



MERIDIAN CAPITAL

Human Resources Technology Sector Update

Q4 2025



Meridian Capital Technology Investment Banking

Meridian Capital leverages deep industry knowledge to execute complex and important transactions for middle market founder-focused clients

Meridian Capital by the Numbers

300+ transactions completed

\$1B and less for transaction values

3 industry practice groups

30+ countries via REACH Partners

Meridian Technology Practice Areas



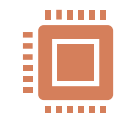
Software



Hardware /
Systems



Tech-Enabled
Services



Semiconductors



Internet

Representative Transactions

Office Ally



- Acquired by -



TimeClock Plus*



- Received an investment by -



TINYpulse



- Strategic Advisory -



OneSource*



- Acquired by -



LegitScript



- Recapitalized by -



OSI*



- Acquired by -



OneStream*



- Received an investment by -



American Megatrends*



- Received an investment by -



Meet the Technology Team



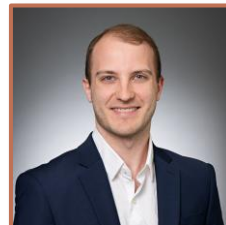
Matt Rehtin

*Managing Director
15+ years experience*



Patrick Ringland

*President & Managing Director
15+ years experience*



Tim Johnson

*Vice President
6+ years experience*



Kendell Jensen

*Associate
3+ years experience*

Notes: *Includes transactions completed by current employees while at previous firms

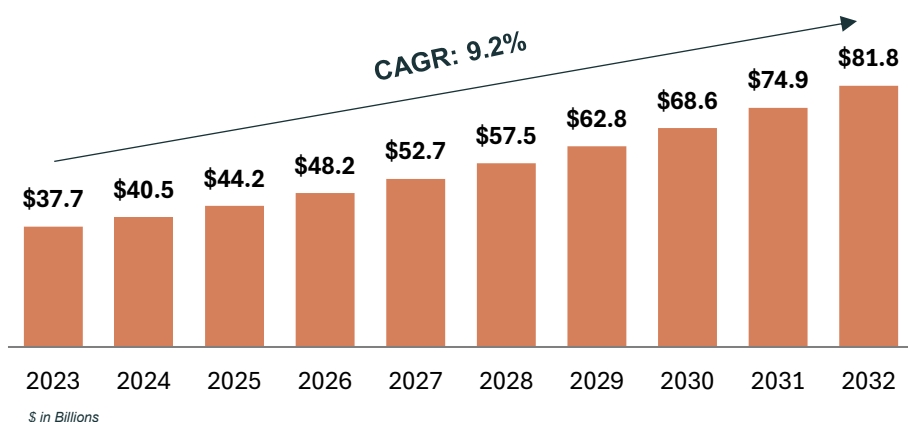


HR Technology Market Update - At A Glance

HR Tech Industry Overview & Trends¹

- Investors are prioritizing HR tech platforms as companies seek scalable solutions to manage talent, automation, and compliance
- Deal activity has remained strong in 2025, driven by demand for workforce tools amid continued labor pressures and the digital transformation
- Private equity interest remains high in payroll, talent acquisition, and employee engagement software, especially platforms with AI capabilities and recurring revenue
- Employer focus on enhancing the employee experience remains strong, particularly through solutions that streamline communication, support well-being, and personalize career development
- Adoption of data-driven compensation solutions is growing, particularly platforms that enable pay transparency, equity analysis, and performance-based rewards

