





# RECRUITMENT SECTOR PROVES ITS DURABILITY

**2**022 was a year of significant change for the UK recruitment sector. Amid a volatile macroeconomic and political backdrop, the sector's resilience was once again evident, with another year of buoyant activity. Acute skills shortages and candidate scarcity drove strong demand in the hiring market and there are no signs of this dissipating in 2023, despite recessionary concerns. The UK recruitment market has proven its durability across all stages of the economic cycle, which will continue to support the sector's prospects for the year ahead.

This edition of the *Recruiter* HOT 100 demonstrates the sector's resilience and puts the spotlight on its ability to successfully navigate periods of significant uncertainty, which augurs well in view of a

This edition of the *Recruiter* HOT 100 demonstrates the sector's resilience and its ability to navigate periods of uncertainty

wider economic slowdown in 2023. An increasingly dynamic market has seen an influx of new entries in this year's HOT 100 list, with 63 new entries in total. The recruiters included in this year's list encapsulate the sector's resilience in all stages of the economic cycle, with average year-on-year revenue growth of 26.2%, indicating a successful post-pandemic rebound for the sector.

Despite the challenges faced by recruiters, the HOT 100 has become increasingly competitive, with minimum gross profit per head (GP/head) required to feature increasing by more than 50% to over £115k. This evidences the success of the sector in rebounding post-pandemic and in raising the productivity bar. Particularly showcased this year are recruiters who have successfully navigated not only the challenges within the recruitment sector, but also within the sub-sectors into which they are recruiting.

Sectoral breakdowns of this year's list reinforces the buoyancy of sectors such as IT, technology and healthcare, which are demonstrating high growth amid a backdrop of significant candidate shortages. Companies with a clear sub-sector specialism remain a key focus for institutional

