



Human Capital Management Technology Sector Update

Harris Williams | Q2 2023

Perspectives on Human Capital Management Technology

Talent Acquisition



Solutions that enable organizations to source, recruit, interview, and assess candidates

Select Market Participants



Key Trends

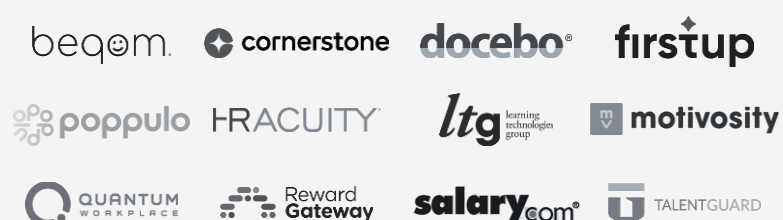
- Organizations are increasingly adopting digital solutions that automate recruiting workflows from sourcing to onboarding
- The skilled labor shortage is driving significant demand for solutions to optimize recruiting workflows in the war for talent
- Candidates today are demanding efficient, decisive interview processes, with timely communication and clear selection criteria

Talent Management



Solutions that facilitate professional development, drive employee engagement, and reward performance

Select Market Participants



Key Trends

- For over 60% of large enterprise organizations, digitization of the employee experience will be among the top three priorities for human resource leaders in 2023
- Content and learning management systems for delivering professional development training and compliance-driven education have become core to the HR technology suite

Workforce Management



Solutions that optimize efficiency and productivity of employees

Select Market Participants



Key Trends

- “Workforce as a Strategy” is increasingly driving organizations to adopt solutions that enhance the employee experience
- Integration and interoperability of time and attendance solutions with payroll and benefits platforms are driving adoption of back-office HR capabilities to manage both workforces and vendors
- Risk management tools continue to experience strong adoption

Human Capital Management Technology Observations and Key Trends

Heightened emphasis on workforce quality and recruiting efficiency is driving technology adoption



What We're Reading

Technology Helps Managers Struggling to Lead Hybrid Teams

Society for Human Resource Management (SHRM)

Despite many organizations ordering employees back to the office, hybrid work is expected to continue in many industries. As a result, companies are increasingly adopting performance management solutions that enable stronger connectivity between employees and managers, mitigate proximity bias, facilitate recognition and feedback, and foster an environment of development for hybrid teams.

Read the full article [here](#).

Top 6 HR Trends For 2023

Forbes

Many HR trends from the past few years are expected to continue in 2023. Despite recent layoffs, many industries still face a shortage of skilled talent, which in turn is driving a focus on enhancing the employee experience. As inflation persists and the potential for a recession looms, organizations will continue to implement digital transformation initiatives to optimize their HR strategies.

Read the full article [here](#).

Mass Layoffs or Hiring Boom? What's Actually Happening in the Jobs Market

The Wall Street Journal

While headlines of corporate layoffs in the finance and technology industries suggest a bearish job market, hiring in service industries is driving strong job growth in the United States. Healthcare, education, leisure, and hospitality businesses continue to recover as job seekers are becoming more comfortable returning to close-contact roles and seek higher-paying jobs amidst persistent inflation.

Read the full article [here](#).

The Future of HR Tech: How AI Is Transforming Human Resources

InformationWeek

Business leaders are looking to artificial intelligence and machine learning solutions to streamline HR workstreams and navigate complex regulatory requirements. These tools, coupled with advanced data analytics, can drive significant business value through streamlining the hiring process, mitigating risks, managing talent performance, and ensuring regulatory compliance.

Read the full article [here](#).

Select Harris Williams Publications

Professional Education & Learning Technology Sector Update



[Link to Read](#)

Compliance Technology: EHS & SCRM Sector Update



[Link to Read](#)

Compliance Technology: GRC Sector Update



[Link to Read](#)

Professional & Tech-Enabled Services Sector Update



[Link to Read](#)

[Access All Harris Williams Insights Here](#)

Recent Harris Williams HCM Transactions

Transaction Spotlights

HireVue
a portfolio company of
CARLYLE
has acquired
Modern Hire
a portfolio company of
Riverside.

May 2023
Recruitment & Assessments Technology

Company Background

Modern Hire is a leading provider of candidate screening, assessment, and interview solutions and recruiting workflow automation tools.

Successful Outcome

The transaction extends HireVue's market leadership by adding Modern Hire's complementary, science-backed assessment solutions, creating a comprehensive enterprise hiring technology platform.

Harris Williams Role

Harris Williams served as exclusive buy side financial advisor to HireVue, a portfolio company of Carlyle, in this transaction.

BUCK
a portfolio company of
HIG CAPITAL
has been acquired by
Gallagher

April 2023
Tech-Enabled Services

Company Background

Buck is a trusted provider of HR, pensions, and employee benefits related consulting, administration services, and technology to organizations in North America and the UK.

Successful Outcome

The transaction delivered a successful outcome for Buck and HIG. The acquisition will accelerate Gallagher's growth across a wide array of HR services and position the company to benefit from the growth in demand for employee benefit solutions.

Harris Williams Role

Harris Williams served as exclusive sell side financial advisor to Buck, a portfolio company of HIG Capital, in this transaction.

