

Q2 2022

HR Technology Sector M&A Review



Introduction

As the second quarter of 2022 has passed, technology continues to improve, modernise and innovate the HRTech sector – the introduction of new products, services and software is being utilised to help improve access to online e-learning initiatives, streamline the recruitment process, and enhance the employee experience.

In the age of 'The Great Resignation' where employees are quitting and switching jobs in record numbers, many employers are turning to personalised e-learning experiences, to help foster a culture of learning in the workplace and provide a career path for valuable talent. Nearly 49% of organisations have already increased their learning and development spend in 2022 and are implementing a combination of social learning, on-demand learning (resources, apps and e-learning platforms) and individualised learning (via podcasts, conferences and webinars).

Recruitment and searching for the right talent can be arduous, but with the help of artificial intelligence (AI), it's become increasingly easier. There is an increasing shift from in-person to virtual career recruiting. Recruiters can combine virtual reality recruitment methods with skills assessments for a truly immersive on-the-job assessment of a candidate's true talent. As recruiters move away from misleading resumes, a fully immersive skills test can highlight the knowledge necessary for success.



An organisation's recruitment process will not only determine the kind of talent it attracts and eventually hire but also influence how potential employees perceive an organisation's values and principles.

Leveraging AI for talent acquisition

96% of HR managers believe AI can improve talent acquisition and retention significantly and overcome the obstacle of finding the right candidate in high-demand talent pools. Platforms such as Hiretual and TurboHire utilise AI to help companies hire candidates faster, better and cheaper.

AI can help reduce bias in the recruitment process, which is critical to an organization's commitment to diversity and inclusion. Candidate fit scoring ensures they are screened based on skillset and experience rather than a bias-based demographic.

AI based-solutions further enable recruiters and hiring managers to assess and interview candidates with more ease than traditional methods and essentially speed up time-to-hire. Given how fierce the war for talent is right now, recruiting managers who are utilising data through the hiring funnel, finding new ways to source under-represented talent and thinking of talent acquisition as a long-term strategy, have a competitive advantage over the rest.

Acquisitions in this vertical include Jump, an AI hiring platform. This acquisitions facilitates the integration of deeptech and AI solutions to Jobandtalent's current platform and will allow the business to offer valuable long-term opportunities and better job search technology (acquired in June 2022).

The rise of virtual career fairs and events

Many employers are now turning to virtual career fairs for finding job candidates, while also cutting out the costs involved in traditional career fairs. Virtual career fair software is provides employers with real-time information and allows candidates to view presentations, attend virtual webinars, download materials, and chat with company representatives.

Acquiring real-time data to identify preferred employers, job types, unique and recurring visitors, webinar views, etc. provides measurable insights to help drive consistent improvements in event quality. Providing perspective on ROI, hosts can always track and assess how warmly their job seekers have embraced the virtual shift to plan future recruitment initiatives.

An example is Virti, a cloud-based VR platform that looks to help to recruit efforts in the post-pandemic era. Virti's platform allows applicants to take skills assessment tests and experience virtual company tours. Even after the pandemic has subsided, this could have a practical use for recruiting employees in distant regions.

Acquisitions in this space include TalentSpace, an online platform where interactive virtual and hybrid career fairs and hiring events are hosted (acquired by Handshake in April 2022).



Only 9% of companies are using AI across talent acquisition, with 22% just starting to and 15% using AI inconsistently, leaving ample room for increased use in the coming months and years.

The rise of hyper-personalised e-learning experiences

The workplace in the modern world is changing. Remote and hybrid working models have placed new demands on employees who may require a new set of skills to accommodate working from home. Employers are now adopting digital learning and development strategies to foster a culture of learning in the workplace, address skills gaps and upskill and reskill existing employees.

AI has become one of the most popular e-learning trends in the business world today, with the world's AI in the education market predicted to increase to \$3.68 billion by 2023. This is mainly because of its ability to personalise learning and create hyper-personalised learning experiences and automate the creation of e-learning courses. Mobile-first courses are also in high demand too with the mobile learning market expected to reach more than \$280 billion by 2027. Mobile devices allow greater accessibility for 'on the go' learners with 99% of learners stating that this form of learning improves their experience.

EduBrite, Careercake and Pellcomp (Trinity Software Limited) have all recently been acquired by leading e-learning solutions providers such as LinkedIn, SocialTalent and Pave, which showcases the increasing demand for personalized e-learning experiences.



V-learners are up to 275% more confident to act on what they learned after training – a 40% improvement over classroom and 35% improvement over e-learn.

VR technologies will reshape the landscape of corporate learning

By learning through an interactive experience rather than passively retaining information relayed to them, employees can get more value from this type of immersive training. Utilising VR for training will allow HR departments to access a unique window into how employees are learning through the capture of key data such as attention and engagement. How a learner performs during training is a close indicator to how that person will perform in real life. This data is used to optimise learning and performance. Metasim is a company that creates immersive and authentic virtual reality experiences that help people-leaders practice core leadership skills in a highly realistic and engaging environment, free of fear and judgment.

Furthermore, VR can be used in the digital employee onboarding process. Gamification can be utilised in this process as fun games and interactive tasks in the virtual world can test new hires for stress tolerance as well as check their reactions, decision-making and professional skills. Strivr, one of the fastest emerging VR-based immersive learning providers have raised a \$30m Series B round led by Georgian Partners in April 2022 in order to expand adoption of immersive learning to help companies elevate workforce engagement and performance.



M&A Overview

In this report, we highlight 40 of the 52 M&A transactions within the HRTech sector which were completed during the second quarter of 2022. Overall deal volumes have decreased since the last quarter by 16% and are marginally lower than in the same period of 2021.

This quarter, despite geopolitical friction and looming macro-economic headwinds, the demand for top talent remains high across regions, countries, and industries. Progressive global organisations are building and enhancing holistic talent practices, with talent acquisition functions continuing to carry elevated expectations and heavy workloads. Smarter, tighter, and shorter hiring processes have become a critical competitive advantage, connoting a responsive, agile, and talent-friendly culture. Talent management and development (muted relative to other HR specialisations during the pandemic) now has a renewed focus, driven by the need to retain existing talent.

Notably, talent attraction was a hot area in M&A, with 44% of identified deals in this space, followed by talent development and workforce management, representing 25% and 13% of the total deal volume, respectively.

Cross-border transactions accounted for 50% of the total, and 90% 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), though the volume has declined in Asia.

Public Companies Overview

Q2 saw a decrease in average revenue multiples across our large cap but an increase in the mid-cap sample of quoted companies. Tech sectors, including HRTech, are beginning to feel the impact of high inflation and an unsettled macroeconomic outlook. As of 30th June, the average forward revenue multiple overall was 5.1x, going up to 5.7x for Large Cap companies.

