



Specialized workforce platforms and technology continue to underpin consolidation across European HR services

SPOT ON | HR SERVICES EUROPE | JULY 2026

“Investors are still interested in European HR services, but buyers are now more selective. They look for companies with specialized workforce skills, strong client ties and advanced technology instead of focusing on scale. This trend is clear in healthcare, engineering and AI-driven recruitment, where investor interest and valuations are high.

The overall environment remains mixed. Manufacturing is picking up in some parts of Europe, helped by spending on infrastructure and defense, while some service sectors still struggle with high energy costs and uncertainty from global events. However, labor markets remain tight, especially for specialized staffing and workforce solutions.”

TOM VAN DE MEIRSSCHE

HUMAN RESOURCES EUROPE SPECIALIST, OAKLINS

MARKET TRENDS

A complex landscape

Macroeconomic factors are affecting different segments of the HR services across Europe. The impact of AI on the broader sector continues to grow, and certain industries are struggling with decreasing demand and uncertainty.

02

M&A ACTIVITY

Deal numbers showing resilience

M&A activity in European HR services remains at levels comparable to prior years, with technology, compliance and sector-specific workforce capabilities being key drivers, along with AI-enabled recruitment tools.

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VALUATIONS

Averages take a hit

Staffing sector valuations have come down, with both specialist and generalist multiples now below historical averages due to softer growth outlook and more caution in hiring.

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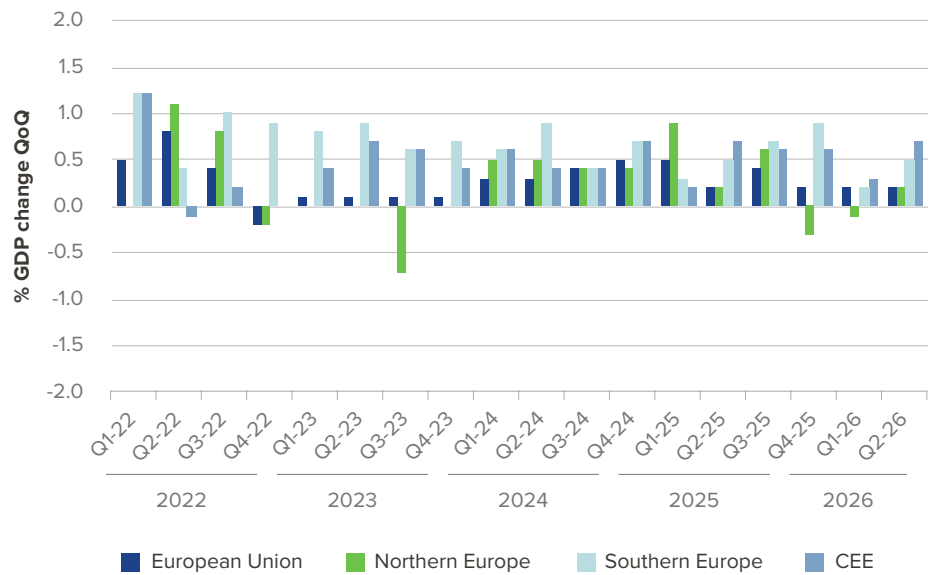


EUROPEAN MACROECONOMIC DEVELOPMENTS & OUTLOOK

Europe entered 2026 in a more stable position than many expected a year ago after Trump’s ‘Liberation Day’ tariffs. Growth is still modest, but the broader inflation environment has eased, financing conditions have improved and consumers have gradually regained some purchasing power. Southern Europe continues to perform well thanks to firmer domestic demand and services activity while several CEE markets are still growing at a faster pace than the broader EU average. Countries like Spain and Greece and parts of Southeast Europe have generally shown more resilience, especially compared to the timid industrial backdrop visible across some areas of Northern Europe.

That said, the recovery still feels uneven across the region. Germany remains a key pressure point, with manufacturing activity and export demand continuing to struggle under weaker global trade conditions and softer industrial orders. The outlook also points to a Europe that is stabilizing, but external risks remain difficult to ignore. Trade tensions, geopolitical uncertainty, and the wars in Ukraine and Iran affect raw material and input prices, leading to slower global industrial activity and lower business confidence. This is particularly impacting export-oriented sectors and manufacturing-heavy economies.

