

EQUITY RESEARCH

March 31, 2022

Industry Update

Valuation, Options & Talent – Bits & Bytes Weekly

Tech Valuation Re-rate & Implication For Talent Retention

Our Conclusion

With the TSX Software Index down almost 20% YTD, public tech company valuations have seen a significant reset. That reset has yet to impact many private tech companies, especially those that raised money at the ebullient valuations of 2021. However, we are starting to see signs of a private tech market re-rate, with Instacart voluntarily reducing its valuation by almost 40% this week. The timing was interesting given that the valuation reduction was based on a third-party valuation and was not part of a funding round. We expect the move was driven by a desire to retain/attract staff in a tight labour market, and an acknowledgement of the public market returns of comparables such as Uber and DoorDash. We expect other private tech companies to begin to follow Instacart's lead as concerns around talent retention, coupled with weaker public tech markets, continue.

Key Points

In an unusual move, Instacart lowered its own valuation by almost 40% this week, from its last private funding valuation of US\$39B in 2021 to US\$24B. In a tight labour market, we expect the move was driven by a desire to attract and retain employees, with lower valuations translating into more upside for employee stock options. Instacart has several prominent public market comparables (Uber, DoorDash) and employees could easily benchmark valuations off these public market peers.

We believe that Unicorn tech employers are also feeling an impact from the cooling IPO market, with employees seeing less of an exit opportunity for private company shares. Given public market turbulence, IPO activity in Q1/22 was the lowest in six years. According to IPOscoop, there were 18 companies that priced IPOs YTD in the U.S., raising US\$2.1B, versus 365 in Q1/21, raising US\$128.9B (according to FactSet). Private tech employees are also eyeing the success of recent IPOs, with only one-quarter of 2021 IPOs currently trading above the offer price.

We expect that Instacart's valuation re-rate may be the beginning of a private company trend. Secondary market platforms such as EquityZen, which facilitate trading between investors and private company employees, note that private company shareholders are now selling shares at lower prices than in 2021. In some circumstances, private companies' shares are trading at a 10%-30% discount compared to Q4/21.

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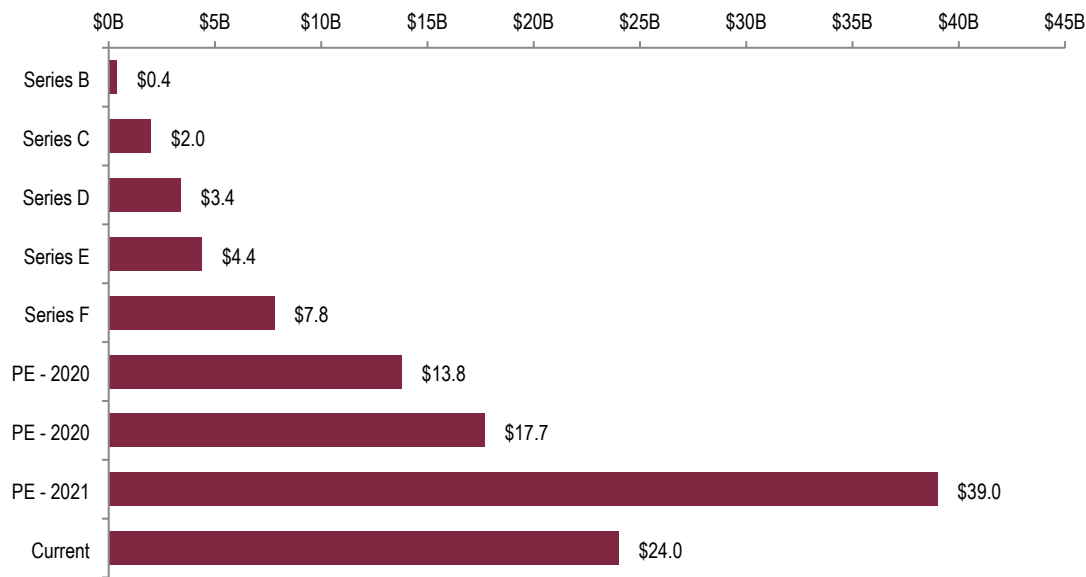
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Sector:
Information Technology

Instacart Revaluation, Lower

Instacart raised US\$265MM from Andreessen Horowitz and Sequoia Capital in March 2021, vaulting its valuation to US\$39B. While the company and its competitors such as DoorDash and Uber Eats enjoyed tailwinds in the delivery business throughout the pandemic, increased competition and large cash burn in the space suggest valuations may be too lofty. DoorDash traded at a peak of 14x EV/FY2 Sales in November 2021 and is now trading at 4.8x and Uber’s valuation has been slashed from 4.1x at its peak in October 2021 to 2.0x today.

