

ANZ HR Software sector update

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ANZ HR SaaS platform assets

AKKR
ACCEL-KKR

humanforce

intelliHR ENT0
W WAGESTREAM

- HR software platform for SME – Enterprise clients
- Platform covers core HR as well as a range of other features including onboarding & employee engagement & retention
- Payroll via Payroll Metrics

K1 Enterprise Software Investors

ELMO
CLOUD HR & PAYROLL

Pivot breathe
TECHNIWORKS Quinntessential
webexpenses

- Talent & Human Capital management software platform with inbuilt LMS
- Modular-based platform targeted at white-collar SME and Mid-market companies in ANZ and the UK

INSIGHT TCV
PARTNERS

employmenthero.

KEYPAY

- All-in-one workforce management & HR platform targeted at SME – mid market companies (predominately white collar in ANZ)
- Payroll functionality via KeyPay

BV
Battery Ventures

PageUp

arcu Clinch

- Enterprise-focused Talent management platform covering recruitment & ATS, onboarding, performance management, succession planning and learning & development with an inbuilt LMS

KKR

myob

flare roubler.

- All-in-one business management software platform covering finance, supply chain, workforce management etc.
- Payroll functionality via Roubler

AirTree Madrona M2 INSIGHT PARTNERS SoftBank Group greylock

go1

coopacademy Blinkist ap
TALIVEST anders pink

- Corporate learning and development platforms, employee analytics, AI content curation

PE-backed international platforms active in ANZ

access

Definitiv FastTrack 360 Sage

UKG

ascentis SpotCues immediis

The Citation Group

FCB enableHR QMS Certification Services

Blackpeak HR software market map (ANZ)

		Target market		
Segments		SME	Mid-market	Enterprise
Talent Acquisition/ Recruiting	<ul style="list-style-type: none"> Applicant tracking system (ATS) 			
HR core	<ul style="list-style-type: none"> HRIS 			
Workforce management	<ul style="list-style-type: none"> Onboarding Scheduling/ rostering Time & attendance 			
Talent Management / Employee engagement	<ul style="list-style-type: none"> Planning management Performance management Benefits management Succession planning 			
Payroll	<ul style="list-style-type: none"> Payroll Award interpretation Reporting 			
LMS	<ul style="list-style-type: none"> Online course providers Learning platforms 			

Trends on funding / M&A activity

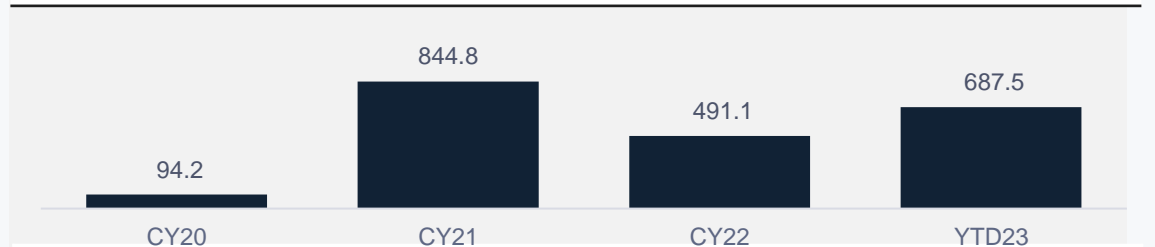
Overview

- The Human Resources (HR) software market in ANZ has experienced a raft of M&A and capital raising activity over the last few years, with financial sponsors and strategic players seeking to capitalise on the large & growing TAM on offer by adding scale and/ or product functionality to reach more buyers
- This activity has spurred the emergence of a number of PE-backed platform assets (particularly across HR Core & Workforce Management) including:
 - Humanforce/ AKKR
 - Elmo/ K1
 - Employment hero/ Insight + TCV
 - Page Up/ Battery
- The resultant increase in competition between vendors has meant that there are now few independent HCM software providers of scale:
 - Incumbent HCM vendors are increasingly relying on integrations (especially in areas with increasing complexity like Payroll) with other providers to provide complete end-to-end solutions to their clients across Workforce Management, Talent Management, Payroll and LMS
- In addition to product offering, key differentiators among vendors relate to size of target market (SME vs. Enterprise) and type of employees the platform is best suited towards (Salaried vs. Casual/ Contract staff)

