



HOULIHAN LOKEY

HUMAN CAPITAL MANAGEMENT

STAFFING AND RECRUITMENT – INDUSTRY UPDATE | Summer 2019



Houlihan Lokey Human Capital Management

Houlihan Lokey is pleased to present its fourth Human Capital Management (HCM) Industry Update.

Once again, we are happy to share industry insights, a public markets overview, a snapshot of relevant macroeconomic indicators, transaction announcements, and related details. We believe this newsletter will provide you with the most important and relevant information you need to stay up to date with the HCM industry.

We would also like to encourage you to register for and attend Houlihan Lokey's inaugural Business Services Conference on October 3, 2019, in New York City. Please find more details on the following page.

If there is additional content that you would find useful for future updates, please do not hesitate to contact us with your suggestions.

Regards,



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Human Capital Management—Coverage By Subsector

Staffing and
Recruitment



VMS/MSP/
RPO



Talent Management
and Development



Payroll/
PEO



HR Consulting/
Benefits Admin



Select Advised HCM Transactions

CDI Corporation
a portfolio company of
ae Industrial Partners
has divested
MRINETWORK
to
Bert Miller
Sellside Advisor

ingeus
the Workforce Development
Services division of
PROVIDENCE
GROUP
CONSTRUCTION
has been acquired by
APM
Sellside Advisor

ELIASSEN GROUP
a portfolio company of
Riverside PARTNERS
has been acquired by
STONE POINT CAPITAL
Sellside Advisor

CDI Corporation
a portfolio company of
ae Industrial Partners
has divested
CDI Talent & Technology Solutions
to
ARTECH
Sellside Advisor

TP★GS
has been acquired by
system|one
a portfolio company of
THL Thomas H. Lee Partners
Sellside Advisor

MOTION RECRUITMENT
a portfolio company of
GRIDIRON CAPITAL
has been acquired by
LITTLEJOHN & CO.
Sellside Advisor

MedPartners
has been acquired by
AMN Healthcare
Sellside Advisor

ECS
along with minority investor
LINDSAY GOLDBERG
has sold ECS Federal to
On Assignment
Sellside Advisor

FFL PARTNERS
has completed a majority
investment in
ProService HAWAII
The smarter way to do HR.
Buyside Advisor

CIP CAPITAL
has made a strategic investment in
WilsonHCG
HUMAN CAPITAL GROUP
Buyside Advisor

PRINCIPLE SOLUTIONS GROUP
has partnered with
ELIASSEN GROUP
a portfolio company of
Riverside PARTNERS
Sellside Advisor

CDI Corporation
has been acquired by
ae Industrial Partners
Sellside Advisor & Fairness Opinion

ciber
has been acquired by
HTC global services
Sellside Advisor

ciber
Infor Practice
a subsidiary of
ciber
has been acquired by
infor
Sellside Advisor

ciber
Spain
a subsidiary of
ciber
has been acquired by
ManpowerGroup
Sellside Advisor

iPAN
has been acquired by
psi
Sellside Advisor

2019 Business Services Conference



PLEASE JOIN US

2019 Business Services Conference

October 3, 2019

Lotte New York Palace – New York, NY

Thomas Bailey, Managing Director, Human Capital Management

Andrew Shell, Vice President, Human Capital Management

Houlihan Lokey is pleased to host its inaugural Business Services Conference on Thursday, October 3, 2019, at the Lotte New York Palace Hotel. This conference is an excellent opportunity to develop relationships and gain insight into market dynamics and strategies within a wide variety of sectors.

Industry Sectors Represented

BPO Services	HCM Services
Dealership Services	IT Services
Education and Training	Marketing Services
Engineering and Construction	Specialty Consulting Services
Environmental Services	Testing, Inspection, Certification, and Compliance
Facility Services	Transportation and Logistics



LOTTE NEW YORK PALACE

Lotte New York Palace

455 Madison Avenue
New York, NY 10022

No. 1 M&A Advisor

As a market-leading business services advisory firm, Houlihan Lokey has more than 50 dedicated business services professionals throughout the United States and internationally to match the global needs of our clients.

2018 M&A Advisory Rankings All U.S. Business Services Transactions		
	Advisor	Deals
1	Houlihan Lokey	19
2	Goldman Sachs & Co	15
3*	Raymond James Financial Inc	13
3*	Jefferies LLC	13
5	Harris Williams & Co	12

Source: Thomson Reuters.
*Denotes Tie.

2017 M&A Advisory Rankings All U.S. Business Services Transactions		
	Advisor	Deals
1	Houlihan Lokey	23
2*	Goldman Sachs & Co	13
2*	Oaklins (FKA M&A Intl Inc)	13
4*	Morgan Stanley	12
4*	Generational Equity	12

Source: Thomson Reuters.
*Denotes Tie.

2016 M&A Advisory Rankings U.S. Business Services Transactions		
	Advisor	Deals
1	Houlihan Lokey	16
2	PNC Financial Services Group	15
3*	Rothschild & Co	13
3*	Bank of America Merrill Lynch	13
5	Jefferies LLC	11

Source: Thomson Reuters.
*Denotes Tie. Excludes transactions under \$25 million.

HOULIHAN LOKEY

HLI
LISTED
NYSE

Houlihan Lokey is the trusted advisor to more top decision-makers than any other independent global investment bank.

Our clients benefit from our local presence and global reach.

North America

Atlanta
Chicago
Dallas
Houston
Los Angeles

Miami
Minneapolis
New York
San Francisco
Washington, D.C.

Europe and Middle East

Amsterdam
Dubai
Frankfurt
London

Madrid
Milan
Paris

Asia-Pacific

Beijing
Hong Kong
Singapore

Sydney
Tokyo

Winner of Numerous Awards

- No. 1 M&A Advisor for All U.S. Transactions (2015, 2016, 2017, and 2018)
- Top 10 Most Active Global M&A Advisor (2018)
- Ranked Top 15 in Vault.com's Best Places to Work in Investment Banking (2019)
- No.1 Global Investment Banking Restructuring Advisor (2018)
- No.1 Global M&A Fairness Opinion Advisor Over the Past 20 Years (2018)
- Leading Valuation Agent (2018) – The Hedge Fund Journal

Select Houlihan Lokey M&A Transactions



May 2019

CDI Corporation, a portfolio company of AE Industrial Partners, is a multinational company that provides engineering, information technology, and staffing services to clients in a range of industries, including energy, chemical, transportation, and financial services. CDI's Management Recruiters International (MRI) business operates MRINetwork, one of the largest search and recruitment organizations in the world, comprising nearly 400 independent search and recruitment firms.

Bert Miller is Co-Founder and CEO of Protis Global, a leading executive search and advisory firm specializing in the consumer, food, and beverage; cannabis; hospitality; and banking industries. Mr. Miller is an industry veteran with more than 24 years of experience in executive search and talent advisory services.

Houlihan Lokey served as the exclusive financial advisor to CDI.



December 2018

Headquartered in London, Ingeus provides employment programs and people-based services designed to improve the employability, health, and independence of disadvantaged populations. Ingeus' suite of services includes employability, probation, youth development, health, and training and skills services on behalf of governments and private sector clients globally.

