



2022 HCM Technology Year in Review

HOULIHAN LOKEY SECTOR COVERAGE REPORT



Houlihan Lokey

Houlihan Lokey is a leading global investment bank with expertise in mergers and acquisitions, capital markets, financial restructuring, and financial and valuation advisory.

Key Facts and Figures



35

LOCATIONS
WORLDWIDE

~2,000

TOTAL FINANCIAL
PROFESSIONALS

309

MANAGING
DIRECTORS⁽¹⁾

2,000+

CLIENTS SERVED ANNUALLY

>\$6B

MARKET
CAPITALIZATION⁽²⁾

\$1.8B

REVENUE⁽³⁾

Our Services



Corporate Finance

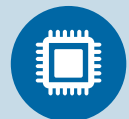


Financial
Restructuring



Financial and
Valuation Advisory

Our Coverage Areas



Technology



Business Services



Consumer, Food,
and Retail



Energy



Financial Services



Healthcare



Industrials



Real Estate, Lodging,
and Leisure



Financial Sponsors
Coverage



Equity Capital
Markets



Debt Advisory

(1) As of December 31, 2022; excludes corporate MDs.

(2) As of January 2023.

(3) LTM ended December 31, 2022.

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



Corporate Finance

- No. 1 Global M&A Advisor Under \$1 Billion
- Leading Capital Markets Advisor Raising More Than \$100 Billion in Past Five Years

2022 M&A Advisory Rankings Global Transactions Under \$1 Billion

Advisor	Deals
1 Houlihan Lokey	381
2 Rothschild	369
3 JP Morgan	217
4 Lazard	206
5 Goldman Sachs	203

Source: Refinitiv. Excludes accounting firms and brokers.



Financial Restructuring

- No. 1 Global Restructuring Advisor
- \$3.0 Trillion of Aggregate Transaction Value Completed

2022 Global Distressed Debt & Bankruptcy Restructuring Rankings

Advisor	Deals
1 Houlihan Lokey	58
2 PJT Partners	30
3 Lazard	29
4 Rothschild	25
5 Moelis	21

Source: Refinitiv.



Financial and Valuation Advisory

- No. 1 Global M&A Fairness Opinion Advisor Over the Past 25 Years
- 1,000+ Annual Valuation Engagements

1998 to 2022 Global M&A Fairness Advisory Rankings

Advisor	Deals
1 Houlihan Lokey	1,232
2 JP Morgan	1,030
3 Duff & Phelps, A Kroll Business	938
4 Morgan Stanley	725
5 BofA Securities	710

Source: Refinitiv. Announced or completed transactions.



Financial Sponsors Coverage

- No. 1 Global Advisor to Private Equity Firms
- 1,000+ Sponsors Covered Globally

2022 Most Active Investment Banks to Private Equity – Global

Advisor	Deals
1 Houlihan Lokey	242
2 Lincoln International	192
3 Deloitte	190
4 Grant Thornton	151
5 William Blair & Company	118

Source: PitchBook.

Global Leadership Team Built to Advise HCM Platforms

Global HCM Sector Team...



Rob Louv
Managing Director,
Chairman of U.S.
Technology Group



Sascha Pfeiffer
Managing Director,
Head of European
Technology Group



Kevin Walsh
Managing
Director



Rupert Sadler
Managing
Director



Adrian Reed
Managing
Director



James Local
Managing
Director



Glen Kruger
Managing
Director



Dan Dresner
Senior Vice
President



Eric Erbeck
Senior Vice
President

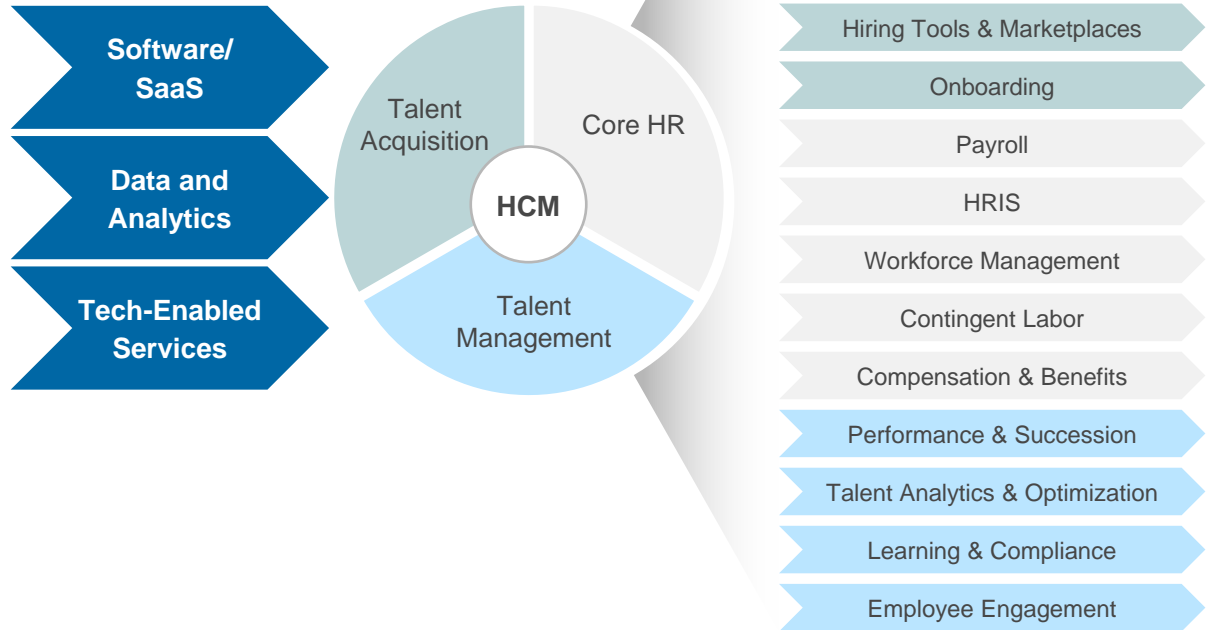


Melissa Tran
Vice President



James Grundy
Associate

...Covering the Entire HCM Ecosystem



20+

dedicated HCM bankers based in New York, London, Frankfurt, Los Angeles, Miami, and San Francisco



