

Staffing Market Update
Q3 2026

Staffing M&A activity is recovering, but buyer appetite remains concentrated in specialized, defensible verticals.

Market recovery remains measured: Market data indicate modest growth rather than a broad-based rebound, with 2026F market size of $183.1B (+2%) and deal volume pacing toward ~99 transactions, roughly flat with 2025. Revenue remains well below the 2022 peak of $243.9B, and deal volume compares with 191 transactions in 2021. Skilled trades (+7%) and engineering (+3%) are leading 2026 growth, while health care and IT are posting low-single-digit gains.

Buyer demand is selective: IT, engineering, locums and skilled trades are positioned as the most active niches, as buyers target scarce talent rather than broad labor exposure. Health care remains the most active vertical at roughly 30% of deal volume, highlighted by Cross Country Healthcare ($416M) and Ingenovis Health ($405M). Engineering is the only vertical with positive deal growth from 2021 to 2025, while PE platforms continue to pursue add-ons in IT and skilled trades.

Quality drives valuation: Recurring client relationships, specialized talent pools, margins and technology-enabled delivery remain the key differentiators. Businesses with low customer concentration, strong retention and differentiated recruiting capabilities are attracting competitive interest, while commoditized providers face wider valuation gaps. Investments in sourcing and screening technology are increasingly scrutinized in diligence.

Deal structure matters: Valuation expectations remain achievable for quality businesses, but buyers are using rollover equity, earnouts and deferred consideration to manage risk, with cash at close typically 70-80% in marketed processes. Valuation gaps between sellers and buyers are expected to narrow as interest rates ease and macroeconomic clarity improves. Owners considering an exit should streamline operations and emphasize defensible niches and long-term client relationships ahead of a process.

Key Takeaways

- We expect high-value transactions emphasizing specialized talent pools to continue in 2026
- There is a considerable buyer interest in locums, skilled trades and IT staffing firms

Key Contacts



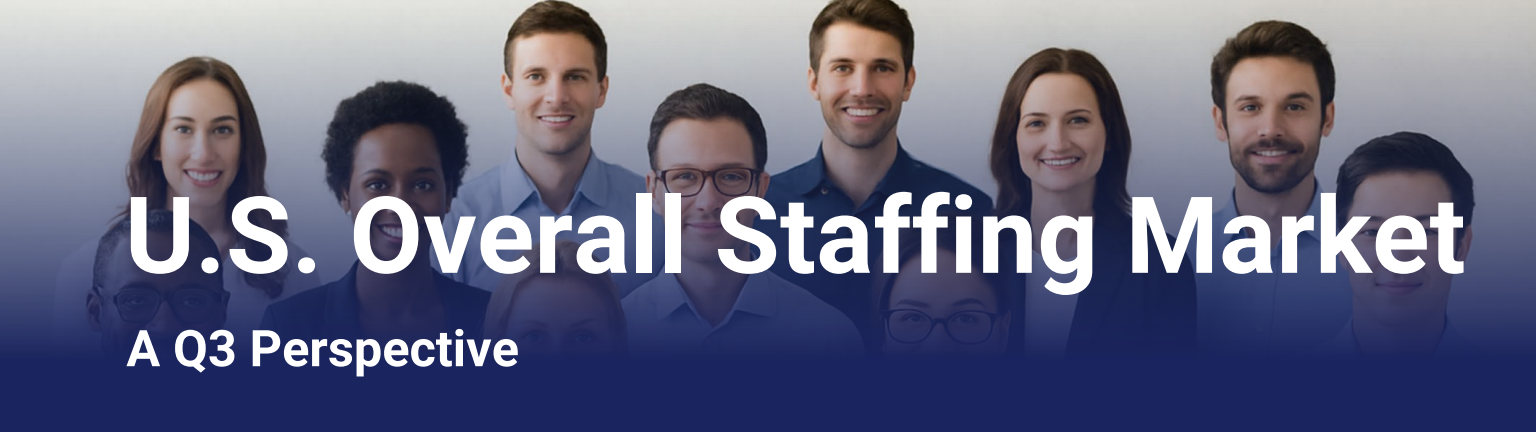
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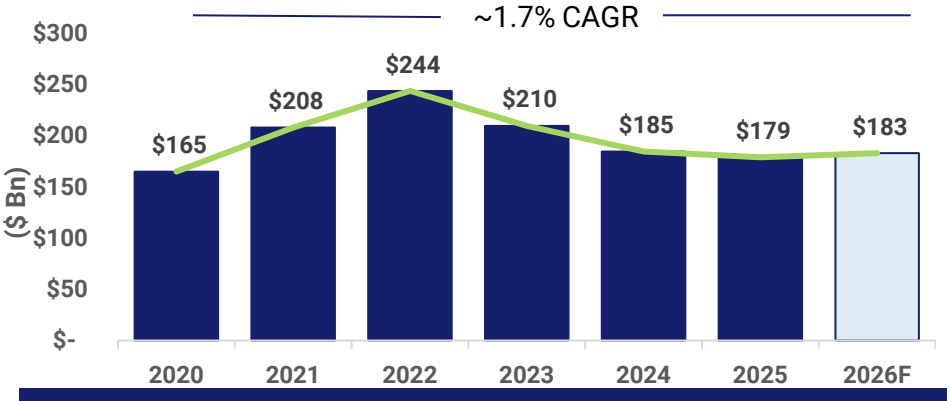
Sources: S&P Capital IQ, IbisWorld, Pitchbook, Griffin Financial Group Research



