



HARBOR VIEW

Human Capital Management

Q3 2023



Q3 HCM SUMMARY & OUTLOOK

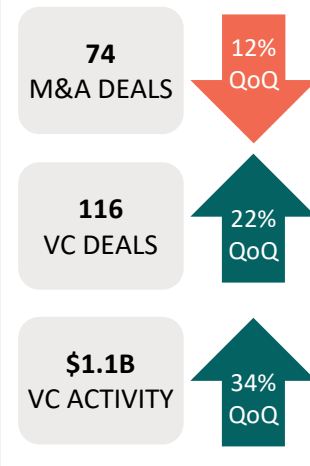
HVA'S Q3 2023 HCM REPORT

M&A Trends & Outlook:

In Q3, M&A activity levels in the Human Capital Management industry softened for the second consecutive quarter. There were a total of 74 acquisitions, a 31% decrease from the 108 deals in the third quarter of 2022. Fundamental sectors, such as Talent Management and Core HR, reached two-year lows in transaction levels. Staffing, a cyclical sector, experienced growth from last quarter, as acquirers are adjusting their focus towards employing executives and qualified legal, business services, and healthcare employees during a tight labor market. Despite economic uncertainty and a market-wide reduction in deal flow¹, transaction levels in the HCM space remain strong by historical standards.

VC Trends & Outlook:

While the amount raised in Q3 is still well below the unprecedented levels of VC funding in 2021 and 2022, VC funding increased 34% from Q2. Furthermore, the number of VC deals has continued to steadily increase. As the market saturated from numerous early-stage startups vying for funding, competition for VC dollars increased (See Page 11). This was the second consecutive quarter without any newly minted HCM unicorns, a stark contrast from the 7 newly minted unicorns averaged per quarter in 2021. There were three large (>\$100M) VC deals in Q3, demonstrating increased investor focus on the Learning and Compensation & Benefits sectors.



STAFFING

After a quiet Q2, Staffing is once again the most robust M&A sector within HCM. There was a notable rise in transactions involving executive search services and legal staffing. Traditionally strong staffing fields, such as healthcare and IT, have continued to see high levels of M&A activity.

Executive Search:

- **Cherry Bekaert**, an outsourced accounting firm, acquired **Corida Resources**, an executive search firm for the finance, accounting, and HR industries, to expand their offerings and geographical presence
- Leadership advisory firm **Russell Reynolds** acquired **Kilberry**, an executive selection and assessment platform to add consultants to bolster their leadership advisory capabilities

Legal Staffing:

- **Avalon Document Services**, a provider of printing and media services, acquired legal staffing firm **Tower Legal Solutions** to add a managed review service line to deliver comprehensive offerings
- Legal consulting firm **Consilio** acquired **Lawyers on Demand**, a legal staffing and outsourcing practice, to amplify their global presence

CORE HR

Activity within Core HR was driven by acquisitions in the Workforce Management and Compensation & Benefits segments. The combined subsectors accounted for over 70% of acquisitions within Core HR.

Compensation & Benefits:

- **The Insurance Exchange** acquired **Foster Benefit Resources**, a provider of fully insured and self-funded employee benefits to expand geographically into Texas and deliver new benefits tools
- Employee education assistance platform **Tuition. Io** added clients by acquiring **Wiley**, a provider of workplace tuition assistance benefits

Workforce Management:

- Employee experience platform **Simplr** acquired and will offer **Socrates.ai**, an AI assistant designed to provide centralized employee knowledge, management, and communication
- **Kumospace**, an online workforce collaboration software, added scale by acquiring **Kosy Office**, a virtual office for managing remote teams

TALENT MANAGEMENT

Amongst the 4 sectors, Talent Management recorded the lowest levels of transaction activity. There were some larger deals in the employee wellness and engagement subsectors, reflecting an increased need to address employee wellbeing, retention, and collect actionable feedback.

Wellness:

- **Health Comp** announced a merger with employee health and productivity platform **Virgin Pulse** for \$3B to offer novel employee benefits to track and improve wellness
- The Dutch private social security provider **The Acture Group** acquired **Evermoed**, a German B2B welfare management software designed to monitor work stress and burnout levels

Employee Engagement:

- Learning management platform **LMS365** acquired **Weekly10**, which provides employee feedback and check-ins with managers for remote and hybrid workforces
- Recruitment operations analytics firm **TalentHub** acquired **Starred** to add scale and incorporate their applicant feedback software

TALENT ACQUISITION

The talent acquisition sector had the lowest public company performance of the HCM sectors tracked (See Page 2). Transaction activity was concentrated in the assessments and pre-employment screening sectors, driven by the demand for qualified employees.

Assessments:

- The **Educational Testing Service** acquired online talent assessments provider **Wheebox** from **PeopleStrong** to improve global operations
- Video interviewing platform **Spark Hire** acquired **Chally**, a provider of pre-hire predictive assessments, to add to their suite of solutions after they acquired the ATS **Comeet** in Q2 2023

Pre-Employment Screening:

- Global background screening provider **First Advantage** acquired pre-screening biometric compliance firm **Infinite ID** for \$41M.
- Pre-employment screening firm **HireRight**, acquired **Digital Trusted Identity Services**, an FBI-affiliated criminal history provider

¹Source: Bloomberg

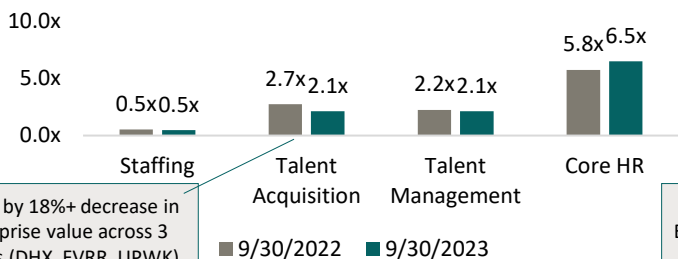


HCM PUBLIC MARKETS

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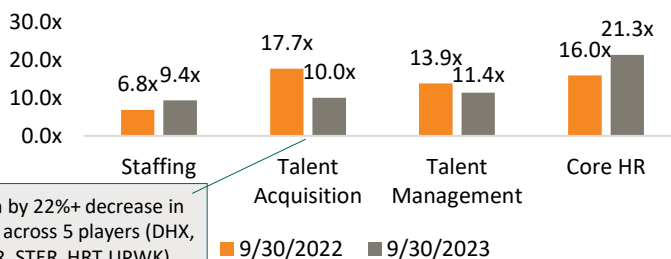
COMPARATIVE MEDIAN REVENUE & EBITDA MULTIPLES

YoY Median Revenue Multiples



Driven by 18%+ decrease in enterprise value across 3 players (DHX, FVRR, UPWK)

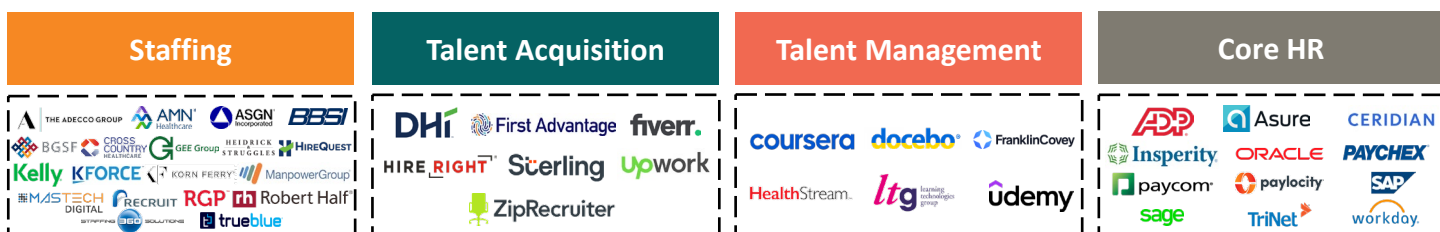
TTM Median EBITDA Multiples



Driven by 22%+ decrease in EBITDA across 5 players (DHX, FVRR, STER, HRT, UPWK)

