



GLOBAL HR TECH REPORT

INDUSTRY UPDATE
Q4 2024

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



DRAKE STAR AT A GLANCE

WHY OUR CLIENTS CHOOSE US



100% TECH-FOCUSED

Deep sector expertise in 8 core tech verticals



LEADER IN MID-MARKET TECH INVESTMENT BANKING

Only independent boutique in global top 10*



INDEPENDENT AND PARTNER-LED

Partner-owned investment bank with an entrepreneurial team



EXTENSIVE M&A AND CORPORATE FINANCE EXECUTION SKILLS

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



GLOBAL REACH COMBINED WITH LOCAL PRESENCE

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



STRONG TRANSACTION TRACK RECORD

Over 500 transactions completed incl. numerous tech landmark deals



RECOGNIZED BY THE INDUSTRY

- 9x investment bank of the year
- 40x deal of the year
- 6x leadership awards

DRAKE STAR HR TECH DEAL UPDATE

DRAKE STAR ACTED AS EXCLUSIVE FINANCIAL ADVISOR TO GFOS ON THE MAJORITY RECAPITALIZATION WITH THE RIVERSIDE COMPANY

“The investment of such a renowned and successful growth partner is a confirmation of our first-class company and product. Together with Riverside, we will leverage the enormous growth potential of our market even faster, both nationally and internationally. Ralf Hofmann and the entire Drake Star team did an exceptional job in navigating us through this dynamic, highly competitive and very successful process. With their deep understanding of the global HR Tech market and their extensive global reach and network, Drake Star was the perfect partner for us to enter the next phase of growth.”



Katharina Van Meenen-Röhrig, Co-CEO of GFOS

“As a leader in Workforce Management, GFOS is leveraging its strong market reputation and long-standing experience to drive innovation and deliver cutting-edge solutions that improve productivity and efficiency throughout the organization. With its modern cloud-based time & attendance and scheduling solutions, GFOS is setting the standard for mid-market and enterprise customers across all industries. We are thrilled to have supported GFOS’ entrepreneurial leadership team in executing a highly successful process and identifying the ideal partner for the company’s next growth phase.”



Ralf Philipp Hofmann, Managing Partner and Co-Founder of Drake Star



MAJORITY RECAPITALIZATION WITH



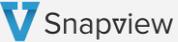
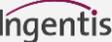
AND REINVESTMENT BY
MANAGEMENT SHAREHOLDERS

HR Tech



OUTSTANDING TRACK RECORD

SELECTED HR TECH TRANSACTIONS

 <p>MAJORITY RECAP BY</p> 	 <p>SALE TO</p> 	 <p>MAJORITY RECAP BY</p> 	 <p>SALE TO</p> 	 <p>MAJORITY RECAP BY</p> 	 <p>MAJORITY RECAP BY</p> 	 <p>SALE TO</p> 	 <p>SALE TO</p> 
 <p>SALE TO</p> 	 <p>SALE TO</p> 	 <p>SALE TO</p> 	 <p>MAJORITY RECAP BY</p> 	 <p>SALE TO</p> 	 <p>SALE TO</p> 	 <p>IntelliCorp</p> <p>SALE TO</p> 	 <p>SALE TO</p> 
 <p>DIVESTURE OF AMACOM TO</p> 	 <p>SALE TO</p> 	 <p>PRIVATE PLACEMENT</p> 	 <p>PRIVATE PLACEMENT</p> 	 <p>PRIVATE PLACEMENT</p> 	 <p>PRIVATE PLACEMENT</p> 	 <p>PRIVATE PLACEMENT</p> 	 <p>IPO*</p>

* Deals executed by Partners of Drake Star

DRAKE STAR HR TECH TEAM

GLOBAL EXPERTISE WITH LOCAL PRESENCE



**RALF PHILIPP
HOFMANN**

MANAGING PARTNER &
MEMBER OF THE EXCOM
ralf.hofmann@drakestar.com



**JIM
HOLZER**

MANAGING PARTNER
jim.holzer@drakestar.com



**CHRISTOPHE
MORVAN**

MANAGING PARTNER
christophe.morvan
@drakestar.com



**GABY
SILVESTRIS**

PARTNER
gaby.silvestris@drakestar.com



**PABLO
LUNDERSHAUSEN**

VICE PRESIDENT
pablo.lundershausen
@drakestar.com



**STANLEY
BEJANSKI**

ASSOCIATE
stanley.bejanski
@drakestar.com



**ALBERT-LOUIS
BILGER**

PRINCIPAL
albert-louis.bilger
@drakestar.com



**MATHILDE
DESCHAMPS**

ASSOCIATE
mathilde.deschamps
@drakestar.com

AT A GLANCE

CONTINUED STRONG MARKET TRACTION WITH APPEALING OUTLOOK FOR 2025

800+

HR Tech transactions in 2024¹

\$7.2bn

Invested equity in HR Tech in 2024¹ (disclosed values)

\$28.8bn

Global expected HR Tech market volume in 2024e

+13.4%

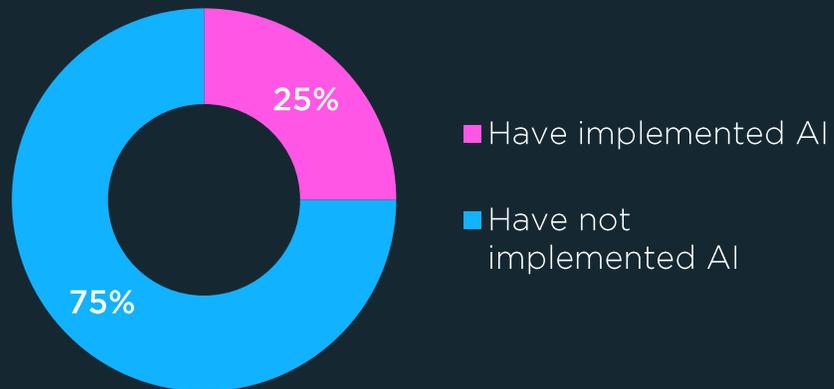
Expected market growth CAGR until 2027e

1) as of September 2024

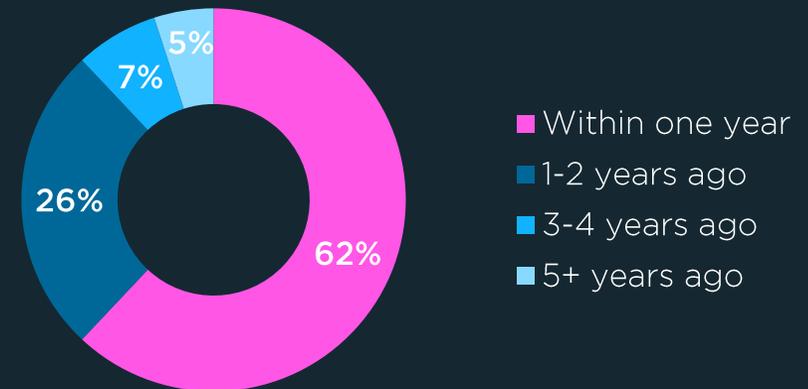
DRAKE STAR MARKET INSIGHTS

AI ADOPTION IN HR-RELATED ACTIVITIES IS RAPIDLY GAINING MOMENTUM

Number of companies that have already implemented AI to support HR-related activities



