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Business Services Industry

**Mirus**

**HR & Employment Services**

**REPORT**

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# HR & Employment Services

## Where HR Will Focus in 2024

Gartner [Full Article](#)

Gartner surveyed more than 500 HR leaders across all major industries to identify their priorities and challenges for 2024. The largest share of respondents put leader and manager development on their list, but many HR leaders also plan to prioritize organizational culture, HR technology, change management and career management, and internal mobility.

What's driving these priorities? Peter Aykens, Chief of Research, HR Practice at Gartner, states, "The road to a new model of work, leadership and employee engagement has been a bumpy one. In 2024, HR will combat an unsettled employee-employer relationship and will face pressures and opportunities to transform HR's performance through technology. Plus, it will continue to be a challenging talent market."

## From Function to Discipline: The Rise of Boundaryless HR

Deloitte [Full Article](#)

To meet the new demands of a boundaryless world, human resources itself should become boundaryless, shifting from a specialized function that owns most workforce responsibility to a boundaryless discipline, cocreated and integrated with the people, business, and community it serves. One where people expertise isn't solely owned by HR, but where the people discipline in an organization becomes a responsibility and capability of all, woven throughout the fabric of the business to create multidisciplinary solutions to increasingly complex problems.

As leaders recognize the critical importance of people expertise, it becomes less of a question as to where this expertise is housed—or where, when, and how it is delivered through an HR operating model — and more of a question of how to operationalize people expertise throughout the organization at the point of need. "HR is an ability and a discipline that everybody has to have," explains Gabriel Sander, head of human resources at Cuervo. "As HR, we have to stop thinking that our managers being better is a detriment to our function. Every person who works with other people has to be good at HR."

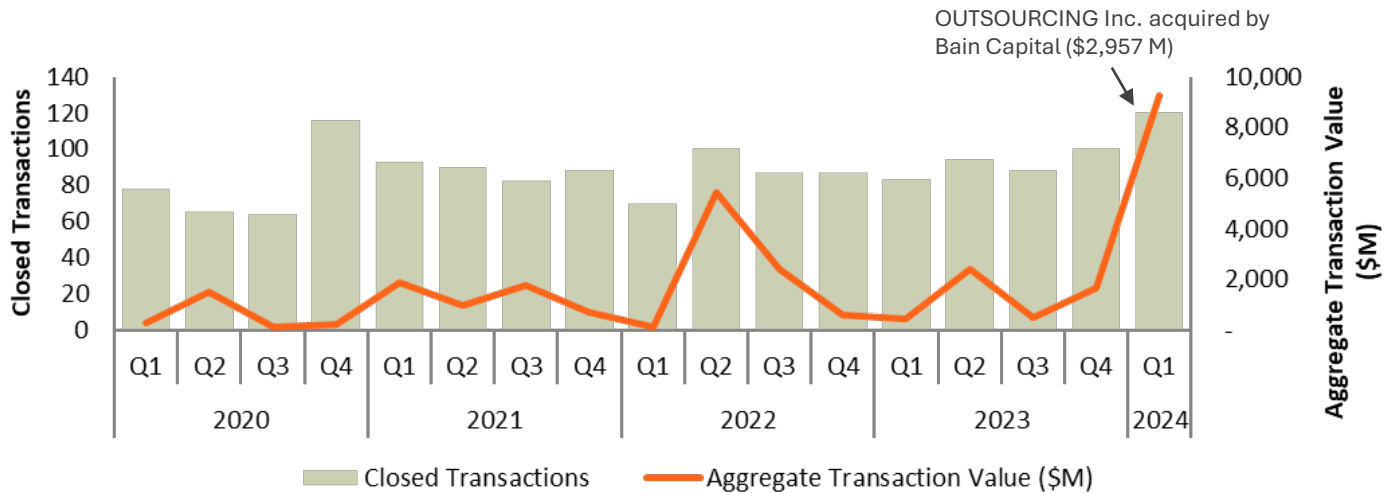
## Human Resource and Recruitment Trends for 2024

Forbes [Full Article](#)

HR decision-makers and recruiters are optimistic about the future of recruiting with 86% of talent practitioners expressing positivity about what the future of talent acquisition holds, according to research by Jobvite. Five key trends will shape the industry over the next 12 months and will bring about significant changes for HR and people leaders. These include Intentionality Regarding Hybrid Work; Upskilling; Automation; Predictive Analytics and Data-Driven HR; and DEI.

