



Staffing Market Update: Q4 2025

The U.S. staffing industry is projected to experience modest recovery in 2026

The U.S. staffing industry's mergers and acquisitions (M&A) landscape reflects cautious optimism amid economic headwinds. Following a dip to 93 deals in 2024 — the lowest in four years — the sector is rebounding with elevated activity. Q1 2025 saw a 25% year-over-year (YoY) increase in deal volume, the highest since Q4 2022, driven by strategic consolidations and private equity (PE) add-ons. Analysts forecast 85-100 deals for the full year, maintaining the post-2018 average of over 105 annually, though below the 2022 peak of 139. Valuations remain stable, with middle-market firms (EBITDA \$3-4M) trading at 4.0x-4.5x for light industrial/commercial segments, 5.0x-6.0x for professional staffing, and 5.5x-7.0x for high-growth areas like IT and healthcare. Overall transaction volume in HR and staffing rose 9.3% YoY through Q1, outpacing 2024's 9.4% gain, while equity values ticked up slightly.

Industry Drivers and Trends

Tight labor markets and rising employment costs (stable YoY compensation growth despite cooling inflation) are fueling demand for outsourced staffing and HR solutions, particularly in background screening and talent management. Sub-sectors like IT and health care lead, with IT poised for a surge due to AI/cloud demand and health care normalizing after 2024 declines — each comprising over 20% of deals. Light industrial lags, as sellers await macroeconomic clarity on tariffs and immigration. Deal structures favor deferred payments, with cash at close at 70-80% for marketed processes. Buyers prioritize client relationships and growth potential for premium multiples.

Growth Outlook

Buyers anticipate maintaining or increasing activity, targeting consolidation of smaller firms with realistic valuations. The HR segment will likely dominate, drawing strong PE interest for innovative, AI-enabled platforms. While not a boom year, 2025's "elevated" pace, up from 2024's slowdown, signals strategic survival through scale and specialization. As SIA notes, a 5% staffing market rebound supports M&A as a growth lever, positioning resilient players for 2026 expansion. For firms eyeing exits, now's the time to streamline operations and highlight defensible niches.

Key Takeaways

- AI and Automation: Widespread use in sourcing, screening and analytics to cut time-to-hire by 20-30%.
- The year has featured high-value transactions emphasizing technology integration and specialized talent pools
- There is a considerable buyer interest in locums, skilled trades and IT staffing firms

Key Contacts



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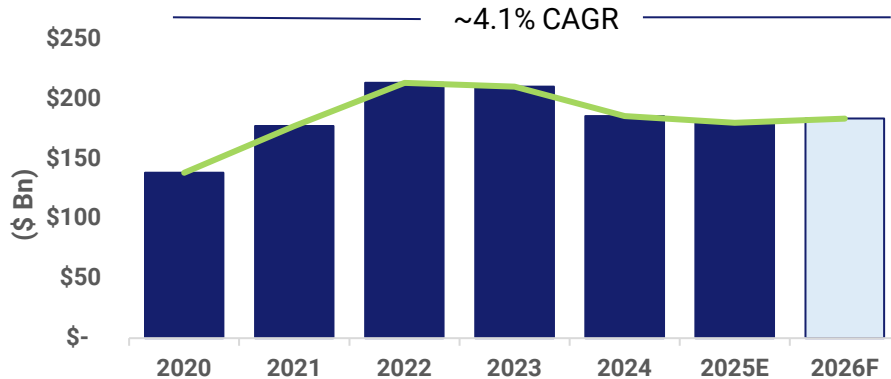