Adoption timeframe for organizations using AI for HR-related activities



Large enterprises (5,000+ employees) use AI to support HR-related activities, making them the **most likely to adopt AI for HR purposes** among all organization sizes



~60% of HR professionals are **optimistic about the potential for AI to be effectively utilized** in supporting their organizations' HR-related activities

DRAKE STAR MARKET INSIGHTS

AI IN PRACTICE: HOW HR USES ARTIFICIAL INTELLIGENCE

AI Integration in HR: Top use cases



64%

utilize AI for **recruiting, interviewing, or hiring** by employing AI to handle administrative and recruitment-based tasks



43%

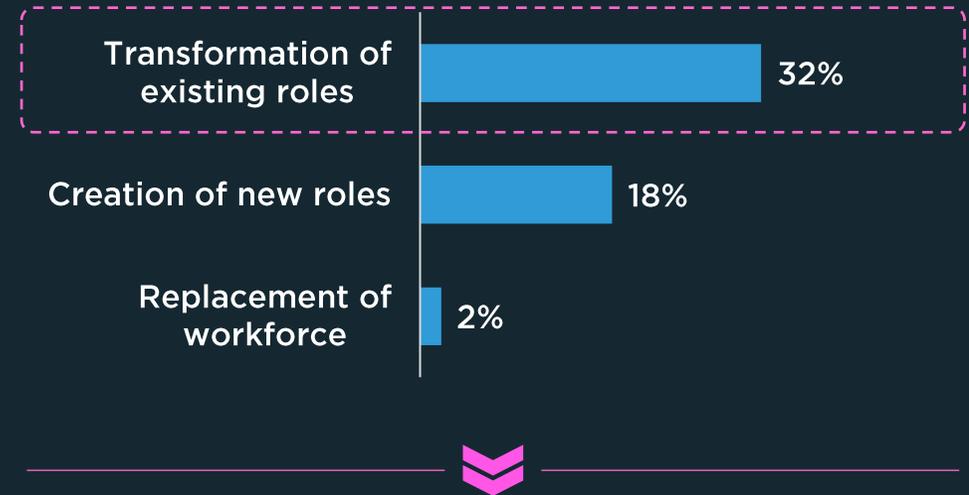
utilize AI for **learning and development** by leveraging AI to create personalized training programs and development plans for employees



25%

utilize AI for **performance management** by assisting people managers in providing comprehensive feedback, facilitating performance conversations, and setting employee performance goals

Impact of HR-related AI implementation on HR professionals

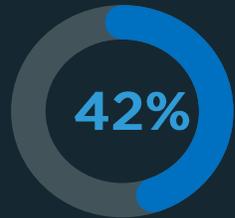


Employees of organizations that are currently using the support of AI for HR-related activities are **16x more likely** to report that AI has helped transform existing roles rather than displace them.

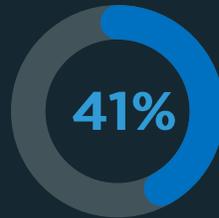
DRAKE STAR MARKET INSIGHTS

OVERCOMING AI IMPLEMENTATION BARRIERS: KEY CHALLENGES AND POTENTIAL SOLUTIONS

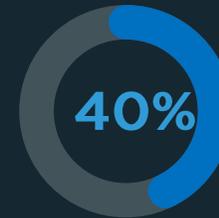
Main Challenges of AI implementation



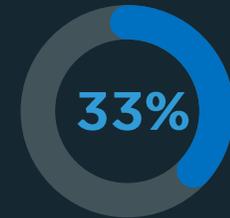
Lack of knowledge of best-fit AI tools



Lack of resources to implement proper AI algorithms



Lack of human touch of AI tools



Uncertainty of benefits in HR-related activities

Potential solutions to overcome AI implementation challenges



Invest in training and development programs to upskill HR professionals on AI technologies and best-fit tools



Pilot projects to evaluate AI's effectiveness, gather success metrics for broader adoption



Combine AI tools with human oversight to ensure personalized and empathetic HR interactions

DRAKE STAR MARKET INSIGHTS

MOST ACTIVE PE-BACKED CONSOLIDATORS IN HR TECH (2020 - Q4 2024)

Strategic Consolidators	PE Sponsors	Deal Count	Acquisitions
	  	14	             
	  	11	          
	   	8	       
	   	4	   
		3	  

DRAKE STAR MARKET INSIGHTS

MOST ACTIVE PUBLIC CONSOLIDATORS IN HR TECH (2020 - Q4 2024)

Strategic Consolidators	Deal Count	Acquisitions
	6	     
	5	    
	5	    
	3	  
	3	  

HR TECH DEAL INSIGHTS

ADP ANNOUNCES ACQUISITION OF WORKFORCE SOFTWARE



SALE TO



\$1.2bn

Deal Size

15. Oct. 2024

Deal Announcement



The acquisition will expand ADP's global workforce management solutions offering and enable future innovation in the space



ADP raises forecast for annual revenue growth following the acquisition announcement of Workforce Software



Maria Black
CEO of ADP

“ We are excited to welcome the WorkForce Software team to ADP and will leverage the deep expertise across both teams to further innovate and address the many unique and wide-ranging needs of our clients. ”



1999

Founded

1949



Livonia, MI

Headquarter



Roseland, NJ

~700

Employees

~64,000

n/a

Revenue

\$19.2bn¹

Developer of a cloud-based workforce management platform intended to deliver real-time insights backed by pre-packaged domain expertise

ADP is a provider of payroll and human capital management solutions servicing the full scope of businesses from micro to global enterprises

ADP Share Price Development



1) FY 2024

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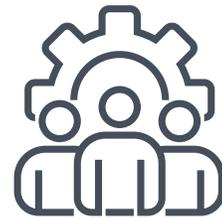
DRAKE STAR'S HR TECH UNIVERSE

