

Greenberg Advisors

SPECIALIZED M&A ADVISORY

M&A Update 2025



Accounts Receivable Management

301-576-4000

| www.Greenberg-Advisors.com

***Intended Use.** For informational purposes only. Data is derived from sources believed reliable and, in some instances, may include conservative estimates and sellers that generate a portion of revenue outside of ARM. This is not investment advice. Any use of Greenberg Advisors' (GA) proprietary information without GA's written permission is prohibited.*

Introduction

Nearly \$1 Billion in Transactions

M&A activity in the Accounts Receivable Management (ARM) industry remained busy, with approximately \$900 million in transaction value.

In this edition of Greenberg Advisors' M&A Update, we discuss changes in transaction sizes, private equity's impact, ARM technology's pervasiveness in the M&A market, and trends within different verticals.

Evidence of the ARM industry's lasting appeal to investors of all stripes, substantial transactions in 2025 included Jefferson Capital's \$150 million initial public offering, Astria Capital Partners' acquisition of Altus Commercial Receivables from ARMStrong Receivable Management and BharCap Partners, and Gallant Capital Partners' acquisition of Navient's Government Services business.

We look forward to a prosperous year for the ARM industry and to discussing your strategic plans!

Data Source

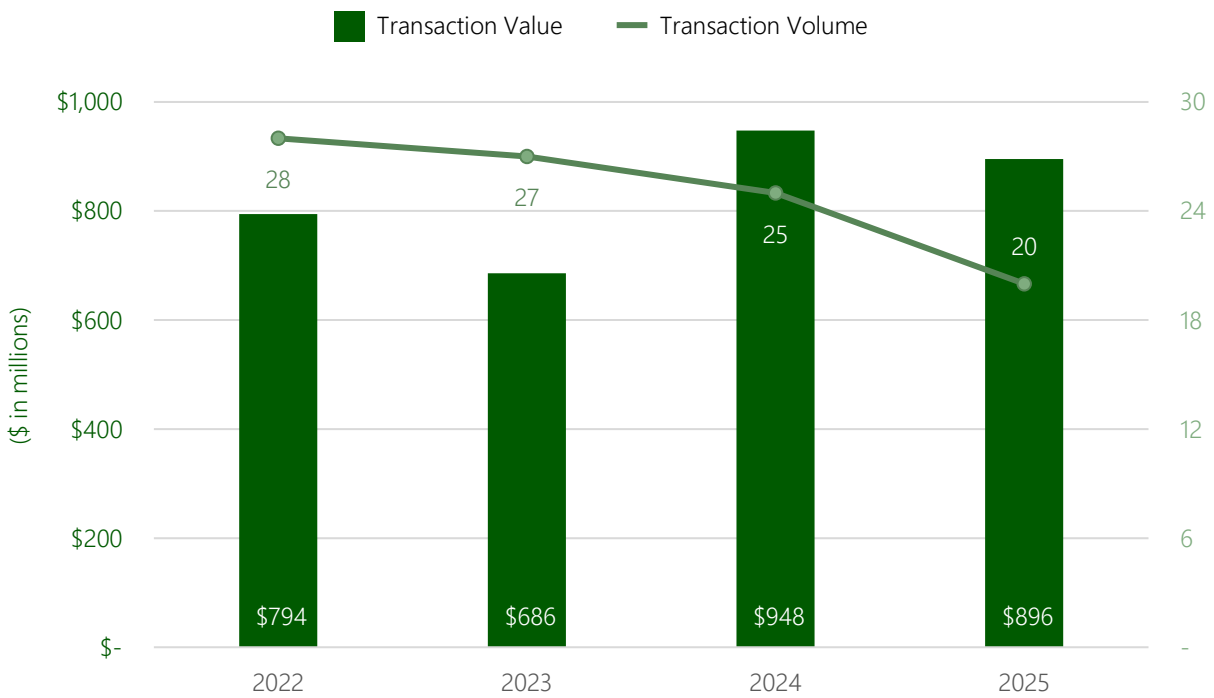
The data and analysis summarized herein are based on information from GA's proprietary database in conjunction with GA's knowledge of the market. GA does not use market data from data vendors. Its data is highly reliable - most often obtained directly from transaction participants. We go to great lengths 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

Average Deal Value Climbs

2025 saw \$896 million change hands across 20 transactions. Approximately 60% of those transactions occurred in the first half of the year, mirroring activity in 2024. While total transaction volume fell, the average transaction size grew by 18%, to approximately \$45 million – the highest level since 2018. An increase in private equity exits was a major driver of this shift, as discussed on the following page.

Transaction Value and Volume



Average Transaction Size	2022	2023	2024	2025
	\$28M	\$25M	\$38M	\$45M

Source: Greenberg Advisors

Key Takeaway

Private Equity Dominates Scaled Exits

Transaction volume shifted meaningfully toward sellers with over \$25 million in revenue. These deals represented 30% of 2025's transaction volume, a substantial increase from prior periods when these deals constituted 7% (2023) and 20% (2024) of overall volume.

