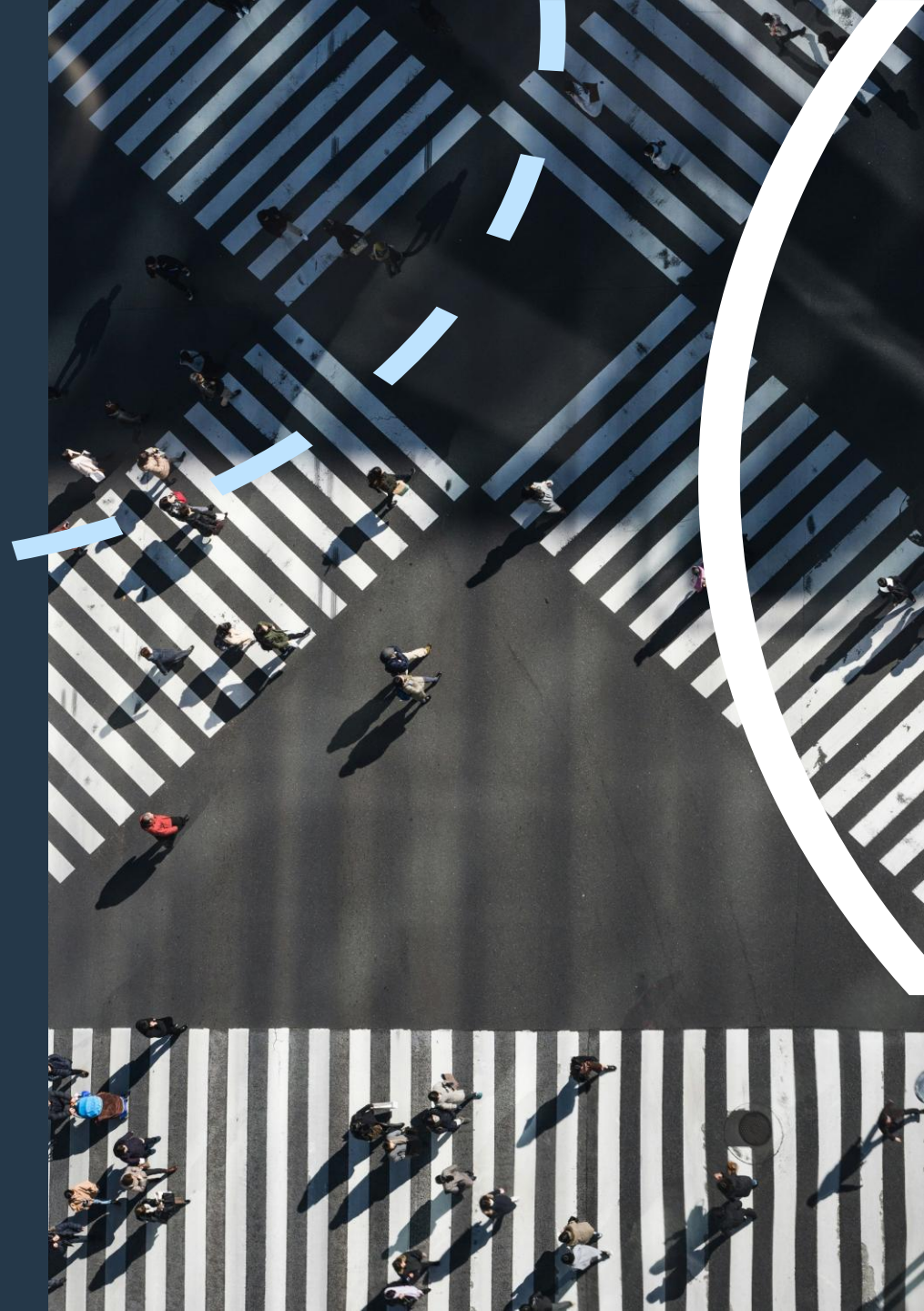


October 2025

Human Capital Management (HCM) Tech Sector Report

The HCM Tech Market is showing a strong resurgence in strategic deals, robust fundraising momentum and maturing valuations, and is poised for accelerated innovation and sustained long-term growth.



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Executive Summary

HCM companies remain a focal point for investors, as the rapid adoption of generative AI, workforce reskilling, and regulatory scrutiny reshape the sector. The next 12 months will test which platforms can balance innovation with trust, scalability, and employee impact.

"The HCM market has entered a defining phase. Generative AI has moved from experimentation to scaled deployment, raising both productivity expectations and governance challenges. Investors are rewarding platforms that combine automation with trust, compliance, and measurable employee impact. Over the next year, the winners will be those that balance rapid innovation with resilience and transparency in an increasingly scrutinized market."

— Anshul Tyagi, Associate Director



Market Growth Defies Macro Pressures

The HCM tech market is currently worth \$28.8bn and projected to grow at >13% CAGR through 2028, outperforming most enterprise SaaS segments. Structural tailwinds – AI adoption, hybrid work normalization, and intensifying compliance – are repositioning HCM as mission-critical infrastructure. This structural demand is insulating valuations and making the sector one of the most attractive long-duration growth stories in software



Core HR Valuations Remain Strong

Core HR platforms – ADP, Workday, Paycom – trade at a median of 6.0x EV/LTM Revenue multiple, noticeably higher than average SaaS multiples. Their premium reflects the mission-critical nature of payroll, benefits, and compliance, where churn is negligible and revenues are recurring. Even in volatile markets, these businesses attract strategic and sponsor demand given their indispensable role in enterprise workforce infrastructure



Consolidation reshaping competitive dynamics

Consolidation is accelerating, led by strategics like Visma, SAP, ADP, Paychex, Workday, and UKG, and PE sponsors including Thoma Bravo, Silver Lake, and H&F. Roll-ups are creating unified hire-to-retire platforms, boosting attach rates, eliminating fragmentation, and structurally reshaping competition while expanding defensible market share



M&A Deal Activity Remains Consistently Strong

HCM M&A activity has remained structurally resilient, averaging c. 50 transactions per quarter over the past two years, with volumes steady through 2025. Unlike broader SaaS, HCM has normalized into a steady cadence, reflecting continued conviction from both strategics and private equity sponsor. Private markets continue to trade at a premium to public, reflected in multiple public-to-private transactions in the sector



Growth Capital Continues to Flow

Investors remain active in HCM, even as broader SaaS funding becomes more selective. Capital is increasingly directed toward payroll, benefits and employee engagement platforms as evidenced by recent investments from Apax, Great Hill Partners and NorthEdge respectively, reinforcing confidence in HCM as a long-term growth theme with resilient demand fundamentals

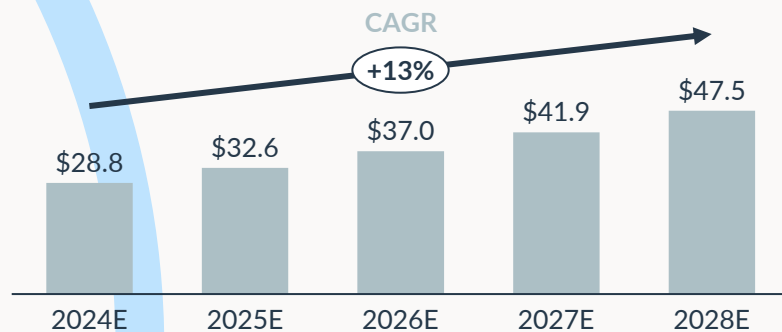
Market overview

The \$28.8bn HCM tech market is poised to expand at >13% CAGR through 2028, underpinned by:

- ✓ accelerating enterprise investment in AI-driven automation;
- ✓ the structural shift to hybrid work (with 58% of firms adopting permanent policies);
- ✓ rising compliance demands; and
- ✓ the scaling of employee experience platforms, creating a fertile environment for consolidation and strategic M&A.