Additional Harris Williams Technology Group Recent Transactions

ETHOS CAPITAL
has acquired
NEWFORMA
a portfolio company of
Battery

THOMABRAVO
has acquired
LOGEX
HEALTHCARE ANALYTICS
a portfolio company of
SUMMAEQUITY

Magaya
a portfolio company of
LLR
has been recapitalized by
Apax
DIGITAL GROWTH

prima solutions
a portfolio company of
CARLYLE
has been acquired by
total specific solutions
part of
CONSISTENT SOFTWARE INC.

UTEGRATION
a portfolio company of
RLH Equity Partners
has been acquired by
cognizant

A 2 M A C 1
a portfolio company of
Five Arrows
PROFESSIONALS
KEENSIGHT
CAPITAL
has been acquired by
PROVIDENCE
EQUITY PARTNERS

cority
a portfolio company of
THOMABRAVO
has acquired
Reporting21

inspirage
a portfolio company of
RLH Equity Partners
has been acquired by
accenture

Prima XL
Prima Compliance
divisions of
prima solutions
a portfolio company of
CARLYLE
have been acquired by
Duck Creek Technologies

360 TRAINING
has received a significant investment from
GREYLION
VESTAR

BAMBOO ROSE
a portfolio company of
McCarthy Capital
has received a strategic investment from
RUBICON
technology partners

KEENSIGHT CAPITAL
has made an investment in
LISAM SYSTEMS
Enabling full compliance.

Kiwiplan
a subsidiary of
SIGNODE
a division of
CROWN
Brand-Building Packaging™
has been acquired by
TA ASSOCIATES

VESON NAUTICAL
a portfolio company of
PAMLICO CAPITAL
has received a significant growth investment from
FP FRANCISCO PARTNERS

WENDEL
has acquired
ACAMS
a business division of
ADTALEM
GLOBAL EDUCATION

Select Recent Human Capital Management Transactions

TimePlan's acquisition of Timegrip

March 2023



Target



Buyer

Valuation Not Disclosed

- Timegrip is a provider of a workforce management platform that offers planning, staffing, time management, and payroll processing solutions
- TimePlan's acquisition expands its footprint in Northwestern Europe and extends the product offering toward a one-stop shop for workforce management solutions

IRIS' acquisition of Apex HCM

February 2023



Target



Buyer

Valuation Not Disclosed

- Apex HCM is a provider of payroll and human resources solutions primarily serving Payroll Service Bureaus (PSBs) and Certified Public Accounts (CPAs)
- IRIS' acquisition of Apex HCM supports its strategic vision to supercharge growth in the Americas and to further support its PSB and CPA customers with technology solutions to profitably scale their businesses

Riverside's acquisition of Gastromatic

February 2023



Target



Buyer

Valuation Not Disclosed

- Gastromatic is a provider of workforce management software solutions serving small and medium-sized businesses operating in shift-based industries
- Riverside's investment in Gastromatic will support the company as it accelerates its growth trajectory and continues its focus on product innovation

LLR's investment in Viventium

February 2023



Target



Buyer

Valuation Not Disclosed

- Viventium is a provider of a human capital management platform primarily serving home care agencies and skilled nursing facilities
- LLR's investment will support Viventium's continued growth and continued leadership position serving the post-acute healthcare market

Leeds Equity's acquisition of TalentNeuron

February 2023

TalentNeuron

Target

LEEDS | Equity Partners

Buyer

Valuation Not Disclosed

- TalentNeuron is a provider of human capital data and insights solutions serving corporations, government organizations, and educational institutions, previously owned by Gartner
- Leeds Equity's investment will support TalentNeuron in accelerating new product development and innovation through its next phase of growth as a newly standalone entity

