

## EQUITY RESEARCH

April 21, 2022

Industry Update

**Re-privatization? - Bits & Bytes Weekly**

## Post-IPO Weakness Leads To Privatization Speculation

**Our Conclusion**

There were a record number of Canadian tech IPOs in 2021, with 13 companies raising at least \$50 million through public listings. As a handful of those companies hit their one-year public anniversaries, early returns have been almost uniformly negative with only Magnet Forensics and Softchoice currently trading above their IPO price. As public valuations within the 2021 IPO cohort have fallen, speculation around re-privatization has started to gain traction. Most of the Canadian tech IPOs have hit earnings targets post listing and generate recurring revenue.

We expect that private equity would be most interested in businesses that have continued to operate well post-IPO and are generating free cash or have a line of sight to positive near-term free cash flow. Names that fit this criteria include LifeSpeak, Magnet Forensics and D2L.

**Key Points**

Of the 13 Canadian tech companies to raise over \$50 million in IPO proceeds in 2021, the median post-IPO return amongst the group is -46%. Much of the poor performance has been a result of multiple compression as the median EV/S multiple for the group of 2021 IPOs declined from 8.7x to 2.5x over the last 11 months, outpacing the decline of broader software indices. With seven of the 13 companies expected to remain unprofitable into 2023, the group has been impacted by a market environment that has been especially punitive to unprofitable tech stocks.

With a weak valuation environment, but continued strong fundamentals, we see the possibility for M&A among the recent IPOs, especially given the strong M&A market. 2021 was a record year for tech M&A, with US\$1.24 billion spent, according to 451 Research. The activity has continued into 2022, with Thoma Bravo taking Anaplan and SailPoint private in the last month. Recent IPOs in Canada have also been active on the M&A front, with seven of the 13 recent IPOs completing an acquisition post-IPO, and Dialogue, LifeSpeak and Vertical Scope have all completed multiple deals. While there is an argument that these companies could have raised private capital for M&A and avoided the downturn in public equity valuations, the higher profile of a public company and public equity may have helped some of those deals close.

We continue to have a positive fundamental view on the recent Canadian IPOs under our coverage with Outperformer ratings on TIXT, QFOR, MAGT and CARE. While privatization does seem less likely for those names given QFOR and CARE's negative free cash flow and TELUS and Baring's stake in TIXT, we see the potential premium on those deals as additional upside.

Stephanie Price, CFA  
+1 416-594-7047  
Stephanie.Price@cibc.com

Scott Fletcher, CPA, CA  
+1 416-956-3229  
Scott.Fletcher@cibc.com

Natalie Zhang, CFA  
+1 416-581-2120  
Natalie.Zhang@cibc.com

Javeria Gaya, CPA  
+1 416-594-7261  
Javeria.Gaya@cibc.com

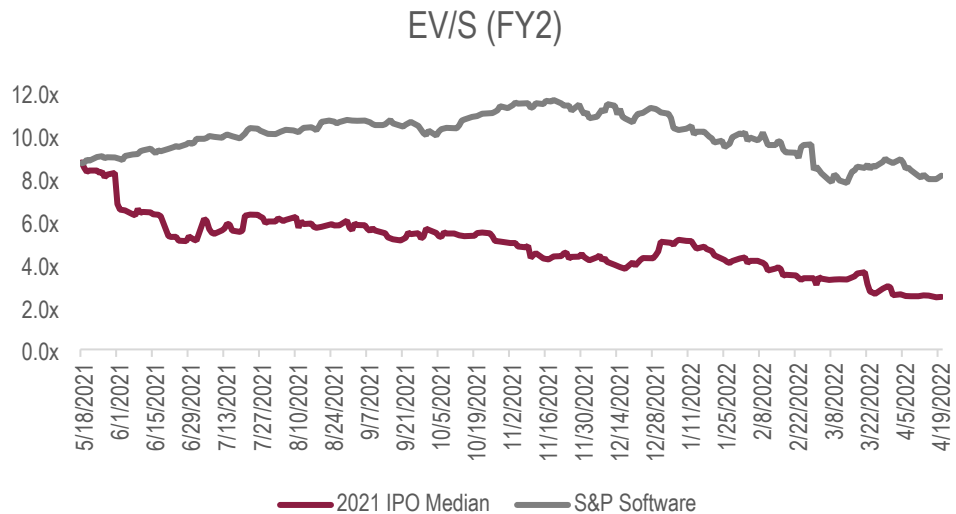
**Sector:**  
Information Technology

*All figures in Canadian dollars unless otherwise stated.*

For required regulatory disclosures please refer to "Important Disclosures" beginning on page 11.

Poor share price performance amongst the Canadian tech IPOs has been more of a result of market performance than missed targets or downward estimate revisions. That dynamic is highlighted by the steady downward decline in the average EV/S multiple within the 2021 IPOs, contrasted against the flat movement in the EV/S multiple for the S&P software index.

**Exhibit 1: Recent Canadian Tech IPOs – Median EV/S (FY2) – 5/18/2021 – 4/20/2022**



Source: Company reports, FactSet and CIBC World Markets Inc.

