

EQUITY RESEARCH

June 30, 2022

Industry Update

Doors Wide Open – Bits & Bytes Weekly

Immigration Driving Tech Sector Growth In Canada

Our Conclusion

As Canada continues to open its doors wide to accept immigrants, the U.S. remains firm in its stance of keeping the walls up. Global shortages for tech workers are forecasted to reach 4.3MM by 2030, and Canada's less restrictive policies are already paying off. As the Great Resignation made its way through the world, Canada was better insulated compared to the U.S., which saw an ~50% immigration decline in 2021. Immigration remains Canada's competitive advantage in a booming tech market, and restrictive U.S. policies continue to make Canada an attractive choice for immigrants.

Key Points

Situation Continues To Worsen: While the U.S. remains one of the top destinations for immigrants, the increasingly politicized topic has driven more stringent policies, leading to an ~50% Y/Y decline in immigration in 2021. This is a stark contrast to Canada, which welcomed a record number of immigrants in 2021, the highest ever in a single year. While the recent decline in U.S. immigration can be blamed on COVID, the trend started during the Trump era when restrictive policies were put in place leading to a ~75% increase in U.S. residents entering Canada through a skill-based immigration program between 2017 and 2019. More recently, the high demand for foreign talent in the U.S. was highlighted in the 2022 H-1B lottery, which saw a whopping 56% increase in registrations from employers, as they fight for talent. Given the quotas on this lottery, there were ~400K foreign nationals that were unable to secure a visa to work at the company sponsoring them.

Good News For Canada, But Competition Remains: Canada is not the only country looking to benefit from the U.S.' declining immigration. The U.K. is now offering a new visa to graduates from top international schools, even if they are not sponsored by an employer, as it looks to increase its skilled employee base. In Canada, it is now estimated that by the end of 2025, digital-economy-driven employment will reach 2.26MM or 11% of total employment, according to the Council of Canadian Innovators (CCI). Currently, the workforce is not positioned to meet the demand growth given shortages of highly skilled labour in spite of high immigration rates. The CCI is calling for a program that replicates the new visa program in the U.K.

Improvements Planned Ahead: Earlier this year, Canada committed to dedicating C\$1 billion over five years to create an agency focused on investing in STEM (science, technology, engineering and mathematics). The government is also in talks to pass a bill that would speed up immigration based on sectoral labour needs. The general sentiment remains bullish on tech sector and immigration growth to drive economic success in the country.

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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.

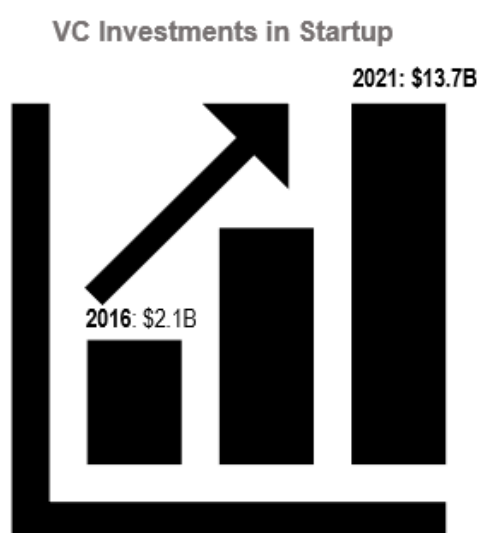
Increasing Talent And Investments

The restrictive immigration policies put in place by the Trump administration contributed to Canadian start-ups experiencing a double-digit increase in job applications from U.S.-based candidates in 2017. Canada wasn't the only country that raced to poach this talent, with France, the U.K. and China also openly recruiting American technologists and scientists. This also wasn't limited to workers either - University of Toronto saw an 80% increase in applications from U.S. applicants in 2017.

The Toronto tech talent pool grew at a rate of 43% from 2015 to 2020, while Montreal saw 31% growth compared to Seattle (35%) and San Francisco (16.4%), during the same period. Talent flowing into the country from the U.S. and around the globe is driving innovation, with VC investments in the Canadian start-up space increasing from \$2.1B in 2016 to \$13.7B in 2021.