COVERING THE ENTIRE VALUE CHAIN



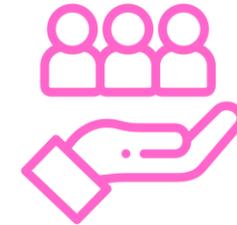
Talent Acquisition

Sourcing
Recruitment Marketing
Selection
Suite/Engagement
Onboarding



Human Capital Management

HRIS/Payroll
Benefits
Workforce Management
Contingent Labor



Talent Management

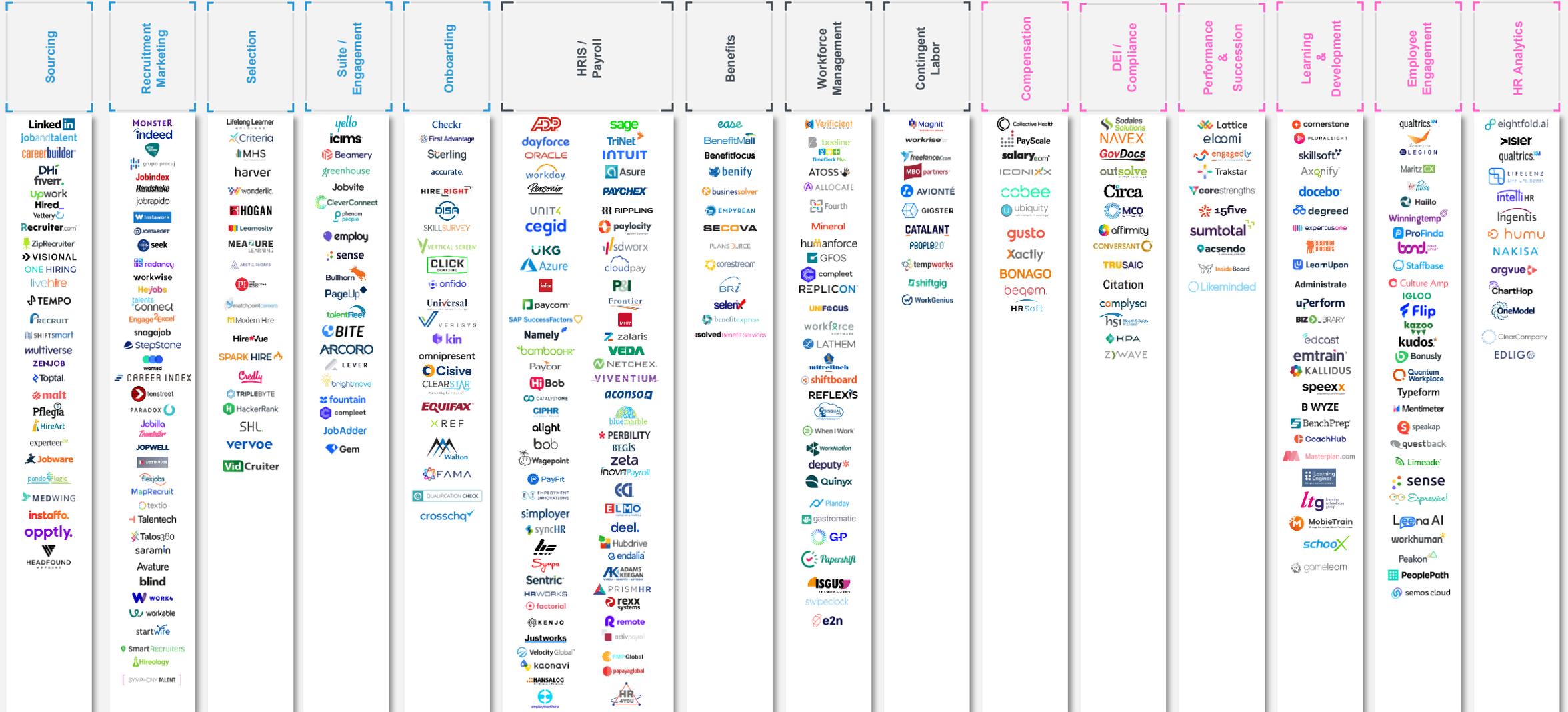
Compensation
DEI/Compliance
Performance & Succession
Learning & Development
Employee Engagement
HR Analytics

REPRESENTATIVE HR TECH MARKET LANDSCAPE

TALENT ACQUISITION

HUMAN CAPITAL MANAGEMENT

TALENT MANAGEMENT



CAPITAL MARKET ENVIRONMENT

LAST 24 MONTHS SHARE PRICE PERFORMANCE



TALENT ACQUISITION

Logos for companies in the Talent Acquisition sector: RECRUIT, ZipRecruiter, VISIONAL, upwork, fiverr, grupa pracuj, seek, EQUIFAX, First Advantage, and Sterling.

HUMAN CAPITAL MANAGEMENT / TALENT MANAGEMENT

Logos for companies in the Human Capital Management / Talent Management sector: ADP, ORACLE, ATOSS, dayforce, SAP, workday, paycom, Paycor, docebo, PAYCHEX, paylocity, Sage, trinet, and ltg.

Sources: Capital IQ as of 30.09.2024 (equally weighted; avg.)

CAPITAL MARKET ENVIRONMENT

LAST 24 MONTHS EV/LTM REVENUE



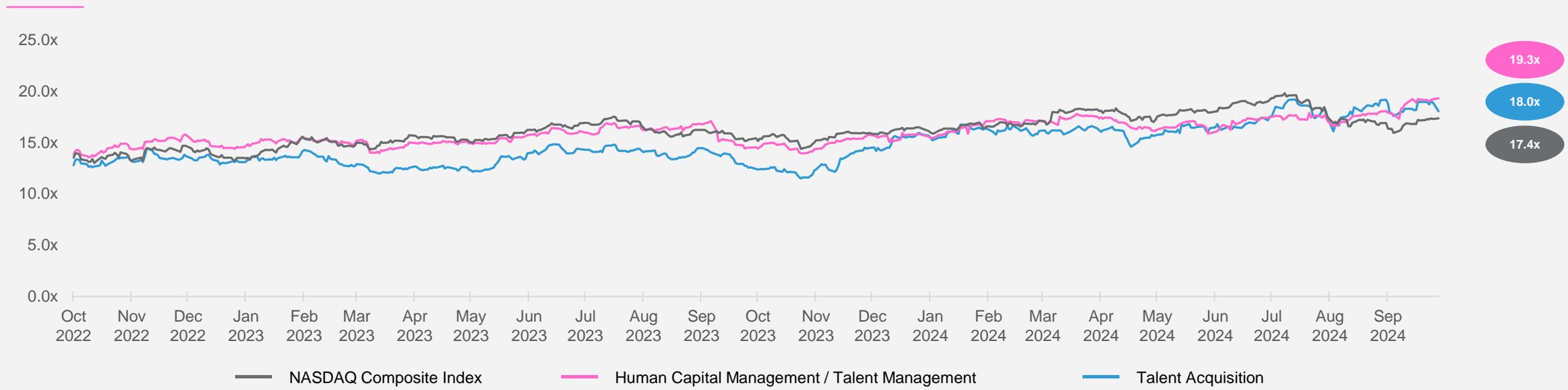
TALENT ACQUISITION

HUMAN CAPITAL MANAGEMENT / TALENT MANAGEMENT

Sources: Capital IQ as of 30.09.2024 (equally weighted; avg.)

CAPITAL MARKET ENVIRONMENT

LAST 24 MONTHS EV/LTM EBITDA



TALENT ACQUISITION

HUMAN CAPITAL MANAGEMENT / TALENT MANAGEMENT

Sources: Capital IQ as of 30.09.2024 (equally weighted; avg.)