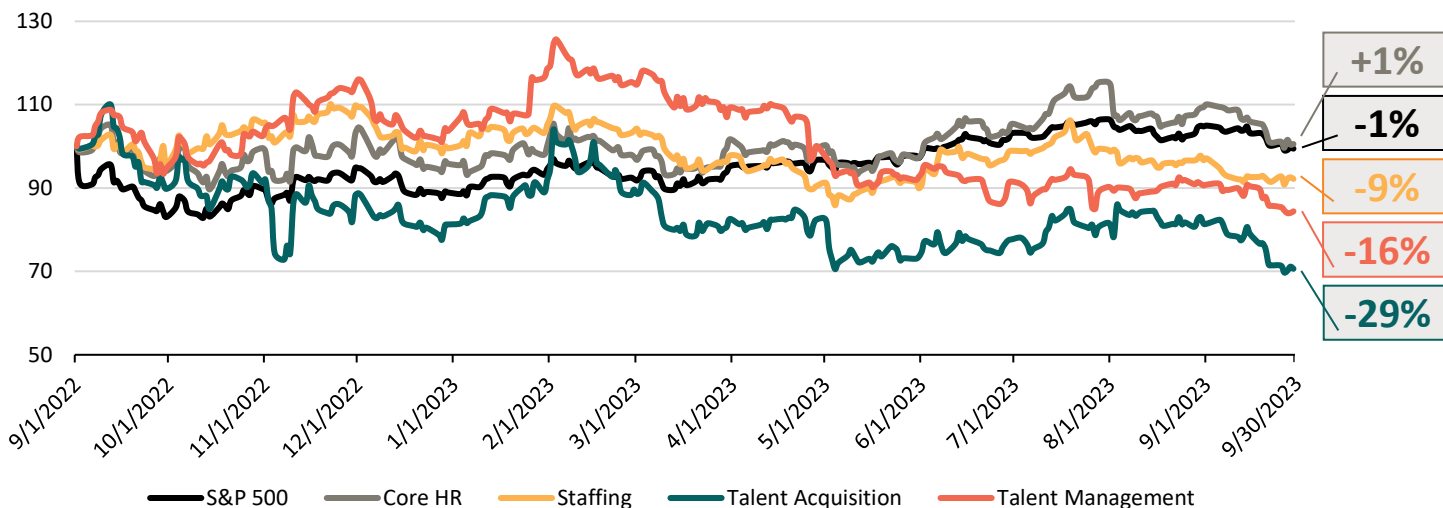
Source: PitchBook, Data as of September 2023

SUB-SECTOR ECOSYSTEM



ONE-YEAR HISTORICAL INDEX PERFORMANCE

The Talent Acquisition index underperformed during this period, while the Core HR index slightly beat the S&P 500 and emerged as the top-performing index within HRTech for the third quarter in a row.



Source: Refinitiv

Indices based on equal-weighted prices and excludes companies not traded prior to 6/1/2022



HCM PUBLIC TRADING STATISTICS

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CORE HR

| Company Name | Enterprise Value (\$B) | TTM Revenue (\$B) | TTM EBITDA (\$B) | Revenue Multiple | EBITDA Multiple |
|-----------------|------------------------|-------------------|------------------|------------------|-----------------|
| ADP | 100.4 | 17.20 | 4.28 | 5.8x | 23.5x |
| Asure Software | 0.3 | 0.11 | 0.02 | 2.2x | 14.2x |
| Ceridian | 11.3 | 1.39 | 0.15 | 8.2x | n/m |
| Inspirity | 3.5 | 40.50 | 0.28 | 0.1x | 12.5x |
| Oracle | 367.5 | 50.96 | 19.17 | 7.2x | 19.2x |
| Paychex | 40.8 | 4.97 | 2.25 | 8.2x | 18.1x |
| Paycom Software | 14.5 | 1.56 | 0.55 | 9.3x | 26.2x |
| Paylocity | 9.9 | 1.17 | 0.22 | 8.5x | 45.3x |
| SAP | 149.5 | 32.72 | 7.02 | 4.6x | 21.3x |
| The Sage Group | 13.2 | 2.53 | 0.50 | 5.2x | 26.4x |
| Trinet Group | 5.9 | 4.92 | 0.57 | 1.2x | 10.3x |
| Workday | 52.9 | 6.72 | 0.21 | 7.9x | n/m |
| Median: | | | | 6.5x | 20.2x |

TALENT MANAGEMENT

| Company Name | Enterprise Value (\$B) | TTM Revenue (\$B) | TTM EBITDA (\$B) | Revenue Multiple | EBITDA Multiple |
|----------------|------------------------|-------------------|------------------|------------------|-----------------|
| Coursera | 2.1 | 0.58 | -0.15 | 3.6x | n/m |
| Docebo | 1.1 | 0.16 | 0.00 | 6.9x | n/m |
| Franklin Covey | 0.5 | 0.28 | 0.03 | 1.9x | 16.0x |
| Healthstream | 0.6 | 0.27 | 0.06 | 2.3x | 11.4x |
| LTG | 0.8 | 0.73 | 0.12 | 1.1x | 6.5x |
| Udemy | 1.0 | 0.68 | -0.16 | 1.4x | n/m |
| Median: | | | | 2.1x | 11.4x |

TALENT ACQUISITION

| Company Name | Enterprise Value (\$B) | TTM Revenue (\$B) | TTM EBITDA (\$B) | Revenue Multiple | EBITDA Multiple |
|---------------------------|------------------------|-------------------|------------------|------------------|-----------------|
| DHI | 0.2 | 0.16 | 0.02 | 1.2x | 9.1x |
| First Advantage | 2.2 | 0.78 | 0.22 | 2.8x | 10.0x |
| Fiverr | 1.0 | 0.34 | -0.02 | 2.8x | n/m |
| Sterling Talent Solutions | 1.7 | 0.74 | 0.10 | 2.3x | 16.6x |
| HireRight | 1.3 | 0.75 | 0.15 | 1.7x | 8.6x |
| Upwork | 1.4 | 0.65 | -0.01 | 2.1x | n/m |
| ZipRecruiter | 1.3 | 0.79 | 0.12 | 1.6x | 10.7x |
| Median: | | | | 2.1x | 10.0x |

STAFFING

| Company Name | Enterprise Value (\$B) | TTM Revenue (\$B) | TTM EBITDA (\$B) | Revenue Multiple | EBITDA Multiple |
|---------------------------|------------------------|-------------------|------------------|------------------|-----------------|
| Adecco Group | 10.8 | 25.27 | 0.79 | 0.4x | 13.7x |
| AMN Healthcare Services | 4.3 | 4.38 | 0.62 | 1.0x | 6.9x |
| ASGN | 5.0 | 4.61 | 0.48 | 1.1x | 10.3x |
| Barrett Business Services | 0.5 | 1.07 | 0.07 | 0.5x | 6.9x |
| BG Staffing | 0.2 | 0.31 | 0.00 | 0.6x | n/m |
| Cross Country Healthcare | 0.9 | 2.43 | 0.20 | 0.4x | 4.7x |
| GEE Group | 0.1 | 0.16 | 0.01 | 0.3x | 9.0x |
| Heidrick & Struggles | 0.3 | 1.00 | 0.10 | 0.3x | 3.6x |
| HireQuest | 0.2 | 0.03 | 0.02 | 7.1x | 14.1x |
| Kelly Services | 0.6 | 4.89 | 0.05 | 0.1x | 11.5x |
| Kforce | 1.2 | 1.65 | 0.09 | 0.8x | 13.4x |
| Korn Ferry | 2.5 | 2.84 | 0.35 | 0.9x | 7.0x |
| Manpower Group | 4.5 | 19.22 | 0.57 | 0.2x | 7.9x |
| Mastech Digital | 0.1 | 0.23 | 0.01 | 0.4x | 11.9x |
| Staffing 360 Solutions | 0.0 | 0.24 | -0.01 | 0.2x | n/m |
| Recruit | 43.4 | 25.04 | 3.41 | 1.7x | 12.7x |
| Resources Connection | 0.4 | 0.78 | 0.08 | 0.5x | 4.9x |
| Robert Half International | 7.3 | 6.92 | 0.78 | 1.1x | 9.4x |
| TrueBlue | 0.5 | 2.07 | 0.05 | 0.2x | 10.2x |
| Median: | | | | 0.5x | 9.4x |

