

SaaS sector update

February 2020

Blackpeak is a leading independent investment banking & advisory firm

- We are an independent corporate advisory firm based in Sydney providing corporate finance and strategic advice on mergers & acquisitions, strategy and capital raisings
- We strive to be our client's trusted advisor and confidant and are focused on building long term relationships with clients to assist them achieve their growth ambitions and maximise value
- **Blackpeak is the most active independent adviser to technology growth companies in ANZ, completing ~30+ technology transactions in the last 5 years**



Mergers & acquisitions

- Strategic and financial evaluation
- Execution of private and public market transactions including takeover defence
- Designing optimal sale processes to create competitive tension to maximise value
- Negotiating and structuring complex transactions



Strategic advice

- Evaluate all options to maximise shareholder value
- Identify & evaluate acquisition targets
- Portfolio review to consider value impacts of potential divestments
- Balance sheet & capital structure advice
- Capital management options including dividend policy and other initiatives



Capital raising advisory

- Private capital raising including pre-IPO financing
- Advice on IPOs and secondary equity capital raisings including both initial planning, structuring and execution
- Debt and hybrid raisings

AGC strategic alliance: leading local coverage + global distribution

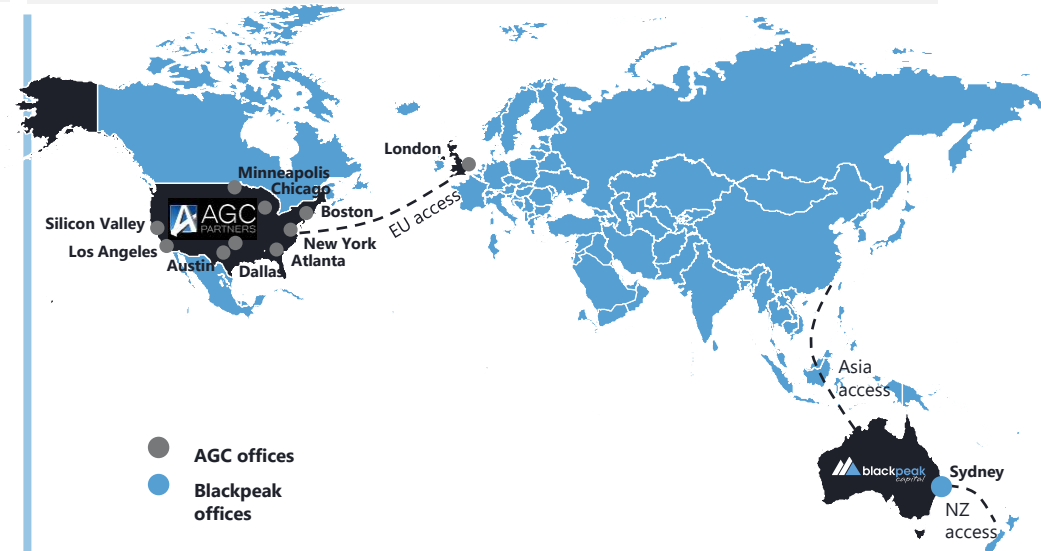
AGC Partners

- **Leading tech investment bank:** AGC is ranked as the most active boutique bank dedicated to tech, having completed more than 390 M&A and growth equity transactions since inception in 2003. More than 50 professionals, including 20 partners, with offices in Boston (HQ), Silicon Valley, New York, Chicago, Dallas, Los Angeles, Minneapolis, Austin, Atlanta and London
- **Strong connectivity with buyers/ investors:** relationships with over 1,000 technology investors and strategic buyers across North America, Europe, and Asia
- **Domain knowledge:** Experience and in-depth domain knowledge across all key technology sub-sectors including Application Software, Cybersecurity, Defence Technology, Digital Media / Internet, Energy & Industrial Tech, FinTech, Healthcare IT & Life Sciences, Infrastructure / Cloud, Internet of Things, Mobility Solutions, Semiconductors and Tech-Enabled Services
- **Industry conferences:** AGC runs industry conferences in Boston, San Francisco, London and Las Vegas, providing one-on-one meetings with strategic tech acquirers, investors, and emerging growth companies

Benefits for Blackpeak's clients

- Alliance will uniquely position Blackpeak to provide global technology investment banking capabilities, combined with leading local coverage, service and support to technology growth companies in ANZ that are institutional size and quality
- Alliance enhances Blackpeak's access to strategic acquirers and investors in US and Europe as well as proprietary market intelligence and industry content (particularly relevant in the context of running sell side M&A or capital raising processes)

Blackpeak and AGC's Global Reach



Leading local coverage to service ANZ tech Co's












Extensive experience in tech financing + M&A






























Global investor/ buyer connectivity (APAC, USA, EU)














Blackpeak is a leading adviser to technology companies in Australia & NZ

 <p>Current Private Raising</p> <p><i>Financial Adviser</i></p> 	 <p>2019 Private raising</p> <p><i>Financial Advisor</i></p> 	 <p>2019 Trade sale Size undisclosed</p> <p><i>Financial Advisor</i></p> 	 <p>2019 Sale of controlling stake</p> <p><i>Financial Advisor</i></p> 	 <p>2019 Acquisition HROnboard Undisclosed</p> <p><i>Financial Advisor</i></p> 
 <p>2018 Initial Public Offering A\$79m</p> <p><i>Financial Adviser</i></p> 	 <p>2018 Pre-IPO Raising A\$25m</p> <p><i>Financial Adviser</i></p> 	 <p>2018 Strategic Review</p> <p><i>Financial Adviser</i></p> 	 <p>2018 Equity Raising A\$100m</p> <p><i>Financial Adviser</i></p> 	 <p>2018 Equity raising A\$45m</p> <p><i>Financial Adviser</i></p> 
 <p>2018 Series B equity raising A\$11m</p> <p><i>Financial Adviser</i></p> 	 <p>2018 Acquisition of Pivot Remesys A\$11m</p> <p><i>Financial Adviser</i></p> 	 <p>2017 Strategic Review</p> <p><i>Financial Adviser</i></p> 	 <p>2017 Trade sale A\$44m</p> <p><i>Financial Adviser</i></p> 	 <p>2017 Block Trade A\$73m</p> <p><i>Financial Adviser</i></p> 

Blackpeak is a leading adviser to technology companies in Australia & NZ

 <p>2017 Block Trade A\$23m Financial Adviser</p> 	 <p>2017 Acquisition of Quintessential Marketing A\$12m Financial Adviser</p> 	 <p>2017 Pre-IPO equity raising NZ\$11m Financial Adviser</p> 	 <p>2017 Initial Public Offering A\$73m Financial Adviser</p> 	 <p>2017 Initial Public Offering A\$108m Financial Adviser</p> 
 <p>2016/ 2017 Initial Public Offering Pending Financial Adviser</p> 	 <p>2016 Acquisition of minority stake (size undisclosed) Financial Adviser</p> 	 <p>2016 Initial Public Offering A\$1.0bn Financial Adviser</p> 	 <p>2015 Sale of minority interest in SiteMinder (size undisclosed) Financial Adviser</p> 	 <p>2015 Acquisition of CompuClearing A\$25m Financial Adviser</p> 
 <p>2015 Acquisition of Core Freight Systems (size undisclosed) Financial Adviser</p> 	 <p>2015 Acquisition of Zsoft (size undisclosed) Financial Adviser</p> 	 <p>2015 Pre-IPO debt raising A\$45m Financial Adviser</p> 	 <p>2015 Pre-IPO equity raising A\$35m Financial Adviser</p> 	 <p>2015/ 2016 Sale of strategic stake to Bosch (size undisclosed) Financial Adviser</p> 

Senior corporate finance professionals

Name/ position	Prior experience	Education/ experience	Years of experience
 <p>Max Billingham Executive Chairman max@blackpeakcapital.com.au M +61 417 208 845</p>	 	<ul style="list-style-type: none"> Formerly a Managing Director at Credit Suisse Qualified as a chartered accountant Global experience, worked in New York and London INSEAD, MBA Bachelor of Business, University of Technology Sydney 	27
 <p>Scott Colvin Managing Director scott@blackpeakcapital.com.au M +61 416 335 455</p>	  	<ul style="list-style-type: none"> Prior to founding Blackpeak Capital, Scott held senior positions with Credit Suisse and Wilson HTM AGSM UNSW, Executive MBA London Business School, Masters in Finance Graduate Diploma, FINSIA Bachelor of Commerce, UNSW 	22
 <p>Jamie Taylor Director jamie@blackpeakcapital.com.au M +61 414 922 560</p>	 	<ul style="list-style-type: none"> Previous roles include Head of Australian Institutional Sales for Merrill Lynch (London-based), and Head of Corporate Finance For Wilson HTM (Sydney-based) Bachelor of Economics, Monash University 	33
 <p>Tom Ng Director tom.ng@blackpeakcapital.com.au M +61 490 796 752</p>	 	<ul style="list-style-type: none"> Formerly a senior FIG banker at Credit Suisse and regulator at Bank of England Oxford University, MPhil (Economics) B. Econ (Hons), UNSW Graduate of Royal Military College, Duntroon 	21

Agenda

1. Market snapshot
2. SaaS and software sector performance
3. SaaS mergers and acquisitions
 - a) ANZ
 - b) US
4. SaaS and software benchmarking analysis
 - a) SaaS and software performance metrics
 - b) SaaS and software margins
 - c) SaaS and software expenses
5. SaaS and software trading multiples



Market snapshot



Market themes – SaaS & software



Market overview

- The ANZ SaaS & software sectors continue to attract strong interest from all types of investors, with the SaaS index demonstrating strong momentum and gaining ~39% over 2019, outperforming the ASX 200 index and ASX 200 IT index by ~20% and ~5% respectively
- Similarly, the ANZ software index gained ~30% over 2019 and outperformed the ASX 200 by ~11%, the US horizontal SaaS and vertical SaaS returned ~38% and ~31% respectively
- SaaS companies continue to be awarded with high multiples for their recurring revenues and attractive growth profile
- Growing trend of ASX technology companies with traditional software pricing models (One time license with ongoing maintenance fees) to pivot towards a SaaS pricing model (Objective, Nitro, Citadel, Technology One) despite the short term impacts to revenue



Mergers and acquisitions

- M&A activity has been strong, with both financial sponsors and strategic acquirers paying robust multiples for SaaS and software companies in ANZ and US, including MYOB-KKR (\$2.4bn, 6.7x LTM revenue), Avoka-Temenos (\$339m, 7.2x LTM revenue), Tableau-Salesforce (\$24.9bn, 13.7x LTM revenue), Ellie Mae-Thoma Bravo (\$5.2bn, 7.0x LTM revenue) and Ultimate Software-Consortium (\$15.2bn, 9.6x LTM revenue)
- Strategic acquirers of SaaS companies are increasingly focused on expanding product scope rather than scale, leveraging the flexibility and adaptability of the SaaS delivery model



Context for capital raising

- ANZ and US investors are showing greater interest toward investing in leading technology companies, with numerous private capital raisings within the ANZ SaaS and software sectors, including Culture Amp (Sep-19, \$121m, \$1.0bn post-money) and Canva (Oct-19, \$126m, \$4.8bn post-money)
- Despite some SaaS companies being loss-making today, investors are becoming increasingly attracted by the rapidly expanding addressable market for SaaS and the companies' medium to long-term transformation into cash cows with strong unit economics

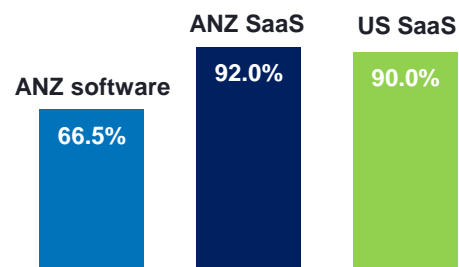


Market outlook

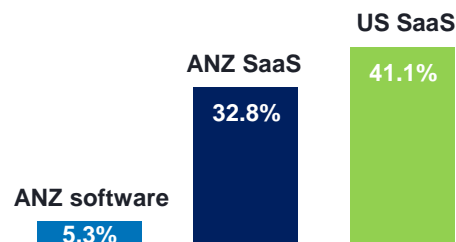
- Private equity firms are developing an increased appetite for SaaS companies given their rapid growth trajectories and the ability to service debt through their predictable streams of cash flows
- Record high levels of PE/ VC dry powder should further propel interest in SaaS/ software companies
- Deal volume and value are anticipated to increase over the coming years as the SaaS sector continues to expand its capabilities and moves forward in its maturity cycle

Snapshot of Blackpeak ANZ & US technology universe¹

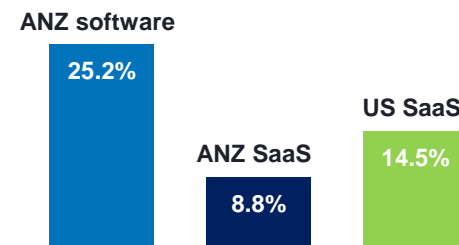
Recurring revenue



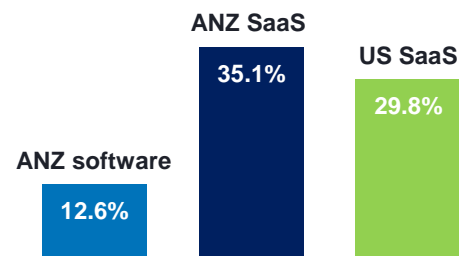
S&M expense/ revenue



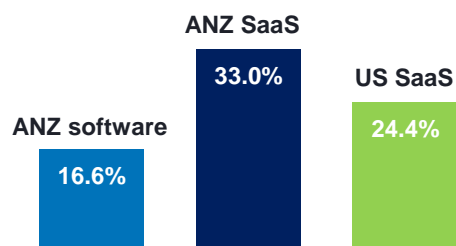
NTM EBITDA margin



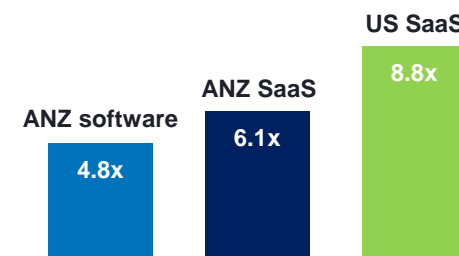
NTM revenue growth



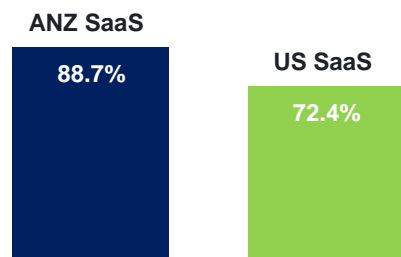
Total R&D expense/ revenue²



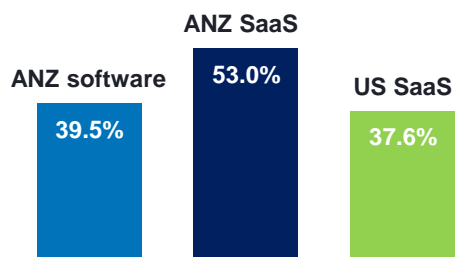
EV/ NTM revenue



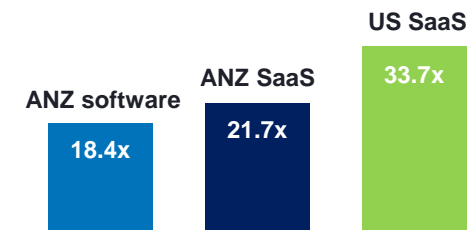
Gross margin



















Rule of 40% (NTM)



EV/ NTM EBITDA



Recent ANZ SaaS and software IPO's (> A\$10m raised)¹

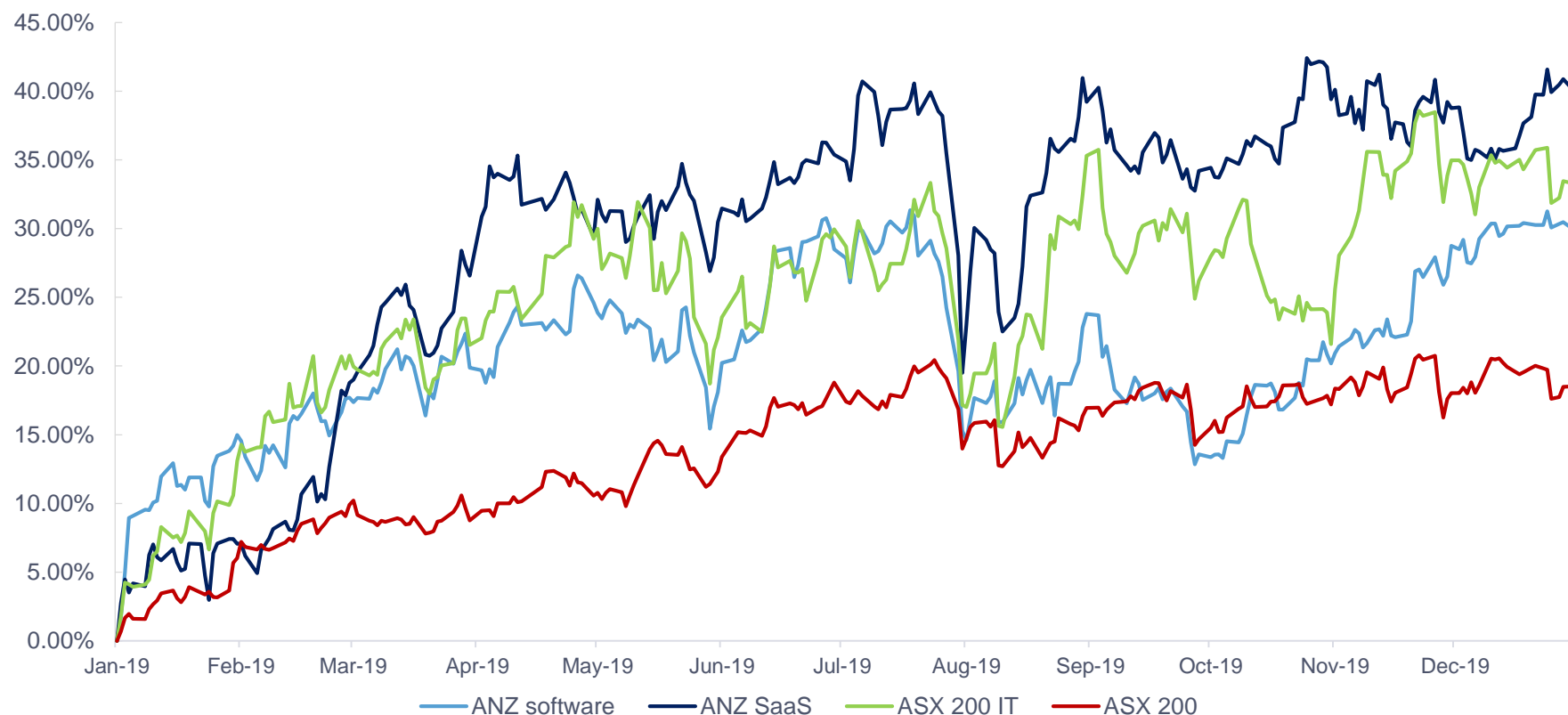
Overview				EV/ Revenue		EV/ EBITDA		IPO metrics				
Company	IPO date	Category	Raising size (A\$m)	IPO year	Forecast year	IPO year	Forecast year	Revenue growth ²	Recurring revenue ²	EBITDA margin ²	Market cap at IPO (A\$m) ³	Return since IPO
 oneview	Mar-16	Software	62.4	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	194.4	(96.6%)
 WiseTech GLOBAL	Apr-16	SaaS	167.6	8.7x	6.6x	29.7x	18.5x	28.1%	98.0%	29.4%	973.6	608.4%
 bravura solutions	Nov-16	Software	148.1	1.6x	n.a.	9.5x	n.a.	1.6%	57.0%	17.2%	310.6	262.1%
 bigtincan	Mar-17	SaaS	12.0	3.2x	n.a.	n.a.	n.a.	38.0%	92.0%	n.a.	45.8	169.2%
 MSL SOLUTIONS M-POWER	May-17	SaaS	15.0	1.7x	1.4x	12.4x	7.7x	(1.1%)	47.6%	13.6%	62.3	(66.4%)
 ELMO	Jun-17	SaaS	25.0	5.3x	3.8x	97.7x	31.3x	24.8%	96.0%	5.5%	108.3	223.0%
 RIGHTCROWD EVERYONE ON SITE IS RIGHT	Sep-17	Software	10.0	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	40.0	(13.3%)
 ixup	Nov-17	Software	12.5	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	31.7	(65.5%)
 DXN	Apr-18	Software	16.0	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	21.4	(75.5%)
 ReadyTech	Apr-19	SaaS	50.0	4.2x	3.9x	10.9x	9.5x	6.2%	89.5%	39.0%	120.8	15.2%
 Life360	May-19	SaaS	145.4	15.2x	8.3x	n.a.	n.a.	82.6%	n.a.	(51.5%)	689.2	(37.4%)
 whispir	Jun-19	SaaS	47.0	4.4x	3.5x	n.a.	n.a.	11.6%	76.7%	(39.1%)	163.0	(3.8%)
 FINEOS	Aug-19	Software	211.0	5.6x	n.a.	75.2x	n.a.	30.9%	n.a.	11.8%	661.0	6.4%
 DAMSTRA	Oct-19	SaaS	110.2	5.1x	n.a.	25.1x	n.a.	39.4%	69.5%	20.3%	123.7	11.1%
 nitro	Dec-19	SaaS	110.2	4.5x	n.a.	n.a.	n.a.	14.4%	49.9%	(13.1%)	325.0	(4.7%)
 limeade	Dec-19	SaaS	100.0	5.5x	n.a.	n.a.	n.a.	19.4%	96.2%	(19.1%)	452.9	(0.5%)
Median			56.2	4.8x	3.8x	25.1x	18.5x	22.1%	83.1%	11.8%	143.3	(2.1%)



ANZ SaaS and software sector performance



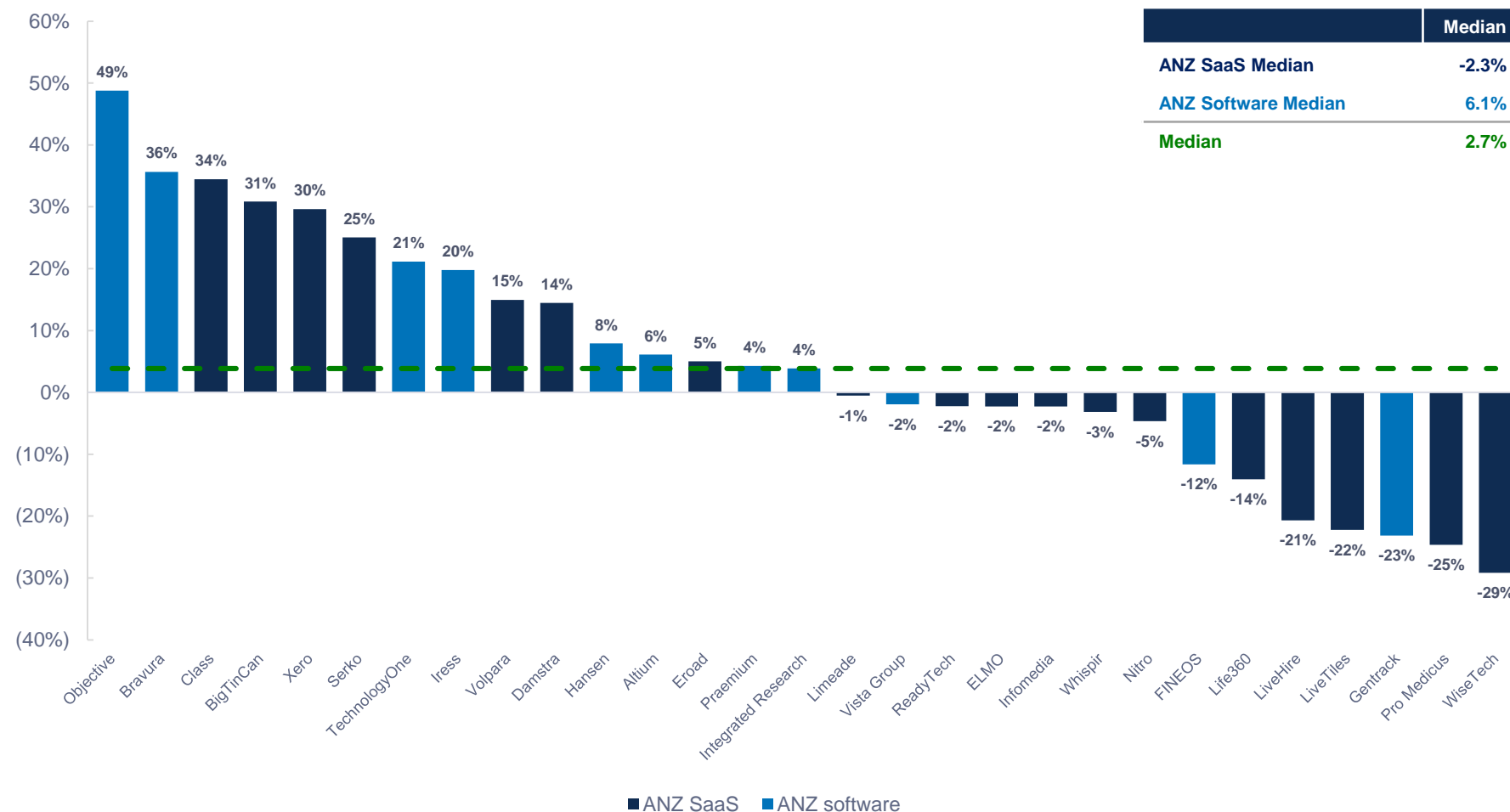
ANZ SaaS & software index performance¹



	ANZ SaaS	ANZ software	ASX 200	ASX 200 IT
6 months	2.7%	1.2%	1.0%	3.5%
12 months	38.6%	29.3%	18.5%	33.3%

