

Q3 2017 Human Capital M&A Intelligence Report

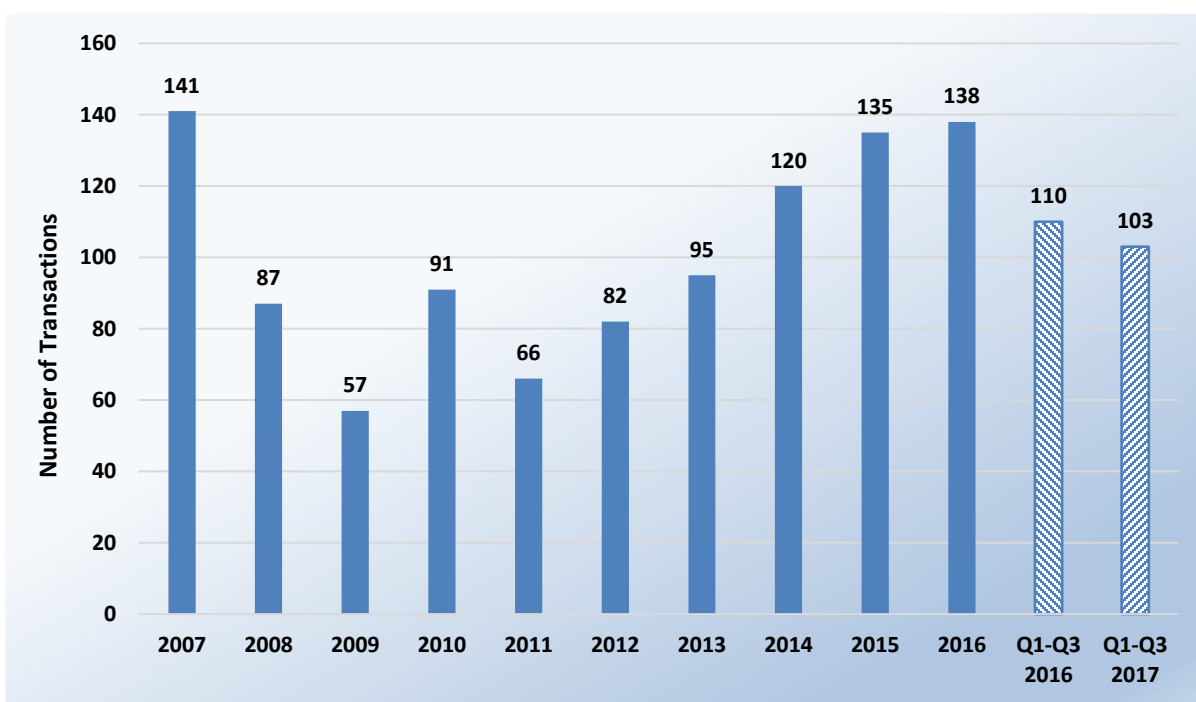
November 16, 2017- Irvine – De Bellas & Co., the leading investment banking firm serving the Staffing and Workforce Solutions industries exclusively, reported today that 43 M&A transactions were announced or completed in Q3 2017 vs. 45 transactions in Q3 2016. Private strategic buyers made up almost 78% of the overall activity, while private equity firms accounted for about 19% of the activity.

For the first nine months of 2017, 103 transactions were announced or completed vs. 110 in 2016. In this period, the most active staffing segments were Commercial (light industrial and administrative) and Healthcare with 18 transactions each, followed by IT Staffing and Solutions with 17 transactions.

Workforce Solutions accounted for 20 transactions, representing over 19% of transactions for the nine-month period. This group includes VMS/MSP, RPO, BPO, PEO, EOR and other similar segments Private strategic acquirers accounted for almost 72% of transactions in this period.

Some of the top publicly-owned staffing buyers during Q3 included: GEE (NYSE MKT: JOB), BG Staffing (NYSE MKT: BGSF), Team Health Holdings, Inc. (NYSE: TMH), IAC (NASDAQ: IAC), On Assignment Inc. (NYSE: ASGN), Kelly Services Inc. (NASDAQ: KELYA) and Cross Country Healthcare, Inc. (NASDAQ: CCRN).

