

A background image showing a business meeting. 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

Q2 2016

Key Highlights

- Top subsector stock performers in Q2 of 2016 included HR Specialty Consulting Services, up 11.3% and HR Professional Services, up 10.3%
- On average, the stock price indices for the subsectors underperformed the S&P 500 Index by 7.6% during Q2 2016
- On average, EBITDA multiples for the subsectors were down by 0.2x over the prior quarter and down 1.3x 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

Recent Human Capital Management Services Transactions

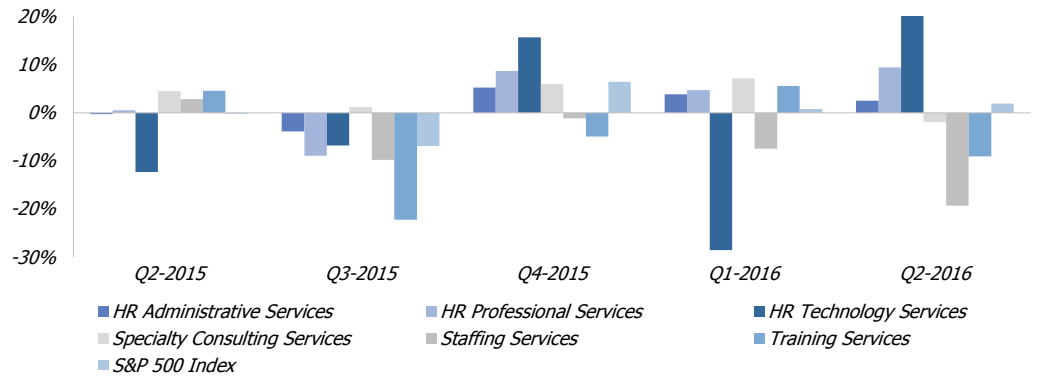


Quarter over Quarter Price Performance

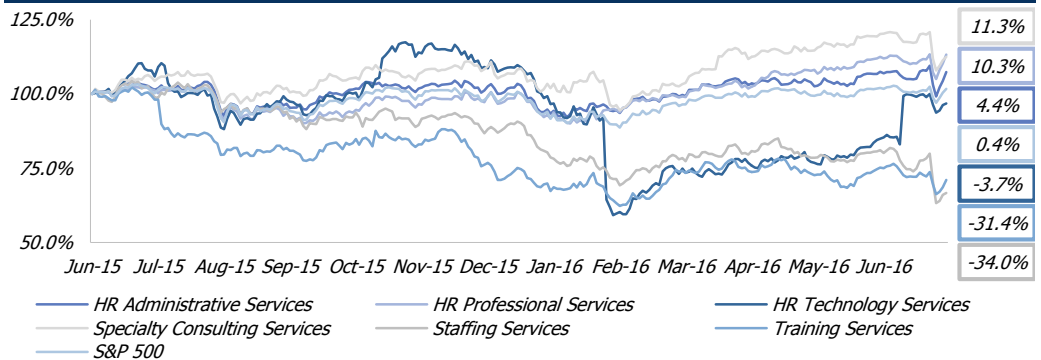
Outperformers	Change	Underperformers	Change
LinkedIn Corporation	65.5%	Korn / Ferry International	(26.8%)
Insperty, Inc.	49.3%	Randstad Holding NV	(27.6%)
TriNet Group, Inc.	44.9%	TrueBlue, Inc.	(27.6%)
Barrett Business Services	43.7%	Heidrick & Struggles International Inc.	(28.8%)
CRA International Inc.	28.4%	PageGroup plc	(35.7%)

Note: LinkedIn's price reflects announced takeover by Microsoft; Based on quarter-over-quarter share price performance

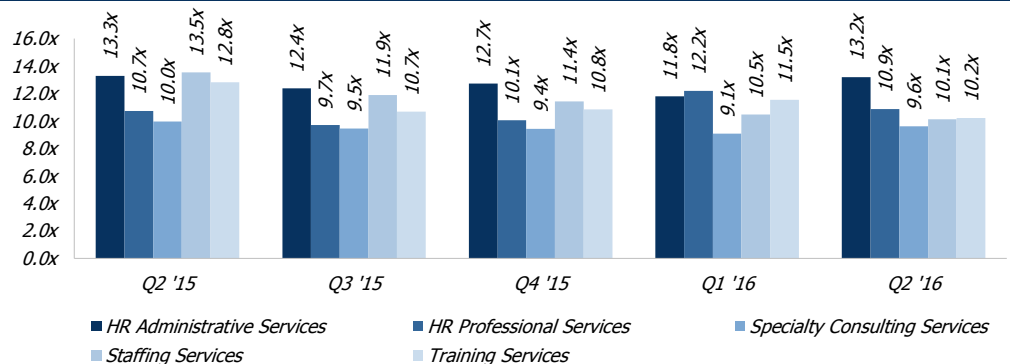
Quarter over Quarter Stock Indices Price Change



