



# Selective consolidation and resilient demand as companies seek specialized solutions in persistently tight labor market

**SPOT ON** | HR SERVICES EUROPE | OCTOBER 2025

“Europe’s HR services sector is entering the second half of 2025 with a macro landscape demonstrating perseverance, where services activity remains the anchor of growth and manufacturing shows early signs of recovery.

Unemployment remains low and skill mismatches persist, resulting in elevated demand for specialized staffing, workforce mobility and compliance-driven solutions. Negotiated wage growth has moderated but remains above historical norms, reinforcing the need for cost-efficient staffing models and digital transformation across HR functions.

Investors are responding with sustained M&A activity, shifting from broad roll-ups towards highly targeted acquisitions in background screening, payroll platforms and AI-enabled recruitment tools. As monetary conditions ease and corporates prioritize resilience and efficiency, HR services are positioned at the intersection of structural labor challenges and digital innovation, making them central to both strategic workforce planning and investment opportunity. However, investors will keep an eye on the impact of ongoing trade and tariff negotiations on GDP and inflation, as well as political tensions and economic policy in key Eurozone economies such as Germany and France.”

**TOM VAN DE MEIRSSCHE**

HUMAN RESOURCES EUROPE SPECIALIST, OAKLINS

## MARKET TRENDS

### Holding steady

Learn about the key factors currently impacting HR services in the Eurozone, and how they're collectively supporting moderate expansion and sustained demand in this sector.

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## DEAL NEWS

### Focus on high-value niches

This year has seen a positive level of transactions in HR services in Europe, with particular interest in high-value niches, while scale and specialization are driving consolidation.

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## VALUATIONS

### Operating at two speeds

Trade tensions and macroeconomic uncertainty are causing more muted overall valuation levels, but specialist staffing companies continue to attract premium numbers.

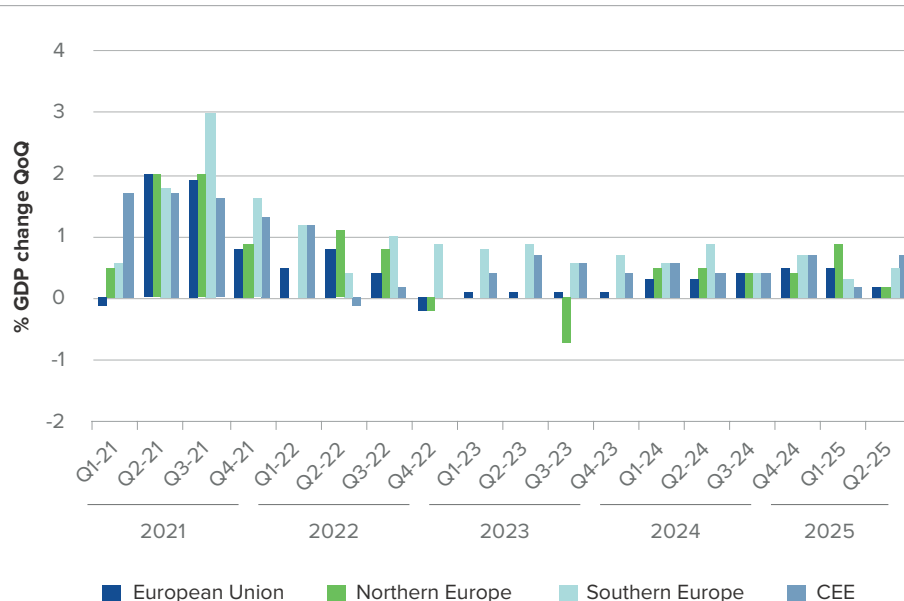
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## EUROPEAN MACROECONOMIC DEVELOPMENTS & OUTLOOK

The Eurozone started 2025 on a firmer footing, with growth accelerating once more in the first quarter as disinflation lifted real incomes. In the second quarter, the mix improved further as household spending and services gained traction, financing conditions continued to ease as policy transmission lowered borrowing costs, and manufacturing orders began to stabilize amid softer energy inputs. Momentum is still moderate and uneven, but the overall ecosystem is healthier, creating a cautiously constructive baseline for the second half of 2025. However, external factors remain significant. The effects of US tariffs and uncertainty paired with the ongoing negotiations taking place between global trade blocs are expected to trickle through towards the end of 2025 and over 2026. What's more, political tensions and economic malaise are hitting key European countries such as Germany and France.

