



# UNLOCKING THE SMB SOFTWARE & SERVICES MEGA MARKET

## Massive \$380B Global SMB Market

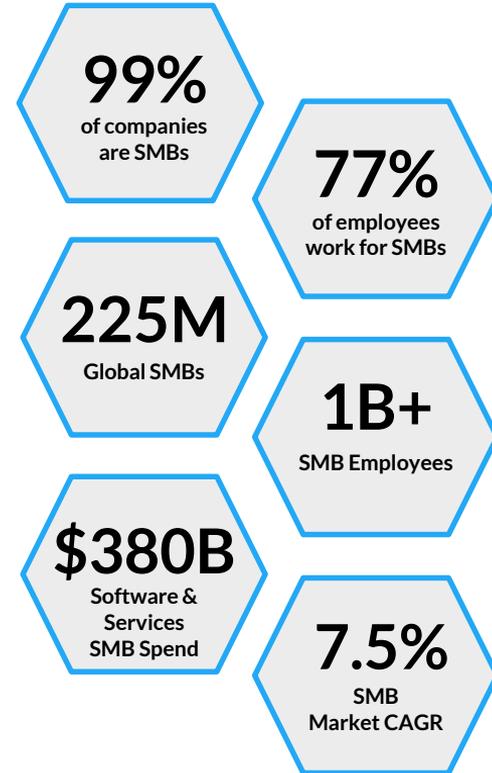
- Small and Midsize Businesses (SMBs) represent **99%** of companies today and control **35% of the total US I.T. wallet**
- Since 2016, there have been **3,000+** SMB software & services transactions
  - **\$118B+** total deal value in 2019 YTD

## Cracking the Code

- The low cost and ease of use of SaaS solutions has cracked open the SMB marketplace
  - **SaaS solutions** are increasingly **mission critical to SMBs**
  - Function Solutions: CRM, Accounting, HCM, MarTech, Payments, etc
  - SMBs are going to Managed Services to fill technical skill gaps and lack of resources
- However, there are challenges in selling to SMBs:
  - **Small ACV's** and **difficult unit economics**
  - **Tight budgets** and relatively high **customer acquisition** costs
  - **Churn** exacerbated by high rate of business failure
- Building an effective and lean go-to-market approach can directly address each of these pain points
- Companies that target SMBs often start with a single point solution or geography, but find success by:
  - **Moving upmarket** and **across geographies**
  - Utilizing **low touch go-to-market** strategies
  - Selling into many **different industries and verticals**
- By perfecting this GTM strategy, companies are able to aggregate the long tail, **scale efficiently**, limit churn, increase LTV, reduce CAC, and ultimately exit at high multiples

## Success in the SMB World Pays Big

- The 45 largest SMB stocks are up **114%** in 3 years, or **3x** better than the S&P 500
- In most cases, SMB SaaS is replacing spread sheets, check writing, or some other manual outdated process - representing **significant untapped opportunity**
- Early winners of this go to market have prospered: Go Daddy, Hub Spot, Salesforce, etc



# AGC'S DEDICATED SMB SOFTWARE & SERVICES TEAM



**Ben Howe**  
Founder, CEO

- In over 32 years as an investment banker, Ben has completed more than 400 transactions
- Chairman of Excel Academy, four charter schools serving 1,400 students in East Boston, and served on the board of Portsmouth Abbey and the advisory board of Trinity College, guest lecturer at MIT
- Head of Technology Investment Banking for the East Coast and Europe at Montgomery
- Managing Director, Head of M&A and Executive Committee Member at SG Cowen Securities
- Late 80's was an M&A banker at First Boston and Smith Barney
- In the early 80's, Ben owned and operated a 45-acre sweet corn farm in Concord, MA
- Ben is a CPA and holds a B.A. in Economics from Trinity College and an M.S. in Accounting from NYU



**Jon Guido**  
Partner, COO

- Jon is a Partner at AGC with a focus on the Vertical SaaS, Business Services, FinTech Payments, and Internet / Digital Media sectors
- Over the span of his 20-year career in investment banking, Jon has completed more than 100 transactions
- Jon helped found AGC in February 2003, coordinating the infrastructure build, capital raise, and recruiting effort
- Prior to AGC, Jon worked in SG Cowen's M&A Group
- Currently serves on the Topsfield Finance Committee
- Jon holds a B.A. with honors from Colgate University



**Fred Joseph**  
Partner

- Fred is one of the owners of AGC Partners and has more than 25 years of investment banking experience. Prior to AGC, Fred spent 7 years at Cowen & Co., 5 years at J.P. Morgan, and began his career as an analyst at Smith Barney
- The majority of Fred's work has been in Mergers & Acquisitions, where cumulatively he has executed in excess of \$7 billion in transactions
- Fred holds a B.A. from Swarthmore College and an M.B.A. from Columbia University



**Elena Marcus**  
Partner

- Elena joined AGC Partners in early 2009
- Elena has advised on more than 40 completed strategic advisory and capital raising assignments spanning Software, HCM, Digital Media, Gaming, Education, and Mobile / Communications
- Prior to AGC, Elena was at Deutsche Bank and Jefferies & Company
- Elena holds an M.B.A. from the M.I.T. Sloan School of Management and a B.A. in Business Administration from Long Island University



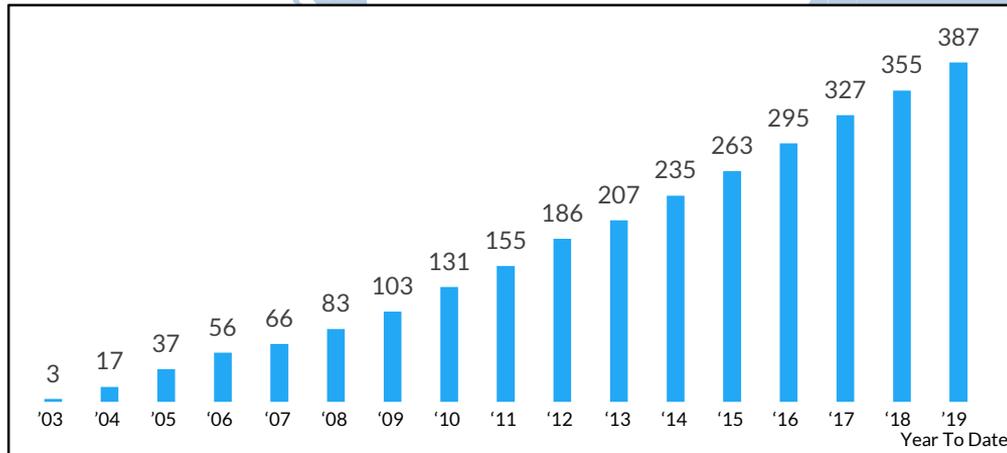
**Sean Tucker**  
Partner

- Sean is a Partner and Head of Europe at AGC Partners
- Sean focuses on sell-side M&A mandates and equity recapitalizations for European software companies
- Sean's software expertise includes B2B vertical and horizontal software companies with recent marquee deals in Liaison (\$310M), Skuid (\$100M), and OpusCapita
- Prior to joining AGC, Sean worked at EY and Deloitte where he led engagements in the Financial Services Office
- Sean holds a B.S. and an M.B.A. from Babson College