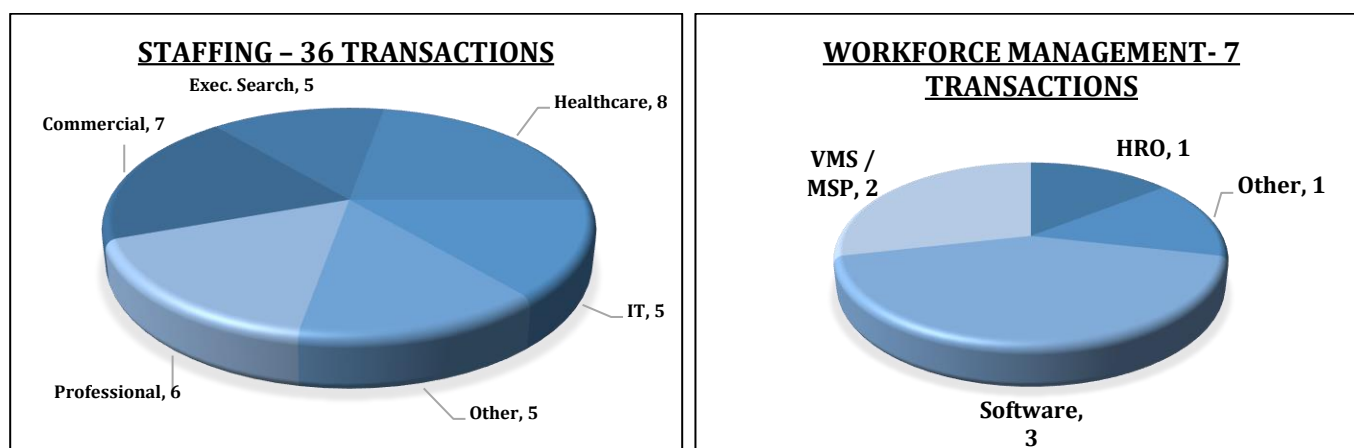
M&A Activity 2007- Q3 2017



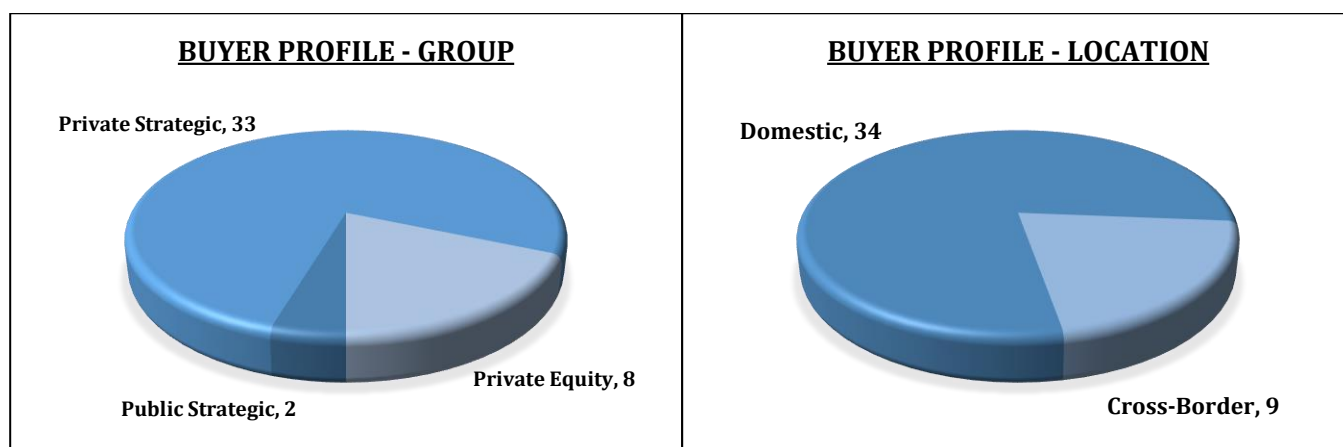
Segment Highlights Q1 - Q3

	IT Staffing / Solutions	Commercial	Healthcare	Executive Search	Legal & Professional	Other Staffing	Workforce Management	Total
Q1 2017	4	7	3	2	5	4	7	32
Q2 2017	8	4	7	1	1	1	6	28
Q3 2017	5	7	8	5	6	5	7	43
Total	17	18	18	8	12	10	20	103

Q3 2017 M&A Activity by Segment



Buyer Profile



Q3 2017 Notable Transactions

ZeroChaos - Global private equity firm The Carlyle Group agreed to make a “substantial” investment in ZeroChaos.

