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Spotlight

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Industry News

COVID-19 pulls down global sourcing market down by 5% in Q2: ISG Index

Economic Times [Full Article](#)

Global sourcing slowed dramatically in the second quarter, as enterprises sharply reduced managed services spending to contend with the impacts of the COVID-19 pandemic according to an industry report by global advisory firm, Information Services Group. Data from the ISG Index shows that annual contract value for Q2 for the combined global market (both as-a-service and managed services) declined 5% to \$13.2 billion. Cloud-based as-a-service sourcing, on the other hand, was up 7%, to \$7.2 billion.

GlowTouch Announces Addition of New Executives

PR Newswire [Full Article](#)

GlowTouch Technologies, an emerging leader in global contact center and technology outsourcing solutions, announces the addition of new executives to support company growth and expansion.

Joining the GlowTouch team are Tammy Weinstein and Jonathan Ellsworth, who bring decades of experience in sales, marketing, and communications within the Business Process Outsourcing (BPO) industry.

As Vice-President of Marketing and Analyst Relations, Tammy Weinstein will lead global marketing, communications, and sales enablement efforts for GlowTouch. She brings more than 25 years of experience in the BPO/Contact Center industry, building client relations and developing creative marketing strategies for companies such as Alorica, Convergys, West and, most recently, Knoah Solutions.

IPDC to facilitate expansion of MSME financing for BPO industry

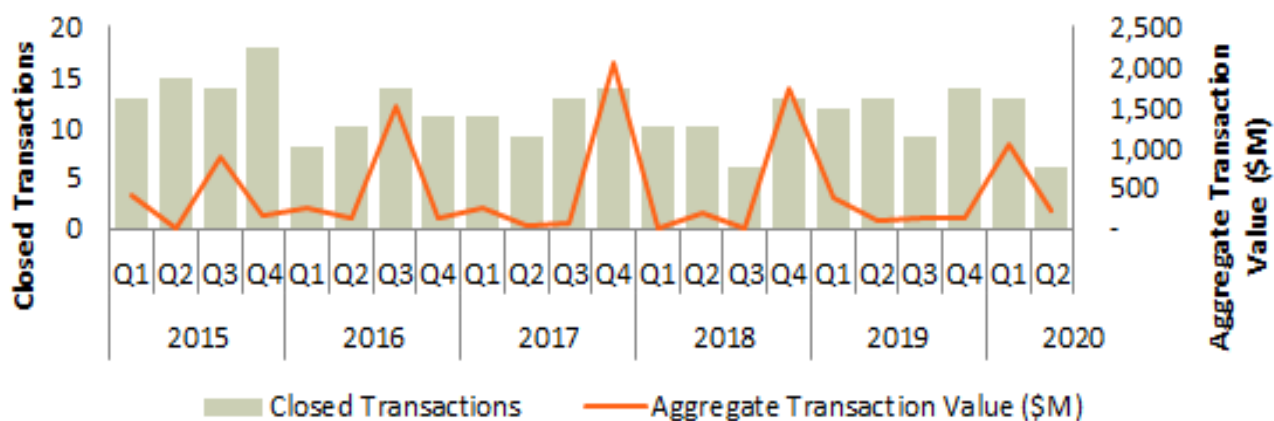
The Financial Express [Full Article](#)

IPDC Finance Limited and Bangladesh Association of Call Center and Outsourcing (BACCO), have collaborated to facilitate the expansion of Micro, Small & Medium Enterprise (MSME) financing for the Business Process Outsourcing (BPO) industry.

Managing Director and CEO of IPDC, Mominul Islam, and President of BACCO, Wahidur Rahman Sharif, formally launched the collaboration through a virtual press meet on Sunday.