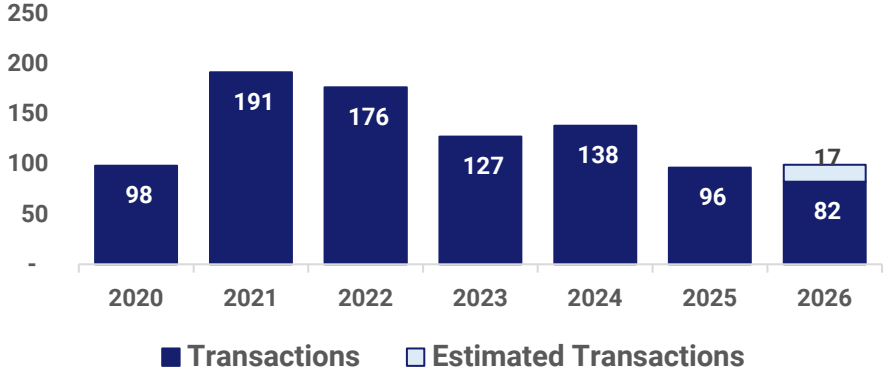
U.S. Overall Staffing Market

A Q3 Perspective

U.S. Staffing Market Size and Growth Rate



U.S. Staffing M&A Volume



Key Takeaways:

- Overall staffing is stabilizing after a three-year reset; 2026F market size of $183.1B implies ~2% growth off the $179.0B 2025 base
- M&A volume is pacing toward ~99 deals in 2026 (82 through mid-October), roughly flat with 2025 and well below the 2021-2022 peak
- Private equity remains the most active buyer, highlighted by Knox Lane's $416M take-private of Cross Country Healthcare and Oaktree / StepStone's investment in System One
- Middle-market professional staffing firms ($3M-$4M EBITDA) typically trade at 5.0x-6.0x; AI-enabled sourcing and screening, which can cut time-to-hire by 20-30%, is a growing diligence focus

Recent U.S. Staffing M&A Transactions

Date	Target	Buyer / Investor	Description	Value
Oct-26	Software Resources	24 Seven	Acquired by 24 Seven to expand its technical recruiting and staffing services for the technology and finance sectors.	Undisclosed
Oct-26	Ignite Industrial Professionals	Eclipse Advantage, FoW Partners	Acquired by Eclipse Advantage to expand industrial workforce recruiting for logistics and manufacturing clients.	Undisclosed
Sep-26	System One Holdings	Oaktree Capital, StepStone Group	Growth investment by Oaktree Capital and StepStone Group to support its professional staffing services platform.	Undisclosed
Aug-26	KREWE Anesthesia	CHG Healthcare	Acquired by CHG Healthcare to expand its anesthesia staffing and clinical workforce capabilities.	Undisclosed
Jul-26	Cross Country Healthcare	Knox Lane	Acquired by Knox Lane to enhance its health care staffing capabilities and workforce solutions offering.	$416M

