

EQUITY RESEARCH

June 16, 2022

Industry Update

VCs Tighten The Purse Strings – Bits & Bytes Weekly

Down Rounds Making A Comeback

Our Conclusion

Venture capital (VC) funds have enjoyed an incredible run over the past three years as the bull market helped them record a 30.5% internal rate of return (IRR) over that time frame, according to the latest data from Pitchbook. Abundant committed capital, negative real interest rates, and a race for growth over profitability incentivized VCs to bid up prices to all-time highs. With 2021 valuations now a thing of the past and as public market de-rating continues to filter down into the private markets, markdowns have started to accelerate as paper gains propped up by the bull market start to disappear.

Key Points

Exit Hurdles For Investors: Recently, Fidelity slashed valuations for some of its most prominent venture holdings, including Reddit, which saw its valuation cut by 35% from \$10B to \$6.5B. The median valuation of a late-stage software company dropped to \$155 million in 2022, representing a 23% decline from the previous year but still significantly higher than pre-2021 levels. While some investors are adjusting valuations, others are leaving the space altogether, with Tiger effectively switching to seed/early stage deals overnight. Grim IPO prospects are adding additional downward pressure on IRR, as investors are forced to delay exit timelines and wait on the sidelines.

Seed Stage Provides A Safe Haven: Seed stage financing has been relatively protected from public market weakness, however, these deals are typically announced months after signing and data may not accurately reflect current conditions. It could be argued that since seed stage companies are 6-10 years away from meaningful exits, it makes sense for them to be the most recession proof. However, given that venture rounds can look like a game of hot potato, we believe investors at the seed stage will price in likelihood of later down rounds and valuation cuts as they finalize terms.

Investors Back In The Driver's Seat: While down rounds only made up 5% of the completed rounds in Q1, we see this percentage increasing if market headwinds persist. We are also seeing early signs of protective deal terms with high liquidation preferences, something that was seldom used in the bull market but has started to make a comeback in a highly volatile environment. In addition, alternative financing is gaining traction as companies try to access capital through payment-in-kind (PIK) loans, convertible debt, and insider rounds to avoid setting a new price through a traditional equity round. With 2021 peak valuations a thing of the past, investors are now increasingly focused on annual recurring revenue (ARR) targets, net dollar retention, long-term operating margin outlooks, and stock compensation as a % of FCF to evaluate SaaS companies compared to the previously popular price/sales metric during the easy money era.

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Sector:
Information Technology

All figures in Canadian dollars unless otherwise stated.

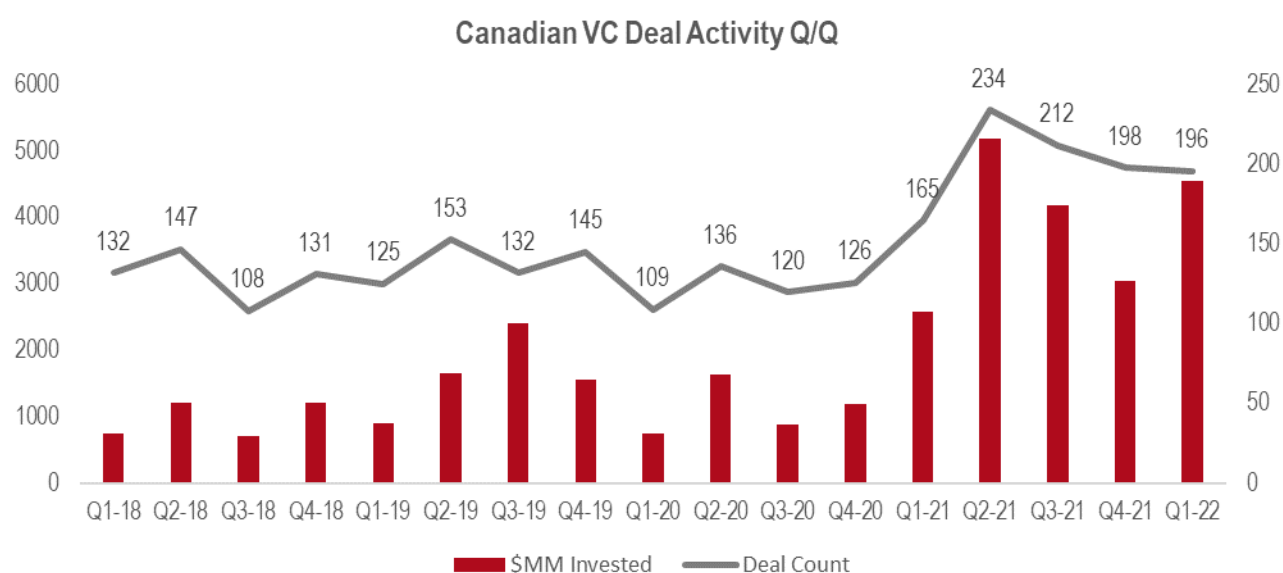
For required regulatory disclosures please refer to "Important Disclosures" beginning on page 10.

