



HOULIHAN LOKEY

HUMAN CAPITAL MANAGEMENT

STAFFING & RECRUITMENT – INDUSTRY UPDATE | Winter 2019



Houlihan Lokey Human Capital Management

Houlihan Lokey is pleased to present its third 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 detail. 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 meet with us at the SIA Executive Forum in Austin, Texas on February 25-28, 2019 where we would be happy to share recent market developments and further insights.

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



Select Advised HCM Transactions

 the Workforce Development Services division of PROGRESSIVE SERVICE CORPORATION has been acquired by APM Sellside Advisor	 a portfolio company of Riverside PARTNERS has been acquired by STONE POINT CAPITAL Sellside Advisor	 a portfolio company of ae Industrial Partners has divested CDI Talent & Technology Solutions to ARTECH Sellside Advisor	 has been acquired by system one a portfolio company of THL Thomas H. Lee Partners Sellside Advisor	 a portfolio company of GRIDIRON CAPITAL has been acquired by LITTLEJOHN & CO. Sellside Advisor	 has been acquired by ECS along with minority investor LINDSAY GOLDBERG has agreed to the sale of ECS Federal to On Assignment Sellside Advisor	 has completed a majority investment in ProService HAWAII The smarter way to do HR. Buyside Advisor	
 has made a strategic investment in WilsonHCG HUMAN CAPITAL GROUP Buyside Advisor	 has partnered with ELIASSEN GROUP a portfolio company of Riverside PARTNERS Sellside Advisor	 has been acquired by ae Industrial Partners Sellside Advisor & Fairness Opinion	 has been acquired by HTC global services Sellside Advisor	 a subsidiary of ciber has been acquired by infor Sellside Advisor	 a subsidiary of ciber has been acquired by ManpowerGroup Sellside Advisor	 has been acquired by psi Sellside Advisor	 a portfolio company of MID OCEAN CAPITAL has been acquired by THL Thomas H. Lee Partners Sellside Advisor

Tombstones included herein represent transactions closed from 2016 forward.

SIA Executive Forum North America

WE'LL BE THERE!

To schedule a time to meet in person, email Thomas Bailey at TBailey@HL.com

SIA Executive Forum North America

February 25-28, 2019

JW Marriott – Austin, Texas

Thomas Bailey, Managing Director, Human Capital Management
Andrew Shell, Vice President, Human Capital Management



Breakthrough Leadership

February 25-28, 2019 | Austin, TX

Houlihan Lokey is sponsoring a networking breakfast on Wednesday, February 27. Please join us for a chance to network with fellow staffing executives and industry advisors.

Networking Breakfast

Wednesday, February 27, 2019 | 7:30 a.m. – 8:30 a.m.

*Lone Star Ballroom & Foyer (Level 3) and Griffin Hall
(Level 2)*

Location



JW MARRIOTT®

JW Marriott

110 East 2nd Street
Austin, TX 78701

No. 1 M&A Advisor

As a market's leading business services advisory firm, Houlihan Lokey has more than 40 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.

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.

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.
Excludes transactions under \$25 million.

HOULIHAN LOKEY

HLI
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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 & Middle East

Amsterdam
Dubai
Frankfurt
London

Madrid
Milan
Paris

Asia-Pacific

Beijing
Hong Kong
Singapore

Sydney
Tokyo

Houlihan Lokey holds an indirect minority stake in Leonardo & Co. S.p.A., an investment bank with an office in Milan.

Winner of Numerous Awards

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

Select 2018 Houlihan Lokey M&A Transactions

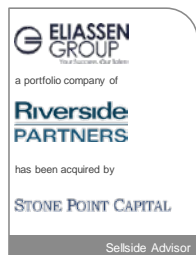


December 2018

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 on its behalf.



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.

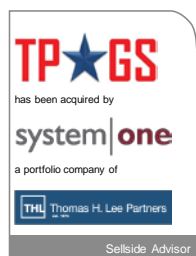


October 2018

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 is comprised of 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, TPGS 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 TPGS.



April 2018

MedPartners, based in Tampa, Florida, provides staffing and recruitment solutions that help maximize healthcare facilities' revenue integrity, improve patient care management, and support care quality reporting requirements.

AMN Healthcare (AMN) is the leader and innovator in healthcare workforce solutions and staffing services to healthcare facilities across the nation. AMN's workforce solutions enable providers to successfully reduce complexity, increase efficiency, and improve patient outcomes within the rapidly evolving healthcare environment.

Houlihan Lokey served as the exclusive financial advisor to MedPartners and assisted in marketing, structuring, and negotiating the transaction on behalf of the founders.

Houlihan Lokey Insights

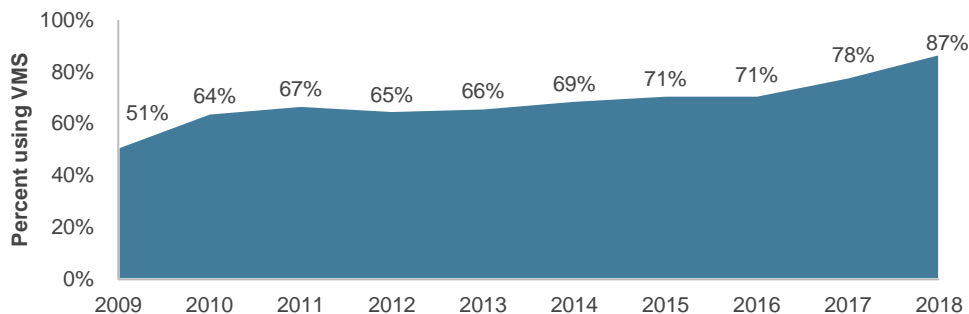
HCM Spotlight: VMS/MSP and RPO

Penetration Continues to Increase; Further Room to Expand

- VMS and MSP penetration has risen consistently over the past decade, with 2018 bringing in all-time high usage levels.
 - VMS usage gained 7% share in 2017, and then improved that performance in 2018 by adding a further 9% of share and reaching 87% penetration, a tremendous increase from the 51% penetration recorded in 2009.
 - MSP penetration broke out of the low 60s in 2015 and last year reached an all-time high of 68%.
- According to a recent SIA Buyer Survey, 31% of companies reported use of RPO services in 2018, slightly down from the previous two years, perhaps in part due to the difficulty in finding talent in today's tight labor market.
- We believe there is room for significant expansion in VMS, MSP and RPO penetration, as many traditional providers of such services are seeing increased demand for more sophisticated and complex talent acquisition and workforce management solutions; the opportunity therefore exists to offer such enhanced services and capture further share.

