

Market Trends



Generative Artificial Intelligence (**GenAI**), including chatbots and automation solutions, has the potential **to increase productivity by up to 30% across the HR value chain** in the near term

Compliance with the evolving and **growing complexity of contemporary labour laws** increases the need for efficient, reliable, and data-driven HR solutions



Growing adoption of cloud-based HR solutions among existing organisations fuels the industry demand

With companies adopting multiple technologies simultaneously, **data inconsistency** emerges as the **primary challenge** to market growth



HCM Software **evolves from personnel management to a cross-functional business partner**, integrating talent management, employee experience, productivity, and service delivery

Most CIOs intend to maintain or increase essential HR-related spending, demonstrating HCM market's resilience compared to other enterprise software verticals, even in uncertain times



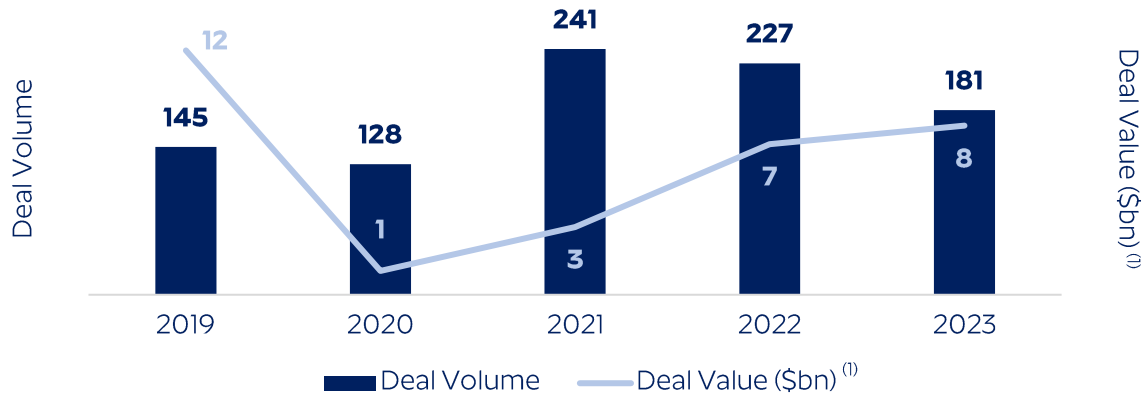
Recent Notable Transactions

Target	Buyer	Date	Target Subsector	Buyer Subsector	Deal Value (\$m)
HiredScore	workday	26-Feb-24	Workforce data and intelligence	Integrated HCM software	n.d.
VEDA	INVESTCORP	02-Jan-24	HR & Payroll software	Private Equity	n.d.
blue octopus	IRIS	21-Nov-23	Recruitment software	Software conglomerate	n.d.
aconso	KEENSIGHT CAPITAL	27-Sep-23	HR document management	Private Equity	n.d.
symfonia	AKKR	11-Sep-23	ERP & Payroll software	Private Equity	108
Replicon	Deltek	21-Aug-23	Timesheet software	ERP	335
sora	ADP	03-Aug-23	Employee onboarding	Integrated HCM software	n.d.
immedis	UKG	01-Jul-23	Payroll software	Integrated HCM software	597
Reward Gateway	Edenred	16-May-23	Employee engagement	Services and payments platform	1,437
HRWORKS	MAGUAR	08-May-23	Integrated HCM software	Private Equity	253
Modern Hire	HireVue	03-May-23	Hiring platform	Hiring platform	375
HRdownloads	The Citation Group	24-Apr-23	HR management platform	Compliance and quality services	n.d.
workvivo	zoom	21-Apr-23	Employee communication	Employee communication	222
WHI Holdings	GIC	31-Mar-23	HR & Payroll software	Sovereign wealth fund	2,600

