

# Greenberg Advisors

SPECIALIZED M&A ADVISORY

## M&A Update 2024



**Accounts Receivable  
Management**

301-576-4000



[www.Greenberg-Advisors.com](http://www.Greenberg-Advisors.com)

## Introduction

# Nearly \$1 Billion in Transactions

What a year! The industry keeps evolving and opportunities certainly abound; if you know where to look.

While the total number of transactions declined this past year, the total deal value actually rose. In this edition of Greenberg Advisors' M&A Update, we've analyzed the transactions driving these diverging trends and we also took a deeper look at the year's deal participants and found some fascinating developments!

Among the more interesting aspects of 2024's transactions were the sale of a handful of major firms and the M&A-fueled growth of some specialists. These included the acquisition of longtime industry giant and BPO provider iQor by Mill Point Capital, as well as the sale of Annuity Health to Longshore Capital Partners. We noted that a few Accounts Receivable Management (ARM) firms completed multiple acquisitions this past year, helping to bolster their growth.

We hope you enjoy!

## Data Source

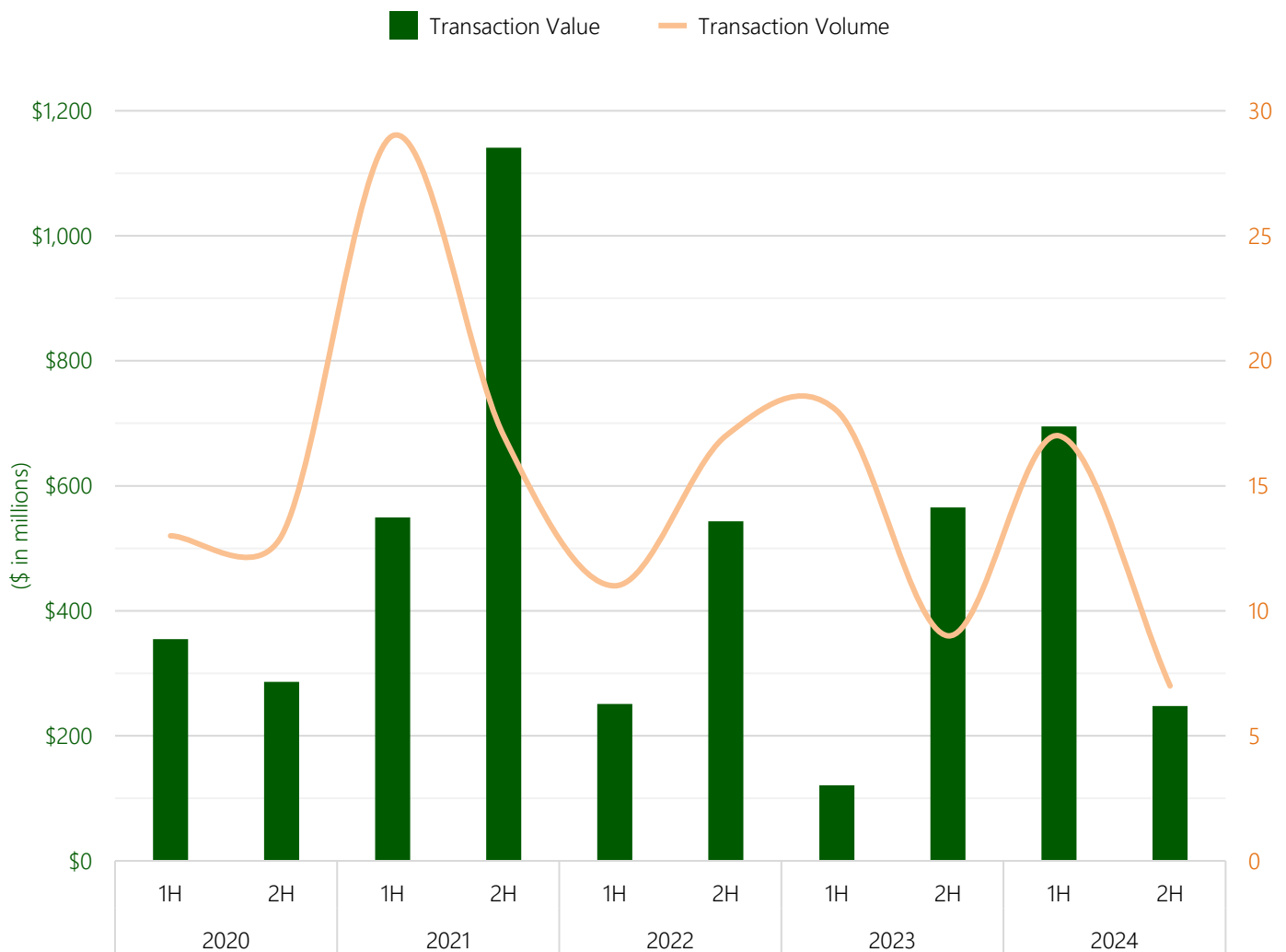
The data and analysis summarized herein are based on information from Greenberg Advisors' (GA) proprietary database in conjunction with GA's knowledge of the market. GA does not use market data from data vendors. Its data is highly reliable - most often obtained directly from transaction participants - and, in some instances, contains conservative estimates. We go to great lengths to gather this information to provide it in aggregate to the public in publications like this one but also to ensure that we, and our clients, are fully informed for transaction planning and execution.

