

EQUITY RESEARCH

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Industry Update

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Paying For The News – Bits & Bytes Weekly

Bill C-18 Looks To Follow In Australia's Footsteps

Our Conclusion

The Canadian federal government introduced legislation this week that aims to force big tech platforms to provide compensation to Canadian media outlets for news content that is shared on their platforms. Bill C-18 aims to support Canadian news and journalism by forcing tech platforms to negotiate private deals for the privilege of including news content on their platforms. The deals would be subject to review by the CRTC and in situations where the parties can't come to an agreement, the CRTC would oversee mandatory arbitration. The bill is one of a [number of announced initiatives](#) to more strictly regulate big tech in Canada.

Key Points

Bill C-18 is based on similar laws [enacted in Australia](#), where a recent report estimated that news organizations were paid A\$200 million in 2021 as a result of private negotiations, leading to the creation of over 50 journalism roles in underserved areas of the market. While unveiling the bill, Canadian Heritage Minister Pablo Rodriguez estimated it could similarly bring in C\$200 million in compensation. The success of the Australian legislation is clearly fuelling effort to pass C-18 in Canada, and officials in the U.K., Indonesia and South Africa have also expressed interest in following Australia's lead.

Many news outlets have already negotiated deals with digital platforms to reproduce news content in the wake of the Australian legislation, and Bill C-18 may result in renegotiation of those deals to ensure they are onside with the new rules. The new legislation would increase administration by the CRTC as it would be tasked with both reviewing content deals and initiating arbitration when agreements stall.

The Federal Liberals will need the support of another party to enact the legislation, but preliminary comments from the NDP, Conservatives and Bloc Québécois indicated general support with minor criticisms that would suggest that the bill is likely to pass when put to a vote.

The bill is not likely to be received without criticism or pushback from lawyers and the tech giants themselves. Big tech companies are all but guaranteed to mount more effective response to C-18 after learning from their mistakes in Australia, where heavy-handed attempts to block news content quickly turned public sentiment against them. University of Ottawa internet and e-commerce law professor Michael Geist has already written a blog post criticizing the legislation as it increases Canadian media reliance on big tech and gives the CRTC an outsized role in assessing the content deals and defining which tech platforms fall under the legislation's umbrella. With other countries set to follow in Australia's footsteps, it will certainly be interesting to watch how the tech platforms respond, and whether they accept these mandatory content deals as a cost of doing business or if they push back with their full financial might.

All figures in Canadian dollars unless otherwise stated.

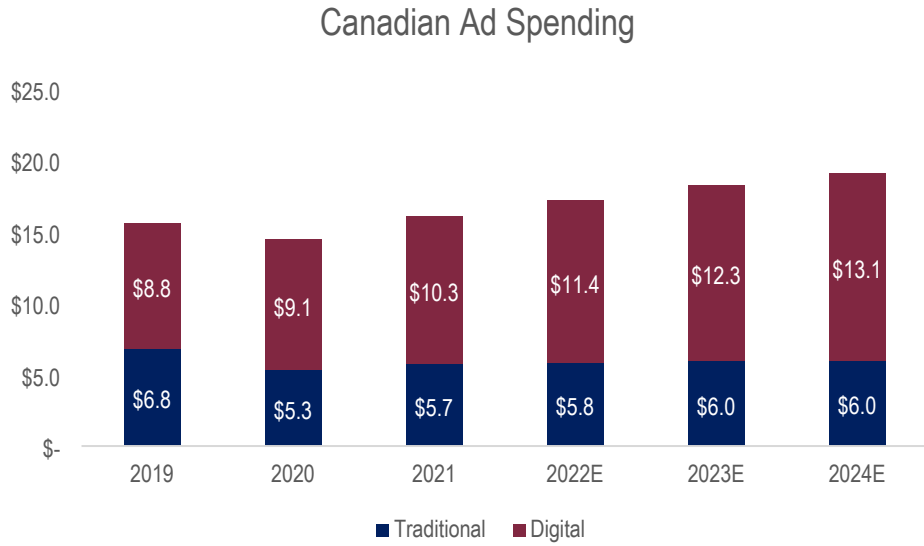
For required regulatory disclosures please refer to "Important Disclosures" beginning on page 10.

