



GLOBAL HR TECH REPORT

Q1 2023

WWW.DRAKESTAR.COM

DRAKE STAR AT A GLANCE

WHY OUR CLIENTS CHOOSE US



100% TECH-FOCUSED

Deep sector expertise in
7 core tech verticals



LEADER IN MID-MARKET TECH INVESTMENT BANKING

Only 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 450 transactions
completed incl. numerous
tech landmark deals



RECOGNIZED BY THE INDUSTRY

- 8x investment bank of
the year
- 33x deal of the year
- 5x leadership awards

STRICTLY CONFIDENTIAL

OUTSTANDING TRACK RECORD

IN HR TECH DEALMAKING

 <p>SALE TO</p>  <p>Portfolio company of Audax Group</p>	 <p>STRATEGIC GROWTH INVESTMENT BY</p>  <p>CAPITAL PARTNERS</p>	 <p>SALE TO</p>  <p>Portfolio company of Goldman Sachs</p>	 <p>SALE TO</p> 	 <p>SALE TO</p>  <p>Portfolio company of capvis</p>	 <p>MAJORITY SALE TO</p> 
 <p>SALE TO</p> 	 <p>Sale of IntelliCorp</p> <p>SALE TO</p>  <p>A subsidiary of CIP CAPITAL</p>	 <p>SALE TO</p>  <p>CAPITAL PARTNERS</p>	 <p>SALE TO</p> 	 <p>DIVESTURE OF AMACOM TO</p>  <p>A subsidiary of News Corp</p>	 <p>SALE TO</p>  <p>a portfolio company of Goldman Sachs & CDPQ</p>
 <p>PRIVATE PLACEMENT</p> 	 <p>PRIVATE PLACEMENT</p>  	 <p>SALE TO</p>  <p>A part of Experion</p>	 <p>ACQUISITION OF</p>  <p>Field Service Software Division</p>	 <p>SALE TO</p> 	 <p>IPO*</p>

Note: Selected deals

* Deals executed by Partners of Drake Star



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CURRENT HR TECH MARKET DYNAMICS AT A GLANCE

STRONG MARKET TRACTION DESPITE ECONOMIC UNCERTAINTY

1,300+

HR Tech transactions
in 2022

\$13.5bn+

Total invested capital
in HR Tech in 2022

+20%

HR Tech fundings in H1 2022
YoY despite a 5% drop in the
overall funding market

\$31.5bn

Global HR Tech market
volume in 2022

+9.1%

Expected annual growth in
market volume until 2028

75%

Of companies globally report
talent shortage in 2022

HR TECH TRENDS 2023

INCREASING ADOPTION OF TECHNOLOGY TO ADDRESS MARKET NEEDS



Employees remain in the driver's seat - resulting in accelerated adoption of digital hiring processes



The HR Tech stack will continue to consolidate from point solutions to ecosystems



DEI and compliance is crucial to both regulators and employees



Talent retention and employee engagement will remain a key focus area

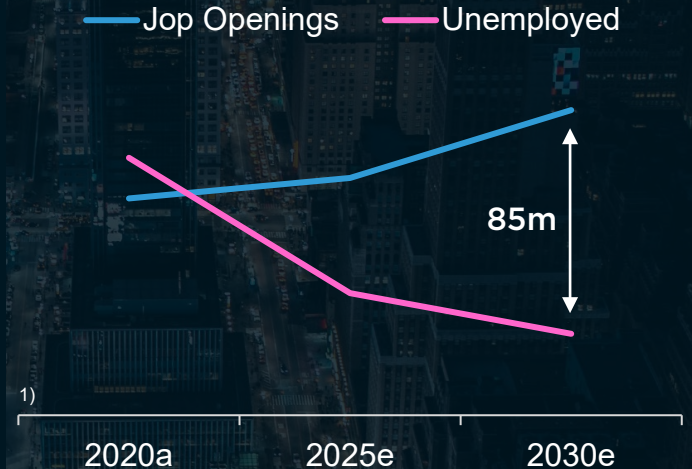


2023 will be the year of internal mobility empowered by the increased adoption of talent marketplaces



The rise of the employee-centric company will make HR analytic tools indispensable

Global Talent Shortage (US & EU)



Ongoing secular changes in the workforce are driving a shortage of talent. By 2030, there will be an expected global workforce gap of 85 million people

AGENDA

06 ► **OVERALL HR TECH MARKET UPDATE**

18 ► TALENT ACQUISITION

26 ► HUMAN CAPITAL MANAGEMENT / TALENT
MANAGEMENT

36 ► ABOUT DRAKE STAR

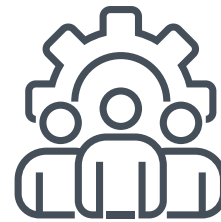
DRAKE STAR'S HR TECH UNIVERSE

COVERING THE ENTIRE VALUE CHAIN



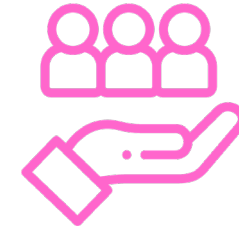
Talent Acquisition

Sourcing
Recruitment Marketing
Selection
Suite/Engagement
Onboarding



Human Capital Management

HRIS/Payroll
Benefits
Workforce Management
Contingent Labor



Talent Management

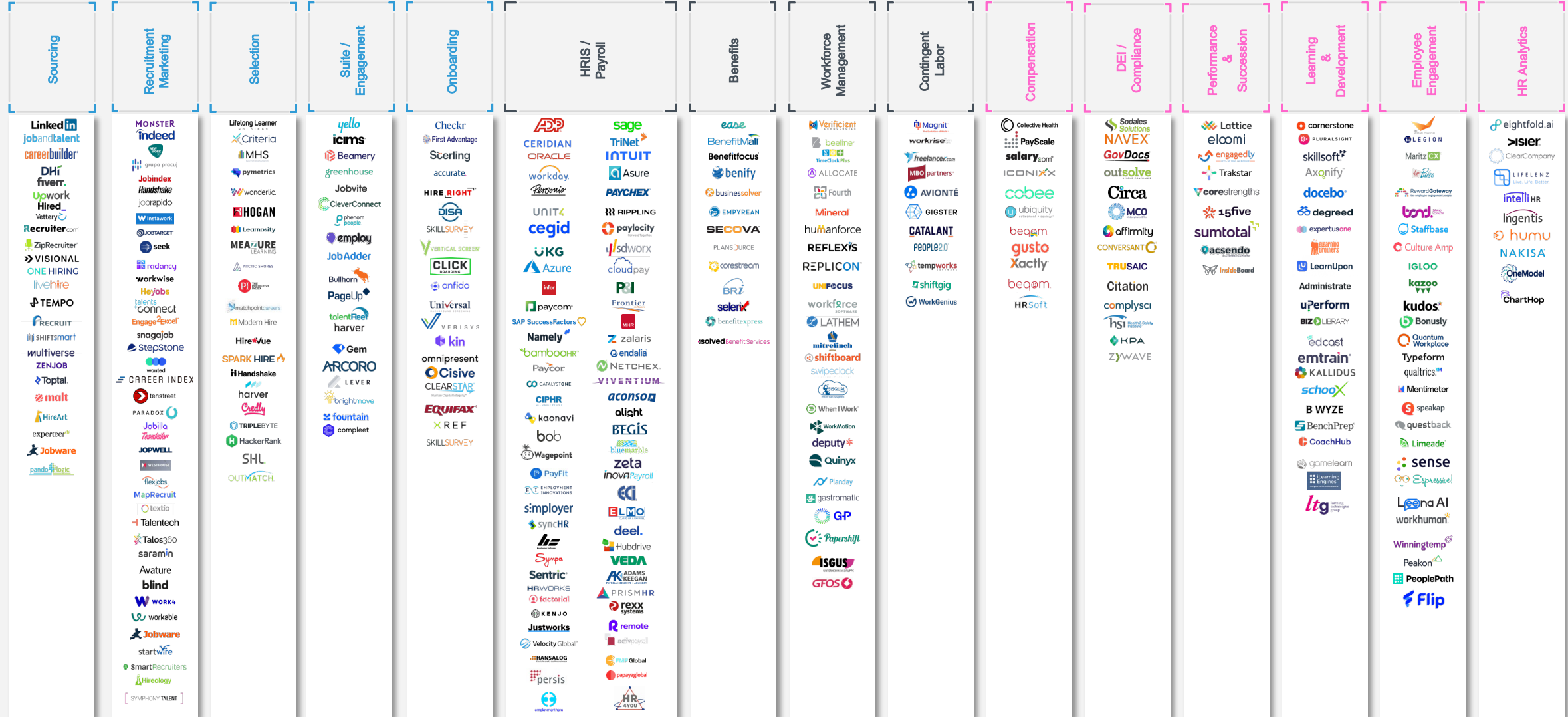
Compensation
DEI/Compliance
Performance & Succession
Learning & Development
Employee Engagement
HR Analytics

REPRESENTATIVE HR TECH MARKET LANDSCAPE

TALENT ACQUISITION

HUMAN CAPITAL MANAGEMENT

TALENT MANAGEMENT



MARKET TRENDS ACROSS DIFFERENT HR TECH VERTICALS

HR TECH VERTICALS MARKET OVERVIEW

TALENT ACQUISITION



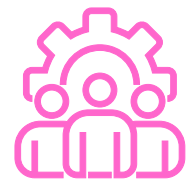
- Continued rise of data-driven recruiting accelerates use of real-time analytics and insights – from pipeline growth metrics and offer acceptance rates to the quality and cost of new hires and candidate feedback scores
- In addition, there is a growing need to prioritize internal mobility. Around 90% of HR professionals encourage their workers to apply for openings within their organization