n/m: multiples less than 0x or greater than 50x

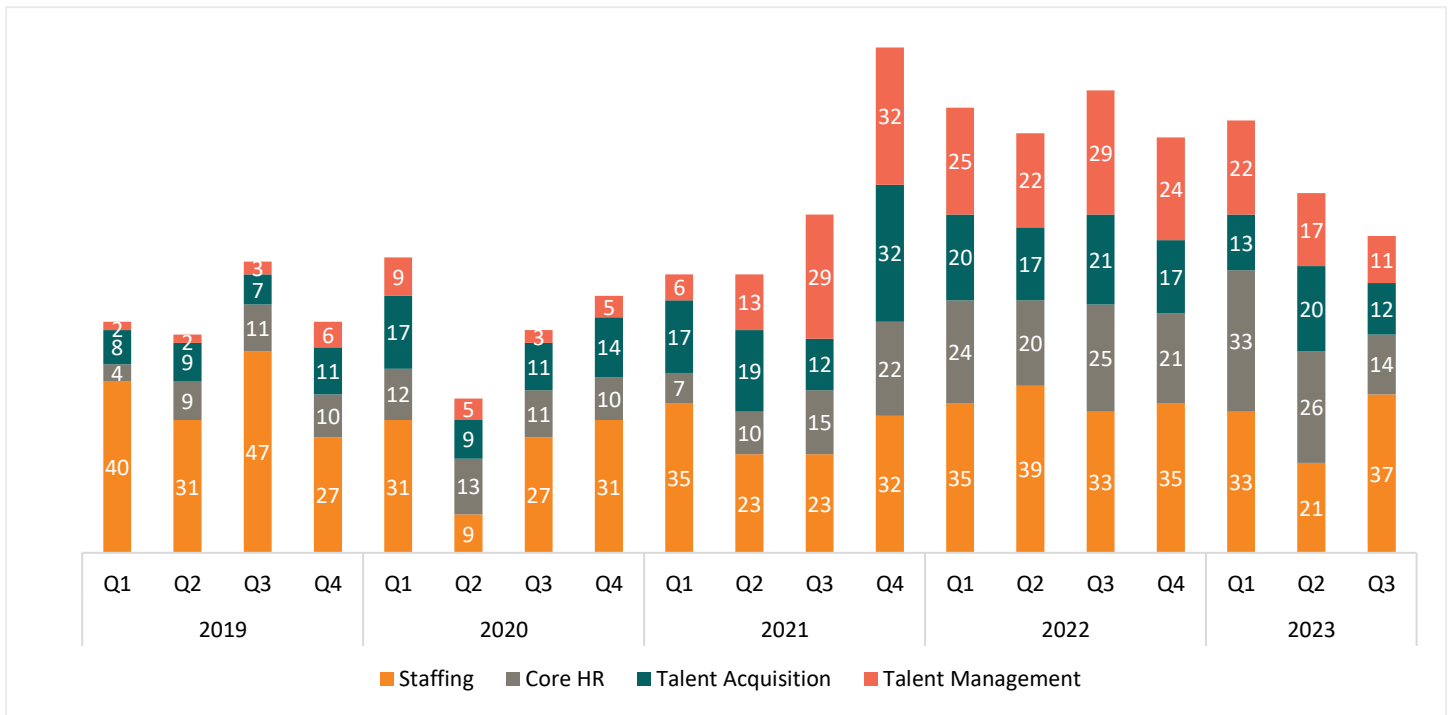
Source: PitchBook



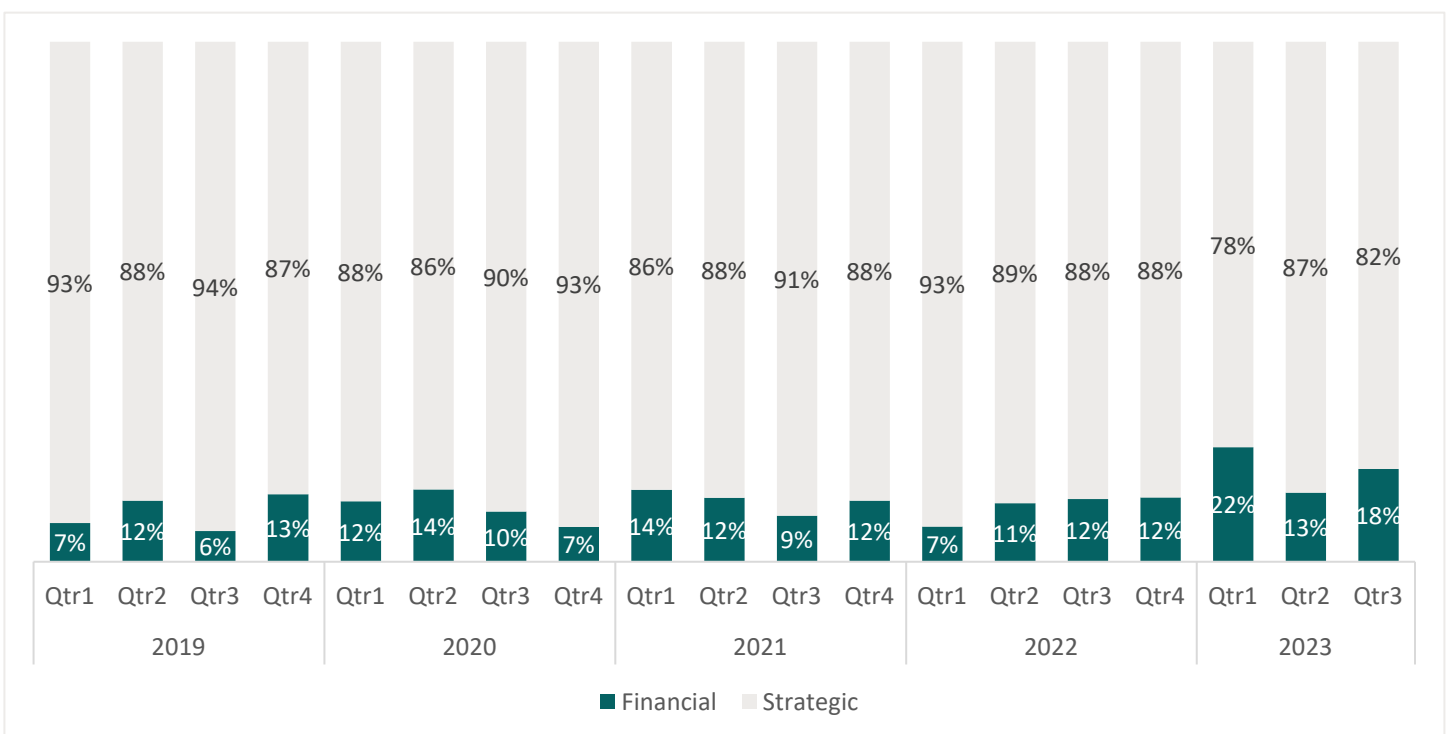
HCM M&A SUMMARY

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DEAL COUNT BY SUBSECTOR



STRATEGIC VS FINANCIAL SPONSOR M&A



Sources: PitchBook, SIA



HCM NOTABLE TRANSACTIONS

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RECENT NOTABLE ACQUISITIONS

| | | |
|-----------------------|---|---|
| HR TECH STRATEGIC |  Virgin pulse \$3B ANNOUNCED MERGED WITH  | <ul style="list-style-type: none"> • Virgin Pulse is an employee health engagement platform which drives well-being, culture, and productivity across organizations • The merger with HealthComp will create a tech-enabled platform that can develop novel benefits programs while leveraging AI to track and improve outcomes |
| HR TECH FINANCIAL |  ClearCo UNDISCLOSED SEP 2023 ACQUIRED BY  | <ul style="list-style-type: none"> • ClearCompany is a talent management software designed to provide social recruiting, onboarding, and performance management services • The acquisition by Gemspring Capital will build out their customer base, expand product offerings, and strengthen existing partnerships |
| HR TECH FINANCIAL |  ENGAGE UNDISCLOSED AUG 2023 ACQUIRED BY  | <ul style="list-style-type: none"> • Engage PEO offers payroll processing, tax administration, workers' compensation, risk management, benefits administration, and employee compliance • This majority investment expands Kohlberg's investment thesis into the broader human capital management sector and allows Engage PEO to leverage new insurance channels |
| HR TECH STRATEGIC |  immedis UNDISCLOSED JUL 2023 ACQUIRED BY  | <ul style="list-style-type: none"> • Immedis is a cloud-based payroll platform designed to deliver accurate, safe, and secure cross-border payment processing • The company was acquired by Ultimate Kronos Group to launch One View, which aims to provide a unified view into global payroll |
| HR TECH FINANCIAL |  smartlinx UNDISCLOSED JUL 2023 ACQUIRED BY  | <ul style="list-style-type: none"> • Smartlinx offers a suite of workforce management solutions, schedule optimizations, human resources, and payroll solutions for the nursing and healthcare industry • The acquisition by Lone View will expand human capital solutions to serve the long-term care, post-acute, and adjacent senior care industries |
| STAFFING STRATEGIC |  PHOENIX STAFFING UNDISCLOSED SEP 2023 ACQUIRED BY  | <ul style="list-style-type: none"> • Phoenix Staffing is a provider of light industrial staffing, candidate sourcing, recruitment support, interview support, and pipeline building • This marks Active Staffing Services second acquisition of the year as it broadens its national footprint and enriches its areas of expertise |
| STAFFING STRATEGIC |  Recruiter.com UNDISCLOSED AUG 2023 ACQUIRED BY  | <ul style="list-style-type: none"> • The specialized healthcare staffing unit of Recruiter.com (NASDAQ: RCRT) delivers flexible sourcing and talent acquisition solutions within the medical field • This marks the ninth acquisition by Futuris in the last 30 months, and this business segment will benefit from their long-standing expertise in healthcare staffing |
| STAFFING STRATEGIC |  THE COLLECTIVE UNDISCLOSED AUG 2023 ACQUIRED BY  | <ul style="list-style-type: none"> • The Collective Search is a technology sales staffing firm which helps VC and PE backed companies scale their go-to-market teams • The is Hirewell's fourth acquisition following a \$21M investment from Prytek • The Collective Search bolsters Hirewell's tech-enabled talent ecosystem and expands its footprint in Silicon Valley |

Sources: PitchBook, SIA

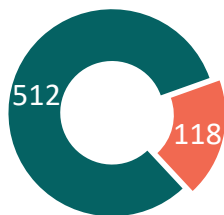


HCM ACTIVE BUYER SUMMARY

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TOP ACQUIRERS – PAST 30 MONTHS

Buyer Acquisition Activity



■ 1 Acquisition
■ >1 Acquisition

813

acquisitions since March 31, 2021

19%

of buyers made more than 1 acquisition in the last 30 months