Revenue growth continues to be a critical driver of higher valuations. The companies exhibiting the highest expected revenue growth ReadyTech (people management software provider) and Paylocity (payroll and human capital management provider). Recurring revenue as a proportion of total revenues averaged above 80%, with Small Cap companies generating as much as 93.8% 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

DEALS SNAPSHOT

Checkr



GoodHire
A Checkr Company



Transaction Value: \$400m

Revenue Multiple: N/A



cornerstone



sumtotal



Transaction Value: \$200m

Revenue Multiple: 1.7x

- Founded in 2013, GoodHire provides FCRA-compliant pre-employment screening solutions for small and medium-sized businesses. GoodHire scours databases of various organisations including criminal records, terrorist watch check, vehicle checks, employment verification etc.
- This acquisition is critical to Checkr's expansion strategy in its fastest-growing small-to-medium-sized (SMB) business segment. GoodHire serves tens of thousands of customers in this segment.
- Companies of all sizes now expect digital tooling and a great candidate experience to win the war for talent — the kind delivered by innovative gig companies like Uber and Doordash. With this acquisition, Checkr is positioned to bring an innovative, best-in-class software platform to customers of all sizes
- Checkr CEO Daniel Yanisse described the acquisition as the coming together of two of the most innovative companies in the background check industry. Their teams have much in common, he said, including similar cultural values and “a focus on building delightful experiences for customers.”

- Founded in 1985, SumTotal Systems is a provider of learning, performance and talent development software products. The company offers contextual and pervasive HR solutions spanning the entire employee lifecycle that help improve employee performance in real-time, enabling organisations to discover, develop and unleash the hidden potential within their workforce and entire business ecosystem.
- With the addition of SumTotal, Cornerstone will be positioned to help a larger, more diverse group of customers transform the way they identify and develop the skills of the future, engage and develop their people, and optimise talent and business agility. The combined company will be positioned to deliver a differentiated, expanded portfolio of learning, talent, and people growth solutions with broader vertical expertise, greater financial resources, and a shared vision for the future of work.
- SkillSoft, the owners of SumTotal, believe that through the divestiture of SumTotal that they are aligning and simplifying Skillsoft's portfolio to serve customers and focus the business on the best opportunities for profitable growth.
- This announcement follows Cornerstone's recent acquisition of EdCast, which has fuelled the company's strategy to create an open platform for people development, growth, and mobility.

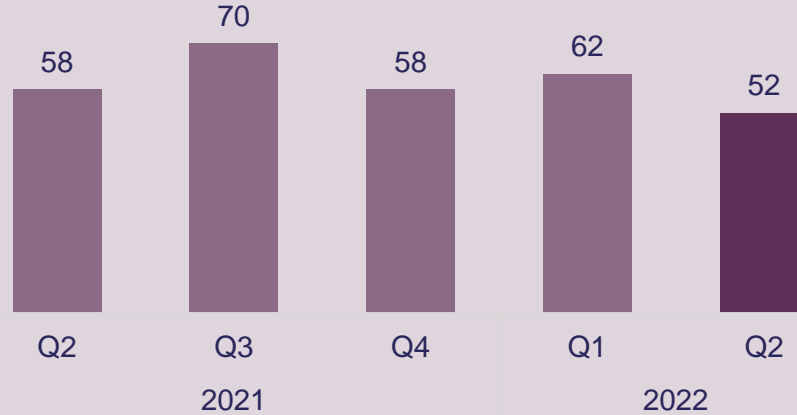
M&A HIGHLIGHTS Q2 2022

\$1.0bn
Aggregate Deal Value

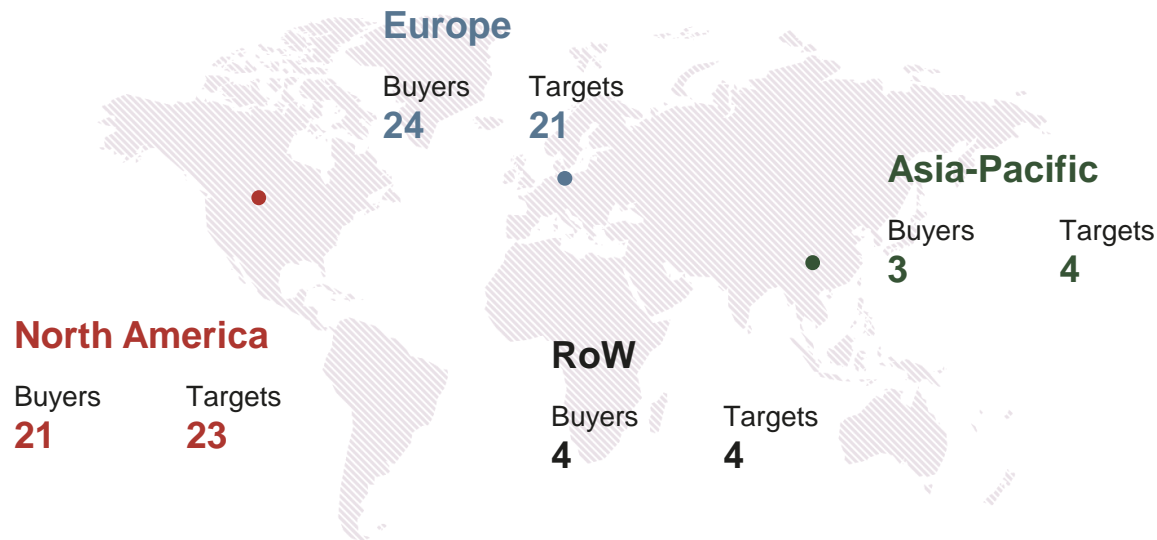
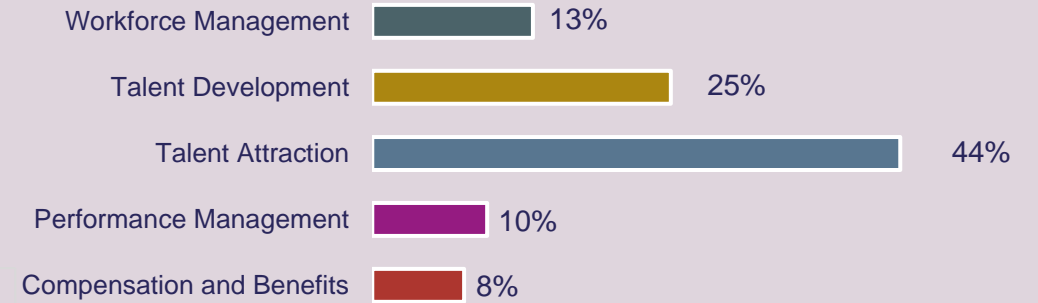
\$144m
Average Deal Size

