

Q3 2020 Human Capital M&A Intelligence Report

November 24, 2020 – Austin, TX – De Bellas & Co., the leading M&A advisory firm serving the Staffing and Workforce Solutions industries exclusively, reported today on M&A activity in Q3 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 recover commensurately. We note that Q3 2020 activity more than doubled versus Q2 2020. Also, many buyers are continuing to come to us to reflect their interest in making acquisitions.

Transactions

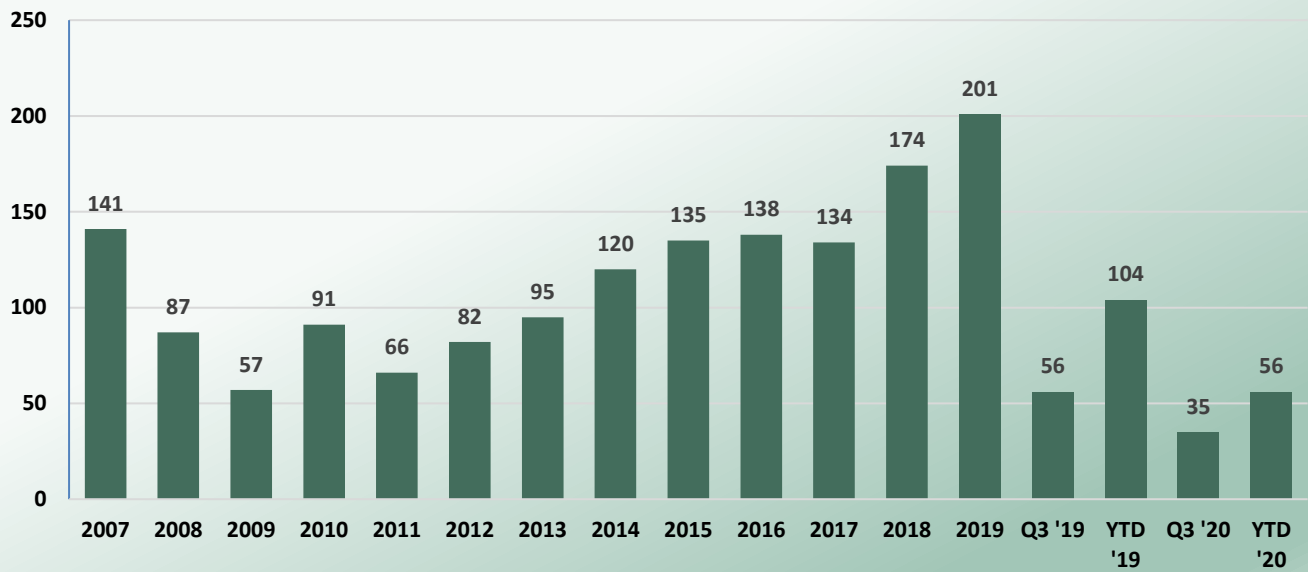
In Q1-Q3 2020, 91 M&A transactions were announced or completed, vs. 160 in Q1-Q3 2019, representing a decrease of 43%. Below is a table showing transactions for each segment during the first three quarters of this year and last year.

SEGMENT	Q1-Q3 2020	Q1-Q3 2019	#CHANGE
STAFFING			
Education Staffing	1	2	-1
Engineering/Design Staffing	2	3	-1
Finance/Accounting Staffing	1	4	-3
Healthcare Staffing	8	15	-7
Industrial Staffing	3	16	-13
IT Staffing	10	14	-4
Legal Staffing	1	2	-1
Life Sciences Staffing	0	2	-2
Marketing/Creative Staffing	0	2	-2
Multiple Commercial Staffing Segments	3	5	-2
Multiple Professional Staffing Segments	6	4	2
Multiple Staffing Segments	2	6	-4
Other Professional Staffing	1	1	0
Other Staffing		2	-2
Place & Search	2	19	-17
WORKFORCE SOLUTIONS			
Direct Work Engagement	6	4	2
Multiple Workforce Solutions	3	1	2
Other Workforce Solutions	13	12	1
Payrolling/Compliance - PEO	6	8	-2
Process Outsourcing (MSP-RPO-BPO)	4	9	-5
Talent Acquisition Technology	19	29	-10

In Q3 2020, 35 M&A transactions were announced or completed, vs. 56 in Q3 2019, representing a decrease of nearly 38%. Below is a table showing transactions for each segment in the third quarter of this year and last year.