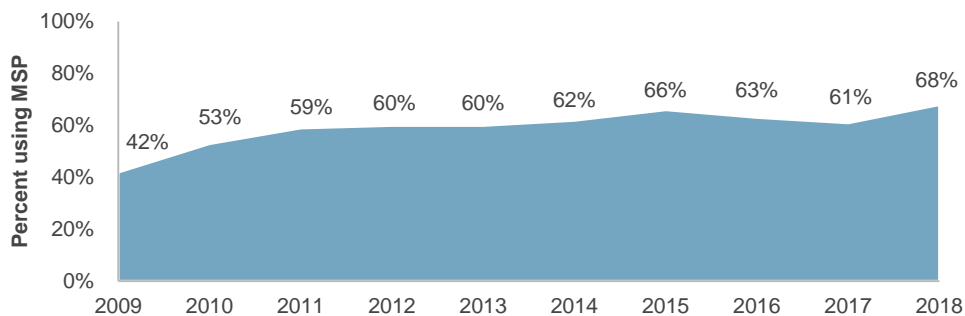
VMS

Vendor management system (VMS): A web-based platform that gives companies the ability to manage and procure all of their staffing services in one place



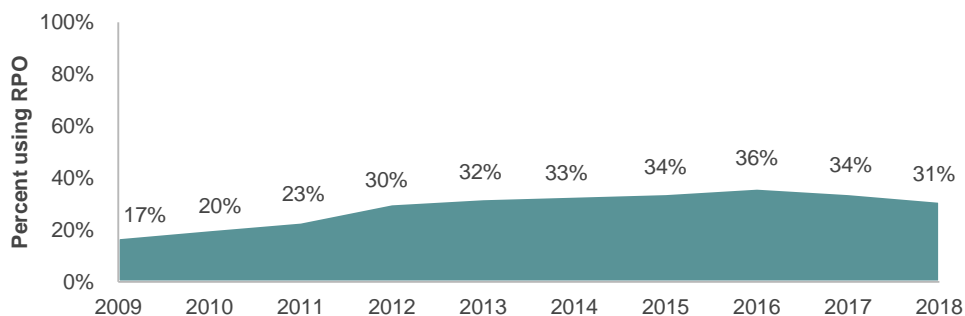
MSP

Managed service provider (MSP): Manages a firm's contingent workforce, acting as an intermediary between the company and its staffing providers



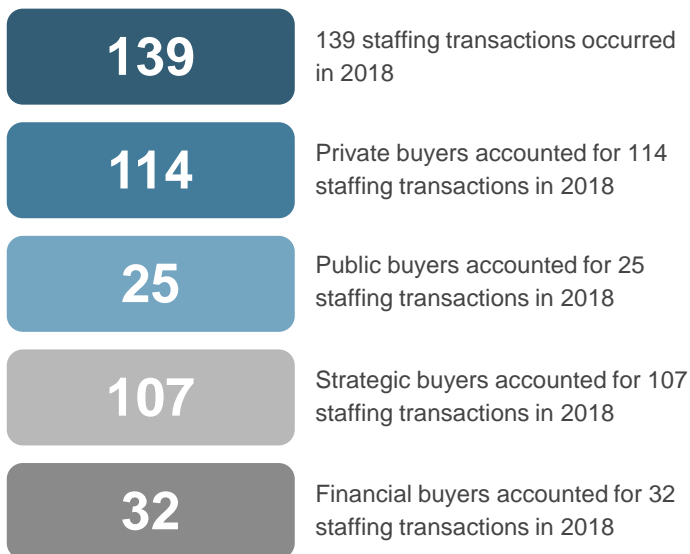
RPO

Recruitment process outsourcing (RPO): Providers act as a company's internal recruitment function and typically manage the entire recruiting/hiring process

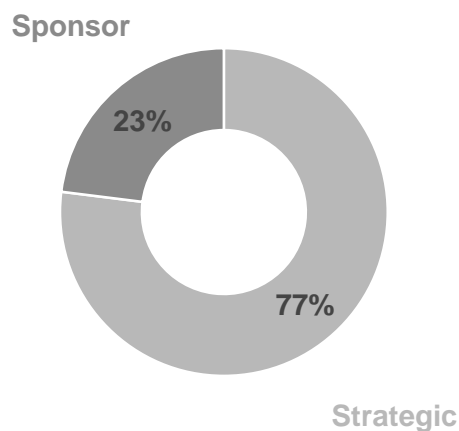
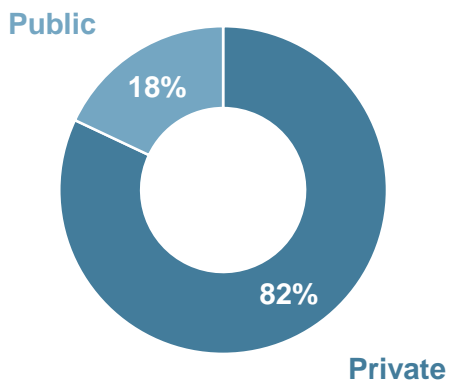


Staffing Industry M&A Activity

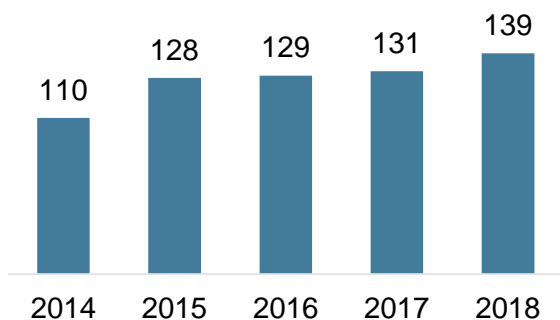
- 139 staffing transactions were completed in 2018, outperforming recent years in terms of volume—2015 to 2017 averaged ~129 transactions per year. In 2017, there were 131 transactions.
- In 2018, public buyers accounted for 25 total transactions, while private buyers accounted for 114.
- Financial sponsors and sponsor-backed strategic buyers accounted for 32 total transactions, continuing the trend of strong interest shown from private equity firms searching for outsized returns.



