



CAS 2026 M&A Outlook:

Predictions for Tech-Enabled Outsourced Business Services Sector

December 2025 | This presentation includes proprietary information of Corporate Advisory Solutions



Welcome to CAS's Predictions Heading Into 2026

As we approach 2026, the CAS team wanted to share our predictions for the new calendar year across the broader tech-enabled outsourced business landscape, as well as within our core coverage industries.

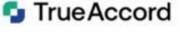
Since 2024, CAS has facilitated 10 transactions – six of which closed in the current calendar year – with several more in the pipeline expected to close over the coming months. In parallel with this transaction activity, CAS completes more than 25 valuation and other strategic advisory engagements annually, and based on our ongoing dialogues with market participants, we do not anticipate deal activity slowing any time soon.

The market environment heading into 2026 is shaping up to heavily favor sellers. We are operating in a clear supply-demand imbalance, with a limited pool of high-quality assets and an expanding universe of buyers actively seeking the right acquisition opportunities.

Targets with defined niches across services, asset classes, client bases, geographic footprints, or differentiated technology are especially well positioned to attract robust interest. Across CAS's coverage sectors – ARM, healthcare RCM, and BPO/CX – distinct themes are emerging for 2026; we highlight several of these on the following slides.

As we head into the holiday season, the CAS team would love to hear your own predictions for 2026. We expect another eventful year and are eager to hear your perspectives, outlooks, and expectations. As always, for any questions or to connect directly with the CAS team, please reach out to Allie Bauerer at abaurer@corpadvisorysolutions.com.

- Michael Lamm & Mark Russell

 <p>ACQUIRED</p>  <p>The undersigned served as M&A advisor to A.R.M. Solutions</p>  <p>Corporate Advisory Solutions INTEGRITY. CONFIDENTIALITY. EXPERIENCE January 2025 Securities conducted through Finalis Securities LLC Member FINRA/SIPC</p>	 <p>MERGED WITH</p>  <p>The undersigned served as M&A advisor to Caine & Weiner</p>  <p>Corporate Advisory Solutions INTEGRITY. CONFIDENTIALITY. EXPERIENCE January 2025 Securities conducted through Finalis Securities LLC Member FINRA/SIPC</p>	 <p>ACQUIRED</p>  <p>The undersigned served as M&A advisor to TrueAccord</p>  <p>Corporate Advisory Solutions INTEGRITY. CONFIDENTIALITY. EXPERIENCE May 2025 Securities conducted through Finalis Securities LLC Member FINRA/SIPC</p>	<p>Sale of Legal Software Provider to Financial Acquirer (Platform)</p> <p>CAS acted as the sell-side M&A advisor to a provider of legal software to the ARM industry in its sale to a financial acquirer.</p>
 <p>A PARTNER COMPANY OF</p>  <p>ACQUIRED</p>  <p>BYL SERVICES</p> <p>The undersigned served as M&A advisor to Virtual Accounts Receivable Outsourcing, LLC and BYL Services, LLC</p>  <p>Corporate Advisory Solutions INTEGRITY. CONFIDENTIALITY. EXPERIENCE June 2025 Securities conducted through Finalis Securities LLC Member FINRA/SIPC</p>	 <p>ACQUIRED</p>  <p>The undersigned initiated the transaction and served as M&A advisor to KnovaOne</p>  <p>Corporate Advisory Solutions INTEGRITY. CONFIDENTIALITY. EXPERIENCE April 2024</p>	<p>Sale of Consumer Collections Agency to VC-Backed AI Platform</p> <p>CAS acted as the buy-side M&A advisor to a VC-backed AI platform in its acquisition of a financial services and auto-focused collection agency.</p>	
 <p>A PARTNER COMPANY OF</p>  <p>ACQUIRED SELECT ASSETS OF</p>  <p>The undersigned initiated the transaction and served as the M&A advisor to CCMR3</p>  <p>Corporate Advisory Solutions INTEGRITY. CONFIDENTIALITY. EXPERIENCE January 2024</p>	 <p>ACQUIRED</p>  <p>COLLECTION CONSULTANTS OF CALIFORNIA Your Best Partner in Receivables Solutions</p> <p>The undersigned served as M&A advisor to Caine & Weiner</p>  <p>Corporate Advisory Solutions INTEGRITY. CONFIDENTIALITY. EXPERIENCE May 2025</p>	<p>Sale of Legal Network Provider to PE-Backed ARM Company</p> <p>CAS acted as sell-side M&A advisor to a Legal Network platform in its sale to a PE-backed ARM company.</p>	