4.9x
Average Revenue Multiple

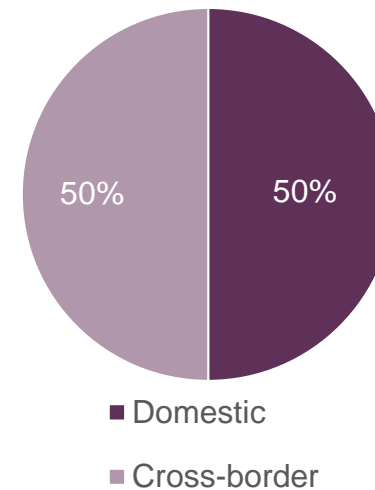
Deal Volume



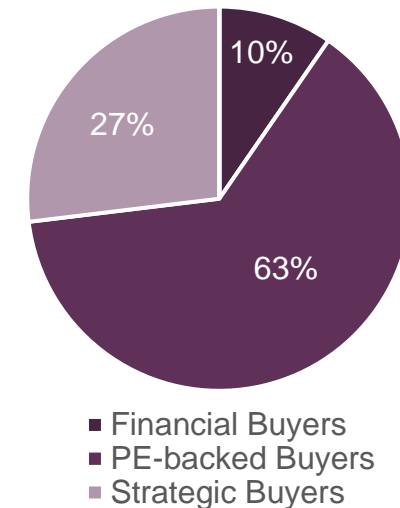
Deals by Subsector



Deal by Type



Deals by Buyer Type





SELECTED TRANSACTIONS: TALENT ATTRACTION

DATE	BUYER	TARGET	DESCRIPTION	DEAL SIZE (\$'m)	TARGET REVENUE (\$'m)	REVENUE MULTIPLE (x)	TRANSACTION RATIONALE
Apr-22	Hirewell (US)	Rainmakers (US)	A reverse-recruitment marketplace focused on tech salespeople.	n/a	n/a	n/a	Working with Hirewell will allow Rainmakers to significantly expand its sales talent marketplace while continuing to build out the Rainmakers technology stack, further cementing Rainmakers as the go-to hiring platform for salespeople.
Apr-22	Zvoove Group (Germany)	Pivoton (Netherlands)	A SaaS provider in the Dutch market for temporary staffing software that allows customers to establish efficient and legally compliant processes from recruiting to billing and payment of employees.	n/a	n/a	n/a	The merger has a high strategic value for Zvoove and further expands Zvoove's European market leadership. At the same time, Zvoove's customers in Germany and Switzerland will benefit from the transaction, as there is now more temporary staffing market experts within Europe which are driven to deliver further competitive advantages via innovative software to customers.
Apr-22	Checkr (US)	GoodHire (US)	Founded in 2013, GoodHire provides FCRA-compliant pre-employment screening solutions for small and medium-sized businesses.	400.0	n/a	n/a	This acquisition is a critical part of Checkr's expansion strategy in its fastest growing SMB business segment. GoodHire serves tens of thousands of customers in this segment.
Apr-22	Handshake (US)	Talentspace (Germany)	A platform where interactive virtual & hybrid career fairs and hiring events are hosted.	n/a	n/a	n/a	Talentspace will strengthen Handshake's suite of events products while accelerating the company's expansion into Europe, where education-to-employment resources and career services offices are limited.
Apr-22	HelloWork (France)	Basile (France)	A dedicated solution that allows the deployment, animation and management of referral programs.	n/a	n/a	n/a	Joining the digital recruitment business will allow Basile to accelerate growth further, strengthening our market position and pursuing the ambition to become the co-option recruitment benchmark in France, and around the world in future.



SELECTED TRANSACTIONS: TALENT ATTRACTION

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Apr-22	Beamery (UK)	Flux (US)	Flux's internal mobility platform connects employees looking to grow their careers with the most impactful work at the company.	n/a	n/a	n/a	With the acquisition of Flux, Beamery will offer the first unified platform for internal and external resourcing, allowing businesses to tap into the skills of their global talent pool, and recruit, find, develop, and redeploy people "on-demand."
Apr-22	Jobandtalent (Spain)	Jobzone (Norway)	A HR consultancy firm that provides manpower solutions across various industries.	n/a	n/a	n/a	Jobandtalent said the transaction will help strengthen its position in Scandinavia and will give Jobzone access to its platform.
May-22	Acceleration Partners (US)	Grovia (US)	Designer and developer of a marketing recruitment platform that offers to discover, recruit, and activate digital partners.	n/a	n/a	n/a	The Seattle-based company strengthens Acceleration Partners' existing suite of partnership marketing services with a powerful recruitment platform that helps companies discover high-quality affiliates, influencers and publishers at scale.
May-22	Zoominfo Technologies (US)	Comparably (US)	A leading recruitment marketing and employer branding platform, to enable companies to proactively attract and engage top talent.	145.0	n/a	n/a	The acquisition of Comparably adds another key source of company, employee, and customer data to ZoomInfo's wealth of world-class data and intelligence. ZoomInfo plans to use Comparably's unique proprietary data to further build TalentOS into a best-in-class talent platform by enriching recruiter search options and providing recruiters with access to millions of quality candidates and employer brand solutions.
May-22	Crosschq (US)	TalentWall (US)	A hiring management platform that allows companies to hire more efficiently and with greater transparency.	n/a	n/a	n/a	The acquisition expands Crosschq's solutions, enabling recruiters and talent leaders to visualise and analyse hiring funnels while strategically planning for future hiring needs. Combining these capabilities with Crosschq's existing tools for sourcing and screening job candidates, as well as measuring Quality of Hire, will deliver the recruiting technology industry's most comprehensive platform that supports better hiring decisions by putting data at the core.



SELECTED TRANSACTIONS: TALENT ATTRACTION

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Jun-22	Clever Connect (France)	Talentry (Germany)	An enterprise-ready SaaS recruiting solution based on employee referrals.	n/a	n/a	n/a	Together, the French and German companies want to counteract the current unprecedented shortage of skilled workers – by using the most efficient and advanced technologies to help recruiters on a daily basis and offer fulfilling candidate experiences.
Jun-22	Grupa Pracuj (Poland)	softgarden e-recruiting (Germany)	Develops and offers HR software solutions that connects employers with job seekers.	125.0	n/a	n/a	Through this strategic acquisition, Softgarden expands its product offering beyond recruitment to include features such as time-tracking, vacation and absence management as well as digital personnel file management.
Jun-22	Revelo (Brazil)	Listopro (Mexico)	The leading platform to hire top digital talent in Latin America.	n/a	n/a	n/a	With the acquisition of Listopro, Revelo, already the largest platform for sourcing, hiring and managing remote tech talent in US time zones, becomes the undisputed leader in providing US companies access to high-quality Latin American talent with its network of 300,000 developers.
Jun-22	PROMAN Group (France)	Youbahn (Netherlands)	Temporary employment platform that helps students to find jobs.	n/a	n/a	n/a	The labour market is on the eve of rigorous change. In the near future, branches such as the hospitality industry, logistics and healthcare will offer work even more flexibly. And that without compromising on laws and regulations and the duty of care of employers. With the Youbahn platform, strongly focused on the gig economy, Youbahn believe that that can be done with a strong partner such as Proman.



