



**Houlihan Lokey**

# Human Capital Management

Industry Update

Q2 2023



## ABOUT OUR FIRM

- Houlihan Lokey is a leading global investment bank with expertise in mergers and acquisitions, capital markets, financial restructuring, and financial and valuation advisory.
- Our firm is the trusted advisor to more top decision-makers than any other independent global investment bank.
- We invite you to learn more about how our bankers can serve your needs.

Learn More About Corporate Finance

Learn More About Financial Restructuring

Learn More About Financial and Valuation Advisory

Learn More About Our Industry Coverage

## Key Facts and Figures



**36**  
LOCATIONS  
WORLDWIDE

**~2,000**  
TOTAL FINANCIAL  
PROFESSIONALS

**326**  
MANAGING  
DIRECTORS<sup>(1)</sup>

**2,000+**  
CLIENTS SERVED  
ANNUALLY

**\$6.5B**  
MARKET  
CAPITALIZATION<sup>(2)</sup>

**\$1.8B**  
REVENUE<sup>(3)</sup>

## Our Ranking by Service

### Corporate Finance

#### 2022 M&A Advisory Rankings Global Transactions Under \$1 Billion

Advisor	Deals
<b>1 Houlihan Lokey</b>	<b>381</b>
2 Rothschild & Co	369
3 JP Morgan	217
4 Lazard	206
5 Goldman Sachs & Co	203

Source: Refinitiv. Excludes accounting firms and brokers.

**No. 1** Global M&A Advisor for Transactions Under \$1 Billion

**Leading** Capital Markets Advisor

### Financial Restructuring

#### 2022 Global Distressed Debt & Bankruptcy Restructuring Rankings

Advisor	Deals
<b>1 Houlihan Lokey</b>	<b>58</b>
2 PJT Partners Inc	30
3 Lazard	29
4 Rothschild & Co	25
5 Moelis & Co	21

Source: Refinitiv.

**No. 1** Global Restructuring Advisor

**1,500+** Transactions Completed Valued at More Than \$3.0 Trillion Collectively

### Financial and Valuation Advisory

#### 1998 to 2022 Global M&A Fairness Advisory Rankings

Advisor	Deals
<b>1 Houlihan Lokey</b>	<b>1,232</b>
2 JP Morgan	1,030
3 Duff & Phelps, A Kroll Business	938
4 Morgan Stanley	725
5 BofA Securities Inc	710

Source: Refinitiv. Announced or completed transactions.

**No. 1** Global M&A Fairness Opinion Advisor Over the Past 25 Years

**1,000+** Annual Valuation Engagements

## Fully Integrated Financial Sponsor Coverage

**26** Senior officers dedicated to the sponsor community in the Americas and Europe

**1,000+** Sponsors covered, providing market insights and knowledge of buyer behavior

**700+** Companies sold to financial sponsors over the past five years

## Houlihan Lokey Is a Global Firm

### Americas

Atlanta      Houston      San Francisco  
 Baltimore    Los Angeles    São Paulo  
 Boston        Miami          Washington,  
 Chicago       Minneapolis    D.C.  
 Dallas        New York

### Europe and Middle East

Amsterdam    Madrid          Stockholm  
 Antwerp       Manchester      Tel Aviv  
 Dubai          Milan            Zurich  
 Frankfurt      Munich  
 London        Paris

### Asia-Pacific

Beijing        Nagoya  
 Fukuoka        Shanghai  
 Gurugram      Singapore  
 Hong Kong SAR    Sydney  
 Mumbai        Tokyo

(1) As of June 30, 2023. Excludes corporate managing directors. (2) As of July, 2023. (3) LTM ended June 30, 2023.

# HUMAN CAPITAL MANAGEMENT SERVICES



The human capital management (HCM) services sector operates within Houlihan Lokey's Business Services Group, which has earned a reputation for providing superior service and achieving outstanding results in M&A advisory, capital raising, restructuring, and financial and valuation advisory services.

Our clients run the gamut from early-stage businesses and mid-sized companies to large, private-equity-backed, and publicly traded corporations. We understand that an industry driven by innovation and change requires the sophistication of an advisor who can think ahead of the market and utilize solid industry relationships to help advance your vision.

Houlihan Lokey has recently expanded and deepened its HCM services coverage with the addition of Director Alex McGlynn. We have the most comprehensive coverage across the HCM services market, with long-standing and solid relationships with both companies and investors. Our experienced team optimizes client outcomes by running competitive processes with well-informed, deep domain expertise.

2022 M&A Advisory Rankings All Global Business Services Transactions		
	Advisor	Deals
1	<b>Houlihan Lokey</b>	<b>69</b>
2	Rothschild & Co	50
3	Lincoln International	37
4	Goldman Sachs & Co	34
5	GCG	26

Source: Refinitiv. Excludes accounting firms and brokers.

[Learn More About Our Business Services Industry Coverage](#)

## HCM Services Coverage

Temporary Staffing	HR Outsourcing	HR Consulting
<b>Information Technology</b>	<b>PEOs</b>	<b>Strategy and Design</b>
<b>Healthcare</b>	<b>Payroll</b>	<b>Diversity, Equity, and Inclusion</b>
<b>Creative/Digital</b>	<b>Benefits Administration</b>	<b>Leadership Development</b>
<b>Finance and Accounting</b>	<b>Compliance/Audit</b>	<b>Engagement</b>
<b>Life Sciences</b>	<b>Background Screening</b>	<b>Compensation/Succession</b>
<b>Industrial</b>	<b>MSP/VMS</b>	<b>Wellbeing</b>
<b>Administrative/Clerical</b>	<b>International</b>	
	Talent Acquisition	
	<b>RPO</b>	
	<b>Executive Search</b>	
	<b>Interim Placement</b>	

# DEDICATED SENIOR BANKERS

## United States



**Thomas Bailey**  
Managing Director  
[TBailey@HL.com](mailto:TBailey@HL.com)  
+1 404.495.7056



**Andrew Shell**  
Director  
[AShell@HL.com](mailto:AShell@HL.com)  
+1 404.495.7002



**Alex McGlynn**  
Director  
[Alex.McGlynn@HL.com](mailto:Alex.McGlynn@HL.com)  
+1 404.495.7042



**Bennett Tullos**  
Vice President  
[BTullos@HL.com](mailto:BTullos@HL.com)  
+1 843.441.0313

## Europe



**Jon Harrison**  
Managing Director  
[JHarrison@HL.com](mailto:JHarrison@HL.com)  
+44 (0) 20 7747 7564



**David Theys**  
Managing Director  
[David.Theys@HL.com](mailto:David.Theys@HL.com)  
+32 46 82 17 893



**Rob Hendriks**  
Managing Director  
[RHendriks@HL.com](mailto:RHendriks@HL.com)  
+31 (0) 20 58 91 825

## Houlihan Lokey Deepens HCM Services Coverage With Addition of Alex McGlynn

Mr. McGlynn is a member of Houlihan Lokey's Business Services Group. He has nearly two decades of experience advising middle-market clients across the human capital services industry on sellside and buy-side M&A, debt and equity financings, and strategic alternatives assessments.

Mr. McGlynn has significant deal experience across the human capital, professional services, BPO, and education and training spaces. Selected transaction experience before joining Houlihan Lokey includes the acquisition of Vistage by Gridiron; the sale of MediaAgility to Persistent; the sale of Oxford from ASGN to H.I.G.; the sale of ACT Holdings to TSI; and financing the acquisition of Vensure by StonePoint.