ANZ SaaS and software has generated ~30-40% returns, outperforming the ASX 200

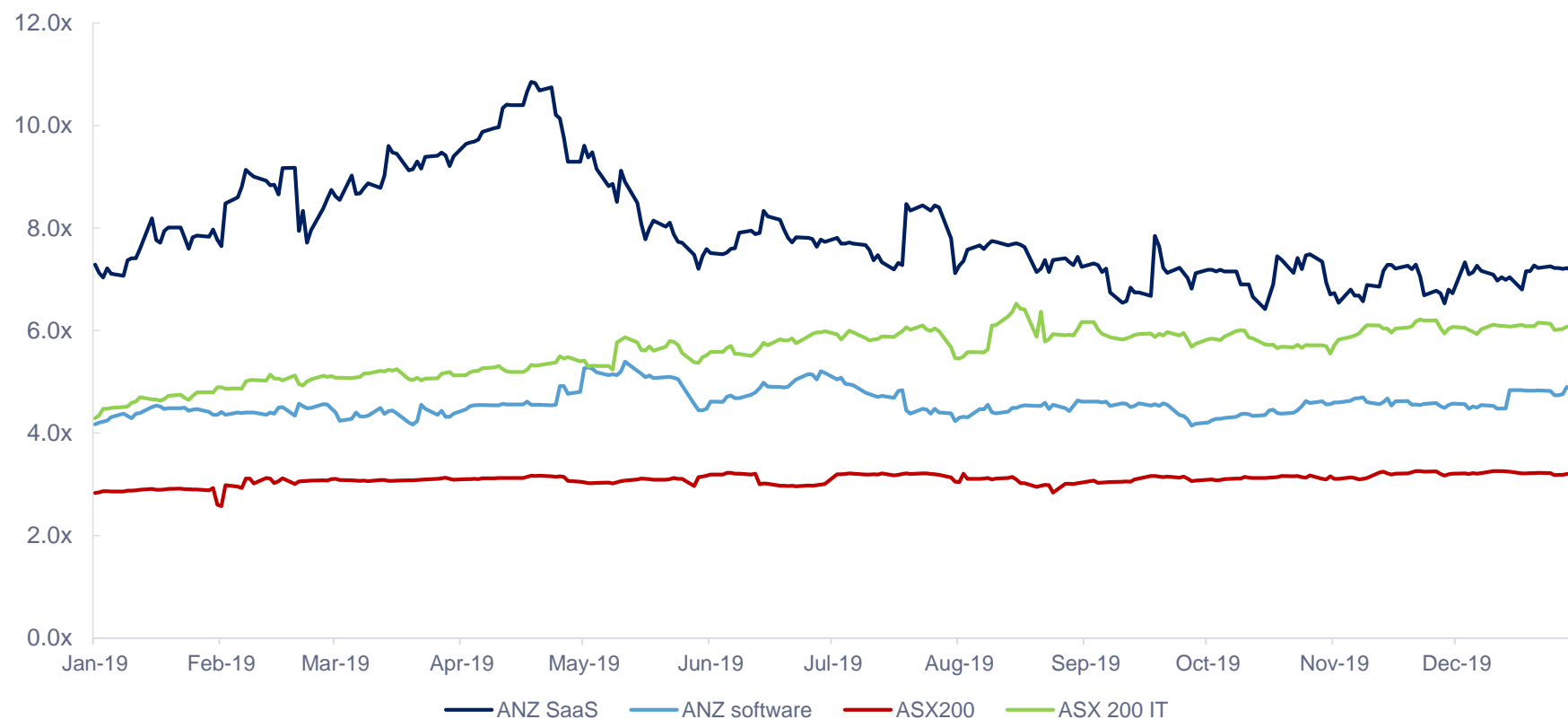
ANZ SaaS & software last 3 months performance



	Median
ANZ SaaS Median	-2.3%
ANZ Software Median	6.1%
Median	2.7%

The median ANZ SaaS and software company has gained ~3% over the past 3 months

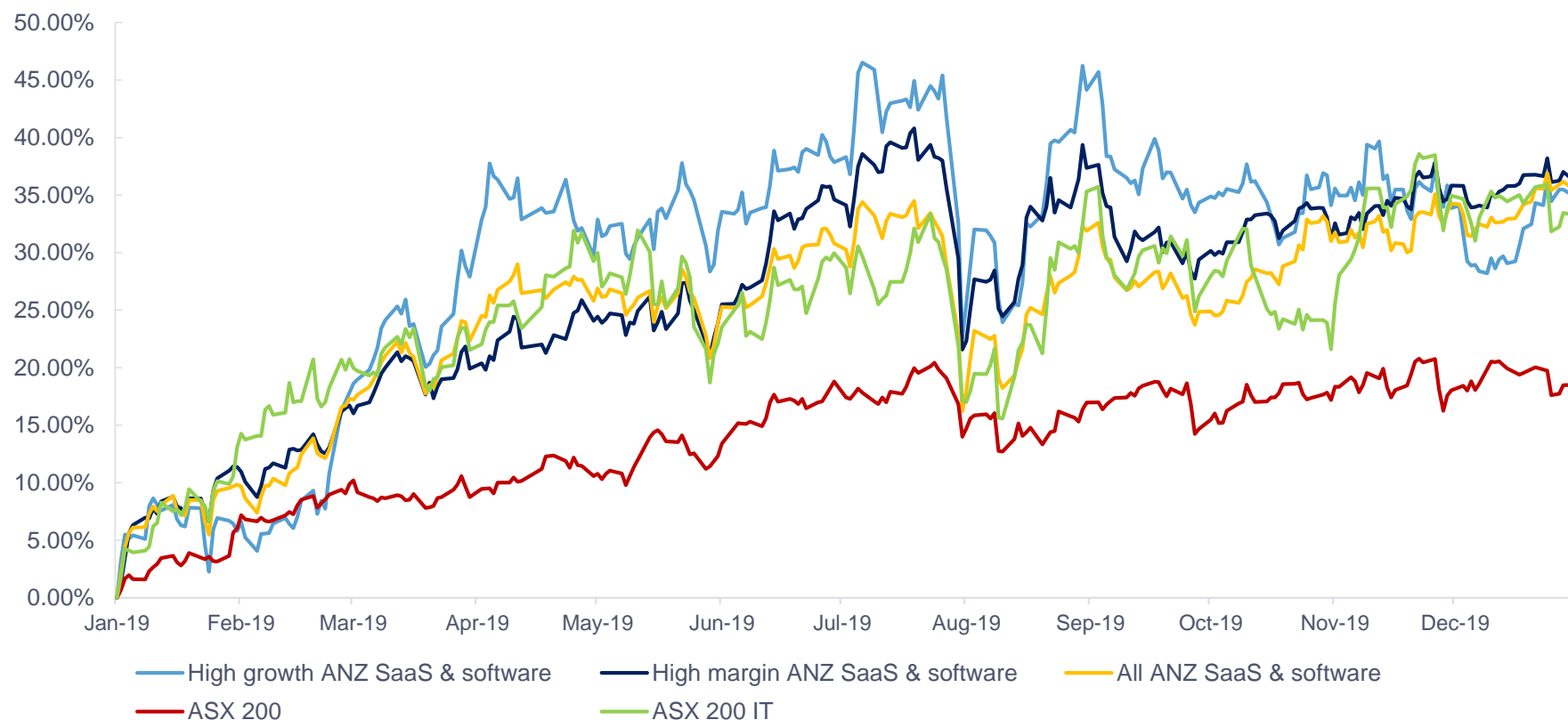
ANZ SaaS & software EV/ NTM revenue



	ANZ SaaS	ANZ software	ASX 200	ASX 200 IT
12 months ago	7.3x	4.2x	2.8x	4.3x
Current	7.1x	4.8x	3.2x	6.1x

ANZ SaaS multiples have been turbulent over 2019 while ASX 200 IT multiples rose steadily

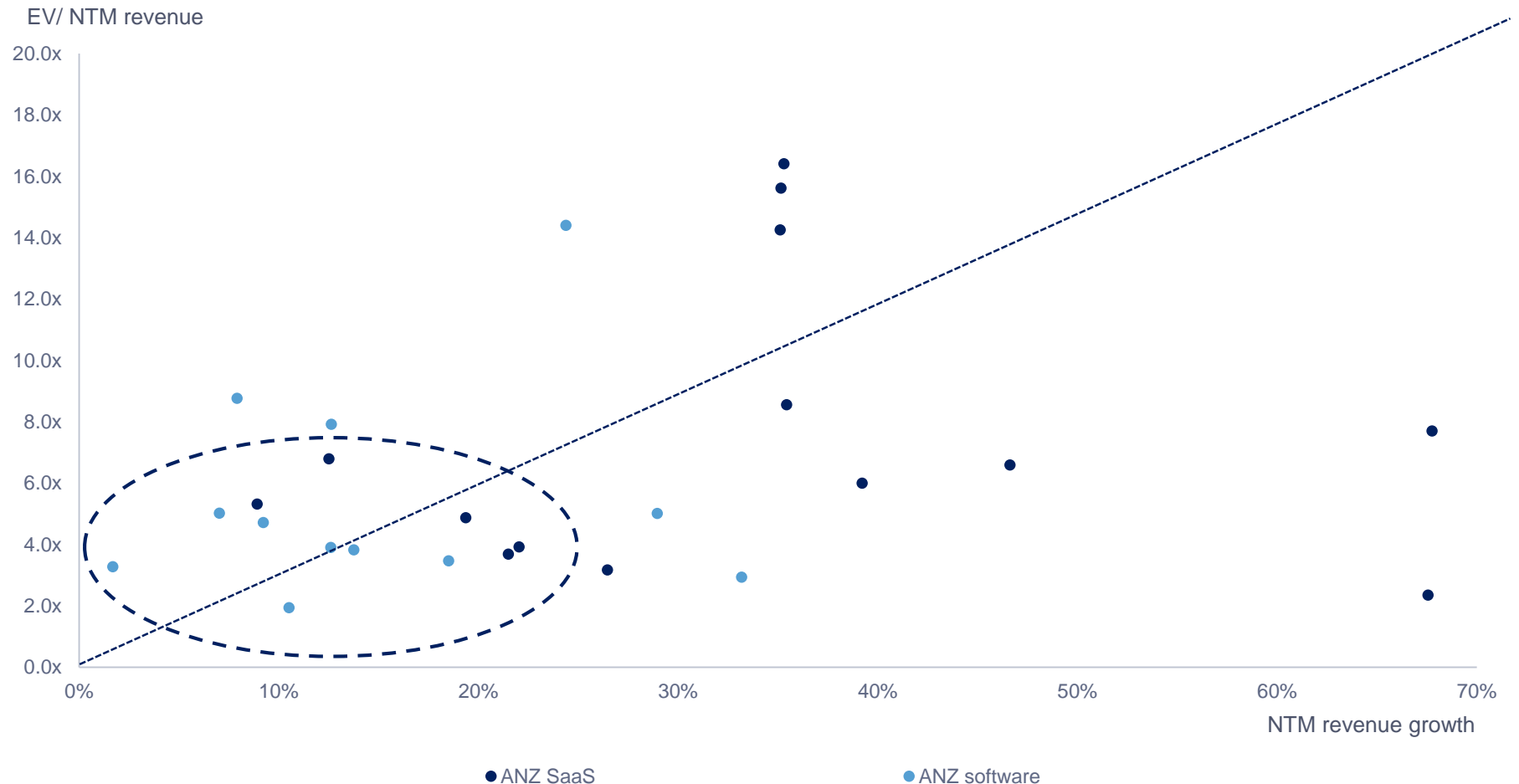
ANZ SaaS & software high growth¹ and margin² performance



	High growth SaaS & software	High margin SaaS & software	All SaaS & software	ASX 200	ASX 200 IT
6 months	(3.8%)	0.9%	3.1%	1.0%	3.5%
12 months	33.0%	35.3%	34.4%	18.5%	33.3%

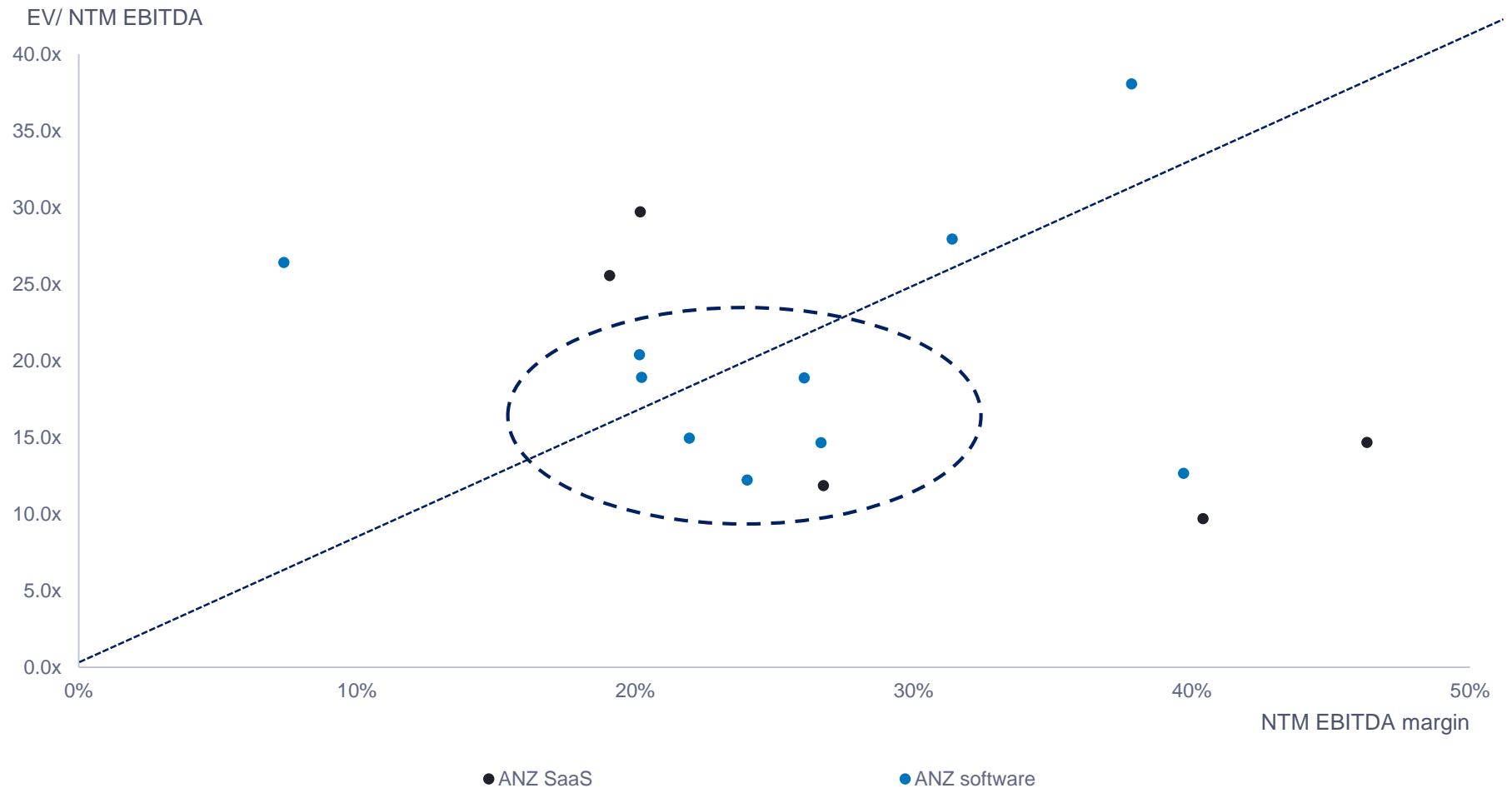
High margin and high growth companies generally outperformed comparable benchmarks

ANZ SaaS & software EV/ NTM revenue vs NTM revenue growth



ANZ software companies have lower growth and revenue multiples

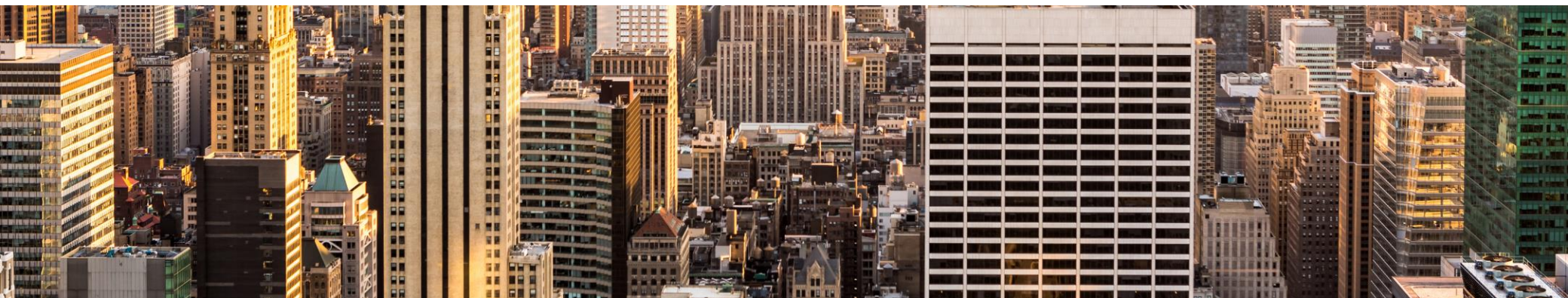
ANZ SaaS & software EV/ NTM EBITDA vs NTM EBITDA margin



ANZ software companies tend to generate more consistent margins compared to SaaS companies



US SaaS sector performance



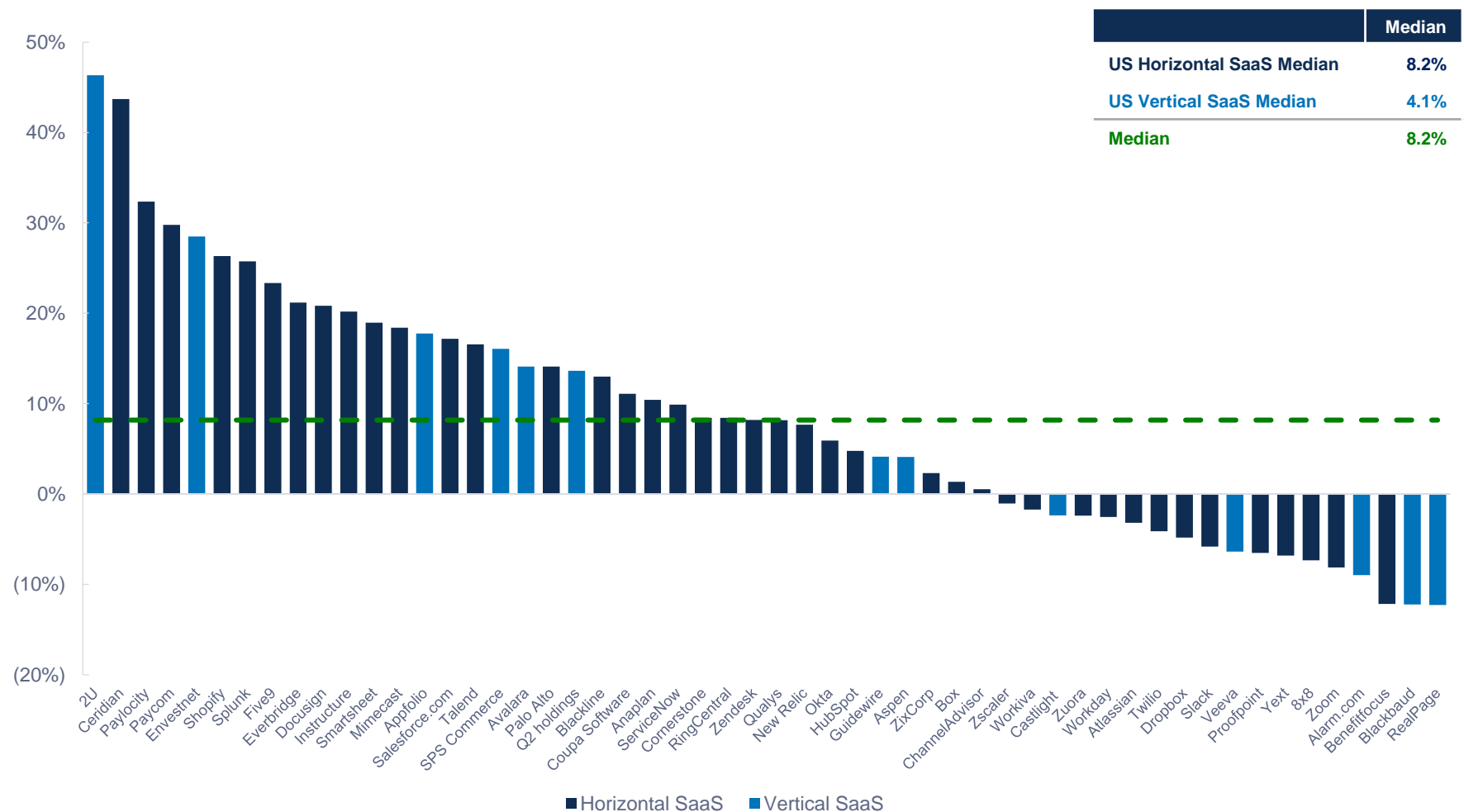
US SaaS index performance¹



	Horizontal SaaS	Vertical SaaS	S&P 500	S&P 500 IT
6 months	(1.3%)	(5.7%)	9.1%	16.8%
12 months	37.9%	31.3%	27.3%	49.4%

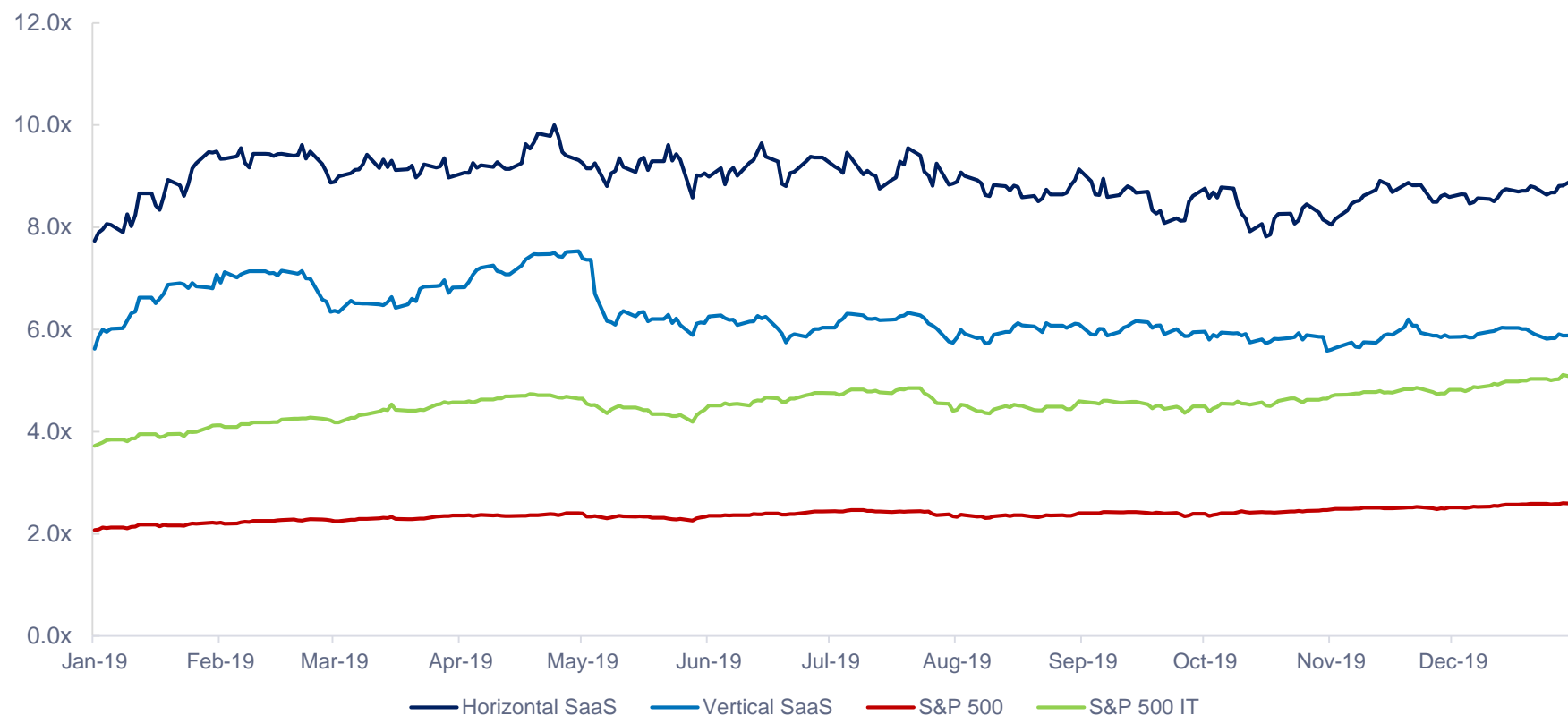
US SaaS and software indices outperformed the broader market index S&P 500

