

EQUITY RESEARCH

July 27, 2023

Industry Update

**Q2/23 U.S. Software Earnings Recap – Bits & Bytes Weekly**

AI Tailwinds

**Our Conclusion**

Q2 results from the U.S. software companies we track have been solid, with roughly 70% of the software names beating revenue and EPS estimates. Earnings beats continue the trend seen in Q1, when software results outperformed lowered Street expectations. This quarter, revenue increased 8% Y/Y on average for the companies we track, while EBITDA increased ~14% Y/Y on average. Post Q2 results, the Street revised its F2023 revenue and EBITDA estimates upwards by an average of 1% and 2%, respectively.

**Key Points**

**Digital Advertising Market Is Strong:** Google saw growth in Search advertising revenue in Q2, while Meta’s advertising revenue was also strong, increasing 12% Y/Y. eBay reported that first-party advertising product revenue increased 47% Y/Y, and total advertising offerings increased to ~2% of gross merchandise volume. Netflix said it was too early to report a breakdown of revenue for the company’s new ad supported tier, however noted that it expects to see a boost in revenue in H2 as the full benefits of the company’s new ad-supported plan are realized.

**Continued Investments:** Google continues to invest in R&D, particularly in AI, with management reiterating the company’s commitment to driving deep computer science research and innovation. Microsoft is investing heavily in capex and expects spending to increase sequentially in each quarter through F2024 focused on datacentres, plus CPUs, GPUs and networking equipment. Meta has guided to FY23 capex of \$27B-\$30B, which is down from the previous \$30B-\$33B, with the company citing cost savings on non-AI servers and shifts in project expenditures to 2024.

**More AI Tailwinds To Come:** AI is here; however, the bottom-line impact of these technologies has yet to be fully seen. Microsoft’s 365 Copilot is expected to have a significant impact on productivity and is an area of substantial investment for Microsoft; however, the company noted that growth from AI services will be gradual as Azure AI scales and Copilot reaches general availability dates. Microsoft expects the impact from AI services to be weighted in H2/F24 and beyond. Google noted the company has received positive feedback on Bard, which is now available in most of the world, and the company attributed some of its growth in Search to the integration of GenAI. Google sees significant potential for AI in Ads over the next few years. SAP said it sees potential to double the company’s addressable market to \$1 trillion by 2028, with AI being a key contributor. At Meta, management noted that AI is driving results across its monetization tools through automated ad products, and expects AI agents to eventually be used to reduce labour costs in consumer interaction.

*All figures in U.S. unless otherwise stated.*

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**Sector:**  
Information Technology

## U.S. Software Earnings Recap

### Exhibit 1: U.S, FQ2/23 Software Results, July 21-26, 2023 Vs. Consensus

Company	Calendar Q2/23			Calendar Q2/22			Y/Y Change			Consensus			Surprise (%)		
	Revenue (\$M)	EBITDA (\$M)	EPS (\$)	Revenue (\$M)	EBITDA (\$M)	EPS (\$)	Revenue (%)	EBITDA (%)	EPS (%)	Revenues (\$M)	EBITDA (\$M)	EPS (\$)	Rev.	EBITDA	EPS
Microsoft	56,189	28,128	2.69	51,865	24,513	2.23	8%	15%	21%	55,485	↑ 27,747	↑ 2.55	↑ 1%	1%	5%
Google	74,604	31,009	1.44	69,685	28,134	1.21	7%	10%	19%	72,854	↑ 29,169	↑ 1.34	↑ 2%	6%	7%
Meta	31,999	16,197	2.98	28,822	13,688	2.46	11%	18%	21%	31,165	↑ 15,621	↑ 2.94	↑ 3%	4%	1%
eBay	2,540	779	1.03	2,422	807	0.99	5%	-3%	4%	2,508	↑ 772	↑ 0.99	↑ 1%	1%	4%
Netflix	8,187	1,995	3.29	7,970	1,812	3.20	3%	10%	3%	8,287	↓ 1,789	↑ 2.88	↑ -1%	11%	14%
ServiceNow	2,150	680	2.37	1,752	504	1.62	23%	35%	46%	2,130	↑ 615	↑ 2.05	↑ 1%	11%	16%
SAP SE (€)	7,554	2,312	1.07	7,517	1,993	0.96	0%	16%	11%	7,610	↓ 2,258	↑ 1.15	↓ -1%	2%	-7%
							8%	14%	18%				1%	5%	6%

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

**Microsoft (MSFT):** Revenue was reported at \$56.2B (+8% Y/Y, +10% in constant currency), ahead of the company's guidance of \$55.35B-\$55.49B. and consensus of \$55.5B. EPS were reported at \$2.69 vs. consensus of \$2.55. Microsoft Cloud revenue increased 21% Y/Y, despite concerns over slowing cloud growth amid an uncertain macro and weaker spending environment. Microsoft Azure growth was reported at 26% Y/Y, relatively in line with management's guidance of 26%-27%.