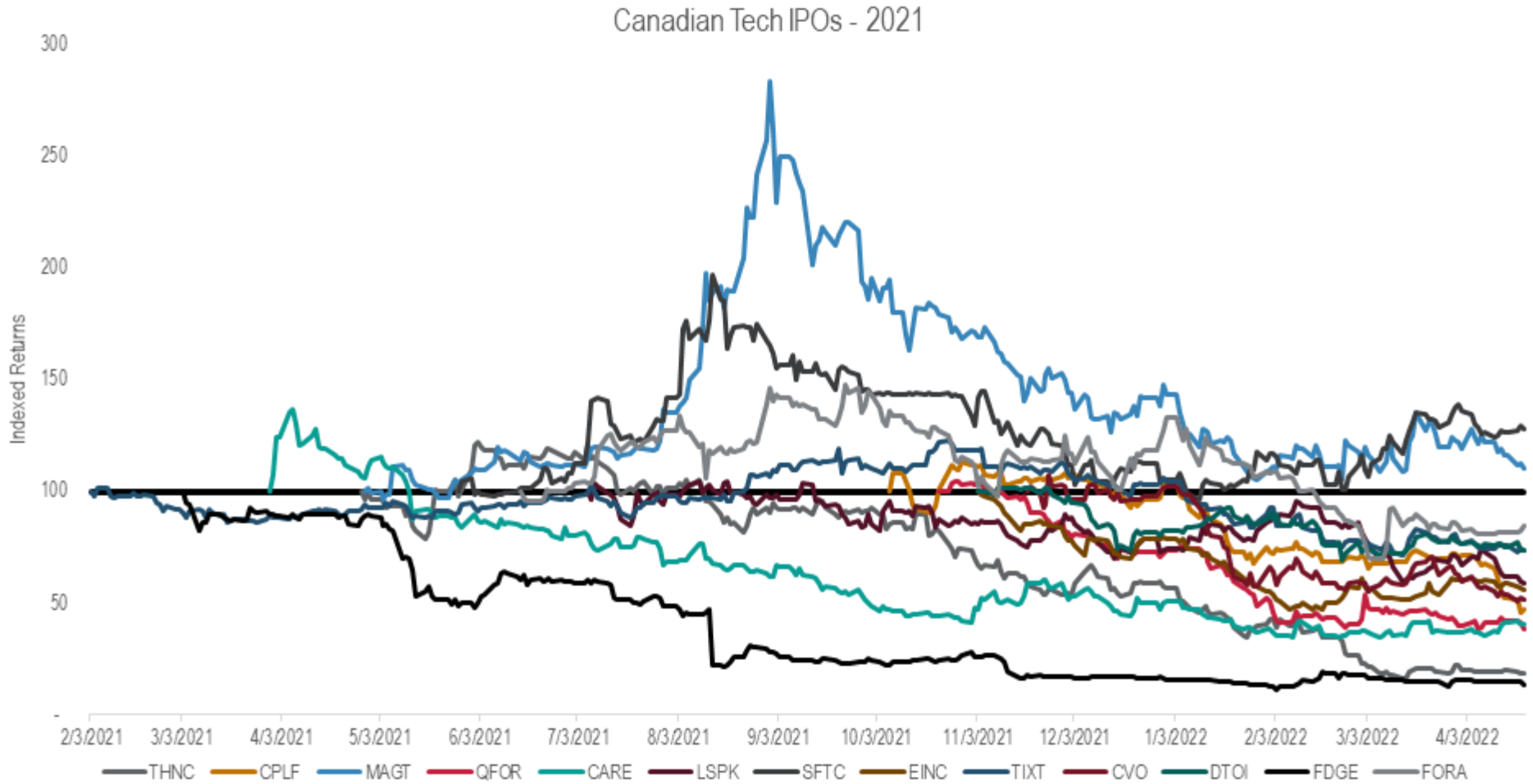
One positive outcome from the elevated 2021 IPO activity is flexibility it gave for corporates to use IPO proceeds and publicly traded shares to complete M&A. Over the last year, seven of the 13 companies have completed an M&A deal, with LifeSpeak closing four deals and spending \$173 million in cash, shares and future earn-outs.

**Exhibit 2: Recent Canadian Tech IPOs – Acquisition Activity – 5/2021 – 4/2022**

Company	Acquisition Date	Purchase Price (\$MM)	Target
CARE	4/13/2022	\$ 56.00	Tictrac
EINC	2/22/2022	Not Disclosed	FastLane
LSPK	2/14/2022	\$ 117.00	DME Forensics
LSPK	12/13/2021	\$ 28.00	Torchlight Health
FORA	9/9/2021	\$ 25.00	Threadloom
FORA	9/9/2021	\$ 93.50	Hometalk/Fomopop
CVO	10/15/2021	Not Disclosed	Qubit
LSPK	10/14/2021	\$ 14.90	AlaVida
LSPK	10/12/2021	\$ 13.80	LIFT Digital
MAGT	9/13/2021	\$ 11.40	DME Forensics
TIXT	7/6/2021	Not Disclosed	Playment
CARE	5/21/2021	\$ 6.00	eHub Health

Source: Company reports, FactSet and CIBC World Markets Inc.

Exhibit 3: Canadian Tech IPO (2021 Cohort) – Price Performance Indexed to 100 – 2/3/2021 – 4/20/2022



Source: FactSet and CIBC World Markets Inc.

## News Impacting Our Coverage

### Q4 Inc. Announces Departure Of CFO

Q4 Inc.'s Ryan Levenberg will be resigning as CFO effective May 31, 2022. Current COO, Donna de Winter, will assume the role of interim CFO. Prior to joining Q4, de Winter served as the CFO of Vision Critical and Varicent where she led the company's sale to IBM.

### Descartes Systems Group Announces Acquisition Of Foxtrot

Descartes announced the acquisition of Foxtrot for US\$4 million. Headquartered in San Francisco, Foxtrot is a provider of machine learning-based mobile route execution solutions. Foxtrot's advanced machine learning algorithms leverage data points collected from vehicles in the field to help customers reduce last-mile costs, improve service and gain insights to improve route efficiency and timely performance. Descartes believes this investment will complement its previous investment in GreenMile, as both companies have extensive experience in the retail food and beverage distribution vertical.