Exhibit 1: Software & Services – Instacart Valuation, 2014 - 2022 (US\$B)



Source: Crunchbase and CIBC World Markets Inc.

News Impacting Our Coverage

Research Highlight – DNTL: Controlling The Controllable

dentalcorp reported a fourth quarter that showed continued progress on key initiatives, but also underscored the short-term pressures that COVID-19 continues to have on the business. Headline numbers were in line with the January pre-release and the acquisition program remains on track with larger acquisitions in the quarter, putting some upward pressure on multiples. While COVID-19-related pressures in the first six weeks of Q1 will impact same-practice sales growth, the M&A program should continue to drive 20%+ revenue growth. [Link to note](#)

Research Highlight – WELL: Q4/21 First Look: Slightly Above Consensus, Outlook Solid

WELL reported a solid Q4/21, with revenue 2% above and EBITDA 10% above consensus. The run-rate revenue figure of \$460MM exceeds the pre-released \$450MM while run-rate EBITDA is over \$100MM, driven by organic growth and acquisitions. The company provided its 2022 outlook, with revenue expected to exceed \$500MM, slightly above consensus of \$489MM. WELL continues to observe strong virtual care services growth in the U.S., including the recently acquired Circle Medical and Wisp. Despite the Omicron wave in Q4, results remained resilient given the hybrid care model. We will be looking for more details on the organic growth as well as the operating EBITDA margin outlook for 2022 on the earnings call. [Link to note](#)

Converge Technology To Acquire Interdynamix Systems

Converge has reached definitive agreements to acquire Alberta-based Interdynamix (IDX), a systems integrator focused on business, engineering, and innovation. The company is an equal-part solution engineering and consulting business with over 50 professionals. The transaction is expected to close in Q2/22. Converge is paying \$32.3M on a 5x LTM adjusted EBITDA valuation multiple. The company expects the acquisition to be accretive post closing.

Dye & Durham Extends Agreement With Government Of Ontario To Provide Electronic Business Registry Services

Dye & Durham announced that it has reached an agreement with the government of Ontario to extend the current arrangement as an authorized service provider of Ontario business Registry search, registration and filings services. DND has been an authorized service provider working with the Ontario Ministry of Government and Consumer Services for 25 years, providing front-end electronic registry solutions.

Converge Technology Appoints Richard Lecoutre To CFO

Converge announced the appointment of Richard Lecoutre as Chief Financial Officer, and he will be joining CTS in the second half of Q3/22. Mr. Lecoutre is currently the Finance Director at Softcat PLC and served the company during its 2015 IPO. He previously held senior finance roles at Volex and Genus plc.

Dye & Durham Announces Strategic Relationship With Diamond And Diamond

Dye & Durham announced its strategic partnership with Toronto-based law firm Diamond and Diamond. DND will support Diamond and Diamond in building its real estate practice through its Unity real estate software platform. The firm has more than 20 offices across ON, AB, and BC.