Mega-deals Accounted For 75% Of Deal Activity

Canadian Ventures: As shown in the bar and line chart in Exhibit 1, \$4.5B was invested across 196 deals in Q1/22, the second-highest quarterly VC investment on record (highest was \$5.2B in Q2/21). Investment value remained on par with 2021 levels; however, the deal count trended downward for the third consecutive quarter. Average disclosed deal size in Q1/22 was \$28.4MM, with 17 mega deals (+\$50MM) driving the average, representing ~75% of the VC dollars invested this quarter.

Noteworthy deals include Toronto-based 1Password's Series C US\$775MM raise from Accel, Lightspeed and Tiger, and Paper's \$342MM Series D from Framework and BDC.

Exhibit 1: Canadian Venture Capital Deal Activity – Q1/18 - Q1/22



Source: CVCA Intelligence and CIBC World Markets Inc.

News Impacting Our Coverage

Research Highlight: DND – Transferring Coverage And Upgrading; Attractive Risk/Reward Setup

As of June 15, we transferred coverage of Dye & Durham from Stephanie Price to Scott Fletcher in a realignment of analyst coverage responsibilities. While Dye & Durham has had a turbulent calendar year in the aftermath of management's \$50.50 take-private offer, we believe the shares are trading at an attractive level on a stand-alone basis amidst the unresolved Link Group and TM Group regulatory reviews. With the transfer we are upgrading Dye & Durham from Neutral to Outperformer as we believe the risk/reward set-up is compelling. We also reduce our price target from \$50 to \$30 to reflect a more volatile market and incremental risks in the DND story. [Link to note](#)

Research Highlight: ACCC Files Statement Of Issues On Link Group Transaction

The Australian Competition & Consumer Commission (ACCC) issued a Statement Of Issues regarding the proposed acquisition of Link Group. The key takeaway from the statement is that ACCC's preliminary view is that the transaction is likely to substantially lessen competition in one or more markets in the conveyancing workflow that Dye & Durham and Pexa provide services to. As expected, concerns were focused on Link Group's 43% stake in Pexa, specifically that DND and Pexa would have the "ability and incentive to engage in mutual preferential dealing" that would impact competition. While the ACCC's statement of issues is not a final decision, the statement does make it harder to envision the proposed deal being completed in its current structure. [Link to note](#)

Research Highlight: Converge Acquires Three German Providers

Converge announced the €25MM (~\$34MM) acquisition of Gesellschaft für digitale Bildung ("Gf dB"), Institut für moderne Bildung ("IfmB"), and DEQSTER. Gf dB and IfmB are IT suppliers that specialize in the education vertical, providing hardware, software, and consulting offerings while DEQSTER is an accessory specialist that develops and produces equipment for digital learning and working. [Link To Note](#)

Constellation's Volaris Acquires TOMIA

Lumine Group, a division of Volaris, acquired TOMIA, a software provider specializing in inter-carrier business process solutions, including data clearing and network roaming. TOMIA targets service providers as customers and has over 400 deployments globally, processing billions of monthly transactions. These mission critical software solutions and customer relationships will complement Lumine's existing portfolio.

Kinaxis And Blume Global to Empower Better Responses To Supply Chain Transportation Disruptions

Blume Global is a multimodal supply chain orchestration platform that unites end-to-end visibility, supplier management and logistics execution. The partnership with Kinaxis will connect Blume's logistics visibility and transportation management system (TMS) with Kinaxis RapidResponse® to better align supply chain planning and execution, enabling companies to quickly remedy, or even avoid, freight transportation disruptions.

Atos Shares Slide As Newly Appointed CEO Resigns

Atos announced the resignation of its current CEO and disclosed a plan to split into two publicly listed companies, with SpinCo (Evidian) as a leading company in the high-growth big data/cybersecurity vertical, and TFCo (Atos) consisting of Atos' Tech business line. It also announced the appointment of two new Deputy CEOs that would lead the public entities.