### Magnet Forensics Previews New And Upcoming Product Updates To Magnet Digital Investigation Suite at Magnet Summit 2022

Magnet hosted its in-person 2022 Summit on April 12 to 14, where the company showcased a major new release to Magnet REVIEW. You might recall, Magnet recently released new versions of Magnet AUTOMATE and Magnet ATLAS and will imminently release a new version of Magnet REVIEW. With these updates, users of the Magnet Digital Investigation Suite will be able to access easy-to-read dashboards, automatically process data from several new sources, and add further automation and control to their Magnet AUTOMATE workflows with device platform autodetection and job queue prioritization, and monitor progression of casework through all stages.

### OpenText Shares Positive Customer Feedback For Exstream

Tokio Marine Insurance Vietnam (TMIV), a P&C insurer in Vietnam, implemented OpenText solutions to modernize its client communication strategy and enable rapid delivery of information to customers. The company reported positive feedback for OpenText Exstream as it allowed them to reduce time required to generate policy documents by 40%. TMIV also commended the design and functionality of the interface and confirmed that this will be their go-to platform for generating policy documents in the years ahead.

**Exhibit 4: CIBC Software/Services – Coverage Performance, 4/21/2021 - 4/21/2022**

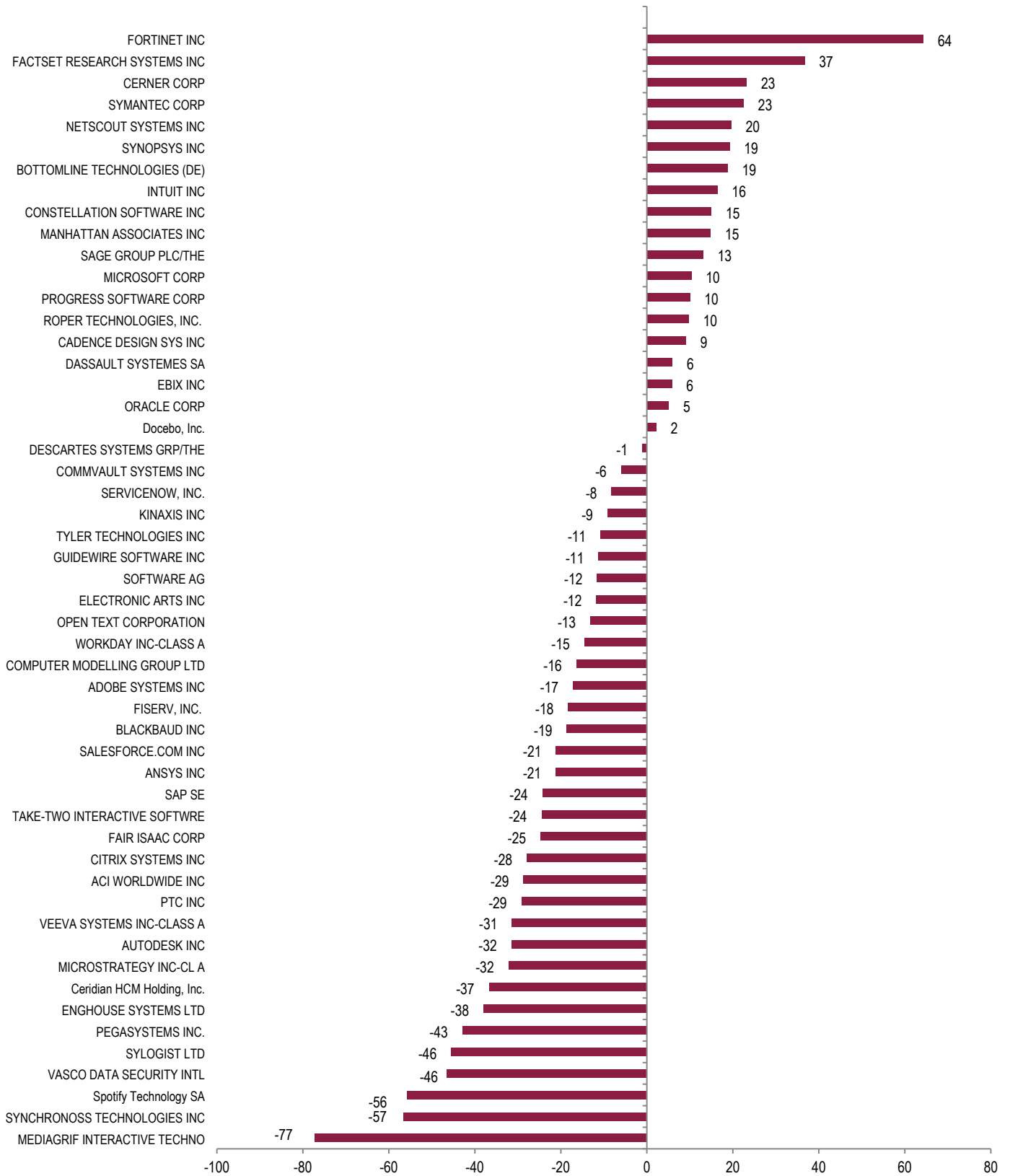
Software & Systems	Price	1 Week	1 Month	3 Month	6 Month	1 Year	YTD	52W High	52W Low
Constellation Software Inc	2,145.19	(1.6)	(0.5)	4.0	(4.3)	15.0	(8.6)	2385.80	1677.44
Descartes Systems	63.84	(1.3)	(16.6)	(6.1)	(23.2)	(1.2)	(22.8)	91.39	56.78
Dye & Durham	21.09	(1.4)	(27.2)	(40.8)	(43.8)	NA	(53.0)	50.49	20.81
Enghouse Systems Limited	35.57	(7.5)	(11.7)	(20.0)	(36.1)	(38.0)	(26.6)	64.42	34.21
Open Text Corp	42.43	(0.7)	(1.8)	(8.4)	(15.9)	(13.1)	(10.6)	55.25	40.59
Kinaxis	138.98	(4.9)	(16.8)	(8.9)	(28.3)	(9.2)	(21.6)	229.98	130.88
Docebo, Inc.	59.91	(3.8)	(3.4)	(8.9)	(40.8)	2.2	(29.4)	117.55	49.11
Magnet Forensics	23.78	(8.5)	(18.3)	(10.9)	(43.0)	NA	(27.7)	65.80	20.92
Q4 Inc.	4.25	(10.0)	(21.3)	NA	NA	NA	NA	12.05	4.34
<b>Average</b>		<b>(4.4)</b>	<b>(13.1)</b>	<b>(12.5)</b>	<b>(29.4)</b>	<b>(7.4)</b>	<b>(25.0)</b>		