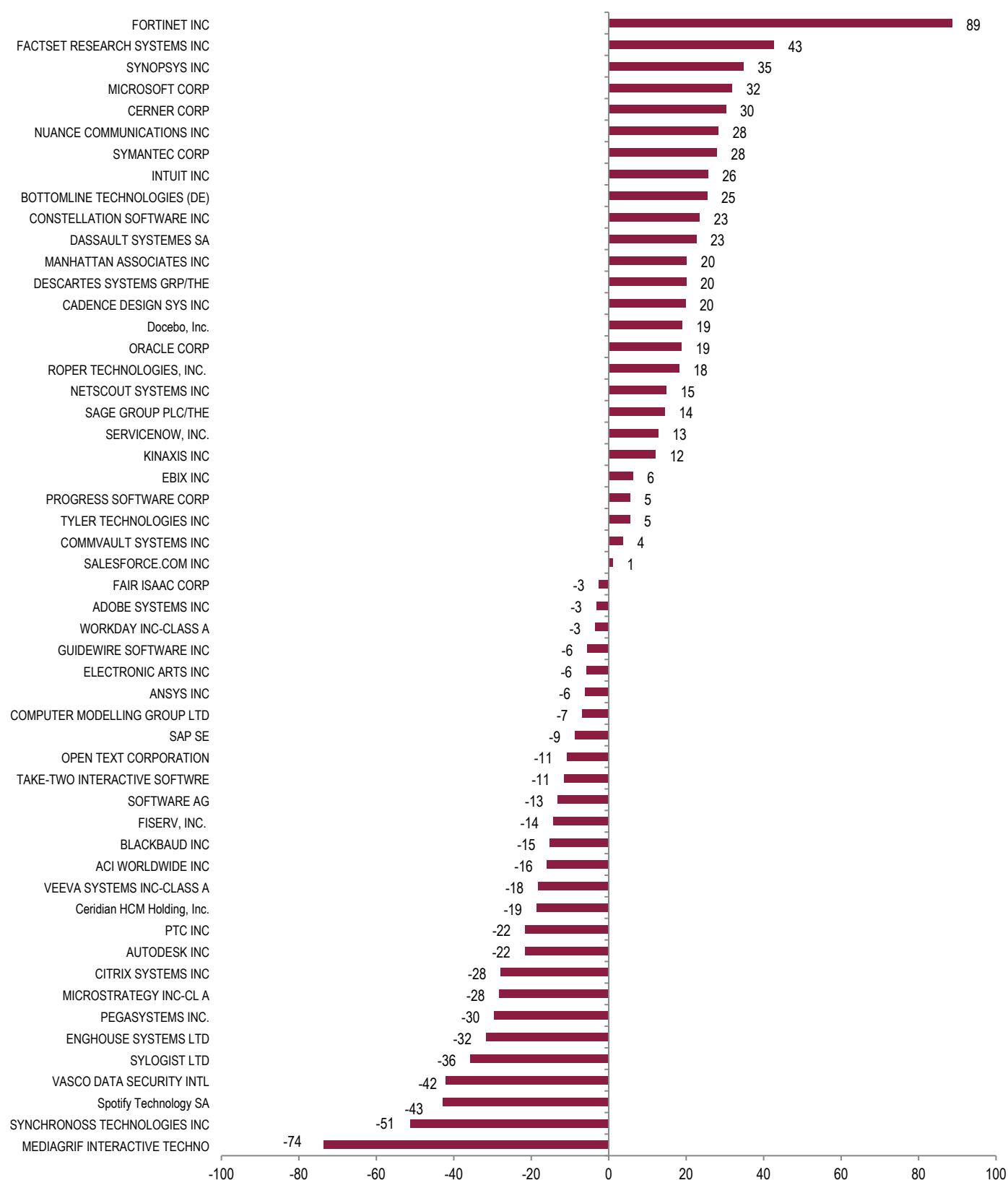
Exhibit 2: CIBC Software/Services – Coverage Performance, 3/24/2021 - 3/31/2022

Software & Systems	Price	1 Week	1 Month	3 Month	6 Month	1 Year	YTD	52W High	52W Low
Constellation Software Inc	2,167.00	2.0	1.4	(7.7)	4.4	23.5	(7.7)	2385.80	1677.44
Descartes Systems	73.62	(2.5)	3.3	(11.0)	(9.4)	20.9	(11.0)	91.39	56.78
Dye & Durham	25.56	(11.6)	(12.7)	(43.0)	(37.9)	NA	(43.0)	50.49	25.65
Enghouse Systems Limited	39.82	1.0	(3.8)	(17.8)	(28.3)	(31.7)	(17.8)	64.42	34.21
Open Text Corp	42.56	0.5	(2.2)	(10.4)	(12.7)	(10.8)	(10.4)	55.25	40.59
Kinaxis	164.34	(1.2)	13.1	(7.3)	(10.1)	12.1	(7.3)	229.98	130.88
Docebo, Inc.	64.23	2.4	(3.6)	(24.3)	(30.6)	18.9	(24.3)	117.55	49.11
Magnet Forensics	27.58	(5.5)	2.4	(16.1)	(35.2)	NA	(16.1)	65.80	20.92
Q4 Inc.	4.80	(6.6)	2.8	NA	NA	NA	NA	12.05	4.40
Average		(2.4)	0.1	(17.2)	(20.0)	5.5	(17.2)		