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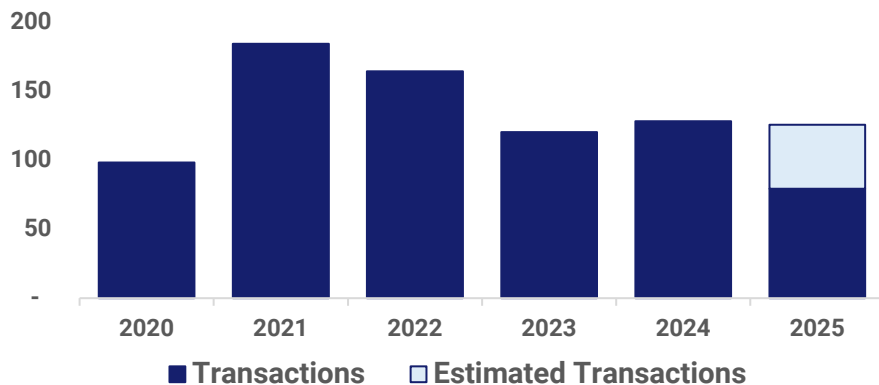
U.S. Overall Staffing Market

A Q4 Perspective

U.S. Staffing Market Size and Growth Rate



U.S. Staffing M&A Volume



Key Takeaways:

- The U.S. staffing industry is projected to experience modest recovery in 2026, with overall growth of 2%, reaching a market size of \$183.3 billion
- Skills-Based Hiring: shift from degrees to competencies, with reskilling investments up 25%
- Some light industrial companies are building out their own skilled trades division with inhouse training
- Challenges Persist: valuation gaps between optimistic sellers and cautious buyers, integration risks and broader uncertainties like interest rates and policy shifts. Post-election clarity and potential Fed cuts are expected to ease these by yearend.

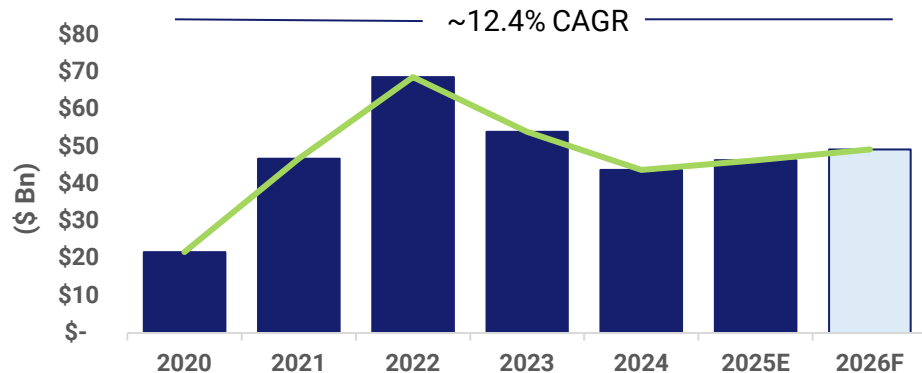
Recent U.S. Staffing M&A Transactions

Date	Target	Buyer / Investor	Description	Value
Sep-25	BGSF - Professional Division	INSPYR Solutions	Acquired IT consulting, finance/accounting and software engineering practices in Plano, TX, bolstering INSPYR's professional services	\$99M
Sep-25	SmartRecruiters	SAP	San Francisco talent acquisition software to streamline SAP's mid-market and enterprise recruiting	N/A
May-25	Workplace Options	TELUS Health	Raleigh, NC, wellbeing provider adding employee assistance programs to TELUS's health services	N/A
Jan-25	Humi	Employment Hero	Toronto-based HR platform enhancing Employment Hero's Canadian employer tools for payroll and benefits	\$76M
Dec-24	CDI Engineering Solutions	Tata Consulting Engineers	Houston-based engineering staffing for energy/chemicals, expanding Tata's US infrastructure footprint	N/A

U.S. Health Care Staffing Market

A Q4 Perspective

U.S. Health Care Staffing Market Size and Growth Rate



U.S. Health Care Staffing M&A Volume



Key Takeaways:

- Post-Pandemic Decline (2023-2024): Normalization led to a 40% drop in travel nurse volumes
- Nurse staffing has bottomed out with a few distressed deals still in market
- 2025 Outlook: SIA projects modest recovery with 5-7% growth, driven by locum tenens (+12% expected) and allied health amid aging population trends and chronic care needs
- M&A volume in health care staffing is projected to decrease from 60 transactions in 2022 to 40 in 2025E
- Locums remains the most active area in health care staffing with valuations in the 10-15x EBITDA range

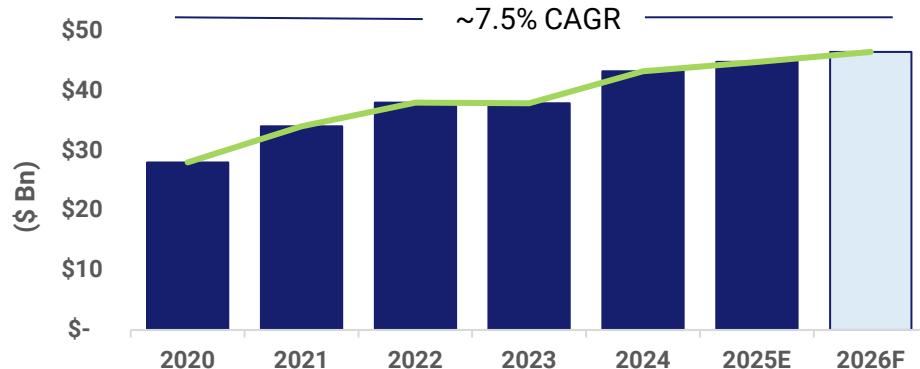
Recent U.S. Health Care Staffing M&A Transactions

Date	Target	Buyer / Investor	Description	Value
May-25	Integrity Locums	All Star Recruiting Locums	Strengthens physician staffing; targets high-demand specialties like emergency medicine	N/A
May-25	Barton Healthcare Staffing	GHR Healthcare	Enhances locum tenens in Midwest; focuses on physician placement amid shortages	N/A
Jan-25	Healthcare Staffing Professionals (HSP)	TrueBlue	Industrial giant enters health care via travel nurse and behavioral health acquisition in Jan.	N/A
Dec-24	Cross Country Healthcare	Aya Healthcare	Mega-deal for travel nursing and allied health; approved Feb 2025, closing Q4; implies 12.1x EBITDA, bolstering Aya's 40% market share	\$615M
Jun-24	Soliant Health	The Vistria Group	PE buyout of therapy and nursing staffing; 9.6x multiple; expands into school-based and home health	\$2.5B

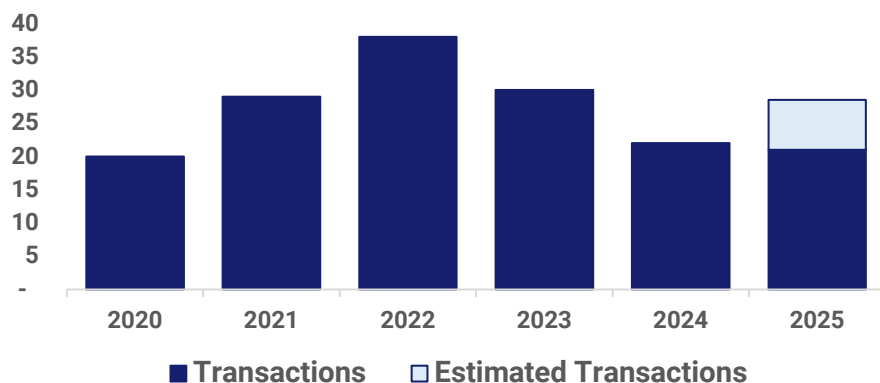
U.S. IT Staffing Market

A Q4 Perspective

U.S. IT Staffing Market Size and Growth Rate



U.S. IT Staffing M&A Volume



Key Takeaways:

- The IT staffing M&A market is experiencing a robust resurgence, outpacing the broader staffing sector amid persistent talent shortages and accelerating digital transformation
- Deal volume for IT-focused transactions rose 28% year-over-year (YoY) in H1 2025, reaching 42 announced deals compared to 33 in H1 2024, per Staffing Industry Analysts (SIA) data
- This uptick is driven by private equity (PE) add-ons (45% of activity) and strategic consolidations
- Valuations hold firm at 5.5x-7.0x EBITDA for high-growth IT niches like AI, cybersecurity and cloud services

Recent U.S. IT Staffing M&A Transactions

Date	Target	Buyer / Investor	Description	Value
Sep-25	BGSF Professional Division	INSPYR Solutions	Acquired IT consulting, software engineering, and data practices in Plano, TX, expanding INSPYR's AI/cloud expertise	\$99M
Sep-25	SmartRecruiters	SAP	San Francisco talent acquisition platform enhancing SAP's enterprise recruiting with AI-driven sourcing for IT roles	N/A
Sep-25	MyInterview	Radancy	New York AI hiring solutions provider, bolstering Radancy's tech recruitment automation for global IT talent	N/A
Jul-25	ACG Resources	Hudson RPO	Tokyo-based IT services staffing firm, strengthening Hudson's Asia-Pacific tech recruitment in software and business services	N/A
Feb-25	Core Resources	24 Seven	IT staffing for fintech (DevOps, CRM, data), marking 24 Seven's ninth buy to deepen financial services tech footprint	N/A

Trading Insights

Q3 2025 – Public Benchmarking

(\$ in millions, except per share data)

Estimated Fiscal Year 2025

Public Comparables – Professional and Commercial Staffing

Company	Business Description	Market Cap (\$M)	Enterprise Value (TEV) (\$M)	FY25 Revenue (\$M)	FY25 EBITDA (\$M)	EBITDA Margin (%)	TEV / Revenue (x)	TEV / EBITDA (x)
Adecco Group	Provider of recruitment and staffing services intended to deliver a wide range of multi-disciplinary solutions across all sectors and areas of employment	\$5,090	\$9,173	\$26,816	\$964	3.6%	0.3x	9.5x
ASGN	Provider of information technology services and solutions intended for the commercial and government sectors	\$1,988	\$3,126	\$3,970	\$416	10.5%	0.8x	7.5x
Kelly Services	Provider of staffing and consulting services based in Troy, MI	\$439	\$556	\$4,383	\$154	3.5%	0.1x	3.6x
Kforce	Operator of a staffing agency intended to build and manage expert teams in technology, finance and accounting	\$491	\$567	\$1,316	\$72	5.5%	0.4x	7.9x
ManpowerGroup	Provider of human resource outsourcing and outplacement services involved in employment services industry	\$1,760	\$3,224	\$17,806	\$385	2.2%	0.2x	8.4x
Randstad	Randstad is a \$22 billion global provider of HR services and the second largest staffing organization in the world	\$7,620	\$10,169	\$26,997	\$1,200	4.4%	0.4x	8.5x
Robert Half	Provider of staffing and employee placement and consulting services based in Menlo Park, CA	\$3,141	\$2,976	\$5,393	\$256	4.7%	0.6x	11.6x

Public Comparables – Healthcare Staffing

Company	Business Description	Market Cap (\$M)	Enterprise Value ("TEV") (\$M)	FY25 Revenue (\$M)	FY25 EBITDA (\$M)	EBITDA Margin (%)	TEV / Revenue (x)	TEV / EBITDA (x)
AMN Healthcare Services	Provider of healthcare staffing services intended to build and efficiently manage its clients' healthcare workforce needs.	\$697	\$1,609	\$2,589	\$219	8.5%	0.6x	7.3x
Cross Country Healthcare	Provider of healthcare staffing services intended to help clients tackle complex labor-related challenges and achieve quality outcomes while reducing complexity and improving visibility through data-driven insights.	\$379	\$319	\$1,115	\$32	2.9%	0.3x	9.9x

