DRAKE STAR

FRONTLINE TECHNOLOGY MARKET REPORT

August 2026

NEW YORK I LONDON I PARIS I MUNICH I SAN FRANCISCO
LOS ANGELES I BERLIN I WEST PALM BEACH I DUBAI

INDEPENDENT LEADER IN TECH INVESTMENT BANKING

DELIVERING SUCCESSFUL OUTCOMES FOR OUR CLIENTS

TOP GLOBAL BOUTIQUE

GLOBAL MID-MARKET TRANSACTIONS

Top global boutique investment bank focused on mid-market Tech

100%

TECH-FOCUSED INVESTMENT BANK

One of the largest tech-focused teams

9 CORE VERTICALS

INDUSTRY EXPERTISE BASED ON STORY

With senior advisor team of ex-corporate CEOs

OVER 500

TRANSACTIONS

With mid-cap growth focus

OVER 60

AWARDS

- 10x Investment bank of the year
- 45+ Deal of the year
- 6x Leadership awards

EXPERIENCED TEAM

PROFESSIONALS

16 Partner level bankers
9 offices in 5 countries

STRONG TRANSACTION TRACK RECORD ACROSS THE GLOBAL TECH LANDSCAPE

OVER 500+ TRANSACTIONS COMPLETED

- engagedly — A portfolio company of AQUILINE — MERGER WITH — energage, NEWSPRING — HR Tech
- vinli — SALE TO — SOFICO — AI Logistics
- Hipster Whale — SALE TO — ATARI — Video Games
- Capital Croissance, LAMY — SELL — ADVANCED TRACK&TRACE — TO — SANSARA — Security & Traceability Software
- aconso — A portfolio company of KEENSIGHT CAPITAL — ACQUISITION OF — centric Germany — HR TECH
- gini — SALE TO — banyan SOFTWARE — FinTech
- VEDA — A portfolio company of INVESTCORP — ACQUISITION OF — LOHN UNION — HR TECH
- READY PLAYER ME — SALE TO — NETFLIX — Digital Media
- PlayHQ — SALE TO — ASG — Sports Tech / SaaS
- VAULT VERIFY — A PORTFOLIO COMPANY OF PSG — SALE TO — EQUIFAX — HR Tech
- ultraleap — A portfolio company of MAYFAIR EQUITY PARTNERS — DIVESTMENT OF IP AND HUMAN CAPITAL TO — ROLI, SIMIP — Extended Reality
- Attentive.ai — STRATEGIC INVESTMENT FROM — INSIGHT PARTNERS — AI CONSTRUCTION SOFTWARE
- EXFO — SALE OF ADAPTIVE ASSURANCE DIVISION TO — NUMO DATA — A portfolio company of TELEO CAPITAL — Enterprise SaaS
- ANUVU — SALE TO — Platinum Equity — Digital Media & Digital Services
- VR Equitypartner — SALE OF — evo IT — TO — FLEX CAPITAL — Digital Services
- eir — GROWTH FINANCING FROM — endeit — InsurTech
- simpleshow — SALE TO — D-ID — AI Video Creation Platform
- Pernod Ricard — SALE OF — BODEBOCA — TO — Decántalo — E-Commerce
- FOCUS TECHNOLOGY — a portfolio company of SEACOAST CAPITAL — ACQUISITION OF — CONVERGED TECHNOLOGY GROUP — IT Services
- modell aachen — STRATEGIC GROWTH INVESTMENT BY — FORTINO CAPITAL PARTNERS — Interactive Process Management Software
- RETINSIGHT AI TO EYE — SALE TO — TOPCON Healthcare — MedTech
- MOBSCENE — SALE TO — CONNEKKT — Digital Media
- brainsell — SALE TO — Atlantic — IT Services
- Aagon CLIENT MANAGEMENT PLATFORM — SALE TO — GENUI — Unified Endpoint Management & Data Integration Software
- RAI INVESTIGATIVE EXCELLENCE SINCE 1953 — MAJORITY RECAPITALIZATION — thuro by RAI — HCM
- eseye — STRATEGIC INVESTMENT FROM — TELUS — IoT & Connectivity
- FLIGHTKEYS — STRATEGIC INVESTMENT FROM — INSIGHT PARTNERS — Aviation Software
- GFOS — MAJORITY RECAPITALIZATION WITH — Riverside — AND REINVESTMENT BY MANAGEMENT SHAREHOLDERS — HR Tech
- GAUGE CAPITAL — STRATEGIC INVESTMENT IN — AGT ROBOTICS — Robotics / Industrial Automation
- PROVISO CAPITAL — SALE OF — KERR CONSULTING — TO — Cherry Bekaert — A portfolio company of PARTHENON CAPITAL — IT Services
- MAXBURG — INVESTMENT IN — /why — Digital Services
- SINGULARITY SIX, Palia — SALE TO — DAYBREAK a subsidiary of ENAD GLOBAL 7 — Video Gaming
- SPIIDEO — PRIVATE PLACEMENT LED BY — CIPIO PARTNERS — With participation from existing investors — Sports Tech / SaaS
- SALE OF SHARES OWNED BY — schufa — in — finAPI — to — fabrick — Backed by Sella — Open Banking Provider
- envato — SALE TO — shutterstock — Digital Content Platform
- AvaFin — MAJORITY ACQUISITION BY — CAPITEC BANK — AND RE-INVESTMENT BY MANAGEMENT — CONSUMER LENDING PLATFORM
- elsyca — MAJORITY RECAP BY — strada — AND RE-INVESTMENT BY MANAGEMENT — Engineering Software
- GAME CIRCUS, COIN DOZER, MERGE 200 — SALE TO — MONUMENTAL — Mobile Gaming
- Dendreo — SALE TO — septeo — a portfolio company of Hg — SaaS HR Tech
- VEDA — MAJORITY RECAP BY — INVESTCORP — AND RE-INVESTMENT BY MANAGEMENT — HR Tech

FRONTLINE TECHNOLOGY MARKET SCOPE

FRONTLINE TECHNOLOGY BRIDGES WORKFORCE SYSTEMS AND OPERATIONAL EXECUTION

Technology platforms connect deskless teams, managers, and enterprise systems by enabling communication, task execution, training, compliance, and real-time analytics.

USERS

FRONTLINE WORKFORCE

Non-desk employees working across distributed, shift-based, mobile, or field-based roles.

Mobile-first

Activity from the field

FRONTLINE TECHNOLOGY PLATFORM

The bridge between people, workflows and data

Communicate	Schedule
Recruit	Onboard
Train	Manage Tasks
Track Compliance	Analyze Performance
Manage Talent	Integrate Operations

Shared data + workflows

HRMS / WFM

Employee records, payroll, scheduling, onboarding, and workforce administration.

Connected Enterprise Systems

OPERATIONS

Tasks, assets, inventory, safety, service quality and field execution workflows.

Visibility for managers

OUTCOME

Better Operational Execution

- Right Worker
- Right Task
- Right Time

OVERVIEW OF FRONTLINE-CENTRIC INDUSTRIES

THE MARKET SPANS INDUSTRIES WHERE WORK IS PHYSICAL, DISTRIBUTED, SHIFT-BASED AND TIME-SENSITIVE

Driven by a simple pattern: many workers are away from a desk, across many locations or shifts, and must execute work safely and consistently in real time.

RETAIL

Store associates, shift coverage, in-store task execution

RESTAURANT / HOSPITALITY

Service teams, labor scheduling, standards and training

TRANSPORTATION / LOGISTICS

Drivers, routes, fleet operations and delivery workflows

MANUFACTURING

Plant operators, production lines, safety and quality

HEALTHCARE

Care teams, compliance and patient operations

PUBLIC SAFETY

Responders, dispatch, readiness and incident workflows

CONSTRUCTION

Crews, job sites, certifications and safety checks

WAREHOUSE / DISTRIBUTION

Pick-pack teams, inventory, assets and productivity

Note: *While the sectors highlighted above represent the largest frontline workforce segments, the market extends across several additional sectors, such as Education, Field Services, Energy & Utilities,, Facilities Management, and Aviation/Transit.*

COMMON WORKFLOW ACROSS SECTORS

RECRUIT → ONBOARD → MANAGE → SCHEDULE → COMMUNICATE → TRAIN → EXECUTE → COMPLY → ANALYZE

THE GROWING IMPACT OF AI IN FRONTLINE TECHNOLOGY

AI IS SHIFTING FRONTLINE PLATFORMS FROM WORKFLOW TOOLS TO DECISION-SUPPORT SYSTEMS

AI is increasingly embedded across workforce and operations workflows, helping organizations automate routine tasks, forecast demand, optimize staffing, personalize training, identify risks, and convert operational data into faster decisions.

AI RECRUITING AUTOMATION

Automates sourcing, screening & candidate matching

AI SCHEDULING OPTIMIZATION

Forecasts demand, optimizes staffing & auto-generates shifts

PERSONALIZED LEARNING

Personalized training, skill gap detection & upskilling at scale

SAFETY AND COMPLIANCE INTELLIGENCE

Real-time risk detection, proactive alerts & compliance adherence

PREDICTIVE OPERATIONS

Predicts equipment failures & optimizes resource utilization

WORKFORCE ANALYTICS

Converts data into actionable staffing & engagement insights

AI ENABLED FRONTLINE TECHNOLOGY VENDORS

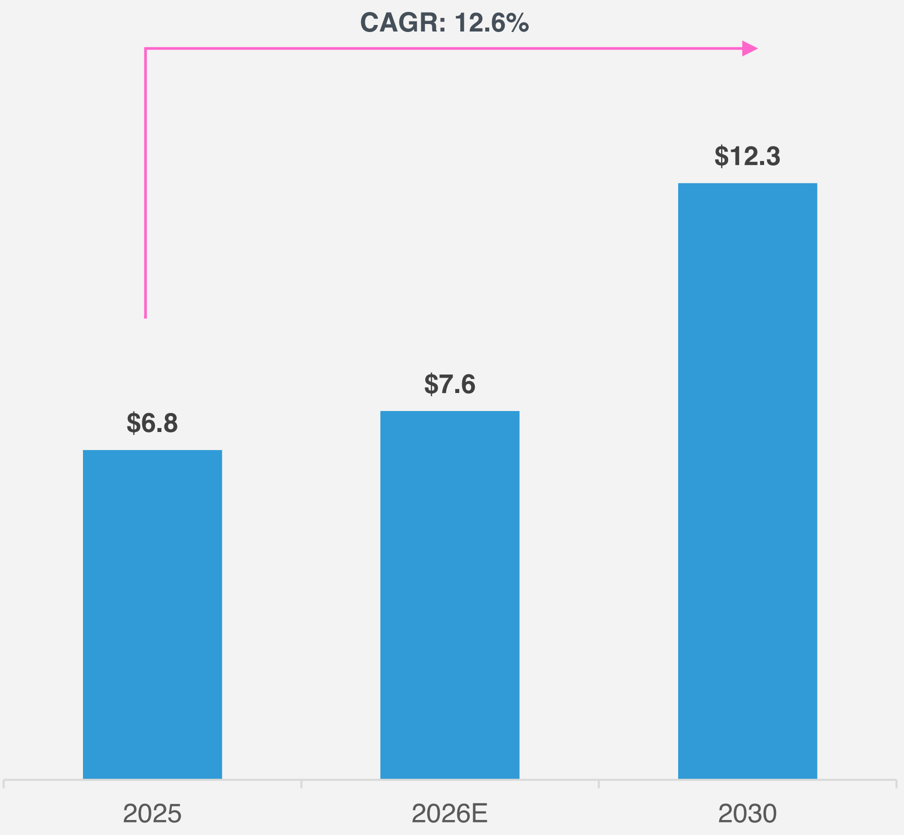
AI-powered Talent Acquisition	AI-driven Workforce Management	Learning, Development and Talent Management	AI Operations and Analytics
fountain, PARADOX	LEGION, Sona.	engagedly / energage, Axonify, workjam	Xenia, samsara, ServiceTitan

Note: Company examples are based on publicly available product positioning and disclosed AI-enabled capabilities; inclusion does not imply the companies are purely AI-native.

