

Q1 2021 Human Capital M&A Intelligence Report

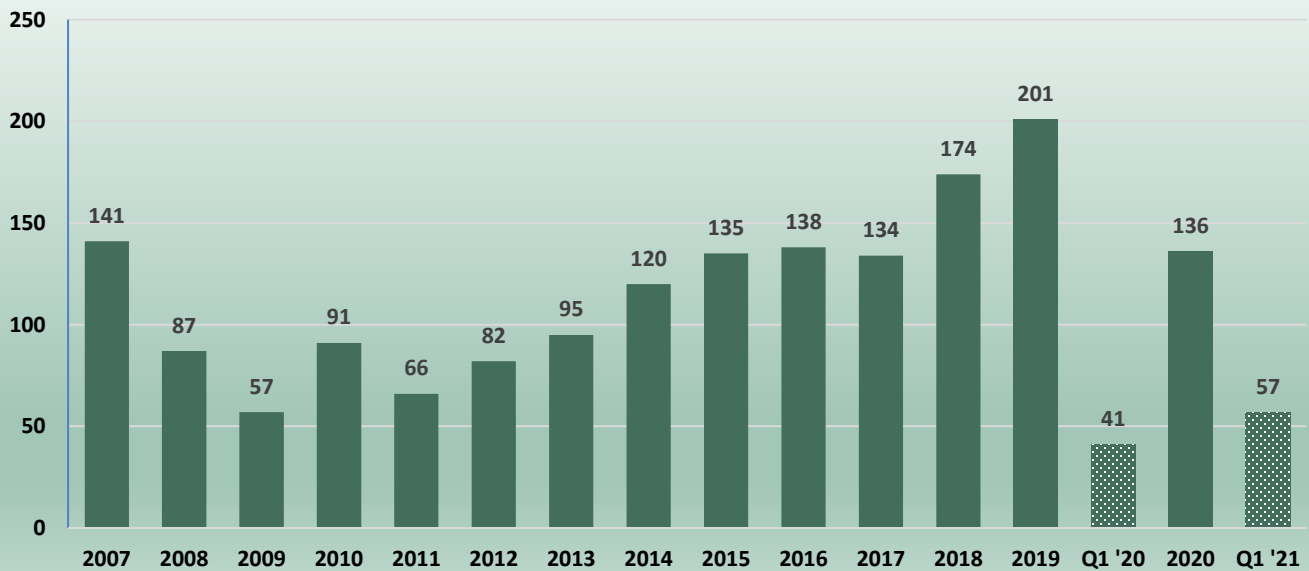
May 11, 2021 – Austin, TX – De Bellas & Co., the leading M&A advisory firm serving the Staffing and Workforce Solutions industries exclusively, reported today on M&A activity in Q1 2021. Because of the COVID-19 pandemic, staffing activity in 2020 experienced double-digit declines. Staffing Industry Analysts (SIA) is forecasting that the US staffing industry will continue to recover along with the economy in 2021 and grow 12% to reach \$141.5 billion. We believe that M&A activity will recover commensurately. We note that Q1 2021 activity increased 29% versus Q1 2020. Also, many buyers are continuing to come to us to reflect their interest in making acquisitions.

Transactions

In Q1 2021, 57 M&A transactions were announced or completed, vs. 41 in Q1 2020, representing an increase of 39%. In addition, transactions this quarter represented an increase of 27% over last quarter. 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	Q1-2021	Q1-2020	#CHANGE
Staffing			
Healthcare Staffing	11	2	9
IT Staffing	8	3	5
Place & Search	5	2	3
Industrial Staffing	3	2	1
Multiple Staffing Segments	2	2	0
Life Sciences Staffing	1	0	1
Multiple Commercial Staffing Segments	1	1	0
Multiple Professional Staffing Segments	1	3	-2
Office/Clerical Staffing	1	0	1
Other Professional Staffing	1	0	1
Education Staffing	0	1	-1
Finance/Accounting Staffing	0	1	-1
Workforce Solutions			
Talent Acquisition Technology	11	9	2
Other Workforce Solutions	5	7	-2
Direct Work Engagement	2	2	0
Payrolling/Compliance - PEO	2	3	-1
Process Outsourcing (MSP-RPO-BPO)	2	2	0
Multiple Workforce Solutions	1	1	0
Grand Total	57	41	

