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Spotlight

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Business Process Outsourcing

Industry News

Business Process Outsourcing Trends In 2023

Unity [Full Article](#)

Despite major sectoral challenges such as the “Great Resignation” and the COVID-19 Pandemic, the BPO industry has remained resilient, and continues to be an integral part of the business landscape.

The BPO space will benefit from rapid innovation in Artificial Intelligence (AI) and automation, blockchain technology, and further advances in data analytics. Overall automation will cut costs, improve operational efficiency, enhance the customer experience, and, ultimately, improve corporate profits.

3 Trends In Outsourcing to Follow In 2023

Forbes [Full Article](#)

Outsourcing accounts is a longstanding business practice, but it is becoming increasingly common for firms to outsource financial leadership positions such as CFOs and CMOs. Although C-suite outsourcing is becoming more popular, the vast majority of outsourcing occurs further down the org chart.

Business Process Outsourcing Market Slated to be Worth USD 544.8 Billion by 2032

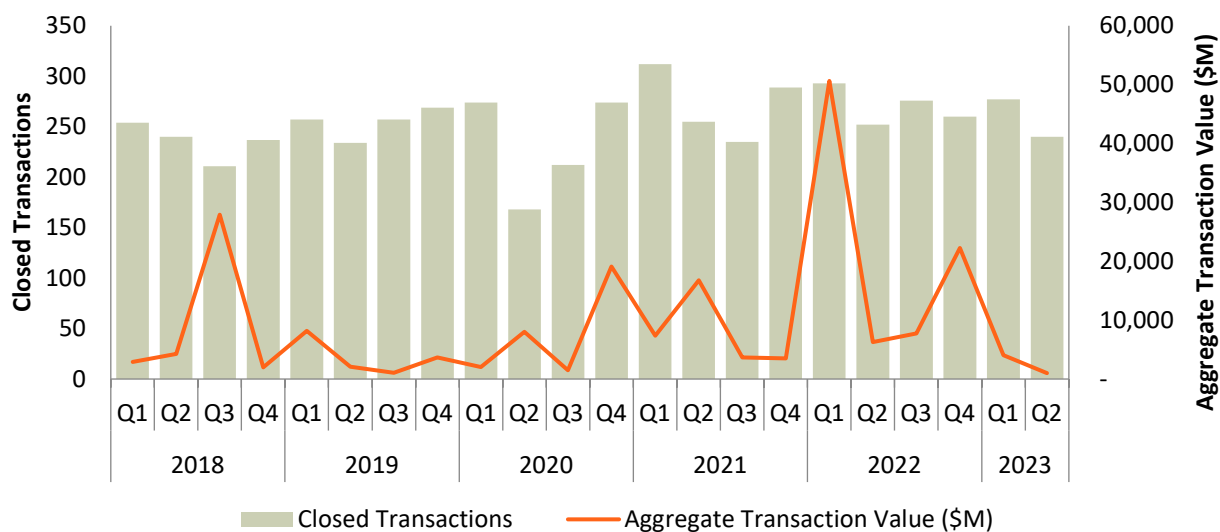
GlobalNewswire [Full Article](#)

Business Process Outsourcing (BPO) market has shown remarkable growth in recent years and is set to continue expanding in the upcoming years. Factors driving this growth include cost savings, technological advancements, and an experienced labor pool.

In 2022, North America led the market with the highest revenue share of 35%.

