

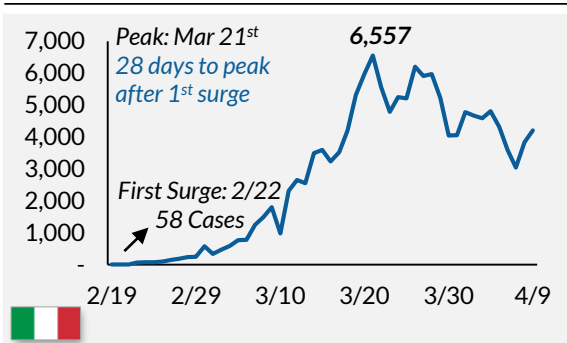


Tech M&A in the Midst of the COVID-19 Storm

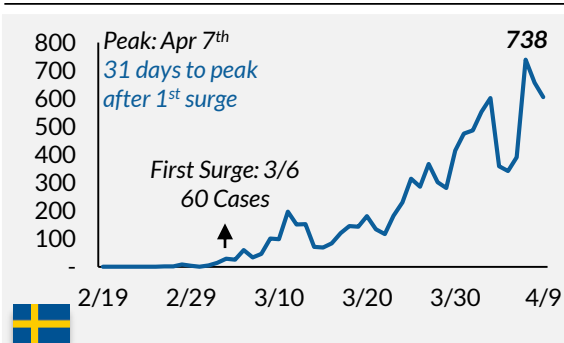
COVID-19 : POSSIBLY PEAKING IN EUROPE

Number of New Cases per Day

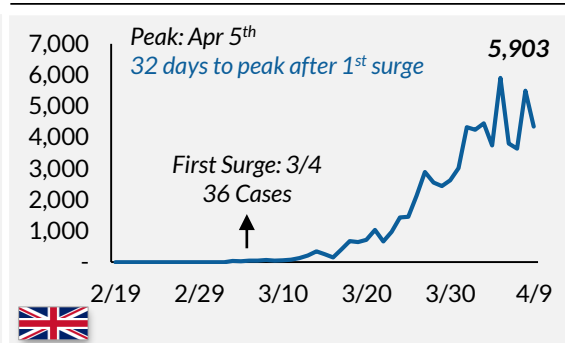
Italy



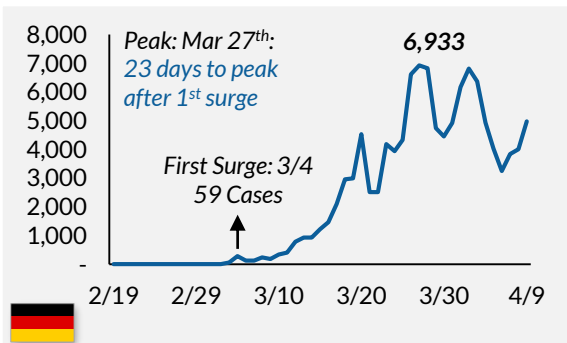
Sweden



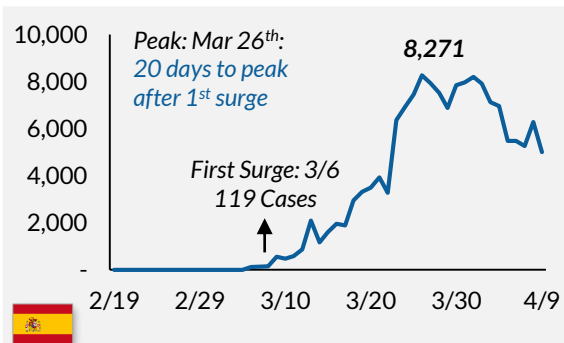
U.K.



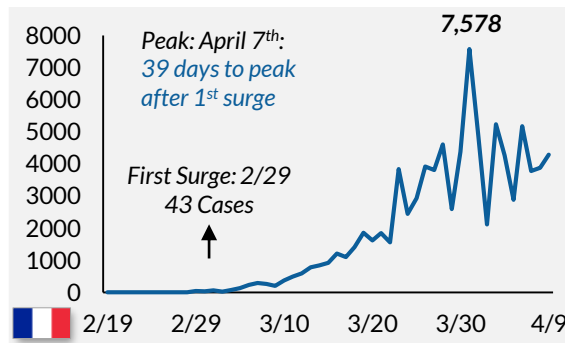
Germany



Spain



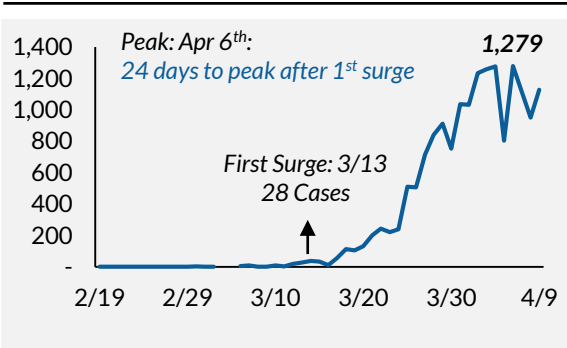
France



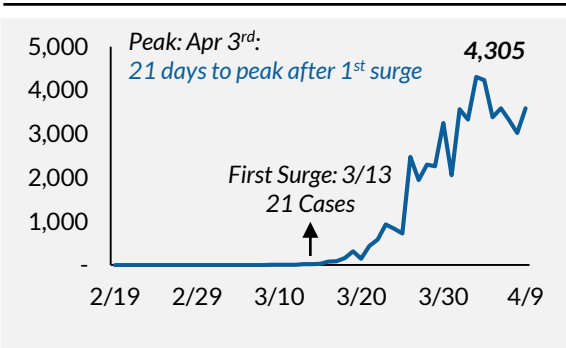
COVID-19 IN THE US : TRAILING EUROPE BY A FEW WEEKS