45+









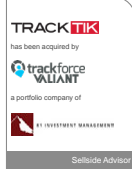

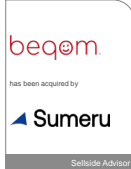




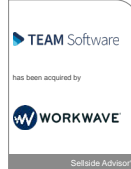















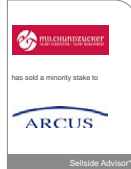



























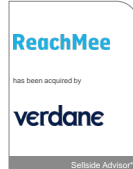



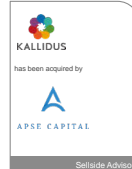























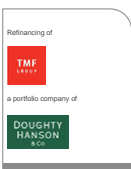








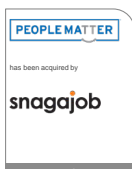

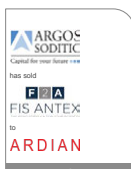




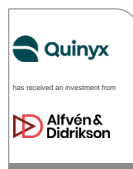






completed or announced HCM M&A transactions since the start of 2019



Global

single specialized HCM practice across the world

Unparalleled Track Record Across the HCM Landscape

 <p>has been acquired by</p>  <p>Sellside Advisor</p> <p>Hiring Tools and Marketplaces</p>	 <p>has been acquired by</p>  <p>Sellside Advisor</p> <p>Experience Management</p>	 <p>has acquired</p>  <p>Financial Advisor</p> <p>Performance and Succession</p>	 <p>has received growth financing from</p>  <p>Financial Advisor</p> <p>Workforce Management</p>	 <p>has been acquired by</p>  <p>Sellside Advisor</p> <p>Workforce Management</p>	 <p>has been acquired by</p>  <p>Sellside Advisor</p> <p>Compensation Management</p>	 <p>has been acquired by</p>  <p>Sellside Advisor</p> <p>HR and Tax Compliance</p>	 <p>has completed a recapitalization</p> <p>Financial Opinion</p> <p>Vertical HCM</p>	 <p>has been acquired by</p>  <p>Sellside Advisor</p> <p>Workforce Management</p>	 <p>growth financing led by</p>  <p>Financial Advisor*</p> <p>Payroll</p>
 <p>has acquired</p>  <p>Fairness Opinion</p> <p>Payroll</p>	 <p>has merged with</p>  <p>Financial Advisor</p> <p>Workforce Communications</p>	 <p>a portfolio company of</p>  <p>has been acquired by</p>  <p>Sellside Advisor</p> <p>Assessments</p>	 <p>has received investment from</p>  <p>Financial Advisor*</p> <p>Corporate Learning</p>	 <p>a portfolio company of</p>  <p>has acquired</p>  <p>Buyside Advisor*</p> <p>HR and Payroll</p>	 <p>has sold a minority stake to</p>  <p>Sellside Advisor*</p> <p>Talent Mgmt. and Recruiting</p>	 <p>a portfolio company of</p>  <p>received a majority investment from</p>  <p>Financial Advisor*</p> <p>HRIS</p>	 <p>has received an investment from</p>  <p>Sellside Advisor*</p> <p>Internal Communications</p>	 <p>has been acquired by</p>  <p>Sellside Advisor*</p> <p>Payroll</p>	 <p>has merged with</p>  <p>Sellside Advisor</p> <p>Learning Management</p>
 <p>a portfolio company of</p>  <p>merged with</p>  <p>Other Advisor*</p> <p>Temporary Staffing</p>	 <p>has been acquired by</p>  <p>LEEDS Equity Partners</p> <p>Sellside Advisor*</p> <p>Compliance E-Learning</p>	 <p>has confirmed a "pre-packaged" Chapter 11 Plan of Reorganization, restructuring \$2.1 billion of debt and raising \$110 million of new money investment</p> <p>Company Advisor</p> <p>Learning Management</p>	 <p>has received an investment through convertible loan from</p>  <p>Other Advisor*</p> <p>Corporate E-Learning</p>	 <p>has been acquired by</p>  <p>a portfolio company of</p>  <p>Sellside Advisor</p> <p>HR Compliance</p>	 <p>majority recapitalization by</p>  <p>Sellside Advisor*</p> <p>Workforce Communications</p>	<p>Funds managed by</p>  <p>has been acquired by</p>  <p>Have entered into an agreement to combine</p>  <p>and</p>  <p>Fairness Opinion</p> <p>HRIS</p>	 <p>has been acquired by</p>  <p>Sellside Advisor*</p> <p>Recruitment</p>	 <p>has received a USD 68m growth investment from</p>  <p>FAR VIEW</p> <p>Financial Advisor*</p> <p>Digital Workplace Solutions</p>	 <p>has been acquired by</p>  <p>Sellside Advisor</p> <p>Learning Management</p>
 <p>has been acquired by</p>  <p>Sellside Advisor*</p> <p>Recruitment</p>	 <p>a portfolio company of</p>  <p>has been acquired by</p>  <p>Sellside Advisor</p> <p>Learning Management</p>	 <p>has received an investment from</p>  <p>Financial Advisor*</p> <p>Learning Solutions</p>	 <p>has been acquired by</p>  <p>a portfolio company of</p>  <p>Sellside Advisor</p> <p>Talent Analytics</p>	 <p>has been acquired by</p>  <p>Sellside Advisor*</p> <p>Workforce Management</p>	 <p>has been acquired by</p>  <p>Sellside Advisor*</p> <p>Workforce Management</p>	 <p>has received an equity investment from</p>  <p>Financial Advisor</p> <p>Employee Engagement</p>	 <p>has sold a minority stake to</p>  <p>Sellside Advisor*</p> <p>HR Solutions Platform</p>	 <p>has been acquired by</p>  <p>Sellside Advisor</p> <p>Workforce Management</p>	 <p>majority investment by</p>  <p>Exclusive Financial Advisor*</p> <p>HRIS</p>
<p>Refinancing of</p>  <p>a portfolio company of</p>  <p>Financial Advisor*</p> <p>Accounting, Tax, HR, and Payroll</p>	 <p>has acquired</p>  <p>AdaptUX</p> <p>Buyside Advisor*</p> <p>Staffing and Recruitment</p>	 <p>has sold</p>  <p>to</p>  <p>Sellside Advisor*</p> <p>Payroll</p>	 <p>has been acquired by</p>  <p>Sellside Advisor*</p> <p>Contingent Labor</p>	 <p>has been acquired by</p>  <p>Sellside Advisor</p> <p>Workforce Management</p>	 <p>has sold</p>  <p>to</p>  <p>Sellside Advisor*</p> <p>HR and Administration</p>	 <p>has received a majority investment from</p>  <p>Sellside Advisor*</p> <p>Enterprise Mobility</p>	 <p>has received an investment from</p>  <p>Financial Advisor*</p> <p>Workforce Management</p>	 <p>Series D Convertible Preferred Stock</p>  <p>With participation from existing investors</p>  <p>CMEA</p> <p>\$25,000,000</p> <p>Placement Agent</p> <p>Social Recruiting Platform</p>	 <p>has been acquired by</p>  <p>Sellside Advisor*</p> <p>Predictive Talent Analytics</p>

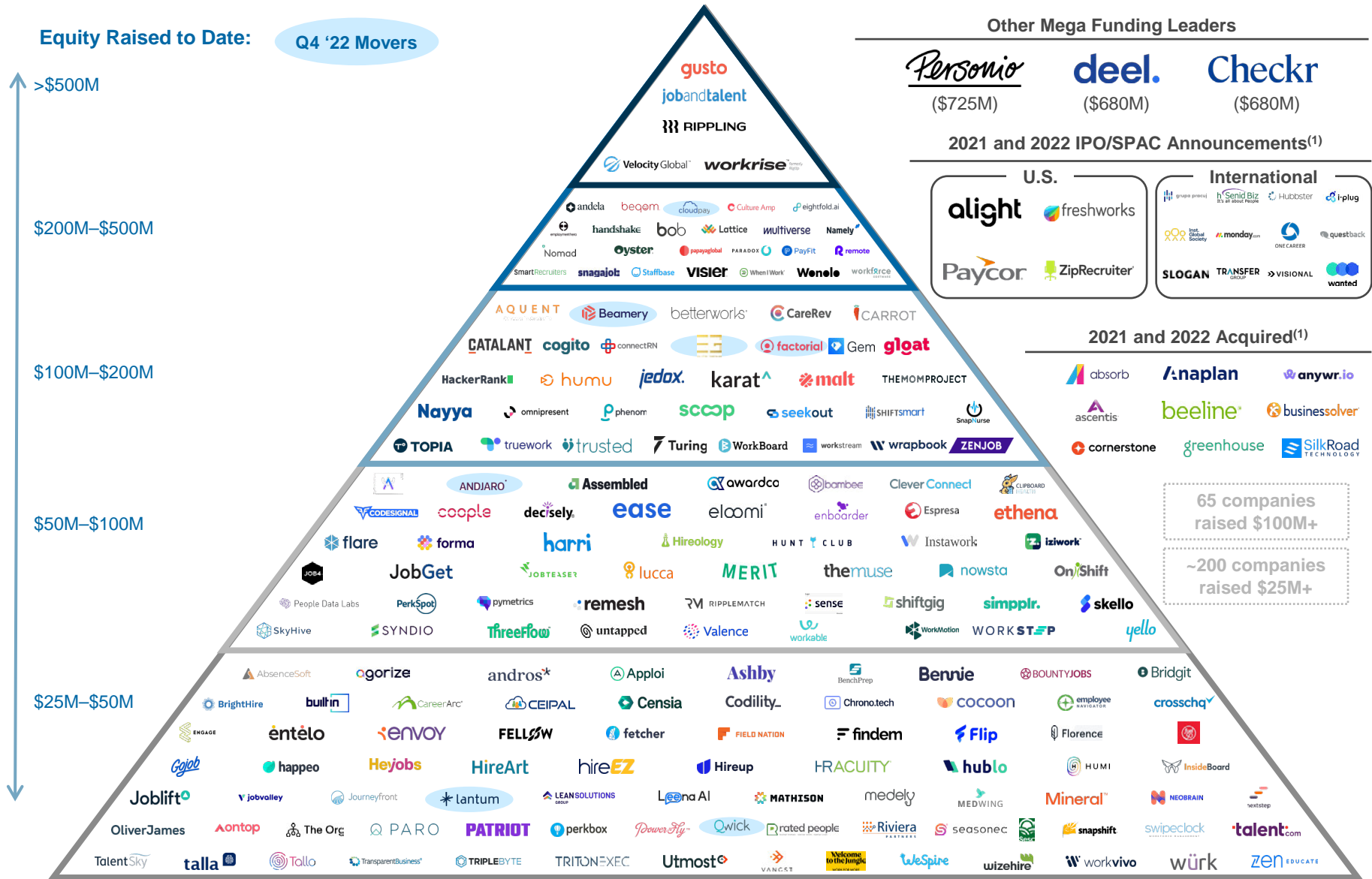
*Selected transactions were executed by Houlihan Lokey professionals while at other firms acquired by Houlihan Lokey or by professionals from a Houlihan Lokey joint venture company. Tombstones included herein represent transactions closed from 2010 forward