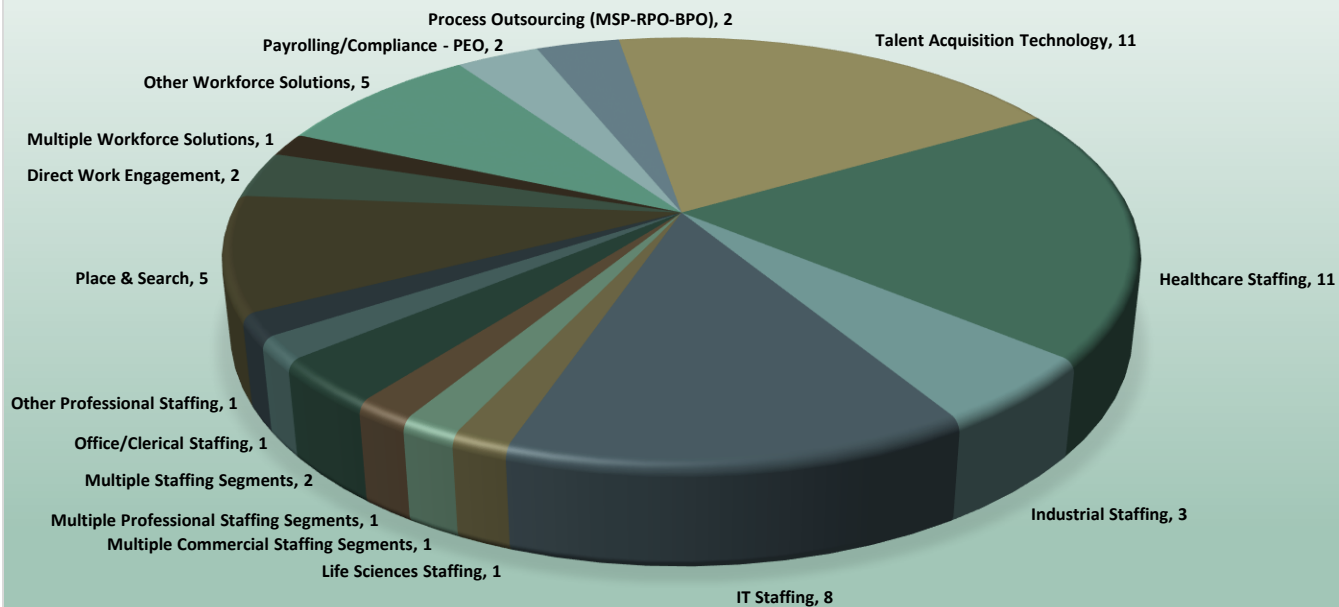
M&A Transactions 2007 - Q1 2021



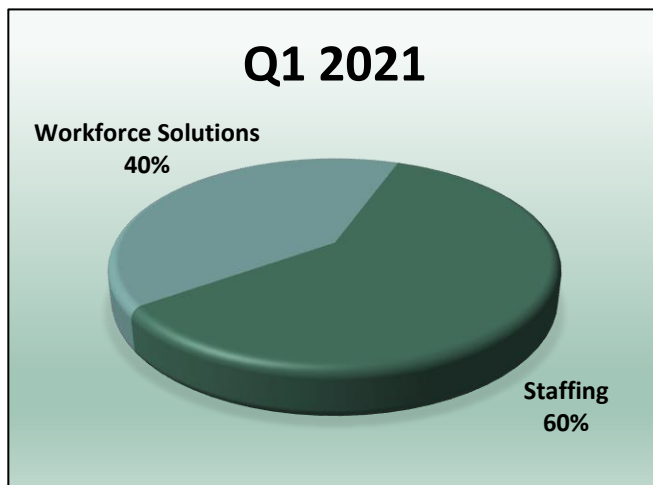
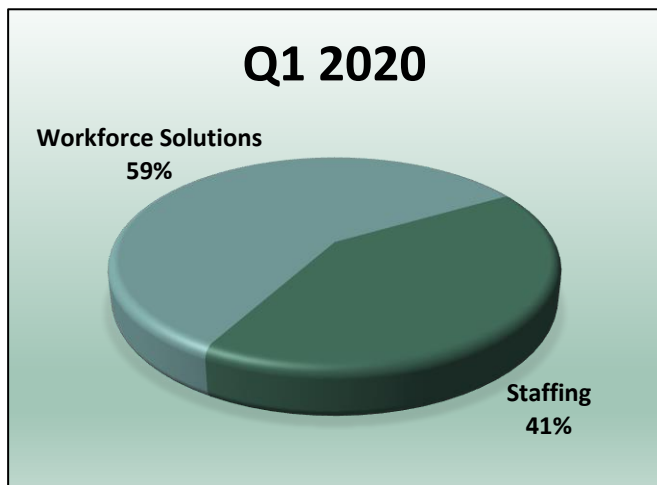
M&A Activity Q1 2021

