



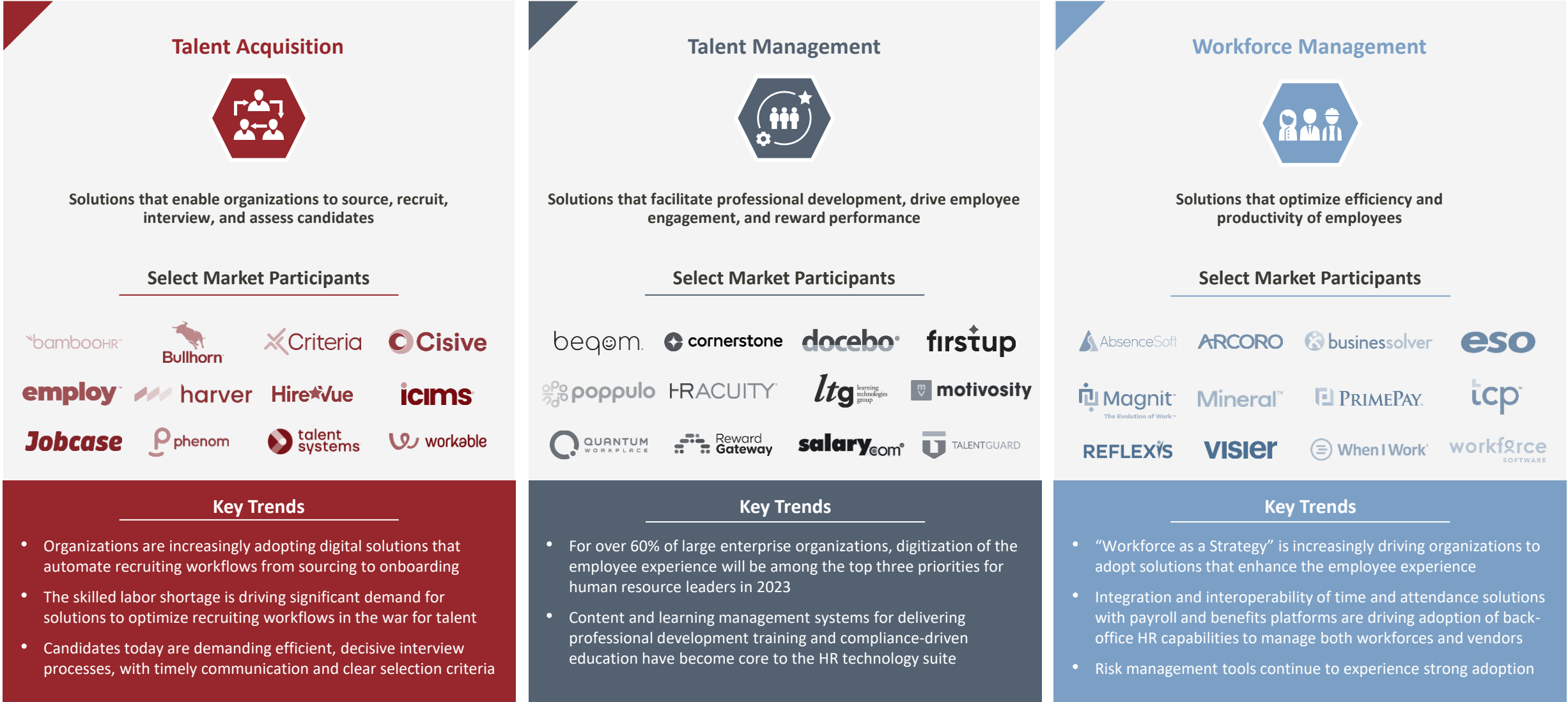
# Human Capital Management Technology Sector Update