Representative HCM Landscape



<h3>Sourcing</h3> <p> Wenole </p>	<h3>Recruitment Marketing</h3> <p> VONQ. </p>	<h3>Assessments</h3> <p> </p>	<h3>Hiring Tools & Marketplaces</h3> <p> upwork </p>	<h3>Applicant Tracking & Engagement</h3> <p> = exact TalentReef <small>METRYTECH</small> </p>	<h3>Onboarding</h3> <p> </p>
<h3>Payroll</h3> <p> </p>	<h3>HRIS</h3> <p> </p>	<h3>Workforce Management</h3> <p> </p>	<h3>Contingent Labor</h3> <p> workrise <small>formerly REEP</small> </p>	<h3>Compensation & Benefits</h3> <p> salary.com </p>	
<h3>Performance & Succession</h3> <p> </p>	<h3>Talent Analytics & Optimization</h3> <p> visier </p>	<h3>Learning & Compliance</h3> <p> skillssoft </p>	<h3>Employee Engagement</h3> <p> </p>		

HCM Private Company Funding Leaders



Sources: Pitchbook, CB Insights, company filings, company websites, press releases.

Note: Equity raised to date as of 12/31/2022.

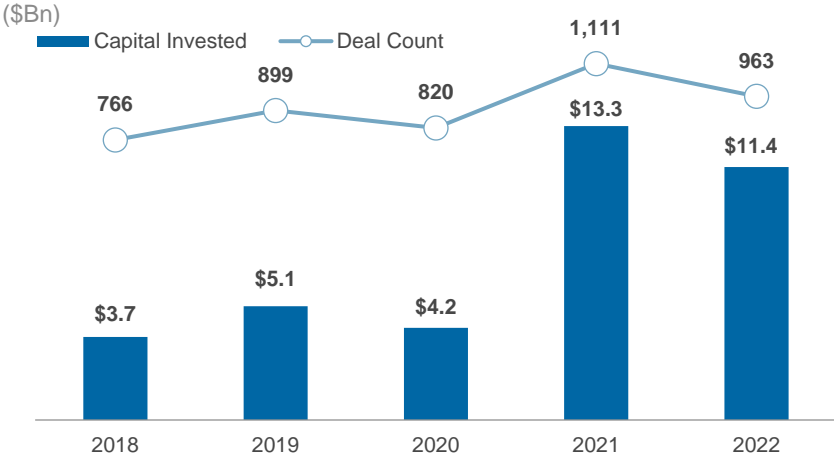
(1) Based on transaction announced date.

Executive Summary—2022 Market Update

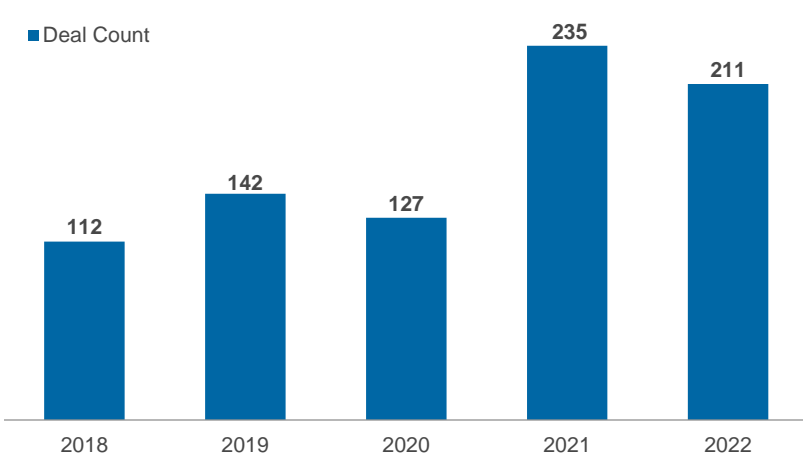
The HCM technology market remains highly active in a re-envisioned work environment.

- Despite a pullback in public market valuations, the **HCM technology market remains active as investors seek to capitalize on the growing importance of HCM technology in a revolutionized work environment.**
- The pandemic caused widespread changes to the way people work, and **companies are increasingly dependent on technology to manage their workforce**, fueling a near-record HCM technology funding market in 2022.
 - HR technology companies raised \$11.4B+ of private investment in 2022.**
- Competition for qualified workers has amplified the importance of employee retention and **shifted power dynamics between workers and employers.**
 - Demand for solutions that address the needs of a remote workforce, improve hiring and training efficiency, and increase retention has fueled increasing investment and created new categories in HCM technology.
- Emergence of innovative point solutions that address critical challenges have created a **fragmented market that is ripe for consolidation** led by large strategic buyers seeking to create end-to-end platforms.
 - M&A volumes nearly matched a record breaking 2021, with 211 announced transactions in 2022.**

HR Technology Venture Capital and Growth Equity



HR Technology Mergers and Acquisitions

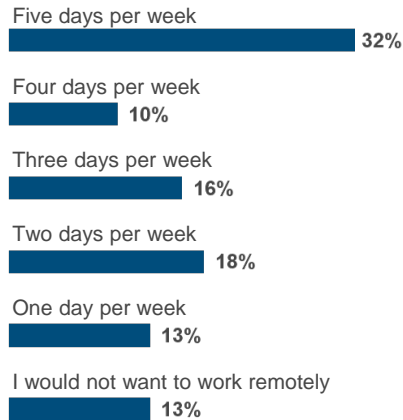


Source: Pitchbook.

The Future of Work Is Driving Investment in HCM Tech

Employers expect to increase investments in HCM software to improve retention and productivity across their remote workforce.