Rank	Change	Gross profit per head/employee last year (£)	Gross profit per head/employee previous year (£)	Company/trading name	Parent group (where different name)	Gross profit	Gross profit/previous year (£m)	Sector coverage
1	-	353,985.17	245,026.47	People Source Consulting	Part of Manpower Holdings	14.8	11.5	Public sector, technology, FinTech, change & transformation
2	▲	335,522.55	190,286.03	Global Law Talent (previously SSO)		27.8	17.8	Legal
3	▲	300,362.07	242,159.09	Resourcing Group (Community Resourcing)	Part of nGAGE	17.4	10.6	Facilities management
4	▼	292,625.81	142,839.27	Allen Lane	Part of Outsourcing UK	10.5	5.2	Finance, IT, project management, executive search
5	▼	250,396.13	175,924.71	Sheffield Haworth	Part of SH Global	20.7	12.8	Executive search, interim management
6	N	249,061.64	217,997.08	Eton Bridge Partners	Part of Waterside TopCo	19.4	14.3	Executive search, interim management
7	N	248,742.86	235,656.25	Ridgeway Partners	Teneo UK Bidco	8.7	7.5	Finance, IT, technology, FinTech
8	N	246,170.21	177,997.21	Leathwaite Human Capital	Part of Leathwaite	11.5	10.8	Executive search
9	N	237,852.63	173,320.69	IRG Advisors	Part of Odgers Group	67.7	50.2	Executive search
10	N	233,897.58	106,395.64	Plexus Resource Solutions		5.5	1.4	Technology
11	▼	229,728.46	222,435.91	LA International Computer Consultants	LA International Holdings	24.8	23.5	Technology, IT
12	▲	216,548.76	111,307.65	Cavey Dale Group	Part of Meddipicc	12.6	6.3	Sales & marketing, technology, IT
13	▼	195,884.64	228,542.28	Direct Healthcare24	Part of Tape Holdings	7	5.7	Healthcare
14	N	195,034.12	162,277.53	Savannah Group		11.1	8.2	Executive search, interim management
15	N	192,521.73	145,558.76	Aston Carter International	Part of Allegis Group (UK) Holdings	10	7.8	Finance, customer support, administrative, governance, risk & compliance
16	N	191,604.54	86,943.21	Maraki Talent		4.9	2.4	Finance, professional services
17	▲	189,507.2	103,829.13	Dartmouth Partners	Part of Kernel	15.9	7.4	Finance, executive search, change & transformation, HR, built environment
18	N	186,393.27	118,099.62	Wilton and Bain	Part of Wilton & Bain Group	8.2	5.5	Professional, technology
19	N	185,510.00	126,715.91	Science Recruitment Group	Part of Impellam Group	18.5	11.1	Healthcare, STEM, engineering, life sciences
20	▼	185,261.67	137,460.70	WA Consultants	Part of Emblem Holdings	3.8	3.1	Technology
21	N	183,617.57	148,206.39	Finatal (Dejaroo)		8.6	4.5	Finance, change & transformation, technology
22	▼	179,768.32	114,935.10	Orama Solutions		5	2.2	Technology
23	▼	179,076.57	141,999.80	Marlin Green	Part of K2 Partnering Solutions	6.2	6.3	IT
24	N	177,052.74	129,788.34	Meet Group		26.2	15.3	Life sciences, pharmaceuticals, MedTech,
25	N	176,086.59	80,089.20	StaffCo Direct		6.5	3.2	Lorry drivers
26	N	175,037.71	154,215.58	The Up Group	Part of Alexander Mann Group	6.1	5.5	Executive search
27	▲	174,414.29	94,263.68	The SR Group Holding Company		54.4	29.2	Finance, marketing, sales, HR, executive search, legal, risk & compliance
28	N	170,387.10	163,440.00	Sanderson Government and Defence	Part of Sanderson Recruitment	5.2	4	Public sector, executive search, defence
29	▼	170,286.18	118,237.96	Investigo		38.9	25.4	Finance, legal, technology, IT, change & transformation, property, HR
30	N	168,607.14	109,300.00	The Bridge (IT Recruitment)	Part of Morson Group	4.7	3.2	IT, change & transformation, technology
31	N	167,327.64	206,581.51	BIE Executive	Part of BIE Bidco	5.5	7.2	Executive search, interim management, change & transformation
32	N	166,652.17	141,161.29	Resourcing Solutions	Part of Gattaca	3.8	4.3	Rail, power, built environment
33	N	166,157.23	109,644.08	Capita Resourcing	Part of Capita	24.7	19.8	Education
34	N	164,242.97	102,493.87	Digital Gurus Recruitment	Part of Rethink Investments	5.4	4.7	Technology
35	▲	163,417.72	103,422.02	PSD Group	Part of MPM Connect 2	12.9	11.2	Finance, hospitality, industrial, executive search, built environment, property, sport, technology
36	N	161,674.42	109,206.90	Badenoch and Clark		20.8	15.8	Finance, engineering, healthcare, life sciences, HR, IT, legal, sales, marketing
37	N	160,248.37	105,140.59	The Barton Partnership		12.6	7.2	Change & transformation, finance, technology
38	N	159,954.30	151,826.92	FDM Group	Part of FDM Group (Holdings)	59.5	55.2	IT, professional
39	▲	159,243.24	105,378.38	Walker Hamill	Part of WH Solo Holdings	5.8	3.9	Executive search
40	N	158,734.03	217,665.14	Saragossa		5.2	6.3	Technology
41	▼	157,835.00	110,319.80	twentyAI		7.1	5.5	Technology, finance, risk & compliance
42	N	155,964.46	82,382.59	The Fisar Group		11	5.6	Professional, change & transformation, executive search
43	N	155,405.25	142,212.21	SR2 Rec		7.9	3.9	Technology
44	▲	152,690.47	108,267.87	Technical Resources		4.5	3.2	Technology, IT
45	N	151,25.39	100,207.77	HR GO Recruitment	Part of HR GO	6.1	4.7	Logistics, drivers, education, events, facilities management
46	N	148,928.73	140,301.67	Trilogy International Holdings		5.9	4.6	Change & transformation, technology
47	N	148,147.54	119,760.87	Henderson Scott		9	5.5	Digital, technology
48	N	148,031.33	99,815.24	SEC Recruitment	Part of RDL Corporation	4.4	4.8	Executive search, life sciences, IT, technology
49	N	147,934.69	118,408.63	Pure Recruitment Group	Part of Kernel	7.1	5.6	Finance, professional services
50	▼	147,346.67	137,323.08	Green Park Interim & Executive		11	8.9	Executive search, interim management