HUMAN CAPITAL MANAGEMENT



- Economic uncertainty and political tensions have led to increased disruption and change. As such, organizational design and change management remain a top priority for CHROs, especially now, as organizations are seeing the fallout of increasing change and uncertainty
- Workforce planning — anticipating future talent needs — is at the epicenter of a future of work strategy and is a top priority for HR leaders. But today's workforce planning is disconnected from reality and current strategies are ineffective at combating the disruptive landscape

TALENT MANAGEMENT



- The increasing penetration rate of cloud-based platforms, artificial intelligence, machine learning, and virtual and augmented reality are all playing crucial roles in transitioning the talent experience towards more technology-enabled workplaces enabling the effective management of talent
- Well-being continues to be a key focus area as it improves talent retention rates

CAPITAL MARKET ENVIRONMENT

LAST 24 MONTHS SHARE PRICE PERFORMANCE



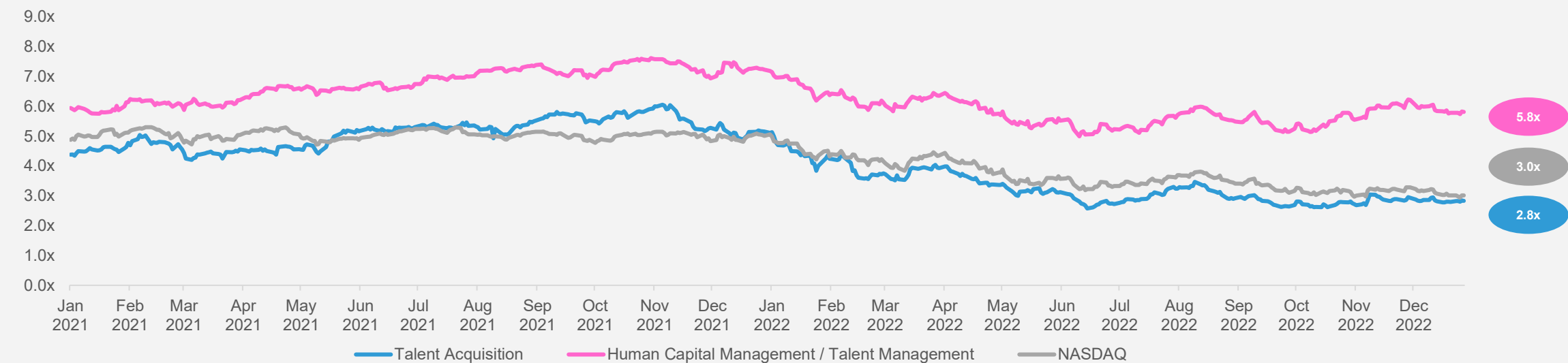
TALENT ACQUISITION

HUMAN CAPITAL MANAGEMENT / TALENT MANAGEMENT

Source: Capital IQ as of December 31, 2022 (equally weighted)

CAPITAL MARKET ENVIRONMENT

LAST 24 MONTHS EV/REVENUE



TALENT ACQUISITION

Logos: RECRUIT, ZipRecruiter, NEW WORK SE, VISIONAL, upwork, fiverr., grupa pracuj, seek, HIRE RIGHT, EQUIFAX, First Advantage, Sterling

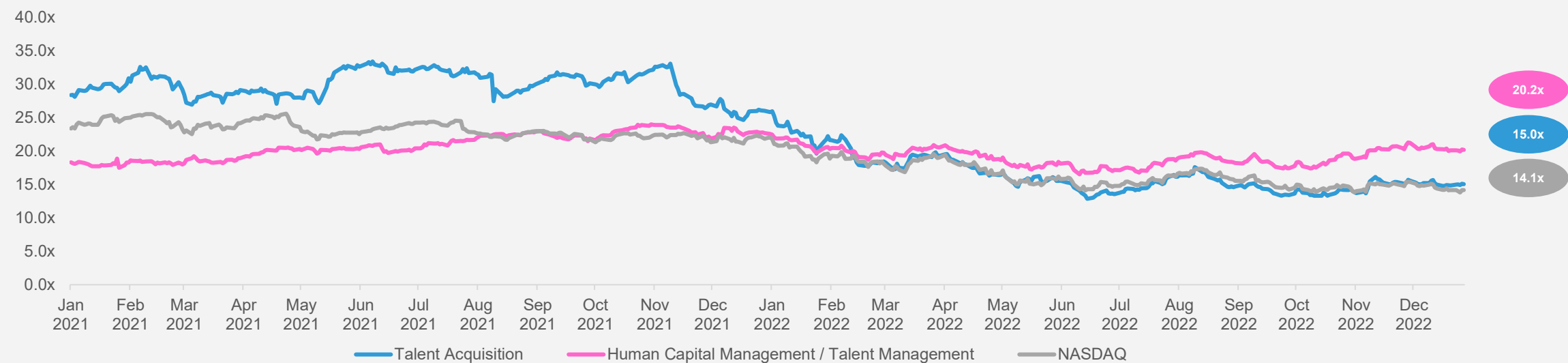
HUMAN CAPITAL MANAGEMENT / TALENT MANAGEMENT

Logos: ADP, ORACLE, CERIDIAN, qualtrics XM, SAP, workday, paycom, Paycor, docebo, PAYCHEX, paylocity, Sage, TriNet, ltg learning technologies group

Source: Capital IQ as of December 31, 2022

CAPITAL MARKET ENVIRONMENT

LAST 24 MONTHS EV/EBITDA



TALENT ACQUISITION

HUMAN CAPITAL MANAGEMENT / TALENT MANAGEMENT

Source: Capital IQ as of December 31, 2022

QUARTERLY PERFORMANCE OF DRAKE STAR HR TECH INDICES

CAPTURING THE LAST EIGHT QUARTERS

		Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q1 2022	Q2 2022	Q3 2022	Q4 2022
Talent Acquisition Index	Share ¹⁾ Price	+4.5%	+12.6%	-2.6%	-5.3%	-12.1%	-31.1%	-5.4%	-7.0%
	INDEX	105	120	116	112	99	70	68	69
Human Capital Management / Talent Management Index	Share ¹⁾ Price	-6.3%	+7.9%	+15.6%	-2.8%	-11.3%	-24.4%	+2.5%	+2.3%
	INDEX	94	103	119	117	103	80	83	86
NASDAQ Index	Share ¹⁾ Price	+4.3%	+7.6%	-0.5%	+7.4%	-10.2%	-24.1%	-5.0%	-3.2%
	INDEX	104	114	114	123	112	87	83	82

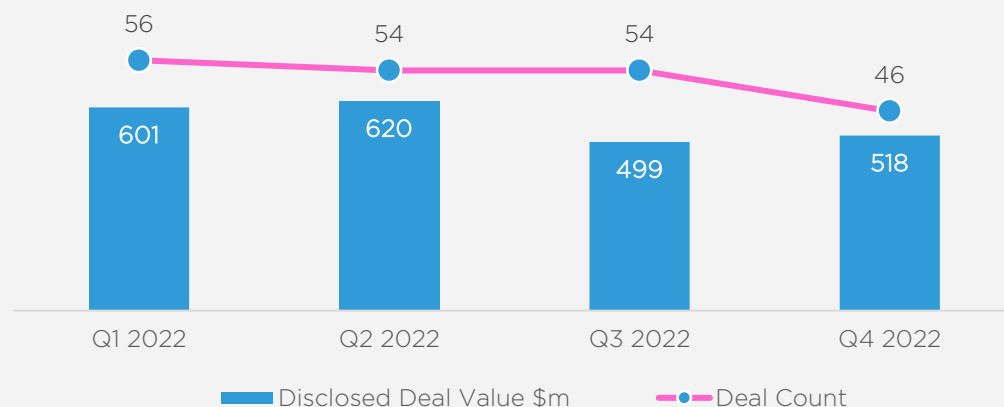
- HR Tech share price drops beginning at the end of 2021 were mainly driven by rising interest rates and a generally negative market sentiment temporarily weighing against overall strong HR Tech markets in the post pandemic time
- From Q3 2022, a rebound could be observed in the HCM / Talent Management verticals, outperforming NASDAQ
- As investors are currently focused on subscription-based revenue models, the Talent Acquisition space has underperformed both NASDAQ and HCM / Talent Management in Q4 2022

1) Performance today vs. end of previous quarter 2) Indexed to 100 in Q4 2020
Source: Capital IQ as of December 31, 2022

