

SUMMER 2024

Payroll · PEO · EOR

Market Pulse

M&A Advisory
Growth Capital
Recapitalizations
Board Advisory
Strategic Evaluations



More Info: www.delanceystreetpartners.com
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Delancey Street Partners (DSP) is pleased to provide you with this **Summer 2024 Edition** of DSP’s Payroll●PEO● EOR Market Pulse, your trusted source for Human Capital Management (HCM) insights, valuations, investment, M&A market, and VC funding trends. Designed for busy HCM executives, PE/VC investors, and other HR industry luminaries, DSP’s Payroll●PEO● EOR Market Pulse provides fast access to relevant data and insights you need to stay current within this rapidly-evolving industry.

The HCM sector, and more specifically, the payroll, PEO, and EOR subsectors, are a core focus for Delancey Street Partners. We have deep expertise and a long track record of working with great payroll, PEO, and EOR companies, and we would like to work with you!

Key Sector Themes

- ❖ Augmenting existing services by adding traditional HR and talent acquisition capabilities
- ❖ Expanding capabilities through M&A
- ❖ Integration of AI, automations, and RPAs to improve accuracy of operations and enhance client experiences
- ❖ Consolidation of the Global Payroll and EOR model
- ❖ Continued efforts by U.S. payroll companies to grow global offerings



Deep HCM Expertise

Delancey Street Partners has deep domain and M&A expertise in the Human Capital Management (HCM) sector. Our coverage spans all areas within the HCM sector including:

HR Saas Technology

- Talent Acquisition
- WorkTech
- Workforce Management
- Learning & Development

Special Focus:

- Artificial Intelligence (AI)
- Payroll & PEO
- Employer of Record (EOR)
- Background Checking, Credentialing & Assessments
- Gig & On Demand
- HR Community & Recruitment
- Scheduling, Time & Attendance

HR Tech Enabled & Services

- Professional Services
- Staffing
- Recruitment Process Outsourcing (RPO)
- Interim Talent & Fractional Talent
- Executive Search
- Compliance & EHS
- Compensation, Benefits

Special Focus:

- Onboarding Solutions
- Skills Development & Coaching
- Employee Engagement & Retention
- Frontline/Hourly Workplace

Representative Transactions

DSP's Employment Life Cycle Taxonomy

Pre-Hire	Hire/Onboarding			Compensation	Talent Management		Post
Sourcing/Tracking	Qualify	Interview	Post-Hire	Benefits	Learning	Performance	Succession
<ul style="list-style-type: none"> • Branding Templates • Applicant Tracking • Job Board Integration • Candidate Compliance • Talent Bench • Social Recruitment 	<ul style="list-style-type: none"> • Assess Cultural Fit Testing • Background Credential • Offer Letter Automation • Skill Testing/Validation 	<ul style="list-style-type: none"> • Interview Scheduling • Automated E-mails • Video • Real-Time Evaluation Tools • Offer Letter Automation 	<ul style="list-style-type: none"> • Onboarding Drug Testing • Automated Data Capture • Information Integration • Task Tracking • E-Signatures • Time & Attendance • Employee Scheduling 	<ul style="list-style-type: none"> • Benefits Admin. Health Insurance • Retirement Services • COBRA • Compensation Mgmt. 	<ul style="list-style-type: none"> • Learning Mgmt. System • Content Integration • Compliance & Certification Mgmt. • Test and Survey 	<ul style="list-style-type: none"> • Talent Mgmt. Customizable Forms • Goal Setting and Tracking • Performance Improvement • Employee Recognition 	<ul style="list-style-type: none"> • Succession Planning • Skill Gap Reporting • Talent Pools and Planning • Offboarding

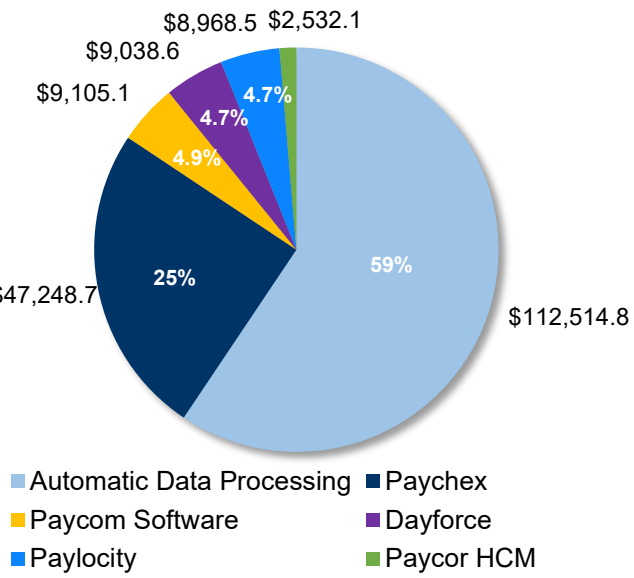
We work with great companies. We want to work with you!

Please contact DSP's HCM sector leads Bill Filip (wfilip@delanceyllc.com 610-888-3865) and Steve Higgins (shiggins@delanceyllc.com 484-533-6308) for more information.

Public Comparables Analysis: Sorted by Gross Margin %

COMPANY	STOCK PERFORMANCE AND COMPANY DATA					MARGINS		GROWTH			VALUATION DATA			
	Price 8/31/2024	YTD % Change	% of 52- Week High	Market Value (\$mm)	Enterprise Value (\$mm)	Gross Profit % Margin	EBITDA % Margin	5-Year Rev CAGR	3-Year Rev CAGR	1-Year Rev Growth	EV / Revenue		EV / EBITDA	
Company											2024E	2025P	2024E	2025P
Paycom Software	\$162.8	(21.3%)	58.1%	\$9,105.1	\$8,758.6	86.1%	36.6%	18.1%	17.1%	23.2%	4.7x	4.2x	12.0x	10.6x
Paychex	131.2	10.2%	95.5%	47,248.7	46,631.4	72.0%	44.5%	5.0%	6.0%	7.0%	8.7x	8.2x	19.3x	18.0x
Paylocity	161.4	(2.1%)	78.2%	8,968.5	8,621.2	68.6%	20.5%	20.0%	20.9%	29.1%	5.9x	5.5x	17.3x	15.3x
Paycor HCM	14.2	(34.4%)	55.6%	2,532.1	2,434.6	65.9%	8.0%	N.A.	16.4%	24.7%	3.5x	3.2x	10.8x	9.6x
Dayforce	57.2	(14.8%)	75.9%	9,038.6	9,811.6	48.8%	14.8%	12.9%	13.9%	21.5%	5.6x	5.0x	19.7x	16.7x
Automatic Data Processing	275.9	18.4%	98.0%	112,514.8	113,400.0	47.9%	29.1%	5.1%	5.8%	7.8%	5.8x	5.5x	20.2x	18.7x
Overall Group Mean		(7.3%)	76.9%	\$31,568.0	\$31,609.6	64.9%	25.6%	12.2%	13.3%	18.9%	5.7x	5.3x	16.6x	14.8x
Overall Group Median		(8.5%)	77.1%	9,071.8	9,285.1	67.3%	24.8%	12.9%	15.1%	22.3%	5.7x	5.2x	18.3x	16.0x
Overall Group Max		18.4%	98.0%	112,514.8	113,400.0	86.1%	44.5%	20.0%	20.9%	29.1%	8.7x	8.2x	20.2x	18.7x
Overall Group Min		(34.4%)	55.6%	2,532.1	2,434.6	47.9%	8.0%	5.0%	5.8%	7.0%	3.5x	3.2x	10.8x	9.6x

Market Capitalization (\$ in Millions)



Total Market Capitalization: \$189,408mm

Source: CapIQ

Revenue Growth, Multiples, and Margins

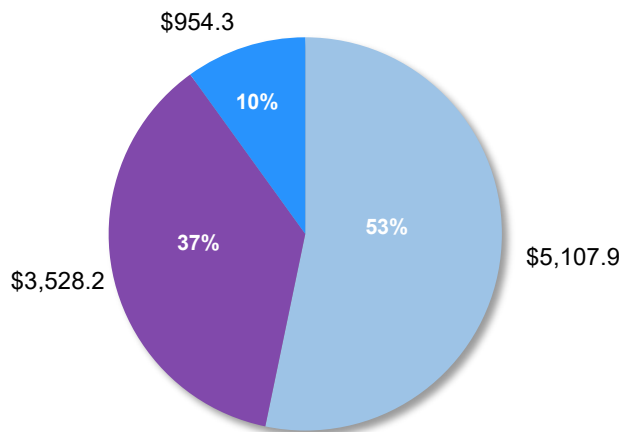
Company	3-Year Revenue CAGR	Gross Profit Margin%	EBITDA Margin%	2024E EV / Revenue
Paychex	6.0%	72.0%	44.5%	8.7x
Paylocity	20.9%	68.6%	20.5%	5.9x
Automatic Data Processing	5.8%	47.9%	29.1%	5.8x
Dayforce	13.9%	48.8%	14.8%	5.6x
Paycom Software	17.1%	86.1%	36.6%	4.7x
Paycor HCM	16.4%	65.9%	8.0%	3.5x
Median	15.1%	67.3%	24.8%	5.7x

MARKET VALUATION: PUBLIC COMPARABLES

Public Comparables Analysis: Sorted by Gross Margin %

COMPANY	STOCK PERFORMANCE AND COMPANY DATA					MARGINS		GROWTH			VALUATION DATA			
	Price 8/31/2024	YTD % Change	% of 52- Week High	Value (\$mm)	Value (\$mm)	Gross Profit % Margin	EBITDA % Margin	5-Year Rev CAGR	3-Year Rev CAGR	1-Year Rev Growth	EV / Revenue		EV / EBITDA	
Company											2024E	2025P	2024E	2025P
Barrett Business Services	\$36.5	26.1%	96.6%	\$954.3	\$865.3	22.0%	5.5%	2.6%	3.8%	1.4%	0.8x	0.7x	13.1x	11.4x
TriNet Group	102.8	(13.5%)	76.4%	5,107.9	5,807.9	20.9%	9.1%	5.0%	2.7%	0.8%	4.6x	4.4x	10.8x	10.1x
Insperty	94.0	(19.8%)	78.7%	3,528.2	3,260.2	16.6%	3.7%	8.5%	9.3%	9.2%	0.5x	0.5x	12.0x	11.4x
Overall Group Mean		(2.4%)	83.9%	\$3,196.8	\$3,311.1	19.8%	6.1%	5.4%	5.3%	3.8%	2.0x	1.9x	12.0x	11.0x
Overall Group Median		(13.5%)	78.7%	3,528.2	3,260.2	20.9%	5.5%	5.0%	3.8%	1.4%	0.8x	0.7x	12.0x	11.4x
Overall Group Max		26.1%	96.6%	5,107.9	5,807.9	22.0%	9.1%	8.5%	9.3%	9.2%	4.6x	4.4x	13.1x	11.4x
Overall Group Min		(19.8%)	76.4%	954.3	865.3	16.6%	3.7%	2.6%	2.7%	0.8%	0.5x	0.5x	10.8x	10.1x

