

M&A INDUSTRY REPORT

Business Services

FOCUS is a leading national M&A brand for the lower middle market. With over 40 years of experience, a global footprint, and hundreds of successful deals across myriad industries, FOCUS continues its mission to redefine the banker/client relationship.

Q3 2024



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OVERVIEW

Despite economic headwinds and market uncertainty, Q3 2024 proved that the middle market is still buzzing with deal activity.

In Q3 2024, several key trends have become very important:

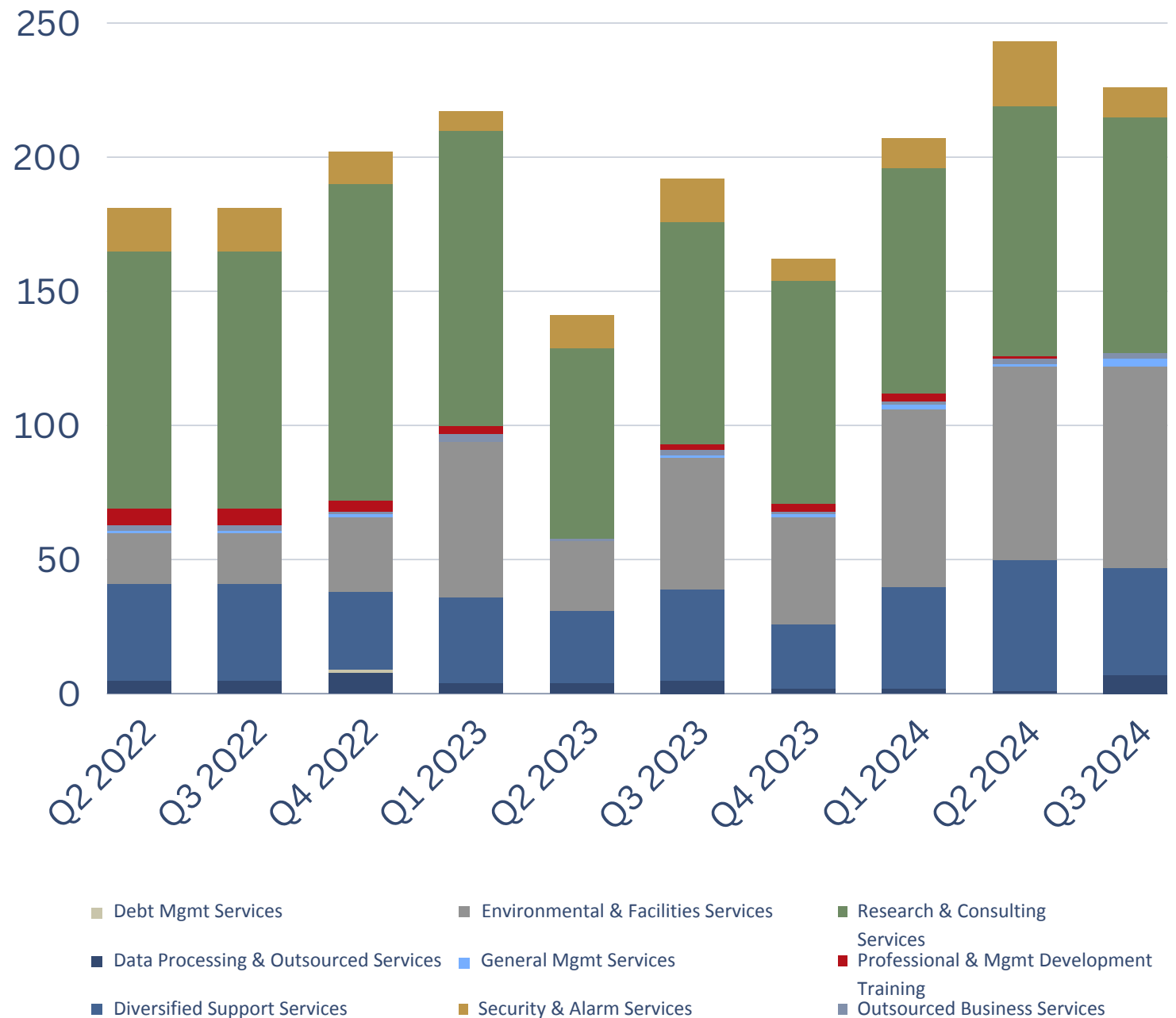
- **Increase in Deal Volume:** Middle-market M&A activity saw a 15% increase compared to Q2 2024, with heightened interest in sectors like IT services, HR solutions, and professional services.
- **Private Equity on the Rise:** Private equity firms continued to drive a significant portion of deals, particularly through platform investments and bolt-on acquisitions in fragmented markets like staffing and BPO.
- **Strong Valuations for Tech-Enabled Firms:** Companies offering tech-driven services, including cloud computing, cybersecurity, and automation solutions, maintained strong valuations, with multiples remaining elevated for high-growth assets.
- **Cross-Border Transactions Steady:** Despite global economic concerns, cross-border deal activity remained resilient, particularly between the US and Europe, with strategic buyers seeking international expansion.
- **Focus on Talent Acquisition:** Labor shortages continued to influence dealmaking, as acquirers targeted firms that offer staffing, training, and workforce solutions to address pressing human capital needs.