APM is an Australian-based provider of employment, disability, assessment, health, and injury management services with operations in Australia, New Zealand, and the United Kingdom. APM was founded in 1994 and is based in Perth, Australia.

Houlihan Lokey served as the sole financial advisor to Providence Service Corporation in the equity carve-out of Ingeus and assisted in the marketing, structuring, and negotiation of the transaction.



November 2018

Reading, Massachusetts-based Eliassen Group, a portfolio company of Riverside Partners, provides strategic talent solutions to drive its clients' innovation and business results. Leveraging nearly 30 years of success, Eliassen's expertise in IT staffing, Agile consulting, creative services, managed services, and life sciences enables them to partner with clients to execute their business strategy and scale effectively.

Stone Point Capital LLC is a financial services-focused private equity firm based in Greenwich, Connecticut. The firm has raised and managed seven private equity funds—the Trident Funds—with aggregate committed capital of approximately \$19 billion.

Houlihan Lokey served as the exclusive financial advisor to Eliassen Group.

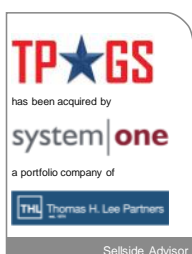


October 2018

CDI Corporation, a portfolio company of AE Industrial Partners, is a multinational company that provides engineering, information technology, and staffing services to clients in a range of industries, including energy, chemical, transportation, and financial services. CDI's Talent & Technology Solutions business unit comprises a team of approximately 2,500 professionals that deliver IT and engineering talent sourcing services and technology solutions to clients across North America.

Artech is a certified minority- and women-owned business enterprise (MWBE) committed to maximizing global workforce solutions on behalf of its clients. As a leading-edge technology solutions supplier, Artech provides workforce solutions, IT consulting, and SOW-project services.

Houlihan Lokey served as the exclusive financial advisor to CDI.



September 2018

Headquartered in Coral Springs, Florida, TP★GS provides customized mission-critical intelligence services and support with rapid response, proven talent, and exceptional service. The company focuses on delivering cleared teams of qualified IT professionals to the Department of Defense and federal clients.

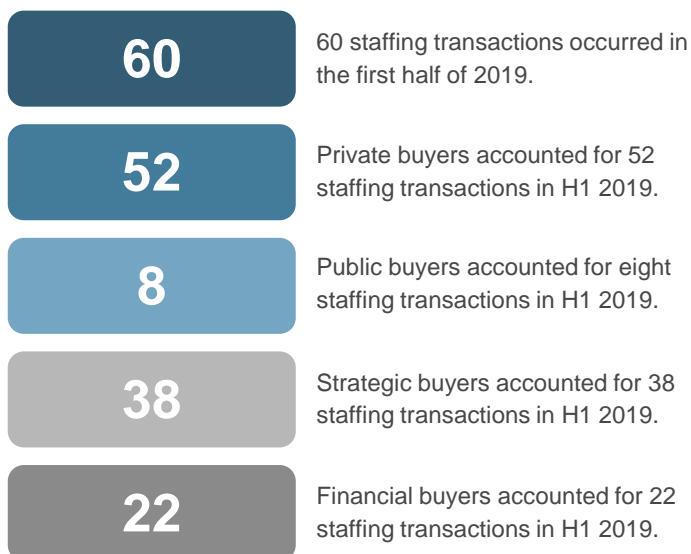
System One, a company controlled by Thomas H. Lee Partners, delivers specialized workforce solutions and integrated services. The company's national network spans energy, engineering, IT, commercial, scientific and clinical, legal, marketing, and more.

Houlihan Lokey served as the exclusive financial advisor to TP★GS.

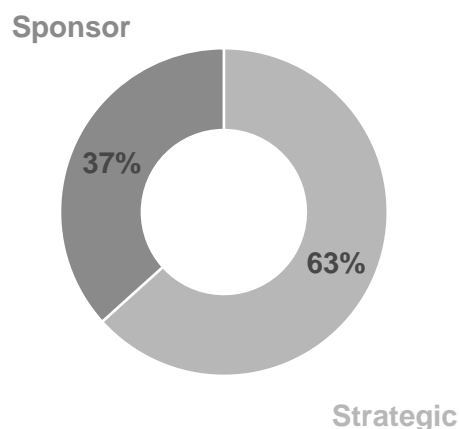
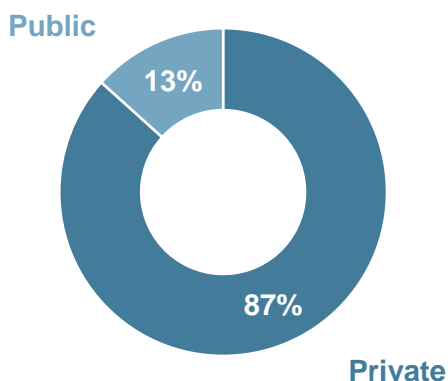
Houlihan Lokey Insights

Staffing Industry M&A Activity

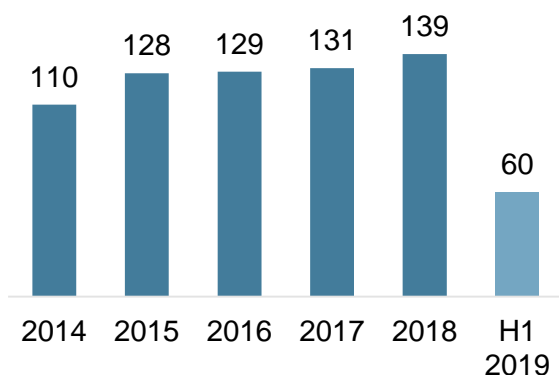
- 60 staffing transactions were completed in the first half of 2019, slightly down from the 70 transactions reported over the same period in 2018.
- Public buyers accounted for only eight of the 60 transactions reported, with private buyers accounting for the remaining 52.
- Financial sponsors and sponsor-backed strategic buyers accounted for 22 total transactions, representing more than 35% of M&A activity in the first half of the year.