Market Capitalization (\$ in Millions)



■ TriNet Group ■ Insperty ■ Barrett Business Services

Revenue Growth, Multiples, and Margins

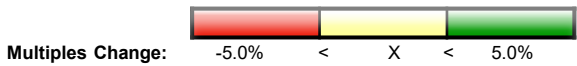
Company	3-Year Revenue CAGR	Gross Profit Margin%	EBITDA Margin%	2024E EV / EBITDA
Barrett Business Services	3.8%	22.0%	5.5%	13.1x
Insperty	9.3%	16.6%	3.7%	12.0x
TriNet Group	2.7%	20.9%	9.1%	10.8x
Median	3.8%	20.9%	5.5%	12.0x

Total Market Capitalization: \$9,590mm

KEY METRIC MOMENTUM - PAYROLL

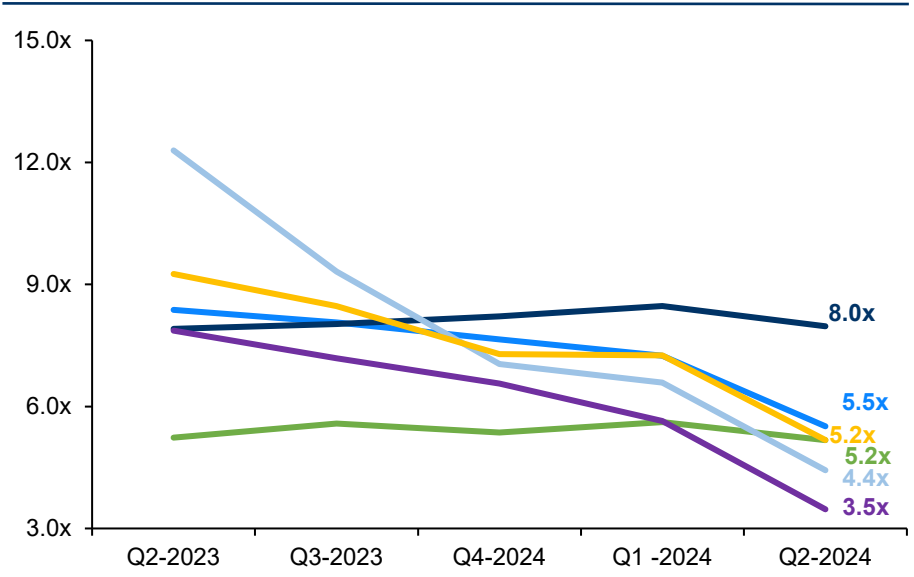
	Automatic Data Processing (NASDAQ:ADP)					Dayforce (NYSE:DAY)					Paychex (NASDAQ:PAYX)				
	2023			2024		2023			2024		2023			2024	
	Q2	Q3	Q4	Q1	Q2	Q2	Q3	Q4	Q1	Q2	Q2	Q3	Q4	Q1	Q2
Valuations															
EV / LTM Revenue	5.2x	5.6x	5.4x	5.6x	5.2x	8.4x	8.1x	7.6x	7.2x	5.5x	7.9x	8.0x	8.2x	8.5x	8.0x
EV / LTM EBITDA	18.4x	19.1x	18.3x	19.1x	17.4x	102.9x	74.9x	55.3x	49.6x	35.3x	17.7x	18.0x	18.3x	18.9x	17.6x
Growth															
3-Yr. Rev CAGR	6.3%	6.0%	5.8%	5.5%	5.2%	15.0%	14.5%	13.9%	13.3%	12.9%	7.3%	6.5%	6.0%	5.0%	4.6%
5-Yr. Rev CAGR	5.0%	5.1%	5.1%	5.2%	5.6%	12.4%	12.7%	12.9%	13.3%	14.2%	5.8%	5.4%	5.0%	4.9%	5.5%
Profitability															
Gross Margin	47.2%	47.5%	47.7%	47.9%	47.9%	46.7%	47.8%	47.1%	48.4%	48.8%	71.0%	71.3%	71.5%	71.7%	72.0%
EBITDA Margin	29.2%	29.3%	29.4%	29.8%	29.6%	13.9%	16.9%	18.2%	19.1%	18.8%	44.7%	44.7%	44.8%	45.0%	45.1%

	Paycom (NYSE:PAYC)					Paycor HCM (NASDAQ:PYCR)					Paylocity (NASDAQ: PCTY)				
	2023			2024		2023			2024		2023			2024	
	Q2	Q3	Q4	Q1	Q2	Q2	Q3	Q4	Q1	Q2	Q2	Q3	Q4	Q1	Q2
Valuations															
EV / LTM Revenue	12.3x	9.3x	7.0x	6.6x	4.4x	7.9x	7.2x	6.6x	5.6x	3.5x	9.3x	8.5x	7.3x	7.3x	5.2x
EV / LTM EBITDA	38.1x	29.3x	21.9x	21.4x	11.8x	666.4x	466.3x	183.4x	129.9x	53.7x	61.5x	50.0x	38.6x	35.2x	23.9x
Growth															
3-Yr. Rev CAGR	18.7%	18.0%	17.1%	15.3%	13.6%	16.1%	16.4%	16.4%	15.7%	4.5%	22.7%	22.0%	20.9%	19.6%	18.0%
5-Yr. Rev CAGR	19.0%	18.6%	18.1%	17.4%	17.5%	N.A	N.A	N.A	45.7%	23.7%	20.2%	20.2%	20.0%	19.7%	20.1%
Profitability															
Gross Margin	87.2%	87.1%	86.8%	86.6%	86.1%	66.1%	66.2%	66.2%	66.1%	66.3%	68.8%	69.0%	69.0%	68.9%	68.6%
EBITDA Margin	34.2%	34.4%	33.6%	40.3%	40.3%	1.8%	3.8%	4.6%	6.5%	8.8%	16.8%	18.8%	20.5%	21.6%	21.8%

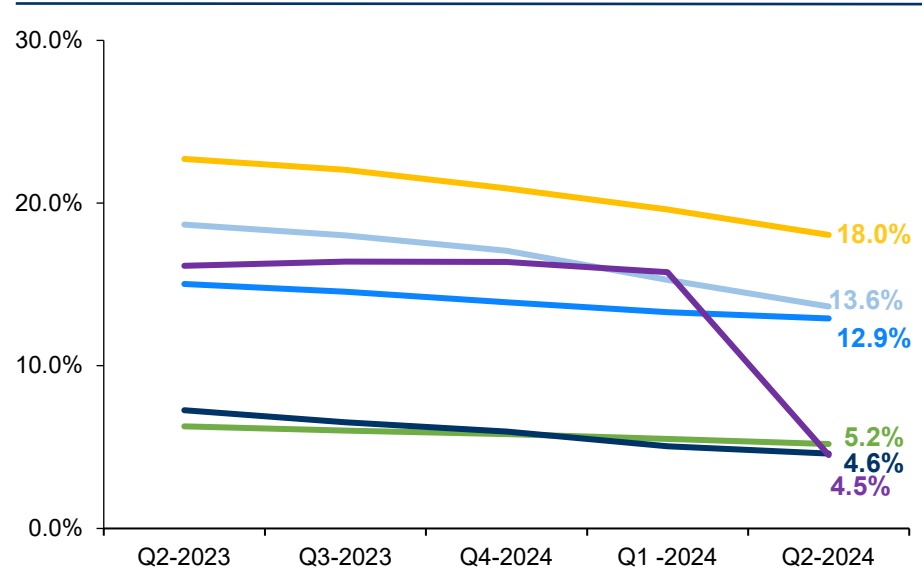


KEY METRIC MOMENTUM - PAYROLL (CONT'D)

EV / LTM Revenue



3-Year Revenue CAGR



Gross Margin

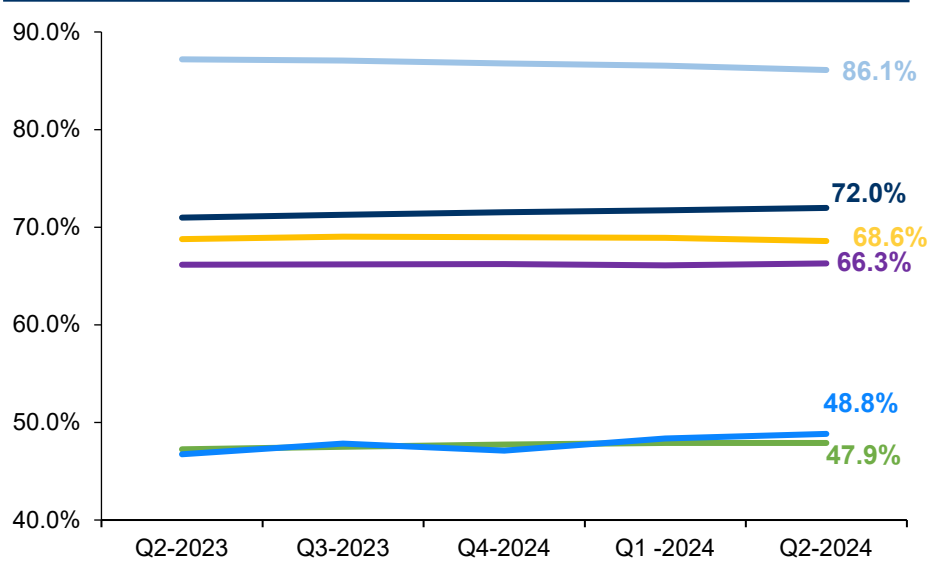
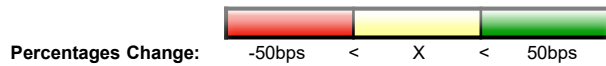
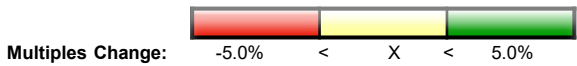


Chart Legend

- Automatic Data Processing (NASDAQ:ADP) —
- Dayforce (NYSE:DAY) —
- Paychex (NASDAQ:PAYX) —
- Paycom (NYSE:PAYC) —
- Paycor HCM (NASDAQ:PYCR) —
- Paylocity (NASDAQ: PCTY) —