Global HCM tech market size (in \$bn)

Global HCM tech market size is projected to show strong and sustained growth



Emerging trends in HR tech adoption and investment



AI & Automation

- ✓ 60% of enterprises plan to increase investment in AI-driven HCM platforms by 2025
- ✓ AI-enabled recruiting tools have reduced time-to-hire by up to 30%.



Hybrid & Flexible Work

- ✓ 58% of organizations now support hybrid work as a permanent policy
- ✓ Productivity tracking software adoption grew by 22% YoY

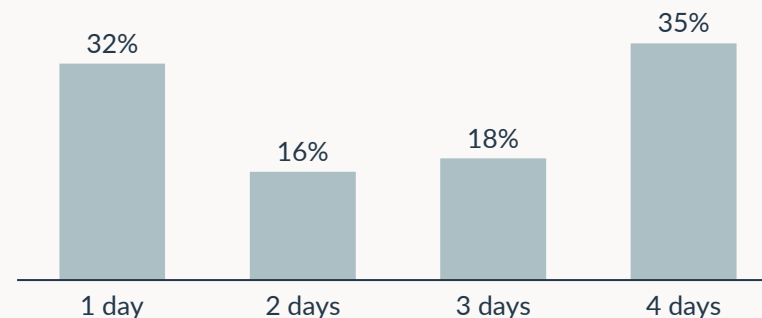


Compliance & Security

- ✓ With rising regulations, 41% of firms increased compliance-related HR tech spend in 2024
- ✓ HCM vendors report 30% higher demand for built-in GDPR/AI-ethics compliance features

Composition of work-from-home days per week

Hybrid employees typically work an average of three days in the office and 2.6 days remotely.



Workforce Analytics

- ✓ People analytics adoption has risen to 53% of large enterprises, up from 39% in 2022
- ✓ Predictive attrition models have improved retention outcomes by 10–15%



Employee Experience (EX)

- ✓ Companies investing in EX see 25% lower attrition compared with peers
- ✓ EX platforms now have an estimated market size of \$6.5B, growing at 14% CAGR



Screening Efficiency

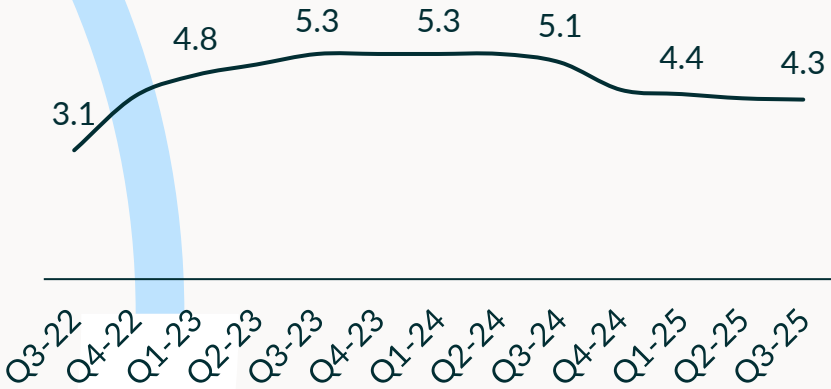
- ✓ 58% of organizations use automated screening tools in hiring
- ✓ With AI / automation, time to hire is reduced by ~28% in firms using advanced screening / matching tools

Employment & wage trends

The macro environment – stabilizing rates, easing but persistent inflation, and a labor market that is cooling but not collapsing – creates a strategic window for enterprises to modernize their people infrastructure. HCM providers that deliver scalable AI-driven recruitment, workforce optimization, and integrated engagement tools are best positioned to capture the next wave of demand.

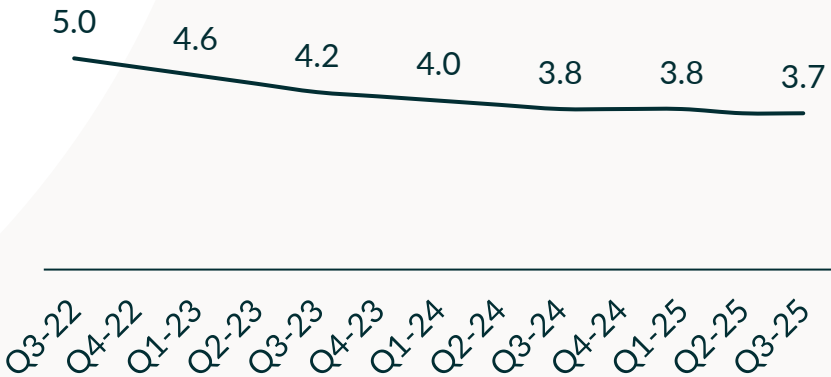
Federal Funds Effective Rate (%)

Rate stabilization at 4.25% in Q3 2025 post-2022 hikes eases LBO financing costs, bolstering HCM M&A appetite



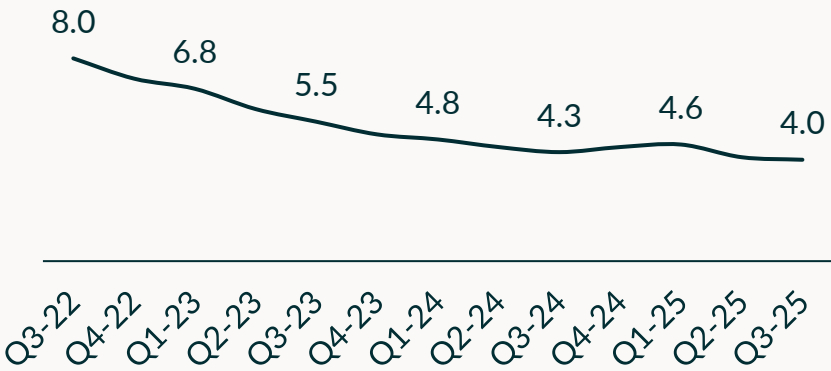
US Average Hourly Earnings (YoY % Change)

YoY growth moderation to 3.7% by Q3-25 signals wage pressure relief, driving HCM demand for efficiency tools