Number of New Cases per Day

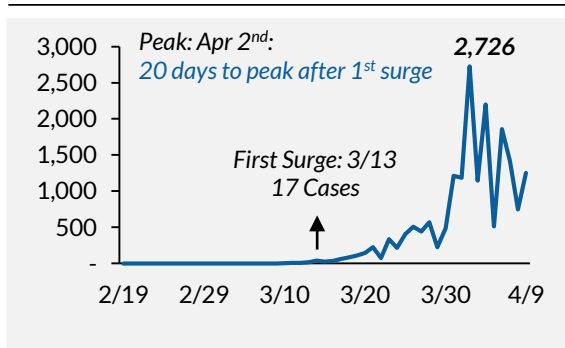
Florida



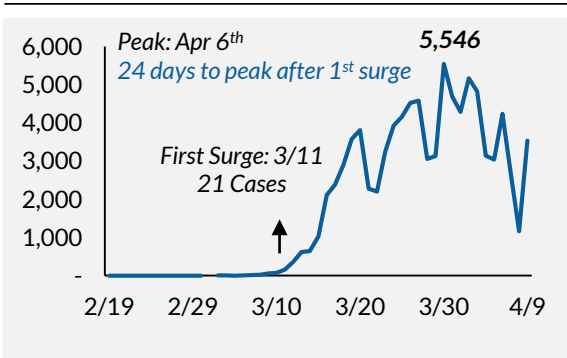
New Jersey



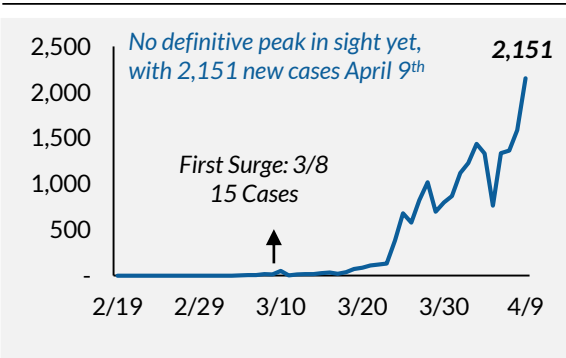
Louisiana



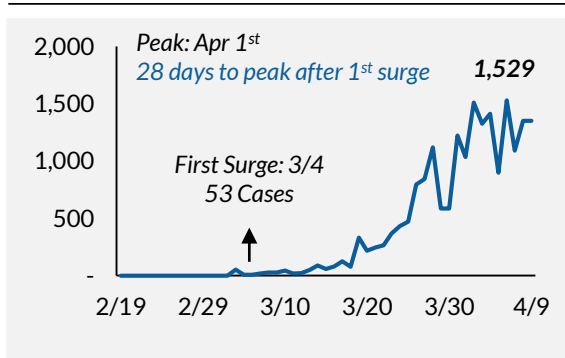
NYC



Massachusetts



California

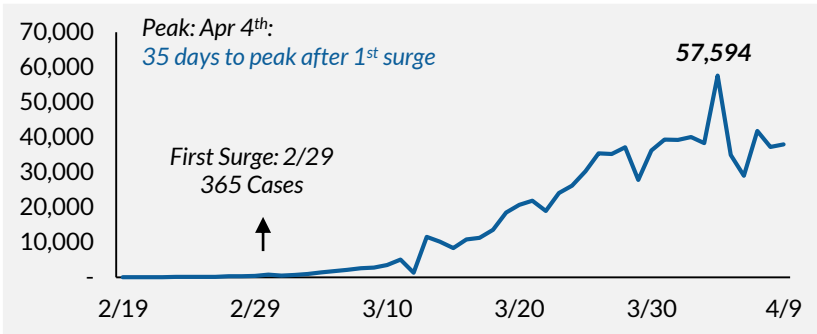


COVID-19: US VS. EUROPE

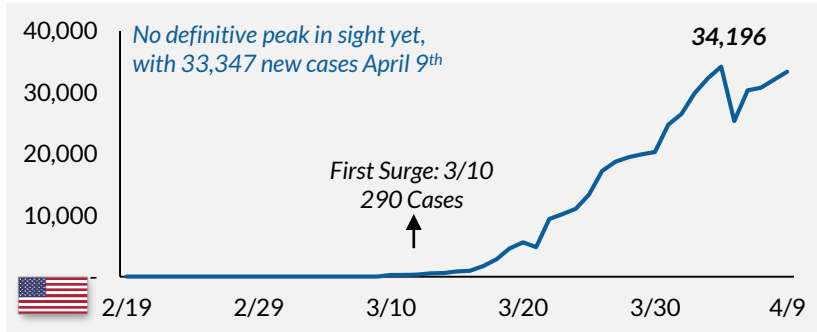
Key Takeaways

- Europe was hit by COVID-19 before the US and several of their core countries appeared to hit peak cases per day over the last week
- The world is now hoping that the US will experience a similar trend and peak sometime over the next week
- While the world will have to deal with instances of a “second wave,” social distancing, ramped up healthcare capacity, and other measures will help mitigate the impact – in some of the highest testing countries, only 1% of the population has been infected
- It is pretty clear that there will continue to be spikes in new cases and mortality as we gradually reengage our global workforces
- That balancing act has already been initiated in several major cities with promising results that we hope to improve on as the new normal is pursued across the world

Europe Number of New Cases Reported Per Day



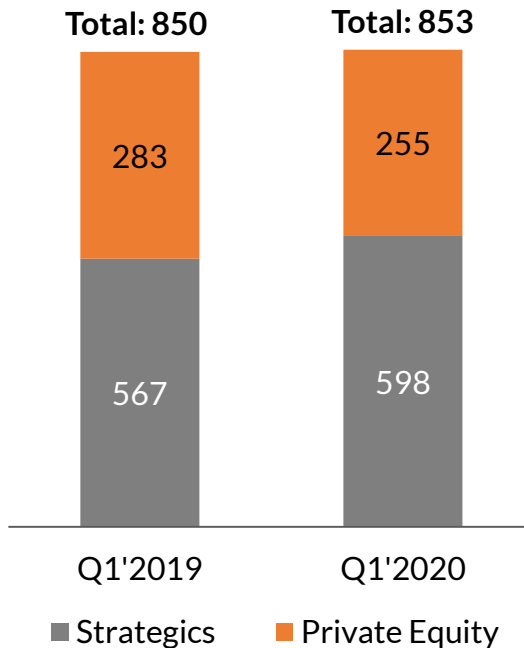
U.S. Number of New Cases Reported Per Day



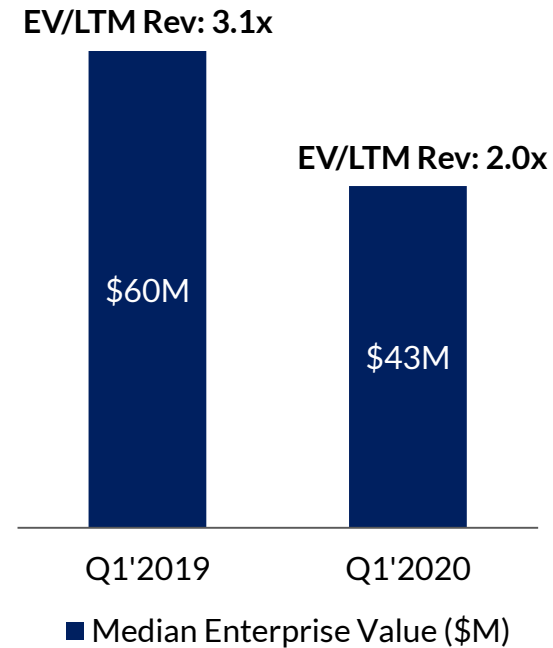
FLASH Q1'2020 TECH M&A RESULTS

- Tech M&A activity remained stable in Q1'20, inching to 853 transactions vs 850 in Q1'19
 - Strategics accounted for 70% of M&A activity in Q1'20, jumping to 598 deals from 567 in the year prior
- COVID-19 has brought instability to price negotiations, resulting in tech M&A prices to drop from previous all time high valuations
 - The median deal size fell to \$43M in Q1'20 from \$60M in Q1'19
 - The median EV/LTM rev multiple dipped as well, down to 2.0x in Q1'20 from 3.1x in Q1'19
- All was good, until it wasn't

Total Deal Count



Disclosed Deal Metrics



EARLY SIGNS OF TECH M&A DECELERATION : APRIL WEEK 1 FLASH RESULTS

First Week of April, 2019

Target	EV (\$M)	LTM Rev (\$M)	EV/LTM Rev	Acquirer
TRILGY	\$750	ND	ND	2U
CUSTOM INK	\$750	\$400	1.9x	Great Hill PARTNERS
EG	\$556	ND	ND	FP
Xevo	\$320	\$75	4.3x	LEAR CORPORATION
@mailgun TOWNS RIVER	\$270	\$30	9.0x	THOMABRAVO
Others (77)				
\$3.7B	\$44M	83		
COMBINED EV (DISCLOSED DEALS)	MEDIAN EV (DISCLOSED DEALS)	TOTAL DEALS (53 STRATEGIC/30 PE)		