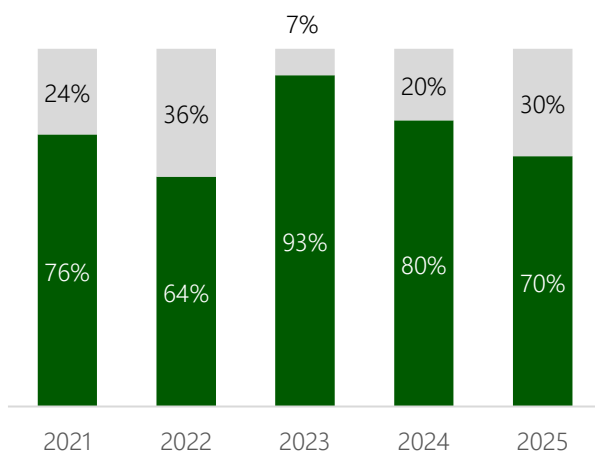
We also observed a meaningful shift in the seller mix for businesses generating over \$25 million in revenue. In 2021, 55% of such transactions involved founder-owned sellers while only 9% were private equity divestitures; in the last two years, private equity represented 73%, while founder-owned sellers declined to 18%.

The influx of private equity exits reflects attractive market conditions. Many long-held investments were exited in 2024, with those firms averaging a 9.7-year hold period, whereas 2025's average private equity hold period among exited companies was 6.4 years, much more consistent with typical PE hold periods.

Deal Volume by Seller Revenue

Percent of all transactions

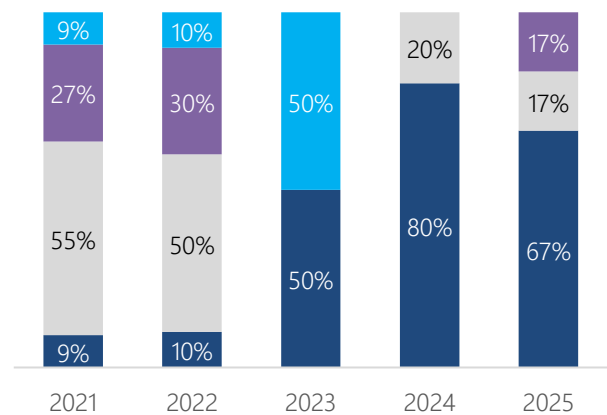
Over \$25M Under \$25M



Sellers With \$25M+ in Revenue by Type

Percent of all transactions

Private Equity Founders or Individual Investors
Corporate Carveout Public Company



Average Private Equity Hold Period (Years)	2021	2022	2023	2024	2025
	2.9	5.8	4.4	9.7	6.4

Source: Greenberg Advisors

Key Takeaway

ARM Technology Spurs Activity

Technology advancements are becoming increasingly important as agencies rush to adopt artificial intelligence (AI) and automation to enhance results, reduce expenses, compete on pricing, and ensure compliance. In our 2024 ARM M&A Update, we highlighted a budding trend regarding technology adoption that remains the case today; 2025 saw a bevy of transactions where technology advancements or deployments were central to the strategic rationale:

- **InterProse acquired BeamSoftware.** This expands InterProse's web-based debt recovery software, adding capabilities for the debt buying market.
- **InDebted completed two acquisitions.** InDebted acquired two ARM services firms, providing access to new markets and client bases in which InDebted can leverage its AI-led technology capabilities.
- **Transworld Systems Inc. (TSI) acquired DebtNext.** The transaction provides TSI with a receivables management technology platform tailored to credit originators.
- **Stuut Technologies raised \$29.5M from Andreessen Horowitz and others.** Stuut is an AI platform that automates A/R work and collection activities.
- **TrueAccord acquired Sentry Credit, Inc.** This acquisition expands TrueAccord's client base while providing Sentry Credit access to TrueAccord's digital-first collection platform.

These transactions are just a sample of the broader market activity.

