

7 Mile Advisors



# Sectorwatch: Staffing

August 2022



# 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

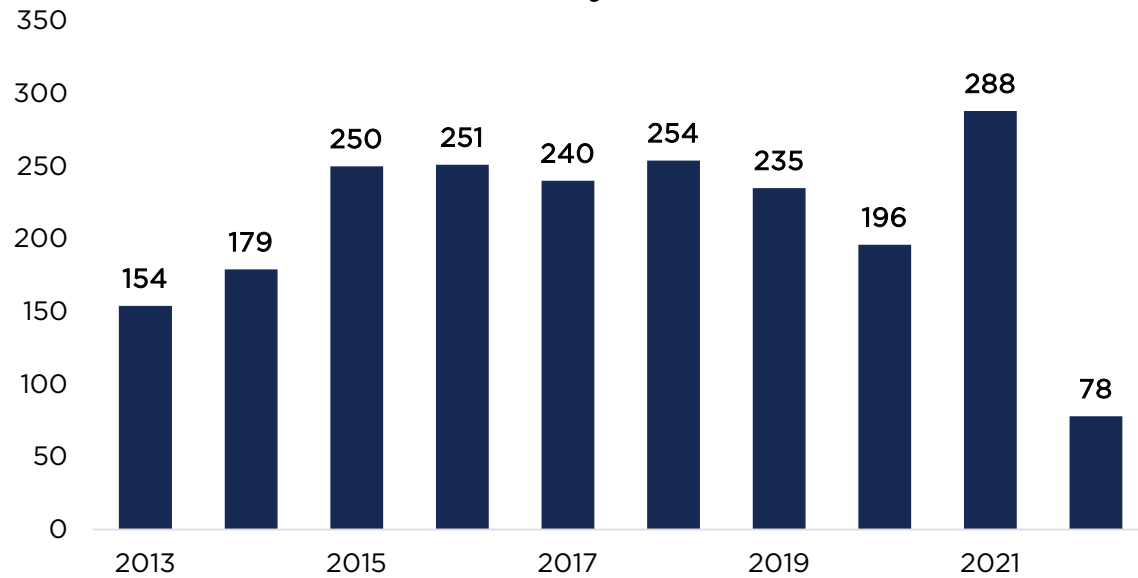
- The most recently announced deals in the sector

# Dashboard

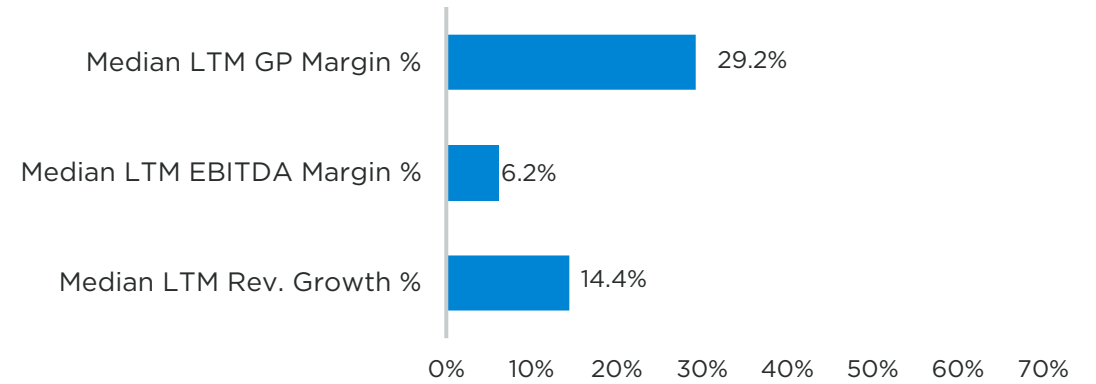
## REVENUE GROWTH MOMENTUM ↑ 15.3%

1 - year revenue growth compared to revenue growth average for last 3 years - Current revenue growth rate exceeds the average of the last 3 years by this amount, indicating that market momentum is increasing

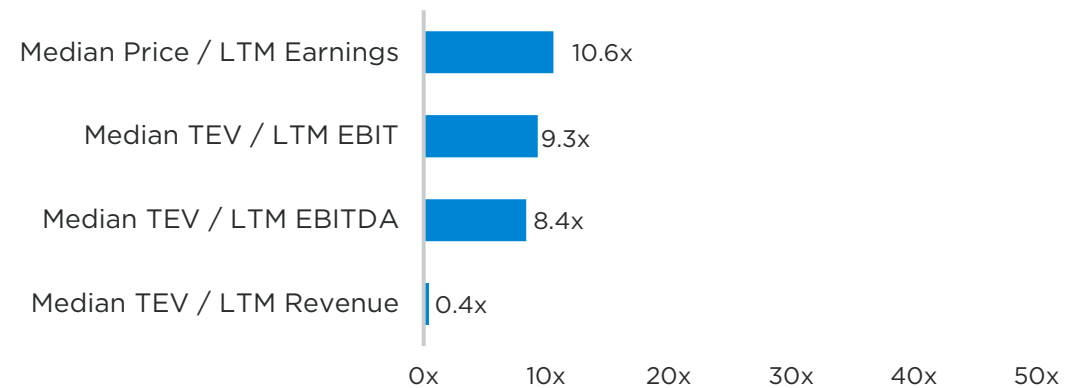
### M&A Activity (Deal Count)



### Operating Metrics



### Valuation



# Public Basket Overview



Staffing Solutions Providers

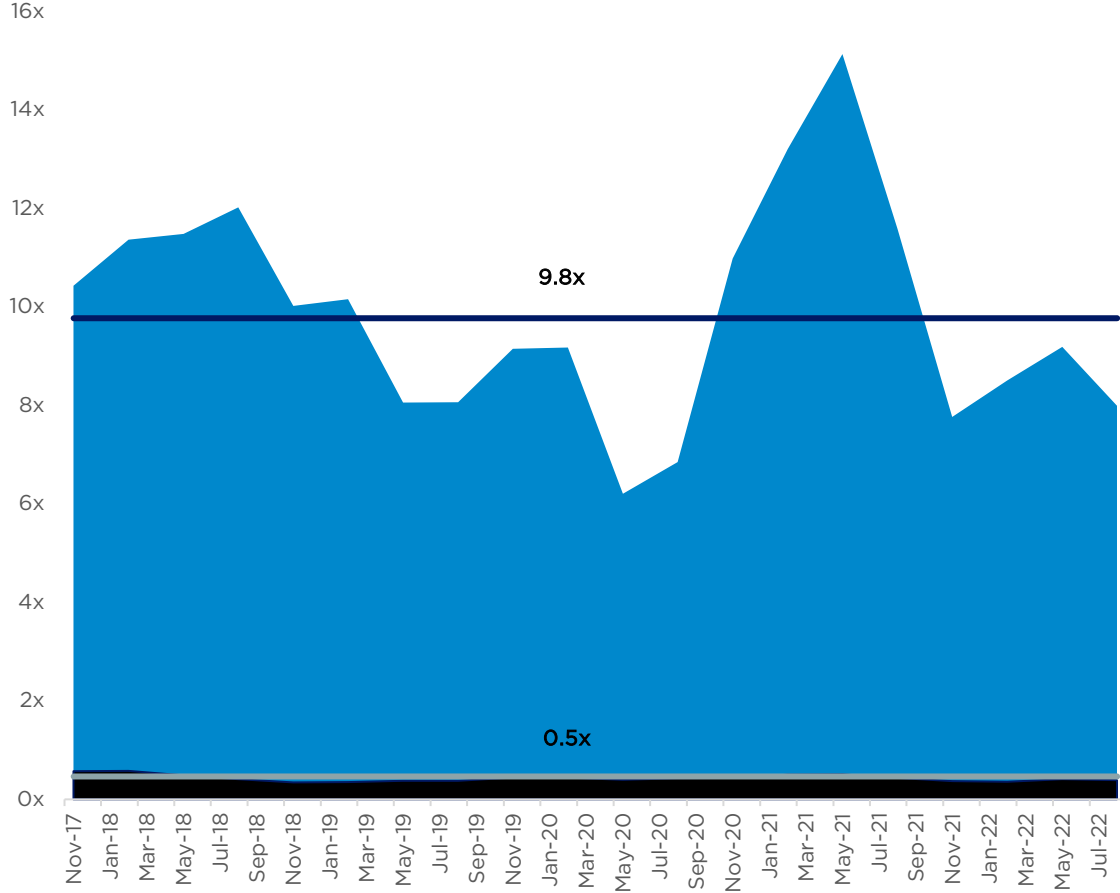


# Public Basket

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	14	-	140	5.6%	30.9%	-	0.1x	-	501	279
BGSF	153	19	240	30.4%	35.7%	7.9%	0.6x	8.1x	400	600
Kelly Services	673	123	5,000	12.1%	19.3%	2.5%	0.1x	5.5x	357,400	14
Kforce	1,286	115	1,634	14.6%	29.5%	7.0%	0.8x	11.2x	12,500	131
Korn Ferry	3,021	539	2,643	45.2%	95.0%	20.4%	1.1x	5.6x	10,779	245
ManpowerGroup	4,876	753	20,943	14.4%	16.9%	3.6%	0.2x	6.5x	30,000	698
ASGN	5,222	481	4,194	18.3%	29.2%	11.5%	1.2x	10.9x	3,900	1,075
Robert Half International	8,521	966	7,160	30.8%	42.7%	13.5%	1.2x	8.8x	191,600	37
Adecco Group	9,721	1,122	24,884	10.5%	20.7%	4.5%	0.4x	8.7x	35,346	704
<b>Average</b>	3,721	515	7,426	20.2%	35.5%	8.9%	0.7x	8.1x	71,381	420
<b>Median</b>	3,021	510	4,194	14.6%	29.5%	7.5%	0.6x	8.4x	12,500	279