US SaaS last 3 month performance



US horizontal SaaS companies outperformed its vertical SaaS peers

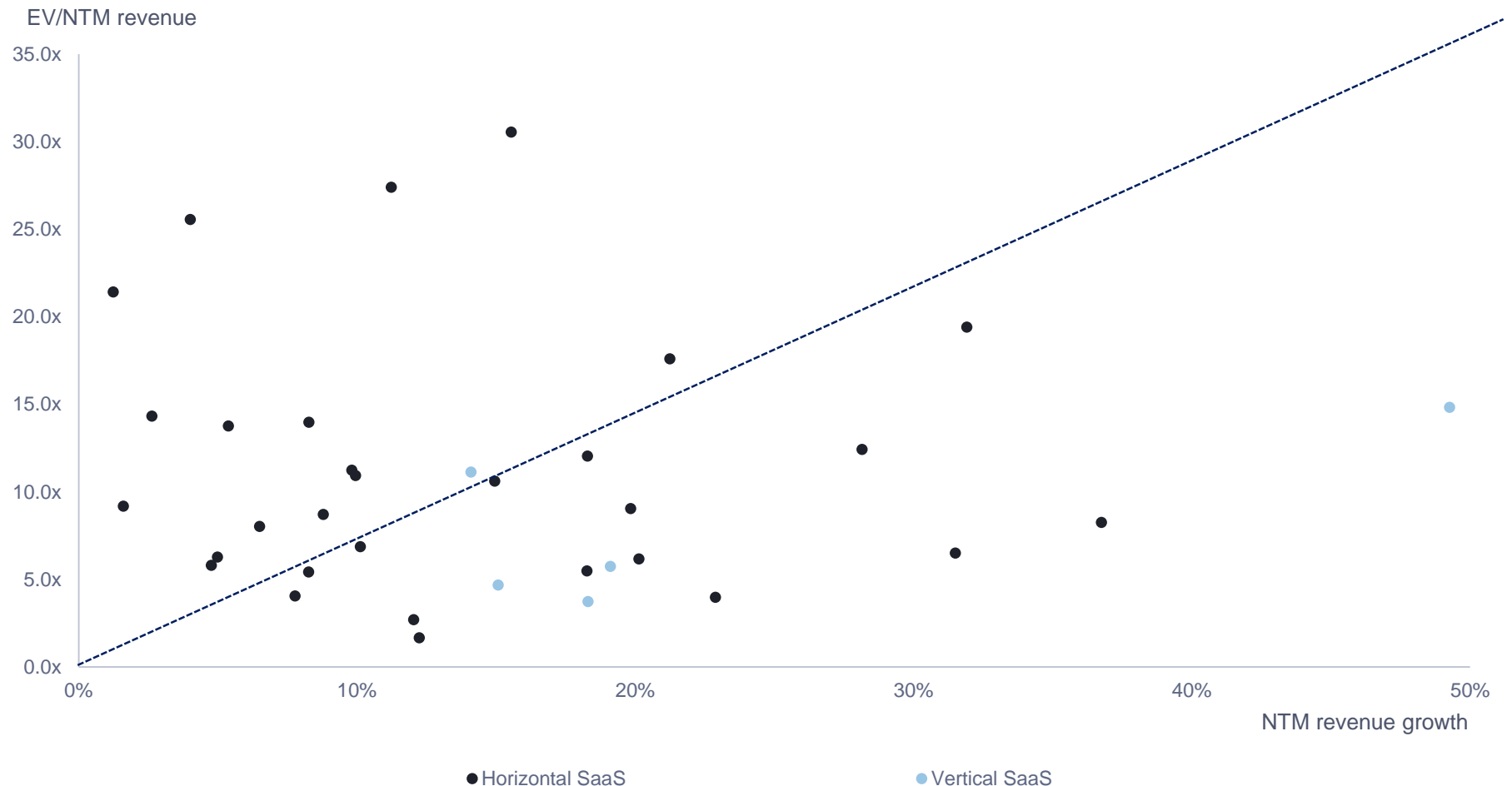
US SaaS EV/ NTM revenue



	Horizontal SaaS	Vertical SaaS	S&P 500	S&P 500 IT
12 months ago	7.7x	5.6x	2.1x	3.7x
Current	9.0x	5.9x	2.6x	5.1x

US SaaS revenue multiples have increased steadily over 2019 despite fluctuations in 1H19

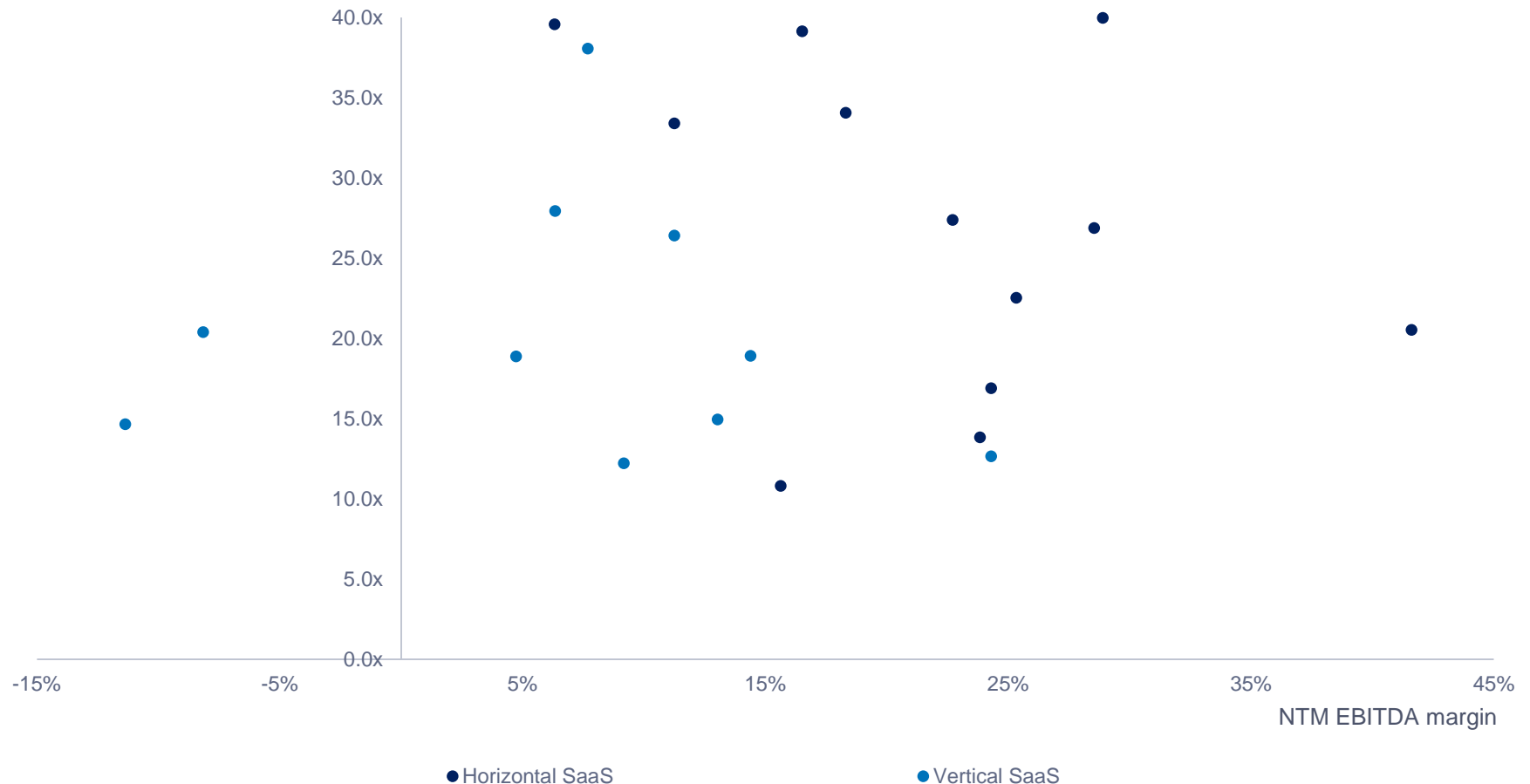
US SaaS & software EV/ NTM revenue vs NTM revenue growth



There is a strong correlation between US SaaS revenue multiples and growth rates

US SaaS & software EV/ NTM EBITDA vs NTM EBITDA margin

EV/ NTM EBITDA






















US SaaS EBITDA multiples and margins appear loosely correlated


















ANZ: Mergers and acquisitions



ANZ SaaS: Mergers and acquisitions (> A\$10m)¹

Transaction overview				Multiples	
Target	Date	Acquirer	Transaction value (A\$m) ²	EV/ LTM revenue	EV/ LTM EBITDA
 Microlistics	Dec-17		40.0	5.9x	23.5x
	Dec-17		1,641.2	9.7x	n.a.
	Feb-18		n.a.	n.a.	n.a.
	Feb-18		11.2	2.5x	n.a.
Forward/ Softcargo/ Easylog	Apr-18		25.0	3.7x	31.3x
	Jun-18		11.0	n.a.	n.a.
	Oct-18		10.2	11.0x	n.a.
	Oct-18		55.0	7.0x	55.0x
	Dec-18		339.2	7.2x	n.a.
	Dec-18		15.0	5.8x	n.a.

ANZ SaaS: Mergers and acquisitions (> A\$10m)¹



Transaction overview				Multiples	
Target	Date	Acquirer	Transaction value (A\$m) ²	EV/ LTM revenue	EV/ LTM EBITDA
 CONTAINERCHAIN	Feb-19	 WiseTech GLOBAL	92.0	6.4x	n.a.
 SONET SYSTEMS	Jun-19	 RM Education	13.4	2.4x	n.a.
 midwinter	Aug-19	 bravura solutions	50.0	7.0x	n.a.
 astute payroll	Aug-19	 PayGroup	12.5	2.3x	n.a.
 zambion <small>The Complete HRIS Cloud Based Solution</small>	Oct-19	 ReadyTech	10.5	n.a.	n.a.
KOUNTA	Oct-19	 lightspeed	63.0	6.8x	n.a.
 Cloud Conformity	Oct-19	 TREND MICRO	102.0	4.4x	n.a.
 RITEQ	Sep-19	CERIDIAN	n.a.	n.a.	n.a.
BIDTRACKER	Nov-19	 Domain	35.0	n.a.	n.a.
Median				6.1x	27.4x
































US: Mergers and acquisitions








US SaaS: Mergers and acquisitions (> A\$100m)¹

Transaction overview				Multiples	
Target	Date	Acquirer	Transaction value (A\$m) ²	EV/ LTM revenue	EV/ LTM EBITDA
 YourCause	Jan-19		225.0	n.a.	n.a.
	Jan-19		173.4	n.a.	n.a.
	Jan-19		384.5	n.a.	n.a.
	Jan-19		314.6	8.8x	n.a.
	Feb-19	HELLMAN & FRIEDMAN  Blackstone   	15,223.3	9.6x	89.2x
	Feb-19		871.3	2.9x	n.a.
	Feb-19		5,192.4	7.0x	59.6x
	Mar-19		314.7	n.a.	n.a.
	Mar-19		212.1	5.2x	n.a.
	Mar-19		715.2	11.4x	27.8x
	Apr-19		455.8	4.3x	n.a.
	Apr-19		1,192.5	8.5x	n.a.
	Apr-19		479.8	n.a.	n.a.

US SaaS: Mergers and acquisitions (> A\$100m)¹

Transaction overview				Multiples	
Target	Date	Acquirer	Transaction value (A\$m) ²	EV/ LTM revenue	EV/ LTM EBITDA
 exari	Apr-19	 coupa	299.7	7.3x	n.a.
 MapAnything	Apr-19	 salesforce	313.8	n.a.	n.a.
 Amber Road <small>POWERING GLOBAL TRADE®</small>	May-19	 E2OPEN®	624.2	4.9x	n.a.
 PROFITECT	May-19	 ZEBRA	124.4	n.a.	n.a.
 looker	Jun-19	 Google	3,721.1	n.a.	n.a.
 + a b l e a u	Jun-19	 salesforce	24,949.0	13.7x	n.a.
 JAGGAER	Jul-19	 Cinven	143.4	n.a.	n.a.
 HotSchedules®  fourth	Jul-19	 INSIGHT <small>PARTNERS</small>  MARLIN EQUITY <small>PARTNERS</small>	431.1	n.a.	n.a.
 OmniComm <small>eClinical Solutions for Life®</small>	Jul-19	 anju <small>LIFE SCIENCES SOFTWARE</small>	110.3	3.0x	39.9x
 IPIPELINE® <small>INNOVATION UNLEASHED</small>	Aug-19	 ROPER	2,386.8	n.a.	n.a.
 Pivotal	Aug-19	 vmware	4,952.0	4.2x	n.a.
 Hedvig	Sep-19	 COMMVAULT® 	331.0	n.a.	n.a.
 Acquia®	Sep-19	 VISTA <small>EQUITY PARTNERS</small>	1,472.0	n.a.	n.a.

US SaaS: Mergers and acquisitions (> A\$100m)¹

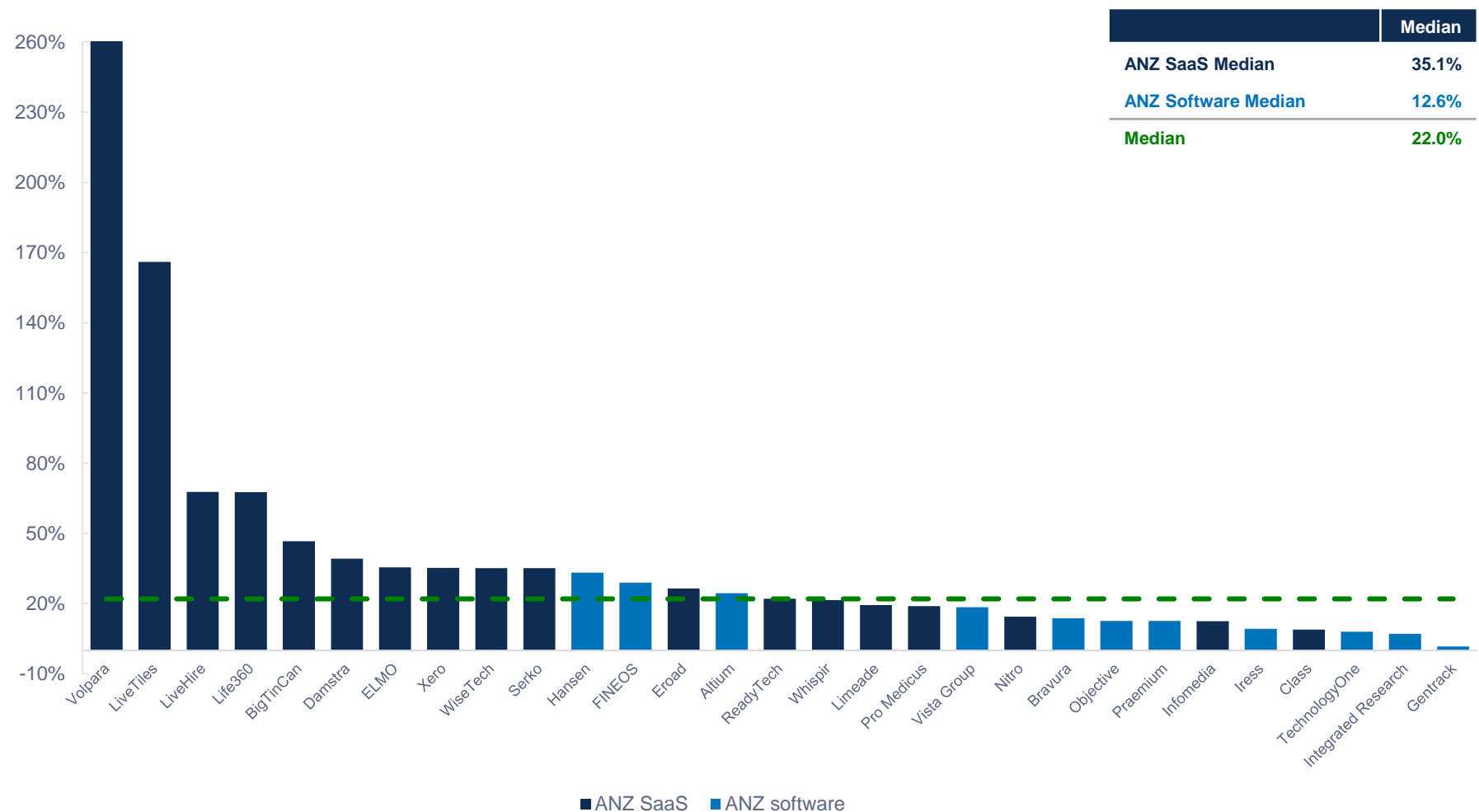
Transaction overview				Multiples	
Target	Date	Acquirer	Transaction value (A\$m) ²	EV/ LTM revenue	EV/ LTM EBITDA
	Sep-19		639.1	n.a.	n.a.
	Oct-19		162.9	n.a.	n.a.
	Oct-19		313.2	n.a.	n.a.
	Oct-19		686.6	n.a.	n.a.
	Nov-19		783.1	n.a.	n.a.
	Nov-19		841.6	11.6x	n.a.
	Nov-19		221.5	n.a.	n.a.
	Dec-19		282.4	n.a.	n.a.
	Dec-19		2,934.4	7.7x	n.a.
	Dec-19		127.5	n.a.	n.a.
	Dec-19		109.3	n.a.	n.a.
Median				7.3x	49.7x



Benchmarking: SaaS and software metrics

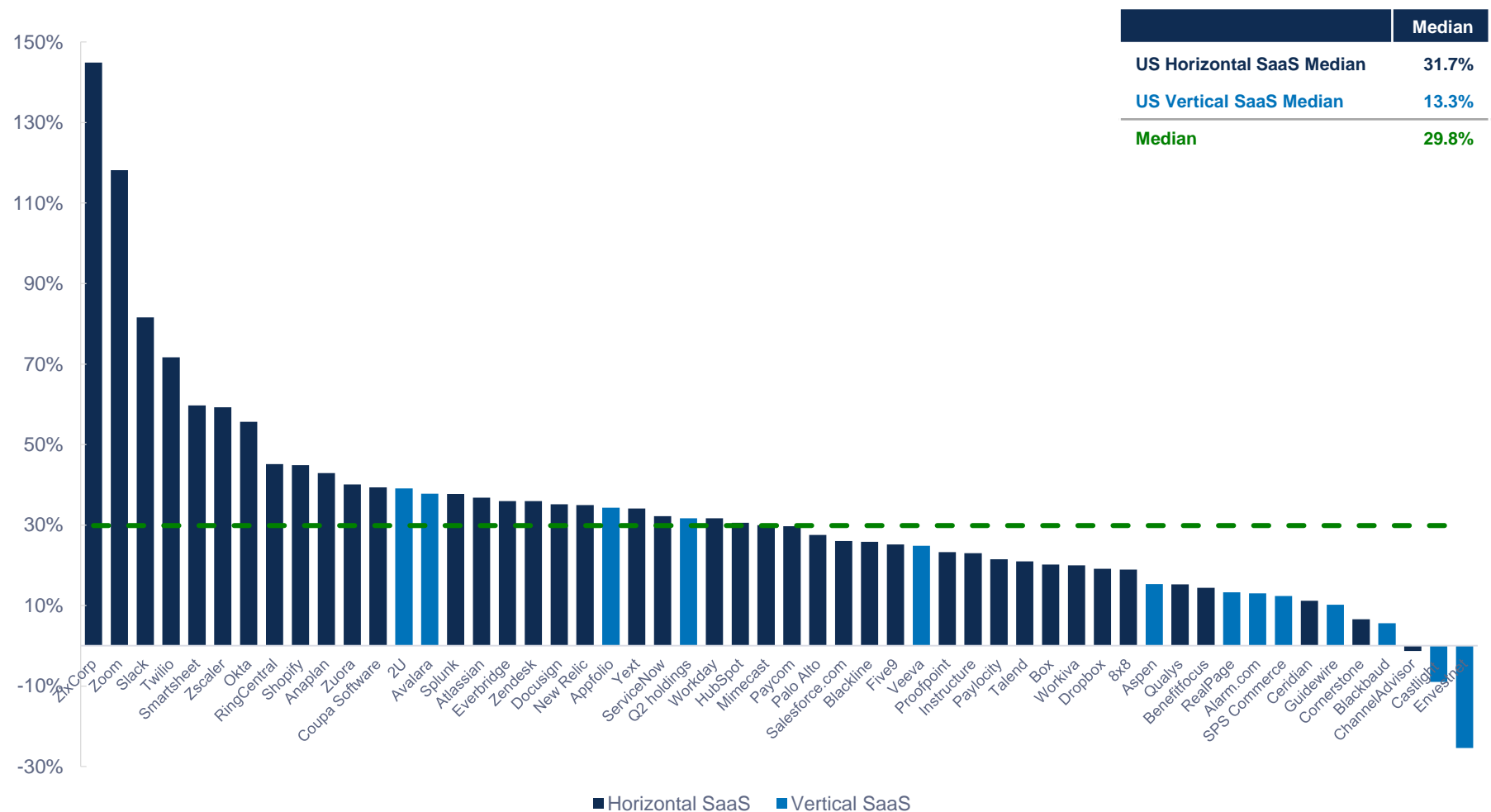


Benchmarking: ANZ NTM revenue growth



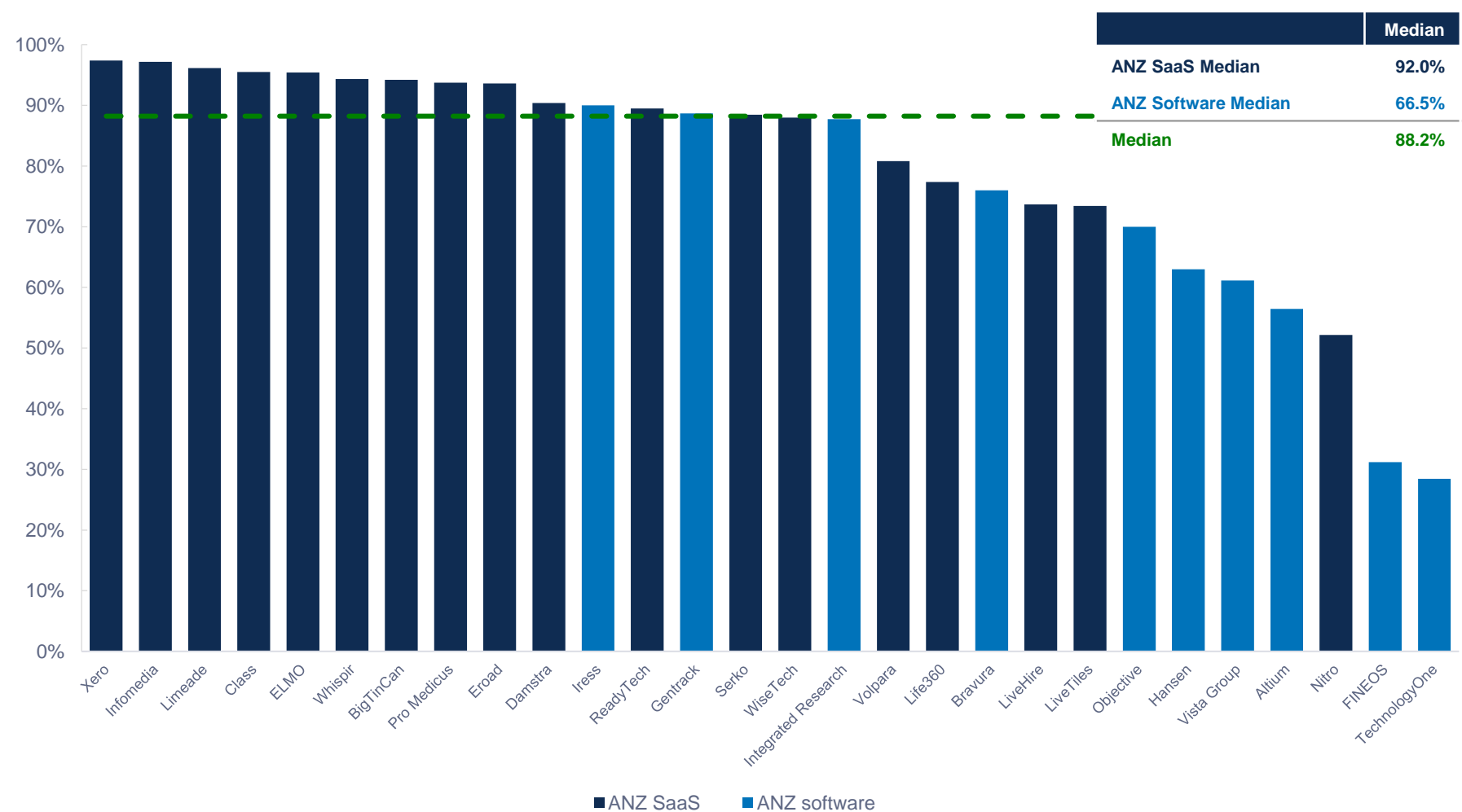
ANZ SaaS companies have significantly higher growth rates than traditional software companies