RECRUITER HOT 100 COMPANIES 2022

Rank	Change	Gross profit per head/employee latest year (£)	Gross profit per head/employee previous year (£)	Company/trading name	Parent group (where different name)	Gross profit	Gross profit previous year (£m)	Sector coverage
51	▼	147,393.13	136,956.85	NRL Group	Part of NRL Group	10.4	9.3	Energy, facilities management, built environment, defence, infrastructure, energy, transmission
52	N	146,317.07	108,391.02	The Coulter Partnership		6.1	5.3	Executive search
53	N	144,264.02	104,677.84	LHI Group		37.3	21.7	Technology, life sciences, energy, built environment
54	▲	143,054.05	78,085.71	Prime People		15.8	10.9	Real estate, built environment
55	N	141,388.31	120,760.63	Tripod Group		6.9	6.1	Health & social care
56	N	141,246.30	109,201.16	Jark Ventures	Part of the Recruit Venture Group	13.8	11.5	Built environment, driving, healthcare, industrial
57	N	141,123.24	81,126.19	Barclay Simpson Associates		5.7	4.6	Technology, risk, governance & compliance, legal
58	N	138,995.62	135,518.30	Vector Resourcing	Part of Vector Resourcing Holdings	2.9	5	Executive search, training, technology, finance, HR, project management, change & transformation, architecture, marketing
59	▼	138,966.67	146,782.61	Proactive Technical Recruitment	Part of nGAGE	4.1	3.3	Engineering
60	N	137,430.66	139,384.84	REED Online	Part of Reed	37.6	47.8	General
61	N	136,750.00	141,333.33	Northern Marine Manning Services	Part of Stena (UK)	6.5	6.7	Marine
62	N	136,281.25	195,854.55	Modis International		13	10.7	Technology
63	▼	135,852.27	111,583.24	Harvey Nash Group (Now Nash Squared)	Part of Nash Squared	119.5	95.8	Technology
64	N	135,547.81	109,101.35	Plato UK Topco		114.5	78.2	Executive search
65	▲	135,301.67	103,642.34	Nicoll Curtin Technology	Part of Nicoll Curtin Group	6.4	4.2	Finance, HR, marketing, operations, sales
66	▼	133,951.74	86,858.36	William Alexander Holdings		4.1	2.4	Technology, change & transformation
67	N	133,860.04	90,880.16	Austin Fraser		26.2	17.7	Technology
68	▼	131,772.29	110,377.26	La Fosse Associates		29.3	23.9	IT, change & transformation, governance & risk, public sector, technology, finance, professional services
69	▼	131,640.06	115,790.55	Oliver James Associates Group	Part of Oliver James Associates Group	68.7	48.5	Finance, change & transformation, technology, sales, marketing, engineering, risk & compliance
70	▲	130,785.26	88,150.41	Redrock Consulting		6.1	4.3	IT
71	N	130,200.00	133,744.68	Norman Broadbent	Part of Norman Broadbent	5.8	6.2	Finance, industrials, life sciences
72	N	129,661.97	117,432.83	Penta Consulting		7.6	8.3	IT, technology
73	N	129,608.19	64,322.95	Axon moore		4	2.8	Finance
74	▼	129,316.00	152,518.95	Oliver Bernard		5.4	8.8	Technology, architecture, product design, HR
75	N	129,217.97	113,870.85	Keystream Group		4.5	3.7	Technology, healthcare, life sciences, public sector, change & transformation
76	N	129,090.06	130,603.89	CV-Library	Part of CV-Library Holdings	25.3	28.9	General
77	N	128,899.08	120,614.75	Red Global		28.1	29.4	Digital
78	N	128,800.00	111,058.82	Hays Healthcare	Part of Hays Specialist Recruitment	3.8	3.7	Healthcare
79	N	128,784.59	33,628.73	Syft Online		31.5	5.8	Hospitality, industrial, facilities, healthcare, retail
80	N	128,689.66	108,135.59	I-Pharm Consulting Group		11.1	6.3	Life sciences
81	▼	127,521.56	112,316.79	Empiric Solutions	Part of Tourstan Global	8.1	7	IT, engineering, compliance, technology
82	N	126,786.39	90,224.43	Network Healthcare Professionals	Part of Pertemps Network Group	6.2	5.8	Healthcare
83	▼	126,767.44	172,937.50	GCS Recruitment	Part of nGAGE	5.4	5.5	Software engineering
84	N	125,842.23	70,550.75	Winner Recruitment (Birmingham)		4.9	3.1	Driving, industrial, commercial, education
85	▼	125,255.03	95,268.91	Opus Talent Solutions	Part of Graphite Capital Management	32.3	19.4	Technology
86	N	124,997.25	74,806.64	SF Recruitment	Part of Ignata	7.5	5.4	Executive search, finance, technology, engineering, professional services
87	▼	124,677.48	91,467.18	IDPP Holdings		2.6	2	Technology
88	N	124,657.28	97,553.21	ConSol Partners	Part of Empresaria Group	4.9	5.5	Technology, finance, IT
89	▼	124,636.36	121,255.81	Cornwallis Eit	Part of Morson Group	5.4	5.2	IT, change & transformation
90	N	124,269.23	85,689.66	Datum RPO		3.2	2.4	Construction, built environment, professional, engineering, manufacturing, healthcare, social care
91	N	122,635.15	86,907.42	Stanton House		8	6.2	Finance, change & transformation
92	N	122,583.00	107,111.48	Proactive Appointments		3.6	3.1	IT
93	▼	121,399.72	88,059.02	PageGroup		677.7	610.2	Executive search
94	N	121,183.92	116,171.36	Dmws1 785		4.3	4.1	Technology, executive search
95	▼	120,551.52	113,840.00	Experis	Part of Manpower Holdings (UK)	39.7	34.1	Healthcare, technology, life sciences, finance, retail
96	N	120,390.89	71,171.17	Allegis Group	Part of Allegis Group (UK) Holdings	54.6	45.6	General
97	▼	116,933.93	94,278.95	SThree	Part of SThree Group	355.7	308.5	STEM
98	N	116,300.00	77,058.82	Chadwick Nott (Holdings)	Part of Impellam Group	3.4	2.6	Legal, finance, HR, public sector
99	N	115,428.57	131,351.85	Sanderson Recruitment	Part of Sanderson Recruitment	£8.8	14.1	Finance, public sector, retail, technology, professional services, energy, executive search, defence
100	N	115,333.33	54,100.00	Carbon60	Part of Impellam Group	10	5.9	Construction, built environment, energy, aerospace, technology, manufacturing