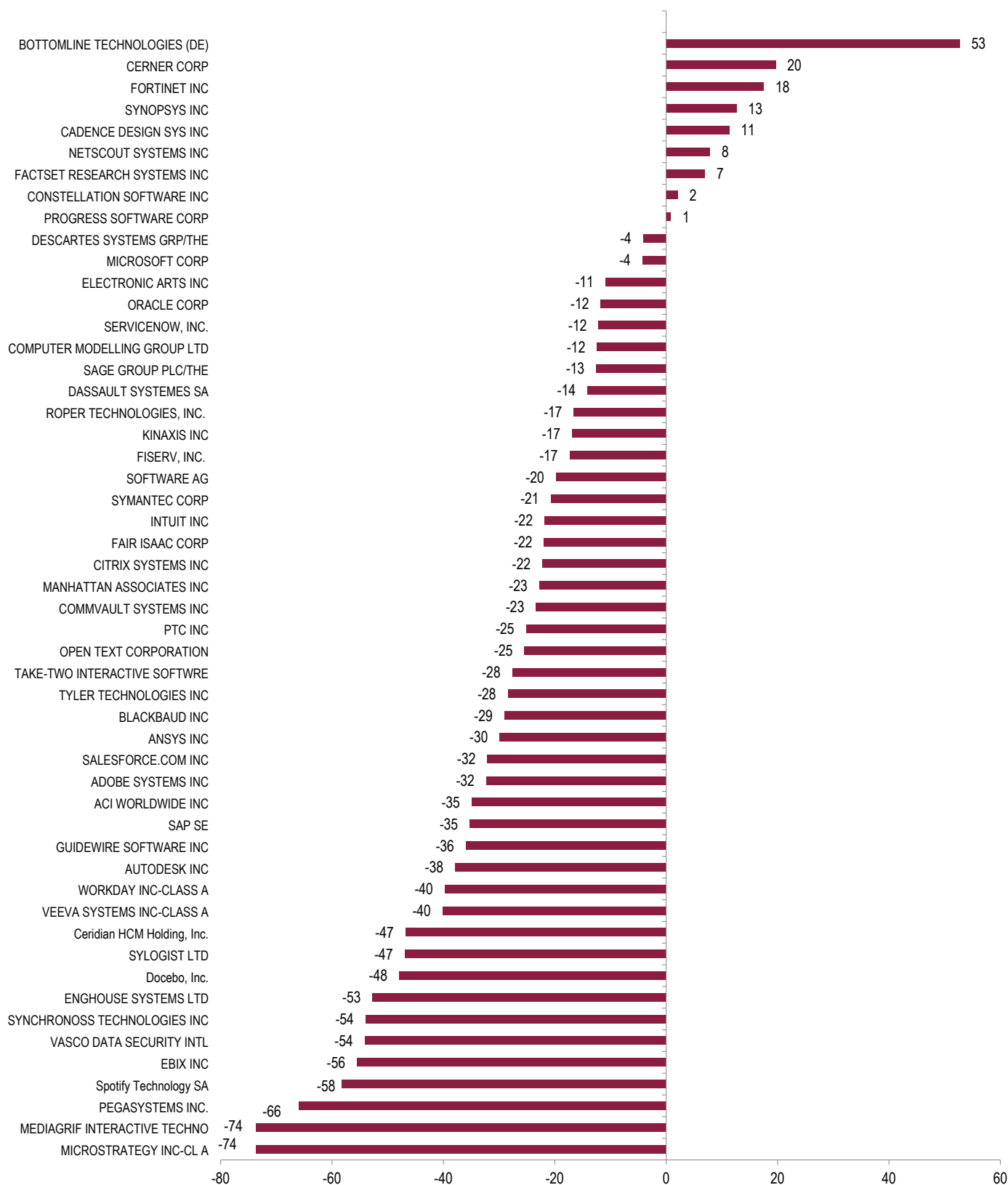
Exhibit 2: CIBC Software/Services – Coverage Performance, 6/9/2021 - 6/16/2022

Software & Systems	Price	1 Week	1 Month	3 Month	6 Month	1 Year	YTD	52W High	52W Low
Constellation Software Inc	1,843.55	(4.5)	(5.3)	(13.3)	(15.7)	2.1	(21.4)	2385.80	1805.38
Descartes Systems	59.53	(5.2)	(0.8)	(21.9)	(22.6)	(10.1)	(28.0)	91.39	56.19
Dye & Durham	21.25	(1.9)	6.2	(24.9)	(49.4)	NA	(52.7)	50.49	12.95
Enghouse Systems Limited	25.17	(6.9)	(22.2)	(38.4)	(47.8)	(52.7)	(48.0)	64.42	23.96
Open Text Corp	37.07	(6.0)	0.1	(12.5)	(20.1)	(25.5)	(21.9)	55.25	35.04
Kinaxis	123.27	(8.5)	(10.0)	(25.6)	(27.7)	(16.9)	(30.5)	229.98	120.89
Docebo, Inc.	33.81	(15.1)	(13.9)	(41.7)	(57.5)	(48.0)	(60.2)	117.55	34.85
Magnet Forensics	15.89	(1.8)	(10.6)	(43.0)	(48.4)	(40.9)	(51.7)	65.80	15.15
Q4 Inc.	4.43	(5.2)	0.9	(17.2)	(44.8)	NA	(47.9)	12.05	4.03
Average		(6.1)	(6.2)	(26.5)	(37.1)	(27.4)	(40.2)		

