



HOULIHAN LOKEY

Human Capital Management Q3 Overview

HOULIHAN LOKEY TECHNOLOGY, MEDIA & TELECOM GROUP

DECEMBER 2019



Houlihan Lokey is the trusted advisor to more top decision-makers than any other independent global investment bank.

Corporate Finance

2018 M&A Advisory Rankings All U.S. Transactions

	Advisor	Deals
1	Houlihan Lokey	207
2	Goldman Sachs & Co	197
3	JP Morgan	154
4	Morgan Stanley	135
5	Jefferies LLC	117

Source: Thomson Reuters

No. 1 U.S. M&A Advisor

Top 10 Global M&A Advisor

Leading Capital Markets Advisor

Financial Restructuring

2018 Global Distressed Debt and Bankruptcy Restructuring Rankings

	Advisor	Deals
1	Houlihan Lokey	63
2	PJT Partners Inc.	45
3*	Moelis & Co.	36
3*	Lazard	36
3*	Rothschild & Co.	36

Source: Thomson Reuters
* Denotes tie

No. 1 Global Restructuring Advisor

1,000+ Transactions Completed
Valued at More Than \$2.5 Trillion
Collectively

Financial Advisory

1999 to 2018 Global M&A Fairness Advisory Rankings

	Advisor	Deals
1	Houlihan Lokey	1,073
2	JP Morgan	971
3	Duff & Phelps	728
4	Bank of America Merrill Lynch	660
5	Morgan Stanley	659

Source: Thomson Reuters. Announced or completed transactions.

No. 1 Global M&A Fairness Opinion
Advisor

1,000+ Annual Valuation
Engagements

Leading M&A Advisory Firm With Global Reach

- Consistently ranked No. 1 M&A advisor for U.S. transactions under \$1.5 billion for the past several years
- More than 1,300 employees in 23 total offices worldwide
- One unified team with a shared bonus pool incentivizes bankers for global coordination
- Global reach and local country presence required to access cross-border buyers and extract outlier valuations

North America

AtlantaMiami
ChicagoMinneapolis
DallasNew York
HoustonSan Francisco
Los AngelesWashington, D.C.

Europe and Middle East

AmsterdamMadrid
DubaiMilan
FrankfurtParis
London

Asia-Pacific

BeijingSydney
Hong KongTokyo
Singapore

HLI

LISTED

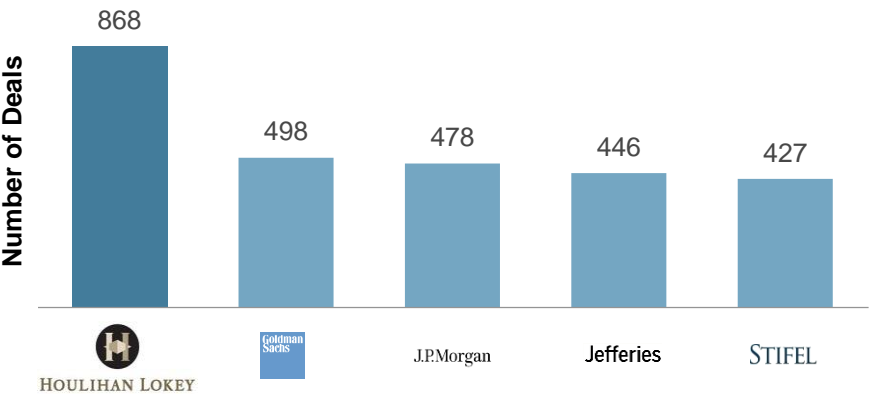
NYSE

1,300 Employees
~45% Owned by Employees
~\$1 Billion of Revenue

Publicly Traded
~\$3 Billion Market Cap
No Debt

U.S. M&A Transaction Leader

Houlihan Lokey executed more transactions under \$1.5 billion over the past five years than any other firm.



Leader in U.S. M&A Transactions

2018 M&A Advisory Rankings All U.S. Transactions		
Advisor		Deals
1	Houlihan Lokey	207
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Source: Thomson Reuters		

2017 M&A Advisory Rankings All U.S. Transactions		
Advisor		Deals
1	Houlihan Lokey	174
2	Goldman Sachs & Co	173
3	JP Morgan	164
4	Morgan Stanley	132
5	Barclays	106
Source: Thomson Reuters		

Unparalleled Experience With Financial Sponsors

Largest Financial Sponsor Group Focused on Mid-Cap Funds

Importance of Sponsors

- Houlihan Lokey has sold more than 400 companies to financial sponsors over the past five years
- Buyout firms have approximately \$1 trillion of dry powder¹

Broadest and Deepest Financial Sponsor Coverage Group

- Houlihan Lokey has 16 senior officers dedicated to the sponsor community in North America and Europe
- Coverage of 850 private equity firms, 200 hedge funds, and 100 family offices
- Organized geographically to ensure client coverage proximity

High Quality Relationships

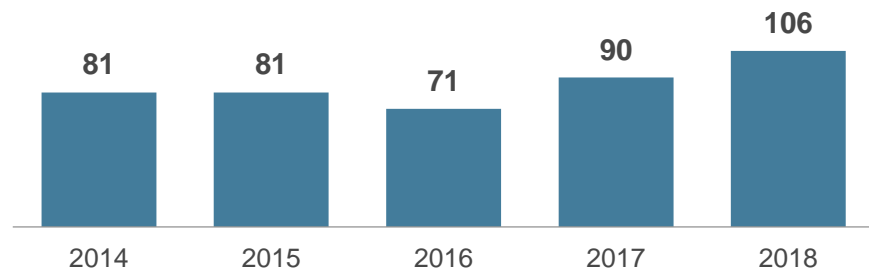
- Worked on more than 800 engagements for financial sponsors in the past year
- Provide financial sponsors access to successful solutions—with coverage officers facilitating two-way information flow between the sponsors and Houlihan Lokey

Unparalleled Data on Buyer Behavior

- Knowledge of, and database on, financial sponsor preferences and behavior through our relationships and deal flow
- Collect and analyze comprehensive data on industry, size, and general market trends

Companies Houlihan Lokey Sold To Financial Sponsors

More Than 400 Companies Over the Past 5 Years



Deep Relationships Across Fund Sizes and Types



¹ Source: Pitchbook.com and Preqin.

Leading TMT Advisory Team

Senior Leadership Team With Extensive Experience



Rob Louv
Co-Head and
Managing Director



Roy Kabla
Co-Head and
Managing Director



John Cooper
Managing Director



Steve Cramer
Managing Director



Daniel Gossels
Managing Director



Thomas Olivier
Managing Director



Christopher Wilson
Managing Director

Expertise and Capabilities Key Relationships

AWS/Azure/Cloud Hosting	<ul style="list-style-type: none"> Public Cloud Private Cloud Hybrid Cloud Data Centers Co-Location 	
Broadcast Technology/Media Services	<ul style="list-style-type: none"> On-Demand Services Creative Participation 	
Marketing Automation	<ul style="list-style-type: none"> CRM Customer Engagement Marketing Automation Ad Tech 	
Consumer Internet Services	<ul style="list-style-type: none"> Music Tech Food Tech 	
Data Analytics/Intelligence	<ul style="list-style-type: none"> Data Infrastructure Enterprise Analytics Data Sources and APIs Data Resources 	

Expertise and Capabilities Key Relationships

Out-of-Home Entertainment/Digital Signage	<ul style="list-style-type: none"> Digital Content Delivery VR/AR Family Entertainment Arcade Video Games 	
Digital Publishing/Video	<ul style="list-style-type: none"> Digital Publishers Digital Video Health Information Viral Content Digital Rights 	
Film/TV/Music/Entertainment	<ul style="list-style-type: none"> Film Production and Distribution Music Publishing Entertainment Services Music Festivals Entertainment IP 	
Human Capital Management	<ul style="list-style-type: none"> Talent Acquisition HRIS Talent Management 	
Enterprise Workflow/Content Management	<ul style="list-style-type: none"> Digital Workplace Enterprise Collaboration ERP 	

Expertise and Capabilities Key Relationships

Infrastructure/Security	<ul style="list-style-type: none"> Cloud Monitoring Network Management Network Analytics Security, Log Management IT Operations Management 	
Vertical Industry Software	<ul style="list-style-type: none"> Legal Travel & Hospitality EdTech Nonprofit Real Estate 	
Sports/Live Entertainment	<ul style="list-style-type: none"> Fantasy Sports/Gaming OTT/Video Data Analytics Social Media/Esports Youth/Amateur 	
Manufacturing Tech/Supply Chain/Procurement	<ul style="list-style-type: none"> Planning S&OP Procurement Inventory VMS 	
E-Commerce/Retail Tech	<ul style="list-style-type: none"> B2C E-Commerce E-Commerce Enablement Retail Analytics POS 	

