

Investment Banking

Industry Perspectives

Human Capital Solutions Quarterly | Q4 2020



PEAPACK PRIVATE

Investment Banking

Overview

Our Team is pleased to present its 4Q20 quarterly human capital solutions industry update from our Senior Advisor, Jim Janesky, who oversees client coverage and leads the vertical.

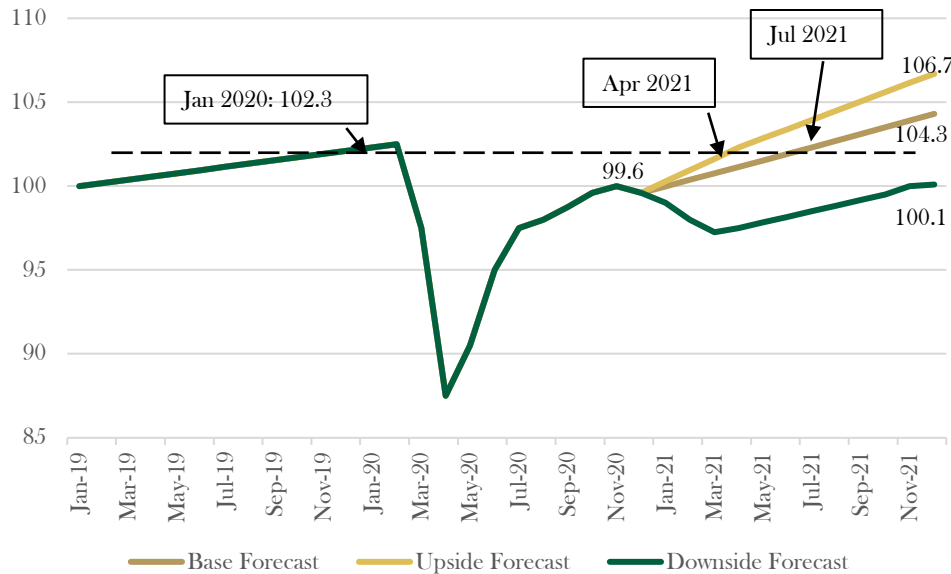
Through this industry update, we will share with you our impressions on the market, track the leading macroeconomic indicators, report relevant transactions, public market valuations and highlight current trends.

Our Market Observations

- The US economy and staffing market continued its remarkable recovery in 4Q20 and as we entered 2021. Both private and public staffing firms across most verticals, especially Healthcare, IT and Finance, grew sequentially and, in some cases, Y/Y during 4Q20. The most significantly impacted verticals such as light industrial and office/clerical also exhibited signs of recovery. The second round of PPP stimulus could also help the hardest hit companies in the space.
- The 2/10/2021 Conference Board US GDP forecast outlined three recovery scenarios: a “Base” case, an “Upside” case and a “Downside” case, that predicts GDP to grow in 2021 by 4.4%, 6.4% and 1.0%, respectively (see page 3). The Conference Board consistently “raised” its economic forecast for 2020 since April 2020, when The Conference Board expected a GDP decline of almost 10%. GDP ultimately came in at a decline of 3.5% in 2020. The Conference Board’s “Upside” forecast is based upon \$1.9 T in stimulus \$\$ is spent, COVID vaccines are extremely successful and employment/consumption meaningfully recovers. The “Downside” forecast is based upon \$600 B in stimulus \$\$ is spent, a “third wave” of COVID and employment/consumption deteriorates. Our outlook for the US staffing industry is based on the February 2021 4.4% (Base case) GDP increase for 2021 but note that future Conference Board updates could be subject to revisions.
- The chart on page 3 provides The Conference Board’s 2/10/2021 forecast for a 4.4% increase of US GDP in 2021 by quarter based on its underlying assumptions for Real Consumer Spending, Residential Investment, Real Capital Spending and Exports, in that order. The amount of further stimulus check spend by consumers will be crucial to any rebound. Real Consumer Spending represents 60-65% of GDP.
- Public company staffing stocks have rebounded due to their 2020 results and outlook for 2021 and we expect that the stocks would outperform the overall market in 2021 if the “Base” or especially “Upside” case GDP forecasts come through. Investors prefer staffing stocks as we exit a recession, which the US economy did in 3Q20 (see page 7).
- The M&A market was very active in 4Q20. We expect this trend to continue as we move into 2021. Multiples are close to their pre-COVID levels, both strategic and financial players have been aggressive buyers, there are more buyers than sellers and financing is readily available, but buyers generally require that sellers take less money down with longer earn outs (see page 10).



Conference Board US GDP Outlook (Index, Jan 2019=100)



The 2/10/2021 Conference Board US GDP forecast outlined three recovery scenarios: Base, Upside and Downside that predicts GDP to increase in 2021 by 4.4%, 6.4% and 1.0% respectively

The Conference Board is directionally more bullish on the US economy while highlighting red flags in the Downside forecast such as slower job growth/consumer spending and a possible resurgence of COVID-19

Real Consumer Spending, which represents 60-65% of GDP, will be critical to an overall economic rebound and is dependent upon, among other trends, the amount of further stimulus checks spent

Real Consumer Spending was a key reason GDP came in better than expected for 2020

Our outlook for the US staffing industry is based on the recent 4.4% (Base case) GDP increase for 2021 and is more bullish for the second quarter in a row

Base Case Economic Outlook 2019-2020-2021 (% change, seasonally adj annual rates)

	2020						2021						2020	2021
	Q1*	Q2*	1H	Q3	Q4	2H	Q1	Q2	1H	Q3	Q4	2H	Annual	Annual
Real GDP	-5.0	-31.4	-18.2	33.4	4.0	18.7	2.0	4.7	3.3	6.4	4.8	5.6	-3.5	4.4
Real Disposable Income	2.6	48.5	25.6	-16.3	-9.5	-12.9	4.0	20.0	12.0	-10.0	2.0	-4.0	6.0	1.5
Real Consumer Spending	-6.9	-33.2	-20.0	41.0	2.5	21.8	3.6	5.0	4.3	6.9	5.1	6.0	-3.9	5.2
Residential Investment	19.0	-35.5	-8.3	63.0	33.5	48.3	8.0	10.0	9.0	8.0	5.0	6.5	5.9	14.5
Nonresidential Investment	-6.7	-27.2	-16.9	22.9	13.8	18.3	5.4	6.1	5.8	6.5	5.6	6.0	-4.0	6.8
Inventory Change (bn '09\$)	-80.9	-287.0	-184.0	-3.7	44.6	20.5	0.0	5.0	2.5	16.0	16.0	16.0	-81.8	100.0
Total Govt Spending	1.3	2.5	1.9	-4.8	-1.2	-3.0	0.0	1.0	0.5	1.7	2.7	2.2	1.1	-0.1
Exports	-9.5	-64.4	-36.9	59.6	22.0	40.8	3.0	5.1	4.1	7.1	5.1	6.1	-13.0	5.7
Imports	-15.0	-54.1	-34.5	93.0	29.5	61.3	5.6	5.1	5.3	5.6	4.6	5.1	-9.3	11.7
Unemployment Rate	3.8	13.1	8.4	8.8	6.8	7.8	6.2	5.9	6.1	5.4	5.0	5.2	8.1	5.8
CPI Inflation	1.2	-3.5	-1.2	5.2	2.2	3.7	2.5	2.2	2.3	2.0	2.0	2.0	1.3	2.2

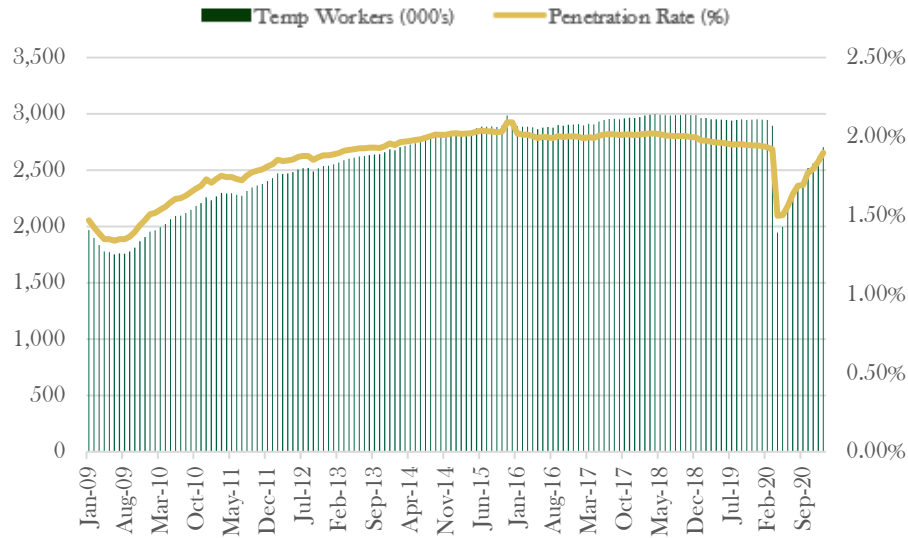
Total Contraction & Growth (%YoY)

	Annual 2020	Annual 2021
Downside Forecast	-	+1.0%
Upside Forecast	-	+6.4%
Base Forecast	-3.5%	+4.4%

Source: The Conference Board "The Conference Board Economic Forecast for the US Economy", February 10, 2021



Temporary Employment Vs. Penetration Rate

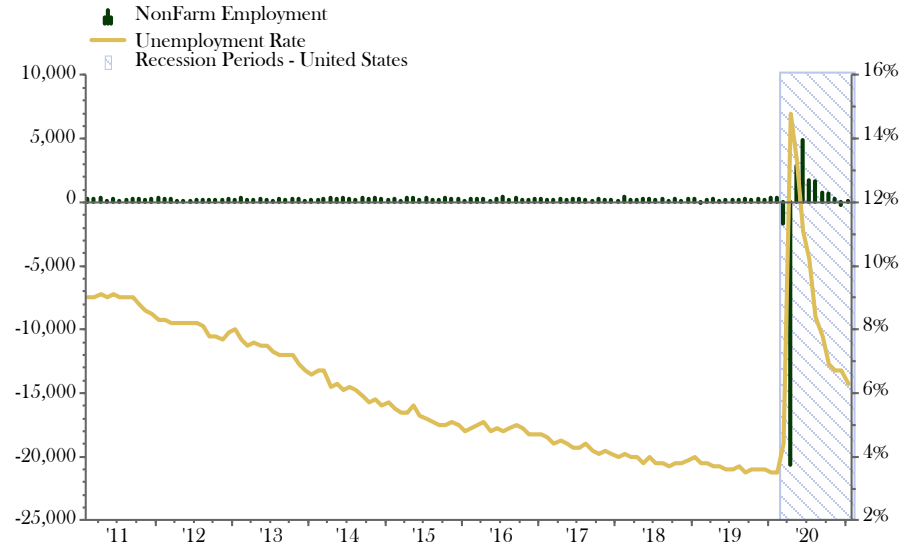


The temporary employment penetration rate came in at 1.9% in February 2021 compared to 1.84% the previous month. Temporary staffing volume growth declined 8.2% Y/Y versus a decrease of 11.1% in the prior month while sequential volume increased 3.1% in February. Many areas of temp employment have become “less worse” during 2020, continued to improve in 2021 and could exhibit further recovery, especially if employers become hesitant about re-hiring full-time workers.

Key Takeaway:

While components of the staffing industry have experienced near-term recovery, we believe that the industry could become an even more valuable resource to employers post-COVID. Turning fixed labor costs into variable costs is more crucial during an uncertain environment.

Y/Y Δ in NonFarm Employment Vs. Unemployment Rate

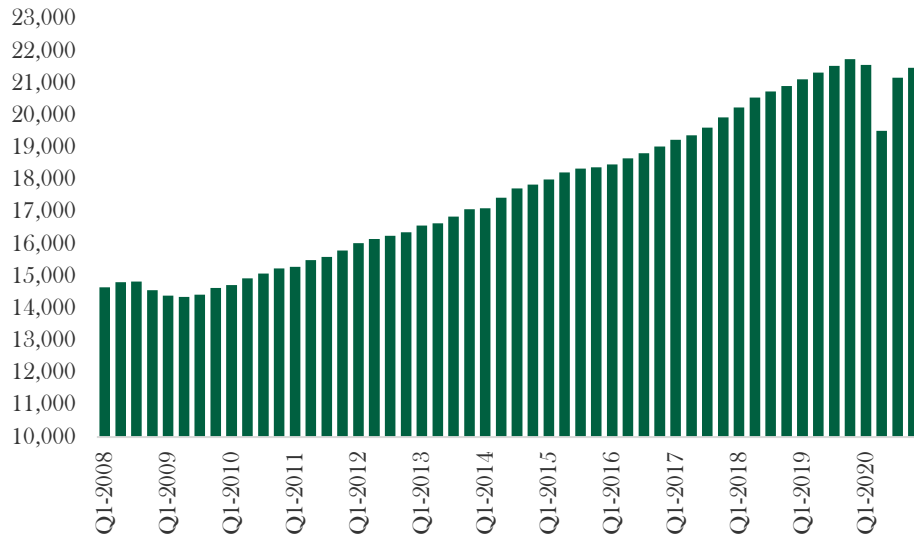


The February 2021 report of an increase of 49,000 jobs was below the forecast of a 100,000 increase in jobs. The unemployment rate of 6.3% was lower than the 6.7% figure in January 2021 while average hourly earnings for temporary employees increased 5.3% Y/Y. The 5.3% figure was up from 1.2% in the prior month and continues to be distorted by lower versus higher skilled wage mix shift.

Key Takeaway:

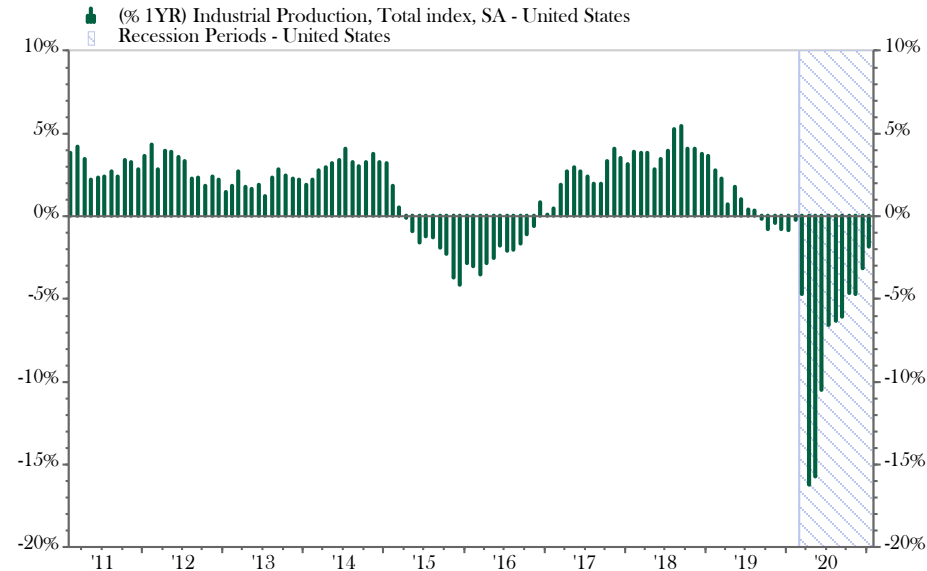
Nonfarm employment and unemployment statistics always are restated twice and can be even more volatile during turbulent economic times. Overall, however, these statistics have outperformed expectations since April 2020 when economists were “hoping” the unemployment rate would be at 10% by year end 2020. That said, employment is a key component of consumer spending trends and any pressure on employment could hit GDP in 2021.

US Real GDP



According to The Conference Board (TCB), US Real GDP, a good proxy for the overall staffing market, grew 18.7% in the second half of 2020 versus a decline of 18.2% in the first half. Base-case scenario, TCB also forecasted that GDP would increase 4.4% in 2021 and Real Consumer Spending will increase by 5.2%. Real Consumer Spending will considerably impact GDP and staffing revenues and we believe the industry could exhibit substantial growth under the 4.4% GDP scenario. As with past cycles, the staffing industry has displayed significant momentum exiting a short-lived recession with exceptions that we note in other parts of this outlook.

US Industrial Production Growth

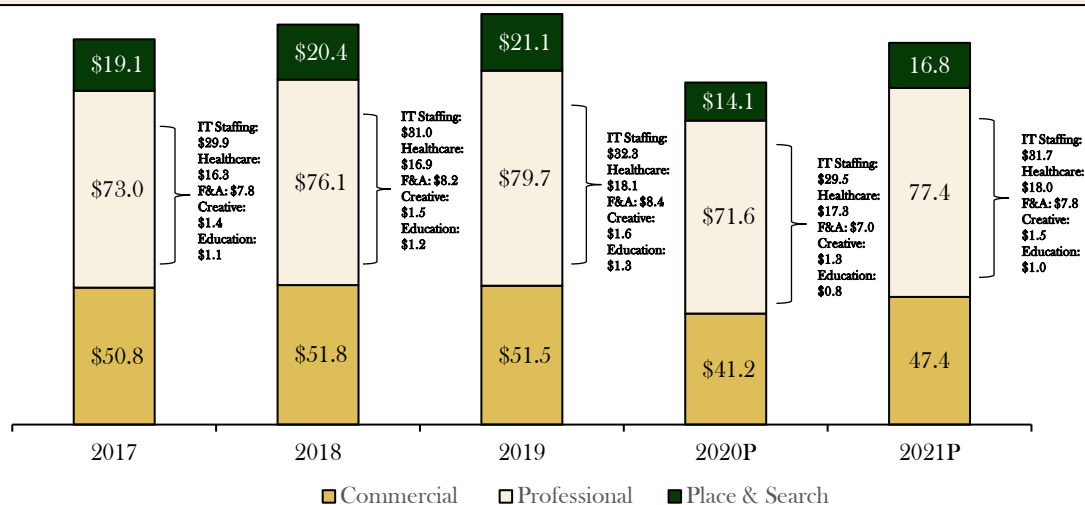


US Industrial Production, a good proxy for the \$35 billion industrial staffing segment, declined 1.8% in January 2021 versus a low of minus 16.3% in April 2020 and has consistently improved since June of 2020. The manufacturing sector, which accounts for 78% of industrial production, has rebounded as the sector came back from COVID-related shutdowns. We are concerned about certain parts of the industrial staffing industry such as chemicals, energy and mining due to possible increased regulations under the new Administration.

Segment Growth & Other Industry Data

- The latest US Staffing Industry Forecast from Staffing Industry Analysts (SIA) (September 2020) predicted that overall staffing revenues will increase 12% in 2021, ahead of a forecast of a “Base Case” 11% increase back in July 2020 with updated expectations by each vertical. Investors, which are 4-6 months forward-looking, have recently rewarded staffing stocks due to mostly better than expected trends and the stocks are trading at healthy multiples. We believe that if recent GDP and other trends continue, staffing stocks will outperform the overall market in 2021.
- The same report by SIA forecasted that in 2021 by major verticals, Place & Search will increase 19% (no change), Office/Clerical will increase 15% (up from +10%), Industrial will increase 15% (up from +14%) and Professional/Specialty will increase 8% (down from +9%). Our outlook is that declines will wildly vary by company size, geographic focus and industries served but that recent results from companies in all the above verticals could allow these sectors (except for parts of the industrial sector due to increased regulations) to come in better than expected in 2021.
- Within the Professional/Specialty segment, SIA forecasted that the \$30B+ IT staffing vertical will increase 7% (down from +9%), the \$8B+ Finance/Accounting (F&A) vertical will increase 12% (no change) and that the roughly \$18B Healthcare vertical will increase by 4% (down from +8% due to locum tenens and allied healthcare).
- Like the other segments, our view is that trends within the Professional segment will also vary by size, geography and industry focus, but that companies in the IT and F&A verticals will experience increases ahead of forecasts. Healthcare Staffing, which includes Nurse Staffing and Locum Tenens (temp physicians), should face less headwinds in 2021 and that nurse travel revenues have exceeded expectations.

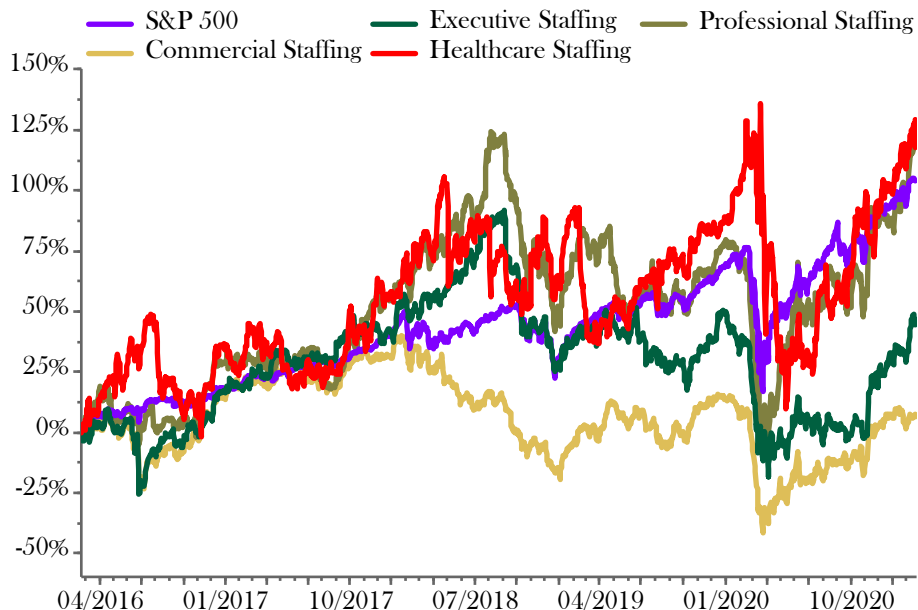
Staffing Industry Forecast



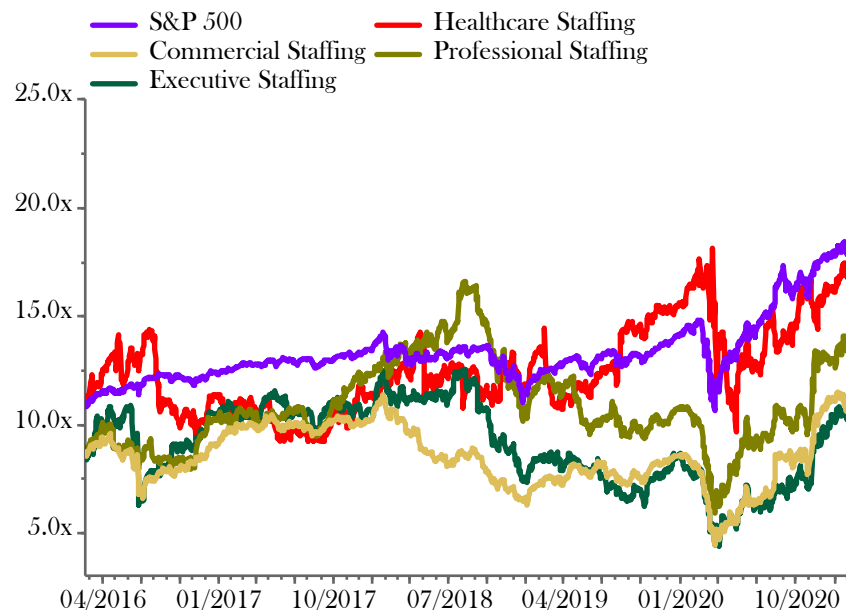
Source: Staffing Industry Analysts “US Staffing Industry Forecast: September 2020 Update”, September 10, 2020



5 Year Relative Stock Price Performance



5 Year EV/LTM EBITDA Relative Performance



Sub-Sector	Number of Companies	Median Enterprise Value (In \$ 000's)	Median Change in Stock Price			Median Gross Profit Conversion	Median TEV / LTM Multiples Revenue	Median TEV / LTM Multiples EBITDA
			1 Year	3 Years	5 Years			
Commercial Staffing	6	3,000.6	7.2%	-21.0%	22.5%	18.5%	0.4x	12.0x
Professional Staffing	8	189.1	52.7%	2.1%	59.0%	21.0%	0.8x	14.7x
Executive & Retained Search	4	2,713.2	23.2%	16.6%	43.2%	42.9%	1.0x	13.6x
Healthcare Staffing	2	2,457.1	0.2%	4.6%	67.6%	24.6%	1.2x	17.7x
S&P 500*			16.1%	43.4%	99.3%			

*S&P data on a mean basis



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*Member
FDIC



Non-deposit investment products are not insured by the FDIC; are not deposits or other obligations of, or guaranteed by, Peapack-Gladstone Bank; and are subject to investment risks, including possible loss of the principal amount invested.

Commercial Staffing

Company Name	Ticker	Date	Enterprise Value	Revenues	Gross Profit	Gross Profit Margin	EBITDA	EBITDA Margin	Enterprise Value / Revenues	Enterprise Value / EBITDA
Adecco Group AG	ADEN-CH	09/30/2020	\$11,414.3	\$22,559.0	\$4,255.9	18.9%	\$899.7	4.0%	0.5 x	12.7 x
Barrett Business Services, Inc.	BBSI	09/30/2020	\$348.0	\$892.8	\$181.5	20.3%	\$57.0	6.4%	0.4 x	6.1 x
Kelly Services, Inc. Class A	KELYA	01/03/2021	\$682.5	\$4,516.0	\$820.8	18.2%	\$79.5	1.8%	0.2 x	8.6 x
ManpowerGroup Inc.	MAN	12/31/2020	\$5,237.6	\$18,001.0	\$2,824.7	15.7%	\$447.2	2.5%	0.3 x	11.7 x
Randstad NV	RAND-NL	09/30/2020	\$12,832.3	\$23,528.5	\$4,000.5	17.0%	\$1,047.7	4.5%	0.5 x	12.2 x
TrueBlue, Inc.	TBI	12/27/2020	\$763.7	\$1,846.4	\$408.6	22.1%	\$32.3	1.8%	0.4 x	23.6 x
Average			\$5,213.0	\$11,890.6	\$2,082.0	18.7%	\$427.2	3.5%	0.4 x	12.5 x
Median			\$3,000.6	\$11,258.5	\$1,822.8	18.5%	\$263.4	3.2%	0.4 x	12.0 x

Professional Staffing

Company Name	Ticker	Date	Enterprise Value	Revenues	Gross Profit	Gross Profit Margin	EBITDA	EBITDA Margin	Enterprise Value / Revenues	Enterprise Value / EBITDA
ASGN Inc	ASGN	12/31/2020	\$5,972.5	\$3,950.6	\$1,037.6	26.3%	\$407.0	10.3%	1.5 x	14.7 x
BGSF, Inc.	BGSF	09/27/2020	\$187.4	\$280.5	\$70.8	25.2%	\$17.6	6.3%	0.7 x	10.7 x
GEE Group, Inc.	JOB	12/31/2020	\$94.0	\$126.9	\$39.8	31.3%	\$7.7	6.0%	0.7 x	12.3 x
Kforce Inc.	KFRC	12/31/2020	\$1,117.2	\$1,397.7	\$391.0	28.0%	\$85.5	6.1%	0.8 x	13.1 x
Mastech Digital, Inc.	MHH	12/31/2020	\$190.8	\$194.1	\$54.3	28.0%	NA	NA	1.0 x	NA
RCM Technologies, Inc.	RCMT	09/26/2020	\$73.9	\$157.8	\$39.4	25.0%	\$2.7	1.7%	0.5 x	27.2 x
Robert Half International Inc.	RHI	12/31/2020	\$8,897.1	\$5,109.0	\$1,949.1	38.2%	\$408.9	8.0%	1.7 x	21.8 x
Volt Information Sciences, Inc.	VOLT	11/01/2020	\$117.0	\$822.1	\$127.9	15.6%	\$5.8	0.7%	0.1 x	20.2 x
Average			\$2,081.2	\$1,504.8	\$463.7	27.2%	\$133.6	5.6%	0.9 x	17.1 x
Median			\$189.1	\$551.3	\$99.3	27.1%	\$17.6	6.1%	0.8 x	14.7 x



Executive & Retained Search

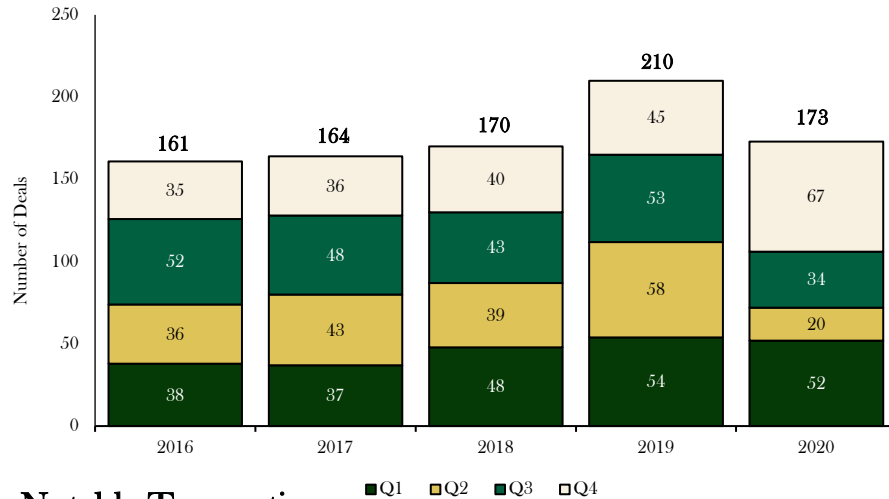
Company Name	Ticker	Date	Enterprise Value	Revenues	Gross Profit	Gross Profit Margin	EBITDA	EBITDA Margin	Enterprise Value / Revenues	Enterprise Value / EBITDA
Hays plc	HAS-GB	12/31/2020	\$3,389.6	\$7,155.5	NA	NA	\$160.7	2.2%	0.5 x	21.1 x
Heidrick & Struggles International, Inc.	HSII	09/30/2020	\$553.0	\$651.8	\$172.1	26.4%	\$73.8	11.3%	0.8 x	7.5 x
Korn Ferry	KFY	01/31/2021	\$3,301.2	\$1,711.5	\$363.6	21.2%	\$229.4	13.4%	1.9 x	14.4 x
PageGroup PLC	PAGE-GB	06/30/2020	\$2,125.2	\$1,874.0	\$888.4	47.4%	\$164.8	8.8%	1.1 x	12.9 x
Average			\$2,342.3	\$2,848.2	\$474.7	31.7%	\$157.2	8.9%	1.1 x	14.0 x
Median			\$2,713.2	\$1,792.8	\$363.6	26.4%	\$162.8	10.1%	1.0 x	13.6 x

Healthcare Staffing

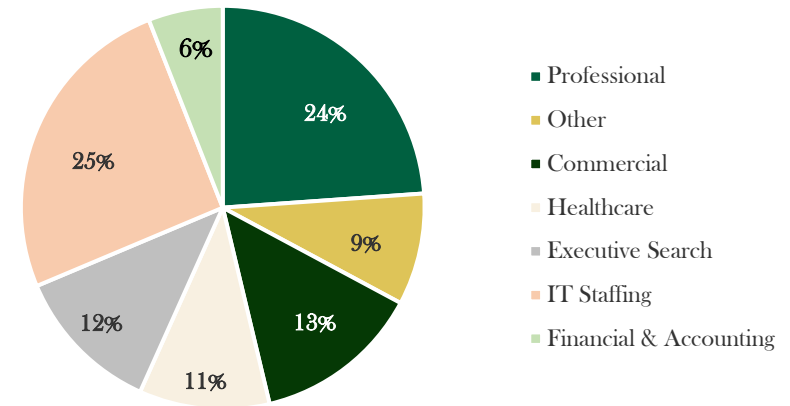
Company Name	Ticker	Date	Enterprise Value	Revenues	Gross Profit	Gross Profit Margin	EBITDA	EBITDA Margin	Enterprise Value / Revenues	Enterprise Value / EBITDA
AMN Healthcare Services, Inc.	AMN-US	12/31/2020	\$4,457.9	\$2,393.7	\$699.0	29.2%	\$242.0	10.1%	1.9 x	18.4 x
Cross Country Healthcare, Inc.	CCRN-US	09/30/2020	\$456.4	\$835.9	\$186.4	22.3%	\$27.0	3.2%	0.5 x	16.9 x
Average			\$2,457.1	\$1,614.8	\$442.7	25.8%	\$134.5	6.7%	1.2 x	17.7 x
Median			\$2,457.1	\$1,614.8	\$442.7	25.8%	\$134.5	6.7%	1.2 x	17.7 x



No. of Deals Per Quarter



Q4 Deals by Industry



Notable Transactions

Completion Date	Target	Target Description	Buyer	Commentary
12/29/2020	Keystone Staffing, Inc.	Keystone Staffing, Inc. operates an online recruitment platform which provides staffing services	Staffing Solutions, Inc.	Staffing Solutions Inc., and Keystone Staffing, Inc. have merged to form Keystone Staffing and Talent Solutions, a \$10mm locally owned talent and staffing firm. Staffing Solutions was founded by Benny Filandrinos in 1992, who will serve as VP and Principal of the new company. Keystone Staffing was also founded in 1992 by Patrick Queenseen, who will be CEO of the new company. The merger will expand the firms' service lines to include direct hire, temp-to-hire, and temporary/contract staffing including executive and professional search services. In addition, the new firm will provide recruitment and human resources consulting services, including recruitment process outsourcing, employee assessment, benchmarking studies, and HR-on-demand services. This merger shows the continued trend to grow via acquisition in the human capital space and will allow the firm to be a leader in the St. Louis market.
12/8/2020	System One Holdings	System One specializes in integrated services and human capital management solutions	Oaktree Capital Management	Oaktree Capital Management, a Los Angeles based leading global alternative investments management firm has entered into an agreement to acquire a significant stake in System One Holdings, LLC, an international staffing and workforce solutions firm, headquartered in Pittsburgh. Oaktree Capital Management has over \$140Bn AUM, and invests across multiple asset classes, focusing on investments that deliver above average gains without taking on excessive risk. System One Holdings is one of the largest integrated services and workforce solutions firms in the US with over 8,000 employees and consultants, and more than 50 offices. Included in SIA's 2020 largest staffing firms in the US, System One offers a full suite of workforce solutions and staffing and recruiting. The investment will provide capital to allow System One's to rapidly grow its portfolio of services.
12/01/2020	Integrated Solutions Management, Inc.	Integrated Solutions Management, Inc. (ISM) is an IT performance company.	ASGN, Inc.	ASGN, Inc. (NYSE: ASGN), one of the foremost providers of IT and professional services in the technology, digital, creative, engineering and life sciences fields has entered into an agreement to acquire Integrated Solutions Management, Inc. ISM offers industry-leading expertise in Internet of Things (IoT) technology, IT service and operations management. ISM offers their comprehensive suite of products and services across commercial and government sectors. This acquisition will enhance ASGN's portfolio and position themselves to deliver on some of the most complex digital transformations.
11/17/2020	Power Labor, LLC	Power Labor, LLC provides skilled commercial construction labor staffing services	Labor Source Holdings, LLC	Labor Source Holdings LLC, a portfolio company of PE firm Great Range Capital has acquired Power Labor LLC. Great Range Capital, a PE firm founded in 2010 seeks to partner with Midwestern companies in the business and industrial sectors. Labor Source, a Kansas based firm operates the One Source Staffing and Labor and Catstaff brands, which provide restoration and emergency response staffing services. Power Labor, headquartered in Texas provides staffing services for the medium to large commercial construction companies to fulfill short and long term needs of skilled tradesmen. The acquisition will bring more diversity and additional staffing solutions to Labor Source's portfolio in the niche industry.
10/21/2020	Latitude 36, Inc.	Latitude 36 is a staffing and recruiting company that offers information technology and healthcare staffing services.	Harvey Nash Group	Harvey Nash Group, a London-based global staffing firm has acquired US-based IT staffing firm Latitude 36. Harvey Nash Group was founded in 1988, and offers technology recruiting, executive search & leadership, and outsourcing solutions to over 30 countries globally. Latitude 36 is a full-service talent management firm specializing in IT staffing using proprietary tailored business intelligence to forecast talent needs. This acquisition fits Harvey Nash's ambitious growth plans to enter into the critical North American market and offer a much wider range of services as well as an expanded team of technology recruitment experts.