BPO

BPO M&A

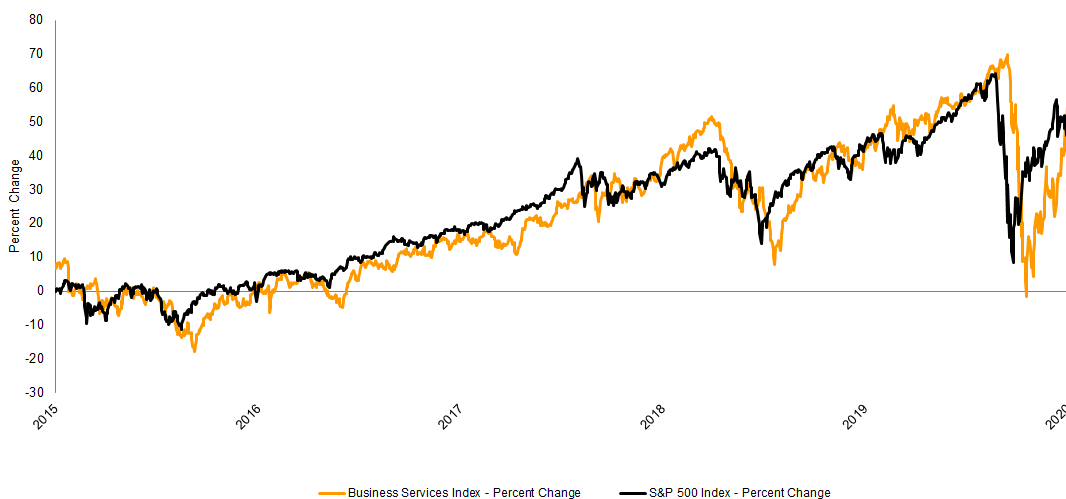


Selected 2020 BPO Transactions

| Date Closed | Target | Buyers/Investors | Enterprise | | EV/LTM |
|-------------|---|---|-------------|---------|--------|
| | | | Value (\$M) | Revenue | EBITDA |
| 01/01/2020 | Amerigraph Packaging Group, LLC | General Data Company, Inc. | - | - | - |
| 01/07/2020 | Aria Communications Corporation | QCSS, Inc. | - | - | - |
| 01/14/2020 | Chain Serviços e Contact Center S.A. | Almaviva do Brasil Telemarketing e Informática S.A. | 21.70 | - | - |
| 01/31/2020 | CCC Holding GmbH | TELUS International (Cda) Inc. | 1,003.84 | - | - |
| 01/31/2020 | India customer relationship management business of Hinduja Global Solutions Limited | Altruist Technologies Private Limited | 5.59 | 0.12x | - |
| 02/13/2020 | Vanderloo Financial Services, Inc. | Quatro Business Support Services Inc. | - | - | - |
| 02/28/2020 | Customer Management Center | Meritus Upravljanje d.o.o. | - | - | - |
| 03/02/2020 | Label Print Technologies, LLC | Western Shield Acquisitions, LLC | - | - | - |
| 03/04/2020 | Tekas Plus Omnichannel Solutions, S.L. | Inneria Cleaning Services SLU | 2.23 | 0.95x | - |
| 03/24/2020 | Toque Fale Serviços de Telemarketing Ltda. | Banco Santander (Brasil) S.A. (BOVESP:SANB4) | 0.20 | - | - |
| 04/08/2020 | Adminify AB | Electra Gruppen AB (publ) (OM:ELEC) | - | - | - |
| 05/01/2020 | eRx Network, LLC | Change Healthcare Inc. (NasdaqGS:CHNG) | - | - | - |
| 06/18/2020 | Label Impressions, Inc. | Brook & Whittle Limited | - | - | - |
| 06/24/2020 | Atento S.A. (NYSE:ATTO) | Tahebo Holdings LLC | - | - | - |

Business Services

The Business Services sector rebounded in the second quarter of 2020 after hitting lows in March along with broader indices. The sector was hit hard by depressed economic activity at the outset of the COVID-19 outbreak in the U.S. The sector is tied heavily to economic output and as manufacturing activity rose, Business Services companies reclaimed much of their lost value.



