

EQUITY RESEARCH

January 27, 2022

Industry Update

Canada Vs. Google – Bits & Bytes Weekly

Google Pushes Back On Proposed Canadian Internet Laws

Our Conclusion

As the Canadian Federal government looks to introduce regulations aimed at internet and big tech operating in the country, Google is making its concerns public. Specifically, Google raised concerns around bespoke content regulation, local content requirements and copyrights on the grounds that user experiences would be negatively impacted.

This is not the first time big tech has pushed back against government regulations. In 2021, Google threatened to pull search services in Australia and Meta temporarily removed news from its platform in the country in opposition to requirements that they would have to pay for news content posted to their platforms. With the Canadian Liberals pushing hard for additional regulation, we expect further showdowns between the government and the major internet platforms.

Key Points

Three major pieces of internet-related legislation will be in focus when the House of Commons resumes sitting at the end of January. The first tabled bill, dubbed the Broadcast Act, aims to subject platforms such as Netflix, Disney+, and Google to some of the rules applied to traditional broadcasters, namely the requirement to fund and promote Canadian content. A second bill (Bill C-36) focuses on reducing harmful online content including terrorist content and hate speech, while a third bill would require platforms to share revenue generated from news content with Canadian news outlets.

The proposed bill on online speech regulation follows in Germany's footsteps, which expanded its hate-speech laws this past July. In response, Google has taken legal action against the German government, quoting violations of user privacy.

The tabled bills represent the latest efforts to reign in the tech giants such as Facebook and Google. Another initiative is the proposed digital services tax (DST), which would apply a 3% tax to Canadian-sourced revenue for digital services exceeding C\$20M. The DST would apply to entities with more than €750 million in global revenue, but could be abandoned if major nations develop a common approach towards taxation.

Canadian officials have also raised concerns over the role that black-box algorithms have in spreading misinformation and manipulation. The government is likely to focus on whether platforms should be more transparent regarding how their algorithms are being used for web searches and content recommendation. In an interview, Google's senior executive challenged algorithmic transparency on the grounds that increased disclosure would make it easier for bad actors to circumvent the systems.

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Sector:
Information Technology

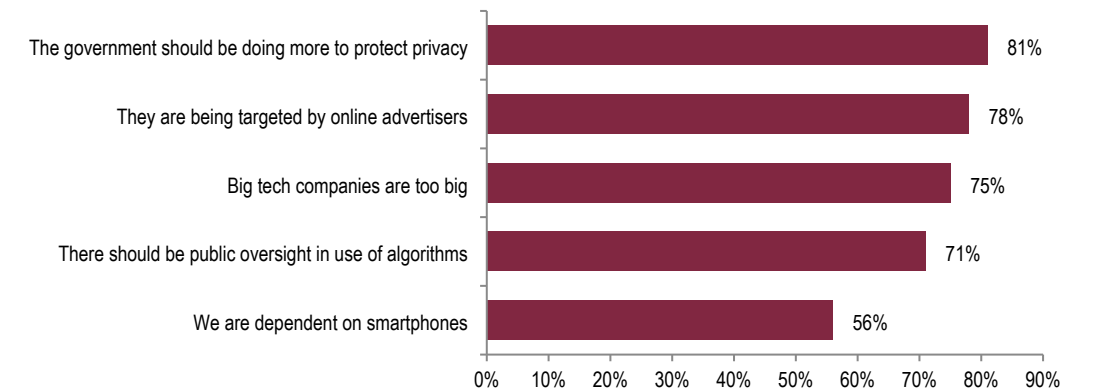
All figures in Canadian dollars unless otherwise stated.

For required regulatory disclosures please refer to "Important Disclosures" beginning on page 11.

The Public Wants Tech Regulation

According to a joint survey by Axios and Illinois Institute of Technology completed in the summer of 2021, the consensus among 1,500 Americans shows a consensus desire for government intervention on big tech. Eighty one percent of respondents believe the government needs to step up in protecting the public’s privacy rights against tech giants, given technology’s growing role in American society. Respondents voiced general concerns around the use of AI, the reach of algorithms, and the state of user online privacy.

Exhibit 1: Public Opinion On Technology – July 29 – August 5, 2021



Source: Axios, Illinois Tech, YouGov and CIBC World Markets Inc.

