

Business Services Industry

Mirus

Incentives, Rewards & Recognition (IRR)

REPORT

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What We're Reading

H.I.G. Growth Partners Completes Sale of CarltonOne

Company website [Full Article](#)

H.I.G. Growth Partners completed the sale of its portfolio company, CarltonOne Engagement (“CarltonOne”), a SaaS engagement and e-Commerce platform for creating B2B employee recognition, to Goldman Sachs Asset Management in June 2024. Financial terms were not disclosed. Operating in over 185 countries, CarltonOne programs engage 14 million customers globally, including the world’s largest organizations and brands, to create employee recognition, sales & channel incentive, customer loyalty, and rewards programs. CarltonOne will look to become a cornerstone platform provider to the global engagement, loyalty, channel incentive, and rewards marketplace, and will accelerate its global expansion into new markets.

The AI Advantage: Revolutionizing Company Culture for Unmatched Business Success

Harvard Business Review [Full Article](#)

This sponsored article from Workhuman discusses the implementation of AI technology to measure and drive firm-wide culture initiatives, resulting in positive employee engagement and increased retention. Where companies previously relied on basic data—join dates, end dates, compensation metrics, use of PTO, and surveys—to measure culture, AI can quickly and efficiently scrape data from peer-to-peer employee recognition programs to uncover hidden insights for every employee, not only those that answer surveys, and yield real-time, actionable data to inform decisions.

“In an era when loneliness and isolation are rampant at work, the value of giving employees a sense of belonging cannot be understated. Employees who strongly agree that recognition is an important part of their organization’s culture are 3.7 times as likely to be engaged and about half as likely to experience frequent burnout than those who do not. And new hires who earn awards within their first year at a company are twice as likely to stay at the organization.”

2024 Trends the Best Channel Partner Programs are Adopting

ITA Group [Full Article](#)

This article highlights key channel partner engagement trends gaining traction in 2024. Channel partner enablement has emerged as the top strategic initiative, providing partners with tailored tools, training, and resources. Behavior-based incentives drive key performance indicators through encouragement of specific actions. Channel partners expect personalized program elements based on roles and markets, and access to advanced analytics and actionable dashboards are now table-stakes.

“Most AI adoption is happening inside product and service offerings, or to augment internal organizational knowledge and efficiency. However, we’re also seeing AI make improvements in channel programs through data analysis and marketing material customization.”

Incentives, Rewards, and Recognition (IRR)

Sector Update

Following the launch of our inaugural report this past spring, the team at Mirus is pleased to offer additional insights from this niche market in our Q2 2024 report. This update includes incremental information on composite valuation, range of multiples, and recent capital markets activity within the IRR sector.

IRR M&A Activity: Q2 2024

Announced	Target	Acquirer(s)	Target Description	Transaction Value (\$M)
04/02/24	Nuvei Corporation	Advent International	Payments processor	6,300
04/12/24	Message Broadcast	OceanSound Partners, Energy Impact Partners	Electric utility customer engagement software	NA
04/22/24	Eres Group	Eurazeo	Employee profit-sharing and retirement solutions	NA ¹
04/30/24	GroundGame.Health	SameSky	Patient engagement	NA
05/15/24	Aktieinvest Inventives	Allshares (Bregal Milestone)	Compensation & long-term incentive software provider	NA
05/28/24	GHL	NTT Data Japan	Payments provider	NA ¹
05/29/24	LumApps	Bridgepoint	Enterprise social intranet	650 ¹
05/31/24	Agiloft	KKR	Contract lifecycle management platform	NA
06/05/24	Orange Tree	Accurate Background	Employee screening	NA
06/05/24	Vici Media	Rockbridge Growth Equity	White-label digital marketing and advertising solutions	NA
06/06/24	iCheckGateway	CSG Systems International	Omnichannel payments processor	17
06/08/24	CarltonOne	Goldman Sachs Asset Management	Employee engagement platform	NA
06/11/24	Hearsay Systems	Yext	Digital client engagement for financial services	125
06/13/24	Cobee	Pluxee	Employee benefits app	NA
06/18/24	Revel Systems	Shift4	Cloud-based POS systems	250
06/25/24	Apryl	Progyny	Fertility benefits platform	NA
06/27/24	Salt Labs	Chime	Loyalty payments platform	NA
06/28/24	Duetto	GrowthCurve Capital	Revenue management software for hospitality market	NA

Sources: Media press releases, Mirus research

Footnotes

¹Majority/control stake.