Prior to joining Houlihan Lokey, Mr. McGlynn was a Director at Truist Securities, where he led the business services coverage effort, focusing on both private-equity-backed and publicly listed companies. Before that, he played a leading role in forming a group tailored to providing M&A advisory solutions across Truist's wide landscape of commercial banking clients. Mr. McGlynn started his career with SunTrust Robinson Humphrey in the M&A group.

Mr. McGlynn holds a B.S.B.A from the University of North Carolina at Chapel Hill.

## Contact Us

Please reach out to us to schedule a call to discuss this quarter's market update or to explore how we can serve your business needs.

[Request a Meeting](#)

[Learn More About Us](#)



# SELECTED HOULIHAN LOKEY M&A TRANSACTIONS

March 2023

Kernel Global (Kernel) is a platform that invests in and operates high-potential recruitment businesses globally. It was recently ranked by the Financial Times as one of the fastest-growing companies in Europe, and today it comprises two key brands: Dartmouth Partners (Dartmouth) and Pure Search (Pure).

Dartmouth, founded in 2012, is an award-winning recruitment consultancy that is a market leader within advisory and investment markets. Niches include M&A, credit, private equity, strategy, CFO, finance, HR, investor relations, and change management. It uses a unique “classroom to boardroom” approach, setting itself apart from other players in the industry.

Pure is a global market leader with more than 20 years’ experience across the tax and treasury, legal, CFO, audit, and risk and compliance recruitment niches. Its track record includes placing 30% of the current sitting Heads of Tax among the FTSE 100. It supports some of the best-known global brands within the financial services, commerce, and professional services sectors with the identification and hiring of exceptional talent.

Kernel is well established as a sector specialist, with more than 280 employees and a deep network of over 260,000 candidates, serving more than 900 clients. CEO and founder Logan Naidu is an experienced entrepreneur with a strong track record of leadership in recruitment, having founded Dartmouth in 2012. In parallel to the acquisition of Pure in 2019, Kernel was established to enable his vision of a multibrand, multiniche, high-quality recruitment platform.

Houlihan Lokey served as the exclusive financial advisor to Kernel, exemplifying the continued success of Houlihan Lokey’s dedicated global coverage of the human capital management sector.

## Other Featured Transactions

<p>a portfolio company of</p> <p>DOUBLE IMPACT</p> <p>has been acquired by</p> <p>Sellside Advisor</p>	<p>a portfolio company of</p> <p>has been acquired by</p> <p>Sellside Advisor</p>	<p>TORQUEST</p> <p>have acquired</p> <p>Buyside Advisor</p>	<p>has been acquired by</p> <p>a portfolio company of</p> <p>Sellside Advisor</p>	<p>a portfolio company of</p> <p>has been acquired by</p> <p>Sellside Advisor</p>	<p>a portfolio company of</p> <p>has been acquired by</p> <p>Sellside Advisor</p>	<p>has acquired</p> <p>Buyside Advisor</p>
<p>General Healthcare Resources</p> <p>a portfolio company of Platform Partners and a consortium of investors</p> <p>has been acquired by</p> <p>Sellside Advisor</p>	<p>a portfolio company of</p> <p>has been acquired by</p> <p>Sellside Advisor</p>	<p>a portfolio company of</p> <p>has been acquired by</p> <p>Sellside Advisor</p>	<p>a portfolio company of funds managed by affiliates of</p> <p>has acquired</p> <p>a portfolio company of</p> <p>Buyside Advisor</p>	<p>a portfolio company of</p> <p>has been acquired by</p> <p>Sellside Advisor</p>	<p>Funds managed by affiliates of</p> <p>has acquired</p> <p>Buyside Advisor</p>	<p>a portfolio company of</p> <p>has been acquired by</p> <p>a portfolio company of</p> <p>Sellside Advisor</p>

# SPOTLIGHT: THE EVOLUTION OF STAFFING/CONSULTING M&A RATIONALE

## Motivations Driving M&A Activity in the Staffing and Consulting Space Have Dramatically Expanded in Recent Years



### Geographic Expansion

Addition of new geographic markets to the platform's portfolio (e.g., ability to provide services in San Francisco for an IT staffing company)



### Increased Scale/Vertical Integration

Expansion of fulfillment and delivery capabilities via the addition of new recruiting, consulting, and staffing resources



### New Technology Capabilities

Delivery model enhancement via new tech offerings (e.g., gig/shift mobile apps, VMS capabilities, digital marketing)



### Diversification of Services

Addition of attractive adjacent capabilities accretive to bill rates or margin profile



### Evolution of Delivery Model

Staffing firms are offering higher-value, more consultative solutions to their clients via SOW and managed services engagement models

## Ongoing Shift and Focus on Hybrid Talent Solutions

### Serves the Full Set of Client Needs

- Opportunity to drive growth by engaging clients throughout a greater portion of their lifecycle of needs and to serve as an "end-to-end" provider
- Subject-matter expertise in high-touch, mission-critical services
- Salespeople have more options in "tool kit" to grow book of business

### Synergistic Model (Staffing + Consulting)

- Leverage recruitment engine and contingent talent to enable efficient delivery of higher-value solutions
- Increase cross-selling opportunities
- Readily available staffing capabilities provide a source of consulting talent with lower utilization risk

### Stickier Business

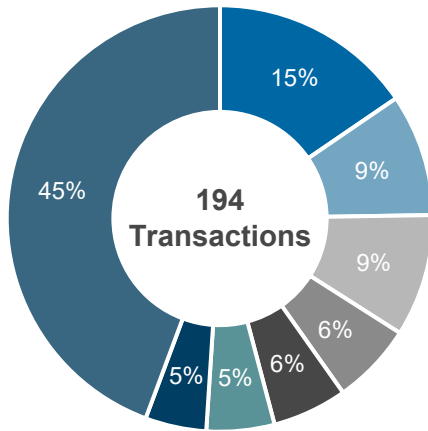
- Stronger direct relationship with the client given higher-value nature of consultative solution; involvement in identification, scoping, and execution of a project
- Potential to differentiate from competition and minimize impact of broadening adoption of MSP and VMS tools

### Valuation Premium Driven by Enhanced Financial Profile

- More predictable revenue and increased visibility from SOW-oriented business
- Increased margins and pricing power due to higher-value solutions and potential deliverable risk
- More stable, flexible model fetches higher valuation premiums in M&A transactions

# HCM M&A ACTIVITY

## YTD 2023 HCM Transactions by Category



- Talent Acquisition Technology
- Multiple Staffing Segments
- Place and Search
- Direct Work Engagement
- Healthcare Staffing
- IT Staffing
- Industrial Staffing
- All Other Categories

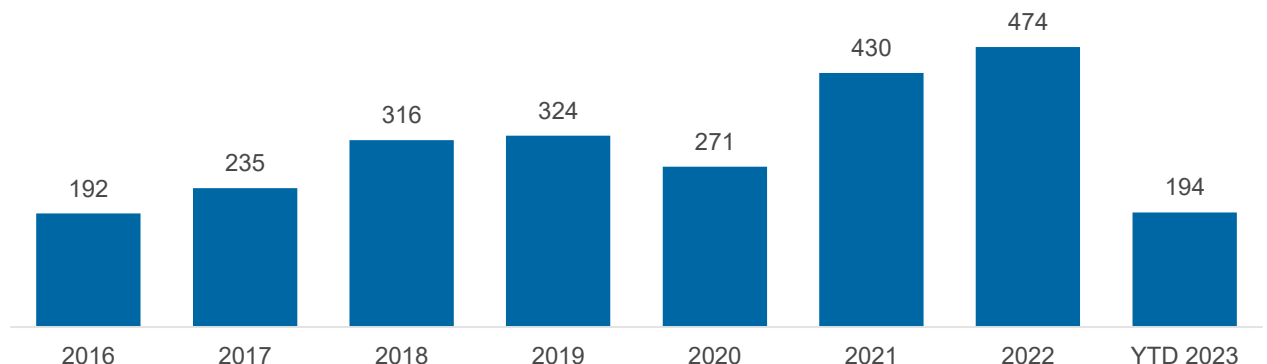
1H 2023 saw modest transaction volumes as interest persisted in tech-enabled and high-margin assets. The largest percentage of HCM transactions continued to be for firms providing talent acquisition technology. This segment is experiencing significant tailwinds since companies began adjusting their hiring practices during the pandemic and evaluating alternative sources of talent.

