



# Professional and Tech-Enabled Services Sector Brief

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Harris Williams | Q3 2023

# What We're Reading

*In this sector brief, we have included a collection of articles focused on trends around the insurance and insurance claims services sector. While insurance carriers face pressure due to inflation, supply chain shortages, and heightened geopolitical and cybersecurity risks, the insurance claims industry is evolving as technology and AI are tools that companies can leverage to modernize and streamline the once antiquated sector.*

## The Rebranding of Insurance Claims: How Insurers Are Modernising a Once Antiquated Process

FinTech Global

"As the insurance industry continues to navigate the fast-paced digital revolution, the claims process—often considered the true litmus test of an insurer's value—has come into sharp focus. In the past, this process was a convoluted maze of paperwork, lengthy wait times, and a lack of transparency. However, driven by technological advancements and changing customer expectations, the sector is now on the cusp of a remarkable transformation." [Read the full article here.](#)

## AI Technology Builds Momentum in Claims Sector

Business Insurance

"The insurance claims sector is tapping into technologies such as machine learning and artificial intelligence to increase efficiency, improve outcomes and detect fraud. Whether it is a simpler version of AI that can be used to automate back-office processes or the newer generation AI, which can be used to analyze policyholders' claims history and policy preferences, these new technologies are becoming more widely used in the industry." [Read the full article here.](#)

## Harnessing the Power of AI in the Insurance Sector

Forbes

"The insurance industry has undergone significant changes over the years. The integration of advanced technologies such as artificial intelligence (AI) has paved the way for further evolution, offering improved efficiency, reduced costs and enhanced customer experience. Various AI applications are currently in use in the insurance industry, ranging from underwriting to claims processing." [Read the full article here.](#)

## 7 Trends Shaping Your 2023 Commercial Insurance Policies & Premiums | Property & Casualty

CBIZ

"A recent survey by financial services company Provident Bank reported 75% of businesses are impacted by current worker shortages. Several factors have caused these deficiencies including the pandemic's influence on workers to reevaluate their employment priorities. Arrangements (e.g., work-life balance, compensation, expansive benefits, flexible hours, remote capabilities) are highly sought after by workers." [Read the full article here.](#)

## Global Insurance Report 2023: Expanding Commercial P&C's Market Relevance

McKinsey

"Global commercial property and casualty (P&C) lines have delivered strong financial performance in recent years following the soft market of 2013 to 2018, despite widespread disruption in the wake of the COVID-19 pandemic, the war in Ukraine, and the resulting supply chain disruptions. Premiums have been propelled by extensive year-on-year risk-adjusted rate hardening: the annual premium growth rate for commercial P&C lines has hovered at 6 to 8 percent since 2018, and combined ratios have been improving." [Read the full article here.](#)

## Recent Harris Williams Industry Content

- **Legal Sector: Generating New Investment Opportunities**



[Link to Read](#)