**Google (GOOG):** Google reported revenue of \$74.6B, up 7% Y/Y and above consensus expectations of \$72.9B. EPS were reported at \$1.44 for a Y/Y increase of 19% vs. consensus of \$1.34. YouTube revenue beat consensus at \$7.67B vs. the Street at \$7.43B, and Google Cloud revenue also came in above at \$8.03B vs. the Street at \$7.87B, increasing ~28% Y/Y, showing signs of stabilization after two consecutive quarters of Y/Y deceleration.

**Meta (META):** Revenue was reported at \$32.0B, representing an increase of +11% Y/Y and coming in ahead of consensus expectations of \$31.2B. EPS were reported at \$2.98 vs. the Street at \$2.94. Advertising revenue for Q2/23 totalled \$31.5B, a 12% increase Y/Y. Meta also provided guidance for the third quarter, with revenue expectations of \$32B-\$34.5B, ~7% ahead of consensus expectations. Capex guidance was lowered from \$31B-\$33B to \$27B-\$30B based on cost savings, as well as the deferral of some expenditures into F2024.

**eBay (EBAY):** eBay reported second quarter revenue of \$2.5B and EPS of \$1.03, vs. consensus of \$2.5B and \$0.99/sh, respectively. Second-quarter revenue increased 5% Y/Y and total advertising offerings generated \$367MM In revenue for the first quarter, representing ~2.0% of the company's GMV, up from 1.7% in the previous quarter. Revenue guidance of \$2.46B-\$2.52B for Q3 was slightly above consensus of \$2.47B.

**Netflix (NFLX):** Netflix reported EPS of \$3.29, ahead of consensus of \$2.88; however, the company reported a miss on revenue, reported at \$8.19B, vs. the Street at \$8.29B. Netflix added 5.9 million subscribers in the quarter after cracking down on password sharing in the U.S., well ahead of consensus expectations of 2.2 million. However, the miss on revenue saw Netflix shares fall 9% in after hours trading, indicating that investor focus has shifted away from subscriber growth and is focused on Netflix's bottom line. Revenue guidance for the third quarter was also weaker than expected, at \$8.5B, vs. analyst expectations of \$8.64B.

**ServiceNow (NOW):** ServiceNow reported Q2/23 EPS of \$2.37, ahead of consensus of \$2.05, while revenue of \$2.15B came in above Street expectations of \$2.13B. Subscription revenue of \$2.08B increased 25% and came in above guidance, and NOW raised its subscription revenue outlook for 2023 to \$8.58B-\$8.6B, representing 24.5%-25% Y/Y growth. Subscription revenue guidance for Q3 of \$2.185B-\$2.195B was also above consensus.

**SAP SE (SAP):** SAP reported revenue of €7.55B vs. Street expectations of €7.61B, with Q2 cloud revenue of €3.32B falling short of Street expectations of €3.42B. Cloud growth slowdown was driven by the Fieldglass workforce side. The company updated its 2023 revenue and operating profit outlook and now expects cloud revenue of €14B-€14.2B vs. prior guidance of €14B-€14.4B.

## News Impacting Our Coverage

**Research Highlight: [CGI Inc. – A Shift Towards Managed Services:](#)** CGI's stock was down ~5% despite what we viewed as solid FQ3 results. We believe that the stock was down due to concerns around longer sales cycles. We see the longer sales cycles as indicative of a client preference for ROI driven work, leading to greater demand for larger managed services contracts versus shorter-duration consulting engagements. We believe that the overall demand environment remains solid, with CGI seeing a strong book-to-bill in FQ3 (1.21x), but expect that the higher proportion of managed services bookings will take slightly longer to convert to revenue. Overall, we see CGI's focus on ROI-driven work and AI as a differentiator which we expect to benefit the company longer term.

**Research Highlight: [Dialogue Health To Be Acquired By Sun Life For \\$5.15/Share:](#)** Sun Life and Dialogue Health announced that Sun Life will acquire Dialogue for \$5.15 per share for a total equity value of \$365 million. The \$5.15/share price represents a 43.1% premium to the most recent closing price, and a 59.4% premium to the 20-day VWAP. Prior to the acquisition Sun Life owned 23% of Dialogue shares outstanding and we had viewed Sun Life as the most logical acquirer of Dialogue in the event it was taken over. The transaction is an all-cash offer that is not subject to any financing conditions and is expected to close in Q4/2023. With ~53% of votes already secured in favour of the deal from Sun Life, Dialogue management, White Star Capital and Portag3 Capital, we expect the transaction to close without issue despite requiring a majority of minority shareholders to approve the deal. Given the premium to Dialogue's pre-deal share price and our \$4 price target, we recommend tendering shares at the \$5.15 offer price.

