
Avendus[^]

Business Process Management Newsletter



Mar '17

Amit Singh
amit.singh@avendus.com

Abhinav Goel
abhinav.goel@avendus.com

Vivek Shah
vivek.shah@avendus.com



TABLE OF CONTENTS

DEAL SUMMARY	3
ARVATO FINANCIAL SOLUTIONS ASSUMED A MAJORITY STAKE IN INTERVALOR	3
ATENTO ANNOUNCES AGREEMENT TO ACQUIRE MAJORITY STAKE IN INTERFILE	3
WNS ACQUIRES HEALTHHELP	3
GENPACT STRENGTHENS ARTIFICIAL INTELLIGENCE CAPABILITIES WITH ACQUISITION OF RAGE FRAMEWORKS.....	4
CONTRACT TRACKER	5
COLORADO AWARDS CONTRACT TO CGI FOR MODERNIZATION OF STATE PAYROLL SYSTEM	5
EVERBANK SIGNS 5-YEAR CONTRACT RENEWAL FOR LOANSPIRE MSP, BLACK KNIGHT FINANCIAL SERVICES' END-TO-END LOAN SERVICING SYSTEM.....	5
EXPANSION	6
TELEPERFORMANCE EXPANDS CHINA OPERATIONS INTO KUNMING AND FOSHAN	6
TELETECH TO OPEN NEW CUSTOMER EXPERIENCE CENTER IN LAS VEGAS, NV	6
ALORICA OPENS NEW FACILITY IN MAKATI CITY.....	6
MOVERS AND SHAKERS	7
BOB ROWE JOINS INTEGREON AS ITS NEW CHIEF EXECUTIVE OFFICER AND EXECUTIVE MEMBER OF THE BOARD OF DIRECTORS	7
TRENDS AND VIEWPOINTS	7
BIG DATA AND BUSINESS ANALYTICS WESTERN EUROPEAN REVENUES FORECAST TO REACH \$34.1 BILLION THIS YEAR, LED BY BANKING AND MANUFACTURING INVESTMENTS	7
AVENDUS BPM COMPOSITE INDEX	8
ABOUT AVENDUS CAPITAL PVT. LTD.	9



DEAL SUMMARY

ARVATO FINANCIAL SOLUTIONS ASSUMED A MAJORITY STAKE IN INTERVALOR

ARVATO PRESS RELEASE [28 MAR 2017]

Arvato Financial Solutions has assumed a majority stake in Intervalor, a leading Brazilian company specializing in investment services and receivables management. After entering the market with a minority shareholding of 40 percent in 2015, the international service provider Arvato now owns 81.5 percent of the shares in Intervalor and plans to further expand the company's growth in its home market of Brazil and in South America as a whole.

The majority acquisition of Intervalor is part of the Bertelsmann strategy, which includes strengthening the growth platform of financial services and expanding business in the growth regions of Brazil, India and China.

Intervalor was founded in 1999 with the aim of using innovative technology to create a new approach to investment and receivables management business in Brazil. In the summer of 2015, Arvato acquired a minority shareholding in the company and announced its intention to acquire further shares.

ATENTO ANNOUNCES AGREEMENT TO ACQUIRE MAJORITY STAKE IN INTERFILE

ATENTO PRESS RELEASE [21 MAR 2017]

Atento S.A., the leading provider of customer relationship management and business process outsourcing services (CRM BPO) in Latin America, and one of the three top providers worldwide, today announced an agreement to acquire a majority stake in Interfile. Financial terms of the transaction were not disclosed. The acquisition is subject to customary closing conditions and regulatory approval.

Founded in 1991, Interfile is a leading provider of BPO services and solutions for the banking and financial services sector in Brazil. Interfile is a benchmark in the BPO market in Brazil, and provides services and solutions, including credit origination, to a great majority

of blue-chip brands operating in the financial sector. It has more than 1,700 employees, 2 BPO services centers, 28 operations offices and more than 1,400 workstations, offering great proximity and efficiency to clients across Brazil.

With the acquisition of Interfile, Atento continues to execute on its long-term growth strategy to expand its capabilities to serve increasing demand of BPO services and solutions for the banking and financial sector as well as insurance, health and education sectors.

WNS ACQUIRES HEALTHHELP

WNS PRESS RELEASE [15 MAR 2017]

WNS (Holdings) Limited, a leading provider of global Business Process Management (BPM) services, today announced it has acquired HealthHelp, an industry leader in care management. HealthHelp works closely with both payors and providers to help improve patient outcomes and drive long-term sustainable cost savings for the healthcare industry. The company's solutions are delivered by combining a proprietary technology platform rooted in evidence-based medical research, high-end predictive analytics, and deep healthcare industry expertise.