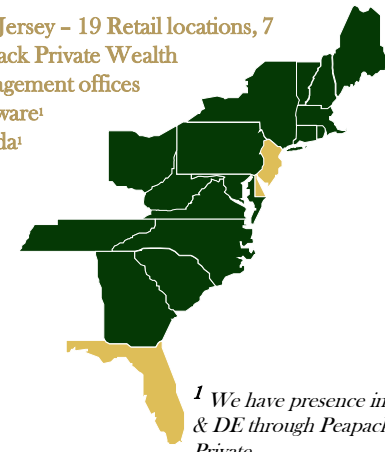


About the Bank

Peapack-Gladstone Bank* (NASDAQ: PGC) is a 100-year-old boutique commercial bank with total assets of \$5.9 Bn and AUM of \$8.8 Bn as of 12/31/2020. Other business segments include Peapack Private (Wealth Management), Commercial Banking, Commercial Real Estate, Peapack Capital (Equipment Finance), Retail, Residential and Consumer Banking.

Full-Service Bank, Boutique focus

- New Jersey – 19 Retail locations, 7 Peapack Private Wealth Management offices
- Delaware¹
- Florida¹



¹ We have presence in FL & DE through Peapack Private

Human Capital Investment Banking Coverage

Professional

- IT Staffing & Consulting
- Finance & Accounting
- Healthcare
- Engineering

Commercial

- Clerical
- Pick and Pack
- Distribution & Logistics

Place & Search

- Direct Hire
- Retained Search

HR Technology

- VMS Platforms
- Block Chain Technology
- Recruitment Process Outsourcing

Senior Banker Contacts

 Kevin Bodnar
Senior Managing Director
Head of Corporate Advisory
E: kbodnar@pgbank.com
T: (908) 443-5385

 Jim Janesky
Senior Advisor
Business Services
E: jjanesky@pgbank.com
T: (908) 524-8393

Our Capabilities

- Mergers and Acquisitions
- Capital Formation
- Corporate Finance Advisory
- Structured Finance Solutions

Business Services Transactional Experience



- Our senior bankers have participated and evaluated over 125 transactions in both public and private markets within the Business Services sector
- +75 of the transactions were in the human capital vertical

Dedicated Sector Focus

- ✓ Business Services
- ✓ Utilities and Telecom
- ✓ Information Technology
- ✓ Industrials
- ✓ Financials
- ✓ Healthcare
- ✓ Consumer Staples
- ✓ Consumer Discretionary
- ✓ Materials & Energy
- ✓ Communication Services & Real Estate

Investment Banking has access to a team of 10 equity research analysts through Peapack Private covering 13 industry verticals to meet the corporate finance needs of middle market business owners and investors

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Industry Perspectives

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PEAPACK PRIVATE

Wealth Management

Overview

Our Team is pleased to present its 3Q20 quarterly human capital solutions industry update from our Senior Advisor, Jim Janesky, who oversees client coverage and leads the vertical.

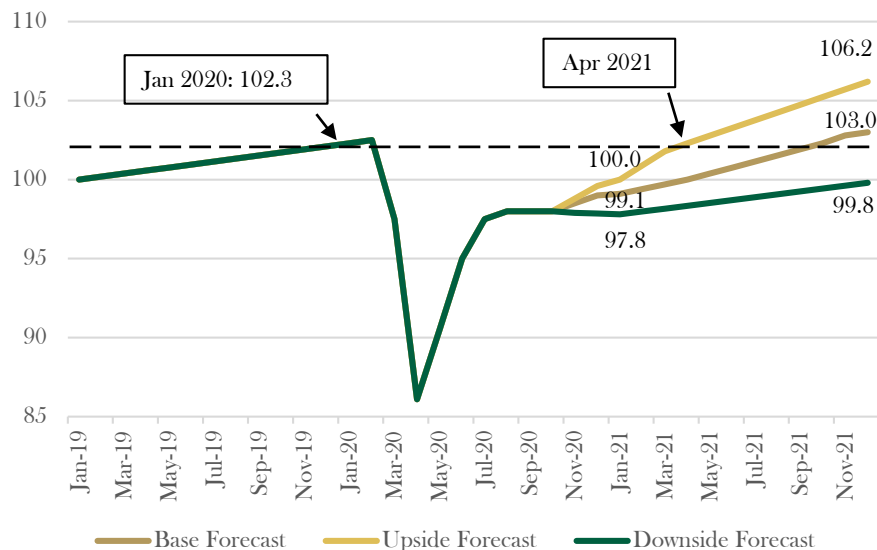
Through this industry update, we will share with you our impressions on the market, track the leading macroeconomic indicators, report relevant transactions, public market valuations and highlight current trends.

Our Market Observations

- The US economy and staffing market has exhibited tremendous resiliency since April 2020. While there are pockets of staffing verticals and geographies that will continue to struggle (hospitality, transportation), some verticals such as IT and Finance have begun to grow sequentially and, in some cases, Y/Y. Even the hardest hit staffing verticals, light industrial and office/clerical, are showing signs of recovery. Another liquidity injection is also likely, although may not come until 2021.
- The 11/13/2020 Conference Board US GDP forecast outlined two recovery scenarios: a “Base” case and an “Upside” case, that predicted GDP to decline in 2020 by 3.6% and 3.5%, respectively (see page 3). The Conference Board has consistently “raised” its economic forecast since April 2020, when The Conference Board expected a GDP decline of almost 10% for 2020. On 11/13/2020, The Conference Board also outlined a “Downside” forecast that was based upon a resurgence of COVID-19, a deterioration in labor markets and overall spending, no stimulus until 2021, delays in a vaccine and a bumpy political transition, which yielded a GDP decline of 3.8%. Our outlook for the US staffing industry is based on the November 2020 3.6% (Base case) GDP decline for 2020 but note that future Conference Board updates could be subject to wild revisions.
- The chart on page 3 provides The Conference Board’s 11/13/2020 forecast for a 3.6% drop of US GDP in 2020 by quarter based on its underlying assumptions for Real Consumer Spending, Residential Investment, Real Capital Spending and Exports, in that order. Real Consumer Spending, which represents 60-65% of GDP, will be critical to an overall economic rebound but almost every input to GDP has come in better than expected since April 2020.
- Public company staffing stocks have rebounded but continue to underperform the overall market. We believe that this could reverse in the upcoming months. Investors prefer staffing stocks as we exit a recession. Both public and private companies reported that we might have turned the corner in the US staffing market (see page 7).
- After a significant pause in 2Q20, the M&A market has rebounded in 3Q20. We expect this trend to continue as we move into 2021. There are more buyers than sellers and financing is readily available, but buyers are requiring that sellers take on more risk than usual (see page 10).



Conference Board US GDP Outlook (Index, Jan 2019=100)



Base Case Economic Outlook 2019-2020-2021 (% change, seasonally adj annual rates)

	2020				2021				2019	2020	2021
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Annual		
Real GDP	-5.0	-31.4	33.1	2.2	0.7	3.5	6.0	4.5	2.2	-3.6	3.4
Real Consumer Spending	-6.9	-33.2	40.7	1.6	1.0	3.9	7.1	4.9	2.4	-4.0	4.2
Residential Investment	19.0	-35.5	59.3	15.0	7.0	6.0	5.0	5.0	-1.7	4.5	9.7
Real Capital Spending	-6.7	-27.2	20.3	5.6	3.5	3.7	4.5	4.8	2.9	-4.7	3.8
Exports	-9.5	-64.4	59.7	9.1	3.0	5.1	7.1	5.1	-0.1	-13.6	3.5

	Total Contraction & Growth (%YoY)	
	Annual 2020	Annual 2021
Downside Forecast	-3.8%	+0.0%
Upside Forecast	-3.5%	+6.0%
Base Forecast	-3.6%	+3.4%

The 11/13/2020 Conference Board US GDP forecast outlined two recovery scenarios: Base and Upside, that predicted GDP to decline in 2020 by 3.6%, and 3.5% respectively

The Conference Board is directionally more bullish on the US economy while highlighting red flags such as slower job growth and a possible resurgence of COVID-19

For example, Real Consumer Spending, which represents 60-65% of GDP, will be critical to an overall economic rebound and is dependent upon, among other trends, employment statistics

For the first time since April 2020, Real Consumer Spending is now expected to increase in 4Q20 even after a sharp rebound in 3Q20

Our outlook for the US staffing industry is based on the recent 3.6% (Base case) GDP decline for 2020 and has become directionally more bullish

Source: The Conference Board "The Conference Board Economic Forecast for the US Economy", November 13, 2020

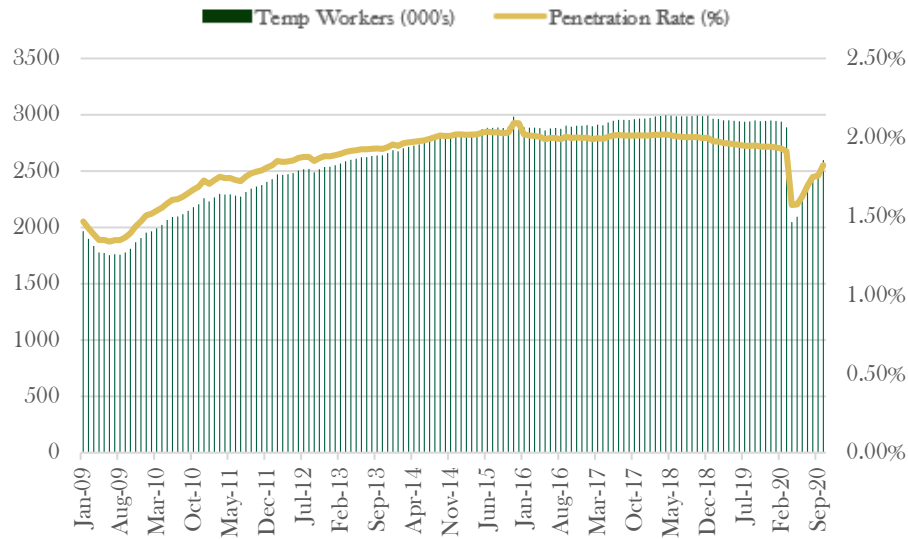


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Temporary Employment Vs. Penetration Rate

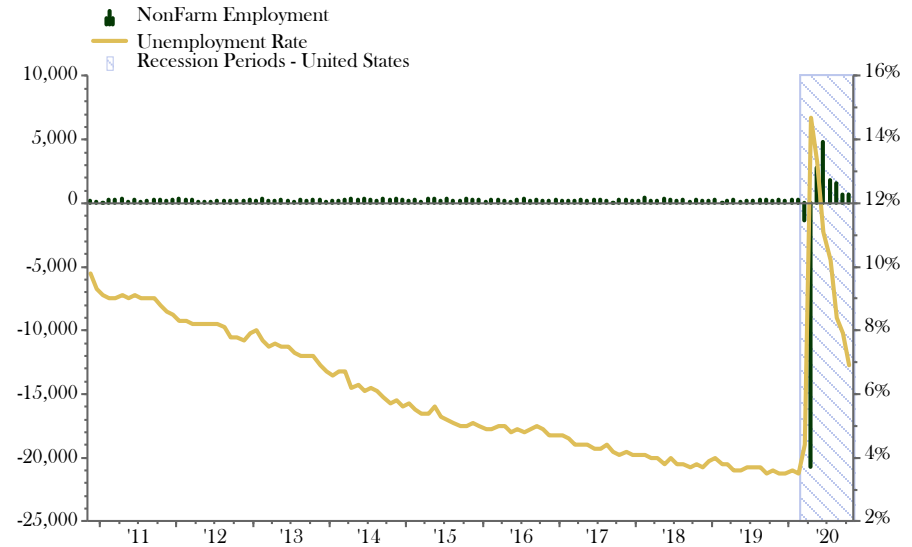


The temporary employment penetration rate came in at 1.82% in October 2020 compared to 1.75% the previous month. Temporary staffing volume growth **declined 11.8% Y/Y** versus a **decrease of 15.0%** in the prior month while sequential volume **increased 4.4%** in October. Many areas of temp employment have continued to improve in 2020 and could exhibit further recovery, especially if employers become hesitant about re-hiring full-time workers.

Key Takeaway:

While components of the staffing industry have experienced near-term recovery, we believe that the industry could become an even more valuable resource to employers in the current cycle. The IT and finance verticals, and now office/clerical, have become well-equipped to handle remote work and employers may increasingly use temp labor to manage their wage costs.

Y/Y Δ in NonFarm Employment Vs. Unemployment Rate



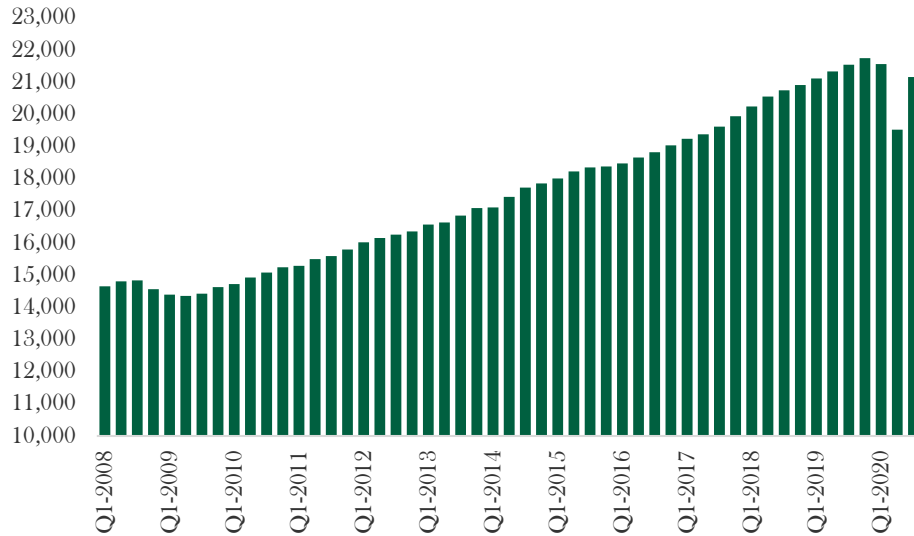
The October 2020 report of an **increase** of 638,000 jobs was above the forecast of a 580,000 **increase** in jobs. The unemployment rate of 6.9% was substantially lower than the 7.9% figure in September 2020 while average hourly earnings for temporary employees increased 3.4% Y/Y. The 3.4% figure was up from 2.7% in the prior month, as lower wage workers reentered the workforce at a slower rate.

Key Takeaway:

Nonfarm employment and unemployment statistics continue to exceed expectations. At the beginning of the pandemic, economists were “hoping” the unemployment rate would be at 10% by year end 2020. That said, the increase in monthly employment has recently slowed and could flow through to GDP as lower consumer spending in the coming months.

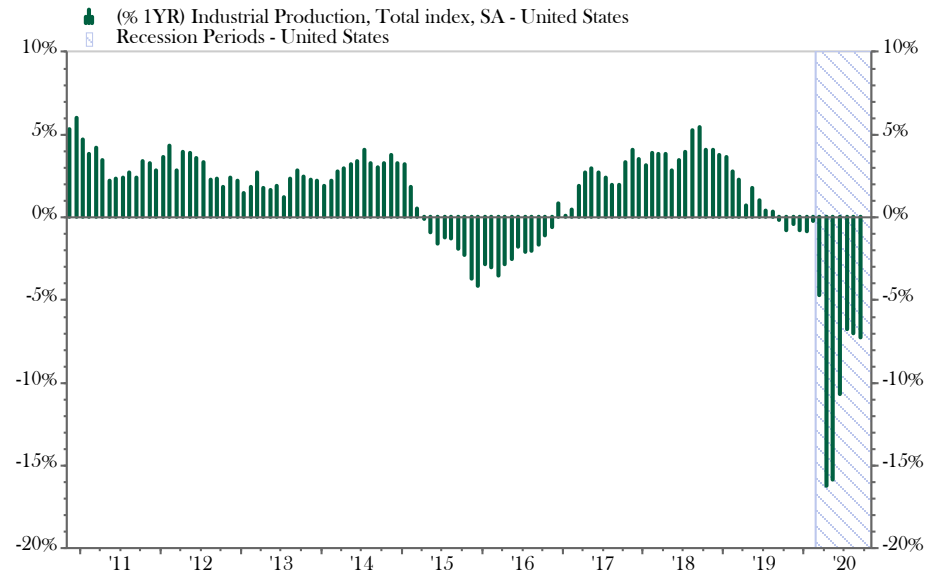


US Real GDP



According to The Conference Board (TCB), US Real GDP, a good proxy for the overall staffing market, fell 31.4% in 2Q20 versus a decline of 5.0% in 1Q20. Base-case scenario, TCB also forecasted that GDP would decline 3.6% in 2020 and Real Consumer Spending will decline by 4.0%. Real Consumer Spending, which accounts for 60-65% of GDP, will considerably impact GDP and staffing revenues and continues to come in better than expected. As with past cycles, the staffing industry has shown positive momentum exiting a short-lived recession with exceptions that we note in other parts of this outlook.

US Industrial Production Growth



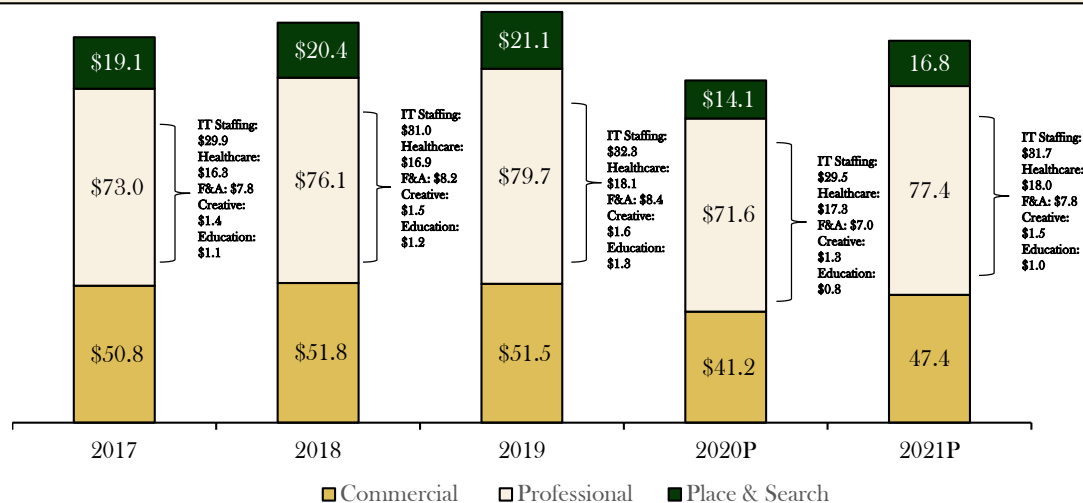
US Industrial Production, a good proxy for the \$35 billion industrial staffing segment, declined 7.0% in September 2020 versus a low of minus 16.3% in April 2020 but is stuck in the roughly minus 7% range since July 2020. The manufacturing sector, which accounts for 78% of industrial production, has rebounded as the sector came back from COVID-related shutdowns. The US industrial staffing industry has rebounded along with US industrial production and while industrial staffing has a way to go from its trough, recent signs of stabilization are encouraging for the industry.



Segment Growth & Other Industry Data

- A September 2020 US Staffing Industry Forecast from Staffing Industry Analysts (SIA) predicted that overall staffing revenues will decline 17% in 2020, inline with a forecast of a 17% decline back in July 2020 but with updated expectations by each vertical. Investors, which are 4-6 months forward-looking, have recently rewarded staffing stocks due to mostly better than expected trends and the stocks are trading at healthy multiples. We believe that if recent trends continue, investors will begin to increasingly favor staffing stocks, which could lead to outperformance in 2021.
- The same report by SIA forecasted that by major verticals, Place & Search will decline 33% (up from -36%), Office/Clerical will decline 20% (down from -18%), Industrial will decline 20% (up from -22%) and Professional/Specialty will decline 10% (same as the previous forecast). We note that the forecasts for virtually every sector have improved for 2020. Our outlook is that declines will wildly vary by company size, geographic focus and industries served but that recent results from companies in the all the above verticals could allow these sectors to come in better than expected.
- Within the Professional/Specialty segment, SIA forecasted that the \$30B+ IT staffing vertical will decline 9% (up from -10%), the \$8B+ Finance/Accounting (F&A) vertical will decline 17% (same as previous forecast) and that the roughly \$18B Healthcare vertical will decline by 4% (down from -3% due to locum-tenens declines of 15%).
- Like the other segments, our view is that trends within the Professional segment will also vary by size, geography and industry focus, but that companies in the IT and F&A verticals are outperforming the outlook provided above. Healthcare Staffing, which includes Nurse Staffing and Locum Tenens (temp physicians), has faced increased headwinds on the locum side due to fewer elective procedures, less emergency room visits and doctor office closures, but nurse travel revenues have accelerated.

Staffing Industry Forecast



Source: Staffing Industry Analysts "US Staffing Industry Forecast: September 2020 Update", September 10, 2020

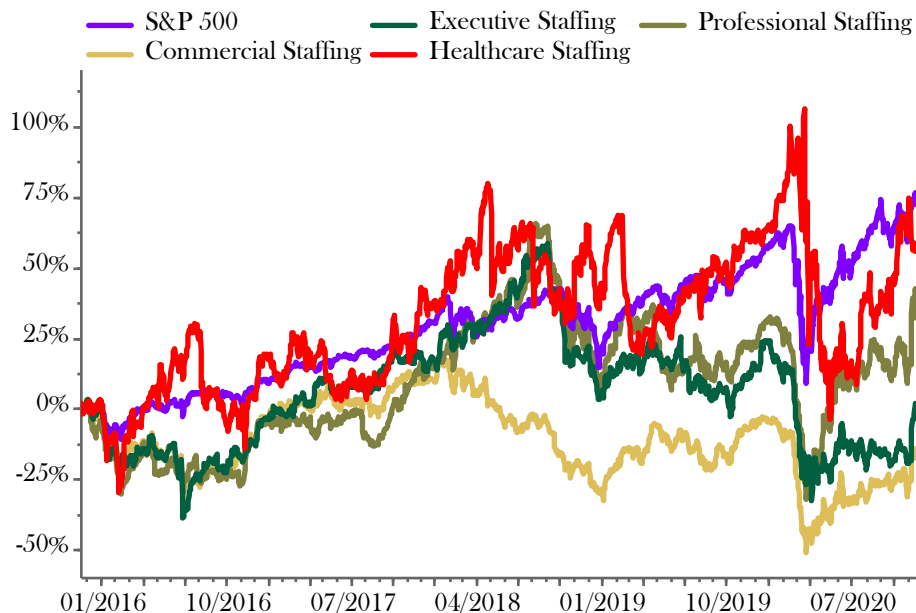


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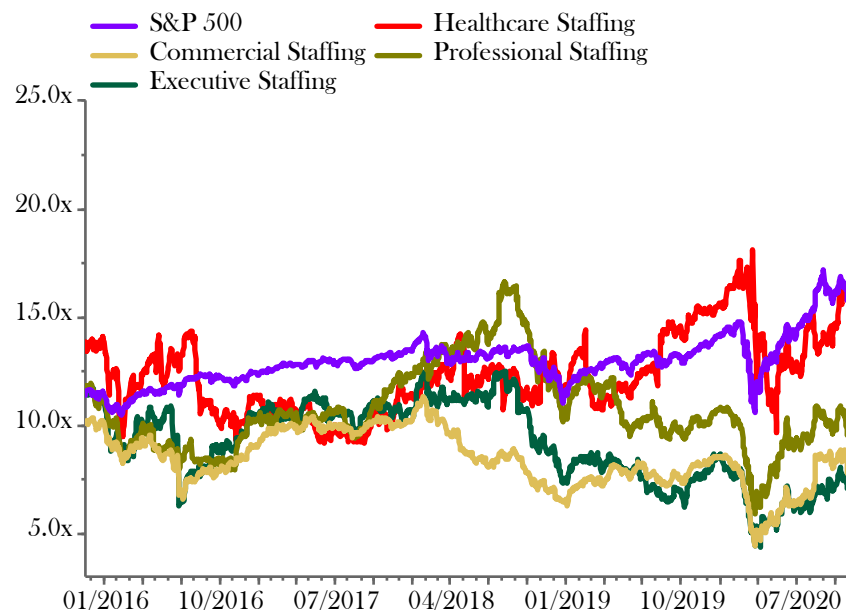
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5 Year Relative Stock Price Performance



5 Year EV/LTM EBITDA Relative Performance



Sub-Sector	Number of Companies	Median Enterprise Value (In \$ 000's)	Median Change in Stock Price			Median Gross Profit Conversion	Median TEV / LTM Multiples	
			1 Year	3 Years	5 Years		Revenue	EBITDA
Commercial Staffing	6	2,867.5	-4.3%	-23.6%	-0.9%	19.0%	0.4x	10.7x
Professional Staffing	8	182.5	8.2%	-6.5%	3.5%	22.6%	0.6x	12.3x
Executive & Retained Search	4	2,019.9	-5.3%	-4.5%	-11.5%	50.6%	0.8x	10.2x
Healthcare Staffing	2	2,112.6	-13.5%	3.1%	29.1%	25.8%	1.1x	14.8x
S&P 500*			15.7%	40.0%	76.0%			

*S&P data on a mean basis



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Commercial Staffing

Company Name	Ticker	Date	Enterprise Value	Revenues	Gross Profit	Gross Profit Margin	EBITDA	EBITDA Margin	Enterprise Value / Revenues	Enterprise Value / EBITDA
Adecco Group AG	ADEN-CH	09/30/2020	\$10,548.9	\$22,559.0	\$4,255.9	18.9%	\$899.7	4.0%	0.5 x	11.7 x
Barrett Business Services, Inc.	BBSI	09/30/2020	\$339.4	\$892.8	\$181.5	20.3%	\$57.0	6.4%	0.4 x	6.0 x
Kelly Services, Inc. Class A	KELYA	09/27/2020	\$673.7	\$4,612.4	\$843.3	18.3%	\$95.9	2.1%	0.1 x	7.0 x
ManpowerGroup Inc.	MAN	09/30/2020	\$5,061.4	\$18,142.7	\$2,885.4	15.9%	\$486.6	2.7%	0.3 x	10.4 x
Randstad NV	RAND-NL	09/30/2020	\$11,551.4	\$23,528.5	\$4,000.5	17.0%	\$1,047.7	4.5%	0.5 x	11.0 x
TrueBlue, Inc.	TBI	09/27/2020	\$653.2	\$1,918.8	\$437.2	22.8%	\$57.5	3.0%	0.3 x	11.4 x
Average			\$4,804.6	\$11,942.4	\$2,100.6	18.9%	\$440.7	3.8%	0.4 x	9.6 x
Median			\$2,867.5	\$11,377.6	\$1,864.4	18.6%	\$291.3	3.5%	0.4 x	10.7 x

Professional Staffing

Company Name	Ticker	Date	Enterprise Value	Revenues	Gross Profit	Gross Profit Margin	EBITDA	EBITDA Margin	Enterprise Value / Revenues	Enterprise Value / EBITDA
ASGN Inc	ASGN	09/30/2020	\$5,366.3	\$3,964.4	\$1,022.5	25.8%	\$396.1	10.0%	1.4 x	13.5 x
BG Staffing, Inc.	BGSF	09/27/2020	\$155.8	\$280.5	\$70.8	25.2%	\$17.6	6.3%	0.6 x	8.9 x
GEE Group, Inc.	JOB	06/30/2020	\$74.3	\$137.7	\$41.9	30.4%	\$6.8	4.9%	0.5 x	10.9 x
Kforce Inc.	KFRC	09/30/2020	\$929.9	\$1,379.9	\$388.3	28.1%	\$86.9	6.3%	0.7 x	10.7 x
Mastech Digital, Inc.	MHH	09/30/2020	\$209.3	\$195.8	\$48.6	24.8%	\$17.1	8.7%	1.1 x	12.2 x
RCM Technologies, Inc.	RCMT	09/26/2020	\$33.7	\$157.8	\$39.4	25.0%	\$2.7	1.7%	0.2 x	12.4 x
Robert Half International Inc.	RHI	09/30/2020	\$7,182.1	\$5,342.3	\$2,073.0	38.8%	\$473.5	8.9%	1.3 x	15.2 x
Volt Information Sciences, Inc.	VOLT	08/02/2020	\$82.2	\$869.4	\$136.6	15.7%	\$3.5	0.4%	0.1 x	23.6 x
Average			\$1,754.2	\$1,541.0	\$477.6	26.7%	\$125.5	5.9%	0.7 x	13.4 x
Median			\$182.5	\$574.9	\$103.7	25.5%	\$17.4	6.3%	0.6 x	12.3 x



Executive & Retained Search

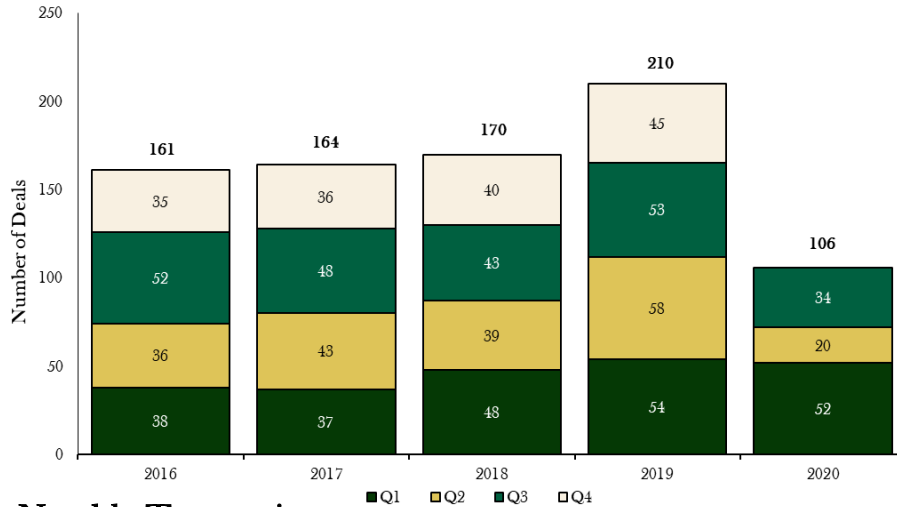
Company Name	Ticker	Date	Enterprise Value	Revenues	Gross Profit	Gross Profit Margin	EBITDA	EBITDA Margin	Enterprise Value / Revenues	Enterprise Value / EBITDA
Hays plc	HAS-GB	06/30/2020	\$2,740.1	\$7,465.5	\$189.1	2.5%	\$249.2	3.3%	0.4 x	11.0 x
Heidrick & Struggles International, Inc.	HSII	09/30/2020	\$367.4	\$651.8	\$172.1	26.4%	\$73.8	11.3%	0.6 x	5.0 x
Korn Ferry	KFY	07/31/2020	\$2,171.3	\$1,828.0	\$398.2	21.8%	\$232.2	12.7%	1.2 x	9.4 x
PageGroup PLC	PAGE-GB	06/30/2020	\$1,868.5	\$1,874.0	\$888.4	47.4%	\$164.8	8.8%	1.0 x	11.3 x
Average			\$1,786.8	\$2,954.8	\$411.9	24.5%	\$180.0	9.0%	0.8 x	9.2 x
Median			\$2,019.9	\$1,851.0	\$298.6	24.1%	\$198.5	10.1%	0.8 x	10.2 x

