Goldman Sachs Research

EQUITY RESEARCH | 6 July 2026 | 9:00PM PDT



AMERICAS TECHNOLOGY

Analyzing the Impact of AI on Industry Profit Pools - Part III (Staffing Case Study)

AI investment is entering a phase where hyperscaler capex approaching ~$1tn by 2027E requires a clearer link between infrastructure spend and profit pool capture. We use staffing as a case study to provide a measurable lens into how AI reallocates enterprise spend away from human-driven intermediation and toward technology platforms. Our framework identifies a demand-side impact, where AI-driven hiring demand compression exposes ~$10bn of temp, ~$41bn of perm and ~$12bn of freelance profit pools, reflecting lower labor volume and hiring activity, part of which is reallocated to technology and the remainder accruing to enterprises and end users. Against this backdrop, we identify downstream monetization pools, including a ~$38bn recruiter workflow opportunity and a ~$17bn online marketplace opportunity as spend shifts from discovery toward matching, verification and hiring outcomes. Investment implications favor scaled platforms, integrated workflows and advisory models, while pressuring volume-driven staffing. Buy-rated beneficiaries include KFY, supported by its high-touch advisory model that is less sensitive to AI-driven workflow automation, alongside FVRR, UPWK and Recruit as marketplace models evolve. RHI is Sell given exposure to AI-sensitive white-collar staffing, while ZIP and MAN remain Neutral given mixed dynamics between innovation, AI-driven productivity and macro-sensitive hiring demand.

George K. Tong, CFA
+1(415)249-7421
lgeorge.tong@gs.com
Goldman Sachs & Co. LLC

Eric Sheridan
+1(917)343-8683
eric.sheridan@gs.com
Goldman Sachs & Co. LLC

Minami Munakata
+81(3)4587-9830
minami.munakata@gs.com
Goldman Sachs Japan Co., Ltd.

Sami Nasir, CFA
+1(415)834-7967
sami.nasir@gs.com
Goldman Sachs & Co. LLC

Alex Lakritz
+1(415)249-7072
alex.lakritz@gs.com
Goldman Sachs & Co. LLC

Aarshiya Sachdeva
+1(212)855-6184
aarshiya.sachdeva@gs.com
Goldman Sachs & Co. LLC

Achal Gupta
+1(332)245-7973
achal.gupta@gs.com
Goldman Sachs India SPL

Haruki Kubota
+81(3)4587-4059
haruki.kubota@gs.com
Goldman Sachs Japan Co., Ltd.

Anna Wu
+1(415)249-7235
anna.wu@gs.com
Goldman Sachs & Co. LLC

Goldman Sachs does and seeks to do business with companies covered in its research reports. As a result,investors should be aware that the firm may have a conflict of interest that could affect the objectivity of thisreport. Investors should consider this report as only a single factor in making their investment decision. For Reg AC certification and other important disclosures, see the Disclosure Appendix, or go to www.gs.com/research/hedge.html. Analysts employed by non-US affiliates are not registered/qualified as research analysts with FINRA in the U.S.

The Goldman Sachs Group, Inc.

Table of Contents

Executive Summary	3
Hyperscaler Spend Requires Downstream Profit Pool Capture	7
Where Are We Now? The Current State of AI in the Staffing Industry	10
How AI Could Be Disruptive in the Staffing Industry	12
Existing Profit Pools That Could be Disrupted by AI	12
New “TAM Expansionary” Opportunities Enabled by AI	34
Where Value Accrues as AI Adoption Scales	36
Where Could We Be Wrong	40
How Can This Analysis Be Expanded	41
Investment Conclusions	42
Valuation and Risks	44
Rating and pricing information	45
Financial advisory disclosure	45
Logo disclosure	45
Disclosure Appendix	46

Executive Summary

- **Hyperscaler capex requires monetizable downstream AI profit pools.** Hyperscaler AI investment has reached a scale that requires large downstream profit pool capture to justify returns. Combined hyperscaler capex across AWS, Microsoft, Google and Meta has moved from sub-$200bn in 2020 to ~$740bn in 2026E and approaches ~$1tn by 2027E, reflecting a broad-based infrastructure cycle across the major platforms. This spending is increasingly concentrated in AI infrastructure including compute, networking and datacenter capacity, with the magnitude of investment lifting the bar for durable revenue and profit conversion. Meanwhile, AI model capability continues to improve, with Epoch AI's Capabilities Index showing newer frontier models clustering in the 145-160 range versus earlier GPT-4-era models in the mid-120s. As models move from task augmentation toward multi-step workflow substitution, the range of disruptable profit pools expands from narrow productivity tools into broader labor and service-driven revenue pools. We analyze staffing as a case study because labor intermediation is large, measurable and directly exposed to AI-driven reallocation of work from people toward software, models and infrastructure.
- **AI adoption is broad, but labor displacement remains limited.** AI usage across knowledge work has scaled rapidly, with ~75% of global knowledge workers regularly using AI tools and ~84% of developers using or planning to use AI tools, including ~51% using them daily. Despite this adoption, AI remains primarily assistive rather than fully substitutive, with most workflows still requiring oversight, validation, compliance judgment and client interaction. Staffing demand therefore remains largely intact today across many professional and financial functions, where AI can automate elements such as reconciliation or documentation but has not yet replaced end-to-end work. Within staffing itself, adoption is more visible in recruiter workflows, where AI is increasingly embedded in high-volume, standardized and repeatable stages of execution. Manpower's PowerSuite case study illustrates this shift, with ~90% of front-office activity supported, ~100bn data points in the global data layer, 25k+ AI-led interviews, a ~67% screening time reduction and a ~7% increase in placement rates as tools expand. This suggests AI is currently reshaping how recruiting work is executed before it structurally replaces recruiter roles.
- **AI disrupts staffing by shifting economics from labor intermediation toward technology-enabled execution.** As AI automates a growing share of enterprise work, the need for incremental labor declines, reducing demand for temporary workers, permanent hires and contingent labor. This disruption is not primarily the elimination of entire roles, but the reduction in labor volume required to produce the same output, which pressures billed labor volumes in temp staffing and placement events in perm and freelance models. Accounting represents an example, where AI-enabled reconciliation, reporting and workflow automation can reduce the need for temporary accountants during peak periods and limit new permanent placements. A portion of avoided labor cost is then reallocated toward AI tools and infrastructure, although some value can be retained by enterprises and end users through margins or pricing. AI also creates an offset by improving recruiter

throughput, as integrated workflows translate role requirements into structured inputs, prioritize candidate pipelines and automate coordination across stakeholders. The net effect is a dual mechanism: staffing profit pools tied to hiring activity come under pressure while recruiter productivity and software monetization expand.

- **Temp staffing profit pool is sized through labor volume, wage intensity, automation exposure and staffing spread.** The temp staffing model is driven by bill-pay spread economics, where staffing firms capture the difference between client bill rates and wages paid to workers. We size the temp staffing profit pool by starting with BLS temp headcount and wage data by job function, applying GS Macro task-level automation assumptions mapped to BLS sub-functions, then applying segment-specific staffing gross margins across white-collar and blue-collar roles. This approach converts labor scale, wage intensity, task exposure and spread capture into a function-level view of profitability. We size the temp staffing profit pool at ~$10bn, concentrated in office & admin at ~$1.9bn, business & financial at ~$1.9bn, IT at ~$1.6bn and healthcare at ~$1.6bn. These categories combine meaningful employment bases, higher wages, 30-50% automation exposure and structurally higher 30%+ margins. In contrast, large blue-collar categories such as transportation contribute less to the exposed profit pool despite scale, given lower margins and lower automation exposure.
- **Perm placement profit pool is transaction-driven, with hiring events and compensation replacing temp spread economics.** Perm placement differs from temp because revenue is tied to discrete hiring outcomes, with staffing firms earning a one-time fee typically structured as 30-35% of first-year compensation. Our methodology starts with BLS employment and wage data by function, applies GS Macro task-level automation assumptions to estimate reduced hiring demand, introduces a hiring rate to convert the adjusted labor base into annual placement volumes and then applies the placement fee. This differs from temp because perm monetizes hiring events rather than ongoing labor volumes, making hiring rate a critical throughput variable. The hiring rate was 3.3% as of May 2026 vs a 3.7% long-term average since 2001, and we use hiring rates to link labor demand compression to fee-generating placement activity. We size the perm staffing profit pool at ~$41bn, led by management at ~$10.8bn and healthcare at ~$5.4bn, followed by business & financial, office & admin and IT. Higher-skill roles contribute disproportionately because fees scale with compensation, while lower-wage categories such as transportation and food services contribute less despite large employment bases.
- **Freelance profit pool reflects demand compression and mix-driven exposure to AI automation.** We size the freelance profit pool at ~$12bn by starting with global platform-mediated GSV and applying a blended take rate alongside GS Macro task-level automation assumptions to translate activity into AI-exposed revenue. This approach mirrors temp and perm by mapping an underlying economic base into a function-level view of profit pools, with GSV substituting for wages and take rate for spread or fees. Within this framework, AI impacts freelance through both volume compression in low-value highly automatable tasks and mix shifts toward

higher-value complex and AI-related work. Automation exposure varies by category based on task structure, with rules-based and information-intensive segments carrying higher exposure and creative or judgment-driven work remaining more resilient. As a result, profit pool impact is concentrated in categories that combine scale, monetization and exposure, including software development, design, data and writing.

- **Recruiting services create a ~$38bn US AI-addressable workflow monetization pool.** We frame recruiting services as a revenue-derived profit pool generated by recruiter-driven placement activity across temp, perm and freelance hiring. Using US 2027E TAM of ~$270bn for temp staffing and ~$45bn for perm placements, we convert temp revenue into a recruiter execution layer using a blended ~24% gross margin while treating perm placement revenue as fee-based monetization of recruiting activity. This yields a combined ~$109bn execution-layer pool spanning temp spreads and perm fees generated by recruiter workflows. Applying a 35% task-level automation assumption produces an AI-addressable recruiter profit pool of ~$38bn, representing gross workflow monetization and not demand-side hiring compression, which is incorporated separately. RPO is an important subset, with the US RPO market estimated at ~$6bn in 2027E, representing a low-single-digit share of total staffing TAM and roughly low-teens penetration of the ~$109bn execution layer. Because RPO centralizes standardized, data-intensive and enterprise-scale recruiting activity, it serves as a leading indicator of where AI-enabled workflow monetization can emerge first.
- **Online job advertising shifts from discovery monetization toward AI-enabled matching and workflow outcomes.** The global online job advertising market is projected by SIA to reach $37.6bn in 2026, up 7% from $35.2bn in 2025, with the top two players holding ~50% market share versus ~25% in 2015. LinkedIn and Indeed lead the market with ~29.2% and ~20.6% share, respectively, while legacy job boards and localized classifieds remain fragmented. AI changes the value proposition by shifting spend away from posting, clicks and traffic toward matching, verification, screening and hiring outcomes. We size the online job advertising and recruitment marketing profit pool at ~$17bn by segmenting the $37.6bn market into traditional job boards at 45% share, professional networks at 35% and programmatic software at 20%, then applying AI automation assumptions of 70%, 35% and 10%, respectively. Indeed illustrates the scaled platform response, with Premium Sponsored Job using AI to recommend candidates, retention 20% higher than Standard tier and US ARPJ rising 25% y/y in 4Q FY3/26 despite US job posting volume declining 7% y/y. ZipRecruiter is also investing in AI-enabled matching through Smart Outreach, ZipIntro, Phil and a ChatGPT app, although its smaller scale limits the immediate profit pool impact.
- **AI expands staffing TAM through new hiring demand, wage premium and recruiter throughput.** We offset the disruption thesis with AI-enabled TAM expansion, as AI-related job postings have grown at a ~29% annual rate over 15 years versus ~11% for the broader labor market. More than 80k US job postings referenced generative AI skills in 2025, up from ~3.8k in 2010, and more than 50% of roles requiring AI skills now sit outside traditional IT and computer science. AI roles

also carry a ~28% salary premium, or roughly ~$18k higher annual pay on average, supporting higher staffing monetization because placement fees scale with compensation. Supply is increasing through education channels, with ~193 undergraduate and ~310 master's AI-focused programs across ~304 US institutions as of 2025, and master's programs increasing 167% from 2022 to 2025. We size the current AI hiring TAM at $1-3bn, add $0.6-2.4bn from the graduate pipeline, apply a 1.25-1.75x adjacency multiplier and incorporate 20-30% recruiter productivity gains. This yields an estimated AI-related staffing TAM of ~$2-12bn, with a mid-case of ~$6bn.

- **Value accrues to workflow platforms, scaled marketplaces, technology layers and defensible advisory models.** As AI adoption scales, value capture reflects both hiring demand compression and the shift from manual recruiting execution toward system-driven workflows. Our value transfer framework separates demand-side compression from workflow monetization, with hiring demand compression sized at ~$10bn for temp and ~$41bn for perm, AI workflow monetization at ~$38bn and online marketplace workflow opportunity at ~$17bn. Within the technology layer, value is split between model providers capturing compute and API usage and application platforms monetizing workflow integration through end-to-end hiring systems. Scaled platforms with proprietary data, closed-loop feedback and workflow control, including LinkedIn and Indeed, are better positioned as monetization shifts from discovery toward outcomes. Integrated staffing platforms such as MAN can defend economics through centralized systems and operational data, while KFY is relatively insulated through advisory-led executive search, consulting and digital offerings. RHI faces greater risk given its concentration in finance and accounting, technology and administrative/customer support end markets, where hiring demand is closely tied to incremental workload and AI-driven efficiency gains.
- **Key risks center on adoption, labor demand, automation ceilings and monetization capture.** Our sizing of staffing profit pools could be too aggressive if AI augments labor demand more than it compresses hiring volumes, with enterprises reinvesting productivity gains into incremental work instead of reducing headcount. Early adoption patterns still show AI increasing output per worker without structural labor displacement, which could sustain or even increase hiring volumes in some functions. Workflow integration could also take longer than modeled because current deployment remains more focused on discrete execution tasks than end-to-end orchestration, with data fragmentation, enterprise complexity and regulatory constraints slowing system-level adoption. Human oversight could limit automation penetration in higher-value segments where client interaction, candidate evaluation, compliance and accountability remain central to service delivery. Technology providers may also capture less economic value than our framework assumes if competition across hyperscalers, software vendors and open-source models compresses pricing. In that scenario, labor costs may decline but savings could accrue more to enterprises and end users than to AI providers, changing the distribution of profit pool reallocation.
- **Future work can improve timing, role-level precision and non-linear workflow**

effects. Our current framework treats labor demand reductions and recruiter productivity gains as partially offsetting forces, but integrated AI workflows could create dynamic feedback loops that compound over time. Modeling these feedback loops would help quantify scenarios where higher recruiter productivity accelerates placement efficiency and delays or offsets volume-driven disruption. The perm methodology currently applies a standardized hiring rate across functions, so adding role-level differentiation based on turnover, tenure and cyclicality would create a more granular view of placement fee exposure. The automation model also remains task-level, while workflow-level disruption could be non-linear if AI integrates sourcing, screening, matching and coordination into a single system. For example, a 20% task-level efficiency gain could translate into a 40-50% staffing volume reduction when multiple steps and handoffs are removed simultaneously. Additional refinements could incorporate pricing, placement fee compression, margin sensitivity, mix shifts, adoption curves and enterprise readiness by function.

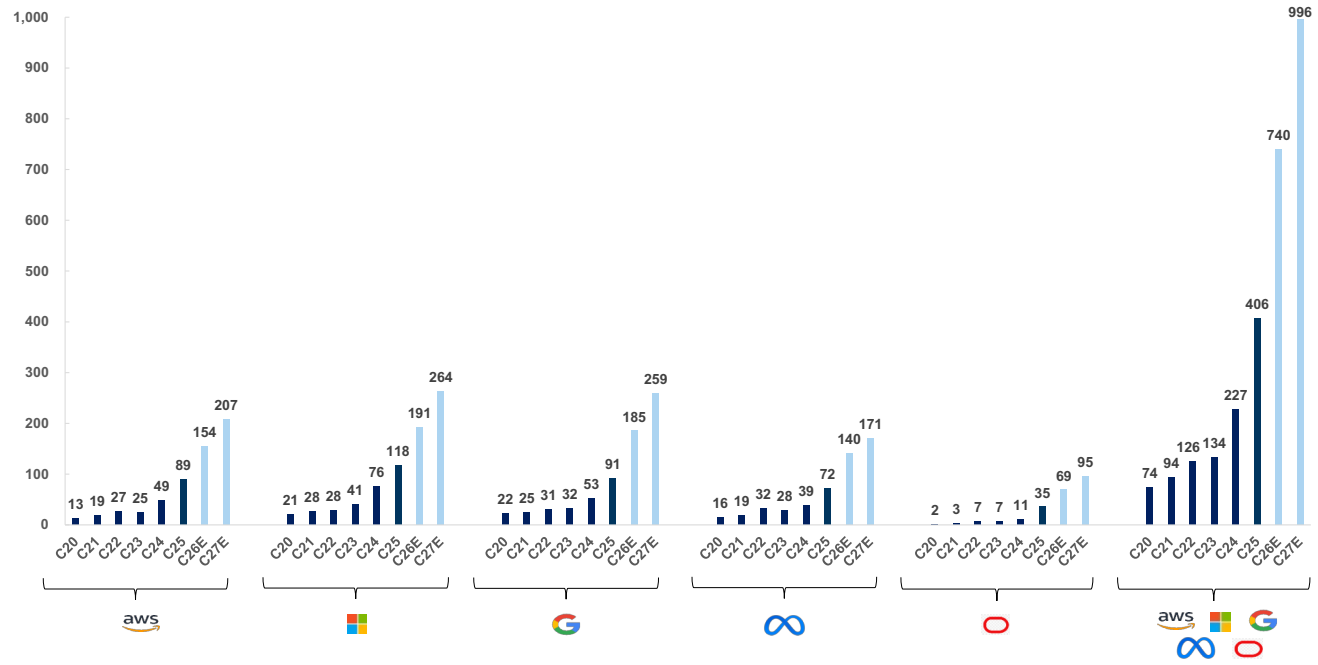
- **Investment conclusions favor advisory-led and scaled platform models over exposed white-collar staffing. KFY, Buy,** is positioned as a strategic beneficiary of long-term labor market change because executive search, consulting, digital and workforce transformation are less exposed to pure workflow automation and more tied to client advisory, senior talent access and organizational redesign. **MAN, Neutral,** has near-term support from improving European manufacturing, aerospace and defense demand, plus AI-enabled productivity through PowerSuite and a multi-year transformation program targeting $200mn in permanent cost savings by 2028, balanced by challenged Experis and Talent Solutions trends, gross margin pressure and geopolitical risk. **RHI, Sell,** faces longer-term AI risk because finance and accounting, technology and administrative/customer support overlap with white-collar categories where AI can reduce incremental hiring demand, while Protiviti weakness and negative estimate revisions add near-term pressure. **FVRR, Buy,** and **UPWK, Buy,** are beneficiaries of flexible work and AI demand, with Fiverr positioned for long-term freelance marketplace growth and Upwork seeing generative AI job posts up >1,000% and related searches up >1,500% in 2Q 2023 versus 4Q 2022. **ZIP, Neutral,** remains tied to macro-sensitive online recruiting demand but continues to invest in AI-driven matching and personalization through Smart Outreach, ZipIntro, Phil and its ChatGPT app. **Recruit Holdings, Buy,** benefits from Indeed's AI-driven candidate recommendations, faster hiring speed, positive ARPJ trajectory and proprietary data advantages, with management guiding US ARPJ growth of 18% y/y in FY3/27 and HR Technology EBITDA of ¥677bn.

Hyperscaler Spend Requires Downstream Profit Pool Capture

Hyperscaler AI investment is unprecedented, requiring downstream profit pool capture to justify returns. Hyperscaler datacenter capex has scaled sharply across the major platforms, with AWS, Microsoft, Google and Meta all showing step-function increases from sub-$50bn annual levels earlier in the decade to triple-digit billion run-rates by 2026-2027. Exhibit 1 illustrates this acceleration, with combined capex rising from sub-$200bn in 2020 to ~$740bn in 2026 and approaching ~$1tn by 2027,

reflecting a broad-based expansion across all major platforms. This ramp underscores a structural shift in technology spending, where investment is increasingly concentrated in AI infrastructure including compute, networking and datacenter capacity. Notably, capex growth is occurring across each hyperscaler simultaneously, reinforcing that this is an industry-wide buildout rather than a single-company cycle. The magnitude of investment is increasingly outpacing internally generated cash flows, with several companies turning to external financing to support continued expansion. As a result, the threshold for economic return has risen materially, with investors focused on how this infrastructure translates into durable revenue and profit streams. In our view, this requires the emergence or reallocation of large existing industry profit pools toward AI-enabled platforms, as productivity gains alone do not generate sufficient return without monetization. Against this backdrop, we analyze the staffing sector to assess how AI-driven reductions in labor demand can disrupt existing fee pools and redirect economic value toward technology, while also creating partial offset through TAM expansion as recruiters leverage AI to increase productivity, improve fill rates and scale placements, providing a pathway for hyperscalers to capture returns on their infrastructure investments.