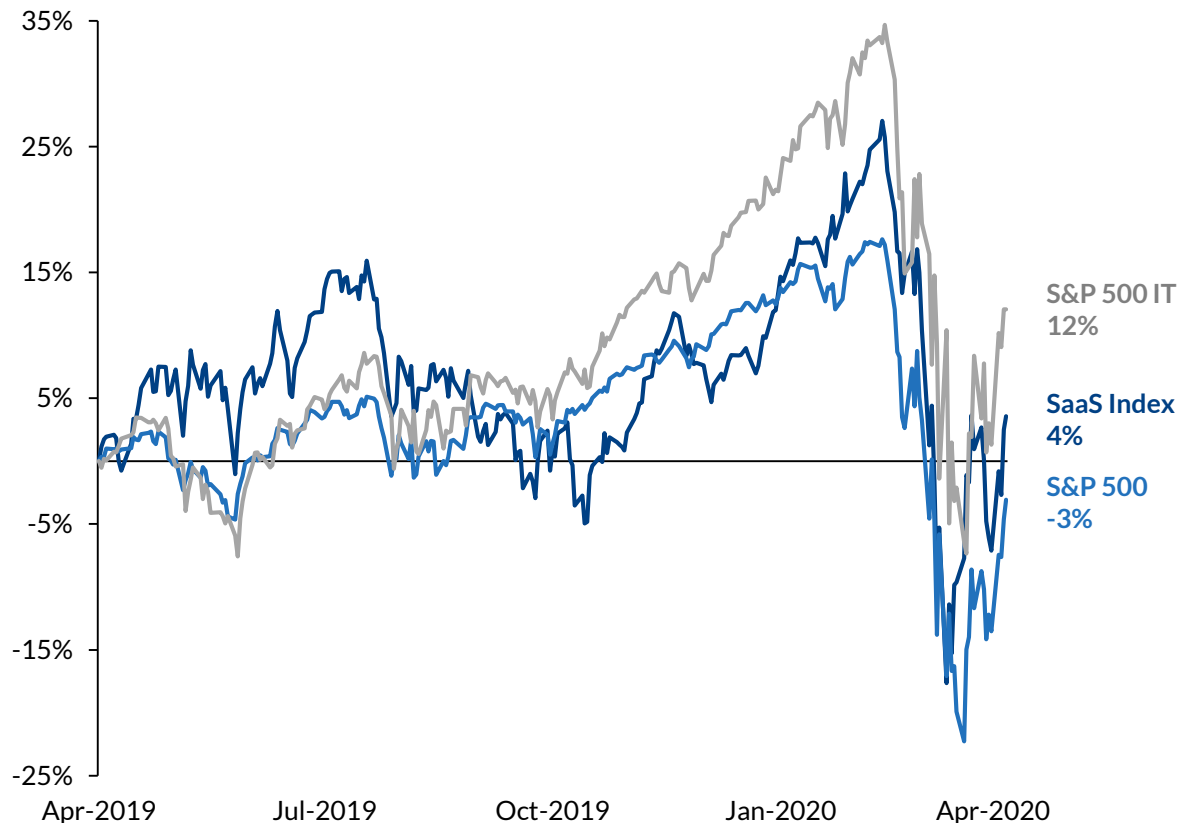
First Week of April, 2020

Target	EV (\$M)	LTM Rev (\$M)	EV/LTM Rev	Acquirer
GALILEO	\$1,200	100	12.0x	SoFi
LUXOFT	\$11	\$3	3.2x	SimulationsPlus
novioscan	\$7	ND	ND	Essekte
trellis	\$2	\$1	1.8x	AKERNA
emerson	\$2	\$1	1.5x	Novatti
Others (54)				
\$1.2B	\$2M	59		
COMBINED EV (DISCLOSED DEALS)	MEDIAN EV (DISCLOSED DEALS)	TOTAL DEALS (40 STRATEGIC/19 PE)		

- Through the first full week of April, tech M&A activity was down **30% YoY** dropping from **83** in 2019 to **59** total transactions in 2020. The average deal count per week was **85** in 2019
- Disclosed deal value was down **68%** from **\$3.7B** in the first week of April in 2019 to **\$1.2B** this week, with much lower activity from PEs
- Strategics accounted for **68%** of tech M&A, with the large strategics expected to remain active even in downturns, as demonstrated by Apple's acquisition of Voysis Limited, an Irish based AI speech recognition software company
- Only **1** disclosed deal was above **\$50M** for the week, which is not a good omen, and implies that the deal activity is even worse than the number of transactions would imply

S&P 500 IS ONLY DOWN 3% IN THE LAST 12 MONTHS

- The S&P 500 is only down 3% over the last 12 months – giving up a little ground on what has been a historic 3 year run
- The S&P 500 Information Technology Index is up 12%, driven by tech giants such as Apple, Microsoft, and Google
- The SaaS Index has experienced a rollercoaster year, rebounding 34% from October through February, before dropping 35% by March 16th. Since then, the SaaS index has rebounded strongly to return 4% over the last 12 months



Source: PitchBook - As of 4/9/20

COVID-19 KNOCKS SAAS VALUATIONS BACK TO OCTOBER'19 LEVELS

- Index of the top of the 52 top public SaaS providers
- The median EV/LTM revenue multiple dropped to 7.8x on March 12th before rebounding to 10.5x as of April 9th, representing a 22% decline from a February 14th high of 13.7x
- At a 10.6x multiple, the index is back to the same levels as mid-October'19 levels, when SaaS valuations dipped after summer gains
- During the last financial crisis, median EV/Rev multiples declined by 76% over a one year period before rebounding to levels of 8x+ in the latter half of 2010
- **We anticipate Q2 and Q3 to be challenging quarters; however, multiples may rise as more companies reduce their estimates**



Source: PitchBook - As of 4/9/20

INDEX OF THE TOP 52 SAAS PROVIDERS

Company	Market Cap (\$M)	EV/LTM Rev	Cash (\$M)
Adobe Systems	\$153,550	13.2x	\$2,688
Salesforce	138,322	8.0x	4,145
PayPal	124,139	6.7x	7,349
ServiceNow	52,776	15.1x	776
Shopify	48,567	29.3x	650
Zoom	34,738	54.5x	283
Atlassian	33,857	23.4x	1,240
Workday	33,735	9.2x	731
Square	25,770	5.2x	1,047
Veeva Systems	24,196	21.0x	477
RingCentral	17,869	19.9x	344
DocuSign	16,445	16.9x	241
Okta	16,079	26.9x	520
Slack	13,753	21.0x	499
Twilio	13,320	10.7x	254
Paycom Software	13,060	17.6x	134
CrowdStrike	12,398	23.9x	265
Datadog	10,977	28.3x	597
Coupa	8,787	22.6x	268
Zscaler	8,096	21.5x	77
Zendesk	7,831	9.7x	197
Dropbox	7,737	4.6x	551
Proofpoint	6,652	7.4x	848
Cloudflare	6,410	20.1x	139
HubSpot	6,143	8.6x	270
Wix.com	5,941	7.4x	268

Company	Market Cap (\$M)	EV/LTM Rev	Cash (\$M)
Avalara	\$5,751	14.0x	\$467
Paylocity	5,415	10.3x	76
RealPage	5,317	6.5x	197
Smartsheet	5,304	17.7x	516
Anaplan	4,893	13.3x	310
Five9	4,857	14.5x	78
Elasticsearch	4,413	10.8x	294
Qualys	3,937	11.5x	88
j2 Global	3,640	3.4x	576
Everbridge	3,368	16.3x	532
AppFolio	3,367	13.3x	16
Q2	3,212	11.3x	100
BlackLine	3,068	9.9x	120
New Relic	3,053	4.9x	179
Medallia	2,678	5.8x	227
Box	2,346	3.7x	196
Tenable	2,215	5.8x	74
Mimecast	2,069	5.2x	190
Fastly	1,990	9.4x	16
Pluralsight	1,762	6.0x	91
Workiva	1,625	4.9x	382
2U	1,432	2.8x	171
PagerDuty	1,431	6.5x	124
Yext	1,352	4.1x	256
Zuora	1,049	3.5x	54
Domo	327	1.9x	94
Median	\$5,846	10.5x	\$266

TOP 200 PEs BY TECH AUM (\$M)