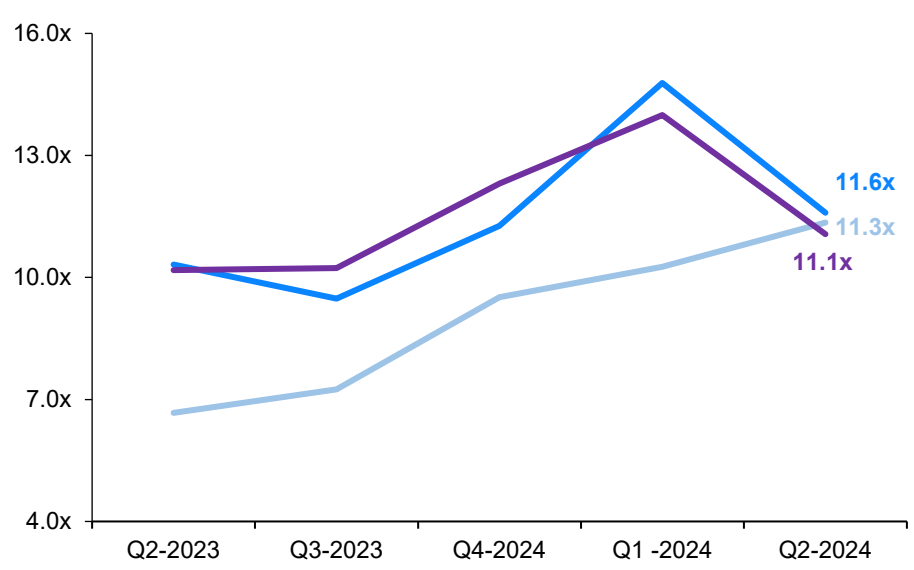
KEY METRIC MOMENTUM - PEO

	Barrett Business Services (NASDAQ:BBSI)					Insperity (NYSE:NSP)					Trinet Group (NYSE:TNET)				
	2023			2024		2023			2024		2023			2024	
	Q2	Q3	Q4	Q1	Q2	Q2	Q3	Q4	Q1	Q2	Q2	Q3	Q4	Q1	Q2
Valuations															
EV / LTM Revenue	0.5x	0.5x	0.6x	0.7x	0.7x	0.7x	0.6x	0.6x	0.6x	0.5x	1.1x	1.2x	1.4x	1.5x	1.1x
EV / LTM EBITDA	6.7x	7.2x	9.5x	10.3x	11.3x	10.3x	9.5x	11.3x	14.8x	11.6x	10.2x	10.2x	12.3x	14.0x	11.1x
Growth															
3-Yr. Rev CAGR	5.3%	4.5%	3.8%	3.2%	2.7%	11.5%	10.5%	9.3%	7.4%	5.9%	5.4%	3.9%	2.7%	1.7%	1.1%
5-Yr. Rev CAGR	N.A	N.A	3.1%	3.2%	4.1%	N.A	N.A	7.2%	7.2%	6.6%	N.A	N.A	10.0%	8.2%	4.7%
Profitability															
Gross Margin	22.2%	22.3%	22.7%	22.3%	22.0%	16.6%	16.5%	16.0%	16.1%	16.6%	22.3%	22.1%	22.4%	21.5%	20.9%
EBITDA Margin	6.8%	6.8%	7.1%	6.8%	6.6%	4.7%	4.8%	4.3%	4.1%	4.2%	11.2%	10.9%	11.4%	10.3%	9.8%

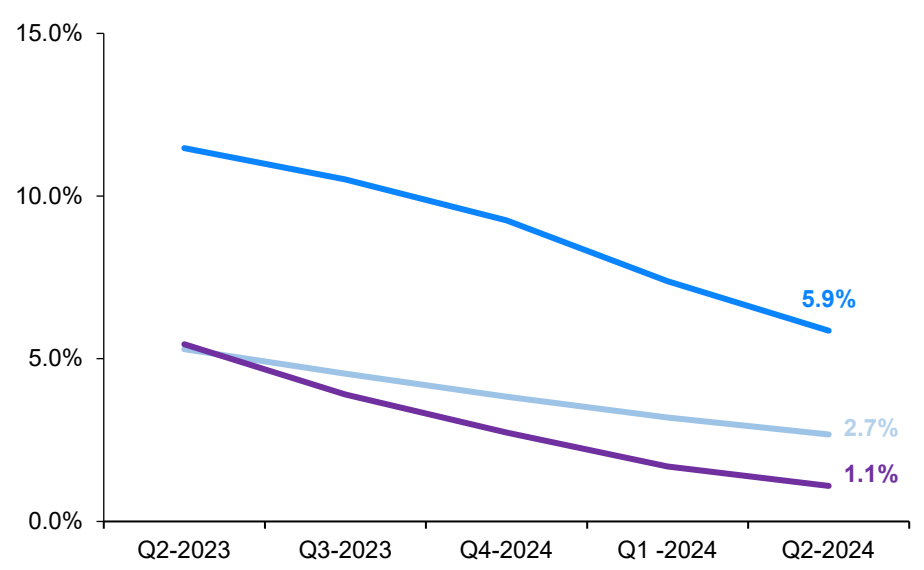


KEY METRIC MOMENTUM - PEO (CONT'D)

EV / LTM EBITDA



3-Year Revenue CAGR



EBITDA Margin

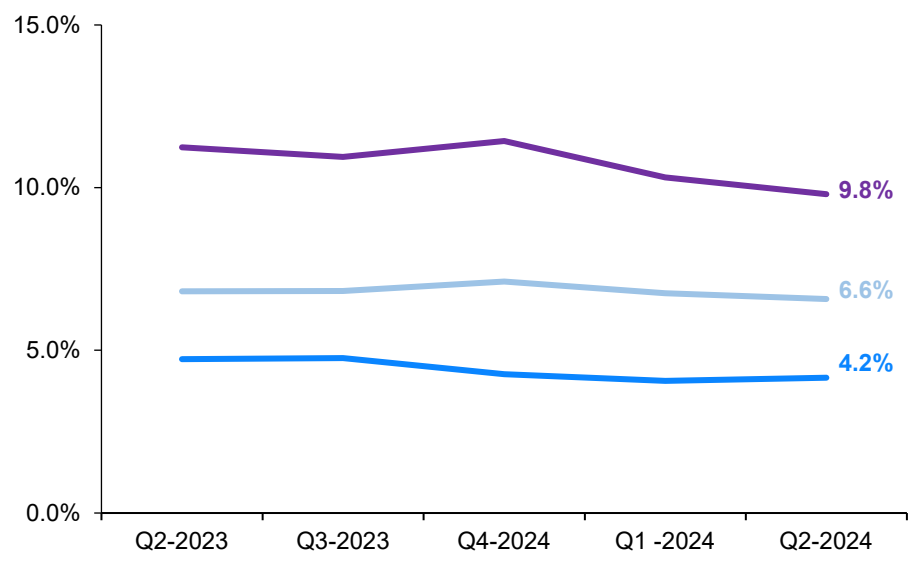
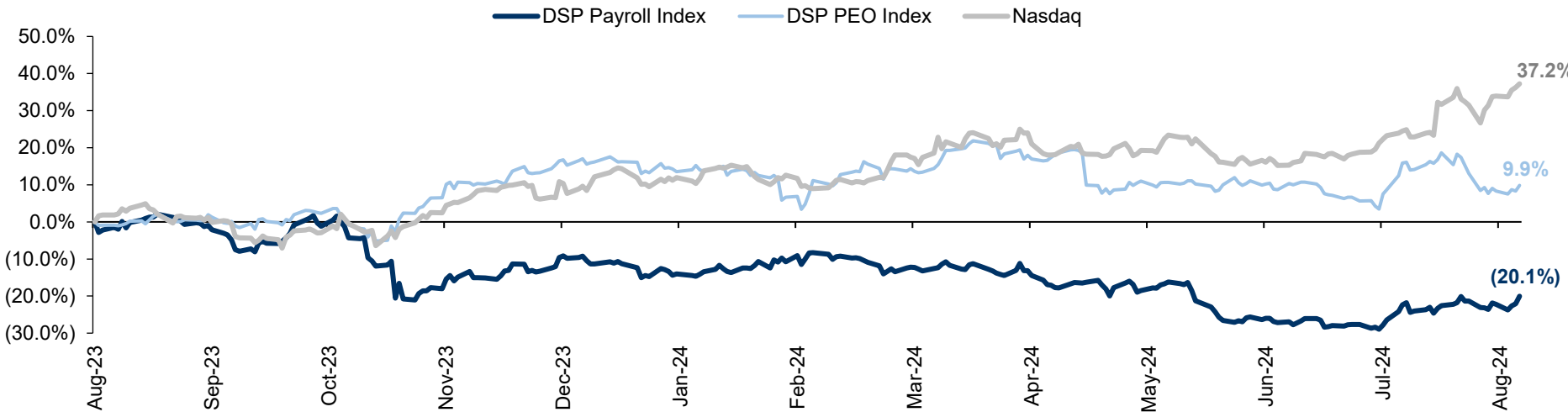


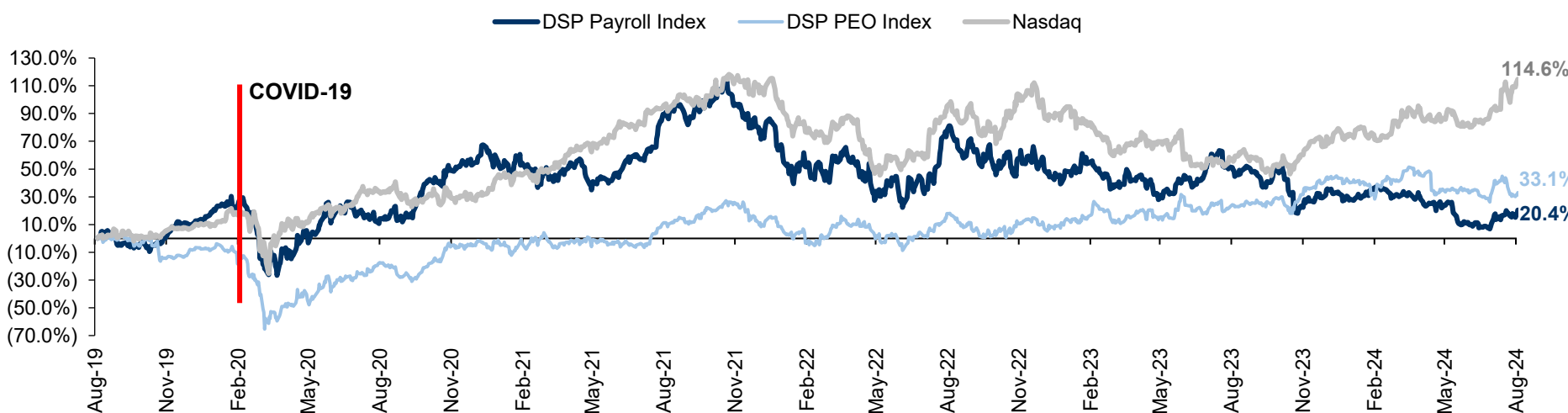
Chart Legend

- Barrett Business Services (NASDAQ:BBSI) —
- Insperty (NYSE:NSP) —
- TriNet Group (NYSE:TNET) —

1-Year Stock Performance (% Change)



