

Q 1 2 0 2 6

STAFFING INDUSTRY

M&A INSIGHTS

North American Staffing, Recruiting & Workforce Solutions

35

Transactions
Announced

5

Industry
Segments

Q1

January through
March 2026

3

Consecutive Years
of Q1 Growth

IN THIS EDITION

- Q1 2026 M&A Overview & Staffing Industry Backdrop
 - Key Highlights: 35 Transactions Across 5 Segments
 - Industry Perspective: Beth Garvey, Former CEO of BGSF
 - All 35 Q1 2026 Announced Transactions
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Prepared by Momentum Advisory Partners

Exclusive sell-side M&A advisory for founders of North American staffing and workforce solutions companies.

MOMENTUM COMMENTARY

Q1 2026 produced 35 announced transactions in North American staffing M&A -- the strongest opening quarter in at least three years and, candidly, more activity than we anticipated entering the year. That’s an encourage sign. However, volume alone, does not describe the market we’re currently in. Q1 seems to be following a pattern that has defined this cycle since 2023: headline numbers that look encouraging sitting atop underlying dynamics that remain difficult.

The conversations Momentum has been having with founders reflect what we described in our Q4 2025 report -- owners who have spent two or three years waiting for a turnaround that has not arrived, accepting that a return to 2021 and 2022 valuations is not coming, and choosing to transact now on terms the market will bear. Some founders whose businesses are performing well have also begun exploring a sale, citing concern about long-term AI disruption to the staffing model. We believe that concern is largely premature -- the industry's prolonged contraction has been primarily a demand story, not an automation story -- but the sentiment is real and is contributing to seller supply at the margins.

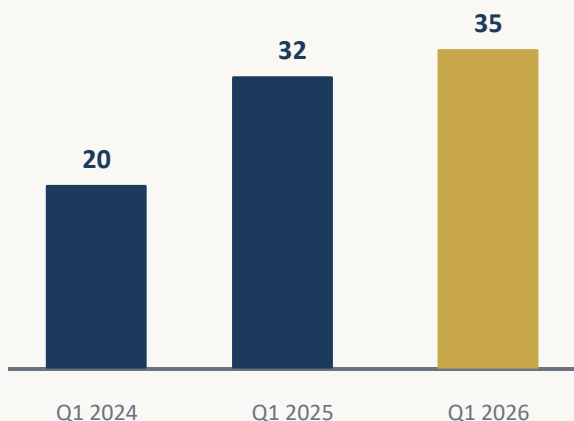
Buyers, meanwhile, remain among the most selective we have observed. Diligence timelines have extended. Earnouts and deferred consideration have become standard for anything that does not meet a narrow set of criteria. Quality deal flow -- the kind that generates multiple credible bids and strong pricing -- continues to be scarce. The businesses getting done share a consistent profile: durable client relationships built through the downturn, specialization in hard-to-fill roles, stable gross margins, and a client base diversified enough to withstand demand variability in any single vertical.

Two developments in Q1 are worth noting: 1) the Light Industrial/Commercial Staffing segment recorded seven transactions in the quarter, compared to just thirteen for all of 2025. Staffing has historically served as a leading indicator for the broader economy, and commercial hours have been running ahead of prior-year levels entering 2026 -- a welcome signal after two years of near-dormancy in the segment; and 2) within IT Staffing, which tied Search as the most active segment at eight transactions each, acquirers are increasingly targeting firms with Statement of Work and consulting delivery capabilities rather than traditional time-and-materials staffing. HR Path's four Q1 acquisitions -- bringing its confirmed total to approximately 54 -- are representative of that thesis. Traditional IT staffing firms without consulting capability will find the buyer pool narrower than the headline segment numbers suggest.

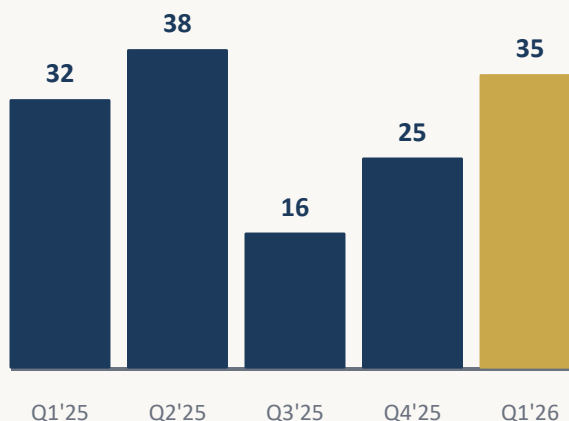
One significant transaction in the quarter warrants brief context. Hunt Companies' acquisition of 92.2% of Kelly Services' Class B voting shares from the Terence Adderley trust transferred governance of a \$4.3 billion revenue firm to new private ownership following years of financial pressure and a CEO transition in September 2025. It was a governance transfer, not a market-rate acquisition, and should not be read as evidence of renewed buyer appetite for large-cap staffing transactions.