Sector:

Information Technology

Spending on digital advertising has well outpaced spending in traditional channels (radio, TV, newspapers, etc.), and with Google and Facebook estimated to capture 80% of that spend, media outlets that rely on advertising revenues are struggling. Heritage Minister Rodriguez estimates that between 2008 and today 451 news outlets have shut their doors, including 64 in the last year alone. Bill C-18 is an attempt to shift some of those payments from big tech firms to media organizations, arguing that big tech platforms benefit from free news content.

Exhibit 1: Canada – Ad Spending, 2019 – 2024E



Source: eMarketer and CIBC World Markets Inc.

News Impacting Our Coverage

Research Highlight – Software Valuation Monthly – March 2022

March 2022 showed the first positive monthly returns for the tech sector in 2022, with our coverage up 2% in the month and the S&P software Index up 4%. Tech stock share prices largely held in despite a Fed rate hike and the continued uncertainty posed by the Russia-Ukraine conflict. Both our coverage and overall software markets underperformed the S&P 500 and the TSX as investors remain more interested in value, particularly commodities, as inflation worsens. Within our coverage universe, March stock price returns improved sequentially, with an average return of 2% versus a -1% return in February. Returns varied across our coverage with roughly half delivering positive returns; notable outperformers included SFTC (+20%) and KXS (+14%), while the underperformers included DND (-12%), LWRK (-11%) and QFOR (-7%). Performance was not dictated by sub-sector, with strength and weakness spread across business models and market capitalizations. [Link to note](#)

Research Highlight – WELL: Virtual Services Drive Organic Growth

WELL reported a solid fourth quarter with revenue 2.5% ahead of consensus as contribution from Circle Medical and newly acquired WISP drove outperformance in the virtual services segment. Consolidated organic growth was over 10% in the quarter, an encouraging sign as the company continues to focus more on organic growth after a series of large and transformational acquisitions in 2021. WELL's focus on organic growth aims to generate annual organic growth of 10% with adjusted EBITDA margins in the 20% range. Excess profitability above the 20% level is expected to be reinvested in growing the business, particularly in the high-growth virtual services businesses that saw 50% organic growth in the quarter. [Link to note](#)

Converge Acquires Creative Breakthroughs Inc.

Converge announced the acquisition of cybersecurity solutions provider Creative Breakthroughs, Inc. (CBI). The Michigan-based tech provider focuses on cybersecurity solutions such as threat-detection, testing and monitoring areas of operational risk, and data protection. In the twelve months ending January 22, 2022, CBI generated C\$112MM of revenue with an adjusted EBITDA. Converge paid US \$50 million for the business, with US \$17 million in earn-out payments over the next three years. If CBI hits the targets leading to the earn-out payments, Converge will have paid 5.1x EBITDA after three years, or 6.0x if no earn-outs are paid.

Kinaxis Collaborates With TraceLink Partners

Kinaxis and TraceLink Partners announced a partnership that will enable collaboration and exception management between manufacturers and suppliers. TraceLink's digital network platform will combine with Kinaxis' concurrent planning platform to drive improvement in KPIs such as order cycle and cash conversion cycle. The collaboration is expected to enhance business processes across an end-to-end supply chain with increased visibility and communication. TraceLink will join Kinaxis as a Solution Extension Partner under the Kinaxis PartnerLink Program.

OpenText And MUFG Global Securities Lending Solutions Group Forms Partnership

OpenText announced its partnership with MUFG Global Securities Lending Solutions Group (GSLs) to enhance services to business customers through customized reporting capabilities. The GSLs group will leverage OpenText Business Network's cloud-based solutions to deliver time-sensitive information through formats such as Secure File transfer Protocol (SFTP) and email.

