



GLOBAL HR TECH REPORT

INDUSTRY UPDATE
Q2 2024

NEW YORK | LONDON | MUNICH | PARIS | SAN FRANCISCO
LOS ANGELES | BERLIN | DUBAI



DRAKE STAR AT A GLANCE

WHY OUR CLIENTS CHOOSE US



100% TECH-FOCUSED

Deep sector expertise in
8 core tech verticals



LEADER IN MID-MARKET TECH INVESTMENT BANKING

Only independent
boutique in global top 10



INDEPENDENT AND PARTNER-LED

Partner-owned
investment bank with
an entrepreneurial team



EXTENSIVE M&A AND CORPORATE FINANCE EXECUTION SKILLS

Executing a wide range
of transactions including
Strategic M&A, PE
Buyouts, Private
Placements, Buy Side,
and Carve Outs deals



GLOBAL REACH COMBINED WITH LOCAL PRESENCE

One of the largest tech
teams with over 100
professionals in the US,
Europe and Middle East



STRONG TRANSACTION TRACK RECORD

Over 500 transactions
completed incl. numerous
tech landmark deals



RECOGNIZED BY THE INDUSTRY

- 8x investment bank of the year
- 34x deal of the year
- 5x leadership awards

OUTSTANDING TRACK RECORD

IN HR TECH DEALMAKING

 SALE TO 	 SALE TO 	 SALE TO 	 MAJORITY RECAP BY 	 MAJORITY RECAP BY 	 SALE TO 
 SALE TO 	 SALE TO 	 SALE TO 	 MAJORITY SALE TO 	 SALE TO 	 SALE TO 
 SALE TO 	 DIVESTURE OF AMACOM TO 	 SALE TO 	 PRIVATE PLACEMENT 	 PRIVATE PLACEMENT 	 IPO*

Note: Selected deals

* Deals executed by Partners of Drake Star



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AT A GLANCE

CONTINUED STRONG MARKET TRACTION WITH APPEALING OUTLOOK
FOR 2024

250+

HR Tech transactions
in Q1 2024

\$2.9bn+

Invested equity in HR Tech
in Q1 2024 (disclosed values)

\$28.8bn

Global expected HR Tech
market volume in 2024e

+13.4%

Expected market growth CAGR
until 2027e

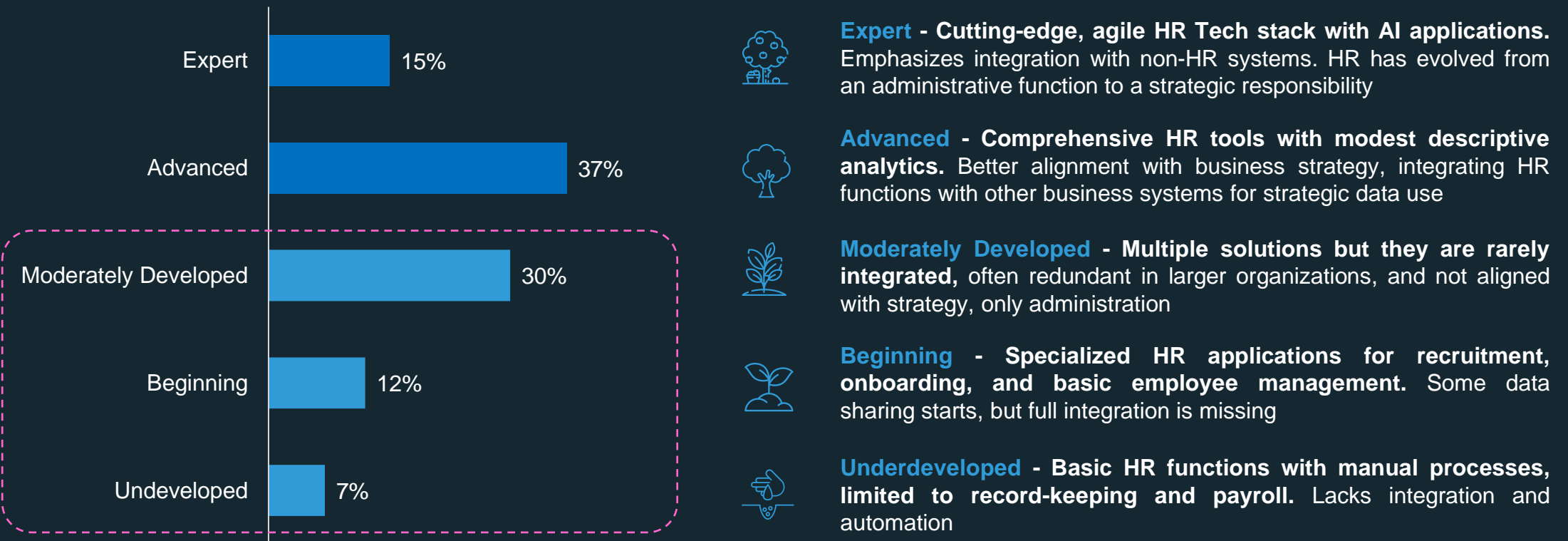
78%

of **organizations increased their spending on HR technology** over the **last two years**, 32% of which increased spending significantly

DRAKE STAR MARKET INSIGHTS

HR TEAMS CAN UNLOCK FULL POTENTIAL WITH IMPACTFUL HR TECH STACKS

HR Tech stack levels within companies



~50% of organizations lack mature HR technology stacks

DRAKE STAR MARKET INSIGHTS

BROAD LANDSCAPE OF HR TECH SOLUTIONS AND NEED FOR A SOPHISTICATED TECH STACK DRIVE INVESTMENT SPENDING

Number of HR solutions in organizations' tech stacks




85% have at least two paid solutions

68% have between 3 and 7 paid solutions

14% have 8 or more paid solutions

Organizations' spending in HR Tech

 **78%** increased their spending on HR technology in the last two years, 32% of which increased spending significantly

 **82%** plan to increase investment over the next two years

Benefits of a well integrated HR Tech stack



Increases organizational and HR efficiency/productivity by leveraging technical innovation and analytical insights



Supports organizations' key business goals and strategies well or extremely well

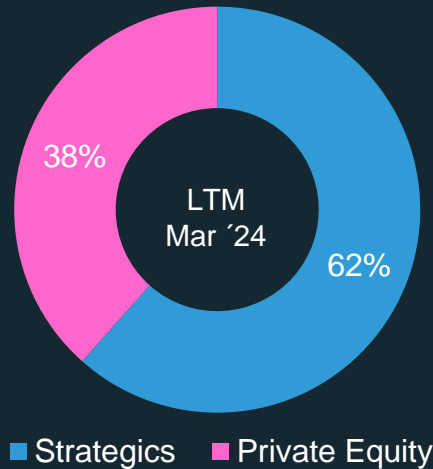


Increases employee self-sufficiency and enhances their work experience

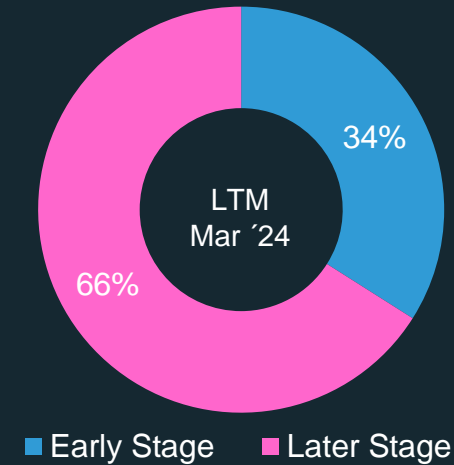
DRAKE STAR MARKET INSIGHTS

STRATEGIC INVESTORS HAVE DOMINATED INVESTOR ACTIVITY OVER THE PAST 12 MONTHS

Strategics vs. Private Equity¹⁾



Early vs. Later Stage Venture Capital Funding²⁾













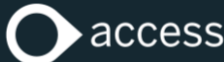

























In the last 12 months strategic buyers made up more than half of the M&A activity in HR Tech, driven by efforts to offer holistic platform HR solutions to provide end-to-end digitalization of the HR function.



Around two thirds of invested capital was allocated to later stage venture funding rounds, as investors are increasingly looking for more mature assets with a clear path to profitability.