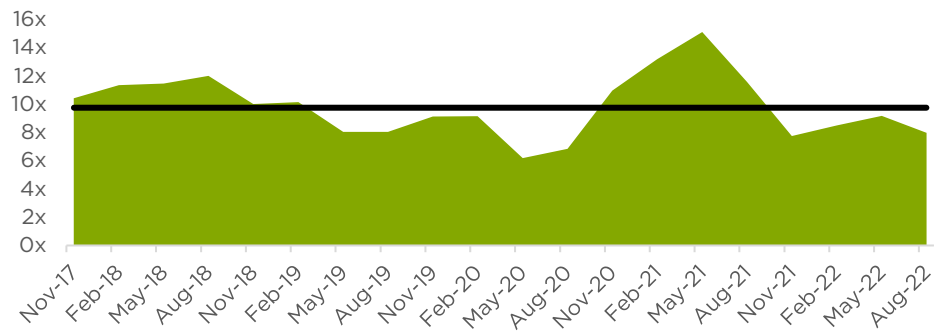
share price as of 05Aug22

# Public Basket



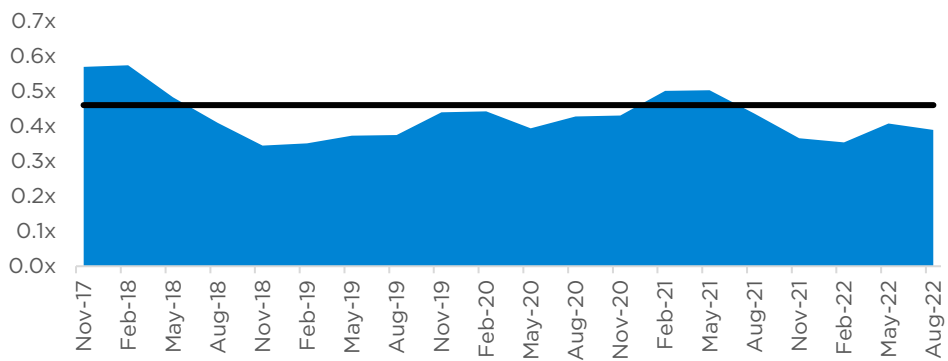
■ TEV/EBITDA - Median    ■ TEV/Revenue - Median  
— TEV/EBITDA - Average    — TEV/Revenue - Average

### Public EBITDA Multiples over Time



■ TEV/EBITDA - Median    — TEV/EBITDA - Average

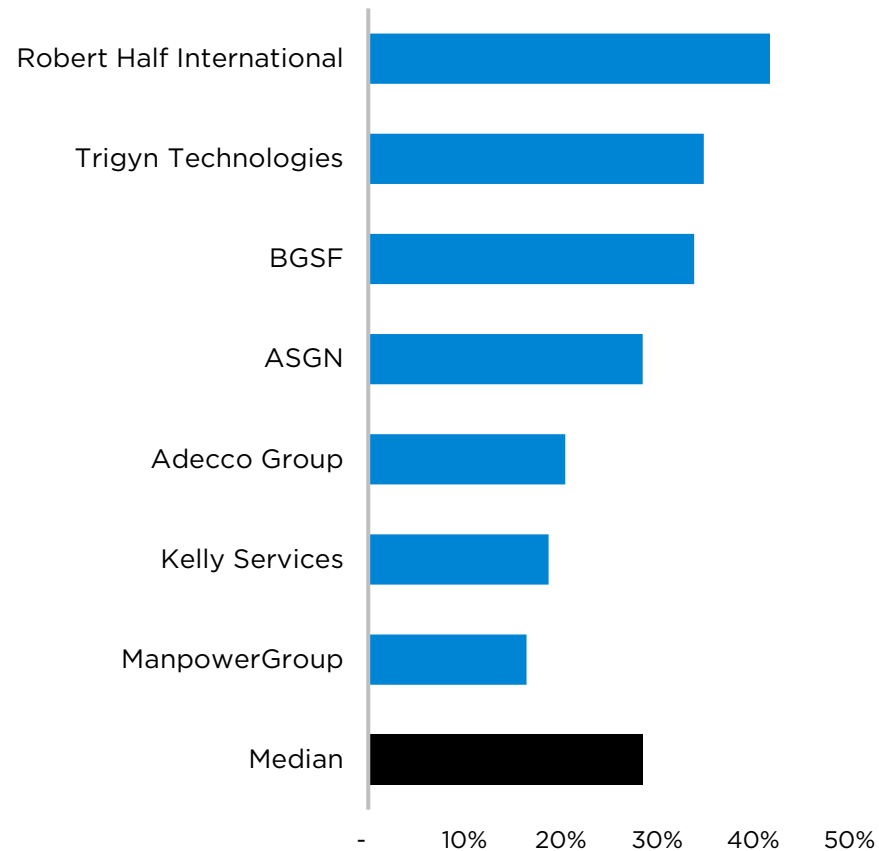
### Public Revenue Multiples over Time



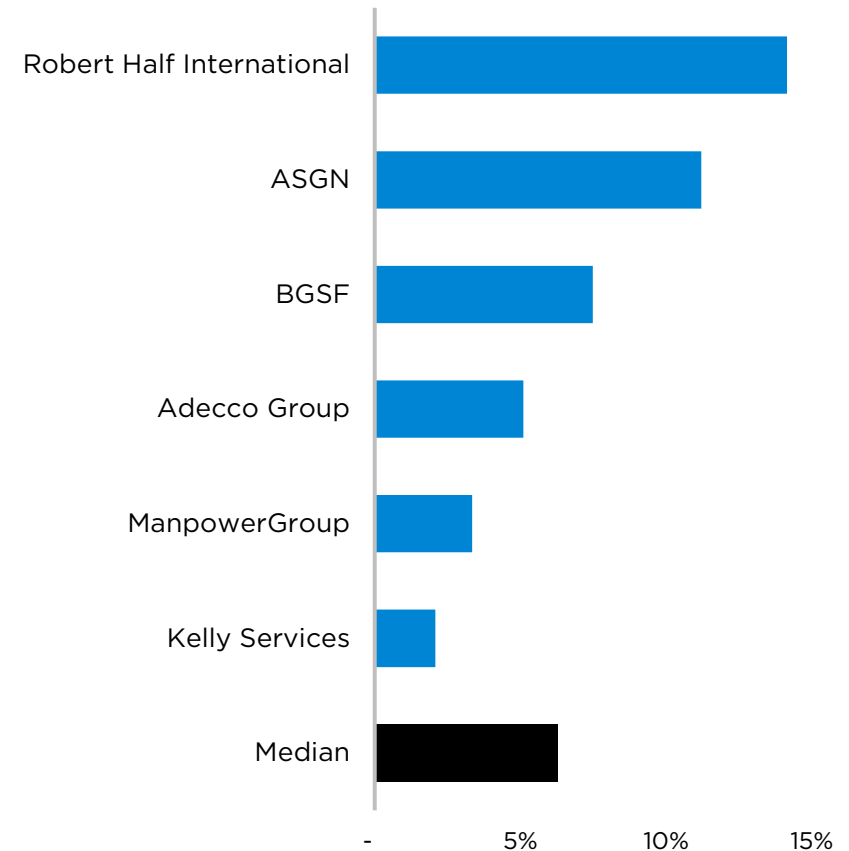
■ TEV/Revenue - Median    — TEV/Revenue - Average