More than half of the companies surveyed said budget increases will be allocated toward AI-powered recruiting tools, followed by DEI initiatives, candidate relationship management, applicant tracking systems, career sites, sourcing technologies, job boards and offers.

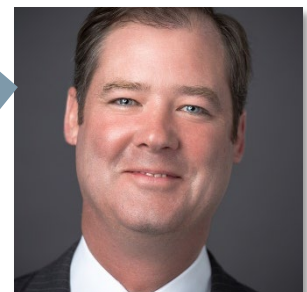
# HR & Employment Services M&A Environment



## Selected HR & Employment Services Transactions

| Date Closed | Target   | Buyers/Investors                              | Enterprise Value (\$M) | EV / LTM |        |
|-------------|--|---|------------------------|----------|--------|
|             |  |   |                        | Revenue  | EBITDA |
| 3/27/2024   | OUTSOURCING Inc. (TSE:2427)                    | Bain Capital Private Equity, LP               | 2,428.8                | 0.5x     | 9.6x   |
| 3/26/2024   | Welbe, Inc. (TSE:6556)                         | Polaris Capital Group Co., Ltd.               | 202.9                  | 2.6x     | 15.6x  |
| 3/21/2024   | Impellam Group plc                             | HeadFirst Global B.V.                         | 547.3                  | 0.2x     | 12.7x  |
| 3/21/2024   | UMW Holdings Berhad                            | SIME DARBY ENTERPRISE SDN BHD                 | 1,342.2                | 0.3x     | 4.0x   |
| 3/19/2024   | Efecte Oy (HLSE:EFECTE)                        | Matrix42 AG                                   | 107.8                  | 4.0x     | -      |
| 3/18/2024   | Prosegur Compañía de Seguridad, S.A. (BME:PSG) | Gubel, S.L.                                   | 2,827.7                | 0.6x     | 6.0x   |
| 3/11/2024   | Benefit One Inc. (TSE:2412)                    | Dai-ichi Life Holdings, Inc. (TSE:8750)       | 2,313.1                | 8.7x     | 31.2x  |
| 3/11/2024   | Payroll Inc. (TSE:4489)                        | TA Associates Management, L.P.                | 194.9                  | 3.0x     | 10.7x  |
| 3/7/2024    | GUPPY's Inc. (TSE:5127)                        | Medley, Inc. (TSE:4480)                       | 70.2                   | 4.3x     | 16.8x  |
| 3/4/2024    | Benesse Holdings, Inc. (TSE:9783)              | EQT Private Capital Asia; EFU Investments Lin | 1,732.6                | 0.6x     | 6.6x   |
| 2/29/2024   | CMI Management, Inc.                           | Dexterra Group Inc. (TSX:DXT)                 | 23.0                   | -        | -      |
| 2/16/2024   | FourQuarters Recruitment Pty. Ltd.             | Matching Service Japan Co., Ltd. (TSE:6539)   | 30.0                   | 1.1x     | -      |
| 1/19/2024   | Investigo Limited                              | Career International AP (Hong Kong) Limited   | 266.7                  | -        | -      |
| 1/15/2024   | JOB Just On Business s.p.a.                    | Openjobmetis S.p.A. (BIT:OJM)                 | 32.6                   | 0.3x     | 11.9x  |
| 1/5/2024    | STEICO SE (XTRA:ST5)                           | Kingspan Group plc (ISE:KRX)                  | 1,051.6                | -        | 3.6x   |
| 1/3/2024    | Kelly Services Management Sàrl                 | Gi Holding S.r.l                              | 138.0                  | 2.4x     | 13.8x  |

“HR and employment services companies continue to be attractive targets for strategic acquirers seeking solutions to address labor market challenges, gain access to highly skilled and experienced HR professionals, and achieve growth through expanding services. These expansions often target areas focused on technological advancement and changing office dynamics.”