Domain Expertise: HCM Technology and Tech-Enabled Services

HCM Software

 has been acquired by Sellside Advisor	 a portfolio company of has been acquired by Sellside Advisor	 has been acquired by a portfolio company of Wau Capital Sellside Advisor	 has received an equity investment from Financial Advisor	 has been acquired by Sellside Advisor	 has been acquired by Sellside Advisor
Learning Management	Learning Management	Talent Analytics	Employee Engagement	Talent Analytics	Workforce Management
 has been acquired by Sellside Advisor*	 Series D Convertible Preferred Stock With participation from existing investors: \$25,000,000 Placement Agent	 has been acquired by Sellside Advisor*	 has been acquired by Sellside Advisor*	 has been acquired by Sellside Advisor	 has been acquired by Sellside Advisor*
Predictive Talent Analytics	Social Recruiting Platform	Contingent Labor and Procurement	Social Engagement and Workforce Mgmt	Workforce Management	Contingent Labor
 has been acquired by Sellside Advisor*	 has been recapitalized by Financial Advisor*	 Sale of secondary shares to Financial Advisor*	 a portfolio company of has been acquired by Sellside Advisor*	 has been acquired by Shareholder Advisor*	 has been acquired by Sellside Advisor*
Contingent Labor and Procurement	ATS for Education and Government	Workforce Mgmt for Hourly Employees	HRIS	Learning Management	Sourcing and Talent Analytics

HCM Tech-Enabled Services

 a portfolio company of has diveded to Bert Miller Sellside Advisor	 a portfolio company of has been acquired by STONE POINT CAPITAL Sellside Advisor	 a portfolio company of has diveded to ARTECH Sellside Advisor	 has been acquired by a portfolio company of Sellside Advisor	 along with minority investor LINDSAY GOLDBERG has been acquired by Sellside Advisor	 has been acquired by Sellside Advisor
Talent Acquisition	Staffing	Staffing	Government Contracting	Contingent Labor	Staffing
 has been acquired by Sellside Advisor & Firmess Opinion	 has made a strategic investment in Buy-side Advisor	 a subsidiary of has been acquired by Sellside Advisor	 has partnered with a portfolio company of Sellside Advisor	 has been acquired by Sellside Advisor	 a subsidiary of has been acquired by Sellside Advisor
Staffing	Talent Acquisition	Payroll and HRIS	Staffing	Contingent Labor	Contingent Labor
 a portfolio company of has been acquired by Sellside Advisor*	 has been acquired by Sellside Advisor*	 has been acquired by Sellside Advisor	 a portfolio company of has been acquired by Sellside Advisor	 a portfolio company of has been acquired by Sellside Advisor	 \$30,000,000 Series A Preferred Stock Financial Advisor and Placement Agent*
HRIS	Contingent Labor and Procurement	Talent Analytics	Staffing	Training, Learning, and Compliance	Payroll and HRIS





















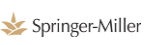






Deep Relationships Across HCM Software and Tech-Enabled Services



Tombstones included herein represent transactions closed from 2008 forward. Selected transactions were executed by Houlihan Lokey professionals while at other firms acquired by Houlihan Lokey or by professionals from a Houlihan Lokey joint venture company.

SaaS Advisory Track Record

Unmatched SaaS transaction experience with more than 80 SaaS sellside transactions closed—more than any other investment bank.

 has been acquired by RCI a wholly-owned subsidiary of WYNDHAM • DESTINATIONS Sellside Advisor	 has been acquired by everbridge Sellside Advisor	 a portfolio company of NORWEST VENTURE PARTNERS has been acquired by CENDYN a portfolio company of AKKR Sellside Advisor	 a portfolio company of AKKR has been acquired by ACLATE a portfolio of companies owned by ESW CAPITAL Sellside Advisor	 has been acquired by VERINT Sellside Advisor	 has received a significant growth investment from FrontierCapital Financial Advisor	 a portfolio company of AKKR has been acquired by INSIGHT VENTURE PARTNERS Financial Advisor	 has received an equity investment from INSIGHT VENTURE PARTNERS Financial Advisor	 has been acquired by ESKO an operating subsidiary of DANAHER Sellside Advisor
Travel Technology	Event Management	Travel Technology	Content Lifecycle Management	Customer Experience Management	Retail Analytics	Web Content Management	Nonprofit CRM and Fundraising	Manufacturing Content Management
 has been acquired by psi a portfolio company of Waud Capital Sellside Advisor	 has received an equity investment from FrontierCapital Financial Advisor	 has been acquired by eSolutions a portfolio company of FP FRANCISCO PARTNERS Sellside Advisor	 has received an equity investment from updata PARTNERS Financial Advisor	 has been acquired by psi Sellside Advisor	 has been acquired by KKR Sellside Advisor	 has been acquired by THOMA BRAVO Sellside Advisor	 has been acquired by snagajob Sellside Advisor	 has received an equity investment from Syniverse a portfolio company of THE CARLYLE GROUP Financial Advisor
Talent Management	Digital Workplace	Healthcare Analytics	Security Software	Talent Management	Contact Center Workforce Optimization	Supply Chain Network	Recruiting and Onboarding	Mobile Advertising
 has received an equity investment from AKKR Financial Advisor	 has been acquired by GREENRIDGE INVESTMENT PARTNERS Sellside Advisor	 a wholly-owned subsidiary of par has been acquired by JONES SOFTWARE a wholly-owned subsidiary of CONSTELLATION SOFTWARE INC. Sellside Advisor	 has been acquired by ACCEL KKR Sellside Advisor	 has been acquired by Social Solutions a portfolio company of Vista Equity Partners Sellside Advisor	 has been acquired by Vista Equity Partners Sellside Advisor	 has been acquired by [24]7 Sellside Advisor	 has been acquired by LIVEPERSON Sellside Advisor	 has been acquired by CITRIX Sellside Advisor
Marketing Automation	Financial Technology	Workplace Management	Web Content Management	Outcomes Management	Outcomes Management	CRM and Call Center	Marketing Automation	E-Signature

Current Market Conditions Remain Strong for HCM M&A

Technology and SaaS Comps Remain Strong; HCM Outperforming

We are experiencing strong market conditions for SaaS technology companies and HCM continues to outperform.

- Markets have continued to be strong despite some recent market volatility.
- HCM continues to trade strong
 - Paycom at 16.5x revenue
 - Workday at 10.7x revenue
 - Median HCM is 5.1x revenue
- Strategics and sponsors are looking for more mature models with revenue that will move the needle. Both have shown a willingness to lean in on valuation when unit economics are strong.

Capital Is Highly Available

Cash Stockpiles + Cheap Debt + High Stock Prices = Acquisition Currency

- Billions of cash on public company balance sheets
- Private equity funds need to invest >\$1.4 trillion of committed capital
- Interest rates at record lows
- Public companies need to put cash to work
- Buyers can borrow at record lows to finance acquisitions
- Buyers can use highly valued stock to make acquisitions

Large-Cap Acquirers Seeking New Areas of Growth and Expansion

Few targets of meaningful size that can impact top and bottom line for buyers. HCM is valuing growth.

Company	18–19E Rev. Growth	EBITDA %	Valuation ¹	Company	18–19E Rev. Growth	EBITDA %	Valuation ¹
Oracle	0.5%	47.0%	5.1x	Workday	27.3%	19.9%	10.7x
ADP	5.2%	25.1%	4.8x	Paycom	28.8%	42.1%	16.5x
IBM	(2.1%)	22.9%	2.1x	Paylocity	23.0%	28.4%	9.8x

Take Privates are Surging as PEs Look to Write Larger Checks²

Take privates of mid-cap companies have surged over the past few years.

