



Professional and Tech-Enabled Services Sector Brief

Harris Williams | Q1 2025

What We're Reading

In this sector brief, we have included a collection of articles focused on private investment in law firms. Previously shielded from outside ownership, law firms are garnering attention as attractive opportunities for private equity and strategics alike. With recent regulatory changes in select jurisdictions in the U.S. and abroad, private investment in law firms is rewriting the rules of legal practice ownership and reshaping the industry one deal at a time.

Private Equity Reshapes UK Law Firms with Record Investments

The Law Society Gazette

"Private equity is reaching the point where it can no longer be dismissed as an option by law firm leaders... 25% of all legal mergers and acquisitions [in the UK] last year involved either new investments by private equity businesses or private equity-backed law firms... Nearly £1.2bn has been pumped into the legal sector in the UK by private equity in the past five years. A record £534m was invested in 2024 alone, as bigger private equity houses capitalize on opportunities in the law."

Read the full article [here](#).

Why Law Firms Could Be Private Equity's Next Conquest

Forbes

"Law firms are a lucrative \$400 billion market that has long been shielded from outside ownership... the most prohibitive obstacle is American Bar Association Rule 5.4, which may as well be called "The Only Lawyers Can Own Law Firms" statute. Arizona and Utah have already eased up their limitations around ownership, and other states like California and Florida have flirted with changes... With law being as fragmented as it is, it's practically screaming for consolidation."

Read the full article [here](#).

Aprio Aims to Enter Legal Industry by Combining with Law Firm in Arizona

CPA Practice Advisor

"The top 30 accounting firm is planning to merge with Scottsdale, AZ-based boutique business law firm Radix Law this spring to form the Arizona law firm Aprio Legal, a move that could set off a wave of other CPA firms entering an industry that was once considered off limits... Aprio is taking advantage of Arizona's ABS Program, which allows entities owned or controlled by nonlawyers to provide legal services as an alternative business structure law firm."

Read the full article [here](#).

Private Equity Eyes Law Firms

Middle Market Growth

"PE firms may have more investment options when it comes to law firms than they initially [thought]. Law firms traditionally are run like small businesses, and they're not streamlined on efficiency and profitability... and [yet] they still make pretty good money at 25%, 30%, some up to 50% plus margin. 400,000 law firm owners nearing retirement, potentially looking for an exit plan. PE is needed to... help fund these deals as far as succession goes."

Read the full article [here](#).

The Quiet Revolution: Private Equity's Push into Law Firms

The American Lawyer

"When Europe's top court delivered its ruling on Germany's Halmer case, it seemed to slam the door on private equity investment in EU law firms. Yet... you'll see PE slipping in the back door from Arizona to the UK, Spain, and beyond. The UK and Australia have allowed... ABSs for more than a decade. [With] the turnover of the U.S. legal services market alone is estimated at \$600 to \$700 billion [and] globally, it is thought to be \$1 trillion... law firms are seen as the last untapped gold mine."

Read the full article [here](#).

Recent Harris Williams Industry Content

- Insurance Services: A Growing Need for Technical Specialists



[Link to Read](#)

- Data & Information Services: AI, Verticalization, and Actionable Insights



[Link to Read](#)

