Q2 2026

STAFFING INDUSTRY

M&A INSIGHTS

North American Staffing, Recruiting & Workforce Solutions

26	5	Q2	$437M
Transactions Closed	Industry Segments	April through June 2026	Cross Country Take-Private

IN THIS EDITION

Prepared by Momentum Advisory Partners

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

MOMENTUM COMMENTARY

Q2 2026 closed with 26 North American staffing and recruiting transactions, down from 35 in the first quarter and from 38 in the second quarter of 2025. After a first quarter that was the strongest opening quarter in three years, Q2 gave that momentum back. We wrote in April that encouraging headline numbers were sitting atop underlying dynamics that remained difficult, and this quarter confirmed it. The challenges that have defined this cycle since 2023 persist, soft demand first among them, with AI adding a layer of uncertainty that every staffing business, and every buyer of one, is still working through. The acquisition engine that briefly appeared to be turning over in Q1 has not found sustained momentum.

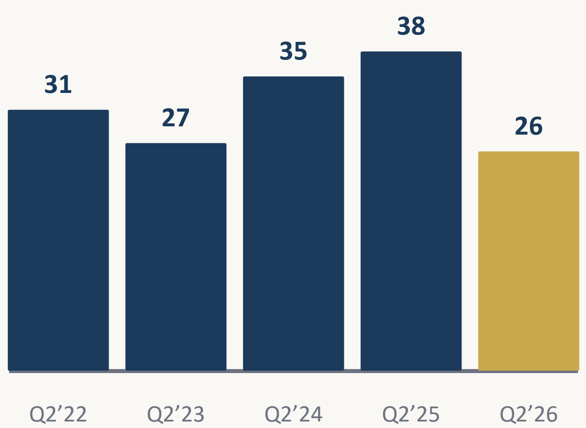
The decline was concentrated rather than broad. Light Industrial, which produced seven transactions in Q1, produced one in Q2, accounting for two thirds of the quarter over quarter decline. We flagged the segment's first quarter revival as a welcome signal in April; it did not carry into the second quarter. Healthcare was the only segment to grow, and IT Staffing and Consulting led all segments at seven transactions. We would caution against reading the shifting segment mix as rotation or trend. At 26 transactions, one quarter of mix tells you more about randomness than about where capital is moving. The story of the quarter is simpler: activity fell.

The more consequential shift is on the buy side, where there are simply fewer acquisitive buyers today. The industry's largest names spent the quarter as net sellers: ManpowerGroup divested Jefferson Wells, Adecco divested Entegee, Epic Staffing sold its government division, Hays exited six European countries, and Cross Country Healthcare agreed to sell outright. Among serial acquirers who did transact, several bought consulting, solutions, or technology capability rather than talent businesses, and only one private equity deal was a conventional staffing add-on. Organic growth is scarce in a soft demand environment, and the consolidators who built their platforms through acquisition cannot sit out indefinitely. But we do not expect them back in a meaningful way until the industry holds its footing for more than a quarter or two.

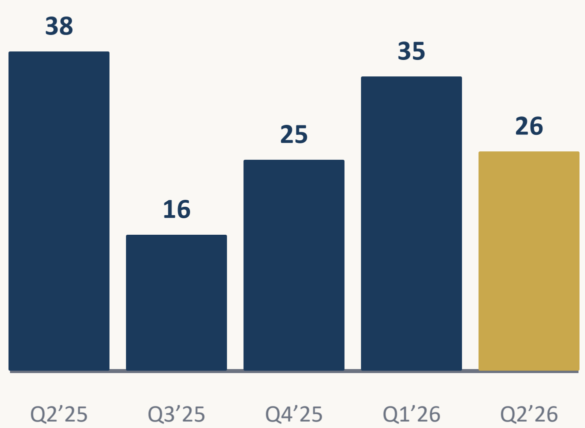
The buyer retreat is only half the constraint. The other half, and it is not new, is the continued scarcity of quality assets coming to market. On the sell side, the pattern from our Q4 2025 and Q1 reports hasn't slowed. Founders who waited years for a turnaround that never arrived are accepting that the outcome they were seeking in 2021 and 2022 no longer exists for them, and the deal flow reaching the market reflects it. Well-run, attractive businesses remain the exception, and most owners of those businesses are choosing to stay on the sidelines. Fewer acquisitive buyers and fewer quality assets are not separate problems; each reinforces the other. Valuations have compressed further, and structure is doing more of the work, with earnouts and contingent consideration increasingly used to bridge value gaps and shift risk onto the seller. Within the professional segments, activity has migrated steadily toward consulting, solutions, and hybrid delivery. Several of the quarter's professional deals rested as much on project delivery and advisory capability as on placement volume.

In April we identified the specific signals that would change our view: a broadening of buyer criteria, more quality deal flow reaching advisors, increased private equity add-on activity, and some easing of the macro headwinds weighing on buyer confidence. None of the four arrived in the second quarter, and our position entering the second half is unchanged: this market rewards quality, and quality remains scarce.

Q2 Transaction Volume by Year



Recent Quarterly Transaction Trend



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

KEY HIGHLIGHTS OF Q2 2026

TRANSACTION VOLUMES

26

Transactions

- Down from 35 in Q1 2026 and from 38 in Q2 2025.
- Still above both quarters of 2025's second half (Q3: 16; Q4: 25).
- The majority remained smaller, non-competitive processes on undisclosed terms.

YEAR-OVER-YEAR CHANGE

-32%

vs. Q2 2025

- 26 transactions in Q2 2026, down from 38 in Q2 2025.
- The Q1 spike did not hold; the trailing five quarters read 38, 16, 25, 35, 26.
- Volume alone does not reflect deal quality; most activity was unrepresented.