Exhibit 2: CIBC Software/Services – Coverage Performance, 4/7/2021 - 4/7/2022

Software & Systems	Price	1 Week	1 Month	3 Month	6 Month	1 Year	YTD	52W High	52W Low
Constellation Software Inc	2,210.41	3.4	5.4	3.1	4.4	23.2	(5.8)	2385.80	1677.44
Descartes Systems	70.57	(5.1)	0.4	(6.2)	(12.7)	11.9	(14.6)	91.39	56.78
Dye & Durham	23.53	(7.6)	(14.1)	(44.0)	(43.7)	NA	(47.6)	50.49	22.89
Enghouse Systems Limited	40.06	(1.3)	15.6	(9.6)	(28.1)	(33.3)	(17.3)	64.42	34.21
Open Text Corp	42.60	(1.5)	1.8	(7.7)	(13.5)	(12.8)	(10.3)	55.25	40.59
Kinaxis	168.70	2.0	14.9	6.3	(9.1)	11.0	(4.9)	229.98	130.88
Docebo, Inc.	61.99	(4.1)	19.5	(7.6)	(33.8)	8.1	(27.0)	117.55	49.11
Magnet Forensics	29.43	(1.3)	18.2	2.1	(33.9)	NA	(10.5)	65.80	20.92
Q4 Inc.	4.47	(8.5)	(17.8)	NA	NA	NA	NA	12.05	4.40
Average		(2.7)	4.9	(7.9)	(21.3)	1.3	(17.2)		

Business Services	Price	1 Week	1 Month	3 Month	6 Month	1 Year	YTD	52W High	52W Low
Altus Group Ltd	50.43	(0.1)	8.0	(26.1)	(20.2)	(16.2)	(28.9)	72.33	44.88
CGI Group Inc	102.86	3.3	0.8	(3.2)	(6.1)	(3.8)	(8.0)	116.88	98.77
Converge Technologies	9.90	(3.2)	12.4	(4.4)	5.8	73.7	(8.9)	13.09	5.16
Information Services Corp	23.90	(3.8)	13.3	(7.8)	(12.8)	(2.0)	(9.0)	33.87	20.67
LifeWorks Inc	20.94	(3.1)	(9.4)	(18.2)	(34.9)	(36.0)	(18.0)	37.56	18.55
Softchoice Corporation	25.55	(9.6)	9.9	27.5	NA	NA	NA	45.74	18.63
Telus International	30.08	(2.7)	1.5	(21.0)	(32.9)	NA	NA	49.43	28.61
Average		(2.8)	5.2	(7.6)	(16.8)	3.1	(14.6)		

Indices	Price	1 Week	1 Month	3 Month	6 Month	1 Year	YTD
S&P/TSX Composite Index	21,829.88	(0.3)	2.5	3.5	6.9	14.1	2.9
S&P 500 Index	4,514.48	(0.4)	7.5	(3.5)	2.6	10.7	(5.3)
S&P/TSX Software Index	167.10	(0.7)	7.5	(13.2)	(25.3)	(12.5)	(21.3)
S&P500 Software Index	5,127.69	(1.6)	7.8	(5.3)	(4.3)	13.2	(12.3)