PE Firm	Tech AUM (Estimate)	% Allocated to Tech (Estimate)	PE Firm	Tech AUM (Estimate)	% Allocated to Tech (Estimate)	PE Firm	Tech AUM (Estimate)	% Allocated to Tech (Estimate)
1. Blackstone	\$56,721	20%	34. Summit Partners	\$8,443	50%	67. Thomas H. Lee Partners	\$4,308	29%
2. Vista Equity Partners	52,362	100%	35. Centerbridge Partners	8,240	30%	68. Lone Star Funds	4,255	13%
3. Thoma Bravo	43,618	100%	36. General Catalyst	8,175	92%	69. Montagu Private Equity	4,244	60%
4. Carlyle	42,573	28%	37. IK Investment Partners	8,159	32%	70. Idinvest Partners	3,929	45%
5. Insight Partners	31,950	100%	38. Nordic Capital	8,109	32%	71. Verdane Capital	3,838	60%
6. KKR	28,378	31%	39. Norwest Venture Partners	7,963	84%	72. Searchlight Capital	3,769	54%
7. Ardian	26,064	30%	40. General Atlantic	7,792	60%	73. Platinum Equity	3,683	20%
8. Silver Lake Management	25,829	75%	41. Inflexion Private Equity	7,778	31%	74. GTCR	3,540	34%
9. TPG	24,179	45%	42. TPG Growth	7,756	50%	75. Pamlico Capital	3,538	80%
10. Apollo Global	22,131	26%	43. Altor Equity Partners	7,682	30%	76. Gilde Buy Out Partners	3,529	14%
11. Warburg Pincus	20,985	36%	44. Battery Ventures	7,596	100%	77. Stone Point Capital	3,458	16%
12. Elliott Management	20,654	30%	45. BC Partners	7,015	27%	78. Crestview Partners	3,391	38%
13. TA Associates Management	20,240	75%	46. Great Hill Partners	5,855	80%	79. Mid Europa Partners	3,388	13%
14. Adams Street	20,139	60%	47. Accel-KKR	5,816	100%	80. Vector Capital	3,333	90%
15. Bain	19,145	39%	48. Partners Group	5,795	23%	81. Spectrum Equity	3,212	90%
16. EQT	18,133	32%	49. H.I.G. Capital	5,769	33%	82. Balderton Capital	3,080	100%
17. Hg	17,983	62%	50. Apax Partners	5,750	30%	83. The Invs Group	3,067	38%
18. Providence Equity Partners	16,812	80%	51. Madison Dearborn Partners	5,599	50%	84. JMI Equity	3,060	100%
19. Alpinvest Partners	14,696	21%	52. Goldman Sachs	5,571	70%	85. ABRY Partners	3,052	33%
20. CVC Capital Partners	13,358	26%	53. GGV Capital	5,566	90%	86. Riverwood Capital	3,046	100%
21. Advent International	12,891	25%	54. Dragoneer Investment Group	5,385	77%	87. Oak Hill Capital	3,000	37%
22. Cinven	12,347	49%	55. Pamplona Capital	5,379	41%	88. WCAS	2,976	31%
23. TCV	12,173	100%	56. New Mountain Capital	5,301	35%	89. Aquiline Capital	2,885	50%
24. Exponent Private Equity	11,927	47%	57. Marlin Equity Partners	5,166	100%	90. Charterhouse Capital	2,772	11%
25. Permira	11,519	35%	58. Golden Gate Capital	5,132	34%	91. The Riverside Company	2,765	36%
26. GI Partners	11,405	75%	59. Siris Capital	5,102	85%	92. The Jordan Company	2,729	25%
27. Clearlake Capital Group	10,528	60%	60. BlackRock Private Equity	5,095	33%	93. Onex	2,609	15%
28. ECI Partners	10,463	41%	61. 3i Group	5,082	20%	94. M/C Partners	2,556	100%
29. Veritas Capital	9,774	70%	62. Leonard Green & Partners	5,021	16%	95. STG Partners	2,493	90%
30. FSN Capital	9,361	37%	63. Founders Fund	5,009	90%	96. BV Investment Partners	2,400	80%
31. HarbourVest Partners	9,189	24%	64. Genstar Capital	4,881	35%	97. Berkshire Partners	2,395	25%
32. Hellman & Friedman	9,117	22%	65. Vitruvian Partners	4,760	100%	98. Waterland Investments	2,338	37%
33. Francisco Partners	8,736	100%	66. ICONIQ Capital	4,416	100%	99. Parthenon Capital	2,318	50%
						100. Terra Firma Capital	2,310	9%

* Based on AUMs reported by PitchBook and percent allocated to tech derived from PitchBook, adjusted for return of capital and liquidated funds. As of 3/30/20.

TOP 200 PEs BY TECH AUM (\$M) (CONT.)

PE Firm	Tech AUM (Estimate)	% Allocated to Tech (Estimate)	PE Firm	Tech AUM (Estimate)	% Allocated to Tech (Estimate)	PE Firm	Tech AUM (Estimate)	% Allocated to Tech (Estimate)
101. Charlesbank Capital	\$2,261	38%	134. Frontier Growth	\$1,121	90%	167. Carrick Capital Partners	\$443	94%
102. Polaris Partners	2,150	50%	135. Perella Weinberg Partners	1,100	11%	168. SFW Capital Partners	433	67%
103. Partech Partners	2,003	100%	136. WestView Capital Partners	1,096	60%	169. NewView Capital	430	32%
104. Bregal Sagemount	2,003	80%	137. Volition Capital	1,000	91%	170. PeakSpan Capital	419	100%
105. FTV Capital	1,858	85%	138. Cove Hill Partners	1,000	100%	171. CIP Capital	410	63%
106. LetterOne	1,815	7%	139. RedBird Capital Partners	995	55%	172. Housatonic Partners	407	31%
107. Court Square Capital Partners	1,746	32%	140. Kensington Capital Partners	939	72%	173. Investcorp Technology Partners	400	100%
108. Valor Equity Partners	1,645	88%	141. Atlantic Bridge Capital	922	93%	174. True Wind Capital	399	67%
109. Main Street Capital	1,625	41%	142. Riverside Partners	919	71%	175. Five Elms Capital	390	100%
110. Edison Partners	1,600	100%	143. Maranon Capital	878	35%	176. Palamon Capital Partners	385	25%
111. Novacap	1,553	43%	144. Livingbridge	874	45%	177. Digital+ Partners	385	100%
112. Sumeru Equity Partners	1,516	80%	145. Oakley Capital	861	54%	178. Gryphon Investors	382	9%
113. K1 Investment	1,480	100%	146. RUBICON Technology Partners	852	100%	179. Halyard Capital	382	64%
114. Level Equity	1,478	100%	147. Main Capital Partners	835	85%	180. Huron Capital Partners	360	20%
115. Alpine Investors	1,469	60%	148. Kennet Partners	825	92%	181. Strattam Capital	353	91%
116. HGGC	1,432	41%	149. Silversmith Capital Partners	800	71%	182. Waud Capital Partners	344	11%
117. Scottish Equity Partners	1,347	94%	150. Sunstone Partners	798	100%	183. Sverica Capital Management	330	45%
118. Stripes	1,338	85%	151. Susquehanna Growth Equity	778	78%	184. Cipio Partners	326	95%
119. BDB of Canada	1,313	82%	152. Target Global	770	100%	185. Harbert Growth Partners	300	100%
120. LLR Partners	1,303	60%	153. Summa Equity	739	65%	186. CapitalG	300	100%
121. Audax Group	1,292	12%	154. Sorenson Capital	710	71%	187. HPE Growth	295	71%
122. Leeds Equity Partners	1,230	61%	155. Thompson Street Capital Partners	688	32%	188. M33 Growth	293	67%
123. WP Global Partners	1,224	40%	156. Catalyst Investors	684	84%	189. The Argentum Group	286	71%
124. Shamrock Capital Advisors	1,224	76%	157. Update Partners	658	100%	190. Centana Growth Partners	266	100%
125. Keensight Capital	1,210	71%	158. OpenView Venture Partners	639	89%	191. BPEA Private Equity	255	42%
126. Highland Europe	1,199	100%	159. Bertram Capital Management	622	44%	192. Petra Capital Partners	251	52%
127. F-Prime Capital Partners	1,171	54%	160. ParkerGale Capital	615	100%	193. Fulcrum Equity Partners	236	68%
128. Sageview Capital	1,170	60%	161. Baird Capital	604	53%	194. Synova Capital	233	18%
129. Greycroft	1,170	90%	162. The Chernin Group	592	84%	195. Brown Brothers Harriman Capital	229	12%
130. OMERS Private Equity	1,154	23%	163. Delta-v Capital	500	100%	196. ABS Capital Partners	224	81%
131. Tailwind Capital	1,145	32%	164. Georgian Partners	492	100%	197. FPE Capital	208	100%
132. Guidepost Growth Equity	1,130	100%	165. Peterson Partners	449	69%	198. Boathouse Capital	194	55%
133. Mainsail Partners	1,130	100%	166. Trivest Partners	447	26%	199. Wavecrest Growth Partners	190	100%
						200. Avedon Capital Partners	183	33%

