

EQUITY RESEARCH

August 25, 2022

Industry Update

Private Market Slowdown – Bits & Bytes Weekly

Investments Slow But Remain Above Pre-pandemic Levels

Our Conclusion

With two quarters of private investing data in hand, it is clear that the negative sentiment impacting growth-oriented public companies has leaked into venture capital (VC) investing markets. Global venture capital investment dollars were down 23% Y/Y in Q2 after declining 20% in the first quarter. Overall investment volume (YTD US\$124B) and deal count are lower than in the record-setting 2021 (US\$369B), though deal values are still solid relative to historical levels and have already surpassed full-year 2019's US\$117B (CB Insights figures). We believe H2/22 investment and fundraising figures will remain below prior-year levels as a result of the uncertain macro environment and an inactive IPO market.

Key Points

Later-stage private investments have slowed globally as exits have declined, particularly as IPO and SPAC markets have dried up. Globally, the VC ecosystem has experienced a 31% decrease in mega-round funding (\$100MM+). There was also a 16% drop in total exits in Q2/22 as M&A, IPO, and SPAC exits all fell. YTD, M&A deals account for the majority of exits globally, with ~5,500 exits via M&A versus 288 IPOs and 33 SPACs. In Canada, there were no IPOs in the first half of the year. In comparison, seed-stage tech investments, which are less affected by the macro environment, continued to see strong demand. As public markets remain weak, we expect larger, late-stage investments in growth companies to continue to lag 2021 highs.

In Canada, VC funding decelerated in Q2/22 compared to the 2021 frenzy. There was \$1.7B invested across 182 deals nationwide, down 63% Q/Q and 67% Y/Y, but comparable to Q2/20 levels. Smaller deals increased while later-stage investments slowed. 2021 was an outlier year for outsized VC activities, which we see as unlikely to repeat, and we expect later-stage investments to likely decline over the foreseeable future.

The number of newly minted unicorns is also on the decline. In Q2, there were 85 new companies with new US\$1B+ valuations, down 43% Y/Y. While some institutional investors have continued to deploy capital without a shift in strategy, other investors are becoming more selective. The renewed investor caution could clash with founders' ambitions as gaps in valuation expectations widen and growth-at-all-costs mindsets lose favour.

An uncertain exit landscape and portfolio markdowns are pressuring VC fund returns, which could slow new fundraising through the remainder of the year. Private market dry powder has decreased 13% from 2020's \$3.7T peak to \$3.2T as at June 30 (PitchBook). Global funding fell sharply in Q2/22, down 26% sequentially, as highlighted by Crunchbase. We expect H2/22 fundraising activities to further decelerate as markdowns and lowered growth expectations at portfolio companies shift return expectations.

All figures in Canadian dollars unless otherwise stated.

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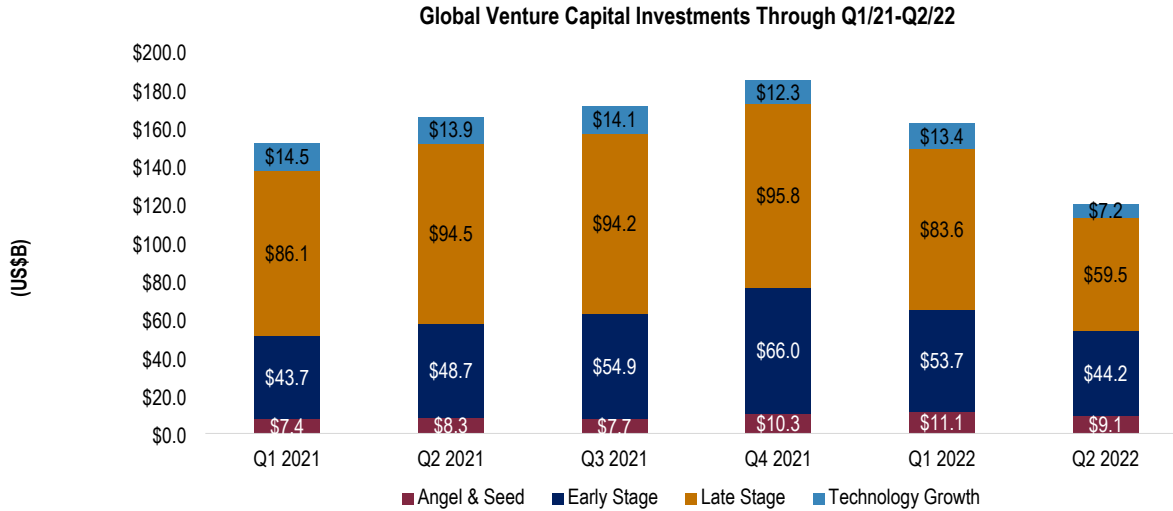
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Sector:
Information Technology

Venture Capital Investments Slide

According to Crunchbase, global VC investments reached US\$120B in Q2/22, down 26% Q/Q. Late-stage investments saw the most notable decline, slipping 29% sequentially to US\$59.5B.