Healthcare Staffing

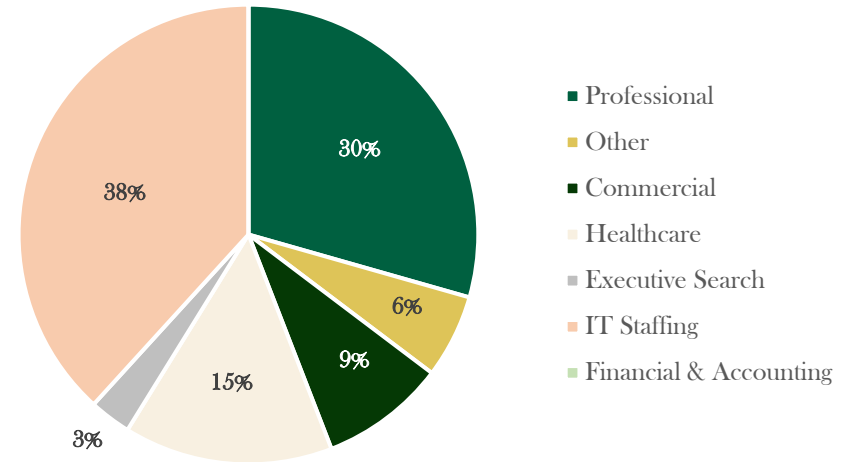
Company Name	Ticker	Date	Enterprise Value	Revenues	Gross Profit	Gross Profit Margin	EBITDA	EBITDA Margin	Enterprise Value / Revenues	Enterprise Value / EBITDA
AMN Healthcare Services, Inc.	AMN-US	09/30/2020	\$3,826.8	\$2,349.3	\$695.3	29.6%	\$258.1	11.0%	1.6 x	14.8 x
Cross Country Healthcare, Inc.	CCRN-US	09/30/2020	\$398.5	\$835.9	\$186.4	22.3%	\$27.0	3.2%	0.5 x	14.7 x
Average			\$2,112.6	\$1,592.6	\$440.8	25.9%	\$142.6	7.1%	1.1 x	14.8 x
Median			\$2,112.6	\$1,592.6	\$440.8	25.9%	\$142.6	7.1%	1.1 x	14.8 x



No. of Deals Per Quarter



Q3 Deals by Industry



Notable Transactions

Completion Date	Target	Target Description	Buyer	Commentary
09/01/2020	LeapFrog Systems, Inc.	Provides information technology consulting services	ASGN, Inc.	ASGN Inc. (NYSE: ASGN) acquired LeapFrog Systems Inc. to expand its capabilities in digital innovation and enterprise-scale digital business transformation services. ASGN Inc. is a publicly traded technology services provider headquartered in Henrico, VA. LeapFrog Systems, Inc. is a technology and management consulting firm, providing consulting and staffing services. Headquartered in Boston, MA, LeapFrog will allow ASGN to bolster its offerings for the financial services, insurance, and healthcare clients.
09/01/2020	Geneva Consulting Group, Inc.	Provides temporary and permanent information technology staffing solutions	TSR, Inc.	TSR, Inc. (NASDAQ: TSRH), a publicly traded IT and technical services staffing firm has acquired the Geneva Consulting Group, Inc. for \$2.5mm. The Geneva Consulting Group is a well-respected IT staffing firm headquartered in Port Washington, NY. The acquisition further expands on TSR's IT staffing expertise, and recruiting capabilities, and aligns with the strategy of accelerating growth, as well as establishes a stronger foothold in the NY market. This acquisition shows that TSR, Inc. seems to have made significant strides since their proxy battle and restructuring of their board. TSR, Inc. is based in Hauppauge, NY, and has been in business since 1969.
09/01/2020	Celsus Group Ltd.	Provides locum tenens and healthcare staffing services	Sullivan Street Partners	Sullivan Street Partners, a London, UK-based private equity firm has acquired Celsus Group Ltd., a medical staffing and locum tenens provider. Sullivan Street Partners is a middle market private equity firm that typically invests in companies they believe to be operationally challenged. Sullivan Street does not build an extensive portfolio but concentrates energy and resources on a limited number of companies at any one time. Celsus Group Ltd., is one of the premier locum tenens provider in the UK, servicing both public and private healthcare sectors including primary care providers, NHS hospitals, and local authorities.
8/13/2020; 9/9/2020	Pioneer Global, Inc., Fourth Technologies Inc., Sofi2001 Inc.	Provides staffing and temporary employment services	Mission Mining Co. d/b/a Futuris Technology Services, Inc.	Futuris Technology Services, Inc. made three recent acquisitions, two of which were Fourth Technologies Inc., and Sofi2001 Inc., an IT, engineering and IT management staffing company, and Finance & Accounting staffing company, respectively, both headquartered in Cherry Hill, NJ. These add-ons will compliment Futuris' growth strategy with operational synergies and proprietary technology. Prior to these acquisitions, Futuris bought Pioneer Global, a US based staffing company providing temp, temp-to-hire, and direct-hire services. All acquisitions are in line with Futuris' strategy of building out a robust staffing service platform.
08/10/2020	Futuris Technology Services, Inc.	Provides IT staffing solutions	Mission Mining Co.	Mission Mining Co., a Human Capital Management (HCM) and staffing company has acquired Futuris Technology Services, Inc., a HCM company focused on the acquisitions of executive search, staffing and consulting companies that specialize in the medical, accounting/finance, IT, and human resources segments. This deal will expand the strategy of Mission Mining to add staffing companies to leverage operational efficiencies to maximize growth.
07/14/2020	Lumen Legal Holdings LLC	Provides legal staffing services	Apax Partners; Lexitas	Lumen Legal Holdings LLC, a legal staffing and outsourcing company based in Troy, MI was acquired by Apax Partners-backed Lexitas, a provider of technology enabled litigation services. Apax Partners is a London based private equity firm with \$30.0B AUM, and primarily invests in technology, telecommunications, healthcare, and consumer sectors. Apax has made numerous investments in the legal space over the past few years, especially in the legal staffing sector. This acquisition enhances the growth strategy by Lexitas and Apax to expand into the legal talent outsourcing space.

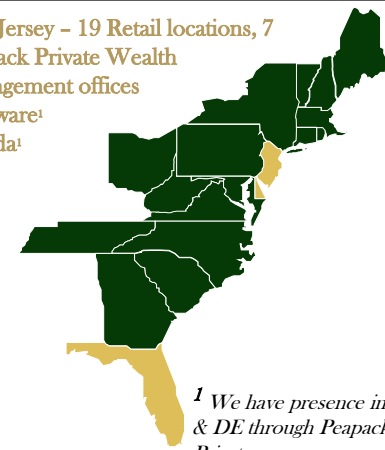


About the Bank

Peapack-Gladstone Bank* (NASDAQ: PGC) is a nearly 100-year-old boutique commercial bank with total assets of \$6.0 Bn and AUM of \$7.6 Bn as of 09/30/2020. Other business segments include Peapack Private (Wealth Management), Commercial Banking, Commercial Real Estate, Peapack Capital (Equipment Finance), Retail, Residential and Consumer Banking.

Full-Service Bank, Boutique focus

- New Jersey – 19 Retail locations, 7 Peapack Private Wealth Management offices
- Delaware¹
- Florida¹



Human Capital Investment Banking Coverage

Professional

- IT Staffing & Consulting
- Finance & Accounting
- Healthcare
- Engineering

Commercial

- Clerical
- Pick and Pack
- Distribution & Logistics

Place & Search

- Direct Hire
- Retained Search

HR Technology

- VMS Platforms
- Block Chain Technology
- Recruitment Process Outsourcing

Senior Banker Contacts

Kevin Bodnar
Senior Managing Director
Head of Corporate Advisory
E: kbodnar@pgbank.com
T: (908) 443-5385

Jim Janesky
Senior Advisor
Business Services
E: jjanesky@pgbank.com
T: (908) 524-8393

Our Capabilities

- Mergers and Acquisitions
- Capital Formation
- Corporate Finance Advisory
- Structured Finance Solutions

Business Services Transactional Experience



- Our senior bankers have participated and evaluated over 125 transactions in both public and private markets within the Business Services sector
- +75 of the transactions were in the human capital vertical

Dedicated Sector Focus

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- ✓ Utilities and Telecom
- ✓ Information Technology
- ✓ Industrials
- ✓ Financials
- ✓ Healthcare
- ✓ Consumer Staples
- ✓ Consumer Discretionary
- ✓ Materials & Energy
- ✓ Communication Services & Real Estate

Investment Banking has access to a team of 10 equity research analysts through Peapack Private covering 13 industry verticals to meet the corporate finance needs of middle market business owners and investors



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Investment Banking

Industry Perspectives

Human Capital Solutions Quarterly | Q2 2020



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Wealth Management

Overview

Our Team is pleased to present its 2Q20 quarterly human capital solutions industry update from our Senior Advisor, Jim Janesky, who oversees client coverage and leads the vertical.

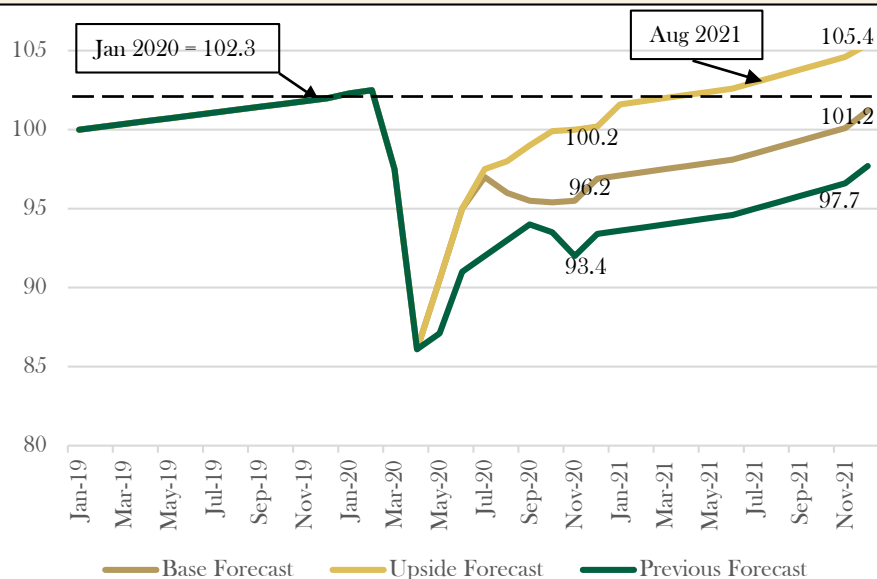
Through this industry update, we will share with you our impressions on the market, track the leading macroeconomic indicators, report relevant transactions, public market valuations and highlight current trends.

Our Market Observations

- After an unprecedented decline through most of 2Q20, some parts of the staffing market have exhibited signs of stability as we moved into the third quarter of 2020. That said, the outlook for the US economy is still uncertain for the back half of 2020. We continue to believe that there will be many staffing companies of all sizes that may struggle to survive without another liquidity injection or a sharp US GDP recovery. While another liquidity injection is possible, a 2020 sharp GDP recovery is unlikely.
- The 8/13/2020 Conference Board US GDP forecast outlined two recovery scenarios: a “Base” case and an “Upside” case, that predicted GDP to decline in 2020 by 4.9% and 3.3%, respectively (see page 3). The Conference Board previous projection was a Base case decline of 7.0% for 2020. Our outlook for the US staffing industry is based on the August 2020 4.9% (Base case) GDP decline for 2020 but note that future Conference Board updates could be subject to wild revisions.
- The chart on page 3 provides The Conference Board’s 8/13/2020 forecast for a 4.9% drop of US GDP in 2020 by quarter based on its underlying assumptions for Real Consumer Spending, Residential Investment, Real Capital Spending and Exports, in that order. Real Consumer Spending, which represents 60-65% of GDP, will be critical to an overall economic rebound and has become more of concern in the back half of 2020.
- Public company staffing stocks have rebounded but continue to underperform the overall market. Investors prefer staffing stocks as we exit a recession. There is tremendous uncertainty surrounding the timing and extent of any recovery. We believe that certain verticals such as IT and Finance & Accounting have held up better than most verticals and could exhibit significant growth as the US economy begins to rebound. These verticals are well-equipped to handle remote work (see page 7).
- The M&A market took a significant pause as buyers struggled with valuation and deal terms. There were only 20 transactions in 2Q20 versus 52 during 1Q20 and 58 during 2Q19. There were less transactions in 2Q20 than any quarter in the last five years. M&A activity has rebounded with the overall recovery and believe that there could be increased activity as weaker companies look for lifelines and stronger companies eventually seek an exit strategy. Financing is still available but deal structures, such as the size and length of earn-outs, will adjust to any current environment (see page 10).



Conference Board US GDP Outlook



Base Case Economic Outlook 2019-2021 (% change, seasonally adj annual rates)

	2020				2021		2019	2020	2021
	Q1	Q2	Q3	Q4	1H	2H	Annual		
Real GDP	-5.0	-32.9	26.1	-1.6	2.0	6.7	2.2	-4.9	2.0
Real Consumer Spending	-6.9	-34.6	27.8	-0.5	2.7	6.8	2.4	-5.6	2.6
Residential Investment	19.0	-38.7	8.0	1.0	4.0	5.5	-1.7	-2.2	0.7
Real Capital Spending	-6.7	-27.0	-8.9	0.6	3.4	5.6	2.9	-8.2	-0.7
Exports	-9.5	-64.1	25.0	5.0	5.0	5.0	-0.1	-16.2	-0.1

	Total Contraction & Growth (%YoY)	
	Annual 2020	Annual 2021
Previous Forecast	-7.0%	+1.0%
Upside Forecast	-3.3%	+4.4%
Base Forecast	-4.9%	+2.0%

The 8/13/2020 Conference Board US GDP forecast outlined two recovery scenarios: Base and Upside, that predicted GDP to decline in 2020 by 4.9%, and 3.3% respectively

The Conference Board is directionally more bullish on the US economy with certain caveats

For example, Real Consumer Spending, which represents 60-65% of GDP, will be critical to an overall economic rebound

Real Consumer Spending is expected to decline in 4Q20 after a sharp rebound in 3Q20 due to high unemployment rates

Our outlook for the US staffing industry is based on the recent 4.9% (Base case) GDP decline for 2020 but note that future Conference Board updates could be subject to wild revisions

Source: The Conference Board "The Conference Board Economic Forecast for the US Economy", August 13, 2020

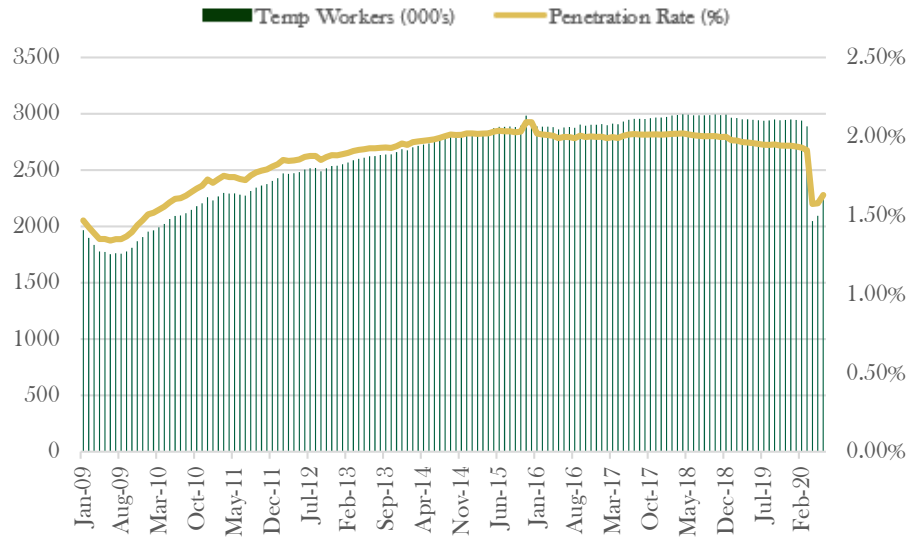


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Temporary Employment Vs. Penetration Rate

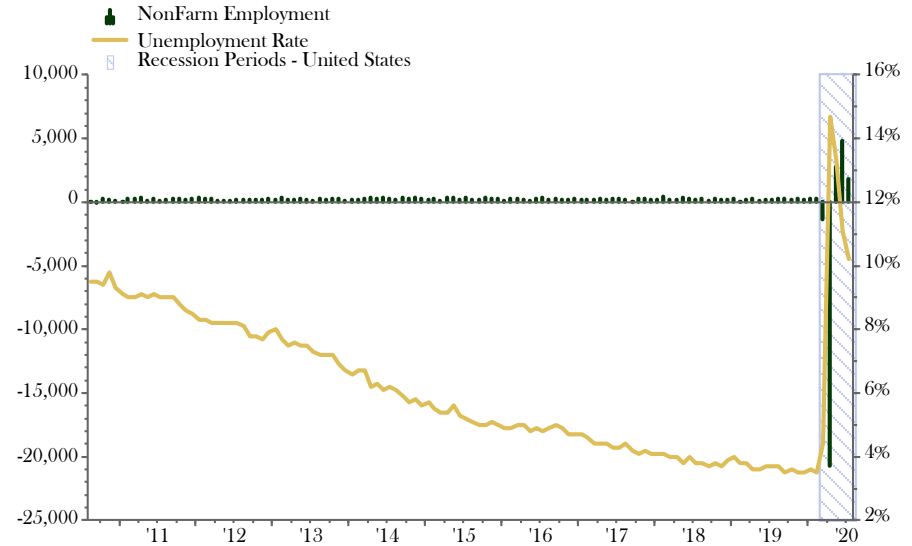


The temporary employment penetration rate came in at 1.71% in July 2020 versus a trough of 1.57% in April 2020. Temporary staffing volume growth **declined 18.9% Y/Y** versus a **decrease of 23.9%** in the prior month while sequential volume **increased 6.4%** in July. Temp employment has exhibited some recovery recently with the overall employment market, but concerns remain for the back half of 2020.

Key Takeaway:

While components of the staffing industry have experienced near-term recovery, we believe that certain verticals in the industry, such as IT and F&A, could experience sharp revenue acceleration when the US economy recovers. Verticals such as industrial and clerical may struggle. These two industries depend upon on-site placements, which could prove difficult in the current environment. Recently, the clerical segment has shown signs of stability as individuals were equipped to remotely work.

Y/Y Δ in NonFarm Employment Vs. Unemployment Rate



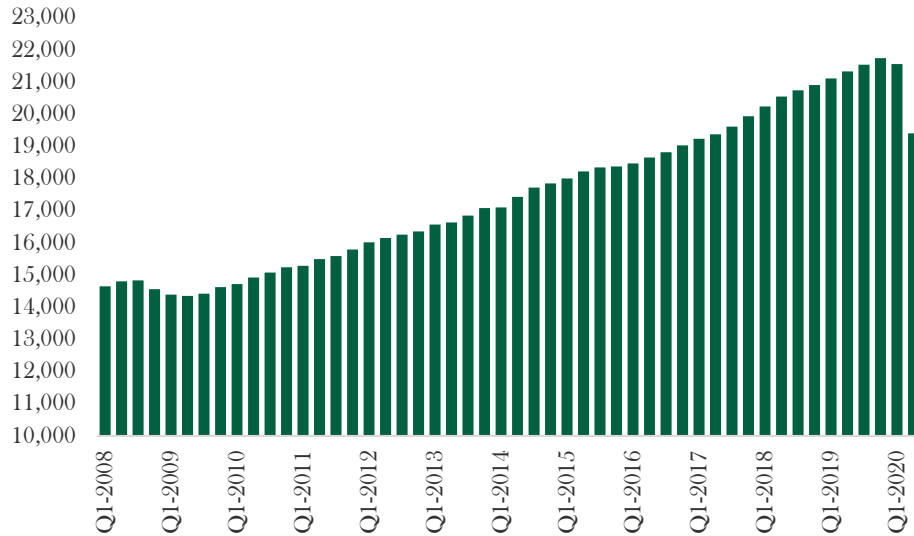
The July 2020 report of an **increase** of 1.8 million jobs was above the forecast of a 1.5 million **increase** in jobs. The unemployment rate of 10.2% was substantially lower than the 14.4% figure in April 2020 while average hourly earnings for temporary employees increased 6.1% Y/Y. The 6.1% figure was significantly down from 11.9% in the prior month, likely due to a mix shift of lower-wage versus higher skilled jobs.

Key Takeaway:

The increase in employment and declines in unemployment could continue if workers, who in several cases earned more on unemployment than at their previous jobs, return to work after the unemployment benefits ended. An extension of those benefits could reverse recent trends.

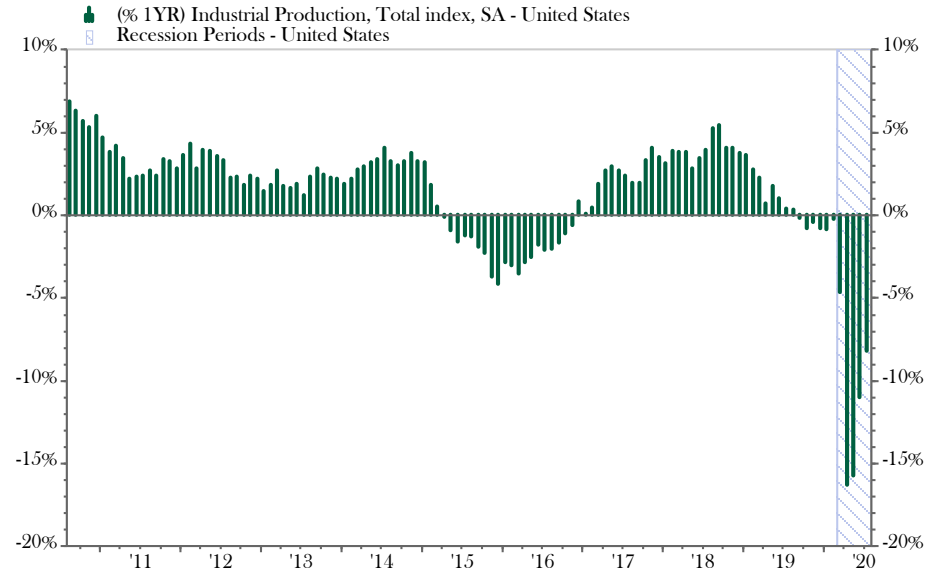


US Real GDP



According to The Conference Board (TCB), US Real GDP, a good proxy for the overall staffing market, fell 32.9% in 2Q20 versus a decline of 5.0% in 1Q20. Base-case scenario, TCB also forecasted that GDP would decline 4.9% in 2020 and Real Consumer Spending will decline by 5.6%. Real Consumer Spending, which accounts for 60-65% of GDP, will considerably impact GDP and staffing revenues. At this point, while the ultimate rate of GDP in 2020 is difficult to gauge, staffing companies generally exhibit significant revenue acceleration after a recession. We see no reason to believe that this cycle will be any different than past cycles, with exceptions that we note in other parts of this outlook.

US Industrial Production Growth



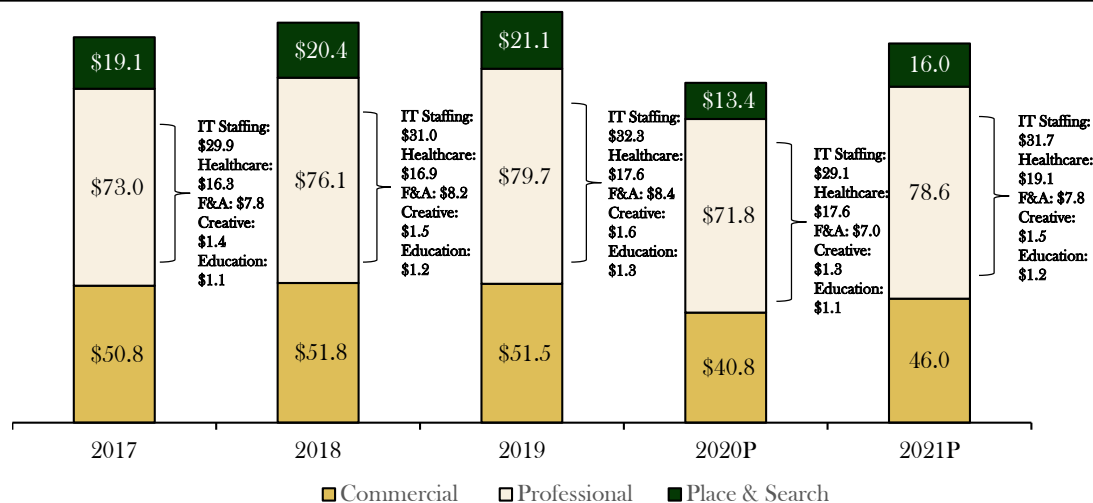
US Industrial Production, a good proxy for the \$35 billion industrial staffing segment, declined 8.2% in July 2020 versus 15.3% in April 2020. The manufacturing sector, which accounts for 78% of industrial production, has rebounded as the sector came back from COVID-related shutdowns. There is still a tremendous amount of uncertainty around the timing and rate of recovery of US industrial production, but recent trends point to some stabilization.



Segment Growth & Other Industry Data

- A July 2020 US Staffing Industry Forecast from Staffing Industry Analysts (SIA) predicted in a base-case scenario that overall staffing revenues will decline 17% in 2020 versus a forecast of a 21% decline back in April 2020. Investors, which are 4-6 months forward-looking, have recently rewarded staffing stocks due to “less-worse” results and re-issuance of earnings guidance and the stocks are trading at healthy multiples. Investors still expect that almost all staffing stocks, which are considered early cycle investments, will underperform the overall market in 2020 (see pages 7, 8 and 9) but that outlook could quickly change if signs of a recovery become obvious.
- The same base-case report by SIA forecasted that by major verticals, Place & Search will decline 36%, Office/Clerical will decline 18% and Industrial will decline 22% and Professional/Specialty will decline 10%. We note that the forecasts for virtually every sector has improved for 2020. Our outlook is that declines will wildly vary by company size, geographic focus and industries served. For example, companies with a significant Northeast presence and/or those with a focus on the travel/hospitality industries could face significant headwinds.
- Within the Professional/Specialty segment, SIA forecasted that the \$30B+ IT staffing vertical will decline 10%, the \$8B+ Finance/Accounting (F&A) vertical will decline 17% and that the roughly \$18B Healthcare vertical will decline by 3%.
- Our view is that while growth rates within the Professional segment will also vary by size, geography and industry focus, companies in the IT and F&A verticals could substantially benefit from an expected increase in remote work and are well prepared for that trend. Healthcare Staffing, which includes Nurse Staffing and Locum Tenens (temp physicians), has faced increased headwinds due to fewer elective procedures, less emergency room visits and doctor office closures.

Staffing Industry Forecast



Source: Staffing Industry Analysts “US Staffing Industry Forecast: July Interim 2020 Update”, July 7, 2020

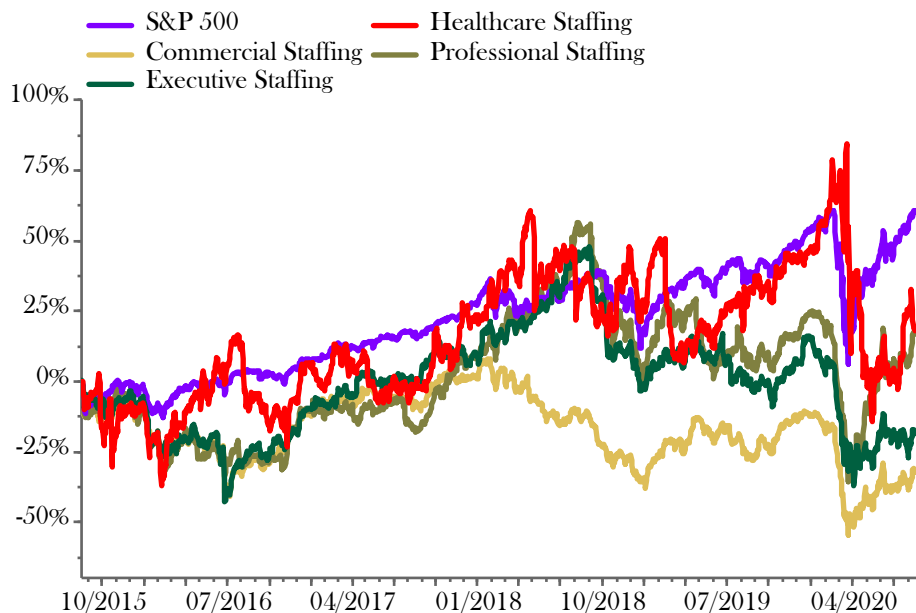


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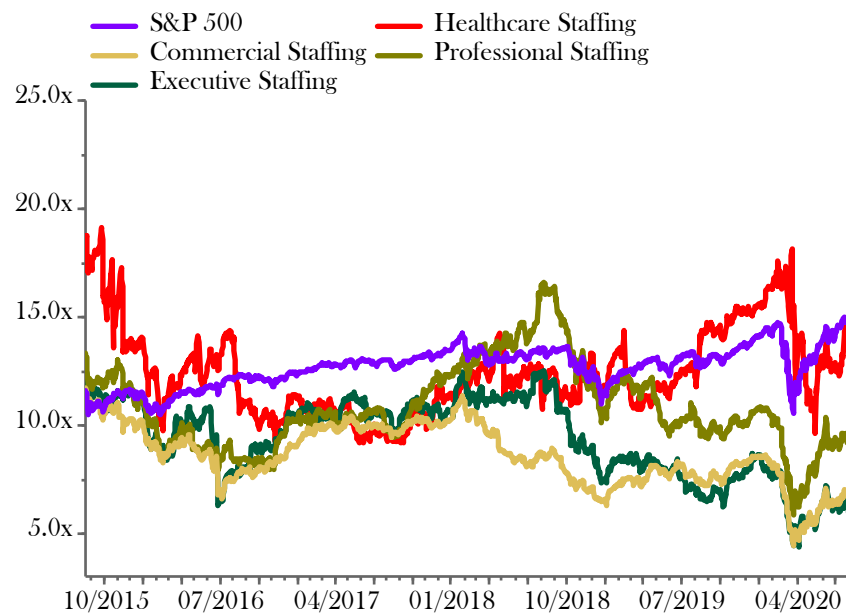
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5 Year Relative Stock Price Performance



5 Year EV/LTM EBITDA Relative Performance



Sub-Sector	Number of Companies	Median Enterprise Value (In \$ 000's)	Median Change in Stock Price			Median Gross Profit Conversion	Median TEV / LTM Multiples	
			1 Year	3 Years	5 Years		Revenue	EBITDA
Commercial Staffing	6	2,551.4	-13.7%	-16.5%	-21.4%	20.7%	0.3x	8.0x
Professional Staffing	8	221.5	7.1%	0.4%	-8.3%	25.3%	0.6x	11.1x
Executive & Retained Search	4	1,618.1	-15.0%	-10.7%	-26.3%	33.1%	0.7x	7.1x
Healthcare Staffing	2	1,847.2	-22.5%	-8.2%	-8.4%	23.9%	0.9x	13.0x
S&P 500*			17.3%	39.7%	71.8%			

*S&P data on a mean basis



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Commercial Staffing

Company Name	Ticker	Date	Enterprise Value	Revenues	Gross Profit	Gross Profit Margin	EBITDA	EBITDA Margin	Enterprise Value / Revenues	Enterprise Value / EBITDA
Adecco Group AG	ADEN-CH	06/30/2020	\$9,622.3	\$23,448.0	\$4,426.3	18.9%	\$1,014.1	4.3%	0.4 x	9.5 x
Barrett Business Services, Inc.	BBSI	06/30/2020	\$291.3	\$913.2	\$193.4	21.2%	\$60.9	6.7%	0.3 x	4.8 x
Kelly Services, Inc. Class A	KELYA	06/28/2020	\$591.0	\$4,841.9	\$879.9	18.2%	\$117.6	2.4%	0.1 x	5.0 x
ManpowerGroup Inc.	MAN	06/30/2020	\$4,511.8	\$18,806.8	\$3,000.6	16.0%	\$556.7	3.0%	0.2 x	8.1 x
Randstad NV	RAND-NL	06/30/2020	\$10,686.4	\$24,157.8	\$4,185.5	17.3%	\$1,094.5	4.5%	0.4 x	9.8 x
TrueBlue, Inc.	TBI	06/28/2020	\$577.2	\$2,081.0	\$494.7	23.8%	\$73.8	3.5%	0.3 x	7.8 x
Average			\$4,380.0	\$12,374.8	\$2,196.7	19.2%	\$486.3	4.1%	0.3 x	7.5 x
Median			\$2,551.4	\$11,824.4	\$1,940.3	18.5%	\$337.2	3.9%	0.3 x	8.0 x