# Operational Metrics

## LTM Gross Profit Margin %



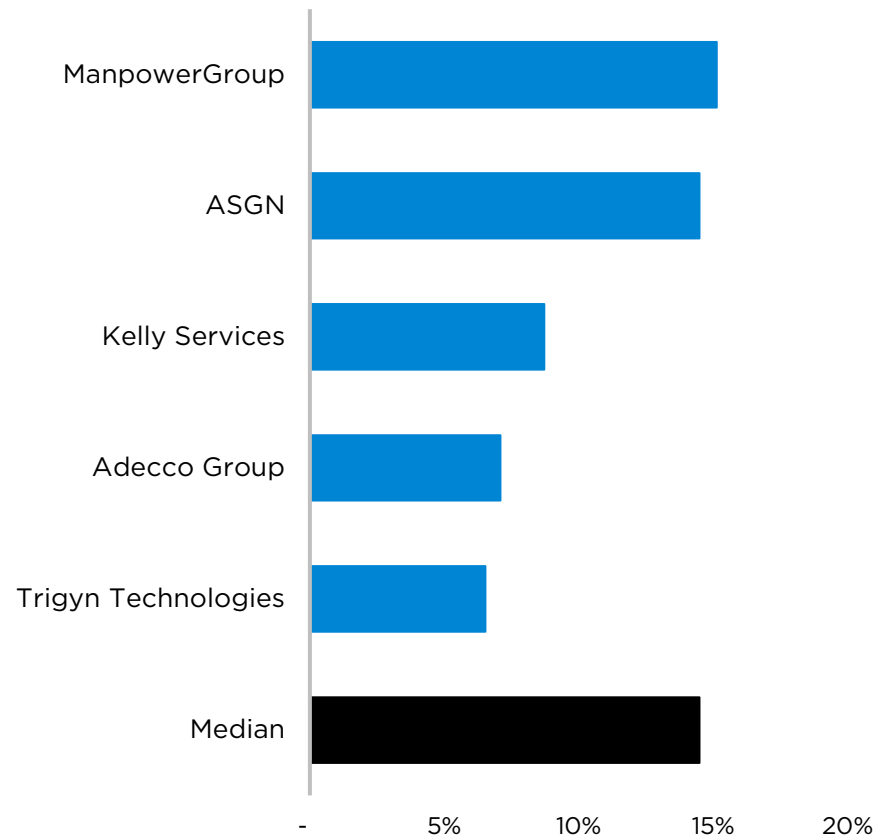
## LTM EBITDA %



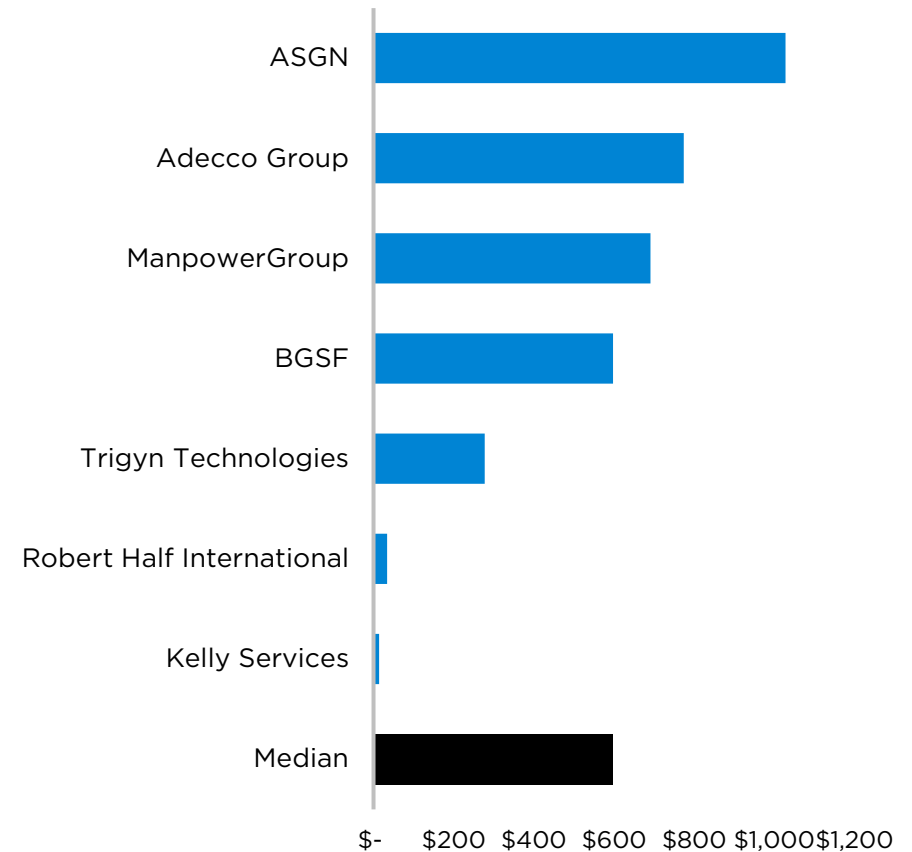


# Operational Metrics

### LTM Revenue Growth %

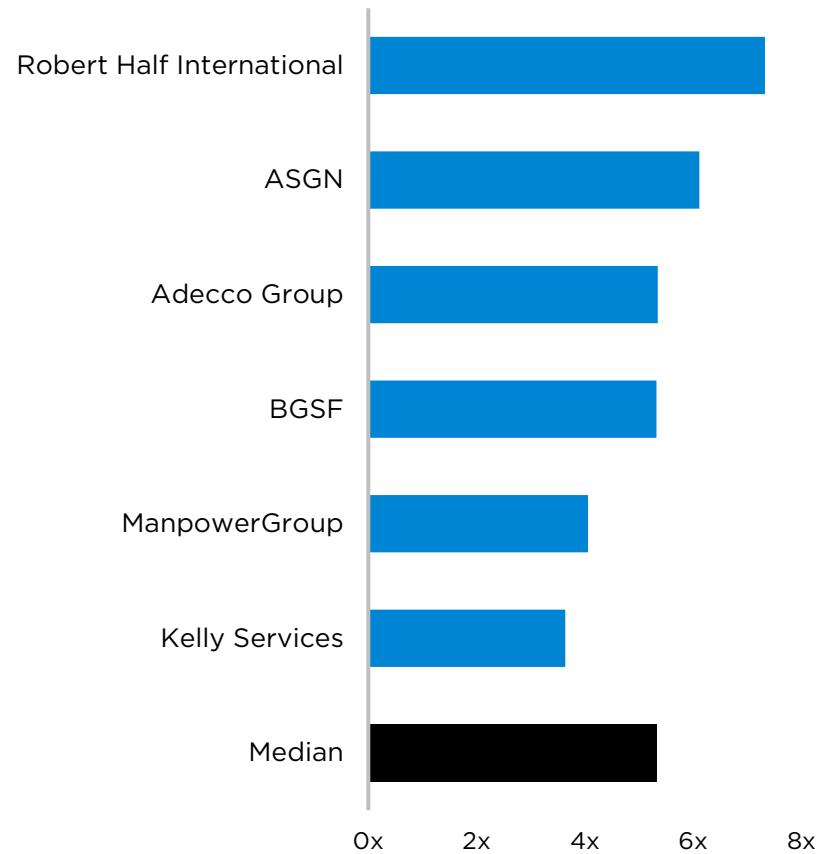


### LTM Revenue per Full Time Employee x 000's

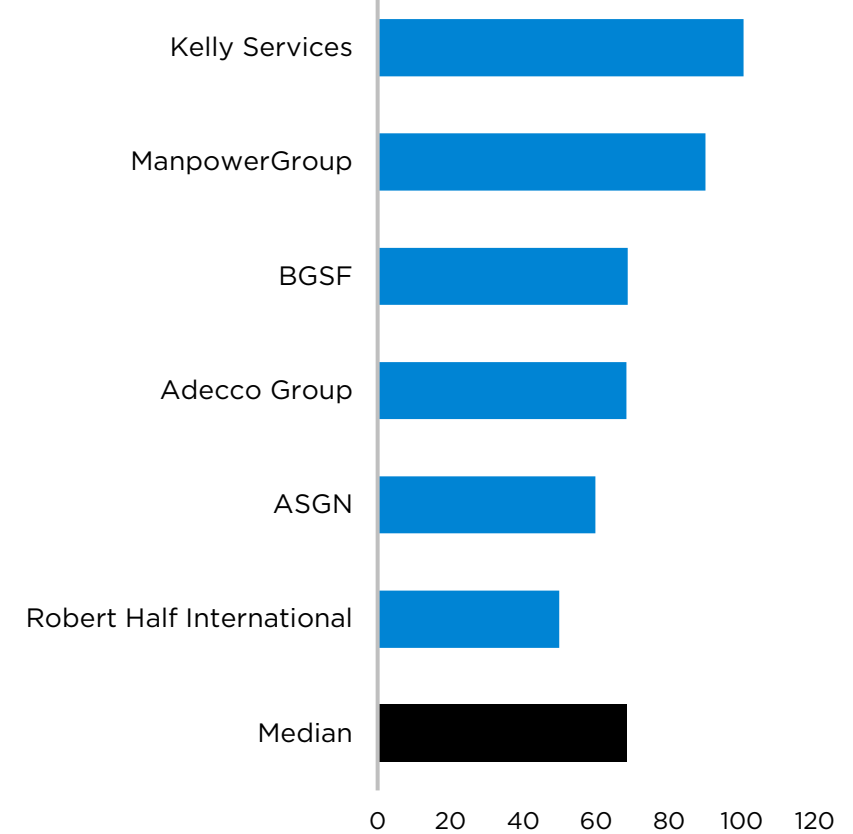


