

Professional Services

Legal & Insurance Services

INDUSTRY UPDATE | June 2021

What We're Doing

DEAL SNAPSHOT - CORSEARCH

CORSEARCH®

a portfolio company of

Audax Private Equity

has been acquired by

astorg.

COMPANY OVERVIEW

Corsearch provides innovative brand risk and performance solutions that yield end-to-end brand establishment and brand protection for corporations. The company is transforming how companies commercialize and protect their growth. Trusted by thousands of customers worldwide, Corsearch delivers data, analytics and services that support brands to market their assets and reduce commercial risks. From IP clearance to brand protection and anti-piracy, Corsearch provides a comprehensive program that enables businesses to secure brand value and thrive commercially. Harris Williams recently advised Corsearch, a portfolio company of Audax Private Equity, on its sale to Astorg.

Digitizing the Legal Sector

INSIGHTS ON INVESTMENT OPPORTUNITIES



» CLICK HERE

What made Corsearch especially attractive?

Derek Lewis: "Corsearch offers the only integrated solution across the brand risk and performance continuum, deep capability and AI automation, a laser focus on value creation and protection, and long-term entrenched relationships with customers."

Bryce Walker: "In an environment where counterfeiting popular consumer brands is an industry in itself, Corsearch has become the "go-to" provider of comprehensive online protection. The combination of framework with technology and execution is resonating very well with customers. That's been behind all of the momentum."

DEAL SNAPSHOT - LEARN ON DEMAND SYSTEMS

learn
on demand systems

a portfolio company of

QUAD
PARTNERS
has received an
investment from

SHAMROCK
CAPITAL ADVISORS

COMPANY OVERVIEW

Learn on Demand Systems is a leading provider of cloud-based virtual labs, content and software tools that enable organizations to create and deliver hands-on learning experiences for IT and cybersecurity training, sales enablement and demos, customer support and others. Harris Williams recently advised Learn on Demand Systems on its investment from Shamrock Capital.

Deal Snapshot: Learn on Demand Systems

IT LEARNING SECTOR INSIGHTS



» CLICK HERE

What makes the IT learning sector an appealing space for buyers and investors?

Derek Lewis: "Demand for IT training is strong. Companies use it to train their workforces and attract and retain employees. Professionals want to attain new certifications and make themselves more marketable. Technology companies are training employees, customers, developers and channel partners on their platforms. All of these trends are converging to create strong tailwinds for the IT training and skills development sector."

Bryce Walker: "A move toward more personalized learning is also underway. Learners are increasingly demanding just-in-time, just-for-me learning experiences, creating more demand for experiential learning."

What We're Reading

LEGAL & INSURANCE SERVICES INDUSTRY NEWS & TRENDS

In this Industry Update, we have included a collection of articles focused on legal and insurance services. Harris Williams believes that both sectors are going to evolve significantly over the next decade as underlying secular shifts will lead to further disruption in these markets. Within the legal industry, several states have either changed rules on non-lawyer ownership of law firms or are seriously studying it, paving the way for significant changes in the way that law is practiced in the U.S. Within the insurance industry, demographic trends point toward a talent crisis as the current workforce ages and not enough young people are entering the field. These changes will create new risks and opportunities for investment across both sectors.

LEGAL SERVICES

Non-Lawyer Ownership of Law Firms is Trending – But is it a Good Idea? – Ohio State Bar Association

3/22/21

“In February 2020, the American Bar Association (ABA) overwhelmingly passed Resolution 115,³ aimed at encouraging practice innovations at the state level that could increase access to civil legal services for low- and middle-income Americans. Last-minute compromises resulted in a disclaimer in the resolution: that the organization was not endorsing an ethics rule change that would open the way for non-lawyer law firm ownership. Nonetheless, the resolution appears to have spurred several developments that may have that result.”

Read the full article [here](#).

Why Legal Process Outsourcing in an Emerging Need of Law Firms? – Cogneesol

4/30/21

“Law firms around the world, like most industries today, have realized that it pays to outsource services that do not form a part of their core competencies and concentrate on getting more business and offering value added services. This trend had gained in importance within the legal fraternity during the global recession and meltdown when law firms were inundated with fresh cases of litigation.” The advantages for legal process outsourcing include the ability to focus on core competencies, increased business opportunities, and an enhanced level of data security.

Read the full article [here](#).

2021 Ediscovery Trends: Collaboration and Security – Everlaw

3/12/21

“In 2020, according to a survey conducted by Clio, 83% of legal professionals viewed cloud technology as necessary to their law firms’ survival. The pandemic has only heightened the importance of adopting cloud-based solutions like videoconferencing, collaborating, and ediscovery. In the same survey, 76% of legal professionals responded that they believe conducting work virtually can help streamline legal services and workflows.”

