

## H1 2019 Human Capital M&A Intelligence Report

August 1, 2019 – Irvine, CA – De Bellas & Co., the leading M&A advisory firm serving the Staffing and Workforce Solutions industries exclusively, reported today on M&A activity in H1 2019.

### Transactions

In the first half of 2019, 93 M&A transactions were announced or completed, vs. 94 in the first half of 2018. In H1 2019 the most active staffing segments were Software/Cloud with 17 transactions and IT Staffing with 13 transactions vs 10 and 16 transactions for Software/Cloud and IT Staffing respectively in H1 2018. In H1 2019 these were followed by Healthcare with 11 transactions and Commercial with 10 transactions vs 15 and 13 for Healthcare and Commercial respectively in H1 2018.

	H1 2019	H1 2018	# Change
<b>Software/Cloud</b>	17	10	7
<b>IT Staffing</b>	13	16	-3
<b>Healthcare</b>	11	15	-4
<b>Commercial</b>	10	13	-3
<b>Executive Search</b>	7	7	0
<b>Place &amp; Search</b>	6	3	3
<b>VMS/MSP/RPO</b>	6	3	3
<b>PEO</b>	3	2	1
<b>Engineering</b>	2	5	-3
<b>Legal</b>	1	3	-2
<b>Finance/Accounting</b>	1	4	-3
<b>Other</b>	16	13	3

In Q2 2019, 45 M&A transactions were announced or completed, vs. 38 in Q2 2018, representing an increase of more than 18%. In Q2 2019, the most active staffing segments were Software/Cloud and Healthcare, with 7 transactions each and Commercial with 6 transactions, vs 8 for Software/Cloud, 7 for Healthcare and 5 for Commercial in Q2 2018. These were followed by IT Staffing and VMS/MSP/RPO with 5 transactions each and Executive Search with 4 transactions in Q2 2019 vs 10 transactions for IT Staffing, and 2 transactions for both VMS/MSP/RPO and Executive Search in Q2 2018.

	Q2 2019	Q2 2018	# Change
<b>Healthcare</b>	7	7	0
<b>Software/Cloud</b>	7	8	-1
<b>Commercial</b>	6	5	1
<b>IT Staffing</b>	5	10	-5
<b>VMS/MSP/RPO</b>	5	2	3
<b>Executive Search</b>	4	2	2
<b>Finance/Accounting</b>	0	1	-1
<b>Other</b>	7	3	4

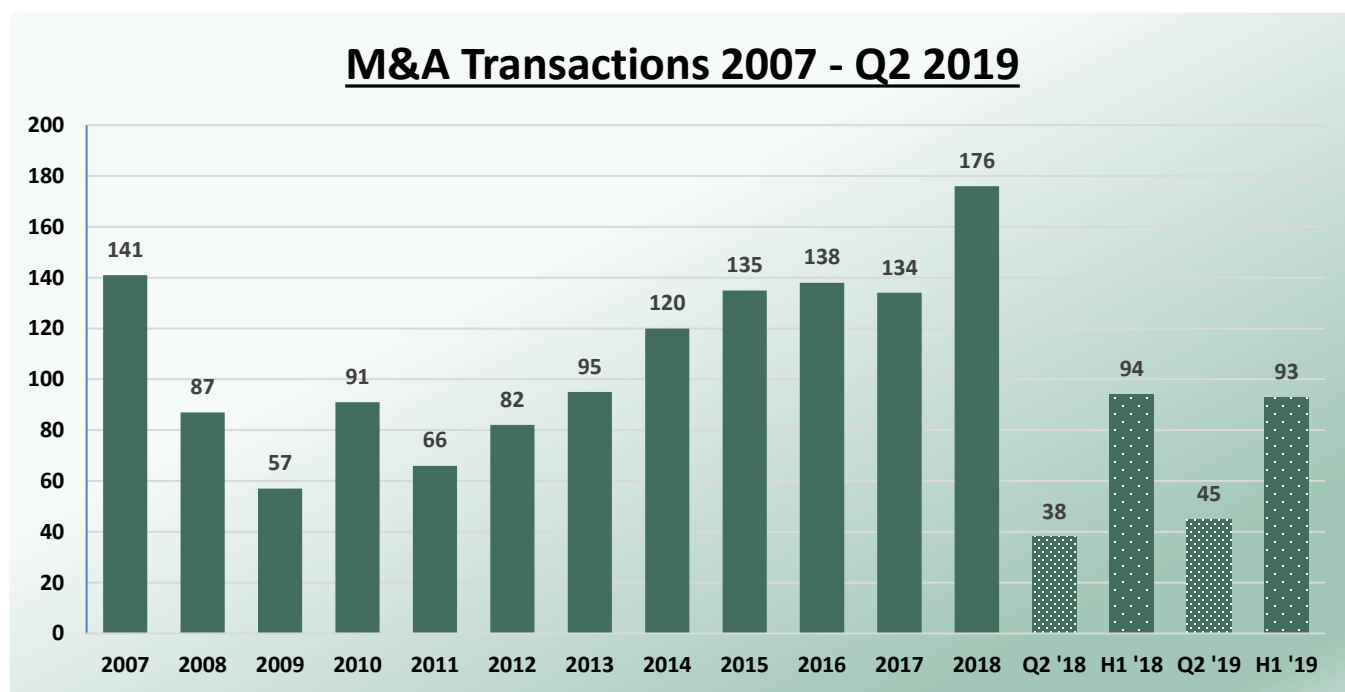
IT Staffing, Healthcare and Commercial continue to be the most sought-after staffing segments along with a recent increase in demand for Software/Cloud firms in the Workforce Solutions space. Given the demand for firms in these segments, they continue to generate the highest prices. Other professional segments, especially Executive Search and VMS/MSP/RPO, also continue to command favorable pricing.

