

## Q1 2020 Human Capital M&A Intelligence Report

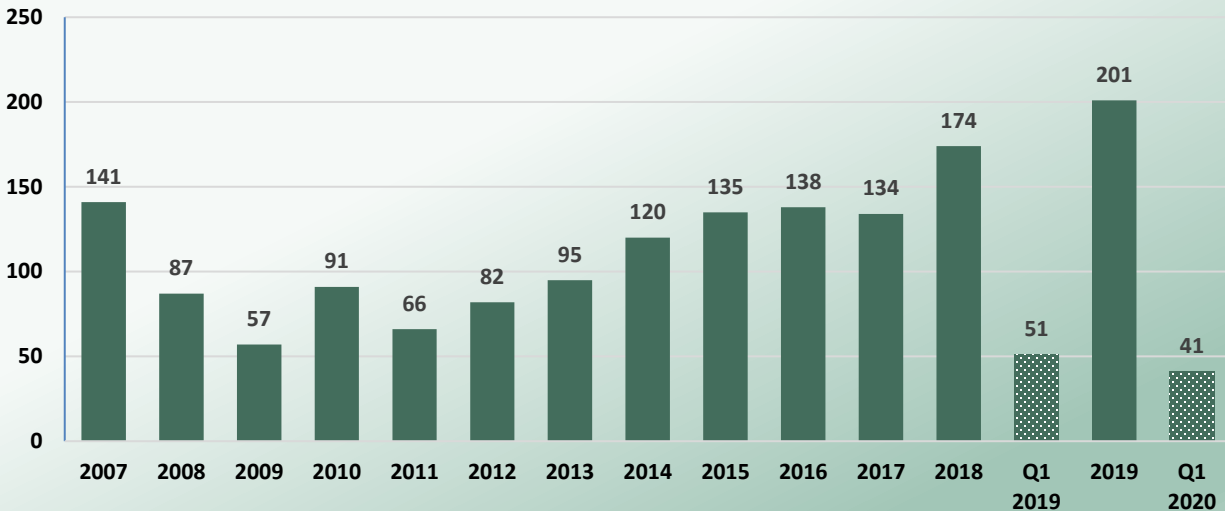
April 10, 2020 – Irvine, CA – De Bellas & Co., the leading M&A advisory firm serving the Staffing and Workforce Solutions industries exclusively, reported today on M&A activity in Q1 2020. Because of the COVID-19 pandemic, Staffing Industry Analysts is projecting double digit declines in staffing activity in 2020, with a recovery later in the year and continuing through 2021. We believe that M&A activity will be reduced as well. Despite these projections, we do want to note that many buyers are continuing to come to us to reflect their interest in making acquisitions.

### Transactions

In Q1 2020, 41 M&A transactions were announced or completed, vs. 51 in Q1 2019, representing a decrease of almost 20%. Beginning this quarter, De Bellas & Co. will use the broader list of segments used by Staffing Industry Analysts (SIA). This new segment list provides a greater breakdown of the segment we called “Software/Cloud” as well as better descriptions for firms serving multiple segments. We will continue to differentiate between Staffing and Workforce Solutions as well. Below is a table showing transactions for each segment in the first quarter of this year and last year. We will continue to show both current and prior year comparisons for the quarter just ended as well as YTD comparisons for Q2-Q4.

Segment	Q1 2020	Q1 2019	# Change
<b>STAFFING</b>			
Industrial Staffing	2	5	-3
IT Staffing	3	7	-4
Healthcare Staffing	2	3	-1
Finance/Accounting Staffing	1	1	0
Engineering/Design Staffing	0	3	-3
Life Sciences Staffing	0	1	-1
Marketing/Creative Staffing	0	1	-1
Education Staffing	1	0	1
Legal Staffing	0	1	-1
Multiple Commercial Staffing Segments	1	1	0
Multiple Professional Staffing Segments	3	0	3
Multiple Staffing Segments	2	1	1
Place & Search	2	6	-4
Other Staffing	0	1	-1
<b>WORKFORCE SOLUTIONS</b>			
Direct Work Engagement	2	1	1
Multiple Workforce Solutions	1	1	0
Payrolling/Compliance - PEO	3	3	0
Process Outsourcing (MSP-RPO-BPO)	2	1	1
Talent Acquisition Technology	9	9	0
Other Workforce Solutions	7	5	2

