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HR Technology Sector

M&A Review

Q1 2021



Goldenhill
International M&A Advisors



M&A Overview

In this report, we highlight 52 of the 63 M&A transactions within the HRTech sector which completed during the first quarter of 2021. Overall deal volumes have considerably picked up since the last quarter, growing by 80% and reaching their highest levels since the COVID pandemic started – with volumes 37% higher than in Q1 2019.

Specific market segments have been gaining in popularity and driving M&A activity during the COVID-19 pandemic. Unsurprisingly, these align with the shift toward remote working and include tools and platforms for managing remote hiring, performance, and learning & development.

Notably, workforce management solutions continued to be a hot area in M&A, with 29% of identified deals taking place in this space, followed by talent attraction and talent development solutions, representing 27% and 22% of the total deal volume, respectively.

Cross-border transactions accounted for 52% of the total and 86% of deals involved a strategic or PE-backed buyer. The most active regions in terms of HRTech M&A continue to be the US and Europe (mainly the UK and the Nordics), though the volume has increased in Asia-Pacific (mainly Australia and China).

Public Companies Overview

Q1 saw an increase in average revenue multiples across our entire sample of quoted companies, which reflects the higher economic confidence, as vaccination rates increase across the globe, companies have adapted to the workforce-related challenges and expect a return to business as usual. As of 31st March, the average forward revenue multiple overall was 8.8x, going up to 10.4x for Large Cap companies.

Revenue growth continues to be a critical driver of higher valuations. The companies exhibiting the highest expected revenue growth are Learning Technologies Group (workplace digital learning and talent management software provider) and ReadyTech (people management software provider). Recurring revenue as a proportion of total revenues continues to average above 85%, with Small Cap companies generating as much as 93.5% recurring revenues.

HRTech Subsectors

Compensation and Benefits

HR software relating to the management of employee compensation and benefits administration

Performance Management

Systems to track, measure and reward employee performance

Talent Attraction

Tools to help employers recruit new staff and to help prospective employees search for jobs

Talent Development

HR software providing the means to train and develop an effective workforce

Workforce Management

HR software that facilitates 'everyday' HR work and the management of employees

DEAL SNAPSHOTS



- The acquisition of Legit further positions Clora as a global leader in the on-demand life science talent market, which is expected to grow to \$162bn globally by 2025, at a time when biotech and pharma companies are increasingly looking for flexible, cost-effective solutions to serve their diverse talent needs.
- The Legit team built a proprietary Natural Language Processing (NLP) engine to identify the right expert for a task by mining 40 million scientific publications, patents and clinical trials as well as 2.1 million expert profiles.
- Legit's NLP capabilities will enhance the existing data models Clora uses to help life science companies find, qualify and connect with life science experts.
- Over the last several years, Clora's marketplace has grown to a community of thousands of suppliers and hundreds of top-tier biotechnology and pharmaceutical companies together developing life-altering therapies. Clora's software has enabled access to higher quality on-demand talent at 70% of the costs of most traditional recruitment methods.
- Eniac Ventures-backed Legit in 2018, and since then, Legit has worked with enterprise customers like Johnson & Johnson to identify and connect with on-demand life sciences experts.
- We believe Legit's approach to matching which uses new "big data" sources not historically applied to candidate-matching represents an intriguing shift in the matching technology landscape which could represent a sign of things to come for other sector-specific marketplaces.

- meQuilibrium's acquisition of biometric solution provider, Resilio, represents another transaction this quarter which illustrates the incorporation of new technology solutions in the the HRTech product stack.
- meQuilibrium is a leading provider of digital resilience solutions that harness the science of resilience, AI, predictive analytics, biometrics and neuroscience to help employers build workforce wellbeing and potential at scale.
- Based in Denmark, Resilio is a science-based breathing mobile app company that takes a psychophysiological approach to resilience. Resilio's technology transforms smartphone camera lenses into powerful biometric sensors that monitor breath and heart rate through the index finger to track progress and obtain instant insights into users' personal physiology. The algorithm is based on heart rate variability biofeedback, a non-invasive intervention method for improving automatic nervous system balance.
- Integrating Resilio into the meQuilibrium Resilience Suite provides an additional and ultimately reflexive breathing and stress management intervention for anxiety, sleep, and burnout.
- With meQuilibrium, Resilio can achieve a greater impact in helping people be more resilient and reach hundreds of thousands of users around the globe.
- The acquisition demonstrates how HRTech is moving away from simply replacing manual processes with technology and instead using new leading-edge technology to achieve outcomes which were not previously possible.

DEAL SNAPSHOTS



- Learning Technologies Group plc, a leading provider of services and technologies for digital learning and talent management, was the most active buyer in the quarter, completing three acquisitions and continuing a run of seven in total within the past 12 months. LTG's share price has increased by approximately 20% over this period of activity.
- In January, LTG acquired Reflektive, a platform for employee performance, engagement and analytics, which will be integrated with the existing PeopleFluent talent management portfolio. The two companies have complementary product feature sets, with Reflektive adding continuous 1:1 conversations, employee survey and engagement tools with built-in analytics to PeopleFluent's existing offering.
- The February acquisition of Bridge, a learning and talent development solutions provider, extends LTG's offering for the SME market, which had represented a gap in their product portfolio. Bridge is also expected to be synergistic with LTG's other SME offerings, Breezy and Reflektive, creating opportunities for cross-sell and upsell-led growth.
- Finally, LTG acquired PDT Global, provider of diversity and inclusion solutions, which will become part of Affirmity, LTG's existing workforce compliance and diversity business. The transaction will expand Affirmity's global reach, its online training and diversity consulting capabilities, and enhances the offering to clients.
- UK-based Field Service Management (FSM) software company, Totalmobile – backed by Bowmark Capital since October 2020 – made two acquisitions this quarter.
- The acquisition of Cognito iQ, provider of workforce management and performance analytics technology, enables Totalmobile to add real-time performance analytics capability to its comprehensive suite of end-to-end FSM technologies.
- The transaction also allows the existing customer base to better manage, analyse and action operational data via a control room that ensures services are being delivered efficiently and KPIs are being met.
- This technology complements Totalmobile's existing solutions, which provide customers with mobile working, dynamic scheduling, job management, staff rostering and lone worker protection capabilities.
- Cognito iQ is Totalmobile's largest acquisition to date, following the addition of utilities sector specialist GeoPal in February which added a sector-focussed SaaS solution to Totalmobile's end-to-end suite of FSM software.
- Totalmobile's strategy is to combine a comprehensive suite of FSM products with deep sector expertise and the company believes these acquisitions will enable the company to accelerate growth as it strengthens its service offering.