- **HR & Employee Benefits: Building a Foundation for Employee Well-Being**

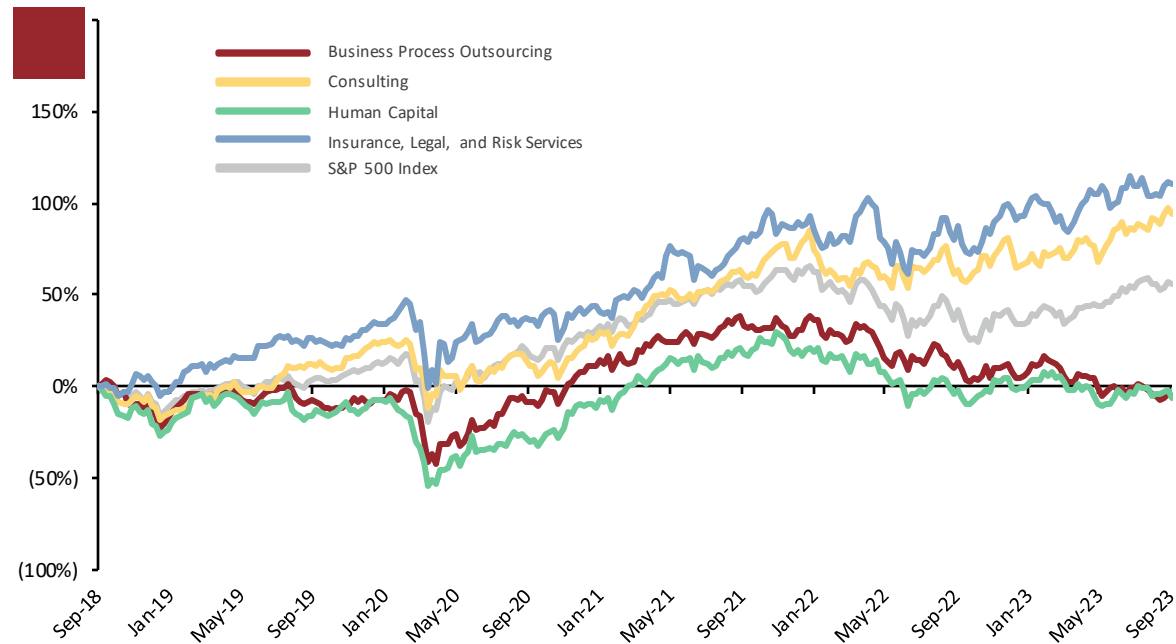


[Link to Read](#)

# Professional and Tech-Enabled Services Public Company Performance and Trends<sup>1</sup>

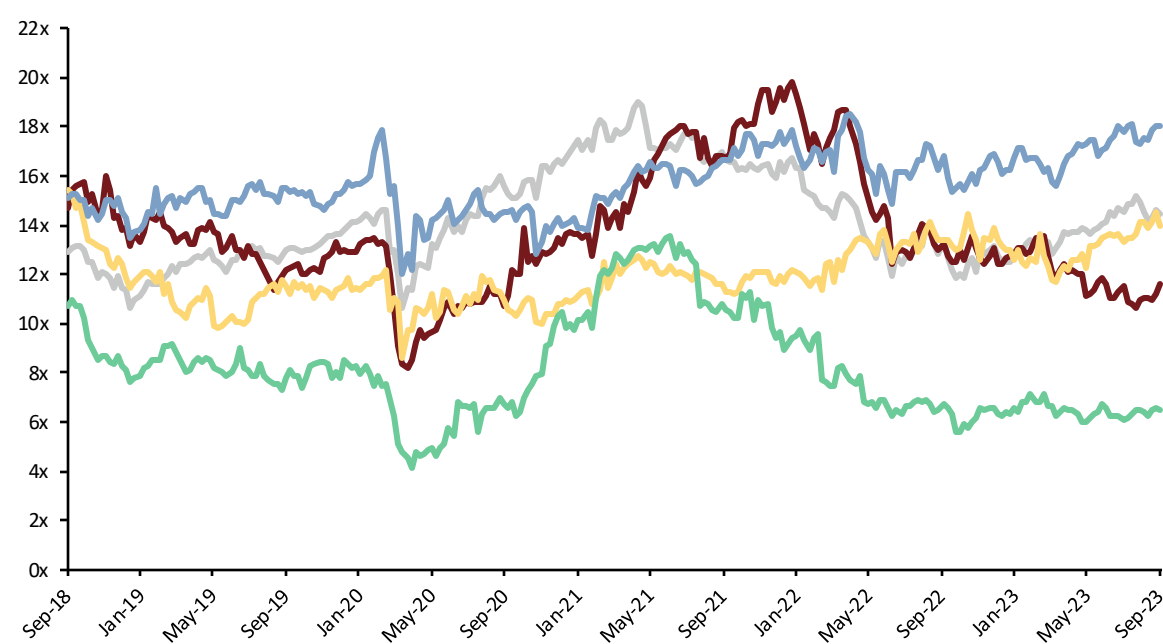
## Historical Stock Prices – Past 5 Years