News Impacting Our Coverage

Research Highlight – LifeWorks Announces Tuck-in Acquisition Of ‘Breaking Free’

LifeWorks announced the tuck-in acquisition of Breaking Free, a provider of digital substance use disorder (SUD) treatment. The acquisition is in keeping with LifeWorks’ strategy of adding new modules and features to its Wellbeing platform and deepening its focus on mental health solutions. Virtually delivered behavioral health services have grown in popularity in the wake of the pandemic, and CEO Stephen Liptrap foreshadowed a move into the space with comments at the CIBC Western Institutional Investor Conference. The acquisition represents less than 1% of LifeWorks revenue and is not expected to have a material impact on 2022 financial performance. ([Link to note](#))

Research Highlight – WELL Health, A Focus On Organic Growth – Valuation Implies Upside

We hosted WELL Health Chairman and CEO Hamed Shahbazi for a fireside chat at the virtual CIBC Western conference last week, with the conversation providing insight on WELL’s plans for 2022 and beyond. With transformational M&A now in the rear-view, we expect that the upcoming year will provide additional clarity on the organic growth profile of WELL’s portfolio of assets. We continue to appreciate the combination of stable free cash flow provided by CRH/MyHealth and the higher growth and cross-sell potential offered by the virtual services. ([Link to note](#))

Research Highlight – Dialogue’s Q4 ARR & Member Release Show ARR Growth Accelerating

Dialogue released preliminary Q4 ARR and membership results that were largely in line with our expectations and suggest that the business will be successful in hitting the 2021 revenue targets outlined during the IPO. We are modeling \$19.3 million in Q4 revenue (+12.1% Q/Q), and with quarterly ARR growth of 12.7% slightly ahead of our revenue growth estimate we remain comfortable with our Q4 numbers. Sequential membership growth did slow from 22% in Q3 to 5% in Q4 after a very strong Q3 that saw Dialogue add 312,000 members with contribution from non-traditional sources such as student associations, unions and not-for-profit organizations. ([Link to note](#))

Docebo Acquires Skillslive Learn

Docebo announced the acquisition of Australia-based educational consulting agency Skillslive Learn for an undisclosed amount. The acquisition expands Docebo’s product portfolio and accelerates its move into the Asia-Pacific region. Skillslive Learn aligns learning by combining professional development, competencies, compliance, certification, and accreditation.

Open Text Announces Strategic Appointments At Executive Management Level

Open Text announced multiple executive changes including the appointment of Sandy Ono as Chief Marketing Officer. Ms. Ono previously served as VP, Growth Marketing at Hewlett Packard Enterprise, focused on driving digital transformation and analytics to enhance customer acquisition and retention strategies. Michael Acedo was promoted to Chief Legal Officer & Corporate Secretary from the position of VP, General Counsel. He has been with Open Text since 2014, bringing experience focused on international capital markets and M&A-oriented legal practices. Doug Parker was promoted to EVP, Corporate Development as current EVP Gordon A. Davies, will retire effective September 2022, and will act as Special Advisor to the CEO until retirement.

Magnet Forensics Announces Appointment of CFO and CISO

Magnet Forensics announced changes to its executive management team, separating the roles of COO and CFO, while creating the role of Chief Information Security Officer (CISO). Mr. Peter Vreeswyk has been promoted to the role of CFO from VP of Finance. Angelo Loberto, the current CFO and COO will continue to serve as COO.

Mr. Ben Schommer joined Magnet as CISO. Mr. Schommer brings more than two decades of international cybersecurity experience to Magnet. He has previously worked for the U.S. Marine Corps and SAIC in network engineering, and has held CISO positions at Tata Communications, FBR Capital Markets and Proxios. He will be responsible in developing and implementing the information security strategy.