Place-and-search and direct work engagement were particularly active sectors in 1H 2023, with a combined 30 transactions. Other professional staffing assets (e.g., IT and healthcare) also continue to experience strong demand.

## Yearly HCM Transaction Volume

1H 2023 saw 194 transactions as of June 2023, which represents a decrease of 20% compared to 1H 2022. Despite uncertain macroeconomic conditions, 1H 2023 is still in line with the preceding five-year average of HCM M&A activity of ~194 transactions per 1H for the 2018–2022 period.

Companies with a strong growth profile, a dedicated management team, and diversified yet entrenched customer bases are highly sought after by both financial and strategic buyers.

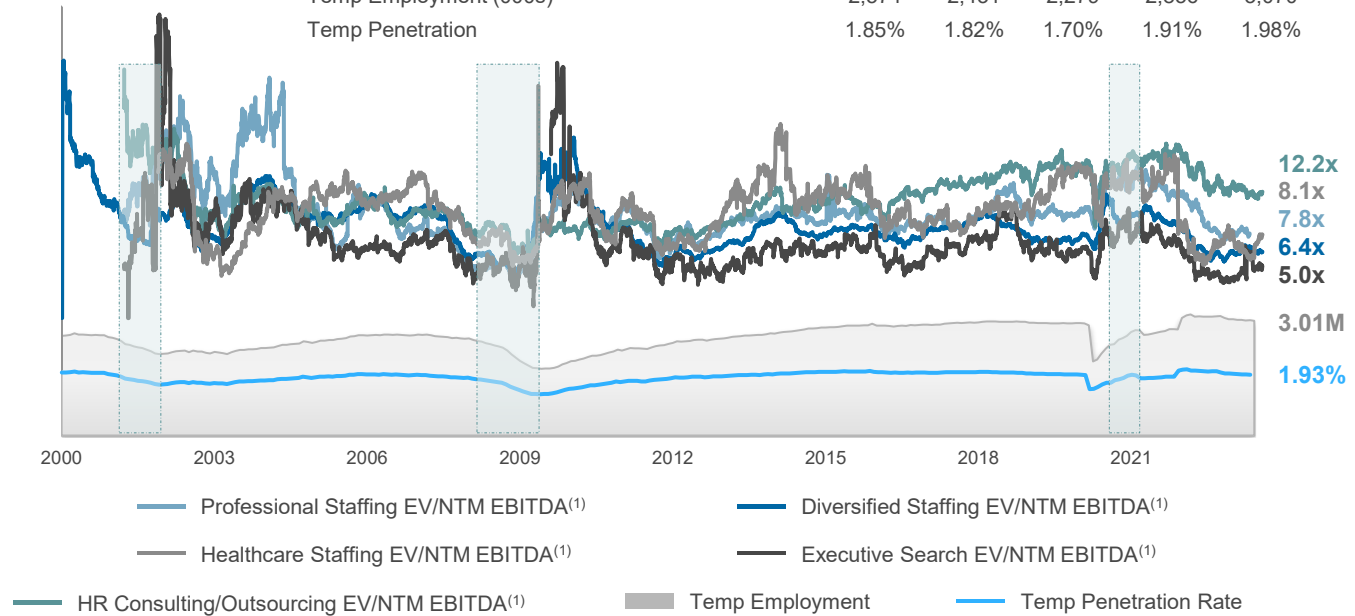


Sources: S&P Capital IQ, Staffing Industry Analysts, Mergermarket, public company filings, press releases.  
 Note: Represents global M&A activity.

# HISTORICAL PERFORMANCE AND 2023 TRENDS

■ Denotes Recession

	Selected Averages				
	All	'02-'07	'07-'12	5 Yrs	LTM
Professional Staffing EV/NTM EBITDA Index	9.8x	12.0x	8.0x	10.7x	8.1x
Diversified Staffing EV/NTM EBITDA Index	9.0x	10.0x	8.3x	8.1x	6.3x
Healthcare Staffing EV/NTM EBITDA Index	9.6x	10.7x	9.0x	10.9x	7.1x
Executive Search EV/NTM EBITDA Index	7.0x	8.8x	6.7x	6.5x	4.5x
HR Consulting/Outsourcing EV/NTM EBITDA Index	10.8x	10.7x	8.6x	14.1x	12.4x
Temp Employment (000s)	2,574	2,431	2,279	2,856	3,070
Temp Penetration	1.85%	1.82%	1.70%	1.91%	1.98%



Following the volatility in temporary employment in the U.S. in 2020 due to the varied responses to COVID-19, key indicators largely stabilized in 2021 and modestly declined throughout late 2022 and early 2023.

The U.S. temp penetration rate settled at 1.93% in June 2023, in line with its average of 1.9% since 2000. Nonfarm employment rose by 209,000 jobs in June, a marked slowdown relative to May and the lowest since December 2019. However, significant demand for talent remains in skilled labor positions, particularly across the government and healthcare end markets.

The Staffing Indices shown above reflect an EV/NTM EBITDA multiple of 8.1x, 7.8x, 6.4x, and 5.0x for Healthcare, Professional, Diversified, and Executive Search as of June 2023, respectively. Lower valuation multiples are primarily driven by the perspective that growth in the labor market will slow due to tightening monetary policy.

The HR Consulting and Outsourcing Index has also contracted since the beginning of the pandemic, but general themes of outsourcing and cost reduction remain top of mind for employers and will benefit HR services companies.

## Key Market Trends

<p><b>Investors Keep an Eye on Inflation and Rates</b></p> <p>Investors are keeping a close eye on interest rates, with inflation rates rising globally, as regulators decide their next steps.</p>	<p><b>M&amp;A Resilient With Abundance of Interested Buyers</b></p> <p>The 194 HCM transactions in 1H 2023 demonstrate market resilience that has continued through less-than-ideal macroeconomic conditions.</p>	<p><b>Historic Levels of Dry Powder</b></p> <p>Armed with brisk fundraising and more than \$3 trillion in dry powder, global PEs are expected to continue driving the unabated dealmaking space.</p>
<p><b>Competition for Select Assets Driving Valuations</b></p> <p>Valuations are stable in a market filled with buyers holding cash and looking to acquire assets to enhance competitive advantages.</p>	<p><b>Deals Being Funded With More Equity and Less Debt</b></p> <p>Disruptions in debt financing markets are leading to higher equity contributions than the historical average and the return of funding techniques like seller notes.</p>	<p><b>More Structure in Recent M&amp;A Deals</b></p> <p>In certain end markets and deal sizes, structure has played a larger role, with earnouts, time-based deferrals, and net working capital balloons being utilized.</p>