WORKFORCE OPTIMIZATION AND EFFICIENCY DRIVING MARKET GROWTH

FRONTLINE TECHNOLOGY MARKET ESTIMATED TO GROW AT A 12.6% CAGR TO $12.3B BY 2030, UP FROM $6.8B IN 2025

FRONTLINE TECHNOLOGY MARKET SIZE ($ BN)



KEY GROWTH DRIVERS

Large and Digitally Underserved Deskless Workforce: Frontline and deskless workers make up 70–80% of the global workforce but still rely on manual processes, disconnected tools, and limited access to modern systems — creating a wide-open market for workforce management, communication, training, and day-to-day operational platforms

Labor Shortages are a Technology Problem: Persistent labor shortages and high turnover across healthcare, retail, hospitality, logistics, and manufacturing are accelerating demand for tools that improve engagement, scheduling, onboarding, communication, and retention

Labor Costs Demand Smarter Workforce Tools: As one of the largest operating expenses for frontline-intensive organizations, companies are deploying workforce management and productivity solutions to optimize staffing, reduce overtime, and improve operational efficiency

Distributed Operations Demand Real-time Visibility: Organizations across distributed sites need greater insight into workforce performance, task completion, compliance, and safety — driving adoption of frontline platforms that deliver real-time data and workflow orchestration to improve decision-making and operational control

Source: Data Intelo, BCG, Microsoft, Deloitte, Markets and Markets, Gartner, Drake Star Analysis

THE FRONTLINE TECHNOLOGY LANDSCAPE

HCM SUITES AND PAYROLL

WORKFORCE MANAGEMENT

TALENT ACQUISITION

FOR FURTHER DETAILS PLEASE CONTACT
JIM HOLZER
JIM.HOLZER@DRAKESTAR.COM

TALENT MANAGEMENT

LEARNING, SAFETY AND COMPLIANCE

FRONTLINE OPERATIONS

VERTICAL FRONTLINE PLATFORMS

WORKFORCE INTELLIGENCE AND ANALYTICS

DIGITIZATION, AI, AND PLATFORM CONSOLIDATION RESHAPING MARKET LANDSCAPE

FRONTLINE TECH IS SHIFTING FROM STANDALONE HRMS TO AI-BASED, END-TO-END WORKFORCE AND OPERATIONAL PLATFORMS

HCM Suites and Payroll	Core HR and payroll platforms managing employee records, payroll, benefits, compliance, and HR workflows.
Workforce Management	Solutions for labor forecasting, scheduling, time tracking, attendance, and workforce utilization.
Talent Acquisition	Platforms supporting recruiting, screening, hiring, onboarding, and background verification.
Talent Management	Tools focused on employee engagement, communication, recognition, feedback, performance, and retention.
Learning, Safety & Compliance	Platforms for training, skills development, certifications, safety workflows, and regulatory compliance.
Frontline Operations	Solutions connecting workers, tasks, assets, inspections, work instructions, and operational execution.
Vertical Frontline Platforms	Industry-specific software solutions built around the workflows of sectors such as logistics, construction, healthcare, retail, hospitality, field services, and public safety
Workforce Intelligence & Analytics	Analytics platforms that convert workforce and operational data into insights for planning, productivity, compensation, and performance.

Source: World Economic Forum Future of Jobs Report, BCG, Microsoft, Deloitte, Markets and Markets, Gartner, Drake Star Analysis

ACTIVE THOUGHT LEADERSHIP IN FRONTLINE TECHNOLOGY

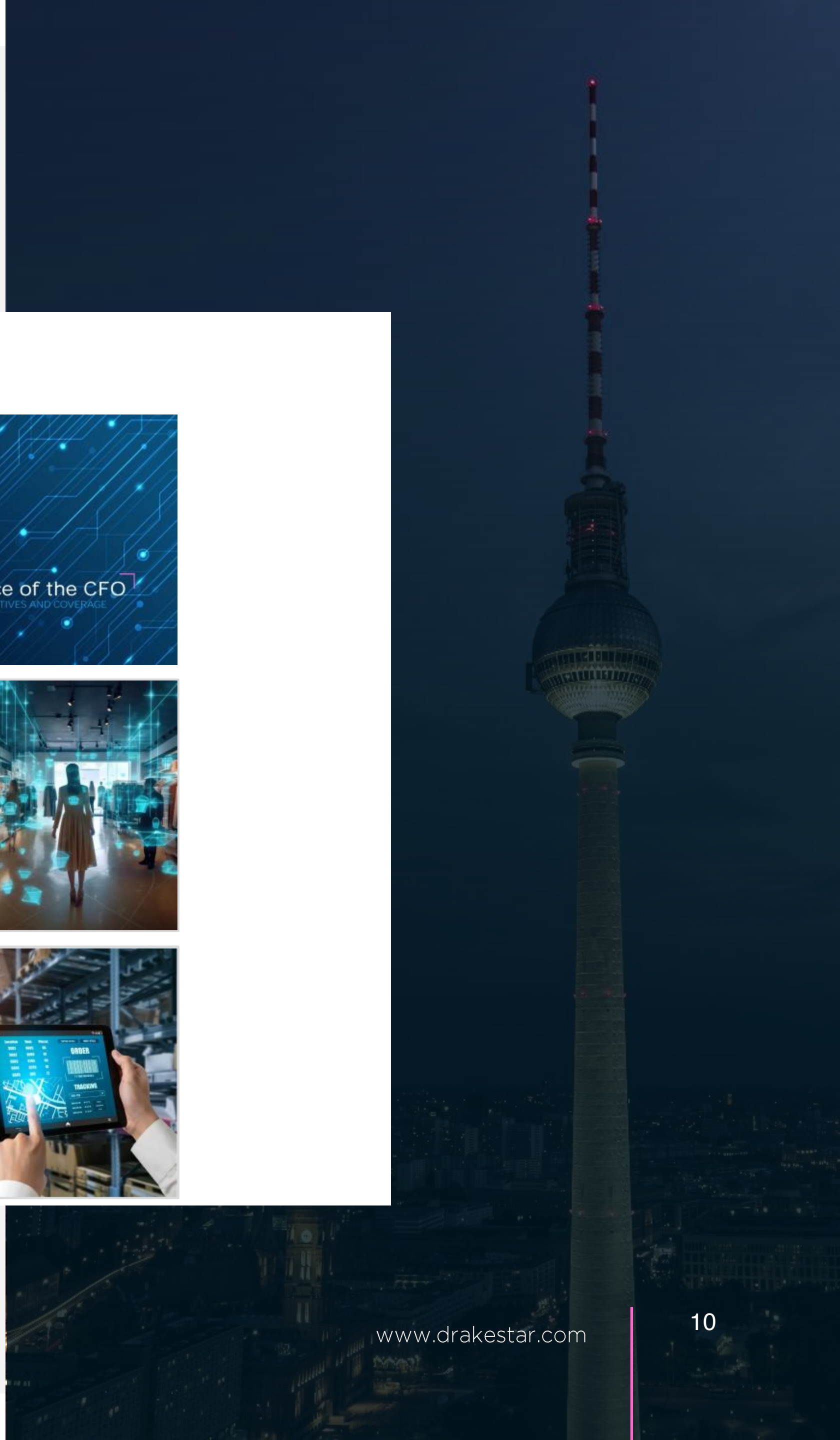
STRONG INDUSTRY PRESENCE

RECENT PODCASTS AND EVENTS

Managing Partner Jim Holzer as a guest on Chad & Cheese Podcast

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

SELECT RESEARCH



DRAKE STAR TRANSACTION EXPERIENCE ACROSS FRONTLINE TECHNOLOGY

HCM Suites and Payroll

- VEDA — ACQUISITION OF — LOHN UNION
- aconso — MAJORITY RECAP OF — KEENSIGHT CAPITAL
- aconso (A portfolio company of KEENSIGHT CAPITAL) — ACQUISITION OF — centric Germany
- VEDA — MAJORITY RECAPITALIZATION BY — INVESTCORP

Workforce Management

- GFOS — MAJORITY RECAP WITH — Riverside. — AND REINVESTMENT BY MANAGEMENT SHAREHOLDERS

Talent Acquisition

- HIREtech — SALE TO — EQUIFAX
- ebi — SALE TO — Sterling
- crimcheck — SALE TO — DISA
- Verisk — SALE OF IntelliCorp TO — Cisive
- RAI — MAJORITY RECAP — thuro by RAI
- swisslinx EXECUTIVE TECHNOLOGY FINANCE — SALE TO — AXIOM PARTNERS
- ONE HIRING — MAJORITY RECAP BY — ECM — AND REINVESTMENT BY FOUNDERS
- verified person — SALE TO — Sterling
- VAULT VERIFY — SALE TO — EQUIFAX
- Sittercity — SALE TO — Bright Horizons
- amris — SALE TO — pixid

Frontline Operations

- Attentive.ai — STRATEGIC INVESTMENT FROM — INSIGHT PARTNERS

Talent Management

- engagedly — MERGER WITH — energage
- TANDEMPLOY Arbeit. Anders. — SALE TO — phenom
- persis — SALE TO — PROALPHA

Learning, Safety & Compliance

- Dendreo — SALE TO — septeo
- AMA American Management Association — DIVESTITURE OF AMACOM TO — HarperCollinsPublishers
- digiSchool the learning touch — PRIVATE PLACEMENT — Turenne Capital, ALTO L'investissement innovant

Vertical Frontline Platforms

- FLIGHTKEYS — STRATEGIC INVESTMENT FROM — INSIGHT PARTNERS

Workforce Intelligence & Analytics

- Ingentis — MAJORITY SALE TO — MAGUAR — AND REINVESTMENT BY FOUNDERS

CASE STUDY | ENGAGEDLY MERGER WITH ENERGAGE

CREATES LEADING AI-POWERED TALENT MANAGEMENT & EMPLOYER BRAND PLATFORM FOR FRONTLINE AND MODERN WORKFORCES

engagedly

MERGER WITH

energage

energage

Eric Rubino
CEO

engagedly

Sri Chellappa
Co-Founder & CEO

What was the strategic thesis behind combining Energage and Engagedly to better serve the frontline sector, and what gap in the market made this combination especially compelling for frontline-focused customers?

