

7 Mile Advisors



# Sectorwatch: Staffing

August 2021



# Staffing

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# Overview

**7MA provides Investment Banking & Advisory Services to the Business Services and Technology Industries globally.**

We advise on M&A and private capital transactions and provide market assessments and benchmarking. As a close-knit team with a long history together and a laser focus on our target markets, we help our clients sell their companies, raise capital, grow through acquisitions, and evaluate new markets.

We publish our sectorwatch, a review of M&A and operational trends in the industries we focus.

## **DASHBOARD**

- Summary metrics on the sector
- Commentary on market momentum by comparing the most recent 12-month performance against the last 3-year averages.

## **PUBLIC BASKET PERFORMANCE**

- Summary valuation and operating metrics for a basket of comparable public companies.

## **VALUATION COMPARISON**

- Graphical, detailed comparison of valuation multiples for the public basket.

## **RECENT DEALS**

- The most recently announced deals in the sector

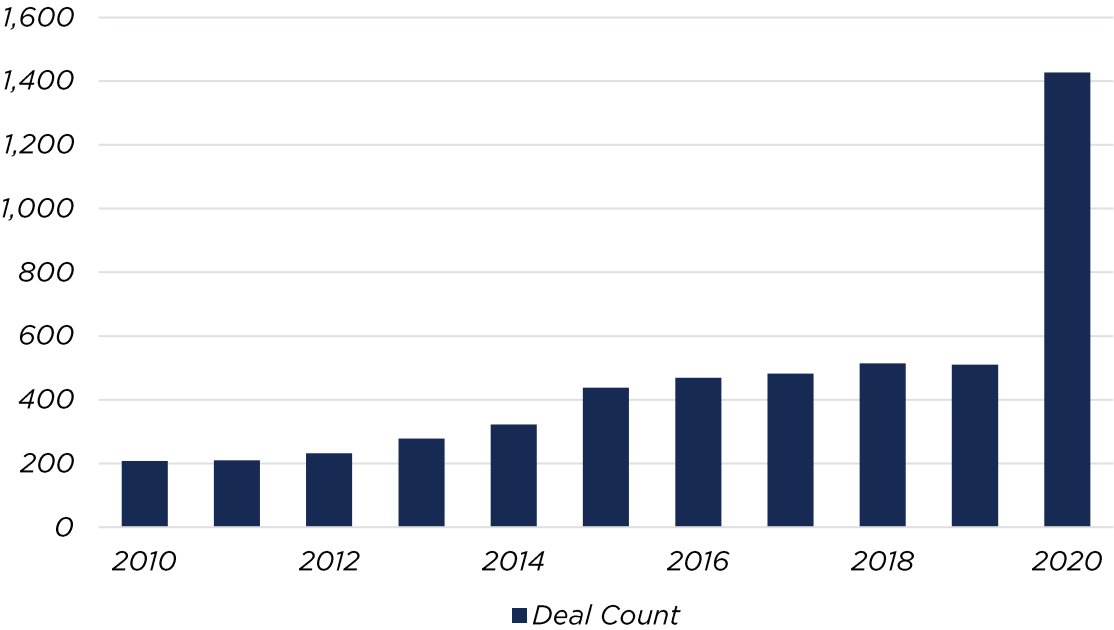
# Dashboard

## REVENUE GROWTH MOMENTUM

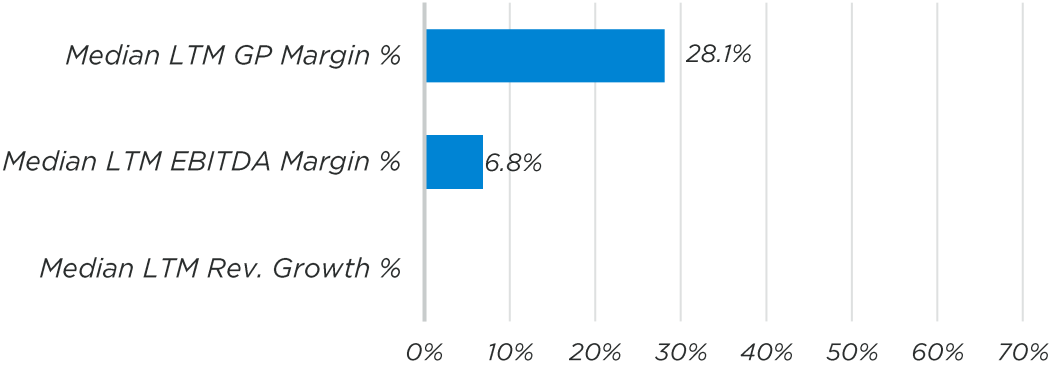
↓ -1.6%

1 - year revenue growth compared to revenue growth average for last 3 years - Current revenue growth rate is less than the average of the last 3 years, indicating that the market may be flattening or declining

