

HireQuest Inc. (HQI:NASDAQ)

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All figures in USD unless otherwise stated

HireQuest Inc.	HQI:NASDAQ
Share Price	\$13.35
Average Daily Volume (K)	17.7
Shares Outstanding (M)	14.0
Market Cap (\$M)	\$186.9
Cash (\$M)	\$1.6
Debt (\$M)	\$13.6
Enterprise Value (\$M)	\$198.9

FYE Dec 31	2023A	2024E	2025E
Sales (\$M)	\$37.9	\$35.8	\$38.8
Sales Growth (YoY %)	22%	(5%)	8%
Gross Margin (%)	100%	N/A	N/A
EBITDA (\$M)	\$14.0	\$17.1	\$20.7
EBITDA Margin (%)	37%	48%	53%
Net Income (\$M)	\$6.1	N/A	N/A

Valuation	2023E	2024E	2025E
EV/EBITDA	14.2x	11.7x	9.6x
P/E	30.5x	N/A	N/A
EV/Sales	5.3x	5.6x	5.1x

Please refer to the applicable disclosures on the back page
Source: Atrium Research, CapitalIQ, Company Documents



HireQuest is a nationwide franchisor of direct dispatch, executive search, and commercial staffing solutions for HireQuest Direct, HireQuest, Snelling, HireQuest Health, DriverQuest, TradeCorp, MRINetwork, SearchPath Global, and Northbound Executive Search franchised offices across the United States. Through its national network of over 400 franchisee-owned offices across the United States, HireQuest provides employment for approximately 73,000 individuals annually that work for thousands of customers in numerous industries.

What you need to know:

- HireQuest operates over 440 franchisee-owned staffing offices across 47 states, serving industries like construction, healthcare, and hospitality.
- The asset-light franchise model generates recurring revenue through royalties and service fees, enabling scalable growth.
- Adjusted EBITDA grew 32% YoY in Q3/24, with a 15% reduction in SG&A expenses, highlighting strong financial discipline.
- Watch clips of the interview [here](#).

Company Overview

HireQuest is a leading national franchisor of staffing and recruiting services, providing workforce solutions across a diverse range of industries. Headquartered in South Carolina, the Company operates over 440 franchisee-owned offices across 47 states and Washington, D.C., under multiple brand names, including HireQuest Direct, Snelling, TradeCorp, MRINetwork, HireQuest Health, DriverQuest, and VETSQuest. Through its extensive service offerings, HQI specializes in placing temporary, permanent, and direct-hire personnel in sectors such as construction, light industrial, hospitality, healthcare, and professional services.

The Company's franchise model allows it to scale efficiently while generating consistent revenue through royalties and service fees. By leveraging proprietary technology, payroll financing, and workers' compensation solutions, HireQuest supports its franchisees in managing workforce needs efficiently. The Company has also expanded through acquisitions, adding new service verticals and strengthening its presence in executive search and professional staffing. With a focus on operational efficiency and organic growth, HireQuest is well-positioned to capitalize on the evolving labour market.

Investment Thesis

Diversified Service Portfolio. HireQuest provides staffing solutions across multiple industries, including construction, healthcare, and executive recruiting, allowing it to adapt to shifting labour demands.

Scalable Franchise Model. With over 440 franchisee-owned offices, HireQuest's asset-light model drives recurring revenue through franchise royalties, enabling efficient expansion. Analysts expect 8% revenue growth in 2025.

Resilient Financial Performance. Despite industry challenges, adjusted EBITDA grew 32% YoY in Q3/24, supported by disciplined cost control and a 15% reduction in SG&A expenses.

Management. CEO Richard Hermanns brings over three decades of staffing industry experience and leads HireQuest's strategic growth through organic expansion and acquisitions. Mr. Hermanns owns 21% of the shares outstanding.

Valuation. HQI currently trades at 11.7x/9.6x 2024E/2025E EBITDA.

Conference Takeaways

- HQI has highly experienced management team with a track record of successfully growing the business through multiple growth avenues.
- The Company has seen extensive growth driven both organically by franchisees and inorganically through acquisitions, strategically using cash to acquire firms gaining the upper hand over competitors who use earnouts.
- A franchise model has allowed HQI to consistently pay dividends to investors.