SECTOR ACTIVITY

7

IT & Consulting (led)

- IT Staffing and Consulting led all segments with 7 transactions (27%).
- Healthcare, Search, and Other Professional each followed with 6 (23%).
- Light Industrial/Commercial fell from 7 in Q1 to 1 -- two-thirds of the decline.

NOTABLE TRANSACTIONS

$437M

Cross Country Take-Private

- Knox Lane agreed to take Cross Country Healthcare private for $437M (31% premium); expected to close in Q3.
- Large strategics were net sellers: ManpowerGroup, Adecco, Epic Staffing, and Hays all divested this quarter.
- ZRG completed three acquisitions (Howard Fischer, Sterling Martin, Fortium) -- the quarter's most active buyer.

Q2 2026 TRANSACTION BREAKDOWN BY SEGMENT

7	6	6	6	1
IT/Consulting 27%	Healthcare 23%	Search 23%	Other Prof. 23%	LI/Commercial 4%

DATE	BUYER	ACQUIRED COMPANY	HIGHLIGHTS	SEGMENT
Mar. 25*	Cento	SCW Consulting	Security-sector executive search assets; UK buyer expands its North American footprint.	**Search**
Apr. 6	System One	Pathfinder	Project management consulting, training, and project-based resourcing for critical infrastructure.	**Other Professional**
Apr. 7	Optigy	StaffHealth	PRN staffing platform now operating as StaffHealth, an Optigy company; adds per diem and travel nursing.	**Healthcare**
Apr. 7	AMSYS Group	Volarify	Engineering, construction, and sales recruitment agency becomes the captive recruiting arm of an operating platform.	**Other Professional**
Apr. 9	ZRG	Howard Fischer Associates	Philadelphia C-suite and board search firm; founder joins as managing director.	**Search**
Apr. 29	SnapCare	connectRN	Merger of the No. 31 and No. 57 US healthcare staffing firms; 500,000+ clinician network; Series A led by Suvretta.	**Healthcare**
Apr. 30	Tech Mahindra	Avant Techno Solutions	Canadian IT services provider, CAD 58.6M revenue; strengthens BFSI capabilities.	**IT Staffing and/or Consulting**
Apr. 30	Strata Critical Medical	Ohio Valley Perfusion Associates	Perfusion services to OH and PA cardiac surgery programs; mid-single-digit EBITDA multiple.	**Healthcare**
Apr. 30	Sikich	Jefferson Wells US	ManpowerGroup divestiture; $100M; F&A, risk, and tax via project consulting and integrated resourcing.	**Other Professional**
Apr. 30	VeloSource (Interlock Equity)	Quest Locum Tenens (incl. Syncx)	National locum tenens firm plus a vendor-neutral scheduling platform; closed April, announced June.	**Healthcare**
May 6	Med Tech Solutions	Avarion	Healthcare IT advisory and consulting with a supplemental HIT staffing line.	**IT Staffing and/or Consulting**
May 8	LanceSoft	SynergisticIT	IT and business operations staffing plus SOW; financial services and insurance clients.	**IT Staffing and/or Consulting**
May 13	ZRG	Sterling Martin Associates	DC-based executive search for associations and mission-driven nonprofits.	**Search**

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

**Announced March 25, 2026; the transaction surfaced after publication of the Q1 2026 report and is included here for completeness. The Cross Country Healthcare take-private (announced May 6, expected to close in Q3 2026) is discussed in the commentary and enters the count at close.*

DATE	BUYER	ACQUIRED COMPANY	HIGHLIGHTS	SEGMENT
May 26	Toptal	Adeva	US-headquartered global IT talent network; Toptal's second network acquisition of the year.	**IT Staffing and/or Consulting**
May 26	TNC Capital Partners	David Aplin & Associates	Majority recapitalization of a Canadian workforce solutions firm to fund an acquisition strategy.	**Other Professional**
Jun. 1	Mitchell Martin	CC Pace Systems	Fairfax, VA IT staffing and consulting; consumer lending and financial services focus.	**IT Staffing and/or Consulting**
Jun. 1	Boyden	GreenSight Executive Search	Atlanta retained search; founding partners join Boyden Atlanta as managing partners.	**Search**
Jun. 2	Strata Critical Medical	Louisville Perfusion Services	Kentucky perfusion provider; $16M plus up to $4M contingent on ~$10M revenue and ~$3M EBITDA.	**Healthcare**
Jun. 2	Red Dog Equity	Entegee	Adecco carve-out; ~$180M revenue engineering talent business; ex-Adecco NA CEO joins as president.	**Other Professional**
Jun. 4	Jackson Lucas	Affinity HR Advisory Group	Fractional, on-demand executive HR advisory added to a search and organizational consulting platform.	**Search**
Jun. 5	Connexion Systems & Engineering	Randolph Associates	New England engineering and IT staffing; expands security-cleared placement.	**IT Staffing and/or Consulting**
Jun. 5	Riley Decker Companies	Trak Group	Cincinnati professional staffing; temp and direct hire in accounting and office support.	**Other Professional**
Jun. 8	Buffkin/Baker	Benson Executive Search	Boston-area boutique specializing in senior HR leadership placements.	**Search**
Jun. 10	International SOS	Federal Staffing Resources	Epic Staffing government division; federal and military medical staffing across 40+ states.	**Healthcare**
Jun. 16	ZRG	Fortium	Fractional and interim CIO, CTO, and CISO leadership; 180+ partners; ZRG's third deal of the quarter.	**IT Staffing and/or Consulting**
Jun. 30	HW Staffing Solutions	TPi Staffing	New England regional commercial staffing across manufacturing, technical, and commercial sectors.	**Light Industrial/ Commercial**

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.

Q2 2026

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.

DISCLAIMER

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