BPO

BPO M&A

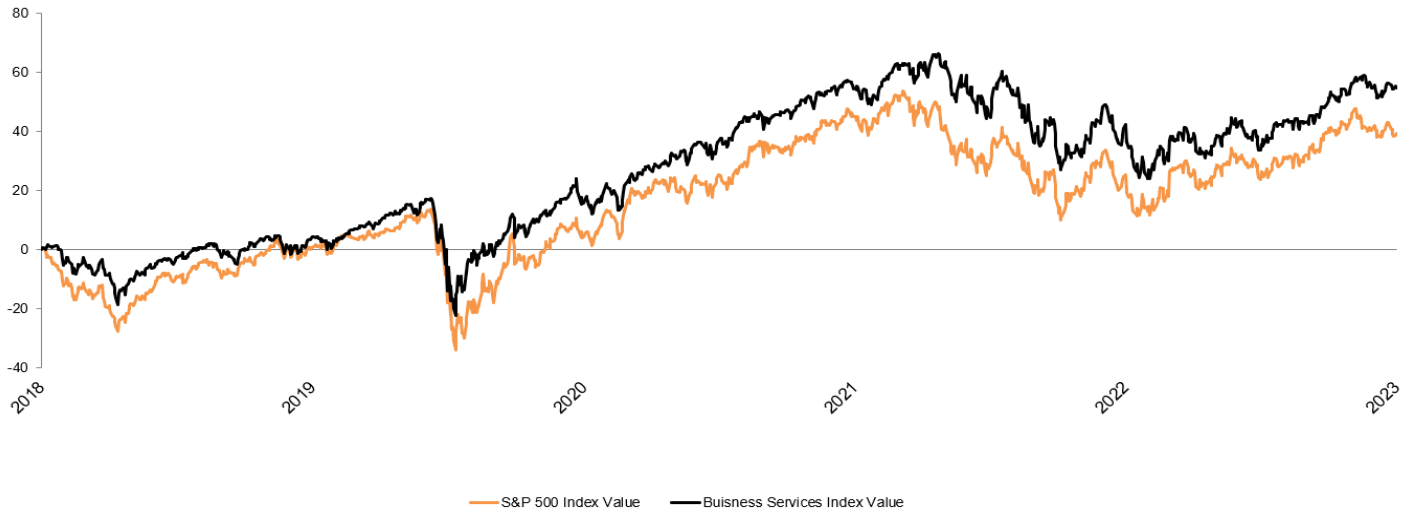


Selected 2023 BPO Transactions

Date Closed	Target	Buyers/Investors
04/19/2023	Atlas Technical Consultants, Inc.	GI Manager L.P.
04/03/2023	Graydon Head & Ritchey LLP	Bricker & Eckler LLP
06/30/2023	Keesal Propulsion Labs, LLC	HBR Consulting LLC
06/30/2023	L.M. Cohen & Company, LLP	Ascend Partners Topco LP
06/01/2023	Bev's Auto Tags, LLC	Keystone Agency Partners LLC
06/29/2023	Thruue Inc.	TiER1 Performance Solutions, LLC
06/27/2023	Baseline Controls, Inc.	Precision for Medicine, Inc.
06/22/2023	Joint Research And Development, Inc.	Broadtree Partners
06/22/2023	Digital Vending Solutions, LLC	RockItCoin, LLC
06/21/2023	Parallax Team, Inc.	Michael Graves Architecture & Design
06/21/2023	Wally Two, Inc.	Kaas Wilson Architects, LLC

Business Services

The Business Services sector continues to boom in the second quarter of 2023 after picking up in the first quarter. The sector is seeing strong growth due to economic recovery, and migration into digitalization.