Professional Staffing

Company Name	Ticker	Date	Enterprise Value	Revenues	Gross Profit	Gross Profit Margin	EBITDA	EBITDA Margin	Enterprise Value / Revenues	Enterprise Value / EBITDA
ASGN Inc	ASGN	06/30/2020	\$4,699.0	\$3,955.2	\$1,063.6	26.9%	\$406.4	10.3%	1.2 x	11.6 x
BG Staffing, Inc.	BGSF	06/28/2020	\$162.1	\$288.4	\$73.3	25.4%	\$20.4	7.1%	0.6 x	7.9 x
GEE Group, Inc.	JOB	06/30/2020	\$74.1	\$137.7	\$41.9	30.4%	\$6.8	4.9%	0.5 x	10.9 x
Kforce Inc.	KFRC	06/30/2020	\$892.9	\$1,360.0	\$387.1	28.5%	\$80.4	5.9%	0.7 x	11.1 x
Mastech Digital, Inc.	MHHI	06/30/2020	\$280.9	\$197.9	\$47.8	24.1%	\$16.0	8.1%	1.4 x	17.6 x
RCM Technologies, Inc.	RCMT	06/27/2020	\$46.8	\$166.5	\$41.2	24.7%	\$3.6	2.2%	0.3 x	12.9 x
Robert Half International Inc.	RHI	06/30/2020	\$6,298.5	\$5,704.5	\$2,253.8	39.5%	\$569.5	10.0%	1.1 x	11.1 x
Volt Information Sciences, Inc.	VOLT	05/03/2020	\$89.3	\$916.6	\$142.3	15.5%	(\$0.1)	0.0%	0.1 x	NM
Average			\$1,567.9	\$1,590.9	\$506.4	26.9%	\$137.9	6.1%	0.7 x	11.9 x
Median			\$221.5	\$602.5	\$107.8	26.2%	\$18.2	6.5%	0.6 x	11.1 x



Executive & Retained Search

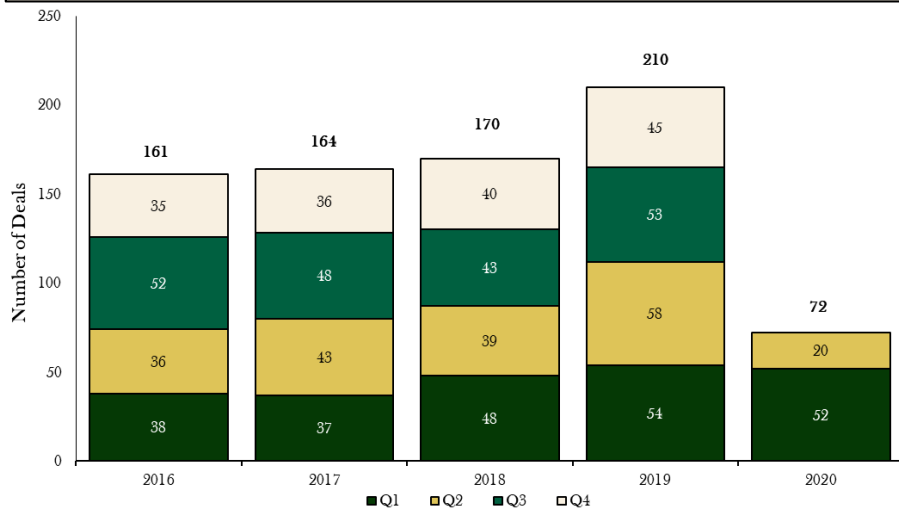
Company Name	Ticker	Date	Enterprise Value	Revenues	Gross Profit	Gross Profit Margin	EBITDA	EBITDA Margin	Enterprise Value / Revenues	Enterprise Value / EBITDA
Hays plc	HAS-GB	12/31/2019	\$2,978.9	\$7,832.8	NA	NA	\$336.3	4.3%	0.4 x	8.9 x
Heidrick & Struggles International, Inc.	HSII	06/30/2020	\$338.0	\$693.8	\$208.8	30.1%	\$69.0	9.9%	0.5 x	4.9 x
Korn Ferry	KFY	04/30/2020	\$1,632.7	\$1,977.3	\$493.5	25.0%	\$308.2	15.6%	0.8 x	5.3 x
PageGroup PLC	PAGE-GB	06/30/2020	\$1,603.6	\$1,874.0	\$888.4	47.4%	\$164.8	8.8%	0.9 x	9.7 x
Average			\$1,638.3	\$3,094.5	\$530.2	34.2%	\$219.6	9.7%	0.6 x	7.2 x
Median			\$1,618.1	\$1,925.7	\$493.5	30.1%	\$236.5	9.4%	0.7 x	7.1 x

Healthcare Staffing

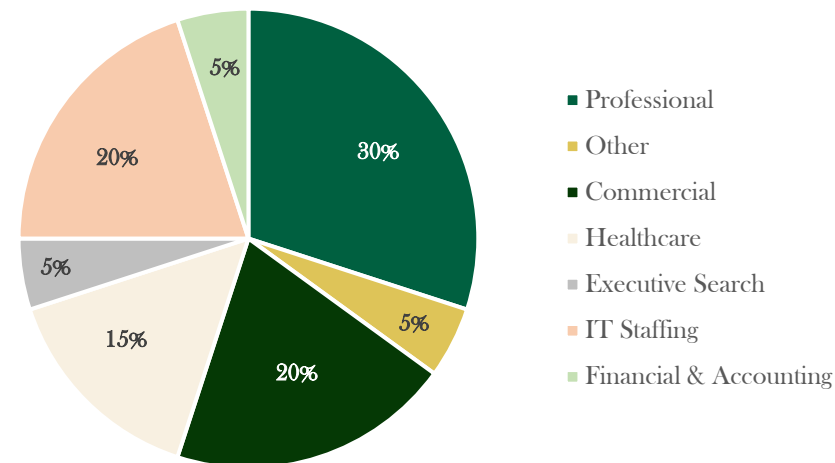
Company Name	Ticker	Date	Enterprise Value	Revenues	Gross Profit	Gross Profit Margin	EBITDA	EBITDA Margin	Enterprise Value / Revenues	Enterprise Value / EBITDA
AMN Healthcare Services, Inc.	AMN-US	06/30/2020	\$3,381.8	\$2,365.3	\$710.5	30.0%	\$241.4	10.2%	1.4 x	14.0 x
Cross Country Healthcare, Inc.	CCRN-US	06/30/2020	\$312.5	\$851.1	\$189.7	22.3%	\$26.1	3.1%	0.4 x	12.0 x
Average			\$1,847.2	\$1,608.2	\$450.1	26.2%	\$133.8	6.6%	0.9 x	13.0 x
Median			\$1,847.2	\$1,608.2	\$450.1	26.2%	\$133.8	6.6%	0.9 x	13.0 x



No. of Deals Per Quarter



Q2 Deals by Industry



Notable Transactions

Completion Date	Target	Target Description	Buyer	Commentary
04/28/2020	Tekmark Global Solutions LLC	A technology and telecommunication solutions provider that offers technology staffing, cyber security, managed information technology, software and infrastructure, and telecommunication services worldwide	Orion Systems Integrators LLC	Orion Innovation, LLC, a global business and technology services firm that provides digital transformation and product development services, announced the acquisition of Tekmark Global Solutions LLC, a New Jersey-headquartered global technology services firm specializing in software engineering, quality engineering, telecom engineering, managed services, cyber security and data analytics. The acquisition of Tekmark brings 40 years of client relationships across a broad spectrum of industries with a heavy concentration in financial services and telecommunications. Orion is backed by One Equity Partners, a \$6B middle market private equity firm focused on the industrial, healthcare, and tech sectors in North America and Europe. One Equity Partners acquired Orion in 2018.
04/29/2020	Allied Universal Manager LLC	Provides security and janitorial solutions and staffing services for airports, education, campuses, manufacturing facilities, retail centers, etc	Warburg Pincus LLC	Warburg Pincus LLC acquired a minority stake in Allied Universal Manager LLC, a leading security and facility services company from Wendel SE (Private Equity) for US\$196 million in cash, a 0.6x EV/Revenue multiple. Allied combines top talent, risk analyses and technology to deliver evolving, tailored Security Services, Technology Services and professional services such as Risk Advisory and Consulting, Event, Staffing and Janitorial Services that allow our clients to focus on their core business.
5/1/2020	Entity Solutions	Provides contractor management services and outsourced payroll solutions	People 2.0	People 2.0 is a leading tech-enabled workforce deployment platform which provides employer of record / agent of record services and associated back-office support to staffing & recruiting firms, managed service providers, online recruitment platforms, recruitment process outsourcing, compliance service companies and other talent acquisition service providers. People 2.0 is headquartered in Exton, PA and has office locations in Houston, TX, and Toronto, Canada. The company has made three acquisitions in the staffing/human capital management industry this quarter in an attempt to strengthen their presence in select geographic regions. The acquisitions of WePayPeople and TCP Solutions bolsters its European operations while Entity Solutions provides a base for the company in the Asia-Pacific region. Each of the acquired companies has built a strong brand in their respective regions, earned through their local market expertise and reputations for superior, technology-enabled service. Aligned with People 2.0's approach to global expansion, these businesses will be integrated into People 2.0's existing operations, leveraging the talent, technology, and processes to create a single-branded, workforce-deployment platform for market makers in talent around the globe. People 2.0 is backed by Compass Partners Asset Management (CIP), a \$600.0MM+ private equity firm focused on investing in the business information and tech-enabled services markets in North America. CIP acquired People 2.0 in 2019.
5/1/2020	TCP Solutions	A global payroll and compliance specialist	People 2.0	
5/1/2020	WePayPeople	Provides payrolling and payroll administration services	People 2.0	
5/23/2020	G2 Secure Staff LLC	Provides staffing solutions for aviation industry	Tenex Capital Management LLC	Private equity firm Tenex Capital Management, L.P. completed the acquisition of G2 Secure Staff, L.L.C., which provides reliable, professional aviation service solutions. Headquartered in Irving, Texas, G2 Secure Staff employs over 6,000 aviation service professionals at 54 top travelled airports throughout the U.S. Tenex Capital Management manages \$1.27B.
06/02/2020	Synergy Surgicalists/EA Health Corp.	One of the nation's top providers of surgicalist staffing in the acute care setting. A leading provider of specialty physician on-call compensation solutions and physician staffing services	Enhanced Healthcare Partners	Enhanced Healthcare Partners, Inc., a New York-based private equity firm specializing in middle-market healthcare businesses, announced its joint investment in the business merger of Synergy Surgicalists and EA Health. The company will offer integrated, high performance clinical staffing and management services for emergency medicine, orthopedic and general surgery staffing and specialty on-call services. The combined company brings together executives with deep industry experience in operational, financial, and clinical leadership.



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Peapack-Gladstone Bank* (NASDAQ: PGC) is a 99-year old boutique commercial bank with total assets of \$6.3 Bn and AUM of \$7.2 Bn as of 06/30/2020. Other business segments include Peapack Private (Wealth Management), Commercial Banking, Commercial Real Estate, Peapack Capital (Equipment Finance), Retail, Residential and Consumer Banking.

Human Capital Investment Banking Coverage

Professional

- IT Staffing & Consulting
- Finance & Accounting
- Healthcare
- Engineering

Commercial

- Clerical
- Pick and Pack
- Distribution & Logistics

Place & Search

- Direct Hire
- Retained Search

HR Technology

- VMS Platforms
- Block Chain Technology
- Recruitment Process Outsourcing

Senior Banker Contacts

Kevin Bodnar
Senior Managing Director
Head of Corporate Advisory
E: kbodnar@pgbank.com
T: (908) 443-5385

Jim Janesky
Senior Advisor
Business Services
E: jjanesky@pgbank.com
T: (908) 524-8393

Our Capabilities

- Mergers and Acquisitions
- Capital Formation
- Corporate Finance Advisory
- Structured Finance Solutions

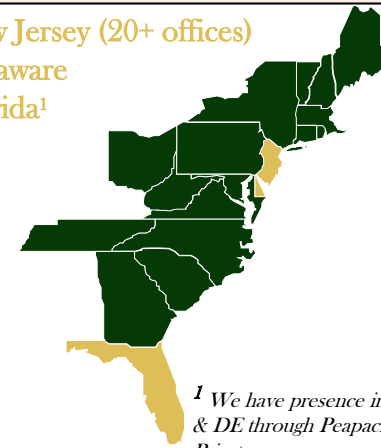
Business Services Transactional Experience



- Our senior bankers have participated and evaluated over 125 transactions in both public and private markets within the Business Services sector
- +75 of the transactions were in the human capital vertical

Full-Service Bank, Boutique focus

- New Jersey (20+ offices)
- Delaware
- Florida¹



¹ We have presence in FL & DE through Peapack Private

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- ✓ Utilities and Telecom
- ✓ Information Technology
- ✓ Industrials
- ✓ Financials
- ✓ Healthcare
- ✓ Consumer Staples
- ✓ Consumer Discretionary
- ✓ Materials & Energy
- ✓ Communication Services & Real Estate

Investment Banking has access to a team of 10 equity research analysts through Peapack Private covering 13 industry verticals to meet the corporate finance needs of middle market business owners and investors



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Investment Banking

Industry Perspectives

Human Capital Solutions Quarterly | Q1 2020



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Wealth Management

Overview

Our Team is pleased to present its 1Q20 quarterly human capital solutions industry update from our Senior Advisor, Jim Janesky, who oversees client coverage and leads the vertical.

Through this industry update, we will share with you our impressions on the market, track the leading macroeconomic indicators, report relevant transactions, public market valuations and highlight current trends.

Our Market Observations

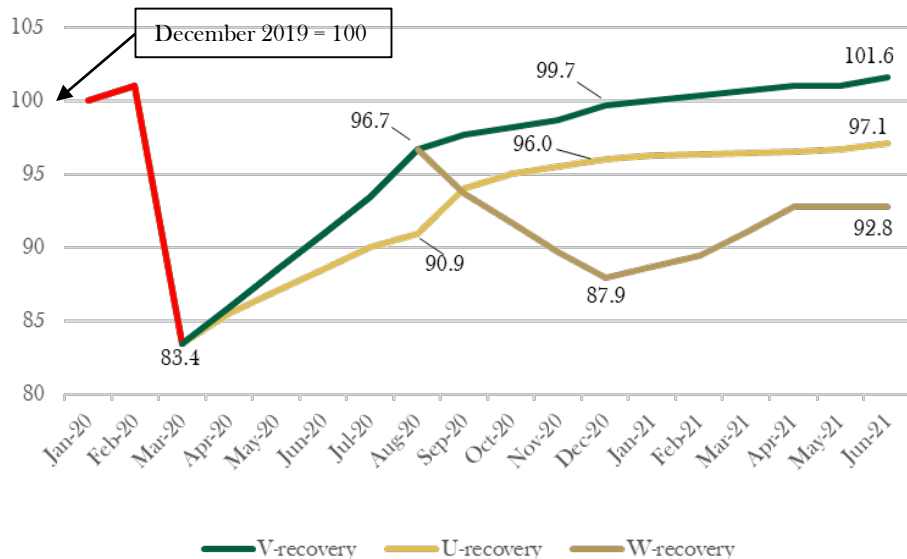
- The US employment market experienced an unprecedented near-term decline in late March, all of April and the early part of May 2020. Staffing companies, which expected continued growth through all of 2020, were not prepared for such a shock, especially on the cost side of their P&L. While several firms took swift action on the cost side and received a near-term liquidity injection from the government-funded PPP program, there will be many staffing companies of all sizes that may struggle to survive without another liquidity injection or a “V-shaped” US GDP recovery.
- The 5/11/2020 Conference Board US GDP forecast outlined three recovery scenarios: V, U and W-shaped, that predicted GDP to decline in 2020 by 4.0%, 7.2% and 6.1%, respectively (see page 3). On 3/25/2020, The Conference Board outlined May, Summertime and Fall recovery scenarios that forecasted GDP declines of 1.6%, 5.5% and 6.0%, respectively. Our outlook for the US staffing industry is based on the recent 7.2% (U-shaped) GDP decline for 2020 but note that future Conference Board updates could be subject to wild revisions.
- The chart on page 3 provides The Conference Board’s 5/11/2020 forecast for a 7.2% drop of US GDP in 2020 by quarter based on its underlying assumptions for Real Consumer Spending, Residential Investment, Real Capital Spending and Exports, in that order. Real Consumer Spending, which represents 60-65% of GDP, will be critical to an overall economic rebound.
- Public company staffing stocks, outside of the Healthcare vertical, continue to underperform the overall market but could outperform in 2020 if a U-shaped recovery takes place. Investors prefer staffing stocks as we exit a recession. We believe that certain verticals such as IT and Finance & Accounting could exhibit significant growth as the US economy begins to rebound. These verticals were well-equipped to handle remote work even before the COVID crisis (see page 7).
- While the M&A market has taken a pause, we believe that there could be increased activity as weaker companies look for lifelines and stronger companies eventually seek an exit strategy. Financing is still available but deal structures, such as the size and length of earn-outs, will adjust to any current environment (see page 10).

Upcoming Events

- June 9, 2020 – New Jersey Staffing Alliance / Mid-Atlantic Staffing Association webinar hosted by Jim Janesky



Conference Board US GDP Outlook



Economic Outlook 2018-2020 (% change, seasonally adj annual rates)

	2019		2020				2018	2019	2020
	1H	2H	Q1	Q2	Q3	Q4	Annual		
Real GDP	2.6	2.1	-4.8	-44.5	24.4	18.9	2.9	2.3	-7.2
Real Consumer Spending	2.8	2.5	-7.6	-54.2	36.3	15.5	3.0	2.6	-10.0
Residential Investment	-2.0	5.6	21.0	-25.0	-7.0	11.0	-1.5	-1.5	0.7
Real Capital Spending	1.7	-2.4	-8.6	-20.8	-2.4	8.6	6.4	2.1	-6.9
Exports	-0.7	1.5	-8.7	-35.1	11.1	9.0	3.0	0.0	-8.0

	Total Contraction & Growth	
	2020 vs 2019	H1-2021 vs H1 2021
V-recovery	-4.0%	3.8%
U-recovery	-7.2%	5.8%
W-recovery	-6.1%	-1.4%

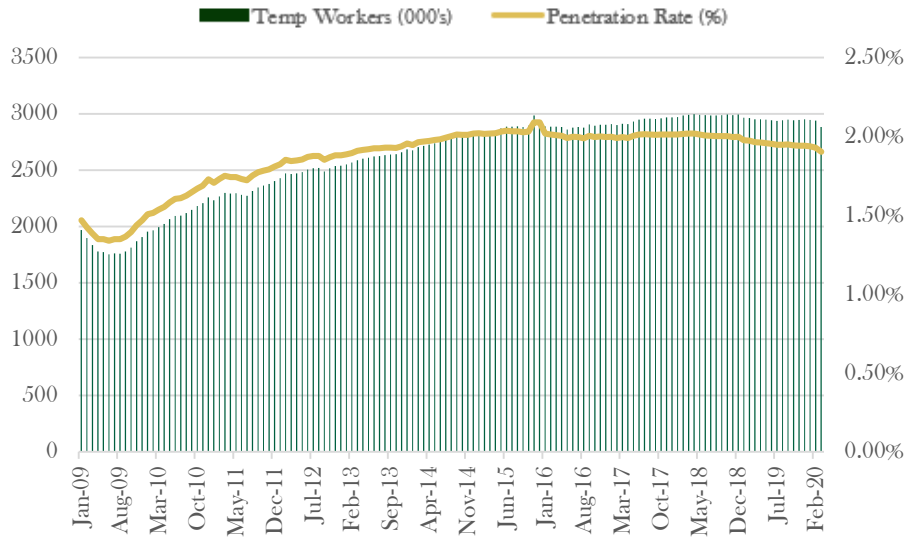
The 5/11/2020 Conference Board US GDP forecast outlined three recovery scenarios: V, U and W-shaped, that predicted GDP to decline in 2020 by 4.0%, 7.2% and 6.1%, respectively

Real Consumer Spending, which represents 60-65% of GDP, will be critical to an overall economic rebound

Our outlook for the US staffing industry is based on the recent 7.2% (U-shaped) GDP decline for 2020 but note that future Conference Board updates could be subject to wild revisions (as highlighted quarterly above)

Source: The Conference Board "The Conference Board Economic Forecast for the US Economy", May 11, 2020

Temporary Employment Vs. Penetration Rate

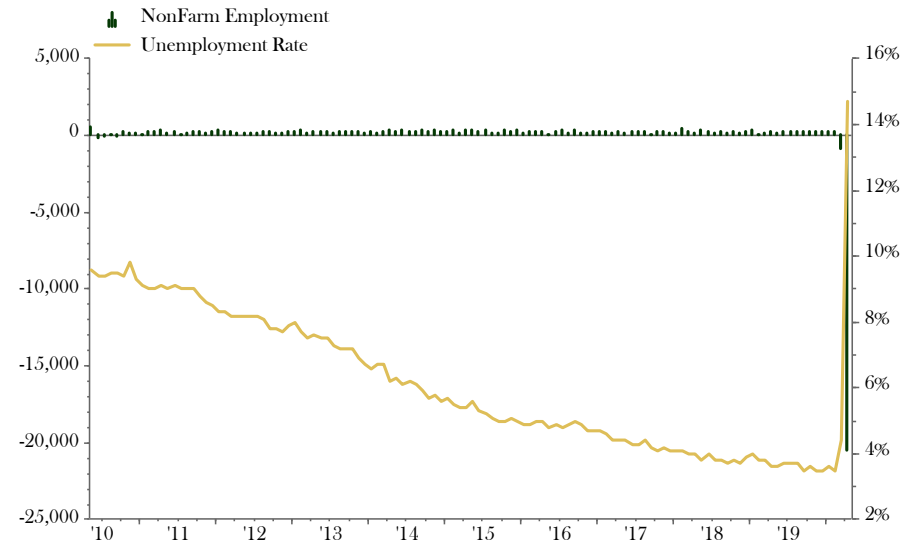


The temporary employment penetration rate came in at 1.556% in April 2020, significantly down from 1.901% in the prior month. Temporary staffing volume growth **declined 30.9% Y/Y** versus a decrease of 2.3% in the prior month while sequential volume **fell 29.2%** in April relative to its historical increase of 0.2% from March to April.

Key Takeaway:

While components of the staffing industry exhibit significant signs of near-term deceleration, we believe that certain verticals in the industry, such as IT and F&A, could experience sharp revenue acceleration as the US economy recovers. Verticals such as industrial and clerical may struggle. These two industries depend upon on-site placements, which could prove difficult in the current environment.

Y/Y Δ in NonFarm Employment Vs. Unemployment Rate



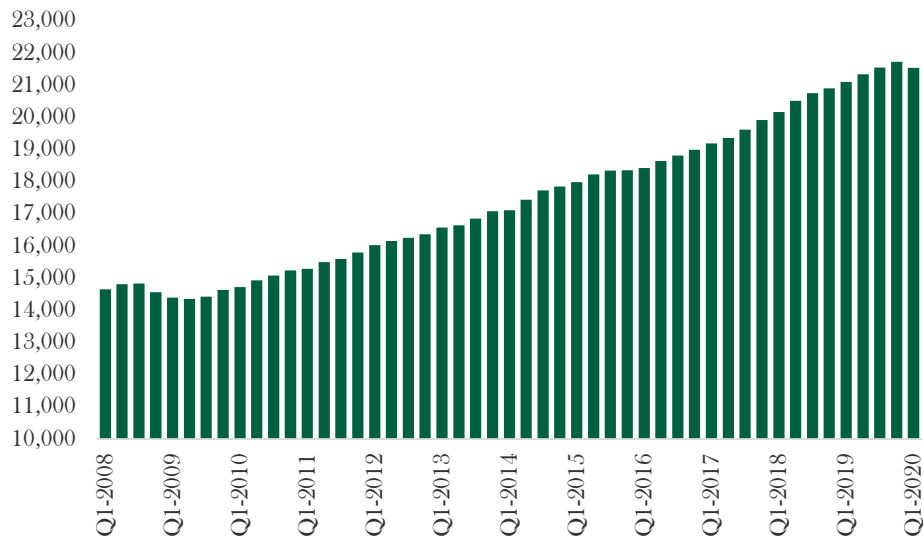
The April 2020 report of 20.5 million jobs LOST was a bit below the forecast of a 21 million decrease in jobs. The unemployment rate of 14.4% was substantially up from the prior month while overall average hourly earnings increased 7.9% Y/Y and average hourly earnings for temporary employees increased 6.1% Y/Y. The 7.9% figure was significantly up from 3.1% in the prior month, likely due to the loss of lower-wage jobs, while the 6.1% rate was slightly down from the 6.2% rate the prior month.

Key Takeaway:

Unless the US economy is in a protracted recession, the unemployment rate, a lagging indicator, could recover while temporary average earnings could decline. A key component will be if workers, who in several cases earn more on unemployment than at their previous jobs, will decide to return to work, especially if current unemployment benefits extend until the end of 2020. This development could constrict the rate of an economic rebound.

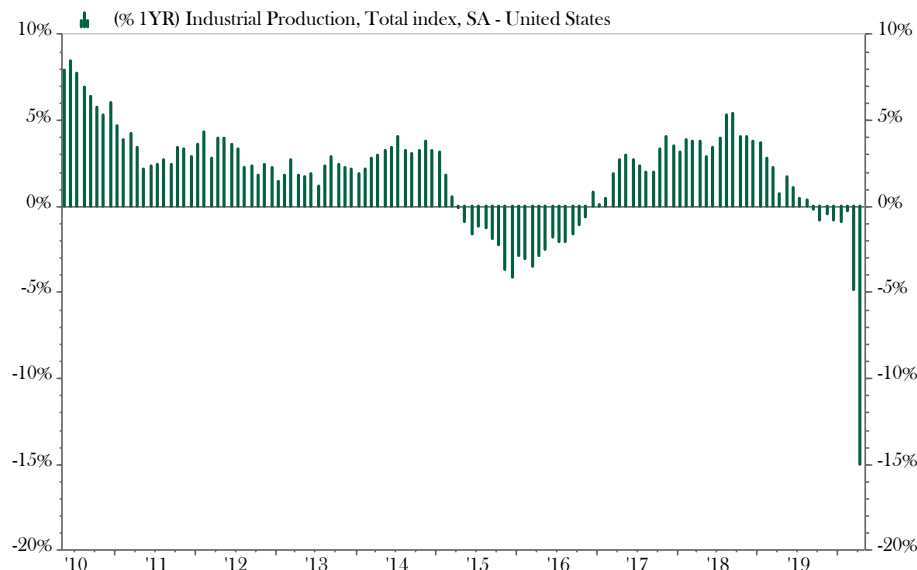


US Real GDP



According to The Conference Board (TCB), US Real GDP, a good proxy for the overall staffing market, fell 4.8% in 1Q20 versus growth of 2.1% in 4Q19. Base-case scenario, TCB also forecasted that GDP would decline 7.2% in 2020 and Real Consumer Spending will decline by 10.0%. Real Consumer Spending, which accounts for 60-65% of GDP, will considerably impact GDP and staffing revenues. At this point, while the ultimate rate of GDP in 2020 is difficult to gauge, staffing companies generally exhibit significant revenue acceleration after a recession. We see no reason to believe that this cycle will be any different than past cycles, with exceptions that we note in other parts of this outlook.

US Industrial Production Growth



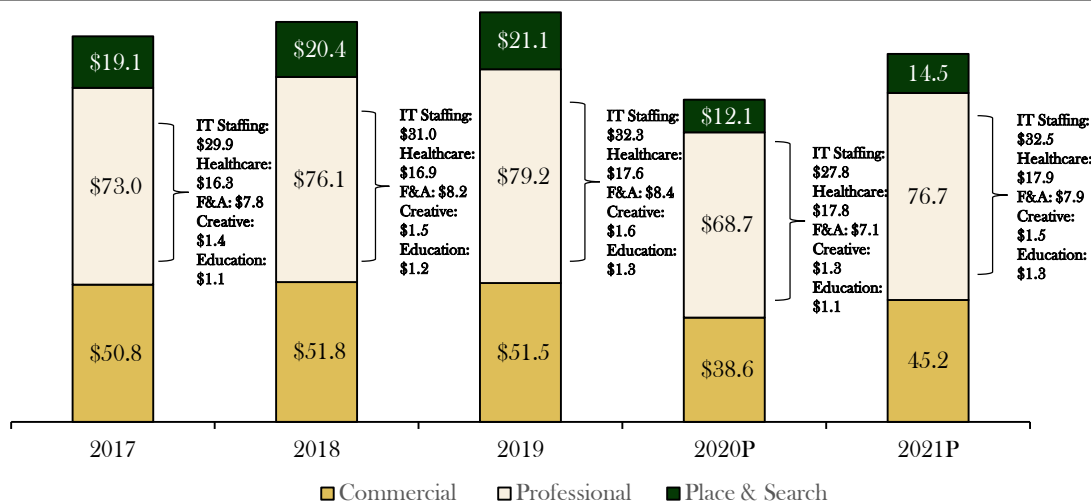
US Industrial Production, a good proxy for the \$35 billion industrial staffing segment, substantially declined 15% in April 2020, which is a trend that should alarm companies within this staffing industry vertical. The manufacturing sector, which accounts for 78% of industrial production, is leading the decline as the sector faces unprecedented pressure due to COVID-related shutdowns. There is a tremendous amount of uncertainty around the timing and rate of recovery of US industrial production. We note that before the crisis, the US economy was on solid ground without any meaningful asset bubbles, which could lead to a faster than historic rebound.



Segment Growth & Other Industry Data

- An April 2020 US Staffing Industry Forecast from Staffing Industry Analysts (SIA) predicted in a base-case scenario, that overall staffing revenues will decline 21% in 2020, while its other two scenarios projected declines of 10% and 45%. Investors, which are 4-6 months forward-looking, still expect that almost all staffing stocks, which are considered early cycle investments, will underperform the overall market in 2020 (see pages 6, 7 and 8) but that outlook could quickly change if they believe that a U-shaped recovery could take place.
- The same base-case report by SIA forecasted that by major verticals, Place & Search will decline 43%, Office/Clerical and Industrial will both decline 25% and Professional/Specialty will decline 13%. Our outlook is that declines will wildly vary by company size, geographic focus and industries served. For example, companies with a significant Northeast presence and/or those with a focus on the travel/hospitality industries could face significant head-winds.
- Within the Professional/Specialty segment, SIA forecasted that the \$30B+ IT staffing vertical will decline 13%, the \$8B+ Finance/Accounting (F&A) vertical will decline 15% but that the roughly \$18B Healthcare vertical will grow by 1%.
- Our view is that while growth rates within the Professional segment will also vary by size, geography and industry focus, companies in the IT and F&A verticals could substantially benefit from an expected increase in remote work and are well prepared for that trend. Healthcare Staffing, which includes Nurse Staffing and Locum Tenens (temp physicians), could experience even higher than expected growth near-term due to the COVID crisis and longer-term as hospitals open for elective procedures.

Staffing Industry Forecast



Source: Staffing Industry Analysts "US Staffing Industry Forecast: April 2020 Update", April 7, 2020



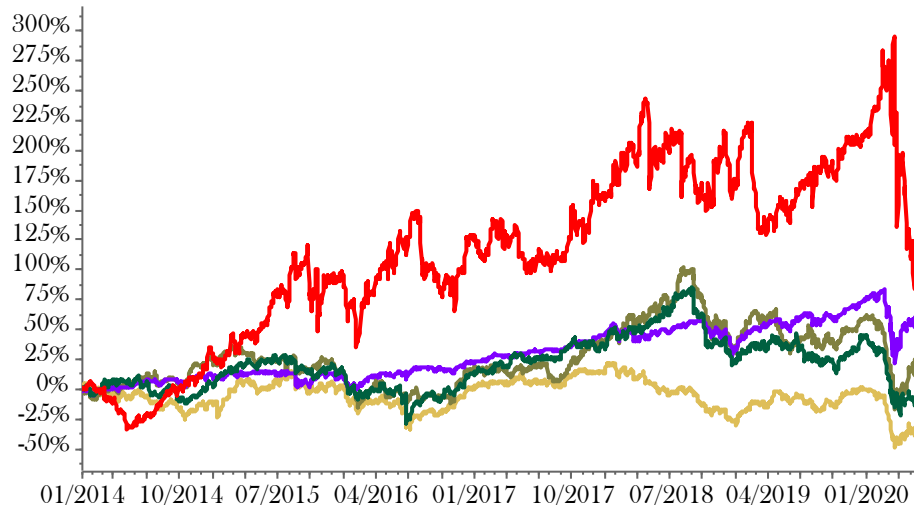
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Wealth Management

Non-deposit investment products are not insured by the FDIC; are not deposits or other obligations of, or guaranteed by, Peapack-Gladstone Bank; and are subject to investment risks, including possible loss of the principal amount invested.