Benchmarking: US NTM revenue growth



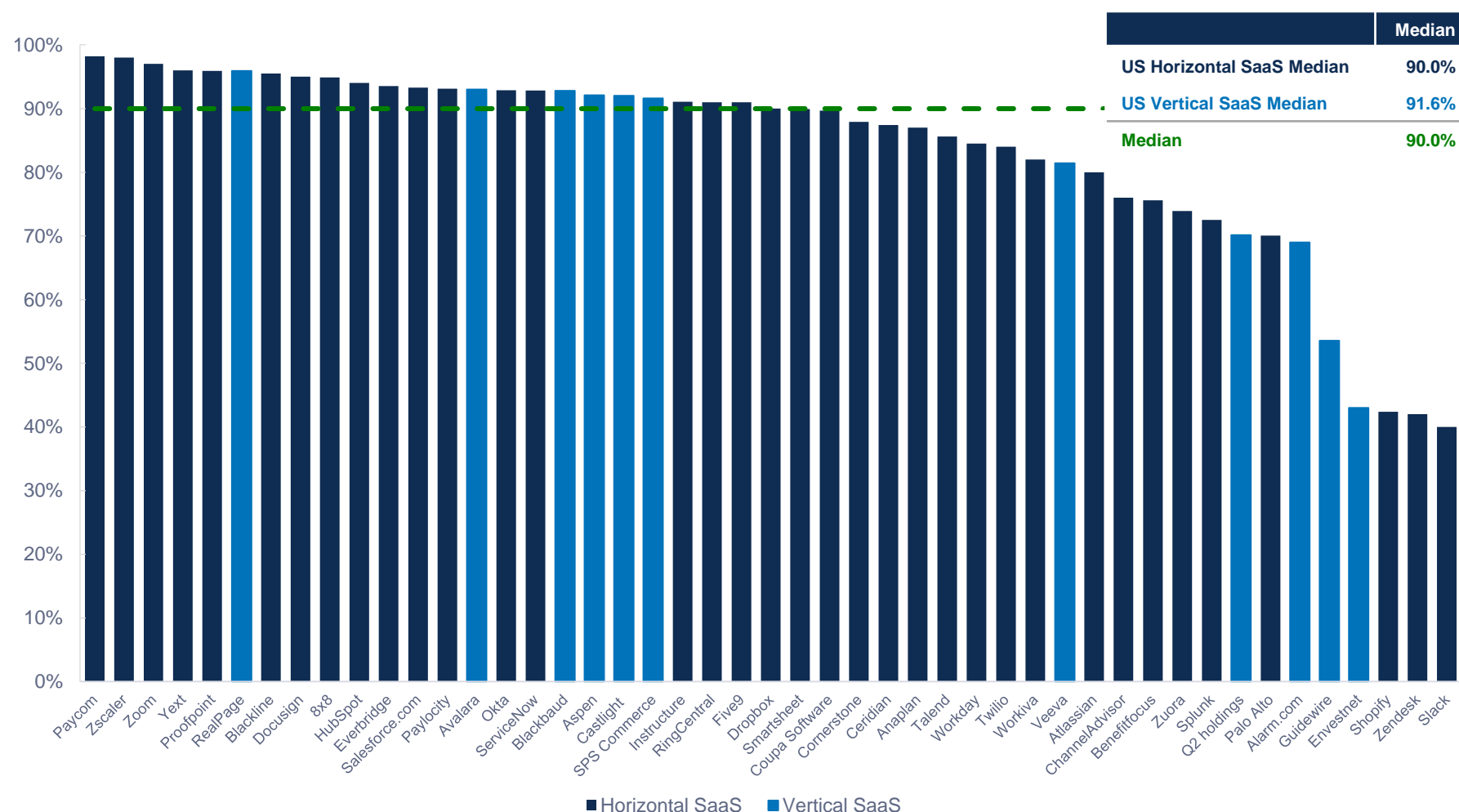
US horizontal SaaS companies are anticipated to outpace the growth of vertical SaaS companies

Benchmarking: ANZ recurring revenue



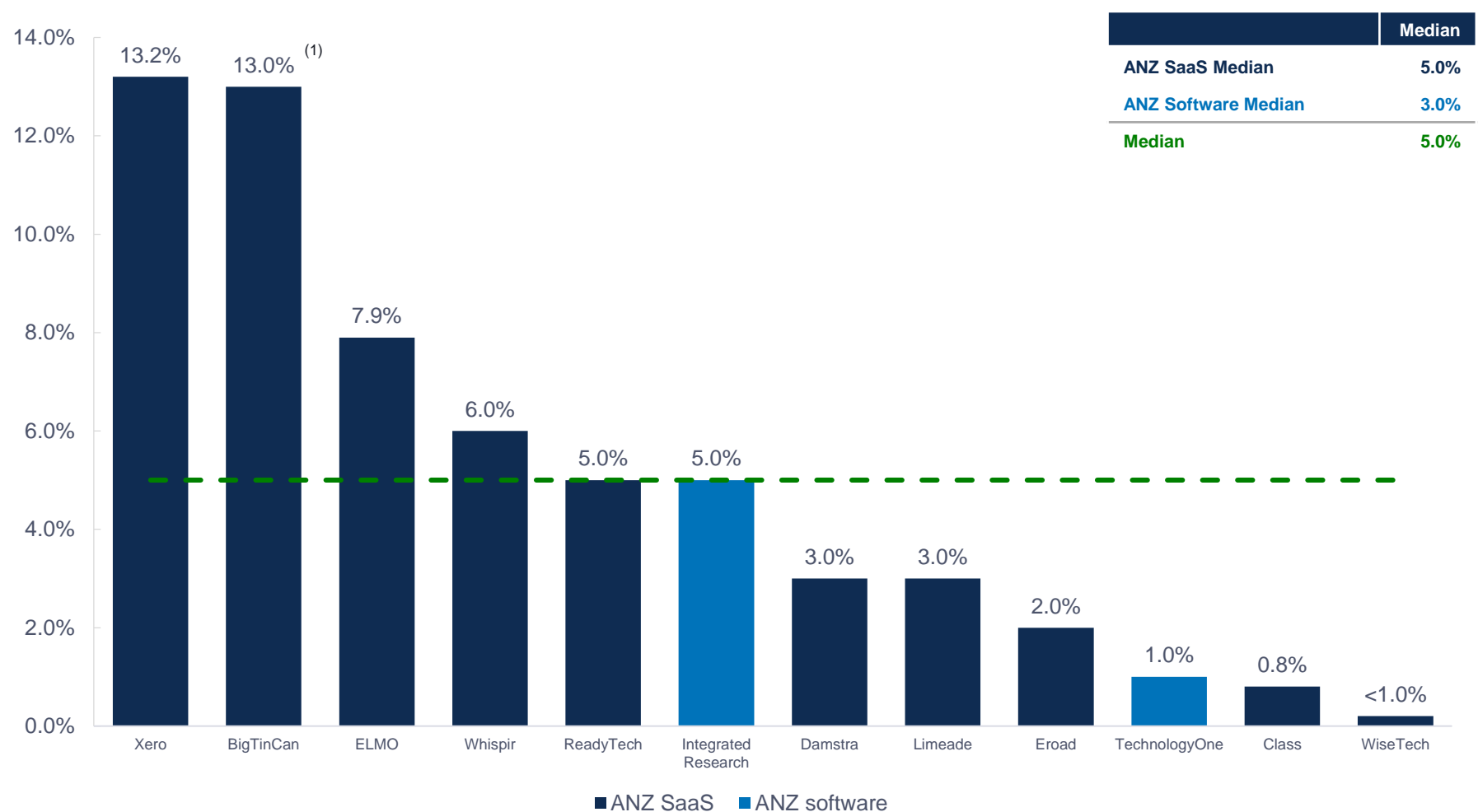
SaaS companies have significantly higher levels of recurring revenue than traditional software Co's

Benchmarking: US recurring revenue



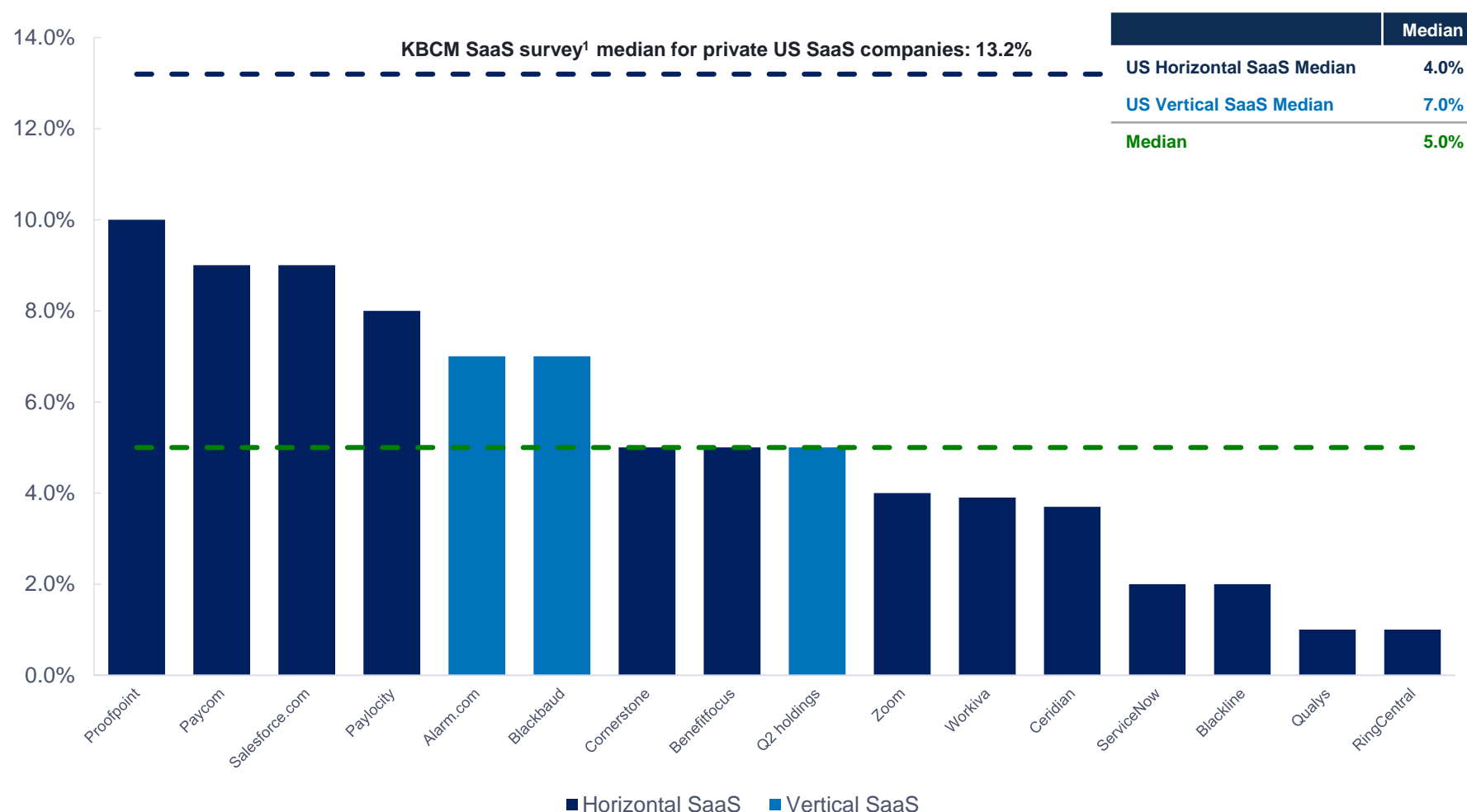
US SaaS companies have a median of ~90% recurring revenue

Benchmarking: ANZ attrition rate



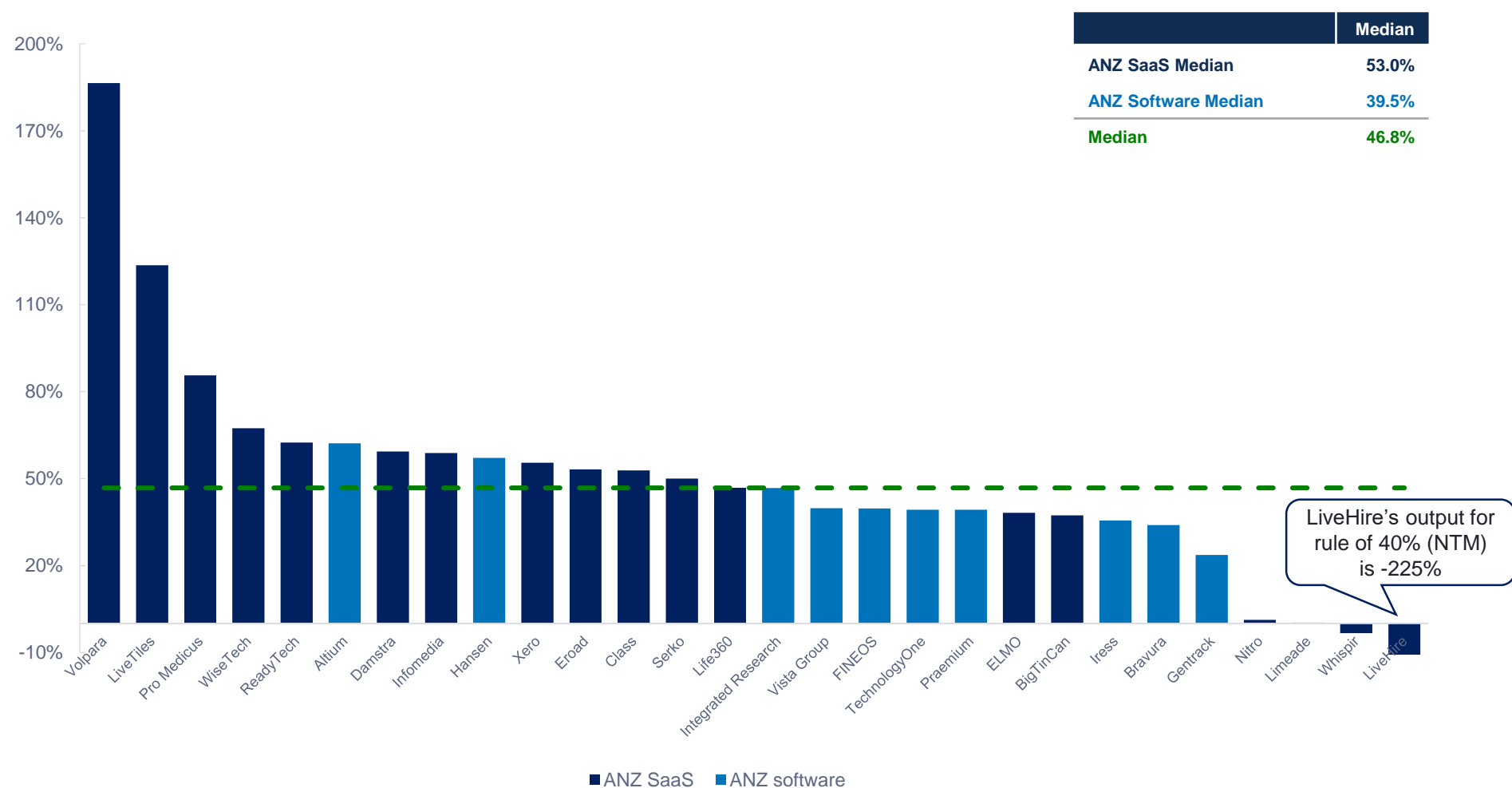
Limited reporting on gross attrition but investors pay premiums for low attrition (e.g. WiseTech)

Benchmarking: US attrition rate



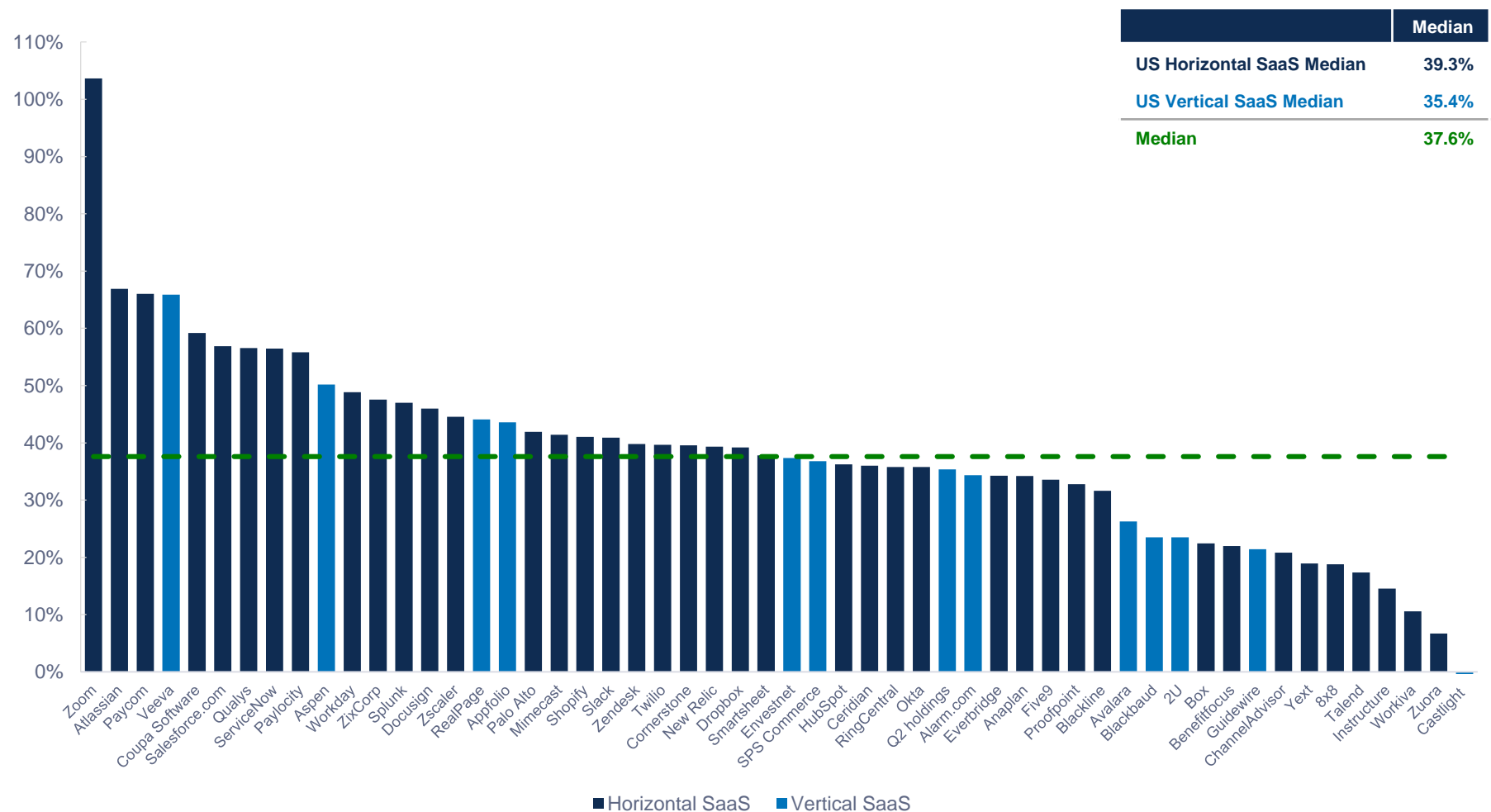
US SaaS companies typically have attrition rates of ~5% pa

Benchmarking: ANZ rule of 40% (NTM)



The median ANZ SaaS companies comfortably meets the rule of 40%

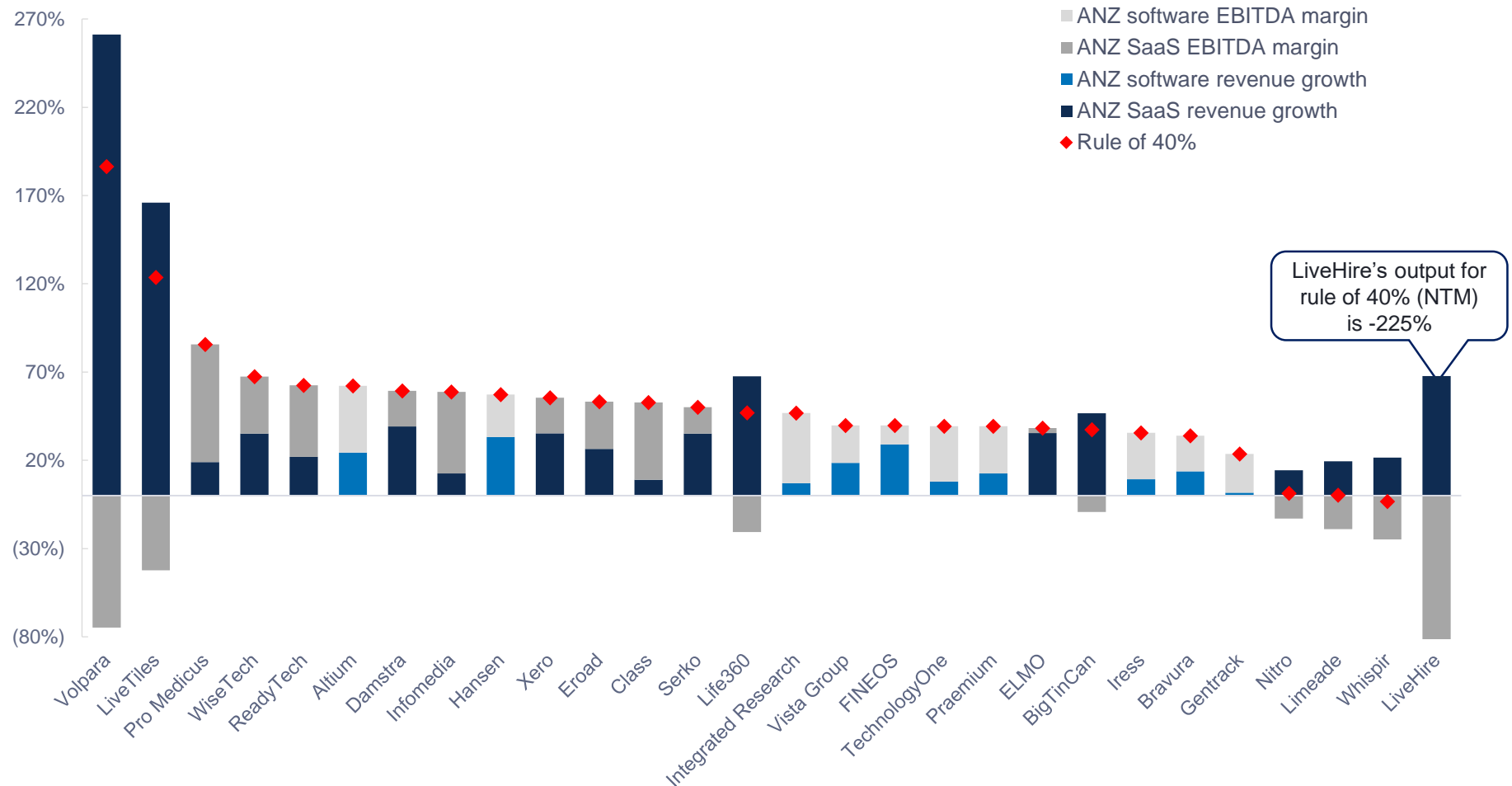
Benchmarking: US rule of 40% (NTM)



	Median
US Horizontal SaaS Median	39.3%
US Vertical SaaS Median	35.4%
Median	37.6%

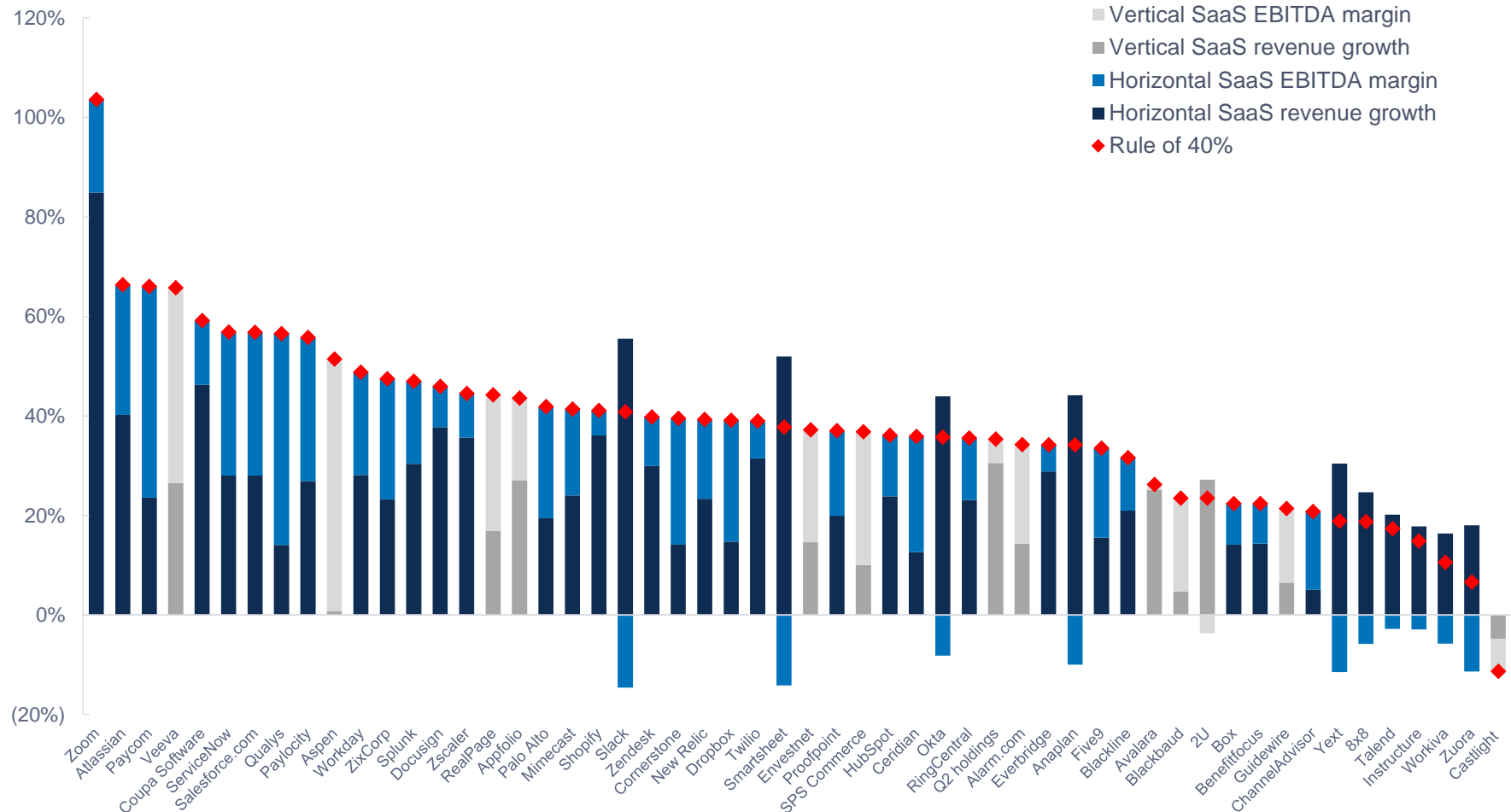
The median US SaaS company typically satisfies the rule of 40%

Benchmarking: ANZ rule of 40% contributions (NTM)



ANZ SaaS and software companies rely on contributions from both revenue and earnings

