Horizon Capital commits £22m to buy and build in the employment compliance market with simultaneouse acquisitions of TopSource and PEO Worldwide.

Horizon Capital launches new employment compliance group with the simultaneous acquisitions of TopSource and PEO Worldwide, taking the total Enterprise value of businesses acquired by the firm this year to £165m.

Horizon Capital is pleased to announce a new buy and build in the employment compliance market commencing with the simultaneous acquisitions of TopSource a provider of outsourced payroll services and PEO Worldwide an Employer of Record ("EoR") and outsourced HR solutions business.

The combination creates a high growth employment compliance group with contracted revenue, 900+ clients and service delivery across Europe and APAC. The new group provides customers with an end-to-end solution in international outsourced payroll, EoR and HR management which is a growing and fragmented market.

Horizon Capital plans to take advantage of the attractive market dynamics and accelerate strong organic growth through investment in sales, geographic expansion, and software. Significant follow-on capital has been ringfenced to support an intensive acquisition strategy with several potential acquisition targets under active review.

The founders of both TopSource and PEO will remain with the business and have reinvested alongside Horizon Capital. Guil Hastings (co-founder of TopSource) will become Group CEO and Paul Sleath (co-founder of PEO) will become Global Head of EoR. They are joined by Chairman Martin Smith who was former CEO of compliance group Alcumus and CFO Nick Wain who joins the new business from Zellis, a global HR and payroll provider.

To support its expansion and investor strategy, TopSource has been provided growth, quality of earnings, and Board Advisory support by Acresis, the founder focused advisory company.

”Guil Hastings, the new group CEO and TopSource co-founder said: “Combining TopSource and PEO will allow us, over the next three years, to accelerate organic growth through an enhanced go to market offering and geographic reach as well as driving consolidation in a fragmented and high growth market through acquisitions.”

”Thomas Maizels, Director at Horizon Capital added, “We are thrilled to create a new employment compliance group through the acquisition of TopSource and PEO. We are backing a highly talented team in a high growth market and look forward to supporting them in further acquisitions as we scale the business into a market leader.”

“Patricia Taylor, Operating Partner at Acresis added, “Acresis is so pleased to have supported another group of founders in the HR & Payroll marketplace to achieve their growth ambitions and individual goals. We are confident that Guil and the Horizon team will create a high growth, dynamic global employment compliance group.”

”Paul Sleath, PEO co-founder said: “This is an exciting opportunity for PEO to combine with a high quality business in the employment solutions sector. By combining our skills and knowledge we can expand our premium service capabilities and launch into new markets.”

The new investment comes at the end of a very active year for buy-and-build specialist Horizon Capital. In only its third year the growing investor in technology and service businesses has acquired companies with a total enterprise value of £165 million.

Horizon Capital completed its 5th platform investment acquiring a majority stake in leading enterprise software provider Sapphire Solutions, also a long-term Acresis Board Advisory client, and has completed 21 acquisitions for its portfolio companies so far this year. The year has also seen Horizon Capital successfully realise investments in telematics software provider Connexas and workforce management software provider Total Mobile.