

EQUITY RESEARCH

July 28, 2022

Industry Update

**Q2/22 U.S. Earnings Recap – Bits & Bytes Weekly**

Better Than Feared

**Our Conclusion**

Q2 earnings season has arrived for the U.S. tech giants and results have generally been better than feared, with revenue roughly in line and average EBITDA missing consensus by 2%. While results were generally solid, the focus has been on the demand environment and the impact of inflation. The demand environment appears mixed, with the majority of downward revisions to date focused on pandemic beneficiaries. Inflation remains a focus, with many software firms initiating headcount reductions and hiring freezes amid an uncertain market environment. In the business services sector, revenue was slightly above consensus as demand for consulting remains robust, although the group missed consensus EBITDA by 3% as the sector contends with wage inflation.

Similar to Q1, we have seen outsized market reaction on earnings misses, with SNAP down 38% given the revenue miss and weak commentary from management.

**Key Points**

**Snapchat (SNAP):** Post-Q2 print, SNAP shares were down 38% as revenue of US\$1.11B missed consensus by 2.6% and declined 25% sequentially, while EBITDA and EPS came in above expectations. Management did not provide Q3 guidance; however, the investor letter mentioned that Q3 revenue to date was flat Y/Y. Decelerating ad demand, delayed positive FCF, and weak commentary from management seem to be driving the share price action post earnings.

**Netflix (NFLX):** In Q1, Netflix stock declined 35% on its first ever negative net subscriber growth, with intense competition and password sharing as the biggest roadblocks leading to subscriber decline. This quarter, the stock was trading slightly up after revenue missed by 0.7% given that net adds of (970k) came in ahead of expectations of (2mm).

**Meta Platforms (META):** Meta reported revenue of US\$28.8 billion, in line with consensus, and EPS of US\$2.46, below expectations of US\$2.54. The stock was trading down 3% with this being the first quarterly revenue decline posted by the company, driven by macro uncertainty reducing the demand for digital advertising.

**IBM:** Revenue of US\$15.5 billion was down 17% Y/Y but beat consensus by 3%, while EPS of US\$2.31 also came in ahead of expectations. Shares were down 7% post earnings given the gross margin decline was driven by higher labour costs and F2022 FCF guidance was trimmed due to FX headwinds and supply chain challenges.

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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.

## Exhibit 1: Software &amp; Services – U.S. Earnings Actual vs. Expectations, Q2/22

Company	Calendar Q2/22			Y/Y Change			Consensus			Surprise (%)		
	Revenue (\$M)	EBITDA (\$M)	EPS (\$)	Revenues (%)	EBITDA (%)	EPS (%)	Revenues (\$M)	EBITDA (\$M)	EPS (\$)	Revenue	EBITDA	EPS
Microsoft	51,865	25,252	2.23	12%	9%	3%	52,384 ↓	25,609 ↓	2.29 ↓	-1%	-1%	-3%
Google	69,685	28,134	1.21	13%	8%	-11%	69,799 ↓	28,655 ↓	1.27 ↓	0%	-2%	-5%
Meta	28,822	13,176	2.46	-1%	-22%	-32%	28,908 ↓	13,170 ↑	2.54 ↓	0%	0%	-3%
Netflix	7,970	1,812	3.20	9%	-9%	8%	8,026 ↓	1,873 ↓	2.95 ↑	-1%	-3%	8%
Snap	1,111	7	-0.26	13%	-94%	-160%	1,137 ↓	(4) ↑	-0.21 ↓	-2%	271%	-24%
SAP SE (€)	7,517	1,680	0.96	12.7%	-28.7%	-45.1%	7,330 ↑	1,769 ↓	1.06 ↓	3%	-5%	-9%
				<b>9.1%</b>	<b>-8.6%</b>	<b>-15.5%</b>				<b>0.1%</b>	<b>-2.3%</b>	<b>-2.3%</b>

## IT Services

Company	Calendar Q2/21			Y/Y Change			Consensus			Surprise (%)		
	Revenue (\$M)	EBITDA (\$M)	EPS (\$)	Revenues (%)	EBITDA (%)	EPS (%)	Revenues (\$M)	EBITDA (\$M)	EPS (\$)	Revenue	EBITDA	EPS
IBM	15,535	3,601	2.31	-17%	-20%	4%	15,171 ↑	3,849 ↓	2.28 ↑	2%	-6%	1%
Infosys Limited (Rs)	354,331	78,640	12.76	26%	6%	1%	341,232 ↑	80,183 ↓	13.61 ↓	4%	-2%	-6%
Tata Consultancy Services (Rs)	527,580	134,170	24.4	21%	5%	-2%	525,769 ↑	136,286 ↓	26.79 ↓	0%	-2%	-9%
<b>Average</b>				<b>9.8%</b>	<b>-3.0%</b>	<b>0.7%</b>				<b>2.2%</b>	<b>-3.3%</b>	<b>-4.7%</b>

Source: Company reports, FactSet and CIBC World Markets Inc

\*Averages exclude SNAP.