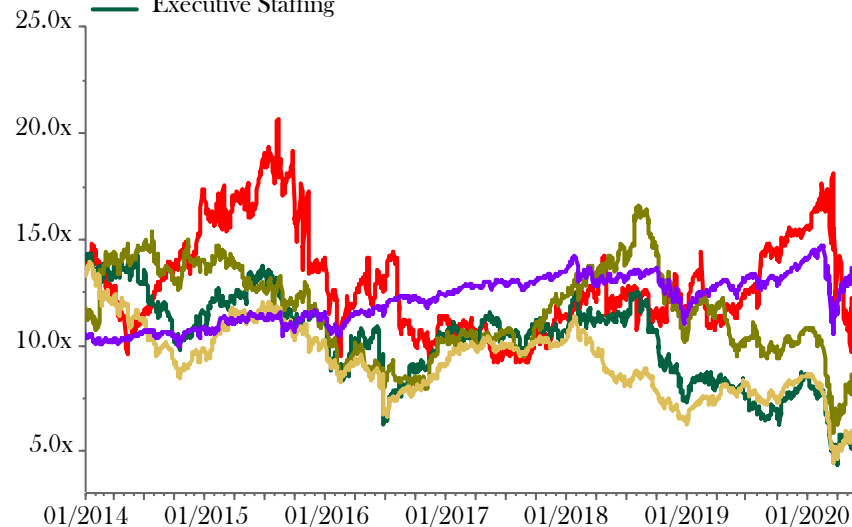
5 Year Relative Stock Price Performance

— S&P 500 — Healthcare Staffing
— Commercial Staffing — Professional Staffing
— Executive Staffing



5 Year EV/LTM EBITDA Relative Performance

— S&P 500 — Healthcare Staffing
— Commercial Staffing — Professional Staffing
— Executive Staffing



Sub-Sector	Number of Companies	Median Enterprise (In \$ 000's)	Median Change in Stock Price			Median Gross Profit Conversion	Median TEV / LTM Multiples	
			1 Year	3 Years	5 Years		Revenue	EBITDA
Commercial Staffing	6	2,561.5	-30.0%	-37.7%	-24.1%	23.9%	0.2x	5.7x
Professional Staffing	8	182.8	-33.0%	-16.4%	9.4%	27.2%	0.6x	8.8x
Executive & Retained Search	4	1,541.1	-33.2%	-18.1%	-20.7%	48.3%	0.6x	5.5x
Healthcare Staffing	2	1,689.4	-17.5%	-17.3%	151.4%	23.0%	0.9x	13.4x
S&P 500*			3.4%	24.1%	56.8%			

*S&P data on a mean basis



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Commercial Staffing

Company Name	Ticker	Date	Enterprise Value	Revenues	Gross Profit	Gross Profit Margin	EBITDA	EBITDA Margin	Enterprise Value / Revenues	Enterprise Value / EBITDA
Adecco Group AG	ADEN-CH	03/31/2020	\$8,106.6	\$25,488.1	\$4,834.0	19.0%	\$1,225.8	4.8%	0.3 x	6.6 x
Barrett Business Services, Inc.	BBSI	03/31/2020	\$160.6	\$943.2	\$202.0	21.4%	\$61.8	6.6%	0.2 x	2.6 x
Kelly Services, Inc. Class A	KELYA	03/29/2020	\$599.0	\$5,234.1	\$934.7	17.9%	\$136.9	2.6%	0.1 x	4.4 x
ManpowerGroup Inc.	MAN	03/31/2020	\$4,519.2	\$20,437.7	\$3,294.3	16.1%	\$737.5	3.6%	0.2 x	6.1 x
Randstad NV	RAND-NL	03/31/2020	\$8,923.7	\$25,966.5	\$4,690.7	18.1%	\$1,354.3	5.2%	0.3 x	6.6 x
TrueBlue, Inc.	TBI	03/29/2020	\$603.8	\$2,310.7	\$567.3	24.5%	\$115.9	5.0%	0.3 x	5.2 x
Average			\$3,818.8	\$13,396.7	\$2,420.5	19.5%	\$605.4	4.6%	0.2 x	5.3 x
Median			\$2,561.5	\$12,835.9	\$2,114.5	18.5%	\$437.2	4.9%	0.2 x	5.7 x

Professional Staffing

Company Name	Ticker	Date	Enterprise Value	Revenues	Gross Profit	Gross Profit Margin	EBITDA	EBITDA Margin	Enterprise Value / Revenues	Enterprise Value / EBITDA
ASGN Inc	ASGN	03/31/2020	\$4,141.3	\$3,990.7	\$1,077.5	27.0%	\$416.9	10.4%	1.0 x	9.9 x
BG Staffing, Inc.	BGSF	03/29/2020	\$153.9	\$299.6	\$77.5	25.9%	\$24.4	8.1%	0.5 x	6.3 x
GEE Group, Inc.	JOB	03/31/2020	\$110.8	\$149.2	\$46.2	31.0%	\$6.9	4.6%	0.7 x	16.0 x
Kforce Inc.	KFRC	03/31/2020	\$744.7	\$1,355.9	\$390.6	28.8%	\$84.3	6.2%	0.5 x	8.8 x
Mastech Digital, Inc.	MHHI	12/31/2019	\$211.6	\$193.6	\$45.3	23.4%	\$14.2	7.4%	1.1 x	14.9 x
RCM Technologies, Inc.	RCMT	03/28/2020	\$54.1	\$184.5	\$45.4	24.6%	\$6.7	3.6%	0.3 x	8.1 x
Robert Half International Inc.	RHI	03/31/2020	\$5,592.6	\$6,112.6	\$2,467.8	40.4%	\$671.2	11.0%	0.9 x	8.3 x
Volt Information Sciences, Inc.	VOLT	02/02/2020	\$80.1	\$961.4	\$146.3	15.2%	(\$1.0)	-0.1%	0.1 x	NM
Average			\$1,386.1	\$1,655.9	\$537.1	27.0%	\$153.0	6.4%	0.7 x	10.3 x
Median			\$182.8	\$630.5	\$111.9	26.4%	\$19.3	6.8%	0.6 x	8.8 x



Executive & Retained Search

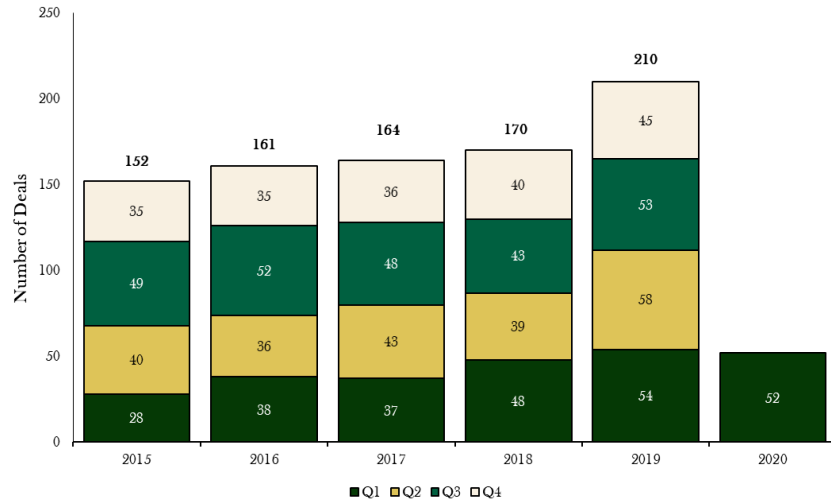
Company Name	Ticker	Date	Enterprise Value	Revenues	Gross Profit	Gross Profit Margin	EBITDA	EBITDA Margin	Enterprise Value / Revenues	Enterprise Value / EBITDA
Hays plc	HAS-GB	12/31/2019	\$2,461.1	\$7,832.8	\$322.0	4.1%	\$336.3	4.3%	0.3 x	7.3 x
Heidrick & Struggles International, Inc.	HSII	03/31/2020	\$372.7	\$724.2	\$217.6	30.0%	\$79.2	10.9%	0.5 x	4.7 x
Korn Ferry	KFY	01/31/2020	\$1,626.5	\$2,030.9	\$497.7	24.5%	\$299.1	14.7%	0.8 x	5.4 x
PageGroup PLC	PAGE-GB	12/31/2019	\$1,455.7	\$2,110.0	\$1,044.6	49.5%	\$262.8	12.5%	0.7 x	5.5 x
Average			\$1,479.0	\$3,174.5	\$520.5	27.0%	\$244.3	10.6%	0.6 x	5.8 x
Median			\$1,541.1	\$2,070.4	\$409.8	27.3%	\$280.9	11.7%	0.6 x	5.5 x

Healthcare Staffing

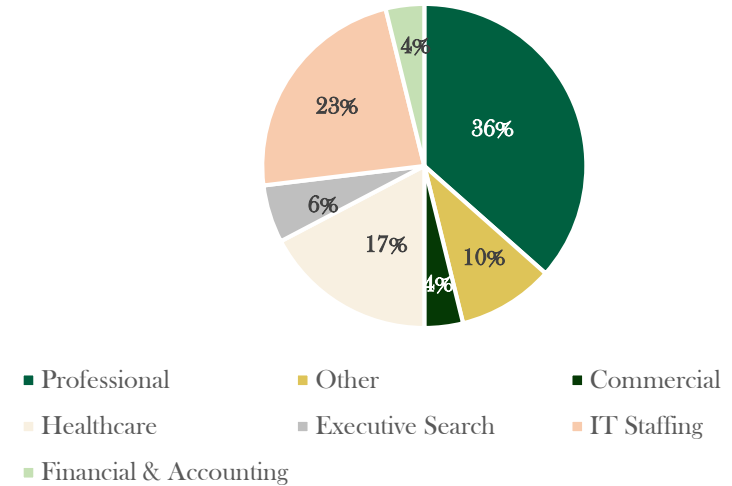
Company Name	Ticker	Date	Enterprise Value	Revenues	Gross Profit	Gross Profit Margin	EBITDA	EBITDA Margin	Enterprise Value / Revenues	Enterprise Value / EBITDA
AMN Healthcare Services, Inc.	AMN-US	03/31/2020	\$3,061.9	\$2,292.1	\$701.9	30.6%	\$240.8	10.5%	1.3 x	12.7 x
Cross Country Healthcare, Inc.	CCRN-US	03/31/2020	\$316.9	\$837.1	\$191.0	22.8%	\$22.5	2.7%	0.4 x	14.1 x
Average			\$1,689.4	\$1,564.6	\$446.4	26.7%	\$131.6	6.6%	0.9 x	13.4 x
Median			\$1,689.4	\$1,564.6	\$446.4	26.7%	\$131.6	6.6%	0.9 x	13.4 x



No. of Deals Per Quarter



Q1 Deals by Industry



Notable Transactions

Completion Date	Target	Target Description	Buyer	Commentary
01/13/2020	Hospitality Staffing Solutions LLC	Provides supplemental and outsourced staffing solutions for the hospitality industry	Kellermeyer Bergensons Services LLC; Cerberus Capital Management LP	Hospitality Staffing Solutions, a specialty staffing firm focused on hospitality staffing was acquired by Kellermeyer Bergensons Services LLC ("KBS"). KBS provides facilities management services to properties nationwide. This combination is a natural fit, allowing KBS to diversify its offering. KBS was acquired in 2019 by Cerberus Capital Management, a \$34B private equity firm based in New York, NY.
01/14/2020	Insight Workforce Solutions Ltd.	Provides education staffing services	Kelly Services (Nasdaq: KELYA)	Insight Workforce Solutions, an education staffing company was acquired by Kelly Services. Insight serves school districts in Illinois, Massachusetts, New Jersey and Pennsylvania. Kelly's Education staffing segment is one of the largest in the country with revenues of over \$400mm.
01/16/2020	Re-Sourcing Holdings	Diversified staffing company operating six brands	McNally Capital	Re-Sourcing, a diversified staffing company with six operating companies was acquired by McNally Capital. Re-Sourcing is a leading staffing and consulting provider that operates under JW Michaels & Co., Compliance Risk Concepts, ExecuSource, Perennial Resources International, Partnership Employment and Technology Navigators. McNally Capital. The transaction allowed for Re-Sourcing founders to take capital off the table and allow them to have access to capital to further growth and acquisitions.
01/28/2020	Level 5 Consulting Engineers, Inc.	Provides engineer staffing to telecommunications industry	Mountain Ltd.; System One Holdings LLC	Level 5, a provider of wireless telecommunication architecture and engineering staffing was acquired by Mountain Ltd, a subsidiary of System One. This is the third telecommunication staffing investment by System One, as they look to build out that offering amidst a growing demand for wireless service and new 5G rollouts. System One was acquired in 2016 by Thomas H. Lee Partners, a \$16B private equity firm based in Boston, MA. The Company was previously owned by Mid-Ocean Partners.
02/04/2020	EdgeRock Technologies LLC	IT managed services, consulting and staffing solutions	BG Staffing, Inc. (NYSE:BGSP)	EdgeRock Technologies, a provider of IT managed services, consulting, and staffing solutions was acquired by BG Staffing. This was BG Staffing's second acquisition over the past two months. The other was the acquisition of L.J. Kushner Associates in December. EdgeRock was acquired for \$21.6mm cash or .53x its 2019 revenue of \$41mm.
02/05/2020	LocumMart LLC	Provides vendor management and healthcare staffing services	CHG Healthcare Services, Inc.; Leonard Green & Partners LP	LocumMart, is a vendor-neutral VMS solution that connects healthcare facilities to a network of both agencies and physicians. CHG, one of the largest private healthcare and Locum Tenens staffing agencies acquired the technology company to bolster its product offering and approach to clients. CHG was acquired in 2012 by Leonard Green & Partners, a 23B private equity firm based in Los Angeles, CA. Leonard Green also currently owns staffing firm Insight Global.
03/09/2020	DeWinter Group	Provides staffing and consulting services to finance and IT companies	New Heritage Capital	DeWinter Group, a leading provider of staffing and consulting services to accounting, finance and IT companies was acquired by New Heritage Capital, a \$500mm private equity firm based in Boston, MA. This marks that second staffing platform that New Heritage has invested in, the other being Execu-Search a diversified temporary and permanent placement staffing firm that New Heritage acquired in October 2016.



About the Bank

Peapack-Gladstone Bank* (NASDAQ: PGC) is a 99-year old boutique commercial bank with total assets of \$5.8 Bn and AUM of \$6.4 Bn as of 03/31/2020. Other business segments include Peapack Private (Wealth Management), Commercial Banking, Commercial Real Estate, Peapack Capital (Equipment Finance), Retail, Residential and Consumer Banking.

Human Capital Investment Banking Coverage

Professional

- IT Staffing & Consulting
- Finance & Accounting
- Healthcare
- Engineering

Commercial

- Clerical
- Pick and Pack
- Distribution & Logistics

Place & Search

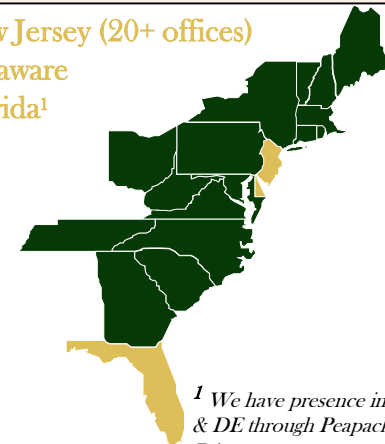
- Direct Hire
- Retained Search

HR Technology

- VMS Platforms
- Block Chain Technology
- Recruitment Process Outsourcing

Full-Service Bank, Boutique focus

- New Jersey (20+ offices)
- Delaware
- Florida¹



¹ We have presence in FL & DE through Peapack Private

Senior Banker Contacts

Kevin Bodnar
Senior Managing Director
Head of Corporate Advisory
E: kbodnar@pgbank.com
T: (908) 443-5385

Jim Janesky
Senior Advisor
Business Services
E: jjanesky@pgbank.com
T: (908) 524-8393

Our Capabilities

- Mergers and Acquisitions
- Capital Formation
- Corporate Finance Advisory
- Structured Finance Solutions

Business Services Transactional Experience



- Our senior bankers have participated and evaluated over 125 transactions in both public and private markets within the Business Services sector
- +75 of the transactions were in the human capital vertical

Dedicated Sector Focus

- ✓ Business Services
- ✓ Utilities and Telecom
- ✓ Information Technology
- ✓ Industrials
- ✓ Financials
- ✓ Healthcare
- ✓ Consumer Staples
- ✓ Consumer Discretionary
- ✓ Materials & Energy
- ✓ Communication Services & Real Estate

Investment Banking has access to a team of 10 equity research analysts through Peapack Private covering 13 industry verticals to meet the corporate finance needs of middle market business owners and investors



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Wealth Management

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Investment Banking

Industry Perspectives

Human Capital Solutions Quarterly | Q4 2019



PEAPACK PRIVATE

Wealth Management

Overview

Our Team is pleased to present its 4Q19 quarterly human capital solutions industry update from our Senior Advisor, Jim Janesky, who oversees client coverage and leads the vertical.

Through this industry update, we will share with you our impressions on the market, track the leading macroeconomic indicators, report relevant transactions, public market valuations and highlight current trends. We also encourage you to set up a meet and greet with Jim Janesky and obtain a complimentary evaluation of your business.

Our Market Observations

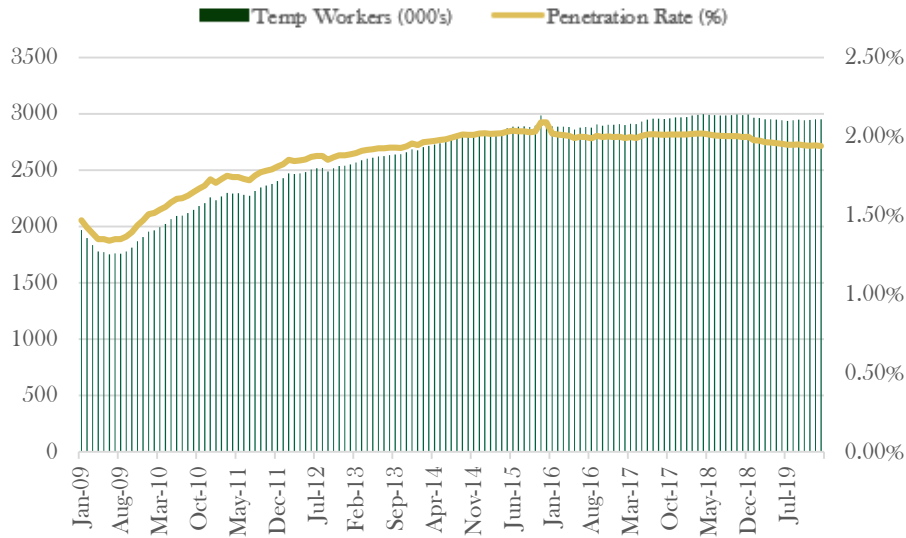
- Despite continued deceleration in the fourth quarter, which is not unusual this late in an economic expansion, many temporary staffing providers expect that revenue growth will accelerate and margins will improve in 2020. This is most likely based on the continued strength of the US economy and job market.
- There are few to no economic indicators such as consumer spending, the yield curve, permanent job growth, interest rates, inflation and commodity prices that point toward a recession. That said, the coronavirus' impact on China and multi-national companies, the tariff wars and the upcoming Presidential election are uncertainties that could lead to an economic contraction.
- Even after a year (including 4Q19) of very good growth in 2019, travel nurse staffing should continue to outperform the overall staffing market in 2020 due to demographics and an increased shortage of nurses (see page 5).
- The \$31B IT staffing vertical continues to face a market with solid demand but a supply of talent imbalance (see page 5).
- Although the overall stock market continues to set new highs, which has significantly propped up public company staffing stock valuations, investors do not expect outperformance for staffing stocks in 2020, especially after these companies reported 4Q19 earnings and gave an outlook for 1Q20.
- The M&A market was still very active during 4Q19 while the 210 transactions for all of 2019 set a record. M&A activity in 2020 is not expected to slow and access to capital will continue to be readily available. (see page 9).

Upcoming Events

- March 4, 2020 - New Jersey Staffing Alliance webinar hosted by Jim Janesky



Temporary Employment Vs. Penetration Rate

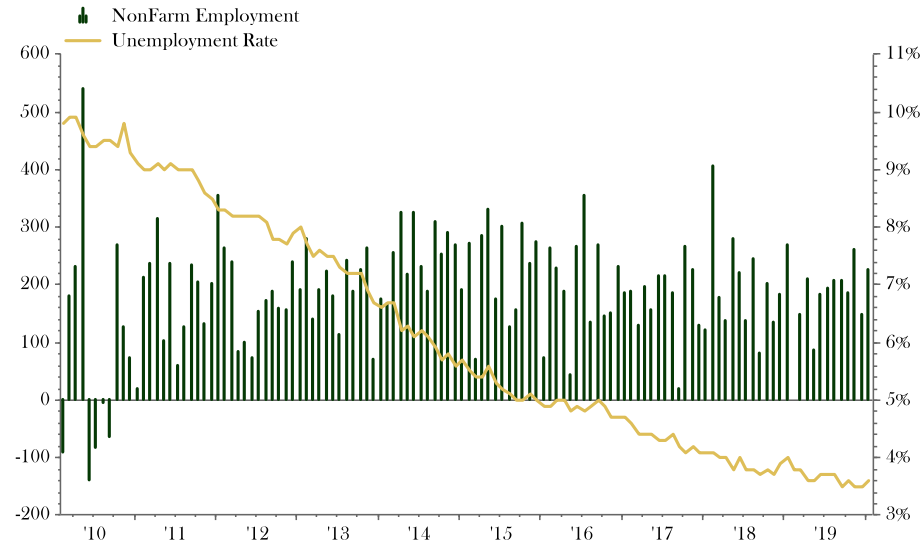


The temporary employment penetration rate came in at 1.938% in January 2020, down slightly from 1.942% in the prior month. Temporary staffing volume growth **declined** 0.5% Y/Y versus a decrease of 1.4% in the prior month while sequential volume fell to 0.1% in January relative to its historical increase of 0.1% from December to January.

Key Takeaway:

While temporary staffing stocks are expected to underperform in 2020, the overall temp staffing industry shows little signs of any significant declines in 2020 due to a good economic backdrop and tight labor market.

Y/Y Δ in NonFarm Employment Vs. Unemployment Rate



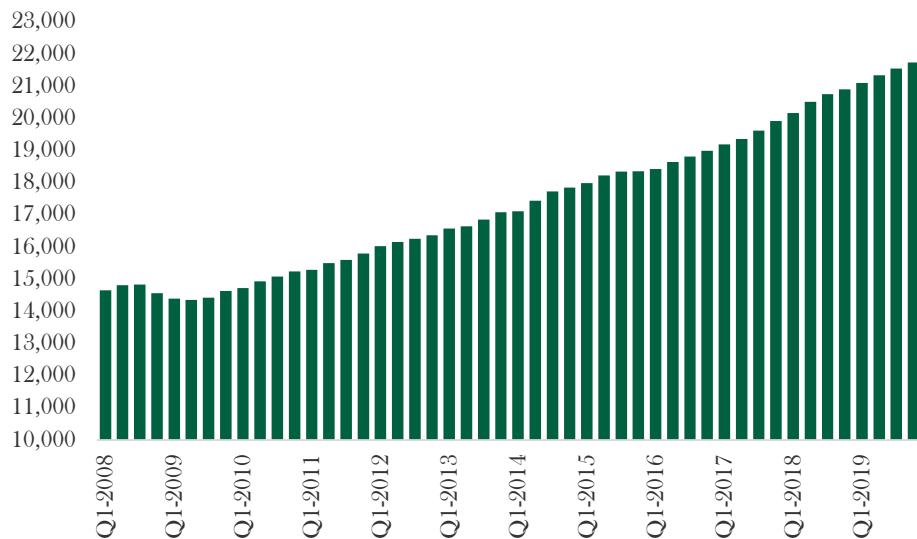
The January 2020 report of 225,000 jobs added was well ahead of expectations. The unemployment rate of 3.6% ticked up slightly from the prior month while overall average hourly earnings increased 3.1% Y/Y and average hourly earnings for temporary employees increased 6.2% Y/Y. The 3.1% figure was up slightly from 2.9% in the prior month while the 6.2% rate was down from the 7.9% rate the prior month.

Key Takeaway:

The overall job market has been robust, especially considering where we are in the economic cycle. Although wage growth decelerated, there are virtually no signs that the tight labor market will loosen in 2020.

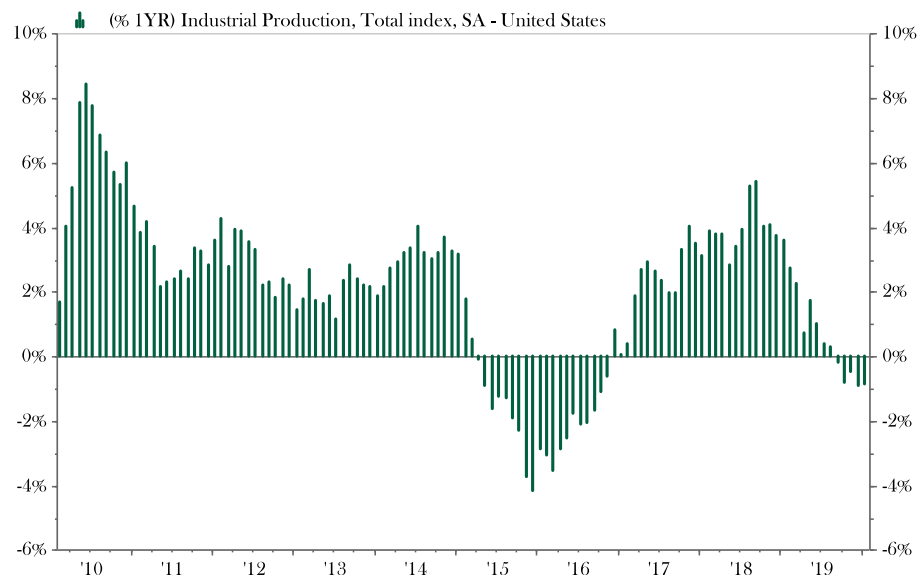


US Real GDP



US Real GDP, a good proxy for the overall staffing market, grew 2.1% in 4Q19 inline with the 2.1% in 3Q19 and inline with consensus expectations. The Federal Reserve Bank of Philadelphia recently forecasted that GDP will grow 2.0% in both 2020 and 2021. The Bank also projected that monthly payrolls will grow an average of 168,000 in 2020. Most staffing providers expect revenue growth to accelerate and margins to improve in 2020, which we believe is significantly due to the economic backdrop and forecasts.

US Industrial Production Growth



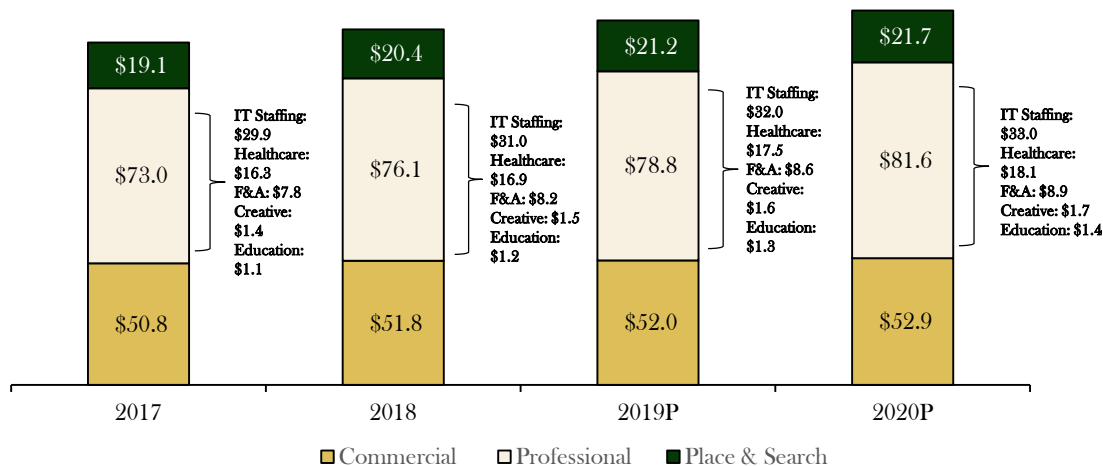
US Industrial Production, a good proxy for the \$36 billion light industrial staffing segment, continued to decline during 4Q19. The manufacturing sector, which accounts for 78% of industrial production, is leading the decline as the sector works down excess inventories and tariff wars slow global trade. Many parts of the light industrial staffing market, such as manufacturing and construction, continued to slow during 4Q19 and show limited signs of any near term recovery.



Segment Growth & Other Industry Data

- A December 2019 Pulse Survey from Staffing Industry Analysts (SIA) indicated that median temporary staffing revenue growth continued to decelerate to 5% in October 2019 versus 7% in August 2019, 9% in June, 14% in April, and 12% in February. While any growth at this point in the cycle is considered unusual by historic standards, almost all staffing stocks, which are considered early cycle investments, are expected to underperform the overall market in 2020 (see pages 6, 7 and 8).
- The same Pulse Survey reported that the nurse travel segment grew a median of 8% in October 2019, a significant decline from 20% in August, and the 16% reported in June. Despite this report, AMN Healthcare (NYSE:AMN), a leading provider of healthcare staffing and other talent solutions, recently reported 4Q19 earnings and gave an outlook for 1Q20 that impressed investors. (see page 8).
- Although a severe talent shortage and H1B visa issues continue to hold back the overall market, the \$31B IT staffing segment has continued to outperform the overall market. According to the Pulse survey, median IT staffing revenue increased 8% in October versus 8% in August, 7% in June, and 9% in April. The IT vertical is expected to extend this outperformance into 2020.

Staffing Industry Forecast



Source: Staffing Industry Analysts "US Staffing Industry Forecast: September 2019 Update", September 17, 2019

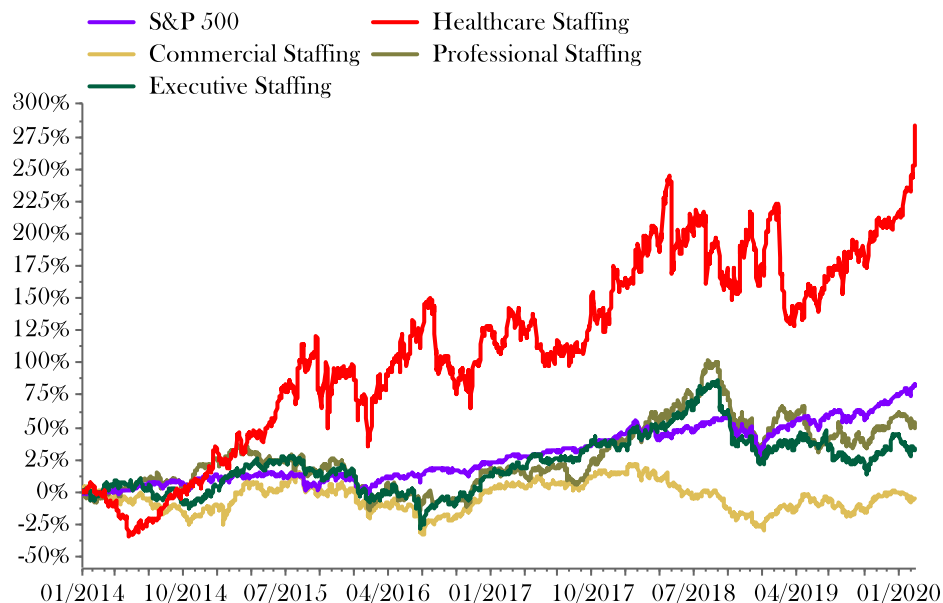


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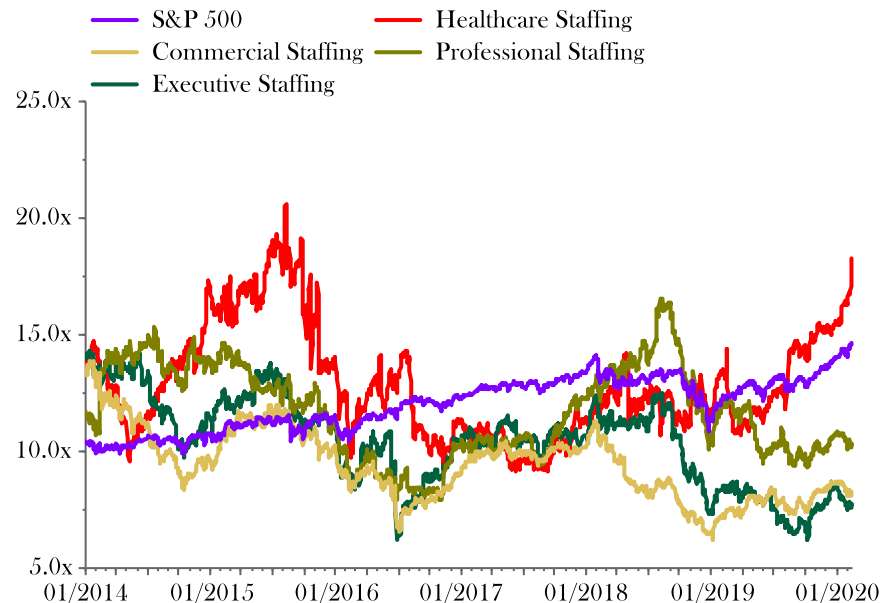
Wealth Management

Non-deposit investment products are not insured by the FDIC; are not deposits or other obligations of, or guaranteed by, Peapack-Gladstone Bank; and are subject to investment risks, including possible loss of the principal amount invested.