## Key Takeaway

# Transaction Value Rises

While the number of transactions declined to 24 deals, the total deal value increased to nearly \$1 billion. This is a byproduct of the high level of exit activity among private equity (PE) firms, three of which sold businesses valued at over \$100 million.

## Transaction Value and Volume



Source: Greenberg Advisors

## Key Takeaway

# Who's Buying?

We've seen the emergence of three prominent buyer types:

**The Technology Provider:** These groups typically seek to acquire traditional collection agencies and then leverage technology to generate profitability improvements.

**The Local / Regional Buyer:** These buyers gain scale and efficiency by acquiring small and potentially struggling firms and / or competitors.

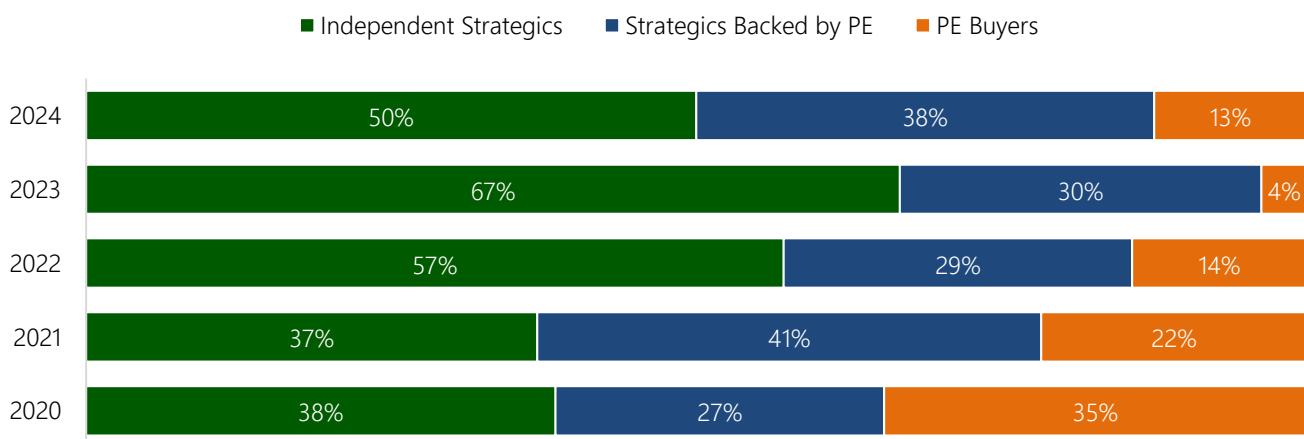
**The Current Shareholders:** There has been an increase of inter-shareholder transactions; the most that we've seen since 2017. These allow for a fast and smooth transaction, given how intimately aware of the operations the acquiring shareholder will likely be.

While there are other types of buyers (financial, etc.), these listed above reflect the current trend.

Assessing buyers based on their ownership structure shows that independent strategics were, once again, the most active type of buyer, completing 50% of the year's transactions. They were followed closely by PE-backed strategics, at 38% of all deals.