M&A HIGHLIGHTS Q1 2021

\$2.2bn

Aggregate Deal Value¹

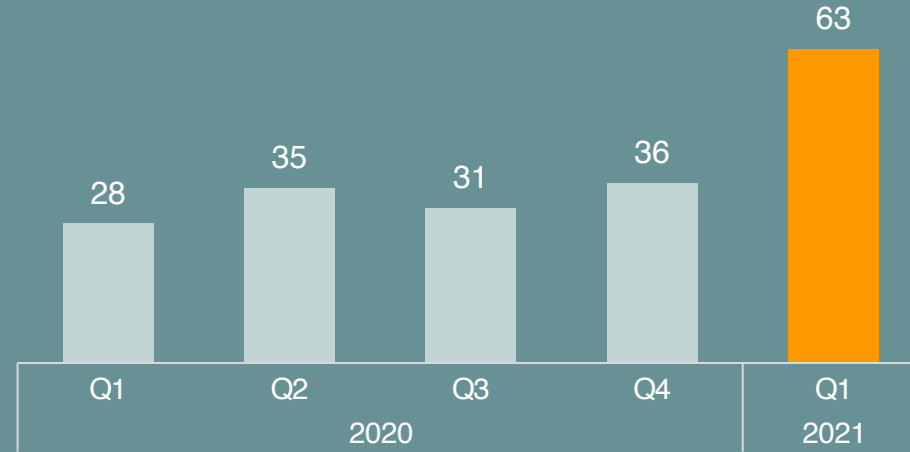
\$198m

Average Deal Size¹

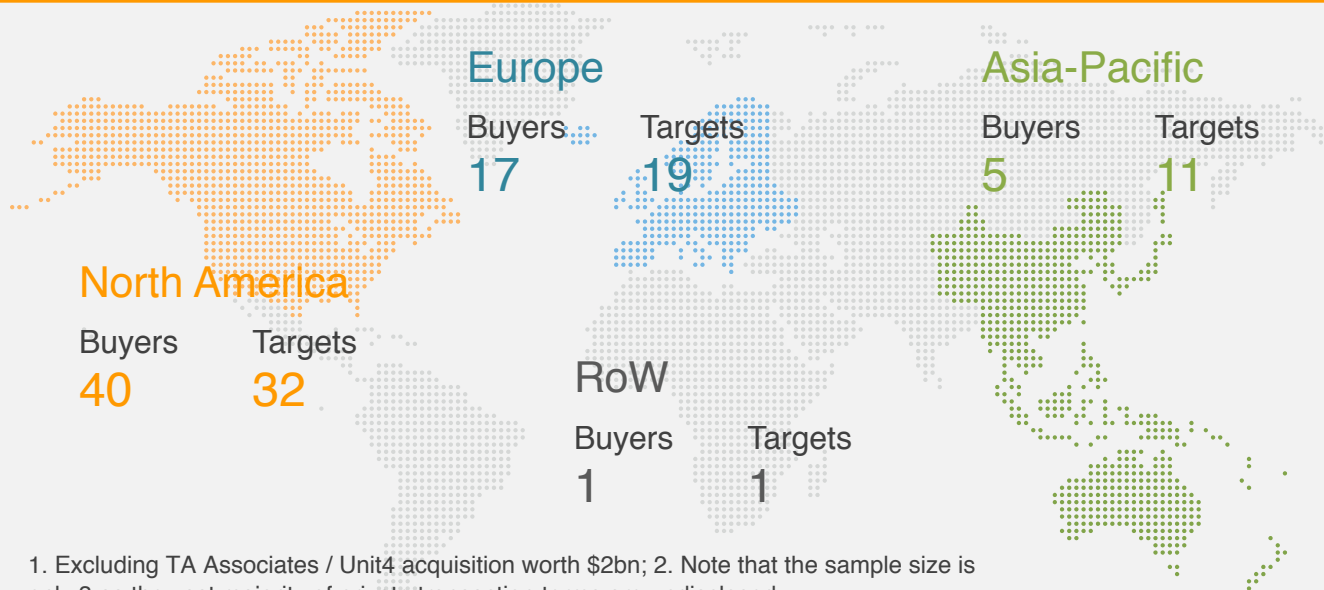
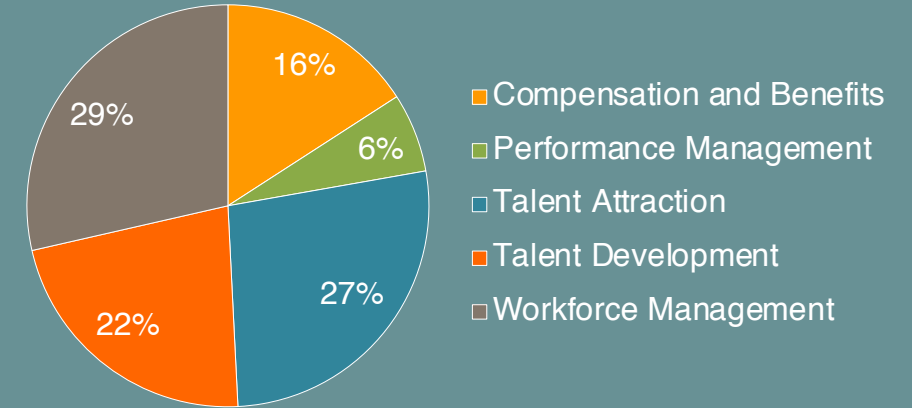
2.2x

Average Revenue Multiple²

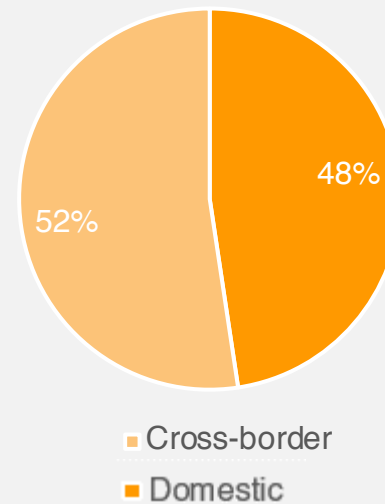
Deal Volume



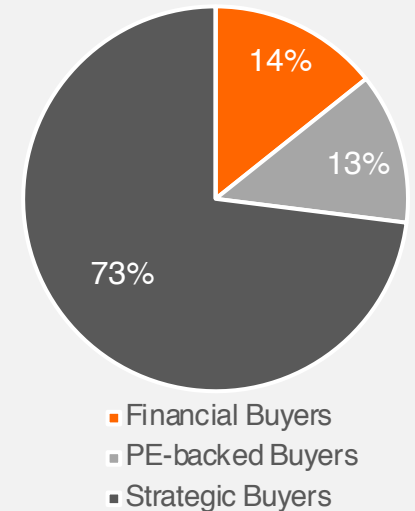
Deals by Subsector



Deals by Type



Deals by Buyer Type



1. Excluding TA Associates / Unit4 acquisition worth \$2bn; 2. Note that the sample size is only 3 as the vast majority of private transaction terms are undisclosed

SELECTED TALENT ATTRACTION TRANSACTIONS

DATE	BUYER	TARGET	DESCRIPTION	DEAL SIZE (\$'m)	TARGET REVENUE (\$'m)	REVENUE MULTIPLE (x)	TRANSACTION RATIONALE
Jan-21	Paradox (US)	Spetz.io (Israel)	Provider of an AI direct-message hiring chatbot.	n/a	n/a	n/a	The acquisition of Israeli chatbot Spetz.io will expand Paradox's global client service capabilities, while laying the foundation for Paradox to build a world-class R&D center in EMEA.
Jan-21	LMC (Czech Republic)	techloop.io (Czech Republic)	Provider of a recruitment marketplace for SW developers.	n/a	n/a	n/a	LMC is the part of Alma Media Group (Finland) operating in the digital recruitment field throughout 11 countries in Europe offering large expansion potential for Techloop. The acquisition of Techloop will also reinforce the e-recruitment services of LMC. Mutual synergies that will further enhance Techloop's platform are mainly in the areas of product, integrations and customer experience.
Jan-21	CareerGig (US)	Moonlighting (US)	Provider of a SaaS platform that empowers individuals to build their own freelancer profiles and allows businesses to hire talented professionals quickly and affordably.	n/a	n/a	n/a	The companies will combine business operations within the next few months under the name CareerGig, forming one of the world's largest freelancer platforms. Both companies use blockchain and artificial intelligence and this new agreement will create a combined platform with more robust and sophisticated capabilities.
Jan-21	Vault.com (US)	Firsthand (US)	Provider of an alumni engagement and mentoring platform.	n/a	n/a	n/a	By integrating Vault's unique content with Firsthand's engagement platform, the company aims to take the mission of providing equal access to great careers to an entirely new level. Combined, the new entity will serve more than 500 higher education institutions and over 8 million users annually.
Jan-21	TPG (US)	Greenhouse Software (US)	Provider of talent acquisition software offering a suite of tools and services to help businesses with the hiring process.	500	n/a	n/a	TPG Growth and The Rise Fund, the global impact investing platform managed by TPG, jointly acquired a majority stake in Greenhouse to help the company accelerate product innovation, grow into new markets and enhance solutions aimed at accelerating diversity, equity and inclusion in hiring.
Jan-21	Willis Towers Watson (UK)	Jobable (Hong Kong)	Provider of human capital analytics and software solutions.	n/a	n/a	n/a	With the acquisition, WTW will be able to leverage Jobable's expertise in human capital data science and software development, including natural language processing, deep learning and predictive analytics. The deal comes after years of global partnership between the two companies, which jointly created skill-based compensation modeling software SkillsVue in 2019. In addition, WTW introduced an AI-driven job reinvention software WorkVue in 2020, which the Jobable team also developed.