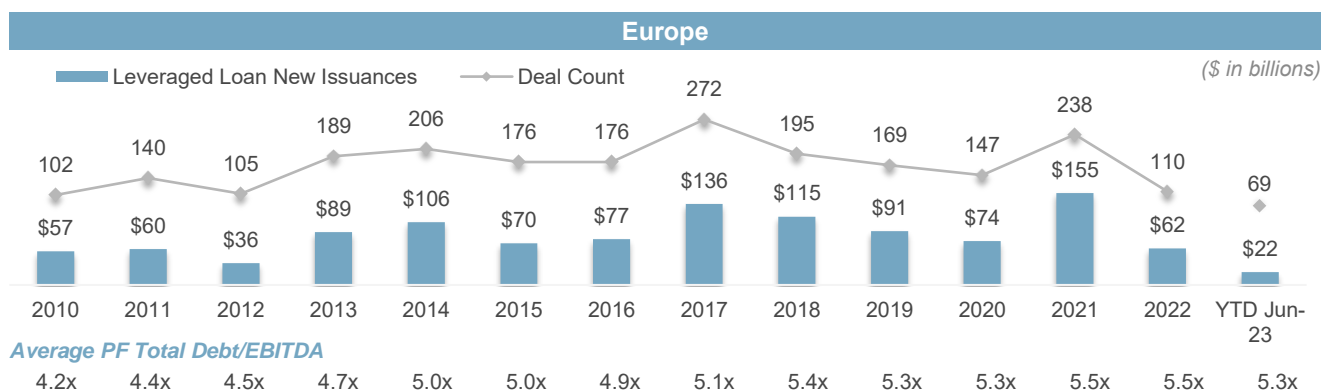
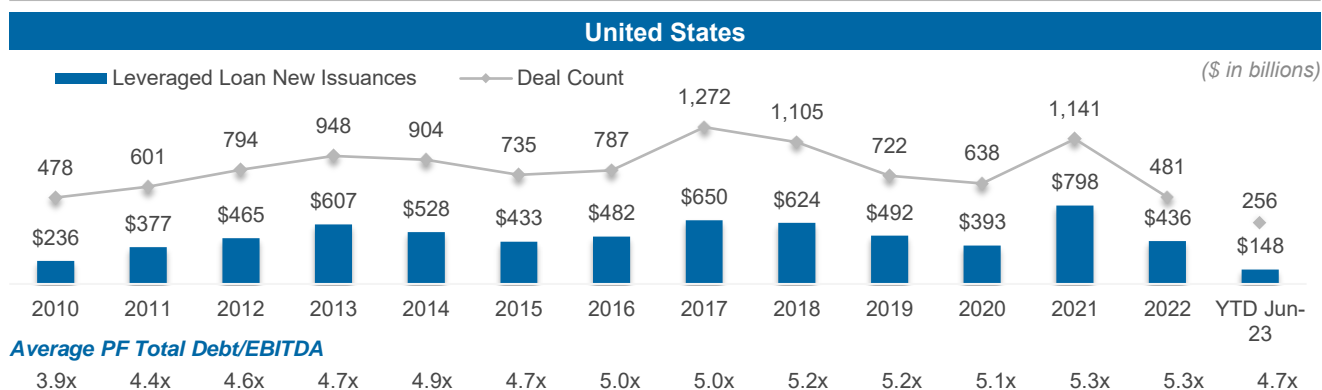
Source: S&P Capital IQ, Staffing Industry Analysts.

(1) See "Public Comps: Trading and Operating Performance" on page 13 for additional detail on companies within each group.



# DEBT CAPITAL MARKETS

## Trends in Loan Statistics



## Recent Issuances and Notable Transactions

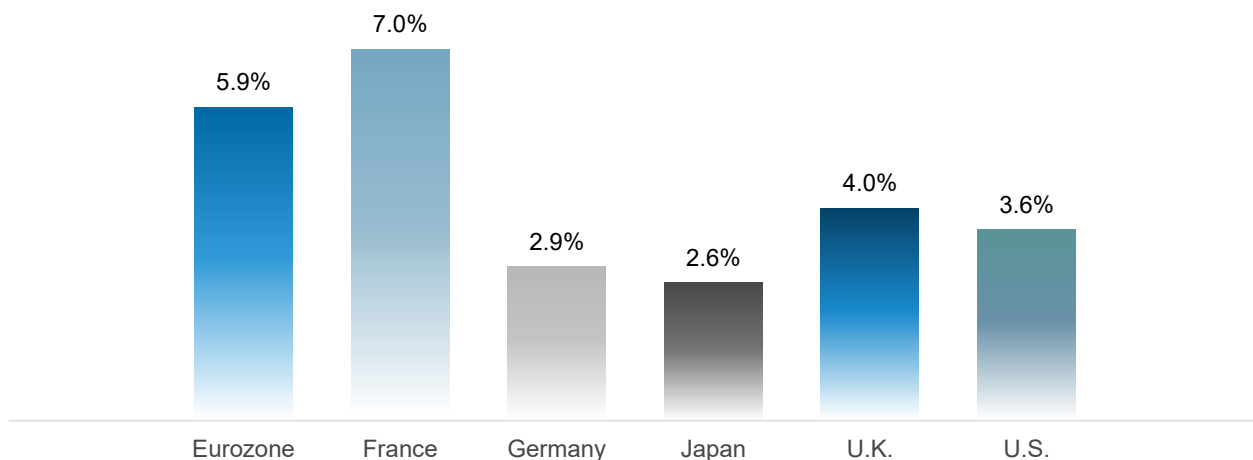
(\$ in millions)

Date	Borrower	Sponsor(s)	Use	Structure				1st Lien LIBOR/SOFR Spread	2nd Lien LIBOR/SOFR Spread	Total Leverage
				Total	RC	1st Lien	2nd Lien			
Aug-23	TriNet Group, Inc.	--	Corp. Purpose					In Market		
Jul-23	CoAdvantage	Aquiline Capital Partners	Recap/ Dividend					In Market		
May-23	Allied Universal	CDPQ	Refinancing	\$450	--	\$450	--	475	--	--
Oct-22	Tetra Tech Inc.	--	Acquisition	\$500	--	\$500	--	188	--	--
Jul-22	Paycom Software Inc.	--	Corp. Purpose	\$1,400	\$650	\$750	--	125	--	--
Jul-22	Fleetcor Technologies Inc.	--	Acquisition	\$500	\$200	--	--	--	--	--
Feb-22	Cast & Crew Entertainment	EQT Partners	Acquisition	\$225	--	\$225	--	375	--	--
Feb-22	Virtusa Corp.	Baring Private Equity	Recap/ Dividend	\$670	--	\$670	--	375	--	--
Jan-22	Vaco Holdings	Olympus Partners	Recap/ Dividend	\$740	\$40	\$700	--	500	--	--
Jan-22	Addison Group	Trilantic Capital Partners	LBO	\$590	\$65	\$525	--	425	--	--
Nov-21	EmployBridge Holding Co.	Apollo Management	Acquisition	\$200	--	\$200	--	475	--	--

Source: S&P Global Market Intelligence.

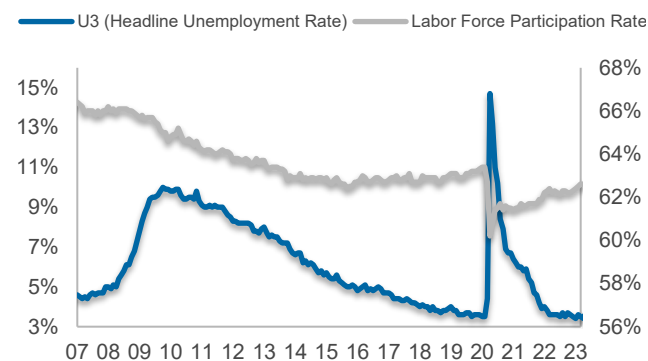
# MACROECONOMIC INDICATORS

## International Comparison: Unemployment Rates<sup>(1)</sup>



Global unemployment rates continued to decline from COVID-19 peaks through the first half of 2023. According to the OECD, unemployment rates remained at 4.8% for the third consecutive month and the number of unemployed persons declined to 33 million, nearing the record low from July 2022.