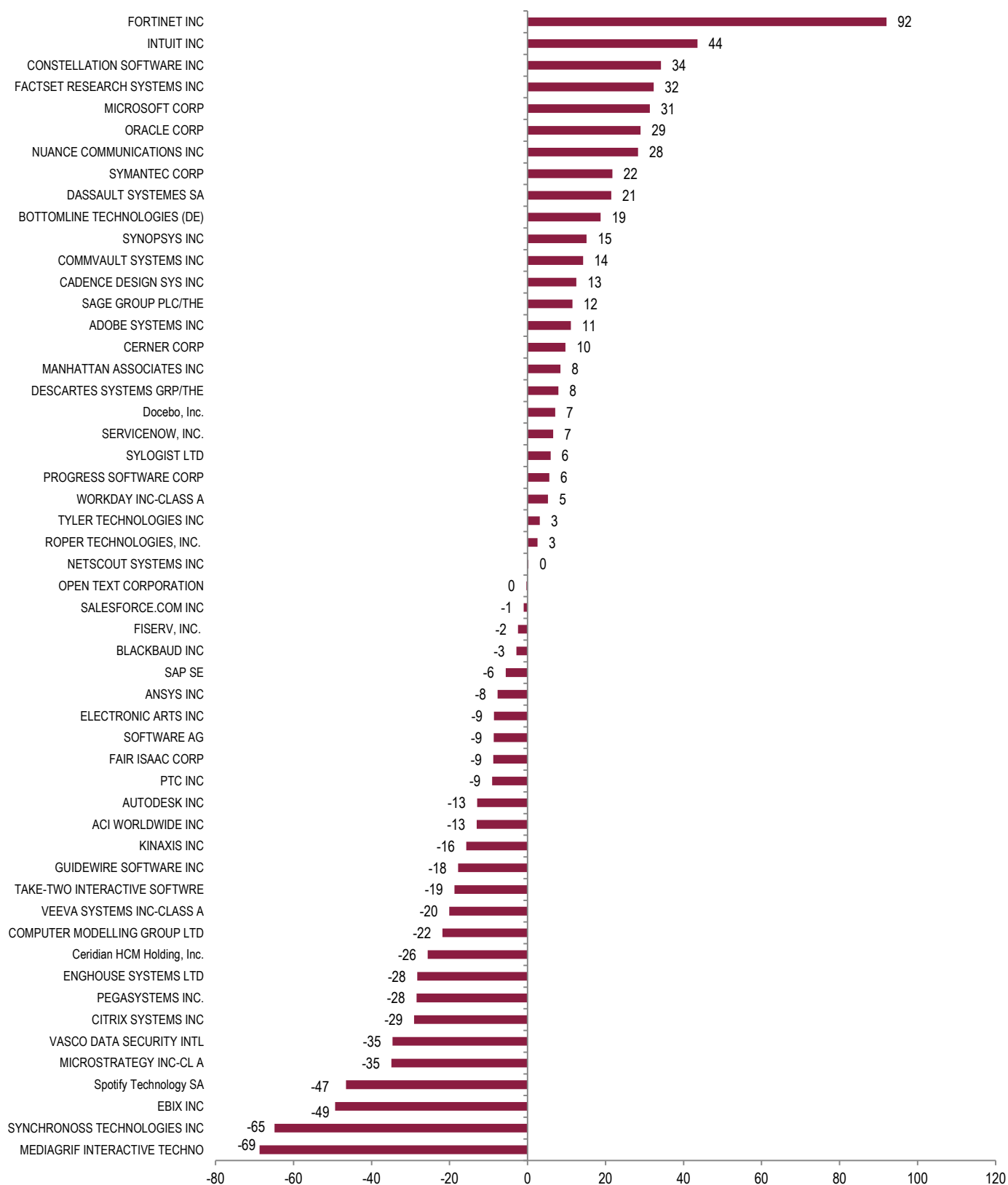
Exhibit 2: CIBC Software/Services – Coverage Performance, 1/20/2021 - 1/27/2022

Software & Systems	Price	1 Week	1 Month	3 Month	6 Month	1 Year	YTD	52W High	52W Low
Constellation Software Inc	2,084.70	2.1	(10.3)	(4.1)	8.0	34.2	(11.2)	2385.80	1530.35
Descartes Systems	67.99	(0.2)	(16.9)	(15.7)	(4.4)	8.8	(17.8)	91.39	56.78
Dye & Durham	35.70	(9.6)	(18.5)	(4.1)	(24.0)	NA	(20.5)	53.13	32.73
Enghouse Systems Limited	43.17	(5.0)	(11.2)	(18.9)	(23.8)	(28.3)	(10.9)	64.42	41.86
Open Text Corp	46.06	(1.8)	(4.0)	(7.4)	(10.7)	(0.3)	(3.0)	55.25	44.03
Kinaxis	151.59	(2.0)	(14.6)	(20.0)	(8.1)	(15.7)	(14.5)	229.98	124.05
Docebo, Inc.	66.96	2.8	(22.9)	(29.6)	(18.3)	7.1	(21.1)	117.55	47.22
Q4 Inc.	6.46	(13.3)	(22.6)	NA	NA	NA	NA	12.05	6.20
Average		(3.4)	(15.2)	(14.3)	(11.6)	1.0	(14.1)		