SELECTED TALENT ATTRACTION TRANSACTIONS

DATE	BUYER	TARGET	DESCRIPTION	DEAL SIZE (\$'m)	TARGET REVENUE (\$'m)	REVENUE MULTIPLE (x)	TRANSACTION RATIONALE
Feb-21	Recruiter.com (US)	Scouted.io (US)	Provider of a job matching platform developing deep insights into candidates using video screening and AI-based scoring algorithms.	n/a	n/a	n/a	Scouted.io and its innovative predictive-matching algorithm are critical components of Recruiter.com's growth plan. Beyond the financial value of expediting the sourcing-to-hire timeline, Scouted's video platform also allows for greater attention to diversity in the hiring process, through a powerful data set of proprietary metrics and analytics containing hundreds of thousands of talented professionals, many of whom identify as first-generation college graduates, BIPOC and LGBTQ+.
Feb-21	Job.com (US)	Talenting (US)	Provider of a talent management platform that enables disparate data to be recorded and shared in a persistent, immutable ledger, leveraging AI to create industry-standard career scores.	n/a	n/a	n/a	Talenting brings its proprietary full-scale, end-to-end blockchain-powered technology to the Job.com ecosystem, expanding the reach and capabilities of Job.com's platform and allowing for continued growth in the hiring and recruitment industry. Candidates will be able to access, control, distribute, and secure a lifetime of career information with a click, while providing employers with a verifiable and trustworthy curation of services and solutions.
Feb-21	Quintet Yorkway (Australia)	Talent International (Australia)	Provider of technology and digital recruitment solutions.	n/a	558	n/a	Quintet Partners and Quintet Yorkway have increased their combined shareholding in Talent by acquiring a majority stake in the company, substantially increasing its shareholding from an initial investment it made in 2018. Since then, Talent has increased its revenue from \$424m to \$559m, with EBITDA doubling over this period.
Feb-21	Clora (US)	Legit.ai (US)	Developer of a natural language processing engine that identifies the right life sciences experts for a task by mining millions of scientific publications, patents, clinical trials and expert profiles.	n/a	n/a	n/a	The venture-backed Legit team built a proprietary Natural Language Processing engine to identify the right expert for a task by mining 40 million scientific publications, patents, and clinical trials as well as 2.1 million expert profiles. By combining the two companies, Clora will continue to expand its global talent operations within the life sciences by creating the industry's leading marketplace of industry professionals.
Feb-21	Fiverr (US)	Working Not Working (US)	Provider of an online marketplace for high-end creative talent.	n/a	n/a	n/a	This acquisition expands Fiverr's penetration into high quality creatives and freelancers and gives Working Not Working the opportunity to tap into Fiverr's technology and know-how to help them bring global demand to their community.

SELECTED TALENT ATTRACTION TRANSACTIONS

DATE	BUYER	TARGET	DESCRIPTION	DEAL SIZE (\$'m)	TARGET REVENUE (\$'m)	REVENUE MULTIPLE (x)	TRANSACTION RATIONALE
Feb-21	Primavera Capital Group (China)	Zhaopin (China)	Operator of an online recruitment platform in China.	443	n/a	n/a	A consortium of investors led by Primavera Capital Group entered into an investment agreement with SEEK to make a strategic investment in Zhaopin, which upon completion will result in the consortium owning 76.5% of the stake in Zhaopin and SEEK owning the remaining 23.5%. The transaction marks Primavera's strategic move to increase its exposure in the human resource management sector.
Feb-21	Phenom People, (US)	Talencube (Germany)	Provider of a mobile-first video recruiting platform that enables companies to get authentic job applications that already convey the first impression of a real job interview.	n/a	n/a	n/a	This represents Phenom's third acquisition in five months and will accelerate the adoption of video for candidates, employees, recruiters and hiring managers, enhancing support of a post-COVID remote workforce. The addition of Talencube's technology advances Phenom's ability to provide seamless video functionality at every stage of the talent journey. Furthermore, by acquiring Talencube, Phenom adds an office in Munich to complement its overseas headquarters in Rotterdam and European presence.
Mar-21	Criteria (US)	Alcami (Australia)	Provider of an on-demand video interviewing platform.	n/a	n/a	n/a	Criteria will offer its 4,000+ customers Alcam's video interviewing service through its platform. Alcam will also offer Criteria's portfolio of assessments to its APAC customers. Criteria plans to fully integrate the companies in 2022. This milestone follows Criteria's acquisition of Australian-based Revelian, a leader in game-based assessments, in early March of 2020. Criteria will continue to expand its international presence by offering a pipeline of new platform functionality and product offerings throughout 2021 and beyond, including an expansion into post-hire solutions for customers globally.
Mar-21	HelloWork (France)	Seekube (France)	Provider of virtual recruitment solutions.	n/a	n/a	n/a	With the acquisition of Seekube, which hosted 300 virtual HR events in 2020 between students, schools and businesses, HelloWork will strengthen the deployment of its recruitment, training and networking platforms. For HelloWork, this acquisition follows those of Jobijoba in 2018, of Diplomeo in 2019 and previously, of the Talent Detection recruitment management software and the multidistribution of TalentPlug job offers (in joint venture) which integrates with HR management software.

SELECTED TALENT DEVELOPMENT TRANSACTIONS

DATE	BUYER	TARGET	DESCRIPTION	DEAL SIZE (\$'m)	TARGET REVENUE (\$'m)	REVENUE MULTIPLE (x)	TRANSACTION RATIONALE
Jan-21	Health & Safety Institute (HIS) (US)	EJ4 (US)	Provider of online employee training solutions, including off-the-shelf content, custom content, and Thinkzoom learning management system training programs to employees.	n/a	n/a	n/a	HSI, a leader in Environmental Health and Safety (EHS) and workforce development software, training and compliance solutions has acquired leading eLearning provider ej4 to bolster its position and offerings in the HR training and compliance solution market.
Jan-21	Workday (US)	Peakon (Denmark)	Provider of an employee success platform that converts feedback into insights that make employee conversation quantifiable and actionable to increase employee engagement.	700	n/a	n/a	With its acquisition of Peakon, Workday will be able to offer its customers a continuous listening platform, replete with real-time visibility into worker sentiment and productivity. Acquisitions have played a major part in Workday's growth over the past decade, with more than a dozen deals spanning analytics, team collaboration, machine learning and business planning.
Feb-21	ScaleCo (US)	PSP Metrics (US)	Provider of employee measurement tools including research-based employee assessment, talent development, employment testing, succession planning and organisational development services.	n/a	n/a	n/a	The acquisition of PSP aligns well with ScaleCo's strategy of investing in profitable, scalable business services companies. ScaleCo has developed an investment thesis to invest further in the human capital management industry, with plans to grow PSP organically and add on other companies.
Feb-21	Learning Technologies Group (UK)	PDT Global (UK)	Provider of D&I solutions that support customers in addressing highly topical themes such as developing female talent, race allyship and gender identity equality.	n/a	n/a	n/a	PDT Global will become part of Affirmity, LTG's existing workforce compliance and diversity business. This will expand Affirmity's global reach, its online training and diversity consulting capabilities, while providing a greatly enhanced offering to clients.
Feb-21	Learning Technologies Group (UK)	getBridge (US)	Provider of learning and talent development software solutions.	50	21	2	The acquisition of Bridge from Instructure Inc significantly extends LTG's mid-enterprise learning and talent offering, as it is complementary to PeopleFluent, which serves the large enterprise market, and BreezyHR, which serves the SME business market. The integration of Bridge with LTG's other portfolio offerings, including the recently acquired Reflektive will further create opportunities for cross-sell and upsell-led growth.
Mar-21	Accenture (Ireland)	Cirrus (UK)	Provider of leadership development, talent management and strategic engagement solutions.	n/a	n/a	n/a	Cirrus will join Accenture's Talent & Organization / Human Potential team and strengthen its development and coaching capabilities for leaders seeking business transformation. Cirrus also complements some of Accenture's most recent acquisitions — Future State in February and Kates Kesler in 2020.