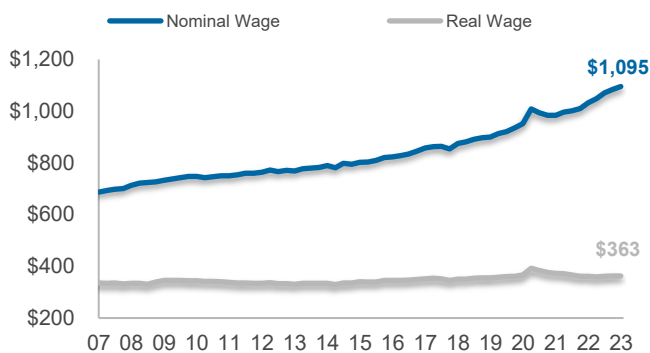
## Unemployment Rate and Participation



Source: U.S. Bureau of Labor Statistics.

The unemployment rate was 3.6% in June 2023, while labor force participation (LFP) was 62.6%. The LFP rate dropped sharply during the first few months of the pandemic before making a partial recovery during 2020 and continuing to inch higher through 2021, 2022, and the first part of 2023. However, the LFP rate remained stable throughout Q2 2023. The extent to which the participation rate will stay at these relatively depressed levels is up for debate.

## Real and Nominal Wage Growth



Source: U.S. Bureau of Labor Statistics.

Nominal wages have grown 59.4% from Q1 2007 through Q1 2023, with the average hourly wage rate coming in at \$33.20 in March 2023, a 4.3% increase over the rate a year prior. Real wages increased 8.0% over the same 16-year period. Wage growth is a fundamental contributor to the HCM market, especially the staffing segment.

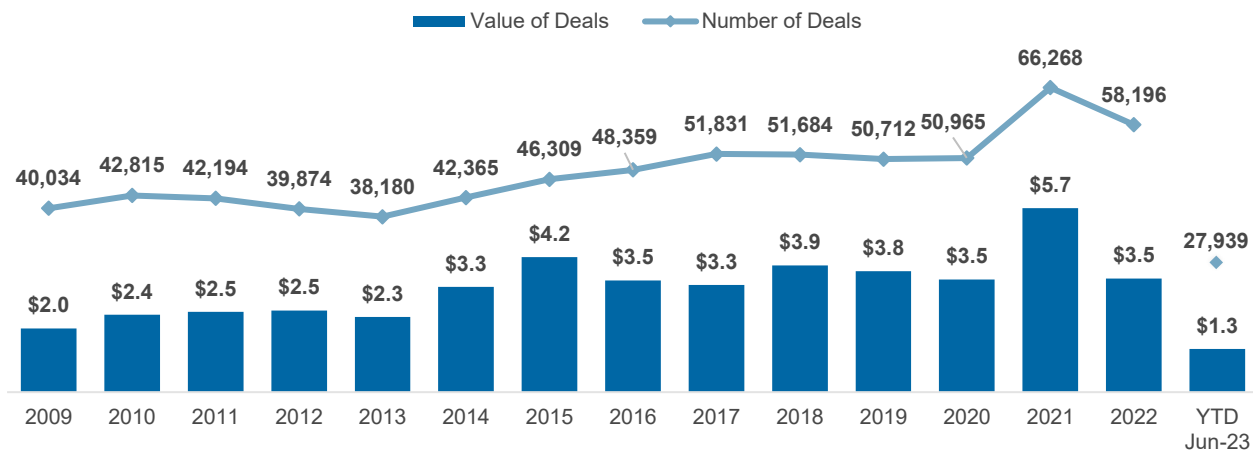
Source: U.S. Bureau of Labor Statistics, Eurostat, Office for National Statistics (U.K.), Statistics Bureau (Japan), OECD, SIA.  
 Note: Eurozone comprises the following countries: Austria, Belgium, Cyprus, Estonia, Finland, France, Germany, Greece, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, the Netherlands, Portugal, Slovakia, Slovenia, and Spain.

(1) U.K. as of April 2023; U.S. as of June 2023. All others as of May 2023.

# M&A MARKET INTELLIGENCE

## Global M&A Activity

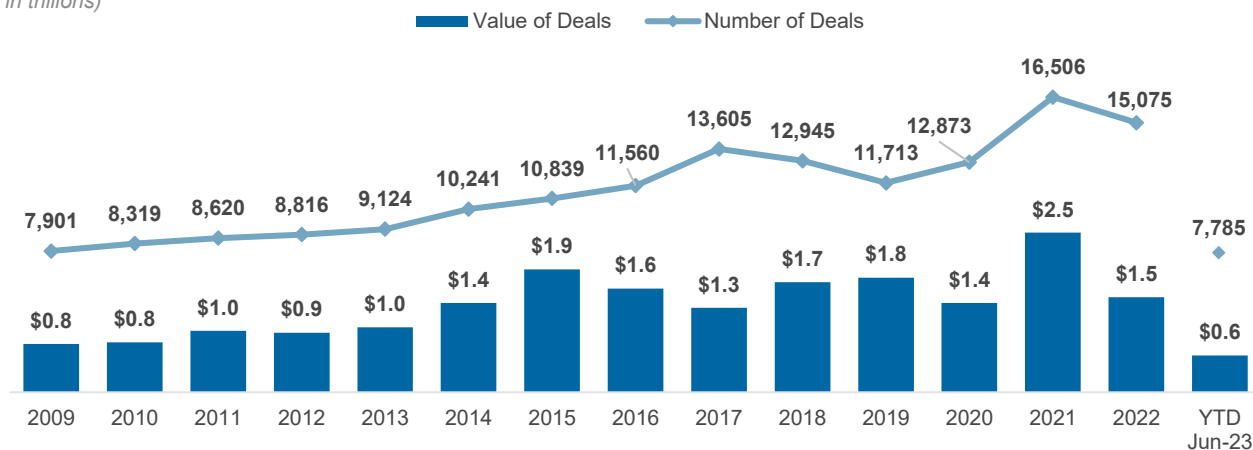
(\$ in trillions)



Global M&A activity continued declining from 2021 highs, primarily due to slowing economic recovery and more difficult global financing conditions. Overall, the value and number of announced M&A deals for the YTD period shrank 36% and 7%, respectively, compared to the same period in 2022. While tighter conditions are driving sponsors to significantly de-risk potential acquisitions, conditions continue to improve and return to pre-2021 M&A trend levels.

## U.S. M&A Activity

(\$ in trillions)



U.S. M&A activity also continued to decelerate from 2021 highs, stemming from significant monetary policy changes making financing conditions more difficult. However, investors continue to search for opportunities to strategically deploy capital, sometimes creatively through minority recapitalizations, preferred notes, and other avenues. The value and number of deals in the YTD period shrank 37% and 1%, respectively, compared to the same period in 2022.

Source: Refinitiv.

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.