Read the full article [here](#).

INSURANCE SERVICES

10 Trends That Will Shape Insurance in 2021 – Accenture

1/6/21

“Advances in digital technology are opening a host of opportunities for insurers eager to expand beyond their traditional markets. The flat premium revenues and low investment returns predicted for 2021 will accelerate this trend. Expect carriers to announce some surprising partnerships as they look to broaden their revenue base.”

Read the full article [here](#).

Creating Value in U.S. Insurance Investing – McKinsey & Co.

10/10/20

“PE firms are also completing many more insurance deals, which now account for almost half of total financial services’ PE deal volume (by number of transactions), up from one-third in 2013... Given record levels of available capital and successful exits, PE activity and competition for insurance assets has intensified. PE investors also must compete with conglomerates and insurers themselves that are investing more money, more often. As a result, multiples are high and holding.”

Read the full article [here](#).

Insurance Industry Talent Crisis – AmTrust Financial

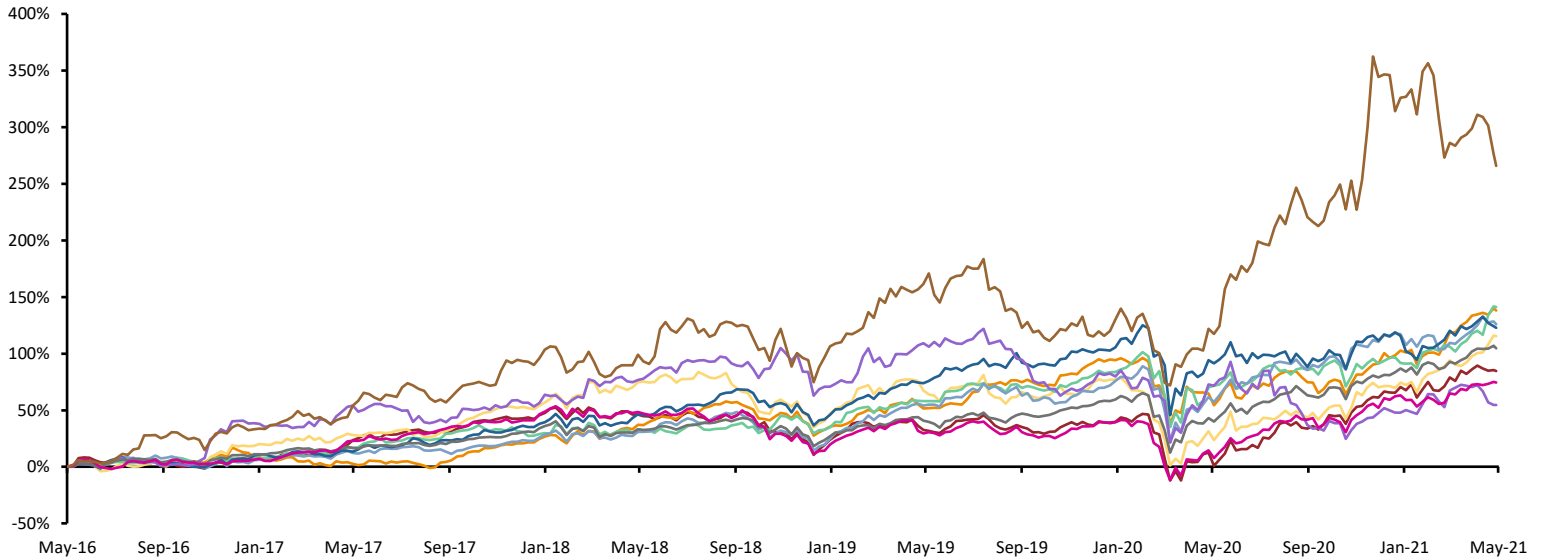
10/10/20

“The insurance industry is not attracting millennials or younger workers. As retirement approaches for older workers, the insurance industry will find themselves with a talent gap.”