- Rising Demand for Mission-Critical C-Suite Advisory Services

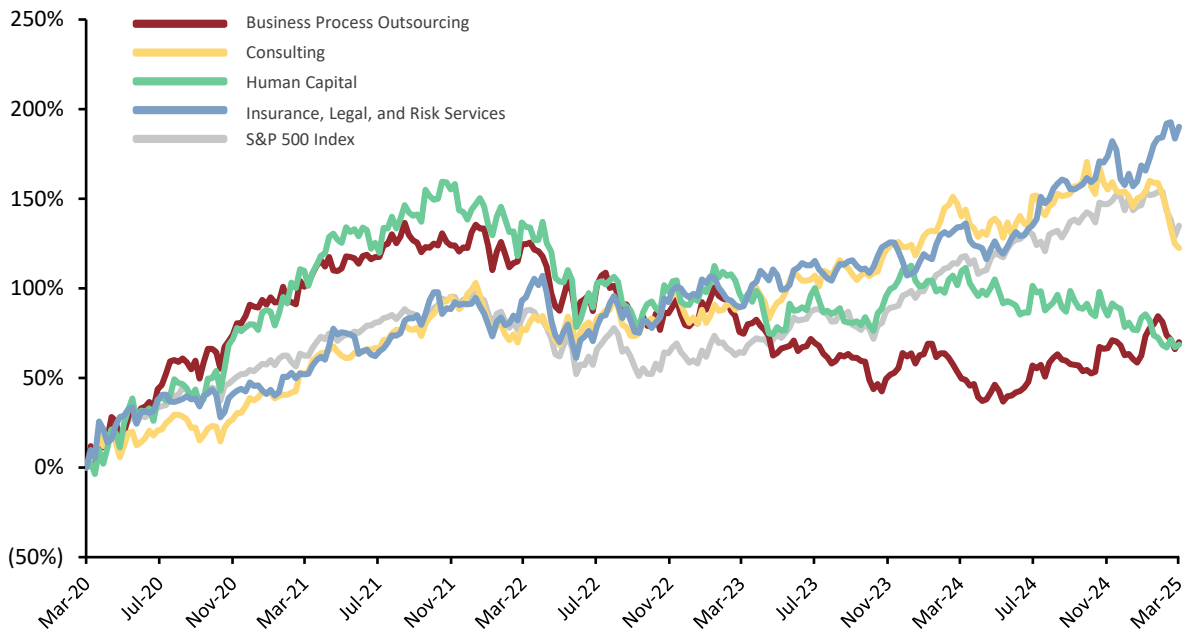


[Link to Read](#)