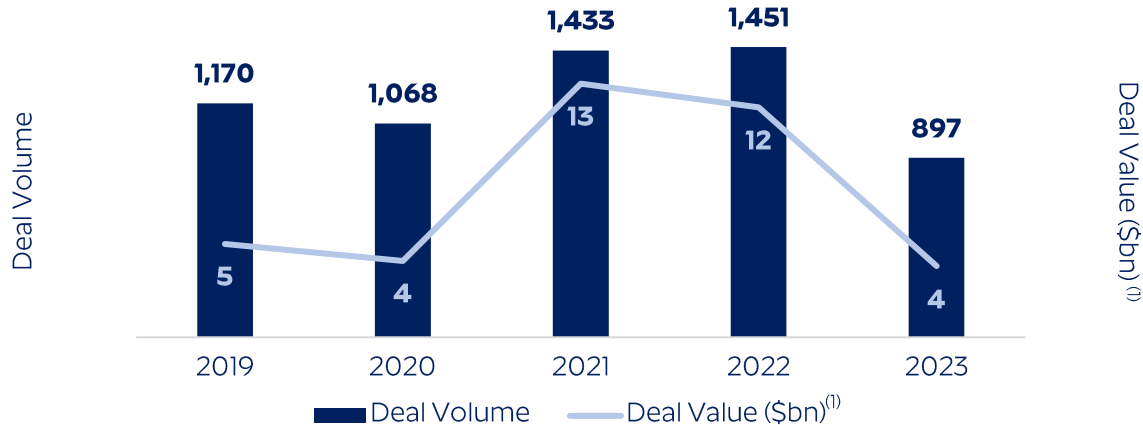
Note: HCM includes applications used for recruiting, applicant tracking, applicant screening, performance management, benefits administration, employee engagement, and employee analytic; Source: Pitchbook

HCM Deal Activity

M&A & Buyouts over the last 5 years



VC & Growth Equity over the last 5 years



(1) Deal values for the period do not include values from all deals captured in the deal volume for the period as values for some deals are not disclosed; Source: Pitchbook

Most Active Buyers



1996 Foundation

\$2.4bn Revenue TTM Sep-23

Oslo, Norway HQ

15,000+ employees

Recent acquisitions⁽²⁾



MITRATECH

1987 Foundation

\$868m Revenue TTM Dec-21

Austin, USA HQ

1400+ employees

Recent acquisitions⁽²⁾



2010 Foundation

\$135m Revenue TTM Dec-22

Aix En Provence, France HQ

500+ employees

Recent acquisitions⁽²⁾



1978 Foundation

c.\$400m Revenue TTM Apr-23

London, UK HQ

2,100+ employees

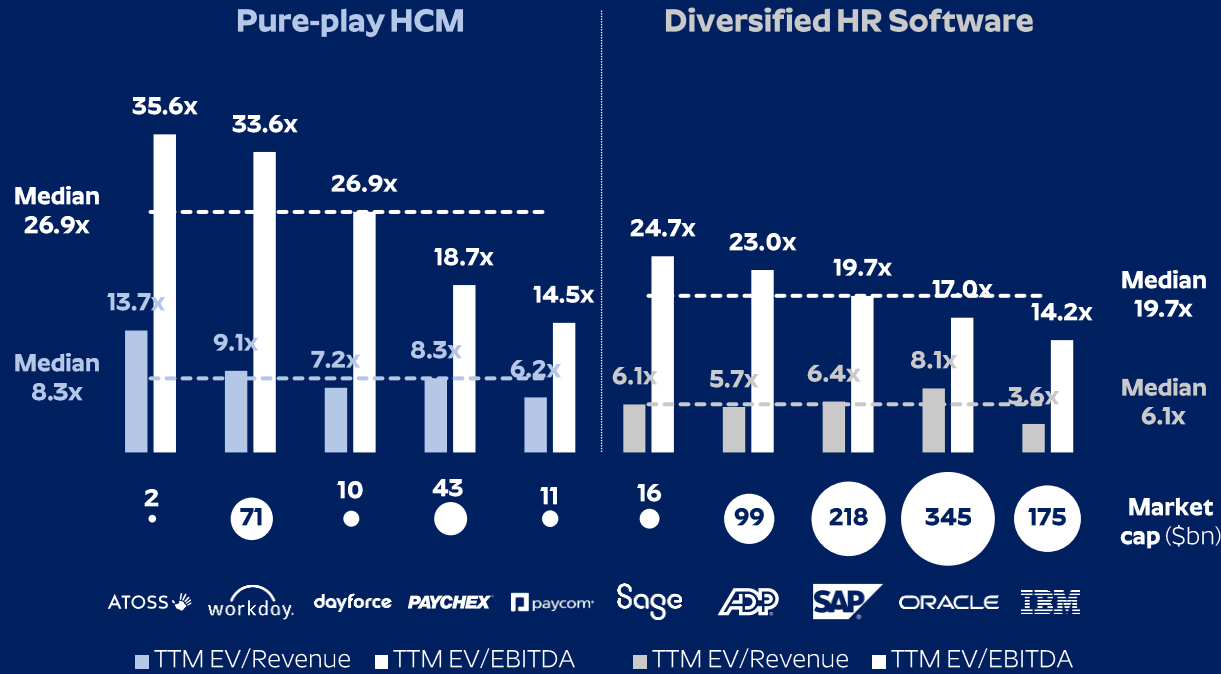
Recent acquisitions⁽²⁾



(2) Acquisitions completed over the last 2 years. Note: All the above strategic buyers are backed by Private Equity