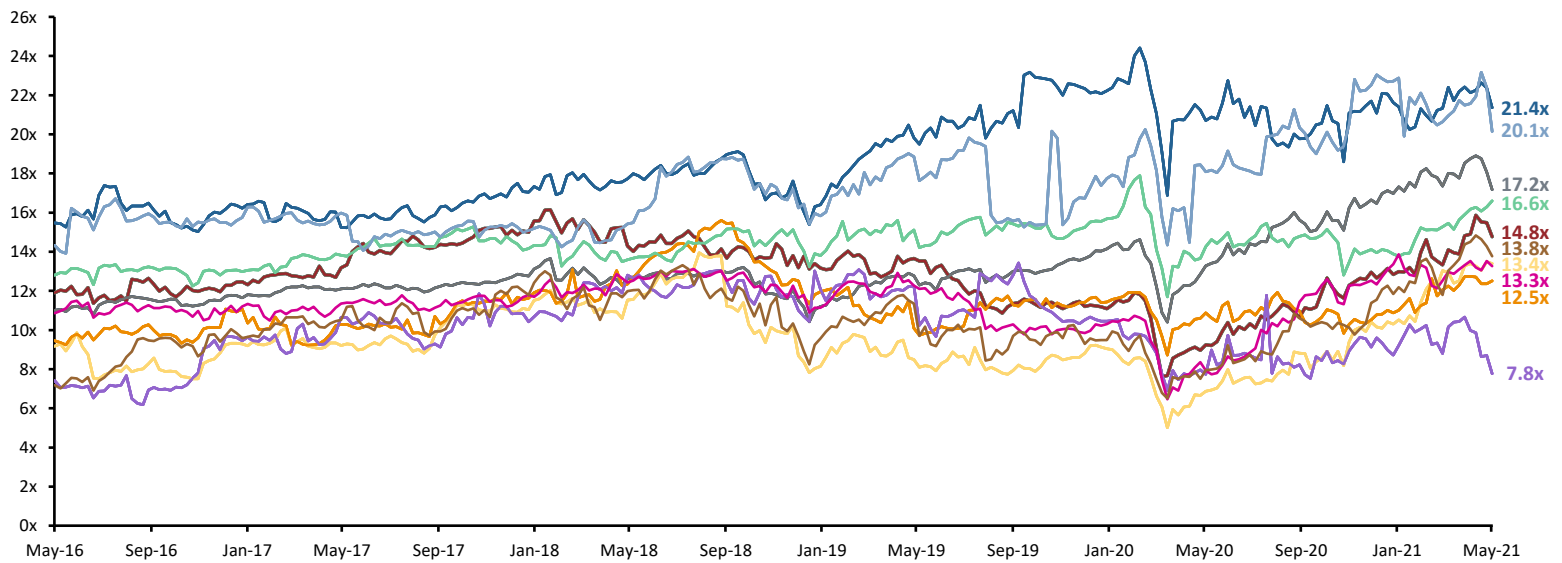
Read the full article [here](#).

Public Markets¹

HISTORICAL STOCK PRICES – LAST 5 YEARS



HISTORICAL MEDIAN TEV/LTM EBITDA MULTIPLES – LAST 5 YEARS

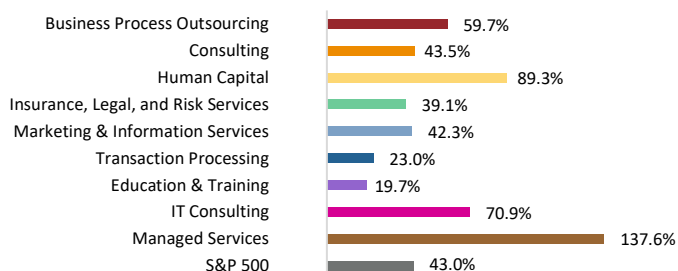


- Business Process Outsourcing
- Consulting
- Human Capital
- Insurance, Legal, and Risk Services
- Managed Services
- Marketing and Information Services
- Transaction Processing
- Education and Training
- IT Consulting
- S&P 500 Index

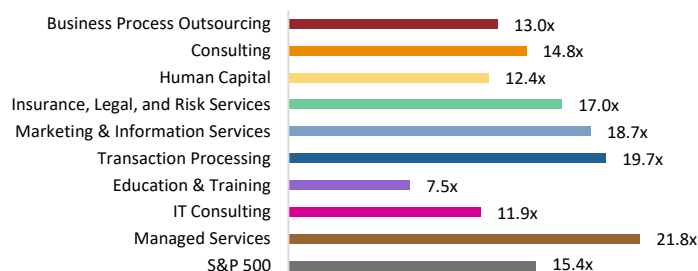
Notes: Data as of May 10, 2021. Comparable company sets listed on page 8. Sub-sector indices weighted by stock price.

