

H1 2020 Human Capital M&A Intelligence Report

August 13, 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 Q2 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.

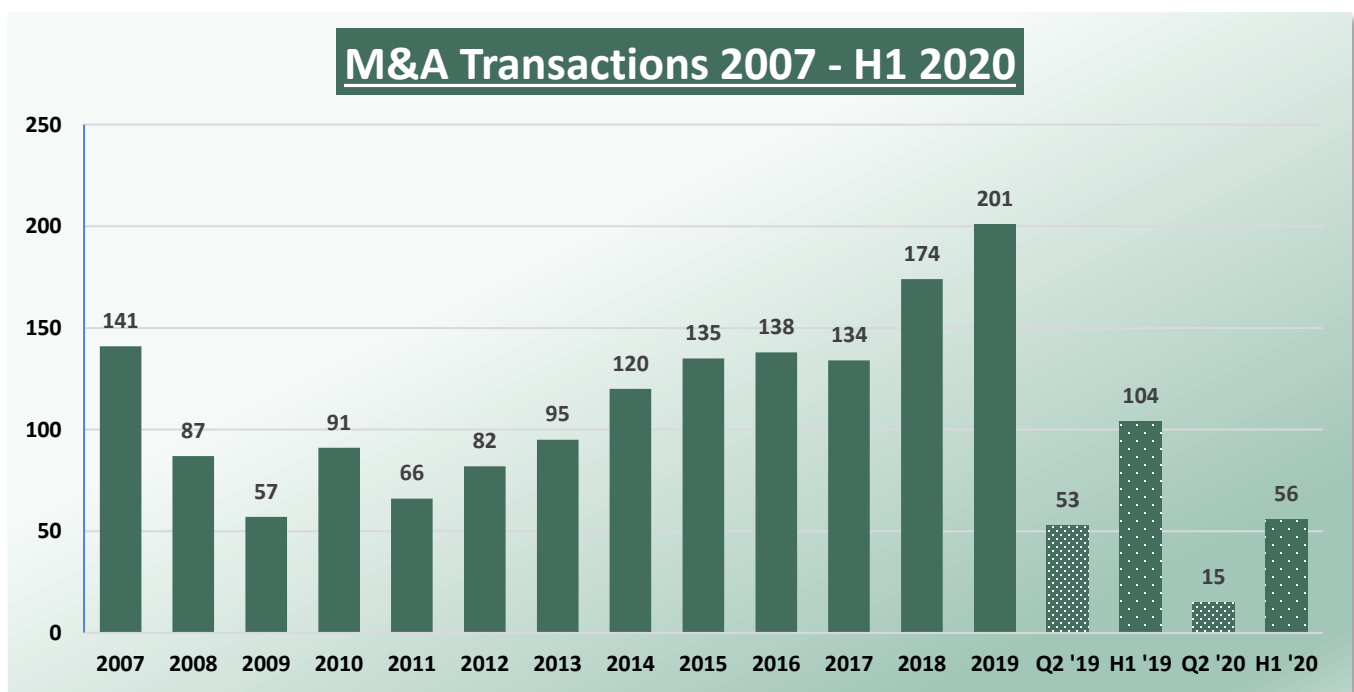
Transactions

In H1 2020, 56 M&A transactions were announced or completed, vs. 104 in H1 2019, representing a decrease of 46%. Below is a table showing transactions for each segment in the first half of this year and last year.

Segment	H1 2020	H1 2019	# Change
STAFFING			
Industrial Staffing	3	10	-7
IT Staffing	3	10	-7
Healthcare Staffing	4	10	-6
Finance/Accounting Staffing	1	2	-1
Engineering/Design Staffing	0	3	-3
Life Sciences Staffing	0	2	-2
Marketing/Creative Staffing	0	1	-1
Education Staffing	1	0	1
Legal Staffing	0	1	-1
Other Professional Staffing	1	0	1
Multiple Commercial Staffing Segments	2	4	-2
Multiple Professional Staffing Segments	4	1	3
Multiple Staffing Segments	2	1	1
Place & Search	2	14	-12
Other Staffing	0	2	-2
WORKFORCE SOLUTIONS			
Direct Work Engagement	3	1	2
Multiple Workforce Solutions	1	1	0
Payrolling/Compliance - PEO	6	6	0
Process Outsourcing (MSP-RPO-BPO)	2	7	-5
Talent Acquisition Technology	11	19	-8
Other Workforce Solutions	10	9	1