## News Impacting Our Coverage

### **Constellations Volaris Group Inc Offered To Acquire Easa Inc.**

Volaris Group Inc, a subsidiary of Constellation Software, acquired Easa Inc. for an undisclosed amount. The acquisition enhances Volaris business and service offering capabilities. Based in the U.S., Easa Inc. was founded in 2000 and develops applications and deployment software.

### **Constellation's Harris Acquires Rosoka Software**

Constellation's subsidiary, Harris, acquired Rosoka Software Inc for an undisclosed amount. Rosoka Software Inc is based out of Virginia and develops relationship and text analytics software.

### **CGI Partners With IGM To Modernize Platforms**

Under the partnership, the companies will integrate two mutual fund record-keeping services into a single, modern platform. CGI will be responsible for the overall modernization of the platforms as part of the company's portfolio of IP services and also support IGM with ongoing operations and delivery of the new platform through a software-as-a-service model.

### **CGI Announces Its Cloud-based Smart Analytics Platform For Emergency Responder**

CGI Sense360 platform gives emergency responders holistic and accurate situational awareness in the event of a disaster. It uses comprehensive data sources and augmented reality to more efficiently organize and accelerate rescue operations. The company has partnered with I.S.A.R. (International Search and Rescue) in Germany for the design and development of Sense360.

## Exhibit 1: CIBC Software/Services – Coverage Performance, 7/28/2021 - 7/28/2022

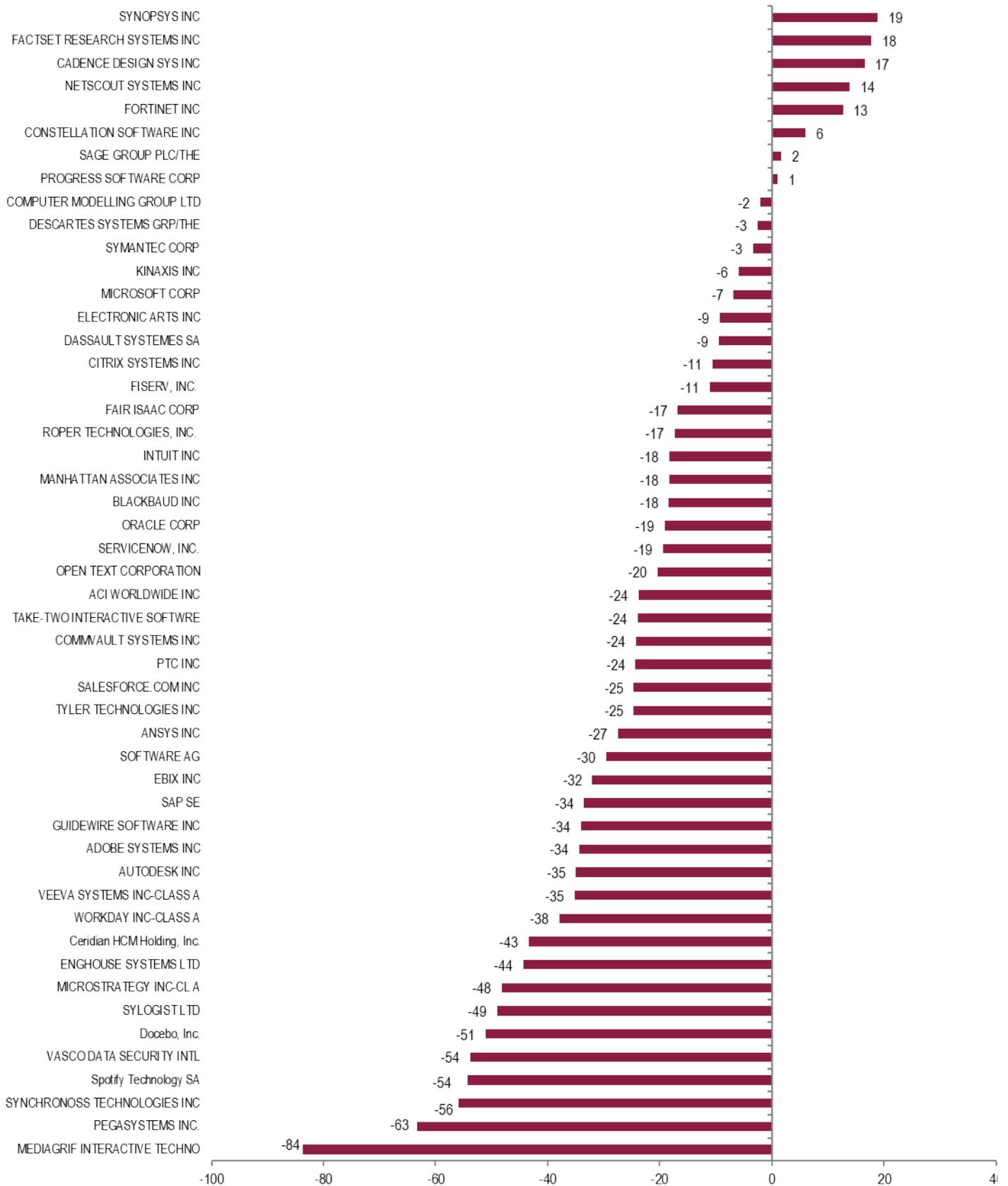
Software & Systems	Price	1 Week	1 Month	3 Month	6 Month	1 Year	YTD	52W High	52W Low
Constellation Software Inc	2,023.33	5.2	8.9	(5.0)	(1.9)	6.0	(13.8)	2385.80	1793.93
Descartes Systems	67.90	9.2	11.4	7.7	(0.2)	(5.0)	(17.9)	91.39	56.19
Enghouse Systems Limited	31.24	5.8	16.6	(12.1)	(29.8)	(44.3)	(35.5)	64.42	23.96
Open Text Corp	40.42	6.8	8.9	(4.0)	(12.8)	(20.4)	(14.9)	55.25	35.04
Kinaxis	154.04	10.7	21.0	11.6	1.0	(6.0)	(13.1)	229.98	119.48
Docebo, Inc.	39.09	10.0	11.9	(33.1)	(40.6)	(51.1)	(53.9)	117.55	32.35
Magnet Forensics	19.64	8.9	19.8	(18.8)	(26.4)	(28.5)	(40.2)	65.80	14.89
Q4 Inc.	4.50	(0.9)	2.3	4.4	(34.6)	NA	(47.1)	12.05	4.01
<b>Average</b>		<b>7.0</b>	<b>12.6</b>	<b>(6.2)</b>	<b>(18.2)</b>	<b>(21.3)</b>	<b>(29.6)</b>		