HR TECH M&A & PRIVATE PLACEMENT ACTIVITY

DEVELOPMENT OVER THE LAST FOUR QUARTERS

M&A



46
transaction
in Q4 2022

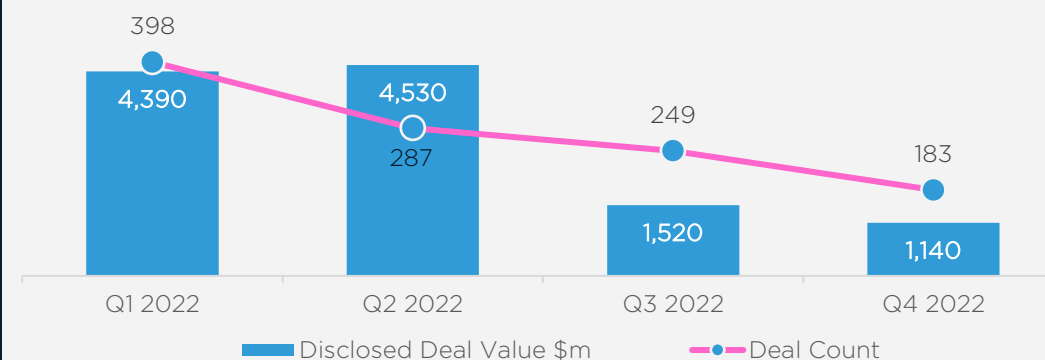


\$308m
largest disclosed
deal in Q4 2022
(ELMO)



43%
European share of
global deal making

PRIVATE PLACEMENTS



183
private
placements
in Q4 2022



\$139m
largest funding
round in Q4 2022
(eRoad)



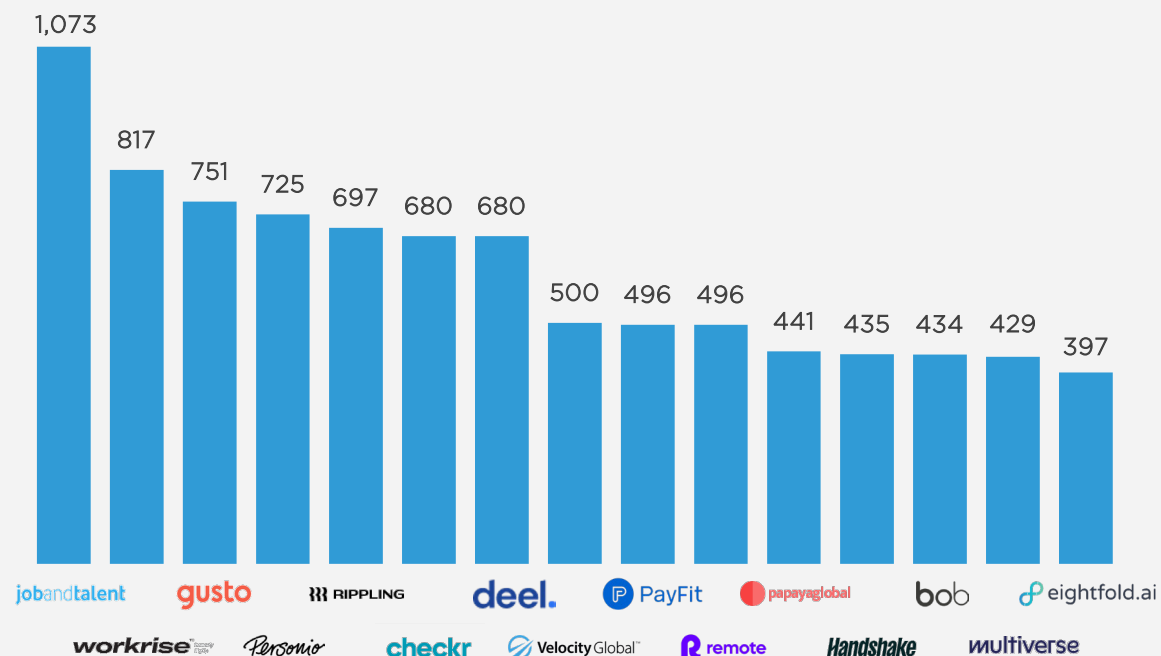
27%
European share of
global deal making

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 (in \$m)¹⁾







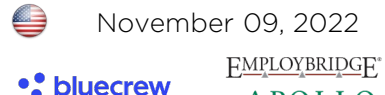
- The **top 15** funded private companies have raised **\$9.1bn** during their lifespan

1) Numbers display total funding as of Q4 2022 2) By number of investments in 2022
Source: Pitchbook

Top 15 Most Active Financial Investors in HR Tech 2022²⁾

Investor	Number of Investments	Selected Investments
techstars	36	RAENEST, edvisor, huntr
Combinator	29	deel., HireSure.ai, RIPPING
FJ LABS	14	teamcubation, EarlyDay, HUNTÝ
TIGERGLOBAL	14	seekout, factorial, compete
500	14	Hirefly, Palenca, CLAP
Gaingels	13	bambee, MYSTERY, remote
10XCAPITAL	12	mello, assembly, STRONGSUIT
Google for Startups	11	hound, CodersLink, terawork
GFC	11	atma, Personio, flash
Alumni Ventures	10	FIVE TO NINE, assembly, opencomp
Acce	9	Personio, PayFit, remote
INSIGHT PARTNERS	8	Canditech, Staffbase, Valence
PLUGANDPLAY	8	Ashare, RHOME, aragorn
GENERAL CATALYST	8	multiverse, localize, remote
GENERAL ATLANTIC	8	bob, PayFit, gusto

NOTABLE HR TECH M&A DEALS IN Q4 2022

 <p>October 26, 2022</p> <p>EV: \$308m</p>	 <p>November 21, 2022</p> <p>EV: \$79m</p>	 <p>November 01, 2022</p>	 <p>November 01, 2022</p> <p>EV: \$22m</p>	 <p>November 09, 2022</p>
<p>Elmo acquired by K1 Investment Management</p> <ul style="list-style-type: none"> Elmo provides Software-as-a-Service (SaaS), cloud-based Human Resources (HR), payroll and expense management solutions 	<p>Deel completes acquisition of PayGroup</p> <ul style="list-style-type: none"> PayGroup is a Software as a Service (SaaS) company that provides business process outsourcing and cloud-based human capital management solutions to multinational companies The acquisition will expand Deel's customer base and reinforce its leadership in the global payroll space 	<p>Visma completes acquisition of Flex Applications</p> <ul style="list-style-type: none"> Flex Applications is a developer of administration software intended to offer competent and user-friendly systems for personnel administration The acquisition of Flex Applications will strengthen Visma's Human Capital Management offering 	<p>Marpai completes acquisition of Maestro Health</p> <ul style="list-style-type: none"> Maestro Health is a developer of an online employee health and benefits platform designed to simplify and personalize how people shop, enroll and live with their benefits The acquisition of Maestro Health will expand Marpai's product offering and expand its potential customer base 	<p>Bluecrew acquired by EmployBridge, via Apollo Global Management</p> <ul style="list-style-type: none"> Developer of a workforce management platform designed to find and manage hourly workers The transaction brings together EmployBridge's offering and scales with the company's digital-first model and technology to create a national workforce management platform.

















Talent Acquisition

Human Capital Management

Talent Management

Sources: Pitchbook, Mergermarket, Capital IQ, DS Research

NOTABLE HR TECH PRIVATE PLACEMENTS IN Q4 2022

 November 22, 2022  指数资本 Index Capital Deal Size: \$139m	 October 11, 2022  factorial  atomico  CREANDUM Deal Size: \$120m	 November 14, 2022  优蓝招聘  CICC 中金公司  TRUSTBRIDGE Deal Size: \$65m	 November 09, 2022  keka  WESTBRIDGE CAPITAL Deal Size: \$57m	 December 13, 2022  Beamery  TEACHERS' VENTURE GROWTH Deal Size: \$50m
<p>eRoad Software completes Later Stage VC funding led by Index Capital China</p> <ul style="list-style-type: none"> eRoad Software is a provider of integrated employee services with a focus on payroll for mid-to-large sized enterprises The funding will be used to accelerate the continuous upgrading and iterations of the company's product, and further improve the platform and ecosystem to achieve value symbiosis in the industry 	<p>Factorial completes later stage funding led by Atomico</p> <ul style="list-style-type: none"> Factorial is a developer of a human resources management platform designed for small and medium-sized businesses The funds will be used to double down on the company's mission to bring enterprise-level software to SMBs worldwide, help digitize an often underserved market and continue building out more technology 	<p>Youlan recruitment successfully closes Series C financing round</p> <ul style="list-style-type: none"> Youlan is a developer of a recruitment platform designed to help companies in blue-collar industries find labor 	<p>Keka completes Series A financing round</p> <ul style="list-style-type: none"> Keka is a developer of human resource payroll management software designed to automate HR tasks The funds will be used towards research and development even as it plans to expand its engineering, product, and customer success team 	<p>Beamery completes Series D financing round</p> <ul style="list-style-type: none"> Beamery provides a talent lifecycle management platform empowering companies to understand the skills and capabilities they have, build more agile workforce plans, attract, retain, upskill and redeploy their workforce The funds will be used to support continued investment in the company's platform & technical capabilities and help expand the global sales footprint