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Harris Williams | Q2 2023



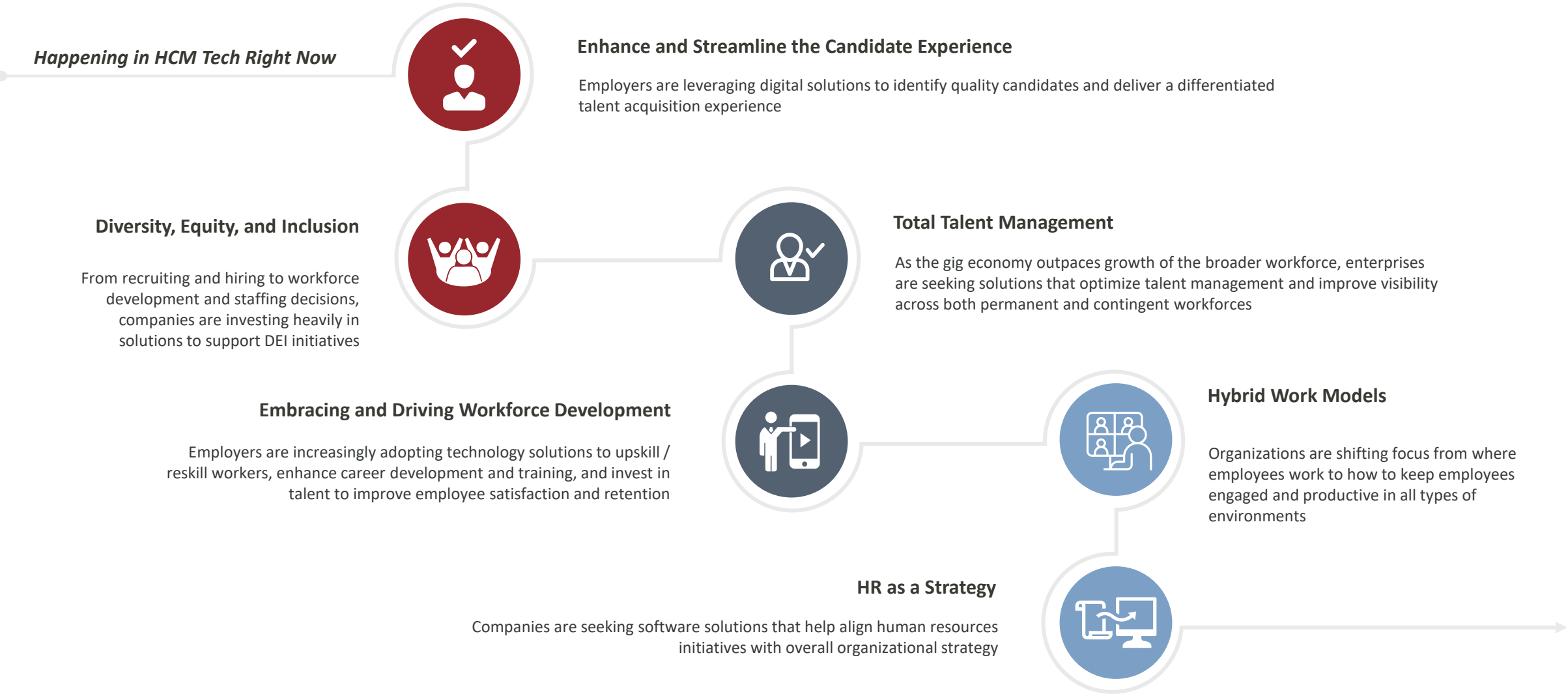
# Perspectives on Human Capital Management Technology





# 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 workflows 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

  
a portfolio company of

  
has acquired

  
a portfolio company of



**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.

  
a portfolio company of

  
has been acquired by



**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

<div><div> has acquired</div><div> a portfolio company of</div><div></div></div>	<div><div> has acquired</div><div> a portfolio company of</div><div></div></div>	<div><div> a portfolio company of</div><div> has been recapitalized by</div><div></div></div>	<div><div> a portfolio company of</div><div> has been acquired by</div><div> part of</div><div></div></div>	<div><div> a portfolio company of</div><div> has been acquired by</div><div></div></div>
<div><div> a portfolio company of</div><div> has been acquired by</div><div> PROVIDENCE EQUITY PARTNERS</div></div>	<div><div> a portfolio company of</div><div> has acquired</div><div></div></div>	<div><div> a portfolio company of</div><div> has been acquired by</div><div></div></div>	<div><div> Prima Compliance divisions of</div><div> a portfolio company of</div><div> have been acquired by</div><div></div></div>	<div><div> has received a significant investment from</div><div></div><div></div></div>
<div><div> a portfolio company of</div><div> has received a strategic investment from</div><div></div></div>	<div><div> has made an investment in</div><div></div></div>	<div><div> a subsidiary of</div><div> a division of</div><div> has been acquired by</div><div></div></div>	<div><div> a portfolio company of</div><div> has received a significant growth investment from</div><div></div></div>	<div><div> has acquired</div><div> a business division of</div><div></div></div>