| Acquirers | Acquisitions in Past 30 Months | Most Recent Acquisitions |
|--|--------------------------------|---|
| <p>Futuris STAFFING</p> | 9 | <ul style="list-style-type: none"> Recruiter.com (2023): Healthcare staffing unit Insigman (2023): IT staffing, consulting, and process outsourcing LotusUSA (2022): Engineering, staffing services, and technology solutions |
| <p>UKG WORKFORCE MANAGEMENT</p> | 6 | <ul style="list-style-type: none"> Immedis (2023): Payroll Quorbit (2022): Workforce planning for frontline & hourly workers Ascentis (2022): HRIS |
| <p>HIREQUEST INC. EXECUTIVE SEARCH</p> | 6 | <ul style="list-style-type: none"> MRINetwork (2022): Executive search and recruitment services Northbound Executive Search (2022): Recruitment and consulting services Dubin Workforce Solutions (2022): Executive placement services |
| <p>THE RESERVES NETWORK STAFFING *</p> | 5 | <ul style="list-style-type: none"> Celebrity Staff (2022): Administrative and legal staffing C&A Industries (2022): Engineering recruitment and placement Staffing Connections (2022): Office/Clerical and Industrial staffing |
| <p>CAVU PAYROLL *</p> | 5 | <ul style="list-style-type: none"> ABCS Payroll (2023): Cloud-based payroll Pay Team (2023): Software industry payroll Business Services Group (2022): Payroll |
| <p>Ascend Staffing STAFFING *</p> | 5 | <ul style="list-style-type: none"> Employee Solutions (2023): Industrial staffing and employee search Apprentice Personnel (2022): Temp staffing and payroll services Workstaffing (2022): Staffing and recruitment for employers and jobseekers |
| <p>ZRG EXECUTIVE SEARCH *</p> | 5 | <ul style="list-style-type: none"> The Registry (2023): Interim executive placement Helbling & Associates (2023): Construction and real estate executive search SEBA International (2022): Financial services executive search |
| <p>EQUIFAX CREDIT REPORTING</p> | 4 | <ul style="list-style-type: none"> Efficient Hire (2022): Employee onboarding Apriss Insights (2021): Data & analytics Health e(fx) (2021): Workforce management |
| <p>Perceptyx EMPLOYEE SURVEYS *</p> | 4 | <ul style="list-style-type: none"> Humu (2023): Behavioral change and productivity software Cultivate Technology (2022): Leadership development platform Waggl (2021): Employee feedback platform |
| <p>Bullhorn ATS *</p> | 4 | <ul style="list-style-type: none"> SourceBreaker (2022): AI-powered talent search and match platform Able (2022): Onboarding and candidate engagement platform Cube19 (2021): Recruitment and sales team analytic |
| <p>First Advantage BACKGROUND SCREENING *</p> | 4 | <ul style="list-style-type: none"> Infinite ID (2023): Identity management for government agencies MultiLatin Background Screening (2021): Background screening in Latin America Corporate Screening Services (2021): Pre-employment screening |



SPOTLIGHT: HR TECHNOLOGY CONFERENCE

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The HR Technology Conference & Exposition is an annual symposium in Las Vegas with presentations from industry leaders, a first look at upcoming innovations, and an exposition hall with 450+ HR exhibitors. The HVA team regularly attends this conference and finds that the event often leads to valuable insights, new connections, and exciting opportunities. We aggregated our observations and analyzed exhibitor data to provide an overview of this year's conference and the current state of the HCM industry.

ACTIVE INDUSTRIES AND TRENDS



Employee Skills



Payroll



Globalization



Employee Engagement

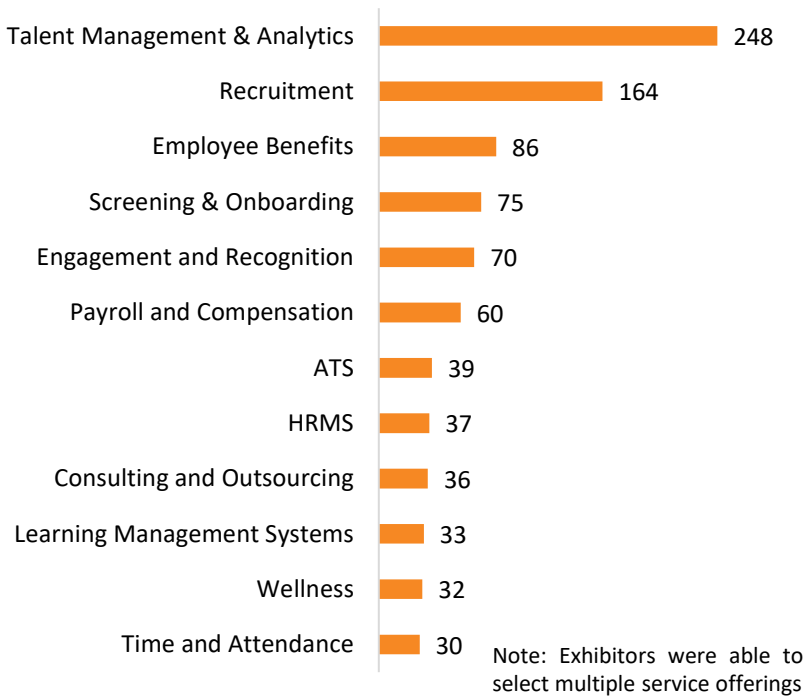


AI Tools



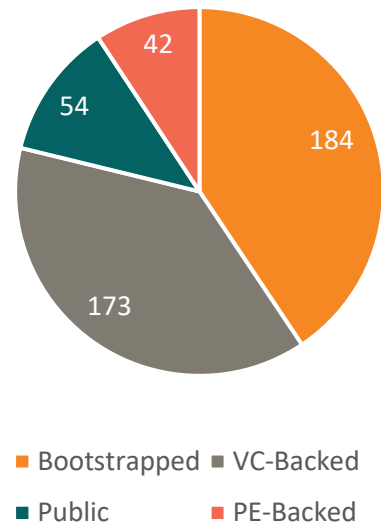
Compliance

EXHIBITOR SERVICE OFFERINGS



The industries with the most representation at the HRTech conference were talent management and recruitment. Firms which offered talent management services provides a wide range of innovative solutions, including micro-learning, health and financial wellness, and AI-enhanced talent analytics. Recruitment firms presented their new job matching at scale technologies and remote-hiring marketplaces.