"For more than two decades, Energage has done something almost no one else in HR tech has done at scale: it has systematically measured what makes workplaces great, drawing on more than 20 years of workplace culture research and the voices of over 30 million employees across 80,000 organizations through the Top Workplaces program. That's an extraordinary asset — but historically, it lived mostly as a point-in-time survey and recognition engine, not as something woven into daily operations.

Engagedly, meanwhile, had built an AI talent management and employee engagement platform with connected performance, learning, employee recognition, and employee development solutions designed for today's workforce, including frontline and deskless employees — real operational infrastructure that touches people every day, not once a year.

The gap this combination closes is the gap between insight and action. Our Go To Market theme is Measure-Shape-Showcase. This is a unique and a data science-based approach to Talent Strategy that no other HRTech can lay claim to. Plenty of vendors can tell an employer they have a culture problem. Far fewer can turn that diagnosis into daily workflows, coaching prompts, and recognition moments that actually change behavior on the floor, in the field, or on the line. Frontline-heavy organizations in particular can't afford insight without action — a warehouse or hospital doesn't have the luxury of waiting for next year's engagement survey to fix a turnover spike happening this month. Bringing the two organizations together lets us convert two decades of "what good looks like" research into always-on, AI-powered guidance for the employees and managers who need it most"

CASE STUDY | ENGAGEDLY MERGER WITH ENERGAGE

CREATES LEADING AI-POWERED TALENT MANAGEMENT & EMPLOYER BRAND PLATFORM FOR FRONTLINE AND MODERN WORKFORCES

engagedly

MERGER WITH

energage

energage

Eric Rubino
CEO

engagedly

Sri Chellappa
Co-Founder & CEO

How does the combined platform specifically address the needs of frontline and deskless workers, as distinct from a typical desk-based HR tech user?

"Most HR tech was designed around a desk, a laptop, and an inbox — none of which describe a majority of the world's workforce. EngagedlyFX is an AI-powered frontline workforce platform that connects operations, communication, training, performance, and compliance in one place, turning daily frontline signals into clear priorities, automated workflows, and next-best actions — built mobile-first because a phone, not a laptop, is the primary device for this workforce.

Concretely, that means connecting their daily apps like scheduling, task management to training, performance and growth and live in the same place frontline employees already work, rather than requiring them to log into a separate portal they may never open. On the communication side, the platform brings communication, feedback, onboarding, and KPIs into one place so employees stay connected to their teams, leaders, and the organization wherever and however they work — which matters enormously for people who don't sit near a shared printer or a company Slack channel.

We also didn't build this from scratch inside a legacy suite. We deliberately expanded through targeted acquisitions — bringing together complementary strengths through the acquisition of the EmployeeApp and Butterfly.ai, each addressing a critical gap in how organizations communicate, operate, and understand their people — because frontline problems are operational, communication, and culture problems simultaneously, and a single point solution rarely solves all three."

CASE STUDY | ENGAGEDLY MERGER WITH ENERGAGE

CREATES LEADING AI-POWERED TALENT MANAGEMENT & EMPLOYER BRAND PLATFORM FOR FRONTLINE AND MODERN WORKFORCES

engagedly

MERGER WITH

energage

energage

Eric Rubino

CEO

engagedly

Sri Chellappa

Co-Founder & CEO

Where do you see AI genuinely changing outcomes in frontline talent management today, versus where it's still more hype than reality?

"Where AI is real: pattern detection at a scale no manager could do manually. A regional operations leader overseeing dozens of sites can't personally track engagement dips, safety near-misses, or early turnover signals across every shift. AI genuinely changes outcomes when it turns thousands of small daily signals — a missed shift acknowledgment, a training completion lag, a spike in negative feedback at one location — into a short, ranked list of things a manager should act on today. That's the "next-best-action" layer we've built into EngagedlyFX, and it's measurably different from a static dashboard nobody checks.

Where it's still more hype than substance: fully autonomous decisioning. Vendors love to claim AI can now manage people. It can't, and it shouldn't try to on the frontline specifically, where trust is built face-to-face, physical safety is on the line, and context (a bad day, a family emergency, a language barrier) rarely shows up cleanly in a data feed. The honest claim is that AI should compress the time between a signal and a human decision — not replace the human making it. Any vendor implying otherwise is selling a fantasy that frontline operators will see through immediately"

How do each of you define the "Frontline Technology" category, and where do you see its boundaries?

"We define Frontline Technology as software built primarily for a mobile, shift-based, distributed workforce — where the phone, not a desktop, is the default interface, and where operations, communication, training, performance, and compliance need to function as one connected system rather than five disconnected tools. That's the definition embedded in the platform itself: EngagedlyFX connects operations, communication, training, performance, and compliance in one place, and the product is organized into a "last mile" app specifically because frontline work doesn't separate cleanly into "HR" versus "ops" the way desk-based work does.

The boundary line, in our view, is this: a category claim isn't earned just because a desk-based HR platform adds a mobile app or a lighter login screen. Frontline Technology has to be architected for intermittent connectivity, shift patterns, high turnover, and workers who may never touch a corporate email address — and it has to treat culture and workplace data (the Energage side of our story) as a first-class input, not an afterthought bolted onto operational software. Anything short of that is a desk-based tool wearing a frontline costume, and buyers in this space are sophisticated enough to tell the difference."

DRAKE STAR FRONTLINE TECHNOLOGY & SOFTWARE TEAM

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INDUSTRY Q&A: SEAN BEHR | FOUNTAIN

FRONTLINE TECH Q&A WITH LEADING INDUSTRY INNOVATORS

fountain

Sean Behr
CEO

fountain

Fountain is a frontline workforce management software company based in California. Its AI-driven platform provides tools for hiring, onboarding, and managing frontline, hourly, and distributed employees across industries

US	>200	2014
HQ	Employees	Founded

Sean Behr
CEO

Sean oversees Fountain's strategic direction and growth, drawing on his experience building and scaling technology businesses focused on operational efficiency and workforce enablement

Before joining Fountain, Sean founded and led Stratim, a mobility operations platform acquired by KAR Global. Earlier in his career, he held leadership positions at Adap.tv and Shopping.com

How do you define the Frontline Technology category, and where do you see its boundaries?

Frontline technology is the software layer that HR tech and operations tech both claim. Neither actually owns it. The boundary test is simple: if your workflow breaks when the worker is hired in days or hours instead of weeks or months, managed by location instead of org chart, paid hourly instead of salaried, you need frontline tech.

HCM was built for a different lifecycle entirely. It was built for knowledge workers. Frontline runs on different physics. Workers apply at midnight, on their phone, in whatever language they prefer. Volume is in the thousands, not the dozens. Roles need filling in hours, not weeks. Software built for annual performance reviews was never going to run that.

What's driving enterprise adoption right now, and which verticals are moving fastest?

The driver is economics. Not curiosity. Not innovation initiatives. Every unfilled frontline role has a directly visible cost. Organizations are finally treating time-to-hire as an operations metric rather than an HR metric.

Logistics and delivery figured this out first because an empty seat there has a visible dollar amount. We're seeing similar cases in food services. Our client Bojangles cut time-to-hire from 30 days to less than 6 and reduced job-board spend 86% in the same motion.

DRAKE STAR

INDUSTRY Q&A: SEAN BEHR | FOUNTAIN

FRONTLINE TECH Q&A WITH LEADING INDUSTRY INNOVATORS

fountain

Sean Behr
CEO

How is AI genuinely changing frontline operations today, versus where it's still overhyped?

Most AI in recruiting doesn't actually do anything. It suggests. It drafts. It hands work back to a human and calls that intelligence. That's not AI. That's expensive autocomplete.

What's real is AI that executes the full workflow. Tell Cue to open a new restaurant in Dallas.

It sets up the operation, sources candidates, hires the team, and fills the schedule. You approve the outcome. That's it.

What's overhyped is the word "agentic" attached to tools that can't complete an action. Tools that can answer questions but can't actually deliver anything. An agent saying "done" is not the same as work getting done

What does the frontline worker actually want from technology, and how does that shape product decisions?

Frontline candidates aren't waiting for the perfect job. They're applying to five at once. The first real offer wins. Most hiring teams haven't actually internalized that.

The average candidate waits 10 days for a first interview, then another 13 days for a decision. That's 23 days of dead time. The best candidates move on.

Recruiters are still operating like they're doing candidates a favor by reviewing their application. They're not. We build the candidate experience for the phone, not the desktop. SMS, not email.

Anna, our AI recruiter, runs interviews around the clock. A warehouse worker applies at 11pm. By midnight, they've completed the interview and have a decision. Most frontline workers prefer it. The entire process in under an hour beats waiting ten days every time

Where is the sector headed in the next 3–5 years?

Outcomes over workflows. Systems of record aren't going away. But value is migrating from the record to the action. The future is operating intelligence layers that execute.

Agents that see a sourcing budget at 90% and reallocate it. That flag a retention risk at day seven, before a manager would ever notice.

We already moved Cue to outcome-based pricing. Per hire completed. Per shift filled.

In three to five years that commercial model will be standard. Vendors still selling software that requires humans to do all the actual work will have a hard time explaining that.

INDUSTRY Q&A: KUMEIL HOSAIN, TANNER AUSTIN

FRONTLINE TECH Q&A WITH LEADING INDUSTRY INNOVATORS

Xenia

Kumeil Hosainan
Founder & CEO

PSG

Tanner Austin
Principal

Xenia

Xenia is an AI-powered frontline operations platform that helps multi site businesses manage operations, inspections, maintenance, compliance, and communication across frontline-intensive sectors such as restaurants, retail, hospitality, and other distributed operations

US	50	2021
HQ	Employees	Founded

PSG

PSG Equity is a growth equity firm that partners with software and technology-enabled services companies to accelerate growth, pursue strategic opportunities, and build market-leading businesses

US	300	2014
HQ	Employees	Founded

Kumeil Hosaian
Founder & CEO

Kumeil leads Xenia's strategy, product vision, and growth. Before founding Xenia, he worked in technology investing at PSG and investment banking at Jefferies.

Tanner Austin
Principal

Tanner is a Principal at PSG Equity and serves on the boards of several portfolio companies, including Uptick, EverCommerce, Audisense, Coreforcetech, and Xenia.

How do you define the Frontline Technology category, and where do you see its boundaries?

Frontline technology is the software built for the person doing the work in the store, site, or field — not the person in the corporate office. That's the defining line. Where HCM and ERP are systems of record that live in HQ, frontline tech are the system of records (HCM/Payroll/Shifts) and the system of actions the deskless worker touches every day. It's almost always mobile-first because that's where frontline jobs to be done happen. In practice the category spans payroll and shift scheduling, LMS and communications, engagement, operations/compliance/task management, and facilities management, plus a long tail of vertical-specific tooling.

– Kumeil

What characteristics make an investment in the Frontline Technology sector compelling?