Business Services	Price	1 Week	1 Month	3 Month	6 Month	1 Year	YTD	52W High	52W Low
CGI Group Inc	104.45	3.0	0.7	(0.6)	(9.0)	(2.3)	(6.6)	116.88	98.77
Converge Technologies	8.87	(2.5)	(18.5)	5.7	(24.8)	65.2	(18.4)	13.09	5.20
Softchoice Corporation	24.44	(4.8)	(10.3)	17.5	NA	NA	NA	45.74	18.63
Telus International	28.64	(5.3)	(12.0)	(16.3)	(39.9)	NA	NA	49.43	28.61
<b>Average</b>		<b>(2.4)</b>	<b>(10.0)</b>	<b>1.6</b>	<b>(24.6)</b>	<b>31.4</b>	<b>(12.5)</b>		

Indices	Price	1 Week	1 Month	3 Month	6 Month	1 Year	YTD
S&P/TSX Composite Index	21,808.47	(0.2)	(0.9)	5.8	2.8	13.9	2.8
S&P 500 Index	4,441.68	1.1	(0.4)	1.0	(2.4)	6.4	(6.8)
S&P/TSX Software Index	150.29	(5.0)	(12.3)	(14.5)	(35.7)	(21.2)	(29.2)
S&P500 Software Index	4,844.97	1.5	(4.8)	(5.0)	(14.7)	2.9	(17.1)

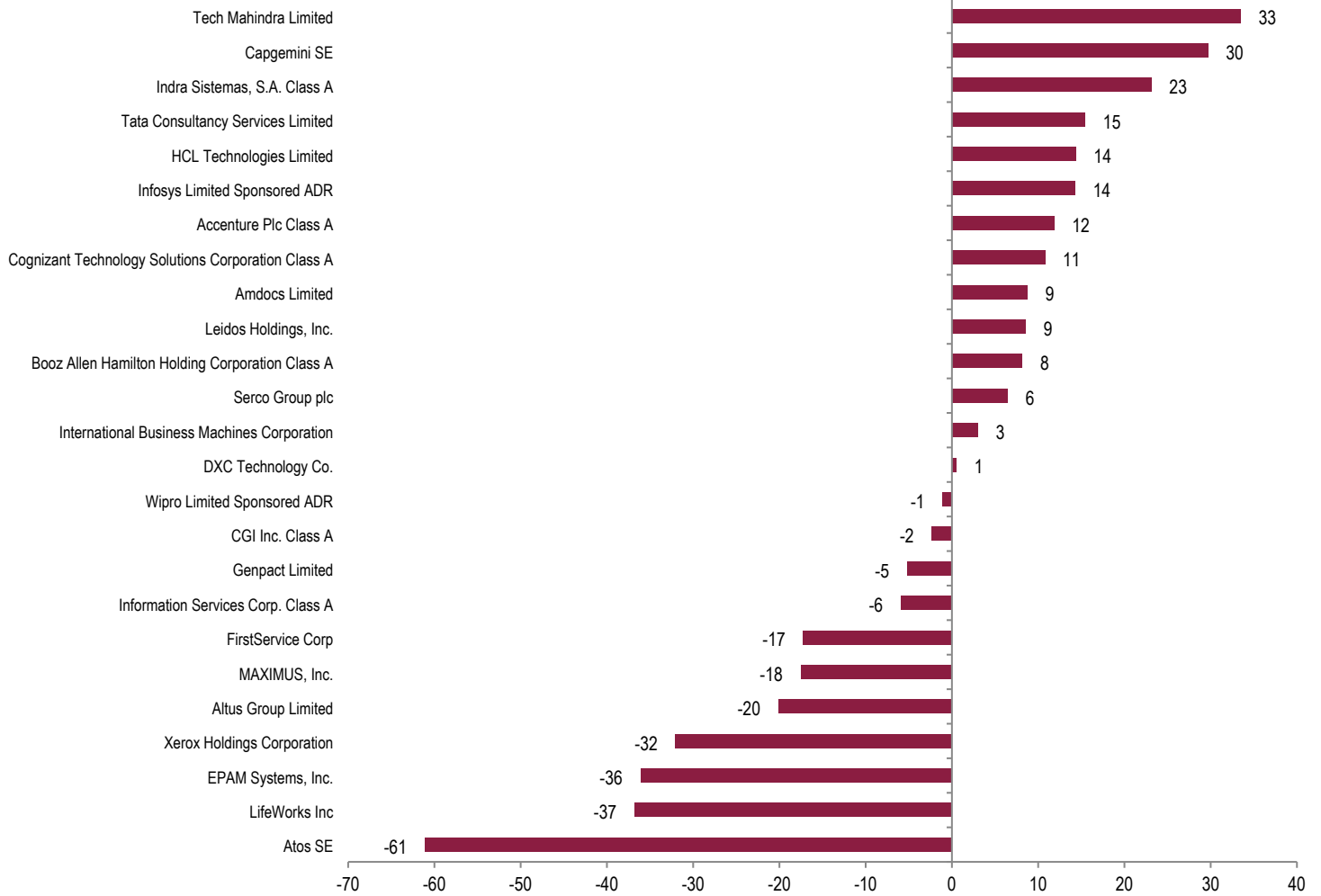
Source: Company reports, FactSet and CIBC World Markets Inc.