Q1 was a more active quarter than our Q4 commentary implied was likely, and we acknowledge that. We remain cautious on the full-year outlook. What would change our view is specific: a broadening of buyer criteria rather than continued narrowing, more quality deal flow reaching advisors, increased private equity add-on activity, and some easing of the macro headwinds -- inflation, geopolitical uncertainty, and private credit conditions - that continue to weigh on buyer confidence. Until those signals emerge, Q1 volume is encouraging. It is not yet evidence that the character of this market has changed.

Q1 Transaction Volume by Year



Recent Quarterly Transaction Trend



Sources: Momentum Advisory Partners proprietary research, SIA, ASA.

KEY HIGHLIGHTS OF Q1 2026

TRANSACTION VOLUMES

35

Transactions

- Highest Q1 volume recorded in at least three years.
- No single segment accounted for more than 23% of total volume.
- The majority of transactions remained smaller, non-competitive processes.

YEAR-OVER-YEAR GROWTH

+9%

vs. Q1 2025

- 35 transactions in Q1 2026, up from 32 in Q1 2025 and 20 in Q1 2024.
- Three consecutive years of Q1 growth signals stabilizing deal activity.
- Volume alone does not reflect deal quality; most activity was unrepresented.

SECTOR ACTIVITY

8 / 8

IT & Search (tied)

- IT Staffing and Search tied as the most active segments at 8 transactions each.
- Light Industrial recorded 7 deals in Q1 alone, vs. just 13 for all of 2025.
- Healthcare was the softest segment with 5 deals, down from 2025 pace.

NOTABLE TRANSACTIONS

4

HR Path Acquisitions (Q1)

- HR Path closed 4 acquisitions in Q1, bringing its confirmed total to approximately 54 -- one of the most active serial acquirers in staffing.
- Hunt Companies acquired a controlling stake in Kelly Services via governance transfer -- not a market-rate transaction. See overview for context.
- Southfield Capital made a ~\$100M majority investment in Metric Search, a specialized executive search platform.

Q1 2026 TRANSACTION BREAKDOWN BY SEGMENT

8

IT/Consulting 23%

8

Search 23%

7

LI/Commercial 20%

7

Other Prof. 20%

5

Healthcare 14%

CONTRIBUTOR



Beth Garvey

Former President & CEO, BGSF (NYSE: BGSF)

Beth Garvey served as President and CEO of BGSF, one of North America's leading publicly traded specialty staffing firms, where she led the company through a period of strategic growth and M&A activity. With decades of executive leadership experience in the staffing industry, she brings direct insight into the buyer and seller dynamics that shape transactions.

PERSPECTIVE ON Q1 2026

“

Staffing M&A in Q1 2026 is moving -- just not the way some owners expected. Having sat on both sides of these transactions as a CEO and now advising owners and PE-backed platforms through the process, what I'm seeing is strategic buyers shopping with real intention: capability and specialization over pure revenue, with a cautious lens on how AI may impact the future.

What's getting deals done is discipline on structure. Earnouts are earning their place at the table again. Sellers who walk in prepared and can defend their numbers are finding genuine interest. And for those who do transact, the work doesn't stop at close -- integration and post-transaction positioning are where value is either captured or lost.

Beth Garvey | Former President & CEO, BGSF (NYSE: BGSF)