SELECTED TRANSACTIONS: TALENT ATTRACTION

DATE	BUYER	TARGET	DESCRIPTION	DEAL SIZE (\$'m)	TARGET REVENUE (\$'m)	REVENUE MULTIPLE (x)	TRANSACTION RATIONALE
Jun-22	PROMAN Group (France)	In Person (Netherlands)	An online portal that offers job vacancies, recruitment, and HR services to its candidates.	n/a	n/a	n/a	According to Proman, the acquisition allows it to continue its external growth dynamic with family-owned companies in high-potential countries.
Jun-22	Jobandtalent (Spain)	Jump (UK)	Specialises in technological job search through artificial intelligence.	n/a	n/a	n/a	With this acquisition, the Spanish company has already completed more than ten transactions that complement its marketplace for connecting workers to companies. The deal shows Jobandtalent's drive for innovation and further strengthens the company's position as a market leader in job matching technologies.



SELECTED TRANSACTIONS: TALENT DEVELOPMENT

DATE	BUYER	TARGET	DESCRIPTION	DEAL SIZE (\$'m)	TARGET REVENUE (\$'m)	REVENUE MULTIPLE (x)	TRANSACTION RATIONALE
Apr-22	Crehana (Peru)	Acsendo (Colombia)	Developer of a talent management platform designed to evaluate employee performance and drive engagement.	n/a	n/a	n/a	The acquisition of this company will strengthen its product through the integration of human talent software with solutions for work engagement, performance measurement, objectives, skills, recognition, culture, succession plans and more.
Apr-22	Kazoo (US)	WorkTango (Canada)	Developer of a SaaS platform that helps companies to give their employees a voice and collect feedback.	n/a	n/a	n/a	Through this acquisition, Kazoo will expand its capabilities with WorkTango's comprehensive employee listening solution that gathers employee feedback via configurable templates, intelligently analyses the data in automated dashboards, and recommends next steps for people leaders based on those insights. Additionally, Kazoo will leverage WorkTango's expertise in data, analytics, and AI across the platform to unlock a more complete understanding of an employee's day-to-day experience.
May-22	Visier (Canada)	Yva.ai (US)	An AI-driven real-time employee experience SaaS platform, which was developed for employees, HR professionals and managers.	n/a	n/a	n/a	With the addition of Yva.ai to its product portfolio, Visier becomes the most comprehensive platform available for understanding employees from every dimension—and the ability to use these insights to drive positive outcomes for the company, the manager, and for the employee.
May-22	Zucchetti Worldwide (Italy)	Eggup (Italy)	Developer of a digital platform for assessing and improving the transversal skills of personnel.	n/a	n/a	n/a	The acquisition is part of Zucchetti's broader Human Revolution project, aimed at the complete digitalisation of personnel management processes, with the aim of increasing the effectiveness and efficiency of a company.
May-22	Pluribus Technologies (Canada)	Knowledge Strategies (US)	Offers learning management systems, interactive eLearning solutions, and employee training for businesses.	1.9	n/a	n/a	This acquisition further strengthens Pluribus' presence in the eLearning market and as a provider of learning management systems suitable for a range of organisation types.



SELECTED TRANSACTIONS: TALENT DEVELOPMENT

DATE	BUYER	TARGET	DESCRIPTION	DEAL SIZE (\$'m)	TARGET REVENUE (\$'m)	REVENUE MULTIPLE (x)	TRANSACTION RATIONALE
May-22	Personio (Germany)	Back Technologies (Germany)	An employee experience solution that automates key people processes to boost efficiency.	n/a	n/a	n/a	The acquisition supports Personio's strategic direction to advance and expand the People Workflow Automation category, which enables HR teams in SMEs to work efficiently across departments and tools.
May-22	ServiceNow (US)	Hitch Works (US)	A SaaS-based talent mobility platform for the enterprise that accelerates the productivity and performance of existing talents.	n/a	n/a	n/a	Together, ServiceNow and Hitch will help companies provide equal access to work and development opportunities, regardless of who an employee knows or how well they network. This acquisition is another investment ServiceNow is making to enhance employee experiences and power the future of work by unlocking skills intelligence on a single platform within the ongoing flow of work.
May-22	Cegid (France)	Wittyfit (France)	A SaaS platform that enables organisations to measure, analyse and, above all, improve employees' job satisfaction.	n/a	n/a	n/a	With the acquisition of Wittyfit, Cegid is strengthening its investment strategy and leading position in the cloud talent and talent management market.
Jun-22	Cornerstone (US)	SumTotal Systems (US)	Developer of talent acquisition, onboarding, learning management, and talent management solutions.	200.0	120.0	1.7	With the addition of SumTotal, Cornerstone will be positioned to help a larger, more diverse group of customers transform the way they identify and develop the skills of the future, engage and develop their people, and optimise talent and business agility. The combined company will be positioned to deliver a differentiated, expanded portfolio of learning, talent, and people growth solutions with broader vertical expertise, greater financial resources, and a shared vision for the future of work.



SELECTED TRANSACTIONS: TALENT DEVELOPMENT

DATE	BUYER	TARGET	DESCRIPTION	DEAL SIZE (\$'m)	TARGET REVENUE (\$'m)	REVENUE MULTIPLE (x)	TRANSACTION RATIONALE
Jun-22	Adzuna (UK)	Getwork (US)	An AI-driven real-time employee experience SaaS platform, which was developed for employees, HR professionals and managers.	n/a	n/a	n/a	Getwork and Adzuna will continue to operate as independent brands with established communities of jobseekers. Together, the company will index job ads directly from over 50,000 employer websites including FedEx, Home Depot, Amazon and Walmart, while receiving tens of millions of jobseeker visits every month.
Jun-22	LinkedIn (US)	EduBrite (US)	A professional networking site that allows its members to create business connections, search jobs, and find potential clients.	n/a	n/a	n/a	By integrating EduBrite's rigorous certification assessment engine into LinkedIn Learning platform, LinkedIn will be able to better test and verify the skills people have to help them grow in careers and enable them to earn trusted credentials from organisations that can be shown on a LinkedIn profile. This will help LinkedIn further deliver on the vision to create a skills-first approach to hiring and learning.



