UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): October 30, 2019

CBIZ, Inc.
(Exact name of Registrant as Specified in Its Charter)

Delaware	001-32961	22-2769024
(State or Other Jurisdiction of Incorporation)	(Commission File Number)	(IRS Employer Identification No.)

6050 Oak Tree Boulevard, South, Suite 500, Cleveland, Ohio	44131
(Address of Principal Executive Offices)	(Zip Code)

Registrant's Telephone Number, Including Area Code: (216) 447-9000

Not Applicable
(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instructions A.2. below):

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Class A Common Stock par value $0.01 per share	CBZ	New York Stock Exchange

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§ 230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§ 240.12b-2 of this chapter).

Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Item 2.02 Results of Operations and Financial Condition.

On October 30, 2019, CBIZ, Inc. (the “Company”) issued a press release announcing its financial results for the three and nine months ended September 30, 2019. A copy of the press release is furnished herewith as Exhibit 99.1. A transcript of CBIZ’s earnings conference call held on October 30, 2019 is furnished herewith as Exhibit 99.2. The exhibits contain, and may implicate, forward-looking statements regarding the Company and include cautionary statements identifying important factors that could cause actual results to differ materially from those anticipated.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

99.1	Press Release of CBIZ, Inc. dated October 30, 2019, announcing its financial results for the three and nine months ended September 30, 2019.
99.2	Transcript of earnings conference call held on October 30, 2019, discussing CBIZ’s financial results for the three and nine months ended September 30, 2019.
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Dated: November 1, 2019

CBIZ, INC.

By: /s/ Ware H. Grove
Name: Ware H. Grove
Title: Chief Financial Officer

PRESS release

FOR IMMEDIATE RELEASE

CONTACT: **Ware Grove**
Chief Financial Officer
-or-
Lori Novickis
Director, Corporate Relations
CBIZ, Inc.
Cleveland, Ohio
(216) 447-9000

CBIZ REPORTS THIRD-QUARTER AND NINE-MONTH 2019 RESULTS

THIRD-QUARTER HIGHLIGHTS:

- TOTAL REVENUE +6.9%
- SAME-UNIT REVENUE +5.6%
- EPS FROM CONTINUING OPERATIONS +33.3%

NINE-MONTH HIGHLIGHTS:

- TOTAL REVENUE +3.1%
- SAME-UNIT REVENUE +2.5%
- EPS FROM CONTINUING OPERATIONS +16.2%

CLEVELAND (October 30, 2019) – CBIZ, Inc. (NYSE: CBZ) (the “Company”) today announced third-quarter and nine-month results for the period ended September 30, 2019.

For the 2019 third quarter, CBIZ recorded revenue of $239.8 million, an increase of $15.5 million, or 6.9%, over the $224.2 million reported in 2018. Newly acquired operations, net of divestitures, contributed $3.1 million, or 1.4%, to the third-quarter 2019 revenue growth. Same-unit revenue increased by $12.4 million, or 5.6%, for the quarter, compared with the same period a year ago. Income from continuing operations of $18.0 million, or $0.32 per diluted share, increased by 32.4% in the 2019 third quarter, compared with $13.6 million, or $0.24 per diluted share, for the same period a year ago. Adjusted EBITDA for the third quarter was $31.4 million, compared with $24.4 million for the third quarter of 2018.

For the nine-month period ended September 30, 2019, CBIZ recorded revenue of $745.3 million, an increase of $22.3 million, or 3.1%, over the $723.0 million recorded for the first nine months of 2018. Acquisitions, net of divested operations, contributed $4.3 million, or 0.6%, to the revenue growth in the first nine months of 2019. Same-unit revenue increased by $18.0 million, or 2.5%, compared with the same period a year ago. Income from continuing operations of $72.2 million, or $1.29 per diluted share, increased by 15.5% in the first nine months of 2019, compared with $62.5 million, or $1.11 per diluted share, for the same period a year ago. Adjusted EBITDA was $117.9 million, compared with $104.3 million in 2018.

For the nine months ended September 30, 2019, the Company repurchased a total of approximately 1.1 million shares of its common stock. As a result of this activity, the Company expects a weighted average fully diluted share count within a range of 55.5 to 56.0 million shares for 2019. The balance outstanding on the Company's unsecured credit facility at September 30, 2019 was $160 million with approximately $234 million of unused borrowing capacity.

Jerry Grisko, CBIZ President and Chief Executive Officer, said, "We are very pleased to report third-quarter revenue growth of 6.9% and year-to-date growth of 3.1%, which were consistent with our expectations to experience robust second-half revenue growth this year, even compared with our historically strong results recorded in the second half of last year. Same-unit revenue growth of 5.6% in the third quarter was a result of continuous demand for the core services offered through both our Financial Services and Benefits & Insurance segments and was aided by notable contributions from a number of our more transactional, project oriented businesses. We successfully leveraged this growth into higher margins and reported a 33.3% increase in earnings per share for the third quarter and a 16.2% increase year to date."

Grisko continued, "We completed five acquisitions in the third quarter, and for the year, we have closed a total of six transactions that are expected to add approximately $17.4 million in annualized revenue. Our focus on strategic acquisitions continues and we have a full pipeline of potential acquisitions under review."

2019 Full-Year Outlook

- The Company expects growth in total revenue within a range of 3% to 4% over the prior year.
- Although several factors may impact the tax rate, the Company expects an effective tax rate of approximately 25%.
- The Company expects a weighted average fully diluted share count of approximately 55.5 to 56.0 million shares.
- The Company expects to grow fully diluted earnings per share near the high end of a range of 10% to 12% over the $1.09 reported for 2018.

Conference Call

CBIZ will host a conference call at 11:00 a.m. (ET) today to discuss its results. The call will be webcast live for the media and the public, and can be accessed at www.cbiz.com. Shareholders and analysts who would like to participate in the call can register at http://dpregister.com/10136243 to receive the dial-in number and unique personal identification number. Participants may register at any time, including up to and after the call start time.

