Arrowpoint
Advisory

Human Capital

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Rothschild & Co

The Human Capital sector will play a key role in re-igniting the UK economy over the coming months, ensuring to the best of its ability that the right skills are in the right places at the required time.

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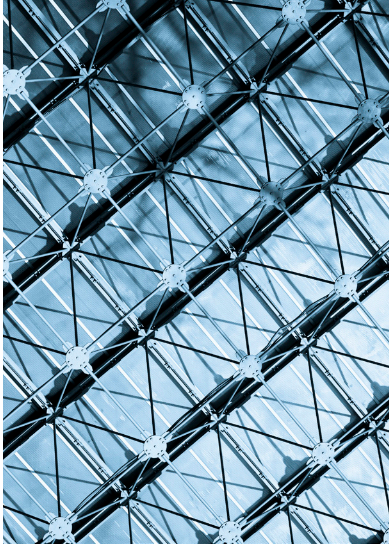

Introduction

Nine months is a long time in the Human Capital sector. In our Summer 2019 Newsletter, pre-occupied with the gathering storm clouds of Brexit and unaware of the impending UK general election, we speculated on the prospect of an economic downturn and its consequences for the industry.

Our analysis supported the widely held view that M&A activity across the Human Capital sector has historically tracked GDP growth, with an uneven but sustained increase in deal volumes from a low point in Q4 2009 to a recent peak in Q1 2019. Our data illustrated that the UK sector, while suffering from abrupt and sharp reductions in business activity on the way down, had experienced equally rapid, 'V' shaped recoveries following each of the 2008 Global Financial Crisis ('GFC'), the subsequent 'double-dip' economic slowdown and following the June 2016 Brexit Referendum result.

Our newsletter was published at a time when an overwhelming sense of unease prevailed over the UK sector's short- to medium-term prospects as the incumbent government, hobbled by the slenderest of parliamentary majorities, fumbled for a coherent political solution to Brexit.

How differently it felt in January 2020. Boris Johnson was given a powerful mandate by the UK electorate to conclude Brexit, with the UK duly exiting within a matter of weeks. Whatever your political persuasions and misgivings, British business embraced 2020 with renewed purpose and vigour, the twin uncertainties of 'will we, won't we' Brexit and a radical Labour administration dispelled, at least momentarily. The impending implementation of IR35 was the only blot on the private sector landscape, the postponement of which until April 2021 has been of little benefit for most operators that had already geared up for compliance. The M&A market looked forward to an increase in activity levels as employers and the Human Capital industry settled in for a period of relative normality.

This momentary sense of wellbeing has been laid low dramatically by the catastrophic human tragedy of the Covid-19 outbreak and the extraordinary steps taken by governments across the globe to contain the pandemic by shutting down entire economies. 'Unprecedented' has become the most over-used – but sadly entirely appropriate – adjective to describe the profound impact of the shutdown on entire communities and industries.

This newsletter focuses on the impact of the Covid-19 crisis on investor sentiment towards the publicly listed participants of the Human Capital industry - many of them bell-weathers for the sector. And while the focus of our analysis is on the listed company community, the ramifications for privately-owned and private equity sponsor backed businesses that may have been contemplating a transaction in 2020 will be clear to see.

It may be too soon to make credible predictions over when or how the Human Capital sector will recover and the shape of the industry post-Covid-19 but recover it will. However, the sector will play a key role in re-igniting the UK economy over the coming months, ensuring to the best of its ability that the right skills are in the right places at the required time.

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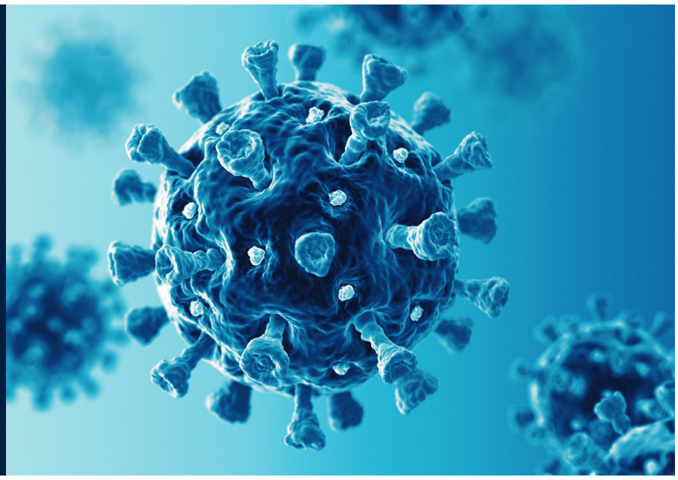
Covid-19 Public Markets Impact

Coronavirus and investor sentiment in early 2020



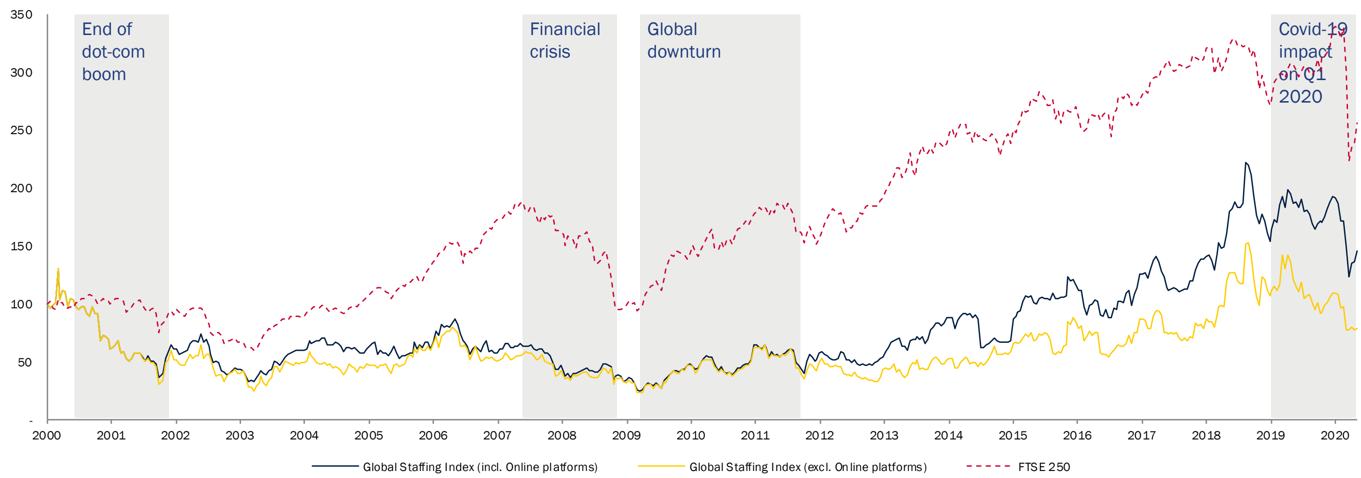
The Arrowpoint Global Staffing Index ('Arrowpoint GSI')

It remains to be seen whether parallels that are being drawn between the Covid-19 aftershock and the 1922 Great Depression may be an over-reaction but it is certainly instructive to compare the way in which public markets reacted to the dot-com bubble bursting in the early 2000s, the Global Financial Crisis ('GFC') in 2008 and resultant 'double-dip' economic downturn in 2011.