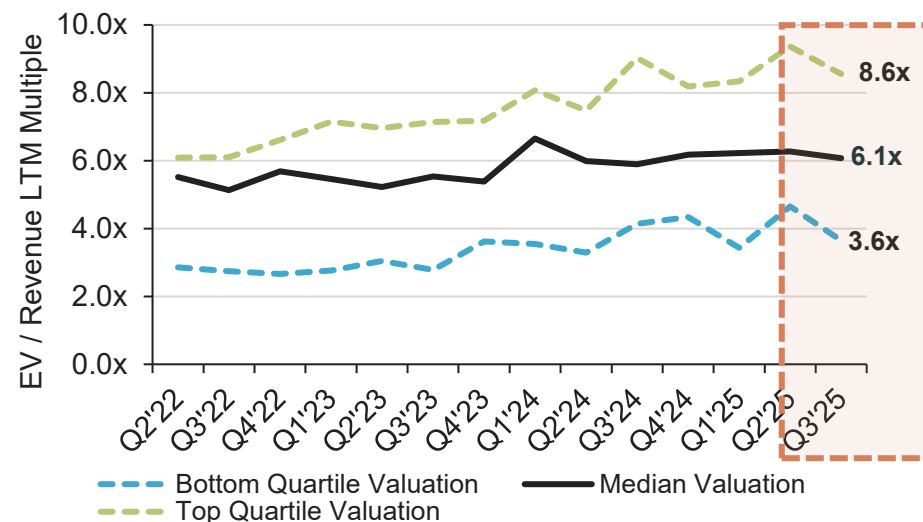
Global HR Tech Market Size²



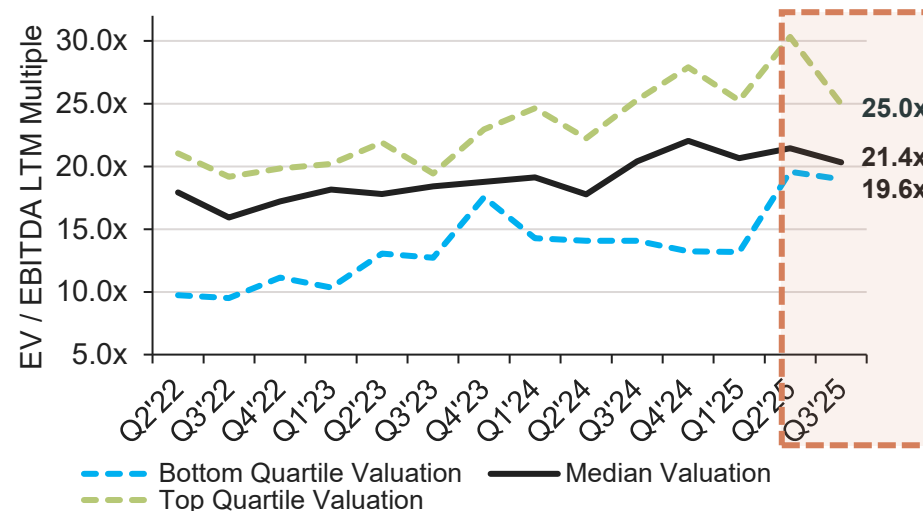
Source: (1) Paychex – Trends in HR Technology 2025, (2) Fortune Business Insights, (3) Pitchbook as of 10/07/2025