Public Markets¹

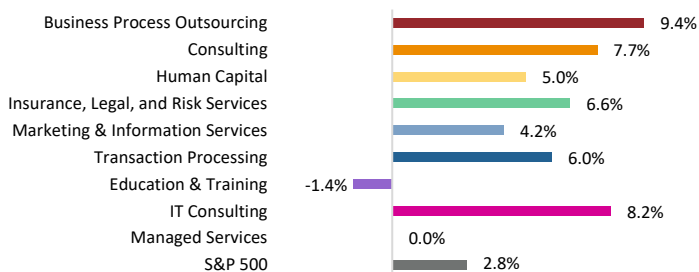
12-MONTH % CHANGE IN STOCK PRICE



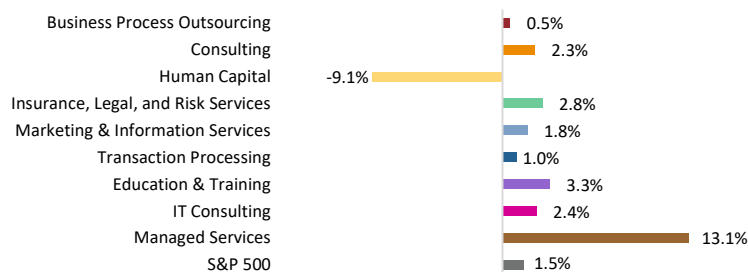
MEDIAN TEV / 2021E EBITDA MULTIPLE



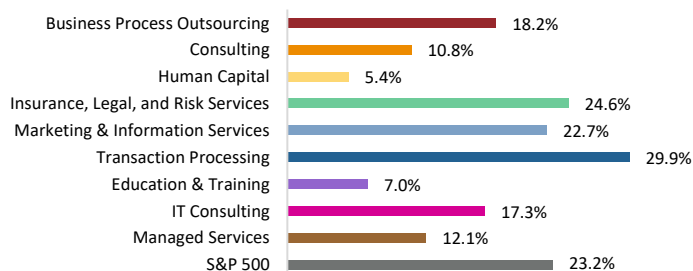
MEDIAN 3-YEAR REVENUE CAGR (2018-2021)



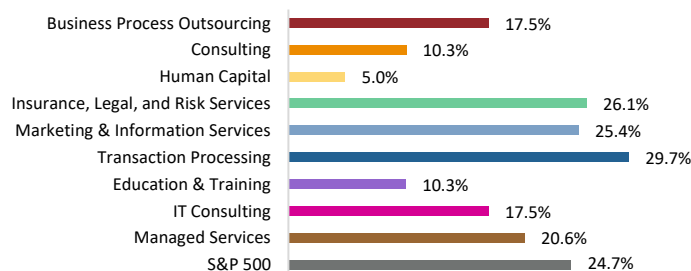
MEDIAN LTM REVENUE GROWTH



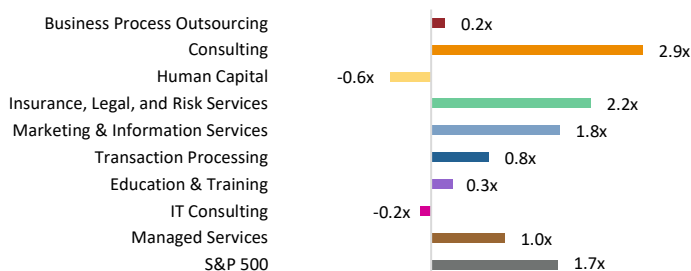
MEDIAN EBITDA MARGIN (2018-2021)



MEDIAN LTM EBITDA MARGIN



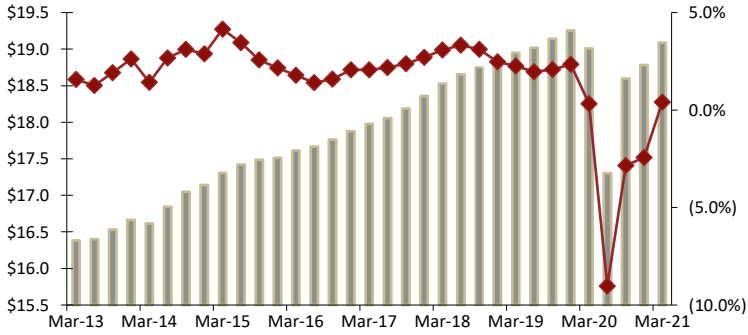
NET DEBT / LTM EBITDA



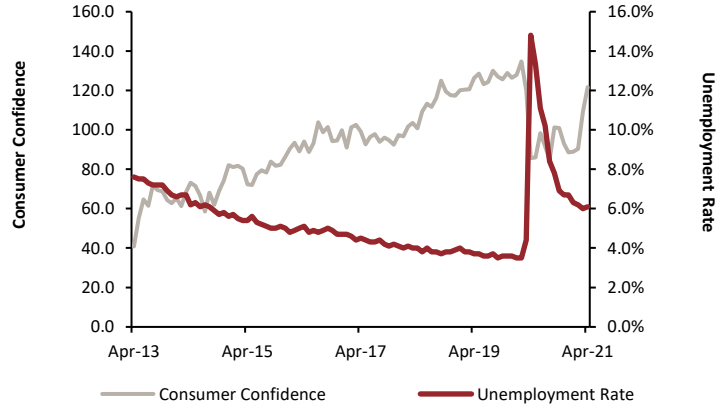
Economic Trends

U.S. GDP GROWTH²

(In billions indexed to 2012 USD)

