

Q4 2015 IT Services Market Snapshot

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Q4 2015 IT Services M&A Overview

- Deal volume (number of deals) in the IT Services sector decreased approximately eight percent from Q3 2014 to Q4 2015, and total announced Enterprise Value (EV) decreased to \$4.3 billion, largely due to a decrease in \$500 million+ deals
- Median Enterprise Values in Q4 2015 for announced deals increased by nearly 45% from Q3 2015 and 129% from Q2 2015
- After a relatively stable first nine months in 2015, EV/revenue multiples decreased to 0.7x
- Despite global economic uncertainty heading into 2016, demand for IT services remains strong and industry analysts expect ongoing deal velocity in the sector for the coming year

	Q1 2015	Q2 2015	Q3 2015	Q4 2015
Number of Announced Deals	128	169	191	176
Number of Deals with Announced Values	30	39	42	26
Percentage of Deals with Announced Values	23.4%	23.1%	22.0%	14.8%
Total Enterprise Value Announced (\$M)	\$3,692	\$14,024	\$7,008	\$4,285
Total Enterprise Value Less \$500M+ Deals (\$M)	\$1,570	\$12,793	\$4,189	\$2,900
Median Enterprise Value	\$28.0	\$14.0	\$22.0	\$32.0
Median Enterprise Value / Revenue	1.1x	1.0x	1.0x	0.7x

Source: Signal Hill Proprietary M&A database, 451 Research and Capital IQ

Note: Includes Consulting, Systems Integration, Outsourcing, Offshore Outsourcing, IT Staffing and Government Services subsectors

Notable Q4 2015 IT Services M&A Transactions

Selected IT Services Transactions, Q4 2015		
	<p>M2 Dynamics acquired by Edgewater Technology EV¹: \$16.1 million Revenue Multiple: 1.4x EBITDA Multiple¹: 5.0x</p>	<ul style="list-style-type: none"> M2 Dynamics is a global provider of Oracle / Hyperion based systems integration and consulting services with core service offerings including budgeting and planning, financial management and consolidation, business intelligence, infrastructure integrations and managed services.
	<p>USG People acquired by Recruit Holdings EV: \$1.7 billion Revenue Multiple: 0.7x EBITDA Multiple: 17.8x</p>	<ul style="list-style-type: none"> USG People is one of the largest providers of HR services in Europe, providing employment, professional secondment and projects, human resource (HR), and customer care services primarily in Belgium, France, Germany, and the Netherlands.
	<p>Viteos Group to be Acquired by Wipro EV: \$130M</p>	<ul style="list-style-type: none"> Viteos Group is a provider of BPaaS services to the Alternative Management industry and a leader in shadow-accounting services and offers a full range of middle and back-office outsourcing through a workforce of 400+ employees.
	<p>L-3 National Security Solutions to be Acquired by CACI International EV: \$550M Revenue Multiple: 0.5x</p>	<ul style="list-style-type: none"> National Security Solutions (NSS) is a provider of enterprise and mission information technology services, intelligence operations support and operational infrastructure support services.
	<p>Computer Sciences Corporation acquires UXC Limited EV: \$308M Revenue Multiple: 0.6x EBITDA Multiple: 9.6x</p>	<ul style="list-style-type: none"> UXC Limited is an Australian based provider of end-to-end IT services. The company offers Consulting and Advisory services, Enterprise Application Services and IT Infrastructure Services. Prior to the acquisition, UXC was Australia's largest locally owned & managed IT Services company with 3,000 employees.

¹ Represents upfront consideration only

Q4 2015 IT Services Transactions

\$ in millions

Date Announced	Seller	Buyer	Enterprise Value	Revenues	EBITDA	Enterprise Value	
						Revenue	EBITDA
12/31/2015	Paladin Consulting	General Employment Enterprises	-	-	-	-	-
12/29/2015	ALTA IT Services	System One	-	-	-	-	-
12/22/2015	Ardan S.r.l.	Alterna S.r.l.	-	-	-	-	-
12/22/2015	M2 Dynamics	Edgewater Technology	\$16.1 ¹	\$11.5	\$3.2	1.4x	5.0x
12/22/2015	Styracorp Management Services	Quess Corp.	-	-	-	-	-
12/22/2015	USG People	Recruit Holdings	\$1,770.0	\$2,528.7	\$99.4	0.7x	17.8x
12/22/2015	Viteos Group	Wipro	\$130.0	-	-	-	-
12/21/2015	Cacto Arte e Ideas S.A. De C.V.	Geometry Global	-	-	-	-	-
12/21/2015	CloudCredo	Pivotal Software	-	-	-	-	-
12/21/2015	Comdata SpA	Carlyle Group, The	-	-	-	-	-
12/21/2015	Netcompany AS	FSN Capital Partners AS	-	-	-	-	-
12/21/2015	Wizardsgroup	NTT DATA	-	-	-	-	-
12/18/2015	Equian	New Mountain Capital LLC	\$225.0	-	-	-	-
12/17/2015	NextIS Consulting	Processia Solutions	-	-	-	-	-
12/15/2015	AND Automation	VINCI Energies UK	-	\$7.6	-	-	-
12/15/2015	Beacon Consulting Group	Accenture	-	-	-	-	-
12/15/2015	CEEOR spol. s r.o.	Kantar Health	-	-	-	-	-
12/15/2015	Global Technology Services LLC	ISON Technologies Private Limited	-	-	-	-	-
12/15/2015	Mas Cerca Contact Center	Computer Generated Solutions	-	-	-	-	-
12/14/2015	boice.net	Data Strategy	-	-	-	-	-
12/14/2015	Elvi Elettrotecnica Vitali (energy, SI division)	Electro Power Systems S.A.	-	-	-	-	-
12/14/2015	Ignify	Hitachi Solutions America	-	-	-	-	-
12/14/2015	QuantumBlack Visual Analytics Limited	McKinsey	-	-	-	-	-
12/11/2015	Formpipe Software AB (Danish consulting business)	KMD A/S	\$0.5	-	-	-	-
12/10/2015	CAETEK	Zuken USA	-	-	-	-	-
12/10/2015	Eaton Web Design (business assets)	Elsay Enterprises	-	-	-	-	-