**Buyers**

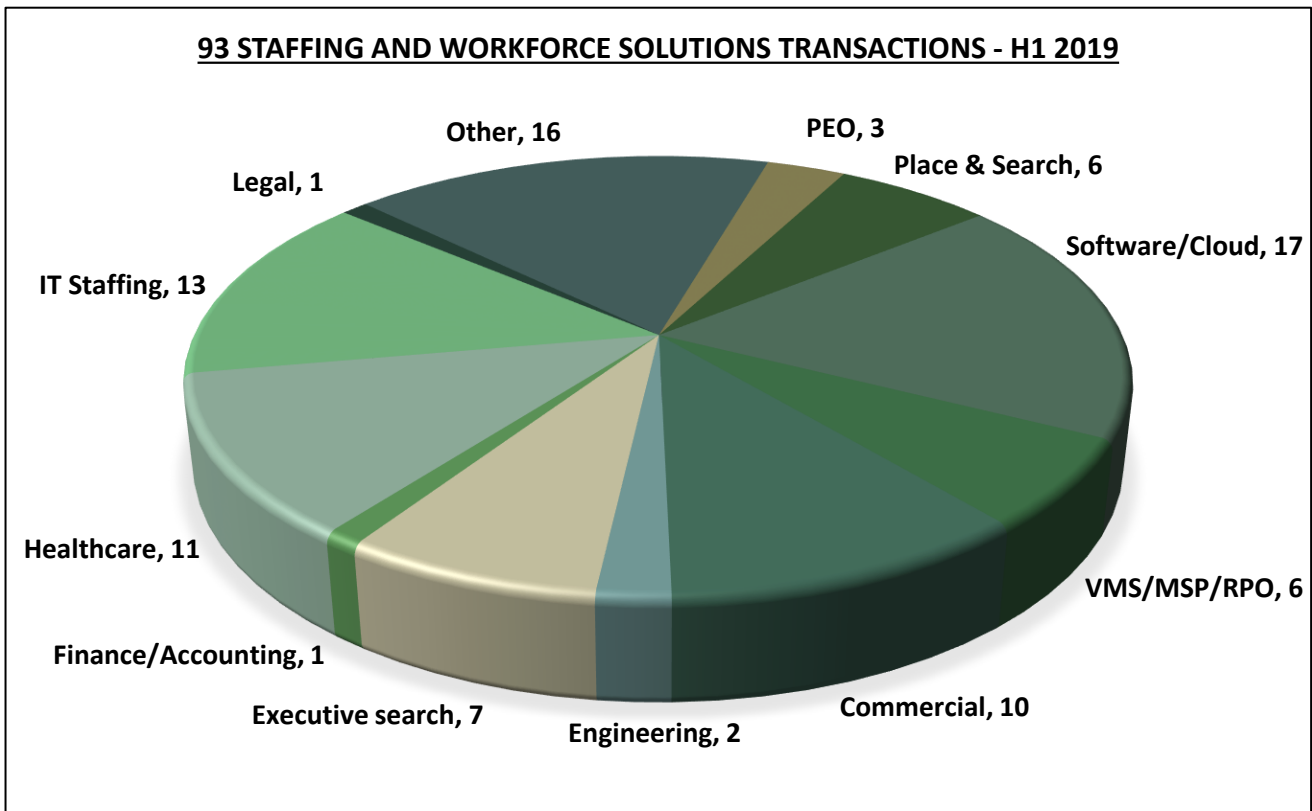
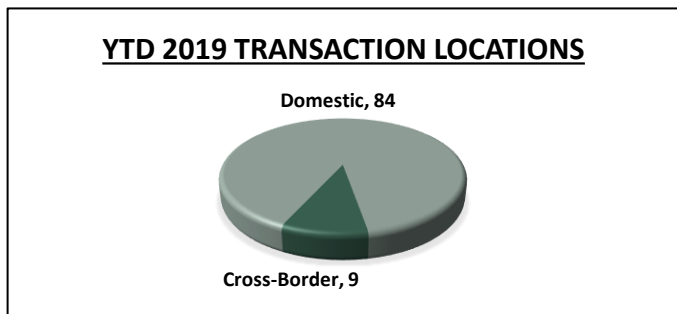
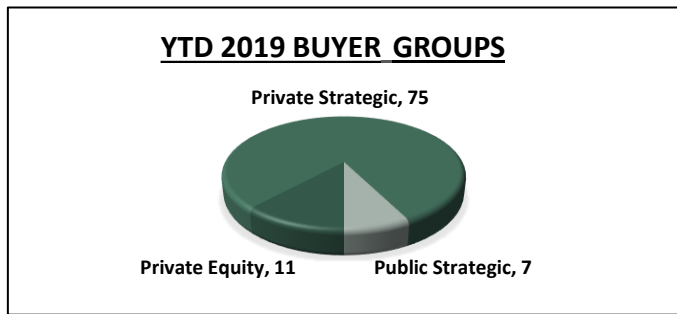
YTD 2019, Private Strategic Buyers made up 81% of the overall activity. Public Strategic Buyers accounted for 7% and Private Equity Firms accounted for 12%.

In Q2 2019 Private Strategic Buyers made up 82% of overall activity. Public Strategic Buyers accounted for 5% and Private Equity Firms accounted for 13%.

Publicly owned companies with M&A activity in Q2 2019 included AMN Healthcare Services Inc. (NYSE: AHS) and Command Center Inc. (NASDAQ: CCNI).



<b>YTD 2019 STAFFING AND WORKFORCE SOLUTIONS TRANSACTIONS</b>			
<b>Segments</b>	<b>Q1</b>	<b>Q2</b>	<b>YTD 2019</b>
Software/Cloud	10	7	17
IT Staffing	8	5	13
Healthcare	4	7	11
Commercial	4	6	10
Executive search	3	4	7
VMS/MSP/RPO	1	5	6
Place & Search	3	3	6
PEO	2	1	3
Engineering	2	0	2
Legal	1	0	1
Finance/Accounting	1	0	1
Other	9	7	16
<b>Grand Total</b>	<b>48</b>	<b>45</b>	<b>93</b>



## **Q2 2019 Notable Transactions**

**Advanced Medical Personnel Services Inc.** - AMN Healthcare Services Inc. (NYSE: AHS), the largest US healthcare staffing provider, acquired Advanced Medical Personnel Services Inc. for a reported base purchase price of \$200 million with up to an additional \$20 million to be paid if Advanced achieves certain financial results as of Dec. 31, 2019. Advanced places occupational therapists, physical therapists, speech language pathologists, and nurses in contract positions across multiple settings, including hospitals, schools, clinics, skilled nursing facilities and home health. It recently launched a platform that provides large school districts with onsite and telehealth therapists. Advanced was launched in 1989 and is headquartered in Port Orange, Florida, with an additional office in Denver.