H1 2019 Transaction Activity by Buyer Type



Yearly Staffing Transaction Volume



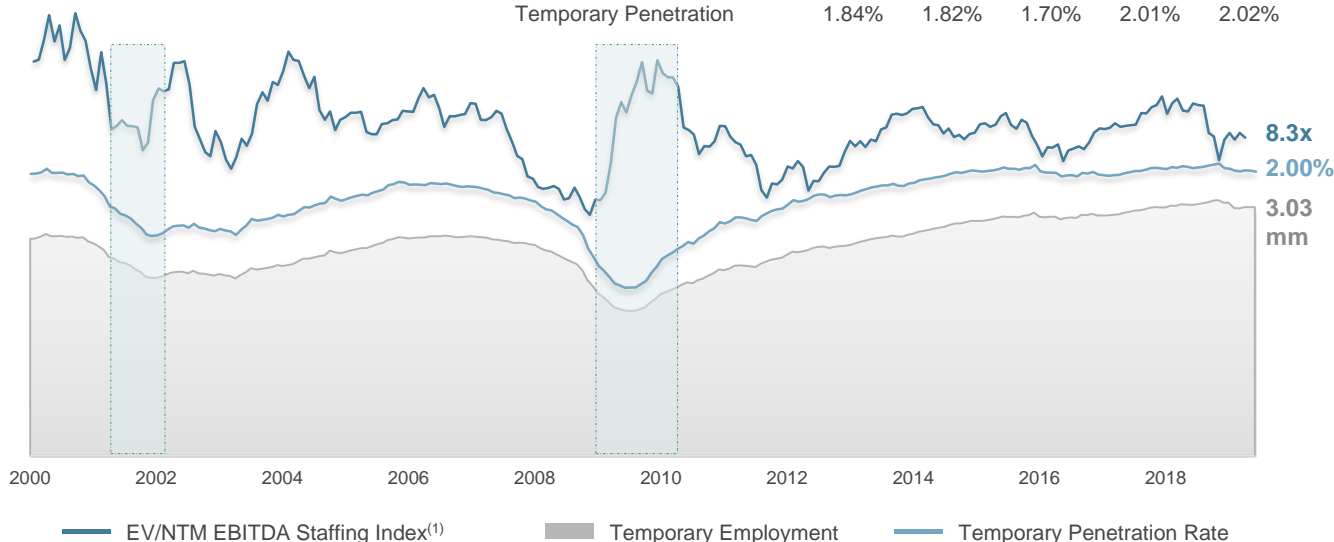
60 staffing transactions were reported in H1 2019, continuing the trend of healthy M&A activity seen over the past few years.

The IT and healthcare sectors again represented the top two industries of acquired companies, accounting for nearly 40% of transactions during the first two quarters of the year. Light industrial staffing firms contributed approximately 13% of deals, with engineering/design and office staffing firms close behind.

Historical Performance and 2019 Trends

■ Denotes Recession

	Select Averages				
	All	02-07	07-12	5 Yrs	LTM
EV/EBITDA Staffing Index	9.1x	9.7x	7.9x	8.9x	8.7x
Temp Employment (000s)	2,512	2,431	2,279	2,925	3,034
Temporary Penetration	1.84%	1.82%	1.70%	2.01%	2.02%



Temporary employment in the U.S. continues its slow but steady rise in the decade after the 2008-2009 recession. We expect this trend to continue and mirror the overall economic expansion, as the industry has historically demonstrated.

The U.S. temporary penetration rate settled at 2.00% in June 2019 (above its average of 1.84% since 2000). By comparison, the U.K. temporary penetration rate is 5.3%, while many continental European countries have penetration rates well into the double digits. However, these rates have softened in recent quarters across the globe. While the labor market of each country may differ in key ways, we view the relatively lower U.S. rate as a sign of room for further expansion.

The Staffing Index shown above reflects a EV/NTM EBITDA multiple of 8.4x as of June 30, 2019. Since 2000, the multiple has averaged 9.1x, reaching a high of 17.8x in January 2000 and a low of 3.8x in October 2008. The positive trend since the recession has reflected the similar rise in temporary employment and the temporary penetration rate. Late 2018 downturns in equity markets pushed multiples lower, though we have seen a significant recovery in the first half of 2019.

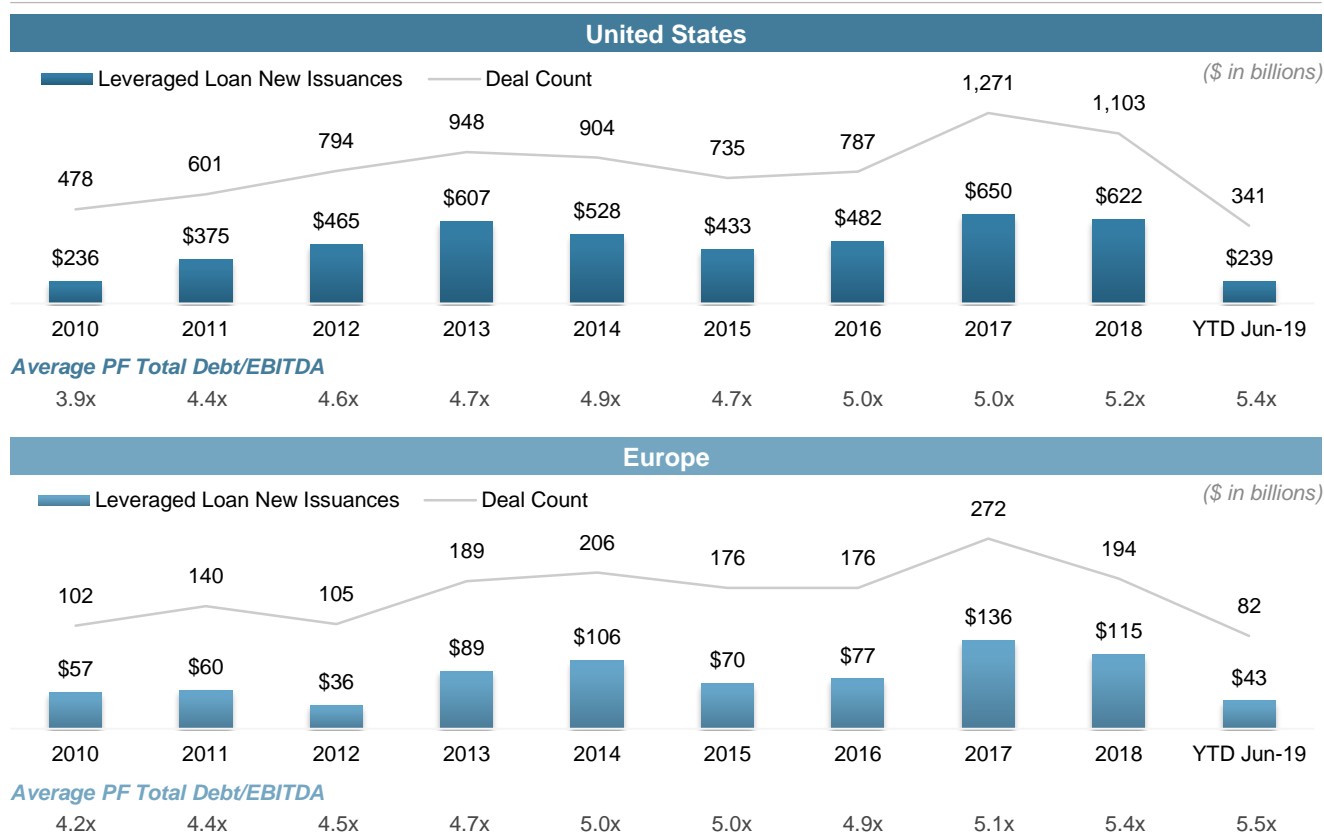
Key Market Trends

Capital Markets Characterized by Choppiness and Volatility <p>Increasing geopolitical uncertainty and overall lack of clarity of business conditions led to a decline in valuations at the beginning of 2019</p>	M&A Represents Compelling, Top-Line Expansion Opportunity <p>60 staffing deals were completed in H1 2019, which is slightly below the 70 reported in H1 2018, though still supportive of the high levels of activity seen in recent years</p>	Substantial Cash Balances and Investor Dry Powder Remain <p>Availability of capital generally supporting leverage and valuations; Cash buildup still near all-time highs</p>
Historically Low Unemployment <p>Low unemployment has increased the hiring difficulty (given the lack of talent supply) despite increased demand, especially for skilled labor</p>	Supportive Debt Markets <p>Historically low borrowing costs and attractive leverage multiples—5.4x and 5.5x debt/EBITDA in H1 2019 for U.S.- and European-based companies, respectively</p>	Investors Cautious of Volatile Global Environment <p>Investors increasingly concerned about trade and technology tensions, elevated labor costs, and muted macroeconomic growth</p>