Key Takeaway

Market Segments: Utility, Telecom, & Government Leap Forward

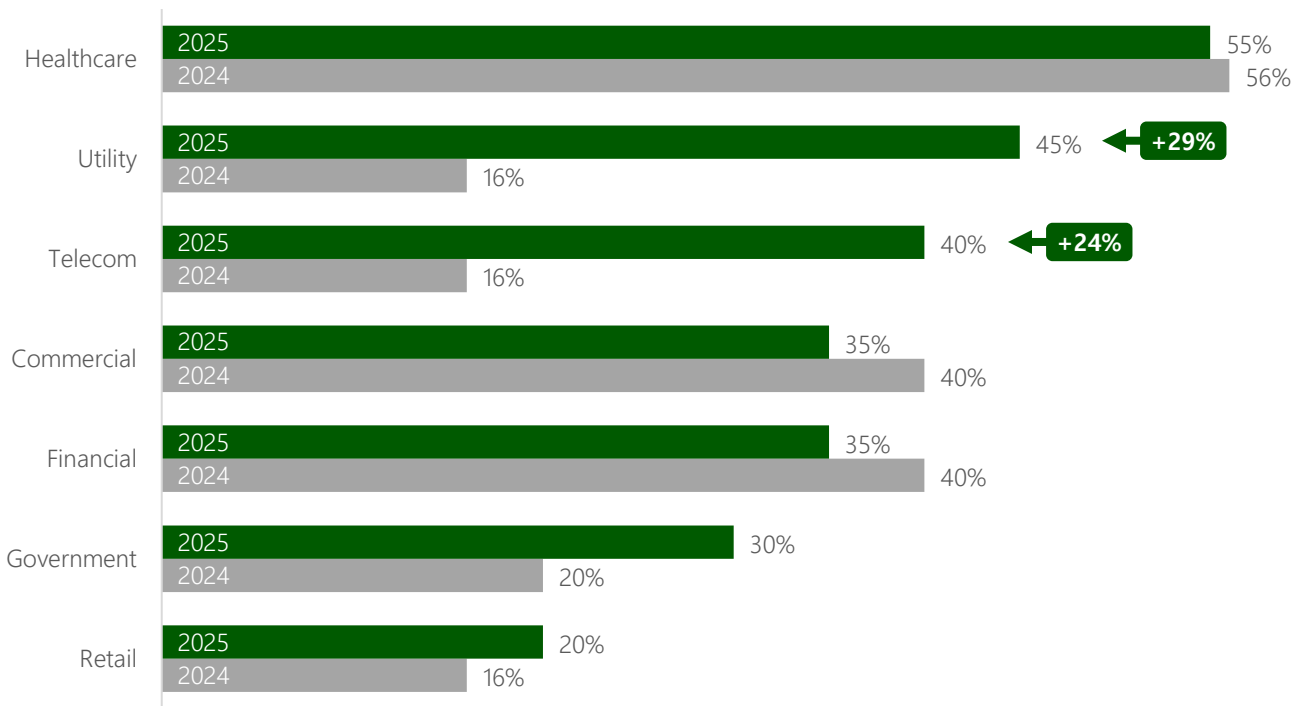
Healthcare remained the most acquired ARM client segment, representing 55% of all transactions.

Activity in the utility and telecom markets increased substantially, with sellers servicing these markets in 40%-45% of all transactions. One firm, backed by institutional investors, was involved in several of these transactions. The increased interest in these markets may be the result of automation advancements, as they generally provide high-volume, low-value claims, which are ripe for digital collections strategies and could offer significant cost-savings by reducing mailed statements, call time, and other expenses.

Activity in the government sector also showed growth, rising from 20% of deal volume in 2024 to 30% in 2025. We are monitoring the federal government's statements and actions regarding its student loan portfolio, which could have a major impact on M&A activity in the education segment depending on the outcome.

Most Active Client Segments

Percent of all transactions



Source: Greenberg Advisors

Conclusion

Looking Toward 2026

Technology adoption remains at the forefront of the ARM industry, which seems to be divided between long-time founders that, perhaps, aren't as willing to lean into new solutions, and well-capitalized players making big bets on automation and AI to secure a position at the front of this changing industry. Of course, not everyone falls into one of these two categories, but we believe that this general dynamic will continue to fuel further M&A activity over the coming years. Owners that aren't ready to invest in technology may become sellers, whereas buyers that have technology capabilities will be increasingly interested in these opportunities where there is significant potential for synergies.

As previously discussed, private equity firms have dominated exits in the last two years. This activity could help bolster overall deal volume, as the new wave of owners are more likely to seek acquisitions to bolster growth. Regardless of who the buyers are, sellers with strong management teams and/or long-term relationships with desirable clients will remain highly sought after in the market.

Greenberg Advisors

SPECIALIZED M&A ADVISORY



Greenberg Advisors is one of the most experienced M&A advisory firms in the Accounts Receivable Management (ARM) industry with over 70 years of combined ARM M&A experience.

Our Differentiators

- Unmatched Track Record in ARM Transactions
- Long-Term Relationships with Owners and Investors
- Proprietary Industry and M&A Data Assets
- Comprehensive Understanding of ARM
- Trust Built Through Reliability and Honesty
- Protection of our Clients' Interests and Information

Our Services

Sell-Side & Buy-Side
M&A Advisory

M&A Planning & Strategy

Business Valuation

Contact Us



www.Greenberg-Advisors.com



301-576-4000



LinkedIn

Our Team