Inflation in the Eurozone has become steadier in 2025, with headline readings holding near the 2% mark. The disinflationary impulse from falling energy costs has faded, as commodity volatility and geopolitical risks brought back short-term price swings, limiting the further cooling of inflation. However, services inflation, while still elevated, is gradually easing as demand normalizes, particularly in tourism and transport. In addition, core inflation has become more settled, signaling a transition from sharp disinflation to a slower, more durable path.

### Regional GDP growth shows ongoing moderate expansion across Europe



Sources: Eurostat and KBC Bank & Verzekeringen

Services remain the stickiest component but there are signs of easing in some areas, with price momentum cooling in travel, transport and recreation-linked categories. The trade backdrop is more challenging — newly increased US tariffs on EU goods and a fractious policy environment have impacted exports, causing concern to manufacturers even as domestic price stability improves.

With the ECB now in a hold posture and financing conditions gradually easing through policy transmission rather

than further cuts, the near-term set-up is one of greater price predictability, modestly better planning visibility, and a macroeconomic mix that is less volatile but still constrained by global trade frictions.

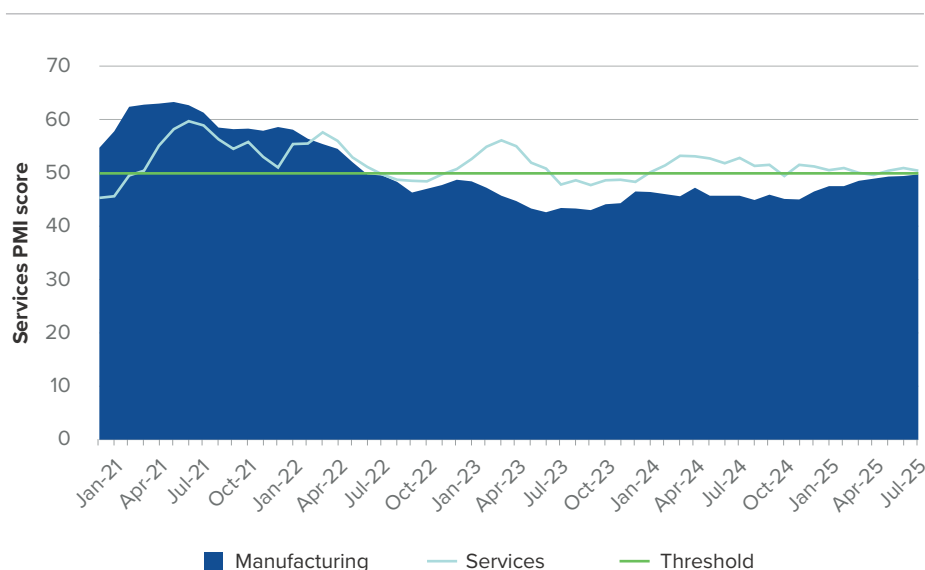


Note: Quarterly GDP change per region is calculated as the simple average of quarterly GDP growth per country compared to the previous quarter.

The Eurozone Services PMI has remained consistently above the 50 threshold through most of the year to date, confirming that services remain the anchor of economic activity and a reliable source of growth momentum. The gradual improvement in sentiment is also reflected in the Economic Sentiment Indicator, with business expectations in consumer-facing industries steadying after two volatile years. The more notable shift is in manufacturing, where the PMI saw expansion in August for the first time since early 2022. This recovery reflects a turn in domestic order books, leaner inventories, lower energy prices and the easing of supply bottlenecks, marking a potential end to the prolonged industrial downturn.

For labor markets, the divergence between sectors is beginning to narrow. While manufacturing employment was under pressure for much of 2024, recent PMI employment indices suggest that job losses are slowing as production stabilizes. Services, in contrast, continue to expand their workforce, supported by steady demand in tourism, transport and business services. However, economic confidence remains particularly weak in Germany, where manufacturing struggles persist, and France, characterized by continued political instability.

### Eurozone PMI: services remain the backbone of growth, while manufacturing shows early signs of recovery



Sources: S&P Global and KBC Bank & Verzekeringen

The result is a more balanced employment outlook, with services remaining resilient and industry no longer acting as a drag. Taken together, the PMI data suggest that the Eurozone is entering a phase where modest growth can be sustained without significant deterioration in labor conditions, offering a more stable backdrop for both corporate planning

and workforce strategies. In a year that has been characterized so far by trade negotiations, tariffs and political shifts, the confidence indicators suggest that macroeconomic headwinds are currently being offset by contained inflation, a more accommodating monetary policy and a resilient labor market.