IRR Capital Raise Activity: Q2 2024

Announced	Company	Select Investor(s)	Description	Amount Raised (\$M)
04/02/24	Benjamin	Play Ventures, F4 Fund	Rewards startup	6
04/03/24	Homebase	L Catterton, Emerson Collective, Notable Capital, Bain	Team management app for small businesses	60
04/03/24	Modal	Left Lane Capital	Employee upskilling startup	25
04/04/24	Brim Financial	EDC Investments, Vistara Growth, White Owl Group	Credit-card-as-a-Service startup	85
04/05/24	Flip	Streamlined Ventures, Mubadala, WestCap, AppLovin	Product reviews platform	144
04/05/24	Protiv	Lightbank, Las Olas VC, Parameter Ventures	Pay-for-performance platform for trade workers	2
04/05/24	SingleInterface	Asia Partners, PayPal Ventures	Hyperlocal marketing-to-commerce software	30
04/09/24	Cariloop	ABS Capital	Caregiving support platform for employers	20
04/09/24	Relocity	Crest Rock Partners	Employee relocations software	NA
04/10/24	Summer	Rebalance Capital, SemperVirens, General Catalyst, QED	Student loan solutions for employers	9
04/17/24	Rippling	Coatue, Founders Fund, Greenoaks	Employee onboarding tech startup	200
04/18/24	Ibotta	Public offering	Digital rewards	577
04/23/24	Superlogic	Amex, Sangha Capital, 10SQ Capital, Nima Capital, Actai	Rewards program marketplace	8
04/30/24	Moso	Symbolic Capital, Dao5, Coinlist, Polygon Ventures	Shop-to-earn crypto rewards startup	2
04/30/24	SameSky/GroundGame.Health	7wireVentures	Patient engagement	17
05/23/24	Lumos	Scale Venture Partners, 16z, Harpoon Ventures, Neo	Employee identity management	35
05/30/24	Maven AGI	M13, Lux Capital, E14 (MIT)	Customer support AI integration	20
05/31/24	Slingshot	Dorm Room Fund, 1916 Enterprises, Key Partners Group	Bookkeeping and payments for creatives	2
06/04/24	Imagino	Cathay Innovation, henQ	Customer data platform for marketers	27
06/05/24	GetWhy	PeakSpan Capital	AI-based market research	35
06/05/24	Plancraft	Creandum	Business digitization platform	13
06/05/24	Zingly	Dell, WestWave, Scribble Ventures, Formus, Geekdom	Collaborative customer experience platform	10
06/05/24	Inventive	Wing VC, Tokyo Black	Embedded AI for SaaS	6
06/06/24	Nium	Bond, NewView Capital, Tribe Capital	Cross-border payments	50
06/06/24	Rising Team	Zeal Capital, Peterson Ventures, Roble Ventures	Team performance platform	8
06/06/24	iPiD	Monk's Hill Ventures, QED Investors, Quona Capital	Cross-border payments identification	5
06/08/24	Fibe	Amara Partners, TR Cap, Trifecta Cap, Chiratae, TPG, Norwest	Digital lending platform	90
06/08/24	Torpago	Priority Tech Ventures, EJV Ventures, BankTech Ventures	Commercial credit card and spend management provider	10
06/10/24	Platma	Almaz Capital, Most Ventures, Activat VC	E-commerce business automation platform	2
06/12/24	Mad Mobile	Morgan Stanley Expansion Capital, Bridge Bank	Restaurant and retail payments SaaS	50
06/13/24	Learn to Win	Westly Group, Norwest, Pear VC, Bull City Venture Partners	Enterprise training SaaS provider	30
06/14/24	CleverCards	Pluxee	Digital payments	9
06/14/24	BayaniPay	Wavemaker Partners, PTGB, Talino Venture Studios	Money transfer	3
06/18/24	Stanly	AppWorks, Goodwater, PalmDrive Capital	Fan connection platform	8
06/21/24	Gynger	PayPal, Gradient Ventures, Velvet Sea, BAG Ventures	Financing platform for technology purchases	20
06/21/24	Day.ai	Sequoia, Inspired Cap, Pillar VC, Stage 2 Cap, Conviction	AI-based CRM platform	4
06/25/24	TechWolf	Felix Capital, SAP, ServiceNow, Workday, Acadian Ventures	Internal talent management platform	43
06/26/24	Wilya	Ironspring, Schematic Ventures, Plug & Play, Iron Prairie	HR SaaS for manufacturing and supply chain companies	4

