



Human Capital Management Technology

Software Market Review & Analysis



Alkali Partners

Technology Investment Banking

Human Capital Management Technology

Market Analysis

Sector Overview: The global human capital management sector is valued at \$34B market in 2025. It is rapidly shifting toward unified, AI-enabled HCM suites as enterprises prioritize integrated data, workforce optimization, and automation. Growth is fueled by flexible and digital workforces, HCM’s expansion into adjacent categories, and fintech-driven payroll innovation. With digital HR now central to talent strategy, Alkali anticipates continued strength in M&A as organizations modernize and consolidate platforms.



Unified HCM Platform Consolidation: Organizations are accelerating adoption of fully integrated HCM suites to centralize workforce data, streamline processes, and improve decision making as they shift away from fragmented point solutions.



AI-Enhanced Workforce Management: AI is reshaping talent, performance, and planning workflows by automating routine tasks, improving predictive insights, and supporting the governance of both human and emerging digital workers.



Modern Payroll and Flexible Workforces: Fintech innovation and the rise of contingent and digital workers are reshaping payroll models and driving demand for more agile, consumer-grade HR experiences.

40%

of HR executives plan to replace on-premises HR systems with SaaS

70%

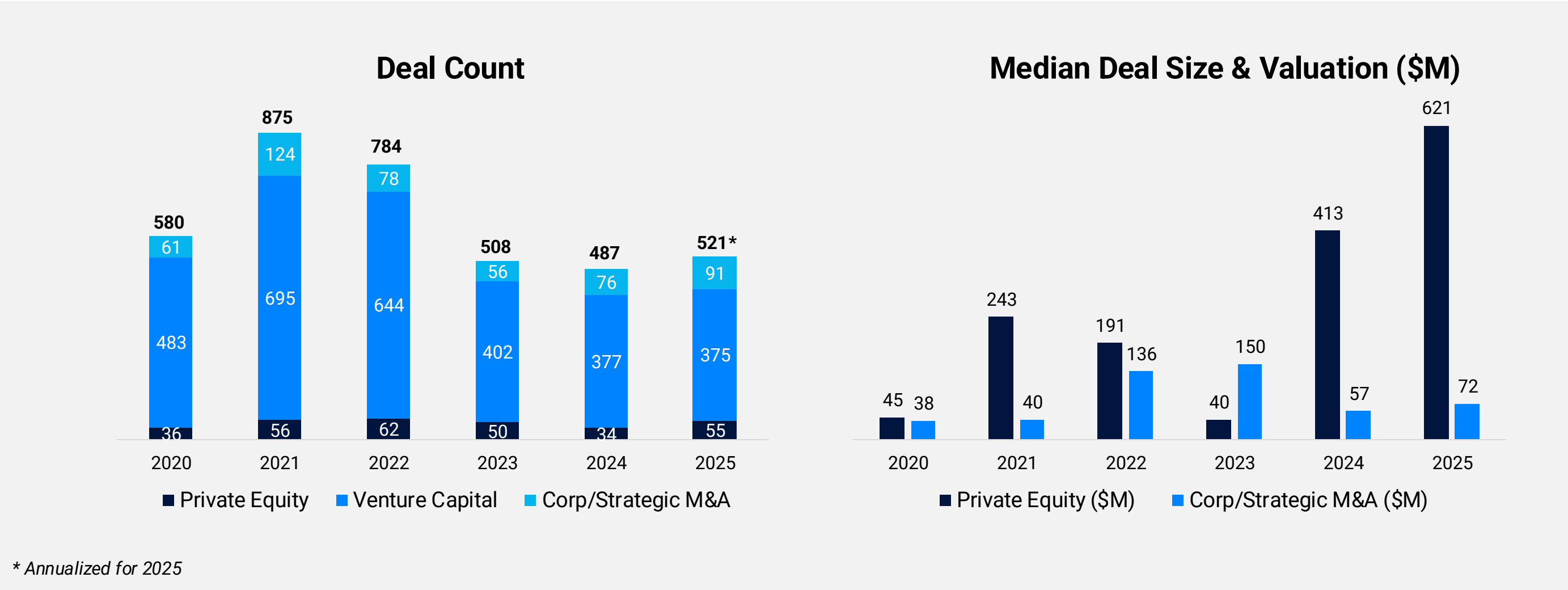
of HR leaders now use mobile devices to manage HR processes

90%

of job seekers use mobile devices to search for roles

47%

of enterprises still rely on paper for compensation processes



Sponsors: Growth-Oriented

deel.