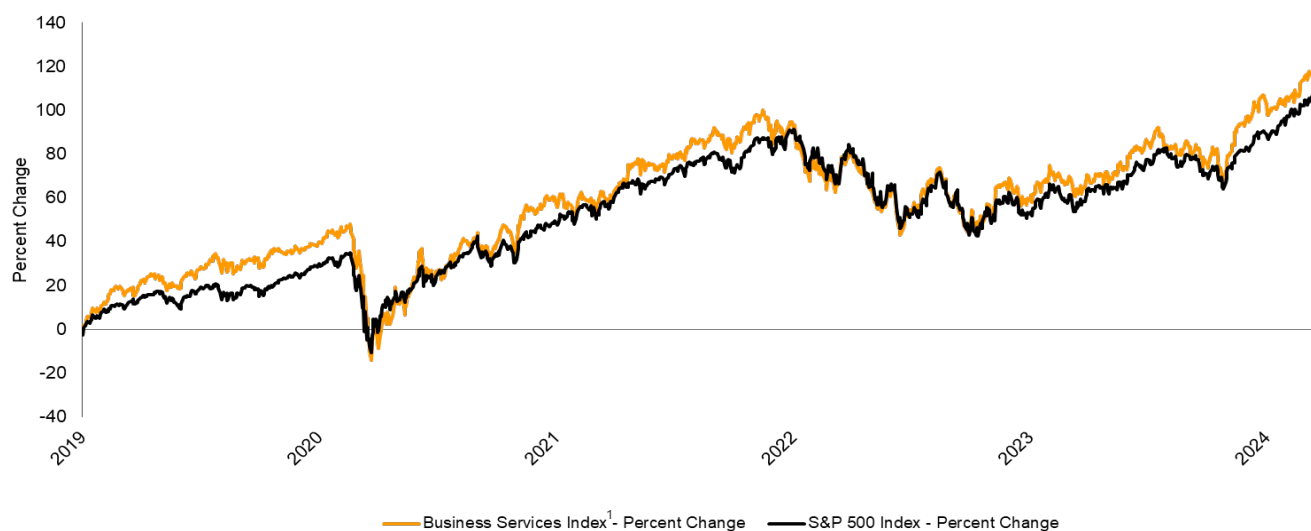


**Brendan Kiernan**  
Partner

# Sector Update: Business Services

The business services sector is facing pressure to transform through the use of technology such as AI, IoT, and predictive analytics. Facility maintenance services, information services, marketing services, and human capital management are poised for rapid digital transformation.

## Select Business Services Index v. S&P 500



<sup>1</sup>Business Services Index comprises 50 select representative public companies from the sector