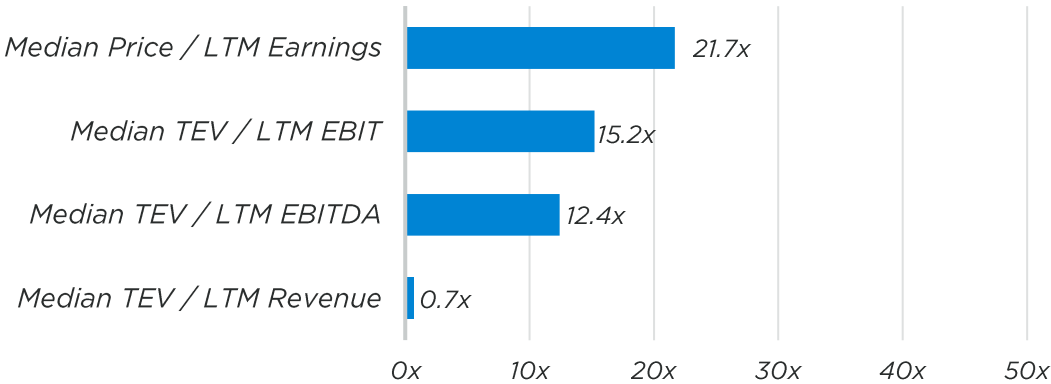
### M&A Activity



## Operating Metrics



## Valuation

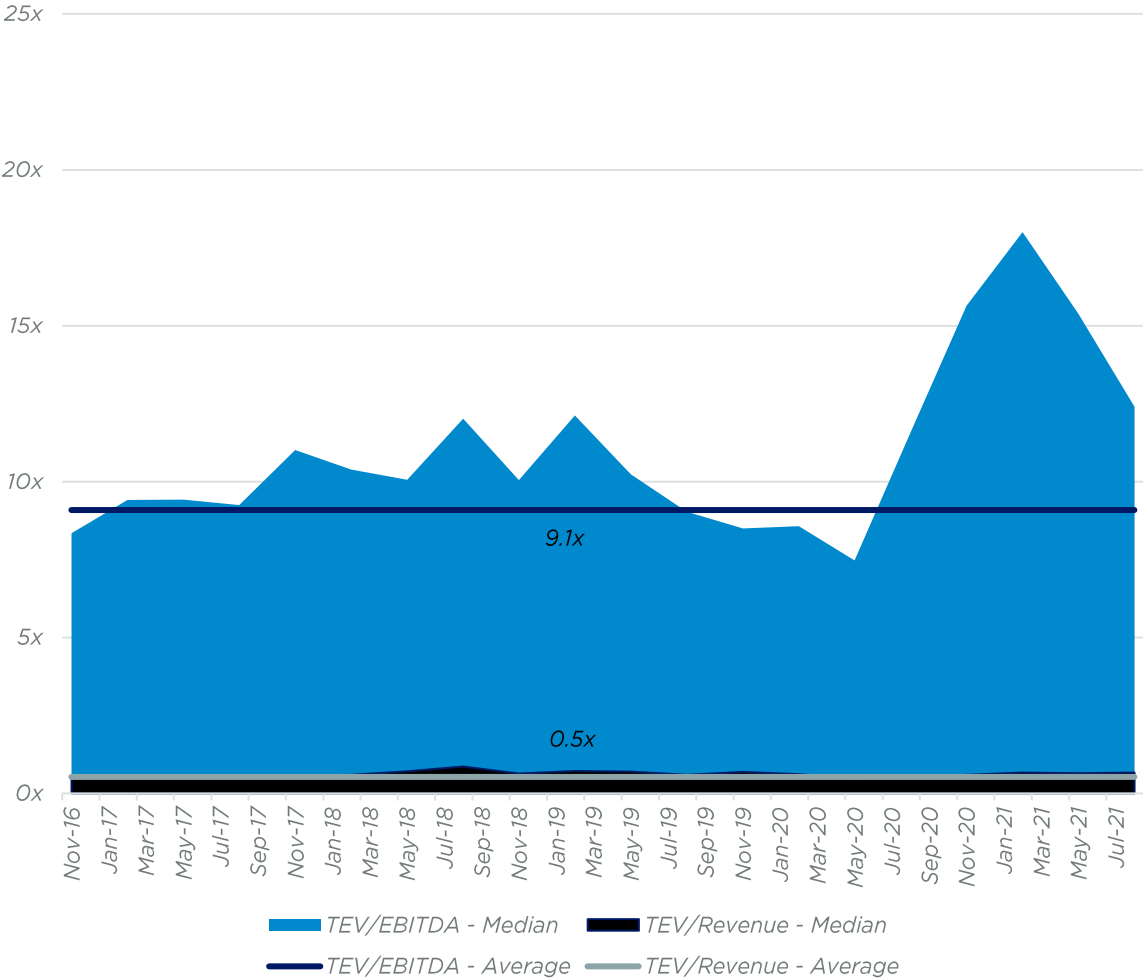


# Public Basket

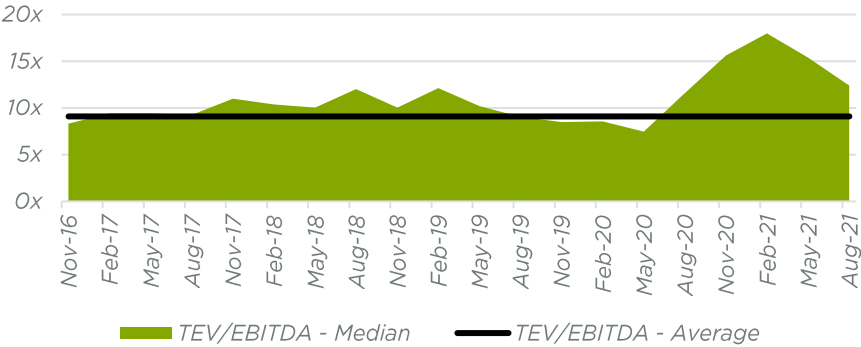
Company	TEV \$m	LTM EBITDA \$m	LTM Rev \$m	Rev Growth YoY	GP %	EBITDA %	TEV / Rev X	TEV / EBITDA X	# FTEs	Rev / FTE \$k
Trigyn Technologies	31	13	132	8.2%	30.9%	9.6%	0.2x	2.5x	440	301
BGSF	190	16	283	-1.7%	28.1%	5.8%	0.7x	11.6x	400	708
Kelly Services	764	166	4,461	-14.8%	18.3%	3.7%	0.2x	4.6x	377,100	12
Kforce	1,331	102	1,486	9.3%	28.4%	6.8%	0.9x	13.1x	15,400	97
Korn Ferry	3,390	255	1,820	-8.0%	95.5%	14.0%	1.9x	13.3x	7,889	231
ASGN	6,381	409	3,905	4.8%	27.3%	10.5%	1.6x	15.6x	4,200	930
ManpowerGroup	6,566	549	19,841	5.5%	15.9%	2.8%	0.3x	12.0x	25,000	794
Robert Half International	11,223	646	5,473	-4.1%	40.3%	11.8%	2.1x	17.4x	163,500	33
Adecco Group	10,331	833	22,593	-15.4%	19.6%	3.7%	0.5x	12.4x	31,174	725
<b>Average</b>	4,467	332	6,666	-1.8%	33.8%	7.6%	0.9x	11.4x	69,456	426
<b>Median</b>	3,390	255	3,905	-1.7%	28.1%	6.8%	0.7x	12.4x	15,400	301