Exhibit 1: Hyperscaler capex CY2020-27E

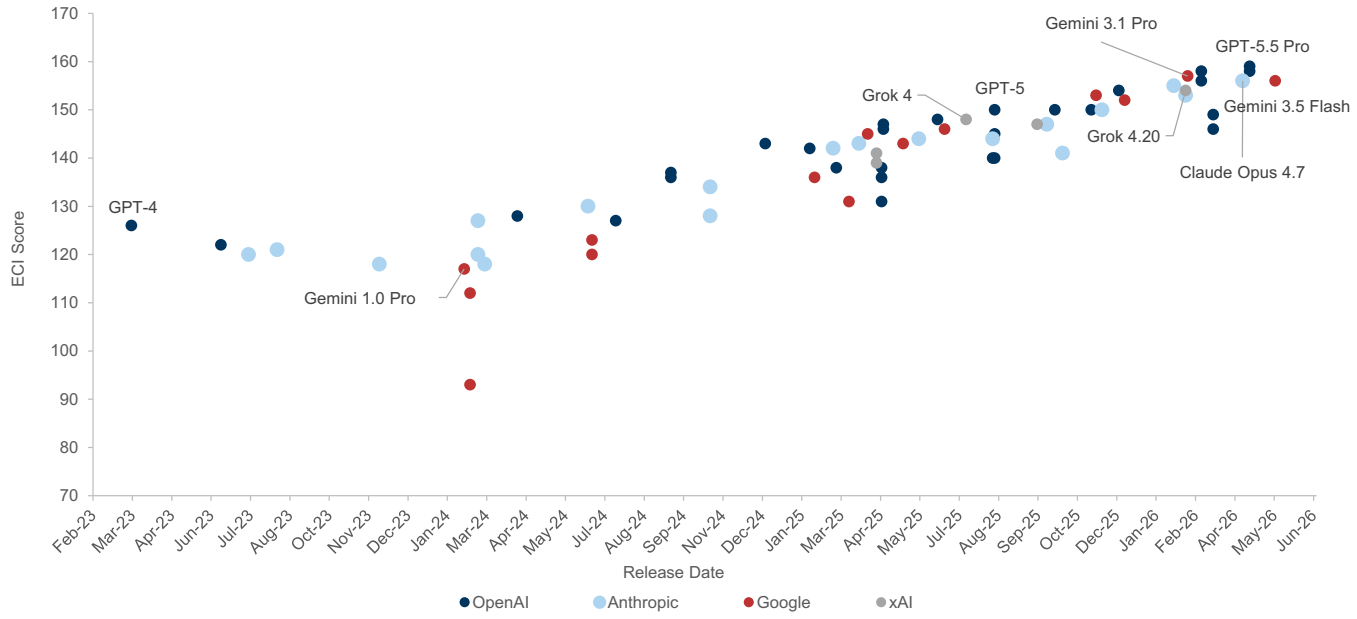


Source: Company data, Goldman Sachs Global Investment Research

Advances in AI model capability expand the range of disruptable profit pools. The rapid progression in AI model performance, as captured by Epoch AI's Capabilities Index (ECI), highlights a clear upward trajectory in general-purpose capability across successive model releases. Early frontier models such as GPT-4 clustered in the mid-120s range, while newer 2025-2026 models including GPT-5, Gemini 3.1 Pro and GPT-5.5 Pro are now consistently scoring in the 145-160 range, with the leading edge approaching the high-150s. The ECI also shows increasing clustering at higher scores, suggesting not only improvement but convergence toward broadly capable systems across multiple providers. This progression reflects meaningful gains in reasoning, coding, math and language tasks, enabling stronger generalization beyond narrow

benchmarks. As capabilities improve, models are increasingly able to handle multi-step workflows rather than isolated tasks, expanding the scope of work that can be automated. This shift moves AI from task augmentation toward workflow-level substitution, increasing its ability to replicate functions that historically supported enterprise cost structures. As a result, the steady rise in model capability directly expands the portion of economic activity that can be addressed by AI, setting the foundation for disruption and reallocation of existing profit pools.

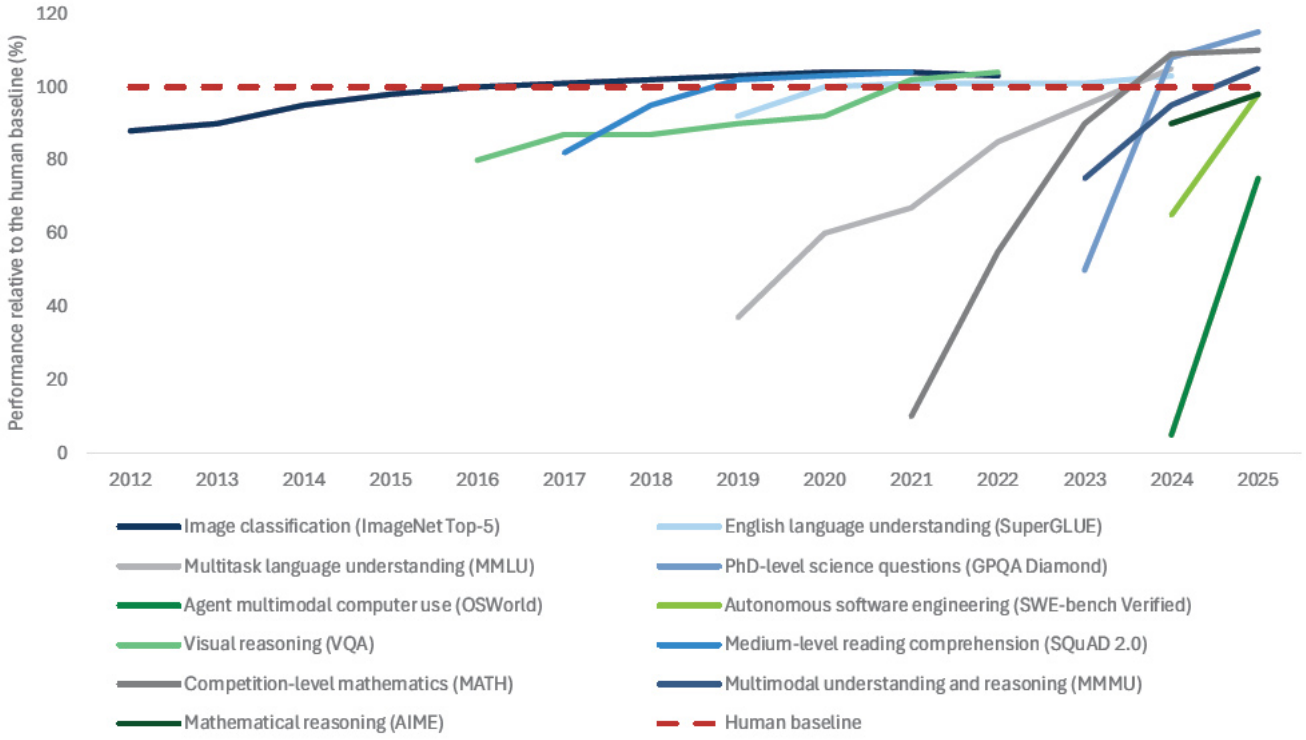
Exhibit 2: Select AI model performance on the Epoch Capabilities Index



Source: Epoch AI

AI performance gains are broad-based across domains, but concentrated in digitally native tasks. The Stanford HAI AI Index shows that model improvements span a wide range of benchmarks, with several domains such as image classification, language understanding and visual reasoning reaching or exceeding human-level performance over time. Gains have accelerated notably since ~2020, particularly in more complex benchmarks including multitask language understanding, competition-level mathematics, multimodal reasoning and software-related tasks, indicating rapid progress in higher-order cognitive capabilities. Many of these newer benchmarks have moved from well below human performance to approaching or surpassing parity within a short time frame, underscoring the pace of advancement. That said, performance remains uneven, with some areas still lagging, particularly tasks requiring spatial interpretation or real-world reasoning, such as reading analog clocks. This divergence reflects that AI capability is advancing most quickly in structured, information-based domains where tasks are digitally represented and can be benchmarked consistently. Accordingly, near-term economic impact will likely be concentrated in functions tied to these digitally native workflows, shaping where adoption and downstream profit pool effects are most likely to emerge first.

Exhibit 3: Select AI Index technical performance benchmark vs. human performance



Source: Stanford University Institute for Human-Centered AI, Goldman Sachs Global Investment Research

Where Are We Now? The Current State of AI in the Staffing Industry

AI adoption is widespread in knowledge work, but real-world labor displacement remains limited. AI usage across knowledge work has scaled rapidly, with ~75% of global knowledge workers now using AI tools regularly, based on workplace analytics data from Worklytics, and ~84% of developers using or planning to use AI tools with ~51% using them daily, based on the 2025 Stack Overflow Developer Survey. Despite this high level of adoption, AI is primarily being used to assist with discrete tasks rather than fully replacing roles, with most workflows still requiring human oversight and validation. This is particularly evident in professional and financial roles such as accounting, where AI can automate elements like reconciliation or documentation but does not yet replicate end-to-end judgment, compliance and client interaction. As a result, demand for both staffing and recruiting services in these functions remains largely intact. In profit pool terms, current AI usage improves productivity per worker but has not yet resulted in a structural disruption in billed hours or placement volumes across core staffing categories.

AI is reshaping recruiter workflows by automating execution. The staffing industry is in an early but active phase of AI adoption, with deployment focused on embedding AI into how recruiting work is executed without replacing recruiter roles. Adoption is concentrated in stages characterized by high data volume, standardized inputs and repeatable processes, where tasks can be codified and executed within digital systems. In practice, AI is being applied across core recruiting workflows, including both

front-office execution and related administrative processes.

Exhibit 4: AI can augment most staffing recruiter workflows
AI's impact on staffing recruiter workflows

Description	Details	Examples
Candidate Sourcing & Engagement	AI automates job content creation, expands candidate discovery, and scales personalized outreach to improve recruiter speed and coverage.	• AI-generated job postings and role summaries • Semantic search across candidate databases • AI-personalized recruiter messages
Initial Screening & Filtering	AI extracts and structures candidate information from resumes, enabling faster screening, more consistent filtering and reduced manual review.	• Automated resume ingestion • Skills inference from unstructured resume data • Eligibility screening at scale
Candidate Matching & Ranking	Machine learning models assess candidate fit and prioritize applicants using skills, experience signals and historical placement outcomes.	• Skills-based matching engines • Candidate-to-role scoring models
Interview-Based Evaluation	AI supports interview preparation and synthesizes candidate feedback, while final evaluation and hiring decisions remain driven by human judgment.	• Interview note summarization • AI-assisted comparison of candidate feedback • Structured evaluation scorecards
Placement & Offer Decisions	AI supports compensation benchmarking and offer structuring, but final decisions, negotiation and accountability remain human-led.	• Compensation benchmarking tools • Offer scenario modeling • Onboarding documentation automation

Source: Goldman Sachs Global Investment Research

Case study: Manpower embedding AI across recruiting workflows through PowerSuite

Manpower (MAN, Neutral-rated) has built a centralized global platform known as PowerSuite, which is an AI-enabled, end-to-end digital infrastructure that integrates front-office recruiting, sales workflows and back-office operations into a unified system, enabling standardized processes and data capture at scale. The platform supports approximately ~90% of front-office activity, with a majority of back-office processes also consolidated, and is underpinned by a global data layer of roughly ~100bn data points, enabling AI to be deployed directly within recruiter workflows. AI is embedded across multiple stages of the recruiting process, including candidate matching, pipeline prioritization and workflow management, with the platform serving as the system through which these capabilities are delivered and scaled.

At the front end, the company has deployed AI-powered screening through its global partnership with Hubert, which automates structured first-round interviews and ranks candidates based on standardized criteria. Over the past six months, the platform has completed 25k+ AI-led interviews, reducing screening time by approximately 67% and enabling 24/7 candidate engagement, with more than 60% of interviews completed outside traditional working hours and overall candidate satisfaction of ~87%. Structured evaluation improves match consistency and reduces bias by applying uniform criteria across candidates, accelerating time-to-shortlist and improving early visibility into qualified talent. These capabilities are already deployed across markets representing ~40% of global revenue, with plans to scale to ~70% by year-end.

Beyond screening, AI is being increasingly embedded across the broader workflow through partnerships such as Carv, which integrates agentic AI directly into recruiter systems to automate administrative tasks, update candidate data in real time, and coordinate recruiting stages. At the commercial layer, AI is also improving front-end opportunity selection, with the company's AI-driven sales targeting engine generating approximately ~$200mn of incremental revenue in initial deployments and scaling across markets. These capabilities are driving measurable improvements across the model, including a ~7% increase in placement rates as AI tools expand, while enabling higher throughput with fewer manual touchpoints. AI handles high-volume execution tasks while recruiters retain ownership of evaluation, client interaction and final hiring decisions, reinforcing a model where automation is concentrated in repeatable steps while judgment remains human-led.

How AI Could Be Disruptive in the Staffing Industry

AI disrupts staffing profit pools by transferring economic value from labor intermediation to technology providers. As AI automates a growing share of work within enterprises, the need for incremental labor declines, directly reducing demand for temporary workers, full-time hires and contingent labor. This impact is not driven by the elimination of entire roles, but by a reduction in the volume of work requiring human input, lowering both billed hours in temp staffing and placement events in perm and freelance models. For example, as accounting teams deploy AI to handle reconciliation, reporting and workflow automation, fewer incremental hires are required during peak periods, reducing demand for temporary accountants and limiting new permanent placements. We expect enterprises to reallocate a portion of these avoided labor costs toward AI tools and infrastructure that deliver the same output, shifting spend from labor budgets to technology budgets. This results in a transfer of economics, where staffing profit pools tied to hiring activity are disrupted as AI-enabled solutions capture a growing share of enterprise spending.

AI-driven productivity gains partially offset staffing profit pool pressure by increasing recruiter throughput. Future capabilities extend beyond task automation into integrated execution, where AI enables continuous, system-coordinated workflows that translate role requirements into structured inputs, prioritize candidate pipelines and automate coordination across stakeholders. These capabilities reduce manual handoffs, standardize inputs and shorten cycle times, directly enabling higher candidate throughput and more consistent matching.

Exhibit 5: AI enhances productivity efficiency
Recruiter workflows

Workflow	Current State	AI-enabled Future	Impact
Role intake and requisition setup	Recruiter and hiring manager define role requirements, screening criteria, and job specifications through manual calibration	AI translates role needs into structured requirements, generates role variants by channel, and updates screening criteria dynamically as pipeline data evolves	Faster role setup and greater standardization across requisitions
Sourcing, screening, and matching	Discrete steps handled through manual search, rule-based filtering, and recruiter-led shortlisting, with frequent handoffs across tools	AI orchestrates continuous sourcing, automated screening, and ranked shortlists in a single integrated workflow	Reduced handoffs and higher candidate throughput per recruiter
Interview coordination and evaluation support	Scheduling, interview prep, and feedback collection are time-intensive and inconsistently structured across stakeholders	AI automates scheduling, generates structured interview guides, synthesizes feedback, and highlights candidate differentiation	Shorter cycle times and more consistent evaluation inputs
Placement and offer process	Recruiter-led benchmarking, negotiation, and documentation, with outcomes shaped by relationship management and judgment	AI supports benchmarking, offer scenario modeling, and documentation automation, while decision authority remains human-led	Faster execution with decision accountability preserved
Post-placement feedback loop	Limited systematic learning from placement outcomes, with insights captured informally across teams	AI captures outcome data, monitors early risk signals, and feeds learnings back into sourcing and matching models	Creation of compounding feedback loops that improve performance over time

Source: Goldman Sachs Global Investment Research

Existing Profit Pools That Could be Disrupted by AI

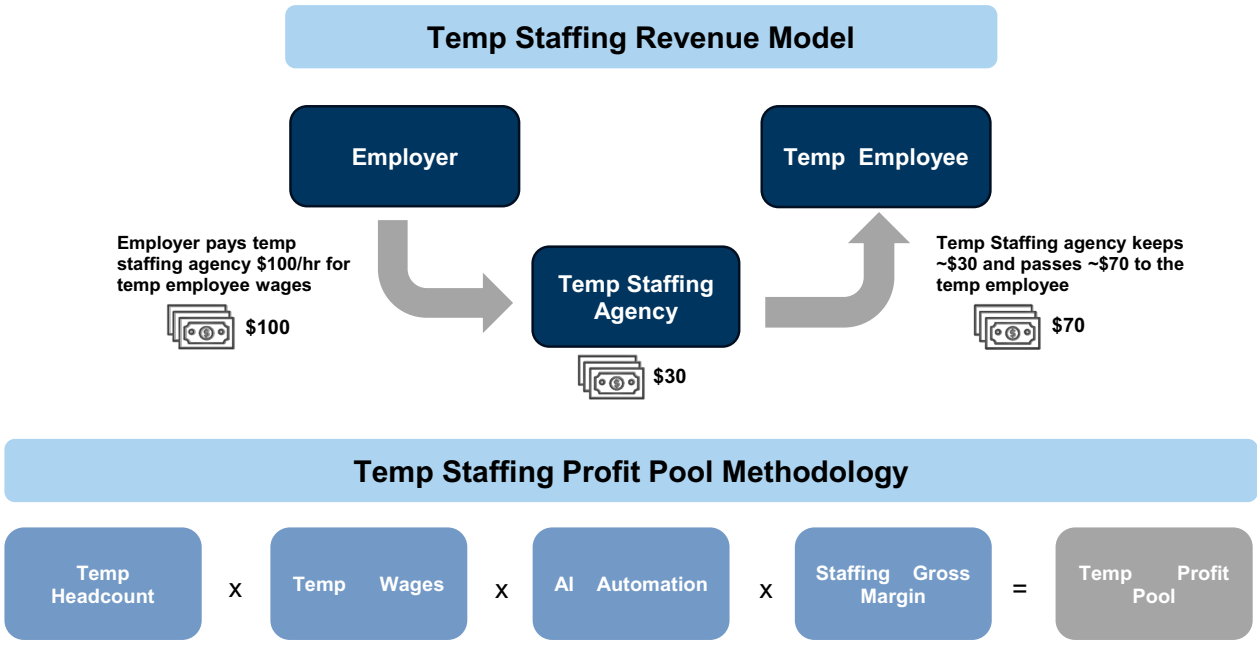
Temp Staffing Profit Pool

Temp staffing economics are driven by a bill-pay spread tied to labor volumes. Temp staffing firms generate revenue by placing workers and earning the difference between the bill rate charged to clients and the wage paid to workers, making billed labor volumes the primary driver of revenue and gross profit. The spread compensates firms

for sourcing, screening and administrative services, but the absolute profit pool is ultimately a function of aggregate placement volumes across the economy. This creates a direct link between hiring intensity and staffing economics, where fewer workers or lower utilization translate into less labor volume demand hours and reduced fee generation. As AI adoption reduces the need for incremental labor in repeatable functions, the model experiences volume pressure through declining labor volumes. Importantly, this dynamic sets up a transfer mechanism, where foregone labor spend is increasingly reallocated toward AI-enabled solutions that deliver equivalent output. Over time, this shifts economic value away from hour-based staffing models and toward technology providers capturing that spend.

Temp staffing profit pool methodology converts labor volumes into captured spreads. We size the temp staffing profit pool by starting with the underlying wage base at the role level, using BLS data on temp employment by job function and corresponding wages to construct total compensation. We then apply GS Macro task-level automation assumptions mapped to BLS sub-functions to translate task exposure into reduced labor demand and reduced labor volume demand. This step directly links AI-driven productivity gains to changes in staffing volumes, the primary economic driver of the model. We next apply segment-specific gross margins across white-collar and blue-collar roles to estimate the share of wage spend captured as staffing gross profit. This isolates intermediary economics from the broader labor pool and aligns outputs with observed industry margins. The framework therefore ties labor scale, wage intensity, task exposure and spread capture into a function-level view of the temp staffing profit pool.

Exhibit 6: Temp staffings agencies take ~30% of compensation as fees
Temp staffing revenue model and profit pool methodology

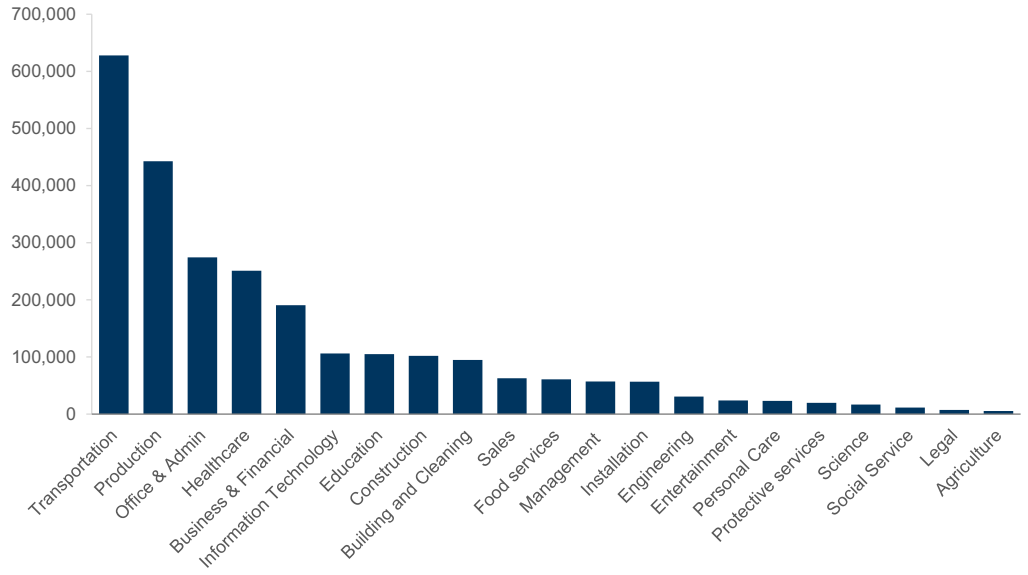


Source: Goldman Sachs Global Investment Research

Temp staffing concentration reflects where demand sits today, not where disruption will occur. The temp workforce is heavily concentrated in high-volume roles, with approximately 65% of the ~2.5mn workers in blue-collar functions such as

transportation (~625k) and production (~440k). This concentration highlights that a large portion of staffing activity is tied to roles characterized by physical execution, variability and lower digital penetration, which are less directly affected by near-term AI automation. In contrast, white-collar segments such as office & admin (~275k) and healthcare (~250k) represent smaller shares of headcount but align more closely with standardized, information-driven workflows where automation potential is higher. Beyond these core categories, temp workers are distributed across a fragmented middle tier including business & financial, IT, education and construction roles, where task complexity and exposure to AI vary.

