



**Business
Services**

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HR & Employment Services

Industry News

Adecco Group Acquires Recruiting Startup Vetterly for \$100M

Reuters [Full Article](#)

On February 20, 2018, the Adecco Group, a global HR services firm headquartered in Switzerland, acquired Vetterly Inc., a New York based online recruiting company. “The acquisition of Vetterly accelerates the development of the Adecco Group’s digital strategy, broadening our offering into the fast-growing digital permanent recruitment market and complementing our professional recruitment businesses,” said Adecco Group CEO Alain Dehaze.

GIS Acquires Background Screening Provider BackTrack

HR Technologist [Full Article](#)

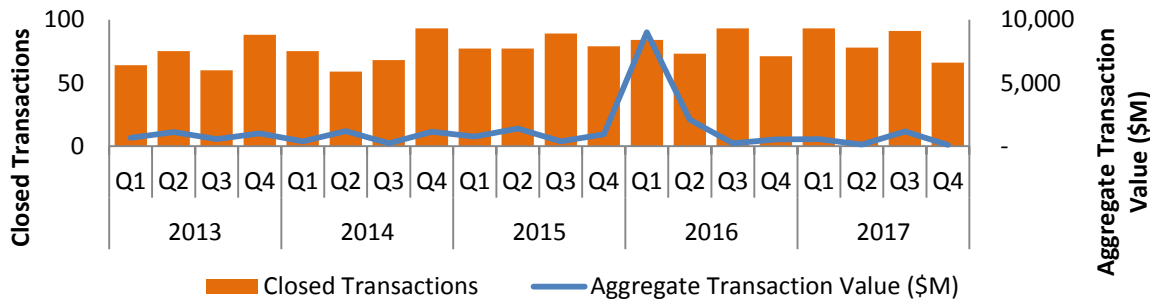
General Information Services, Inc., a provider of talent acquisition and background screening services, acquired BackTrack Inc., a background screening provider, on February 2, 2018. Guy Abamo, CEO of GIS, discussed the ideas behind the BackTrack acquisition: “BackTrack presents a compelling opportunity for GIS to further diversify our clients in key industries and geographies; their product offerings, operations and exceptional customer service make BackTrack an ideal match for GIS.”

ASA Skills Gap Index: Top Hard-to-Fill Jobs by Sector

American Staffing Association [Full Article](#)

The American Staffing Association Skills Gap Index identifies the hardest to fill occupations in the United States. Some of the hardest to fill occupations included in the Q4 2017 report included: computer and information research scientists, information security analysts, tractor-trailer truck drivers, food service managers, tax preparers, sales engineers, and within healthcare, psychiatrists and internists.

