Houlihan Lokey



HCM Technology: Mid-Year 2025 Update and People Analytics Spotlight

Summer 2025

Houlihan Lokey: **A Global Technology Advisory Leader**

HLI LISTED NYSE

$13.41B	HQ	34	~2,000	140+	30	415
Market Cap(1)	Los Angeles	Locations Worldwide	Financial Professionals	Tech Team Members	Subsectors Covered	Global Transactions Completed in 2024(2)

No. 1

Global Tech M&A Advisor

2024 M&A Advisory Rankings
All Global Technology Transactions

	Advisor	Deals
1	**Houlihan Lokey**	**101**
2	Goldman Sachs & Co	98
3	JP Morgan	93
4	Morgan Stanley	81
5	Rothschild & Co	65

Source: LSEG (formerly Refinitiv).
Excludes accounting firms and brokers.

Unparalleled Access

Financial Sponsors

AKKR · Apax Digital Growth · Battery · Brighton Park Capital · CVC · FTV Capital · General Atlantic · Great Hill Partners · Hg · Insight Partners · LLR Partners · PSG · KKR · Riverwood Capital · Rubicon Technology Partners · Serent Capital · Sumeru · Susquehanna Growth Equity · Summit Partners · Vista

Strategics

access · ADP · bambooHR · Bullhorn · cegid · dayforce · darwinbox · deel. · employ · gusto · HiBob · icims · IRIS · isolved · Microsoft · ORACLE · PAYCHEX · paylocity · phenom · RIPPLING · SAP · UKG · workday. · zellis

No. 1 Most Active Advisor to Private Equity—Globally

2024 Most Active Advisor to Private Equity—Globally

	Advisor	Deals
1	**Houlihan Lokey**	**232**
2	Rothschild	189
3	Jefferies	175
4	William Blair	150
5	Morgan Stanley	147

Source: The Deal.

28
Global Coverage Senior Officers

1,900+
Sponsors Covered Globally

1,800+
Sponsor-Related Engagements in 2024

850+
Companies Sold to Financial Sponsors Over the Past Five Years

Technology Industry Coverage

Independent Advice, Deep Sector Coverage, and High-Touch Execution

(1) *As of July 31, 2025.*
(2) *Source: LSEG (formerly Refinitiv). Excludes accounting firms and brokers.*

Global Leadership Team Built to Advise HCM Platforms

Global HCM Sector Team



Sascha Pfeiffer
Global Head of Technology



Adrian Reed
Managing Director



Kevin Walsh
Managing Director



Ted Sullivan
Director



James Grundy
Vice President



Marco Solle
Vice President



Gage Feldeisen
Associate



Ben Levett-Dunn
Associate

Tombstones included herein represent transactions closed from 2021 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.*

Covering the Entire HCM Ecosystem

Core HR

- Payroll
- HRIS
- Workforce Management
- Contingent Labor
- Compensation and Benefits

Talent Acquisition

- Sourcing
- Recruitment Marketing
- Assessments
- Hiring Tools and Marketplaces
- Applicant Tracking and Engagement
- Onboarding

Talent Management

- Performance and Succession Management
- Talent Analytics and Optimization
- Learning and Compliance
- Employee Experience

Hg Capital has acquired Permira's stake in P&I AG Buyside Advisor	Eurazeo Global Investors SAS has made a majority investment in MAPAL Group, a portfolio company of PSG Buyside Advisor	Cegid has acquired sevDesk Buyside Advisor	IRIS, a portfolio company of Leonard Green & Partners, Hg and Intermediate Capital Group, has acquired Dext Software, a portfolio company of Hg Buyside Advisor	jinjer has been acquired by Potentia Capital and J-STAR Sellside Advisor	Redarbor has acquired Catho and OCC from SEEK Buyside Advisor
Core HR	Workforce Management	Expense Automation	Expense Automation	Payroll and HRIS	Recruitment Marketing
Great Hill Partners has successfully secured a debt facility package to fund its acquisition of Vivup & Perkbox Financing Advisor	CloudPay growth financing led by The Olayan Group $58,000,000 Financial Advisor*	TrackTik Software, Inc., has been acquired by Trackforce Valiant, a portfolio company of K1 Investment Management, LLC Sellside Advisor	beqom SA has been acquired by Sumeru Equity Partners Fund IV L.P. Sellside Advisor	Paylocity Holding Corporation has acquired Blue Marble Payroll, LLC Fairness Opinion	SocialChorus has merged with Dynamic Signal Financial Advisor*
Employee Benefits	Payroll	Workforce Management	Compensation Management	Payroll	Employee Engagement

15+
Dedicated HCM Finance Professionals Based in New York, London, Frankfurt, and San Francisco

50+
Completed or Announced HCM Transactions Since the Start of 2016

Global
Single Specialized HCM Practice Across the World

Leading HCM Software Practice

50+

Deals Across the HCM Landscape Since 2016

- Talent Acquisition
- Core HR
- Talent Management

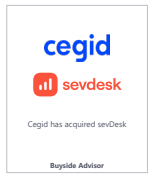
Tombstones included herein represent transactions closed from 2016 forward.
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Core HR



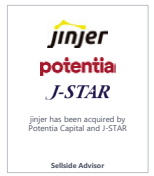
Workforce Management



Expense Automation



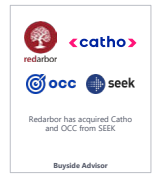
Expense Automation



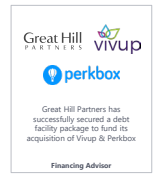
Payroll and HRIS



Retail Analytics



Hiring Tools and Marketplaces



Employee Benefits



Learning and Compliance



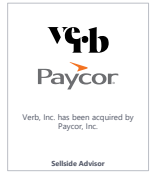
Recruitment Marketing



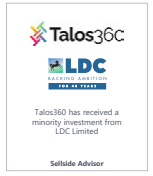
Recruitment Marketing



Workforce Management



Hiring Tools and Marketplaces



Learning and Compliance



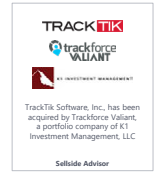
Employee Experience



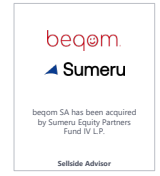
Performance and Succession



Workforce Management



Workforce Management



Compensation Management



HR and Tax Compliance



Vertical HCM



Workforce Management



Payroll



Compliance



Payroll



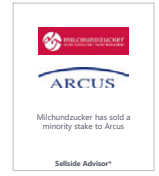
Workforce Communications



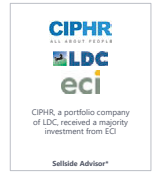
Corporate Learning



HR and Payroll



Talent Mgmt. and Recruitment



HRIS



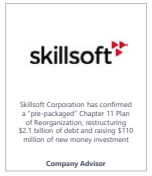
Internal Communications



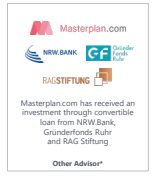
Temporary Staffing



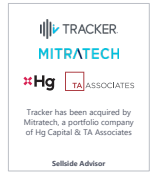
Compliance E-Learning



Learning Management



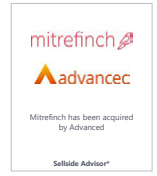
Corporate E-Learning



HR Compliance



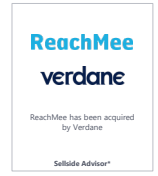
HRIS



Payroll



Learning Management



Recruitment

Workplace Solutions

Learning Management

Recruitment

Learning Management

Workforce Management

Workforce Management

Employee Engagement

Workforce Management

HRIS

Accounting, Tax, HR, and Payroll

Houlihan Lokey Is a Thought Leader in HCM

Houlihan Lokey has proven global expertise in HCM software.

Thought Leadership

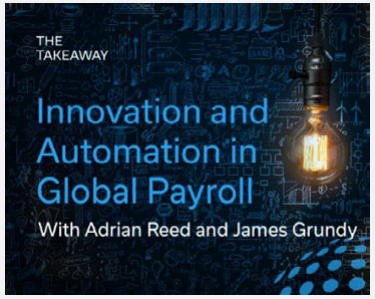
2024 Year-End Report

- End-of-year highlights on HCM deal activity and other group spotlights.
- Unique content and market insights.