**Research Highlight: [Dye & Durham Announces Substantial Issuer Bid To Repurchase Up To \\$52 Million In Convertible Debentures:](#)** Dye & Durham announced that its board approved a substantial issuer bid under which the company will offer to repurchase up to \$52 million of the issued and outstanding 3.75% convertible debentures due March 1, 2026 with cash on hand. The buyback offer is being made between \$500 - \$650 per \$1,000 of face value of the debenture, and DND will spend a maximum of \$26 million on the offering. DND will fund the repurchase with cash on hand and the reduction in convertible debt will be in addition to the reduction in senior debt announced with the proceeds from the sale of TM Group. DND finished FQ3 with net debt to LTM adjusted EBITDA of 4.9x, although after the TM Group sale we expect leverage to decline by ~0.3x. While the repurchase of \$52 million in convertible debentures will only save DND ~\$2 million in annual interest payments, allocating capital towards debt repayment should be taken as a positive, in our view, given the pressure declining LTM EBITDA has put on the leverage ratio in recent quarters.

### **CGI To Invest \$1 Billion On Expansion Of AI Capabilities**

CGI announced a planned investment of \$1 billion over the next three years to support the continued expansion of its AI services and solutions. The plans include expansion of the company's AI-related consulting services, responsible and ethical-use delivery platforms and accelerators, intellectual property AI-enablement, global employee hiring and training and operational excellence efficiencies. CGI is also accelerating its investments in CGI PulseAI, a conversational AI and decision engine platform. The platform is already in use in CGI's own operations and is built to integrate seamlessly with any third-party tooling. PulseAI already includes over 35 AI models that are pre-trained to deliver results with an over 90% accuracy rate.

### **Open Text Announces The Release Of OpenText Cloud Editions 23.3**

Open Text announced the release of its latest OpenText Cloud Editions 23.3, which "harnesses advanced technologies and innovations that seamlessly integrate Artificial Intelligence and analytics capabilities across the portfolio". CE 23.3 marks the commencement of the Titanium X journey – the next phase in the company's ambitious two-

year roadmap to deliver AI-led, security-enabled and sustainability-focused innovations every 90 days. One of the main innovations is the next generation of OpenText Vertica which helps businesses through new data lake house integration with Apache Iceberg. This enables businesses to access and analyze their data quickly and effortlessly across unlimited amounts of both structured and unstructured data – and without any limitations.