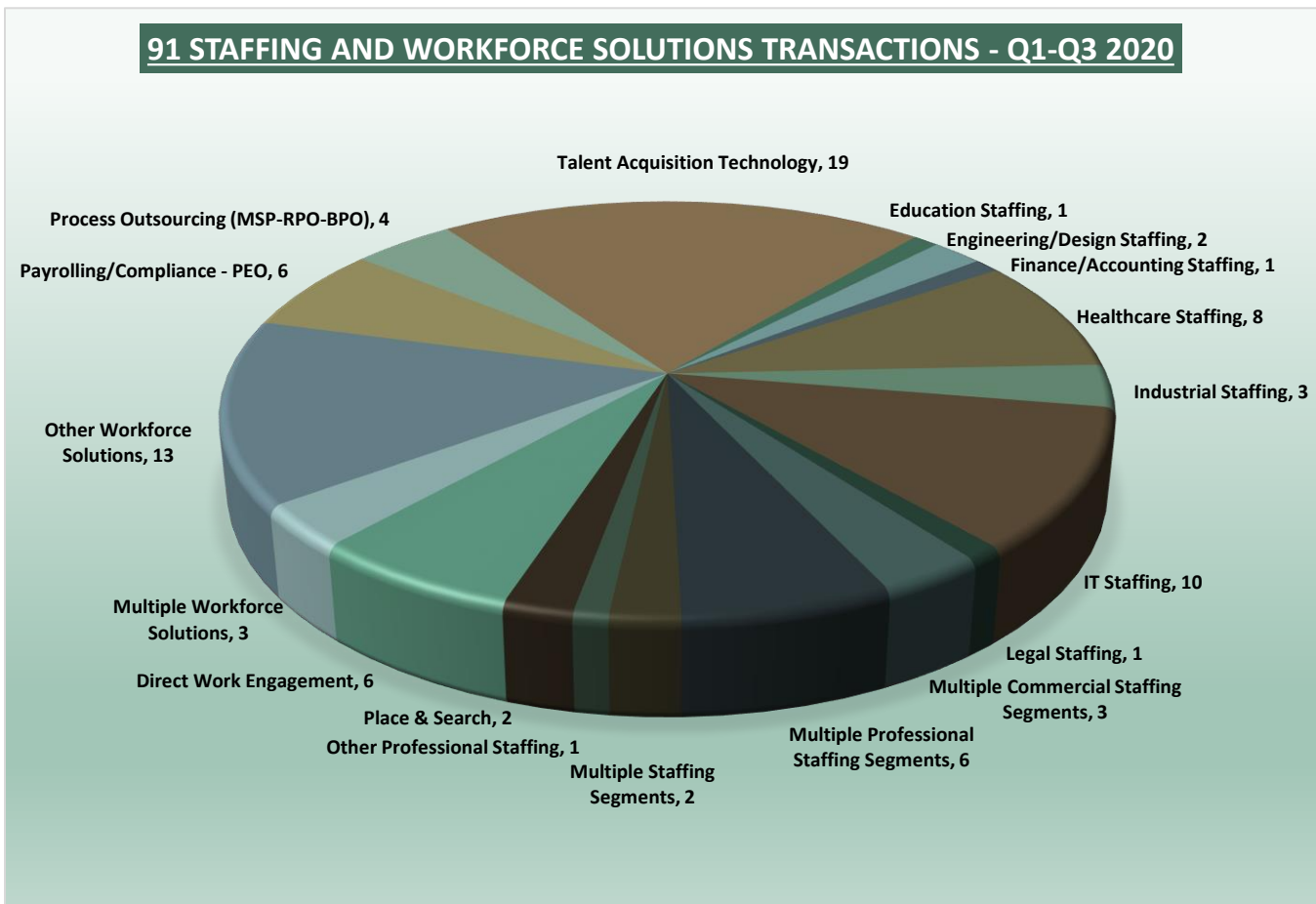
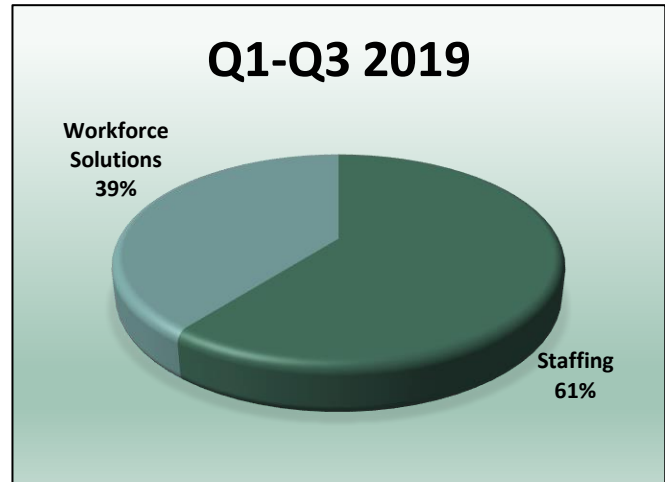
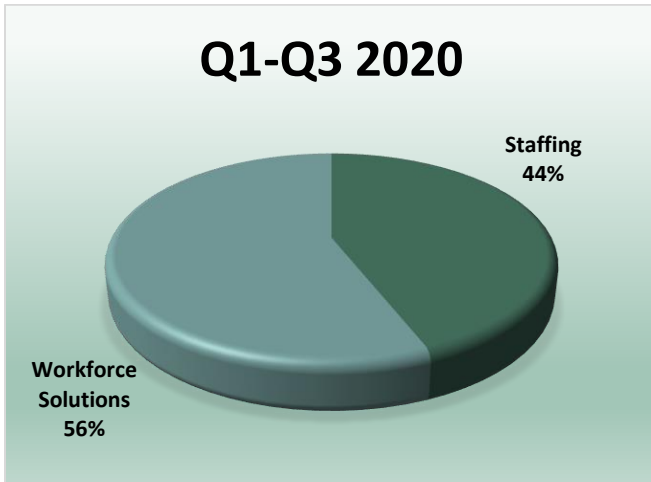
SEGMENT	Q3-2020	Q3-2019	#CHANGE
STAFFING			
Staffing	17	36	-19
Education Staffing	0	2	-2
Engineering/Design Staffing	2	0	2
Finance/Accounting Staffing	0	2	-2
Healthcare Staffing	4	5	-1
Industrial Staffing	0	6	-6
IT Staffing	7	4	3
Legal Staffing	1	1	0
Marketing/Creative Staffing	0	1	-1
Multiple Commercial Staffing Segments	1	1	0
Multiple Professional Staffing Segments	2	3	-1
Multiple Staffing Segments	0	5	-5
Other Professional Staffing	0	1	-1
Place & Search	0	5	-5
Workforce Solutions	0	0	0
WORKFORCE SOLUTIONS			
Direct Work Engagement	3	3	0
Multiple Workforce Solutions	2		2
Other Workforce Solutions	3	3	0
Payrolling/Compliance - PEO	0	2	-2
Process Outsourcing (MSP-RPO-BPO)	2	2	0
Talent Acquisition Technology	8	10	-2