- Amber Road acq. by E2Open (\$415.4M/46.6% Premium)
- Ultimate Software acq. by Hellman & Friedman (\$11.0B/32.0% Premium)
- Bazaarvoice acq. by Marlin Equity Partners (\$521.0M/13.4% Premium)
- Xactly acq. by Vista (\$562.0M/34.9% Premium)
- Jive acq. by Wave Systems (\$353.4M/22.1% Premium)
- Halogen acq. by Saba (\$170.1M/25.1% Premium)
- Neustar acq. by Golden Gate (\$2.9B/38.7% Premium)
- Infoblox acq. by Vista (\$1.3B/31.6% Premium)
- Rackspace acq. by Apollo (\$4.3B/36.8% Premium)
- Monster acq. by Randstad (\$429.0M/29.3% Premium)
- Netsuite acq. by Oracle (\$9.4B/57.9% Premium)
- ReachLocal acq. by Gannett (\$156.0M/184.0% Premium)
- LinkedIn acq. by Microsoft (\$26.2B/54.3% Premium)
- Qlik acq. by Thoma Bravo (\$3.0B/40.0% Premium)³
- Demandware acq. by Salesforce (\$2.8B/62.8% Premium)
- Marketo acq. by Vista (\$1.8B/60.3% Premium)
- SciQuest acq. by AKKR (\$373.0M/28.4% Premium)
- Cvent acq. by Vista (\$1.5B/66.1% Premium)

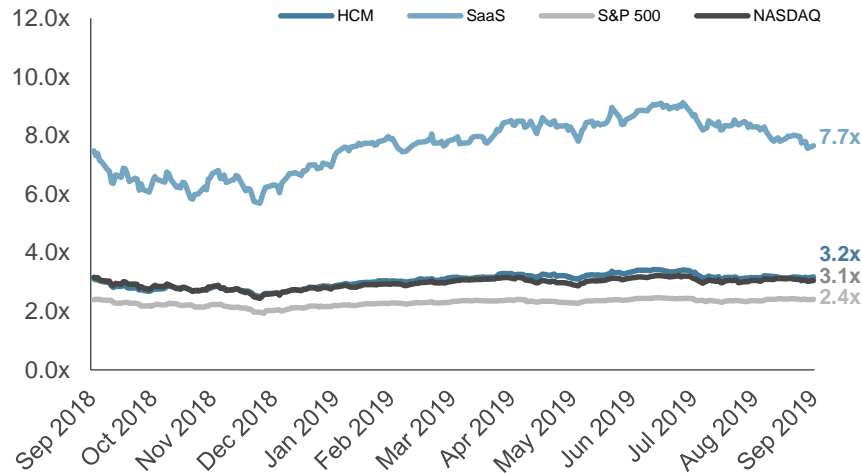
¹ Public equities trading multiples and growth based on 2019E figures. Data from Capital IQ as of September 30, 2019

² Source: 451 Research, Capital IQ and MarketWatch

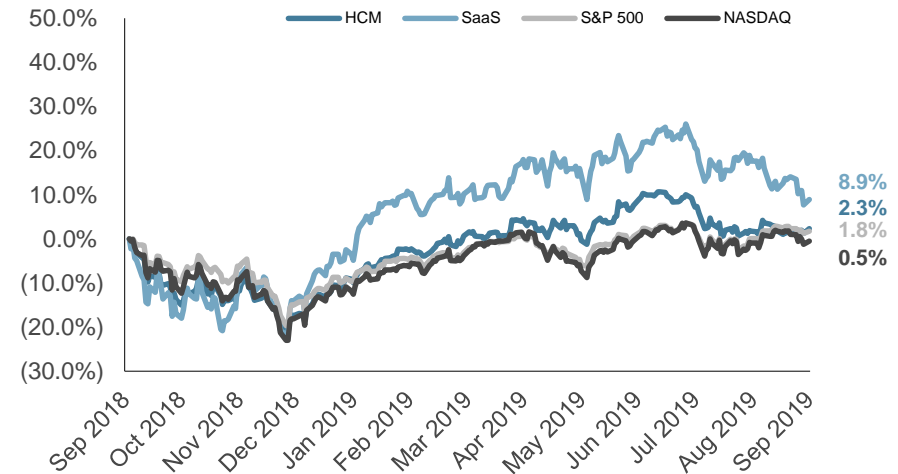
³ Calculated off 10 day moving average from March 3, 2016

Macro Market Snapshot

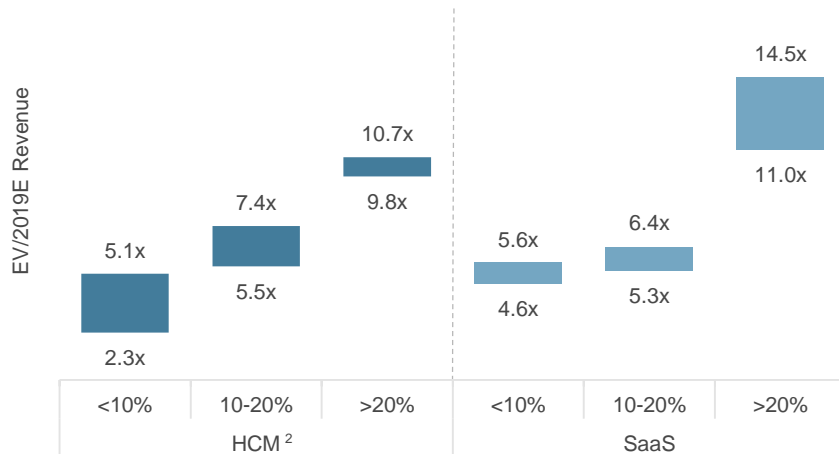
EV/NTM Revenue by Index



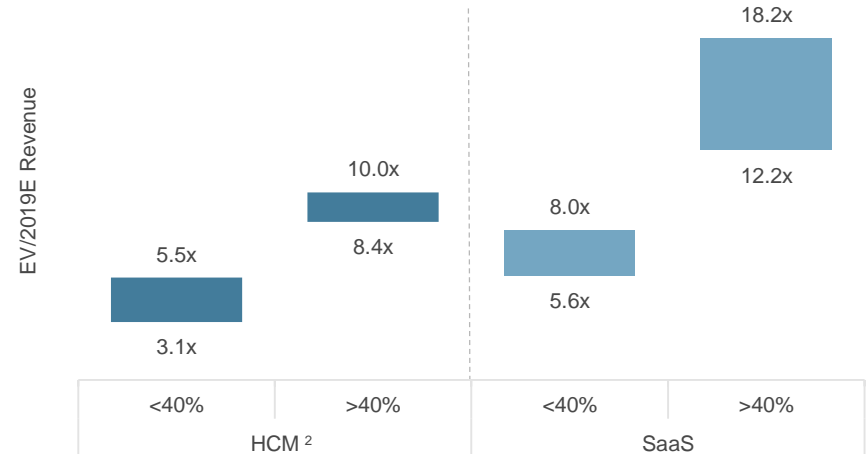
Share Price Weighted by Market Cap



Valuation Is Closely Tied to Revenue Growth¹



Rule of 40: Premium on Growth + Profitability¹



Sources: Capital IQ – Data as of September 30, 2019

¹ Ranges shown indicate Median through Top Quartile EV/2019E Revenue.

² HCM Index comprised of companies shown on company benchmarking charts in following pages.

