

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, a woman in a dark suit is also visible. They are seated at a conference table with papers, a glass of water, and a laptop. The background is slightly blurred, showing other people and office equipment.

Market Update Human Capital Management Services

Q3 2016

Key Highlights

- Top subsector stock performers in Q3 of 2016 included HR Professional Services, up 24.1% and Specialty Consulting Services, up 22.9%
- On average, the stock price indices for the subsectors underperformed the S&P 500 Index by 7.2% during Q3 2016
- On average, EBITDA multiples for the subsectors were down by 0.1x over the prior quarter and down 0.1x 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

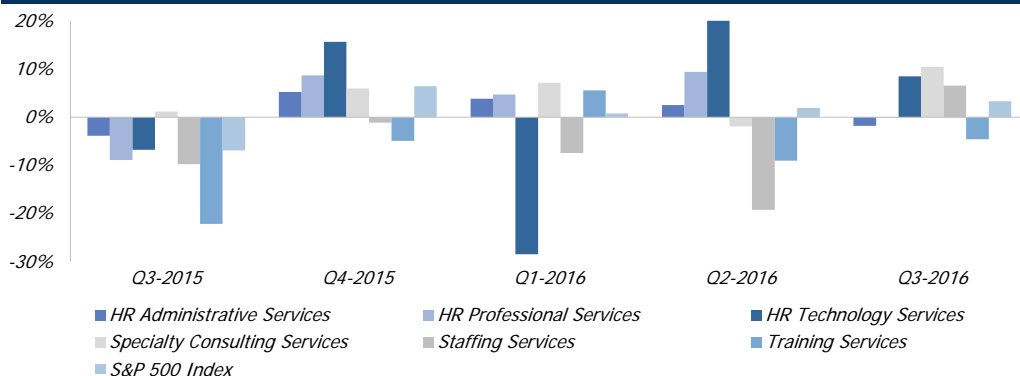


Quarter over Quarter Price Performance

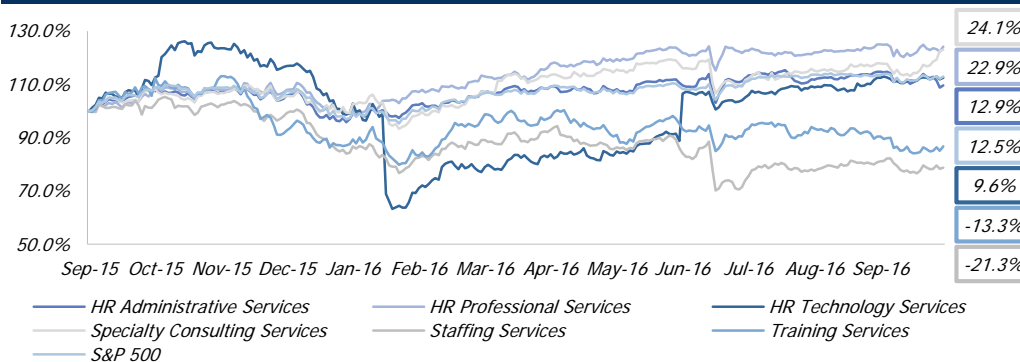
Outperformers	Change	Underperformers	Change
Monster Worldwide, Inc.	51.0%	Cross Country Healthcare, Inc.	(15.4%)
Atos SE	30.3%	Team Health Holdings, Inc.	(19.9%)
Hays plc	30.2%	AMN Healthcare Services Inc.	(20.3%)
DHI Group, Inc.	26.6%	Hudson Global, Inc	(21.8%)
Navigant Consulting Inc.	25.2%	Capita plc	(31.8%)

Note: Monster Worldwide's price reflects announced takeover by Randstad Holding; Based on quarter-over-quarter share price performance

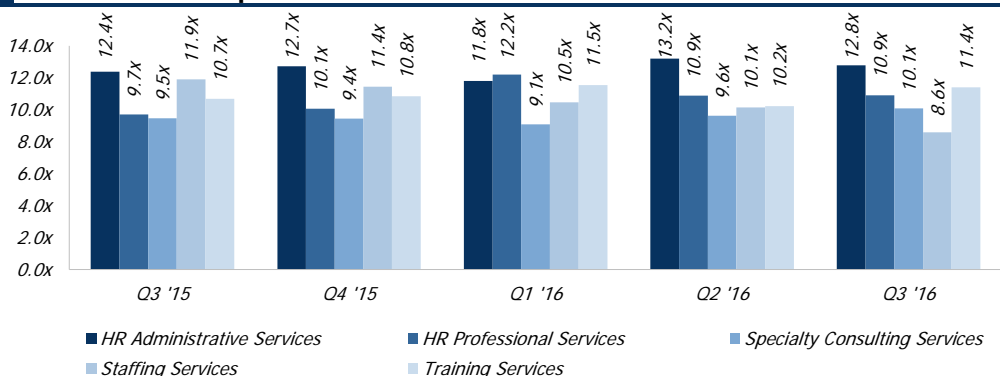
Quarter over Quarter Stock Indices Price Change