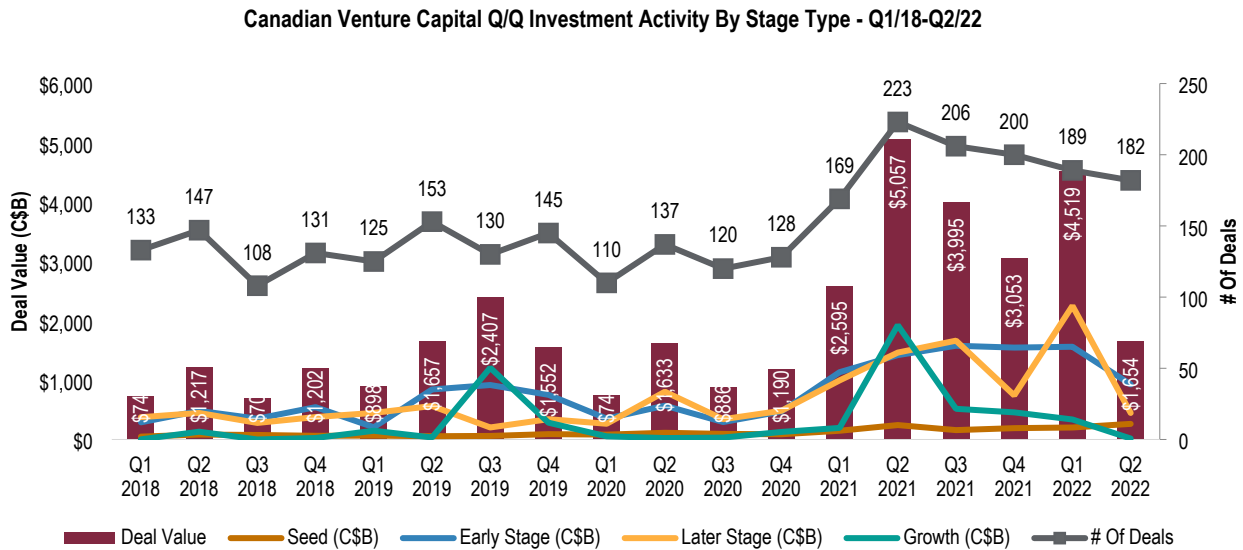
Exhibit 1: Global Venture Capital Investment – Deal Value By Stages, Q1/21 - Q2/22 (As of July 5, 2022)



Source: Crunchbase and CIBC World Markets Inc.

In Canada, there was \$1.7B invested across 182 deals. While Q2/22 investment decelerated from a strong 2021, YTD activities have already surpassed F2019 investment volumes and are approaching F2020 figures. Later-stage investments posted the largest Q/Q decline.

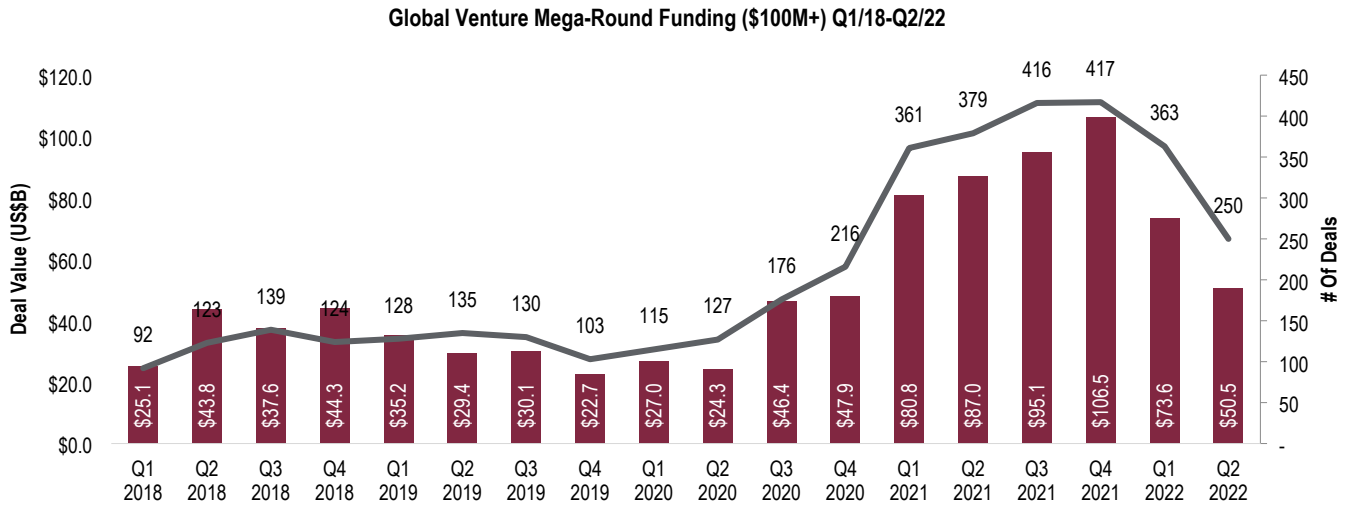
Exhibit 2: Canadian Venture Capital – Investment Q/Q Change, Q1/18 - Q2/22



Source: CVCA and CIBC World Markets Inc.

