

H1 2016 Human Capital M&A Intelligence Report

De Bellas & Co. reports sixty-four staffing and staffing-related businesses sold or merged in H1 2016. This compares with sixty-one transactions in H1 of 2015, representing an increase of five percent year-over-year. Based on the momentum leading up to the end of the first half of the year and our discussions with buyers and sellers of various sizes operating in all segments of the industry, we believe that M&A activity will continue at a high level.

In H1 privately held strategic acquirers continued to lead the other buyer groups, accounting for forty-five transactions, representing about seventy percent of completed transactions. Publicly held Strategic Buyers and Private Equity Groups (“PEGs”) closed eleven and eight transactions, respectively. We should see continued interest in the industry from this buyer group. The number of staffing firms which are owned by private equity groups continue to increase as does the number of acquisitions made by those portfolio companies.

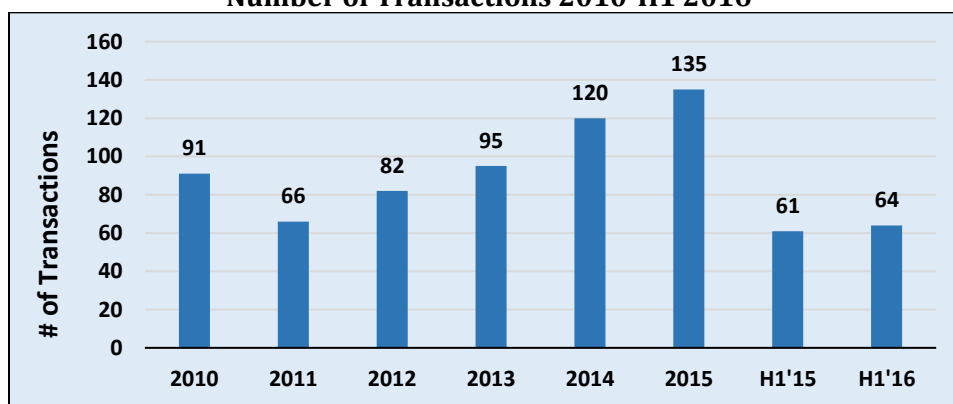
IT services continues to be the most active segment with eighteen completed transactions, followed by commercial staffing with eleven transactions. Although healthcare staffing transactions are down compared to previous quarters, there is still significant interest in healthcare staffing on the part of buyers.

Public companies that made acquisitions in H1 include General Employment Enterprises, ManpowerGroup, Randstad, Heidrick & Struggles and AMN Healthcare Services.

Cross Border activity increased with thirteen acquisitions in H1 2016 versus five acquisitions in H1 2015.

Britain’s decision to depart from the EU has injected a huge amount of uncertainty in the M&A market on a global level. The U.S. staffing industry has been very active in acquiring UK based firms over the past decade. There is speculation that more countries would withdraw from the EU as well.

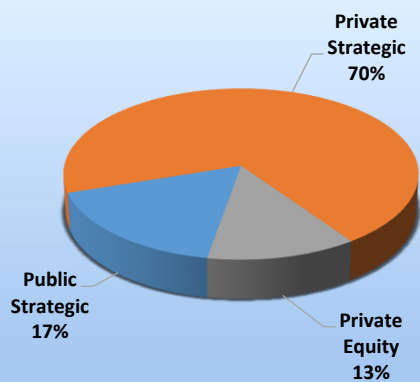
Number of Transactions 2010-H1 2016



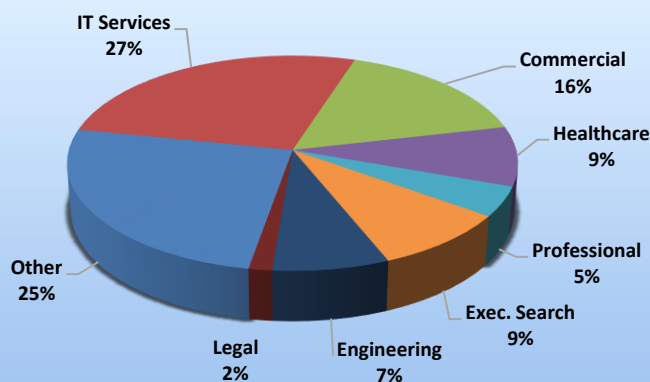
	IT Services	Commercial	Healthcare	Exec. Search	Engineering	Professional	Legal	*Other	Total
H1 2016	18	11	6	6	5	3	1	14	64
H1 2015	20	7	6	3	4	2	0	19	61

*other transactions consisted of firms providing consulting, software and outsourcing services.