HR Tech – Public Company Valuation Multiples³

EV / LTM Revenue Multiple



EV / LTM EBITDA Multiple





HR Technology M&A Trends

Recent HR Tech M&A Transactions and Activity

Date	Target	Acquirer	Target Description	EV(\$M)	EV / Revenue	EV / EBITDA
Oct-25	Paradox	Workday	Recruitment assistant application	\$1,000	-	-
Sep-25	SmartRecruiters	SAP	Online recruiting platform	-	-	-
Aug-25	Dayforce	Thoma Bravo	Human capital management platform	\$12,415	6.4x	36.2x
Jul-25	Neogov	CPP Investments	Workforce management software	\$3,000	-	-
Apr-25	ClearChecks	HireRight (Stone Point Capital)	Background screening services	\$42	-	-
Apr-25	Montico	Calvix	Staffing solutions platform	\$10	1.4x	11.3x
Apr-25	Paycor	Paychex	Payroll & HR software	\$3,985	5.7x	34.7x
Jan-25	Humi	Employment Hero (KKR)	HR automation software	\$112	7.7x	-
Dec-24	Together	Absorb Software (Welsh, Carson, Anderson & Stowe)	Corporate mentorship platform	\$55	17.2x	-
Oct-24	Sterling	First Advantage (Silver Lake)	ID verification services	\$2,545	3.5x	26.4x
Oct-24	LinkUp	GlobalData	Employment media platform	\$24	15.8x	-
Sep-24	WalkMe	SAP	Digital adoption platform	\$573	2.1x	-
Jul-24	HR Path	Ardian	HCM transformation services	\$538	9.1x	-
May-24	Priority	Blackstone	ERP for HR	\$800	-	-
Apr-24	Zellis	Apax	HR management software	\$1,566	10.3x	26.7x
Feb-24	Perkbox	Great Hill Partners	Employee engagement platform	\$156	3.5x	43.5x
Mean				\$1,788	7.5x	29.8x
Median				\$573	6.4x	30.7x