HR & Employment Services M&A Environment

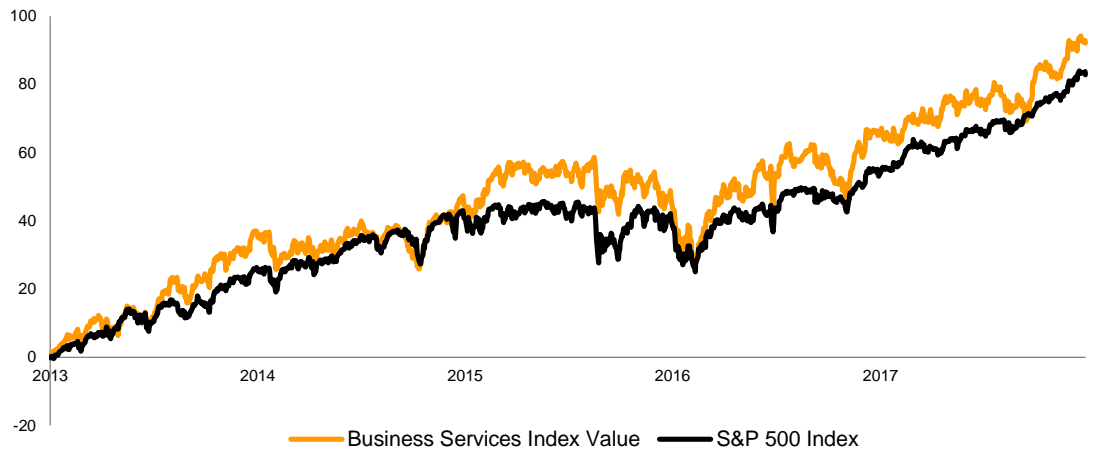


Selected Q4 2017 HR & Employment Services Transactions

Date Closed	Target	Buyers/Investors	Sector	Enterprise Value (\$M)	EV / LTM Revenue	EBITDA
12/31/2017	ReWork	Koya Leadership Partners LLC	Recruiting	-	-	-
12/31/2017	Centerstone Insurance and Financial Services, Inc.	The Carlyle Group L.P. (NasdaqGS:CG)	HR Services	-	-	-
12/22/2017	Temporary Staffing Division of Magellan Search & Staffing	Diversified Staffing Services Ltd.	Temporary Staffing	-	-	-
12/14/2017	Capital Benefit Financial Group Inc.	NFP Corp.	Retirement Consulting	-	-	-
12/12/2017	Gap personnel holdings limited	Trust Tech Inc. (TSE:2154)	Staffing	35	0.2x	-
12/8/2017	Idealseed Resources Sdn. Bhd.	TechnoDex Berhad (KLSE:TDEX)	HR Services	1	0.5x	-
12/6/2017	Citifocus Limited	In Job S.p.A.	Recruiting	-	-	-
12/6/2017	CenterPointHR LLC	HR Affiliates, LLC	HR Services	-	-	-
12/5/2017	Staff One, Inc.	Oasis Outsourcing Holdings Inc.	HR Services	-	-	-
12/5/2017	Education Personnel Management Ltd.	Citation Plc	HR Services	-	-	-
11/29/2017	FirstNet Learning, Inc.	NEOGOV, Inc.	Online Learning	-	-	-
11/21/2017	Momentum Specialized Staffing, Inc.	AtWorkGroup LLC	Staffing	-	-	-
11/15/2017	Payroll Strategies, LLC	Inova Payroll, Inc.	HR Services	-	-	-
11/14/2017	HR Knowledge, Inc.	The Hilb Group, LLC	HR Services	-	-	-
11/7/2017	Vault Investments Inc.	Acorns Grow Inc.	Retirement Consulting	-	-	-
11/2/2017	Advanced Technical and Educational Consultants, Inc.	L2 Defense, Inc.	Training	-	-	-
11/1/2017	Integrity HR, Inc.	Epic Insurance Solutions Agency LLC	HR Services	-	-	-
10/27/2017	Volt Canada, Inc.	Keywords International Limited	Recruiting	17	-	-
10/20/2017	Epac Salary Solutions Pty Ltd	Smartgroup Corporation Ltd (ASX:SIQ)	HR Services	27	2.1x	6.8x
10/19/2017	Total HR Management	CoAdvantage, Inc.	HR Services	-	-	-
10/17/2017	Search Group Solution	Hire Dynamics, LLC	Staffing	-	-	-
10/16/2017	Universal Benefit Solutions, LLC	Pacific Resources Benefits Advisors, LLC	HR Services	-	-	-
10/5/2017	DiBrina Sure Benefits Consulting Inc.	Arthur J. Gallagher & Co. (NYSE:AIG)	HR Services	-	-	-
10/3/2017	Discover Biopharmaceutical Search and Placement	The Tolan Group LLC	Recruiting	-	-	-
10/2/2017	StaffMasters, Inc.	Hire Dynamics, LLC	Staffing	-	-	-
10/2/2017	Associated Data Services, Inc.	Asure Software, Inc. (NasdaqCM:ASUR)	HR Services	-	-	-

Business Services

While largely mirroring the S&P 500, the business services market has been strong from an M&A and valuation perspective. Industry valuations are holding steady despite recent volatility in the public markets. Entering 2018, the business services industry is poised for another year of mid single-digit growth, as some industry leaders transition to a value-oriented revenue model with modularized service offerings and fully automated back-end services.