Professional and Tech-Enabled Services Public Company Performance and Trends

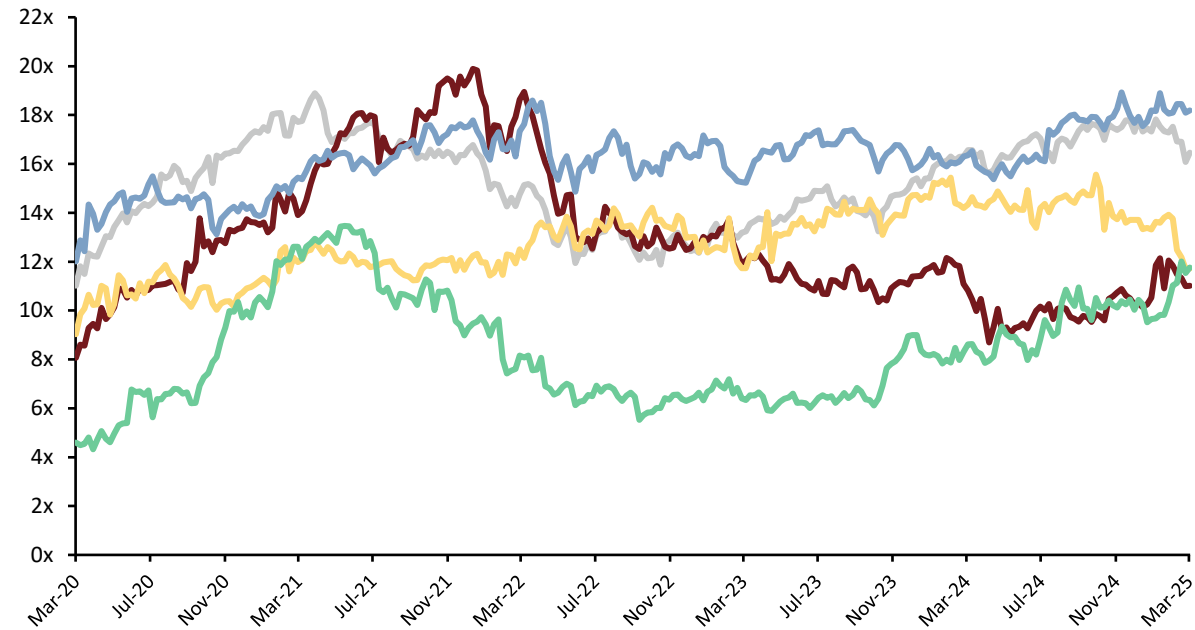
Historical Stock Prices – Past 5 Years¹

Indexed Stock Price Performance for the Period March 2020 – March 2025



Historical Median TEV/LTM EBITDA Multiples – Past 5 Years¹

Median TEV/LTM EBITDA Multiples Performance for the Period March 2020 – March 2025



Representative Key Public Comparables²

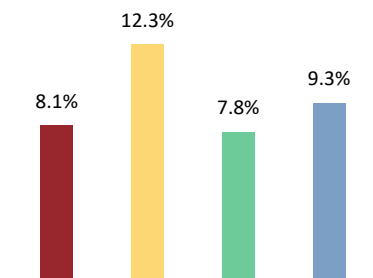


1) S&P Cap IQ; data as of March 19, 2025
2) Comparable company sets listed on page 10

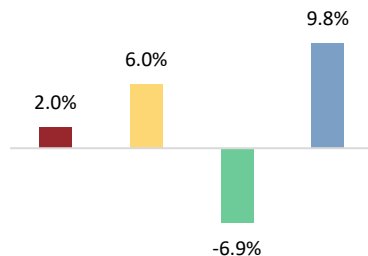
Professional and Tech-Enabled Services Public Company Operating and Valuation Metrics

Public Company – Operating Metrics¹

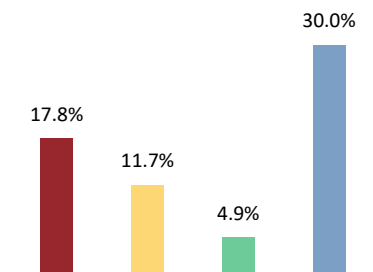
Median 3-Year Revenue CAGR (2021-2024)



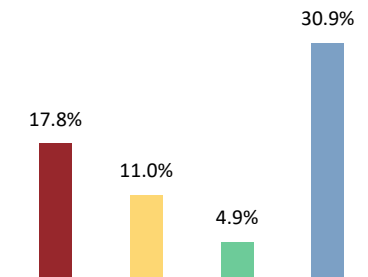
Median LTM Revenue Growth



Median 3-Year EBITDA Margin (2021-2024)