(1) Staffing Index comprises North America, United Kingdom, Europe, APAC, and rest of world (RoW) select public comps (see "Public Comps: Trading and Operating Performance" for additional detail)

Debt Capital Markets

Trends in Loan Statistics



Recent Issuances and Notable Transactions

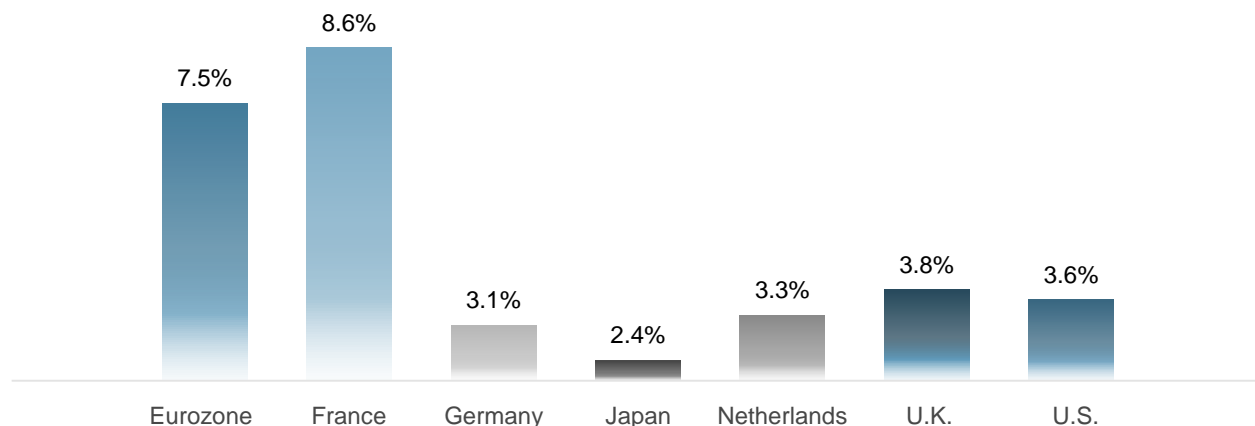
(\$ in millions)

Date	Borrower	Sponsor(s)	Use	Structure				First Lien Liber Spread	Second Lien Liber Spread	Total Leverage
				Total	RC	First Lien	Second Lien			
19-Jun	CHG Healthcare Services	Leonard Green	Corp Purpose	\$50	--	\$50	--	300	--	--
19-Apr	Insight Global	Ares	Recap	\$30	--	\$30	--	400	--	--
19-Mar	Addison Group	Odyssey Partners	Refinancing	\$355	\$45	\$310	--	500	--	--
19-Jan	Cast & Crew Entertainment	EQT Partners	LBO	\$855	\$90	\$765	--	400	--	--
18-Nov	CareerBuilder	Apollo	Recap	\$65	--	\$65	--	675	--	--
18-Nov	MSX International	Bain Capital	Refinancing	\$50	--	\$50	--	475	--	--
18-Oct	EmployBridge	BlueMountain and Anchorage	Refinancing	\$479	--	\$479	--	450	--	--
18-Sep	NES Global	AEA Investors	Acquisition	\$60	--	\$60	--	550	--	--
18-Jul	Alexander Mann Solutions	OMERS Capital Partners	LBO	\$162	--	\$162	--	550	--	5.2x
18-Jun	Oasis	Stone Point Capital	Acquisition	\$87	--	\$87	--	325	--	--
18-Jun	HireRight	Stone Point Capital	Merger	\$1,150	\$100	\$835	\$215	375	725	--
18-Jun	Tradesmen International	Blackstone	Refinancing	\$40	--	\$40	--	450	--	--
18-May	Insight Global	Ares	Recap	\$1,144	\$60	\$1,084	--	350	--	--

Market Observations

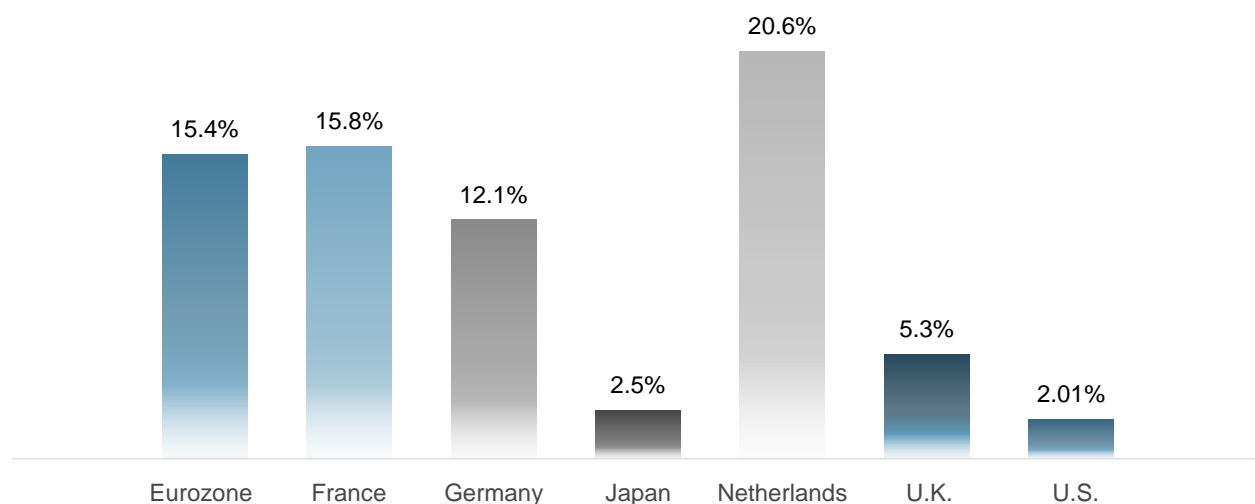
Global Employment Statistics

International Comparison: Unemployment Rates⁽¹⁾



In 2019, global unemployment rates have continued to decline amidst a backdrop of general economic uncertainty. Global growth is sluggish; forecast at 3.2% for 2019 and 3.5% for 2020.⁽³⁾

International Comparison: Temporary Penetration Rates⁽²⁾



Penetration in Europe is down slightly over the past year but remains high as a result of stringent protections around permanent employment, causing employers to be more cautious about hiring full-time employees. U.S. penetration has generally increased since the financial crisis and remained at 2.0% as of July 2019.