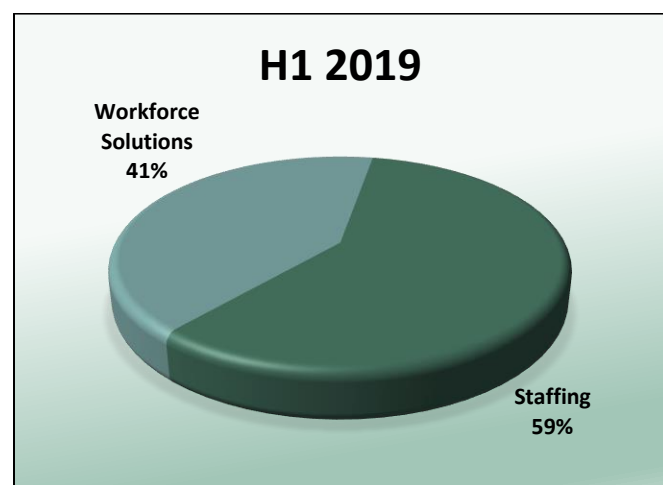
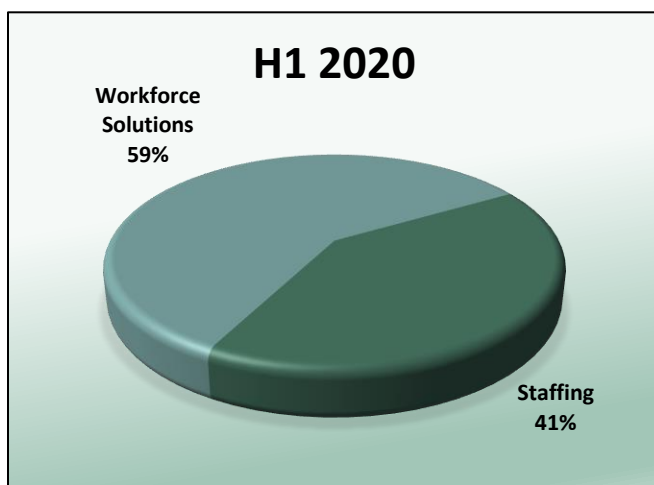
In Q2 2020, 15 M&A transactions were announced or completed, vs. 53 in Q2 2019, representing a decrease of 72%. Below is a table showing transactions for each segment in the first quarter of this year and last year.

Segment	Q2 2020	Q2 2019	# Change
STAFFING			
Industrial Staffing	1	5	-4
IT Staffing	0	3	-3
Healthcare Staffing	2	7	-5
Finance/Accounting Staffing	0	1	-1
Life Sciences Staffing	0	1	-1
Other Professional Staffing	1	0	1
Multiple Commercial Staffing Segments	1	3	-2
Multiple Professional Staffing Segments	1	1	0
Place & Search	0	8	-8
Other Staffing	0	1	-1
WORKFORCE SOLUTIONS			
Direct Work Engagement	1	0	1
Payrolling/Compliance - PEO	3	3	0
Process Outsourcing (MSP-RPO-BPO)	0	6	-6
Talent Acquisition Technology	2	10	-8
Other Workforce Solutions	3	4	-1