5 Year Relative Stock Price Performance



5 Year EV/LTM EBITDA Relative Performance



Sub-Sector	Number of Companies	Median Enterprise (In \$ 000's)	Median Change in Stock Price			Median Gross Profit Conversion	Median TEV / LTM Multiples	
			1 Year	3 Years	5 Years		Revenue	EBITDA
Commercial Staffing	6	3,419.1	10.5%	-11.1%	-18.2%	25.0%	0.4x	7.3x
Professional Staffing	8	216.0	-21.4%	23.4%	44.8%	24.3%	0.7x	10.3x
Executive & Retained Search	4	2,175.4	-6.2%	21.9%	27.6%	48.3%	0.8x	8.0x
Healthcare Staffing	2	2,327.0	24.2%	25.2%	220.1%	21.8%	1.2x	22.1x
S&P 500*			21.9%	44.1%	85.2%			

*S&P data on a mean basis



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Commercial Staffing

Company Name	Ticker	Date	Enterprise Value	Revenues	Gross Profit	Gross Profit Margin	EBITDA	EBITDA Margin	Enterprise Value / Revenues	Enterprise Value / EBITDA
Adecco Group AG	ADEN-CH	09/30/2019	\$11,336.6	\$26,615.6	\$4,958.9	18.6%	\$1,320.6	5.0%	0.4 x	8.6 x
Barrett Business Services, Inc.	BBSI	09/30/2019	\$410.5	\$935.0	\$212.6	22.7%	\$59.2	6.3%	0.4 x	6.9 x
Kelly Services, Inc. Class A	KELYA	12/29/2019	\$813.6	\$5,355.6	\$963.0	18.0%	\$143.8	2.7%	0.2 x	5.7 x
ManpowerGroup Inc.	MAN	12/31/2019	\$6,048.4	\$20,863.5	\$3,375.1	16.2%	\$786.1	3.8%	0.3 x	7.7 x
Randstad NV	RAND-NL	12/31/2019	\$12,573.8	\$26,499.3	\$4,846.3	18.3%	\$1,430.4	5.4%	0.5 x	8.8 x
TrueBlue, Inc.	TBI	12/29/2019	\$701.7	\$2,368.8	\$588.6	24.8%	\$103.7	4.4%	0.3 x	6.8 x
Average			\$5,314.1	\$13,773.0	\$2,490.8	19.8%	\$640.6	4.6%	0.3 x	7.4 x
Median			\$3,431.0	\$13,109.6	\$2,169.1	18.5%	\$465.0	4.7%	0.4 x	7.3 x

Professional Staffing

Company Name	Ticker	Date	Enterprise Value	Revenues	Gross Profit	Gross Profit Margin	EBITDA	EBITDA Margin	Enterprise Value / Revenues	Enterprise Value / EBITDA
ASGN Inc	ASGN	12/31/2019	\$4,233.3	\$3,923.9	\$1,078.9	27.5%	\$406.4	10.4%	1.1 x	10.4 x
BG Staffing, Inc.	BGSF	09/29/2019	\$219.7	\$294.0	\$75.3	25.6%	\$27.0	9.2%	0.7 x	8.2 x
GEE Group, Inc.	JOB	12/31/2019	\$110.7	\$150.7	\$45.9	30.5%	\$9.0	6.0%	0.7 x	12.3 x
Kforce Inc.	KFRC	12/31/2019	\$807.7	\$1,347.4	\$389.0	28.9%	\$80.9	6.0%	0.6 x	10.0 x
Mastech Digital, Inc.	MHHI	9/30/2019	\$212.3	\$187.9	\$43.2	23.0%	\$13.1	7.0%	1.1 x	16.2 x
RCM Technologies, Inc.	RCMT	09/28/2019	\$74.0	\$197.8	\$48.5	24.5%	\$7.8	3.9%	0.4 x	9.5 x
Robert Half International Inc.	RHI	12/31/2019	\$6,944.1	\$6,074.4	\$2,464.9	40.6%	\$686.0	11.3%	1.1 x	10.1 x
Volt Information Sciences, Inc.	VOLT	11/03/2019	\$56.5	\$997.1	\$152.6	15.3%	\$2.5	0.2%	0.1 x	22.9 x
Average			\$1,582.3	\$1,646.6	\$537.3	27.0%	\$154.1	6.7%	0.7 x	12.4 x
Median			\$216.0	\$645.5	\$113.9	26.6%	\$20.1	6.5%	0.7 x	10.3 x



Executive & Retained Search

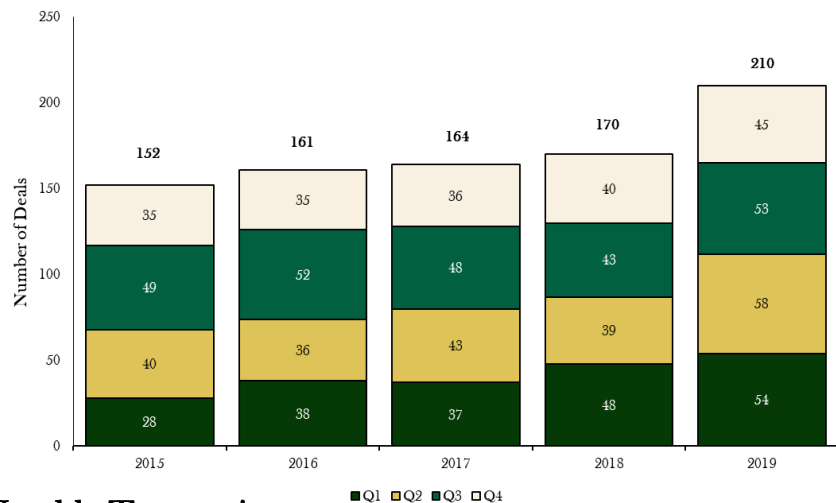
Company Name	Ticker	Date	Enterprise Value	Revenues	Gross Profit	Gross Profit Margin	EBITDA	EBITDA Margin	Enterprise Value / Revenues	Enterprise Value / EBITDA
Hays plc	HAS-GB	06/30/2019	\$2,928.0	\$7,856.6	\$322.0	4.1%	\$341.7	4.3%	0.4 x	8.6 x
Heidrick & Struggles International, Inc.	HSII	09/30/2019	\$428.4	\$731.9	\$218.3	29.8%	\$81.8	11.2%	0.6 x	5.2 x
Korn Ferry	KFY	10/31/2019	\$2,347.9	\$1,989.1	\$500.5	25.2%	\$295.7	14.9%	1.2 x	7.9 x
PageGroup PLC	PAGE-GB	06/30/2019	\$1,969.4	\$2,095.2	\$1,077.9	51.4%	\$249.6	11.9%	0.9 x	7.9 x
Average			\$1,918.4	\$3,168.2	\$529.7	27.6%	\$242.2	10.6%	0.8 x	7.4 x
Median			\$2,158.7	\$2,042.1	\$411.3	27.5%	\$272.6	11.5%	0.8 x	7.9 x

Healthcare Staffing

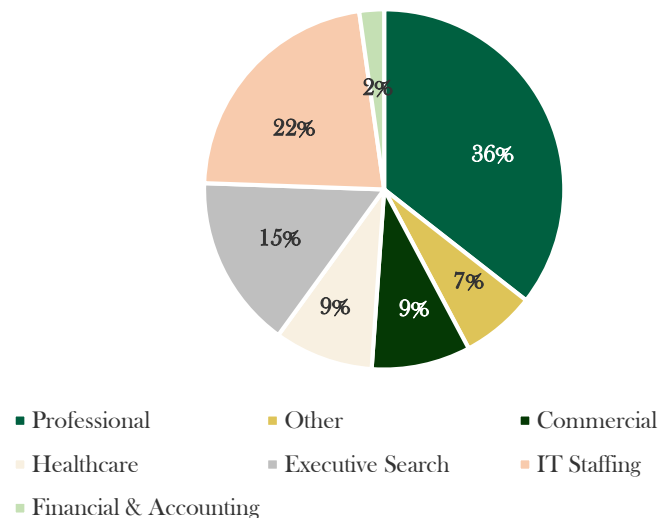
Company Name	Ticker	Date	Enterprise Value	Revenues	Gross Profit	Gross Profit Margin	EBITDA	EBITDA Margin	Enterprise Value / Revenues	Enterprise Value / EBITDA
AMN Healthcare Services, Inc.	AMN-US	12/31/2019	\$4,141.8	\$2,222.1	\$684.9	30.8%	\$235.4	10.6%	1.9 x	17.6 x
Cross Country Healthcare, Inc.	CCRN-US	09/30/2019	\$448.7	\$808.0	\$188.9	23.4%	\$17.4	2.2%	0.6 x	25.8 x
Average			\$2,295.2	\$1,515.1	\$436.9	27.1%	\$126.4	6.4%	1.2 x	21.7 x
Median			\$2,295.2	\$1,515.1	\$436.9	27.1%	\$126.4	6.4%	1.2 x	21.7 x



No. of Deals Per Quarter



Q4 Deals by Industry



Notable Transactions

Completion Date	Target	Target Description	Buyer	Commentary
10/17/2019	InterSys Consulting, Inc.	Big Data and Data Management, Business Intelligence and Analytics and Application Development.	ASGN, Inc.	InterSys Consulting, is a consulting firm focused on providing cloud based data analytics and digital product development capabilities. ASGN is using the acquisition to bolster its Apex division and its growing number of consulting assignments. ASGN paid \$67mm in cash. InterSys reported revenues of \$31mm for 2019, resulting in a EV/Revenue multiple of 2.2x.
10/22/2019	ettain group, Inc.	Provides professional talent and project leadership solutions.	Alvarez & Marsal, Inc.	Ettain group is a leading provider of IT recruitment for healthcare, digital / creative, and other industries. The Company was originally acquired by New Mainstream Capital, a private equity firm, in 2014. New Mainstream recently exited the investment, selling Ettain group to Alvarez & Marsal Capital ("A&M Capital"), a \$3.0B private equity firm based in Greenwich, CT. A&M will provide Ettain group additional capital for strategic acquisitions.
10/22/2019	Global Employment Solutions, Inc.; Leidos Health, LLC	Global Employment Solutions, is a professional staffing services provider; Leidos Health, is a healthcare IT staffing firm	ettain group, Inc.	Concurrent with the sale of Ettain group to A&M Capital, the Company made two strategic acquisitions. Ettain group acquired Global Employment Solutions ("GES"), an IT and professional staffing firm focused on commercial and government markets. GES operates under the Fahrenheit IT, ITEC and Global Employment Solutions brands. GES was previously owned by TZP Group, a \$1.4B private equity firm based in New York, NY. Ettain group also acquired Leidos Health, the healthcare IT services division of Leidos, Inc. as it continues to build out niche IT staffing solutions. The business will be rebranded Ettain Health.
11/07/2019	Maxim Healthcare Services, Inc. /Managed Services Provider/	Provides management services	Allegis Global Solutions	Allegis Global Solutions announced that it has acquired the managed service division of Maxim Healthcare. This acquisition will help expand Allegis' client base in the healthcare services, specifically in the acute and patient care sectors.



Notable Transactions (cont.)

Completion Date	Target	Target Description	Buyer	Commentary
11/12/2019	Webster Consulting Group LLC	Provides data and analytics solutions	Eliassen Group LLC; Stone Point Capital, LLC	Eliassen Group announced the acquisition of Webster Consulting Group, an IT staffing firm with a focus on project management, business analysis, software QA, and architecture and development. The transaction is viewed as positive for both companies as it broadens Eliassen's client base and provides Webster's clients with additional resources. Eliassen Group is backed by Stone Point Capital, a \$21.0B private equity firm based in Greenwich, CT. Stone Point acquired Eliassen in 2018 from Riverside Partners
12/16/2019	L.J. Kushner & Associates LLC	Provides executive search and professional recruitment services	BG Staffing	BG Staffing announced the acquisition of L.J. Kushner & Associates, a IT focused permanent placement search firm. The acquisition will broaden BG Staffing's offerings in IT and cyber-security retained search. L.J. Kushner & Associates provides IT staffing services for C-Suite and below including CIO, CCO, and technical leadership positions.
01/03/2020	Soliant Health, Inc.	Provides healthcare staffing services	Olympus Partners	Olympus Partners announced the acquisition of Soliant Health. Soliant Health is a provider of education and healthcare staffing including speech pathologists, psychologists, occupational therapists and nurses- to K-12 schools. The Company was previously owned by Adecco Group. Olympus Partners is a \$3.1B private equity firm based in Stamford, CT.



About the Bank

Peapack-Gladstone Bank* (NASDAQ: PGC) is a 98-year old boutique commercial bank with total assets of \$5.2 Bn and AUM of \$7.5 Bn as of 12/31/2019. Other business segments include Peapack Private (Wealth Management), Commercial Banking, Commercial Real Estate, Peapack Capital (Equipment Finance), Retail, Residential and Consumer Banking.

Human Capital Investment Banking Coverage

Professional

- IT Staffing & Consulting
- Finance & Accounting
- Healthcare
- Engineering

Commercial

- Clerical
- Pick and Pack
- Distribution & Logistics

Place & Search

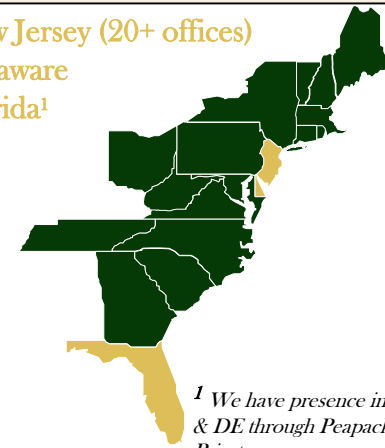
- Direct Hire
- Retained Search

HR Technology

- VMS Platforms
- Block Chain Technology
- Recruitment Process Outsourcing

Full-Service Bank, Boutique focus

- New Jersey (20+ offices)
- Delaware
- Florida¹



¹ We have presence in FL & DE through Peapack Private

Senior Banker Contacts

Kevin Bodnar
Senior Managing Director
Head of Corporate Advisory
E: kbodnar@pgbank.com
T: (908) 443-5385

Jim Janesky
Senior Advisor
Business Services
E: jjanesky@pgbank.com
T: (908) 524-8393

Our Capabilities

- Mergers and Acquisitions
- Capital Formation
- Corporate Finance Advisory
- Structured Finance Solutions

Business Services Transactional Experience



- Our senior bankers have participated and evaluated over 125 transactions in both public and private markets within the Business Services sector
- +75 of the transactions were in the human capital vertical

Dedicated Sector Focus

- ✓ Business Services
- ✓ Utilities and Telecom
- ✓ Information Technology
- ✓ Industrials
- ✓ Financials
- ✓ Healthcare
- ✓ Consumer Staples
- ✓ Consumer Discretionary
- ✓ Materials & Energy
- ✓ Communication Services & Real Estate

Investment Banking has access to a team of 10 equity research analysts through Peapack Private covering 13 industry verticals to meet the corporate finance needs of middle market business owners and investors



PEAPACK PRIVATE

Wealth Management

*Member
FDIC



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Investment Banking

Industry Perspectives

Human Capital Solutions Quarterly | Q3 2019



PEAPACK PRIVATE

Wealth Management

Overview

Our Team is pleased to present its 3Q19 quarterly human capital solutions industry update from our Senior Advisor, Jim Janesky, who oversees client coverage and leads the vertical.

Through this industry update, we will share with you our impressions on the market, track the leading macroeconomic indicators, report relevant transactions, public market valuations and highlight current trends. We also encourage you to set up a meet and greet with Jim Janesky and obtain a complimentary evaluation of your business.

Our Market Observations

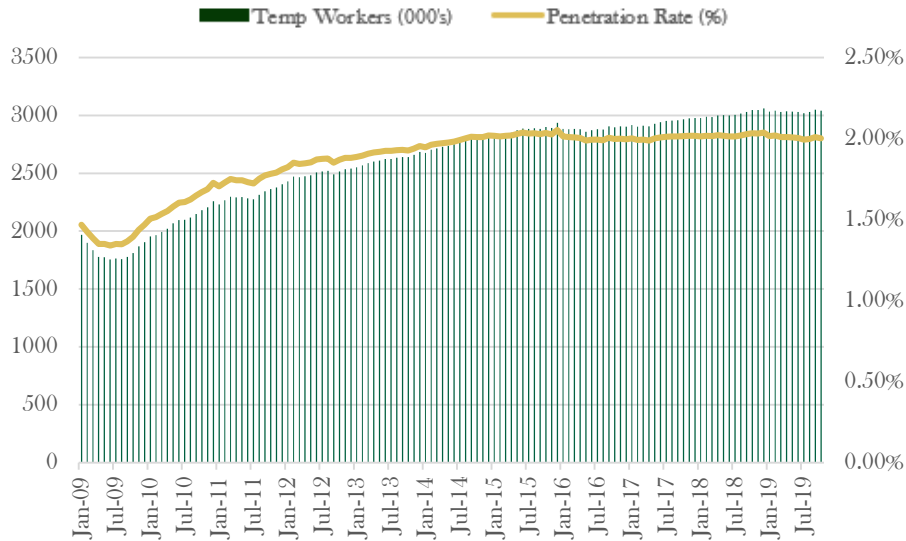
- The overall temporary staffing market continued to decelerate in the third quarter of 2019, which is not unusual this late in an economic expansion. Temporary wage growth accelerated in the October 2019 jobs report, an indication of a tight labor market.
- Economic indicators such as consumer spending, the yield curve, permanent job growth, interest rates, inflation and commodity prices point towards continued moderate growth but not a recession. Some of these indicators were flashing signs of a recession as of our last quarterly report.
- Although clearly slowing, any temporary job growth at this point in the cycle is considered unusual by historic standards.
- Travel nurse staffing is experiencing robust growth due to demographics and an increased shortage of nurses (see page 5).
- The \$31B IT staffing vertical has outperformed the overall industry but has been held back due to a labor shortage and H1B visa issues (see page 5).
- Despite a robust overall stock market, public company staffing stock valuations, outside of the healthcare segment, continued to be under pressure in 3Q19, an indication that the group is out of favor with investors (see pages 3, 6, 7 and 8).
- The M&A market was still very active during 3Q19 with many financing alternatives but acquisition multiples outside of the highest quality companies have moderated (see page 9).

Upcoming Events

- December 10, 2019 - TechServe Alliance Quarterly “State of the Industry” Webinar hosted by Mark Roberts and Jim Janesky



Temporary Employment Vs. Penetration Rate

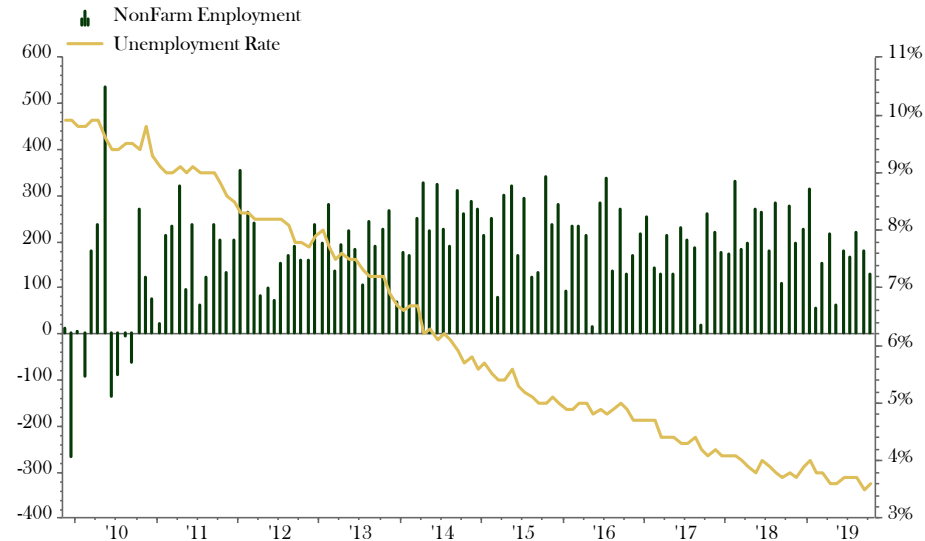


The temporary employment penetration rate came in at 2.001% in October '19, down slightly from 2.008% in the prior month. Temporary staffing volume growth came in at 0.1% Y/Y versus 0.7% in the prior month while sequential volume rose to 1.9% in October relative to its historical increase of 1.6% from September to October.

Key Takeaway:

Although temporary staffing stocks are out of favor with investors, any growth in the temporary staffing market this late in the cycle is somewhat remarkable by historic standards.

Y/Y Δ in NonFarm Employment Vs. Unemployment Rate



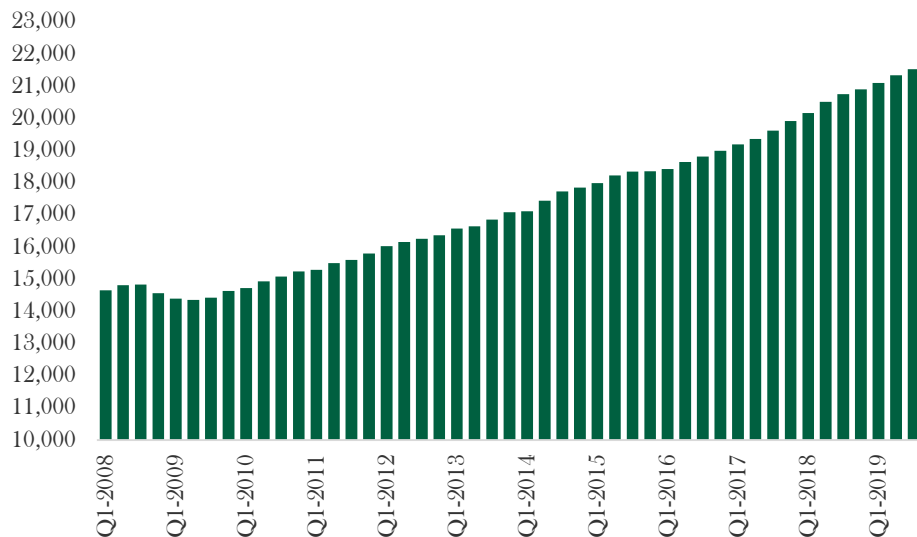
Despite the General Motors strike, the October 2019 report of 128,000 jobs added was well ahead of expectations. The unemployment rate of 3.6% was consistent with the the prior month while overall average hourly earnings increased 3.0% Y/Y and average hourly earnings for temporary employees accelerated to an increase of 8.5% Y/Y. The 3.0% figure was up slightly from 2.9% in the prior month while the 8.5% rate was dramatically up from the 7.2% rate the prior month.

Key Takeaway:

The overall job market has exhibited signs of resiliency, especially considering where we are in the economic cycle. Wage growth indicates a continued tight labor market.

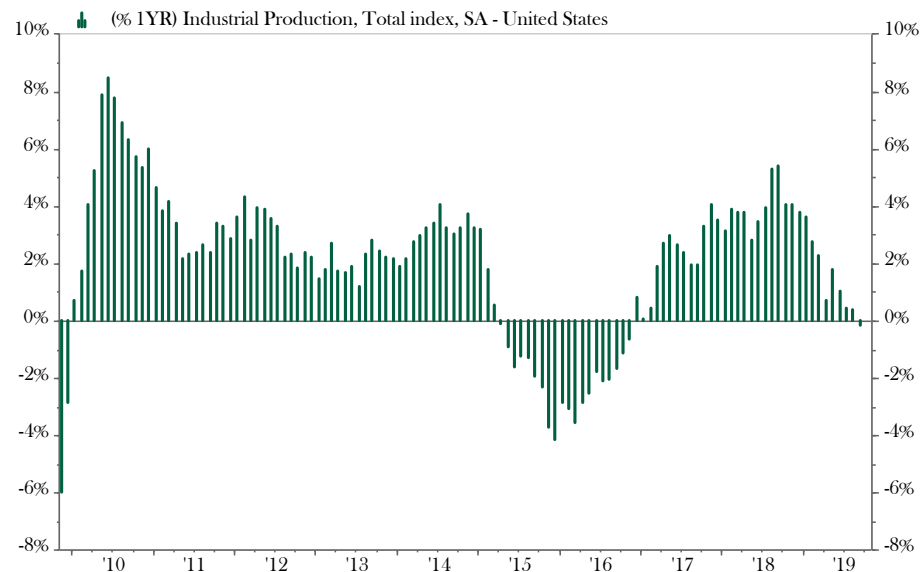


US Real GDP



US Real GDP, a good proxy for the overall staffing market, grew 1.9% in 3Q19 versus 2.0% in 2Q19 but came in higher than consensus expectations. The Conference Board's Economic Forecast is for GDP to grow 2.3% in 2019 and further slow to 2.0% in 2020. US GDP growth came in at 2.9% for 2018. There are few signs of a looming recession, which points towards continued growth in the staffing industry, especially if the trade wars are settled.

US Industrial Production Growth



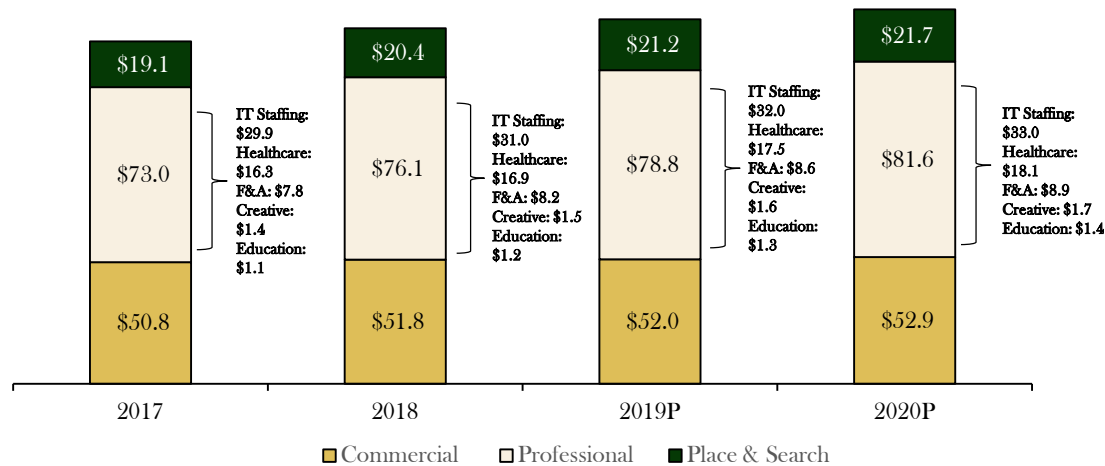
US Industrial Production, a good proxy for the \$36 billion light industrial staffing segment, continued to dramatically slow during 3Q19 as investment spending is weak, the manufacturing sector works down excess inventories and trade wars slow global growth. Many parts of the light industrial staffing market, such as manufacturing and construction, experienced declines during 3Q19 but could reverse course if trade wars are settled.



Segment Growth & Other Industry Data

- An October 2019 Pulse Survey from Staffing Industry Analysts (SIA) indicated that median temporary staffing revenue growth further slowed to 7% in August 2019 versus 9% in June, 14% in April and 12% in February. This growth, however, is still quite exceptional at this point in the cycle but almost all staffing stocks, which are considered early cycle investments, continue to be out of favor with investors (see pages 6, 7 and 8).
- The same Pulse Survey reported that the nurse travel segment grew a median of 20% in August, accelerating from the 16% reported in June. Although a small sample size, healthcare stocks are very much in favor with investors (see page 8).
- Although there are headwinds of a severe talent shortage and H1B visa issues, the \$31B IT staffing segment has been quite resilient. According to the Pulse survey, median IT staffing revenue increased 8% in August versus 7% in June and versus 9% in April. The IT and healthcare verticals continue to outperform the overall staffing market by a significant margin.

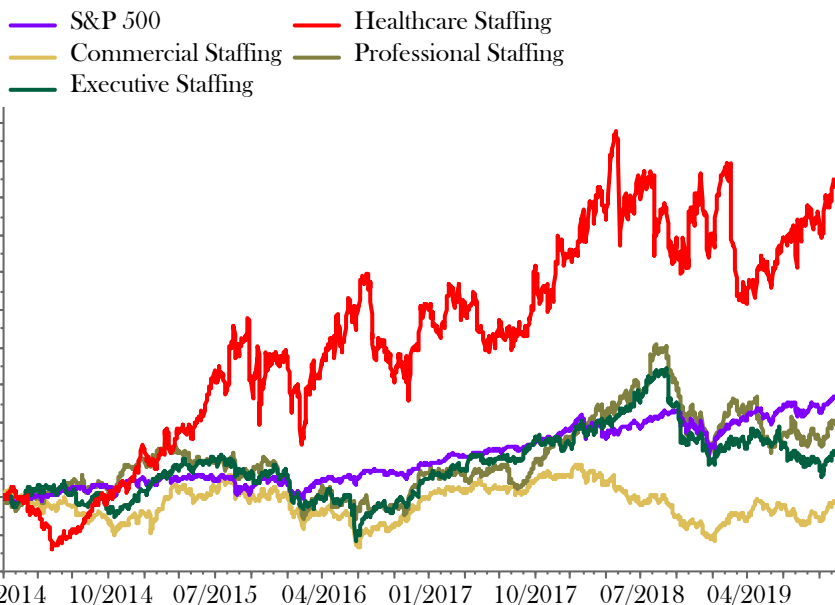
Staffing Industry Forecast



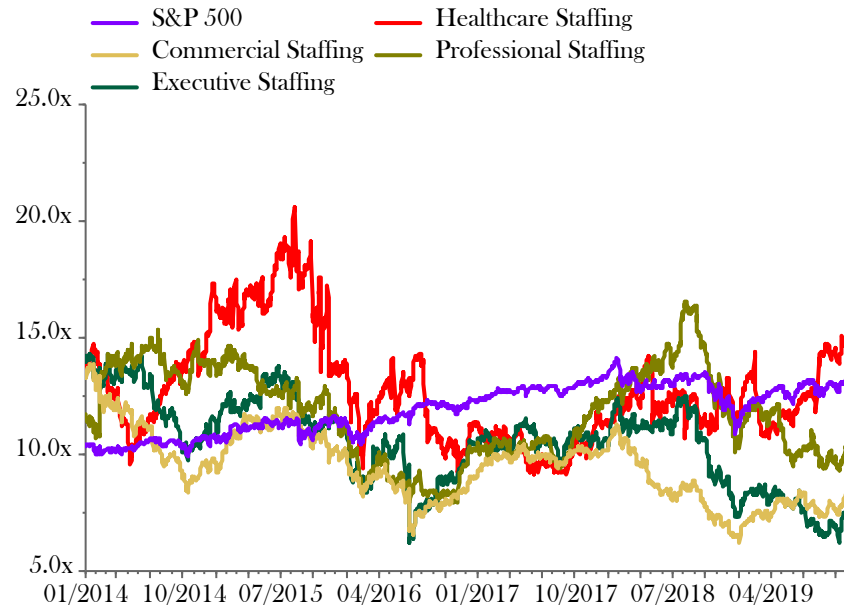
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Commercial Staffing	7	3,558.1	18.6%	9.5%	-4.6%	25.5%	0.4x	8.1x
Professional Staffing	8	186.9	-4.6%	43.9%	-2.8%	24.7%	0.7x	9.9x
Executive & Retained Search	4	2,080.6	-9.4%	36.1%	32.6%	51.1%	0.8x	7.5x
Healthcare Staffing	2	1,981.7	20.8%	33.3%	215.9%	21.4%	1.1x	23.0x
S&P 500*			14.1%	42.8%	73.2%			

*S&P data on a mean basis



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ManpowerGroup Inc.	MAN	09/30/2019	\$6,159.8	\$21,060.1	\$3,395.8	16.1%	\$825.4	3.9%	0.3 x	7.5 x
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Average			\$5,413.7	\$13,882.0	\$2,542.4	19.9%	\$646.5	4.6%	0.4 x	7.9 x
Median			\$3,558.1	\$13,246.3	\$2,185.8	18.8%	\$483.8	4.8%	0.4 x	8.1 x

Professional Staffing

Company Name	Ticker	Date	Enterprise Value	Revenues	Gross Profit	Gross Profit Margin	EBITDA	EBITDA Margin	Enterprise Value / Revenues	Enterprise Value / EBITDA
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GEE Group, Inc.	JOB	06/30/2019	\$103.4	\$152.7	\$47.6	31.2%	\$10.4	6.8%	0.7 x	9.9 x
Kforce Inc.	KFRC	09/30/2019	\$942.6	\$1,369.1	\$397.0	29.0%	\$84.7	6.2%	0.7 x	11.1 x
Mastech Digital, Inc.	MHH	09/30/2019	\$130.8	\$187.9	\$43.2	23.0%	\$13.1	7.0%	0.7 x	10.0 x
RCM Technologies, Inc.	RCMT	09/28/2019	\$76.5	\$197.8	\$48.5	24.5%	\$7.8	3.9%	0.4 x	9.9 x
Robert Half International Inc.	RHI	09/30/2019	\$6,800.3	\$6,018.7	\$2,494.3	41.4%	\$686.8	11.4%	1.1 x	9.9 x
Volt Information Sciences, Inc.	VOLT	07/28/2019	\$66.6	\$1,003.5	\$153.6	15.3%	\$2.0	0.2%	0.1 x	32.9 x
Average			\$1,613.1	\$1,631.5	\$535.9	27.1%	\$154.8	6.9%	0.7 x	13.0 x
Median			\$186.9	\$648.7	\$114.4	26.2%	\$20.1	6.9%	0.7 x	9.9 x