1 The future of work is remote



75%

As employees approach multiple years of remote work, more than **75% want to continue working remotely 2+ days per week.**⁽¹⁾

2 Declining workforce collaboration and loyalty



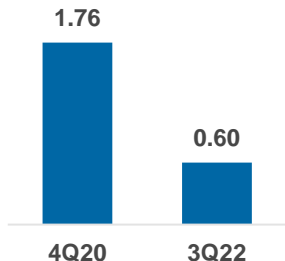
20%+ remote workers believe flexible arrangements create multiple working obstacles, including declining collaboration.⁽¹⁾

More than **48 million employees quit their job voluntarily in 2022.**⁽²⁾

6 in 10 employed adults say they're more likely to apply for a job with a **remote work option.**⁽³⁾

3 Increasingly tight labor market

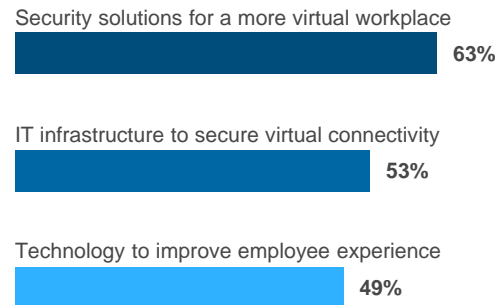
Unemployed Persons per Job Opening



Senior executives spend 40% of their time each day dealing with employee turnover and over half (53%) have a problem hiring full-time employees.⁽⁴⁾

4 Companies are investing in technology to support connectivity and increase retention of their workforce

% of Companies Planning to Increase Investment⁽⁵⁾



84% of employers are increasing flexibility in where and how employees work.⁽⁶⁾

(1) McKinsey American Opportunity Survey, June 23, 2022.

(2) CNBC, January 5, 2023.

(3) Morning Consult, Tracking the Return to Normal: Work & Offices, June 22, 2022.

(4) Kantata, The Changing Dynamics of the Modern Workforce, August 3, 2022.

(5) Foundry Future of Work Study, June 23, 2022.

(6) WTW 2022 Mid-Year Compensation Survey, August 3, 2022.

HCM Technology Transaction Timeline

Sustained M&A and capital markets activity has accelerated in the past several years with continued momentum in 2022.



Recent Highlighted Transactions

Voya Financials' Acquisition of Benefitfocus | Announced November 1, 2022



acquired



- Benefitfocus is a cloud-based benefits management platform for consumers, employers, insurance carriers, and brokers.
- The company sells its solutions on a subscription basis, typically through annual contracts with employers, and multi-year contracts with insurance carriers.
- The acquisition accelerates Voya's strategy in health and wealth solutions, adding broad-based benefits administration capabilities that extend its reach across workplace benefits and savings.

Benefitfocus Profile:

- Founded 2000
- Transaction valuation of ~\$590M
- Charleston, South Carolina

iCIMS' Acquisition of SkillSurvey | Announced October 25, 2022



acquired



- SkillSurvey is a provider of cloud-based reference checking services intended to improve hiring and credentialing.
- The company's platform solution verifies skills and delivers feedback from references in a quicker and more candid way that can be used earlier in the hiring process.
- With the acquisition, iCIMS' community of more than 4,000 customers can reduce the time and cost of traditional reference checking.

SkillSurvey Profile:

- Founded 2001
- Transaction valuation of ~\$180M
- Malvern, Pennsylvania

K1's Acquisition of ELMO | Announced October 25, 2022



acquired



- ELMO Software provides SaaS, cloud-based HR, payroll, and expense management solutions.
- Its software develops, sells, and implements a range of modular software applications to manage human resource-related processes; recruitment, onboarding, performance management, learning and development, and succession planning.
- K1's offering price per share was A\$4.85, which represents a 100.4% premium to the closing share price on October 12.

ELMO Profile:

- Founded 2002
- Transaction valuation of ~\$337M
- Sydney, Australia

LDC's Acquisition of Talos360 | Announced October 19, 2022



acquired




















































- Talos360 is a developer of talent acquisition and employee engagement platform intended to help firms attract, engage, and retain suitable candidates.
- The company's tools streamline the candidate management process from applicant attraction and candidate management to video interviewing and onboarding and offer employee engagement insights for HR professionals to improve engagement, well-being, and productivity, enabling SMEs and household brands to save time and money while focusing on their business needs.



Talos 360 Profile:









































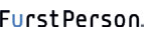










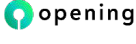

















- Founded 2009
- Warrington, United Kingdom

Most Active Selected Public HCM Consolidators

Company	# Investments (Since Jan. 1, 2019)	Selected Targets
 (LSE:SGE)	10	 2022  2022  2022  2021  2021  2019  2019
 (NYSE:CDAY)	8	 2021  2021  2021  2021  2020  2019  2019
 (NASDAQ:INTU)	6	 2021  2021  2020  2020  2019  2019
 (NASDAQ:WDAY)	5	 2021  2021  2021  2019  2019
 (NASDAQ:ADP)	4	 2021  2020  2020  2019
 (NYSE:FVRR)	4	 2021  2021  2021  2019
 (NASDAQ:PCTY)	4	 2022  2021  2020  2020
 (NYSE:SMAR)	4	 2022  2020  2019  2019

Most Active PE-Backed HCM Consolidators

Rationales for buyers have included geographic expansion, product portfolio expansion, and technology advancements.

Company	Sponsor	# Investments (Since Jan. 1, 2017)	Targets
 Bullhorn	 Stone Point Capital	11	 SourceBreaker 2022  able. 2022  cubel9 2021  ((sirenum)) 2021  herefish 2020  erecruit™ 2019  invenias 2019
 UKG	 Blackstone	11	 QUORBIT 2022  Ascentis™ 2022  interboro systems corp. 2022  SpotCues 2021  GREAT PLACE TO WORK 2021  EverythingBenefits 2021  Ultimate SOFTWARE 2020
 eLB LEARNING	 RLG CAPITAL	9	 COREAXIS 2022  origin learning 2022  rehearsal 2022  The Game Agency 2021  knowledge link a product of Edulence™ 2020  Trivantis™ 2020  cognitive advisors™ 2019
 JOBVITE	 LEVER	8	 LEVER 2022  JazzHR 2021  NXTThing The Experience Matters 2021  talentegy 2020  PREDICTIVE PARTNER 2020  canvas 2019  Talemetry 2019
 Outmatch	 RUBICON technology partners	7	 harver 2021  Checkster Better Talent Decisions 2020  FurstPerson. 2020  THE DEVINE GROUP 2020  wepow 2019  POMELLO 2018  POMELLO 2017
 icims™	 TA ASSOCIATES	7	 SKILLSURVEY 2022  candidate ID HIRE FASTER. HIGHER QUALITY. 2022  altru. AN ICIMS COMPANY 2020  EASYREGURU 2020  opening 2020  jibe 2019  TextRecruit 2018
 cornerstone	 CLEARLAKE	7	 TALESPIN 2022  sumtotal 2022  edcast by cornerstone 2020  saba 2020  clustree 2020  grova 2019  workpop 2018
 Perceptyx	 Delta-V Capital	4	 cultivate 2022  waggl 2021  CultureIQ 2021  KANTAR TNS 2020

Most Active Financial Sponsors

High investor activity of platform acquisitions, add-ons, and financings as investors with experience continue to double down.

Sponsor	# Investments (Since Jan. 1, 2017)	Targets							
	25	 2022	 2022	 2022	 2022	 2021	 2021	 2021	
	18	 2022	 2022	 2022	 2021	 2021	 2021	 2021	
	13	 2022	 2021	 2020	 2020	 2020	 2020	 2020	
	13	 2022	 2022	 2022	 2021	 2021	 2021	 2019	
WARBURG PINCUS	12	 2022	 2022	 2022	 2022	 2021	 2021	 2021	
STONE POINT CAPITAL	12	 2022	 2022	 2022	 2022	 2022	 2021	 2021	
	11	 2022	 2022	 2021	 2020	 2020	 2020	 2019	
	11	 2022	 2022	 2022	 2021	 2021	 2021	 2020	