QUARTERLY PERFORMANCE OF DRAKE STAR HR TECH INDICES

CAPTURING THE LAST EIGHT QUARTERS

		Q4 2022	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Q1 2024	Q2 2024	Q3 2024
Talent Acquisition Index	Share ⁽¹⁾ Price	(1.8%)	3.5%	1.1%	(8.6%)	25.3%	(2.0%)	(5.3%)	11.3%
	INDEX ⁽²⁾	98	102	103	94	118	115	109	121
Human Capital Management / Talent Management Index	Share ⁽¹⁾ Price	7.1%	12.2%	4.8%	(2.6%)	8.7%	25.4%	(23.5%)	13.5%
	INDEX ⁽²⁾	107	120	126	123	133	167	128	145
NASDAQ Composite Index	Share ⁽¹⁾ Price	(3.2%)	16.8%	12.8%	(4.1%)	13.6%	9.1%	8.3%	2.6%
	INDEX ⁽²⁾	97	113	127	122	139	151	164	168

- In Q3 2024, the HCM/Talent Management index demonstrated significant growth of 14% compared to the previous quarter. Industry generalists SAP and Oracle accelerated this trend with double-digit share price increases, while core HR Tech players such as Dayforce and Paycom increased their share price by 21% and 17% respectively, also highlighting the tailwinds in the industry.
- Despite a slowdown in revenue growth for many players in the talent acquisition space, the public market recorded a strong quarter. Major market players showed significant momentum, with Equifax outperforming its peers with a 25% increase in its share price following the launch of new products and strategic partnerships.

1) Performance today vs. end of previous quarter 2) Indexed to 100 in Q3 2022

Sources: Capital IQ as of 30.09.2024. The Drake Star HR Tech Index is not a fund. The "index" is a number of global public HR Tech companies Drake Star tracks.

HR TECH M&A & PRIVATE PLACEMENT ACTIVITY

DEVELOPMENT OVER THE LAST FOUR QUARTERS WITH AN UPTICK IN M&A AND PRIVATE PLACEMENTS IN Q3 2024

M&A



PRIVATE PLACEMENTS



40
M&A transactions in Q3 2024

\$331m
largest disclosed deal in Q3 2024 (Benify/Zellis)

37%
European share of global deal making in Q3 2024

179
private placements in Q3 2024

\$538m
largest funding round in Q3 2024 (HR Path)

26%
European share of global deal making in Q3 2024

Sources: Pitchbook

NOTABLE HR TECH M&A DEALS IN Q3 2024

🇺🇸 Sep 30, 2024

EV: n.a.

🌐 Sep 05, 2024

EV: n.a.

🇸🇪 Sep 02, 2024

EV: \$331m

🇩🇪 Aug 22, 2024

EV: n.a.

🇬🇧 Aug 07, 2024

EV: n.a.

Xcelerate Restoration Software was acquired by Teamfront, via its financial sponsor Mainsail Partners

- Xcelerate Restoration Software is a developer of a job management system designed to help contractors increase performance excellence
- With the addition of Xcelerate Restoration Software, Teamfront is now able to accelerate value creation for founders

Onboarded was acquired by The Access Group, via its financial sponsors Hg and TA Associates Management

- Onboarded is a provider of recruitment onboarding technology services
- With the acquisition of Onboarded, The Access Group is now able to help recruiters globally to benefit daily from usable AI

Benify was acquired by Zellis, via its financial sponsor Apax Partners

- Benify is a developer of web-based total compensation management software designed to help employers worldwide attract, engage and retain the right skills
- Due to the acquisition, Zellis will be able to offer enhanced product and services capabilities to customers globally

Majority recapitalization of GFOS with The Riverside Company

- GFOS is a leading provider of Workforce Management software with an end-to-end cloud platform
- The partnership with The Riverside Company allows GFOS to leverage the growth potential of its markets even faster, both nationally and internationally

Breakroom was acquired by ZipRecruiter

- Breakroom is an operator of an online employment marketplace intended to connect job seekers with businesses
- ZipRecruiter plans to launch Breakroom in the United States to empower workers with the job insights they need to apply with confidence

Talent Acquisition Human Capital Management Talent Management

Sources: Pitchbook, Mergermarket, Capital IQ, DS Research

NOTABLE HR TECH PRIVATE PLACEMENTS IN Q3 2024

 Sep 04, 2024
 
 Deal Size: \$59m

 Aug 08, 2024
 

 Deal Size: \$120m

 Jul 15, 2024
 
 Deal Size: n.a.

 Jul 01, 2024
 
 Deal Size: \$538m

 Jul 01, 2024
 

 Deal Size: \$143m

Oyster raised Series D venture funding from Silver Lake Waterman

- Developer of a distributed talent enablement platform designed to make it possible for companies to hire people anywhere
- The funds will be used to accelerate the development of the platform, including through hiring to expand the team

Cloudpay received development capital from Blue Owl Capital and Rho Ventures

- Operator of a cloud-based payroll platform intended to deliver end-to-end payroll management services to multinational organizations
- The financing further strengthens the company's capital base and provides flexibility for future growth opportunities

HiBob received development capital from NewView Capital

- Developer of a cloud-based human resource and benefits platform intended to transform the way modern businesses interact and manage their talent
- The funds will be used to enhance the company's HR product suite and accelerate global expansion

HR Path received development capital from Ardian

- Provider of human capital management services dedicated to supporting businesses in their digital transformation
- The funds raised will be used to accelerate the company's international expansion and extend its value proposition

SmartHR raised Series E venture funding from KKR and Teachers' Venture Growth

- Developer of a cloud human resources software designed to help automate social insurance and employment insurance procedures
- The funds will be used to strengthen sales activities and marketing for new services

