

July 2018 Industry snapshot

HR SOFTWARE

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HR SOFTWARE HIGHLIGHTS



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SECTOR HEAD

HR Software

The HR Software sector continues to see significant growth with the market expected to reach a value of €9.5bn by 2023 – growing at a 9% CAGR. This growth is likely to be driven by a number of key trends that we expect to reshape the marketplace through 2018 and beyond.

Focus on Performance

We are in the middle of a focus change from key process automation to productivity and performance solutions. As more solutions are created to measure and evaluate productivity, the automation aspect of HRMS as a differentiator becomes less important. However, research suggests c.50% of companies are still focusing on key process automation software.

Refined Recruitment Modules

Recruitment remains one of the largest marketplaces in HR software with companies spending significant sums each year on what has become a “war for talent”. The focus of many large companies is to look to recruitment software to provide a competitive edge in finding talent. Tools are now being developed to find candidates with the right capabilities, culture and learning skills and not just technical abilities suited to a specific role.

High take-up of Cloud Solutions

The move to cloud based HR continues to take the market by storm. In order to remain competitive it is now a requirement for companies to move at least some of their key processes to the cloud. Cloud migration has already transformed a large proportion of companies with c.40% now using cloud based HCM solutions and c.70% with some HR processes linked to the cloud.

In-house Innovation

Innovation project teams within large HR departments are experimenting with new initiatives and techniques to create HR software products. We expect to see the monetisation of these products as the HR departments get better at creating bespoke solutions.

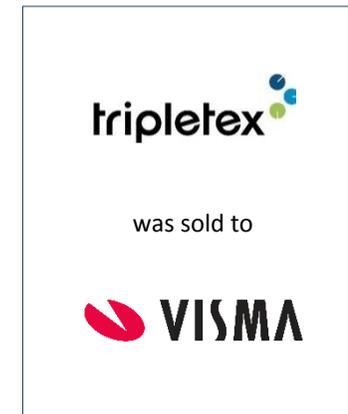
Clairfield Deal Snapshot

CLAIRFIELD ADVISES TRIPLETEx ON ITS SALE TO VISMA

The four founders and owners of Tripletex AS sold the company to Visma for EUR 26 million. Tripletex, founded in 2002, is a leading provider of ERP solutions to SME companies in Norway with more than 13,000 customers. With this acquisition, Visma will strengthen its position in the segment in Norway.

The owners of Tripletex will continue as active contributors in the new ownership setting. Tripletex AS will continue develop and support their current products for all existing and new customers.

Norway



EUR 26M

SELECTED M&A ACTIVITY

In March 2018 **Bullhorn**, a cloud computing company providing CRM and operations software for the staffing market, announced the acquisitions of **Talent Rover** and **Jobscience**. Both Talent Rover and Jobscience are leading providers of recruitment software built on the Salesforce platform. These deals closely follow the acquisition of fellow Salesforce based **Connexys** in late 2017. Bullhorn hopes the new range of Salesforce offerings, in addition to its own award-winning platform, will further enhance customer experience.

Carbonite announced the agreement to acquire **Mozy** (by Dell) for €126m in February 2018. The acquisition of Mozy, a cloud-based secure backup solution allowing for automatic syncing of data and easy data recovery, will improve Carbonite’s service portfolio and increase its customer base.

In February 2018 **OpenText**, an Enterprise Information Management provider, announced the acquisition of **Hightail**. The acquisition of the leading cloud service provider for file sharing, with over 5.5 million customers worldwide, bolsters OpenText’s cloud service offering.

In January 2018 **SAP** announced the acquisition of cloud-based HR software specialist, **Callidus Software**, in a deal worth €2.1bn. Callidus, which has over 5,800 businesses as customers, also provides customer experience, marketing and sales solutions. Prior to the acquisition SAP and Callidus had been partners for a number of years.

In January 2018 human capital management software vendor Workday announced the acquisition of **Skipflag**. Workday intends to implement Skipflag’s innovative enterprise knowledge management technology into its core offering. The acquisition continues Workday’s focus on bolstering its machine learning capabilities.

In mid-2017 **Saba** announced the acquisition of talent management software provider, **Halogen Software** for €252m. Saba Software provides SaaS talent management solutions and specialises in learning and development. The acquisition adds Halogen’s performance management software to Saba’s service offering and gives the combined companies over 4,000 customers worldwide.