(1) U.K. data as of April 2019; all others as of May 2019

(2) All data as of March 2019

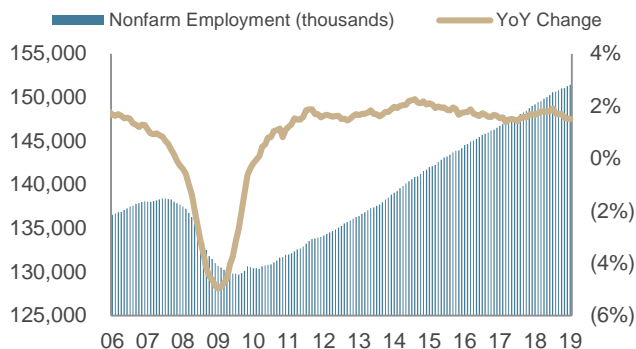
(3) "World Economic Outlook (July 2019)," International Monetary Fund

Note: Eurozone comprises the following countries: Austria, Belgium, Cyprus, Estonia, Finland, France, Germany, Greece, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, the Netherlands, Portugal, Slovakia, Slovenia, and Spain

Sources: Bureau of Labor Statistics (U.S.), Eurostat, Office for National Statistics (U.K.), Statistics Bureau (Japan), SIA

U.S. Macroeconomic Indicators

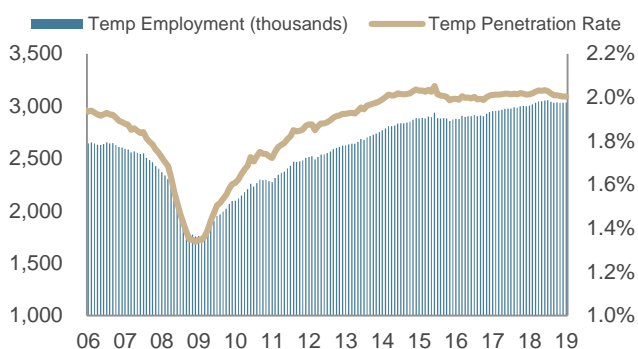
Nonfarm Employment⁽¹⁾ and YoY Change



Source: U.S. Bureau of Labor Statistics

June 2019 nonfarm employment was 151.3 million, a monthly increase of 193,000 as compared to the average gain of 207,000 per month over the previous five years. Payrolls have grown on a month-to-month basis for nearly nine years, a streak of 106 straight months. Higher overall employment is a driver of HCM revenue.

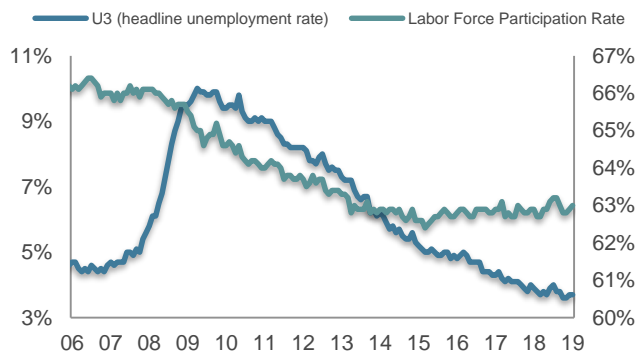
Temp Employment⁽¹⁾ and Penetration



Source: U.S. Bureau of Labor Statistics

The temporary penetration rate, which measures temporary employment as a percentage of total nonfarm employment, has decreased slightly (from December 2018) to 2.00% in June 2019. Temporary employment was 3.03 million in June 2019, an increase of 14.4% since June 2006. A higher temporary penetration rate means a larger market for HCM business.

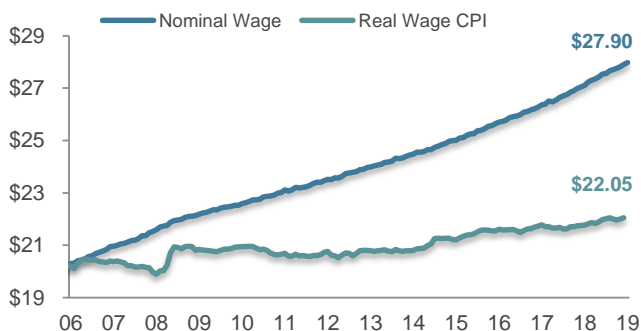
Unemployment Rate and Participation



Source: U.S. Bureau of Labor Statistics

The unemployment rate was 3.7% in June 2019, while labor force participation was 62.9% (unchanged over the year). In the past few years, the labor force participation rate stabilized while unemployment continued to fall, indicating that job growth has not outpaced population growth. The current unemployment rate is amongst the lowest on record.

Real and Nominal Wage Growth



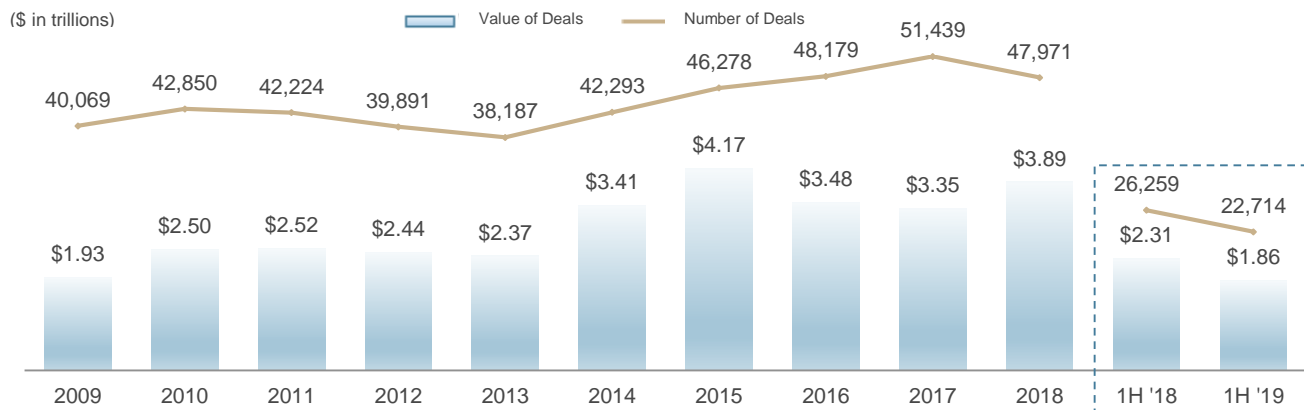
Source: U.S. Bureau of Labor Statistics

Nominal wages have grown 37.9% since June 2006 with the average hourly wage rate coming in at \$27.90 in June 2019, which is a 3.1% increase over the rate a year prior. Real wages increased 1.3% over the same period. Wage growth is a fundamental contributor to the HCM market, especially the staffing segment.