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	\$4,266	\$7,948	\$1,093	\$451	0.5x	3.9x	9.5x	13.8%	5.7%
ACCO Brands Corporation	NYSE:ACCO	\$1,554	\$1,881	\$566	\$211	0.8x	2.7x	7.4x	30.1%	11.2%
Barrett Business Services, Inc.	NasdaqGS:BBSI	\$481	\$1,065	\$236	\$61	0.5x	2.0x	7.9x	22.2%	5.7%
Brady Corporation	NYSE:BRC	\$2,297	\$1,310	\$645	\$249	1.8x	3.6x	9.2x	49.2%	19.0%
CBIZ, Inc.	NYSE:CBZ	\$3,278	\$1,511	\$213	\$187	2.2x	15.4x	17.5x	14.1%	12.4%
Cintas Corporation	NasdaqGS:CTAS	\$53,382	\$8,816	\$4,173	\$2,093	6.1x	12.8x	25.5x	47.3%	23.7%
Clean Harbors, Inc.	NYSE:CLH	\$11,201	\$5,346	\$1,665	\$997	2.1x	6.7x	11.2x	31.1%	18.7%
Copart, Inc.	NasdaqGS:CPRT	\$41,562	\$3,755	\$1,694	\$1,563	11.1x	24.5x	26.6x	45.1%	41.6%
Deluxe Corporation	NYSE:DLX	\$2,480	\$2,236	\$1,202	\$337	1.1x	2.1x	7.3x	53.7%	15.1%
Equifax Inc.	NYSE:EFX	\$34,447	\$5,062	\$2,812	\$1,486	6.8x	12.3x	23.2x	55.5%	29.4%
FTI Consulting, Inc.	NYSE:FCN	\$6,714	\$3,222	\$1,027	\$376	2.1x	6.5x	17.9x	31.9%	11.7%
Healthcare Services Group, Inc.	NasdaqGS:HCSG	\$1,045	\$1,675	\$202	\$56	0.6x	5.2x	18.7x	12.1%	3.3%
HNI Corporation	NYSE:HNI	\$1,469	\$2,269	\$821	\$169	0.6x	1.8x	8.7x	36.2%	7.5%
Huron Consulting Group Inc.	NasdaqGS:HURN	\$1,990	\$1,264	\$391	\$144	1.6x	5.1x	13.9x	30.9%	11.4%
ICF International, Inc.	NasdaqGS:ICFI	\$3,151	\$1,927	\$681	\$185	1.6x	4.6x	17.1x	35.4%	9.6%
Insperty, Inc.	NYSE:NSP	\$4,235	\$6,284	\$1,042	\$269	0.7x	4.1x	15.8x	16.6%	4.3%
Interface, Inc.	NasdaqGS:TILE	\$999	\$1,306	\$430	\$145	0.8x	2.3x	6.9x	33.0%	11.1%
Kelly Services, Inc.	NasdaqGS:KELY.A	\$589	\$4,937	\$1,007	\$91	0.1x	0.6x	6.5x	20.4%	1.8%
Kforce Inc.	NasdaqGS:KFRC	\$1,258	\$1,652	\$470	\$107	0.8x	0.7x	11.7x	28.5%	6.5%