Exhibit 1: Tech Talent Pool And Startup VC Investments, 2015-2021

Large Markets		
	Tech Talent Pool	% Change (2015 - 2020)
San Francisco	373.4K	16.4%
New York	348.3K	6.7%
Toronto	270.4K	42.8%
Washington D.C.	265.4K	10.0%
Los Angeles	228.7K	18.6%
Dallas	189.2K	16.3%
Seattle	184.7K	35.4%
Boston	168.1K	7.2%
Chicago	167.4K	4.6%
Montreal	160.7K	31.4%
Small Markets		
Columbus	47.9K	5.1%
Calgary	46.7K	17.9%
Orlando	43.3K	30.0%
Pittsburgh	43.1K	10.7%
Sacramento	40.2K	10.7%



Source: CBRE, Pitchbook and CIBC World Markets Inc.

News Impacting Our Coverage

Dye & Durham makes revised acquisition proposal to Link Group

The revised proposal includes a purchase price of A\$4.30 per Link Group share, down from A\$5.50 per share offered previously in 2021. The letter also stated that other than a reduction in the offer price, D&D is not looking to make any further amendments and expects the ACCC approval, based on the contemplated undertaking.

Docebo releases inaugural ESG report

Docebo's ESG report outlines key focus areas consistent within the software industry and how the company is aligning its sustainability efforts. The company used both the Task Force on Climate-related Financial Disclosures (TCFD) and the Sustainability Accounting Standards Board (SASB) as the primary guides for the development of this report [Link To ESG Report](#)

Some highlights include:

- Docebo technology is being used by leading NPOs, and charitable organizations to educate their own internal organizations as well as their external audiences to achieve positive social outcomes, including: Amnesty International, EcoVadis, Girls with Impact, and the UN Global Compact Academy.
- Launched four resource groups to cultivate Diversity, Equity, and Inclusion throughout the employee team.
- Over the past three years, total customer downtime was reduced by 44% and improved service reliability, while doubling the total number of customers to 2,805 by the end of 2021.
- A total of 80% of Docebo's offices have adopted a Green Energy Supplier Policy, and 44% of Docebo's electricity use in 2021 was derived from renewable sources.

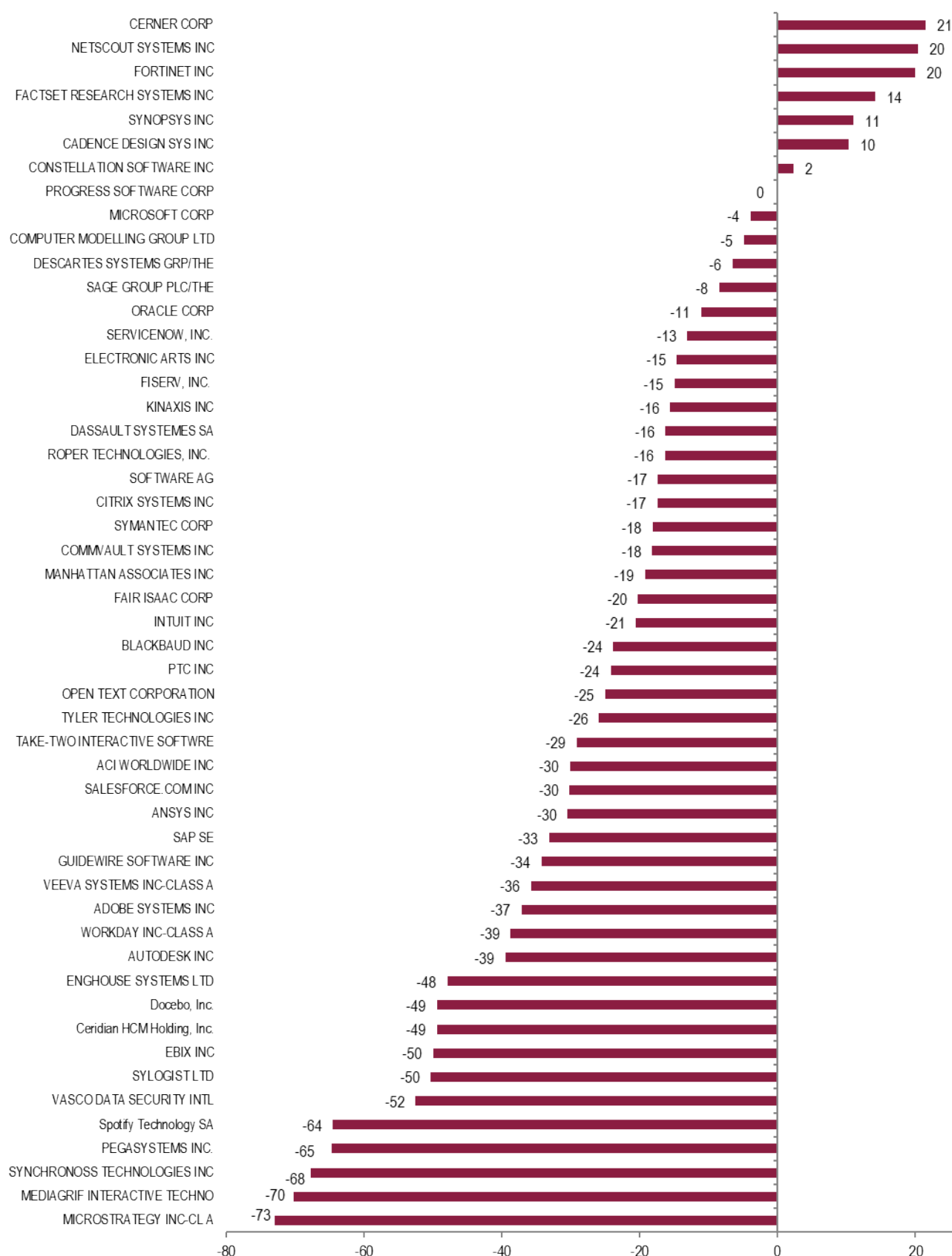
Exhibit 2: CIBC Software/Services – Coverage Performance, 6/29/2021 - 6/29/2022