ZeroChaos provides VMS and MSP services as well as independent contractor compliance and risk management, RPO, statement-of-work solutions and other services. Private equity firm Snow Phipps, which acquired the company in 2011, will exit its stake as part of the transaction.

Headquartered in Orlando, Fla., ZeroChaos has global operations in the Americas, Europe and Asia. The company manages more than \$3 billion of outside spending in more than 40 countries for customers from a range of industries, including software and IT services, telecom, automotive and healthcare.

Accountable Healthcare - Tokyo-based investment firm Mitsui & Co. Ltd. agreed to acquire Accountable Healthcare Staffing, a Boca Raton, Fla.-based healthcare staffing provider that ranks No. 15 on Staffing Industry Analysts’ list of largest healthcare staffing firms in the US. Terms were not disclosed.

Accountable had made more than ten acquisitions since launching in 2012. It now has 28 locations and had revenues of approximately \$143 million in 2016.

Advantage RN LLC - Cross Country Healthcare Inc. (NASDAQ: CCRN) completed its acquisition of Advantage RN LLC and its subsidiaries for a total purchase price of \$88 million.

Advantage RN, an Ohio-based healthcare staffing provider provides nurses through VMS/MSP systems and directly to hospitals. It posted revenue of approximately \$100 million in 2016. The company ranks No. 14 on Staffing Industry Analysts’ list of largest travel nurse staffing firms and No. 24 on the list of largest healthcare staffing firms overall in the US.

Cross Country, based in Boca Raton, Fla., ranks as the third-largest healthcare staffing firm in the US.

Stratacuity Staffing Partners Inc. - On Assignment Inc. (NYSE: ASGN), the third-largest provider of clinical/scientific staffing, acquired Stratacuity Staffing Partners Inc., a smaller provider of clinical/scientific staffing that ranked on this year’s list of fastest-growing US staffing firms.

Stratacuity is based in Portsmouth, NH, and serves clients in the Boston area. It was founded in 2001 and posted revenue of \$16 million in 2016.

“This acquisition enables On Assignment to build upon its presence in its Life Sciences staffing vertical and provides us with a great opportunity to strengthen our Clinical Research offerings to our clients making us one of the largest providers of scientific and clinical staffing solutions,” according to Calabasas, Calif.-based On Assignment.

Teachers On Call - Kelly Services Inc. (NASDAQ: KELYA) acquired Teachers On Call, the sixth-largest education staffing firm in the US, expanding its position in the K-12 market.

Founded in 1999 and headquartered in Bloomington, Minn., Teachers On Call provides substitute education professionals to more than 110 school districts throughout Minnesota and Wisconsin, as well as to more than 150 charter schools and early child care centers in the Twin Cities metro area. The company is currently expanding into Iowa.

Kelly Educational Staffing, launched in 1997, serves more than 7,000 schools across 35 states. It provides substitute teacher staffing and management; after school program staffing; and the staffing of non-instructional positions such as custodians, cafeteria employees, administrative assistants and school nurses. It is the largest education staffing firm in the US, according to Staffing Industry Analysts’ research.

taskforce - Management on Demand AG - Resources Connection Inc. (NASDAQ: RECN) acquired a German professional services firm called “taskforce - Management on Demand AG.” The move is part of an effort bolster its European business and provide more integrated solutions.

The transaction included initial consideration of €6.0 million (approximately \$7.1 million) in a combination of cash and restricted stock, plus an earn-out based on performance in calendar years 2017, 2018 and 2019.

Founded in 2007, taskforce provides senior interim management and project management expertise and has collaborated with RGP on a number of projects in recent years. It reported revenue of approximately €12 million (approximately \$13.3 million) in 2016.

Irvine, Calif.-based Resources Connection ranks as the sixth-largest US provider of finance/accounting staffing. Its operating subsidiary is Resources Global Professionals.