Regional growth remains resilient through Q2 2026



Sources: Eurostat and KBC Bank & Verzekeringen

Inflation has become far less disruptive compared to the past two years, but the picture is less clear going forward as inflation risks are emerging once more. Headline inflation across much of Europe is close to ECB targets, while core inflation gradually cooled as demand normalized and borrowing conditions became less restrictive. Services inflation, however, remains

somewhat sticky in areas tied to labor-intensive spending like hospitality, travel and recreation. Overall, the macro environment for the rest of 2026 looks less predictable and more volatile than in recent times, even if growth across Europe is still expected to remain relatively moderate and regionally fragmented.



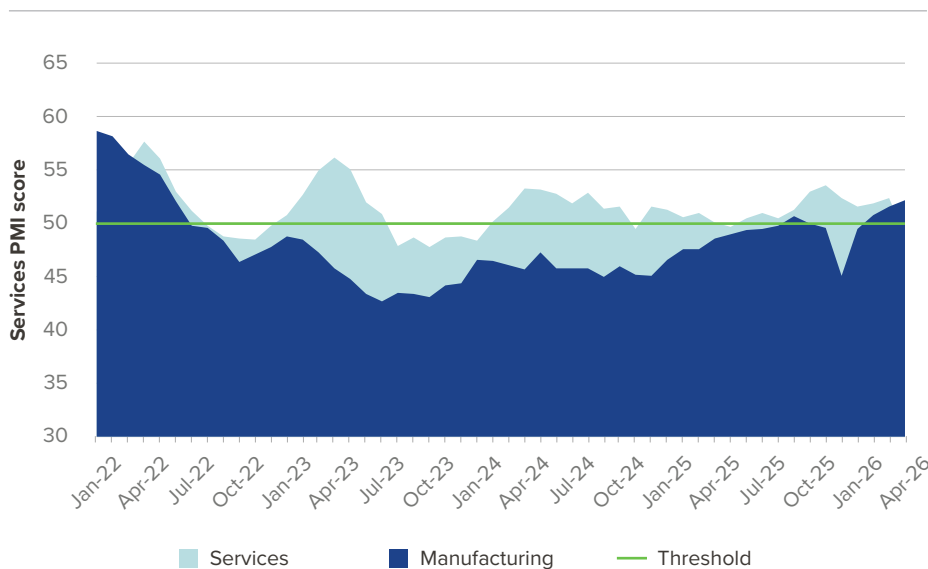
Note: Quarterly GDP change per region is calculated as the simple average of quarterly GDP growth per country compared to the previous quarter

Following more than three years of contraction, Europe’s manufacturing sector was in recession from mid-2022, with the PMI mostly in the low-to-mid 40s during 2023 and 2024. The current recovery is supported by fundamental factors. Domestic demand is rising due to current fiscal stimulus in defense and infrastructure, with Germany providing the strongest momentum in 2026.

Germany’s fiscal package includes an infrastructure investment fund and a revised debt brake to allow for increased military and defense manufacturing spending. This denotes a major shift for an economy that had contracted for two consecutive years. The European manufacturing sector is expected to benefit from higher demand for defense equipment and construction machinery, especially for infrastructure projects (such as in Germany). This demand-driven shift is important for the sustainability of the recovery — however, the overall impact has been a slow, mixed tailwind rather than an immediate surge.

The outlook for services is more complex. This sector supported Eurozone growth through 2024 and much of 2025, but the war in the Middle East is now having an impact, with business activity declining at rates last seen during the 2021 pandemic lockdowns. Higher energy costs have

Eurozone PMI pulse: manufacturing recovers as services face new headwinds



Sources: S&P Global and KBC Bank & Verzekeringen

lowered consumer demand, especially across continental European countries that rely heavily on foreign feedstock for electricity. Input costs are rising at their fastest pace since 2022 and output price inflation has reached a 37-month high, increasing the risk of second-round inflation effects that could complicate ECB policy decisions.

This has created an unusual divergence as manufacturing is expanding while services are yet to show consistency.

However, it should be noted that part of the growth in manufacturing is due to companies accelerating purchases to avoid future price increases or supply shortages, rather than a reflection of underlying demand. Near-record low unemployment and positive real wage growth continue to support household spending, even as business confidence declines. For now, the labor market is preventing a sharper downturn.