Business Services	Price	1 Week	1 Month	3 Month	6 Month	1 Year	YTD	52W High	52W Low
CGI Group Inc	109.05	1.4	10.7	5.1	3.7	(3.7)	(2.5)	116.88	95.45
Converge Technologies	5.76	12.7	2.7	(35.8)	(31.3)	(45.1)	(47.0)	13.09	4.85
Softchoice Corporation	23.48	1.6	10.3	(1.8)	12.9	(5.5)	10.0	45.74	17.91
Telus International	35.95	2.8	19.9	25.9	5.0	(2.8)	(14.0)	49.43	26.75
<b>Average</b>		<b>4.7</b>	<b>10.9</b>	<b>(1.6)</b>	<b>(2.4)</b>	<b>(14.3)</b>	<b>(13.4)</b>		

Indices	Price	1 Week	1 Month	3 Month	6 Month	1 Year	YTD
S&P/TSX Composite Index	19,020.67	3.8	(1.2)	(12.1)	(7.8)	(5.4)	(10.4)
S&P 500 Index	3,959.90	4.5	5.2	(9.9)	(10.0)	(9.1)	(16.9)
S&P/TSX Software Index	140.80	9.4	10.9	(5.5)	(19.9)	(35.8)	(33.7)
S&P500 Software Index	4,491.82	5.2	5.4	(5.5)	(11.9)	(12.4)	(23.2)