AMN stated the acquisition is expected to add approximately \$5 million of revenue to AMN's second-quarter 2019 results; it expects Advanced to contribute \$70 million to \$75 million in revenue and approximately \$10 million adjusted EBITDA in the second half of 2019, with its fourth quarter revenue approximately 15% greater than in the third quarter due to the seasonality of Advanced's school staffing business.

**People 2.0** - CIP Capital has made an investment in Exton, Pennsylvania-based People 2.0, a global provider of tech-enabled workforce deployment solutions. People 2.0's provides employer of record (EOR), agent of record (AOR), and statement of work (SOW) services providing the ability to deploy workers anywhere in the U.S., Canada and globally. People 2.0 serves staffing firms, recruiting firms, MSPs, RPOs, and online recruitment platforms. The Company is headquartered in Exton, PA and maintains additional offices in Houston, TX and Toronto, Canada.

CIP Capital is a New York-based private equity firm focused on investing in growth-oriented, middle-market companies across the Business Information and Tech-Enabled Services sectors in North America.

**Sullivan and Cogliano** - Staffing provider CorTech LLC acquired the assets of this Boston-based IT staffing firm. Jim Cogliano, whose family had owned Sullivan and Cogliano for 52 years, will remain as VP of the merged assets.

CorTech provides temporary labor and permanent placement for all skill categories and is included on Staffing Industry Analysts' list of largest staffing firms in the US. CorTech will rebrand its IT staffing operations to Sullivan and Cogliano with all other brand names remaining unchanged. Sullivan and Cogliano will add about \$725,000 to CorTech in EBITDA on a pro forma basis for calendar year 2019. CorTech now estimates approximately \$270 million in sales and about \$19 million in EBITDA for this year.

**Accolo** provides Recruitment Process Outsourcing and was acquired by Orion Novotus, an RPO provider based in Austin, Texas. Orion Novotus is part of Orion Talent Co., which was acquired last December by L2 Capital Partners LP and Lakewood Capital LLC.

Accolo was founded in 2000, and is headquartered in Lehi, Utah. It serves small and midsize businesses throughout the US. Plans call for Accolo to operate as a division of Orion Novotus. Accolo and Orion Novotus started the Recruitment Process Outsourcing Association together nearly two decades ago.

**Command Center Inc. (NASDAQ: CCNI)**, a Colorado-based industrial staffing firm, will acquire industrial staffing provider Hire Quest Holdings LLC. The deal calls for Command Center to issue 9.8 million common shares to Hire Quest owners; in turn, that will give Hire Quest shareholders 68% ownership of Command Center's 14.5 million shares in place after the deal. Command Center will change its name to Hire Quest Inc. Hire Quest LLC operates as Trojan Labor and Acrux Staffing and provides blue-collar, light industrial and administrative staffing. It operates its business primarily on a franchise model and Command Center expects to convert its branches to independent franchises post-transaction.

Hire Quest LLC has 93 branches in 20 states and Command Center counts 67 field offices in 22 states. Command Center began trading on Nasdaq last year after settling a proxy battle with Ephraim Fields of Echo Lake Capital.