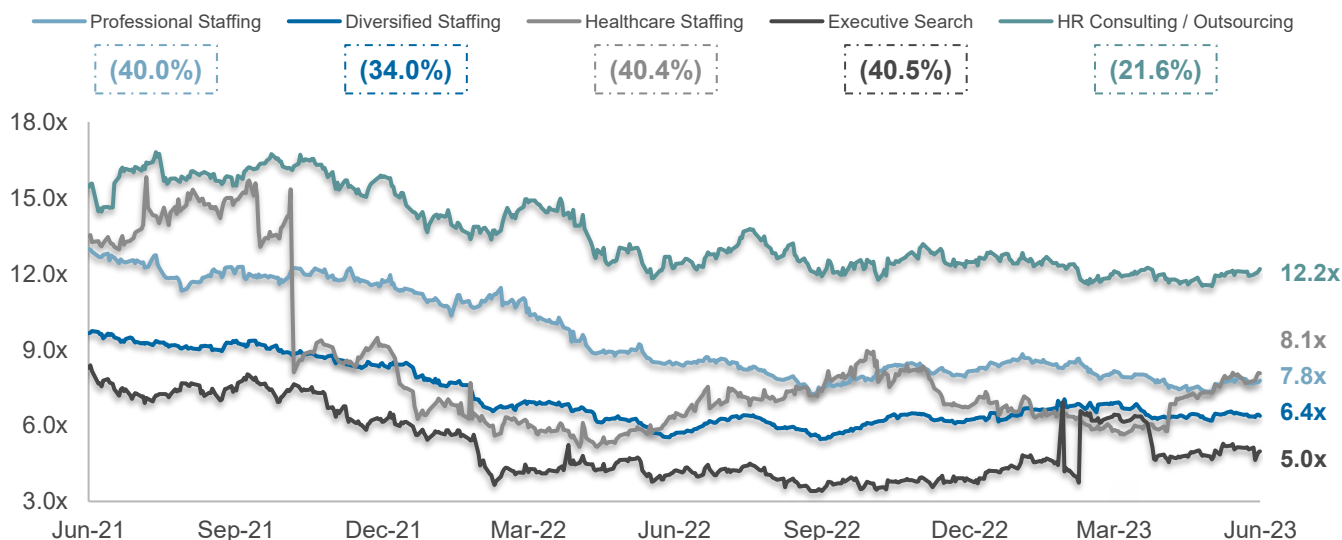
# PUBLIC COMPS

## SEGMENT COMPOSITION AND PERFORMANCE

Professional Staffing	Diversified Staffing	Healthcare Staffing	HR Consulting/ Outsourcing
Allgeier	The Adecco Group	AMN Healthcare	ADP
Amadeus FiRe	Brunel	Cross Country Healthcare	Alight
ASGN	Groupe CRIT	<b>Executive Search</b>	Aon
BGSF	Hays		BBSI
Career International	Impellam Group		First Advantage
Computer Task Group	Kelly Services		HireRight
GEE Group	ManpowerGroup		Insperity
Kforce	Meitec	Heidrick & Struggles	Marsh & McLennan
RCM Technologies	OUTSOURCING	Korn Ferry	Paychex
Robert Half International	PageGroup		Sterling Check Corp.
SThree	Pasona Group		TriNet
TechnoPro	Persol		Willis Towers Watson
	Randstad		
	Recruit Holdings		
	Robert Walters		
	Staffline Group		
	Synergie		
	TrueBlue		

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

The recent public markets decline has put a damper on an otherwise strong period of valuation appreciation, which had been in effect since the initial sell-off of the early pandemic days.

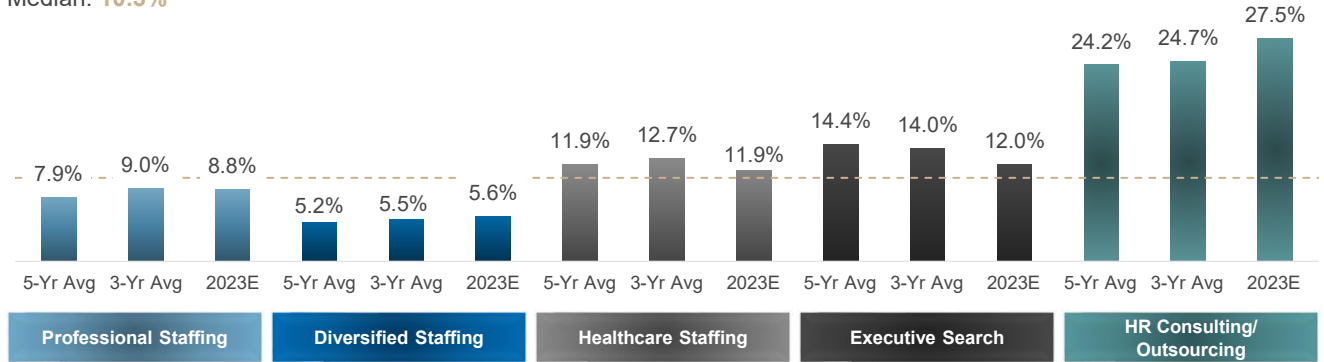


# PUBLIC COMPS BENCHMARKING ANALYSIS

## Margin: 2023E EBITDA Margin

Stabilizing labor markets and overall market uncertainty are expected to drive margin normalization in 2023, mitigating upward pressures on wages and rate spreads experienced throughout 2022 and early 2023.

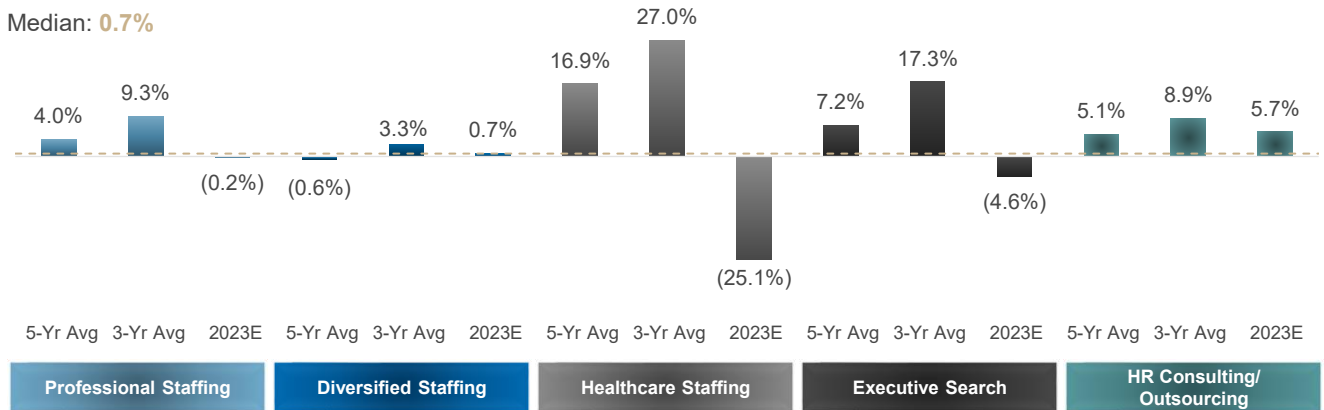
Median: **10.3%**



## Growth: 2022A–2023E Revenue

Monetary policy that targets a “soft landing” is driving a reduction in job growth relative to historical periods, leading to a reduction in staffing company revenue outlook.

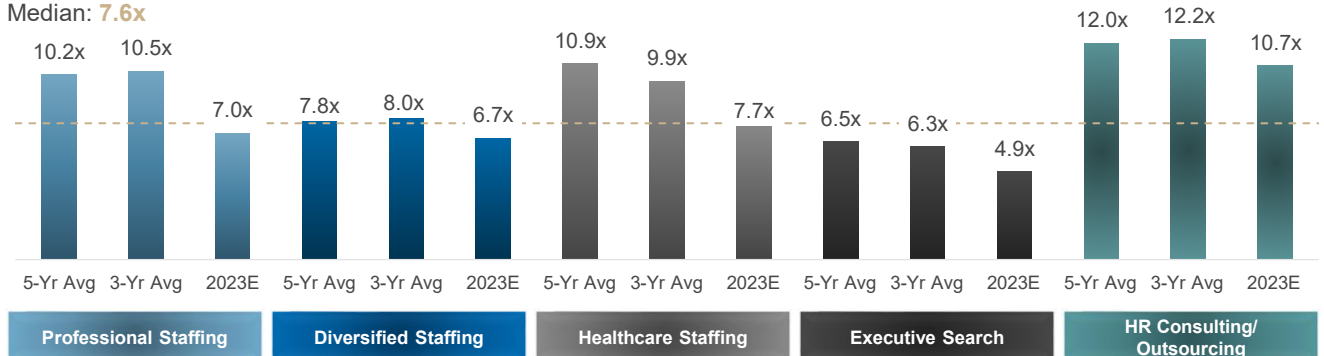
Median: **0.7%**



## Multiple: Enterprise Value/2023E EBITDA

Valuation multiples throughout 2022 and early 2023 were below historical averages, with significant monetary policy changes depressing valuations.