The speed and severity of the decline across stock markets globally in Q1 2020 makes the current crisis stand-out from these predecessors, exacerbated by the ubiquitous nature of the challenge compared to the narrowly-focused problems experienced by the technology and financial sectors in 2000 and 2008. On a more positive note, share prices have not fallen to the same lows as at the time of the GFC and the Arrowpoint GSI (excluding Online Platforms) still traded at a 36% premium to the nadir in 2009 at its lowest position in March 2020. However, the Arrowpoint GSI shows that the publicly listed Human Capital community has lagged the FTSE 250 Index every month of every year since June 2000, reflecting longstanding investor reservations about the sector relative to others.

Our analysis of EBITDA multiples across these moments of crisis shows once again that savage declines are often reversed by equally robust recoveries. During the GFC, the periods from peak to trough (a fall of 76%) and then to new peak (a 110% recovery) were 19 and 14 months long respectively. The Arrowpoint GSI shows that the Human Capital industry has not bettered the highest sector multiple achieved over the last two decades of 14.3x in April 2004 and on 1 January 2020 it stood at 8.8x, a 26% discount to the Arrowpoint GSI median EBITDA multiple over the 20 year period under review of 9.5x.

Figure 1: GSI share price performance[1]

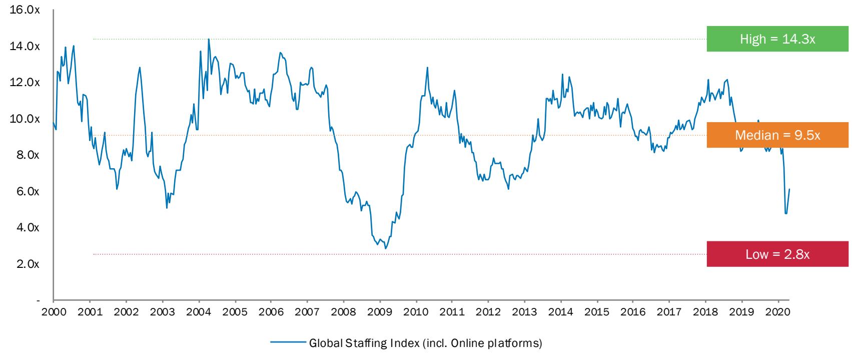


Source: Arrowpoint Advisory analysis, S&P CapitalIQ

Note: [1]Unless otherwise stated, the GSI includes publicly traded companies across the following Human Capital sub-sectors: Diversified Recruitment, Engineering & Construction, Executive Search, IT & Digital, Public Sector, Professional Services, Online Recruitment & Job Platforms and Outsourcers. The GSI has been calculated by taking the median EV/EBITDA multiple or indexed share price performance of these groups across designated periods.

From a pre-Covid valuation perspective, the Arrowpoint GSI indicates that 9.5x EBITDA may be seen as a long-term benchmark for the listed Human Capital community. The GSI EBITDA multiple plummeted precipitously to 4.7x during Q1 2020 before mounting a modest recovery, in line with the market in general, to 5.4x as at 30 April 2020. If positives can be drawn from this challenging period, it is that at 5.4x times, the Arrowpoint GSI is still trading at a 93% premium to the worst level at the lowest point in the GFC.

Figure 2: GSI EV/EBITDA performance



Source: Arrowpoint Advisory analysis, S&P CapitalIQ

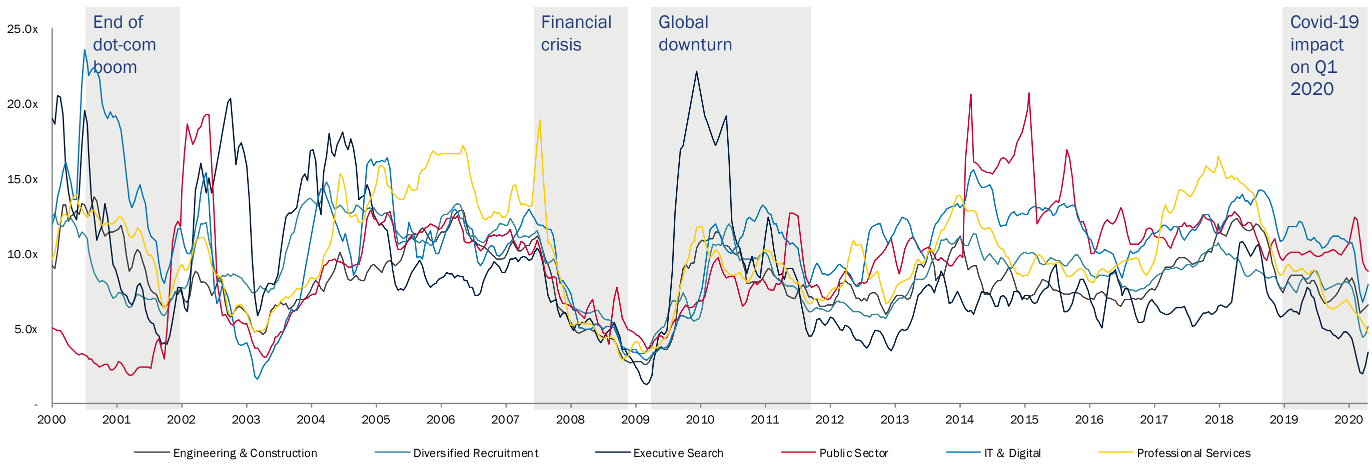
Sub-sector Performances

The Arrowpoint GSI represents the global Human Capital industry at large and is the summary of analysis that we have undertaken across the spectrum of industry sub-sectors and functional specialities, the constituent companies for which are set out in the Appendices to this newsletter. These sub-sectors are Diversified Recruitment, Engineering & Construction, Executive Search, IT & Digital, Professional Services and Public Sector.