DRAKE STAR MARKET INSIGHTS

MOST ACTIVE PE-BACKED CONSOLIDATORS IN HR TECH (2020 – Q1 2024)

Strategic Consolidators	PE Sponsors	Deal Count	Acquisitions
	  	14	           
	  	9	        
	    	8	       
	   	4	   
	 	3	  

DRAKE STAR MARKET INSIGHTS

MOST ACTIVE PUBLIC CONSOLIDATORS IN HR TECH (2020 – Q1 2024)

Strategic Consolidators	Deal Count	Acquisitions		
	6	 		
	3			
	3			
	3			
	3			

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36 ► ABOUT DRAKE STAR

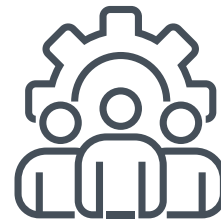
DRAKE STAR'S HR TECH UNIVERSE

COVERING THE ENTIRE VALUE CHAIN



Talent Acquisition

Sourcing
Recruitment Marketing
Selection
Suite/Engagement
Onboarding



Human Capital Management

HRIS/Payroll
Benefits
Workforce Management
Contingent Labor



Talent Management

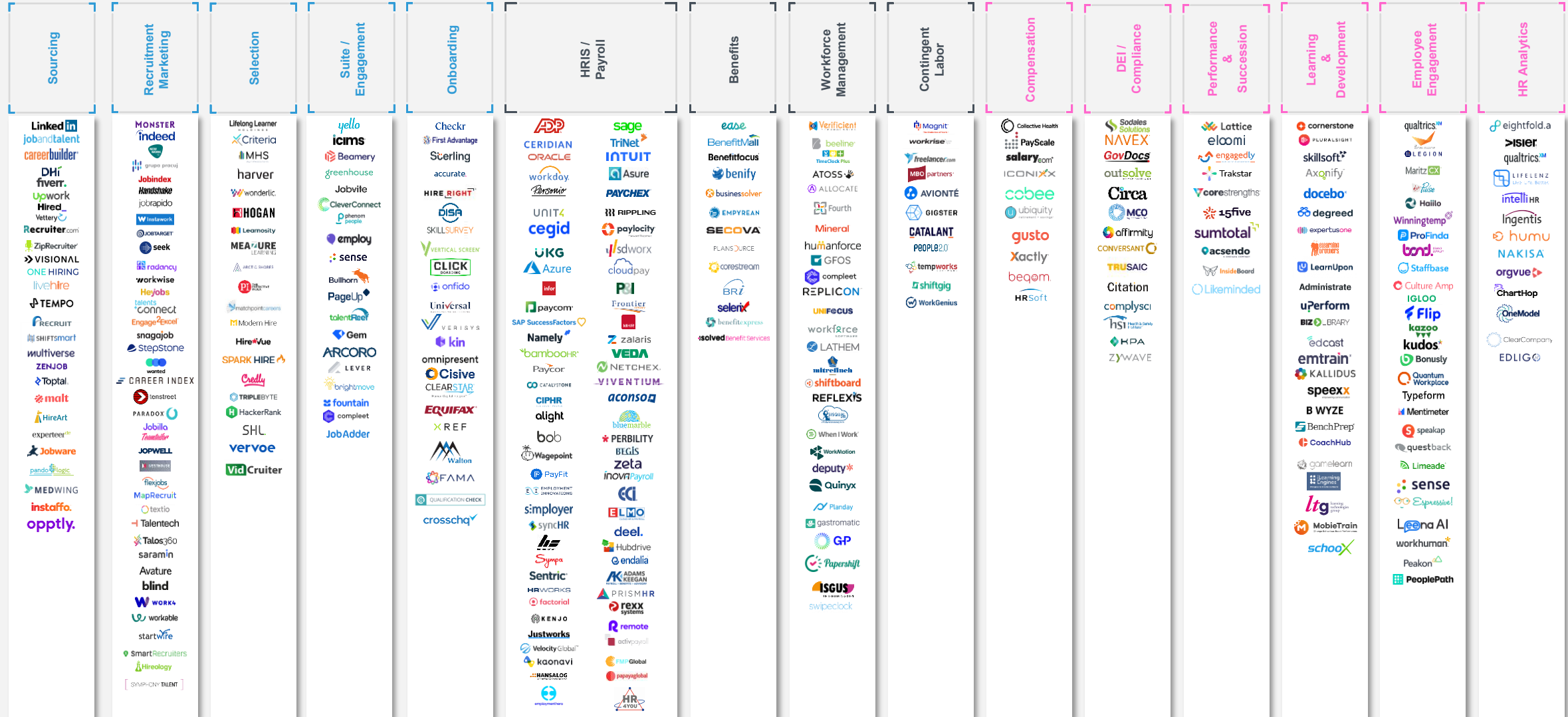
Compensation
DEI/Compliance
Performance & Succession
Learning & Development
Employee Engagement
HR Analytics

REPRESENTATIVE HR TECH MARKET LANDSCAPE

TALENT ACQUISITION

HUMAN CAPITAL MANAGEMENT

TALENT MANAGEMENT



CAPITAL MARKET ENVIRONMENT

LAST 24 MONTHS SHARE PRICE PERFORMANCE



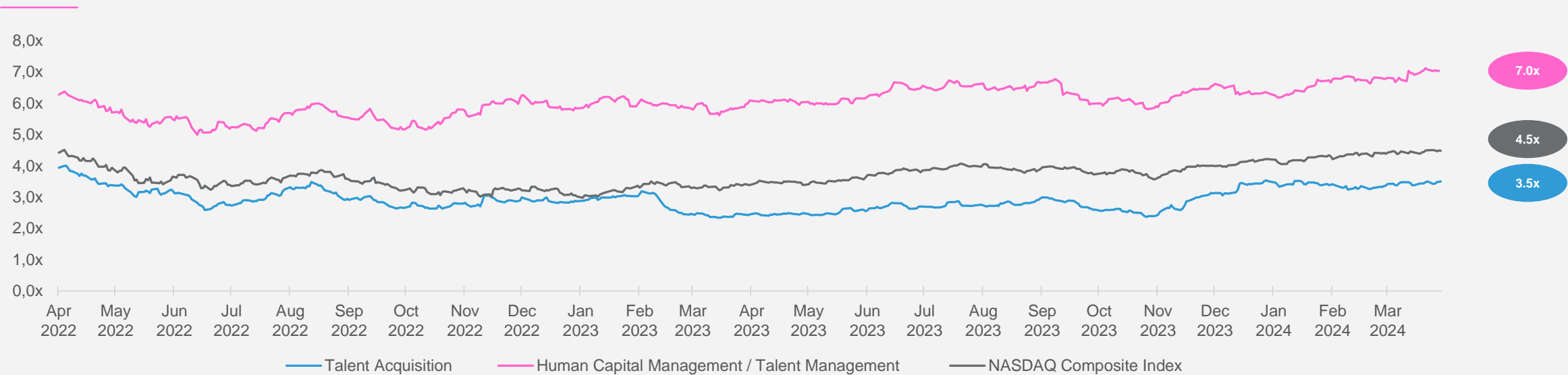
TALENT ACQUISITION

HUMAN CAPITAL MANAGEMENT / TALENT MANAGEMENT

Source: Capital IQ as of 31.03.2024 (equally weighted)