# 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

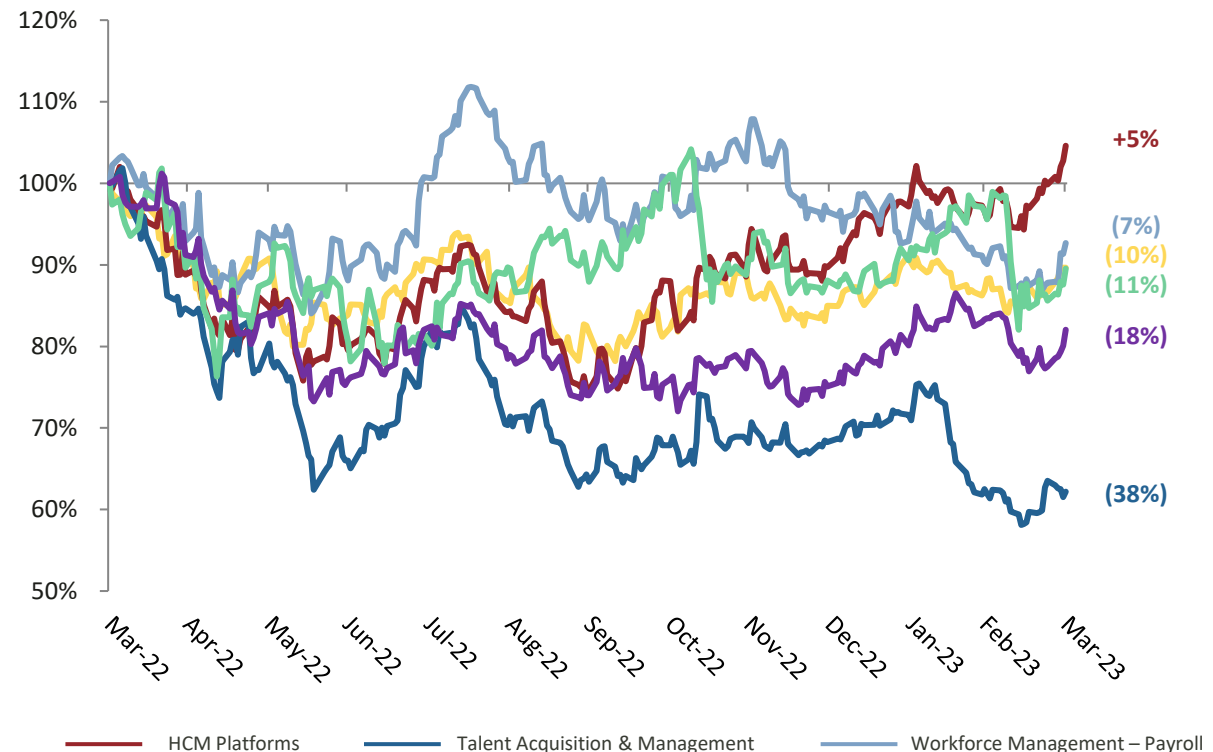
- Redzone is a provider of a mobile-first connected workforce solutions, enabling enterprises to increase productivity and engagement among frontline workers
- The acquisition bolsters QAD's product suite as the company looks to best navigate the challenges of rising input costs and labor shortages



# Human Capital Management Technology Public Company Trended Stock Performance

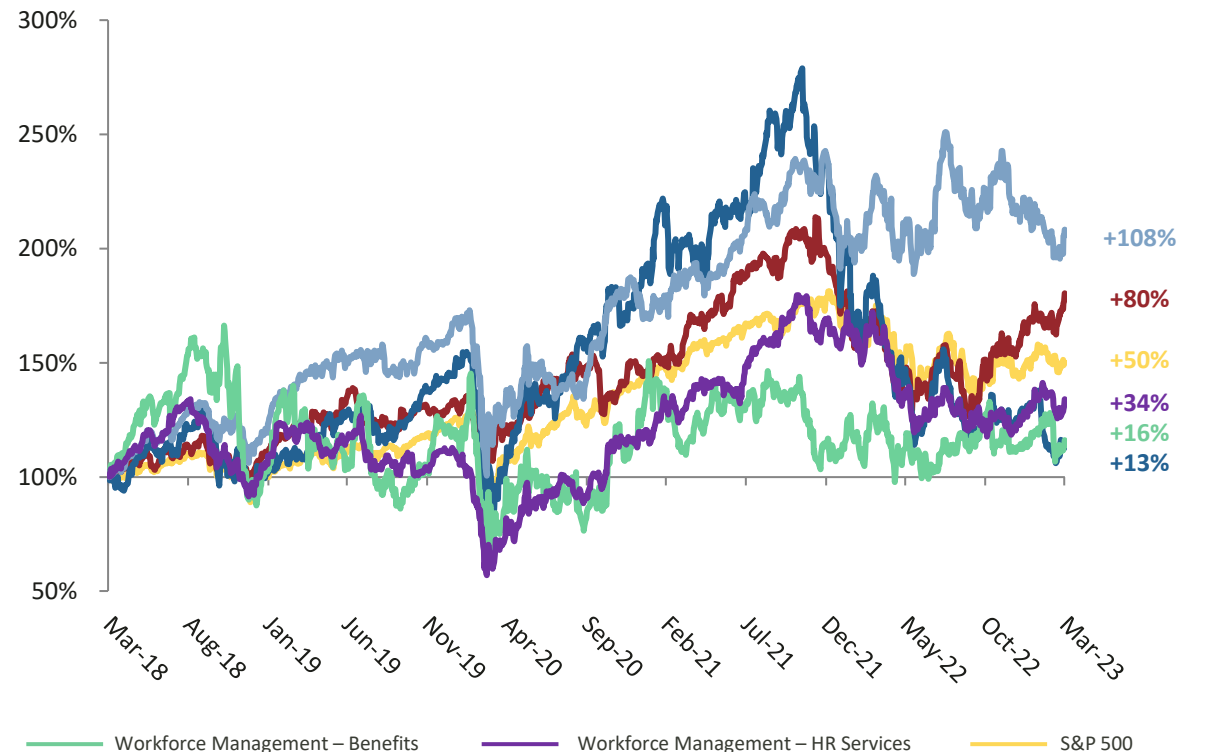
## Public Company Stock Performance – Past 12 Months