As of 12/31/2017

Company Name	Ticker	Enterprise Value	LTM Financials				Valuation Metrics			LTM Margins	
			Revenue	Gross Profit	EBITDA		EV / Revenue	EV / Gross Profit	EV / EBITDA	Gross Margin	EBITDA Margin
ABM Industries Incorporated	NYSE:ABM	\$3,587	\$5,454	\$572	\$199	6.3x	18.1x	10.5%	3.6%		
ACCO Brands Corporation	NYSE:ACCO	\$2,233	\$1,949	\$657	\$302	1.1x	3.4x	7.4x	33.7%	15.5%	
Barrett Business Services, Inc.	NasdaqGS:BBSI	\$439	\$897	\$546	\$32	0.5x	0.8x	13.8x	60.8%	3.5%	
Brady Corporation	NYSE:BRC	\$1,906	\$1,123	\$564	\$160	1.7x	3.4x	11.9x	50.2%	14.2%	
CBIZ, Inc.	NYSE:CBZ	\$1,043	\$855	\$100	\$90	1.2x	10.5x	11.7x	11.7%	10.5%	
Cenveo, Inc.	OTCPK:CVOV.Q	\$1,060	\$1,508	\$246	\$118	0.7x	4.3x	9.0x	16.3%	7.8%	
Cintas Corporation	NasdaqGS:CTAS	\$19,167	\$6,004	\$2,694	\$1,192	3.2x	7.1x	16.1x	44.9%	19.9%	
Clean Harbors, Inc.	NYSE:CLH	\$4,354	\$2,890	\$857	\$412	1.5x	5.1x	10.6x	29.7%	14.2%	
Copart, Inc.	NasdaqGS:CPRT	\$10,350	\$1,521	\$715	\$585	6.8x	14.5x	17.7x	47.0%	38.5%	
Deluxe Corporation	NYSE:DLX	\$4,401	\$1,966	\$1,224	\$517	2.2x	3.6x	8.5x	62.2%	26.3%	
Equifax Inc.	NYSE:EFX	\$16,616	\$3,325	\$2,147	\$1,164	5.0x	7.7x	14.3x	64.6%	35.0%	
Essendant Inc.	NasdaqGS:ESND	\$779	\$5,037	\$706	\$85	0.2x	1.1x	9.2x	14.0%	1.7%	
FTI Consulting, Inc.	NYSE:FCN	\$1,893	\$1,808	\$592	\$194	1.0x	3.2x	9.8x	32.8%	10.7%	
Healthcare Services Group, Inc.	NasdaqGS:HCSG	\$3,807	\$1,866	\$254	\$135	2.0x	15.0x	28.1x	13.6%	7.3%	
Herman Miller, Inc.	NasdaqGS:MLHR	\$2,495	\$2,287	\$855	\$262	1.1x	2.9x	9.5x	37.4%	11.4%	
HNI Corporation	NYSE:HNI	\$1,964	\$2,176	\$811	\$212	0.9x	2.4x	9.2x	37.3%	9.8%	
Huron Consulting Group Inc.	NasdaqGS:HURN	\$1,226	\$725	\$267	\$97	1.7x	4.6x	12.7x	36.9%	13.3%	
ICF International, Inc.	NasdaqGS:ICFI	\$1,202	\$1,198	\$451	\$113	1.0x	2.7x	10.6x	37.6%	9.5%	
InnerWorkings, Inc.	NasdaqGS:INWK	\$664	\$1,106	\$276	\$46	0.6x	2.4x	14.3x	24.9%	4.2%	
Insperty, Inc.	NYSE:NSP	\$2,207	\$3,300	\$573	\$144	0.7x	3.9x	15.3x	17.4%	4.4%	
Interface, Inc.	NasdaqGS:TILE	\$1,672	\$996	\$386	\$147	1.7x	4.3x	11.3x	38.7%	14.8%	
Kelly Services, Inc.	NasdaqGS:KELY.A	\$1,054	\$5,374	\$954	\$108	0.2x	1.1x	9.7x	17.8%	2.0%	
Kforce Inc.	NasdaqGS:KFRC	\$766	\$1,358	\$408	\$76	0.6x	1.9x	10.0x	30.0%	5.6%	
Knoll, Inc.	NYSE:KNL	\$1,330	\$1,133	\$415	\$135	1.2x	3.2x	9.8x	36.6%	11.9%	