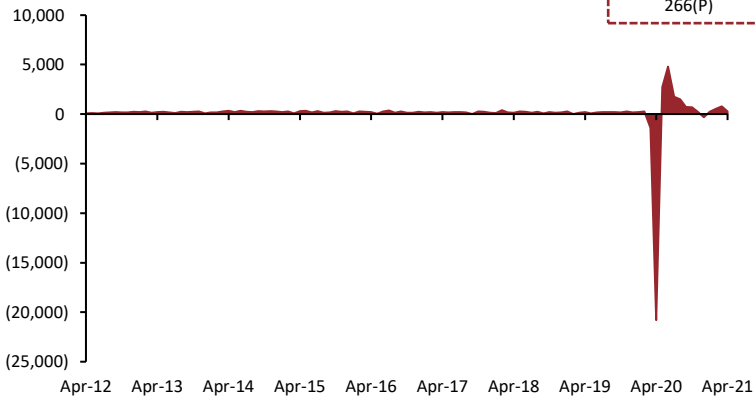


CONSUMER CONFIDENCE AND UNEMPLOYMENT RATE^{3,4}

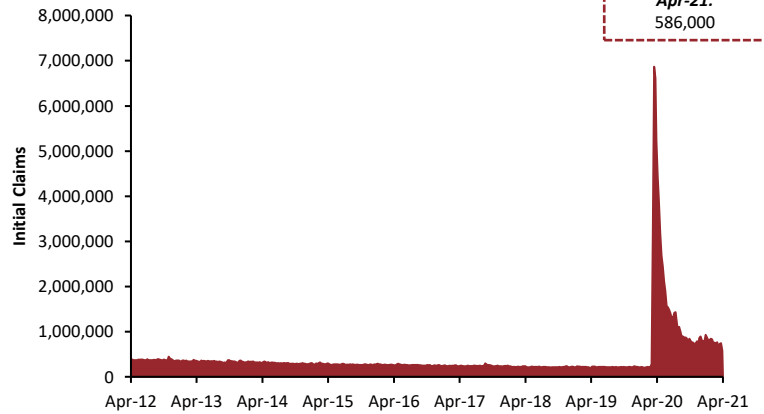


NON-FARM PAYROLLS (1-MONTH NET CHANGE)⁴

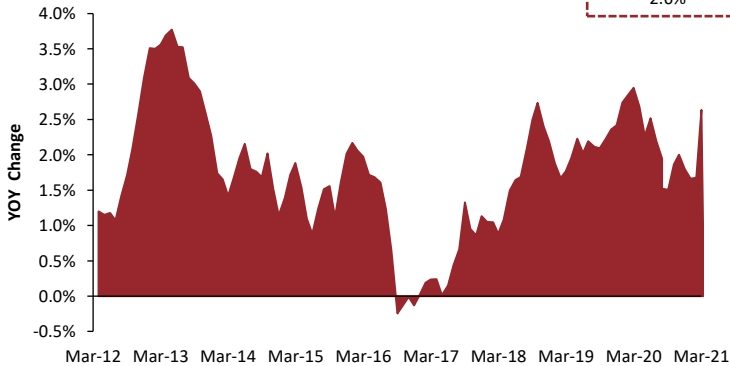
(Payrolls in 000s)