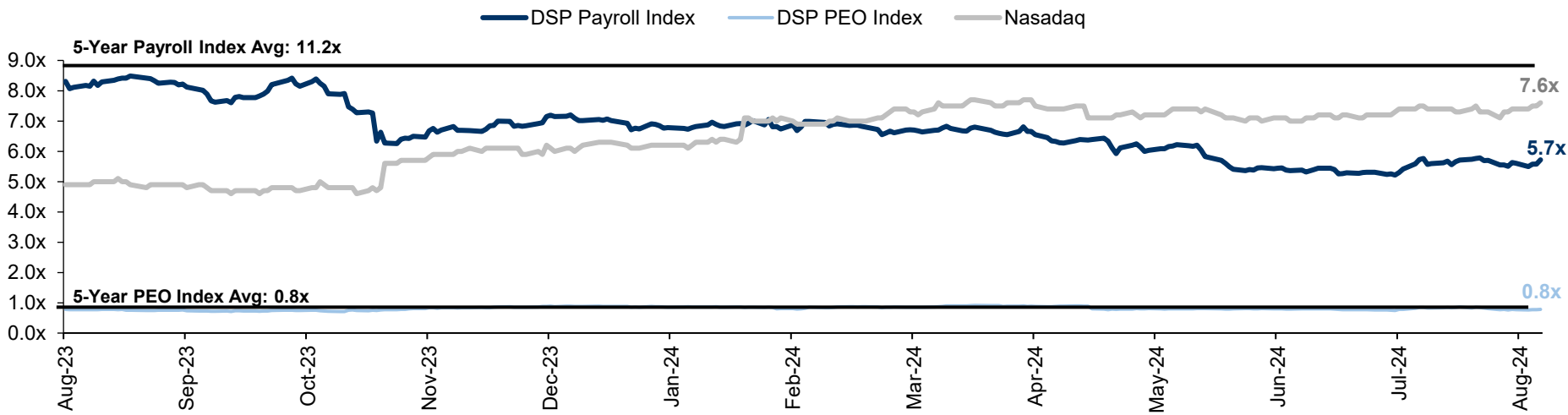
5-Year Stock Performance (% Change)



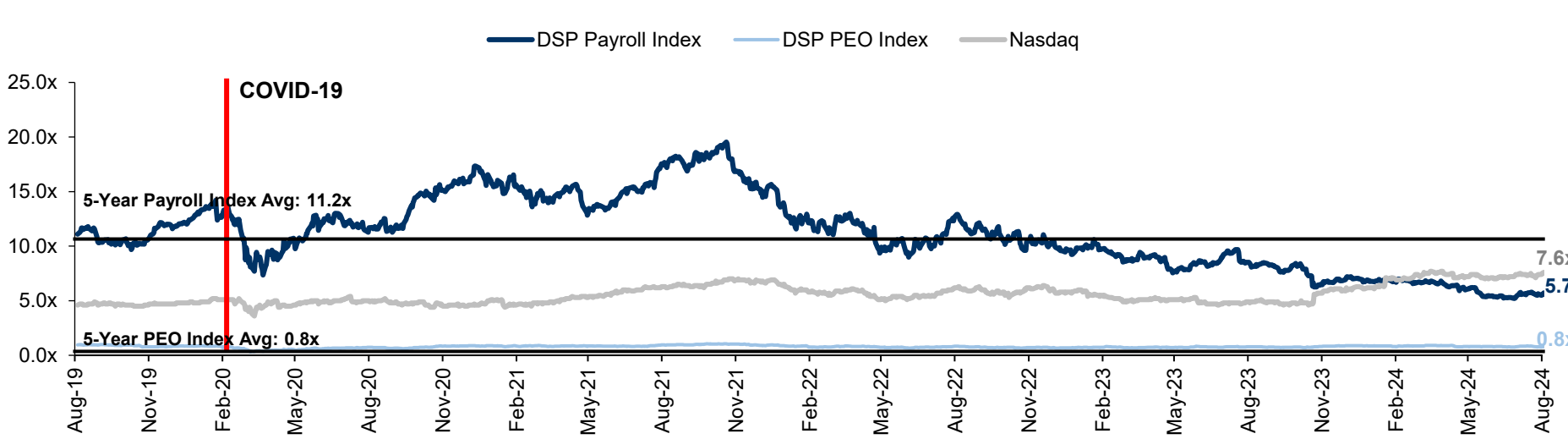
DSP Payroll Index includes the following companies: Automatic Data Processing, Inc. (NASDAQ: ADP), Dayforce (NYSE: DAY), Inc., Paychex, Inc. (NASDAQ: PAYX), Paycom Software, Inc. (NYSE: PAYC) Paycor HCM, Inc. (NASDAQ: PYCR), Paylocity Holding Corporation (NASDAQ: PCTY)
 DSP PEO Index includes the following companies: Barret Business Services (NASDAQ: BBSI), Insperity, Inc. (NYSE: NSP), TriNet Group, Inc. (NYSE: TNET)
 Note: returns are market weighted; Source: CapIQ

REVENUE MULTIPLE TRENDS

1-Year EV / Revenue



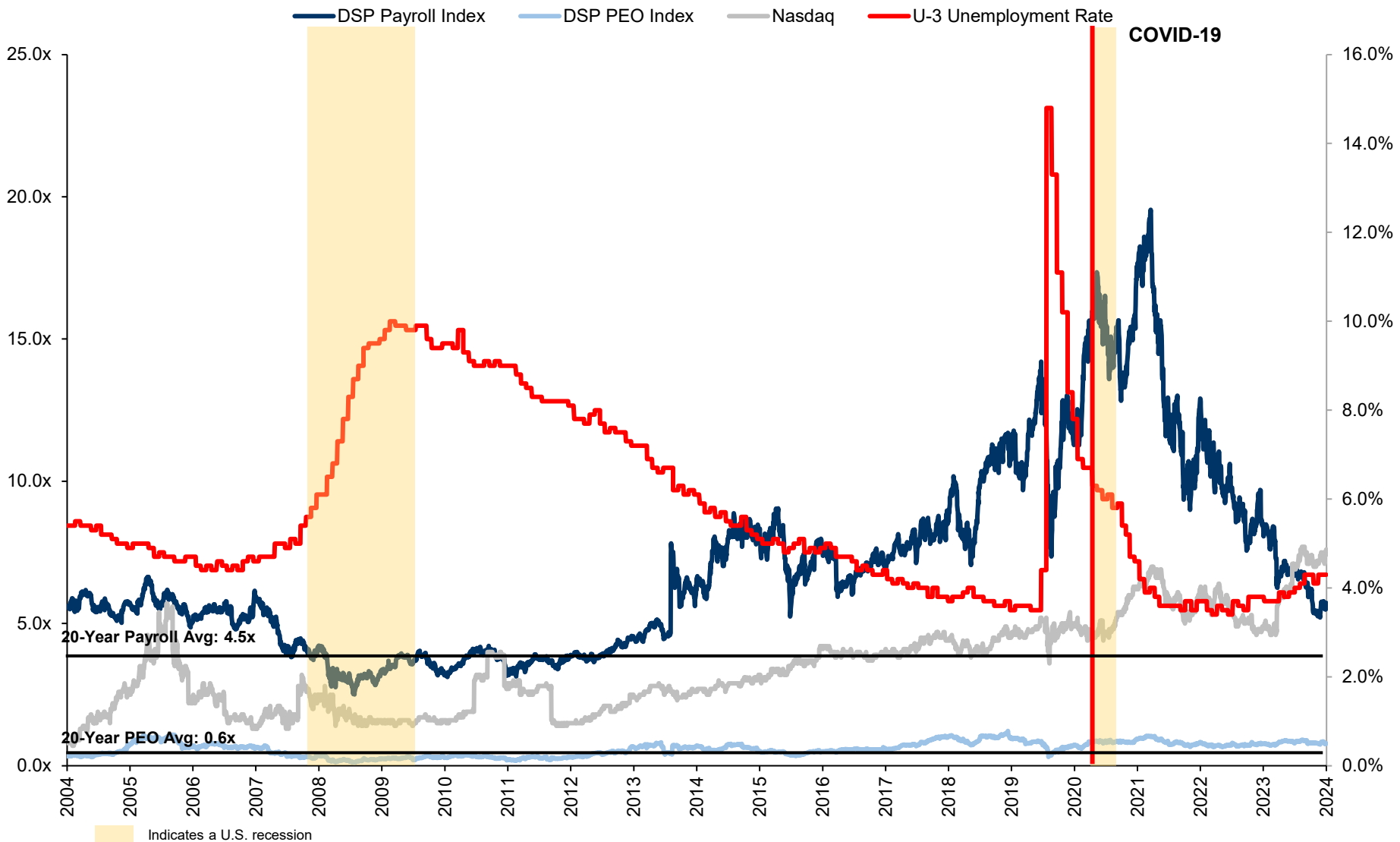
5-Year EV / Revenue



DSP Payroll Index includes the following companies: Automatic Data Processing, Inc. (NASDAQ: ADP), Dayforce (NYSE: DAY), Inc., Paychex, Inc. (NASDAQ: PAYX), Paycom Software, Inc. (NYSE: PAYC) Paycor HCM, Inc. (NASDAQ: PYCR), Paylocity Holding Corporation (NASDAQ: PCTY)
 DSP PEO Index includes the following companies: Barret Business Services (NASDAQ: BBSI), Insperty, Inc. (NYSE: NSP), TriNet Group, Inc. (NYSE: TNET)
 Note: Valuation multiples are equally weighted; Source: CapIQ

REVENUE MULTIPLE TRENDS (CONT'D)

