

A photograph of a business meeting in progress. In the foreground, a man in a dark suit and blue tie is seated at a table, looking towards the right. He is holding a pair of glasses in his right hand. Behind him, another person is partially visible. In the background, there are blurred figures of other people and office equipment, including a laptop and a glass of water on the table.

Market Update Human Capital Management Services

Q1 2016

Key Highlights

- Top subsector price performers in Q1 of 2016 included HR Professional Services, up 7.7% and Specialty Consulting Services, up 7.2%
- On average, the stock price indices for the subsectors underperformed the S&P 500 Index by 2.7% during Q1 of 2016
- On average, EBITDA multiples for the subsectors were down by 0.5x over the prior quarter and down 1.6x on a year over year basis

Lincoln International's Human Capital Management Services Group

Lincoln International recognizes the importance of understanding a client's industry, value drivers, growth opportunities and challenges. Our extensive expertise provides in-depth market insights, deep relationships with the most active strategic and financial partners and superior knowledge on how to best position a business and overcome potential issues. These attributes, combined with our globally integrated resources and flawless execution, enable us to consistently deliver outstanding outcomes for our clients.

Lincoln International's dedicated Human Capital Management Services Group has established itself among the most active M&A advisors in the mid-market. Our senior bankers provide sector-specific expertise, global buyer access and unmatched execution within the human capital management services space. This update tracks pricing and valuation metrics and transaction activity for six key human capital management services subsectors:

- HR Administrative
- HR Professional
- HR Technology
- Specialty Consulting
- Staffing
- Training

Recent Human Capital Management Services Transactions

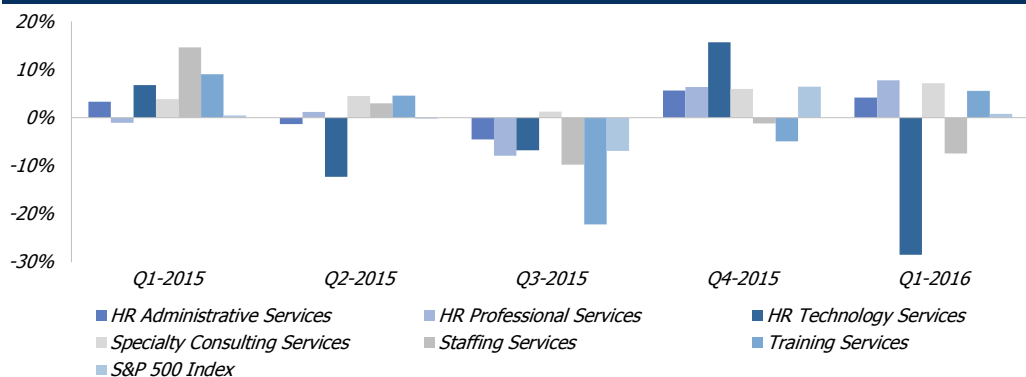


Quarter over Quarter Price Performance

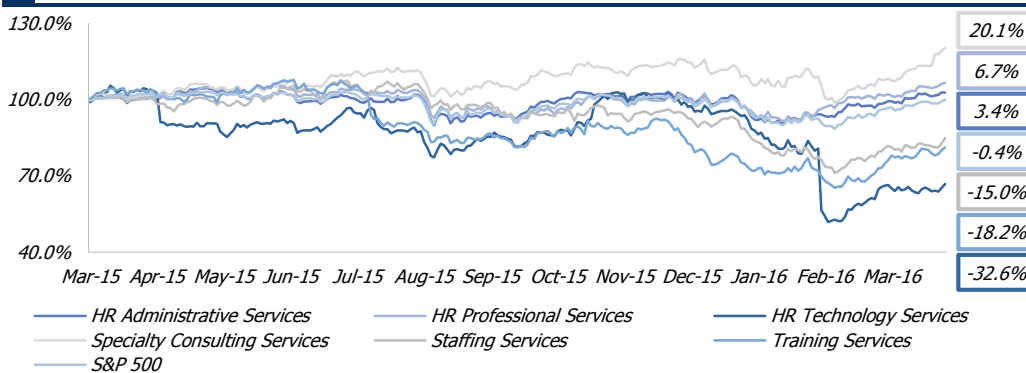
Outperformers	Change	Underperformers	Change
Kelly Services, Inc.	18.4%	TriNet Group, Inc.	(25.8%)
Aon plc	13.3%	Cross Country Healthcare, Inc.	(29.0%)
Accenture plc	10.4%	Barrett Business Services, Inc.	(34.0%)
GP Strategies Corp.	9.1%	Moster Worldwide, Inc.	(43.1%)
AMN Healthcare Services, Inc.	8.2%	LinkedIn Corporation	(49.2%)