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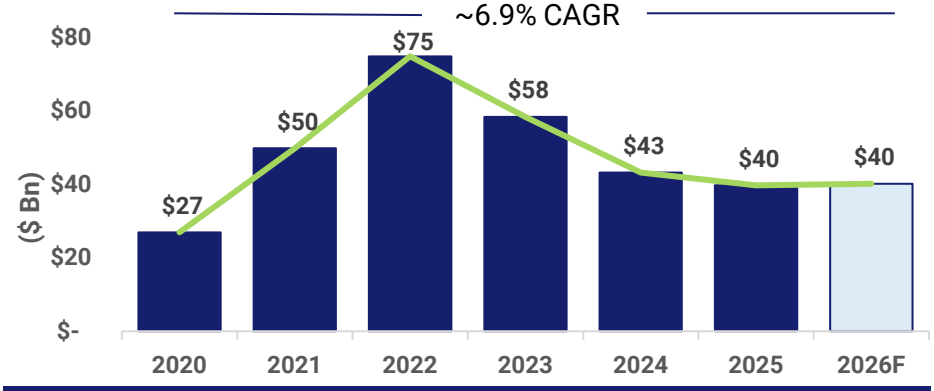
Sources: IBIS World Reports, Source: Capital IQ, FactSet, PitchBook, Staffing Industry Analysts, Griffin Research



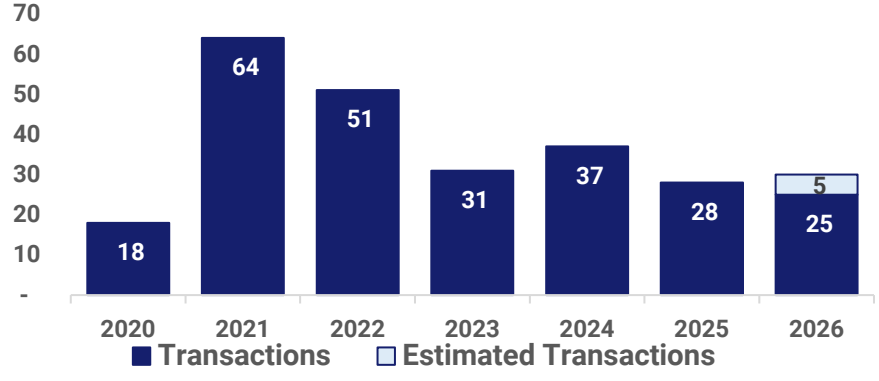
U.S. Health Care Staffing Market

A Q3 Perspective

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



U.S. Health Care Staffing M&A Volume



Key Takeaways:

- Health care staffing has largely normalized from pandemic-era highs; 2026F market size of $40.1B is a modest step-up from $39.7B in 2025, with travel nurse volumes down ~40%
- Health care remains the most active vertical at ~30% of U.S. staffing M&A; 2026 is pacing toward ~30 deals vs. 28 in 2025
- Sizeable 2026 transactions include Knox Lane / Cross Country Healthcare ($416M) and Cornell Capital / Ingenovis Health ($405M)
- Locum tenens remains the bright spot, commanding premium 10-15x EBITDA multiples, as reflected in CHG Healthcare's acquisition of KREWE Anesthesia

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

Date	Target	Buyer / Investor	Description	Value
Oct-26	VeloSource	UPMC Enterprises	Acquired by UPMC Enterprises to expand healthcare staffing and workforce management for hospitals and health systems.	Undisclosed
Sep-26	SCI Healthcare	Greenwood Growth Partners	Acquired by Greenwood Growth Partners to build a health care staffing platform connecting providers with clinical talent.	Undisclosed
Aug-26	KREWE Anesthesia	CHG Healthcare	Acquired by CHG Healthcare to expand its anesthesia staffing and clinical workforce capabilities.	Undisclosed
Jul-26	Cross Country Healthcare	Knox Lane	Acquired by Knox Lane to enhance its health care staffing capabilities and workforce solutions offering.	$416M
May-26	Ingenovis Health	Cornell Capital	Acquired by Cornell Capital to expand its nurse staffing and health care workforce solutions platform.	$405M