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	\$109.23	99.3%	\$28,937	\$34,643	\$11,606	\$2,542	(1.7%)	21.9%	3.0x	13.6x
Automatic Data Processing, Inc.	91.87	100.0%	41,850	40,893	11,464	2,414	4.8%	21.1%	3.6x	16.9x
Barrett Business Services Inc.	41.32	78.0%	298	274	765	36	9.5%	4.7%	0.4x	7.7x
Cap Gemini S.A.	86.85	86.1%	14,758	16,878	12,941	1,539	4.9%	11.9%	1.3x	10.7x
Capita plc	12.79	72.0%	8,506	11,255	7,133	1,071	(1.3%)	15.0%	1.8x	11.7x
Insperty, Inc.	77.23	100.0%	1,652	1,435	2,707	111	9.0%	4.1%	0.5x	13.0x
Paychex, Inc.	59.50	99.9%	21,427	21,075	2,952	1,262	7.7%	42.7%	7.1x	16.7x
TriNet Group, Inc.	20.79	77.0%	1,470	1,763	12,941	1,539	4.9%	11.9%	1.3x	10.7x
HR Professional Services										
Heidrick & Struggles International Inc.	\$16.88	55.1%	\$313	\$251	\$546	\$48	10.3%	8.8%	0.5x	5.2x
Hudson Global, Inc	1.97	60.8%	67	42	440	-5	(17.4%)	(1.1%)	0.1x	NM
Korn/Ferry International	20.70	53.2%	1,186	1,044	1,292	156	25.7%	12.1%	0.8x	6.6x
Marsh & McLennan Companies, Inc.	68.46	99.8%	35,684	39,871	13,014	2,850	1.5%	21.9%	3.1x	14.0x
Willis Towers Watson Public Limited	124.31	94.9%	17,210	20,373	4,947	1,157	32.0%	23.4%	4.1x	17.7x
HR Technology Services										
Cornerstone OnDemand, Inc.	\$38.06	87.7%	\$2,096	\$2,054	\$365	(\$59)	21.2%	(16.1%)	5.6x	NM
DHI Group, Inc.	6.23	59.4%	323	390	254	59	(4.0%)	23.3%	1.5x	6.6x
LinkedIn Corporation	189.25	73.2%	25,294	23,300	3,214	266	25.5%	8.3%	7.2x	NM
Monster Worldwide, Inc.	2.39	29.0%	213	265	652	92	(11.9%)	14.2%	0.4x	2.8x
The Ultimate Software Group, Inc.	210.29	97.2%	6,072	5,986	660	64	19.0%	9.7%	9.1x	NM
Workday, Inc.	74.67	87.2%	14,710	13,144	1,257	(194)	43.0%	(15.5%)	10.5x	NM
Specialty Consulting Services										
Accenture plc	\$113.29	93.8%	\$70,528	\$67,635	\$32,282	\$5,418	4.3%	16.8%	2.1x	12.5x
Altran Technologies S.A.	13.29	89.1%	2,301	2,461	2,112	215	2.6%	10.2%	1.1x	11.2x
Atos SE	82.77	89.3%	8,662	8,286	11,605	1,447	6.1%	12.5%	0.7x	5.6x
Cap Gemini S.A.	86.85	86.1%	14,758	16,878	12,941	1,539	4.9%	11.9%	1.3x	10.7x
CRA International Inc.	25.22	89.9%	226	203	306	23	(0.6%)	7.4%	0.7x	8.9x
FTI Consulting, Inc.	40.68	88.5%	1,654	2,042	1,817	210	3.4%	11.6%	1.1x	9.7x
Huron Consulting Group Inc.	60.42	77.3%	1,259	1,596	725	162	23.8%	22.4%	2.2x	9.8x
ICF International Inc.	40.90	95.6%	778	1,106	1,142	109	3.5%	9.6%	1.0x	10.1x
Navigant Consulting Inc.	16.15	90.0%	769	977	856	123	4.8%	14.3%	1.1x	8.0x
Staffing Services										
Adecco Group AG	\$50.13	58.2%	\$8,746	\$10,107	\$25,350	\$1,344	8.3%	5.3%	0.4x	7.6x
AMN Healthcare Services Inc.	39.97	96.6%	1,920	2,274	1,604	179	31.2%	11.2%	1.4x	12.8x
CDI Corp.	6.10	46.1%	117	125	962	5	(9.9%)	0.5%	0.1x	25.4x
Cross Country Healthcare, Inc.	13.92	74.2%	456	526	778	37	3.0%	4.8%	0.7x	14.1x
Hays plc	1.30	56.2%	1,860	1,935	5,862	256	(3.0%)	4.4%	0.4x	8.4x
Kelly Services, Inc.	18.97	94.1%	720	713	5,547	92	0.4%	1.7%	0.1x	7.8x
Kforce Inc.	16.89	57.6%	441	548	1,329	83	3.6%	6.2%	0.4x	6.6x
ManpowerGroup Inc.	64.34	66.4%	4,600	4,802	19,375	796	(2.8%)	4.1%	0.2x	6.0x
PageGroup plc	3.95	52.7%	1,231	1,104	1,570	144	(6.2%)	9.2%	0.8x	8.5x
On Assignment Inc.	36.95	72.5%	1,972	2,667	2,217	239	23.2%	10.8%	1.2x	11.2x
Randstad Holding NV	40.15	55.6%	7,342	7,672	22,196	1,023	9.1%	4.6%	0.4x	7.7x
Resources Connection, Inc.	14.78	79.0%	543	447	595	57	0.7%	9.6%	0.8x	7.8x
Robert Half International Inc.	38.16	65.8%	4,933	4,720	5,192	642	5.5%	12.4%	0.9x	7.4x
Team Health Holdings, Inc.	40.67	57.9%	3,008	5,362	3,892	369	20.8%	9.5%	1.4x	14.5x
TrueBlue, Inc.	18.92	60.8%	734	878	2,768	147	9.6%	5.3%	0.3x	6.0x
Training Services										
BTS Group AB	\$6.96	71.3%	\$130	\$117	\$130	\$15	14.9%	11.3%	0.9x	8.3x
CEB Inc.	61.68	67.4%	1,986	2,382	930	208	0.8%	22.4%	2.6x	11.5x
Franklin Covey Co.	15.33	78.1%	219	250	203	22	(3.8%)	10.9%	1.2x	11.3x
GP Strategies Corp.	21.69	61.3%	363	401	491	41	0.2%	8.3%	0.8x	9.8x
Mean		76.2%					7.4%	10.3%	1.9x	10.4x
Median		77.3%					4.8%	9.7%	1.0x	9.8x