Business Services	Price	1 Week	1 Month	3 Month	6 Month	1 Year	YTD	52W High	52W Low
CGI Group Inc	96.73	(6.9)	(7.7)	(6.4)	(10.0)	(12.6)	(13.5)	116.88	96.72
Converge Technologies	5.98	(13.1)	(11.4)	(37.3)	(44.3)	(32.7)	(45.1)	13.09	5.88
Softchoice Corporation	18.90	(8.8)	(5.5)	(26.9)	(13.9)	(8.3)	(11.5)	45.74	17.91
Telus International	29.50	(7.0)	(3.1)	(6.6)	(27.2)	(21.2)	(29.4)	49.43	26.75
Average		(8.9)	(6.9)	(19.3)	(23.8)	(18.7)	(24.9)		

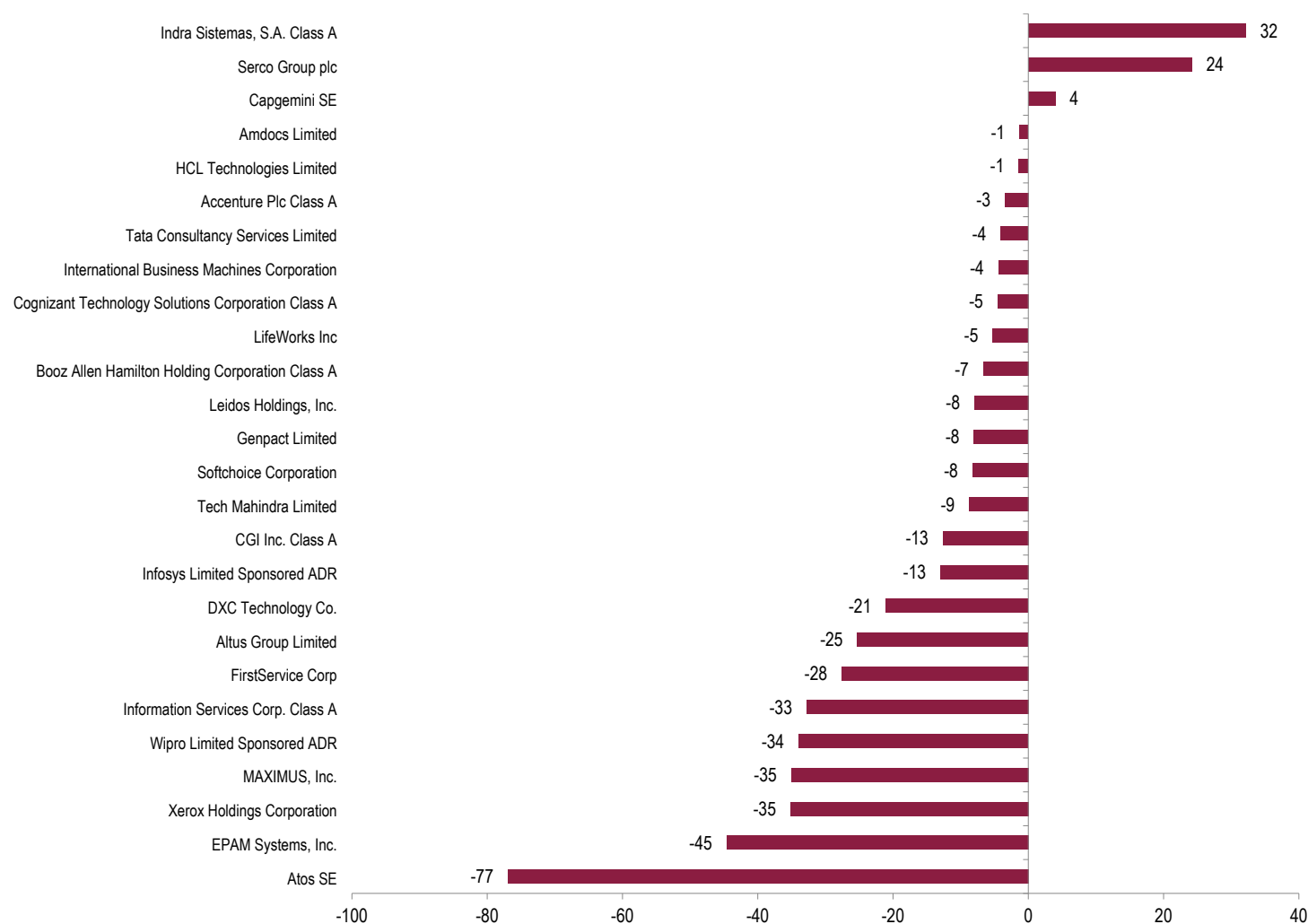
Indices	Price	1 Week	1 Month	3 Month	6 Month	1 Year	YTD
S&P/TSX Composite Index	19,191.87	(6.7)	(5.0)	(10.6)	(7.5)	(5.1)	(9.6)
S&P 500 Index	3,687.09	(8.2)	(8.0)	(15.4)	(21.0)	(12.7)	(22.6)
S&P/TSX Software Index	124.34	(8.0)	(6.6)	(24.4)	(38.6)	(38.5)	(41.4)
S&P500 Software Index	4,170.72	(7.8)	(4.8)	(16.3)	(26.9)	(11.4)	(28.7)