Korn/Ferry International	NYSE:KFY	\$2,275	\$2,835	\$693	\$406	0.8x	3.3x	5.6x	24.4%	14.3%
ManpowerGroup Inc.	NYSE:MAN	\$4,684	\$19,219	\$3,480	\$632	0.2x	1.3x	7.4x	18.1%	3.3%
Matthews International Corporation	NasdaqGS:MATW	\$2,115	\$1,858	\$573	\$138	1.1x	3.7x	15.3x	30.8%	7.4%
On Assignment, Inc.	NYSE:ASGN	\$4,760	\$4,608	\$1,352	\$482	1.0x	3.5x	9.9x	29.3%	10.5%
Pitney Bowes Inc.	NYSE:PBI	\$2,577	\$3,351	\$1,032	\$248	0.8x	2.5x	10.4x	30.8%	7.4%
Quad/Graphics, Inc.	NYSE:QUAD	\$935	\$3,185	\$616	\$258	0.3x	1.5x	3.6x	19.4%	8.1%
Robert Half International Inc.	NYSE:RHI	\$7,648	\$6,916	\$2,857	\$718	1.1x	2.7x	10.6x	41.3%	10.4%
Rollins, Inc.	NYSE:ROL	\$21,325	\$2,870	\$1,483	\$628	7.4x	14.4x	34.0x	51.7%	21.9%
SP Plus Corporation	NasdaqGS:SP	\$1,322	\$851	\$235	\$118	1.6x	5.6x	11.2x	27.6%	13.9%
Steelcase Inc.	NYSE:SCS	\$1,495	\$3,244	\$965	\$219	0.5x	1.5x	6.8x	29.8%	6.7%
Stericycle, Inc.	NasdaqGS:SRCL	\$6,174	\$2,715	\$1,018	\$505	2.3x	6.1x	12.2x	37.5%	18.6%
Team, Inc.	NYSE:TISI	\$345	\$871	\$216	\$230	0.4x	1.6x	1.5x	24.8%	26.3%
Tetra Tech, Inc.	NasdaqGS:TTEK	\$9,789	\$3,163	\$625	\$402	3.1x	15.7x	24.3x	19.8%	12.7%
The Brink's Company	NYSE:BCO	\$6,075	\$4,729	\$1,110	\$655	1.3x	5.5x	9.3x	23.5%	13.9%
TransUnion	NYSE:TRU	\$20,495	\$3,749	\$2,448	\$1,165	5.5x	8.4x	17.6x	65.3%	31.1%
TriNet Group, Inc.	NYSE:TNET	\$5,690	\$4,922	\$1,101	\$548	1.2x	5.2x	10.4x	22.4%	11.1%
TrueBlue, Inc.	NYSE:TBI	\$550	\$2,074	\$557	\$52	0.3x	1.0x	10.6x	26.9%	2.5%
UniFirst Corporation	NYSE:UNF	\$2,893	\$2,178	\$737	\$248	1.3x	3.9x	11.7x	33.9%	11.4%
Viad Corp	NYSE:VVI	\$1,311	\$1,212	\$83	\$116	1.1x	15.7x	11.3x	6.9%	9.6%
VSE Corporation	NasdaqGS:VSEC	\$1,087	\$1,013	\$95	\$97	1.1x	11.5x	11.2x	9.3%	9.6%

