

Needham & Company, LLC

HCM Market Update

March 8th, 2019

FUELWORK

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Recent HCM Marketplace Activity

February: PE Acquires Ultimate Software for \$11B

- Same PE group that owns Kronos
- Rationale – Modernize Tech Platform



Recent HCM Marketplace Activity

February: Distributed raises £1.5mm

- **British Based**
- **AI Powered Talent Resourcing**



NO LOGO AVAILABLE

Recent HCM Marketplace Activity

February: Humanforce raises \$15.5mm

- **Aussie based**
- **Workforce Management**



Recent HCM Marketplace Activity

February: Shortlist raises \$2mm Series A

- **Mumbai, India Based**
- **Talent Vetting**



Recent HCM Marketplace Activity

February: Ringup raises \$60mm

- **Austin based**
- **Staffing platform for oil & gas industry**

Recent HCM Marketplace Activity

February: Jobvite raises \$200mm, makes acquisitions

- **Mainly a “recap”**
- **3 acquisitions in conjunction**
 - **Talemetry – recruitment marketing**
 - **RolePoint – employee referral platform**
 - **Canvas – text based conversational recruiting**
- **Going Deep Not Wide - Taking a play out of iCIMS platform**

Jobvite

Recent HCM Marketplace Activity

February: Wurk raises \$11mm

- HCM industry for cannabis industry

würk

Recent HCM Marketplace Activity

February: Jobcase raises \$100mm

- Platform dedicated to assisting people find work



Venture Capital Funding

....Commonly referred to as VC Funding

2 Types of Financing



Debt:

- Pay Interest
- Repay it

Equity

- No Interest
- Lose part ownership

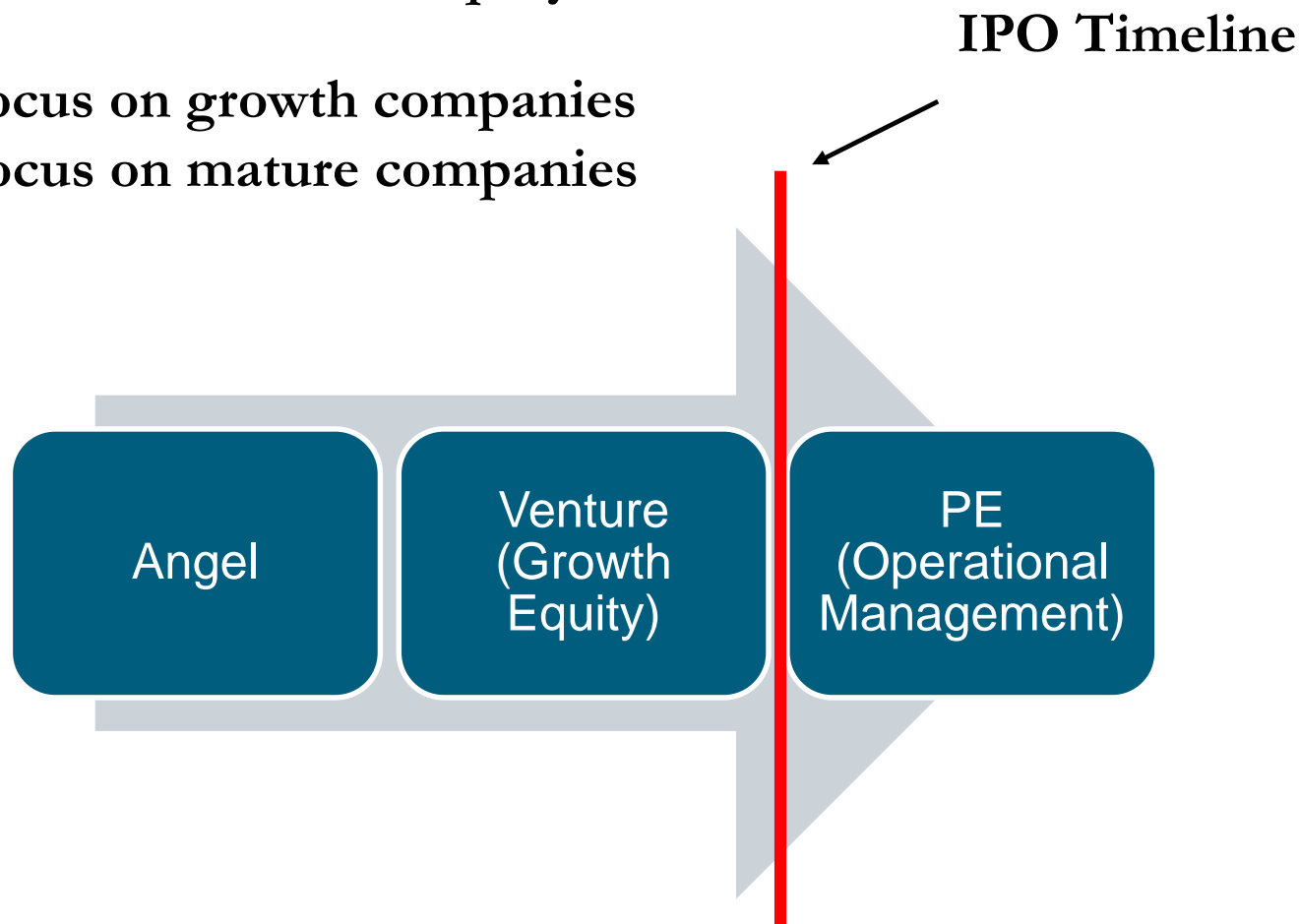
Convertible Debt:

- Lower Interest Rate
- Converts to equity under certain conditions

Venture Capital Funding

VCs are similar to Private Equity Funds

- VCs focus on growth companies
- PEs focus on mature companies



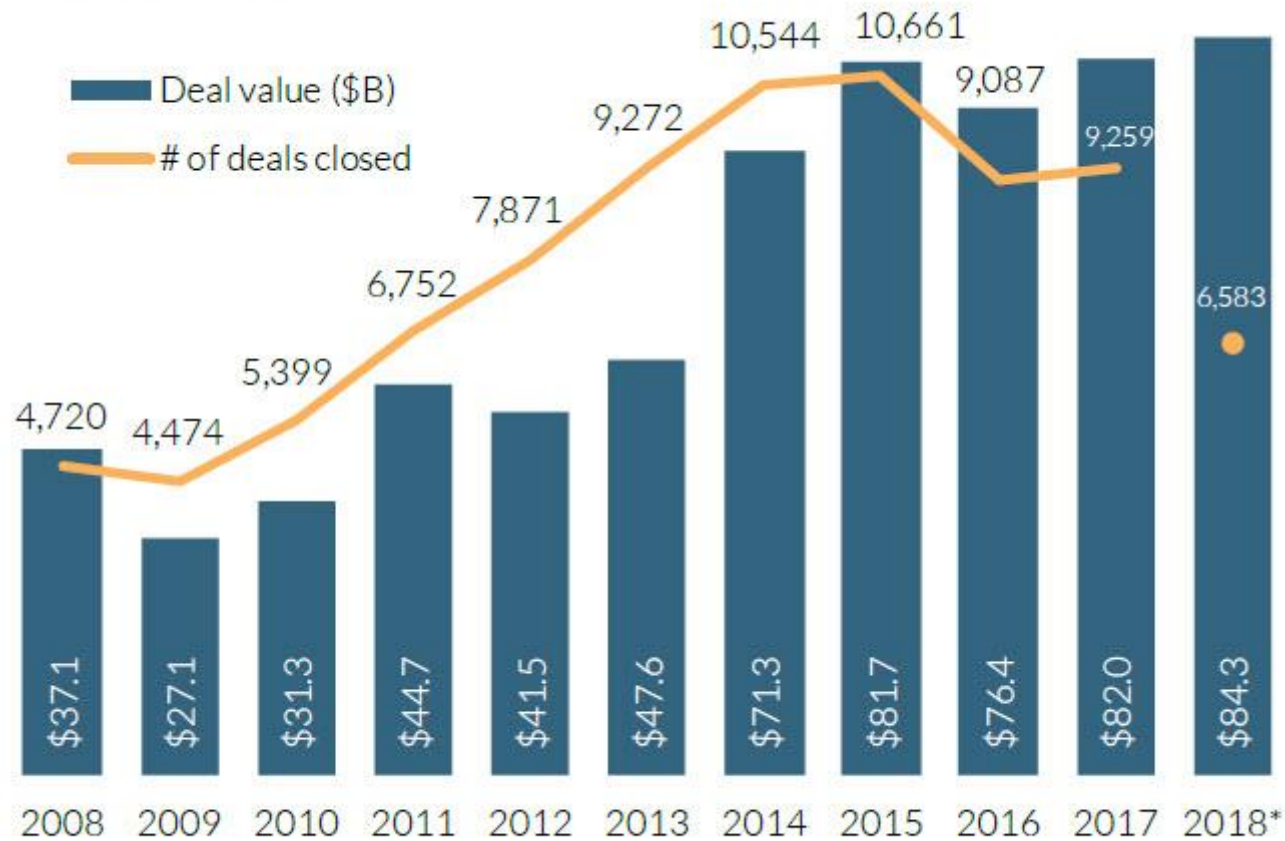
Venture Capital Funding

Letter Grades Represent VC Funding Rounds

- **Angel/Seed** round often first
- **Series A** means first round
- **Series B** means second round
- **Funding sizes** often increase in subsequent rounds