# GLOBAL LEADER IN TECH ADVISORY – 387 CLOSED DEALS

- AGC is consistently ranked as the most active pure tech boutique
- Over 50 active engagements with 35 deals in '19
- 10 offices across the US and Europe
- 52 employees
- Closing in on 400 deals in our history
- '19 is a record year for revenue, profits, and closed deals

AGC Cumulative Deal Count



## TOP TECH DEALMAKERS (2014-2018)

	Firm	# Trans.
1.	Morgan Stanley	179
2.	Raymond James	150
3.	William Blair	150
4.	Houlihan Lokey	129
5.	J.P. Morgan Securities	124
<b>6.</b>	<b>AGC Partners</b>	<b>120</b>
7.	Evercore Partners	119
8.	GCA Advisors	117
9.	Goldman Sachs	113
10.	Jefferies	92
11.	Lazard	79
12.	Petsky Prunier	79
13.	Mooreland Partners	78
14.	DCS Advisory	77
15.	Pagemill Duff & Phelps	74
16.	Bank of America Merrill Lynch	73
17.	Robert W. Baird	70
18.	Qatalyst Partners	69
19.	Arma Partners	68
20.	GP Bullhound	68
21.	KeyBanc Capital Markets	62
22.	Credit Suisse Securities	60
23.	Stifel, Nicolaus & Company	60
24.	Needham & Company	59
25.	Barclays Capital	53

# THE AGC DIFFERENCE

## 451 RESEARCH SAAS RANKINGS

 98

*William Blair* 91

**RAYMOND  
JAMES** 72

**Morgan Stanley** 57

 54  
HOULIHAN LOKEY

 **GCA** 47

**KeyBank** 43  


**Jefferies** 36

**Armapartners** 31

 **AGCPARTNERS**



### Criteria

### Competitors

Culture

Hard Working

Entitled

Engagement

Daily Partner Execution

Partner Pitched, Switched  
to Mid-Level Execution

Subject Experts

Domain Experts

Tech Generalists

Core Contacts

Direct Senior Relationship

Institutionalized Contacts

Execution

Creative, Real-time & Proactive

Generic, Slow & Reactive

Who is your Client?

Shareholders and Management

Depends

Results

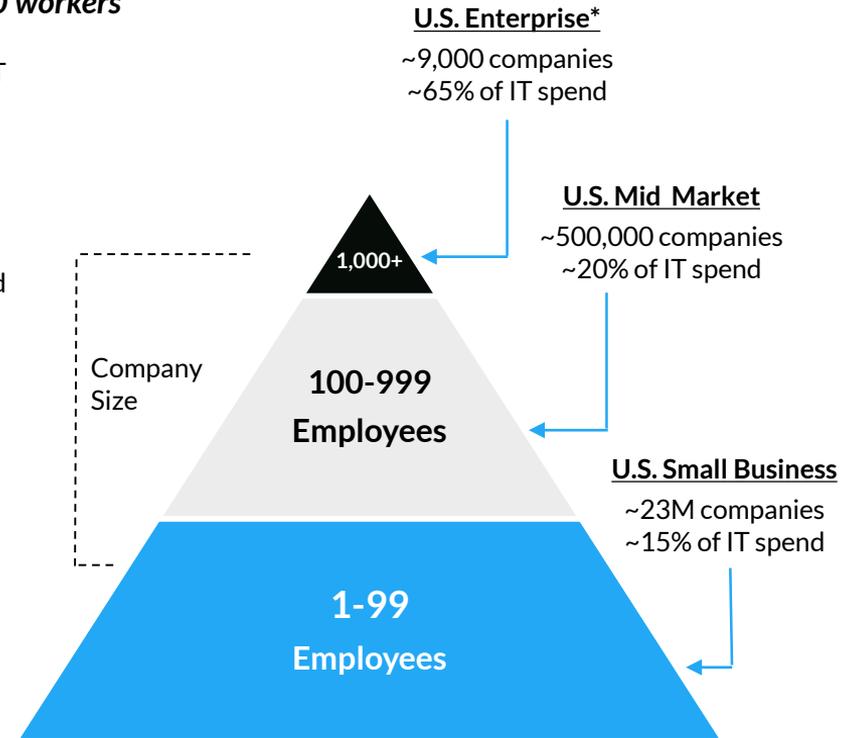
Premium Valuations

Just OK

# DEFINING THE SMB MARKET

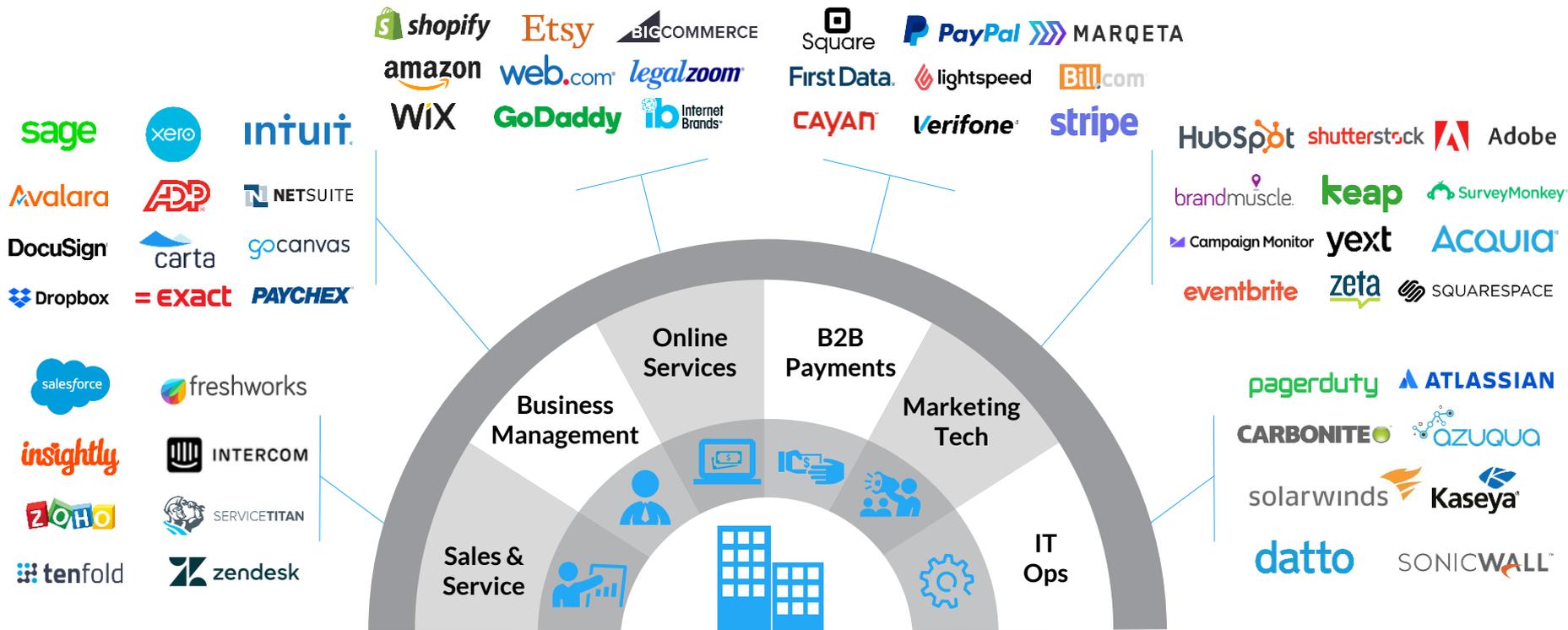
## Most define the SMB segment as businesses that employ less than 1,000 workers