2018 Transaction Activity by Buyer Type



Yearly Staffing Transaction Volume

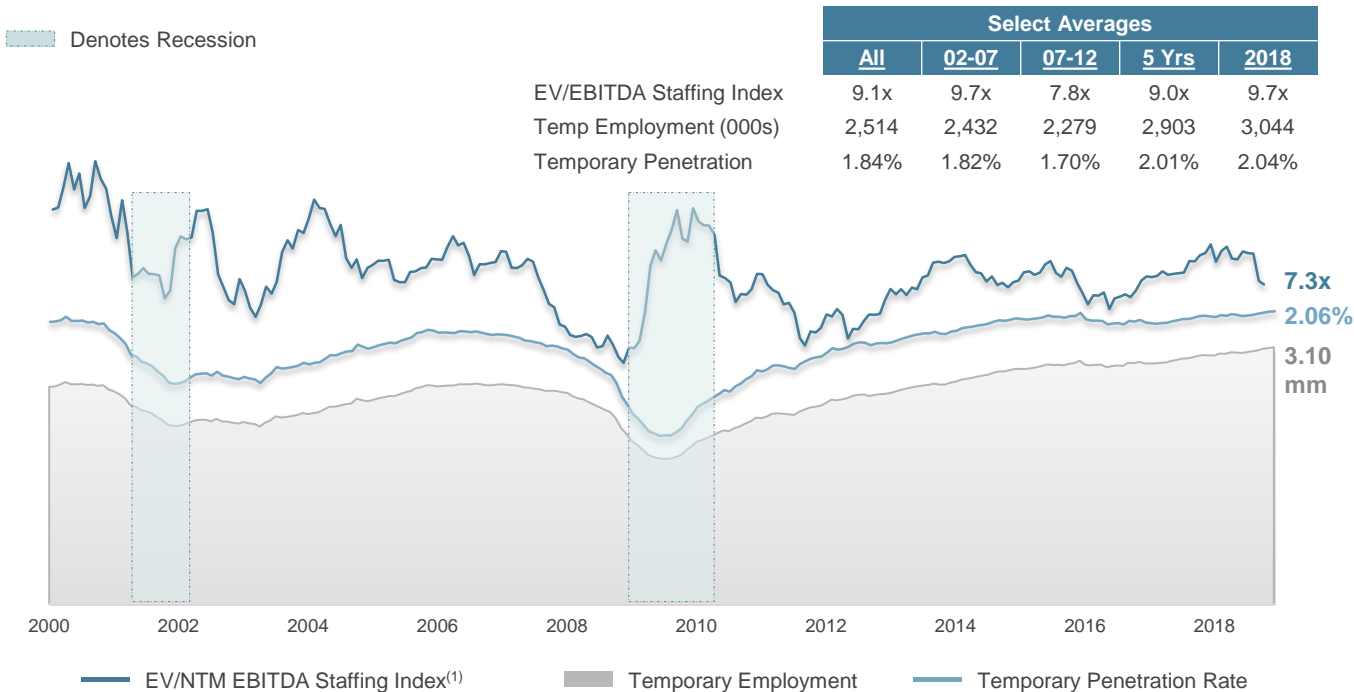


139 staffing transactions were reported in 2018, making it the biggest year for deal activity since before the recession.

The IT and healthcare sectors represented over a third of transactions during the year, reflecting the continued demand for professional skills, while light industrial staffing firms contributed ~16% of deals alone, underlining the enormous size and impact of the blue collar labor market.

Source: S&P Capital IQ, Staffing Industry Analysts, Mergermarket, public company filings, press releases
 Note: Represents global M&A activity

Historical Performance and 2018 Trends



Temporary employment in the United States 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 done so.

The U.S. temporary penetration rate reached an all-time high of 2.06% in December 2018. By comparison, the U.K. temporary penetration rate is 5.4%, while many continental European countries have penetration rates well into the double digits. While each country's labor market may differ in key fundamental ways, we view the relatively lower U.S. rate as a sign that there is room for further sector expansion.

The Staffing Index shown above reflects a EV/NTM EBITDA multiple of 7.3x as of 12/31/2018. Since 2000, the multiple has averaged 9.1x, reaching a high of 15.9x in March of 2000 and a low of 3.8x in October of 2008. The positive trend since the recession has generally reflected the similar rise in temporary employment and the temporary penetration rate. Although late 2018 downturns in equity markets have pushed multiples lower as of late, the outlook for the labor market remains positive today, as staffing employment reached its highest level since 2008 for the week ending 1/13/2019.⁽²⁾

Key 2018 Trends

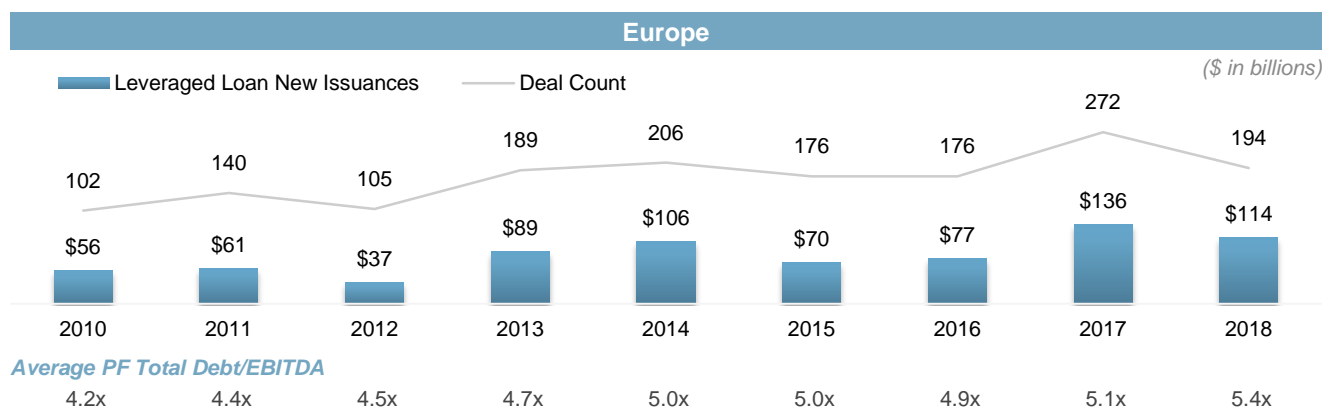
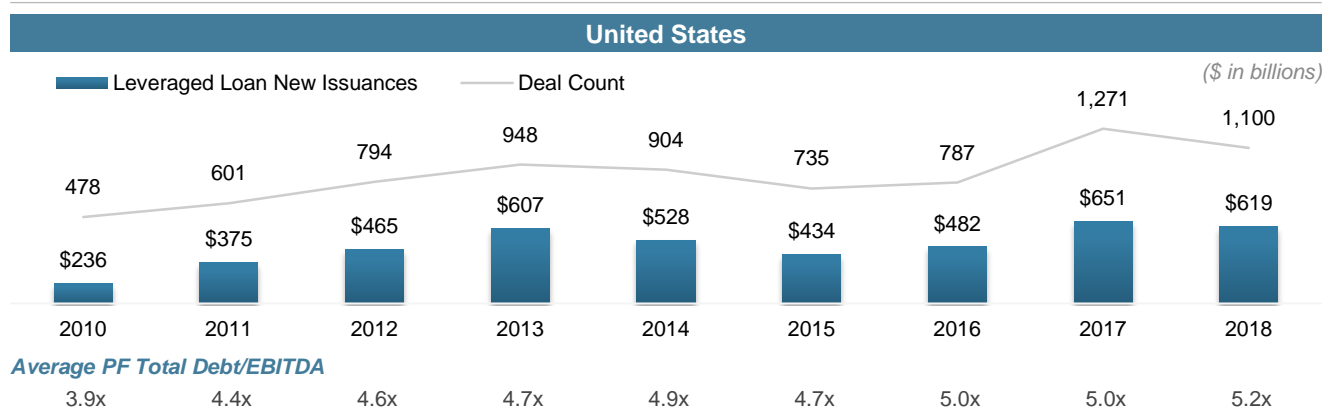
<p>Leverage Multiples Remain Attractive</p> <p>5.2x and 5.4x Total Debt/EBITDA in 2018 for U.S. and European-based companies, respectively; Fed signaling less rate increases than anticipated.</p>	<p>Continued Investment in Staffing Assets</p> <p>139 transactions completed in 2018, outperforming 2017's volume of 131 deals and marking the highest level reached since before the recession.</p>	<p>Substantial Cash Balances and Investor Dry Powder Remain</p> <p>Availability of capital generally supporting leverage and valuations; cash build-up near all-time highs.</p>
<p>Historically Low Unemployment</p> <p>Low unemployment has increased the hiring difficulty given the lack of talent supply, despite increased demand, especially for skilled labor.</p>	<p>Shift to a Flexible Workforce</p> <p>Temp labor is increasing as a percentage of the workforce, allowing companies to utilize highly skilled labor while maintaining greater control over costs.</p>	<p>Emphasis on Total Talent Management</p> <p>Opportunity for providers capable of delivering analytics-driven, technology-enabled talent acquisition and talent management platforms.</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)