share price as of 13Aug21

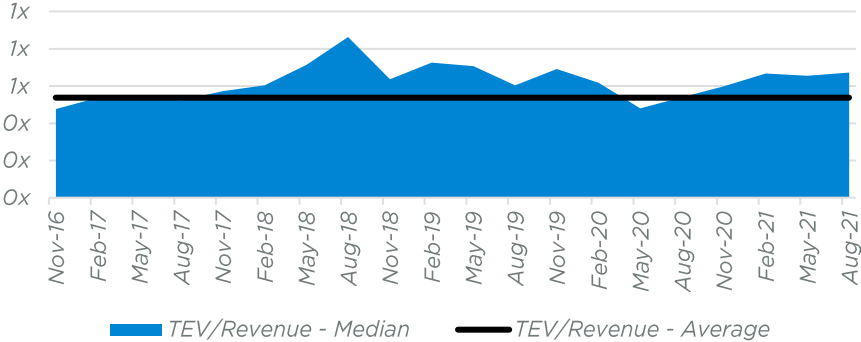
# Public Basket



## Public EBITDA Multiples over Time

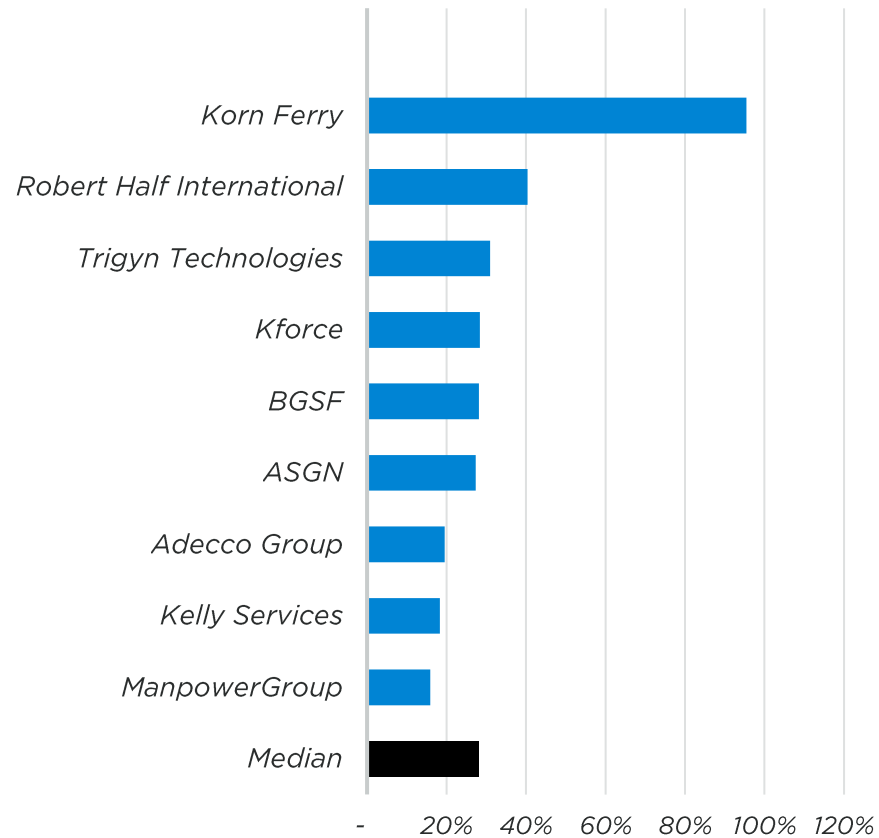


## Public Revenue Multiples over Time

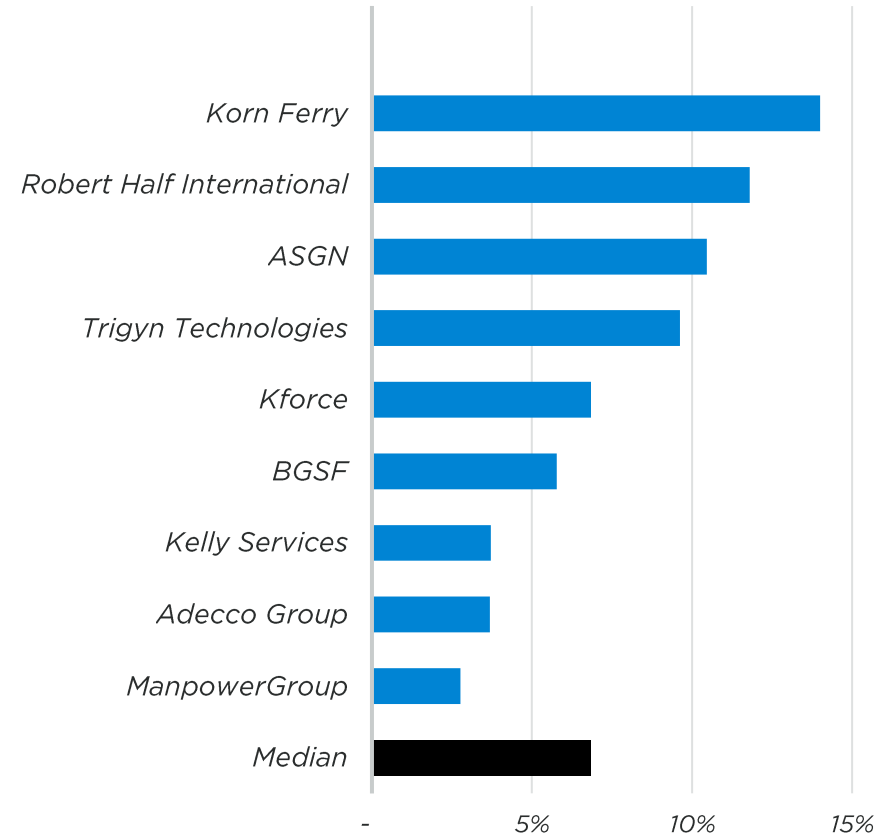


# Operational Metrics

LTM Gross Profit Margin %

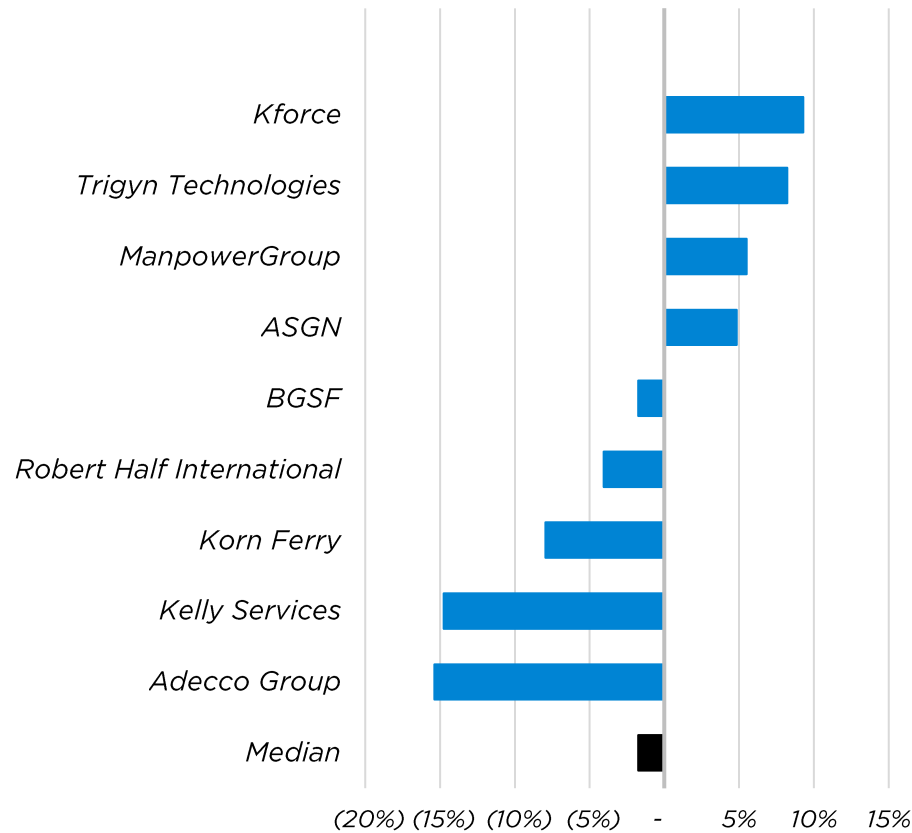


LTM EBITDA %

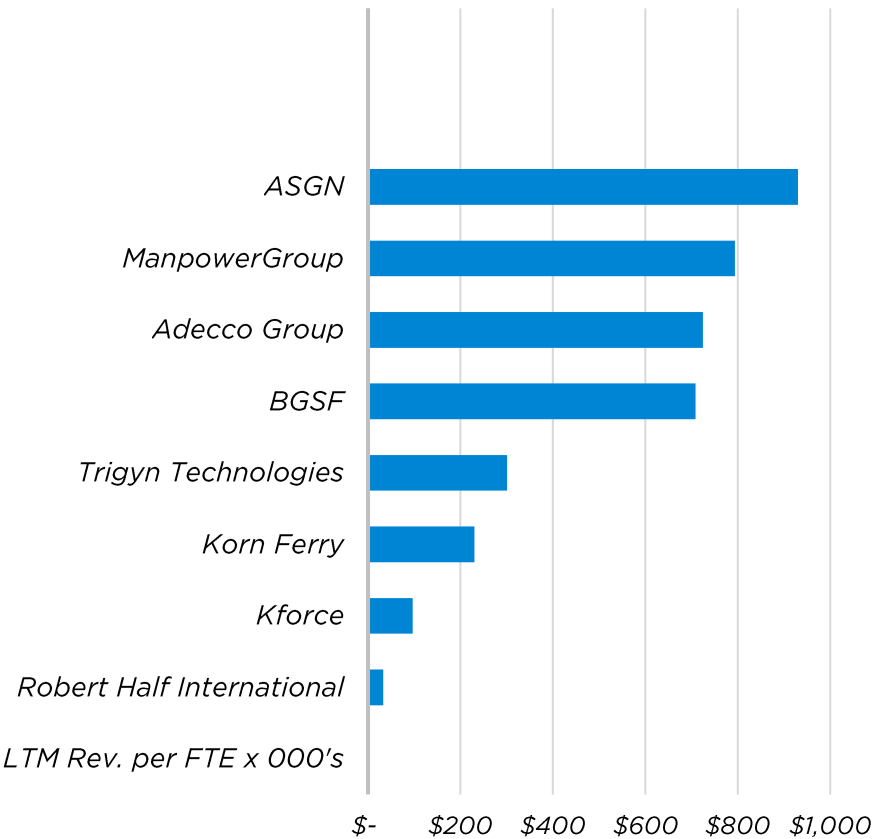


# Operational Metrics

LTM Revenue Growth %



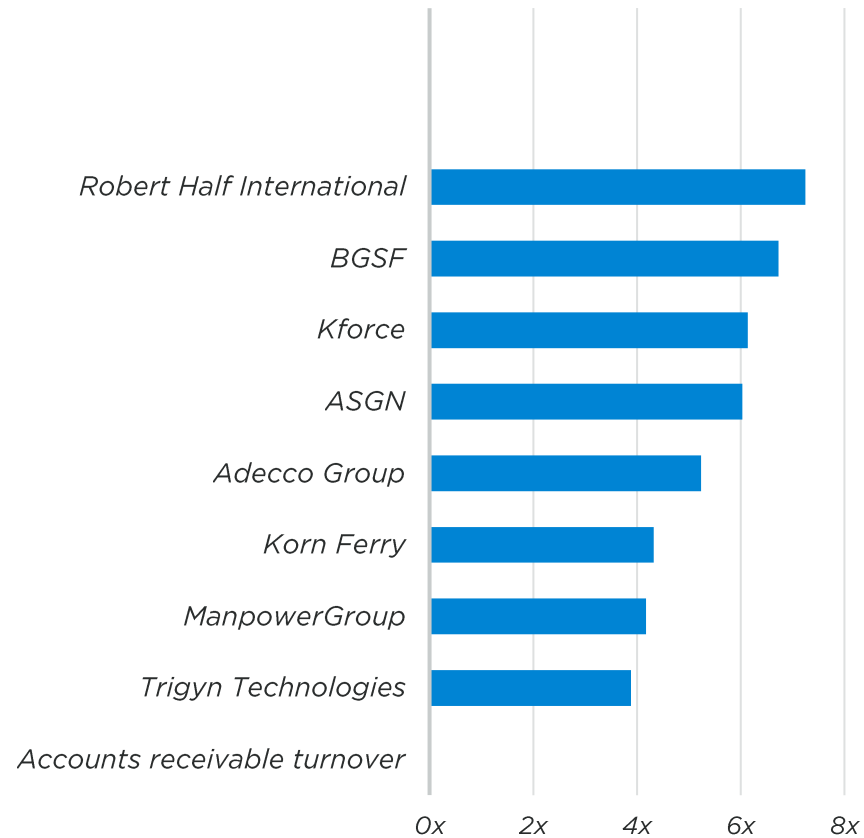
LTM Revenue per Full Time Employee x 000's