Talent Acquisition

Human Capital Management

Talent Management

Sources: Pitchbook, Mergermarket, Capital IQ, DS Research

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CAPITAL MARKET ENVIRONMENT – TALENT ACQUISITION

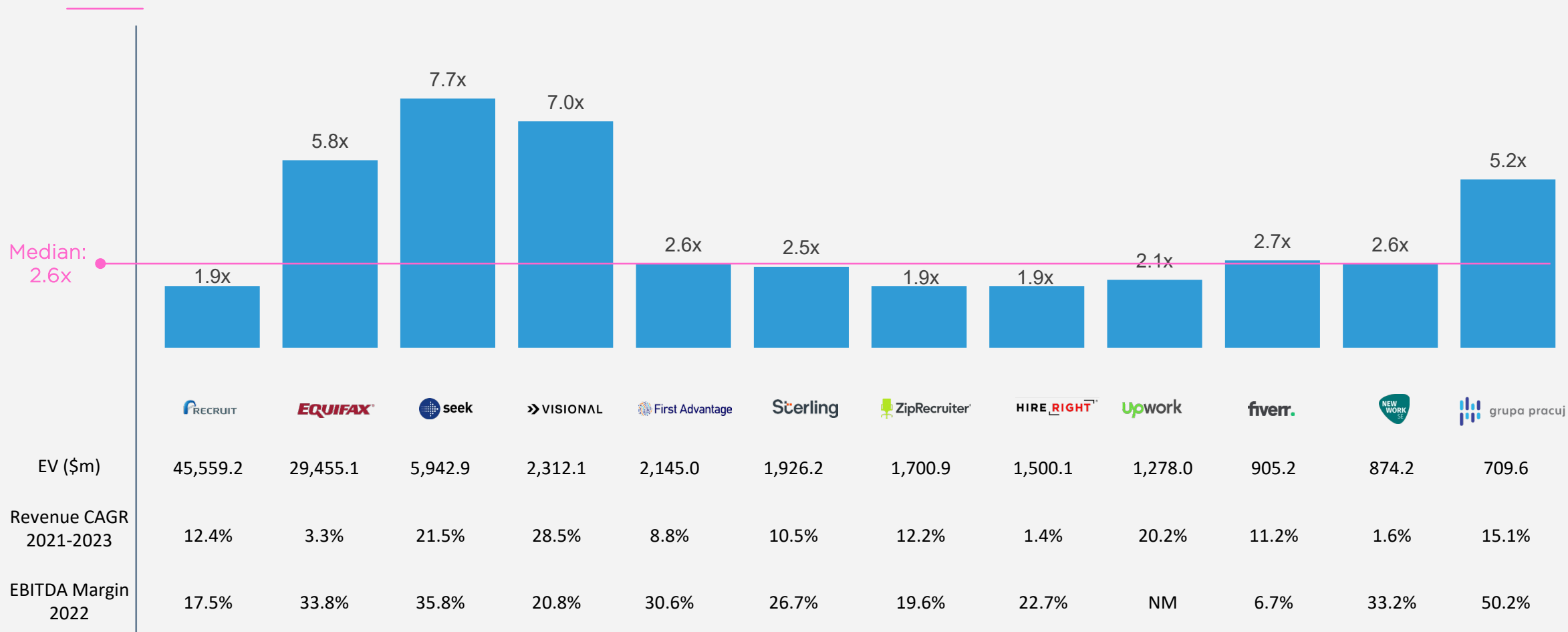
LAST 24 MONTHS SHARE PRICE PERFORMANCE



Source: Capital IQ as of December 31, 2022

CAPITAL MARKET ENVIRONMENT – TALENT ACQUISITION

LTM EV/REVENUE MULTIPLES DEVELOPMENT

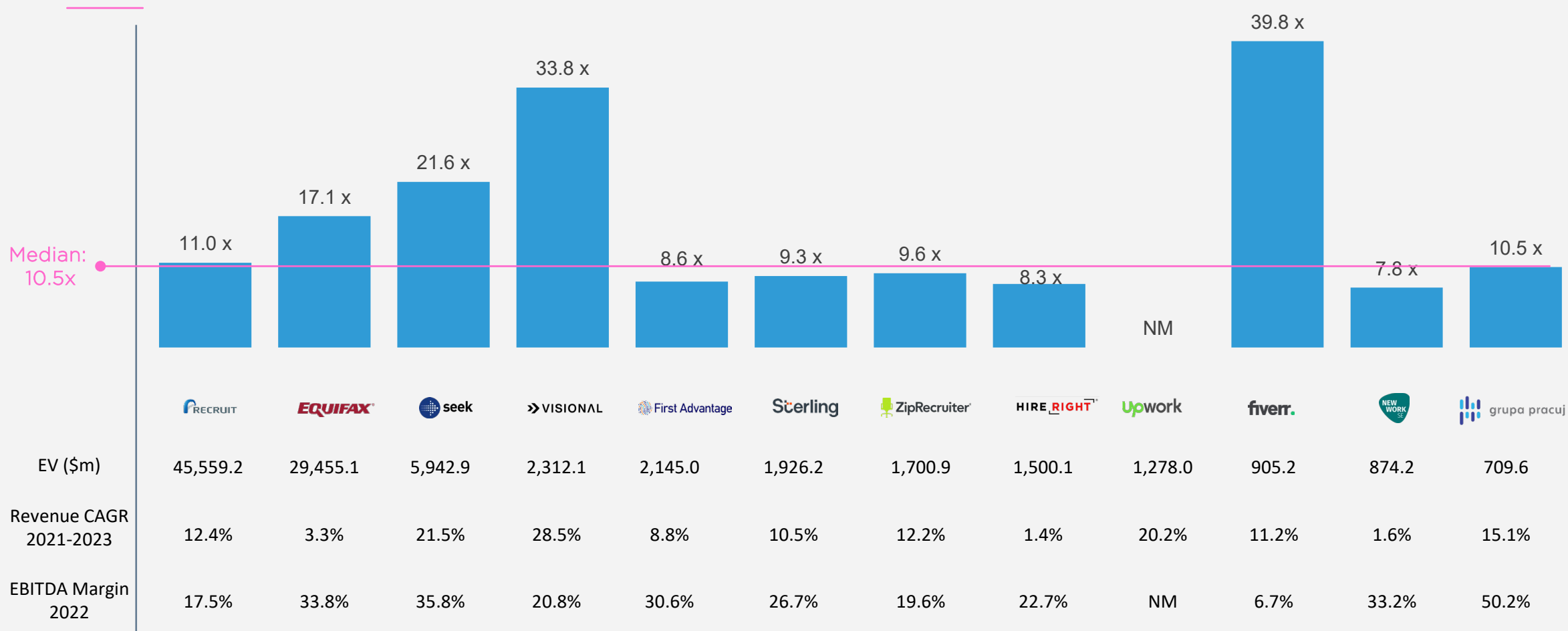


Source: Capital IQ as of 31.12.2022

1) Financials for relevant period not yet released













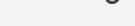











CAPITAL MARKET ENVIRONMENT – TALENT ACQUISITION

LTM EV/EBITDA MULTIPLES DEVELOPMENT



Source: Capital IQ as of 31.12.2022
 1) Financials for relevant period not yet released