Mission-Critical — tools that keep the business running every day and house large sets of data are the most exciting, which makes them difficult to replace once they're woven into a customer's workflows, hardware, HCM, etc.
TAM and reach — the best frontline categories are large enough for at-scale outcomes, and the best companies can serve SMB, commercial, and enterprise across multiple verticals rather than being trapped in one.
AI in the daily workflow that drives measurable ROI. Mobile-first agents and copilots are penetrating fast-growing frontline companies quickly, and those companies are displacing legacy incumbents at a rapid clip. In our view, the AI-native entrants have a strong right to win and can command materially higher unit economics.

– Tanner

INDUSTRY Q&A: KUMEIL HOSAIN, TANNER AUSTIN

FRONTLINE TECH Q&A WITH LEADING INDUSTRY INNOVATORS

Xenia

Kumeil Hosainan
Founder & CEO

PSG

Tanner Austin
Principal

What's driving enterprise adoption right now — and which verticals are moving fastest?

The deployment of AI down to the frontline is moving fast, and unusually, enterprises are among the earliest adopters — the opposite of many markets. They have the data infrastructure and the budgets, and the buying conversation has shifted from operations alone to enterprise IT and data & analytics.

Retail, manufacturing, and facilities management are ahead — running AI pilots and actively switching off legacy stacks. Most sales motions today are rip-and-replace rather than greenfield.

– Kumeil

How is AI genuinely changing frontline operations today, versus where it's still overhyped?

The genuine change is that AI now equips teams with knowledge faster than ever, and — more powerfully — agents are beginning to prescribe the next best action to frontline teams in a way that measurably improves execution and profitability. At Xenia, our vision agent ingests compliance photos and videos from sites every day, autonomously builds reports, and flags gaps to operational leaders in real time; our insights agent synthesizes thousands of submissions across hundreds of locations and pushes a prescriptive daily briefing to the district manager. We are also working on more pureplay agents that summarize business critical metrics out of tools like the POS and ERP– and synthesize them into actions that all levels of labor can act on to impact the P&L.

Where it's overhyped: AI add-ons and chat copilots bolted on top of HCM, scheduling, or ERP platforms that summarize a dashboard but don't change frontline behavior. Operators treat those as nice-to-haves. The tools winning budget are AI agents that drive frontline action and show up in revenue or cost — and tellingly, they're frequently bought on a standalone basis against new vendors rather than as an add-on from an incumbent ERP/HCM in the same category. The test is simple: does it change what happens at the store/site/field, and does it show up in the P&L?

– Kumeil

Where is the sector headed in the next 3–5 years — convergence with ERP/HCM, vertical SaaS dominance, or something else?

In HR-adjacent categories, payroll, HCM, and shift scheduling are consolidating into single platforms — while differentiated vendors in compliance/task management, facilities maintenance and in LMS/communications/engagement continue to do well independently. Large organizations say they want consolidation, but most find that no tool delivers a true enterprise-grade "all-in-one," and AI is widening that gap: there's deep affinity for pure-play AI vendors that drive measurable outcomes over a lower-value AI add-on sitting on top of an existing ERP/HCM in the same category. So, at the enterprise end I expect best-in-breed plus pure-play AI to win, not full ERP/HCM convergence.

Two other shifts: modalities matter more — expect many more voice and vision/image AI companies entering as those become first-class inputs from the frontline (Xenia's vision agent is an early example, turning everyday site photos into real-time reporting that improves store sales and saves labor hours). And at the SMB end, vertical SaaS dominance continues — players like Toast in restaurants — as smaller operators consolidate most of their stack into one vendor before they reach the scale where they graduate to improved tooling.

– Kumeil

FRONTLINE TECH DEAL ACTIVITY REMAINED ROBUST IN Q1 2026

90+ TRANSACTIONS WITH $14 BILLION IN DISCLOSED DEAL VALUE

Frontline technology investment activity remained solid in Q1 2026 with 91 reported transactions (1,315 since Jan 2024), reflecting sustained investor demand for solutions that enhance frontline workforce productivity and operations despite moderating from 2025 highs

M&A activity remained resilient in Q1 2026, with 48 transactions recorded (948 since Jan 2024) after a record consolidation pace in 2025. While deal volumes fell 50% QoQ, disclosed deal value rose nearly 4x to $13.6 billion, with the US accounting for over half of the transactions

Private placements surged in Q1 2026, with deal volume up 30% QoQ to 43 transactions (367 since Jan 2024) and disclosed deal value up 21% QoQ to $666 million, driven by investments in software platforms focused on workforce management, compliance, and operational efficiency

Long-term sector fundamentals remain strong, with the global Frontline Technology Platform market projected to grow from $6.8 billion in 2025 to $12.3 billion by 2034, driven by workforce digitization, productivity initiatives, operational visibility, and legacy system modernization

FRONTLINE TECH MARKET UPDATE

ROBUST M&A ACTIVITY IN A HIGH-GROWTH MARKET

91

Reported Frontline Technology Deals in Q1 2026

$6.8 bn

Global Frontline Technology Platform market value in 2025

~12.6%

Expected CAGR until 2030

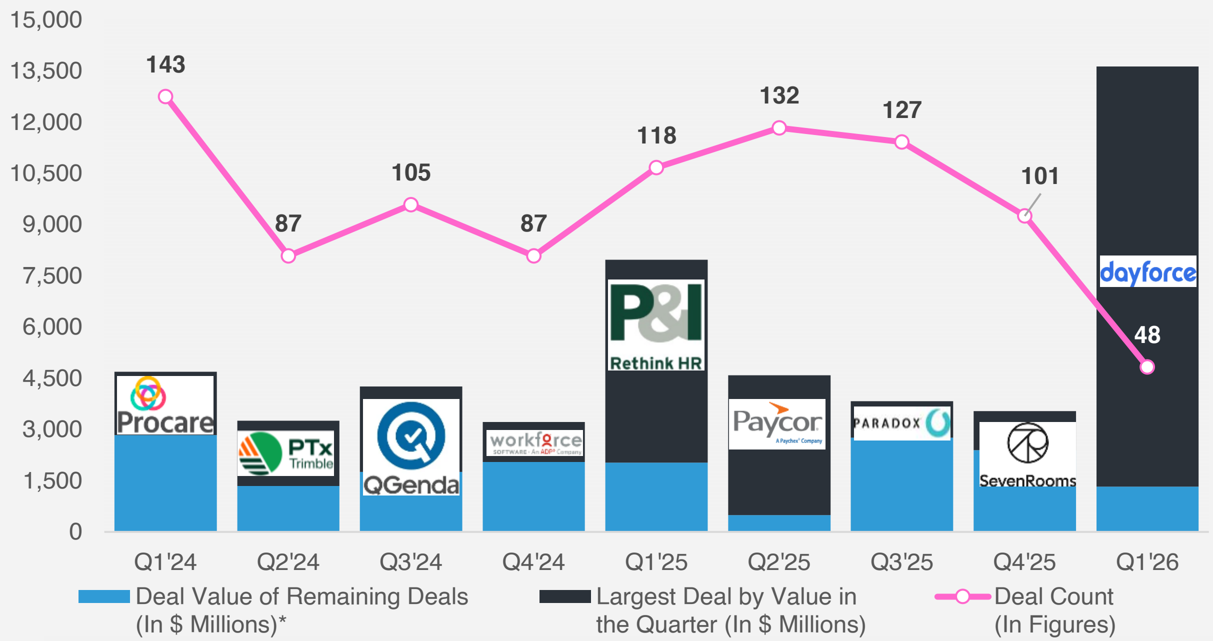
Top 3 Most Important Outcomes Achieved From Frontline Technology

- Optimize workforce utilization and improve output across frontline operations
- Deliver real-time insights into workforce performance and execution across distributed sites
- Improves communication, scheduling flexibility, and workforce experience to reduce turnover

DRAKE STAR Source: Pitchbook, Data Intelo

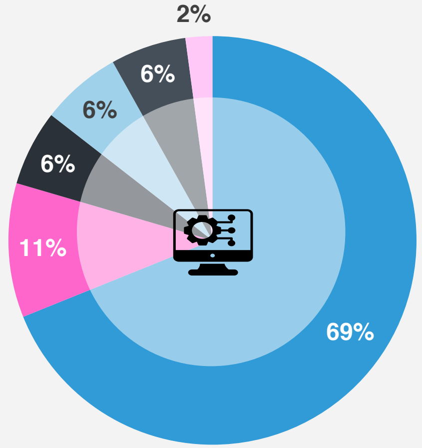
MAJORITY OF M&A ACTIVITY DRIVEN BY VERTICAL FRONTLINE PLATFORMS

48 ANNOUNCED M&A DEALS IN THE US AND EUROPE IN Q1 2026, WITH $13.6B AGGREGATE DISCLOSED DEAL VALUE



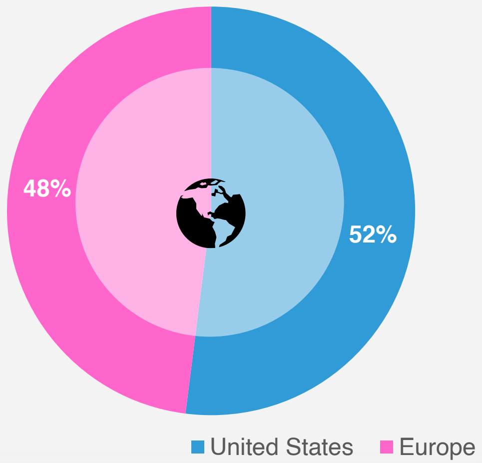
Q1 2026 DEAL COUNT BY SEGMENT

Total - 48

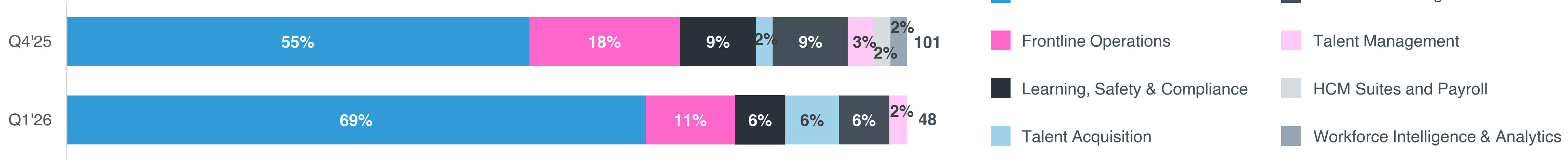


Q1 2026 DEAL COUNT BY GEO

Total - 48



DEAL COUNT BY SEGMENT



* Note: Deal value reflects solely the capital invested by those deals that disclose their specific value. Not all transactions disclose deal value.