## Select HR & Employment Services Public Companies

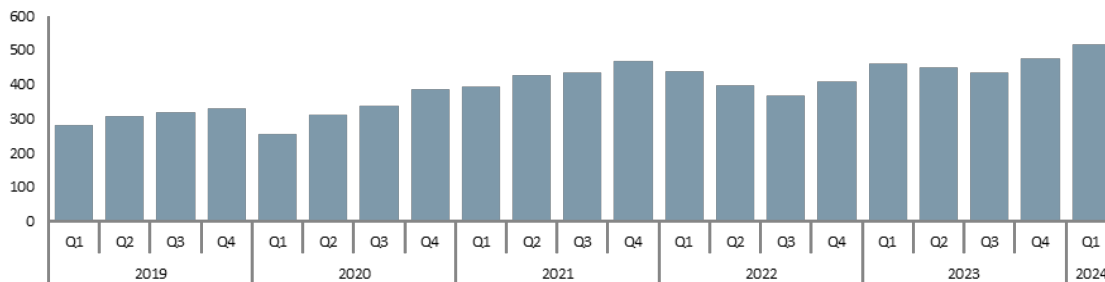
| Company Name                             | Ticker           | LTM Financials   |          |              |        | Valuation Metrics |                   |             | LTM Margins  |               |      |
|--|------------------|------------------|----------|--------------|--------|-------------------|-------------------|-------------|--------------|---------------|------|
|  |                  | Enterprise Value | Revenue  | Gross Profit | EBITDA | EV / Revenue      | EV / Gross Profit | EV / EBITDA | Gross Margin | EBITDA Margin |      |
| Adecco Group AG                          | SWX:ADEN         | \$9,929          | \$25,658 | \$5,259      | \$971  | 0.4x              | 1.9x              | 10.2x       | 20.5%        | 3.8%          |      |
| Aeries Technology, Inc                   | NasdaqCM: AERT   | \$57             | \$68     | \$20         | \$7    | 0.8x              | 2.9x              | 8.0x        | 28.9%        | 10.5%         |      |
| ASGN Incorporated                        | NYSE: ASGN       | \$5,806          | \$4,371  | \$1,250      | \$451  | 1.3x              | 4.6x              | 12.9x       | 28.6%        | 10.3%         |      |
| Barrett Business Services, Inc.          | NasdaqGS: BBSI   | \$702            | \$1,080  | \$241        | \$61   | 0.6x              | 2.9x              | 11.5x       | 22.3%        | 5.7%          |      |
| BGSF, Inc.                               | NYSE: BGSF       | \$183            | \$307    | \$108        | \$23   | 0.6x              | 1.7x              | 8.1x        | 35.4%        | 7.4%          |      |
| Brunel International N.V.                | ENXTAM: BRNL     | \$595            | \$1,471  | \$302        | \$67   | 0.4x              | 2.0x              | 8.9x        | 20.6%        | 4.5%          |      |
| GEE Group Inc.                           | NYSEAM: JOB      | \$23             | \$131    | \$44         | \$1    | 0.2x              | 0.5x              | 28.1x       | 33.4%        | 0.6%          |      |
| Hays plc                                 | LSE: HAS         | \$2,052          | \$9,275  | \$456        | \$230  | 0.2x              | 4.5x              | 8.9x        | 4.9%         | 2.5%          |      |
| Heidrick & Struggles International, Inc. | NasdaqGS: HSII   | \$299            | \$1,053  | \$268        | \$102  | 0.3x              | 1.1x              | 2.9x        | 25.4%        | 9.7%          |      |
| HireQuest, Inc.                          | NasdaqCM: HQI    | \$194            | \$36     | \$36         | \$13   | 5.3x              | 5.3x              | 15.2x       | 100.0%       | 35.0%         |      |
| Hudson Global, Inc.                      | HSOON            | \$29             | \$152    | \$14         | \$0    | 0.2x              | 2.0x              | NM          | 9.4%         | NM            |      |
| Insperty, Inc.                           | NYSE: NSP        | \$3,825          | \$6,518  | \$1,050      | \$235  | 0.6x              | 3.6x              | 27.7x       | 16.1%        | 22.4%         |      |
| Kelly Services, Inc.                     | NasdaqGS: KELY.A | \$809            | \$4,613  | \$913        | \$99   | 0.2x              | 0.9x              | 8.2x        | 19.8%        | 2.1%          |      |
| Kforce Inc.                              | NYSE: KFRC       | \$1,377          | \$1,478  | \$408        | \$83   | 0.9x              | 3.4x              | 16.6x       | 27.6%        | 5.6%          |      |