Sources: Media press releases, Mirus research

Incentives, Rewards, and Recognition (IRR)

Q2 2024 IRR Public Comps

Mirus takes a composite view of comparable companies when assessing the valuation of IRR participants. This approach considers the typical revenue model mix of software subscription fees, services, and transaction-related fees, as well as the diversity of end markets and targeted constituent engagement enabled by IRR solution providers. These providers serve various groups, including consumers (Marketing and Loyalty Solutions), employees (HR Technology and Services), and channel partners (incentive and reward fulfillment via Prepaid and Payment Solutions).

HR Solutions

HR and related software and service providers increasingly look to expand their offerings beyond traditional payroll, benefits, recruiting, onboarding, training, and career development. Companies such as Workhuman and Achievers seek to enhance measurable employee engagement for their enterprise clients.

As of 6/30/2024

Company Name	EV	LTM Financials			Growth	Valuation		LTM Margins	
		Revenue	Gross Profit	EBITDA	LTM	EV/Revenue	EV/EBITDA	Gross Margin	EBITDA Margin
HR Technology Solutions									
Adecco Group AG	\$9,155	\$25,658	\$5,259	\$971	(1.3%)	0.4x	9.4x	20.5%	3.8%
Alight, Inc.	\$6,663	\$3,383	\$1,221	\$473	13.0%	2.0x	14.1x	36.1%	14.0%
Asure Software, Inc.	\$249	\$118	\$84	\$14	12.5%	2.1x	18.1x	71.2%	11.7%
Automatic Data Processing, Inc.	\$101,239	\$18,912	\$9,056	\$5,487	7.1%	5.4x	18.5x	47.9%	29.0%
Benefit Systems S.A.	\$2,005	\$741	\$256	\$176	38.3%	2.7x	11.4x	34.6%	23.7%
Dayforce Inc.	\$8,946	\$1,575	\$762	\$238	19.0%	5.7x	37.5x	48.4%	15.1%
Insperty, Inc.	\$3,476	\$6,518	\$1,050	\$235	6.3%	0.5x	14.8x	16.1%	3.6%
Learning Technologies Group plc	\$828	\$716	\$82	\$111	(4.5%)	1.2x	7.5x	11.4%	15.5%
Paychex, Inc.	\$43,765	\$5,278	\$3,799	\$2,351	5.4%	8.3x	18.6x	72.0%	44.5%
Paycor HCM, Inc.	\$2,176	\$630	\$417	\$37	20.3%	3.5x	59.1x	66.1%	5.8%
Skillsoft Corp.	\$641	\$545	\$396	\$64	(1.9%)	1.2x	10.0x	72.5%	11.7%
TriNet Group, Inc.	\$6,051	\$4,940	\$1,064	\$473	0.5%	1.2x	12.8x	21.5%	9.6%
Upwork Inc.	\$1,396	\$719	\$545	\$30	12.8%	1.9x	46.5x	75.8%	4.2%
Workday, Inc.	\$54,664	\$7,565	\$5,722	\$554	17.0%	7.2x	98.7x	75.6%	7.3%
				Average	10.3%	3.1x	26.9x	47.8%	14.3%
				Median	9.8%	2.0x	16.4x	48.1%	11.7%
HR Service Solutions									
Kelly Services, Inc.	\$653	\$4,613	\$913	\$99	(6.6%)	0.1x	6.6x	19.8%	2.1%
Kforce Inc.	\$1,304	\$1,478	\$408	\$83	(13.1%)	0.9x	15.8x	27.6%	5.6%
Korn Ferry	\$3,269	\$2,763	\$606	\$313	(2.6%)	1.2x	10.4x	21.9%	11.3%
ManpowerGroup Inc.	\$4,400	\$18,230	\$3,182	\$477	(5.1%)	0.2x	9.2x	17.5%	2.6%
Persol Holdings Co.,Ltd.	\$3,555	\$8,774	\$1,991	\$557	8.4%	0.4x	6.4x	22.7%	6.3%
Randstad N.V.	\$10,219	\$26,215	\$5,323	\$861	(9.5%)	0.4x	11.9x	20.3%	3.3%
Recruit Holdings Co., Ltd.	\$76,910	\$22,588	\$12,988	\$3,195	(0.4%)	3.4x	24.1x	57.5%	14.1%
Robert Half Inc.	\$6,388	\$5,985	\$2,365	\$381	(13.5%)	1.1x	16.8x	39.5%	6.4%
TrueBlue, Inc.	\$358	\$1,844	\$482	\$12	(15.0%)	0.2x	28.8x	26.2%	0.7%
				Average	(6.4%)	0.9x	14.4x	28.1%	5.8%
				Median	(6.6%)	0.4x	11.9x	22.7%	5.6%