PAYCHEX

MITRATECH

workday.

NIXXY

cornerstone

Sponsors: Traditional Buyout

TA ASSOCIATES

STONE POINT CAPITAL

TPG

KKR

SILVER LAKE

Hg

Most Active Acquirers

SoftBank

PSG

bdc

SIXTH STREET PARTNERS

PROVIDENCE STRATEGIC GROWTH

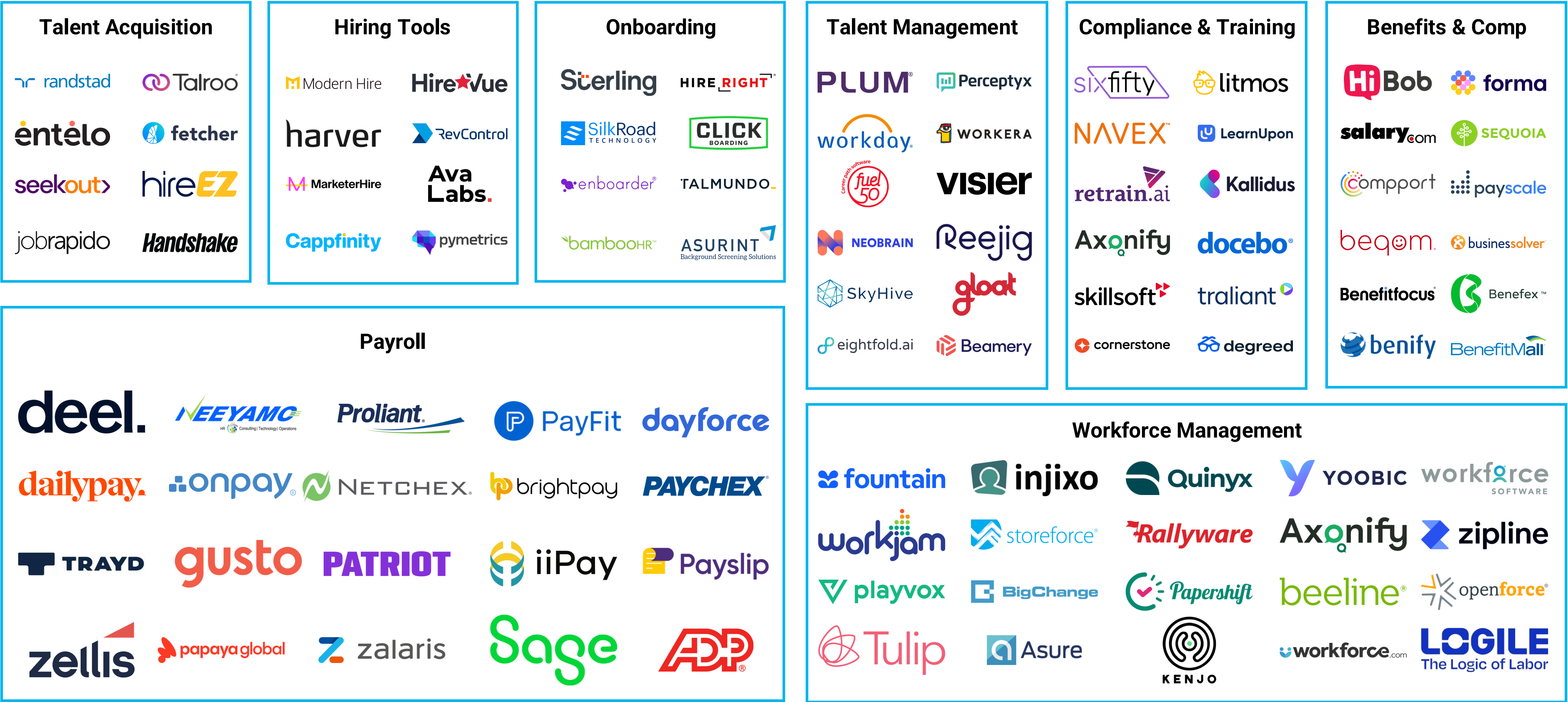
GENERAL ATLANTIC

STRIPES

Sources: Pitchbook, Forbes Insights, Grand View Research, Deloitte

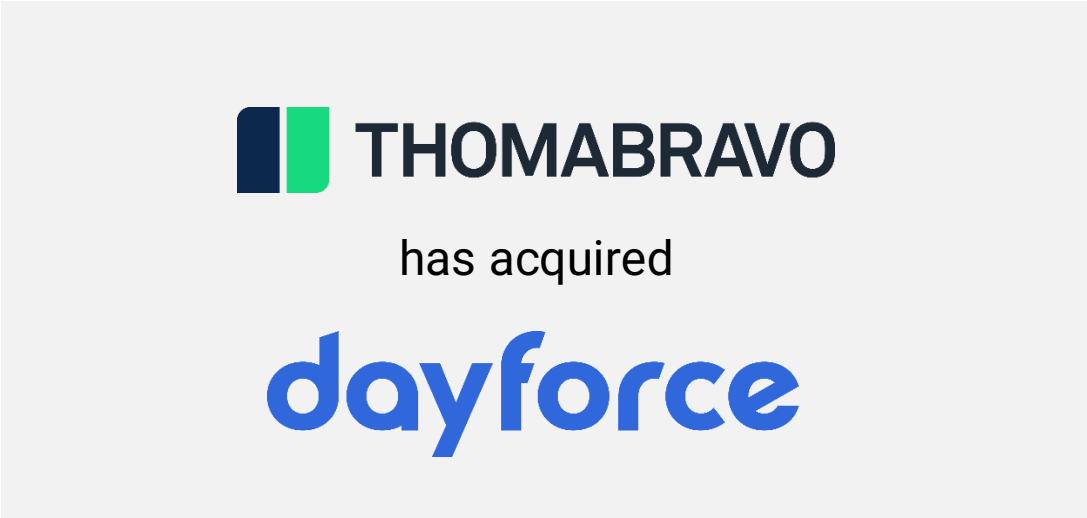
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MARKET MAP



Platform Expansion Through Transformational M&A

Multi-Billion Dollar Deals Driving Platform Expansion in Human Capital Management Technology Market



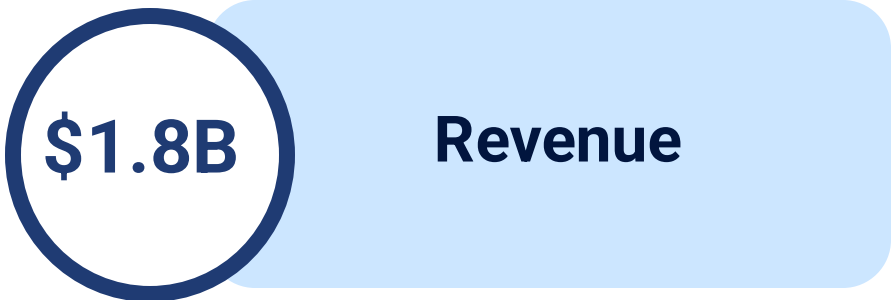
Date: 08/21/2025
Deal Size: \$12.0B
EV/Revenue: 6.4x
EV/EBITDA: 36x

Segment: Human Capital Management Platforms, Payroll & Workforce Management Software, Enterprise HRIS

Rationale: Thoma Bravo’s acquisition of Dayforce strengthens its position in enterprise software by adding a scaled HCM platform with strong recurring revenue and global reach.

Dayforce brings integrated capabilities in payroll, workforce management, and talent management that align well with Thoma Bravo’s focus on high-value SaaS operators. The deal gives Thoma Bravo a foundation to support product expansion, operational improvement, and targeted add-on growth in a category that is modernizing rapidly.

Industry Outlook: The transaction highlights continued demand for cloud-based HCM platforms as companies retire fragmented HR systems in favor of unified solutions. Ongoing investment is driven by needs around automation, compliance, employee experience, and data-driven workforce planning.