Business Services	Price	1 Week	1 Month	3 Month	6 Month	1 Year	YTD	52W High	52W Low
Altus Group Ltd	60.84	(6.4)	(13.5)	(7.5)	3.8	23.2	(14.3)	72.33	48.81
CGI Group Inc	103.66	(2.0)	(7.5)	(6.0)	(10.7)	4.6	(7.3)	116.88	93.88
Converge Technologies	9.02	3.4	(16.2)	(23.4)	(11.7)	57.1	(17.0)	13.09	4.58
Information Services Corp	26.00	(1.3)	5.7	(1.7)	(8.3)	22.8	(1.0)	33.87	20.49
LifeWorks Inc	27.21	0.1	7.5	(14.2)	(23.0)	(12.7)	6.6	37.56	24.20
Softchoice Corporation	23.27	11.4	2.0	(19.9)	NA	NA	NA	45.74	18.63
Telus International	34.56	(1.2)	(15.7)	(26.7)	(10.9)	NA	NA	49.43	33.37
Average		0.6	(5.4)	(14.2)	(10.1)	19.0	(6.6)		

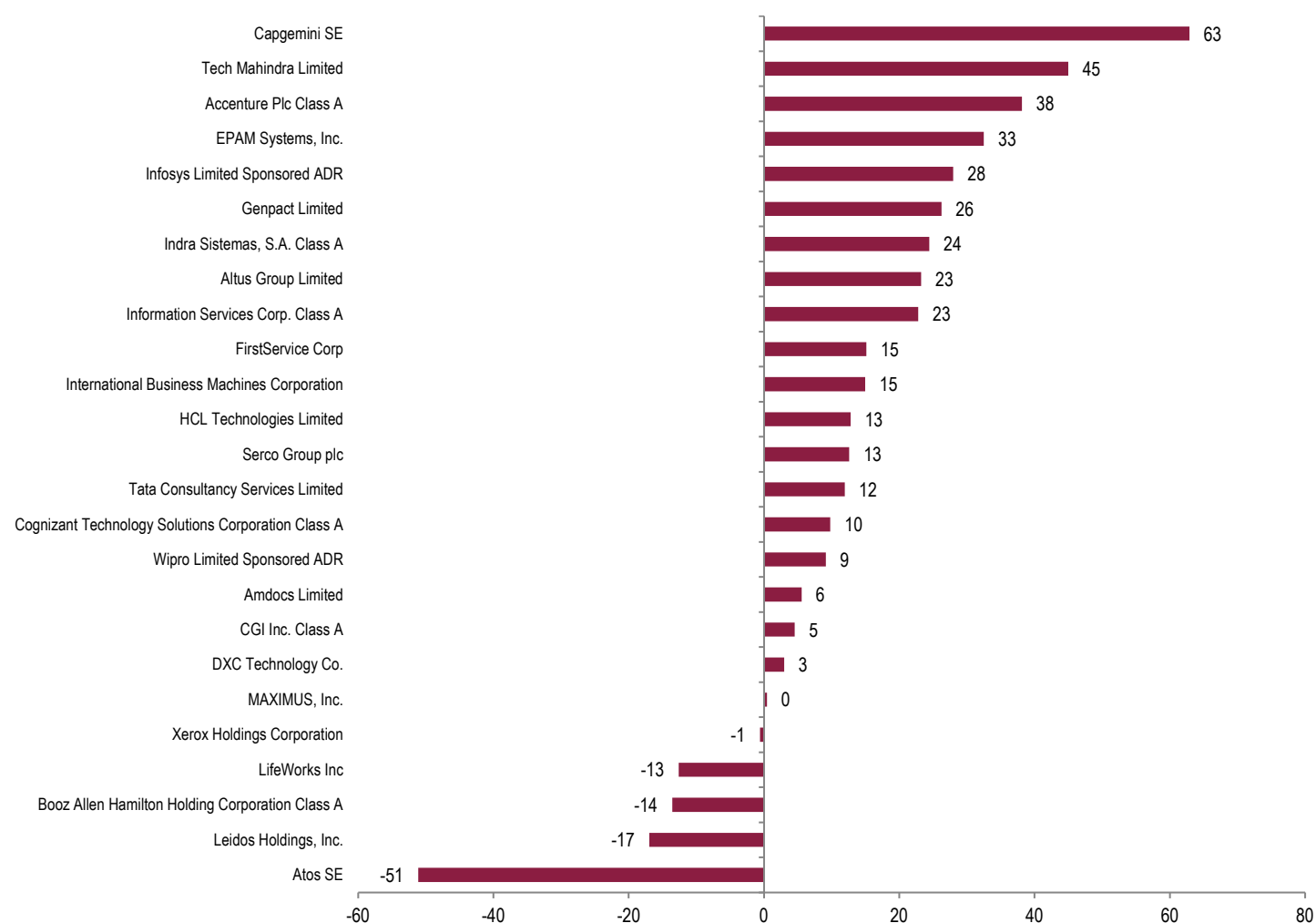
Indices	Price	1 Week	1 Month	3 Month	6 Month	1 Year	YTD
S&P/TSX Composite Index	20,809.15	(1.2)	(2.0)	(0.7)	3.2	19.4	(1.9)
S&P 500 Index	4,417.93	(1.4)	(7.8)	(2.9)	0.4	17.8	(7.3)
S&P/TSX Software Index	176.05	(3.2)	(17.9)	(20.9)	(20.5)	(9.6)	(17.1)
S&P500 Software Index	5,213.49	0.2	(12.4)	(10.5)	0.2	22.6	(10.8)