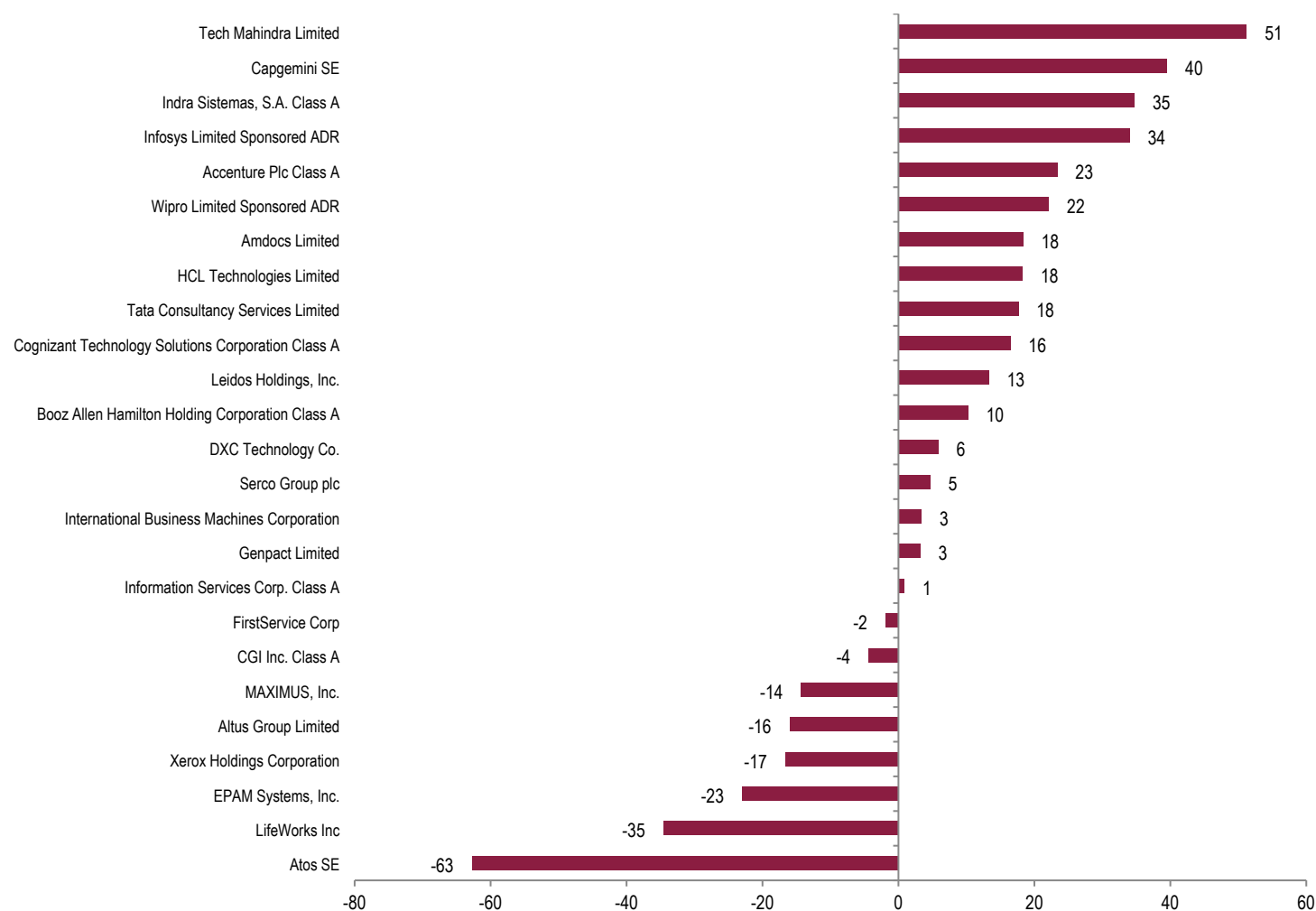
Business Services	Price	1 Week	1 Month	3 Month	6 Month	1 Year	YTD	52W High	52W Low
Altus Group Ltd	50.75	5.4	3.3	(28.5)	(17.9)	(16.0)	(28.5)	72.33	44.88
CGI Group Inc	100.07	(1.4)	(3.7)	(10.5)	(7.0)	(4.4)	(10.5)	116.88	99.23
Converge Technologies	10.38	2.7	9.8	(4.5)	0.2	97.0	(4.5)	13.09	5.12
Information Services Corp	24.81	3.0	10.1	(5.5)	(10.3)	0.9	(5.5)	33.87	20.67
LifeWorks Inc	21.65	1.3	(14.2)	(15.2)	(32.9)	(34.6)	(15.2)	37.56	18.55
Softchoice Corporation	28.44	6.6	25.1	33.2	NA	NA	NA	45.74	18.63
Telus International	31.09	(1.8)	(0.3)	(25.6)	(30.0)	NA	NA	49.43	28.61
Average		2.3	4.3	(8.1)	(16.3)	8.6	(12.8)		