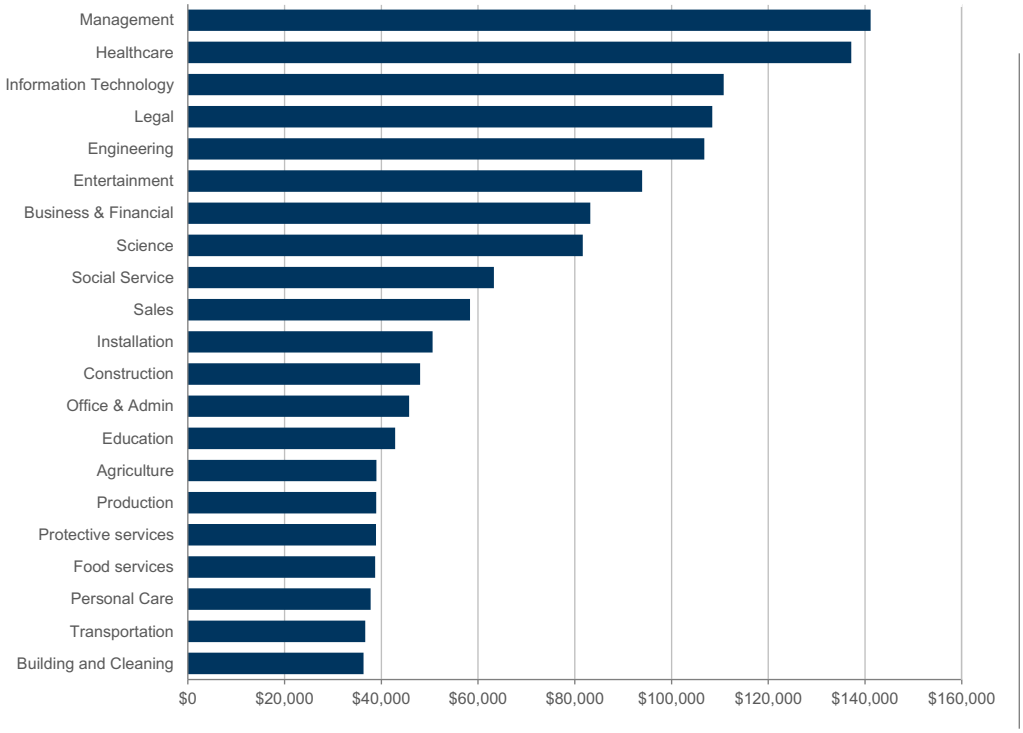
Exhibit 7: ~65% of temp workers are in blue-collar industries and ~35% in white collar
Temp worker headcount by job function



Source: US Bureau of Labor Statistics

Wage dispersion defines how temp staffing profit pools scale across functions. Average temp wages of roughly ~$70k mask a wide dispersion across roles, with management (~$140k), healthcare (~$135k), IT (~$110k) and legal (~$105k) at the high end, while high-volume blue-collar roles such as transportation, production and building & cleaning cluster closer to $35-40k. This distribution is central to profit pool formation, as higher-wage roles generate larger dollar spreads per hour even at lower volumes, while lower-wage roles contribute primarily through scale. To incorporate AI automation, we apply GS Macro task-level assumptions to BLS sub-functions, aggregating underlying task composition into function-level exposure estimates that capture where work is rules-based and digitally executable. This allows us to link wage intensity with automation exposure, such that high-compensation, information-driven functions carry greater profit pool risk on a per-worker basis, while lower-wage roles remain more sensitive to changes in labor volume demand.

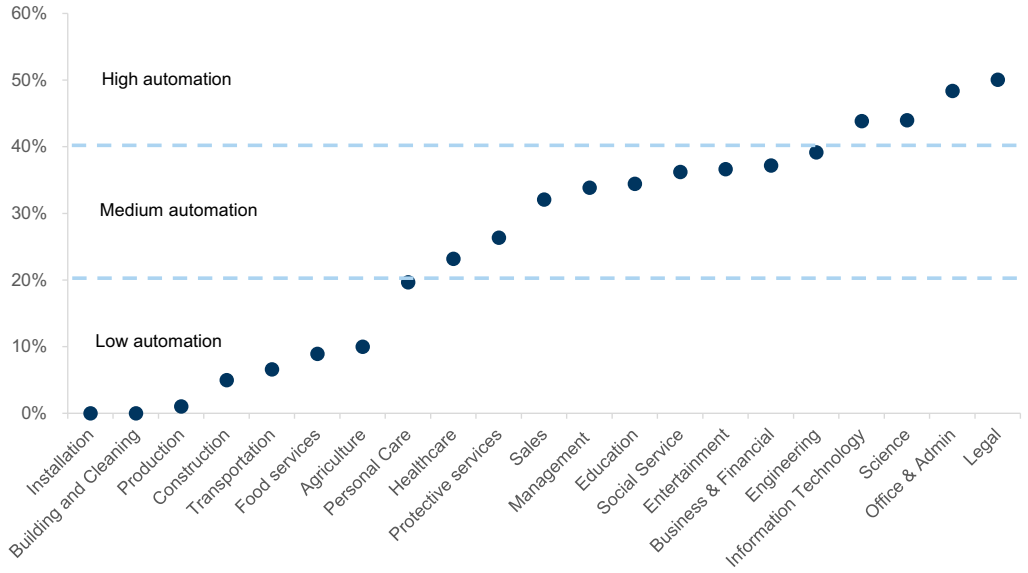
Exhibit 8: Average wage for temp workers is ~$70k
Wages by temp job function



Source: US Bureau of Labor Statistics

Automation translates task exposure into staffing profit pool shifts. We model AI impact at the task level to capture how reductions in labor input translate into changes in staffing economics and the reallocation of profit pools. GS Macro estimates of automatable task share are applied to each occupation, using O*NET data to map task composition and identify where work is structured, repeatable and digitally executable. This links automation exposure to the portion of labor demand that can be substituted, directly connecting to staffing volumes. Exposure varies systematically with task structure, ranging from 0-10% in physical roles to 45-50% in office & admin, legal and other digitally intensive functions, with most roles clustering in the 20-40% range. Roles with higher shares of rules-based tasks experience greater labor compression, which shows up as fewer hours worked in temp models and lower hiring volumes in perm, while more manual or context-driven roles remain relatively resilient. As a result, profit pool impact is uneven, with higher-wage, white-collar functions driving disproportionate displacement on a per-worker basis, while lower-wage, lower-exposure roles contribute less to near-term disruption. This distribution of automation exposure defines where staffing revenue is most sensitive and where value transfer toward AI is likely to emerge first.

Exhibit 9: Legal, office & admin and IT roles have the largest AI automation risk in temps
GS estimated steady-state temp AI task automation by job function

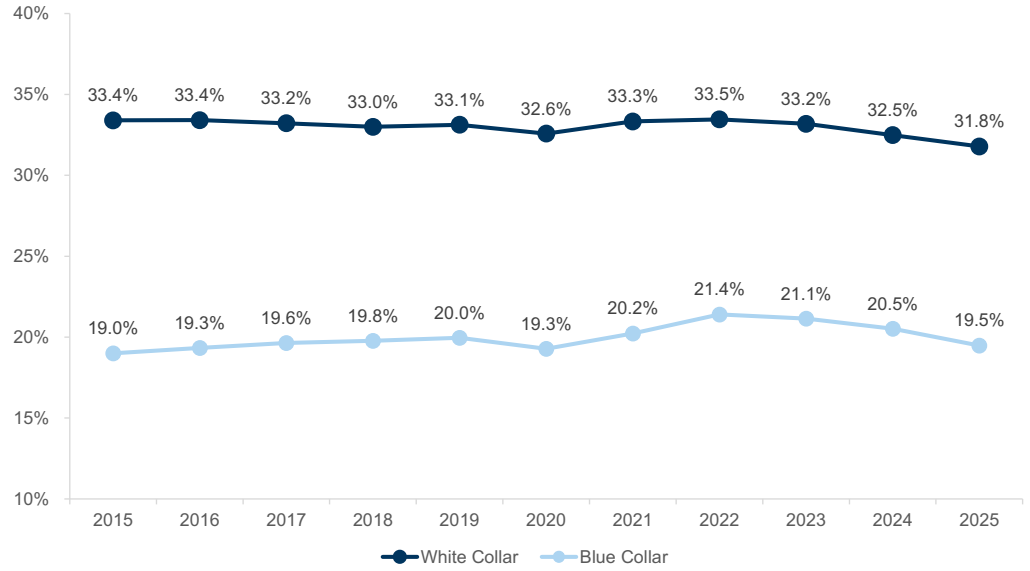


As of 3/26/2023

Source: Goldman Sachs Global Investment Research, O*NET

Margin structure amplifies profit pool sensitivity to mix shifts across roles. Staffing gross margins vary structurally by role complexity, creating unequal exposure to volume declines across segments. White-collar placements sustain 31-33% gross margins versus 19-22% for blue-collar roles, reflecting higher pricing power driven by skill scarcity, match sensitivity and switching costs. This implies that higher-skill placements generate disproportionately larger profit pools per dollar of wage spend, even at lower volumes. As a result, AI-driven reductions in white-collar labor demand can drive outsized profit pool displacement on a per-worker basis relative to blue-collar categories. In contrast, lower-margin blue-collar segments are more volume-driven, with impact primarily scaling through hours worked rather than spread. This margin bifurcation is central to the analysis, as it determines how changes in hiring mix and labor demand translate into uneven effects across staffing profit pools.

Exhibit 10: Gross margins for white collar placements are higher than blue collar's
Staffing firm gross margins



White collar staffing includes AMN, EFOR, KFRC and RHI. Blue collar staffing includes ADEN.S, KELYA, MAN, RAND.AS and TBI

Source: Company data, FactSet, Goldman Sachs Global Investment Research

Temp staffing profit pools are concentrated where scale, margins and automation exposure intersect. We size the temp staffing profit pool at ~$10bn, with concentration in functions where wage base, margin structure and AI exposure overlap, such as office & admin (~$1.9bn), business & financial (~$1.9bn), IT (~$1.6bn) and healthcare (~$1.6bn). These categories combine meaningful employment bases with higher wage levels, elevated 30-50% automation exposure and structurally higher 30%+ margins, driving disproportionate profit contribution. Office & admin is the most pronounced example, where large scale and peak ~48% automation exposure concentrate both current profit and forward sensitivity. In contrast, large blue-collar categories such as transportation generate limited profit pools despite scale due to lower margins and lower automation exposure, highlighting that labor intensity alone does not drive economic sensitivity. Smaller, high-exposure categories like legal and science remain constrained by limited scale.

人在草木间

Exhibit 11: Total temp profit pool is $10bn
Temp profit pool

Occupantion	Headcount (in mn)		Average Wage		Wage Pool		AI Automation		Staffing Gross Margins		Profit Pool (in mn)
Office & Admin	0.274	x	$45,760	=	$12,553	x	48.4%	x	31.8%	=	$1,930
Business & Financial	0.191	x	$83,200	=	$15,866	x	37.2%	x	31.8%	=	$1,877
Information Technology	0.106	x	$110,800	=	$11,759	x	43.9%	x	31.8%	=	$1,640
Healthcare	0.251	x	$137,170	=	$34,453	x	23.2%	x	19.5%	=	$1,558
Management	0.057	x	$141,180	=	$8,074	x	33.9%	x	31.8%	=	$869
Education	0.105	x	$42,860	=	$4,495	x	34.5%	x	31.8%	=	$492
Engineering	0.031	x	$106,770	=	$3,279	x	39.2%	x	31.8%	=	$408
Sales	0.063	x	$58,360	=	$3,662	x	32.1%	x	31.8%	=	$374
Transportation	0.628	x	$36,690	=	$23,041	x	6.6%	x	19.5%	=	$297
Entertainment	0.024	x	$93,940	=	$2,255	x	36.7%	x	31.8%	=	$263
Science	0.017	x	$81,660	=	$1,359	x	44.0%	x	31.8%	=	$190
Legal	0.007	x	$108,420	=	$773	x	50.1%	x	31.8%	=	$123
Social Service	0.012	x	$63,270	=	$728	x	36.2%	x	19.5%	=	$51
Construction	0.102	x	$48,040	=	$4,902	x	5.0%	x	19.5%	=	$48
Food services	0.061	x	$38,710	=	$2,360	x	8.9%	x	19.5%	=	$41
Protective services	0.020	x	$38,910	=	$769	x	26.4%	x	19.5%	=	$40
Production	0.443	x	$38,950	=	$17,248	x	1.1%	x	19.5%	=	$35
Personal Care	0.023	x	$37,790	=	$879	x	19.7%	x	19.5%	=	$34
Agriculture	0.006	x	$39,000	=	$216	x	10.0%	x	19.5%	=	$4
Building and Cleaning	0.095	x	$36,340	=	$3,447	x	0.0%	x	19.5%	=	$0
Installation	0.057	x	$50,610	=	$2,872	x	0.0%	x	19.5%	=	$0
									Total	=	**$10,274**

Source: US Bureau of Labor Statistics, Company data, Goldman Sachs Global Investment Research

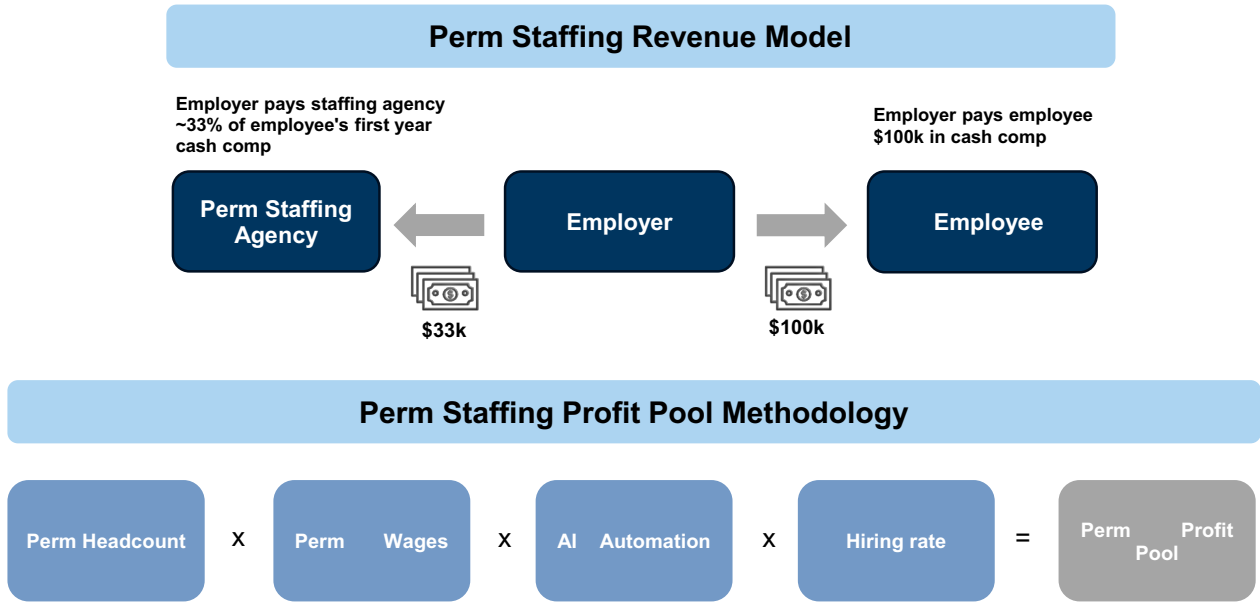
Perm Placement Profit Pool

Perm placement profit pools are driven by hiring events and scale with compensation. Perm placement economics are driven by discrete hiring outcomes, with staffing firms earning a one-time fee typically structured as 30-35% of first-year compensation. This makes total profit pools a function of both placement volumes and salary levels, with higher-skill roles contributing disproportionately on a per-placement basis due to larger fee sizes. As a result, the profit pool is episodic and directly linked to hiring activity, where fewer hires translate immediately into fewer fee-generating transactions. This creates structural sensitivity to changes in hiring intensity, with limited buffering from recurring activity. Within our broader framework, AI-driven productivity gains reduce the need for incremental hiring, compressing placement volumes and directly shrinking the perm staffing profit pool. This dynamic reinforces the mechanism for value transfer, as fewer hiring events reduce intermediary fee capture.

Perm placement methodology mirrors temp in labor inputs but introduces hiring flows and full-fee capture. We size the perm placement profit pool using a similar framework to temp staffing, starting with BLS role-level employment and wage data to construct the underlying compensation base by function. We then apply task-based GS Macro AI automation assumptions to translate task exposure into reduced labor demand, ensuring consistency in how AI impacts both temp and perm workflows. The key distinction is that perm placement monetizes hiring events, requiring the introduction of a hiring rate to convert the adjusted labor base into annual placement volumes. This step is critical, as placement activity only occurs when workers change

jobs, implying that if hiring rates were to approach zero, the perm staffing profit pool would also approach zero despite a large underlying employment base. We then apply a placement fee of 30-35% of first-year compensation, which effectively represents full revenue capture per transaction given the absence of an ongoing bill-pay spread. As a result, perm placement economics reflect a 100% margin on the fee component, with profit pools entirely driven by the number and value of hiring events.

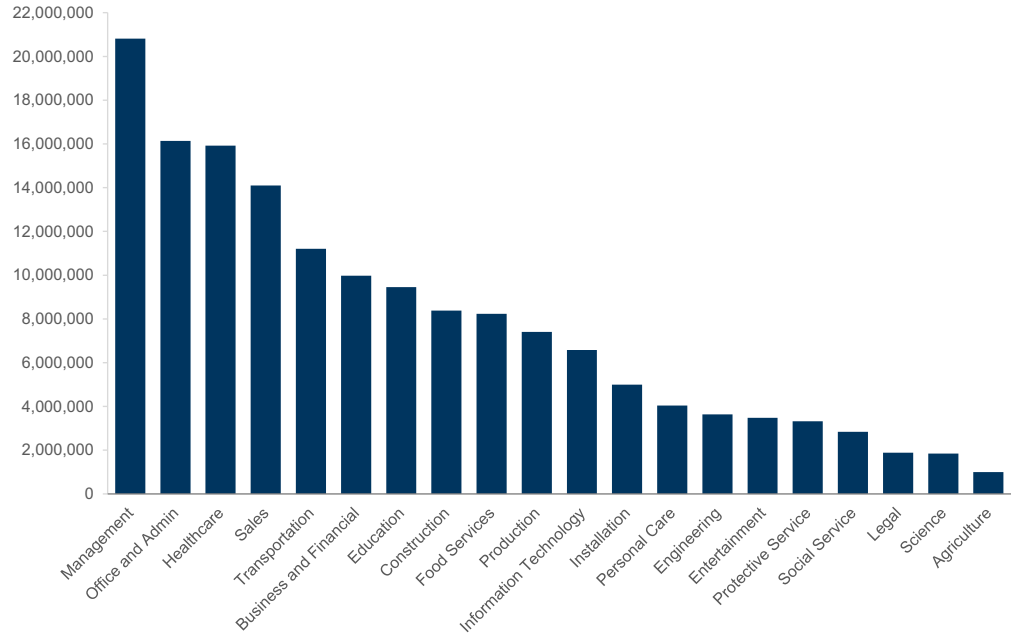
Exhibit 12: Staffing agency nets ~33% of employee's first year cash comp as placement fees
Temp staffing revenue model and profit pool methodology



Source: Goldman Sachs Global Investment Research

Perm employment profit pools are driven by employment scale. The ~155mn permanent workforce spans a wide range of job functions, with management (21mn), healthcare (16mn), office & admin (16mn), sales (14mn) and transportation (11mn) collectively representing ~50% of total employment. Beyond these leading categories, headcount declines gradually across business & financial, education, construction and food services, before extending into a long tail of smaller, more specialized roles such as IT, engineering and legal. This broad distribution expands the base of potential hiring activity across functions. Under our framework, we apply a standardized hiring rate across occupations, meaning differences in hiring behavior do not drive variation in outcomes. Instead, profit pool dispersion is driven by differences in employment scale and compensation levels, which together determine the number and value of fee-generating placements.