Software & Systems	Price	1 Week	1 Month	3 Month	6 Month	1 Year	YTD	52W High	52W Low
Constellation Software Inc	1,919.80	2.2	(4.4)	(10.2)	(19.0)	2.3	(18.2)	2385.80	1793.93
Descartes Systems	62.09	2.0	2.5	(17.0)	(24.7)	(10.2)	(24.9)	91.39	56.19
Dye & Durham	22.01	(2.1)	(5.1)	(16.0)	(51.9)	NA	(51.0)	50.49	12.95
Enghouse Systems Limited	28.80	6.6	(15.9)	(28.4)	(41.0)	(47.8)	(40.5)	64.42	23.96
Open Text Corp	38.10	1.7	(3.9)	(11.2)	(20.2)	(25.0)	(19.8)	55.25	35.04
Kinaxis	137.74	4.0	(0.7)	(16.5)	(23.9)	(15.5)	(22.3)	229.98	119.48
Docebo, Inc.	37.16	(1.2)	(17.6)	(41.6)	(57.9)	(49.3)	(56.2)	117.55	32.35
Magnet Forensics	17.20	6.2	0.2	(38.8)	(49.1)	(32.6)	(47.7)	65.80	14.89
Q4 Inc.	4.41	1.8	(6.6)	(8.3)	(46.9)	NA	(48.1)	12.05	4.01
Average		2.3	(5.7)	(20.9)	(37.2)	(25.5)	(36.5)		