* Based on AUMs reported by PitchBook and percent allocated to tech derived from PitchBook, adjusted for return of capital and liquidated funds. As of 3/30/20.

SAAS COMPANIES FACE AN INCREDIBLY CHALLENGING ENVIRONMENT

The effect of COVID-19 on SaaS businesses will endure as long as it prevents business travel and uncertainty around software budgets; however, once the wave of uncertainty passes companies will continue to utilize software to run their businesses



Sustainability of Installed Base

- Software vendors with pure recurring SaaS revenue and high margins will still be richly valued and far better off than those with low recurring revenue, transactional revenue or traditional business models
- Software solutions will be judged on whether they are mission critical – such businesses are poised to fair better than discretionary software categories
- Pricing schemes and payment terms will become increasingly important to understand
- Consumer and SMB focused businesses are facing significant revenue challenges in the current market (significantly reduced demand)



Increase Focus on ROI for New Customers

- Customers will have an increased scrutiny on realized ROI
- Vendors delivering on significant ROIs will experience higher levels of retention and eventual upsells
- Large transformation projects that involve core system upgrades, costly integrations, and long-term timeliness for completion will need to be put on hold
- Software solutions with longer time to ROIs will likely see decelerating, if not a decline, in growth



Solution Importance

- During COVID 19, companies will invest in software solutions that (1) help them differentiate and sustain product revenue; or (2) solutions that help reduce costs and improve their ability to operate in a recessionary environment
- Software customers will reset priorities, but they must still focus on sustaining or creating competitive advantages
- B2B enterprise SaaS will still remain the “best sandbox in the best house in the best neighborhood,” making software companies slightly more insulated than those in other industries such as brick and mortar retailers

RECENT RESULTS: HOW SAAS COMPANIES ARE RESPONDING

As the market has deteriorated over the past 40+ days, SaaS companies have shifted their focus to tailoring operations in response to the changing market environment

All Out Effort To Retain Existing Customers

- New customer acquisition for the first time **has taken a back seat to holding on to your current customers**
- Where necessary, **multi-month discounts** and **all out payment deferrals** have been instituted
- In exchange for these near term cash concessions, **SaaS companies are extending the life of current contracts**
- In the SMB world, these concessions just won't cut it as many companies are going out of business
- In addition to retention, driving **upsell opportunities** has become a crucial focus for achieving near term revenue goals



New Business Expectations

- Tracking daily usage numbers for the clients that are due for renewals and upsells – best-in-class anticipate 85% of their original forecasts for 2020
- New bookings wins will be challenging until some normalcy returns - most expect very soft Q2 and Q3 for new wins, with some return in Q4
- In the current market, SaaS companies **maintaining 50%+ of forecasted new bookings** may be considered best-in-class
- Management teams are making adjustments to their costs for these significantly reduced 2020 revenue projections



Cost Reductions

- Most companies have reacted swiftly - overnight hiring freezes, halted new initiatives and parted ways with under performers
- Many have identified and even **cut costs 10-25%+** in order to implement leaner operations
- Assumption that the downturn will continue for another 1-2 quarters, with the overwhelming feeling that it is easier to ramp back up with hiring and spending as the market begins to recover



Focus on Customer Usage

- As new business bookings slow, SaaS companies are increasingly **measuring past customer usage**
- Solutions with the highest rates of historical usage are the strongest indicators of retention and possible upsell opportunities during the future period of uncertainty



ANTICIPATE FURTHER SEPARATION OF THE “HAVES” AND “HAVE-NOTS”

DETERMINING THE LEADERS

- Over the past 9-18 months, many relatively low performing SaaS companies were able to raise capital at higher valuations than deserved
- SaaS companies with **“Pull”** technologies that draw in customers with substantial ROI will continue to outperform and command premium multiples
- **“Push”** technologies that push their solutions into the market with no meaningful value add for their clients will face additional headwinds
- Companies delivering mission critical software to B2B enterprise clients will continue to thrive and have access to the tremendous amount of available capital

DIVIDING THE SAAS LANDSCAPE

Over the next several quarters, the SaaS landscape will become increasingly bifurcated between the **“HAVES”** and the **“HAVE-NOTS”**



TRANSITION FROM THE OLD WORLD TO THE NEW WORLD

Due to the economic downturn eroding the reliability of many pre-existing forecasts, SaaS CEOs and investors will experience a transition period over the next two quarters

Q1'2020

- While many SaaS business recorded record Q1 results, many of those will not meet their 2020 original budgets
- The vast majority of the Q1 financial results reflect the strong 2H '19 bookings

Q2'2020

- Q2 results will be a reflection of a mix of pre-COVID-19 and the current market
- Many of the renewals, upsells and new bookings will have been a results of sales cycles implemented over the past 6 months
- Getting arms around “selling” and “buying” software in this Shelter-in-Place world
- C-Suite officers are scrutinizing each line of cost to see where cuts can be made, not ads

Q3'2020

- Will be the first quarter where the financial results will be a reflection of where the business stands in this New World
- Usage data, renewals and upsells will reflect who in the customer base views solutions as truly mission critical
- These insights will help shape the sales cycle for new bookings wins in Q4 '20