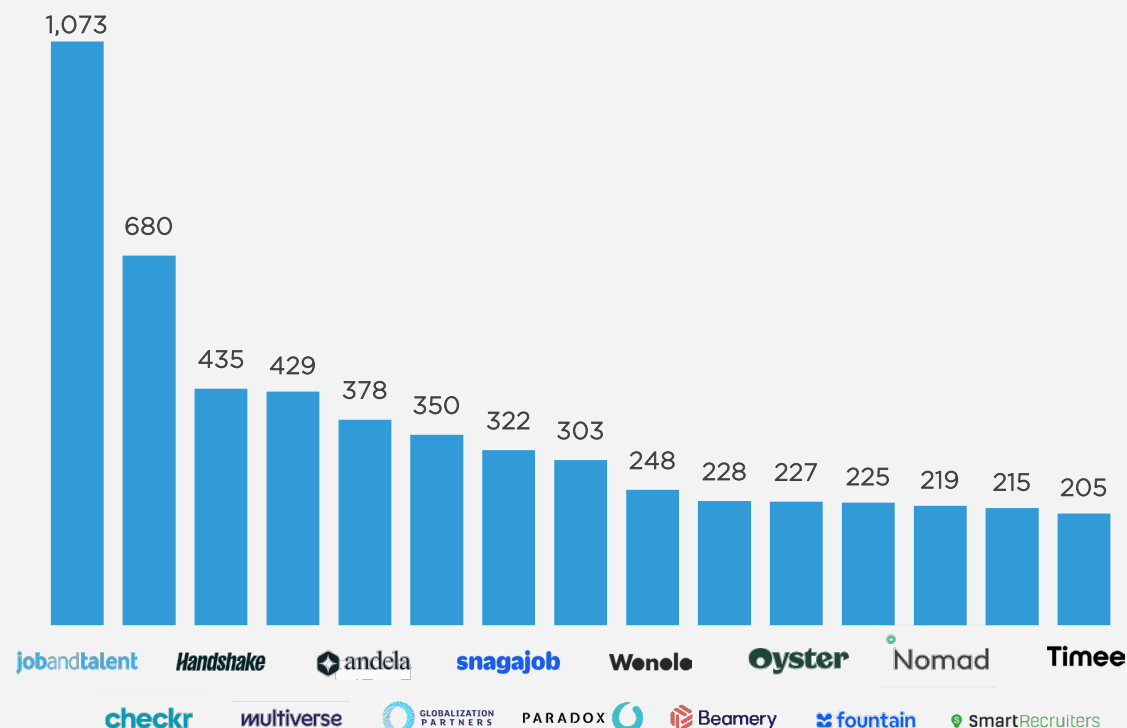
PUBLIC COMPANY TRADING ANALYSIS – TALENT ACQUISITION

Company	HQ	Share Price (\$)	Enterprise Value (\$m)	Market Cap (\$m)	Revenue CAGR 21a-23e	EBITDA Margin (%)			EV / Revenue			EV / EBITDA		
						2021a	2022e	2023e	2021a	2022e	2023e	2021a	2022e	2023e
 RECRUIT		31.67	45,559.2	50,689.4	12.4%	13.1%	17.5%	15.3%	2.2 x	1.9 x	1.8 x	17.0 x	11.0 x	11.5 x
 EQUIFAX		194.36	29,455.1	23,798.1	3.3%	33.1%	33.8%	34.7%	6.0 x	5.8 x	5.6 x	18.1 x	17.1 x	16.1 x
 seek		14.24	5,942.9	5,031.8	21.5%	34.9%	35.8%	45.4%	10.4 x	7.7 x	7.1 x	29.9 x	21.6 x	15.5 x
 VISIONAL		66.12	2,312.1	2,545.4	28.5%	10.6%	20.8%	23.1%	8.8 x	7.0 x	5.4 x	83.6 x	33.8 x	23.2 x
 First Advantage		13.00	2,145.0	1,975.1	8.8%	29.0%	30.6%	30.0%	3.0 x	2.6 x	2.5 x	10.4 x	8.6 x	8.5 x
 Sterling		15.47	1,926.2	1,501.5	10.5%	13.4%	26.7%	27.3%	3.0 x	2.5 x	2.5 x	22.5 x	9.3 x	9.0 x
 ZipRecruiter		16.42	1,700.9	1,809.2	12.2%	3.8%	19.6%	21.1%	2.3 x	1.9 x	1.8 x	60.7 x	9.6 x	8.6 x
 HIRE RIGHT		11.86	1,500.1	942.7	1.4%	18.6%	22.7%	22.4%	2.1 x	1.9 x	2.0 x	11.1 x	8.3 x	8.9 x
 upwork		10.44	1,278.0	1,371.2	20.2%	NM	NM	1.8%	2.5 x	2.1 x	1.8 x	NM	NM	NM
 fiverr.		29.14	905.2	1,081.8	11.2%	NM	6.7%	10.4%	3.0 x	2.7 x	2.5 x	NM	39.8 x	23.6 x
 NEW WORK		163.09	874.2	916.6	1.6%	22.5%	33.2%	33.4%	2.4 x	2.6 x	2.4 x	10.9 x	7.8 x	7.1 x
 grupa pracuj		9.34	709.6	637.7	15.1%	50.4%	50.2%	45.1%	6.0 x	5.2 x	4.5 x	12.0 x	10.5 x	10.1 x
MEAN					12.2%	22.9%	27.1%	25.8%	4.3 x	3.7 x	3.3 x	27.6 x	16.1 x	20.2 x
MEDIAN					11.7%	20.5%	26.7%	25.2%	3.0 x	2.6 x	2.5 x	17.5 x	10.5 x	10.8 x

Source: Capital IQ as of December 31, 2022

VENTURE-BACKED PRIVATE COMPANIES & INVESTORS – TALENT ACQUISITION

Top 15 Best Funded Private Talent Acquisition Companies (in \$m)¹⁾



- The **top 15** funded private companies have raised **\$5.5bn** during their lifespan











1) Numbers display total funding as of Q4 2022 2) By number of investments in 2022
Source: Pitchbook

Top 10 Most Active Financial Investors in Talent Acquisition 2022²⁾

Investor	Number of Investments	Selected Investments
techstars	19	DIVERSIBOARD, edvisor, huntr
Combinator	12	Bemlo, HireSure.ai, Litebulb
FJ LABS	11	teamcubation, EarlyDay, HUNT
500	10	Hirefly, OnMyGrid, CLAP
Gaingels	8	RIPPLEMATCH, talenthire, venboarder
TIGERGLOBAL	8	wizehire, seekout, otta
Google for Startups	8	hound, CodersLink, terawork
GFC	5	atma, kula, BarRaiser
INSIGHT PARTNERS	5	able, Canditech, A
THE FUND	5	hound, PathMatch, vahan



















- The **top 10** most active financial investors have closed **91 Talent Acquisition transactions** in 2022

NOTABLE M&A DEALS IN Q4 2022 – TALENT ACQUISITION

 October 02, 2022 	 October 13, 2022 	 November 21, 2022 	 October 12, 2022 	 November 02, 2022 
RCM Technologies acquires TalentHerder	Paycor acquires Talenya	Cegid acquires DigitalRecruiters	The Muse acquires Fairygodboss	Alexander Mann Solutions completes the acquisition of Hire Power
<ul style="list-style-type: none"> TalentHerder provides talent acquisition services that identify and hire talent across tech and non-tech functions The acquisition will bolster RCM's existing capabilities by expanding its recruitment process outsourcing ("RPO") service footprint, enhancing the company's candidate sourcing reach, and enabling RCM's in-house recruiting team to respond more rapidly to client needs 	<ul style="list-style-type: none"> Talenya is a developer of a technology-based recruitment platform designed to identify suitable talent for open jobs Talenya's innovative platform will allow Paycor customers to reduce time to fill critical roles by sourcing both candidates that are actively looking to change jobs and passive candidates that are not actively seeking a new role 	<ul style="list-style-type: none"> DigitalRecruiters is a developer of Software-as-a-Service (SaaS) based recruitment platform designed for multi-site, multi-brand and international organizations Cegid aims to expand its solution portfolio for the HR market 	<ul style="list-style-type: none"> Fairygodboss is an operator of an online career community platform intended to improve female job experience and work-life balance This acquisition combines the online career community for Gen Z and millennial candidates with the largest online career community for women 	<ul style="list-style-type: none"> Hire Power provides talent acquisition and management services. It offers outsourcing services, metrics, campus strategy, branding support, and EVP finalization

Sources: Pitchbook, Mergermarket, Capital IQ, DS Research

NOTABLE PRIVATE PLACEMENTS IN Q4 2022 – TALENT ACQUISITION

 October 05, 2022   	 October 18, 2022   	 November 16, 2022   <small>Automated Social Recruitment Marketing</small> Deal Size: \$10m	 November 23, 2022    Deal Size: \$11m	 November 01, 2022   Deal Size: \$40m
<h2>XOR raises a Later Stage financing round</h2>	<h2>Retorio a Later Stage financing round</h2>	<h2>Adway successfully raises Series A financing round</h2>	<h2>Sapia.ai raises Series A financing round</h2>	<h2>Qwick raises Series B financing round</h2>
<ul style="list-style-type: none"> • XOR is an operator of a recruitment platform intended to assist the recruiting and human resource teams to hire and retain talent efficiently • The fresh funds will enable Xor to expand its workforce of 52 people and accelerate development of its forthcoming product, which is designed to automate internal processes like onboarding, paperwork filing, and estimating job satisfaction and churn 	<ul style="list-style-type: none"> • Retorio provides a platform offering a software solution for personality assessment using artificial intelligence to help recruiters identify talent • The raised capital will be used to further expand the rapidly growing volume of customer inquiries - both in the area of existing and new customers 	<ul style="list-style-type: none"> • Adway is a developer of a human resources and recruitment marketing platform designed to make talent attraction easier by unlocking access to great talent • The funds will be used to accelerate and scale the company's platform, further develop the product suite and support continued expansion into international markets 	<ul style="list-style-type: none"> • Sapia.ai is an operator of a conversational interview platform intended to reduce biases in the hiring process • The funds will be used for continued overseas expansion, including making the product available in multiple languages 	<ul style="list-style-type: none"> • Qwick is a developer of a traditional staffing platform designed to connect hospitality professionals with on-demand food and beverage shifts in real time • The funding will be used to accelerate growth by deepening its reach to hospitality businesses and professionals in existing markets and rapidly broadening its availability in new cities

Sources: Pitchbook, Mergermarket, Capital IQ, DS Research

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CAPITAL MARKET ENVIRONMENT – HUMAN CAPITAL MANAGEMENT / TALENT MANAGEMENT