(1) Numbers in thousands

M&A Market Intelligence

Global M&A Activity



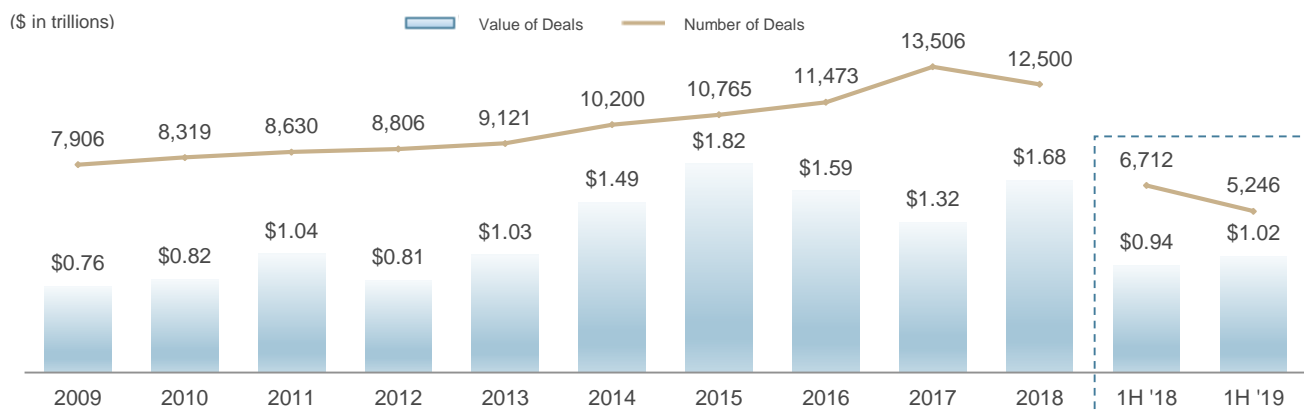
Global M&A transaction values decreased substantially in the first half of 2019 relative to 2018, coinciding with a decline in the number of transactions over the same time period. Both Europe and Asia contributed to this decline, with deal values down 59% and 34% from the first half of 2018 to the first half of 2019, respectively. The first half of 2018 was one of the most active six-month periods for M&A on record, which helps explain why the relative performance of 2019 appears lackluster in comparison. The decrease in M&A activity was also likely exacerbated by market volatility and continued global geopolitical uncertainty. This will likely continue through the rest of 2019, as the exact terms of Brexit are still undecided and trade tensions remain high.

Source: Thomson Reuters

Notes: Regional breakdowns are by target and based on the total number of transactions.

Includes minority equity deals, equity carve-outs, exchange offers, open market repurchases, and deals with undisclosed transaction values.

U.S. M&A Activity









































Domestic M&A activity remained robust in the first half of 2019, with transaction values exceeding both 2017 and 2018 levels over the same period, despite a significant drop-off in the number of transactions relative to 2018 levels. The outlook for the rest of 2019 is likely to remain positive (as debt is cheap relative to historical levels), allowing for attractive financing options for acquirers. The biggest question for the rest of 2019 is likely to revolve around trade disputes with China and the impact that a resolution or escalation would have on business development.

Source: Thomson Reuters

Notes: Regional breakdowns are by target and are based on total number of transactions.

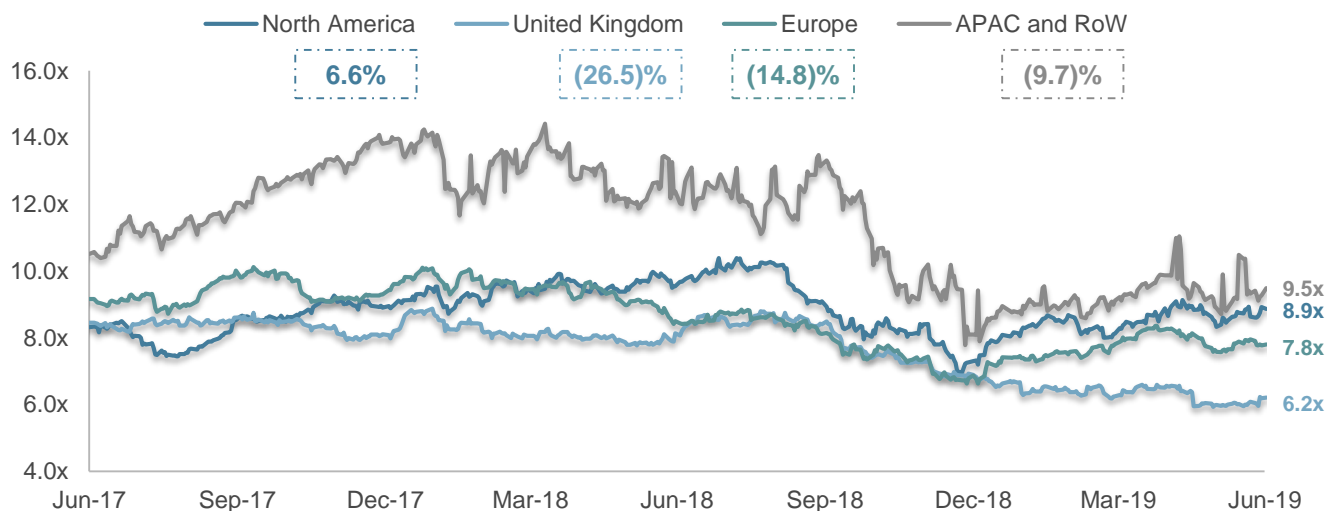
Includes minority equity deals, equity carve-outs, exchange offers, open-market repurchases, and deals with undisclosed transaction values.

Public Comps: Segment Composition and Performance

North America	United Kingdom	Europe	APAC and RoW
 AMN Healthcare	 Hays	 Adecco	 Career International
 BG Staffing	 Impellam Group	 Allgeier	 HRnetGroup
 Computer Task Group	 PageGroup	 Amadeus FiRe	 LIKE
 Cross Country Healthcare	 Robert Walters	 Brunel	 MEITEC
 Heidrick & Struggles	 Staffline Group	 CPL Resources	 OUTSOURCING
 Kelly Services	 SThree	 Groupe CRIT	 Pasona Group
 Kforce	Count: 6	 Randstad	 PERSOL
 Korn Ferry		 Synergie	 Recruit Holdings
 ManpowerGroup		Count: 8	 TechnoPro Holdings
 On Assignment			 Trust Tech
 RCM Technologies			 UT Group
 Robert Half			Count: 11
 TrueBlue			
Count: 13			

Public Equity Markets Performance: Two-Year Change in EV/NTM EBITDA

Poor second-half 2018 performance created a temporary hiccup in valuations before modestly rebounding, with companies maintaining a relatively optimistic outlook for the rest of 2019.

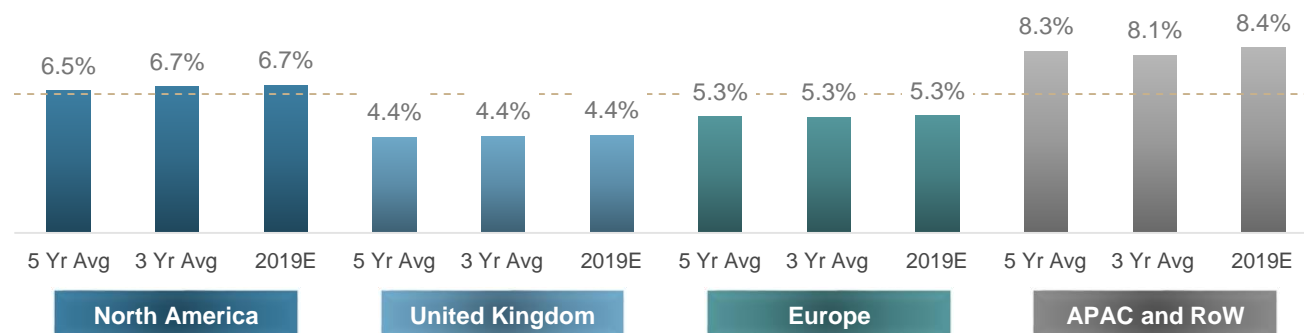


Public Comps: Benchmarking Analysis

Margin: 2019E EBITDA Margin

Margins are projected to increase slightly through the remainder of 2019 and into 2020, as firms focus on operational efficiencies as top-line growth expectations become more muted.