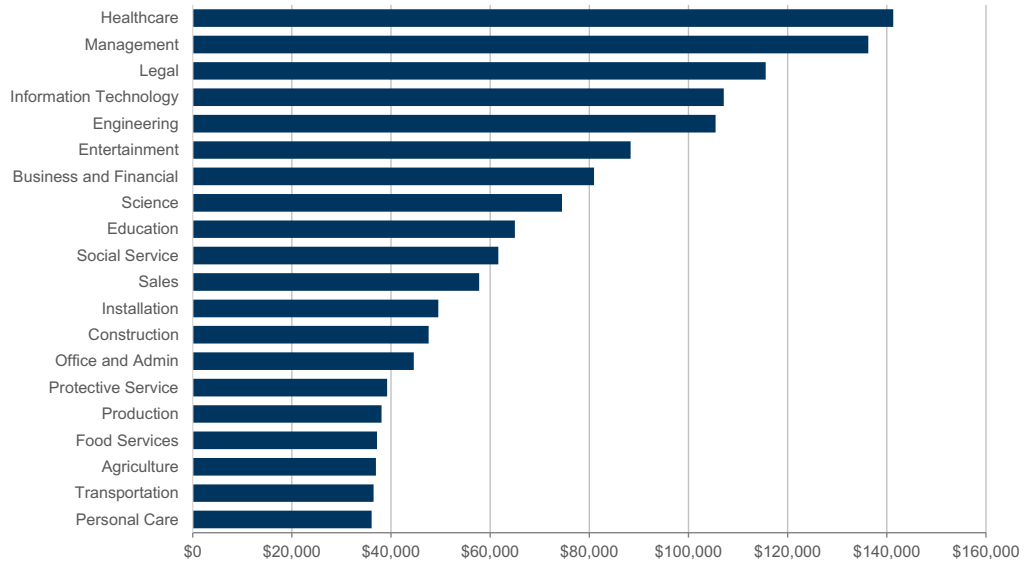
Exhibit 13: Workforce concentrated in management, administrative and healthcare roles
Full-time worker headcount by job function



Source: US Bureau of Labor Statistics

Wage dispersion defines how perm staffing profit pools scale across roles. Wage variation across roles determines the value of each placement, as fees scale directly with first-year compensation, making higher-salary roles disproportionately valuable on a per-hire basis. Compensation is skewed toward higher-skill functions such as healthcare (~$140k), management (~$135k), legal (~$115k) and IT/engineering ($100-110k), which generate meaningfully larger fee pools per placement, while mid-tier roles such as business & financial, science and education ($65-85k) contribute through a mix of volume and wage levels. Lower-wage, high-volume functions including production, transportation and food services fall below $45k, contributing less per placement despite scale. These differences also reflect underlying variation in sub-functions and work performed, as perm roles tend to encompass broader responsibilities, greater ownership and more complex, judgment-driven tasks compared to temp roles, which are more execution-oriented and episodic. To incorporate AI automation, we apply GS Macro task-level assumptions to BLS sub-functions, allowing differences in task composition to translate into differentiated automation exposure across roles.

Exhibit 14: Wage dispersion skews toward high-skill professional roles
Wages by full-time job function



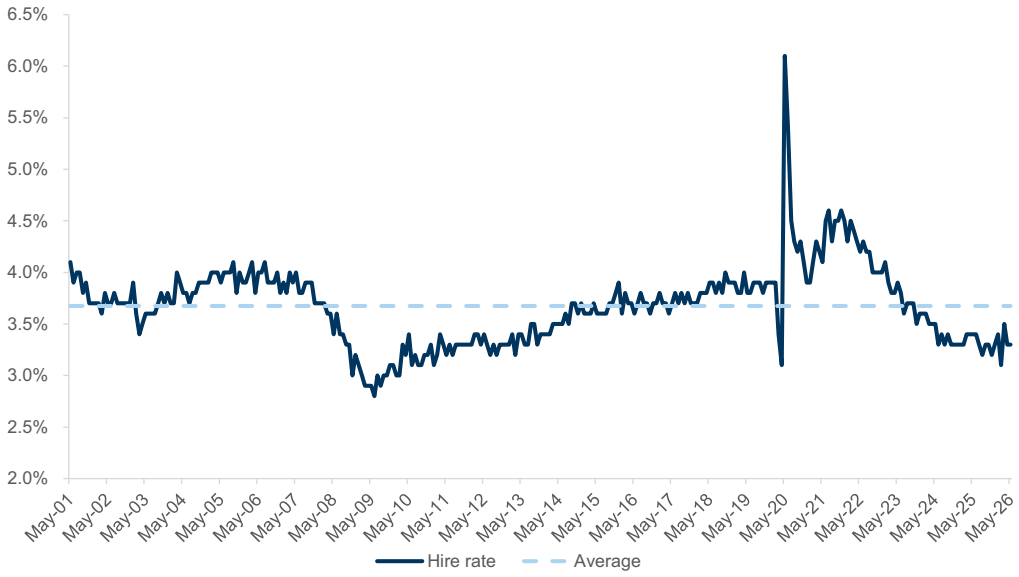
Source: US Bureau of Labor Statistics

Automation in perm roles reflects function-specific task composition, shaping where hiring compression is most likely. We apply GS Macro task-level automation assumptions to perm roles using BLS occupational sub-functions, which differ from temp given variation in workflow composition across full-time positions. This mapping ensures that automation exposure reflects the actual task mix embedded in permanent roles rather than assuming equivalence with temp labor, resulting in different exposure levels even within similar occupational categories. Automation is highest in structured, information-heavy functions such as legal (~52%), office & admin (~42%), business & financial (~41%) and IT (~40%), where rules-based workflows are more prevalent in full-time roles. A broad middle tier including management, engineering, sales and education falls in the 25-40% range, indicating partial automation that reduces incremental hiring without full displacement. At the low end, functions such as construction, production, transportation and installation remain below 15-20%, reflecting task structures that are less digitally executable. This dispersion suggests that AI will primarily compress hiring flows in information-centric functions, with differences in task composition across perm roles driving variation in the magnitude and timing of hiring reductions across the profit pool.

Exhibit 15: Legal, office & admin, and business & financial have the higher AI automation exposure
ull-time AI task automation by jobunction

Hiring rates anchor perm staffing profit pools through placement volumes. The hiring rate stands at 3.3% as of May 2026 versus a 3.7% long-term average since 2001, reflecting a combination of macro uncertainty and early AI-driven productivity effects weighing on incremental hiring. Current levels sit toward the low end of the historical 2.5–4.5% range excluding the COVID spike, indicating a structurally slower pace of hiring relative to prior cycles. Because perm placement monetizes hiring events, this rate serves as the primary throughput driver of the profit pool, with lower hiring translating directly intoeweree-generating placements. In contrast to temp staffing, where recurring assignments can partially offset cyclical swings, perm economics are tightly coupled to net hiring flows with limited buffering mechanisms. This dynamic makes the long-term hiring rate the appropriate baselineor sizing steady-state profit pools, while current levels point to near-term pressure on placement-driven revenues. Within our framework, any sustained decline in hiring rates mechanically compresses perm staffing profit pools by reducing the underlying volume of placement events.

Exhibit 16: Hiring rate has averaged 3.7% over the long-term
Total non-farm hiring rate



Source: US Bureau of Labor Statistics, Goldman Sachs Global Investment Research

Perm staffing profit pools concentrate in high-value functions with sustained hiring activity. We size the perm staffing profit pool at ~$41bn, led by management (~$10.8bn) and healthcare (~$5.4bn), where large employment bases and high compensation levels drive substantial fee generation through ongoing hiring needs. Business & financial (~$4.0bn), office & admin (~$3.7bn) and IT (~$3.4bn) form a second tier, with elevated automation exposure introducing greater sensitivity to changes in hiring demand despite more moderate scale. Sales (~$3.1bn) and education (~$3.0bn) contribute meaningfully, as well, supported by consistent turnover and steady hiring flows. Legal stands out as a disproportionate contributor (~$1.4bn) relative to its ~1.9mn workforce, reflecting how high compensation and high AI automation exposure can offset limited scale. In contrast, large but lower-wage categories such as transportation (~$0.5bn) and food services (~$0.3bn) contribute minimally given smaller fee pools per placement and low AI automation exposure.

Exhibit 17: Perm staffing profit pool totals $41bn
Perm staffing profit pool

Occupantion	Headcount (in mn)		Average Salary		Salary Pool		AI Automation		Hire Rate		Staffing Agency Fees		Profit Pool (in mn)
Management	20.8	x	$136,270	=	$2,836,478	x	31.2%	x	3.7%	x	33.0%	=	$10,800
Healthcare	15.9	x	$141,290	=	$2,248,784	x	19.8%	x	3.7%	x	33.0%	=	$5,437
Business and Financial	10.0	x	$80,930	=	$806,965	x	41.0%	x	3.7%	x	33.0%	=	$4,044
Office and Admin	16.1	x	$44,600	=	$719,607	x	41.8%	x	3.7%	x	33.0%	=	$3,673
Information Technology	6.6	x	$107,120	=	$705,028	x	40.0%	x	3.7%	x	33.0%	=	$3,444
Sales	14.1	x	$57,770	=	$814,365	x	31.1%	x	3.7%	x	33.0%	=	$3,088
Education	9.5	x	$65,000	=	$614,380	x	39.5%	x	3.7%	x	33.0%	=	$2,965
Engineering	3.6	x	$105,450	=	$383,843	x	37.3%	x	3.7%	x	33.0%	=	$1,747
Legal	1.9	x	$115,570	=	$217,272	x	52.1%	x	3.7%	x	33.0%	=	$1,383
Entertainment	3.5	x	$88,330	=	$307,370	x	23.5%	x	3.7%	x	33.0%	=	$881
Social Service	2.8	x	$61,640	=	$174,769	x	35.2%	x	3.7%	x	33.0%	=	$752
Science	1.8	x	$74,480	=	$137,072	x	38.9%	x	3.7%	x	33.0%	=	$651
Transportation	11.2	x	$36,460	=	$408,675	x	9.9%	x	3.7%	x	33.0%	=	$496
Personal Care	4.0	x	$36,090	=	$145,646	x	20.0%	x	3.7%	x	33.0%	=	$355
Food Services	8.2	x	$37,160	=	$305,931	x	7.6%	x	3.7%	x	33.0%	=	$286
Protective Service	3.3	x	$39,210	=	$130,343	x	13.4%	x	3.7%	x	33.0%	=	$214
Production	7.4	x	$38,080	=	$281,990	x	5.0%	x	3.7%	x	33.0%	=	$174
Construction	8.4	x	$47,600	=	$398,770	x	3.1%	x	3.7%	x	33.0%	=	$152
Installation	5.0	x	$49,530	=	$247,606	x	3.4%	x	3.7%	x	33.0%	=	$102
Agriculture	1.0	x	$36,940	=	$36,736	x	17.3%	x	3.7%	x	33.0%	=	$77
											Total	=	**$40,719**

Source: US Bureau of Labor Statistics, Goldman Sachs Global Investment Research

Freelance Profit Pool

Freelance economics driven by GSV, take rate and AI-driven mix shift. Freelance platforms generate revenue by intermediating work between independent talent and businesses, earning a take rate that combines transaction commissions, value-added services and subscription fees applied to the gross value of work flowing through the platform. This makes Gross Services Volume ("GSV") the primary economic driver, with the absolute profit pool a function of three variables: the volume of work transacted on-platform, the take rate captured across both sides of the marketplace, and the mix between low-value transactional tasks and high-value complex projects. Freelance economics scale with marketplace activity, capturing value through marketplace fees on both clients and the freelance talent, further augmented by ads and subscription products. In this model, AI affects profit pools through three primary channels: 1) reduction in low-value task volumes as simple work is automated, 2) mix shift toward higher-value AI-related and complex projects, & 3) emergence of new monetization layers around matching, orchestration, human-in-the-loop execution, etc. This makes the relevant freelance profit pool a function of platform spend, take rate and the degree to which platforms can retain and/or expand spend as the nature of freelance work changes.

AI is accelerating bifurcation in freelance demand, pressuring low-end transactional work while supporting growth in AI-related & more complex projects. UPWK's 1Q 2026 results (link) highlighted this bifurcation, with management noting that accelerated AI adoption affected client activity at the low end, particularly contracts under $500, while AI-related work exceeded $300mm of annualized GSV (up 40% y/y, representing 8% of marketplace GSV). The company also updated its analysis of AI

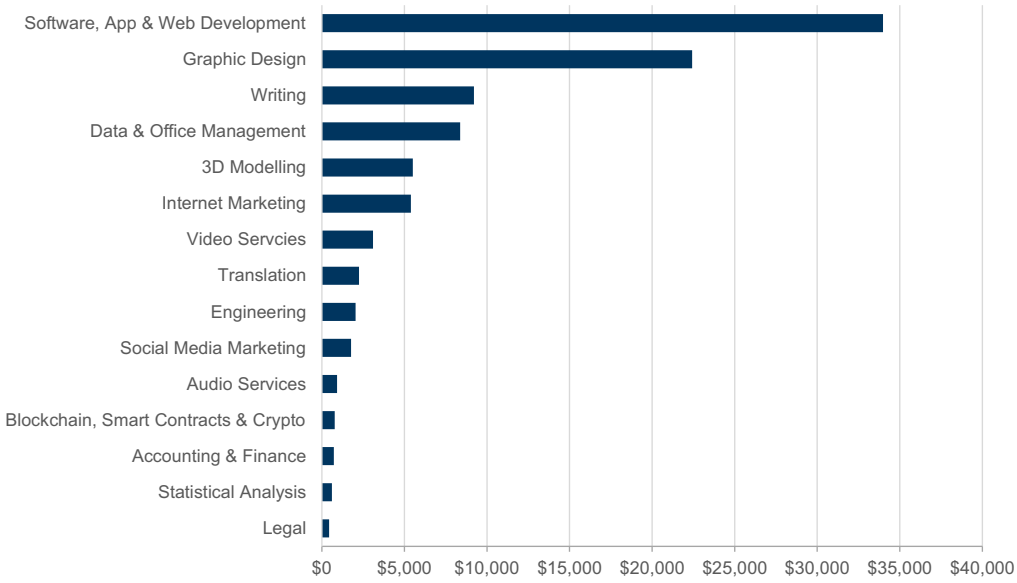
exposure and estimates that ~10% of platform GSV is in AI at-risk categories, down from 11% a year ago, with the exposure concentrated in smaller jobs. FVRR is seeing a similar mix shift, with lower-value transactional activity continuing to pressure marketplace revenue, while higher-value work is growing: 1Q 2026 annual spend per buyer increased 15% y/y and projects above $1,000 continued to grow at a strong DD% rate (link). Therefore, we continue to expect that AI is likely to commoditize discrete, standardized long-tail of tasks while also creating demand for AI development/implementation, data, and other services that remain tied to human judgment.

Convergence toward higher-value, AI-enabled freelance models. Platform strategies across the freelance ecosystem are converging around moving upmarket, improving matching quality and capturing AI-skilled work. As outlined by UPWK in its investor day (link), the company has framed its multi-year strategy around three growth pillars: transforming human + AI work, accelerating SMB growth and unlocking enterprise expansion. Fiverr's approach is directionally consistent, with management repositioning the company from a transaction-oriented marketplace into a platform for complex, high-value outcomes.

The investment cycle may limit near-term margin flow-through as platforms invest in the near-to-medium term. FVRR has framed 2026 as a transformational year, with its FY26 EBITDA guide implying a step-down in margins, as the company invests in matching infrastructure, the fulfillment layer and GTM. On the other hand, UPWK lowered and widened its FY26 revenue guidance after weaker low-end marketplace trends in 1Q 2026, while raising its EBITDA guidance following a restructuring that included an ~24% workforce reduction and an expected $70mn of annualized savings. This reflects a transition phase as the company is managing profitability while investing behind AI, SMB and enterprise growth vectors. The central debate for freelance platforms is therefore the trade-off between near-to-medium term revenue & margin trajectory against the terminal value of the AI-augmented opportunity, with a return to consistent revenue growth and a stable-to-rising margin trajectory likely required for investors to underwrite the longer-term opportunity set.

Methodology ties GSV, take rate and AI exposure to profit pool sizing. We size the freelance profit pool by starting with global platform-mediated GSV and disaggregating it across freelance work categories, then applying a take rate capture and GS Macro task-level automation assumptions to translate AI exposure into the addressable profit pool. We begin with an estimated global platform-mediated freelance GSV base of ~$98bn (FY28E), which we allocate across categories based on their relative share of platform activity, with Software, App & Web Development (~35%), Graphic Design (~23%), Writing (~9%) and Data & Office Management (~9%) representing the largest concentrations of freelance spend. We next apply a blended platform take rate of ~30% to convert category GSV into platform revenue, reflecting the combination of marketplace commissions, value-added services, ads and subscription monetization captured across both sides of the marketplace.

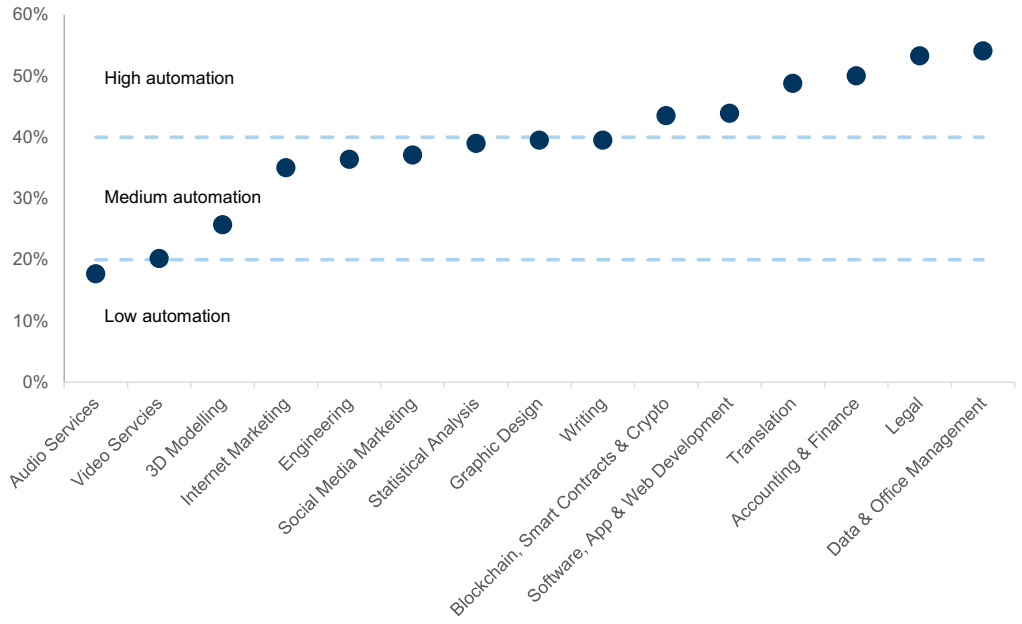
Exhibit 18: Freelance GSV by Category
$mm



Source: Company data, Goldman Sachs Global Investment Research

Automation exposure driven by task structure across freelance categories. To incorporate AI exposure, we apply GS Macro task-level automation assumptions mapped to each freelance category, capturing the share of work that is structured, repeatable and digitally executable. Automation exposure varies systematically with category task composition, ranging from ~18% in Audio Services to ~54% in Data & Office Management, with information-intensive and rules-based categories such as Data & Office Management (~54%), Legal (~53%), Accounting & Finance (~50%) and Translation (~49%) carrying the highest exposure, while more creative or judgment-driven categories such as 3D Modeling (~26), Video Services (~20%) and Audio Services (~18%) remaining comparatively more insulated.

Exhibit 19: Data & office management, legal, and accouting & finance have the highest AI automation exposure
Freelance AI task automation by category



Source: Goldman Sachs Global Investment Research

Freelance profit pool concentrated in high-GSV, high-exposure categories. Our freelance profit pool framework ties platform GSV, take rate capture and category-level automation exposure into a function-level view of the freelance profit pool, yielding a total AI-addressable freelance profit pool of ~$12bn. The result is concentrated in a narrow set of high-GSV, high-exposure categories, with Software, App & Web Development ($4.5bn), Graphic Design ($2.7bn), Data & Office Management ($1.4bn) and Writing ($1.1bn) together comprising the substantial majority of the pool.

Exhibit 20: Platform-mediated freelance profit pool totals $12bn
Platform-mediated freelance profit pool

Category	Weightage	Category GSV		Take Rate		Platform Revenue		AI Automation		Profit Pool (in mm)
Software, App & Web Development	35%	$33,979	x	30%	=	$10,194	x	44%	=	$4,475
Graphic Design	23%	$22,425	x	30%	=	$6,728	x	40%	=	$2,657
Writing	9%	$9,214	x	30%	=	$2,764	x	40%	=	$1,092
Data & Office Management	9%	$8,375	x	30%	=	$2,513	x	54%	=	$1,359
3D Modelling	6%	$5,509	x	30%	=	$1,653	x	26%	=	$425
Internet Marketing	6%	$5,392	x	30%	=	$1,618	x	35%	=	$566
Video Servcies	3%	$3,091	x	30%	=	$927	x	20%	=	$187
Translation	2%	$2,252	x	30%	=	$676	x	49%	=	$330
Engineering	2%	$2,038	x	30%	=	$611	x	36%	=	$223
Social Media Marketing	2%	$1,765	x	30%	=	$529	x	37%	=	$196
Audio Services	1%	$917	x	30%	=	$275	x	18%	=	$49
Blockchain, Smart Contracts & Crypt	1%	$770	x	30%	=	$231	x	44%	=	$101
Accounting & Finance	1%	$722	x	30%	=	$216	x	50%	=	$108
Statistical Analysis	1%	$605	x	30%	=	$181	x	39%	=	$71
Legal	0%	$439	x	30%	=	$132	x	53%	=	$70
								Total	=	$11,909

Source: Company data, Goldman Sachs Global Investment Research

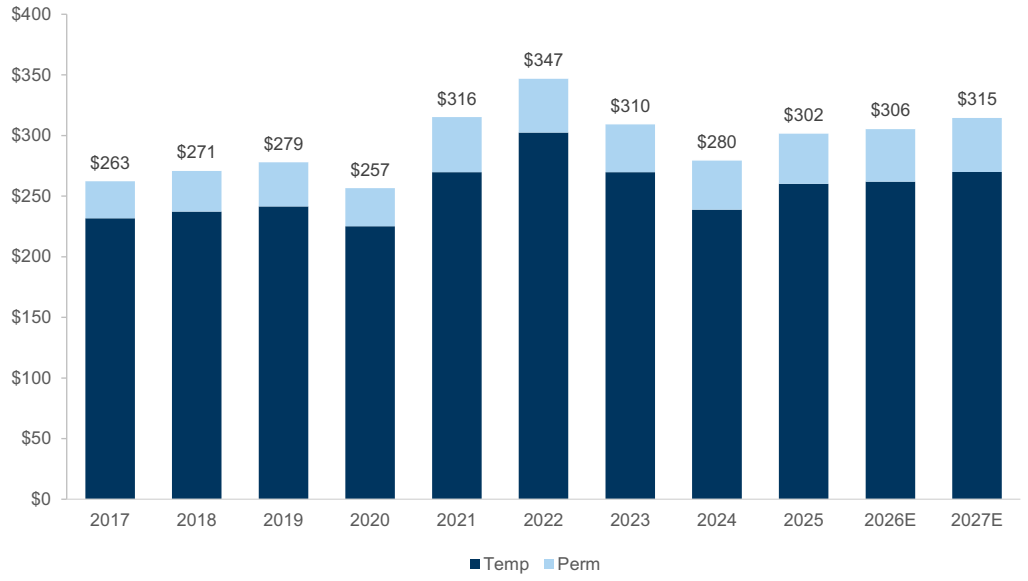
Recruiting Services Profit Pool

Recruiting services represent a revenue-derived profit pool. We frame the recruiting services profit pool as the revenue capacity generated by recruiter-driven placement activity across temp, perm and freelance hiring. This captures the total addressable market supported by recruiters, as each placement or billable hour reflects revenue

enabled by core recruiting workflows. We then assess how much of this recruiter-enabled revenue base can be disrupted by AI as these workflows become more automated.