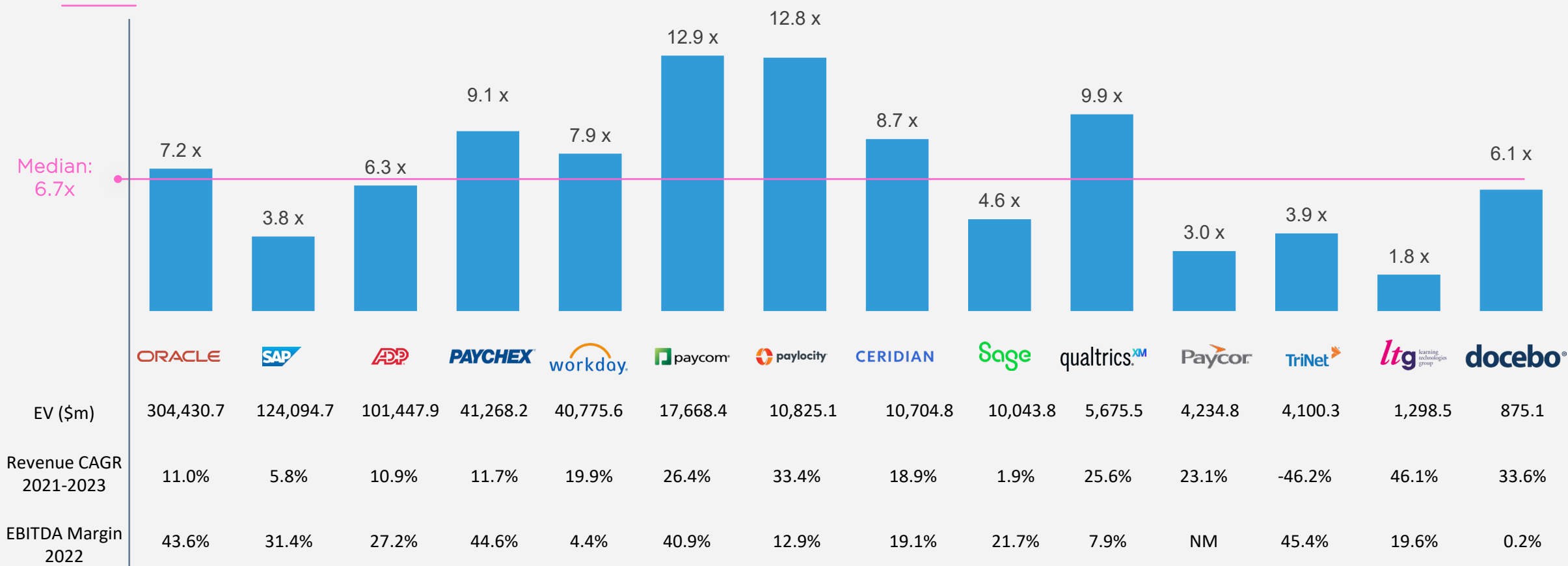
LAST 24 MONTHS SHARE PRICE PERFORMANCE



Source: Capital IQ as of December 31, 2022













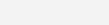















CAPITAL MARKET ENVIRONMENT – HUMAN CAPITAL MANAGEMENT / TALENT MANAGEMENT

LTM EV/REVENUE MULTIPLES DEVELOPMENT



Source: Capital IQ as of December 31, 2022

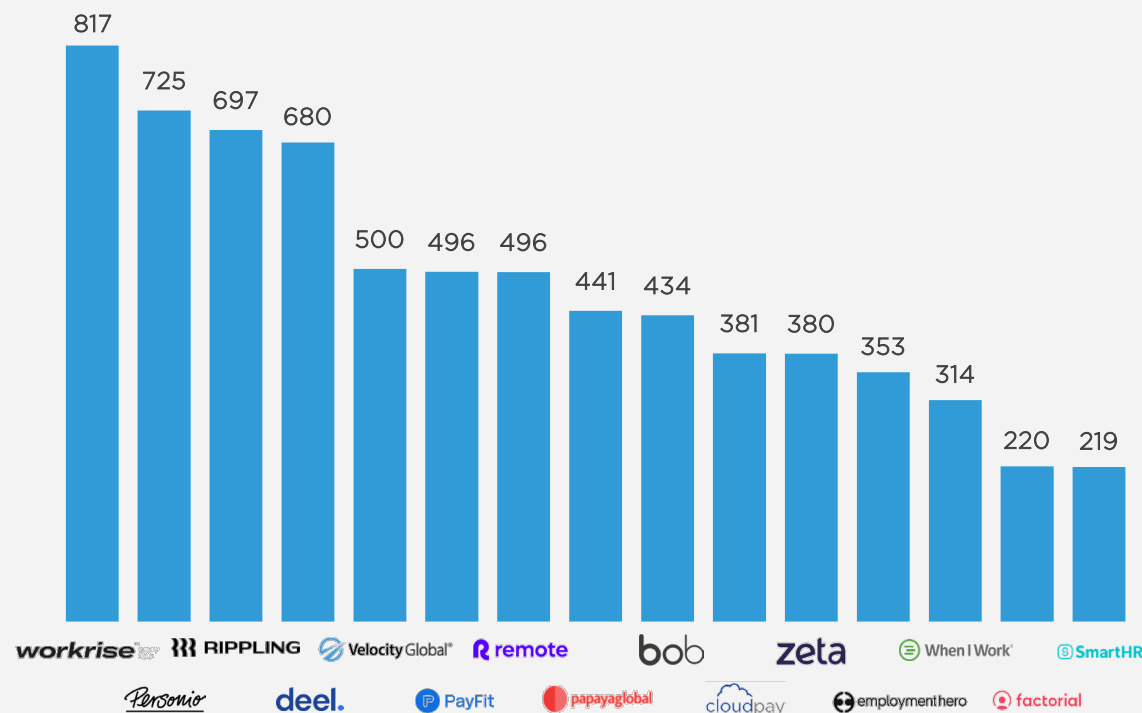
PUBLIC COMPANY TRADING ANALYSIS – HUMAN CAPITAL MANAGEMENT / TALENT MANAGEMENT

Company	HQ	Share Price (\$)	Enterprise Value (\$m)	Market Cap (\$m)	Revenue CAGR 21a-23e	EBITDA Margin (%)			EV / Revenue			EV / EBITDA		
						2021a	2022e	2023e	2021a	2022e	2023e	2021a	2022e	2023e
 ORACLE		81.7	304,430.7	220,391.7	11.0%	44.3%	43.6%	46.7%	7.5 x	7.2 x	6.1 x	17.0 x	16.5 x	13.1 x
 SAP		103.0	124,094.7	119,991.9	5.8%	23.2%	31.4%	32.3%	3.9 x	3.8 x	3.5 x	16.9 x	12.0 x	10.9 x
 ADP		238.9	101,447.9	99,085.8	10.9%	26.5%	27.2%	27.6%	7.0 x	6.3 x	5.7 x	26.2 x	23.2 x	20.5 x
 PAYCHEX		115.6	41,268.2	41,655.5	11.7%	41.3%	44.6%	44.6%	10.3 x	9.1 x	8.3 x	25.0 x	20.3 x	18.5 x
 workday		167.3	40,775.6	43,006.4	19.9%	2.9%	4.4%	25.2%	9.4 x	7.9 x	6.6 x	NM	NM	26.1 x
 paycom		310.3	17,668.4	17,956.5	26.4%	26.9%	40.9%	41.3%	16.7 x	12.9 x	10.5 x	62.1 x	31.5 x	25.4 x
 paylocity		194.3	10,825.1	10,815.2	33.4%	12.3%	12.9%	30.0%	17.1 x	12.8 x	9.6 x	NM	98.7 x	32.0 x
 CERIDIAN		64.2	10,704.8	9,853.1	18.9%	1.1%	19.1%	20.5%	10.5 x	8.7 x	7.4 x	NM	45.3 x	36.0 x
 Sage		9.0	10,043.8	9,160.6	1.9%	26.2%	21.7%	23.6%	4.0 x	4.6 x	3.9 x	15.4 x	21.3 x	16.4 x
 qualtrics ^{XM}		10.4	5,675.5	6,131.8	25.6%	NM	7.9%	9.2%	5.3 x	3.9 x	3.3 x	NM	NM	36.4 x
 Paycor		24.5	4,234.8	4,303.2	23.1%	12.9%	NM	25.6%	12.1 x	9.9 x	8.0 x	93.2 x	NM	31.1 x
 TriNet		67.8	4,100.3	4,097.3	-46.2%	11.3%	45.4%	38.0%	0.9 x	3.0 x	3.1 x	8.0 x	6.7 x	8.2 x
 Itg <small>learning technologies group</small>		1.4	1,298.5	1,097.6	46.1%	17.5%	19.6%	21.0%	3.7 x	1.8 x	1.7 x	21.3 x	9.3 x	8.3 x
 docebo		33.1	875.1	1,087.8	33.6%	NM	0.2%	7.0%	8.4 x	6.1 x	4.7 x	NM	NM	67.0 x
MEAN					15.9%	20.5%	24.5%	28.1%	8.3 x	7.0 x	5.9 x	31.7 x	28.5 x	25.0 x
MEDIAN					19.4%	20.3%	21.7%	26.6%	8.0 x	6.7 x	5.9 x	21.3 x	20.8 x	22.9 x

Source: Capital IQ as of December 31, 2022

INSTITUTIONALLY BACKED PRIVATE COMPANIES & INVESTORS – HUMAN CAPITAL MANAGEMENT

Top 15 Best Funded Private Human Capital Management Companies (in \$m)¹⁾



- The **top 15** funded private companies have raised **\$7.2bn** during their lifespan
















1) Numbers display total funding as of Q4 2022 2) By number of Investments in 2022
Source: Pitchbook

Top 10 Most Active Financial Investors in Human Capital Management 2022²⁾

Investor	Number of Investments	Selected Investments
Combinator	8	deel, RIPLING, aragorn
Accel	5	Personio, PayFit, remote
techstars	4	RAENEST, TransCrypts, virgil HR
GFC	4	Personio, Bennie, flash
PLUGANDPLAY	4	Ashare, RHOME, aragorn
GENERAL ATLANTIC	4	bob, PayFit, woffu
GENERAL CATALYST	3	remote, finch, localize
10X CAPITAL	3	remote, bitWAGE, taltrics
500	2	Palenca, plerk
TIGERGLOBAL	2	factorial, flash






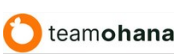










- The **top 10** most active financial investors have closed **39 Human Capital Management transactions** in 2022

