

A photograph of a business meeting in progress. In the foreground, a man in a dark suit and blue tie is seen from the side, holding a pair of glasses. Behind him, another man in a suit is partially visible. In the background, a woman is also present. They are seated at a conference table with papers, a glass of water, and a laptop. The setting appears to be a modern office or boardroom.

Market Update Human Capital Management Services

Q4 2016

Key Highlights

- Top subsector stock performers in Q4 of 2016 included Staffing Services, up 20.3% and Training Services, up 11.9%
- On average, the stock price indices for the subsectors underperformed the S&P 500 Index by 1.0% during Q4 2016
- On average, EV / LTM EBITDA multiples for the subsectors were up by 0.7x over the prior quarter and up 0.3x 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

Lincoln's Recent Human Capital Management Services Transactions

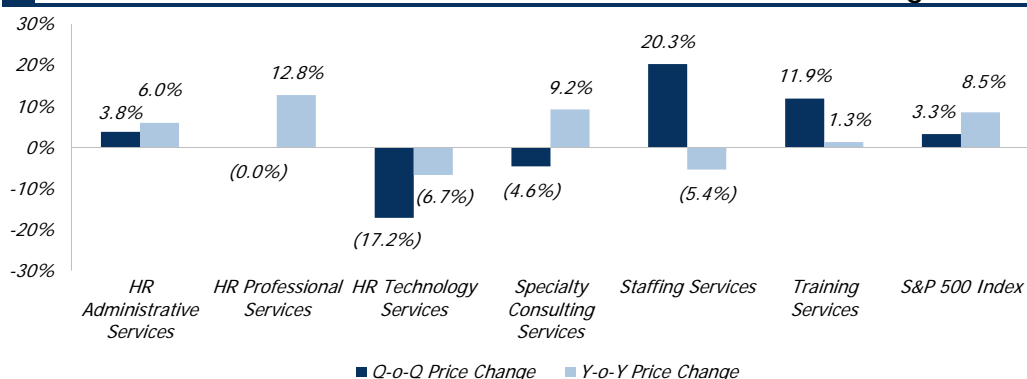


Quarter over Quarter Price Performance

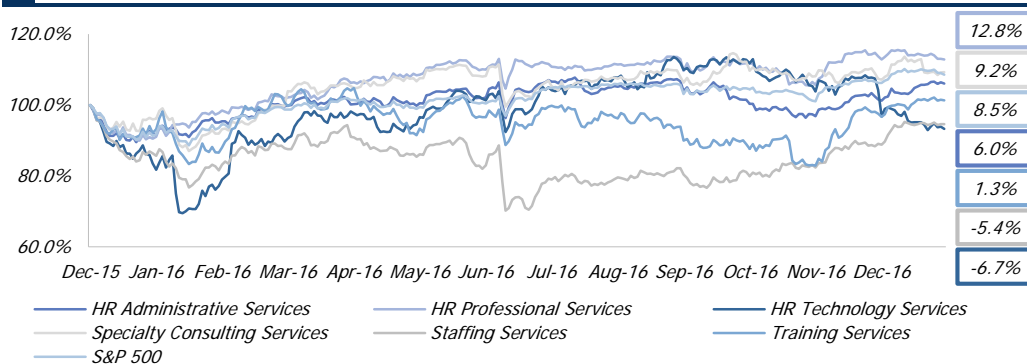
Outperformers	Change	Underperformers	Change
Korn/Ferry International	40.1%	Cap Gemini S.A.	(13.7%)
CRA International, Inc.	37.6%	Huron Consulting Group Inc.	(15.2%)
Team Health Holdings, Inc.	33.4%	DHI Group, Inc.	(20.8%)
Cross Country Healthcare, Inc.	32.5%	Capita plc	(24.9%)
CDI Corp.	30.5%	Workday, Inc.	(27.9%)

Note: Team Health Holdings' price reflects announced takeover by Blackstone; Based on quarter-over-quarter share price performance