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**

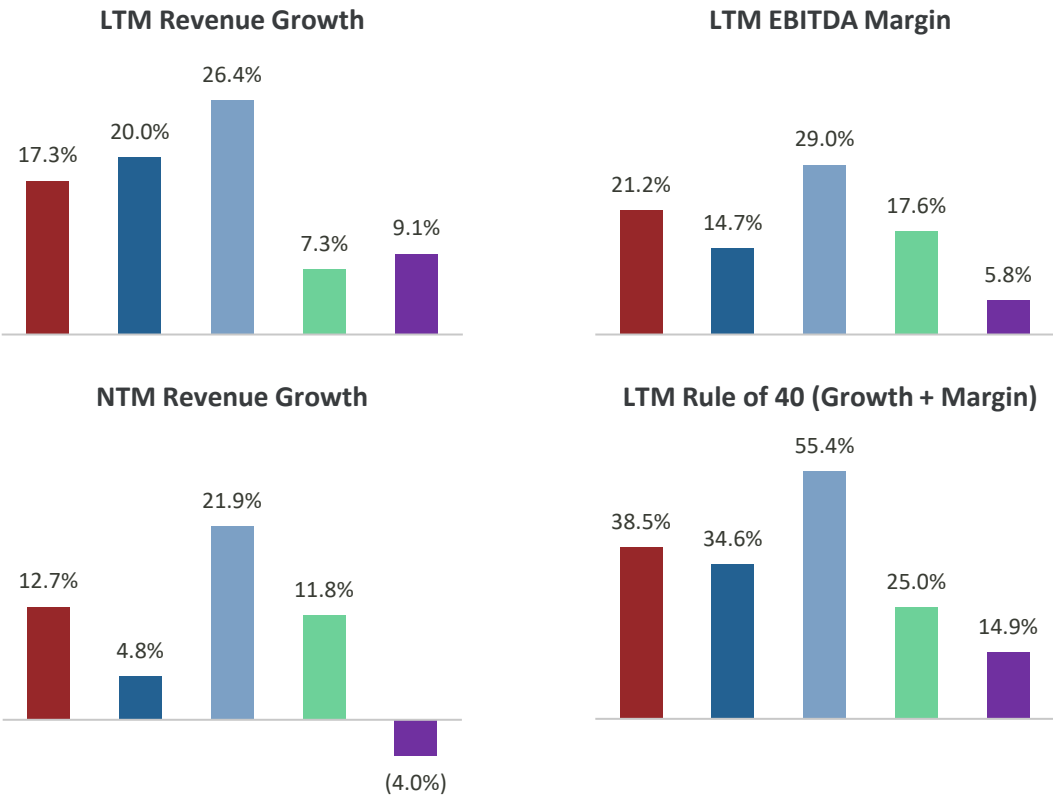
**Workforce Management – Benefits**

**Workforce Management – HR Services**

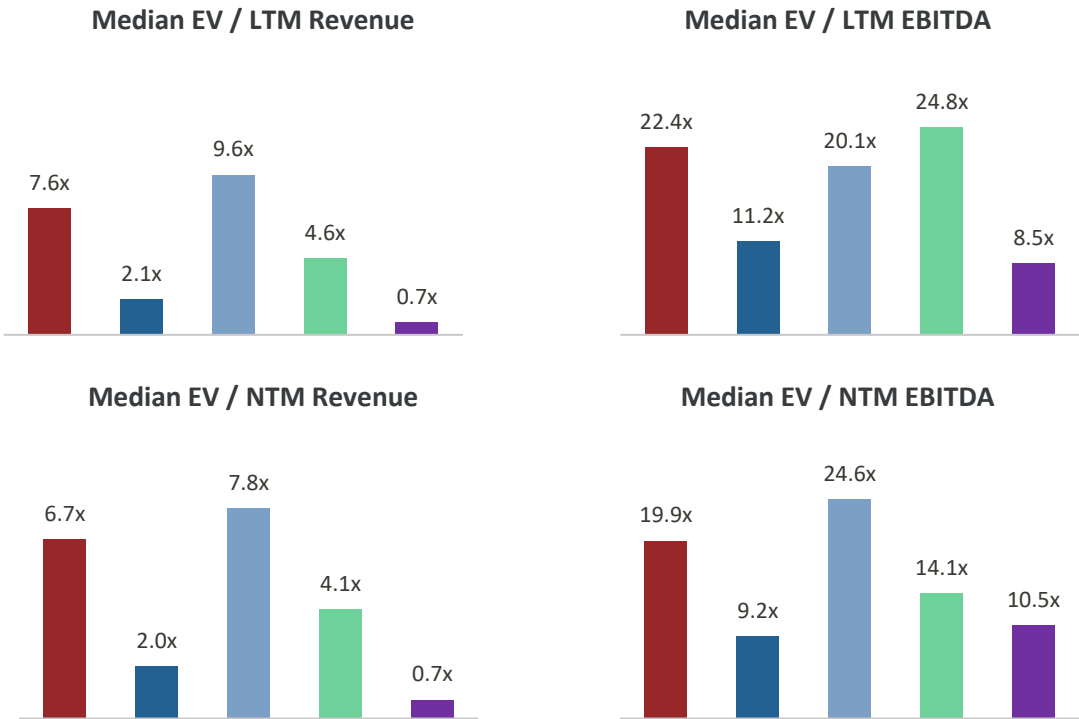


# Human Capital Management Technology Public Company Operating and Valuation Metrics