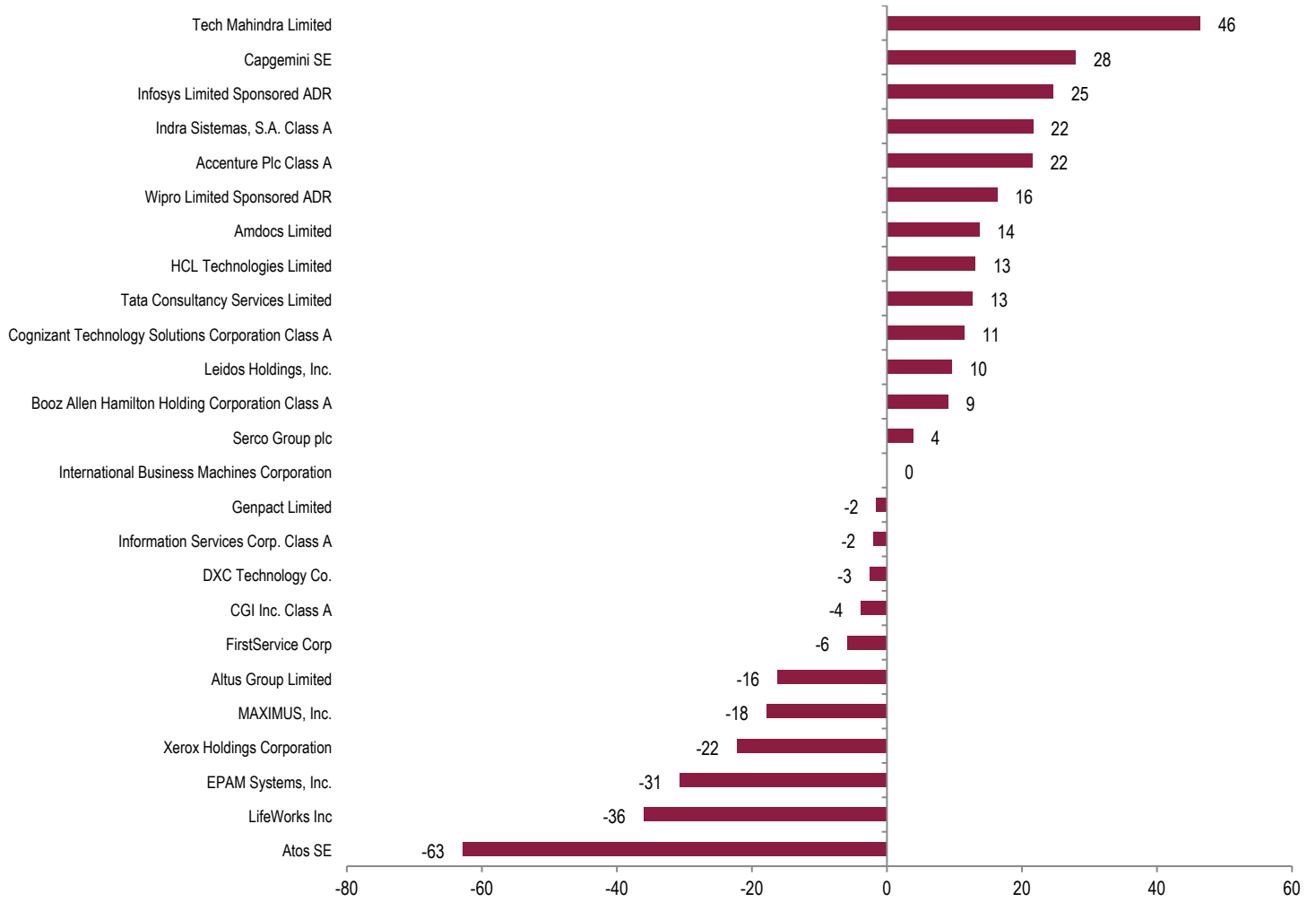
Source: Company reports, FactSet and CIBC World Markets Inc.