investment, demonstrated by all 13 HOT 100 companies currently backed by private equity deriving a significant proportion of their revenues from sub-sectors that are typically experiencing structural labour shortages.

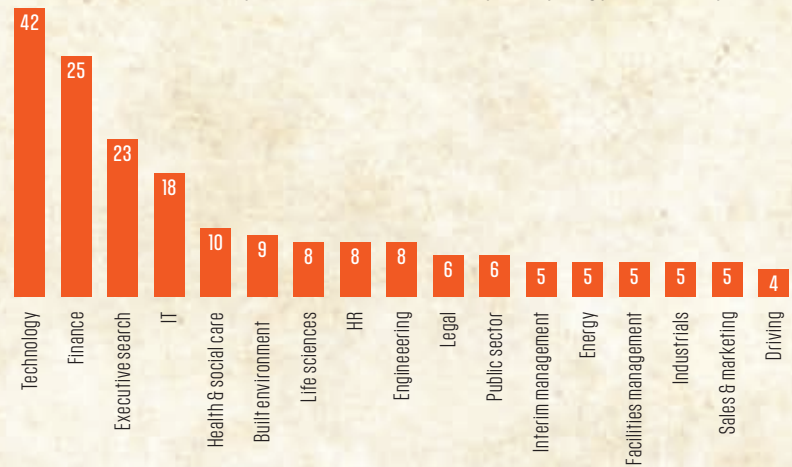
Despite the challenges posed by the macroeconomic and geopolitical landscape, recruiters have become increasingly more efficient in 2022. The revenue and GP figures filed by this year's HOT 100 companies increased by a combined £1.3bn and £687.9m respectively, despite an average employee increase among this year's featured companies of just one – 2021, 206; 2022, 207. Overall, recruiters featured in this year's list have experienced substantial growth in almost all metrics relative to their figures for the previous accounting period, offering a more positive sector overview when compared to last year's analysis. This reinforces the sector's resilience and creates a solid foundation for growth in 2023.