Source: FactSet and CIBC World Markets Inc.

Exhibit 4: Software Stocks – Return Performance (%), 6/9/2021 - 6/16/2022

Source: FactSet and CIBC World Markets Inc.

Exhibit 5: Business Services Stocks – Return Performance (%), 6/9/2021 - 6/16/2022



Source: FactSet and CIBC World Markets Inc.

Exhibit 6: Software Stocks – Comp Table, 2021 - 2023E

		Enterprise Value	EV/S			EV/EBITDA			P/E		
			C21	C22E	C23E	C21	C22E	C23E	C21	C22E	C23E
Enterprise Application Software											
Constellation Software Inc.*	30,637	6.0x	4.8x	4.2x	20.3x	17.7x	14.9x	45.7x	25.5x	22.0x	
BlackBerry Limited*	2,874	3.2x	4.2x	3.1x	>50	NEG	NEG	NEG	NEG	NEG	
Sage Group plc	6,323	3.4x	3.2x	3.0x	15.3x	13.5x	12.3x	22.8x	22.1x	19.6x	
Tyler Technologies, Inc.	13,816	8.7x	7.4x	6.8x	39.3x	28.7x	26.1x	>50	40.6x	37.4x	
Roper Technologies, Inc.	47,900	8.3x	7.9x	7.5x	21.6x	20.5x	19.1x	36.8x	24.7x	22.7x	
Enghouse Systems Limited	1,190	2.6x	2.7x	2.74x	7.3x	8.2x	8.0x	15.0x	18.2x	17.5x	
Oracle Corporation	235,352	5.8x	5.1x	4.7x	12.6x	10.3x	9.7x	14.9x	13.3x	12.2x	
SAP SE	111,809	4.0x	3.5x	3.5x	15.6x	12.5x	11.3x	19.8x	17.5x	15.4x	
Enterprise Application Software Average		5.3x	4.9x	4.4x	18.9x	15.9x	14.5x	25.8x	23.1x	21.0x	
Extended ERP											
Adobe Incorporated	172,653	10.9x	9.6x	8.3x	25.9x	19.6x	17.0x	36.7x	26.5x	22.6x	
Open Text Corporation	12,876	3.7x	3.5x	3.5x	10.1x	10.1x	9.4x	11.7x	11.6x	10.7x	
Manhattan Associates, Inc.	6,753	10.2x	9.4x	8.4x	47.5x	36.8x	31.9x	>50	>50	43.9x	
Pegasystems Inc.	4,014	3.3x	2.8x	2.3x	NEG	37.0x	21.8x	NEG	>50	33.0x	
Software AG	1,959	2.3x	2.1x	1.9x	12.7x	10.3x	8.3x	26.9x	20.0x	15.9x	
Fiserv, Inc.	78,940	4.9x	4.8x	4.4x	14.2x	11.1x	10.2x	45.0x	13.8x	12.1x	
Extended ERP Average		5.9x	5.4x	4.8x	22.1x	20.8x	16.4x	30.1x	18.0x	23.0x	
Software As A Service											
Descartes Systems Group Inc.	4,845	11.4x	10.1x	9.5x	26.2x	23.2x	20.9x	>50	>50	>50	
Kinaxis, Inc.*	2,437	9.7x	7.0x	6.2x	>50	38.1x	30.4x	>50	>50	>50	
Docebo, Inc.*	648	6.2x	4.4x	3.3x	NEG	NEG	>50	NEG	NEG	NEG	
Lightspeed Commerce Inc*	2,098	4.5x	3.0x	2.2x	NEG	NEG	NEG	NEG	NEG	NEG	
Veeva Systems Inc Class A	25,286	17.3x	11.8x	10.1x	>50	29.7x	25.5x	>50	43.4x	37.7x	
Shopify, Inc. Class A	33,565	7.3x	5.8x	4.4x	>50	>50	>50	13.7x	>50	>50	
Q4 Inc*	82	1.5x	1.5x	1.2x	NEG	NEG	NEG	NEG	NEG	NEG	
Magnet Forensics, Inc.*	391	5.6x	4.2x	3.3x	21.0x	26.6x	19.0x	>50	>50	>50	
Ceridian HCM Holding, Inc.	7,766	7.6x	6.4x	5.4x	>50	39.1x	31.3x	NEG	>50	>50	
ServiceNow, Inc.	88,728	15.0x	11.9x	9.6x	>50	38.4x	30.5x	>50	>50	47.8x	
Workday, Inc. Class A	33,665	7.8x	5.5x	4.6x	>50	22.0x	17.8x	NEG	40.0x	31.9x	
Software As A Service Average		8.5x	6.5x	5.4x	23.6x	31.0x	25.1x	13.7x	41.7x	39.1x	
Infrastructure Vendors											
Citrix Systems, Inc.	14,597	4.5x	4.4x	4.2x	20.7x	13.8x	13.2x	37.5x	19.4x	17.2x	
Microsoft Corporation	1,794,329	10.7x	8.4x	7.4x	22.2x	16.7x	14.5x	30.6x	24.6x	21.2x	
Infrastructure Vendors Average		7.6x	6.4x	5.8x	21.5x	15.3x	13.8x	34.1x	22.0x	19.2x	
Software Average		6.9x	5.8x	5.0x	20.8x	22.0x	18.3x	27.5x	24.1x	24.5x	