QAD's acquisition of Redzone

February 2023



Target



Buyer

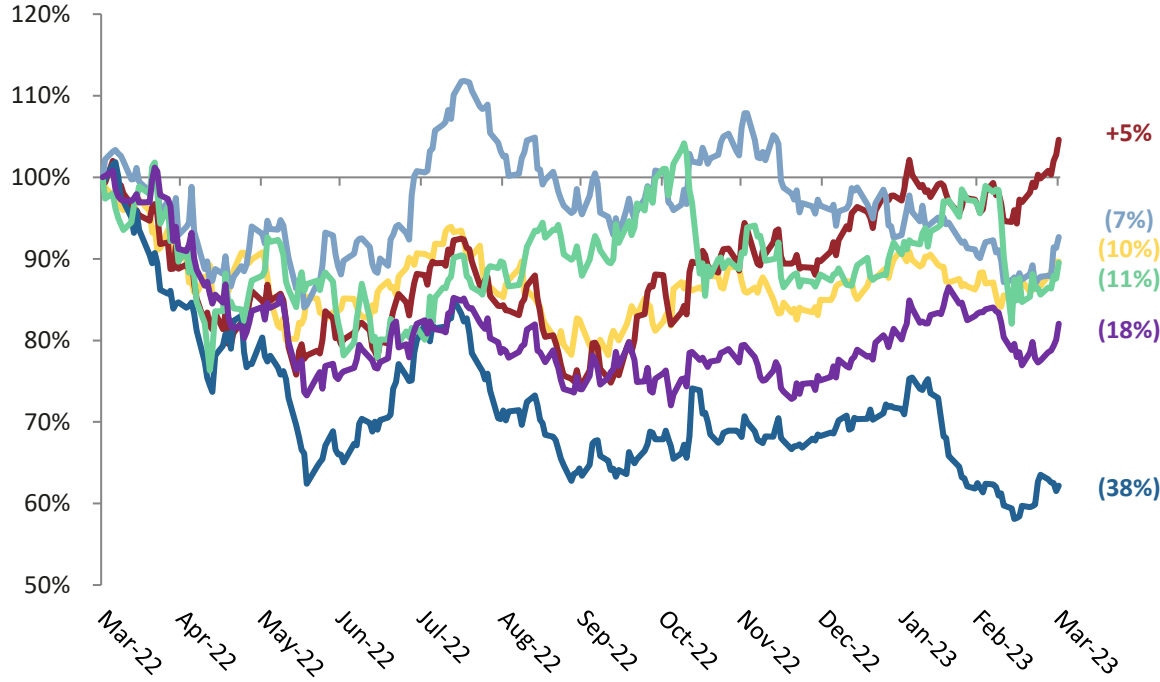
Valuation Not Disclosed

- Redzone is a provider of a mobile-first connected workforce solutions, enabling enterprises to increase productivity and engagement among frontline workers
- The acquisition bolsters QAD's product suite as the company looks to best navigate the challenges of rising input costs and labor shortages

Human Capital Management Technology Public Company Trended Stock Performance

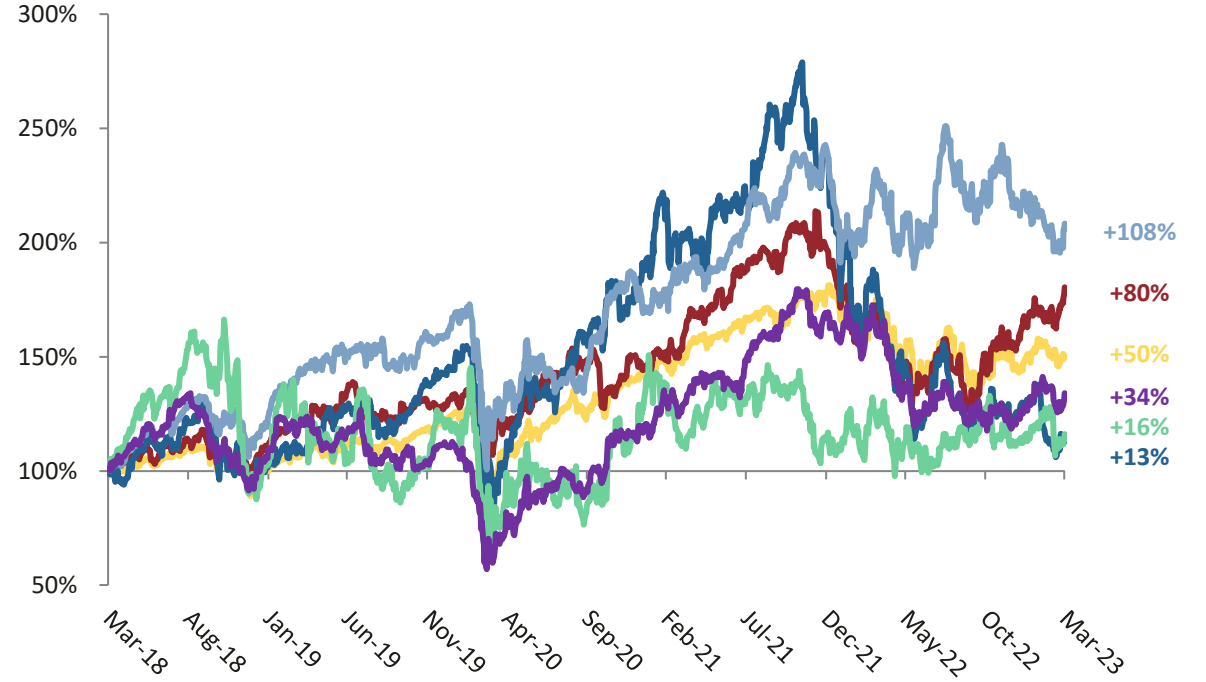
Public Company Stock Performance – Past 12 Months

Indexed Stock Price Performance for the period March 2022 – March 2023
March 2022 = 100



Public Company Stock Performance – Past 5 Years

Indexed Stock Price Performance for the period March 2018 – March 2023
March 2018 = 100



— HCM Platforms
 — Talent Acquisition & Management
 — Workforce Management – Payroll
 — Workforce Management – Benefits
 — Workforce Management – HR Services
 — S&P 500