Talent Acquisition

Human Capital Management

Talent Management

Sources: Pitchbook, Mergermarket, Capital IQ, DS Research

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CAPITAL MARKET ENVIRONMENT

LAST 24 MONTHS SHARE PRICE PERFORMANCE

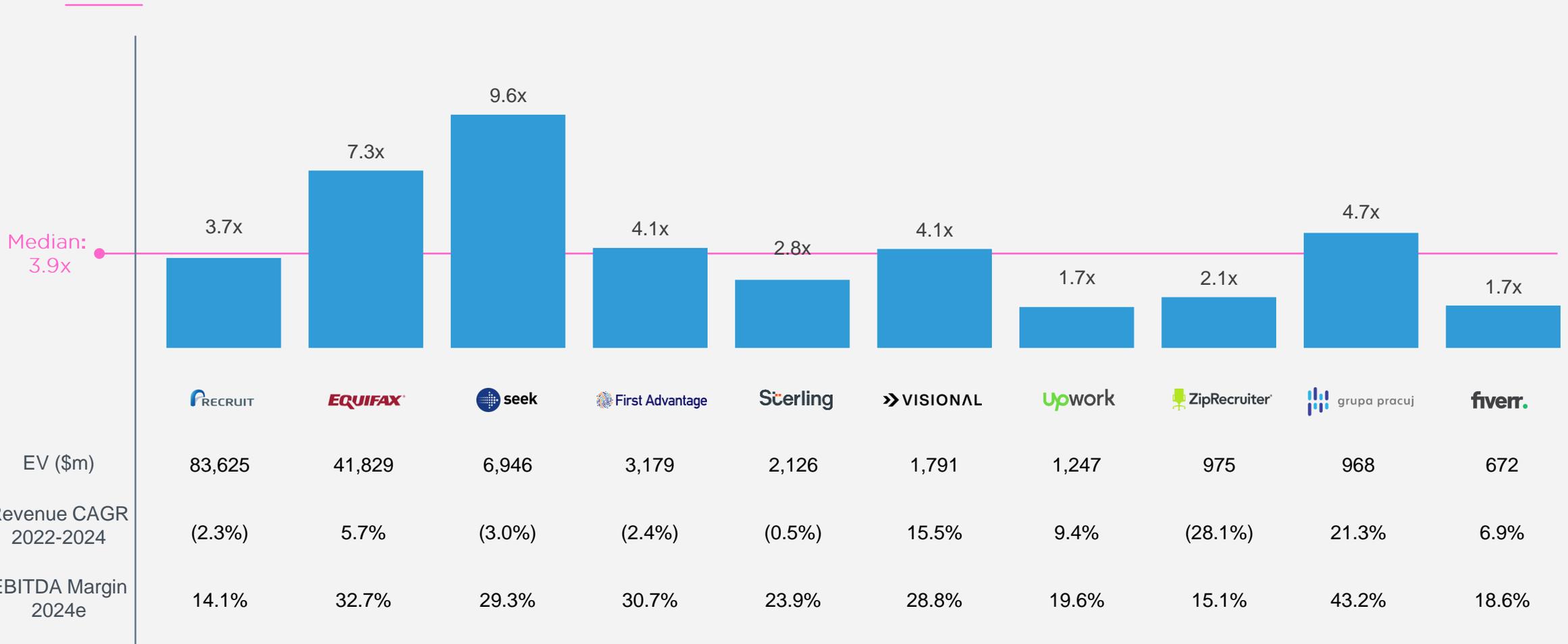


TALENT ACQUISITION

Sources: Capital IQ as of 30.09.2024 (equally weighted; avg.)

CAPITAL MARKET ENVIRONMENT – TALENT ACQUISITION

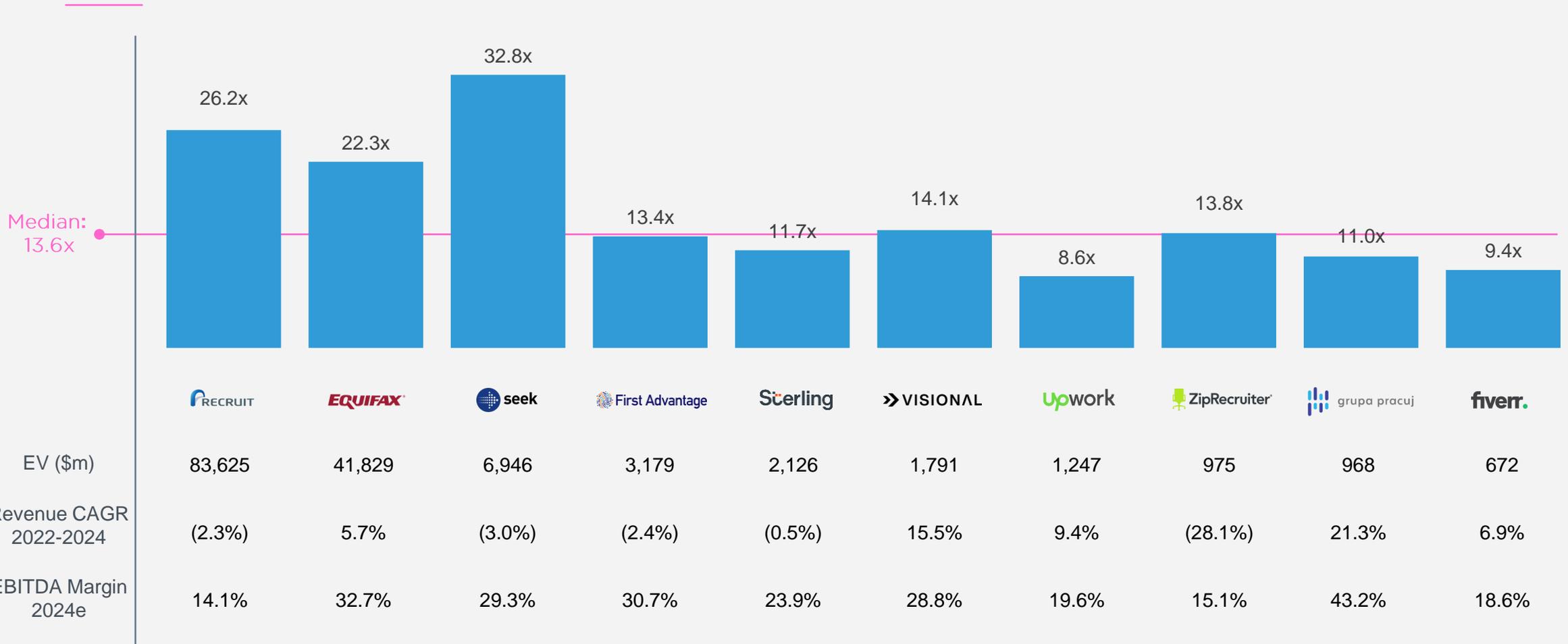
EV/REVENUE 2024E



Sources: Capital IQ as of 30.09.2024

CAPITAL MARKET ENVIRONMENT – TALENT ACQUISITION

EV/EBITDA 2024E



Sources: Capital IQ as of 30.09.2024

NOTABLE M&A DEALS IN Q3 2024 – TALENT ACQUISITION

 Aug 29, 2024

ZALVUS  **EMPION**

EV: n.a.

 Aug 22, 2024

AKKEN Cloud  **AVIONTÉ**
Staffing & Recruiting Software

 **Serent**
CAPITAL

EV: n.a.

 Aug 15, 2024

HIRECLICK  **Asure**

EV: n.a.

 Aug 06, 2024

Able Jobs  **Instawork**

EV: n.a.