Based on quarter-over-quarter share price performance

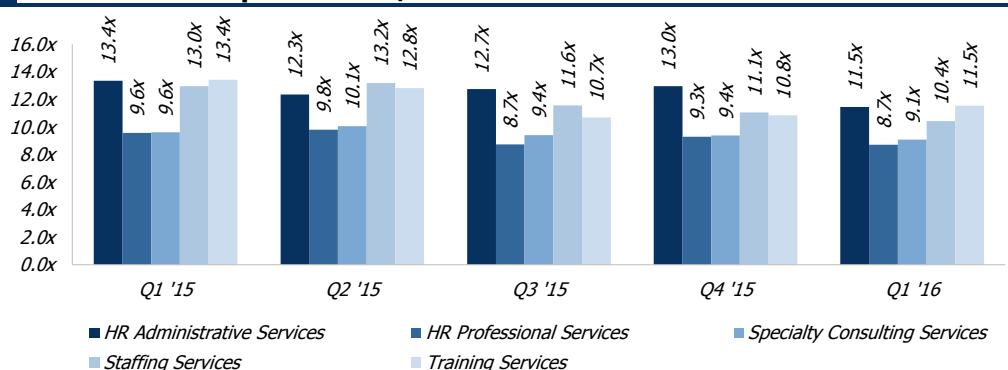
Quarter over Quarter Stock Indices Price Change



LTM Relative Stock Indices Price Performance



Historical Enterprise Value / EBITDA Valuation Performance



Note: Excludes HR Technology Services, as companies within that subsector typically trade as a multiple of revenue