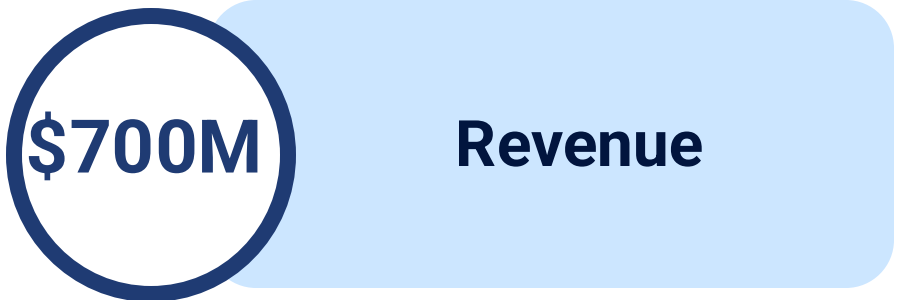
Date: 04/14/2025
Deal Size: \$4.0B
EV/Revenue: 5.7x
EV/EBITDA: 35x

Segment: SMB and Mid-Market HR & Payroll Software, HCM Suites, Employer Services Technology

Rationale: Paychex’s acquisition of Paycor expands its position in the SMB and mid-market HCM sector by adding a modern, cloud-native platform with strong momentum in payroll, HR, and talent.

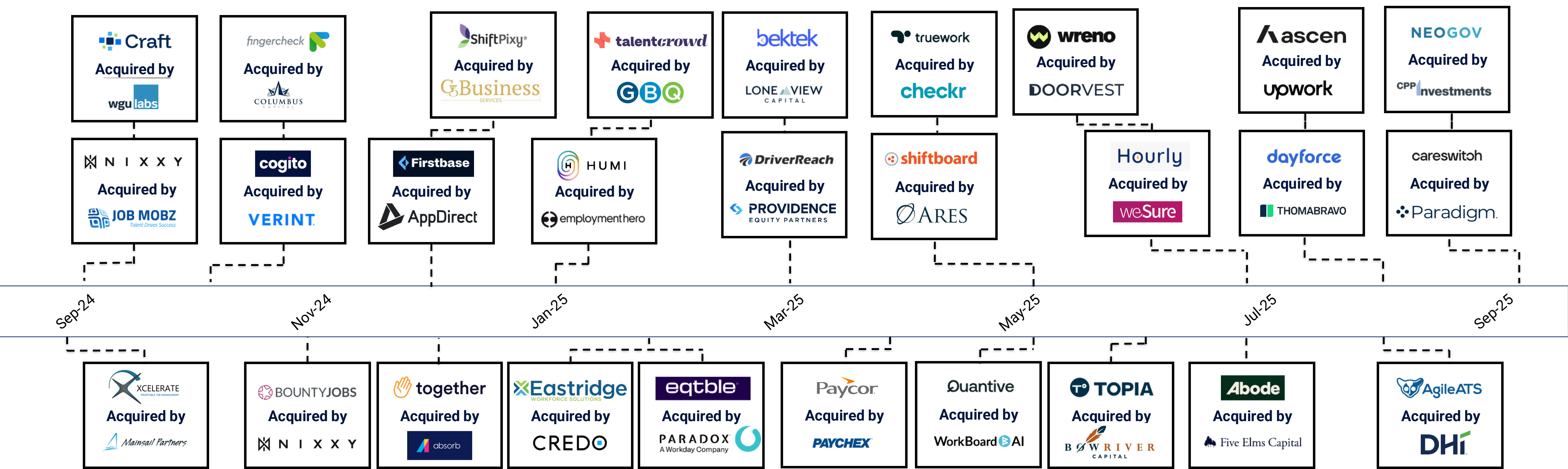
The combination strengthens Paychex’s product depth, enhances digital capabilities, and broadens its reach into mid-market customers where Paycor has established a strong presence. The deal also creates meaningful cross-sell opportunities across employer services and improves operating leverage through platform consolidation.

Industry Outlook: The transaction reflects the ongoing shift within SMB and mid-market HCM toward unified, cloud-based platforms that streamline payroll, HR, and workforce management. Demand continues to be driven by modernization needs, workflow automation, embedded analytics, and improved employee experience.



Sources: Pitchbook, Alkali Research, Dayforce, Paycor, Business Insider, Forbes

M&A Activity in the Human Capital Management Technology Market



M&A activity in the space has remained strong throughout the last 18 months.