 Aug 05, 2024

skudad  **Payoneer**

EV: \$61

Zalvus was acquired by Empion

- Developer of a cloud-based online recruitment platform designed to provide employment alternatives
- The acquisition of Zalvus enables Empion to strengthen its market position and accelerate its expansion

AkkenCloud was acquired by Avionté Staffing Software, via its financial sponsor Serent Capital

- Developer of artificial intelligence (AI) and semantic technology systems designed for talent acquisition worldwide
- The acquisition solidifies Avionté’s leadership in the rapidly consolidating staffing software industry

Hireclick was acquired by Asure

- Developer of digital employment programs designed to connect employers with jobseekers through platforms and partnerships
- The addition will enable Asure to further empower small and mid-sized businesses to win the competition for talent

Able Jobs was acquired by Instawork

- Developer of a job preparation and application platform designed to help students get jobs through short-term training programs.
- This addition helps Instawork to realize economic opportunities globally

Skudad was acquired by Payoneer

- Developer of a tech-enabled platform designed to help build tech teams anywhere and remotely
- The acquisition bolsters Payoneer’s efforts to serve as a “business-grade financial stack” for small and medium-sized businesses (SMBs)

NOTABLE PRIVATE PLACEMENTS IN Q3 2024 – TALENT ACQUISITION

 Sep 18, 2024



Deal Size: \$30m

 Sep 04, 2024



Deal Size: n.a.

 Sep 01, 2024



Deal Size: n.a.

 Jul 11, 2024



Deal Size: n.a.

 Jul 02, 2024



Deal Size: \$17m

Mercor raised Series A venture funding from Benchmark Capital Holdings

- Developer of an artificial intelligence-powered hiring platform designed to streamline the hiring process for both candidates and companies
- The funds will be used to support Mercor's growth and development

Staffmatch raised venture funding from ISAI

- Developer of a recruitment software designed to connect job seekers to opportunities and help companies hire suitable candidates
- The funds will be used to continue its development, particularly by strengthening its presence in regions that are still poorly covered in France

Built In raised venture funding from Skydeck Capital

- Developer of an online community platform designed to offer networking services to the technology industry
- The funds will be used to leverage the significant growth opportunities in the technology industry

Metric raised venture funding from BGF

- Provider of recruitment services catering to life sciences, medical devices, industrial and construction industries
- The funds will be used to further extend Metric's footprint in the US recruitment market

ConverzAI raised Series A venture capital funding from Menlo Ventures

- Developer of a virtual recruiting platform designed to automate candidate screening calls
- The funds will be used to further leverage the growth opportunities in the recruitment industry

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CAPITAL MARKET ENVIRONMENT

LAST 24 MONTHS SHARE PRICE PERFORMANCE



HUMAN CAPITAL MANAGEMENT / TALENT MANAGEMENT

























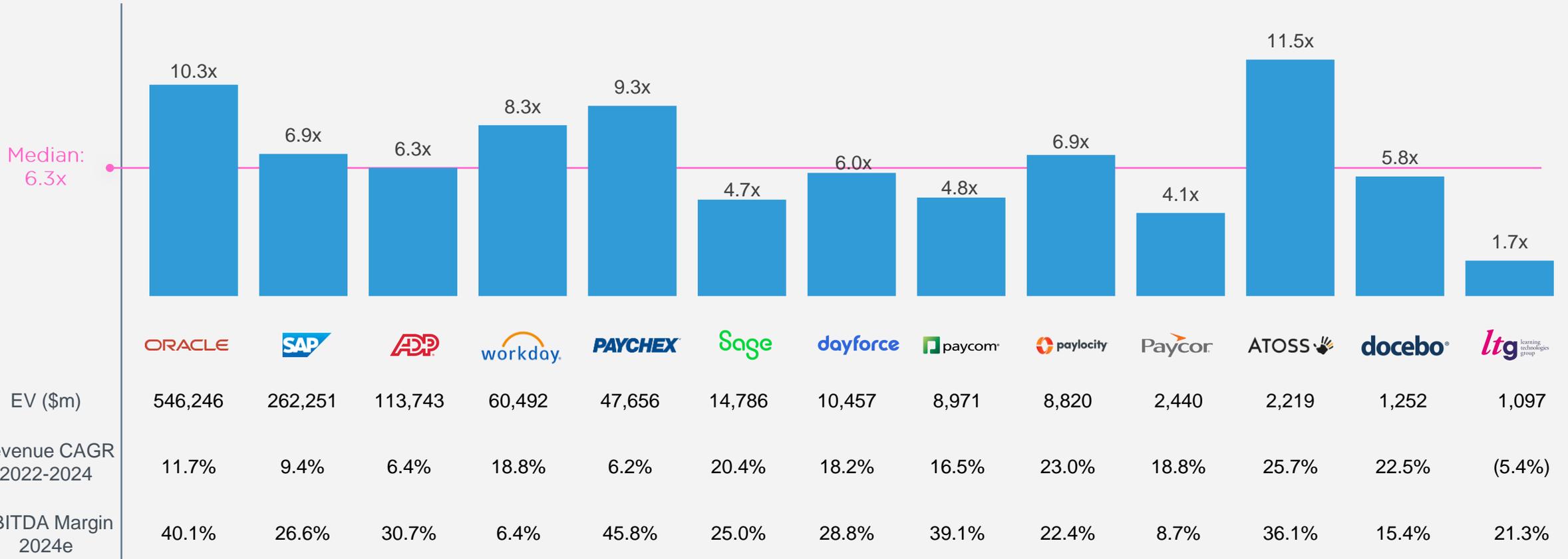




Sources: Capital IQ as of 30.09.2024 (equally weighted; avg.)

CAPITAL MARKET ENVIRONMENT – HUMAN CAPITAL MANAGEMENT / TALENT MANAGEMENT

EV/REVENUE 2024A



Sources: Capital IQ as of 30.09.2024

SELECTED M&A DEALS IN Q3 2024 – HUMAN CAPITAL MANAGEMENT

 Sep 10, 2024

EV: n.a.

 Aug 27, 2024


EV: n.a.

 Aug 05, 2024

EV: n.a.

 Jul 24, 2024

EV: n.a.

 Jul 18, 2024

EV: n.a.

Timebutler was acquired by saas.group

- Developer of an online personal planner designed to evaluate and track vacations
- The acquisition will support saas.group's plans to create the world's biggest platform of independent SaaS brands

Vixting was acquired by Sankhya Gestão de Negócios, via its financial sponsor GIC

- Developer of a human resource tech platform intended for occupational health and safety management
- The strategic move is aimed at strengthening the Sankhya's position in the field of human resources and marks the introduction of a complete solution

Greythr was acquired by Apax Partners

- Developer of people management software designed to automate human resources, payroll management and leave and attendance tracking
- The company will use the funds to leverage the significant growth opportunities in the cloud-based HR software market

Emplicity was acquired by IK Partners

- Developer of human resource management software
- Ik Partners will support the company in continuing to build its market position in the time management space by acquiring new clients with relevant sub-sectors

Hofy was acquired by Deel.

- Developer of a remote work management platform designed to help manage employees working from home
- Due to the acquisition deal, will be able to create a more advanced Global HR & IT Platform

SELECTED PRIVATE PLACEMENTS IN Q3 2024 – HUMAN CAPITAL MANAGEMENT

 Sep 24, 2024




Deal Size: \$20m

 Sep 24, 2024




Deal Size: \$13m

 Aug 26, 2024



Undisclosed investors

Deal Size: \$53m

 Aug 15, 2024




Deal Size: n.a.