Human Capital Management Landscape

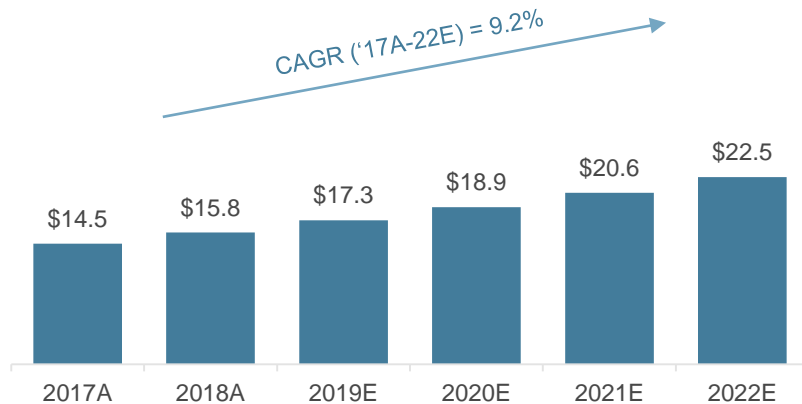
	Talent Acquisition						Core HR				Talent Management				
	Sourcing	Recruitment Marketing	Assessments	Applicant Tracking	Hiring Tools	Onboarding	Payroll	HRIS	Workforce Management	Contingent Labor	Compensation and Benefits	Performance and Succession	Learning	Employee Engagement	Talent Analytics
Leaders	RECRUIT seek StepStone CAREER BUILDER randstad DHI	LinkedIn facebook iCims	CEB DDI psi WILEY	SAP ORACLE IBM iCims		Sterling Parkcheck First Advantage GIS Checkr	ADP CERIDIAN PAYCHEX intuit sdworx	workday Ultimate SOFTWARE UNIT4 infor paycom paylocity	KRONOS workfront DATABASICS ACT	SAP ORACLE PRO Unlimited RIGUP Upwork	BenefitMail BENEFITFOCUS benify ZENEFITS WEX Health	SAP ORACLE IBM SABA HAUFE	Cornerstone OnDemand Skillssoft SABA pluralsight	globeforce REWARDGATEWAY Maritz CX WORLDWIDE	IBM infor workday
Challengers	snagajob [SYMPHONY TALENT] Thumbtack Jobs2Careers jobrapido HackerRank Reassessing Tech Recruiting HIRED Wonele	ZipRecruiter Jobvite SmartRecruiters Avature phenom people XING greenhouse LEVER	MHS CALIPER Wonderlic SHAKER RECRUITMENT MARKETING capp	Bullhorn =exact HealthcareSource PageUp People talentReef	HireVue SilkRoad Technology fenergo VERTICAL SCREEN ACCURATE Background ASURINT	VISTA Frontier ZALARIS FMP Global MHR P&I	Paycor bamboohr iSolved Namely corehr Ascentis	HotSchedules workforce SOFTWARE REFLEX ASURE Allocate Software REPLICON UNIFOCUS TimeClock Plus®	beeline freelancer.com MBO partners shiftgig	businessolver EMPYREAN GUSTO PLANSOURCE benefitexpres PayScale beqom salary.com JUSTWORKS	VISTA TALENTSOFT Human edited value talentia meta Xactly	learning technologies expertus ON24 NAVEX alchemy	bond rise MotivAction Employee Performance USA GuideSpark BAUDVILLE Achievers	VISIER	
Emerging	SMASHFLY WayUp cornerjob experteer yello tenstreet JOBTARGET pando logic	workable jobandtalent ascendify Hireology JazzHR relink WORK4	CRITERIA REVELIAN pymetrics HOGAN	entelo	textio startwire sparkHire Verificient TECHNOLOGIES AllyO	InfoMart Universal TECHNOLOGY VERISYS Confido APPLICANT INSIGHT	VIVENTIUM CheckPoint HR syncHR bob apex CIPHR ALL ABOUT PEOPLE EY EMPLOYMENT INNOVATIONS	When I Work swipeclock WORKSPACE MANAGEMENT CLEVEST mitrefinch DEPUTY CDP MANAGEMENT SYSTEMS EY EMPLOYMENT INNOVATIONS shiftboard	tempworks CATALANT talentwave AVIONTE GIGSTER	INFINISOURCE SERVICES E-PAY PRISMHR HRsoft Talent Management & Analytics ubiquity recruitment + sourcing ICONIX SECOVA selerix corestream	EVERWISE Reflektive TALENTQUEST Lattice	degreed Axonify Administrate BIZ LIBRARY coopacademy KALLIDUS emtrain reviewsnap ANCILE SOLUTIONS Think	Culture Amp BetterWorks TINYpulse kazoo IGLOO Peakon FOND Dovetail SOFTWARE impraise	Hireology predicting success OUTMATCH SKILLSURVEY TALENTQUEST Talent Management, Simplified harver meQuilibrium	
New	jobaline.com handshake brightmove Source + Connect + Hire MapRecruit INXT	RESTLESS BANDIT JobAdder HRBOSS uncommon Reppify Jobvite	FurstPerson matchoo nika veira TestGrid ARCTIC SHORES SCOUTIBLE TalentClick Talent Management, Simplified	HIREGROUND HR Software & Job Board ExactHire	HiringSolved Cinch gild GetHired.com SURVALE hiq eightfold.ai PARADOX ideal	KIN	inoviPayroll visagepayroll www.Payroo.com bluemarble	Sentric cake People Trak	Blue Dot WorldRecords SISQUAL PERCOLATA VCS	TALENTHire.com	LUMITY SIMPLIFIED BRI BAS Recruitment Analytics Systems	INCENTCO RELIANT TalentGuard Talent Management Si Small Improvements reviewsnap TRAKSTAR PeopleStreme	B-Wyze LearnShare ProctorEdu BenchPrep learninghubz	kudos Staffbase Bonusly 15Five hppy QUANTUM	Predictive Hire HiredScore Clearfit logi serve Recruitment Analytics eightfold.ai

Large and Growing Market With Massive TAM

HCM market forecast to grow at nearly 10% annually until 2022, driven in large part by the growth in overall enterprise SaaS and cloud software.

Human Capital Management Growth

Billions



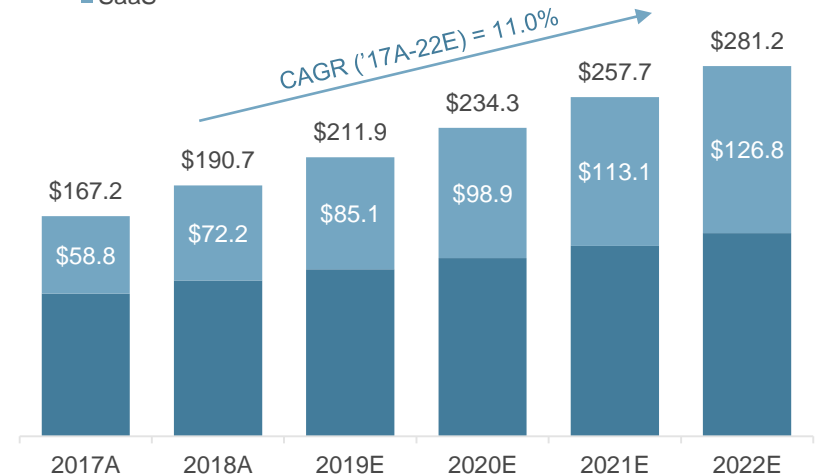
Estimated \$22.5B in total revenue by 2022, driven by:

- Enterprises looking for unified HCM suites to save costs and manage the entire HCM workflow
- Emergence of artificial intelligence in automating HR processes, intelligently recommending candidates and streamlining the recruiting process
- Record low U.S. unemployment forcing companies to find creative solutions to source talent

SaaS and Cloud Services Forecast

Billions

■ SaaS

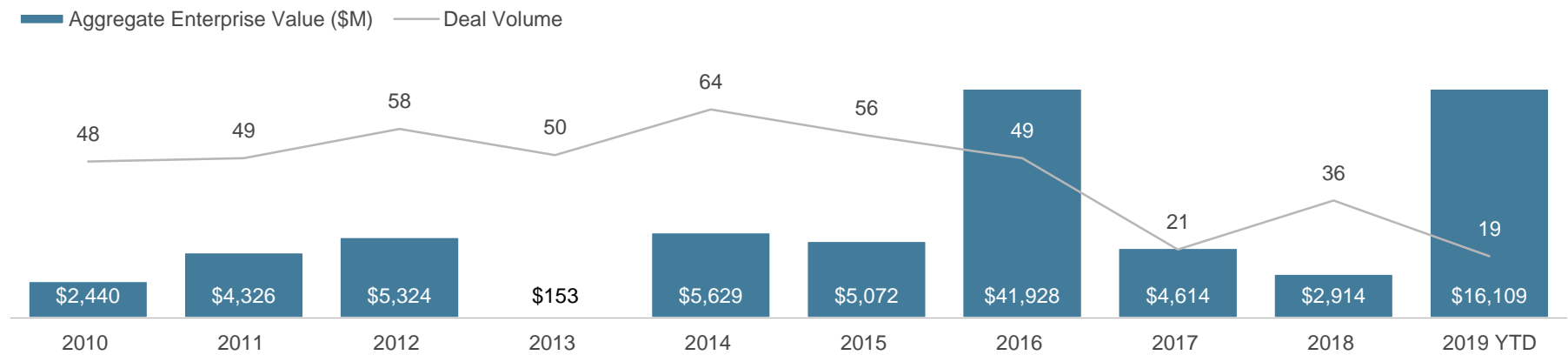


Overall enterprise software growth has been driven by the proliferation of SaaS and hybrid cloud models in the last decade

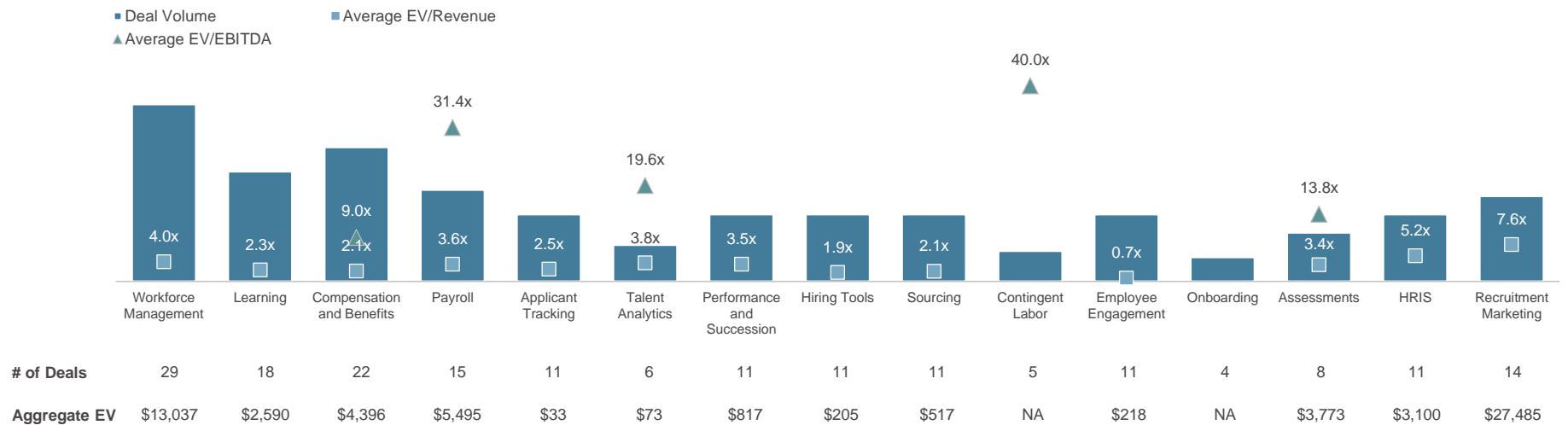
- Organizations are seeking simpler, more flexible and economic ways to move and manage workloads across environments
- Overall SaaS market is estimated to grow to \$126.8B by 2022 at a CAGR of 16.6%