## 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

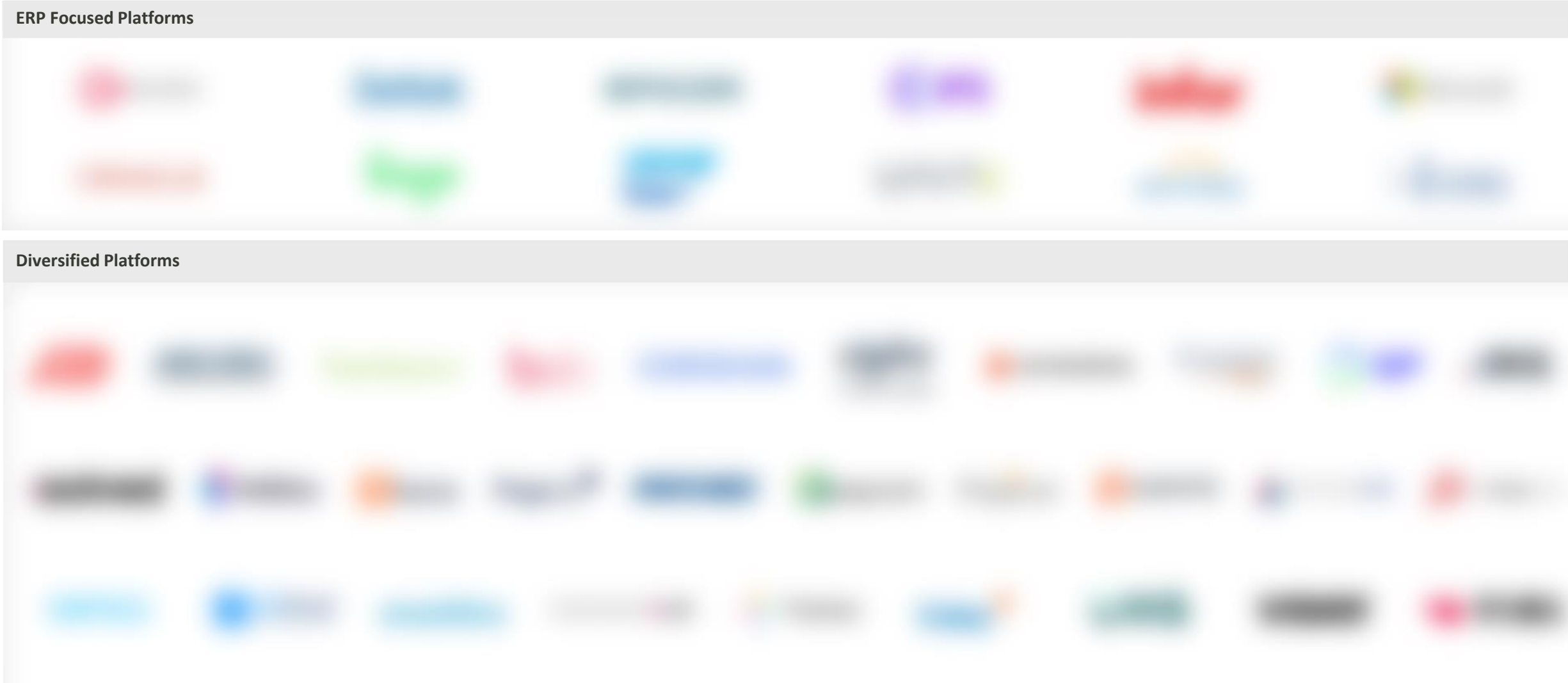
Inspireity  
Robert Half  
trueblue



# HCM Technology Landscape

To view full market map, please contact:  
[TechnologyInsights@harriswilliams.com](mailto:TechnologyInsights@harriswilliams.com)