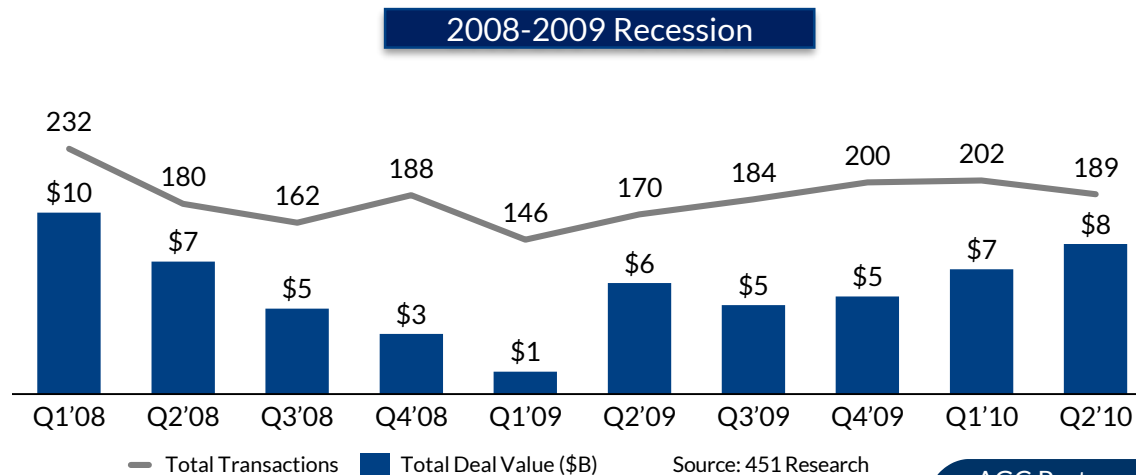
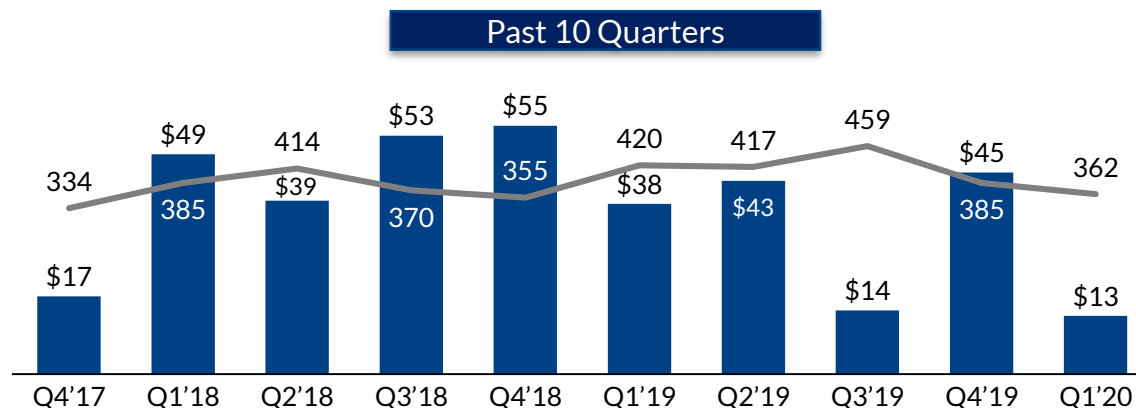
MOVING FROM A SELLERS MARKET TO A BUYERS MARKET

The Technology Revolution is Here to Stay, there are a Many Hungry Investors, and The Strongest Businesses will Emerge Even Stronger

- Private equity growth funds have aggressively raised new capital over the past 5 years
 - Roughly \$1.2 trillion of Private Equity dry powder, and \$200 billion of Venture Capital dry power
- Growth equity investors will continue to back market leaders at very strong valuations
 - We anticipate a 10-15% reduction in valuation multiples for the very best companies, compared to the 20-30% we have seen in the public markets (BVP SaaS Index Companies)
- Strong performing businesses will take advantage of acquisition opportunities to accelerate their market position
 - These CEOs will stay focused on maximizing organic and inorganic growth during these uncertain times
- Underperforming business will be facing difficult decisions
 - As demand for their solutions has been significantly weakened, Boards and CEOs will be making layoffs, pulling down available lines of debt, scouring for addition financings and unfortunately even may have to wind down
 - We expect the percentage of down round financings to dramatically increase in 2020 (only 9% in 2019) like 2009 (35% compared to 18% in 2008)
- It is a common belief that companies formed during a recession end up being some of the most successful
- We anticipate VCs increasing their focus on ensuring they at least realize modest returns for the middle half of their portfolios
 - For the past 10 years, VCs have prioritized getting mega returns on the “Stars” of the portfolio
 - They had limited fear of the potential of a total loss while pursuing a “home-run”
 - Investors may be pushed to realize modest returns on many portfolio companies, as extended hold periods will reduce their IRR math

UNPACKING THE Q1'20 SAAS M&A DOWNTURN

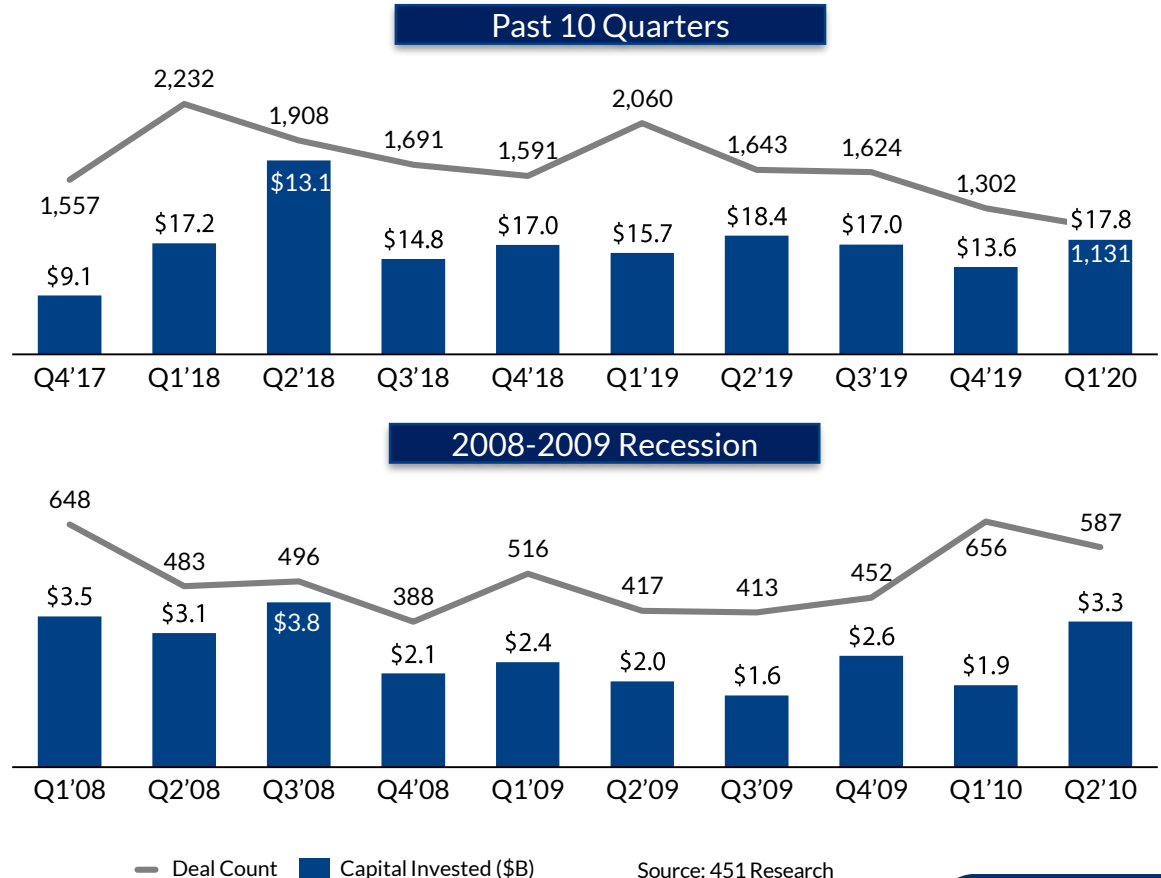
- SaaS M&A deal activity remained relatively stable in Q1'20 on a total transactions basis, experiencing a minor downturn to 362 total transactions vs 385 in Q4'19
- Meanwhile, COVID-19 has brought instability to price negotiations, resulting in SaaS M&A prices dropping from previous all time high valuations
 - The median deal size fell to \$33M in Q1'20 from \$40M in Q4'19
 - Total deal value declined to \$13B in Q1'20 from \$45B in Q4'19
- From 2008 to 2009, SaaS M&A experienced a sharp 4 quarter downturn before beginning to return to previous pre-recession levels



Source: 451 Research

PREDICTING COVID-19'S IMPACT ON SAAS FINANCING ACTIVITY

- SaaS financings dropped to 1,131 total deals in Q1'20 compared to 1,302 in Q4'19, however, total capital invested actually rose to \$17.8B from \$13.6B in Q4'19
- Despite the uptick in invested capital, a slow down in PE and VC activity should be expected in the coming quarters as the lack of in-person meetings slows down sourcing and due diligence
 - During the last financial crisis, SaaS financings experienced a roughly two year downturn before returning to similar pre recession deal count and invested capital levels
- Having strong cash flow and positive unit economics will become increasingly important to secure future funding, as down round equity financings tend to spike during periods of economic uncertainty