Most Active HR Tech Investors

* Acquisitions since 2020

Hg
33+ Acquisitions

TA ASSOCIATES
21+ Acquisitions

STONE POINT CAPITAL
15+ Acquisitions

TPG
15+ Acquisitions

MAIN CAPITAL PARTNERS
14+ Acquisitions

SILVER LAKE
13+ Acquisitions

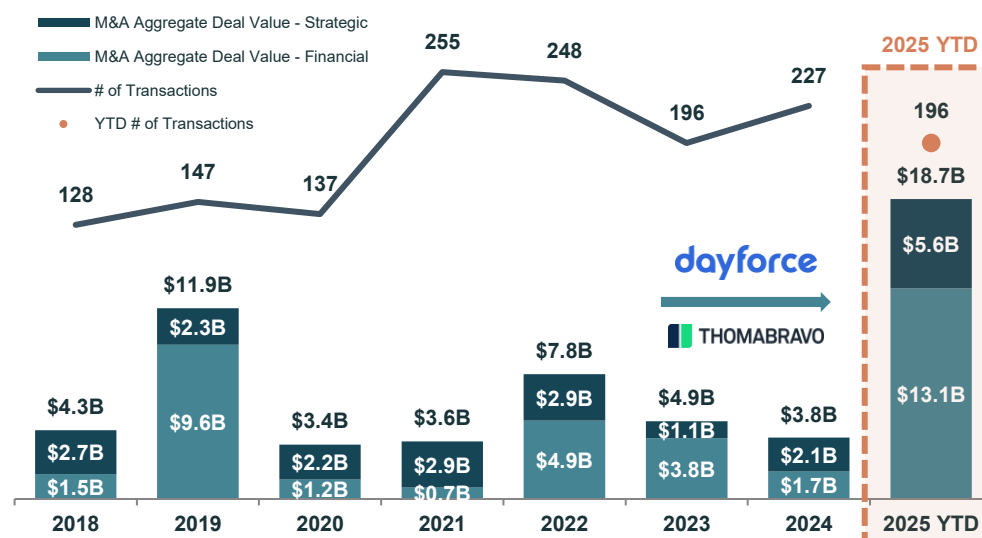
access
13+ Acquisitions

INSIGHT PARTNERS
11+ Acquisitions

AKKR ACCEL-KKR
9+ Acquisitions

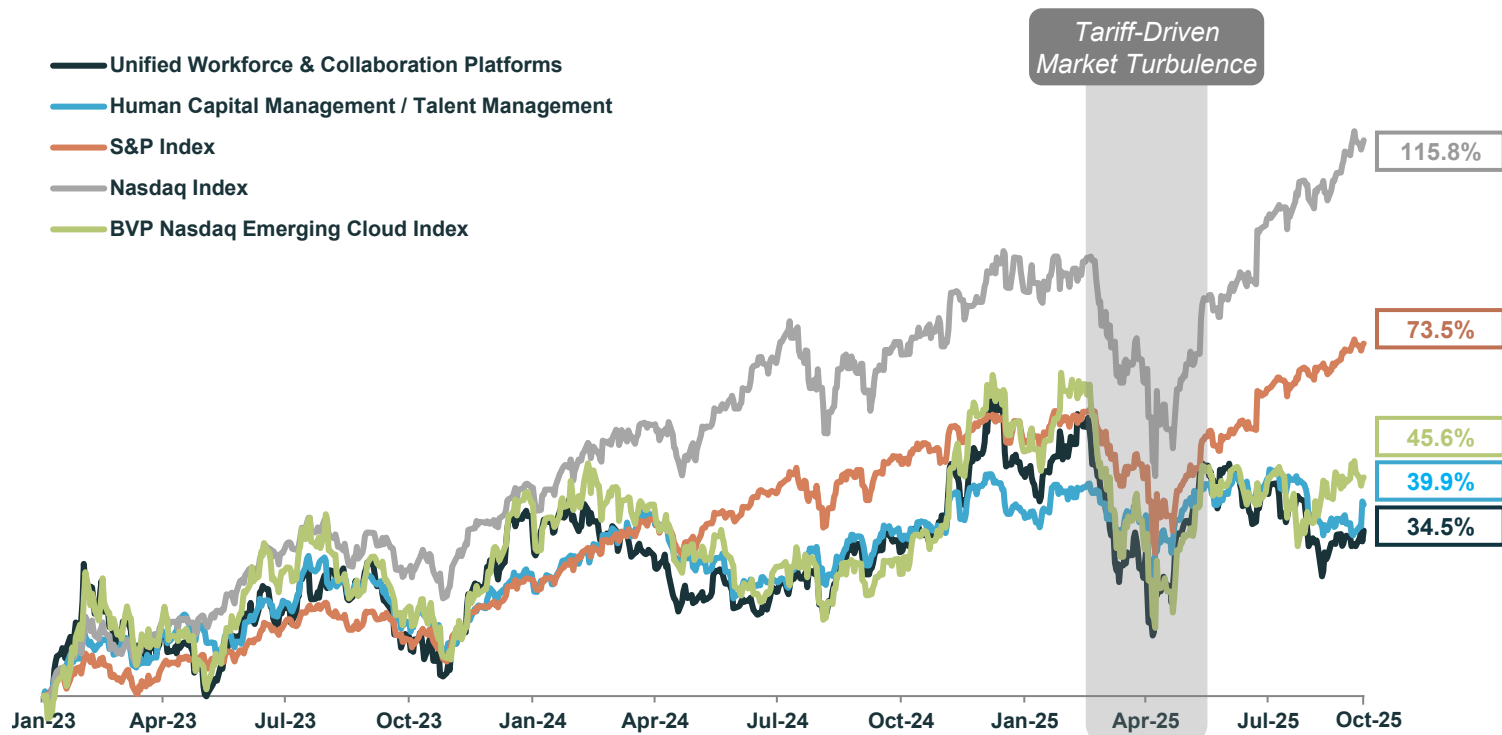
Source: Pitchbook as of 10/07/2025

Global HR Tech M&A Activity





Recent HR Tech Public Market Performance



Unified Workforce & Collaboration Platforms



Human Capital Management / Talent Management



S&P 500 Index

Tracks the performance of 500 of the largest publicly traded companies in the U.S.

