

**Staffing**  
***M&A Quarterly Update***  
**First Quarter 2021**

## A strong 2021 is expected for the staffing sector as vaccine rollout helps to stabilize regulation and work security for various industries across the world

With states beginning to open and becoming less likely to do additional hard shutdowns, temporary and permanent staffing agencies are eager to deploy staff and hit the ground running

### Staffing Market Outlook

**Overall, 2020 was a rough year** with temporary staffing, direct hire and retained search industries shrinking 17% compared to 2019

**2021 projections are improving**, with US staffing revenue expected to grow 12% compared to July's original forecast of 11%

**Key revenue drivers for the staffing industry in 2021 include:** the downward trend in covid-19 spread, a slow but steady recovery for GDP, and increasing availability of the vaccine in the first half of 2021

**Healthcare staffing remains hot:** the travel nursing sector rose 10% in 2020, beating the July forecast of 5% growth

### Staffing Industry Notable M&A Activity & Transactions

#### Healthcare Staffing M&A Activity (Omaha-based)

**Medical Solutions**



**TPG Growth** is exploring the sale of **Omaha-based Medical Solutions**, a growing travel-nurse staffing company. TPG / Medical Solutions have retained sell-side advisors. The company is set to market EBITDA north of \$150mm, indicating significant growth under TPG Growth over the last three-and-a-half years.

**Retained Sell-side advisors**

Medical Solutions, places travel nurses, allied healthcare professionals and interim clinical leaders across 2,200+ hospitals, clinics and long-term care facilities throughout the US. It also operates as a managed service provider (MSP), helping to streamline and simplify workforce operations by exclusively managing a hospital's entire contingent labor staffing process.

#### Industrials Staffing Services

**36 LATITUDE THIRTY SIX**

**Harvey Nash.**

**On October 21, 2020** Harvey Nash Group Limited announced the acquisition of Latitude 36, a provider of leading technology recruitment services with operations across the U.S. and India.

"At the heart of this all lies our people, and when I met the team at Latitude 36 I was struck by how similar our values and ambitions were. Everything we do together will be driven by a 'people first' approach. We are thrilled to be welcoming a high performing team which will add to our focus on becoming a top technology recruitment partner in the U.S." – Jason Allen, CEO, Harvey Nash Technology

### Staffing Middle-Market M&A

#### M&A Activity



Q4 M&A activity among staffing services is up with 28 transactions for the quarter compared to 20 in Q3. Bridgepoint expects activity to increase with vaccine rollout

#### Financial Sponsors



Financial buyers remain hesitant in the staffing industry, opting to wait for more stable conditions and regulations across the country

#### Strategic Buyers



Strategics and sponsor-backed strategics continue to be the backbone of activity, making up most of the buyers in Q4

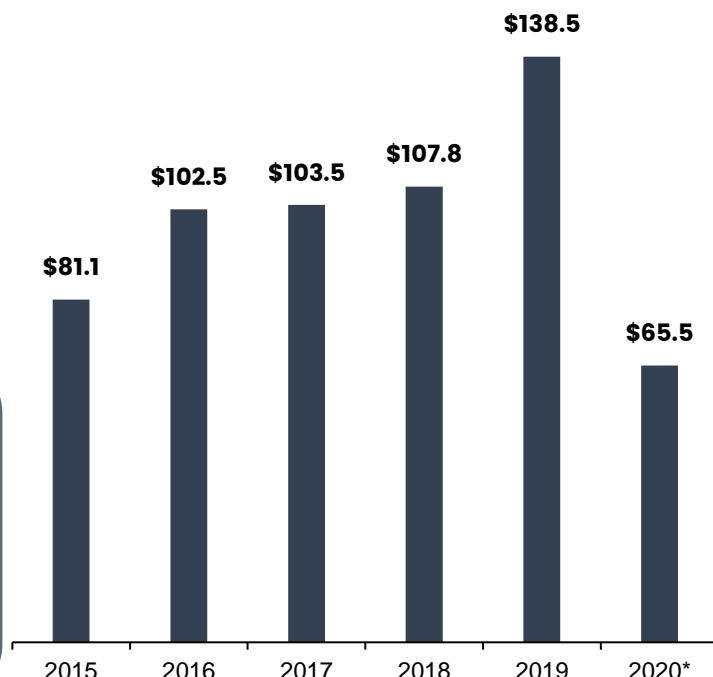


*Strategic buyers in staffing are now actively hunting for tuck-in acquisitions again. 2021 will see M&A activity back up to pre-COVID levels.*