Segment	Staffing/WFS	Total
Healthcare Staffing	Staffing	11
Talent Acquisition Technology	Workforce Solutions	11
IT Staffing	Staffing	8
Place & Search	Staffing	5
Other Workforce Solutions	Workforce Solutions	5
Industrial Staffing	Staffing	3
Multiple Staffing Segments	Staffing	2
Direct Work Engagement	Workforce Solutions	2
Payrolling/Compliance - PEO	Workforce Solutions	2
Process Outsourcing (MSP-RPO-BPO)	Workforce Solutions	2
Life Sciences Staffing	Staffing	1
Multiple Commercial Staffing Segments	Staffing	1
Multiple Professional Staffing Segments	Staffing	1
Office/Clerical Staffing	Staffing	1
Other Professional Staffing	Staffing	1
Multiple Workforce Solutions	Workforce Solutions	1
	TOTAL	57

57 STAFFING AND WORKFORCE SOLUTIONS TRANSACTIONS - Q1 2021

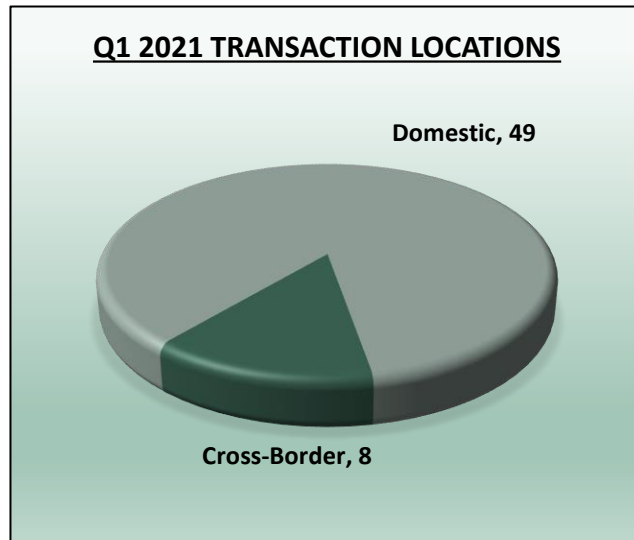
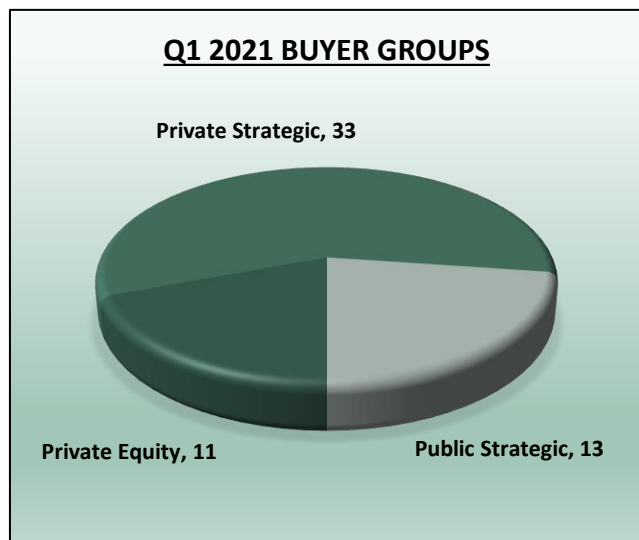


The two charts below show the percentage breakdown of Staffing transactions vs. Workforce Solutions transactions for the first quarter of this year and last year.



Buyers

In Q1 2021 Private Strategic Buyers accounted for 58% of all transactions. Public Strategic Buyers accounted for 23% and Private Equity Firms accounted for 19%.



Publicly owned companies with M&A activity Q1 2021 included: BGSF Inc. (NYSE: BGSF); Ceridian HCM Holding (NYSE: CDAY); Fiverr International Ltd. (NYSE: FVRR); HireQuest Inc. (NASDAQ: HQI); Learning Technologies Group (LSE: LTG); Professional Diversity Network Inc. (NASDAQ: IPDN); Recruiter.com Group Inc. (OTCMKTS: RCRT); The Caldwell Partners International Inc. (TSX: CWL); Uber Technologies Inc. (NYSE: UBER); Xalles Holdings Inc. (OTC: XALL).