US-BASED FIRMS DRIVE TOP FRONTLINE TECH M&A DEALS

TOP M&A DEALS IN THE FRONTLINE TECH SPACE | Q1 2026

COMPANY	COUNTRY	EMPLOYEES	REVENUE ($ Mn)	DEAL SIZE ($ Mn)	ACQUIRER	ACQUIRER COUNTRY	DATE
dayforce	US	6,734	1,893.0	12,300.0	THOMABRAVO	US	Feb-2026
LOCUSVIEW	US	84	12.4	525.0	Itron	US	Jan-2026
TENNA	US	111	10.2	440.0	JOHN DEERE	US	Feb-2026
Matthews INTERNATIONAL	US	13	11.5	232.1	DURAVANT	US	Jan-2026
TULIP	US	-	9.5	120.0	MITSUBISHI ELECTRIC	Japan	Jan-2026
NEXTEON Technologies	US	-	2.0	5.0	TXT	US	Feb-2026
Qflow	US	-	-	2.7	AUTODESK	US	Feb-2026
Softeon	US	653	-	-	IFS	Sweden	Mar-2026
Totalmobile	UK	400	-	-	FAST LEAN SMART. fls	US	Mar-2026
UPTAKE	US	275	-	-	BOSCH	Germany	Mar-2026

Source: Pitchbook, S&P Capital IQ, Drake Star Analysis

SELECT M&A DEALS

Q1 2026

Dayforce — $12.3B INVESTMENT BY — Thoma Bravo

- Dayforce, a U.S. and Canada-based human capital management software provider, was acquired by Thoma Bravo for approximately $12.3 billion on February 4, 2026.
- The acquisition takes Dayforce private to accelerate growth, customer value, and AI leadership in HCM.

Feb-2026

Locusview — $525M ACQUISITION BY — Itron

- Locusview Inc., a US-based developer of digital construction management platform was acquired by Itron, Inc., a US-based technology solutions company, for $525 million on January 5, 2026.
- The acquisition strengthens Itron's utility software portfolio by enhancing its digital construction management offerings for utility infrastructure projects.

Jan-2026

Tenna — $440M ACQUISITION BY — John Deere

- Tenna LLC, a provider of fleet management and asset tracking software, was acquired by John Deere, an agricultural and construction equipment manufacturer, for $440 million on February 18, 2026.
- The acquisition broadens John Deere's construction technology offerings through integrated fleet management and asset tracking solutions.

Feb-2026

Matthews International — $232M ACQUISITION BY — Duravant

- The Warehouse Automation business of Matthews International, a US-based provider of warehouse management software, was acquired by Duravant LLC for $232.1 million on January 7, 2026.
- The acquisition strengthens Duravant's automation offerings, including warehouse execution software, controls systems, and fulfillment automation systems.

Jan-2026

Tulip — $120M ACQUISITION BY — Mitsubishi Electric

- Tulip Interfaces, Inc., a US-based provider of frontline operations and manufacturing software, secured $120 million in Series D funding led by Mitsubishi Electric Corporation on January 13, 2026.
- The funding supports the expansion of Tulip's AI-driven manufacturing platform and advances digital transformation initiatives for industrial operations.

Jan-2026

NEXTEON Technologies — $5M ACQUISITION BY — TXT

- SmartRoutes Business of NEXTEON Technologies, a US-based real-time flight optimization software provider, was acquired by TXT e-solutions for $5 million on February 27, 2026.
- The acquisition strengthens TXT's aviation software portfolio by adding route optimization technology that helps airlines reduce fuel burn, and operating costs.

Feb-2026

Note: This slide presents key deals completed in Q1 2026 and are ranked based on the disclosed deal value and size of the target company.

FRONTLINE TECH PLATFORMS CONTINUE TO CONSOLIDATE

TOP STRATEGIC FRONTLINE TECH ACQUIRERS | Q1 2024 – Q1 2026

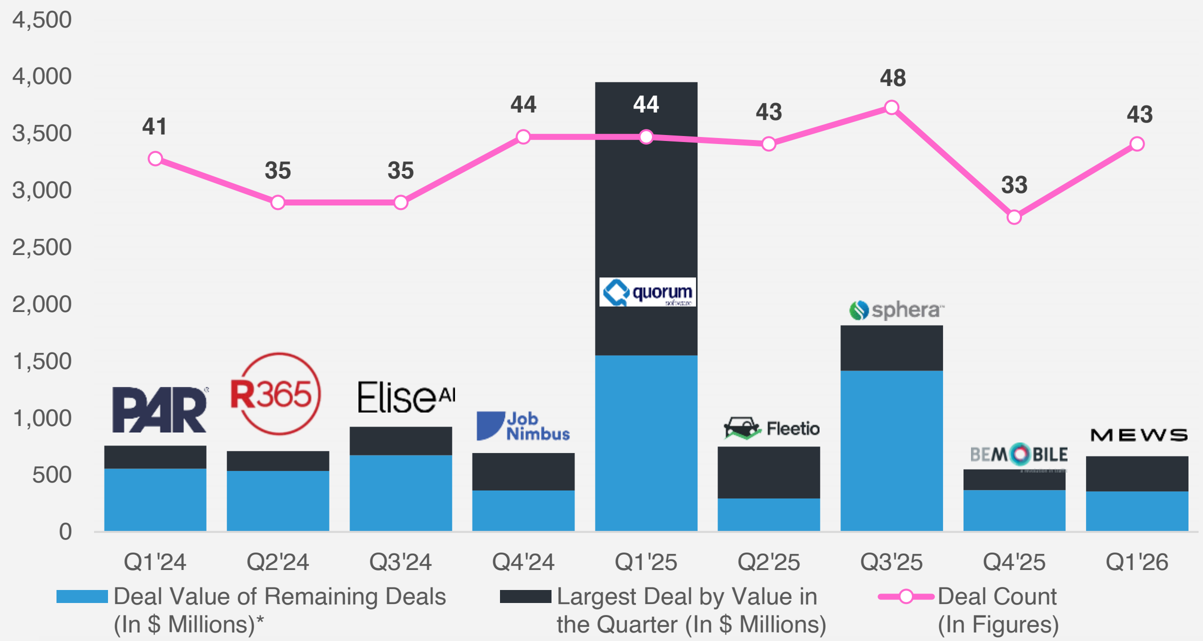
TOP 10 MOST ACTIVE ACQUIRERS

Investor	Banyan Software	Valsoft	Aptean	Total Specific Solutions	ClearCourse	zvoove	access	Autodesk	Ideagen	Descartes
Targets	O.R.TRAX Vendor Management Solutions	PenguinData	JMA	ExpertDoc	Motasoft	mywage	MYC Compliance Management	Rhumbix	SafetyStratus	Finale Inventory
	Northwoods	OpenSoftware	Germanedge	LINDA	davidson richards	CleanManager	FONN	Qflow	Casper Shared Insight	PackageRoute
	Anago	WSI Technologies	Traser	SelMatic	rezcontrol	Plan4Flex	eploy (an access company)	Toolpath	Reactec	3GTMS
	Host Hotel Systems	tiltid	indigo (From Aptean)	intend Geoinformatik	Harbour Assist	nocore	QikServe	Autodesk FlexSim		sellercloud
	AgileFleet	MemberTrak	SSG Insight (From Aptean)	EasyTec (Wir verstehen das Handwerk)	csyretail.	Planbition (a zvoove company)	shr Group			
	progressplus	American Data	Norriq (Your Business - Simplified)	bytemaster						
	subitup	iDGateway	Principal Logistics Technologies							

Note: Top 10 consolidators are ranked by total transaction count from Q2'24 to Q1'26. For Banyan Software, only select key investments are shown due to the high volume of transactions completed

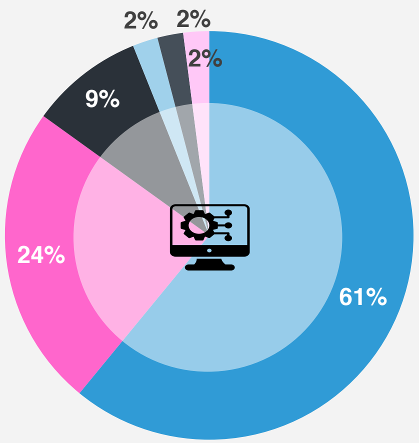
PRIVATE PLACEMENTS UP 30% Q-O-Q IN Q1'26; VERTICAL FRONTLINE PLATFORMS LEAD

43 ANNOUNCED PRIVATE PLACEMENT DEALS IN THE US AND EUROPE IN Q1 2026, WITH $666M AGGREGATE DISCLOSED DEAL VALUE



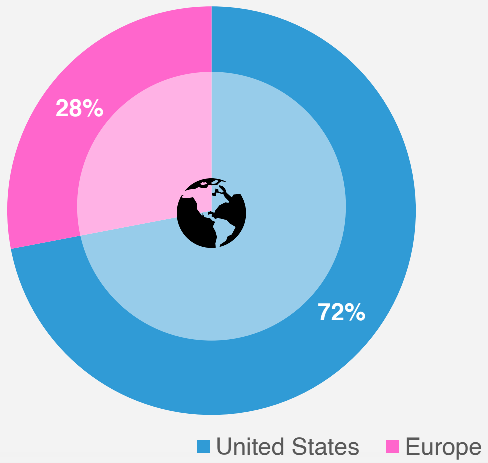
Q1 2026 DEAL COUNT BY SEGMENT

Total - 43



Q1 2026 DEAL COUNT BY GEO

Total - 43



DEAL COUNT BY SEGMENT

- Vertical Frontline Platforms
- HCM Suites and Payroll
- Frontline Operations
- Talent Acquisition
- Workforce Management
- Talent Management
- Learning, Safety & Compliance
- Workforce Intelligence & Analytics

* Note: Deal value reflects solely the capital invested by those deals that disclose their specific value. Not all transactions report deal value.

FRONTLINE TECH ATTRACTS STRONG INVESTOR INTEREST

TOP PRIVATE PLACEMENT DEALS IN THE FRONTLINE TECH SPACE | Q1 2026

COMPANY	COUNTRY	EMPLOYEES	REVENUE ($ Mn)	DEAL SIZE* ($ Mn)	SELECT INVESTORS	ACQUIRER COUNTRY	DATE
MEWS	Netherlands	342	221.6	310.2	EQT	Sweden	Jan-2026
FYLD	UK	12	-	55.1	Energy Impact Partners	US	Jan-2026
hublo	France	47	10.9	47.3	Revaia	France	Feb-2026
GATHER AI	US	-	-	40.0	Smith Point Capital	US	Feb-2026
KRAKEN	UK	2,000	206.0	33.6	British Business Bank	UK	Jan-2026
Lula	US	-	-	28.0	PEAKSPAN	US	Mar-2026
Dealerware	US	369	-	25.0	Wavecrest Growth Partners, Radian Capital	US	Jan-2026
carefam	US	-	-	14.5	pitango	Israel	Mar-2026
(definity)	US	12	-	14.4	Accrete	US	Jan-2026
TRAYD	US	24	-	10.0	White Star Capital	UK	Mar-2026

Note: Deal size reflects the total deal value, and not the capital invested by the investors mentioned. Some deals involve other investors than those mentioned.