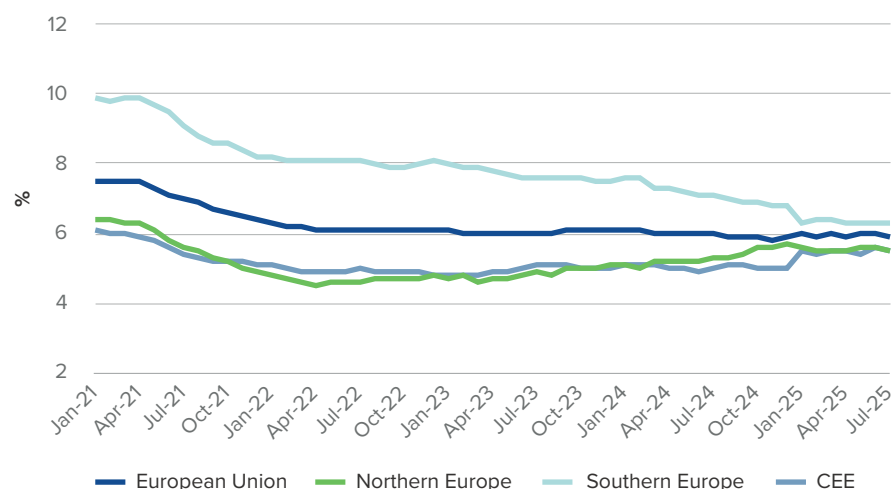


The EU labor market remains tight, though early signs of a loosening job market are emerging in certain countries. Eurostat data show unemployment broadly stable at 6.0% in mid-2025, close to record lows, with particularly constrained conditions in Central and Eastern Europe where structural shortages persist. In Northern Europe, key labor markets — most notably Germany — have shown signs of loosening throughout 2025. Amid ongoing tariff negotiations and rising political tensions both between global trade blocs and within major European economies, labor market indicators have dipped slightly. However, in most affected countries, figures appear to have settled, suggesting a potential bottoming-out and the early stages of recovery. Further fluctuations do remain likely, particularly in response to developments on the tariff front and continued political uncertainty in pivotal places like France and Germany.

Negotiated wage growth, which peaked at 5.4% in Q3 2024, fell to 2.5% in Q1 2025 before rebounding to 4.0% in Q2, highlighting ongoing pressure in wage-setting but at a more measured pace than last year. According to S&P Global, job creation in Europe remains sturdy relative to activity levels, underlining the decoupling between muted GDP growth and strong employment. As central banks keep inflation under control and the labor market is not expected to tighten, it can be argued that negotiated wage growth will continue to come down in line with the cooling inflationary pressures in the market.

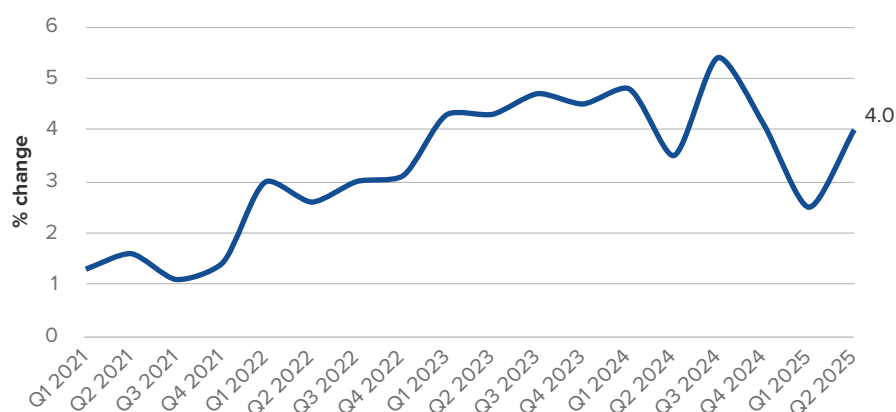
For HR services, the implications are clear. Even as the headline labor market steadies, underlying mismatches in skills, geography and sector exposure are keeping recruitment costs elevated. Employers continue to lean on flexible staffing and outsourcing to manage uncertainty, while wage moderation creates the scope for more strategic workforce restructuring rather than purely defensive hiring.

### Unemployment remains low across Europe



Sources: Eurostat and KBC Bank & Verzekeringen

### Negotiated wage growth eases in 2025 after sharp peaks in 2024, but pressure on labor costs continues



Source: ECB

In countries where the labor market has been historically tight, this means sustained demand for external workforce solutions — from temporary staffing and cross-border placements to advisory on labor cost planning — as companies adapt to a more balanced, but still capacity-constrained, employment environment. In those places where the job market has shown signs of loosening, employers

have been scaling back the intake of new staffing projects while seeking more workforce advisory regarding cost-effective staffing solutions. Overall, high-value niches in the market, such as AI, remain in demand.