*Share Price Converted to USD

Source: FactSet and CIBC World Markets Inc.

Exhibit 7: 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	25,856	10.4x	9.9x	9.4x	17.3x	15.4x	14.4x	2.1x	2.0x	1.9x
TELUS International (CDA), Inc.	7,020	13.0x	11.3x	9.6x	22.6x	19.2x	15.0x	3.2x	2.7x	2.4x
Accenture Plc Class A	168,949	17.6x	14.2x	13.0x	29.9x	24.4x	21.8x	3.3x	2.6x	2.4x
Booz Allen Hamilton	13,236	14.8x	13.8x	13.0x	18.8x	19.0x	17.4x	1.7x	1.5x	1.4x
CACI International Inc Class A	8,294	11.2x	12.2x	11.3x	14.5x	14.1x	13.0x	1.4x	1.3x	1.2x
DXC Technology Co.	10,645	5.3x	4.2x	4.0x	NEG	8.1x	6.6x	0.6x	0.7x	0.7x
Genpact Limited	8,792	13.6x	10.9x	9.8x	21.7x	15.4x	13.7x	2.2x	2.0x	1.8x
International Business Machines	168,989	12.6x	10.3x	9.9x	21.3x	13.9x	12.8x	2.9x	2.8x	2.7x
Atos SE	3,150	3.0x	2.9x	2.6x	NEG	5.5x	3.9x	0.3x	0.3x	0.3x
Capgemini SE	33,927	11.7x	10.0x	9.1x	24.9x	16.4x	14.5x	1.9x	1.6x	1.5x
Sopra Steria Group SA	4,195	7.9x	6.9x	6.4x	15.6x	10.7x	9.4x	0.9x	0.8x	0.8x
Converge Technology Solutions C	1,166	12.4x	8.1x	6.6x	>50	31.3x	19.2x	0.8x	0.5x	0.4x
Business & IT Services Average		11.0x	9.7x	8.9x	20.7x	14.7x	13.0x	1.9x	1.7x	1.6x
HR Outsourcing		EV/EBITDA			P/E			EV/S		
Ceridian HCM Holding, Inc.	7,766	>50	39.1x	31.3x	NEG	>50	>50	7.6x	6.4x	5.4x
Willis Towers Watson	22,230	10.0x	9.3x	8.6x	5.8x	14.0x	12.2x	2.5x	2.5x	2.3x
Aon Plc Class A	62,352	16.3x	15.4x	14.4x	44.8x	18.8x	16.9x	5.1x	4.9x	4.6x
Automatic Data Processing, Inc.	85,810	22.4x	19.3x	17.6x	33.5x	27.6x	24.7x	5.7x	5.0x	4.7x
Paychex, Inc.	41,746	25.3x	19.8x	18.5x	38.3x	29.6x	27.4x	10.3x	8.8x	8.3x
HR Outsourcing Average		18.5x	20.6x	18.1x	30.6x	22.5x	20.3x	6.2x	5.5x	5.1x
Information Services		EV/EBITDA			P/E			EV/S		
Broadridge Financial Solutions, Inc.	19,772	17.0x	15.1x	14.2x	29.1x	20.1x	18.5x	3.9x	3.4x	3.2x
Dye & Durham Ltd.	2,450	15.4x	15.4x	10.8x	>50	>50	33.9x	6.5x	4.3x	3.7x
Deluxe Corporation	2,383	6.5x	5.5x	5.3x	14.8x	4.7x	4.4x	1.2x	1.1x	1.1x