Topical Q&A

- Specific subsector Q&A to highlight the markets that Houlihan Lokey is active in.



Media Relations

- Proven content and events highlight media partnerships.



Events

ONE Houlihan Lokey '25

- The New York conference in May 2025 featured Houlihan Lokey's Technology Group and leading HCM players.
- There will be a fall conference in November 2025 in London.



Sector Dinner London

- Mix of private equity and strategic attendees.
- Facilitated discussions covering the latest takes on the payroll and EOR industry and investment trends.



2025 Industry Conferences

- March 4–5: **HR Tech in Europe**
- March 11–13: **IAMPHENOM**
- March 17–19: **Transform HR**
- June 29–July 2: **SHRM25**
- September 16–18: **HR Tech**



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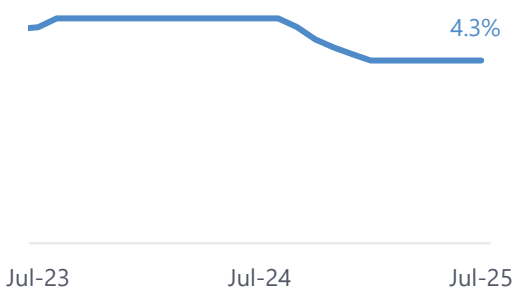
HCM Market Update

01

Macro Backdrop for HCM Software

Federal Funds Rate

The Federal Funds Rate has stabilized at ~4.3% after a rapid increase in 2022–2023 to fight inflation.



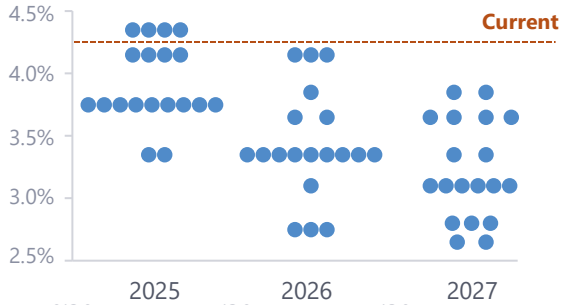
Inflation

Inflation has remained modest, with May ticking up slightly by 0.1%.



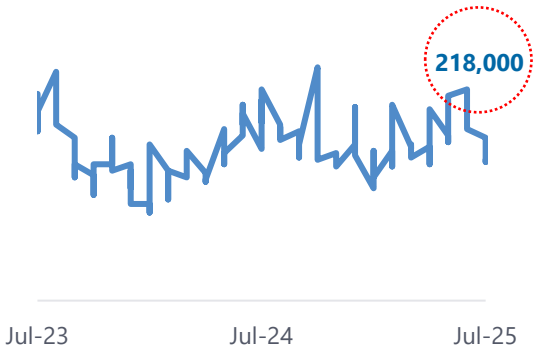
Fed Funds Expected Rate Projections[1]

The median federal funds rate projection for 2H 2025 is 3.9%, a ~0.4% cut from the current rate.



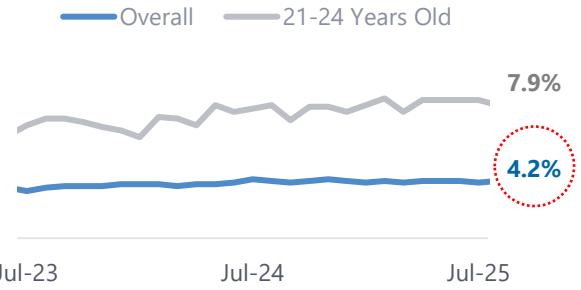
Initial Jobless Claims

Recent upticks in jobless claims highlight an increasingly difficult labor market.



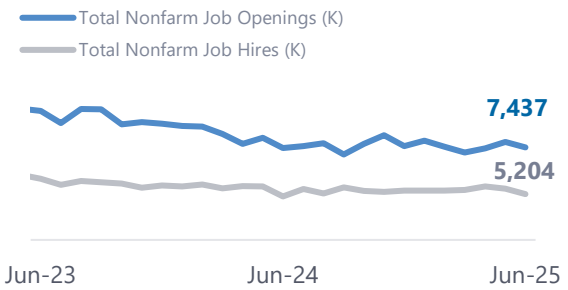
Unemployment Rate

Unemployment has crept up 60 basis points since August 2022 but remains near all-time lows. The rate for people <25 years old is 8.2%.



Total Nonfarm Job Openings vs. Hires

Softening labor demand has meaningfully decreased job openings, while job hires have remained somewhat stable—the job openings to hires ratio has dropped from 1.7x to 1.3x.



Key Takeaways

- Rising unemployment rates underscore the need for HCM platforms to manage larger applicant pools efficiently, streamline workflows, and empower HR teams to focus on strategic initiatives like workforce planning and employee engagement.
- Advanced HCM software solutions will benefit organizations by addressing hiring constraints, supporting workforce reskilling, and enabling better workforce allocation through robust data analytics and forecasting tools.
- AI-driven capabilities within HCM systems have become essential, enhancing decision-making in recruitment, performance management, and workforce optimization while ensuring a seamless employee experience throughout the lifecycle.
- AI has increasingly begun to replace the work of people across industries, leading to an increase in unemployment rates for individuals <25 years old.

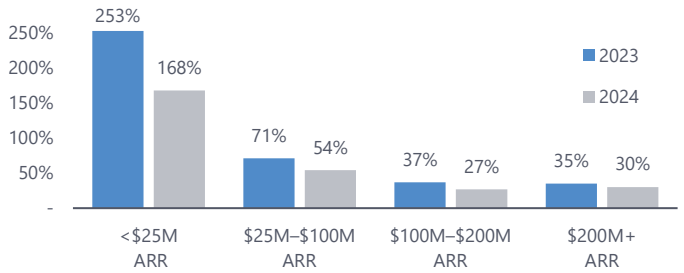
Sources: Federal Reserve Economic Data, company annual reports, company earnings calls.
(1) As of July 24, 2025.

Technology Market Backdrop

01 Private Software Company Performance Was Mixed in 2024

- Growth has slowed YoY across all size cohorts of private software, but signs point to stabilization and an uptick in growth—particularly for early-stage firms.

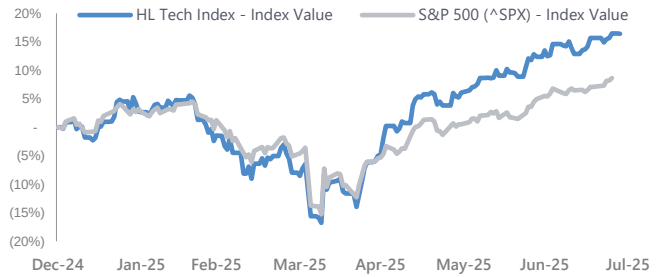
Top Quartile YoY ARR Growth[1]



02 Equity Markets Have Returned to Pre-Liberation Day Levels

- Software equity markets have recovered quickly following the decline post-announcement of Trump tariffs.

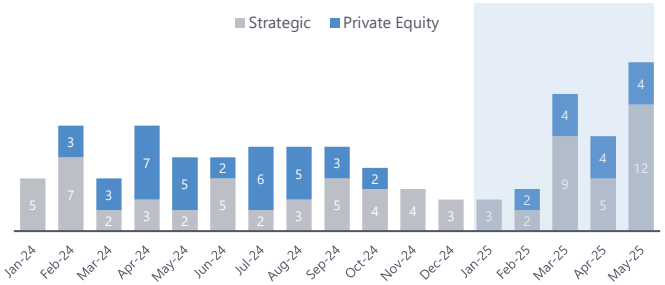
Share Price Performance Since December 2024[2]



03 Recent Momentum in $1 Billion-Plus Transactions

- Buyers have recently prioritized acquisitions of scaled category leaders, which are viewed as lower risk relative to other opportunities.