Benchmarking: US rule of 40% contributions (NTM)



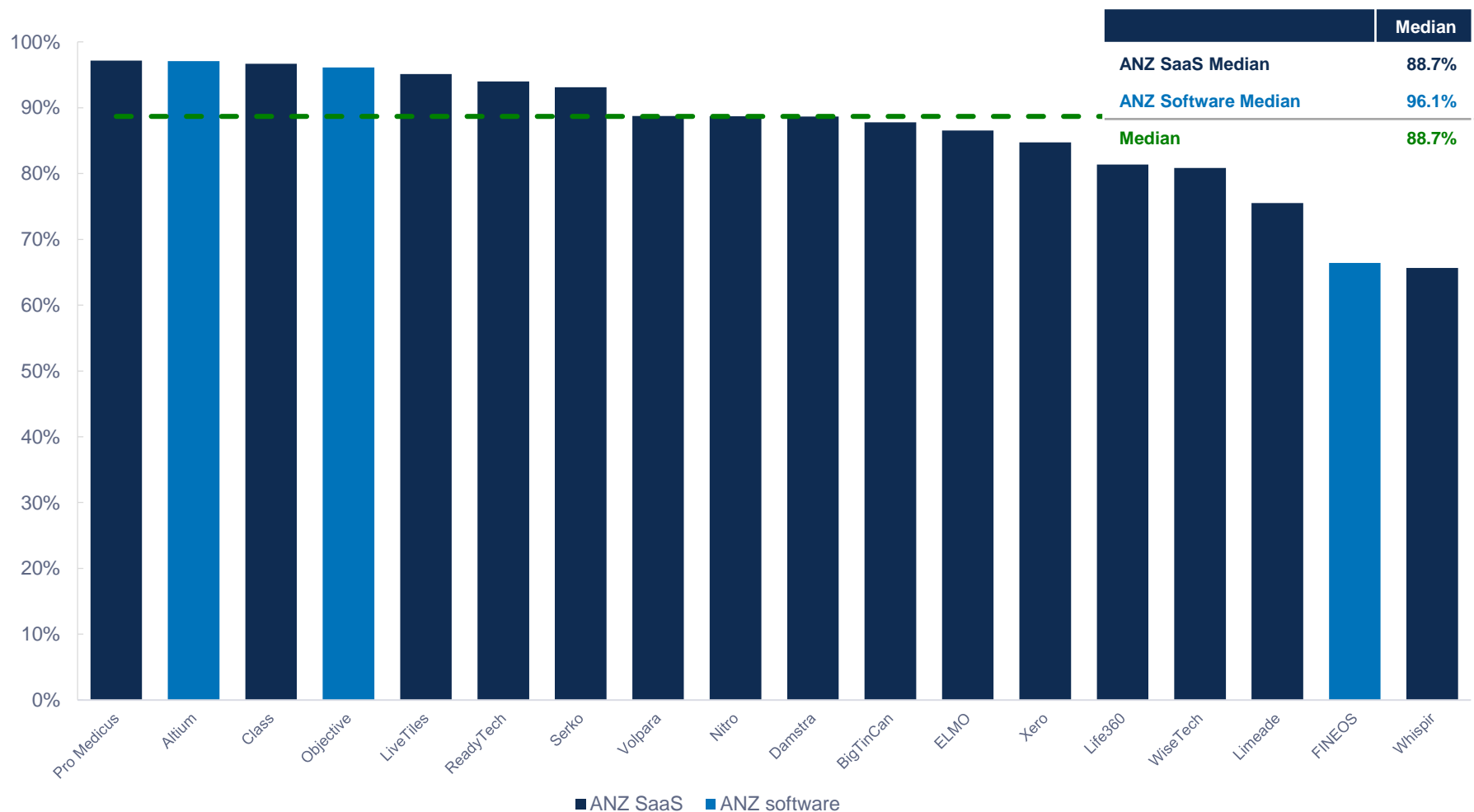
US SaaS companies are more focused on revenue growth



Benchmarking: SaaS and software margins

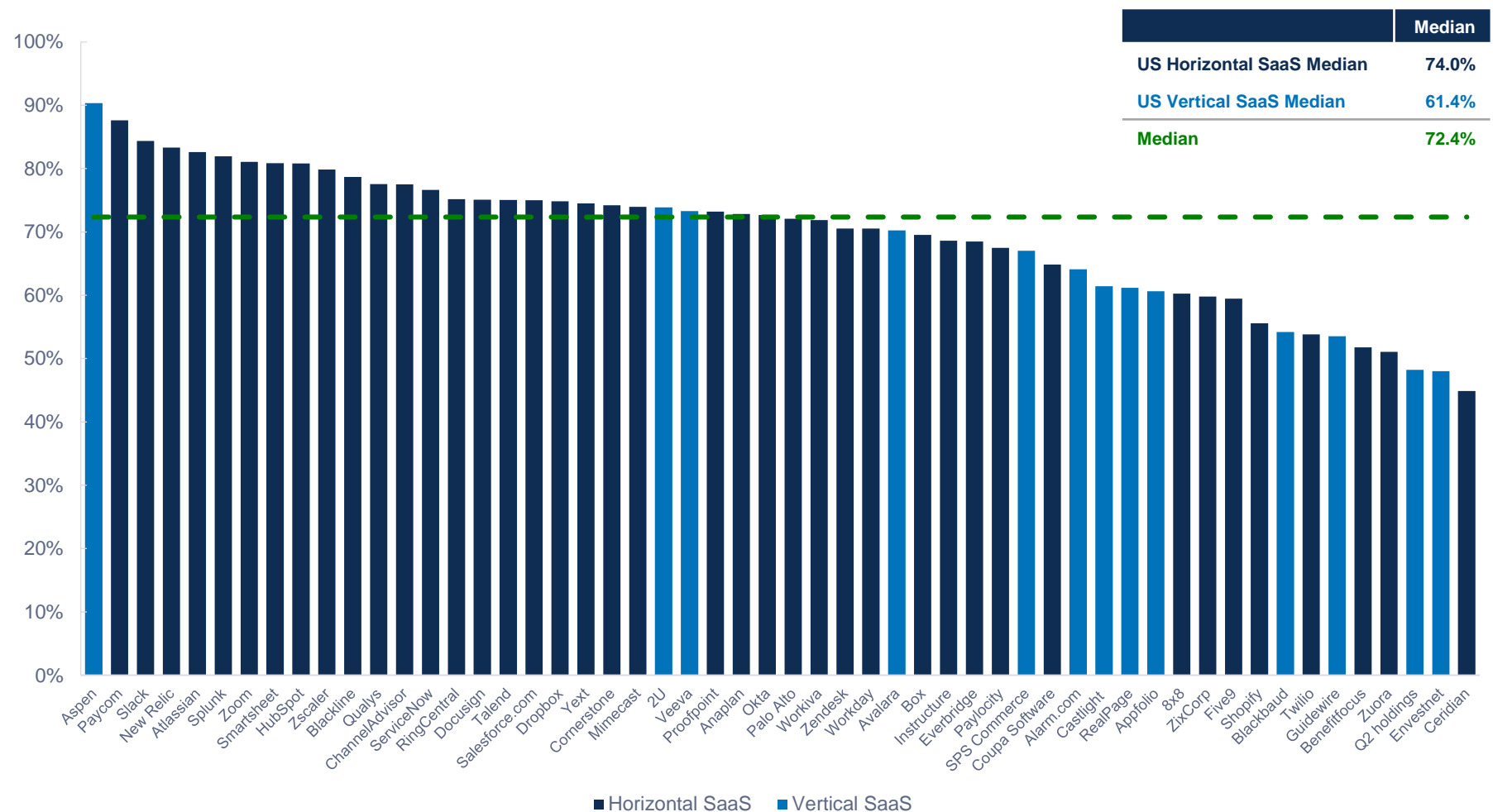


Benchmarking: ANZ gross margin¹



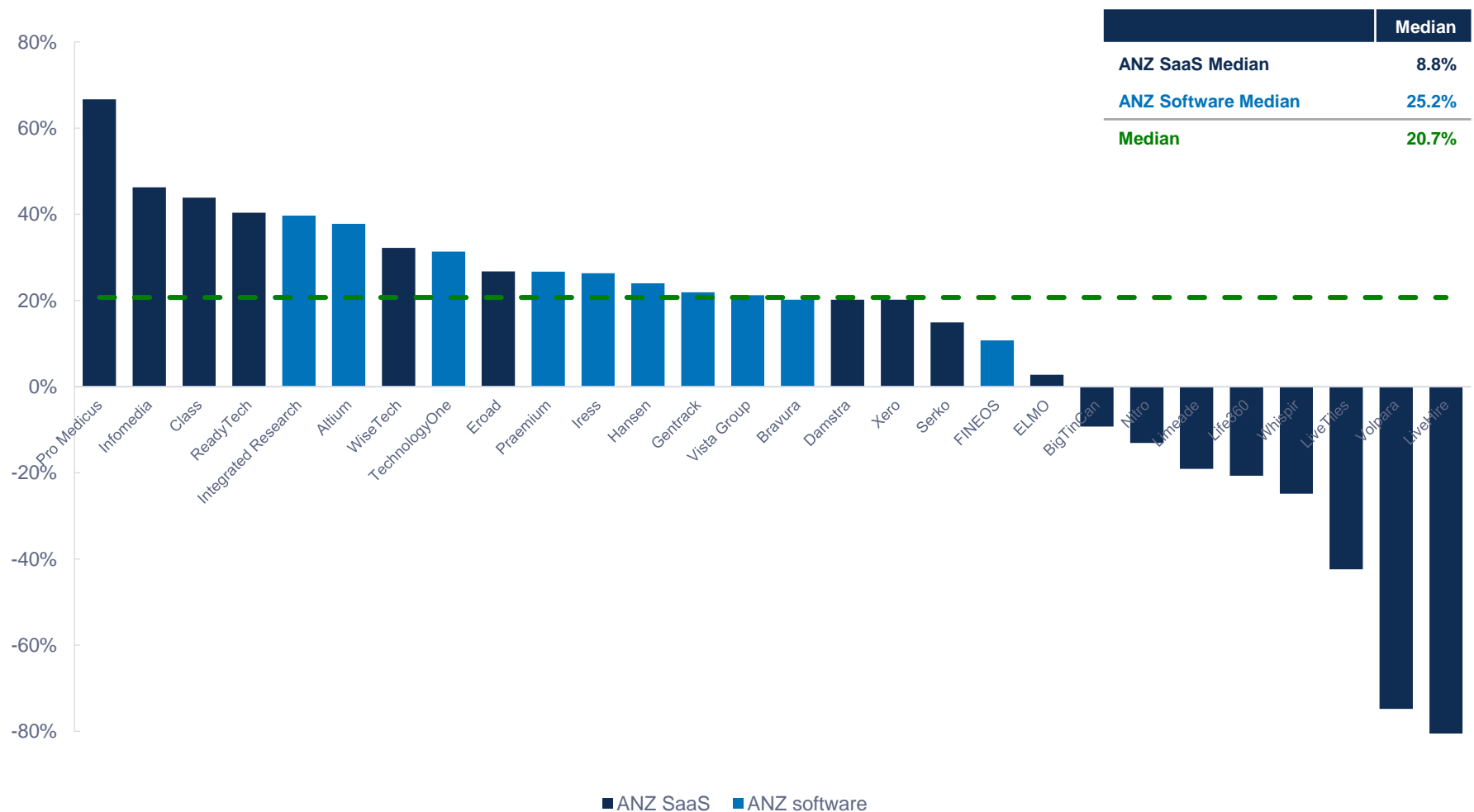
ANZ SaaS and software companies have highly competitive gross margins

Benchmarking: US gross margin



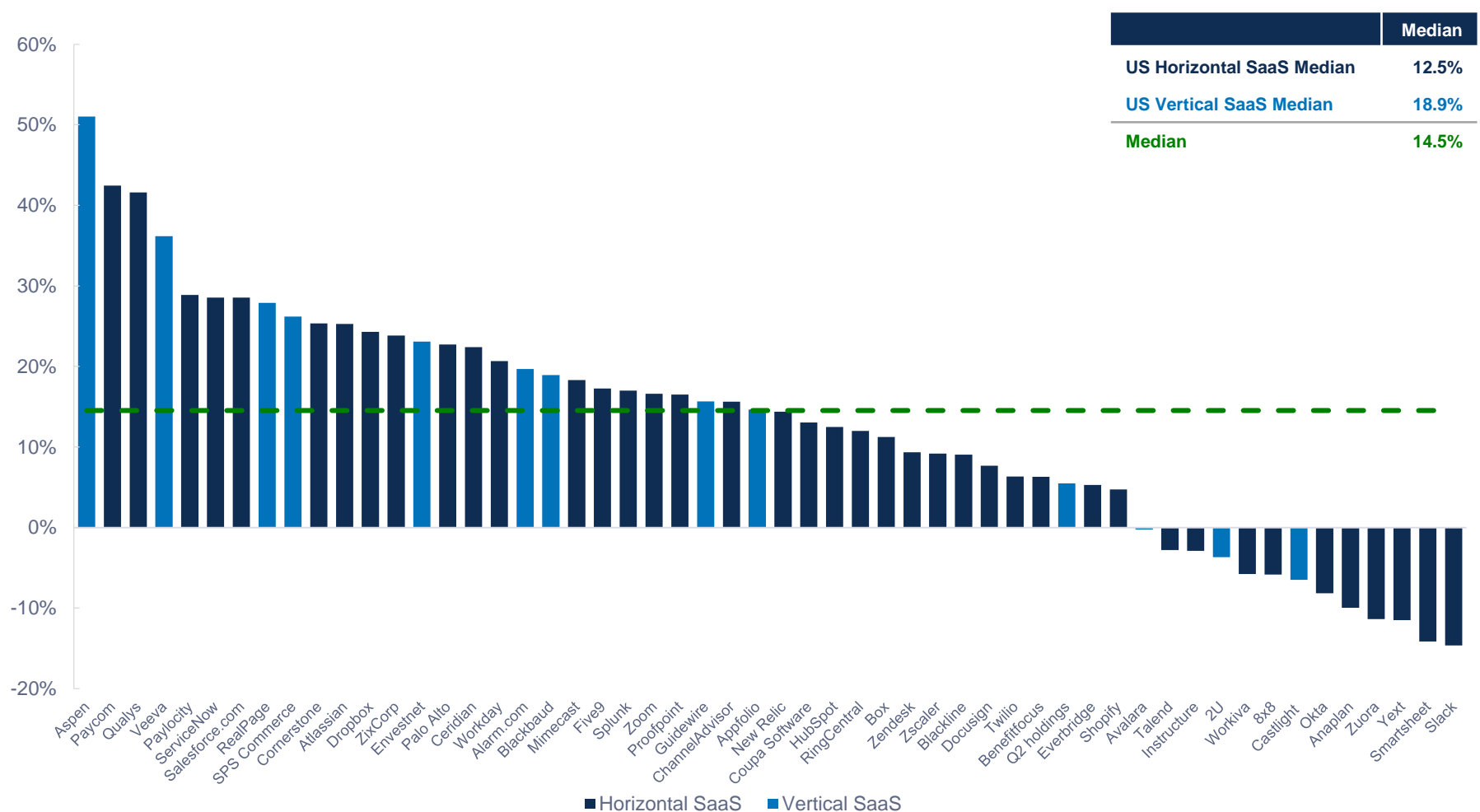
US SaaS companies have a median gross margin of ~72%, with horizontal SaaS taking the lead

Benchmarking: ANZ NTM EBITDA margin %



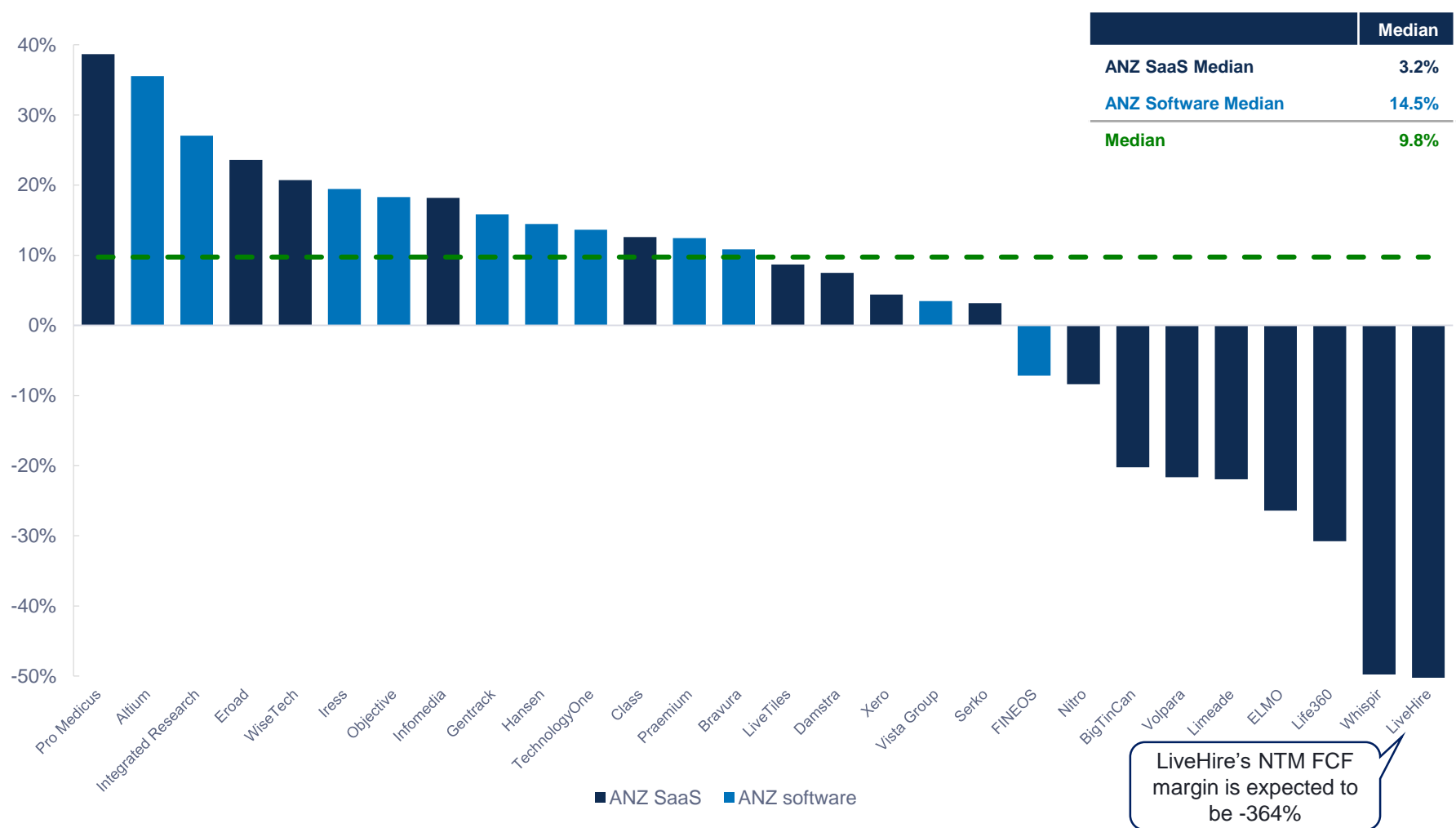
ANZ SaaS and software companies are expanding EBITDA margins quickly

Benchmarking: US NTM EBITDA margin %



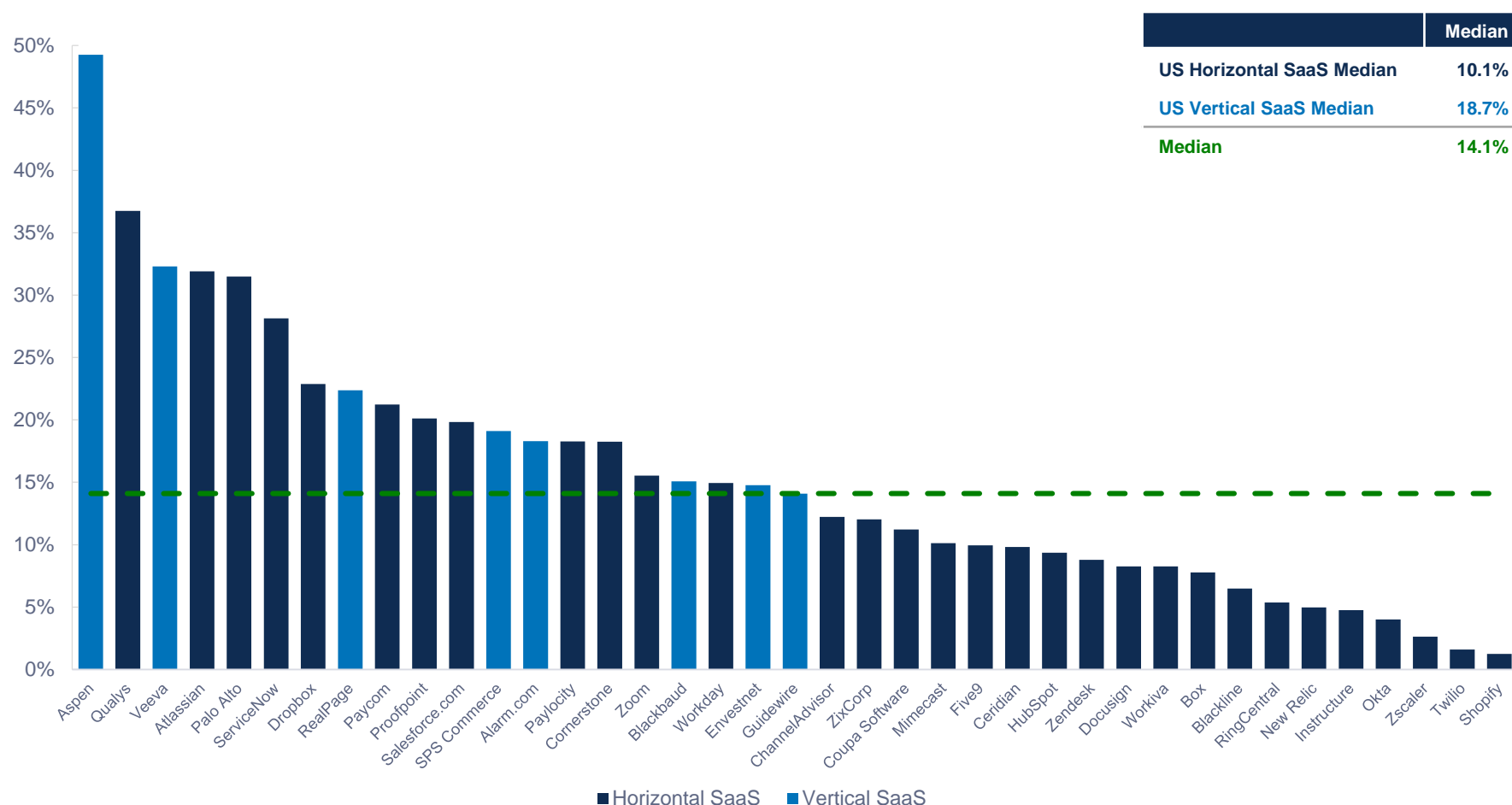
US vertical SaaS companies demonstrate stronger EBITDA margins than horizontal SaaS peers

Benchmarking: ANZ NTM FCF margin¹



ANZ SaaS and Software companies typically have FCF margins of ~10%

Benchmarking: US NTM FCF margin¹



	Median
US Horizontal SaaS Median	10.1%
US Vertical SaaS Median	18.7%
Median	14.1%

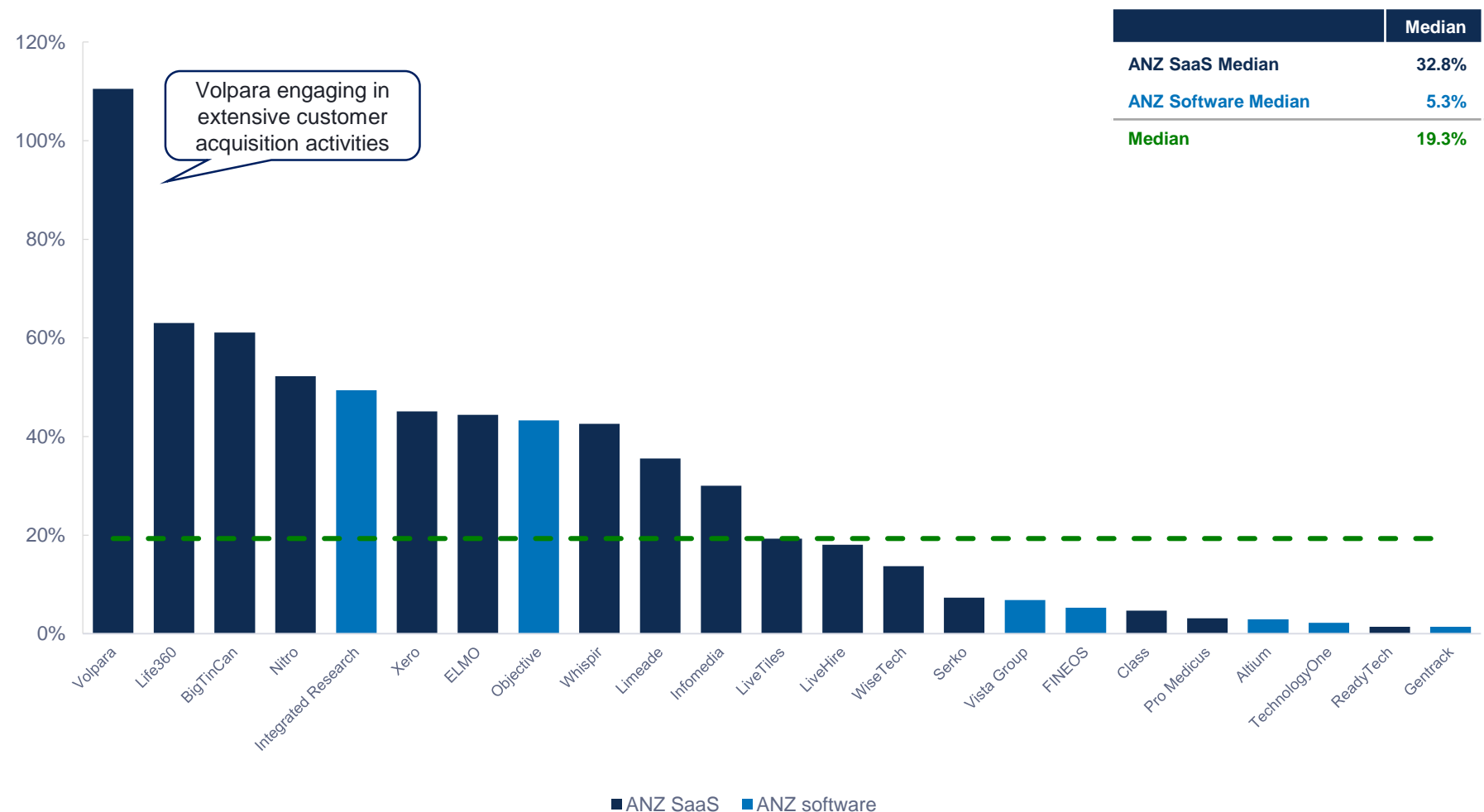
US SaaS FCF margins are positively impacted by deferred revenue accounting policy on subscription revenues plus accounting for executive remuneration