- The Small and Midsize Business (SMB) segment has distinctly different IT requirements and challenges compared to the Enterprise market
  - IT resources and budgets are highly constrained
  - That said, the 23.5 million SMBs control ~35% of the total U.S. IT wallet
- AGC defines the SMB IT market based on the following metrics and characteristics:
  - Less than 1,000 employees
  - Less than \$250 million in revenue
  - The sales cycle tends to be short (180 days or less)
  - ACV tends to be low (\$25,000 or less)
  - They tend to buy software or services separately (not from same vendor)
  - Product line and contract terms tend to be cookie cutter
- AGC defines SMB vendors as those with >50% of revenues generated from SMBs
- In the US, SMBs employ 3x more workers than the Fortune 1000



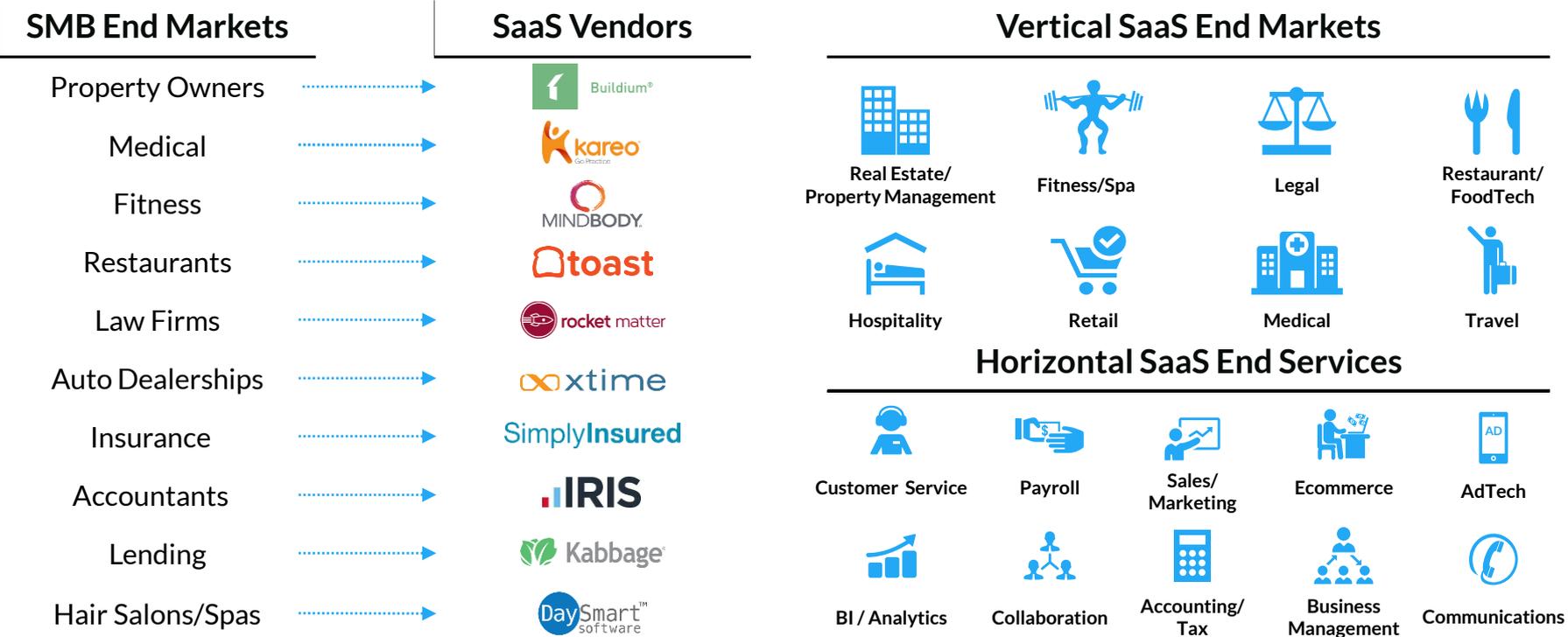
# SMB SOFTWARE / SERVICES IS BOTH A DIVERSE AND SPECIALIZED MARKET

SMBs require products designed specifically for companies with <1,000 employees. A watered-down enterprise offering is likely to fail



# SMBS LOVE THE LEVERAGE OF SAAS

The growth of SaaS has directly benefited SMBs with critical software needs across all industries and sectors



# CRACKING THE CODE

*The robust opportunity within the SMB space requires cloud-based software companies to focus on underlying economics and be lean and agile in their delivery*

Software companies that service SMBs utilize an efficient GTM strategy to limit OpEx and control costs. This strategy can be represented by a funnel that includes:



## SMBs' GTM Strategy Must Be Ruthlessly Efficient

- Given highly fragmented markets, SMB software companies must develop a **sustainable competitive advantage** and sell to a greater number of businesses than their enterprise-focused counterparts
- New, **low cost business models** focus on changing buyer behavior and rapid deployment through the power of the cloud
  - **Viral growth** is rare, but extremely attractive
  - SEO, SEM, PR, Social Marketing, and direct sales are **costly and time consuming**
  - Successful SMBs deploy **low-touch GTM strategies** that utilize free trials, inbound leads, marketing automation tools, and walkup/signup implementation