Q1 2021 Notable Transactions

Wilson Human Capital Group Inc. – 3i Group plc completed a \$120 million equity investment in recruitment process outsourcing provider Wilson Human Capital Group Inc., which operates as WilsonHCG. 3i Group plc will take a majority stake in WilsonHCG.

Headquartered in Tampa, Florida, WilsonHCG is a global business with offices throughout North America, Europe and Asia. The company provides talent solutions including RPO, executive search, contingent talent solutions and talent consulting. It operates across six continents and more than 65 countries in 50-plus languages. 3i Group, which invests in private equity and infrastructure, targets core investment markets in Northern Europe and North America.

Snelling Staffing – This 67-year-old company headquartered in Richardson, Texas was acquired by HireQuest Inc. (NASDAQ: HQI), a national staffing franchisor. Snelling has 48 locations in 24 states, with \$95 million in sales in 2020. The deal calls for HireQuest to pay approximately \$17.3 million before working capital adjustments.

HireQuest is based in Goose Creek, South Carolina, and has a network of 136 franchisee-owned offices in 30 states and the District of Columbia. It operates primarily in the light industrial and blue-collar segments of the staffing industry.

Link Staffing - HireQuest Inc. (NASDAQ: HQI) is acquiring Houston-based Link Staffing's franchise relationships and other assets for a purchase price of approximately \$11.1 million. Link's 35 franchise locations in the deal generated approximately \$57 million in systemwide sales in 2020. The offices are in nine states with concentrations in Florida and Texas.

HireQuest, a Goose Creek, South Carolina-based franchisor of staffing services, already ranked among the largest industrial staffing firms in the US.

World Wide Specialty Programs Inc. - The staffing industry insurance business offered by World Wide Specialty Programs Inc. was acquired by Philadelphia Insurance Companies, a Bala Cynwyd, Pennsylvania-based company. World Wide offers industry-specific coverage including employment practices liability, auto liability (hired and non-owned) and workers' compensation to staffing firm clients and brokers.

Drizly - Uber Technologies Inc. (NYSE: UBER) is acquiring Drizly, an online platform that uses independent contractors to deliver alcoholic beverages to consumers. The deal requires Uber to pay approximately \$1.1 billion in stock and cash. Uber anticipates that 90% of the consideration to be paid to Drizly shareholders will be in Uber common stock. Drizly will become a wholly owned subsidiary of Uber following the deal. It will eventually be integrated with the Uber Eats app while also maintaining a separate Drizly app.



