HIRE / Technologies

HIRE Technologies Provides Commentary on Valuations and Transactions

TORONTO, ON / ACCESSWIRE / April 6, 2022 – HIRE Technologies Inc. (TSXV: HIRE.V) (OTCQB: HIRRF) ("**HIRE**" or the "**Company**"), a company focused on modernizing and digitizing human resources solutions, shares its views on market valuations and mergers & acquisitions ("**M&A**") transaction activity for the year ended December 31, 2021.

"On the heels of the strong organic growth reported across our peer group[1], we are seeing great returns for shareholders overweight in the staffing sector," said Simon Dealy, Chief Executive Officer of HIRE. "In 2021, our peer group appreciated 29% on a price weighted basis and outperformed the S&P/TSX 60 and S&P/TSX Composite by seven and five points, respectively. This reflects the heightened importance of strong staffing partners, like HIRE, to businesses of all sizes transforming themselves for the post-COVID world."

On a fundamentals basis, HIRE also notes that, among its peer group in the sub-$1 billion market capitalization range, earnings before interest, taxes, depreciation, and amortization multiples ("**EBITDA Multiples**") – calculated as enterprise value divided by EBITDA – have increased by +0.9x, reflecting strong demand in labour markets pushing growth expectations higher across the sector.

North American M&A activity peaked to record levels in 2021 with a 62% year-over-year increase in deals[2]. Of note, private equity sponsor-led deals are becoming increasingly prevalent as EBITDA multiple expansion opportunities become even more appealing due to the aforementioned growth and significant private company discounts on transaction multiples.

HIRE's transaction model is seller optimized. HIRE works closely with its potential partners and their advisors to maximize after-tax returns especially with the Lifetime Capital Gains Exemption in Canada now at $913,630 for 2022. "Strong valuations, a growing pool of sophisticated buyers, and the ability to structure tax efficient deals make it compelling for staffing companies to execute on succession plans today," said Dan Teguh, Chief Financial Officer of HIRE.

As the only Canadian publicly listed consolidator of staffing firms, HIRE is always on the lookout for new business partners and portfolio companies. Mr. Teguh can be reached at dteguh@hire.company for further information.

About HIRE Technologies Inc.

HIRE is investing in and shaping the future of human resource management with a technology-first focus, by consolidating and modernizing the staffing marketplace. The Company is a disciplined capital allocator due to its technology DNA and extensive experience in building and growing staffing and executive search companies, providing a shared services platform to create value for partners and shareholders. HIRE has a large recurring revenue base and helps clients manage change in the workplace in order to achieve success. For more information, visit hire.company.

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Footnotes

1. As disclosed by Randstad N.V., Adecco Group, Robert Half International Inc., ManpowerGroup; Kforce, Inc.; TrueBlue, Inc.; Resources Connection, Inc.; and The Caldwell Partners International Inc.
2. According to Staffing Industry Analysts