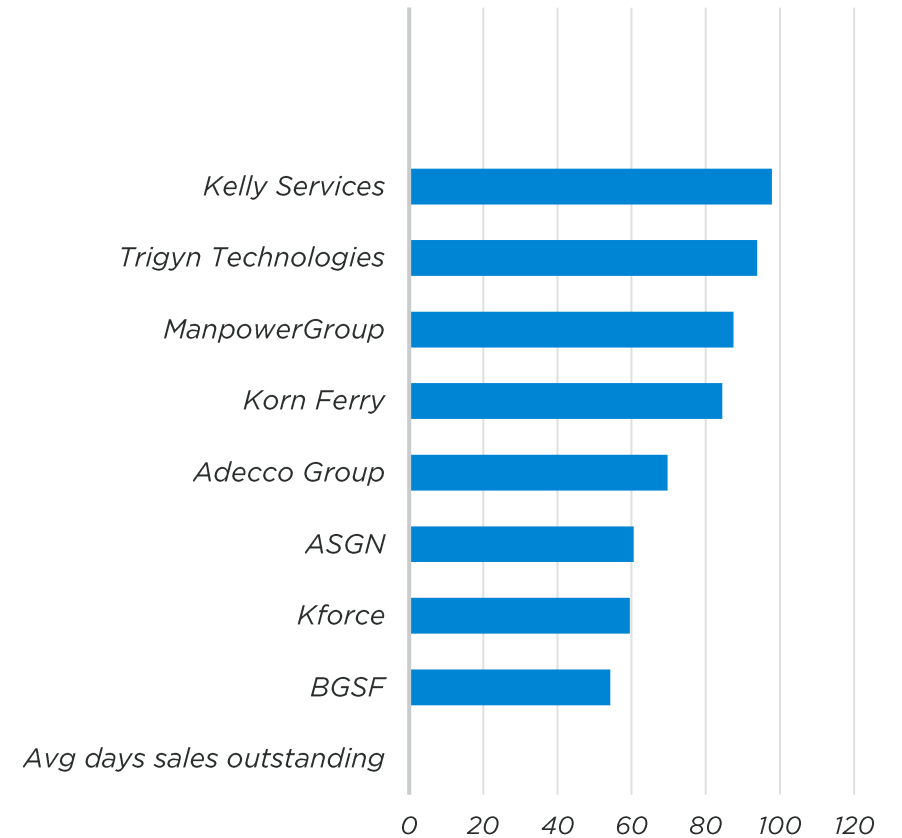


# Operational Metrics

## Accounts Receivable Turnover

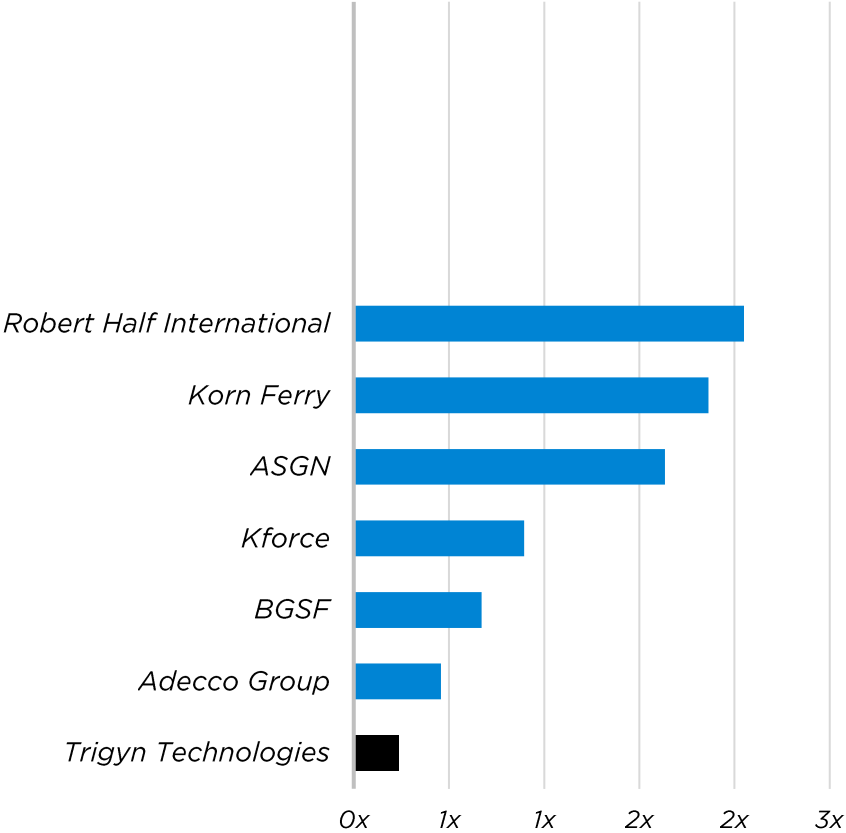


## Average Days Sales Outstanding

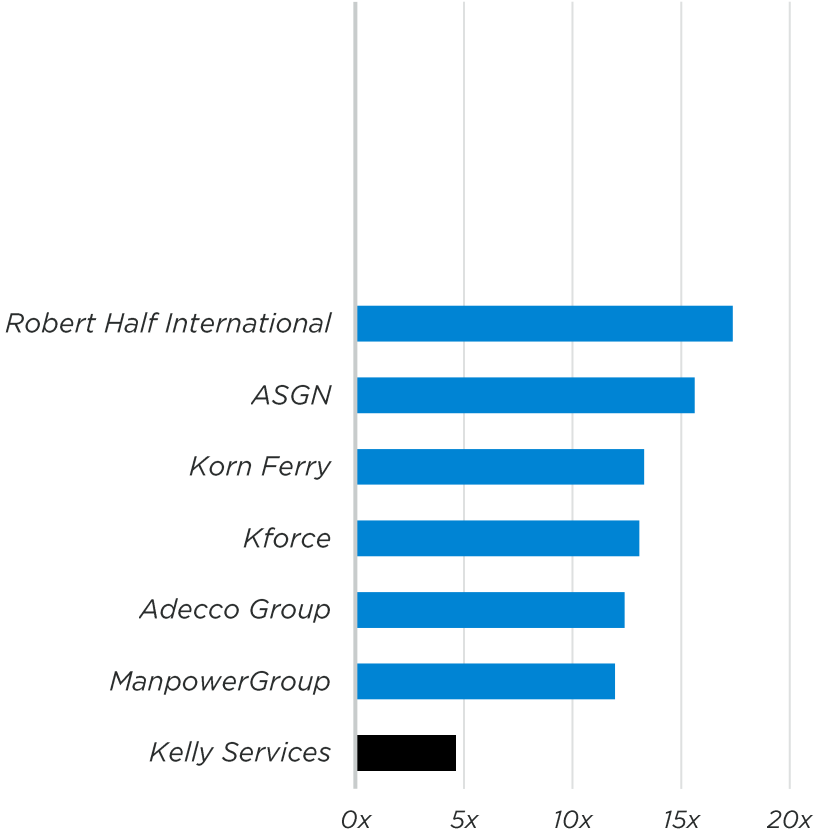


# Valuation

TEV / LTM Revenue

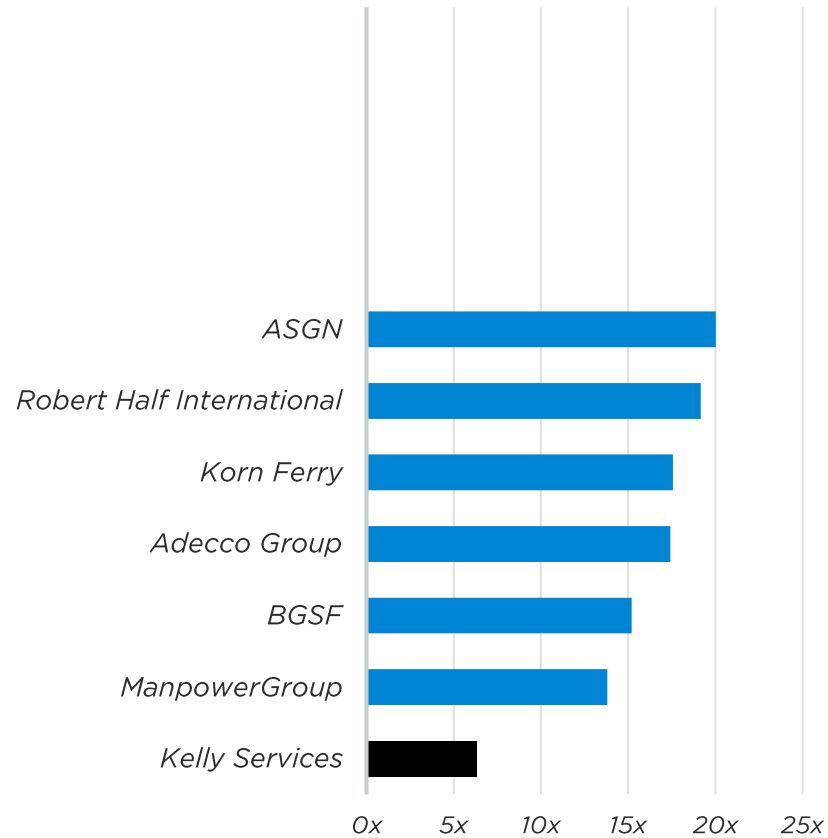


TEV / LTM EBITDA

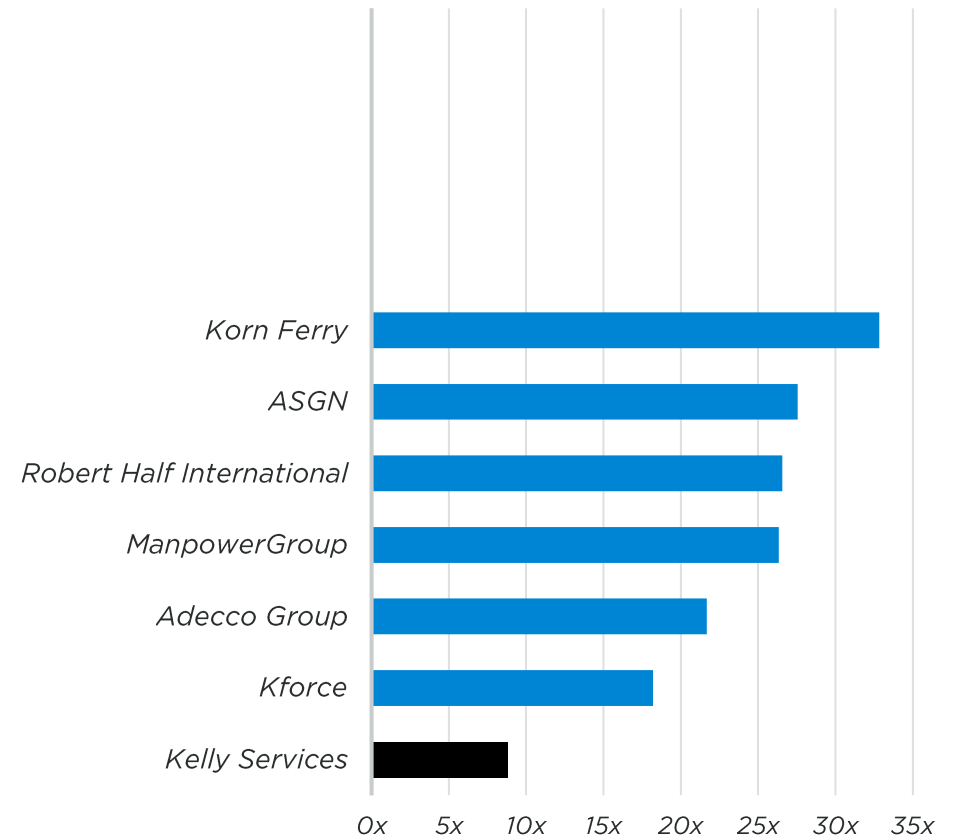


# Valuation

TEV / LTM EBIT

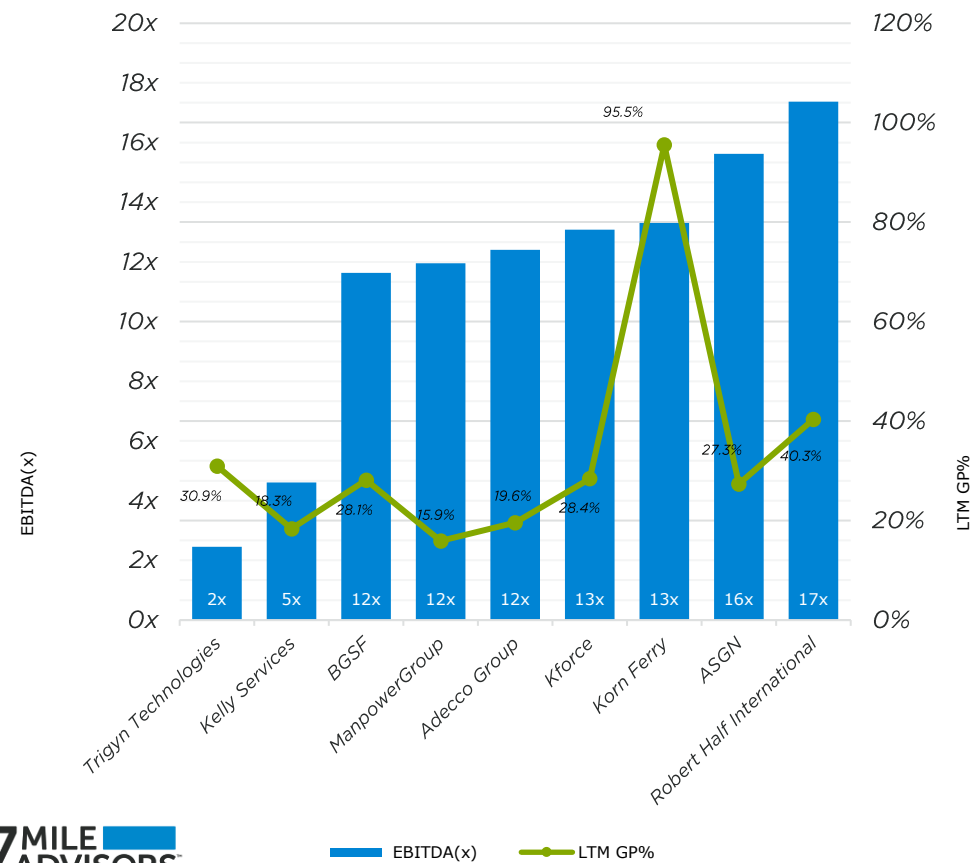


Price / LTM Earnings

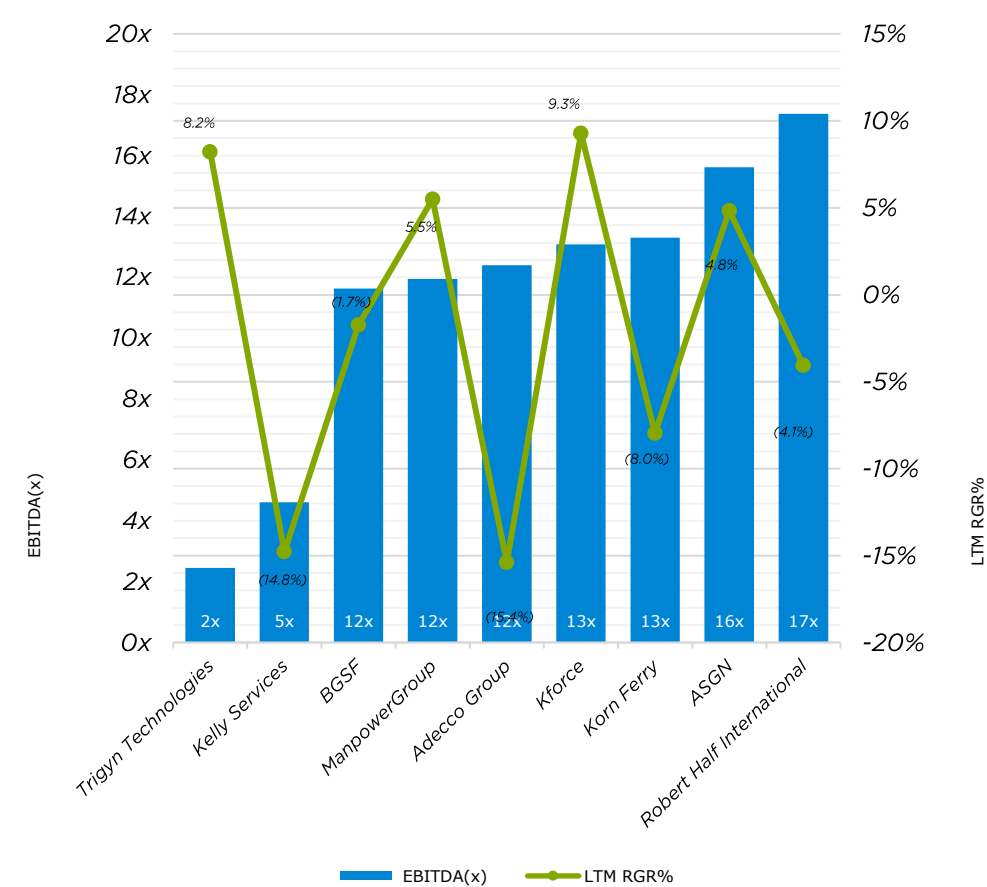


# Valuation

Historical Valuation Multiples  
versus Gross Profit



Historical Valuation Multiples  
versus Revenue Growth Rate



# Recent Transactions

<i>Date</i>	<i>Target</i>	<i>Buyer</i>	<i>Total Transaction Amount</i>	<i>Target Revenue (TTM at time of deal)</i>	<i>TEV / Revenue</i>	<i>TEV / EBITDA</i>
10-Aug-21	Mphasis	Government of Singapore Investment Corporation (GIC)	2800.00	1371.85	2.72	13.67
10-Aug-21	Robosoft Technologies	TechnoPro	107.35	24.73	4.34	108.52
05-Aug-21	Cornerstone OnDemand	Clearlake Capital Group	3800.00	800.05	6.09	28.95
02-Aug-21	Visible Supply Chain Management	A.P. Moller-Maersk	838.00	#N/A	1.52	12.89
13-Jul-21	GlobalLogic	Hitachi	8500.00	#N/A	7.08	8.50
02-Jul-21	Tervita	Secure Energy Services	390.25	1031.43	0.36	2.82
29-Jun-21	2WR + Partners	Urban-gro	9.10	#N/A	#N/A	5.20
18-Jun-21	Sykes Enterprises	Sitel Group	2200.00	1756.98	1.19	18.96
24-May-21	Infoway Software	Sagarsoft (India)	2.18	8.30	0.26	#N/A
21-May-21	Lionpoint	Alpha FMC	90.00	#N/A	2.99	13.04
17-May-21	World Energy Efficiency Services	XL Fleet	16.00	18.00	0.89	#N/A
12-May-21	Apex Logistics International	Kuehne + Nagel	1500.00	#N/A	0.61	10.66
26-Apr-21	Proofpoint	Thoma Bravo	10100.00	1050.01	10.49	-135.13
23-Apr-21	Japan Systems Company	Longreach Group	128.86	89.50	2.29	24.00
22-Apr-21	RealPage	Thoma Bravo	10200.00	1158.48	8.29	37.51
31-Mar-21	Loto Interactive	BIT Mining	13.52	49.08	2.00	-20.19
02-Mar-21	PA Consulting	Jacobs Engineering Group	1700.00	#N/A	2.20	12.56
23-Dec-20	Personiv	eClerx Services	34.00	#N/A	1.21	6.07
17-Dec-20	Taylor Ryan	HIRE Technologies	3.43	#N/A	2.88	4.61
01-Dec-20	MobileIron	Clearlake Capital Group	872.00	212.71	3.68	-19.72
12-Nov-20	Two Labs	Envision Pharma Group	280.00	#N/A	#N/A	14.74
09-Nov-20	ClearStar	Hanover Investors	18.55	20.33	0.83	-40.02
28-Oct-20	Ingenico Group	Worldline	9180.54	3492.66	2.15	12.66