## Exhibit 2: CIBC Coverage – Price Returns, For The Period Ending July 27, 2023

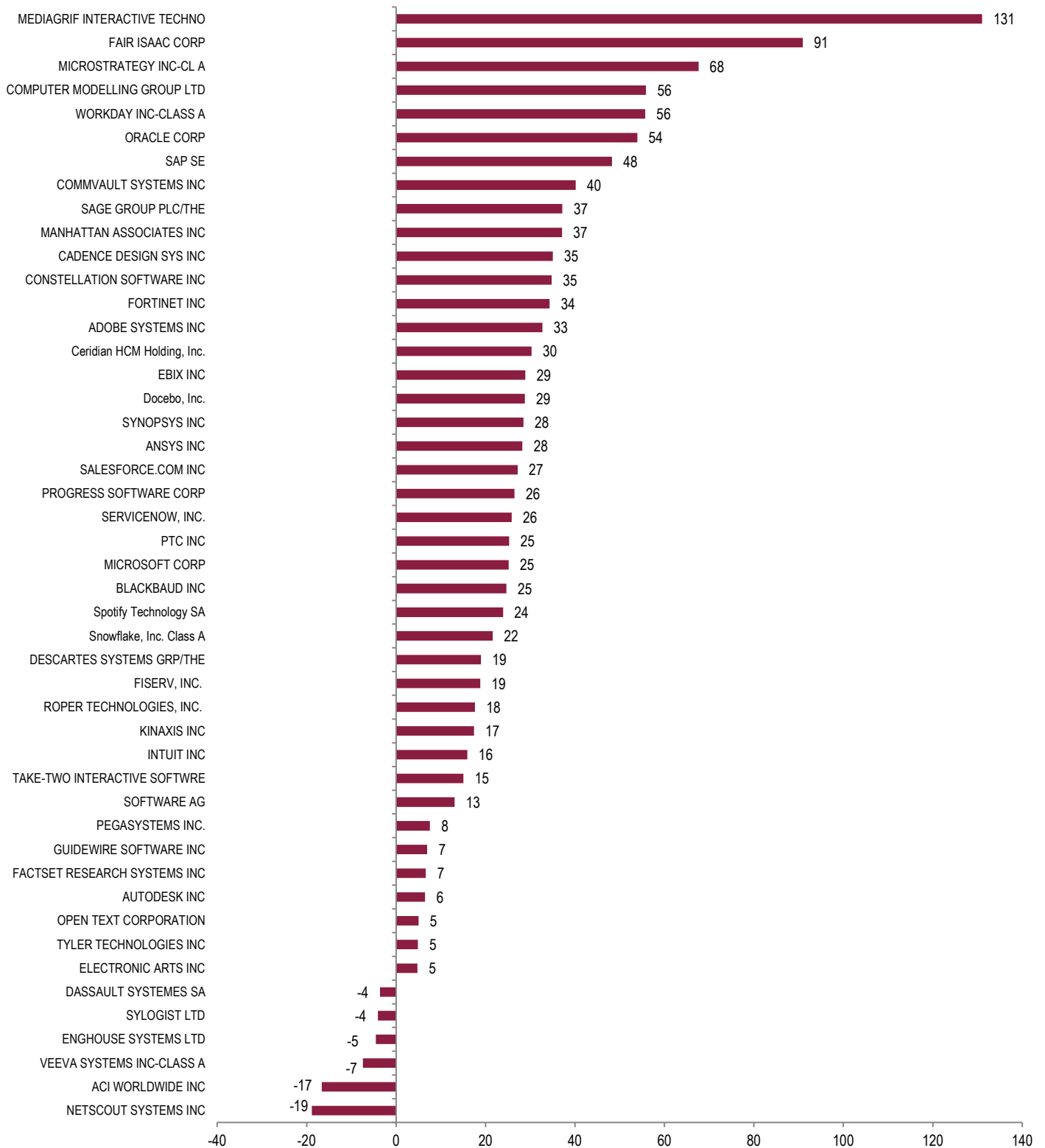
Software & Systems	Price	1 Week	1 Month	3 Month	6 Month	1 Year	YTD	52W High	52W Low
Constellation Software Inc	2,765.00	(1.2)	2.9	4.2	19.8	34.8	33.5	2829.34	1747.83
Descartes Systems	77.74	(3.4)	1.0	(2.7)	7.7	15.8	11.6	82.02	61.26
Enghouse Systems Limited	30.30	(4.3)	(4.8)	(17.7)	(22.9)	(4.6)	(15.8)	44.59	27.30
Open Text Corp	42.16	(0.1)	3.9	11.4	24.1	5.0	42.2	43.25	24.91
Kinaxis	177.02	(4.1)	(0.2)	(3.7)	18.6	17.4	16.5	191.80	124.90
Docebo, Inc.	50.26	(0.1)	0.2	(1.2)	2.5	28.8	12.3	55.72	31.66
Dye & Durham	19.38	(7.6)	7.2	34.4	(11.2)	8.9	18.1	23.14	11.62
Altus Group	43.52	(0.2)	0.8	(17.8)	(22.3)	(14.7)	(19.5)	61.60	40.00
Q4 Inc.	4.00	2.6	23.5	6.7	73.2	NA	24.6	4.90	1.88
<b>Average</b>		<b>(2.1)</b>	<b>3.8</b>	<b>1.5</b>	<b>9.9</b>	<b>11.4</b>	<b>13.7</b>		

Business Services	Price	1 Week	1 Month	3 Month	6 Month	1 Year	YTD	52W High	52W Low
CGI Group Inc	130.83	(6.2)	(3.8)	(5.0)	15.8	19.8	12.1	142.31	100.74
Converge Technologies	3.17	(3.8)	3.4	(3.2)	(45.0)	(42.6)	(31.0)	7.51	2.59
Information Services Corp	26.32	1.6	23.5	18.3	14.4	33.5	8.9	26.98	19.70
Softchoice Corporation	16.00	(6.6)	(5.2)	(3.1)	(11.4)	(31.2)	(12.4)	25.56	13.57
Telus International	12.69	(6.0)	(34.9)	(53.3)	(59.3)	(64.2)	(52.5)	40.55	12.73
<b>Average</b>		<b>(5.6)</b>	<b>(10.1)</b>	<b>(16.1)</b>	<b>(24.9)</b>	<b>(29.5)</b>	<b>(21.0)</b>		

Indices	Price	1 Week	1 Month	3 Month	6 Month	1 Year	YTD
S&P/TSX Composite Index	20,562.11	0.6	4.2	0.2	(0.7)	6.8	6.1
S&P 500 Index	4,586.71	1.1	4.8	10.9	12.7	14.0	19.5
S&P/TSX Software Index	189.42	(1.2)	2.1	11.3	19.5	37.8	38.9
S&P500 Software Index	5,754.53	(2.0)	1.9	13.6	32.0	25.7	40.5

