

HUMAN CAPITAL MANAGEMENT OVERVIEW

In this month's M&A Digest we examine the market opportunity and the drivers behind the high levels of transaction activity across the international HCM market.

HIGH VALUATIONS AND RECORD LEVELS OF DEAL ACTIVITY OVER LAST 12 MONTHS

\$193bn

**TOTAL
ADDRESSABLE
MARKET FOR HCM**

GROWING AT 9% CAGR

**+110
Deals**

**COMPLETED IN
2018**

INCLUDING RECRUIT'S
\$1.2BN PURCHASE
OF GLASSDOOR AND
MICROSOFT'S \$400M

\$4.8bn

**INVESTED BY PE &
VC IN 2018**

CONTINUING INTO
2019 WITH ULTIMATE
SOFTWARE'S \$11BN SALE
TO PRIVATE EQUITY

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STRATEGIC DEALS



lynda.com

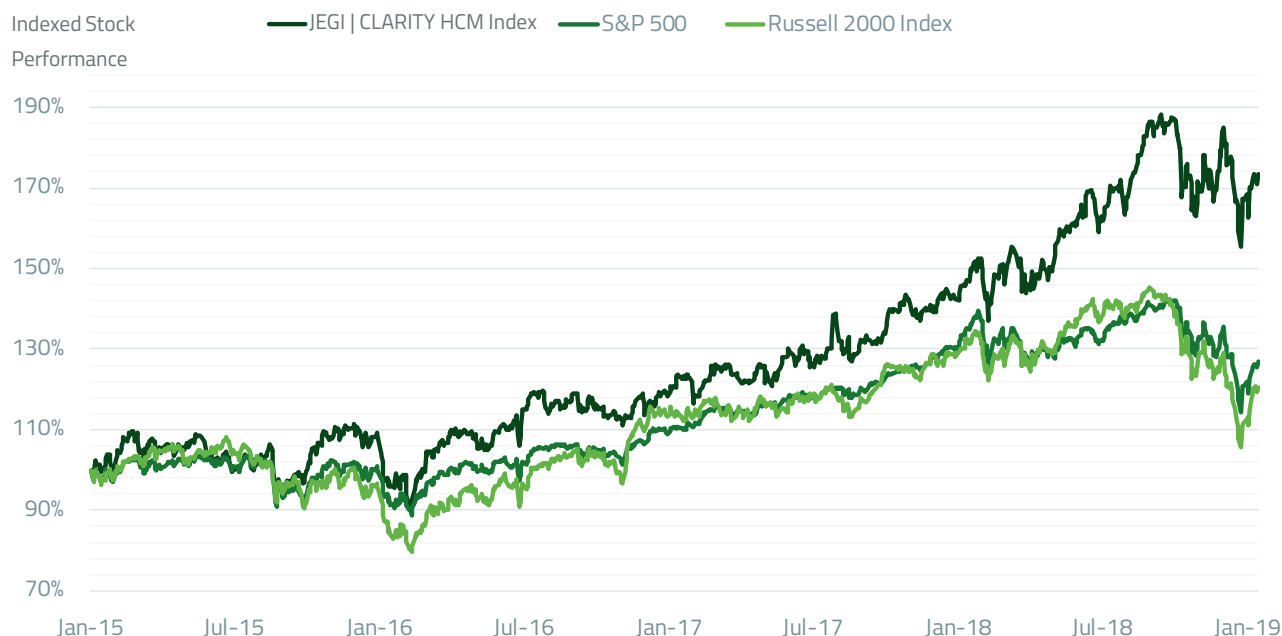


FINANCIAL DEALS



VALUATIONS OUTPERFORMING BROADER MARKET

Strong tailwinds and high levels of M&A activity means the Human Capital Management software and services sector continues to outperform the broader market.



WHAT IS DRIVING VALUATIONS AND M&A?

PEOPLE AS RESOURCES/EXPENSES

Having spent decades installing ERP, SCM and other automation systems, enterprises have now recognised that their people can be their biggest competitive advantage, and also their largest cost item. The ability to drive efficiencies from their workforce is paramount.

WAR FOR TALENT

A combination of historically low unemployment, rise of the gig economy and a millennial workforce is driving the need to attract, engage and retain talent.

SKILLS GAP

Increasing need to train employees and provide the L&D platforms, tools, and analytics to deliver and measure.