Incentives, Rewards, and Recognition (IRR)

Q2 2024 IRR Public Comps (continued)

Marketing & Loyalty Solutions

The traditional (B2C) loyalty value proposition—increased ROI by engaging and incenting current customers rather than acquiring new ones—is becoming increasingly relevant within the channel partner sector. Giift’s transaction with Xoxoday exemplifies this trend, with a loyalty partner acquiring an IRR solutions provider. IRR solutions also enable valuable access to and engagement with both consumers and corporate customers that might otherwise be inaccessible for certain brands and merchants.

As of 6/30/2024

Company Name	EV	LTM Financials			Growth	Valuation		LTM Margins	
		Revenue	Gross Profit	EBITDA	LTM	EV/Revenue	EV/EBITDA	Gross Margin	EBITDA Margin
Marketing & Loyalty Solutions									
Adobe Inc.	\$233,488	\$20,429	\$18,027	\$7,844	10.9%	11.4x	29.8x	88.2%	38.4%
Amplitude, Inc.	\$684	\$282	\$211	NM	12.3%	2.4x	NM	74.6%	NM
Cardlytics, Inc.	\$579	\$312	\$137	NM	5.9%	1.9x	NM	43.8%	NM
Criteo S.A.	\$2,407	\$1,954	\$899	\$209	0.2%	1.2x	11.5x	46.0%	10.7%
Experian plc	\$45,459	\$7,097	\$2,897	\$2,113	7.2%	6.4x	21.5x	40.8%	29.8%
HubSpot, Inc.	\$23,377	\$2,286	\$1,926	NM	24.4%	10.2x	NM	84.2%	NM
LiveRamp Holdings, Inc.	\$1,657	\$660	\$480	\$37	10.6%	2.5x	45.4x	72.8%	5.5%
Salesforce, Inc.	\$237,759	\$35,743	\$27,165	\$9,202	11.0%	6.7x	25.8x	76.0%	25.7%
Semrush Holdings, Inc.	\$1,818	\$323	\$268	\$11	20.4%	5.6x	160.6x	83.2%	3.5%
Similarweb Ltd.	\$508	\$224	\$176	NM	11.2%	2.3x	NM	78.7%	NM
Sprinklr, Inc.	\$1,916	\$755	\$566	\$49	16.8%	2.5x	39.0x	75.0%	6.5%
TechTarget, Inc.	\$999	\$224	\$150	\$12	(21.6%)	4.4x	83.2x	66.8%	5.3%
The Trade Desk, Inc.	\$42,507	\$2,055	\$1,670	\$321	24.9%	20.7x	132.3x	81.3%	15.6%
Verint Systems Inc.	\$2,739	\$915	\$649	\$136	1.6%	3.0x	20.2x	70.9%	14.8%
ZoomInfo Technologies Inc.	\$5,024	\$1,249	\$1,111	\$288	7.9%	4.0x	17.4x	89.0%	23.1%
				Average	9.6%	5.7x	53.3x	71.4%	16.3%
				Median	10.9%	4.0x	29.8x	75.0%	14.8%

Incentives, Rewards, and Recognition (IRR)