A replay of the webcast will be made available approximately two hours following the call on the Company's website at www.cbiz.com. For those without internet access, a replay of the call will also be available starting at approximately 1:00 p.m. (ET), October 30, through 5:00 p.m. (ET), November 4, 2019. The toll-free dial-in number for the replay is 1-877-344-7529. If you are listening from outside the United States, dial 1-412-317-0088. The access code for the replay is 10136243.

About CBIZ

CBIZ, Inc. provides financial, insurance and advisory services to businesses throughout the United States. Financial services include accounting, tax, government health care consulting, transaction advisory, risk advisory, and valuation services. Insurance services include employee benefits consulting, retirement plan consulting, property and casualty insurance, payroll, and human capital consulting. With more than 100 Company offices in 32 states, CBIZ is one of the largest accounting and insurance brokerage providers in the U.S. For more information, visit www.cbiz.com.

Forward-Looking Statements

Forward-looking statements in this release are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements are subject to certain risks and uncertainties that could cause actual results to differ materially from those projected. Such risks and uncertainties include, but are not limited to, the Company's ability to adequately manage and sustain its growth; the Company's dependence on the current trend of outsourcing business services; the Company's dependence on the services of its CEO and other key employees; competitive pricing pressures; general business and economic conditions; and changes in governmental regulation and tax laws affecting the Company's insurance business or its business services operations. A more detailed description of such risks and uncertainties may be found in the Company's filings with the Securities and Exchange Commission at www.sec.gov.

CBIZ, INC.
FINANCIAL HIGHLIGHTS (UNAUDITED)
THREE MONTHS ENDED SEPTEMBER 30, 2019 AND 2018
(In thousands, except percentages and per share data)

	THREE MONTHS ENDED SEPTEMBER 30,			
	2019	%	2018	%
Revenue	**$ 239,790**	**100.0%**	**$ 224,249**	**100.0%**
Operating expenses (1)	209,146	87.2%	198,607	88.6%
Gross margin	**30,644**	**12.8%**	**25,642**	**11.4%**
Corporate general and administrative expenses (1)	11,670	4.9%	10,279	4.5%
Operating income	**18,974**	**7.9%**	**15,363**	**6.9%**
Other income:				
Interest expense	(1,521)	-0.6%	(1,614)	-0.8%
Loss on sale of operations, net	(145)	-0.1%	-	0.0%
Other income, net (1) (2)	6,767	2.8%	3,143	1.4%
Total other income, net	5,101	2.1%	1,529	0.6%
Income from continuing operations before income tax expense	**24,075**	**10.0%**	**16,892**	**7.5%**
Income tax expense	6,069		3,297	
Income from continuing operations	**18,006**	**7.5%**	**13,595**	**6.1%**
Loss from operations of discontinued businesses, net of tax	(200)		(9)	
Net income	**$ 17,806**	**7.4%**	**$ 13,586**	**6.1%**
Diluted earnings per share:				
Continuing operations	$ 0.32		$ 0.24	
Discontinued operations	-		-	
Net income	**$ 0.32**		**$ 0.24**	
Diluted weighted average common shares outstanding	55,816		56,740	
Other data from continuing operations:				
Adjusted EBITDA (3)	$ 31,375		$ 24,358	

(1) CBIZ sponsors a deferred compensation plan, under which a CBIZ employee's compensation deferral is held in a rabbi trust and invested accordingly as directed by the employee. Income and expenses related to the deferred compensation plan are included in "Operating expenses" ($6.5 million expense in 2019 and $3.0 million expense in 2018, or 2.7% and 1.4% of revenue, respectively) and "Corporate general and administrative expenses" ($0.8 million expense in 2019 and $0.4 million expense in 2018, or 0.3% and 0.1% of revenue, respectively) and are directly offset by deferred compensation gains or losses in "Other income, net" ($7.3 million income in 2019 and $3.4 million income in 2018, or 3.0% and 1.5% of revenue, respectively). The amounts recorded for the three months ended September 30, 2019 related to the deferred compensation plan included a correction of an immaterial prior period error, which resulted in an increase of $6.0 million in “Operating expenses”, $0.7 million in “Corporate general and administrative expense”, and a corresponding increase of $6.7 million in “Other income, net”. The deferred compensation plan has no impact on "Income from continuing operations before income tax expense".

(2) Included in "Other income, net" for the three months ended September 30, 2019 and 2018, is expense of $0.5 million and income of $0.2 million, respectively, related to net changes in the fair value of contingent consideration related to CBIZ's prior acquisitions.

(3) Refer to the financial highlights tables for a reconciliation of Non-GAAP financial measures to the nearest generally accepted accounting principles ("GAAP") financial measure, and for additional information as to the usefulness of the Non-GAAP financial measures to shareholders and investors.

CBIZ, INC.
FINANCIAL HIGHLIGHTS (UNAUDITED)
NINE MONTHS ENDED SEPTEMBER 30, 2019 AND 2018
(In thousands, except percentages and per share data)

	NINE MONTHS ENDED SEPTEMBER 30,			
	2019	**%**	**2018**	**%**
Revenue	**$ 745,286**	**100.0%**	**$ 722,980**	**100.0%**
Operating expenses (1)	622,790	83.6%	608,459	84.2%
Gross margin	**122,496**	**16.4%**	**114,521**	**15.8%**
Corporate general and administrative expenses (1)	33,916	4.6%	30,300	4.2%
Operating income	**88,580**	**11.8%**	**84,221**	**11.6%**
Other income (expense):				
Interest expense	(4,509)	-0.6%	(5,211)	-0.7%
Gain on sale of operations, net	402	0.1%	663	0.1%
Other income, net (1) (2)	12,716	1.7%	2,544	0.4%
Total other income (expense), net	8,609	1.2%	(2,004)	-0.2%
Income from continuing operations before income tax expense	**97,189**	**13.0%**	**82,217**	**11.4%**
Income tax expense	25,004		19,691	
Income from continuing operations	**72,185**	**9.7%**	**62,526**	**8.6%**
(Loss) gain from operations of discontinued businesses, net of tax	(318)		17	
Net income	**$ 71,867**	**9.6%**	**$ 62,543**	**8.7%**
Diluted earnings (loss) per share:				
Continuing operations	$ 1.29		$ 1.11	
Discontinued operations	(0.01)		-	
Net income	**$ 1.28**		**$ 1.11**	
Diluted weighted average common shares outstanding	55,778		56,393	
Other data from continuing operations:				
Adjusted EBITDA (3)	$ 117,906		$ 104,293	