MARKET ACTIVITY

Business Services M&A Activity

- Business Service transactions decreased by 7% from Q2 2024; however, 2024 has consistently shown an increase in transactions over last year. Much of this is due to lower inflation and decrease in interest rates.
- While overall transactions were slightly down in Q3, Environmental Service transactions showed an increase of 16% for over the last quarter. There continues to be significant interest in landscaping companies, waste disposal, water and wastewater management and environmental remediation and consulting.
- Strategic acquisitions backed by private equity are driving consolidation in the landscaping industry with several players including LawnPro Partners backed by HCI Equity Partners making over seven acquisitions this year - two of which were in Q3 when they bought Highest Quality Lawn and Pest and Fairway Lawn & Tree Service.
- Casella Waste Systems is actively expanding its footprint in the mid-Atlantic region in the waste disposal industry with two acquisitions in Q3 with more planned for the end of the year and first quarter in 2025.

Source: S&P Capital IQ and FOCUS Investment Banking research



NEWS & INSIGHTS



M&A Spotlight “Building the Right Team Makes the Complex Seem Simple”

When it comes to mergers and acquisitions, your investment banker shouldn't be the only member of your team you are closely vetting. A great M&A team should also be made up of a great set of attorneys—both inside and outside your organization.

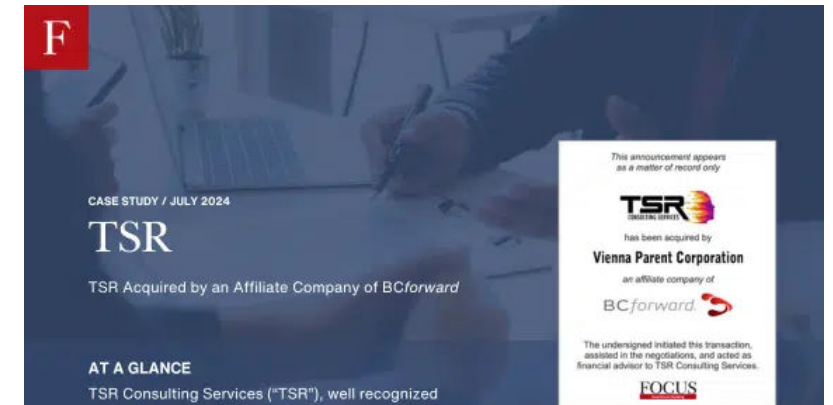
[Click here to read now](#)



Human Capital Management M&A Report – First Half 2024

This report discusses M&A activity to date in the HCM market with a focus on transactions involving contract staffing and recruiting firms; outsourced HR services firms including background screening, compliance, employer of record (EOR), payroll, and professional employer organization (PEO); and HR consulting firms.

[Click here to read now](#)



TSR Acquired by an Affiliate Company of BCforward

TSR Consulting Services (“TSR”), well recognized national provider of information technology staffing solutions has been acquired by Vienna Parent Corporation an affiliate company of BCforward. This case study highlights the unique process of this transaction.

[Click here to read now](#)

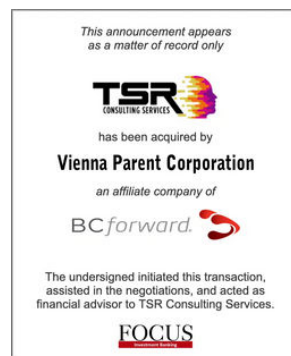
CASE STUDY: TSR ACQUIRED BY AN AFFILIATE COMPANY OF BCFORWARD

Process & Overview


TSR Consulting Services (“TSR”) has been acquired by Vienna Parent Corporation an affiliate company of BCforward. Vienna Parent Corporation, a special purpose entity newly formed by Justin Christian (“Vienna Parent”), through its wholly owned subsidiary, Vienna Acquisition Corporation (the “Purchaser”), has successfully completed its cash tender offer to purchase all of the outstanding shares of common stock of TSR (NASDAQ:TSRI). FOCUS represented TSR in this transaction.