Korn/Ferry International	NYSE:KFY	\$2,305	\$1,632	\$448	\$202	1.4x	5.1x	11.4x	27.4%	12.4%	
LSC Communications, Inc.	NYSE:LKSD	\$1,389	\$3,603	\$577	\$316	0.4x	2.4x	4.4x	16.0%	8.8%	
ManpowerGroup Inc.	NYSE:MAN	\$8,704	\$21,034	\$3,485	\$873	0.4x	2.5x	10.0x	16.6%	4.1%	
Matthews International Corporation	NasdaqGS:MATW	\$2,551	\$1,536	\$569	\$180	1.7x	4.5x	14.2x	37.0%	11.7%	
Multi-Color Corporation	NasdaqGS:LABL	\$1,993	\$1,095	\$218	\$181	1.8x	9.2x	11.0x	19.9%	16.5%	
Navigant Consulting, Inc.	NYSE:NCI	\$1,059	\$940	\$285	\$117	1.1x	3.7x	9.1x	30.3%	12.4%	
On Assignment, Inc.	NYSE:ASGN	\$3,925	\$2,626	\$850	\$283	1.5x	4.6x	13.9x	32.4%	10.8%	
Pitney Bowes Inc.	NYSE:PBI	\$4,529	\$3,550	\$1,827	\$636	1.5x	2.5x	7.1x	51.5%	17.9%	
Quad/Graphics, Inc.	NYSE:QUAD	\$2,211	\$4,131	\$872	\$459	0.5x	2.5x	4.8x	21.1%	11.1%	
R.R. Donnelley & Sons Company	NYSE:RRD	\$2,690	\$6,935	\$1,319	\$449	0.4x	2.0x	6.0x	19.0%	6.5%	
Robert Half International Inc.	NYSE:RHI	\$6,493	\$5,267	\$2,164	\$581	1.2x	3.0x	11.2x	41.1%	11.0%	
Rollins, Inc.	NYSE:ROL	\$10,029	\$1,674	\$854	\$350	6.0x	11.7x	28.7x	51.0%	20.9%	
SP Plus Corporation	NasdaqGS:SP	\$974	\$1,591	\$865	\$101	0.6x	1.1x	9.7x	54.4%	6.3%	
Steelcase Inc.	NYSE:SCS	\$1,817	\$3,052	\$1,009	\$236	0.6x	1.8x	7.7x	33.0%	7.7%	
Stericycle, Inc.	NasdaqGS:SRCL	\$8,542	\$3,581	\$1,463	\$242	2.4x	5.8x	35.3x	40.8%	6.8%	
Team, Inc.	NYSE:TISI	\$785	\$1,204	\$316	\$8	0.7x	2.5x	99.8x	26.2%	0.7%	
Tetra Tech, Inc.	NasdaqGS:TTEK	\$2,850	\$2,089	\$366	\$229	1.4x	7.8x	12.5x	17.5%	10.9%	
The Brink's Company	NYSE:BCO	\$4,503	\$3,347	\$372	\$439	1.3x	12.1x	10.3x	11.1%	13.1%	
The Dun & Bradstreet Corporation	NYSE:DNB	\$5,644	\$1,743	\$1,168	\$476	3.2x	4.8x	11.9x	67.0%	27.3%	
TransUnion	NYSE:TRU	\$12,242	\$1,934	\$1,288	\$702	6.3x	9.5x	17.4x	66.6%	36.3%	
TriNet Group, Inc.	NYSE:TNET	\$3,249	\$3,239	\$571	\$239	1.0x	5.7x	13.6x	17.6%	7.4%	
TrueBlue, Inc.	NYSE:TBI	\$1,110	\$2,509	\$634	\$126	0.4x	1.7x	8.8x	25.3%	5.0%	
UniFirst Corporation	NYSE:UNF	\$2,995	\$1,621	\$612	\$268	1.8x	4.9x	11.2x	37.8%	16.5%	
Viad Corp	NYSE:VVI	\$1,277	\$1,307	\$98	\$142	1.0x	13.1x	9.0x	7.5%	10.9%	
Volt Information Sciences, Inc.	AMEX:VISI	\$160	\$1,194	\$187	-\$2	0.1x	0.9x	NM	15.7%	-0.1%	
VSE Corporation	NasdaqGS:VSEC	\$726	\$780	\$73	\$80	0.9x	9.9x	9.1x	9.4%	10.2%	