(1) CBIZ sponsors a deferred compensation plan, under which a CBIZ employee's compensation deferral is held in a rabbi trust and invested accordingly as directed by the employee. Income and expenses related to the deferred compensation plan are included in "Operating expenses" ($11.7 million expense in 2019 and $4.7 million expense in 2018, or 1.6% and 0.7% of revenue, respectively) and "Corporate general and administrative expenses" ($1.3 million expense in 2019 and $0.5 million expense in 2018, or 0.2% and 0.1% of revenue for 2019 and 2018, respectively) and are directly offset by deferred compensation gains or losses in "Other income (expense), net" ($13.0 million income in 2019 and $5.2 million income in 2018, or 1.7% and 0.7% of revenue, respectively). The deferred compensation plan has no impact on "Income from continuing operations before income tax expense".

(2) Included in "Other income, net" for the nine months ended September 30, 2019 and 2018, is expense of $0.3 million and $3.3 million, respectively, related to net changes in the fair value of contingent consideration related to CBIZ's prior acquisitions.

(3) Refer to the financial highlights tables for a reconciliation of Non-GAAP financial measures to the nearest GAAP financial measure, and for additional information as to the usefulness of the Non-GAAP financial measures to shareholders and investors.

CBIZ, INC.
FINANCIAL HIGHLIGHTS (UNAUDITED)
(In thousands)

SELECT SEGMENT DATA

	THREE MONTHS ENDED SEPTEMBER 30,		NINE MONTHS ENDED SEPTEMBER 30,	
	2019	2018	2019	2018
Revenue				
Financial Services	$ 153,794	$ 146,145	$ 493,311	$ 478,485
Benefits and Insurance Services	76,960	70,069	225,342	220,152
National Practices	9,036	8,035	26,633	24,343
Total	**$ 239,790**	**$ 224,249**	**$ 745,286**	**$ 722,980**
Gross Margin				
Financial Services	$ 25,563	$ 21,599	$ 102,464	$ 91,836
Benefits and Insurance Services	13,570	10,670	39,506	38,455
National Practices	932	521	2,325	1,987
Operating expenses - unallocated (1):				
Other	(2,927)	(4,126)	(10,095)	(13,010)
Deferred compensation	(6,494)	(3,022)	(11,704)	(4,747)
Total	**$ 30,644**	**$ 25,642**	**$ 122,496**	**$ 114,521**

(1) Represents operating expenses not directly allocated to individual businesses, including stock-based compensation, consolidation and integration charges, and certain advertising expenses. "Operating expenses - unallocated" also include gains or losses attributable to the assets held in a rabbi trust associated with the Company's deferred compensation plan. These gains or losses do not impact "Income from continuing operations before income tax expense" as they are directly offset by the same adjustment to "Other income (expense), net" in the Consolidated Statements of Comprehensive Income. Net gains/losses recognized from adjustments to the fair value of the assets held in the rabbi trust are recorded as compensation expense in "Operating expenses" and “Corporate, general and administrative expense,” and offset in "Other income (expense), net".

CBIZ, INC.
SELECT CASH FLOW DATA
(In thousands)

	NINE MONTHS ENDED SEPTEMBER 30,	
	2019	2018
Net income	**$ 71,867**	**$ 62,543**
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization expense	16,610	17,528
Bad debt expense, net of recoveries	1,974	3,697
Adjustments to contingent earnout liability	322	3,290
Stock-based compensation expense	5,258	5,358
Other noncash adjustments	1,395	(1,989)
Net income, after adjustments to reconcile net income to net cash provided by operating activities	**97,426**	**90,427**
Changes in assets and liabilities, net of acquisitions and divestitures	(47,708)	(26,993)
Operating cash flows provided by continuing operations	49,718	63,434
Operating cash used in discontinued operations	(304)	(162)
Net cash provided by operating activities	**49,414**	**63,272**
Net cash used in investing activities	**(24,691)**	**(39,267)**
Net cash used in financing activities	**(56,473)**	**(102,838)**
Net decrease in cash, cash equivalents and restricted cash	**$ (31,750)**	**$ (78,833)**
Cash, cash equivalents and restricted cash at beginning of year	130,554	182,262
Cash, cash equivalents and restricted cash at end of year	**$ 98,804**	**$ 103,429**
Reconciliation of cash, cash equivalents and restricted cash to the consolidated balance sheet:		
Cash and cash equivalents	$ 2,723	$ 3,493
Restricted cash	35,739	32,551
Cash equivalents included in funds held for clients	60,342	67,385
Total cash, cash equivalents and restricted cash	**$ 98,804**	**$ 103,429**

CBIZ, INC.