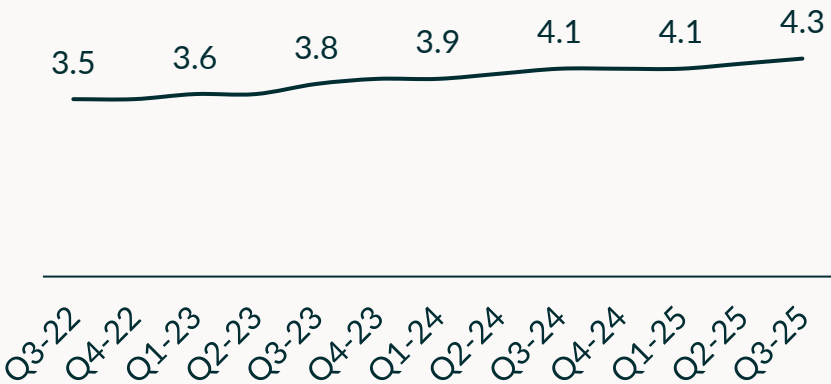
Global Inflation Rate (OECD CPI, YoY %)

Disinflation to 4.0% average in Q3-25 tempers input costs, enhancing EBITDA margins for HCM platforms



US Unemployment Rate (%)

Uptick to 4.3% average in Q3-25 highlights labor mismatches, amplifying HCM tailwinds for talent acquisition plays



Emerging market trends

In recent years, emerging trends like advanced analytics and AI have posed significant challenges for HR leaders. Moving forward, we expect AI capabilities to become more embedded in workflows, and a drive for deeper integration and unified employee experience platforms.

“The HCM Tech sector remains highly resilient as evidenced by the continued strength and depth of recent M&A and Fundraising activity. Our recent Oak Engage deal completion shows that, in areas such as employee engagement, compelling solutions have the ability to drive user engagement, increase employee satisfaction and maximise staff retention. Consequently, there’s an ever-increasing appetite from strategic acquirers and private equity players for platforms that can drive digital transformation in the workplace.”

— Eddie Harding, Partner



1	AI Agents Embedded in HR Workflows	AI agents are becoming integral to recruiting, onboarding, and performance processes e.g. Oracle Fusion Cloud now uses AI agents to automate job description drafting and onboarding coordination, illustrating how AI moves beyond pilots into embedded workflows delivering operational efficiency	2	Skills Graphs as the Workforce Control Layer	Organizations like Gainwell have partnered with SkyHive to develop live skills maps of their workforce, enabling better hiring, pay, and mobility decisions. Cornerstone’s Skills Graph exemplifies using standardized taxonomies for unified job architectures and learning paths
3	Unified Employee Experience Platforms	Platforms like Oracle ME and Flip offer integrated “hire-to-retire” services combining communication, feedback, and HR tasks, helping organizations such as Ben & Jerry’s and REWE increase employee engagement and streamline deskless worker support	4	Workforce Intelligence Tied to Financial Outcomes	Enterprises increasingly embed HR analytics on attrition, ramp-up, and skills directly into financial and operational reviews. This integration supports faster, ROI-focused decisions, as seen in deployments in major Fortune 500 companies
5	Hybrid & Contingent Workforce Management	Providers such as Acara and GDC IT Solutions unify management of full-time, contingent, gig, and cross-border workers. Their platforms address compliance complexity and cost optimization concerns prevalent in emerging market labor pools	6	Employee Experience for Retention	Firms like Salesforce and SAS have invested in platforms and policies – real-time feedback tools, continuous learning, flexible schedules – that demonstrably reduce attrition and boost job satisfaction. Case studies show improved culture and lower turnover among high-value talent
7	Market Consolidation Leveraging AI-Driven Modules	PE and strategic buyers are acquiring AI-first HCM modules with proven attach rates for horizontal expansion without rebuilding platforms e.g. Thoma Bravo’s purchase of Dayforce. The surge in acquisitions highlights the role of AI in consolidation strategies	8	ROI and Cost Discipline Govern Procurement	Customers require HCM tech paybacks within six months, focusing on reductions in time-to-fill, improved retention, and productivity gains. Boards increasingly demand documented financial impact before approving investment

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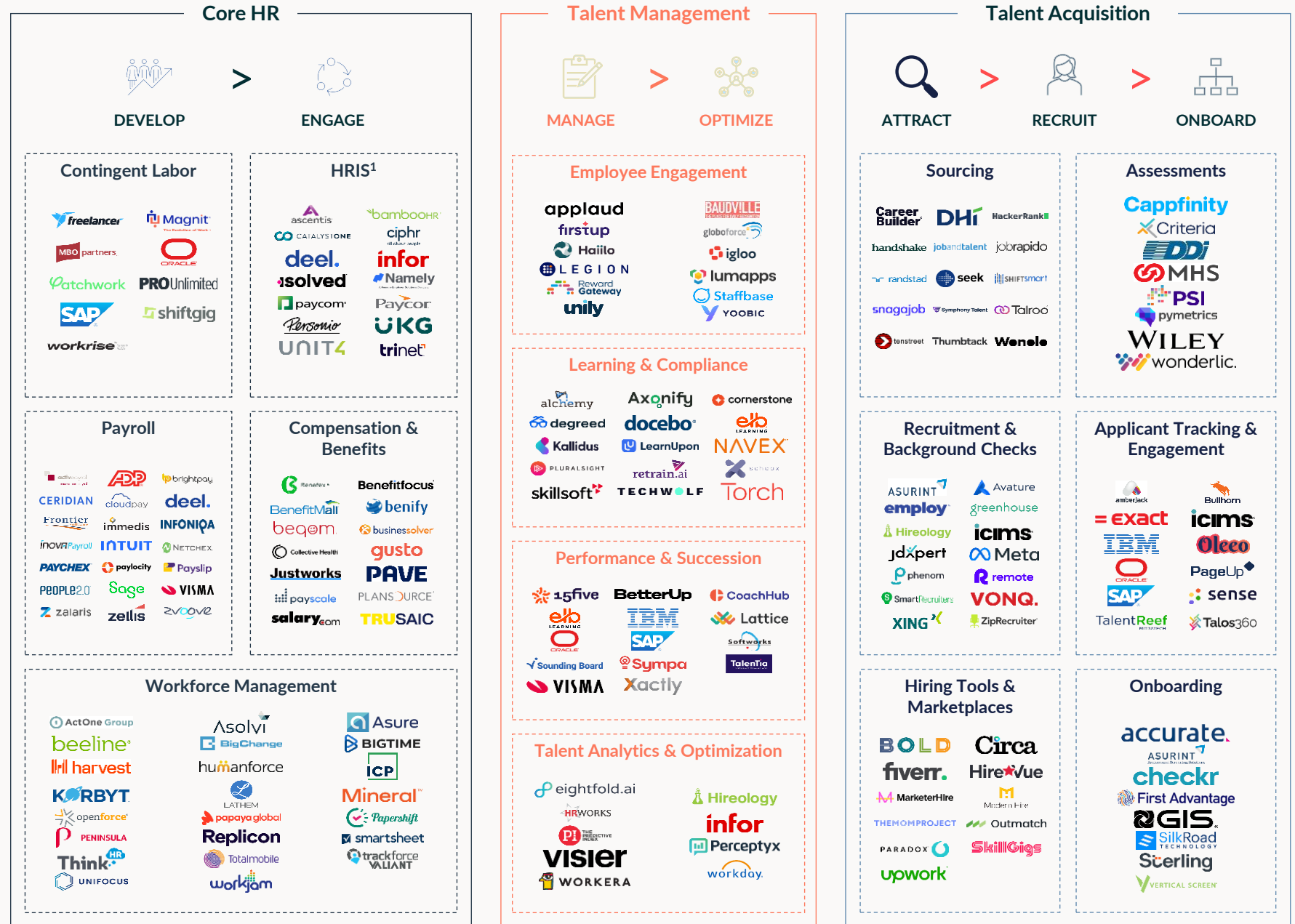
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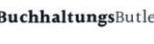
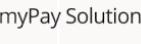
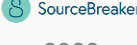
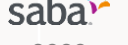
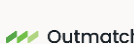
Market mapping

The HCM ecosystem spans a fragmented but rapidly consolidating value chain – from talent sourcing and assessments to core HR systems and talent management. Strategic acquirers and sponsors are targeting platforms with scale, integration depth, and measurable ROI as buyers demand unified, AI-enabled, hire-to-retire solutions.



