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Spotlight

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Research & Consulting Services

Industry News

Business services firms face high labor costs, but have a plan going forward

RSM [Full Article](#)

Business services firms face challenges in lowering operating costs—especially labor costs. To counteract these challenges, firms are passing increased operating and labor costs on to their customers, automating processes, and outsourcing operational functions.

“The unit labor cost index and labor productivity index have moved in concert in recent years but shifted to an inverse relationship in the second and third quarters of 2022. As expected, given the tight labor market, unit labor cost continues to increase.”

According to a recent MetLife [study](#), 72% of employers say stress and burnout are a challenge or concern for their organization. For business services companies that rely on their labor force more than most other sectors do, the effect is magnified.

NIIT Acquires St. Charles Consulting Group

Industry Training [Full Article](#)

NIIT Limited, a global talent development corporation and leading provider of managed training services, announced that it has acquired 100% membership interest in St. Charles Consulting Group LLC (StC) through its wholly owned subsidiary, NIIT (USA), Inc. Headquartered in St. Charles, Illinois, StC is a leading provider of consulting, design, and implementation solutions for strategic learning programs to professional services firms and Fortune 500 companies.

“Learning and Development is at the epicenter of change in a post-pandemic world that is going through rapid business and industry transformation. As organizations strive to build and retain talent and skills for a future-ready workforce, L&D is leading the way on many key initiatives. St. Charles Consulting Group brings deep expertise and experience in building strategic learning programs which are in high demand across our customer base,” said Sapnesh Lalla, Chief Executive Officer and Executive Director, NIIT Limited.

Bridgepointe Technologies acquires CX Powerhouse PPT Solutions

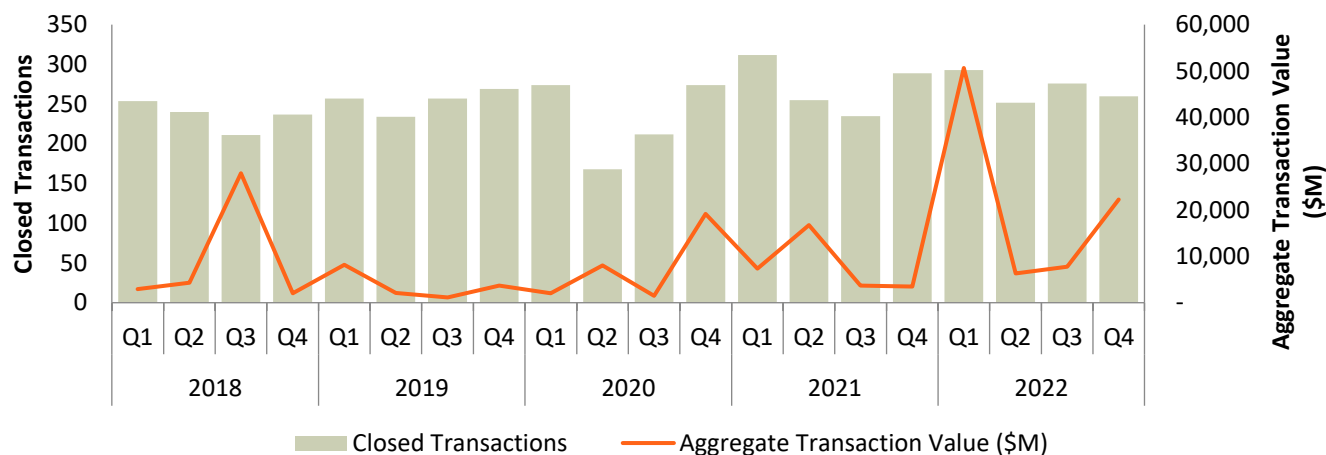
PPT Solutions [Press Release](#)

Bridgepointe Technologies (“Bridgepointe” or the “Company”), a tech advisory firm that helps mid-market and enterprise companies bridge the gap between tech investments and business results, announced on December 28, 2022 that it has acquired PPT Solutions.

