

QUARTERLY M&A REPORT • Q3 2026

Staffing industry M&A, third quarter 2026

Closed transactions, market commentary and outlook for North American staffing, recruiting and workforce solutions companies.

PERIOD

July 1 to September 30, 2026

CLOSED TRANSACTIONS

20 across five segments

PUBLISHED

October 2026

PREPARED BY

Momentum
Advisory Partners

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

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Q3 2026 at a glance

CLOSED TRANSACTIONS

20

Down from 26 in Q2 2026

VERSUS Q3 2025

+25%

Up from 16 transactions

YEAR TO DATE

81

Versus 86 through Q3 2025

MOST ACTIVE SEGMENT

5

IT Staffing and/or Consulting

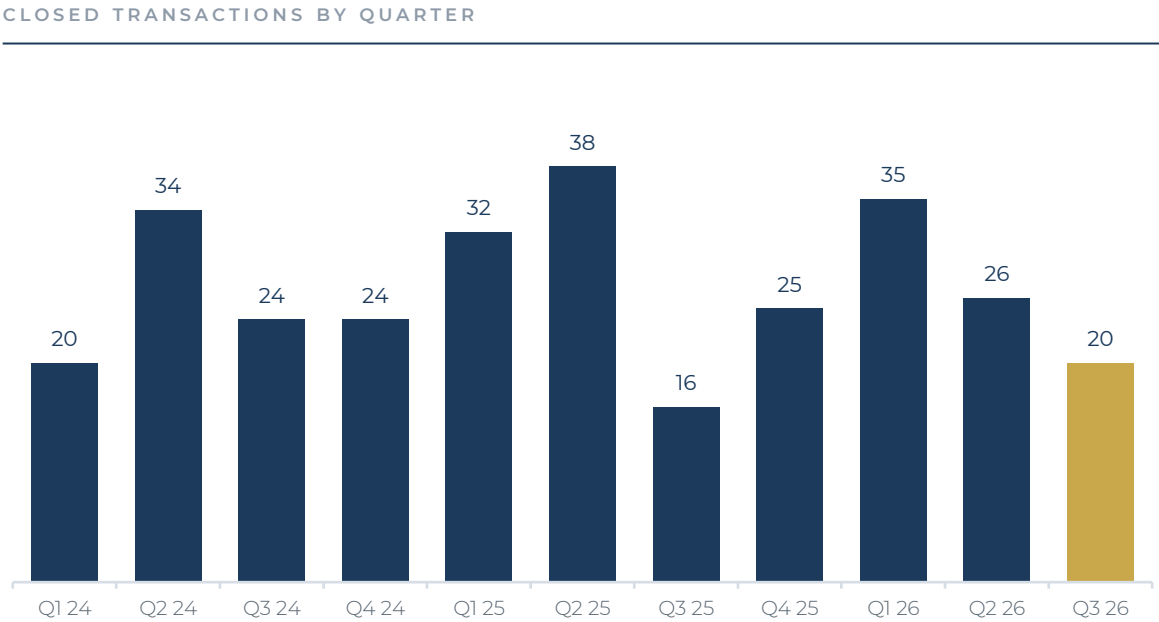
LARGEST CLOSED DEAL

\$437M

Knox Lane / Cross Country Healthcare

CLOSED TRANSACTIONS BY SEGMENT	Q2	Q3
IT Staffing and/or Consulting	7	5
Healthcare	6	4
Light Industrial/Commercial	1	4
Other Professional	6	4
Search	6	3
Total	26	20

Light Industrial was the only segment to grow, recovering from one transaction in Q2 to four, almost all in skilled trades and data center labor.



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

Fewer deals, familiar buyers

Q3 2026 closed with 20 North American staffing and recruiting transactions, down from 26 in the second quarter and 35 in the first, and up from 16 in Q3 2025. On volume alone it was the quietest quarter of the year. We don't read it as a negative quarter. The makeup of the list, the performance of the broader industry, and what we're hearing from buyers and founders all point in a better direction than the headline count.

The industry itself is in better shape than at any point in the past three years. SIA now forecasts US staffing revenue to grow 2.4% in 2026 to \$183.1 billion, raised from 0.8%, which would be the first year of growth in three years. Staffing hours tracked by the SIA | Bullhorn Staffing Indicator were running 11% ahead of last year in early October, with industrial hours up 17%, and SIA's Pulse survey showed median revenue up 5% in August, the highest reading since late 2022. Third quarter results from the public companies told the same story. ManpowerGroup grew 5.2% in constant currency and called 2026 an inflection point, Randstad's North American business grew 9% organically, and Robert Half's talent solutions business grew year over year for the first time since 2022. M&A tends to trail operating performance. Buyers want to see improvement hold before they pay for it, and sellers who are finally posting better numbers have reason to let another quarter or two show up in their trailing results.