Source: Signal Hill Proprietary M&A database, 451 Research and Capital IQ

Note: Includes Consulting, Systems Integration, Outsourcing, Offshore Outsourcing, IT Staffing and Government Services subsectors

(1)Represents upfront consideration only

Q4 2015 IT Services Transactions

\$ in millions

Date Announced	Seller	Buyer	Enterprise Value	Revenues	EBITDA	Enterprise Value	
						Revenue	EBITDA
12/10/2015	Full Circle Data Services	Arcurve	-	-	-	-	-
12/10/2015	Boomerang Pharmaceutical Communications	Accenture	-	-	-	-	-
12/10/2015	Huron Consulting Group / Assets	Consilio LLC	-	\$143.0	-	-	-
12/9/2015	Bartech Holding Corp.	Impellam Group	\$120.0	-	-	-	-
12/9/2015	Cimation	Accenture	-	-	-	-	-
12/8/2015	L-3 National Security Solutions	CACI International	\$550.0	\$1,032.0	-	0.5x	-
12/8/2015	LITORO Tech Solutions Pvt	MockBank Learning Pvt	-	-	-	-	-
12/8/2015	Tier3 Solutions Group	MDL Technology LLC	-	-	-	-	-
12/7/2015	IMCue Solutions	First San Francisco Partners LLC	-	-	-	-	-
12/7/2015	InteQrity	Bulpros Consulting Jsc.	-	-	-	-	-
12/4/2015	Pup Group	Perficient	-	\$12.0	-	-	-
12/4/2015	Smilehouse OY	Tieto	-	-	-	-	-
12/3/2015	Bway Srl	Assembly Data System S.p.A	-	-	-	-	-
12/3/2015	Project Factory	Way To Blue	-	-	-	-	-
12/3/2015	Silverlink Communications LLC	Welltok	-	-	-	-	-
12/3/2015	Synergence SAS	Deloitte	-	-	-	-	-
12/3/2015	Summit Technology	Emtec	-	-	-	-	-
12/2/2015	Advance Payroll Funding	Paychex	-	-	-	-	-
12/2/2015	cellent AG	Wipro	\$77.7	\$92.0	-	0.8x	-
12/2/2015	Proven Legal Technologies	Consilio LLC	-	-	-	-	-
12/2/2015	Tessella	Altran Technologies SA	-	\$36.5	-	-	-
12/2/2015	The Cottonwood Group	CBIZ	-	\$3.1	-	-	-
12/1/2015	SMG Group	PwC	-	-	-	-	-
12/1/2015	Advanced Language Translation	Morningside Translations	-	-	-	-	-
12/1/2015	Alphagen Holdings Limited	Vision33	-	-	-	-	-
12/1/2015	Cinovate Cloud Innovation	PwC	-	-	-	-	-
12/1/2015	InfraScience	New Signature	-	-	-	-	-
12/1/2015	Integrated Real Estate Resources	ARGUS Software	-	-	-	-	-

Source: Signal Hill Proprietary M&A database, 451 Research and Capital IQ

Note: Includes Consulting, Systems Integration, Outsourcing, Offshore Outsourcing, IT Staffing and Government Services subsectors

Q4 2015 IT Services Transactions

\$ in millions

Date Announced	Seller	Buyer	Enterprise Value	Revenues	EBITDA	Enterprise Value	
						Revenue	EBITDA
11/30/2015	Davisbase Consulting LLC	SolutionsIQ	-	-	-	-	-
11/30/2015	Imano AB	Tieto	-	\$8.6	-	-	-
11/30/2015	Paradyne Pty	Generation-e Productivity Solutions P/L	-	-	-	-	-
11/30/2015	Sequoia Worldwide	Presidio	-	-	-	-	-
11/27/2015	Webhelp Group	Kohlberg Kravis Roberts & Co. L.P.	-	\$770.8	-	-	-
11/26/2015	Kurt Salmon / Assets	Solucom SA	-	-	-	-	-
11/25/2015	ANCO-IT	Business Connexion	-	-	-	-	-
11/25/2015	Oz Development	Descartes Systems Group	\$29.5	-	-	-	-
11/24/2015	Avenue9	Jones Lang LaSalle	-	-	-	-	-
11/24/2015	NorthPoint Digital	E&Y	-	-	-	-	-
11/24/2015	UXC	Computer Sciences Corporation	\$307.9	\$493.9	\$32.2	0.6x	9.6x
11/23/2015	S S Analytics Solutions Pvt.	NumberMall Private Limited	-	-	-	-	-
11/20/2015	Bellsoft	Ameri Holdings	\$5.0	\$20.0	-	0.3x	-
11/19/2015	CCIM Consulting LLC / Assets	Morae Legal	-	-	-	-	-
11/18/2015	Celerity IT LLC	AUSY North America	-	\$84.0	-	-	-
11/18/2015	Product Support Solutions	Eckoh Technologies	\$7.6	\$17.4	-	0.4x	-
11/18/2015	Rexion Computer SL / 60% stake	Solutions 30 SE	-	-	-	-	-
11/17/2015	Bluesafe	ITS Group SA	-	-	-	-	-
11/17/2015	Ellipse Communications / Assets	On-Site.com	-	-	-	-	-
11/17/2015	Junction Solutions / Assets	RSM	-	-	-	-	-
11/17/2015	Orbion Consulting Sweden	Rejlers AB	-	-	-	-	-
11/16/2015	Alliance Global Services	EPAM Systems	-	-	-	-	-
11/16/2015	Allure Global Solutions	Christie Digital Systems USA	-	-	-	-	-
11/16/2015	Data Networks Corporation	ASRC Federal Holding Company	-	-	-	-	-
11/16/2015	Decision First Technologies	Protiviti	-	-	-	-	-
11/16/2015	Southern Cross Computer Systems / Assets	Stott Hoare	-	-	-	-	-
11/16/2015	Third Coast Technology	High Touch Technologies	-	-	-	-	-
11/12/2015	CloudXchange / Assets	Inabox Group Limited	\$0.2	\$0.7	-	0.2x	-

Source: Signal Hill Proprietary M&A database, 451 Research and Capital IQ

Note: Includes Consulting, Systems Integration, Outsourcing, Offshore Outsourcing, IT Staffing and Government Services subsectors