SELECTED M&A ACTIVITY

 Bullhorn acquired   	 CARBONITE acquired 	 opentext™ acquired 
 SAP acquired 	 workday. acquired 	 SABA acquired 

SELECTED PE ACTIVITY

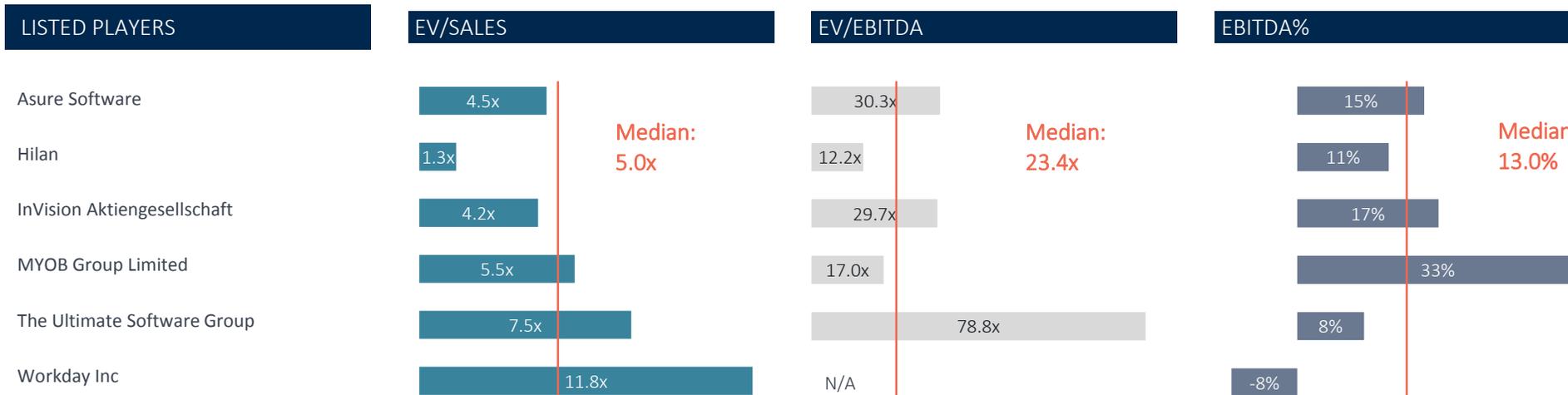

BainCapital
 acquired


In October 2017 **Bain Capital** announced the acquisition of payroll and HR software provider **NGA Human Resources UK**. The divestment will also allow the remaining NGA HR to focus on its HR outsourcing business by delivering global HR solutions to its customers.


Palatine
 private equity
 acquired


In November 2017 **Palatine Impact** completed the acquisition of employee leave tracking and absence management software company, **e-days**. The company’s software solution is designed to reduce absenteeism and increase operational efficiency.

LISTED HR SOFTWARE COMPANIES



OTHER SELECTED TRANSACTIONS (EUR MILLION)

Date	Buyer	Country	Target	Country	Transaction Value (EUR m)
09/19/2016					739
01/09/2018					539
01/16/2018					166
03/03/2017					104
05/26/2017					71
02/03/2017					63