Executive Summary

A Continued Seller's Market Favoring High-Quality Assets

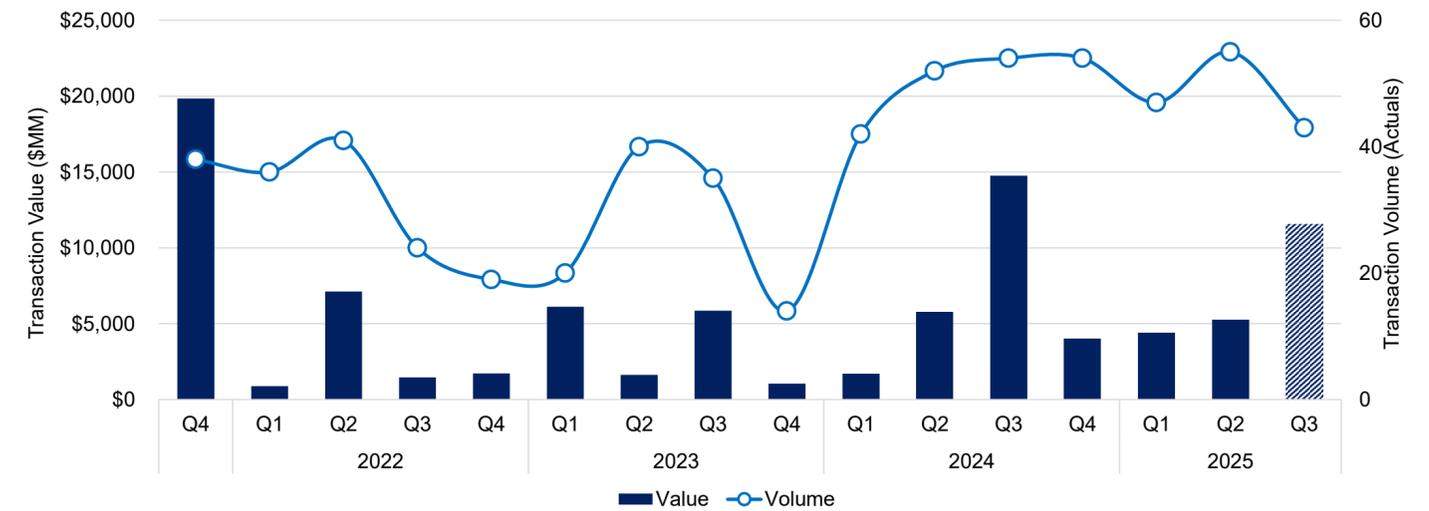
Market Conditions in 2026 to Favor Sellers

M&A volume across CAS's coverage industries remained in line with prior quarters, while overall deal value increased – driven largely by several significant transactions in the BPO/CX sector. CAS expects 2026 to show similar trends in both volume and value, supported by continued consolidation across ARM, healthcare RCM, and BPO/CX. 2026 is shaping up to remain a strong seller's market. While each of CAS's coverage industries has its own idiosyncratic dynamics (outlined on the following slide), the overarching theme is continued consolidation. Below are CAS's three key M&A predictions for 2026:

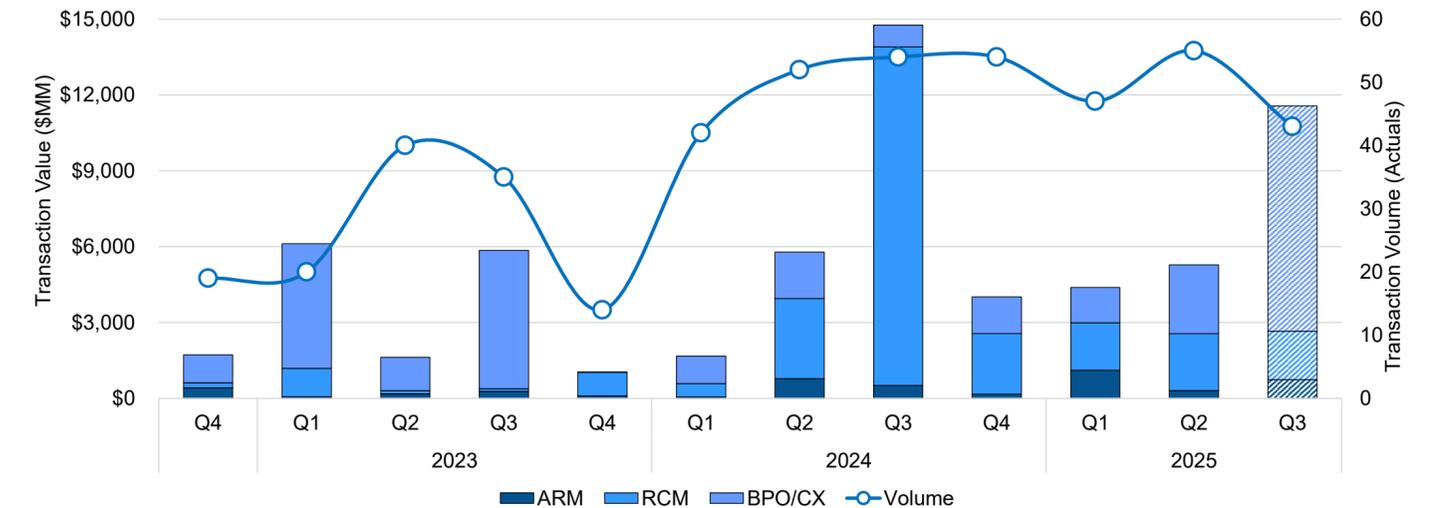
- 1) High-Quality Assets Will Command Premiums:** Targets with niche services, specialized asset classes, defined client verticals, focused geographic footprints, or industry-leading technology will attract motivated acquirers willing to pay valuation premiums for the right asset.
- 2) Financial Sponsors Will Drive Elevated Activity:** Tariff uncertainty, accelerating AI adoption, and fragmented market structures favor tech-enabled outsourced services businesses. Coupled with anticipated lower interest rates and record-level dry powder, financial sponsors are poised to increase their participation meaningfully.
- 3) Emergence of Tech-Driven Acquisition Vehicles:** Beyond traditional strategic and financial buyers, a growing group of acquirers will focus on "skipping" the sales cycle by purchasing established client bases and deploying internally developed tech – becoming an increasingly influential category in the market.

Across these industry-specific themes, CAS expects M&A activity to remain elevated as companies of all sizes look to supplement resource-intensive organic initiatives with targeted inorganic growth.