25-Sep-20	Stuart Olson	Bird Construction	72.65	680.56	0.10	-0.48
16-Jul-20	Digital Media Solutions (United States)	Leo Holdings	100.00	311.02	#N/A	#N/A
08-Jun-20	Webdunia	RWS Holdings	21.00	#N/A	1.52	6.77
01-Apr-20	Altran Technologies	Capgemini	4096.51	19030.56	0.34	#N/A
17-Mar-20	Mamezo K2TOP Holdings	Integral Corp.	318.20	262.26	0.98	#N/A
12-Feb-20	Pageant Media	Intermediate Capital Group	130.30	#N/A	7.79	21.99
08-Feb-20	Evosys	Mastek	96.60	#N/A	2.31	10.04
31-Dec-19	Soliant Health	Apollo Investment Corporation BDC	910.95	#N/A	2.65	16.87
13-Dec-19	Allied Universal	Bank J. Safra Sarasin	7000.00	7300.00	0.82	17.98

# Appendix

*Public Basket  
Contact Information*

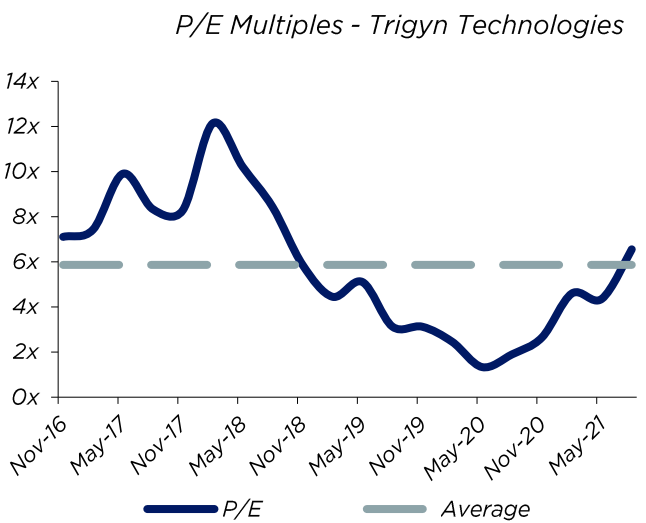
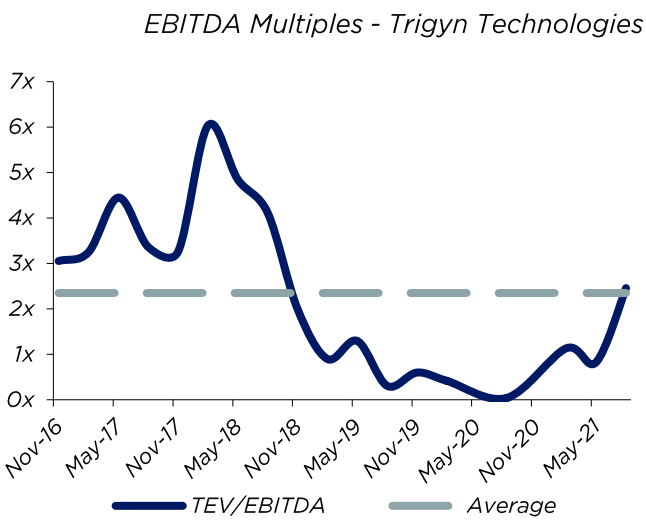
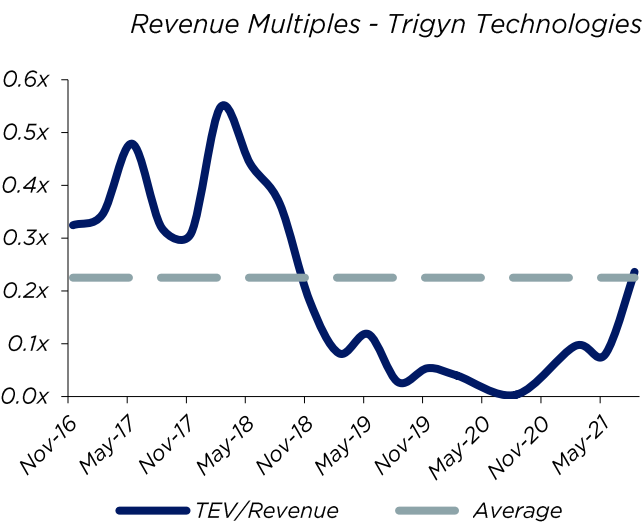
## Trigyn Technologies

**Trigyn Technologies Ltd is an Indian based information technology (IT) services company.**

It provides IT solutions, staffing, application outsourcing services, managed services, Software Development, Maintenance, and other services. The company's only operating segment being Communications and information technology staffing support services. It has a presence in the United States, Canada, Europe, India, Africa and the Far East.

# Public Basket

## Trigyn Technologies



Company Name	Date	Deal Synopsis
Whiz.AI	05-Dec-18	The company raised \$1.1 million of Seed funding in a deal led by Trigyn Technologies on December 5, 2018, putting the company's pre-money valuation at \$4 million. Other undisclosed individual investors also participated in the round. The funding was originally raised in the form of SAFE notes and subsequently it was converted to equity on June 19, 2020.
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## BGSF

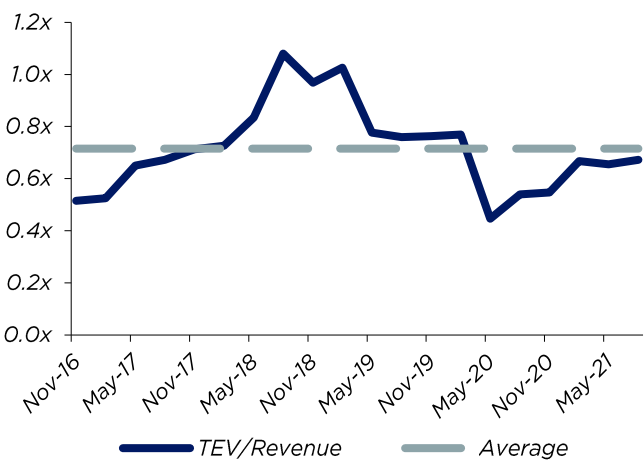
**BGSF Inc is engaged in providing temporary staffing services.**

The company has expertise in Real Estate, Professional, and Light Industrial sectors. The majority of its revenue comes from the Professional segment that provides skilled field talent on a nationwide basis for information technology & finance, accounting, legal and human resource client partner projects on a national basis. The services offered by the company include Staffing and Recruiting, Executive Search, Project & Consulting, and Onsite Management.