Indices	Price	1 Week	1 Month	3 Month	6 Month	1 Year	YTD
S&P/TSX Composite Index	22,072.45	0.6	4.5	4.0	10.0	18.0	4.0
S&P 500 Index	4,579.23	1.3	4.7	(3.9)	6.3	15.3	(3.9)
S&P/TSX Software Index	169.63	(1.0)	0.5	(20.1)	(22.9)	(7.9)	(20.1)
S&P500 Software Index	5,257.19	2.1	3.2	(10.1)	1.5	21.9	(10.1)

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

Exhibit 3: Software Stocks – Return Performance (%), 3/31/2021 - 3/31/2022

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

Exhibit 4: Business Services Stocks – Return Performance (%), 3/31/2021 - 3/31/2022

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

Exhibit 5: Software Stocks – Comp Table, 2020 - 2022E

	Enterprise	EV/S			EV/EBITDA			P/E		
	Value (\$mlns.)	C20	C21E	C22E	C20	C21E	C22E	C20	C21E	C22E
Enterprise Application Software										
Constellation Software Inc.*	37,479	9.4x	7.3x	6.3x	30.5x	24.8x	21.4x	44.2x	>50	31.6x
BlackBerry Limited*	4,348	4.5x	4.5x	4.5x	21.7x	>50	NEG	30.8x	>50	NEG
Sage Group plc	7,399	3.9x	4.0x	3.8x	15.8x	17.3x	16.0x	26.8x	29.7x	26.4x
Tyler Technologies, Inc.	19,571	17.5x	12.3x	10.6x	>50	45.0x	40.5x	>50	>50	>50
Roper Technologies, Inc.	58,129	10.5x	10.1x	9.4x	29.2x	25.7x	24.4x	37.4x	33.6x	30.8x
Enghouse Systems Limited	2,039	4.0x	4.4x	4.3x	10.8x	12.5x	12.3x	19.9x	23.8x	24.2x
Oracle Corporation	262,873	6.6x	6.3x	6.0x	13.4x	12.5x	11.8x	19.2x	17.7x	16.6x
SAP SE	127,718	4.7x	4.6x	4.3x	13.6x	15.0x	14.3x	18.7x	15.0x	19.0x
Enterprise Application Software Average		7.6x	6.7x	6.1x	19.3x	21.8x	20.1x	28.1x	24.0x	24.8x
Extended ERP										
Adobe Inc.	216,284	16.5x	13.6x	12.0x	33.7x	27.2x	24.5x	44.7x	36.6x	33.2x
Open Text Corporation	13,805	4.2x	4.0x	3.7x	10.8x	10.8x	10.4x	13.1x	13.4x	12.9x
Manhattan Associates, Inc.	8,671	14.8x	13.1x	12.2x	>50	47.1x	49.8x	>50	>50	>50
Pegasystems Inc.	6,899	6.8x	5.7x	4.7x	>50	>50	>50	NEG	>50	>50
Software AG	2,011	2.4x	2.4x	2.2x	10.5x	12.1x	9.9x	18.4x	20.3x	19.1x
Fiserv, Inc.	87,663	6.3x	5.7x	5.3x	16.1x	13.7x	12.4x	23.1x	18.3x	15.9x
Extended ERP Average		8.5x	7.4x	6.7x	17.8x	22.2x	21.4x	24.8x	22.1x	20.3x
Software As A Service										
Descartes Systems Group Inc.	6,038	17.3x	14.2x	12.8x	42.6x	32.6x	29.6x	>50	>50	>50
Kinaxis, Inc.*	3,450	15.4x	13.9x	11.1x	>50	>50	>50	>50	>50	>50
Docebo, Inc.*	1,484	23.6x	14.2x	10.2x	NEG	NEG	NEG	NEG	NEG	NEG
Lightspeed Commerce Inc*	3,781	19.2x	8.2x	5.5x	NEG	NEG	NEG	NEG	NEG	NEG
Veeva Systems Inc Class A	30,531	21.3x	16.8x	14.3x	>50	40.0x	36.2x	>50	>50	>50
Shopify, Inc. Class A	79,980	27.3x	17.3x	13.2x	>50	>50	>50	>50	>50	>50
Q4 Inc*	61	1.5x	1.1x	0.9x	NEG	NEG	NEG	NEG	NEG	NEG
Magnet Forensics, Inc.*	773	11.0x	8.3x	6.4x	41.5x	>50	39.8x	>50	>50	>50
Ceridian HCM Holding, Inc.	11,236	13.3x	11.0x	9.3x	>50	>50	>50	>50	>50	>50
ServiceNow, Inc.	111,696	24.7x	18.9x	15.1x	>50	>50	46.9x	>50	>50	>50
Workday, Inc. Class A	58,627	13.8x	11.6x	9.6x	>50	40.1x	38.7x	>50	>50	>50
Software As A Service Average		17.1x	12.3x	9.9x	42.0x	37.6x	38.2x	>50	>50	>50
Infrastructure Vendors										
Citrix Systems, Inc.	15,767	4.9x	4.9x	4.7x	13.8x	13.4x	14.9x	16.6x	19.0x	19.0x
Microsoft Corporation	2,281,745	14.6x	12.4x	10.7x	30.7x	25.0x	21.3x	45.2x	35.9x	30.9x
Infrastructure Vendors Average		9.8x	8.7x	7.7x	22.2x	19.2x	18.1x	30.9x	27.4x	24.9x
Software Average										
		11.9x	9.3x	7.9x	22.3x	24.4x	25.0x	27.5x	23.9x	23.3x

