



bridgepoint | INVESTMENT
BANKING

Staffing
M&A Quarterly Update

Second 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 see an increase in public activity, temporary and permanent staffing agencies are beginning to deploy staff and hit the ground running

Staffing Market Outlook

- **Overall, 2020 was a rough year for staffing;** however, recent projections show that the US temporary staffing industry will grow by 11% in 2021 compared to an 8% decline in 2020
- **2021 projections are improving** – analysts expect direct hire placements to rise by 15% annually throughout the rest of 2021
- **Key revenue drivers for the staffing industry in 2021 include** the downward trend in the spread of COVID-19, a slow but steady recovery for GDP and more people leaving home after vaccination
- **Healthcare staffing remains hot:** the travel nursing industry rose 100% year over year in February

Staffing Middle-Market M&A

M&A Activity



Q1 M&A activity among staffing services is up with 30 transactions for the quarter compared to 28 in Q4. 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 Q1

Healthcare staffing continues to receive strong interest from Private Equity as owners consider timing of liquidity given the implications of capital gains tax changes."

– Chad Gardiner, Director & Staffing Sector Lead – Bridgepoint Investment Banking

Notable Staffing Transactions in Q1 2021

Technology Staffing



On March 15, 2021 Robinhood Financial LLC announced that it had acquired San Francisco-based Binc Search, adding more than 80 employees to help the US online brokerage recruit talent.

"The addition of Binc will double the size of our recruiting organization, helping us rapidly scale our team to better serve our customers." – Robinhood

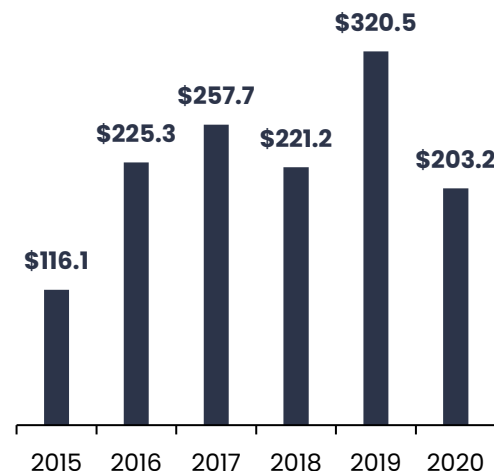
Light Industrial Staffing



On March 1, 2021 Labor SMART, Inc., a leader in on-demand blue collar staffing, announced the acquisition of Takeover Industries, Inc.

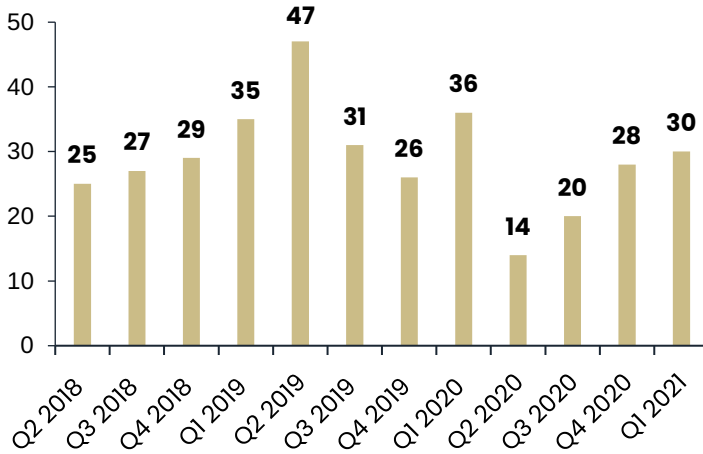
"On behalf of the Takeover Industries Inc. team we appreciate the opportunity to work with Mr. Schadel, in continuing the strong relationship with its shareholders and to bring forth immediate new opportunities in the functional beverage industry." – Joe Pavlik, CEO, Labor Smart, Inc.; Former CEO, Takeover Industries

2015–2020 PE Fundraising Capital Raised (\$bn)