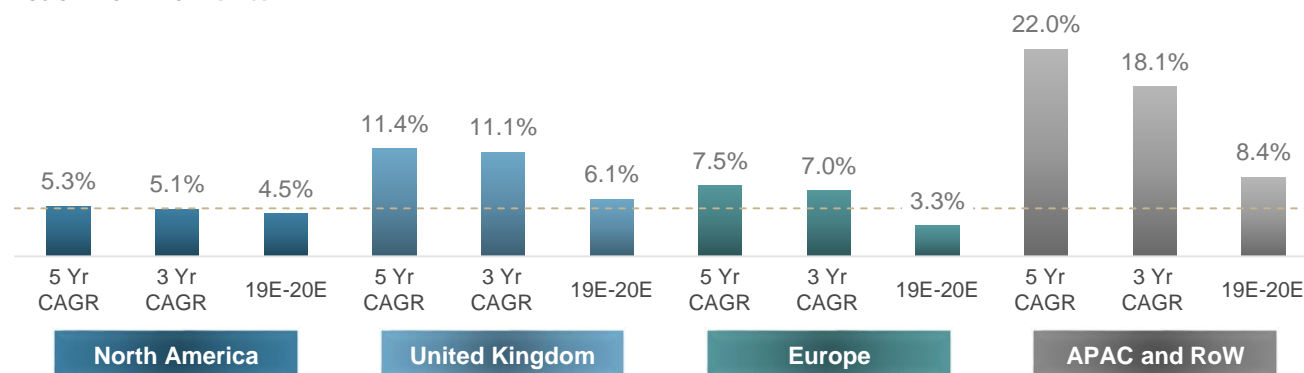
Median 2019E: **6.3%**



Growth: 2019E–2020E Revenue

Revenue growth has been strong in recent years but is projected to be more modest going forward (under the backdrop of muted global economic projections and rising political uncertainty).

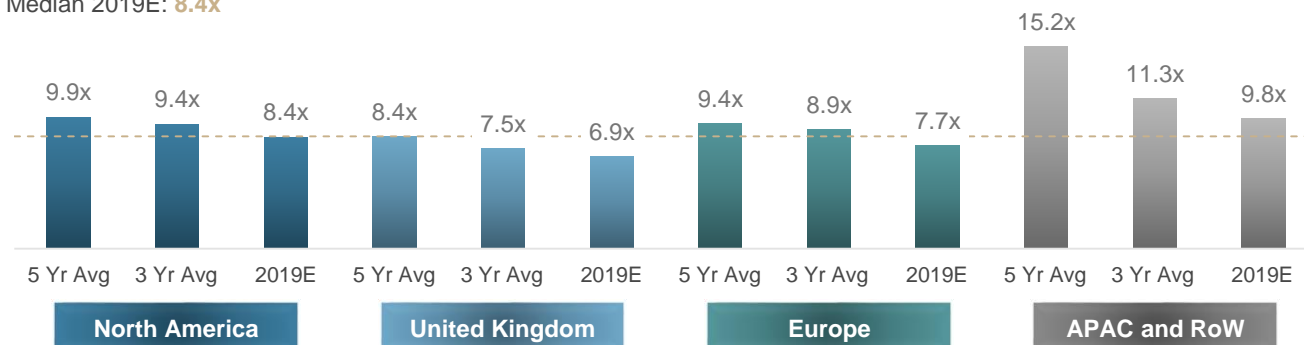
Median '19E–'20E: **5.1%**



Multiple: Enterprise Value/2019E EBITDA

Following a muted start to 2019, valuations have recovered modestly; Firms remain optimistic about opportunities for near-term growth.

Median 2019E: **8.4x**



Source: S&P Capital IQ

Trading multiples are based on share price, other market data, and broker consensus future earnings estimates from S&P Capital IQ as of July 1, 2019.