SELECT PRIVATE PLACEMENT DEALS

Q1 2026

MEWS — **$310M** INVESTMENT BY **EQT**

- Mews Systems B.V., a Netherlands-based developer of hospitality management software, secured a €264 million ($310 million) investment in a round led by EQT Growth on January 22, 2026
- The investment will accelerate Mews' AI-native hospitality platform and enhance operational automation capabilities

Jan-2026

FYLD — **$55M** INVESTMENT BY **ENERGY IMPACT PARTNERS**

- FYLD, a UK-based infrastructure fieldwork intelligence platform raised $41 million in Series B funding led by Energy Impact Partners on February 18, 2026.
- The funding will support FYLD's platform expansion across energy, construction, and water infrastructure, improving safety, productivity, and operational visibility for high-risk field teams

Jan-2026

hublo — **$47M** INVESTMENT BY **Revaia**

- Revaia closed a €40 million ($47 million) reinvestment vehicle dedicated to Hublo, a French healthcare workforce management software platform, on February 3, 2026.
- The funding supports Hublo in its next phase of growth and European healthcare software expansion

Feb-2026

GATHER AI — **$40M** INVESTMENT BY **SMITH POINT CAPITAL**

- Gather AI, a US-based developer of AI-driven logistics platform, raised $40 million in Series B funding led by Smith Point Capital Management on February 9, 2026
- The funding will help scale Gather AI's platform across global logistics operations, expanding from inventory intelligence to dock-to-dock visibility and automation

Feb-2026

KRAKEN — **$34M** INVESTMENT BY **British Business Bank**

- Kraken Technologies, a UK-based software platform for utilities, received a £25 million ($33.6 million) investment from British Business Bank on January 20, 2026
- The investment will support Kraken's demerger from Octopus Energy and help scale its independent technology platform for utilities globally

Jan-2026

Lula — **$28M** INVESTMENT BY **PEAKSPAN**

- Lula, a US-based property maintenance technology platform, raised $28 million in Series A funding led by PeakSpan Capital on February 3, 2026.
- The funding will help Lula enhance its technology platform, expand market presence and contractor network, and advance AI-powered work order management capabilities

Mar-2026

Note: This slide presents key deals completed in Q1 2026 and are ranked based on the disclosed deal value and size of the target company.

INVESTORS REMAIN ACTIVE IN FRONTLINE TECHNOLOGY

TOP FINANCIAL FRONTLINE TECH INVESTORS | Q1 2024 – Q1 2026

TOP 10 MOST ACTIVE INVESTORS*

Investor	Targets
Y Combinator	TRAYD; Avallon; conduit; Santé; FleetWorks; CANARY TECHNOLOGIES; Cartage
INSIGHT PARTNERS	CANARY TECHNOLOGIES; trunk.tools; SYSDYNE; aptean; RapidSOS; intenseye
SERVICE PROVIDER CAPITAL	digit; SUBLYNK; coldcart
ANTLER	doorstep; innform; Traxlo
TIGERGLOBAL	MEWS; INFINITE UPTIME; GreenSpark; Checkmate
Mainsail Partners	FIELDFLŌ; LIV; innflow; JobNimbus; INNERGY
Battery	MEWS; genlogs; QSR automations
BIENVILLE CAPITAL	ONECREW; GreenSpark
GRAND	digit; paccurate; IRON SHEEPDOG
British Business Bank	KRAKEN; innform

Note: Top 10 investors ranked by total transactions completed during Q1 2024–Q1 2026. Some consolidators have completed multiple transactions involving the same company.

FRONTLINE TECHNOLOGY BENCHMARKING SUMMARY

Q1 2026

FRONTLINE TECHNOLOGY

FRONTLINE OPERATIONS

samsara, ZEBRA, blacklinesafety, ServiceTitan, ATOSS, toast

HCM SUITES AND PAYROLL

workday, paylocity, Asure, PAYCHEX, paycom

FRONTLINE OPERATIONS	EV / NTM Revenue	EV / NTM EBITDA	2025 Revenue Growth	2025 EBITDA Margin
25th Percentile	2.7x	14.0x	12.7%	(10.3%)
Mean	4.6x	27.2x	20.1%	5.3%
Median	4.6x	22.8x	21.1%	3.3%
75th Percentile	5.5x	37.6x	25.2%	15.2%

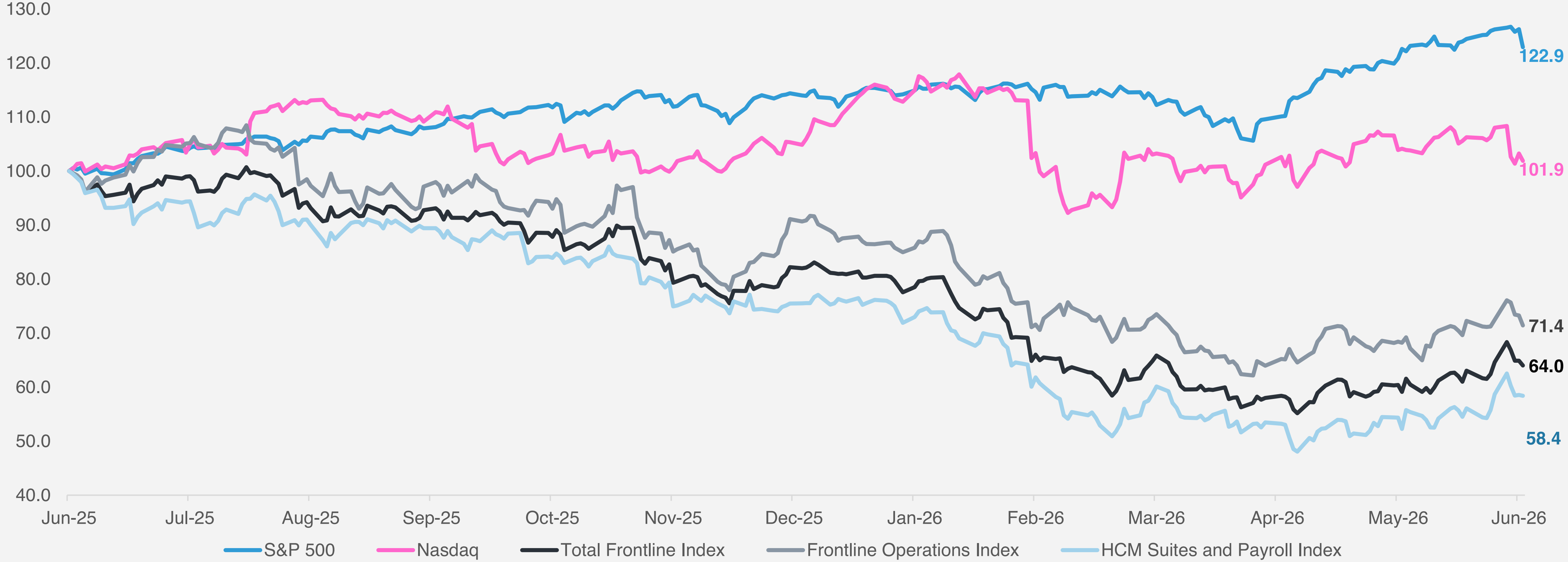
HCM SUITES AND PAYROLL	EV / NTM Revenue	EV / NTM EBITDA	2025 Revenue Growth	2025 EBITDA Margin
25th Percentile	3.1x	8.2x	9.0%	12.8%
Mean	3.4x	9.2x	12.4%	24.1%
Median	3.1x	8.8x	13.7%	21.6%
75th Percentile	3.2x	9.8x	16.4%	30.9%

Source: S&P Capital IQ, Drake Star Analysis

FRONTLINE TECHNOLOGY - PERFORMANCE & VALUATION BENCHMARKING

LATEST 12 MONTHS | BROADER MARKET RESILIENCE OUTPACED FRONTLINE TECH TRADING PERFORMANCE

LTM INDUSTRY AND SECTOR TRADING PERFORMANCE



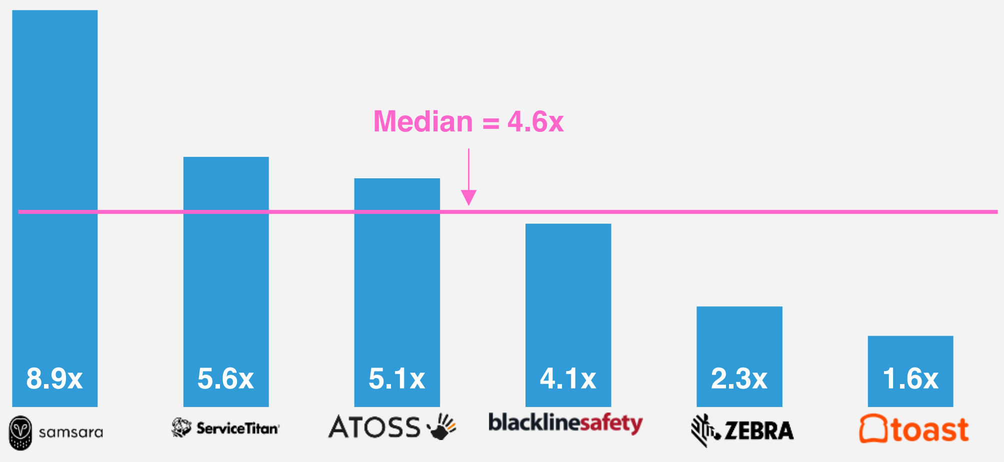
Note: (1) Frontline Operations Index comprises of Zebra Tech, ATOSS Software, Blackline Safety, ServiceTitan, Samsara, and Toast (2) HCM Suites and Payroll Index comprises of Asure Software, Paychex, Workday, Paycom, and Paylocity. (3) Total Frontline Index comprises of all the 11 companies. (4) Share price performance has been indexed to 100 as of 09-Jun-2025, the first common trading date across Nasdaq, S&P 500, and the three selected share price series. Indexed values are calculated as current price / price on 09-Jun-2025 × 100, enabling like-for-like comparison of relative share price movement over time.

FRONTLINE TECHNOLOGY - PERFORMANCE & VALUATION BENCHMARKING

Q1 2026 | FRONTLINE TECH OPS COMPANIES COMMAND VALUATION PREMIUM

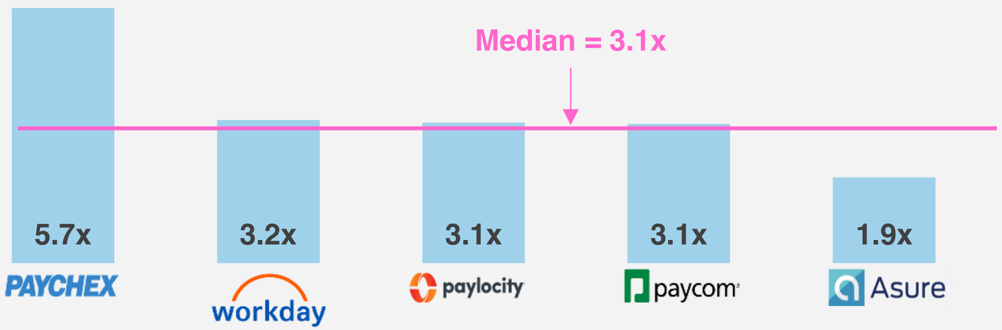
FRONTLINE OPERATIONS

EV / NTM REVENUE MULTIPLE



HCM SUITES AND PAYROLL

EV / NTM REVENUE MULTIPLE



- Frontline Operations companies command a valuation premium relative to the HCM and Payroll peers, reflecting stronger growth expectations, greater market expansion opportunities and differentiated vertical positioning
- Within Frontline Operations, valuation dispersion remains significant, with leading assets trading well above the median multiple of 4.6x EV/NTM Revenue, indicating investor preference for scaled platforms showcasing better growth and profitability
- HCM and Payroll companies trade around a median EV/NTM Revenue multiple of 3.1x, reflecting the segment's more mature growth profile, although the selected category leaders continue to attract premium valuations supported by recurring revenue and strong margins
- The valuation gap between the two segments highlights continued investor preference for higher-growth operational frontline technology platforms, while stable trading multiples across both segments suggest a well-organized market focused on sustainable growth and profitability