Staffing TAM provides the foundation for sizing the recruiter profit pool. We expect the combined US temp and perm staffing market to reach $287bn by 2027E, reflecting a cyclical recovery from the $206bn trough in 2020, as well as steady structural growth in hiring execution and talent matching activity. Temp staffing continues to represent the majority of activity, driven by high-volume, repeatable roles tied to variable demand, while perm placement remains a smaller but higher-yield segment given fee structures tied to compensation. For the purpose of sizing the recruiter profit pool, this TAM represents the total revenue base enabled by sourcing, screening and matching workflows, even though the underlying economics differ between spread-based temp models and fee-based perm models. Importantly, only a portion of this TAM reflects the "execution layer" that can be automated, as temp includes pass-through wages while perm reflects pure recruiter-enabled revenue.

Exhibit 21: Staffing TAM totals $300bn+ in 2027E
US temp and perm total addressable market, $ in bn



Source: IBISWorld, Goldman Sachs Global Investment Research

AI addressable recruiter profit pool is derived from the execution layer across temp and perm staffing revenue. We begin with the US 2027E TAM of ~$270bn for temp staffing and ~$45bn for perm placements, which together represent the total activity supported by recruiter-driven workflows. We then isolate the portion of economics tied to core recruiting workflows by converting temp staffing revenue into a recruiter execution layer using a blended ~24% gross margin, reflecting the share of billings retained as intermediary spread rather than pass-through wages, while perm placement revenue already represents fee-based monetization of recruiting activity. This yields a combined ~$109bn execution-layer pool spanning spreads and fees generated by recruiter workflows. We then apply a task-level automation assumption of 35% to estimate the share of this execution-layer activity that can be replicated through AI, reflecting both task substitution and the potential for workflow-level integration. This approach frames the AI opportunity as a reallocation of existing recruiter-enabled

economics, with an assumed 35% capture rate driven by the extent to which recruiting workflows can be automated, resulting in an AI-addressable profit pool of ~$38bn. This represents a gross workflow monetization opportunity and is not net of demand-side hiring compression, which is incorporated separately.

Exhibit 22: Recruiter profit pool is $38bn
$ in billions

	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026E	2027E
Total Addressable Market											
Temp	231.8	237.3	241.5	225.1	269.8	302.4	269.7	238.8	260.1	261.9	270.0
y/y growth		2.4%	1.8%	(6.8%)	19.9%	12.1%	(10.8%)	(11.5%)	8.9%	0.7%	3.1%
Perm	31.0	34.0	37.0	32.0	46.0	45.0	40.0	41.0	42.0	44.0	45.0
y/y growth		9.7%	8.8%	(13.5%)	43.8%	(2.2%)	(11.1%)	2.5%	2.4%	4.8%	2.3%
Total	**262.8**	**271.3**	**278.5**	**257.1**	**315.8**	**347.4**	**309.7**	**279.8**	**302.1**	**305.9**	**315.0**
y/y growth		3.2%	2.7%	(7.7%)	22.8%	10.0%	(10.9%)	(9.7%)	8.0%	1.3%	3.0%

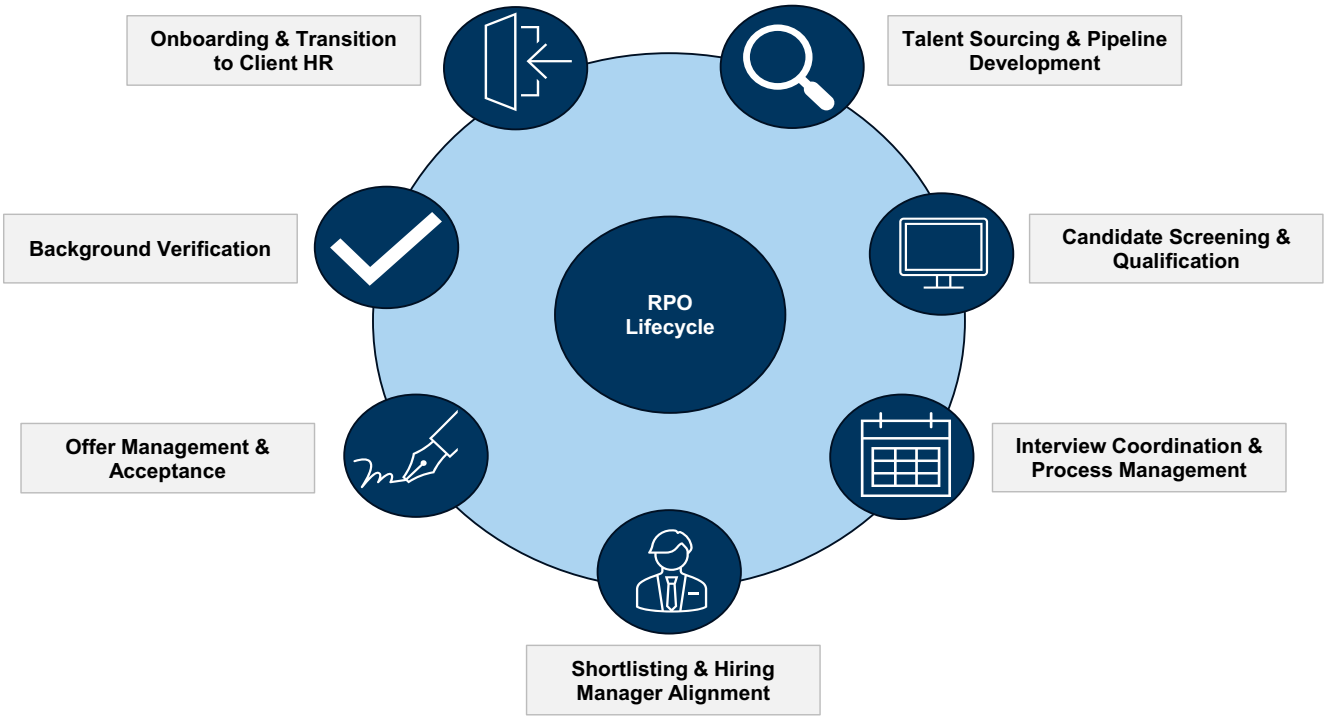
Execution Layer	
Temp @ blended 24% gross margins	63.9
Perm @ 100% gross margins	45.0
Total	**108.9**

AI Capture Rate	
Temp @ 35%	22.4
Perm @ 35%	15.8
Total	**38.1**

Source: IBISWorld, Goldman Sachs Global Investment Research

RPO represents an important subset of the recruiter execution layer with elevated AI exposure. We estimate the US RPO market at ~$6bn in 2027E, representing a low-single-digit share of total staffing TAM and roughly low-teens penetration of the ~$109bn execution-layer economics embedded within temp and perm staffing revenue. RPO centralizes recruiting activity within enterprise-scale delivery models, where workflows are standardized, data-intensive and embedded within integrated systems, increasing alignment with system-driven execution. As a result, while RPO is not a distinct profit pool, it provides a clean proxy for the portion of recruiter activity most amenable to automation and workflow monetization. In other words, it represents the subset of the execution layer most likely to see early value transfer toward AI-enabled platforms. This positions RPO as a leading indicator of AI-driven disruption, as integrated delivery models are structurally aligned with system-level execution and therefore more directly monetizable by technology providers. RPO is growing at a mid-teens CAGR, materially faster than the broader staffing industry, reflecting increasing enterprise adoption of centralized recruiting models. Over time, these characteristics are likely to expand across the broader staffing ecosystem, increasing the share of recruiter economics that becomes addressable by AI.

Exhibit 23: Lifecycle of an RPO process



Source: LinkedIn, Goldman Sachs Global Investment Research

Online Job Advertising / Recruiting Marketing Profit Pool

Anatomy of the online job advertising profit pool. We see the potential for AI to create significant shifts in the online job advertising & recruitment marketing profit pool, where growth is typically tied to job posting volume, subscription plans and performance-based clicks. Online job advertising platforms generate revenue by charging employers to list open positions, either through subscription plans, single-post fees or pay-per-click programmatic models (with active employer count and aggregate hiring intensity being the primary drivers of revenue growth). Platforms are compensated for providing a centralized discovery layer where active job seekers and employers can match (with many platforms utilizing advanced matching algorithms trained on billions of data points collected through prior employer and job seeker interactions). In our view, the vast majority of the online job advertising & recruitment marketing ecosystem can be categorized into three distinct types of platforms/monetization layers: a) traditional job boards; b) professional networks & social media; & c) programmatic software & marketing platforms. Below, we detail the three types of platforms and provide key examples of each.

Exhibit 24: Summary of Online Recruitment Advertising Platforms

Online Recruitment Advertising Channels

Platform Segments & Monetization Models

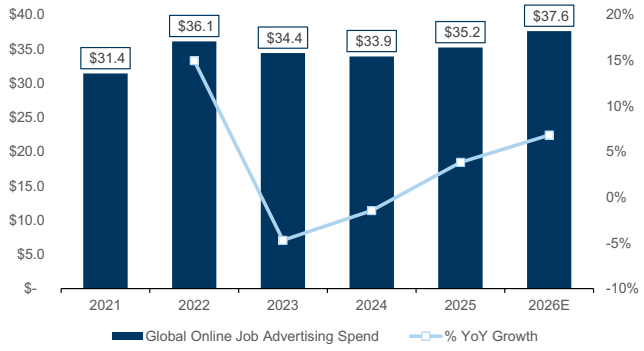
Description	Details	Examples
Traditional Job Boards	Platforms operating on a transactional, inventory-based model. Employers pay a flat fee (or a pay-per-click/pay-per-application rate) to list a job opening and wait for candidates to apply.	• Indeed; Glassdoor [Recruit Holdings] • ZipRecruiter [ZIP]
Professional Networks & Social Media	Built around user-generated professional profiles, social graphs, and ongoing networking. They serve as a database of record for professional identity and monetize primarily through SaaS sourcing licenses, premium subscriptions and targeted social ads.	• Linkedin [MSFT] • Facebook [META]
Programmatic Software & Marketing Platforms	B2B software platforms sitting upstream of job boards. Instead of hosting jobs, they utilize algorithms, machine learning and data integrations to automate, distribute and optimize recruitment campaigns across the web in real time. They primarily generate revenue through media markups, subscription/license fees or campaign management/service fees.	• Appcast [Private] • Joveo [Private]

Source: Company data, Goldman Sachs Global Investment Research

The digital job advertising market reflects the continued scaling of verified networks over transactional job boards. According to Staffing Industry Analysts (SIA - link), the global online job advertising market is projected to reach $37.6bn in 2026 (+7% from $35.2bn in 2025), with the industry becoming increasingly consolidated (given that ~50% of market share held by the top two players, up from ~25% in 2015). MSFT's LinkedIn, a professional network (covered by Gabriela Borges) and Recruit Holdings' Indeed, a traditional job board lead the market with ~29.2% and ~20.6% share, respectively. While legacy job boards and localized classifieds (including Stepstone, Seek & ZipRecruiter) continue to capture a fragmented tail of spend, we'd note rising investor fears around the risk for AI-driven disintermediation given the lack of scale and proprietary data relative to larger scaled platforms that continue to win market share.

Exhibit 25: Global Online Job Advertising Revenue is Projected to Reach $37.6bn in 2026

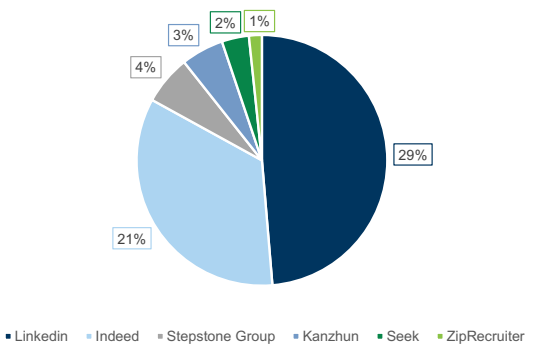
Global Online Job Advertising Spend, $bn, % y/y Growth



Source: Staffing Industry Analysts, Data compiled by Goldman Sachs Global Investment Research

Exhibit 26: LinkedIn and Indeed Hold 50% of the Global Online Job Advertising Market

Online Job Advertising Market Share by Player



Source: Staffing Industry Analysts, Data compiled by Goldman Sachs Global Investment Research

Shift from job posting and discovery toward AI-driven orchestration. The continued rise of Gen AI & autonomous agents could enable a shift from posting and discovery toward automated orchestration across a number of workflows (including candidate sourcing, matching and screening). We'd note that rapid AI adoption has fueled a rising volume of low quality applications, resulting in an application flood that could impact the utility of traditional job boards and drive employer budget reallocation over time.

Given this dynamic, we've seen employers increasingly adopt AI-enabled workflows and leverage video interviews, automated screening questionnaires, and AI-driven verification tools. According to SIA, online classifieds & job boards saw a 4% drop in market share in 2025, with customers utilizing AI platforms to generate more curated and personalized results, while platforms with verified, closed-loop ecosystems continue to gain share. For example, LinkedIn recently announced that their AI hiring agents (designed to automate end-to-end recruiting workflows) are on track to generate ~$450mn in sales in the coming year (link). Consequently, we see a need for online recruiting platforms to evolve from simple candidate acquisition platforms to advanced screening and verification ecosystems.

Indeed moving from job board to AI-driven talent marketplace. Indeed is evolving from a traditional job board into an AI-powered talent marketplace, directly competing with offline recruiting agents. Its Premium Sponsored Job, launched in the US in late 2024, uses AI to recommend optimal candidates, streamline screening, and accelerate hiring. Customer feedback is overwhelmingly positive, with 20% higher advertiser retention rate than Standard tier. The company is already testing "Premium +", which would deploy AI agents to automate recruiter tasks at a higher price point. These services are replacing budgets previously allocated to offline agents and outsourced resume processing, at a fraction of the cost (several hundred to low thousands of dollars per hire versus $30,000-100,000 for traditional agents).

AI matching solving labor shortages and application quality challenges. These capabilities directly address employers' most pressing pain points of both SMEs and large corporates, such as severe labor shortages in in-person economy sectors (over 2/3 of revenue; healthcare, repair, transportation, food/beverage, etc.) as well as an overwhelming volume of low-relevance applications amplified by AI-assisted mass applying. Indeed's AI matching quickly presents higher-quality candidates to employers, while also enhancing the job-finding experience for job seekers. 70% of applications now come via AI recommendations, and MAU surged +18% y/y in March 2026 to a record high.

Monetization inflecting as ARPJ expands despite declining volumes. The revenue impact is striking: US ARPJ (average revenue per job posting) grew 13% y/y in 1H FY3/26, accelerated to 18% in 3Q, and reached 25% y/y in 4Q, driving the revenue of US HR technology (mostly Indeed) to grow by 9% y/y in FY3/26, while US job postings volume dropped by 7% y/y. For FY3/27, management guides for US ARPJ growth of 18% y/y and HR Technology segment EBITDA of ¥677bn (23% y/y), with a view that the segment can sustain sales growth of over 10% in the medium term and achieve over 20% growth during a recovery in hiring demand.

Defensible moat driven by proprietary data and closed-loop ecosystem. This transformation is uniquely defensible due to Indeed's unrivaled moat. Covering approximately 96% of US job seekers, Indeed hosts the majority of its listings as "Hosted Jobs" - proprietary postings that cannot be scraped by external LLMs. Critically, it accumulates behavioral and preference data from both employers and job seekers (including actual hiring outcomes), creating a continuous feedback loop that standalone conversational AI cannot replicate. In addition, with the bulk of traffic generated organically via its mobile app, Indeed is well insulated from disintermediation by AI-native entrants. We think Indeed's trajectory demonstrates that incumbents with deep proprietary data and scale are not being disrupted by AI but instead benefiting

from AI advancement.

ZipRecruiter innovating in AI but with smaller scale impact. While still representing a smaller share of online recruiting dollars, we'd also highlight ZipRecruiter as a platform that continues to innovate around their AI offerings to enhance the matching experience across both sides of its marketplace. On the employer side, the platform recently introduced Smart Outreach (automatically converting job descriptions into highly personalized, multi-step candidate message sequences) within its AI-powered Resume Database, in addition to ZipIntro, which is designed for rapid, face-to-face candidate screening. The company also continues to scale Phil, their conversational AI career advisor that utilizes natural language processing to guide candidates through open-ending onboarding, curate personalized job categories, and proactively pitch candidate profiles to matching employers. Furthermore, the company has extended its ecosystem into external generative AI platforms through the launch of the ZipRecruiter app for ChatGPT.

Exhibit 27: We Size the Online Job Advertising & Recruitment Marketing Profit Pool at ~$17bn
$bn

Online Job Advertising & Recruitment Marketing Profit Pool									
Online Job Advertising Platform	Global Online Job Advertising Spend ($bn)		% Market Share		Total Spend by Category ($bn)		% AI Automation		Profit Pool ($bn)
Traditional Job Boards	$37.6	x	45%	=	$16.9	x	70%	=	$11.8
Professional Networks & Social Media	$37.6	x	35%	=	$13.2	x	35%	=	$4.6
Programmatic Software & Marketing Platforms	$37.6	x	20%	=	$7.5	x	10%	=	$0.8
Total									**$17.2**

Source: Staffing Industry Analysts, Goldman Sachs Global Investment Research

We size the online job and recruitment marketing profit pool at ~$17bn. Our approach to sizing the opportunity is as follows:

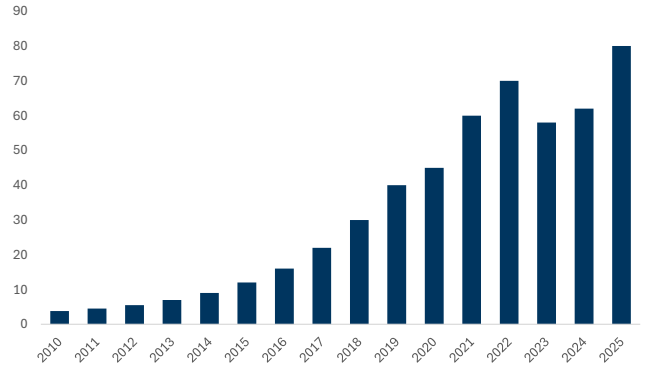
- We start with SIA's estimate of $37.6bn of global online job advertising spend expected in 2026.
- We then segment the market into the three monetization layers outlined above and assign a % market share to each category, assuming that traditional job boards still maintain their market share leadership (~45%), despite professional networks (~35%) continuing to gain share. We believe programmatic software & marketing platforms remain less scaled in nature at around ~20% of the total online recruiting market.
- In terms of the addressable pool for agentic sourcing & application automation, we apply varying rates of % AI automation assumptions. For traditional boards, we model a higher rate of disintermediation risk (~70%) given the possibility for autonomous AI agents to bypass the discovery layer entirely to source candidates directly from public and private databases. We apply a more moderate discount for professional networks (~35%), reflecting the defensive moat of verified identity and proprietary user-generated profiles. For programmatic software, we model a slight discount (~10%), given the potential for employers to rely on algorithmic bidding to optimize spend amidst a highly fragmented and noisy candidate landscape.
- **This implies a total addressable profit pool of ~$17bn, segmented by platform type.**

New "TAM Expansionary" Opportunities Enabled by AI

AI expands the scope of work through measurable growth in AI-related hiring demand. AI-related job postings have scaled materially over time, with postings referencing AI skills growing at an ~29% annual rate over the past 15 years versus ~11% for the broader labor market, based on analysis by the Brookings Institution of Lightcast data. In absolute terms, more than 80k US job postings referenced generative AI skills in 2025, up from ~3.8k in 2010, representing a >20x increase over the period. This growth reflects expanding enterprise adoption of AI across industries. Importantly, AI hiring is no longer limited to core engineering functions, with over 50% of job postings requiring AI skills now outside traditional IT and computer science roles, highlighting broad-based demand across the labor market.