State of Venture Capital Funding

USVC deal activity

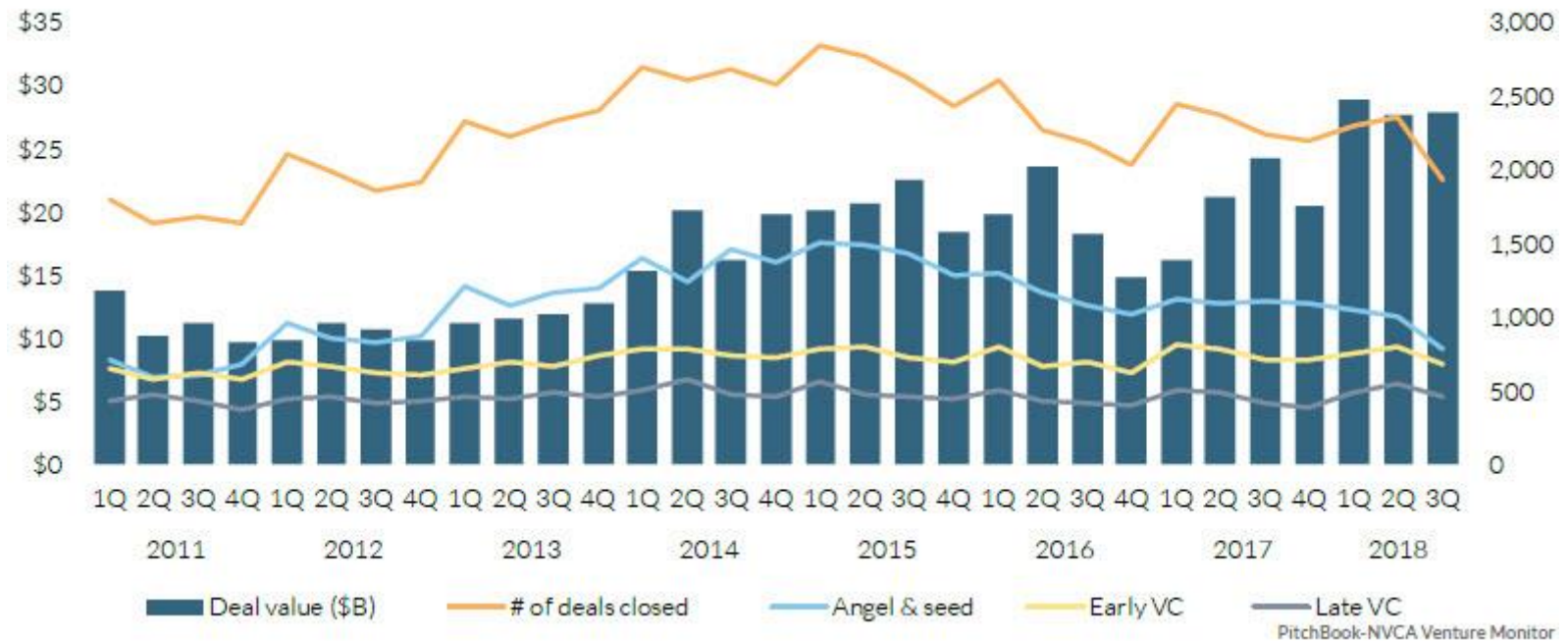


PitchBook-NVCA Venture Monitor
*As of September 30, 2018

State of Venture Capital Funding

Angel Funding driving the lower deal activity

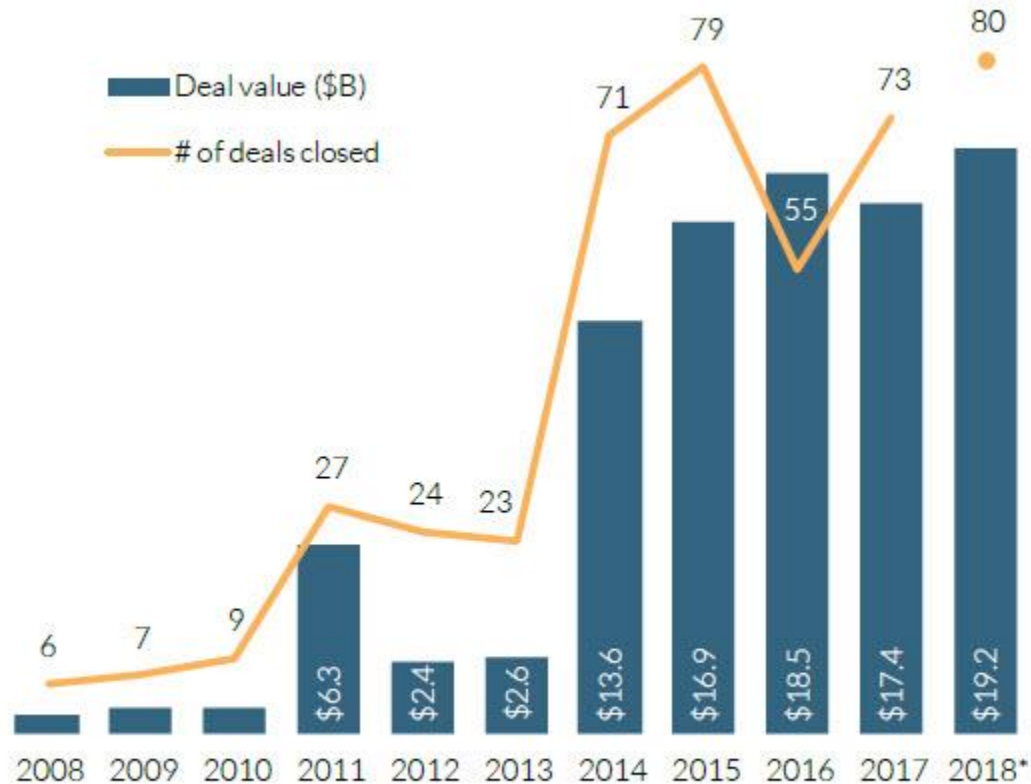
