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## CBIZ marks completion of \$2.3 billion Marcum acquisition

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REPRINTS



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CBIZ Inc.'s headquarters in Independence, which opened in fall 2023.

CBIZ Inc. announced that it has completed its \$2.3 billion acquisition of New York-based accounting firm Marcum, a combination that positions the company as the seventh-largest accounting firm in the country.

This follows 99% of shareholders approving a stock issuance for Marcum, a critical component of finalizing the deal, on Oct. 23.

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With annual revenues of approximately \$1.4 billion, CBIZ previously ranked as the 11th largest accounting firm in the U.S., according to an annual [list](#) by Accounting Today.

With the integration of Marcum, CBIZ is projecting annualized revenues of \$2.8 billion. On the ranking of largest accounting firms, that places the business between Chicago firms BDO USA (\$2.82 billion in revenue) and Grant Thornton (\$2.36 billion in revenue).

The acquisition, completed through a mixed cash-and-stock deal valued at approximately \$2.3 billion, was announced July 31.

As previously laid out, while CBIZ acquires Marcum's non-attest operations, Marcum's attest (i.e. auditing) business combines with CBIZ CPAs, the entity previously known as Mayer Hoffman McCann P.C. (or MHM). CBIZ has operated under an alternative practice structure with MHM for 25 years.

The deal does not include Marcum Wealth, a wealth management business that Hightower Advisors had [reportedly](#) courted for a possible acquisition in 2022.

CBIZ president and CEO Jerry Grisko heralds the close of the Marcum deals as a "major milestone and new chapter for CBIZ, our people and our shareholders."

"Now, with over 10,000 team members, we will offer our clients an enhanced breadth of services and depth of expertise unmatched in our industries all aimed at helping them grow their business," said Grisko in a statement. "With even deeper subject matter expertise, industry resources, service lines and insights, we can provide actionable advice and new and innovative data-driven products and solutions."

Allan Koltin, CEO of Koltin Consulting Group, which specializes in advising the accounting sector, has described the firm's Marcum acquisition as "[groundbreaking](#)" and postulates that CBIZ could reach \$5 billion in revenues over the next five years.

"Not only will this create the seventh largest CPA and advisory firm in the country, it will also increase the number of private equity firms and related investment groups entering the accounting profession," Koltin said.

There were many investment firms interested in buying or investing in CBIZ before this deal came to pass, he said, which may be inspired by what CBIZ is doing.

"I think this is going to spur a whole other round of outside investors wanting to get into the space," Koltin said, which may include private equity as well as sovereign wealth funds, large family offices, pension funds and other investors outside the U.S.

Coincidentally, Cleveland's Cohen & Co. recently announced an undisclosed [minority equity investment](#) from Pennsylvania-based private equity firm Lovell Minnick Partners in a deal expected to greatly accelerate the regional

accounting firm's growth in the years ahead.

The close of the Marcum deal also comes on the heels of CBIZ posting Q3 earnings.

CBIZ reported approximately \$35.08 million in net income for the quarter on revenues of \$438.88 million, which were up approximately 4% and 7%, respectively, compared to the like period in 2023.

For the nine-month period ending in Q3, CBIZ reported approximately \$131.76 million in net income on revenues of \$1.35 billion, which were down about 1.5% and up 7%, respectively, compared to the like period of 2023.



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