

Q1 2019 Human Capital M&A Intelligence Report

April 30, 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 Q1 2019.

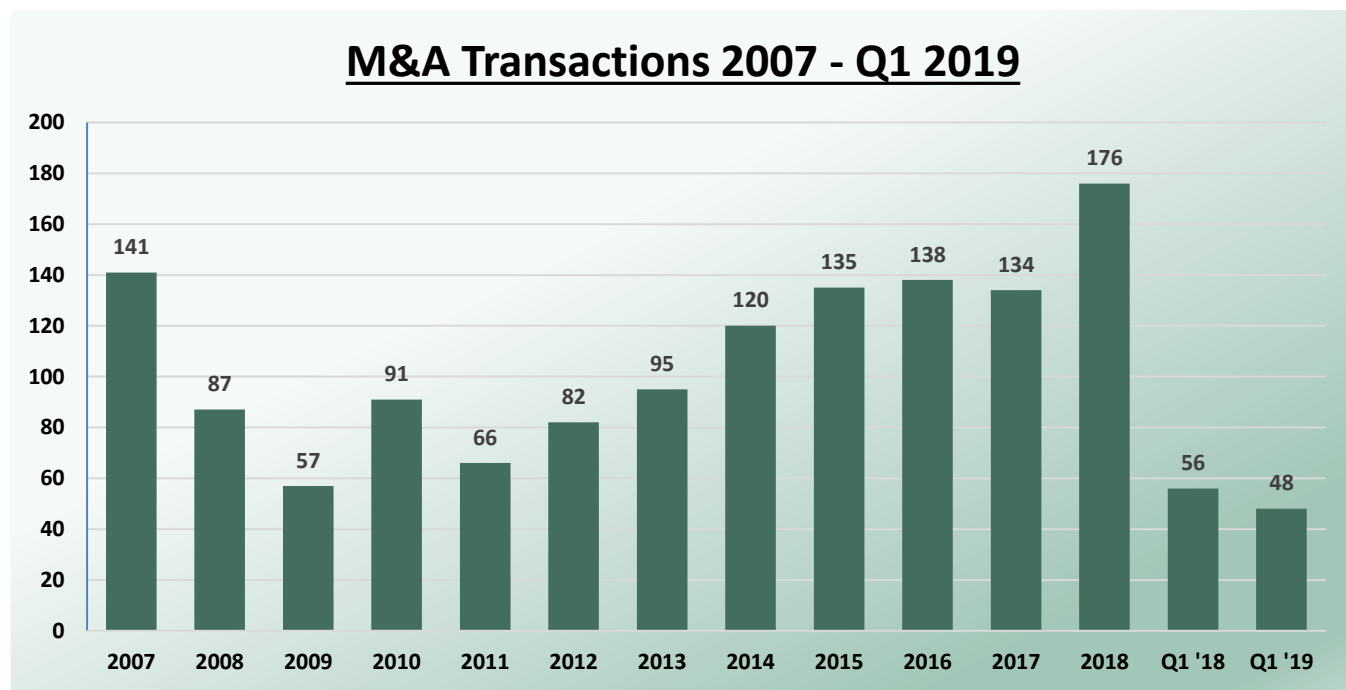
Transactions

In Q1 2019, 48 M&A transactions were announced or completed, vs. 56 in Q1 2018, representing a decrease of 14%. In this period, the most active staffing segments were Software and IT Staffing, with 10 and 8 transactions respectively, vs 2 for Software and 6 for IT Staffing last year. Commercial and Healthcare followed with 4 transactions each in Q1 2019 vs 8 transactions each in Q1 2018. IT and Healthcare staffing continue to be the most sought-after staffing segments, as well as generating the highest prices. Other professional segments also continue to command favorable pricing.