Public Comps: Trading and Operating Performance

(\$ in millions, except per share data)		Stock Price	% of	Market	Enterprise	EBITDA		EBITDA Margin		EV/ EBITDA		'19E-'20E Revenue Growth
Company	Sector	7/1/2019	52-Week High	Capital	Value	2019E	2020E	2019E	2020E	2019E	2020E	
North America												
Robert Half International	Diversified	\$57.03	71.4%	\$6,644	\$6,645	\$693	\$725	11.4%	11.4%	9.6x	9.2x	4.6%
ManpowerGroup	Professional	97.10	99.1%	5,809	6,635	856	899	4.0%	4.1%	7.7	7.4	2.8%
On Assignment	Professional	60.07	63.7%	3,172	4,251	454	488	11.7%	11.8%	9.4	8.7	6.4%
AMN Healthcare	Healthcare	54.15	82.3%	2,524	3,280	266	303	12.1%	12.7%	12.3	10.8	8.1%
Korn Ferry	Executive Search	39.43	57.2%	2,225	1,824	315	326	15.9%	15.9%	5.8	5.6	3.6%
Kelly Services	Diversified	26.35	98.3%	1,029	1,083	136	150	2.4%	2.5%	8.0	7.2	4.8%
Kforce	Professional	34.99	80.4%	843	861	93	100	6.7%	7.0%	9.3	8.6	4.5%
TrueBlue	Diversified	21.88	73.3%	771	813	123	128	4.9%	5.0%	6.6	6.4	2.4%
Heidrick & Struggles	Executive Search	29.86	65.9%	571	543	88	92	12.2%	12.3%	6.1	5.9	3.1%
Cross Country Healthcare	Healthcare	9.42	73.9%	347	420	22	33	2.7%	4.0%	19.1	12.5	4.2%
BG Staffing	Diversified	18.33	61.9%	188	210	24	30	8.1%	9.4%	8.6	7.1	4.6%
Computer Task Group	Diversified	4.10	49.4%	57	77	12	13	2.9%	3.2%	6.6	5.7	4.4%
RCM Technologies	Diversified	3.61	71.2%	46	83	10	11	4.8%	5.0%	8.4	7.5	6.3%
Average			72.9%					7.7%	8.0%	9.0x	7.9x	4.6%
Median			71.4%					6.7%	7.0%	8.4x	7.4x	4.5%
United Kingdom												
Hays	Diversified	\$1.93	74.3%	\$2,808	\$2,769	\$335	\$357	4.5%	4.6%	8.3x	7.7x	4.6%
PageGroup	Diversified	6.37	83.6%	2,021	2,090	222	240	11.1%	11.4%	9.4	8.7	5.8%
Robert Walters	Diversified	7.89	79.9%	565	599	73	78	4.4%	4.4%	8.2	7.7	6.4%
SThree	Diversified	3.46	72.4%	437	447	80	85	4.9%	4.9%	5.6	5.2	6.9%
Impellam Group	Diversified	5.56	69.9%	270	392	69	72	2.7%	2.6%	5.6	5.4	9.4%
Staffline Group	Diversified	1.39	8.4%	37	114	34	49	2.1%	3.0%	3.3	2.3	4.6%
Average			64.8%					5.0%	5.1%	6.8x	6.2x	6.3%
Median			73.4%					4.4%	4.5%	6.9x	6.6x	6.1%
Europe												
Randstad	Diversified	\$53.55	87.5%	\$9,815	\$12,072	\$1,419	\$1,442	5.3%	5.3%	8.5x	8.4x	2.2%
The Adecco Group	Diversified	59.96	96.0%	9,738	11,806	1,328	1,406	5.0%	5.2%	8.9	8.4	2.0%
Synergie	Diversified	35.50	74.4%	851	871	156	166	5.3%	5.4%	5.6	5.3	3.1%
Groupe CRIT	Diversified	65.23	73.3%	724	716	170	177	6.0%	6.1%	4.2	4.0	2.3%
Brunel	Diversified	14.31	84.8%	724	703	62	80	5.4%	6.3%	11.3	8.8	9.9%
Amadeus FiRe	Professional	134.90	96.1%	701	696	49	52	20.1%	20.3%	14.3	13.4	5.8%
Allgeier	Diversified	28.84	72.8%	315	452	65	77	7.4%	8.0%	7.0	5.8	9.2%
CPL Resources	Diversified	7.32	91.7%	201	158	26	25	4.1%	3.9%	6.2	6.3	3.4%
Average			84.6%					7.3%	7.6%	8.2x	7.5x	4.7%
Median			86.1%					5.3%	5.8%	7.7x	7.3x	3.3%
APAC and RoW												
Recruit	Diversified	\$34.05	94.4%	\$56,890	\$57,136	\$3,000	\$3,490	13.1%	14.0%	19.0x	16.4x	8.4%
Persol	Diversified	24.24	92.6%	5,659	5,837	617	653	6.7%	6.7%	9.5	8.9	6.1%
TechnoPro	Diversified	55.94	79.8%	2,031	1,917	152	176	10.3%	10.8%	12.6	10.9	11.3%
OUTSOURCING	Diversified	12.66	54.3%	1,590	2,231	228	306	6.2%	7.1%	9.8	7.3	17.1%
Meitec	Diversified	52.56	95.1%	1,467	1,104	127	132	13.4%	13.3%	8.7	8.4	4.7%
UT Group	Diversified	25.51	62.6%	1,030	969	94	116	8.9%	9.0%	10.3	8.4	21.3%
Career International	Diversified	5.41	91.2%	973	964	36	47	7.6%	7.7%	26.5	20.5	28.7%
Trust Tech	Diversified	14.59	59.4%	619	555	69	79	8.4%	8.8%	8.1	7.0	10.6%
Pasona Group	Diversified	14.61	78.0%	572	611	135	148	4.1%	4.3%	4.5	4.1	5.4%
HRnetGroup	Diversified	0.51	78.0%	516	315	49	53	15.4%	16.0%	6.5	6.0	4.6%
LIKE	Diversified	13.29	72.1%	252	309	30	NM	6.4%	NM	10.2	NM	8.0%
Average			77.9%					9.2%	9.8%	11.4x	9.8x	11.5%
Median			78.0%					8.4%	8.9%	9.8x	8.4x	8.4%
Average			75.5%					7.6%	7.9%	9.2x	8.1x	6.9%
Median			74.4%					6.3%	6.7%	8.4x	7.5x	5.1%

Note: Margins and multiples exclude outliers

Sources: S&P Capital IQ, public company filings

Trading multiples are based on share price, other market data, and broker consensus future earnings estimates from S&P Capital IQ as of July 1, 2019.

Notable Recent M&A Transactions

(\$ in millions)				
Date	Acquirer	Target	Target Segment	Target Description
06/11/19	Riviera Partners	WorthyWorks	Staffing	Staffing and recruiting services for engineering within the blockchain ecosystem
05/30/19	Excel Search Group	Profectus	Staffing	Executive search and management consulting services
04/30/19	AMN Healthcare	Advanced Medical Personnel Services	Staffing	Occupational, physical, and speech therapy staffing through therapy, nursing, and school divisions
04/16/19	PharmaLogics Recruiting	Orbis Clinical	Staffing	Staffing and consulting services for life sciences companies
04/08/19	Hire Quest	Command Center	Staffing	Manual on-demand labor segment of the light industrial, transportation, and event services staffing industries
04/03/19	Eliassen Group	Project One	Staffing	IT consulting and staffing firm within the media technology industry
03/01/19	ManTech International	Kforce Government Solutions	Staffing	Technology solutions and data management in support of federal health and defense missions
02/19/19	Vaco	Aventine Hill Partners	Staffing	C-suite advisory services, executive search services, and project and interim solutions
02/19/19	Health Carousel	Onyx M.D.	Staffing	Locum tenens physician and advanced practice staffing
02/11/19	Investcorp	Revature	Talent Management/Development	Recruits, develops, and deploys enterprise-ready technology talent
01/30/19	Addison Group	DLC Group	Staffing	Interim and project-based finance and accounting consulting and staffing services
01/14/19	Trustpoint.One	Kelly Legal Managed Services	Staffing	Staffing, eDiscovery and other law firm services, corporations, and government agencies
12/20/18	Permira	Cielo	VMS/MSP/RPO	Recruitment process outsourcing (RPO) and talent acquisition and management solutions
12/20/18	Quad-C Management	S.I. Systems	Staffing	Contingent IT staffing services, primarily to clients in Canada
12/17/18	TransForce	Hire Edge Logistics Personnel	Staffing	Provides drivers and logistics personnel for transportation and trucking industries
11/26/18	Paychex	Oasis Outsourcing	Payroll/PEO	Professional employer organization that provides workforce solutions for businesses in the U.S.
11/07/18	Advanced Personnel Management	Ingeus	Talent Management/Development	Employment programs and people-based services for disadvantaged populations
11/05/18	Stone Point Capital	Eliassen Group	Staffing	Technology staffing and consulting services in the U.S.
10/02/18	Artech Information Systems	TTS Business Unit of CDI	Staffing	IT and engineering talent sourcing services and technology solutions
09/20/18	System One	TPGS	Staffing	Customized mission-critical intelligence services and support to the intelligence community
08/07/18	DBAY Advisors	Harvey Nash Group	Staffing	Recruitment and outsourcing, primarily in the U.K., Ireland, and mainland Europe
07/26/18	New Mountain Capital	Beeline	VMS/MSP/RPO	VMS solutions for sourcing and managing the extended workforce
07/13/18	Gridiron Capital	The Service Companies	Diversified Services	Hospitality and staffing services

Average
Median

Enterprise
Value
\$227
\$138

EV/Revenue
LTM
1.4x
1.0x

EV/EBITDA
LTM
10.6x
10.0x

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