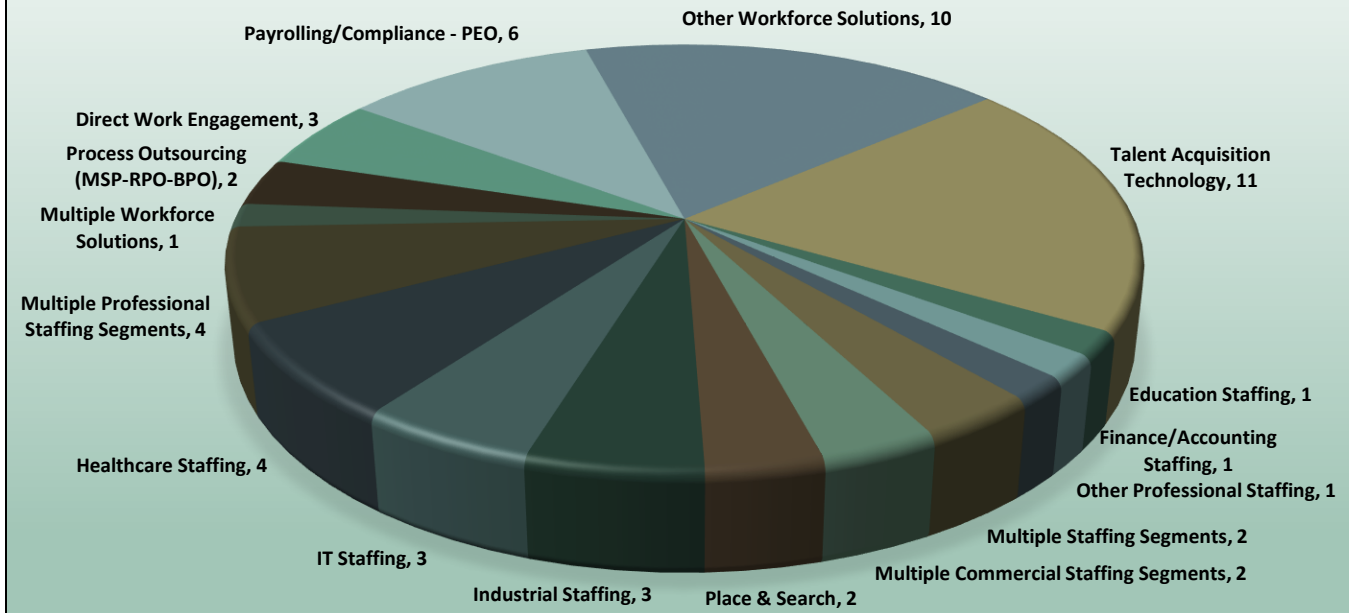


M&A Activity H1 2020					
Segment	Staffing/WFS	Q1	Q2	Total	
Talent Acquisition Technology	Workforce Solutions	9	2	11	
Other Workforce Solutions	Workforce Solutions	7	3	10	
Payrolling/Compliance - PEO	Workforce Solutions	3	3	6	
Healthcare Staffing	Staffing	2	2	4	
Multiple Professional Staffing Segments	Staffing	3	1	4	
Industrial Staffing	Staffing	2	1	3	
IT Staffing	Staffing	3	0	3	
Direct Work Engagement	Workforce Solutions	2	1	3	
Multiple Commercial Staffing Segments	Staffing	1	1	2	
Multiple Staffing Segments	Staffing	2	0	2	
Place & Search	Staffing	2	0	2	
Process Outsourcing (MSP-RPO-BPO)	Workforce Solutions	2	0	2	
Finance/Accounting Staffing	Staffing	1	0	1	
Education Staffing	Staffing	1	0	1	
Other Professional Staffing	Staffing	0	1	1	
Multiple Workforce Solutions	Workforce Solutions	1	0	1	
TOTAL		41	15	56	

The two charts below show the percentage breakdown of Staffing transactions vs. Workforce Solutions transactions for the first half of this year and last year. Note that the categories have reversed since last year. Workforce Solutions gained 18% and Staffing lost 18%.



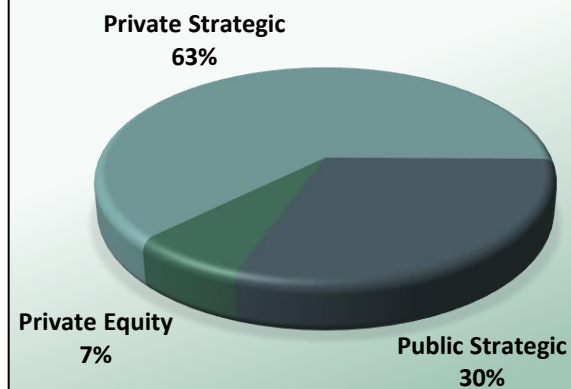
56 STAFFING AND WORKFORCE SOLUTIONS TRANSACTIONS - H1 2020



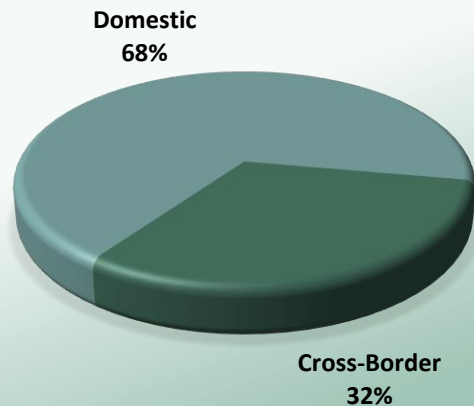
Buyers

In H1 2020 Private Strategic Buyers accounted for 63% of all transactions. Public Strategic Buyers accounted for 30% and Private Equity Firms accounted for 7%.

H1 2020 BUYER GROUPS



H1 2020 TRANSACTION LOCATIONS



Publicly owned companies with M&A activity in H1 2020 included: BG Staffing Inc. (NYSE: BGSF); Cognizant Technology Solutions Corp. (NASDAQ: CTSH); 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; Care.com (NYSE: CRCM); Cognizant Technology (NASDAQ: CTSH); Ceridian HCM Holding (NYSE: CDAY); Grubhub Inc. (NYSE: GRUB); Microsoft (NASDAQ: MSFT); and Target (NYSE: TGT).

Q2 2020 Notable Transactions

Grubhub Inc. (NYSE: GRUB) – Grubhub, which ranks as the ninth largest B2C human cloud platform has struck a deal to be acquired by Just Eat Takeaway.com. The deal is expected to close in the first quarter of 2021.

Grubhub shareholders will receive shares in Just Eat Takeaway.com in the all-stock transaction. The deal values Grubhub shares at \$75.15 each implying total equity consideration of \$7.3 billion. Grubhub shareholders are expected to own shares representing approximately 30% of the combined company after the deal.



The combined company will be headquartered in Amsterdam with its North American headquarters in Chicago.

Q1 2020 Transactions


DATE	ACQUIRER	TARGET	SEGMENT
STAFFING TRANSACTIONS			
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
WORKFORCE SOLUTIONS TRANSACTIONS			
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



Division of


Has been acquired 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.






Has been recapitalized 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





Has been acquired by



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 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

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