While many industries have seen a significant portion of transactions trend towards going on hold as businesses *fall short of projected budgets* – transactions in *human capital management* are still going through as forecasts hold true.

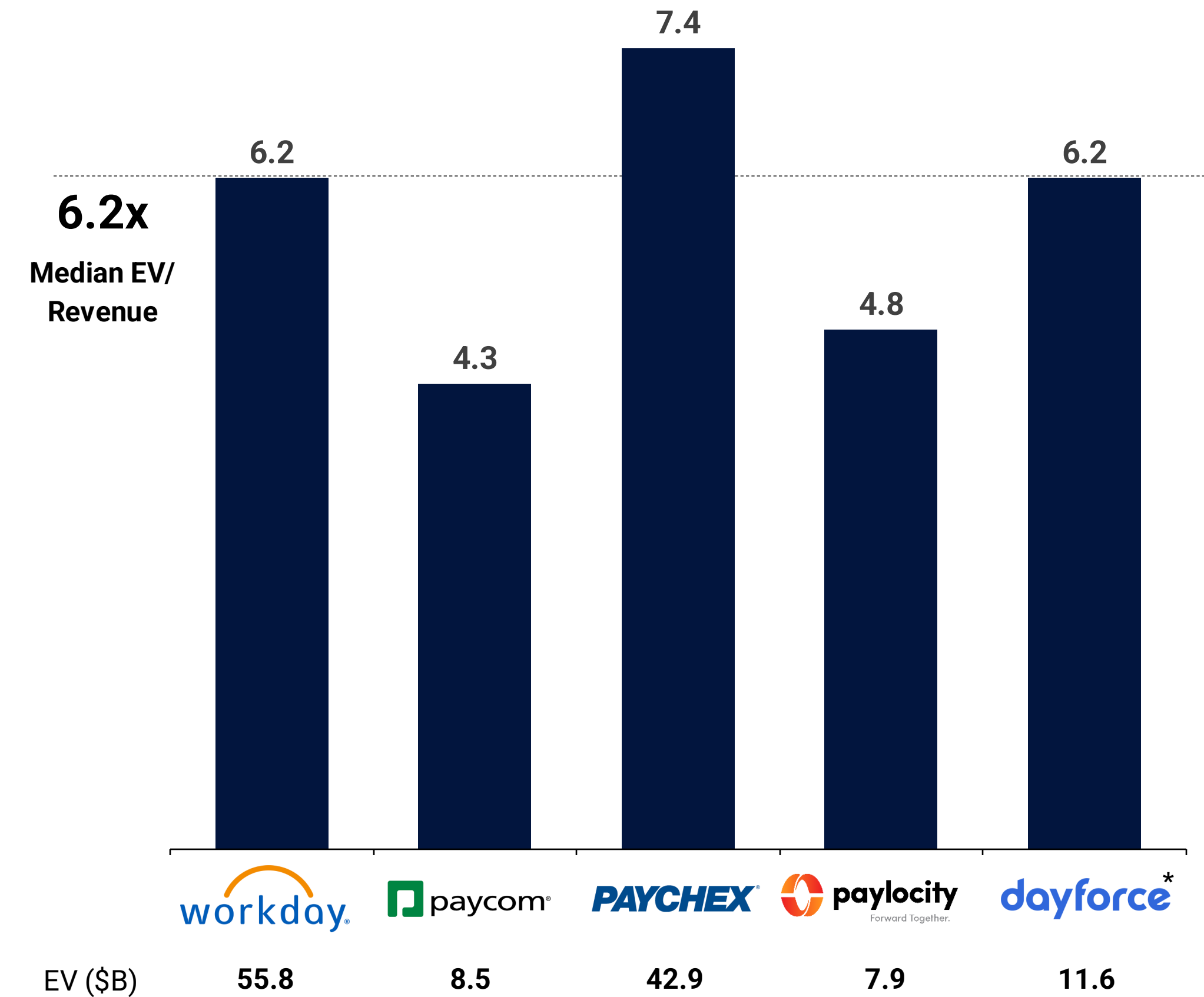
Sources: Pitchbook

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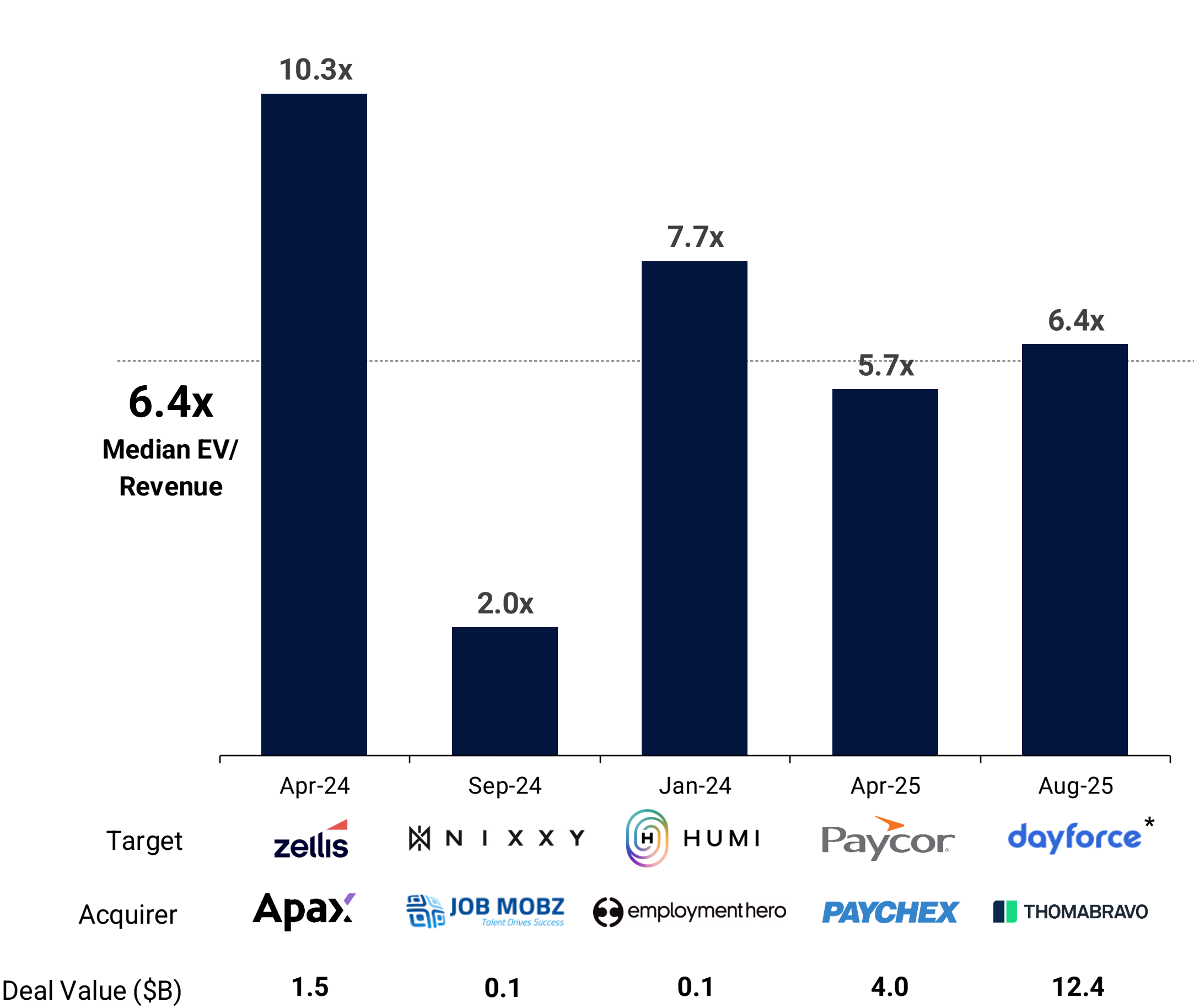
MARKET COMPARABLES

Public companies in the human capital management technology sector currently have a median EV/Revenue multiple of 6.2x. Private companies currently have a median EV/Revenue multiple of 6.4x.

Public EV/Revenue Multiples



Transaction EV/Revenue Multiples



* Deal Pending – Definitive Agreement Signed by Both Parties on Aug 21, 2025
Sources: PitchBook, Yahoo Finance

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