Indexed Stock Price Performance for the Period August 2018 – August 2023



## Historical Median TEV/LTM EBITDA Multiples – Past 5 Years

Indexed Stock Price Performance for the Period August 2018 – August 2023



Representative Key Public Comparables<sup>2</sup>

accenture

AON

ASGN

BBSI

Brown & Brown Insurance

CBIZ

cognizant

Computershare

CRA Charles River Associates

Crawford

DXC TECHNOLOGY

EXL

FTI CONSULTING

Gallagher

genpact

HAYS

HEIDRICK & STRUGGLES

HURON

ICF

Inspireity

Kelly

KFORCE

KORN FERRY

ManpowerGroup

MarshMcLennan

randstad

RESOURCES CONNECTION

rh

s|three

tcs

trueblue

ttec

wipro

WNS

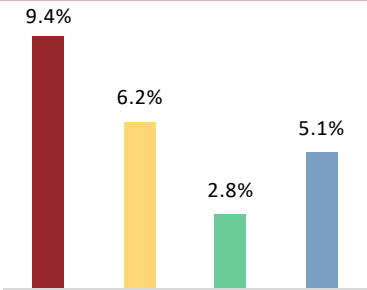
wtw

# Professional and Tech-Enabled Services Public Company Operating and Valuation Metrics<sup>1</sup>

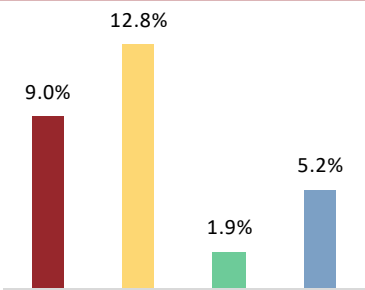
## Public Company – Operating Metrics

Indexed Stock Price Performance for the Period August 2018 – August 2023

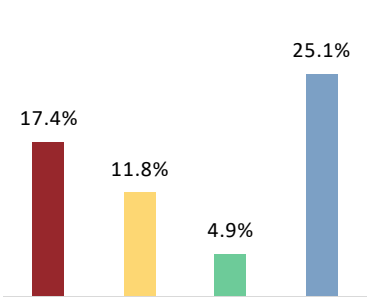
Median 3-Year Revenue CAGR (2020-2023)



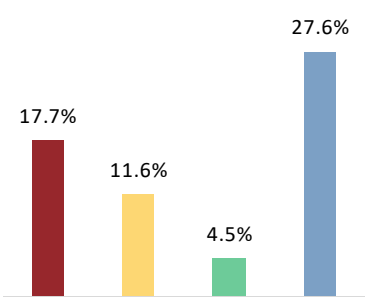
Median LTM Revenue Growth



Median 3-Year EBITDA Margin (2020-2023)