 Jul 23, 2024





Deal Size: \$15

Wrapbook raised venture funding from Bessemer Venture Partners

- Operator of a payroll and production management platform intended to make production payroll and accounting easier, faster, and more secure
- The funds will be used to build on the company's NextGen payroll and production accounting solution

Jet HR raised Seed venture funding from Picus Capital

- Developer of a cloud-based platform designed to provide administrative management for small companies
- The funds will be used to grow the team and R&D

Onpay raised Series B venture funding from undisclosed investors

- Developer of a payroll management and compliance software designed to provide low-cost services to businesses
- The company plans to use the funding to accelerate the development of the product capabilities, enhance user experience and expand the offerings

Integrata received development capital from Mandatum Asset Management

- Provider of human resource (HR) management and payroll services intended to elevate future technologies to support ingenious and AI-intelligent working life
- The funds will be used to accelerate Integrata's international growth and the development of its technology solutions

Pathos Logos raised Series A venture funding from 31 Ventures and SMBC Venture Capital

- Developer of a human resource-based co-creation platform intended to promote the back office of companies and create time for creativity
- The funds will be used to expand the product development and sales structures by strengthening the financial base

NOTABLE M&A DEALS IN Q3 2024 - TALENT MANAGEMENT

 Sep 16, 2024
 
 EV: n.a. 

 Sep 05, 2024
 
 EV: n.a.

 Aug 28, 2024
 
 EV: n.a.

 Aug 09, 2024
 
 EV: n.a.

 Jul 01, 2024
 
 EV: n.a. 

Formatori Italiani was acquired by Safety Plus, via its financial sponsor LoneTree Capital

- Operator of an Italian community training platform intended to connect trainers and professionals interested in training
- This acquisition supports Safety Plus to expand their products, services, and technological capabilities

Craft Education was acquired by Western Governors University

- Developer of a digital platform designed to connect employers and job-relevant degrees
- The acquisition will help Western Governors University propel the use of apprenticeship-based degree programs

hrEntries was acquired by ANSR

- Developer of a software to enhance employee engagement and experience
- The acquisition supports ANSR's core business strategy and expands its suite of technology solutions, providing clients with an end-to-end platform for global team management

HourWork was acquired by Sprockets

- The company's platform integrates with existing human resource software with enterprise-grade security to make operations compliant
- Due to the acquisition Sprockets customers have now a complete set of tools for building and retaining a frontline team

Gocontractor was acquired by Safety Plus, via its financial sponsor LoneTree Capital

- Operator of a digital subcontractor management platform intended to reduce compliance risk and improve safety while driving productivity and profitability
- The acquisition will help SafetyPlus to offer its customer an integrated suite of solutions that enable companies to enhance workplace efficiency and compliance

NOTABLE PRIVATE PLACEMENTS IN Q3 2024 – TALENT MANAGEMENT

 Sep 16, 2024

Deal Size: \$28m

 Sep 16, 2024

Deal Size: \$24m

 Sep 12, 2024

Deal Size: \$24m

 Sep 01, 2024

Deal Size: \$4m

 Jul 09, 2024

Deal Size: nm

TeamBridge received funding from Mayfield Fund

- Developer of a workforce management platform designed for collaborative schedule creation and organized team
- The funds will be used toward product R&D and doubling the company's 42-person team over the next year

11x raised Series A venture funding from Benchmark Capital Holdings

- Operator of an artificial intelligence-powered sales development platform intended to build and sell automated digital workers
- The funds will be used to accelerate the company's product development pipeline, expand its team, and enhance its global market presence

Kahuna raised Series B venture funding from Resolve Growth Partners

- Developer of a skill management platform designed to empower the enterprise to create a more competitive and skilled workforce
- The funds will be used to advance skills management technology for frontline workers

Become1 raised Seed venture funding from haufe.group and HTGF

- Developer of employee benefits platform designed to provide all data in one place
- The funds will be used to further expand its all-in-one platform for employee benefits

Earlybird AI raised venture funding from Ada Ventures and Alphabet

- Operator of a voice-powered conversational artificial intelligence assistant intended to help organizations engage and support frontline workers
- The funds will be used to enhance technological capabilities and grow the customer base

AGENDA

07 ▶ OVERALL HR TECH MARKET UPDATE

19 ▶ TALENT ACQUISITION

26 ▶ HUMAN CAPITAL MANAGEMENT / TALENT MANAGEMENT

36 ▶ **ABOUT DRAKE STAR**



**Katharina van
Meenen-Röhrig**

Co-CEO



WITH THEIR DEEP UNDERSTANDING OF THE GLOBAL HR TECH MARKET AND THEIR EXTENSIVE GLOBAL REACH AND NETWORK, DRAKE STAR WAS THE PERFECT PARTNER FOR US TO ENTER THE NEXT PHASE OF GROWTH.

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



Tom Shieh

CEO





Dr. Ralf Gräßler

CEO



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

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



Brian Cameron
CEO
HIREtech

REACTIONS TO OUR HR TECH RESEARCH

INDUSTRY LEADERS ARE FOLLOWING DRAKE STAR'S RESEARCH REPORTS



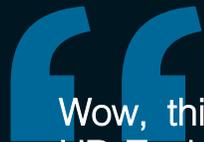
Alex Kouchev
Lead Product Engineer



Melanie Powell
Marketing Specialist



Kate Graham
*Director
Competitive Intelligence*



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



Just downloaded the report. Awesome stuff!



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



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

SECTOR RESEARCH AND MARKET UPDATES

SELECTED HR TECH RESEARCH



ADP
Alex Kouchev
Lead Product Engineer

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



Beamery
Melanie Powell
Marketing Specialist

“Just downloaded the report. Awesome stuff!”