Exhibit 3: Software Stocks – Return Performance (%), 4/7/2021 - 4/7/2022



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

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



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

Exhibit 5: Software Stocks – Comp Table, 2021 - 2023E

	Enterprise Value (\$mlns.)	EV/S			EV/EBITDA			P/E		
		C21	C22E	C23E	C21	C22E	C23E	C21	C22E	C23E
Enterprise Application Software										
Constellation Software Inc.*	38,063	7.5x	7.5x	6.4x	25.2x	25.2x	21.7x	>50	>50	32.1x
BlackBerry Limited*	3,841	4.3x	5.5x	4.1x	>50	NEG	NEG	NEG	NEG	NEG
Sage Group plc	7,677	4.2x	3.9x	3.7x	18.5x	16.6x	15.1x	27.9x	27.4x	24.3x
Tyler Technologies, Inc.	19,170	12.0x	10.4x	9.5x	>50	39.7x	35.9x	>50	>50	>50
Roper Technologies, Inc.	59,071	10.2x	9.6x	9.0x	26.7x	24.8x	23.2x	47.1x	31.4x	29.2x
Enghouse Systems Limited	2,052	4.5x	4.5x	4.3x	12.6x	12.6x	12.3x	23.9x	23.9x	24.4x
Oracle Corporation	258,270	6.4x	5.9x	5.6x	13.8x	11.6x	11.0x	17.9x	16.2x	14.8x
SAP SE	125,998	4.5x	3.8x	4.0x	17.6x	14.2x	12.7x	22.4x	18.8x	17.0x
Enterprise Application Software Average		6.7x	6.4x	5.8x	19.1x	20.7x	18.9x	27.9x	23.5x	23.6x
Extended ERP										
Adobe Incorporated	213,636	13.5x	11.8x	10.3x	32.0x	24.2x	21.1x	45.3x	32.8x	27.9x
Open Text Corporation	13,817	4.0x	4.0x	3.8x	10.8x	10.8x	10.4x	13.4x	13.4x	12.9x
Manhattan Associates, Inc.	8,442	12.7x	11.9x	10.6x	>50	48.5x	41.6x	>50	>50	>50
Pegasystems Inc.	6,560	5.4x	4.5x	3.7x	NEG	>50	33.2x	NEG	>50	>50
Software AG	1,940	2.3x	2.1x	2.0x	12.5x	9.5x	8.0x	26.7x	18.6x	15.2x
Fiserv, Inc.	87,242	5.4x	5.3x	4.9x	15.7x	12.3x	11.3x	>50	15.8x	13.7x
Extended ERP Average		7.2x	6.6x	5.9x	17.8x	21.1x	20.9x	28.5x	20.2x	17.4x
Software As A Service										
Descartes Systems Group Inc.	5,779	13.6x	13.6x	12.2x	31.2x	31.2x	28.3x	>50	>50	>50
Kinaxis, Inc.*	3,531	14.1x	14.1x	10.8x	>50	>50	>50	>50	>50	>50
Docebo, Inc.*	1,418	13.6x	13.6x	9.7x	NEG	NEG	NEG	NEG	NEG	NEG
Lightspeed Commerce Inc*	3,454	7.4x	5.0x	3.7x	NEG	NEG	NEG	NEG	NEG	NEG
Veeva Systems Inc Class A	29,382	20.1x	13.7x	11.7x	>50	34.8x	29.7x	>50	>50	44.5x
Shopify, Inc. Class A	75,018	16.3x	12.4x	9.3x	>50	>50	>50	28.3x	>50	>50
Q4 Inc*	52	0.9x	0.9x	0.7x	NEG	NEG	NEG	NA	NEG	NEG
Magnet Forensics, Inc.*	828	8.9x	8.9x	6.9x	>50	>50	42.7x	>50	>50	>50
Ceridian HCM Holding, Inc.	10,392	10.1x	8.6x	7.3x	>50	>50	43.2x	NEG	>50	>50
ServiceNow, Inc.	105,543	17.9x	14.3x	11.4x	>50	44.3x	35.1x	>50	>50	>50
Workday, Inc. Class A	57,189	13.3x	9.4x	7.8x	>50	37.7x	30.3x	NEG	>50	>50
Software As A Service Average		12.4x	10.4x	8.3x	31.2x	37.0x	34.9x	28.3x	>50	44.5x
Infrastructure Vendors										
Citrix Systems, Inc.	15,772	4.9x	4.7x	4.5x	22.4x	14.9x	14.1x	41.6x	19.0x	17.0x
Microsoft Corporation	2,220,646	13.2x	10.4x	9.2x	27.5x	20.7x	18.0x	37.6x	30.1x	26.0x
Infrastructure Vendors Average		9.1x	7.6x	6.8x	24.9x	17.8x	16.1x	39.6x	24.5x	21.5x
Software Average		9.3x	8.2x	6.9x	20.5x	24.1x	23.8x	30.2x	22.5x	23.0x