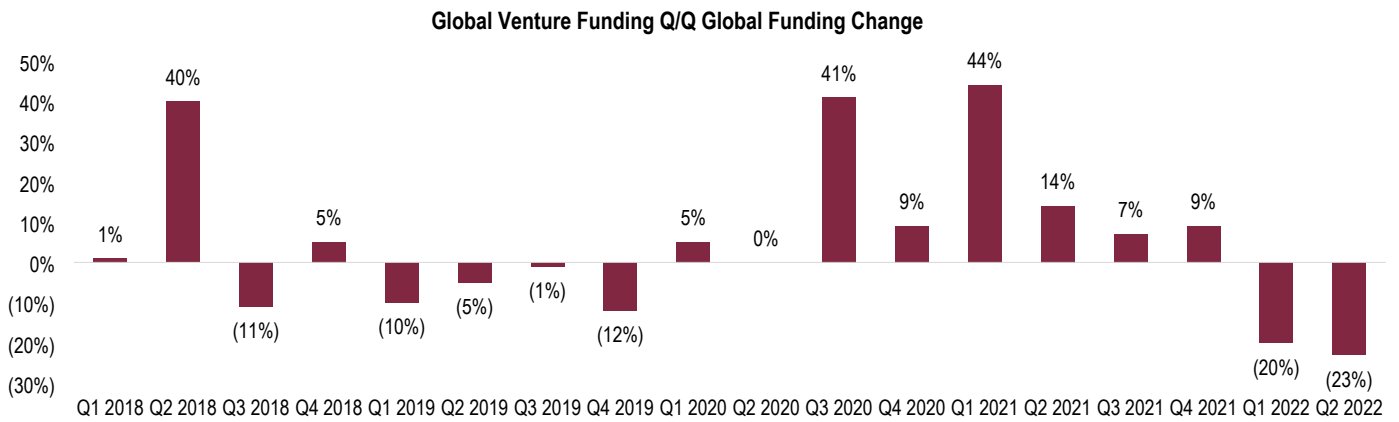
According to CB Insights, mega-rounds (US\$100MM+) accounted for 47% of Q2 total dollars invested, the lowest since Q3/20. Mega-round funding has declined sequentially for two consecutive quarters since reaching a peak in Q4/21.

Exhibit 3: Global Venture Mega-round Funding – Deal Value & Deal Count, Q1/18 - Q2/22



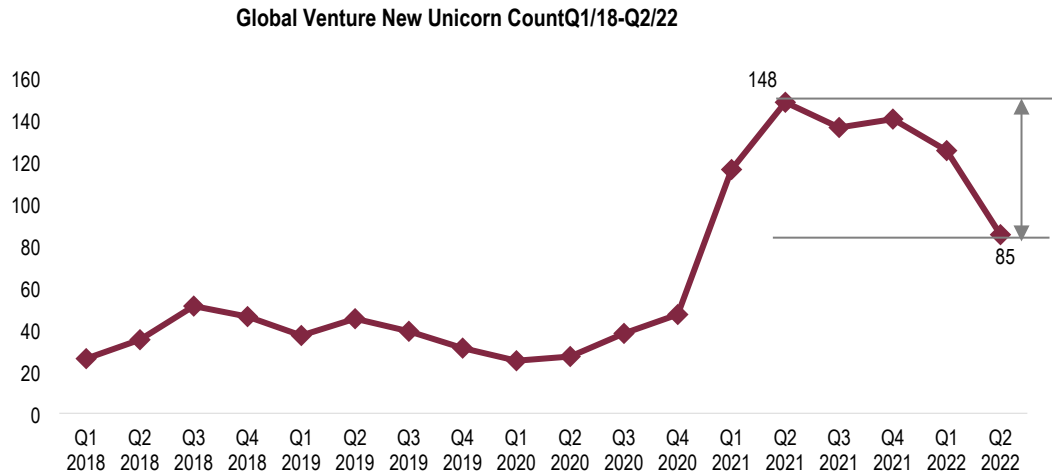
Source: CB Insights and CIBC World Markets Inc.

Exhibit 4: Global Venture Funding – Global Funding Q/Q Change, Q1/18 - Q2/22

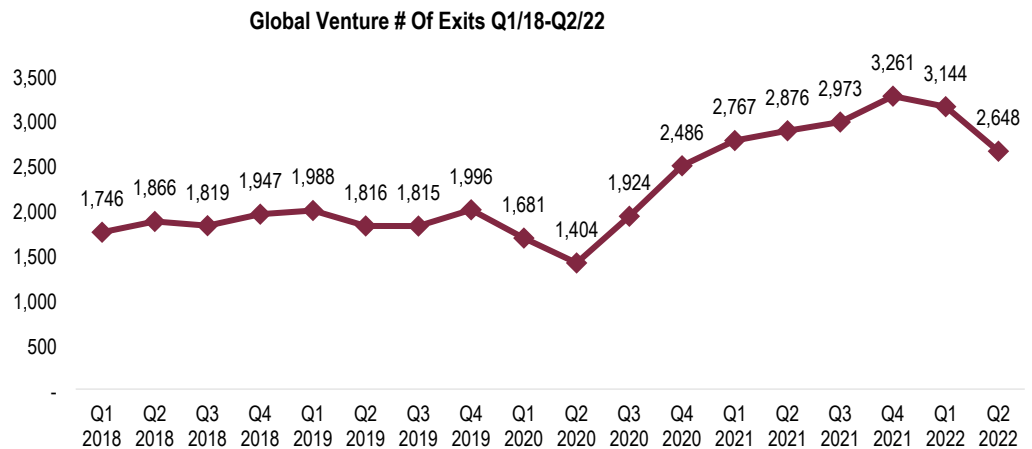


Source: CB Insights and CIBC World Markets Inc.