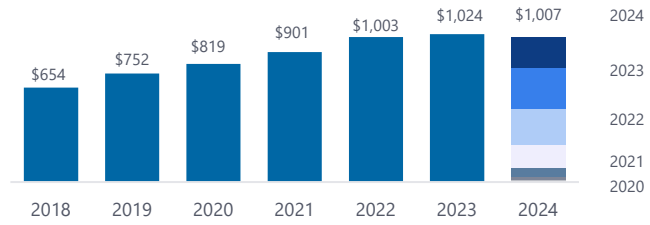
Number of Monthly $1 Billion-Plus Tech Transactions[3]



04 Dry Powder Still Above $1 Trillion

- Macroeconomic uncertainty has left investors waiting for the right quality assets to deploy additional dry powder.

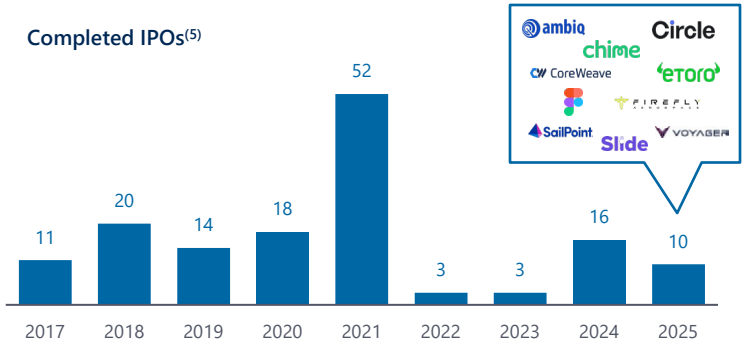
U.S. PE Dry Powder[4]
($B)



05 Technology IPO Markets Show Promise in 2025

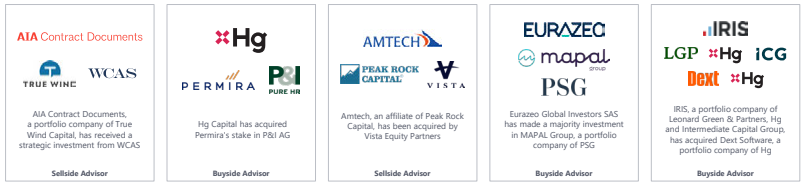
- The IPO market has recovered to pre-2021 levels.

Completed IPOs[5]



06 The Best Assets Are Getting Outsized Attention

- Investors/buyers continue to pursue businesses that have raised capital at reasonable valuations and have demonstrated capital efficiency, strong growth, and strong KPIs.
- Companies with this "A+" profile are receiving premium valuations in highly competitive sales processes.



(1) The ICONIQ Growth Enterprise Five, September 2024.
(2) Index comprising more than 200 selected public software companies; S&P Capital IQ as of 6/1/2025.
(3) 451 Research.
(4) PitchBook, "Q1 2025 U.S. PE Breakdown."
(5) PitchBook, "Q2 2024 Global Private Market Fundraising Report."

How We Segment the HCM Landscape



Houlihan Lokey views the HCM tech ecosystem in three segments with interconnected offerings, which together are expected to grow from ~**$30 billion in 2024 at a 13.6% five-year CAGR.**(1)

Featured Horizontal HCM Suites

ADP · advanced · access · bamboohr · cegid · dayforce · HiBob · infor · IRIS · Microsoft · PAYCHEX · paylocity · ORACLE · RIPPLING · Sage · SAP · UKG · workday.

1 TALENT ACQUISITION: $3.0 Billion/9.3% Growth(2)

Aiding recruiters and employers to attract, assess, and hire the right candidate at the right time.

Sourcing

- Candidate Database
- Talent Marketplace

Featured Companies: findem · hireEZ · indeed · seek · seekout> · upwork

Recruitment Marketing

- Job Posting
- Advertising
- Talent Relationship Management

Appcast · Avature · joveo · PARADOX · phenom · radancy

Applicant Tracking

- Applicant Tracking System (ATS)

AVIONTÉ · Bullhorn · greenhouse · icims · Talos360 · Teamtailor

Assessments

- Digital "Gamified" Testing
- Psychometric Testing
- Capability Screening

Assessio · CoderPad · Criteria · harver · HackerRank

Hiring Tools

- AI/Video Interviewing
- Background Checks
- Internal Hiring

ASURINT · checkr · Circa · HIRE RIGHT · HireVue · First Advantage

Onboarding

- Employee Orientation
- Culture Alignment
- Compliance

CLICK BOARDING · enboarder · RIVAL · Trainual

2 CORE HR: $17.3 Billion/12.9% Growth(1,3)

Core HR and, in a wider sense, administrative HR solutions enable organizations to store and manage employee data and manage administrative activities such as payroll.

HRIS

- System of Record
- Digital Document Management

Featured Companies: Ciphr · darwinbox · gusto

Payroll

- Digital Pay Slips
- Payroll Administration
- Treasury Management

activpayroll · cloudpay · fingercheck · onpay · Payslip · Wagepoint · zellis

Workforce Management

- Scheduling
- Time and Attendance
- Absence Management
- Field Service Management

AbsenceSoft · connecteam · tcp · Quinyx

PEO/EOR/Contingent Labor

- Global Employment Administration
- Freelance/Contractor Sourcing

deel. · Justworks · Magnit · Multiplier · Oyster · workwell

Compensation and Benefits

- Compensation Management
- Benefit Administration
- Expense Management

beqom · HRSoft · PerkSpot · payscale · PLANSOURCE · Reward Gateway · vivup + perkbox

3 TALENT MANAGEMENT: $9.2 Billion/16.7% Growth(1)

Talent management suites consist of modules that support organizations' need to organize, engage, develop, and retain talent.

Employee Engagement

- Internal Communication
- Welfare and Well-Being
- Manage and Measure Engagement

Featured Companies: firstup · LEGION · Staffbase · unily · YOOBIC

Performance and Succession

- Performance Reviews
- 360-Degree Feedback
- Culture Assessment

ATTENSI · BetterUp · betterworks · Lattice

Learning and Development

- LMS
- EHS
- Continuous Training/Upskilling/ Education

cornerstone · degreed · skillsoft · totara

Talent Analytics

- Operational Reporting
- Workforce Planning
- Employee Analytics

ChartHop · crunchr · eightfold.ai · One Model · orgvue · visier

(1) *Source: Gartner, "Forecast Analysis: Human Capital Management Software, Worldwide," September 2024.*
(2) *Source: Coherent Market Insights, January 2025.*
(3) *Includes Administrative HR and Workforce Management segments.*

Major 2025 Themes in HCM Software

Current trends highlight the need for companies to invest in next-generation AI tools, employee experience, and adjacent business management capabilities.

			Proof Points
01	HCM Is Expanding Into Office of CFO	• Several recent acquisitions by leading "horizontal" HCM Software players highlight the intent to morph into broader business management suites by incorporating expense management, contract lifecycle management, and potentially other office of CFO capabilities. • SMB-focused vendors see the potential to reduce total cost of ownership and complexity for their customer base while expanding their TAM and driving growth via cross-sell.	paylocity / workday / airbase by paylocity / Evisort / IRIS / cegid / Dext / sevdesk
02	AI Revolution	• Incumbents such as ADP, Dayforce, and SAP are launching horizontal AI-enabled agents to enable business users to speed up their workflow, execute intelligent queries, and run deep-dive analytics. • These introductions respond to emerging players built on GenAI that leverage large data sets in specialized segments like talent acquisition (Seekout, HireEZ), compensation (Beqom, CaptivateIQ), and performance management (Rippling's Talent Signal).	salesforce / workday / moonhub / HiredScore / MERCOR / loxo
03	Increased Regulations	• Pay transparency and equity laws push organizations to adopt real-time tools for managing compensation and compliance. • New regulations on immigration and AI usage are reshaping hiring practices, requiring robust and transparent HCM solutions.	SYNDIO / TRUSAIC / beqom. / HRSoft
04	Elevating Employee Experiences	• HCM platforms are evolving into employee-centric ecosystems, offering tools that nurture well-being, encourage meaningful feedback, and personalize career development journeys. • This shift reflects a growing recognition that investing in employee experience directly correlates with improved productivity, retention, and overall organizational performance.	workhuman / awardco
05	HCM Suites Back in Investor Focus	• Point solutions are less attractive in this market given the increased focus on total cost of ownership. • Investor preferences have shifted meaningfully toward HCM platform assets that can service most of their needs. HCM players have embraced this by offering new capabilities bundled at low/no cost.	gusto / RIPPLING / bambooHR / HiBob
06	Mobile-First Accessibility	• Mobile-first HCM solutions are redefining employee accessibility by offering seamless, intuitive access to critical HR functions like benefits management, performance tracking, and time-off requests. • These platforms empower a distributed workforce by ensuring that employees stay connected, engaged, and productive, regardless of location or device.	darwinbox / PARADOX / phenom

Emerging Topics in HCM

- Workforce Intelligence
- Gig-Work Management
- Employee Well-Being
- API Framework/ Interoperability
- Verticalization
- User Experience/Employee Listening
- Conversational AI



People Analytics Spotlight

02

What Is People Analytics and How Are Businesses Using It to Drive Value?