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

Exhibit 3: Software Stocks – Return Performance (%), 1/13/2021 - 1/13/2022

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

Exhibit 4: Business Services Stocks – Return Performance (%), 1/13/2021 - 1/13/2022



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

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

		Enterprise Value	EV/S			EV/EBITDA			P/E		
			C21E	C22E	C23E	C21E	C22E	C23E	C21E	C22E	C23E
Enterprise Application Software											
Constellation Software Inc.*	34,397	6.8x	5.8x	5.0x	23.1x	19.6x	17.1x	>50	29.1x	24.9x	
BlackBerry Limited*	4,432	4.6x	4.4x	3.9x	>50	NEG	>50	>50	NEG	NEG	
Sage Group plc	7,146	3.8x	3.6x	3.4x	16.8x	15.5x	14.1x	29.7x	26.2x	23.2x	
Tyler Technologies, Inc.	18,943	11.9x	10.2x	9.2x	43.9x	37.6x	33.0x	>50	>50	46.6x	
Roper Technologies, Inc.	52,647	9.0x	8.6x	8.2x	23.6x	22.4x	20.9x	30.0x	27.8x	25.7x	
Enghouse Systems Limited	2,176	4.7x	4.4x	4.1x	13.2x	12.7x	12.1x	25.2x	25.3x	23.7x	
Oracle Corporation	268,641	6.5x	6.2x	5.9x	13.1x	12.7x	11.9x	16.8x	15.7x	14.3x	
SAP SE	146,214	5.3x	5.0x	4.7x	16.7x	15.7x	14.5x	16.4x	20.7x	18.9x	
Enterprise Application Software Average		6.6x	6.0x	5.5x	21.5x	19.5x	17.6x	23.6x	24.1x	25.3x	
Extended ERP											
Adobe Inc.	231,447	14.5x	12.7x	11.1x	29.1x	26.2x	22.8x	39.2x	35.2x	29.9x	
Open Text Corporation	14,486	4.2x	4.1x	4.0x	11.4x	10.8x	10.4x	14.4x	13.2x	12.6x	
Manhattan Associates, Inc.	7,666	11.7x	10.8x	9.8x	43.3x	44.2x	38.4x	>50	>50	>50	
Pegasystems Inc.	7,809	6.3x	5.2x	4.4x	>50	>50	35.9x	>50	>50	>50	
Software AG	2,165	2.6x	2.4x	2.2x	12.9x	10.7x	8.9x	23.7x	19.8x	16.0x	
Fiserv, Inc.	86,264	5.6x	5.2x	4.9x	13.3x	12.2x	11.2x	18.0x	15.6x	13.6x	
Extended ERP Average		7.5x	6.8x	6.1x	22.0x	20.8x	21.3x	23.8x	21.0x	18.0x	
Software As A Service											
Descartes Systems Group Inc.	5,445	12.8x	11.5x	10.8x	29.5x	26.8x	24.0x	>50	>50	>50	
Kinaxis, Inc.*	3,049	12.3x	9.8x	8.5x	>50	>50	38.2x	>50	>50	>50	
Docebo, Inc.*	1,516	14.5x	10.0x	7.2x	NEG	NEG	>50	NEG	NEG	NEG	
Lightspeed Commerce Inc*	2,934	6.4x	4.4x	3.2x	NEG	NEG	NEG	NEG	NEG	NEG	
Nuvei Corporation*	8,132	11.3x	8.6x	6.7x	25.8x	19.6x	14.9x	33.1x	26.7x	20.6x	
Dye & Durham Ltd.	1,780	4.7x	3.0x	2.7x	8.4x	5.6x	4.9x	>50	>50	27.2x	
salesforce.com, inc.	214,476	8.3x	6.8x	5.8x	27.1x	22.4x	19.0x	45.1x	44.8x	38.4x	
Veeva Systems Inc Class A	30,699	16.9x	14.3x	12.2x	40.4x	36.4x	31.0x	>50	>50	47.0x	
Shopify, Inc. Class A	96,041	21.0x	15.7x	11.7x	>50	>50	>50	>50	>50	>50	
Ceridian HCM Holding, Inc.	11,169	11.0x	9.4x	8.0x	>50	>50	42.1x	>50	>50	>50	
ServiceNow, Inc.	104,119	17.7x	14.1x	11.3x	>50	44.0x	34.7x	>50	>50	>50	
Workday, Inc. Class A	55,119	10.9x	9.1x	7.6x	37.8x	37.6x	30.4x	>50	>50	>50	
Software As A Service Average		12.3x	9.7x	8.0x	28.2x	27.5x	26.6x	39.1x	35.7x	33.3x	
Infrastructure Vendors											
Citrix Systems, Inc.	15,621	4.9x	4.7x	4.5x	14.5x	15.1x	14.0x	20.4x	19.3x	17.3x	
Microsoft Corporation	2,202,845	12.0x	10.4x	9.1x	24.2x	20.6x	17.9x	34.6x	29.9x	25.9x	
Infrastructure Vendors Average		8.4x	7.5x	6.8x	19.3x	17.9x	15.9x	27.5x	24.6x	21.6x	
Software Average											
		9.4x	7.9x	6.8x	23.4x	22.3x	21.8x	26.7x	24.9x	25.0x	