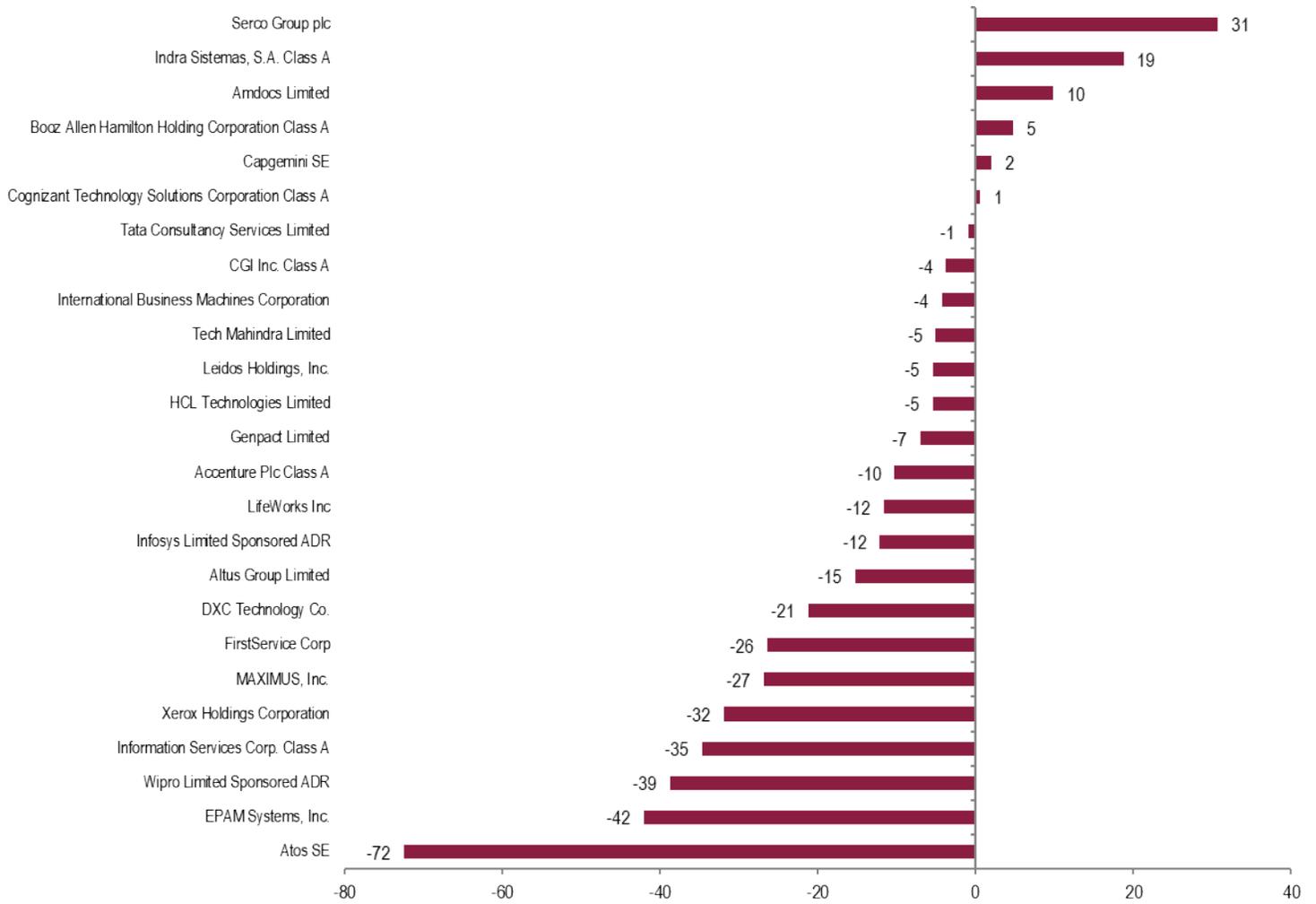
Source: FactSet and CIBC World Markets Inc.