Defining **People Analytics**[1]

The Act: Use of data from multiple sources to better inform and drive workforce decisions.

The Function: Business unit or team that supports workforce decisions with analysis and scaled data solutions.

People analytics is a category that encompasses a range of tools and methodologies used for collecting, analyzing, and applying data about an organization's workforce to improve decision-making, optimize employee performance, and enhance overall business effectiveness.[2]

FORRESTER®

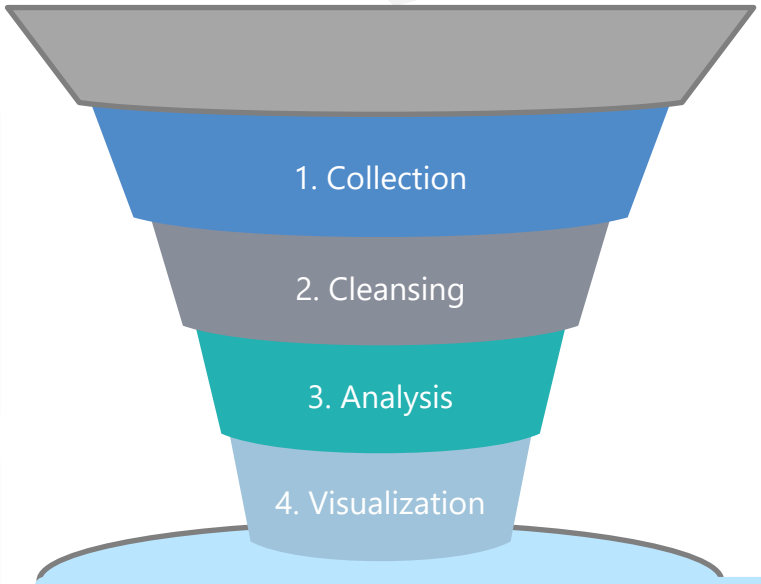
People analytics is the collection and application of talent data to improve critical talent and business outcomes. People analytics leaders enable HR leaders to develop data-driven insights to inform talent decisions, improve workforce processes, and promote positive employee experience.[3]

Gartner

People Analytics Data Sources

HRIS Data | Business Data | Other HR Data

Recruiting | Performance Management | Compensation and Benefits | Demographic Data | Succession Planning | Job Architecture | Exit Interviews | Talent Development | Financial Data | CRM Data | Travel | Sales Data | Production Mgmt. | Employee Survey Data | Well-Being and Wellness | Mentoring | Learning | Absence Data



Data Flow for People Analytics

1. Collecting workforce data from systems like HRIS, surveys, and performance tools (e.g., attendance, badge swipes, pulling demographics, engagement scores, and promotions).
2. Cleaning and standardizing people data to ensure accuracy (e.g., fixing inconsistent job titles or missing manager IDs).
3. Using statistical or machine learning techniques to uncover patterns in workforce behavior (e.g., identifying key factors behind employee turnover).
4. Translating insights into visuals that inform HR and business decisions (e.g., dashboards showing attrition hotspots by department).

Impact of People Analytics

- Lower Turnover
- Cost Efficiency
- Improved Employee Engagement
- Smarter Hiring Decisions
- Efficient Workforce Planning
- Better Talent Management
- Improved Inclusion Efforts

(1) Source: One Model.
(2) Source: Forrester.
(3) Source: Gartner.

Why Now? Tailwinds Driving the Next Evolution of People Analytics

Operators are increasingly relying on HR-specific analytics platforms to improve business performance and enable them to manage through a highly volatile environment.

01	Rapidly Evolving Hybrid Workforce Environment	Changes in how work gets done post-COVID-19, particularly the rise of remote and hybrid work, **require business leaders to have a data-driven understanding of their workforce to manage it effectively**.	"What gets measured, gets managed." —Peter Drucker[1]
02	Increasing View of HR as Driver of Business Outcomes	**HR leaders are increasingly empowered to inform business decisions** using people data, particularly in knowledge-based industries where people are the primary input and the largest expense.	71% HR Executives Who Use People Analytics Report That It Is Essential to Their Organization's Strategy[2]
03	Generative AI	**GenAI is the big unlock for HR teams**, which enables "business" (i.e., non-technical) HR users to use natural-language queries to uncover causal narratives in previously uncorrelated data.	33% Of Businesses Currently Use AI Tools to Improve HR Productivity[3]
04	Purpose-Built People Analytics Platforms	**HR data is fundamentally different** and requires enhanced processes around info security, access control, and ensuring quality and cleanliness of personally identifiable employee data—**leading to purpose-built people analytics platforms**.	12% Increase in Productivity by Harnessing HR Data and Analytics Software[4]

Sources:
(1) Apocryphally attributed.
(2) SHRM.
(3) Nestor, "Benefits of Internal Mobility: Five Statistics You Should Know."
(4) Corporate Executive Board.

How Are Organizations Using People Analytics?

People analytics platforms can now replace siloed systems by supporting the full range of HR analytics needs.

Employee Retention and Engagement — 82%

- Analyzing employee turnover to identify trends and causes.
- Predicting which employees are most at risk of leaving and how to retain them.

Use Case Specialities: Culture Amp, Peakon, Perceptyx, Lattice, qualtrics, Quantum Workplace

Recruitment, Interviewing, and Hiring — 71%

- Intelligent application screening to identify candidates with the right skills.
- AI-enabled interviewing software that scores candidates and analyses video.

Use Case Specialities: Beamery, ClearCo, eightfold.ai, PageUp, PARADOX, phenom

Compensation, Benefits, and Total Rewards — 58%

- Benchmarking comp and benefits against competitors and market data.
- Performing internal pay audits to ensure fairness and consistency.

Use Case Specialities: beqom, BetterComp, HRSoft, SYNDIO

Performance Management — 58%

- Tracking and analyzing employee performance data to identify high performers and areas needing support.
- Align individual and business goals.

Use Case Specialities: 15five, betterworks, Lattice, ActivTrak

Strategic Workforce Planning

- Scenario modelling to optimize workforce structure and future talent needs in line with business objectives.

Use Case Specialities: Anaplan, planful, SAP SuccessFactors

Organizational Analytics

- Dynamic org chart analytics.
- Mapping and analysis of informal workplace connections to enhance collaboration.

Use Case Specialities: Agentnoon, ingentis, NAKISA, OrgChart, orgvue, Pingboard

Labor Market and Compensation Data Analysis

- External data highlighting comparisons of supply and demand of job positions and geographies, informing strategic hiring decisions.

Use Case Specialities: Lightcast, pave, payscale, revelio labs, salary.com

Talent and Skills Intelligence

- Analysis of skills and gaps of talent in an organizational context.
- Career planning and talent redeployment capabilities.

Use Case Specialities: fuel50, HiredScore, iMocha, Workera

People Analytics Platforms: VISIER, One Model, ChartHop, crunchr, knoetic, PeopleInsight, sapience, zeroedin

Source: SHRM.
Notes: Excludes people analytics capabilities included in HCM Suites. Percentages indicate the proportion of organizations using people analytics for each specific purpose. Blank items were not addressed in SHRM survey.