### Size profile

Continuing the trend from 2021,

## HOT 100 COMPANIES BY SUB-SECTOR SPECIALISM

Graph totals more than 100 due to companies reporting presence in multiple sectors



mid-market recruiters have yet again outperformed many of their larger peers, with eight of the HOT 100's top 10 producing revenues far below the average revenue of £92m for the HOT 100. The success of mid-market recruiters at creating a more efficient, profitable business with less revenue than larger players is being driven by three key factors:

- Greater agility and adaptability to increasingly challenging macroeconomic, regulatory and legislative volatility.
- A clear strategic focus on a small number of high growth, candidate scarce sectors.
- Increased levels of innovation and technology driven strategies often underutilised by larger generalist recruiters.

The number of HOT 100 recruiters in the smallest employee number bracket (20-30), increased by 50% from 10 to 15 companies, while those employing more than 200 fell by 26% when compared with last year's list. This shift reflects the high level of fragmentation within the sector, which is increasing, with significant growth being achieved by recruiters with a strong, refined value proposition and service offering.

### Key findings

- The 2022 HOT 100 companies reported a collective sales increase of £1.3bn from the previous year, representing a 17% rise to £9.2bn, driven by a greater presence of mid-market companies and the success of

## JUST OUTSIDE THE HOT 100

Rank	Gross profit per head/employee latest year (£)	Gross profit per head/employee previous year (£)	Company/trading name	Parent group (where different name)	Gross profit	Gross profit previous year (£m)	Sector coverage
101	115,084.08	95,735.88	Burns Sheehan		4.6	3.9	IT, technology
102	114,991.00	91,772.48	Certes IT Service Solutions	Part of Certes IT Service Solutions	2.8	2.2	IT, technology
103	114,984.08	106,270.20	SmartSourcing	Part of SmartSourcing Group	2.9	2.6	Digital and technology, project management, business change, cyber security
104	114,811.04	118,540.50	Building Careers UK		2.6	4	Construction, property, engineering, energy
105	114,723.74	75,879.23	Tradeline Recruitment		3	1.9	Construction, engineering
106	114,359.67	1,866.47	Berkeley Scott	Part of Kellan Group	3.4	55.9	Hospitality, catering, support service
107	114,181.82	90,750.00	Pangea International	Part of Pangea International	6.2	4.3	O&G gas, renewable energy, engineering, technology
108	113,967.60	71,914.57	Third Republic		9.1	5.4	IT, technology, Salesforce
109	113,701.22	120,683.28	Morgan Law (Now Law Morgan)		4.2	5.5	Executive search, marketing, comms, IT, technology, health management, finance, HR
110	113,656.86	89,172.64	CPS Group (UK)	Part of Mandaco 799	5	3.7	Technology, ERP, engineering

the sector in rebounding from the pandemic.

- The minimum GP/head required to feature in this year's HOT 100 list increased by 54%, reflecting the growing prioritisation of operational efficiency in the post-pandemic environment.

- Where disclosed, HOT 100 companies' temp/perm split was weighted in favour of temporary placements, positioning the cohort well to face any economic slowdown, which could have a detrimental effect on permanent hiring activity.

- The most prominent recruitment sub-sector in 2022 was technology, with 42 companies in the HOT 100 recruiting into the sector. Increasing levels of demand for related talent are driving strong recurring and reoccurring NFI streams. This is set to continue in light of candidate scarcity in the market.