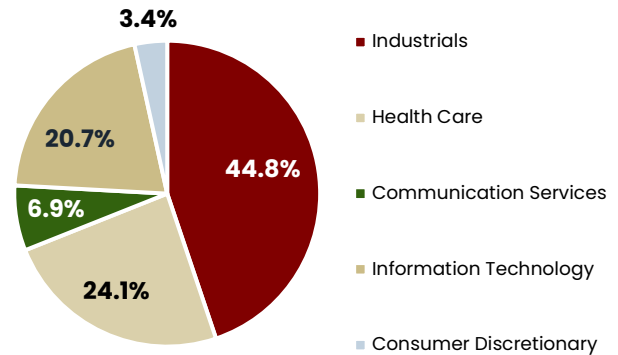


Selected Staffing M&A Transaction Statistics

Transaction Volume 2018–Q1 2021



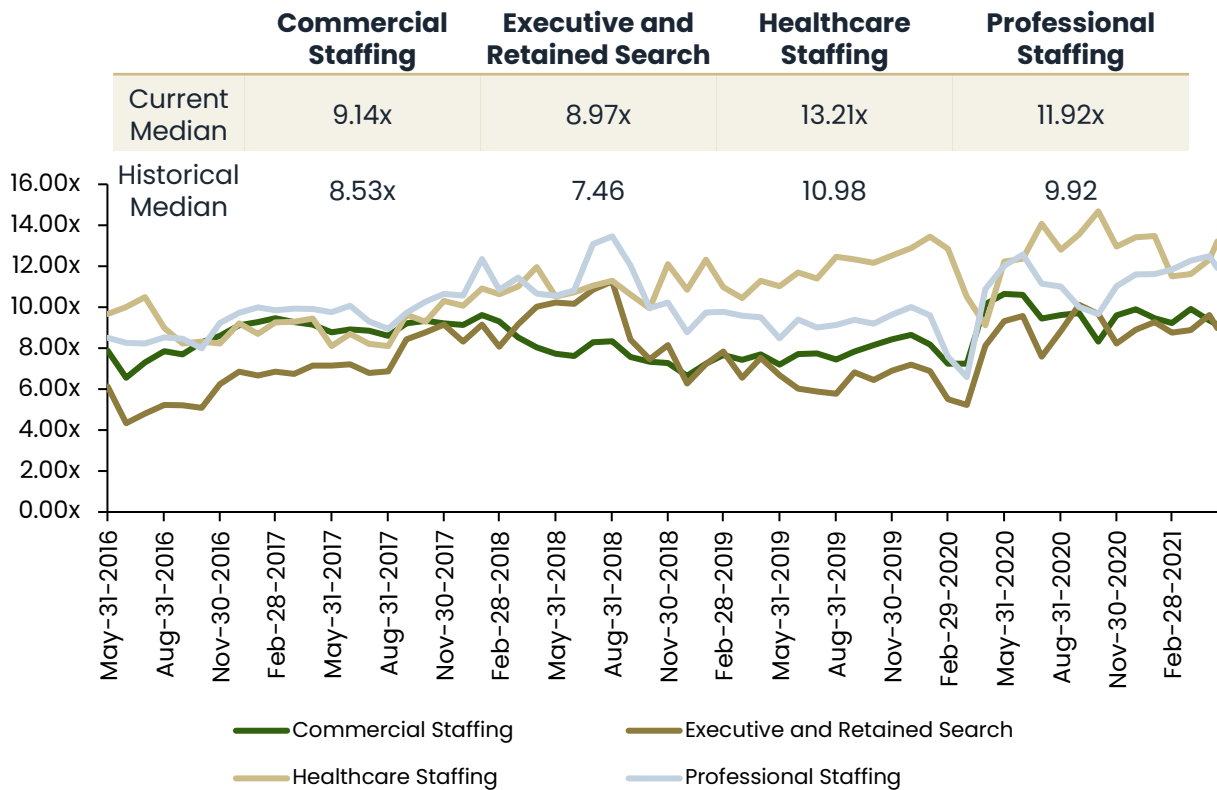
M&A Activity by Staffing Industry Sector Q1 2021














Recent Selected Q1-21 Staffing M&A Transaction Statistics

Date	Target	Buyer	Target Business Description
03/31/2021	Profile 500 Corporation	PROLIM Corporation	Offers IT consultants as direct-hire, contract to hire, and contract services
03/17/2021	Solutions Nursing L.F.C. Inc./Formation Solutions Nursing Inc.	Premier Health of America Inc. (TSXV:PHA)	Provides specially trained nurse staffing services
03/15/2021	BINC, Inc.	Robinhood Financial, LLC	Offers recruitment services for technology organizations
03/11/2021	Ardmore Branch of Oasis Staffing Inc.	Certified Source, Inc.	Ardmore Branch of Oasis Staffing Inc. comprises staffing services business
03/10/2021	Atrilogy Solutions Group, Inc.	DIVERSANT, LLC	Provides staffing services and information technology (IT) and business process consulting to organizations
03/10/2021	Arete Partners, Inc.	Riviera Partners, Inc.	Operates as a recruiting firm that focuses on placing talent across a variety of business areas
03/04/2021	The Goal Inc.	Motion Recruitment Partners, LLC	Offers services in the areas of cloud and infrastructure, cyber security, data solutions, enterprise applications, software development and staffing services
03/01/2021	Labor Smart, Inc.	Labor Smart, Inc. (OTCPK:LTNC)	Provides temporary blue-collar staffing services primarily in the United States
02/23/2021	JAGwire Group LLC	Surety Systems, Inc.	Provides information technology staffing and permanent placement services
02/05/2021	TherapyTravelers, LLC	Epic Staffing Group	Provides staffing and placement services that connects speech and language pathologists with school districts and students

Rolling TEV / NTM EBITDA by Sector Index May 2016 – May 2021



Select Bridgepoint Staffing Transaction Experience

 Growth debt financing Sole Financing Arranger	 Senior debt financings  Sole Financial Advisor	 Has been acquired by  Buy-side Advisor
 Has been acquired by  Buy-side Advisor	 Has been acquired by  Buy-side Advisor	 An NES Global Talent Company Has been acquired by  Sell-side Advisor

Bridgepoint Executive Summary

- **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 218 transactions
- \$121+ billion of M&A, capital raising, corporate finance and M&A transaction advisory service experience
- 97 completed M&A assignments spanning more than \$36 billion
- 121 completed corporate finance transactions, raising more than \$85 billion in capital

Bridgepoint's experience, process, and deep connectivity to real, national funders and buyers provides staffing companies tailored, value-add capital solutions.

Head of Staffing and Business Services



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Our Recent Experience in the Staffing Industry



Bridgepoint acted as the sole financing arranger to Atlas MedStaff in the refinancing of their existing line of credit to aid in the growth and longevity of the Company.

Bridgepoint executed a thorough capital raising process which resulted in a material savings on their cost of capital and will provide a long-term capital partner for the Company

Sectors of Focus



Business Services
& Staffing



Technology



Healthcare



Consumer &
Retail



Industrials &
Transportation

274

YEARS OF EXPERIENCE

MORE THAN

\$121B

IN TRANSACTIONS

218

TOTAL TRANSACTIONS

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