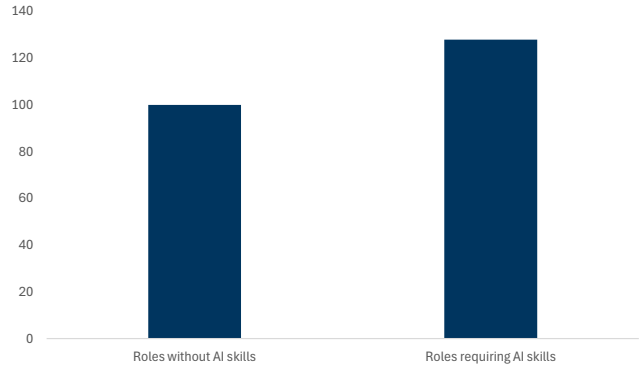
AI roles carry a quantifiable compensation premium that supports higher staffing monetization. Jobs requiring AI skills offer a ~28% salary premium relative to roles without such skills, equivalent to roughly ~$18k higher annual pay on average, based on Lightcast's analysis of more than 1.3bn job postings. This premium reflects both scarcity and the strategic importance of AI capabilities across enterprise workflows. In addition, demand for AI skills is increasingly concentrated in high-value functions, with significant growth in roles across customer support, sales and manufacturing alongside traditional technology roles. For staffing firms, fee structures tied to compensation imply that this wage premium directly translates into higher revenue per placement, reinforcing a positive mix shift in staffing economics toward higher-value roles.

Exhibit 28: AI-related job postings have grown >20x since 2010
Annual AI-related job postings, thousands, 2010-2025



Source: Brookings Institution, Lightcast, Goldman Sachs Global Investment Research

Exhibit 29: Roles requiring AI skills command a ~28% compensation premium
Salary index (non-AI roles = 100) for roles with vs without AI skills

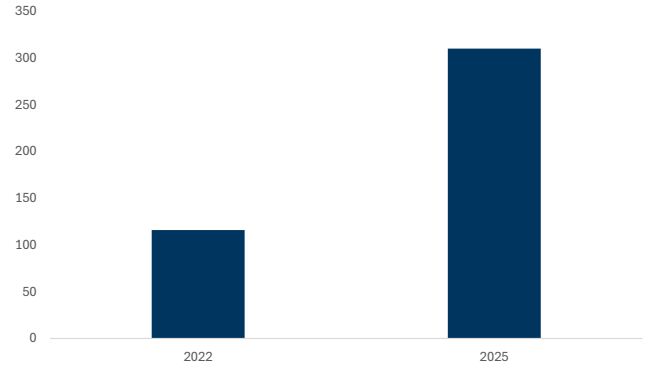


Source: Lightcast, Goldman Sachs Global Investment Research

AI talent supply is scaling through an expanding education pipeline. The supply of AI-skilled labor is increasing through formal education channels, with ~193 undergraduate and ~310 master's AI-focused programs across ~304 US institutions as of 2025, according to the MastersinAI 2025 AI Degree Report. This reflects a sharp expansion in AI education infrastructure, with master's programs alone increasing 167% from 116 in 2022 to 310 in 2025. While undergraduate programs have also scaled rapidly, reaching 193 offerings, the total number of institutions with AI programs (~304) still represents a relatively small subset of US higher education, indicating room for further expansion. At the advanced level, the Computing Research Association Taulbee

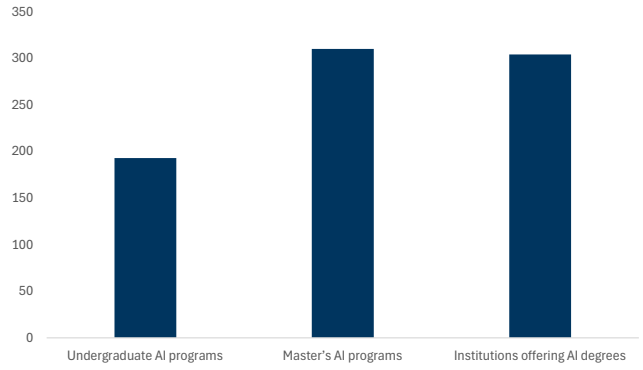
Survey tracks PhD production across US and Canadian institutions, highlighting a continued pipeline of specialized talent supporting high-end AI research and enterprise deployment.

Exhibit 30: AI master's programs increased 167% from 2022 to 2025
Number of AI master's programs, 2022 and 2025



Source: MastersinAI.org 2025 AI Degree Report, Goldman Sachs Global Investment Research

Exhibit 31: AI degrees offered across ~300 US institutions
Number of AI undergraduate programs, master's programs and institutions, 2025



Source: MastersinAI.org 2025 AI Degree Report, Goldman Sachs Global Investment Research

TAM expansion is driven by higher hiring volumes, increased value per placement and greater recruiter throughput. The >20x growth in AI-related job postings, a rapidly expanding education pipeline and a ~28% wage premium together create a structurally growing staffing opportunity tied to AI adoption. Growth is not limited to core engineering roles, with >50% of postings now outside traditional IT functions, enabling broader participation across staffing categories including permanent placement, contract staffing and project-based hiring. In addition, AI-driven workflow automation increases placements per recruiter by improving sourcing, matching and coordination efficiency, expanding the effective capacity of the staffing model. This dynamic expands TAM along three dimensions: (1) incremental hiring demand tied to AI capabilities, (2) higher value per placement driven by elevated compensation and (3) increased transaction volume as recruiters process more placements per unit of time. We estimate AI-related hiring supports $1-3bn of current staffing TAM, with the graduate pipeline contributing an incremental $0.6-2.4bn through reallocation into AI-related roles and associated compensation uplift, resulting in a base TAM of $1.5-5.4bn. Applying a 1.25-1.75x adjacency multiplier to reflect AI-enabled roles beyond core AI hiring expands this to $1.9-9.5bn. Incorporating recruiter productivity gains of 20-30%, which increase placement throughput and effective industry capacity, implies a total AI-related staffing TAM of approximately $2-12bn, with a mid-case of ~$6bn.

Exhibit 32: AI expands staffing TAM through higher-value roles, broader adoption and increased recruiter throughput

	Low	Mid	High
Current AI hiring TAM			
Hiring volume	20,000	30,000	40,000
Compensation	$300,000	$400,000	$500,000
~50% cash	$150,000	$200,000	$250,000
Perm fee rate @ 30%	$45,000	$60,000	$75,000
AI Hiring TAM ($ in mn)	**$900**	**$1,800**	**$3,000**
Incremental AI hiring from graduate pipeline			
Graduate pipeline	20,000	30,000	40,000
Entry level compensation	$100,000	$150,000	$200,000
~100% cash	$100,000	$150,000	$200,000
Perm fee rate @ 30%	$30,000	$45,000	$60,000
Incremental AI Hiring TAM from Grads ($ in mn)	**$600**	**$1,350**	**$2,400**
Base AI TAM (Current + Grads)	**$1,500**	**$3,150**	**$5,400**
Adjacency: AI-enabled roles beyond IT			
Multiplier on adjacent AI-enabled roles	1.25x	1.50x	1.75x
Expanded TAM incl AI-enabled roles ($ in mn)	**$1,875**	**$4,725**	**$9,450**
Recruiter AI productivity from (throughput uplift)			
Productivity factor	20%	25%	30%
Productivity-Adjusted AI Hiring TAM ($ in mn)	**$2,250**	**$5,906**	**$12,285**

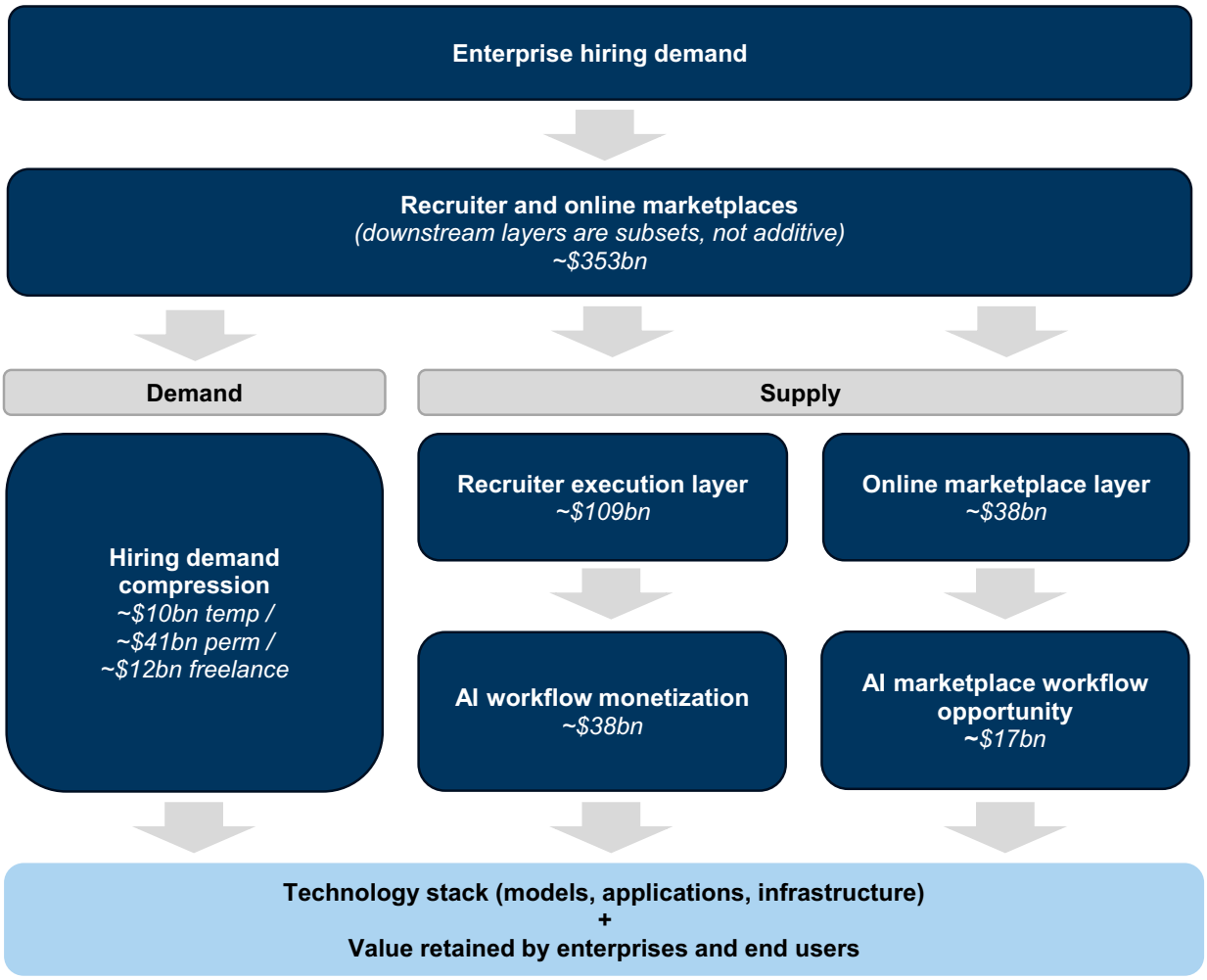
Source: Goldman Sachs Global Investment Research

Where Value Accrues as AI Adoption Scales

Value capture reflects both hiring demand compression and the shift toward system-driven workflow execution. As AI reduces incremental labor demand across staffing workflows, a portion of staffing profit pools comes under pressure, while a parallel opportunity emerges as recruiting execution shifts from manual processes to integrated, system-driven workflows. This drives a redistribution of economics across the recruiting stack, with value increasingly accruing to workflow platforms, marketplaces and advisory models with differentiated positioning.

Marketplace economics are structurally pressured as value shifts from discovery toward workflow-driven outcomes. AI-driven disintermediation reduces the value of job postings and click-based monetization as employers increasingly rely on automated sourcing and matching without traditional listing workflows. As a result, the link between platform traffic and revenue weakens, with value shifting from applicant volume toward candidate quality and hiring outcomes. In response, scaled platforms are embedding AI-driven matching, screening and orchestration capabilities to move beyond discovery into execution, aligning monetization with conversion and speed-to-fill. This creates convergence between marketplace and execution layers, where leading platforms compete for a greater share of recruiting workflows rather than just user traffic. Over time, value accrues to platforms that can integrate discovery into end-to-end hiring systems, reinforcing advantages for scaled ecosystems with proprietary data.

Exhibit 33: AI drives value transfer through hiring demand compression and workflow disintermediation



Source: Goldman Sachs Global Investment Research

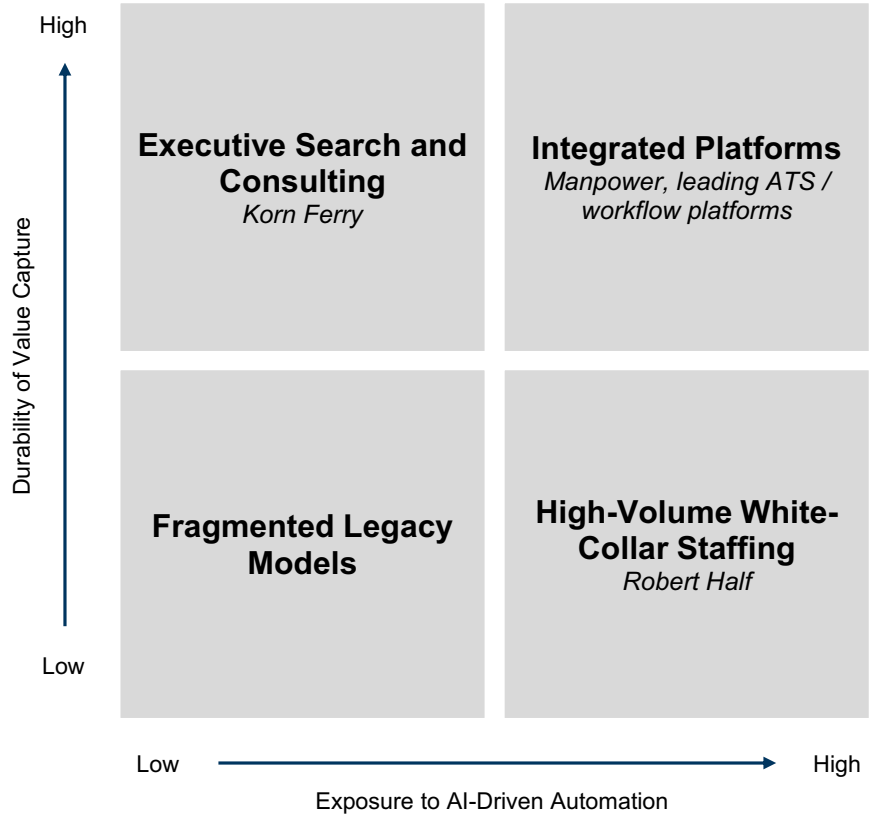
Within the technology layer, value is split between model providers and application platforms that control workflow execution. As AI adoption scales, model providers capture value through compute usage and API consumption across multiple stages of the recruiting process, while application-layer platforms monetize workflow integration by embedding these capabilities into end-to-end hiring systems. Over time, economics increasingly concentrate in platforms that combine model capability with workflow ownership, reflecting the importance of data, orchestration and user integration in driving sustained value capture.

Traditional staffing models face pressure as workflow automation reduces reliance on manual coordination. Staffing economics are structurally tied to placement activity driven by sourcing, screening and matching candidates to roles. As AI improves efficiency across these processes, fewer recruiter hours are required per placement, reducing demand for incremental recruiter capacity. This impact is most pronounced in high-volume, standardized roles such as finance and accounting, administrative support and customer service, where workflows are rules-based and repeatable. While AI increases output per recruiter, it reduces the marginal value of manual coordination, creating pressure on fee pools tied to labor-intensive execution. This results in structurally lower placement volumes and a shift in value away from human-driven

intermediation.

Integrated platforms are best positioned to defend economics through data, workflow control and client relationships. Firms with centralized systems, proprietary data and embedded workflow infrastructure are better positioned to maintain throughput and retain client relationships as AI adoption scales. The Manpower case study highlights this dynamic, where PowerSuite integrates front-office recruiting, sales workflows and back-office operations into a unified system, enabling AI deployment directly within workflows at scale. These platforms capture operational data across the recruiting lifecycle, enabling continuous improvement in matching accuracy, candidate quality and execution speed. This feedback loop reinforces client retention and platform value over time.

Exhibit 34: Value capture favors technology-enabled platforms and high-touch advisory segments
Staffing ecosystem positioning by AI exposure and durability of value capture

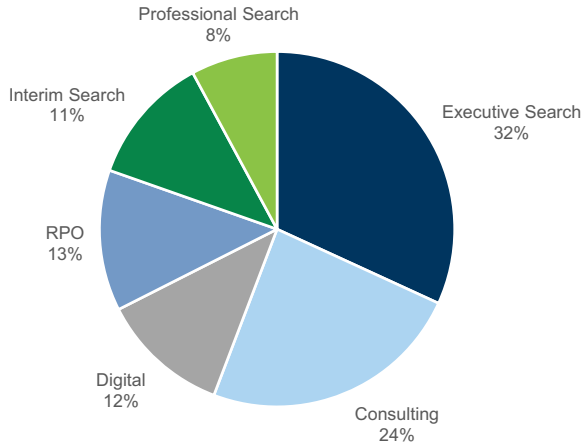


Source: Goldman Sachs Global Investment Research

KFY is relatively insulated given its exposure to advisory-led and high-touch segments. Korn Ferry's revenue mix spans executive search, consulting, digital and RPO, providing diversification across businesses with varying exposure to AI. Executive search, which represents roughly one-third of revenue, is less exposed as outcomes depend on relationships, credibility and access to senior talent rather than scalable workflow execution. Demand is driven by board-level hiring decisions and strategic leadership needs, which are less sensitive to incremental productivity gains. KFY's consulting and digital segments, which together represent over one-third of revenue, further reduce exposure by providing advisory services including organizational design, talent strategy

and data-driven insights, where AI enhances delivery rather than substituting the service. In contrast, professional search, interim search and RPO are more exposed given higher-volume hiring and greater reliance on process coordination, though this is partially mitigated by integration into broader client mandates and recurring relationships.

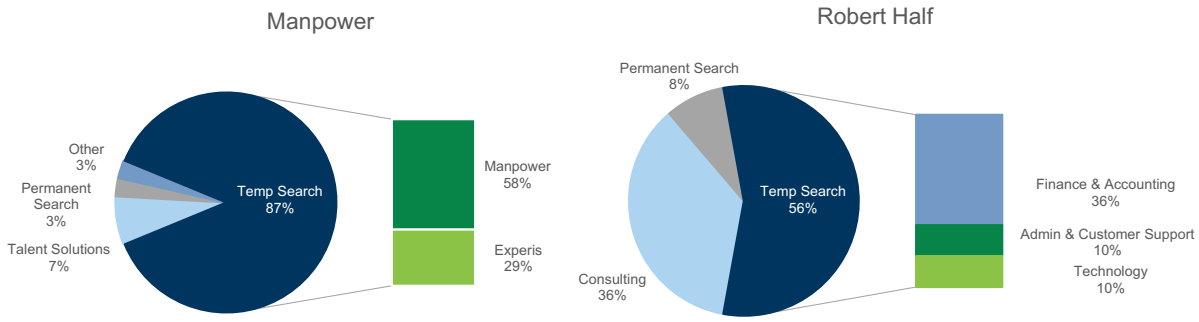
Exhibit 35: KFY's revenue mix insulates it from AI disruption
Korn Ferry revenue mix, F4Q 2026



Source: Company data, Goldman Sachs Global Investment Research

RHI faces greater risk given concentration in AI-exposed verticals, while MAN benefits from mix toward lower-exposure segments. Robert Half's exposure is concentrated in finance and accounting, technology, and administrative and customer support, where hiring demand is closely tied to incremental workload and is more sensitive to AI-driven efficiency gains. As AI enables higher output per worker, these functions require fewer incremental hires, directly reducing placement volumes in RHI's core end markets. In contrast, MAN's revenue is more heavily weighted toward its Manpower brand, which focuses on industrial and logistics placements where tasks are less digitally standardized and less exposed to near-term automation. While MAN's Experis segment, representing roughly 30% of revenue, introduces exposure to IT and professional staffing where demand is more project-based, this is partially offset by the company's larger presence in lower-exposure segments. As a result, MAN's diversified mix provides a more balanced exposure profile relative to RHI's concentration in AI-sensitive end markets.

Exhibit 36: Robert Half's revenue is more at risk from AI
Manpower and Robert Half revenue breakdown 1Q 2026



Source: Company data, Goldman Sachs Global Investment Research

Digital platforms are bifurcating between scaled ecosystems and more transactional models as AI shifts value toward outcomes. Platforms with proprietary data, integrated workflows and closed-loop feedback systems, such as LinkedIn and Indeed, are increasingly positioned to capture value as hiring shifts toward execution and conversion rather than discovery. In contrast, more transactional job boards and certain freelance marketplaces face pressure as differentiation based on listings and traffic becomes less durable. While flexible labor platforms such as Fiverr and Upwork may benefit from increased demand for project-based work, long-term value is likely to concentrate in platforms that combine scale in discovery with depth in execution.

Where Could We Be Wrong

AI may augment labor demand more than we anticipate, limiting volume compression. The analysis assumes AI reduces incremental hiring needs by automating portions of work, particularly in repeatable, information-driven roles. That said, early adoption patterns suggest AI is currently increasing output per worker without reducing headcount, with enterprises reinvesting productivity gains into incremental work rather than cutting labor and recruiters handling higher throughput. If this dynamic persists, AI could expand total activity and addressable workloads, sustaining or even increasing hiring volumes in certain functions rather than compressing them, which would limit staffing profit pools that can be disrupted.