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

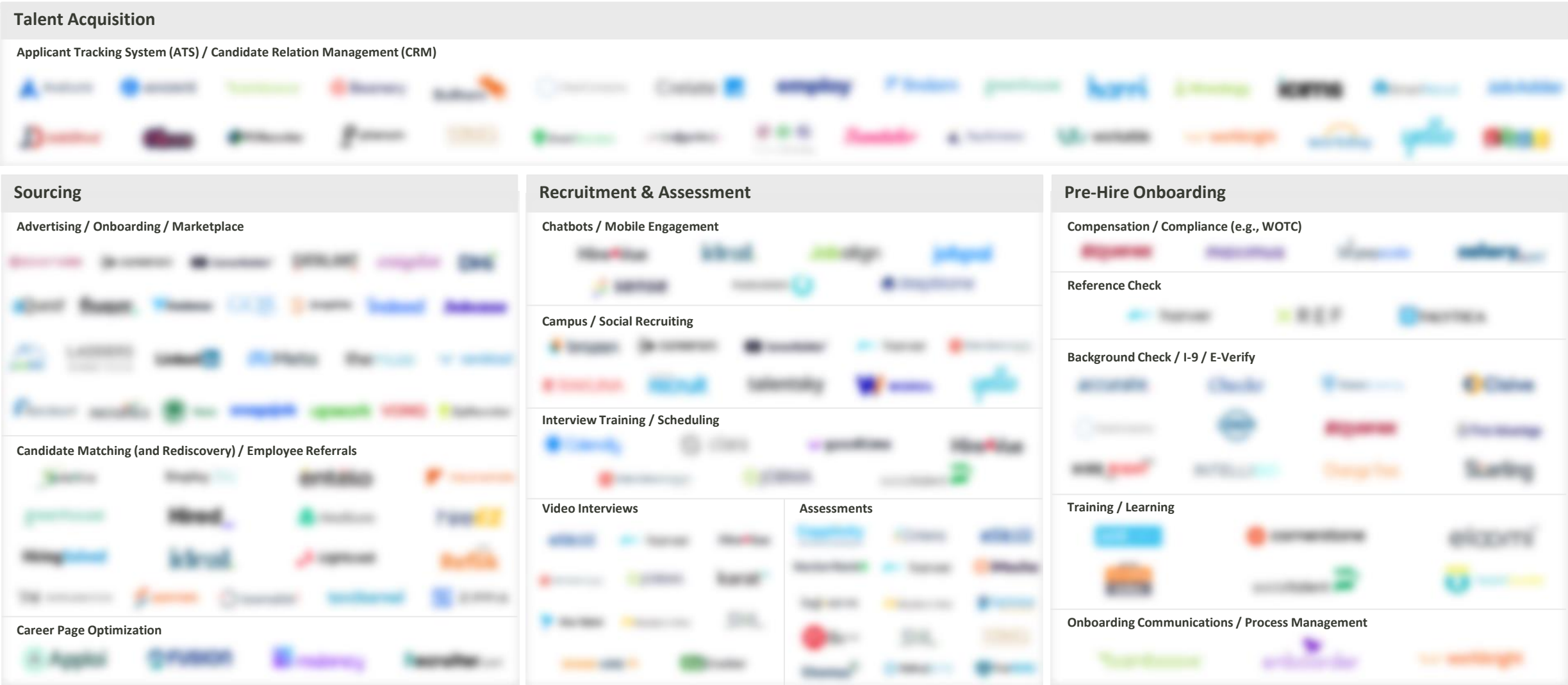




# Talent Acquisition Landscape

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[TechnologyInsights@harriswilliams.com](mailto:TechnologyInsights@harriswilliams.com)

Solutions to enhance the talent acquisition experience for candidates and employers