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

	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	\$112.49	98.9%	\$29,877	\$35,495	\$11,567	\$2,484	(0.9%)	21.5%	3.1x	14.2x
Automatic Data Processing, Inc.	88.20	91.9%	40,076	38,869	11,668	2,537	5.2%	21.7%	3.3x	15.3x
Barrett Business Services Inc.	49.61	93.6%	359	371	787	35	8.7%	4.4%	0.5x	10.8x
Cap Gemini S.A.	97.99	97.4%	16,592	19,305	13,953	1,716	8.8%	12.3%	1.4x	11.1x
Capita plc	8.72	51.3%	5,805	8,586	6,618	1,009	(7.3%)	15.2%	1.3x	8.7x
Insperty, Inc.	72.64	88.4%	1,554	1,385	2,786	113	9.3%	4.1%	0.5x	12.3x
Paychex, Inc.	57.87	93.5%	20,932	20,485	3,014	1,291	7.8%	42.8%	6.8x	15.9x
TriNet Group, Inc.	21.63	94.2%	1,519	1,825	2,872	131	13.2%	4.6%	0.6x	13.9x
Mean		88.6%					5.6%	15.8%	2.2x	12.8x
Median		93.6%					8.3%	13.8%	1.3x	13.1x
HR Professional Services										
Heidrick & Struggles International Inc.	\$18.55	60.6%	\$345	\$259	\$562	\$52	10.7%	9.2%	0.5x	5.0x
Hudson Global, Inc	1.54	51.8%	52	34	430	(3)	(12.8%)	(0.7%)	0.1x	NM
Korn/Ferry International	21.00	53.9%	1,216	1,242	1,400	156	34.1%	11.1%	0.9x	7.9x
Marsh & McLennan Companies, Inc.	67.25	97.9%	34,851	38,715	13,165	2,954	2.8%	22.4%	2.9x	13.1x
Willis Towers Watson Public Limited	132.77	99.5%	18,329	21,379	5,924	1,217	56.8%	20.5%	3.6x	17.6x
Mean		72.7%					18.3%	12.5%	1.6x	10.9x
Median		60.6%					10.7%	11.1%	0.9x	10.5x
HR Technology Services										
Cornerstone OnDemand, Inc.	\$45.95	96.2%	\$2,570	\$2,537	\$389	(\$54)	21.6%	(13.9%)	6.5x	NM
DHI Group, Inc.	7.89	75.3%	395	463	246	56	(6.2%)	22.8%	1.9x	8.3x
LinkedIn Corporation	191.12	74.0%	25,749	23,616	3,435	396	23.9%	11.5%	6.9x	NM
Monster Worldwide, Inc.	3.61	46.6%	322	402	635	75	(12.7%)	11.8%	0.6x	5.3x
The Ultimate Software Group, Inc.	204.39	91.2%	5,915	5,826	700	66	20.1%	9.5%	8.3x	NM
Workday, Inc.	91.69	99.2%	18,338	16,791	1,352	(209)	38.7%	(15.5%)	12.4x	NM
Mean		80.4%					14.2%	4.4%	6.1x	6.8x
Median		83.3%					20.8%	10.5%	6.7x	6.8x
Specialty Consulting Services										
Accenture plc	\$122.17	97.8%	\$76,056	\$71,809	\$32,883	\$5,539	5.9%	16.8%	2.2x	13.0x
Altran Technologies S.A.	14.79	94.4%	2,563	2,807	2,275	233	7.4%	10.2%	1.2x	11.9x
Atos SE	107.82	98.2%	11,301	11,336	12,706	1,614	11.1%	12.7%	0.9x	6.9x