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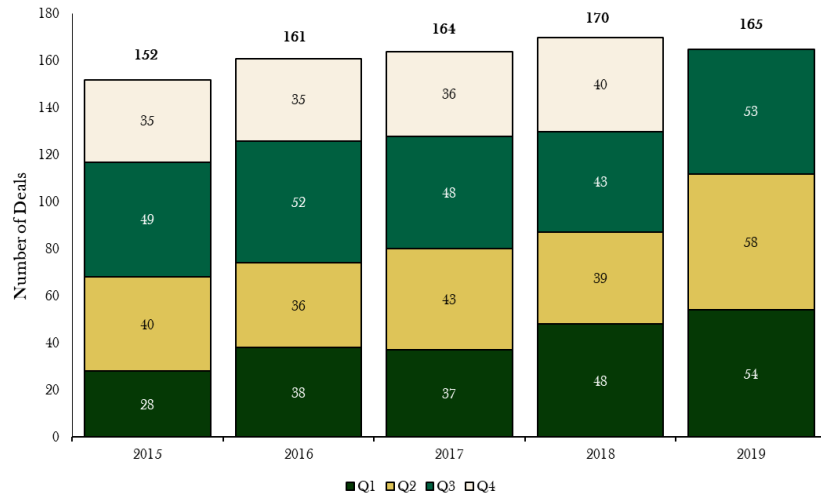
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Hays plc	HAS-GB	06/30/2019	\$2,898.0	\$7,856.6	\$322.0	4.1%	\$341.7	4.3%	0.4 x	8.5 x
Heidrick & Struggles International, Inc.	HSII	09/30/2019	\$452.6	\$731.9	\$195.6	26.7%	\$81.3	11.1%	0.6 x	5.6 x
Korn Ferry	KFY	07/31/2019	\$2,200.7	\$1,991.7	\$505.4	25.4%	\$306.7	15.4%	1.1 x	7.2 x
PageGroup PLC	PAGE-GB	06/30/2019	\$1,960.4	\$2,095.2	\$1,077.9	51.4%	\$249.6	11.9%	0.9 x	7.9 x
Average			\$1,877.9	\$3,168.8	\$525.2	26.9%	\$244.8	10.7%	0.8 x	7.3 x
Median			\$2,080.6	\$2,043.4	\$413.7	26.1%	\$278.1	11.5%	0.8 x	7.5 x

Healthcare Staffing

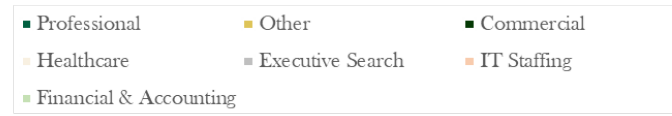
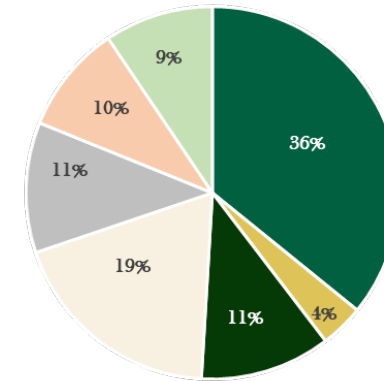
Company Name	Ticker	Date	Enterprise Value	Revenues	Gross Profit	Gross Profit Margin	EBITDA	EBITDA Margin	Enterprise Value / Revenues	Enterprise Value / EBITDA
AMN Healthcare Services, Inc.	AMN-US	09/30/2019	\$3,430.4	\$2,163.9	\$665.8	30.8%	\$224.2	10.4%	1.6 x	15.3 x
Cross Country Healthcare, Inc.	CCRN-US	09/30/2019	\$533.1	\$808.0	\$188.9	23.4%	\$17.4	2.2%	0.7 x	30.6 x
Average			\$1,981.7	\$1,485.9	\$427.4	27.1%	\$120.8	6.3%	1.1 x	28.0 x
Median			\$1,981.7	\$1,485.9	\$427.4	27.1%	\$120.8	6.3%	1.1 x	28.0 x



No. of Deals Per Quarter



Q3 Deals by Industry



Notable Transactions

Completion Date	Target	Target Description	Buyer	Commentary
07/02/2019	C & D Technical Services, Inc.	Provides skilled labor staffing solutions for construction and manufacturing companies	HW Staffing, Inc.	HW Staffing expands its presence in NJ with the acquisition of C&D Technical Staffing. HW Staffing is leading temporary and permanent staffing firm focused on accounting & finance, clerical, and light industrial sectors with 20 offices across New England and Mid-Atlantic regions. C&D is a light industrial focused staffing firm based in NJ. C&D will provide HW a platform in the NJ region to expand its footprint.
07/08/2019	The Rowland Group, LLC	Staffing and recruiting for accounting, IT, and engineering	System One Holdings LLC	System One continues to grow through acquisitions with the acquisition of the Rowland Group. System One Holdings, is a professional staffing firm with expertise in energy, engineering, quality control, IT, and telecom staffing based in Pittsburgh, PA. The Rowland Group is a two office staffing firm with offices in Oklahoma and Texas that focuses on energy, engineering, and IT staffing. The acquisition will allow System One to expand into the Tulsa market and deepen its presence in Texas. System One is backed by Thomas H. Lee Partners, a \$16B private equity firm based in Boston, MA
07/09/2019	Flexy Corp. Ltd.	Retail and administrative staffing services	Impellam Group Plc	Impellam Group Plc augments their portfolio with the acquisition of Flexy Corp. Ltd. Impellam Group is a large staffing conglomerate with deep staffing experience and 17 individual brands that all operate in their own niche staffing segments. Flexy Corp. is a smaller sized, 'just-in-time' staffing firm headquartered in London. With this acquisition, Impellam Group is gaining valuable technology and digital capabilities to deepen their service offering to customers and clients.
09/03/2019	Best Practices Staffing, Inc.	Light industrial, clerical, and hospitality staffing	Trivest Partners LP; PeopleShare LLC	Acquisition by PeopleShare to provide geographic expansion into the mid-west. PeopleShare is based in Philadelphia, PA with offices in PA, MD, VA, and Southern NJ. Best Practices Staffing is based in Chicago, IL with four additional offices in the Chicago area. With this acquisition, it brings PeopleShare to 30 total office and marks the second acquisition of 2019. PeopleShare is backed by private equity firm Trivest Partners, which acquired the business in September 2015. Trivest Partners is a \$1.7B private equity firm based in Coral Gables, FL.
09/11/2019	TechLink, Inc.	IT staffing services	New Heritage Capital LLC; The Execu/Search Group	The Execu/Search Group expands its presence in the tri-state area with the add-on acquisition of TechLink, Inc., a NJ based technology staffing firm. The Execu/Search Group is backed by New Heritage Capital, LLC., a \$500mm private equity firm based in Boston, MA. New Heritage made their initial investment in Execu/Search in 2016. TechLink marks the second acquisition by Execu/Search in the past two years.
9/13/2019	PC/PCS Staffing	Light industrial and commercial staffing services	Bellflex Staffing	Bellflex Staffing, a flexible workforce solutions firm continues to grow through acquisitions with the acquisition of PC Staffing and their sister company PCS Staffing. This has been Bellflex's fourth acquisition this year, and largest in terms of revenue. PC and PCS Staffing are both located in Louisville, Kentucky, a growing hub for the manufacturing and logistics industries, allowing Bellflex to be strategically located for maximum growth.



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Wealth Management

Non-deposit investment products are not insured by the FDIC; are not deposits or other obligations of, or guaranteed by, Peapack-Gladstone Bank; and are subject to investment risks, including possible loss of the principal amount invested.

About the Bank

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Human Capital Investment Banking Coverage

Professional

- IT Staffing & Consulting
- Finance & Accounting
- Healthcare
- Engineering

Commercial

- Clerical
- Pick and Pack
- Distribution & Logistics

Place & Search

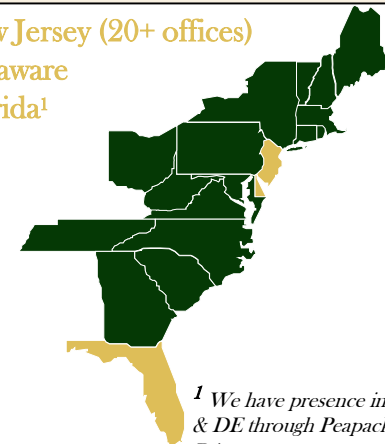
- Direct Hire
- Retained Search

HR Technology

- VMS Platforms
- Block Chain Technology
- Recruitment Process Outsourcing

Full-Service Bank, Boutique focus

- New Jersey (20+ offices)
- Delaware
- Florida¹



¹ We have presence in FL & DE through Peapack Private

Senior Banker Contacts

Kevin Bodnar
Senior Managing Director
Head of Corporate Advisory
E: kbodnar@pgbank.com
T: (908) 443-5385

Jim Janesky
Senior Advisor
Business Services
E: jjanesky@pgbank.com
T: (908) 524-8393

Our Capabilities

- Mergers and Acquisitions
- Capital Formation
- Corporate Finance Advisory
- Structured Finance Solutions

Business Services Transactional Experience



- Our senior bankers have participated and evaluated over 125 transactions in both public and private markets within the Business Services sector
- +75 of the transactions were in the human capital vertical

Dedicated Sector Focus

- ✓ Business Services
- ✓ Utilities and Telecom
- ✓ Information Technology
- ✓ Industrials
- ✓ Financials
- ✓ Healthcare
- ✓ Consumer Staples
- ✓ Consumer Discretionary
- ✓ Materials & Energy
- ✓ Communication Services & Real Estate

Investment Banking has access to a team of 10 equity research analysts through Peapack Private covering 13 industry verticals to meet the corporate finance needs of middle market business owners and investors



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Wealth Management

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Investment Banking

Industry Perspectives

Human Capital Solutions Quarterly | Q2 2019



PEAPACK PRIVATE

Wealth Management

Overview

Our Team is pleased to present its 2Q19 quarterly human capital solutions industry update from our Senior Advisor, Jim Janesky, who oversees client coverage and leads the vertical.

Through this industry update, we will share with you our impressions on the market, track the leading macroeconomic indicators, report relevant transactions, public market valuations and highlight current trends. We also encourage you to set up a meet and greet with Jim Janesky and obtain a complimentary evaluation of your business.

Our Market Observations

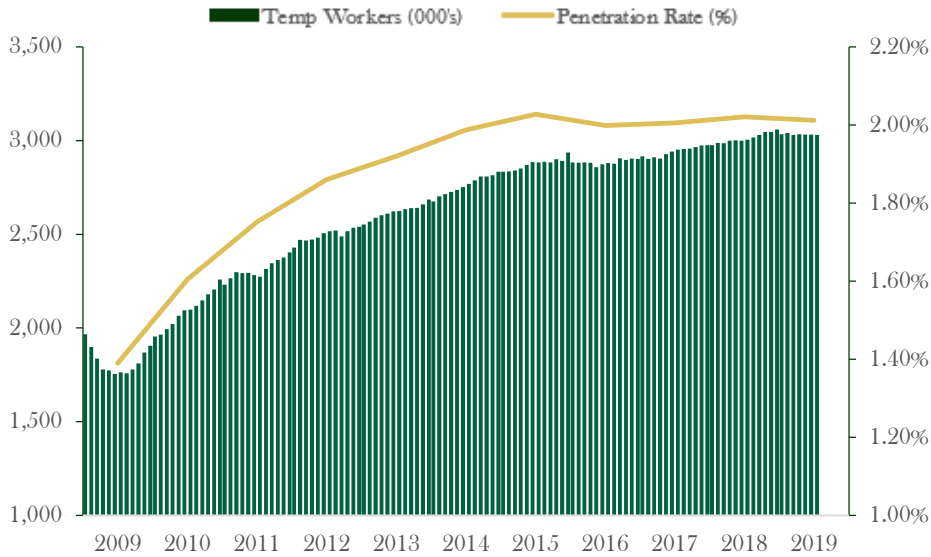
- There are clear signs that many staffing market verticals are moderating.
- Staffing Industry Analysts' (SIA) most recent "Pulse" report supports this growth slowdown thesis. (see page 5).
- Some industry verticals including the largest segments, light industrial and clerical experienced revenue declines during 2Q19.
- Other segments such as healthcare and marketing creative are industry bright spots but only represent about 15% of the \$153B staffing market.
- The \$33B IT staffing vertical has outperformed the overall industry but also exhibit signs of moderation.
- Public company staffing stocks continue to be out of favor with investors. Staffing stocks generally outperform the market when there is improving industrial production and accelerating economic growth. (see pages 3,4 and 6).
- The M&A market was still very active during 2Q19 with readily available financing alternatives but appears to have shifted from a "sellers" to a "buyers" market for the first time in years.

Upcoming Events

- November, 2019 - TechServe Alliance Quarterly "State of the Industry" Webinar hosted by Mark Roberts and Jim Janesky



Temporary Employment Vs. Penetration Rate

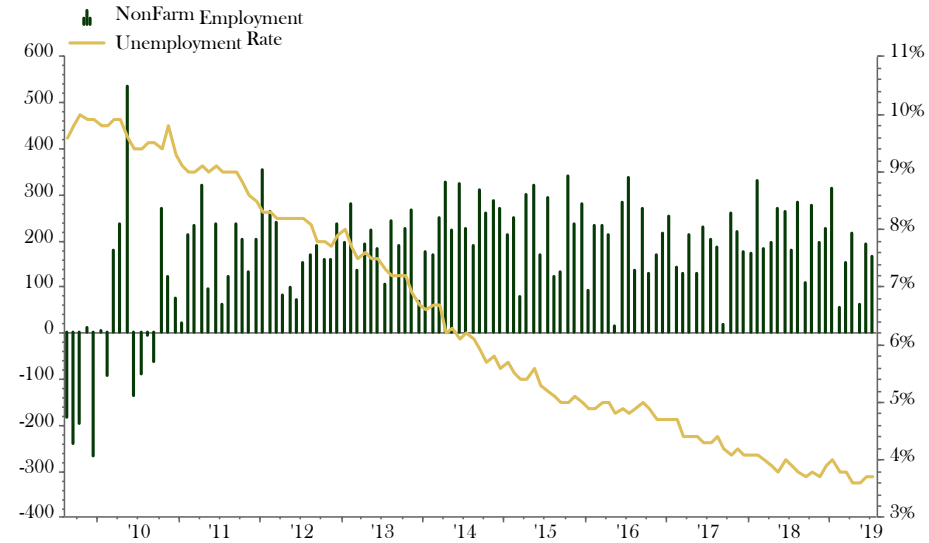


The temporary employment penetration rate remained historically high at 2.003% in July '19. Temporary staffing volume growth also hovered around the 1% rate Y/Y but sequential volume fell 1.4% in July relative to its historical decrease of 0.6% from June to July.

Key Takeaway:

Temporary staffing continues to grow but there are increasing signs of a slowdown.

YoY Δ in NonFarm Employment Vs. Unemployment Rate



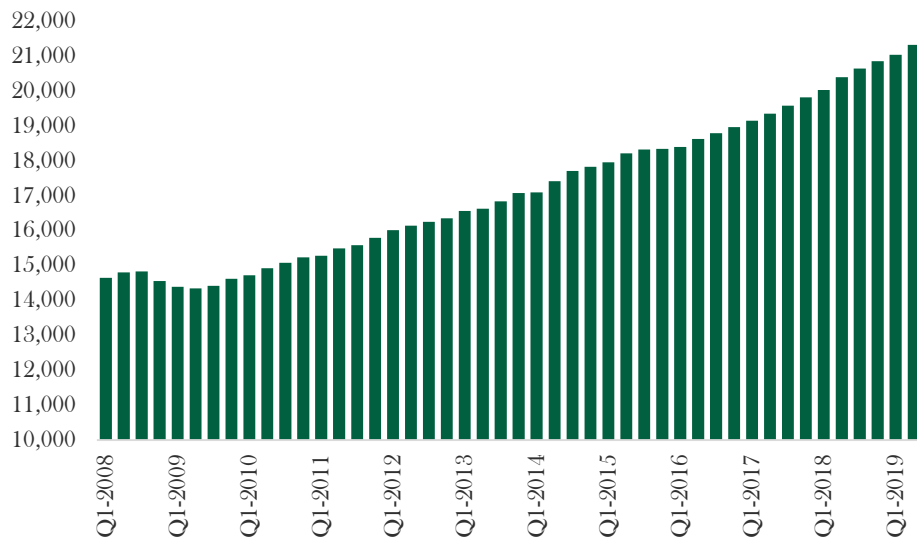
The July 2019 report of 164,000 jobs added was roughly in line with expectations. The unemployment rate of 3.7% was consistent with the the prior month while overall average hourly earnings increased 3.2% Y/Y and average hourly earnings for temporary employees increased 7.3% Y/Y. The 3.2% figure was up from 3.1% the prior month but the 7.3% rate accelerated from the 5.3% rate the prior month.

Key Takeaway:

The overall job market continues to show signs of strength but is a lagging economic indicator. Both overall employment and temp staffing growth could slow as the US economy moderates through 2019.

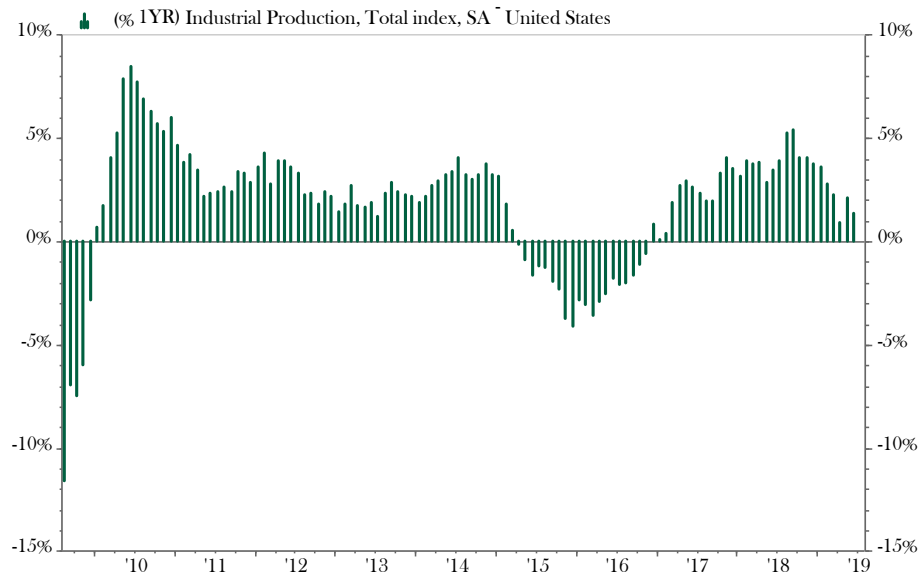


US Real GDP



US Real GDP, a good proxy for the overall staffing market, grew 2.1% in 2Q19 versus 3.1% in 1Q19 as the economic impact of tax cuts wind down. The Conference Board's Economic Forecast is for GDP to grow 2.3% in 2019 and further slow to 2.0% in 2020. US GDP growth came in at 2.9% for 2018. While there are a few signs of a looming recession, this slowdown could continue to have a negative impact on the overall staffing industry.

US Industrial Production Growth



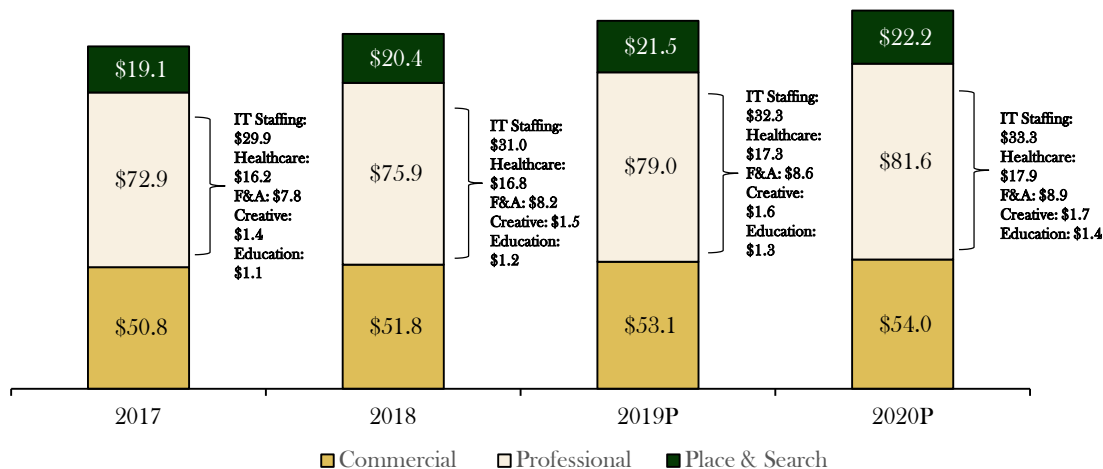
US Industrial Production, a good proxy for the \$36 billion light industrial staffing segment, continued to dramatically slow during 2Q19 as global growth moderates and trade wars continue. Many parts of the light industrial staffing market, such as manufacturing and construction, experienced declines during 2Q19 that are expected to continue through the remainder of the year.



Segment Growth & Other Industry Data

- An August 2019 Pulse Survey from Staffing Industry Analysts (SIA) indicated that median temporary staffing revenue growth slowed to 9% in June 2019 versus 14% in April and 12% in February. As mentioned earlier, many parts of the \$17B office/clerical and parts of the \$36B light industrial segment experienced revenue declines during 2Q19. This slowing environment creates a headwind for investments in staffing stocks.
- The same Pulse Survey reported that the marketing/creative segment grew a median of 27% in June versus 17% in April. Other industry bright spots included life sciences and travel nursing, which grew a median of 17% and 16%, respectively. Although a small sample size, healthcare stocks have fared much better than the other verticals (see page 6).
- The once hot \$31B IT staffing segment has moderated as well due to a talent shortage, growth slowdown and H1B visa issues. According to the Pulse survey, median IT staffing revenue increased 7% in June versus 9% in April.

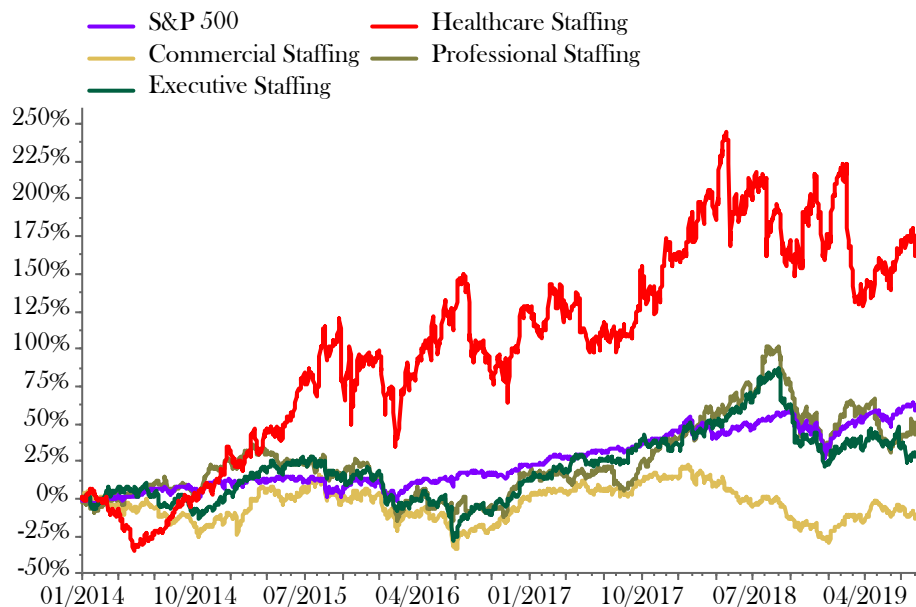
Staffing Industry Forecast



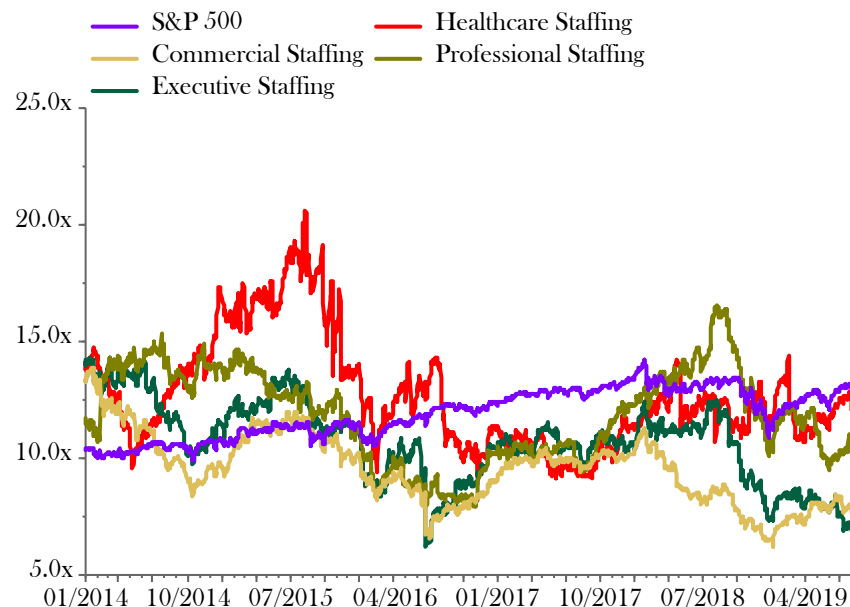
Source: Staffing Industry Analysts "US Staffing Industry Forecast: April 2019 Update", April 19, 2019



5 Year Relative Stock Price Performance



5 Year EV/LTM EBITDA Relative Performance



Sub-Sector	Number of Companies	Median Enterprise (In \$ 000's)	Median Change in Stock Price			Median Gross Profit Conversion	Median TEV / LTM Multiples	
			1 Year	3 Years	5 Years		Revenue	EBITDA
Commercial Staffing	7	1,049.2	-13.0%	-1.7%	-5.8%	24.9%	0.4x	7.5x
Professional Staffing	8	153.8	-32.3%	21.2%	31.8%	29.1%	0.6x	9.4x
Executive & Retained Search	4	1,732.8	-38.2%	22.4%	37.5%	41.7%	0.7x	6.4x
Healthcare Staffing	2	1,914.7	0.0%	20.8%	185.8%	22.0%	1.1x	19.7x
S&P 500*			0.1%	32.7%	73.7%			

*S&P data on a mean basis



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Wealth Management

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Commercial Staffing

Company Name	Ticker	Date	Enterprise Value	Revenues	Gross Profit	Gross Profit Margin	EBITDA	EBITDA Margin	Enterprise Value / Revenues	Enterprise Value / EBITDA
Adecco Group AG	ADEN-CH	03/31/2019	\$10,160.8	\$27,573.4	\$5,039.6	18.3%	\$1,370.7	5.0%	0.4 x	7.4 x
Barrett Business Services, Inc.	BBSI	06/30/2019	\$463.7	\$934.3	\$201.5	21.6%	\$52.8	5.7%	0.5 x	8.8 x
Kelly Services, Inc. Class A	KELYA	06/30/2019	\$1,034.5	\$5,507.2	\$987.3	17.9%	\$140.0	2.5%	0.2 x	7.4 x
ManpowerGroup Inc.	MAN	06/30/2019	\$5,573.1	\$21,229.9	\$3,446.1	16.2%	\$858.2	4.0%	0.3 x	6.5 x
Randstad NV	RAND-NL	06/30/2019	\$10,821.6	\$27,129.5	\$5,151.7	19.0%	\$1,378.0	5.1%	0.4 x	7.9 x
TrueBlue, Inc.	TBI	06/30/2019	\$792.5	\$2,471.5	\$622.8	25.2%	\$115.8	4.7%	0.3 x	6.8 x
Average			\$4,807.7	\$14,141.0	\$2,574.8	19.7%	\$652.6	4.5%	0.3 x	7.5 x
Median			\$3,303.8	\$13,368.5	\$2,216.7	18.6%	\$499.1	4.8%	0.3 x	7.4 x

Professional Staffing

Company Name	Ticker	Date	Enterprise Value	Revenues	Gross Profit	Gross Profit Margin	EBITDA	EBITDA Margin	Enterprise Value / Revenues	Enterprise Value / EBITDA
ASGN Inc	ASGN	06/30/2019	\$4,261.3	\$3,732.1	\$1,000.3	26.8%	\$397.4	10.6%	1.1 x	10.7 x
BG Staffing, Inc.	BGSF	06/30/2019	\$202.6	\$291.7	\$74.5	25.5%	\$27.6	9.5%	0.7 x	7.3 x
GEE Group, Inc.	JOB	06/30/2019	\$104.4	\$152.7	\$47.6	31.2%	\$10.4	6.8%	0.7 x	10.0 x
Kforce Inc.	KFRC	06/30/2019	\$794.1	\$1,379.0	\$398.1	28.9%	\$85.9	6.2%	0.6 x	9.2 x
Mastech Digital, Inc.	MHH	06/30/2019	\$99.6	\$182.6	\$41.6	22.8%	\$12.5	6.9%	0.5 x	7.9 x
RCM Technologies, Inc.	RCMT	06/29/2019	\$79.1	\$200.1	\$48.9	24.4%	\$6.8	3.4%	0.4 x	11.6 x
Robert Half International Inc.	RHI	06/30/2019	\$6,186.0	\$5,932.8	\$2,410.6	40.6%	\$674.3	11.4%	1.0 x	9.2 x
Volt Information Sciences, Inc.	VISI	04/28/2019	\$78.8	\$1,028.1	\$154.3	15.0%	(\$1.1)	-0.1%	0.1 x	NM
Average			\$1,475.8	\$1,612.4	\$522.0	26.9%	\$151.7	6.8%	0.6 x	9.4 x
Median			\$153.5	\$659.9	\$114.4	26.2%	\$20.1	6.8%	0.6 x	9.2 x



Executive & Retained Search

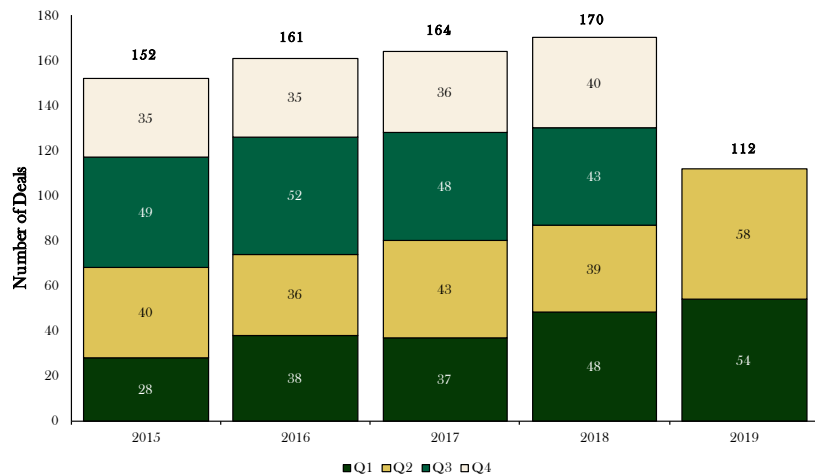
Company Name	Ticker	Date	Enterprise Value	Revenues	Gross Profit	Gross Profit Margin	EBITDA	EBITDA Margin	Enterprise Value / Revenues	Enterprise Value / EBITDA
Hays plc	HAS-GB	12/31/2018	\$2,526.1	\$7,946.8	NA	NA	\$355.2	4.5%	0.3 x	7.1 x
Heidrick & Struggles International, Inc.	HSII	06/30/2019	\$461.4	\$737.8	\$202.9	27.5%	\$84.5	11.5%	0.6 x	5.5 x
Korn Ferry	KFY	04/30/2019	\$1,738.5	\$1,973.9	\$492.8	25.0%	\$294.4	14.9%	0.9 x	5.9 x
PageGroup PLC	PAGE-GB	06/30/2019	\$1,727.1	\$2,095.2	\$1,077.9	51.4%	\$249.6	11.9%	0.8 x	6.9 x
Average			\$1,613.3	\$3,188.4	\$591.2	34.6%	\$245.9	10.7%	0.7 x	6.3 x
Median			\$1,732.8	\$2,034.5	\$492.8	27.5%	\$272.0	11.7%	0.7 x	6.4 x

Healthcare Staffing

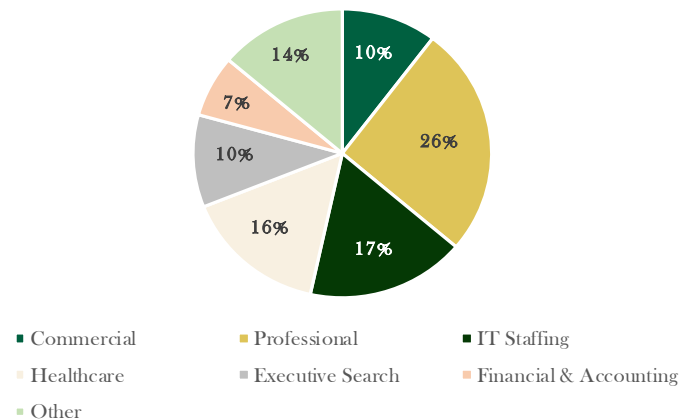
Company Name	Ticker	Date	Enterprise Value	Revenues	Gross Profit	Gross Profit Margin	EBITDA	EBITDA Margin	Enterprise Value / Revenues	Enterprise Value / EBITDA
AMN Healthcare Services, Inc.	AMN-US	06/30/2019	\$3,380.7	\$2,123.1	\$656.7	30.9%	\$225.6	10.6%	1.6 x	15.0 x
Cross Country Healthcare, Inc.	CCRN-US	06/30/2019	\$448.6	\$799.6	\$189.5	23.7%	\$18.4	2.3%	0.6 x	24.4 x
Average			\$1,914.7	\$1,461.3	\$423.1	27.3%	\$122.0	6.5%	1.1 x	19.7 x
Median			\$1,914.7	\$1,461.3	\$423.1	27.3%	\$122.0	6.5%	1.1 x	19.7 x



No. of Deals Per Quarter



Q2 Deals by Industry



Notable Transactions

Completion Date	Target	Target Description	Buyer	Commentary
04/03/2019	Project One, Inc.	Provides technology consulting and staffing services	Eliassen Group LLC; Stone Point Capital LLC	Eliassen Group expands its technology staffing offering with the acquisition of Project One. Project One offers media technology staffing services and is headquartered in New York, NY. Eliassen Group has made two acquisitions since being bought out by private equity group, Stone Point Capital in November 2018. Stone Point Capital is a \$14B private equity fund based in New York, NY. Eliassen Group was previously owned by Riverside Partners.
04/09/2019	Reliance Staffing & Recruiting	Provides employment staffing and recruiting services	PeopleShare LLC; Trivest Partners, LP	Acquisition by PeopleShare to provide geographic expansion on the east coast. PeopleShare is based in Philadelphia, PA with offices in PA, MD, and Southern NJ. Reliance Staffing is based in Virginia Beach, VA with four additional offices in Virginia. PeopleShare is backed by private equity firm Trivest Partners, which acquired the business in September 2015. Trivest Partners is a \$1.7B private equity firm based in Coral Gables, FL.
05/01/2019	Dowd Associates, Inc.	Provides executive search services	ZRG Partners LLC; RFE Partners	ZRG Partners, an executive search firm acquired Dowd Associates, a leader in the financial officer executive search to bolster its offerings. ZRG partners has made four acquisitions since 2018. ZRG Partners is based in Rochelle Park, NJ and is backed by private equity firm RFE Partners. RFE partner is \$660mm private equity fund based in New Canaan, CT
05/31/2019	hrQ, Inc.	Provides staffing and employee placement services	LandrumHR Sjr, Inc.	Landrum HR, a full service PEO and workforce solution company acquired hrQ, an HR staffing and recruitment agency to expand its offerings in the HR sector. hrQ is based in Denver, CO with offices nationwide
06/07/2019	Touch Point Staffing, Inc.	Operates as an employment agency	Bellflex Staffing Network LLC	Light industrial staffing firm Bellflex acquired Touchpoint Staffing as the company continues to build out its North Carolina presence. Bellflex is a family owned business based in Cincinnati, OH.
6/10/2019	Riviera Partners	Technology executive search firm	Kayne Anderson Capital Advisors; ROCA Partners	Riviera Partners, a technology executive search firm received an investment from Kayne Anderson and ROCA Partners to accelerate growth. Kayne Anderson is a \$30.0B private equity firm based in Los Angeles, CA. ROCA Partners is a private equity firm based in Los Angeles, CA. Since the investment by the private equity firms, Riviera has made one acquisition in WorthyWorks, a NY based search firm focused on machine learning and blockchain
06/17/2019	Advanced Medical Personnel Services, Inc.	Operates as a therapy staffing agency	AMN Healthcare Services, Inc.	AMN acquired Advanced Medical Personnel Services, a staffing firm that specializes in the placement of therapists and nurses. AMN paid \$200mm (or 10x EBITDA) with an additional contingent payment of \$20mm based on Advanced's financial performance in 2019. This is AMN's fourth transaction since 2018.