CAPITAL MARKET ENVIRONMENT

LAST 24 MONTHS EV/LTM REVENUE



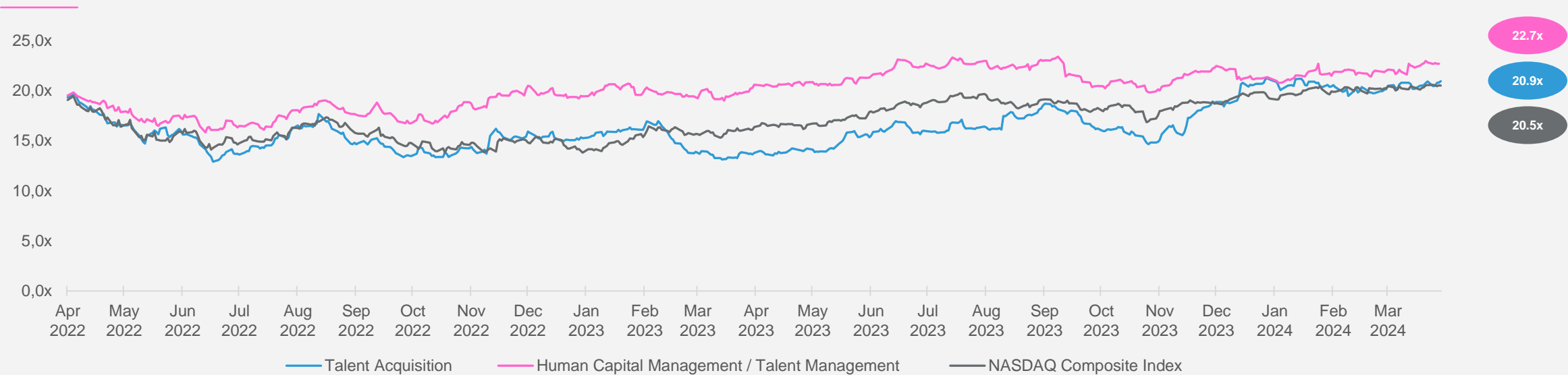
TALENT ACQUISITION

HUMAN CAPITAL MANAGEMENT / TALENT MANAGEMENT

Source: Capital IQ as of 31.03.2024

CAPITAL MARKET ENVIRONMENT

LAST 24 MONTHS EV/LTM EBITDA



TALENT ACQUISITION

HUMAN CAPITAL MANAGEMENT / TALENT MANAGEMENT

Source: Capital IQ as of 31.03.2024

QUARTERLY PERFORMANCE OF DRAKE STAR HR TECH INDICES

CAPTURING THE LAST EIGHT QUARTERS

		Q2 2022	Q3 2022	Q4 2022	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Q1 2024
Talent Acquisition Index	Share ⁽¹⁾ Price	(31.0%)	(4.0%)	8.9%	(5.8%)	11.7%	(8.9%)	34.2%	3.2%
	INDEX ⁽²⁾	69	66	72	68	76	69	93	96
Human Capital Management / Talent Management Index	Share ⁽¹⁾ Price	(18.2%)	(3.1%)	18.0%	10.7%	13.4%	(5.2%)	5.8%	15.1%
	INDEX ⁽²⁾	82	79	93	103	117	111	118	135
NASDAQ Composite Index	Share ⁽¹⁾ Price	(16.2%)	11.5%	8.2%	(10.9%)	(8.8%)	(2.5%)	19.7%	8.5%
	INDEX ⁽²⁾	84	93	101	90	82	80	96	104

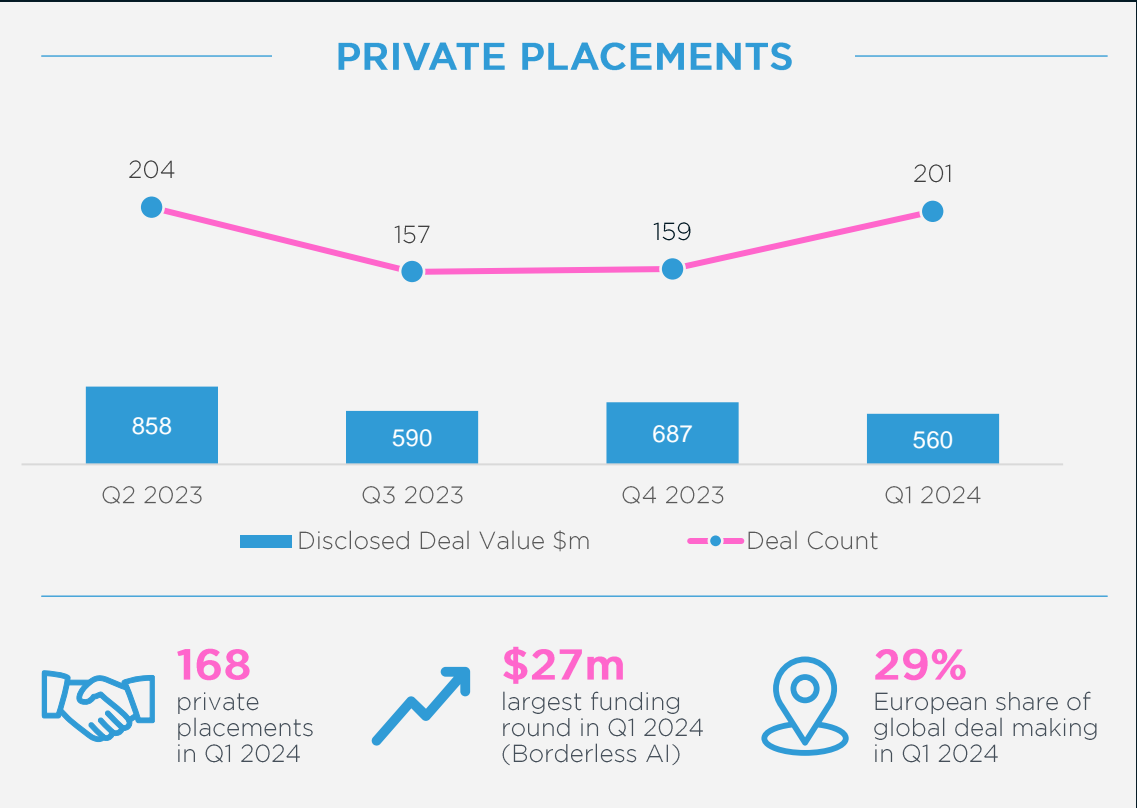
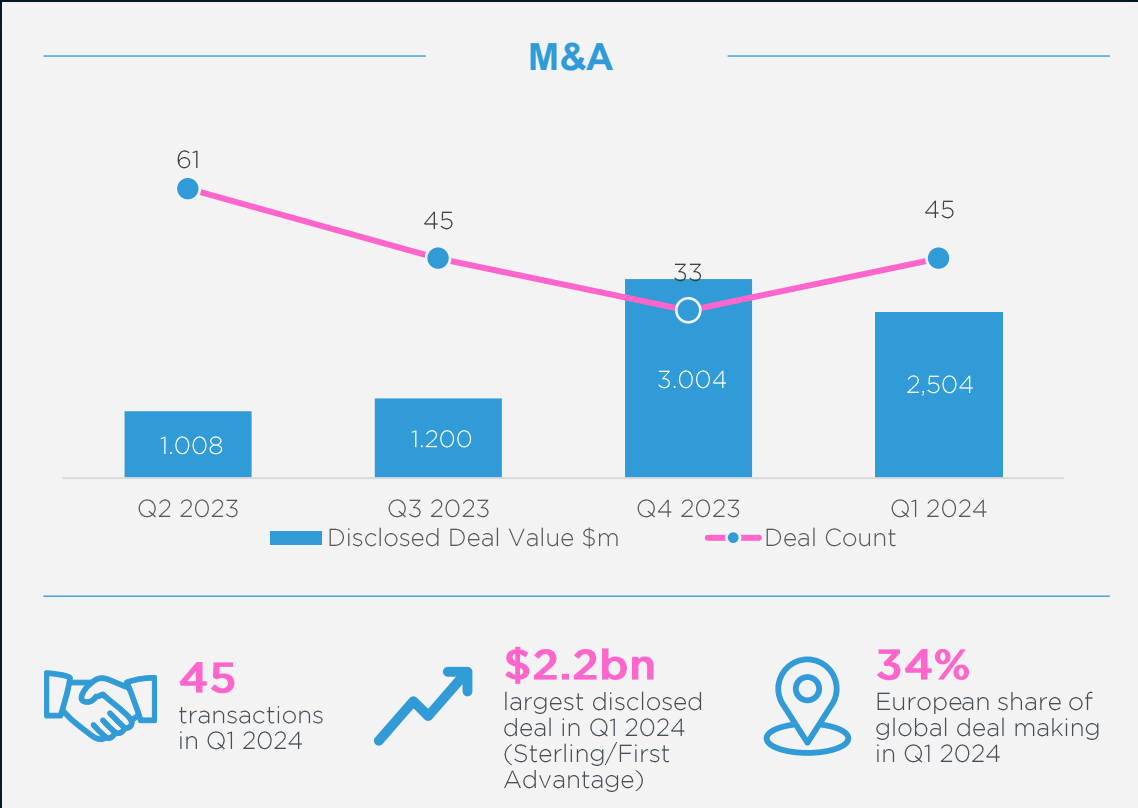
1) Performance today vs. end of previous quarter 2) Indexed to 100 in Q1 2022

Source: Capital IQ as of 31.03.2024

- After an exceptional Q4 2023, Transactional Talent Acquisition segment sees only a slight uptick in Q1 2024. In particular, the announcement of First Advantages' acquisition of Sterling, which had a negative impact on First Advantages' share price, and a 35% reduction in ZipRecruiter's Q1 2024 revenue guidance have slowed the upward trend.
- In Q1 2024, subscription-based HCM / Talent Management significantly underscores the upward trend from Q4 2023, driven by large players tapping into the AI business and further stabilizing interest rates.