SELECTED TRANSACTIONS: WORKFORCE MANAGEMENT SOLUTIONS

DATE	BUYER	TARGET	DESCRIPTION	DEAL SIZE (\$'m)	TARGET REVENUE (\$'m)	REVENUE MULTIPLE (x)	TRANSACTION RATIONALE
Apr-22	WorkChew (US)	Kettle (US)	KettleOS is a software platform purpose-built to give teams the ability to orchestrate when, where, and why they work together in-person.	n/a	n/a	n/a	The acquisition helps WorkChew continue to meet rising demand from companies looking for agile workspace solutions as they roll out post-pandemic hybrid work models where employees work in and outside the office.
Apr-22	Visma (Norway)	Woffu (Sweden)	A time management platform that allows you to easily organize holidays and absences of the company's human team.	n/a	n/a	n/a	Joining Visma will give Woffu a number of benefits that will allow it to meet customer needs even better than before. Woffu will maintain its leadership and culture while benefiting from Visma's international network, expertise, and complementary products.
May-22	BetterPlace Safety Solutions (India)	OkayGo (India)	An on-demand blue-collared gig workforce management platform.	n/a	n/a	n/a	Through this acquisition, BetterPlace will aim to provide opportunities for India's 90 million strong gig-workforce by enhancing 'BetterPlace Select,' the company's short-term, long-term and task-based workforce management offering.
May-22	Stone Capital Partners (US)	Beeline (Puerto Rico)	Offers workforce intelligence solutions for companies to manage their contractor and project-based labour force.	n/a	n/a	n/a	The strategic investment will allow Beeline to further accelerate its leading technology platform and bring additional solutions to market, helping businesses unlock the power of the extended workforce.
May-22	Cegid (US)	StorIQ (US)	StorIQ is a neat and intuitive retail operations app that saves time and makes life easier for store teams and retail management teams. StorIQ streamlines communications and task management.	n/a	n/a	n/a	By capitalising on the current offerings of Cegid and StorIQ, brands and retailers will be able to offer an exceptional unified shopping experience across their entire store network while tapping into new sales opportunities and thus making in-store team task management.



SELECTED TRANSACTIONS: COMPENSATION AND BENEFITS

DATE	BUYER	TARGET	DESCRIPTION	DEAL SIZE (\$'m)	TARGET REVENUE (\$'m)	REVENUE MULTIPLE (x)	TRANSACTION RATIONALE
Apr-22	Main Capital Partners (Netherlands)	BCS (Netherlands)	Developer of HR management and payroll software.	n/a	n/a	n/a	Main has extensive experience in the payroll and HRM market through previous investments in Germany, the Netherlands and Sweden, such as Perbility (HR software), SDB (HR payroll solutions for healthcare institutions), Textkernel (AI software for HR) and Assessio (e-assessment tools and talent management). This experience and market knowledge will be used to support BCS in the next phase of growth.
Jun-22	Deel (US)	PayGroup (Australia)	A US-based global payroll and compliance firm.	82.2	16.7	4.9	To meet the demands of an increasingly distributed and remote workforce, Deel is working on a payroll offering that lets businesses consolidate their local entity payroll solutions into one easy-to-use dashboard for both contractors and employees. PayGroup's services perfectly complement these efforts.
Jun-22	Pave (US)	Advanced-HR (US)	Provider of compensation data and compensation planning software for private and venture backed companies.	n/a	n/a	n/a	Pave will acquisition momentum to accelerate its path towards becoming the world's premiere global compensation platform. The new acquisition of Advanced-HR will also accelerate Pave's European market expansion.



SELECTED TRANSACTIONS: PERFORMANCE MANAGEMENT

DATE	BUYER	TARGET	DESCRIPTION	DEAL SIZE (\$'m)	TARGET REVENUE (\$'m)	REVENUE MULTIPLE (x)	TRANSACTION RATIONALE
Apr-22	UOL EdTech (Brazil)	Qulture.Rocks (Brazil)	Provider of web and mobile real-time performance management platform for companies.	n/a	n/a	n/a	This acquisition enables WilsonHCG to provide even more comprehensive real-time talent insights to help organisations attract and retain talent.
May-22	Advanced Computer Software Group (UK)	Decision Time (UK)	Developer of governance, risk, and strategic performance management software platform.	n/a	n/a	n/a	Advanced have found a highly complimentary partner that can take them to the next level as Decision Time are strategically aligned with the goal of being a leading software and services business in the healthcare
May-22	Visma (Norway)	Mandü (Peru)	An innovative SaaS company for Employee Engagement & Performance Management in Peru.	n/a	n/a	n/a	This acquisition allows Visma to expand its HR product footprint across several countries in Latin America, while offering customers technology that helps them create added value.