(2) "Staffing Employment Hits 11-Year High for January" American Staffing Association (January 23, 2019)

Debt Capital Markets

Trends in Loan Statistics



2018 Issuances and Notable Transactions

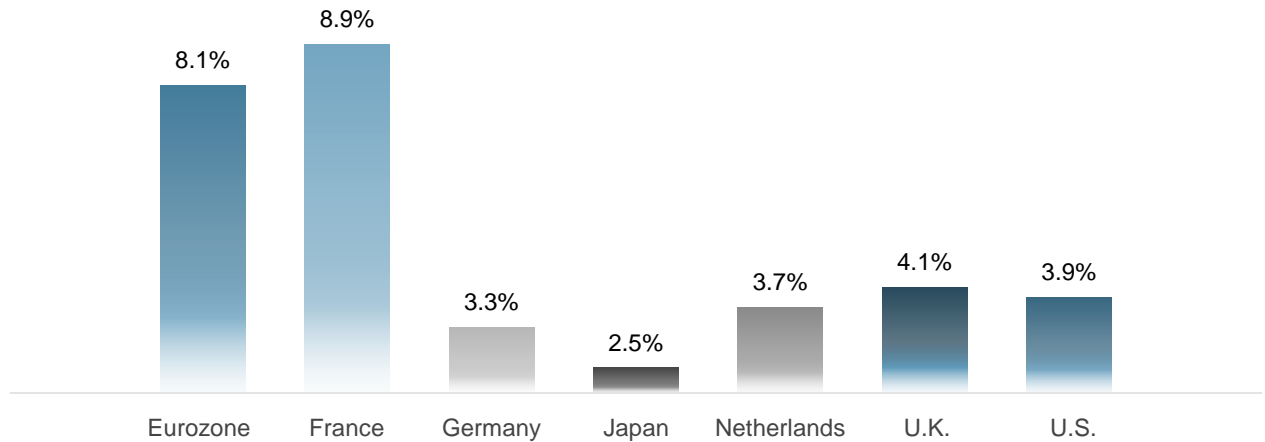
(\$ in millions)

Date	Borrower	Sponsor(s)	Use	Structure				1 st Lien Libor Spread	2 nd Lien Libor Spread	Total Leverage
				Total	RC	1 st Lien	2 nd Lien			
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	--	--
18-May	CHG Healthcare	Leonard Green	Refinancing	\$270	--	\$270	--	300	--	--
18-Mar	EmployBridge	BlueMountain and Anchorage	Refinancing	\$735	\$250	\$485	--	500	--	--
18-Feb	On Assignment	Public	Acquisition	\$1,022	\$200	\$822	--	200	--	3.7x
18-Jan	Oasis	Stone Point Capital	Refinancing	\$345	--	\$345	--	325	--	--

Market Observations

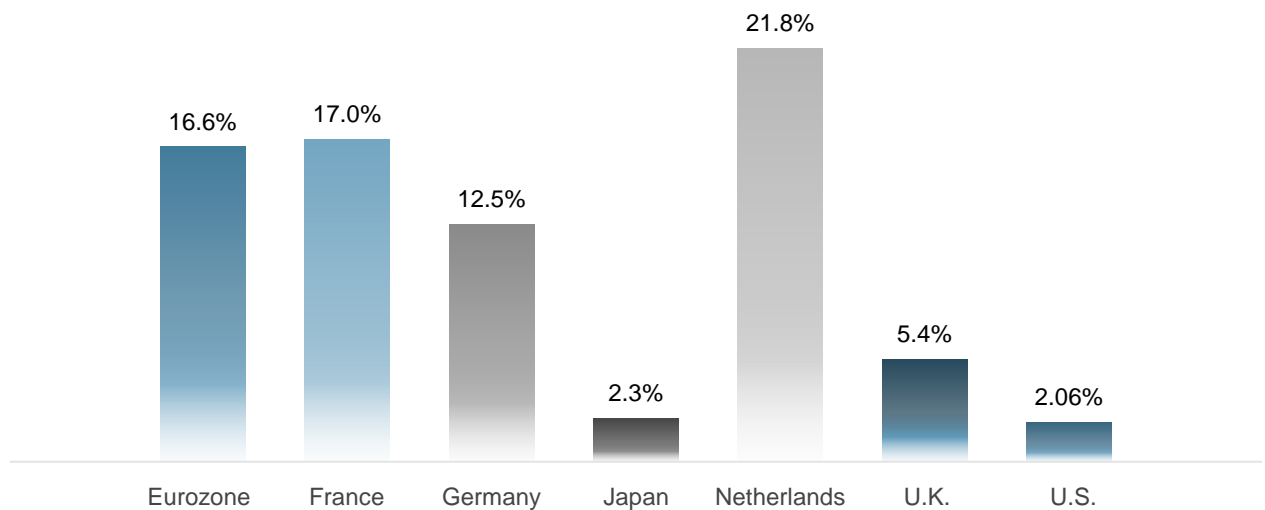
Global Employment Statistics

International Comparison: Unemployment Rates⁽¹⁾



In 2018, global unemployment rates continued to slowly decline as economic conditions generally improved around the world. Global unemployment is forecasted to continue this downward trend in 2019,⁽³⁾ acting as a positive tailwind for HCM markets overall.