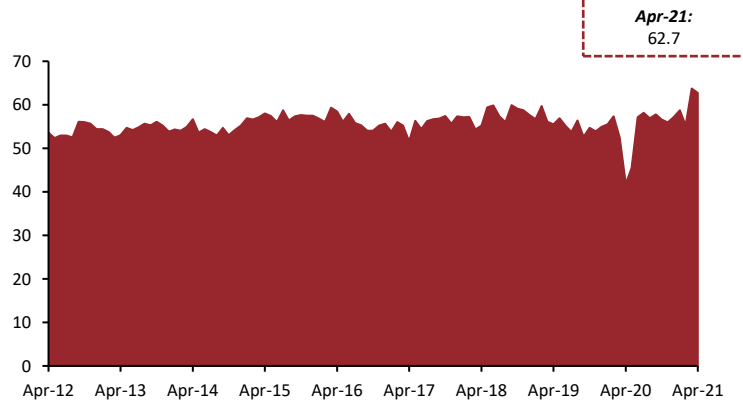
U.S. INITIAL JOBLESS CLAIMS⁵



CONSUMER PRICE INDEX⁴

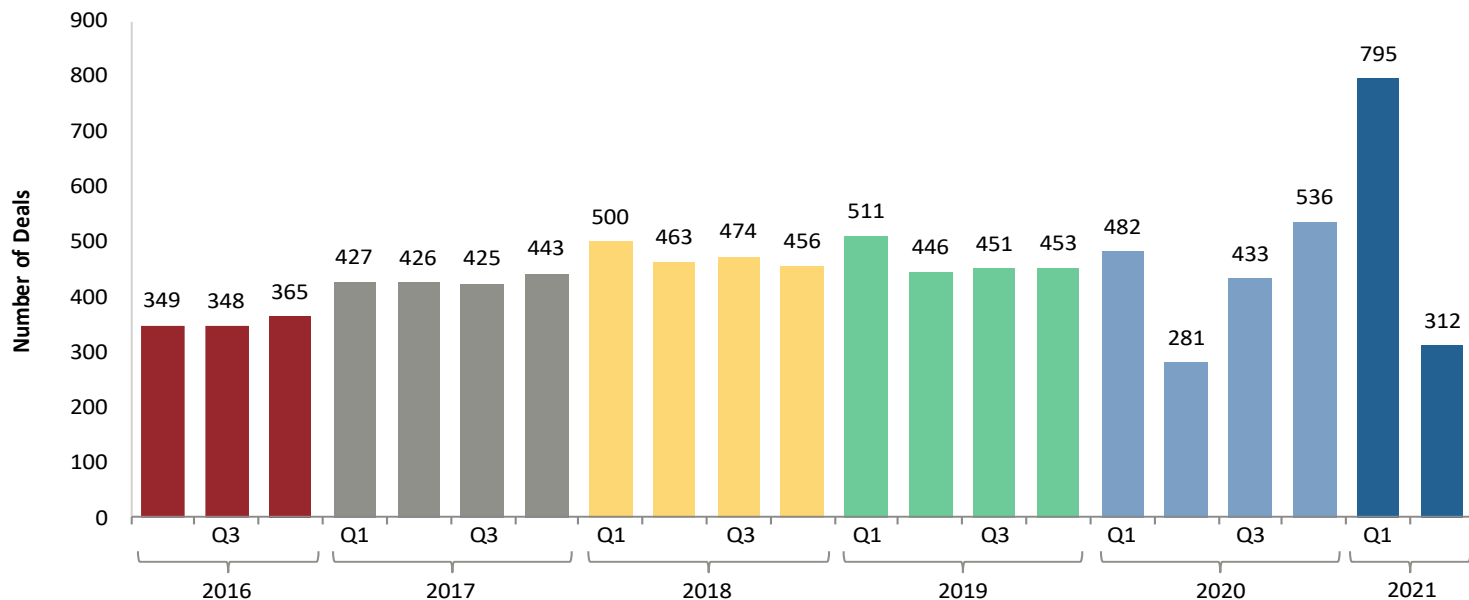


SERVICES PMI⁶



M&A Market Trends¹

PROFESSIONAL SERVICES M&A VOLUME BY YEAR



Note: Data through May 10, 2021.

REPRESENTATIVE LEGAL & INSURANCE SERVICES TRANSACTIONS

Date	Target	Business Description	Acquirer(s)
5/5/21	Insurance Engineering Services	Provides loss adjusting services to insurance groups	Charles Taylor (Lovell Minnick)
5/3/21	Mutual Brokers	Independent broker serving commercial and corporate clients	Arthur J. Gallaher & Co.
5/3/21	Norwest Insurance Services	Offers property, casualty, life, disability, and long-term care insurance	USI Insurance (CDPQ / KKR)
4/28/21	Paralaw	Provides legal outsourcing services	Consilio (Stone Point Capital)
4/21/21	Consilio	Global leader in eDiscovery and document review	Stone Point Capital
4/21/21	Xact	International provider of eDiscovery services	Stone Point Capital
4/20/21	Confie	California-based insurance broker	Alliant Insurance (Stone Point Capital)
4/19/21	Corsearch	Provider of clearance and protection services intended for trademarks and brands	Astorg Partners
4/13/21	Polcyn Insurance	Provides life insurance products	Integrity Marketing (HGGC)
4/13/21	Syndicate Claim Services	Provides independent adjusting and claims services	Charles Taylor (Lovell Minnick)
4/13/21	Lenz Financial	Provides insurance distribution services	Simplicity Group (Lee Equity)
4/2/21	Terrier Claims Services	Provides claims investigation services	Arthur J. Gallaher & Co.
3/31/21	Loss Run Pro	Insurance technical firm	K2 Insurance Services (Lee Equity)
3/30/21	Opus 2	Provider of software and services to the legal disputes market	Astorg Partners
3/23/21	R&R Benefits	Independent insurance agency	Arthur J. Gallaher & Co.
3/22/21	Confidential Communications International	Provides records retrieval and court reporting services	Lexitas (Apax Partners)
3/16/21	Adams Insurance Agency	Provides insurance solutions	Relation Insurance Services (Aquiline)
3/16/21	Davies	Provides professional services to the global insurance market	BC Partners
6/30/20	Eclipse Legal Systems	Provides legal case management software	The Access Group