TSR was founded in 1969, reported Revenues of \$101mil per its 2023 Form 10-K, and is a wellrecognized national provider of information technology staffing solutions. Christian is the CEO and founder of BCforward, one of the largest Black-owned professional services and workforce management solutions firms in the United States. Currently, BCforward employs more than 5,000 people globally and serves multi-national clients in the finance, life science, technology, healthcare and government sectors.

Transaction Results



BCforward acquired a sufficient number of TSR shares to consummate the second step merger. The total consideration payable to TSR’s shareholders represents a 73.8% premium to TSR’s closing price on May 14, 2024. Upon completion of the merger, TSR became a privately held company controlled by Vienna Parent and BCforward. Tom Salerno, TSR CEO, and his management team will continue to run the TSR business as part of BCforward.



FOCUS ran a thorough and detailed process which brought us multiple offers and they were able to find the best partner for us in Justin Christian and BCforward.

Thomas Salerno,
President and CEO of TSR

DEALS

Recent Transactions

This announcement appears as a matter of record only.




has been recapitalized by




The undersigned initiated the transaction, assisted in the negotiations and acted as financial advisor to General Informatics.




This announcement appears as a matter of record only.



has been acquired by



The undersigned initiated this transaction, assisted in the negotiations, and acted as financial advisor to Queen Consulting Group.



This announcement appears as a matter of record only.



has acquired




a wholly owned subsidiary of
Zensar



The undersigned initiated this transaction, assisted in the negotiations, and acted as financial advisor to Business Integra.




This announcement appears as a matter of record only.



a portfolio company of

The undersigned assisted in the negotiations and acted as exclusive financial advisor to Cantey Tech Consulting.



This announcement appears as a matter of record only.




has been acquired by




The undersigned initiated this transaction, assisted in the negotiations, and acted as financial advisor to Avar Consulting, Inc.




This announcement appears as a matter of record only.




has been acquired by



The undersigned initiated this transaction, assisted in the negotiations, and acted as financial advisor to Stonebridge Consulting.




This announcement appears as a matter of record only.




has been acquired by

Vienna Parent Corporation
an affiliate company of



The undersigned initiated this transaction, assisted in the negotiations, and acted as financial advisor to TSR Consulting Services.



This announcement appears as a matter of record only.




has been acquired by




The undersigned assisted in negotiating the transaction and acted as financial advisor to IO Integration.




This announcement appears as a matter of record only.




has been acquired by



a portfolio company of



The undersigned initiated this transaction, assisted in the negotiations, and acted as financial advisor to Sage Management.



This announcement appears as a matter of record only.



has been acquired by



a portfolio company of



The undersigned initiated this transaction, assisted in the negotiations, and acted as financial advisor to The Network Support Company, LLC.



OUR TEAM

Who We Are



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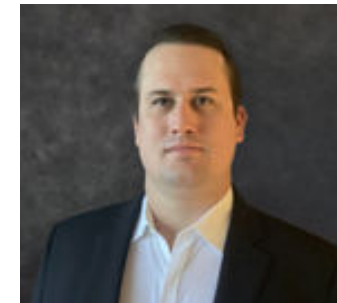
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IN THE MARKET

Accelerate (Sell Side)

Business consulting business to high tech & startup companies.

Engage (Buy Side)

Accounting firm looking for acquisition targets.

Delivery (Sell Side)

Multi-line dealer of lawn equipment.

Gladiator (Sell Side)

Telecom/Skilled Trade and IT Staffing Services.

Surface 2 (Sell Side) Signed LOI

Specializes in creating renowned equestrian surfaces.

Monument (Sell Side)

Operates in the internet service providers, website hosting & Internet-related services industry

Diligence (Sell Side) Signed LOI

Financial services firm.

ABOUT FOCUS BANKERS

FOCUS Investment Banking is a trusted name in M&A advisory services with a nationwide footprint and a global reach

Experience matters, especially when it comes to navigating the intricacies of your market. We bring senior-level experience and relatable expertise to every deal. From strategic planning to negotiations, we leverage a deep understanding of your industry to deliver customized solutions that drive the maximum value for your business.



DOWNLOAD THE FOCUS BUSINESS SERVICES INFORMATION SHEET



**Top 5
Investment
Bank 2022**