Workflow integration may take longer than expected, delaying profit pool shifts. Our thesis relies on AI evolving from task-level tools to integrated, system-coordinated workflows that compress hiring demand and reallocate value. While we see early signs of this transition, current adoption remains concentrated in discrete, execution-heavy tasks within existing processes rather than end-to-end orchestration. If integration proves slower due to data fragmentation, enterprise implementation complexity or regulatory constraints, the timing of staffing volume disruption and associated profit pool transfer could be pushed out.

Human oversight requirements may structurally limit automation penetration. Our framework assumes task-level automation translates into reduced labor intensity, particularly in higher-wage white-collar roles. That said, judgment-intensive steps such as client interactions and job candidate evaluation remain human-led due to accountability and qualitative requirements. If these constraints persist or expand due

to compliance, liability or client preference, the effective automation ceiling could be lower than modeled, particularly in higher-value segments that drive disproportionate profit pools.

Technology providers may capture less economic value than assumed. We assume a transfer of value from staffing intermediaries to AI providers as enterprises reallocate labor spend toward technology. That said, competition across hyperscalers, software vendors and open-source models could compress monetization, resulting in lower pricing power for AI tools. In this scenario, labor costs decline but savings accrue to end customers rather than being captured by AI companies, changing the nature of profit pool reallocation.

How Can This Analysis Be Expanded

Incorporate dynamic feedback loops between productivity gains and hiring demand. Our analysis treats labor demand reductions and recruiter productivity gains as partially offsetting forces, but integrated workflows generate compounding efficiency improvements over time. Modeling these feedback loops explicitly could capture scenarios where higher recruiter productivity accelerates placement efficiency, potentially offsetting or delaying volume-driven disruptions in staffing profit pools.

Refine hiring rate assumptions with role-level differentiation. The current perm methodology applies a standardized hiring rate across functions to translate employment into placement volumes. Introducing differentiated hiring rates by role based on turnover, tenure and industry cyclicality would provide a more granular view of how AI-driven changes in labor demand translate into hiring flows and fee pools.

Expand automation modeling to capture workflow-level, not just task-level, disruption. Our framework maps GS Macro task-level automation assumptions to O*NET sub-functions, which effectively captures substitution at the task level. As AI evolves toward integrated workflow execution, extending the model to reflect step-change shifts in end-to-end processes would better capture non-linear reductions in labor demand and staffing volumes. For example, a 20% efficiency gain from automating individual tasks may reduce staffing volumes by a similar amount, while a comparable improvement at the workflow level, where sourcing, screening, matching and coordination are integrated into a single system, can translate into materially larger reductions of 40-50% as multiple steps and handoffs are eliminated simultaneously.

Incorporate pricing and mix effects alongside volume impacts. The analysis primarily frames staffing disruption through volume compression, but margin sensitivity and role mix shifts are also key drivers of profit pool outcomes. Extending the model to simulate changes in pricing power, placement fees and mix across white-collar and blue-collar roles would provide a more complete view of economic outcomes under different AI adoption scenarios.

Model adoption curves and timing of disruption explicitly. The current framework identifies where disruption is likely to occur based on task exposure but is less explicit on when it occurs. Incorporating adoption curves by function and enterprise readiness could help translate exposure into timing, which is critical for understanding the pace of profit pool reallocation.

Investment Conclusions

Fiverr (FVRR, Buy, $26 12M PT, covered by Eric Sheridan): While macroeconomic conditions and resulting headwinds are likely to be the dominant short-term debate in terms of stock performance, we remain bullish in our long-term view that the freelancer economy and Fiverr's role in that resulting end-market demand will drive solid growth and margin expansion over the medium-to-long term. We see FVRR as a leading global online freelance marketplace in an end-market that remains relatively early in the penetration of its overall TAM. Looking longer term, we see FVRR building operating momentum as a two-sided marketplace business with ample runway for growth on a normalized basis against a few key themes: 1) Management execution against a large and growing TAM as the future of work evolves; 2) continued scaling of both the freelancer and buyer side of the marketplace; 3) product innovation as a driver of adoption, retention and share of wallet; and 4) geographic expansion. In terms of AI, we view it as a rising/positive industry dynamic and new wave of opportunity for more efficient work and freelancers, which is counter to some investor concerns.

Korn Ferry (KFY, Buy, $84 12M PT, covered by George Tong): We believe Korn Ferry is a strategic beneficiary of long-term labor market trends, including an aging workforce, slower job creation and the growing role of AI in reshaping how organizations manage talent, driving increased demand for the company's leadership assessment, workforce transformation and interim talent solutions. KFY is demonstrating a mix-led recovery with early signs of a volume inflection, supported by improving pipeline trends and stronger momentum exiting the quarter. Growth remains driven by pricing, higher-level placements and cross-solution penetration, pointing to durable share gains within the existing client base. While the staffing sector is broadly experiencing uncertainty and disruption because of AI, we believe KFY stands out given its focus on upstream executive and senior level staffing, as well as its ability to help organizations adjust to new labor realities. We expect its diversified revenue streams, increasing cross-selling activity and share gains to drive resilient earnings growth and valuation upside.

Manpower Group (MAN, Neutral, $33 12M PT, covered by George Tong): Improving manufacturing conditions, particularly in Europe, in the context of rising PMIs and strengthening aerospace and defense demand provide near-term support for sustained positive CC revenue growth at MAN. The company is also increasingly leveraging AI as a structural growth and productivity lever, with early evidence of revenue uplift, materially higher recruiter efficiency and expanded service offerings. Of note, MAN is embarking on a multi-year global transformation program that involves standardizing its technology stack and driving automation in both the back office and front office to unlock $200mn in permanent cost savings by 2028. That said, growth is currently uneven across segments, with Experis and Talent Solutions challenged by project timing and weak permanent hiring, while gross margins are under pressure due to mix and utilization. The conflict in the Middle East also poses potential risks to revenue performance. We believe an improving EU manufacturing backdrop and execution of AI and efficiency initiatives are balanced by mixed segment and margin performance and geopolitical uncertainty.

Robert Half (RHI, Sell, $23 12M PT, covered by George Tong): Robert Half's talent solutions revenue is experiencing a continued recovery, with positive sequential growth on a same day CC basis for the second consecutive quarter in 1Q and favorable quarterly

exit rates. The company continues to expect talent solutions revenue to inflect to positive y/y growth for the first time since 2022 in 3Q. That said, RHI walked away from expecting positive y/y revenue growth for the entire company in 3Q 2026 due to intensified revenue headwinds in its Protiviti business. Specifically, Protiviti is undergoing ongoing y/y revenue declines given a slowdown in financial services regulatory enforcement activity that RHI noted could persist. While Protiviti could see q/q revenue growth in 3Q, y/y revenue is now tracking to be down in 3Q. Weak Protiviti margins in 2Q, which should improve in 3Q, also drove the guide for 2Q EPS to come below consensus, extending RHI's negative estimate revision cycle. We believe falling estimates, Protiviti weakness and longer term threats from AI on white collar staffing will drive valuation downside in RHI shares.

Upwork (UPWK, Buy, $17.50 12M PT, covered by Eric Sheridan): Over the past few months, Upwork has indicated both supply and demand for work and talent related to generative AI tools and technology implementations continue to climb. GSV from AI-related work on the platform grew +40% YoY in Q1'26. The company was also recently positive around the launch of partnerships with companies including OpenAI (with the launch of Upwork app within ChatGPT in April 2026), along with broader generative AI related initiatives (Upwork's AI agent Uma integrated across the customer journey & facilitating ~70% of new job posts). Looking longer term, we frame Upwork in terms of a few key themes: 1) Returning to higher levels of normalized growth with management executing against a large and growing TAM as the future of work evolves and companies look to adopt a hybrid workforce in the future, especially around new catalysts/opportunities including AI and greater category specialization; 2) continuing to scale both the talent/freelancer and client side of the platform, including growing GSV per client over time and executing against a large enterprise opportunity long-term outside of current macro conditions; 3) ongoing product innovation to drive adoption, retention and share of wallet; and 4) deeper commitment to driving profitable growth as recent cost-cutting initiatives drive more durable operating leverage and margin expansion in the coming years.

ZipRecruiter (ZIP, Neutral, $3.50 12M PT, covered by Eric Sheridan): Given broader macro challenges over the past few years and continued revenue declines, the company is focused on product improvements and marketplace efficacy to drive growth, with mgmt expecting FY26 revenue to remain ~flat YoY & Adj. EBITDA margins to expand ~500bps YoY. In the short-term, we expect that investor debates will remain anchored on both the macroeconomic activity levels and the company's relative competitive position against that backdrop. Longer term, we believe ZIP remains well-positioned against the secular shift toward online recruiting & rising aspects of personalization and technology.

Recruit Holdings (6098.T, Buy, ¥10,800 12M PT, covered by Minami Munakata): At Indeed, hiring speed has accelerated due to higher-quality candidate recommendations from AI, creating a virtuous cycle that is also leading to higher job seeker satisfaction, and the results of efforts to refine AI matching using proprietary data from both companies and job seekers are starting to be confirmed in earnings. In addition, we believe Indeed has significant room for future growth in monetization compared to competing platforms, and that US ARPJ will continue to trend higher in the long term.

Valuation and Risks

Fiverr (FVRR, Buy, covered by Eric Sheridan): Our 12-month, $26 price target is based on an equal blend of EV/GAAP EBITDA applied to our NTM + 1 year estimates and a modified DCF using EV/FCF-SBC multiple applied to our NTM + 4 years estimates discounted back 3 years. Key risks to our Buy rating include potential to lose market share to competitors, which could impact GMV and revenue estimates, broader adoption of freelancing occurring slower than expected, slower adoption of value added services, which may result in lower than expected revenue, and potential pushback from sellers or buyers on commission rates.

Korn Ferry (KFY, Buy, covered by George Tong): Our 12-month price target of $84 is based on 13.0x our NTM + 1YR EPS of $6.92. Our target multiple represents a premium to the staffing peer median NTM P/E of 12.7x to reflect structural advantages enabling market share gains from cross-selling and more resilient revenue performance given a diversified business mix, balanced by headwinds from the pro-cyclical executive search, RPO and professional search & interim businesses. Key risks to the downside include macroeconomic headwinds, competitive threats, acquisition integration risk and FX risk.

Manpower (MAN, Neutral, covered by George Tong): Our 12-month price target for MAN of $33 is based on 6.0x our NTM + 1YR EPS of $5.56. Our target multiple represents a discount to the staffing peer median NTM P/E of 12.7x due to MAN's lower operating margins and revenue growth. Key risks to the upside include a strengthening macro outlook, rising temp penetration, improving labor market conditions and wage inflation. Risks to the downside include macro and geopolitical headwinds, a slowdown in European manufacturing activity, underperformance in the high-margin Experis brand, and FX risks.

Robert Half (RHI, Sell, covered by George Tong): Our 12-month price target of $23 is based on 10.0x our NTM + 1YR EPS of $2.29. Our target multiple represents a discount to the staffing peer median NTM P/E of 12.7x to reflect RHI's exposure to the lower growth FP&A and admin/customer support end-markets, mitigated by scale advantages. Risks to the upside include improving macroeconomic conditions, strong Protiviti growth, market share gains, and margin expansion from operating leverage.

Upwork (UPWK, Buy, covered by Eric Sheridan): Our $17.50 12-month price target is based on an equal blend of EV/GAAP EBITDA applied to our NTM + 1 year estimates and a modified DCF using EV/FCF-SBC multiple applied to our NTM + 4 years estimates discounted back 3 years. Key risks to our Buy rating include potential to lose market share to competitors, broader adoption of freelancing (and shift to online) occurring slower than currently modeled, slower adoption of managed services as a potential factor pointing to lower take rates than currently modeled, volatility caused by the global macroeconomic environment (including exposure to Russia/Ukraine) and investor risk appetite for growth stocks.

ZipRecruiter (ZIP, Neutral, covered by Eric Sheridan): Our 12-month $3.50 price target is based on an equal blend of EV/Sales applied to our NTM +1 estimates and a modified DCF using an EV/GAAP EBITDA multiple applied to our NTM +4 estimates discounted back 3 years. Key risks to our Neutral rating include increase or decline in the number of job openings and/or employer demand relative to GSe could impact revenue

growth, competitive intensity higher/lower than expected relative to GSe across US job marketplaces (i.e. Indeed, Glassdoor, CareerBuilder and Monster), differences in marketing spend relative to our modeling assumptions and sustained improvements/declines in hiring.

Recruit HD (6098.T, Buy, ¥10,800 12M PT, covered by Minami Munakata): Our 12-month target price of ¥10,800 is based on SOTP, using FY3/28E as a base year. We assume 11.5x/9.1x/3.6x target EV/EBITDA multiples for the HR Technology/Marketing Matching Technology/Global Staffing segments. Key downside risks are as follows. (1) Macro environment: Risks include possible changes in job market momentum due to a sharp deterioration in macro conditions, mainly in the US, and a resulting weaker-than-expected earnings performance in the HR technology business. (2) Indeed monetization: Indeed has introduced numerous measures to increase monetization. Risks include progress with monetization at the platform falling short of our assumptions. (3) Capital allocation: Equity investors appear to largely expect Recruit to continue with share buybacks of a certain size. Risks include shareholder returns falling short of market expectations.

Rating and pricing information

Fiverr International Ltd. (Buy, $11.12), Korn Ferry (Buy, $71.10), Manpower Group (Neutral, $38.44), Recruit Holdings (Buy, ¥11,895), Robert Half International Inc. (Sell, $33.28), Upwork Inc. (Buy, $8.86) and ZipRecruiter Inc. (Neutral, $3.90).

Financial advisory disclosure

Goldman Sachs and/or one of its affiliates is acting as a financial advisor in connection with an announced strategic matter involving the following company or one of its affiliates: Upwork, Inc.

Logo disclosure

Please note: Third party brands used in this report are the property of their respective owners, and are used here for informational purposes only. The use of such brands should not be viewed as an endorsement, affiliation or sponsorship by or for Goldman Sachs or any of its products/services.

Disclosure Appendix

Reg AC

We, George K. Tong, CFA, Eric Sheridan, Minami Munakata, Sami Nasir, CFA, Alex Lakritz, Aarshiya Sachdeva, Achal Gupta, Haruki Kubota and Anna Wu, hereby certify that all of the views expressed in this report accurately reflect our personal views about the subject company or companies and its or their securities. We also certify that no part of our compensation was, is or will be, directly or indirectly, related to the specific recommendations or views expressed in this report.

Unless otherwise stated, the individuals listed on the cover page of this report are analysts in Goldman Sachs' Global Investment Research division.

Contributing Authors: George K. Tong, CFA Goldman Sachs & Co. LLC, Eric Sheridan Goldman Sachs & Co. LLC, Minami Munakata Goldman Sachs Japan Co., Ltd., Sami Nasir, CFA Goldman Sachs & Co. LLC, Alex Lakritz Goldman Sachs & Co. LLC, Aarshiya Sachdeva Goldman Sachs & Co. LLC, Achal Gupta Goldman Sachs India SPL, Haruki Kubota Goldman Sachs Japan Co., Ltd., Anna Wu Goldman Sachs & Co. LLC.

Unless otherwise stated, the individuals listed in the Contributing Authors disclosure of this report are analysts in Goldman Sachs' Global Investment Research division.

GS Factor Profile

The Goldman Sachs Factor Profile provides investment context for a stock by comparing key attributes to the market (i.e. our universe of rated stocks) and its sector peers. The four key attributes depicted are: Growth, Financial Returns, Multiple (e.g. valuation) and Integrated (a composite of Growth, Financial Returns and Multiple). Growth, Financial Returns and Multiple are calculated by using normalized ranks for specific metrics for each stock. The normalized ranks for the metrics are then averaged and converted into percentiles for the relevant attribute. The precise calculation of each metric may vary depending on the fiscal year, industry and region, but the standard approach is as follows:

Growth is based on a stock's forward-looking sales growth, EBITDA growth and EPS growth (for financial stocks, only EPS and sales growth), with a higher percentile indicating a higher growth company. **Financial Returns** is based on a stock's forward-looking ROE, ROCE and CROCI (for financial stocks, only ROE), with a higher percentile indicating a company with higher financial returns. **Multiple** is based on a stock's forward-looking P/E, P/B, price/dividend (P/D), EV/EBITDA, EV/FCF and EV/Debt Adjusted Cash Flow (DACF) (for financial stocks, only P/E, P/B and P/D), with a higher percentile indicating a stock trading at a higher multiple. The **Integrated** percentile is calculated as the average of the Growth percentile, Financial Returns percentile and (100% - Multiple percentile).

Financial Returns and Multiple use the Goldman Sachs analyst forecasts at the fiscal year-end at least three quarters in the future. Growth uses inputs for the fiscal year at least seven quarters in the future compared with the year at least three quarters in the future (on a per-share basis for all metrics).

For a more detailed description of how we calculate the GS Factor Profile, please contact your GS representative.

M&A Rank

Across our global coverage, we examine stocks using an M&A framework, considering both qualitative factors and quantitative factors (which may vary across sectors and regions) to incorporate the potential that certain companies could be acquired. We then assign a M&A rank as a means of scoring companies under our rated coverage from 1 to 3, with 1 representing high (30%-50%) probability of the company becoming an acquisition target, 2 representing medium (15%-30%) probability and 3 representing low (0%-15%) probability. For companies ranked 1 or 2, in line with our standard departmental guidelines we incorporate an M&A component into our target price. M&A rank of 3 is considered immaterial and therefore does not factor into our price target, and may or may not be discussed in research.

Quantum

Quantum is Goldman Sachs' proprietary database providing access to detailed financial statement histories, forecasts and ratios. It can be used for in-depth analysis of a single company, or to make comparisons between companies in different sectors and markets.

Disclosures

The rating(s) for Fiverr International Ltd., Upwork Inc. and ZipRecruiter Inc. is/are relative to the other companies in its/their coverage universe: ACV Auctions Inc., Airbnb Inc., Alphabet Inc., Amazon.com Inc., Angi Inc., AppLovin Corp., Booking Holdings Inc., Bumble Inc., Chewy Inc., Clear Secure Inc., Corsair Gaming Inc., Coursera Inc., Cricut Inc., DoorDash Inc., DoubleVerify Inc., DraftKings Inc., Duolingo Inc., Ethos Technologies Inc., Expedia Group, Fiverr International Ltd., Frontdoor Inc., GoodRx Holdings Inc., Grindr Inc., Groupon Inc., Ibotta Inc., Instacart, Liftoff Mobile Inc., Lyft Inc., Match Group, MediaAlpha Inc., Meta Platforms Inc., Netflix Inc., Nextdoor Holdings, Opera Ltd., Pattern Group Inc., Peloton Interactive Inc., People Inc., Pinterest Inc., Playtika, Reddit Inc., Roblox, Snap Inc., Sportradar Group, Spotify Technology S.A., StubHub Holdings, Take-Two Interactive Software Inc., Tripadvisor Inc., Uber Technologies Inc., Unity Software Inc., Upwork Inc., Wayfair Inc., Webtoon Entertainment Inc., Xometry Inc., Yelp Inc., ZipRecruiter Inc.

The rating(s) for Korn Ferry, Manpower Group and Robert Half International Inc. is/are relative to the other companies in its/their coverage universe: ADT Inc., Bright Horizons Family, BrightView Holdings, Cintas Corp., Clarivate, CoStar Group, Equifax Inc., FactSet Research Systems Inc., Fair Isaac Corp., Gartner Inc., H&R Block Inc., Iron Mountain Inc., KinderCare Learning Cos., Korn Ferry, MSCI Inc., Manpower Group, McGraw Hill, Moody's Corp., Phoenix Education Partners, Pitney Bowes, Robert Half International Inc., Rollins Inc., S&P Global Inc., The Brink's Co., Thomson Reuters Corp., TransUnion, UL Solutions, Verisk Analytics Inc., Vestis Corp.

The rating(s) for Recruit Holdings is/are relative to the other companies in its/their coverage universe: Bandai Namco Holdings, Capcom, CyberAgent, Konami Group, Nexon, Nintendo, Oriental Land, Recruit Holdings, Sony Group, Square Enix Holdings

Company-specific regulatory disclosures

Compendium report: please see disclosures at https://www.gs.com/research/hedge.html. Disclosures applicable to the companies included in this compendium can be found in the latest relevant published research

Distribution of ratings/investment banking relationships

Goldman Sachs Investment Research global Equity coverage universe

	Rating Distribution			Investment Banking Relationships		
	Buy	Hold	Sell	Buy	Hold	Sell
Global	50%	34%	16%	65%	60%	45%

As of April 1, 2026, Goldman Sachs Global Investment Research had investment ratings on 3,074 equity securities. Goldman Sachs assigns stocks as Buys and Sells on various regional Investment Lists; stocks not so assigned are deemed Neutral. Such assignments equate to Buy, Hold and Sell for the purposes of the above disclosure required by the FINRA Rules. See 'Ratings, Coverage universe and related definitions' below. The Investment Banking Relationships chart reflects the percentage of subject companies within each rating category for whom Goldman Sachs has provided investment banking services within the previous twelve months.