# Operational Metrics

## Accounts Receivable Turnover

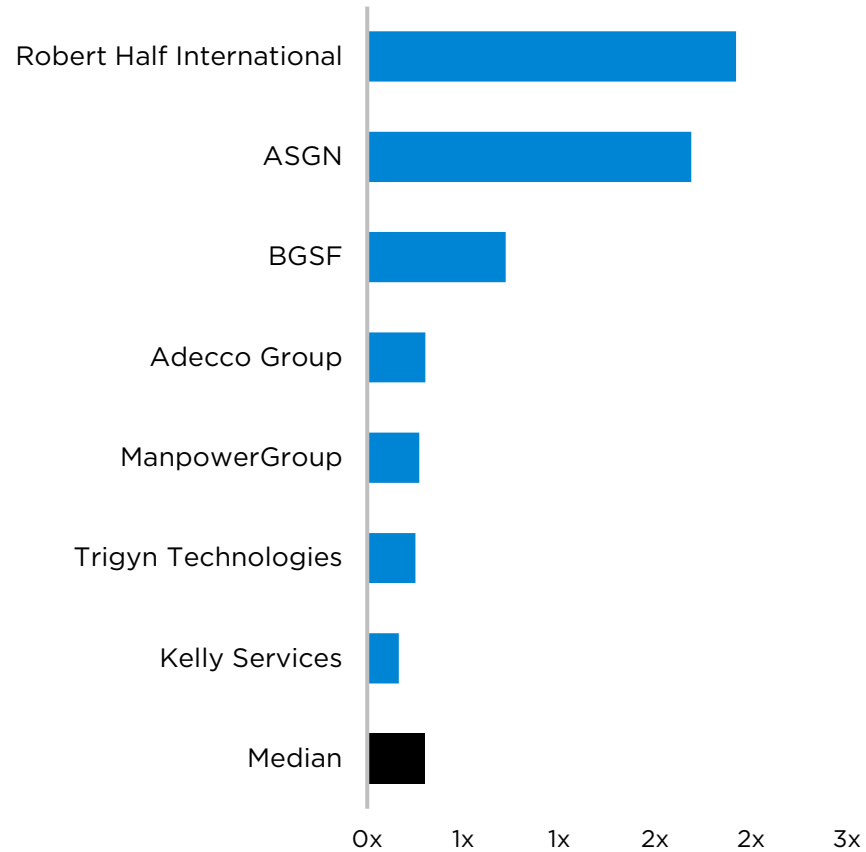


## Average Days Sales Outstanding

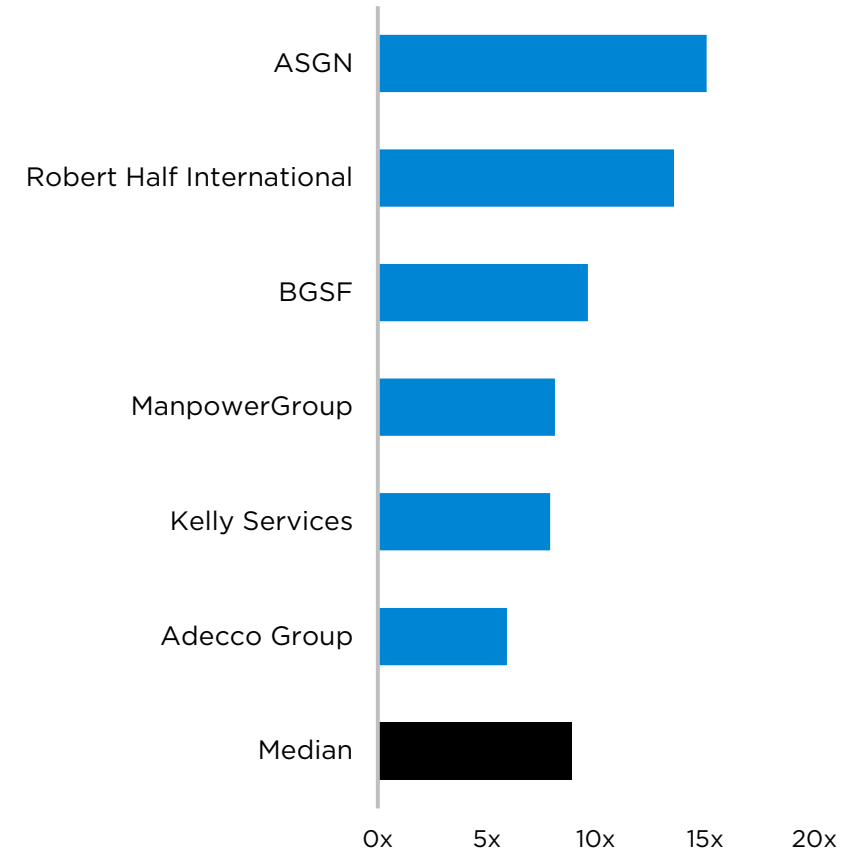


# Valuation

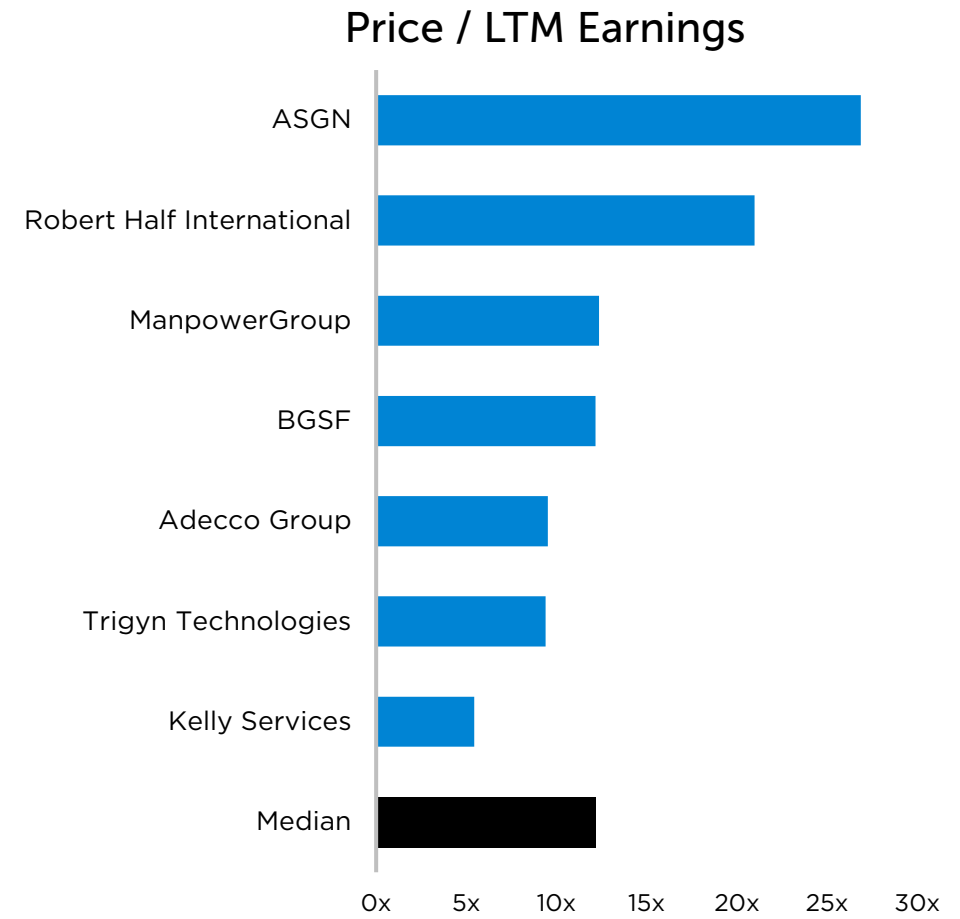
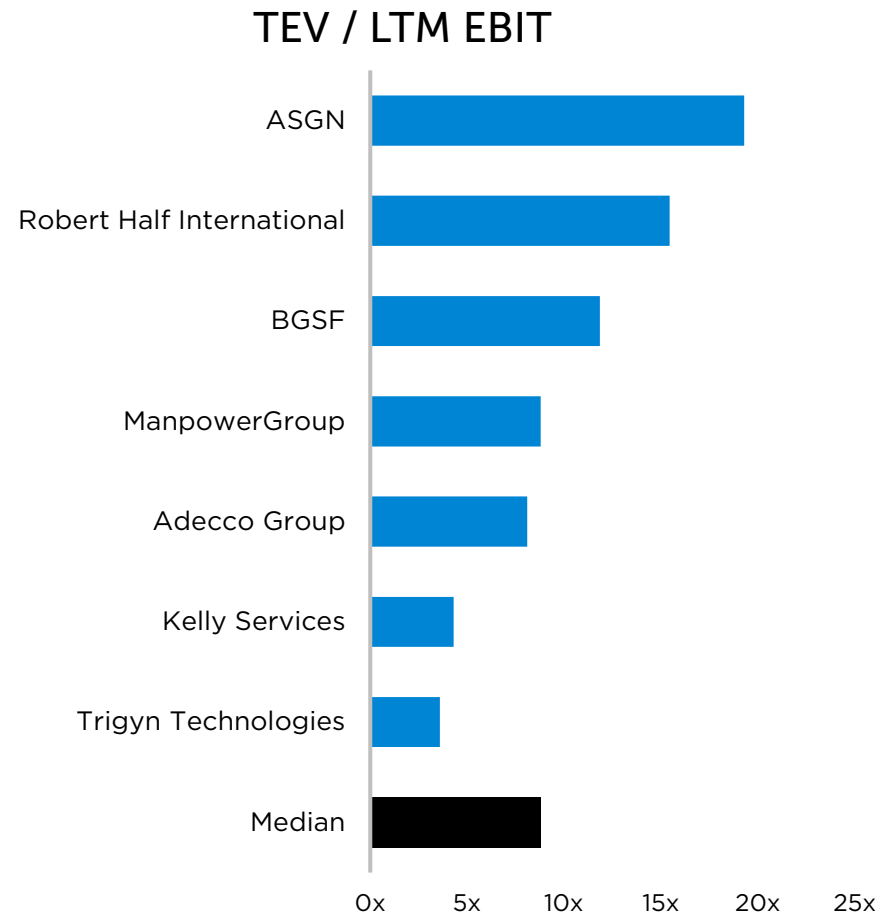
### TEV / LTM Revenue