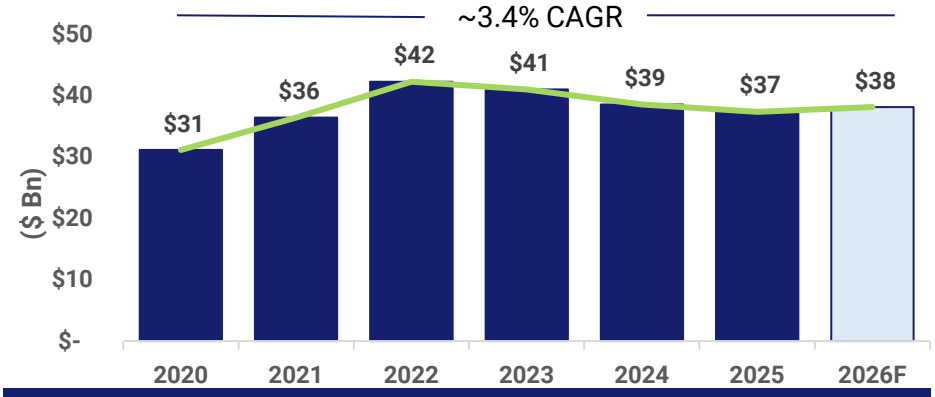
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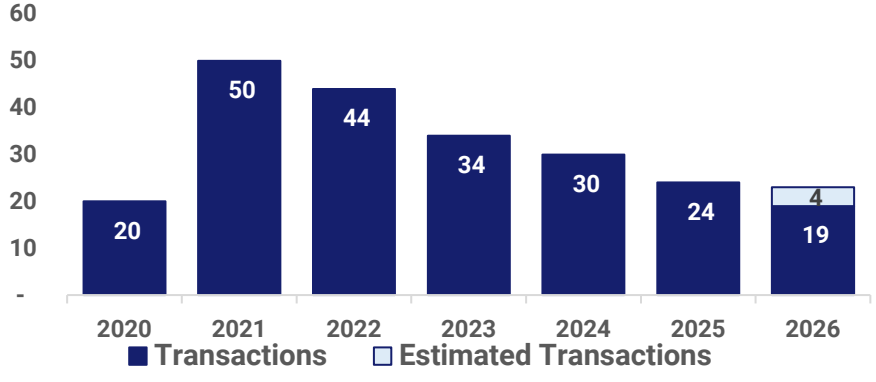
U.S. IT Staffing Market

A Q3 Perspective

U.S. IT Staffing Market Size and Growth Rate



U.S. IT Staffing M&A Volume



Key Takeaways:

- IT staffing is returning to modest growth, with 2026F market size of $38.1B (+2%) vs. $37.4B in 2025, still below the 2022 peak of $42.2B
- M&A activity is holding steady at ~23 deals forecast for 2026 (19 through mid-October) vs. 24 in 2025
- Demand is driven by AI, cloud, cybersecurity and modernization initiatives; high-growth IT niches typically trade at 5.5x-8.0x EBITDA
- Recent deals, including Software Resources, System One and Lateral Labs, highlight buyer focus on specialized technical talent and AI-enabled recruiting

Recent U.S. IT Staffing M&A Transactions

Date	Target	Buyer / Investor	Description	Value
Oct-26	Software Resources	24 Seven	Acquired by 24 Seven to expand its technical recruiting and staffing services for the technology and finance sectors.	Undisclosed
Sep-26	StarTech Consulting	Integrass	Acquired by Integrass to strengthen its IT staffing and technology consulting capabilities.	Undisclosed
Sep-26	System One Holdings	Oaktree Capital, StepStone Group	Growth investment by Oaktree Capital and StepStone Group to support its professional staffing services platform.	Undisclosed
Aug-26	PeopleSERVE	CTI Staffing	Acquired by CTI Staffing to expand its technology recruitment and talent acquisition services.	Undisclosed
Jun-26	Lateral Labs	Riviera Partners, Insight Partners	Acquired by Riviera Partners to expand technical recruiting for artificial intelligence startups.	Undisclosed

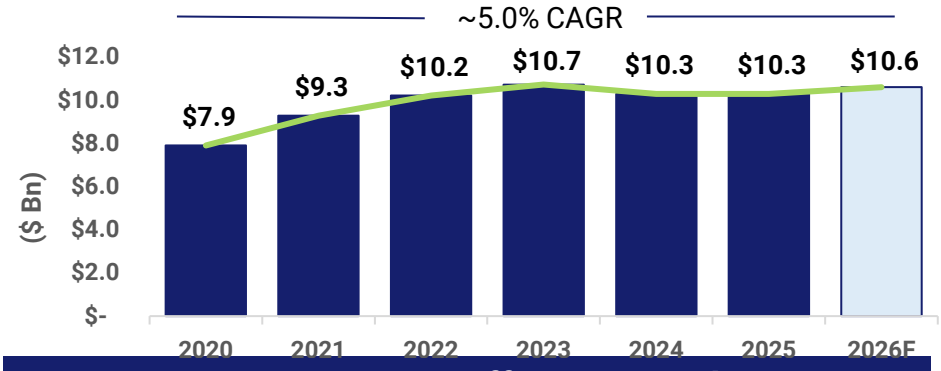
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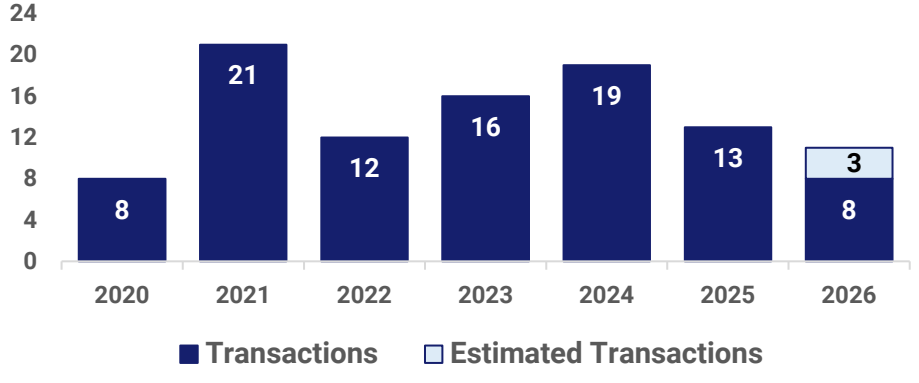
U.S. Engineering Staffing Market

