bankers at firms outside of Bridgepoint Investment Banking.

Sources: S&P Capital IQ, Pitchbook Data, MarketWatch, Business Wire, Globe News Wire, Statista

Bridgepoint Executive Summary

- Market-leading boutique investment bank providing M&A and capital raising advisory solutions focused on the middle-market BPO industry
- 274+ years cumulative investment banking experience spanning 216 transactions
- \$121+ billion of M&A, capital raising, corporate finance and M&A transaction advisory service experience
- 96 completed M&A assignments spanning more than \$36 billion in transactions
- 120 completed corporate finance transactions, raising more than \$85 billion in capital

Bridgepoint's experience, process, and deep connectivity to national and international funders and buyers provides BPO companies tailored, value-add capital solutions.

Services & Solutions

- ✓ Debt & Equity Recapitalization
- ✓ Growth / Acquisition Financing
- ✓ Rescue & Bridge Financing
- ✓ Debt Restructuring
- ✓ M&A Advisory

Outcomes

- ✓ Shareholder Liquidity
- ✓ Committed Capital Partner
- ✓ Increased Cash Flow
- ✓ Debt Service Reduction / Flexibility
- ✓ Optimal Transaction Result



Chad Gardiner
Director

Office Phone: 402.817.7900

Cell Phone: 310.909.3441

Email: cgardiner@bridgepointib.com

Sectors of Focus



Business & IT
Services



Technology



Healthcare



Consumer &
Retail



Industrials &
Transportation

274

YEARS OF EXPERIENCE

\$121B

IN TRANSACTIONS

216

TOTAL TRANSACTIONS

bridgepointib.com