Other Active HCM Tech Investors



HCM Technology Valuation Environment

Publicly Listed

Transaction Comparables

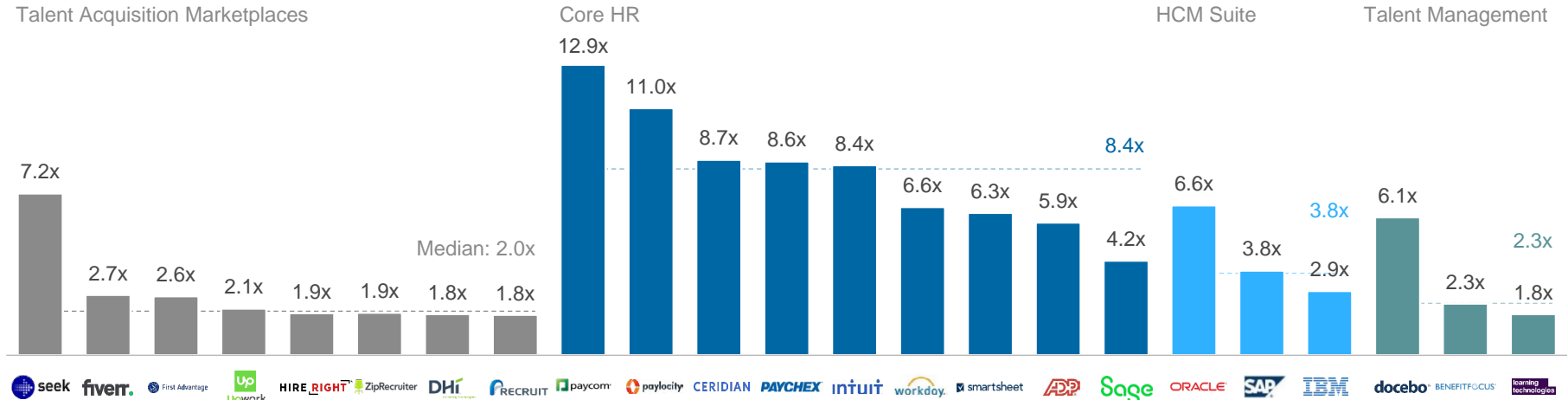
Talent Acquisition Marketplaces	Core HR	HCM Suite	Talent Management	HCM
				<i>Illustrative targets</i>

Implied Valuation Levels	2.0x EV/Revenue 2022E	8.4x EV/Revenue 2022E	3.8x EV/Revenue 2022E	2.3x EV/Revenue 2022E	5.9x EV/Revenue ⁽¹⁾
	9.6x EV/EBITDA 2022E	25.0x EV/EBITDA 2022E	12.0x EV/EBITDA 2022E	11.1x EV/EBITDA 2022E	18.5x EV/EBITDA ⁽¹⁾

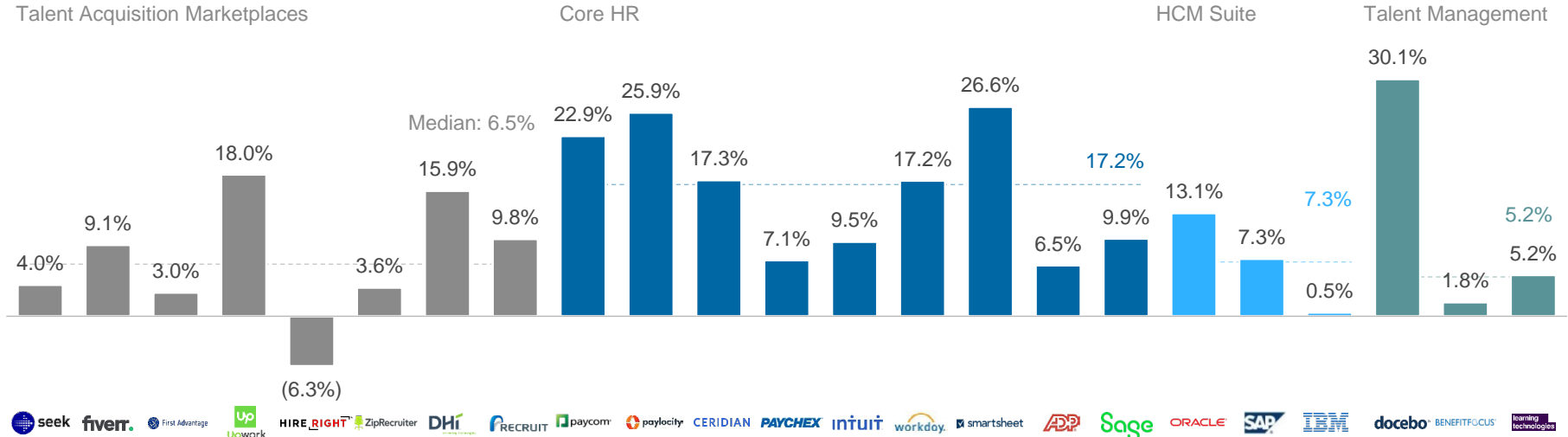
Source: S&P Capital IQ—Trading data as of December 31, 2022.
 (1) Reflects median valuation multiples of selected precedent transactions from 1/1/2017 through 12/31/22.

Comparable Public Company Benchmarking

EV/2022E Revenue Multiple



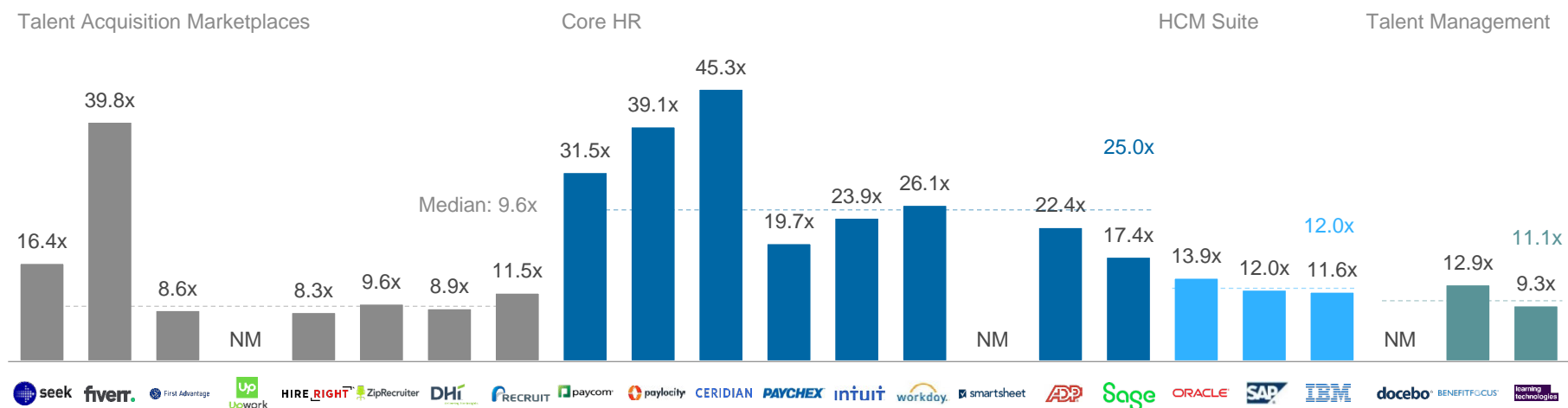
2022E–2023E Revenue Growth



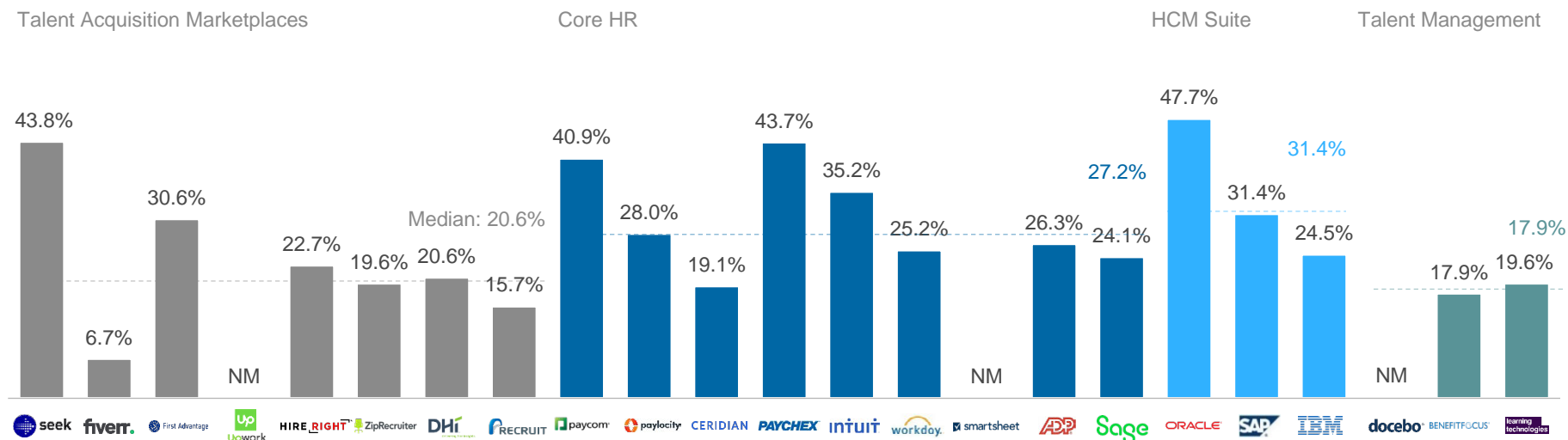
Source: S&P Capital IQ—Trading data as of December 31, 2022.