M&A Transactions 2007 - Q3 2020



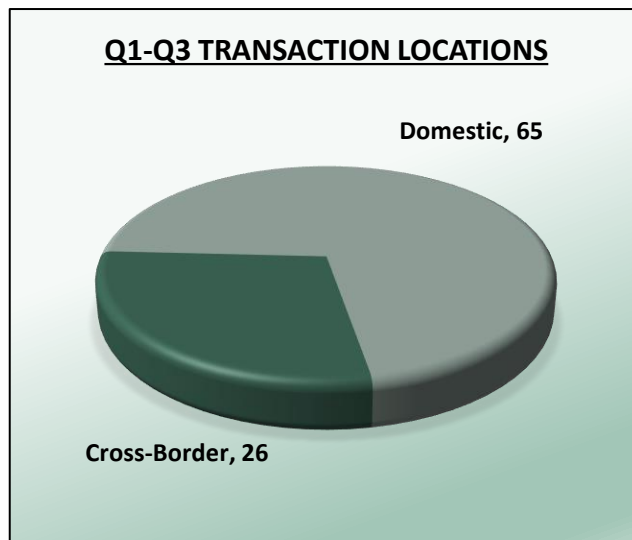
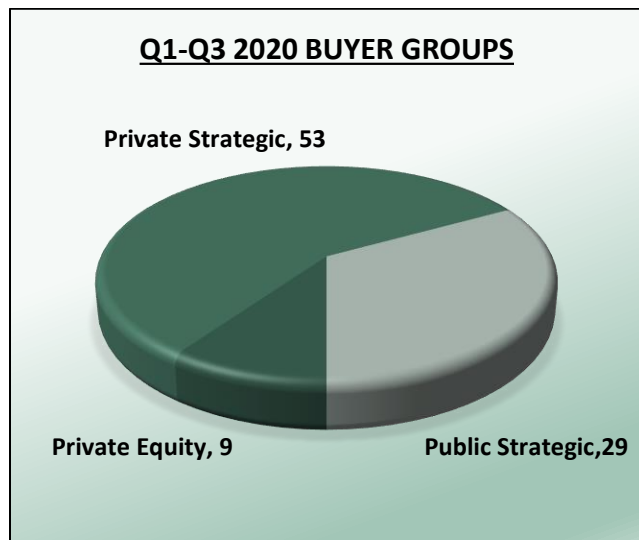
Segment	Staffing/WFS	Q1	Q2	Q3	Total
Talent Acquisition Technology	Workforce Solutions	9	2	8	19
Other Workforce Solutions	Workforce Solutions	7	3	3	13
IT Staffing	Staffing	3	0	7	10
Healthcare Staffing	Staffing	2	2	4	8
Direct Work Engagement	Workforce Solutions	2	1	3	6
Multiple Professional Staffing Segments	Staffing	3	1	2	6
Payrolling/Compliance - PEO	Workforce Solutions	3	3	0	6
Process Outsourcing (MSP-RPO-BPO)	Workforce Solutions	2	0	2	4
Industrial Staffing	Staffing	2	1	0	3
Multiple Commercial Staffing Segments	Staffing	1	1	1	3
Multiple Workforce Solutions	Workforce Solutions	1	0	2	3
Engineering/Design Staffing	Staffing	0	0	2	2
Multiple Staffing Segments	Staffing	2	0	0	2
Place & Search	Staffing	2	0	0	2
Education Staffing	Staffing	1	0	0	1
Finance/Accounting Staffing	Staffing	1	0	0	1
Legal Staffing	Staffing	0	0	1	1
Other Professional Staffing	Staffing	0	1	0	1
TOTAL		41	15	35	91

The two charts below show the percentage breakdown of Staffing transactions vs. Workforce Solutions transactions for the first three quarters of this year and last year. Workforce Solutions gained 17% in 2020 and Staffing lost 17%.



Buyers

During Q1-Q3 2020 Private Strategic Buyers accounted for 58% of all transactions. Public Strategic Buyers accounted for 32% and Private Equity Firms accounted for 10%.



Publicly owned companies with M&A activity YTD 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); Target (NYSE: TGT); Adevinta (OSL: ADE); Accenture (NYSE: ACN); Addus HomeCare Corporation (NASDAQ: ADUS); Futuris Co. (OTC: FTRS); GI Group; and TSR (NASDAQ: TSRI).

Q3 2020 Notable Transactions

Ebay's Online Classified Ad Business - Norwegian online job advertising firm, Adevinta (ADE:OSL), will acquire eBay's online classified ad business in a deal valued at \$9.2 billion. Both companies operate several classified websites. They provide all types of classified advertising including job advertising.

Adevinta, based in Norway, is majority-owned by Schibsted ASA, which SIA ranks as the 25th largest online job advertising firm in the world. Adevinta operates in 15 countries with 35 digital products and websites. eBay is ranked 33rd in the same report.

eBay's classifieds include 12 brands in 13 countries. Several of eBay's classified sites offer job advertisements among their advertising offerings. The sites include Gumtree in the UK, Australia, Singapore and South Africa; eBay Kleinanzeigen in Germany; Marktplaats in the Netherlands; and Kijiji in Canada and Italy.