HR TECH M&A & PRIVATE PLACEMENT ACTIVITY

DEVELOPMENT OVER THE LAST FOUR QUARTERS WITH AN UPTICK IN M&A AND PRIVATE PLACEMENTS IN Q1 2024

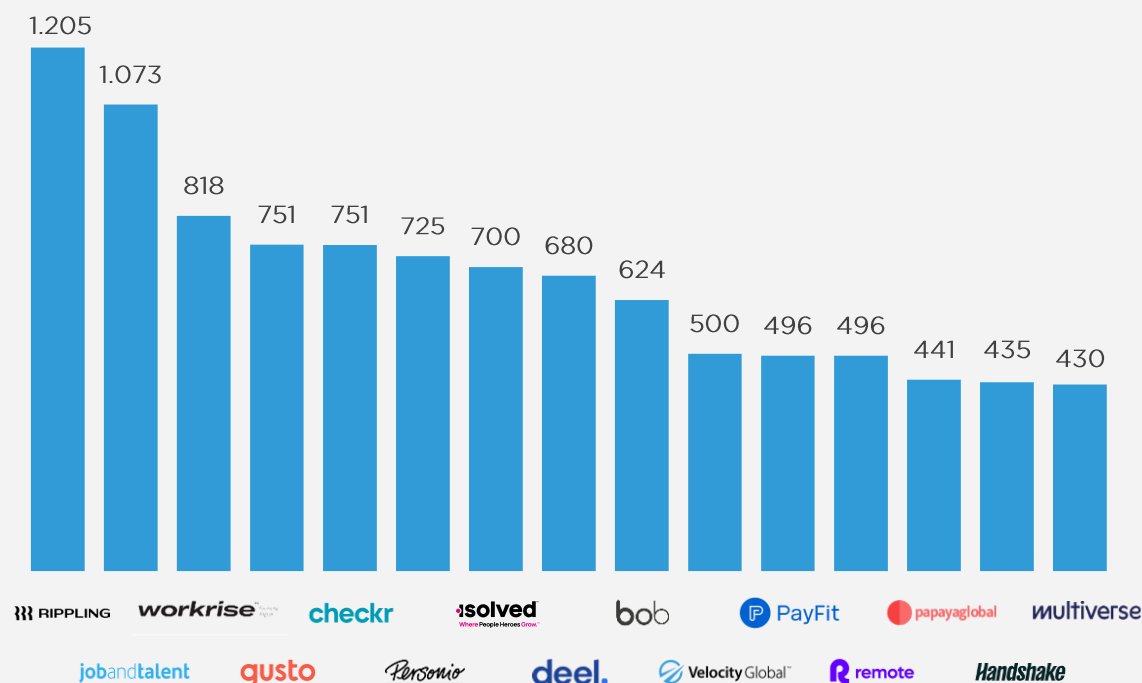


Source: Pitchbook

INSTITUTIONALLY BACKED PRIVATE COMPANIES & INVESTORS

LIST OF BEST FUNDED PRIVATE COMPANIES AND MOST ACTIVE FINANCIAL INVESTORS IN HR TECH

Top 15 Best Funded Private HR Tech Companies (raised capital in \$m)¹⁾




















- The **top 15** funded private companies have raised **\$10.1bn** during their lifespan

1) Numbers display total funding as of Q1 2024 2) By number of investments in 2024
Source: Pitchbook

Top 15 Most Active Financial Investors in HR Tech 2024²⁾


Investor	Number of Investments	Selected Investments
Combinator	6	Simplify, apriora, dianatHR
RECRUITMENT	5	JOSHUA ROBERT, ETRA, TALENT
TECH NATION	5	Patchwork, Unmind, zen EDUCATE
ANTLER	3	SP LITE, P, Levit8
HAATCH	3	aiApply*, flexa., Happi.
Vitosha VENTURE PARTNERS	3	VibeJobs, GPVITAL, TEAM SCHEDULE
anri	2	SPeak, xCARE
Base10	2	clasp, Compa
BGV / Bethnal Green Ventures	2	fielder, splanna
Calm Ventures	2	Atlas, bambooHR
CRESCENT RIDGE	2	UpSmith, VEROSKILLS
Cubit Capital	2	UpSmith, VEROSKILLS
MEYER KEITH	2	phenom, fetcher
MUFG Mitsubishi UFJ Capital	2	ABABA, Xbit
TECH SQUARE VENTURES	2	Onwards HR, humantelligence

NOTABLE HR TECH M&A DEALS IN Q1 2024

 Mar 05, 2024   EV: \$98m	 Feb 24, 2024   EV: \$2.2bn	 Feb 20, 2024    EV: \$161m (only Perkbox)	 Feb 13, 2024    EV: n.a.	 Jan 02, 2024   EV: n.a.
PaySpace was acquired by Deel	First Advantage announced to acquire Sterling	Perkbox and Vivup were acquired by Green Hill Partners	Dendreo was acquired by Septeo, via its financial sponsor HG Capital	VEDA was acquired by Investcorp
<ul style="list-style-type: none"> PaySpace offers cloud-based payroll and human capital management software with automated legislative updates By acquiring PaySpace, Deel will become the first global payroll & Employer of Record (EOR) with its own full-stack payroll engine 	<ul style="list-style-type: none"> Sterling is a provider of technology-enabled background and identity verification service The acquisition extends First Advantage's high-quality and cost-effective background screening, identity, and verification technology solutions for the benefit of both companies' customers across industry verticals and geographies 	<ul style="list-style-type: none"> Vivup is a leader in health and wellness benefits and Perkbox is an award-winning global benefits and rewards platform The acquisition brings together two like minded organizations with an aligned mission and set of values that will help employers to better care for, connect with and celebrate their employees 	<ul style="list-style-type: none"> Dendreo is a B2B SaaS software editor for training providers The acquisition of Dendreo significantly bolsters Septeo's position in the growing segment of software for training providers, building on its recent HR Tech acquisitions 	<ul style="list-style-type: none"> Developer of software solutions for the digitalization of the entire employee life cycle Through the partnership VEDA is perfectly positioned to enter the next phase on its growth journey to become the number one HR Tech platform for medium-sized companies within the DACH region
Talent Acquisition	Human Capital Management	Talent Management		

Sources: Pitchbook, Mergermarket, Capital IQ, DS Research

NOTABLE HR TECH PRIVATE PLACEMENTS IN Q1 2024

 Mar 01, 2024   Deal Size: n.a.	 Mar 01, 2024   Deal Size: n.a.	 Feb 01, 2024   Deal Size: \$25m	 Jan 11, 2024   Deal Size: n.a.	 Jan 01, 2024   Deal Size: n.a.
Deel raised venture funding from Circle Capital	BenefitHub raised development capital from Inverness Graham	Remofirst raised Series A venture funding led by Octopus Ventures	Asys received development capital from Capza	BambooHR received development capital from Calm Ventures
<ul style="list-style-type: none"> Deel provides a payroll platform designed to reimagine payouts for businesses working with global remote contractors Circle Capital's funds are used for further building their organization and carry out acquisitions 	<ul style="list-style-type: none"> Developer of an employee engagement platform designed to reward and recognize employees and members of staff The funds will be used for acquisition purposes 	<ul style="list-style-type: none"> Operator of a global human resource management platform designed to help in international hiring The funds will be used to significantly expand its presence in international markets, such as the United Kingdom 	<ul style="list-style-type: none"> Developer of time management and planning software designed for communities and administration, health industries, and retail industries The investment will support the company's growth and expansion 	<ul style="list-style-type: none"> BambooHR offers a cloud-based human resources software platform intended for small and medium businesses The investment will support the company's growth and expansion

Talent Acquisition

Human Capital Management

Talent Management

Sources: Pitchbook, Mergermarket, Capital IQ, DS Research

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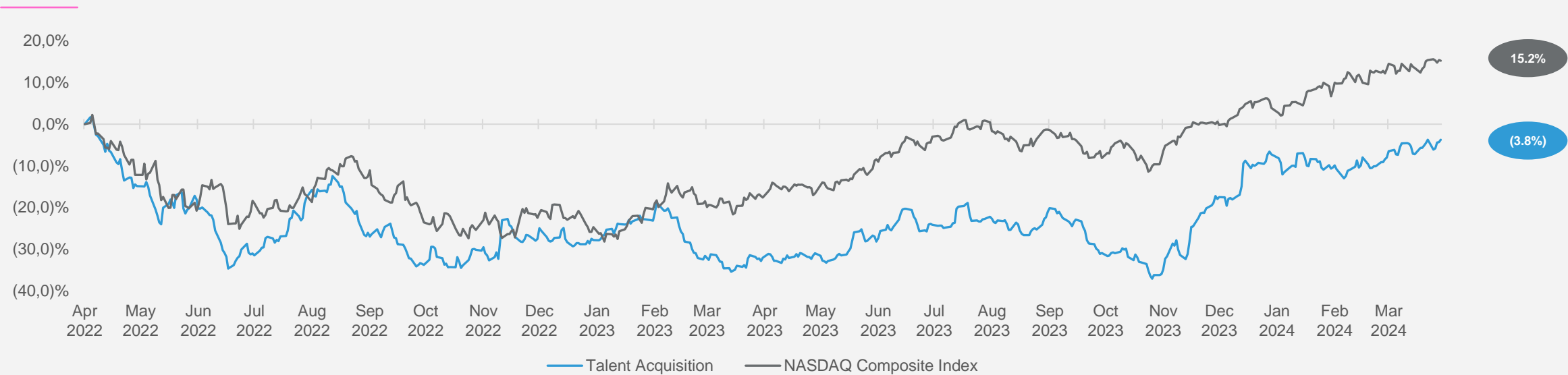
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CAPITAL MARKET ENVIRONMENT – TALENT ACQUISITION