**Exhibit 5: Software Stocks – Return Performance (%), 4/21/2021 - 4/21/2022**



Source: Company reports, FactSet and CIBC World Markets Inc.

**Exhibit 6: Business Services Stocks – Return Performance (%), 4/21/2021 - 4/21/2022**



Source: Company reports, FactSet and CIBC World Markets Inc.

## Exhibit 7: Software Stocks – Comp Table, 2021 - 2023E

Enterprise Value (\$mlns.)	EV/S			EV/EBITDA			P/E			
	C21	C22E	C23E	C21	C22E	C23E	C21	C22E	C23E	
<b>Enterprise Application Software</b>										
Constellation Software Inc.*	36,982	7.2x	7.2x	6.2x	24.5x	24.5x	21.1x	>50	>50	31.2x
BlackBerry Limited*	3,539	4.0x	5.2x	3.8x	>50	NEG	NEG	NEG	NEG	NEG
Sage Group plc	7,665	4.2x	3.9x	3.6x	18.5x	16.5x	15.0x	27.8x	27.3x	24.2x
Tyler Technologies, Inc.	17,734	11.1x	9.6x	8.8x	>50	36.8x	33.3x	>50	>50	48.7x
Roper Technologies, Inc.	57,599	10.0x	9.3x	8.8x	26.0x	24.2x	22.6x	45.8x	30.5x	28.3x
<b>Enghouse Systems Limited</b>	<b>1,803</b>	<b>3.9x</b>	<b>3.9x</b>	<b>3.8x</b>	<b>11.1x</b>	<b>11.1x</b>	<b>10.8x</b>	<b>21.2x</b>	<b>21.2x</b>	<b>21.6x</b>
Oracle Corporation	255,428	6.3x	5.9x	5.6x	13.7x	11.5x	10.9x	17.7x	16.0x	14.6x
SAP SE	125,802	4.5x	3.9x	4.0x	17.6x	14.2x	12.8x	22.4x	18.7x	16.9x
<b>Enterprise Application Software Average</b>		<b>6.4x</b>	<b>6.1x</b>	<b>5.6x</b>	<b>18.6x</b>	<b>19.8x</b>	<b>18.1x</b>	<b>27.0x</b>	<b>22.7x</b>	<b>26.5x</b>
<b>Extended ERP</b>										
Adobe Incorporated	199,357	12.6x	11.0x	9.6x	29.8x	22.6x	19.6x	42.3x	30.6x	26.0x
<b>Open Text Corporation</b>	<b>13,771</b>	<b>4.0x</b>	<b>4.0x</b>	<b>3.7x</b>	<b>10.8x</b>	<b>10.8x</b>	<b>10.4x</b>	<b>13.4x</b>	<b>13.4x</b>	<b>12.8x</b>
Manhattan Associates, Inc.	8,654	13.0x	12.2x	10.9x	>50	49.8x	42.6x	>50	>50	>50
Pegasystems Inc.	6,275	5.2x	4.3x	3.6x	NEG	>50	31.8x	NEG	>50	>50
Software AG	2,035	2.4x	2.2x	2.0x	13.1x	10.0x	8.3x	27.8x	19.4x	15.8x
Fiserv, Inc.	87,287	5.4x	5.3x	4.9x	15.7x	12.4x	11.3x	>50	15.9x	13.8x
<b>Extended ERP Average</b>		<b>7.1x</b>	<b>6.5x</b>	<b>5.8x</b>	<b>17.4x</b>	<b>21.1x</b>	<b>20.7x</b>	<b>27.8x</b>	<b>19.8x</b>	<b>17.1x</b>
<b>Software As A Service</b>										
Descartes Systems Group Inc.	5,209	12.3x	12.3x	11.0x	28.1x	28.1x	25.5x	>50	>50	>50
Kinaxis, Inc.*	2,891	11.5x	11.5x	8.8x	>50	>50	49.1x	>50	>50	>50
Docebo, Inc.*	1,365	13.1x	13.1x	9.3x	NEG	NEG	NEG	NEG	NEG	NEG
Lightspeed Commerce Inc*	2,674	5.8x	3.9x	2.9x	NEG	NEG	NEG	NEG	NEG	NEG
Veeva Systems Inc Class A	26,781	18.3x	12.5x	10.7x	>50	31.7x	27.1x	>50	47.2x	40.9x
<b>Shopify, Inc. Class A</b>	<b>55,498</b>	<b>12.0x</b>	<b>9.2x</b>	<b>6.9x</b>	<b>&gt;50</b>	<b>&gt;50</b>	<b>&gt;50</b>	<b>21.5x</b>	<b>&gt;50</b>	<b>&gt;50</b>
Q4 Inc*	47	0.8x	0.8x	0.7x	NEG	NEG	NEG	NA	NEG	NEG
Magnet Forensics, Inc.*	643	6.9x	6.9x	5.4x	43.6x	43.6x	33.1x	>50	>50	>50
Ceridian HCM Holding, Inc.	9,752	9.5x	8.1x	6.9x	>50	>50	40.5x	NEG	>50	>50
ServiceNow, Inc.	99,208	16.8x	13.4x	10.8x	>50	42.3x	33.5x	>50	>50	>50
Workday, Inc. Class A	52,417	12.2x	8.6x	7.1x	>50	34.3x	27.4x	NEG	>50	47.9x
<b>Software As A Service Average</b>		<b>10.8x</b>	<b>9.1x</b>	<b>7.3x</b>	<b>35.9x</b>	<b>36.0x</b>	<b>33.7x</b>	<b>21.5x</b>	<b>47.2x</b>	<b>44.4x</b>
<b>Infrastructure Vendors</b>										
Citrix Systems, Inc.	15,863	4.9x	4.8x	4.5x	22.5x	15.0x	14.3x	41.9x	19.1x	17.1x
Microsoft Corporation	2,107,968	12.5x	9.9x	8.7x	26.1x	19.7x	17.1x	35.7x	28.5x	24.5x
<b>Infrastructure Vendors Average</b>		<b>8.7x</b>	<b>7.3x</b>	<b>6.6x</b>	<b>24.3x</b>	<b>17.3x</b>	<b>15.7x</b>	<b>38.8x</b>	<b>23.8x</b>	<b>20.8x</b>
<b>Software Average</b>		<b>8.5x</b>	<b>7.5x</b>	<b>6.4x</b>	<b>21.5x</b>	<b>24.2x</b>	<b>23.6x</b>	<b>28.9x</b>	<b>24.0x</b>	<b>25.6x</b>

\*Share Price Converted to USD

Source: Company reports, FactSet and CIBC World Markets Inc.