SELECTED TALENT DEVELOPMENT TRANSACTIONS

DATE	BUYER	TARGET	DESCRIPTION	DEAL SIZE (\$'m)	TARGET REVENUE (\$'m)	REVENUE MULTIPLE (x)	TRANSACTION RATIONALE
Mar-21	KnowBe4 (US)	MediaPro (US)	Provider of customisable, high-quality content and tools used by Fortune 1000 companies to train their teams on compliance, security and privacy.	n/a	n/a	n/a	KnowBe4's acquisition of MediaPRO will expand the company's presence in the security awareness training market. MediaPRO's configurable offering is a great compliment to KnowBe4's platform and together with MediaPRO's deep library of privacy, security and compliance training content, the company will broaden the choices for their customers and provide more options for reaching their training and awareness goals.
Mar-21	meQuilibrium (US)	Resilio (US)	Provider of biofeedback solutions that help users build the foundation for resilience.	n/a	n/a	n/a	meQuilibrium, a leading provider of digital resilience solutions to employers, has acquired the assets of science-based breathing app, Resilio to introduce biometric technology into its platform and provide additional and ultimately reflexive breathing and stress management intervention solutions for anxiety, sleep, and burnout.
Mar-21	Axonify (Canada)	Mlevel (US)	Provider of a digital learning platform that offers microlearning solutions focused on skill application.	n/a	n/a	n/a	The strategic combination will unite the two leaders and will bring to their collective customers the significant benefits of their complementary capabilities to drive the future of modern learning. MLevel's main industries served include food service, contact centers and insurance as well as retail and financial services which pairs nicely with Axonify's core frontline focus.
Mar-21	PSI Services (US)	Human Scope / Ottmann Global Partners (Hong Kong/Germany)	Human Scope provides talent management leadership and assessment and development solutions. Ottmann Global Partners provides leadership assessment, executive coaching, organisational development and change management solutions.	n/a	n/a	n/a	Through its acquisition of Human Scope (Hong Kong/Greater China) and Ottmann Global Partners (Germany), PSI will add key talent management, leadership, assessment and development solutions to its portfolio, while expanding its reach in strategic regions.
Mar-21	eLearning Brothers (US)	The Game Agency (US)	Provider of learning solutions that equips companies with the best tools for professional development and employee productivity.	n/a	n/a	n/a	The move solidifies eLearning Brothers' position as a one-stop-shop for online learning. Adding The Game Agency' game-based solutions offers corporate training and development professionals more fun and effective learning experiences, resulting in significantly more engaged, motivated and productive employees.

SELECTED WORKFORCE MANAGEMENT TRANSACTIONS

DATE	BUYER	TARGET	DESCRIPTION	DEAL SIZE (\$'m)	TARGET REVENUE (\$'m)	REVENUE MULTIPLE (x)	TRANSACTION RATIONALE
Jan-21	Likeit Solutions (Finland)	Nepton (Finland)	Provider of workforce management solutions enabling clients to easily manage their staff's work hours, absences and leisure.	n/a	n/a	n/a	The goal of the merger is to continue strong growth and develop new services in the fields of work management, payroll automation and analytics. Services will continue to be offered directly to customers and through partner networks. The Finnish private equity investor Sponsor Capital joins the group as an owner to support reaching these goals.
Jan-21	Valsoft (Canada)	Softbrick (Netherlands)	Provider of workforce management software solutions for the optimal use of staff members.	n/a	n/a	n/a	Softbrick represents the 34th company to join the Valsoft family, allowing the company to enter the workforce management vertical, while perfectly complementing the other industries within Valsoft's portfolio. Softbrick is a strong player in the Benelux market and one that will push Valsoft to further expand its European presence. As part of the Valsoft group, Softbrick is also well positioned to expand its technical capabilities, continue its growth plan and significantly increase its market share by leveraging synergies with Valsoft's presence in a wide range of industries.
Jan-21	Kallidus (UK)	Sapling (US)	Provider of a people operations platform that automates people workflows by connecting people data across existing HR systems.	n/a	n/a	n/a	Sapling is expected to be complementary to Kallidus thanks to its core HR platform, specialising in employee onboarding. The acquisition will help Kallidus enter the North American market as well as offer a suite of HR and Digital Learning solutions, at a time of growing demand for full HCM due to greater adoption of distributed and remote working practices, fiercer competition for talent and increasing compliance requirements across industries. Sapling is the second strategic acquisition made by Kallidus since Apse Capital partnered with the company in March 2019. In March 2020, Kallidus bolstered its Digital Learning offering with the acquisition of Engage in Learning.
Jan-21	PlayVox (US)	Agyle Time (Australia)	Developer of cloud-native digital-first workforce management software for contact centers.	n/a	n/a	n/a	Playvox, announced the acquisition of Agyle Time following a \$25 million funding round received from Five Elms Capital. Combining the quality management agent optimisation tools that Playvox has built with Agyle Time's workforce management will allow the company to expand beyond feedback systems into customer service workforce scheduling and position them to compete in the enterprise market with a more complete toolset.

SELECTED WORKFORCE MANAGEMENT TRANSACTIONS

DATE	BUYER	TARGET	DESCRIPTION	DEAL SIZE (\$'m)	TARGET REVENUE (\$'m)	REVENUE MULTIPLE (x)	TRANSACTION RATIONALE
Feb-21	TotalMobile (UK)	GeoPal Solutions (Ireland)	Provider of cloud and mobile applications for improving the productivity of businesses with mobile workers.	n/a	n/a	n/a	The acquisition of GeoPal adds a sector-specific SaaS solution to Totalmobile's end-to-end suite of Field Service Management software, enabling the company to cater to the unique requirements of the construction, environmental and facilities management sectors. At the same time, the addition of GeoPal gives Totalmobile an opportunity to cross-sell its products within its customer base.
Feb-21	CV Check (Australia)	Bright People Technologies (Australia)	Developer of workforce management software solutions.	12	4	3	The combination of CV Check and Bright will create a credentials-based workforce management capability built on Bright's workforce compliance strength and the CVCheck platform's highly automated verification workflows and HRIS integrations.
Feb-21	Recruitee (Netherlands)	Sympa (Finland)	Provider of core HR solutions in the Nordics.	n/a	n/a	n/a	The combined entity will create a premium digital HR solutions offering, benefiting from Sympa's reach in the Nordics and Recruitee's global presence. The group will have over 4,000 customers across Europe and the US and a team of over 250 employees. PSG backing the combined group as majority shareholder, will support new product development and fund organic and inorganic growth.
Mar-21	Xero (New Zealand)	Planday (Denmark)	Provider of a workforce collaboration platform that enables managers and hourly workers to communicate, collaborate and get work done.	285	n/a	n/a	Strategically aligned with Xero's intention to expand the small business platform, the acquisition of Planday will help more small businesses save time and money, support more flexible forms of work and deal with increasing compliance requirements. Following the acquisition, Planday will expand its presence into other markets where Xero operates, supporting Xero's long-term growth plans.
Mar-21	Equifax (US)	HIREtech Corp (US)	Provider of platform to access the real-time data and intelligence to make financial and hiring decisions.	n/a	n/a	n/a	HIREtech offers a robust technology platform that offers businesses access to data and intelligence that helps guide important financial and hiring decisions. Bridging the gap between HR, tax and finance, the HIREtech capabilities will help expedite innovation within the Workforce Solutions business unit at Equifax.