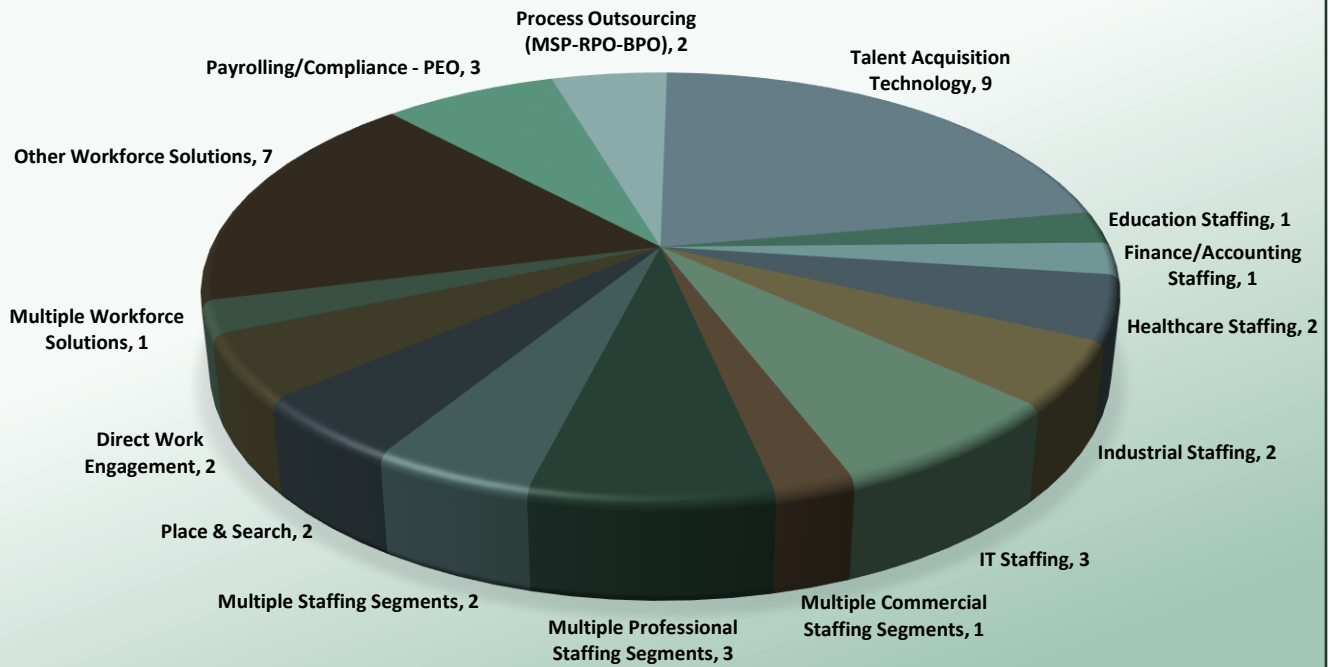
**M&A Transactions 2007 - Q1 2020**



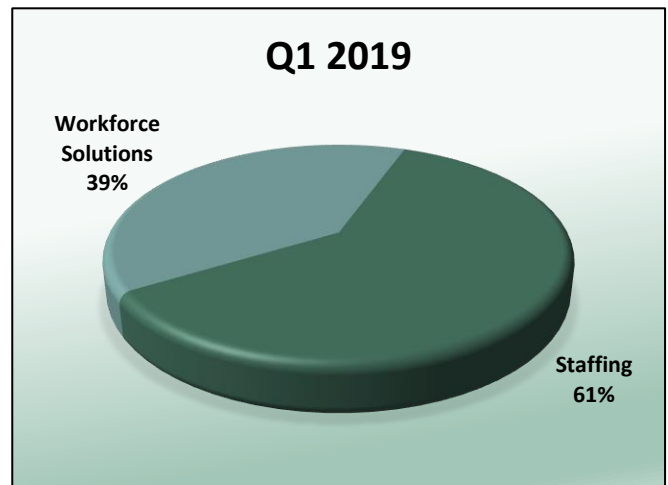
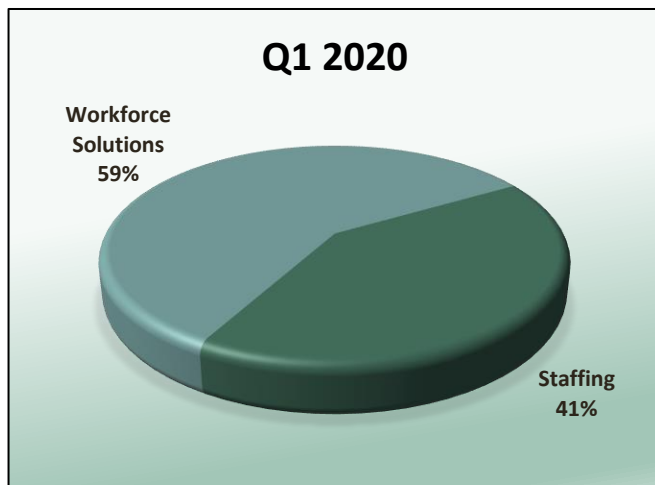
**M&A Activity Q1 2020**

Segment	Staffing/WFS	Total
Talent Acquisition Technology	Workforce Solutions	9
Other Workforce Solutions	Workforce Solutions	7
IT Staffing	Staffing	3
Multiple Professional Staffing Segments	Staffing	3
Payrolling/Compliance - PEO	Workforce Solutions	3
Healthcare Staffing	Staffing	2
Industrial Staffing	Staffing	2
Multiple Staffing Segments	Staffing	2
Place & Search	Staffing	2
Direct Work Engagement	Workforce Solutions	2
Process Outsourcing (MSP-RPO-BPO)	Workforce Solutions	2