Benchmarking: SaaS and software expenses

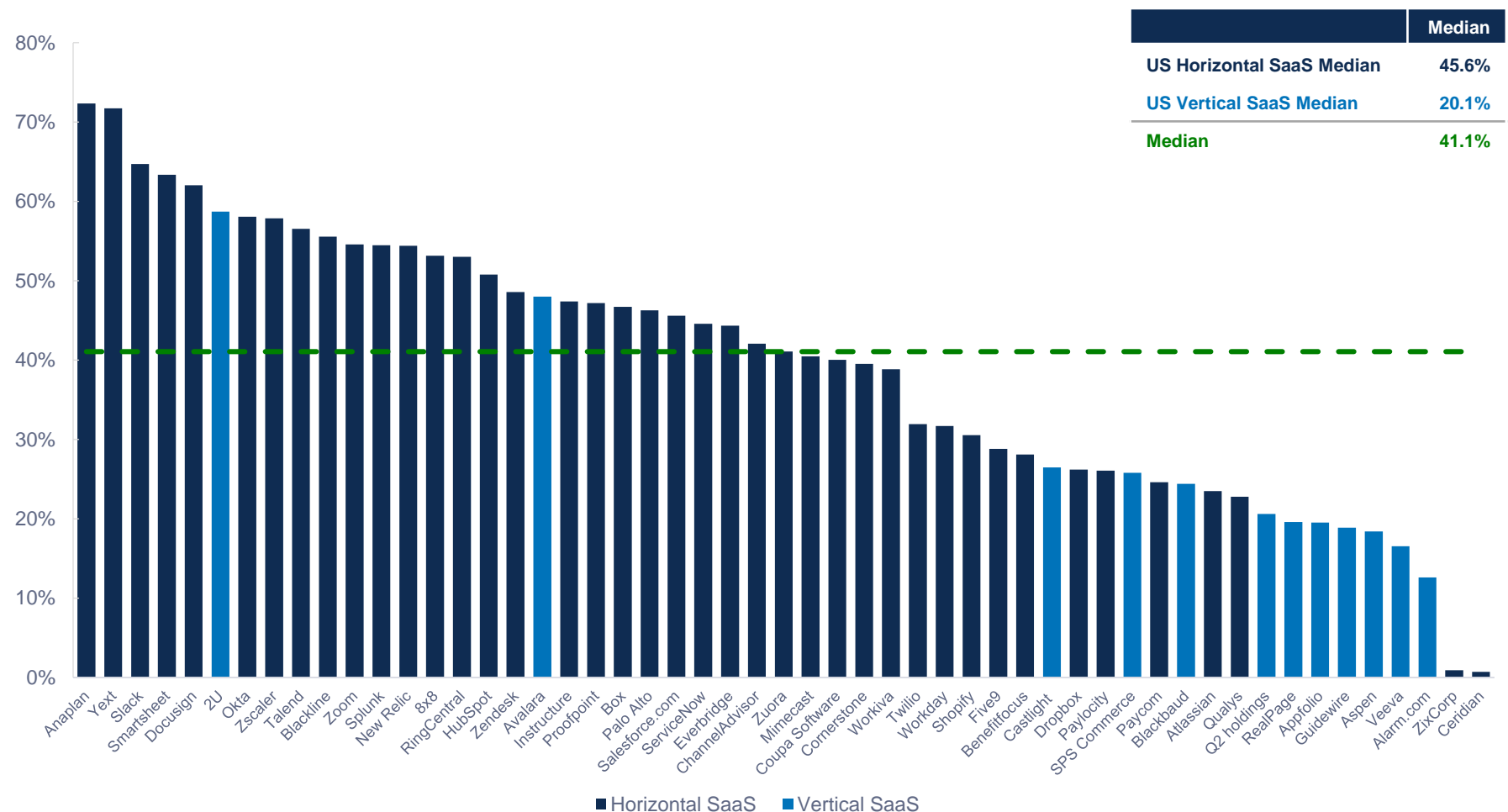


Benchmarking: ANZ LTM S&M expense/ LTM revenue



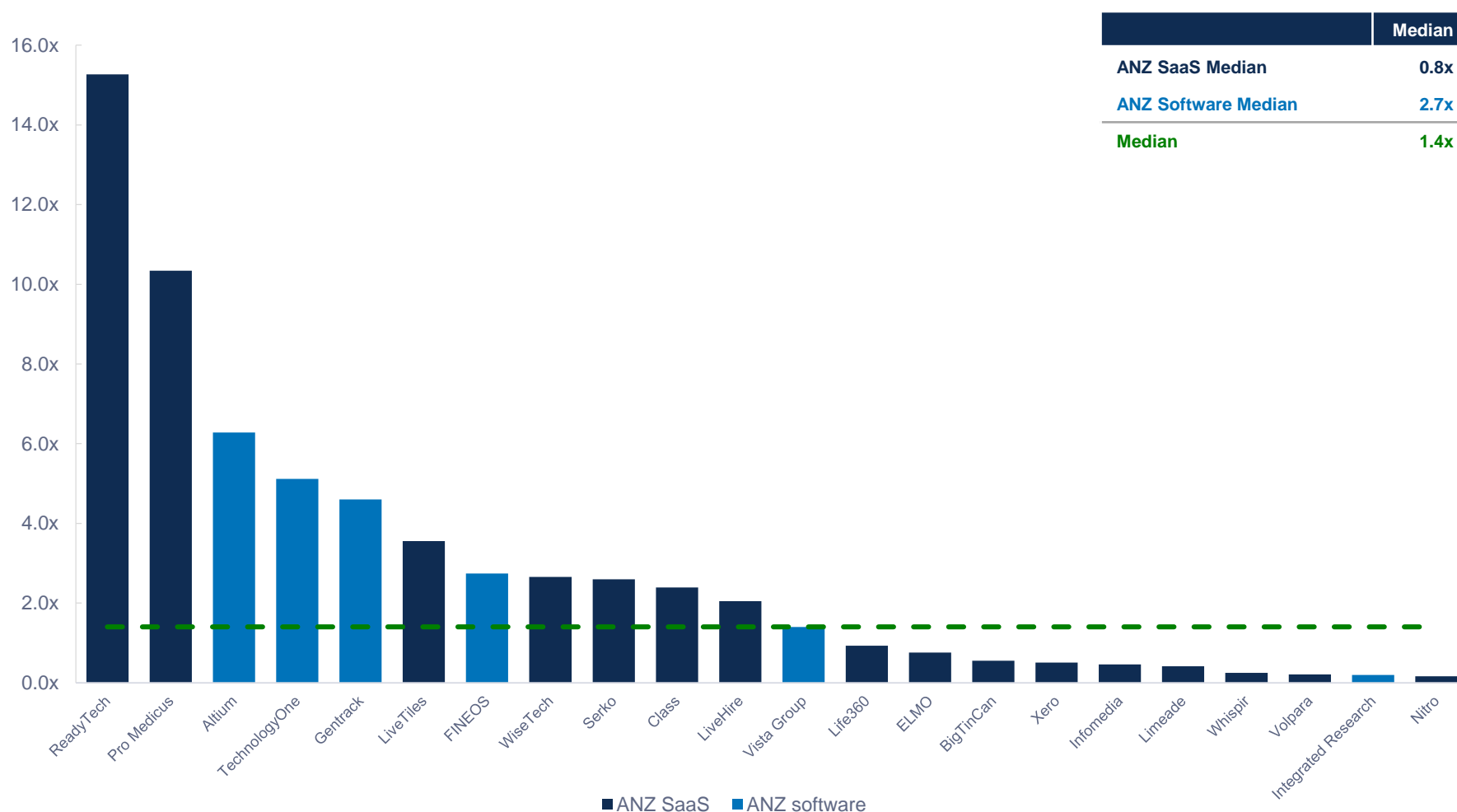
ANZ SaaS companies tend to have significantly higher S&M spend as a proportion of revenue

Benchmarking: US LTM S&M expense/ LTM revenue



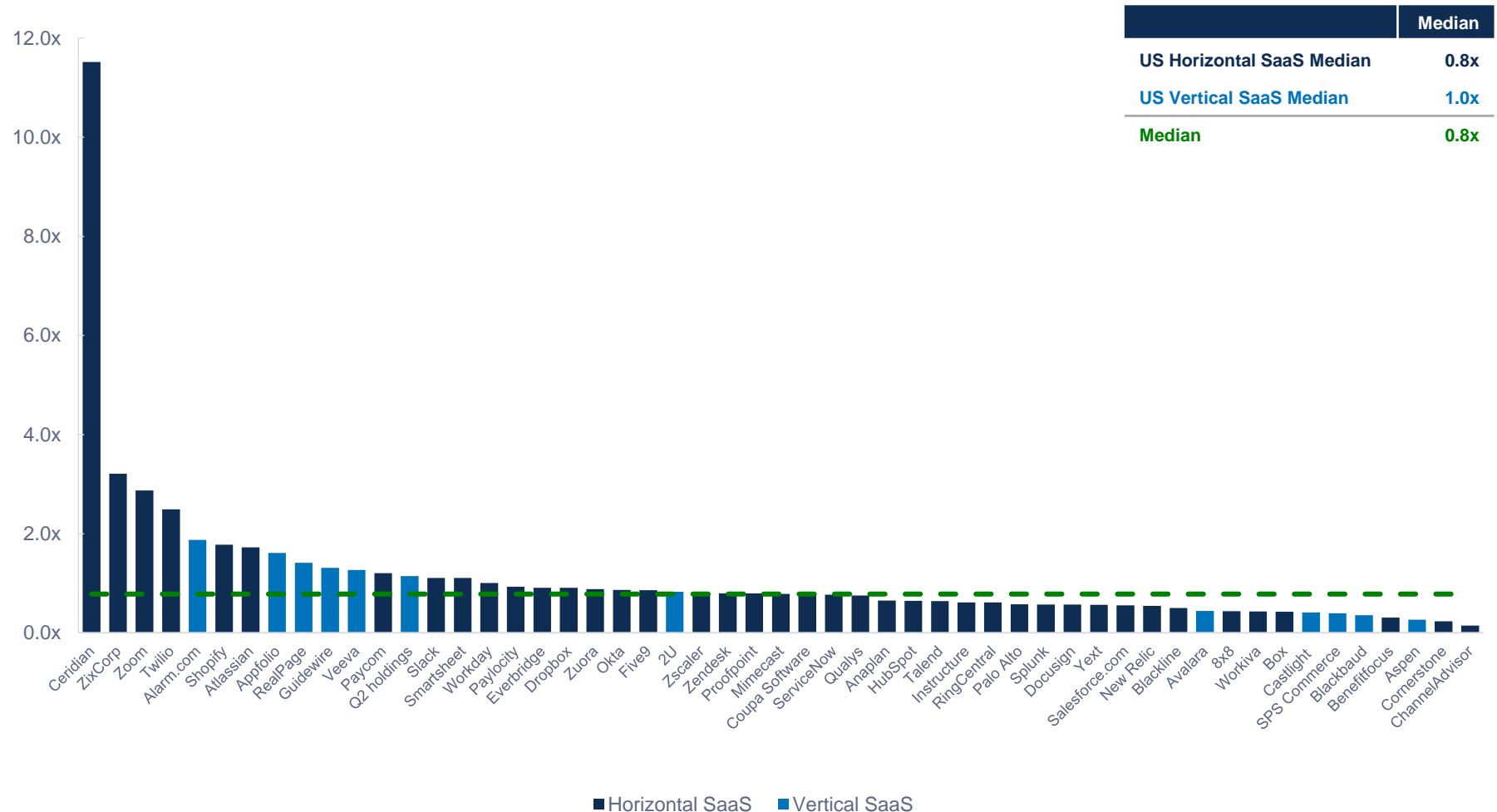
US SaaS companies invest ~41% of revenue on S&M, demonstrating greater focus on growth – vertical SaaS much more efficient in their S&M spend

Benchmarking: ANZ LTM S&M efficiency¹



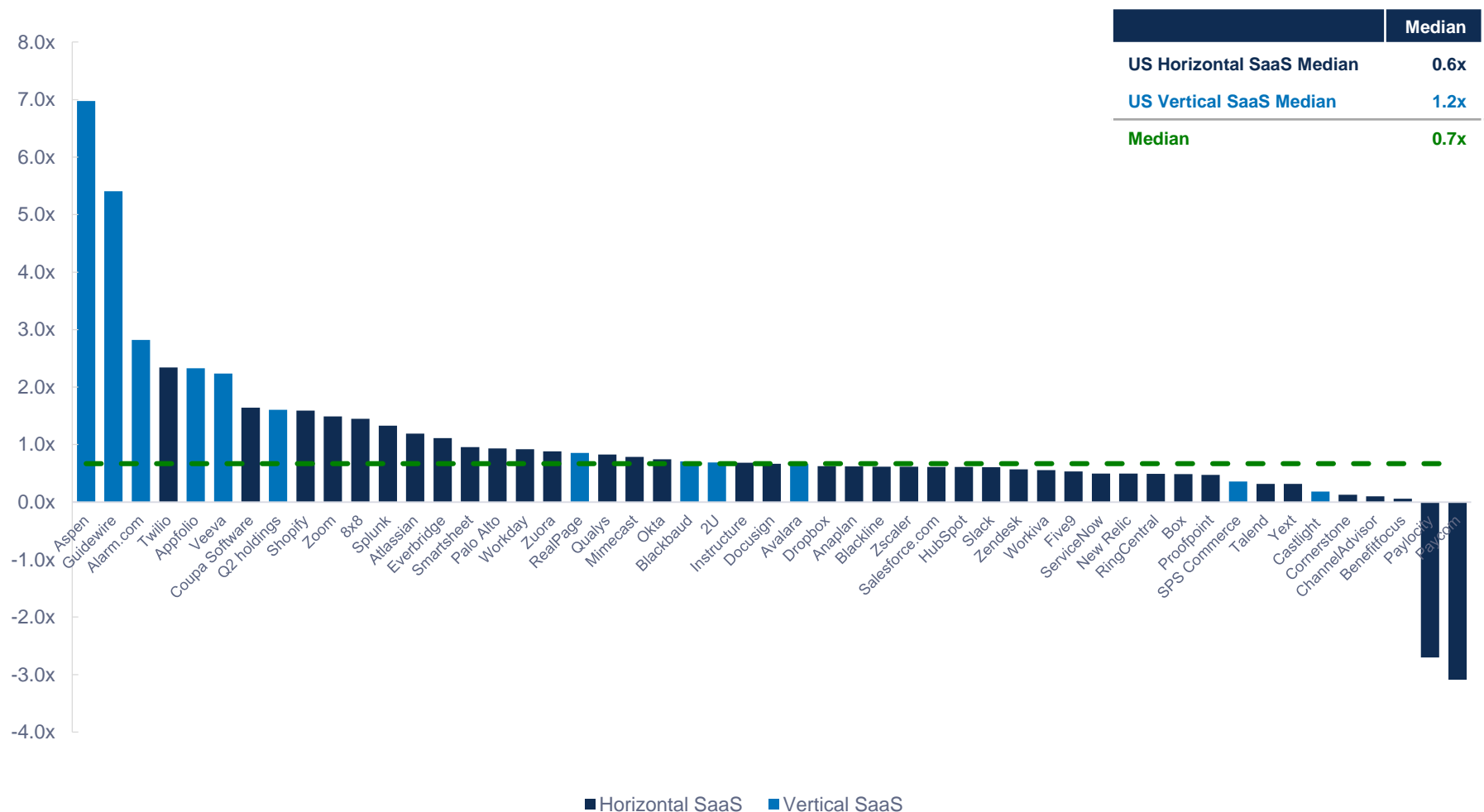
The median S&M efficiency multiple for ANZ SaaS and software companies is 1.4x

Benchmarking: US LTM S&M efficiency¹



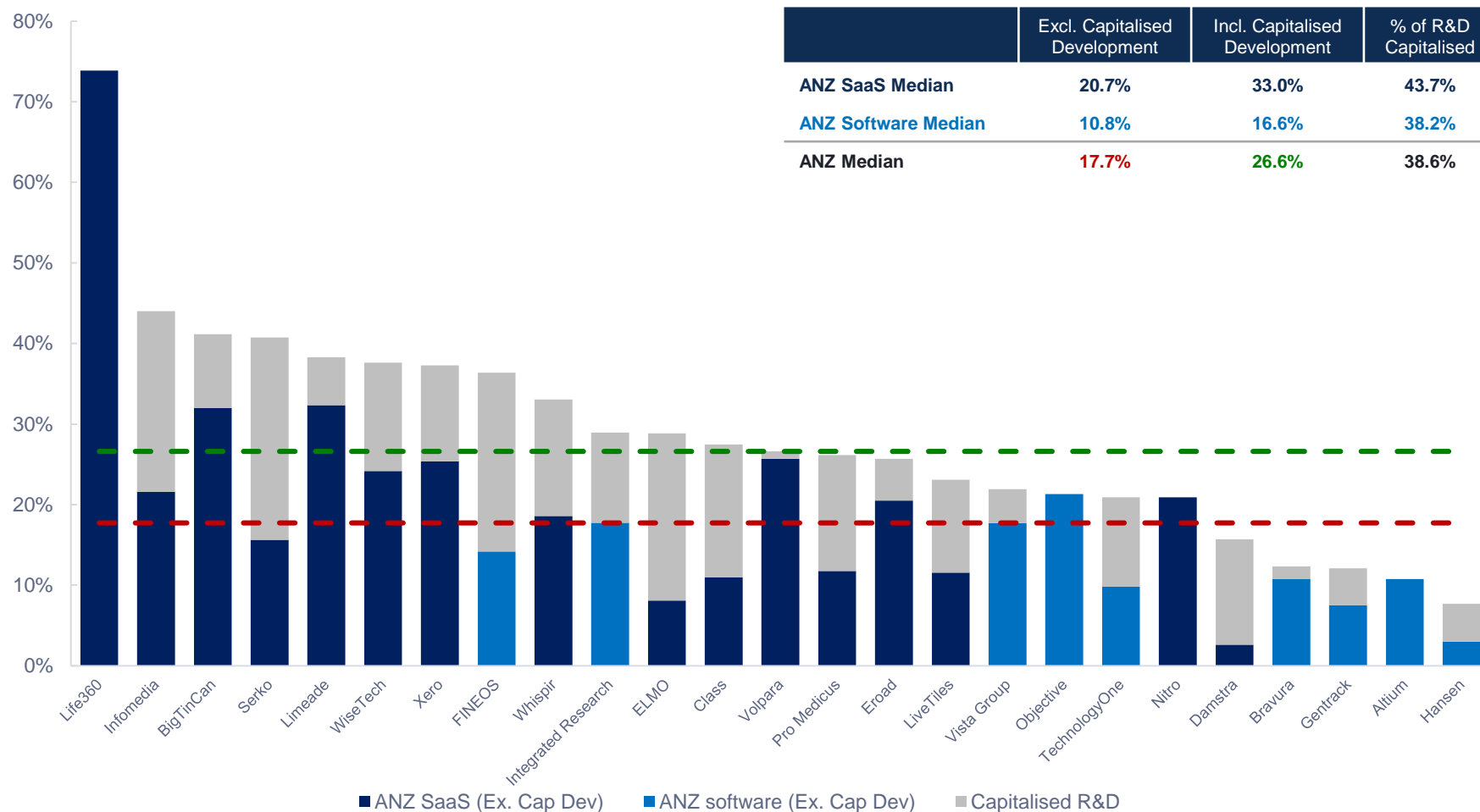
The median S&M efficiency multiple for US SaaS companies is materially lower than ANZ peers

Benchmarking: US SaaS magic number¹



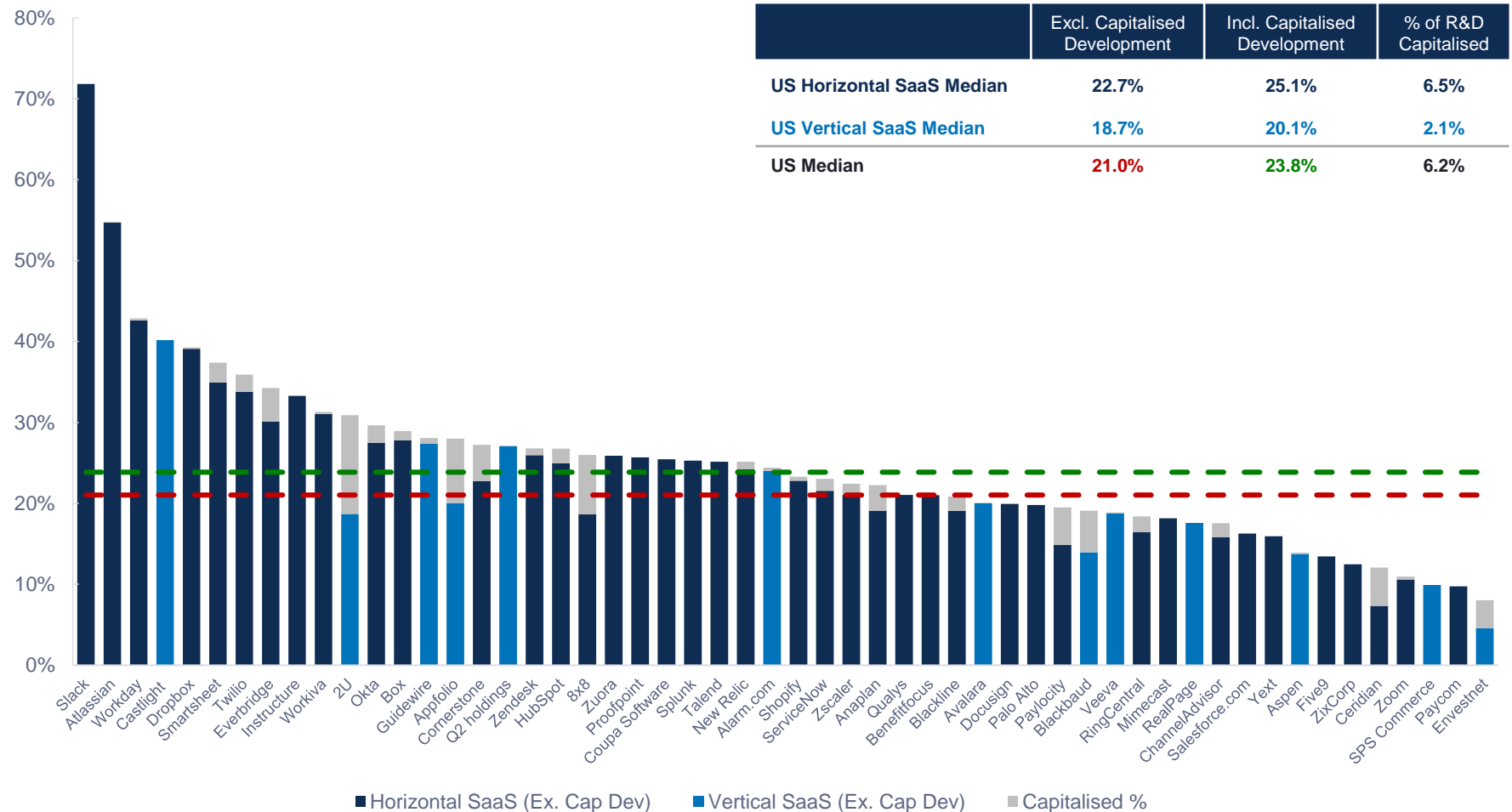
The median US vertical SaaS company achieves a materially higher SaaS magic number