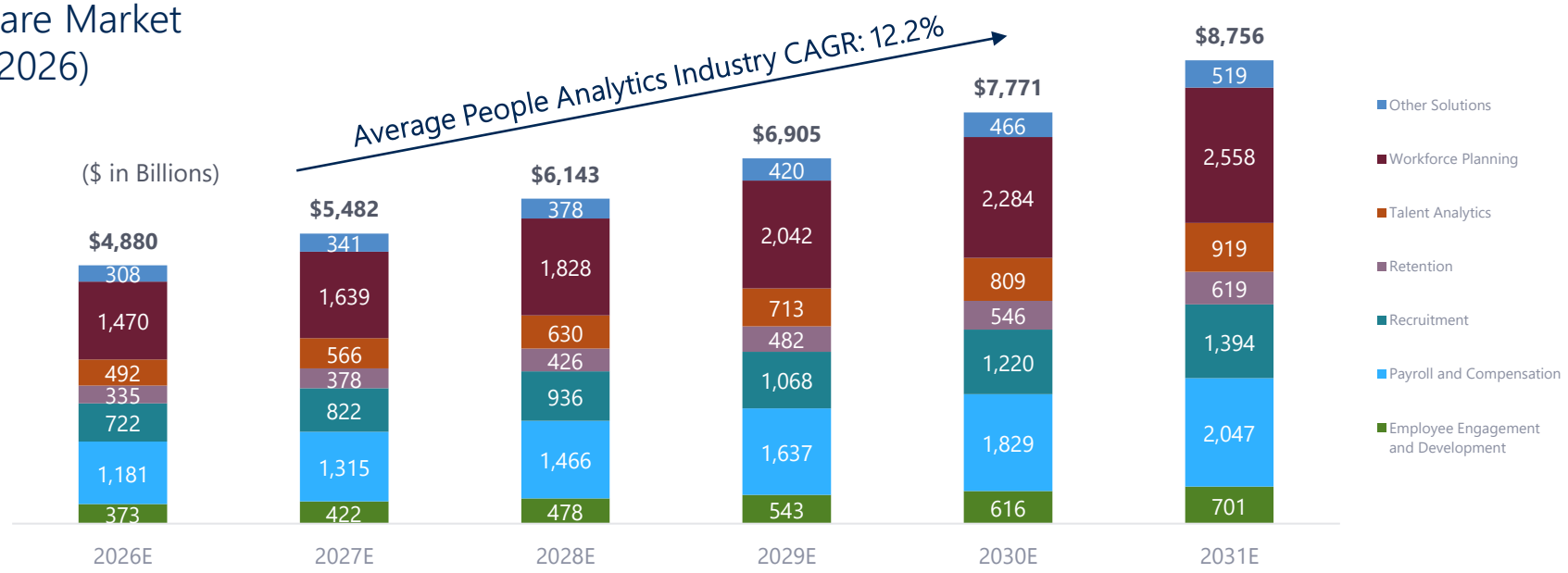
People Analytics Software Is a Multibillion-Dollar Market Opportunity

$4.8B+

Global People and HR Analytics Software Market Size (2026)

"People analytics is the HR tech segment with the highest projected CAGR, **nearly double the projected CAGR for traditional HCM.**"(1)

"The impact of people analytics is felt most deeply in how it furthers the evolution of other segments and tools."(1)



Segmented CAGR by People Analytics Use Cases in the Market(2)

- 13.3% Employee Engagement and Development
- 11.4% Payroll and Compensation
- 13.9% Recruitment
- 12.9% Retention
- 13.1% Talent Analytics
- 11.5% Workforce Planning
- 10.8% Others

People Analytics Software Market Development

- In 2026, the global people and HR analytics software market is projected to be valued at more than $4.8 billion and to reach $8.7 billion by 2031, growing at a CAGR of 12.2% from 2026 to 2031, roughly double the growth rate of the HCM software market as a whole.
- The market's expansion is fueled by demand for data-driven decision-making in talent acquisition, retention, performance management, and workforce planning—driven by trends such as AI integration, automation, and predictive analytics.
- Workforce planning, payroll and compensation, and recruitment software are among the fastest-growing subverticals.

Source: Verified Market Research.
(1) S&P Global Market Intelligence.
(2) NA HR Analytics Market-Magna Intelligence.

Direction of Travel Is Toward People Analytics Specialists

Evolution of People Analytics Solution Approaches

Capabilities:[1]	Generic BI Platform	People Analytics Consulting/BPO Services	HCM Suite People Analytics Module	Horizontal People Analytics Platform
Customizability of Visualizations	Good	Good	Poor	Fair
Data Integration	Poor	Fair	Fair	Good
AI/ML Support	Fair	Fair	Fair	Good
Ease of Use	Fair	Fair	Fair	Good
Time to Solution	Poor	Fair	Fair	Good
Cost	Fair	Poor	Good	Poor
Cost-Effectiveness	Poor	Fair	Fair	Good
Learning Curve	Poor	Fair	Good	Good
People Process Integration	Poor	Fair	Good	Good
Talent Contextualization	Poor	Good	Good	Good
Industry Contextualization	Poor	Good	Fair	Good
Benchmarks	Poor	Good	Good	Good
Self-Service[1]	Poor	Poor	Fair	Good
Capabilities Score:	COGNOS, DOMO, Looker, MicroStrategy, pyramid, Power BI, Qlik, sisense, splashBI, tableau	accenture, BCG, Deloitte., McKinsey & Company, Mercer	ADP DataCloud, HiBob, Personio, ORACLE, SAP SuccessFactors, workday Prism Analytics	visier, One Model, Culture Amp, ChartHop, PeopleInsight, crunchr

Good

Fair

Poor

Evolution to More Purpose-Built Solutions

(1) *Benchmark Your People Analytics Function; Gartner, December 2024.*

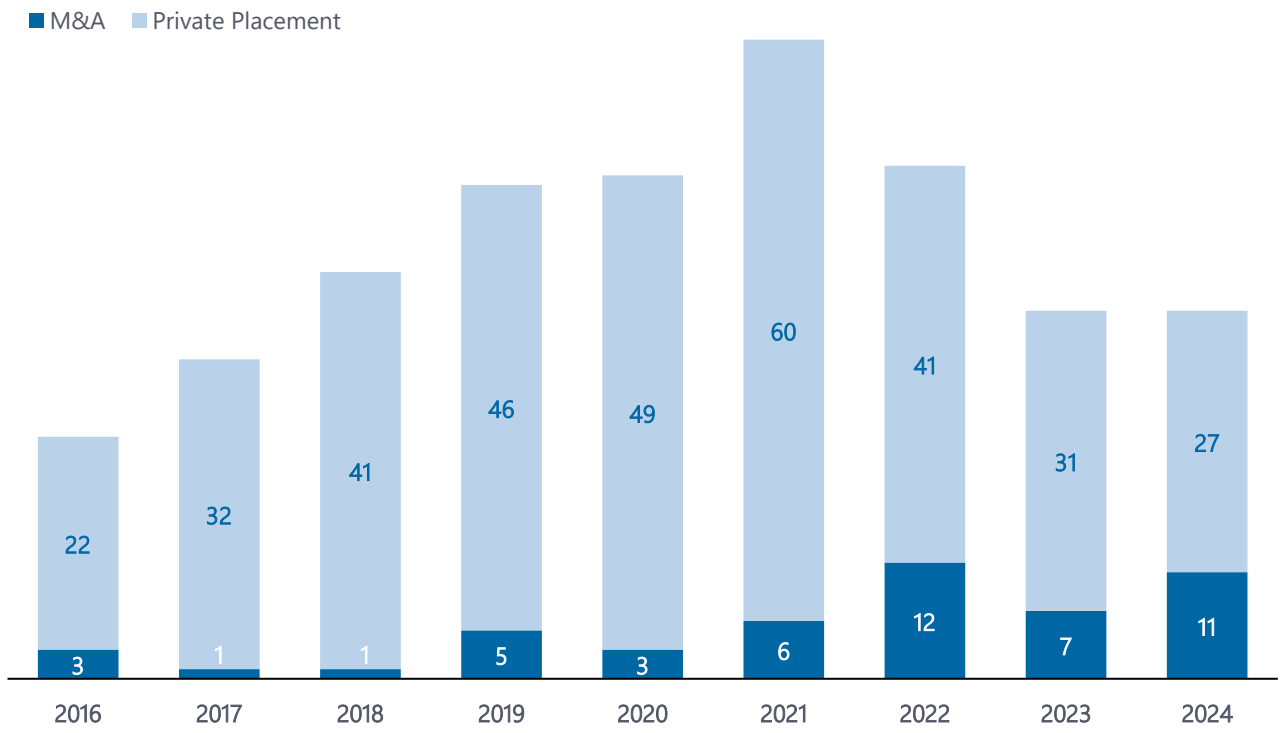
Sustained Interest and Investment in People Analytics

Key Takeaways

M&A
In people analytics has increased sharply starting in 2021 and peaked in 2022 (12 deals), indicating a wave of consolidation.