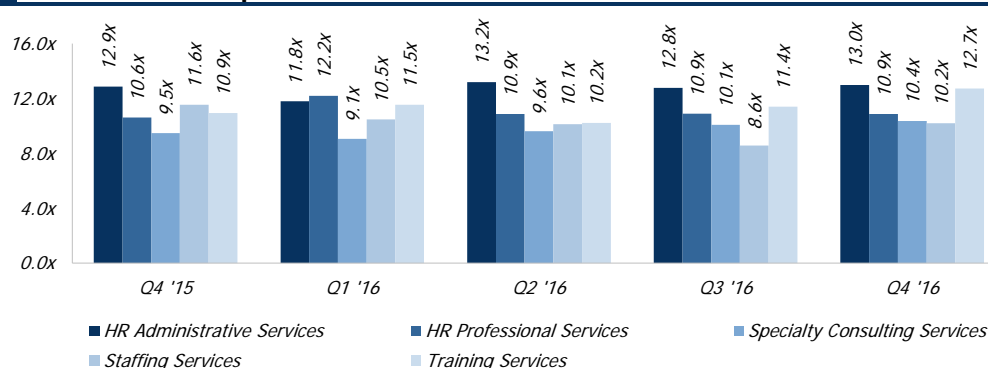
Quarter over Quarter & Year over Year Stock Indices Price Change