International Comparison: Temporary Penetration Rates⁽²⁾



Penetration in Europe remains high as a result of more stringent protections around permanent employment, causing employers to be more cautious about hiring full-time employees. U.S. penetration has steadily increased since the financial crisis and stood at 2.05% in July 2018.

(1) U.S. data as of December 2018; Japan data as of November 2018; U.K. data as of September 2018; all others as of October 2018

(2) U.S. data as of December 2018; Japan data as of November 2018; all others as of September 2018

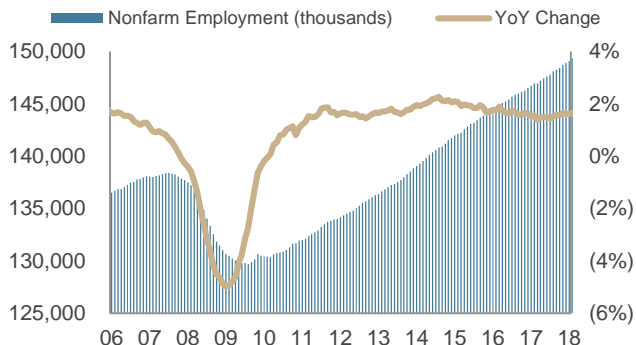
(3) "World Economic Outlook (October 2018)", International Monetary Fund

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

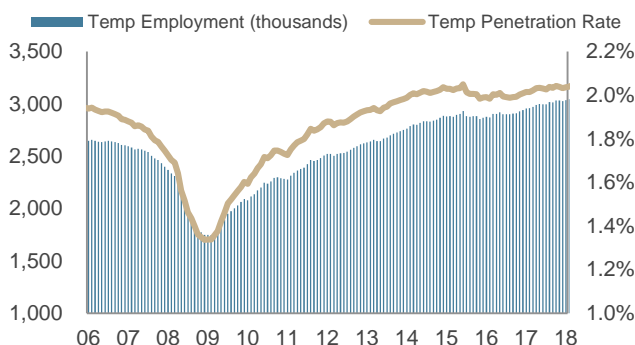
Nonfarm Employment⁽¹⁾ and YoY Change



Source: U.S. Bureau of Labor Statistics

December 2018 nonfarm employment was 150.3 million, a monthly increase of 312,000, as compared to the average gain of 215,000 per month over the previous five years.⁽²⁾ Payrolls have grown for 99 straight months, although that streak was in jeopardy recently due to the 35-day U.S. government shutdown. Higher overall employment is a driver of HCM revenue.

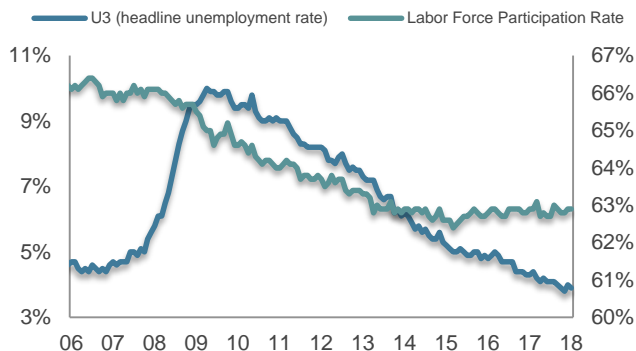
Temp Employment⁽¹⁾ and Penetration



Source: U.S. Bureau of Labor Statistics

The temporary penetration rate, which measures temporary employment as a percentage of total nonfarm employment, reached an all-time high of 2.06% in December 2018. Temporary employment was 3.10 million in December, an increase of 16.9% since June 2006. A higher temporary penetration rate means a larger market for HCM business.

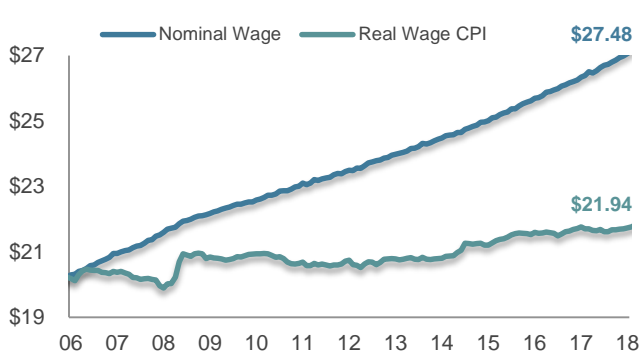
Unemployment Rate and Participation



Source: U.S. Bureau of Labor Statistics

The unemployment rate was 3.9% in December 2018, while labor force participation was 63.1%. In the past few years, the labor force participation rate has stabilized while unemployment has continued to fall, indicating that job growth has not outpaced population growth.

Real and Nominal Wage Growth



Source: U.S. Bureau of Labor Statistics

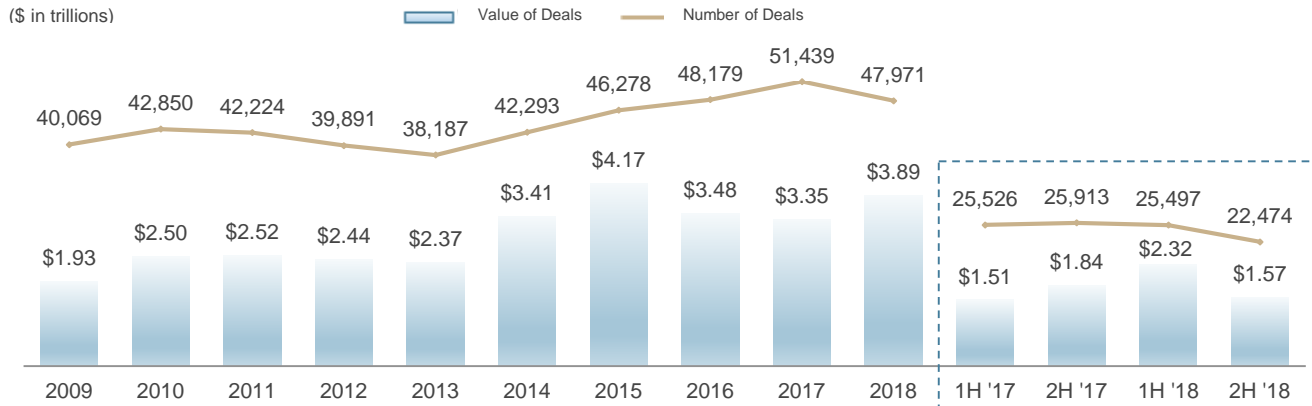
Nominal wages have grown 35.8% since June 2006, with the average hourly wage rate coming in at \$27.48 in December 2018, a 3.2% increase over the rate a year prior—the biggest annual gain of the expansion.⁽²⁾ Wage growth is a fundamental contributor to the HCM market, especially the staffing segment.