Price target and rating history chart(s)

Compendium report: please see disclosures at https://www.gs.com/research/hedge.html. Disclosures applicable to the companies included in this compendium can be found in the latest relevant published research

Target price history table(s)

ZipRecruiter Inc. (ZIP)

Date of report	Target price ($)	Closing price ($)
08-May-26	3.50	3.62
26-Feb-26	3.00	1.92
06-Nov-25	5.50	4.27
12-Aug-25	5.00	3.86
12-May-25	7.00	4.94
26-Feb-25	8.00	5.66
07-Nov-24	9.00	11.10
08-Aug-24	8.00	8.24
10-May-24	11.50	9.59
09-Nov-23	15.00	11.43
09-Aug-23	19.00	15.60

Manpower Group (MAN)

Date of report	Target price ($)	Closing price ($)
16-Apr-26	33.00	31.00
03-Feb-26	30.00	34.81
16-Dec-25	27.00	29.31
20-Nov-25	29.00	26.63
16-Oct-25	33.00	35.54
13-Oct-25	37.00	37.99
01-Aug-25	39.00	39.25
18-Jul-25	41.00	43.25
17-Apr-25	42.00	40.07
30-Jan-25	49.00	60.71
13-Jan-25	52.00	56.28
01-Nov-24	56.00	63.30
18-Oct-24	64.00	65.25
19-Jul-24	68.00	71.44
19-Apr-24	66.00	74.84
10-Jan-24	65.00	76.40
20-Oct-23	66.00	70.04
10-Oct-23	69.00	73.64
04-Aug-23	75.00	77.09
21-Jul-23	79.00	77.89

Recruit Holdings (6098.T)

Date of report	Target price (¥)	Closing price (¥)
06-Jul-26	13,000	11,895
26-May-26	10,800	9,824
15-May-26	9,700	7,825
12-Apr-26	8,500	7,117
09-Feb-26	9,100	7,153
06-Nov-25	10,600	7,311
05-Aug-25	10,100	8,719
27-Jul-25	10,000	8,822
03-Jun-25	8,200	8,200
25-Mar-25	8,400	8,305
15-May-24	6,080	7,066
10-Feb-24	5,300	5,887
08-Nov-23	4,700	4,980

Fiverr International Ltd. (FVRR)

Date of report	Target price ($)	Closing price ($)
30-Apr-26	26.00	11.64
19-Feb-26	24.00	11.32
30-Jul-25	44.00	22.03
08-May-25	47.00	29.52
27-Jan-25	41.00	30.44
31-Oct-24	42.00	29.26
01-Aug-24	39.00	23.28
10-May-24	44.00	23.52
22-Feb-24	39.00	22.21
10-Nov-23	43.00	21.85
04-Aug-23	49.00	31.86

Robert Half International Inc. (RHI)

Date of report	Target price ($)	Closing price ($)
06-Mar-26	23.00	24.76
02-Feb-26	27.00	34.03
09-Jan-26	24.00	29.02
20-Nov-25	25.00	25.75
23-Oct-25	27.00	29.27
14-Oct-25	31.00	32.61

Korn Ferry (KFY)

Date of report	Target price ($)	Closing price ($)
24-Jun-26	84.00	70.63
05-Jun-26	83.00	72.32
09-Mar-26	73.00	62.63
10-Dec-25	77.00	67.43
20-Nov-25	74.00	62.57
19-Jun-25	85.00	71.07

Robert Half International Inc. (RHI)

Date of report	Target price ($)	Closing price ($)
01-Aug-25	34.00	35.34
24-Jul-25	39.00	39.84
24-Apr-25	40.00	45.01
04-Apr-25	46.00	48.41
07-Mar-25	50.00	54.75
30-Jan-25	54.00	64.59
23-Oct-24	58.00	67.57
04-Oct-24	60.00	66.62
25-Jul-24	55.00	59.92
29-Apr-24	60.00	70.02
31-Jan-24	62.00	79.54

Korn Ferry (KFY)

Date of report	Target price ($)	Closing price ($)
04-Apr-25	77.00	62.30
12-Mar-25	83.00	66.47
06-Dec-24	82.00	71.56
04-Oct-24	84.00	72.90
06-Sep-24	78.00	66.62
13-Jun-24	79.00	70.27
07-Mar-24	74.00	65.03
30-Jan-24	66.00	59.41
07-Dec-23	61.00	53.89

Upwork Inc. (UPWK)

Date of report	Target price ($)	Closing price ($)
11-May-26	17.50	8.81
10-Feb-26	27.00	15.21
18-Nov-25	28.00	17.08
04-Nov-25	25.00	17.70
11-Aug-25	24.00	13.41
13-Feb-25	25.00	16.56
27-Jan-25	23.00	16.82
07-Nov-24	24.00	16.25
08-Aug-24	21.00	9.37
02-May-24	24.00	12.99
15-Feb-24	22.00	13.88
19-Jan-24	20.00	14.52
08-Nov-23	19.00	13.29
03-Aug-23	18.00	14.38

Price targets shown in table(s) are unadjusted for corporate actions.

Regulatory disclosures

Disclosures required by United States laws and regulations

See company-specific regulatory disclosures above for any of the following disclosures required as to companies referred to in this report: manager or co-manager in a pending transaction; 1% or other ownership; compensation for certain services; types of client relationships; managed/co-managed public offerings in prior periods; directorships; for equity securities, market making and/or specialist role. Goldman Sachs trades or may trade as a principal in debt securities (or in related derivatives) of issuers discussed in this report.

The following are additional required disclosures: **Ownership and material conflicts of interest:** Goldman Sachs policy prohibits its analysts, professionals reporting to analysts and members of their households from owning securities of any company in the analyst's area of coverage. **Analyst compensation:** Analysts are paid in part based on the profitability of Goldman Sachs, which includes investment banking revenues. **Analyst as officer or director:** Goldman Sachs policy generally prohibits its analysts, persons reporting to analysts or members of their households from serving as an officer, director or advisor of any company in the analyst's area of coverage. **Non-U.S. Analysts:** Non-U.S. analysts may not be associated persons of Goldman Sachs & Co. LLC and therefore may not be subject to FINRA Rule 2241 or FINRA Rule 2242 restrictions on communications with a subject company, public appearances and trading in securities covered by the analysts.

Additional disclosures required under the laws and regulations of jurisdictions other than the United States

The following disclosures are those required by the jurisdiction indicated, except to the extent already made above pursuant to United States laws and regulations. **Australia:** Goldman Sachs Australia Pty Ltd and its affiliates are not authorised deposit-taking institutions (as that term is defined in the Banking Act 1959 (Cth)) in Australia and do not provide banking services, nor carry on a banking business, in Australia. This research, and any access to it, is intended only for "wholesale clients" within the meaning of the Australian Corporations Act, unless otherwise agreed by Goldman Sachs. In producing research reports, members of Global Investment Research of Goldman Sachs Australia may attend site visits and other meetings hosted by the companies and other entities which are the subject of its research reports. In some instances the costs of such site visits or meetings may be met in part or in whole by the issuers concerned if Goldman Sachs Australia considers it is appropriate and reasonable in the specific circumstances relating to the site visit or meeting. To the extent that the contents of this document contains any financial product advice, it is general advice only and has been prepared by Goldman Sachs without taking into account a client's objectives, financial situation or needs. A client should, before acting on any such advice, consider the appropriateness of the advice having regard to the client's own objectives, financial situation and needs. A copy of certain Goldman Sachs Australia and New Zealand disclosure of interests and a copy of Goldman Sachs' Australian Sell-Side Research Independence Policy Statement are available at: https://www.goldmansachs.com/disclosures/australia-new-zealand/index.html. **Brazil:** Disclosure information in relation to CVM Resolution n. 20 is available at https://www.gs.com/worldwide/brazil/area/gir/index.html. Where applicable, the Brazil-registered analyst primarily responsible for the content of this research report, as defined in Article 20 of CVM Resolution n. 20, is the first author named at the beginning of this report, unless indicated otherwise at the end of the text. **Canada:** This information is being provided to you for information purposes only and is not, and under no circumstances should be construed as, an advertisement, offering or solicitation by Goldman Sachs & Co. LLC for purchasers of securities in Canada to trade in any Canadian security. Goldman Sachs & Co. LLC is not registered as a dealer in any jurisdiction in Canada under applicable Canadian securities laws and generally is not permitted to trade in Canadian securities and may be prohibited from selling certain securities and products in certain jurisdictions in Canada. If you wish to trade in any Canadian securities or other products in Canada please contact Goldman

Sachs Canada Inc., an affiliate of The Goldman Sachs Group Inc., or another registered Canadian dealer. **Hong Kong:** Further information on the securities of covered companies referred to in this research may be obtained on request from Goldman Sachs (Asia) L.L.C. **India:** Further information on the subject company or companies referred to in this research may be obtained from Goldman Sachs (India) Securities Private Limited, Research Analyst - SEBI Registration Number INH000001493, 10th Floor, Ascent-Worli, Sudam Kalu Ahire Marg, Worli, Mumbai-400 025, India, Corporate Identity Number U74140MH2006FTC160634, Phone +91 22 6616 9000, Fax +91 22 6616 9001. Goldman Sachs may beneficially own 1% or more of the securities (as such term is defined in clause 2 (h) the Indian Securities Contracts (Regulation) Act, 1956) of the subject company or companies referred to in this research report. Registration granted by SEBI and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors. Goldman Sachs (India) Securities Private Limited compliance officer and investor grievance contact details, a copy of the annual compliance audit report and other relevant information and disclosures can be found at this link: https://www.goldmansachs.com/worldwide/india/research-analyst. **Japan:** See below. **Korea:** This research, and any access to it, is intended only for "professional investors" within the meaning of the Financial Services and Capital Markets Act, unless otherwise agreed by Goldman Sachs. Further information on the subject company or companies referred to in this research may be obtained from Goldman Sachs (Asia) L.L.C., Seoul Branch. **New Zealand:** Goldman Sachs New Zealand Limited and its affiliates are neither "registered banks" nor "deposit takers" (as defined in the Reserve Bank of New Zealand Act 1989) in New Zealand. This research, and any access to it, is intended for "wholesale clients" (as defined in the Financial Advisers Act 2008) unless otherwise agreed by Goldman Sachs. A copy of certain Goldman Sachs Australia and New Zealand disclosure of interests is available at: https://www.goldmansachs.com/disclosures/australia-new-zealand/index.html. **Russia:** Research reports distributed in the Russian Federation are not advertising as defined in the Russian legislation, but are information and analysis not having product promotion as their main purpose and do not provide appraisal within the meaning of the Russian legislation on appraisal activity. Research reports do not constitute a personalized investment recommendation as defined in Russian laws and regulations, are not addressed to a specific client, and are prepared without analyzing the financial circumstances, investment profiles or risk profiles of clients. Goldman Sachs assumes no responsibility for any investment decisions that may be taken by a client or any other person based on this research report. **Singapore:** Goldman Sachs (Singapore) Pte. (Company Number: 198602165W), which is regulated by the Monetary Authority of Singapore, accepts legal responsibility for this research, and should be contacted with respect to any matters arising from, or in connection with, this research. **Taiwan:** This material is for reference only and must not be reprinted without permission. Investors should carefully consider their own investment risk. Investment results are the responsibility of the individual investor. **United Kingdom:** Persons who would be categorized as retail clients in the United Kingdom, as such term is defined in the rules of the Financial Conduct Authority, should read this research in conjunction with prior Goldman Sachs research on the covered companies referred to herein and should refer to the risk warnings that have been sent to them by Goldman Sachs International. A copy of these risks warnings, and a glossary of certain financial terms used in this report, are available from Goldman Sachs International on request.

European Union and United Kingdom: Disclosure information in relation to Article 6 (2) of the European Commission Delegated Regulation (EU) (2016/958) supplementing Regulation (EU) No 596/2014 of the European Parliament and of the Council (including as that Delegated Regulation is implemented into United Kingdom domestic law and regulation following the United Kingdom's departure from the European Union and the European Economic Area) with regard to regulatory technical standards for the technical arrangements for objective presentation of investment recommendations or other information recommending or suggesting an investment strategy and for disclosure of particular interests or indications of conflicts of interest is available at https://www.gs.com/disclosures/europeanpolicy.html which states the European Policy for Managing Conflicts of Interest in Connection with Investment Research.

Japan: Goldman Sachs Japan Co., Ltd. is a Financial Instrument Dealer registered with the Kanto Financial Bureau under registration number Kinsho 69, and a member of Japan Securities Dealers Association, Financial Futures Association of Japan Type II Financial Instruments Firms Association, and Investment Management Association of Japan. Sales and purchase of equities are subject to commission pre-determined with clients plus consumption tax. See company-specific disclosures as to any applicable disclosures required by Japanese stock exchanges, the Japanese Securities Dealers Association or the Japanese Securities Finance Company.

Ratings, coverage universe and related definitions

Buy (B), Neutral (N), Sell (S) Analysts recommend stocks as Buys or Sells for inclusion on various regional Investment Lists. Being assigned a Buy or Sell on an Investment List is determined by a stock's total return potential relative to its coverage universe. Any stock not assigned as a Buy or a Sell on an Investment List with an active rating (i.e., a stock that is not Rating Suspended, Not Rated, Early-Stage Biotech, Coverage Suspended or Not Covered), is deemed Neutral. Each region manages Regional Conviction Lists, which are selected from Buy rated stocks on the respective region's Investment Lists and represent investment recommendations focused on the size of the total return potential and/or the likelihood of the realization of the return across their respective areas of coverage. The addition or removal of stocks from such Conviction Lists are managed by the Investment Review Committee or other designated committee in each respective region and do not represent a change in the analysts' investment rating for such stocks.

Total return potential represents the upside or downside differential between the current share price and the price target, including all paid or anticipated dividends, expected during the time horizon associated with the price target. Price targets are required for all covered stocks. The total return potential, price target and associated time horizon are stated in each report adding or reiterating an Investment List membership.

Coverage Universe: A list of all stocks in each coverage universe is available by primary analyst, stock and coverage universe at https://www.gs.com/research/hedge.html.

Not Rated (NR). The investment rating, target price and earnings estimates (where relevant) are removed pursuant to Goldman Sachs policy when Goldman Sachs is acting in an advisory capacity in a merger or in a strategic transaction involving this company, when there are legal, regulatory or policy constraints due to Goldman Sachs' involvement in a transaction, and in certain other circumstances. **Early-Stage Biotech (ES).** An investment rating and a target price are not assigned pursuant to Goldman Sachs policy when this company has neither a drug, treatment or medical device that has passed a Phase II clinical trial nor a license to distribute a post-Phase II drug, treatment or medical device. **Rating Suspended (RS).** Goldman Sachs Research has suspended the investment rating and price target for this stock, because there is not a sufficient fundamental basis for determining an investment rating or target price. The previous investment rating and target price, if any, are no longer in effect for this stock and should not be relied upon. **Coverage Suspended (CS).** Goldman Sachs has suspended coverage of this company. **Not Covered (NC).** Goldman Sachs does not cover this company.

Global product; distributing entities

Goldman Sachs Global Investment Research produces and distributes research products for clients of Goldman Sachs on a global basis. Analysts based in Goldman Sachs offices around the world produce research on industries and companies, and research on macroeconomics, currencies, commodities and portfolio strategy. This research is disseminated in Australia by Goldman Sachs Australia Pty Ltd (ABN 21 006 797 897); in Brazil by Goldman Sachs do Brasil Corretora de Títulos e Valores Mobiliários S.A.; Public Communication Channel Goldman Sachs Brazil: 0800 727 5764 and / or contatogoldmanbrasil@gs.com. Available Weekdays (except holidays), from 9am to 6pm. Canal de Comunicação com o Público Goldman Sachs Brasil: 0800 727 5764 e/ou contatogoldmanbrasil@gs.com. Horário de funcionamento: segunda-feira à sexta-feira (exceto feriados), das 9h às 18h; in Canada by Goldman Sachs & Co. LLC; in Hong Kong by Goldman Sachs (Asia) L.L.C.; in India by Goldman Sachs (India) Securities Private Ltd.; in Japan by Goldman Sachs Japan Co., Ltd.; in the Republic of Korea by Goldman Sachs (Asia) L.L.C., Seoul Branch; in New Zealand by Goldman Sachs New Zealand Limited; in Russia by OOO Goldman Sachs; in Singapore by Goldman Sachs (Singapore) Pte. (Company Number: 198602165W); and in the United States of America by Goldman Sachs & Co. LLC. Goldman Sachs International has approved this research in connection with its distribution in the United Kingdom.

Goldman Sachs International ("GSI"), authorised by the Prudential Regulation Authority ("PRA") and regulated by the Financial Conduct Authority ("FCA") and the PRA, has approved this research in connection with its distribution in the United Kingdom.

European Economic Area: Goldman Sachs Bank Europe SE ("GSBE") is a credit institution incorporated in Germany and, within the Single Supervisory Mechanism, subject to direct prudential supervision by the European Central Bank and in other respects supervised by German Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht, BaFin) and Deutsche Bundesbank and disseminates research within the European Economic Area.

General disclosures

This research is for our clients only. Other than disclosures relating to Goldman Sachs, this research is based on current public information that we consider reliable, but we do not represent it is accurate or complete, and it should not be relied on as such. The information, opinions, estimates and forecasts contained herein are as of the date hereof and are subject to change without prior notification. We seek to update our research as appropriate, but various regulations may prevent us from doing so. Other than certain industry reports published on a periodic basis, the large majority of reports are published at irregular intervals as appropriate in the analyst's judgment.

Goldman Sachs conducts a global full-service, integrated investment banking, investment management, and brokerage business. We have investment banking and other business relationships with a substantial percentage of the companies covered by Global Investment Research. Goldman Sachs & Co. LLC, the United States broker dealer, is a member of SIPC (https://www.sipc.org).

Our salespeople, traders, and other professionals may provide oral or written market commentary or trading strategies to our clients and principal trading desks that reflect opinions that are contrary to the opinions expressed in this research. Our asset management area, principal trading desks and investing businesses may make investment decisions that are inconsistent with the recommendations or views expressed in this research.

The analysts named in this report may have from time to time discussed with our clients, including Goldman Sachs salespersons and traders, or may discuss in this report, trading strategies that reference catalysts or events that may have a near-term impact on the market price of the equity securities discussed in this report, which impact may be directionally counter to the analyst's published price target expectations for such stocks. Any such trading strategies are distinct from and do not affect the analyst's fundamental equity rating for such stocks, which rating reflects a stock's return potential relative to its coverage universe as described herein.

We and our affiliates, officers, directors, and employees will from time to time have long or short positions in, act as principal in, and buy or sell, the securities or derivatives, if any, referred to in this research, unless otherwise prohibited by regulation or Goldman Sachs policy.

The views attributed to third party presenters at Goldman Sachs arranged conferences, including individuals from other parts of Goldman Sachs, do not necessarily reflect those of Global Investment Research and are not an official view of Goldman Sachs.

Any third party referenced herein, including any salespeople, traders and other professionals or members of their household, may have positions in the products mentioned that are inconsistent with the views expressed by analysts named in this report.

This research is not an offer to sell or the solicitation of an offer to buy any security in any jurisdiction where such an offer or solicitation would be illegal. It does not constitute a personal recommendation or take into account the particular investment objectives, financial situations, or needs of individual clients. Clients should consider whether any advice or recommendation in this research is suitable for their particular circumstances and, if appropriate, seek professional advice, including tax advice. The price and value of investments referred to in this research and the income from them may fluctuate. Past performance is not a guide to future performance, future returns are not guaranteed, and a loss of original capital may occur. Fluctuations in exchange rates could have adverse effects on the value or price of, or income derived from, certain investments.

Certain transactions, including those involving futures, options, and other derivatives, give rise to substantial risk and are not suitable for all investors. Investors should review current options and futures disclosure documents which are available from Goldman Sachs sales representatives or at https://www.theocc.com/about/publications/character-risks.jsp and https://www.goldmansachs.com/disclosures/cftc_fcm_disclosures. Transaction costs may be significant in option strategies calling for multiple purchase and sales of options such as spreads. Supporting documentation will be supplied upon request.

Differing Levels of Service provided by Global Investment Research: The level and types of services provided to you by Goldman Sachs Global Investment Research may vary as compared to that provided to internal and other external clients of GS, depending on various factors including your individual preferences as to the frequency and manner of receiving communication, your risk profile and investment focus and perspective (e.g., marketwide, sector specific, long term, short term), the size and scope of your overall client relationship with GS, and legal and regulatory constraints. As an example, certain clients may request to receive notifications when research on specific securities is published, and certain clients may request that specific data underlying analysts' fundamental analysis available on our internal client websites be delivered to them electronically through data feeds or otherwise. No change to an analyst's fundamental research views (e.g., ratings, price targets, or material changes to earnings estimates for equity securities), will be communicated to any client prior to inclusion of such information in a research report broadly disseminated through electronic publication to our internal client websites or through other means, as necessary, to all clients who are entitled to receive such reports.

All research reports are disseminated and available to all clients simultaneously through electronic publication to our internal client websites. Not all research content is redistributed to our clients or available to third-party aggregators, nor is Goldman Sachs responsible for the redistribution of our research by third party aggregators. For research, models or other data related to one or more securities, markets or asset classes (including related services) that may be available to you, please contact your GS representative or go to https://research.gs.com.

Disclosure information is also available at https://www.gs.com/research/hedge.html or from Research Compliance, 200 West Street, New York, NY 10282.

© 2026 Goldman Sachs.

You are permitted to store, display, analyze, modify, reformat, and print the information made available to you via this service only for your own use. You may not resell or reverse engineer this information to calculate or develop any index for disclosure and/or marketing or create any other derivative works or commercial product(s), data or offering(s) without the express written consent of Goldman Sachs. You are not permitted to publish, transmit, or otherwise reproduce this information, in whole or in part, in any format to any third party without the express written consent of Goldman Sachs. This foregoing restriction includes, without limitation, using, extracting, downloading or retrieving this information, in whole or in part, to train or finetune a machine learning or artificial intelligence system, or to provide or reproduce this information, in whole or in part, as a prompt or input to any such system.