

Q2-2017 Recruiting & Staffing Update



Market Overview

The healthcare recruiting and staffing sectors experienced significant transaction activity in the second quarter of 2017 as strategic companies, private equity firms, and private equity-backed organizations participated in deal flow. An acquisition of particular note was Cross Country Healthcare's announcement of the purchase of Advantage RN, a travel nursing provider, for \$88 million. This deal showcases the growing importance placed on a managed service provider client base, as the desire to capture those accounts is a main driver of consolidation. This trend will only continue, as rising administrative costs encourage hospitals to outsource their staffing to providers offering comprehensive services. These consolidation pressures create a strong valuation climate for large independent healthcare staffing companies as strategic and private equity groups look to partner with these organizations. Given this outlook, Provident believes the high level of M&A activity experienced in quarter two will be sustained for the remainder of 2017.

Comparative Performance Analysis

Select Public Staffing Trading Multiples

Company	Ticker	EV (MM)	EV/REV	EV/EBITDA
On Assignment*	ASGN	\$3,196	1.3x	12.4x
AMN Healthcare	AMN	\$2,329	1.2x	10.3x
Cross Country Healthcare	CCRN	\$530	0.6x	N/A

* As of 6/30/2017
Source: Pitchbook

SELECT TRANSACTIONS:

Month	Acquirer	Target Company	Details
June 2017	TPG Growth	Medical Solutions, LLC / Beecken Petty O'Keefe & Company	TPG Growth, a middle market private equity firm, acquired Medical Solutions, a portfolio company of Beecken Petty O'Keefe & Company (BPOC). Medical Solutions is a provider of healthcare staffing solutions for hospitals, specializing in placing registered nurses in temporary travel assignments throughout the United States. They provide nurses to approximately 1,600 hospitals nationwide. BPOC will retain an equity stake in the company. Financial terms of the transaction were not disclosed.
June 2017	Cross Country Healthcare, Inc. (NASDAQ: CCRN)	Advantage RN	Cross Country Healthcare, a provider of healthcare staffing and workforce solutions, announced that it has agreed to acquire Advantage RN for \$88 million. Advantage RN is one of the largest independent travel nurse staffing companies in the United States with 2016 revenue of approximately \$100 million and normalized EBITDA of \$10 million. Cross Country stated that its desire to expand its capture rate of managed service provider clients was a main driver of this acquisition. The transaction is expected to close in the third quarter of this year.
May 2017	American Healthcare Staffing Group / BelHealth Investment Partners	Thaxton Barabe	American Healthcare Staffing Group (AHSG), a provider of temporary healthcare staffing services and a BelHealth Investment Partners portfolio company, has acquired Thaxton Barabe. Thaxton Barabe supplies interim healthcare leadership to hospitals and is a provider of executive staffing services to Kaiser Permanente, Hospital Corporation of America, Tenet Health, and Sutter Health, among others. This transaction allows AHSG to add interim healthcare leadership to its existing service offerings. Financial terms of the transaction were not disclosed.
May 2017	GHR Acquisition, LLC / Platform Partners	General Healthcare Resources	GHR Acquisition, a portfolio company of Platform Partners and parent company to RecruitIQ, has acquired General Healthcare Resources. General Healthcare Resources is a healthcare staffing company that primarily provides nurses, therapists, behavioral health specialists, pharmacy personnel, and other contingent labor to healthcare organizations and educational facilities across the eastern seaboard. The transaction allows GHR Acquisition to establish a clinical staffing foundation. Financial terms of the transaction were not disclosed.
April 2017	Simione Consultants	Exact Recruiting Solutions, Inc.	Simione Consultants, a provider of accessible, cost-effective business solutions for home health and hospice organizations, acquired Exact Recruiting Solutions. Exact Recruiting Solutions provides recruiting and staffing services to clients across the U.S and has placed more than 1,300 professionals in the homecare and hospice industry. The acquisition will allow Simione Consultants to offer a comprehensive suite of human capital products. Financial terms of the transaction were not disclosed.