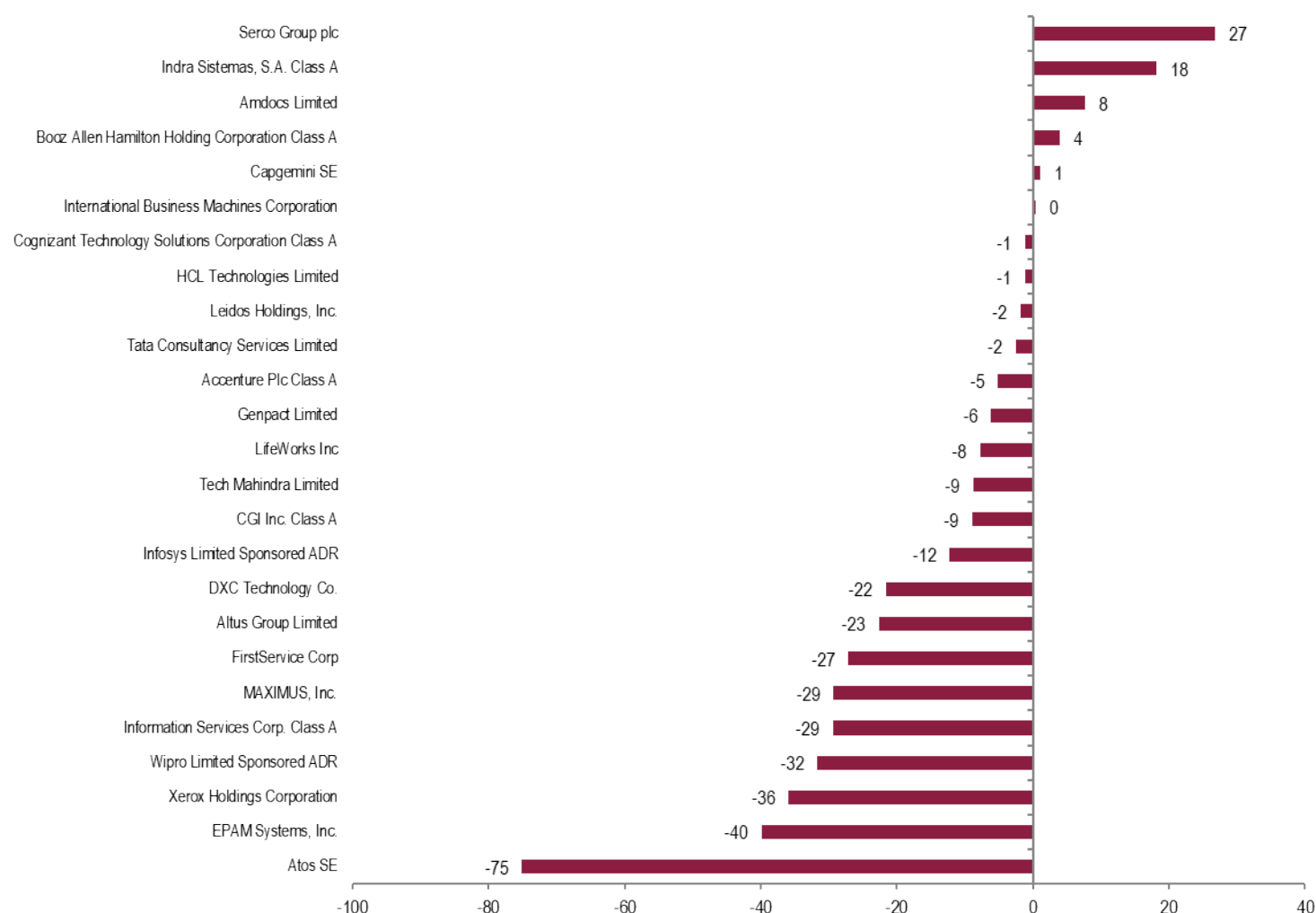
Business Services	Price	1 Week	1 Month	3 Month	6 Month	1 Year	YTD	52W High	52W Low
CGI Group Inc	102.41	1.2	(6.0)	1.3	(9.0)	(8.9)	(8.4)	116.88	95.45
Converge Technologies	5.30	(5.0)	(34.2)	(49.0)	(51.6)	(48.1)	(51.2)	13.09	5.10
Softchoice Corporation	21.04	1.8	(10.1)	(24.4)	(2.0)	(4.3)	(1.5)	45.74	17.91
Telus International	32.49	2.2	0.7	0.7	(23.1)	(15.6)	(22.3)	49.43	26.75
Average		0.0	(12.4)	(17.8)	(21.5)	(19.2)	(20.9)		

Indices	Price	1 Week	1 Month	3 Month	6 Month	1 Year	YTD
S&P/TSX Composite Index	19,078.64	1.9	(8.0)	(13.6)	(10.4)	(5.4)	(10.1)
S&P 500 Index	3,818.83	0.6	(8.2)	(17.0)	(20.1)	(11.1)	(19.9)
S&P/TSX Software Index	129.97	(2.4)	(7.8)	(24.2)	(39.7)	(39.1)	(38.8)
S&P500 Software Index	4,376.07	0.0	(5.3)	(17.3)	(25.7)	(11.4)	(25.2)

Source: FactSet and CIBC World Markets Inc.