Historical HCM M&A Summary

HCM M&A Transaction Summary (2005–2019 YTD)
















































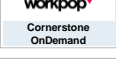














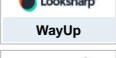






































HCM M&A Transaction by Subsector (2015–2019 YTD)



Source: Capital IQ, 451 Research, and Kognetics as of September 30, 2019
Note: Includes transactions with undisclosed financial terms; Transactions may fall into more than one indicator
NA or data not shown if data isn't publicly available or EV/Revenue or EV/EBITDA is greater than 50x.

Historical M&A: Select Strategic Transactions

HCM M&A Transaction by Subsector (2015–2019 YTD)






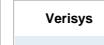







































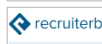
















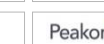

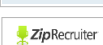





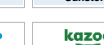



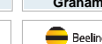



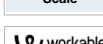




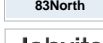






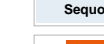

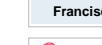

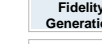
	Sourcing	Recruitment Marketing	Assessments	Applicant Tracking	Hiring Tools	Onboarding	Payroll	HRIS	Workforce Mgmt	Contingent Labor	Comp and Benefits	Performance and Succession	Learning	Employee Engagement	Talent Analytics
Deal Volume	11	14	8	11	11	4	15	11	29	5	22	11	18	11	6
Aggregate EV (\$M)	\$517	\$27,485	\$3,773	\$33	\$205	NA	\$5,495	\$3,100	\$13,037	NA	\$4,396	\$817	\$2,590	\$218	\$73
	 Randstad	 LinkedIn	 PSI	 Paycor	 Connectifier	 TalentWise	 ADP	 eCI	 Kronos	 Intuit	 Plansource	 Salesforce	 SAP	 ReFFIND	 Workday
	 Indeed	 Microsoft	 PSI	 SnagAJob	 Roper	 Equifax	 Visma AS	 Roper	 ShiftHub	 Adecco	 Mercer	 Deltek	 LinkedIn	 Blackhawk	 Ultimate
	 Indeed	 Monster	 Gartner	 Sage	 Engage 2Excel	 Sterling	 NGA	 Ultimate	 ADP	 IQ Navigator	 CareerBuilder	 Saba	 TalentSoft	 Aon	 CEB
	 Cornerstone OnDemand	 Figaro Classifieds	 CEB	 Saba	 Infors	 GIS	 Intuit	 Kronos	 Intuit	 ADP	 HealthEquity	 Saba	 Workday	 HC Svcs & Sol	 Medix Staffing
	 WayUp	 Xing	 ADP	 Bullhorn	 Adecco		 ADP		 Ascentis	 Workday		 Visma	 Learning Tech.	 Deloitte	
	 Bullhorn	 PIXID	 John Wiley		 Recruit		 Visma		 Paycor			 Culture Amp	 PeopleAdmin	 YouEarnedIt	
		 Bullhorn	 PSI		 iCIMS		 iSolved		 Salesforce			 PowerSchool	 Intertek	 LinkedIn	
		 iCIMS	 Capp & Co		 Montage							 PeopleFluent Learning Tech.	 ATS	 Healthcare Services	
	 Appcast StepStone				 Shaker								 Grove Cornerstone OnDemand		
					 Entelo								 turnitin Advance Publications		

Source: Capital IQ, 451 Research, and Kognetics as of September 30, 2019

Note: Includes transactions with undisclosed financial terms; Transactions may fall into more than one indicator
NA or data not included if data isn't publicly available or EV/Revenue or EV/EBITDA is greater than 50x

Select Sponsor Activity

HCM Transaction by Subsector (2015–2019 YTD)

	Sourcing	Recruitment Marketing	Assessments	Applicant Tracking	Hiring Tools	Onboarding	Payroll	HRIS	Workforce Mgmt	Contingent Labor	Comp and Benefits	Performance and Succession	Learning	Employee Engagement	Talent Analytics
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	 Symphony	 Insight	 Waud	 Vista	 TCV	 Spectrum	 Primus	 Summit	 Francisco	 Serent	 AKKR	 Bedford Funding	 Vector	 Great Hill	 Summit
	 Symphony	 Insight	 Exponent	 Francisco	 Carlyle	 Guidepost	 Serent	 Serent	 Summit		 LLR	 Argos Sodic	 FF&P		 Insight
	 Symphony	 TS2 Holdings	 GA	 Apax	 Bain	 T. Rowe Price	 Frontier	 JMI	 Great Hill		 FTV	 Goldman	 Goldman	 Marlin Equity	 Primus
	 VSS	 Vista	 Riverside	 Turn/River	 Bain / Scale		 Rho	 Iconiq	 KKR		 Warburg		 JMI	 TPG	
	 AKKR	 Riverwood	 Sumeru	 Insight			 Apax	 Permira	 ParkerGale		 Vista		 Apse Capital	 EQT / Sunstone	
	 Spectrum	 IVP		 Battery				 KKR	 Inverness Graham		 Francisco		 Guidepost	 Vista	
	 Rho/Invus	 Scale						 Battery	 New Mountain		 Bain			 Frontier	
	 Gemspring	 83North							 Vista		 Goldman			 Atomico	
	 JMI	 K1							 H&F		 Vista			 Sequoia	
	 Bain								 Marlin		 Francisco			 Matrix	
									 Providence		 Fidelity / Generations			 Insight	
											 LLR				

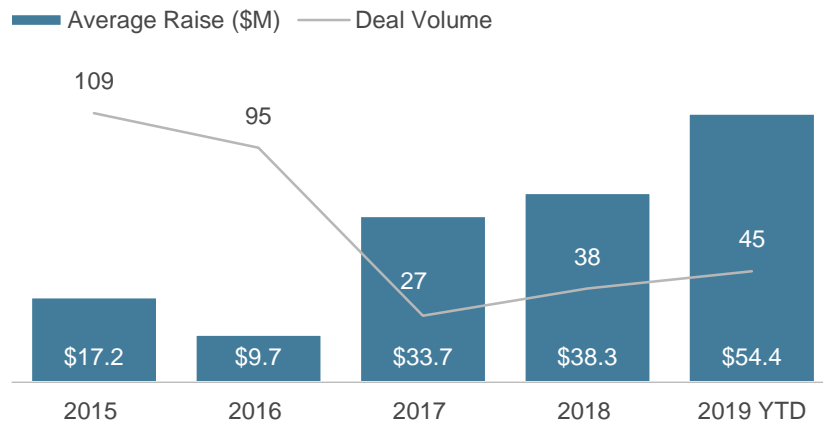
Source: Capital IQ, 451 Research, and Kogentics as of September 30, 2019

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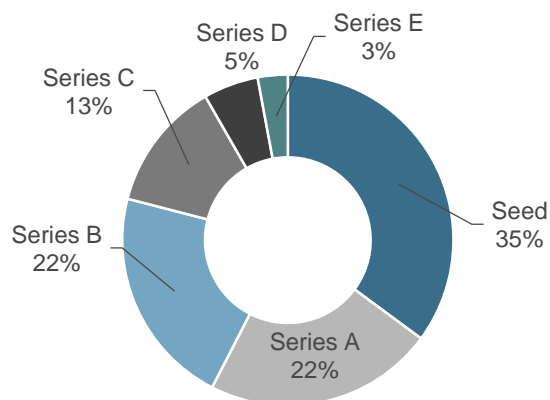
HCM Actively Drawing Growth Equity

The past few years have seen a resurgence of growth equity into the HCM market with larger checks being put to work in more mature companies.