| Company Name | 6/30/20 Ticker | LTM Financials | | | | Valuation Metrics | | LTM Margins | |
|------------------------------------|-------------------|------------------|----------|--------------|---------|-------------------|-------------|--------------|---------------|
| | | Enterprise Value | Revenue | Gross Profit | EBITDA | EV / Revenue | EV / EBITDA | Gross Margin | EBITDA Margin |
| ABM Industries Incorporated | NYSE:ABM | \$3,265 | \$6,405 | \$796 | \$341 | 0.5x | 9.6x | 12.4% | 5.3% |
| ACCO Brands Corporation | NYSE:ACCO | \$1,603 | \$1,794 | \$564 | \$237 | 0.9x | 6.8x | 31.4% | 13.2% |
| Barrett Business Services, Inc. | NasdaqGS:BBSI | \$337 | \$943 | \$640 | \$53 | 0.4x | 6.3x | 67.9% | 5.6% |
| Brady Corporation | NYSE:BRC | \$2,290 | \$1,125 | \$557 | \$188 | 2.0x | 12.1x | 49.5% | 16.8% |
| CBIZ, Inc. | NYSE:CBZ | \$1,618 | \$957 | \$139 | \$109 | 1.7x | 14.8x | 14.5% | 11.4% |
| Cintas Corporation | NasdaqGS:CTAS | \$30,507 | \$7,085 | \$3,234 | \$1,452 | 4.3x | 21.0x | 45.6% | 20.5% |
| Clean Harbors, Inc. | NYSE:CLH | \$4,710 | \$3,490 | \$1,060 | \$551 | 1.3x | 8.5x | 30.4% | 15.8% |
| Copart, Inc. | NasdaqGS:CPRT | \$19,760 | \$2,222 | \$1,032 | \$891 | 8.9x | 22.2x | 46.5% | 40.1% |
| Deluxe Corporation | NYSE:DLX | \$1,868 | \$1,912 | \$1,141 | \$338 | 1.0x | 5.5x | 59.7% | 17.7% |
| Equifax Inc. | NYSE:EFX | \$24,045 | \$3,722 | \$2,142 | \$940 | 6.5x | 25.6x | 57.5% | 25.3% |
| FTI Consulting, Inc. | NYSE:FCN | \$4,429 | \$2,408 | \$793 | \$313 | 1.8x | 14.2x | 32.9% | 13.0% |
| Healthcare Services Group, Inc. | NasdaqGS:HCSG | \$1,735 | \$1,804 | \$244 | \$116 | 1.0x | 15.0x | 13.5% | 6.4% |
| Herman Miller, Inc. | NasdaqGS:MLHR | \$1,747 | \$2,487 | \$911 | \$270 | 0.7x | 6.5x | 36.6% | 10.8% |
| HNI Corporation | NYSE:HNI | \$1,579 | \$2,128 | \$798 | \$214 | 0.7x | 7.4x | 37.5% | 10.1% |
| Huron Consulting Group Inc. | NasdaqGS:HURN | \$1,333 | \$892 | \$290 | \$102 | 1.5x | 13.1x | 32.5% | 11.4% |
| ICF International, Inc. | NasdaqGS:ICFI | \$1,853 | \$1,496 | \$528 | \$126 | 1.2x | 14.7x | 35.3% | 8.4% |
| InnerWorkings, Inc. | NasdaqGS:INWK | \$233 | \$1,152 | \$263 | \$38 | 0.2x | 6.1x | 22.9% | 3.3% |
| Inspireity, Inc. | NYSE:NSP | \$2,516 | \$4,391 | \$740 | \$208 | 0.6x | 12.1x | 16.9% | 4.7% |
| Interface, Inc. | NasdaqGS:TILE | \$1,151 | \$1,334 | \$523 | \$199 | 0.9x | 5.8x | 39.2% | 14.9% |