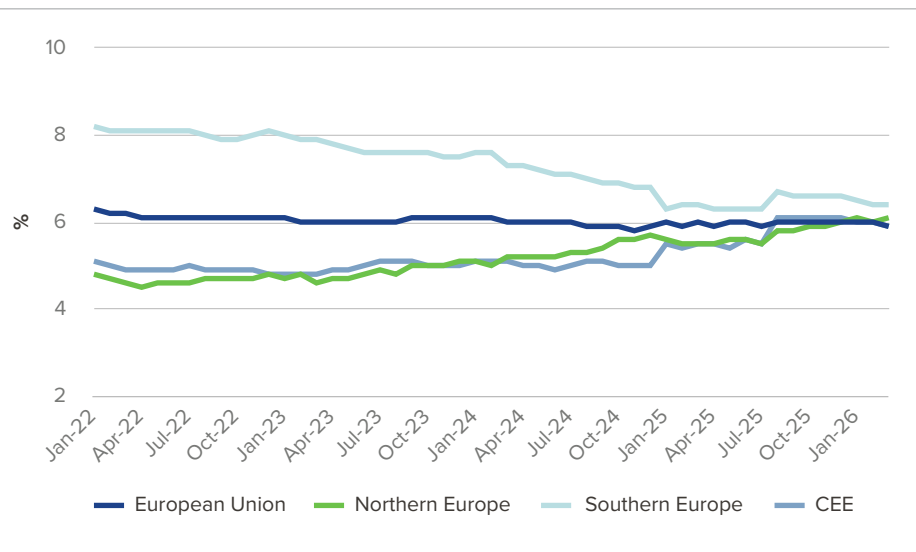


The European labor market remains stable in 2026, with unemployment rates near record lows. However, early signs of deceleration are appearing in Northern, Central and Eastern Europe, while Germany’s industrial labor market is easing slightly. Despite these trends, many countries continue to face tight labor markets, demographic challenges and shortages of skilled professionals. In Southern Europe, the labor market has improved in recent years, fueled by strong job creation in the private sector and an increase in service industry positions. Spain and Greece, for instance, have seen increased hiring across multiple industries as they recover from prolonged economic crises. Across Europe, employers remain cautious, but the demand for skilled workers in digital, engineering, healthcare and AI continues to be strong. Even with slower economic growth, talent shortages in these fields are expected to persist.

Wage growth from major labor agreements in 2023 and 2024 is leveling off. Wage pressure is projected to remain consistent and unlikely to drive significant labor-market tightening. Employers are prioritizing adaptability, efficiency and cost management over aggressive recruitment. As these labor market dynamics unfold, shifts become evident in how HR service providers operate.

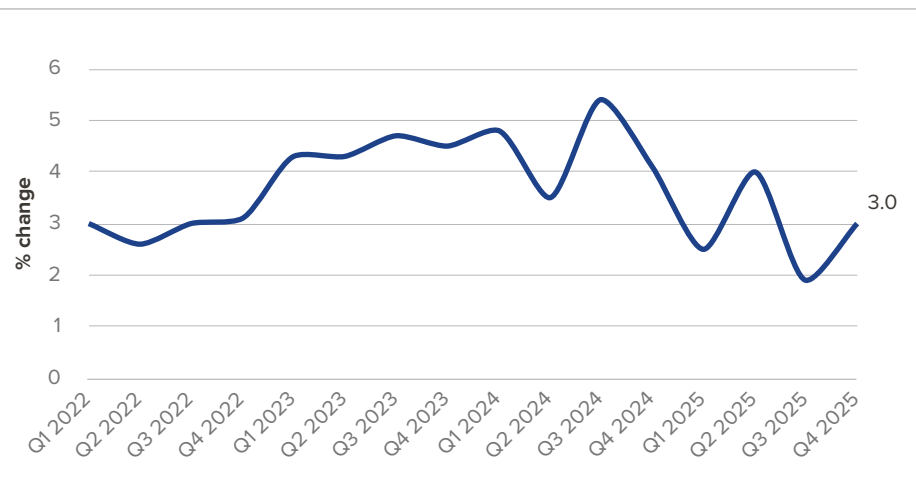
What is evident is that HR service providers are shifting toward specialization rather than mass hiring. Outsourcing of temporary, permanent, search-and-selection and HR advisory services is increasing. Segments such as digitalization, infrastructure, healthcare, engineering and AI remain highly active. In these fields, companies continue to face challenges in recruiting qualified talent, despite the economic slowdown.