For completeness, the Arrowpoint GSI also includes Online Recruitment & Job Platforms and Outsourcers as distinct sub-sectors, the former including tech-enabled platforms with a typical focus on the lower skill end of the staffing market and the latter including managed service providers mobilising large numbers of skilled and semi-skilled workers on behalf of clients. Recognising that these sub-sectors overlap with the core Human Capital sub-sectors but are nonetheless adjacencies, we make clear in our analysis where we have included them or not. Over the 20 year period under review (see Figure 3 below), each of the sub-sectors included in the Arrowpoint GSI tracked the index subject to a few industry-specific nuances. Overall, each sub-sector has had its moments of glory and also been in the dog house as investors' have adjusted their strategies to react to macro- and micro-sector conditions.

For those with long memories, the IT & Digital sector suffered a precipitous collapse as a result of the dot-com bust, falling from a peak EBITDA multiple of 23.6x in July 2000 to a low point of 1.6x in March 2003 while broadly tracking the Arrowpoint GSI throughout the GFC and Global Downturn. The Executive Search sector, widely-viewed as the most transactional of staffing businesses and therefore having a more exaggerated exposure to economic cycles, has lagged other sub-sectors for much of the last decade, although it is important to note that this sub-sector is made-up of only three listed companies and is therefore as reflective of the individual constituent's idiosyncrasies as it is of a sub-sector trend.

Figure 3: GSI EV/EBITDA performance by sub-sector (excl. Online Platforms and Outsourcers)



Source: Arrowpoint Advisory analysis, S&P CapitalIQ

As one might expect, the Diversified Recruitment and Engineering & Construction sub-sectors have been the most consistent performers. While the former may be biased towards white collar and the latter blue collar candidates, they each represent a window on the largest sections of the Human Capital market, broadest cross-section of candidates, coverage of both permanent and temporary placements, and major end-markets.

The Public Sector vertical's performance over the last 20 years may be somewhat unrepresentative, potentially supressed by the severity of public spending cuts across the developed world in the period following the GFC. Given the strength of government covenants, service providers to the public sector have traditionally been seen as a safe haven for investors and therefore attract more interest at times when the private sector appears vulnerable. The end of austerity across many economies has buoyed the Public Sector grouping in more recent times and, although the evidence is limited thus far, it is likely that its stronger performance at the start of 2020 relative to other sub-sectors will be a recurring feature over the coming months.

Investor Reaction to the Covid-19 Crisis

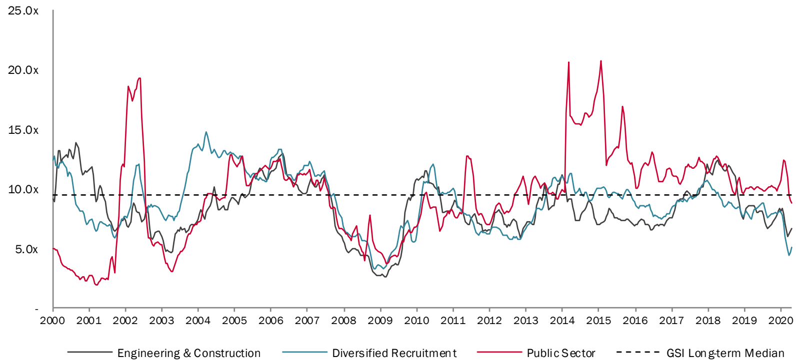
It is too early to draw conclusions about winners or losers from any analysis of 2020 year-to-date alone but it is helpful to understand what has actually happened looking at investor reactions through a number of lenses and drawing upon the granular data that supports the Arrowpoint GSI.

Sub-sector Valuations

All of the sub-sectors constituting the Arrowpoint GSI entered 2020 in approximate lockstep, their relative market ratings reflecting those of the preceding 12 months. As the scale of the coronavirus challenge became clear during February investors started to take note, and the implementation of lockdowns across most of the world's major economies in March prompted a sudden and savage reduction in valuations across most industry sectors.

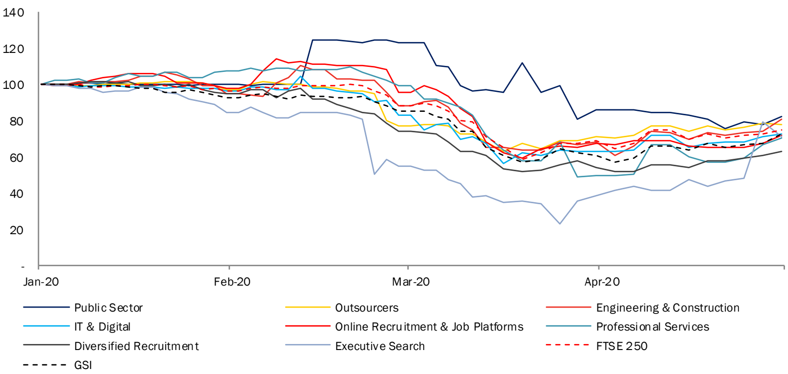
Overall, the Arrowpoint GSI declined 27% from 1 January 2020 to 30 April 2020, with a low point decline of 43% reached on 3 April 2020. As at 30 April 2020, the Arrowpoint GSI had rallied 16% from this low point.

Figure 4: EV/EBITDA Multiples of Diversified, Engineering & Construction and Public Sector Staffing Groups: January 2020 to April 2020



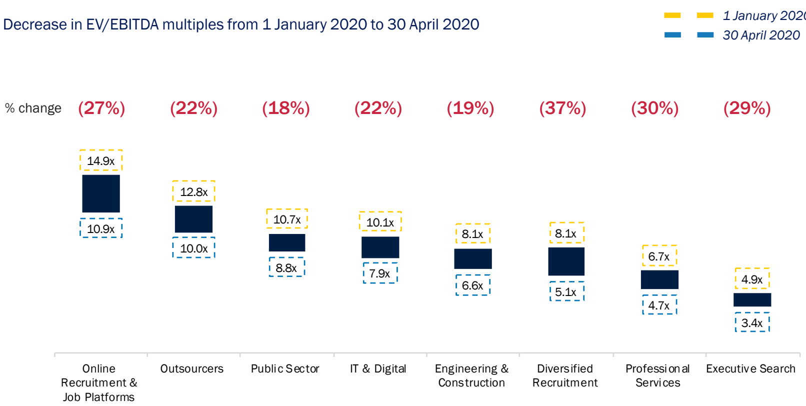
Source: Arrowpoint Advisory analysis, S&P CapitalIQ