## Exhibit 8: Business Services Stocks – Comp Table, 2021 - 2023E

	Enterprise Value (\$mlns.)	EV/EBITDA			P/E			EV/S		
		C21	C22E	C23E	C21	C22E	C23E	C21	C22E	C23E
<b>Business &amp; IT Services</b>										
<b>CGI Inc. Class A</b>	<b>27,312</b>	<b>11.0x</b>	<b>11.0x</b>	<b>10.7x</b>	<b>18.7x</b>	<b>18.7x</b>	<b>17.0x</b>	<b>2.2x</b>	<b>2.2x</b>	<b>2.1x</b>
<b>TELUS International (CDA), Inc.</b>	<b>7,036</b>	<b>NA</b>	<b>13.0x</b>	<b>11.3x</b>	<b>NA</b>	<b>22.6x</b>	<b>19.0x</b>	<b>3.2x</b>	<b>3.2x</b>	<b>2.7x</b>
Accenture Plc Class A	201,303	20.9x	16.9x	15.5x	35.5x	29.0x	25.9x	4.0x	3.2x	2.9x
Booz Allen Hamilton	13,782	15.5x	14.4x	13.5x	20.8x	20.3x	18.3x	1.8x	1.6x	1.5x
CACI International Inc Class A	9,023	12.2x	12.9x	12.3x	16.2x	15.5x	14.3x	1.5x	1.4x	1.3x
DXC Technology Co.	11,679	5.8x	4.3x	4.2x	NEG	7.6x	6.4x	0.7x	0.7x	0.7x
Genpact Limited	8,962	13.9x	11.1x	9.8x	22.2x	16.1x	14.2x	2.2x	2.0x	1.9x
International Business Machines	174,638	13.0x	10.6x	10.2x	22.3x	14.5x	13.4x	3.0x	2.9x	2.8x
Atos SE	4,299	4.1x	4.0x	3.5x	NEG	10.1x	6.9x	0.4x	0.4x	0.4x
Capgemini SE	39,004	13.5x	11.9x	10.9x	29.3x	19.9x	17.7x	2.1x	1.9x	1.8x
Sopra Steria Group SA	4,809	9.1x	8.0x	7.3x	18.9x	12.9x	11.5x	1.0x	1.0x	0.9x
<b>Business &amp; IT Services Average</b>		<b>11.9x</b>	<b>10.7x</b>	<b>9.9x</b>	<b>23.0x</b>	<b>17.0x</b>	<b>15.0x</b>	<b>2.0x</b>	<b>1.9x</b>	<b>1.7x</b>
<b>HR Outsourcing</b>										
<b>LifeWorks Inc</b>	<b>1,926</b>	<b>9.9x</b>	<b>9.9x</b>	<b>9.6x</b>	<b>NEG</b>	<b>NEG</b>	<b>30.1x</b>	<b>1.9x</b>	<b>1.9x</b>	<b>1.8x</b>
Ceridian HCM Holding, Inc.	9,752	>50	>50	40.5x	NEG	>50	>50	9.5x	8.1x	6.9x
Willis Towers Watson	28,357	12.7x	11.6x	10.6x	7.4x	18.1x	15.5x	3.1x	3.1x	2.9x
Aon Plc Class A	81,683	21.3x	20.1x	18.8x	>50	25.4x	22.9x	6.7x	6.3x	6.0x
Automatic Data Processing, Inc.	98,395	25.7x	22.5x	20.4x	38.3x	32.2x	28.8x	6.6x	5.8x	5.4x
Paychex, Inc.	50,302	30.4x	23.7x	22.2x	46.1x	35.6x	33.1x	12.4x	10.6x	9.9x
<b>HR Outsourcing Average</b>		<b>20.0x</b>	<b>17.6x</b>	<b>20.3x</b>	<b>30.6x</b>	<b>27.8x</b>	<b>26.1x</b>	<b>6.7x</b>	<b>6.0x</b>	<b>5.5x</b>
<b>Information Services</b>										
Broadridge Financial Solutions, Inc.	22,121	19.0x	16.9x	15.9x	33.5x	23.3x	21.5x	4.3x	3.8x	3.7x
<b>Dye &amp; Durham Ltd.</b>	<b>1,628</b>	<b>10.3x</b>	<b>10.3x</b>	<b>7.7x</b>	<b>&gt;50</b>	<b>&gt;50</b>	<b>33.8x</b>	<b>4.3x</b>	<b>4.3x</b>	<b>2.8x</b>
Deluxe Corporation	2,745	7.4x	6.2x	6.0x	20.7x	6.1x	5.7x	1.4x	1.3x	1.2x