(1) Numbers in thousands

(2) "Strong U.S. Job and Wage Growth Provides Assurance on Economy", Wall Street Journal, January 4, 2019

M&A Market Intelligence

Global M&A Activity



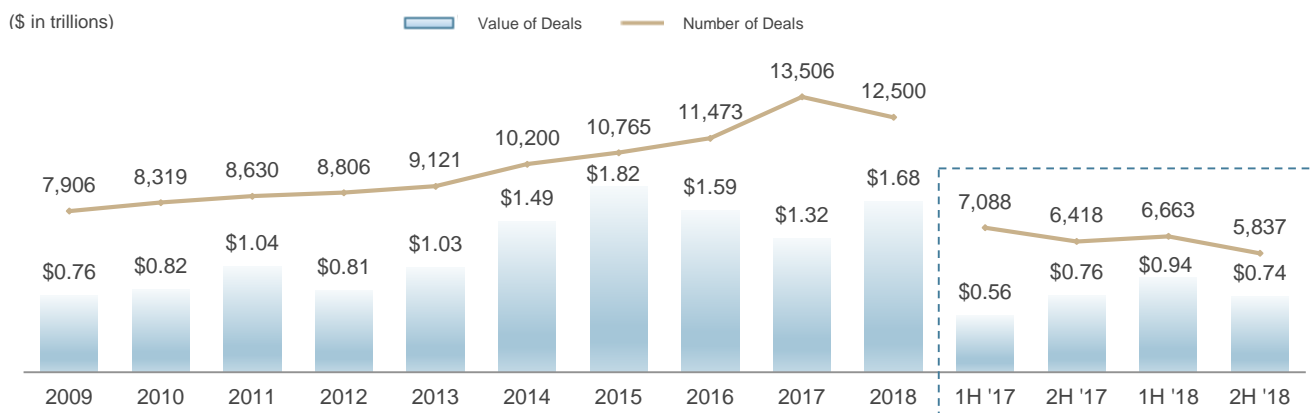
Global M&A transaction values increased substantially in 2018 relative to 2017 despite declines in the number of transactions over the same time period. Europe shared this same trend in 2018, while Asia experienced smaller deal value but greater deal volume. While global transaction values rebounded sharply, 2018 was largely a story of two halves, with 2H activity down substantially relative to 1H activity, and it remains to be seen whether the current levels of M&A activity will continue throughout 2019 given recent market volatility and continued global geopolitical uncertainty.

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

U.S. M&A Activity



Domestic M&A activity rebounded in 2018, with transaction values exceeding both 2016 and 2017 levels, despite a significant drop-off in the number of transactions relative to 2017 levels. Uncertainty around tax and other regulatory reforms may have impacted larger transformative transactions throughout most of 2017, as the value of domestic M&A activity dropped significantly in 2017 despite the number of transactions reaching their highest levels in history. While transaction values rebounded sharply in 2018, a significant drop-off in activity in 2H '18 relative to 1H '18 and 2H '17 raises questions regarding the outlook for 2019.

Source: Thomson Reuters

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

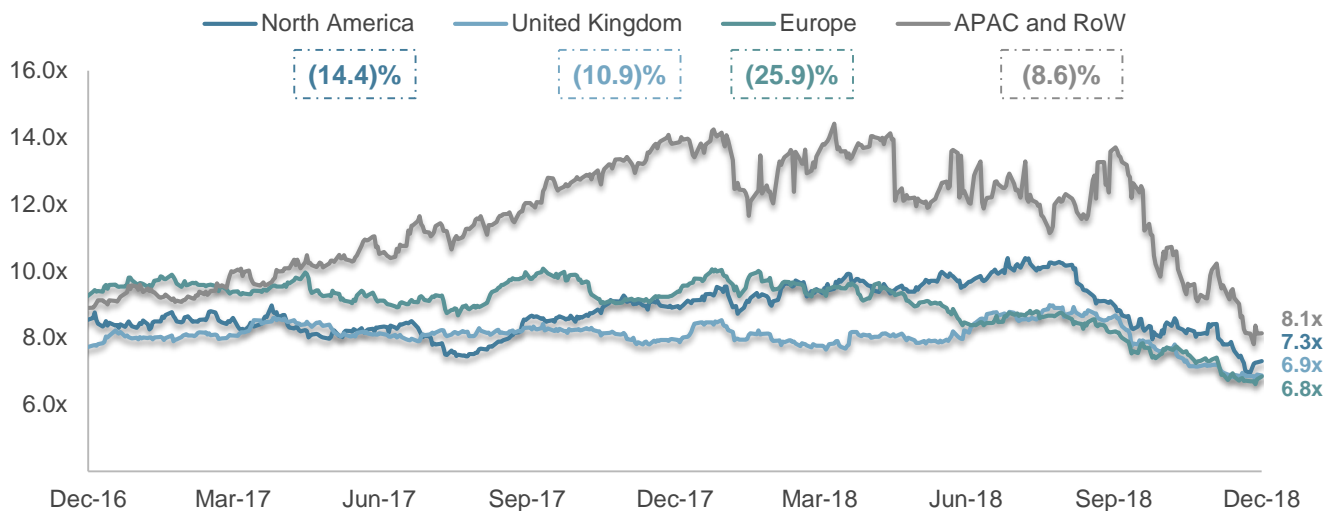
Includes minority equity deals, equity carve-outs, exchange offers, open market repurchases, and deals with undisclosed transaction values

Public Comps – Segment Composition & 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	PERSONL
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			

2018 Public Equity Markets Performance: Two-Year Change in EV/NTM EBITDA

Late 2018 dips in stock indices and multiples are a sour note to the overall positive trends experienced in recent years; however, companies are still optimistic about 2019.