Founded in 1999 and based in Houston, Texas, HealthHelp currently employs approximately 400 medical and operational professionals in the United States. Consideration for the transaction is \$95.0 million excluding adjustments for cash, debt and working capital. WNS has funded the acquisition primarily with long-term debt. The acquisition of HealthHelp is expected to contribute approximately \$2.3 million in revenue for WNS in the fiscal year ending March 31, 2017, and to be immediately accretive to earnings excluding approximately \$1.4 million of one-time transaction costs.



GENPACT STRENGTHENS ARTIFICIAL INTELLIGENCE CAPABILITIES WITH ACQUISITION OF RAGE FRAMEWORKS

GENPACT PRESS RELEASE [14 MAR 2017]

Addition of enterprise-level AI capabilities furthers Genpact's ability to drive digital transformation at speed and scale for clients

Genpact, a global professional services firm focused on delivering digital transformation for clients, has signed a definitive agreement to acquire Rage Frameworks, a leader in knowledge-based automation technology and services providing Artificial Intelligence (AI) for the Enterprise. Terms of the deal are not disclosed.

As part of its strategy to drive both digital-led innovation and digital-enabled intelligent operations for its clients, Genpact is investing in leading technologies, such as AI, that are transforming the way companies in many industries compete. The acquisition of Rage Frameworks advances this strategy, extending the frontier of AI for the enterprise. Genpact will embed Rage's AI in business operations and apply it to complex enterprise issues to allow clients to generate insights and drive decisions and action, at a scale and speed that humans alone could not achieve.

Rage provides a leading AI platform in cognitive computing that enables large enterprises across industries to leverage advanced AI techniques and simplify automation challenges. Clients use this platform to derive unprecedented real-time insight for a range of mission-critical functions, including automatically reading and extracting data and insights from balance sheets and other financial data, contracts, news, and business reports. They are also leveraging Rage's solutions for front desk automation, real-time intelligence, and pricing – transforming how commercial lending, policy underwriting, financial statement analysis, investment research, and multi-system reconciliation can be performed. As a result, clients can address customer needs and market dynamics, manage risk better, differentiate their offerings, and achieve topline growth using AI technologies.



CONTRACT TRACKER

COLORADO AWARDS CONTRACT TO CGI FOR MODERNIZATION OF STATE PAYROLL SYSTEM

CGI PRESS RELEASE [08 MAR 2017]

CGI today announced its selection by the State of Colorado for a multi-year contract to modernize outdated, legacy payroll systems that serve more than 30,000 public employees across 21 state agencies and departments. The contract, with optional years, is valued at US\$66.2 million over 20 years. As part of an ongoing process to overhaul Colorado's enterprise resource planning (ERP) system, CGI will provide IT services and solutions to replace various manual payroll processes with a unified human resource information system (HRIS) that is efficient, reliable and cost-effective.

In 2014, CGI successfully launched a new financial management system for Colorado utilizing the unique built-for-government capabilities of its CGI Advantage ERP solution. The Colorado Operations Resource Engine (CORE) replaced an outdated, legacy 22-year old accounting system. The new accounting system integrates budget and purchasing functions, allowing the state to replace multiple aging and redundant systems with a single source of reliable and transparent fiscal data for most financial operations.

To the task of upgrading Colorado's payroll system, CGI brings more than 40 years of ERP software and service delivery for federal, state and local governments. CGI has implemented more than 400 government ERP systems, including those in Massachusetts, Kentucky, Alabama, Alaska, Arizona, Colorado and West Virginia. Recently, six of the last seven states to pursue ERP modernizations chose CGI as their technology partner, and two of the nation's most populous local jurisdictions -- New York City and Los Angeles County -- also utilize ERP systems powered by CGI.

EVERBANK SIGNS 5-YEAR CONTRACT RENEWAL FOR LOANSPIHERE MSP, BLACK KNIGHT FINANCIAL SERVICES' END-TO-END LOAN SERVICING SYSTEM

BKFS PRESS RELEASE [06 MAR 2017]

Black Knight Financial Services, Inc., a leading provider of integrated technology, data and analytics to the mortgage and real estate industries, announced today that EverBank has renewed for another five years its long-term contract for LoanSphere MSP, Black Knight's premier mortgage and home equity loan servicing system. The company is also implementing Black Knight's Lien Alert solution and will continue to use Black Knight's LoanSphere Bankruptcy, LoanSphere Foreclosure and LoanSphere Invoicing solutions.