LAST 24 MONTHS SHARE PRICE PERFORMANCE

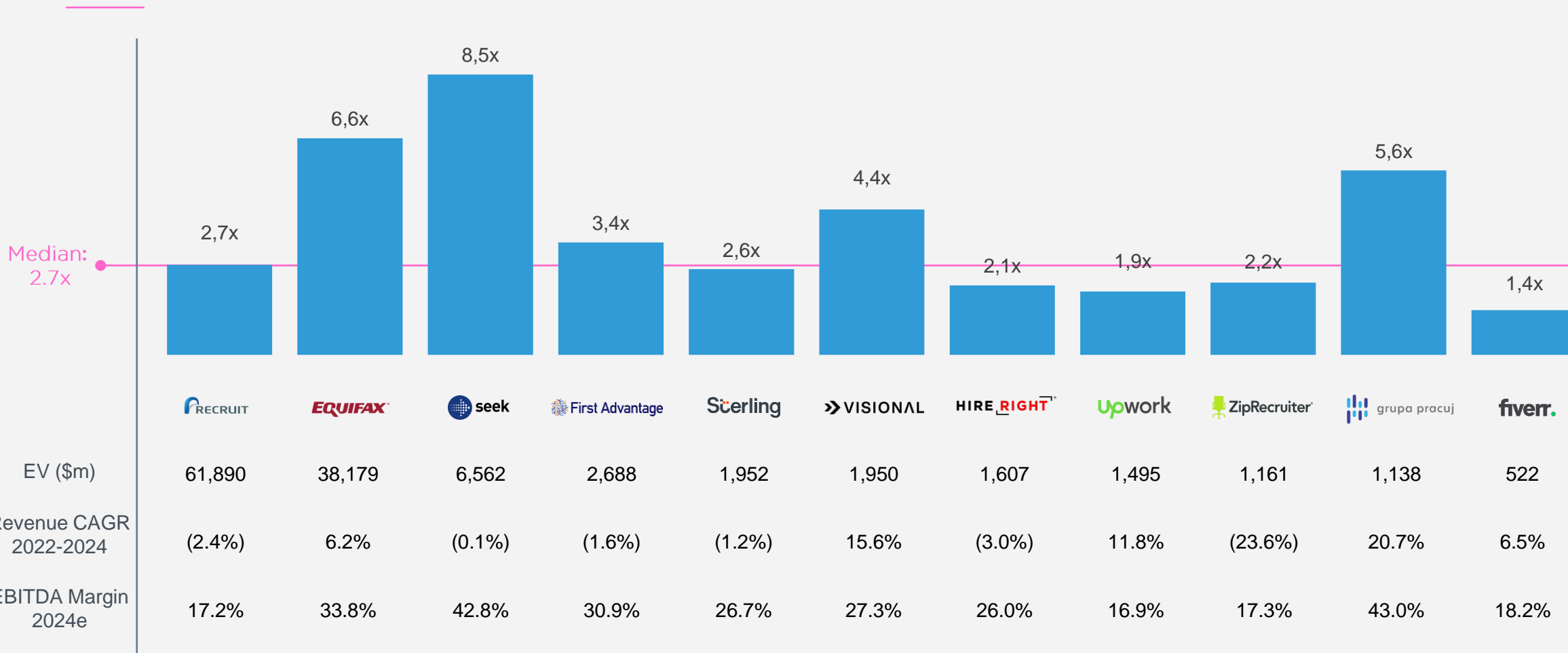


TALENT ACQUISITION

Source: Capital IQ as of 31.03.2024 (equally weighted)

CAPITAL MARKET ENVIRONMENT – TALENT ACQUISITION

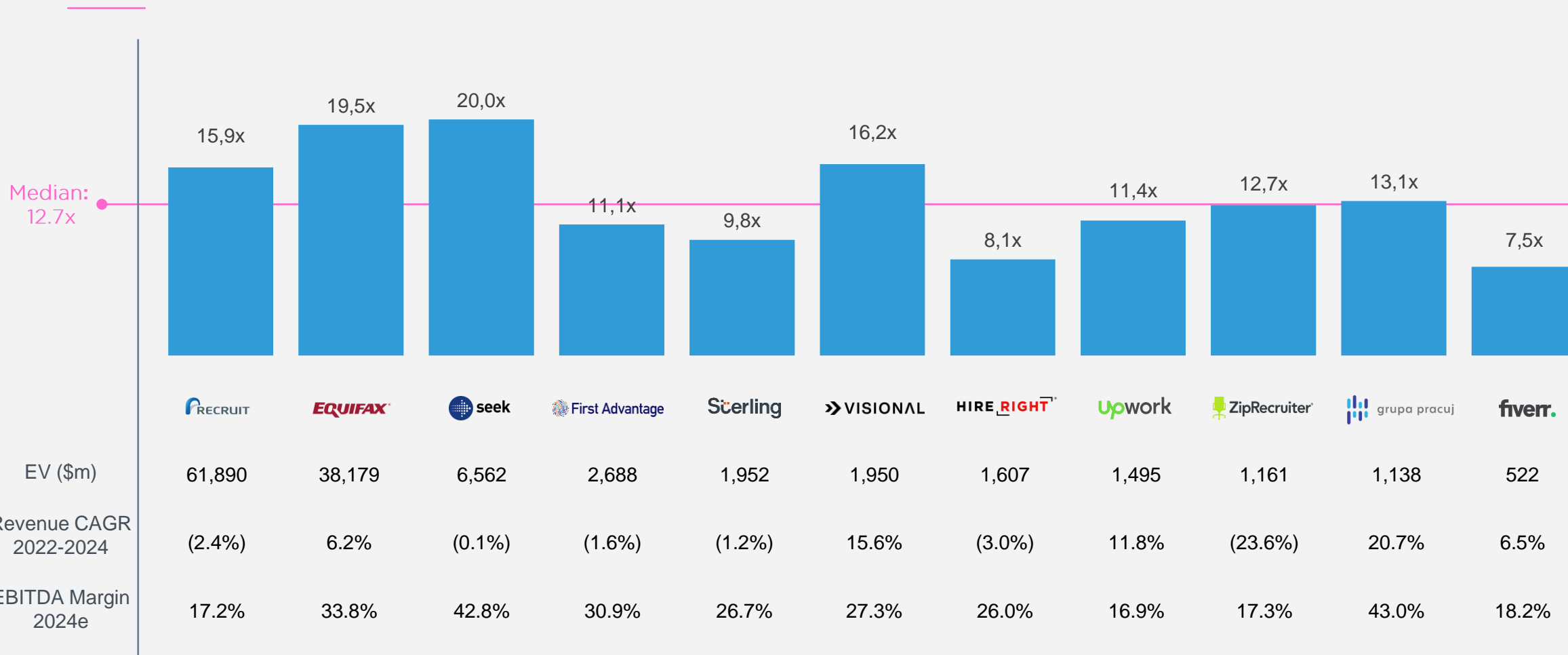
EV/REVENUE 2024E



Source: Capital IQ as of 31.03.2024















CAPITAL MARKET ENVIRONMENT – TALENT ACQUISITION

EV/EBITDA 2024E



Source: Capital IQ as of 31.03.2024

NOTABLE M&A DEALS IN Q1 2024 – TALENT ACQUISITION

 Feb 20, 2024   EV: n.a.	 Feb 01, 2024  SNGULAR EV: n.a.	 Jan 12, 2024   EV: n.a.	 Jan 04, 2024   EV: n.a.	 Jan 03, 2024   EV: n.a.
<p>Untapped was acquired by Podium Education</p>	<p>Circular was acquired by SNGULAR</p>	<p>READY TO FASHION was acquired by TSI Holdings</p>	<p>Homerun was acquired by Invincible Software Holdings</p>	<p>Otta was acquired by Welcome to the Jungle</p>
<ul style="list-style-type: none"> • Untapped provides a recruitment platform to recruit engineering and data science students • The acquisition significantly increases Podium's customer base including world leading companies 	<ul style="list-style-type: none"> • Circular is a developer of a HR job portal, leveraging referrals from a network of companies to connect individuals with companies • The acquisition expands SNGULAR customer and candidate base and brings in a significant community of recruiters 	<ul style="list-style-type: none"> • Operator of a media news-based recruitment platform intended to offer job opportunities mainly in the fashion industry • The strategic acquisition expands TSI's product portfolio 	<ul style="list-style-type: none"> • Developer of an online recruitment platform, offering all-in-one services for the hiring cycle • The acquisition expands ISH ATS business and supports their ambitions in the B2B SaaS Talent space 	<ul style="list-style-type: none"> • Otta provides an online job portal designed to help job seekers find roles at innovative tech companies • The acquisition expands and fosters Welcome to the Jungle's footprint across Europe and the USA