Note: Unemployment rates per region are calculated as the simple average of each labor indicator per country.

# Recent M&A activity

## SELECTIVE CONSOLIDATION CONTINUES, WITH STRATEGICS DRIVING SCALE AND SPECIALIZATION IN HIGH-VALUE HR NICHES

M&A activity in HR services has remained strong so far in 2025. While deal numbers remain well above pre-COVID levels, momentum has been more tempered compared to the last few years. In particular, lower-added-value services, such as temporary staffing, are experiencing more pressure. Investor focus has clearly shifted toward high-value niches like background screening, payroll and compliance platforms, and AI-enabled workforce solutions, where recurring revenue and entrenched client relationships support valuations. Strategic

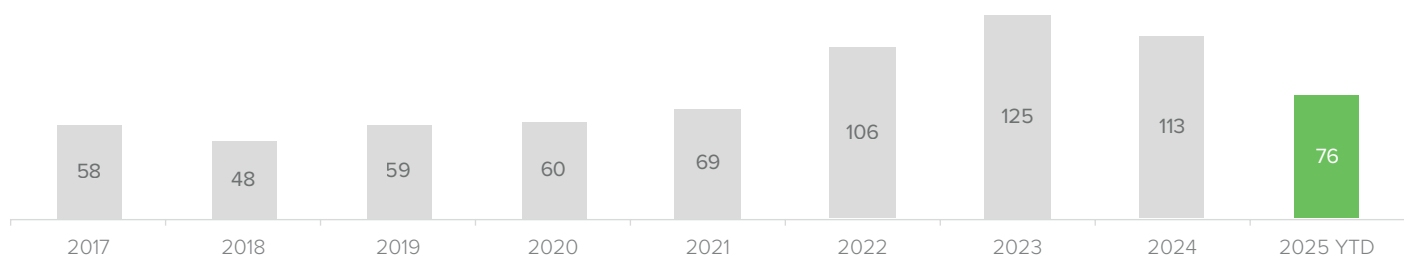
buyers continue to dominate, driving platform expansion and capability add-ons that reinforce scale and specialization.

Financing conditions are more supportive, but acquirors remain selective, rewarding assets with durable earnings quality and defensible positions in tight labor segments. The outlook is positive, with consolidation expected to continue as both strategics and sponsor-backed platforms seek growth opportunities in technology, compliance and global workforce management.

### M&A key drivers

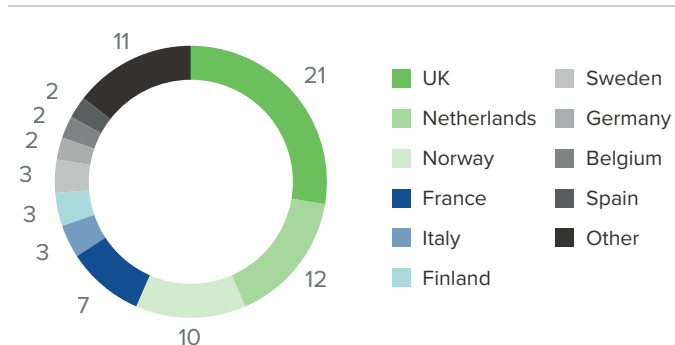
- **Specialized workflows that monetize compliance and trust:** Background screening, verification and regulated-market services attract premium bids based on recurring demand and embedded client processes
- **AI-enabled sourcing and workflow automation:** Assets with demonstrable productivity enhancement in HR search, matching and onboarding command scarcity value and are still raising growth equity, even as broader VC valuations normalize
- **Compensation and payroll as control points:** Buyers are adding compensation consulting and payroll stacks that sit at the cash-flow core of clients, improving retention and cross-sell economics
- **Sector depth over breadth:** Healthcare, technology, financial services and industrials remain the most popular verticals as acquirors favor domain expertise and regulated workflows over generalist exposure