SELECTED WORKFORCE MANAGEMENT TRANSACTIONS

DATE	BUYER	TARGET	DESCRIPTION	DEAL SIZE (\$'m)	TARGET REVENUE (\$'m)	REVENUE MULTIPLE (x)	TRANSACTION RATIONALE
Mar-21	Officium Labs (US)	Spreadsheet Scheduler (US)	Developer of a suite of workforce management solutions for call center management.	n/a	n/a	n/a	The acquisition of SpreadsheetScheduler.com will add industry-leading workforce management tools to the Officium ServiceStack for call center management.
Mar-21	TA Associates (US)	Unit4 (Netherlands)	Provider of enterprise software including absence management, HR & payroll and time and performance management solutions.	2,000	n/a	n/a	TA Associates, with additional investment from Partners Group, is buying out Unit4's former PE backer Advent International, which acquired the previously publicly-listed Unit4 for \$1.6 billion in 2014. The fresh investment will be used to fuel growth through product development and acquisitions.
Mar-21	Equifax (US)	i2Verify (US)	Provider of employment verification solutions.	n/a	n/a	n/a	With this acquisition, Equifax expands its suite of automated verification capabilities and brings incremental efficiencies to both consumers and credentialed verifiers. As verifiers and consumers look to connect the dots associated with employment through a single user experience, joining the Equifax team will allow i2Verify to deliver an optimal solution to both their verifier and consumer communities.
Mar-21	PayGroup (Australia)	Integrated Workforce Solutions (Australia)	Operator of a cloud-based workforce management platform for payroll administration, rostering, time and attendance.	15	n/a	n/a	PayGroup is planning to raise \$16 million in additional capital to help it fund the purchase of Integrated Workforce Solutions (IWS). The acquisition is a highly strategic expansion into the franchise vertical, broadening PayGroup's capabilities and significantly increasing its cross-selling opportunities.

SELECTED COMPENSATION & BENEFITS TRANSACTIONS

DATE	BUYER	TARGET	DESCRIPTION	DEAL SIZE (\$'m)	TARGET REVENUE (\$'m)	REVENUE MULTIPLE (x)	TRANSACTION RATIONALE
Jan-21	IRIS Software Group (UK)	Staffology (UK)	Provider of a cloud payroll software platform built on a comprehensive, open API, enabling integration with other products.	n/a	n/a	n/a	Staffology complements IRIS' cloud-based payroll offering and helps customers take advantage of automation tools that streamline processes and integrate with other applications, freeing time and energy to focus on more strategic activity. The Staffology application is designed for businesses demanding critical operational software that's suitable for remote working, that can be quickly updated when regulations change and take advantage of greater flexibility and agility as payroll demands fluctuate.
Jan-21	Dominion Payroll (US)	Paylogic Payroll Services (US)	Provider of payroll processing and human capital management solutions.	n/a	n/a	n/a	With this acquisition, PayLogic will become the Kentucky branch for Dominion Payroll, adding to offices in the Carolinas, Florida, Tennessee and Texas.
Jan-21	Juniper Education (UK)	Jane Systems (UK)	Provider of HR and Payroll software specialised in the education sector.	n/a	n/a	n/a	The acquisition of Jane System will strengthen Juniper's HR and payroll support for schools, expanding the company's portfolio of innovative software and services and increasing the number of schools using its solutions to over 10,000. This latest acquisition follows the recent addition of SISRA. The combination of SISRA, Jane Systems and Juniper will provide a complete education specific solution for managing and developing their staff.
Feb-21	Execupay (US)	Fox Payroll (US)	Provider of payroll and human resource solutions.	n/a	n/a	n/a	With the acquisition of the Fox Payroll, Execupay will expand its presence into the Northeast United States and upgrade the former Fox Payroll clients with its cloud-based HR and payroll software that includes helping them find payroll-based tax credits.
Feb-21	Ceridian HCM (US)	Ascender (Australia)	Provider of payroll and HR solutions in Asia-Pacific.	n/a	n/a	n/a	Together with Ascender, Ceridian will provide comprehensive payroll and HCM solutions in the Asia Pacific Japan region, with a combined 1,500 customers, serving 2.5 million employees. Ceridian will have the opportunity to deliver additional value to Ascender's customers through the Dayforce platform's full-suite HCM capabilities, including workforce management, payroll, and time and attendance. Previously, Ceridian acquired Excelity Global, a Singapore-based leading HCM provider and RITEQ, an Australia-based enterprise workforce management provider.

SELECTED COMPENSATION & BENEFITS TRANSACTIONS

DATE	BUYER	TARGET	DESCRIPTION	DEAL SIZE (\$'m)	TARGET REVENUE (\$'m)	REVENUE MULTIPLE (x)	TRANSACTION RATIONALE
Feb-21	CNO Financial Group (US)	DirectPath (US)	Provider of strategic employee engagement, compliance management and benefits plan management services for Fortune 1000 employers and brokers.	50	n/a	n/a	With this acquisition, CNO will be able to deliver a unique combination of voluntary insurance products, benefits administration technology and benefits management services, firmly establishing the company as a full-service provider of worksite solutions. The combined entity will go to market with an integrated solution to help businesses drive improved employee acquisition and retention, increase benefits engagement and deliver cost savings for employers and employees.
Mar-21	PayScale (US)	PayFactors Group (US)	Developer of a suite of cloud-based compensation data management solutions.	n/a	n/a	n/a	The merger between PayScale, an industry leader in compensation data and technology and Payfactors, a leading compensation data management company will create one of the largest providers of its kind in North America. Combined, the new firm will have more than 10,000 customers, impacting more than 35M employees, with over 100M visitors to the website each year to research and compare average salaries for more than 10,000 jobs. Insight Partners will make a new equity investment into the combined company, rolling 100% of their Payfactors equity and joining Francisco Partners as part of the PayScale investor base.
Mar-21	Triage Staffing (US)	Kamana (US)	Provider of healthcare staffing software solutions.	n/a	n/a	n/a	Triage will implement Kamana's digital wallet as its own portal, giving health care professionals the ability to build profiles that include contact information, licensing and credential documentation, while also enabling them to manage assignments and apply for jobs.
Mar-21	Wagestream (UK)	Earnd (Australia)	Provider of a financial well-being platform that helps employees get payday loans by plugging into the current payroll system, allowing them to set their own pay schedule with on-demand access to pay as they earn it.	n/a	n/a	n/a	The UK fintech company Wagestream has snapped up Earnd Australia, one of Greensill's most valuable subsidiaries, following the company's descent into administration in early March. The now dissolved Greensill paid \$20m for Earnd as part of an acquisition spree to grow its operations following a \$1.5bn capital injection Japan's SoftBank group in 2019. The acquisition will see Earnd Australia's leadership, product, customer and local market expertise become part of an expanded Wagestream Australia team.

SELECTED PERFORMANCE MANAGEMENT TRANSACTIONS

DATE	BUYER	TARGET	DESCRIPTION	DEAL SIZE (\$'m)	TARGET REVENUE (\$'m)	REVENUE MULTIPLE (x)	TRANSACTION RATIONALE
Jan-21	Planview (US)	Clarizen (US)	Provider of cloud-based work collaboration and project management solutions.	n/a	n/a	n/a	Planview announced the acquisitions of two industry leaders: Clarizen, a global leader in enterprise collaborative work management, and Changepoint, a leading enterprise portfolio management provider. The newly combined entity will create global leader with approximately 1,000 employees, more than 4,500 customers, and over 1.3 million users and will enable customers to accelerate their agile and Project Portfolio Management (PPM) transformations and reinvent the future of on-strategy delivery. The close of the transactions follows Planview's acquisition in December 2020 by TPG Capital and TA Associates, whose investment has focused on accelerating Planview's growth. Clarizen and Changepoint are the company's largest acquisitions to date and represent an important first step in Planview's growth strategy for 2021.
Jan-21	Learning Technologies Group (UK)	Reflektive (US)	Provider of a platform for employee performance, engagement and analytics.	14	14	1	LTG will integrate Reflektive's solution with the existing PeopleFluent talent management portfolio. This highly complementary acquisition will enhance the capabilities of PeopleFluent, bringing over 450 new corporate customers, while increasing LTG's proportion of proforma recurring revenue to more than 80%.
Mar-21	Raydiant (US)	Hoopla (US)	Provider of a performance and motivation management platform for driving performance and productivity.	n/a	n/a	n/a	Raydiant's digital experience platform, combined with Hoopla's data driven motivation, engagement and gamification solutions will power the future work with solutions available for in-office, remote and hybrid workplaces. This acquisition marks the first major milestone in Raydiant's 2021 growth strategy.
Mar-21	TotalMobile (UK)	Cognito iQ (UK)	Provider of a cloud-based platform that enables service organizations to plan, execute and monitor field performance.	n/a	n/a	n/a	The acquisition of Cognito iQ enables Totalmobile to add a best-of-breed real time performance analytics capability to an already comprehensive suite of end-to-end Field Service Management technologies. Cognito iQ's technology will be rebranded and launched as Totalmobile's new 'Analyse' product, presenting a significant opportunity to offer the product to Totalmobile's existing customer base of over 1,000 companies, covering a range of sectors. The addition of Cognito iQ also provides Totalmobile with a strong presence in the fast-growing logistics market.