Nasdaq Index

Tracks over 3,000 stocks listed on the Nasdaq Stock Market

BVP Emerging Cloud Index

Tracks the performance of prevalent cloud software companies

Select Market Trends

Public Market Volatility and Recovery

- Public markets started the year under pressure from tariff-driven volatility, with heightened uncertainty weighing on investor sentiment and contributing to early declines. However, performance has improved in recent months as markets regained stability, supported by easing trade concerns and renewed confidence, resulting in a notable rebound across major indices

Human Capital / Talent Management Sector

- In the human capital sector, providers such as Paycor, Dayforce, and Paylocity have experienced slower client additions and reduced transaction volumes amid a broader slowdown in corporate hiring. At the same time, increased competition from emerging players has heightened pricing pressure and weighed on margins over the past year

Unified Workforce & Collaboration Platform Headwinds

- Companies in the unified workforce segment such as Freshworks, Fiverr, and SEEK Limited remain highly sensitive to macroeconomic employment trends and face elevated credit risk amid client budget constraints. ZipRecruiter, for example, has experienced significant credit challenges. The buy now, pay later model has further strained operators, given its reliance on younger demographics with less stable financial profiles

Source: Pitchbook as of 10/07/2025



Publicly Traded HR Tech Comparables

(\$ in millions, except for share data) Company Name	As of Oct 07, 2025				EV / Revenue		EV / EBITDA		Revenue Growth		TTM	
	Share Price	LTM Change	Market Cap	Enterprise Value	CY 2024A	CY 2025E	CY 2024A	CY 2025E	CY 2024A	CY 2025E	Gross Margin %	EBITDA %
Unified Workforce & Collaboration Platforms												
ServiceNow	\$912.84	(1.0%)	\$189,332	\$185,709	16.9x	14.1x	48.5x	40.4x	22.4%	20.0%	78.5%	33.7%
Recruit Holdings	\$53.21	(16.7%)	\$76,098	\$73,598	3.2x	3.0x	20.0x	16.0x	(4.1%)	4.8%	58.6%	19.1%
Atlassian	\$150.19	(10.6%)	\$39,479	\$37,702	7.9x	6.7x	35.5x	29.0x	23.2%	18.0%	82.8%	24.3%
Equifax	\$237.33	(17.1%)	\$29,157	\$34,080	6.0x	5.7x	18.5x	17.5x	7.9%	5.8%	55.8%	31.8%
Monday.com	\$188.66	(31.9%)	\$9,463	\$8,201	8.4x	6.7x	61.2x	48.1x	33.2%	26.3%	89.4%	12.9%
SEEK	\$18.76	11.0%	\$6,700	\$7,327	10.9x	9.7x	22.8x	24.7x	(14.9%)	11.5%	NA	41.9%
First Advantage	\$15.73	(20.3%)	\$2,742	\$4,690	5.5x	3.1x	18.1x	10.9x	12.6%	78.6%	46.5%	28.2%
Freshworks	\$11.31	2.4%	\$3,299	\$2,406	3.3x	2.9x	24.1x	13.6x	20.8%	14.6%	84.6%	21.2%
Asana	\$14.60	24.9%	\$3,225	\$3,226	4.6x	4.1x	NM	NM	11.9%	11.3%	89.6%	2.3%
Visional	\$75.42	42.2%	\$2,999	\$2,514	5.1x	4.2x	NM	NM	14.9%	21.8%	91.1%	28.6%
Upwork	\$17.40	67.3%	\$2,290	\$2,044	2.7x	2.6x	13.1x	9.6x	11.6%	0.5%	77.8%	26.7%
Grupa Pracuj	\$16.84	23.1%	\$1,170	\$1,141	5.9x	4.9x	12.6x	11.1x	12.2%	19.9%	92.2%	47.9%
Fiverr International	\$24.02	1.7%	\$867	\$626	1.6x	1.4x	8.4x	7.2x	8.3%	10.6%	80.9%	15.4%
ZipRecruiter	\$4.10	(57.3%)	\$358	\$488	1.0x	1.1x	6.7x	19.0x	(26.6%)	(5.0%)	89.5%	9.7%
DHI Group	\$2.51	54.0%	\$128	\$158	1.1x	1.2x	4.6x	4.8x	(6.6%)	(10.8%)	84.6%	22.5%
Mean	\$116.19	4.8%	\$24,487	\$24,261	5.6x	4.8x	22.6x	19.4x	8.5%	15.2%	78.7%	24.4%
Median	\$18.76	1.7%	\$3,225	\$3,226	5.1x	4.1x	18.5x	16.0x	11.9%	11.5%	83.7%	24.3%