A Q3 Perspective

U.S. Engineering Staffing Market Size and Growth Rate



U.S. Engineering Staffing M&A Volume



Key Takeaways:

- Engineering is the most resilient vertical, with 2026F market size reaching a record $10.6B (~5% CAGR since 2020) vs. ~2% for the overall market
- Demand is supported by infrastructure, advanced manufacturing, renewables and automation, favoring specialized project-based talent
- The only vertical with positive 2021–2025 deal growth (+3% CAGR); 2026 is pacing toward ~11 transactions vs. 13 in 2025
- Buyers are targeting technical specialists, as shown by Red Dog Equity / Entegee and Worldwide Recruitment / Mackinnon & Partners

Recent U.S. Engineering Staffing M&A Transactions

Date	Target	Buyer / Investor	Description	Value
Aug-26	Mackinnon & Partners	Worldwide Recruitment Solutions	Acquired by Worldwide Recruitment Solutions to expand technical recruiting for renewable energy and technology sectors.	Undisclosed
Jun-26	One Tech Engineering & Power	CEIS, White Wolf Capital Group	Acquired by CEIS to expand engineering and project support services for energy and critical infrastructure.	Undisclosed
Jun-26	Entegee	Red Dog Equity	Acquired by Red Dog Equity to expand its engineering talent and workforce solutions platform.	Undisclosed
Jun-26	TalentBurst (IT, Engineering & SLED Staffing)	Epitec	Acquired by Epitec to expand its IT, engineering and public-sector staffing operations.	Undisclosed
Apr-26	Volarify	Arreva	Acquired by Arreva to expand recruitment services for the engineering, construction, architecture and sales industries.	Undisclosed

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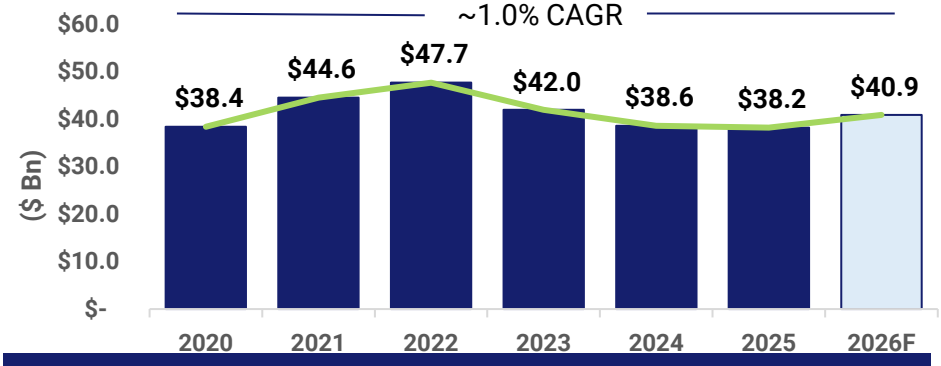
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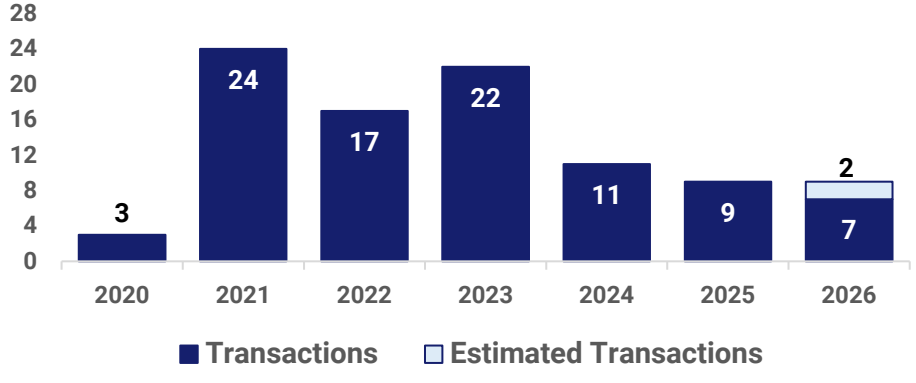
U.S. Skilled Trades Staffing Market