Q4 2015 IT Services Transactions

\$ in millions

Date Announced	Seller	Buyer	Enterprise Value	Revenues	EBITDA	Enterprise Value	
						Revenue	EBITDA
11/11/2015	Engine Room Games	Unity Technologies	-	-	-	-	-
11/10/2015	Cloud Solutions Group	Deloitte	-	-	-	-	-
11/10/2015	Distributech	InvestorCOM	-	-	-	-	-
11/10/2015	Rattan Software	Zebra Imaging	-	-	-	-	-
11/10/2015	System Design Advantage LLC	Flash Global	-	-	-	-	-
11/9/2015	Akumina	Persistent Systems	-	-	-	-	-
11/9/2015	Converga Pty	Canon	-	-	-	-	-
11/9/2015	Pickingo Logixpress Private Limited	Shadowfax Technologies	-	-	-	-	-
11/6/2015	Results Companies	One Equity Partners	-	-	-	-	-
11/5/2015	JM Group	Staffing 360 Solutions	-	-	-	-	-
11/5/2015	Spry	WebbMason	-	-	-	-	-
11/5/2015	Xcira	Ritchie Bros. Auctioneers	-	-	-	-	-
11/4/2015	Clear Business Dynamics	Accodex Pty.	-	-	-	-	-
11/4/2015	Dovre Group / Assets	Visuell Planering & Praktisk PPM AB	-	-	-	-	-
11/4/2015	Enprise Group Limited / Assets	ProjectLine Solutions	-	-	-	-	-
11/4/2015	Red Bridge	RecruitLoop	-	-	-	-	-
11/3/2015	BestFit Media	Software Paradigms International	-	-	-	-	-
11/3/2015	EmployeeScreenIQ	Sterling Infosystems	-	-	-	-	-
11/3/2015	GSM Consulting	Preferred Systems Solutions	-	-	-	-	-
11/3/2015	Ifftner Solutions Limited	Beka Management	-	-	-	-	-
11/3/2015	Jabba Finance Pty / Assets	iSmart Pty	-	-	-	-	-
11/3/2015	MAR Incorporated	Oasis Systems	-	-	-	-	-
11/3/2015	Professional Software / Assets	Tribalco	-	-	-	-	-
11/3/2015	Strategic Management Consultants	Encoda	-	-	-	-	-
11/2/2015	Advanced Graphic Products	Follett Corporation	-	-	-	-	-
11/2/2015	Advanced Transaction Systems	Glory Global Solutions	-	-	-	-	-
11/2/2015	Coristo GmbH	CENIT AG	-	-	-	-	-
11/2/2015	Corporate Translations	RWS Holdings	\$70.0	-	-	-	-

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\$ in millions

Date Announced	Seller	Buyer	Enterprise Value	Revenues	EBITDA	Enterprise Value	
						Revenue	EBITDA
11/2/2015	EvEnt Computer Services	Streamwire	-	-	-	-	-
11/2/2015	imason	New Signature	-	-	-	-	-
11/2/2015	Sirius Computer Solutions	Kelso & Company	-	\$1,700.0	-	-	-
11/2/2015	SPARC / Assets	Booz Allen Hamilton	-	-	-	-	-
11/2/2015	Timberhorn IT Solutions	ettain group	-	-	-	-	-
10/30/2015	Guarded Exchange LLC	Securus Technologies	-	-	-	-	-
10/30/2015	TREC Global	Inergex LLC	-	-	-	-	-
10/29/2015	Binocular	Blippar	-	-	-	-	-
10/29/2015	I.B.I.S.	Sonata Software	-	-	-	-	-
10/29/2015	PowerObjects	HCL Technologies	\$46.0	\$37.0	-	1.2x	-
10/28/2015	Kusiri Limited	PwC	-	-	-	-	-
10/28/2015	XPD8 Solutions	John Crane	-	-	-	-	-
10/27/2015	Evolution Ecommerce Solutions Limited	Kefron Limited	-	-	-	-	-
10/27/2015	KOA Games	Game Freak	-	-	-	-	-
10/27/2015	ShareRewards	Pursuant	-	-	-	-	-
10/27/2015	TDI Computer Systems / Assets	GWA Business Solutions	-	-	-	-	-
10/26/2015	Ballena Technologies	Spectra	-	-	-	-	-
10/26/2015	Etherios	West Monroe Partners	\$9.0	-	-	-	-
10/26/2015	Pomeroy	Tolt Solutions	-	-	-	-	-
10/22/2015	Nickelfish	Endava	-	-	-	-	-
10/21/2015	Embriq AS / 88.52% stake	Rejlers	\$11.0	\$29.4	-	0.4x	-
10/21/2015	Digital One	Deloitte	-	-	-	-	-
10/21/2015	Vree Health	PatientSafe Solutions	-	-	-	-	-
10/21/2015	Xtend Healthcare	Navient	-	-	-	-	-
10/20/2015	ConeXus World	Creative Realities	\$2.8	\$6.0	-	0.5x	-
10/20/2015	Mediscan	Cross Country Healthcare	\$33.0	\$40.0	-	0.8x	-
10/20/2015	Quaelead	Wizishop	-	-	-	-	-
10/19/2015	Concept2Silicon Systems	HCL Technologies	-	-	-	-	-

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Q4 2015 IT Services Transactions