### HR services M&A deal numbers remain high in 2025



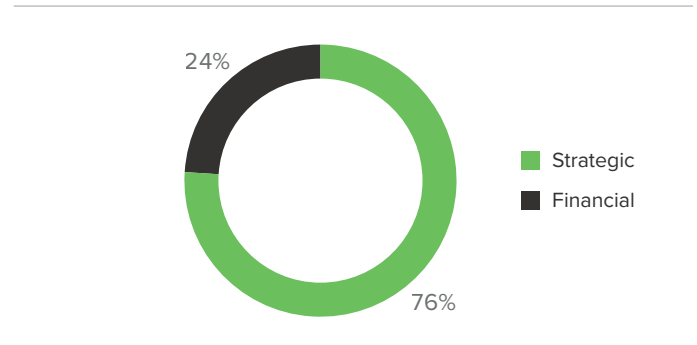
Source: Mergermarket

### UK, Netherlands and Norway dominate HR services M&A in 2025, reflecting concentrated activity in Northern Europe



















Source: Mergermarket


















### Strategic buyers continue to dominate HR services transactions in 2025, underscoring consolidation as the primary driver of activity



















Source: Mergermarket

## SELECTED M&amp;A TRANSACTIONS (JAN–SEP 2025)

Date	Target	Buyer	Target country	Description
Sep-25	Get Work Uitzendbureau	MatchWorks		HR and temp employment business
Aug-25	Labourlink	Existing management		Temporary staffing company to connect international workers and employers
Aug-25	SocialRecruit	Turnstone Capital Management		Social recruiting agency
Aug-25	Rydge Conseil	TowerBrook Capital Partners		Consultancy in HR, accounting, tax, legal and wealth management
Jul-25	ALTA Aeroport	Adecco Group		Temporary employment agency specializing in airport-related jobs
Jul-25	StandOut	Ascender		Recruitment and interim management firm
Jul-25	Weem	Menway		Agency connecting high-level independent talents and businesses
Jun-25	Jet HR	Koinos Capital SGR; Base10 Partners Capital Management		HR company specializing in payroll and hiring
Jun-25	Porta Personeel	Beech Tree PE		Staffing agency supplying certified welders, fitters and mechanics
Jun-25	Target Recruitment	Concreto Group		Recruitment company
May-25	Sirio; Etjca	VAM Investments		HR education and job placement services
May-25	Neoviq	PIA Group		Company offering accounting and payroll services
May-25	CyberTee	Cyber		Cyber security recruitment firm
May-25	HR One Group	Capenti		Agency specializing in executive and interim HR search in life sciences
May-25	Promedi Personalmanagement	RIW Personalservice		Recruitment agency specializing in executive and interim HR search for life sciences
May-25	Westhouse Italia	Robert Half		Provider of recruitment services

Date	Target	Buyer	Target country	Description
Apr-25	smahrt consulting	HR Path		Company specializing in HR, IT consulting, implementation and outsourcing
Apr-25	Eminent Groep	Copus Group		Specialist in mediating technical staff
Apr-25	Noous	Bpifrance Investissement; Siparex Ingenierie et Finance Sigefi; Existing management		HR consulting and outsourcing services provider
Apr-25	UBrands	Logistic Force Group		Recruitment and consultancy firm offering secondment, interim mediation and training
Apr-25	Gilde Personeel	Dutch Staffing Group		Staffing agency
Apr-25	Organisation & training Partners	Alixio		Consulting company for outplacement, new placement, assessment and training
Apr-25	Frisikt	Done ai Group		Firm providing accounting, payroll, strategy, IT and recruitment services
Apr-25	Payview	Accru Partners Norway		Provider of payroll outsourcing, staffing and consulting services
Apr-25	Reflex Healthcare People	Planet Group		Temporary employment agency specializing in the healthcare sector
Mar-25	Broadstreet	Gallant		Tax advisory, compliance, accounting and payroll services company
Mar-25	Agio Servicios Centralizados	Domino RH		HR management company
Mar-25	Level Offshore	Level Group		Specialized HR and recruitment agency
Mar-25	von Rundstedt & Partner Schweiz	Alixio		HR management consulting firm
Mar-25	BEST WORK	JKS		Staffing and recruitment company
Mar-25	Keycoopt	Beetween		Recruitment by recommendation social network
Mar-25	Ecovis Myployer	Accru Partners Norway		Firm offering, payroll, tax, legal and services for businesses and contractors
Feb-25	Ecount II	Aider Konsern		Accounting, tax preparation, bookkeeping and payroll services firm