HCM Platforms

Talent Acquisition & Management

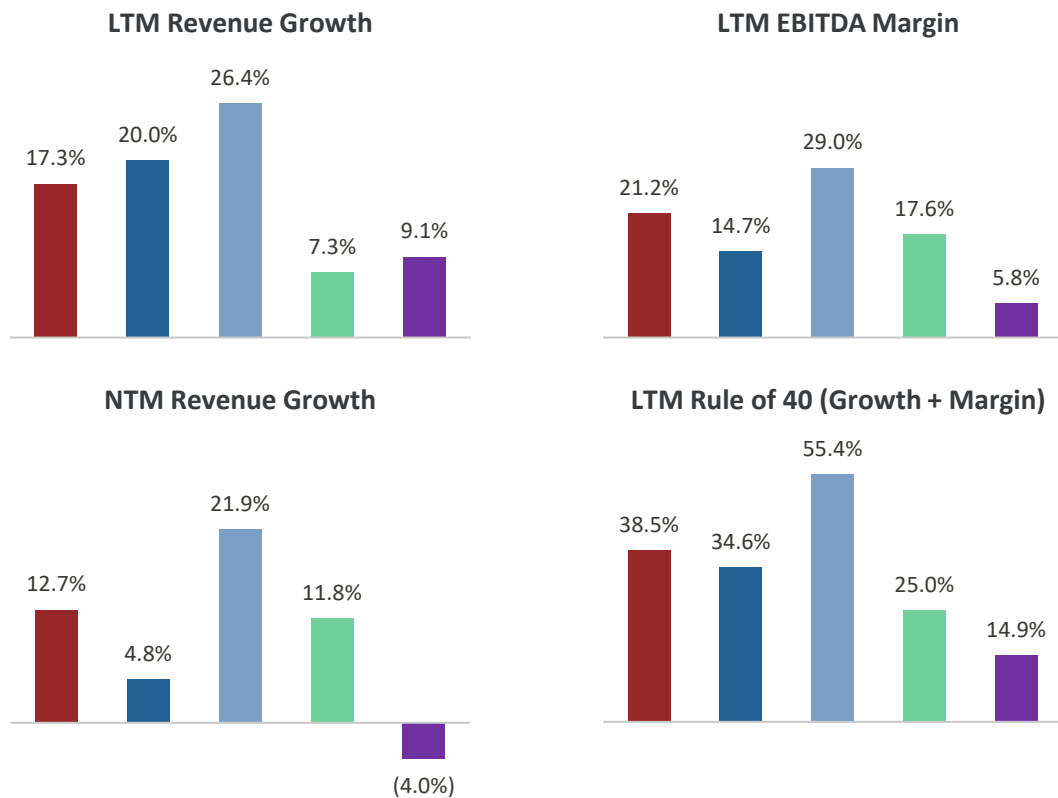
Workforce Management – Payroll

Workforce Management – Benefits

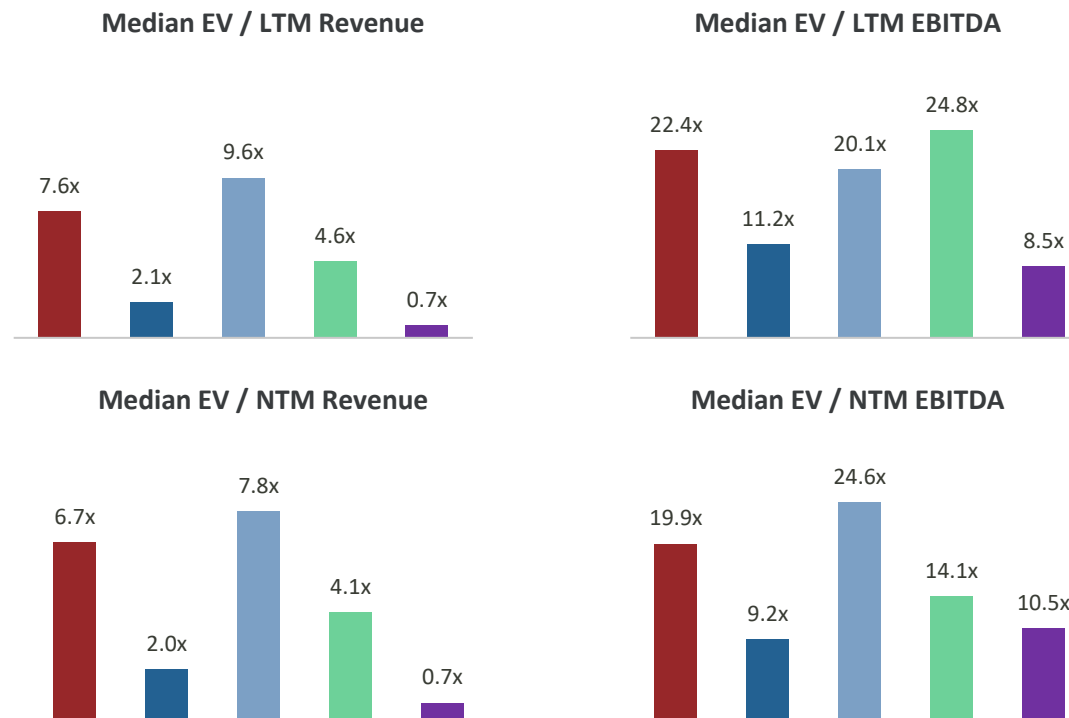
Workforce Management – HR Services

Human Capital Management Technology Public Company Operating and Valuation Metrics

Public Company – Operating Metrics



Public Company – Valuation Metrics



HCM Platforms

CERIDIAN
ORACLE
SAP

intuit.
Sage
workday

Talent Acquisition & Management

dicebo DHi First Advantage fiverr.
FranklinCovey HIRE RIGHT Itg RECRUIT
seek Sterling upwork ZipRecruiter