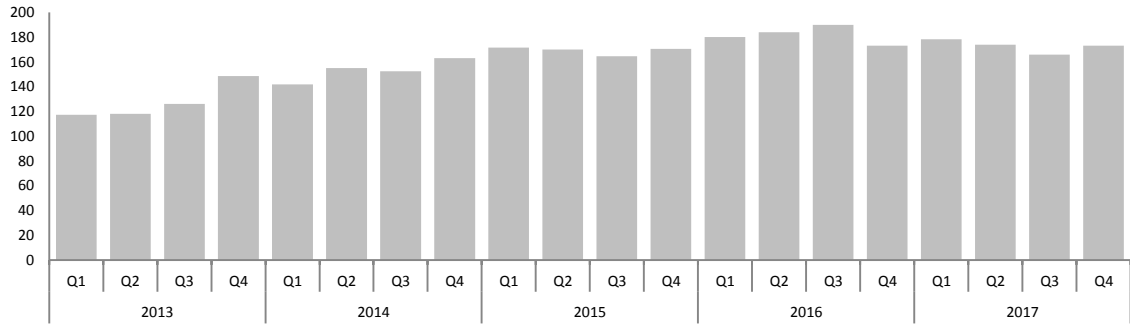
Median	1.1x	3.8x	11.0x	31.4%	10.8%
Mean	1.5x	5.0x	14.0x	32.0%	12.0%