EXHIBITOR BACKING STATUSES



\$14.7B

VC-Backed exhibitors raised \$14.7B to date

184

There were 184 bootstrapped exhibitors, representing 40% of exhibitors. These companies were mainly in the Benefits and Engagement and Recognition sectors

31%

Exhibitors raised 31% of all HCM VC funding dollars raised in the past 30 months (\$33B)

KEYNOTE SPEECH

Josh Bersin gave a keynote speech on "How AI Will Transform the Market Forever"



- Josh Bersin predicts there will be massive changes in the talent analytics sector as AI can collect, parse through, and summarize larger sets of data
- A shrinking labor force and increasingly high levels of employee stress will result in a need to maximize productivity, augmented with AI
- Pre-hire assessments can be coupled with AI to predict future job performance and streamline the hiring process
- AI is not a magic answer for every vendor, and customers and potential investors should carefully examine the potential applications of AI to ensure offerings are truly innovative

HR TECH M&A TRANSACTIONS



HVA'S Q3 2023 HCM REPORT

CORE HR

| Deal Date | Company Name | Acquirer | Deal Size (\$M) | Revenue (\$M) | EBITDA (\$M) | Revenue Multiple | EBITDA Multiple |
|-----------|--------------------------|-------------------------|-----------------|---------------|--------------|------------------|-----------------|
| Sep-23 | Aconso | Keensight Capital | n/m | n/m | n/m | n/m | n/m |
| Sep-23 | Mpleo | Septeo | n/m | n/m | n/m | n/m | n/m |
| Sep-23 | OrchestrateHR | Risk Strategies Company | n/m | n/m | n/m | n/m | n/m |
| Sep-23 | Socrates.ai | Simplr | n/m | n/m | n/m | n/m | n/m |
| Sep-23 | VIA Global Ventures | Justworks | n/m | n/m | n/m | n/m | n/m |
| Aug-23 | Kosy Office | Kumospace | n/m | n/m | n/m | n/m | n/m |
| Aug-23 | Foster Benefit Resources | NR West | n/m | n/m | n/m | n/m | n/m |
| Aug-23 | Zenda | InComm Payments | n/m | n/m | n/m | n/m | n/m |
| Aug-23 | Engage PEO | Kohlberg & Co | n/m | n/m | n/m | n/m | n/m |
| Jul-23 | Epsilon HR | Epsilon Net | n/m | n/m | n/m | n/m | n/m |
| Jul-23 | Lean Financial | When I Work | n/m | n/m | n/m | n/m | n/m |
| Jul-23 | Smartlinx Solutions | Lone View Capital | n/m | n/m | n/m | n/m | n/m |
| Jul-23 | Wiley's | Tuition. io | n/m | n/m | n/m | n/m | n/m |
| Jul-23 | Immedis | UKG | n/m | \$33 | -\$13 | n/m | n/m |

STAFFING

| Deal Date | Company Name | Acquirer | Deal Size (\$M) | Revenue (\$M) | EBITDA (\$M) | Revenue Multiple | EBITDA Multiple |
|-----------|-------------------------------|-----------------------------|-----------------|---------------|--------------|------------------|-----------------|
| Jul-23 | Greybridge Search & Selection | Mackin Group | \$2 | n/m | n/m | n/m | n/m |
| Jul-23 | ASG Staffing | Terra Staffing Group | n/m | n/m | n/m | n/m | n/m |
| Jul-23 | Polaris AI | Aya Healthcare | n/m | n/m | n/m | n/m | n/m |
| Jul-23 | Insigma | Futuris | n/m | n/m | n/m | n/m | n/m |
| Jul-23 | Employee Solutions | Ascend Staffing | n/m | n/m | n/m | n/m | n/m |
| Jul-23 | CarePlus Management | WELL Health | n/m | n/m | n/m | n/m | n/m |
| Jul-23 | Obvious People | House of Talents | n/m | n/m | n/m | n/m | n/m |
| Jul-23 | Collab Infotech | Aequor | n/m | n/m | n/m | n/m | n/m |
| Jul-23 | Altus Partners | The LCap Group | n/m | n/m | n/m | n/m | n/m |
| Jul-23 | American Craftsmen | Trillium | n/m | n/m | n/m | n/m | n/m |
| Jul-23 | Jobtoolz | Strada Partners | n/m | n/m | n/m | n/m | n/m |
| Jul-23 | SourcePoint Staffing | Staffworks Group | n/m | n/m | n/m | n/m | n/m |
| Jul-23 | Stogo | Travel Nurse Across America | n/m | n/m | n/m | n/m | n/m |

Source: PitchBook



STAFFING M&A TRANSACTIONS

HVA'S Q3 2023 HCM REPORT

STAFFING (CONT.)

| Deal Date | Company Name | Acquirer | Deal Size (\$M) | Revenue (\$M) | EBITDA (\$M) | Revenue Multiple | EBITDA Multiple |
|-----------|------------------------------|---------------------------|-----------------|---------------|--------------|------------------|-----------------|
| Sep-23 | Phoenix Staffing | Active Staffing Services | n/m | n/m | n/m | n/m | n/m |
| Sep-23 | Sumo Medical Staffing | Acacium Group | n/m | n/m | n/m | n/m | n/m |
| Sep-23 | Seeliger y Conde | Kingsley Gate | n/m | n/m | n/m | n/m | n/m |
| Sep-23 | Alora Search Partners | Corsica Partners | n/m | n/m | n/m | n/m | n/m |
| Sep-23 | Cordia Resources | Cherry Bekaert | n/m | n/m | n/m | n/m | n/m |
| Sep-23 | Lawyers on Demand | Consilio | n/m | n/m | n/m | n/m | n/m |
| Sep-23 | Normann Staffing | Active Staffing Services | n/m | n/m | n/m | n/m | n/m |
| Sep-23 | Finance Club | ProjectiveGroup | n/m | n/m | n/m | n/m | n/m |
| Aug-23 | Worley (Energy Unit) | Airswift | n/m | n/m | n/m | n/m | n/m |
| Aug-23 | Premier Virtual | Careerminds | n/m | n/m | n/m | n/m | n/m |
| Aug-23 | Babbage Company | Synergia Capital Partners | n/m | n/m | n/m | n/m | n/m |
| Aug-23 | Shiftfillers | Raise | n/m | n/m | n/m | n/m | n/m |
| Aug-23 | Tower Legal Solutions | Surge Private Equity | n/m | n/m | n/m | n/m | n/m |
| Aug-23 | GeekHunter | Howdy.com | n/m | n/m | n/m | n/m | n/m |
| Aug-23 | Cydio Group | 24 Seven | n/m | n/m | n/m | n/m | n/m |
| Aug-23 | Hardenbergh Group | BV Investment Partners | n/m | n/m | n/m | n/m | n/m |
| Aug-23 | Recruiter.com Healthcare | Futuris | n/m | n/m | n/m | n/m | n/m |
| Aug-23 | Inlightened | LocumTenens.com | n/m | n/m | n/m | n/m | n/m |
| Aug-23 | Star Hospitality Group | Noor Staffing | n/m | n/m | n/m | n/m | n/m |
| Aug-23 | Kilberry | Russell Reynolds | n/m | n/m | n/m | n/m | n/m |
| Aug-23 | The Registry | ZRG Partners | n/m | n/m | n/m | n/m | n/m |
| Aug-23 | The Collective Search | Hirewell | n/m | n/m | n/m | n/m | n/m |
| Aug-23 | Hire Technologies Provisions | Design Group Staffing | n/m | n/m | n/m | n/m | n/m |
| Aug-23 | Kobor MedSearch | Elite365 | n/m | n/m | n/m | n/m | n/m |
| Aug-23 | Vantage Market Entry | Undisclosed | n/m | n/m | n/m | n/m | n/m |