*Share Price Converted to USD

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

Exhibit 6: Business Services Stocks – Comp Table, 2020 - 2022E

	Enterprise Value (\$mlns.)	EV/EBITDA			P/E			EV/S		
		C20	C21E	C22E	C20	C21E	C22E	C20	C21E	C22E
Business & IT Services										
CGI Inc. Class A	26,247	10.7x	10.6x	10.3x	20.0x	17.9x	16.3x	2.2x	2.2x	2.1x
TELUS International (CDA), Inc.	7,598	19.2x	14.1x	12.2x	35.2x	24.7x	20.8x	4.6x	3.5x	2.9x
Accenture Plc Class A	211,260	24.3x	20.7x	17.8x	43.1x	36.0x	30.4x	4.5x	3.9x	3.3x
Booz Allen Hamilton	13,519	16.5x	15.0x	14.1x	23.8x	21.5x	19.8x	1.7x	1.6x	1.5x
CACI International Inc Class A	9,179	14.8x	13.6x	13.2x	19.7x	16.7x	15.9x	1.6x	1.5x	1.4x
DXC Technology Co.	12,084	4.4x	4.5x	4.4x	10.3x	9.8x	8.0x	0.7x	0.7x	0.7x
Genpact Limited	9,285	13.7x	12.2x	11.5x	20.8x	18.0x	16.8x	2.5x	2.3x	2.1x
International Business Machines	165,950	10.9x	9.4x	10.0x	15.9x	16.6x	13.4x	2.3x	2.9x	2.7x
Atos SE	4,515	3.1x	4.6x	4.4x	3.7x	NEG	10.2x	0.4x	0.4x	0.4x
Capgemini SE	40,262	16.2x	13.8x	12.3x	28.0x	22.0x	20.7x	2.5x	2.2x	2.0x
Sopra Steria Group SA	4,715	10.3x	8.7x	7.8x	21.9x	16.2x	12.6x	1.1x	1.0x	0.9x
Business & IT Services Average		13.1x	11.6x	10.7x	22.0x	19.9x	16.8x	2.2x	2.0x	1.8x
HR Outsourcing		EV/EBITDA			P/E			EV/S		
LifeWorks Inc	2,052	10.3x	10.0x	9.3x	27.2x	NEG	25.7x	2.1x	2.0x	1.9x
Ceridian HCM Holding, Inc.	11,236	>50	>50	>50	>50	>50	>50	13.3x	11.0x	9.3x
Willis Towers Watson	28,956	11.7x	12.1x	11.9x	20.5x	20.6x	17.8x	3.1x	3.2x	3.1x
Aon Plc Class A	80,170	24.4x	20.7x	19.8x	33.6x	27.5x	25.0x	7.2x	6.6x	6.2x
Automatic Data Processing, Inc.	97,975	26.8x	24.6x	22.4x	38.7x	36.0x	32.1x	6.6x	6.3x	5.8x
Paychex, Inc.	49,907	29.6x	26.3x	23.6x	45.8x	40.3x	35.6x	12.3x	11.5x	10.5x
HR Outsourcing Average		20.6x	18.8x	17.4x	33.2x	31.1x	27.2x	7.4x	6.7x	6.1x
Information Services		EV/EBITDA			P/E			EV/S		
Broadridge Financial Solutions, Inc.	22,359	21.1x	19.1x	16.9x	29.5x	26.2x	23.6x	4.7x	4.2x	3.8x
Dye & Durham Ltd.	1,937	NEG	12.2x	9.1x	NEG	>50	40.9x	22.3x	5.2x	3.4x