The deal calls for eBay to receive US\$2.5 billion (€2.19 billion) in cash and 540 million shares in Adevinta, representing an equity stake of approximately 44% (the voting stake would be approximately 33.3%).

Kaleidoscope Innovation Inc. - Infosys Ltd. (NYSE: INFY) announced a deal to acquire a 100% stake in Kaleidoscope Innovation Inc. from its founders for up to \$42 million, including earnout, management incentives and bonuses. Kaleidoscope Innovation, based in Cincinnati, offers product design and development, with its services focused primarily on medical devices. The company also offers staffing. It had revenue of \$20.6 million in 2019.

Among its services, Kaleidoscope designs microsurgical instruments that are used in minimally invasive surgery, drug delivery devices for ophthalmic therapies and wearable devices.

LeapFrog Systems Inc. - ASGN Inc. (NYSE: ASGN) is paying \$72.0 million to acquire this Boston-based technology consultancy focused on digital transformation. LeapFrog is joining ASGN's Apex Systems division. LeapFrog anticipates 2020 revenue of \$33.3 million and double-digit revenue growth in 2021.

Nichiigakkan - Bain Capital will purchase this Japanese nursing-home operator and outsourcing firm for \$1.2 billion. Nichiigakkan's core businesses of elderly care, childcare and hospital staffing are growing steadily, according to the company, as demand for the services are rising in a country with a rapidly ageing population.

Postmates Inc. - Human cloud firm Uber Technologies Inc. (NYSE: UBER) is acquiring human cloud delivery firm Postmates Inc. for \$2.65 billion in an all-stock transaction representing 84 million shares in common stock. The deal is set to close in the first quarter of 2021.

Uber will combine the Postmates business with its Uber Eats business led by Pierre-Dimitri Gore-Coty, VP of Uber's delivery business. Postmates' app will continue to run separately; the company plans to combine the merchant and delivery networks.

Postmates had \$643 million in gross bookings in the first quarter. Uber CFO Nelson Juseuk Chai said Covid-19 has accelerated the push toward food delivery.



Q1-Q3 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	Ampcus Inc.	iTech Solutions Inc.	IT 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
1/15/2020	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	CorTech International	nine California offices from TPS	Multiple Commercial Staffing Segments
3/9/2020	New Heritage Capital	DeWinter Group	Multiple Professional Staffing Segments
3/16/2020	The Delta Cos.	Foreman Therapy Services	Healthcare Staffing
5/14/2020	The Boston Group	People Prime Worldwide	Multiple Professional Staffing Segments
6/10/2020	Central Research	Skyline Ultd.	Other Professional Staffing
6/16/2020	THMED	Doximity	Healthcare Staffing
6/22/2020	NSC Technologies	Anistar Technologies	Industrial Staffing
6/23/2020	Ascend Staffing (previously Intermountain Staffing)	1-Call Staffing	Multiple Commercial Staffing Segments
6/30/2020	Qualivis (subsidiary of Aya Healthcare)	Staffing operations of Association Purchasing Services	Healthcare Staffing
7/1/2020	Addus HomeCare Corporation (NASDAQ: ADUS)	A Plus Health Care	Healthcare Staffing
7/2/2020	Advanced Resources Group	St. Louis Staffing	Multiple Commercial Staffing Segments
7/15/2020	Lexitas Legal	Lumen Legal	Legal Staffing
7/16/2020	Joulé	Healthcare contingent staffing business of Syneos	Healthcare Staffing
7/17/2020	XDuce	SANS Consulting (majority stake)	IT Staffing
7/28/2020	SSi People	Townsend & Associates	Multiple Professional Staffing Segments
8/14/2020	Futuris Co. (OTC: FTRS)	Pioneer Global Inc.	IT Staffing
8/19/2020	Bain Capital	Nichiigakkan	Healthcare Staffing
8/27/2020	Job.com	HireVergence	IT Staffing
9/2/2020	TSR (NASDAQ: TSRI)	Geneva Consulting Group Inc.	IT Staffing
9/2/2020	Triage Medical Staffing	TaleMed	Healthcare Staffing
9/4/2020	Infosys (NYSE: INFY)	Kaleidoscope Innovation	Engineering/Design Staffing
9/9/2020	Futuris Co. (OTC: FTRS)	Fortek	IT Staffing
9/9/2020	Futuris Co. (OTC: FTRS)	Soft2001	IT Staffing
9/15/2020	Caymus Equity Partners	PlanIT	IT Staffing
9/24/2020	The Alliance of Professionals & Consultants Inc.	True North Talent Group	Engineering/Design Staffing
9/28/2020	Management buyout	firstPRO 360 (a division of Staffing 360 Solutions (NASDAQ: STAF))	Multiple Professional Staffing Segments
WORKFORCE SOLUTIONS TRANACTIONS			
1/3/2020	Uber Technologies Inc. (NYSE: UBER)	Careem	Talent Acquisition Technology