PUBLIC COMPS HIGHLIGHTS

8.8x

Avg. EV/Revenue CY2020E

16%

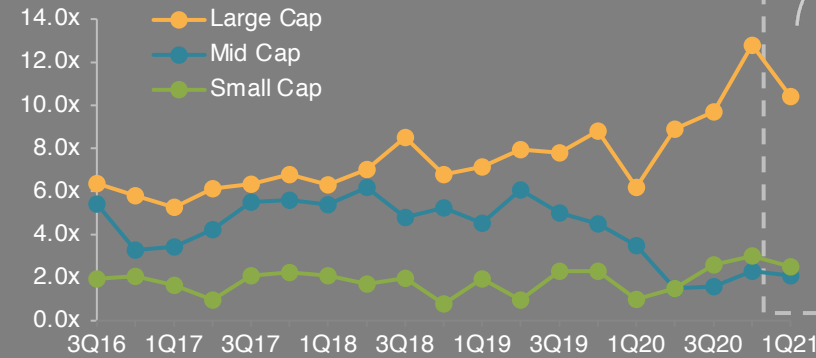
Avg. Revenue Growth CY2019

86%

% Recurring Revenue

Historic Revenue Multiples

EV/Revenue



Large Cap

10.4x

Avg. EV/Revenue

18%

Avg. Revenue Growth

85%

% Recurring Revenue

Mid Cap

2.1x

Avg. EV/Revenue

-5%

Avg. Revenue Growth

74.5%

% Recurring Revenue

Small Cap

2.5x

Avg. EV/Revenue

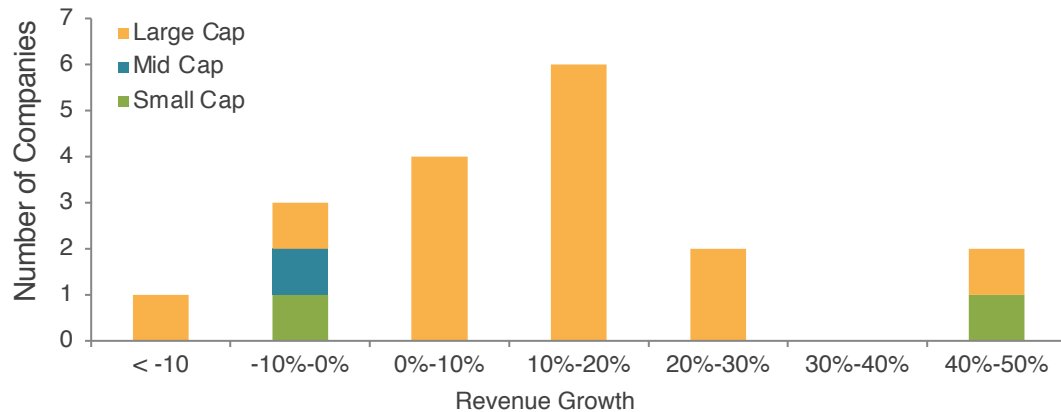
18%

Avg. Revenue Growth