Deluxe Corporation	2,766	7.6x	6.8x	6.3x	6.0x	6.3x	6.2x	1.5x	1.4x	1.3x
Information Services Corp	444	9.3x	6.8x	6.6x	17.1x	13.1x	12.4x	3.2x	2.7x	2.6x
Information Services Average		12.7x	11.2x	9.7x	17.5x	15.2x	20.8x	7.9x	3.4x	2.8x
Financial Services Technology		EV/EBITDA			P/E			EV/S		
Fidelity National Information Services	80,570	15.3x	13.2x	12.1x	18.5x	15.5x	13.9x	6.4x	5.8x	5.4x
Fiserv, Inc.	87,663	16.1x	13.7x	12.4x	23.1x	18.3x	15.9x	6.3x	5.7x	5.3x
Jack Henry & Associates, Inc.	14,591	26.2x	24.8x	22.8x	49.8x	44.5x	39.6x	8.4x	7.9x	7.3x
ACI Worldwide, Inc.	4,694	13.1x	12.2x	11.5x	>50	29.6x	24.5x	3.6x	3.4x	3.3x
Temenos AG	7,474	18.4x	17.3x	16.0x	25.9x	23.4x	21.5x	8.3x	7.7x	7.0x
Global Payments Inc.	49,145	16.4x	13.6x	12.2x	21.4x	16.8x	14.4x	7.3x	6.4x	5.8x
Bottomline Technologies	2,570	26.3x	24.8x	22.5x	48.6x	49.1x	45.2x	5.6x	5.2x	4.7x
Financial Services Technology Average		18.8x	17.1x	15.6x	31.2x	28.2x	25.0x	6.6x	6.0x	5.5x
Diversified Real Estate Services		EV/EBITDA			P/E			EV/S		
Colliers International Group Inc.	6,712	18.6x	12.3x	10.9x	31.8x	21.5x	18.9x	2.4x	1.6x	1.5x
Altus Group Limited	2,406	24.3x	22.7x	19.1x	30.6x	34.4x	36.3x	4.3x	3.9x	3.4x
CBRE Group, Inc. Class A	32,741	17.6x	11.5x	9.9x	28.5x	17.5x	15.4x	1.4x	1.2x	1.0x
Jones Lang LaSalle Incorporated	14,012	16.3x	9.4x	9.3x	25.7x	12.5x	12.3x	1.6x	1.3x	1.2x
Diversified Real Estate Services Average		19.2x	14.0x	12.3x	29.2x	21.5x	20.7x	2.4x	2.0x	1.8x
Software Focused IT Solutions/VARS		EV/EBITDA			P/E			EV/GP		
Softchoice Corporation*	1,779	27.2x	25.7x	17.8x	44.3x	44.0x	38.5x	7.5x	6.2x	5.5x
Softcat Plc*	3,303	26.5x	19.0x	18.4x	35.6x	25.4x	24.8x	11.1x	8.6x	7.9x
Crayon Group Holding ASA*	15,681	>50	>50	>50	>50	>50	>50	>50	46.0x	32.5x
Bytes Technology Group Plc*	1,173	28.3x	19.8x	18.4x	38.6x	25.6x	23.9x	12.0x	NA	NA
SoftwareONE Holding Ltd.*	1,551	8.0x	7.0x	5.8x	10.7x	16.9x	14.1x	7.0x	1.7x	1.5x
Bytes Technology Group Plc* Average		22.5x	17.9x	15.1x	32.3x	28.0x	25.3x	9.4x	15.6x	11.9x
Business Services Average		17.2x	14.7x	13.2x	27.1x	23.9x	21.8x	5.4x	5.2x	4.5x