SELECTED M&A DEALS IN Q4 2022 – HUMAN CAPITAL MANAGEMENT

 October 03, 2022   EV: \$268m	 November 17, 2022  	 December 02, 2022  	 October 19, 2022  	 November 15, 2022  
<p>Businessolver acquires Workterra</p> <ul style="list-style-type: none"> Developer of workforce-management software intended to transform the way benefits and people are managed The transaction will enable to bring innovative technologies to their benefits offering 	<p>Main Capital completes acquisition of Timeplan</p> <ul style="list-style-type: none"> Developer of workforce management software intended to serve retail, shopping, hotel, restaurant and culture industries This transaction enables Timeplan to scale through a buy & build strategy with Main Capital 	<p>FOG Software Group completes acquisition of ICS Computing</p> <ul style="list-style-type: none"> Provider of case management, electronic document records management (EDRMS), payroll and distribution software The sale reflects Equiniti Group's strategic focus to simplify its portfolio and concentrate resources and investment on its scale core propositions in shareholder services, retirement services, remediation and credit and risk services 	<p>Beeline acquires Utmost</p> <ul style="list-style-type: none"> Developer of a workforce management platform designed to help companies productively engage their workforce The acquisition will rapidly advance Utmost's vision of bringing solutions that tailor to the needs of every participant in the extended workforce process under one platform 	<p>Silae acquires RHSuite.com</p> <ul style="list-style-type: none"> Developer of human resources and payroll management software intended to serve hotels, restaurants, tourism, clothing industry and retail industries The acquisition allows Silae to progress in its strategy which aims to offer the most integrated HRIS offer on the market in synchronization with payroll

Sources: Pitchbook, Mergermarket, Capital IQ, DS Research

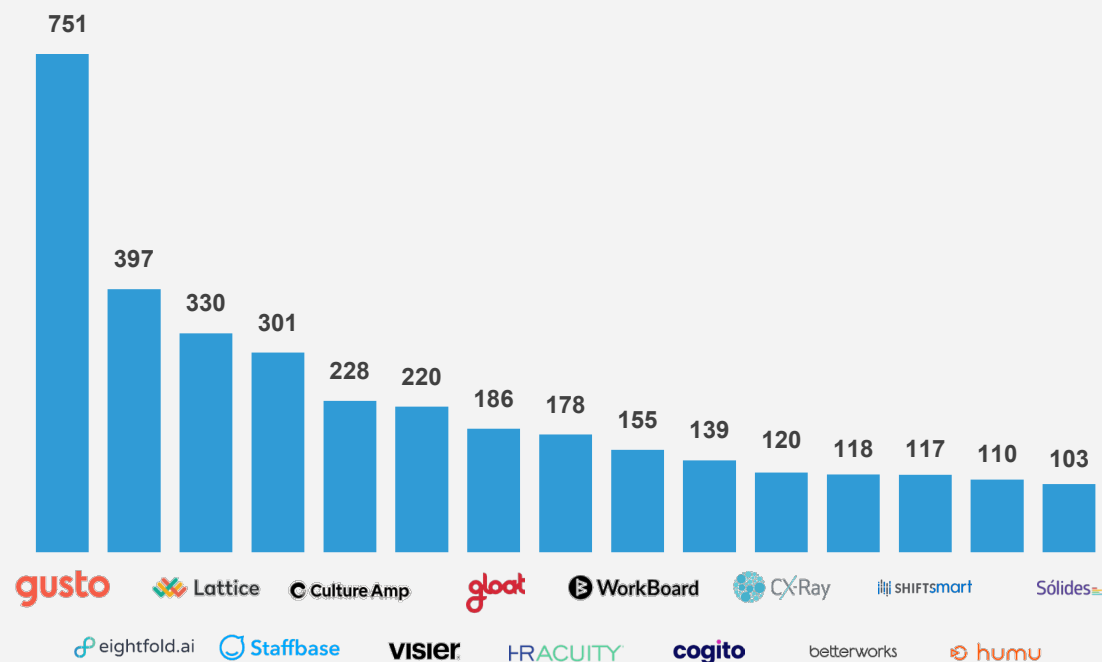
SELECTED PRIVATE PLACEMENTS IN Q4 2022 – HUMAN CAPITAL MANAGEMENT

 October 27, 2022    Deal Size: \$50m	 October 06, 2022  	 October 16, 2022   Deal Size: \$10m	 October 04, 2022  	 November 10, 2022  
<p>Cloudpay receives growth investment</p> <ul style="list-style-type: none"> Operator of a cloud-based payroll platform intended to deliver end-to-end payroll management services to multinational organizations Funding will be instrumental to expand solutions offering, including peer-to-peer payment capabilities 	<p>TeamOhana completes an early-stage funding round from Sierra Ventures</p> <ul style="list-style-type: none"> Developer of a human resource management platform designed to improve the company's headcount management process The funds will be used towards scaling the company's product and the go-to-market team 	<p>ZenHR completes a late-stage funding round led by Rua Growth Fund</p> <ul style="list-style-type: none"> Provider of a cloud-based human resources management system intended to serve enterprise customers in the MENA market The funds will be used to continue to achieve growth milestones while cementing and scaling up the company's presence in all 12 markets 	<p>HROne completes a Series A funding round led by Insitor Partners</p> <ul style="list-style-type: none"> Developer of an automation platform designed to help companies eliminate mundane and repetitive HR tasks by automating processes The funds will be used to focus on building a comprehensive platform that becomes the go-to solution for every possible HR need in the modern-day workplace 	<p>AllWork completes a Series A funding round led by FINTOP Capital</p> <ul style="list-style-type: none"> Developer of digital payments platform intended to streamline freelancer management The funds will be used to expand both its software and its team

Sources: Pitchbook, Mergermarket, Capital IQ, DS Research

INSTITUTIONALLY BACKED PRIVATE COMPANIES & INVESTORS – TALENT MANAGEMENT

Top 15 Best Funded Private Talent Management Companies (in \$m)¹⁾



- The **top 15** funded private companies have raised **\$3.5bn** during their lifespan













1) Numbers display total funding as of Q4 2022 2) By number of Investments in 2022
Source: Pitchbook

Top 10 Most Active Financial Investors in Talent Management 2022²⁾

Investor	Number of Investments	Selected Investments
techstars	13	* lantum tilt STRONGSUIT
Y Combinator	9	mesh stellar complete
10X CAPITAL	7	mello assembly STRONGSUIT
Alumni Ventures	5	FIVE TO NINE assembly opencomp
TIGERGLOBAL	4	Lattice workvivo compete
GENERAL ATLANTIC	3	gusto Staffbase aacsendo
Gaingels	3	bambae MYSTERY CommSafe AI™
mercia	3	Work Buzz Notify ART HEALTH SOLUTIONS
Google for Startups	3	ERUDITUS LARA DivySci
INSIGHT PARTNERS	3	agora Staffbase Valence








- The **top 10** most active financial investors have closed **53 Talent Management transactions** in 2022

NOTABLE M&A DEALS IN Q4 2022 – TALENT MANAGEMENT

 October 18, 2022  	 October 24, 2022  	 November 10, 2022  	 October 04, 2022  
Mediafly completes acquisition of Aptology <ul style="list-style-type: none">• Developer of a platform identifying what traits are predictive of long-term success in a particular position• Mediafly aims to broaden its Revenue360 platform, including sales enablement, content management, coaching, value selling and revenue intelligence	Visier acquires boosters <ul style="list-style-type: none">• Developer of a talent management platform designed to assist companies in instantly mapping the skills of their employees• The acquisition will add a robust skills intelligence engine to Visier's people analytics platform	Payscale acquires Agora <ul style="list-style-type: none">• Developer of an employee compensation management platform intended to bring transparency to compensation for companies, employees and candidates• The acquisition will allow Payscale to broaden its offering in compliance tools for newly introduced pay transparency laws	Augeo acquires Structural <ul style="list-style-type: none">• Developer of an employee success management platform designed to inspire and help all organizations to unleash the full potential of their people and teams• The acquisition enables Augeo to bring together both technologies to create a robust, unparalleled portfolio of people-first workplace solutions

Source: Pitchbook, Mergermarket, Capital IQ, DS Research

NOTABLE PRIVATE PLACEMENTS IN Q4 2022 – TALENT MANAGEMENT

<div> December 20, 2022</div> <div>  </div> <div>Deal Size: \$40m</div>	<div> December 12, 2022</div> <div>  </div> <div>Deal Size: \$13m </div>	<div> October 01, 2022</div> <div> </div>	<div> December 14, 2022</div> <div> </div> <div>Deal Size: \$14m</div>
<div>Betterplace completes Series C funding round</div> <div><ul style="list-style-type: none">Developer of a workforce management platform intended to offer digital support for blue-collar workforce management throughout the entire value chainThe funds will be used to continue to invest in technologies and products to support the company's growth as well as aggressively pursue inorganic growth opportunities</div>	<div>Assembly successfully raises Series A financing round</div> <div><ul style="list-style-type: none">Developer of human capital management software designed to recognize and reward employeesThe funds will be used to support continued growth with the intention of driving commercial traction</div>	<div>Knolskape secures addition funding from NIIT</div> <div><ul style="list-style-type: none">Developer of gamification and simulation software designed to facilitate accelerated employee developmentThe funds will be used to expand the company's direct sales in global markets</div>	<div>Retrain.ai successfully secures funding from Radical Ventures</div> <div><ul style="list-style-type: none">Developer of talent management platform designed to help organizations navigate change and transform the workforceThe funds will be used to accelerate immediate value, with proceeds fueling retrain.ai's growth into international markets to continue to pursue the vision of helping millions of people find their place in the job market by gaining 21st-century skills</div>

Sources: Pitchbook, Mergermarket, Capital IQ, DS Research

AGENDA

06 ► OVERALL HR TECH MARKET UPDATE

18 ► TALENT ACQUISITION

26 ► HUMAN CAPITAL MANAGEMENT / TALENT
MANAGEMENT

36 ► **ABOUT DRAKE STAR**



Thomas Eichinger
CEO & Founder



DRAKE STAR'S EXPERTISE AND NETWORK IN THE GLOBAL HR TECH SECTOR, AS WELL AS THEIR OUTSTANDING M&A SKILLS, ENABLED US TO FIND THE RIGHT PARTNER FOR THE NEXT GROWTH CHAPTER OF INGENTIS.



