

# Healthcare Staffing Industry Snapshot December 2021

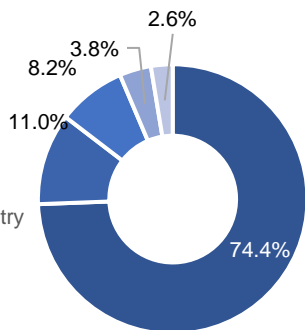
## Executive Summary

Over the past five years, revenue for the Healthcare Staff Recruitment Agencies industry is estimated to increase at an annualized rate of 4.9% to \$21.8 billion. Much of this growth is the result of two factors: increasing demand for healthcare services, driven by a progressively aging US population with greater need for medical services; and a shortage of qualified physicians, nurses and other healthcare personnel. Although recruitment agencies in this industry provide placement services for physicians and full-time executive healthcare professionals, the majority of industry revenue is earned through the placement of temporary workers. Nurses, locum tenens physicians and allied health professionals recruited by this industry are paid by their respective agencies and work for a contracted period, which typically lasts about three months.

### Market Share

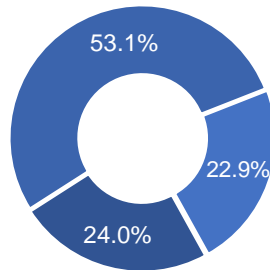
Minor Plays

- AMN Healthcare
- CHG Healthcare
- Cross Country Healthcare
- Maxim Healthcare



### Major Market Segmentation

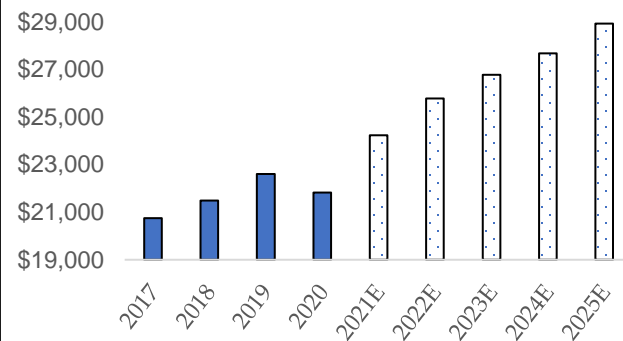
- Allied Staffing Services
- Per Diem and Travel Nurse Staffing
- Locum Tenens Staffing



## Sector Spotlight

- \$21.8B Industry Revenue in 2020
- 5.8% Industry Annual CAGR
- 4.1% Industry Profit Margin
- 2,922 Healthcare Staffing Businesses
- 347k Healthcare Staffing Employees

### Revenue Growth (\$ in millions)



The Healthcare Staff Recruitment Agencies industry has experienced a moderate level of revenue volatility over the past five years with revenue changes averaging 4.1% annually. However, industry revenue has increased each year as healthcare reform went into effect and healthcare companies began to hire permanent employees.

## Segment Breakdown

### Per Diem and Travel Nurse Staffing

Per diem nurses are substitute nurses and work on an as-needed basis. Per diem and travel nurse staffing accounted for an estimated 53.1% of revenue for the Healthcare Staff Recruitment Agencies industry in 2020. Over the past five years, heightened demand for medical services, driven by a progressively aging US population pressed many healthcare providers to employ a more flexible workforce, which has driven demand for per diem and travel nurse staffing services provided by this industry.

### Locum Tenens Staffing

In 2020, locum tenens staffing services accounted for an estimated 24.0% of industry revenue. Over the past five years, locum tenens has become an increasingly vital source of industry revenue, as hospitals shifted their hiring preferences away from long-term and permanent hiring to control costs and maintain an operating structure that could effectively respond to an influx of inpatient demand. As a result, this segment's share of industry revenue

### Allied Healthcare Staffing

Allied Healthcare Staffing provides staffing services for a range of healthcare professionals, including radiologists, pharmacists and pharmacy technicians, physical therapists, physician assistants, speech therapists as well as diagnostic and lab technicians. Over the past five years, a steady increase in total healthcare expenditures boosted demand for staffing services dedicated to this professional market. Allied healthcare services represented 22.9% of industry revenue in 2020.

## Industry Outlook

Over the five years to 2026, revenue for the Healthcare Staff Recruitment Agencies industry is expected to grow at an annualized rate of 5.8% to \$28.9 billion. Moving forward, the industry is anticipated to benefit from the evolving needs of the aging baby-boomer generation, as the number of adults aged 65 and older is expected to increase at an annualized rate of 3.1% to 65.0 million people over the five years to 2026. This will provide the impetus for healthcare providers to hire extra staff to compensate for the influx of patients, boosting demand for industry services.

## Market Concentration

The Healthcare Staff Recruitment Agencies industry is highly fragmented and, consequently, has a low level of market share concentration. IBISWorld estimates the four largest companies in the industry account for 25.3% of industry revenue in 2020. The industry is largely composed of small- and medium-sized enterprises, which operate in a narrow geographic region. Medium-sized operators in the industry generally cover a larger geographic area or specialized recruitment service in the healthcare industry. The largest operators in the industry set up establishments across the country and generally offer the widest breadth of services. Over the past five years, the number of industry enterprises increased marginally, as the industry's largest players, including AMN Healthcare and Cross Country Healthcare, engaged in a series of acquisitions intended to gain market share.

## Recent Public Transactions

Dec 2019

Nov 2020

Mar 2021

May 2021



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## Recent Private Transactions

Date	Target	Acquirer	Deal Synopsis
08/19/2021	Fortus Resources	Job.com	The company was acquired by Job.com for an undisclosed amount on August 19, 2021. The transaction enables Jobs.com to penetrate into the healthcare, automotive, and other sectors.
6/11/2021	Vital Medical Staffing	Dedicated Nursing Associates	The company was acquired by Dedicated Nursing Associates for an undisclosed amount on June 11, 2021.
4/23/2021	Therapia Staffing	Gifted Healthcare	The company was acquired by Gifted Healthcare for an undisclosed amount on April 23, 2021. The acquisition connects two purpose and passion-centric companies allowing for even greater impact to candidates, facilities, and company Ohana.
3/5/2021	U.S. Nursing	Cornell Capital	The company was acquired by Cornell Capital and Trilantic North America through an LBO on March 5, 2021 for an undisclosed sum.
2/8/2021	Trustaff	Cornell Capital	The company was acquired by Cornell Capital and Trilantic North America through an LBO on February 8, 2021 for an undisclosed sum. As a part of the transaction, Citizens Bank and UBS provided \$575 million debt financing in the form of a \$50 million revolver credit facility and a \$525 million term loan B to support the deal.

## Public Comps

Ticker	Company	EV / Revenue	EV / EBITDA	PE Ratio	EV / Revenue	EV / EBITDA	PE Ratio
CCRN	Cross Country Healthcare	0.8x	20.0x	23.3x	0.8x	15.2x	26.2x
AMN	AMN Healthcare Services	2.1x	20.4x	31.6x	2.0x	13.7x	22.3x
ADEN	Adecco Group	0.4x	9.1x	14.3x	0.4x	6.8x	10.7x
TBI	TrueBlue	0.5x	12.4x	26.2x	0.4x	10.0x	15.7x
KELYA	Kelly Services	0.2x	5.4x	8.7x	0.2x		12.3x