Median: **7.6x**





# PUBLIC COMPS

## TRADING AND OPERATING PERFORMANCE

(\$ in millions, except per share data)												
Company	Headquarters	Stock Price 06/30/2023	% of 52-Week High	Market Cap.	Enterprise Value	EBITDA		EBITDA Margin		EV / EBITDA		'22-'23E Revenue Growth
						2022	2023E	2022	2023E	2022	2023E	
<b>Professional Staffing</b>												
Robert Half International	North America	\$75.22	83.8%	\$7,974	\$7,648	\$1,024	\$720	14.1%	10.7%	7.5x	10.6x	(7.4%)
ASGN	North America	75.63	70.8%	3,733	4,674	501	512	10.9%	11.3%	9.3	9.1	(0.8%)
TechnoPro	North America	22.00	74.8%	2,370	2,290	184	183	12.8%	12.6%	12.4	12.5	0.3%
Kforce	North America	62.66	93.3%	1,218	1,246	120	121	7.0%	7.6%	10.4	10.3	(6.7%)
Career International	APAC and RoW	4.93	63.8%	970	881	56	80	4.2%	4.9%	15.8	11.0	25.2%
Amadeus FiRe	Europe	122.87	80.0%	703	789	76	111	17.6%	23.0%	10.3	7.1	10.7%
SThree	United Kingdom	4.39	69.4%	583	528	105	116	5.7%	5.6%	5.0	4.5	13.2%
Allgeier	United Kingdom	27.75	71.7%	317	505	49	76	9.3%	13.2%	10.4	6.7	9.9%
RCM Technologies	North America	18.40	86.6%	152	174	30	26	10.4%	9.4%	5.9	6.7	(2.9%)
Computer Task Group	North America	7.61	85.2%	121	118	15	17	4.5%	5.5%	8.0	6.9	(3.8%)
BG Staffing	North America	9.53	59.5%	103	173	23	28	7.9%	8.3%	7.5	6.1	16.4%
GEE Group	North America	0.51	64.0%	58	43	11	12	6.8%	7.7%	3.8	3.4	(1.7%)
<b>Average</b>			<b>75.2%</b>					<b>9.3%</b>	<b>10.0%</b>	<b>8.9x</b>	<b>7.9x</b>	<b>4.4%</b>
<b>Median</b>			<b>73.3%</b>					<b>8.6%</b>	<b>8.8%</b>	<b>8.7x</b>	<b>7.0x</b>	<b>(0.2%)</b>
<b>Diversified Staffing</b>												
Recruit	APAC and RoW	\$32.35	87.5%	\$51,084	\$46,840	\$3,919	\$3,414	15.5%	14.9%	12.0x	13.7x	(9.4%)
Randstad	Europe	53.09	77.0%	9,717	11,047	1,320	1,559	4.5%	5.4%	8.4	7.1	(2.5%)
The Adecco Group	Europe	33.66	79.1%	5,625	9,046	935	954	3.7%	3.7%	9.7	9.5	1.7%
Persol	APAC and RoW	18.36	79.9%	4,176	3,970	542	525	6.1%	5.9%	7.3	7.6	0.7%
ManpowerGroup	North America	79.40	85.9%	4,004	4,917	732	573	3.7%	3.0%	6.7	8.6	(4.9%)
Hays	United Kingdom	1.31	78.0%	2,089	2,201	325	341	3.9%	3.7%	6.8	6.4	9.8%
PageGroup	United Kingdom	5.17	80.1%	1,634	1,606	250	256	10.4%	10.3%	6.4	6.3	3.6%
Meitec	APAC and RoW	17.54	92.2%	1,375	1,061	122	121	13.7%	14.1%	8.7	8.7	(3.4%)
OUTSOURCING	APAC and RoW	9.65	94.4%	1,216	2,162	266	322	5.1%	6.3%	8.1	6.7	(2.0%)
Groupe CRIT	Europe	81.33	88.7%	903	539	126	158	5.1%	5.7%	4.3	3.4	10.6%
Synergie	Europe	35.28	92.4%	838	581	154	192	4.9%	5.6%	3.8	3.0	10.3%
Brunel	Europe	13.12	90.9%	661	686	69	102	5.5%	6.9%	9.9	6.8	16.9%
Kelly Services	North America	17.61	78.1%	636	592	112	106	2.3%	2.1%	5.3	5.6	0.5%
TrueBlue	North America	17.71	77.8%	535	550	98	51	4.4%	2.5%	5.6	10.9	(10.0%)
Pasona Group	APAC and RoW	11.79	75.1%	462	133	171	152	6.5%	5.8%	0.8	0.9	(0.3%)
Impellam Group	United Kingdom	8.81	90.7%	396	370	40	0	1.7%	NM	9.2	NM	NM
Robert Walters	United Kingdom	5.30	66.5%	355	364	75	80	5.6%	5.3%	4.9	4.5	14.7%
Staffline Group	United Kingdom	0.33	53.2%	54	61	18	19	1.6%	1.5%	3.4	3.1	12.0%
<b>Average</b>			<b>81.5%</b>					<b>5.8%</b>	<b>6.0%</b>	<b>6.7x</b>	<b>6.6x</b>	<b>2.8%</b>
<b>Median</b>			<b>80.0%</b>					<b>5.0%</b>	<b>5.6%</b>	<b>6.7x</b>	<b>6.7x</b>	<b>0.7%</b>
<b>Healthcare Staffing</b>												
AMN Healthcare	North America	\$109.12	84.6%	\$4,326	\$5,297	\$781	\$613	14.9%	15.7%	6.8x	8.6x	(25.5%)
Cross Country Healthcare	North America	28.08	70.0%	1,009	1,155	294	171	10.5%	8.1%	3.9	6.8	(24.7%)
<b>Average</b>			<b>77.3%</b>					<b>12.7%</b>	<b>11.9%</b>	<b>5.4x</b>	<b>7.7x</b>	<b>(25.1%)</b>
<b>Median</b>			<b>77.3%</b>					<b>12.7%</b>	<b>11.9%</b>	<b>5.4x</b>	<b>7.7x</b>	<b>(25.1%)</b>
<b>Executive Search</b>												
Korn Ferry	North America	\$49.54	74.3%	\$2,585	\$2,278	\$499	\$370	17.7%	13.4%	4.6x	6.2x	(1.7%)
Heidrick & Struggles	North America	26.47	75.3%	530	373	123	104	11.4%	10.5%	3.0	3.6	(7.5%)
<b>Average</b>			<b>74.8%</b>					<b>14.6%</b>	<b>12.0%</b>	<b>3.8x</b>	<b>4.9x</b>	<b>(4.6%)</b>
<b>Median</b>			<b>74.8%</b>					<b>14.6%</b>	<b>12.0%</b>	<b>3.8x</b>	<b>4.9x</b>	<b>(4.6%)</b>
<b>HR Consulting/Outsourcing</b>												
Marsh & McLennan	United Kingdom	\$188.08	99.5%	\$93,047	\$106,684	\$5,234	\$6,103	25.3%	27.4%	20.4x	17.5x	7.4%
Automatic Data Processing	North America	219.79	79.9%	90,800	92,161	4,548	5,091	26.4%	27.7%	20.3	18.1	6.7%
Aon	Europe	345.20	99.4%	70,506	81,771	3,812	4,330	30.5%	32.7%	21.5	18.9	6.2%
Paychex	North America	111.87	80.2%	40,325	39,616	2,097	2,286	43.7%	44.4%	18.9	17.3	7.1%
Willis Towers Watson	North America	235.50	91.0%	25,060	29,727	2,266	2,402	25.6%	25.8%	13.1	12.4	5.1%
TriNet	North America	94.97	84.9%	5,643	5,636	565	549	50.5%	53.7%	10.0	10.3	(5.6%)
Alight	North America	9.24	90.7%	4,598	7,575	381	743	12.2%	21.2%	19.9	10.2	11.7%
Insperty	North America	118.96	90.8%	4,546	4,349	278	387	27.9%	35.6%	15.7	11.2	9.4%
First Advantage	North America	15.41	97.0%	2,254	2,414	233	244	28.7%	31.2%	10.4	9.9	(3.7%)
Sterling Check Corp.	North America	12.26	52.5%	1,187	1,664	133	206	17.4%	26.6%	12.5	8.1	1.1%
HireRight	North America	11.31	60.6%	835	1,413	170	168	21.1%	23.0%	8.3	8.4	(9.4%)
Barrett Business Services	North America	87.20	86.5%	594	481	62	65	27.0%	27.1%	7.7	7.4	4.8%
<b>Average</b>			<b>84.4%</b>					<b>28.0%</b>	<b>31.4%</b>	<b>14.9x</b>	<b>12.5x</b>	<b>3.4%</b>
<b>Median</b>			<b>88.6%</b>					<b>26.7%</b>	<b>27.5%</b>	<b>14.4x</b>	<b>10.7x</b>	<b>5.7%</b>
<b>Average</b>			<b>80.2%</b>					<b>13.2%</b>	<b>14.4%</b>	<b>9.2x</b>	<b>8.5x</b>	<b>1.8%</b>
<b>Median</b>			<b>80.0%</b>					<b>10.4%</b>	<b>10.3%</b>	<b>8.2x</b>	<b>7.6x</b>	<b>0.7%</b>