SELECT FINANCIAL DATA AND RATIOS

(In thousands)

	SEPTEMBER 30, 2019	DECEMBER 31, 2018
Cash and cash equivalents	$ 2,723	$ 640
Restricted cash	35,739	27,481
Accounts receivable, net	260,969	207,287
Current assets before funds held for clients	324,451	262,249
Funds held for clients	123,448	161,289
Goodwill and other intangible assets, net	658,442	637,009
Total assets	**$ 1,397,063**	**$ 1,183,031**
Current liabilities before client fund obligations	$ 186,948	$ 159,241
Client fund obligations	123,133	162,073
Bank debt	158,744	133,974
Total liabilities	**$ 740,767**	**$ 589,368**
Treasury stock	$ (531,356)	$ (508,530)
Total stockholders' equity	**$ 656,296**	**$ 593,663**
Debt to equity	24.5%	23.0%
Days sales outstanding (DSO) - continuing operations (1)	93	70
Shares outstanding	54,909	55,072
Basic weighted average common shares outstanding	54,215	54,561
Diluted weighted average common shares outstanding	55,778	56,487

(1) DSO is provided for continuing operations and represents accounts receivable, net, at the end of the period, divided by trailing twelve month daily revenue. The Company has included DSO data because such data is commonly used as a performance measure by analysts and investors and as a measure of the Company's ability to collect on receivables in a timely manner. DSO should not be regarded as an alternative or replacement to any measurement of performance under GAAP. DSO at September 30, 2018 was 87.

CBIZ, INC.
GAAP RECONCILIATION
Income from Continuing Operations to Non-GAAP Financial Measures (1)
(In thousands)

	THREE MONTHS ENDED SEPTEMBER 30,		NINE MONTHS ENDED SEPTEMBER 30,	
	2019	2018	2019	2018
Income from continuing operations	**$ 18,006**	**$ 13,595**	**$ 72,185**	**$ 62,**
Interest expense	1,521	1,614	4,509	5,
Income tax expense	6,069	3,297	25,004	19,
Loss (gain) on sale of operations, net	145	-	(402)	(
Depreciation	2,085	1,465	6,102	4,
Amortization	3,549	4,387	10,508	13,
Adjusted EBITDA	**$ 31,375**	**$ 24,358**	**$ 117,906**	**$ 104,**

(1) CBIZ reports its financial results in accordance with GAAP. This table reconciles Non-GAAP financial measures to the nearest GAAP financial measure, "Income from continuing operations". Adjusted EBITDA is not defined by GAAP and should not be regarded as an alternative or replacement to any measurement of performance or cash flow under GAAP. Adjusted EBITDA is commonly used by the Company, its shareholders and debt holders to evaluate, assess and benchmark the Company's operational results and to provide an additional measure with respect to the Company's ability to meet future debt obligations.

Exhibit 99.2

TRANSCRIPT OF EARNINGS CONFERENCE CALL HELD ON OCTOBER 30, 2019

CORPORATE PARTICIPANTS

Jerome P. Griskо *CBIZ, Inc. – President, CEO & Director*
Ware H. Grove **CBIZ, Inc. – CFO and SVP**
Lori Novickis **CBIZ, Inc. - Director of Corporate Relations**

CONFERENCE CALL PARTICIPANTS

Jim MacDonald - First Analysis Securities Corporation; Analyst
Trevor Romeo - William Blair & Company L.L.C.; Analyst
Stefanos Crist - CJS Securities, Inc.; Analyst
Marc Riddick - Sidoti & Company, LLC; Analyst

PRESENTATION

Operator

Good day, and welcome to the CBIZ Third Quarter 2019 Results Conference Call. (Operator Instructions) Please note, this event is being recorded.

I would now like to turn the conference over to Lori Novickis, Director of Corporate Relations. Please go ahead.

Lori Novickis - *CBIZ, Inc. - Director of Corporate Relations*

Thank you, Eilee. Good morning, everyone, and thank you for joining us for the CBIZ Third Quarter and 9 Months 2019 Results Conference Call. In connection with this call, today's press release has been posted on the Investor Relations page of our website, www.cbiz.com. This call is also being webcasted. A link to live webcast as well as the replay can also be found on our website.

Before we begin our presentation, we would like to remind you that during the call, management may discuss certain non-GAAP financial measures. A reconciliation of these measures can be found in the financial tables of today's press release. Finally, remember that management may also make forward-looking statements. Such statements are based on current information and management's expectations as of this date and do not guarantee future performance. Forward-looking statements also involve certain risks, uncertainties, assumptions that can be difficult to predict. Actual results can and sometimes do differ materially. A more detailed description of such risks and uncertainties can be found in the company's filings with the Securities and Exchange Commission.

Joining us for today's call are Jerry Grisko, President and CEO; and Ware Grove, Chief Financial Officer.

I'll now turn the call over to Jerry for his opening remarks. Jerry?

Jerome P. Grisko - *CBIZ, Inc. – President, CEO & Director*

Thank you, Lori, and good morning, everyone. With this morning's release of our third quarter and 9-month results ended September 30, 2019, we are pleased to report that earnings per share from continuing operations was up by 33.3% for the third quarter and was up by 16.2% for the first 9 months of this year. For the third quarter, total revenue was up by 6.9% and for the 9 months, revenue grew by 3.1%. Of this revenue growth, same-unit revenue represented 5.6% in the third quarter and 3.1% for the first 9 months. The growth in revenue in the third quarter reflects continued strong demand for our core recurring services offered through both our Financial Services and our Benefits and Insurance groups as well as strong contributions from a number of our more project-oriented businesses.

Consistent with the expectations that we outlined at the end of the second quarter, revenue growth has accelerated over the first half of this year, largely as a result of the strong same-unit revenue growth that we experienced in the third quarter of this year. We are especially pleased to report 160 basis point improvement in pretax margin for the first 9 months as we leveraged our top line growth to produce a 16.2% increase in earnings per share. We do, however, expect our full year pretax margin to be somewhat lower than our current year-to-date margin as a result of a number of planned investments in the fourth quarter intended to fuel the future growth of the business. Even with these investments, we expect to be near the high-end of our full year guidance of 10% to 12% growth in earnings per share.

We continue to actively pursue potential strategic acquisitions. To date this year, we've closed 6 acquisitions, which net of divestitures contributed $3.1 million to third quarter revenue and $4.3 million to revenue for the first 9 months. Over the past 12 months, we have closed 7 transactions with annualized revenue contribution of approximately $19.4 million.