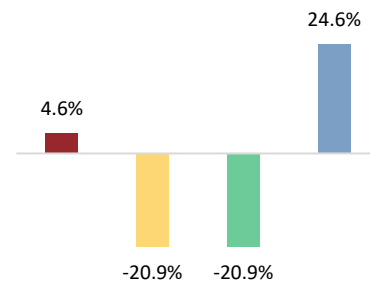


Median LTM EBITDA Margin

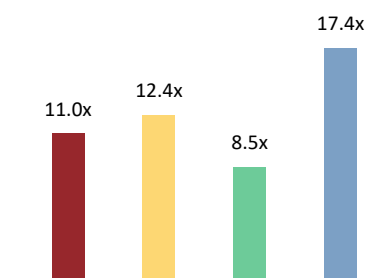


Public Company – Valuation Metrics¹

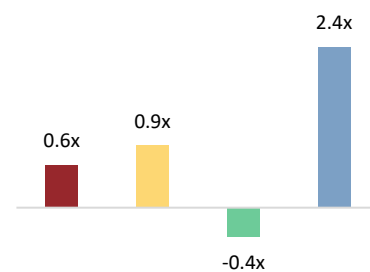
12-Month Change in Stock Price



Median TEV / 2025E EBITDA Multiple



Net Debt / LTM EBITDA



Business Process Outsourcing

Consulting

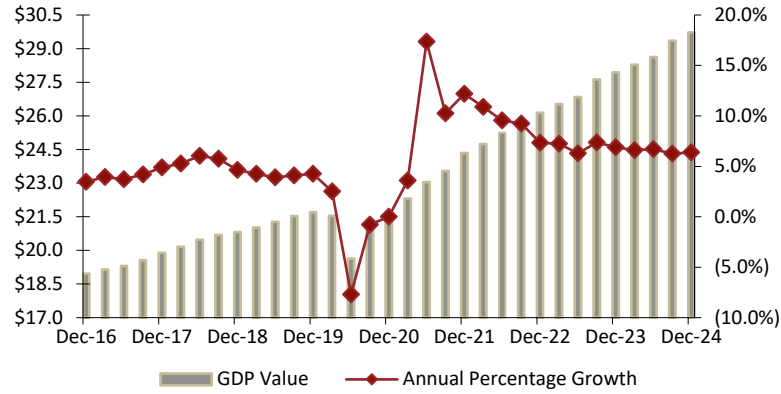
Human Capital

Insurance, Legal, and Risk Services

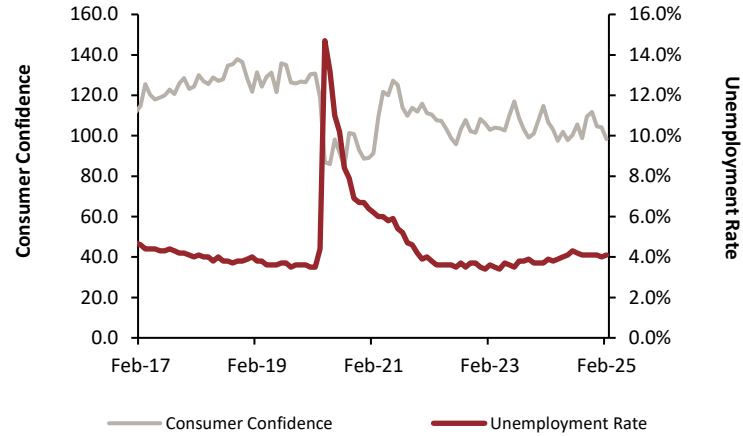
Economic Trends

U.S. GDP Growth¹

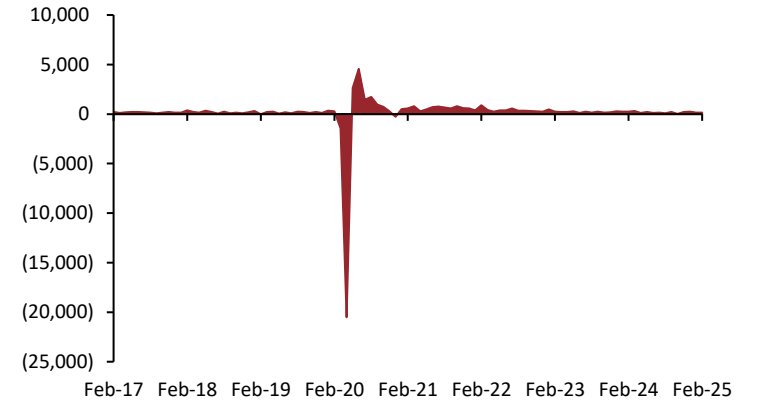
(In Trillions indexed to 2016 USD)