Public Comparables – Executive & Retained Search

		Market Cap (\$M)	Enterprise Value ("TEV") (\$M)	FY25 Revenue (\$M)	FY25 EBITDA (\$M)	EBITDA Margin (%)	TEV / Revenue (x)	TEV / EBITDA (x)
Company	Business Description							
Heidrick & Struggles International	Provider of business consulting services intended to serve in America, Europe, and the Asia Pacific.	\$1,218	\$915	\$1,202	\$123	10.2%	0.8x	7.4x
 Korn Ferry	Provider of search, organizational consulting and recruitment services based in Atlanta, United State.	\$3,594	\$3,281	\$2,823	\$471	16.7%	1.2x	7.0x

Trading Insights

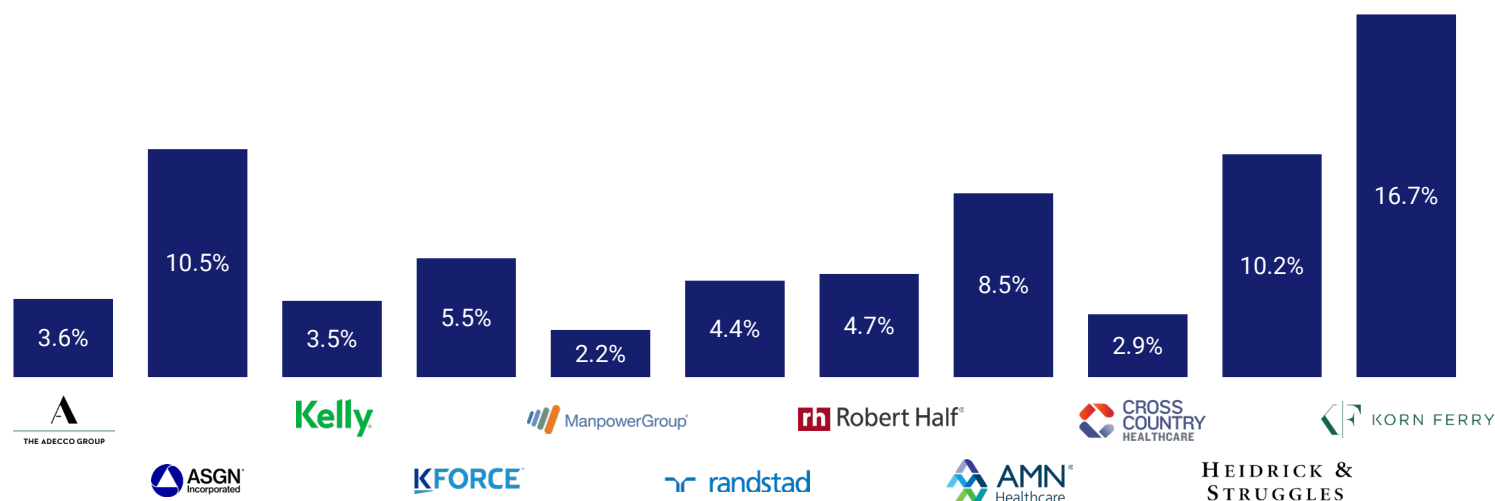
Q3 2025 – Public Benchmarking

(\$ in millions, except per share data)

