



Project Search: Line of Credit Refinance & Recapitalization

Executive Summary

Rush Street Capital has been engaged to raise up to a \$7.0 million asset-based line of credit refinance and a \$5.0 million senior secured term loan for the recapitalization of Project Search (the “Company”), a highly experienced Private Equity Sponsor’s existing platform investment. The Sponsor’s Midwest-based platform company is a leading provider of IT staffing and human capital management services. The company serves direct, managed service providers (MSP) and Vendor Management Systems (VMS) clients by providing access to highly skilled technology and life sciences professionals. To date, the Sponsor and other shareholders have contributed over \$12.0 million of cash equity into the existing platform.

On a combined basis, the platform generated approximately \$49.0 million in revenue and \$2.5 million of Adj. EBITDA at FY 2021. Below is the contemplated Sources and Uses for the recapitalization. Financing proceeds will be used for the refinance of the existing line of credit, general business purposes and to recapitalize the Company’s balance sheet, given the Company has been capitalized exclusively with Equity. The Company is also seeking a Delayed Draw Term Loan to support its buy-and-build strategy. Opening total funded leverage will be approximately 2.0x.

Sources	(\$000's)	Uses	(\$000's)
Senior Term Loan	5,000	Legacy Capital Costs, Expenses, and Fees	700
Line of Credit Drawn at Close	1,000	Distribution to Shareholders	4,300
		Line of Credit Drawn at Close	1,000
Total	\$6,000	Total	\$6,000

Company Overview

Project Search specializes in contracted staffing but also has capabilities in executive search/permanent placement staffing. The company identifies ideal candidates from its extensive database that includes millions of qualified clients. The Sponsor continues to carry out its original investment thesis to acquire, consolidate and grow a platform of existing IT Staffing firms to expand geographic reach and economies of scale.

Project Search earns its clients’ trust through a focus on quality and speed of delivery. It offers the geographic scale, industry expertise, and full-service client delivery model of a large staffing firm on a focused and personal basis to a broad range of clients, from middle market organizations up to Fortune 100 corporations.

The Sponsor has partnered with a highly experienced team of operators with deep M&A experience in the staffing space, which will continue to identify key targets and build on a strong platform that includes key people, systems, and processes for scalability. This expertise combined with the large, fragmented market creates numerous growth opportunities such as cost-synergies and accretive add-on acquisitions.