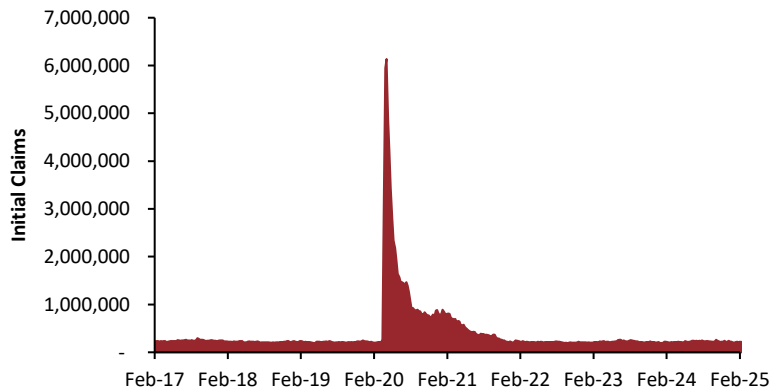
Consumer Confidence and Unemployment Rate^{2,3}



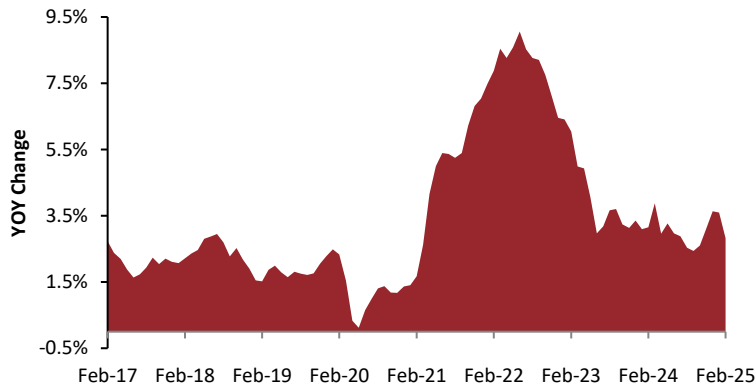
Non-Farm Payrolls (1-Month Net Change)³



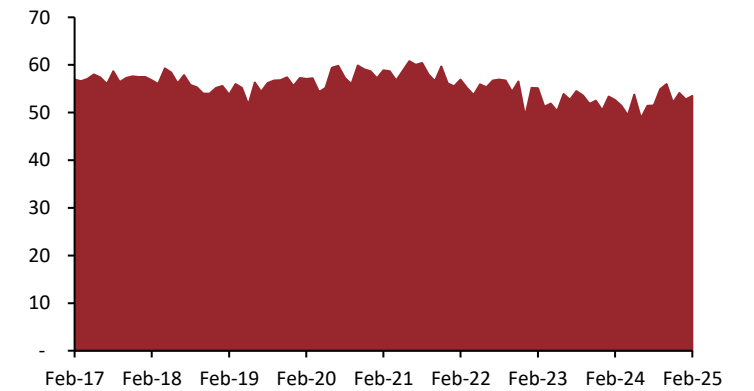
U.S. Initial Jobless Claims⁴



Consumer Price Index³

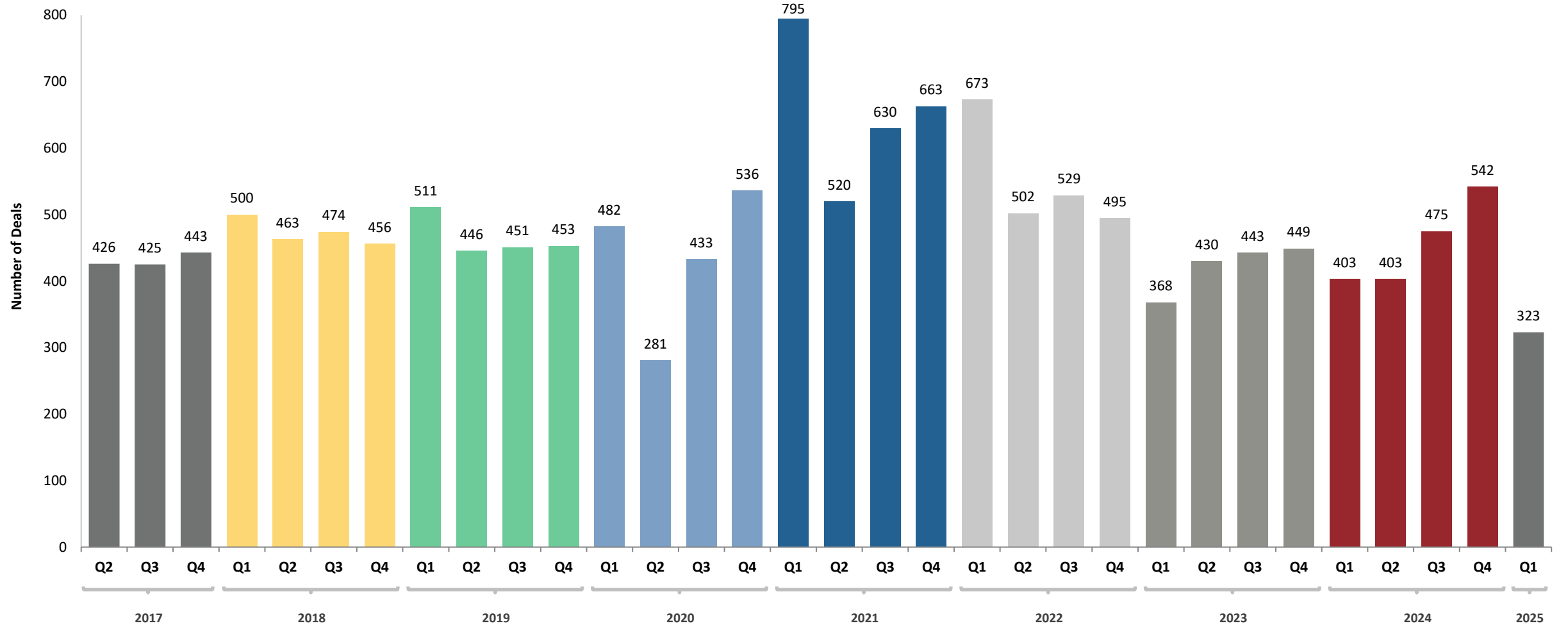


ISM Non-Manufacturing Index⁵



M&A Market Trends

Professional and Tech-Enabled Services M&A Volume¹



Harris Williams Professional and Tech-Enabled Services Experience

Selected Transactions

nuspire
a portfolio company of
abry partners
has been acquired by
PDI TECHNOLOGIES
a portfolio company of
INSIGHT PARTNERS TA GENSTAR

CYBERSHEATH
a portfolio company of
LIGHTVIEW CAPITAL™
has been acquired by
bv INVESTMENT PARTNERS SINCE 1980

ThePurpleGuys Stress-Free IT Support
a portfolio company of
KIAN CAPITAL **PARKSOUTH VENTURES™**
has been acquired by
Ntiva Managed IT & Cloud Services
a portfolio company of
PSP CAPITAL PSP PARTNERS COMPANY

VMG HEALTH
a portfolio company of
NCP NORTHLANE CAPITAL PARTNERS
has been acquired by
INCLINE EQUITY PARTNERS

Direct Travel
has been acquired by
AN INVESTOR GROUP LED BY STEVE SINGH
Durable Madrona
TopTier Blackstone CREDIT & INSURANCE

nwn carousel
a portfolio company of
NEW STATE CAPITAL PARTNERS
has been acquired by
AMERICAN SECURITIES

Morgan Stanley CAPITAL PARTNERS
single-asset continuation vehicle
50 WORLD FIFTY GROUP

BUCK
a portfolio company of
H. I. G. CAPITAL
has been acquired by
Gallagher

inspirage
a portfolio company of
RLH Equity Partners
has been acquired by
accenture

UTEGRATION
a portfolio company of
RLH Equity Partners
has been acquired by
cognizant

MAGNA LEGAL SERVICES
a portfolio company of
CIVIC PARTNERS
has been acquired by
Odyssey Investment Partners