Key consolidators

HCM remains one of the most active consolidation markets in software — leading sponsors and strategics continue to execute high-velocity M&A, expanding product breadth and geographic reach to build scaled, end-to-end platforms.

Company	Sponsor	Targets	Selected acquisitions						
 VISMA	 GIC 	310	 talana 2025	 LARA 2025	 BuchhaltungsButler 2023	 HH 2023	 silverfin 2023	 Beeple 2022	 inqom 2022
 access	 GIC 	96	 TRADIFY 2024	 QikServe 2024	 onboarded 2024	 shrGROUP 2024	 Lightyear 2024	 rotaready 2022	 CORE HR 2020
 IRIS	 ICG 	55	 swipeclock 2024	 blue octopus 2023	 myPay Solutions 2022	 networkx By IRIS 2022	 CONARC 2021	 staffology By IRIS 2021	 SOURCE 2021
 UKG		47	 shiftboard 2024	 immedis 2023	 QUORBIT 2022	 Ascentis 2022	 interboro systems corp. 2022	 SpotCues 2022	 Great Place to Work. 2021
 Bullhorn		19	 SourceBreaker 2022	 able 2022	 cubel9 2021	 ((sirenum)) 2021	 herefish 2020	 erecruit 2019	 invenias 2019
 elb LEARNING		11	 COREAXIS 2022	 origin learning 2022	 rehearsal 2022	 The Coast Agency 2021	 knowledgeLink a product of Edmentum 2020	 Trivantis 2020	 cognitiveadvisors 2019
 cornerstone		10	 TALESPIN 2022	 sumtotal 2022	 edcast 2022	 saba 2020	 clustree 2019	 grovo 2019	 workpop 2018
 Outmatch		9	 harver 2021	 Checkster Better Talent Decisions 2020	 FurstPerson. 2020	 LAUNCHPAD 2020	 the DEVINE GROUP 2019	 wepow 2018	 POMELLO 2017
 icims		8	 SKILLSURVEY 2022	 CandidateID an ICIMS Company 2022	 altru. AN ICIMS COMPANY 2020	 EASYREGREE 2020	 opening.io 2020	 jibe 2019	 TextRecruit 2018
 JOBVITE		8	 LEVER 2022	 NXTThing 2021	 JazzHR 2021	 talentegy 2020	 PREDICTIVE PARTNER 2020	 canvas 2019	 Talemetry 2019
 Perceptyx		5	 cultivate 2022	 CultureIQ 2021	 waggl 2021	 KANTAR TNS 2020			

Earning reports

AI adoption and capital return themes persist, but focus shifting toward platform integration, operating leverage, and bookings velocity. The cohort continues to deliver mid to high-single-digit growth, margin expansion, and increased EPS guidance despite macro headwinds.



Q4 2025, July 2025

Key metrics/ takeaways:

- ✓ **Total Revenues:** \$5.1B (+8% YoY in Q4, +7% FY)
- ✓ **Adjusted EBIT:** \$1.2B (+9% YoY Q4), margin up 40 bps YoY to 23.6%
- ✓ **Adjusted EPS:** \$2.3 in Q4 (+8% YoY), \$10.0 FY (+9% YoY)

Key updates:

- ✓ Launched ADP Lyric HCM and continued roll-out of ADP Assist (AI)
- ✓ Closed acquisition of Workforce Software
- ✓ FY26 outlook: Revenue growth 5–6%, EPS up 8–10%, continued margin expansion



Q2 2025, June 2025

Key metrics/ takeaways:

- ✓ **Total Revenue:** \$465M (+10% YoY), Recurring Revenue \$316M (+14% YoY)
- ✓ **Adjusted EBITDA:** \$147M; margin 31.7%
- ✓ **Adjusted diluted EPS:** \$0.61 (+27% YoY)
- ✓ **Net income:** \$21M (net margin 4.6%)

Key updates:

- ✓ 7,000+ customers now live; bookings up 40%+ YoY YTD
- ✓ Expanded public sector wins (Canada Government), further enterprise adoption
- ✓ Rolled out new AI-powered skills, management, pay transparency features



Q3 2025, May 2025

Key metrics/ takeaways:

- ✓ **Total Revenues:** \$1.51B (+5% YoY)
- ✓ **Adjusted EPS:** \$1.49 (+8% YoY)
- ✓ **Adjusted Operating Margin:** 46.9%
- ✓ **Net income:** \$519M (+4% YoY)

Key updates:

- ✓ HR Copilot (AI-powered) to launch.
- ✓ Acquisition of Paycor, to run standalone, expands customer base to ~800,000.
- ✓ Technology investments delivering operating margin expansion.
- ✓ PEO/insurance outlook strong; some headwinds from ERTC wind-down



Q2 2025, June 2025

Key metrics/ takeaways:

- ✓ **Revenue:** \$484M (+11% YoY)
- ✓ **Adjusted EBITDA margin:** 38%+
- ✓ **EPS:** Q2 actual \$2.06 (up sharply YoY, beat est.), strong momentum into Q3

Key updates:

- ✓ Launched "IWant" – AI-driven HCM interface; early client feedback very strong
- ✓ Increased FY guidance; continued margin expansion
- ✓ Ongoing platform consolidation, competitive differentiation around automation/AI



Q2 2025, June 2025

Key metrics/ takeaways:

- ✓ **Revenue:** \$1.2B (flat YoY), Professional service revenue \$172M (-8% YoY)
- ✓ **Adjusted EBITDA:** \$109M
- ✓ **EPS:** \$0.77 (GAAP), \$1.17 adjusted

Key updates:

- ✓ Pricing actions/prudent repricing in benefits, customer retention remains above historical average
- ✓ On track with FY guidance despite flat sales
- ✓ \$191M returned to investors YTD via buybacks/dividends; robust cash discipline



Q3 2025, Oct 2024

Key metrics/ takeaways:

- ✓ **Total Revenue:** \$2.26B (+16% YoY), Subscription revenue \$1.96B (+16% YoY)
- ✓ **Non-GAAP Operating Margin:** 26.3%
- ✓ **Adjusted EPS:** \$1.89 (beat), Operating Income \$165M (GAAP)

Key updates:

- ✓ Subscription backlog up 20% YoY to \$22.2B.
- ✓ U.S. Fed Gov contract win + major new logos
- ✓ Share repurchase \$157M, \$900M+ authorization remaining.
- ✓ Raising FY26 subscription revenue, margin guide; AI modules winning traction

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Listed peers

Segmentation of listed companies in the HCM landscape across talent acquisition, core HR, and talent management categories.