*Share Price Converted to USD

Source: Company reports, 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
Business & IT Services										
CGI Inc. Class A	26,926	10.9x	10.9x	10.5x	18.4x	18.4x	16.8x	2.2x	2.2x	2.1x
TELUS International (CDA), Inc.	7,324	NA	13.6x	11.8x	NA	23.7x	19.9x	3.3x	3.3x	2.8x
Accenture Plc Class A	212,888	22.1x	17.9x	16.4x	37.5x	30.6x	27.5x	4.2x	3.3x	3.1x
Booz Allen Hamilton	13,638	15.3x	14.3x	13.4x	20.6x	20.0x	18.1x	1.7x	1.5x	1.4x
CACI International Inc Class A	9,203	12.4x	13.2x	12.6x	16.6x	15.9x	14.7x	1.5x	1.4x	1.3x
DXC Technology Co.	11,468	5.7x	4.2x	4.0x	NEG	7.3x	6.1x	0.6x	0.7x	0.7x
Genpact Limited	9,119	14.1x	11.3x	9.9x	22.6x	16.4x	14.5x	2.3x	2.1x	1.9x
International Business Machines	163,522	12.2x	9.8x	9.3x	20.3x	13.2x	12.2x	2.9x	2.7x	2.6x
Atos SE	4,210	4.0x	4.1x	3.6x	NEG	9.1x	6.4x	0.4x	0.4x	0.4x
Capgemini SE	38,219	13.2x	11.7x	10.7x	28.7x	19.5x	17.3x	2.1x	1.9x	1.8x
Sopra Steria Group SA	4,657	8.8x	7.7x	7.1x	18.1x	12.4x	11.0x	1.0x	0.9x	0.9x
Business & IT Services Average		11.9x	10.8x	9.9x	22.8x	17.0x	14.9x	2.0x	1.9x	1.7x
HR Outsourcing										
LifeWorks Inc	2,002	10.3x	10.3x	10.0x	NEG	NEG	31.8x	2.0x	2.0x	1.9x
Ceridian HCM Holding, Inc.	10,392	>50	>50	43.2x	NEG	>50	>50	10.1x	8.6x	7.3x
Willis Towers Watson	29,074	13.0x	11.9x	10.8x	7.3x	17.9x	15.3x	3.2x	3.1x	3.0x
Aon Plc Class A	80,732	21.1x	19.9x	18.6x	>50	25.2x	22.8x	6.6x	6.3x	5.9x
Automatic Data Processing, Inc.	101,184	26.4x	23.1x	21.0x	39.3x	33.1x	29.7x	6.7x	6.0x	5.6x
Paychex, Inc.	50,475	30.5x	23.8x	22.2x	46.3x	35.7x	33.2x	12.4x	10.6x	10.0x
HR Outsourcing Average		20.3x	17.8x	21.0x	31.0x	28.0x	26.6x	6.9x	6.1x	5.6x
Information Services										
Broadridge Financial Solutions, Inc.	22,456	19.3x	17.0x	16.0x	34.2x	23.7x	22.0x	4.4x	3.8x	3.7x
Dye & Durham Ltd.	1,797	11.3x	11.3x	8.5x	>50	>50	37.7x	4.8x	4.8x	3.1x
Deluxe Corporation	2,726	7.4x	6.2x	5.9x	20.4x	6.0x	5.6x	1.3x	1.2x	1.2x