Cap Gemini S.A.	97.99	97.4%	16,592	19,305	13,953	1,716	8.8%	12.3%	1.4x	11.1x
CRA International Inc.	26.59	84.9%	218	206	313	24	2.0%	7.7%	0.7x	8.6x
FTI Consulting, Inc.	44.56	96.9%	1,812	2,124	1,828	211	3.7%	11.5%	1.2x	10.1x
Huron Consulting Group Inc.	59.76	91.9%	1,246	1,574	725	160	30.0%	22.0%	2.2x	9.8x
ICF International Inc.	44.32	97.5%	841	1,148	1,159	109	2.7%	9.4%	1.0x	10.5x
Navigant Consulting Inc.	20.22	98.3%	958	1,145	884	130	7.6%	14.7%	1.3x	8.8x
Mean		95.3%					8.8%	13.0%	1.3x	10.1x
Median		97.4%					7.4%	12.3%	1.2x	10.1x
Staffing Services										
Adecco Group AG	\$56.42	72.8%	\$9,656	\$11,234	\$24,846	\$1,322	3.5%	5.3%	0.4x	8.4x
AMN Healthcare Services Inc.	31.87	70.8%	1,531	1,936	1,727	199	28.9%	11.5%	1.1x	9.8x
CDI Corp.	5.67	60.4%	105	127	941	(2)	(7.3%)	(0.2%)	0.1x	NM
Cross Country Healthcare, Inc.	11.78	62.8%	389	459	785	40	2.9%	5.1%	0.6x	11.5x
Hays plc	1.69	82.6%	2,437	2,390	5,625	387	(4.9%)	6.9%	0.4x	6.3x
Kelly Services, Inc.	19.22	91.6%	728	722	5,537	95	1.0%	1.7%	0.1x	7.7x
Kforce Inc.	20.49	71.0%	537	635	1,327	81	1.2%	6.1%	0.5x	7.9x
ManpowerGroup Inc.	72.26	77.4%	4,952	5,331	19,536	816	0.2%	4.2%	0.3x	6.5x
PageGroup plc	4.38	65.0%	1,364	1,268	1,476	140	(8.4%)	9.5%	0.9x	9.3x
On Assignment Inc.	36.29	71.2%	1,936	2,593	2,340	256	21.3%	10.9%	1.1x	10.1x
Randstad Holding NV	45.58	67.9%	8,335	9,056	21,969	1,021	5.2%	4.6%	0.4x	8.8x
Resources Connection, Inc.	14.94	79.9%	540	424	594	55	(0.3%)	9.2%	0.7x	7.3x
Robert Half International Inc.	37.86	70.1%	4,850	4,612	5,264	644	5.0%	12.2%	0.9x	7.2x
Team Health Holdings, Inc.	32.56	51.2%	2,415	4,776	4,137	389	21.4%	9.4%	1.2x	12.3x
TrueBlue, Inc.	22.66	74.9%	933	1,061	2,813	149	9.2%	5.3%	0.4x	7.1x
Mean		71.3%					5.3%	6.8%	0.6x	8.6x
Median		71.0%					2.9%	6.1%	0.5x	8.1x
Training Services										
BTS Group AB	\$7.64	79.2%	\$143	\$137	\$124	\$14	4.1%	11.0%	1.1x	10.2x
CEB Inc.	54.47	69.6%	1,754	2,493	941	203	1.6%	21.6%	2.6x	12.3x
Franklin Covey Co.	17.81	97.4%	252	284	203	24	(3.5%)	11.7%	1.4x	12.0x
GP Strategies Corp.	24.62	86.1%	409	455	491	41	0.3%	8.3%	0.9x	11.1x
Mean		83.1%					0.6%	13.1%	1.5x	11.4x
Median		82.6%					1.0%	11.3%	1.3x	11.5x
Total Mean										
Total Median										
		81.2%					8.1%	10.4%	1.9x	10.1x
		84.9%					5.2%	10.2%	1.1x	10.1x