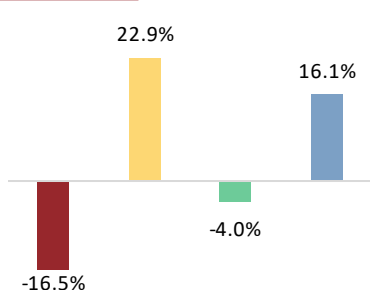
Median LTM EBITDA Margin



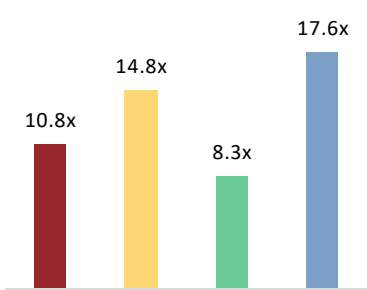
## Public Company – Valuation Metrics

Indexed Stock Price Performance for the Period August 2018 – August 2023

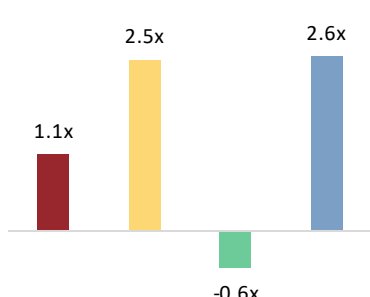
12-Month Change in Stock Price



Median TEV / 2023E EBITDA Multiple



Net Debt / LTM EBITDA



**Business Process Outsourcing**

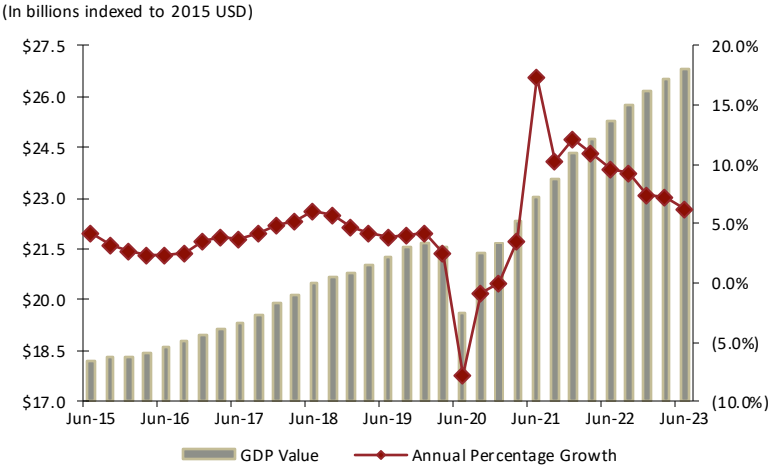
**Consulting**

**Human Capital**

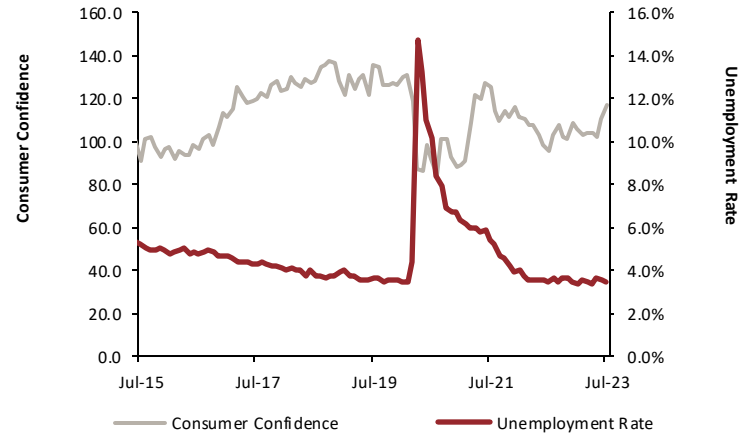
**Insurance, Legal, and Risk Services**

# Economic Trends

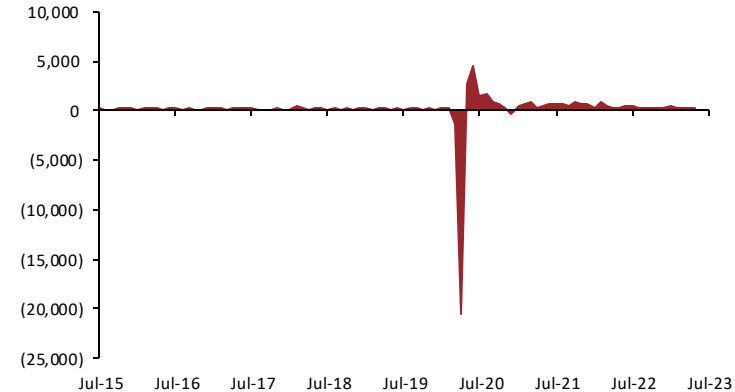
## U.S. GDP Growth<sup>1</sup>



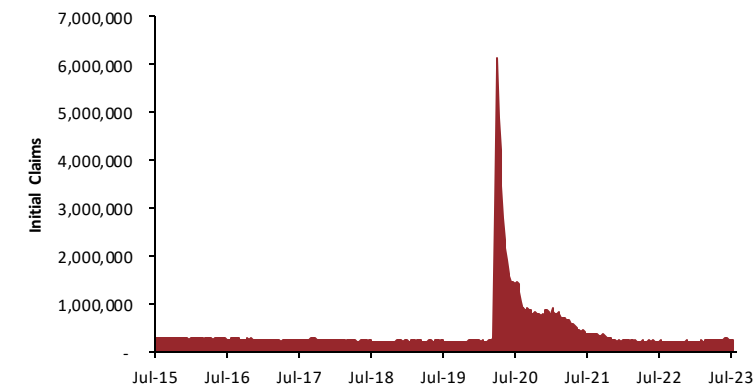
## Consumer Confidence & Unemployment Rate<sup>2,3</sup>



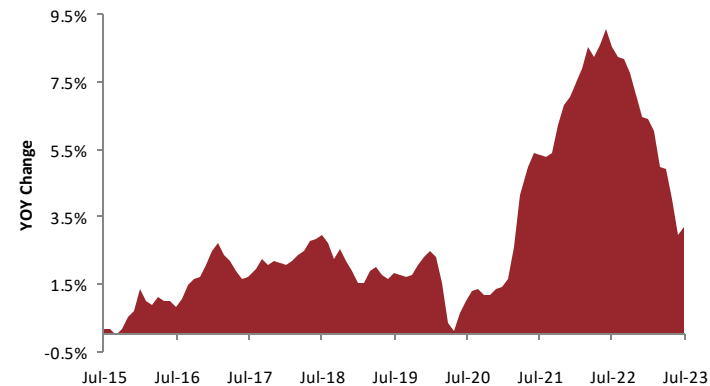
## Non-Farm Payrolls (1-Month Net Change)<sup>3</sup>