Exhibit 5: Global Venture – New Unicorn Count, Q1/18 - Q2/22



Source: CB Insights and CIBC World Markets Inc.

Exhibit 6: Global Venture – Number Of Exits, Q1/18 - Q2/22

Source: CB Insights and CIBC World Markets Inc.

News Impacting Our Coverage

Q4 Inc. Announces Restructuring With 8% Workforce Reduction

In order to accelerate the path to profitability, Q4 Inc. is reducing its workforce by 8%. The company is reorganizing various sales and marketing functions, and refining R&D teams. The restructuring is effective immediately as the organizational changes are fully implemented.

Altus Recognized As Overall Real Estate Data Solution Provider Of The Year By PropTech Breakthrough

Altus Group was named the “Overall Real Estate Data Solution Provider of the Year” by PropTech Breakthrough’s 2022 Awards program. Altus’ data solution, which leverages machine learning, automation, and predictive analytics for insights, aids CRE professionals in decision making in a rapidly changing market. The award program focuses on innovation, as well as performance, functionality, value and impact of nominees.

Link Group Shareholders Approve Dye & Durham Acquisition

Link Administration Holdings’ shareholders have voted in favour of DND’s proposed acquisition of Link Group, whereby DND will pay a base consideration of A\$4.81 per Link Group share. The revised deal continues to await court and regulatory approvals, including those from the Australian Competition and Consumer Commission (ACCC) and the UK Financial Conduct Authority.

TELUS International Appoints New Chief Transformation Officer To Enhance Digital Transformation Capabilities

TIXT announced the appointment of Beth Howen as Chief Transformation Officer (CTO) effective immediately. Ms. Howen will lead the ongoing development and delivery of the integrated transformation, digital, CX and analytics solution in this newly created role. She brings more than 25 years of experience from the tech and IT sectors, holding senior leadership roles in U.S. government agencies, non-profit and private sector organizations. She previously was the Global Head of Digital Transformation at Atos.

Confluent Selects Kinaxis For Supply Chain Solutions

Confluent Medical Technologies selected Kinaxis to digitize its supply chain planning capabilities for increased agility. Confluent Medical Technologies is a solution for contract manufacturing of implants, minimally invasive delivery systems and medical devices. Confluent has eight sites globally, and plans to use Kinaxis’ RapidResponse platform to increase transparency across its supply chain.

Exhibit 7: CIBC Software/Services – Coverage Performance, 8/25/2021 - 8/25/2022

Software & Systems	Price	1 Week	1 Month	3 Month	6 Month	1 Year	YTD	52W High	52W Low
Constellation Software Inc	2,081.58	(4.2)	0.4	6.2	(1.5)	(3.0)	(11.3)	2385.80	1793.93
Descartes Systems	71.30	(1.8)	8.7	20.6	1.2	(7.3)	(13.8)	91.39	56.19
Enghouse Systems Limited	33.05	(0.5)	4.9	0.8	(20.1)	(45.2)	(31.8)	64.42	23.96
Open Text Corp	37.34	(5.2)	(7.8)	(2.7)	(14.4)	(31.4)	(21.4)	55.25	35.04
Kinaxis	162.59	(2.6)	6.7	23.4	11.6	(17.7)	(8.3)	229.98	119.48
Docebo, Inc.	41.62	(8.0)	8.2	(2.5)	(36.3)	(58.4)	(51.0)	117.55	32.35
Magnet Forensics	25.91	2.8	27.6	56.7	(6.1)	(49.2)	(21.2)	65.80	14.89
Q4 Inc.	4.46	(0.9)	(3.0)	1.4	(4.1)	NA	(47.5)	12.05	4.01
Average		(2.6)	5.7	13.0	(8.7)	(30.3)	(25.8)		

Business Services	Price	1 Week	1 Month	3 Month	6 Month	1 Year	YTD	52W High	52W Low
CGI Group Inc	107.04	(3.2)	(0.9)	0.7	2.2	(2.8)	(4.3)	116.88	95.45
Converge Technologies	6.41	(5.0)	12.1	(8.0)	(34.0)	(41.2)	(41.0)	13.09	4.85
Softchoice Corporation	20.26	(7.1)	(14.3)	(6.9)	(6.1)	(42.4)	(5.1)	36.01	17.91
Telus International	39.72	(0.6)	12.9	29.9	27.5	(7.6)	(5.0)	49.43	26.75
Average		(4.0)	2.4	3.9	(2.6)	(23.5)	(13.9)		

Indices	Price	1 Week	1 Month	3 Month	6 Month	1 Year	YTD
S&P/TSX Composite Index	20,167.29	(0.5)	5.6	(1.1)	(4.4)	(2.0)	(5.0)
S&P 500 Index	4,182.49	(2.4)	5.4	5.1	(4.6)	(7.0)	(12.2)
S&P/TSX Software Index	138.03	(4.3)	(0.2)	4.1	(17.5)	(41.2)	(35.0)
S&P500 Software Index	4,700.17	(4.7)	5.7	6.5	(7.4)	(14.4)	(19.6)