Estimated Fiscal Year 2025

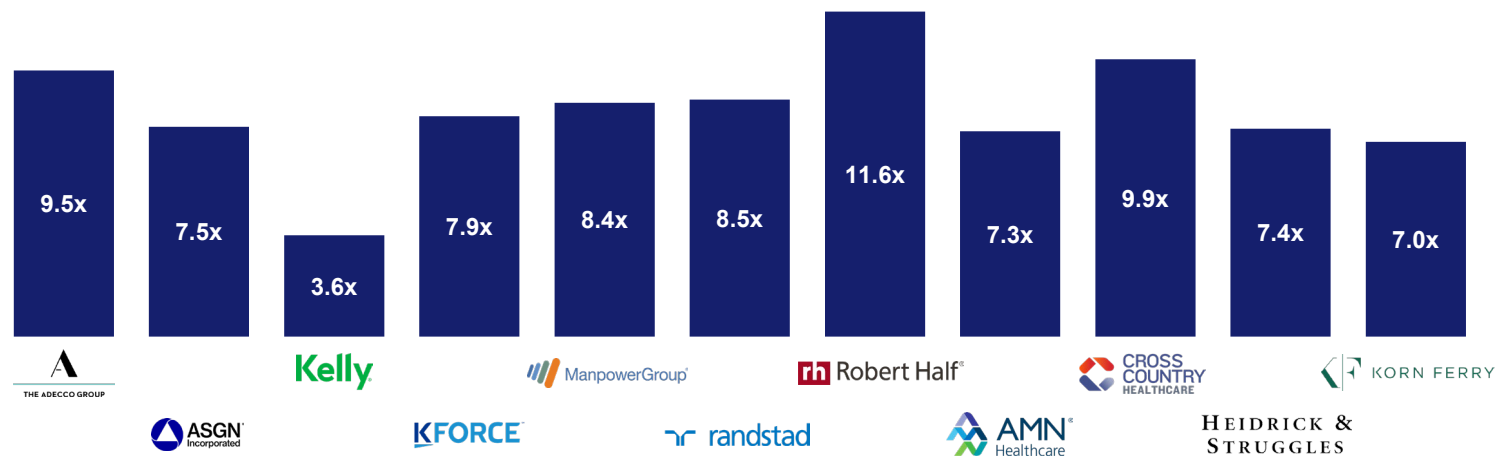
Public Comparables – Operating Metrics

Est. 2025 EBITDA Margin



Public Comparables – Valuation Metrics

Est. 2025 EV/EBITDA Multiples



M&A Insights

Q2/3 2025 – M&A Comps

(\$ in millions, except per share data)