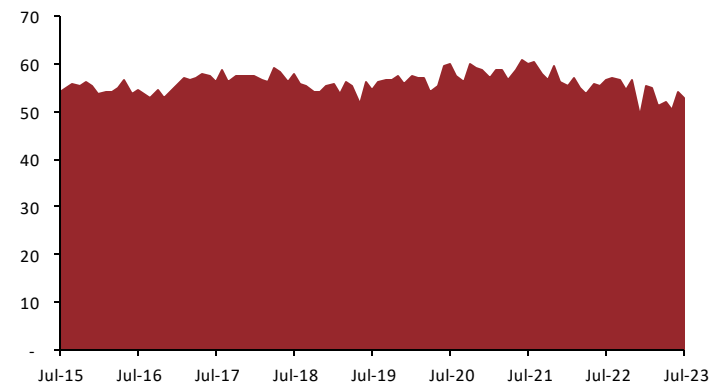
## U.S. Initial Jobless Claims<sup>4</sup>



## Consumer Price Index<sup>3</sup>

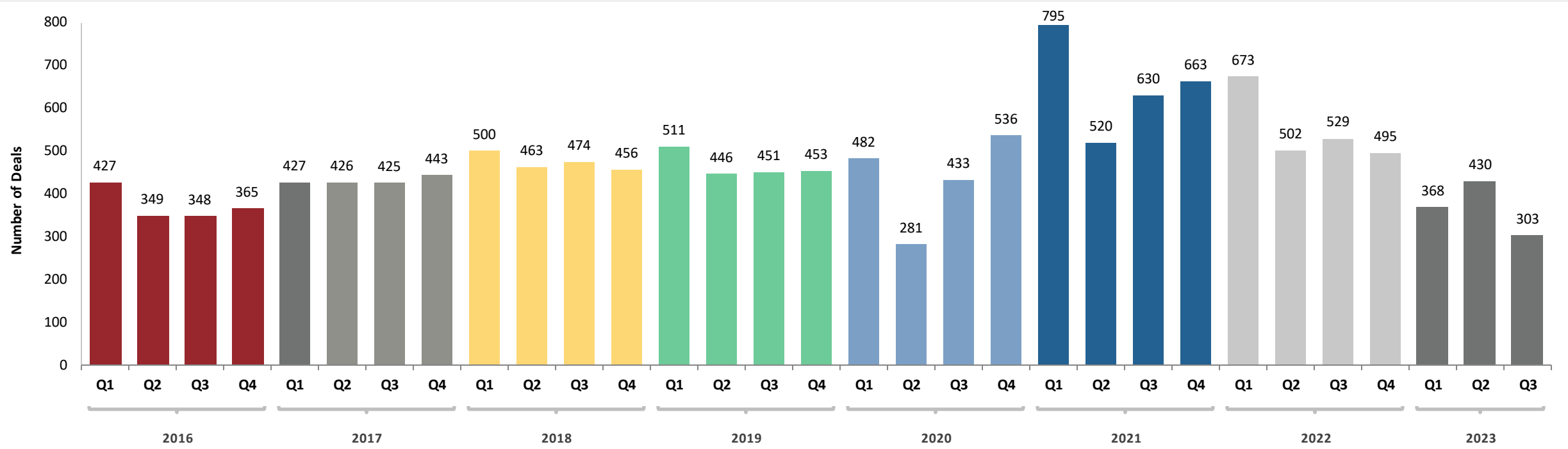


## ISM Non-Manufacturing Index<sup>5</sup>











# M&A Market Trends

Professional and Tech-Enabled Services M&A Volume by Year<sup>1</sup>



### Insurance Services Transactions

Company	Role
 first insurance group A PREMIER FINANCIAL COMPANY	Target
 RISK strategies	Buyer
 INTEGRITY FIRST INSURANCE	Target
 ONEDIGITAL	Buyer
 HORAN	Target
 HUB	Buyer
 HUB	Target <sup>2</sup>
 LGP	Buyer