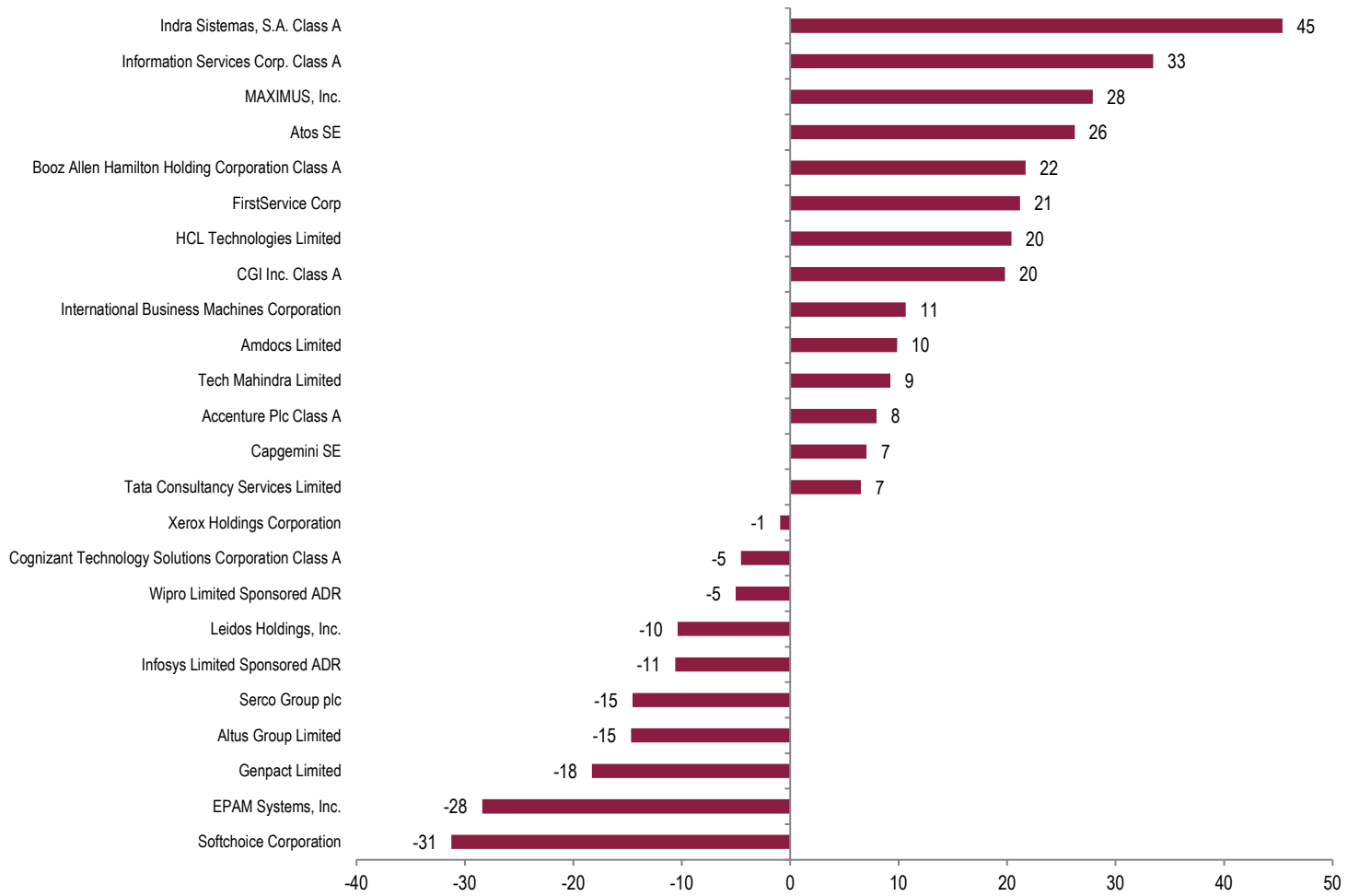
Source: Company reports, FactSet and CIBC World Markets Inc.

**Exhibit 3: Software Stocks – Return Performance (%), 7/27/2022–7/27/2023**



Source: Company reports and CIBC World Markets Inc.