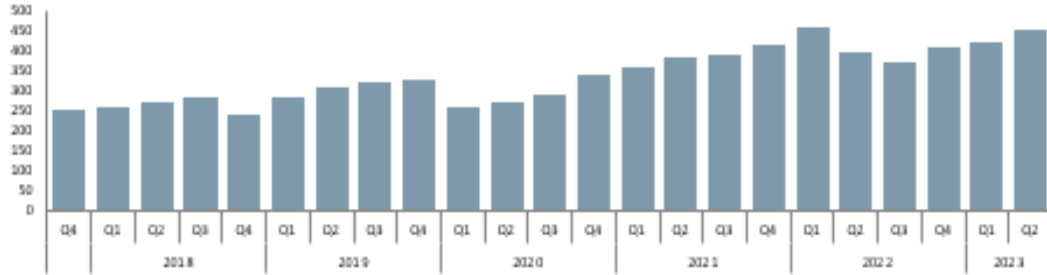
Dated: 6/30/2023

Median	1.1x	3.9x	11.2x	29.8%	11.1%
Mean	1.9x	6.0x	12.7x	30.3%	12.8%

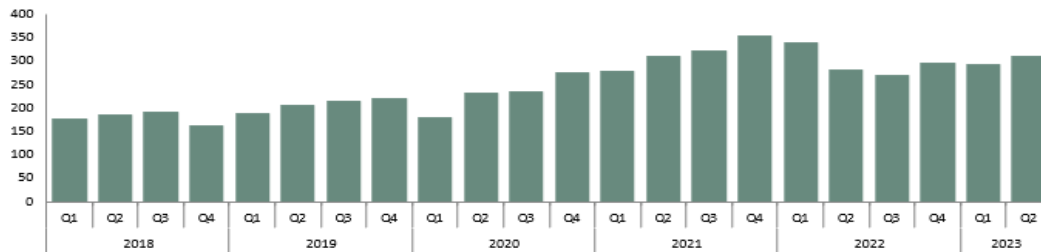
Business Services

State of the Industry

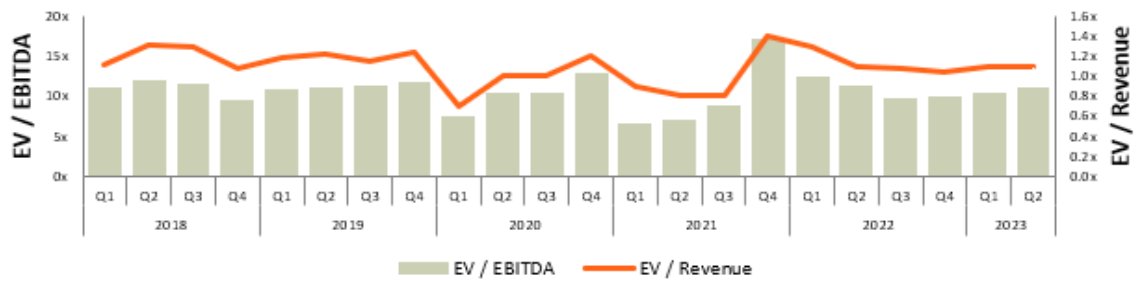
S&P North America BMI Commercial & Professional Services Index



S&P 500 Professional Services Index

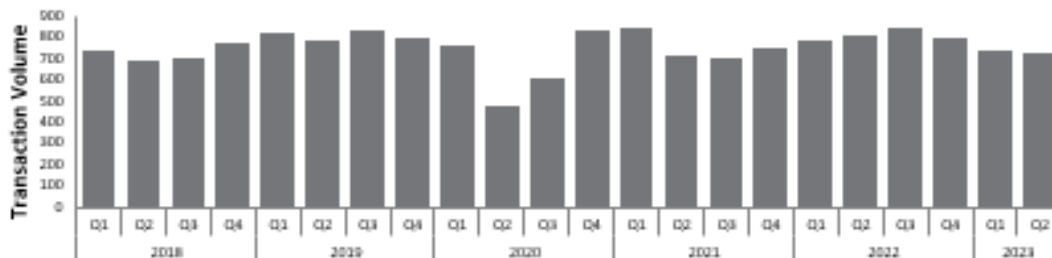


Industry Valuations



Source: Capital IQ

Business Services Transaction Volume





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

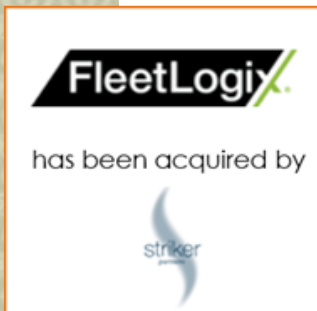
Mirus Business Services Spotlight



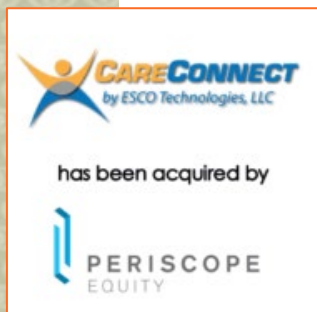
Syrinx is a leading provider of high-end software development and technology staffing solutions serving clients in the greater Boston area. The Company has built a strong reputation in the marketplace since its founding in 1998 through a relentless focus on sourcing high quality, hard-to-find candidates with specialized skillsets across programming languages, including .NET, Python, Java, and SQL. The Company also produces a podcast called "Underserved", which hosts leaders and visionaries from across the technology industry. The acquisition of Syrinx bolsters DeWinter's technology staffing capabilities with software development skillsets and adds East Coast reach.



Virtual, Inc., the leading provider of professional services to standards organizations, consortia, and associations, has acquired award-winning digital marketing agency inMotion DVS, Inc., of Ottawa, Canada. The addition of the inMotion team to the Virtual family enables the company to deliver greater web, video, and digital marketing services while adding more than 50 associations and enterprises to its client roster.



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.



ESCO Technologies provides CareConnect®, the nation's only fully-integrated suite of managed communication and entertainment services designed specifically for senior living communities. CareConnect includes value-added IPTV, nurse call resident safety systems, IT managed services, residential and business voice, on-site technology concierge services, and off-site customer support. Periscope Equity is a Chicago-based private equity firm, which makes control investments in founder-owned technology-enabled service and software companies.