Sources: S&P Capital IQ, public company filings.

Notes: Trading multiples are based on share price, other market data, and broker consensus future earnings estimates from S&P Capital IQ as of June 30, 2023. All financials calendarized to a December year-end. Margins and multiples exclude outliers.

(1) EBITDA Margin represented by Gross Profit/EBITDA conversion.

# NOTABLE RECENT M&A TRANSACTIONS

Date	Target	Acquirer	Target Description
<b>Staffing</b>			
05/09/23	Lawrence Recruiting Specialists, Inc.	Jackson Healthcare, LLC	Offers travel nursing, travel allied healthcare jobs, and healthcare staffing solutions
04/24/23	ALKU	New Mountain Capital	Specialty IT staffing firm with best-in-class organic growth profile
03/23/23	Fusion Healthcare Staffing, LLC	Waud Capital Partners	Provider of recruitment services for the healthcare industry
03/14/23	ProTask, Inc.	TekPartners Solutions, LLC	Operates as a strategic staffing and consulting agency
03/07/23	Worldwide Healthstaff Solutions Ltd.	Medical Solutions, LLC	Provider of healthcare staffing services for nurse and therapy professionals
01/30/23	Impellam UK Staffing & Healthcare Businesses	Twenty 20 Capital	Group of regionally operated professional staffing and healthcare staffing businesses in the U.K.
01/18/23	Salo, LLC	Korn Ferry (NYSE:KFY)	Provides staffing and consulting services for finance and accounting and senior-level human resources positions
11/10/22	Launch Recruitment Pty Ltd.	geechs inc. (TSE:7060)	Provides IT human resource services
11/02/22	S.i. Systems, Ltd.	TorQuest Partners, Inc.; Cornell Capital, LLC	Provides staffing solutions for the information technology industry in Canada
11/01/22	Host Healthcare, Inc.	Medical Solutions, LLC	Provider of healthcare staffing services, including nursing, allied and therapy solutions
10/11/22	Helpster Pte., Ltd.	PERSOL Asia Pacific Pte., Ltd.	Offers an on-demand staffing platform providing recruitment, shift scheduling, and workforce analytics
10/04/22	EmployBridge (Apollo)	Bluecrew	Provider of commercial staffing services via "Workforce-as-a-Service" mobile platform
09/21/22	Spencer Group, Ltd.	RSK Group, Ltd.	Offers executive search and selection services
08/31/22	Direct Recruiters, Inc.	NL Starfish Partners, Inc.	Provides recruitment services for small firms, middle-market businesses, and Fortune 500 companies
08/01/22	Infinity Consulting Solutions, Inc.	Korn Ferry (NYSE:KFY)	Provides staffing solutions to various clients and candidates
07/26/22	PrincetonOne, LLC	My Job Matcher, Inc.	Provides recruitment and staffing services for companies across the globe
06/28/22	Cooper Fitch DMCC	Lincoln Associates, SAS	Provides recruitment, executive search, and human resources advisory services
<b>Human Resources Consulting/Outsourcing</b>			
05/17/23	ProService	Silver Lake	Provider of outsourced human resources functions, including payroll, compliance, and other related services
12/19/22	Personnel Decisions Research Institutes, LLC	Pearson PLC (LSE:PSO)	Provides talent workforce assessment solutions, such as assessment and hiring and career management
12/16/22	MINAGINE Co., Ltd.	Chatwork Co., Ltd. (TSE:4448)	Offers outsourcing of payroll, attendance management systems, and personnel evaluation systems
12/13/22	Hireup Leadership, Inc.	Cross Country Healthcare, Inc. (NasdaqGS:CCRN)	Provides healthcare interim and permanent recruitment services
12/01/22	Kanden Joinus Co., Ltd.	Pasona Group, Inc. (TSE:2168)	Provides human resources services, including temporary staffing, outsourcing, recruitment, and training services
10/11/22	Talenterherd, LLC	RCM Technologies, Inc. (NasdaqGM:RCMT)	Operates as a talent acquisition services firm that identifies and hires talent across tech and nontech functions
09/21/22	Optionis Group	Alcentra, Ltd.	Provides workforce and SME support services, such as tax, payroll, and human resources consulting
09/16/22	NKD Learning, Ltd.	ITA Group, Inc.	Provides employee engagement and experiential learning solutions
09/08/22	Fusion Employer Services, LLC	Engage PEO, LLC	Provides payroll, workers' compensation, medical benefits, dental and vision benefits, and life insurance
07/28/22	Preferred Payroll, Inc.	CAVU Human Capital Management	Provides solutions for payroll, timekeeping, workers' compensation, and automated benefit enrollment
07/26/22	I4 Pay Partners, Ltd.	IPE Ventures	Provides payroll management services
06/22/22	EmPower HR, LLC	Vensure Employer Services, Inc.	Provides human resources management and consulting services to small and midsized businesses
05/02/22	CoreAxis, LLC	eLearning Brothers, LLC	Provides corporate training and employee engagement consulting services
04/29/22	KHS Personnel, Ltd.	The Jarell Group	Provides recruitment and workforce management services
04/12/22	Innovative Employer Solutions, Inc.	Engage PEO, LLC	Provides integrated human resources solutions, such as outsourcing services, payroll, and administration

Sources: S&P Capital IQ, Mergermarket, public company filings, press releases.

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