\$ in millions

Date Announced	Seller	Buyer	Enterprise Value	Revenues	EBITDA	Enterprise Value	
						Revenue	EBITDA
10/19/2015	CQS Technology Holdings	Adapt IT Group	\$12.2	\$3.1	-	4.0x	-
10/19/2015	Noah Consulting	Infosys Technologies	\$70.0	\$38.5	-	1.8x	-
10/19/2015	NWN Corporation	New State Capital Partners LLC	-	-	-	-	-
10/19/2015	Oryden Techlabs	Square Yards Consulting Pvt.	-	-	-	-	-
10/16/2015	Cie Digital Labs	Anderee Berengian	-	-	-	-	-
10/16/2015	Revolver Revolver / Assets	Purpose Media	-	-	-	-	-
10/16/2015	WineDirect / Assets	UXC Eclipse	-	-	-	-	-
10/16/2015	WirelessWorks Solutions	Brightstar Corp.	-	-	-	-	-
10/15/2015	Civica Software	Granicus	-	-	-	-	-
10/15/2015	Ericpol Sp. z o.o.	Ericsson	-	-	-	-	-
10/15/2015	Hafer Environmental Services	Liberty Environmental	-	-	-	-	-
10/14/2015	B&H Consulting Services	Voisin Consulting Life Sciences	-	-	-	-	-
10/14/2015	HD Vest	Blucora	\$580.0	-	-	-	-
10/14/2015	Internet Marketing Systems	Web Industry	-	-	-	-	-
10/13/2015	10Collective Pty	RXP Services Limited	\$2.6	-	-	-	-
10/13/2015	Ditto Document Services / Assets	Advanced Discovery Services LLC	-	-	-	-	-
10/13/2015	DOCdata N.V. / Assets	Ingram Micro	\$175.0	-	-	-	-
10/13/2015	ForceX	L-3 Communications Holdings	-	-	-	-	-
10/13/2015	Lead Lizard LLC	Yesler	-	-	-	-	-
10/10/2015	Business Technology Services / Assets	Denovo Ventures LLC	-	-	-	-	-
10/8/2015	Webtyss	VISEO	-	-	-	-	-
10/6/2015	Avnet / Assets	Sirius Computer Solutions	-	-	-	-	-
10/6/2015	Bluestone Consulting	E&Y	-	-	-	-	-
10/6/2015	EdgeRock Technologies LLC	CDI Corporation	\$31.0	\$44.0	-	0.7x	-
10/6/2015	Mobispoke LLC	Kurt Salmon	-	-	-	-	-
10/6/2015	SAA Software Engineering GmbH	RIB Software AG	-	-	-	-	-
10/5/2015	Access Data Consulting Corporation	General Employment Enterprises	-	\$21.0	\$2.5	-	-
10/5/2015	Co Company	Heidrick & Struggles	-	-	-	-	-

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Q4 2015 IT Services Transactions

\$ in millions

Date Announced	Seller	Buyer	Enterprise Value	Revenues	EBITDA	Enterprise Value	
						Revenue	EBITDA
10/5/2015	Enceptia	Applied Software	-	-	-	-	-
10/5/2015	HR Business Solutions	Mercer LLC	-	-	-	-	-
10/5/2015	Strategic Telecom Solutions	Geotab	-	-	-	-	-
10/2/2015	Callpex AS	Webhelp Group	-	-	-	-	-
10/2/2015	CSM SA	Webhelp Group	-	-	-	-	-
10/1/2015	Axios	LGS Innovations	-	-	-	-	-
10/1/2015	BlueMetal	Insight Enterprises	-	\$25.0	-	-	-
10/1/2015	Boopsie	DEMCO	-	-	-	-	-
10/1/2015	Nealite SAS	PwC	-	-	-	-	-
10/1/2015	Gemma Communications	DealNet Capital Corp.	\$3.0	-	-	-	-

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Q4 2015 IT Services Public Company Valuation Metrics

IT Services <i>Pricing Date: 12/31/15</i> <i>Median Metrics</i>	Valuation Data									
	% of 52 Week Hi	Rev 14A-15E	LTM Margin		EV / Revenue			EV / EBITDA		
			Gross	EBITDA	LTM	CY15E	CY16E	LTM	CY15E	CY16E
Consulting	80.3%	2.5%	37.6%	11.4%	1.1x	1.1x	1.0x	9.6x	9.1x	8.2x
Systems Integration	95.1%	-1.9%	30.4%	10.5%	1.3x	1.3x	1.2x	11.8x	10.2x	8.5x
IT Staffing	86.2%	2.0%	21.4%	5.1%	0.4x	0.5x	0.4x	8.3x	9.5x	8.1x
BPO	92.9%	4.9%	34.8%	14.7%	1.6x	1.4x	1.5x	11.6x	10.6x	9.8x
Offshore Outsourcing	81.7%	7.5%	32.8%	19.9%	2.6x	2.7x	2.4x	12.4x	13.0x	11.3x
Outsourcing	84.2%	-4.0%	27.5%	14.8%	1.4x	1.4x	1.3x	7.3x	7.1x	9.5x
Government Services	81.8%	4.3%	20.4%	8.7%	1.0x	1.0x	0.9x	10.8x	10.6x	10.0x
All IT Services Companies	86.2%	2.2%	32.4%	11.9%	1.3x	1.2x	1.2x	11.1x	10.2x	9.2x

Q4 2015 IT Services Public Company Valuation Metrics

Consulting Companies

(\$ in millions, except per share data)

Company	Market Data				Financial Data					Valuation Data					
	Price 12/31/15	% of 52 Week Hi	Market Cap	Enterprise Value	LTM Revenue	QoQ Rev. Δ	Revenue 14A-15E	LTM Margin		EV / Revenue			EV / EBITDA		
								Gross	EBITDA	LTM	CY15E	CY16E	LTM	CY15E	CY16E
The Advisory Board Company	\$49.61	82.2%	\$2,078	\$2,582	\$722	8.4%	33.3%	47.6%	10.5%	3.6x	3.3x	2.9x	35.9x	15.2x	13.0x
FTI Consulting, Inc.	\$34.66	75.4%	\$1,454	\$1,869	\$1,762	1.4%	0.4%	34.5%	11.4%	1.1x	1.1x	1.0x	9.3x	9.1x	8.7x
Globant S.A.	\$37.51	98.1%	\$1,276	\$1,203	\$237	10.7%	25.7%	36.9%	11.9%	5.1x	4.8x	4.0x	42.6x	33.2x	25.5x
Huron Consulting Group Inc.	\$59.40	75.3%	\$1,302	\$1,708	\$815	-6.2%	-1.2%	40.0%	19.6%	2.1x	2.0x	2.0x	10.7x	9.9x	9.7x
Navigant Consulting Inc.	\$16.06	89.5%	\$764	\$907	\$821	-0.7%	8.0%	32.3%	14.7%	1.1x	1.1x	1.0x	7.5x	7.8x	7.2x
ICF International Inc.	\$35.56	81.3%	\$684	\$1,010	\$1,128	0.0%	8.6%	38.9%	9.9%	0.9x	0.9x	0.8x	9.1x	9.0x	8.2x
Resources Connection, Inc.	\$16.34	87.3%	\$607	\$506	\$595	1.7%	2.5%	38.5%	9.6%	0.8x	0.8x	0.8x	8.9x	8.9x	7.9x
The Hackett Group, Inc.	\$16.07	80.3%	\$472	\$465	\$229	1.0%	21.4%	37.6%	11.5%	2.0x	1.8x	1.7x	17.6x	13.0x	11.7x
Solucom SA	\$75.48	97.1%	\$370	\$354	\$202	0.2%	22.2%	25.4%	12.8%	1.8x	1.7x	1.2x	14.1x	12.5x	9.2x
Franklin Covey Co.	\$16.74	80.0%	\$272	\$281	\$207	-33.0%	0.3%	66.0%	13.2%	1.3x	1.3x	1.2x	9.6x	9.4x	7.8x
CRA International Inc.	\$18.65	57.4%	\$167	\$147	\$310	0.0%	-2.0%	32.6%	9.1%	0.5x	0.5x	0.4x	5.2x	3.0x	4.3x
Information Services Group, Inc.	\$3.62	72.8%	\$135	\$173	\$209	-3.8%	-0.2%	40.3%	8.7%	0.8x	0.8x	0.8x	9.5x	7.7x	6.7x
Management Consulting Group PLC	\$0.22	78.3%	\$107	\$168	\$380	5.9%	-4.0%	35.7%	4.8%	0.5x	0.5x	0.4x	9.8x	6.5x	5.8x
Mean		81.1%				-1.1%	8.8%	39.0%	11.4%	1.7x	1.6x	1.4x	14.6x	11.2x	9.7x
Median		80.3%				0.2%	2.5%	37.6%	11.4%	1.1x	1.1x	1.0x	9.6x	9.1x	8.2x