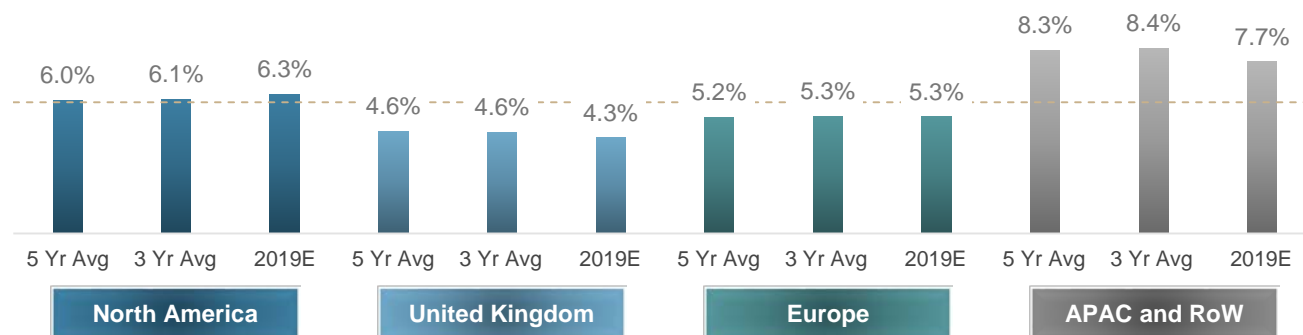


Public Comps – Benchmarking Analysis

Margin: EBITDA Margin

Margins have remained healthy and stable during the favorable operating environment of recent years and are projected to remain as such in 2019.

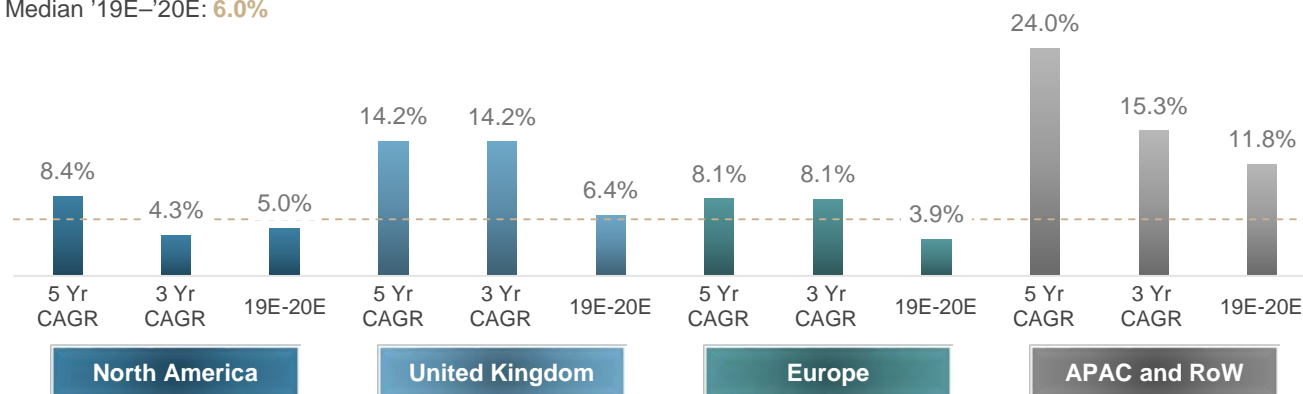
Median 2019E: **5.9%**



Growth: 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.

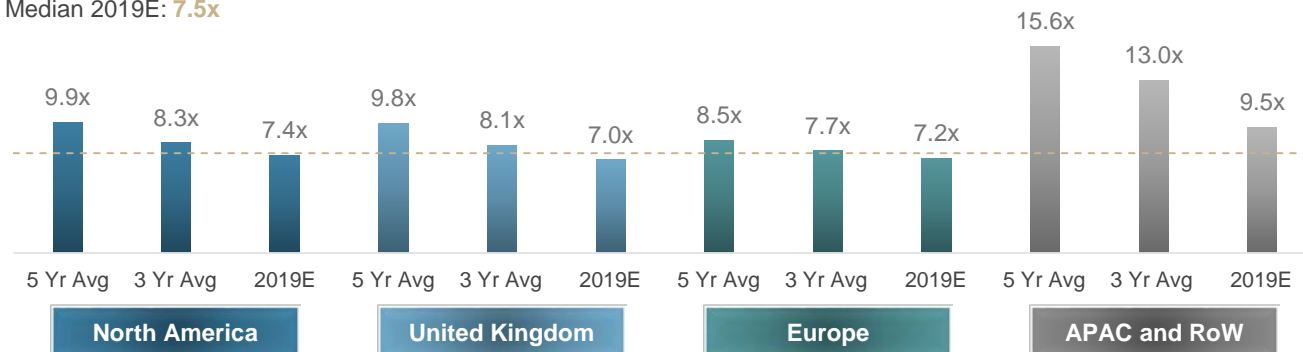
Median '19E-'20E: **6.0%**



Multiple: Enterprise Value/EBITDA

Late 2018 dips in stock indices and multiples are a sour note to the overall positive trends experienced in recent years; however, companies are still optimistic about near-term growth opportunities.

Median 2019E: **7.5x**



Public Comps – Trading and Operating Performance

(\$ in millions, except per share data)