The more encouraging signal is who was on the list. Familiar acquirers that had gone quiet came back: Aerotek acquired The PAC Group, ALKU made its first acquisition in nearly ten years, and CHG Healthcare and Care Career continued to add capacity. Light Industrial recovered from one transaction in Q2 to four, almost all of it in skilled trades and data center labor, where demand is strongest. Outside the published data, the change in tone has been noticeable. Over the past quarter we've seen a steady increase in buyers reaching out to learn what we're working on and to make sure they're on our radar, along with a stronger inflow of quality businesses considering a sale than at any point earlier in the year.

INDUSTRY INDICATORS

+2.4%

SIA forecast for US staffing revenue in 2026, raised from 0.8%; the first growth in three years

SIA, September 2026

+11%

US staffing hours versus prior year, week ending October 10; industrial hours up 17%

SIA | Bullhorn Staffing Indicator

+5%

Median staffing revenue growth in August, the highest reading since late 2022

SIA Pulse Survey

+5.2%

ManpowerGroup Q3 revenue growth in constant currency

Company filing, October 2026

+9%

Randstad North America Q3 organic revenue growth

Company results via SIA

What we are hearing, and what is still in the way

Our own activity reflects the same shift. Momentum is the busiest it has been in two years in active mandates. That's anecdotal, and we treat it that way, but two of the four signals we named in April, a broadening of buyer criteria and more quality deal flow reaching advisors, have started to show up.

The other two have not. Private equity remains relatively quiet. Sponsors were behind several of the quarter's deals, including Knox Lane's \$437 million take-private of Cross Country Healthcare, which closed in July, but we have not seen a broad return of add-on activity. Many sponsors are still working through an exit backlog. PitchBook counts roughly 11,000 PE-backed companies held for five years or longer, and 2025 was the weakest year for PE fundraising since 2018. Until sponsors can return capital from existing investments, new platform and add-on activity will stay selective. The cost of capital is the second constraint. Rates remain an obstacle, financing is more expensive, and it is taking longer to put in place. Financing has delayed transactions this year and is lengthening the time from letter of intent to close. On pricing, quality businesses have continued to trade at strong valuations and on favorable terms. There simply haven't been many of them, and we don't yet have evidence of how a larger supply will affect pricing.

The fourth quarter opened with Elwood Staffing's acquisition of CoWorx, an industrial staffing firm with roughly \$183 million in revenue and 45 locations. Given what we saw in Q3, Q4 could be a good quarter, and we expect the buyer interest and seller activity we're seeing now to show up as higher closed volume in the first half of 2027 as processes started this fall reach the finish line. We remain cautious. There have been several head fakes over the past couple of years, and financing costs could slow the timing. But industry performance, buyer appetite, and the quality of businesses coming to market are moving in the same direction, and we are encouraged about 2027.

SIGNALS WE SAID WOULD CHANGE OUR VIEW

Emerging

Broadening of buyer criteria

Familiar acquirers returned in Q3

Emerging

More quality deal flow reaching advisors

Momentum observation

Not yet

Increased private equity add-on activity

PE remains selective

Not yet

Easing of macro headwinds

Financing costs still elevated

Signals first named in our Q1 2026 report. Sources for page 2 and 3 statistics: SIA, SIA | Bullhorn Staffing Indicator, PitchBook, company filings.