Source: Capital IQ

Systems Integration Companies

(\$ in millions, except per share data)

Company	Market Data				Financial Data					Valuation Data					
	Price 12/31/15	% of 52 Week Hi	Market Cap	Enterprise Value	LTM Revenue	QoQ Rev. Δ	Revenue 14A-15E	LTM Margin		EV / Revenue			EV / EBITDA		
								Gross	EBITDA	LTM	CY15E	CY16E	LTM	CY15E	CY16E
Cap Gemini S.A.	\$92.97	94.3%	\$16,021	\$14,544	\$12,339	NA	1.0%	25.1%	10.9%	1.2x	1.1x	1.0x	11.1x	9.7x	8.1x
CGI Group Inc.	\$39.93	93.3%	\$12,315	\$13,629	\$7,517	0.2%	-16.5%	30.4%	17.2%	1.8x	1.8x	1.8x	10.8x	9.9x	9.1x
Altran Technologies S.A.	\$13.40	95.7%	\$2,333	\$2,573	\$2,059	3.7%	-0.8%	n/m	10.0%	1.3x	1.2x	1.1x	12.8x	11.7x	10.2x
Sopra Steria Group	\$117.62	94.6%	\$2,325	\$3,035	\$3,705	3.7%	41.1%	n/m	8.5%	0.8x	0.8x	0.7x	9.7x	9.7x	8.3x
Tieto Oyj	\$26.85	98.9%	\$1,975	\$2,048	\$1,638	-7.7%	-14.0%	n/m	11.3%	1.3x	1.3x	1.3x	11.1x	9.8x	8.7x
Reply S.p.A.	\$136.74	97.4%	\$1,279	\$1,256	\$763	3.7%	-3.0%	n/m	13.1%	1.7x	1.6x	1.5x	12.8x	11.9x	10.8x
GFT Technologies AG	\$34.30	96.6%	\$903	\$962	\$497	5.9%	-9.5%	n/m	9.3%	2.0x	2.4x	2.1x	21.4x	19.7x	16.3x
Perficient Inc.	\$17.12	79.4%	\$605	\$657	\$450	11.7%	6.8%	33.7%	12.1%	1.5x	1.4x	1.3x	12.1x	9.4x	7.7x
Ciber, Inc.	\$3.51	83.4%	\$279	\$291	\$812	-2.7%	-7.9%	26.1%	3.1%	0.4x	0.4x	0.4x	11.4x	12.3x	6.7x
Edgewater Technology Inc.	\$8.01	96.7%	\$95	\$74	\$108	1.6%	13.3%	36.7%	5.4%	0.7x	0.6x	0.5x	12.6x	10.5x	4.9x
Mean		93.0%				2.2%	1.1%	30.4%	10.1%	1.3x	1.3x	1.2x	12.6x	11.4x	9.1x
Median		95.1%				3.7%	-1.9%	30.4%	10.5%	1.3x	1.3x	1.2x	11.8x	10.2x	8.5x

Source: Capital IQ

Q4 2015 IT Services Public Company Valuation Metrics

IT Staffing Companies

(\$ in millions, except per share data)

Company	Market Data				Financial Data					Valuation Data					
	Price	% of 52	Market	Enterprise	LTM	QoQ	Revenue	LTM Margin		EV / Revenue			EV / EBITDA		
	12/31/15	Week Hi	Cap	Value	Revenue	Rev. Δ	14A-15E	Gross	EBITDA	LTM	CY15E	CY16E	LTM	CY15E	CY16E
ManpowerGroup Inc.	\$84.29	87.0%	\$6,205	\$6,496	\$19,497	2.3%	-6.7%	17.0%	4.0%	0.3x	0.3x	0.3x	8.3x	8.4x	7.7x
On Assignment Inc.	\$44.95	88.1%	\$2,373	\$3,129	\$2,064	17.9%	10.4%	32.4%	10.4%	1.5x	1.5x	1.3x	14.6x	13.0x	10.5x
Kforce Inc.	\$25.28	86.2%	\$731	\$811	\$1,310	1.3%	9.1%	31.2%	5.8%	0.6x	0.6x	0.6x	10.7x	9.5x	8.5x
CDI Corp.	\$6.76	35.1%	\$133	\$110	\$1,016	-0.9%	-12.4%	18.6%	1.6%	0.1x	0.1x	0.1x	6.9x	12.9x	11.3x
Computer Task Group Inc.	\$6.62	68.3%	\$126	\$115	\$384	-1.8%	-5.0%	19.4%	4.0%	0.3x	0.3x	0.3x	7.5x	9.4x	7.3x
BG Staffing, Inc.	\$14.95	99.7%	\$110	\$135	\$194	20.9%	20.7%	21.4%	7.8%	0.7x	0.6x	0.5x	9.0x	7.8x	5.8x
RCM Technologies Inc.	\$5.50	78.6%	\$68	\$78	\$188	-0.5%	n/a	27.5%	5.1%	0.4x	n/a	n/a	8.1x	n/a	n/a
Mean		77.6%				5.6%	2.7%	23.9%	5.5%	0.6x	0.6x	0.5x	9.3x	10.2x	8.5x
Median		86.2%				1.3%	2.0%	21.4%	5.1%	0.4x	0.5x	0.4x	8.3x	9.5x	8.1x