# CHURN: THE MOST SERIOUS AND PERSISTENT PROBLEM

SMBs tend to churn at much higher rates than enterprises, making it difficult to sustain healthy customer bases and exit at higher multiples

## Factors Effecting SMB Churn

- Higher rates of SMBs going out of business
- Lower switching costs
- Fewer upsell opportunities
- Variable revenue streams
- IT budget restraints
- SMB specific vertical (i.e. Restaurants, Real Estate, etc.)
- Lack of personnel/bandwidth to manage the technology
- SMB service model type (DIY, DIFM, DIWM)

SaaS Companies Churn Rates By Segment	
Segment	Annual Churn %
Enterprise	6-10%
Mid-Market	11-22%
SMB	15-50%

General consensus shows that **~25% annual customer churn** is decent for SaaS companies targeting SMBs; however, the best companies are in the **15-25%** annually. Low churn rates can result in **higher exit multiples**, evidenced by NetSuite's sale to Oracle (**11.1x EV/Rev**) and SendGrid's sale to Twilio (**13.4x EV/Rev**)

# CLOSING THE SMB TALENT GAP

*SMBs tend to lack the technical, financial, bandwidth, and operational capabilities to evaluate and implement software, making it difficult for software companies to penetrate the massive space and retain customers*

- Despite a strong appetite among SMBs to adopt and deploy technology, SMBs struggle because they:
  - **Lack “A” level** technology talent
  - **Underinvest** in training and development
  - Have a **lower** margin for error
- An underlying driver of the SMB talent gap is poor execution on performance KPIs and time management
  - SMB leaders typically “own” **2.2 functions** and do not have time to properly integrate and operate new software
- According to Gartner, more than 33% of SMBs feel “slightly confident” or “not confident at all” when selecting software
  - Cloud software will play a crucial role in easing technology adoption, as it requires **less upfront costs** and comes with **faster time to value** than on-prem offerings

1/3

**1/3 of SMB Leaders** say they are “solely” responsible for making technology purchasing decisions at their organizations

**19% of SMB leaders** say choosing the right technology for their business is their No. 1 challenge

19%

33%

**33% of SMB Leaders** feel “slightly confident” or “not confident at all” when selecting software

# STRIKING THE RIGHT BALANCE WITH SMB: LTV & CAC

SaaS has unlocked the ability to serve thousands of businesses, but CAC and LTV remain challenging

## Factors Driving the LTV/CAC Balance

- + Viral Effects
- + Inbound Marketing
- + Free or Freemium
- + Open Source
- + Free Trials
- + Touchless Conversion
- + Inside Sales
- + Channels
- + Strategic Partnerships
- Field Sales
- Outbound Marketing
- + Recurring Revenue
- + Scalable Pricing
- + Cross Sell/Upsell
- + Product Line expansion
- + Lead Gen for 3<sup>rd</sup> parties
- + Touchless Conversion
- High Churn
- Inflow of cheaper solutions
- Low Customer Satisfaction

CAC



LTV

## SMBs LTV/CAC Key Considerations

- Optimism often causes entrepreneurs to **grossly underestimate** the cost it will take to acquire customers
- Viable SaaS companies maintain LTV/CAC ratios of **3-5x CAC**
  - LTV/CAC multiples for large public companies like Salesforce and ConstantContact are **~5x CAC**
  - LTV/CAC multiples for the most successful software companies focused on SMBs are much higher and typically approach **~10x CAC**
  - SMB focused companies should at a minimum aim to recover CAC in **< 12 months**

# DIGITALIZATION DRIVES RAPID SMB GROWTH

“ 80 percent of US small businesses are not taking full advantage of digital tools. ”

**Deloitte.**

**12%**

Avg. YoY Rev Growth

## Basic Adoption

- x Only has business email
- x Marketing focused on traditional advertising (e.g. post)
- x No website or social media
- x No internal use of digital tools

**21%**

Avg. YoY Rev Growth

## Intermediate Adoption

- Simple website with no e-commerce or bookings capabilities
- Listed on online directories/third party market place
- Limited social media
- Uses basic online marketing tools (Email advertising)

**31%**

Avg. YoY Rev Growth

## High Adoption

- ✓ Advanced website with mobile accessibility and e-commerce capabilities
- ✓ Highly engaged with social media
- ✓ Greater use of online marketing methods (webpage ad banners, social media ads)
- ✓ Utilizes digital tools internally such as video conferencing or cloud software

**45%**

Avg. YoY Rev Growth

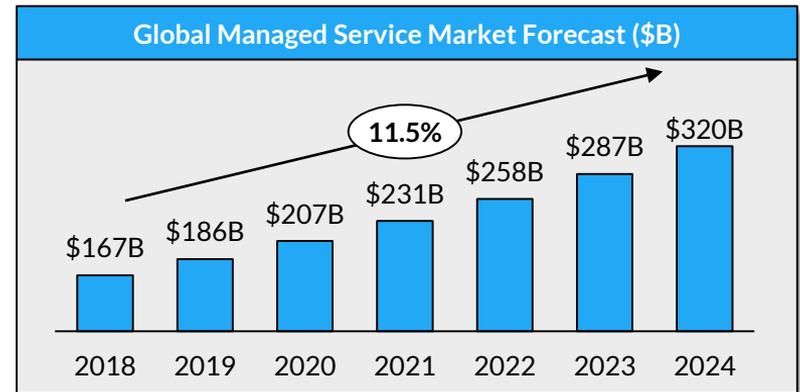
## Advanced Adoption

- + Utilizes data from its website to analyze customer trends and inform business decisions
- + Mobile app to enable customer engagement
- + Leverages sophisticated online marketing tools such as search engine strategies (e.g. Google AdWords) and video
- + Implements sales CRM platforms like Salesforce, Insightly, and Swiftpage

Digitally engaged SMBs earn ~2x the revenue per employee, experience 4x revenue growth versus SMBs with only basic adoption. These companies that invest and leverage digital tech see strong systematic growth and better overall customer development