Turning to the performance of our Financial Services group. Total revenue increased by 5.2% in the third quarter and by 3.1% for the first 9 months. Same-unit revenue growth for that period -- for the third quarter, was 5.1% and 3.2% for the 9-month period. Performance of our core accounting and tax business remains strong. As anticipated, tax work that had been delayed due to tax reform, was largely completed in the third quarter, and we expect some modest residual amount to occur in the fourth quarter as well. Revenue growth in our government health care consulting business is in the mid-single-digit range for the first 9 months of this year. As occurs in this business from time to time, administrative delays have slowed work over several engagements this year and growth is slightly below our historic rates for the first 9 months. We expect the delays to be cleared later this year and the normal pace of work under these contracts to resume. Even with these delays, the business continues to perform very well, and we have a robust pipeline of potential new projects that will continue to drive future growth within this business line.

Our private equity business is one of our fastest-growing service lines over the past 2 years and finished 2018 at record levels. We are pleased that this year, the business has been able to achieve the approximate revenue levels recorded last year, although it has not experienced top line growth beyond those levels. However, even with relatively flat top line, this business has been able to achieve a substantial improvement in its pretax contribution. Although the nature of the business is such that we have a narrow window into client demand for these services, the pipeline of future projects appears to be improving, and we continue to experience high growth rates in a number of the service lines within this business.

Turning to our Benefits and Insurance group. As we commented at the end of the second quarter, improving client retention, coupled with strong first half new business production led us to expect stronger revenue growth rates in the second half of this year compared with the first half results. Consistent with those expectations, total revenue within our Benefits and Insurance group increased by 9.8% in the third quarter and same-unit revenue increased by 5.8% in that period. Third quarter revenue was enhanced by project work that we do not expect to recur at the same levels in the fourth quarter. For the first 9 months, total revenue within this group increased by 2.4%, with same-unit revenue growing at 0.2%.

Within our payroll business, we are in the early stages of introducing our large client human capital management platform to the market, and the reception has been very positive. While our core payroll platform continues to perform very well for small- to mid-sized clients with less robust needs, we see significant opportunity to serve larger, more-complex clients with our new integrated payroll and HCM product offering, supported by our advanced technology platform.

So with these comments, let me turn it over to Ware Grove, our CFO.

Ware H. Grove - *CBIZ, Inc. - CFO and SVP*

Thank you, Jerry, and good morning, everyone. Our third quarter results were very strong. For the 9 months, we are pleased to be able to leverage our top line growth into a 16.2% growth in earnings per share. As Jerry outlined, there will be further investment spending in the fourth quarter and our full year expectation for earnings per share continues to be near the higher end of our full year growth of 10% to 12% over the prior year. Cash flow performance of the business continues to be very strong. Adjusted EBITDA is up by 13.1% for the 9 months to $117.9 million from $104.3 million a year ago. At September 30, we had borrowed $160 million on our $400 million unsecured credit facility. This results in leverage of approximately 1.4x EBITDA with $234 million of unused financing capacity.

Our first priority for the use of capital is to make strategic acquisitions. To date this year, we have closed 6 transactions that will contribute approximately $17.4 million of annualized revenue and over the past 12 months, we have closed 7 transactions that will contribute approximately $19.4 million of annualized revenue. Through September 30 this year, spending on acquisitions, including the payment of earn-outs on previously closed acquisitions, is approximately $37.1 million. Over the remainder of this year, we expect to use an additional $1.2 million for earn-out payments on prior acquisitions. For 2020, we expect to use approximately $16.2 million and for 2021, approximately $8.6 million and then for 2022, approximately $5.8 million for earn-outs on previous acquisitions.

We do have plenty of financing capacity to pursue strategic acquisitions, and we always have a full pipeline of potential acquisitions under review. We have the capacity and flexibility, and will also continue to evaluate the use of cash for share repurchases.

Through September 30, we have repurchased approximately 1.1 million shares of our common stock at a cost of approximately $21 million. We continue to project a fully diluted weighted average share count within a range of 55.5 million to 56 million shares for the full year this year. Days sales outstanding on receivables stood at 93 days at September 30 this year compared with 87 days a year earlier. The increase this year is largely driven by invoicing activities that are associated with a number of tax extensions that we dealt with earlier this year. As is our normal seasonal pattern, we expect the days sales outstanding will reduce significantly by the end of the year as client payments are received on outstanding receivables.

Capital spending at CBIZ is largely driven by facility-related tenant improvements that are associated with lease renewals or moves, plus some maintenance level of IT-related purchases. For the 9 months ended September 30, capital spending was approximately $10.3 million. And for the full year, we estimate spending within a range of $12 million to $15 million. Capital spending in the third quarter was approximately $3.4 million.

Now adjusting reported results to eliminate the impact of accounting for gains or losses on the assets held in our deferred compensation plan. For the 9 months ended September 30, the adjusted operating income margin was 13.6% compared with 12.4% a year ago. As always, the footnotes in the earnings release outline the components for these adjustments. The effective tax rate for the quarter was 25.2%. And for the 9 months this year, the effective tax rate was 25.7%. At this point, we continue to estimate a full year effective tax rate of approximately 25%. However, as a reminder, the effective tax rate is impacted by the accounting for stock compensation expense, and this can be either higher or lower than our estimate, depending on a number of unpredictable variables.

Looking towards the balance of the year, fourth quarter is more dependent upon project work, and therefore, it can be more difficult to estimate. Plus, as Jerry commented, we expect to incur additional spending on strategic initiatives in the fourth quarter. Considering these factors, we expect growth in earnings per share for the full year to be near the higher end of a range of growth 10% to 12% over the prior year.

Our core business is healthy and is performing very well. To reiterate our guidance at midyear, we expected the second half growth rate in revenue to be greater than the first half growth rate. The third quarter was particularly strong, aided by the early timing of second half project work in several business units. With 9-month revenue growth at 3.1% compared with the prior year, we continue to expect full year revenue growth within a range of 3% to 4%.