Headquartered in Jacksonville, Fla., EverBank is Black Knight's longest-tenured MSP client. EverBank uses MSP to manage all servicing processes, including loan setup and maintenance, escrow administration, investor reporting and regulatory requirements. MSP supports EverBank's mortgage loans on a single platform, helping to reduce the costs, resources and potential risks associated with operating multiple systems.

The MSP loan servicing system is an end-to-end solution that encompasses all aspects of servicing, and offers comprehensive functionality to support servicers' regulatory requirements. MSP, which is used to service more than 30 million active loans, supports first mortgages, as well as home equity loans and lines of credit, on one platform to help servicers increase operational efficiency, reduce operating costs and improve risk mitigation.

Black Knight's Lien Alert solution instantly provides alerts on loans in the servicer's portfolio when any of 10 key lien-related indicators occur that could negatively impact the servicer's business.



EXPANSION

TELEPERFORMANCE EXPANDS CHINA OPERATIONS INTO KUNMING AND FOSHAN

TELEPERFORMANCE PRESS RELEASE [30 MAR 17]

Teleperformance, the worldwide leader in outsourced omnichannel customer experience management, today announced the expansion of its Chinese operations into Kunming and soon to Foshan. In China, Teleperformance now has 20 sites and over 5,500 employees offering services in 13 languages and dialects.

With the launch of Kunming, together with expansion of existing Beijing, Nanning, Xi'an facilities, Teleperformance China offers a comprehensive multilingual solutions hub to cover Greater China, Japan, Korea and the South-East Asia region.

The opening of the Foshan facility, in April 2017, will make Teleperformance China the most complete language solution in its market. The Cantonese market operation, plus the typical Mandarin language capability, allow it to provide customers with even more complex services.

TELETECH TO OPEN NEW CUSTOMER EXPERIENCE CENTER IN LAS VEGAS, NV

TELETECH PRESS RELEASE [15 MAR 2017]

TeleTech Holdings, Inc., a leading global provider of customer experience, engagement and growth solutions, today announced that it will open a new customer experience center in Las Vegas, Nevada this spring. This is the tenth new customer experience center to be opened in the past five years by TeleTech in the United States.

TeleTech viewed the Las Vegas market as a prime option for providing services supporting a leading satellite programming provider. Rather than build a new property, the company opted to lease 38,000 square feet of space in the Boulevard Mall located at 3700 S. Maryland Parkway.

The center will create up to 400 jobs initially with potential to grow within the Las Vegas market. TeleTech is actively hiring customer experience representatives, along with other key support positions.

ALORICA OPENS NEW FACILITY IN MAKATI CITY

ALORICA PRESS RELEASE [13 MAR 2017]

Alorica, the largest provider of customer experience solutions to the U.S. market, is hiring enthusiastic Filipinos to serve its fast growing client base, and internal global support requirements. The announcement of these new, incremental positions came during the company's inauguration of its newest site in Makati City, dubbed The Alorica Center. The state-of-the-art commercial office space features inspiring work spaces for the company's growing workforce in the Philippines, which now totals more than 35,000 team members. Headquartered in Irvine, California, Alorica is expanding its workforce, which is located in 150 locations on five continents in 16 countries.

The Alorica Center is a 58,000-square-foot property leased in collaboration with prime real estate property developer Majalco Inc. and top real estate brokerage firm Leechiu Property Consultants, Inc. Alorica now operates 12 customer engagement centers in the Philippines capital Metro Manila and five sites in the equally progressive cities of Clark, Lipa, Cebu, Laoag and Davao.



MOVERS AND SHAKERS

BOB ROWE JOINS INTEGREON AS ITS NEW CHIEF EXECUTIVE OFFICER AND EXECUTIVE MEMBER OF THE BOARD OF DIRECTORS

INTEGREON PRESS RELEASE [22 MAR 2017]

Integreon, a leading global provider of outsourced legal, document, business and research support, today announced that the company's Board of Directors has appointed Bob Rowe as Chief Executive Officer of Integreon Inc. ("Integreon"). Rowe will also join the Board of Directors of Integreon.

Robert Gogel, CEO of Integreon since 2011, will transition his role to Rowe and will assume the role of non-Executive Chairman of the Board.

Rowe has more than 25 years of experience in the legal industry, specializing in delivery of comprehensive e-discovery solutions to law firms and corporations. He most recently served as the practice leader of Huron Legal where he oversaw Huron's advisory and business services units. Prior to Huron, Rowe founded and served as CEO of Nextra Litigation Solutions, a managed document review services company, which Huron acquired in 2006.