Source: 451 Research

PUBLIC SAAS INDEX – MEDIAN METRIC GROUPED BY EV/LTM REV BUCKET

EV/ LTM Rev Multiple	FY2019 Rule of 40	Current Rule of 40	Revenue Growth '18A/'19A	Revenue Growth '19A/'20E	EBITDA Margin	Gross Margin
>20x	64%	52%	47%	44%	4%	75%
15-20x	49%	35%	39%	34%	5%	75%
10-15x	48%	39%	37%	24%	17%	72%
6-10x	39%	37%	26%	28%	15%	71%
2-6x	24%	23%	22%	18%	(4%)	74%

AGC'S SAAS PERFORMANCE EXAM

	Below	Benchmark	Above
ARR Scale	<\$8M	\$8-20M	\$20M+
LTM Revenue Growth	30%	40%	50%+
Net Retention	90%	110%	120%+
Gross Retention	80%	85%	90%+
SaaS Gross Margin	<75%	75-90%	90%+
Rule of 40%	<30%	30-50%	50%+
LTV / CAC	<3x	3-5x	5x+
ACV	<\$25k	\$25k-200k	\$200k+
TAM	\$500M	\$1-2B	\$2B+
% SaaS Revenue	<70%	70-90%	90%+
Barriers to Entry	Low	Medium	High
Pre-COVID ARR Multiple	2-4x	4-6x	7-10x+
Est. Post-COVID ARR Multiple	Limited Deals	3-4x	5-8x+

2020 – DISCLOSED TECH M&A TRANSACTIONS

Targets (144)	Enterprise Value (\$M)	LTM Rev. (\$M)	EV / LTM Rev.	Acquirer	Sector
1. E*TRADE Financial Corporation	\$13,686	\$2,937	4.7x	Morgan Stanley	Internet content & commerce
2. Ingenico Group	9,950	3,438	2.9x	Worldline	Application software
3. Credit Karma Inc.	7,100	1,000	7.1x	Intuit	Internet content & commerce
4. Plaid Inc.	5,300	ND	ND	Visa	Infrastructure management
5. DXC Technology Co. (health and human services business)	5,000	1,400	3.6x	Veritas Capital	IT services & distribution
6. Veeam Software	5,000	1,000	5.0x	Insight Partners	IT services & distribution
7. Anixter International	4,525	8,712	0.5x	WESCO International Inc.	IT services & distribution
8. RSA Security [Dell Technologies] [NYSE:DELL]	2,075	800	2.6x	Symphony Technology Group / Ontario Teachers / AlInvest Partners	Security
9. United Technologies (military GPS business)	1,925	ND	ND	BAE Systems plc	Application software
10. ForeScout Technologies Inc.	1,855	337	5.5x	Advent International / Crosspoint Capital Partners	Security
11. Global Blue AG [Silver Lake]	2,591	479	5.4x	Far Point Acquisition Corp.	Infrastructure management
12. Saba Software Inc. [Vector Capital]	1,395	260	5.4x	Cornerstone OnDemand	Application software
13. Vlocity Inc.	1,330	ND	ND	Salesforce	Application software
14. Open Lending	1,300	ND	ND	Nebula Acquisition Corporation [True Wind Capital]	Application software
15. Unisys Corporation (Unisys Federal assets)	1,200	689	1.7x	Science Applications International Corp. [aka SAIC]	IT services & distribution

Source: 451 Research - As of 4/8/20

2020 – DISCLOSED TECH M&A TRANSACTIONS (CONT.)

Targets (144)	Enterprise Value (\$M)	LTM Rev. (\$M)	EV / LTM Rev.	Acquirer	Sector
16. Armis Inc.	\$1,100	\$60	18.3x	Insight Partners	Security
17. Harris Corporation (security detection and automation businesses)	1,000	500	2.0x	Leidos Holdings Inc. [fka Science Applications International Corp.] [fka SAIC]	Application software
18. Decision Resources Group	950	ND	ND	Clarivate Analytics plc [NYSE:CCC]	Internet content & commerce
19. Regulatory DataCorp Inc. [aka RDC] [Vista Equity Partners]	700	70	10.0x	Moodys Corporation	Security
20. Centerfield Media Holdings [H.I.G. Capital]	625	ND	ND	Platinum Equity LLC	Application software
21. Grindr [Beijing Kunlun Tech Co. Ltd.]	615	ND	ND	San Vicente Acquisition Partners	Application software
22. InTouch Technologies Inc. [dba InTouch Health]	600	80	7.5x	Teladoc Inc. [NYSE:TDOC] [aka Teladoc Health]	Application software
23. AlphaTheta Corporation [fka Pioneer DJ] [KKR/Pioneer]	591	232	2.5x	Noritsu Koki Co. Ltd.	Media technologies
24. RentPath Inc. [TPG Capital/Providence Equity]	588	227	2.6x	CoStar Group Inc.	IT services & distribution
25. TTM Technologies Inc. (Mobility business unit)	550	528	1.0x	AKMMeadeville Electronics (Xiamen) Co. Ltd.	IT services & distribution
26. The Meet Group Inc. [fka MeetMe]	513	207	2.5x	NuCom Group SE [aka NCG Commerce GmbH]	Application software
27. Stratus Video [fka Stratus Video Interpreting]	475	119	4.0x	AMN Healthcare Services Inc.	Internet content & commerce
28. Polskie ePatnosci S.A. [dba PeP]	463	ND	ND	Nets Holding A/S [Hellman & Friedman-led PE consortium]	IT outsourcing
29. Tubi Inc.	440	180	2.4x	Fox Corp. [NASDAQ: FOXA]	Internet content & commerce / Video
30. CloudGenix Inc.	420	ND	ND	Palo Alto Networks Inc.	Enterprise networking

Source: 451 Research - As of 4/8/20

2020 – DISCLOSED TECH M&A TRANSACTIONS (CONT.)

	<u>Targets (144)</u>	<u>Enterprise Value (\$M)</u>	<u>LTM Rev. (\$M)</u>	<u>EV / LTM Rev.</u>	<u>Acquirer</u>	<u>Sector</u>
31.	exocad Global Holdings GmbH [Carlyle Group]	\$417	ND	ND	Align Technology Inc.	Application software
32.	Fondcenter AG [UBS Group]	788	ND	ND	Clearstream Banking S.A. [Deutsche Brse Group]	Application software
33.	Defenders Inc.	381	ND	ND	ADT Corporation [NYSE:ADT] [Apollo Global Management]	IT services & distribution
34.	ID Analytics LLC [fka Symantec] [NortonLifeLock]	375	ND	ND	LexisNexis Risk Solutions [LexisNexis] [RELX Group plc]	Security
35.	Docutech LLC	350	ND	ND	First American Financial Corp	Information management
36.	Hydroid Inc. [Kongsberg Maritime]	350	ND	ND	Huntington Ingalls Industries Inc.	Application software
37.	Azul Systems Inc.	340	ND	ND	Vitruvian Partners	Infrastructure management
38.	Storm8 Inc.	300	112	2.7x	Stillfront Group AB	Internet content & commerce
39.	Raytheon Company (ATR business)	275	ND	ND	BAE Systems plc	Application software
40.	PersonalizationMall.com [Bed Bath & Beyond]	252	150	1.7x	1-800-FLOWERS Inc.	Internet content & commerce
41.	Cerner Corp. (Germany and Spain assets)	249	83	3.0x	CompuGroup Medical SE	Application software
42.	GAIN Capital Holdings Inc.	35	55	0.6x	INTL FCStone Inc.	Internet content & commerce
43.	Acrelec Group SAS [dba The Acrelec Group]	276	139	2.0x	Glory Global Solutions Ltd. [GLORY LTD.]	Application software
44.	Simplus	200	67	3.0x	Infosys Technologies Limited	IT services & distribution
45.	PaySense Services India Private Ltd.	200	ND	ND	LazyPay [PayU] [Prosus]	Internet content & commerce

Source: 451 Research - As of 4/8/20

2020 – DISCLOSED TECH M&A TRANSACTIONS (CONT.)