From 2022 to 2024,
M&A made up a larger share of total deals—an increase of 6.3%—suggesting maturing of the people analytics space.

Since 2015,
Google searches related to "people analytics" have increased 50%.



M&A Transactions

Announced Date	Target	Acquirer	EV ($M)
02/25	eqtble	PARADOX	~$2.8
03/24	orgnostic a Culture Amp company	Culture Amp	NA
03/24	HiredScore	workday	~$530
08/22	PeopleInsight	HireRoad	NA
03/22	gather	ChartHop	NA
08/21	swooptalent	SAP	NA
07/21	trendata	solved	NA

Private Placement Transactions

Announced Date	Target	Investor	Investment ($M)	Post-Money Val. ($M)
08/23	One Model	RIVERWOOD CAPITAL	~$41	~$170
02/22	crunchr	OXX	NA	NA
07/21	Culture Amp	HONGSHAN	~$74	~$975
06/21	visier	Goldman Sachs Asset Management	~$125	~$1,000

Source: PitchBook.

Public Markets Update

03

The HCM Market Demonstrates Resilience With Stable and Upward Trending Valuations

Equity markets are generally the best leading indicator of M&A activity, with strong momentum heading into 2H 2025.

Stock Price Performance



	HCM Software	Nasdaq
YTD 2025	+24%	+10%
1-Year	+43%	+22%
3-Year	+115%	+71%
5-Year	+146%	+101%

Enterprise Value/NTM Revenue Multiple



	HCM Software	Nasdaq
Current	8.4x	4.9x
1-Year Mean	7.3x	4.6x
3-Year Mean	6.2x	4.0x
5-Year Mean	6.2x	4.1x

Enterprise Value/NTM EBITDA Multiple



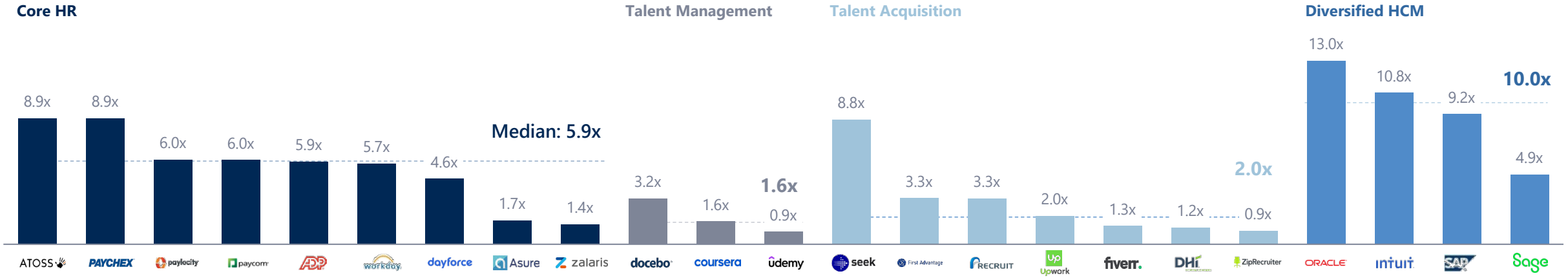
	HCM Software	Nasdaq
Current	22.2x	18.5x
1-Year Mean	19.8x	17.4x
3-Year Mean	17.6x	16.4x
5-Year Mean	17.9x	17.1x

Nasdaq HCM

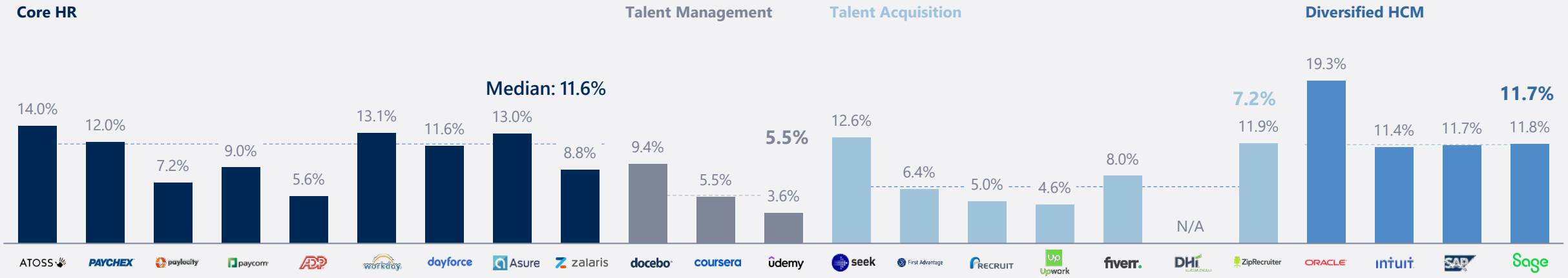
Source: S&P Capital IQ as of August 7, 2025.
Notes: Nasdaq indices weighted by market capitalization; HCM and payroll indices exclude >75.0x EV/EBITDA and >20.0x EV/Rev.; HCM software includes core HR: ADP, ASUR, XETR: AOF, DAY, PAYX, PAYC, PCTY, WDAY, OB:ZAL; talent management: COUR, DCBO, UDMY; talent acquisition: DHX, FA, FVRR, TYO: 6098, ASX: SEK, UPWK, ZIP; and diversified HCM: INTU, ORCL, SAGE, SAP.