A Q3 Perspective

U.S. Skilled Trades Staffing Market Size and Growth Rate



U.S. Skilled Trades Staffing M&A Volume



Key Takeaways:

- Skilled trades is rebounding after two years of contraction, with 2026F market size of $40.9B (+7%), the strongest growth of any vertical
- Demand is concentrated in data-center construction, energy infrastructure and reshoring-driven manufacturing amid a structural craft-labor shortage
- 2026 deal activity is pacing toward ~9 transactions, in line with 2025; light industrial lags at 4.0x-4.5x EBITDA as sellers await tariff and immigration clarity
- Strategics and PE platforms continue to pursue trades add-ons, including AE Industrial / McCarl's (HVACR) and Eclipse Advantage / Ignite Industrial

Recent U.S. Skilled Trades Staffing M&A Transactions

Date	Target	Buyer / Investor	Description	Value
Oct-26	Ignite Industrial Professionals	Eclipse Advantage, FoW Partners	Acquired by Eclipse Advantage to expand industrial workforce recruiting for logistics and manufacturing clients.	Undisclosed
Sep-26	LaborWorx	VeriWorks	Acquired by VeriWorks to expand its skilled worker staffing across industrial, construction and trades industries.	Undisclosed
Apr-26	McCarl's Services	AE Industrial Partners, United Building Solutions	Acquired by AE Industrial Partners to expand HVACR services for commercial and industrial systems.	Undisclosed
Feb-26	Next Level Technician	QPS Employment Group	Acquired by QPS Employment Group to expand its low-voltage and skilled trades staffing capabilities.	Undisclosed
Sep-25	Tramin Industrial	Canwood Group	Acquired by Canwood Group to expand its contract trades personnel services for the mining and wood industries.	Undisclosed

Sources: IBIS World Reports, Source: Capital IQ, FactSet, PitchBook, Staffing Industry Analysts, Griffin Research



Trading Insights

Q3 2026 – Public Benchmarking

($ in millions, except per share data)

TTM March 2026

Public Comparables – Professional and Commercial Staffing

Company	Business Description	Market Cap ($M)	Enterprise Value ("TEV") ($M)	TTM Q3 FY26 Revenue ($M)	TTM Q3 FY26 EBITDA ($M)	TTM EBITDA Margin (%)	TTM TEV / Revenue (x)	TTM 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.	$4,132	$7,101	$23,389	$781	3.3%	0.3x	9.1x
Everforth	Provider of information technology services and solutions intended for the commercial and government sectors	$1,346	$2,689	$3,967	$342	8.6%	0.7x	7.9x
Kelly Services	Provider of staffing and consulting services based in Troy, Michigan.	$583	$688	$4,063	$72	1.8%	0.2x	9.5x
Kforce	Operator of a staffing agency intended to build and manage expert teams in technology, finance and accounting.	$879	$1,001	$1,344	$57	4.2%	0.7x	17.6x
ManpowerGroup	Provider of human resource outsourcing and outplacement services involved in employment services industry.	$2,585	$3,824	$18,718	$414	2.2%	0.2x	9.2x
Randstad	Randstad is a $22.0 billion global provider of HR services and the second largest staffing organization in the world.	$6,148	$7,990	$23,037	$634	2.8%	0.3x	12.6x
RCM Technologies	Provider of information technology and engineering services intended to serve commercial and government sectors.	$289	$312	$334	$28	8.4%	0.9x	11.1x
Robert Half	Provider of staffing and employee placement and consulting services based in Menlo Park, California.	$3,697	$3,613	$5,293	$61	1.2%	0.7x	nm
TrueBlue	Provider of specialized workforce solutions to the light industrial, construction and small business markets in the U.S. and Canada.	$280	$395	$1,691	$1	0.0%	0.2x	nm

Public Comparables – Health Care 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 health care staffing services intended to build and efficiently manage its clients' health care workforce needs.	$1,389	$1,803	$3,434	$307	8.9%	0.5x	5.9x