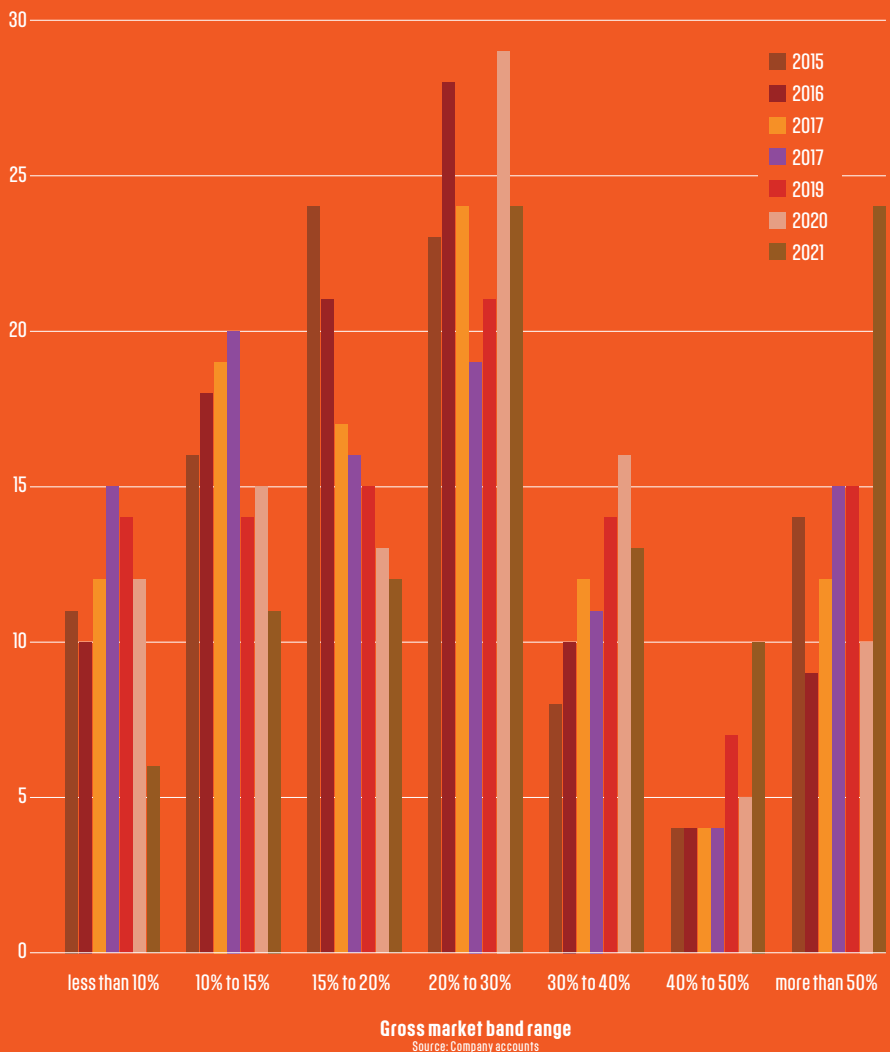
- Executive search recruitment was the third most prominent sector in this year's HOT 100. The increased presence of this sub-sector reflects a growing impetus from forward thinking companies to improve management teams and introduce new C-suite talent and roles into companies to address key issues such as sustainability, diversity and equality.

- Thirteen companies in this year's HOT 100 have private equity (PE) investment, illustrating the benefit of institutional investment in achieving market leading metrics. Average annual sales growth achieved by this year's PE entries was 34% compared with 25% for those not backed by a financial acquirer.

- Productivity (GP per employee) for this year's group of HOT 100 companies increased by 28% year-on-year, from £124,538 last year to £159,072 this year. This is a stark contrast from last year's list, as average



**HOT 100 COMPANIES BY GROSS MARGIN BAND (in accounting year)**



## Margin trends

The proportion of recruiters in this year's list generating a GP margin in excess of 40% is greater than not only the period in focus this year, but it is also the largest recorded in the recent history of the HOT 100 publication. Furthermore, the proportion of recruiters in the list producing less than 20% profit margins has fallen to the lowest point in recent history. This reaffirms the raised

bar for competitiveness of the HOT 100 list and provides a barometer for the recruitment industry's consistent outperformance and resilience, particularly in the context of the macroeconomic challenges that the sector has faced. As is to be expected from the recent wider market volatility and recessionary outlook, entrants showed a higher temp/perm NFI [net fee income]

weighting in favour of temp recruitment as clients, particularly those operating in cyclical industries, which tend to demand temporary employees more so than permanent employees during periods of uncertainty. This demonstrates the dynamic nature of the sector and its ability to pivot to meet prevailing market conditions and requirements.