Workforce Management – Payroll

ADP
PAYCHEX paycom
Paycor paylocity

Workforce Management – Benefits

alight HealthEquity

Workforce Management – HR Services

MAYS
KFORCE TriNet
Insperity
Robert Half
trueblue

HCM Technology Landscape

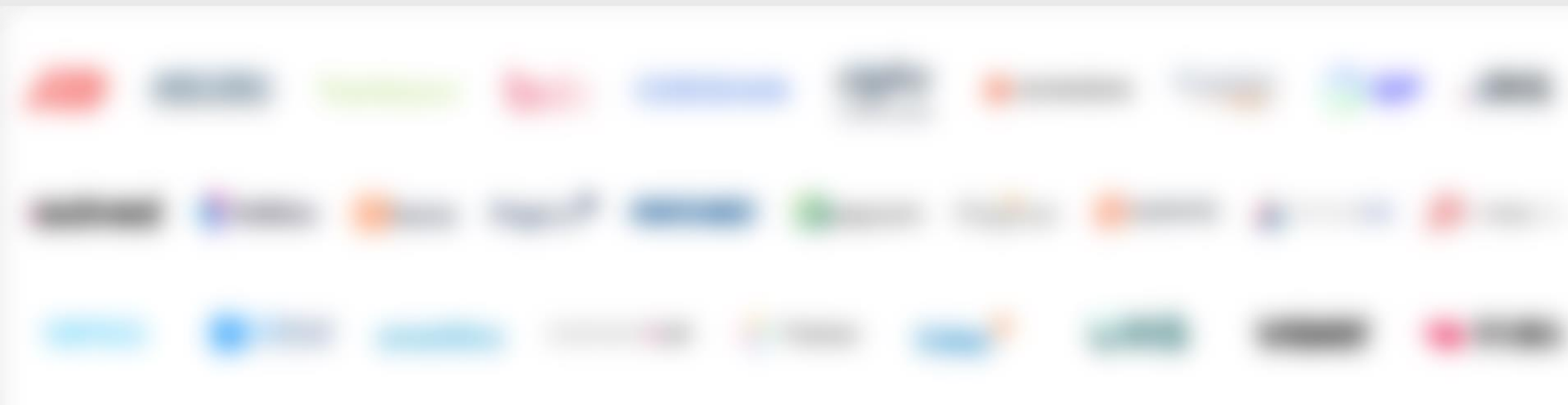
To view full market map, please contact:
TechnologyInsights@harriswilliams.com

Platforms that enable enterprises to meet all their resource planning and human capital management needs