**Exhibit 4: Business Services Stocks – Return Performance (%), 7/27/2022–7/27/2023**



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

## Exhibit 5: Software Stocks – Comp Table, 2022–2024E

	Enterprise Value (\$mlns.)	EV/S			EV/EBITDA			P/E		
		C22	C23E	C24E	C22	C23E	C24E	C22	C23E	C24E
<b>Enterprise Application Software</b>										
Constellation Software Inc.*	46,097	7.0x	5.9x	5.2x	27.1x	22.9x	20.4x	36.7x	33.8x	29.6x
BlackBerry Limited*	2,743	4.1x	2.4x	2.6x	NEG	>50	>50	NEG	NEG	NEG
Sage Group plc	10,399	5.2x	4.7x	4.3x	22.7x	19.7x	17.7x	35.0x	29.4x	26.2x
Tyler Technologies, Inc.	17,293	9.3x	8.8x	8.1x	36.4x	36.0x	32.3x	>50	>50	45.4x
Roper Technologies, Inc.	58,553	10.9x	9.6x	9.1x	26.7x	23.7x	22.2x	34.5x	29.9x	27.6x
Enghouse Systems Limited	1,457	3.4x	3.37x	3.32x	10.6x	10.8x	10.00x	15.3x	23.7x	21.01x
Oracle Corporation	402,184	8.6x	7.7x	7.1x	17.3x	15.3x	13.7x	23.2x	21.6x	19.4x
SAP SE	154,861	4.6x	5.0x	4.6x	19.6x	17.3x	15.0x	30.2x	24.0x	20.1x
<b>Enterprise Application Software Average</b>		<b>6.6x</b>	<b>5.9x</b>	<b>5.5x</b>	<b>22.9x</b>	<b>20.8x</b>	<b>18.8x</b>	<b>29.2x</b>	<b>27.1x</b>	<b>27.0x</b>
<b>Extended ERP</b>										
Adobe Incorporated	236,077	13.3x	12.1x	10.8x	27.1x	24.7x	22.6x	37.5x	32.8x	28.9x
Open Text Corporation	19,459	5.5x	3.5x	3.2x	15.7x	11.2x	8.3x	13.4x	16.4x	7.8x
Manhattan Associates, Inc.	11,482	15.0x	12.9x	11.5x	>50	47.1x	41.2x	>50	>50	>50
Pegasystems Inc.	4,631	3.5x	3.4x	3.1x	>50	27.0x	17.7x	>50	37.1x	23.9x
Software AG	2,541	2.7x	2.5x	2.4x	14.3x	14.5x	12.3x	34.5x	22.6x	18.5x
Fiserv, Inc.	97,889	5.8x	5.4x	5.0x	13.6x	12.2x	11.3x	19.1x	16.7x	14.6x
<b>Extended ERP Average</b>		<b>7.6x</b>	<b>6.6x</b>	<b>6.0x</b>	<b>17.6x</b>	<b>22.8x</b>	<b>18.9x</b>	<b>26.1x</b>	<b>25.1x</b>	<b>18.7x</b>
<b>Software As A Service</b>										
Descartes Systems Group Inc.	6,439	13.2x	11.4x	10.4x	30.0x	26.3x	23.0x	>50	>50	49.7x
Kinaxis, Inc.*	3,569	9.7x	8.2x	6.9x	44.9x	>50	42.5x	>50	>50	>50
Docebo, Inc.*	1,042	7.3x	5.8x	4.4x	>50	>50	34.1x	>50	>50	>50
Lightspeed Commerce Inc*	1,823	2.7x	2.1x	1.7x	NEG	NEG	48.4x	NEG	>50	>50
Veeva Systems Inc Class A	29,271	13.7x	12.5x	10.5x	35.6x	35.2x	28.3x	47.6x	44.3x	37.3x
Shopify, Inc. Class A	81,049	14.5x	12.0x	10.2x	>50	>50	>50	>50	>50	>50
Q4 Inc*	98	1.8x	1.8x	1.6x	NEG	NEG	NEG	NEG	NEG	NEG
Ceridian HCM Holding, Inc.	11,728	9.4x	7.9x	6.8x	46.8x	31.4x	25.3x	>50	>50	44.7x
ServiceNow, Inc.	112,923	15.6x	12.7x	10.4x	49.4x	40.5x	32.2x	>50	>50	46.3x
Workday, Inc. Class A	58,147	9.5x	8.2x	7.0x	37.0x	30.5x	25.0x	>50	45.1x	37.2x
<b>Software As A Service Average</b>		<b>9.7x</b>	<b>8.3x</b>	<b>7.0x</b>	<b>40.6x</b>	<b>32.8x</b>	<b>32.4x</b>	<b>&gt;50</b>	<b>&gt;50</b>	<b>&gt;50</b>
<b>Infrastructure Vendors</b>										
Microsoft Corporation	2,449,034	11.9x	10.9x	9.7x	24.1x	21.9x	19.1x	35.4x	32.3x	28.2x
<b>Infrastructure Vendors Average</b>		<b>11.9x</b>	<b>10.9x</b>	<b>9.7x</b>	<b>24.1x</b>	<b>21.9x</b>	<b>19.1x</b>	<b>35.4x</b>	<b>32.3x</b>	<b>28.2x</b>
<b>Software Average</b>		<b>8.3x</b>	<b>7.2x</b>	<b>6.4x</b>	<b>27.7x</b>	<b>24.6x</b>	<b>23.8x</b>	<b>30.2x</b>	<b>29.3x</b>	<b>29.3x</b>