## Gambit Corporate Finance

Established in 1992, Gambit ([www.gambitcf.com](http://www.gambitcf.com)) is an independent corporate finance advisory firm specialising in advising private and public companies on mid-market transactions in the UK and overseas. With offices in London and Cardiff, Gambit is widely recognised as a market leader in M&A advice in the Human Capital sector, having built up detailed industry knowledge and an enviable track record in deal origination and execution.

Gambit's dedicated Human Capital team has deep relationships with investors, vendors and acquirers in the sector and has significant M&A market experience across acquisitions, disposals, management buy-outs, fundraisings and restructurings.

Gambit operates both in the UK and internationally as part of Corporate Finance International ([www.thecfigroup.com](http://www.thecfigroup.com)), a global partnership of leading independent investment banks and corporate finance practices in 18 countries.

Gambit's recent Human Capital M&A experience includes the Management Buy Out of Outsource UK and the sale of MPCT to Learning Curve Group.

year-on-year productivity fell by 7.4%, illustrating the improved efficiency of market players, despite macroeconomic volatility.

● Six companies in this edition of the HOT 100 list had at least two subsidiaries qualify to be included in the list. The most successful groups in terms of number of subsidiaries included were Impellam Group and nGage, with three subsidiaries each, illustrating the benefits of scale and a diversified service offering.

● In view of the severity of skills shortages, it is clear that hirers are increasingly leveraging the competencies of the UK recruitment sector and actively seeking out partners that can help improve their access to quality candidates, as part of long-term talent procurement strategies. This augurs well for 2023 and positions the sector for

another year of robust and resilient performance.

### 2022 key trends & 2023 outlook

A key trend among the recruiters in this year's HOT 100 list is the superior performance of recruiters servicing high-growth, candidate-short sub-sectors, including Technology, Finance and IT. Technology continues to be the most prevalent recruitment sub-sector for 2022, with 42 of the HOT 100 companies operating in the sector. Amid a backdrop of increasing digitisation and the importance of robust IT infrastructures and technological innovations in the post-pandemic environment, we expect the sector will also prominently feature in future years.

A further trend concerns the sector's demonstrable resilience throughout economic cycles, which is evident from the significant profitable growth of key market players in the eligible period. With UK job vacancies significantly outstripping unemployment, hirers are placing greater value on the services of recruiters with access to large candidate pools which will, in turn, support buoyant trading conditions in 2023.

Finally, the HOT 100 list

illustrates the quality and competitiveness of the UK recruitment sector. In refining tens of thousands of companies to just 100, the quality of companies in the sector is evident and, despite the fragmented nature of the sector, we see significant headroom for market share growth and look forward to seeing an influx of new entrants next year.

**We would like to congratulate all those that made this year's Recruiter HOT 100 and we look forward to receiving another batch of high-quality entries for the 2023 list later this year.** ●

## Methodology

The data for this year's HOT 100 which shows the companies with the highest GP per employee has been rigorously analysed and validated based on the following:

- **Qualifying criteria** – to qualify, companies must generate a GP of at least £1.5m and have at least 20 employees.
- **Groups and subsidiaries** – where a group company and one or more of its subsidiaries would qualify for the list, the 'TopCo' is excluded to prevent double counting; there is no limit to the number of subsidiaries of the same group company which can appear in the list.
- **Accounts** – latest available accounts for 2021 or 2022 have been used (draft accounts are permitted).
- **Jurisdiction (Geography)** – overseas operations of UK-based companies are excluded; where UK specialists place talent worldwide from their UK base, this is included.
- **Employees** – in calculating GP/head, the number of employees is derived from the company's latest accounts.