### TEV / LTM EBITDA

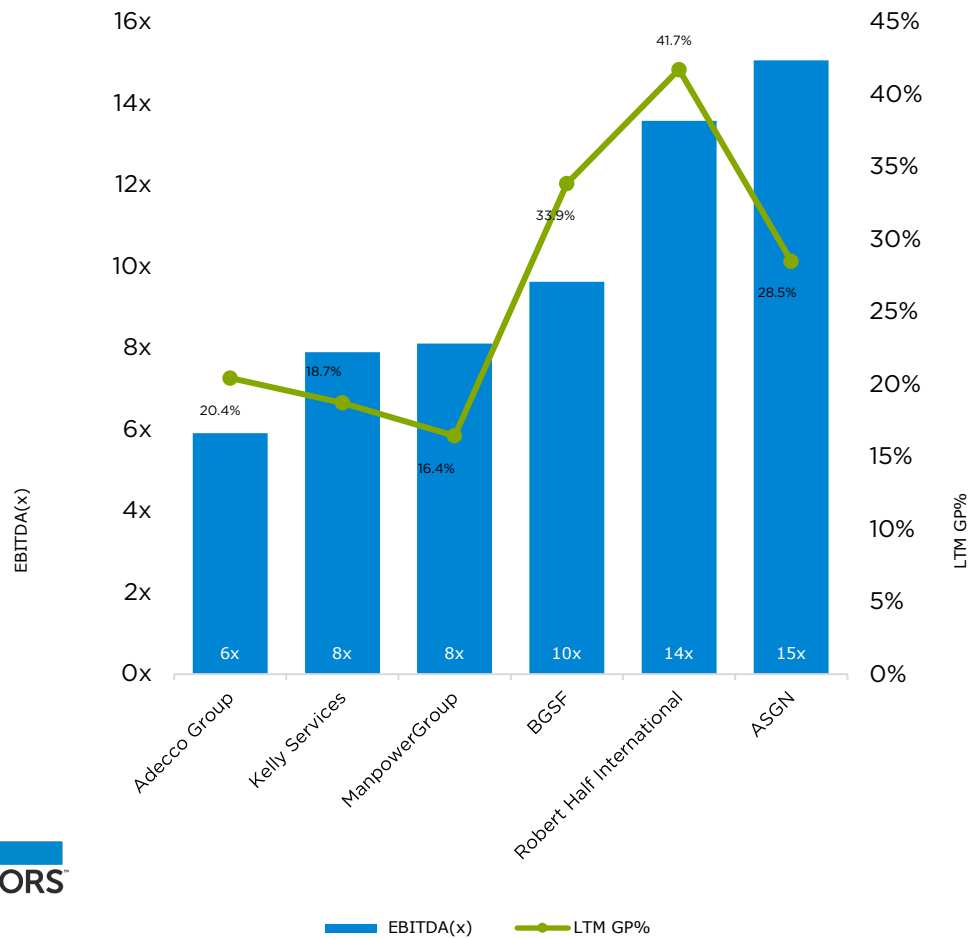


# Valuation

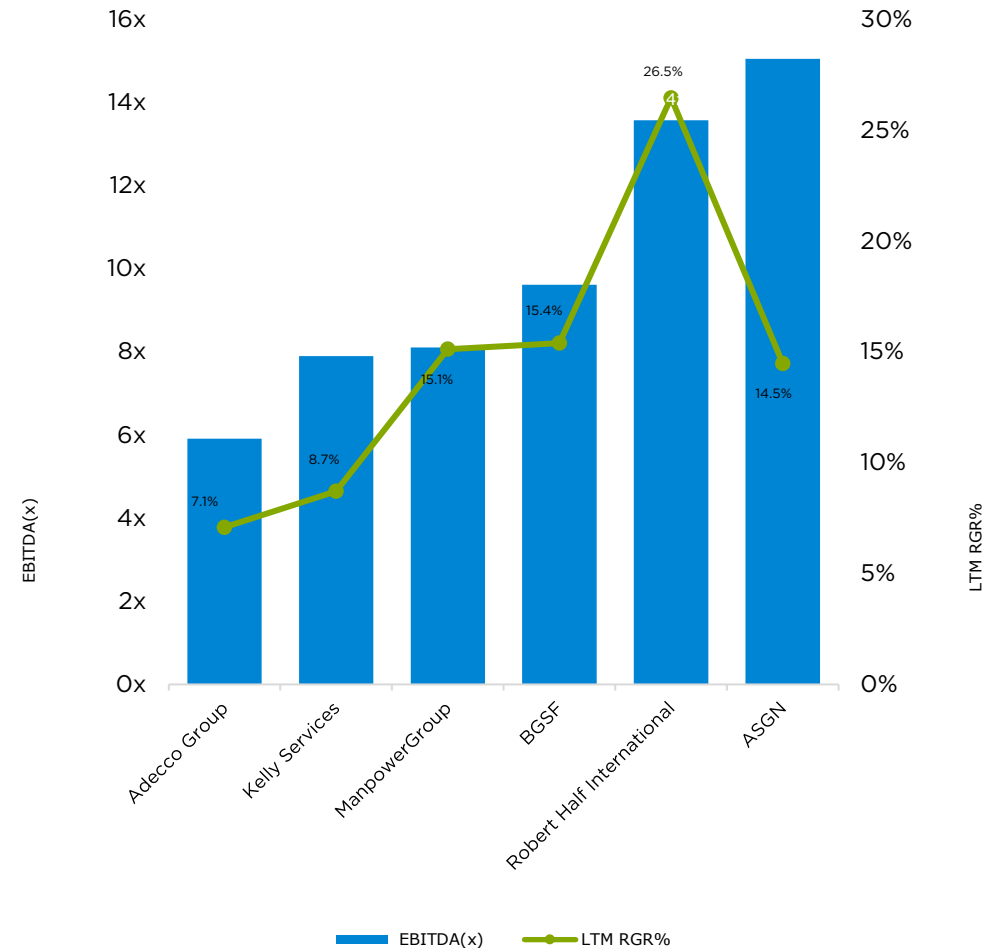


# Valuation

## Historical Valuation Multiples versus Gross Profit



## Historical Valuation Multiples versus Revenue Growth Rate



# Recent Transactions

Date	Target	Buyer	Total Transaction Amount	Target Revenue (TTM at time of deal)	TEV / Revenue	TEV / EBITDA
01-Aug-22	Barton & Associates	H.I.G. Capital	-	-	-	-
21-Jul-22	MYTA Technologies	Seq Technology	-	-	-	-
15-Jul-22	Expert & Manager	Interaction Interim	-	-	-	-
13-Jul-22	Remedy Therapy Staffing	InHomeTherapy	-	-	-	-
13-Jul-22	Wolves India	upGrad Rekrut	-	-	-	-
08-Jul-22	Genuent	A&M Capital	-	-	-	-
08-Jul-22	Plus+ Consulting	CIVC Partners	-	-	-	-
05-Jul-22	VincentBenjamin	MSouth Equity Partners	-	-	-	-
01-Jul-22	Action Staffing Services	Allied Universal	-	-	-	-
23-Jun-22	The Liberty Group	The Halifax Group	-	-	-	-
21-Jun-22	Savantis (Staffing Division)	Futuris Company	-	-	-	-
18-Jun-22	ProHealth Partners	Bain Capital Double Impact	-	-	-	-
17-Jun-22	Star-med	Palmares Capital Partners	-	-	-	-
08-Jun-22	The Specialist Group	Oaktree Capital Management	-	-	-	-
08-Jun-22	Total Seminars	Genesis Park	-	-	-	-
07-Jun-22	JBC (New York)	Axel Springer	136.00	-	-	-
01-Jun-22	Tekberry	SOAL Technologies	-	-	-	-
01-Jun-22	Yorkson Legal	Apax Partners	-	-	-	-
31-May-22	OkayGo	BetterPlace	-	-	-	-
26-May-22	The Grey Matters Network	Auxilia Consultants	-	-	-	-
25-May-22	Nurse Plus	-	-	-	-	-
24-May-22	Frederickson Partners	Arthur J. Gallagher & Company	-	-	-	-
23-May-22	Imprimis Group	-	-	-	-	-
23-May-22	Profils Emplois	Oxygene Interim	-	-	-	-
20-May-22	Balance - Ervaring Op Projectbasis	EIFFEL	-	-	-	-