**Exhibit 3: Software Stocks – Return Performance (%), 7/28/2021 - 7/28/2022**



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

**Exhibit 4: Business Services Stocks – Return Performance (%), 7/28/2021 - 7/28/2022**



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
<b>Enterprise Application Software</b>										
Constellation Software Inc.*	33,762	6.6x	5.3x	4.6x	22.3x	19.5x	16.4x	>50	28.1x	24.3x
BlackBerry Limited*	3,445	3.9x	5.0x	3.6x	>50	NEG	NEG	NEG	NEG	NEG
Sage Group plc	7,390	4.0x	3.7x	3.5x	17.9x	15.9x	14.6x	26.8x	25.9x	23.1x
Tyler Technologies, Inc.	16,204	10.2x	8.7x	8.0x	46.1x	33.6x	30.7x	>50	48.2x	44.6x
Roper Technologies, Inc.	51,055	8.8x	8.2x	7.8x	23.1x	21.9x	20.4x	39.7x	27.6x	25.4x
Enghouse Systems Limited	1,528	3.3x	3.5x	3.52x	9.4x	10.5x	10.2x	18.7x	22.5x	21.8x
Oracle Corporation	251,031	6.2x	5.4x	4.9x	13.4x	10.9x	10.1x	16.0x	14.2x	13.0x
SAP SE	109,905	3.9x	3.5x	3.4x	15.3x	12.6x	11.4x	19.4x	17.4x	15.3x
<b>Enterprise Application Software Average</b>		<b>5.9x</b>	<b>5.4x</b>	<b>4.9x</b>	<b>21.1x</b>	<b>17.9x</b>	<b>16.3x</b>	<b>24.1x</b>	<b>26.3x</b>	<b>23.9x</b>
<b>Extended ERP</b>										
Adobe Incorporated	186,772	11.8x	10.4x	9.1x	28.0x	21.4x	18.7x	40.0x	29.2x	24.8x
Open Text Corporation	13,782	4.0x	3.8x	3.7x	10.8x	10.8x	10.0x	12.8x	12.7x	11.6x
Manhattan Associates, Inc.	7,273	11.0x	10.1x	9.0x	>50	39.7x	34.3x	>50	>50	47.2x
Pegasystems Inc.	4,414	3.6x	3.1x	2.6x	NEG	47.3x	25.6x	NEG	>50	41.2x
Software AG	1,762	2.1x	1.9x	1.8x	11.4x	9.2x	7.8x	24.6x	18.4x	15.2x
Fiserv, Inc.	84,389	5.2x	5.1x	4.8x	15.2x	11.9x	10.9x	49.3x	15.2x	13.3x
<b>Extended ERP Average</b>		<b>6.3x</b>	<b>5.7x</b>	<b>5.2x</b>	<b>16.3x</b>	<b>23.4x</b>	<b>17.9x</b>	<b>31.7x</b>	<b>18.9x</b>	<b>25.5x</b>
<b>Software As A Service</b>										
Descartes Systems Group Inc.	5,555	13.1x	11.6x	10.9x	30.0x	26.6x	24.0x	>50	>50	>50
Kinaxis, Inc.*	3,112	12.4x	8.9x	7.9x	>50	48.7x	38.9x	>50	>50	>50
Docebo, Inc.*	787	7.6x	5.4x	4.0x	NEG	NEG	>50	NEG	NEG	NEG
Lightspeed Commerce Inc*	2,230	4.8x	3.2x	2.4x	NEG	NEG	NEG	NEG	NEG	NEG
Veeva Systems Inc Class A	30,196	20.6x	14.1x	12.0x	>50	35.5x	30.4x	>50	>50	44.4x
Shopify, Inc. Class A	42,543	9.2x	7.4x	5.7x	>50	>50	>50	16.8x	>50	>50
Q4 Inc*	85	1.5x	1.5x	1.2x	NEG	NEG	NEG	NEG	NEG	NEG
Magnet Forensics, Inc.*	512	7.3x	5.5x	4.3x	27.5x	34.9x	24.9x	>50	>50	>50
Ceridian HCM Holding, Inc.	9,221	9.0x	7.6x	6.5x	>50	46.4x	37.3x	NEG	>50	>50
ServiceNow, Inc.	90,486	15.3x	12.2x	9.8x	>50	39.2x	31.2x	>50	>50	48.8x
Workday, Inc. Class A	35,866	8.3x	5.9x	4.9x	>50	23.4x	18.9x	NEG	42.4x	34.1x
<b>Software As A Service Average</b>		<b>9.9x</b>	<b>7.6x</b>	<b>6.3x</b>	<b>28.8x</b>	<b>36.4x</b>	<b>29.4x</b>	<b>16.8x</b>	<b>42.4x</b>	<b>42.4x</b>
<b>Infrastructure Vendors</b>										
Citrix Systems, Inc.	15,922	4.9x	4.8x	4.6x	22.6x	13.9x	13.6x	41.8x	>50	31.9x
Microsoft Corporation	1,913,470	11.4x	9.0x	8.0x	23.7x	17.9x	15.5x	32.6x	26.4x	22.8x
<b>Infrastructure Vendors Average</b>		<b>8.2x</b>	<b>6.9x</b>	<b>6.3x</b>	<b>23.2x</b>	<b>15.9x</b>	<b>14.5x</b>	<b>37.2x</b>	<b>26.4x</b>	<b>27.4x</b>
<b>Software Average</b>		<b>7.8x</b>	<b>6.5x</b>	<b>5.6x</b>	<b>21.1x</b>	<b>25.1x</b>	<b>20.7x</b>	<b>28.2x</b>	<b>25.2x</b>	<b>27.9x</b>

\*Share Price Converted to USD

Source: FactSet and CIBC World Markets Inc.