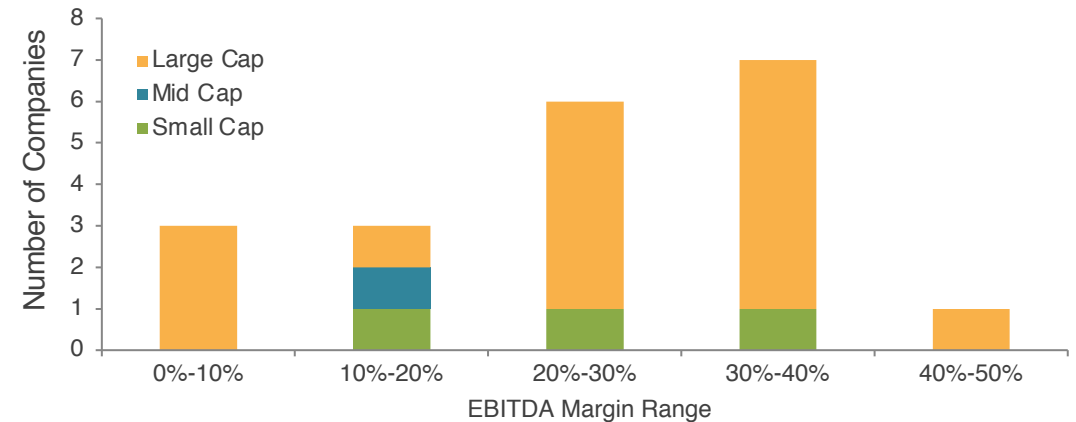
93.5%

% Recurring Revenue

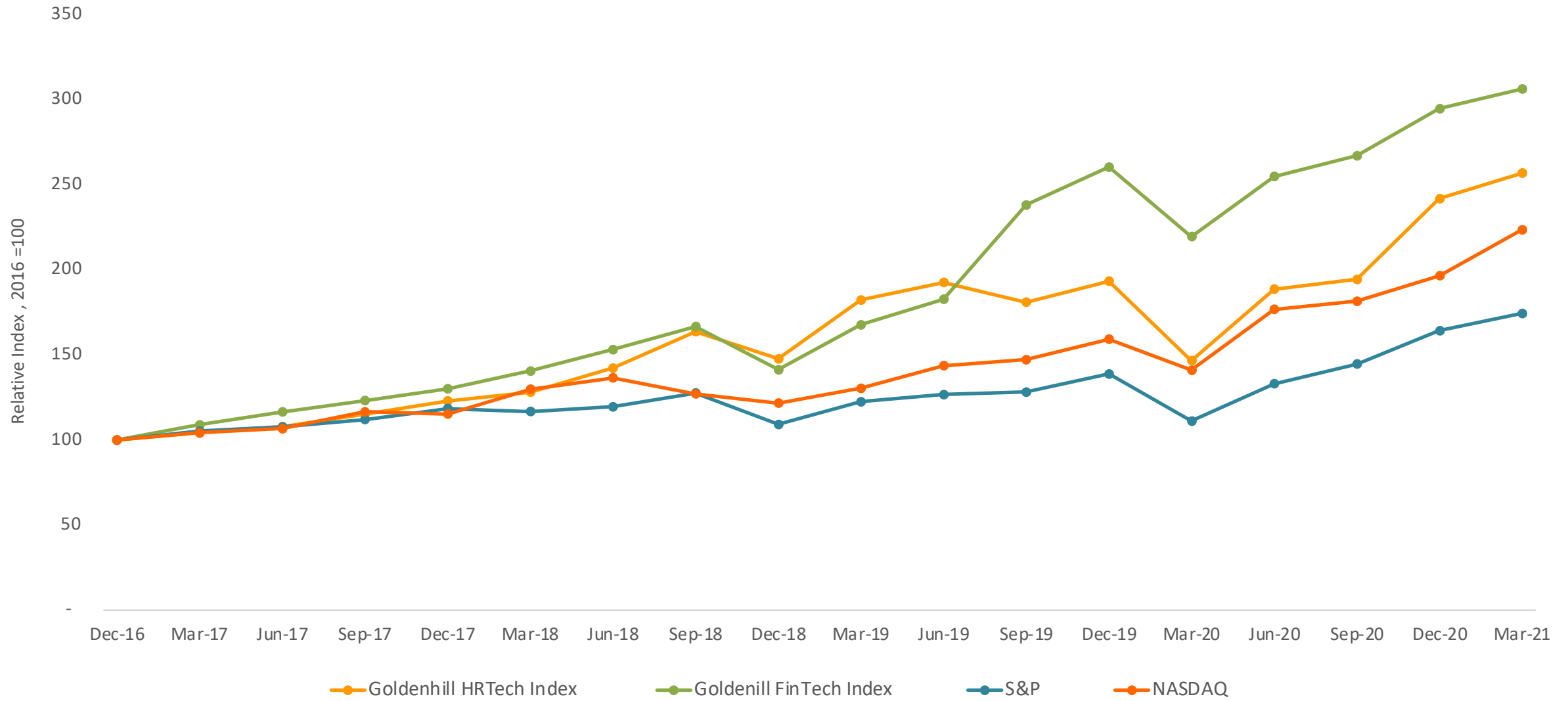
Revenue Growth Distribution



EBITDA Margin Distribution

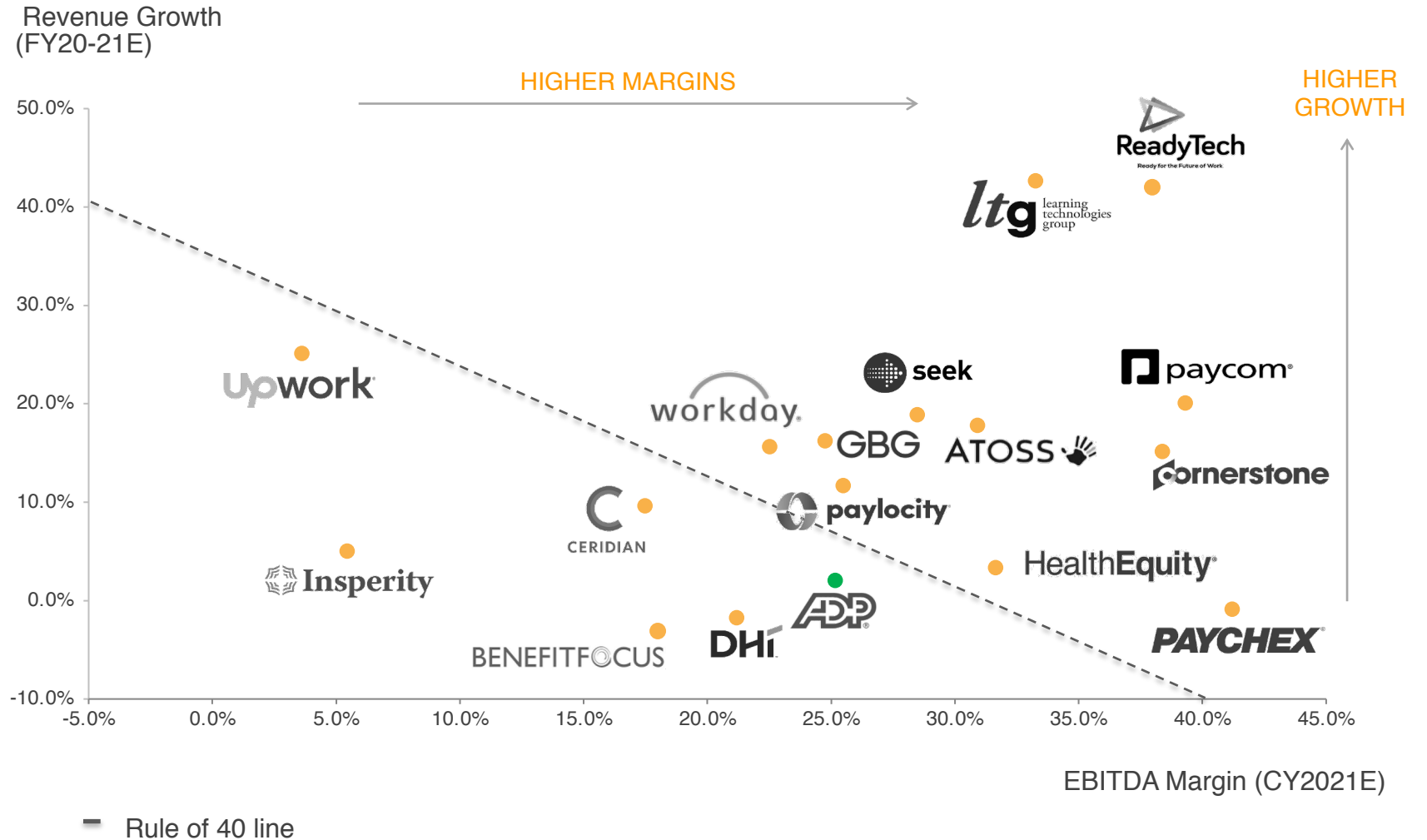


GOLDENHILL HRTECH INDEX



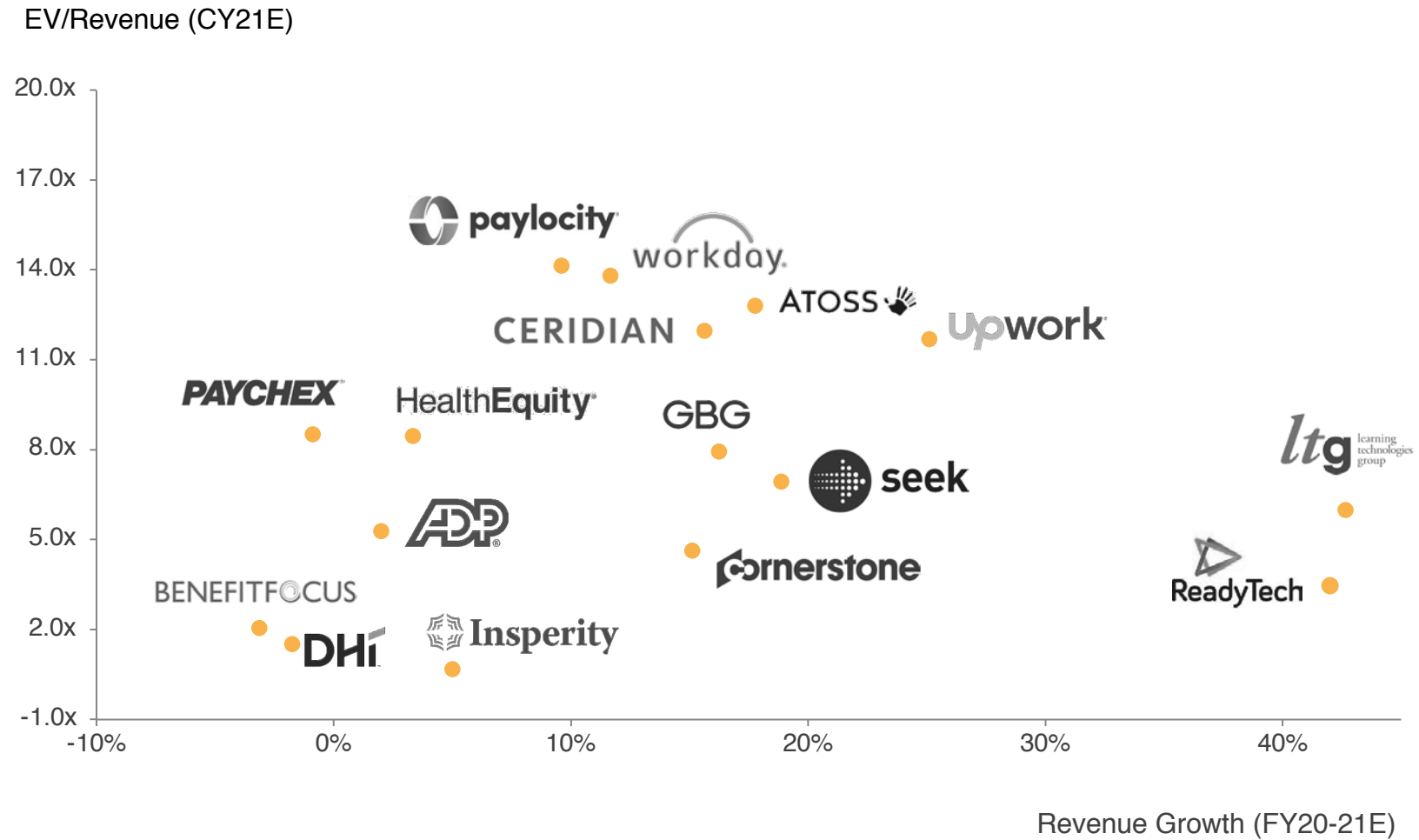
PERFORMANCE QUADRANTS

The Rule of 40 is a recognised measure of health for SaaS companies, which states that Revenue Growth % and EBITDA Margin (profitability) should ideally add up to roughly 40%.