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

	Stock Price	% of 52 Week High	Market Cap	Enterprise Value	LTM		YoY Revenue Growth	EBITDA Margin	Enterprise Value / LTM	
Company Name					Revenue	EBITDA			Revenue	EBITDA
HR Administrative Services										
Aon plc	\$111.53	95.7%	\$29,343	\$34,702	\$11,571	\$2,488	(0.8%)	21.5%	3.0x	13.9x
Automatic Data Processing, Inc.	102.78	98.9%	46,372	45,562	11,871	2,649	7.1%	22.3%	3.8x	17.2x
Barrett Business Services, Inc.	64.10	95.8%	464	441	813	36	12.6%	4.4%	0.5x	12.2x
Cap Gemini S.A.	84.61	89.3%	14,149	16,696	13,953	1,716	8.8%	12.3%	1.3x	10.2x
Capita plc	6.56	44.0%	4,363	7,000	6,618	1,009	(7.3%)	15.2%	1.1x	7.5x
Insperty, Inc.	70.95	86.3%	1,510	1,389	2,862	115	12.3%	4.0%	0.5x	12.0x
Paychex, Inc.	60.88	97.9%	21,846	21,656	3,063	1,311	7.8%	42.8%	7.1x	16.5x
TriNet Group, Inc.	25.62	96.2%	1,763	2,071	2,975	144	17.3%	4.8%	0.7x	14.4x
Mean		88.0%					7.2%	15.9%	2.3x	13.0x
Median		95.7%					8.3%	13.8%	1.2x	13.0x
HR Professional Services										
Heidrick & Struggles International, Inc.	\$24.15	88.2%	\$449	\$349	\$567	\$50	11.7%	8.7%	0.6x	7.0x
Hudson Global, Inc	1.36	45.8%	44	35	429	(3)	(13.2%)	(0.6%)	0.1x	NM
Korn/Ferry International	29.43	89.9%	1,690	1,680	1,522	180	42.3%	11.9%	1.1x	9.3x
Marsh & McLennan Companies, Inc.	67.59	96.9%	34,849	38,300	13,185	3,066	3.0%	23.3%	2.9x	12.5x
Willis Towers Watson Public Limited	122.28	91.7%	16,721	19,927	6,844	1,360	81.2%	19.9%	2.9x	14.7x
Mean		82.5%					25.0%	12.6%	1.5x	10.9x
Median		89.9%					11.7%	11.9%	1.1x	10.9x
HR Technology Services										
51job, Inc.	\$33.80	94.2%	\$2,026	\$1,364	\$337	\$98	8.8%	28.9%	4.0x	14.0x
Callidus Software Inc.	16.80	78.4%	1,066	880	197	(1)	20.1%	(0.5%)	4.5x	NM
Chegg, Inc.	7.38	86.1%	674	584	259	(6)	(18.4%)	(2.2%)	2.3x	NM
Conduent Inc.	14.90	91.6%	3,023	4,029	6,624	514	(4.5%)	7.8%	0.6x	7.8x
Cornerstone OnDemand, Inc.	42.31	88.6%	2,377	2,376	410	(47)	28.0%	(11.4%)	5.8x	NM
DHI Group, Inc.	6.25	64.8%	311	372	237	52	(9.7%)	21.9%	1.6x	7.2x
The Ultimate Software Group, Inc.	182.35	81.4%	5,288	5,188	741	65	27.2%	8.7%	7.0x	NM
WageWorks, Inc.	72.50	96.3%	2,657	2,069	347	65	5.2%	18.6%	6.0x	NM
Workday, Inc.	66.09	70.8%	13,284	11,898	1,456	(244)	36.7%	(16.8%)	8.2x	NM
Mean		83.6%					10.4%	6.1%	4.4x	9.7x
Median		86.1%					8.8%	7.8%	4.5x	7.8x
Specialty Consulting Services										
Accenture plc	\$117.13	93.2%	\$64,192	\$60,756	\$33,385	\$5,656	7.1%	16.9%	1.8x	10.7x
Altran Technologies S.A.	14.65	99.4%	2,538	2,768	2,275	233	7.4%	10.2%	1.3x	12.5x
Atos SE	105.83	99.0%	10,882	10,914	12,706	1,614	11.1%	12.7%	0.9x	7.1x
Cap Gemini S.A.	84.61	89.3%	14,149	16,696	13,953	1,716	8.8%	12.3%	1.3x	10.2x
CRA International, Inc.	36.60	97.7%	303	278	318	25	2.6%	7.9%	0.9x	11.1x
FTI Consulting, Inc.	45.08	95.7%	1,875	2,120	1,811	202	2.8%	11.2%	1.2x	10.5x
Huron Consulting Group Inc.	50.65	77.9%	1,054	1,371	733	153	40.1%	20.8%	1.9x	9.0x
ICF International, Inc.	55.20	92.7%	1,046	1,318	1,176	110	4.3%	9.3%	1.1x	12.0x
Navigant Consulting, Inc.	26.18	94.0%	1,232	1,386	911	138	10.9%	15.2%	1.5x	10.0x
Mean		93.2%					10.6%	12.9%	1.3x	10.4x
Median		94.0%					7.4%	12.3%	1.3x	10.5x
Staffing Services										
Adecco Group AG	\$65.61	98.2%	\$11,230	\$12,550	\$25,303	\$1,313	5.4%	5.2%	0.5x	9.9x
AMN Healthcare Services, Inc.	38.45	85.5%	1,848	2,217	1,817	211	35.6%	11.6%	1.2x	10.6x
CDI Corp.	7.40	88.1%	138	143	917	(5)	(9.7%)	(0.6%)	0.2x	NM
Cross Country Healthcare, Inc.	15.61	96.1%	515	562	804	40	5.5%	5.0%	0.7x	13.9x
Hays plc	1.84	99.2%	2,657	2,612	5,625	387	(4.9%)	6.9%	0.5x	7.3x
Kelly Services, Inc.	22.92	97.1%	875	856	5,434	97	(0.9%)	1.8%	0.2x	8.9x
Kforce Inc.	23.10	92.4%	595	699	1,321	77	0.8%	5.8%	0.5x	9.1x
ManpowerGroup Inc.	88.87	95.6%	5,960	6,413	19,652	815	0.8%	4.1%	0.3x	7.9x
PageGroup plc	4.82	78.7%	1,502	1,411	1,476	140	(8.4%)	9.5%	1.0x	10.9x
On Assignment, Inc.	44.16	96.4%	2,338	2,979	2,397	258	24.3%	10.8%	1.2x	11.6x
Randstad Holding NV	54.40	90.5%	9,947	10,549	22,654	1,059	8.4%	4.7%	0.5x	10.6x
Resources Connection, Inc.	19.25	97.5%	695	592	590	51	(0.8%)	8.6%	1.0x	10.8x
Robert Half International Inc.	48.78	98.3%	6,188	5,896	5,290	635	5.5%	12.0%	1.1x	9.3x
Team Health Holdings, Inc.	43.45	87.8%	3,241	5,918	4,379	402	28.5%	9.2%	1.4x	14.7x
TrueBlue, Inc.	24.65	89.4%	1,017	1,131	2,826	154	4.9%	5.4%	0.4x	7.4x
Mean		92.7%					6.3%	6.7%	0.7x	10.2x
Median		95.6%					4.9%	5.8%	0.5x	10.3x
Training Services										
BTS Group AB	\$7.93	87.0%	\$148	\$137	\$124	\$14	4.6%	11.0%	1.2x	10.6x
CEB Inc.	60.60	89.3%	1,953	2,703	939	194	1.4%	20.7%	2.9x	14.0x
Franklin Covey Co.	20.15	89.8%	278	306	195	15	(6.1%)	7.5%	1.5x	13.2x
GP Strategies Corporation	28.60	95.3%	477	521	490	40	0.1%	8.1%	1.1x	13.0x
Mean		90.4%					0.0%	11.8%	1.7x	12.7x
Median		89.5%					0.8%	9.6%	1.3x	13.1x
Total Mean										
Total Mean		89.2%					9.3%	10.2%	1.9x	11.0x
Total Median		92.0%					5.5%	9.3%	1.2x	10.7x