Unemployment remained broadly stable across Europe heading into 2026



Sources: Eurostat and KBC Bank & Verzekeringen

Eurozone wage growth cooled in late 2025, but remained healthy



Source: ECB

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

Recent M&A activity

EUROPEAN HR SERVICES M&A REMAINS ACTIVE, DRIVEN BY TECHNOLOGY ADOPTION AND EVOLVING WORKFORCE DEMANDS

Organizations across Europe are rethinking workforce management, driving ongoing HR services M&A activity. As speed and adaptability become priorities, buyers focus on targets with specialized capabilities and those that address specific gaps, rather than only pursuing scale.

Technology is now central to deal rationale. Rapid AI adoption in HR has created a capability gap, as many organizations lack the expertise, tools and platforms needed. Acquiring AI-enabled platforms for recruitment, compliance and workforce management

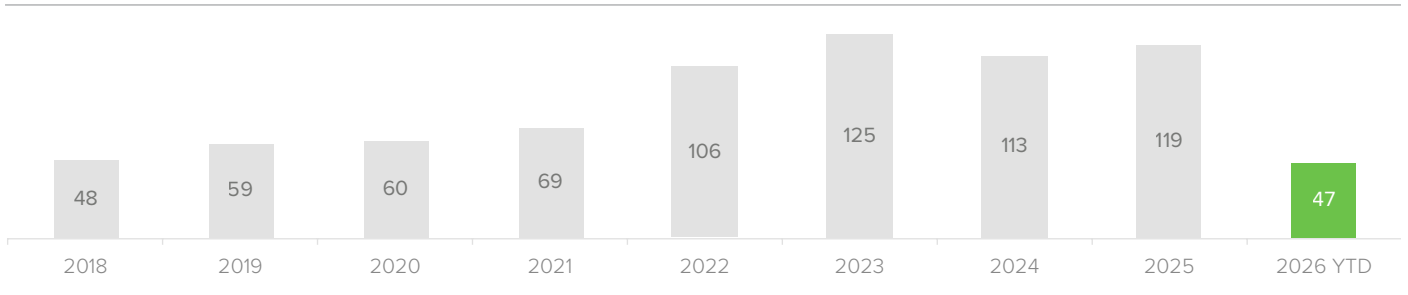
addresses this need. Investor confidence in cloud-based HR solutions is also rising.

The UK, the Netherlands and Germany remain the most active markets in terms of M&A. Strategic buyers account for nearly 79% of transactions, prioritizing expansion in payroll, compliance and specialized staffing platforms over generalist services. As labor market tightness and HR gaps persist, consolidation is expected to continue.

M&A key drivers

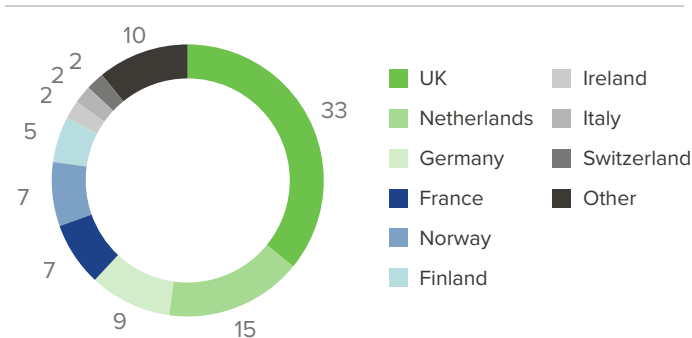
- **Payroll and multi-country HR platform consolidation:** PE-backed and strategic buyers are building pan-European payroll platforms by acquiring businesses that combine outsourcing services with proprietary software and cross-border delivery
- **Regulatory deadlines creating acquisition urgency:** The EU Pay Transparency Directive (effective January 2027) and AI Act compliance requirements for HR systems (August 2026) are driving acquisitions of compliance and reward management platforms ahead of those deadlines
- **AI capability gaps favoring acquisition over build:** Established HR platforms are buying AI-native tools in recruitment, workforce analytics and employee management, as the pace of AI adoption makes organic development too slow to stay competitive
- **Specialized staffing in supply-constrained labor markets:** Persistent shortages in healthcare, engineering, infrastructure and technology continue to attract buyers to staffing businesses with deep sector expertise and embedded client relationships, where pricing power and demand visibility remain strong