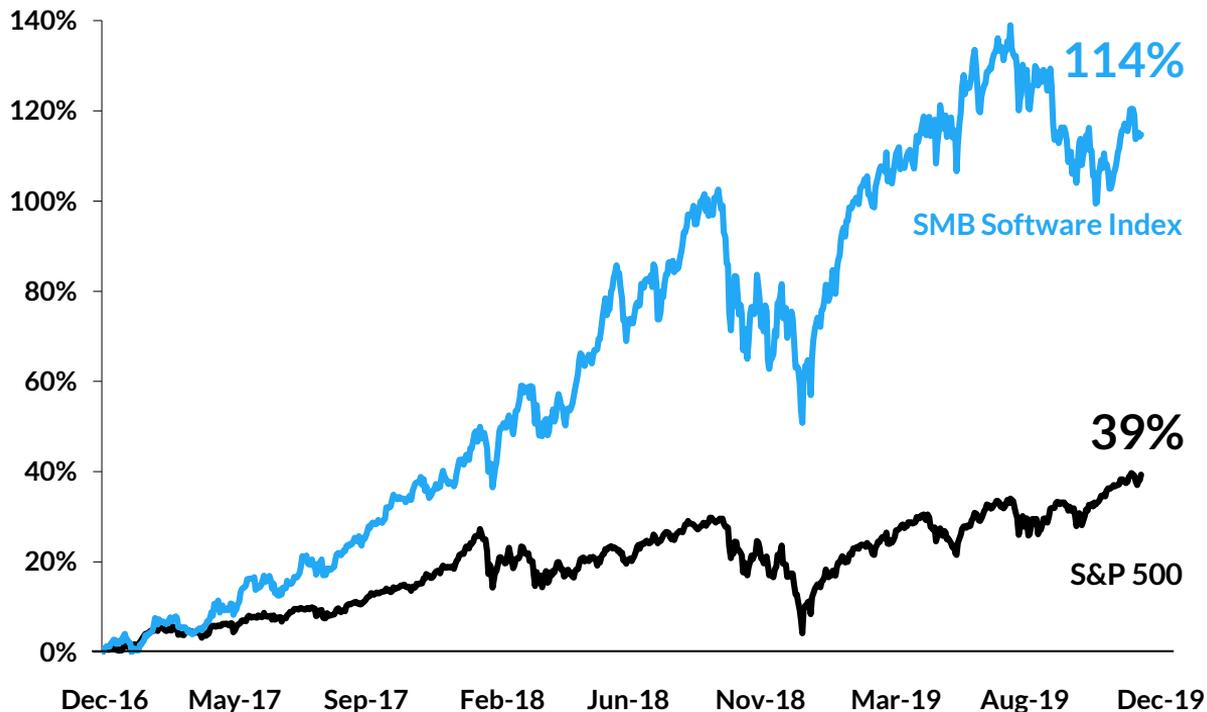
# MANAGED SERVICES IS A GREAT FIT FOR SMBs

- The accessibility, affordability and standardization of software and services created by the SaaS revolution will continue to drive market growth
- Within services, MSP models have evolved into cost effective alternatives to running IT in-house
- 5 years ago, 1-2 IT employees could manage the day to day requirements of a 100 employee business; today this is becoming increasingly less feasible
- Many companies are finding the best solution is to outsource entire functions to MSPs, and are doing so at an accelerating rate
- While the majority of IT spend by the SMB segment has historically been on hardware and devices, most forecasters project outsized growth in software and services spend
- This is especially true as SMBs push headlong into digital strategies without the in-house expertise and third party consulting that the larger enterprise's have and yet its critical to surviving and staying competitive



# PUBLICLY TRADED SMB FOCUSED COMPANIES, OUTPACING THE S&P 500 BY 3X

- The SMB Software/Services Index tracks the overall market performance of 45 publicly traded companies that serve the SMB market
- The SMB Index has outpaced the S&P 500 by 3x over the last three years
  - **\$519B Market Cap**
  - **8.0x EV/Rev Multiple**
- The overall SMB market is growing at a **7.5% CAGR**, primarily driven by the transition to the cloud
- This growth will continue to drive investment in the software SMB space, which has seen **\$118B** of deal value in 2019 YTD



# SALESFORCE: SUCCESSFULLY SERVING SMBs AND ENTERPRISES FOR DECADES

The best enterprise SaaS businesses start by targeting SMBs, iterate on mission critical solutions, and grow rapidly

“ One idea alone is a tactic, but if it can be executed a number of different ways, it becomes a great strategy. ”



### 1999 - 2004

- ✓ Founded by Marc Benioff in June 1999
- ✓ Set out to **replace outdated on-prem offerings** with cloud-based software solution
- ✓ Creative marketing: The “end of software” slogan turned into viral growth
- ✓ Pioneered the **freemium model**, and its simplicity made for a powerful organic distribution model
- ✓ Revenue grew from **\$5.9M** in 2001 to **\$50.9M** in 2003
- ✓ Announced IPO in 2004, with stock **appreciating 43%** on first day trading

**The 1<sup>st</sup> Cloud-Based CRM Solution**

### 2005 - 2014

- ✓ Scaled into a **platform-as-a-service solution**, serving SMBs globally
- ✓ Built platform such that developers could add applications on top of the Salesforce stack, **widening its user base**
- ✓ Released **AppExchange, Apex, and Force.com**
- ✓ Acquired **RelateIQ and Assistly**, extending CRM’s reach to millions of SMBs through low touch sign-up apps and best-of-breed AI/ML intelligence, and forming the early nucleus of **Salesforce Essentials** (2018 launch)
- ✓ Revenue growth **>100x** public SaaS median in 2013
- ✓ Became dominate SaaS provider to **150,000 SMBs** globally