Human Capital Management Services Stock Indices Data

Company Name	Stock Price	% of 52 Week High	Market Cap	Enterprise Value	LTM		YoY Revenue Growth	EBITDA Margin	Enterprise Value / LTM	
					Revenue	EBITDA			Revenue	EBITDA
HR Administrative Services										
Aon plc	\$104.45	99.7%	\$28,210	\$33,369	\$11,661	\$2,546	(2.2%)	21.8%	2.9x	13.0x
Automatic Data Processing, Inc.	89.71	98.9%	41,038	40,211	11,240	2,332	4.1%	20.7%	3.6x	17.2x
Barrett Business Services Inc.	28.75	54.2%	207	220	724	39	8.3%	5.4%	0.3x	5.6x
Capita plc	15.01	78.0%	9,953	12,989	7,133	1,071	7.0%	15.0%	1.9x	12.4x
Insperty, Inc.	51.73	93.9%	1,100	820	2,604	92	7.6%	3.5%	0.3x	8.9x
Paychex, Inc.	54.01	98.6%	19,450	19,123	2,890	1,235	7.6%	42.7%	6.6x	15.5x
TriNet Group, Inc.	14.35	38.2%	1,010	1,343	2,659	126	15.1%	4.7%	0.5x	10.2x
Xchanging plc	2.75	98.1%	682	757	649	89	(20.9%)	13.7%	1.2x	8.7x
HR Professional Services										
Heidrick & Struggles International Inc.	\$23.70	77.4%	\$437	\$247	\$531	\$49	6.6%	9.2%	0.5x	5.0x
Hudson Global, Inc	2.37	73.1%	83	48	463	(7)	(17.5%)	(1.5%)	0.1x	NM
Korn/Ferry International	28.29	72.7%	1,620	1,551	1,164	165	15.4%	14.2%	1.3x	9.3x
Marsh & McLennan Companies, Inc.	60.79	99.7%	31,685	34,814	12,893	2,842	(0.1%)	22.0%	2.7x	12.2x
Resources Connection, Inc.	15.56	83.2%	578	468	595	57	(0.6%)	9.6%	0.8x	8.2x
HR Technology Services										
Cornerstone OnDemand, Inc.	\$32.77	80.5%	\$1,796	\$1,784	\$340	(\$60)	21.3%	(17.8%)	5.3x	NM
DHI Group, Inc.	8.07	77.0%	423	490	260	64	(2.2%)	24.8%	1.9x	7.6x
LinkedIn Corporation	114.35	42.9%	15,103	13,137	2,991	247	25.5%	8.3%	4.4x	NM
Monster Worldwide, Inc.	3.26	39.6%	293	324	667	94	(11.7%)	14.1%	0.5x	3.4x
The Ultimate Software Group, Inc.	193.50	89.5%	5,582	5,470	618	64	16.7%	10.3%	8.9x	NM
Workday, Inc.	76.84	82.1%	14,984	13,522	1,162	(182)	47.5%	(15.6%)	11.6x	NM
Specialty Consulting Services										
Accenture plc	\$115.40	99.0%	\$71,985	\$69,539	\$31,618	\$5,283	2.3%	16.7%	2.2x	13.2x
Altran Technologies S.A.	13.87	94.4%	2,401	2,565	2,112	215	9.1%	10.2%	1.2x	11.4x
Atos SE	81.52	89.5%	8,419	8,033	11,605	1,447	14.5%	12.5%	0.7x	5.2x
Cap Gemini S.A.	94.05	90.9%	16,208	18,382	12,941	1,539	11.3%	11.9%	1.4x	11.4x
CRA International Inc.	19.64	60.9%	175	137	304	23	(0.9%)	7.7%	0.4x	5.8x
FTI Consulting, Inc.	35.51	77.2%	1,436	1,781	1,779	200	0.9%	11.2%	1.0x	8.9x
Huron Consulting Group Inc.	58.19	74.5%	1,213	1,466	699	156	(11.3%)	22.3%	2.1x	9.4x
ICF International Inc.	34.37	81.0%	652	956	1,132	109	5.0%	9.6%	0.8x	8.8x
Navigant Consulting Inc.	15.81	88.1%	750	914	834	120	5.2%	14.4%	1.1x	7.6x
Staffing Services										
Adecco S.A.	\$65.36	74.6%	\$11,404	\$12,590	\$23,904	\$1,294	8.9%	5.4%	0.5x	9.2x
AMN Healthcare Services Inc.	33.61	89.7%	1,613	1,822	1,463	155	30.3%	10.6%	1.2x	11.8x
CDI Corp.	6.28	42.7%	124	126	985	10	(10.7%)	1.1%	0.1x	12.0x
Cross Country Healthcare, Inc.	11.63	62.0%	379	467	767	35	11.9%	4.6%	0.6x	13.3x
Hays plc	1.74	69.7%	2,495	2,576	5,862	256	0.5%	4.4%	0.4x	10.3x
Kelly Services, Inc.	19.12	96.9%	722	735	5,518	89	(0.6%)	1.6%	0.1x	8.3x
Kforce Inc.	19.58	66.8%	531	614	1,319	81	5.7%	6.2%	0.5x	7.5x
ManpowerGroup Inc.	81.42	84.1%	5,878	6,070	19,330	785	(5.3%)	4.1%	0.3x	7.7x
Michael Page International plc	6.15	75.1%	1,901	1,764	1,570	146	0.1%	9.3%	1.2x	12.4x
On Assignment Inc.	36.92	72.4%	1,964	2,696	2,065	219	9.7%	10.6%	1.3x	12.3x
Randstad Holding NV	55.48	74.9%	10,103	10,641	20,873	952	9.7%	4.6%	0.5x	10.7x
Robert Half International Inc.	46.58	77.3%	6,014	5,791	5,095	634	5.8%	12.4%	1.1x	9.1x
Team Health Holdings, Inc.	41.81	59.5%	3,075	5,454	3,597	362	19.2%	10.1%	1.5x	15.1x
TrueBlue, Inc.	26.15	83.0%	1,077	1,293	2,696	145	14.6%	5.4%	0.5x	8.9x
Training Services										
BTS Group AB	\$8.95	87.6%	\$167	\$152	\$124	\$14	26.2%	11.6%	1.2x	10.1x
CEB Inc.	64.73	70.7%	2,113	2,561	928	209	0.8%	22.5%	2.8x	12.3x
Franklin Covey Co.	17.59	84.0%	286	316	206	27	(1.5%)	13.3%	1.5x	12.1x
GP Strategies Corp.	27.40	73.1%	458	500	490	42	(1.8%)	8.6%	1.0x	11.6x
Mean		77.8%					6.2%	10.2%	1.8x	10.1x
Median		77.7%					5.8%	10.1%	1.1x	10.1x