**Chad Gardiner, Director**  
Bridgepoint Investment Banking

### 2015-2020 PE Middle Market<sup>(a)</sup> Fundraising Capital Raised (\$bn)



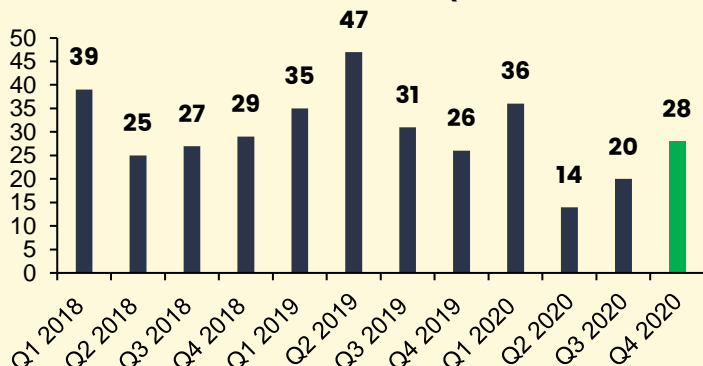
(a) Middle Market = Companies \$50mm-\$1bn TEV.

(a) As of 9/30/2020

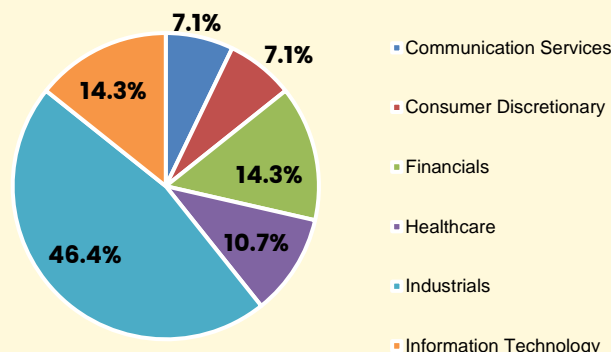
Sources: S&P Capital IQ, Trading Economics, Bureau of Labor Statistics, Staffing Industry Analysts, FEHub

## Selected Staffing M&A Transaction Statistics

Transaction Volume 2018-Q4 2020



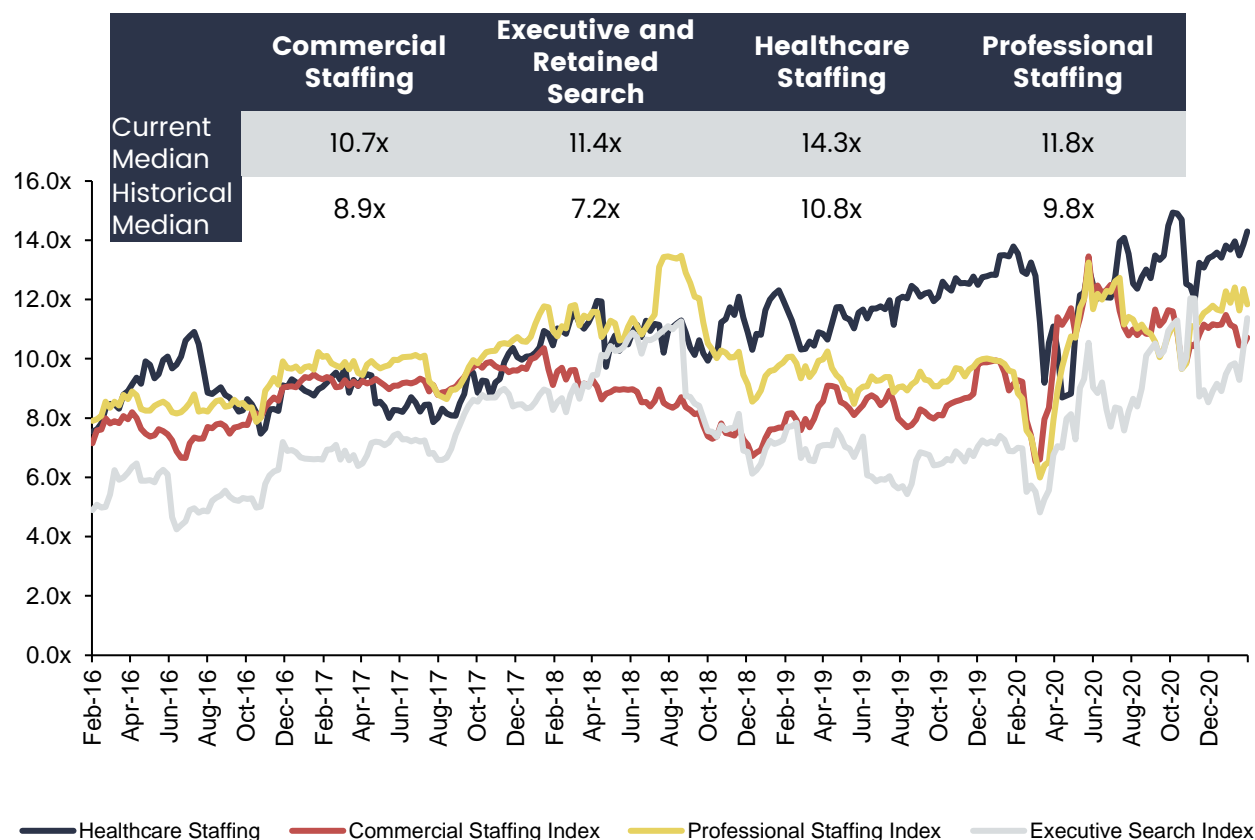
M&A Activity by Staffing Industry Sector Q4 2020