In addition to Rowe, Integreon also recently appointed David Perla as an independent member to its Board of Directors. Perla, a legal industry veteran, brings more than 22 years of experience to the Integreon board, including most recently serving as President – Bloomberg BNA Legal Division/Bloomberg Law. Perla also co-founded Pangea3 where, from 2004 through 2012, he served as Co-CEO and as a director for the legal process outsourcing (LPO) provider.

TRENDS AND VIEWPOINTS

BIG DATA AND BUSINESS ANALYTICS WESTERN EUROPEAN REVENUES FORECAST TO REACH \$34.1 BILLION THIS YEAR, LED BY BANKING AND MANUFACTURING INVESTMENTS

IDC PRESS RELEASE [30 MAR 2017]

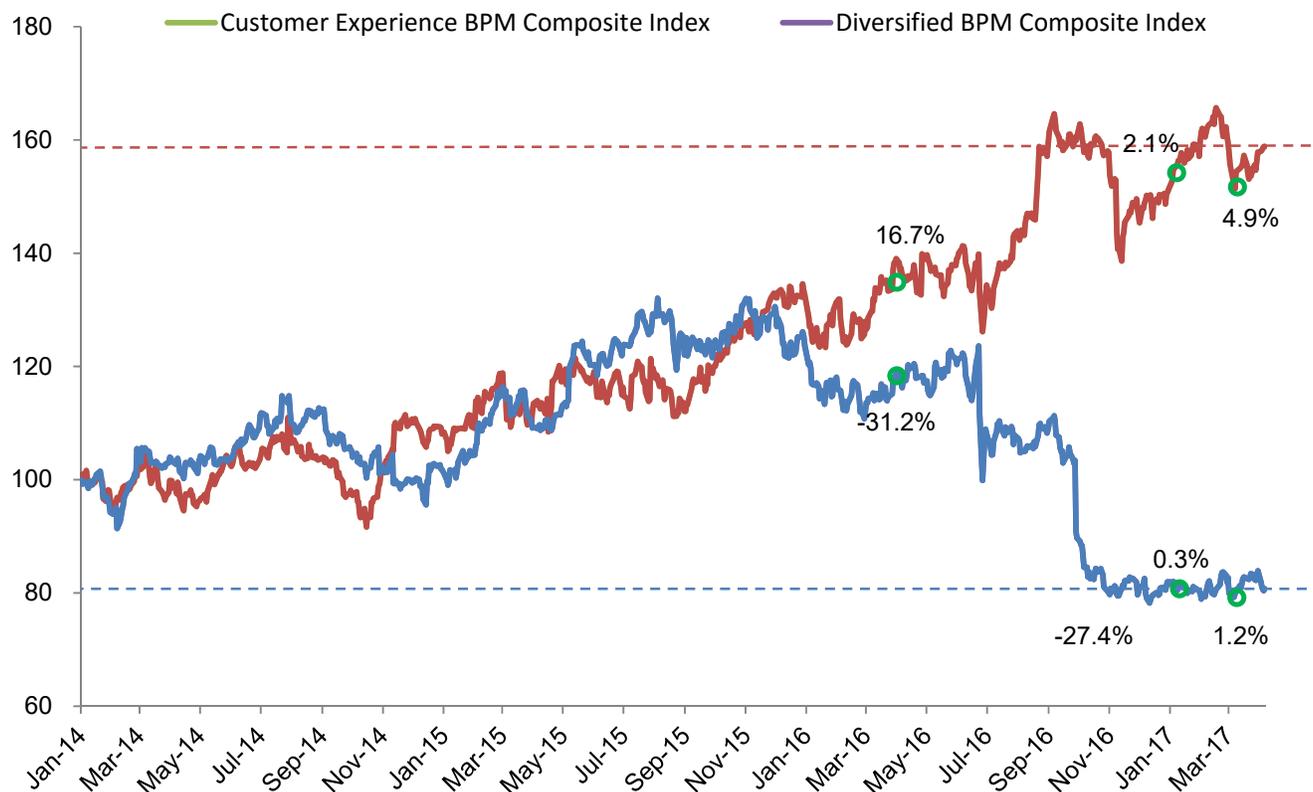
IDC forecasts that Western European revenues for Big Data and business analytics (BDA) will reach \$34.1 billion in 2017, an increase of 10.4% over 2016. Commercial purchases of BDA-related hardware, software, and services are expected to maintain a compound annual growth rate (CAGR) of 9.2% through 2020 when revenues will be more than \$43 billion.

Banking, discrete manufacturing, and process manufacturing are the three largest industries to invest in Big Data and analytics solutions over the forecast period, and by 2020 will account for more than a third of total IT spending on BDA solutions. Overall, the financial sector and manufacturing vie with each other for the largest share of spending, with finance just edging out manufacturing, accounting for 21.5% of spending on BDA solutions compared with manufacturing's 21.2%. However, the industries that will show the highest growth over the forecast period are professional services, telecommunications, utilities, and retail.