## Exhibit 6: 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
<b>Business &amp; IT Services</b>										
<b>CGI Inc. Class A</b>	<b>28,936</b>	<b>11.7x</b>	<b>11.2x</b>	<b>10.7x</b>	<b>19.6x</b>	<b>17.8x</b>	<b>16.7x</b>	<b>2.4x</b>	<b>2.2x</b>	<b>2.1x</b>
<b>TELUS International (CDA), Inc.</b>	<b>8,439</b>	<b>15.6x</b>	<b>13.6x</b>	<b>11.5x</b>	<b>27.9x</b>	<b>23.7x</b>	<b>18.6x</b>	<b>3.8x</b>	<b>3.3x</b>	<b>2.8x</b>
Accenture Plc Class A	175,180	18.2x	14.8x	13.7x	31.1x	25.5x	22.8x	3.5x	2.8x	2.5x
Booz Allen Hamilton	14,656	16.4x	15.2x	14.4x	21.2x	21.5x	19.6x	1.9x	1.7x	1.6x
CACI International Inc Class A	8,705	11.7x	12.8x	12.0x	15.5x	15.2x	14.0x	1.4x	1.4x	1.3x
DXC Technology Co.	10,586	5.2x	4.2x	4.0x	NEG	8.1x	6.7x	0.6x	0.7x	0.7x
Genpact Limited	9,541	14.8x	12.0x	10.8x	23.8x	17.0x	15.0x	2.4x	2.2x	2.0x
International Business Machines	160,831	12.0x	10.1x	9.7x	19.8x	13.5x	12.5x	2.8x	2.7x	2.6x
Atos SE	2,994	2.8x	2.9x	2.7x	NEG	5.9x	4.2x	0.3x	0.3x	0.3x
Capgemini SE	34,763	12.0x	10.3x	9.5x	25.6x	16.8x	15.1x	1.9x	1.7x	1.6x
Sopra Steria Group SA	4,431	8.4x	7.3x	6.7x	16.9x	11.5x	10.1x	0.9x	0.9x	0.8x
<b>Converge Technology Solutions C</b>	<b>1,127</b>	<b>12.0x</b>	<b>7.8x</b>	<b>6.4x</b>	<b>&gt;50</b>	<b>30.3x</b>	<b>18.6x</b>	<b>0.7x</b>	<b>0.5x</b>	<b>0.4x</b>
<b>Business &amp; IT Services Average</b>		<b>11.7x</b>	<b>10.4x</b>	<b>9.6x</b>	<b>22.4x</b>	<b>16.0x</b>	<b>14.1x</b>	<b>2.0x</b>	<b>1.8x</b>	<b>1.7x</b>
<b>HR Outsourcing</b>										
Ceridian HCM Holding, Inc.	9,227	>50	46.4x	37.3x	NEG	>50	>50	9.0x	7.6x	6.5x
Willis Towers Watson	23,130	10.4x	9.7x	8.9x	6.1x	14.8x	12.9x	2.6x	2.6x	2.4x
Aon Plc Class A	68,632	17.9x	17.0x	16.0x	>50	21.0x	18.9x	5.6x	5.4x	5.1x
Automatic Data Processing, Inc.	90,702	23.6x	20.4x	18.6x	35.4x	29.2x	26.2x	6.0x	5.3x	4.9x
Paychex, Inc.	43,120	26.1x	20.2x	18.9x	39.7x	30.3x	28.2x	10.6x	9.0x	8.5x
<b>HR Outsourcing Average</b>		<b>19.5x</b>	<b>22.8x</b>	<b>19.9x</b>	<b>27.1x</b>	<b>23.8x</b>	<b>21.5x</b>	<b>6.8x</b>	<b>6.0x</b>	<b>5.5x</b>
<b>Information Services</b>										
Broadridge Financial Solutions, Inc.	21,986	18.9x	16.8x	15.8x	33.2x	23.0x	21.2x	4.3x	3.8x	3.6x
<b>Dye &amp; Durham Ltd.</b>	<b>2,292</b>	<b>14.4x</b>	<b>14.4x</b>	<b>10.1x</b>	<b>&gt;50</b>	<b>&gt;50</b>	<b>30.3x</b>	<b>6.1x</b>	<b>4.0x</b>	<b>3.4x</b>
Deluxe Corporation	2,415	6.5x	5.5x	5.4x	15.3x	4.9x	4.6x	1.2x	1.1x	1.1x