## Transaction Volume by Buyer Type

Percent of all transactions



Source: Greenberg Advisors

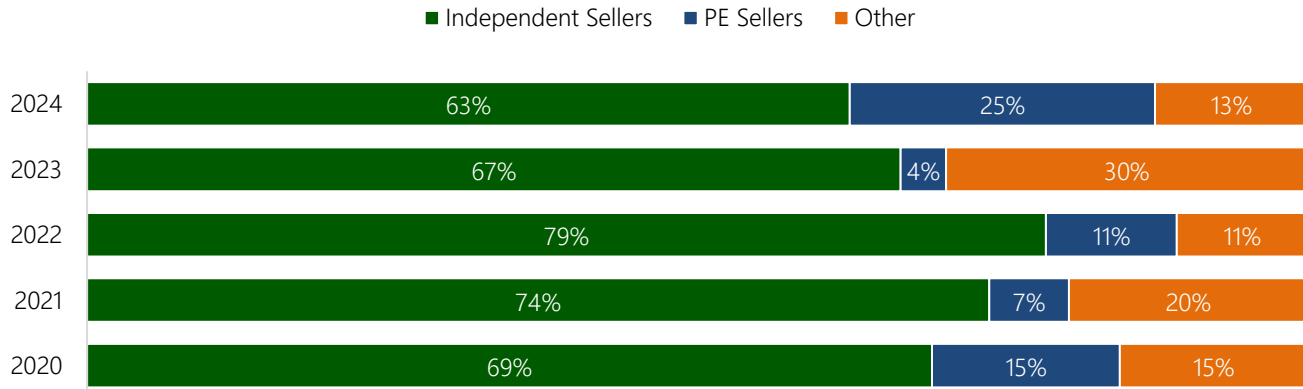
## Key Takeaway

# Who's Selling?

Private equity firms were very active sellers. Twenty-five percent of sellers were PE firms, which is the first time reaching that level since 2016.

## Transaction Volume by Seller Type

Percent of all transactions



Source: Greenberg Advisors

We've noticed over the years that some PE firms fall in love with the ARM space, while others just aren't interested. Among the former, they may invest in multiple platforms over the course of a few decades. One such group, which is now on its fourth platform, sold its latest ARM platform in 2024 and then invested into another, also in 2024!

## Greater Receptivity to Technology Fuels Acquisition Interests

The industry has reached an inflection point with technology. While not a new concept, we're seeing greater adoption of IT and the implementation of technology-driven solutions. This has created higher demand among tech-focused buyers to find sellers where technology can drive more effective solutions and profitability. It also opens the door for buyers to sell additional services to the acquired company's clients. Two examples of such transactions over the past few years include the acquisition of Reminda, a Sydney, Australia-based collection agency, by InDebted, as well as the acquisition of the debt collection business of Enhanced Recovery Company, LLC by TrueML.