<b>Information Services Corp</b>	<b>409</b>	<b>6.0x</b>	<b>6.0x</b>	<b>7.2x</b>	<b>11.1x</b>	<b>11.1x</b>	<b>13.9x</b>	<b>2.4x</b>	<b>2.4x</b>	<b>2.4x</b>
<b>Information Services Average</b>		<b>10.7x</b>	<b>9.9x</b>	<b>9.2x</b>	<b>21.8x</b>	<b>13.5x</b>	<b>18.7x</b>	<b>3.1x</b>	<b>2.9x</b>	<b>2.5x</b>
<b>Financial Services Technology</b>										
Fidelity National Information Services	81,937	13.4x	12.3x	11.2x	>50	14.2x	12.5x	5.9x	5.5x	5.1x
Fiserv, Inc.	87,287	15.7x	12.4x	11.3x	>50	15.9x	13.8x	5.4x	5.3x	4.9x
Jack Henry & Associates, Inc.	14,858	21.3x	23.2x	21.1x	49.2x	40.4x	37.2x	8.5x	7.4x	7.0x
ACI Worldwide, Inc.	4,324	11.8x	10.6x	9.9x	26.7x	22.1x	19.1x	3.2x	3.0x	2.9x
Temenos AG	7,788	14.2x	16.3x	14.3x	38.9x	23.0x	20.0x	8.1x	7.3x	6.6x
Global Payments Inc.	50,798	13.9x	12.7x	11.4x	43.5x	15.0x	12.8x	6.0x	6.0x	5.5x
<b>Financial Services Technology Average</b>		<b>15.1x</b>	<b>14.6x</b>	<b>13.2x</b>	<b>39.6x</b>	<b>21.8x</b>	<b>19.2x</b>	<b>6.2x</b>	<b>5.8x</b>	<b>5.3x</b>
<b>Diversified Real Estate Services</b>										
<b>Colliers International Group Inc.</b>	<b>6,306</b>	<b>11.5x</b>	<b>10.3x</b>	<b>9.3x</b>	<b>-13.6x</b>	<b>17.6x</b>	<b>16.2x</b>	<b>1.5x</b>	<b>1.4x</b>	<b>1.3x</b>
<b>Altus Group Limited</b>	<b>2,397</b>	<b>23.2x</b>	<b>22.6x</b>	<b>19.0x</b>	<b>34.3x</b>	<b>34.3x</b>	<b>36.2x</b>	<b>3.8x</b>	<b>3.8x</b>	<b>3.4x</b>
CBRE Group, Inc. Class A	30,721	14.4x	9.3x	8.7x	16.1x	14.3x	12.8x	1.1x	0.9x	0.9x
Jones Lang LaSalle Incorporated	13,370	9.2x	8.9x	8.4x	12.5x	11.8x	10.8x	0.7x	1.1x	1.0x
<b>Diversified Real Estate Services Average</b>		<b>14.6x</b>	<b>12.8x</b>	<b>11.3x</b>	<b>12.3x</b>	<b>19.5x</b>	<b>19.0x</b>	<b>1.8x</b>	<b>1.8x</b>	<b>1.7x</b>
<b>Software Focused IT Solutions/VARs</b>										
<b>Softchoice Corporation*</b>	<b>1,541</b>	<b>22.3x</b>	<b>22.3x</b>	<b>15.3x</b>	<b>37.8x</b>	<b>37.8x</b>	<b>32.9x</b>	<b>5.4x</b>	<b>5.4x</b>	<b>4.8x</b>
Softcat Plc*	2,904	17.2x	16.1x	15.1x	22.4x	21.9x	21.3x	7.8x	6.9x	6.3x
Crayon Group Holding ASA*	13,814	>50	>50	>50	>50	>50	>50	>50	29.4x	24.8x
Bytes Technology Group Plc*	1,172	24.1x	18.5x	17.2x	25.8x	24.1x	23.0x	NA	NA	NA
SoftwareONE Holding Ltd.*	1,621	9.8x	6.3x	5.5x	17.5x	15.2x	12.8x	7.8x	1.6x	1.4x
<b>Bytes Technology Group Plc* Average</b>		<b>18.4x</b>	<b>15.8x</b>	<b>13.3x</b>	<b>25.9x</b>	<b>24.8x</b>	<b>22.5x</b>	<b>7.0x</b>	<b>10.8x</b>	<b>9.3x</b>
<b>Business Services Average</b>		<b>14.7x</b>	<b>13.2x</b>	<b>12.7x</b>	<b>25.1x</b>	<b>20.2x</b>	<b>19.2x</b>	<b>4.1x</b>	<b>4.4x</b>	<b>3.9x</b>