**Q1 2019 Transactions**

Date	Target	Acquirer	Seller Category
1/7/2019	Bolder Staffing Inc. and Bolder Professional Placements	Intermountain Staffing	Commercial
1/8/2019	Drive360 Logistics	TransForce Inc.	Place & Search
1/8/2019	Global Technology Associates LLC (GTA)	Kelly Services Inc. (NASDAQ: KELYA)	Engineering
1/8/2019	NextGen Global Resources LLC	Kelly Services Inc. (NASDAQ: KELYA)	Engineering
1/9/2019	Focus Management Group	G&A Partners	PEO
1/10/2019	Wepow	OutMatch	Other
1/11/2019	JDC Group	Consulting Solutions (Portfolio Company of private equity firm White Wolf Capital LLC)	IT Staffing
1/11/2019	Princeton Information	DISYS (Digital Intelligence Systems LLC)	IT Staffing
1/15/2019	Kelly Services (NASDAQ: KELYA) Legal Staffing Business Unit	Trustpoint.One	Legal
1/16/2019	PreCheck	Cisive	Healthcare
1/22/2019	The CDL School	TransForce Inc.	Other
1/23/2019	CareerBuilder	Textkernel (remaining stake that it did not already own)	Software/Cloud
1/24/2019	On Time Staffing LLC	Eclipse Advantage	Commercial
1/25/2019	Find My Flock (Job Board Technology)	Turing School of Software & Design	Software/Cloud
1/25/2019	Find My Flock (Recruiting Service)	Technical Integrity	Place & Search
1/28/2019	DHA Group Inc.	ASGN Inc. (NYSE: ASGN)	IT Staffing
1/29/2019	E.A. Hughes & Co.	Solomon Page	Executive search
1/30/2019	DLC Group	Addison Group	Finance/Accounting
2/4/2019	Sitec Recruitment Ltd.	Belcan LLC (Portfolio Company of AE Industrial Partners LP)	Place & Search
2/5/2019	Ultimate Software (NASDAQ: ULTI)	Hellman & Friedman	Software/Cloud
2/6/2019	Bamboo Talent	Riviera Partners	Executive search
2/7/2019	Tech-IT PSA SA	CTG Inc. (NASDAQ: CTG)	IT Staffing
2/7/2019	Py	Hired.com	Software/Cloud
2/11/2019	Revature	Investcorp	IT Staffing
2/13/2019	Canvas	Jobvite	Software/Cloud
2/13/2019	RolePoint	Jobvite	Software/Cloud
2/13/2019	Talemetry	Jobvite	Software/Cloud
2/13/2019	ClearVoice	Fiverr	Other
2/14/2019	Hillgate	Business Talent Group (BTG)	Software/Cloud
2/19/2019	Aventine Hill Partners	Vaco	Other
2/19/2019	Maxim Healthcare Services Home Healthcare Business	Aveanna Healthcare	Healthcare
2/20/2019	Onyx M.D.	Health Carousel	Healthcare
2/25/2019	American Personnel Staffing - Biosciences Division	Black Diamond Networks Inc.	Other
2/25/2019	USA Drivers	TransForce Inc.	Other
2/26/2019	TalentRISE	Aleron	VMS/MSP/RPO
2/26/2019	FoodStaff	Hospitality Staffing Solutions LLC	Other
3/1/2019	Kforce Government Solutions Inc. - Subsidiary of Kforce Inc. (NASDAQ: KFRC)	ManTech International Corp.	IT Staffing
3/5/2019	TechGirLz	Creating IT Futures	Other
3/6/2019	Alternative Solutions Inc.	Compunnel Software Group Inc.	Healthcare
3/11/2019	TLC Companies	SE Capital Partners LLC	PEO
3/13/2019	Figure Eight	Appen (ASX:APX) - Sydney, Australia-based	Software/Cloud
3/15/2019	Labor Temps and LTI Services	The Onin Group	Commercial
3/19/2019	Seville Staffing	Intermountain Staffing	Commercial
3/20/2019	CP Group Latam	Kingsley Gate Partners	Executive search
3/21/2019	Jitjatjo	Morningside Technology Ventures	Software/Cloud
3/25/2019	Alliance of Computer Professionals	Diversant	IT Staffing
3/28/2019	Workforce Insight	Workforce Insight's leadership team	Other
3/29/2019	Omni Resources	Saggezza	IT Staffing
4/5/2019	Cirrus Medical Staffing Inc.	Emerald Health Services	Healthcare
4/8/2019	Sullivan and Cogliano	CorTech LLC	IT Staffing
4/9/2019	Innovantage, a UK-based analytics provider in the talent ecosystem.	Erecruit Holdings LLC	Software/Cloud
4/9/2019	Command Center Inc. (NASDAQ: CCNI)	Hire Quest Holdings LLC	Commercial
4/11/2019	Reliance Staffing	PeopleShare	Commercial
4/18/2019	Shiftgig - 1) national events business lineoperations 2) contacts and service relationships of New York market	Headway Workforce Solutions	Other
4/18/2019	Shiftgig - staffing business operations in 12 markets	LGC Hospitality	Other
4/22/2019	DCR Workforce's MSP business	Workspend	VMS/MSP/RPO
4/23/2019	Aon plc's Talent Business	Spencer Stuart	Other
4/23/2019	Search Wizards Inc.	COO Miranda Hinshaw from its founder Leslie O'Connor	Place & Search
4/23/2019	VTL	CareerBuilder	Software/Cloud
4/24/2019	CV Staff Solutions	THMed - portfolio company of private equity firm New Capital Partners	Healthcare
4/24/2019	Orbis Clinica	PharmaLogics Recruiting	Healthcare