Comparable Public Company Benchmarking

EV/2025E Revenue Multiple



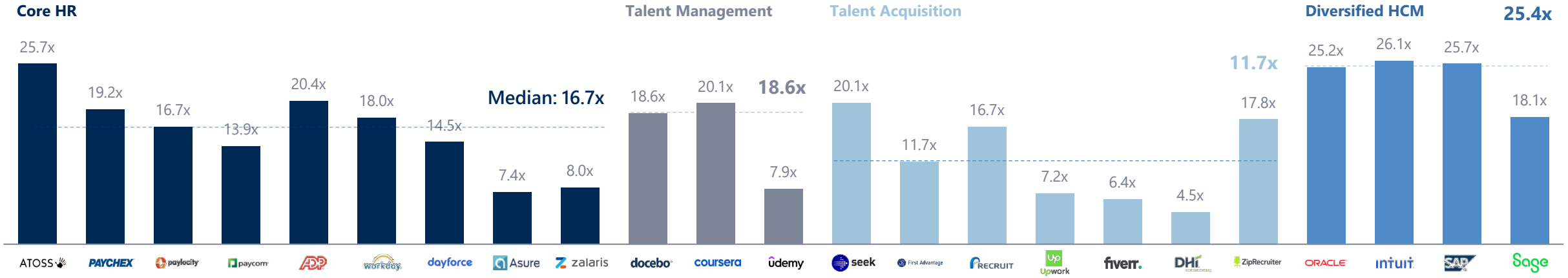
2025E–2026E Revenue Growth



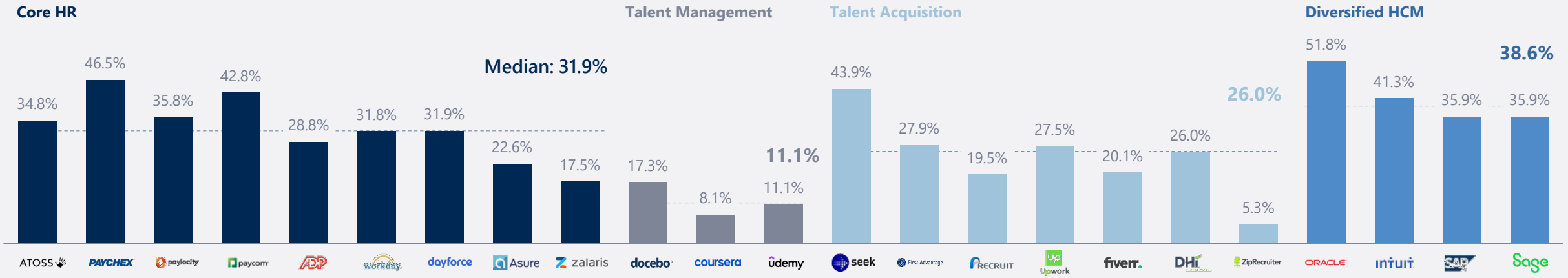
Source: Trading multiples are based on share price, other market data, and broker consensus future revenue and earnings estimates from S&P Capital IQ as of August 7, 2025.
Notes: N/A reflects negative revenue growth.

Comparable Public Company Benchmarking (cont.)

EV/2025E EBITDA Multiple



2025E EBITDA Margin



Source: Trading multiples are based on share price, other market data, and broker consensus future revenue and earnings estimates from S&P Capital IQ as of August 7, 2025.

Featured Comparable Public Companies ($ in Millions)

Company	Stock Price 08/07/2025	Enterprise Value (EV)	Trading Metrics: EV/Revenue CY25E	Trading Metrics: EV/Revenue CY26E	Trading Metrics: EV/EBITDA CY25E	Trading Metrics: EV/EBITDA CY26E	Operating Metrics: Revenue Growth CY25E	Operating Metrics: Revenue Growth CY26E	Operating Metrics: EBITDA Margin CY25E	Operating Metrics: EBITDA Margin CY26E	Operating Metrics: Rule of 40[1] CY25E	Operating Metrics: Rule of 40[1] CY26E
Core HR												
ADP	$303.49	$124,300.1	5.9x	5.6x	20.4x	19.0x	6.9%	5.6%	28.8%	29.3%	35.7%	34.9%
Workday	$220.98	$54,390.8	5.7x	5.1x	18.0x	15.4x	13.0%	13.1%	31.8%	32.9%	44.8%	46.0%
Paychex	$140.52	$54,003.2	8.9x	8.0x	19.2x	16.2x	12.6%	12.0%	46.5%	49.3%	59.1%	61.3%
Paycom	$233.38	$12,244.3	6.0x	5.5x	13.9x	12.8x	9.6%	9.0%	42.8%	42.9%	52.4%	51.9%
Paylocity	$183.69	$9,965.0	6.0x	5.6x	16.7x	15.6x	11.7%	7.2%	35.8%	35.8%	47.5%	43.0%
Dayforce	$52.80	$9,036.0	4.6x	4.2x	14.5x	12.5x	11.2%	11.6%	31.9%	33.2%	43.1%	44.8%
ATOSS	$132.59	$1,987.3	8.9x	7.9x	25.7x	22.3x	24.6%	14.0%	34.8%	35.2%	59.5%	49.2%
Asure	$8.26	$233.6	1.7x	1.5x	7.4x	6.1x	16.3%	13.0%	22.6%	24.2%	39.0%	37.2%
Zalaris	$7.22	$185.0	1.4x	1.3x	8.0x	7.4x	11.1%	8.8%	17.5%	17.5%	28.6%	26.3%
Mean			5.5x	4.9x	16.0x	14.1x	13.0%	10.5%	32.5%	33.4%	45.5%	43.8%
Median			5.9x	5.5x	16.7x	15.4x	11.7%	11.6%	31.9%	33.2%	44.8%	44.8%
Talent Management												
Coursera, Inc.	$12.09	$1,204.0	1.6x	1.5x	20.1x	16.5x	7.6%	5.5%	8.1%	9.3%	15.6%	14.8%
Docebo	$29.08	$766.8	3.2x	3.0x	18.6x	14.5x	9.8%	9.4%	17.3%	20.4%	27.2%	29.8%
Udemy, Inc.	$7.14	$690.7	0.9x	0.8x	7.9x	6.2x	1.2%	3.6%	11.1%	13.6%	12.3%	17.3%
Mean			1.9x	1.8x	15.5x	12.4x	6.2%	6.2%	12.2%	14.4%	18.4%	20.6%
Median			1.6x	1.5x	18.6x	14.5x	7.6%	5.5%	11.1%	13.6%	15.6%	17.3%
Talent Acquisition												
Recruit	$56.17	$78,230.5	3.3x	3.1x	16.7x	15.4x	6.7%	5.0%	19.5%	20.1%	26.2%	25.1%
SEEK	$16.00	$6,497.4	8.8x	7.9x	20.1x	17.3x	15.6%	12.6%	43.9%	45.3%	59.5%	57.9%
First Advantage	$17.50	$4,992.3	3.3x	3.1x	11.7x	10.7x	75.6%	6.4%	27.9%	28.6%	103.4%	35.0%
Upwork	$13.59	$1,538.3	2.0x	1.9x	7.2x	6.8x	2.0%	4.6%	27.5%	28.1%	29.5%	32.6%
Fiverr	$22.91	$559.9	1.3x	1.2x	6.4x	5.5x	11.6%	8.0%	20.1%	21.7%	31.6%	29.7%
ZipRecruiter	$3.79	$424.8	0.9x	0.8x	17.8x	8.1x	NA	11.9%	5.3%	10.4%	5.3%	22.2%
DHI Group	$2.49	$149.4	1.2x	1.2x	4.5x	4.7x	NA	NA	26.0%	25.8%	26.0%	25.8%
Mean			3.0x	2.7x	12.1x	9.8x	22.3%	8.1%	24.3%	25.7%	40.2%	32.6%
Median			2.0x	1.9x	11.7x	8.1x	11.6%	7.2%	26.0%	25.8%	29.5%	29.7%
Diversified HCM												
Oracle Corp.	$249.39	$798,761.9	13.0x	10.9x	25.2x	20.5x	11.4%	19.3%	51.8%	53.4%	63.2%	72.6%
SAP	$296.29	$343,860.0	9.2x	8.3x	25.7x	21.9x	9.8%	11.7%	35.9%	37.7%	45.7%	49.3%
Intuit	$761.61	$213,361.8	10.8x	9.6x	26.1x	23.4x	16.5%	11.4%	41.3%	41.2%	57.8%	52.6%
The Sage Group	$16.08	$16,569.5	4.9x	4.4x	18.1x	16.4x	15.1%	11.8%	27.3%	26.9%	42.4%	38.7%
Mean			9.5x	8.3x	23.7x	20.6x	13.2%	13.5%	39.1%	39.8%	52.3%	53.3%
Median			10.0x	9.0x	25.4x	21.2x	13.3%	11.7%	38.6%	39.4%	51.7%	51.0%
Global Mean			**4.9x**	**4.4x**	**16.1x**	**13.7x**	**14.3%**	**9.8%**	**28.5%**	**29.7%**	**41.5%**	**39.1%**
Global Median			**4.6x**	**4.2x**	**17.8x**	**15.4x**	**11.4%**	**10.4%**	**27.9%**	**28.6%**	**42.4%**	**37.2%**

Source: Trading multiples are based on share price, other market data, and broker consensus future revenue and earnings estimates from S&P Capital IQ as of August 07, 2025.
Notes: "NM" is defined as multiple >50x or <0x.
(1) Rule of 40 is defined as NTM Revenue growth + FCF margin.