Figure 5: Indexed EV/EBITDA Multiples by Sub-sector: January 2020 to April 2020

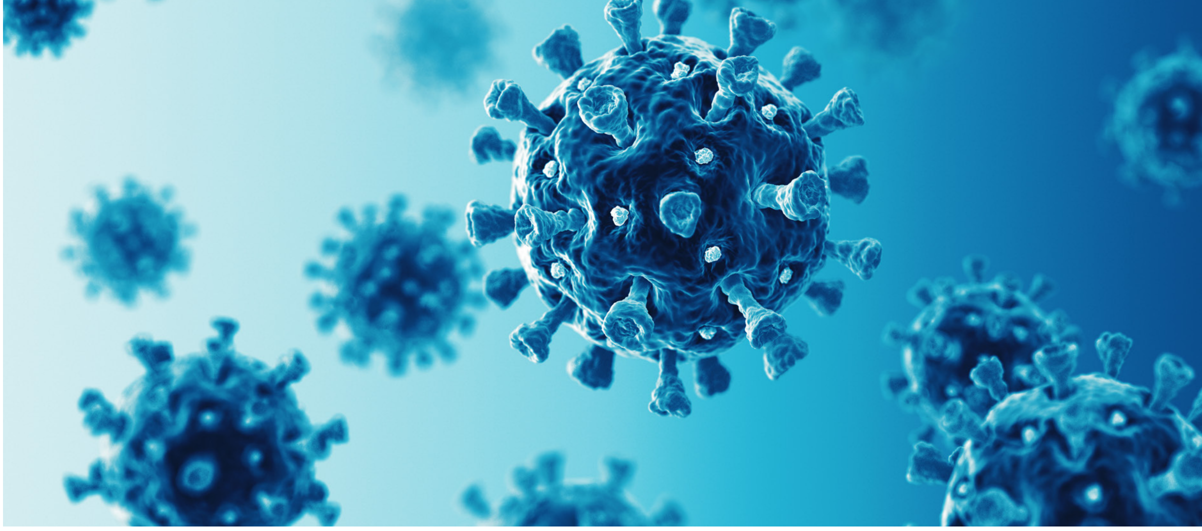


Source: Arrowpoint Advisory analysis, S&P CapitalIQ

Figure 6: Valuation Summary



Source: Arrowpoint Advisory analysis, S&P CapitalIQ



By way of comparison, the FTSE 250 Index recovered 11% over the same period showing an encouraging level of support for the Human Capital sector, or perhaps recognition that investors had penalised the sector disproportionately on the way down.

Reflecting our earlier observations, the Public Sector briefly took on the mantle of ‘safe haven’ amongst the Human Capital verticals, initially becoming a significant beneficiary of investor perception that companies with a large exposure to government spending would be better insulated from the consequences of the shutdown than their private sector counterparts. However, this initial swing - up 25% in a single day on 14 February - unravelled over the following weeks as the crisis unfolded - perhaps with the recognition that no Human Capital business will be untouched - directly or indirectly - by coronavirus.

Executive Search continued to be regarded by investors as more fragile than the mainstream recruitment community, although it is again important to note that there are only three listed company constituents in this Arrowpoint GSI sub-sector. Although investors had marked down the Executive Search EBITDA multiple by 77% on 25 March, it had recovered to 28% by 30 April 2020, almost exactly in line with the Arrowpoint GSI (at 27%).

Within the pack, the Outsourcers ended Q1 2020 closely-aligned to the Public Sector sub-sector, no doubt partly driven by the importance of government funded work to this community and partly by the stronger recurring revenue business models employed in the delivery of managed services which these companies focus on.

The Engineering & Construction, IT & Digital and Online Recruitment & Job Platform sub-sectors have also been treated similarly by investors. Overall they suffered a 20-30% decline in EBITDA multiples over the 18 week period under review. It is possible that investors see greater defensibility in Human Capital companies deploying resource to major construction and engineering projects (or at least that these sector may benefit from being one of the earliest out of lockdown). The underlying growth momentum in IT & Digital and better preparedness of providers in the sector to adapt to remote working may have insulated them from the worst.

Our analysis shows that the Professional Services and Diversified Recruitment sub-sectors multiples have fared the worst thus far.

Given our earlier comments around the broad portfolios inherent in the latter community, this appears inconsistent with their performance over the longer-term. However, both the Diversified Recruiters and Professional Services staffing firms have been hit hard by lockdown and the rapid scaling back of demand from private sector clients for white collar talent.

It will be interesting to see whether investors consider the Diversified Recruiters, with their greater emphasis on temps (which has traditionally been seen as a strength rather than a weakness), as having a greater exposure to the creditworthiness or propensity to settle invoices of their own clients given that these firms pay temps and contractors ahead of receiving funds from those clients.

Regional Reactions

Our analysis shows that the impact of Covid-19 on populations, starting as it did in East Asia and then moving quickly across Europe and then the United States, was reflected in its impact on Human Capital company valuations. The Rest of World bore the brunt of initial investor concern before aligning with the rest of the industry following the March lockdown.

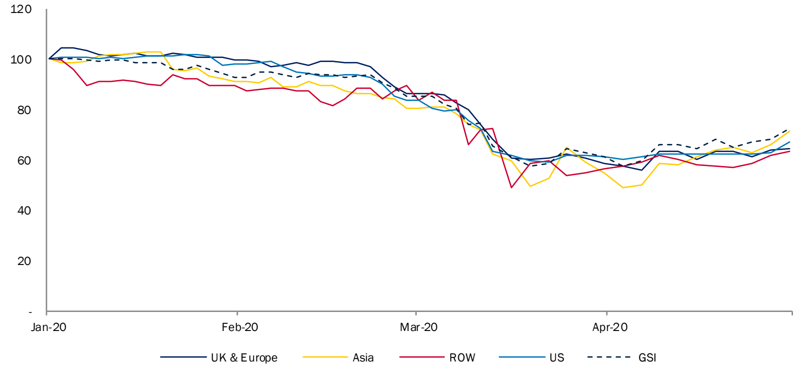
The US companies - after a steep fall in March - appear to have weathered the storm most convincingly since 13 March 2020, with a gradual steadying of the EBITDA multiple in contrast with the greater volatility experienced by the other regions. It remains to be seen if this investor sangfroid endures as coronavirus peaks across the US.

Small-caps

Investors frequently seek solace in larger listed groups, scale being a common proxy for resilience. This certainly appears to be the case in Human Capital, with the median EBITDA multiple for groups with market caps <£100m at 7.3x compared to 8.3x for groups >£100m. It is worth noting that the median market cap for companies in the <£100m group was £20m compared to £496m in the >£100m group, a significant difference in size.

