

Asure Software (NASDAQ: ASUR) and H&R Block (NYSE: HRB) Partner to Streamline Tax Preparation for Small Businesses, Analysts Raise Price Target on ASUR

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By Spotlight Growth

Each year, millions of Americans file their taxes, a process that can be both time-consuming and complicated. The tax code is complex, and the burden of understanding and completing tax forms accurately falls on the individual taxpayer.

One way small-to-medium-sized businesses (SMBs) can help compete with larger companies for top talent is through leveraging human capital management (HCM) technologies to help offer their employees the ability to streamline their filing process.

Asure Software (NASDAQ: ASUR), a global provider of cloud-based Human Capital Management (HCM) software solutions, just recently took big steps to help employees of SMBs to streamline their tax prep and filing headaches after announcing an integration with H&R Block (NYSE: HRB).

Asure and H&R Block Integration Aims to Help SMBs Streamline Tax Season

In January 2023, Asure Software announced it has entered into collaboration with H&R Block, in which Asure's tax platform will be integrated with the tax prep company's systems. The integration will specifically allow employees to electronically access their W-2 forms directly from Asure into the H&R Block tax software. This eliminates the need for manually entering tax information, which not only saves time and productivity but also helps prevent potential errors.

Aside from saving time and money, the integration is seen as a meaningful development in giving SMBs the ability to compete against larger competitors for top talent. By integrating with a household-name brand like H&R Block, **SMBs** can demonstrate to their employees that their time and convenience is valued.

"We are excited to partner with H&R Block to provide employees of our customers with a seamless and efficient way to prepare their taxes. This integration is a great example of how technology can make life easier for employees and allows small businesses to offer services previously only available at large companies," stated Pat Goepel, Chairman, and CEO of Asure.

H&R Block is among the largest tax preparation companies across the United States. As of December 2022, H&R Block maintained a **footprint** of 8,940 locations across 4,080 cities in 51 U.S. states and territories. In 2021, the tax prep company **prepared** over 21.6 million tax returns.

ASUR: 4 Analysts Reiterate “Buy” and Update Price Targets in January 2023

Unlike the overall stock market in 2022, Asure had a very successful year. As once-tried-and-true blue chip technology stocks saw performance collapse, Asure posted a positive 8.5% gain during the calendar year 2022. The stock's performance was backed by very strong and meaningful fundamental developments made by the company.

As a result of the continued underlying growth in its HCM solutions and SMBs looking to streamline operations and cut costs during an economically unstable period, analysts covering the stock have recently taken the opportunity to reiterate their bullish view of the company.

In January 2023 alone, Asure has already received several analyst reiterations on its stock:

Jeff Van Rhee of **Craig-Hallum** was the first to reiterate his bullish stance on the HCM provider. Mr. Van Rhee reiterated his “buy” rating for Asure and increased his price target to \$14 from \$10.

Joshua Reilly of **Needham** reiterated his “buy” rating on Asure in mid-January and set a twelve-month price target of \$14.

Eric Martinuzzi of **Lake Street** is the latest analyst covering Asure to reiterate a “buy” rating and increase their price target to \$12 from \$11.

Equity research analysts covering the HCM industry for Cowen reiterated an “outperform” rating and raised their price target to \$13 from \$8.

“We anticipate a clean beat supported by healthy demand, stable US SMB employment trends, increasing retention & attach rates, and ASUR's more consistent & strengthened execution on various strategic initiatives,” stated the Cowen analysts.

Raymond James Highlights Asure’s Outperformance in HCM Report

The notable investment bank, Raymond James (NYSE: RJF), highlighted Asure’s 2022 outperformance in its end-of-year report for the HCM industry. The bank **highlighted** Asure as the top-performing software & internet subsector of the HCM industry over the last month, last three months, and the last twelve months. In fact, the report shows that Asure greatly outperformed during all three surveyed periods in 2022 compared to its competitors.

Over the last month, Raymond James list Asure Software's stock performance at 19%. The runners-up, Docebo, Inc. (NASDAQ: DCBO) and Xero Limited (ASX: XRO) (OTC: XROLF), returned 3.8% and 0.8%, respectively.

During the prior three-month period, Asure's 63.3% performance was nearly double of the second best performing company, New Work SE's 34.6%, and Oracle Corporation's (NYSE: ORCL) 33.8% returns.

The last twelve months have not been kind to the stock market overall. The HR tech and HCM sector was not completely immune from the overall economic slowdown. Despite these headwinds, Asure Software's 19.3% return is not only the best, but it is also the only company in the software & internet subsector to post a positive gain. HealthStream (NASDAQ: HSTM) was the next best-performing stock with a return of -5.8% and Oracle took third with a -6.3% return.

Despite Asure's outperformance, Raymond James continues to see strong potential in the company in 2023. The investment bank estimates the HCM software provider's estimated total enterprise value-to-revenue (TEV/Revenue) for 2023 to reach a multiple of 2.2x. The total enterprise value-to-EBITDA (TEV/EBITDA) estimates for 2023 come in at a multiple of 15.2x.

These valuation estimates become only more impressive when compared to the software & internet subsector's average metrics. For 2023, Raymond James estimates the subsector will see a TEV/Revenue multiple of 5.0x and a TEV/EBITDA multiple of 17.7x. This data suggests that Raymond James may believe Asure Software is still undervalued compared to its competitors, despite its impressive rally in 2022.

Overall, Asure is off to a hot start in 2023 after announcing a tax prep integration with H&R Block. Asure continues to strengthen its HCM solutions through key partnerships with brands like Equifax (NYSE: EFX), PrismicHR, Jackson Lewis Law Firm, and now H&R Block.

Analysts continue to see a strong outlook for the company, as strong partnerships, meaningful growth, and an ideal economic backdrop all work in Asure's favor.

The Post "[**Asure Software \(NASDAQ: ASUR\) and H&R Block \(NYSE: HRB\) Partner to Streamline Tax Preparation for Small Businesses, Analysts Raise Price Target on ASUR,**](#)" First Appeared on [**Spotlight Growth**](#).

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