Quarterly Transaction Value & Volume



Transaction Value by Industry & Volume



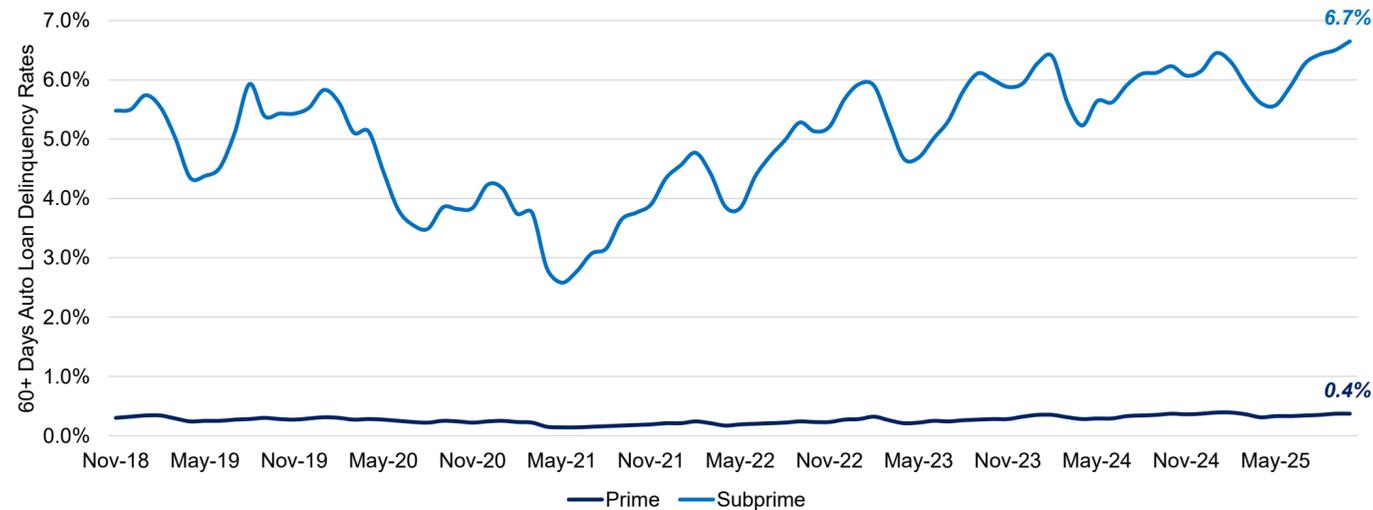
Source(s):
Proprietary Data (Corporate Advisory Solutions).
*Past performance may not recur, and there is no guarantee of future results.

In 2026, the accounts receivables management (“ARM”) industry will be shaped by widening consumer credit divergence, rising sponsor activity across law firms, and accelerating consolidation among smaller agencies driven by escalating operational and technology costs/expenses.

K-Shaped Consumer Divide Poised to Persist in 2026

In 2026, the K-shaped economy is expected to become even more pronounced, with prime consumers maintaining strong financial footing while subprime borrowers face rising delinquencies amid persistent headwinds. Indicators such as **climbing auto loan delinquency rates** continue to underscore this divide.

ARM vendors should anticipate heavier volumes from the lower-income segment – intensified by pressures like resumed student-loan payments and elevated living costs – while prime debtors are likely to remain stable in the current macroeconomic environment.



Accelerated Acquisition Interest in Law Firms

Private equity is increasingly targeting one of the few remaining industries with limited sponsor penetration: law firms. Recent successful transactions utilizing the Management Services Organization (MSO) model have helped validate this approach and are accelerating sponsor interest.

Creditor-rights firms with **placement-driven billing models are particularly attractive to financial sponsors**, who place a premium on revenue predictability. Larger operators with experienced management teams seeking to scale alongside a capital partner are expected to see elevated demand in 2026.

Expenditures-Driven M&A in the Smaller Agency Market

The already rapidly consolidating collection agency landscape is expected to accelerate further in 2026. Rising expenditures across technology, compliance, operations, security, and service capabilities continue to erode competitiveness for smaller players in the ARM ecosystem.

Strong acquisition demand from larger operators positions smaller agencies well for successful exits, as strategic and sponsor-backed platforms remain willing to **pay premiums for high-quality assets** with specialization in targeted asset classes, geographies, or service offerings.