Sources: Pitchbook, Mergermarket, Capital IQ, DS Research

NOTABLE PRIVATE PLACEMENTS IN Q1 2024 – TALENT ACQUISITION


 Feb 05, 2024


 **BRIX** **FREE^S FUND**
PLUGANDPLAY

Deal Size: \$20m

Brix raised Series A venture funding by Frees Fund and Plug And Play

- Brix develops an AI project management software, connecting the workforce to global tech companies for both project-based and long-term positions
- The investment will support the company's growth and expansion


 Feb 01, 2024


 **phenom** MEYER KEITH

Deal Size: n.a.

Phenom raised venture funding from Meyer Keith Ventures

- Phenom develops a talent relationship marketing platform that connects people with jobs
- Meyer Keith's funds are used to continue building their organization


 Feb 01, 2024

 **fetcher** MEYER KEITH

Deal Size: n.a.

Fetcher raised venture funding from Meyer Keith Ventures

- Fetcher provides a recruiting automation platform, offering recruitment services using a virtual assistant
- The investment will support the platform's growth and expansion


 Jan 25, 2024

OFFERZEN 

Deal Size: \$4m

OfferZen raised venture funding from AI Capital Partners

- OfferZen operates a recruitment platform that helps companies hire developers
- The funds will be used to support the expansion of OfferZen's platform features and growth

 Jan 11, 2024

hireEZ Investors undisclosed

Deal Size: \$3m

HireEZ raised venture funding from undisclosed investors

- HireEZ operates an outbound recruiting platform, offering sourcing, market insights and talent CRM
- The company raises \$3.1m to boost its operations

Sources: Pitchbook, Mergermarket, Capital IQ, DS Research

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CAPITAL MARKET ENVIRONMENT – HUMAN CAPITAL MANAGEMENT / TALENT MANAGEMENT




LAST 24 MONTHS SHARE PRICE PERFORMANCE








HUMAN CAPITAL MANAGEMENT / TALENT MANAGEMENT







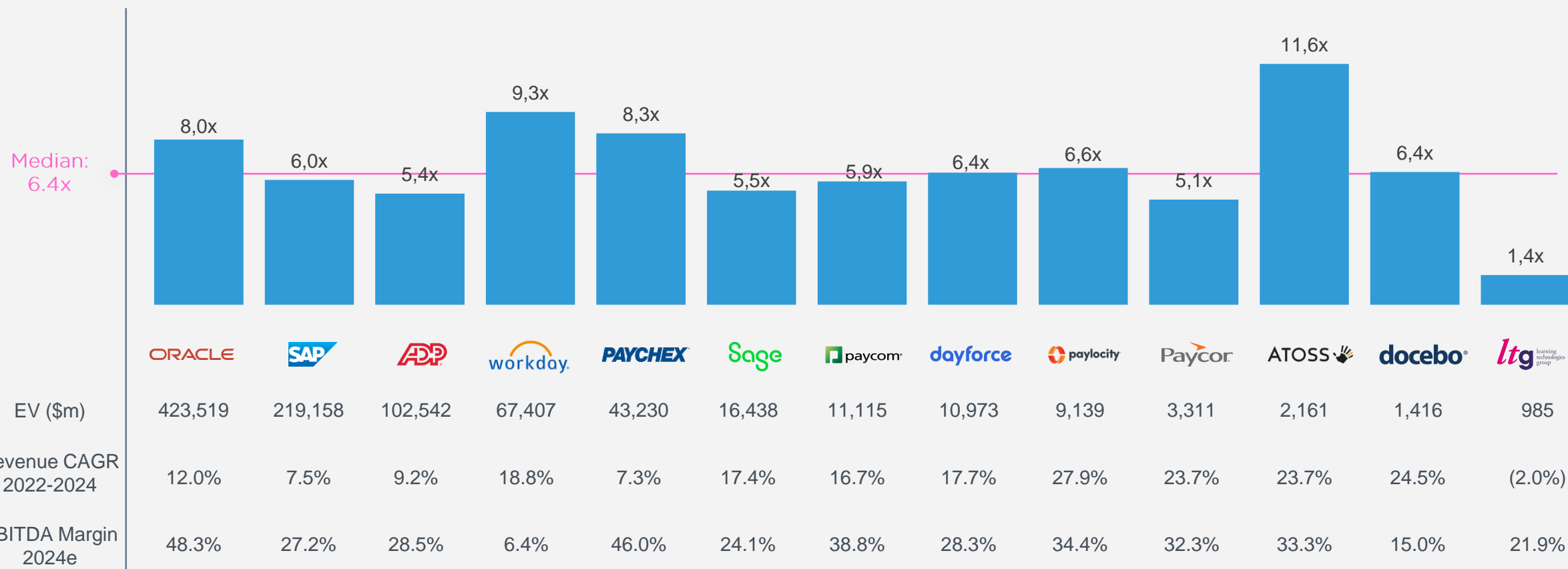




Source: Capital IQ as of 31.03.2024 (equally weighted)





















CAPITAL MARKET ENVIRONMENT – HUMAN CAPITAL MANAGEMENT / TALENT MANAGEMENT

EV/REVENUE 2024A




















Source: Capital IQ as of 31.03.2024

SELECTED M&A DEALS IN Q1 2024 – HUMAN CAPITAL MANAGEMENT

 Mar 01, 2024     EV: n.a.	 Feb 29, 2024   EV: \$23m	 Feb 14, 2024    EV: n.a.	 Jan 15, 2024   EV: n.a.	 Jan 05, 2024     EV: n.a.
<p>CertiPay was acquired by Vensure, via its financial sponsors Summit Partners and Stone Point Capital</p> <ul style="list-style-type: none"> CertiPay develops a human resource platform, offering payroll, benefits administration, time and attendance and ACA services The investment will extend the platform's product portfolio 	<p>CMI Management was acquired by Dexterra Group</p> <ul style="list-style-type: none"> CMI Management provides business management services serving government and commercial clients The strategic acquisition expands Dexterra's IFM platform in the United States 	<p>AlexisHR was acquired by Smployer Group, via its financial sponsor Ferd</p> <ul style="list-style-type: none"> AlexisHR develops a human resource platform, collecting employee data in one GDPR-compliant place and tracking and approving time-off requests The acquisition enables Smployer to efficiently target the rapidly growing SMB business market in Northern Europe. 	<p>BelFlex was acquired by Eldwood Staffing</p> <ul style="list-style-type: none"> BelFlex provides custom staffing solutions, offering workforce management and recruiting services Elwood Staffing will leverage one another's footprints and expertise to expand client offerings and target new markets 	<p>Mployee was acquired by Bullhorn, via its financial sponsors Insight Partners and Genstar Capital</p> <ul style="list-style-type: none"> Mployee provides a cloud-based human resource management platform, offering human resource services from vacancy to retirement The acquisition of Mployee will strengthen Bullhorn's portfolio enabling it to deliver a full, end-to-end, enterprise solution



