Public Comparables – Executive & Retained Search

Company	Business Description	Market Cap ($M)	Enterprise Value ("TEV") ($M)	FY25 Revenue ($M)	FY25 EBITDA ($M)	EBITDA Margin (%)	TEV / Revenue (x)	TEV / EBITDA (x)
Korn Ferry	Provider of search, organizational consulting and recruitment services based in Atlanta, Georgia.	$3,906	$3,939	$2,955	$420	14.2%	1.3x	9.4x

S&P CapIQ Public Market data as of 6/30/2026



Trading Insights

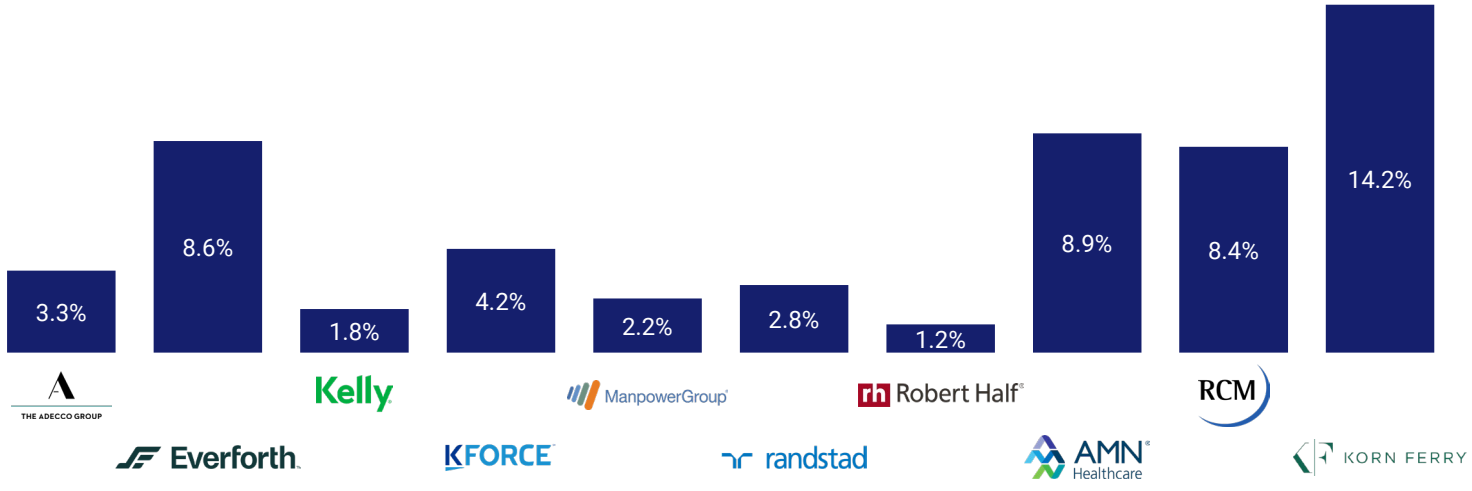
Q3 2026 – Public Benchmarking

($ in millions, except per share data)