US VC deal activity by stage



State of Venture Capital Funding

Unicorns make the new but small number of VC deals

US unicorn deal activity



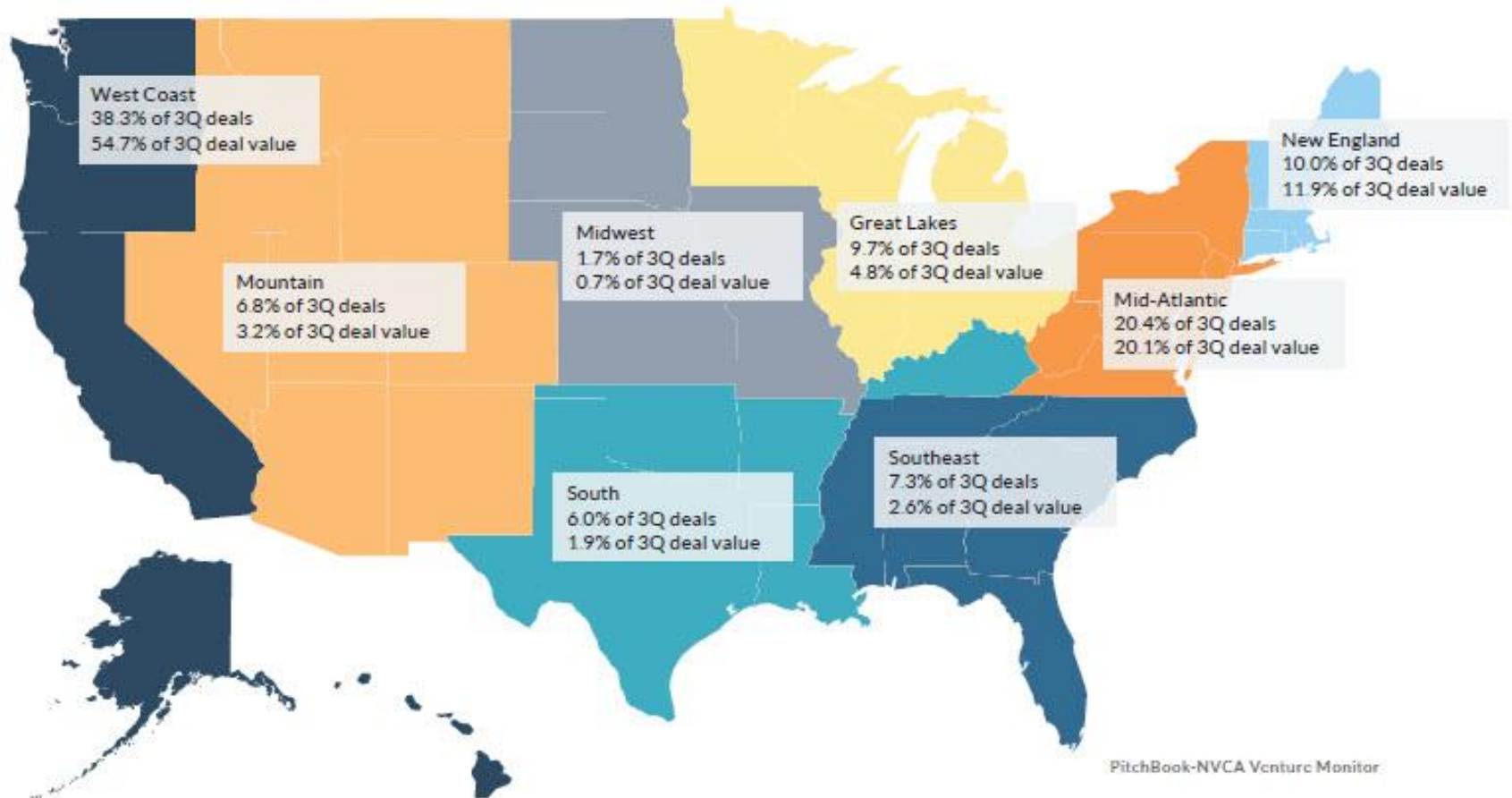
PitchBook-NVCA Venture Monitor

*As of September 30, 2018

State of Venture Capital Funding

70% of deals in 3 regions

US VC deals by region (3Q 2018)



Disclosures

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Buy	68	18
Hold	23	4
Underperform	< 1	0
Rating Suspended	< 1	0
Restricted	0	0

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