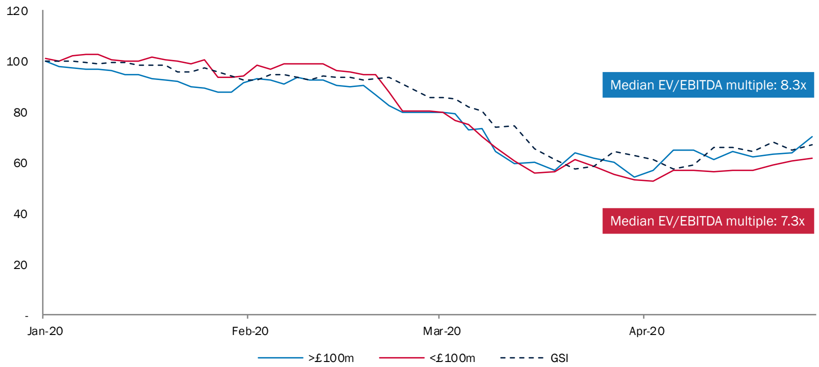
In addition, the listed groups with market capitalisations <£100m suffered a greater reduction in EBITDA multiple than those valued >£100m. Multiples for the former community fell 38% between 1 January and 30 April 2020, while the larger groups suffered a 30% reduction. Although both groups had seen an identical 43% reduction by 22 March 2020, the >£100m valued groups have recovered more convincingly since.

Figure 7: Indexed EV/EBITDA Multiples by Geography: January 2020 to April 2020[1]



Source: Arrowpoint Advisory analysis, S&P CapitalIQ
Note: ROW includes Australia, Middle Eastern Countries, New Zealand, Russia and South Africa

Figure 8: Indexed EV/EBITDA Multiples by EV: January 2020 to April 2020



Source: Arrowpoint Advisory analysis, S&P CapitalIQ

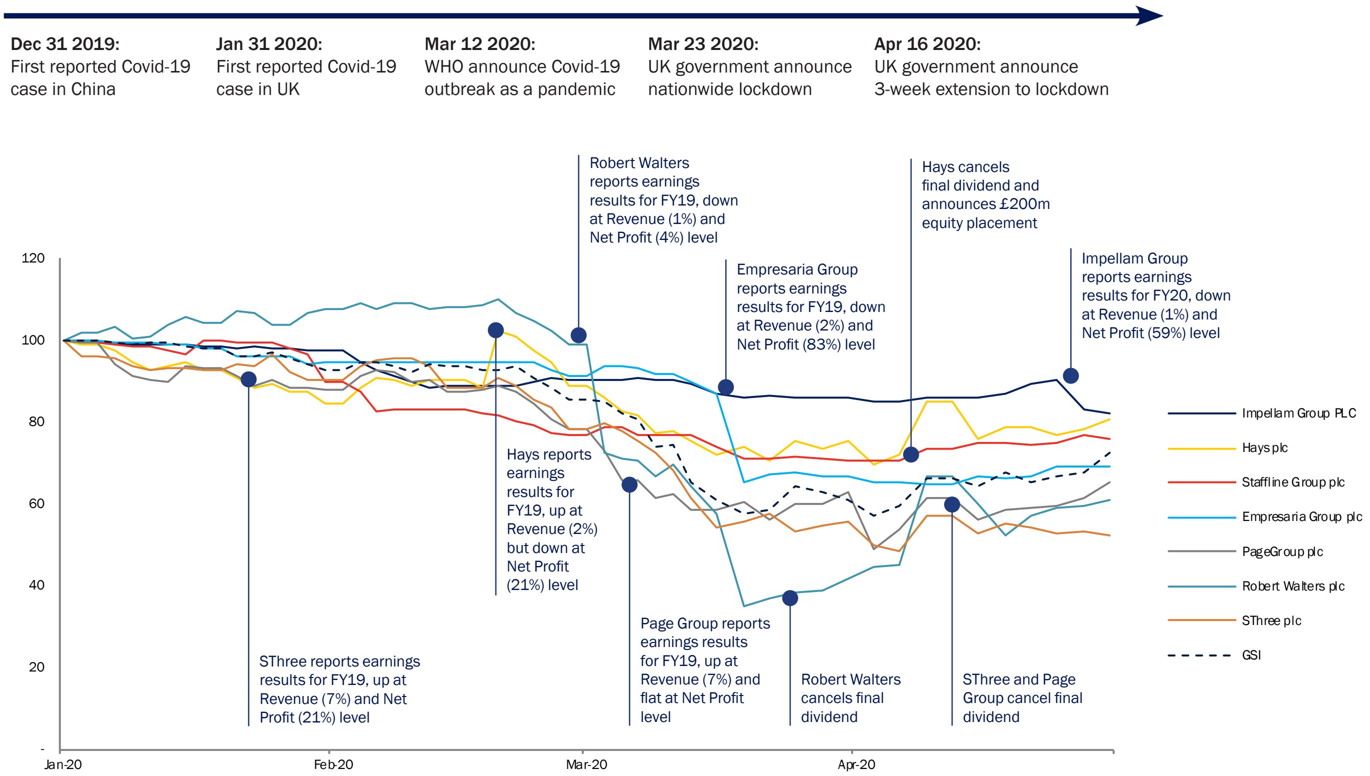
UK Groups

The performance of some of the bell-weather representatives of the UK listed Human Capital community is set out in Figure 9 (below). This grouping is heavily weighted towards the Professional Services staffing sector through the inclusion of Hays, Empresaria, PageGroup and Robert Walters and ranged in enterprise value from £54m to £2,085m.

The disruption caused by Covid-19 in late March and early April coincided with the reporting season for a number of the largest UK Human Capital groups. As a result, share price fluctuations have been as much a reaction to specific announcements around financial resilience and actions taken in response to the coronavirus crisis as they have been a generic investor reaction.

In contrast to Robert Walters, Staffline and SThree saw their ratings under steady pressure as early as January 2020 relative to their UK peers, which saw their share prices fall together from 20 February. Robert Walters briefly outperformed its UK peers until the announcement of its FY19 full year results on 1 March, at which point it suffered a significant 65% decline. This was subsequently restored by 30 April to 60% of its 1 January level. Hays and Empresaria each experienced declines following their own results announcements, while PageGroup saw a steady fall from early March, uninterrupted by the publication of its own results.