“PPT Solutions is the true leader when it comes to CX consulting services, and we’re thrilled to have them join the Bridgepointe family,” explained Scott Evars, Co-Founder and Chief Executive Officer, Bridgepointe. “PPT is a natural fit with Bridgepointe’s existing services and their focus on accelerating client success is tightly aligned with our culture, vision and values. The entire team including Dennis and Kris will play an instrumental role in this next chapter of our growth as CX is a tremendous market opportunity, and we’ll be uniquely positioned to help our clients drive value from their CX investments from day one.”

Research & Consulting Services

Research & Consulting Services M&A

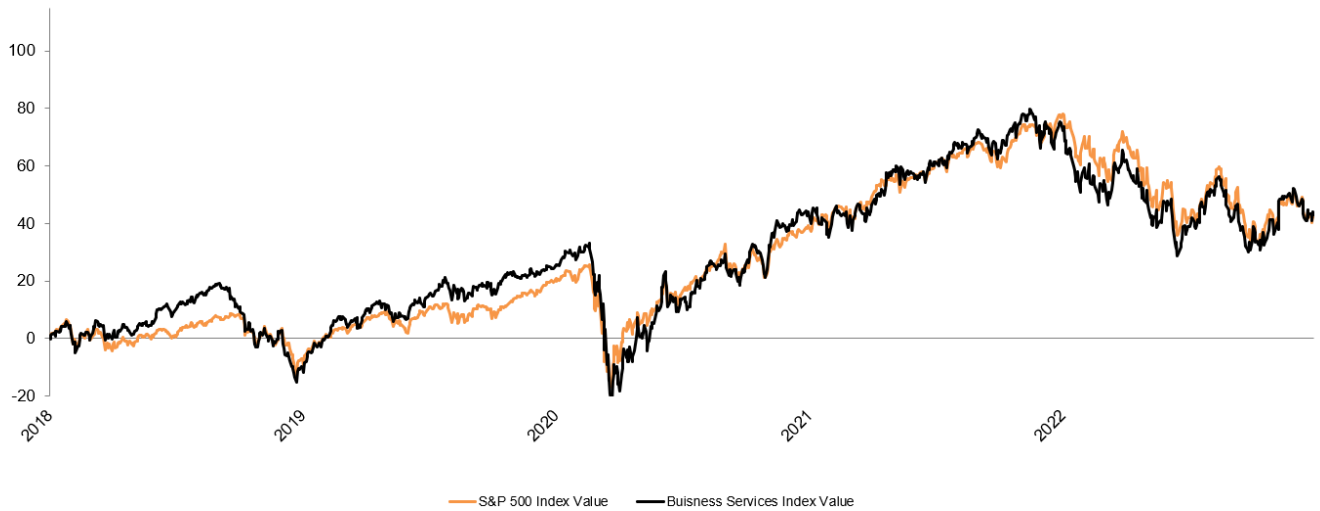


Selected Research & Consulting Services Transactions

Date Closed	Target	Buyers/Investors	Enterprise	EV / LTM	
			Value (\$M)	Revenue	EBITDA
10/03/2022	MARU Group Limited	Stagwell Marketing Cloud LLC	25.5	-	-
10/04/2022	SpeedyEgger Document Services, Inc.	CIBT, Inc.	-	-	-
10/04/2022	Process Evolution Limited	Operational Research In Health Limited	-	-	-
10/04/2022	E-Axess/Qualitelis.Com	Neo, SAS	-	-	-
10/04/2022	Kessler Financial Services, L.P.	Stone Point Capital LLC	210.0	-	-
10/05/2022	Cunnington Clark Limited	QODA Consulting Ltd.	-	-	-
10/05/2022	Cognodata Consulting S.L.	Audensiel Technologies SAS	-	-	-
10/05/2022	f1Circle Designs Private Limited	LS Digital Pvt. Ltd.	-	-	-
10/11/2022	Michael Chamberlain & Co Ltd	K3 Capital Group PLC	4.9	5.5x	2.8x