\*Software Focused IT Solutions/VARs uses EV/GP metric.

Source: Company reports, FactSet and CIBC World Markets Inc.

## Exhibit 9: SaaS Stocks – Comp Table, 2021 - 2023E

	LTM Revenue Growth	LTM FCF Margin	NTM Revenue Growth	NTM FCF Margin	LTM Rule Of 40	NTM Rule Of 40	Enterprise Value (\$MM)	EV/S		
								C21	C22E	C23E
<b>Tier 1 SaaS (Rule of 40 &gt; 60)</b>										
Zoom Video Communications	55%	36%	11%	32%	91%	43%	25,695	9.7x	5.7x	5.7x
CrowdStrike Holdings, Inc.	66%	31%	48%	29%	97%	78%	50,122	57.3x	24.0x	24.0x
<b>Shopify, Inc.</b>	57%	<b>10%</b>	<b>31%</b>	5%	<b>67%</b>	36%	<b>59,530</b>	<b>12.9x</b>	<b>9.8x</b>	<b>9.8x</b>
Zscaler, Inc.	60%	26%	43%	23%	86%	65%	30,742	45.7x	25.5x	25.5x
<b>Lightspeed POS, Inc.</b>	<b>159%</b>	<b>-22%</b>	<b>40%</b>	<b>-12%</b>	<b>137%</b>	<b>28%</b>	<b>2,811</b>	<b>12.7x</b>	<b>4.1x</b>	<b>4.1x</b>
DocuSign, Inc.	45%	23%	17%	19%	68%	37%	18,522	12.7x	7.6x	7.6x
Veeva Systems Inc	26%	38%	17%	36%	64%	53%	27,496	18.8x	12.9x	12.9x
Atlassian Corp. Plc	35%	35%	21%	25%	70%	46%	66,752	32.0x	21.9x	21.9x
Twilio, Inc.	61%	-3%	36%	-2%	58%	34%	19,591	6.9x	5.1x	5.1x
ServiceNow, Inc.	30%	31%	26%	31%	61%	57%	99,950	17.0x	13.5x	13.5x
HubSpot, Inc.	47%	18%	33%	14%	66%	46%	19,786	15.2x	11.5x	11.5x
<b>Tier 1 SaaS (Rule of 40 &gt; 60) Average</b>								<b>21.9x</b>	<b>12.9x</b>	<b>12.9x</b>
	LTM Revenue Growth	LTM FCF Margin	NTM Revenue Growth	NTM FCF Margin	LTM Rule Of 40	NTM Rule Of 40	Enterprise Value (\$MM)	EV/S		
								C21E	C22E	C22E
<b>Tier 2 SaaS (Rule of 40 b/w 40-60)</b>										
Docebo, Inc.	55%	-4%	42%	-4%	51%	38%	1,383	13.3x	13.3x	9.5x
Qualys, Inc.	14%	43%	17%	34%	56%	51%	5,371	13.0x	11.1x	11.1x
<b>Descartes Systems</b>	<b>22%</b>	<b>40%</b>	<b>12%</b>	<b>37%</b>	<b>62%</b>	<b>50%</b>	<b>5,160</b>	<b>12.2x</b>	<b>12.2x</b>	<b>10.9x</b>
Avalara Inc	40%	6%	23%	0%	45%	23%	7,069	10.1x	8.2x	8.2x
Five9, Inc.	40%	-2%	24%	5%	38%	29%	7,935	13.0x	10.5x	10.5x
Dropbox, Inc.	13%	34%	8%	33%	47%	41%	9,167	4.2x	3.9x	3.9x
Mimecast Limited	19%	28%	15%	23%	48%	38%	5,285	10.5x	7.9x	7.9x
Wix.com Ltd.	28%	5%	15%	2%	33%	16%	4,626	3.6x	3.2x	3.2x
Workday, Inc.	20%	27%	20%	19%	47%	40%	53,707	12.5x	8.8x	8.8x
VMware, Inc.	9%	31%	7%	28%	40%	35%	56,936	4.8x	4.2x	4.2x
<b>Tier 2 SaaS (Rule of 40 b/w 40-60) Average</b>								<b>9.7x</b>	<b>8.3x</b>	<b>7.8x</b>
	LTM Revenue Growth	LTM FCF Margin	NTM Revenue Growth	NTM FCF Margin	LTM Rule Of 40	NTM Rule Of 40	Enterprise Value (\$MM)	EV/S		
								C21E	C22E	C22E
<b>Tier 3 SaaS (Rule of 40 b/w 28-40)</b>										
BlackLine, Inc.	21%	18%	23%	2%	39%	25%	3,936	9.2x	7.5x	7.5x
Zendesk, Inc.	30%	12%	26%	10%	42%	37%	15,560	11.6x	9.2x	9.2x
MongoDB, Inc.	48%	1%	35%	0%	49%	35%	26,911	45.6x	23.3x	23.3x
LivePerson, Inc.	28%	-8%	18%	-12%	20%	6%	1,831	3.9x	3.3x	3.3x
Rapid7 Inc.	30%	8%	28%	7%	39%	35%	7,110	13.3x	10.4x	10.4x
Paylocity Holding Corp.	25%	16%	25%	15%	41%	40%	10,886	17.1x	11.8x	11.8x
Q2 Holdings, Inc.	24%	2%	16%	2%	26%	18%	3,335	6.7x	5.8x	5.8x
Akamai Technologies, Inc.	8%	25%	8%	24%	33%	33%	21,398	6.2x	5.7x	5.7x
<b>Tier 3 SaaS (Rule of 40 b/w 28-40) Average</b>								<b>14.2x</b>	<b>9.6x</b>	<b>9.6x</b>
	LTM Revenue Growth	LTM FCF Margin	NTM Revenue Growth	NTM FCF Margin	LTM Rule Of 40	NTM Rule Of 40	Enterprise Value (\$MM)	EV/S		
								C21E	C22E	C22E
<b>Tier 4 SaaS (Rule of 40 &lt;28)</b>										
RingCentral, Inc.	35%	6%	26%	7%	41%	33%	10,564	6.6x	5.3x	5.3x
Teradata Corporation	4%	23%	1%	21%	27%	22%	4,770	2.5x	2.5x	2.5x
Anaplan, Inc.	32%	-5%	26%	0%	27%	26%	9,553	21.3x	13.0x	13.0x
Zuora, Inc.	14%	7%	16%	0%	20%	16%	1,545	5.1x	3.9x	3.9x
New Relic, Inc.	15%	-4%	17%	4%	11%	22%	4,399	6.6x	5.0x	5.0x
<b>Kinaxis, Inc.</b>	<b>4%</b>	<b>7%</b>	<b>36%</b>	<b>9%</b>	<b>11%</b>	<b>45%</b>	<b>2,984</b>	<b>11.9x</b>	<b>11.9x</b>	<b>9.1x</b>
Yext, Inc.	10%	4%	4%	-1%	14%	3%	661	1.9x	1.6x	1.6x
Splunk Inc.	20%	4%	23%	12%	24%	35%	23,101	10.4x	7.2x	7.2x
<b>Tier 4 SaaS (Rule of 40 &lt;28) Average</b>								<b>8.3x</b>	<b>6.3x</b>	<b>5.9x</b>
<b>SaaS Average</b>								<b>14.0x</b>	<b>9.5x</b>	<b>9.3x</b>

Source: Company reports, FactSet and CIBC World Markets Inc.

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