Information Services Corp	428	6.3x	6.3x	7.6x	11.6x	11.6x	14.6x	2.5x	2.5x	2.5x
Information Services Average		11.1x	10.2x	9.5x	22.1x	13.8x	20.0x	3.3x	3.1x	2.6x
Financial Services Technology										
Fidelity National Information Services	81,112	13.3x	12.2x	11.1x	>50	14.0x	12.4x	5.8x	5.5x	5.1x
Fiserv, Inc.	87,242	15.7x	12.3x	11.3x	>50	15.8x	13.7x	5.4x	5.3x	4.9x
Jack Henry & Associates, Inc.	15,006	21.5x	23.4x	21.3x	49.7x	40.7x	37.4x	8.5x	7.5x	7.0x
ACI Worldwide, Inc.	4,089	11.1x	10.0x	9.3x	24.8x	20.5x	17.7x	3.0x	2.9x	2.7x
Temenos AG	7,254	13.2x	15.6x	13.6x	35.9x	21.1x	18.4x	7.5x	6.8x	6.2x
Global Payments Inc.	48,621	13.3x	12.1x	10.9x	41.2x	14.2x	12.2x	5.7x	5.7x	5.3x
Bottomline Technologies	2,571	48.2x	22.5x	19.9x	NEG	45.2x	39.0x	5.5x	4.7x	4.2x
Financial Services Technology Average		19.5x	15.4x	13.9x	37.9x	24.5x	21.6x	5.9x	5.5x	5.1x
Diversified Real Estate Services										
Colliers International Group Inc.	6,344	11.6x	10.3x	9.3x	-13.7x	17.7x	16.3x	1.6x	1.4x	1.3x
Altus Group Limited	2,392	23.1x	22.6x	19.0x	34.2x	34.2x	36.1x	3.8x	3.8x	3.4x
CBRE Group, Inc. Class A	30,661	14.3x	9.3x	8.7x	16.1x	14.3x	12.7x	1.1x	0.9x	0.9x
Jones Lang LaSalle Incorporated	12,933	8.9x	8.6x	8.2x	12.0x	11.3x	10.3x	0.7x	1.1x	1.0x
Diversified Real Estate Services Average		14.5x	12.7x	11.3x	12.1x	19.4x	18.9x	1.8x	1.8x	1.6x
Software Focused IT Solutions/VARs										
Softchoice Corporation*	1,607	23.3x	23.3x	16.0x	39.5x	39.5x	34.6x	5.6x	5.6x	5.0x
Softcat Plc*	3,064	18.2x	17.2x	16.1x	23.7x	23.2x	22.4x	8.2x	7.3x	6.6x
Crayon Group Holding ASA*	12,490	>50	>50	>50	>50	>50	>50	>50	26.5x	22.3x
Bytes Technology Group Plc*	1,180	24.3x	18.6x	17.3x	25.9x	24.2x	23.1x	NA	NA	NA
SoftwareONE Holding Ltd.*	1,665	10.1x	6.4x	5.5x	17.9x	15.2x	12.8x	8.0x	1.6x	1.4x
Bytes Technology Group Plc* Average		19.0x	16.4x	13.7x	26.7x	25.5x	23.2x	7.3x	10.2x	8.8x
Business Services Average		15.7x	13.5x	13.1x	25.0x	20.9x	19.9x	4.2x	4.3x	3.9x