Sources: PitchBook, SIA



HR TECH M&A TRANSACTIONS

HVA'S Q3 2023 HCM REPORT

TALENT MANAGEMENT

| Deal Date | Company Name | Acquirer | Deal Size (\$M) | Revenue (\$M) | EBITDA (\$M) | Revenue Multiple | EBITDA Multiple |
|-----------|--------------------------|------------------------|-----------------|---------------|--------------|------------------|-----------------|
| Sep-23 | Virgin Pulse | Health Comp | \$3,000 | n/m | n/m | n/m | n/m |
| Sep-23 | Evermood | Acture Group | n/m | n/m | n/m | n/m | n/m |
| Sep-23 | The River Group (Delray) | Pearl Meyer & Partners | n/m | n/m | n/m | n/m | n/m |
| Sep-23 | Starred | Talenthub | n/m | n/m | n/m | n/m | n/m |
| Aug-23 | RAI Government Services | Undisclosed | n/m | n/m | n/m | n/m | n/m |
| Aug-23 | Legerity Group | JW Michaels & Co | n/m | n/m | n/m | n/m | n/m |
| Aug-23 | Weekly10 | LMS365 | \$5 | n/m | n/m | n/m | n/m |
| Aug-23 | Humu | Perceptyx | n/m | n/m | n/m | n/m | n/m |
| Aug-23 | CADLearning | Eagle Point Software | n/m | n/m | n/m | n/m | n/m |
| Jul-23 | Studyflix | Embrace | n/m | n/m | n/m | n/m | n/m |
| Jul-23 | Galan Groep | Cohedron | n/m | n/m | n/m | n/m | n/m |

TALENT ACQUISITION

| Deal Date | Company Name | Acquirer | Deal Size (\$M) | Revenue (\$M) | EBITDA (\$M) | Revenue Multiple | EBITDA Multiple |
|-----------|-----------------------|---------------------|-----------------|---------------|--------------|------------------|-----------------|
| Sep-23 | Wheebox | ETS | n/m | n/m | n/m | n/m | n/m |
| Sep-23 | Spaulding Associates | Capital Search Inc. | n/m | n/m | n/m | n/m | n/m |
| Sep-23 | ClearCompany | Gemspring Capital | n/m | n/m | n/m | n/m | n/m |
| Sep-23 | Chally | Spark Hire | n/m | n/m | n/m | n/m | n/m |
| Sep-23 | Infinite ID | First Advantage | \$41 | \$10 | n/m | 4x | n/m |
| Sep-23 | Diversely | The Access Group | n/m | n/m | n/m | n/m | n/m |
| Sep-23 | Agile Styrekruttering | Adolfsen Group | n/m | n/m | n/m | n/m | n/m |
| Aug-23 | Expertlead | WorkGenius | n/m | n/m | n/m | n/m | n/m |
| Aug-23 | Sora (Honu HR) | ADP | n/m | n/m | n/m | n/m | n/m |
| Jul-23 | Bayard Advertising | Appcast | n/m | n/m | n/m | n/m | n/m |
| Jul-23 | WhoHire | PerceptionPredict | n/m | n/m | n/m | n/m | n/m |
| Jul-23 | DTIS | HireRight | n/m | n/m | n/m | n/m | n/m |