PUBLIC COMPS HIGHLIGHTS Q2 2022

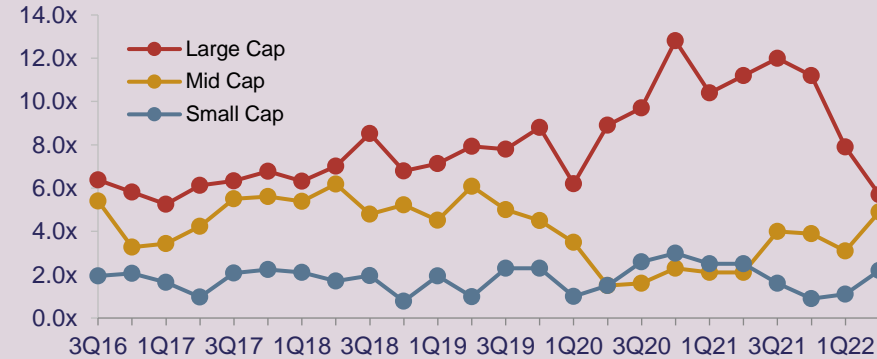
5.1x
Avg. EV/Revenue CY2022E

23%
Avg. Revenue Growth CY2021

86%
% Recurring Revenue

Historic Revenue Multiples

EV/Revenue



Large Cap

5.7x Avg. EV/Revenue **27%** Avg. Revenue Growth **85.5%** % Recurring Revenue

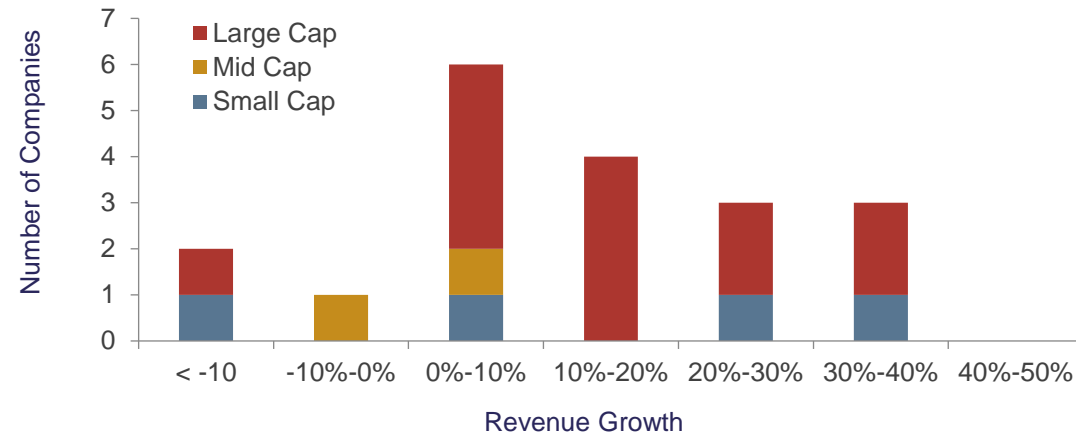
Mid Cap

4.9x Avg. EV/Revenue **7%** Avg. Revenue Growth **73.6%** % Recurring Revenue

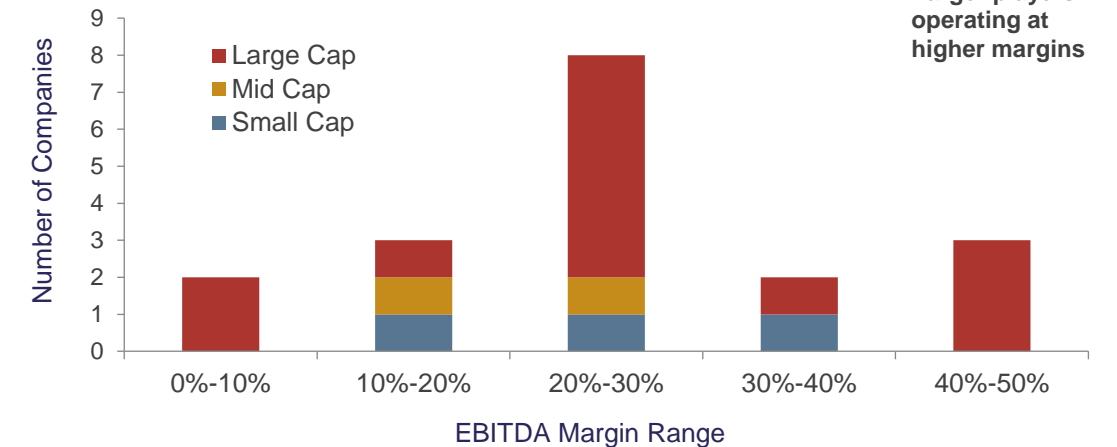
Small Cap

2.2x Avg. EV/Revenue **20%** Avg. Revenue Growth **93.8%** % Recurring Revenue

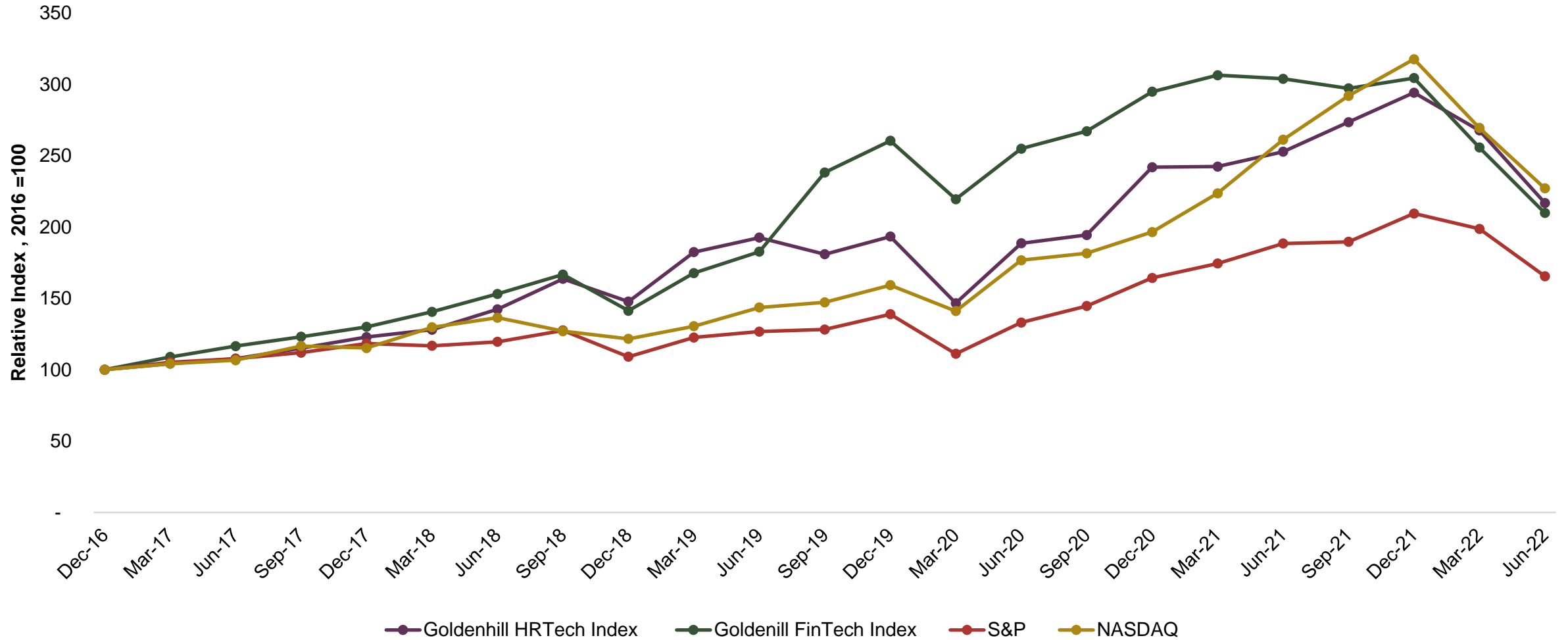