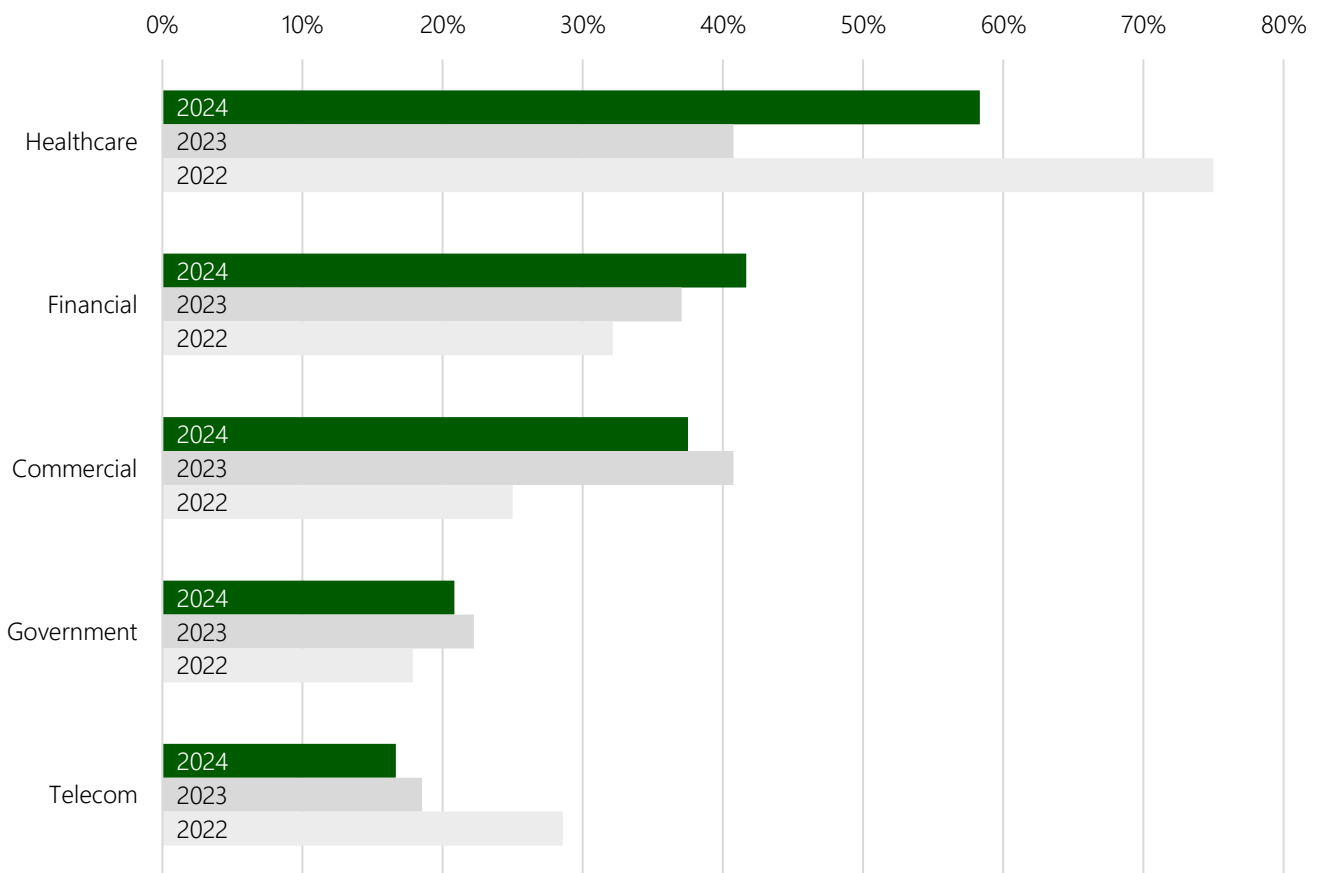
## Key Takeaway

# Segments of Interest

The most acquired segments in ARM were healthcare (58%), financial services (42%), and commercial (38%). This represents a significant rebound for the healthcare market, which fell to 41% in 2023. We think the dip in 2023 reflects the changing and increasingly challenging landscape in the healthcare bad debt collection market that some owners would rather not navigate. While our healthcare category includes other offerings as well, the 2024 results clearly indicate that buyers still want to acquire healthcare bad debt services!

## Most Active Client Segments

Percent of all transactions



Source: Greenberg Advisors

## Conclusion

# What We Expect in 2025

New challenges continue to crop up for those in the ARM sector. The industry faces familiar and new headwinds within the regulatory environment, which appears less predictable than ever. Adding to that, those that are unprepared or unable to adopt technology will probably not fare well. With these changes and others, it's best to seek accurate and objective advice, make an honest assessment of your situation relative to your goals, and chart a highly informed course to reach your objectives.

Looking ahead at M&A, we expect the year to bring plenty of opportunities to those seeking strategic transactions aimed at expanding market share and scale, diversifying segment or client concentration, and similar.

We expect that the aforementioned challenges will continue to drive M&A activity, as those with more bullish outlooks on the sector will seek to capitalize and invest in order to bolster inorganic growth.


# About Greenberg Advisors

Greenberg Advisors, LLC is one of the most experienced M&A advisory firms in the Accounts Receivable Management (ARM) and related industries. The firm’s professionals have provided trusted M&A and strategic advice to executives and investors for nearly 30 years, resulting in the completion of over 155 M&A, valuation, and strategic planning engagements.

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## The Go-To M&A Advisor in ARM

### Our Differentiators

- ▶ Unmatched Track Record in ARM Transactions
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- ▶ Proprietary Industry and M&A Data Assets
- ▶ We Treat Our Clients Like Family

### Our Services

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- ▶ M&A Planning and Strategy
- ▶ Business Valuations

## Our Team



**Brian Greenberg**  
*CEO & Founder*



**Zach Eisenberg**  
*Managing Director*



**Casey Krasko**  
*Vice President*



**Dan Miller**  
*Associate*





**Rob Hogue**  
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**Will Wang**  
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a portfolio company of  
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acquired  
 ARMC Financial Services, LLC


 BROWN & JOSEPH ALTUS  
a portfolio company of  
 INCLINE EQUITY PARTNERS  
acquired select assets of  
 HUNTER WARFIELD

 ARCADIA RECOVERY BUREAU  
was acquired by  
 ANNUIITY HEALTH  
a portfolio company of  
 PINE TREE EQUITY PARTNERS

 GENERAL REVENUE CORPORATION  
a subsidiary of  
 NAVIENT  
was acquired by  
 SINGLEPoint

 meduit  
a portfolio company of  
 NexPhase CAPITAL  
acquired the early-out assets of  
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