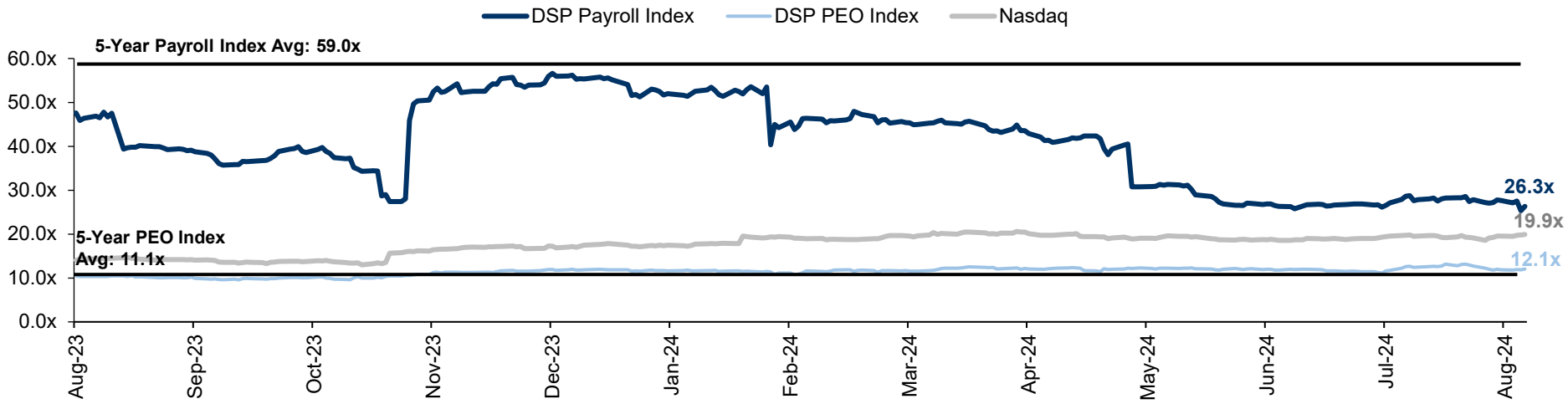
20-Year EV / Revenue



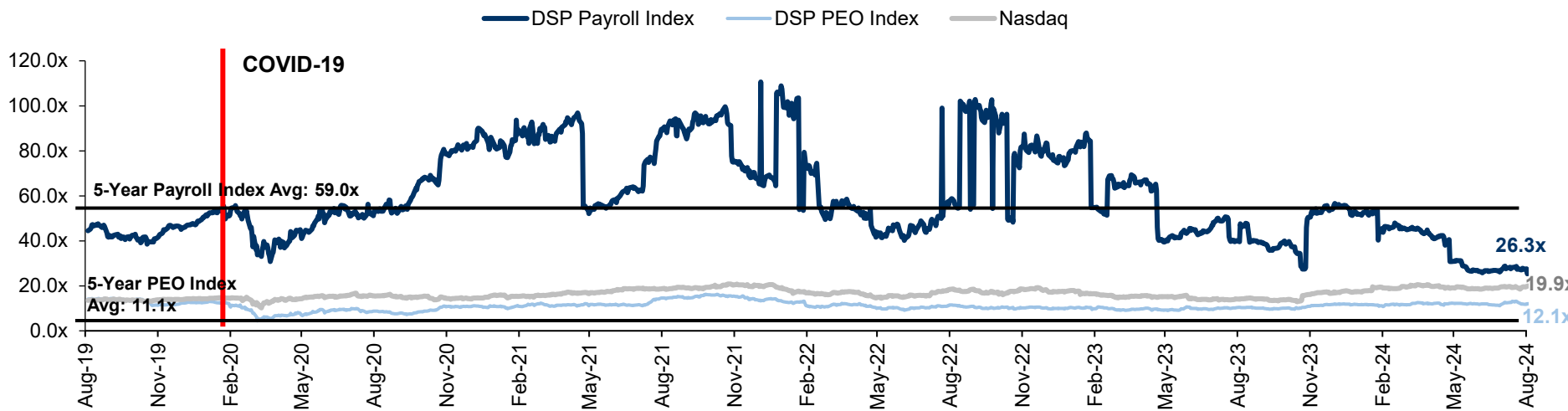
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 Note: Valuation multiples are equally weighted; Source: CapIQ

EBITDA MULTIPLE TRENDS

1-Year EV / EBITDA

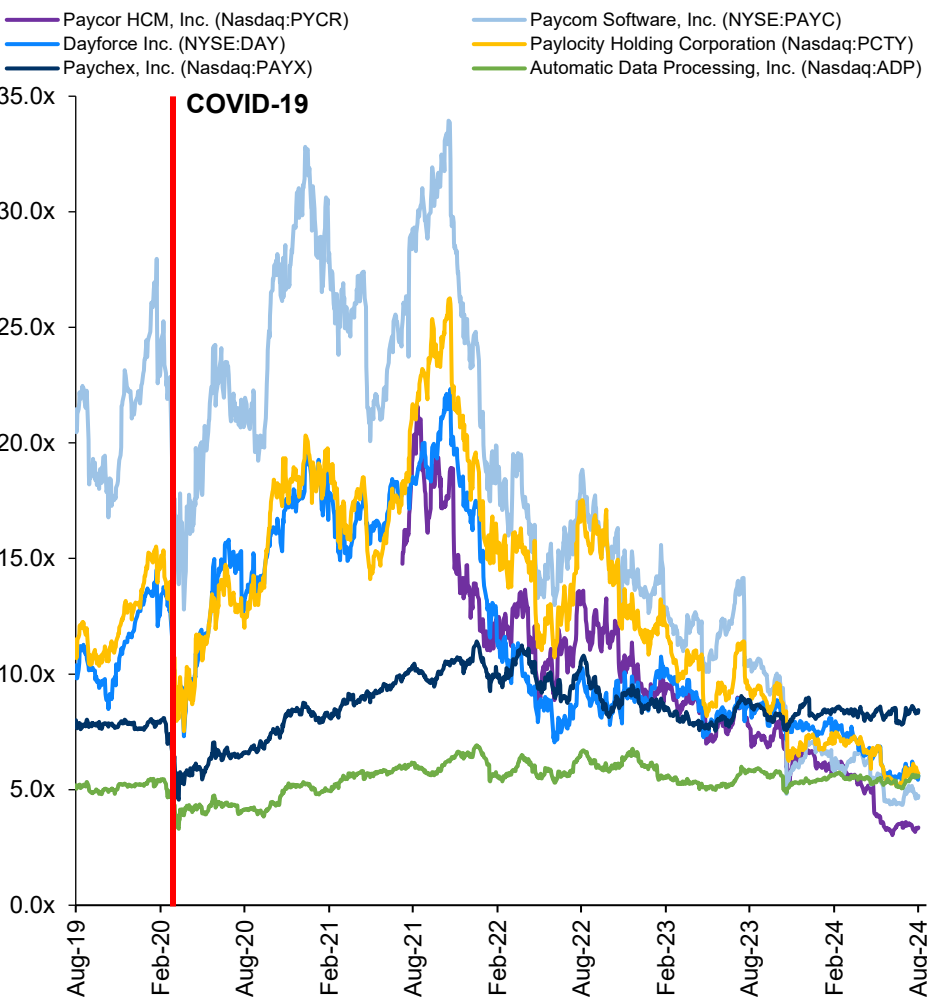


5-Year EV / EBITDA

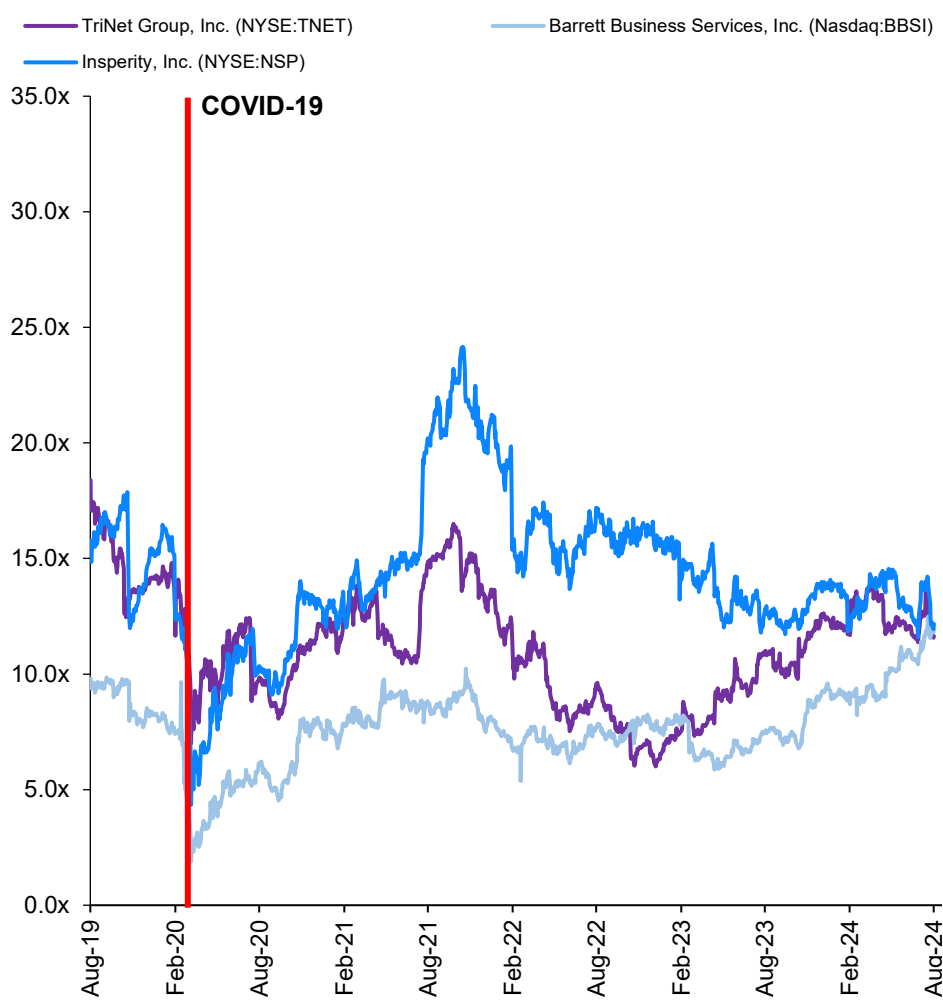


DSP Payroll Index includes the following companies: Automatic Data Processing, Inc. (NASDAQ: ADP), Dayforce (NYSE: DAY), Inc., Paychex, Inc. (NASDAQ: PAYX), Paycom Software, Inc. (NYSE: PAYC) Paycor HCM, Inc. (NASDAQ: PYCR), Paylocity Holding Corporation (NASDAQ: PCTY)
 DSP PEO Index includes the following companies: Barret Business Services (NASDAQ: BBSI), Insperty, Inc. (NYSE: NSP), TriNet Group, Inc. (NYSE: TNET)
 Note: Valuation multiples are equally weighted; Source: CapIQ

5-Year Payroll EV / Revenue



5-Year PEO EV / EBITDA



Public Company Commentary

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“In fiscal 2024, we continued to leverage our global scale to strengthen our business. We extended our global footprint by acquiring the payroll business of a partner in Sweden, expanding the scope of our Celergo Payroll offering to include Iceland, and further growing our on-the-ground presence in the APAC region.”

— *Maria Black, President, CEO, and Director*
July 31, 2024



“

“The pipeline levels remain very healthy and robust. What we’re seeing in the industry is that there is a focus on increased automation. The way that [automation] typically translates is that we would see a simplification of 12 systems to about 1. As we simplify the environment for the client, it means that you have more automation, less integration, less manual effort, less manual errors, less FTEs, and higher efficiencies. That messaging is resonating very well in today’s economy.”

— *David D. Ossip, Chairman, CEO*
May 5, 2024



“

“We continue to leverage AI across a wide variety of areas within our organization. We believe our AI approach toward full solution automation will continue to deliver even stronger ROI, value and functionality for our clients. On the international front, we continue to make meaningful progress in the geographies that we rolled out in the last 12 months. Beti is now available for employees in Canada, Mexico, Ireland and the UK. We continue to win new clients with domestic and foreign employees, thanks to our investments in our global HCM product and our native international payroll.”

— *Chad R. Richlson, President, CEO, and Director*
July 31, 2024




“HEARD ON THE STREET” QUOTATIONS

Public Company Commentary


“For the fiscal year, our team executed against our strategic growth initiatives, increasing the average number of employees on our platform by 9% and expanding the amount we earn per employee per month by 6%, resulting in 19% revenue growth. We delivered significant adjusted operating income and free cash flow margin expansion this fiscal year, while strategically investing in our platform and customer experience.

Demand remains healthy as most employers are struggling with antiquated and incomplete HCM tools. Our team continued expanding our award-winning HCM platform with valuable new capabilities for our customers. Our product investment remains focused on deepening our core platform, further enriching our talent solution, and enhancing the connectivity of our platform.

 — *Raul Villar Jr., CEO*
August 14, 2024

“Another part of our growth formula has historically been M&A, and that would be one that we continually looked at. I do find the market getting back to more rational valuation, both directly in our space and then that the adjacencies that we have been looking at historically where I think there was a lot of inflation as I see those [adjacencies] go back, we're going to continue to be very active in that market.”