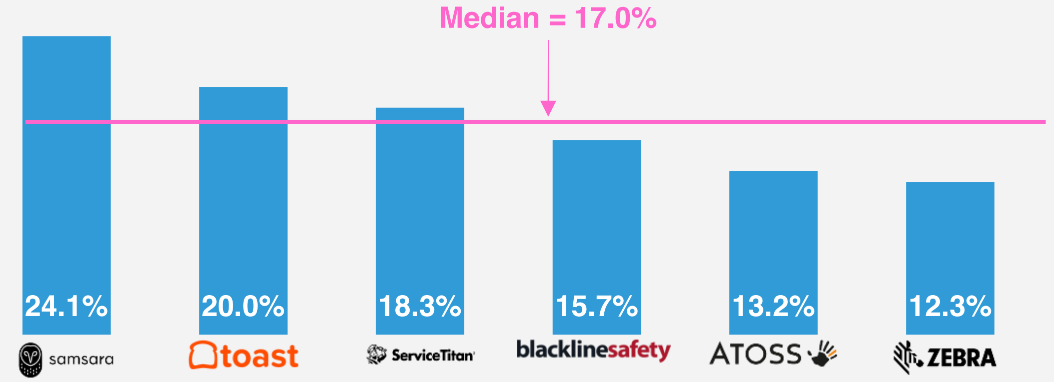
Source: S&P Capital IQ as of 09 June 2026, Drake Star Analysis

FRONTLINE TECHNOLOGY - OPERATING METRIC BENCHMARKING

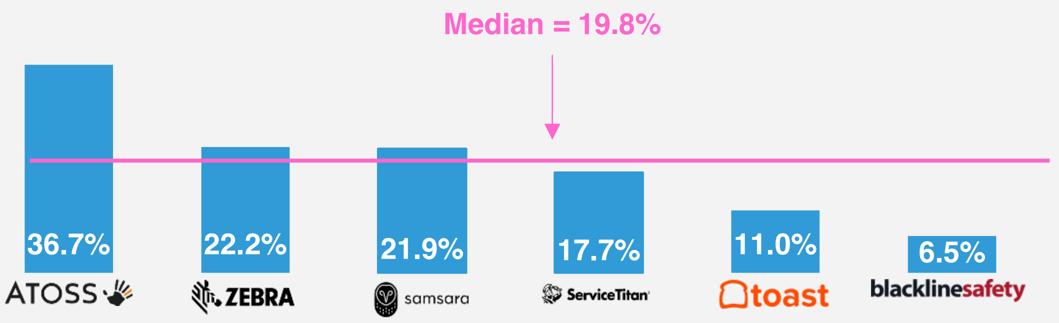
Q1 2026 | FRONTLINE OPERATIONS LEAD REVENUE GROWTH WHILE HCM SUITES MAINTAIN SUPERIOR MARGINS

FRONTLINE OPERATIONS

2026E(1) REVENUE GROWTH

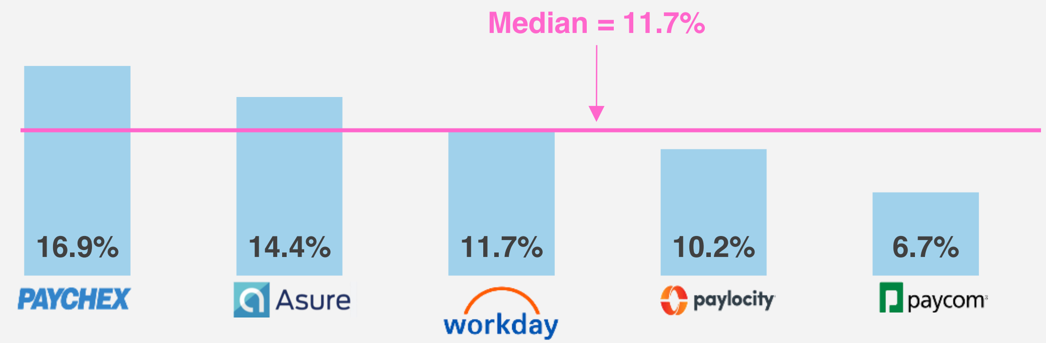


2026E(1) EBITDA MARGIN

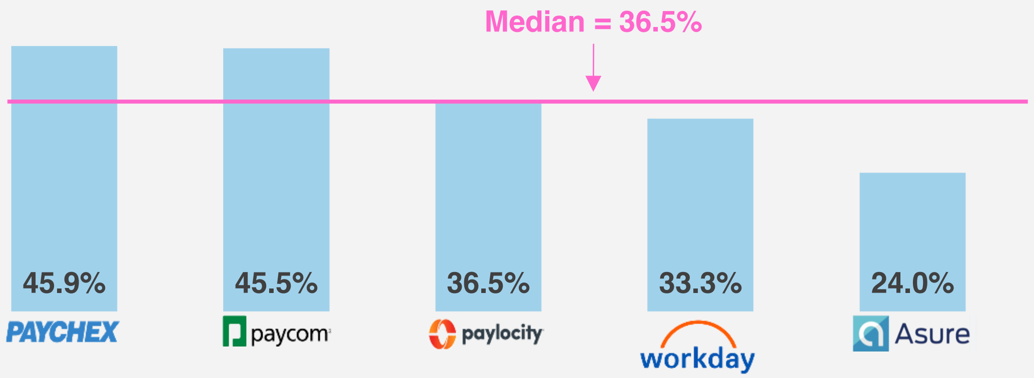


HCM SUITES AND PAYROLL

2026E(1) REVENUE GROWTH



2026E(1) EBITDA MARGIN

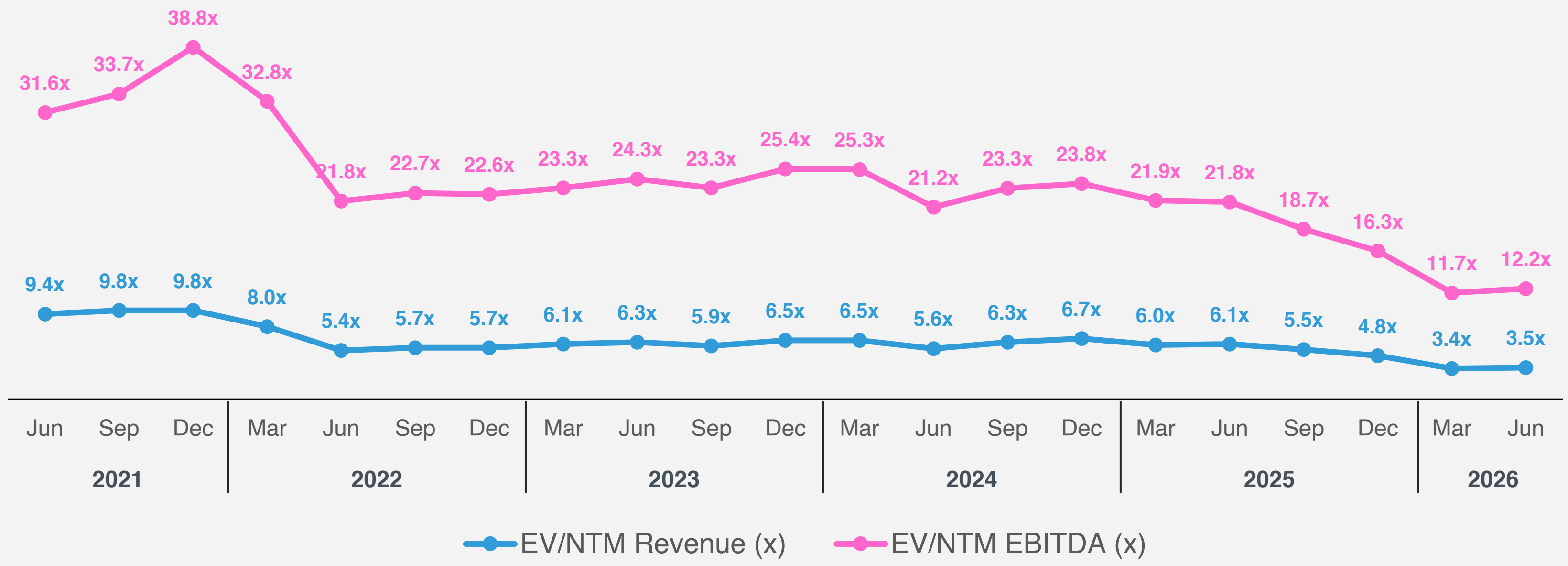


Note: (1) For Samsara, ServiceTitan and Workday, expected revenue growth and EBITDA margin are for 2027

FRONTLINE TECHNOLOGY - HISTORICAL BENCHMARKING OVERVIEW

Q1 2026 | VALUATION DISCLIPLINE PERSISTS AS INVESTORS PRIORITIZE SUSTAINABLE GROWTH

LAST 5-YEAR SECTOR TRADING PERFORMANCE



KEY METRICS OVER TIME [(1)]

Metric	2023	2024	2025
Revenue Growth	24.3%	16.8%	16.4%
Gross Margin	71.0%	68.6%	68.9%
S&M as % of Revenue	26.3%	24.7%	24.9%
SG&A as % of Revenue	41.6%	37.7%	37.1%
R&D as % of Revenue	14.9%	13.9%	14.6%
EBITDA Margin	13.6%	9.5%	12.8%