| Korn Ferry                               | NYSE: KFY        | \$3,246          | \$2,803  | \$603        | \$317  | 1.2x              | 5.4x              | 10.2x       | 21.5%        | 11.3%         |      |
| ManpowerGroup Inc.                       | NYSE: MAN        | \$4,612          | \$18,566 | \$3,259      | \$484  | 0.2x              | 1.4x              | 9.5x        | 17.6%        | 2.6%          |      |
| Mastech Digital, Inc.                    | NYSEAM: MHH      | \$88             | \$193    | \$50         | \$1    | 0.5x              | 1.8x              | 68.5x       | 25.8%        | 0.7%          |      |
| PageGroup plc                            | LSE: PAGE        | \$1,804          | \$2,561  | \$1,283      | \$169  | 0.7x              | 1.4x              | 10.7x       | 50.1%        | 6.6%          |      |
| Professional Diversity Network, Inc.     | NasdaqCM: IPDN   | \$20             | \$7      | \$4          | NM     | 2.6x              | 4.4x              | NM          | 60.1%        | NM            |      |
| Randstad N.V.                            | ENXTAM: RAND     | \$10,722         | \$26,805 | \$5,512      | \$959  | 0.4x              | 1.9x              | 11.2x       | 20.6%        | 3.6%          |      |
| RCM Technologies, Inc.                   | NasdaqGM: RCMT   | \$197            | \$268    | \$78         | \$25   | 0.7x              | 2.5x              | 7.9x        | 29.1%        | 9.3%          |      |
| Resources Connection, Inc.               | NasdaqGS: RGP    | \$362            | \$669    | \$262        | \$48   | 0.5x              | 1.4x              | 7.5x        | 39.2%        | 7.2%          |      |
| Robert Half Inc.                         | NYSE: RHI        | \$7,712          | \$6,152  | \$2,448      | \$423  | 1.3x              | 3.2x              | 18.2x       | 39.8%        | 6.9%          |      |
| Robert Walters plc                       | LSE: RWA         | \$337            | \$1,355  | \$493        | \$41   | 0.2x              | 0.7x              | 8.3x        | 36.3%        | 3.0%          |      |
| RTC Group plc                            | AIM: RTC         | \$20             | \$126    | \$22         | \$4    | 0.2x              | 0.9x              | 4.5x        | 17.7%        | 3.4%          |      |
| ShiftPixy, Inc.                          | NasdaqCM: PIXY   | \$18             | \$15     | \$1          | NM     | 1.2x              | 27.5x             | NM          | 4.4%         | NM            |      |
| Staffing 360 Solutions, Inc.             | NasdaqCM: STAF   | \$44             | \$259    | \$39         | NM     | 0.2x              | 1.1x              | NM          | 15.1%        | NM            |      |
| Staffline Group plc                      | AIM: STAF        | \$44             | \$1,195  | \$103        | \$17   | 0.0x              | 0.4x              | 2.5x        | 8.6%         | 1.4%          |      |
| TriNet Group, Inc.                       | NYSE: TNET       | \$7,342          | \$4,940  | \$1,064      | \$473  | 1.5x              | 4.6x              | 15.5x       | 21.5%        | 9.6%          |      |
| TrueBlue, Inc.                           | NYSE: TBI        | \$392            | \$1,844  | \$482        | \$12   | 0.2x              | 0.8x              | 31.6x       | 26.2%        | 0.7%          |      |
|  |                  |                  |          |              |        | Median            | 0.5x              | 2.0x        | 10.2x        | 23.8%         | 5.6% |
|  |                  |                  |          |              |        | Mean              | 0.8x              | 3.2x        | 14.4x        | 27.5%         | 7.2% |