Source: Capital IQ

Business Process Outsourcing (BPO) Companies

Company	Market Data				Financial Data					Valuation Data					
	Price	% of 52	Market	Enterprise	LTM	QoQ	Revenue	LTM Margin		EV / Revenue			EV / EBITDA		
	12/31/15	Week Hi	Cap	Value	Revenue	Rev. Δ	14A-15E	Gross	EBITDA	LTM	CY15E	CY16E	LTM	CY15E	CY16E
Automatic Data Processing, Inc.	\$84.72	93.4%	\$39,073	\$37,857	\$11,086	1.6%	6.2%	43.1%	20.9%	3.4x	3.4x	3.1x	16.4x	16.6x	14.5x
Paychex, Inc.	52.89	96.5%	19,090	18,614	2,842	-0.1%	8.0%	71.0%	42.8%	6.5x	n/a	6.1x	15.3x	n/a	14.3x
Capita plc	17.81	90.4%	11,799	14,681	7,228	5.9%	4.6%	27.5%	14.8%	2.2x	2.1x	1.9x	14.6x	13.5x	12.5x
Iron Mountain Incorporated	27.01	65.0%	5,703	10,397	3,034	-1.7%	-3.0%	57.1%	29.8%	3.4x	3.4x	3.3x	11.5x	11.3x	10.3x
Genpact Limited	24.98	96.2%	5,313	5,653	2,416	1.4%	7.9%	39.6%	16.9%	2.3x	2.3x	2.1x	14.3x	13.3x	12.0x
Teleperformance S.A.	84.17	97.7%	4,807	5,231	3,532	3.7%	10.9%	32.3%	13.2%	1.5x	1.4x	1.3x	11.6x	9.8x	9.1x
Convergys Corporation	24.89	93.6%	2,428	2,572	2,963	3.5%	3.4%	36.1%	12.5%	0.9x	0.9x	0.8x	6.9x	6.9x	6.4x
TriNet Group, Inc.	19.35	50.9%	1,355	1,713	2,537	4.4%	22.1%	15.2%	4.9%	0.7x	0.6x	0.6x	13.8x	11.5x	9.8x
WNS (Holdings) Ltd.	31.19	90.7%	1,597	1,467	552	2.4%	-1.7%	34.8%	17.3%	2.7x	2.8x	2.5x	15.0x	13.1x	12.2x
TeleTech Holdings Inc.	27.91	90.8%	1,351	1,392	1,283	-0.3%	4.6%	28.1%	12.8%	1.1x	1.1x	1.0x	8.5x	8.5x	7.7x
Exlservice Holdings, Inc.	44.93	93.8%	1,481	1,368	598	5.1%	25.3%	35.1%	14.7%	2.3x	2.2x	2.0x	15.5x	12.6x	10.9x
CSG Systems International Inc.	35.98	92.6%	1,176	1,261	749	2.4%	-0.4%	48.8%	17.5%	1.7x	1.7x	1.6x	9.6x	7.2x	6.8x
Sykes Enterprises, Incorporated	30.78	93.3%	1,312	1,155	1,299	3.4%	-3.2%	34.6%	11.9%	0.9x	0.9x	0.9x	7.5x	7.6x	7.1x
Firstsource Solutions Limited	0.65	94.1%	438	592	466	1.8%	-2.1%	33.5%	12.4%	1.3x	1.2x	1.1x	10.5x	9.5x	8.4x
Heidrick & Struggles International Inc.	27.22	88.9%	500	371	508	4.0%	5.2%	31.0%	9.5%	0.7x	0.7x	0.7x	7.7x	7.0x	6.4x
StarTek, Inc.	3.58	35.4%	56	92	264	14.6%	10.3%	n/m	n/m	0.3x	0.3x	0.3x	n/m	n/m	n/m
Mean		85.2%				3.2%	6.1%	37.9%	16.8%	2.0x	1.7x	1.8x	11.9x	10.6x	9.9x
Median		92.9%				2.9%	4.9%	34.8%	14.7%	1.6x	1.4x	1.5x	11.6x	10.6x	9.8x

Source: Capital IQ

n/m represents outlier values or data points that are not available

Q4 2015 IT Services Public Company Valuation Metrics

Offshore Outsourcing Companies

(\$ in millions, except per share data)