11/04/2022	St. Charles Consulting Group, LLC	NIIT (USA), Inc.	23.4	-	-
11/10/2022	The Compliance Group, Inc.	Baker Tilly US, LLP	-	-	-
11/11/2022	Adpen Strata Pty Ltd	Capitol Strata Management (Holdings) Pty Ltd.	0.2	-	-
11/14/2022	Summit Court Reporting, Inc.	USLS Acquisition, Inc.	-	-	-
11/14/2022	Neon Carrot LLC	Lynx Innovation, Inc.	-	-	-
11/24/2022	Smart Insurance Services Pty Ltd	Arthur J. Gallagher & Co. (NYSE:AJG)	-	-	-
12/01/2022	Consulting & Exploration Tech Division of EarthLabs Inc.	1377900 BC Ltd.	22.0	-	-
12/15/2022	Austin Consulting LLC	Cognizant Technology Solutions Corporation (NasdaqGS:CTSH)	161.0	-	-
12/15/2022	Shenzhen Kaijixing Food Quality Testing Tech Center Co., Ltd.	Shenzhen Food Materials Group Co., Ltd.	8.1	-	-
12/16/2022	Lead Co., Ltd	Eland Investment Co., Ltd	5.7	-	-
12/16/2022	The Smart Cube Limited	WNS (Holdings) Limited (NYSE:WNS)	-	-	-
12/16/2022	Agile World Inc.	Agile World Incorporated	-	-	-
12/27/2022	Hill International, Inc.	Global Infrastructure Solutions Inc.	267.5	10.5x	0.8x
12/28/2022	PPT Solutions, LLC	Bridgepointe Technologies, Inc.	-	-	-
12/30/2022	Fintellix India Private Limited/G2 Web Services, LLC/Lundquist Consulting, Inc.	Stellex Capital Management LLC	176.0	-	-

Business Services

Despite facing challenges with increasing labor costs, the business services industry looks to rebound in 2023. Both the S&P 500 Index and the Business Services Index are starting to slowly rise from the previous dip in 2022, and many firms are optimistic about 2023.