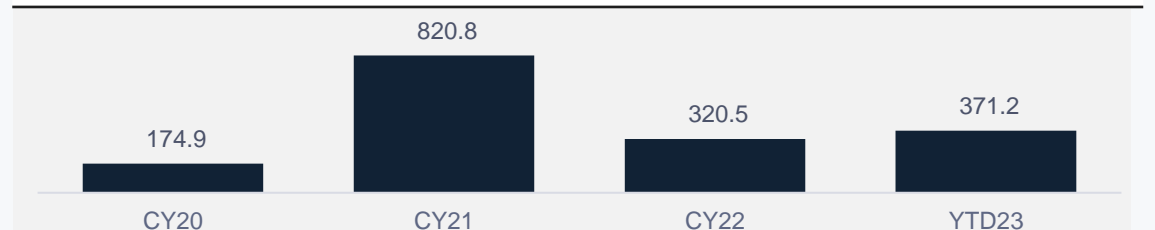
Selected HCM M&A & financing transactions

Date	Target	Acquirer/Investor	Transaction value (A\$m)
Oct-23	employmenthero	TCV	263.0
Feb-23	ELMO	K1	486.0
Nov-22	PayGroup	deel.	118.1
May-22	go1	AirTree	139.5
Feb-22	employmenthero	AirTree, ONE VENTURES, seek	181.0
Jul-21	Culture Amp	tdm., SEQUOIA	182.4
Mar-21	Ascender	CERIDIAN	471.5
Apr-21	Planday	xero	330.3

M&A value (A\$m)



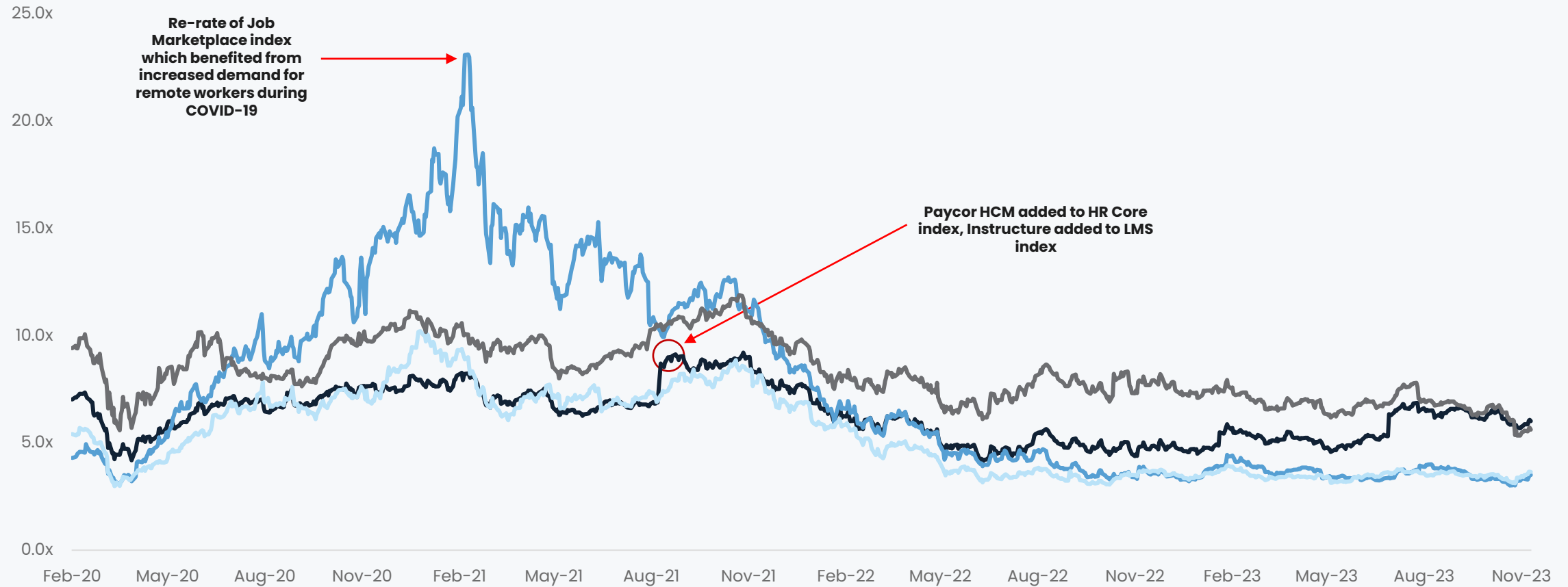
Capital raisings value (A\$m)



HR Software Index performance⁽¹⁾



HR Software Index valuations over time (EV/ NTM Revenue) ⁽¹⁾



Index	Jan-20	12 months prior (Oct-22)	6-months prior (Apr-23)	3-months prior (Aug-23)	Current (Nov-23)
HR core	6.9x	4.9x	4.7x	6.4x	6.0x
Marketplace	4.3x	3.8x	3.4x	3.8x	3.5x
LMS	5.2x	3.7x	3.2x	3.5x	3.7x
Payroll	9.0x	7.9x	6.2x	6.9x	5.6x