ERP Focused Platforms



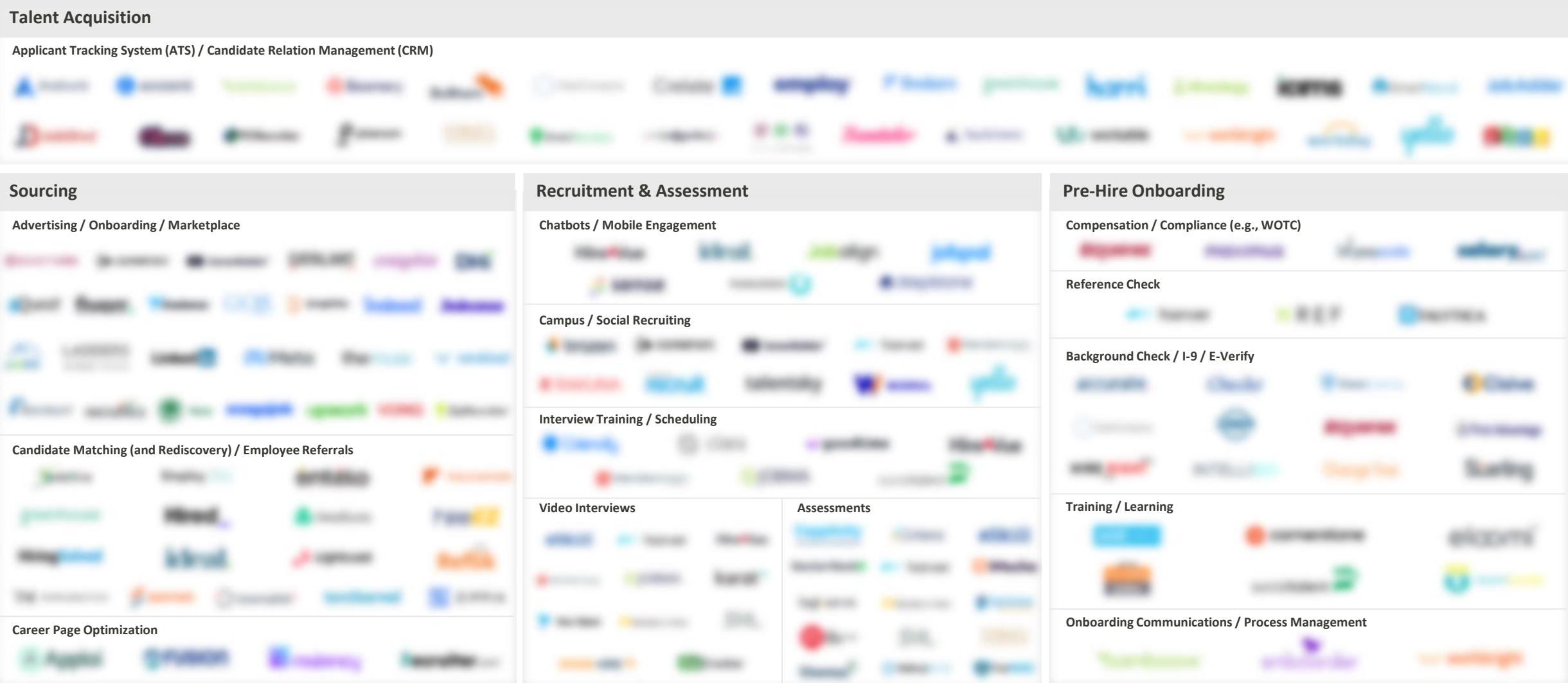
Diversified Platforms



Talent Acquisition Landscape

To view full market map, please contact:
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Solutions to enhance the talent acquisition experience for candidates and employers



Workforce Management Landscape

To view full market map, please contact:
TechnologyInsights@harriswilliams.com

Organizations to automate and optimize workforce management

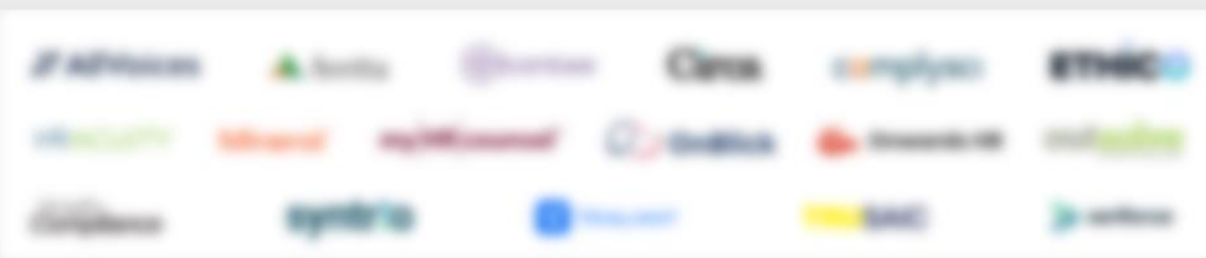
Payroll / Benefits



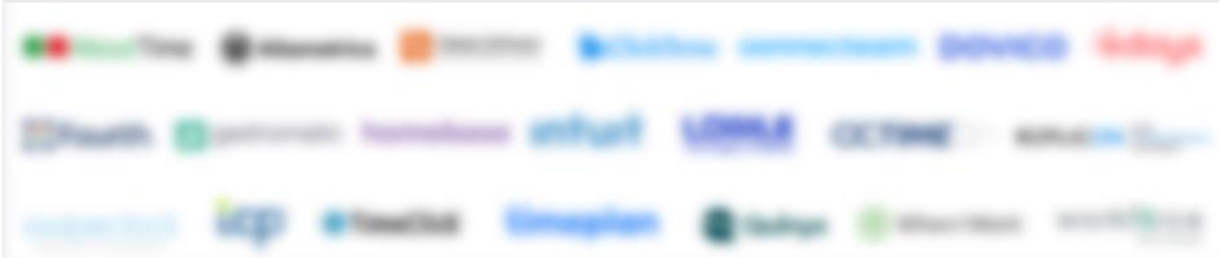
Leave Management



HR Compliance



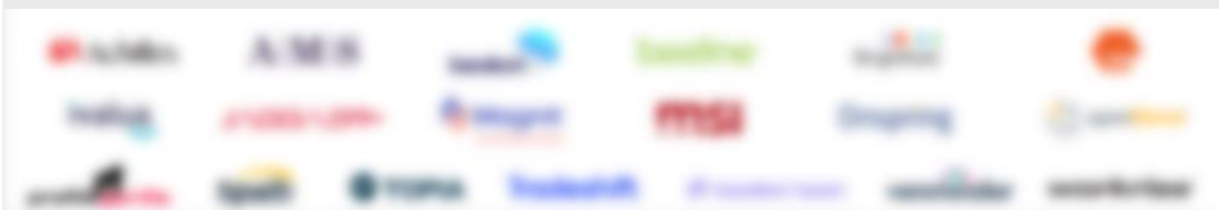
Time & Attendance / Scheduling



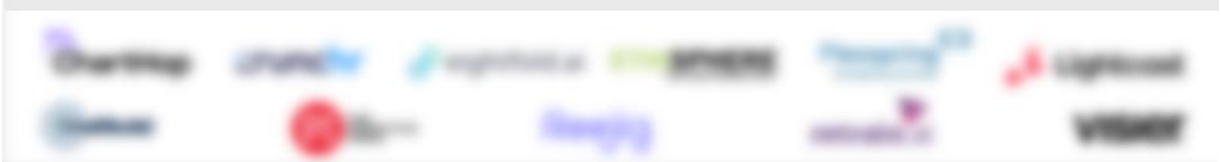
Workplace Management



Vendor Management / Supply Chain



Workforce Analytics / Data



Key Coverage Areas

Horizontal Software

- › Compliance, ESG, and Risk Management
- › Cybersecurity
- › Enterprise Resource Planning
- › Human Capital Management
- › Infrastructure
- › Integrated Payments
- › Office-of-the-CEO
- › Sales & Marketing Automation
- › Supply Chain Management

Vertical Software

- › Architecture, Engineering, & Construction
- › eCommerce & Retail
- › Education & Training
- › Financial
- › Government
- › Healthcare and Life Sciences
- › Industrial
- › Legal
- › Real Estate & Property Management
- › Transportation & Logistics

Technology & Data Services

- › Data Services
- › Information Services
- › IT Services
- › Managed Services

Our Technology Group advises leading Human Capital Management Technology companies worldwide.