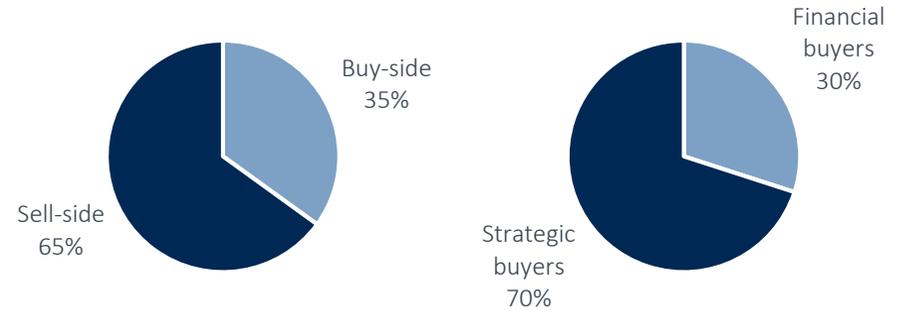
CLAIRFIELD TRACK RECORD IN SOFTWARE

70

SOFTWARE TRANSACTIONS
CLOSED SINCE 2008

+EUR 2.3 bn

CUMULATIVE VALUE OF
SOFTWARE TRANSACTIONS
CLOSED SINCE 2006



SELECTED TRANSACTIONS

Norway

tripletex

was sold to

VISMA

Norway

HOUSE OF CONTROL

was sold to

VIKING VENTURE

Norway

CRM Insight

was sold to

ØkonomiBistand

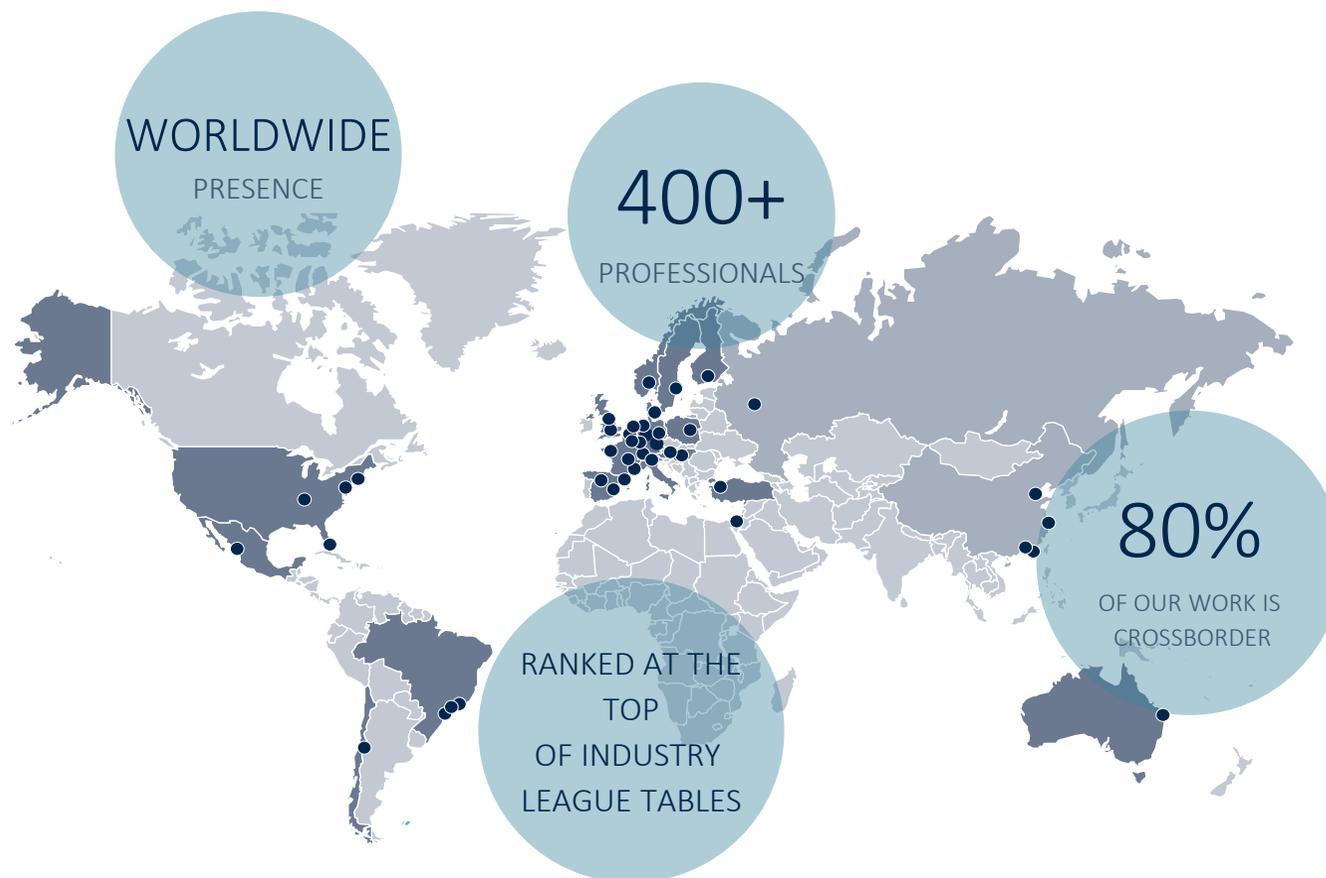
Sweden/Denmark

MANTACORE

was sold to

Keylane

CLAIRFIELD – A GLOBAL PARTNERSHIP OF M&A SPECIALISTS



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