DATE	BUYER	ACQUIRED COMPANY	HIGHLIGHTS	SEGMENT
Jan. 5	System One	Cypress Consulting	Tech consulting firm acquired; specializes in cloud architecture, data engineering, cybersecurity, and digital transformation.	IT Staffing and/or Consulting
Jan. 7*	Innovative Staff Solutions	Inter-Connect Employment Services	Illinois-based workforce solutions provider acquires Inter-Connect; integrates Midwest operations under ISS brand.	Light Industrial/Commercial
Jan. 12	Waterstone Human Capital	Spectrum Recruiting Solutions	Canadian executive search firm acquires Draper, UT-based professional recruitment firm specializing in manufacturing and engineering placement.	Search
Jan. 15	Purpose Legal	Hire Counsel	Legal services firm acquires 30-year legal staffing provider; adds managed review and flexible legal staffing capabilities.	Other Professional
Jan. 16	Source One Staffing	TempsNow	Regional staffing firm serving IL, WI, and OH markets acquired; specializes in warehouse, logistics, and manufacturing staffing.	Light Industrial/Commercial
Jan. 20	HR Path	Enforce	France-based HR consulting firm merges with Dallas-based HRIS specialist focused on Dayforce (formerly Ceridian) implementation services.	Other Professional
Jan. 20	Randy Burkhart	FastTrack Staffing	Industry veteran with 30+ years of experience acquires Ocala, FL-based temp and temp-to-hire staffing firm.	Light Industrial/Commercial
Jan. 20	Empire Workforce Solutions	Labor Now	Acquires Southern California industrial staffing firm; expands West Coast presence.	Light Industrial/Commercial
Jan. 21	Hirewell	Newance	Specialized recruiting firm acquired; adds domain expertise in finance, operations, and engineering hiring.	Search
Jan. 26	Ikon Search	Forrest Solutions (staffing division)	Ikon Search acquires the staffing business of Forrest Solutions, expanding professional staffing service offerings.	Other Professional
Jan. 27	Adecco	Advantis Medical Staffing	US-based healthcare staffing firm acquired; specializes in travel nursing and allied health.	Healthcare
Jan. 28	Odgers	Ridgeway	UK-based executive search firm acquires US-based firm Ridgeway, broadening its North American executive search platform.	Search

Sources: Momentum Advisory Partners proprietary research, SIA, ASA.

*Note: This transaction was initially reported in Q4 2025 activity. Upon further review, the closing date of January 7, 2026 places it in Q1 2026. Our Q4 2025 report has been updated accordingly.

DATE	BUYER	ACQUIRED COMPANY	HIGHLIGHTS	SEGMENT
Jan. 28	Optigy	TempMD	Clinical recruiting firm acquires TempMD; expands national reach in locum tenens, direct hire, and executive search for healthcare organizations.	Healthcare
Feb. 2	Hunt Equity Opportunities	Kelly Services (92.2% Class B stock)	Acquires 92.2% of Kelly Services Class B common stock; takes a controlling stake in a major publicly traded staffing firm with \$4.3B in 2024 revenue.	Other Professional
Feb. 2	QPS Employment Group	Next Level Technician	Acquires Fort Mill, SC recruiting firm specializing in low-voltage, structured cabling, and network infrastructure roles across 15 states.	Light Industrial/Commercial
Feb. 4	Elite365	Focus Staff	Dallas-based healthcare staffing company acquires Focus Staff; consolidates healthcare staffing operations.	Healthcare
Feb. 5	Care Career	IDR Healthcare	Sixth acquisition in 18 months; adds education staffing and bolsters travel nurse business.	Healthcare
Feb. 11	HR Path	Lumi	France-based HR consulting firm acquires US-based Lumi; strengthens Workday implementation and consulting capabilities in North America.	IT Staffing and/or Consulting
Feb. 26	Elevate	Mestel & Co.	AI-powered law company acquires legal recruitment firm; adds permanent-hire and strategic recruitment capabilities in the US.	Search
Feb. 26	SolomonEdwards	CFO's Domain	Renovus Capital-backed consulting firm acquires LA-based finance and accounting consulting and recruiting firm specializing in Office of the CFO advisory.	Other Professional
Feb. 27	DHI Group	Point Solutions Group	\$5.5M acquisition of engineering and technology professional services firm focused on defense and government staffing.	IT Staffing and/or Consulting
Mar. 1	LER TechForce	Siemens Altair Resource Solution Div.	Engineering workforce solutions firm acquires Siemens Altair staffing division; assumes customer contracts and technical workforce professionals.	IT Staffing and/or Consulting
Mar. 5	Integration Health	Perfusion Life	Clinical outsourcing company acquires perfusion staffing network serving hospitals across the US and Canada.	Healthcare
Mar. 6	Red Global	LRB Group	Red Global acquires LRB Group to bolster Workday delivery capabilities.	IT Staffing and/or Consulting

Sources: Momentum Advisory Partners proprietary research, SIA, ASA.