Source: Bloomberg, Capital IQ and company filings, as of 6/30/2016

Market Intelligence

06/30/2016: **Paychex**, a leading provider of human resource and benefits services, is actively seeking acquisitions of payroll assets and complimentary assets focused on 401(K) and human resource outsourcing services

06/24/2016: **Accenture**, a global leader in professional and technology services, is looking to accelerate its M&A activity in the digital space, focusing on mobility, security and artificial intelligence assets

06/09/2016: **DHI Group**, a provider of online recruitment services, is looking to expand its hospitality and technology verticals internationally, both organically and through acquisition

06/06/2016: **FTI Consulting**, a global leader in management consulting, is considering divesting its Construction Claims Group in order to enhance their balance sheet and generate cash for future acquisitions

05/24/2016: **Better Weekdays**, a career services management platform, is planning a capital raise of between \$3 and \$5 million in order to further scale the Company before pursuing a sale process

04/05/2016: **GP Strategies**, a leading provider of sales and technical training, is actively seeking acquisitions of custom content developers and e-learning assets

Selected M&A Transaction Recap

Date	Target Company	Target Description	Acquiring Company
Announced	dgroup GmbH	Management consulting and digital agency services	Accenture plc
Announced	Ausy SA	Technology consulting and engineering services	Randstad France SA
Announced	Synapse Product Development, LLC	Product development and consultancy services	Cambridge Consultants Limited
Announced	LinkedIn Corporation	Online professional network	Microsoft Corporation
Announced	Univers Workplace Benefits, Inc.	Employee benefit communications and enrollment solutions	Aon Hewitt LLC
Announced	Obiettivo Lavoro SpA	Recruitment and professional services	Randstad Holding NV
Announced	IMJ Corporation	Multi-device web integration services	Accenture plc
Jun-16	Zaption Inc.	Online, interactive education platform and services	Workday, Inc.
Jun-16	Trustmarque Solutions Limited	Information technology and consultancy services	Capita plc
Jun-16	CIBER (Netherlands)	Information technology consulting services	ManpowerGroup Netherlands B.V.
Jun-16	Jobr, Inc.	Networking and recruiting software	Monster Worldwide, Inc.
Jun-16	Peak Health Solutions, Inc.	Health information management services	AMN Healthcare Services Inc.
May-16	OpsRules Partners, LLC	Analytics and optimization software services	Accenture plc
May-16	Vestrics, Inc.	Analytics and technology solutions	The Ultimate Software Group, Inc.
May-16	Questco LLC	Professional employer organization	Parallel49 Equity
May-16	InterTextual Pty Ltd, ExtraTextual	Online compliance and risk management solutions	Mercer (Australia) Pty Ltd.
May-16	Run Hop Inc.	Online content engagement services	LinkedIn Corporation
May-16	ADI Strategies, Inc., U.S. assets	Consulting, building design and advisory services	Huron Consulting Group Inc.
May-16	Evanta Inc.	Leadership development and networking programs	CEB Inc.
Apr-16	3c Dialog GmbH and 3C Dialog Saalfeld GmbH	Consulting and system integration services	Capita (Germany) GmbH
Apr-16	Corporate Consulting Services, Ltd.	Insurance and human resource solutions	Marsh & McLennan Agency LLC
Apr-16	Teleborder	Human capital advisory services focused on immigration	TriNet Group, Inc.
Apr-16	Children's Emergency Services, Inc.	Emergency healthcare services	Team Health 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

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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