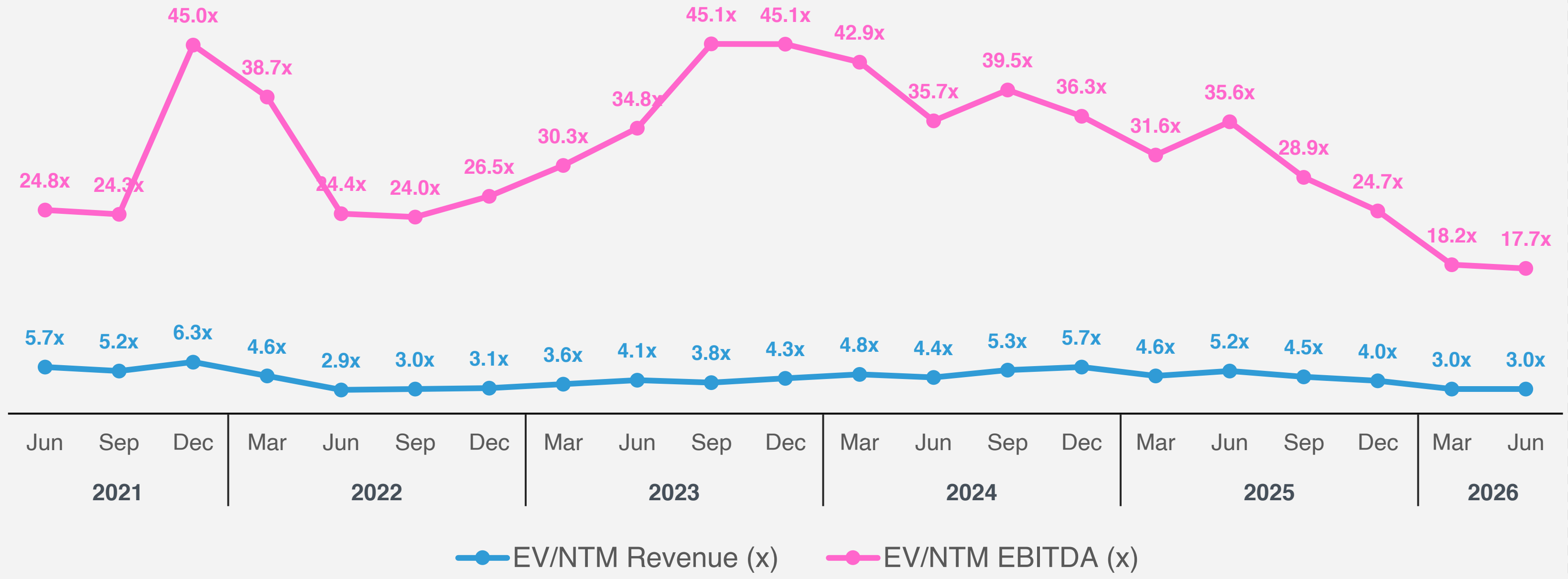
- Frontline Technology valuations reached peak levels in late 2021 amid strong investor appetite for high-growth software assets before undergoing a sustained correction through 2022 and 2025 as market focus shifted toward profitability and execution
- Following a period of multiple compression between 2022 and 2025, the broader index experienced declining valuation support despite continued revenue growth, reflecting more disciplined capital allocation and higher investor scrutiny
- Sector participants continue to maintain strong gross margins and healthy growth profiles, while improving EBITDA margins are expected to support valuation stabilization as demand and capital markets activity recover

Note: (1) Reflects the median value for each metric

FRONTLINE OPERATIONS - HISTORICAL BENCHMARKING OVERVIEW

Q1 2026 | IMPROVING PROFITABILITY AND MARGIN EXPANSION SUPPORT VALUATION STABILITY

LAST 5-YEAR SECTOR TRADING PERFORMANCE



KEY METRICS OVER TIME (1)

Metric	2023	2024	2025
Revenue Growth	34.9%	27.8%	21.1%
Gross Margin	54.9%	60.2%	64.8%
S&M as % of Revenue	27.4%	24.7%	24.5%
SG&A as % of Revenue	43.7%	39.1%	39.8%
R&D as % of Revenue	17.1%	15.2%	15.1%
EBITDA Margin	(13.3%)	(1.3%)	3%

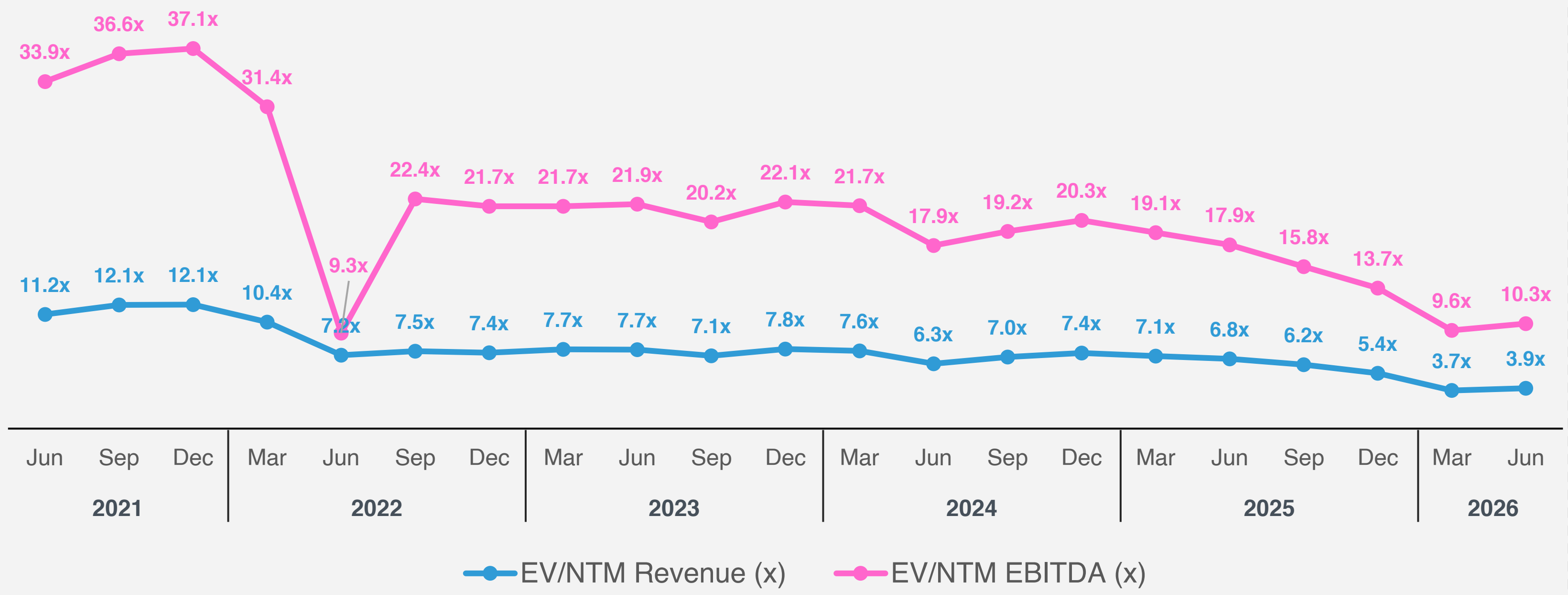
- Frontline Operations valuations expanded significantly through 2023 as investors rewarded category leaders with strong growth potential, before moderating through 2025 amid a more selective software investment environment
- Following valuation peaks in late 2023, multiples compressed steadily as revenue growth normalized and investors increasingly prioritized operational efficiency, margin expansion and sustainable profitability
- The peer group continues to demonstrate meaningful improvements in gross margins and EBITDA performance, positioning vendors to benefit from renewed growth expectations and improving market sentiment in 2026

Note: (1) Reflects the median value for each metric

HCM SUITES AND PAYROLL - HISTORICAL BENCHMARKING OVERVIEW

Q1 2026 | STRONG PROFITABILITY UNDERPINS RESILIENCE DESPITE MULTIPLE COMPRESSION

LAST 5-YEAR SECTOR TRADING PERFORMANCE



KEY METRICS OVER TIME [1]

Metric	2023	2024	2025
Revenue Growth	23.2%	11.2%	13.7%
Gross Margin	71.8%	72.0%	72.4%
S&M as % of Revenue	26.3%	24.7%	24.9%
SG&A as % of Revenue	41.6%	37.7%	37.1%
R&D as % of Revenue	12.5%	13.8%	14.0%
EBITDA Margin	15.7%	20.5%	21.6%

- HCM and Payroll valuations experienced substantial multiple compression from late 2021 through 2025 as elevated pandemic-era trading levels normalized and growth expectations moderated across the sector
- After a sharp reset during 2022, valuation multiples remained relatively stable through 2024 before declining further in 2025, reflecting a more mature growth outlook and broader software market repricing
- Despite lower trading multiples, HCM and Payroll vendors continue to exhibit strong profitability characteristics, with stable gross margins and steadily improving EBITDA margins supporting long-term sector resilience and investor confidence

Note: (1) Reflects the median value for each metric

PUBLIC COMPANY STATISTICS

DATA AS ON 09 JUNE 2026 | FINANCIAL FIGURES IN $M EXCEPT SHARE PRICE

	Company Name	Price as on 9 Jun 2026	M Cap as on 9 Jun 2026	EV as on 9 Jun 2026	Revenue LTM	EBITDA LTM	EV / Revenue (x) LTM	EV / Revenue (x) NTM	EV / EBITDA (x) LTM	EV / EBITDA (x) NTM	Revenue Growth LTM	Revenue Growth NTM	EBITDA Margin % LTM	EBITDA Margin % NTM
FRONTLINE OPERATIONS	Zebra Tech	$ 234.20	$ 11,100.5	$ 13,835.5	$ 5,583.0	$ 1,026.0	2.5x	2.3x	NA	10.2x	19.7%	9.9%	18.4%	22.2%
	ATOSS Software	$ 89.94	$ 1,443.7	$ 1,311.1	$ 224.5	$ 83.1	5.8x	5.1x	15.8x	13.9x	25.0%	14.0%	37.0%	36.8%
	Blackline Safety	$ 6.45	$ 565.8	$ 545.2	$ 108.7	$ 0.5	5.0x	4.1x	0.0x	53.6x	53.3%	22.2%	0.5%	7.7%
	ServiceTitan	$ 70.71	$ 6,959.3	$ 6,588.8	$ 1,014.1	$ (80.4)	6.5x	5.6x	NA	31.4x	57.0%	16.0%	(7.90%)	17.8%
	Samsara	$ 33.62	$ 19,847.1	$ 18,634.7	$ 1,730.6	$ 0.6	10.8x	8.9x	0.0x	39.7x	72.7%	21.2%	0.0%	22.4%
	Toast	$ 25.00	$ 13,970.7	$ 12,217.7	$ 6,446.0	$ 420.0	1.9x	1.6x	NA	14.3x	15.6%	19.5%	6.5%	11.1%
HCM SUITES AND PAYROLL	Asure Software	$ 8.92	$ 257.8	$ 314.2	$ 148.4	$ 23.5	2.1x	1.9x	12.2x	8.2x	57.5%	10.4%	15.8%	23.4%
	Paychex	$ 100.28	$ 35,442.1	$ 38,674.9	$ 6,333.8	$ 2,908.5	6.1x	5.7x	13.2x	12.1x	30.8%	7.1%	45.9%	47.1%
	Workday	$ 140.23	$ 35,504.9	$ 34,956.9	$ 9,854.0	$ 1,512.0	3.5x	3.2x	20.1x	9.8x	39.1%	10.9%	15.3%	32.8%
	Paycom	$ 136.14	$ 6,327.3	$ 6,937.0	$ 2,093.1	$ 670.8	3.3x	3.1x	10.0x	7.1x	37.7%	6.7%	32.0%	43.9%
	Paylocity	$ 113.14	$ 6,000.7	$ 5,835.5	$ 1,727.3	$ 409.5	3.4x	3.1x	13.7x	8.8x	37.6%	7.5%	23.7%	35.7%
						Average	**4.6x**	**4.1x**	**10.6x**	**19.0x**	**0.4x**	**13.2%**	**17.0%**	**27.3%**
						Median	**3.5x**	**3.2x**	**12.7x**	**12.1x**	**0.4x**	**10.9%**	**15.8%**	**23.4%**

Note: Past performance does not guarantee future results. This is not a recommendation to buy or sell any specific security.

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FRONTLINE TECHNOLOGY

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