Sources: Pitchbook, Mergermarket, Capital IQ, DS Research

SELECTED PRIVATE PLACEMENTS IN Q1 2024 – HUMAN CAPITAL MANAGEMENT

 Mar 21, 2024    Deal Size: \$27m	 Feb 29, 2024   Deal Size: \$11m	 Feb 20, 2024   Deal Size: n.a.	 Jan 31, 2024    Deal Size: \$20m	 Jan 01, 2024   Deal Size: n.a.
<p>Borderless AI raised seed funding led by SIG and Aglaé Ventures</p> <ul style="list-style-type: none"> • Borderless AI is developing a global human resource platform which is designed to onboard, manage, and pay international team members on one platform • The funds will be used to expand into new markets and build upon its current AI product suite 	<p>Zizzl Health raised venture funding from Arthur Ventures</p> <ul style="list-style-type: none"> • Zizzl Health provides human resource management services, offering to streamline payroll, human capital, and benefits • The company raised \$11.2m to boost its operations 	<p>Rivet Work raised venture funding from Red Cedar Ventures</p> <ul style="list-style-type: none"> • Rivet develops a workforce management software, aiding users to improve its construction labor management, build accurate labor plans and meet customer timelines • The funds will be used to support the expansion of growth 	<p>Benepass raised Series A3 venture funding led by Portage and Clocktower Technology Ventures</p> <ul style="list-style-type: none"> • Benepass develops a benefits card software, offering prepaid debt cards and automating the onboarding and offboarding process of employees • The funds will be used to expand its customer base by scaling distribution and introducing new product features 	<p>AdvantageClub raised venture funding from AFG Partners</p> <ul style="list-style-type: none"> • AdvantageClub provides an online employee rewards and recognition platform, designed to offer privileges and benefits by their brand partners to employees • The investment will support the platform's growth and expansion

















Sources: Pitchbook, Mergermarket, Capital IQ, DS Research

NOTABLE M&A DEALS IN Q1 2024 – TALENT MANAGEMENT

 Mar 20, 2024  Orgnostic  Culture Amp EV: n.a.	 Feb 20, 2024  Bonrepublic  HR WORKS  MAGUAR EV: n.a.	 Jan 29, 2024  THE PIPELINE  create impact ventures EV: n.a.	 Jan 09, 2024  enspira  LEAD3R EV: n.a.  HUDDL3 group	 Jan 09, 2024  Mineral  MITRATACH EV: n.a.  ONTARIO TEACHERS' PENSION PLAN
<p>Orgnostic was acquired by Culture Amp</p> <ul style="list-style-type: none"> Developer of a human capital analytics platform designed to provide insights for building resilient teams The acquisition strengthens Culture Amp's position as the market-leading employee experience platform and enhances its ability to deliver actionable insights and enable leaders to make better decisions, improve performance, and impact their company's bottom line 	<p>Bonrepublic was acquired by HRworks, via its financial sponsors Maguar Capital Management</p> <ul style="list-style-type: none"> Developer of a talent management platform intended to transform companies into self-managed organizations The acquisition will unlock synergies from their overlapping customer profile and further strengthen their market position in the DACH region 	<p>The Pipeline was acquired by Create Impact Ventures through an LBO</p> <ul style="list-style-type: none"> Developer of a workforce demographic platform, helping organizations develop, promote and retain female leaders The investment will help to accelerate the rollout of The Pipeline's leadership and coaching programs 	<p>Enspira was acquired by LEAD3R, via its financial sponsor HUDDL3 Group</p> <ul style="list-style-type: none"> Provider of consulting services, helping customers to implement human resource and people solutions The acquisition is HUDDL3's latest investment in HR software as it continues its global expansion under the LEAD3R business unit 	<p>Mineral was acquired by Mitratach, via its financial sponsor Ontario Teachers Pension Plan</p> <ul style="list-style-type: none"> Developer of a cloud-based human resource and compliance software, offering a combination of online compliance and employee training services The acquisition expands Mitratach's portfolio and enables the company to offer the most complete and scalable compliance suite on the market

Sources: Pitchbook, Mergermarket, Capital IQ, DS Research

NOTABLE PRIVATE PLACEMENTS IN Q1 2024 – TALENT MANAGEMENT

 Mar 13, 2024   Deal Size: n.a.	 Mar 01, 2024   Deal Size: n.a.	 Jan 29, 2024    Deal Size: \$10m	 Jan 18, 2024   Deal Size: \$10m	 Jan 16, 2024   Deal Size: n.a.
Teamspective raised seed funding led by Business Finland Venture Capital	Mao Boa raised venture funding from Femmes Business Angles	Compa raised venture funding from Storm Ventures and others	Leadr raised venture funding led by Cubit Capital	DriverReach raised venture funding by Fulcrum Equity Partners
<ul style="list-style-type: none"> Developer of a people analytics platform designed to help create workplaces where people want to stay and grow The fresh capital will be used to further develop Teamspective's network- and relationship-aware solution and to support the expansion of the sales team in Finland and the USA 	<ul style="list-style-type: none"> Developer of an employee engagement platform designed to unite companies and employees around their actions to finance, develop, and support their projects The funding enables strategic growth and operational development 	<ul style="list-style-type: none"> Developer of a compensation platform for employers intended to make salaries fair and competitive The funds will be used to build on the company's work in market data by expanding the company's network of participating companies and further enhancing its compensation intelligence platform 	<ul style="list-style-type: none"> Developer of people management software designed to develop leaders at every level of the organization The funding enables to further develop products, strategic growth and operational development 	<ul style="list-style-type: none"> Developer of recruiting and compliance management system platform intended to connect carriers with qualified Commercial Driving Licence (CDL) drivers The funds will be used for expansion and innovation in driver recruitment and compliance solutions, advancing its commitment to industry transformation

Sources: Pitchbook, Mergermarket, Capital IQ, DS Research

AGENDA

07 ► OVERALL HR TECH MARKET UPDATE

19 ► TALENT ACQUISITION

26 ► HUMAN CAPITAL MANAGEMENT / TALENT MANAGEMENT

36 ► **ABOUT DRAKE STAR**



Dr. Ralf Gräßler
CEO

VEDA

DRAKE STAR'S STRONG EXPERTISE IN ALL ASPECTS, 24/7-COMMITMENT, CREATIVITY AND PROFOUND ANALYTIC SKILLS LED US FINALLY TO INVESTCORP AS OUR NEW PARTNER TO FULLY RAISE OUR GROWTH POTENTIAL.

“WE ABSOLUTELY MADE THE BEST
DECISION WITH DRAKE STAR – THEY
MASTERFULLY PREPARED US AND
HELPED US CONFIDENTLY NAVIGATE
THROUGH THE COUNTLESS
SUBTLETIES AND NUANCES IN A
ONCE-IN-A-LIFETIME TYPE OF
TRANSACTION.”



Tom Shieh
CEO





Dr. Martin Grentzer

CFO & Co-Founder



RALF HOFMANN AND THE ENTIRE
DRAKE STAR TEAM HAVE DONE A
FANTASTIC JOB IN SUPPORTING US TO
GET A TOP-TIER SOFTWARE GROWTH
INVESTOR ONBOARD.

“WE WERE BLOWN AWAY BY THEIR
KNOWLEDGE OF THE MARKET,
CONNECTIONS TO KEY DECISION
MAKERS IN THE INDUSTRY, THE
QUALITY OF THEIR ANALYSIS AND
WORK PRODUCT, AND THE TEAM’S
DEDICATION.”



Brian Cameron
CEO
HIREtech

REACTIONS TO OUR HR TECH RESEARCH

INDUSTRY LEADERS ARE FOLLOWING DRAKE STAR'S RESEARCH REPORTS



Alex Kouchev
Lead Product Engineer

“

Wow, this post really hit the HR Tech bullseye! I couldn't agree more that the future of work lies in technology and talent acquisition

”



Melanie Powell
Marketing Specialist

“

Just downloaded the report.
Awesome stuff!

”



Kate Graham
*Director
Competitive Intelligence*

“

There is a LOT in this report
Ralf Philipp Hofmann thank
you to you and the team 🚀

”



cornerstone

ACTIVE MINDSET LEADER IN THE TECH INDUSTRY (1/3)

SECTOR RESEARCH AND MARKET UPDATES

SELECTED HR TECH RESEARCH



ADP
Alex Kouchev
Lead Product Engineer

“Wow, this really hit the HR tech bullseye! I couldn't agree more that the future of work lies in technology and talent acquisition”



Beamery
Melanie Powell
Marketing Specialist

“Just downloaded the report. Awesome stuff!”