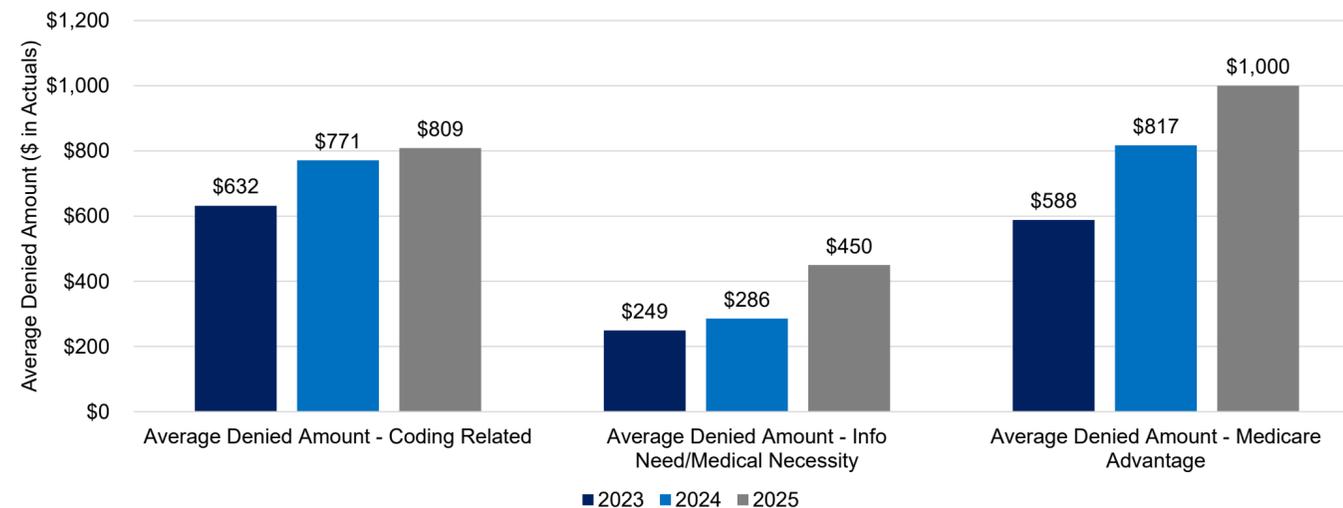
Source(s):
 Auto Loan 60+ Delinquency Index (Fitch Ratings).
 *Past performance may not recur, and there is no guarantee of future results.

In 2026, healthcare revenue cycle management (“RCM”) will see AI-driven mid-cycle disruption, a shift in M&A toward high-value add-on acquisitions, and rising provider demand for outsourced, end-to-end revenue-cycle services as operational and financial pressures intensify.

AI Goes Mainstream in Revenue Integrity

The healthcare RCM cycle – especially the mid-cycle – is headed for continued, material AI-driven disruption in 2026. Denials are climbing as payer algorithms scrutinize claims more aggressively, flagging coding, documentation, and medical-necessity gaps that humans have historically missed.

To stay competitive, RCM vendors will feel growing provider/client pressure to **shift from reactive denial work to AI-driven, predictive pre-bill integrity** that anticipates payer behavior, prevents denials, and protects provider performance.



Source(s):
Annual Benchmark Report – 2025 Edition (MDaudit).
*Past performance may not recur, and there is no guarantee of future results.

M&A Focus Shifts to Add-On Opportunities

After a wave of platform acquisitions in healthcare RCM over the past two years, financial sponsors are now shifting their focus to add-on opportunities. As PE-backed platforms work to expand their capabilities, valuation premiums for high-quality add-ons continue to rise.

Bootstrapped and owner-operated vendors with distinct **niches** – across the RCM cycle, specific services, geographies, or client segments – are especially **well positioned to command premium valuations** as sponsors deploy primary capital to accelerate growth.

Elevated Demand for Outsourced RCM Services

As providers face mounting headwinds – including a difficult labor market, deteriorating operating margins, and cuts to government-program reimbursement – they are increasingly inclined to retain only complex, high-value tasks in-house while outsourcing other back-office functions.