Benchmarking: ANZ LTM total R&D expense/ LTM revenue



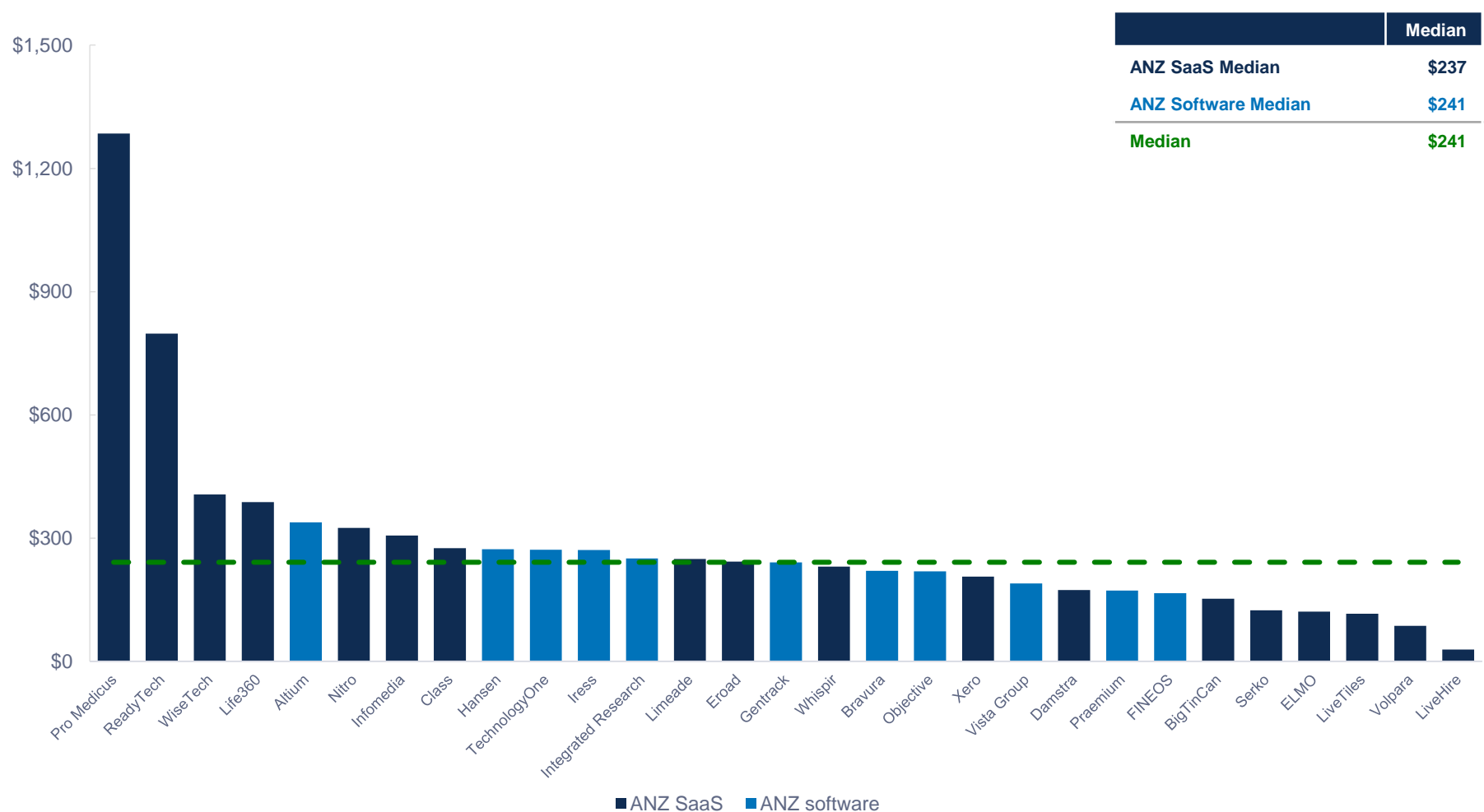
ANZ SaaS companies invest a greater portion of their revenue into R&D than their software peers

Benchmarking: US LTM total R&D expense/ LTM revenue



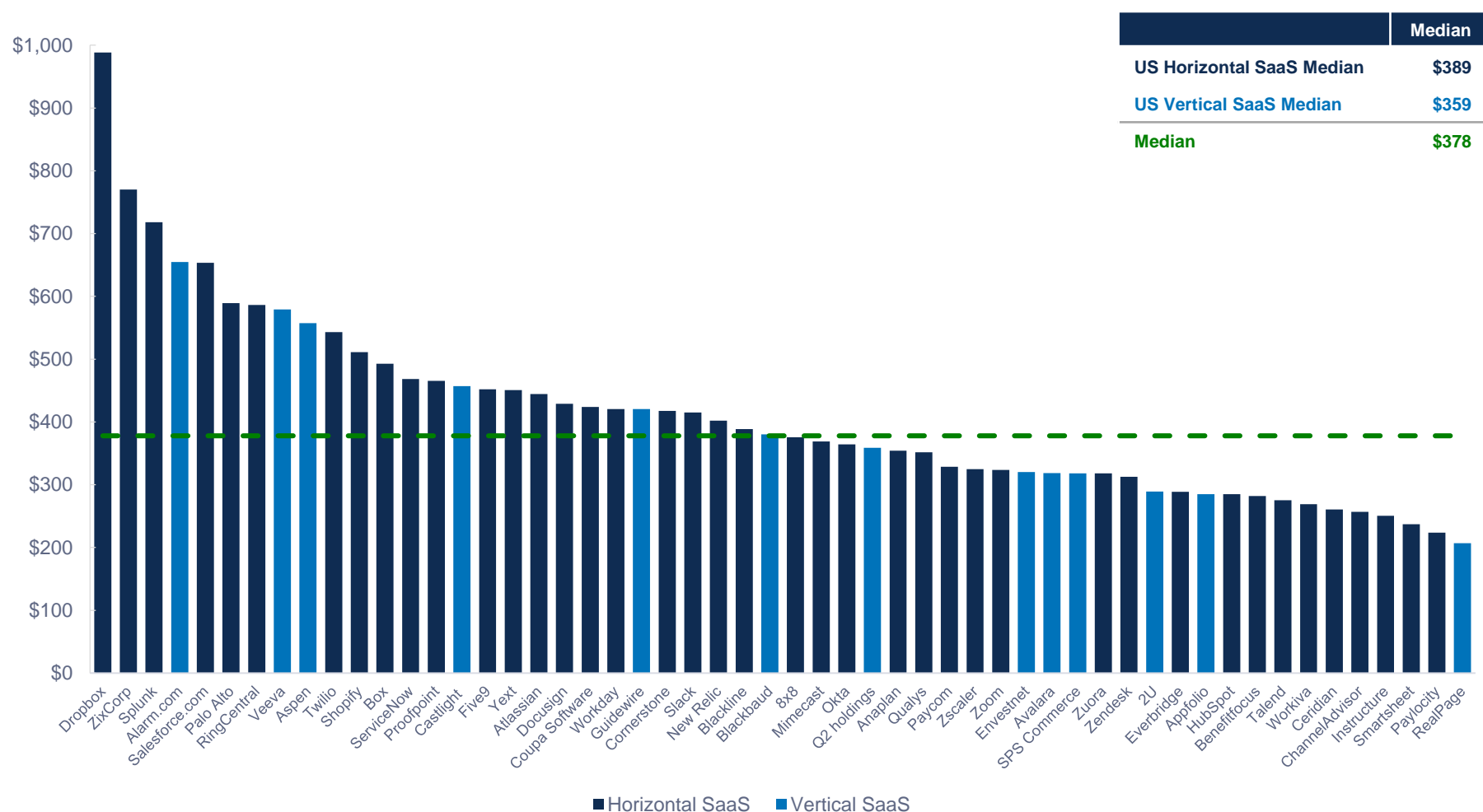
US SaaS companies tend to capitalise a significantly lower % of R&D as their ANZ comparables

Benchmarking: ANZ revenue per employee (\$'000)



ANZ SaaS and software companies typically earn ~\$240k of revenue per employee

Benchmarking: US revenue per employee (\$'000)¹



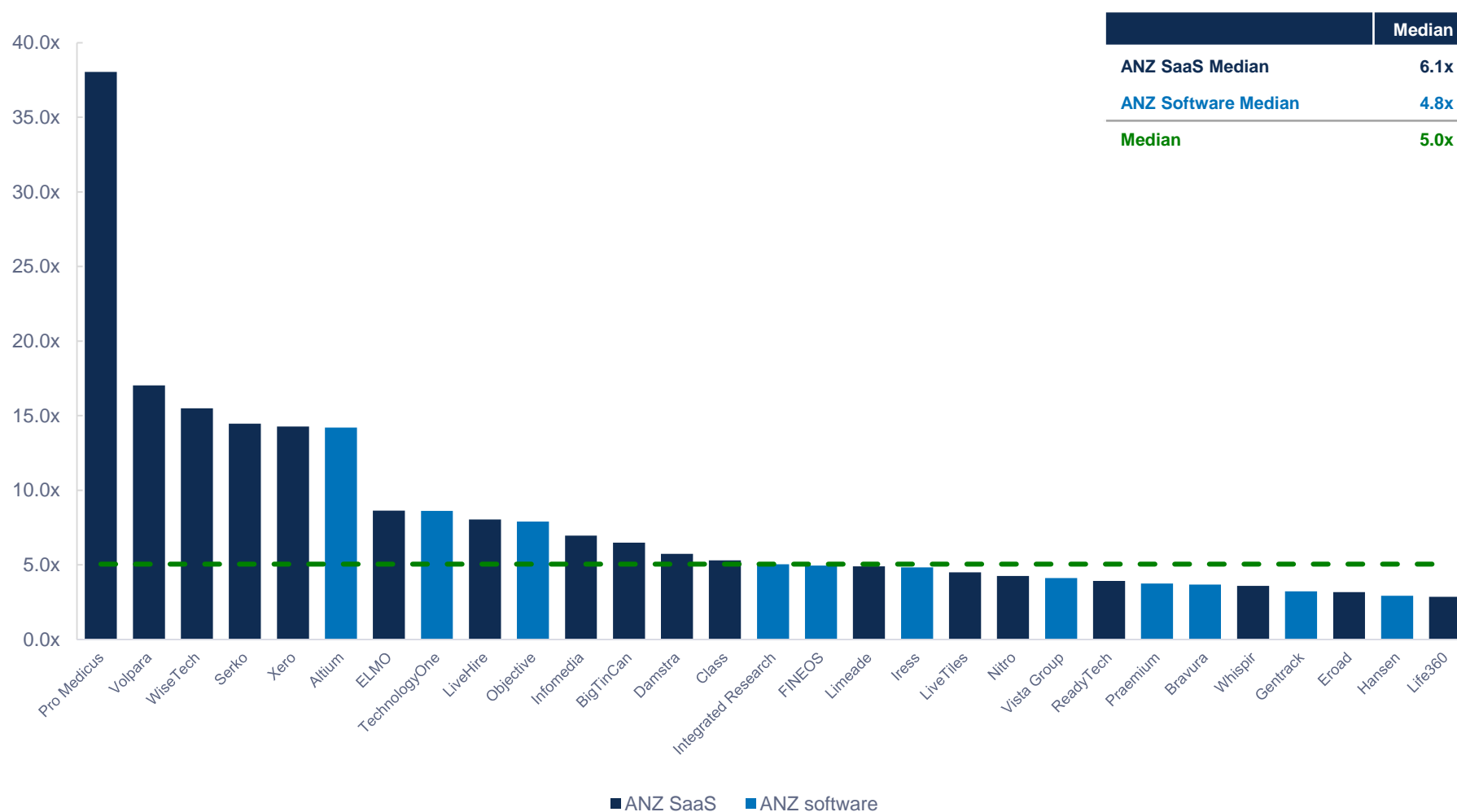
US SaaS companies earn significantly more revenue per employee than their ANZ comparables



SaaS and software trading multiples

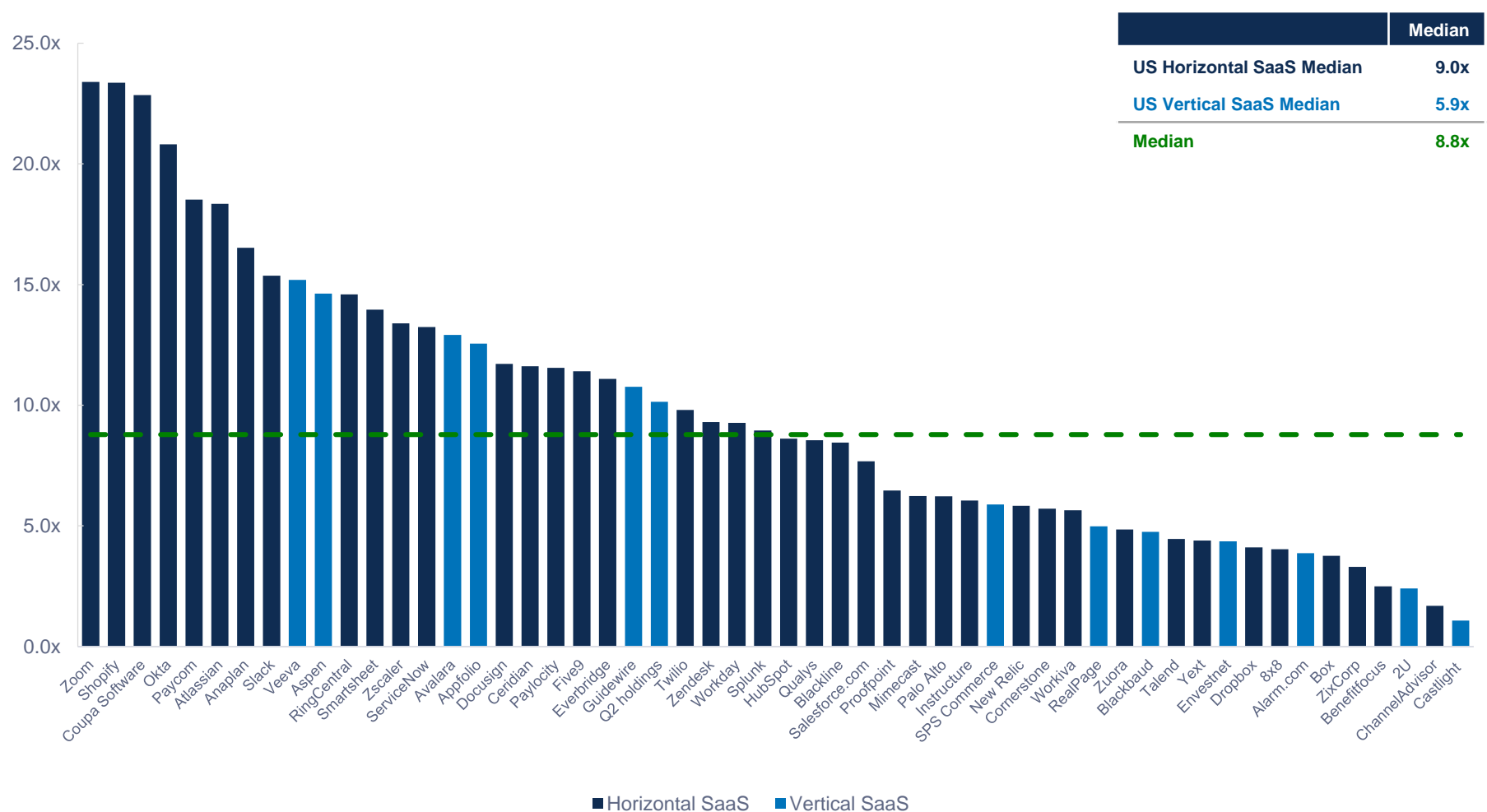


ANZ: EV/ NTM revenue



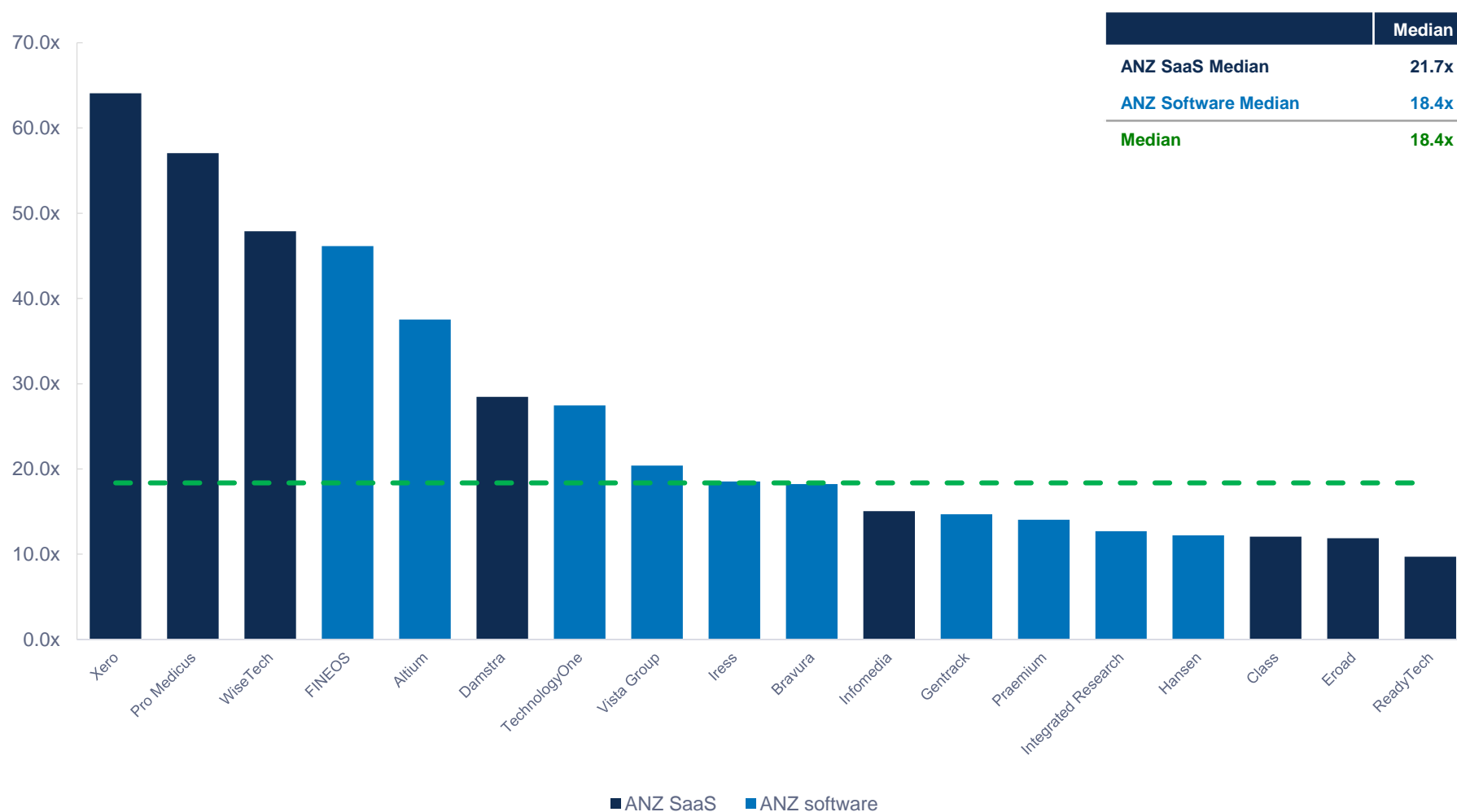
ANZ SaaS companies tend to trade at a premium compared to software companies

US: EV/ NTM revenue



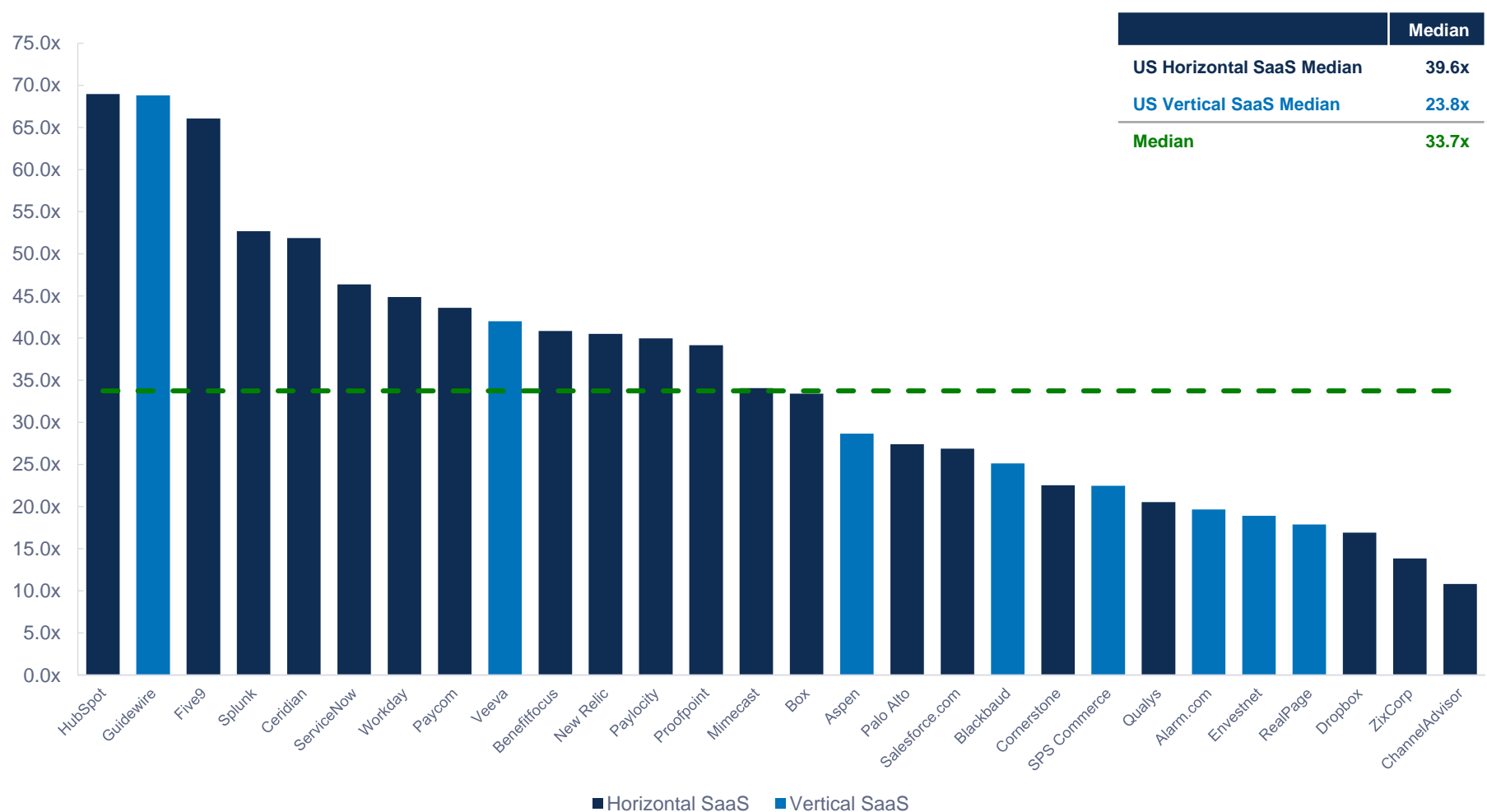
US SaaS companies trade on a median forward revenue multiple of ~9x

ANZ: EV/ NTM EBITDA¹



ANZ SaaS companies trade on materially higher forward EBITDA multiples than software Co's

US: EV/ NTM EBITDA



US horizontal SaaS companies trade on significantly higher EBITDA multiples than vertical SaaS



Appendix: Index constituents



Blackpeak ANZ SaaS index constituents

Company	Capitalisation		Multiples					Operating metrics												
			EV/ Revenue		EV/ EBITDA		FCF margin ¹	Margins (LTM)		Revenue growth		Expenses (LTM) ²			SaaS ³	S&M Efficiency ⁴	Rule of 40% ⁵	Recurring revenue	Attrition	Revenue/ employee
	Equity Value (A\$m)	Enterprise Value (A\$m)	FY2019	NTM	LTM	NTM	NTM	Gross	EBITDA	FY19	FY20E	S&M/ revenue	R&D (exc)/ revenue	R&D (inc)/ revenue	SaaS magic number	LTM	NTM	Last reported	Last reported	LTM
ANZ SaaS																				
WiseTech	7,550.7	7,290.7	20.9x	15.5x	67.4x	47.9x	20.7%	80.9%	31.0%	57.2%	35.2%	13.7%	24.2%	37.6%	7.1x	2.7x	67.4%	88.0%	0.2%	406.38
Xero	11,390.6	11,371.9	22.0x	14.3x	128.8x	64.1x	4.4%	84.8%	8.9%	35.3%	35.3%	45.1%	25.4%	37.3%	1.2x	0.5x	55.5%	97.4%	13.2%	206.37
Class	238.2	220.8	5.8x	5.3x	12.3x	12.1x	12.6%	96.7%	46.9%	12.7%	8.9%	4.7%	11.0%	27.5%	0.8x	2.4x	52.8%	95.5%	0.8%	275.42
ELMO	484.1	468.3	11.7x	8.6x	n.a.	n.a.	(26.4%)	86.5%	(2.2%)	51.0%	35.4%	44.4%	8.1%	28.8%	2.4x	0.8x	38.2%	95.4%	7.9%	121.37
Eroad	204.1	237.0	4.0x	3.2x	15.8x	11.9x	23.6%	n.a.	21.9%	40.2%	26.5%	n.a.	20.5%	25.7%	n.a.	n.a.	53.2%	93.6%	2.0%	243.19
BigTinCan	214.3	189.2	9.5x	6.5x	n.a.	n.a.	(20.2%)	87.8%	(18.0%)	51.3%	46.6%	61.1%	32.0%	41.2%	0.7x	0.6x	37.4%	94.2%	13.0%	152.94
ReadyTech	139.2	156.6	4.8x	3.9x	12.2x	9.7x	n.a.	94.0%	39.8%	27.6%	22.0%	1.4%	n.a.	n.a.	n.a.	15.3x	62.4%	89.5%	5.0%	797.83
Serko	446.4	439.1	19.5x	14.5x	176.2x	n.a.	3.2%	93.1%	2.7%	27.8%	35.1%	7.3%	15.6%	40.8%	14.5x	2.6x	50.0%	88.5%	n.a.	124.58
Whispir	159.5	135.9	4.4x	3.6x	n.a.	n.a.	(49.8%)	65.6%	(35.3%)	11.9%	21.5%	42.6%	18.6%	33.0%	0.6x	0.3x	(3.3%)	94.4%	6.0%	230.73
LiveTiles	231.8	216.9	12.0x	4.5x	n.a.	n.a.	8.7%	95.1%	(181.3%)	218.3%	166.0%	19.3%	11.6%	23.1%	14.0x	3.6x	123.6%	73.4%	n.a.	115.97
LiveHire	69.4	35.4	13.5x	8.0x	n.a.	n.a.	(363.6%)	n.a.	(549.3%)	58.9%	67.8%	18.1%	n.a.	74.6%	n.a.	2.1x	(224.9%)	73.7%	n.a.	28.82
Damstra	137.4	122.3	8.0x	5.7x	81.6x	28.4x	7.5%	88.7%	9.8%	44.7%	39.2%	n.a.	2.6%	15.7%	n.a.	n.a.	59.4%	90.4%	3.0%	173.62
Life360	436.8	323.7	3.8x	2.9x	n.a.	n.a.	(23.9%)	81.4%	(60.1%)	82.8%	67.6%	63.0%	73.9%	73.9%	8.0x	0.9x	46.9%	77.4%	n.a.	387.73
Pro Medicus	2,299.3	2,267.0	45.2x	38.0x	70.9x	57.0x	38.7%	97.2%	63.8%	47.9%	18.9%	3.1%	11.8%	26.1%	(2.2x)	10.3x	85.6%	93.8%	n.a.	1284.74
Volpara	402.8	367.6	n.a.	17.0x	n.a.	n.a.	(21.6%)	88.7%	(159.2%)	77.8%	261.3%	110.5%	25.7%	26.6%	3.3x	0.2x	186.5%	80.8%	n.a.	86.53
Infomedica	678.1	662.6	7.8x	7.0x	17.4x	15.0x	18.2%	n.a.	45.0%	16.0%	12.5%	30.0%	21.6%	44.0%	1.2x	0.5x	58.8%	97.2%	n.a.	306.51
Limeade	450.4	397.2	5.9x	4.9x	57.4x	n.a.	(21.9%)	75.5%	10.2%	17.2%	19.4%	35.5%	32.3%	38.3%	1.0x	0.4x	0.3%	96.2%	3.0%	249.29
Nitro	309.8	248.7	4.9x	4.3x	n.a.	n.a.	(8.4%)	88.7%	(10.7%)	9.3%	14.4%	52.3%	20.9%	20.9%	n.a.	0.2x	1.3%	52.2%	n.a.	325.30
Median			8.0x	6.1x	62.4x	21.7x	3.2%	88.7%	5.8%	42.4%	35.1%	32.8%	20.7%	33.0%	1.2x	0.8x	53.0%	92.0%	4.0%	237
Max			45.2x	38.0x	176.2x	64.1x	38.7%	97.2%	63.8%	218.3%	261.3%	110.5%	73.9%	74.6%	14.5x	15.3x	186.5%	97.4%	13.2%	1285
Min			3.8x	2.9x	12.2x	9.7x	(363.6%)	65.6%	(549.3%)	9.3%	8.9%	1.4%	2.6%	15.7%	(2.2x)	0.2x	(224.9%)	52.2%	0.2%	29

Source: Capital IQ, company filings, Blackpeak Capital.