Education Staffing	Staffing	1
Finance/Accounting Staffing	Staffing	1
Multiple Commercial Staffing Segments	Staffing	1
Multiple Workforce Solutions	Workforce Solutions	1
	<b>TOTAL</b>	<b>41</b>

**41 STAFFING AND WORKFORCE SOLUTIONS TRANSACTIONS - Q1 2020**

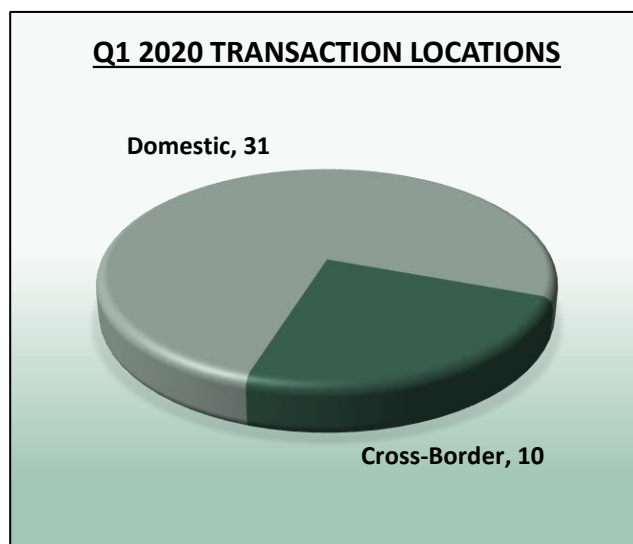


The two charts below show the percentage breakdown of Staffing transactions vs. Workforce Solutions transactions for the first quarter of this year and last year.



### Buyers

In Q1 2020 Private Strategic Buyers accounted for 63% of all transactions. Public Strategic Buyers accounted for 29% and Private Equity Firms accounted for 7%.