Professional Services Practice Overview

HW Harris Williams / GLOBAL M&A ADVISER

10 INDUSTRY GROUPS

With Robust Experience
Across the Globe

3 DECADES

of Providing Award-
Winning M&A Advisory
Services

1 UNIFIED TEAM

Bringing Firmwide Dedication
to Every Engagement

PROFESSIONAL SERVICES FOCUS AREAS

The Harris Williams Business Services Group has deep experience across commercial and industrial services subsectors.

- › Business Process Outsourcing
- › Consulting
- › Education & Training
- › Engineering
- › Financial Services
- › Governance, Risk & Compliance
- › Human Capital Management
- › Information Technology
- › Insurance & Risk Management
- › Legal Services
- › Marketing & Information
- › Workforce Solutions

SELECT RECENT PROFESSIONAL SERVICES TRANSACTIONS

 a portfolio company of Audax Private Equity has been acquired by 	 on demand systems a portfolio company of  has received an investment from 	 a portfolio company of  has received an investment from 	 a portfolio company of  has been acquired by 	 a portfolio company of  has been acquired by 
 a portfolio company of  has been acquired by  and merged with 	 has been acquired by  a portfolio company of 	 RISK ADVISORS has been acquired by 	 a portfolio company of  has received a significant investment from 	 a portfolio company of  has been acquired by 

GET IN TOUCH

Bob Baltimore | Managing Director
804.915.1129
bbaltimore@harriswilliams.com

Derek Lewis | Managing Director
804.915.1118
dlewis@harriswilliams.com

Brian Lucas | Managing Director
804.932.1323
blucas@harriswilliams.com

Anthony Basmajian | Director
804.887.6030
abasmajian@harriswilliams.com

Bryce Walker | Director
804.887.6154
bwalker@harriswilliams.com

Our Firm

Harris Williams has a broad range of industry expertise, which creates powerful opportunities. Our clients benefit from our deep-sector experience, integrated industry intelligence and collaboration across the firm, and our commitment to learning what makes them unique. For more information, visit our website at www.harriswilliams.com/industries.

INDUSTRY GROUP EXPERTISE

[Aerospace, Defense & Government Services](#)

[Business Services](#)

[Energy, Power & Infrastructure](#)

[Specialty Distribution](#)

[Transportation & Logistics](#)

[Building Products & Materials](#)

[Consumer](#)

[Healthcare & Life Sciences](#)

[Industrials](#)

[Technology](#)

CONSISTENT RECOGNITION FOR QUALITY



HARRIS WILLIAMS OFFICE LOCATIONS

UNITED STATES

BOSTON

One International Place
Suite 2620
Boston, Massachusetts 02110
Phone: +1 (617) 482-7501

CLEVELAND

1900 East 9th Street
20th Floor
Cleveland, Ohio 44114
Phone: +1 (216) 689-2400

MINNEAPOLIS

222 South 9th Street
Suite 3350
Minneapolis, Minnesota 55402
Phone: +1 (612) 359-2700

RICHMOND (HEADQUARTERS)

1001 Haxall Point
9th Floor
Richmond, Virginia 23219
Phone: +1 (804) 648-0072

SAN FRANCISCO

One Market Plaza, Steuart Tower
11th Floor
San Francisco, California 94105
Phone: +1 (415) 288-4260

WASHINGTON, D.C.