- ✓ **Core HR:** Providers focused on mission-critical payroll, benefits, & workforce administration systems
- ✓ **Diversified HCM:** Platforms with broad, multi-segment exposure across HR, payroll, talent, and adjacent enterprise solutions
- ✓ **Talent Management:** Companies delivering learning, performance, and employee development solutions, addressing enterprises' upskilling, productivity, and retention
- ✓ **Talent Acquisition:** Businesses specializing in recruitment, staffing, and digital marketplaces that connect employers and candidates

Core HR



paylocity

12%

Last year revenue growth %

22%

Median LTM EBITDA margin %

36%

Rule of 40 (LTM)

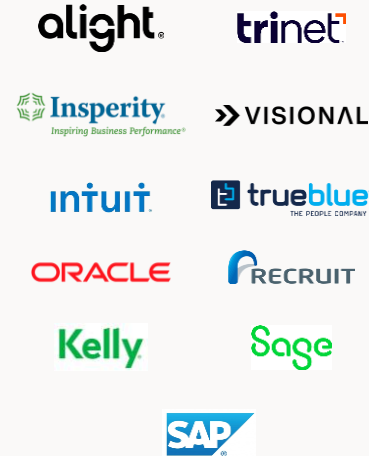
6.0x

Median EV/LTM Revenue

21.5x

Median EV/LTM EBITDA

Diversified HCM



3%

Last year revenue growth %

16%

Median LTM EBITDA margin %

18%

Rule of 40 (LTM)

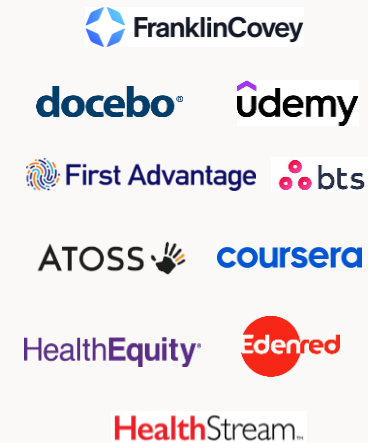
3.2x

Median EV/LTM Revenue

20.2x

Median EV/LTM EBITDA

Talent Management



12%

Last year revenue growth %

13%

Median LTM EBITDA margin %

22%

Rule of 40 (LTM)

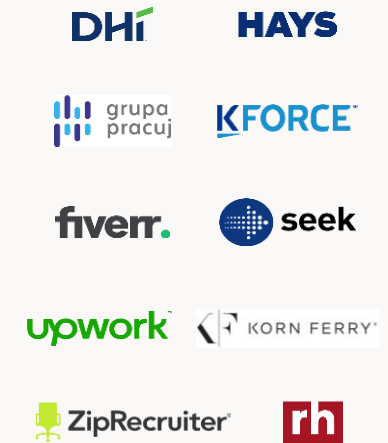
2.7x

Median EV/LTM Revenue

20.0x

Median EV/LTM EBITDA

Talent Acquisition



(7%)

Last year revenue growth %

5%

Median LTM EBITDA margin %

11%

Rule of 40 (LTM)

1.3x

Median EV/LTM Revenue

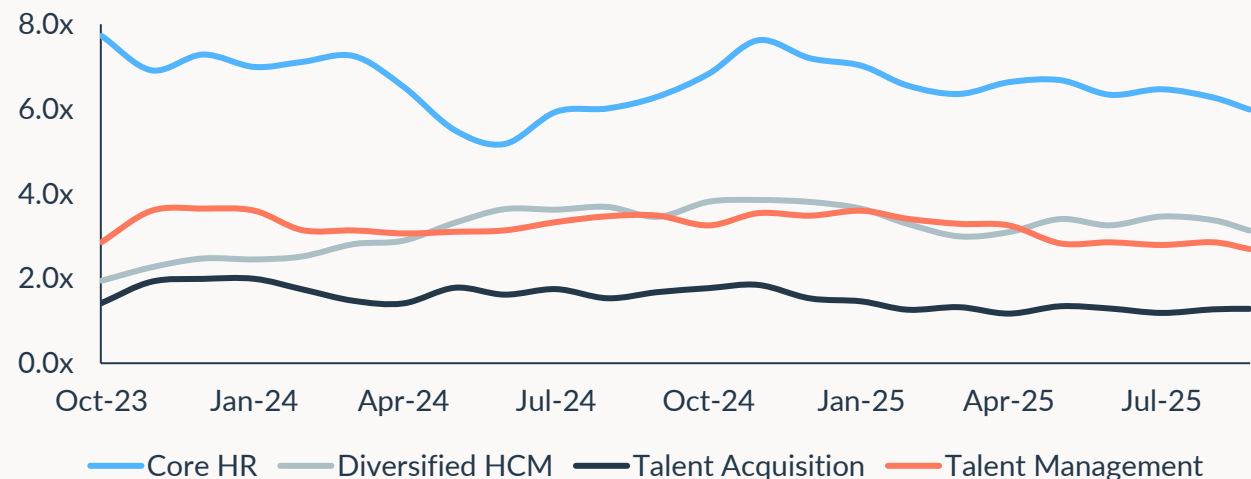
15.4x

Median EV/LTM EBITDA

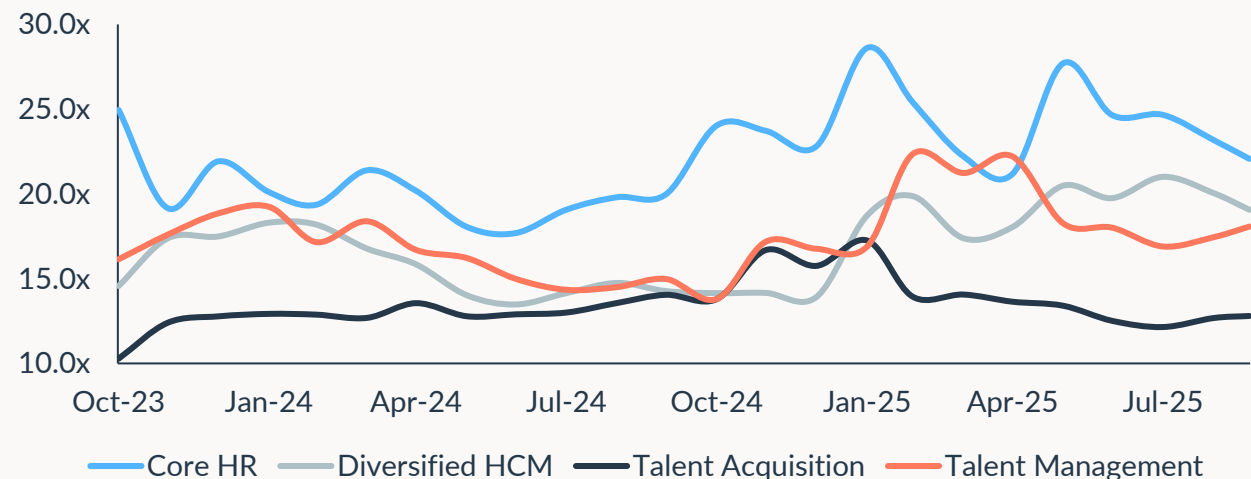
Trading update

Overall, the sector is showing improving stability, with investors rewarding scale, breadth, and recurring models, while cyclical categories are well-positioned to benefit from any upturn in macro hiring activity.