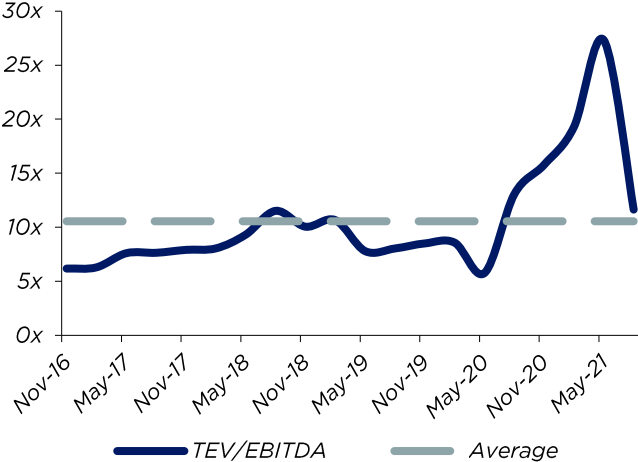
# Public Basket

BGSF

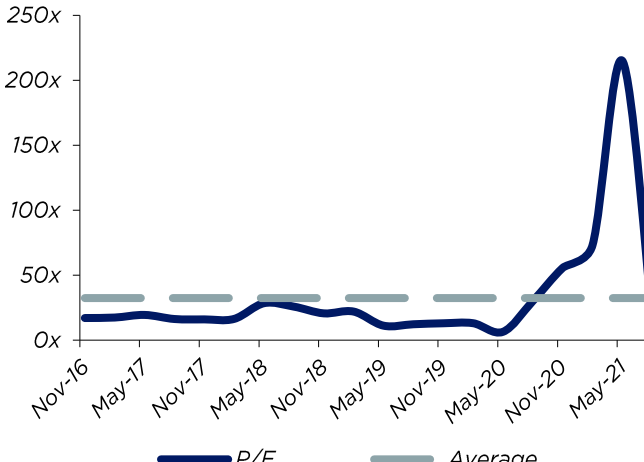
Revenue Multiples - BGSF



EBITDA Multiples - BGSF



P/E Multiples - BGSF



Company Name	Date	Deal Synopsis
Momentum Solutionz	08-Feb-21	The company was acquired by BG Staffing (NYS: BGSF) for \$6 million on February 8, 2021. The consideration consists of a purchase price of \$3.8 million cash and a contingent consideration of up to \$2.2 million based on the performance of the acquired business for the two years following the date of acquisition. This acquisition will enable BGSF to grow its diversification of services while complementing the company's strengths.
EdgeRock Technology	03-Feb-20	The company, a subsidiary of CDI, was acquired by BG Staffing (NYS: BGSF) for \$21.6 million on February 3, 2020. This acquisition both deepens and expands BGSF's IT solutions offerings.

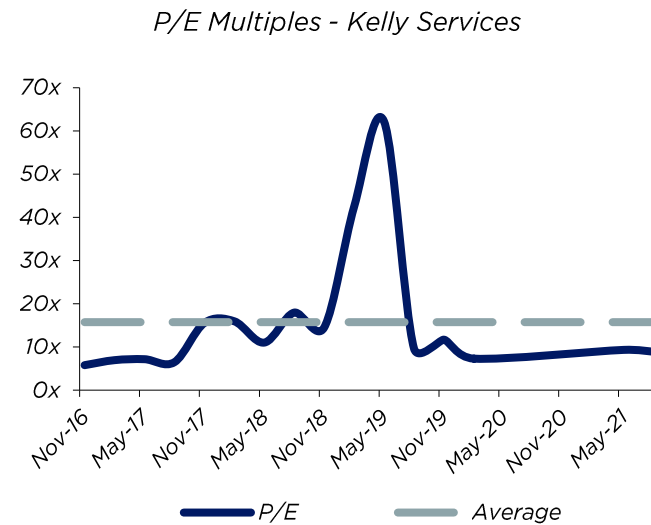
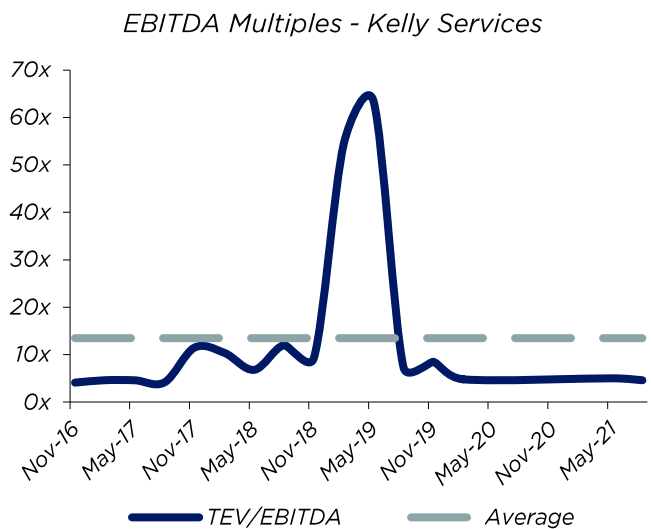
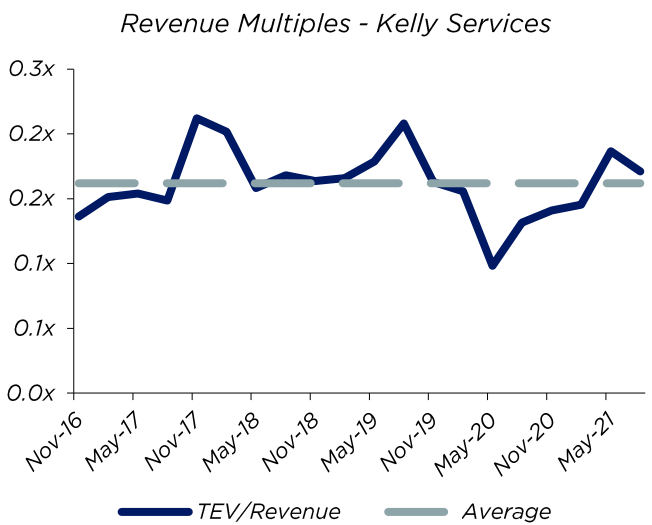
### Kelly Services

**Kelly Services Inc is a provider of workforce solutions and consulting and staffing services.**

The company's operations are divided into three business segments namely Americas Staffing, Global Talent Solutions ("GTS") and International Staffing. It provides staffing solutions through its branch networks in Americas and International operations and also provides a suite of innovative talent fulfilment and outcome-based solutions through GTS segment. Americas Staffing generates maximum revenue from its operations.

# Public Basket

## Kelly Services



Company Name	Date	Deal Synopsis
Softworld	3/23/20	The company was acquired by Kelly Services (NAS: KELYA) for \$215 million on April 6, 2021. The acquisition accelerates Kelly Services' specialization strategy and unlocks growth opportunities in markets.
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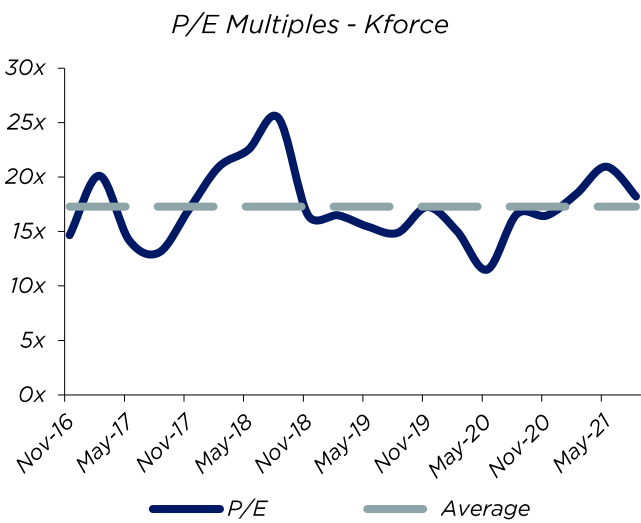
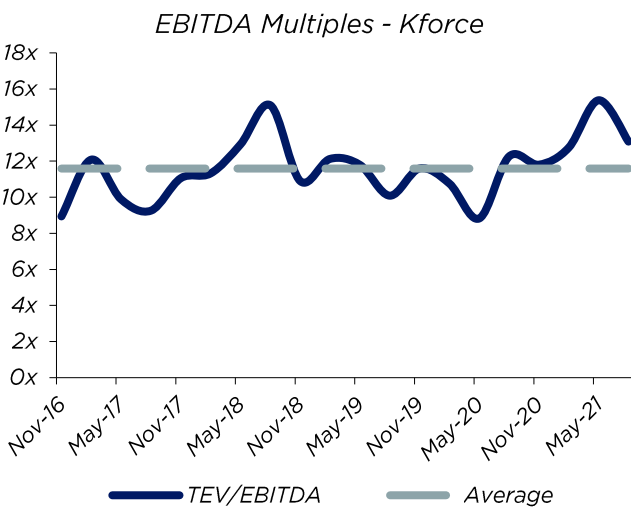
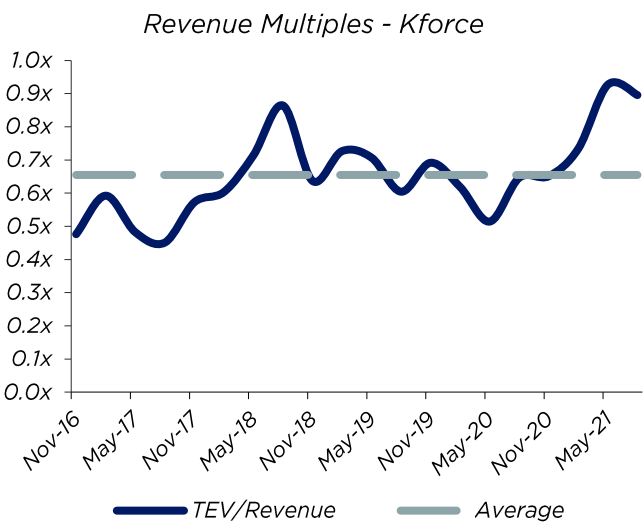
## Kforce

**Kforce Inc provides professional and technical specialty staffing services and solutions.**

The company operates three business segments: technology, finance and accounting, and government solutions. Its largest segment by revenue, technology, offers temporary staffing and permanent placement services focusing on system architecture and development, project management, enterprise data management, e-commerce, and security. The remaining operating units provide staffing for general accounting, financial analysis, and technology. Its primary revenue driver for the company is temporary placements. The largest end market is the United States.

# Public Basket

Kforce



Company Name	Date	Deal Synopsis
DNovus RDI	02-Dec-08	The company was acquired by Kforce Government Holdings, a subsidiary of Kforce (NASDAQ: KFRC) for \$38.85 million on December 2, 2008.
KForce Government Solutions	01-Feb-06	The company was acquired by Kforce (NAS: KFRC) for \$63.3 million on February 1, 2006.