Western Europe lags the worldwide market in overall growth, with a CAGR of 9.2% for the region, while worldwide spending will grow at a CAGR of 11.9%. The highest growth is in Latin America, while the largest regional market is the U.S. with more than half of the world's IT investment in Big Data and analytics solutions.

AVENDUS BPM COMPOSITE INDEX

The Avendus BPM Composite Index, which consists of a customer experience BPM composite and a diversified BPM composite, is designed to indicate the performance of listed BPM companies globally. While there is plethora of indices which highlight the performance of the Technology sector, we felt that there is a need to create a separate BPM Index, given the marked differences in the nature of both the sectors. The sub categorization of the BPM industry into its two major sub segments i.e., customer service focused BPM and diversified BPM enables a more accurate tracking of the overall BPM space.



Avendus BPM Composite Index

Key Highlights

Avendus BPM Composite Index	Customer Experience BPM	Diversified BPM
1 Month Return	4.9%	1.2%
1 Quarter Return	2.1%	0.3%
1 Year Return	16.7%	-31.2%

Methodology

We have used the stock price data of Convergys, Sykes, Teleperformance, TeleTech and Startek in case of Customer Experience BPM Composite and EXL, Firstsource, WNS, Genpact and Capita in case of Diversified BPM Composite, weighted by their trailing twelve months' revenue. The series begins at a base value of 100 on 1st January 2014 for both the indices. The index is updated for the closing price on the first Friday of every month. We have used closing price as on Friday (07/04/17) for this edition of the newsletter.



About Avendus Capital Pvt. Ltd. (“AVENDUS CAPITAL”) www.avendus.com

The Avendus Group (Avendus) is a leading provider of financial services with an emphasis on customized solutions in the areas of Financial Advisory, Wealth Management, Structured Credit Solutions and Alternative Assets Management. Avendus relies on its extensive experience, in-depth domain understanding and knowledge of the regulatory environment, to offer customized solutions that enable clients to meet their strategic aspirations. Avendus Capital has consistently been ranked among the leading financial advisors by overall number of deals. In CY2015, the firm was amongst the top three financial advisors by overall number of deals in India (as per Mergermarket). It has a strong track record cross-border transactions and has helped multiple clients benefit from opportunities across geographies. Avendus's wide range of clients is testimony to its ability to serve its corporate clients throughout their life cycle – from growth stage funding to complex, large sized transactions later in the cycle.

Avendus Wealth Management Pvt. Ltd. caters to investment advisory and portfolio management needs of Family offices, Large Corporates and Ultra High Net Worth Individuals spanning all asset classes.

Avendus Finance Pvt. Ltd. provides customized financing solutions to its corporate clients through Structured Debt, Mezzanine, High Yield products and assists in capital structuring as well as arranging optimal financing solutions.

Avendus Capital Inc. and Avendus Capital (UK) Pvt. Ltd. located in New York and London respectively are wholly owned subsidiaries offering M&A and Private Equity syndication services to clients in the respective regions. For more information, please visit www.avendus.com

For a list of transactions closed by Avendus, please visit:

<http://www.avendus.com/india/transactions>

Disclaimer

This report is not an advice/ offer/solicitation for an offer to buy and/or sell any securities in any jurisdiction. We are not soliciting any action based on this material. Recipients of this report should conduct their own investigation and analysis including that of the information provided. This report is intended to provide general information on a particular subject or subjects and is not an exhaustive treatment of such subject(s). This report has been prepared on the basis of information obtained from publicly available, accessible resources. Company has not independently verified all the information given in this report. Accordingly, no representation or warranty, express, implied or statutory, is made as to accuracy, completeness or fairness of the information and opinion contained in this report. The information given in this report is as of the date of this report and there can be no assurance that future results or events will be consistent with this information. Any decision or action taken by the recipient based on this report shall be solely and entirely at the risk of the recipient. The distribution of this report in some jurisdictions may be restricted and/ or prohibited by law, and persons into whose possession this report comes should inform themselves about such restriction and/ or prohibition and observe any such restrictions and/ or prohibition. Company will not treat recipient/user as customer by virtue of their receiving/using this report. Neither Company nor its affiliates, directors, employees, agents or representatives, shall be responsible or liable in any manner, directly or indirectly, for the contents or any errors or discrepancies herein or for any decisions or actions taken in reliance on the report.

This report or any portion hereof may not be reprinted, sold or redistributed without the written consent of Company.