WENDEL has acquired
ACAMS
a business division of
ADT/LEM GLOBAL EDUCATION

Ntiva
a portfolio company of
SOUTHFIELD
has been acquired by
PSP PARTNERS

AST
a portfolio company of
TAILWIND CAPITAL
has been acquired by
RECOGNIZE

EURAZEO
has acquired
SCALED AGILE
a portfolio company of
LEEDS EQUITY PARTNERS
RUBICON technology partners

Harris Williams Transaction Spotlight

VMG HEALTH
a portfolio company of
NCP NORTHLANE CAPITAL PARTNERS
has been acquired by
INCLINE EQUITY PARTNERS

Company Background

VMG is a trusted advisor to a diverse base of highly regulated clients in the healthcare space, such as hospital systems, physician groups, and ambulatory surgery centers. The company provides valuation, advisory, compliance, and financial due diligence services while addressing the complex and recurring demands of their clients.

Transaction Overview

Harris Williams advised VMG Health, a portfolio company of Northlane Capital Partners, on its sale to Incline Equity Partners.

Business Services Coverage Areas

- › Professional & Tech-Enabled Services
- › IT Services
- › Commercial & Industrial Services
- › Specialty Distribution

Professional and Tech-Enabled Services Coverage Areas

- › Business Process Outsourcing
- › Financial Services
- › Insurance & Risk Management
- › Consulting
- › Governance, Risk & Compliance
- › Legal Services
- › Education & Training
- › Human Capital Management
- › Marketing & Information
- › Engineering
- › Information Technology
- › Workforce Solutions
- › Compliance
- › eCommerce & Retail

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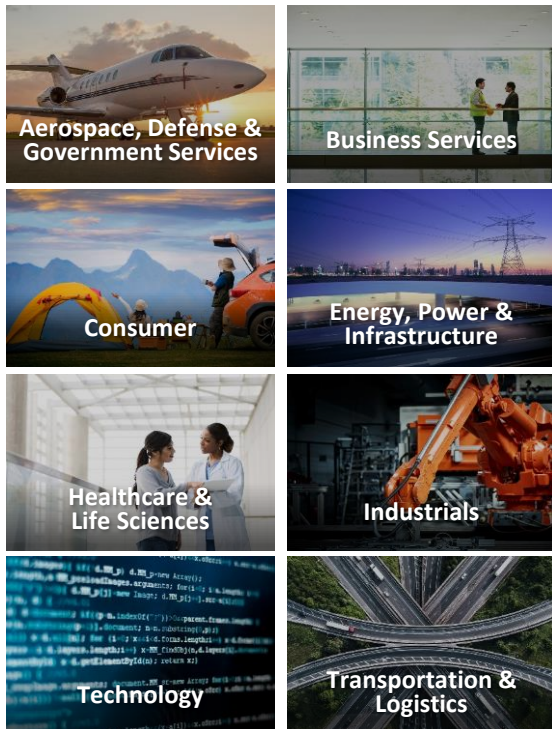
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Deep Industry Experience



Proven Expertise

MERGERS & ACQUISITIONS

PRIVATE CAPITAL SOLUTIONS

PRIMARY FUND PLACEMENT

Core Values That Drive Success



75% Revenue from repeat clients

87% Managing Directors promoted from within

30+ Year history

Sources & Disclosures

Sources

Public Comparable Companies:

BPO: Cognizant, Computershare, DXC, ExService, Genpact, Tata Consultancy, TTEC, Wipro, and WNS

Consulting: Accenture, CBIZ, CRA International, FTI Consulting, Huron Consulting Group, ICF International, and Resources Connection

Human Capital: ASGN, Barrett Business Services, Hays, Heidrick & Struggles International, Insperty, Kelly Services, Kforce, Korn Ferry, ManpowerGroup, Randstad, Robert Half International, SThree, TrueBlue

IL&R Services (Insurance, Legal, and Risk): Aon, Arthur J. Gallagher & Co., Brown & Brown, Crawford & Company, Marsh & McLennan Companies, Willis Towers Watson

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