**Serving SMBs Globally**

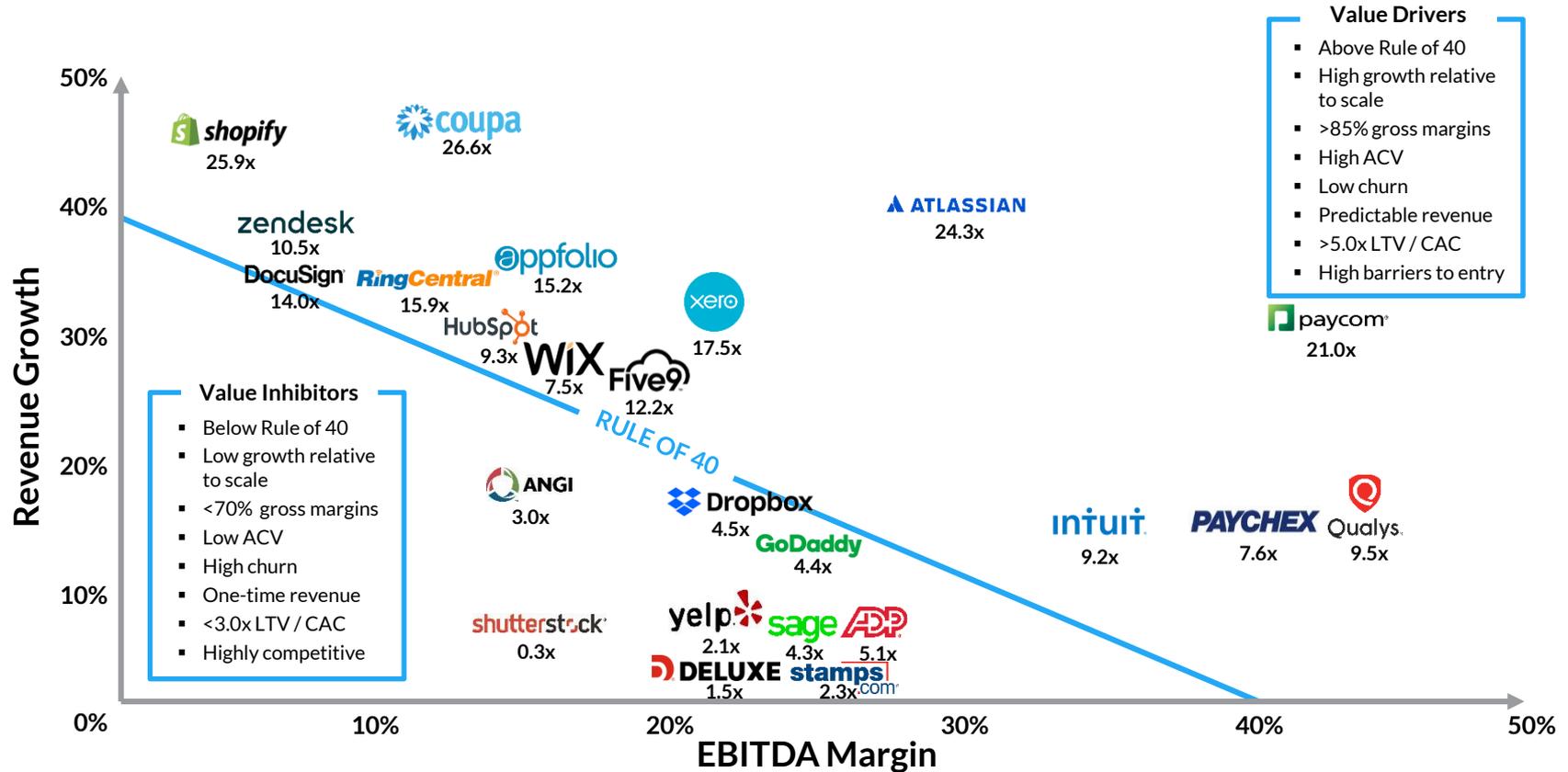
### 2015-2019+

- ✓ **Sales strategy** has **organized** around its **largest clients** in order to compete with SAP and Oracle
- ✓ New go-to-market strategy emphasizes selling **comprehensive packages** to **larger companies**, a dramatic shift from historical GTM strategy
- ✓ **Larger contracts** drive better **SaaS metrics**; increasing ASP, LTV, revenue growth, and margins, while decreasing churn
- ✓ **Salesforce Essentials**, a new CRM offering targeting SMBs with instant sign-up and a \$25 monthly fee, is launched in 2018

**\$14.7B** 2019E Revenue      **3.75M** Users

**Transition to Enterprise**

# THE VALUE OF EFFICIENT GROWTH FOR SMB SOFTWARE COMPANIES



# THE RULE OF 40 RULES: REVENUE GROWTH + EBIDTA MARGIN

Company	EV / Revenue	Rule of 40	Enterprise Value <sup>(a)(b)</sup>	Revenue	Revenue Growth	EBITDA Margin	2019E Margins	
	2019E			2019E	2019E / 2018A		Gross Margin	S&M as % of Rev
Coupa Software	26.6x	59%	\$9,404	\$381	46%	13%	83%	37%
Shopify	25.8x	49%	40,092	1,556	45%	4%	56%	28%
Atlassian Corporation	23.9x	69%	28,865	1,210	38%	30%	83%	23%
Paycom Software	20.8x	72%	15,260	735	30%	42%	85%	23%
Xero Limited	17.3x	49%	7,764	448	30%	19%	83%	62%
RingCentral	15.9x	45%	14,099	889	32%	13%	76%	45%
AppFolio	15.1x	49%	3,856	255	34%	14%	60%	18%
DocuSign	13.5x	46%	13,036	965	38%	8%	79%	58%
Five9	12.1x	43%	3,916	323	25%	18%	63%	28%
Zendesk	10.4x	44%	8,449	814	36%	8%	75%	45%
Qualys	9.5x	58%	3,064	322	15%	43%	80%	22%
HubSpot	9.2x	43%	6,164	670	31%	13%	82%	48%
Intuit	9.0x	49%	64,201	7,113	14%	35%	83%	28%
Paychex	7.6x	56%	30,606	4,031	15%	41%	69%	ND
Wix.com	7.5x	41%	5,724	762	26%	15%	75%	39%
ADP	5.1x	30%	74,359	14,536	5%	25%	45%	ND
Dropbox	4.4x	42%	7,267	1,658	19%	22%	76%	25%
GoDaddy	4.3x	36%	12,978	2,985	12%	23%	66%	23%
The Sage Group	4.2x	33%	10,886	2,570	8%	25%	93%	ND
ANGI Homeservices	3.0x	33%	4,000	1,329	17%	15%	97%	51%
Stamps.com	2.3x	25%	1,383	590	1%	25%	72%	23%
Yelp	2.1x	30%	2,180	1,019	8%	21%	94%	49%
Deluxe Corporation	1.5x	24%	3,013	2,006	0%	24%	59%	ND
Shutterstock	1.9x	21%	1,265	655	5%	15%	58%	27%
<b>MEDIAN</b>	<b>9.1x</b>	<b>43%</b>	<b>\$8,107</b>	<b>\$927</b>	<b>22%</b>	<b>20%</b>	<b>76%</b>	<b>28%</b>

## Notes

(a) Based on closing stock prices on December 10, 2019

(b) Calculated as Equity Value plus total debt, minority interest (at book value unless otherwise noted) and preferred stock, less cash & equivalents

## KEY TAKEAWAYS

- Global spend in the software and services SMB space has surpassed **\$380B**, growing at a **7.5% CAGR**
- The SMB market for SaaS based solutions represents a **massive opportunity** – empowering <1,000 employee businesses with the digital tools to succeed at a global scale
- Cracking the **GTM “Code”** is essential for SaaS companies to succeed, where low-touch strategies limit churn, increase LTV, and reduce CAC
- SMBs are still limited by **technical skill gaps**, **tight budgets**, **business failures**, and **lower margins for error**, creating hurdles for software vendors
- Some SMB software vendors successfully **transition to enterprise**, **move upmarket**, and **expand geographically**
- The SMB software market will continue to create massive value, outpacing the S&P 500 by **3x** since ‘17