HCM Growth Equity Summary (2015–2019 YTD)



HCM Growth Equity Volume by Round (2015–2019 YTD)



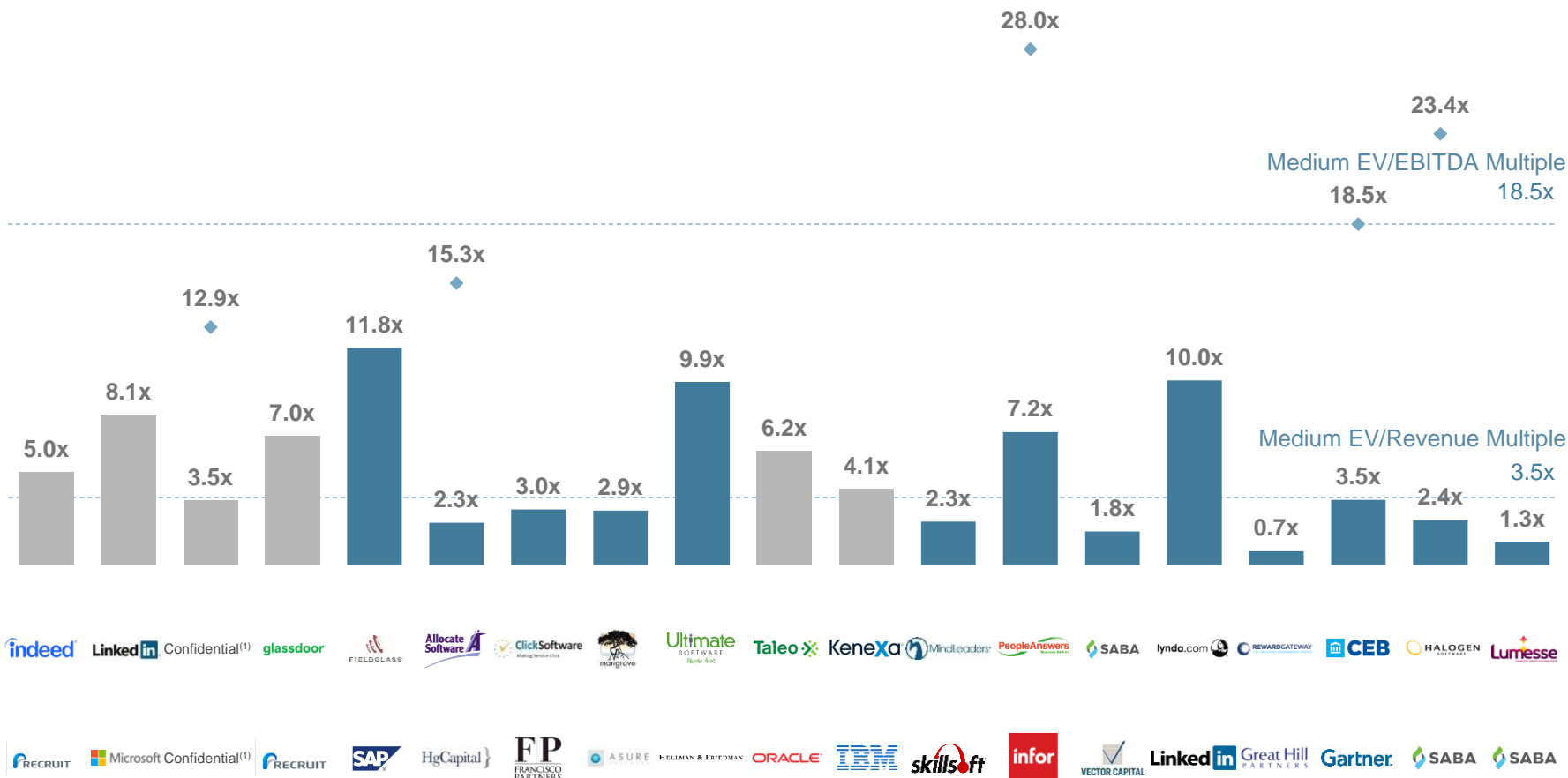
Select Recent Growth Equity Transactions

Date	Target	Lead Investor(s)	Subsector	\$M
09/2019	Checkr	T. Rowe Price	Onboarding	\$160
09/2019	HireVue	THE CARLYLE GROUP	Hiring Tools	NA
09/2019	Culture Amp	SEQUOIA CAPITAL CIRCA ORCA	Employee Engagement	\$82
07/2019	GUSTO (formerly Gusto)	Fidelity generation	Compensation and Benefits	\$200
07/2019	bullin	update PARTNERS	Recruitment Marketing	\$22
07/2019	15Five	matrix PARTNERS	Employee Engagement	\$31
07/2019	anapoint	AirTree seek	HRIS	\$15
06/2019	degreed.	Owl Ventures Jump Capital	Learning	\$35
06/2019	PayFit	EUROZEO ACCEL PARTNERS	Payroll	\$79
06/2019	BetterUp	DFJ lightspeed	Performance and Succession	\$103
06/2019	AllyO	BainCapital VENTURES SCALE PARTNERS	Hiring Tools	\$45
05/2019	SmartRecruiters	INSIGHT Mayfield	Recruitment Marketing	\$50
05/2019	OpenSesame	FTV CAPITAL	Learning	\$28
05/2019	CRITERIA	SEI LEOPOLD PARTNERS	Talent Analytics	\$56
05/2019	karat^	TIGERGLOBAL NORWEST PARTNERS	Hiring Tools	\$28
05/2019	SENSE	G/ ACCEL PARTNERS	Contingent Labor	\$14
04/2019	perkbox	Draper Esprit	Employee Engagement	\$18
04/2019	Lattice	THORNTON CAPITAL THRIVE CAPITAL	Workforce Management	\$15
04/2019	Hireology	BainCapital VENTURES BAIRD	Hiring Tools	\$12
04/2019	tray.io	GGVCAPITAL SPARK CAPITAL	Employee Engagement	\$37
03/2019	ubiquity	Undisclosed	Compensation and Benefits	\$19

Precedent M&A Transactions

Enterprise Value and Relevant Multiples (\$M)

2012	2016	2016	2018	2014	2014	2015	2016	2019	2012	2012	2012	2014	2015	2015	2015	2017	2017	2018
\$750	\$26,191	\$116	\$1,200	\$1,000	\$152	\$378	\$17	\$10,867	\$1,900	\$1,300	\$70	\$200	\$268	\$1,500	\$218	\$3,300	\$175	\$100
Talent Acquisition			Core HR			HCM Suite			Talent Management									



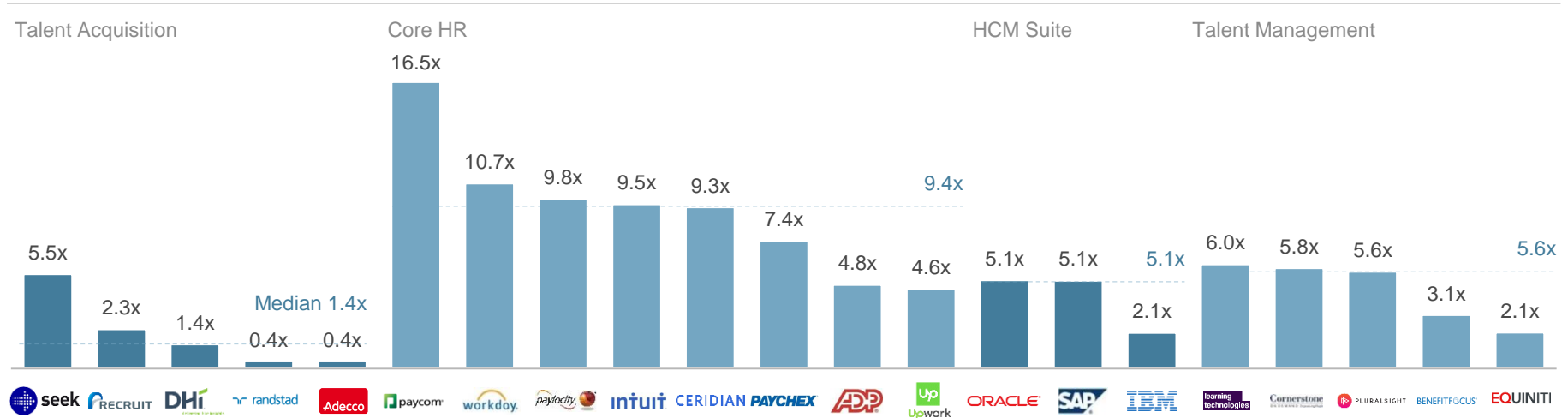
Source: Capital IQ, Wall Street research