# Sector Update: Business Services

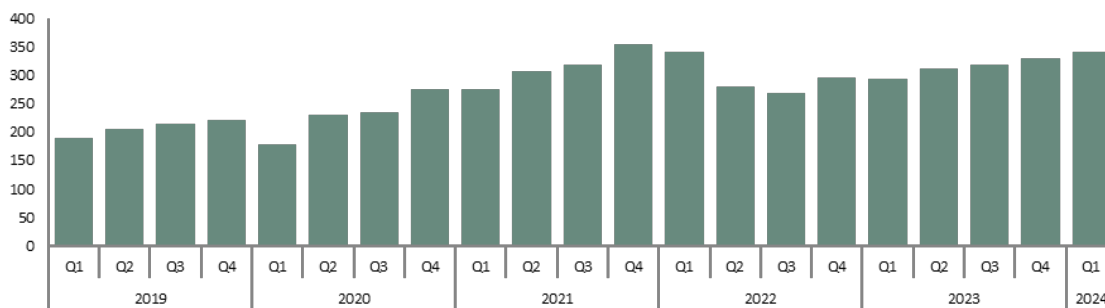
## State of the Industry

### S&P North America BMI Commercial & Professional Services Index



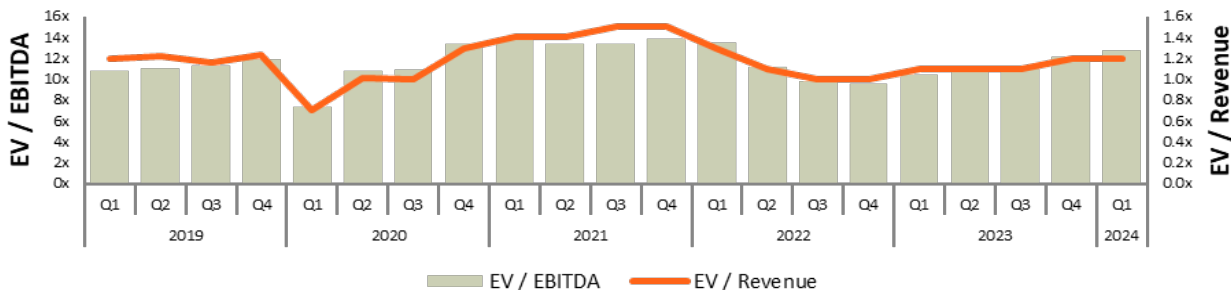
Source: Capital IQ

### S&P 500 Professional Services Index



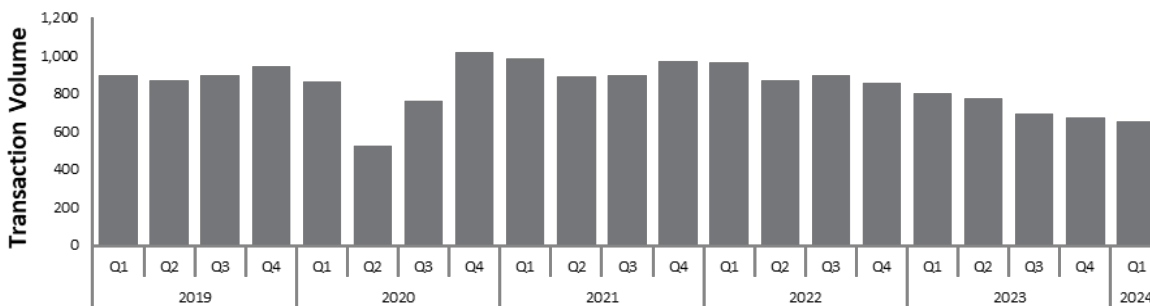
Source: Capital IQ

### Industry Valuations



Source: Capital IQ

### Business Services Transaction Volume



Source: Capital IQ



# 35 Years. 350 Deals.

## The Value of Accomplishment

### 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.

### 35 Years. 350 Deals.

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.
- 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.

# Partner Spotlight

## Brendan Kiernan

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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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# Trusted advisors to businesses just like yours

## Notable Mirus business services transactions



has received a strategic investment from

**SERVICE POINT**

a portfolio company of

**MILL POINT CAPITAL**

Headquartered in Boston, MA, INNO4 is a leading technology integrator and solutions provider that designs, installs, and supports custom, mission-critical data infrastructure, audio visual, IT services, and managed services solutions for medium and large enterprises in the U.S. and Canada. Founded in 2010, INNO4 serves over 200 customers across a variety of sectors including e-commerce & retail, healthcare, real estate, technology, and financial services, among others. The company employs over 180 people across its five U.S. locations. Mill Point Capital is a private equity firm focused on control investments in lower-middle market companies in North America across the business services, industrials and IT services sectors.



has been acquired by



a portfolio company of



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.



has been acquired by



Applied Geographics, Inc. (AppGeo) has helped hundreds of governments and businesses develop the best GIS, location intelligence, and geospatial solutions for their needs. The Sanborn Map Company, Inc. is a geospatial solution provider of analytics, imagery, lidar, photogrammetry, software applications, and related services to government and commercial clients. AppGeo will continue to operate under the AppGeo brand name as a wholly owned subsidiary of Sanborn, aligning its full range of products and services with the extensive capabilities of Sanborn.



has merged with



a portfolio company of



Bedford is an independent professional services firm specializing in cost segregation and innovative tax and energy solutions for the commercial real estate industry has joined forces with Source Advisors. Source Advisors is 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.



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