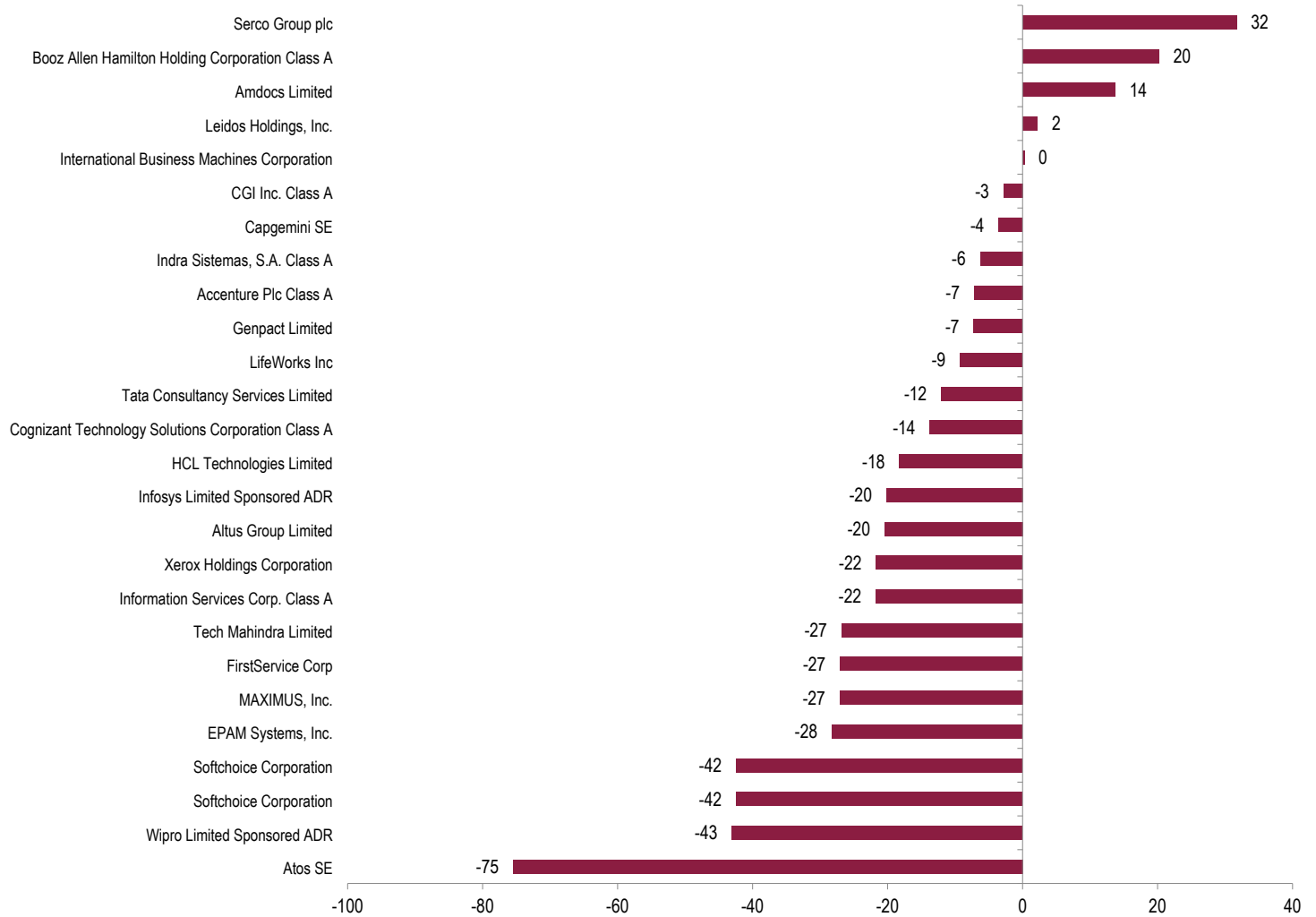
Source: FactSet and CIBC World Markets Inc.

Exhibit 8: Software Stocks – Return Performance (%), 8/25/2021 - 8/25/2022



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

Exhibit 9: Business Services Stocks – Return Performance (%), 8/18/2021 - 8/18/2022



Source: FactSet and CIBC World Markets Inc.