| Kelly Services, Inc. | NasdaqGS:KELY.A | \$663 | \$5,234 | \$940 | \$110 | 0.1x | 6.0x | 18.0% | 2.1% |
| Kforce Inc. | NasdaqGS:KFRC | \$696 | \$1,356 | \$396 | \$83 | 0.5x | 8.4x | 29.2% | 6.1% |
| Knoll, Inc. | NYSE:KNL | \$1,210 | \$1,342 | \$503 | \$138 | 0.9x | 8.8x | 37.4% | 10.3% |
| Korn/Ferry International | NYSE:KFY | \$1,776 | \$1,933 | \$542 | \$267 | 0.9x | 6.7x | 28.0% | 13.8% |
| ManpowerGroup Inc. | NYSE:MAN | \$4,384 | \$18,807 | \$3,001 | \$550 | 0.2x | 8.0x | 16.0% | 2.9% |
| Matthews International Corporation | NasdaqGS:MATW | \$1,579 | \$1,492 | \$512 | \$142 | 1.1x | 11.2x | 34.3% | 9.5% |
| On Assignment, Inc. | NYSE:ASGN | \$4,604 | \$3,955 | \$1,123 | \$414 | 1.2x | 11.1x | 28.4% | 10.5% |
| Pitney Bowes Inc. | NYSE:PBI | \$2,556 | \$3,255 | \$1,200 | \$334 | 0.8x | 7.6x | 36.9% | 10.3% |
| Quad/Graphics, Inc. | NYSE:QUAD | \$1,289 | \$3,785 | \$733 | \$320 | 0.3x | 4.0x | 19.4% | 8.5% |
| R.R. Donnelley & Sons Company | NYSE:RRD | \$2,046 | \$5,817 | \$1,123 | \$376 | 0.4x | 5.4x | 19.3% | 6.5% |
| Robert Half International Inc. | NYSE:RHI | \$5,986 | \$5,705 | \$2,319 | \$570 | 1.0x | 10.5x | 40.7% | 10.0% |
| Rollins, Inc. | NYSE:ROL | \$14,332 | \$2,104 | \$1,074 | \$423 | 6.8x | 33.9x | 51.0% | 20.1% |
| SP Plus Corporation | NasdaqGS:SP | \$1,250 | \$923 | \$223 | \$121 | 1.4x | 10.4x | 24.1% | 13.1% |
| Steelcase Inc. | NYSE:SCS | \$1,721 | \$3,382 | \$1,080 | \$259 | 0.5x | 6.6x | 31.9% | 7.7% |
| Stericycle, Inc. | NasdaqGS:SRCL | \$8,110 | \$3,264 | \$1,167 | \$535 | 2.5x | 15.1x | 35.7% | 16.4% |
| Team, Inc. | NYSE:TISI | \$570 | \$1,131 | \$319 | \$43 | 0.5x | 13.1x | 28.2% | 3.8% |
| Tetra Tech, Inc. | NasdaqGS:TTEK | \$4,785 | \$2,386 | \$416 | \$239 | 2.0x | 20.0x | 17.4% | 10.0% |
| The Brink's Company | NYSE:BCO | \$4,130 | \$3,563 | \$765 | \$331 | 1.2x | 12.5x | 21.5% | 9.3% |
| TransUnion | NYSE:TRU | \$20,115 | \$2,697 | \$1,803 | \$978 | 7.5x | 20.6x | 66.9% | 36.3% |
| TriNet Group, Inc. | NYSE:TNET | \$4,197 | \$3,983 | \$823 | \$457 | 1.1x | 9.2x | 20.7% | 11.5% |
| TrueBlue, Inc. | NYSE:TBI | \$600 | \$2,081 | \$532 | \$59 | 0.3x | 10.2x | 25.6% | 2.8% |
| UniFirst Corporation | NYSE:UNF | \$3,030 | \$1,855 | \$661 | \$295 | 1.6x | 10.3x | 35.6% | 15.9% |
| Viad Corp | NYSE:VVI | \$872 | \$1,392 | \$92 | \$127 | 0.6x | 6.9x | 6.6% | 9.1% |
| VSE Corporation | NasdaqGS:VSEC | \$647 | \$740 | \$83 | \$87 | 0.9x | 7.5x | 11.2% | 11.7% |