Public Comps

Valuation Multiples



Recent CEO Commentary

workday "I think AI is as important and maybe as disruptive as the cloud was" – Aneel Bhusri, Co-Founder & Co-CEO

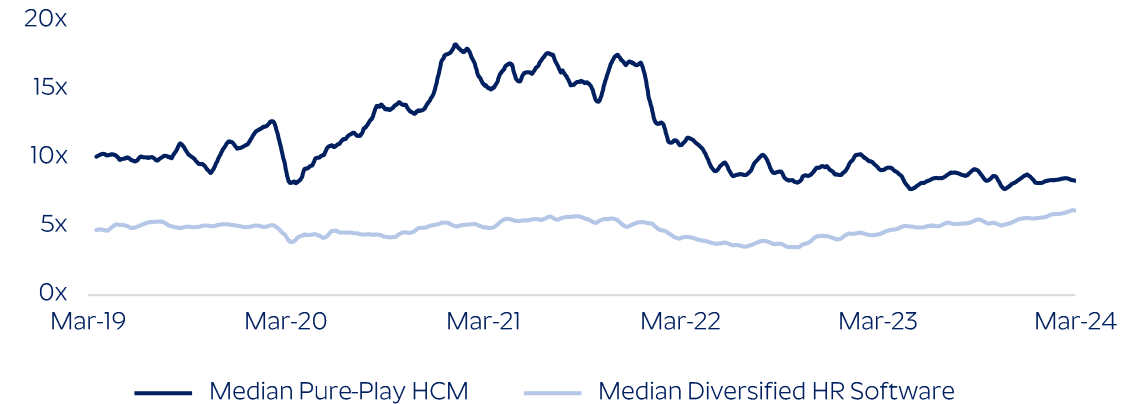
ATOSS "Applications like ChatGPT give us a foretaste of the sheer unimagined possibilities of artificial intelligence. In this new world, it is imperative for every company to tackle the digitalization of all processes." – Andreas Obereder, CEO

dayforce "At the end of the day, if you have garbage data, you're not going to get what you want." – David Lloyd, Chief Data Officer

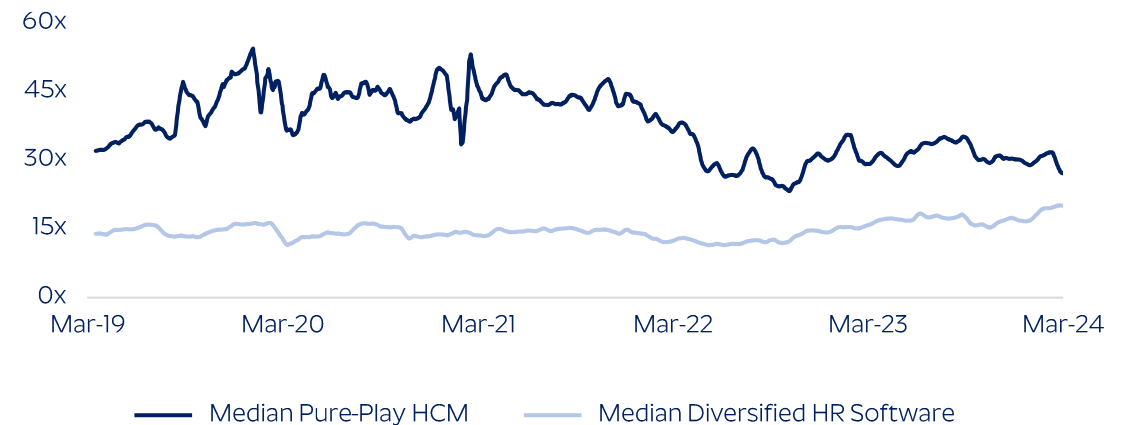
Source: Pitchbook (as of 18/03/24)

Sector Valuations Over Time

TTM EV/Revenue over the last 5 years



TTM EV/EBITDA over the last 5 years



Note: Peer groups includes the 10 companies presented to the left. Lines represent 15-day moving averages

Leadership



Chris Sahota
Founder & CEO

13+
years of leading Cisco

20+
years of corporate leadership



Board Advisory Member: Palantir accenture

Sector Team



Ateesh Srivastava
Managing Director

13+
years of experience

>£7bn
deal value executed



Matt Bruun
Senior Advisor

20+
years of experience

SaaS
Enterprise Sales Expert



Nicolas Pétré
Analyst

3+
years of experience

MSc
Finance



Daniel Glentworth
Analyst

2+
years of experience

BSc
International Business



Contact us: HCM@cisco.com

Select Cisco Deals



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Our team has built strong relationships and worked with transformative Technology businesses:



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