Q2 2024 IRR Public Comps (continued)

Prepaid and Payment Solutions

Prepaid card solutions and tech-enabled payment platforms are continually seeking to enhance their growth, transaction volume-related revenue, and value-add for their customers, beyond merely fulfilling and/or processing transactions. Blackhawk’s acquisition of Achievers and PrePaid Technology’s acquisition of WorkStride (now known as Dash Solutions) highlight the payment sector’s relevance to IRR solution providers. IRR providers can enhance “front-end” demand for prepaid-related technology and solutions through incentive-based prepaid cards, digital rewards for employees, channel incentives, and gift cards. Additionally, the transaction-related data generated by IRR solutions is also valuable to the merchant customers of Prepaid and Payment Solutions providers.

As of 6/30/2024

Company Name	EV	LTM Financials			Growth	Valuation		LTM Margins	
		Revenue	Gross Profit	EBITDA	LTM	EV/Revenue	EV/EBITDA	Gross Margin	EBITDA Margin
<i>Prepaid and Payment Solutions</i>									
Adyen N.V.	\$27,726	\$1,797	\$1,112	\$804	22.2%	15.4x	34.5x	61.9%	44.8%
American Express Company	NM	\$58,107	\$32,443	NM	9.6%	NM	NM	55.8%	NM
Block, Inc.	\$37,172	\$22,883	\$7,957	\$515	23.3%	1.6x	72.1x	34.8%	2.3%
Bread Financial Holdings, Inc.	NM	\$2,548	\$2,548	NM	NM	NM	NM	100.0%	NM
Citigroup Inc.	NM	\$69,751	\$69,751	NM	NM	NM	NM	100.0%	NM
Corpay, Inc.	\$25,567	\$3,792	\$2,969	\$2,017	7.1%	6.7x	12.7x	78.3%	53.2%
Edenred SE	\$12,208	\$2,680	\$1,098	\$756	17.2%	4.6x	16.1x	41.0%	28.2%
Euronet Worldwide, Inc.	\$4,857	\$3,805	\$1,496	\$594	8.0%	1.3x	8.2x	39.3%	15.6%
Global Payments Inc.	\$41,958	\$9,782	\$6,100	\$4,172	7.4%	4.3x	10.1x	62.4%	42.6%
Green Dot Corporation	NM	\$1,534	\$1,534	NM	4.8%	NM	NM	100.0%	NM
Marqeta, Inc.	\$1,498	\$577	\$325	NM	(27.9%)	2.6x	NM	56.3%	(40.5%)
Mastercard Incorporated	\$409,537	\$25,698	\$25,698	\$15,753	12.6%	15.9x	26.0x	100.0%	61.3%
Nayax Ltd.	\$862	\$247	\$98	NM	28.8%	3.5x	NM	39.8%	(1.3%)
Nuvei Corporation	\$5,797	\$1,269	\$1,035	\$241	43.3%	4.6x	24.1x	81.6%	19.0%
PagSeguro Digital Ltd.	\$3,562	\$3,229	\$1,560	\$1,369	4.8%	1.1x	2.6x	48.3%	42.4%
PayPal Holdings, Inc.	\$58,084	\$30,430	\$11,965	\$5,659	8.4%	1.9x	10.3x	39.3%	18.6%
Shift4 Payments, Inc.	\$5,699	\$2,725	\$730	\$365	27.4%	2.1x	15.6x	26.8%	13.4%
Visa Inc.	\$490,784	\$34,918	\$34,151	\$24,441	9.7%	14.1x	20.1x	97.8%	70.0%
WEX Inc.	\$7,601	\$2,641	\$1,903	\$893	7.0%	2.9x	8.5x	72.1%	33.8%
				Average	12.6%	5.5x	20.1x	65.0%	26.9%
				Median	9.6%	3.5x	15.6x	61.9%	28.2%

Composite IRR Peer Group	Average	8.1%	4.1x	28.8x	56.7%	17.0%
	Median	8.0%	2.5x	17.4x	57.5%	13.4%

“Artificial intelligence will likely significantly impact the B2B channel and employee incentive markets by enabling precise targeting and personalization of rewards. Related AI-driven analytics should provide deeper insights into partner behaviors and performance, allowing for the creation of tailored incentive programs that enhance engagement and motivation. Many related administrative tasks can also be automated, streamlining program management and reducing operational costs, which should lead to more efficient, scalable, and effective incentive strategies that adapt in real-time to changing market conditions and partner needs.”