— *John Bradley Gibson, President, CEO*
June 26, 2024



“Our sustained investment in product development allows us to continue to expand our product suite, evidenced by the release of several new premium offerings and feature enhancements in fiscal 2024 including Recognition & Rewards, Employee Voice, Advanced Scheduling, Market Pay, AI-driven personalized learning plan and, our next-gen mobile app. We are pleased with the early traction of these new product offerings.

— *Steve R. Beauchamp, Co-CEO*
August 1, 2024



“HEARD ON THE STREET” QUOTATIONS

Public Company Commentary

“

“The rate of client hiring remains lower than the long-term average, but the pace of hiring is improving and slightly exceeding our expectations. Looking at wage rates and hours worked, total hours and overtime hours have continued to remain stable, while wage rates continue to increase, and average billing per WSE increased 3% in the quarter.”

— **Anthony J. Harris, CFO**
July 31, 2024



“

“Last quarter, we reported details indicating stress in the small business marketplace from a variety of economic issues, including interest rates and inflation. This was evident from our real-time internal data reflecting nominal net hiring activity, low levels of overtime pay and a relatively low level of commissions paid to the sales personnel at client companies, which we believe reflects a weak economic climate. Our clients' survey information indicated a high level of optimism going into the second quarter and the potential for at least stabilization of these metrics. However, prospect and client decision making reflected a higher level of uncertainty in Q2 and net hiring in our client base weakened further than expected.”

— **Paul J. Sarvadi, Chairman and CEO**
August 1, 2024



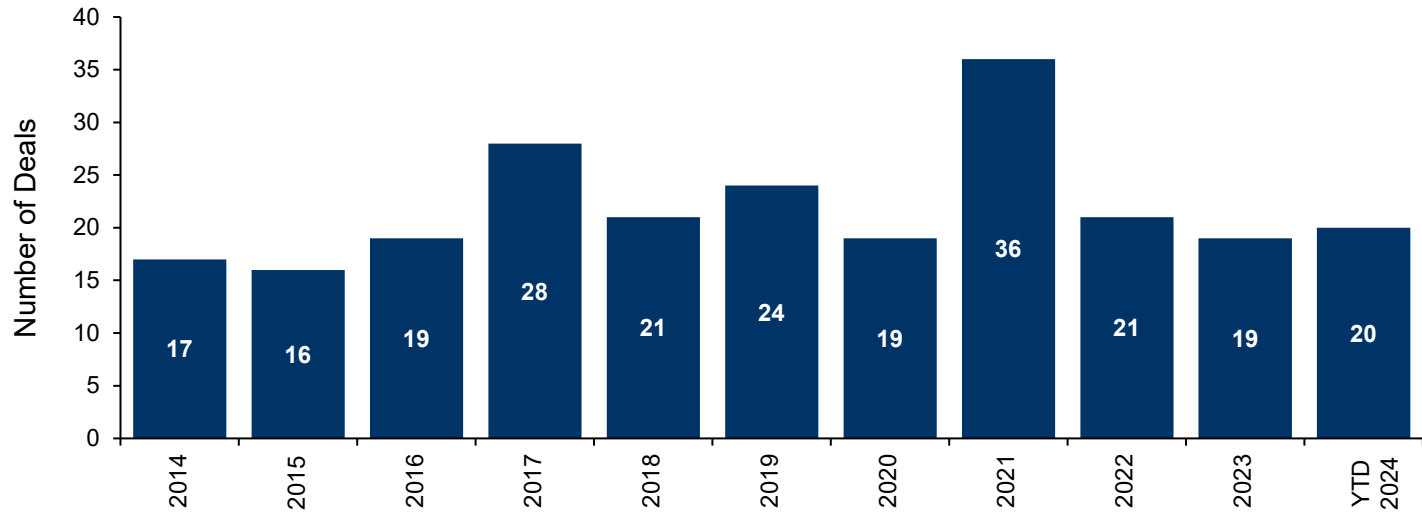
“

“The environment for small and midsize businesses remains challenging. SMBs continue to navigate high interest rates, softening end markets, and persistent high health care cost inflation. They're hiring new people but doing so cautiously. They're working very hard to retain their existing talent, avoiding the costs associated with turnover.”

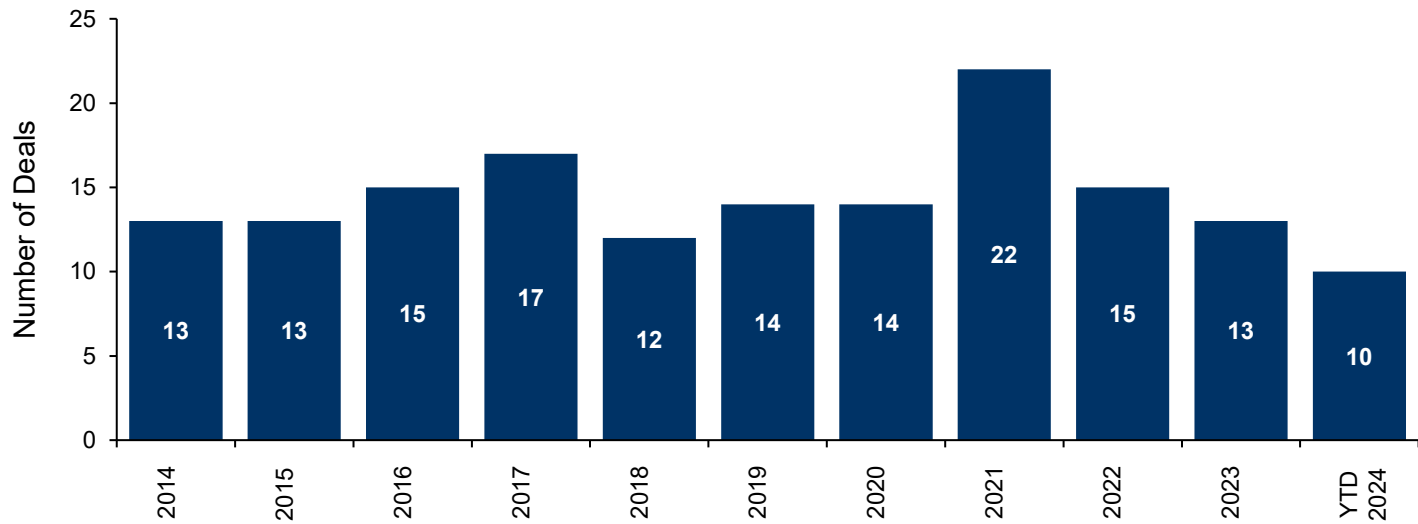
— **Michael Q. Simonds, President, CEO, and Director**
August 26, 2024



Global M&A Deal Volume

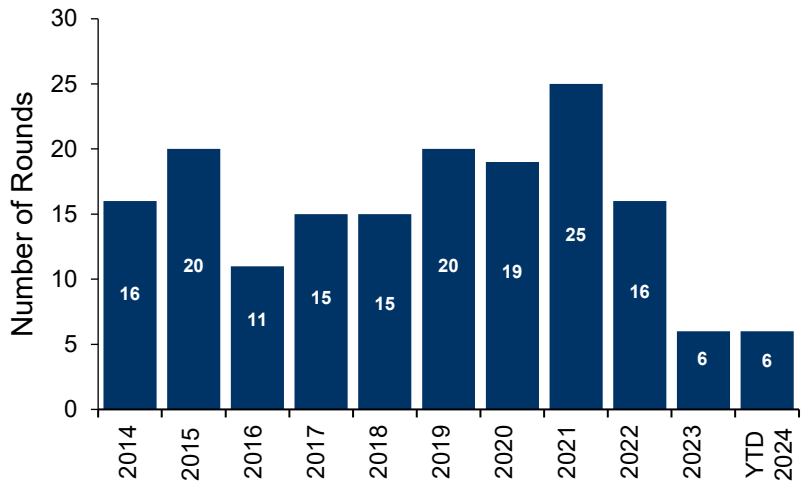


US M&A Volume

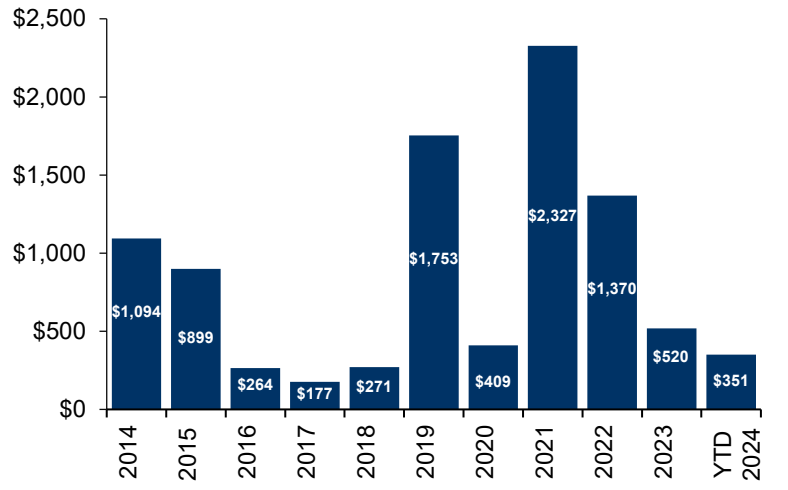


Note: Transaction data is not exhaustive
Source: CapIQ

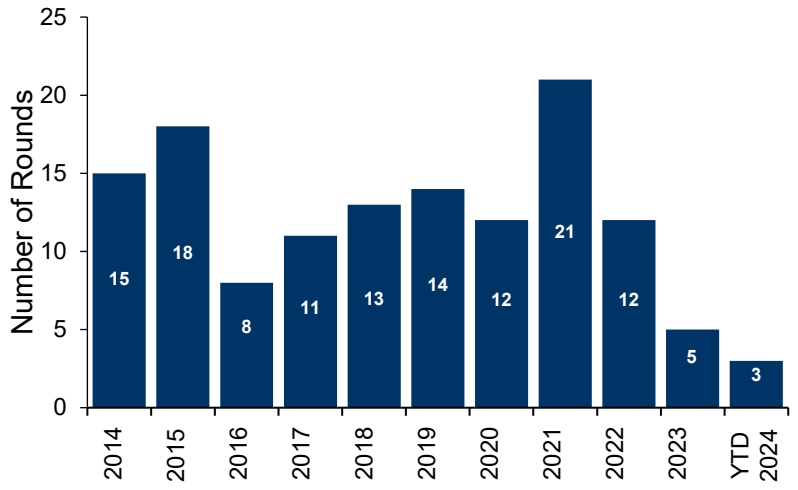
Global VC Funding Rounds



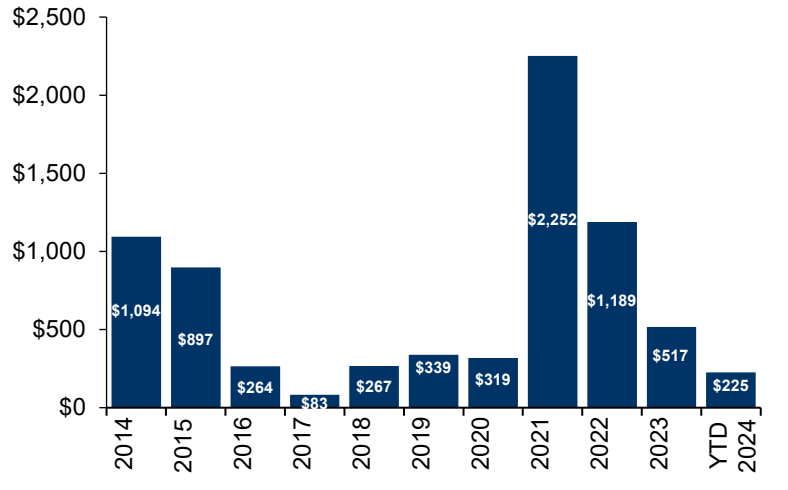
Global VC Funding Rounds (\$ in millions)