Indexed EV/LTM Revenue performance – Last 24 Months¹



Indexed EV/LTM EBITDA performance – Last 24 Months¹



Comments:

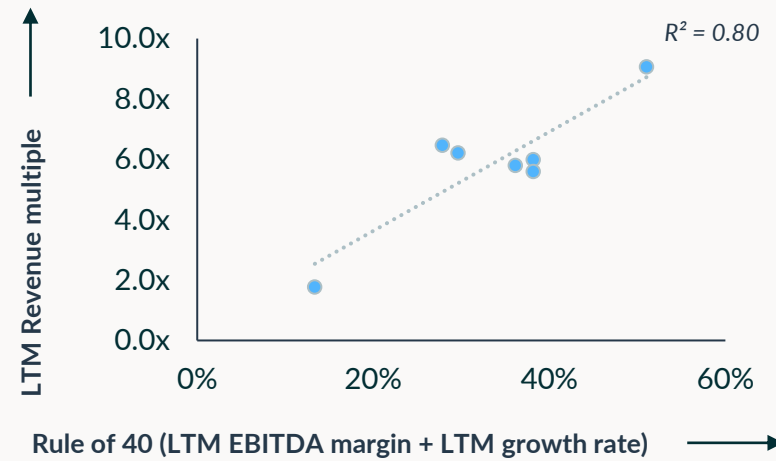
- ✓ **Core HR:** Multiples have rebounded meaningfully from mid-'24 lows (5.2x) to a steady mid-6x range, reflecting renewed confidence in the category's mission-critical nature and subscription durability
- ✓ **Diversified HCM:** The standout re-rating story, advancing from ~2x in late '23 to 3.0–4.0x. Investors are increasingly recognizing the strength of broad platforms with cross-sell opportunities and diversified revenue streams
- ✓ **Talent Acquisition:** While still trading near cycle lows (~1.2–1.3x), the category has demonstrated resilience, with valuations stabilizing over recent quarters. Signs of incremental improvement could act as a catalyst for re-rating
- ✓ **Talent Management:** Valuations have moderated from late '23 peaks, but the group remains supported by secular demand for learning, engagement, and retention solutions – areas increasingly critical in a competitive labor market

Regression analysis

Across HCM subsectors, regression analysis highlights a clear and consistent linkage between Rule of 40 performance and valuation multiples, reinforcing that investors reward platforms delivering balanced growth and profitability with premium trading multiples.

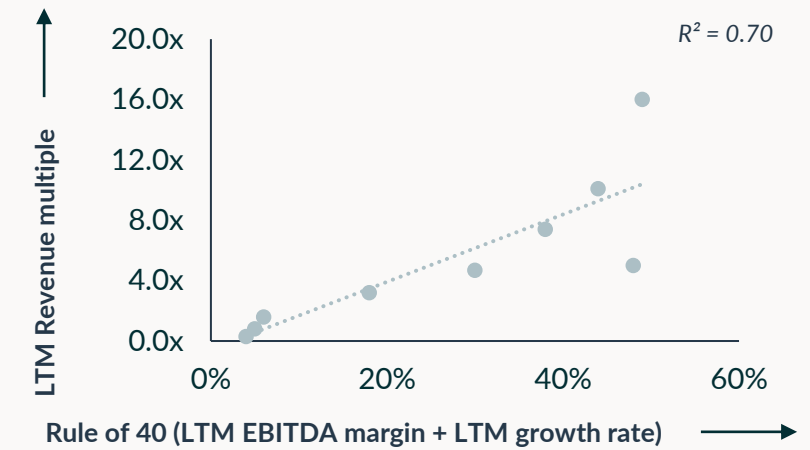
Core HR

Strong correlation, premium scales with efficiency metrics



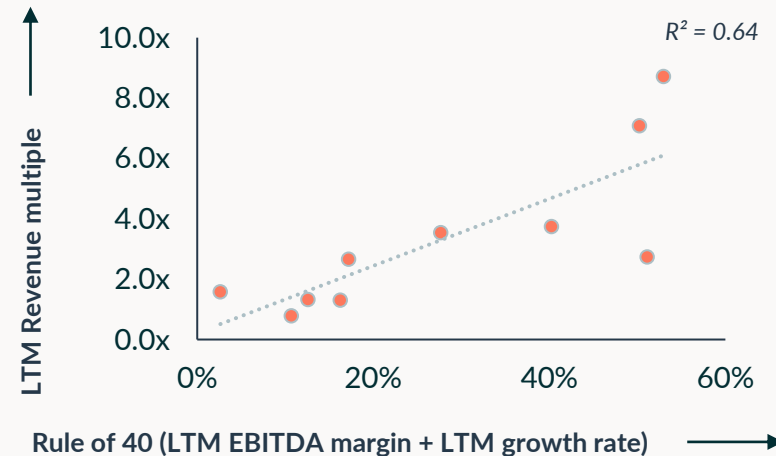
Diversified HCM

Solid linkage, valuation uplift with operating leverage



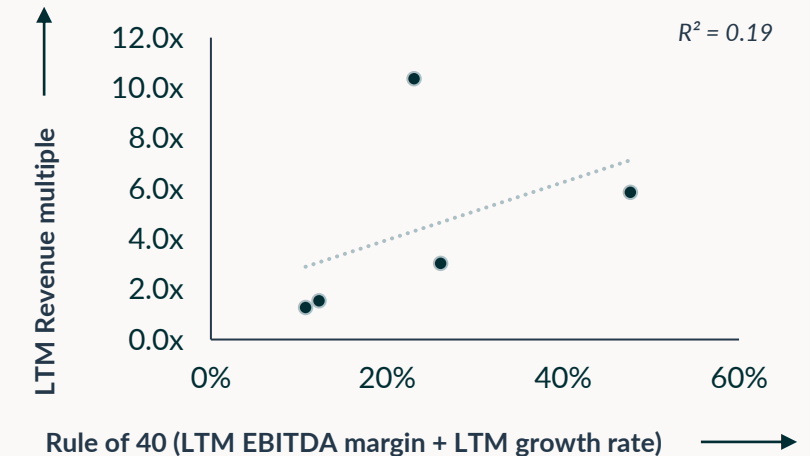
Talent Management

Moderate correlation, selective premium for top performers



Talent Acquisition

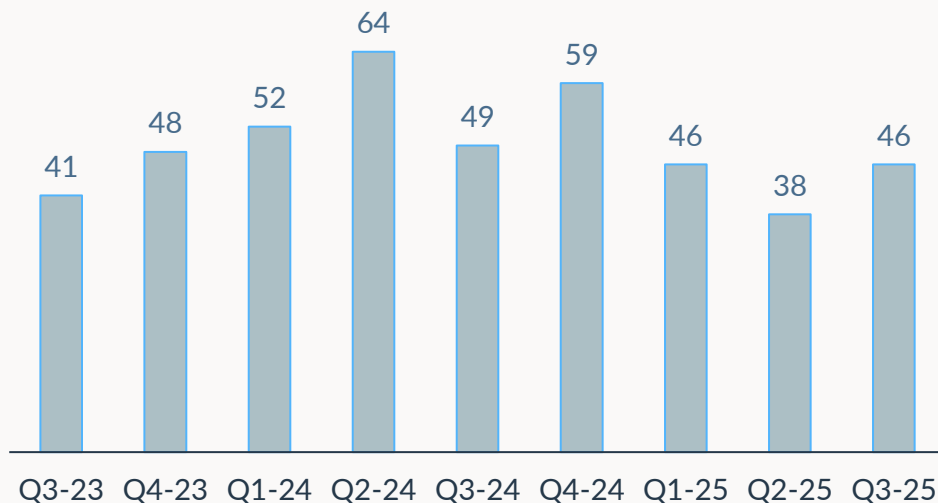
Weak fit, multiples less Rule-of-40 driven