Q3 2017 Transactions

Date	Target	Staffing Acquirer	Target Business Description
Staffing Companies			
7/5/2017	Accountable Healthcare Staffing	Mitsui & Co. Ltd.	Healthcare
7/6/2017	Advantage RN LLC	Cross Country Healthcare Inc. (NASDAQ: CCRN)	Healthcare
7/7/2017	HM Long Global Partners	ZRG Partners Inc.	Exec. Search
7/10/2017	InfoTrellis Inc.	Mastech Digital Inc. (NYSE MKT: MHH)	IT
7/10/2017	Superior Resource Group Inc.	NSC Technologies LLC	Engineering
7/11/2017	Health Search New England	Jordan Search Consultants	Healthcare
7/19/2017	GradStaff (now Avenica)	University Ventures	Other
7/20/2017	Education Solutions Services LLC	Source4Teachers (portfolio under Nautic Partners LLC)	Other
8/2/2017	Taylor Winfield	Focus Search Partners, A Vaco company	Exec. Search
8/2/2017	Halo Group (and affiliates Sonoma Consulting / Geneva Technical Services)	Fahrenheit IT Staffing (division under Global Employment Solutions)	IT
8/3/2017	Lannick	Vaco	Finance/Accounting
8/8/2017	RN & Allied Specialties	Aya Healthcare	Healthcare
8/9/2017	Stratacuity Staffing Partners Inc.	On Assignment Inc. (NYSE: ASGN)	Other
8/18/2017	Expedient Medstaff LLC	American Health Staffing Group Inc.	Healthcare
8/22/2017	Healthcare Staffing Inc.	Novation Companies Inc. (OTC: NOVC)	Healthcare
8/23/2017	Staffing Options and Solutions	The Stepping Stones Group	Healthcare
8/28/2017	Unnamed Skilled Staffing Firm	AlumiFuel Power Corp. (OTCMKTS: AFPW)	Commercial
8/29/2017	BHI Energy	AE Industrial Partners LLC	Commercial
8/29/2017	AML RightSource	Clarion Capital Partners LLC	Finance/Accounting
8/31/2017	Trade Solutions Inc.	Construction Labor Contractors LLC (Silver Oak Services Partners LLC)	Commercial
8/31/2017	Ascension Sports Partners	Prodigy Sports	Exec. Search
8/31/2017	Triple-I	MegaForce	IT
9/1/2017	taskforce - Management on Demand AG	Resources Connection Inc. (NASDAQ: RECN)	Finance/Accounting
9/6/2017	Career Resources Group	Lee Hecht Harrison (Adecco Group)	Exec. Search
9/6/2017	Teachers On Call	Kelly Services Inc. (NASDAQ: KELYA)	Other
9/7/2017	LucasWorks!	Design Group Staffing Inc.	Finance/Accounting
9/10/2017	Operon Resource Management	Eastridge Workforce Solutions	Commercial
9/11/2017	AllStaff (formerly Select Staffing of Illinois)	Malone Workforce Solutions	Commercial
9/12/2017	TeamPeople	System One	Other
9/13/2017	CDI Corp. (NYSE: CDI)	AE Industrial Partners LLC	IT
9/14/2017	BioBridges	Adecco Group	Healthcare
9/21/2017	Smart Resources Inc.	BG Staffing Inc. (NYSE MKT: BGSF)	Finance/Accounting
9/25/2017	Summitline Industries	TMC Workforce Solutions	Commercial
9/25/2017	Principle Solutions Group	Eliassen Group	IT
9/26/2017	Driving Ambition	TransForce Inc.	Commercial
9/28/2017	Amrop Denmark	Heidrick & Struggles International Inc. (NASDAQ: HSII)	Exec. Search
Workforce Solutions			
7/7/2017	DHR Services Holdings LLC	Oasis Outsourcing	PEO
7/12/2017	Oasis Outsourcing	Kelso & Company	PEO
7/17/2017	ZeroChaos	The Carlyle Group	VMS/MSP
8/7/2017	Interviewed	Indeed (subsidiary of Recruit Co. Ltd.)	Software
8/9/2017	OnForce	WorkMarket	Software
8/11/2017	BusinessWare Services Inc.	OpsArc Solutions Inc.	Software
9/28/2017	TaskRabbit Inc.	IKEA Group	Cloud

Source: Capital IQ, Staffing Industry Analysts and De Bellas & Co.

De Bellas & Co. Certain Recent Transactions



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We represented the seller.



Has been recapitalized by



We represented the seller.



Has been acquired by



We represented the seller.



Has been acquired by



We represented the seller.



Has been acquired by



We represented the seller.



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We represented the seller.



About De Bellas & Co.

Serving the Staffing industry since 1985, De Bellas & Co. is the leading M&A Advisory firm focused exclusively on the Staffing and Workforce Solutions industry. We have advised in over 225 completed transactions and have performed hundreds of valuations, as well as corporate financial advisory assignments.

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