Note: Additional M&A transactions included in the appendix

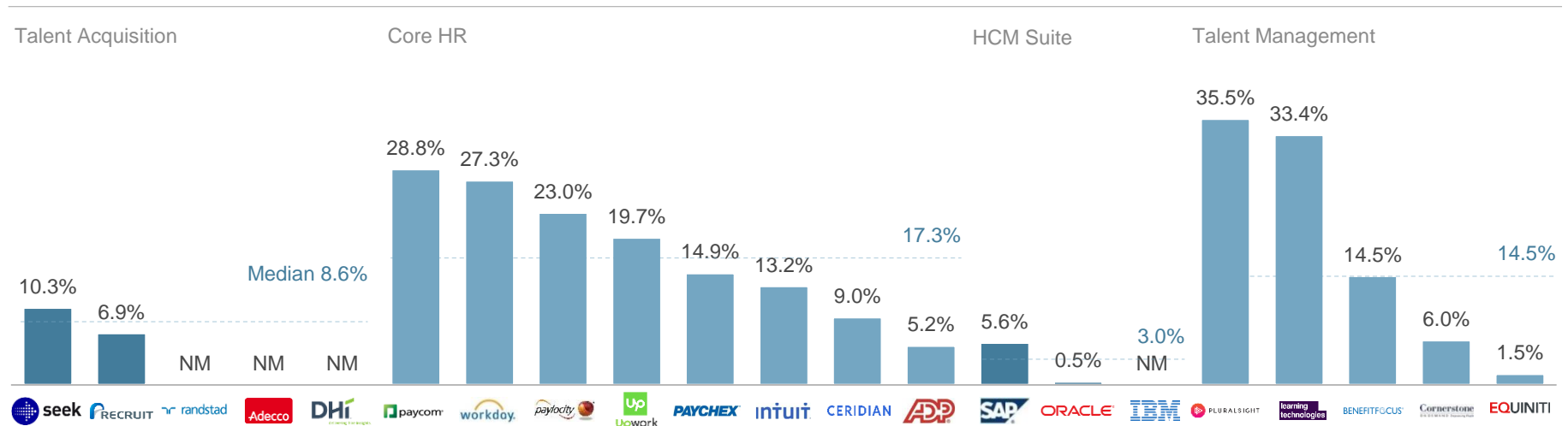
(1) Refers to Houlihan Lokey transaction

Comparable Public Company Benchmarking

EV/CY2019E Revenue Multiple

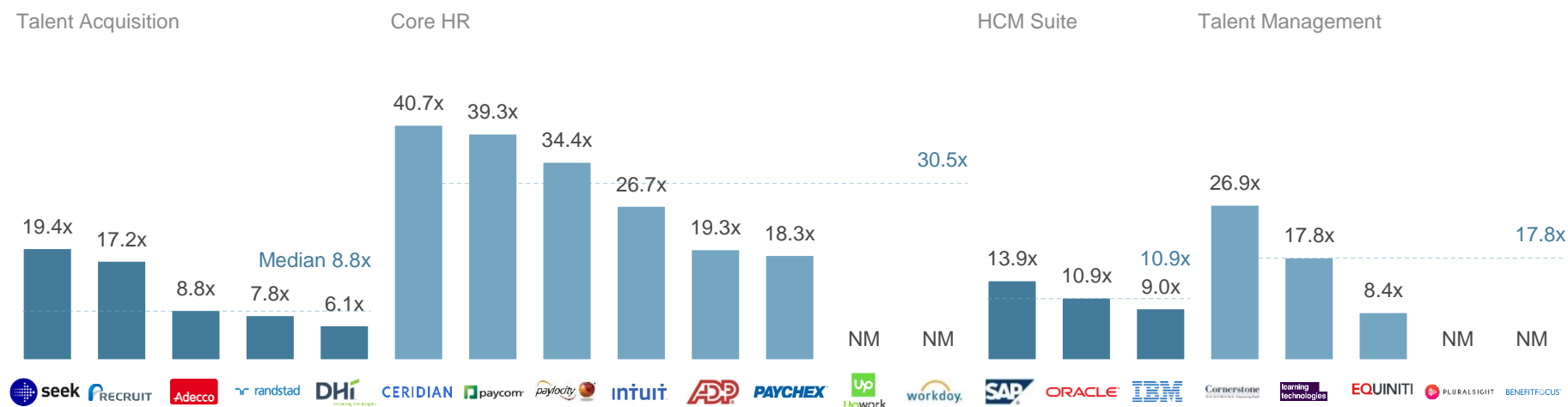


2018–2019E Revenue Growth

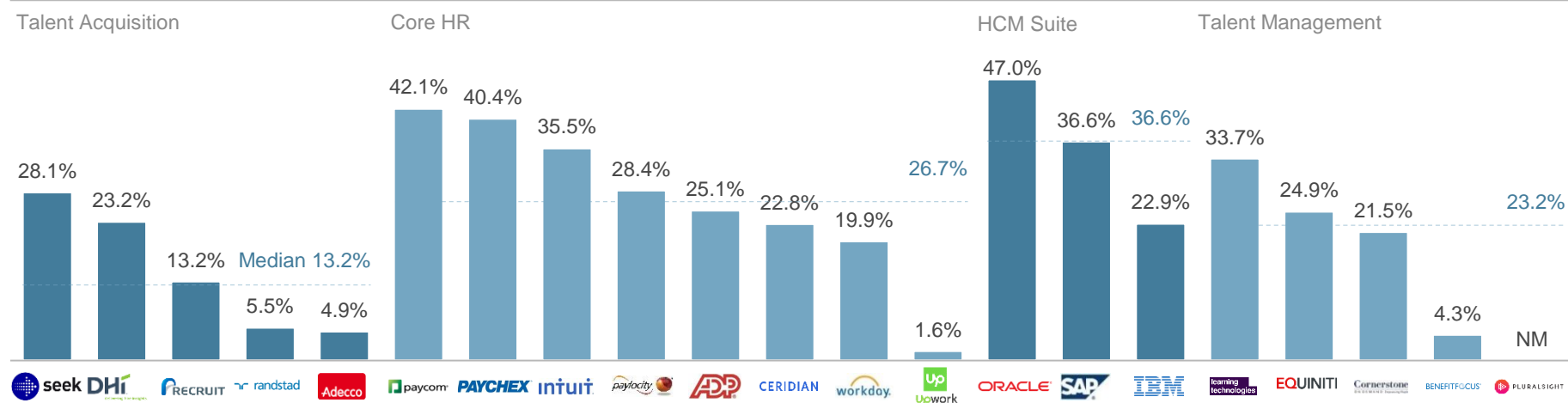


Comparable Public Company Benchmarking (cont.)