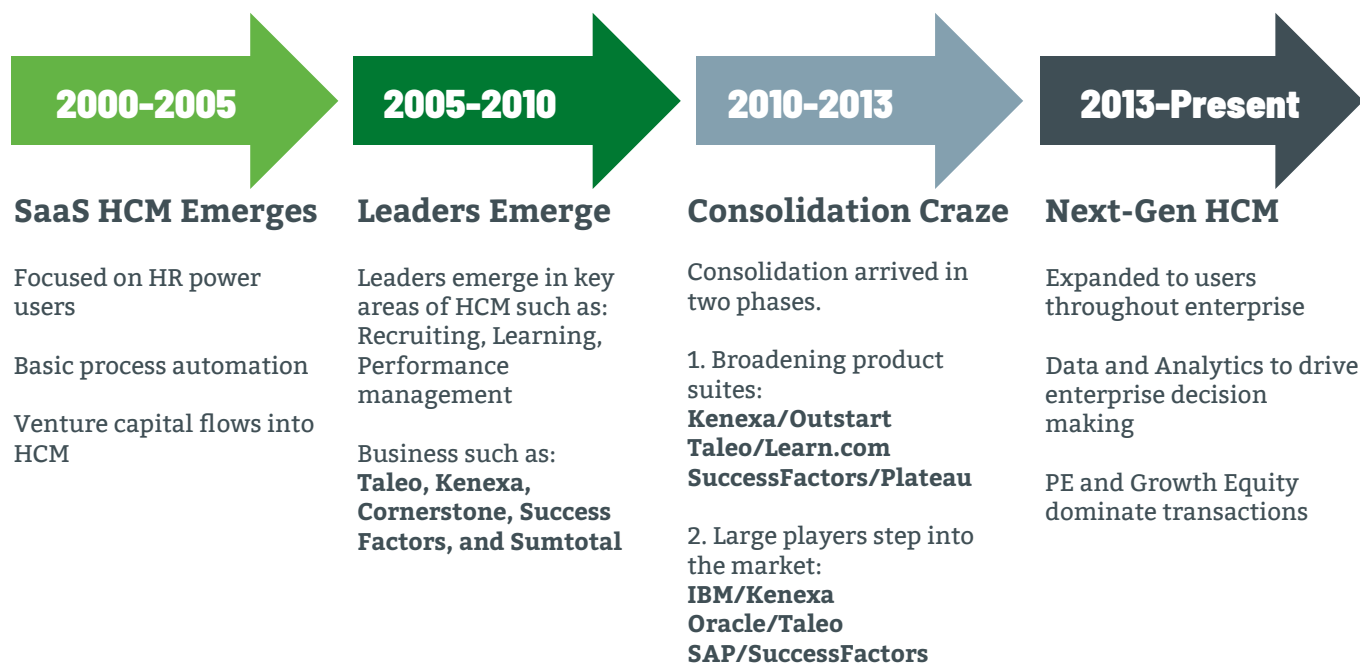
NEED FOR PREDICTIVE INSIGHTS

Pent-up demand in HR to harness data to generate predictive insights to help pro-actively drive business decision making, in line with other areas of enterprise.

ACCELERATION OF HCM SAAS

HR was one of the earliest consumers of SaaS-like models with Payroll and other SaaS HCM increasingly mainstream.

THE EVOLUTION OF HCM IN SUMMARY



BRIGHT FUTURE FOR HCM M&A

GLOBAL OPPORTUNITY

- Macro tailwinds will continue to propel the HCM market worldwide driving underlying sector growth.

GROWTH OF PRIVATE EQUITY CAPITAL

- Increasing deployment of private equity capital into sector, in particular into Europe.

AI & ANALYTICS

- Roll out of next-gen data, analytic, and AI platforms to drive forward looking decision making.

HIGH VALUTATION MULTIPLES

- Sector valuation multiples will continue to outperform non HCM peers, with software and tech-enabled services carrying SaaS multiples

ONE OF THE FEW HORIZONTAL SOFTWARE MARKETS REMAINING

- A fragmented global market with multiple opportunities for consolidation, through broadening product suites and new market entrants.

JEGI | CLARITY HCM EXPERIENCE

The JEGI | CLARITY team has successfully completed transactions spanning minority growth equity investments, growth equity recapitalisations, control/sale transactions, and complex corporate divestitures.

For more information on these deals click on the tombstones below or visit our website [HERE](#).

RECENT TRANSACTIONS



ZRG Partners is a leading global executive search firm.



ThinkHR is a leading provider of trusted HR knowledge software and services.



MTM provides Learning & Development data and analytics for corporations to measure & evaluate the effectiveness of their L&D investment.



Challenger is a leading performance improvement platform, focused on sales, marketing and customer service. In-person and online training.