M&A appetite showing resilience in the European HR services



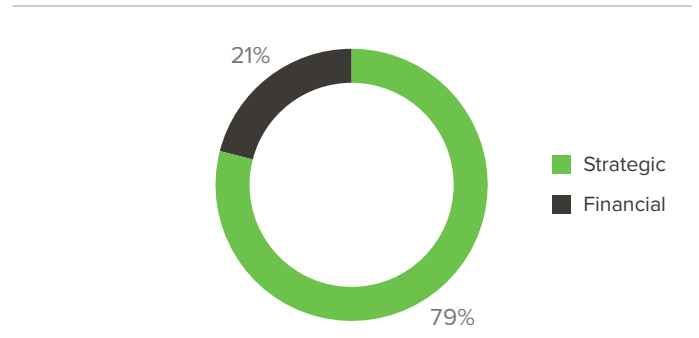
Source: Mergermarket (YTD as of May 2026)

Germany and France pick up pace, joining the UK and Netherlands as Northern Europe remains the most active region in 2026




















Source: Mergermarket



















Strategic buyers continue to be driving force for deal flow in 2026

















Source: Mergermarket

SELECTED M&A TRANSACTIONS (DEC 2025 – MAY 2026)

Date	Target	Buyer	Target country	Description
May-26	Ferovalo	HTGP Group		Talent and executive staffing platform
Apr-26	Rite People	Meraki Capital		Recruitment and staffing solutions firm
Apr-26	LGA HR Group	B3 Partners		Recruitment company
Apr-26	Halian	NES Fircroft Bondco		Provider of international IT, recruitment and managed services
Mar-26	SG Personnel	Start People		Recruitment agency
Mar-26	Tie-Up	Rydge Conseil		HR consulting firm
Mar-26	Career Decisions Ireland	CDL Asset Holdings		Company engaged in career transition, outplacement and organizational change
Mar-26	Atlas Professionals	Avedon Capital Partners		Staffing firm supplying technical personnel to energy and marine sectors
Mar-26	Metric Search	Southfield Capital Advisors		Staffing and recruitment services provider
Mar-26	LC Emploi	IBH EURL		Temporary work and recruitment agency
Mar-26	TBC Recruitment	Meraki Capital		Recruitment company
Mar-26	Heads HR	Sapphire HR		HR consultancy firm
Mar-26	Vikarkompaniet	Calviks		Staffing and recruitment company
Mar-26	SPL Company	Finago		Provider of services in the fields of self-employment, small business finance, staffing and recruiting
Mar-26	Meteor Personaldienste	TEMPTON Holding		Provider of personnel services
Mar-26	Aarstad & Bjornhaug Bemanning	Calviks		Staffing company operating in the field of infrastructure skills provision
Mar-26	SP Newco	Calviks		Holding company focused on qualified recruitment and executive search

Date	Target	Buyer	Target country	Description
Mar-26	Regnskap Sor	Aider Holding		Recruitment and staffing company
Mar-26	Bemex Rekruttering	Calviks		Recruitment firm
Mar-26	Wartenbergh Engineering Bureau	TMC Group		Consultancy and recruitment company
Mar-26	Solutions Driven	Groupe Adequat		Specialist engineering and STEM recruitment company
Feb-26	Smart Recruitment Solutions (Swindon); Wise Recruitment Group	Meraki Capital		Recruitment agency
Feb-26	Cast UK	Existing Management		Provider of recruitment and workforce solutions
Feb-26	PWE Recruitment Group	AVA Energy		Recruitment company
Feb-26	KES Solutions UK	Existing Management		Recruitment agency
Feb-26	Klemme Personal	Alphyr		Temporary staffing company
Feb-26	Think Caledonia	Freedom Recruitment Group		Nursing and social care staff recruitment agency
Feb-26	Consultday	Highberg Group		HR technology consulting and implementation firm
Feb-26	Interim Finance Group	Public Search; Kasparov Finance & BI Group		Interim finance recruitment consultancy
Feb-26	AK Teaching	Zen Educate		Education recruitment agency
Feb-26	Morawitz Consulting	High Office IT		Social recruiting provider
Feb-26	fach digital	High Office IT		Social recruiting provider
Feb-26	LOHNunion	Veda		Payroll services provider
Jan-26	Eiendomstalerter	Staffer		Recruitment and consultancy firm
Jan-26	Hayes Staff Recruitment	Freedom Recruitment Group		Healthcare and disability support staffing provider