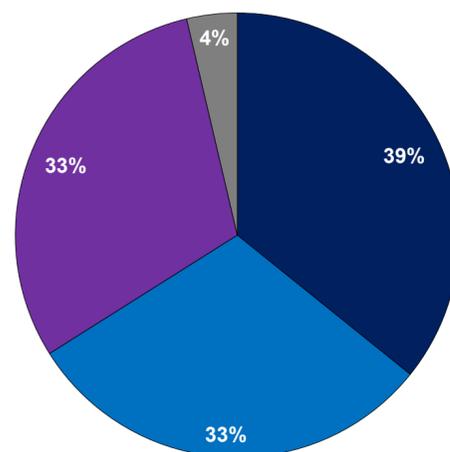
A **preference to consolidate vendors further benefits larger RCM platforms** offering end-to-end services, which are also better positioned to meet growing technology, compliance, and security requirements.

In 2026, the business process outsourcing/customer experience (“BPO/CX”) landscape will be defined by AI-driven commoditization, intensifying price pressure, and the rise of flexible, hybrid contact centers that blend human, offshore, and automated capabilities to deliver performance-based, margin-focused outcomes.

Voice AI Becomes a Commodity in Contact Centers

Since the launch of ChatGPT three years ago, AI adoption has accelerated rapidly, especially in the call/contact center space. VoiceAI has evolved quickly – from a niche technology offering to a near-commodity in the BPO/CX market.

In 2026, VoiceAI startups will likely shift their focus from pure technology development to aggressive logo acquisition, as the addressable market continues to shrink; already, four out of ten contact centers are using AI tools. The winning pitch will no longer hinge on superior technology, but on **delivering competitive unit economics and seamless integration with contact centers’ platforms.**



■ Currently use AI tools ■ Planning on implementing AI ■ Considering implementing AI ■ No plans to use AI

Growth of Outcome-Based Pricing

The already fragmented and commoditized call/contact center ecosystem has grown even more crowded with emerging technologies. Human-agent incumbents now compete with automation-driven entrants for the same customers, **increasing pricing pressure amid a widening supply-demand imbalance.**

Outcome-based pricing will gain traction – not only because compensation is tied to performance, but also as call/contact center vendors shift from traditional cost centers to data-driven customer journey platforms.

The “Everywhere” Contact Centers Become the Norm

With continued technological advancement and a growing focus on client profitability, **call/contact centers that offer domestic and nearshore/offshore delivery** – along with both human and AI agent capabilities – will become the preferred vendors due to their broader service arsenal and scalability.

Technologies like accent softening now enable nearshore agents to reduce cultural friction while delivering higher margins for both vendors and clients. Combined with the ability to support additional time zones beyond domestic operations, this creates a clear win-win scenario for all parties.



Specialized Tech-Enabled Outsourced Business Services Boutique Investment Bank

Specialized M&A Advisory for Regulated Markets

CAS is an investment and merchant banking¹ firm exclusively focused on the tech-enabled outsourced business services sector, dedicating 100% of our time and expertise to this space.

 **10 Transactions Closed in the Past 12 Months**

 **Geographically Agnostic – Domestic and International**

 **150+ M&A Transactions and 25+ Valuations Annually**

Suite of Transaction, Strategic, and Valuation Services

As specialists in our core industries, CAS delivers a comprehensive suite of services that equip our partners with the resources needed to achieve their strategic goals.

 **Service Expertise from Deep Specialization**

 **Extensive Network from Previous Engagements**

 **Consulting-Driven Operational Support**

Three Core Industries with Expanding Reach

CAS specializes in ARM, healthcare RCM, and BPO/CX – three core industries – while actively expanding into adjacent verticals through deep market insights and domain knowledge.

 **Software Expertise Amid Technological Disruption**

 **Real-Time Industry Pulse**

 **Frequent Industry Conference Attendance**

20+ Years of Relationships in Proprietary Database

CAS leverages a proprietary database that enhances our ability to connect, engage, and nurture relationships, delivering strong outcomes to our clients.

 **Strong Relationships Across the CAS Network**

 **Industry Insights Driven by Constant Discussions**

 **Media Presence Through Content Distribution**

Note(s):

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