Figure 9: 2020 – EV/EBITDA Trends for Top UK Listed Staffing Groups



Source: Arrowpoint Advisory analysis, S&P CapitalIQ

Impellam's share price performed well throughout the period, its multiple falling only 9% in value by 24 April, perhaps a reflection of its strong franchise in healthcare recruitment and helpful exposure to acute Covid-19 demand for healthcare staff and to public sector budgets. Impellam's multiple did however suffer following their results announcements in late April, ending at 82% of its 1 January value by 30 April. Hays and Staffline also weathered the storm relatively well compared to their UK peers, ending the period 19% and 23% lower than they started.

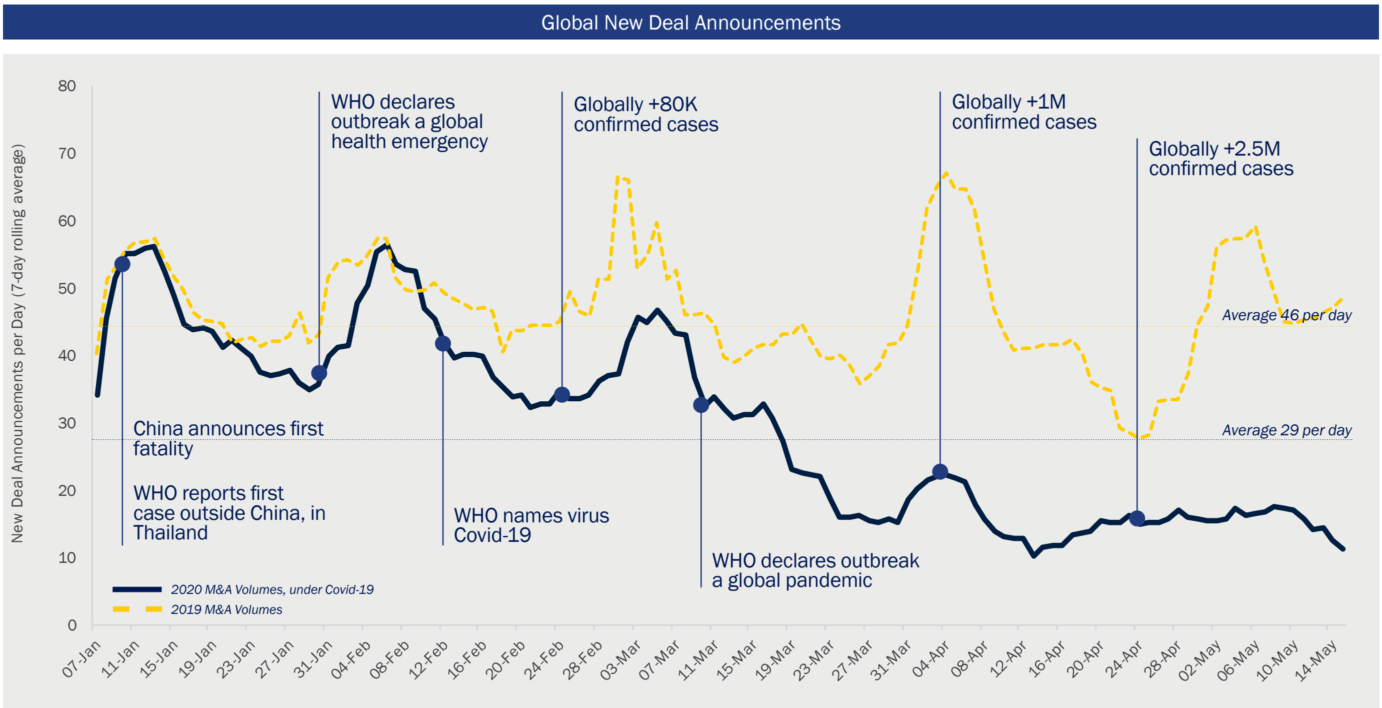
Investors not only took in their stride the announcements by Hays, Robert Walters and SThree that they were suspending their final dividends but actually supported a modest recovery in the multiples for each of the companies over the ensuing days. Despite the suspension of dividends, this recovery was possibly more a reflection of the success with which each company articulated the strength of their positions and their plans of action for coping with Covid-19 over the short-term. Investors will continue to look to company management teams to take considered and clearly communicated action to secure their businesses in response to the crisis. In the case of Hays, this included a substantial £200m equity placement that the market appears to have regarded as

M&A Market Impact

M&A markets have been quick to slow down as the enormity of the Covid-19 crisis has become clear, lockdown took effect and - practical challenges of closing deals remotely aside - acquirers and investors paused to quantify the impact on their own businesses, recalibrate their business priorities and, where M&A has stayed on the agenda, re-assessed the merits of individual transactions.

Announced transaction volumes have reduced by 80% since 11 January. On a seven day rolling average basis, 11 deals were announced each day in the week ending on 15 May 2020, compared to 48 deals per day in the same period 12 months ago. It is likely that this subdued level of M&A activity will continue for some time to come before volumes pick up again, initially as a result of corporates seeking to repair balance sheets by divesting non-core assets, as well as sales of distressed assets.

Figure 10: Covid-19 M&A Activity Chart



Source: Mergermarket, WHO

Tactical Measures - Cash Management is Key

Working across the entire Business Services sector spectrum, not just Human Capital, Arrowpoint Advisory has witnessed how a wide variety of professional services firms have responded to acutely challenging market conditions. Common themes worthy of consideration at this time include:

- **Move quickly and strike once** – the speed with which the coronavirus has struck has left many seasoned operators stunned. However, the severity of the market contraction has spurred many to make difficult decisions, inevitably focused on headcount reduction. Furloughing apart, now is the time to consider which fee earners will not fulfil their potential with you and which support team members have become luxuries – and make these cuts quickly – and ideally only once. Multiple rounds of layoffs can have a corrosive impact on team morale.
- **Cut fat not muscle…and be creative** – if you have spent a decade assembling an awesome team, do everything possible to keep the core team together. Most staff are realistic about the enormity of the current crisis – and would willingly be part of the solution – salary reductions, commission deferrals, enforced holidays. Provided leadership teams set an example, the wider team – certainly in functional businesses – will likely follow.
- **Manage cash** – a statement of the bleeding obvious perhaps but this is also about anticipating recovery not just day-to-day survival in the here-and-now. Many businesses that may weather the storm will hit their cash crisis as demand returns and they lack the working capital to restart their engine. Tighten up your short term cash flow forecasting, run the numbers daily, eliminate discretionary spend and manage unavoidably outgoings to maintain maximum cash headroom. It may seem obvious but now is the time to drawn down to the fullest extent possible on any existing debt facilities with incumbent lenders, including invoice discounting, whilst the liquidity is available.
- **Be proactive with your lenders** – don't wait for them to start asking the questions; rather keep them informed and make them part of your solutions. Provide good quality, timely data and let them know the stapes that you are taking and when you may need them to support you. Remember, they are the channel through which you will need to access HM Treasury's business support schemes.
- **Government support** – this is currently taking many forms but, most directly, the willingness of HMRC to defer payment of PAYE, VAT and corporation tax liabilities, in addition to the CBILS and CLBILS loan guarantee scheme. Temporary and contract recruiters concerned about their liability for contractor payments in the event of client default may take some solace in putting the taxman temporarily on pause.
- **Love your best clients** – the crisis has emboldened many clients to withhold payment in direct breach of contract, justified by acute necessity. Identify clients that present a credit risk and double-down on debt collection while showing flexibility with key clients that are sticking by you and which may be successfully accessing CBILS. Keeping an open dialogue is key as temporary and contract recruiters do not want to be left with an unfunded liability to contractors in the event of non-payment by a client nor do they want to move valued clients to a fee-only model. Recruiters can take some solace in the fact that end clients utilising the furlough scheme can get support for up to 80% of the cost of furloughed contractors including both rates and agency fees.