Our full year effective tax rate, as I commented earlier, is expected at approximately 25%. And again, this could be either higher or lower for the reasons I outlined earlier. With the impact of the share repurchase activity to date, we are expecting fully diluted weighted average share count within a range of 55.5 million to 56 million shares for the full year this year.

So with these comments, I will conclude, and I'll turn it back over to Jerry.

Jerome P. Grisko - *CBIZ, Inc. – President, CEO & Director*

Thank you, Ware. I thought I'd spend a couple of minutes just providing a little bit more color on a couple of areas of the business. Our third quarter numbers reflect early returns in a number of key investments that we've made over the past couple of years to fuel the future growth of the business. By way of example, within our core accounting practice, we've made substantial investments in training, systems and tools that allow our office leaders and practitioners to be more data-driven, resulting in better management of productivity, revenue and profitability of client engagements. We've also built an internal team that works with each of our offices to optimize the use of these tools and processes. The support and expanded resources that we are now providing to our offices have been very well received and enable us to make more informed decisions in the management and pricing of client engagements. In addition, we're pleased to see continued positive results from the investments that we've made to increase the number of producers within our Benefits and Insurance group. While it will take a number of years for the production of our recent hires to match the productivity of our more seasoned producers, the trend line is encouraging, and the collective efforts from our new producer group are already beginning to contribute to our organic revenue growth rates.

Now turning to acquisitions. In the third quarter, we welcomed 5 new acquisitions to our CBIZ family. In addition to Paytime and Gavion, which we discussed on our second quarter call, on August 1, we added QBA Benefits located in Westlake, Ohio, and Ericson CPAs located in San Luis Obispo, California. QBA is an employee benefits firm serving small and middle market businesses. QBA has an outstanding reputation and significantly enhances our Benefits and Insurance Service offerings here in Northeast Ohio. Ericson CPA strengthens our team of top-quality tax professionals serving our clients in Southern California. In addition, Brinig Taylor Zimmer located in San Diego, California joined us on September 1. BTZ brings a depth of expertise in forensic accounting, litigation consulting and business valuation services that complements our existing service offerings in that market, while adding important capacity in these high-demand areas.

While each of the companies that have joined us has addressed an important strategic opportunity for us, and we're pleased with the number of transactions that we've completed, the annual revenue of these firms does not entirely represent the size of many of the transactions that we've reviewed and pursued. We continue to focus on acquisitions as a meaningful way to grow our business, and we have a robust pipeline of deals, both large and small, and the capacity on hand to evaluate these deals thoroughly and efficiently.

We have expanded our M&A team over the past 18 months and refined our approach to be more strategic and aggressive in the deals that we pursue. We remain most interested in acquiring firms that bring strategic capacity and expertise as well as demonstrated strong cultural alignment and fit.

I'm confident in how we've positioned ourselves in terms of having the ability to invest, being attractive to potential acquisition targets and being competitive in the market. As Ware said, we have plenty of capacity to close deals with over $234 million of funds on our $400 million facility.

So at this point, I'll close and turn it over for questions and answers.

QUESTIONS AND ANSWERS

Operator

(Operator Instructions) Today's first question comes from Jim MacDonald with First Analysis.

Jim MacDonald - *First Analysis Securities Corporation; Analyst*

So you talked about some transactional advantage on the tax side and accounting. Was there anything else in accounting? And what was the nature of the transactional items and benefits that helped you?

Jerome P. Grisko - *CBIZ, Inc. – President, CEO & Director*

So a couple of things, Jim. Encouragingly, from -- on the tax and accounting side, we saw steady and consistent increase in revenue from the most of our larger offices. And so when we see that, that's a signal for high demand for the core services kind of across the board, across industries, across our client base. As far as the transaction businesses within Benefits and Insurance, it was really a mix. Our transaction services, so our compensation and executive search did very well, we happened to have high project work out of our retirement plan services. So there was really a number of areas that performed very well there. Our real estate advisory practice within our Financial Services group also had a strong quarter.

Jim MacDonald - *First Analysis Securities Corporation; Analyst*

So it wasn’t the benefit bonuses this quarter?

Jerome P. Grisko - *CBIZ, Inc. – President, CEO & Director*

No.

Ware H. Grove - *CBIZ, Inc. - CFO and SVP*

No. Nothing like that.

Jerome P. Grisko - *CBIZ, Inc. – President, CEO & Director*

No real impact from contingent commissions.

Jim MacDonald - *First Analysis Securities Corporation; Analyst*

Okay. And you mentioned government consulting has been sort of mid-single digits for the year. Is that similar in the third quarter?

Jerome P. Grisko - *CBIZ, Inc. – President, CEO & Director*

Yes, I think across the board, kind of mid-single digits this year. As you know, we typically perform a couple of hundred basis points higher than that. And it's really just been delays in some sizable contracts.

Jim MacDonald - *First Analysis Securities Corporation; Analyst*

Okay. And then you talked about some investment spend in the fourth quarter. Could you give us some more details about that? And then I'll let someone else ask.

Jerome P. Grisko - *CBIZ, Inc. – President, CEO & Director*

Yes. Again, I would say that there's a number of categories there, including our branding campaign. We just finished a flight recently that's into the fourth quarter, there'll be spend associated with that. I also mentioned the investment that we've been making in our, what we call our office -- practice management office on our Financial Services side to provide better visibility and tools and processes around pricing and client profitability. We're continuing to make investments in that area. And those are 2 of the areas, but there are a number of others.

Jim MacDonald - *First Analysis Securities Corporation; Analyst*

And maybe just sneaking in. Any -- can you give us an order of magnitude of what that -- what the investment costs will be in the fourth quarter?

Ware H. Grove - *CBIZ, Inc. - CFO and SVP*

Yes. Jim, I think we're signaling that there will be some impact in the fourth quarter. And without getting to details about it, with the margin up as it is today, you're going to see a little bit of a compression on a full year basis for the 12 months versus the 9 months, so -- yes.