Company	Market Data				Financial Data					Valuation Data					
	Price	% of 52	Market	Enterprise	LTM	QoQ	Revenue	LTM Margin		EV / Revenue			EV / EBITDA		
	12/31/15	Week Hi	Cap	Value	Revenue	Rev. Δ	14A-15E	Gross	EBITDA	LTM	CY15E	CY16E	LTM	CY15E	CY16E
Tata Consultancy Services Limited	\$36.80	86.7%	\$72,510	\$69,402	\$15,768	0.0%	8.6%	33.0%	25.4%	4.5x	4.4x	3.9x	17.8x	15.3x	13.8x
Infosys Limited	\$16.69	90.6%	\$38,153	\$33,544	\$9,214	0.6%	3.3%	36.7%	27.8%	3.8x	3.8x	3.4x	13.4x	14.1x	12.4x
Cognizant Technology Solutions Corporation	\$60.02	86.0%	\$36,496	\$33,396	\$11,926	3.3%	21.0%	40.1%	19.9%	2.8x	2.7x	2.4x	14.1x	13.3x	11.5x
Wipro Ltd.	\$8.45	82.7%	\$20,758	\$17,999	\$7,513	1.8%	2.3%	31.0%	21.6%	2.4x	2.4x	2.2x	11.1x	10.7x	9.8x
HCL Technologies Ltd.	\$12.91	80.8%	\$18,199	\$16,703	\$6,139	1.4%	5.3%	34.3%	21.5%	2.8x	2.8x	2.5x	12.4x	12.7x	11.1x
Neusoft Corporation	\$4.78	84.7%	\$5,943	\$6,122	\$1,213	2.1%	0.4%	29.6%	n/m	5.2x	4.8x	4.5x	n/m	n/m	n/m
Syntel, Inc.	\$45.25	85.4%	\$3,796	\$2,948	\$949	5.8%	6.3%	39.5%	28.0%	3.1x	3.0x	2.8x	11.1x	10.0x	9.0x
MindTree Limited	\$21.69	89.5%	\$1,819	\$1,744	\$644	2.7%	18.1%	32.5%	18.0%	2.9x	2.7x	2.2x	15.6x	14.9x	11.4x
Sonda S.A.	\$1.77	77.0%	\$1,544	\$1,598	\$1,258	9.5%	-13.2%	19.3%	13.6%	1.3x	1.3x	1.2x	9.5x	8.8x	8.3x
Virtusa Corporation	\$41.34	69.6%	\$1,232	\$1,053	\$527	6.0%	19.7%	35.9%	13.2%	2.0x	1.9x	1.3x	15.1x	13.7x	13.5x
Hexaware Technologies Limited	\$3.67	72.5%	\$1,108	\$1,051	\$460	2.9%	15.9%	26.9%	18.0%	2.3x	n/m	n/m	12.8x	n/m	n/m
Persistent Systems Limited	\$9.68	66.7%	\$775	\$698	\$322	8.0%	9.7%	30.2%	17.9%	2.3x	2.2x	1.8x	12.4x	10.8x	8.9x
Rolta India Limited	\$1.52	51.4%	\$245	\$1,001	\$596	-2.3%	n/a	40.7%	37.2%	1.7x	n/a	n/a	4.6x	n/a	n/a
Infinite Computer Solutions (India) Ltd.	\$3.24	66.5%	\$130	\$107	\$287	3.5%	n/a	15.1%	8.7%	0.4x	n/a	n/a	4.3x	n/a	n/a
Mean		77.9%				3.2%	8.1%	31.8%	20.8%	2.7x	2.9x	2.6x	11.9x	12.4x	11.0x
Median		81.7%				2.8%	7.5%	32.8%	19.9%	2.6x	2.7x	2.4x	12.4x	13.0x	11.3x

Source: Capital IQ

Outsourcing Companies

(\$ in millions, except per share data)

Company	Market Data				Financial Data					Valuation Data					
	Price	% of 52	Market	Enterprise	LTM	QoQ	Revenue	LTM Margin		EV / Revenue			EV / EBITDA		
	12/31/15	Week Hi	Cap	Value	Revenue	Rev. Δ	14A-15E	Gross	EBITDA	LTM	CY15E	CY16E	LTM	CY15E	CY16E
International Business Machines Corporation	\$137.62	78.1%	\$133,507	\$163,756	\$81,741	14.4%	-11.9%	49.8%	24.0%	2.0x	2.0x	2.0x	7.6x	7.6x	7.5x
Accenture plc	\$104.50	95.1%	\$65,617	\$63,074	\$31,165	1.6%	1.7%	31.5%	16.7%	2.0x	2.0x	1.9x	12.1x	12.4x	11.6x
Capita plc	\$17.81	90.4%	\$11,799	\$14,681	\$7,228	5.9%	4.6%	27.5%	14.8%	2.2x	2.1x	1.9x	14.6x	13.5x	12.5x
Atos SE	\$84.12	96.8%	\$8,687	\$8,541	\$10,934	3.7%	6.7%	n/m	11.5%	0.8x	0.7x	0.7x	7.0x	6.6x	6.0x
Computer Sciences Corporation	\$32.68	44.6%	\$4,535	\$5,356	\$11,329	-1.8%	-18.7%	20.9%	8.5%	0.5x	0.5x	0.7x	5.6x	3.0x	3.8x
Unisys Corporation	\$11.05	37.1%	\$552	\$588	\$3,015	6.9%	-9.8%	17.9%	n/m	0.2x	0.2x	0.2x	4.6x	4.0x	11.7x
Mean		73.7%				5.1%	-4.6%	29.5%	15.1%	1.3x	1.3x	1.2x	8.6x	7.9x	8.9x
Median		84.2%				4.8%	-4.0%	27.5%	14.8%	1.4x	1.4x	1.3x	7.3x	7.1x	9.5x