Q&A WITH INDUSTRY LEADERS



Beamery
Abakar Saidov
CEO & Co-Founder

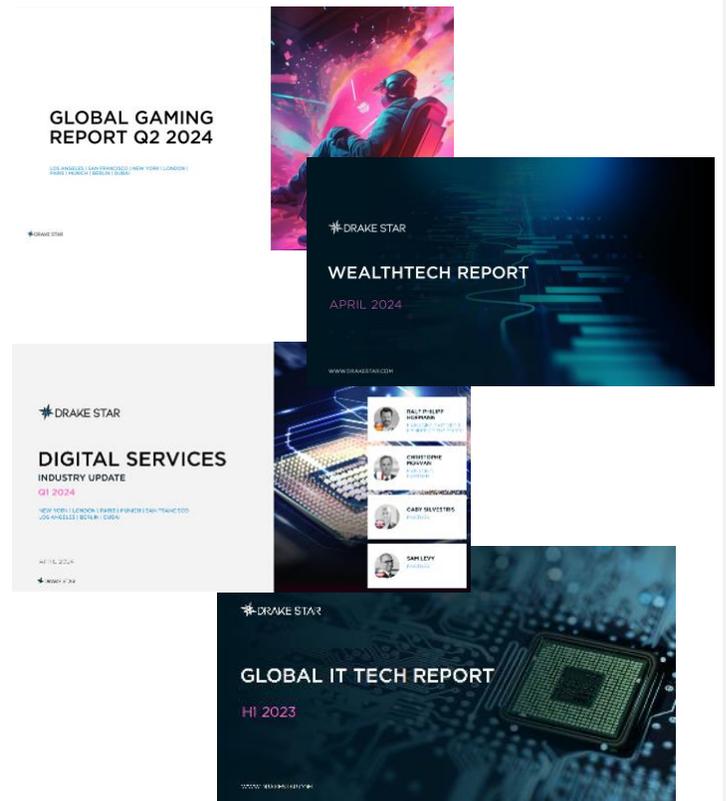


SAP SuccessFactors
SAP
Thomas Otter
Ex-Global VP
Product Management



Likeminded
Kimberly Breuer
CEO & Co-Founder

SECTOR RESEARCH



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

THOROUGH INDUSTRY KNOWLEDGE

RECENT PANEL DISCUSSIONS, INTERVIEWS AND CONVENTIONS



Managing Partner Ralf Philipp Hofmann and Partner Gaby Silvestris at Bits & Pretzels in Munich



Ralf Philipp Hofmann as speaker at the 2024 Leadership in Dealmaking Summit in New York



Drake Star as sponsor at Unleash World in Paris



Drake Star as sponsor at Zukunft Personal Europe in Cologne



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



Managing Partner Michael Metzger on CNBC

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

DEDICATED AND AWARD-WINNING INDUSTRY EXPERTISE

AWARDS AND EVENTS



LEADERSHIP IN DEALMAKING SUMMIT PANEL



M&A ADVISOR AWARDS



M&A ATLAS AWARDS



TRUSTED INDUSTRY PARTNER

9x

Bank of the Year

40x

Deal of the Year

THE M&A ADVISOR

AWARD WINNER

M&A Deal of the Year
Aconso

2024

THE M&A ADVISOR

AWARD WINNER

Investment Banker
of the Year Europe
Ralf Philipp Hofmann

2024

THE M&A ATLAS AWARDS

WINNER

Boutique TMT Investment
Bank of the Year
Drake Star

2024

THE M&A ATLAS AWARDS

WINNER

Europe Deal of the Year
SysEleven

2024

THE M&A ADVISOR

AWARD WINNER

Information Technology
Deal of the Year
SysEleven

2023

THE M&A ATLAS AWARDS

WINNER

Deal of the year
Middle Market

2022

THE M&A ADVISOR

AWARD WINNER

Investment Banking
Firm of the Year - Europe

2022

THE M&A ATLAS AWARDS

WINNER

Cross-Border
Investment Bank
of the Year

2020

For more information on recent awards, consult: maadvisor.com and globalmanetwork.com.

GFOS

MAJORITY RECAPITALIZATION OF A LEADING PROVIDER OF WORKFORCE MANAGEMENT SOFTWARE WITH THE RIVERSIDE COMPANY, A LEADING GLOBAL TECHNOLOGY GROWTH INVESTOR



MAJORITY
RECAPITALIZATION WITH



Riverside.

AND REINVESTMENT BY
MANAGEMENT

KEY VALUE-ADD

- **Majority recapitalization of a leading Workforce Management software provider**
- **Drake Star leveraged its deep industry expertise and comprehensive knowledge to identify the ideal partner**
- **Drake Star achieved an exceptionally successful outcome for the second-generation family shareholders**

Situation & Objectives

- GFOS, is a leading provider of workforce management software, offering a comprehensive and modular platform that enables end-to-end digitalization of workforce management processes
- GFOS' cloud-based solution reduces manual workload to a minimum while enabling holistic and efficient HR management
- After the successful family succession in 2021, Katharina van Meenen-Röhrig and Ignace van Meenen took over the leadership
- To enter the next phase of growth, management shareholders decided to onboard a global growth investor

Drake Star Services & Support

- Drake Star was selected in a highly competitive advisor selection process and acted as the exclusive financial advisor to GFOS and its shareholders on this transaction
- Drake Star clearly highlighted GFOS' unique position offering a leading WFM solution with complementary offering in MES
- Advised management on financial planning and helped develop international growth strategy
- Drake Star supported the shareholders through the final negotiations and secured the ideal partner to scale future growth while exceeding shareholders' financial expectations

Outcome

- Drake Star structured and executed a highly successful global process and identified the ideal partner for the company's next growth phase
- Riverside is a leading global technology growth investor known for its extensive track record in HR Tech and B2B SaaS
- Second-generation family shareholders reinvested a significant share of their proceeds, underlining their commitment to continue supporting the growth and vision of GFOS
- Existing management will remain in their current positions to jointly execute the global expansion strategy

VEDA

MAJORITY RECAPITALIZATION OF LEADING GERMAN CORE HR SOFTWARE PROVIDER WITH INVESTCORP

VEDA
MAJORITY
RECAPITALIZATION WITH
INVESTCORP
AND REINVESTMENT BY
MANAGEMENT

KEY VALUE-ADD

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

Situation & Objectives

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

Drake Star Services & Support

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

Outcome

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

ACONSO

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

aconso

MAJORITY
RECAPITALIZATION WITH



KEENSIGHT

CAPITAL

AND REINVESTMENT BY
FOUNDERS

KEY VALUE-ADD

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

Situation & Objectives

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

Drake Star Services & Support

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

Outcome

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

HIRETECH

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

HIREtech

SALE TO

EQUIFAX

KEY VALUE-ADD

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

Situation & Objectives

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

Drake Star Services & Support

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

Outcome

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

CONTACT GLOBAL OFFICES

GLOBAL PRESENCE

NEW YORK

950 Third Avenue, 20th Floor
newyork@drakestar.com

T. +33 1 58 18 39 00

LONDON

16 Berkeley Street, Mayfair
london@drakestar.com

T. +44 20 7112 7777

MUNICH

Ludwigpalais, Ludwigstr. 8
munich@drakestar.com

T. +49 89 1490 265 25

PARIS

25 Boulevard Malesherbes
paris@drakestar.com

T. +33 1 58 18 39 00

SAN FRANCISCO

50 California Street, Suite 1500
sf@drakestar.com

LOS ANGELES

1100 Glendon Avenue, Suite 905
losangeles@drakestar.com

T. +1 310 696 4001

BERLIN

Muenzstrasse 21
berlin@drakestar.com

T. +49 30 30366 – 2856

DUBAI*

Emirates Financial Towers
dubai@drakestar.com

T. +971 4325 4662



DrakeStar_



DrakeStar

* Partner Office



GLOBAL HR TECH REPORT

Q4 2024

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

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