Operator

(Operator Instructions) Our next question comes from Andrew Nicholas with William Blair.

Trevor Romeo - *William Blair & Company L.L.C.; Analyst*

This is actually Trevor Romeo in for Andrew. First question would just be some -- the margin performance was very strong again this quarter. Just wondering kind of what are the most important factors driving the magnitude of that improvement? And how much are your internal productivity and efficiency initiatives helping?

Ware H. Grove - *CBIZ, Inc. - CFO and SVP*

Yes, Trevor, this is Ware. It's a number of things. We're commenting on the strategic initiatives and the things we're investing in the business. This has been ongoing for a couple of years. So the good news to us is we are gaining traction and seeing more leverage in the business. We commonly talk about 20 to 50 basis points a year over a long period of time. And in some years, we're more in an investment mode. In other years, we get -- reap the benefits of that. So while we are continuing to invest, we're also gaining traction. And it's just the utilization and the back-office efficiencies and a number of things that are just trying -- are starting to gain traction for us.

Trevor Romeo - *William Blair & Company L.L.C.; Analyst*

Okay, great. And then could you just give us an update on your progress with cross-serving, particularly interested in what kind of success you're seeing selling the core accounting services to benefits clients and vice versa?

Jerome P. Grisko - *CBIZ, Inc. – President, CEO & Director*

Yes, Trevor, it's Jerry Grisko. What I would say is our cross-serving activity this year is consistent with what it's been, how we performed over the past number of years. We do not see as much activity going back and forth between our Financial Services group and our Benefits and Insurance group. We see more activity within the group. So by way of example, if -- within our Benefits and Insurance group, it's not uncommon for us to first procure a payroll client and then work on procuring a broker of record on our Benefits and Insurance side and then potentially 401(k). So a full suite of services around the HR department, but probably not going down the hall or not often enough going down the hall and also getting work from the CFO's office. So where it's more synergistic where we're within the CFO -- department of the CFO, the CFO's office or Controller Office, we sell multiple financial services products and within the HR suite, we typically sell more related products there as well.

Trevor Romeo - *William Blair & Company L.L.C.; Analyst*

Okay. Got it. I guess, do you see that as kind of a long-term opportunity to increase the cross-serving across the segments at all?

Jerome P. Grisko - *CBIZ, Inc. – President, CEO & Director*

Yes. It's important to us on a number of fronts. First of all, it's embedded in our culture. It's the way that we go to market. We have, through our CRM system, identified each of our clients that are more susceptible or more attractive from a cross-serving perspective. We have active client stewardship meetings around those clients. We talk about where we provide services where some of our services are -- where some of our competitors may be providing services. And we have active plans around introducing additional services to all of the clients that are most attractive in that way. So it's important to us culturally. It's important to us the way we distinguish ourselves in the market. For those clients that are receiving multiple services, there's a higher retention rate and also a higher satisfaction rate. So it's important to us on a lot of fronts.

Trevor Romeo - *William Blair & Company L.L.C.; Analyst*

Okay. Got it. And maybe just one more. If you could maybe just expand a little on your broad view of the small, midsized business environment you see right now, just from a macro and business confidence perspective and maybe their willingness to spend on discretionary products or services right now?

Jerome P. Grisko - *CBIZ, Inc. – President, CEO & Director*

Yes. So let's kind of level-set here. We are, over the past couple of years, had all-time record high levels of confidence among SMB. With that said, they can't help but be influenced by the headlines that we're all reading in the papers and hearing on the news around tariffs and other uncertainty, both in the global markets and on the national stage. They are also, by the way, most influenced by what's happening in their own local economies and in their state economies. And if you cascade that kind of most interested and most confident in what's going on locally and their confidence level goes down as they move beyond those international and global markets. So what we're seeing is still strong optimism among our clients, which is SMB in their own local economies and strong confidence in their own businesses, albeit heightened caution around the short, midterm and certainly longer-term prospects for the national and global economy. And what that's translating into is really a mixed bag. In certain industries and in certain markets, we see greater growth, but I think it's tempered growth over what we've experienced a year ago at this time and certainly, 2 years ago at that time -- at this time.

Operator

(Operator Instructions) Our next question comes from Chris Moore of CJS Securities.

Stefanos Crist - *CJS Securities, Inc.; Analyst*

This is Stefanos Crist calling for Chris. Just wanted to talk a little bit about M&A. So could you walk me through the math, roughly how much additional revenue would you guys need to acquire over the next few months to generate the 3% to 4% revenue growth from M&A in 2020?

Ware H. Grove - *CBIZ, Inc. - CFO and SVP*

The wraparound is what you're talking about. So year-to-date $17.4 million, but some of that's already done, and it won't incrementally increase by that amount. So you do the math at, I'll just say, approximately $950 million of revenue, you need $27 million to $30 million of net new revenue on a wraparound. So we have to do a considerable more to get that 3% target as an increase, incremental increase next year versus this year from M&A alone, if that's your question.

Stefanos Crist - *CJS Securities, Inc.; Analyst*

Yes. Got it. And you guys also said there's a full pipeline. How big is that pool of potential candidates? Is it dozens of company -- hundreds, what would you say?

Jerome P. Grisko - *CBIZ, Inc. – President, CEO & Director*

Well, it's an interesting question. It depends on how you break it down. I will say that we have looked at over 100 companies so far this year. And that's not the way we put NDAs in on each of those and certainly haven't gone down the path on a lot of those. So the pipeline is, I would say, consistent with the pipeline that we've had over the past several years. There are a mix of larger acquisitions in that pipeline, midsized acquisitions and smaller acquisitions. And our ability to get the type of growth that we target year-over-year is largely dependent on how those transactions work their way through the pipeline. And it's -- as you can appreciate, it's very difficult to predict. This year, we're pleased with the number. We wish the revenue contribution was higher, but we've really brought on board some very high-quality organizations with terrific cultural fits. We're excited to have them on board. There are a number of larger transactions that we pursued that for a number of reasons did not get done this year. Some of them may come back. There are some others that are still in the pipeline. So we're fortunate to get some of those larger transactions done, then I think we'll hit the mark.