99%

of companies  
are SMBs

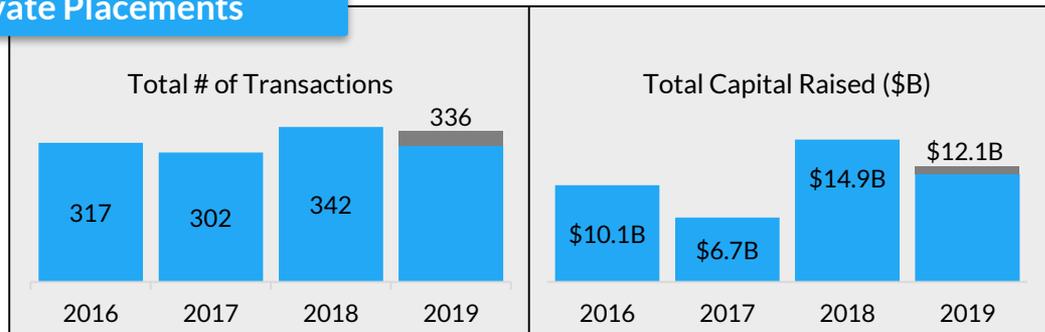


77%

of employees  
work for SMBs

# TRANSACTION SUMMARY: 2016-2019 YTD

## Private Placements



## M&A Transactions



## Highlights & Takeaways

- **Financings:** Logistics software targeting the SMB market has been a major source of fundraising in 2019. These platforms allow small businesses across a range of industries to optimize supply chain delivery with the same sophistication as large enterprises. Representative transactions and SMB end markets include:
  - Flexport, \$1.0B, Series D, Manufacturers
  - DoorDash, \$700M, Series G, Restaurants
  - Deliveroo, \$575M, Series G, Restaurants
- **M&A:** Payment processors targeting the SMB market was an area of M&A deal flow in 2019. These goliaths developed the plumbing for small merchants to transact from physical and online stores, and they finally went out to larger consolidators at big price tags:
  - First Data / FiServ (\$38B, 4.0x EV/Rev)
  - TSYS / Global Payments (\$25B, 6.1x)

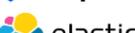
# TOP M&A TRANSACTIONS (2016-2019 YTD)

Target	Acquirer	Location	Description	Date	Deal Amount	EV/TTM Rev.
 	 	Georgia	Financial Software	Jan'19	\$22,000M	2.2x
 	 	California	Cloud Computing	Jul'16	\$9,100M	9.6x
 	 	Texas	Network Management Software	Feb'16	\$4,500M	9.1x
 	 	England	Payments Solutions	Aug'17	\$3,913M	3.7x
 	 	California	Payments Solutions	Apr'18	\$2,710M	1.8x
 	 	California	Database Software	Jun'19	\$2,600M	28.9x
 	 	Virginia	Talent Management Insights	Apr'17	\$2,600M	3.5x
 	 	Michigan	Network Security	Sep'18	\$2,350M	18.8x
 	 	Florida	Online Marketing Services	Jun'18	\$2,240M	3.0x
 	 	Stockholm	Mobile Payments	May'18	\$2,200M	19.0x
 	 	Massachusetts	Communication Software	Jul'16	\$1,800M	5.2x
	 	California	Business Management Software	Dec'19	\$1,750M	8.1x
		Colorado	Communication Software	Oct'18	\$1,738M	12.3x
		Stockholm	Payment Software	Jul'17	\$1,731M	10.7x
		California	E-Commerce	May'18	\$1,680M	11.2x
		California	Network Security	Feb'18	\$1,600M	4.0x
		North Carolina	eProcurement Software	Aug'19	\$1,600M	ND
		Florida	Human Capital Services	Nov'18	\$1,200M	ND
		California	Corporate Expense Reports	Mar'19	\$1,000M	ND

# TOP PRIVATE FINANCINGS (2016-2019 YTD)

Target	Lead Investor	Location	Description	Date	Financing Amount	Financing Type	Raised to Date
		California	Logistics Platform	Aug'18	\$1,000M	Series D	\$1,350M
		California	Delivery Platform	May'19	\$700M	Series G	\$2,070M
		UK	Delivery Platform	May'19	\$575M	Series G	\$1,520M
		New York	IT Automation Software	May'19	\$500M	PE Growth	\$608M
		California	Communication Software	May'18	\$427M	Series H	\$1,220M
		California	Financial Software	Sep'19	\$326M	Series C	\$433M
		California	Equity Management Solutions	Mar'19	\$318M	Series E	\$482M
		California	Publishing Platforms	Sep'19	\$300M	Series D	\$490M
		North Carolina	Payments Solutions	Jun'17	\$300M	Series F	\$579M
		Utah	Document/Email Management	May'19	\$300M	PE Growth	\$338M
		California	Delivery Platform	Sep'18	\$300M	Series E	\$906M
		California	Payments Platform	Mar'19	\$260M	Series E	\$375M
		California	Payments Platform	Sep'19	\$250M	Series G	\$1,290M
		Massachusetts	Restaurant Tech Software	Jan'19	\$250M	Series E	\$497M
		California	Commerce Platform	Dec'17	\$250M	Series E	\$439M

# TOP IPOS (2016-2019 YTD)

Company	Primary Shareholder	Description	IPO Date	Market Cap	IPO Deal Size	Stock Since IPO	LQ EBIDTA Margin
 Zoom	Emergence Capital Partners	Communication Software	Apr'19	\$20.3B	\$751M	20%	5%
 Twilio	Bessemer Venture Partners	Software Development Tools	Jun'16	\$13.4B	\$150M	239%	(21%)
 DocuSign	Bain Capital	eSignature Solutions	Apr'18	\$12.5B	\$629M	79%	(22%)
 Slack	SoftBank	Communication Software	Jun'19	\$12.3B	\$4,560M	(41%)	(92%)
 Datadog	ICONIQ Capital	Data Analytics Platform	Sep'19	\$12.1B	\$648M	9%	(4%)
 Pinterest	Fidelity	Visual Bookmarking Solution	Apr'19	\$11.1B	\$1,430M	(20%)	(126%)
 Coupa	Battery Ventures	Spend Management Platform	Oct'16	\$9.4B	\$133M	348%	(14%)
 Ceridian	Thomas H. Lee Partners	Human Capital Services	Apr'18	\$8.7B	\$462M	174%	15%
 Dropbox	JP Morgan	Cloud File Storage	Mar'18	\$7.8B	\$756M	(35%)	7%
 Elastic	Index Ventures	Cloud Computing	Oct'18	\$6.3B	\$252M	13%	(38%)
 Solarwinds	AlpInvest Partners	Infrastructure Management	Oct'18	\$6.0B	\$375M	29%	41%
 Avalara	Warburg Pincus	Compliance Solutions	Jun'18	\$6.0B	\$180M	74%	(12%)
 Medallia	Sequoia Capital	Data Analytics Platform	Jul'19	\$3.9B	\$325M	(18%)	(15%)
 Lightspeed	CDPQ	E-Commerce Solution	Feb'18	\$2.9B	\$180M	82%	(229%)
 SurveyMonkey	Bain Capital	Survey Software	Sep'18	\$2.3B	\$180M	(1%)	(8%)
 PagerDuty	Andreessen Horowitz	Operations Performance Platform	Mar'19	\$2.0B	\$218M	(32%)	(33%)
 Eventbrite	Uncork Capital	Online Event Planning Solution	Sep'18	\$1.8B	\$230M	(6%)	(11%)
 Domo	BlackRock	Operations Management Platform	Jun'19	\$0.5B	\$193M	(31%)	(76%)