Comparable Public Company Benchmarking (cont.)

EV/2022E EBITDA Multiple



























2022E EBITDA Margin



Source: S&P Capital IQ—Trading data as of December 31, 2022.
 Note: NM defined as EBITDA multiple <0x or >50x and EBITDA margin <0%.




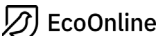

























Precedent Transactions

Announced Date	Acquirer	Target	Description	EV (\$M)	LTM Rev (\$M)	EV/LTM Rev
12/7/22	 INSIGHT PARTNERS	 Riviera PARTNERS	Provides AI-based executive search and recruiting SaaS to businesses	NA	NA	NA
12/1/22	 AWAR	 GeoPro	Provides employee check-in and safety alert monitoring SaaS and related mobile applications for businesses	NA	NA	NA
11/22/22	 MAIN CAPITAL PARTNERS	 timeplan	Provides workforce management SaaS, APIs, and related mobile applications for businesses in Europe	NA	NA	NA
11/15/22	 payscale	 agora	Provides workforce compensation management SaaS for businesses in the U.S.	NA	NA	NA
11/3/22	 UKG	 QUORBIT	Provides AI-based strategic workforce planning SaaS to businesses in the U.K.	NA	NA	NA
11/1/22	 VOYA FINANCIAL	 Benefitfocus	Provides corporate benefits administration and analytics SaaS for employers, insurance carriers, and brokers globally	587.7	254.9	2.3x
10/25/22	 icims	 SKILLSURVEY	Provides talent intelligence SaaS and related APIs for businesses in the U.S.	180.0	35.0	5.1x
10/25/22	 K1	 ELMO CLOUD HR & PAYROLL	Provides HR and payroll management SaaS, APIs, and related mobile application to businesses globally	337.8	58.6	5.8x
10/19/22	 LDC BACKING AMBITION FOR 40 YEARS	 Talos360	Developer of talent acquisition and employee engagement platform intended to help firms attract, engage, and retain suitable candidates	NA	NA	NA
10/13/22	 Paycor	 Talenya	Provides big data and AI-based recruitment management SaaS and related APIs to businesses globally	NA	NA	NA
10/11/22	 businessolver	 workterra	Provides HR benefits administration and enrollment SaaS and related mobile application for businesses in the U.S.	NA	NA	NA
10/4/22	 EMPLOYBRIDGE	 bluecrew	Provides AI-based labor and workforce management SaaS for businesses in the U.S.	NA	NA	NA

Precedent Transactions (cont.)

Announced Date	Acquirer	Target	Description	EV (\$M)	LTM Rev (\$M)	EV/LTM Rev
8/30/22	 ApplyDirect	 SCOUT TALENT SEE PEOPLE FIRST	Provides talent acquisition SaaS, open APIs, and related mobile application for businesses	44.8	10.4	4.3x
8/17/22	 FP FRANCISCO PARTNERS	 SAP Litmos 	Provides learning management SaaS, open-source based APIs, and related mobile application for businesses	NA	NA	NA
8/15/22	 GRO CAPITAL	 Netigate	Developer of a cloud-based experience management platform intended for employees and customer reviews	NA	NA	NA
8/10/22	 MITRATECH	 talentReef	Provides HR and talent management SaaS and related APIs for businesses	110.0	29.7	3.7x
8/9/22	 Roper TECHNOLOGIES	 ViGlobal Unleash Your People's Potential	Provides people management SaaS for businesses globally	NA	NA	NA
8/2/22	 employ	 LEVER	Provides recruitment SaaS for the HR department in enterprises	NA	NA	NA
7/19/22	 REDBIRD CAPITAL PARTNERS	 talent systems	Provides casting and auditioning SaaS for businesses in the entertainment industry globally	NA	NA	NA
7/15/22	 MAGUAR	 Effactory	Provides employee listening and management SaaS intended to provide insight into the feedback and ideas of employees	NA	NA	NA
7/15/22	 Bullhorn	 SourceBreaker	Provides cloud computing and AI-enabled recruitment management, candidate sourcing, and matching	NA	NA	NA
7/12/22	 FTV CAPITAL	 SingleOps	Developer of business management software focused on growing companies in the green industry	NA	NA	NA
7/7/22	 toast	 SLING by Toast	Provides employees scheduling, communication, and management SaaS, APIs, and related mobile application for businesses	NA	NA	NA
7/1/22	 experian	 PAY DASHBOARD	Provides digital pay slips management SaaS and related open APIs for businesses in the U.K.	NA	NA	NA





























Precedent Transactions (cont.)

Announced Date	Acquirer	Target	Description	EV (\$M)	LTM Rev (\$M)	EV/LTM Rev
 6/23/22	 Trackforce VALIANT	 TRACK TIK	Leading cloud-based workforce management solution in the physical security industry	NA	NA	NA
6/14/22	 EcoOnline	 StaySafe	Provides lone workers protection SaaS, related mobile app, and wearable GPS tracking and panic alarm system for businesses	26.7	NA	NA
 6/14/22	 grupa pracuj	 (softgarden)	Provides HR recruitment management SaaS, APIs, and related mobile apps for Europe	124.1	NA	NA
6/13/22	 cornerstone	 sumtotal	Provides AI-based learning, talent, and workforce management SaaS, APIs, and related mobile apps globally	200.0	120.0	1.7x
5/6/22	 TA ASSOCIATES	 icims	Developer of cloud-based talent acquisition software	3,000.0	NA	NA
 4/12/22	 Sumeru	 beqom	Cloud-based compensation management software	NA	NA	NA
 4/11/22	 experian	 cicplus ⁺	Provider of employer compliance management solutions	NA	NA	NA
1/31/22	 Pearson	 Credly	U.S.-based provider of digital workforce credentialing	200.0	13.3	15.0x
1/3/22	 blackbaud	 EVERFI	Developer of a digital learning software designed to help organizations instill knowledge around critical topics	750.0	NA	NA
11/19/21	 workday	 VNDLY	Provider of workforce management software	510.0	NA	NA
11/2/21	 fiverr.	 stoke	Developer of a talent management platform for hiring managers and corporate operations	95.0	NA	NA
 9/14/21	 WORKWAVE	 TEAM Software	Developer of cloud-based workforce management software for contractors in the janitorial and security industries	NA	NA	NA

Sources: PitchBook, 451 Research, and S&P Capital IQ as of December 31, 2022.

*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.

Precedent Transactions (cont.)