Source: Capital IQ

Business Services

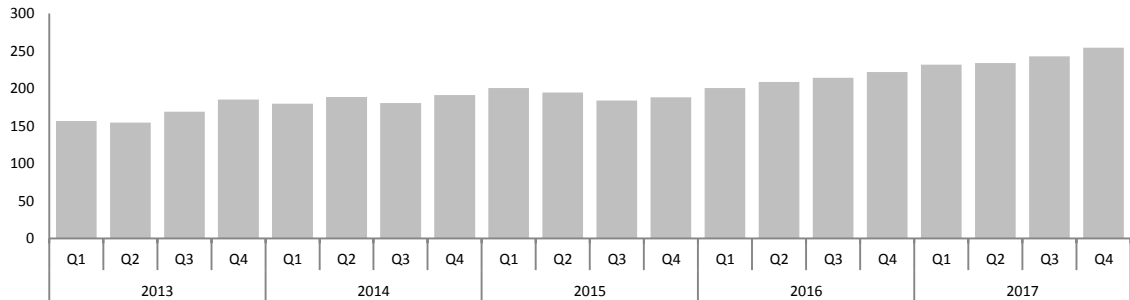
State of the Industry

S&P 500 Professional Services Index



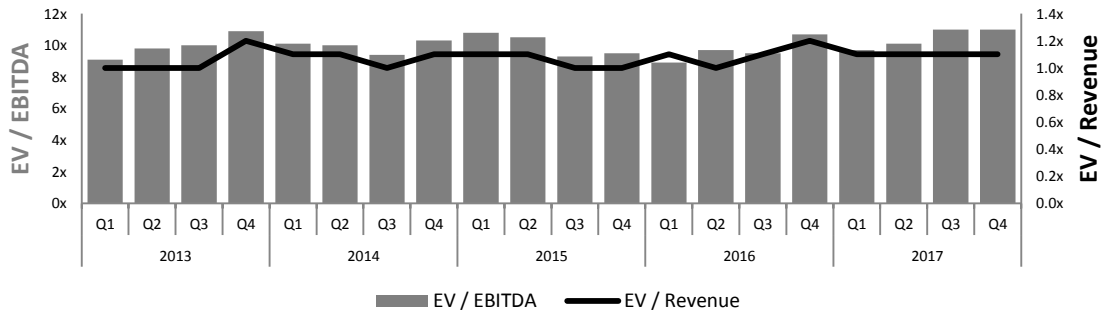
Source: Capital IQ

S&P North America BMI Commercial & Professional Services Index



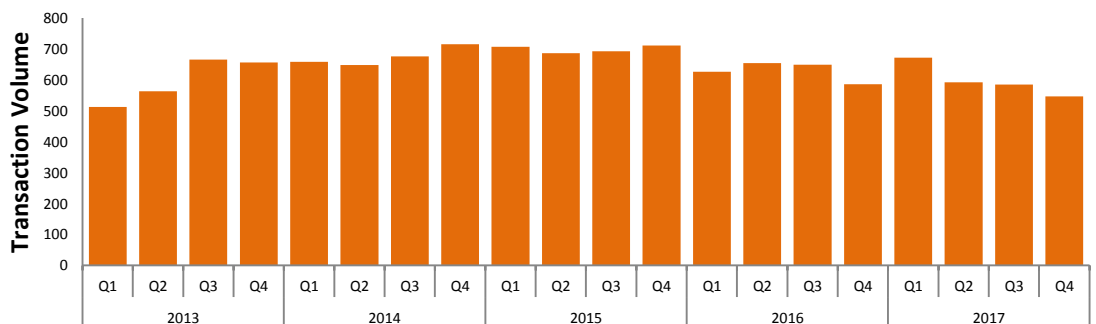
Source: Capital IQ

Industry Valuations



Source: Capital IQ

Business Services Transaction Volume



Source: Capital IQ

About Mirus

"The Mirus team successfully guided us through every aspect of the transaction, from identifying prospective buyers through closing. They conducted a thorough process and we are delighted by the outcome."

Please contact one of our partners today to answer any questions you may have to discuss the future of your business.



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Our global Business Services Group understands the challenges of service delivery, client demands and market dynamics in this sector, with a clear appreciation for how these factors drive value and investor interest. Mirus provides direct access to sector-specific expertise, as well as global buyers and sellers. Our professionals have deep experience and expertise in the following Business Services subsectors: Business Process Outsourcing, Human Capital Management, Tech-Enabled Services and Professional Services.

Brendan Kiernan is experienced in business valuation, corporate finance advisory and deal execution, Brendan leads Mirus' Valuation practice, as well as co-leading sell-side and buy-side M&A mandates. Brendan has made significant contributions to several dozen client transactions and engagements during his tenure with the firm. His work has focused primarily on clients in the business services, technology and industrial and distribution sectors. Brendan is a graduate of Boston College and earned his MBA from Bentley's McCallum Graduate School of Business. He holds series 7, 79 and 63 certifications from FINRA.

Mirus Business Services Spotlight



Virtual
has received an investment from



Virtual is a leading technology-focused association management company, which combines advanced systems, industry best practices, and innovation to deliver strategic guidance, execution, and world-class business operations to tech and standards organizations. Through an investment by Striker Partners, Virtual joined forces with Drohan Management Group and Professional Credential Services to form a newly combined firm providing professional services to technology and standards-setting organizations, business and trade associations, scientific professional societies, state governments, and professional licensing associations.



FleetLogix
has been acquired by



FleetLogix provides outsourced labor to rental car agencies across the U.S.. The company uses a proprietary technology platform to track and analyze performance at each site, to ensure quality and efficiency in its service delivery, and to provide data and metrics to its managers and its clients. Striker Partners is a private, family-based investment firm formed to make majority equity investments in profitable and growing businesses. Striker Partners brings technology expertise to the company and represents a great cultural fit.



STATE
CLEANING SERVICE
has been acquired by



State Cleaning is a full service janitorial and building maintenance expert providing a full array of services to general office buildings, life science properties and manufacturing buildings. For over 40 years, it has provided high quality cleaning and maintenance services to facility owners and managers in the Boston area market. Pritchard Industries, based in New York City, was looking to increase its presence in the Boston market and acquired state cleaning in order to expand its geographic portfolio.



HAYES
MANAGEMENT CONSULTING
management-led buy-out with financing from



Hayes Management Consulting is a leading national healthcare consulting firm and software developer that partners with healthcare organizations to streamline operations, improve revenue and enhance technology to drive success in an evolving healthcare landscape. Seacoast Capital was founded in 1994 to make non-controlling junior capital investments in privately-held lower middle market companies. Seacoast specializes in "sponsorless" transactions, preferring to invest directly with company owners or management teams, although it will selectively consider investments led by professional investor groups.