ANZ HR software consolidation



1 M&A Transaction & 2 Capital Raises in FY20

6 M&A Transactions & 4 Capital Raises in FY21

4 M&A Transactions & 5 Capital Raises in FY22

6 M&A Transactions & 1 Capital Raising in FY23
















2 M&A Transactions & 2 Capital Raisings in YTD24



Precedent transactions



Precedent M&A transactions⁽¹⁾

Transaction overview				EV/		
Date	Target	Acquirer	Transaction value (A\$m)	ARR	LTM Rev	NTM Rev
Oct-23 ⁽²⁾	 DAMSTRA	Ideagen	69.4	<p>Contact Blackpeak Capital for transaction insights (scott@blackpeakcapital.com.au)</p>		
Aug-23	 Limeade	WebMD Health Services	117.5			
May-23	 intelliHR	AKKR humanforce	84.0			
Feb-23	 ELMO CLOUD HR & PAYROLL		486.0			
Nov-22	 PayGroup	deel	118.1			
Sep-22	 ENTO	AKKR humanforce	n.a.			
Sep-22	 flare	myob	n.a.			
May-22	humanforce	AKKR	60.0			
Mar-22	 FastTrack 360	access	48.6			
Feb-22	 KEYPAY	employmenthero	264.4			
Aug-21	 Definitiv	access	43.0			
Apr-21	 Planday	xero	330.3			
Mar-21	Ascender	CERIDIAN	471.5			
Dec-20	 webexpenses	ELMO CLOUD HR & PAYROLL	58.3			
Oct-20	roubler	myob	n.a.			
Oct-20	 breathe	ELMO CLOUD HR & PAYROLL	32.4			
Feb-20	 Vocam Worldwide Publishing	ELMO CLOUD HR & PAYROLL	3.5			

Precedent capital raising transactions

Transaction overview				EV/	
Date	Target	Lead Investor(s)	Transaction value (A\$m)	ARR	LTM Rev
Oct-23	employmenthero.	TCV	263.0		
Aug-23	OneModel	RIVERWOOD CAPITAL AV8 QIC	64.0		
May-23	go1	AirTree SoftBank Group INSIGHT greylock	44.2		
May-22	go1	AirTree SoftBank Group	139.5		
Feb-22	employmenthero.	AirTree ONE VENTURES seek	181.0		
Dec-21	foundU	M&M	5.5		
Dec-21	go1	AirTree SoftBank Group salesforce	358.1		
Jul-21	Culture Amp	tdm. SEQUOIA SEQUOIA	182.4		
Jul-21	employmenthero.	INSIGHT PARTNERS	140.0		
Jul-21	skedulo	SoftBank Group	75.0		
Apr-21	fuel 50	PEAKSPAN Shearwater Shearwater	20.3		
Mar-21	employmenthero.	AirTree	45.0		
Jan-21	ENTO	Perennial Partners	n.d.		
Dec-20	JobAdder	seek	13.5		
Nov-20	flare	reinventure. ACORN CAPITAL myob Point 72	22.0		
May-20	go1	M12 Madrona	82.9		
May-20	ELMO	Private Placement	70.0		

Contact Blackpeak Capital for transaction insights
 (scott@blackpeakcapital.com.au)