US VC Funding Rounds

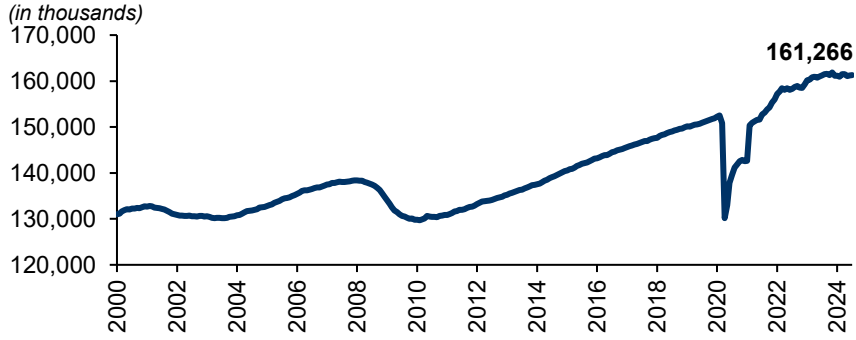


US VC Funds Raised (\$ in millions)

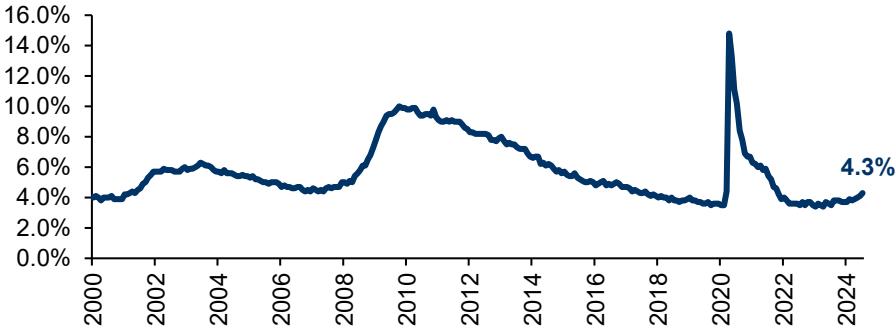


Note: Transaction data is not exhaustive
Source: CapIQ

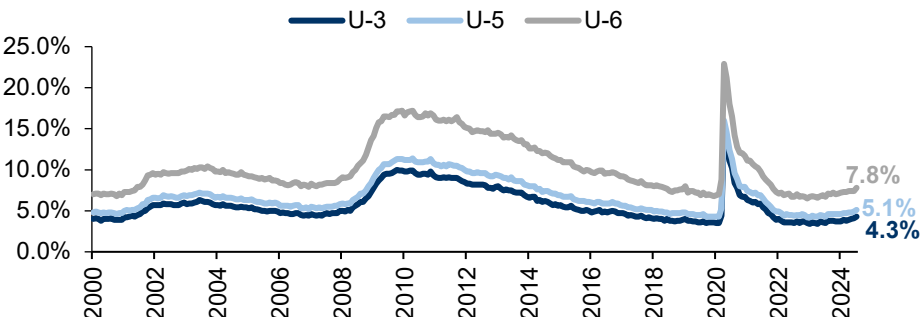
Employment Level (U-3)



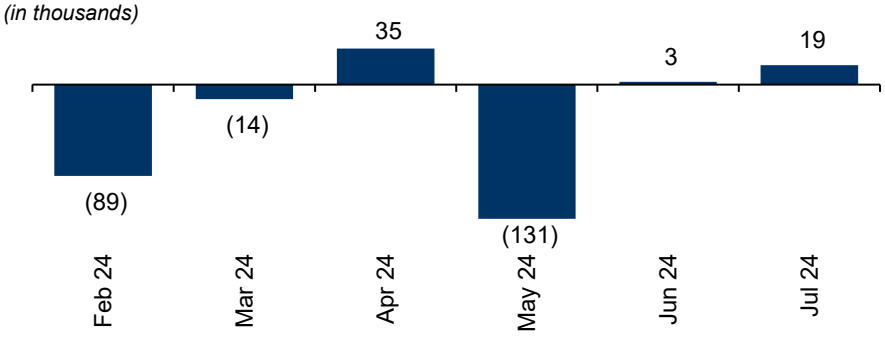
U.S. Unemployment Rate (U-3)



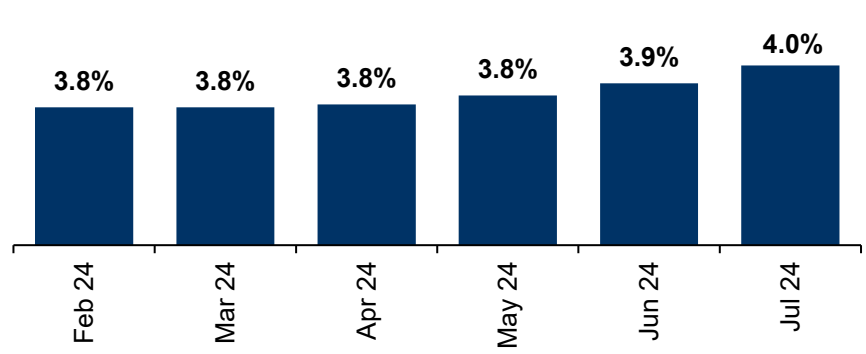
Labor Underutilization



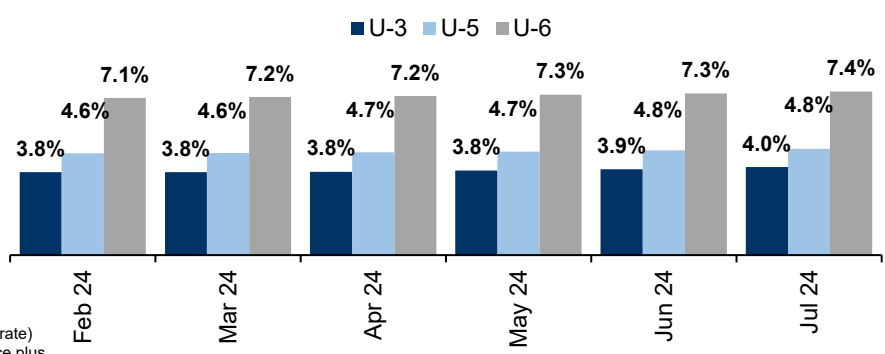
Avg. Change in Employment (Trailing Six Months)



Trailing Six Month U-3 Rate



Trailing Six Month Labor Underutilization

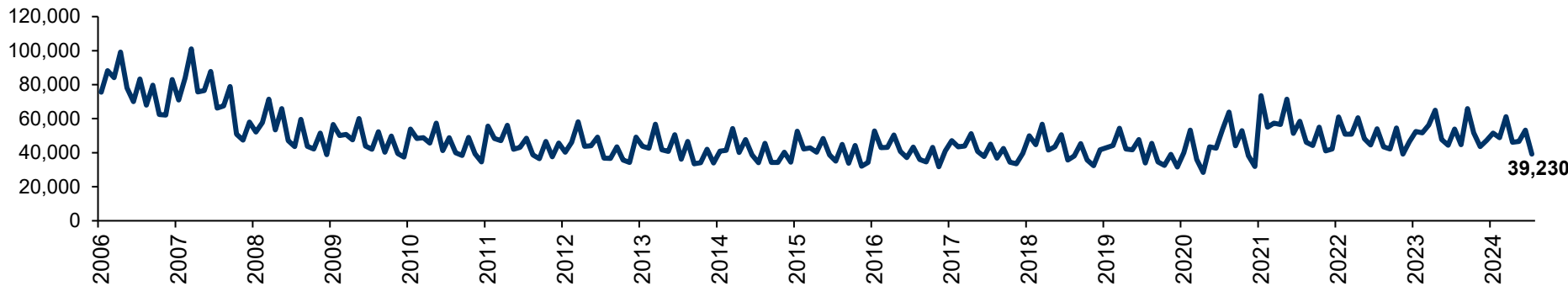


U-3: total unemployed individuals actively seeking employment, as a percent of the civilian labor force (the official U.S. unemployment rate)
 U-5: total unemployed, plus discouraged workers, plus all other "marginally attached" workers, as a percentage of the civilian labor force plus all "marginally attached" workers
 U-6: total unemployed, plus all "marginally attached" workers, plus all persons employed part time for economic reasons, as a percentage of the civilian labor force plus all "marginally attached" workers
 Source: Federal Reserve Economic Data