Mark Young
Partner



35 Years. 350 Deals.

Leading advisor to middle market businesses since 1987

About Mirus Capital Advisors

For more than 35 years, successful business owners have turned to Mirus Capital Advisors to guide them to their ultimate accomplishment: the sale of their business.

As a middle market investment bank focused on mergers and acquisitions, we drive deals for successful businesses owned by entrepreneurs, families, and investors in New England and beyond. We are committed to each client's success.

35 Years. 350 Deals.

Mirus has closed over 350 transactions across a range of industries, specializing in technology, business services, industrial, consumer and healthcare transactions. Our affiliate Mirus Securities, Inc. is a registered broker-dealer and FINRA member.

Mirus is an independent member of the GCG Capital Group, an international network of 37 M&A firms and investment banks reaching 24 countries. Mirus partners with GCG colleagues, as needed, for comprehensive cross-border access, augmenting our global capabilities.



Team Spotlight

Mark Young

Business Services
Incentives, Rewards and
Recognition
(617) 633-7145
young@merger.com



In his 30-plus year investment banking career, Mark has completed over 100 financial advisory assignments, with a particular focus on growth companies that provide differentiated products and solutions, as well as technology-enabled business and consumer services. Mark brings extensive experience identifying, structuring, negotiating and executing a wide variety of engagements, including mergers and acquisitions, as well as public and private equity offerings. Mark has led a variety of notable IRR transactions over recent years, including advisory for Giift, WorkStride, and GiftCertificates.com.

Rudy Perez




Business Services
Incentives, Rewards and
Recognition
(781) 418-5919
perez@merger.com



Rudy joined Mirus Capital Advisors in 2023. Prior to joining Mirus, Rudy was an Associate with AgriTech Capital, a venture capital and strategy fund specializing in agriculture technologies. He started his career at Cooke & Bieler, a boutique institutional investment management firm in Philadelphia, PA. He received a Bachelor of Arts from Swarthmore College where he studied Biology and Spanish Literature, and an MBA from The University of Chicago Booth School of Business with concentrations in Accounting, Finance, and Entrepreneurship. Originally from Cuba, Rudy is also fluent in Spanish.

Trusted advisors to businesses just like yours

Notable incentives, rewards, and recognition experience

WorkStride 
has been acquired by
 Prepaid Technologies
a portfolio company of
 edisonpartners

- WorkStride is a leading technology-enabled provider of incentive, employee recognition and rewards programs

Giift
has received a \$50 million growth investment from
 apis | partners

- Giift is a global leader in loyalty program management and development

 GC Incentives
GiftCertificates.com
a portfolio company of

has been acquired by
TANGO
CARD

- GiftCertificates.com is one of the incentive industry's earliest providers of physical and digital incentives for enterprise customers

 CorporateRewards
has been acquired by
 Riverside

- CorporateRewards (nka WorkStride) provides a software platform that allows clients to administer, manage and track employee and channel incentive programs

Relevant recent transaction experience from Mirus partners

 INNO4
has received a strategic investment from
SERVICE POINT
a portfolio company of
MILL POINT CAPITAL

- INNO4 is a leading nationwide technology integrator and solutions provider

 Full Circle INSIGHTSSM
has been acquired by
scaleworks

- Full Circle Insights delivers marketing and sales performance measurement solutions to optimize a company's marketing mix and drive more revenue

 VirtualSM
has acquired
inMotion

- Virtual is the leading provider of professional services to standards organizations, consortia, and associations

meetingplay 
has raised \$75 million from
SUNSTONE PARTNERS

- MeetingPlay is a pioneer in hybrid event technology

Note: Transactions in gray boxes were completed by Mirus partners at prior firms

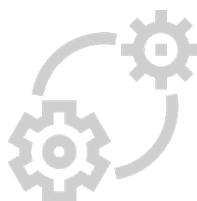
Focus sectors



Technology



Healthcare



Industrials



Business Services



Consumer

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