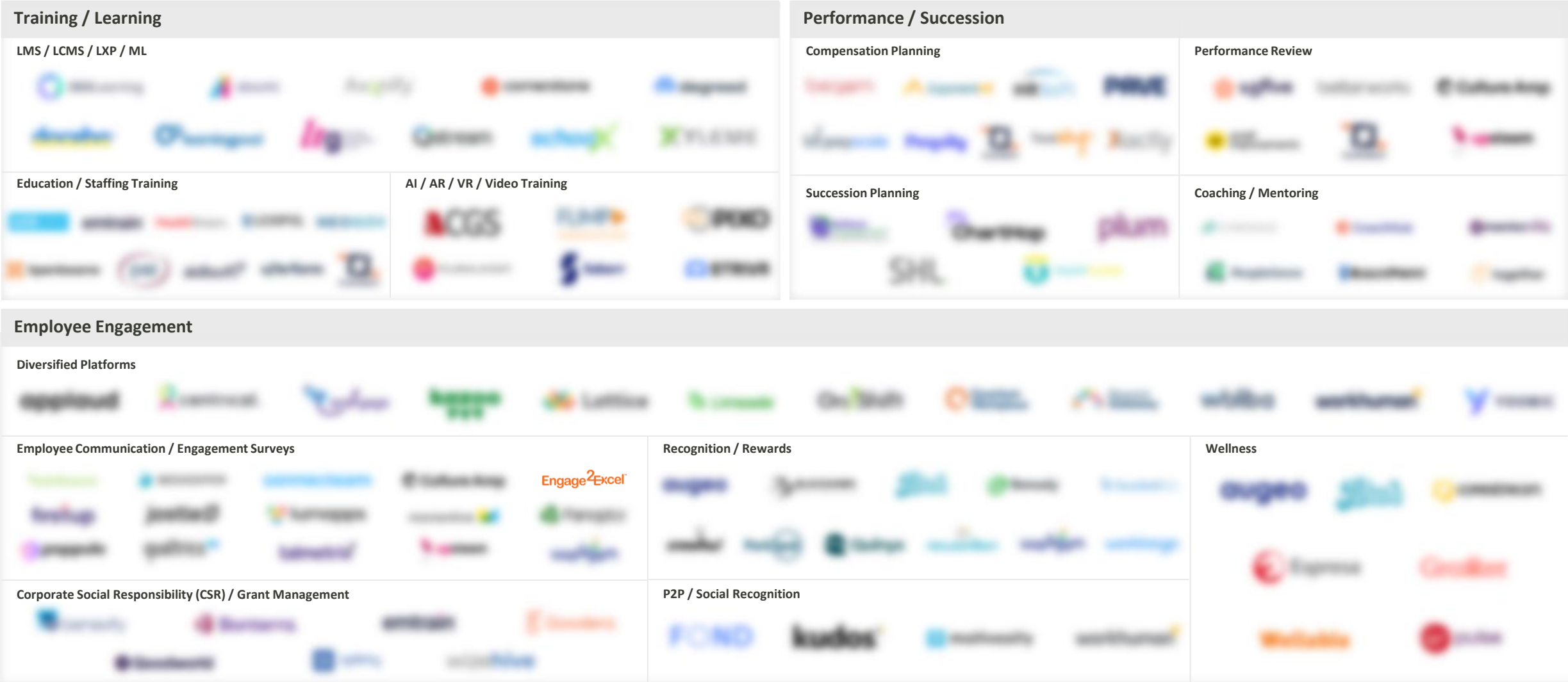




# Talent Management Landscape

To view full market map, please contact:  
[TechnologyInsights@harriswilliams.com](mailto:TechnologyInsights@harriswilliams.com)

Technology solutions tailored to deliver professional education and training, evaluate and reward performance, and increase employee engagement