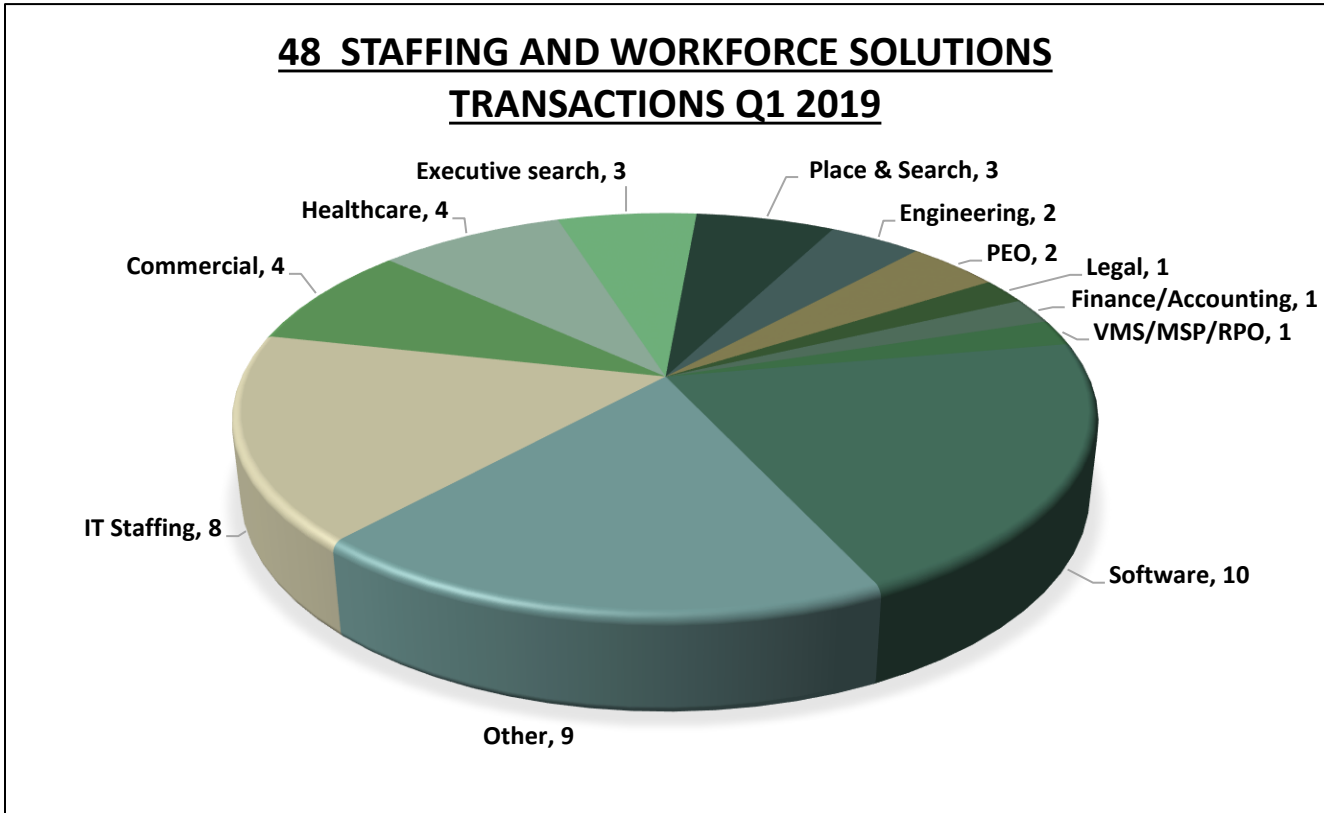
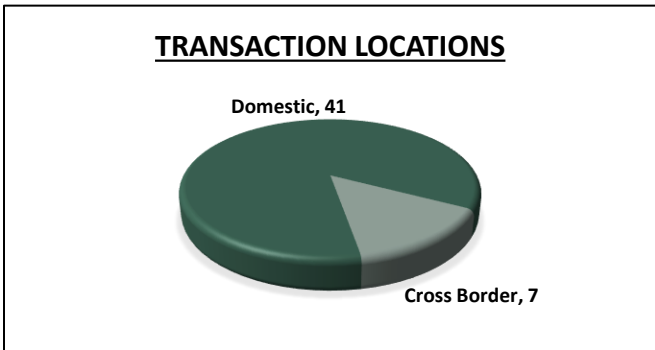
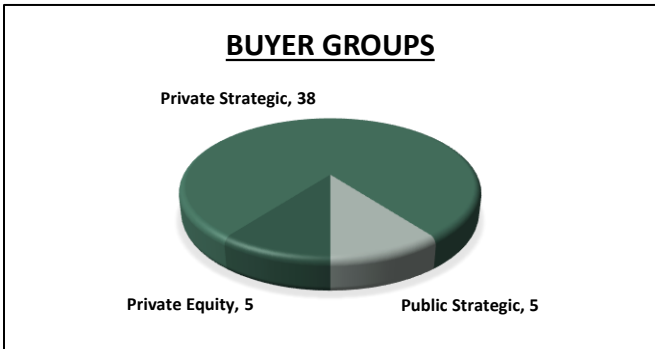
Buyers

In Q1 2019, Private Strategic Buyers made up over 79% of the overall activity. Private Equity Firms and Public Strategic Buyers accounted for over 10% each. In Q1 2018 the breakdown was similar with Private Strategic Buyers making up 75% and Private Equity Firms and Public Strategic Buyers accounting for 13% each. Transactions broke down as follows for the full year of 2018; Private Strategic Buyers were 68%, Private Equity Firms were 18% and Public Strategic Buyers were 15%.

Publicly owned companies with M&A activity in Q1 2019 included CTG Inc. (NASDAQ: CTG), Kelly Services Inc. (NASDAQ: KELYA), ASGN Inc. (NYSE: ASGN), Ultimate Software (NASDAQ: ULTI), and the Sydney, Australia-based company Appen (ASX: APX).