Q3 2026 closed transactions

DATE	BUYER	ACQUIRED COMPANY	HIGHLIGHTS	SEGMENT
Jun. 1*	Epitec	TalentBurst (IT, engineering and government units)	Carve-out of IT, engineering, and state, local and education government staffing; TalentBurst retains healthcare, MSP, and EOR.	IT Staffing and/or Consulting
Jun. 29*	AnDek Holdings	Employ Partners	Kennesaw, GA temp, temp-to-hire, and direct-hire staffing firm founded in 2003; founder joins AnDek as COO.	Light Industrial/Commercial
Jul. 2	Masis Staffing Solutions	Royal Personnel Services	Phoenix generalist staffing firm operating since 1995; Massachusetts buyer enters Arizona.	Light Industrial/Commercial
Jul. 17	Care Career	MAS Medical Staffing	Northeast travel, allied, and per diem staffing plus a self-scheduling app; Care Career's seventh deal in two years.	Healthcare
Jul. 20	Examinetics	Progressive Safety	Places credentialed safety specialists on job sites, much of it data center construction; Coalesce Capital-backed buyer.	Other Professional
Jul. 21	Knox Lane	Cross Country Healthcare	\$437M take-private closed; locum tenens division combined with Knox Lane's All Star Healthcare Solutions.	Healthcare
Aug. 6	Philips International	The Nash Group (healthcare businesses)	Hospital staffing consulting and domestic and international nurse recruitment; buyer's first healthcare staffing deal.	Healthcare
Aug. 10	CHG Healthcare	KREWE Anesthesia	New Orleans CRNA staffing firm providing locum placements and anesthesia coverage programs.	Healthcare
Aug. 17	Aerotek	The PAC Group	Troy, MI engineering and project services for automotive, industrial, and construction programs across 19 countries.	Other Professional
Aug. 17	Buffkin/Baker	Fortra Search	Palo Alto retained search boutique focused on sales and revenue leadership; founder joins as partner.	Search

Sources: Momentum Advisory Partners proprietary research, SIA, ASA. *Closed in Q2 2026 but announced July 20, after publication of the Q2 2026 report; included here for completeness. The Elwood Staffing acquisition of CoWorx (announced October 19) and other early Q4 activity are discussed in the commentary and will enter the count at close.

Q3 2026 closed transactions, continued

DATE	BUYER	ACQUIRED COMPANY	HIGHLIGHTS	SEGMENT
Aug. 21	Concord Holdings	Paramount Placement	Swansea, MA skilled-trades staffing for HVAC, electrical, plumbing, and welding; management retained equity.	Light Industrial/Commercial
Aug. 21	CTI Staffing	PeopleSERVE	Boston IT staffing firm founded in 1999; CEO says the first of a planned series of acquisitions.	IT Staffing and/or Consulting
Aug. 25	Kavaliro	The Oakleaf Group (fintech consulting practice)	Bethesda, MD practice serving government-sponsored enterprises and housing finance organizations.	IT Staffing and/or Consulting
Sep. 1	ALKU	rockITdata	Philadelphia AI and data consultancy; New Mountain Capital-backed ALKU's first acquisition in nearly 10 years.	IT Staffing and/or Consulting
Sep. 1	Airswift	New Tech Global (three business lines)	Oil and gas workforce and rig personnel staffing; adds about 30% to Airswift's US contractor base.	Other Professional
Sep. 14	Kyndryl	Healthcare IT Leaders	Alpharetta, GA healthcare IT consulting and staffing; up to \$350M including an earnout.	IT Staffing and/or Consulting
Sep. 14	VeriWorks	LaborWorx	Skilled-trades staffing for industrial, construction, and data center projects; carve-out from Oakley Services.	Light Industrial/Commercial
Sep. 17	ESS	HeyTutor	Tutoring and paraprofessional services for K-12 districts; Vistria-backed education staffing add-on.	Other Professional
Sep. 18	Mike & Kass Lazerow	Merraine Group	Controlling stake in a 25-year-old Florida executive search and staffing firm; founder remains CEO.	Search
Sep. 21	Jobplex (DHR Global)	Ascension Sports Partners	Executive search for pro sports, entertainment, and collegiate athletics; Jobplex's second deal of 2026.	Search

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, including 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.

FOUNDER & MANAGING PARTNER

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SELECTED TRANSACTIONS

Connect Life Sciences

acquired by Argosy Healthcare Partners

Collab Infotech

acquired by Aequor

QED National

acquired by Seneca Resources

ProTask

acquired by Inspyr / A&M Capital

netPolarity

acquired by Saicon Consultants

CompuStaff

acquired by David Aplin Group

The DAKO Group

acquired by Artech

New Elevation

acquired by Turnberry Solutions

SilverSearch Consulting

acquired by Saicon

ICON Medical Network

acquired by Janet Elkin

Momentum served as exclusive advisor to the seller. Representative transactions; Momentum has advised on additional engagements not listed here.

Considering a sale, or want to know what your business is worth today?

Momentum publishes this report each quarter to keep staffing founders and industry participants informed of M&A activity and market conditions. We would welcome a conversation.

COMPLIMENTARY MARKETABILITY ASSESSMENT AND VALUATION OPINION

Momentum's Marketability Assessment and Valuation Opinion ("MAVO") gives founders 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. It is offered at no charge and without obligation, and it is how most of our client relationships begin.

DISCLAIMER

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