WS&A is a leading tech-enabled survey and analytics platform providing insights to support corporate planning and business outcomes.



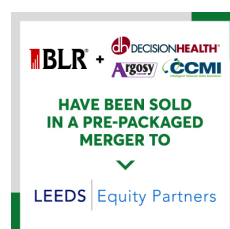
Kimble Applications is a leading SaaS-based software company for professional services automation (PSA).



World 50 is an exclusive, invite-only peer-to-peer network and knowledge exchange platform serving senior executives.



CARCO is a leading provider of tech-enabled and compliance-driven HCM and risk management solutions.



BLR is a leading provider of governance, risk and compliance information to the healthcare and HCM sectors.



Evanta, sold for \$275 million, is a leading peer-to-peer leadership platform for Fortune 1000 C-suite executives.

"In choosing JEGI CLARITY to represent Gartner on three very different divestitures in separate, but overlapping processes, they fulfilled our highest expectations in every way. At the core of JEGI CLARITY's success in delivering an exceptional outcome for Gartner were their very disciplined yet pragmatic approach, their in-depth knowledge of the marketplace and buyer pools, their ability to both craft a nuanced story that resonated with buyers and present complex transaction issues clearly, and their hearty appetite for hard work and long hours. We had the full attention of JEGI CLARITY's deep team from start to finish, which enabled them to stay on schedule and deliver maximum value on each of the transactions. In short, the JEGI | CLARITY Team is the real deal."

Christian Keane
Group VP, Corporate Development, Gartner

HEY, DID YOU SEE THIS?

SENDINBLUE ACQUIRES NEWSLETTER2GO

January 31, 2019

The French market leader for e-mail marketing, SendinBlue, has acquired the German medium-sized company Newsletter2Go.

[Read Article](#)



LUCID GROUP ACQUIRES DIGITAL AND CREATIVE AGENCY BLUEDOG

February 14, 2019

Lucid Group has confirmed that it has ambitions to further broaden its capability with the support of its private equity partner LDC.

[Read Article](#)

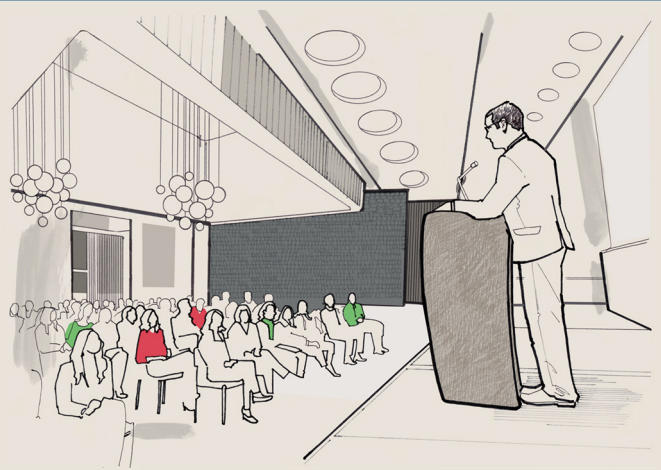


MACK BROOKS ACQUIRED BY RELX

29 December, 2018

Reed Exhibitions, a division of RELX Group, has acquired Mack Brooks Exhibitions, once the deal is finalised, it will add a major line-up of industry-leading brands to Reed's global portfolio.

[Read Article](#)



NEWS & EVENTS

CLARITY PARTNER MARCUS ANSELM FEATURED IN CAMPAIGNS A LIST FOR 2019

For the second year running Marcus Anselm, Partner in London has been included in Campaign's A List, which brings together the most powerful people in the advertising industry.

You can view the full A List [HERE](#).



JEGI | CLARITY LOOK FORWARD TO ATTENDING UNLEASH 2019 IN LONDON



We look forward to attending UNLEASH in March 2019. The conference gathers thousands of decision makers, technology buyers, and disruptors and showcases innovative HR technologies and the latest business transformation insights led by global executives from some of the world's most exciting brands and established organisations including Cornerstone, Oracle, Sage, and Google.

If you are at the event and would like to arrange a meeting please contact our BD Director Jonathan Goodale via email [HERE](#).

JEGI | CLARITY LOOK FORWARD TO ATTENDING MOBILE WORLD CONGRESS 2019

Once again we look forward to attending Mobile World Congress in Barcelona this month, the world's largest gathering of mobile operators, device manufacturers, technology providers, vendors and content owners under one roof, including Microsoft, Niantic, Vimeo, and Huawei.

If you are at the event and would like to arrange a meeting please contact our BD Director Jonathan Goodale via email [HERE](#).

