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Legal tech startup ProfitSolv seeks buyer amid sluggish merger climate

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ProfitSolv provides billing, payments and software for legal, accounting, and other professional services firms.

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ProfitSolv, a startup that offers billing and payments services, is looking for a new owner with first round bids due next week, three bankers familiar with the situation said.

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In November, *Fortune* reported that ProfitSolv was expected to go on the block this year. Books for the Knoxville, Tennessee company went out a month ago, one of the bankers said. Raymond James and William Blair are advising on the process.

ProfitSolv is expected to sell for $1 billion, *Fortune* reported.

ProfitSolv is a portfolio company of Lightyear Capital, a financial services-focused private equity firm. In 2020, Lightyear launched ProfitSolv, which provides billing, payments and software for legal, accounting, and other professional services firms. Kelley Castell, a former First Data executive who was also COO of Bluefin Payment Systems, has served as ProfitSolv's CEO since its formation. Greater Sum Ventures, the family office of Ross Croley, is also an investor in ProfitSolv.

Lightyear declined to comment. ProfitSolv, Raymond James and Blair did not return messages for comment while Greater Sum could not immediately be reached for comment.

News of the ProfitSolv sale comes as M&A remains slow. The number of global announced mergers is down 29% compared to last year while U.S. deals are off about 25% year over year, according to March 12 data from Dealogic.

Dealmakers had expected a "Trump bump" to help reignite mergers. But tariffs, declining consumer confidence and stock market volatility has some now believing the U.S. could fall into a recession. The S&P 500 is down 7% from the start of January, while the Nasdaq Composite is off 8.2%.

Mergers have crawled since 2021, a record breaking year for M&A. In 2021, the number of announced deals exceeded 62,000 globally and publicly disclosed deal values reached $5.1 trillion, according to a PwC analysis.

Bankers no longer believe mergers will rebound this year. "Deal flow is soft right now. There will be no spike in 2025. It will be similar to 2024," one of the bankers said.

"It's the same as last year," a second banker said of deal volume.

Many bankers also complained about the number of broken processes littering the market. Yet some deals are getting done. Lovell Minnick Partners said Wednesday that Audax Private Equity was investing in portfolio company Fortis. *Fortune* reported in November that Lovell Minnick was seeking a minority investor for payments company Fortis.

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About the Author

LUISA BELTRAN

Finance Reporter

Luisa Beltran is a finance reporter at *Fortune* where she covers private equity, Wall Street, and fintech M&A.

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