Source: PitchBook



HCM FINANCING SUMMARY

HVA'S Q3 2023 HCM REPORT

NOTABLE FINANCINGS

LEARNING



\$153M

AUG 2023

RECEIVED INVESTMENT FROM



HRIS



\$150M

SEP 2023

RECEIVED INVESTMENT FROM



COMPENSATION & BENEFITS



\$100M

SEP 2023

RECEIVED INVESTMENT FROM



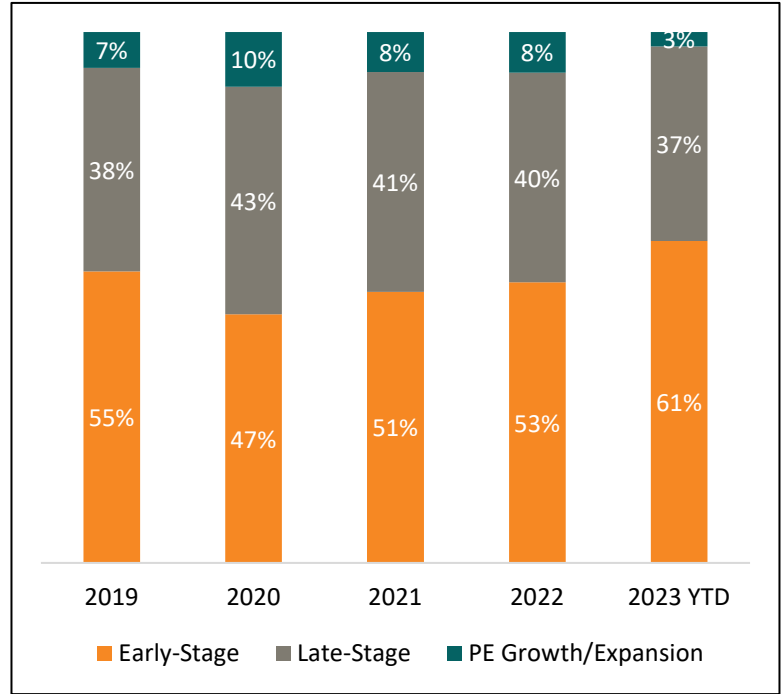
WELLNESS



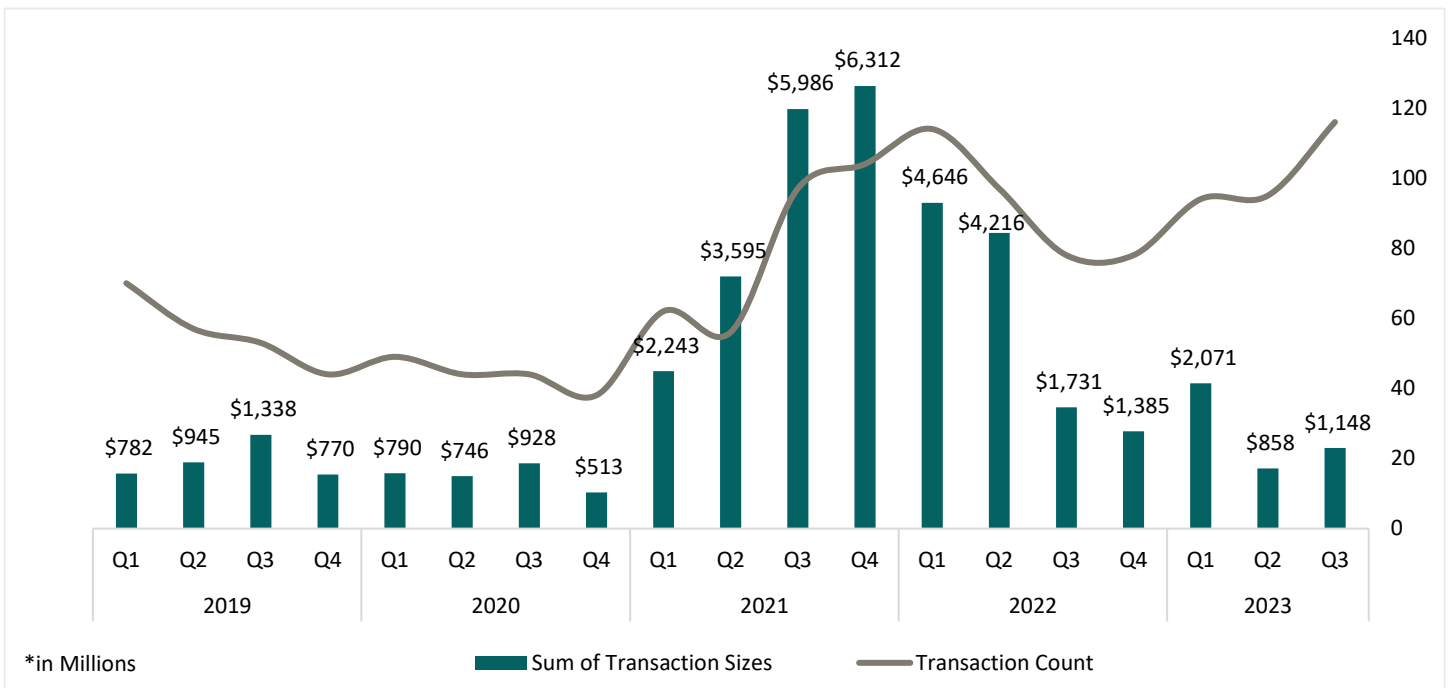
\$85M

AUG 2023

RECEIVED INVESTMENT FROM



QUARTERLY FINANCING ACTIVITY



*in Millions

Sum of Transaction Sizes

Transaction Count

Source: PitchBook



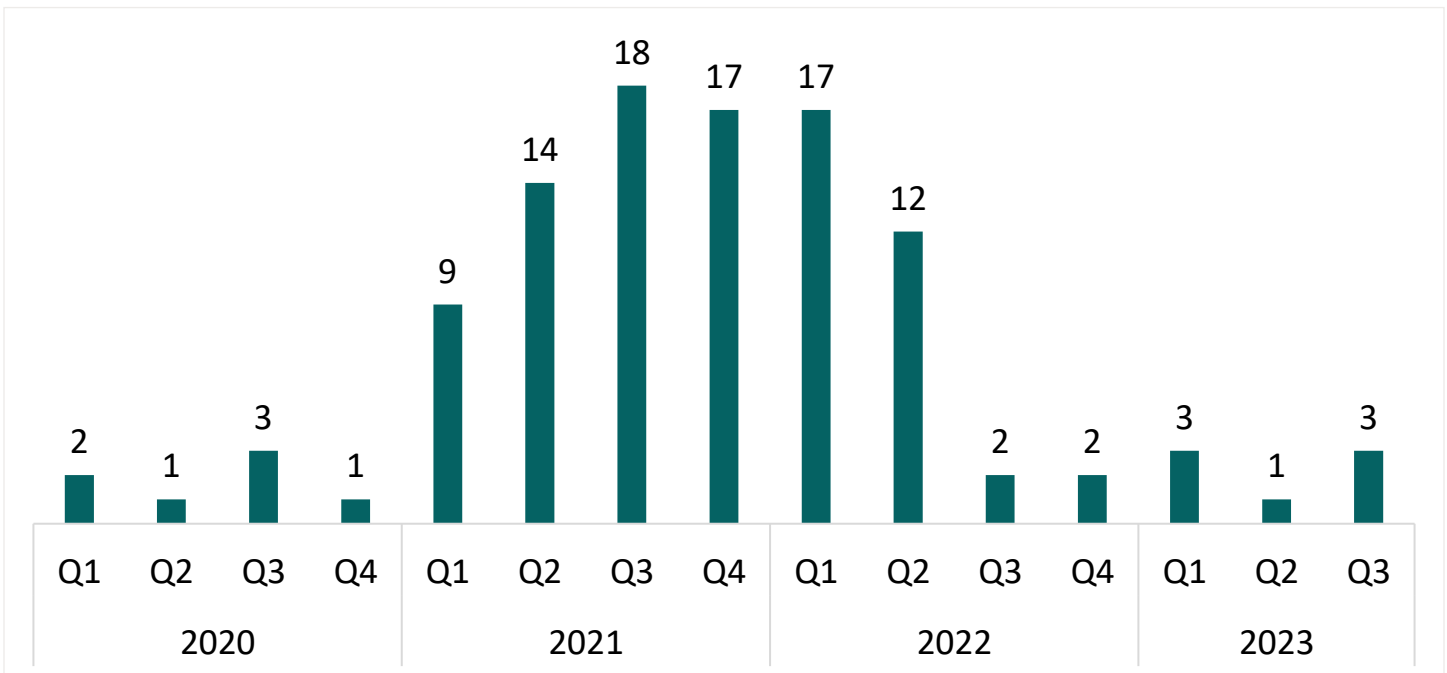
HCM FINANCING ACTIVITY

HVA'S Q3 2023 HCM REPORT

Q3 VENTURE FUNDING SUMMARY LEARNING DRIVES VC INVESTMENT IN Q3 2023



VC DEALS OVER \$100M



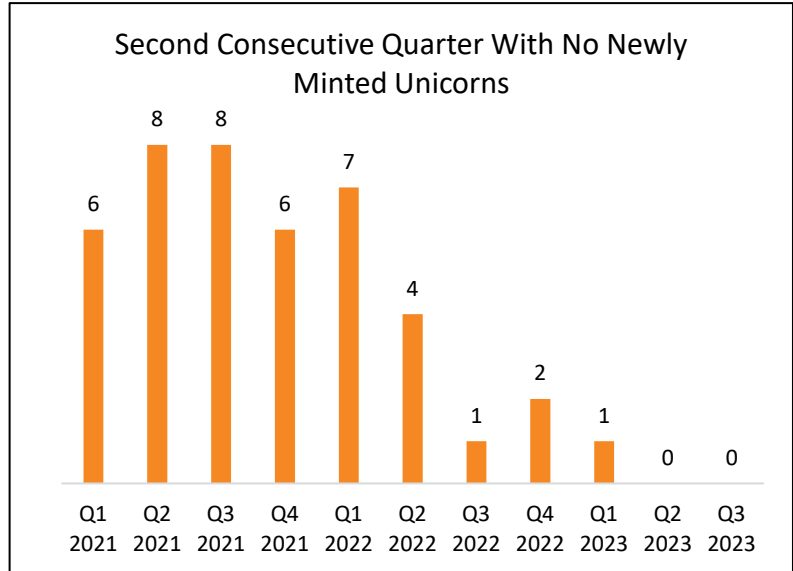
Sources: PitchBook, HRTECHFeed



HR TECH UNICORN TRACKER

HVA'S Q3 2023 HCM REPORT

NEWLY MINTED UNICORNS



HR TECH UNICORNS

Talent Management

Anaplan articulāte betterfly BetterUp CHIEF
 Cerebral degreed DOMĚSTIKA echo360
 eightfold.ai go1 GUILD Gympass Lattice lyra
 multiverse shiftkey springhealth Staffbase workhuman*

Core HR

bob cegid Collective Health deel.
 gusto jumpcloud papayaglobal PAVE
 Personio RIPPLING snapLogic workato

Talent Acquisition

Andela Beamery Checkr CLIPBOARD HEALTH Gem gloat GLOBALIZATION PARTNERS
 Handshake INCREDIBLE HEALTH jobandtalent karat^ Oyster PARADOX
 phenom remote seekout SmartRecruiters workrise

