

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. The overall atmosphere is professional and busy.

Market Update Human Capital Management Services

Q2 2017

Key Highlights

- Top performers for Q2 2017 included HR Professional & Training Services and HR Technology Services, up 8.8% and 7.6%, respectively
- On average, the stock price indices for the subsectors outperformed the S&P 500 Index during Q2 2017
- EV / LTM EBITDA multiples for the subsectors were up by 0.5x over the prior quarter and up 1.5x on a year over year basis

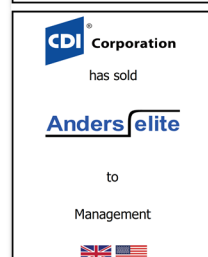
Lincoln International's Human Capital Management Services Group

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 five key human capital management services subsectors:

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

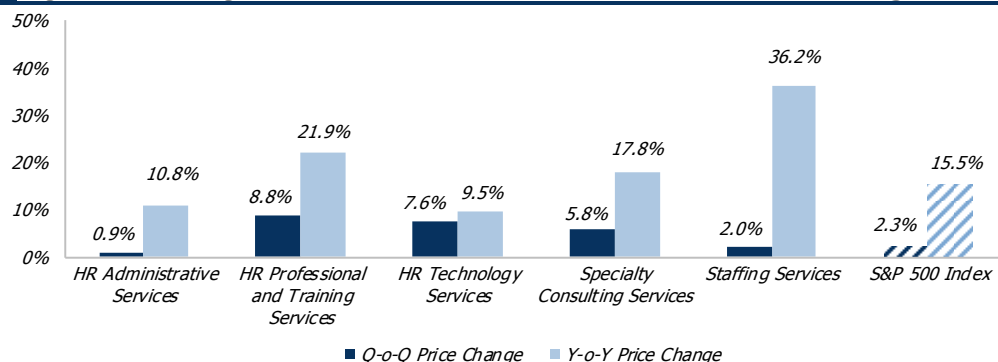
Lincoln's Recent Human Capital Management Services Transactions



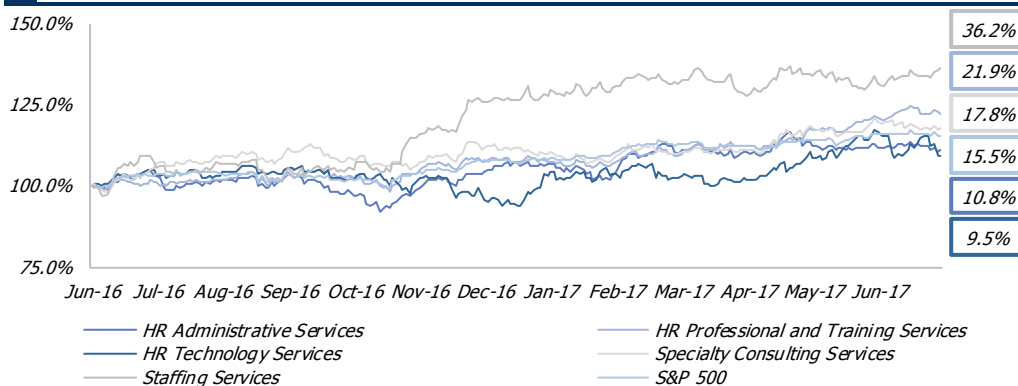
Quarter over Quarter Price Performance

Outperformers	Change	Underperformers	Change
Chegg, Inc.	45.3%	Kforce Inc.	(17.3%)
Capita plc	30.1%	Insperty, Inc.	(18.2%)
51job, Inc.	23.4%	Resources Connection, Inc.	(18.5%)
Franklin Covey Co.	20.2%	CDI Corp.	(26.4%)
BTS Group AB	17.5%	DHI Group, Inc.	(31.3%)