Exhibit 3: Software Stocks – Return Performance (%), 6/29/2021 - 6/29/2022

Source: FactSet and CIBC World Markets Inc.

Exhibit 4: Business Services Stocks – Return Performance (%), 6/29/2021 - 6/29/2022


Source: FactSet and CIBC World Markets Inc.

Exhibit 5: 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.*	32,042	6.3x	5.0x	4.4x	21.2x	18.5x	15.6x	47.9x	26.7x	23.0x
BlackBerry Limited*	3,094	3.5x	4.5x	3.3x	>50	NEG	NEG	NEG	NEG	NEG
Sage Group plc	6,645	3.6x	3.4x	3.1x	16.1x	14.2x	12.9x	24.0x	23.3x	20.7x
Tyler Technologies, Inc.	14,934	9.4x	8.0x	7.3x	42.5x	31.0x	28.2x	>50	44.1x	40.6x
Roper Technologies, Inc.	49,485	8.6x	8.2x	7.7x	22.4x	20.9x	19.5x	38.2x	25.6x	23.6x
Enghouse Systems Limited	1,391	3.0x	3.2x	3.20x	8.6x	9.6x	9.3x	17.2x	20.8x	20.1x
Oracle Corporation	242,024	6.0x	5.3x	4.8x	12.9x	10.6x	9.8x	15.2x	13.6x	12.4x
SAP SE	107,989	3.9x	3.4x	3.4x	15.1x	12.1x	10.9x	19.1x	17.0x	14.9x
Enterprise Application Software Average		5.5x	5.1x	4.6x	19.8x	16.7x	15.2x	26.9x	24.4x	22.2x
Extended ERP										
Adobe Incorporated	172,991	10.9x	9.7x	8.5x	25.9x	19.8x	17.2x	36.8x	26.8x	22.7x
Open Text Corporation	13,155	3.8x	3.6x	3.6x	10.3x	10.3x	9.6x	12.0x	12.0x	11.0x
Manhattan Associates, Inc.	7,153	10.8x	9.9x	8.9x	>50	39.0x	33.8x	>50	>50	46.4x
Pegasystems Inc.	4,342	3.6x	3.0x	2.5x	NEG	45.6x	24.8x	NEG	>50	38.6x
Software AG	2,021	2.4x	2.2x	2.0x	13.1x	10.6x	8.6x	27.7x	20.6x	16.3x
Fiserv, Inc.	79,896	4.9x	4.8x	4.5x	14.4x	11.3x	10.3x	45.8x	14.1x	12.3x
Extended ERP Average		6.1x	5.5x	5.0x	15.9x	22.8x	17.4x	30.6x	18.3x	24.5x
Software As A Service										
Descartes Systems Group Inc.	5,062	11.9x	10.6x	9.9x	27.3x	24.2x	21.9x	>50	>50	>50
Kinaxis, Inc.*	2,760	11.0x	7.9x	7.0x	>50	43.2x	34.5x	>50	>50	>50
Docebo, Inc.*	738	7.1x	5.1x	3.7x	NEG	NEG	>50	NEG	NEG	NEG
Lightspeed Commerce Inc*	2,430	5.2x	3.5x	2.6x	NEG	NEG	NEG	NEG	NEG	NEG
Veeva Systems Inc Class A	28,607	19.5x	13.3x	11.4x	>50	33.6x	28.8x	>50	48.6x	42.1x
Shopify, Inc. Class A	35,639	7.7x	6.2x	4.7x	>50	>50	>50	1.4x	>50	>50
Q4 Inc*	82	1.5x	1.5x	1.2x	NEG	NEG	NEG	NEG	NEG	NEG
Magnet Forensics, Inc.*	435	6.2x	4.7x	3.6x	23.3x	29.6x	21.1x	>50	>50	>50
Ceridian HCM Holding, Inc.	8,214	8.0x	6.7x	5.8x	>50	41.3x	33.1x	NEG	>50	>50
ServiceNow, Inc.	94,684	16.1x	12.7x	10.2x	>50	41.0x	32.6x	>50	>50	>50
Workday, Inc. Class A	35,615	8.3x	5.8x	4.9x	>50	23.2x	18.8x	NEG	42.2x	33.6x
Software As A Service Average		9.3x	7.1x	5.9x	25.3x	33.7x	27.2x	1.4x	45.4x	37.9x
Infrastructure Vendors										
Citrix Systems, Inc.	15,280	4.7x	4.6x	4.4x	21.7x	14.5x	13.8x	39.8x	>50	30.4x
Microsoft Corporation	1,898,437	11.3x	8.9x	7.8x	23.5x	17.7x	15.3x	32.3x	26.0x	22.4x
Infrastructure Vendors Average		8.0x	6.8x	6.1x	22.6x	16.1x	14.6x	36.0x	26.0x	26.4x
Software Average		7.4x	6.1x	5.3x	19.9x	23.7x	19.6x	27.5x	25.8x	25.4x