\*Share Price Converted to USD

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



## Exhibit 6: Business Services Stocks – Comp Table, 2022–2024E

	Enterprise Value (\$mlns.)	EV/EBITDA			P/E			EV/S		
		C22	C23E	C24E	C22	C23E	C24E	C22	C23E	C24E
<b>Business &amp; IT Services</b>										
<b>CGI Inc. Class A</b>	<b>33,102</b>	<b>12.7x</b>	<b>11.6x</b>	<b>10.8x</b>	<b>20.9x</b>	<b>17.9x</b>	<b>17.0x</b>	<b>2.5x</b>	<b>2.2x</b>	<b>2.2x</b>
<b>TELUS International (CDA), Inc.</b>	<b>4,401</b>	<b>7.3x</b>	<b>6.2x</b>	<b>5.4x</b>	<b>7.8x</b>	<b>7.7x</b>	<b>6.4x</b>	<b>1.8x</b>	<b>1.5x</b>	<b>1.3x</b>
Accenture Plc Class A	208,796	18.1x	17.3x	16.1x	29.2x	27.0x	25.0x	3.3x	3.2x	3.0x
Booz Allen Hamilton	17,655	17.8x	16.4x	15.3x	25.6x	23.7x	21.3x	2.0x	1.8x	1.7x
CACI International Inc Class A	9,870	14.5x	13.4x	12.6x	19.0x	18.0x	16.3x	1.5x	1.4x	1.4x
DXC Technology Co.	9,531	4.0x	4.2x	4.1x	8.2x	7.6x	6.6x	0.6x	0.7x	0.7x
Genpact Limited	8,049	10.2x	9.7x	8.6x	13.9x	12.9x	11.5x	1.8x	1.7x	1.6x
International Business Machines	175,346	11.1x	11.9x	11.3x	15.7x	14.9x	14.2x	2.9x	2.8x	2.7x
Atos SE	3,389	3.9x	3.1x	2.8x	NEG	5.9x	4.8x	0.3x	0.3x	0.3x
Capgemini SE	36,528	10.4x	10.0x	9.3x	15.6x	16.0x	14.5x	1.7x	1.6x	1.5x
Sopra Steria Group SA	5,503	9.2x	8.0x	7.2x	15.2x	12.3x	10.6x	1.1x	1.0x	0.9x
<b>Converge Technology Solutions Corp</b>	<b>978</b>	<b>6.8x</b>	<b>5.8x</b>	<b>5.4x</b>	<b>29.9x</b>	<b>49.8x</b>	<b>34.4x</b>	<b>0.5x</b>	<b>0.4x</b>	<b>0.4x</b>
<b>Business &amp; IT Services Average</b>		<b>10.8x</b>	<b>10.2x</b>	<b>9.4x</b>	<b>17.1x</b>	<b>14.9x</b>	<b>13.5x</b>	<b>1.8x</b>	<b>1.7x</b>	<b>1.6x</b>
<b>HR Outsourcing</b>										
Ceridian HCM Holding, Inc.	11,728	46.8x	31.4x	25.3x	>50	>50	44.7x	9.4x	7.9x	6.8x
Willis Towers Watson	26,823	11.3x	11.2x	10.1x	15.9x	14.8x	12.6x	3.0x	2.9x	2.7x
Aon Plc Class A	79,672	20.0x	18.4x	17.1x	25.3x	23.6x	21.0x	6.4x	6.0x	5.7x
Automatic Data Processing, Inc.	105,449	22.8x	20.3x	18.5x	33.1x	29.2x	26.5x	6.1x	5.7x	5.3x
Paychex, Inc.	45,416	21.2x	19.6x	18.2x	31.5x	28.4x	26.3x	9.4x	8.8x	8.2x
<b>HR Outsourcing Average</b>		<b>24.4x</b>	<b>20.2x</b>	<b>17.9x</b>	<b>26.4x</b>	<b>24.0x</b>	<b>26.2x</b>	<b>6.9x</b>	<b>6.2x</b>	<b>5.8x</b>
<b>Information Services</b>										
Broadridge Financial Solutions, Inc.	23,950	18.3x	16.9x	15.8x	25.5x	23.6x	21.5x	4.1x	3.8x	3.6x
<b>Dye &amp; Durham Ltd.</b>	<b>2,322</b>	<b>14.6x</b>	<b>13.2x</b>	<b>12.1x</b>	<b>&gt;50</b>	<b>NEG</b>	<b>NEG</b>	<b>4.8x</b>	<b>5.1x</b>	<b>4.8x</b>
Deluxe Corporation	2,176	5.2x	5.4x	5.3x	4.6x	6.0x	5.6x	1.0x	1.0x	1.0x