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- Finance & Accounting
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- Engineering

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- Clerical
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Place & Search

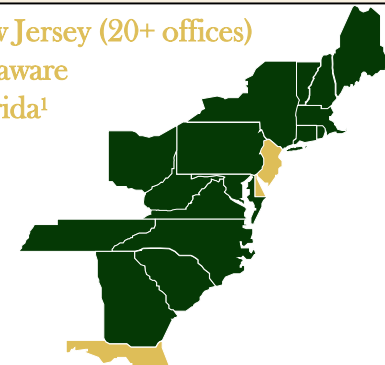
- Direct Hire
- Retained Search

HR Technology

- VMS Platforms
- Block Chain Technology
- Recruitment Process Outsourcing

Full-Service Bank, Boutique focus

- New Jersey (20+ offices)
- Delaware
- Florida¹



¹ We have presence in FL & DE through Peapack Private

Senior Banker Contacts

Kevin Bodnar
Senior Managing Director
Head of Corporate Advisory
E: kbodnar@pgbank.com
T: (908) 443-5385

Jim Janesky
Senior Advisor
Business Services
E: jjanesky@pgbank.com
T: (908) 524-8393

Our Capabilities

- Mergers and Acquisitions
- Capital Formation
- Corporate Finance Advisory
- Structured Finance Solutions

Business Services Transactional Experience



- Our senior bankers have participated and evaluated over 125 transactions in both public and private markets within the Business Services sector
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Dedicated Sector Focus

- ✓ Business Services
- ✓ Utilities and Telecom
- ✓ Information Technology
- ✓ Industrials
- ✓ Financials
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- ✓ Consumer Staples
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- ✓ Communication Services & Real Estate

Investment Banking has access to a team of 10 equity research analysts through Peapack Private covering 13 industry verticals to meet the corporate finance needs of middle market business owners and investors

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Investment Banking

Industry Perspectives

Human Capital Solutions Quarterly | Q1 2019



PEAPACK PRIVATE

Wealth Management

Overview

Our Team is pleased to present its first quarterly human capital solutions industry update. We are excited to announce that Jim Janesky has joined the group as a senior advisor to help oversee the client coverage and lead this vertical.

Through this industry update, we will share with you our impressions on the market, track the leading macroeconomic indicators, report relevant transactions, public market valuations and highlight current trends. We also encourage you to set up a meet and greet with Jim Janesky and obtain a complimentary evaluation of your business.

Our Market Observations

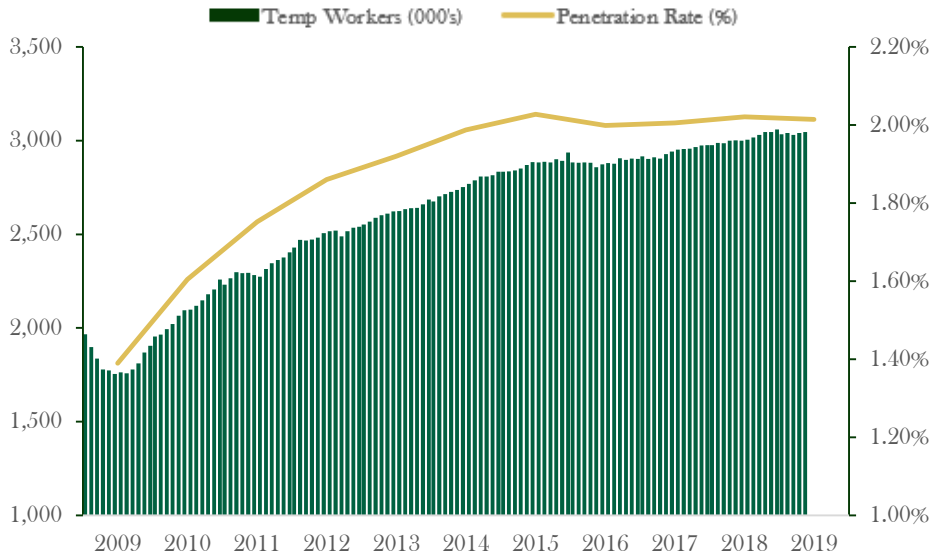
- While industry growth is still positive, the overall staffing market continued to moderate during 1Q19.
- According to Staffing Industry Analysts (SIA), US staffing industry revenues will increase 4% in 2019 but will slow to 3% in 2020 (see page 5).
- Some industry verticals have recently shown signs of increased moderation, including the largest segments, light industrial and clerical.
- Other segments such as travel nursing and locum tenens (physicians) have rebounded in 2019 after experiencing significant deceleration in 2018.
- IT staffing, allied healthcare, life sciences and marketing/creative are industry bright spots.
- Public companies have significantly underperformed the market over the last year due to investors rotating out of early cycle stocks. Investors favor staffing stocks as we exit a recession, not when we are towards the end of an economic cycle (see page 6).
- The M&A market was still very active during 1Q19 with readily available financing alternatives.

Recent Events

- June 20, 2019 - TechServe Alliance Quarterly “State of the Industry” Webinar hosted by Mark Roberts and Jim Janesky



Temporary Employment Vs. Penetration Rate

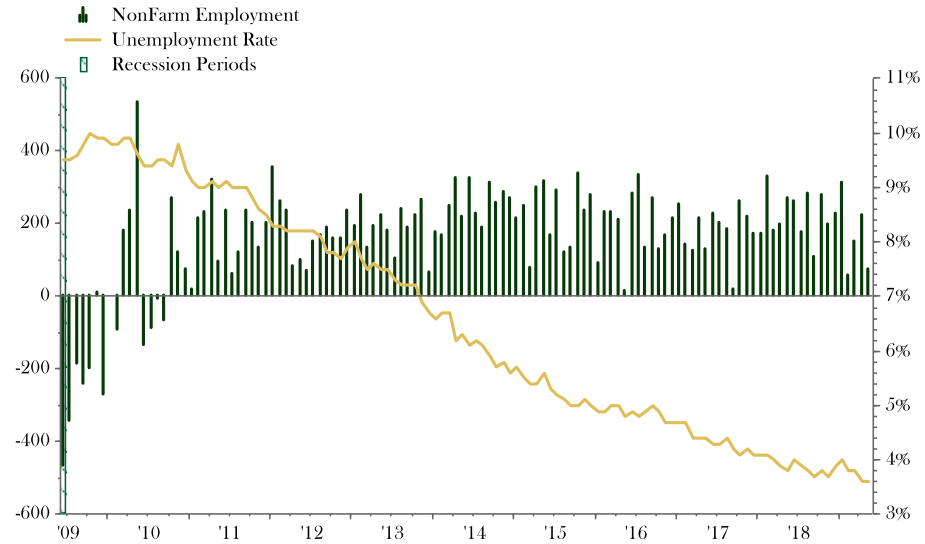


Since the recovery from the financial crisis, the staffing industry penetration rate has dramatically increased from a low of 1.39% in June '09 to 2.02% in June 2019.

Key Takeaway:

The penetration rate remains high primarily because of a good economy and the expansion of the contingent workforce.

YoY Δ in NonFarm Employment Vs. Unemployment Rate



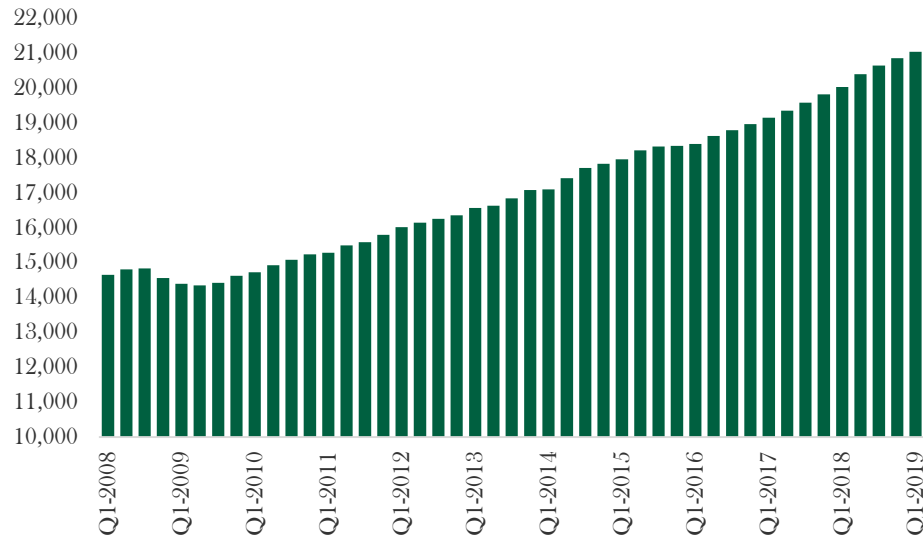
Although the May 2019 report was lower than expected, nonfarm employment continues to grow while the unemployment rate has declined. The BLS reported that 75,000 jobs were added in May 2019 and the unemployment remained at a low of 3.6%, far below the 5% rate that is considered “full employment”.

Key Takeaway:

A combination of solid job growth and a tight labor market leads employers to have an increased reliance on staffing firms to fill open positions.

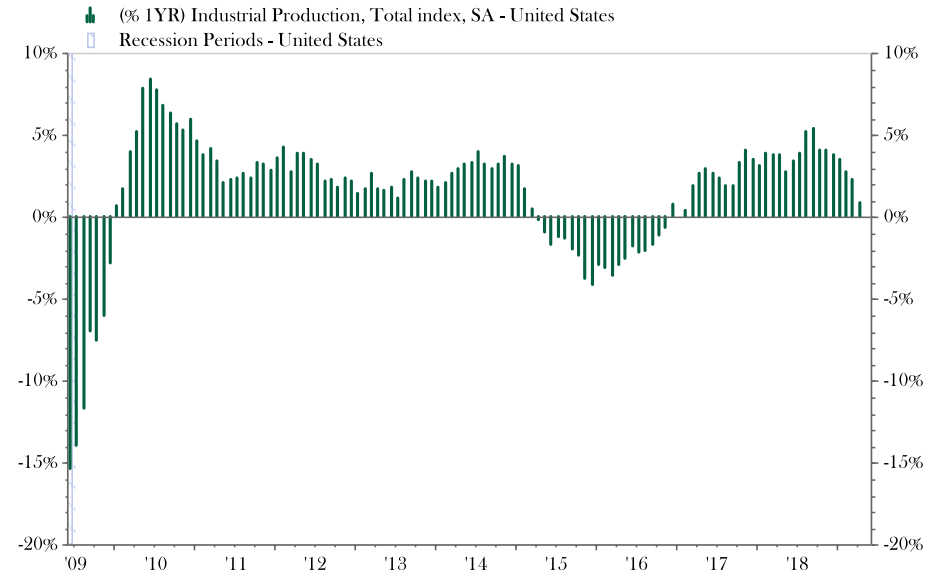


US Real GDP



US Real GDP, a good proxy for the overall staffing market, has experienced significant growth since the end of the Financial Crisis. The Conference Board's Economic Forecast is for GDP to grow 2.7% in 2019 but will slow to 2.1% in 2020. US GDP growth came in at 2.9% for 2018. If US GDP continues to grow in the June quarter, which almost all economists predict, it will mark the longest economic expansion in the history of the country.

US Industrial Production Growth



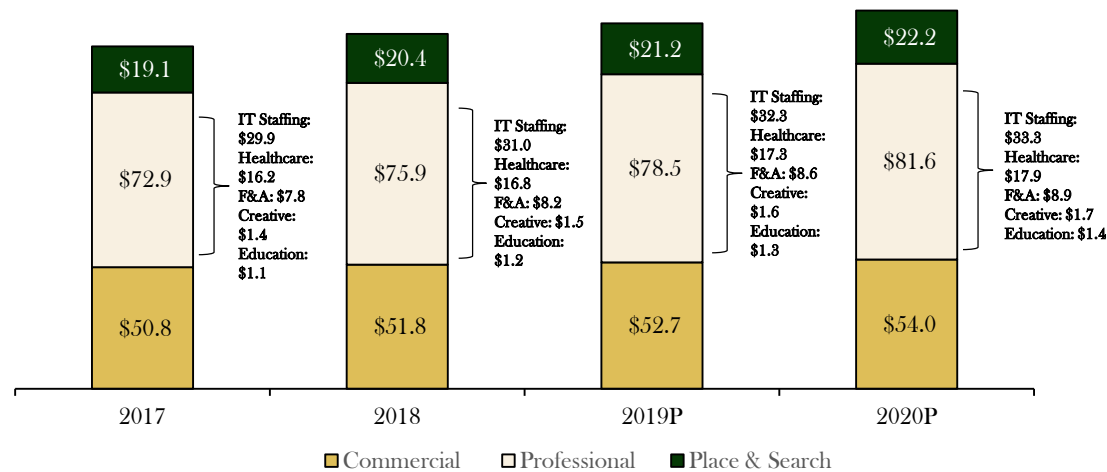
US Industrial Production, a good proxy for the \$36 billion light industrial staffing segment, has dramatically slowed down since 2018. Trade wars would also have a significant impact on parts of this sector. Parts of the light industrial staffing market, such as manufacturing and construction, continued to decelerate while the warehousing/logistics segment have shown double-digit growth due to secular growth of the e-commerce industry.



Segment Growth & Other Industry Data

- Although there are signs of moderation, especially within the \$17B office/clerical and parts of the \$36B light industrial segment, Staffing Industry Analysts (SIA), continues to predict staffing industry growth of 4% in 2019 and 3% in 2020. These increases are due to a combination of good economic growth, a tight labor market and both employee and employers' acceptance of contingent work almost as a career choice.
- The segments that are expected to outperform the overall staffing industry are: marketing/creative (7% growth), education (7% growth), place & search (5% growth) and life sciences (5% growth). These three segments combined, however, only generate about \$6B in annual revenues.
- Even the IT staffing segment, which at \$33B has become almost as large as the light industrial segment, is forecasted to grow at 4%, despite the headwinds of an unprecedented shortage of talent.

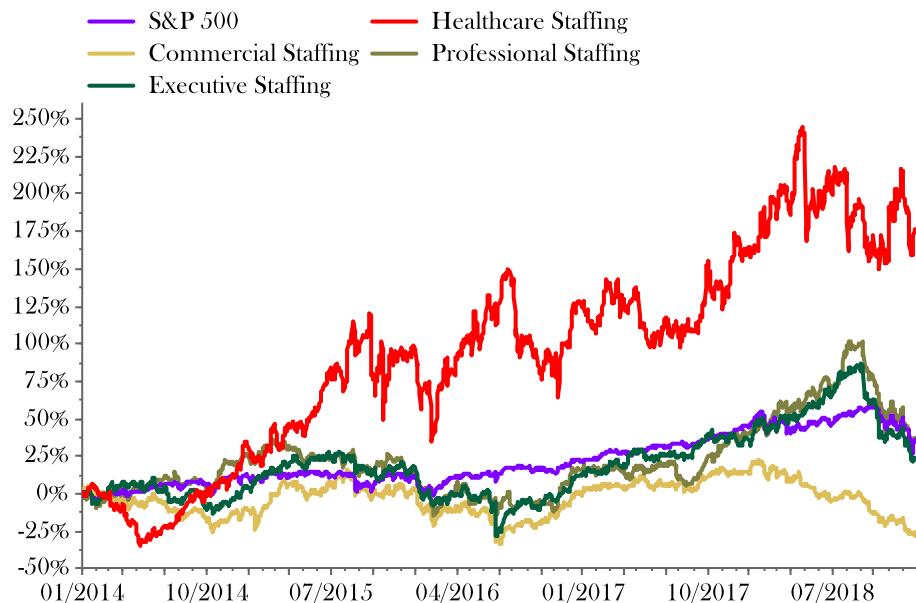
Staffing Industry Forecast



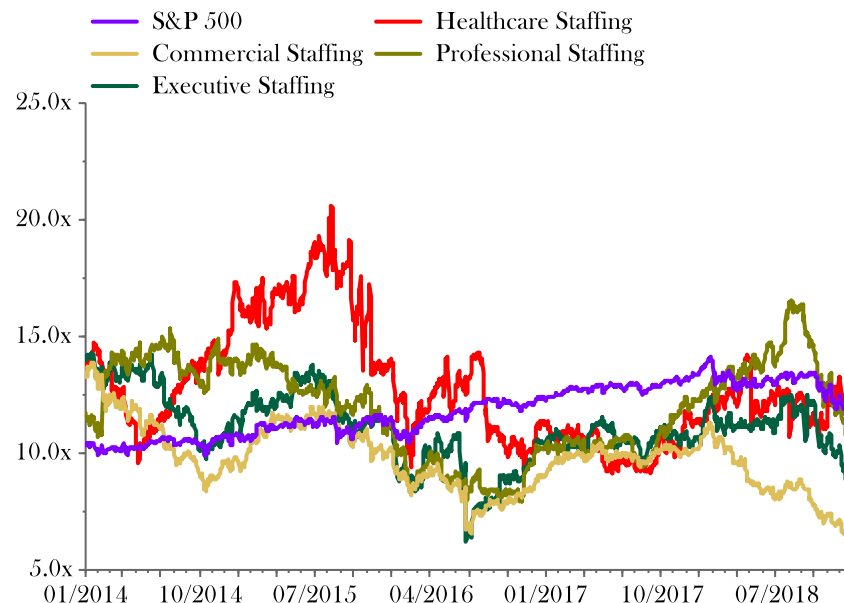
Source: Staffing Industry Analysts "US Staffing Industry Forecast: April 2019 Update", April 19, 2019



5 Year Relative Stock Price Performance



5 Year EV/LTM EBITDA Relative Performance



Sub-Sector	Number of Companies	Median Enterprise (In \$ 000's)	Median Change in Stock Price			Median Gross Profit Conversion	Median TEV / LTM Multiples	
			1 Year	3 Years	5 Years		Revenue	EBITDA
Commercial Staffing	7	996.2	-12.6%	10.0%	25.8%	25.4%	0.4x	7.9x
Professional Staffing	8	145.4	-20.6%	23.0%	65.5%	30.1%	0.6x	9.8x
Executive & Retained Search	4	2,100.8	-20.3%	33.2%	62.6%	42.7%	0.8x	7.7x
Healthcare Staffing	2	1,581.5	-25.9%	-7.3%	158.5%	23.3%	0.9x	13.9x
S&P 500*			2.8%	34.6%	75.7%			

*S&P data on a mean basis



PEAPACK PRIVATE

Wealth Management

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Commercial Staffing

Company Name	Ticker	Date	Enterprise Value	Revenues	Gross Profit	Gross Profit Margin	EBITDA	EBITDA Margin	Enterprise Value / Revenues	Enterprise Value / EBITDA
Adecco Group AG	ADEN-CH	03/31/2019	\$10,880.3	\$27,573.4	\$5,039.6	18.3%	\$1,370.7	5.0%	0.4 x	7.9 x
Barrett Business Services, Inc.	BBSI	03/31/2019	\$410.3	\$934.9	\$194.6	20.8%	\$49.6	5.3%	0.4 x	8.3 x
GEE Group, Inc.	JOB	03/31/2019	\$109.9	\$154.9	\$48.0	31.0%	\$10.8	6.9%	0.7 x	10.2 x
Kelly Services, Inc. Class A	KELYA	03/31/2019	\$996.2	\$5,526.6	\$983.8	17.8%	\$125.6	2.3%	0.2 x	7.9 x
ManpowerGroup Inc.	MAN	03/31/2019	\$5,941.2	\$21,513.7	\$3,498.4	16.3%	\$887.0	4.1%	0.3 x	6.7 x
Randstad NV	RAND-NL	03/31/2019	\$11,548.3	\$27,600.5	\$5,225.7	18.9%	\$1,358.8	4.9%	0.4 x	8.5 x
TrueBlue, Inc.	TBI	03/31/2019	\$888.8	\$2,497.2	\$629.8	25.2%	\$117.1	4.7%	0.4 x	7.6 x
Average			\$4,396.4	\$12,257.3	\$2,231.4	21.2%	\$559.9	4.7%	0.4 x	8.2 x
Median			\$996.2	\$5,526.6	\$983.8	18.9%	\$125.6	4.9%	0.4 x	7.9 x

Professional Staffing

Company Name	Ticker	Date	Enterprise Value	Revenues	Gross Profit	Gross Profit Margin	EBITDA	EBITDA Margin	Enterprise Value / Revenues	Enterprise Value / EBITDA
ASGN Inc	ASGN	03/31/2019	\$3,995.6	\$3,638.3	\$973.5	26.8%	\$389.4	10.7%	1.1 x	10.3 x
BG Staffing, Inc.	BGSF	03/31/2019	\$188.6	\$288.8	\$72.7	25.2%	\$28.8	10.0%	0.7 x	6.6 x
Hudson Global, Inc.	HSO	03/31/2019	\$8.4	\$66.9	\$41.3	61.8%	(\$4.5)	-6.7%	0.1 x	NM
Kforce Inc.	KFRC	03/31/2019	\$985.5	\$1,398.8	\$404.1	28.9%	\$87.7	6.3%	0.7 x	11.2 x
Mastech Digital, Inc.	MHH	03/31/2019	\$92.2	\$179.0	\$40.4	22.6%	\$13.0	7.3%	0.5 x	7.1 x
RCM Technologies, Inc.	RCMT	03/30/2019	\$74.6	\$201.1	\$48.8	24.3%	\$6.9	3.4%	0.4 x	10.8 x
Robert Half International Inc.	RHI	03/31/2019	\$6,261.3	\$5,873.5	\$2,380.0	40.5%	\$664.4	11.3%	1.1 x	9.4 x
Volt Information Sciences, Inc.	VISI	01/27/2019	\$102.1	\$1,039.3	\$155.4	14.9%	(\$3.9)	-0.4%	0.1 x	NM
Average			\$1,463.5	\$1,585.7	\$514.5	30.6%	\$147.7	5.2%	0.6 x	9.2 x
Median			\$145.4	\$664.0	\$114.1	26.0%	\$20.9	6.8%	0.6 x	9.8 x



Executive & Retained Search

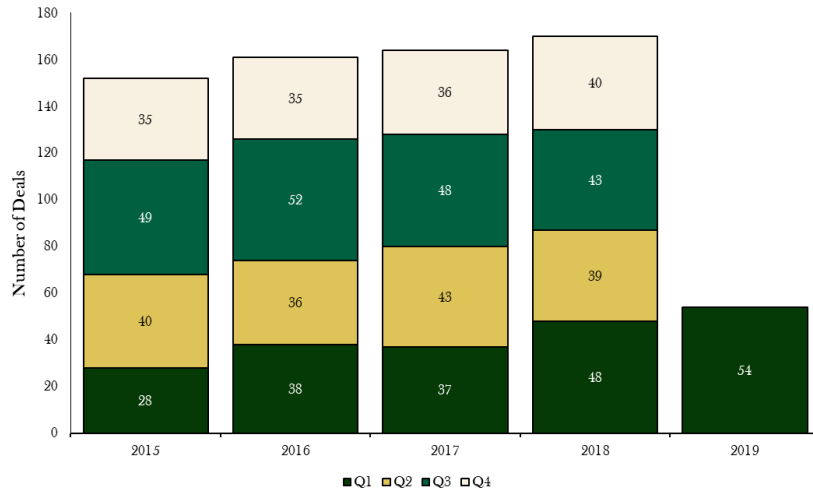
Company Name	Ticker	Date	Enterprise Value	Revenues	Gross Profit	Gross Profit Margin	EBITDA	EBITDA Margin	Enterprise Value / Revenues	Enterprise Value / EBITDA
Hays plc	HAS-GB	12/31/2018	\$2,748.7	\$7,946.8	NA	NA	\$355.2	4.5%	0.3 x	7.7 x
Heidrick & Struggles International, Inc.	HSII	03/31/2019	\$490.9	\$747.3	\$199.7	26.7%	\$85.3	11.4%	0.7 x	5.8 x
Korn Ferry	KFY	01/31/2019	\$2,260.5	\$1,959.7	\$491.5	25.1%	\$294.7	15.0%	1.2 x	7.7 x
PageGroup PLC	PAGE-GB	12/31/2018	\$1,941.1	\$2,066.7	\$1,086.6	52.6%	\$218.7	10.6%	0.9 x	8.9 x
Average			\$1,860.3	\$3,180.1	\$592.6	34.8%	\$238.5	10.4%	0.8 x	7.5 x
Median			\$2,100.8	\$2,013.2	\$491.5	26.7%	\$256.7	11.0%	0.8 x	7.7 x

Healthcare Staffing

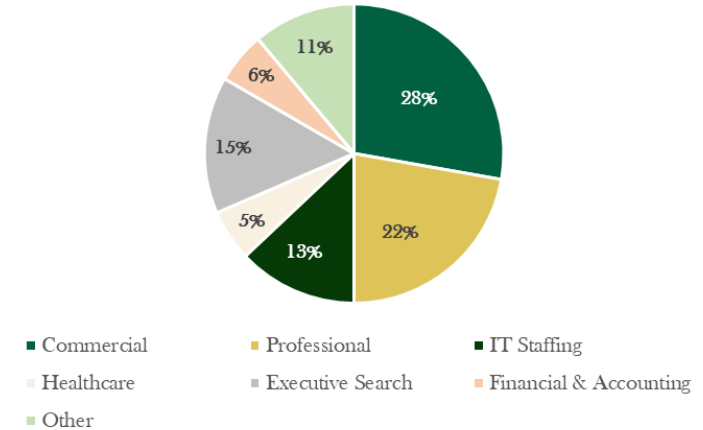
Company Name	Ticker	Date	Enterprise Value	Revenues	Gross Profit	Gross Profit Margin	EBITDA	EBITDA Margin	Enterprise Value / Revenues	Enterprise Value / EBITDA
AMN Healthcare Services, Inc.	AMN-US	03/31/2019	\$2,831.4	\$2,146.0	\$660.3	30.8%	\$234.6	10.9%	1.3 x	12.1 x
Cross Country Healthcare, Inc.	CCRN-US	03/31/2019	\$331.5	\$801.4	\$192.2	24.0%	\$21.2	2.6%	0.4 x	15.7 x
Average			\$1,581.5	\$1,473.7	\$426.2	27.4%	\$127.9	6.8%	0.9 x	13.9 x
Median			\$1,581.5	\$1,473.7	\$426.2	27.4%	\$127.9	6.8%	0.9 x	13.9 x



No. of Deals Per Quarter



Q1 Deals by Industry



Notable Transactions

Completion Date	Target	Target Description	Buyer	Commentary
01/08/2019	NextGen Global Resources LLC / Global Technology Associates, LLC	Provides engineering, technology, telecom staffing and recruiting services	Kelly Services, Inc.	Kelly expands its engineering and telcom staffing segment through the acquisition of NextGen and Global Technology Associates. This positions Kelly to be one of the largest engineering staffing companies in the US. These acquisitions also allow Kelly to be positioned to serve the growing demand for professionals in the 5G telecom space.
01/14/2019	Kelly Legal Managed Services	Provides legal staffing and legal management services	TrustPoint International LLC	Acquisition by TrustPoint, a provider of legal services including eDiscovery, managed review, depositions and translations. This comes as Kelly publicly announced that it will be exiting the legal staffing market
01/30/2019	DLC, Inc. (California)	Provides business management consulting services	Addison Professional Financial Search LLC / Odyssey Investment Partners	DLC, Inc., a leading finance and accounting staffing firm has a new owner. The previously PE back firm was acquired by Addison Group. Addison Group is backed by Odyssey Group, a \$3.5B private equity firm, that acquired the company in December 2016. DLC, Inc. was previously backed by Gryphon Investors, a \$4.5B private equity firm, that acquired the business in December of 2006. Under Gryphon's ownership DLC acquired Beacon Resources.
02/25/2019	USA Drivers, Inc.	Provides truck driver staffing and placement services	TransForce, Inc. (United States)	Transforce, one of the leaders in commercial truck driver staffing continues to grow with the acquisition of USA Drivers. This marks the fifth acquisition for the company over the last twelve months, signaling rapid consolidation in the industry. Transforce is backed by Palladium Equity, a 3.0B private equity firm, that acquired the company in July 2015.
03/13/2019	LTI Services LLC	Provides staffing solutions	Onin Staffing LLC	Onin continues to grow with the acquisition of LTI Services. LTI Services will allow Onin to expand its geographic footprint to the Midwest and add 13 locations in Wisconsin, Indiana, and Illinois. This is the largest acquisition by Onin which is expected to generate \$425mm in sales.
04/01/2019	Kforce Government Solutions, Inc.	Develops enterprise data management systems for government clients	ManTech International Corp.	ManTech continues to execute on its strategy to expand its federal civilian expansion and increase its relationship with the Department of Veterans Affairs. Kforce Governmental Solutions was acquired for \$11.5mm in cash or 1.2x Revenue

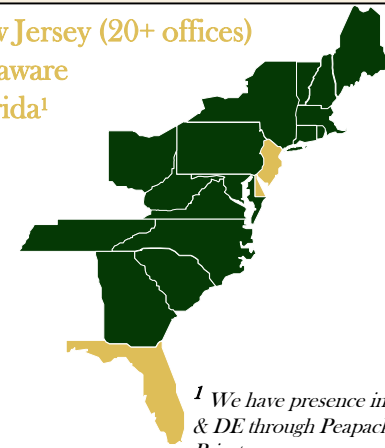


About the Bank

Peapack-Gladstone Bank* (NASDAQ: PGC) is a 98-year old boutique commercial bank with total assets of \$4.7 Bn and AUM of \$6.3 Bn as of 3/31/2019. Other business segments include Peapack Private (Wealth), Commercial Banking, Commercial Real Estate, Peapack Capital (Equipment Finance), Retail, Residential and Consumer Banking.

Full-Service Bank, Boutique focus

- New Jersey (20+ offices)
- Delaware
- Florida¹



¹ We have presence in FL & DE through Peapack Private

Human Capital Investment Banking Coverage

Professional

- IT Staffing & Consulting
- Finance & Accounting
- Healthcare
- Engineering

Commercial

- Clerical
- Pick and Pack
- Distribution & Logistics

Place & Search

- Direct Hire
- Retained Search

HR Technology

- VMS Platforms
- Block Chain Technology
- Recruitment Process Outsourcing

Senior Banker Contacts

Kevin Bodnar
Senior Managing Director
Head of Corporate Advisory
E: kbodnar@pgbank.com
T: (908) 443-5385

Jim Janesky
Senior Advisor
Business Services
E: jjanesky@pgbank.com
T: (908) 524-8393

Our Capabilities

- Mergers and Acquisitions
- Capital Formation
- Corporate Finance Advisory
- Structured Finance Solutions

Business Services Transactional Experience

+125



+75

- Our senior bankers have participated and evaluated over 125 transactions in both public and private markets within the Business Services sector
- +75 of the transactions were in the human capital vertical

Dedicated Sector Focus

- ✓ Business Services
- ✓ Utilities and Telecom
- ✓ Information Technology
- ✓ Industrials
- ✓ Financials
- ✓ Healthcare
- ✓ Consumer Staples
- ✓ Consumer Discretionary
- ✓ Materials & Energy
- ✓ Communication Services & Real Estate

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Wealth Management

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