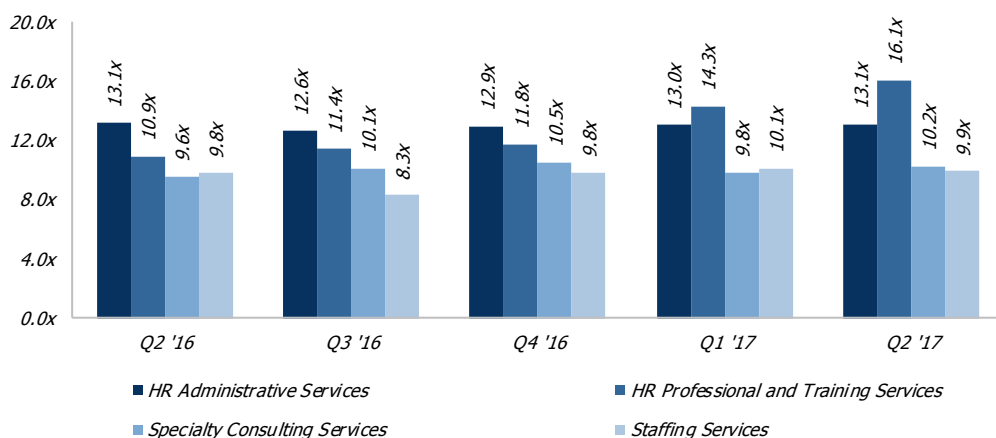
Quarter over Quarter & Year over Year Stock Indices Price Change