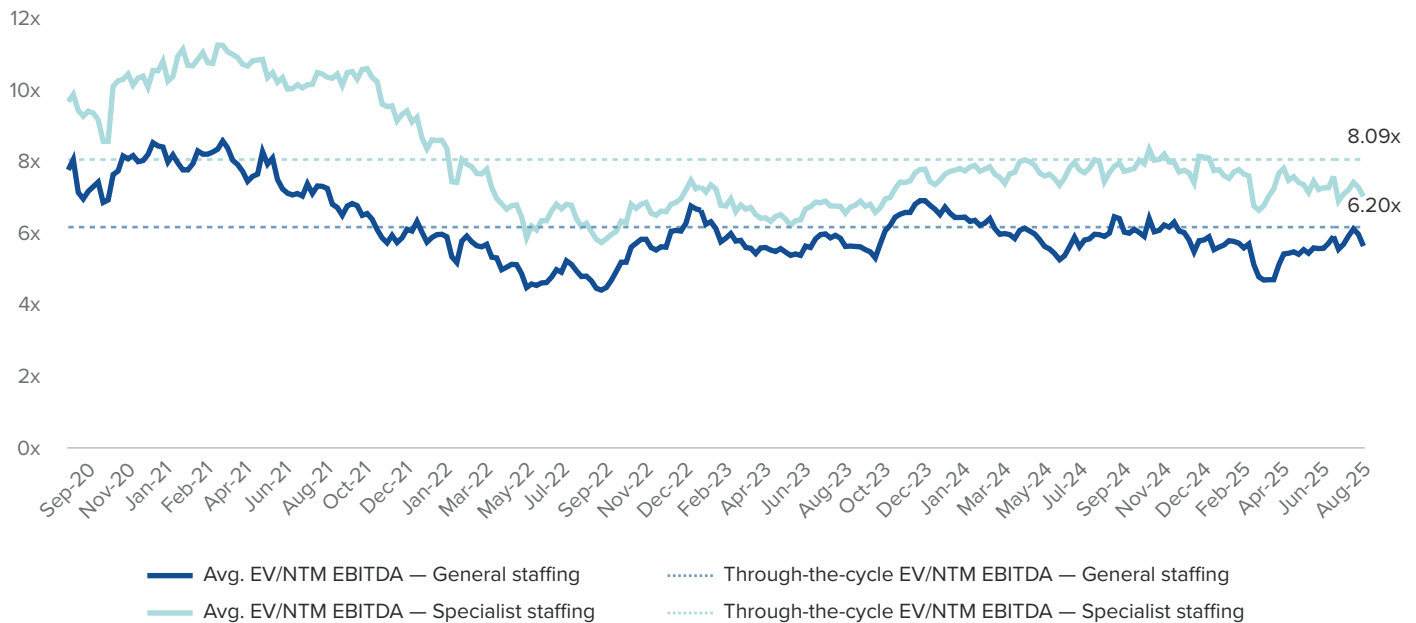
Date	Target	Buyer	Target country	Description
Feb-25	NLIST	The Specialist Group		Talent resourcing firm specialized in international technical personnel
Feb-25	Afiens Legal	Auxadi Contables & Consultores		Firm offering legal process outsourcing and investment advice for businesses
Feb-25	Allians Revision & Redovisning	Cedra		Accounting firm offering payroll management, with audit, tax and consulting services
Feb-25	DeFacto Regnskap	Value Group		Firm providing payroll and financial services
Feb-25	Techconsult	AGR Petroleum Services Holdings		Firm providing staffing and recruitment consulting and advisory services
Feb-25	Centric Nordic Holding	Eccera Holding		Firm providing software, IT outsourcing and staffing services
Feb-25	Feel Flex	People21		Staffing and recruitment agency
Feb-25	VIEW Group	Turnstone Private Equity		Cloud systems, outsourced finance, payroll and advisory services firm
Jan-25	Pro Industry	House of HR; House of Covebo		Company operating in business support services
Jan-25	Hartmann Young	Existing management		Recruitment firm specializing in life sciences and medical technology
Jan-25	Apollo Executive Search	Schelstraete Delacourt Associates		Specialized executive search firm
Jan-25	SIM Agences d'Emploi	Sciencetech Interim		Agency offering recruitment, staffing, executive search and HR consulting
Jan-25	Sifferkontoret	Freedom Group		Full-service accounting, consulting and payroll agency
Jan-25	Kansliet i Sverige	Freedom Group		Authorized accounting and certified payroll consultant
Jan-25	HR Suite	NFP Corp; Aon		Firm providing HR consultancy and training services
Jan-25	Ofir	Jobindex		Software company providing online job advertisements

Source: Mergermarket

# Valuation trends

Valuations remain resilient, reflecting investor confidence in the sector's long-term fundamentals.