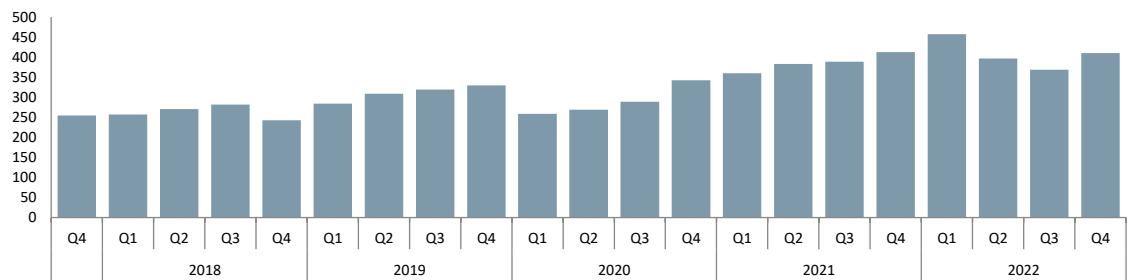
Company Name	Ticker	Enterprise Value	LTM Financials				Valuation Metrics			LTM Margins	
			Revenue	Gross Profit	EBITDA		EV / Revenue	EV / Gross Profit	EV / EBITDA	Gross Margin	EBITDA Margin
ABM Industries Incorporated	NYSE:ABM	\$4,253	\$7,807	\$1,109	\$462	0.5x	3.8x	9.2x	14.2%	5.9%	
ACCO Brands Corporation	NYSE:ACCO	\$1,619	\$1,948	\$552	\$205	0.8x	2.9x	7.9x	28.4%	10.5%	
Barrett Business Services, Inc.	NasdaqGS:BBSI	\$540	\$1,054	\$235	\$62	0.5x	2.3x	8.6x	22.3%	5.9%	
Brady Corporation	NYSE:BRC	\$2,357	\$1,303	\$632	\$234	1.8x	3.7x	10.1x	48.5%	18.0%	
CBIZ, Inc.	NYSE:CBZ	\$2,854	\$1,412	\$223	\$201	2.0x	12.8x	14.2x	15.8%	14.3%	
Cintas Corporation	NasdaqGS:CTAS	\$48,895	\$8,377	\$3,895	\$1,988	5.8x	12.6x	24.6x	46.5%	23.7%	
Clean Harbors, Inc.	NYSE:CLH	\$8,425	\$5,167	\$1,623	\$982	1.6x	5.2x	8.6x	31.4%	19.0%	
Copart, Inc.	NasdaqGS:CPRT	\$27,578	\$3,584	\$1,625	\$1,492	7.7x	17.0x	18.5x	45.3%	41.6%	
Deluxe Corporation	NYSE:DLX	\$2,421	\$2,238	\$1,207	\$328	1.1x	2.0x	7.4x	53.9%	14.6%	
Equifax Inc.	NYSE:EFX	\$29,455	\$5,122	\$2,945	\$1,658	5.8x	10.0x	17.8x	57.5%	32.4%	
FTI Consulting, Inc.	NYSE:FCN	\$5,577	\$3,029	\$963	\$360	1.8x	5.8x	15.5x	31.8%	11.9%	
Healthcare Services Group, Inc.	NasdaqGS:HCSG	\$815	\$1,690	\$194	\$63	0.5x	4.2x	13.0x	11.5%	3.7%	
HNI Corporation	NYSE:HNI	\$1,466	\$2,362	\$844	\$180	0.6x	1.7x	8.1x	35.7%	7.6%	
Huron Consulting Group Inc.	NasdaqGS:HURN	\$1,737	\$1,132	\$347	\$131	1.5x	5.0x	13.2x	30.6%	11.6%	
ICF International, Inc.	NasdaqGS:ICFI	\$2,781	\$1,780	\$646	\$167	1.6x	4.3x	16.6x	36.3%	9.4%	
Insperty, Inc.	NYSE:NSP	\$4,138	\$5,939	\$1,011	\$278	0.7x	4.1x	14.9x	17.0%	4.7%	
Interface, Inc.	NasdaqGS:TILE	\$1,101	\$1,302	\$456	\$178	0.8x	2.4x	6.2x	35.0%	13.7%	
Kelly Services, Inc.	NasdaqGS:KELY.A	\$590	\$4,982	\$1,008	\$110	0.1x	0.6x	5.4x	20.2%	2.2%	