*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
Tier 1 SaaS (Rule of 40 > 60)										
Zoom Video Communications	55%	36%	11%	32%	91%	43%	29,402	11.1x	6.5x	6.5x
CrowdStrike Holdings, Inc.	66%	31%	48%	29%	97%	78%	47,521	54.3x	22.8x	22.8x
Shopify, Inc.	57%	10%	31%	5%	67%	36%	76,102	16.5x	12.6x	12.6x
Zscaler, Inc.	60%	26%	43%	23%	86%	65%	31,357	46.6x	26.0x	26.0x
Lightspeed POS, Inc.	159%	-22%	40%	-12%	137%	28%	3,602	16.2x	5.2x	5.2x
DocuSign, Inc.	45%	23%	17%	19%	68%	37%	20,503	14.1x	8.4x	8.4x
Veeva Systems Inc	26%	38%	17%	36%	64%	53%	29,705	20.3x	13.9x	13.9x
Atlassian Corp. Plc	35%	35%	21%	25%	70%	46%	72,114	34.5x	23.8x	23.8x
Twilio, Inc.	61%	-3%	36%	-2%	58%	34%	23,766	8.4x	6.2x	6.2x
ServiceNow, Inc.	30%	31%	26%	31%	61%	57%	104,496	17.7x	14.1x	14.1x
HubSpot, Inc.	47%	18%	33%	14%	66%	46%	21,016	16.2x	12.2x	12.2x
Tier 1 SaaS (Rule of 40 > 60) Average								23.3x	13.8x	13.8x
	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		
								C21E	C22E	C22E
Tier 2 SaaS (Rule of 40 b/w 40-60)										
Docebo, Inc.	55%	-4%	42%	-4%	51%	38%	1,393	13.4x	13.4x	9.5x
Qualys, Inc.	14%	43%	17%	34%	56%	51%	4,998	12.1x	10.3x	10.3x
Descartes Systems	22%	40%	12%	37%	62%	50%	5,817	13.7x	13.7x	12.3x
Avalara Inc	40%	6%	23%	0%	45%	23%	7,949	11.4x	9.3x	9.3x
Five9, Inc.	40%	-2%	24%	5%	38%	29%	8,321	13.7x	11.0x	11.0x
Dropbox, Inc.	13%	34%	8%	33%	47%	41%	9,098	4.2x	3.9x	3.9x
Mimecast Limited	19%	28%	15%	23%	48%	38%	5,288	10.5x	7.9x	7.9x
Wix.com Ltd.	28%	5%	15%	2%	33%	16%	5,352	4.2x	3.7x	3.7x
Workday, Inc.	20%	27%	20%	19%	47%	40%	56,217	13.1x	9.2x	9.2x
VMware, Inc.	9%	31%	7%	28%	40%	35%	56,856	4.8x	4.2x	4.2x
Tier 2 SaaS (Rule of 40 b/w 40-60) Average								10.1x	8.7x	8.1x
	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%	18%	23%	2%	39%	25%	4,196	9.9x	8.0x	8.0x
Zendesk, Inc.	30%	12%	26%	10%	42%	37%	15,125	11.3x	8.9x	8.9x
MongoDB, Inc.	48%	1%	35%	0%	49%	35%	27,917	47.3x	24.1x	24.1x
LivePerson, Inc.	28%	-8%	18%	-12%	20%	6%	1,861	4.0x	3.4x	3.4x
Rapid7 Inc.	30%	8%	28%	7%	39%	35%	6,929	12.9x	10.1x	10.1x
Paylocity Holding Corp.	25%	16%	25%	15%	41%	40%	11,194	17.6x	12.1x	12.1x
Q2 Holdings, Inc.	24%	2%	16%	2%	26%	18%	3,594	7.2x	6.2x	6.2x
Akamai Technologies, Inc.	8%	25%	8%	24%	33%	33%	21,023	6.1x	5.6x	5.6x
Tier 3 SaaS (Rule of 40 b/w 28-40) Average								14.5x	9.8x	9.8x
	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		
								C21E	C22E	C22E
Tier 4 SaaS (Rule of 40 <28)										
RingCentral, Inc.	35%	6%	26%	7%	41%	33%	12,233	7.7x	6.1x	6.1x
Teradata Corporation	4%	23%	1%	21%	27%	22%	4,938	2.6x	2.6x	2.6x
Anaplan, Inc.	32%	-5%	26%	0%	27%	26%	9,535	21.3x	13.0x	13.0x
Zuora, Inc.	14%	7%	16%	0%	20%	16%	1,655	5.4x	4.2x	4.2x
New Relic, Inc.	15%	-4%	17%	4%	11%	22%	4,071	6.1x	4.6x	4.6x
Kinaxis, Inc.	4%	7%	36%	9%	11%	45%	3,522	14.0x	14.0x	10.8x
Yext, Inc.	10%	4%	4%	-1%	14%	3%	724	2.0x	1.8x	1.8x
Splunk Inc.	20%	4%	23%	12%	24%	35%	23,679	10.6x	7.3x	7.3x
Tier 4 SaaS (Rule of 40 <28) Average								8.7x	6.7x	6.3x
SaaS Average								14.7x	10.0x	9.8x

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

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Neutral	NT	Stock is expected to perform in line with similar stocks in the coverage universe during the next 12-18 months.
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