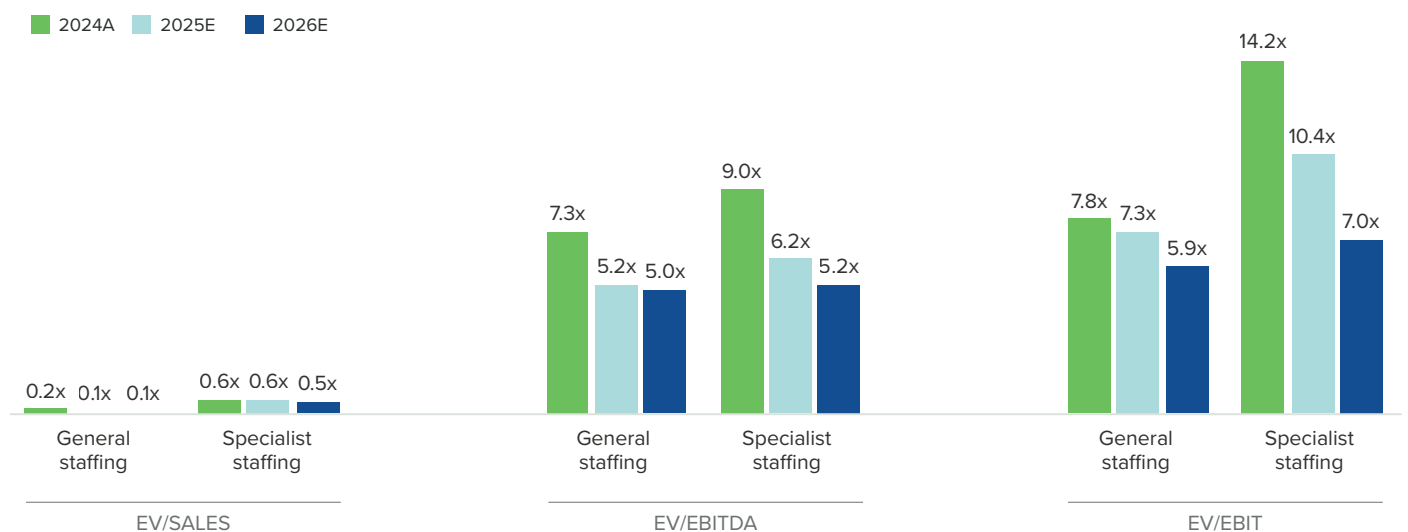
## EV/NTM EBITDA



Source: LSEG Workspace

NTM = next 12 months

## Specialist staffing retains a clear valuation premium, while generalists face pressure but show room for selective recovery



Source: Thomson Reuters Eikon

# Case study

## Gimv partners with Novicare to drive innovation and sustainable growth in specialized healthcare services

Leading European investment company Gimv has agreed to the acquisition of a majority stake in Novicare from Gilde Healthcare.

Novicare, founded in 2008, is a Dutch provider of specialized medical and paramedical services for elderly and disability care institutions. The company employs approximately 250 healthcare professionals, and serves more than 70 institutions and over 4,500 patients across the Netherlands. With its innovative stepped care model, use of telecare and digital tools, and close collaboration with local partners, Novicare delivers efficient, high-quality and accessible care.

At the heart of Novicare are its healthcare professionals. The company provides a supportive working environment with a strong emphasis on personal development and flexibility. By actively investing in the education and training of new specialists, Novicare helps retain scarce talent and develop the next generation of healthcare professionals.

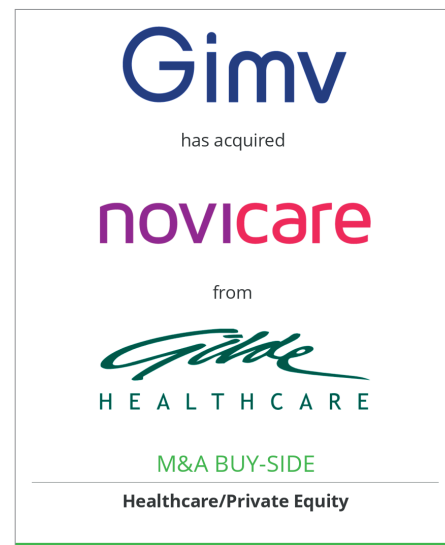
As pressure on the Dutch healthcare system continues to rise, Novicare plays an important role in maintaining access, quality and continuity of care. Backed by Gimv, the company will be able to further expand its impact, ensuring

optimal service for patients both now and in the future.

The partnership aims to advance Novicare's development of innovative care models and its supportive work environment for healthcare professionals. In line with IZA agreements, Novicare and Gimv will reinforce sustainable, locally embedded operations in collaboration with sector stakeholders, thereby contributing to an enduring and accessible Dutch healthcare system.