LTM Relative Stock Indices Price Performance



Historical Enterprise Value / LTM 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										
Automatic Data Processing, Inc.	\$102.46	97.0%	\$45,842	\$44,853	\$12,380	\$2,553	6.1%	20.6%	3.7x	16.2x
Barrett Business Services, Inc.	57.29	85.6%	415	401	860	28	9.2%	3.2%	0.5x	14.5x
Capgemini SE	103.23	93.0%	16,916	18,722	14,483	1,841	3.8%	12.7%	1.3x	10.4x
Capita plc	8.98	64.8%	5,977	8,763	6,061	755	(8.4%)	12.5%	1.4x	11.0x
Insperty, Inc.	71.00	75.8%	1,496	1,295	3,110	127	11.6%	4.1%	0.4x	10.8x
Paychex, Inc.	56.94	90.3%	20,464	20,141	3,151	1,367	6.8%	43.4%	6.4x	14.7x
TriNet Group, Inc.	32.74	97.8%	2,245	2,479	3,190	206	11.0%	6.4%	0.8x	14.1x
Mean		86.3%					5.7%	14.7%	2.1x	13.1x
Median		90.3%					6.8%	12.5%	1.3x	14.1x
HR Professional and Training Services										
Aon plc	\$132.95	96.8%	\$34,859	\$40,661	\$11,710	\$2,469	5.9%	21.1%	3.5x	16.4x
BTS Group AB	10.13	95.8%	189	178	130	15	4.9%	11.5%	1.3x	11.3x
Franklin Covey Co.	19.30	86.0%	267	298	191	7	(6.0%)	3.8%	1.6x	42.8x
GP Strategies Corporation	26.40	88.0%	442	487	503	39	2.5%	7.8%	1.0x	12.5x
Heidrick & Struggles International, Inc.	21.75	80.3%	408	364	596	56	6.0%	9.3%	0.6x	6.4x
Hudson Global, Inc	1.34	55.6%	42	39	425	0	(1.3%)	(0.1%)	0.1x	NM
Korn/Ferry International	34.53	95.7%	1,966	1,811	1,566	184	21.2%	11.7%	1.2x	9.8x
Marsh & McLennan Companies, Inc.	77.96	96.9%	40,175	45,223	13,497	3,231	2.5%	23.9%	3.4x	14.2x
Willis Towers Watson Public Limited	145.46	96.7%	19,665	23,038	7,862	1,525	32.7%	19.4%	2.9x	15.1x
Mean		88.0%					7.6%	12.0%	1.7x	16.1x
Median		95.7%					4.9%	11.5%	1.3x	13.3x
HR Technology Services										
51job, Inc.	\$44.73	95.2%	\$2,736	\$1,968	\$352	\$104	7.8%	29.4%	5.6x	19.0x
Callidus Software Inc.	24.20	97.4%	1,570	1,387	216	(8)	14.0%	(3.5%)	6.4x	NM
Chegg, Inc.	12.29	93.8%	1,161	1,091	253	(7)	(5.9%)	(2.9%)	4.4x	NM
Conduent Incorporated	15.94	87.8%	3,337	5,345	6,276	450	(4.9%)	7.2%	0.9x	11.9x
Cornerstone OnDemand, Inc.	35.75	74.9%	2,031	1,982	435	(42)	11.8%	(9.6%)	4.6x	NM
DHI Group, Inc.	2.85	33.8%	144	196	216	39	(12.4%)	18.3%	0.9x	4.4x
The Ultimate Software Group, Inc.	210.06	93.1%	6,243	6,168	861	64	23.0%	7.4%	7.5x	NM
WageWorks, Inc.	67.20	83.5%	2,657	2,294	435	87	27.5%	19.9%	5.7x	NM
Workday, Inc.	97.00	92.6%	20,079	18,505	1,702	(242)	35.1%	(14.2%)	10.9x	NM
Mean		83.6%					10.7%	5.8%	5.2x	11.8x
Median		92.6%					11.8%	7.2%	5.6x	11.9x
Specialty Consulting Services										
Accenture plc	\$123.68	96.3%	\$76,433	\$73,785	\$34,189	\$5,804	5.9%	17.0%	2.2x	12.7x
Altran Technologies S.A.	16.28	84.9%	2,812	3,051	2,238	244	(1.6%)	10.9%	1.3x	11.6x
Atos SE	140.22	92.8%	14,748	14,791	14,069	1,873	10.7%	13.3%	1.1x	8.5x
Capgemini SE	103.23	93.0%	16,916	18,722	14,483	1,841	3.8%	12.7%	1.3x	10.4x
CRA International, Inc.	36.32	90.8%	311	296	332	27	8.4%	8.3%	0.9x	10.8x
FTI Consulting, Inc.	34.96	74.2%	1,328	1,610	1,771	149	(3.1%)	8.4%	0.9x	9.8x
Huron Consulting Group Inc.	43.20	66.5%	918	1,327	732	112	0.9%	15.3%	1.8x	10.3x
ICF International, Inc.	47.10	79.1%	885	1,153	1,198	113	3.4%	9.4%	1.0x	10.2x
Navigant Consulting, Inc.	19.76	70.9%	934	1,103	948	131	7.3%	13.8%	1.2x	7.7x
Mean		83.2%					4.0%	12.1%	1.3x	10.2x
Median		84.9%					3.8%	12.7%	1.2x	10.3x
Staffing Services										
Adecco Group AG	\$76.09	93.6%	\$12,957	\$13,885	\$24,707	\$1,305	(0.6%)	5.3%	0.5x	10.1x
AMN Healthcare Services, Inc.	39.05	86.8%	1,871	2,195	1,929	227	11.7%	11.8%	1.1x	9.7x
CDI Corp.	5.85	60.6%	109	117	818	(8)	(13.1%)	(1.0%)	0.1x	NM
Cross Country Healthcare, Inc.	12.91	78.8%	470	494	845	39	7.6%	4.6%	0.6x	12.6x
Hays plc	2.16	94.2%	3,111	3,049	5,768	379	2.5%	6.6%	0.5x	7.7x
Kelly Services, Inc.	22.45	90.9%	859	813	5,217	92	(5.9%)	1.8%	0.2x	8.8x
Kforce Inc.	19.60	72.7%	495	628	1,337	75	0.8%	5.6%	0.5x	8.5x
ManpowerGroup Inc.	111.65	99.6%	7,489	7,685	19,976	819	2.3%	4.1%	0.4x	9.1x
PageGroup plc	6.18	93.3%	1,911	1,790	1,477	134	0.0%	9.1%	1.2x	12.7x
On Assignment, Inc.	54.15	98.2%	2,860	3,453	2,530	265	8.1%	10.5%	1.4x	13.5x
Randstad Holding NV	58.32	87.5%	10,688	11,985	25,439	1,138	15.8%	4.5%	0.5x	10.7x
Resources Connection, Inc.	13.70	69.2%	406	410	583	42	(2.5%)	7.2%	0.7x	8.9x
Robert Half International Inc.	47.93	94.0%	6,096	5,836	5,199	591	(1.2%)	11.4%	1.1x	9.6x
TrueBlue, Inc.	26.50	92.3%	996	1,050	2,673	143	(5.0%)	5.3%	0.4x	7.4x
Mean		86.6%					1.5%	6.2%	0.7x	9.9x
Median		91.6%					0.4%	5.5%	0.5x	9.6x
Total Mean		85.6%					5.4%	9.6%	2.0x	11.9x
Total Median		90.8%					4.4%	8.8%	1.1x	10.7x