## Recent Selected Q4-20 Staffing M&A Transactions

Date	Target	Buyer	Business Description
12/18/2020	Avitus Group, Inc.	Vensure Employer Services, Inc.	Provides co-employer and business services worldwide, including co-employment, human resources, risk and safety management
12/18/2020	Taylor Ryan Inc.	Hire Technologies Inc. (TSXV:HIRE)	Engages in executive search, contingency recruitment and human resources consulting services
12/14/2020	Saenger Associates, a 20/20 Foresight Company	20-20 Foresight Executive Search LLC	Provides retained executive search services to various industries
12/11/2020	Personiv	eClerx LLC	Offers recruiting, back office, creative design and customer contact services to businesses
12/03/2020	Meritek Inc.	ASTEK Canada Inc.	Recruitment firm engaging in recruiting contractual and permanent resources in information technology
11/24/2020	Kavin Group	Hire Technologies Inc. (TSXV:HIRE)	Provides talent management and recruiting services, operational consulting services and transportation and logistics services
11/23/2020	Greenwood/Asher & Associates, Inc.	Kelly Educational Staffing Inc.	Operates as a woman-owned executive search, consulting and training firm
11/13/2020	Search Partners Recruiting	Resolute Administrative Services, LLC	Provides recruitment services
10/21/2020	Latitude 36, Inc	Harvey Nash Group Limited	Provides staffing solutions
10/19/2020	CGTech, Inc.	Sandvik Coromant, Inc.	Software development company which develops numerical control simulation, verification, optimization and analysis software technology for manufacturing
10/05/2020	Extreme Staffing LLC	Ascend Staffing	Operates as a temporary staffing company that provides light industrial, production and manufacturing staffing
10/02/2020	Saba Software, Inc.	BestAtDigital Ltd	Provides cloud-based intelligent talent management solution for organizations to hire, develop, engage and inspire people worldwide

# Rolling TEV / NTM EBITDA by Sector Index February 2016–December 2020



## SELECT BRIDGEPOINT STAFFING TRANSACTION EXPERIENCE

**STAFFING 360 SOLUTIONS**

Senior debt financings

**JACKSON INVESTMENT GROUP**

Sole Financial Advisor

**ALLY Consulting**

Has been acquired by

**RIGUP**

Buy-side Advisor

**PTC CONSULTANTS**

Has been acquired by

**RIGUP**

Buy-side Advisor

**exi**

Has been acquired by

**stefanini**  
POWERING YOUR BUSINESS

Buy-side Advisor

**BEDROCK PETROLEUM CONSULTANTS, LLC**  
An NES Global Talent Company

Has been acquired by

**NES**  
Global Talent

Sell-side Advisor

**PHYSASSIST**  
SCRIBES

Has been acquired by

**TEAMHealth**

Sell-side Advisor

Note: Sector Index Companies – Executive Search Index – HSI, KFY; Healthcare Staffing Index – AMN, CCRN; Commercial Staffing Index – ADEN, BBSI, JOB, KELLY.A, MAN, STAF, TBI; Professional Staffing Index – ASGN, BGSF, HSON, KFRC, MHH, RCMT, RECN, TSRI, VOLT.

Note: The transactions listed above include those executed by bankers at firms outside of Bridgepoint Investment Banking.

Sources: S&P Capital IQ

**Market-leading boutique investment bank providing M&A and capital raising advisory solutions focused on the staffing industry**

- 274+ years cumulative investment banking experience spanning 118 transactions
- \$121+ billion of M&A, capital raising, corporate finance and M&A transaction advisory service experience
- 96 completed M&A assignments spanning more than \$36 billion
- 120 completed corporate finance transactions, raising more than \$85 billion in capital

## Head of Staffing and Business Services **Chad Gardiner**



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### SECTORS OF FOCUS



Business Services & Staffing



Healthcare



Consumer & Retail



Technology



Industrials & Transportation

**274**

YEARS OF EXPERIENCE

MORE THAN

**\$121B**

IN TRANSACTIONS

**216**

TOTAL TRANSACTIONS

### SENIOR LEADERSHIP



**Matt Plooster**  
President & CEO



**Wm. Lee Merritt**  
Managing Director & General Counsel



**Gary Grote**  
Managing Director



**Mike Anderson**  
Managing Director



**Nick Orr**  
Managing Director



**Bryan Wallace**  
Managing Director



**Chad Gardiner**  
Director



**Natasha Plooster**  
COO



**Subhash Marineni**  
Vice President



**Alex Spanel**  
Associate

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