*Share Price Converted to USD

Source: FactSet and CIBC World Markets Inc.

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

		Enterprise	EV/EBITDA			P/E			EV/S		
		Value (\$mlns.)	C21	C22E	C23E	C21	C22E	C23E	C21	C22E	C23E
Business & IT Services											
CGI Inc. Class A	27,217	11.0x	10.5x	9.9x	18.3x	16.3x	15.2x	2.2x	2.1x	2.0x	
TELUS International (CDA), Inc.	7,640	14.1x	12.3x	10.4x	24.9x	21.2x	16.6x	3.5x	3.0x	2.6x	
Accenture Plc Class A	172,327	17.9x	14.6x	13.4x	30.6x	25.1x	22.4x	3.4x	2.7x	2.5x	
Booz Allen Hamilton	14,116	15.8x	14.7x	13.8x	20.3x	20.6x	18.8x	1.8x	1.6x	1.5x	
CACI International Inc Class A	8,553	11.5x	12.6x	11.7x	15.1x	14.8x	13.6x	1.4x	1.3x	1.3x	
DXC Technology Co.	10,539	5.2x	4.1x	4.0x	NEG	8.0x	6.5x	0.6x	0.7x	0.7x	
Genpact Limited	8,999	14.0x	11.3x	10.1x	22.3x	15.9x	14.0x	2.2x	2.0x	1.9x	
International Business Machines	174,143	13.0x	10.6x	10.2x	22.2x	14.4x	13.3x	3.0x	2.9x	2.8x	
Atos SE	3,187	3.0x	3.0x	2.8x	NEG	6.0x	4.4x	0.3x	0.3x	0.3x	
Capgemini SE	33,565	11.6x	9.9x	9.0x	24.6x	16.2x	14.4x	1.8x	1.6x	1.5x	
Sopra Steria Group SA	4,135	7.8x	6.8x	6.3x	15.3x	10.4x	9.1x	0.9x	0.8x	0.8x	
Converge Technology Solutions C	1,022	10.9x	7.1x	5.8x	>50	27.7x	17.1x	0.7x	0.4x	0.4x	
Business & IT Services Average		11.4x	10.0x	9.3x	21.5x	15.3x	13.5x	1.9x	1.7x	1.6x	
HR Outsourcing		EV/EBITDA			P/E			EV/S			
Ceridian HCM Holding, Inc.	8,214	>50	41.3x	33.1x	NEG	>50	>50	8.0x	6.7x	5.8x	
Willis Towers Watson	23,052	10.3x	9.7x	8.9x	6.1x	14.8x	12.8x	2.6x	2.6x	2.4x	
Aon Plc Class A	66,693	17.4x	16.5x	15.5x	48.4x	20.3x	18.3x	5.5x	5.2x	4.9x	
Automatic Data Processing, Inc.	89,503	23.3x	20.2x	18.3x	35.0x	28.8x	25.8x	6.0x	5.3x	4.9x	
Paychex, Inc.	41,070	24.9x	19.2x	18.0x	37.9x	28.9x	26.7x	10.1x	8.6x	8.0x	
HR Outsourcing Average		19.0x	21.4x	18.8x	31.8x	23.2x	20.9x	6.4x	5.7x	5.2x	
Information Services		EV/EBITDA			P/E			EV/S			
Broadridge Financial Solutions, Inc.	20,783	17.9x	15.8x	15.0x	31.0x	21.4x	19.7x	4.1x	3.6x	3.4x	
Dye & Durham Ltd.	2,503	15.8x	15.8x	11.1x	>50	>50	35.1x	6.7x	4.4x	3.8x	