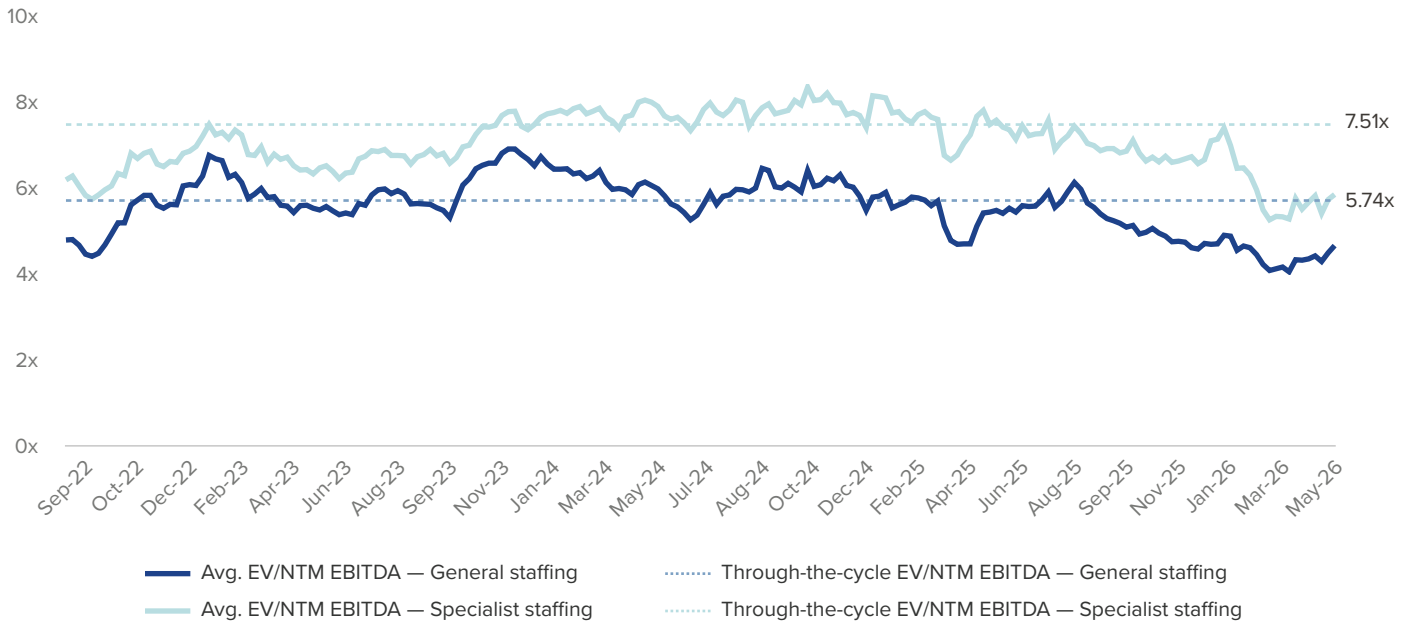
Date	Target	Buyer	Target country	Description
Jan-26	SERT Group	Meraki Capital		Recruitment firm focused on utilities and engineering sectors
Jan-26	Leman Industrie	Credit Agricole Regions Investissement - CARVEST; Garibaldi Participations; Credit Agricole Alpes Developpement		Industrial services provider
Jan-26	De Staffing Groep	Atlantic International Corp		Recruitment company
Jan-26	Apple A Day Supply	ANZUK Education UK		Education recruitment and consultancy company
Jan-26	Altitude Technique Agencement	Groupe LIP		Recruitment and temporary work firm dedicated to the carpentry and interior fitting sectors
Jan-26	CC Business Services	Meraki Capital		Industrial recruitment agency and commercial cleaning business
Jan-26	SuccessDay	CloudRock Partners		Provider of digital HR consultancy services designed for streamlining HR processes
Dec-25	JSS Pro Pvt	TMF Group		Provider of accounting, tax, payroll, HR and company secretarial services
Dec-25	House of Flexwork	Synergie		HR and staffing company
Dec-25	Kenonz Overheid	Nobel Capital Partners		Provider of job placement and personnel recruitment services
Dec-25	Outsource Management Services	IMI Supply Chain Solutions		Warehouse workforce management software provider
Dec-25	Reality HR	Shaw Gibbs		HR company
Dec-25	Studio Ripamonti di TMF Italy	TMF Group		Payroll, HR and accounting services provider
Dec-25	Praeva Partners	Jigsaw Equity		Executive search start-up