Jet Wiechers and Wencke van der Meijden, CEO and deputy CEO of Novicare, commented: "Novicare is dedicated to supporting the healthcare sector through a focus on innovation and quality while striving to maximize our impact. Gimv is an ideal partner in this respect, given its strong track record in these areas."

Elder Land and Thomas Goudriaan, partner and principal in Gimv's healthcare team in the Netherlands, added: "We are excited to support Novicare in its mission to make specialized care available to everyone. Novicare uses technology and innovation to help healthcare professionals deliver more efficient and effective care. The company's unique approach ensures that patients receive the right level of care at the right time, tailored to their specific needs, and ultimately leads to optimal outcomes for patients by enhancing continuity,



accessibility and quality of care. This strongly aligns with Gimv's ambition to support leading innovative companies to the benefit of society."

The transaction is subject to customary regulatory and works council approvals.

































Oaklins' team in the Netherlands acted as the exclusive debt advisor and M&A buy-side advisor to Gimv. By combining its deep sector expertise in healthcare with strong relationships in the financing market, Oaklins delivered tailored strategic and financial guidance that enabled Gimv to successfully position itself for this partnership with Novicare. This transaction highlights Oaklins' extensive experience in business services-related deals, and dedication to achieving the best outcomes for its clients.

Following our longstanding relationship with the Oaklins team it was a pleasure working with them on this new investment. We highly appreciated their insights on the current debt markets and financing possibilities, as well as on the market and process dynamics. Equally important, Oaklins positioned themselves as a sparring partner for us, whilst also showing entrepreneurship and flexibility, and being fun to work with."

**ELDERD LAND – PARTNER AND HEAD OF GIMV, THE NETHERLANDS**

# Our track record

A selection of Oaklins' experience in the HR industry.

 <p>has acquired</p>  <p>from</p>  <p>M&amp;A BUY-SIDE Healthcare/Private Equity</p>	 <p>has been acquired by</p>  <p>M&amp;A SELL-SIDE Business Support Services/TMT</p>	 <p>has been acquired by</p>  <p>M&amp;A SELL-SIDE Business Support Services</p>	<p>Sava Technology</p> <p>has been acquired by</p>  <p>M&amp;A SELL-SIDE Business Support Services</p>
 <p>has been acquired by</p>  <p>M&amp;A SELL-SIDE Healthcare/Private Equity/TMT</p>	 <p>has been acquired by</p>  <p>M&amp;A SELL-SIDE Business Support Services/Private Equity/TMT</p>	 <p>has been acquired by</p>  <p>M&amp;A SELL-SIDE Business Support Services</p>	 <p>has sold a majority stake to</p>  <p>M&amp;A SELL-SIDE Aerospace, Defense &amp; Security/Business Support Services/Private Equity/TMT</p>
 <p>has been acquired by</p>  <p>M&amp;A SELL-SIDE Business Support Services</p>	 <p>has been acquired by</p>  <p>M&amp;A SELL-SIDE Business Support Services</p>	 <p>has been acquired by</p>  <p>M&amp;A SELL-SIDE Business Support Services/Private Equity</p>	 <p>has been acquired by</p>  <p>M&amp;A SELL-SIDE Business Support Services/Private Equity</p>
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## OAKLINS OFFERS A COMPREHENSIVE RANGE OF SERVICES

- M&A advisory (buy- and sell-side)
- Growth equity and equity capital markets advisory
- Debt advisory
- Corporate finance services

HR services Europe is one of our focus areas. Combining comprehensive sector knowledge with global execution has led Oaklins to become one of the most experienced M&A advisors in the human resources sector, with a large network of relevant market players worldwide. This results in the best possible merger, acquisition and divestment opportunities for human resource companies.

If mergers, acquisitions, or divestitures of businesses or business units are part of your strategy, we would welcome the opportunity to exchange ideas with you.

### ✉ TOM VAN DE MEIRSSCHE

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Tom leads Oaklins' human resources team in Europe and is a managing director at Oaklins KBC Securities in Belgium. He has established high-level contacts with market consolidators, such as House of HR, Proman, Randstad and Brunel. Relevant transactions include the sale of ATG to Pauwels Consulting, the sale of Tax Consult HR Tax & IM to Moore, the acquisition of Impact by Talentus, the sale of Pragmatics to World of Talents, and the sale of Advipro to Normec.



**United by a strong belief that we can achieve the extraordinary.** Oaklins is a global team of 850+ financial advisory professionals in 40 countries providing M&A, growth equity, ECM, debt advisory and corporate finance services to support entrepreneurs, corporates and investors in reaching their goals.

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