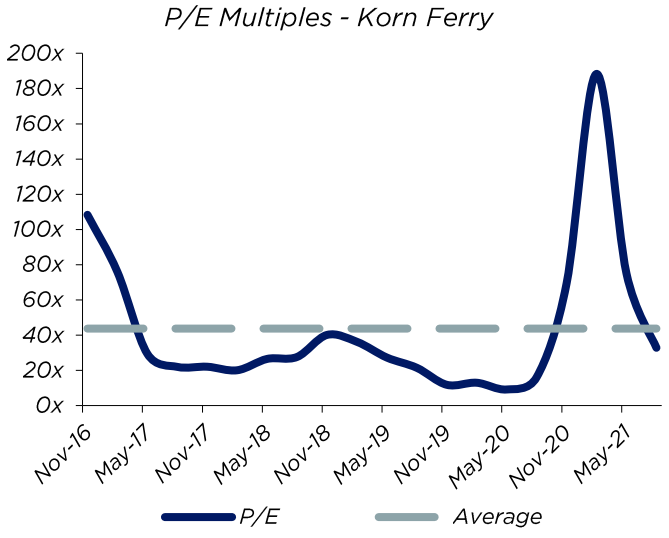
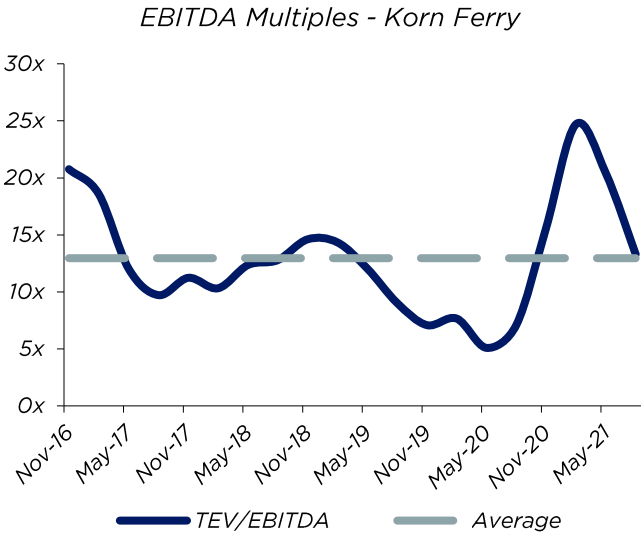
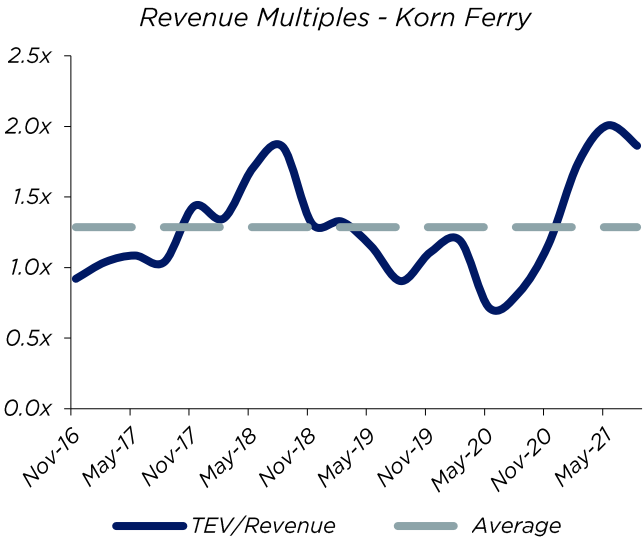
## Korn Ferry

**Korn Ferry is a United States-based firm engaged in organizational consulting and management recruitment that helps clients fill mid- to high-level management positions.**

The largest of its revenue segments is its advisory segment, which provides consulting services related to organizational structure. The executive search segment provides executive-level talent sourcing. The recruitment process outsourcing and professional search segment provide broad-level talent sourcing and digital segment. The company has operations in North America, Asia-Pacific, Latin America, and other regions.

# Public Basket

Korn Ferry



Company Name	Date	Deal Synopsis
Miller Heiman Group	01-Nov-19	The company was acquired by Korn Ferry (NYS: KFY) on November 1, 2019 for an undisclosed sum. These company will be part of a newly branded Korn Ferry Digital (formerly the Products Group), which, working closely with consulting, will provide clients direct access to data, insights and analytics from one of the world's most comprehensive people and organizational databases. The addition is expected to further expand Korn Ferry's vast intellectual property and content and leverage the firm's digital delivery platforms.
Strategy Execution	01-Nov-19	The company, a subsidiary of TwentyEighty, was acquired by Korn Ferry (NYS: KFY) on September 30, 2019 for an undisclosed sum.



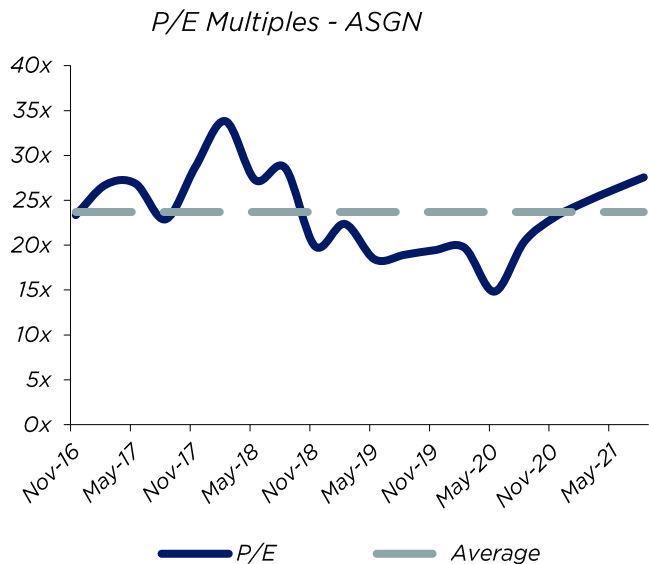
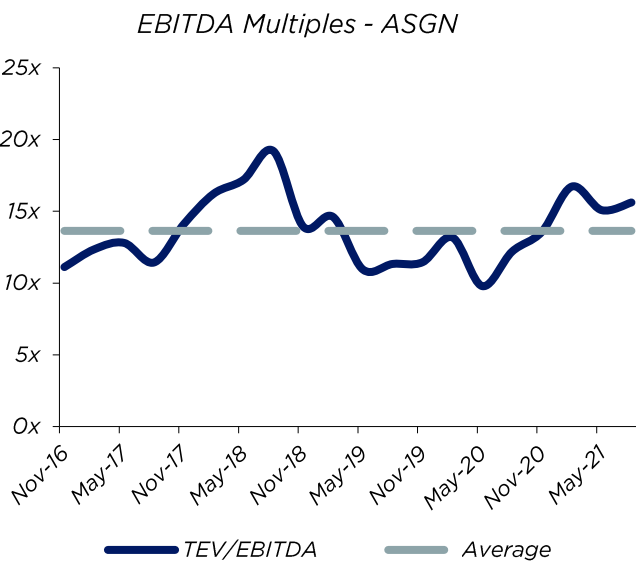
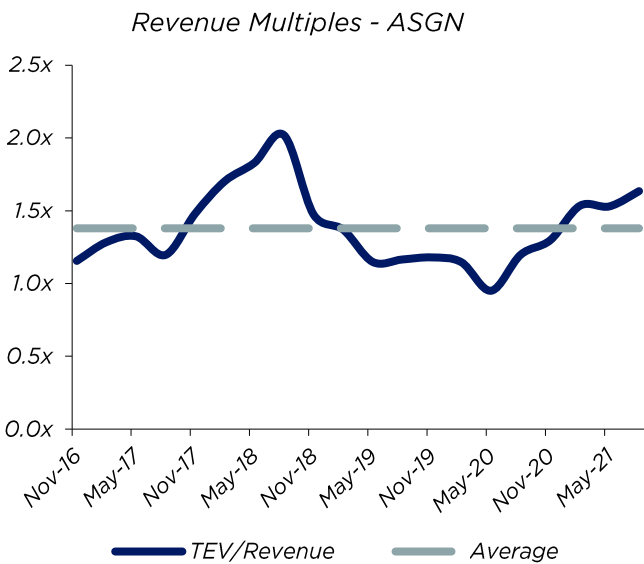
ASGN

**ASGN Inc is a global provider of skilled professional staffing in the technology, life sciences, and creative fields across commercial and government sectors.**

Operating in three segments, the company offers contract, contract-to-hire, and direct-hire services. Through its Apex segment, which is the largest segment by revenue, ASGN offers staffing solutions to large corporations and midmarket clients in the U.S. and Canada. The Oxford segment focuses on providing specialized workers in specific skill areas and geographic markets. The Oxford segment offers both permanent and temporary placements. The ECS segment provides solutions in the cloud, cybersecurity, and artificial intelligence, primarily for the U.S. federal government.

# Public Basket

ASGN



Company Name	Date	Deal Synopsis
Enterprise Resource Performance	09-Aug-21	The company was acquired by ASGN (NYS: ASGN) for an undisclosed amount on August 9, 2021. The acquisition deepens ASGN's capabilities across a number of exciting solution areas and provides key contract vehicles that will bolster its current healthcare industry offerings.
Indrasoft (Cybersecurity)	16-Jul-21	The company was acquired by ASGN (NYS: ASGN) for an undisclosed amount on July 16, 2021. The acquisition expands ASGN's customer base and relationships with the Air Force, DISA, and Army Intelligence.