# Appendix

*Public Basket  
Contact Information*



### Trigyn Technologies

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

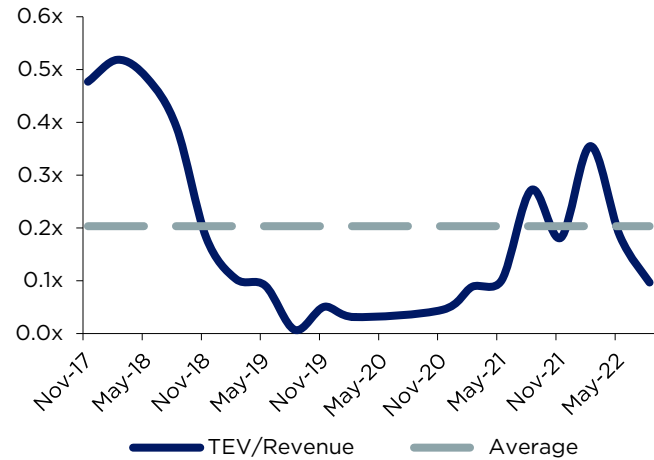
It provides IT solutions, staffing, application outsourcing services, managed services, Software Development, Maintenance, and other services. The company's only operating segment being Communications and information technology staffing support services. It has a global business presence.



# Public Basket

Trigyn Technologies

Revenue Multiples - Trigyn Technologies



Company Name	Date	Deal Synopsis
WhizAI	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. Pankaj Jain and other undisclosed 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.
#ENTITYNOTFOUND	#SPECIFYREQUIRED	#SPECIFYREQUIRED

## BGSF

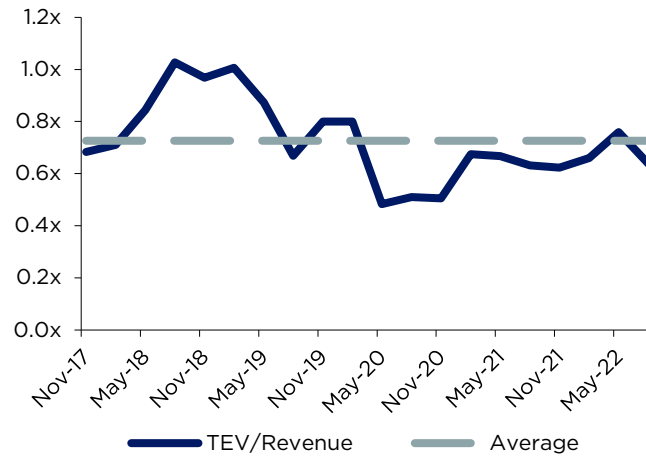
### **BGSF Inc is engaged in providing temporary staffing services.**

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.

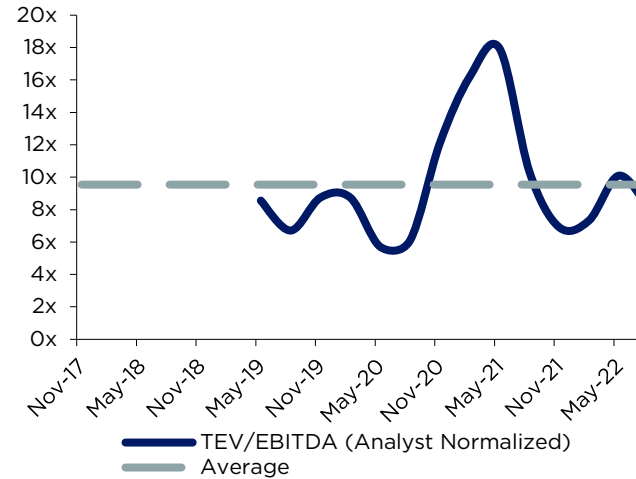
# Public Basket

BGSF

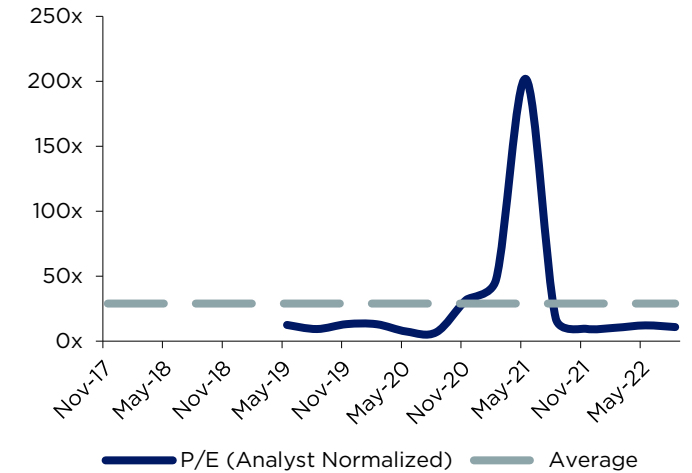
Revenue Multiples - BGSF



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.

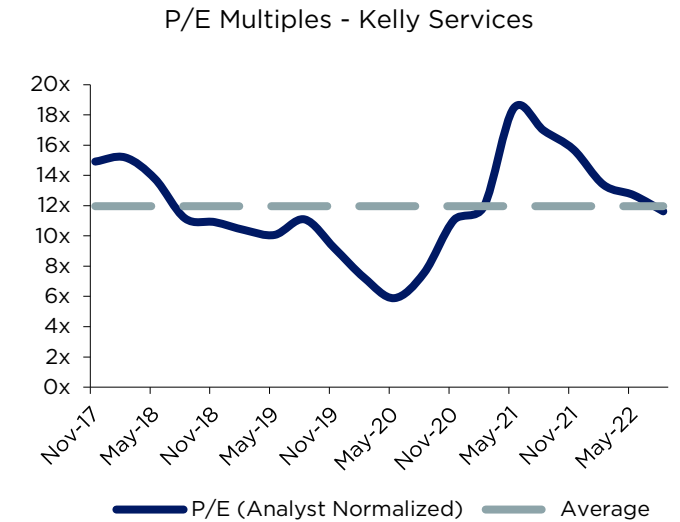
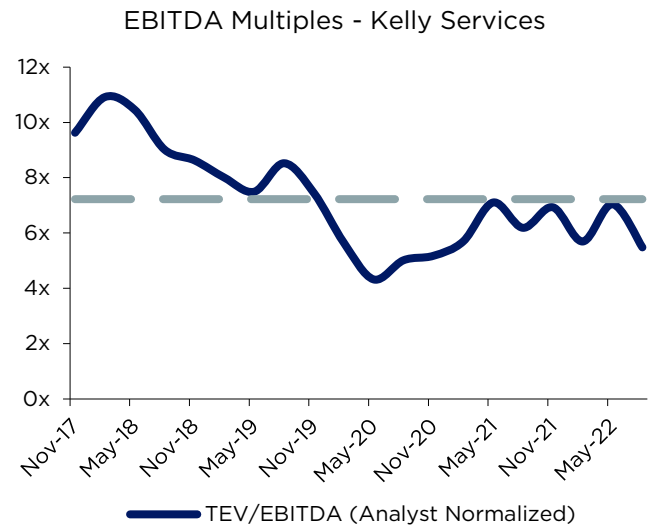
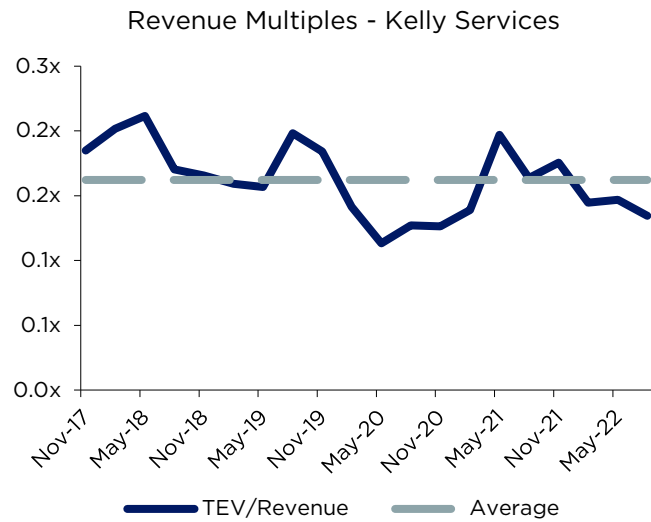
### Kelly Services

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

The company's operations are divided into five business segments namely Professional & Industrial, Science, Engineering & Technology, Education, Outsourcing & Consulting, and International. 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. Professional & Industrial generates maximum revenue from its operations.