Source: Capital IQ

Q4 2015 IT Services Public Company Valuation Metrics

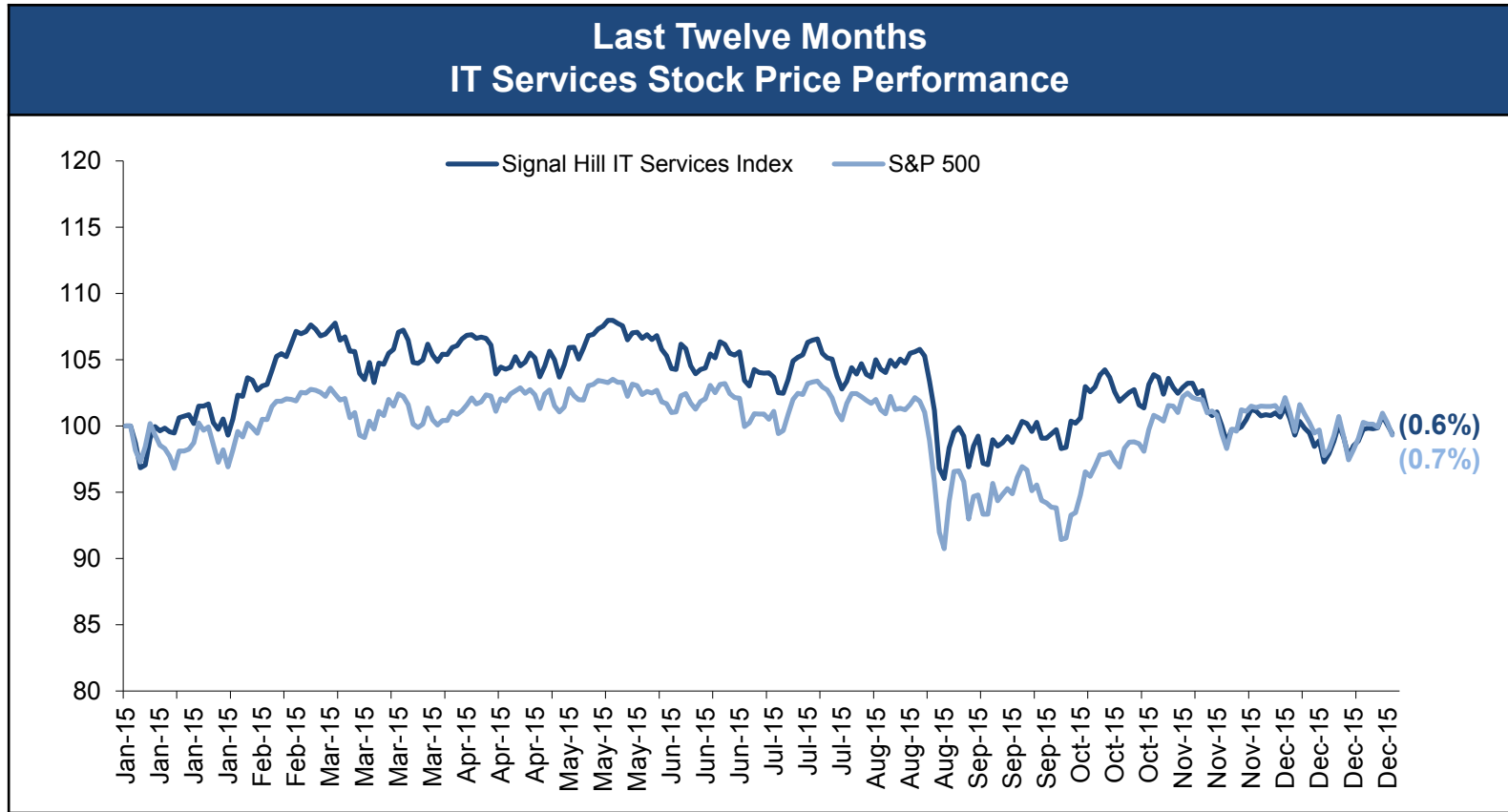
Government Services Companies

(\$ in millions, except per share data)













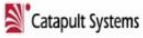















Company	Market Data				Financial Data					Valuation Data					
	Price	% of 52	Market	Enterprise	LTM	QoQ	Revenue	LTM Margin		EV / Revenue			EV / EBITDA		
	12/31/15	Week Hi	Cap	Value	Revenue	Rev. Δ	14A-15E	Gross	EBITDA	LTM	CY15E	CY16E	LTM	CY15E	CY16E
Booz Allen Hamilton Holding Corporation	\$30.85	98.4%	\$4,580	\$5,994	\$5,324	-1.1%	0.1%	24.8%	9.3%	1.1x	1.1x	1.1x	12.1x	11.7x	10.4x
Leidos Holdings, Inc.	\$56.26	94.5%	\$4,056	\$4,566	\$5,063	3.6%	0.2%	13.3%	8.3%	0.9x	0.9x	0.9x	10.9x	11.4x	10.4x
MAXIMUS, Inc.	\$56.25	80.4%	\$3,675	\$3,815	\$2,100	1.1%	25.2%	24.4%	14.8%	1.8x	1.7x	1.5x	12.3x	12.4x	10.5x
CACI International Inc.	\$92.78	89.1%	\$2,249	\$3,231	\$3,321	-5.0%	-3.3%	33.9%	9.1%	1.0x	1.0x	0.9x	10.7x	10.4x	9.5x
Science Applications International Corporation	\$45.78	81.8%	\$2,081	\$3,020	\$4,196	3.4%	11.2%	9.3%	7.0%	0.7x	0.7x	0.7x	10.2x	10.0x	9.1x
Engility Holdings, Inc.	\$32.48	66.3%	\$1,193	\$2,282	\$1,868	-0.9%	52.0%	15.0%	9.7%	1.2x	1.1x	1.0x	12.6x	10.8x	10.0x
ManTech International Corporation	\$30.24	85.8%	\$1,136	\$1,095	\$1,559	2.2%	-12.0%	15.1%	7.5%	0.7x	0.7x	0.7x	9.4x	9.4x	9.0x
The KEYW Holding Corporation	\$6.02	47.8%	\$240	\$344	\$305	3.5%	5.7%	31.8%	n/m	1.1x	1.1x	1.0x	n/m	n/m	16.0x
NCI, Inc.	\$13.65	79.5%	\$182	\$194	\$324	-4.1%	4.3%	16.4%	8.4%	0.6x	0.6x	0.6x	7.2x	6.8x	6.7x
Mean		80.4%				0.3%	9.3%	21.8%	9.3%	1.0x	1.0x	0.9x	10.7x	10.4x	10.2x
Median		81.8%				1.1%	4.3%	20.4%	8.7%	1.0x	1.0x	0.9x	10.8x	10.6x	10.0x

Source: Capital IQ

LTM Relative IT Services Stock Price Performance



Signal Hill's IT Services Practice at a Glance

Signal Hill's Recent IT Services Transactions						
 <small>breakup-partners</small> HAS BEEN ACQUIRED BY  <small>North Ridge Partners</small>	 HAS ACQUIRED 	 <small>receptionists</small> HAS RECEIVED AN INVESTMENT FROM 	 HAS RECEIVED AN INVESTMENT FROM 	 <small>Ellie Mae</small> HAS BEEN ACQUIRED BY 	 HAS BEEN ACQUIRED BY 	 HAS BEEN ACQUIRED BY  <small>CharaSoft International</small>
 <small>Predictable Patient Recruitment</small> HAS BEEN ACQUIRED BY 	 <small>Relevant Intelligent Security</small> HAS BEEN ACQUIRED BY 	 <small>Trust the Experts</small> MAJORITY STAKE ACQUISITION BY 	 <small>Ellie Mae</small> HAS BEEN ACQUIRED BY  <small>POWERING YOUR BUSINESS</small>	 HAS RECEIVED GROWTH EQUITY INVESTMENT FROM  <small>IDG Ventures</small>	 <small>Private Cloud Collaboration Perfected</small> HAS BEEN ACQUIRED BY 	 <small>Taking color to the cloud</small> HAS RECEIVED A GROWTH EQUITY INVESTMENT FROM 

For more information about these transactions, please contact Signal Hill's IT Services team:



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