*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	EV/EBITDA			P/E			EV/S		
		C20	C21E	C22E	C20	C21E	C22E	C20	C21E	C22E
Business & IT Services										
CGI Inc. Class A	26,946	11.0x	11.0x	10.7x	20.8x	18.7x	17.3x	2.2x	2.2x	2.1x
TELUS International (CDA), Inc.	8,179	20.7x	15.1x	12.9x	38.3x	27.7x	22.5x	4.9x	3.7x	3.2x
Accenture Plc Class A	219,174	25.3x	21.7x	18.9x	43.0x	36.2x	31.1x	4.7x	4.1x	3.6x
Booz Allen Hamilton	12,948	15.8x	14.2x	13.3x	22.6x	20.2x	18.4x	1.7x	1.6x	1.4x
CACI International Inc Class A	7,964	12.8x	11.7x	11.2x	16.3x	13.7x	13.1x	1.4x	1.3x	1.2x
DXC Technology Co.	11,620	4.3x	4.3x	4.1x	9.4x	9.0x	7.3x	0.6x	0.7x	0.7x
Genpact Limited	10,402	15.3x	13.9x	12.8x	22.8x	19.9x	18.0x	2.8x	2.6x	2.4x
International Business Machines	168,301	11.1x	9.6x	10.2x	16.3x	17.0x	13.7x	2.3x	2.9x	2.8x
Atos SE	5,255	3.6x	5.3x	4.5x	4.7x	10.8x	9.9x	0.5x	0.5x	0.5x
Capgemini SE	39,402	15.9x	13.3x	12.0x	26.9x	23.2x	20.0x	2.5x	2.2x	2.0x
Sopra Steria Group SA	4,423	9.7x	8.4x	7.6x	20.1x	14.0x	11.8x	1.0x	0.9x	0.9x
Business & IT Services Average		13.2x	11.7x	10.7x	21.9x	19.1x	16.6x	2.2x	2.1x	1.9x
HR Outsourcing		EV/EBITDA			P/E			EV/S		
LifeWorks Inc	2,430	12.1x	11.9x	11.0x	34.1x	NEG	32.3x	2.5x	2.3x	2.2x
Ceridian HCM Holding, Inc.	11,079	>50	>50	>50	>50	>50	>50	13.2x	10.9x	9.3x
Willis Towers Watson	32,755	13.3x	12.8x	13.4x	19.3x	17.7x	16.4x	3.5x	3.5x	3.4x
Aon Plc Class A	67,116	20.5x	18.4x	16.4x	27.5x	23.2x	20.7x	6.1x	5.5x	5.2x
Automatic Data Processing, Inc.	84,828	23.2x	21.4x	19.5x	33.3x	31.0x	27.7x	5.7x	5.4x	5.0x
Paychex, Inc.	41,209	24.4x	22.2x	20.2x	37.9x	33.8x	30.3x	10.2x	9.5x	8.8x
HR Outsourcing Average		18.7x	17.3x	16.1x	30.4x	26.4x	25.5x	6.8x	6.2x	5.7x
Information Services		EV/EBITDA			P/E			EV/S		
Broadridge Financial Solutions, Inc.	21,564	20.3x	18.4x	16.3x	28.3x	25.1x	22.4x	4.5x	4.1x	3.8x
Dye & Durham Ltd.	2,622	NEG	16.6x	12.0x	NEG	>50	>50	30.1x	6.9x	4.4x
Deluxe Corporation	1,896	5.2x	4.7x	4.2x	5.8x	6.0x	5.8x	1.1x	0.9x	0.9x
Information Services Corp	506	10.6x	7.7x	7.6x	17.9x	13.7x	13.0x	3.7x	3.1x	3.0x
Information Services Average		12.0x	11.9x	10.0x	17.3x	14.9x	13.7x	9.9x	3.7x	3.0x
Financial Services Technology		EV/EBITDA			P/E			EV/S		
Fidelity National Information Services	86,040	16.4x	14.0x	12.8x	20.3x	16.9x	15.2x	6.9x	6.2x	5.8x