800 17th St. NW
2nd Floor
Washington, D.C. 20006
Phone: +1 202-207-2300

EUROPE

FRANKFURT

Bockenheimer Landstrasse 33-35
60325 Frankfurt
Germany
Phone: +49 069 3650638 00

LONDON

25 Savile Row
4th Floor
London W1S 2ER, England
Phone: +44 (0) 20 7518 8900

SOURCES

1. S&P Global Capital IQ
2. U.S. Bureau of Economic Analysis
3. The Conference Board
4. U.S. Bureau of Labor Statistics
5. U.S. Department of Labor
6. Institute for Supply Management

Public Comparable Companies:

BPO: Cognizant, Computershare, DXC, ExlService, Genpact, Sykes Enterprises, Tata Consultancy, TTEC, Wipro, and WNS

Consulting: Accenture, CBIZ, CRA International, FTI Consulting, Huron Consulting Group, ICF International, and Resources Connection

Human Capital: 51job, ASGN, Barrett Business Services, Hays, Heidrick & Struggles International, Insperty, Kelly Services, Kforce, Korn Ferry, ManpowerGroup, Randstad, Robert Half International, SThree, TrueBlue, Willis Towers Watson

IL&R Services: Aon, Arthur J. Gallagher & Co., Brown & Brown, Crawford & Company, Marsh & McLennan Companies, Willis Towers Watson

M&I Services: Alliance Data Systems, comScore, CoreLogic, CoStar Group, Equifax, Experian, FactSet, Fair Isaac, Forrester Research, IHS Markit, Informa, LiveRamp Holdings, Moody's, Morningstar, Nielsen Holdings, Omnicom Group, Publicis Groupe, The Interpublic Group of Companies, Thomson Reuters, Verisk Analytics, Viad, Wolters Kluwer, WPP

Transaction Processing: Automatic Data Processing, Fidelity National Information Services, Global Payments, Jack Henry & Associates, Paychex, The Western Union Company

Education and Training: Adtalem Global Education, American Public Education, Franklin Covey, GP Strategies, Grand Canyon Education, K12, Lincoln Educational Services, Pearson, Scholastic, Strategic Education, Zovio

IT Consulting: Accenture, Atos, Capgemini, CGI, Cognizant Technology Solutions, DXC Technology, Genpact, HCL Technologies, Infosys, Tata Consultancy Services, Tech Mahindra, Wipro

Managed Services: American Virtual Cloud Technologies, NetApp, TTEC, Zscaler, Rackspace Technology, Datto, Snowflake

Note: Data through May 10, 2021.

DISCLOSURES AND DISCLAIMERS

Investment banking services are provided by Harris Williams LLC ("Harris Williams"). Harris Williams is a registered broker-dealer and member of FINRA and SIPC. Harris Williams & Co. Ltd is a private limited company incorporated under English law with its registered office at 8th Floor, 20 Farringdon Street, London EC4A 4AB, UK, registered with the Registrar of Companies for England and Wales, registration number 07078852. Harris Williams & Co. Ltd is authorized and regulated by the Financial Conduct Authority. Harris Williams & Co. Corporate Finance Advisors GmbH is registered in the commercial register of the local court of Frankfurt am Main, Germany, under HRB 107540. The registered address is Bockenheimer Landstrasse 33-35, 60325 Frankfurt am Main, Germany (email address: hwgermany@harriswilliams.com). Geschäftsführers/Directors: Jeffery H. Perkins, Paul Poggi, VAT No. DE321666994. Harris Williams is a trade name under which Harris Williams LLC, Harris Williams & Co. Ltd and Harris Williams & Co. Corporate Finance Advisors GmbH conduct business.

The information and views contained in this content have been prepared in part by Harris Williams. This content does not purport to be comprehensive or to contain all the information that a recipient may need in order to evaluate any investment or potential transaction. This content is not a research report, as such term is defined by applicable law and regulations, and is provided for informational purposes only. Any and all information, including estimates, projections and other forward-looking statements, presented in this document may involve various assumptions and significant elements of subjective judgment and analysis that may or may not be correct. Harris Williams has not independently verified, and neither Harris Williams nor any other person will independently verify, any of the information, estimates, projections or forward-looking statements contained herein or the assumptions on which they are based. The information contained in this document is made as of the date hereof unless stated otherwise. Harris Williams does not expect to update or otherwise revise this document nor provide any additional information, nor correct any inaccuracies herein which may become apparent.

This content is intended for institutional use only and should not be relied upon by retail investors or members of the general public. The information contained herein is believed by Harris Williams to be reliable but Harris Williams makes no representation or warranty as to the accuracy or completeness of such information, and information contained herein that is based on material prepared by others may involve significant elements of subjective judgment and analysis which may or may not be correct. Opinions, estimates and projections contained herein constitute Harris Williams' judgment and are subject to change without notice.

This content is not to be construed as investment advice an offer to buy or sell or a solicitation of an offer to buy or sell any financial instruments or to participate in any particular transaction, nor shall this content form the basis of any contract. It does not constitute and should not be construed as an endorsement or recommendation of any entities' products or services.

No part of this material may be copied or duplicated in any form or by any means, or redistributed, without Harris Williams' prior written consent.