<b>Information Services Corp</b>	<b>346</b>	<b>5.1x</b>	<b>6.3x</b>	<b>5.9x</b>	<b>9.3x</b>	<b>10.9x</b>	<b>11.0x</b>	<b>2.0x</b>	<b>2.0x</b>	<b>1.9x</b>
<b>Information Services Average</b>		<b>11.2x</b>	<b>10.7x</b>	<b>9.3x</b>	<b>19.3x</b>	<b>12.9x</b>	<b>16.8x</b>	<b>3.4x</b>	<b>2.7x</b>	<b>2.5x</b>
<b>Financial Services Technology</b>										
Fidelity National Information Services	78,832	12.9x	11.9x	10.9x	>50	13.6x	11.9x	5.7x	5.3x	5.0x
Fiserv, Inc.	84,705	15.3x	11.9x	11.0x	49.5x	15.3x	13.3x	5.2x	5.1x	4.8x
Jack Henry & Associates, Inc.	14,376	20.6x	22.8x	20.7x	47.6x	38.7x	35.2x	8.2x	7.1x	6.7x
ACI Worldwide, Inc.	4,125	11.2x	10.2x	9.4x	25.2x	20.4x	17.4x	3.0x	2.9x	2.8x
Temenos AG	6,581	12.0x	13.9x	12.5x	32.1x	19.0x	16.9x	6.8x	6.3x	5.8x
Global Payments Inc.	44,156	12.1x	11.1x	10.0x	36.4x	12.6x	10.8x	5.2x	5.3x	4.8x
<b>Financial Services Technology Average</b>		<b>14.0x</b>	<b>13.6x</b>	<b>12.4x</b>	<b>38.2x</b>	<b>19.9x</b>	<b>17.6x</b>	<b>5.7x</b>	<b>5.3x</b>	<b>5.0x</b>
<b>Diversified Real Estate Services</b>										
<b>Colliers International Group Inc.</b>	<b>6,152</b>	<b>11.2x</b>	<b>9.6x</b>	<b>8.5x</b>	<b>-13.2x</b>	<b>16.2x</b>	<b>14.6x</b>	<b>1.5x</b>	<b>1.3x</b>	<b>1.3x</b>
<b>Altus Group Limited</b>	<b>2,379</b>	<b>23.0x</b>	<b>22.4x</b>	<b>18.9x</b>	<b>33.8x</b>	<b>33.8x</b>	<b>35.6x</b>	<b>3.8x</b>	<b>3.8x</b>	<b>3.4x</b>
CBRE Group, Inc. Class A	27,942	13.1x	8.9x	8.3x	14.8x	13.3x	12.3x	1.0x	0.9x	0.8x
Jones Lang LaSalle Incorporated	10,874	7.4x	7.3x	7.0x	9.8x	9.2x	8.5x	0.6x	0.5x	0.5x
<b>Diversified Real Estate Services Average</b>		<b>13.7x</b>	<b>12.1x</b>	<b>10.7x</b>	<b>11.3x</b>	<b>18.1x</b>	<b>17.8x</b>	<b>1.7x</b>	<b>1.6x</b>	<b>1.5x</b>
<b>Software Focused IT Solutions/VARs</b>										
<b>Softchoice Corporation* USD</b>	<b>1,167</b>	<b>47.8x</b>	<b>12.4x</b>	<b>10.5x</b>	<b>NEG</b>	<b>21.0x</b>	<b>17.0x</b>	<b>4.4x</b>	<b>3.6x</b>	<b>3.3x</b>
Softcat Plc*	2,667	15.8x	16.0x	15.2x	21.2x	21.8x	21.4x	7.1x	6.8x	6.1x
Crayon Group Holding ASA*	13,981	>50	>50	>50	>50	>50	>50	>50	33.3x	28.1x
Bytes Technology Group Plc*	992	20.4x	16.2x	14.9x	40.3x	22.7x	21.9x	NA	NA	NA
SoftwareONE Holding Ltd.*	1,542	9.3x	6.3x	5.4x	15.4x	15.8x	13.1x	7.4x	1.6x	1.3x
<b>Bytes Technology Group Plc* Average</b>		<b>23.3x</b>	<b>12.7x</b>	<b>11.5x</b>	<b>25.6x</b>	<b>20.3x</b>	<b>18.4x</b>	<b>6.3x</b>	<b>11.3x</b>	<b>9.7x</b>
<b>Business Services Average</b>		<b>14.7x</b>	<b>13.3x</b>	<b>11.9x</b>	<b>24.2x</b>	<b>18.2x</b>	<b>16.9x</b>	<b>3.9x</b>	<b>4.2x</b>	<b>3.8x</b>