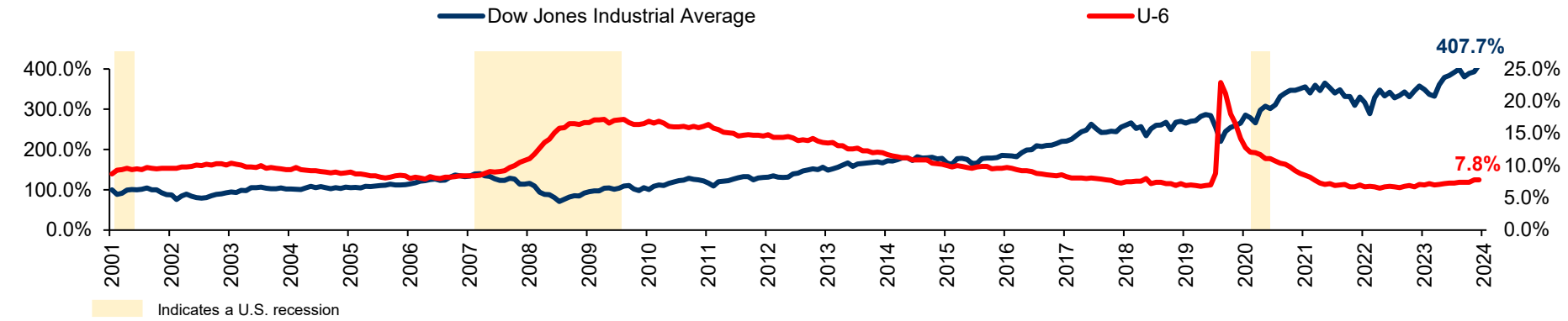
U.S. Companies by Employee Size⁽¹⁾



Monthly New Business Formations with Planned Wages⁽²⁾

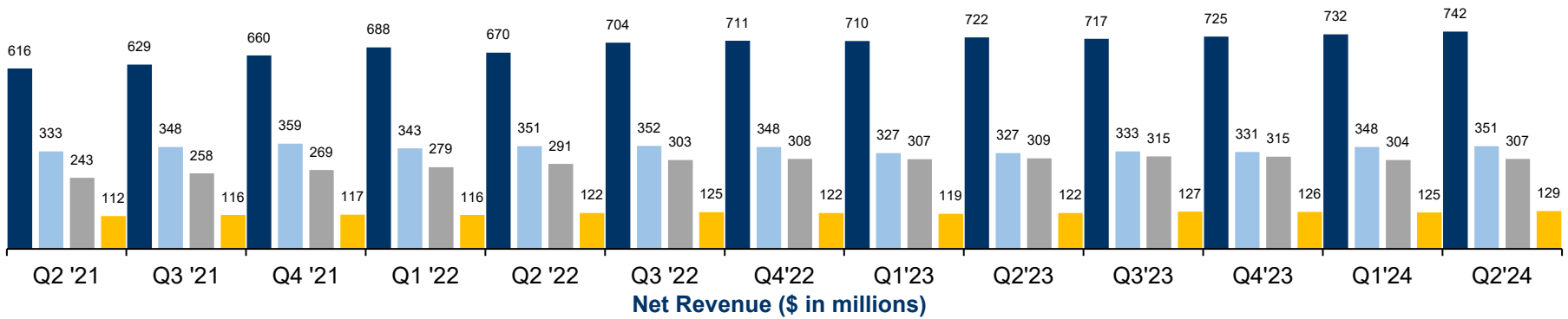


Unemployment Rate & Index Pricing Comparison⁽²⁾

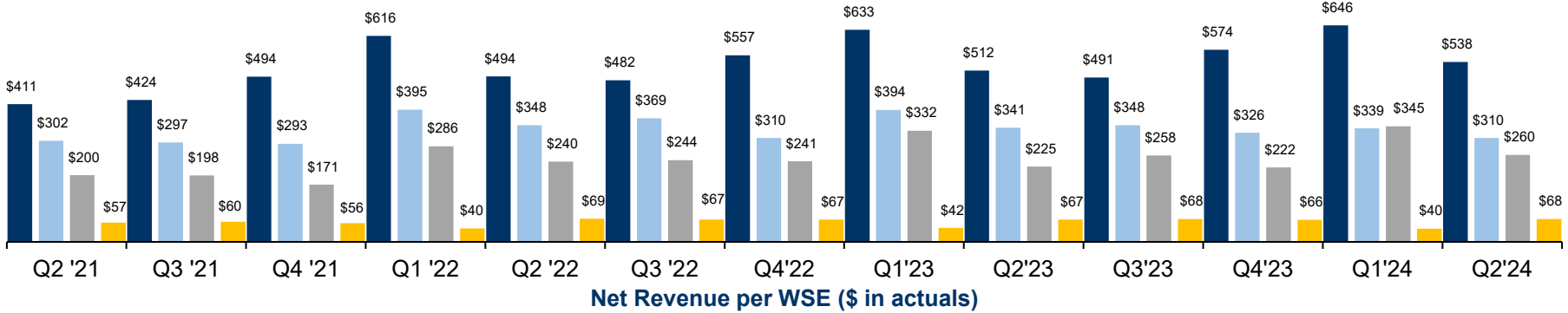


1) Source: NAICS Association; 2) Federal Reserve Economic Data

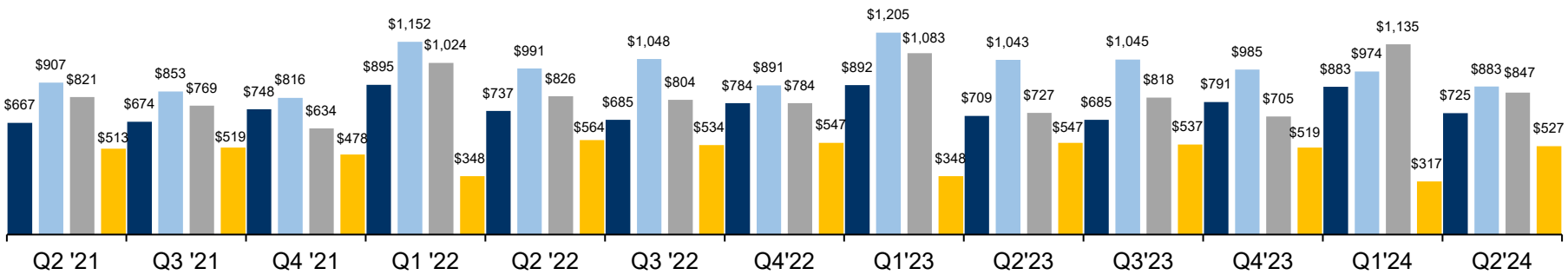
WSE Trends (in 000s)



Net Revenue (\$ in millions)










Net Revenue per WSE (\$ in actuals)












■ ADP (NASDAQ: ADP)
 ■ TriNet Group, Inc. (NYSE: TNET)
 ■ Insperty, Inc. (NYSE: NSP)
 ■ BBSI (NASDAQ: BBSI)





INTERESTING INVESTOR AND M&A ACTIVITY

Date	Target	Acquirer	Acquirer Classification	Transaction Notes
August 2024	 Empowering businesses to become better employers	 Headquarters: Hollywood, FL CEO: Jay Starkman	PEO	SynchronyHR is a national PEO headquartered in St. Louis, Missouri. With this acquisition, Engage PEO expands its footprint in the Midwest. This represents Engage's seventh acquisition in the past two years
August 2024		 Headquarters: New York, NY CEO: John R. Caplan	Fintech	Skuad is an EOR offering global payroll, contractor hiring, visa & immigration support, and candidate screening services in over 100 countries. With this acquisition, Payoneer (NASDAQ: PAYO) expands its business-grade financial stack for SMBs to include workforce management capabilities
July 2024	 Making things happen	 Time to grow. Headquarters: Houston, TX CEO: John W. Allen	PEO	Management Solutions Inc. is a PEO headquartered in Denver, Colorado. With this acquisition, G&A Partners expands its already robust presence in the growing Colorado market. G&A Partners has made five acquisitions in the Colorado market since 2018, and now serves 378 clients and 9,190 WSEs in the state
July 2024		 Headquarters: Chandler, AZ CEO: Alex Campos	PEO	Tandem HR is the largest privately held PEO in the Midwest, and serves clients nationwide. With this acquisition, Vensure HR expands its footprint in the Midwest and gains 20,000 WSEs nationwide. This represents Vensure's 79th acquisition in the last six years
July 2024		 Headquarters: San Francisco, CA CEO: Alexandre N. Bouaziz	EOR	Hofy is a leading device supply and management company providing end-to-end IT lifecycle management in over 127 countries. With this acquisition, Deel will add IT services to its full-service platform of capabilities. Deel will fully integrate with Hofy and launch Deel IT, a suite of IT services
June 2024		 Headquarters: Chandler, AZ CEO: Alex Campos	PEO	Apex America provides customer experience and contact center services to increase customer satisfaction and brand loyalty. With this acquisition, Vensure expands its services to customer experience management
June 2024		 Headquarters: Chandler, AZ CEO: Alex Campos	PEO	White Label HR provides PEOs with back-office support services and strategic guidance. This acquisition will assist Vensure in expanding its services to geographies and industries that do not currently utilize the PEO model

INTERESTING INVESTOR AND M&A ACTIVITY (CONT'D)

Date	Target	Acquirer	Acquirer Classification	Transaction Notes
June 2024		 Headquarters: Chandler, AZ CEO: Alex Campos	PEO	Emplicity is a national PEO specializing in services for restaurants, retail, and construction. With this acquisition, Vensure expands its market share in California
June 2024		 Headquarters: Chandler, AZ CEO: Alex Campos	PEO	Contrate is a provider of BPO, payroll, and talent recruitment services in Colombia. The Company primarily serves mining, construction, and retail clients. With this acquisition, Vensure expands its in-country payroll processing capabilities to Colombia. This acquisition expands Vensure's global payroll capabilities to 19 countries
June 2024		 Headquarters: Chandler, AZ CEO: Alex Campos	PEO	Execupay is a PEO with a strong presence in the Southeast. With this acquisition, Vensure expands their market share in the Southeast, adding over 800,000 WSEs. In addition, Execupay will serve as a complement to Vensure's existing PrismHR services
April 2024		 Time to grow. Headquarters: Houston, TX CEO: John W. Allen	PEO	Teamworks Group is a prominent PEO based in Provo, Utah. With this acquisition, G&A Partners grows its market share in the growing Utah market. This represents G&A Partners' fifth acquisition in Utah, and the Company now serves 730 clients and 14,000 WSEs in the state
April 2024		 Headquarters: Atlanta, GA CEO: Adam Bruckman	PEO	Lyons HR is a PEO and HR management company in the Southeast serving over 15,000 WSEs. With this acquisition, OneDigital expands its existing service offering and grows its market share in the Southeast
March 2024		 Headquarters: Boston, MA	Sponsor	Payroll is a payroll services provider for large enterprises in Japan. This acquisition was completed as a management buyout. With this acquisition, TA Associates will have a payroll services platform in Japan
March 2024		 Headquarters: San Francisco, CA CEO: Alexandre N. Bouaziz	EOR	PaySpace has developed a native payroll engine in 44 countries across Africa and the Middle East. The Company has 14,000 customers. With this acquisition, Deel gains a native payroll engine to enhance its global payroll offerings in Africa and the Middle East, and now has a full HR stack in more than 150 countries

INTERESTING INVESTOR AND M&A ACTIVITY (CONT'D)

Date	Target	Acquirer	Acquirer Classification	Transaction Notes
February 2024	 zavvy	 Headquarters: San Francisco, CA CEO: Alexandre N. Bouaziz	EOR	Zavvy is a people enablement platform that leverages AI for its career development, performance management, and training program offerings. With this acquisition, Deel will add people enablement services to its full-service platform of capabilities. The combined capabilities of Zavvy and Deel will be integrated into a new product suite called Deel Engage
February 2024		 Headquarters: Minneapolis, MN CEO: David D. Ossip	Global Payroll	eloomi is a leading learning experience platform software provider based in Copenhagen, Denmark. With this acquisition, Dayforce expands its capabilities in talent development and furthers the Company's strategic efforts to develop an all-in-one HCM solution

INTERESTING VC ACTIVITY

Date	Target	Investor	Target Classification	Funds Raised (\$M)	Post-Money Valuation (\$M)	Aggregate Value Raised (000s)
August 2024			Global Payroll	\$120.0	NA	\$170,000.0
July 2024			PEO	NA	NA	13,625.0
April 2024			EOR	200.0	13,500.0	1,490,575.1
March 2024			EOR	25.0	NA	39,400.0
January 2024			PEO	NA	NA	NA

DELANCEY STREET

PARTNERS

WE WORK WITH GREAT COMPANIES

We Want To Work With You

For further details regarding DSP's business services and technology practices, reach out to our sector team.

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