



NUCLEUS
RESEARCH

Ceridian

Expectation relative to market segment

Outperform

Technology Segment
Human Capital Management

Ticker Exchange Bloomberg
CDAY NASD NH NUC <GO>

Analyst
Trevor White
twhite@NucleusResearch.com

Deepening use of Ceridian within existing customer base and an increased interest in WFM will drive strong new and recurring sales in Q1 2021.

COMPANY

Dayforce is Ceridian’s flagship software as a service (SaaS) delivered cloud platform, offering a comprehensive application for HCM that spans payroll, benefits, core HR, workforce management (WFM), talent management, and learning. The solution has a single data set governed by a single rules engine, providing organizations with a single employee record and data set across the application. The vendor recently announced plans to acquire Ascender, a payroll and HR solutions provider that serves more than 1.3 million employees across the APAC region.

MARKET

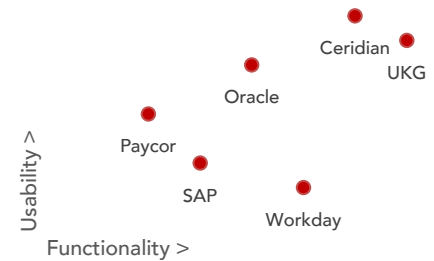
The payroll market as a whole has faced a negative impact from continued unemployment, as the revenue model relies on the Per Employee Per Month (PEPM) fee structure. While smaller vendors struggle to deal with declining payroll numbers, Ceridian, with the added benefit of its leading workforce management offering, has proven its strong value over the past several years. As organizations look to restabilize financially, there is a need to maximize employee productivity while simultaneously lowering overall costs and adding efficiency to HR processes to drive greater business agility and gain competitive advantage. This should help support growth over the next 6 to 12 months.

COMPETITION

Ceridian closely competes with other full-suite HCM providers such as UKG, Oracle (ORCL), SAP (SAP), Workday (WDAY), and Infor with its flagship HCM cloud platform, Dayforce. Leaders in the space continue to make frequent investments in their suites, many of which encapsulating several HR processes. In addition, as employers begin exploring WFM to manage salaried worker schedules amid new social distancing requirements, Ceridian’s leading WFM functionality and

Price 2/04/2021 \$99.70
52 week range \$38.40 – 111.93

MARKET POSITION



RELATIVE SOLUTION COST

Workday	120%
Oracle	115%
SAP SuccessFactors	115%
UKG	110%
Ceridian	100%
Paycor	70%

Relative cost to a customer based on typical mid-sized deployments during the past 6 months.

CUSTOMER PERCEPTION

> 95 Positive

Analyst estimate based on feedback from customers and prospects during the past 6 months

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competitive price point should help to make it an extremely compelling product offering for enterprise organizations. Ceridian will face increased market pressure from UKG as it integrates Kronos WFM, which will now offer the combined functionality of the previously named UltiPro HCM and Dimensions WFM suites.

OUTLOOK

Ceridian has a solid position in the SMB space, particularly in retail industries. Over the past 18 months that vendor has invested heavily in growing its customer base in the enterprise space. Based on conversations with HCM customers, Nucleus has found that Ceridian's most compelling selling point has been the combined functionality of its HCM and WFM offerings, as well as its ability to run payroll continuously. Nucleus expects that Ceridian's new global partnerships will further propel Ceridian's momentum in this rapidly-growing space, following prior acquisition of Singapore-based HCM provider Excelity Global and Australian WFM vendor RITEQ. Nucleus expects Ceridian to continue to expand globally as it onboards more international enterprise-level customers and partners with renowned HCM providers across several regions. The vendor also has pricing room against other large players such as Workday, and benefits from its singular offering for HCM and WFM. The overall strength of the Dayforce platform will secure Ceridian's market position and drive momentum as organizations look to regain footing amid a changed work landscape.