Publicly owned companies with M&A activity in Q1 2020 included: BG Staffing Inc. (NYSE: BGSF); Cognizant Technology Solutions Corp. (NASDAQ: CTSI); Kelly Services Inc. (NASDAQ: KELYA); Cornerstone OnDemand, Inc. (NASDAQ:CSOD); John Wiley & Sons Inc. (NYSE: JW.A, JW.B); ASGN Inc. (NYSE: ASGN); K12 Inc. (NYSE: LRN); Infosys Ltd. (NYSE: INFY); AMN Healthcare Services Inc. (NYSE: AMN); Uber Technologies Inc. (NYSE: UBER); IAC/InterActiveCorp (NASDAQ: IAC); ShiftPixy Inc. (NASDAQ: PIXY) - PEO business and Care.com (NYSE: CRCL).

## Q1 2020 Notable Transactions

**Saba Software** - Learning management platform provider Cornerstone OnDemand Inc. announced in February that it plans to acquire Saba Software for nearly \$1.4 billion. Saba Software is based in Dublin, California and operates in the learning space and talent management space. The combined company will have more than 75 million users and serve approximately 7,000 organizations and is an indication of a convergence of learning and talent management systems.

**Stratus Video Holding Co.** - This Clearwater, Florida-based company was acquired for \$475 million by AMN Healthcare Inc. (NYSE: AMN). Stratus Video provides video-based language interpretation services for the healthcare industry. The deal included the purchase of all outstanding shares in Stratus.

**Blackstone Technology Group (Federal Division)** - IT and professional staffing provider ASGN Inc. (NYSE: ASGN) acquired the federal division of Blackstone Technology Group for \$85 million in cash. The division is now part of the ASGN's ECS government IT solutions and services segment which focuses on large and complex IT solutions across key Federal government customers.

**EdgeRock Technology Partners** - BG Staffing Inc. (NYSE: BGSF) acquired EdgeRock Technology Partners for \$21.6 million in cash. EdgeRock, provides IT consultants in 40 states. It has offices in Boston; Phoenix; and Tampa, Florida. EdgeRock will operate as a separate brand within the BG family of companies. This is the 11th acquisition since 2009 for BG Staffing, a Plano, Texas-based staffing provider.

**Care.com (NYSE CRCM)** - IAC/InterActiveCorp (NASDAQ: IAC) launched a tender offer for \$15 per common share to acquire Waltham, Massachusetts-based human cloud firm Care.com (NYSE CRCM). The company is the world's largest online marketplace for finding and managing family care. The deal would pay. The \$15 per common share, all-cash transaction represented an enterprise value of approximately \$500 million.

IAC, based in New York, owns other human cloud platforms including online staffing platform BlueCrew and Handy Technologies. It also owns dating websites Match.com and Tinder as well as video website Vimeo.

**mthree** - John Wiley & Sons Inc. (NYSE: JW.A, JW.B) acquired a 100% stake in UK-based mthree, a firm that finds and trains workers in IT skills and places them in jobs, for approximately \$129 million in cash. The seller is private equity firm ECI Partners LLP.

Mthree has offices in London; New York; Hong Kong; Johannesburg, South Africa; Glasgow, Scotland; Singapore; and Grabarska, Poland.



John Wiley & Sons, based in New Jersey, was founded in 1904. It publishes scientific and technical journals as well as textbooks and other publications. It had revenue of \$1.80 billion in its last fiscal year ended 30 April 2019.