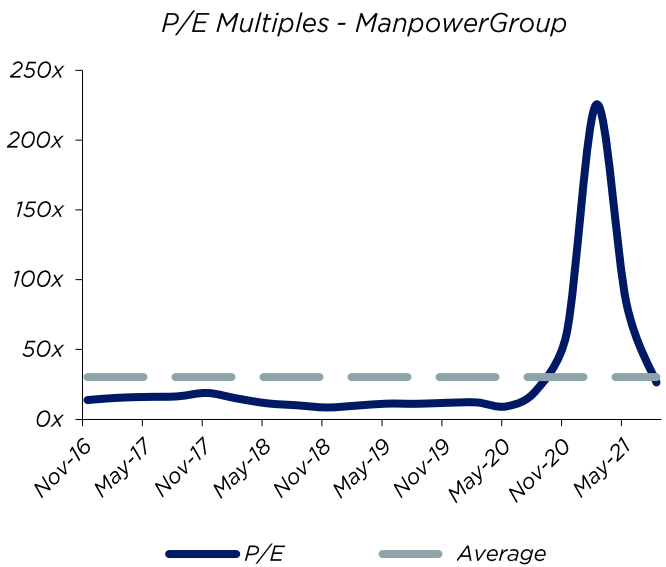
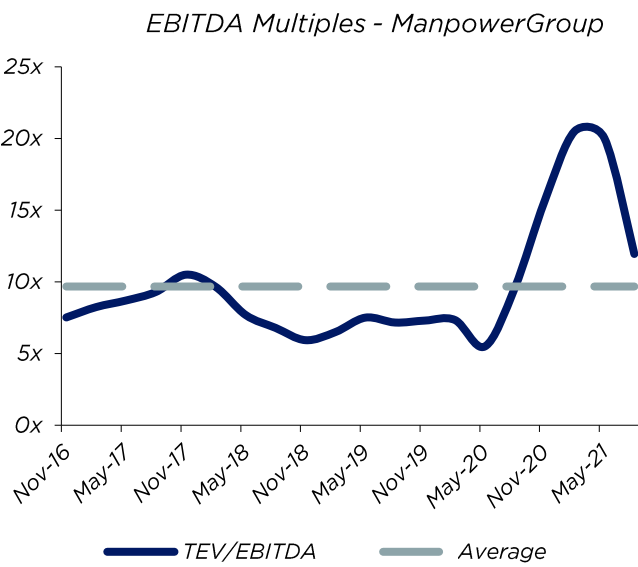
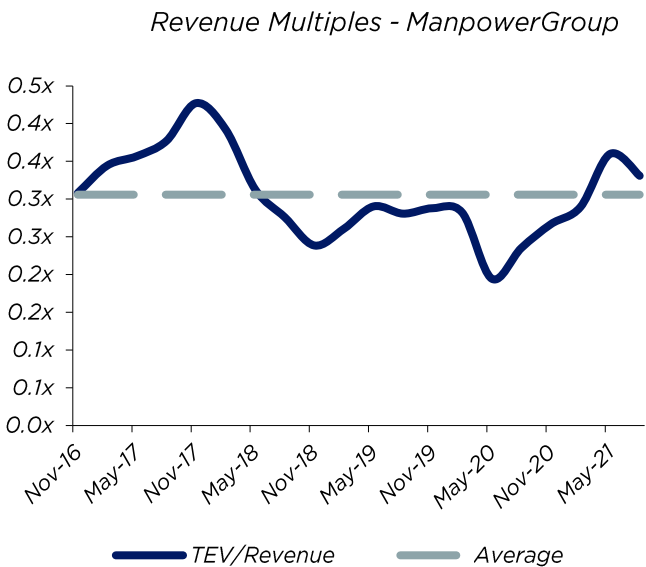
## ManpowerGroup

**ManpowerGroup is one of the largest firms in the fragmented global staffing industry.**

It serves each main staffing category--temporary, permanent, and project-based--and also offers a suite of HR outsourcing and outplacement services. Manpower generates annual revenue and operating income of more than \$18 billion and nearly \$200 million, respectively. A vast majority of sales are generated outside the U.S. from operations in 80 countries. Its 30,000 employees serve an estimated 600,000 clients and place millions of job candidates.

# Public Basket

## ManpowerGroup



Company Name	Date	Deal Synopsis
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Manpower Switzerland	03-Apr-19	The company was acquired by ManpowerGroup (NYS: MAN) for \$219.5 million on April 3, 2019.
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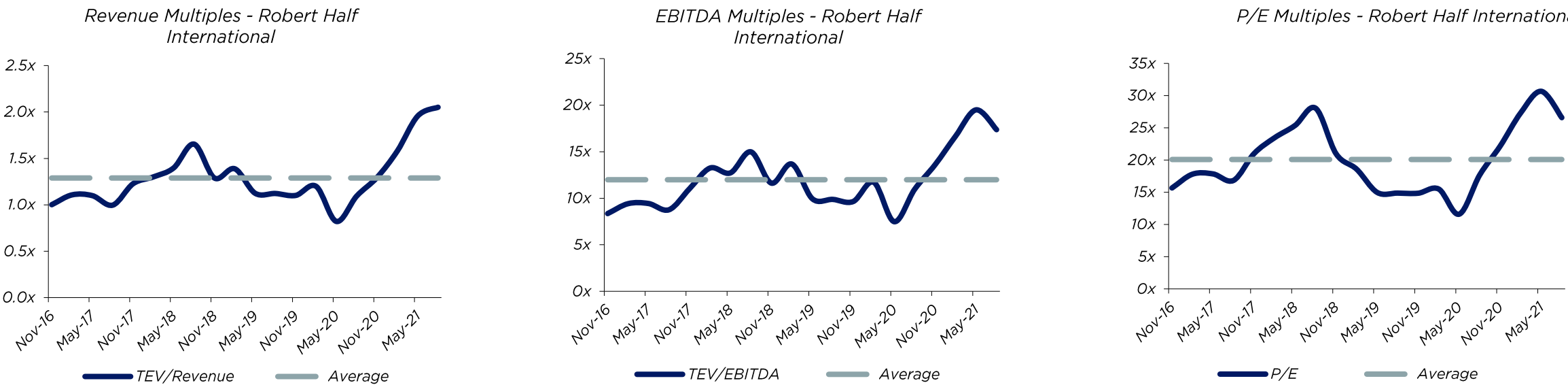
## Robert Half International

**Founded in 1948, Robert Half provides temporary, permanent, and project-based staffing to corporations seeking employees in the finance, accounting, and technology.**

It is one of the largest global staffing firms, operating hundreds of locations in several countries. Its Protiviti subsidiary provides risk and business consulting and internal audit services to corporations through scores of global offices. The firm generates annual revenue of over \$5 billion and EBIT of over \$400 million and has nearly 19,000 employees.

# Public Basket

## Robert Half International



Company Name	Date	Deal Synopsis
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Radius	15-Feb-06	The company was acquired by Robert Half International (NYSE: RHI) for an undisclosed amount on February 15, 2006.
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## Adecco Group

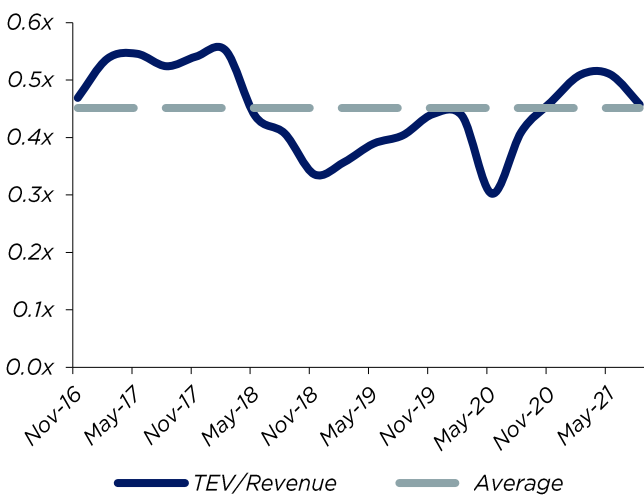
**Adecco is the largest recruitment provider globally, with just under 5,000 branches in over 60 countries.**

The company is listed in Switzerland and came about through the merger of two large staffing companies, Adia and Ecco, in 1996. Adecco provides both temporary and permanent staffing in addition to HR systems outsourcing, career transition counselling, and restructuring consulting services.

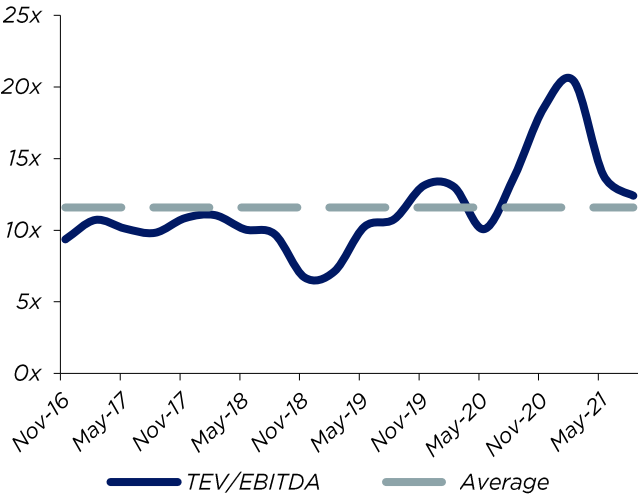
# Public Basket

## Adecco Group

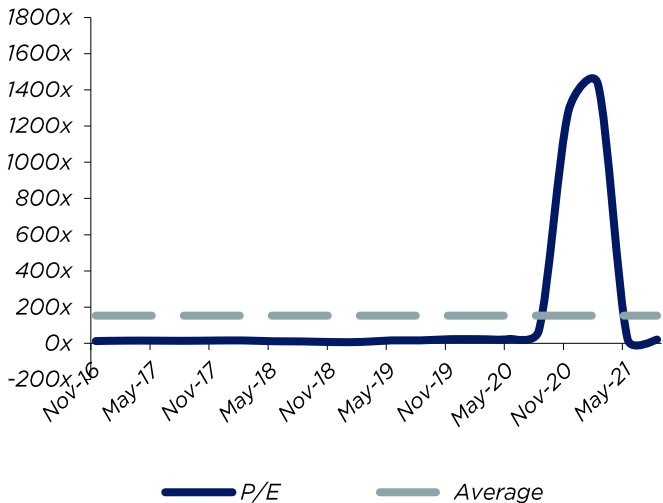
Revenue Multiples - Adecco Group



EBITDA Multiples - Adecco Group



P/E Multiples - Adecco Group



Company Name	Date	Deal Synopsis
AKKA Technologies Group	28-Jul-21	The company (PAR: AKA) reached a definitive agreement to be acquired by Adecco Group (SWX: ADEN) for EUR 2 billion on July 28, 2021. This acquisition accelerates Adecco Group's strategic implementation toward high-value, technology-led services in less-cyclical markets, while reinforcing the strength of its unique solutions ecosystem.
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# Contact Info

**7MA provides Investment Banking & Advisory Services to the Business Services and Technology Industries globally. We advise on M&A and private capital transactions and provide market assessments and benchmarking.**

As a close-knit team with a long history together and a laser focus on our target markets, we help our clients sell their companies, raise capital, grow through acquisitions, and evaluate new markets. Securities offered through 7M Securities LLC.

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