Source: Mergermarket

Valuation trends

Valuation multiples across general and specialist staffing players soften in 2026

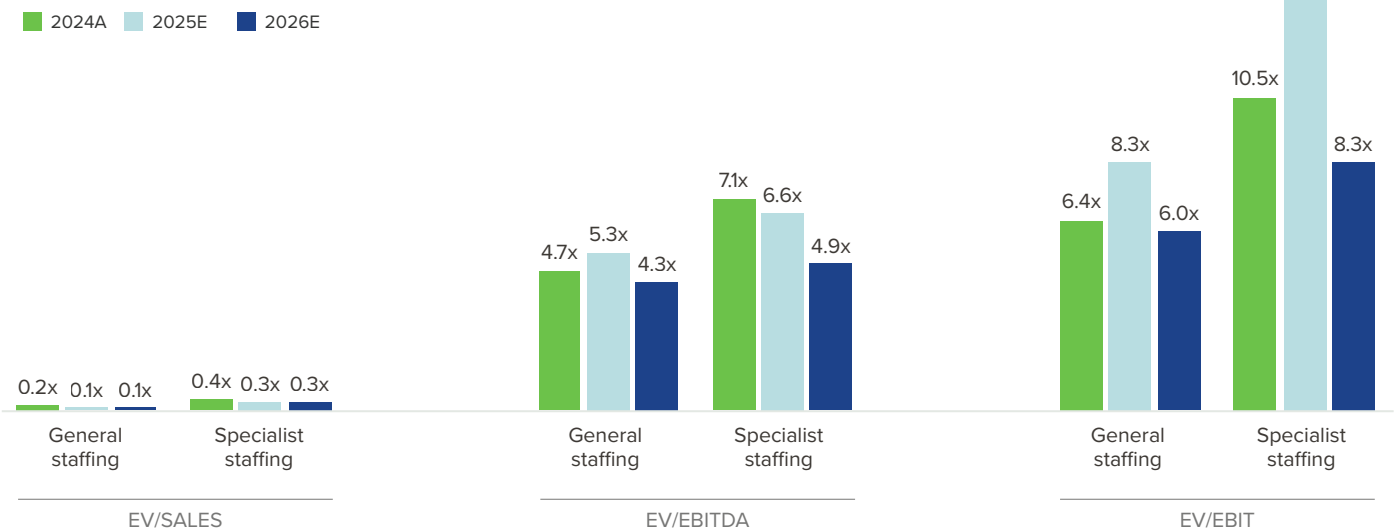
EV/NTM EBITDA*



Source: Capital IQ (Data sourced as of 12 May 2026)

*Note: NTM = next 12 months

Specialized staffing valuations keep their edge, reflecting broad sector demand



Source: Capital IQ (Data sourced as of 12 May 2026)

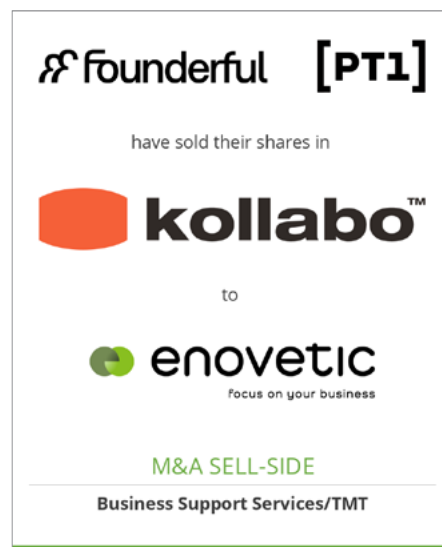
Kollabo AG has been acquired by enovetic AG

The acquisition of Kollabo AG by enovetic AG has been successfully completed. With enovetic, Kollabo has found an ideal partner to support its future growth and development.