Exhibit 10: Software Stocks – Comp Table, 2021 - 2023E

	Enterprise Value (\$mlns.)	EV/S			EV/EBITDA			P/E		
		C21	C22E	C23E	C21	C22E	C23E	C21	C22E	C23E
Enterprise Application Software										
Constellation Software Inc.*	35,412	6.9x	5.4x	4.8x	23.4x	20.8x	17.8x	>50	28.9x	26.1x
BlackBerry Limited*	3,559	4.0x	5.2x	3.8x	>50	NEG	NEG	NEG	NEG	NEG
Sage Group plc	7,627	4.1x	3.9x	3.6x	18.4x	16.2x	14.9x	27.6x	26.5x	23.7x
Tyler Technologies, Inc.	17,246	10.8x	9.3x	8.5x	49.0x	36.4x	33.4x	>50	>50	48.0x
Roper Technologies, Inc.	52,418	9.1x	10.0x	9.5x	23.7x	24.5x	22.9x	40.9x	31.0x	28.7x
Enghouse Systems Limited	1,629	3.5x	3.7x	3.75x	10.0x	11.2x	10.9x	19.7x	23.8x	23.0x
Oracle Corporation	261,664	6.5x	5.6x	5.1x	14.0x	11.4x	10.6x	16.8x	15.0x	13.7x
SAP SE	111,686	4.0x	3.6x	3.4x	15.6x	13.1x	11.7x	19.8x	18.2x	16.0x
Enterprise Application Software Average		6.1x	5.8x	5.3x	22.0x	19.1x	17.4x	25.0x	23.9x	25.6x
Extended ERP										
Adobe Incorporated	185,841	11.8x	10.4x	9.1x	27.8x	21.2x	18.5x	39.9x	29.1x	24.7x
Open Text Corporation	12,851	3.7x	3.6x	3.5x	10.0x	10.2x	9.6x	11.8x	11.9x	11.0x
Manhattan Associates, Inc.	8,979	13.5x	12.2x	11.0x	>50	46.1x	40.0x	>50	>50	>50
Pegasystems Inc.	3,370	2.8x	2.6x	2.3x	NEG	>50	24.8x	NEG	>50	39.5x
Software AG	1,665	2.0x	1.8x	1.6x	10.8x	8.5x	7.5x	23.4x	17.2x	14.4x
Fiserv, Inc.	89,338	5.5x	5.3x	5.0x	16.1x	12.5x	11.5x	>50	16.4x	14.4x
Extended ERP Average		6.6x	6.0x	5.4x	16.2x	19.7x	18.6x	25.0x	18.6x	20.8x
Software As A Service										
Descartes Systems Group Inc.	5,843	13.8x	12.2x	11.4x	31.6x	28.0x	25.2x	>50	>50	>50
Kinaxis, Inc.*	3,262	13.0x	9.0x	8.0x	>50	>50	44.6x	>50	>50	>50
Docebo, Inc.*	843	8.1x	5.8x	4.3x	NEG	NEG	>50	NEG	NEG	NEG
Lightspeed Commerce Inc*	2,189	4.7x	3.1x	2.4x	NEG	NEG	NEG	NEG	NEG	NEG
Veeva Systems Inc Class A	31,149	21.3x	14.5x	12.4x	>50	36.6x	31.4x	>50	>50	45.6x
Shopify, Inc. Class A	37,870	8.2x	6.9x	5.6x	>50	NEG	>50	15.0x	NEG	>50
Q4 Inc*	93	1.7x	1.7x	1.6x	NEG	NEG	NEG	NEG	NEG	NEG
Magnet Forensics, Inc.*	705	10.0x	7.5x	5.8x	37.8x	45.9x	25.8x	>50	>50	>50
Ceridian HCM Holding, Inc.	10,572	10.3x	8.6x	7.4x	>50	48.3x	38.9x	NEG	>50	>50
ServiceNow, Inc.	91,670	15.5x	12.5x	10.2x	>50	40.0x	32.1x	>50	>50	49.7x
Workday, Inc. Class A	38,740	9.0x	6.3x	5.3x	>50	25.2x	20.4x	NEG	45.7x	36.8x
Software As A Service Average		10.5x	8.0x	6.8x	34.7x	37.3x	31.2x	15.0x	45.7x	44.0x
Infrastructure Vendors										
Citrix Systems, Inc.	16,062	5.0x	4.9x	4.8x	22.8x	13.1x	13.0x	42.2x	>50	32.2x
Microsoft Corporation	2,040,337	12.1x	9.7x	8.7x	25.2x	19.6x	17.4x	34.4x	28.6x	25.1x
Infrastructure Vendors Average		8.6x	7.3x	6.7x	24.0x	16.4x	15.2x	38.3x	28.6x	28.7x
Software Average		8.2x	6.9x	6.0x	22.4x	24.4x	21.9x	26.5x	24.4x	27.8x

*Share Price Converted to USD

Source: FactSet and CIBC World Markets Inc.