H1 2016 Breakdown by Buyer



H1 2016 Breakdown by Segment



Notable Transactions for Q2 2016

- **Careo Group** – Randstad Holding NV agreed to acquire Careo Group in Japan for an undisclosed sum, doubling its presence in the Tokyo area, and its IT/engineering business. Careo Group, established in 1972, has approximately 150 full-time employees, mainly focusing on temporary staffing of engineers, clerical workers and telemarketers.
- **Ciber Netherlands** – ManpowerGroup (NYSE: MAN) acquired the Dutch business unit of IT solutions and staffing provider Ciber Inc. (NYSE: CBR). Transaction terms include a \$25.0 million cash purchase price, which is subject to a purchase price adjustment six months after closing with respect to the retention of certain Ciber Netherlands customers.
- **Ausy**– Randstad Holding NV announced it will acquire France-based consulting and engineering firm Ausy, an international consulting and engineering firm. Randstad France will offer \$55 per share to Ausy shareholders, which represents a premium of roughly 28%. Ausy generated revenues of \$394 million in 2015 and had more than 4,500 employees active in ten countries, with most located in France, Germany, the US and Belgium.
- **Envision Healthcare Holdings Inc. and AmSurg Corp.** agreed to merge in an all-stock deal that will create a super-sized US provider of physicians and healthcare services with a combined enterprise value of \$15 billion. The transaction will create one of the largest US providers of physicians in specialties, including emergency, anesthesia, radiology and children's services.

H1 2016 Transactions

Date	Target	Acquirer	Price	Target Business Description
1/4/2016	Paladin Consulting	General Employment Enterprises Inc. (NYSE MKT: JOB)	-	IT and professional staffing.
1/4/2016	Partnership Staffing	CorTech LLC	-	Light industrial and professional staffing.
1/5/2016	The Medicus Firm	M3 USA	-	Healthcare search.
1/5/2016	ALKU	WestView Capital Partners	-	SAP and PeopleSoft consulting services.
1/6/2016	Opus Staffing	TemPositions Group of Companies	-	HR, Accounting/Finance and Scientific staffing.
1/7/2016	Omni Personnel	The Hamilton-Ryker Group Inc.	-	Light industrial and clerical staffing.
1/7/2016	Legal Placement Inc.	Advanced Discovery	-	Legal staffing.
1/11/2016	HCCA International	MTS Health Investors LLC	-	Healthcare staffing.
1/11/2016	Maximum Management Corp.	The SR Group	-	Human resource recruiting
1/11/2016	Desert Personnel Services	AtWork Group	-	Hospitality and search
1/14/2016	Tandel Systems Inc.	Belcan LLC	-	Technical services and support
1/15/2016	3Ci (Charlotte and Dallas locations)	The Intersect Group	-	IT staffing
1/18/2016	PCC Technology Group, LLC	GCR Inc.	-	IT staffing and solutions services.
1/19/2016	Blass Employment Corp.	Active Staffing Services	-	Light industrial staffing.
1/19/2016	PeopleSourcer, Inc.	Cohesion Corporation	-	IT staffing.
1/21/2016	Masters IT Inc.	MSI International	-	IT staffing.
1/21/2016	ATS Medical Services, Inc.	Protransport-1, LLC	-	Healthcare staffing.
1/23/2016	Advanced Technology Solutions	Comviva Technologies Ltd.	-	IT staffing solutions.
1/26/2016	Swift Worldwide Services and Air Energi	LGV Capital and Wellspring Capital Management	-	Engineering staffing.
1/26/2016	Preferred Solutions	AccessPoint	-	IT staffing, training and consulting.
1/26/2016	Kavaliro (Knight Federal Solutions division)	Chris Beaten, Individual	-	IT staffing.
1/27/2016	East Kilbride Engineering Services	Belcan LLC	-	Engineering staffing.
1/27/2016	Action Personnel Services	Bear Staffing	-	Commercial staffing.
1/28/2016	Bencks & Co.	The Fahrenheit Group	-	Executive search.
2/1/2016	ExecuSource Inc.	JW Michaels	-	Executive search.