Source: PitchBook



HCM FINANCING ACTIVITY

HVA'S Q3 2023 HCM REPORT

EARLY-STAGE VENTURE CAPITAL

| Deal Date | Company Name | Broad Category | Deal Size (\$M) | Pre-Money Valuation (\$M) | Lead/Sole Investors |
|-----------|---------------------|--------------------|-----------------|---------------------------|----------------------------------|
| Sep-23 | The Grand | Talent Management | \$5 | n/m | Seven Seven Six |
| Sep-23 | TransactionLink | Talent Acquisition | \$5 | n/m | White Star Capital |
| Sep-23 | Axial Shift | Talent Management | \$4 | n/m | Silvert |
| Sep-23 | Erudit | Talent Management | \$10 | n/m | True Blue Partners |
| Sep-23 | Giftpack | Talent Management | \$4 | n/m | Chang Hai Lin |
| Sep-23 | PowerUs | Talent Acquisition | \$28 | n/m | Eurazeo, Headline, HV Capital |
| Sep-23 | CareerFairy | Talent Acquisition | n/m | n/m | Mediahuis |
| Sep-23 | BetterLeap | Talent Acquisition | \$10 | \$40 | Peakstate Ventures |
| Sep-23 | Anthropos | Talent Acquisition | \$3 | \$10 | Eden Ventures |
| Sep-23 | Lumber | Core HR | \$6 | n/m | Carbide Ventures |
| Sep-23 | Common Trust | Core HR | \$3 | n/m | Crossbeam Venture Partners |
| Sep-23 | Easop | Core HR | n/m | n/m | Cooley, SemperVirens |
| Sep-23 | Deskbird | Core HR | \$13 | n/m | Portfolion, Rivus Capital |
| Sep-23 | Bandana | Talent Acquisition | \$4 | n/m | General Catalyst, Craft Ventures |
| Sep-23 | Hacking Talents | Talent Management | n/m | n/m | LVenture Group |
| Sep-23 | Tap | Talent Acquisition | n/m | n/m | Loyal VC |
| Sep-23 | Workfully | Talent Acquisition | n/m | n/m | Secways Capital |
| Aug-23 | Teale | Talent Management | \$11 | n/m | Alter Equity and Bpifrance |
| Aug-23 | Confirm | Talent Management | \$6 | n/m | Spero Ventures |
| Aug-23 | StretchDollar | Core HR | \$5 | n/m | Precursor, Elefund, V1.vc |
| Aug-23 | Weekday | Talent Acquisition | \$2 | n/m | Venture Highway |
| Aug-23 | Borderless | Talent Acquisition | \$3 | \$11 | Backed VC |
| Aug-23 | Longevo | Talent Management | \$6 | n/m | Grupo Valora CanariAS |
| Aug-23 | Jobright | Talent Acquisition | \$5 | \$10 | Undisclosed |
| Aug-23 | Likeminded | Talent Management | \$7 | n/m | Holtzbrinck Digita |
| Jul-23 | Greenworkx | Talent Acquisition | \$2 | \$3 | Mangrove Capital Partners |
| Jul-23 | Giraffe | Talent Management | \$11 | n/m | Group 11 |
| Jul-23 | Immediate | Core HR | \$20 | n/m | Castle Creek, Launchpad |
| Jul-23 | Quench AI | Talent Management | \$5 | n/m | Firstminute, Tuesday VC |
| Jul-23 | Quench.ai | Talent Management | \$5 | n/m | Firstminute Capital |
| Jul-23 | Life Science People | Talent Acquisition | \$6 | \$13 | Undisclosed |
| Jul-23 | Gushwork.ai | Core HR | \$2 | n/m | Lightspeed |
| Jul-23 | Zelt | Core HR | \$4 | n/m | Episode 1, Village Global |
| Jul-23 | Skillit | Talent Acquisition | \$9 | n/m | MetaProp, Bow Capital |
| Jul-23 | Preply | Talent Management | \$70 | n/m | Horizon Capital |
| Jul-23 | MyCareforce | Core HR | \$2 | n/m | Shilling |
| Jul-23 | Longevo | Talent Management | \$2 | \$5 | Undisclosed |
| Jul-23 | Venteur | Core HR | \$6 | n/m | GSR Ventures |
| Jul-23 | Trunk Tools | Core HR | \$10 | \$15 | Innovati |
| Jul-23 | Clipvert | Talent Acquisition | n/m | n/m | Allygatr |
| Jul-23 | Mintago | Talent Management | \$5 | \$13 | Cur8 Capital |
| Jul-23 | Algo Interview | Talent Acquisition | n/m | n/m | Undisclosed |
| Jul-23 | KWAL | Talent Acquisition | \$2 | n/m | Diaspora Ventures, SeaX |
| Jul-23 | Pillar | Talent Acquisition | \$4 | \$12 | Undisclosed |
| Jul-23 | Board Owl | Talent Acquisition | n/m | n/m | Allygatr |
| Jul-23 | Lotaro | Talent Management | n/m | n/m | better ventures |
| Jul-23 | Mentra | Talent Acquisition | n/m | n/m | FullCircle, Skyhook |
| Jul-23 | Snapbrillia | Talent Acquisition | n/m | n/m | Sacral Capital |
| Jul-23 | Velents | Talent Acquisition | n/m | n/m | A15 |
| Jul-23 | Clair | Core HR | \$25 | n/m | Thrive Capital |



HCM FINANCING ACTIVITY

HVA'S Q3 2023 HCM REPORT

LATE-STAGE VENTURE CAPITAL

| Deal Date | Company Name | Broad Category | Deal Size (\$M) | Pre-Money Valuation (\$M) | Lead/Sole Investors |
|-----------|-------------------|--------------------|-----------------|---------------------------|--------------------------------|
| Sep-23 | Trickle | Talent Management | \$1 | n/m | NoBa, Equity Gap |
| Sep-23 | Lepaya | Talent Management | \$38 | n/m | Endeit Capital |
| Sep-23 | ZayZoon | Core HR | \$35 | n/m | Export Development, Framework |
| Sep-23 | HiBob | Core HR | \$150 | n/m | Farallon Capital Management |
| Sep-23 | Catalyte | Talent Acquisition | \$18 | \$290 | Camden Partners |
| Sep-23 | Kenjo | Core HR | \$10 | n/m | Hi Inov |
| Sep-23 | Issio Solutions | Core HR | \$2 | \$31 | Undisclosed |
| Sep-23 | Peoplespheres | Core HR | \$4 | n/m | Undisclosed |
| Sep-23 | bluquist | Talent Management | \$1 | \$4 | Venture League |
| Sep-23 | Woba | Talent Management | \$3 | n/m | PreSeed, Denmark's Fund |
| Sep-23 | Daivergent | Talent Acquisition | n/m | n/m | Moai Capital |
| Sep-23 | Humi | Core HR | n/m | n/m | Amplify.LA |
| Sep-23 | ProRank | Talent Acquisition | n/m | n/m | Caduceus Capital Partners |
| Aug-23 | DevSkiller | Talent Acquisition | \$1 | n/m | Movens Capital |
| Aug-23 | DriverReach | Talent Acquisition | \$1 | n/m | Undisclosed |
| Aug-23 | Espresa | Core HR | \$16 | \$29 | Clear Ventures |
| Aug-23 | GymPass | Talent Management | \$85 | \$2315 | EQT |
| Aug-23 | LASSO | Core HR | \$4 | n/m | Undisclosed |
| Aug-23 | myGwork | Talent Acquisition | \$2 | n/m | 24Haymarket |
| Aug-23 | Flo Recruit | Talent Acquisition | \$12 | n/m | LiveOak, Moneta |
| Aug-23 | Orka | Talent Acquisition | n/m | n/m | Praetura Ventures |
| Aug-23 | One Model | Talent Management | \$41 | \$129 | Riverwood Capital |
| Aug-23 | FleetNurse | Talent Acquisition | \$3 | n/m | Undisclosed |
| Aug-23 | Cravety | Talent Management | n/m | n/m | Venture-Net Partners |
| Aug-23 | Degreed | Talent Management | \$153 | n/m | Kickstart Fund |
| Aug-23 | Multiverse | Talent Management | n/m | n/m | Haystack Management Company |
| Jul-23 | Intellum | Talent Management | \$25 | \$125 | Guidepost Growth Equity |
| Jul-23 | Fergus | Talent Management | \$2 | n/m | Octopus Ventures |
| Jul-23 | Disprz | Talent Management | \$30 | n/m | Silverneedle Ventures, 360 ONE |
| Jul-23 | Leading Indicator | Talent Acquisition | \$1 | n/m | Undisclosed |
| Jul-23 | Optio Incentives | Core HR | \$4 | \$46 | Skyfall, Futurum AS |
| Jul-23 | Bridgit | Core HR | \$7 | n/m | Canadian Bank of Commerce |
| Jul-23 | Axuall | Core HR | \$7 | \$85 | Frist Cressey Ventures |
| Jul-23 | impress.ai | Talent Acquisition | \$6 | \$15 | SEEDS Capital, Summit 29K |
| Jul-23 | Instant Financial | Core HR | \$13 | n/m | TTV Capital |

PRIVATE EQUITY GROWTH / EXPANSION

| Deal Date | Company Name | Broad Category | Deal Size (\$M) | Pre-Money Valuation (\$M) | Lead/Sole Investors |
|-----------|--------------------|--------------------|-----------------|---------------------------|-------------------------------|
| Sep-23 | Take Command | Core HR | \$25 | n/m | Edison Partners, LiveOak, SJF |
| Sep-23 | Cardata | Core HR | \$100 | n/m | Wavecrest Growth, MassMutual |
| Aug-23 | Hubstaff | Core HR | n/m | n/m | WestView Capital Partners |
| Aug-23 | Titus Talent Strat | Talent Acquisition | n/m | n/m | The Firefly Group |

Sources: PitchBook, HRTECHFeed




HCM EXPERTISE

HVA'S Q3 2023 HCM REPORT



CFO Alliance
Incredibly technical. Refreshingly JUP&P

Acquired by




emmerision

Acquired by




MobileHealth
exams


Acquired by





BLUE STAR

Acquired by




CultureIQ

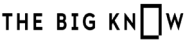
Acquired by





Alluvion
Where Talent Meets Opportunity.

Acquired by




THE BIG KNOW

Acquired by




Terryberry
recognized

Received an Investment from




COHESION

Acquired by




DDI
(Non-Leader Assessment Division)


Acquired by





meridian
problem solved.

Acquired by




onideau
return on recognition

Acquired by




Avant
Healthcare Professionals

Acquired by




stratex

Received an Investment from




modernsurvey

Acquired by




AVIONTE

Received an Investment from



HUMAN CAPITAL MANAGEMENT TEAM



Carolyn Mathis
PARTNER



Margaret McCormick
VICE PRESIDENT



Nick Mignone
SENIOR ASSOCIATE



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HARBOR VIEW

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