Announced Date	Acquirer	Target	Description	EV (\$M)	LTM Rev (\$M)	EV/LTM Rev
 8/13/21			Operator of a cloud-based payroll platform intended to deliver end-to-end payroll management services to multinational organizations	NA	NA	NA
8/5/21			Provider of cloud-based talent management solutions	5,050.0	830.0	NA
 8/4/21			Developer of employee communication and engagement platform intended to transform the way workers and organizations connect	NA	NA	NA
7/22/21			Provides conversational AI-based recruiting SaaS for businesses	85.0	NA	NA
7/15/21			Provides mobile field service operations, quote-to-cash (QTC), and field ticket processing SaaS	145.0	NA	NA
7/6/21			Provides environmental, health, safety, and sustainability (EHS&S) processes management software	1,400.0	NA	NA
 6/16/21			Developer of a secure enterprise-grade assessment platform designed to support professional services and ready-made content	NA	NA	NA
6/2/21			Provides online cloud computing training website for businesses and students globally	2,000.0	NA	NA
4/27/21			Provides employee engagement software and SaaS for small and medium-sized businesses	50.0	NA	NA
4/20/21			Provides cloud-native AI-based learning management SaaS	500.0	50.0	10.0x
4/14/21			Provides employee benefit management SaaS and related outsourced services for businesses in the U.S.	275.0	NA	NA
 4/8/21			Provider of gamified 3D simulations and training services intended to make a meaningful impact on team skills and the organization's KPIs	NA	NA	NA

Sources: PitchBook, 451 Research, and S&P Capital IQ as of December 31, 2022.

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Precedent Transactions (cont.)

Announced Date	Acquirer	Target	Description	EV (\$M)	LTM Rev (\$M)	EV/LTM Rev
 * 4/6/21		 Sage Schweiz AG	Swiss business of The Sage Group plc, developer of accountancy software for small to medium sized businesses	54.0	NA	NA
3/22/21			Provider of business software products and related services in the Netherlands	2,150.0	NA	NA
2/15/21			LMS intended to help employees and managers transform their organizations through connected learning, performance alignment, and career growth	50.0	21.0	2.4x
 * 2/4/21			Operator of a recruiting and employer branding software platform	NA	NA	NA
2/1/21			Operator of HCM platform serving the Asia-Pacific region	500.0	NA	NA
1/28/21			Operator of an employee engagement platform designed to assist everyone in reaching their full potential	700.0	NA	NA
1/14/21			Operator of a recruiting platform intended to back companies to source, interview, hire, and onboard the right talent	820.0	NA	NA
 12/17/20			Developer of HCM software based in Marlow, England	NA	NA	NA
12/13/20			Operator of a cloud-based technology skills platform in the U.S., Europe, the Middle East, Africa, and internationally	3,341.2	375.7	8.9x
11/30/20			The staff scheduling business that provides staff scheduling and patient tracking SaaS for businesses in the healthcare sector globally	67.5	NA	NA
 * 11/17/20			Social intranet and internal communication SaaS platform	NA	NA	NA
10/27/20			Provides ERP HR healthcare benefits and workforce management SaaS, mobile applications, and related outsourced business process services	690.0	140.0	4.9x

Source: PitchBook, 451 Research, and S&P Capital IQ as of December 31, 2022.

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Precedent Transactions (cont.)

	Announced Date	Acquirer	Target	Description	EV (\$M)	LTM Rev (\$M)	EV/LTM Rev
 *	10/16/20			Developer of HCM software headquartered in York, England	NA	NA	NA
	10/13/20	CHURCHILL CAPITAL II		Developer of learning management system, software, and content	1,300.0	NA	NA
 *	10/8/20		BackOffice [®]	Software provider for the temporary staffing market in Europe	NA	NA	NA
 *	8/31/20			Developer of e-learning platform intended to provide corporate e-learning solutions on a global scale	NA	NA	NA
 *	8/23/20			Developer of a learning platform designed to impart digital education	NA	NA	NA
	8/21/20			Norway-based company engaged in providing software solutions and services	12,200.0	NA	NA
 *	7/31/20	MITRATECH		Developer and provider of Form I-9 compliance and immigration management solutions designed for HR managers and legal teams	NA	NA	NA
	7/28/20		REFLEXIS	Provides retail workforce management software solutions	575.0	66.1	8.7x
 *	7/15/20			Developer of employee communication and engagement platform intended to transform the way workers and organizations connect	100.0	20.0	5.0x
	3/5/20			Provides employee scheduling SaaS	247.5	55.0	4.5x
	2/24/20			Provides cloud-based intelligent talent management	1,393.6	260.0	5.4x
	2/5/20			Cloud provider of HCM suite	3,300.0	NA	NA

Source: PitchBook, 451 Research, and S&P Capital IQ as of December 31, 2022.

*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.

Houlihan Lokey Transaction Case Study: Talos360



has been acquired by



Sellside Advisor

October 2022

Client Profile

Talos360, headquartered in Warrington, is one of the fastest-growing HR technology providers in the U.K. Its proprietary recruitment and engagement technology helps businesses better attract, recruit, and retain talent, and it is a trusted partner to more than 700 businesses. Talos360 has become a market leader in SaaS talent solutions and also built a reputation as a people-first business through its commitment to supporting employees. The company currently employs more than 120 people.

Buyer Profile

LDC is a private equity firm with a strong heritage of supporting the growth of HR SaaS businesses. It has a portfolio of 90 businesses throughout the U.K., across a broad range of sectors, and has a nationwide network of regional offices to provide a local presence to the businesses and communities it supports.

Our Role

Houlihan Lokey both originated and acted as the lead advisor on the transaction, providing corporate finance advice to Talos360.

Transaction Snapshot

Talos360, an award-winning provider of HCM solutions, has chosen to partner with leading middle-market private equity firm LDC to support the next stage of its growth journey.

Houlihan Lokey Transaction Case Study: Netigate



has been acquired by



Sellside Advisor

August 2022

Client Profile

Netigate provides a cloud-based experience management platform that allows customers to collect, analyze, and take strategic action on insights gathered from its two most valuable assets: its customers and employees. As a fast-growing SaaS company, Netigate supports 1,500+ global customers from its offices in Germany, Sweden, Norway, and Poland.

Buyer Profile

GRO Capital is a leading Northern European private equity fund with an exclusive focus on mature B2B software and tech-enabled companies with strong growth prospects. GRO Capital serves as an active owner developing portfolio companies with a view to create long-term value. The partners behind GRO Capital have been investors in more than 25 technology- and software-related companies, and GRO Capital has approximately €1 billion in AUM.

Our Role

Houlihan Lokey served as the exclusive financial advisor to the selling shareholders of Netigate and assisted in marketing, structuring, and negotiating the transaction on behalf of the company.

Transaction Snapshot

Netigate has received a secondary investment from GRO Capital to fuel growth and accelerate the build-out of a leading experience management platform. Through this investment, GRO Capital has become the majority shareholder in Netigate.

This transaction further highlights Houlihan Lokey's deep sector expertise in advising Nordic software businesses, particularly those within the customer and employee experience space.

Houlihan Lokey Transaction Case Study: Maguar



Client Profile

Maguar Capital Management (Maguar) is a private equity firm based in Munich, Germany. The firm seeks to invest in small-cap companies operating in the B2B software sector, primarily in the DACH region.

Target Profile

Headquartered in Amsterdam, Effactory provides an integrated approach to understanding the complete employee experience while its SaaS offering leads to valuable insights and guidance.

Our Role

Houlihan Lokey served as the exclusive financial advisor to Maguar and provided debt advice on all commercial aspects of financing the acquisition.

Transaction Snapshot

The partnership with Effactory’s founders and current management underpins Maguar’s strong commitment to further supporting the company’s development and its vision of delivering tangible value throughout the entire employee lifecycle. The new partnership aims to further accelerate strong growth, especially in the DACH region.

Together with Maguar, an experienced sponsor in the software industry with a significant footprint and deep expertise in the HR technology sector, Effactory plans to continue the platform’s success story and strengthen its product offering. Maguar’s previous experience in the HR technology sector includes investments in HRworks and Ingentis.

Houlihan Lokey Transaction Case Study: SingleOps



has received growth financing from



Financial Advisor

July 2022

Client Profile

SingleOps, headquartered in Atlanta, serves thousands of businesses that have collectively processed more than \$2 billion in revenue through SingleOps, and use it daily to operate their businesses and interact with clients.