Kollabo is a digital platform that leverages AI-powered matching algorithms to efficiently connect skilled craftsmen and other blue-collar professionals with employers and staffing agencies. Through automated processes, a structured digital application journey and a continuously growing pool of more than 30,000 qualified candidates, Kollabo enables fast and accurate placement for both temporary and permanent positions. Headquartered in Zurich, Switzerland, the company collaborates with hundreds of firms and staffing agencies across the DACH region. Kollabo has established itself as an innovation leader for the digitalization of recruitment processes within the blue-collar sector. While currently focused on skilled trades, the platform is designed to scale easily into other blue-collar verticals such as hospitality and healthcare. It also has strong potential for connecting international specialists, for example, talent from Eastern Europe, with attractive job opportunities across Switzerland and the broader DACH region. By

combining digital workflows, big data analytics and proprietary AI matching technology, Kollabo positions itself as a matchmaking platform that provides a seamless interface between candidates, staffing agencies and end clients, enabling its partners to operate at a new digital standard.

enovetic, based in Switzerland, develops and operates software solutions that simplify and digitize complex administrative processes in staff leasing, occupational pensions and workforce management. Its flagship product, EasyTemp, is a comprehensive SaaS platform covering the entire workflow of temporary employment and staff leasing — from job postings and legally compliant assignments to payroll, invoicing and reporting. Combined with additional modules for health management, absence tracking and pension fund administration, enovetic offers clients a modular system that ensures efficiency, compliance and scalability. With over four decades of industry expertise and extensive software development experience, the company has established itself as a reliable partner for organizations seeking to optimize processes at the intersection of employment, health and social security.



The seller is a consortium of 16 shareholders, including the founders, VC investors — led by the Swiss VC fund Foundeful and Berlin-based PropTech1 — and several other business angels.

Oaklins' team in Germany was exclusively mandated by the shareholders to find a new majority shareholder for the company, particularly to support the VC investors exiting the cap table, and to provide comprehensive guidance throughout the sell-side M&A process.

“Dear Oaklins Germany team, thank you for your excellent support throughout the entire process. Your work has been a key factor in helping us find a partner who not only matches us perfectly, but with whom we can look forward to a great future together.”

ANDRI STUDER – CEO AND CO-FOUNDER, KOLLABO AG

Our track record

A selection of Oaklins' experience in the HR industry.

funderful [PT1]
have sold their shares in

kollaboTM

to

enovetic
focus on your business

M&A SELL-SIDE
Business Support Services/TMT

CIPAL SCHAUBROECK

has been acquired by

total specific solutions

M&A SELL-SIDE
Business Support Services/TMT

Gimv

has acquired

novicare

from

Golden HEALTHCARE

M&A BUY-SIDE
Healthcare/Private Equity

WISNIO

has been acquired by

Assessio

M&A SELL-SIDE
Business Support Services/TMT

APOLLO
EXECUTIVE SEARCH

has been acquired by

Capenti

M&A SELL-SIDE
Business Support Services

Sava Technology

has been acquired by

infoshare+

M&A SELL-SIDE
Business Support Services

CARELOOP

has been acquired by

KLETTGRUPPE

M&A SELL-SIDE
Healthcare/Private Equity/TMT

symatrix

has been acquired by

AST

M&A SELL-SIDE
Business Support Services/Private Equity/TMT

pears
zorg & onderwijs

has been acquired by

TIMING

M&A SELL-SIDE
Business Support Services

ATG europe
accelerating innovation

has sold a majority stake to

Pauwels Consulting
Technology & Science

M&A SELL-SIDE
Aerospace, Defense & Security/Business Support Services/Private Equity/TMT

ltg

has sold

LORIEN

to

NIRAS

US\$21.4m
M&A SELL-SIDE
Business Support Services/Construction & Engineering Services

blue
bluegroep.nl

has been acquired by

glowi

M&A SELL-SIDE
Business Support Services

Aptic &

has been acquired by

SOFIOUEST
HUMAIN ET CAPITAL

M&A SELL-SIDE
Business Support Services/Private Equity

pragmatics

has been acquired by

WORLD OF TALENTS

M&A SELL-SIDE
Business Support Services/Private Equity

COGNOS HR

has been acquired by

Resourcing Edge
Sharp people, sharp solutions.

M&A SELL-SIDE
Business Support Services

VERO

has been acquired by

accurate.

M&A SELL-SIDE
Business Support Services

Deep local roots, global commitment

Oaklins brings you opportunities from across the world and we meet you with our expertise wherever you are

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 over 900 financial advisory professionals in 40 countries providing M&A, growth equity, ECM, debt advisory, valuation advisory and corporate finance services to support entrepreneurs, corporates and investors in reaching their goals.

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