Kforce Inc.	NasdaqGS:KFRC	\$1,087	\$1,711	\$501	\$120	0.6x	2.2x	9.1x	29.3%	7.0%	
Korn/Ferry International	NYSE:KFY	\$2,605	\$2,826	\$810	\$544	0.9x	3.2x	4.8x	28.7%	19.3%	
ManpowerGroup Inc.	NYSE:MAN	\$4,899	\$19,828	\$3,572	\$732	0.2x	1.4x	6.7x	18.0%	3.7%	
Matthews International Corporation	NasdaqGS:MATW	\$1,723	\$1,773	\$542	\$149	1.0x	3.2x	11.6x	30.5%	8.4%	
On Assignment, Inc.	NYSE:ASGN	\$4,996	\$4,581	\$1,370	\$501	1.1x	3.6x	10.0x	29.9%	10.9%	
Pitney Bowes Inc.	NYSE:PBI	\$2,557	\$3,538	\$1,080	\$291	0.7x	2.4x	8.8x	30.5%	8.2%	
Quad/Graphics, Inc.	NYSE:QUAD	\$1,049	\$3,217	\$598	\$252	0.3x	1.8x	4.2x	18.6%	7.8%	
Robert Half International Inc.	NYSE:RHI	\$7,519	\$7,238	\$3,094	\$1,024	1.0x	2.4x	7.3x	42.7%	14.1%	
Rollins, Inc.	NYSE:ROL	\$18,272	\$2,696	\$1,387	\$585	6.8x	13.2x	31.2x	51.5%	21.7%	
SP Plus Corporation	NasdaqGS:SP	\$1,214	\$794	\$219	\$114	1.5x	5.5x	10.7x	27.6%	14.3%	
Steelcase Inc.	NYSE:SCS	\$1,471	\$3,184	\$879	\$173	0.5x	1.7x	8.5x	27.6%	5.4%	
Stericycle, Inc.	NasdaqGS:SRCL	\$6,630	\$2,705	\$1,012	\$431	2.5x	6.6x	15.4x	37.4%	15.9%	
Team, Inc.	NYSE:TISI	\$530	\$912	\$230	-\$5	0.6x	2.3x	NM	25.2%	-0.6%	
Tetra Tech, Inc.	NasdaqGS:TTEK	\$7,980	\$2,836	\$576	\$368	2.8x	13.9x	21.7x	20.3%	13.0%	
The Brink's Company	NYSE:BCO	\$5,197	\$4,536	\$1,074	\$603	1.1x	4.8x	8.6x	23.7%	13.3%	
TransUnion	NYSE:TRU	\$16,472	\$3,710	\$2,487	\$1,178	4.4x	6.6x	14.0x	67.0%	31.8%	
TriNet Group, Inc.	NYSE:TNET	\$4,100	\$4,885	\$1,119	\$565	0.8x	3.7x	7.3x	22.9%	11.6%	
TrueBlue, Inc.	NYSE:TBI	\$660	\$2,254	\$602	\$98	0.3x	1.1x	6.7x	26.7%	4.4%	
UniFirst Corporation	NYSE:UNF	\$3,281	\$2,056	\$706	\$243	1.6x	4.6x	13.5x	34.3%	11.8%	
Viad Corp	NYSE:VVI	\$1,233	\$1,127	\$69	\$104	1.1x	17.8x	11.9x	6.1%	9.2%	
VSE Corporation	NasdaqGS:VSEC	\$921	\$950	\$78	\$81	1.0x	11.8x	11.3x	8.2%	8.5%	