Source: Bloomberg, Capital IQ and company filings, as of 12/31/2016

Blackstone has entered into a definitive agreement to acquire Team Health Holdings for \$6.0bn

Team Health Holdings (NYSE:TMH) is a provider of outsourced healthcare staffing and administrative services to hospitals and other healthcare providers

"We are excited to help the Company continue its long track record of organic and acquisition driven growth," said Bruce McEvoy, Managing Director at Blackstone

Market Intelligence

12/22/2016: **Addison Group**, a provider of professional staffing and search services, is actively seeking acquisitions in the healthcare IT staffing space with \$20 to \$150m in revenue in order to expand its geographic footprint

12/21/2016: **Randstad (AMS:RAND)**, a provider of human resources services, is seeking additional takeover opportunities of approximately \$100m; **Randstad** spent approximately \$1.25bn on takeovers last year

11/30/2016: **Kepler**, a provider of consulting services specializing in operating margin optimization, is actively seeking acquisitions in France and abroad in the field of specialized consulting, focused on the digital, innovation and supply chain sectors

11/22/2016: **DHI Group (NYSE:DHX)**, a leading provider of data, insights and employment connections, is exploring strategic alternatives with several potential acquirers who have preemptively expressed interest in the Company

11/22/2016: **Accenture (NYSE:ACN)** is prioritizing M&A to drive growth, focusing on targets that bolster digital, cloud and security services; **Accenture** spent approximately \$1.75bn on acquisitions the last two years

10/27/2016: **Capgemini (EPA:CAP)**, a provider of consulting, technology and outsourcing services, is seeking multiple bolt-on acquisitions in the U.S. and Canada over the next two to three years

Selected M&A Transaction Recap

Date	Target Company	Target Description	Acquiring Company
Announced	Alexander Forbes Financial Services	Employee, corporate benefit and wealth management solutions	Inflexion Private Equity Partners
Announced	Arismore SAS	Consulting solutions for information systems	Accenture plc
Announced	BMC Group B.V.	Consultancy and management services	Yacht Group Nederland B.V.
Announced	Team Health Holdings, Inc.	Outsourced healthcare staffing and administrative services	Blackstone
Dec-16	Prosci, Inc.	Change management training programs and services	Leeds Equity Partners, LLC
Dec-16	Direct Workforce Ltd.	Temporary and permanent staff supply	Prime Staff Services Limited
Dec-16	Addison Group, LLC	Hiring and staffing services	Odyssey Investment Partners
Dec-16	Thomsons Online Benefits Ltd.	Employee benefits administration and engagement software	Mercer LLC
Dec-16	Sonoma Consulting, Inc.	Information technology consulting and executive search services	Halo Group, LLC
Dec-16	Sirota Consulting, LLC	Performance consulting and employee engagement services	Mercer, Inc.
Dec-16	US Resources Healthcare, LLC	Recruitment process outsourcing to the healthcare sector	Cross Country Healthcare, Inc.
Dec-16	LinkedIn Corporation	Operates an online professional network	Microsoft Corporation
Dec-16	Presidio Benefits Group, Inc.	Employee benefits advisory services	Marsh & McLennan Agency LLC
Dec-16	DreamJobs Inc.	Designs recruiting systems and sourcing strategies	Yoh Services LLC
Nov-16	CoCubes Technologies Pvt. Ltd.	Assessment and campus hiring services	Aon Hewitt LLC
Nov-16	Veryday AB	Design and innovation agency	McKinsey & Company, Inc.
Nov-16	Atelka Inc.	Business process outsourcing services	TeleTech Holdings
Nov-16	Ecofys B.V.	Consulting services for renewable energy sectors	Navigant Consulting, Inc.
Nov-16	Datalink Corporation	Data center strategy and consulting services	Insight Enterprises, Inc.
Nov-16	Swell, spol	Engineering services for the automotive industry	Altran Technologies S.A.
Nov-16	Stroz Friedberg, LLC	Cyber-security consultancy services	Aon Risk Solutions
Oct-16	Monster Worldwide, Inc.	Online and mobile employment and recruitment solutions	Randstad North America, LP
Oct-16	2nd Road Pty Limited	Training and consulting services	Accenture plc
Oct-16	The Grass Roots Group PLC	Employee and customer engagement services	Blackhawk Network Holdings, Inc.

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

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Moscow
Mumbai
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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 pension advisory services on a wide range of transaction sizes. With seventeen 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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