## Q1 2020 Transactions


DATE	ACQUIRER	TARGET	SEGMENT
<b>STAFFING TRANSACTIONS</b>			
1/3/2020	NSC Technologies	Staff Matters (portfolio company of White Wolf Capital)	Multiple Staffing Segments
1/7/2020	Kingsley Gate Partners	Everest Search Partners	Place & Search
1/9/2020	Ascendo Resources	Angie's Staffing	Multiple Professional Staffing Segments
1/13/2020	Kellermeyer Bergensons Services	Hospitality Staffing Solutions LLC	Industrial Staffing
1/14/2020	The Carlyle Group and Cannae Holdings - healthcare joint venture	Trust Healthcare Consulting Services - (part of Healthcare PEG WindRose Health Investors LLC)	Healthcare Staffing
1/14/2020	Ampcus Inc.	iTech Solutions Inc.	IT Staffing
1/15/2020	Kelly Services Inc. (NASDAQ: KELYA)	Insight	Education Staffing
1/16/2020	McNally Capital	Re-Sourcing Holdings	Multiple Professional Staffing Segments
1/21/2020	Staffing as a Mission LLC,	DATalent LLC	IT Staffing
1/29/2020	Versique	Midwest Financial Search	Finance/Accounting Staffing
2/6/2020	Diversified Search Group	Storbeck Search & Associates	Place & Search
2/14/2020	CorTech LLC	Metro Staffing Service	Industrial Staffing
2/25/2020	Express Employment Professionals	Frontline Recruitment Group	Multiple Staffing Segments
2/27/2020	Eliassen Group LLC	The Armada Group	IT Staffing
3/9/2020	New Heritage Capital	DeWinter Group	Multiple Professional Staffing Segments
3/9/2020	CorTech International	nine California offices from TPS	Multiple Commercial Staffing Segments
3/16/2020	The Delta Cos.	Foreman Therapy Services	Healthcare Staffing
<b>WORKFORCE SOLUTIONS TRANSACTIONS</b>			
1/3/2020	Uber Technologies Inc. (NYSE: UBER)	Careem	Talent Acquisition Technology
1/7/2020	Lyons HR	Acline HR	Payrolling/Compliance - PEO
1/8/2020	GHR Healthcare	HCTec (health information management division)	Other Workforce Solutions
1/8/2020	Ceipal	Zoniac	Talent Acquisition Technology
1/8/2020	Bullhorn	Herefish	Talent Acquisition Technology
1/8/2020	John Wiley & Sons Inc. (NYSE: JW.A, JW.B)	mthree	Other Workforce Solutions
1/9/2020	Vensure Employers Services Inc.	ShiftPixy Inc. (NASDAQ: PIXY) - PEO business	Payrolling/Compliance - PEO
1/20/2020	Cornerstone OnDemand, Inc. (NASDAQ:CSOD)	Clustree	Talent Acquisition Technology
1/22/2020	IAC/InterActiveCorp (NASDAQ: IAC)	Care.com (NYSE CRCM)	Talent Acquisition Technology
1/27/2020	ASGN Inc. (NYSE: ASGN)	Blackstone Technology Group (federal division)	Other Workforce Solutions
1/29/2020	K12 Inc. (NYSE: LRN)	Galvanize Inc.	Other Workforce Solutions
1/30/2020	Mountain Ltd. (division of System One)	Level 5 Consulting Engineers	Other Workforce Solutions
1/30/2020	AMN Healthcare Services Inc. (NYSE: AMN)	Stratus Video Holding Co.	Process Outsourcing (MSP-RPO-BPO)
2/4/2020	BG Staffing Inc. (NYSE: BGSF)	EdgeRock Technology Partners	Direct Work Engagement
2/6/2020	CHG Healthcare	LocumsMart	Talent Acquisition Technology
2/11/2020	PharmaLex Group	Arbour Group LLC (from private equity firm Keystone Capital Inc.)	Other Workforce Solutions
2/11/2020	Accurate Background	CareerBuilder Employment Screening business	Talent Acquisition Technology
2/11/2020	Infosys Ltd. (NYSE: INFY)	Simplus	Other Workforce Solutions
2/13/2020	People 2.0	WePayPeople	Payrolling/Compliance - PEO
2/18/2020	PullRequest Inc.	Moonlight	Talent Acquisition Technology
2/19/2020	WorkJam	Forge	Talent Acquisition Technology
2/28/2020	Cornerstone OnDemand, Inc. (NASDAQ:CSOD)	Saba Software	Multiple Workforce Solutions
3/5/2020	Cielo	AsiaNet China	Process Outsourcing (MSP-RPO-BPO)
3/23/2020	Cognizant Technology Solutions Corp. (NASDAQ: CTSH)	Lev	Direct Work Engagement

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

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

  
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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 250 completed transactions and have performed hundreds of valuations, and other corporate financial advisory assignments. De Bellas monitors nationwide consolidation activity to support its Investment Banking specialty. For more information about De Bellas & Co. please visit our website at: [www.debellas.com](http://www.debellas.com)

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