Median	1.0x	3.8x	10.0x	29.3%	11.6%
Mean	1.7x	5.5x	11.7x	30.5%	12.6%

Business Services

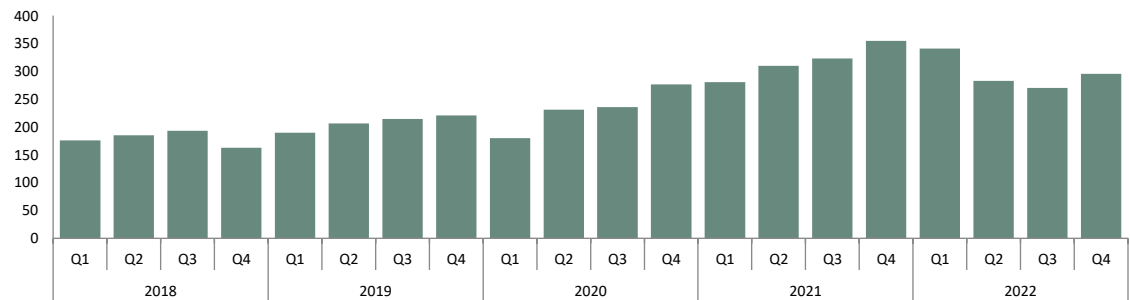
State of the Industry

S&P North America BMI Commercial & Professional Services Index



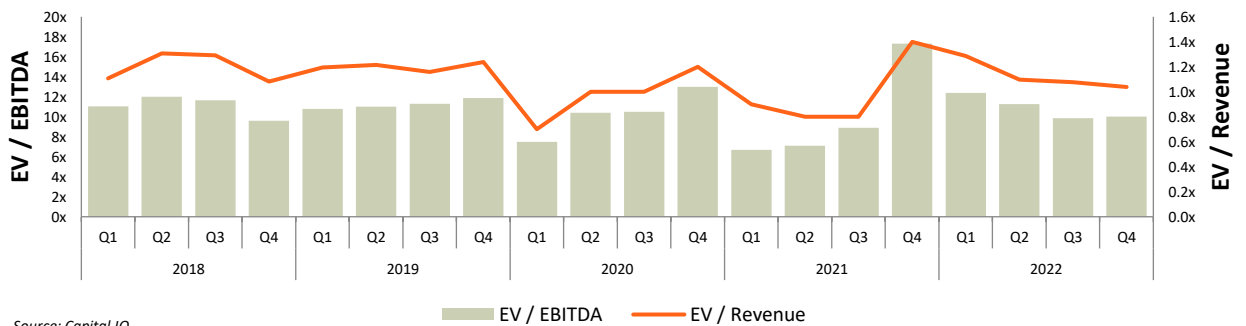
Source: Capital IQ

S&P 500 Professional Services Index



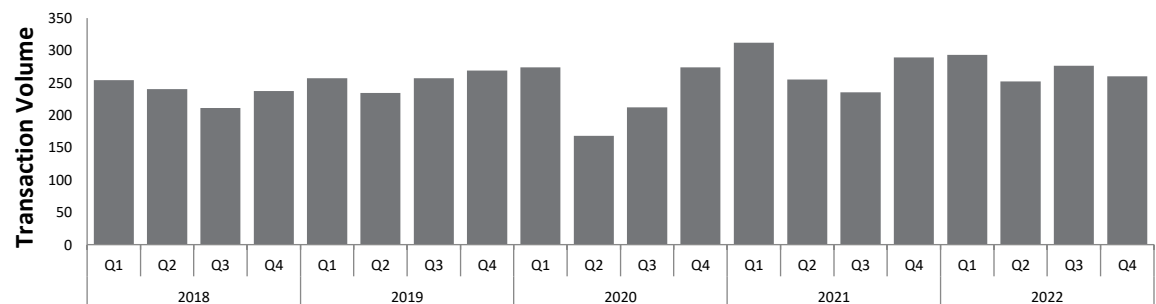
Source: Capital IQ

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.



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"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



Syrinx is a leading provider of high-end software development and technology staffing solutions serving clients in the greater Boston area. The Company has built a strong reputation in the marketplace since its founding in 1998. DeWinter Group ("DeWinter"), is a Silicon Valley-based provider of finance & accounting and technology staffing and recruitment. The acquisition of Syrinx adds significant scale to DeWinter's fast-growing technology line of business, Maris Consulting Group, and expands its skillset offering to its clients.



The Sanborn Map Company, Inc. a geospatial solution provider of analytics, imagery, lidar, photogrammetry, software applications, and related services to government and commercial clients. Applied Geographics, Inc. (AppGeo) has helped hundreds of governments and businesses develop the best GIS, location intelligence, and geospatial solutions for their needs.



Source Advisors, a leading specialized tax consulting firm providing R&D tax credit, cost segregation, LIFO inventory, §179D and §45L solutions nationwide for more than 38 years, has joined forces with Bedford Cost Segregation, an independent professional services firm specializing in cost segregation and innovative tax and energy solutions for the commercial real estate industry. Bedford is an independent professional services firm specializing in cost segregation and innovative tax and energy solutions for the commercial real estate industry.



Virtual, Inc., is a leading provider of professional services to standards organizations. Virtual provides strategic advisory and execution services that drive real results for technology consortia, standards groups, and associations that are forming, growing, or changing. inMotion specializes in creating experiences that matter for technology, professional, and industry associations and healthcare organizations. Over the years inMotion has helped clients engage and retain members, drive new membership, generate revenue, automate tasks and stretch resources. inMotion has worked on labor market projects, marketing campaigns, and increased sponsorship opportunities.