Revenue Growth Distribution



EBITDA Margin Distribution

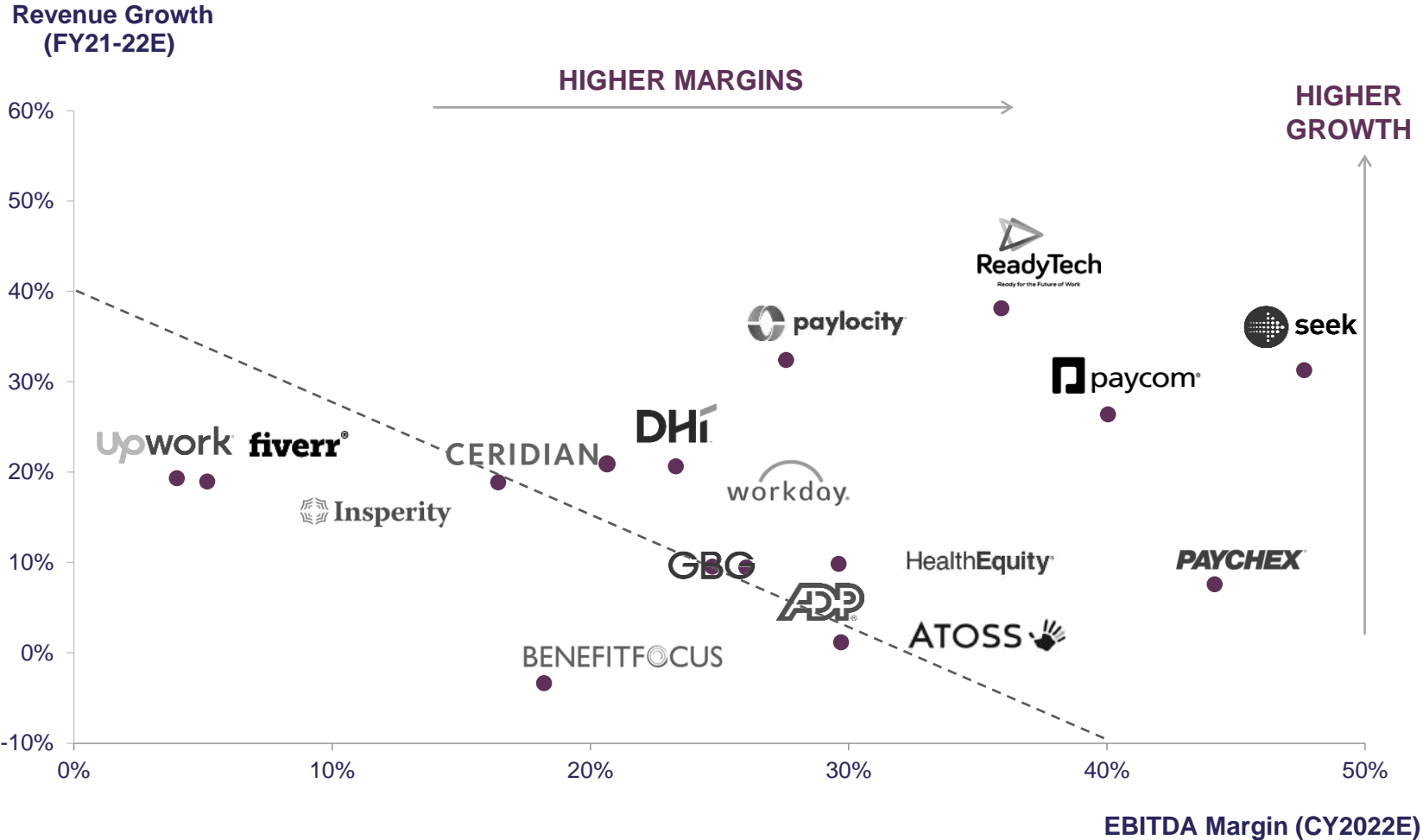


GOLDENHILL HRTECH INDEX



PERFORMANCE QUADRANTS

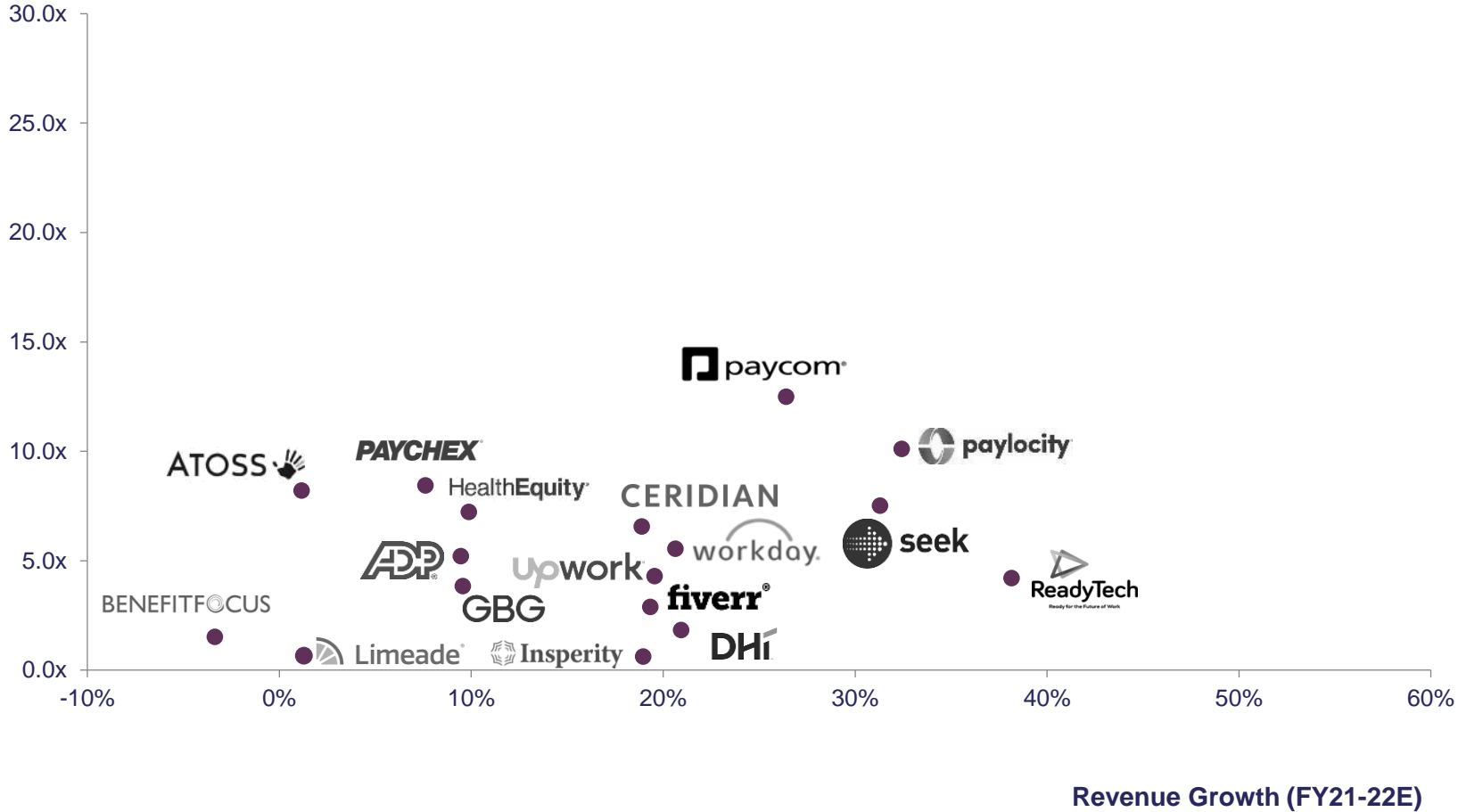
The Rule of 40 is a recognised measure of health for SaaS companies, which states that Revenue Growth % and EBITDA Margin (profitability) should ideally add up to roughly 40%.



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 Ready Tech (people management software provider), Paylocity (payroll and HCM provider) and Seek (human resource consulting company).