Appendix

04

Highlighted M&A Transactions

Announced Date	Target	Acquirer	Description	EV ($M)	LTM Rev ($M)	EV/LTM Rev.
08/25	Ingentis	CARLYLE	Provider of workforce and organizational software for enterprises.	NA		
08/25	SmartRecruiters	SAP	Enterprise/professional-focused recruitment platform designed to provide full source-to-hire capabilities for the modern workforce.	NA		
07/25	NEOGOV	EQT / CPP Investments	Public sector (state and local) talent acquisition and management platform.	$3,000		
06/25	Pesto	scale	Operator of a career development platform intended for global employment opportunities.	NA		
06/25	moonhub	salesforce	Developer of an AI-powered recruiting platform designed to democratize access to global employment opportunities through intelligent hiring agents.	NA		
06/25	EHAVE	AI HeadHunter	Developer of a recruitment platform designed to automate candidate sourcing and evaluation.	NA		
04/25	Appraisd	Talos360	Developer of performance management platform designed to reduce HR admin and drive proactive behavior among managers and employees.	NA		
03/25	P&I PURE HR	Hg	P&I offers an HR platform, including software solutions such as P&I LogaHR, which combines payroll accounting, HR management, and more.	*Confi.*		
03/25	SAFEGUARD GLOBAL (Global Payroll)	deel.	Division of Safeguard Global that provides global payroll solutions.	~$150		
03/25	bektek	smartlinx	Developer of workforce management software designed to track time, manage workflows, and schedule payrolls.	NA		

For additional deal data, please contact:

Ted.Sullivan@HL.com

Sources: PitchBook, 451 Research, and S&P Capital IQ.

Highlighted M&A Transactions (cont.)

Announced Date	Target	Acquirer	Description	EV ($M)	LTM Rev ($M)	EV/LTM Rev.
03/25	primepay	CoAdvantage	Developer of human resources (HR), payroll, benefits, and time management technology intended to help clients manage the employee lifecycle.	*Confi.*		
02/25	edge	phenom	AI-powered resource management and talent mobility platform that delivers solutions suited to different industries' talent needs and helps companies execute strategic workforce planning at scale.	NA		
02/25	mapalos	EURAZEO	Developer of management and business analytics software focused on improving the performance of hospitality businesses.	*Confi.*		
02/25	eqtble	PARADOX	Power better workforce decisions through analytics; the product is a robust data model and analytics engine that easily integrates data from all recruiting and HR systems.	NA		
01/25	HUMI	employmenthero	Canadian developer of cloud-based software designed to automate human resources processes focusing on payroll.	~$70		
01/25	Paycor	PAYCHEX	Paycor HCM is a leading HCM solutions provider for small and medium-sized businesses.	~$4,133		
12/24	PAYFARE	fiserv.	FinTech company offering digital banking, instant payment, and loyalty/reward solutions to next-generation workers.	~$89		
10/24	PageUp	EQT	Talent management platform that enables organizations to manage recruitment, onboarding, learning, performance, succession, and analytics.	~$650		
10/24	workforce SOFTWARE	ADP Always Designing for People	Cloud-based workforce management solution, including forecasting and scheduling, time and attendance, and crew management.	~$1,200		
10/24	Red Rover	BRIGHTON PARK CAPITAL	Developer of a human capital management platform designed to offer absence management and time-tracking services to K-12 school districts.	~$220		

For additional deal data, please contact:

Ted.Sullivan@HL.com

Sources: PitchBook, 451 Research, and S&P Capital IQ.
(1) EV/ARR + One Year Multiple.

Highlighted M&A Transactions (cont.)

Announced Date	Target	Acquirer	Description	EV ($M)	LTM Rev ($M)	EV/LTM Rev.
Houlihan Lokey 09/24	jinjer	J-STAR potentia	Provider of multi-module, cloud-based HR SaaS solutions in the Japanese market.	*Confi.*		
09/24	AbsenceSoft	LUMINATE	Developer of leave management software designed to ensure compliance with federal, state, and municipal laws and regulations.	~$500		
09/24	WISNIO	Assessio	Developer of a talent analytics platform designed to help team leaders make hiring decisions.	NA		
Houlihan Lokey 06/24	catho	redarbor VITRUVIAN	Provider of recruitment services to candidates and companies. The company offers e-recruitment services, online employment classifieds, and education and training services, as well as resume search and salary surveys to clients.	*Confi.*		
05/24	SkyHive	cornerstone	Developer of a labor market intelligence platform designed to reskill enterprise workforces and communities.	NA		
03/24	orgnostic a Culture Amp company	Culture Amp	People analytics platform that transforms siloed workforce data into actionable insights, helps enterprise organizations make informed decisions across the employee lifecycle.	NA		
03/24	Locatee BY TANGO	TANGO	Developer of a workplace analytics platform designed to transform complex data into space utilization insights.	NA		

For additional deal data, please contact:

Ted.Sullivan@HL.com

Sources: PitchBook, 451 Research, and S&P Capital IQ.

Highlighted Financings

Announced Date	Target	Investor	Description	Investment ($M)	Post-Money Val. ($M)
05/25	awardco	Sixth Street Growth, Spectrum Equity	Developer of an employee recognition platform designed to enhance workplace culture.	~$165	~$1,000
05/25	OptimHire	Mucker Capital, SparkLabs	Developer of an AI agent for automated hiring.	~$5	NA
05/25	S4labour	YFM Equity Partners	Provider of labor management software intended to optimize staffing, payroll, and operational efficiency for hospitality businesses.	~$5	NA
04/25	nétive vms	FORTINO	Developer of vendor management software designed to streamline contingent workforce management.	NA	NA
04/25	PayFit	General Atlantic, Eurazeo	Developer of European payroll and human resources technology for small to medium businesses.	~$90	NA
03/25	darwinbox	KKR	Operator of a service-based human resource management platform designed to transform the interaction between the workforce and technology.	~$140	$950
02/25	loxo	Tritium Partners	Loxo is a horizontally integrated suite of data-driven and AI-powered products designed to manage the full executive search recruitment lifecycle through a single system-of-record software platform.	~$115	NA
01/25	MERCOR	General Catalyst, Menlo Ventures, Sequoia, Benchmark	Developer of an artificial intelligence-powered hiring platform designed to streamline the hiring process for both candidates and companies.	~$100	~$2,000
12/24	CARRICK Investing more than capital	onpay	Developer of payroll management and compliance software designed to provide low-cost services to businesses.	~$100	~$450
11/24	odoo	Alkeon Capital Management, BlackRock, CapitalG, Mubadala, Sequoia	Developer of business management software designed to provide a complete suite of tools to cover various company needs.	~$537	~$5,437

Sources: PitchBook, 451 Research, and S&P Capital IQ.

Highlighted Financings (cont.)

Announced Date	Target	Investor	Description	Investment ($M)	Post-Money Val. ($M)
10/24	fingercheck	edisonpartners	Developer of a cloud-based human resources and payroll management platform.	~$115	NA
09/24	Oyster	SilverLake, emergence, stripes, Georgian, G2, Endeavor	Developer of a distributed talent enablement platform designed to make it possible for companies everywhere to hire people anywhere.	~$59	~$1,200
09/24	teambridge	Mayfield People First	Developer of a workforce management platform designed for collaborative schedule creation and organized teams.	~$28	~$164
08/24	cloudpay	BLUE OWL	Operator of a cloud-based payroll platform intended to deliver end-to-end payroll management services to multinational organizations.	~$120	NA
07/24	SmartHR	Teachers' Venture Growth, KKR	Developer of a cloud human resources software designed to help automate social insurance and employment insurance procedures.	~$140	NA
06/24	Ashby	F/PRIME, Lachy Groom, Y Combinator	Developer of recruitment software designed for high-value companies to achieve growth targets.	~$30	~$200
05/24	Restaurant365	ICONIQ Growth	Developer of a restaurant enterprise management software designed specifically for restaurants.	~$175	NA
05/24	LEGION	RIVERWOOD CAPITAL	Developer of a business platform designed to amplify labor efficiency and boost employee engagement.	~$50	~$330

Sources: PitchBook, 451 Research, and S&P Capital IQ.

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