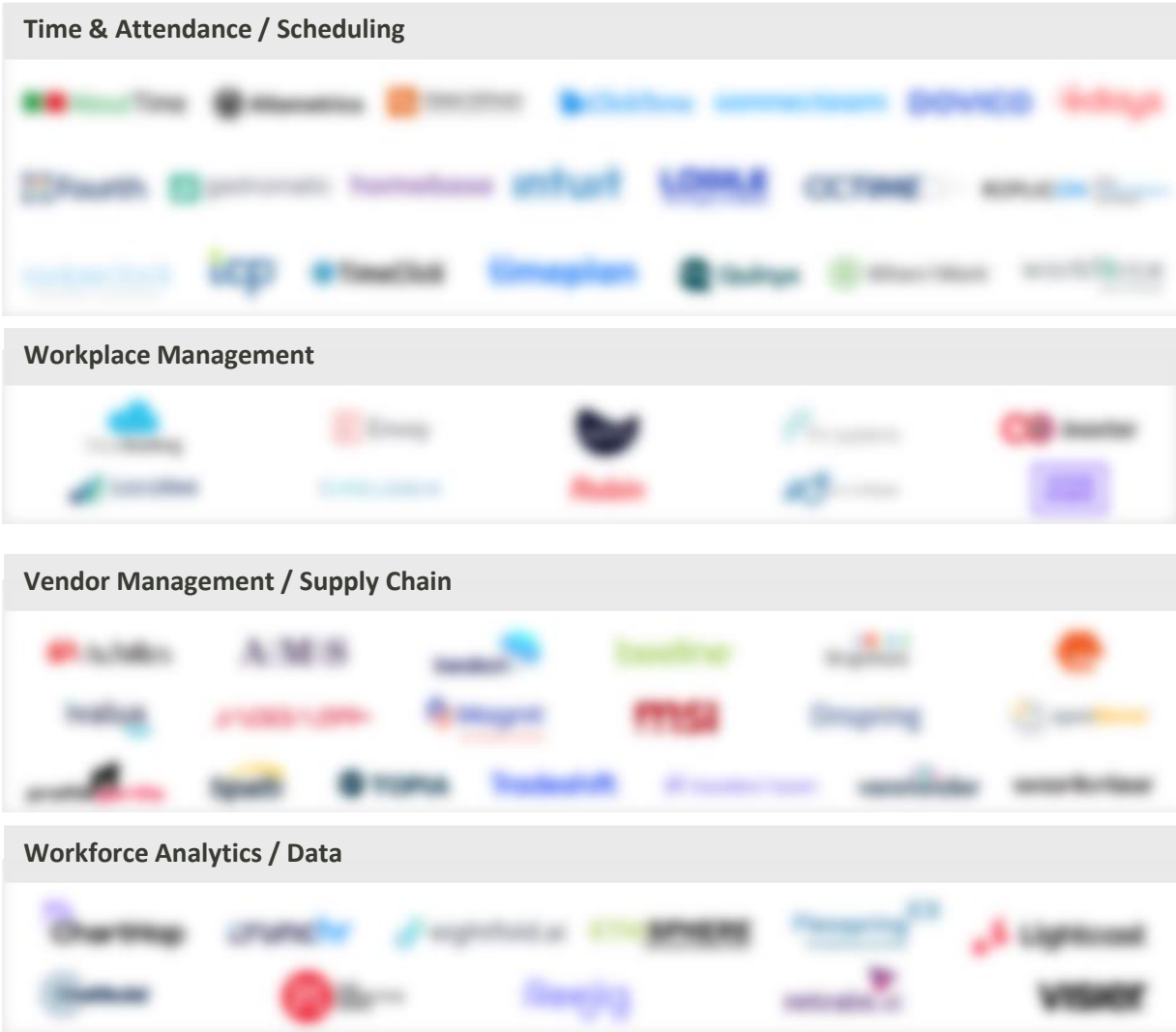
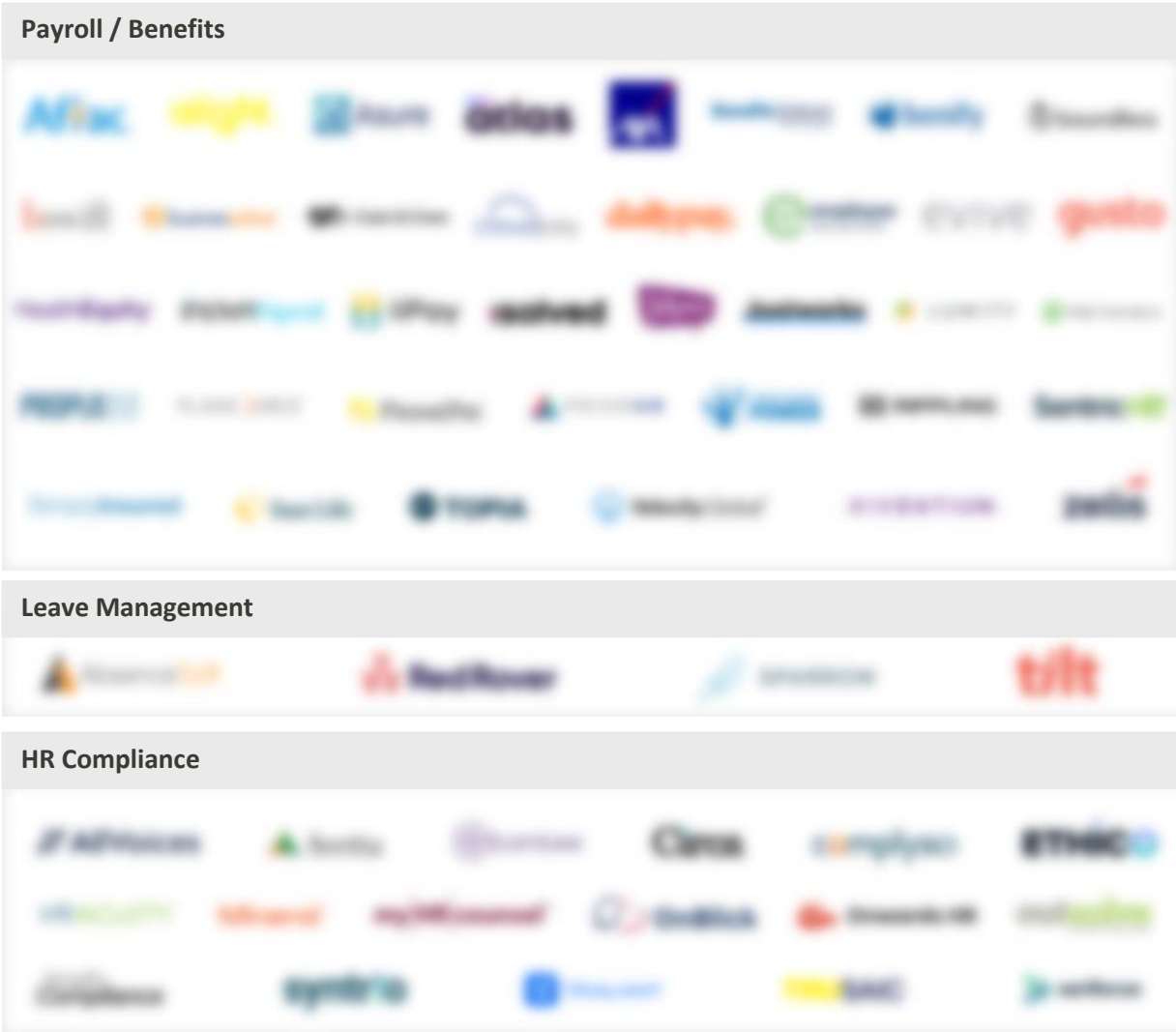




# Workforce Management Landscape

To view full market map, please contact:  
[TechnologyInsights@harriswilliams.com](mailto:TechnologyInsights@harriswilliams.com)

## Organizations to automate and optimize workforce management





## 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





# 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

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# 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

\$ in Millions	Market	Enterprise	% of 52-Week	Revenue Growth		EBITDA Margin		Enterprise Value / Revenue		Enterprise Value / EBITDA	
Company	Capitalization	Value	High	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
Insperty, 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