1) NTM FCF margin defined as free cash flows (t+1)/ revenue (t+1)

2) R&D (exc/ inc)/ revenue defined as R&D (excluding/ including capitalised development costs)/ revenue

3) SaaS magic number defined as [quarterly revenue Q(t)- quarterly revenue Q(t-1)]*4/ quarterly S&M expense (t-1)

4) S&M efficiency defined as revenue (t+1)-revenue (t)/ S&M expense (t)

5) Rule of 40% NTM defined as revenue growth % (t+1) + EBITDA margin (t+1)

Blackpeak ANZ software index constituents

Company	Capitalisation		Multiples					Operating metrics											Revenue/ employee
			EV/ Revenue		EV/ EBITDA		FCF margin ¹	Margins (LTM)		Revenue growth		Expenses (LTM) ²			S&M Efficiency ³	Rule of 40% ⁴	Recurring revenue	Attrition	
	Equity Value (A\$m)	Enterprise Value (A\$m)	FY2019	NTM	LTM	NTM	NTM	Gross	EBITDA	FY19	FY20E	S&M/ revenue	R&D(exc)/ revenue	R&D(inc)/ revenue	LTM	NTM	Last reported	Last reported	LTM
ANZ software																			
FINEOS	703.3	647.7	6.4x	5.0x	56.5x	46.1x	(8.4%)	66.4%	11.3%	16.8%	29.0%	5.3%	14.2%	36.4%	2.7x	39.7%	31.2%	n.a.	165.90
Iress	2,301.9	2,556.4	5.1x	4.8x	21.9x	18.5x	19.5%	n.a.	24.4%	8.9%	9.2%	n.a.	n.a.	n.a.	n.a.	35.5%	90.0%	n.a.	271.33
TechnologyOne	2,755.2	2,650.2	9.3x	8.6x	32.4x	27.5x	13.6%	n.a.	28.7%	12.7%	7.9%	2.2%	9.8%	20.9%	5.1x	39.3%	28.4%	1.0%	271.94
Altium	4,494.7	4,378.6	17.7x	14.2x	48.4x	37.5x	35.6%	97.1%	36.5%	22.6%	24.4%	2.9%	10.8%	10.8%	6.3x	62.2%	56.5%	n.a.	338.64
Hansen	756.3	904.5	3.9x	2.9x	16.2x	12.2x	14.5%	n.a.	24.1%	0.2%	33.2%	n.a.	3.0%	7.7%	n.a.	57.2%	63.0%	n.a.	273.43
Integrated Research	553.4	544.1	5.4x	5.0x	13.5x	12.7x	27.0%	n.a.	39.9%	10.6%	7.0%	49.4%	17.8%	28.9%	0.2x	46.7%	87.7%	5.0%	250.80
Objective	575.5	552.9	8.9x	7.9x	39.1x	n.a.	18.3%	96.1%	22.8%	(1.7%)	12.6%	43.3%	21.3%	21.3%	(0.0x)	n.a.	70.0%	n.a.	219.29
Praemium	200.1	186.4	4.2x	3.7x	16.4x	14.0x	12.5%	n.a.	21.4%	4.7%	12.6%	n.a.	n.a.	11.1%	n.a.	39.3%	n.a.	n.a.	172.57
Vista Group	576.2	569.0	4.1x	4.1x	20.4x	20.4x	3.5%	n.a.	17.3%	10.1%	18.5%	6.8%	17.7%	21.9%	1.4x	39.8%	61.1%	n.a.	189.78
Bravura	1,279.0	1,082.7	4.2x	3.7x	22.1x	18.2x	10.8%	n.a.	19.0%	16.6%	13.8%	n.a.	10.8%	12.3%	n.a.	34.0%	76.0%	n.a.	220.88
Gentrack	355.8	351.8	3.3x	3.2x	14.7x	14.7x	15.8%	n.a.	17.0%	6.9%	1.7%	1.4%	7.5%	12.1%	4.6x	23.6%	88.7%	n.a.	241.40
Median			5.1x	4.8x	21.9x	18.4x	14.5%	96.1%	22.8%	10.1%	12.6%	5.3%	10.8%	16.6%	2.7x	39.5%	66.5%	3.0%	241
Max			17.7x	14.2x	56.5x	46.1x	35.6%	97.1%	39.9%	22.6%	33.2%	49.4%	21.3%	36.4%	6.3x	62.2%	90.0%	5.0%	339
Min			3.3x	2.9x	13.5x	12.2x	(8.4%)	66.4%	11.3%	(1.7%)	1.7%	1.4%	3.0%	7.7%	(0.0x)	23.6%	28.4%	1.0%	166

Source: Capital IQ, company filings, Blackpeak Capital.

1) NTM FCF margin defined as free cash flows (t+1)/ revenue (t+1)

2) R&D (exc/ inc)/ revenue defined as R&D (excluding/ including capitalised development costs)/ revenue

3) SaaS magic number defined as [quarterly revenue Q(t) - quarterly revenue Q(t-1)]*4/ quarterly S&M expense (t-1)

4) Rule of 40% NTM defined as revenue growth % (t+1) + EBITDA margin (t+1)

Blackpeak US horizontal SaaS index constituents

Company	Capitalisation		Multiples						Operating metrics											
			EV/ Revenue		EV/ EBITDA		FCF margin ¹	Margins (LTM)		Revenue growth		Expenses (LTM) ²			SaaS ³	S&M Efficiency ⁴	Rule of 40% ⁵	Recurring revenue	Attrition	Revenue/ employee
	Equity Value (A\$m)	Enterprise Value (A\$m)	FY19E	NTM	FY19E	NTM	NTM	Gross	EBITDA	FY19E	FY20E	S&M/ revenue	R&D (exc)/ revenue	R&D (inc)/ revenue	SaaS magic number	LTM	NTM	Last reported	Last reported	LTM
US horizontal SaaS																				
Workday	56,240.3	55,443.6	13.6x	9.3x	n.m.	44.9x	14.9%	70.5%	(5.5%)	31.7%	28.1%	31.7%	42.6%	42.9%	0.9x	1.0x	48.9%	84.5%	n.a.	420.53
Splunk	34,756.1	35,001.5	13.5x	9.0x	n.m.	52.7x	n.a.	81.9%	(8.5%)	37.7%	30.4%	54.5%	25.3%	25.3%	1.3x	0.6x	47.0%	72.5%	n.a.	718.02
ServiceNow	79,670.7	79,170.5	15.9x	13.2x	56.4x	46.4x	28.1%	76.6%	7.4%	32.2%	28.0%	44.6%	21.5%	23.0%	0.5x	0.8x	56.9%	92.8%	2.0%	468.47
Zendesk	13,097.3	13,316.0	11.3x	9.3x	n.m.	n.a.	8.8%	70.5%	(17.0%)	36.0%	29.9%	48.6%	26.0%	26.8%	0.6x	0.8x	39.8%	42.0%	n.a.	312.77
Paylocity	9,944.5	9,878.8	15.3x	11.6x	51.8x	40.0x	18.3%	67.5%	16.0%	21.5%	26.9%	26.1%	14.9%	19.5%	-2.7x	0.9x	55.8%	93.1%	8.0%	223.56
Cornerstone	5,190.1	5,187.9	6.3x	5.7x	28.2x	22.5x	18.3%	74.2%	3.0%	6.6%	14.1%	39.5%	22.7%	27.2%	0.1x	0.2x	39.6%	87.9%	5.0%	417.50
Proofpoint	9,807.0	9,442.3	7.4x	6.5x	42.9x	39.2x	20.1%	73.2%	(2.9%)	23.3%	19.9%	47.2%	25.7%	25.7%	0.5x	0.8x	37.1%	95.9%	10.0%	465.57
Paycom	23,132.2	23,062.6	21.8x	18.5x	51.3x	43.6x	21.2%	87.6%	34.0%	29.7%	23.6%	24.6%	9.7%	9.7%	-3.1x	1.2x	66.1%	98.2%	9.0%	328.55
Benefitfocus	959.8	1,177.4	2.8x	2.5x	52.7x	40.8x	n.a.	51.8%	(6.9%)	14.4%	14.4%	28.1%	21.0%	21.0%	0.1x	0.3x	22.4%	75.6%	5.0%	281.89
Qualys	4,746.7	4,371.9	9.4x	8.5x	21.9x	20.5x	36.8%	77.5%	30.7%	15.3%	14.1%	22.8%	21.1%	21.1%	0.8x	0.8x	56.6%	n.a.	1.0%	351.52
RingCentral	21,993.1	21,767.7	17.0x	14.6x	n.m.	n.a.	5.4%	75.2%	1.1%	45.1%	23.1%	53.0%	16.4%	18.4%	0.5x	0.6x	35.6%	91.0%	1.0%	586.26
Five9	6,021.1	5,878.1	12.6x	11.4x	n.m.	66.1x	9.9%	59.5%	6.4%	25.2%	15.5%	28.8%	13.5%	13.5%	0.5x	0.9x	33.6%	91.0%	n.a.	452.15
Salesforce.com	221,959.6	221,907.7	11.6x	7.7x	48.1x	26.9x	19.8%	75.0%	14.5%	26.0%	28.0%	45.6%	16.3%	16.3%	0.6x	0.6x	56.9%	93.3%	9.0%	653.34
Palo Alto	33,954.3	32,537.1	7.8x	6.2x	28.7x	27.4x	31.5%	72.1%	3.0%	27.5%	19.4%	46.3%	19.8%	19.8%	0.9x	0.6x	41.9%	70.0%	n.a.	589.33
Atlassian	44,980.0	44,071.0	27.2x	18.3x	n.m.	n.a.	31.9%	82.6%	(2.4%)	36.8%	40.2%	23.5%	54.7%	54.8%	1.2x	1.7x	66.4%	80.0%	n.a.	444.29
Blackline	4,308.1	4,017.9	9.7x	8.4x	n.m.	n.a.	6.5%	78.7%	(4.8%)	25.8%	21.0%	55.6%	19.1%	20.8%	0.6x	0.5x	31.6%	95.5%	2.0%	388.69
ChannelAdvisor	372.8	327.0	1.8x	1.7x	12.4x	10.8x	12.2%	77.5%	5.4%	(1.3%)	5.0%	42.1%	15.8%	17.6%	0.1x	0.1x	20.8%	76.0%	n.a.	256.87
HubSpot	10,317.0	9,780.0	10.1x	8.6x	n.m.	69.0x	9.3%	80.8%	(5.1%)	30.5%	23.8%	50.8%	24.9%	26.8%	0.6x	0.6x	36.1%	94.0%	n.a.	284.89
Instructure	2,661.4	2,548.6	6.9x	6.1x	n.m.	n.a.	4.8%	68.6%	(24.1%)	23.0%	17.8%	47.4%	33.3%	33.3%	0.7x	0.6x	14.9%	91.1%	n.a.	250.69
Shopify	69,122.8	65,435.0	29.2x	23.4x	n.m.	n.a.	1.2%	55.6%	(6.7%)	44.9%	36.1%	30.5%	22.8%	23.3%	1.6x	1.8x	41.1%	42.4%	n.a.	511.03
Twilio	21,263.1	19,448.3	12.1x	9.8x	n.m.	n.a.	1.6%	53.8%	(22.5%)	71.7%	31.5%	31.9%	33.8%	35.9%	2.3x	2.5x	39.0%	84.0%	n.a.	543.19
Docusign	19,518.5	19,480.8	19.3x	11.7x	n.m.	n.a.	8.3%	75.1%	(18.7%)	35.2%	37.7%	62.1%	19.9%	19.9%	0.7x	0.6x	46.0%	95.0%	n.a.	428.95

Source: Capital IQ, company filings, Blackpeak Capital.

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5) Rule of 40% NTM defined as revenue growth % (t+1) + EBITDA margin (t+1)

Blackpeak US horizontal SaaS index constituents

Company	Capitalisation		Multiples					Operating metrics												Revenue/ employee
			EV/ Revenue		EV/ EBITDA		FCF margin ¹	Margins (LTM)		Revenue growth		Expenses (LTM) ²			SaaS ³	S&M Efficiency ⁴	Rule of 40% ⁵	Recurring revenue	Attrition	
	Equity Value (A\$m)	Enterprise Value (A\$m)	FY19E	NTM	FY19E	NTM	NTM	Gross	EBITDA	FY19E	FY20E	S&M/ revenue	R&D (exc)/ revenue	R&D (inc)/ revenue	SaaS magic number	LTM	NTM	Last reported	Last reported	LTM
US horizontal SaaS																				
Zscaler	8,990.2	8,494.8	19.4x	13.4x	n.m.	n.a.	2.6%	79.8%	(6.4%)	59.2%	35.7%	57.9%	21.0%	22.4%	0.6x	0.8x	44.6%	98.0%	n.a.	324.73
Dropbox	11,102.9	10,915.7	4.6x	4.1x	20.3x	16.9x	22.9%	74.8%	5.8%	19.1%	14.7%	26.2%	39.1%	39.3%	0.6x	0.9x	39.2%	90.0%	n.a.	988.22
Smartsheet	7,764.1	7,045.0	27.5x	14.0x	n.m.	n.a.	n.a.	80.8%	(30.4%)	59.7%	52.0%	63.4%	34.9%	37.4%	1.0x	1.1x	37.8%	89.9%	n.a.	236.91
Zuora	2,395.0	2,166.0	6.4x	4.9x	n.m.	n.a.	n.a.	51.0%	(28.7%)	40.1%	18.0%	41.1%	25.9%	25.9%	0.9x	0.9x	6.7%	73.9%	n.a.	318.09
Okta	21,583.1	21,193.5	36.8x	20.8x	n.m.	n.a.	4.0%	72.7%	(29.8%)	55.6%	43.9%	58.1%	27.5%	29.7%	0.7x	0.9x	35.8%	92.9%	n.a.	364.23
New Relic	5,775.7	5,363.4	7.8x	5.8x	48.8x	40.5x	5.0%	83.3%	(4.8%)	35.0%	23.4%	54.4%	24.2%	25.1%	0.5x	0.5x	39.3%	n.a.	n.a.	401.89
Coupa Software	15,164.9	15,061.3	40.1x	22.9x	n.m.	n.a.	11.2%	64.9%	(13.6%)	39.4%	46.3%	40.0%	25.4%	25.4%	1.6x	0.8x	59.2%	89.7%	n.a.	423.90
Box	3,738.8	4,063.1	4.6x	3.8x	n.m.	33.4x	7.8%	69.5%	(11.7%)	20.2%	14.1%	46.7%	27.8%	29.0%	0.5x	0.4x	22.4%	n.a.	n.a.	492.84
Mimecast	4,127.4	4,191.0	8.5x	6.2x	53.8x	34.1x	10.1%	74.0%	7.5%	30.0%	24.0%	40.5%	18.1%	18.1%	0.8x	0.8x	41.4%	n.a.	n.a.	369.01
Everbridge	4,008.7	3,892.2	13.5x	11.1x	n.m.	n.a.	0.0%	68.5%	(19.8%)	36.0%	28.8%	44.3%	30.1%	34.3%	1.1x	0.9x	34.2%	93.5%	n.a.	288.54
Workiva	2,912.4	2,671.9	6.3x	5.7x	n.m.	n.a.	8.3%	71.9%	(9.1%)	20.0%	16.4%	38.8%	31.0%	31.3%	0.6x	0.4x	10.6%	82.0%	3.9%	269.13
Yext	2,446.5	2,264.3	6.9x	4.4x	n.m.	n.a.	n.a.	74.5%	(34.6%)	34.1%	30.4%	71.7%	15.9%	15.9%	0.3x	0.6x	18.9%	96.0%	n.a.	450.78
Talend	1,836.5	1,811.2	5.1x	4.5x	n.m.	n.a.	n.a.	75.0%	(22.4%)	21.0%	20.1%	56.6%	25.2%	25.2%	0.3x	0.6x	17.3%	85.6%	n.a.	275.44
Zoom	28,041.1	26,951.1	n.m.	23.4x	n.m.	n.a.	15.5%	81.0%	4.0%	118.2%	84.9%	54.6%	10.6%	11.0%	1.5x	2.9x	103.6%	97.0%	4.0%	323.52
Slack	18,675.7	17,558.9	30.4x	15.4x	n.m.	n.a.	n.a.	84.4%	n.a.	81.6%	55.5%	64.7%	71.8%	71.9%	0.6x	1.1x	40.9%	40.0%	n.a.	415.26
8x8	2,667.8	2,828.5	5.6x	4.0x	n.m.	n.a.	n.a.	60.3%	(27.1%)	18.9%	24.6%	53.2%	18.7%	26.0%	1.4x	0.4x	18.8%	94.9%	n.a.	375.73
Anaplan	10,621.1	10,251.4	29.5x	16.5x	n.m.	n.a.	n.a.	72.8%	(39.4%)	42.9%	44.2%	72.3%	19.1%	22.2%	0.6x	0.6x	34.2%	87.0%	n.a.	354.32
ZixCorp	567.6	830.2	3.3x	3.3x	14.4x	13.8x	12.0%	59.8%	15.9%	144.9%	23.2%	0.9%	12.5%	12.5%	n.a.	3.2x	47.5%	n.a.	n.a.	770.34
Ceridian	14,417.6	15,052.9	12.7x	11.6x	56.2x	51.9x	9.8%	44.9%	18.5%	11.2%	12.6%	0.7%	7.3%	12.1%	n.a.	11.5x	35.9%	87.4%	3.7%	260.62
Median			11.5x	9.0x	48.1x	39.6x	10.0%	74.0%	-5.3%	31.7%	24.0%	45.6%	22.7%	25.1%	0.6x	77.3%	39.2%	90.0%	4.0%	388.69
Max			40.1x	23.4x	56.4x	69.0x	36.8%	87.6%	34.0%	144.9%	84.9%	72.3%	71.8%	71.9%	2.3x	1151.8%	103.6%	98.2%	10.0%	988.22
Min			1.8x	1.7x	12.4x	10.8x	0.0%	44.9%	-39.4%	-1.3%	5.0%	0.7%	7.3%	9.7%	(3.1x)	14.4%	6.7%	40.0%	1.0%	223.56

Source: Capital IQ, company filings, Blackpeak Capital.

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4) S&M efficiency defined as revenue (t+1)-revenue (t)/ S&M expense (t)

5) Rule of 40% NTM defined as revenue growth % (t+1) + EBITDA margin (t+1)

Blackpeak US vertical SaaS index constituents

Company	Capitalisation		Multiples					Operating metrics												
			EV/ Revenue		EV/ EBITDA		FCF margin ¹	Margins (LTM)		Revenue growth		Expenses (LTM) ²			SaaS ³	S&M Efficiency ⁴	Rule of 40% ⁵	Recurring revenue	Attrition	Revenue/ employee
	Equity Value (A\$m)	Enterprise Value (A\$m)	FY19E	NTM	FY19E	NTM	NTM	Gross	EBITDA	FY19E	FY20E	S&M/ revenue	R&D (exc)/ revenue	R&D (inc)/ revenue	SaaS magic number	LTM	NTM	Last reported	Last reported	LTM
US vertical SaaS																				
Avalara	8,888.1	8,243.4	15.2x	12.9x	n.m.	n.a.	n.a.	70.2%	(11.9%)	37.8%	25.2%	48.0%	20.0%	20.1%	0.7x	0.4x	26.2%	93.0%	n.a.	318.73
Castlight	261.5	209.8	1.0x	1.1x	n.m.	n.a.	n.a.	61.4%	(20.1%)	(9.0%)	(4.8%)	26.5%	40.2%	40.2%	0.2x	0.4x	(11.3%)	92.0%	n.a.	457.25
Veeva	30,911.6	28,794.2	23.1x	15.2x	64.3x	42.0x	32.3%	73.3%	30.2%	24.9%	26.5%	16.5%	18.7%	18.9%	2.2x	1.3x	65.8%	81.4%	n.a.	579.17
Guidewire	13,158.8	12,309.6	11.9x	10.8x	59.6x	68.8x	14.1%	53.5%	2.1%	10.2%	6.5%	18.9%	27.4%	28.1%	5.4x	1.3x	21.4%	53.6%	n.a.	420.47
2U	2,195.1	2,423.2	2.9x	2.4x	n.m.	n.a.	n.a.	73.9%	(11.7%)	39.1%	27.2%	58.7%	18.7%	30.9%	0.7x	0.8x	23.5%	n.a.	n.a.	289.30
Aspen	12,464.8	12,893.7	14.9x	14.6x	30.8x	28.7x	49.3%	90.3%	48.8%	15.3%	0.7%	18.4%	13.8%	13.9%	7.0x	0.3x	51.5%	92.1%	n.a.	557.48
Alarm.com	3,016.7	2,932.6	4.3x	3.9x	19.9x	19.6x	18.3%	64.1%	16.0%	13.0%	14.4%	12.6%	24.0%	24.4%	2.8x	1.9x	34.3%	69.0%	7.0%	654.65
Appfolio	5,551.5	5,597.5	15.2x	12.6x	n.m.	n.a.	-	60.6%	7.4%	34.3%	27.1%	19.5%	20.0%	28.0%	2.3x	1.6x	43.6%	n.a.	n.a.	284.98
RealPage	7,285.4	7,959.5	5.6x	5.0x	19.6x	17.9x	22.4%	61.2%	17.0%	13.3%	16.9%	19.6%	17.6%	17.6%	0.9x	1.4x	44.3%	95.9%	n.a.	206.79
Envestnet	5,462.7	6,326.0	4.9x	4.4x	22.8x	18.9x	14.8%	48.0%	10.3%	(25.4%)	14.6%	n.a	4.6%	8.0%	n.a.	n.a.	37.3%	43.0%	n.a.	320.29
Q2 holdings	5,922.7	5,663.8	12.4x	10.1x	n.m.	n.a.	n.a.	48.2%	(10.3%)	31.7%	30.5%	20.6%	27.0%	27.1%	1.6x	1.1x	35.4%	70.1%	5.0%	358.64
Blackbaud	5,489.6	6,349.2	4.9x	4.8x	24.2x	25.1x	15.1%	54.2%	12.9%	5.6%	4.7%	24.4%	14.0%	19.1%	0.7x	0.4x	23.5%	92.8%	7.0%	380.27
SPS Commerce	2,810.2	2,548.1	6.3x	5.9x	25.5x	22.5x	19.1%	67.0%	18.8%	12.4%	10.1%	25.8%	9.9%	9.9%	0.4x	0.4x	36.8%	91.6%	n.a.	318.28
Median			6.3x	5.9x	24.9x	23.8x	18.3%	61.4%	10.3%	13.3%	14.6%	20.1%	18.7%	20.1%	1.2x	98.6%	35.4%	91.6%	7.0%	358.64
Max			23.1x	15.2x	64.3x	68.8x	49.3%	90.3%	48.8%	39.1%	30.5%	58.7%	40.2%	40.2%	7.0x	187.5%	65.8%	95.9%	7.0%	654.65
Min			1.0x	1.1x	19.6x	17.9x	0.0%	48.0%	-20.1%	-25.4%	-4.8%	12.6%	4.6%	8.0%	0.2x	26.6%	-11.3%	43.0%	5.0%	206.79

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