Q1 2021 Transactions

Date	Acquirer	Target	SIA Segment
Staffing			
1/4/2021	Teneo	Ridgeway Partners	Place & Search
1/4/2021	The Caldwell Partners International Inc. (TSX: CWL)	IQTalent Partners	Place & Search
1/6/2021	Ascend Staffing	Workforce Staffing Services	Industrial Staffing
1/12/2021	Keystone Staffing and Talent Solutions	Staffing Solutions and Keystone Partnership	Multiple Staffing Segments
1/13/2021	Xalles Holdings Inc. (OTC: XALL)	Crown Solutions India Pvt. Ltd.	IT Staffing
1/14/2021	Health Carousel	Vitruvian Medical	Healthcare Staffing
1/25/2021	ZRG	Turnkey Search	Place & Search
2/1/2021	HireQuest Inc. (NASDAQ: HQI)	Snelling Staffing	Multiple Staffing Segments
2/3/2021	Qualivis (wholly owned subsidiary of healthcare staffing firm Aya Healthcare)	Chesapeake Registry Program (division of the Maryland Hospital Association)	Healthcare Staffing
2/5/2021	Epic Staffing Group, a portfolio company of Webster Equity Partners	TalentMine	Life Sciences Staffing
2/5/2021	ettain group	INT Technologies	IT Staffing
2/6/2021	Epic Staffing Group, a portfolio company of Webster Equity Partners	TherapyTravelers	Healthcare Staffing
2/8/2021	SLG Investment Holds LLC	Link Staffing franchise in Norfolk, Virginia	Office/Clerical Staffing
2/9/2021	Cornell Capital LLC and Trilantic North America	CardioSolution	Healthcare Staffing
2/9/2021	Cornell Capital LLC and Trilantic North America	Truststaff Management Inc.	Healthcare Staffing
2/11/2021	Consulting Solutions, a portfolio company of White Wolf Capital	TEK Connexion	IT Staffing
2/11/2021	Health Carousel	Medpath	Healthcare Staffing
2/16/2021	HireQuest Inc. (NASDAQ: HQI)	Link Staffing's franchise relationships and other assets	Multiple Commercial Staffing Segments
2/19/2021	Georgia Oak Partners	Aditi Consulting	IT Staffing
2/22/2021	CareerCurve	High Potential Inc.	Other Professional Staffing
2/25/2021	Cornell Capital LLC and Trilantic North America	Fastaff Travel Nursing	Healthcare Staffing
2/25/2021	Cornell Capital LLC and Trilantic North America	US Nursing Corp.	Healthcare Staffing
2/26/2021	Mindlance	Quintrix Solutions Inc.	IT Staffing
3/3/2021	Gale Healthcare Solutions	Scrubs Healthcare	Healthcare Staffing
3/3/2021	Gale Healthcare Solutions	Zactly Healthcare	Healthcare Staffing
3/4/2021	Motion Recruitment Partners LLC	The Goal	IT Staffing
3/10/2021	Corisca Partners LLC	Benz International Group LLC	Place & Search
3/10/2021	Diversant	Atrilogy Solutions Group	IT Staffing
3/10/2021	Riviera Partners	Arete Partners	Place & Search
3/11/2021	BelFlex Staffing Network	YourEncore - consumer and food division	Industrial Staffing
3/12/2021	Certified Source Staffing Professionals	Oasis Staffing - Ardmore, Oklahoma, branch	Industrial Staffing
3/16/2021	Janet Elkin	ICON Medical Network	Healthcare Staffing
3/16/2021	Robinhood Markets Inc.	Binc	IT Staffing
3/24/2021	Kyyba Inc.	Asen	Multiple Professional Staffing Segments
Workforce Solutions			
1/5/2021	Philadelphia Insurance Companies	World Wide Specialty Programs Inc. (staffing industry insurance business)	Other Workforce Solutions
1/5/2021	Recruiter.com Group Inc. (OTCMKTS: RCRT)	OneWire	Talent Acquisition Technology
1/5/2021	The Riverside Company	UniFocus	Multiple Workforce Solutions
1/13/2021	Xalles Holdings Inc. (OTC: XALL)	VGR Technology Partners Inc.	Other Workforce Solutions
1/13/2021	Pivotal Group	SnapNurse	Talent Acquisition Technology
1/13/2021	PRO Unlimited	PeopleTicker	Other Workforce Solutions


Date	Acquirer	Target	SIA Segment
1/14/2021	CareerGig	Moonlighting	Talent Acquisition Technology
1/19/2021	BV Investment Partners	Talent Inc.	Other Workforce Solutions
2/2/2021	Uber Technologies Inc. (NYSE: UBER)	Drizly	Talent Acquisition Technology
2/2/2021	Ceridian HCM Holding (NYSE: CDAY)	Ascender	Payrolling/Compliance - PEO
2/2/2021	TPG Growth (private equity platform of TPG)	People 2.0	Payrolling/Compliance - PEO
2/3/2021	Recruiter.com Group Inc. (OTCMKTS: RCRT)	Scouted.io	Talent Acquisition Technology
2/4/2021	Job.com	Talenting	Talent Acquisition Technology
2/9/2021	BGSF Inc. (NYSE: BGSF)	Momentum Solutionz LLC	Direct Work Engagement
2/9/2021	Cornell Capital LLC and Trilantic North America	Stella.ai	Talent Acquisition Technology
2/11/2021	PRO Unlimited	Brainnet Group	Process Outsourcing (MSP-RPO-BPO)
2/12/2021	Clora Inc.	Legit.ai	Talent Acquisition Technology
2/12/2021	Fiverr International Ltd. (NYSE: FVRR)	Working Not Working	Talent Acquisition Technology
2/22/2021	3i Group plc	Wilson Human Capital Group Inc.	Process Outsourcing (MSP-RPO-BPO)
2/22/2021	Learning Technologies Group (LSE: LTG)	Bridge	Other Workforce Solutions
3/5/2021	Triage LLC	Kamana	Talent Acquisition Technology
3/17/2021	Lexitas	Confidential Communications International	Direct Work Engagement
3/26/2021	Professional Diversity Network Inc. (NASDAQ: IPDN)	RemoteMore USA Inc.	Talent Acquisition Technology

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


De Bellas & Co. Certain Recent Transactions



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We represented the seller.






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"Providing Great People to Great Companies"

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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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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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