We would welcome the opportunity to discuss your strategic goals and requirements in confidence

Please speak to our Arrowpoint Advisory team or visit us at **arrowpointadvisory.com**

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Appendix I: Sub-sector Data Sets

Sub-sector Data Table

Company	Country	EV	Market Cap	Revenue	Revenue Growth	EBITDA	EBITDA Margin	EV / Revenue	EV / EBITDA
Professional Services									
Ashley Services Group Limited	Australia	22	20	172	0.8%	5	3.1%	0.1x	3.9x
BG Staffing, Inc.	United States	126	99	225	2.7%	19	8.4%	0.5x	5.9x
DPA Group N.V.	Netherlands	53	31	128	6.2%	13	10.2%	0.4x	2.8x
Empresaria Group plc	United Kingdom	54	18	358	9.8%	12	3.2%	0.2x	3.0x
Hays plc	United Kingdom	2,035	1,820	6,140	12.8%	239	3.9%	0.3x	7.8x
HRnetGroup Limited	Singapore	164	304	238	5.1%	32	13.3%	0.7x	4.7x
Hydrogen Group Plc	United Kingdom	10	12	121	1.4%	3	2.4%	0.1x	2.5x
JAC Recruitment Co., Limited	Japan	261	346	168	20.5%	47	27.7%	1.5x	5.3x
Matching Service Japan Co., Limited	Japan	93	140	28	28.7%	12	42.7%	3.1x	7.3x
Norman Broadbent plc	United Kingdom	4	3	10	4.4%	(0)	-2.9%	0.4x	NM
PageGroup plc	United Kingdom	1,229	1,199	1,654	11.4%	161	9.8%	0.7x	6.2x
Prime People plc	United Kingdom	6	7	25	5.9%	3	12.1%	0.3x	2.1x
Robert Half International Inc.	United States	4,240	4,238	4,910	2.6%	539	11.0%	0.9x	7.1x
Robert Walters plc	United Kingdom	293	303	1,216	6.8%	56	4.6%	0.2x	4.1x
Mean:		614	610	1,099	8.5%	81	10.7%	0.7x	4.8x
Median:		109	120	198	6.0%	16	9.1%	0.4x	4.7x
Executive Search									
Heidrick & Struggles International, Inc.	United States	309	343	568	4.2%	64	11.3%	0.6x	3.4x
Korn Ferry	United States	1,326	1,260	1,503	18.8%	205	13.6%	0.8x	5.1x
The Caldwell Partners International Inc.	Canada	6	9	44	9.0%	2	5.6%	0.1x	2.1x
Mean:		547	537	705	10.6%	90	10.2%	0.5x	3.6x
Median:		309	343	568	9.0%	64	11.3%	0.6x	3.4x
Public Sector									
AMN Healthcare Services, Inc.	United States	2,255	1,747	1,678	2.9%	183	10.9%	1.3x	10.0x
Cross Country Healthcare, Inc.	United States	259	184	621	-2.8%	15	2.4%	0.4x	8.8x
GEE Group, Inc.	United States	87	3	114	24.6%	6	5.5%	0.7x	13.2x
Impellam Group plc	United Kingdom	247	144	2,255	1.8%	27	1.2%	0.1x	6.8x
RCM Technologies, Inc.	United States	46	15	146	0.7%	6	4.3%	0.3x	5.5x
Mean:		579	419	963	5.4%	48	4.9%	0.6x	8.9x
Median:		247	144	621	1.8%	15	4.3%	0.4x	8.8x
Diversified Recruitment									
104 Corporation	Taiwan	79	135	41	4.3%	9	22.3%	1.8x	7.4x
51job, Inc.	China	2,087	3,183	434	16.7%	140	32.3%	4.6x	14.1x
ACS, Actividades de Construcción y Servicios, S.A.	Spain	8,060	5,996	33,091	6.6%	1,856	5.6%	0.2x	3.0x
Adcorp Holdings Limited	South Africa	69	20	771	4.4%	23	2.9%	0.1x	3.6x
Adecco Group AG	Switzerland	6,432	5,632	19,850	0.7%	950	4.8%	0.3x	5.3x
Beijing Career International Co., Limited	China	751	775	420	56.6%	24	5.7%	1.8x	32.0x
Cpl Resources plc	Ireland	128	167	489	11.8%	25	5.1%	0.3x	5.0x
Human Holdings Co., Limited	Japan	(32)	64	594	11.0%	20	3.4%	NM	NM
Kelly Services, Inc.	United States	514	480	4,090	-1.5%	93	2.3%	0.1x	4.2x
Maharah for Human Resources Company	Saudi Arabia	453	509	304	6.1%	59	19.5%	1.4x	7.1x
ManpowerGroup Inc.	United States	3,679	3,458	16,416	-0.3%	584	3.6%	0.2x	5.1x
Nisso Corporation	Japan	86	121	512	17.9%	22	4.2%	0.2x	3.7x
Openjobmetis S.p.A.	Italy	90	64	479	6.7%	14	2.9%	0.2x	5.1x
OUTSOURCING Inc.	Japan	984	484	2,510	39.1%	163	6.5%	0.4x	5.6x

Sub-sector Data Table (Cont'd...)