EV/Revenue (CY22E)



SECTOR VALUATION METRICS

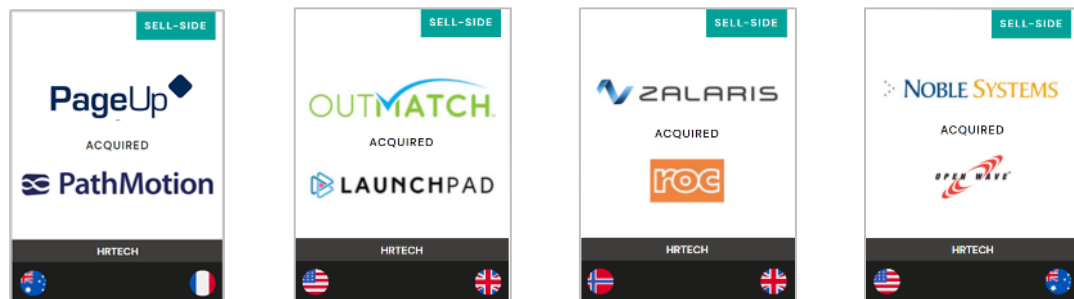
Company	Ticker	Share Price 30-Jun-22	Market Cap (\$m) ⁽¹⁾	Net Debt (\$m) ⁽²⁾	Enterprise Value (\$m)	Revenue		EV/Revenue		EV/Revs	EV/EBITDA		Revenue Growth		EBITDA Margin		% Revs	
						CY22E (\$m)		CY2021	CY2022E	Recurring	CY2021	CY2022E	CY2021	CY2022E	CY2021	CY2022E	Recurring ⁽³⁾	
Selected Large Cap																		
ADP	ADP US Equity	210.0	87,744	861	88,604	17,024		5.6x	5.2x	5.2x	21.6x	20.0x	2.8%	9.5%	26.2%	26.0%	100%	
Paychex	PAYX US Equity	113.9	40,982	(343)	40,639	4,816		9.3x	8.4x	8.5x	21.7x	19.1x	13.7%	7.6%	42.8%	44.2%	99%	
Workday	WDAY US Equity	139.6	35,408	(1,547)	33,862	6,111		6.7x	5.5x	6.2x	NM	23.8x	19.0%	20.6%	6.0%	23.3%	89%	
Paycom	PAYC US Equity	2.8	16,878	(218)	16,660	1,334		15.8x	12.5x	12.7x	50.1x	31.2x	25.4%	26.4%	31.5%	40.0%	98%	
Paylocity	PCTY US Equity	174.4	9,615	(132)	9,483	938		12.8x	10.1x	10.1x	55.8x	36.6x	13.2%	32.4%	23.0%	27.6%	100%	
Ceridian HCM	CDAY US Equity	47.1	7,187	811	7,997	1,218		7.8x	6.6x	7.8x	NM	40.0x	21.6%	18.9%	4.5%	16.4%	85%	
Healthequity	HQY US Equity	61.4	5,179	783	5,962	825		7.9x	7.2x	7.2x	46.2x	24.4x	3.1%	9.9%	17.1%	29.6%	100%	
SEEK Ltd	SEK AU Equity	21.0	5,149	615	5,764	768		8.8x	7.5x	10.1x	18.7x	15.8x	30.0%	31.3%	46.8%	47.6%	74%	
Trinet	TNET US Equity	77.6	4,833	(200)	4,633	1,237		1.0x	3.7x	4.5x	8.4x	9.7x	12.5%	-72.8%	12.1%	38.7%	84%	
Insperty	NSP US Equity	1.0	3,824	(155)	3,669	5,916		0.7x	0.6x	0.8x	16.0x	12.0x	16.0%	19.0%	4.6%	5.2%	82%	
Upwork	UPWK UW Equity	20.7	2,681	(100)	2,581	601		5.1x	4.3x	4.7x	NM	NM	34.6%	19.5%	-7.6%	-1.3%	92%	
Fiverr	FVRR US Equity	34.4	1,277	(253)	1,024	355		3.4x	2.9x	4.0x	NM	72.4x	57.1%	19.3%	-13.2%	4.0%	73%	
GB Grp	GBG LN Equity	4.0	1,221	144	1,365	355		4.3x	3.8x	8.3x	19.1x	15.5x	16.4%	9.6%	22.3%	24.7%	46%	
Learning Tech	LTG LN Equity	1.1	1,076	221	1,297	661		3.7x	2.0x	2.6x	20.1x	9.8x	109.1%	86.0%	18.2%	20.1%	75%	
Average								6.6x	5.7x		27.8x	25.4x	27%	17%	16.7%	24.7%	85.5%	
Total (Large Cap)			223,054	487	223,540													
Selected Mid Cap																		
Atoss	AOF GR Equity	119.2	994	(41)	953	116		8.3x	8.2x	12.4x	25.7x	27.6x	16.9%	1.2%	32.3%	29.7%	66%	
Benefitfocus	BNFT US Equity	7.8	264	122	386	254		1.5x	1.5x	1.9x	19.3x	8.3x	-1.9%	-3.4%	7.6%	18.2%	81%	
Average								4.9x	4.9x		22.5x	18.0x	7%	-1%	20.0%	24.0%	73.6%	
Total (Mid Cap)			1,258	81	1,339													
Selected Small Cap																		
DHI Group	DHX US Equity	5.0	235	31	266	145		2.2x	1.8x	1.8x	15.5x	8.9x	7.9%	20.9%	14.3%	20.6%	100%	
ReadyTech	RDY AU Equity	3.1	229	16	245	58		5.5x	4.2x	5.0x	16.4x	11.7x	41.8%	38.1%	33.5%	35.9%	85%	
Freelancer	FLN AU Equity	0.3	86	(6)	80	NA		1.9x	NA	NA	23.1x	NA	6.3%	NA	8.0%	NA	NA	
PayGroup	PYG AU Equity	1.0	79	(18)	60	NA		3.5x	NA	NA	57.4x	NA	72.6%	NA	6.0%	NA	95%	
Limeade	LME AU Equity	0.0	48	(11)	37	56		0.7x	0.7x	0.7x	NM	NM	-2.5%	1.3%	-14.0%	-16.5%	100%	
Dillistone	DSG LN Equity	21.5	5	1	NA	0		0.8x	NM	NA	4.1x	NM	-5.2%	-99.9%	20.3%	14.3%	89%	
Average								2.4x	2.2x		23.3x	10.3x	20%	-10%	11.4%	13.6%	93.8%	
Total (Small Cap)			682	13	688													
Sector Total			224,993	581	225,567			5.3x	5.1x	6.0x	25.8x	22.8x	23%	10%	16%	22%	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

- Sector experts 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 Workforce Solutions.
- Our Partners have advised on 100+ transactions with values ranging from \$15 million to over \$100 million; the majority (70%) of our engagements result in cross-border transactions.
- International presence with offices in London, Milan, San Diego, Luxembourg, and Buenos Aires.
- Proven track record of successful long-term advisory relationships positioning clients for premium transactions using current insights into the relevant strategic acquirers.

Selected Transactions



HRTech Partners



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William Berrington
London



Kevin O'Neill
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Carlos Ratto
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Goldenhill

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