Company	Sector	Stock Price 12/31/2018	% of 52-Week High	Market Cap.	Enterprise Value	EBITDA		EBITDA Margin		EV / EBITDA		19E-'20E
						2019E	2020E	2019E	2020E	2019E	2020E	Revenue Growth
North America												
Robert Half International	Diversified	\$57.20	71.6%	\$6,828	\$6,467	\$649	\$702	11.2%	11.4%	10.0x	9.2x	6.6%
ManpowerGroup	Professional	64.80	47.3%	4,007	4,487	894	921	4.0%	4.1%	5.0	4.9	1.4%
On Assignment	Professional	54.50	57.8%	2,860	3,973	404	451	11.9%	12.0%	9.8	8.8	10.6%
AMN Healthcare	Healthcare	56.66	83.1%	2,656	3,107	269	286	12.5%	12.8%	11.6	10.8	4.1%
Korn Ferry	Executive Search	39.54	57.3%	2,241	2,081	300	324	15.6%	16.0%	6.9	6.4	5.9%
TrueBlue	Diversified	22.25	74.5%	874	948	129	135	5.1%	5.3%	7.4	7.0	2.6%
Kelly Services	Diversified	20.48	63.4%	796	783	116	131	2.1%	2.3%	6.8	6.0	3.6%
Kforce	Professional	30.92	71.1%	765	846	89	99	6.3%	6.7%	9.5	8.5	5.0%
Heidrick & Struggles	Executive Search	31.19	68.9%	591	427	80	83	11.3%	11.3%	5.3	5.2	3.0%
Cross Country Healthcare	Healthcare	7.33	51.2%	266	329	33	42	4.0%	5.0%	10.0	7.9	2.1%
BG Staffing	Diversified	20.65	69.8%	210	234	28	33	9.7%	10.4%	8.3	7.1	9.6%
Computer Task Group	Diversified	4.08	42.4%	58	51	11	14	3.1%	3.7%	4.6	3.6	6.6%
RCM Technologies	Diversified	3.10	47.3%	39	63	9	10	4.5%	4.7%	7.1	6.4	6.7%
Average			62.0%					7.8%	8.1%	7.9x	7.1x	5.2%
Median			63.4%					6.3%	6.7%	7.4x	7.0x	5.0%
United Kingdom												
Hays	Diversified	\$1.81	65.6%	\$2,638	\$2,479	\$350	\$383	4.6%	4.7%	7.1x	6.5x	6.1%
PageGroup	Diversified	5.83	71.8%	1,829	1,717	209	231	10.6%	11.0%	8.2	7.4	6.8%
Robert Walters	Diversified	7.11	67.6%	494	462	67	74	4.0%	4.1%	6.8	6.3	5.3%
SThree	Diversified	3.71	72.8%	479	487	77	85	4.7%	4.7%	6.4	5.7	9.6%
Staffline Group	Diversified	16.04	91.2%	430	478	57	62	4.1%	3.8%	8.4	7.7	16.4%
Impellam Group	Diversified	7.47	88.2%	372	474	68	71	2.3%	2.3%	7.0	6.7	4.2%
Average			76.2%					5.0%	5.1%	7.3x	6.7x	8.1%
Median			72.3%					4.3%	4.4%	7.0x	6.6x	6.4%
Europe												
Randstad	Diversified	\$45.65	67.3%	\$8,358	\$9,983	\$1,372	\$1,398	5.0%	5.0%	7.3x	7.1x	2.4%
The Adecco Group	Diversified	46.20	57.3%	7,662	9,082	1,292	1,337	4.7%	4.8%	7.0	6.8	2.3%
Groupe CRIT	Diversified	60.34	55.8%	670	772	168	168	5.9%	5.7%	4.6	4.6	3.2%
Synergie	Diversified	27.84	44.9%	668	712	161	168	5.5%	5.5%	4.4	4.2	5.2%
Brunel	Diversified	12.43	65.3%	629	515	48	69	4.7%	6.1%	10.6	7.5	9.2%
Amadeus FiRe	Professional	92.79	77.6%	482	437	42	45	18.3%	18.7%	10.4	9.8	3.9%
Allgeier	Diversified	28.58	70.3%	283	413	46	61	5.8%	6.7%	8.9	6.8	12.5%
CPL Resources	Diversified	6.60	89.2%	181	154	23	24	3.7%	3.8%	6.8	6.4	3.9%
Average			66.0%					6.7%	7.0%	7.5x	6.7x	5.3%
Median			66.3%					5.3%	5.6%	7.2x	6.8x	3.9%
APAC and RoW												
Recruit	Diversified	\$24.42	69.2%	\$40,798	\$39,392	\$2,581	\$3,009	12.2%	13.1%	15.3x	13.1x	9.3%
Persol	Diversified	15.00	51.5%	3,500	3,661	538	580	6.4%	6.5%	6.8	6.3	6.7%
TechnoPro	Diversified	41.50	60.6%	1,507	1,448	122	146	10.2%	10.6%	11.8	9.9	15.0%
OUTSOURCING	Diversified	9.68	42.5%	1,215	1,782	166	220	5.9%	6.5%	10.8	8.1	22.0%
Meitec	Diversified	40.95	67.4%	1,143	768	116	122	13.1%	13.3%	6.6	6.3	4.1%
Career International	Diversified	3.93	84.7%	707	694	23	31	7.9%	7.4%	29.7	22.2	43.5%
UT Group	Diversified	17.24	43.1%	695	651	67	88	7.5%	8.1%	9.7	7.4	21.3%
HRnetGroup	Diversified	0.59	87.9%	593	383	50	52	15.7%	15.7%	7.7	7.3	4.7%
Trust Tech	Diversified	25.36	52.8%	537	504	53	66	7.7%	8.4%	9.5	7.7	14.2%
Pasona Group	Diversified	10.33	42.9%	404	463	132	144	4.1%	4.3%	3.5	3.2	5.1%
LIKE	Diversified	11.30	47.0%	213	261	30	NM	6.5%	NM	8.6	NM	11.8%
Average			59.1%					8.9%	9.4%	10.9x	9.2x	14.3%
Median			52.8%					7.7%	8.2%	9.5x	7.5x	11.8%
Average			64.2%					7.4%	7.7%	8.6x	7.5x	8.3%
Median			66.5%					5.9%	6.5%	7.5x	7.0x	6.0%

Note: Margins and multiples exclude outliers
Sources: S&P Capital IQ, public company filings

Notable 2018 M&A Transactions

(\$ in millions)				
Date	Acquirer	Target	Target Segment	Target Description
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 United States
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
06/14/18	Belcan Corporation	Allegiant International	Staffing	Advisory, tactical operations, and technical services
06/11/18	NES Global Talent	Redbock	Staffing	Consulting solutions for the pharma, biotech, and medical devices industries
05/30/18	Aya Healthcare	Locums Unlimited	Staffing	Boutique staffing agency specializing in locum tenens
05/10/18	OMERS Private Equity	Alexander Mann Group	VMS/MSP/RPO	Recruitment process outsourcing and related advisory services
05/09/18	Recruit Holdings	Glassdoor	Talent Management/ Development	Online job listings, salary reports, ratings and reviews, interview questions, and more
04/30/18	Littlejohn	Motion Recruitment Partners	VMS/MSP/RPO	Recruitment process outsourcing and IT permanent placement and contract staffing
04/16/18	Adecco	General Assembly Space	Talent Management/ Development	Recruitment and training for web development, UX design, digital marketing, data science, and machine learning
04/10/18	Quilvest Private Equity	Phaidon Holdings	Staffing	Parent company to five award winning micro-specialist staffing groups
04/09/18	AMN Healthcare Services	MedPartners	Staffing	Staffing and recruitment solutions for healthcare facilities
02/09/18	Medical Solutions	Professional Placement Resources	Staffing	Travel nurse staffing for acute and post-acute markets in the U.S.
01/31/18	On Assignment	ECS Federal	Staffing	Technology services and solutions for United States government agencies and departments
01/19/18	American Surgical Professionals	Chesapeake Medical Staffing	Staffing	Healthcare and medical staffing services

**Average
Median**

**Enterprise
Value**

\$427
\$215

**EV/Revenue
LTM**

1.4x
1.0x

**EV/EBITDA
LTM**

9.7x
9.4x

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