48 STAFFING AND WORKFORCE SOLUTIONS TRANSACTIONS - Q1 2019	
Software	10
Other	9
IT Staffing	8
Commercial	4
Healthcare	4
Executive search	3
Place & Search	3
Engineering	2
PEO	2
Legal	1
Finance/Accounting	1
VMS/MSP/RPO	1



Q1 2019 Notable Transactions

K1 Investment Management made a majority investment in Jobvite, a provider of recruitment software, including an applicant tracking system. An undisclosed portion of K1's \$200 million-plus investment was used by Jobvite to acquire three firms: recruitment marketing company Talemetry; online employee referrals platform RolePoint; and text-based conversational recruiting company Canvas. Jobvite's three acquisitions will result in more than 2,000 customers, including Fortune 500 enterprises such as Schneider Electric, Lenovo, Santander, PayPal, Genuine Parts and Panasonic, according to the company.

DHA Group Inc. - ASGN Inc. (NYSE: ASGN), a Calabasas, Calif.-based professional staffing provider, acquired DHA Group Inc. for \$46 million in cash. DHA's customers include the FBI and other government entities. Separately, ASGN announced that it expects to report fourth-quarter 2018 revenue rose 11.8% year over year on a pro forma basis to \$929.7 million.

DHA provides mobility, cybersecurity, cloud and IT services to the FBI and other government operations. It has more than 200 security-cleared employees working on a range of national security missions. DHA posted approximately \$50 million in revenue in 2018 and that is expected grow by 20% this year. It will become a part of the ECS segment at ASGN, a division formed when the company had acquired federal contractor ECS in April 2018.

Ultimate Software (NASDAQ: ULTI) - Ultimate Software, a developer of cloud-based human capital management and employee experience software, agreed to be acquired by an investor group led by private equity investment firm Hellman & Friedman. The investor group also includes Blackstone Group LP, GIC Pte Ltd, Canada Pension Plan Investment Board and JMI Equity. The all-cash transaction of \$331.50 per share values the company at approximately \$11 billion.

Ultimate Software will operate as a privately held company after the transaction, which is expected to close in mid-2019. Ultimate Software's UltiPro product provides HR, payroll, talent, and time and labor management as well as HR service delivery solutions.

Maxim Healthcare Services' Home Healthcare Business - Maxim Healthcare Services agreed to sell its Home Healthcare Business to Aveanna Healthcare, an Atlanta-based home healthcare provider. Its staffing services and population health and wellness divisions are not part of the agreement. The transaction is expected to close in the second quarter and financial terms were not disclosed. Maxim is headquartered in Columbia, Md., and ranks sixth on Staffing Industry Analysts' list of largest healthcare staffing firms in the US; however, its staffing services and population health and wellness divisions are not part of the agreement.



Kforce Government Solutions Inc. - Kforce Inc. (NASDAQ: KFRC) agreed to sell Kforce Government Solutions Inc., its federal government solutions subsidiary, to ManTech International Corp. for an aggregate cash purchase price of \$115.0 million.

Q1 2019 Transactions


Date	Target	Acquirer	Seller Category
1/7/2019	Bolder Staffing Inc. and Bolder Professional Placements	Intermountain Staffing	Commercial
1/8/2019	Global Technology Associates LLC (GTA)	Kelly Services Inc. (NASD: KELYA)	Engineering
1/8/2019	NextGen Global Resources LLC	Kelly Services Inc. (NASD: KELYA)	Engineering
1/8/2019	Drive360 Logistics	TransForce Inc.	Place & Search
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 (NASD: 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
1/24/2019	On Time Staffing LLC	Eclipse Advantage	Commercial
1/25/2019	Find My Flock (Recruiting Service)	Technical Integrity	Place & Search
1/25/2019	Find My Flock (Job Board Technology)	Turing School of Software & Design	Software
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 (NASD: ULTI)	Hellman & Friedman	Software
2/6/2019	Bamboo Talent	Riviera Partners	Executive search
2/7/2019	Tech-IT PSA SA	CTG Inc. (NASD: CTG)	IT Staffing
2/7/2019	Py	Hired.com	Software
2/11/2019	Revature	Investcorp	IT Staffing
2/13/2019	ClearVoice	Fiverr	Other
2/13/2019	Canvas	Jobvite	Software
2/13/2019	RolePoint	Jobvite	Software
2/13/2019	Talemetry	Jobvite	Software
2/14/2019	Hillgate	Business Talent Group (BTG)	Software
2/19/2019	Maxim Healthcare Services Home Healthcare Business	Aveanna Healthcare	Healthcare
2/19/2019	Aventine Hill Partners	Vaco	Other
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. (NASD: 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
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
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

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

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