Source: Pitchbook as of 10/07/2025



Publicly Traded HR Tech Comparables

(\$ in millions, except for share data) Company Name	As of Oct 07, 2025				EV / Revenue		EV / EBITDA		Revenue Growth		TTM	
	Share Price	LTM Change	Market Cap	Enterprise Value	CY 2024A	CY 2025E	CY 2024A	CY 2025E	CY 2024A	CY 2025E	Gross Margin %	EBITDA %
Human Capital Management / Talent Management												
Oracle	\$291.59	67.2%	\$815,726	\$926,179	16.9x	16.2x	33.1x	34.3x	6.4%	3.9%	69.7%	50.1%
SAP	\$271.24	20.6%	\$314,269	\$314,673	8.5x	7.2x	36.6x	23.4x	9.5%	17.9%	73.5%	35.0%
Automatic Data Processing	\$290.55	1.8%	\$118,007	\$118,918	6.0x	5.8x	21.2x	19.6x	7.1%	2.9%	46.0%	30.9%
Workday	\$238.36	(0.5%)	\$63,140	\$59,232	7.3x	7.0x	24.4x	19.5x	16.8%	3.2%	75.6%	30.5%
Paychex	\$124.37	(10.0%)	\$44,846	\$48,111	9.0x	8.6x	20.0x	17.8x	4.2%	4.0%	72.8%	45.1%
Sage Group	\$14.89	13.4%	\$14,130	\$15,488	5.0x	4.6x	20.8x	16.8x	10.7%	10.9%	92.7%	26.8%
Dayforce	\$69.01	14.1%	\$10,896	\$11,508	6.5x	5.9x	23.0x	18.5x	16.3%	10.6%	48.6%	30.2%
Paycom	\$200.22	25.2%	\$11,356	\$10,813	5.7x	5.3x	14.4x	12.3x	11.2%	8.8%	82.4%	42.7%
Paylocity	\$156.42	(3.5%)	\$8,550	\$8,448	5.6x	5.3x	17.0x	16.4x	16.0%	5.6%	68.8%	36.5%
TriNet Group	\$66.17	(31.4%)	\$3,208	\$3,843	0.8x	3.4x	8.3x	9.6x	1.2%	(77.6%)	18.4%	8.6%
Alight Solutions	\$3.23	(54.8%)	\$1,797	\$3,626	1.6x	1.6x	6.2x	5.8x	(2.3%)	(1.4%)	34.3%	25.1%
Atoss Software	\$129.44	(10.6%)	\$2,059	\$1,960	10.6x	8.8x	26.6x	25.5x	12.9%	21.0%	77.6%	39.0%
Insperty	\$49.02	(42.5%)	\$1,859	\$1,827	0.3x	0.3x	6.8x	9.9x	1.5%	4.0%	14.6%	2.9%
Docebo	\$27.67	(36.5%)	\$789	\$731	3.4x	3.1x	22.0x	17.4x	20.0%	10.3%	80.9%	15.8%
Asure Software	\$8.31	(2.8%)	\$228	\$235	2.0x	1.7x	10.4x	7.5x	0.6%	16.4%	68.1%	19.4%
Zalaris	\$8.40	31.2%	\$185	\$211	1.7x	1.4x	10.0x	7.0x	16.7%	20.0%	60.6%	23.3%
Mean	\$121.81	(1.2%)	\$88,190	\$95,363	5.7x	5.4x	18.8x	16.3x	9.3%	3.8%	61.5%	28.9%
Median	\$96.69	(1.6%)	\$9,723	\$9,630	5.7x	5.3x	20.4x	17.1x	10.1%	7.2%	69.2%	30.3%

Source: Pitchbook as of 10/07/2025



Contact Our Team

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