REVENUE GROWTH AS A VALUE DRIVER

Revenue growth continues to be one of the most important drivers for higher valuations. The companies exhibiting the highest expected revenue growth this year are Learning Technologies Group (workplace digital learning and talent management software) and ReadyTech (provider of people management software).



SECTOR VALUATION METRICS

Company	Ticker	Share Price	Market Cap (\$m) ⁽¹⁾	Net Debt (\$m) ⁽²⁾	Enterprise Value (\$m)	Revenue		EV/Revenue		EV/Revs	EV/EBITDA		Revenue Growth		EBITDA Margin		% Revs
		Local 31-Mar-21				CY21E (\$m)	CY2020	CY2021E	Recurring	CY2020	CY2021E	CY2020	CY2021E	CY2020	CY2021E	Recurring ⁽³⁾	
Selected Large Cap																	
ADP	ADP US Equity	188.5	80,654	550	81,203	15,353	5.5x	5.3x	5.3x	21.7x	21.0x	3.4%	2.0%	25.4%	25.2%	100%	
Workday	WDAY US Equity	248.4	60,368	(1,322)	59,046	4,937	13.9x	12.0x	13.6x	NM	53.1x	19.0%	15.6%	5.3%	22.5%	88%	
Paychex	PAYX US Equity	98.0	35,349	4	35,353	4,154	8.8x	8.5x	8.6x	21.4x	20.6x	7.1%	-0.9%	41.1%	41.2%	99%	
Paycom	PAYC US Equity	3.7	22,273	(93)	22,180	1,010	26.4x	22.0x	22.4x	88.4x	55.8x	14.1%	20.1%	29.8%	39.3%	98%	
Ceridian HCM	CDAY US Equity	84.3	12,541	524	13,065	924	15.5x	14.1x	17.3x	NM	80.8x	2.2%	9.6%	7.7%	17.5%	82%	
Paylocity	PCTY US Equity	179.8	9,778	(104)	9,674	700	16.3x	13.8x	13.9x	72.2x	54.1x	20.0%	11.7%	22.6%	25.5%	99%	
Fiverr	FVRR US Equity	217.2	7,784	(346)	7,439	288	39.3x	25.8x	35.4x	NM	NM	77.0%	52.0%	-4.4%	7.8%	73%	
SEEK Ltd	SEK AU Equity	28.5	7,666	965	8,631	1,246	7.4x	6.9x	9.9x	28.5x	24.3x	-3.7%	18.9%	26.1%	28.5%	70%	
Healthequity	HQY US Equity	68.0	5,645	746	6,391	756	8.9x	8.5x	8.5x	39.4x	26.7x	37.9%	3.3%	22.6%	31.7%	100%	
Upwork	UPWK UW Equit	44.8	5,595	(135)	5,460	467	14.6x	11.7x	12.8x	NM	NM	24.3%	25.1%	-1.7%	3.6%	91%	
Trinet	TNET US Equity	78.0	5,145	72	5,217	999	1.3x	5.2x	6.0x	11.5x	13.5x	4.6%	-75.2%	11.2%	38.7%	87%	
Insperty	NSP US Equity	0.8	3,200	(139)	3,061	4,502	0.7x	0.7x	0.8x	12.6x	12.4x	-0.6%	5.0%	5.7%	5.5%	85%	
Cornerstone	CSOD US Equity	43.6	2,837	1,110	3,947	853	5.3x	4.6x	4.9x	38.7x	12.0x	28.5%	15.1%	13.7%	38.4%	95%	
GB Grp	GBG LN Equity	8.5	2,297	51	2,348	296	8.3x	7.9x	24.1x	32.3x	32.1x	34.4%	16.2%	25.6%	24.8%	33%	
Learning Tech	LTG LN Equity	1.5	1,534	(82)	1,452	242	8.5x	6.0x	6.7x	25.9x	18.0x	2.3%	42.6%	33.1%	33.3%	90%	
Atoss	AOF GR Equity	162.0	1,514	(33)	1,481	116	15.1x	12.8x	18.0x	43.5x	41.4x	22.9%	17.8%	34.7%	30.9%	71%	
Average							12.2x	10.4x		36.3x	33.3x	18%	11%	18.7%	25.9%	85.0%	
Total (Large Cap)			264,181	1,767	265,948												
Selected Mid Cap																	
Benefitfocus	BNFT US Equity	13.8	449	85	534	260	2.0x	2.1x	2.6x	23.8x	11.4x	-9.3%	-3.1%	8.4%	18.0%	80%	
CDEL	DL US Equity	0.1	333	(67)	266	NA	NA	NA	NA	NA	NA	-1.1%	NA	NA	NA	69%	
Average							2.0x	2.1x		23.8x	11.4x	-5%	-3%	8.4%	18.0%	74.5%	
Total (Mid Cap)			782	19	800												
Selected Small Cap																	
Freelancer	FLN AU Equity	0.6	221	(7)	214	NA	5.3x	NA	NA	52.1x	NA	0.7%	NA	10.1%	NA	NA	
DHI Group	DHX US Equity	3.4	175	29	204	135	1.5x	1.5x	1.5x	NM	7.2x	-8.4%	-1.7%	-10.6%	21.2%	100%	
ReadyTech	RDY AU Equity	1.9	142	13	155	45	4.9x	3.4x	3.9x	12.8x	9.1x	12.7%	42.0%	38.1%	38.0%	89%	
PayGroup	PYG AU Equity	0.6	39	(4)	35	15	3.3x	2.4x	2.5x	32.2x	14.2x	98.7%	73.2%	10.2%	16.8%	95%	
Dillistone	DSG LN Equity	22.5	6	1	7	NA	NA	NA	NA	NA	NA	-11.7%	NA	NA	NA	90%	
Average							3.7x	2.5x		32.4x	10.1x	18%	38%	11.9%	25.3%	93.5%	
Total (Small Cap)			584	31	614												
Sector Total			265,546	1,817	267,363		10.1x	8.8x	10.9x	34.8x	28.2x	16%	14%	17%	25%	86%	

(1) Excludes treasury shares

(2) Net financial debt minus marketable securities and collaterals.

(3) Recurring revenues (renewing licences, maintenance, subscriptions, SaaS etc.) where reported for last full year

(4) NM - Not meaningful and NA - Not available

Quick Facts

- Partner-centric firm focused on providing advisory services to sellers and buyers in M&A projects across the globe
- Deep domain expertise across software, services and data intensive sectors, with a focus on FinTech, HRTech and Human Capital
- Our Partners have advised on 100+ transactions with values up to £130m; the majority (70%) of our engagements result in cross-border transactions
- International presence with offices in London, San Diego and Buenos Aires
- Proven track record of successful long-term advisory relationships positioning clients for premium transactions using current insights into the relevant strategic investors

Selected Transactions

 <p>HRTech</p> <p>LAUNCHPAD</p> <p>Has been acquired by:</p> <p>OUTMATCH</p> <p>Goldenhill International M&A Advisors</p>	 <p>HRTech</p> <p>iROG</p> <p>Has been acquired by:</p> <p>ZALARIS</p> <p>Goldenhill International M&A Advisors</p>	 <p>HRTech</p> <p>NOBLE SYSTEMS</p> <p>Has been acquired by:</p> <p>Goldenhill International M&A Advisors</p>	 <p>Human Capital</p> <p>CAREER INTERNATIONAL</p> <p>Has acquired:</p> <p>INVESTIGO Recruiting talent.</p> <p>Goldenhill International M&A Advisors</p>	 <p>Human Capital</p> <p>HAYS</p> <p>Has acquired:</p> <p>V</p> <p>Goldenhill International M&A Advisors</p>
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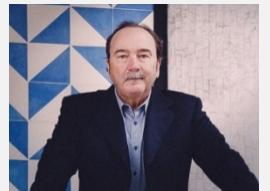
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