# Public Basket

## Kelly Services



Company Name	Date	Deal Synopsis
Pediatric Therapeutic Services (Conshohocken)	03-May-22	The company was acquired by Kelly Services (NAS: KELYA) for an undisclosed amount on May 2, 2022. The acquisition gives Kelly an entry point into the fast-growing therapeutic services market, a specialty domain where it didn't have a presence.
RocketPower	09-Mar-22	The company was acquired by Kelly Services (NAS: KELYA) for an undisclosed amount on March 9, 2022. This acquisition expands KellyOCG's RPO solution and delivery offering across the globe.

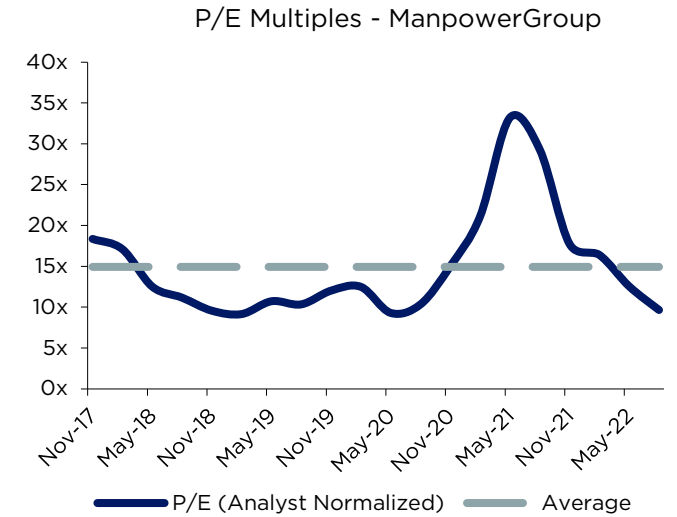
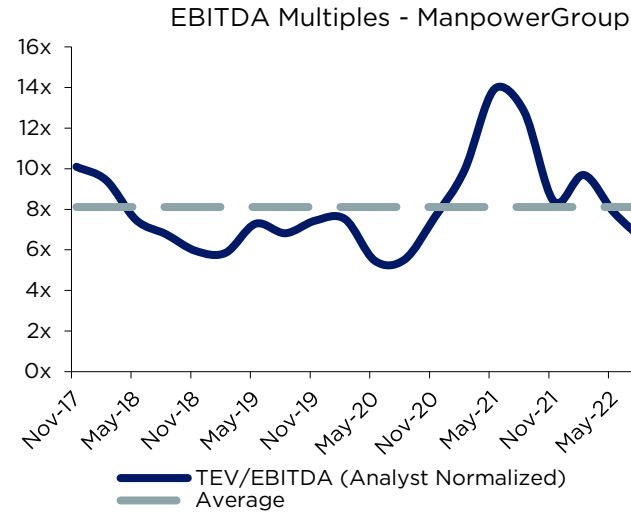
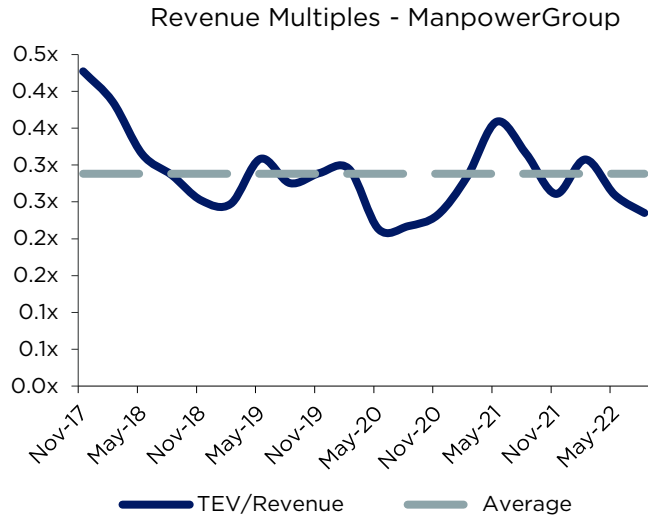
## ManpowerGroup

**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 offers a suite of human resources outsourcing and outplacement services. Manpower generates annual revenue and operating income of more than \$20 billion and nearly \$600 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
Manpower Switzerland	03-Apr-19	The company was acquired by ManpowerGroup (NYS: MAN) for \$219.5 million on April 3, 2019.
Ciber Spain	28-Feb-17	The company, a division of Ciber (NYSE: CBR) was acquired by ManpowerGroup (NYSE: MAN) for \$8 million on February 28, 2017. The consideration includes \$1 million contingent payment. The acquisition further strengthens ManpowerGroup Spain's capacity to deliver best-in-class IT staffing solutions, and complements the organic growth of its Experis brand, the professional resourcing and project-based workforce solutions arm of the company.

## ASGN

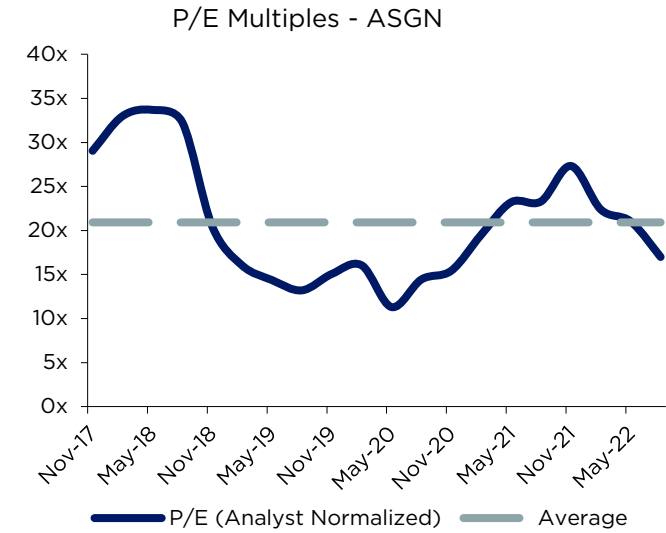
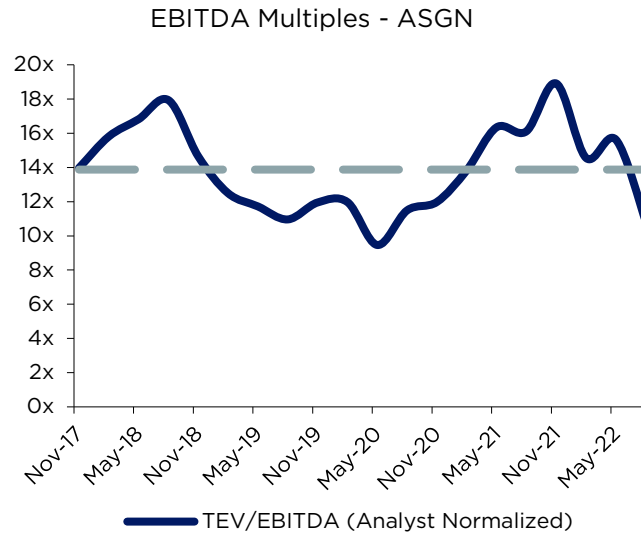
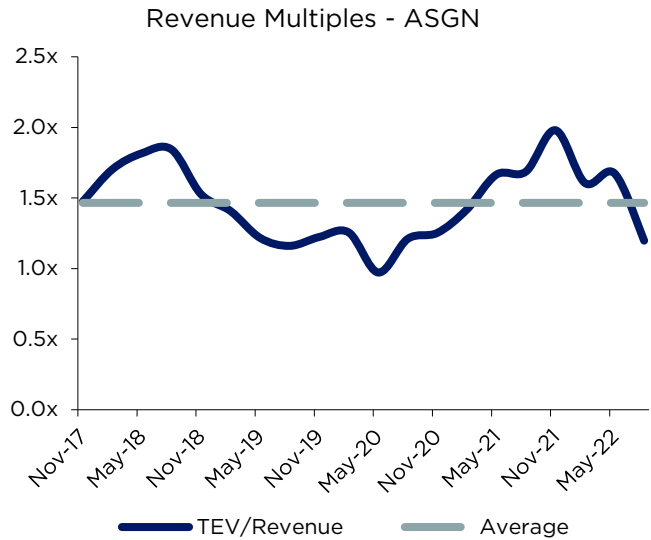
**ASGN Inc is a provider of information technology (IT) services and professional solutions, including technology, creative, and digital, across the commercial and government sectors.**

It operates through two segments, Commercial and Federal Government. The Commercial Segment, which is their largest segment, provides consulting, creative digital marketing, and permanent placement services to Fortune 1000 clients and mid-market companies. The Federal Government Segment provides mission-critical solutions to the Department of Defense, intelligence agencies, and civilian agencies.