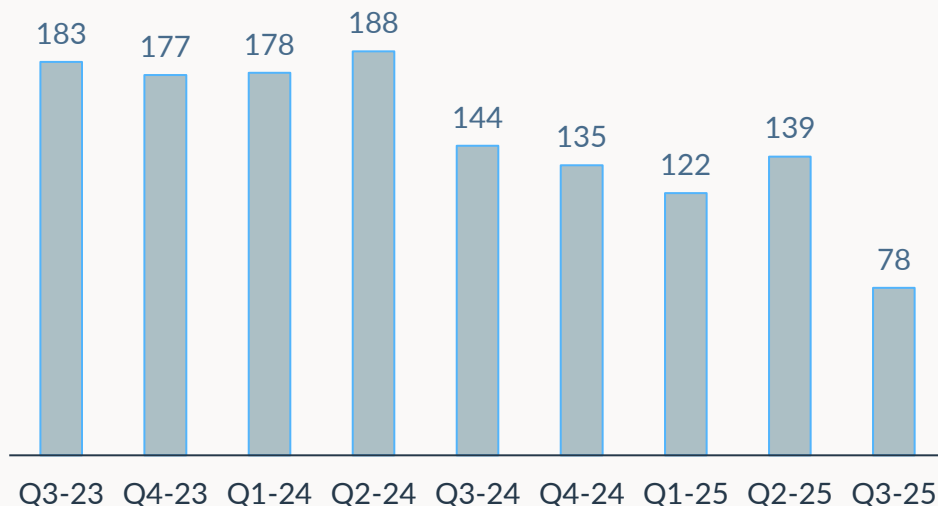
Resilient Deal Activity

Despite broader market volatility, HCM Tech has sustained a steady cadence of M&A and fundraising transactions. Deal activity has normalized from peak-pandemic levels into a more disciplined but consistent flow, underscoring continued strategic and investor conviction in digital workforce platforms.

Global HCM Tech M&A Transactions (Quarterly Deal Count)



Global HCM Tech Fundraising Rounds (Quarterly Deal Count)



Comments:

- ✓ **Consistent Transaction Flow:** Quarterly deal counts have remained resilient, averaging ~50 transactions per quarter across the last eight quarters, despite broader market volatility
- ✓ **2024 Momentum:** Activity strengthened in 2024, with a peak of 64 transactions in Q2-24, highlighting strong buyer appetite for consolidation and capability expansion
- ✓ **Stability into 2025:** While deal counts moderated in early 2025, volumes remain healthy (46 transactions in Q3-25), underscoring sustained strategic interest in HRTech assets
- ✓ **Sector Durability:** The data reflects a market that has transitioned from pandemic-era highs to a more stable, disciplined cadence — yet continues to generate steady transaction activity

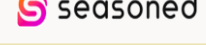
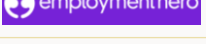
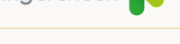
Comments:

- ✓ **Consistent Dealfow:** Since Q3-23, the sector has sustained ~120–190 rounds per quarter, highlighting a steady pipeline of venture activity even in a more selective funding environment
- ✓ **2024 Stability:** Round counts held in a tight band (135–188 per quarter) across all of 2024, reflecting continued investor appetite for HCM solutions despite broader market contraction
- ✓ **2025 Activity:** The first three quarters of 2025 delivered c.340 fundraising rounds, demonstrating that investor conviction remains intact
- ✓ **Sector Durability:** Even with some moderation in absolute deal counts, the sector continues to attract consistent rounds each quarter, underscoring the resilience and long-term growth thesis for digital workforce and HCM platforms

Highlighted deals

Strategic acquisitions and capital infusions fueling innovation, expansion, and efficiency in HR tech markets.

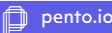
Recent M&A trends reflect a push for efficiency in talent acquisition, integrated solutions in Core HR, and enhanced engagement in talent management.

Date	Category	Target	Acquirer	EV (\$m)	EV/Rev	Target Description
Sep-25	Talent Management	 Espressive	 RESOLVE	N/A	N/A	AI-native employee service automation platform, enabling enterprises to streamline workforce inquiries at scale
Sep-25	Talent Acquisition	 CAREER KARMA	 climb	N/A	N/A	Candidate guidance marketplace facilitating career navigation and employer alignment
Aug-25	Talent Acquisition	 SmartRecruiters	 SAP	N/A	N/A	Leading cloud-native ATS and hiring platform driving global enterprise-scale recruiting efficiency
Jun-25	Talent Management	 oak engage	 North Edge	Conf.	Conf.	Employee engagement and intranet platform for enhanced productivity and operational efficiency
Jun-25	Diversified HCM	 TOPIA WORK EVERYWHERE	 B R W RIVER CAPITAL	N/A	N/A	Global mobility management suite orchestrating workforce relocation and compliance for multinational enterprises
Jun-25	Core HR	 hastee.	 zellis	N/A	N/A	Digital employee financial wellness and earned wage access benefits solution
Apr-25	Diversified HCM	 GoCo	 INTUIT	N/A	N/A	SMB-focused cloud-native HRMS platform integrating payroll, benefits, and compliance
Apr-25	Talent Acquisition	 truework	 checkr	N/A	N/A	Digital verification and background check platform enhancing candidate trust and employer compliance
Mar-25	Talent Acquisition	 seasoned	 JobGet	N/A	N/A	Industry-specific job marketplace optimizing hiring for the food services sector
Mar-25	Talent Management	 Moveworks	 servicenow	2,850.0	N/A	AI-powered workforce communications platform transforming employee engagement and productivity
Mar-25	Talent Management	 Sounding Board	 bts	8.9	23.6x	Leadership development platform enabling enterprises to scale personalized coaching and employee growth
Jan-25	Diversified HCM	 HUMI	 employmenthero	69.5	1.2x	Cloud-native HRMS serving SMBs across payroll, benefits, and workforce administration
Jan-25	Core HR	 Accolade PERSONALIZED HEALTHCARE	 transcarent	636.3	1.4x	Comprehensive digital employee health and benefits navigation platform
Jan-25	Diversified HCM	 Paycor	 PAYCHEX	4,200.0	5.9x	Scale HRMS suite serving SMBs with payroll, talent, and workforce administration capabilities
Nov-24	Core HR	 evive	 bswift	N/A	N/A	Personalized employee benefits management platform leveraging data-driven decisioning
Nov-24	Talent Acquisition	 snagajob	 JobGet	N/A	N/A	High-volume hourly work marketplace enabling employers to connect with frontline talent
Oct-24	Core HR	 fingercheck	 edisonpartners	115.0	N/A	Workforce management and payroll solution streamlining time, attendance, and compliance

Highlighted deals

Strategic acquisitions and capital infusions fueling innovation, expansion, and efficiency in HR tech markets.