EV/CY2019E EBITDA Multiple

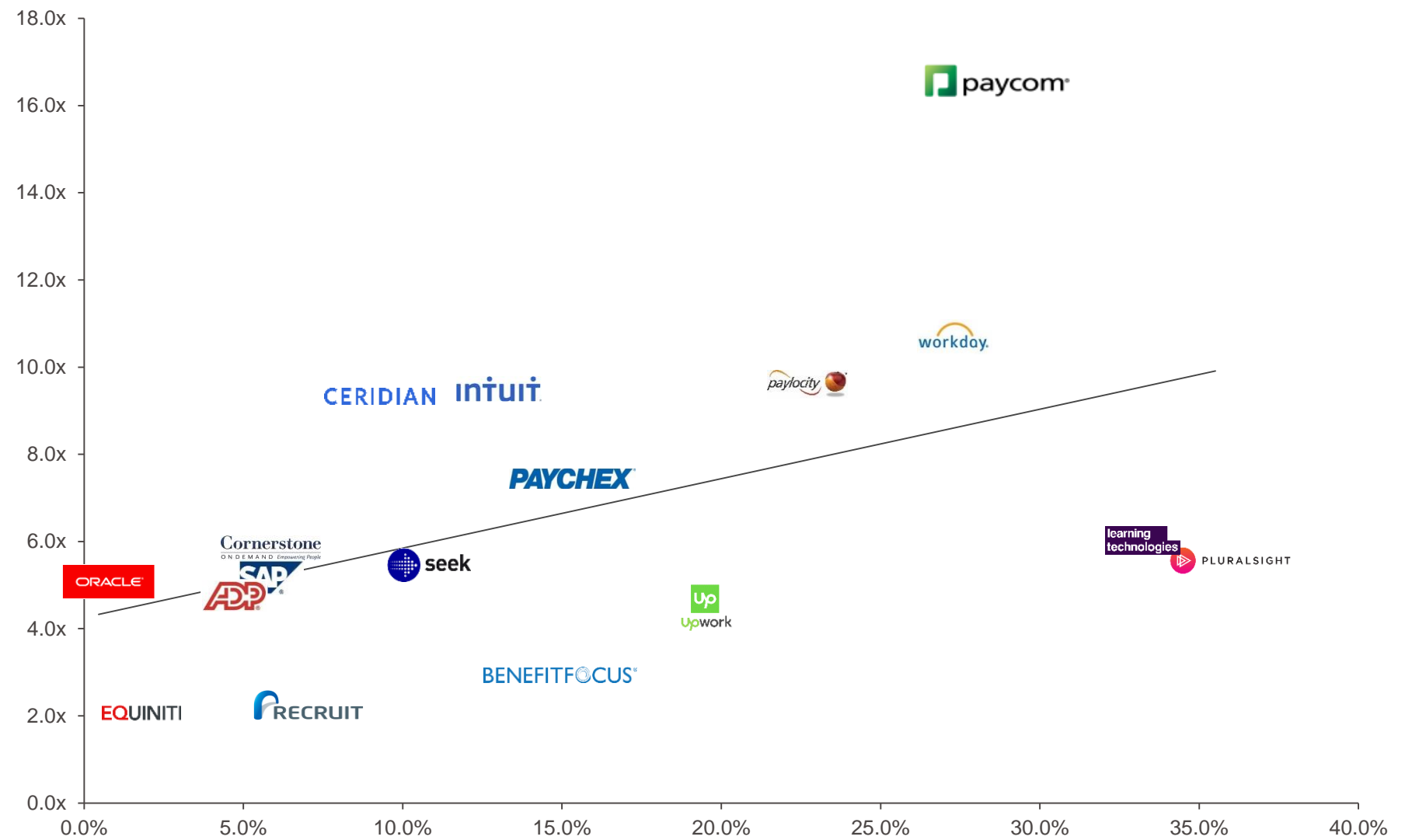


2019E EBITDA Margin



Regression Analysis on Select HCM Public Companies

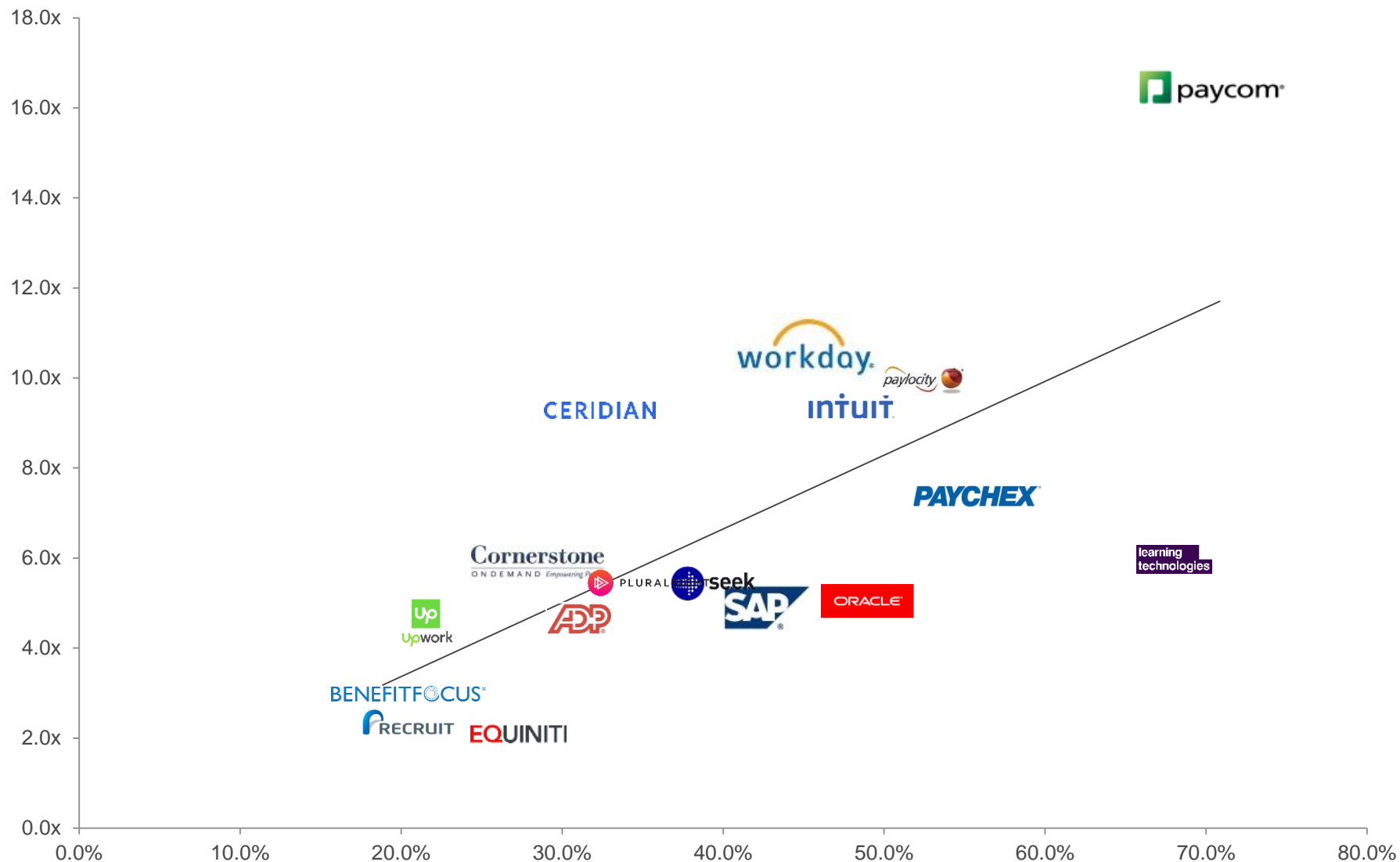
EV/2019E Revenue Multiple vs. 2018–2019E Revenue Growth Rate



Source: Capital IQ – Trading data as of September 30, 2019
R-squared = 24%

Regression Analysis on Select HCM Public Companies

“Rule of 40”: EV/2019E Revenue Multiple vs. 2018–2019E Revenue Growth + 2019E EBITDA Margin





Rob Louv

**Managing Director
and Co-Head of TMT**
San Francisco

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Qualifications

B.S.B.A. University of Florida
MBA Vanderbilt University
PAST ArchPoint Partners
Montgomery & Co.
J.P. Morgan
SunTrust

Mr. Louv is a Managing Director and Co-Head of Houlihan Lokey's Technology, Media & Telecom (TMT) Group. He has an extensive background in TMT investment banking, with more than 200 announced transactions, representing nearly \$200 billion in aggregate consideration. Mr. Louv advises companies in a broad range of technology domains, including technology-enabled services, SaaS, data services, cloud computing, vertical application solutions, human capital management, enterprise software, supply chain, mobility, business intelligence/analytics, infrastructure software, and financial technology.

Before joining Houlihan Lokey, Mr. Louv was Co-Founder of ArchPoint Partners which he sold to Houlihan Lokey in 2014.

Prior to co-founding ArchPoint Partners, Mr. Louv was a Managing Director and Co-Head of Technology Banking at Montgomery & Co., where he also served on the Board of Directors.

Before joining Montgomery & Co., Mr. Louv was a Vice President with J.P. Morgan leading the firm's West Coast mergers and acquisitions efforts in the technology sector.

Prior to attending graduate school, Mr. Louv worked for SunTrust as an Assistant Vice President, executing leveraged loans and providing financial advisory services.



John Cooper

Managing Director
Miami

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Qualifications

B.A. University of Minnesota
PAST ArchPoint Partners
Montgomery & Co.
ThinkTank
Microsoft

Mr. Cooper is a member of Houlihan Lokey's Technology, Media & Telecom (TMT) Group. He has a long and successful track record in developing the strategy and creating the environment to achieve an optimal outcome for his clients.

Before joining Houlihan Lokey, Mr. Cooper was Co-Founder of ArchPoint Partners, where he led the firm's efforts in advising growth companies in software and related sectors. Prior to co-founding ArchPoint, he was a Managing Director and Co-Head of Technology Banking at Montgomery & Co. Before joining Montgomery & Co. in January 2003, Mr. Cooper was the Senior Managing Director in Microsoft's Corporate Development and Strategy group. While there, he developed and led a senior team responsible for a number of key investments and acquisitions and effected more than 30 transactions.

To date, Mr. Cooper has managed more than 200 strategic investment and acquisition processes. He also has an operating background, having himself founded and successfully sold two venture capital-financed technology and services companies. He has been an active board member for both public and private companies in the technology sector.



Erin L. Duffy

Vice President
San Francisco

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Qualifications

B.A. Columbia University

PAST Dominick & Dominick

Ms. Duffy is a Vice President in Houlihan Lokey's Technology, Media & Telecom (TMT) Group.

Prior to joining Houlihan Lokey, Ms. Duffy served as an Associate with Dominick & Dominick LLC in New York, where she provided M&A advisory and capital-raising services to lower-middle-market companies located around the globe. She worked across multiple industries, including manufacturing, sports and entertainment, consumer, clean tech, and healthcare.

Ms. Duffy graduated *magna cum laude* from Columbia University with a B.A. in Economics and a concentration in Psychology.

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