Exhibit 11: 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
Business & IT Services										
CGI Inc. Class A	28,709	11.6x	11.2x	10.6x	19.1x	17.3x	16.3x	2.4x	2.2x	2.1x
TELUS International (CDA), Inc.	9,096	16.8x	14.6x	12.4x	30.4x	25.5x	20.3x	4.1x	3.5x	3.1x
Accenture Plc Class A	190,956	19.9x	16.2x	15.0x	33.8x	27.7x	24.8x	3.8x	3.0x	2.8x
Booz Allen Hamilton	15,349	17.2x	15.9x	15.0x	22.4x	22.6x	20.6x	2.0x	1.7x	1.6x
CACI International Inc Class A	8,560	11.5x	12.8x	11.9x	15.3x	15.5x	14.5x	1.4x	1.3x	1.3x
DXC Technology Co.	9,404	4.6x	3.9x	3.8x	NEG	7.3x	5.9x	0.5x	0.6x	0.6x
Genpact Limited	9,899	15.4x	12.6x	11.2x	25.0x	17.6x	15.6x	2.5x	2.3x	2.1x
International Business Machines	168,555	12.5x	10.8x	10.3x	21.1x	14.4x	13.3x	2.9x	2.8x	2.7x
Atos SE	2,919	2.8x	2.9x	2.7x	NEG	7.9x	4.9x	0.3x	0.3x	0.3x
Capgemini SE	36,892	12.8x	10.5x	9.7x	27.5x	17.3x	15.5x	2.0x	1.7x	1.6x
Sopra Steria Group SA	4,254	8.1x	7.0x	6.4x	15.9x	10.7x	9.7x	0.9x	0.8x	0.8x
Converge Technology Solutions Corp	1,381	14.7x	9.3x	7.4x	>50	39.0x	21.4x	0.9x	0.6x	0.5x
Business & IT Services Average		12.1x	10.8x	9.9x	23.4x	16.7x	14.7x	2.1x	1.8x	1.7x
HR Outsourcing										
		EV/EBITDA			P/E			EV/S		
Ceridian HCM Holding, Inc.	10,572	>50	48.3x	38.9x	NEG	>50	>50	10.3x	8.6x	7.4x
Willis Towers Watson	24,041	10.8x	10.2x	9.4x	6.5x	15.6x	13.7x	2.7x	2.7x	2.6x
Aon Plc Class A	70,338	18.4x	17.5x	16.4x	>50	21.8x	19.8x	5.8x	5.5x	5.3x
Automatic Data Processing, Inc.	108,995	28.4x	24.0x	21.6x	42.4x	34.2x	30.4x	7.3x	6.3x	5.9x
Paychex, Inc.	48,272	29.2x	22.5x	21.0x	44.6x	33.9x	31.5x	11.9x	10.0x	9.4x
HR Outsourcing Average		21.7x	24.5x	21.4x	31.1x	26.4x	23.8x	7.6x	6.6x	6.1x
Information Services										
		EV/EBITDA			P/E			EV/S		
Broadridge Financial Solutions, Inc.	24,400	21.0x	18.7x	17.4x	37.7x	25.9x	23.9x	4.8x	4.1x	3.9x
Dye & Durham Ltd.	2,161	13.6x	13.6x	9.5x	>50	>50	27.3x	5.8x	3.8x	3.2x
Deluxe Corporation	2,382	6.5x	5.7x	5.6x	14.8x	5.3x	5.0x	1.2x	1.1x	1.1x
Information Services Corp	432	6.4x	6.7x	6.6x	11.7x	11.6x	12.2x	2.5x	2.3x	2.1x
Information Services Average		11.9x	11.2x	9.8x	21.4x	14.3x	17.1x	3.6x	2.8x	2.6x
Financial Services Technology										
		EV/EBITDA			P/E			EV/S		
Fidelity National Information Services	77,476	12.7x	11.8x	10.9x	>50	13.6x	12.2x	5.6x	5.3x	4.9x
Fiserv, Inc.	89,338	16.1x	12.5x	11.5x	>50	16.4x	14.4x	5.5x	5.3x	5.0x
Jack Henry & Associates, Inc.	14,675	21.1x	23.2x	21.4x	48.3x	39.6x	37.1x	8.3x	7.3x	6.8x
ACI Worldwide, Inc.	3,847	10.5x	9.5x	8.8x	23.1x	18.4x	15.5x	2.8x	2.7x	2.6x
Temenos AG	6,673	12.2x	14.2x	12.7x	32.7x	19.5x	17.5x	6.9x	6.5x	5.9x
Global Payments Inc.	46,996	12.9x	12.0x	10.8x	39.4x	13.7x	11.9x	5.5x	5.8x	5.4x
Financial Services Technology Average		14.2x	13.9x	12.7x	35.9x	20.2x	18.1x	5.8x	5.5x	5.1x
Diversified Real Estate Services										
		EV/EBITDA			P/E			EV/S		
Colliers International Group Inc.	6,285	11.5x	9.6x	8.5x	-13.8x	16.4x	14.8x	1.5x	1.4x	1.3x
Altus Group Limited	2,539	24.5x	24.0x	20.1x	36.2x	36.2x	38.2x	4.1x	4.1x	3.6x
CBRE Group, Inc. Class A	28,866	13.5x	9.3x	8.8x	15.3x	13.5x	12.9x	1.0x	0.9x	0.8x
Jones Lang LaSalle Incorporated	10,512	7.2x	7.1x	6.9x	9.8x	9.2x	8.6x	0.5x	0.5x	0.5x
Diversified Real Estate Services Average		14.2x	12.5x	11.1x	11.9x	18.8x	18.6x	1.8x	1.7x	1.5x
Software Focused IT Solutions/VARs										
		EV/EBITDA			P/E			EV/S*		
Softchoice Corporation* USD	1,011	41.4x	12.2x	10.0x	NEG	22.0x	16.8x	3.8x	3.1x	2.9x
Softcat Plc*	2,538	15.1x	15.4x	14.6x	20.2x	21.0x	20.7x	6.8x	6.5x	5.9x
Crayon Group Holding ASA*	11,210	>50	>50	>50	>50	>50	>50	>50	26.0x	22.0x
Bytes Technology Group Plc*	963	19.8x	16.0x	14.7x	39.2x	22.0x	21.3x	NA	NA	NA
SoftwareONE Holding Ltd.*	1,667	10.1x	6.9x	6.0x	16.3x	16.6x	13.7x	8.0x	1.7x	1.5x
Bytes Technology Group Plc* Average		21.6x	12.6x	11.3x	25.2x	20.4x	18.1x	6.2x	9.3x	8.1x
Business Services Average		15.0x	13.8x	12.4x	24.4x	19.1x	17.6x	4.1x	4.2x	3.8x