Date	Target	Buyer / Investor	Target Business Description
18-Sep-25	Summit Medical Staffing	CrossMed (Human Capital Services)	Provider of medical staffing services intended to provide staffing resources to health care providers, hospitals and clinics
12-Sep-25	Inteli Platforms	Virtuosic Technologies	Provider of full-service managed IT solutions intended to serve businesses seeking efficient and cost-effective technology adoption
10-Sep-25	Hire Integrated	Waterstone Human Capital	Provider of specialty recruitment and staffing services intended to serve finance, insurance, legal and operations sectors
09-Sep-25	QSR Productions	RockForce	Operator of a live event staffing and production support company intended to serve concerts, trade shows and corporate events
03-Sep-25	Huey Enterprises	Starfish Partners	Provider of executive and professional-level staffing services for multiple industries worldwide
01-Sep-25	HireBetter	512Financial	Provider of recruiting and staffing services intended to serve real estate construction, energy, health care and financial services industries
14-Aug-25	MPLT Healthcare	Cortec Group	Operator of a health care staffing platform designed to connect health care providers with physicians and advanced practice clinicians
05-Aug-25	O.R. Staffing Solutions	Argosy Healthcare Partners	Provider of health care staffing services intended for hospitals and surgery centers
04-Aug-25	Verigent	Allied Resources Group	Provider of telecom and IT staff augmentation platform designed to provide staffing and recruitment services.
01-Aug-25	Kaye/Bassman International	Starfish Partners	Provider of executive search and recruitment services intended to serve health care, finance, education, energy and other industry sectors
31-Jul-25	Agricruit (Human Capital Services)	Iris Nevins	Provider of health care staffing services intended to help clients tackle complex labor-related challenges
31-Jul-25	NextCap Search	Apogem Capital	Provider of executive search and recruitment services intended to assist clients in key leadership hires for finance, strategy and human resources.
29-Jul-25	Monster Government Solutions	PartnerOne	Provider of talent acquisition and workforce development services intended to serve the government and public sector.
07-Jul-25	TekStream Solutions	ASH IP	Provider of technical expertise and staffing services intended to accelerate digital transformation
07-Jul-25	The Prince Houston Group	Egon Zehnder	Provider of retained executive search and recruitment services intended to serve the financial services sector globally
03-Jul-25	Clearstaff	Partners Personnel	Provider of temporary staffing services for warehouse, logistics, manufacturing, electronic, packaging and co-packaging industries
01-Jul-25	Talent Groups	Convergent Capital	Provider of staffing and recruiting services intended to empower various businesses to overcome their hiring challenges.
30-Jun-25	Silver Search	Saicon	Provider of staffing and recruiting services intended for connecting information technology professionals with clients.
19-Jun-25	Somewhere	Mr. Nick Huber	Operator of a headhunter agency intended to help companies find and hire top overseas talent for their remote teams.
18-Jun-25	MTG Services	Undisclosed	Provider of financial, consulting and recruiting services serving mortgage originators, banks, loan servicers, and institutional investors.
16-Jun-25	BGSF (Professional Division)	A&M Capital, INSPYR Solutions	Provider of professional staffing services intended to deliver highly skilled talent to businesses.
11-Jun-25	The Denzel Group	Innovien Solutions	Provider of employment staffing and recruiting services intended for the information technology sector.
10-Jun-25	RN Express Staffing Registry	VeraNorth Capital	Provider of workforce placement services intended for healthcare institutions seeking qualified medical professionals.
03-Jun-25	Se7en Staffing & Employment Solutions	Vangst	Provider of staffing and employment solutions across the cannabis industry including manufacturers, growers, and dispensaries
01-Jun-25	TAS (Human Capital Services)	Undisclosed	Provider of personalized recruitment services intended to cater to the aeronautical and industrial sectors.

About Griffin Financial Group

**M&A
Advisory**

**Private
Placement**

**Board
Advisory**

About Griffin

- ◇ Griffin Financial Group is a leading investment bank focused on the needs of lower middle-market companies
- ◇ We provide M&A advisory, capital advisory and strategic board advisory services to the consumer and retail, commercial and industrial, services, technology, financial institutions and private equity sectors
- ◇ We specialize in working with closely held private and small-cap public companies, with particular expertise regarding family-owned and owner-operated businesses
- ◇ Part of The Stevens & Lee Companies, a multidisciplinary professional services platform of 250+ professionals providing financial, legal, tax and consulting services

Case Study: Staffing Sell-Side Advisory

Transaction Overview

ICS

has been acquired by



Principals of Griffin served
as financial advisor
July 2022

Overview of Infinity Consulting Solutions (ICS)

- Headquartered in New York City, is a full-service recruiting and staffing agency that focuses on providing clients with expert temporary and permanent placement of IT, compliance and legal, accounting and finance, as well as HR and administrative personnel.

Overview of Korn Ferry

- Korn Ferry is widely recognized as a global leader in organizational consulting and human capital management. CEO Doug Klares and the rest of the ICS team will continue in their roles at Korn Ferry helping to drive ICS to new heights.

Process Overview and Transaction Rationale

- ICS sought to find a partner that would allow the company to continue its dynamic growth while simultaneously providing liquidity and diversification for ICS shareholders. The shareholders of ICS were less concerned with whether the partner was strategic or financial in nature, and instead focused on who might be the best fit for their employees, customers and overall organization.
- ICS engaged in a dialogue with principals of Griffin years before the transaction consummated to help them explore options and develop a go-to-market strategy and positioning that would serve to maximize not only the value of ICS, but also create numerous options for the company regarding its partnership strategy. After a very robust marketing process that included both strategic and financial parties, Korn Ferry emerged as the partner of choice.