Buyer Profile

In June 2022, FTV Capital (FTV), a growth equity investment firm, made a \$74 million growth equity investment in SingleOps, the leading all-in-one business management software for the green industry, including tree care, lawn care, full-service landscaping, sod farms, and landscape supply.

FTV is a sector-focused growth equity investment firm that has raised \$6.2 billion to invest in high-growth companies offering a range of innovative solutions in three sectors: enterprise technology and services, financial services, and payment and transaction processing.

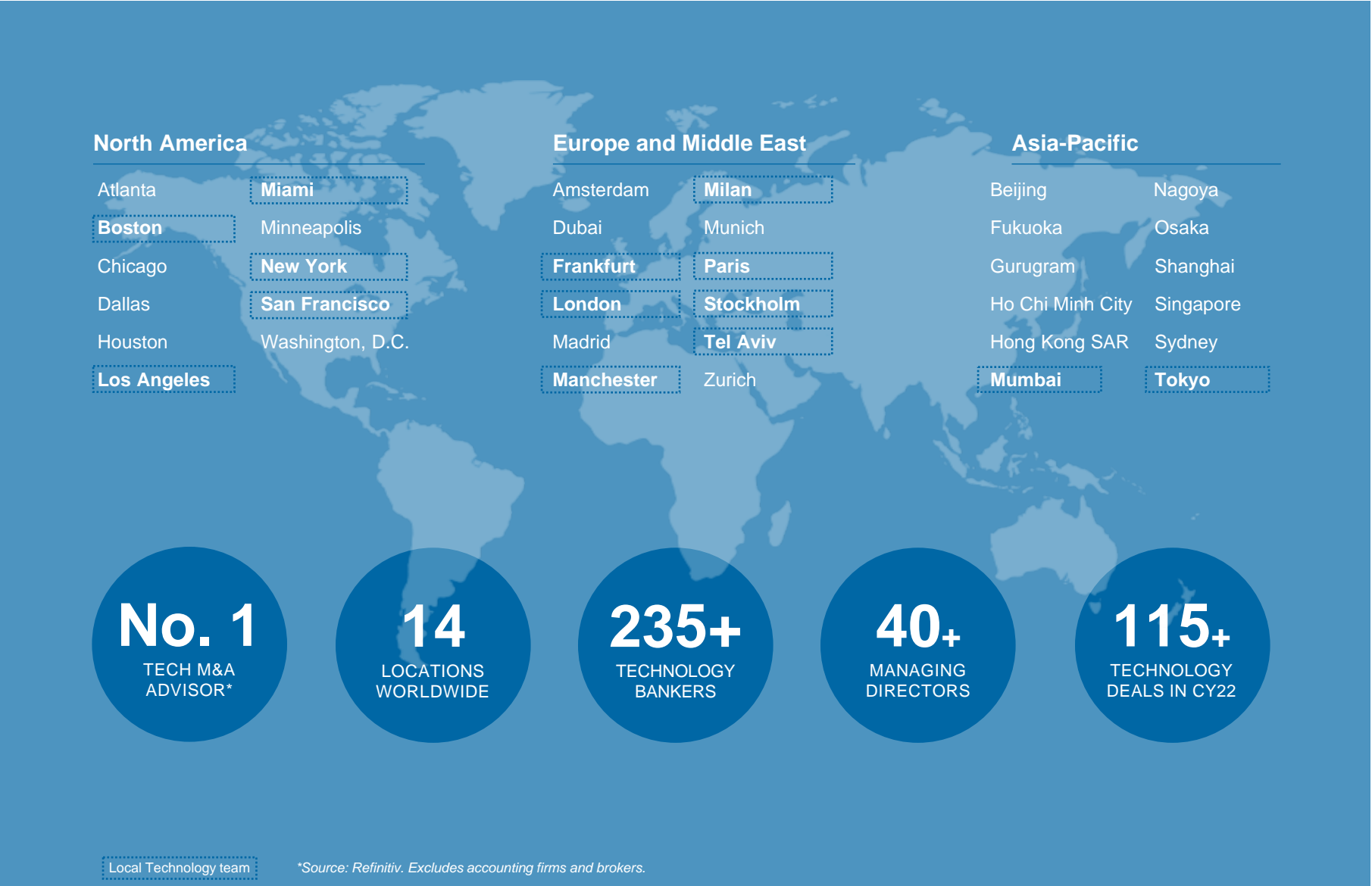
Our Role

Houlihan Lokey's New York team was selected on the basis of its expertise in technology M&A, specifically in the vertical software sector, and relationships with relevant strategic and financial buyers. Houlihan Lokey worked with the SingleOps founders and senior management to establish the company's operating model and position SingleOps as a "must-have" asset in the space. Houlihan Lokey led negotiations from initial proposals through signing the definitive agreement, with FTV selected on the strength of its offer in a competitive process and expertise in the vertical software and payments space.

Transaction Snapshot

The transaction provides SingleOps with near-term liquidity to fund operations and continually penetrate the fast-growing lawn care and landscaping market with a premium software solution, custom fitted to a broad array of subverticals. With this investment, SingleOps will be able to accelerate new and existing customer acquisitions and expansions, while simultaneously expanding further into the payment processing space, a massive whitespace opportunity. Supported by FTV, SingleOps will gain invaluable resources and expertise, with an emphasis on the payment processing opportunity.

Our Tech M&A Team Is No. 1 Globally With Unparalleled Reach



Houlihan Lokey Global Tech Group Positioning

LARGE-CAP TRANSACTION EXPERTISE

- CEO-level relationships with leading tech companies
- Large senior team with unparalleled transaction experience
- Broad network including Fortune 500 relationships
- Highest-quality client service
- M&A advisory and capital-raising expertise

INDEPENDENCE



CREATIVITY

MIDDLE-MARKET/ GROWTH SECTOR FOCUS

- Unique global access to venture capital, private equity, and strategic investors
- Growth company focus
- Deep sector expertise and domain knowledge
- Extensive capital markets access
- Late-stage private through public company orientation

How Houlihan Lokey Can Help

Our firm is extremely well equipped to help our clients navigate uncertain times. We respond quickly to challenging situations and are constantly helping clients to analyze, structure, negotiate, and execute the best possible solutions from both a strategic and a financial perspective.

What We Offer

1  **Corporate Finance**

- Mergers and Acquisitions
- Capital Markets
- Private Funds Advisory
- Board Advisory Services

We are widely recognized as a leading M&A advisor to the mid-cap and have longstanding relationships with capital providers, including commercial banks and other senior credit providers, insurance funds, asset managers, and mezzanine fund investors. Few other investment banks maintain the breadth of relationships and capital markets intelligence that we do.

2  **Financial Restructuring**

- Company Advisory
- Special Situations
- Distressed M&A
- Liability Management
- Creditor Advisory

We have the largest restructuring practice of any global investment bank. Since 1988, we have advised on more than 1,500 restructuring transactions (with aggregate debt claims in excess of \$3.0 trillion). We served as an advisor in 12 of the largest 15 bankruptcies from 2000 to 2022.

3  **Financial and Valuation Advisory**

- Portfolio Valuation and Fund Advisory
- Transaction Opinions
- Corporate Valuation Advisory Services
- Transaction Advisory Services
- Real Estate Valuation and Advisory
- Dispute Resolution Consulting

For five decades, we have established ourselves as one of the largest financial and valuation advisory firms. Our transaction expertise and leadership in the field of valuation help inspire confidence in the financial executives, boards of directors, special committees, investors, and business owners we serve.

Why We're Different



No. 1 for U.S. and Tech M&A*



Significant Experience With Financing Markets



Senior-Level Commitment and Dedication



Deep, Industry-Specific Expertise



Superior Work Product/Technical Abilities



Creativity, Imagination, Tenacity, and Positivity

* Source: Refinitiv. Excludes accounting firms and brokers.

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