Source: Bloomberg, Capital IQ and company filings, as of 06/30/2017

Acquisition Spotlight

06/19/2017: **CVC Capital** has acquired a majority stake in **QA Limited**, UK's leading IT training services and certifications company, from **Bregal**, a transaction valued at £700 million. **QA Limited** grew EBITDA from £2 million to over £50 million from 2007 to 2017, both organically and through acquisitions.

"QA's success, both as a company and in terms of returns to our investors is a great example of what we aim to achieve." – Steve Black, Co-CEO of **Bregal**

Market Intelligence

06/29/2017: **Accenture (NYSE:ACN)**, a provider of consulting, technology and outsourcing services, plans to spend \$1.8 billion on acquisitions this year in order to accelerate growth and enhance its data analytics capabilities

05/31/2017: **Capita (LSE:CPI)**, a provider of customer management, administration and professional support services, is in exclusive talks with the investment firm **Endless** regarding the sale of its **Capita Specialist Recruitment** business unit

05/25/2017: **CorpU**, a provider of virtual professional leadership development courses, is raising approximately \$100 million and plans to use the capital to support future global acquisitions that enhance its consulting and technology services

04/28/2017: **Extrastaff**, a provider of recruitment and temporary staffing services for the transportation sector, is actively seeking acquisition targets to expand geographically and hopes to double in size within the next three years

04/20/2017: **Arc Skills**, a provider of skills training for corporate organizations and schools, is actively seeking an acquisition that enhances its suite of educational products and provides publishing expertise

04/20/2017: **USG People**, a subsidiary of **Recruit** and provider of staffing and outsourced customer care services, is seeking acquisitions located in Germany, France or Scandinavia, that represent a cultural fit with management and enhance its existing service

Selected M&A Transaction Recap

Date	Target Company	Target Description	Acquiring Company
Jun-17	Advantage RN	Staffing, training and recruitment of healthcare professionals	Cross Country Healthcare
Jun-17	Phase One Consulting Group	IT strategy, process and business analysis	Accenture
Jun-17	Total Reward Group	Consulting, executive searches and corporate training	Arthur J. Gallagher & Co.
Jun-17	SolutionsIQ	Consulting and team strategy training	Accenture
Jun-17	antauris AG	Infrastructure and IT consulting services	Cancom SE
May-17	CER Staffing Solutions	Temporary and permanent recruitment of education professionals	Endless LLP
May-17	The Growth Company	Human resources, training and organizational strategy solutions	Better Business Systems
May-17	ARCQ bvba	Staffing services for the life sciences and nutrition industries	House of Talents NV
May-17	Orbital Training & Consulting	Corporate training and consulting services	International Institute for Learning
May-17	Robert Gregory Partners	Executive coaching and leadership development	Franklin Covey Co.
May-17	Ciber	IT consulting and outsourced services	HTC Global Ventures
May-17	Brightwork	Temporary, permanent and contract staffing solutions	Staffline Group plc
May-17	Jibe Consulting	Management and technology consulting services	The Hackett Group
May-17	AIM Consulting Group	IT consulting and project management services	Addison Group
Apr-17	Hilton Consulting	Management consulting services	BDO USA
Apr-17	ADI Strategies	Consulting and advisory services for information assets	Huron Consulting Group
Apr-17	Entero	Human resource management solutions	BCforward

Global Industry Groups

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Financial Institutions
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Healthcare
Industrials
Packaging
Technology & Media

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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 joint venture and partnering advisory services on a wide range of transaction sizes. With eighteen 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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