Date	Target	Acquirer	Price	Target Business Description
2/5/2016	EEl Communications (Staffing division)	Vector Technical Resources	-	Creative staffing services.
2/8/2016	HKA Enterprises and Cenergy Int. (Merger)	Cenergy Partners	-	IT and engineering staffing.
2/8/2016	Principal Technologies, Inc.	Strata Leadership LLC	-	IT, Engineering, accounting and HR staffing.
2/11/2016	Supplemental Healthcare	Vistria Group	-	Healthcare staffing.
2/24/2016	Atlantic Associates Inc.	Trillium Staffing	-	IT and engineering staffing.
2/26/2016	Charleston Partners	Odgers Berndston	-	Executive search.
3/4/2016	CN-TEC	Sharp Decisions, Inc.	-	IT consulting.
3/24/2016	Dell Services (IT services, consulting and BPO division)	NTT Data Inc.	\$3 Billion	IT services, consulting and BPO.
3/30/2016	Ference Partners	Industrial Search Partners	-	Executive search.
4/8/2016	BHS Hire LLC	Hire Velocity	-	Professional staffing services.
4/13/2016	The Bennett Group	Alliance Resource Group	-	Executive search.
4/29/2016	Hire Dynamics LLC	MSouth Equity Partners	-	Light industrial and clerical staffing.
4/29/2016	Frank Recruitment Group	TPG Growth	-	IT staffing.
5/5/2016	Rise Medical	Advanced Medical Personnel Services, Inc.	-	Healthcare staffing.
5/12/2016	Obiettivo Lavarò	Randstad Holding NA	\$114.9 Million	Commercial staffing.
5/31/2016	Sherwood Consulting dba Base36, Inc.	Compunnel Software Group, Inc.	-	IT staffing.
6/3/2016	CSI IT, LLC	White Wolf Capital LLC	-	IT consulting and staffing.
6/6/2016	Ciber Netherlads Dutch unit	ManpowerGroup	-	IT staffing and solutions services.
6/6/2016	Hancock Staffing	Command Center, Inc. (OTCBB: CCNI)	-	Light industrial staffing.
6/8/2016	ITC Service Group, Inc.	Moorgate Capital Partners	-	IT staffing.
6/10/2016	Careo Group	Randstad Holding nv	-	IT and engineering staffing.
6/10/2016	White Staffing Management	Elwood Staffing	-	Light industrial and clerical staffing.
6/14/2016	Penski Staffing	CorTech LLC	-	Commercial staffing.
6/15/2016	Amsurg Corp.	Envision Healthcare Holdings, Inc.	-	Outsourced physician services.
6/17/2016	Amrop AS	Russell Reynolds	-	Executive search.
6/20/2016	Ausy	Randstad Holding NV	-	Engineering and technical services.


Date	Target	Acquirer	Price	Target Business Description
6/21/2016	Skilled Labor Solutions, Inc.	Construction Labor Contractors LLC	-	Skilled labor staffing.
6/22/2016	Elliott Group Enterprises, LLC	Lockton Companies	-	Hospitality, food service, manufacturing staffing.
Staffing Related				
1/6/2016	Fortune Financial	HR Outsourcing Holdings Inc.	-	Professional Employer Organization
1/11/2016	AON Hewitt (RPO division)	PeopleScout Inc., RPO division of TrueBlue, Inc. (NYSE: TBI)	-	Recruitment Process Outsourcing
2/10/2016	Decision Strategies International	Heidrick & Struggles International Inc. (NASDAQ: HSII)	-	Strategy and leadership advisory.
2/11/2016	Summit Software	Prism HR	-	Human resource software.
5/3/2016	Danya International	DLH Holdings Corp. (NASDAQ: DLHC)	\$36.3 Million in cash and \$2.5 Million in stock.	Monitoring, compliance and evaluation.
5/25/2016	OSG Group	Sedgwick Claims Management	-	Outsourced claims management services.
6/8/2016	Jobr	Monster Worldwide Inc. (NYSE: MWW)	-	Job board.
6/13/2016	LinkedIn Corp. (NYSE: LNKD)	Microsoft Corp. (NASDAQ: MSFT)	\$26.2 Billion	Social networking.
6/14/2016	Twago	Randstad Holding na	-	Online staffing.
6/16/2016	Peak Health Solutions	AMN Healthcare Services, Inc. (NYSE: AHS)	-	Medical coding.
6/24/2016	PeopleMatter	Snagajob	-	Software.

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


De Bellas & Co. Recent Transactions



Has been acquired by




We represented the seller.





Has been recapitalized by




We advised PeopleShare.

Has been acquired by




We represented the seller.





Has been acquired by




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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 Staffing related 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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