Deluxe Corporation	2,389	6.5x	5.5x	5.3x	14.9x	4.7x	4.5x	1.2x	1.1x	1.1x	
Information Services Corp	387	5.7x	7.0x	6.6x	10.5x	12.2x	12.4x	2.3x	2.2x	2.2x	
Information Services Average		11.5x	11.0x	9.5x	18.8x	12.8x	17.9x	3.5x	2.8x	2.6x	
Financial Services Technology		EV/EBITDA			P/E			EV/S			
Fidelity National Information Services	76,628	12.5x	11.5x	10.6x	>50	13.0x	11.3x	5.5x	5.2x	4.8x	
Fiserv, Inc.	79,896	14.4x	11.3x	10.3x	45.8x	14.1x	12.3x	4.9x	4.8x	4.5x	
Jack Henry & Associates, Inc.	13,380	19.2x	21.2x	19.3x	44.2x	36.0x	32.9x	7.6x	6.6x	6.2x	
ACI Worldwide, Inc.	3,992	10.9x	9.8x	9.1x	24.1x	19.5x	16.6x	2.9x	2.8x	2.7x	
Temenos AG	6,855	12.5x	14.7x	12.9x	33.7x	19.7x	17.2x	7.1x	6.5x	5.9x	
Global Payments Inc.	42,258	11.6x	10.6x	9.5x	34.3x	11.8x	10.1x	5.0x	5.0x	4.6x	
Financial Services Technology Average		13.5x	13.2x	12.0x	36.4x	19.0x	16.7x	5.5x	5.2x	4.8x	
Diversified Real Estate Services		EV/EBITDA			P/E			EV/S			
Colliers International Group Inc.	5,605	10.2x	8.8x	8.0x	-11.9x	14.5x	13.3x	1.4x	1.2x	1.1x	
Altus Group Limited	2,144	20.7x	20.2x	17.0x	30.2x	30.2x	31.8x	3.4x	3.4x	3.0x	
CBRE Group, Inc. Class A	25,852	12.1x	8.1x	7.4x	13.6x	11.8x	10.8x	0.9x	0.8x	0.7x	
Jones Lang LaSalle Incorporated	10,636	7.3x	7.0x	6.7x	9.6x	8.6x	8.0x	0.5x	0.5x	0.5x	
Diversified Real Estate Services Average		12.6x	11.0x	9.7x	10.4x	16.3x	16.0x	1.6x	1.5x	1.3x	
Software Focused IT Solutions/VARs		EV/EBITDA			P/E			EV/S			
Softchoice Corporation	1,332	19.3x	19.3x	14.2x	32.6x	32.6x	29.3x	4.6x	4.6x	4.2x	
Softcat Plc*	2,508	14.9x	14.8x	14.0x	19.9x	20.3x	19.9x	6.7x	6.3x	5.7x	
Crayon Group Holding ASA*	11,877	>50	>50	>50	>50	>50	>50	>50	28.0x	23.6x	
Bytes Technology Group Plc*	923	19.0x	15.0x	13.7x	21.5x	21.1x	20.3x	NA	NA	NA	
SoftwareONE Holding Ltd.*	1,272	7.7x	5.0x	4.4x	14.7x	13.3x	11.1x	6.1x	1.3x	1.1x	
Bytes Technology Group Plc* Average		15.2x	13.5x	11.6x	22.2x	21.8x	20.2x	5.8x	10.1x	8.6x	
Business Services Average		13.3x	12.9x	11.5x	23.8x	17.7x	16.6x	3.8x	4.0x	3.6x	
*Software Focused IT Solutions/VARs uses EV/GP metric.											

Source: FactSet and CIBC World Markets Inc.