Information Services Corp	370	5.5x	6.7x	6.3x	10.0x	11.7x	11.8x	2.2x	2.1x	2.1x
Information Services Average		11.1x	10.7x	9.2x	18.0x	12.2x	17.2x	3.4x	2.7x	2.5x
Financial Services Technology		EV/EBITDA			P/E			EV/S		
Fidelity National Information Services	75,571	12.4x	11.4x	10.4x	>50	12.7x	11.1x	5.4x	5.1x	4.7x
Fiserv, Inc.	78,940	14.2x	11.1x	10.2x	45.0x	13.8x	12.1x	4.9x	4.8x	4.4x
Jack Henry & Associates, Inc.	13,015	18.7x	20.6x	18.8x	43.0x	35.0x	32.0x	7.4x	6.5x	6.0x
ACI Worldwide, Inc.	3,901	10.6x	9.6x	8.9x	23.4x	18.9x	16.1x	2.8x	2.7x	2.6x
Temenos AG	6,408	11.7x	13.7x	12.1x	31.2x	18.3x	15.9x	6.6x	6.1x	5.5x
Global Payments Inc.	41,074	11.2x	10.3x	9.3x	33.0x	11.4x	9.8x	4.8x	4.9x	4.5x
Financial Services Technology Average		13.1x	12.8x	11.6x	35.1x	18.4x	16.1x	5.3x	5.0x	4.6x
Diversified Real Estate Services		EV/EBITDA			P/E			EV/S		
Colliers International Group Inc.	5,279	9.6x	8.3x	7.5x	-11.1x	13.5x	12.4x	1.3x	1.2x	1.1x
Altus Group Limited	2,086	20.2x	19.7x	16.5x	29.3x	29.3x	30.9x	3.3x	3.3x	2.9x
CBRE Group, Inc. Class A	24,585	11.5x	7.7x	7.0x	12.8x	11.1x	10.2x	0.9x	0.8x	0.7x
Jones Lang LaSalle Incorporated	9,850	6.7x	6.5x	6.2x	8.7x	7.9x	7.3x	0.5x	0.5x	0.4x
Diversified Real Estate Services Average		12.0x	10.5x	9.3x	9.9x	15.5x	15.2x	1.5x	1.4x	1.3x
Software Focused IT Solutions/VARs		EV/EBITDA			P/E			EV/S		
CARE	1,206	17.5x	17.5x	12.8x	29.2x	29.2x	26.2x	4.2x	4.2x	3.7x
Softcat Plc*	2,412	14.3x	14.3x	13.5x	19.2x	19.6x	19.2x	6.4x	6.2x	5.6x
Crayon Group Holding ASA*	12,183	>50	>50	>50	>50	>50	>50	>50	29.2x	24.6x
Bytes Technology Group Plc*	927	19.1x	15.1x	13.8x	21.6x	21.3x	20.5x	NA	NA	NA
SoftwareONE Holding Ltd.*	1,251	7.6x	5.2x	4.5x	14.5x	13.8x	11.6x	6.0x	1.3x	1.1x
Bytes Technology Group Plc* Average		14.6x	13.0x	11.2x	21.1x	21.0x	19.4x	5.5x	10.2x	8.8x
Business Services Average		12.9x	12.4x	11.1x	22.9x	17.0x	16.0x	3.6x	3.9x	3.5x
*Software Focused IT Solutions/VARs uses EV/GP metric.										

Source: FactSet and CIBC World Markets Inc.