STRICTLY CONFIDENTIAL

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





Oliver Zeller

CEO & Founder

SYMBIO®

THE ENTIRE DRAKE STAR TEAM HAS DONE AMAZING WORK IN SUPPORTING US TO GET A TOP-QUALITY SOFTWARE INVESTOR ONBOARD. THEIR PROFESSIONALISM, DETAIL ORIENTATION AND ENTERPRISE SOFTWARE KNOWLEDGE HAVE BEEN FUNDAMENTAL TO THE SUCCESS OF THIS DEAL.



STRICTLY CONFIDENTIAL

WHEN HIRETECH RETAINED DRAKE STAR PARTNERS TO RUN AN M&A PROCESS, WE WERE CONFIDENT THAT THEIR OUTSTANDING TRACK RECORD AND DEEP DOMAIN EXPERTISE WOULD LEAD US TO A SUCCESSFUL OUTCOME. 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

ACTIVE MINDSET LEADER IN TECHNOLOGY INDUSTRY

THOROUGH INDUSTRY KNOWLEDGE

RECENT PANEL DISCUSSIONS, INTERVIEWS AND CONVENTIONS



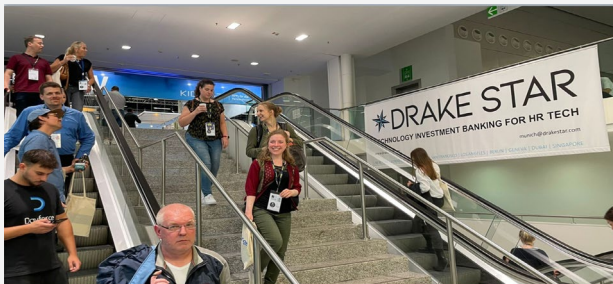
Global panel on Enterprise Software M&A at McDermott Will & Emery's Conference



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



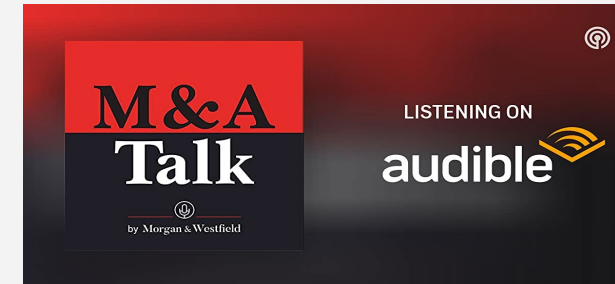
Managing Partner Jim Holzer as guest speaker in Bill Banham's HRchat Podcast



Drake Star sponsoring ZP Europe 2022 in Cologne



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



Managing Partner Jim Holzer current and future state of HR Tech M&A in the Morgan & Westfield Podcast

ACTIVE MINDSET LEADER IN TECHNOLOGY INDUSTRY

DEDICATED AND AWARD-WINNING INDUSTRY EXPERTISE

RESEARCH AND NEWSLETTERS



TALENT ACQUISITION SOFTWARE REPORT



GLOBAL AI REPORT



HR TECH REPORT

AWARDS AND EVENTS



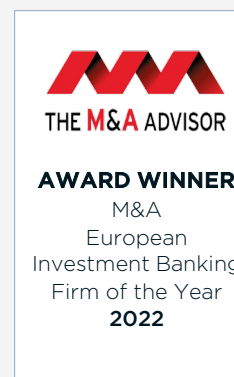
M&A ADVISOR AWARDS PANEL



M&A ADVISOR AWARDS



M&A ATLAS AWARDS



INGENTIS

SALE OF A LEADING GERMAN HR TECH AND WORKFLOW MANAGEMENT SOFTWARE

Ingentis

SALE TO

MAGUAR

KEY VALUE-ADD

- **Highly competitive process with a large number of first round offers**
- **Highly attractive outcome for Ingentis' shareholders**
- **Won the right partner to initiate next growth stage for Ingentis**

Situation & Objectives

- Ingentis is a leading German HR Tech and Workflow Management software company. Ingentis provides solutions to over 2,000 customers across more than 100 countries worldwide
- The company's flagship product "org.manager" is the leading org charting solution in the DACH region, supporting a highly loyal customer base in visualizing, analyzing, and structuring their organizations
- Founder & management aimed to find the best partner and key shareholder to support the Company in its next stage of expansion

Drake Star Services & Support

- Drake Star Partners acted as the exclusive financial advisor to Ingentis and its shareholders on this transaction
- Drake Star Partners guided management in their financial planning, renewed the company's positioning and created attractive future value creation initiatives that were key investor discussions
- The team created extensive transaction documents including a compelling equity story, a financial model and a new growth plan

Outcome

- Highly competitive and global process
- Involving financial and strategic investors
- Delivered during COVID-19
- Ingentis received 30 term sheets/LOIs from prominent financial and strategic investors allowing management to choose the optimal future partner
- Final closing price was significantly higher than management expectations at start of process

CRIMCHECK

SUCCESSFUL, COMPETITIVE PROCESS WITH A SELECT SET OF STRATEGIC AND FINANCIAL BUYERS



SALE TO



Portfolio company
of
Audax Group

KEY VALUE-ADD

- **Sale of a technology focused CRA with proprietary platform and unique data capabilities to fast-growing PE-backed provider of drug testing & occupational health services**
- **Leveraged extensive sector experience and in-depth knowledge of established as well as emerging strategic and financial buyers**
- **Customized positioning generated interest from a broad group of qualified buyers in a changing market environment**

Situation & Objectives

- Crimcheck Holdings (Crimcheck) is a tech-enabled background screening solutions company
- The Company also provides data checks, reference checks, drug testing, and occupational healthcare products & services through its proprietary technology platform
- SMBs and mid-size enterprise client focus in PEO, Staffing and Healthcare.
- Crimcheck's proprietary technology and focus on client engagement has made it a leading independent background screening provider with exceptional client retention

Drake Star Services & Support

- Drake Star Partners acted as exclusive financial advisor to Crimcheck in this successful sell-side transaction
- Targeted process to a well vetted group of strategic and private equity buyers looking to enhance their offering, technology and industry footprint
- Received multiple actionable LOI's, which provided Drake Star significant leverage to deliver a premium outcome

Outcome

- Premium valuation to public comparable companies with favorable deal terms
- Attractive post-transaction career opportunities for Crimcheck team
- High value-add to the buyer who is able to leverage Crimcheck's technology capabilities and enhance its service offerings

SYMBIOWORLD

SALE OF A LEADING EMPLOYEE NAVIGATION AND PROCESS MANAGEMENT PLATFORM

SYMBIO®

STRATEGIC GROWTH
INVESTMENT BY

FORTINO
CAPITAL PARTNERS

KEY VALUE-ADD

- Won the perfect partner with extensive international enterprise software sales experience to accelerate global expansion
- Highly competitive global dual track process
- Unique visionary product positioning and competitive tension resulted in highly attractive outcome for Symbioworld's shareholders and team

Situation & Objectives

- Symbioworld is a leading provider of an employee navigation and business process management platform
- Symbioworld is the trusted partner of more than 100 active customers such as Deutsche Bahn and BMW
- The company's flagship product "Business Navigator" creates a highly automated digital twin of the company to accompany employees through their everyday business
- Management aimed to find the best partner to further scale the business and expand internationally

Drake Star Services & Support

- Drake Star Partners supported management to sort historical financials, build a new budget and integrated model
- A comprehensive documentation package was prepared to educate potential investors and increase competitive tension between selected investors
- Due to the team's long-time sector experience and strong global reach, Drake Star generated enormous high-quality demand throughout the process

Outcome

- Highly competitive controlled auction process with domestic and international investors in order to maximize valuation and transaction certainty and find a partner to accelerate growth
- Perfect match with renowned European growth investor with long standing sector expertise, industry veterans as operating partners (UiPath, Pegasystems, SAP) and synergistic portfolio
- Final closing price was significantly higher than management expectations at start of process

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

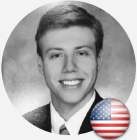
GLOBAL EXPERTISE WITH LOCAL PRESENCE



Jim Holzer
Managing Partner
(New York)



Connor Cunningham
Associate
(New York)



Doug Lachenauer
Analyst
(New York)



Eric Ward
Managing Partner
(London)



Soroush Bahreini
Associate
(London)



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



Pablo Lundershausen
Associate
(Munich)



Maximilian Hönig
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DrakeStar_



DrakeStar

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GLOBAL HR TECH REPORT

Q1 2023

Drake Star is an award-winning global tech investment bank that has completed over 400 transactions since 2013. Drake Star team of over 100 senior professionals across offices in New York, London, Paris, Munich, San Francisco, Los Angeles, Berlin, and Dubai* focuses on mergers & acquisitions and corporate finance services worldwide in Consumer & Retail Technology, Digital Media, FinTech, Mobility & Sustainability, Software/SaaS, Digital Services, and Industrial Tech sectors.

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*Partner Office