Trading comparables



Trading comparables⁽¹⁾

Company	Share price data					Trading multiples				Operating metrics		
	Trading data			Capitalisation (A\$m)		EV / Revenue		EV / EBITDA		Revenue Growth	Margins (Last Reported)	
	Share Price	As a % of 52-week high/low	3-month performance	Market cap.	Ent. value	FY24E	FY25E	FY24E	FY25E	FY24E	Gross	EBITDA
Marketplace												
SEEK	23.18	88.6% / 115.1%	(1.4%)	8,211	9,448	7.7x	7.1x	17.2x	15.1x	0.5%	63.2%	33.9%
Upwork	14.11	88.9% / 215.1%	1.1%	1,921	1,734	2.2x	1.9x	16.1x	12.0x	13.6%	75.3%	(3.0%)
Fiverr	23.65	49.6% / 118.0%	(17.1%)	908	971	2.4x	2.0x	12.6x	9.5x	12.8%	80.5%	(14.5%)
ZipRecruiter	12.22	50.8% / 119.0%	(25.1%)	1,208	1,267	2.2x	1.8x	8.7x	6.6x	(8.9%)	90.0%	16.2%
Mean			(10.6%)			3.6x	3.2x	13.7x	10.8x	4.5%	77.2%	8.1%
Median			(9.3%)			2.3x	2.0x	14.3x	10.8x	6.7%	77.9%	6.6%
LMS												
Skillssoft	18.68	43.0% / 134.9%	(25.3%)	150	643	1.1x	1.1x	6.3x	5.4x	2.7%	71.7%	10.7%
Instructure	25.31	80.4% / 115.0%	(1.8%)	3,662	3,863	6.7x	6.1x	16.5x	14.8x	9.6%	65.5%	31.0%
Learning Technologies Group	0.75	47.6% / 128.0%	(3.8%)	593	714	1.2x	1.2x	5.6x	5.3x	3.8%	n.a.	13.0%
ReadyTech	3.56	87.0% / 127.1%	13.0%	416	447	3.8x	3.3x	11.3x	9.5x	15.1%	34.4%	14.1%
Janison Education	0.28	40.3% / 124.4%	(39.8%)	71	60	1.3x	1.1x	9.0x	5.9x	13.6%	62.7%	(10.7%)
Udemy	13.80	86.5% / 168.9%	34.9%	2,116	1,645	2.0x	1.7x	n.a.	24.1x	14.4%	57.4%	(14.9%)
Docebo	69.58	97.0% / 175.0%	34.8%	1,604	1,436	6.5x	5.3x	46.5x	32.0x	22.9%	80.7%	2.9%
Mean			1.7%			3.2x	2.8x	15.9x	13.9x	11.7%	62.1%	6.6%
Median			(1.8%)			1.6x	1.4x	9.0x	7.7x	11.6%	62.7%	11.8%

Trading comparables ⁽¹⁾

Company	Share price data					Trading multiples				Operating metrics		
	Trading data			Capitalisation (A\$m)		EV / Revenue		EV / EBITDA		Revenue Growth	Margins (Last Reported)	
	Share Price	As a % of 52-week high/low	3-month performance	Market cap.	Ent. value	FY24E	FY25E	FY24E	FY25E	FY24E	Gross	EBITDA
Payroll												
Automatic Data Processing	229.91	83.6% / 114.1%	(8.4%)	94,563	96,873	5.1x	4.8x	17.5x	16.3x	11.3%	49.1%	29.4%
Paychex	116.49	89.8% / 111.9%	(4.9%)	42,080	41,255	7.7x	7.3x	17.1x	16.1x	8.8%	73.9%	46.1%
Paycom	173.65	46.4% / 118.8%	(40.3%)	10,020	9,565	5.1x	4.4x	12.4x	10.9x	12.3%	87.0%	34.0%
Paylocity	149.01	63.4% / 106.9%	(23.8%)	8,371	8,135	5.8x	4.9x	17.0x	14.4x	28.3%	74.1%	16.7%
TriNet	109.77	90.3% / 177.2%	4.1%	5,544	6,435	4.8x	4.6x	11.4x	11.2x	(2.8%)	23.2%	12.2%
Mean			(14.6%)			5.7x	5.2x	15.1x	13.8x	11.6%	61.5%	27.7%
Median			(8.4%)			5.1x	4.8x	17.0x	14.4x	11.3%	73.9%	29.4%
HCM core												
Workday	231.95	91.8% / 164.2%	0.7%	60,771	57,383	7.9x	6.8x	29.0x	23.9x	16.3%	75.1%	4.6%
Ceridian HCM	69.26	86.9% / 124.5%	(4.4%)	10,813	11,549	6.6x	5.7x	23.4x	18.7x	15.2%	47.0%	17.0%
Sage	9.85	93.4% / 135.8%	3.6%	10,076	10,767	4.6x	4.2x	19.1x	17.1x	8.7%	93.0%	19.8%
Paycor HCM	20.40	68.0% / 119.1%	(10.8%)	3,623	3,584	5.5x	4.7x	17.5x	15.0x	25.8%	69.5%	3.6%
Mean			(2.8%)			6.2x	5.3x	22.2x	18.7x	16.5%	71.2%	11.2%
Median			(1.9%)			6.1x	5.2x	21.2x	21.3x	15.7%	61.1%	10.8%

Blackpeak HCM software credentials

foundU

2023
Pending
Financial Adviser



foundU

2021
Pre-IPO Raising
Financial Adviser



RITEQ

2019
Sales of Riteq
to Ceridian
Financial Adviser



ELMO

2018
Acquisition of
HRonboard
Financial Adviser



ELMO

2018
Equity Raising
A\$45m
Financial Adviser



ELMO

2018
Acquisition of
Pivot Remesys
Financial Adviser



ELMO

2017
Acquisition of
Quinntessential
Marketing
Financial Adviser



ELMO

2017
Initial public
Offering
A\$108m
Financial Adviser





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