# TOP PUBLIC COMPANIES – FLYING HIGH

Company	Market Cap	Enterprise Value <sup>(a)(b)</sup>	Revenue 2019E	EV / Revenue 2019E	Revenue Growth 2019E / 2018A	2019E Margins	
						Gross Margin	EBITDA Margin
 ADP	\$72,949	\$74,428	\$14,536	5.1x	5%	45%	25% #5
 intuit	66,782	65,302	7,113	9.2x	14%	83% #5	35% #3
 shopify	38,342	35,786	1,556	23.0x #5	45% #5	56%	4%
 PAYCHEX	30,318	30,674	4,031	7.6x	15%	69%	41% #2
 ATLASSIAN	29,505	28,875	1,210	23.9x #4	17%	83% #4	30% #4
 Square	28,737	28,632	4,450	6.4x	35%	82%	9%
 zoom	18,856	18,154	591	30.7x #2	79% #1	81%	13%
 paycom	15,512	15,464	735	21.0x	30%	85% #3	42% #1
 RingCentral	14,248	14,092	889	15.8x	32%	76%	13%
 twilio	13,393	12,135	1,116	10.9x	72% #3	59%	5%
 DocuSign	12,303	12,172	951	12.8x	36%	79%	7%
 slack	12,248	11,473	609	18.8x	52%	86% #2	(25%)
 DATADOG	11,715	11,016	352	31.3x #1	77% #2	75%	(2%)
 GoDaddy	11,208	12,913	2,985	4.3x	12%	66%	24%
 Pinterest	10,495	8,930	1,111	8.0x	47% #4	70%	(1%)
 THE SAGE GROUP	10,371	10,881	2,523	4.3x	6%	93% #1	25%
 coupa	9,360	9,288	381	24.4x #3	46%	71%	13%
 CERIDIAN	8,692	9,132	823	11.1x	10%	47%	23%
 zendesk	8,374	8,525	814	10.5x	36%	75%	8%
 Dropbox	7,621	7,491	1,658	4.5x	19%	76%	22%

# MOST ACTIVE INVESTORS (2016 – 2019 YTD)

Investor	Number of Investments	Notable Investments
 Bessemer Venture Partners	26	Toast, Restaurant365
 SEQUOIA	21	DoorDash, Stripe
 SoftBank	20	DoorDash, Ele.me
 TIGERGLOBAL	19	Toast, Stripe, Kustomer
 KLEINER PERKINS	19	Gusto, Zume, DoorDash
 Bain Capital VENTURES	19	Clari, Hireology, OpenFin
 ANDREESSEN HOROWITZ	18	Stripe, Branch International
 Uncork CAPITAL	17	Tempo, Zenreach
 dcm	15	Panda Selected, Eaze
 Lightspeed	14	People.ai, ezCater, FreshMenu

Investor	Number of Investments	Notable Investments
 TEMASEK	13	Bill.com, DoorDash
 IDG Capital	12	ZMT, Haoyiku
 SLOW VENTURES	12	Atrium, Front, Human Interest
 DST	11	Swiggy, DoorDash, Deliveroo
 INSIGHT PARTNERS	11	Kaseya, Sisense, ezCater
 LHV LERER HIPPEAU	10	Hungryroot, Celtra
 FJ LABS	9	Zume, Eaze, Slice
 FOUNDRY GROUP	9	OrderMark, Broadly, Chewse
 COATUE	9	DoorDash, Axoni, Kustomer
 First Round	9	Atrium, Snackpass

# MOST ACTIVE ACQUIRERS (2016 – 2019 YTD)

Private Equity Acquirer	Number of Acquisitions	Notable Transactions
 HITG CAPITAL	33	Acquired Lionbridge Technologies for \$360M in Dec-2016
 THOMABRAVO	19	Acquired Continuum Managed Services for \$200M in Jun-2017
 KKR	14	Acquired WebMD for \$2.8B in Jul-2017
 abry partners	14	Acquired Donuts for \$500M in Sep-2018
 TA ASSOCIATES	12	Acquired StorageCraft Technology for \$187M in Jan-2016
 Apax PARTNERS	11	Acquired Lasso Data Systems for an undisclosed amount in Dec-2018
 INSIGHT PARTNERS	11	Acquired YourMembership.com for \$275M in Feb-2017
 V VISTA EQUITY PARTNERS	11	Acquired Marketo for \$1.8B in May-2016
 GTCR	9	Acquired Sage Payment Solutions for \$260M in Jun-2017
 IEQT	9	Acquired Acumatica for a undisclosed amount in Jun-2019

Strategic Acquirer	Number of Acquisitions	Notable Transactions
 NTU	13	Acquired NTConnections for an undisclosed amount in Aug-2019
 WiseTech GLOBAL	13	Acquired Pierbridge for \$27M in Jun-2018
 ASURE SOFTWARE	7	Acquired iSystems for \$55M in May-2017
 GoDaddy	7	Acquired Host Europe Group for \$645M in Dec-2016
 coupa	6	Acquired DCR Workforce for \$25M in Sep-2018
 EVO	6	Acquired Federated Payment Systems for \$37M in Sep-2018
 ingenico GROUP	6	Acquired Bambora for \$1.7B in Jul-2017
 lendingtree	6	Acquired CompareCards for \$85M in Nov-2016
 Microsoft	6	Acquired Avere Systems for \$250M in Jan-2018
 ATLASSIAN	5	Acquired Trello for \$425M in Jan-2017