DATE	ACQUIRER	TARGET	SEGMENT
1/7/2020	Lyons HR	Acline HR	Payrolling/Compliance - PEO
1/8/2020	Bullhorn	Herefish	Talent Acquisition Technology
1/8/2020	Ceipal	Zoniac	Talent Acquisition Technology
1/8/2020	GHR Healthcare	HCTec (health information management division)	Other Workforce Solutions
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	Accurate Background	CareerBuilder Employment Screening business	Talent Acquisition Technology
2/11/2020	PharmaLex Group	Arbour Group LLC (from private equity firm Keystone Capital Inc.)	Other Workforce Solutions
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
5/1/2020	People 2.0	Entity Solutions Group	Payrolling/Compliance - PEO
5/1/2020	People 2.0	TCP Solutions	Payrolling/Compliance - PEO
5/5/2020	Cognizant Technology (NASDAQ: CTSH)	Collaborative Solutions	Other Workforce Solutions
5/11/2020	Target (NYSE: TGT)	technology from Deliv	Talent Acquisition Technology
5/14/2020	Ceridian HCM Holding (NYSE: CDAY)	Excelity	Payrolling/Compliance - PEO
5/20/2020	Microsoft (NASDAQ: MSFT)	Softomotive	Direct Work Engagement
5/22/2020	Blarney Ventures (private equity firm)	SalesWorks	Other Workforce Solutions
5/28/2020	Oyster	Carrom	Other Workforce Solutions
6/11/2020	Just Eat Takeaway	Grubhub Inc. (NYSE: GRUB)	Talent Acquisition Technology
7/7/2020	GI Group	Outplacement operations of CareerArc	Other Workforce Solutions
7/7/2020	Uber Technologies (NYSE: UBER)	Postmates	Talent Acquisition Technology
7/9/2020	Randstad RiseSmart	Mühlenhoff +	Other Workforce Solutions
7/14/2020	Jobvite	artificial intelligence and data science team at Predictive Partner	Talent Acquisition Technology
7/21/2020	Adevinta (OSL: ADE)	eBay's online classified ad business	Talent Acquisition Technology
7/24/2020	Circa	America's Job Exchange	Talent Acquisition Technology
8/5/2020	Modern Hire	Sonru	Talent Acquisition Technology
8/13/2020	Providence Services Group	Navin, Haffty & Associates	Multiple Workforce Solutions
8/26/2020	The Acacia Group	TradeHelm	Multiple Workforce Solutions
8/26/2020	Cognizant Technology (NASDAQ: CTSH)	Tin Roof Software	Direct Work Engagement
8/28/2020	NTT Data Services	Acorio LLC	Direct Work Engagement
9/1/2020	ASGN (NYSE: ASGN)	LeapFrog Systems Inc.	Direct Work Engagement
9/3/2020	Source Capital	BlueAlly	Process Outsourcing (MSP-RPO-BPO)
9/8/2020	Stone Point Capital	Bullhorn	Talent Acquisition Technology
9/10/2020	Jobvite	Talentegy	Talent Acquisition Technology
9/14/2020	OneDigital	Resourceful HR	Other Workforce Solutions
9/23/2020	Accenture (NYSE: ACN)	N3	Process Outsourcing (MSP-RPO-BPO)
9/29/2020	MBO Partners	MindSumo Inc.	Talent Acquisition Technology

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


De Bellas & Co. Certain Recent Transactions



Division of


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We represented the seller.






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We represented the seller.






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We represented the seller.






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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 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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