<b>Information Services Corp</b>	<b>506</b>	<b>7.9x</b>	<b>7.7x</b>	<b>7.4x</b>	<b>13.1x</b>	<b>12.6x</b>	<b>11.7x</b>	<b>2.7x</b>	<b>2.5x</b>	<b>2.4x</b>
<b>Information Services Average</b>		<b>11.5x</b>	<b>10.8x</b>	<b>10.1x</b>	<b>14.4x</b>	<b>14.1x</b>	<b>12.9x</b>	<b>3.1x</b>	<b>3.1x</b>	<b>2.9x</b>
<b>Financial Services Technology</b>										
Fidelity National Information Services	54,585	8.8x	9.0x	8.5x	9.2x	10.3x	9.4x	3.8x	3.8x	3.6x
Fiserv, Inc.	97,889	13.6x	12.2x	11.3x	19.1x	16.7x	14.6x	5.8x	5.4x	5.0x
Jack Henry & Associates, Inc.	12,427	19.7x	18.2x	16.8x	34.3x	33.0x	29.8x	6.2x	5.9x	5.5x
ACI Worldwide, Inc.	3,553	9.5x	9.2x	8.6x	18.8x	24.5x	16.0x	2.5x	2.5x	2.3x
Temenos AG	6,305	17.2x	16.3x	14.6x	26.2x	24.2x	21.2x	6.6x	6.4x	5.8x
Global Payments Inc.	41,529	10.6x	9.6x	8.9x	11.9x	10.7x	9.3x	5.1x	4.8x	4.5x
<b>Financial Services Technology Average</b>		<b>13.2x</b>	<b>12.4x</b>	<b>11.4x</b>	<b>19.9x</b>	<b>19.9x</b>	<b>16.7x</b>	<b>5.0x</b>	<b>4.8x</b>	<b>4.5x</b>
<b>Diversified Real Estate Services</b>										
Colliers International Group Inc.	6,363	10.1x	9.6x	8.7x	14.8x	15.3x	13.3x	1.4x	1.4x	1.3x
<b>Altus Group Limited</b>	<b>2,140</b>	<b>15.8x</b>	<b>16.0x</b>	<b>12.9x</b>	<b>22.9x</b>	<b>26.8x</b>	<b>23.9x</b>	<b>2.9x</b>	<b>2.8x</b>	<b>2.5x</b>
CBRE Group, Inc. Class A	28,450	9.7x	11.2x	9.9x	14.9x	18.2x	14.7x	0.9x	0.9x	0.8x
Jones Lang LaSalle Incorporated	10,409	8.3x	10.2x	8.2x	10.6x	14.0x	10.2x	0.5x	0.5x	0.4x
<b>Diversified Real Estate Services Average</b>		<b>11.0x</b>	<b>11.8x</b>	<b>9.9x</b>	<b>15.8x</b>	<b>18.6x</b>	<b>15.5x</b>	<b>1.4x</b>	<b>1.4x</b>	<b>1.3x</b>
<b>Software Focused IT Solutions/VARs</b>										
<b>Softchoice Corporation* USD</b>	<b>805</b>	<b>9.9x</b>	<b>9.4x</b>	<b>8.4x</b>	<b>15.1x</b>	<b>15.3x</b>	<b>13.2x</b>	<b>2.6x</b>	<b>2.4x</b>	<b>2.3x</b>
Softcat Plc*	2,970	17.1x	15.0x	13.6x	22.9x	21.0x	19.7x	7.1x	5.9x	5.4x
Crayon Group Holding ASA*	11,453	>50	>50	>50	>50	>50	>50	25.9x	20.9x	18.0x
Bytes Technology Group Plc*	1,160	16.9x	14.5x	12.7x	22.6x	20.3x	18.1x	NA	NA	NA
<b>Software Focused IT Solutions/VARs Average</b>		<b>14.6x</b>	<b>13.0x</b>	<b>11.6x</b>	<b>20.2x</b>	<b>18.9x</b>	<b>17.0x</b>	<b>11.8x</b>	<b>9.7x</b>	<b>8.5x</b>
<b>Business Services Average</b>		<b>13.8x</b>	<b>12.6x</b>	<b>11.4x</b>	<b>18.8x</b>	<b>17.8x</b>	<b>16.6x</b>	<b>4.2x</b>	<b>3.8x</b>	<b>3.5x</b>

\*Share Price Converted to USD

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

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

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