Date	Target	Acquirer	Seller Category
4/24/2019	People 2.0	CIP Capital	Other
4/25/2019	Symmetry Healthcare Solutions - operates SymmetryMSP	Aya Healthcare	VMS/MSP/RPO
4/30/2019	Flexible Workforce, LLC	Openforce, portfolio company of Riverside Partners, a Boston-based private equity firm	VMS/MSP/RPO
5/1/2019	Nissen Staffing Continuum, Inc.	6th Avenue Group, LLC	Commercial
5/2/2019	Dowd Associates	ZRG Partners	Executive search
5/2/2019	Project One Inc.	Eliassen Group	IT Staffing
5/2/2019	Credeire Group LLC	Eliassen Group	Other
5/2/2019	Engage PEO	Investment funds affiliated with private equity firm Lightyear Capital LLC	PEO
5/8/2019	Staffing Resources Inc	NSC Technologies, a portfolio company of White Wolf Capital	Commercial
5/8/2019	ULG Companies LLC	NSC Technologies, a portfolio company of White Wolf Capital	Commercial
5/14/2019	Lucidity Direct LLC	Health Carousel	Software/Cloud
5/16/2019	BlackRock Professional Services LLC	BizTek People Inc.	IT Staffing
5/16/2019	InSite Search Services	BizTek People Inc.	IT Staffing
5/16/2019	inFactor	SouthStar Capital	Other
5/21/2019	Accolo	Orion Novotus	VMS/MSP/RPO
5/22/2019	Flexwise Health Inc.	Concord Health Partners	Software/Cloud
5/28/2019	Management Recruiters International Inc. (operating as MRINetwork)	MRI Network Holdings LLC, a vehicle controlled Bert Miller, a leader in executive search and talent advisory services	Place & Search
5/30/2019	Syft	Indeed	Software/Cloud
5/30/2019	Raso Solutions	Spectra360	VMS/MSP/RPO
6/4/2019	the525group LLC	Stretto	Other
6/11/2019	Koya Leadership Partners	Diversified Search	Executive search
6/12/2019	WorthyWorks	Riviera Partners	Place & Search
6/17/2019	Advanced Medical Personnel Services Inc.	AMN Healthcare Services Inc. (NYSE: AHS)	Healthcare
6/17/2019	Progressive Nursing Staffers	FlexRN	Healthcare
6/17/2019	Jobletics Inc.	Compunnel Software Group Inc.	IT Staffing
6/18/2019	hrQ Inc.	LandrumHR	Executive search
6/18/2019	Rockstar Recruiting	The Stepping Stones Group, LLC	Healthcare
6/18/2019	Jibe Inc.	iCIMS Inc.	Software/Cloud
6/20/2019	Touch Point Staffing	BelFlex Staffing Network	Commercial
6/24/2019	WorkForce Software	Evergreen Coast Capital Corp, the tech-focused private equity arm of Elliott Management Corporation	Software/Cloud
6/26/2019	Locum Connections LLC	Aequor Healthcare Services LLC	Healthcare
6/28/2019	Fiore Global Search	ZRG Partners	Executive search

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

**De Bellas & Co. Certain Recent Transactions**

  
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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 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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De Bellas monitors nationwide consolidation activity to support its Investment Banking specialty as an advisor in all facets of M&A for its Staffing Services clients. For more information about De Bellas & Co. visit our website at: [www.debellas.com](http://www.debellas.com)

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