Stefanos Crist - *CJS Securities, Inc.; Analyst*

Great. And just one more quick one. Are there any geographies in the U.S. where CBIZ is underrepresented and the growth opportunity looks pretty significant?

Jerome P. Grisko - *CBIZ, Inc. – President, CEO & Director*

Yes, we've actually talked about this from time to time. The answer is yes. So for example, if you look at the Pacific Northwest, we're not represented at all there, and we really need a presence there. Silicon Valley, underrepresented. The State of Texas, strong demographics, really underrepresented there. There's a number of other markets. And we have a very, as you would expect, kind of focused effort on those strong demographic markets and an active dialogue going on with many of the candidates in those markets.

Operator

(Operator Instructions) Our next question comes from Marc Riddick with Sidoti & Company.

Marc Riddick - *Sidoti & Company, LLC; Analyst*

I wanted to touch on -- go back to a little bit on the investments that you're talking about for the fourth quarter. And I was wondering if you could -- I know you talked a little bit about that, but I wanted to get a sense from a timing perspective. Should we think about those types of investments as ones that are maybe more concentrated in the fourth quarter because of being ahead of seasonal activity? Or do you think that's something that could then move into the early part of next year? And then I have a couple of follow-ups.

Ware H. Grove - *CBIZ, Inc. - CFO and SVP*

Mark, it's a combination of things. Some of these things are ongoing. For example, the investment in new producers is ongoing. But sometimes, the timing of when the hires occur creates kind of a greater year-over-year difference. And that will occur in the fourth quarter this year compared to the fourth quarter a year ago because we now have more people onboard in that layer. We have some marketing spend, which is a bit episodic, and we don't do it on a straight line basis. We tend to do a first half flight and then a second half flight that could be either third or fourth quarter, but this year it will be more in the fourth quarter. Some of the other spending, we do have projects and initiatives, as Jerry commented on, kind of the practice management tool chest that we are building, have some pricing analysis and tools, and we're building a system with the help of an outside consultant to help us. So there will be some spending on that that we believe will certainly pay back dividends in future years. So it's a combination of things.

Marc Riddick - *Sidoti & Company, LLC; Analyst*

Okay. Great. And then I think you had mentioned this a little bit. But as far as the delayed activity that had flowed through the year toward -- more so in the third quarter, but I think you touched a little bit on this, that there might be some that's still ongoing into the fourth quarter. I was wondering if you could put some color on that and how we should think about that additional, maybe slightly off-seasonal activity?

Jerome P. Grisko - *CBIZ, Inc. – President, CEO & Director*

Yes. So Mark, it's Jerry. That was really referring to the delayed work from the Tax Reform Act, and I won't get into all of the conversation we had about that in the first and second quarter. But suffice it to say that we were expecting more revenue in the first quarter as a result of the traditional and expected level of tax work that we do. As a result of some delays there, that work got pushed in later in the year. We had signaled early -- on our most recent call that -- or the second quarter call that we expected that to occur in the third quarter. It did, in fact, come in the third quarter based on the number of returns and the revenue impact. So we've seen the vast majority of that. The only comment that I made was there is some small amount that we would expect to have in the fourth quarter, but it's not material.

Marc Riddick - *Sidoti & Company, LLC; Analyst*

Okay. And then last one for me for now at least. The commentary around the branding spend. I was wondering if you could touch a little bit on, I guess, maybe what it looks like? Because I mean, this time last year, you guys had sort of just launched your national television campaign. So I wanted to get a sense of -- are we looking at ideally spending the same or slightly more, but now that you've got those upfront costs out of the way, having more of those dollars just be specifically on the actual ad spend? Or how should we think about maybe how the constitution of those dollars look this year going forward versus last?

Ware H. Grove - *CBIZ, Inc. - CFO and SVP*

Yes. Mark, that's a great question. First of all, the total spend is approximately the same year-over-year. But you're absolutely right, last year, in a startup, there was more production and design work and probably fewer media purchases. This year, there's a little more media exposure because we've now invested. And we're spending approximately the same dollars, but we're gaining more media exposure.

Marc Riddick - *Sidoti & Company, LLC; Analyst*

And have you been happy with sort of how that -- where that exposure has played out? Or have you felt any need to sort of move around like where those dollars go? Or how should we think about how that message is being conveyed?

Jerome P. Grisko - *CBIZ, Inc. – President, CEO & Director*

So Mark, it's' Jerry. When you talk about where the dollars are going, today it's a broad-based campaign. Really, we spend more money in markets and offices where we have a larger presence, some lesser amount of money in smaller markets, but we are really covering all markets of any significance within CBIZ. We would expect that we would continue to have a similar approach going forward. As far as impact is concerned, as you can appreciate, these things are long-term investments that show impact over a longer period of time. We do survey the markets as to brand awareness periodically. We're in the middle of one of those surveys now. The last time we did it, we did see nice improvement in our brand awareness period over period. So we would expect to see continued results of that type when we get the results from the survey as well.

Operator

(Operator Instructions) As we have no more questions in the queue, this will conclude our question-and-answer session. I would like to turn the conference back over to Jerry Grisko for any closing remarks.

Jerome P. Grisko - *CBIZ, Inc. – President, CEO & Director*

Thank you, Eilee. I just want to close by thanking our analysts and our investors, as we always do, for their continued support, and particularly our team members for an outstanding third quarter. We look forward to speaking with you again after we report our full year earnings results. Thank you, everybody, and have a nice day.

Operator

(Operator Instructions) The conference has now concluded. Thank you for attending today's presentation. You may now disconnect.