Fiserv, Inc.	86,780	15.9x	13.4x	12.2x	22.8x	18.1x	15.6x	6.2x	5.6x	5.3x
Jack Henry & Associates, Inc.	11,846	21.2x	19.9x	18.3x	39.7x	35.9x	32.0x	6.8x	6.4x	6.0x
ACI Worldwide, Inc.	4,949	13.8x	12.9x	12.2x	>50	29.4x	25.5x	3.8x	3.6x	3.5x
Temenos AG	8,902	22.0x	20.4x	18.2x	31.3x	27.7x	24.6x	9.9x	9.1x	8.2x
Global Payments Inc.	49,666	16.5x	13.7x	12.3x	22.3x	17.5x	14.9x	7.4x	6.4x	5.9x
Bottomline Technologies	2,556	26.2x	24.8x	22.7x	48.4x	49.4x	46.2x	5.6x	5.1x	4.6x
Financial Services Technology Average		18.9x	17.0x	15.5x	30.8x	27.8x	24.9x	6.7x	6.1x	5.6x
Diversified Real Estate Services		EV/EBITDA			P/E			EV/S		
Colliers International Group Inc.	7,346	20.3x	14.1x	12.6x	34.2x	24.7x	23.0x	2.6x	1.9x	1.8x
Altus Group Limited	2,836	28.7x	26.8x	22.5x	36.7x	37.0x	43.5x	5.1x	4.6x	4.0x
CBRE Group, Inc. Class A	35,230	19.0x	12.6x	11.8x	30.2x	18.4x	17.0x	1.5x	1.3x	1.1x
Jones Lang LaSalle Incorporated	14,859	17.3x	10.7x	10.3x	26.0x	13.9x	13.2x	1.7x	1.4x	1.3x
Diversified Real Estate Services Average		21.3x	16.1x	14.3x	31.8x	23.5x	24.2x	2.7x	2.3x	2.0x
Software Focused IT Solutions/VARS		EV/EBITDA			P/E			EV/GP		
Softchoice Corporation*	1,613	24.6x	24.3x	16.2x	36.3x	41.3x	28.5x	6.8x	5.8x	5.1x
Softcat Plc*	3,119	25.0x	18.1x	17.7x	33.6x	24.4x	24.0x	10.5x	8.1x	7.5x
Crayon Group Holding ASA*	13,386	>50	>50	>50	>50	>50	>50	>50	39.6x	30.2x
Bytes Technology Group Plc*	1,080	26.1x	17.9x	16.5x	35.6x	23.7x	22.3x	11.0x	7.8x	7.0x
SoftwareONE Holding Ltd.*	2,315	12.0x	9.0x	7.6x	14.7x	19.1x	15.5x	10.4x	2.5x	2.2x
Bytes Technology Group Plc* Average		21.9x	17.3x	14.5x	30.0x	27.1x	22.6x	9.7x	12.8x	10.4x
Business Services Average		17.1x	14.7x	13.2x	26.6x	23.0x	21.0x	5.6x	5.1x	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	100%	43%	15%	33%	143%	48%	37,628	15.2x	9.5x	8.0x
CrowdStrike Holdings, Inc.	69%	33%	43%	27%	102%	70%	35,777	42.5x	25.8x	18.3x
Shopify, Inc.	71%	11%	33%	15%	82%	48%	103,662	35.4x	22.7x	17.0x
Zscaler, Inc.	58%	27%	43%	22%	86%	66%	31,240	58.6x	38.4x	27.1x
Lightspeed POS, Inc.	142%	-29%	58%	-5%	113%	54%	3,563	18.1x	7.8x	5.3x
DocuSign, Inc.	51%	23%	27%	20%	74%	47%	22,765	16.1x	11.2x	8.9x
Veeva Systems Inc	28%	44%	18%	38%	72%	56%	31,791	22.2x	17.5x	14.8x
Atlassian Corp. Plc	31%	37%	21%	27%	68%	48%	73,445	39.6x	31.3x	25.1x