Company	Country	EV	Market Cap	Revenue	Revenue Growth	EBITDA	EBITDA Margin	EV / Revenue	EV / EBITDA
Diversified Recruitment (Cont'd...)									
Pasona Group Inc.	Japan	318	315	2,335	13.4%	109	4.7%	0.1x	2.8x
Persol Holdings Co., Limited	Japan	2,267	2,161	6,682	26.1%	412	6.2%	0.3x	5.2x
Quess Corp Limited	India	394	324	1,092	38.0%	57	5.2%	0.4x	7.1x
Randstad N.V.	Netherlands	7,084	5,829	20,629	4.3%	854	4.1%	0.3x	7.0x
Recruit Holdings Co., Limited	Japan	38,690	38,911	16,605	17.7%	2,396	14.4%	2.2x	14.8x
Staffing 360 Solutions, Inc.	United States	51	3	234	21.8%	5	2.2%	0.2x	8.4x
Staffline Group plc	United Kingdom	119	21	1,181	17.1%	27	2.3%	0.1x	4.3x
Will Group, Inc.	Japan	164	107	825	37.0%	48	5.8%	0.2x	3.2x
Workforce Holdings Limited	South Africa	24	9	174	5.3%	7	3.7%	0.2x	3.9x
Mean:		3,152	2,990	5,642	15.7%	343	7.4%	0.7x	7.2x
Median:		394	324	825	11.8%	57	4.8%	0.2x	5.1x
Engineering & Construction									
Altech Corporation	Japan	204	253	253	10.8%	30	11.7%	0.8x	6.4x
Artner Co.,Limited	Japan	35	52	49	10.4%	6	13.0%	0.7x	5.1x
AWF Madison Group Limited	New Zealand	46	25	135	10.7%	4	2.7%	0.4x	11.1x
Brunel International N.V.	Netherlands	213	253	882	5.3%	18	2.0%	0.2x	6.7x
Groupe CRIT SA	France	534	488	2,251	16.2%	139	6.2%	0.2x	3.8x
Segue Group Co., Limited	Japan	59	75	67	12.0%	5	7.1%	0.8x	11.7x
Synergie SE	France	443	417	2,239	9.5%	107	4.8%	0.2x	4.1x
TrueBlue, Inc.	United States	462	428	1,809	-6.7%	80	4.4%	0.2x	4.3x
World Holdings Co., Limited	Japan	336	181	947	13.1%	43	4.5%	0.3x	7.3x
Yumeshin Holdings Co., Limited	Japan	341	338	387	30.8%	39	10.1%	0.8x	8.1x
Mean:		267	251	902	11.2%	47	6.7%	0.5x	6.9x
Median:		274	253	635	10.8%	34	5.5%	0.3x	6.6x
IT & Digital									
Amadeus FiRe AG	Germany	588	424	224	10.1%	39	17.3%	2.7x	13.8x
ASGN Incorporated	United States	2,758	1,933	2,963	14.4%	307	10.4%	0.9x	7.8x
FDM Group (Holdings) plc	United Kingdom	803	817	272	12.8%	55	20.3%	3.0x	13.5x
Gattaca plc	United Kingdom	27	14	611	1.0%	12	2.0%	0.0x	2.1x
Kforce Inc.	United States	565	512	1,017	-1.6%	62	6.1%	0.5x	7.9x
Nakama Group plc	United Kingdom	1	0	10	-16.4%	(0)	-0.8%	0.1x	NM
Parity Group plc	United Kingdom	7	8	80	-4.3%	0	0.4%	0.1x	6.6x
SThree plc	United Kingdom	272	283	1,345	11.9%	63	4.7%	0.2x	4.3x
TechnoPro Holdings, Inc.	Japan	1,665	1,654	1,173	16.7%	133	11.3%	1.4x	12.6x
Mean:		743	627	855	5.0%	75	8.0%	1.0x	8.6x
Median:		565	424	611	10.1%	55	6.1%	0.5x	7.9x
Online Recruitment & Job Platforms									
Cátenon, S.A.	Spain	6	4	9	19.9%	0	5.2%	0.6x	10.9x
en-japan inc.	Japan	591	802	388	27.9%	85	21.9%	1.4x	6.6x
Freelancer Limited	Australia	91	94	31	-0.1%	(0)	-0.2%	3.0x	62.6x
HeadHunter Group plc	Russia	698	655	95	24.2%	43	45.2%	7.0x	15.3x
Mirai Works Inc.	Japan	14	21	NM	NM	NM	NM	NM	NM
NetJobs Group AB (publ)	Sweden	1	0	2	-19.6%	(0)	-12.5%	0.4x	NM
Recruiter.com Group, Inc.	United States	10	11	3	NM	NM	0.0%	3.0x	NM
SaraminHR Co., Limited	South Korea	145	186	61	7.3%	20	32.2%	2.3x	7.3x
SEEK Limited	Australia	4,056	3,180	888	16.7%	204	23.0%	4.7x	21.9x
Mean:		623	550	164	10.9%	39	14.3%	2.5x	17.8x
Median:		91	94	31	16.7%	0	13.5%	2.3x	10.9x

Sub-sector Data Table (Cont'd...)

Company	Country	EV	Market Cap	Revenue	Revenue Growth	EBITDA	EBITDA Margin	EV / Revenue	EV / EBITDA
Outsourcers									
Capita plc	United Kingdom	2,127	646	3,679	-5.6%	434	11.8%	0.6x	4.0x
Cognizant Technology Solutions Corporation	United States	23,557	24,916	12,672	5.1%	2,485	19.6%	1.8x	8.4x
Genpact Limited	Bermuda	6,281	5,198	2,658	8.5%	393	14.8%	2.2x	13.2x
HCL Technologies Limited	India	15,430	15,587	7,302	15.3%	1,668	22.8%	2.1x	9.0x
Infosys Limited	India	30,116	32,063	10,265	8.0%	2,454	23.9%	3.0x	12.1x
MAXIMUS, Inc.	United States	3,468	3,417	2,296	8.3%	308	13.4%	1.4x	10.7x
Serco Group plc	United Kingdom	2,156	1,570	3,248	2.6%	147	4.5%	0.7x	9.2x
Tata Consultancy Services Limited	India	76,867	79,877	16,741	4.8%	4,492	26.8%	4.6x	17.3x
Wipro Limited	India	8,958	11,452	6,509	-1.4%	1,241	19.1%	1.4x	6.9x
WNS (Holdings) Limited	India	1,920	1,928	746	15.7%	142	19.1%	2.6x	13.6x
Mean:		17,088	17,665	6,612	6.1%	1,376	17.6%	2.0x	10.4x
Median:		7,619	8,325	5,094	6.5%	837	19.1%	1.9x	10.0x

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