Exhibit 7: 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%	28,056	10.6x	6.2x	6.2x
CrowdStrike Holdings, Inc.	66%	31%	48%	30%	97%	78%	39,611	45.3x	18.5x	18.5x
Shopify, Inc.	40%	5%	28%	0%	45%	28%	35,095	7.6x	6.1x	6.1x
Zscaler, Inc.	61%	22%	41%	21%	83%	62%	21,444	31.9x	17.3x	17.3x
Lightspeed POS, Inc.	137%	-17%	37%	-8%	120%	29%	2,430	11.0x	3.5x	3.5x
DocuSign, Inc.	45%	23%	17%	19%	68%	37%	12,284	8.5x	5.0x	5.0x
Veeva Systems Inc	26%	38%	17%	36%	64%	53%	28,607	19.5x	13.3x	13.3x
Atlassian Corp. Plc	33%	29%	26%	22%	62%	48%	48,487	23.2x	15.4x	15.4x
Twilio, Inc.	57%	-4%	32%	-2%	53%	31%	12,206	4.3x	3.2x	3.2x
ServiceNow, Inc.	29%	31%	26%	30%	61%	56%	94,684	16.1x	12.7x	12.7x
HubSpot, Inc.	47%	17%	30%	13%	64%	43%	14,341	11.0x	8.3x	8.3x
Tier 1 SaaS (Rule of 40 > 60) Average								17.2x	10.0x	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		
								C21E	C22E	C22E
Tier 2 SaaS (Rule of 40 b/w 40-60)										
Docebo, Inc.	54%	-3%	40%	-4%	50%	36%	741	7.1x	5.1x	3.8x
Qualys, Inc.	15%	46%	18%	31%	61%	49%	4,669	11.3x	9.6x	9.6x
Descartes Systems	22%	40%	12%	35%	62%	48%	5,062	11.9x	10.6x	9.9x
Avalara Inc	38%	6%	22%	2%	44%	24%	5,910	8.5x	6.8x	6.8x
Five9, Inc.	37%	0%	24%	3%	37%	27%	6,866	11.3x	8.9x	8.9x
Dropbox, Inc.	12%	34%	7%	34%	47%	41%	8,658	4.0x	3.7x	3.7x
Wix.com Ltd.	22%	1%	12%	2%	23%	14%	3,444	2.7x	2.4x	2.4x
Workday, Inc.	21%	26%	20%	18%	47%	38%	35,615	8.3x	5.8x	5.8x
VMware, Inc.	8%	28%	7%	27%	36%	34%	58,577	5.0x	4.3x	4.3x
Tier 2 SaaS (Rule of 40 b/w 40-60) Average								7.8x	6.4x	6.1x
	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%	4,024	9.5x	7.6x	7.6x
Zendesk, Inc.	31%	12%	26%	12%	43%	38%	9,329	7.0x	5.5x	5.5x
MongoDB, Inc.	48%	1%	37%	0%	49%	37%	18,263	30.9x	15.5x	15.5x
LivePerson, Inc.	24%	-18%	17%	-4%	6%	13%	1,141	2.4x	2.1x	2.1x
Rapid7 Inc.	32%	6%	26%	9%	38%	35%	4,712	8.8x	6.8x	6.8x
Paylocity Holding Corp.	32%	16%	25%	14%	48%	39%	9,664	15.2x	10.3x	10.3x
Q2 Holdings, Inc.	21%	3%	17%	2%	24%	19%	2,429	4.9x	4.2x	4.2x
Akamai Technologies, Inc.	7%	25%	6%	23%	32%	30%	16,550	4.8x	4.5x	4.5x
Tier 3 SaaS (Rule of 40 b/w 28-40) Average								10.4x	7.1x	7.1x
	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%	6,438	4.0x	3.2x	3.2x
Teradata Corporation	2%	25%	-7%	21%	26%	14%	3,902	2.0x	2.1x	2.1x
Zuora, Inc.	14%	7%	20%	0%	20%	20%	1,031	3.4x	2.6x	2.6x
New Relic, Inc.	18%	-1%	18%	0%	17%	18%	3,125	4.7x	3.5x	3.5x
Kinaxis, Inc.	21%	5%	19%	9%	26%	28%	2,760	11.0x	7.9x	7.0x
Yext, Inc.	10%	4%	4%	-1%	14%	3%	499	1.4x	1.2x	1.2x
Splunk Inc.	24%	7%	23%	14%	30%	37%	16,547	7.4x	5.0x	5.0x
Tier 4 SaaS (Rule of 40 <28) Average								4.9x	3.7x	3.5x
SaaS Average								10.8x	7.1x	7.0x

Source: FactSet and CIBC World Markets Inc.

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