Twilio, Inc.	65%	-2%	34%	-2%	63%	32%	29,514	16.8x	10.7x	8.0x
ServiceNow, Inc.	31%	29%	26%	31%	60%	57%	95,310	21.1x	16.2x	12.9x
HubSpot, Inc.	45%	18%	32%	12%	63%	45%	19,863	22.5x	15.4x	11.9x
Tier 1 SaaS (Rule of 40 > 60) Average								28.0x	18.8x	14.3x
	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%	47%	-3%	58%	44%	1,513	24.1x	14.5x	10.0x
Qualys, Inc.	13%	43%	13%	37%	56%	50%	4,389	12.1x	10.7x	9.4x
Descartes Systems	20%	41%	14%	38%	60%	52%	5,606	17.2x	16.1x	13.2x
Avalara Inc	40%	7%	24%	1%	47%	24%	8,028	16.0x	11.7x	9.5x
Five9, Inc.	41%	0%	25%	4%	41%	29%	8,075	18.6x	13.4x	10.8x
Dropbox, Inc.	13%	34%	10%	32%	47%	42%	9,037	4.7x	4.2x	3.8x
Mimecast Limited	20%	28%	14%	23%	47%	37%	5,262	10.9x	9.2x	8.0x
Wix.com Ltd.	34%	6%	18%	4%	40%	22%	6,737	6.8x	5.3x	4.4x
Workday, Inc.	18%	28%	19%	23%	46%	42%	54,959	12.9x	10.9x	9.1x
VMware, Inc.	9%	33%	7%	27%	43%	35%	52,707	4.5x	4.1x	3.8x
Tier 2 SaaS (Rule of 40 b/w 40-60) Average								12.8x	10.0x	8.2x
	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%	17%	20%	11%	38%	32%	4,803	13.7x	11.3x	9.4x
Zendesk, Inc.	28%	12%	28%	9%	40%	37%	11,394	11.1x	8.5x	6.7x
MongoDB, Inc.	43%	-4%	37%	-2%	39%	35%	23,554	40.9x	28.4x	21.0x
LivePerson, Inc.	30%	-3%	24%	-15%	27%	9%	1,901	5.2x	4.0x	3.2x
Rapid7 Inc.	27%	8%	24%	2%	35%	27%	5,284	12.8x	10.0x	8.1x
Paylocity Holding Corp.	19%	16%	26%	14%	36%	40%	9,992	16.7x	13.7x	11.0x
Q2 Holdings, Inc.	25%	-3%	17%	2%	22%	20%	3,453	8.5x	6.9x	5.9x
Akamai Technologies, Inc.	9%	21%	8%	23%	30%	31%	19,542	6.1x	5.7x	5.2x
Tier 3 SaaS (Rule of 40 b/w 28-40) Average								14.4x	11.1x	8.8x
	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.	34%	3%	26%	5%	38%	31%	15,336	13.0x	9.7x	7.8x
Teradata Corporation	5%	20%	0%	20%	26%	20%	4,406	2.4x	2.3x	2.3x
Anaplan, Inc.	30%	0%	24%	1%	30%	25%	6,119	13.9x	10.7x	8.5x
Zuora, Inc.	13%	5%	15%	0%	18%	15%	1,809	6.0x	5.3x	4.6x
New Relic, Inc.	12%	-3%	18%	4%	8%	22%	6,501	10.0x	8.6x	7.4x
Kinaxis, Inc.	-1%	10%	25%	13%	9%	38%	3,060	13.6x	12.3x	9.9x
Yext, Inc.	11%	-2%	12%	-1%	9%	11%	892	2.5x	2.3x	2.0x
Splunk Inc.	11%	-2%	13%	5%	9%	19%	18,803	8.4x	7.5x	6.3x
Tier 4 SaaS (Rule of 40 <28) Average								8.7x	7.3x	6.1x
SaaS Average								16.8x	12.3x	9.7x

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

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