TTM March 2026

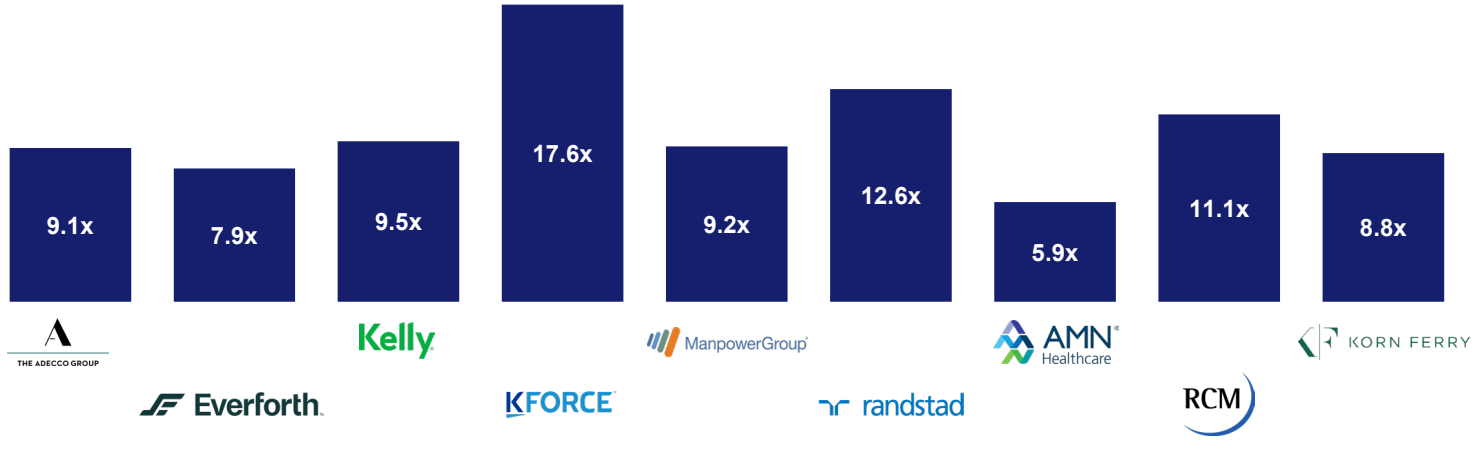
Public Comparables – Operating Metrics

Q3 2026 TTM EBITDA Margin



Public Comparables – Valuation Metrics

Q3 2026 EV/ TTM EBITDA Multiples



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Sources: Pitchbook



M&A Insights

Q3 2026 – M&A Comps

($ in millions, except per share data)

Date	Target	Buyer / Investor	Target Business Description
14-Oct-26	Software Resources (Recruiting Services)	24 Seven, Morgan Stanley Investment Management	Provider of technical recruiting and staffing services intended to serve the technology and finance sectors.
08-Oct-26	Ignite Industrial Professionals	Eclipse Advantage, FoW Partners	Provider of industrial workforce recruitment and staffing services intended to connect skilled workers with full-time employment opportunities in the logistics and manufacturing industries.
05-Oct-26	The Reserves Network	JōbSource	Provider of professional staffing and executive search services intended for workforce development.
01-Oct-26	VeloSource	UPMC Enterprises	Provider of health care staffing and workforce management services intended to serve hospitals, health systems, surgery centers, physician groups and health care professionals.
29-Sep-26	StarTech Consulting	Integrass	Provider of IT staffing and technology consulting services intended for growth-minded enterprises.
23-Sep-26	Gateway Essentials	Hirewell	Provider of executive search and professional staffing services intended for the government contracting industry.
21-Sep-26	Ascension Sports Partners	DHR International, Hoffmann Family of Companies	Provider of executive recruitment services intended for the sports and entertainment industries.
18-Sep-26	Merraine Group	Not Disclosed	Provider of executive search services intended to connect organizations with leadership talent.
16-Sep-26	Stratice	E-learning Touch	Provider of talent management and recruitment services intended to support hiring and workforce optimization
14-Sep-26	LaborWorx	VeriWorks	Operator of a staffing agency intended to connect skilled workers with employers in the industrial, construction, and trades industries.
02-Sep-26	SCI Healthcare	Greenwood Growth Partners	Provider of healthcare staffing and workforce solutions intended to connect medical organizations with clinical talent.
01-Sep-26	SMASH (Human Capital Services)	Diatonic Healthcare	Provider of staff augmentation services intended to provide dedicated embedded teams.
01-Sep-26	System One Holdings	Oaktree Capital Management, StepStone Group	Provider of professional staffing services intended to serve enterprises in providing manpower.
21-Aug-26	Paramount Placement	Concord Wealth Partners, Knight Investment Group, Route 2 Capital Partners	Provider of recruitment and talent sourcing services intended to alleviate hiring challenges for businesses.
21-Aug-26	PeopleSERVE	CTI Staffing	Provider of technology recruitment and talent acquisition services intended to serve the technology sector.
19-Aug-26	Actus Consulting Group	Tanabe Consulting Group	Provider of bilingual recruitment and career consulting services intended for professionals and corporations in the U.S.
04-Aug-26	Mackinnon & Partners	Worldwide Recruitment Solutions	Provider of recruitment services intended to connect technical talent with the renewable energy and technology sectors.
04-Aug-26	Sales Talent Group	Tier4 Group	Provider of sales recruitment services intended to achieve risk mitigation and predictable sales growth for clients.
01-Aug-26	KREWE Anesthesia	Ares Management, CHG Healthcare, Leonard Green & Partners	Provider of anesthesia staffing services intended to connect health care facilities with qualified clinicians.
29-Jul-26	Rapido Solutions Group	FTV Capital, Lead Edge Capital, Lean Solutions Group, Sope Creek	Operator of a recruitment agency intended to connect logistics and supply chain organizations with the available talent in Mexico.
29-Jul-26	System One Holdings	Not Disclosed	Provider of professional staffing services intended to serve enterprises in providing manpower.

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 300+ professionals providing financial, legal, tax and consulting services

Case Study: Staffing Sell-Side Advisory

Transaction Overview

ICS

has been acquired by

KORN FERRY

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.