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Deep Industry Experience



Aerospace, Defense & Government Services



Business Services



Consumer



Energy, Power & Infrastructure



Healthcare & Life Sciences



Industrials



Technology



Transportation & Logistics

70% Revenue from repeat clients

83% Managing directors promoted from within the firm

30+ Year history



BANKING



Sources and Disclosures

Sources

- Forbes
- Gartner
- InformationWeek
- Mergermarket
- PitchBook
- S&P Capital IQ
- Society for Human Resource Management (SHRM)
- The Wall Street Journal

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Appendix

Public Market Operational & Valuation Metrics

As of March 31, 2023

\$ in Millions

Company	Market Capitalization	Enterprise Value	% of 52-Week High	Revenue Growth		EBITDA Margin		Enterprise Value / Revenue		Enterprise Value / EBITDA		
				LTM	NTM	LTM	NTM	LTM	NTM	LTM	NTM	
HCM Platforms												
Oracle Corporation	\$250,866	\$334,417	99.9%	14.7%	9.7%	38.8%	48.4%	7.0x	6.4x	18.0x	13.1x	
SAP SE	147,170	152,644	99.7%	4.2%	8.8%	20.8%	31.9%	4.6x	4.3x	22.3x	13.3x	
Intuit Inc.	125,076	130,682	87.8%	19.9%	8.2%	24.8%	38.6%	9.5x	8.8x	38.4x	22.8x	
Workday, Inc.	53,497	50,625	84.0%	21.0%	15.8%	2.3%	28.5%	8.1x	7.0x	NM	24.7x	
Ceridian HCM Holding Inc.	11,324	12,147	91.9%	21.7%	19.6%	4.5%	24.5%	9.7x	8.1x	NM	33.2x	
The Sage Group plc	9,779	10,595	94.2%	(13.0%)	23.8%	21.7%	23.2%	4.9x	3.9x	22.5x	17.0x	
Median	\$89,287	\$90,653	93.0%	17.3%	12.7%	21.2%	30.2%	7.6x	6.7x	22.4x	19.9x	
Talent Acquisition & Management												
Recruit Holdings Co., Ltd.	\$43,416	\$39,228	64.3%	7.7%	1.8%	14.7%	14.9%	1.5x	1.5x	10.5x	10.1x	
SEEK Limited	5,682	6,533	80.5%	20.5%	3.0%	32.1%	45.3%	7.8x	7.6x	24.4x	16.8x	
First Advantage Corporation	2,063	2,227	66.5%	13.7%	(3.3%)	28.7%	31.2%	2.7x	2.8x	9.6x	9.1x	
ZipRecruiter, Inc.	1,674	1,663	63.8%	22.1%	(14.0%)	11.1%	23.4%	1.8x	2.1x	16.6x	9.1x	
Upwork Inc.	1,500	1,395	45.2%	23.0%	12.9%	NM	2.5%	2.3x	2.0x	NM	NM	
Docebo Inc.	1,339	1,126	83.9%	37.1%	27.7%	NM	7.3%	7.9x	6.2x	NM	NM	
Fiverr International Ltd.	1,296	1,296	42.7%	13.3%	6.7%	NM	14.1%	3.8x	3.6x	NM	25.5x	
Learning Technologies Group plc	1,262	1,464	73.3%	166.9%	38.0%	14.7%	20.6%	2.6x	1.9x	17.9x	9.3x	
Sterling Check Corp.	1,074	1,493	38.8%	19.5%	1.2%	17.4%	26.6%	1.9x	1.9x	11.2x	7.2x	
HireRight Holdings Corporation	817	1,357	56.0%	10.5%	(9.3%)	21.1%	23.2%	1.7x	1.9x	8.0x	8.0x	
Franklin Covey Co.	532	498	70.3%	12.4%	8.8%	12.1%	16.4%	1.8x	1.7x	14.9x	10.1x	
DHI Group, Inc.	176	212	51.3%	24.8%	10.1%	14.0%	20.8%	1.4x	1.3x	10.1x	6.2x	
Median	\$1,318	\$1,429	64.0%	20.0%	4.8%	14.7%	20.7%	2.1x	2.0x	11.2x	9.2x	

Public Market Operational & Valuation Metrics (Cont'd)