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

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

Exhibit 7: SaaS Stocks – Comp Table, 2020 - 2022E

	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		
								C20	C21E	C22E
Tier 1 SaaS (Rule of 40 > 60)										
Zoom Video Communications	55%	36%	10%	33%	91%	43%	31,286	12.6x	7.9x	6.9x
CrowdStrike Holdings, Inc.	69%	33%	44%	28%	102%	71%	50,692	60.3x	36.1x	24.3x
Shopify, Inc.	57%	10%	31%	5%	67%	36%	82,276	28.1x	17.8x	13.6x
Zscaler, Inc.	60%	26%	43%	23%	86%	65%	33,308	62.5x	40.1x	27.6x
Lightspeed POS, Inc.	159%	-22%	39%	-9%	137%	30%	3,876	19.7x	8.4x	5.7x
DocuSign, Inc.	51%	23%	27%	20%	74%	47%	21,547	15.3x	10.5x	8.8x
Veeva Systems Inc	26%	38%	17%	37%	64%	54%	30,586	21.3x	16.8x	14.3x
Atlassian Corp. Plc	35%	35%	21%	25%	70%	46%	76,088	41.0x	31.8x	25.1x
Twilio, Inc.	61%	-3%	36%	-2%	58%	34%	26,538	15.1x	9.3x	6.9x
ServiceNow, Inc.	30%	31%	26%	31%	61%	57%	113,704	25.2x	19.3x	15.4x
HubSpot, Inc.	47%	18%	33%	14%	66%	46%	23,562	26.7x	18.1x	13.6x
Tier 1 SaaS (Rule of 40 > 60) Average								29.8x	19.7x	14.7x
	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		
								C20	C21E	C22E
Tier 2 SaaS (Rule of 40 b/w 40-60)										
Docebo, Inc.	55%	4%	46%	-3%	58%	43%	1,470	23.4x	14.1x	10.1x
Qualys, Inc.	14%	43%	17%	34%	56%	51%	5,244	14.4x	12.8x	10.8x
Descartes Systems	22%	40%	13%	38%	62%	51%	6,138	17.6x	14.5x	13.0x
Avalara Inc	40%	6%	23%	0%	45%	23%	8,246	16.5x	11.8x	9.6x
Five9, Inc.	40%	-2%	24%	5%	38%	29%	8,006	18.4x	13.1x	10.6x
Dropbox, Inc.	13%	34%	8%	34%	47%	42%	9,439	4.9x	4.4x	4.0x
Mimecast Limited	19%	28%	14%	22%	48%	36%	5,276	10.9x	9.2x	7.9x
Wix.com Ltd.	28%	5%	15%	1%	33%	16%	5,638	5.7x	4.4x	3.9x
Workday, Inc.	20%	27%	20%	19%	47%	40%	59,084	13.9x	11.7x	9.7x
VMware, Inc.	9%	31%	7%	28%	40%	35%	59,038	5.1x	4.6x	4.3x
Tier 2 SaaS (Rule of 40 b/w 40-60) Average								13.1x	10.1x	8.4x
	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		
								C20	C21E	C22E
Tier 3 SaaS (Rule of 40 b/w 28-40)										
BlackLine, Inc.	21%	18%	23%	2%	39%	25%	4,330	12.3x	10.2x	8.3x
Zendesk, Inc.	30%	12%	26%	11%	42%	37%	14,773	14.3x	11.0x	8.7x
MongoDB, Inc.	43%	-4%	37%	-2%	39%	35%	28,479	49.4x	33.5x	24.6x
LivePerson, Inc.	28%	-8%	18%	-12%	20%	6%	1,863	5.1x	4.0x	3.4x
Rapid7 Inc.	30%	8%	28%	7%	39%	35%	7,171	17.4x	13.4x	10.4x
Paylocity Holding Corp.	25%	16%	25%	15%	41%	40%	11,294	18.8x	15.4x	12.2x
Q2 Holdings, Inc.	24%	2%	16%	2%	26%	18%	3,688	9.1x	7.4x	6.4x
Akamai Technologies, Inc.	8%	25%	8%	24%	33%	32%	21,200	6.6x	6.1x	5.7x
Tier 3 SaaS (Rule of 40 b/w 28-40) Average								16.6x	12.6x	10.0x
	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		
								C20	C21E	C22E
Tier 4 SaaS (Rule of 40 <28)										
RingCentral, Inc.	35%	6%	26%	7%	41%	33%	12,673	10.7x	7.9x	6.3x
Teradata Corporation	4%	23%	1%	21%	27%	22%	5,192	2.8x	2.7x	2.7x
Anaplan, Inc.	32%	-5%	26%	0%	27%	26%	9,544	21.7x	16.5x	13.0x
Zuora, Inc.	14%	7%	16%	0%	20%	16%	1,758	5.8x	5.1x	4.4x
New Relic, Inc.	15%	-4%	17%	4%	11%	22%	4,144	6.4x	5.5x	4.6x
Kinaxis, Inc.	4%	7%	35%	10%	11%	45%	3,465	15.5x	13.9x	11.2x
Yext, Inc.	11%	-2%	12%	-1%	9%	11%	802	2.3x	2.1x	2.0x
Splunk Inc.	20%	4%	22%	12%	24%	34%	24,526	10.9x	9.3x	7.6x
Tier 4 SaaS (Rule of 40 <28) Average								9.5x	7.9x	6.5x
SaaS Average								18.0x	13.0x	10.2x

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

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