Exhibit 8: 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
Tier 1 SaaS (Rule of 40 > 60)										
Zoom Video Communications	29%	36%	11%	29%	65%	41%	28,372	10.7x	6.3x	6.3x
CrowdStrike Holdings, Inc.	66%	31%	48%	30%	97%	78%	36,921	42.2x	17.3x	17.3x
Shopify, Inc.	40%	5%	28%	0%	45%	28%	34,532	7.5x	6.0x	6.0x
Zscaler, Inc.	61%	22%	41%	21%	83%	62%	20,493	30.4x	16.5x	16.5x
Lightspeed POS, Inc.	137%	-17%	37%	-8%	120%	29%	2,307	10.4x	3.3x	3.3x
DocuSign, Inc.	45%	23%	17%	19%	68%	37%	12,170	8.4x	5.0x	5.0x
Vevea Systems Inc	26%	38%	17%	36%	64%	53%	26,042	17.8x	12.1x	12.1x
Atlassian Corp. Plc	33%	29%	26%	22%	62%	48%	45,244	21.7x	14.4x	14.4x
Twilio, Inc.	57%	-4%	32%	-2%	53%	31%	11,400	4.0x	2.9x	2.9x
ServiceNow, Inc.	29%	31%	26%	30%	61%	56%	92,310	15.7x	12.4x	12.4x
HubSpot, Inc.	47%	17%	30%	13%	64%	43%	14,206	10.9x	8.2x	8.2x
Tier 1 SaaS (Rule of 40 > 60) Average								16.3x	9.5x	9.5x
	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%	696	6.7x	4.8x	3.5x
Qualys, Inc.	15%	46%	18%	31%	61%	49%	4,354	10.5x	9.0x	9.0x
Descartes Systems	22%	40%	12%	35%	62%	48%	4,943	11.6x	10.3x	9.7x
Avalara Inc	38%	6%	22%	2%	44%	24%	5,833	8.3x	6.7x	6.7x
Five9, Inc.	37%	0%	24%	3%	37%	27%	6,358	10.4x	8.2x	8.2x
Dropbox, Inc.	12%	34%	7%	34%	47%	41%	8,538	4.0x	3.7x	3.7x
Wix.com Ltd.	22%	1%	12%	2%	23%	14%	3,242	2.6x	2.3x	2.3x
Workday, Inc.	21%	26%	20%	18%	47%	38%	34,726	8.1x	5.7x	5.7x
VMware, Inc.	8%	28%	7%	27%	36%	34%	61,055	5.2x	4.5x	4.5x
Tier 2 SaaS (Rule of 40 b/w 40-60) Average								7.5x	6.1x	5.9x
	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%	4,023	9.5x	7.6x	7.6x
Zendesk, Inc.	31%	12%	26%	12%	43%	38%	7,562	5.6x	4.5x	4.5x
MongoDB, Inc.	48%	1%	37%	0%	49%	37%	16,734	28.3x	14.2x	14.2x
LivePerson, Inc.	24%	-18%	17%	-4%	6%	13%	999	2.1x	1.8x	1.8x
Rapid7 Inc.	32%	6%	26%	9%	38%	35%	4,433	8.3x	6.4x	6.4x
Paylocity Holding Corp.	32%	16%	25%	14%	48%	39%	8,926	14.0x	9.5x	9.5x
Q2 Holdings, Inc.	21%	3%	17%	2%	24%	19%	2,307	4.6x	4.0x	4.0x
Akamai Technologies, Inc.	7%	25%	6%	23%	32%	30%	16,375	4.7x	4.5x	4.5x
Tier 3 SaaS (Rule of 40 b/w 28-40) Average								9.7x	6.6x	6.6x
	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.	35%	7%	24%	8%	42%	32%	6,316	4.0x	3.1x	3.1x
Teradata Corporation	2%	25%	-7%	21%	26%	14%	3,774	2.0x	2.1x	2.1x
Anaplan, Inc.	32%	-5%	26%	-1%	27%	25%	9,286	20.7x	12.7x	12.7x
Zuora, Inc.	14%	7%	20%	0%	20%	20%	995	3.3x	2.5x	2.5x
New Relic, Inc.	18%	-1%	18%	0%	17%	18%	2,743	4.1x	3.1x	3.1x
Kinaxis, Inc.	21%	5%	19%	9%	26%	28%	2,505	10.0x	7.2x	6.3x
Yext, Inc.	10%	4%	4%	-1%	14%	3%	561	1.6x	1.4x	1.4x
Splunk Inc.	24%	7%	23%	14%	30%	37%	16,307	7.3x	5.0x	5.0x
Tier 4 SaaS (Rule of 40 <28) Average								6.6x	4.6x	4.5x
SaaS Average								10.5x	6.9x	6.8x

Source: FactSet and CIBC World Markets Inc.

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