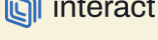
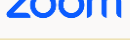
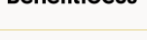
Recent M&A trends reflect a push for efficiency in talent acquisition, integrated solutions in Core HR, and enhanced engagement in talent management.

Date	Category	Target	Acquirer	EV (\$m)	EV/Rev	Target Description
Oct-24	Diversified HCM			1,200.0	4.7x	Enterprise-grade workforce management suite focused on large, global employers
Aug-24	Diversified HCM			N/A	N/A	HRMS and payroll SaaS platform addressing mid-market enterprises in emerging economies
Jul-24	Core HR			165.6	3.5x	Employee perks and recognition platform enhancing workforce retention and engagement
Jun-24	Core HR			N/A	N/A	Digital benefits and compensation management platform for employee financial wellness
May-24	Talent Acquisition			N/A	N/A	Diversity-focused talent marketplace connecting enterprises with underrepresented candidates
May-24	Talent Management			N/A	N/A	Enterprise knowledge management and workforce training SaaS platform
Apr-24	Talent Management			48.0	6.3x	All-in-one application providing best experiences for front-line workers in retail industry
Apr-24	Diversified HCM			1,580.0	6.2x	Next-gen HRMS platform addressing payroll, benefits, and workforce management across Europe
Apr-24	Talent Acquisition			100.0	N/A	Virtual internship platform connecting enterprises with future talent pipelines
Mar-24	Talent Management			N/A	N/A	Immersive learning and training solutions leveraging VR/AR for enterprise upskilling
Feb-24	Talent Management			N/A	N/A	Workforce development platform advancing equity-driven talent pipelines
Feb-24	Core HR			N/A	N/A	Next-gen payroll automation SaaS platform simplifying compliance and payments
Jan-24	Talent Management			N/A	N/A	Integrated LMS and performance management SaaS driving employee learning and development
Jan-24	Talent Acquisition			N/A	N/A	Digital recruitment marketplace with candidate-first job-matching capabilities
Jan-24	Talent Acquisition			N/A	N/A	Employment screening and workforce risk management platform
Oct-23	Talent Acquisition			300.0	2.8x	Premier search firm specializing in temporary staffing and permanent placement for healthcare industry
Sep-23	Talent Management			N/A	N/A	Comprehensive talent management suite encompassing performance, engagement, and analytics

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Date	Category	Target	Acquirer	EV (\$m)	EV/Rev	Target Description
Sep-23	Talent Acquisition			85.9	N/A	Digital staffing platform connecting freelancers and contingent workers with employers
Aug-23	Diversified HCM			74.5	1.3x	Providing software to companies that help employees to reach wellness goals
Aug-23	Talent Management			535.0	N/A	Behavioral science-based platform driving employee productivity, engagement, and retention
Jun-23	Diversified HCM			12,500.0	7.5x	Cloud-native software provider in the experience management category
Jun-23	Core HR			77.0	15.4x	People management platform designed to streamline HR process and enhance employee engagement
Jun-23	Core HR			597.0	N/A	Global payroll SaaS platform enhancing compliance and workforce payment operations
May-23	Talent Management			1,440.0	14.8x	Employee engagement and recognition software optimizing workplace culture and retention
Apr-23	Talent Management			Conf.	Conf.	Ideation Management software platform aimed at advancing companies through the power of employee ideas
Apr-23	Talent Management			222.0	15.1x	Workforce engagement and communications SaaS enabling culture amplification and retention
Apr-23	Core HR			N/A	N/A	Cloud-based benefits administration SaaS for brokers and employers
Mar-23	Talent Acquisition			25.9	5.2x	Provider of digitalized, smart pre-and post-employment screening solutions
Feb-23	Core HR			N/A	N/A	Earned wage access and on-demand pay solution driving employee financial wellness
Feb-23	Diversified HCM			490.0	5.3x	Comprehensive HRIS platform that automates the entire employee lifecycle
Jan-23	Diversified HCM			648.9	2.5x	Cloud-based software solutions for health care and benefits administration

Median EV/Revenue multiple

5.3x

Take-privates

Take-privates across HCM and adjacencies highlight the growing gap between public valuations and strategic value. Sponsors and strategies are leveraging market dislocation – margin pressure, execution concerns, and macro headwinds – to acquire recurring-revenue platforms at attractive multiples. Private ownership provides the runway to unlock synergies, accelerate AI- and adjacency-driven growth, and shield long-term investment from quarterly scrutiny.

Company	Delisting Date	Acquirer	EV (\$B)	LTM Revenue (\$M)	Rev Multiple	LTM EBITDA (\$M)	Comments
 Paycor	Apr 2025	 PAYCHEX	4.1	683	6.0x	60	Strategic bolt-on that strengthens Paychex's presence in the mid-market HCM segment. Public market underperformance (low EBITDA margin vs peers, limited scale vs ADP/Paychex) made Paycor vulnerable as a take-private candidate
 INSTRUCTURE	Sep 2024	 THOMABRAVO	2.6	496	5.2x	79	Thoma Bravo doubled down on EdTech-HCM adjacency. Transaction followed 30% premium to IPO price but came after sustained pressure on valuation multiples amid rising rates and soft institutional edtech demand. Public equity markets offered limited sponsorship for mid-cap EdTech names; delisting enables longer-term platform build without quarterly scrutiny
 Dayforce	Q4 2025 (exp.)	 THOMABRAVO	12.3	1,864	6.6x	559	Despite strong fundamentals, Dayforce traded below intrinsic value due to investor skepticism around execution risk, integration costs, and macro uncertainty. Thoma Bravo/ADIA paying a 32% premium, betting on AI-driven tailwinds in payroll and workforce automation. Delisting rationale: insulation from short-term EPS focus, flexibility to accelerate AI/adjacency bets, and sponsor appetite for scaled, recurring SaaS cashflows
Median Revenue Multiple					6.0x		

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Market update

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Key players

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Valuation considerations

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About Us

ICON at a glance

ICON’s team combines deal expertise with deep market and sector knowledge.

300+

Completed deals

170+

Combined years of deal making

7/10

7 of last 10 deals were cross-border

15

Investment bankers

Independent

Independently owned and 100% committed.

Fully aligned with clients with results-based fees.

Trusted

Consistent track record over 20 years.

Built significant intellectual capital.

Partner led teams.

Global

Local advice but extended global reach.

Superb record of cross-border deals.

Tech focus

Deep understanding of disruptive Tech business models and the entrepreneurial journey

Strong sub-sector expertise

Enterprise Software

HCM Tech

AI & DataTech

Cyber Security

FinTech

InsurTech & PropTech

HealthTech

Digital Media

Extensive track record in M&A and raising funding globally for high growth HCM Tech companies





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