Source: Bloomberg, Capital IQ and company filings, as of 3/31/2016

Market Intelligence

03/31/2016: **The Hackett Group**, a leading technology consultancy group, is aggressively pursuing acquisitions of businesses with data-capture technologies that can support the services provided to its large, global client base, according to CEO Ted Fernandez

03/17/2016: **Justworks**, a fast-growing, New York-based human resources and payments platform, is preparing to go public in the next few years, according to CEO Isaac Oates

02/11/2016: **Monster**, a global leader human resource technology and staffing, entered into a joint venture with **Kununu GmbH**, the European leader in human resource and staffing services, to expand its global footprint and capabilities

03/21/2016: **Paychex**, a provider of payroll, human resource and benefits outsourcing services, plans to make several acquisitions in 2016 and has ample dry powder to act on targets, according to CEO Efrain Rivera

03/16/2016: **Kavaliro**, an information technology staffing firm, is open to selling its software business, **Fyre**, which connects corporate end-users with job boards such as **Monster**, **CareerBuilder** and **LinkedIn**

02/01/2016: **Aon**, a leading global provider of human resource solutions, has entered into an agreement with **Catamaran**, an India-based investment company, to establish a joint venture in India, focused on providing risk management and human resource solutions

Selected M&A Transaction Recap

Date	Target Company	Target Description	Acquiring Company
Announced	Penna Consulting plc	Provides human capital management and consultancy services	Adecco S.A.
Announced	Infopartners OOD	Provides information technology consulting services	Atos SE
Mar-16	JenCal Training Ltd.	Provides recruiting and training services	GP Strategies Corp.
Feb-16	Fahrenheit 212 LLC	Provides innovation consultancy services	Cap Gemini S.A.
Feb-16	Decision Strategies International, Inc.	Provides strategic planning and leadership training services	Heidrick & Struggles International
Feb-16	Modern Survey, Inc.	Provides human capital measurement software and services	Aon Hewitt LLC
Feb-16	Connectifier, Inc.	Provides recruiting technologies and services	LinkedIn Corporation
Feb-16	Formicary Collaboration Ltd	Provides business collaboration solutions	Accenture plc
Jan-16	Lablaw, Adecco	Provides human resource and legal services	Modis, Inc.
Jan-16	Aon Hewitt LLC, RPO Business	Provides recruitment process outsourcing services	TrueBlue, Inc.
Jan-16	Air Energi Group Limited	Provides workforce and talent acquisition services	Airswift Holdings Limited
Jan-16	IT & Business Services GmbH	Provides consulting and implementation services	Cap Gemini S.A.
Jan-16	CPSG Partners LLC	Provides information technology consulting services	Mercer, Inc.
Jan-16	BrightWave Ltd.	Provides e-learning services and strategies	Capita plc
Jan-16	McKinnis Consulting Services LLC	Provides revenue cycle assessment and strategies	Navigant Consulting, Inc.
Jan-16	CRMWaypoint B.V.	Provides customer relationship management services	Accenture plc

Global Industry Groups

Aerospace & Defense
Automotive & Truck
Building & Infrastructure
Business Services
Chemicals
Consumer
Distribution
Electronics
Energy & Power
Financial Institutions
Food & Beverage
Healthcare
Industrials
Packaging
Technology & Media

Global Locations

Amsterdam
Beijing
Chicago
Frankfurt
London
Los Angeles
Madrid
Milan
Moscow
Mumbai
New York
Paris
São Paulo
Tokyo
Vienna
Zurich

Advisory Services

Mergers & Acquisitions
Debt Advisory
Valuations & Opinions
Special Situations

About Lincoln International

Lincoln International specializes in merger and acquisition advisory services, debt advisory services, private capital raising and restructuring advice on mid-market transactions. Lincoln International also provides fairness opinions, valuations and pension advisory services on a wide range of transaction sizes. With sixteen offices in the Americas, Asia and Europe, Lincoln International has strong local knowledge and contacts in key global economies. The firm provides clients with senior-level attention, in-depth industry expertise and integrated resources. By being focused and independent, Lincoln International serves its clients without conflicts of interest. More information about Lincoln International can be obtained at www.lincolninternational.com.

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