As of March 31, 2023

\$ in Millions

Company	Market Capitalization	Enterprise Value	% of 52-Week High	Revenue Growth		EBITDA Margin		Enterprise Value / Revenue		Enterprise Value / EBITDA		
				LTM	NTM	LTM	NTM	LTM	NTM	LTM	NTM	
Workforce Management - Payroll												
Automatic Data Processing, Inc.	\$92,247	\$94,304	81.0%	9.9%	7.2%	27.2%	27.5%	5.5x	5.1x	20.1x	18.6x	
Paychex, Inc.	41,310	40,624	80.7%	9.5%	6.0%	43.8%	45.0%	8.3x	7.8x	18.8x	17.3x	
Paycom Software, Inc.	17,589	17,258	75.5%	30.3%	23.6%	30.8%	41.3%	12.5x	10.2x	40.7x	24.6x	
Paylocity Holding Corporation	11,086	11,040	71.8%	36.9%	28.3%	12.0%	31.2%	11.0x	8.6x	NM	27.6x	
Paycor HCM, Inc.	4,679	4,636	75.9%	26.4%	21.9%	NM	28.3%	9.6x	7.8x	NM	27.7x	
Median	\$17,589	\$17,258	75.9%	26.4%	21.9%	29.0%	31.2%	9.6x	7.8x	20.1x	24.6x	
Workforce Management - Benefits												
HealthEquity, Inc.	\$4,978	\$5,718	74.1%	13.9%	12.4%	23.1%	33.8%	6.6x	5.9x	28.8x	17.5x	
Alight, Inc.	4,580	7,919	90.4%	0.8%	11.1%	12.2%	21.4%	2.5x	2.3x	20.8x	10.7x	
Median	\$4,779	\$6,818	82.3%	7.3%	11.8%	17.6%	27.6%	4.6x	4.1x	24.8x	14.1x	
Workforce Management - HR Services												
Robert Half International Inc.	\$8,536	\$8,115	68.0%	12.0%	(5.9%)	14.1%	11.2%	1.1x	1.2x	7.9x	10.6x	
TriNet Group, Inc.	4,835	4,957	80.6%	7.6%	(74.2%)	11.6%	37.7%	1.0x	3.9x	8.8x	10.4x	
Insperity, Inc.	4,601	4,280	96.5%	19.4%	9.5%	4.7%	5.7%	0.7x	0.7x	15.4x	11.6x	
Hays plc	2,199	2,306	85.1%	9.9%	2.9%	3.1%	3.7%	0.3x	0.3x	8.3x	6.9x	
Kforce Inc.	1,228	1,274	80.9%	8.3%	(2.1%)	7.0%	7.3%	0.7x	0.8x	10.7x	10.4x	
TrueBlue, Inc.	570	561	58.9%	3.7%	(10.2%)	4.4%	2.6%	0.2x	0.3x	5.7x	10.5x	
Median	\$3,400	\$3,293	80.7%	9.1%	(4.0%)	5.8%	6.5%	0.7x	0.7x	8.5x	10.5x	
Total Comp Set Median	\$4,679	\$4,957	75.9%	13.9%	8.4%	14.7%	23.4%	2.7x	3.6x	16.0x	11.6x	

Recent Sector Transaction Detail

Closed Date	Target	Buyer	Business Description
Mar-23	Natural HR	Moorepay	Provider of a human resources management and payroll platform designed for mid-sized enterprises
Mar-23	Timegrip	TimePlan	Provider of a workforce management platform offering planning, staffing, time management, and payroll processing solutions
Mar-23	ProSolution	Zvoove	Provider of human capital management solutions, from recruiting to gross payroll accounting, for temporary staffing providers
Mar-23	A-Check Global	Sterling Talent Solutions	Provider of an online candidate background screening platform and compliance solutions
Feb-23	Apex HCM	IRIS	Provider of HCM solutions including payroll, applicant tracking, onboarding, and time & attendance
Feb-23	Bonusly	Ankona Capital	Provider of an employee recognition and rewards platform designed to increase employee engagement and reduce turnover
Feb-23	WorkLLama	Undisclosed	Provider of a talent acquisition and engagement suite designed for supply chain and logistics organizations
Feb-23	TalentCloud.ai	Systech	Provider of a human capital management and data analytics platform designed to optimize human resources and business operations
Feb-23	Wagestream Australia	Humanforce	Provider of a financial wellbeing platform designed to help frontline workers access earned income any time during the pay cycle
Feb-23	Viventium	LLR	Provider of a human capital management platform primarily serving home care agencies and skilled nursing facilities
Feb-23	TalentNeuron	Leeds Equity Partners	Provider of human capital data and insights solutions serving corporations, government organizations, and educational institutions
Feb-23	RedZone	QAD	Provider of a mobile-first connected workforce solution, enabling enterprises to increase productivity and engagement among frontline workers
Jan-23	NextStep	CareAcademy	Provider of an online learning and hiring platform for certified nursing assistants
Jan-23	Benefitfocus	Voya Financial	Provider of a cloud-based benefits management platform
Jan-23	Hiring Hub	MonacoSol	Provider of an online employee recruitment and hiring platform connecting employers to specialist recruitment agencies
Jan-23	Treverity	ARCOS	Provider of a human integration, operational analytics, and workflow optimization platform for the electricity and natural gas distribution industries
Jan-23	Personify	WilsonHCG	Provider of a life sciences and healthcare end-to-end recruitment process outsourcing platform that enables on-demand talent acquisition
Jan-23	Picwell	Jellyvision	Provider of an employee benefits platform that helps users make smarter benefits decisions
Jan-23	Prodoscore	PSG	Provider of an AI-based employee visibility and productivity solution designed to help businesses improve retention and optimize employee productivity
Jan-23	ChartHop	Cox Enterprises	Provider of a workforce data analytics platform designed to create more informed, empowered, and connected organizations