Q&A WITH INDUSTRY LEADERS



Beamery
Abakar Saidov
CEO & Co-Founder



SAP SuccessFactors
Thomas Otter
Ex-Global VP Product Management



Likeminded
Kimberly Breuer
CEO & Co-Founder

SECTOR RESEARCH



ACTIVE MINDSET LEADER IN THE TECH INDUSTRY (2/3)

THOROUGH INDUSTRY KNOWLEDGE

RECENT PANEL DISCUSSIONS, INTERVIEWS AND CONVENTIONS



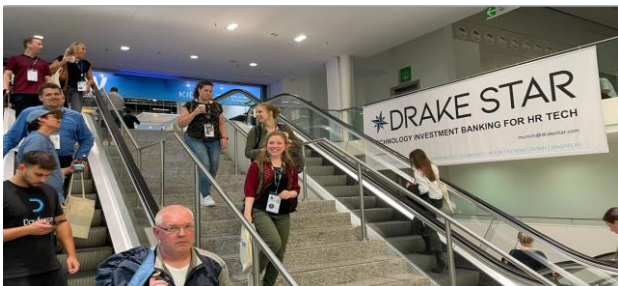
Global panel on Enterprise Software M&A at McDermott Will & Emery's Conference



Managing Partner Ralf Philipp Hofmann as guest speaker in Ben Eubank's HR Tech Podcast



Managing Partner Michael Metzger on CNBC



Drake Star as sponsor at Zukunft Personal Europe



Managing Partner Ralf Hofmann at Unleash in Paris together with Ryan Wong, CEO Visier Inc.



Managing Partner Jim Holzer on the judge panel at Unleash Las Vegas Lightning Round 2023

ACTIVE MINDSET LEADER IN THE TECH INDUSTRY (3/3)

DEDICATED AND AWARD-WINNING INDUSTRY EXPERTISE

AWARDS AND EVENTS



M&A ADVISOR AWARDS PANEL



M&A ADVISOR AWARDS



M&A ATLAS AWARDS

TRUSTED INDUSTRY PARTNER

8x
Bank of the Year

+35x
Deal of the Year

<p>THE M&A ATLAS AWARDS WINNER European Middle Market Deal of the Year SysEleven 2023</p>	<p>THE M&A ATLAS AWARDS WINNER Deal of the year Middle Market 2022</p>	<p>THE M&A ATLAS AWARDS WINNER Cross-Border Investment Bank of the Year 2021</p>	<p>InterContinental Country Awards 2019 COUNTRY AWARDS WINNER</p>
<p>THE M&A ADVISOR AWARD WINNER Information Technology Deal of the Year SysEleven 2023</p>	<p>THE M&A ADVISOR AWARD WINNER M&A European Investment Banking Firm of the Year 2022</p>	<p>THE M&A ADVISOR AWARD WINNER Corporate / Strategic Deal of the Year 2022</p>	<p>ACC5 Country Awards GERMANY Best Practice Operator of the Year (Investment Banking) 2020</p>

VEDA

MAJORITY RECAPITALIZATION OF LEADING GERMAN CORE HR SOFTWARE PROVIDER WITH INVESTCORP

VEDA

MAJORITY
RECAPITALIZATION WITH

INVESTCORP

AND REINVESTMENT BY
MANAGEMENT

KEY VALUE-ADD

- **Majority recapitalization of German HR Tech pioneer with industry-leading software investor**
- **Drake Star leveraged its extensive HR Tech industry expertise to win the perfect partner to support the company's next growth stage**
- **Highly attractive outcome for founders and management**

Situation & Objectives

- VEDA is a pioneer in the German HR Tech Market, offering a holistic end-to-end HR Software platform ("VEDA HORIZON") that enables customers to utilize Payroll, Time & Security and People Management solutions within one integrated system.
- The company complements its product offering by best-in-class full-service payroll outsourcing.
- Founders and management were searching for a high-quality partner to accompany VEDA in the next phase of its growth journey.

Drake Star Services & Support

- Drake Star organized a competitive process for VEDA to select its preferred partner from a range of top-tier financial and strategic investors.
- The deal team generated extensive transaction documentation, including a compelling equity story, a fully comprehensive financial model, as well as an elaboration of different growth levers for VEDA.
- VEDA's leading position as a one-stop shop for HR software solutions and services for medium-sized companies within a ~\$3bn market was clearly emphasized and pivotal for the transaction outcome.

Outcome

- With Investcorp as a new investor, Drake Star found a high-profile partner for VEDA, which is now ideally positioned to emerge as the leading HR Tech platform for SMEs in the DACH region.
- Drake Star executed a highly effective process within the envisaged timeline exceeding the expectations of founders and management.
- Management made a significant re-investment, underscoring their dedication to leading and expanding the business going forward in collaboration with the new partner.

ACONSO

MAJORITY RECAPITALIZATION OF GLOBAL TECHNOLOGY LEADER IN HR DOCUMENT MANAGEMENT WITH KEENSIGHT CAPITAL

aconso

MAJORITY
RECAPITALIZATION WITH



KEENSIGHT

CAPITAL

AND REINVESTMENT BY
FOUNDERS

KEY VALUE-ADD

- **Majority recapitalization of global technology leader in HR Document Management and inventor of the Digital Personnel File through highly competitive process**
- **Leveraged extensive sector experience and in-depth knowledge to find the perfect partner with extensive enterprise software experience to support further international growth**
- **Drake Star managed to achieve a highly attractive outcome for aconso's management**

Situation & Objectives

- aconso is the global technology leader in HR Document Management and inventor of the Digital Personnel File
- aconso offers best-in-class cloud-based HR DMS software, enabling end-to-end automation of document storage, creation, and processing
- With aconso's highly scalable solution, customers achieve substantial efficiency gains derived from the digitalization of their workplace, addressing key pain points in HR departments
- Management aimed to find the best partner to further scale the business internationally

Drake Star Services & Support

- Drake Star orchestrated a highly competitive process that enabled aconso to choose their preferred partner from a range of renowned financial and strategic investors
- Clearly highlighted aconso's unique position offering a highly scalable solution at the intersection of two fast growing markets, HR Tech and DMS
- Drake Star guided management and shareholders throughout the final negotiations in order to achieve the best financial result, while choosing the preferred party to drive further growth

Outcome

- Successfully executed one of the largest HR Tech transactions in DACH in Q3 2023
- The new partnership with Keensight enables aconso to further leverage its highly scalable product offering and accelerate its international expansion with an experienced partner
- The substantial reinvestment of the four co-founders underscores a firm commitment to further expand the business in collaboration with Keensight

HIRETECH

SUCCESSFUL TARGETED PROCESS, WITH A LIMITED NUMBER OF LOGICAL STRATEGIC AND PE BUYERS

HIREtech

SALE TO

EQUIFAX

KEY VALUE-ADD

- **Sale of an innovative HR tech and data solutions company by a public multinational data, analytics, and technology company**
- **Leveraged extensive track record and strong financial and strategic investor relationships within the HR Tech sector**
- **Managed fast-paced, tailored process generating significant investor interest from a large group of suitable parties**

Situation & Objectives

- HIREtech is a technology-focused HR Tech solutions firm
- Provides software and services to help companies save time, money, and reduce compliance risk
- Technology platform enables businesses to access the real-time data and intelligence to make important financial and hiring decisions
- Services include I-9/E-Verify, Employment & Wage Verification, Tax Credits, and Unemployment Claims Management

Drake Star Services & Support

- Drake Star Partners acted as exclusive financial advisor to HIREtech in this successful sell-side process
- Limited process that marketed to best-fit group of HR Tech-focused strategics and private equity firms
- Closed in less than 4 months
- Received multiple actionable IOIs, which provided Drake Star significant leverage to increase the valuation during negotiations
- Managed a buyer team of 100+ external consultants and full-time employees

Outcome

- Premium SaaS purchase multiple, with favorable deal terms
- HIREtech leadership team have assumed roles with Equifax as part of the new Houston, Texas-based division of Equifax Workforce Solutions
- HIREtech's capabilities strengthen Equifax's Workforce Solutions' Work Number income and employment verification and HR services, enabling the merged company to accelerate innovative offerings to employers

DRAKE STAR HR TECH TEAM

GLOBAL EXPERTISE WITH LOCAL PRESENCE



Jim Holzer
Managing Partner
(New York)



Stanley Bejanski
Associate
(New York)



Gaby Silvestris
Partner
(London)



Mathilde Deschamps
Associate
(London)



Christophe Morvan
Managing Partner
(Paris)



Albert-Louis Bilger
Principal
(Paris)



Ralf Philipp Hofmann
Managing Partner & Member of
the Global Executive Committee
(Munich)



Pablo Lundershausen
Associate
(Munich)



Christopher von Eickstedt
Analyst
(Munich)

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DrakeStar_



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GLOBAL HR TECH REPORT

Q2 2024

Drake Star is an award-winning global tech investment bank that has completed over 500 transactions since 2003. The Drake Star global team of experienced professionals and senior advisors across offices in New York, Munich, London, Paris, Los Angeles, San Francisco, Berlin, and Dubai* focuses on mergers & acquisitions and corporate finance services worldwide in Software/SaaS, HR Tech, Digital Services, FinTech, Digital Media, Industrial Tech, Consumer & Retail Tech and Mobility & Sustainability.

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