| | | | | |
|--------|------|-------|-------|-------|
| Median | 1.0x | 10.2x | 31.4% | 10.3% |
| Mean | 1.6x | 11.4x | 31.8% | 11.9% |

Business Services

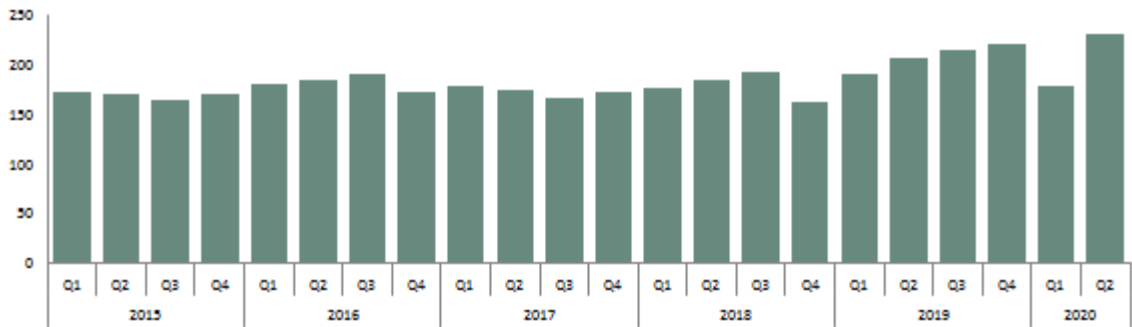
State of the Industry

S&P North America BMI Commercial & Professional Services Index



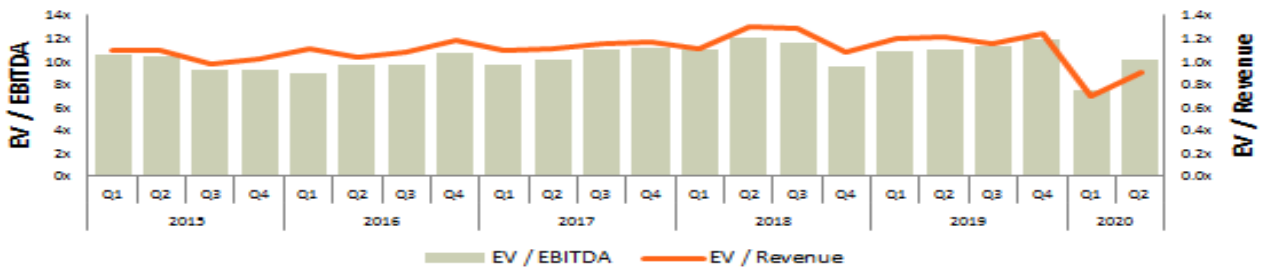
Source: Capital IQ

S&P 500 Professional Services Index



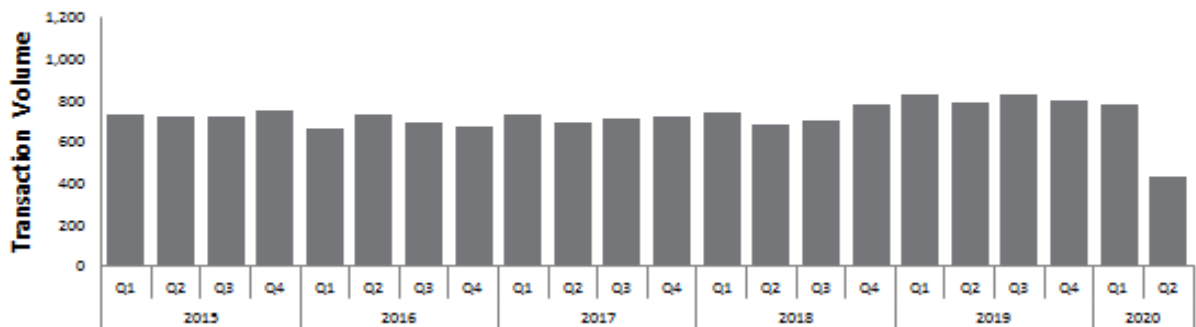
Source: Capital IQ

Industry Valuations



Source: Capital IQ

Business Services Transaction Volume



Source: Capital IQ



The Value of Accomplishment

The highest level of expertise and hard work is what accomplishment requires. It's what you deserve and what we do.

- We sweat the small stuff.
- Take a 3:00am call.
- Say yes.
- Say no.
- Dig deeper when things get tough.
- And celebrate with you when your efforts pay off and you can reflect on it all and say, "It's really remarkable what we've accomplished here."
- Then and only then, will we know that we've accomplished something meaningful, too.

About Mirus

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.

Partner Spotlight

An investment banker to middle market firms since 2004, Brendan Kiernan has worked on more than 75 M&A engagements, managing deals for business services, technology, software and healthcare clients. 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.



Brendan Kiernan
781-418-5926
kiernan@merger.com

"I hired Mirus to represent me in the sale of my family's life sciences services company. Mirus delivered great value. Its team was highly professional and actively involved in all aspects of the negotiation, from diligence preparation and tactical advice to deal strategy, resulting in a successful sale to a \$2 billion public acquirer. The Mirus team is very good at what they do and I'd happily recommend them to other business owners." - Peter Harris, Principal Shareholder, B&V Testing Services

Mirus Business Services Spotlight



has merged with



Crystal Rock is a 100 year old direct-to-consumer home and office water, coffee, filtration and office supply service delivery business. The company bottles and distributes Crystal Rock® Waters purified water, Vermont Pure® natural spring water, Cool Beans® coffee, and other break room items to the commercial office and residential customers throughout New York and New England. Cott is a route-based service company with a leading volume-based national presence in the North America and European home and office bottled water delivery industry and a leader in custom coffee roasting, blending of iced tea, and extract solutions for the U.S. foodservice industry.



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.



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.



has been acquired by



State Cleaning Service, Inc. 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. Pritchard Industries, Inc. is the largest privately-held facility maintenance company in the United States. Since 1914, the Company has been a full-service provider of cost-effective, precision building services and facility maintenance to commercial office buildings, corporate facilities, industrial plants, educational facilities, medical complexes, and entertainment arenas