# Recent Professional and Tech-Enabled Services Transactions Detail

Date	Target	Business Description	Acquirer(s)
8/15/23	Bisnett Insurance	Provider of home, business, farm, health, life insurance, and financial services	Risk Strategies (Kelso)
7/20/23	Rented Mule Consulting (RMC)	P&C insurance advisory and professional services firm	Insurity (GI Partners, TA Associates)
7/17/23	Andrew Agencies	Canada-based full-service insurance and financial services firm	Westland Insurance (BroadStreet Partners)
7/6/23	Professional Liability Insurers	Independent insurance agency based in Albuquerque, New Mexico	Higginbotham (Stone Point Capital)
6/30/23	First Insurance Group	Community banking and financial services holding company	Risk Strategies (Kelso)
6/28/23	Guardian Group	Provider of construction claims consulting services	YOUNG & Associates (CIVC Partners)
6/6/23	ACE Benefit Partners	Medical stop-loss general agent	Ryan Specialty Group
6/6/23	Point6 Healthcare	Distributor of medical stop-loss insurance and pharmacy services	Ryan Specialty Group
6/5/23	PMBA	Business asset recovery and state and local sales tax consulting firm	Source Advisors (BV Investment Partners)
6/5/23	HORAN Health	Provider of employee benefits services intended to serve both corporate and individual clients	HUB International (H&F / Atlas Capital)
5/18/23	Integrity First Insurance	Property & casualty firm located in Englewood, CO	OneDigital (Onex)
5/17/23	Universalis	Portuguese insurance brokerage firm with premiums worth over EUR 25m	Acrisure
5/9/23	Stitz & Associates	Insurance consulting, implementing, and servicing group based in Kirkwood, Missouri	Heffernan Insurance Brokers (SkyKnight Capital)
5/1/23	BSM Consulting	Specialist healthcare consulting firm	VMG Health (Northlane Capital)
4/28/23	Hub International	Chicago-based global insurance brokerage and financial services firm	Leonard Green & Partners LP
4/11/23	MediSource	Independent insurance and marketing agency	Integrity Marketing (Harvest Group)
4/11/23	Hahn & Associates Inc.	Provider of benefits and insurance	Inszone Insurance Services (BHMS Investments)
4/10/23	Boley-Featherston Insurance	Provider of insurance brokerage services	Arthur J. Gallagher
4/7/23	Presidio Financial Services Corporation	Independent insurance brokerage that provides an extensive range of products and solutions	NFP (Madison Dearborn Partners)
4/3/23	Highcourt Partners	Entrepreneurial international insurance brokerage and risk consulting firm	Brown & Brown
4/3/23	Baker Tilly Ireland	Advisory, tax and assurance company	Azets

# Harris Williams Professional and Tech-Enabled Services Experience

## Selected Transactions

  
a portfolio company of  
  
has been acquired by  


  
a portfolio company of  
RLH Equity Partners  
has been acquired by  


  
a portfolio company of  
RLH Equity Partners  
has been acquired by  


  
a portfolio company of  
  
has been acquired by  


  
has acquired  
  
a business division of  


  
a portfolio company of  
  
has been acquired by  


  
a portfolio company of  
  
has been acquired by  


  
has acquired  
  
a portfolio company of  


  
a portfolio company of  
Audax Private Equity  
has been acquired by  


  
has received an investment from  


  
a portfolio company of  
  
has received an investment from  
Morgan Stanley Capital Partners

  
a portfolio company of  
  
has received an investment from  


  
a portfolio company of  
  
has been acquired by  


  
a portfolio company of  
  
has been acquired by  


  
a portfolio company of  
  
has been acquired by  
  
and merged with  


## Harris Williams Transaction Spotlight

  
a portfolio company of  
  
has been acquired by  


### Company Background

Buck is a trusted provider of HR, pensions and employee benefits - related consulting, administration services, and technology to organizations in North America and the UK. Headquartered in New York City, New York, the firm offers its services to sectors like healthcare, analytics, consulting, information technology, and human resources.

### Transaction Overview

Harris Williams advised BCHR Holdings, L.P., dba Buck, a portfolio company of H.I.G. Capital, on its sale to Arthur J. Gallagher & Co.



## Coverage Areas

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

## Professional & 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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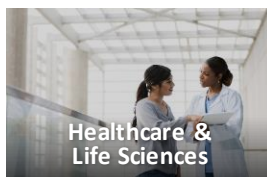
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# HW Harris Williams / GLOBAL INVESTMENT BANK

Harris Williams is a global investment bank specializing in M&A and private capital advisory services. Clients worldwide rely on us to help unlock value in their business and turn ambitious goals into reality. We approach every engagement with boundless collaboration, pooling expertise and relationships across industries, service offerings, and geographies.

## 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 & Disclaimers

## Sources

**Public Comparable Companies:**  
BPO: Cognizant, Computershare, DXC, Exl Service, 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, Insperity, 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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