Source: Bloomberg, Capital IQ and company filings, as of 9/30/2016

Randstad Holdings NV announces acquisition of Monster Worldwide for \$429 million

"Joining Randstad provides a unique opportunity to accelerate our ability to connect more people to more jobs," said Tim Yates, CEO of Monster Worldwide

"In an era of massive technological change, employers are challenged to identify better ways to source and engage talent," said Jacques van den Broek, CEO of Randstad Holdings NV

Market Intelligence

09/22/2016: **Aon plc**, a global provider of risk management, insurance and reinsurance brokerage, is actively targeting acquisition opportunities in Brazil to expand international footprint and widen its distribution channels

09/15/2016: **Elevate Services**, a provider of outsourced services and technology for law firms and legal departments, plans to IPO in 2018 and is actively targeting acquisitions that bolster service offerings in the U.S. and Europe

09/12/2016: **Korn/Ferry**, a provider of executive search and organizational strategy services, plans to continue its aggressive acquisition strategy and is actively pursuing acquisition targets that offer ancillary human resource services

09/12/2016: **Glassdoor**, an online provider of job listings and company reviews, is focused on consolidating the online career space and is actively targeting acquisitions in Western Europe and Latin America

08/31/2016: **Glint**, a provider of online workplace engagement surveys, plans to use \$27 million in Series C funding recently raised to invest in artificial intelligence capabilities and expand internationally through strategic partnerships with leading consulting firms

08/29/2016: **Vox Mobile**, a provider of strategic consulting and managed mobility services, plans to recapitalize in early 2017 to fund further international expansion through acquisitions in Europe and South America

Selected M&A Transaction Recap

Date	Target Company	Target Description	Acquiring Company
Announced	DayNine Consulting, Inc.	Human capital management and professional services automation	Accenture plc
Announced	Kurt Salmon US Inc.	Management consulting and strategic planning	Accenture plc
Announced	Maverick Solutions, Inc.	Project-team training and management training courses	GP Strategies Corp.
Announced	Octo Technology Société Anonyme	IT consulting, design and implementation	Accenture plc
Announced	Anthelio Healthcare Solutions Inc.	Healthcare IT services and revenue cycle management	Atos SE
Announced	RedCore Pty Ltd.	Deployment and support of management solutions	Accenture plc
Announced	Monster Worldwide, Inc.	Online and mobile employment and recruitment solutions	Randstad North America, LP
Sep-16	New Energy Group S.r.l.	Consulting and system integration	Accenture plc
Sep-16	Kanjoya, Inc.	Employee engagement solutions and services	The Ultimate Software Group, Inc.
Sep-16	EmMed, P.C.	Staffing and management consulting	Team Health Holdings, Inc.
Sep-16	Dymedex Consulting, LLC	Market analysis, strategic consulting and corporate integration	Navigant Consulting Inc.
Sep-16	Philosophy IB, LLP	Management consulting and process optimization	Heidrick & Struggles, Inc.
Aug-16	Benefits Advisory Group, LLC	Employee and executive benefit consulting	Marsh & McLennan Agency LLC
Aug-16	CIBER Norge AS	IT consulting and software development	Experis AS
Aug-16	Grossmont Emergency Medical Group	Staffing and hospital management	Team Health Holdings, Inc.
Aug-16	JCA Group Limited	Executive search advisory solutions	Heidrick & Struggles (U.K.) Limited
Aug-16	ADVOCO Personaldienstleistungs GmbH	Human capital management and quick filling services	Manpower GmbH & Co.
Aug-16	Healthcare Services Management, Inc.	Healthcare IT services and project management consulting	Huron Consulting Group Inc.
Jul-16	MobGen B.V.	Strategic consulting, creative development and marketing solutions	Accenture plc
Jul-16	Kurt Salmon's Healthcare Consulting	Healthcare consulting services	ECG Management Consultants

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

Advisory Services

Mergers & Acquisitions
Debt Advisory
Valuations & Opinions
JV & Partnering
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 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.

Lincoln's Global Business Services Group

Human Capital Management Services Contacts:

North America

Mike Iannelli
Managing Director (Chicago)
miannelli@lincolninternational.com
+1 (312) 580-6281

Michael Fineman
Vice President (Chicago)
mfineman@lincolninternational.com
+1 (312) 506-2704

Europe

Edward Lethbridge
Managing Director (London)
elethbridge@lincolninternational.com
+44-20-7632-5224

Disclaimer

This document contains significant assumptions and has been prepared based on publicly available information, or additional information supplied by the owners and/or managers of the company(ies) described in this document, which has not been independently verified. Accuracy and completeness of the information provided has been presumed and, therefore, its content may or may not be accurate and complete. No representation or warranty, either express or implied, is provided in relation to the accuracy, completeness or reliability of the information or statements made in this document and Lincoln International, its affiliates, directors, officers, employees and representatives expressly disclaim any and all liability with regards thereto. This document has been prepared for informational purposes only, is not a research report (as such term is defined by applicable law and regulations) and is not to be relied on by any person for any purpose. In addition, it is not to be construed as an offer to buy or sell or a solicitation of an offer to buy or sell any financial instruments or to participate in any particular trading strategy. No part of this material may be copied or duplicated in any form, or redistributed, without the prior written consent of Lincoln International.