# Public Basket

ASGN



Company Name	Date	Deal Synopsis
GlideFast Consulting	03-Jun-22	The company was acquired by ASGN (NYS: ASGN) for \$350 million on June 3, 2022. Through this acquisition will help the company to enhance their abilities to serve the ServiceNow marketplace.
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.

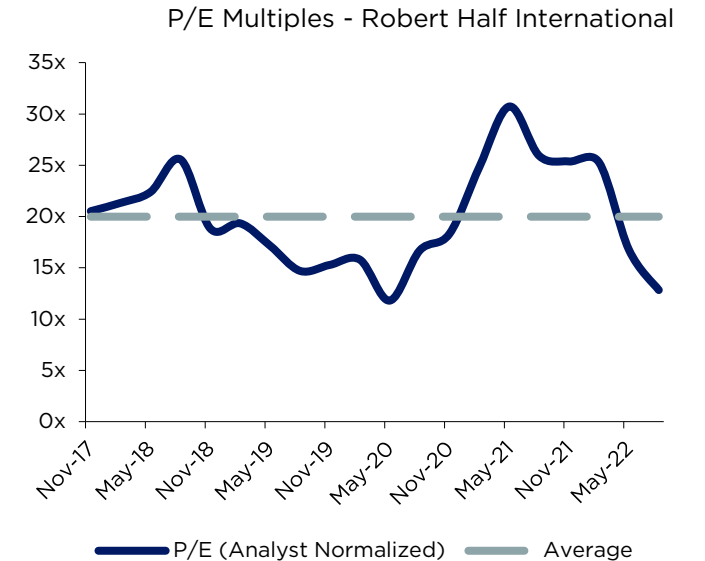
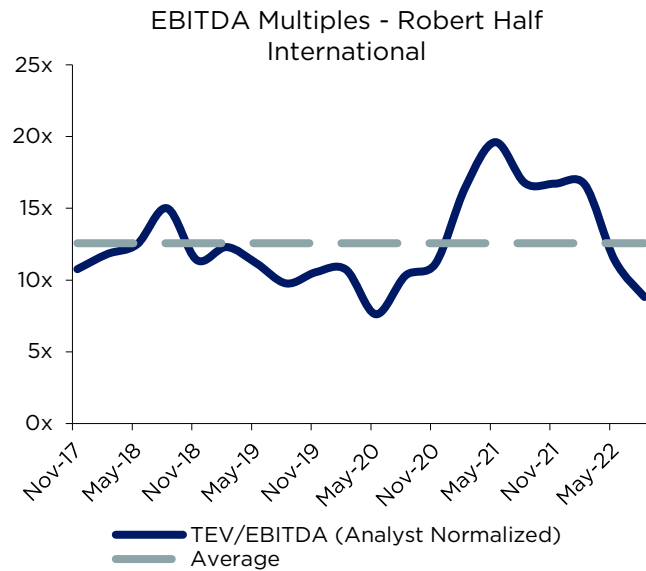
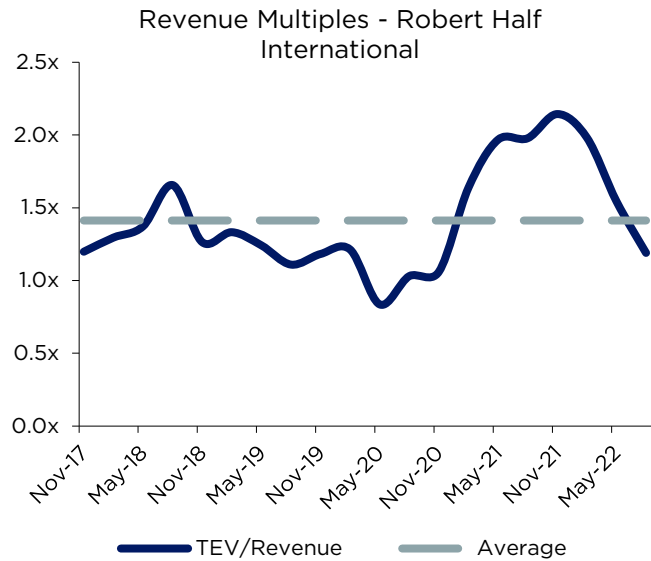
## Robert Half International

**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*

Radius

15-Feb-06

The company was acquired by Robert Half International (NYSE: RHI) for an undisclosed amount on February 15, 2006.

Protiviti

01-May-02

The company was acquired by Robert Half International (NYS: RHI) for an undisclosed amount on May 1, 2002.

# Public Basket

Adecco Group

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Adecco Group

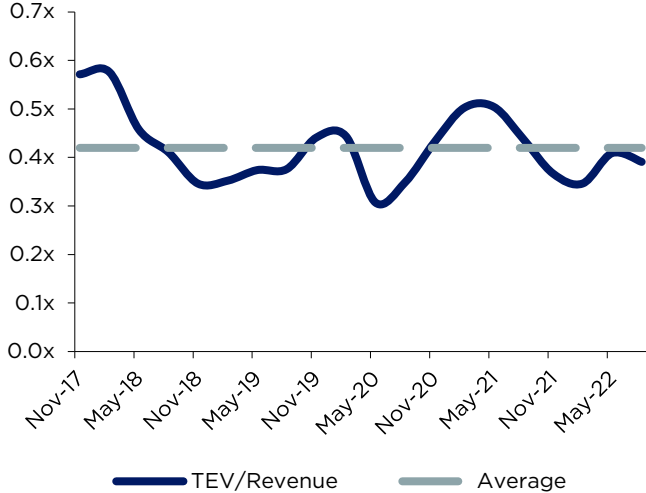
**Adecco is the largest recruitment provider globally, with just over 4,000 branches in over 60 countries.**

— 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.

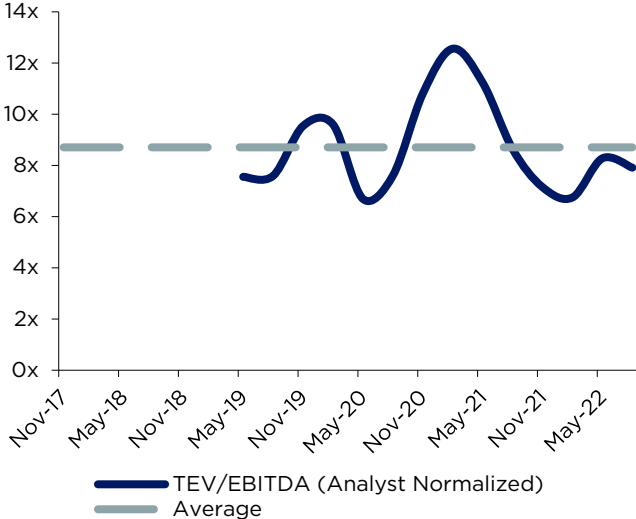
# Public Basket

## Adecco Group

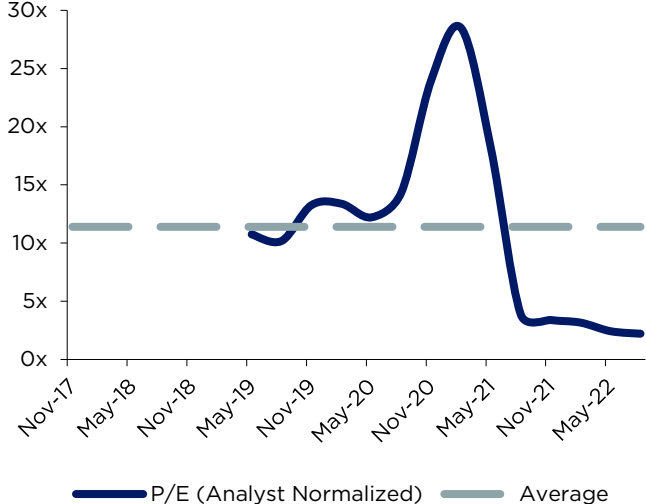
Revenue Multiples - Adecco Group



EBITDA Multiples - Adecco Group



P/E Multiples - Adecco Group



Company Name

Date

Deal Synopsis

Qapa

14-Oct-21

The company was acquired by Adecco Group (SWX: ADEN) for EUR 95 million on October 14, 2021.

# Contact Info

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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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