DATE	BUYER	ACQUIRED COMPANY	HIGHLIGHTS	SEGMENT
Mar. 9	Ascend Staffing	The Temp Connection	National staffing firm acquires Tucson, AZ-based staffing business, expanding Southwest market presence.	Light Industrial/ Commercial
Mar. 9	NextPath	Pitisci & Associates	Acquires recruiting firm; expands search and placement capabilities.	Search
Mar. 10	Turner Staffing Group	Zemlock	Turner Staffing Group bolsters southwest operations with acquisition of Zemlock.	Light Industrial/ Commercial
Mar. 13	Hudson Talent Solutions	Acquired Philadelphia	Hudson acquires female-founded talent acquisition consultancy based in Philadelphia.	Search
Mar. 16	HR Path	Inspire HR	US-based advisory firm acquired; leadership team and employees remain in current roles.	Other Professional
Mar. 16	Jobplex	Her Scout	Founder joins Jobplex as partner in advanced technology practice.	Search
Mar. 17	Aplin	Vantix Systems	IT consulting and services firm acquired; provides IT staffing augmentation, application management for government regulators, and custom software development.	IT Staffing and/or Consulting
Mar. 17	Synergie	Agilus (majority stake)	French staffing firm completes acquisition of majority stake in Canadian staffing firm; gives extensive national coverage in Canada.	Other Professional
Mar. 21	Southfield Capital	Metric Search (majority stake)	Lower middle market PE firm makes ~\$100M majority investment in specialized executive search platform with 130+ consultants across the US and UK covering MedTech, life sciences, engineering, and data centers.	Search
Mar. 26	V-Soft Consulting	Logisolve	IT consulting and staffing firm acquired; expands capabilities in healthcare, life sciences, financial services, and manufacturing sectors.	IT Staffing and/or Consulting
Mar. 31	HR Path	Covalence Consulting	France-based HR consulting firm acquires HR technology firm with UKG and Infor expertise; strengthens North American consulting capabilities.	IT Staffing and/or Consulting

Sources: Momentum Advisory Partners proprietary research, SIA, ASA.

ABOUT MOMENTUM ADVISORY PARTNERS

Momentum Advisory Partners is a boutique sell-side M&A advisory firm focused exclusively on staffing, recruiting, and workforce solutions companies. Our work is singular: advising founders through the process of evaluating and executing a sale of their business, with the resources of a dedicated firm and the attention of a principal-led engagement.

What distinguishes Momentum is a commitment to honest counsel over transactional outcomes. Founders receive an unvarnished assessment of where their business actually stands in the current market -- including, when the timing is not right, the advice to wait. It is the basis of how we build credibility with our clients and with the buyer community.

Founders who engage Momentum benefit from deep industry expertise, direct access to the active buyer universe, and a process managed from first conversation through close by Akash Taneja, founder and managing partner. With over 18 years of staffing M&A experience, Akash has advised transactions across all major staffing segments -- light industrial, IT and consulting, search, healthcare, and professional services -- and maintains active relationships with both strategic acquirers and private equity sponsors operating in the space.

Momentum works with a small number of clients at a time. Every engagement receives the same level of access and attention. We do not take assignments where we cannot deliver meaningful value, and we do not take on volume at the expense of quality.

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SELECTED TRANSACTIONS

Connect Life Sciences

has been acquired by

Argosy Healthcare Partners

Served as Exclusive Advisor to the Seller

Collab Infotech

has been acquired by

Aequor

Served as Exclusive Advisor to the Seller

QED National

has been acquired by

Seneca Resources

Served as Exclusive Advisor to the Seller

ProTask

has been acquired by

Inspyr / A&M Capital

Served as Exclusive Advisor to the Seller

netPolarity

has been acquired by

Saicon Consultants

Served as Exclusive Advisor to the Seller

CompuStaff

has been acquired by

David Aplin Group

Served as Exclusive Advisor to the Seller

The DAKO Group

has been acquired by

Artech

Served as Exclusive Advisor to the Seller

New Elevation

has been acquired by

Turnberry Solutions

Served as Exclusive Advisor to the Seller

SilverSearch Consulting

has been acquired by

Saicon

Served as Exclusive Advisor to the Seller

ICON Medical Network

has been acquired by

Janet Elkin

Served as Exclusive Advisor to the Seller

Representative transactions. Momentum Advisory Partners has advised on additional engagements not listed here.

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Staffing Industry

M&A Insights

Momentum Advisory Partners publishes this report quarterly to keep staffing founders and industry participants informed of M&A transaction activity and market trends.

If you are considering a sale or want to understand what your business would be worth in today's market, we would welcome a conversation.

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COMPLIMENTARY MARKETABILITY ASSESSMENT AND VALUATION OPINION FOR QUALIFIED FOUNDERS

Momentum's Marketability Assessment and Valuation Opinion ("MAVO") provides founders with an unvarnished view of their firm's positioning, an indicative valuation range, and an honest assessment of whether the timing is right for a sale. The MAVO is offered at no charge and without obligation. It is how most of our client relationships begin.

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