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

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

Exhibit 12: 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		
								C21E	C22E	C23E
Tier 1 SaaS (Rule of 40 > 60)										
Zoom Video Communications	29%	36%	11%	30%	65%	40%	19,624	7.4x	4.5x	4.5x
CrowdStrike Holdings, Inc.	64%	30%	46%	29%	94%	75%	43,946	50.3x	20.5x	20.5x
Shopify, Inc.	30%	1%	21%	-8%	31%	13%	35,630	7.7x	6.5x	6.5x
Zscaler, Inc.	61%	22%	41%	21%	83%	62%	22,962	34.1x	18.5x	18.5x
Lightspeed POS, Inc.	137%	-17%	37%	-8%	120%	28%	2,055	9.3x	2.9x	2.9x
DocuSign, Inc.	37%	24%	14%	16%	61%	30%	12,266	8.4x	5.0x	5.0x
Veeva Systems Inc	23%	38%	18%	38%	61%	55%	30,795	21.0x	14.4x	14.4x
Atlassian Corp. Plc	33%	29%	26%	23%	62%	49%	65,303	31.3x	20.4x	20.4x
Twilio, Inc.	57%	-4%	31%	-1%	53%	30%	9,279	3.3x	2.4x	2.4x
ServiceNow, Inc.	28%	31%	23%	30%	58%	53%	91,325	15.5x	12.5x	12.5x
HubSpot, Inc.	47%	17%	28%	13%	64%	41%	16,309	12.5x	9.6x	9.6x
Tier 1 SaaS (Rule of 40 > 60) Average								18.3x	10.7x	10.7x
	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
Tier 2 SaaS (Rule of 40 b/w 40-60)										
Docebo, Inc.	54%	-3%	40%	-4%	50%	36%	822	7.9x	5.7x	4.2x
Qualys, Inc.	15%	46%	18%	31%	61%	49%	5,639	13.7x	11.5x	11.5x
Descartes Systems	22%	39%	10%	36%	61%	46%	5,774	13.6x	12.1x	11.3x
Avalara Inc	38%	6%	22%	2%	44%	24%	7,587	10.9x	8.7x	8.7x
Five9, Inc.	34%	-4%	23%	7%	30%	30%	7,543	12.4x	9.6x	9.6x
Dropbox, Inc.	12%	34%	7%	34%	47%	41%	8,993	4.2x	3.9x	3.9x
Wix.com Ltd.	22%	1%	11%	1%	23%	13%	3,591	2.8x	2.6x	2.6x
Workday, Inc.	21%	26%	20%	18%	47%	38%	39,189	9.1x	6.4x	6.4x
VMware, Inc.	8%	28%	7%	26%	36%	33%	60,246	5.1x	4.5x	4.5x
Tier 2 SaaS (Rule of 40 b/w 40-60) Average								8.8x	7.2x	7.0x
	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
Tier 3 SaaS (Rule of 40 b/w 28-40)										
BlackLine, Inc.	21%	11%	24%	6%	32%	30%	4,150	9.7x	7.9x	7.9x
Zendesk, Inc.	30%	12%	23%	13%	42%	36%	9,627	7.2x	5.7x	5.7x
MongoDB, Inc.	52%	1%	31%	2%	53%	32%	22,475	38.1x	19.2x	19.2x
LivePerson, Inc.	24%	-18%	17%	-4%	6%	13%	961	2.0x	1.9x	1.9x
Rapid7 Inc.	32%	6%	26%	9%	38%	35%	4,387	8.2x	6.4x	6.4x
Paylocity Holding Corp.	32%	16%	24%	14%	48%	39%	13,589	21.4x	14.0x	14.0x
Q2 Holdings, Inc.	21%	3%	17%	2%	24%	19%	2,593	5.2x	4.5x	4.5x
Akamai Technologies, Inc.	7%	25%	6%	23%	32%	29%	16,645	4.8x	4.6x	4.6x
Tier 3 SaaS (Rule of 40 b/w 28-40) Average								12.1x	8.0x	8.0x
	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
Tier 4 SaaS (Rule of 40 <28)										
RingCentral, Inc.	33%	9%	21%	8%	42%	30%	5,369	3.4x	2.7x	2.7x
Teradata Corporation	2%	25%	-7%	21%	26%	14%	3,482	1.8x	1.9x	1.9x
Zuora, Inc.	15%	5%	16%	0%	21%	16%	1,000	3.3x	2.5x	2.5x
New Relic, Inc.	18%	-1%	17%	1%	17%	18%	4,009	6.0x	4.5x	4.5x
Kinaxis, Inc.	21%	5%	19%	9%	26%	28%	3,209	12.8x	8.9x	7.9x
Yext, Inc.	10%	1%	2%	-1%	11%	1%	411	1.2x	1.0x	1.0x
Splunk Inc.	24%	7%	23%	13%	30%	36%	19,449	8.7x	5.9x	5.9x
Tier 4 SaaS (Rule of 40 <28) Average								5.3x	3.9x	3.8x
SaaS Average								11.8x	7.8x	7.7x

Source: FactSet and CIBC World Markets Inc.

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