

SOFTWARE SECTOR UPDATE Q4-2023

M&A Environment – Global/Germany

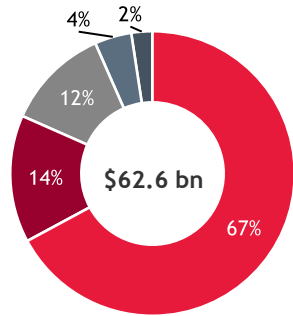
March 2024

Vorschau

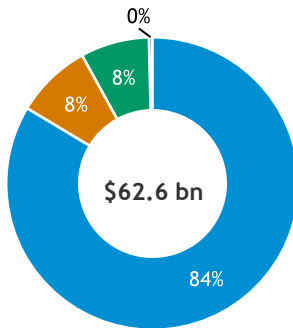
Global HR Tech/Software market by segment & region

Software solutions supporting essential HR functions (Data Admin, Payroll, Workforce Management, etc.) account for ~67% of the global HR tech market. North American HR tech companies lead the charge generating >80% of market revenues

HR tech market by segment and region* (2022)



Segment	CAGR 2022-2026E
Data Admin & Payroll	10.2%
Collaboration & Engagement	15.5%
Recruiting	4.2%
Performance & Talent Mgmt.	2.8%
Learning & Development	9.8%



Region	CAGR 2022-2026E
North America	9.7%
Europe	11.4%
APAC	11.8%
RoW	16.4%

Data Admin & Payroll

- ▶ This sector encompasses a multitude of regular activities and frequent generation and archiving of documentation. It covers the entire spectrum of everyday operational HR tasks associated with employee oversight, such as processing payroll, managing annual leave and sick days, etc.

Collaboration & Engagement

- ▶ Modern HR emphasizes the significance of an energized, interpersonally connected team.
- ▶ This area entails tasks that maintain employee involvement and interconnectivity, like event coordination and town hall gatherings.

Recruiting

- ▶ HR's critical role encompasses sourcing and hiring top talent.
- ▶ This segment covers the entire recruitment process, from candidate selection and assessment to onboarding.

Performance & Talent Management

- ▶ Evaluating employee performance is a nuanced but essential HR function that fosters workforce growth.
- ▶ This area encompasses all tasks related to the evaluation and review of employee performance.

Learning & Development

- ▶ Implementing advanced technologies and procedures needs a proactive and dynamic team.
- ▶ This segment includes the full scope of coordinating and conducting employee education and skill enhancement.

* By registered company location, e.g. North America represents revenues generated by companies headquartered in North America

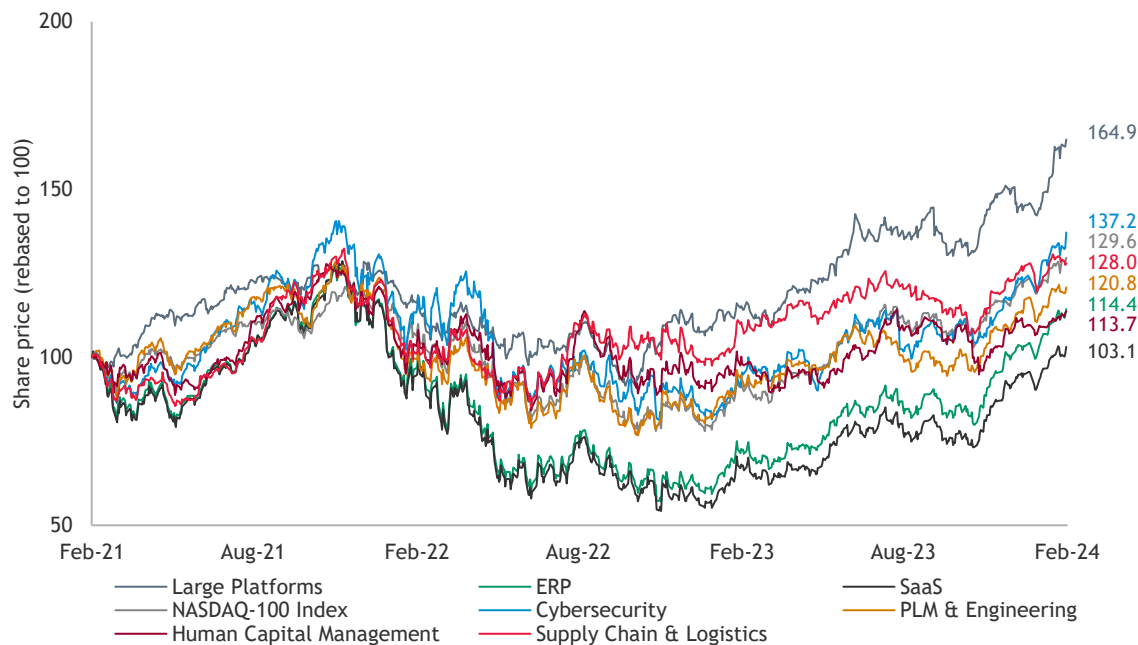
Sources: Gartner, Statista, BDO analysis

Note: Missing or exceeding percentage points to 100 percent are due to rounding

Recent software sector share price performance

Strong share price performance across most software subsectors over past 12 months - continued upward trend in 2024

Share price performance over time by selected software subsectors



Software subsector	Change (%)		
	3-year	1-Year	4-week
Large Platforms	64.9%	43.0%	13.0%
Cybersecurity	37.2%	46.9%	7.8%
NASDAQ-100 Index	29.6%	39.5%	5.7%
Supply Chain & Logistics	28.0%	15.8%	5.3%
PLM & Engineering	20.8%	27.5%	6.6%
ERP	14.4%	57.2%	8.4%
Human Capital Management	13.7%	13.5%	4.2%
SaaS	3.1%	51.4%	8.2%

Selected BDO credentials in the Software/Tech sector (1/2)

BDO with a strong track record in Software M&A and transaction advisory

Fenz.IT

M&A advisor to the shareholders of FENZ-Software GmbH on the sale to everfield

everfield

M&A Advisor

2024

GB TEC

Financial and legal advisor to the founders/management of GBTEC Software AG in the sale from Main Capital Partners to Carlyle

MAIN
CAPITAL PARTNERS
CARLYLE

M&A Advisor |
Legal

2023

3U  HOLDING

Advisor to 3U HOLDING AG on the acquisition of cs communication Systems GmbH and cs network GmbH

Citrus

Financial Advisor |
Financial | Tax

2023

everfield

Advisor to everfield on the acquisition of Synergee SAS


Synergee

Financial | Tax | Legal

2023

everfield

Advisor to everfield on the acquisition of Visioglobe SAS

 **VISIOGLOBE**

Financial | Tax | Legal

2023

Key contacts in BDO Germany's M&A team



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