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

Source: Company reports, 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
<b>Tier 1 SaaS (Rule of 40 &gt; 60)</b>										
Zoom Video Communications	29%	36%	11%	29%	65%	40%	26,630	10.0x	5.9x	5.9x
CrowdStrike Holdings, Inc.	64%	30%	46%	29%	94%	75%	41,551	47.5x	19.4x	19.4x
<b>Shopify, Inc.</b>	<b>40%</b>	<b>5%</b>	<b>28%</b>	<b>-1%</b>	<b>45%</b>	<b>27%</b>	<b>42,000</b>	<b>9.1x</b>	<b>7.3x</b>	<b>7.3x</b>
Zscaler, Inc.	61%	22%	41%	21%	83%	62%	22,579	33.5x	18.2x	18.2x
<b>Lightspeed POS, Inc.</b>	<b>137%</b>	<b>-17%</b>	<b>37%</b>	<b>-8%</b>	<b>120%</b>	<b>29%</b>	<b>2,230</b>	<b>10.1x</b>	<b>3.2x</b>	<b>3.2x</b>
DocuSign, Inc.	37%	24%	14%	16%	61%	30%	13,607	9.4x	5.6x	5.6x
Veeva Systems Inc	23%	38%	18%	38%	61%	55%	30,196	20.6x	14.1x	14.1x
Atlassian Corp. Plc	33%	29%	26%	22%	62%	48%	53,767	25.7x	17.1x	17.1x
Twilio, Inc.	57%	-4%	32%	-2%	53%	30%	12,897	4.5x	3.3x	3.3x
ServiceNow, Inc.	29%	31%	26%	30%	61%	56%	90,486	15.3x	12.2x	12.2x
HubSpot, Inc.	47%	17%	30%	13%	64%	43%	14,289	11.0x	8.3x	8.3x
<b>Tier 1 SaaS (Rule of 40 &gt; 60) Average</b>								<b>17.9x</b>	<b>10.4x</b>	<b>10.4x</b>
	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
<b>Tier 2 SaaS (Rule of 40 b/w 40-60)</b>										
Docebo, Inc.	54%	-3%	40%	-4%	50%	36%	791	7.6x	5.4x	4.0x
Qualys, Inc.	15%	46%	18%	31%	61%	49%	4,645	11.3x	9.6x	9.6x
<b>Descartes Systems</b>	<b>22%</b>	<b>39%</b>	<b>10%</b>	<b>36%</b>	<b>61%</b>	<b>46%</b>	<b>5,555</b>	<b>13.1x</b>	<b>11.6x</b>	<b>10.9x</b>
Avalara Inc	38%	6%	22%	2%	44%	24%	7,493	10.7x	8.6x	8.6x
Five9, Inc.	37%	0%	24%	3%	37%	27%	7,329	12.0x	9.5x	9.5x
Dropbox, Inc.	12%	34%	7%	34%	47%	41%	9,173	4.3x	3.9x	3.9x
Wix.com Ltd.	22%	1%	12%	2%	23%	14%	3,533	2.8x	2.5x	2.5x
Workday, Inc.	21%	26%	20%	18%	47%	38%	35,866	8.3x	5.9x	5.9x
VMware, Inc.	8%	28%	7%	26%	36%	33%	58,788	5.0x	4.4x	4.4x
<b>Tier 2 SaaS (Rule of 40 b/w 40-60) Average</b>								<b>8.3x</b>	<b>6.8x</b>	<b>6.6x</b>
	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
<b>Tier 3 SaaS (Rule of 40 b/w 28-40)</b>										
BlackLine, Inc.	21%	11%	24%	6%	32%	30%	3,792	8.9x	7.2x	7.2x
Zendesk, Inc.	31%	12%	26%	12%	43%	38%	9,465	7.1x	5.6x	5.6x
MongoDB, Inc.	52%	1%	31%	2%	53%	33%	20,361	34.5x	17.3x	17.3x
LivePerson, Inc.	24%	-18%	17%	-4%	6%	13%	1,240	2.6x	2.2x	2.2x
Rapid7 Inc.	32%	6%	26%	9%	38%	35%	4,873	9.1x	7.1x	7.1x
Paylocity Holding Corp.	32%	16%	25%	14%	48%	39%	10,697	16.8x	11.4x	11.4x
Q2 Holdings, Inc.	21%	3%	17%	2%	24%	19%	2,610	5.2x	4.5x	4.5x
Akamai Technologies, Inc.	7%	25%	6%	23%	32%	30%	16,175	4.7x	4.4x	4.4x
<b>Tier 3 SaaS (Rule of 40 b/w 28-40) Average</b>								<b>11.1x</b>	<b>7.5x</b>	<b>7.5x</b>
	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
<b>Tier 4 SaaS (Rule of 40 &lt;28)</b>										
RingCentral, Inc.	35%	7%	24%	8%	42%	32%	6,718	4.2x	3.3x	3.3x
Teradata Corporation	2%	25%	-7%	21%	26%	14%	4,020	2.1x	2.2x	2.2x
Zuora, Inc.	15%	5%	16%	0%	21%	16%	1,019	3.3x	2.6x	2.6x
New Relic, Inc.	18%	-1%	18%	0%	17%	18%	3,849	5.8x	4.3x	4.3x
<b>Kinaxis, Inc.</b>	<b>21%</b>	<b>5%</b>	<b>19%</b>	<b>9%</b>	<b>26%</b>	<b>28%</b>	<b>3,112</b>	<b>12.4x</b>	<b>8.9x</b>	<b>7.9x</b>
Yext, Inc.	10%	1%	2%	-1%	11%	1%	461	1.3x	1.1x	1.1x
Splunk Inc.	24%	7%	23%	13%	30%	36%	18,820	8.4x	5.7x	5.7x
<b>Tier 4 SaaS (Rule of 40 &lt;28) Average</b>								<b>5.4x</b>	<b>4.0x</b>	<b>3.9x</b>
<b>SaaS Average</b>								<b>11.4x</b>	<b>7.5x</b>	<b>7.5x</b>

Source: FactSet and CIBC World Markets Inc.

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