Targets (144)	Enterprise Value (\$M)	LTM Rev. (\$M)	EV / LTM Rev.	Acquirer	Sector
46. PIXIA Corp.	\$250	ND	ND	Cubic Corp.	Application software
47. SCI Solutions Inc.	190	ND	ND	R1 RCM Inc.	Application software
48. Radius Bancorp Inc. [aka Radius Bank] [GCP Capital]	188	ND	ND	LendingClub Corporation	Internet content & commerce
49. Seal Software Ltd.	188	\$32	5.9x	DocuSign Inc. [NASDAQ: DOCU]	Application software
50. Jiangsu Jiayi Education Technology Co. Ltd	171	ND	ND	Lvjing Holding Co. Ltd [fka Haikou New Energy]	Application software
51. iGraal [M6 Group]	169	ND	ND	Global Savings Group GmbH [fka CupoNatio]	Internet content & commerce
52. Galvanize Inc.	165	ND	ND	K12 Inc. [Safanad]	Internet content & commerce
53. Saber Interactive	150	105	1.4x	Embracer Group AB [fka THQ Nordic AB] [fka Nordic Games GmbH] [STO:EMBRAC]	Application software
54. Springbrook Software Inc. [Accela]	150	25	6.0x	Accel-KKR LLC	Application software
55. Grass Valley [Belden Inc.]	140	ND	ND	Black Dragon Capital LLC	Application software
56. Viajes Beda S.A. de C.V. [dba Best Day Travel Group]	136	140	1.0x	Despegar.com Corp. [aka Despegar]	Internet content & commerce
57. MThree Corporate Consulting Limited [ECI Partners]	129	50	2.6x	John Wiley & Sons Inc. [dba Wiley]	IT outsourcing
58. Flow Management Devices LLC [aka Flow MD]	125	60	2.1x	IDEX Corporation	Application software
59. Wavy Global Holdings BV [Mvile Internet Mvel S.A.]	116	91	1.3x	Sinch AB [fka CLX Communications AB]	Application software
60. Uxin Limited (B2B auction assets)	105	ND	ND	58.com Inc.	Internet content & commerce

Source: 451 Research - As of 4/8/20

2020 – DISCLOSED TECH M&A TRANSACTIONS (CONT.)

Targets (144)	Enterprise Value (\$M)	LTM Rev. (\$M)	EV / LTM Rev.	Acquirer	Sector
61. Gastrofix GmbH	\$101	\$13	8.1x	Lightspeed POS Inc. [fka Xsilva Systems Inc.]	Application software
62. Diploid	95	ND	ND	Invitae Corporation	Application software
63. Blackstone Federal [Blackstone Group]	85	44	1.9x	ASGN Incorporated [fka On Assignment Inc.]	IT services & distribution
64. YouScript Inc.	79	ND	ND	Invitae Corporation	Application software
65. XMedius Solutions Inc. [StoneCalibre]	75	40	1.9x	Open Text	Infrastructure management
66. Char Software Inc. [dba Localytics]	68	21	3.3x	Upland Software Inc.	Application software
67. Sodifrance SA	72	119	0.6x	Sopra Steria Group SA	IT services & distribution
68. TCL Educational Web Ltd. [TCL Technology Group]	59	ND	ND	Minsheng Education Group	Internet content & commerce
69. Strateq Sdn. Bhd. [dba Strateq Group]	67	ND	ND	Taman Kenyir Holdings Sdn. Bhd. [StarHub Ltd.]	IT services & distribution
70. Loom Systems Ltd.	58	ND	ND	ServiceNow Inc.	Security
71. NantHealth Inc. [NantWorks] (connected care assets)	47	ND	ND	Masimo Corp.	Application software
72. Automatia Pankkiautomaatit Oy [Danske Bank]	46	47	1.0x	Loomis AB	Application software
73. Zen3 Infosolutions (India) Limited [dba Zen3 Group]	42	ND	ND	Tech Mahindra Ltd. [fka Mahindra-British] [Mahindra Group]	IT outsourcing / Software development
74. Mobile Posse Inc.	42	55	0.8x	Digital Turbine Inc. [fka Mandalay Digital Group] [fka NeuMedia]	Application software
75. IndigoVision Ltd.	32	50	0.6x	Motorola Solutions Inc. [fka Motorola Inc]	Security

Source: 451 Research - As of 4/8/20

2020 – DISCLOSED TECH M&A TRANSACTIONS (CONT.)

Targets (144)	Enterprise Value (\$M)	LTM Rev. (\$M)	EV / LTM Rev.	Acquirer	Sector
76. Delerrok Inc.	\$44	ND	ND	Cubic Corp.	Application software
77. CDT Technologies Ltd. [dba Ventanex]	36	ND	ND	Repay Holdings Corp. [NASDAQ: RPAY]	Application software
78. CNL Software Limited	36	ND	ND	Everbridge Inc. [fka 3n Global] [NASDAQ:EVBG]	Security
79. Qumu Corporation Inc. [fka Rimage Corporation]	30	\$26	1.1x	Synacor Inc.	Media technologies
80. Passage AI Inc.	33	ND	ND	ServiceNow Inc.	Application software
81. Grupo empresarial PinPag [dba PinPag]	32	16	2.0x	Linx SA	Application software
82. Blackboard Inc. [Providence Equity] (Open LMS platform)	32	ND	ND	Learning Technologies Group plc [fka In-Deed Online plc][aka LTG]	Application software
83. sum.cumo GmbH	32	ND	ND	Sapiens International Corporation N.V.	IT services & distribution
84. HLTV.org ApS	29	ND	ND	Better Collective A/S	Internet content & commerce
85. Excitech Ltd.	29	66	0.4x	Addnode AB [aka Addnode Group]	IT services & distribution
86. Eone Oy	26	16	1.7x	Speqta AB [fka Mytaste Group]	Internet content & commerce
87. Living Lens Enterprise Ltd. [aka LivingLens]	26	ND	ND	Medallia Inc. [NYSE:MDLA]	Application software
88. HcT2 Co. [dba NurseGrid]	25	ND	ND	HealthStream Inc.	Application software
89. Smart Sparrow (interactive learning technology assets)	25	ND	ND	Pearson plc	Information management
90. Techco Security [aka Techo Seguridad]	25	ND	ND	Securitas AB	IT services & distribution

Source: 451 Research - As of 4/8/20

2020 – DISCLOSED TECH M&A TRANSACTIONS (CONT.)

Targets (144)	Enterprise Value (\$M)	LTM Rev. (\$M)	EV / LTM Rev.	Acquirer	Sector
91. Peoplevox Ltd.	\$24	ND	ND	Descartes Systems Group Inc.	Application software
92. Gaming Innovation Group [fka NIO Inc.] (B2C operations)	24	\$83	0.3x	Betsson AB	Internet content & commerce
93. EdgeRock Technologies LLC [CDI Corporation]	22	41	0.5x	BG Staffing Inc.	IT services & distribution
94. Eltel AB (German Communication business)	21	40	0.5x	Groupe Circet SA [aka Circet Groupe] [Advent International]	IT services & distribution
95. iBlocks Ltd	21	4	5.2x	Tracsis plc	Application software
96. Connexient LLC [GDS]	21	ND	ND	Everbridge Inc. [fka 3n Global] [NASDAQ:EVBG]	Application software
97. AutoEnginuity LLC	20	4	5.0x	Drew Technologies Inc. [Opus IVS fka Opus Inspection] [Opus Group AB]	Application software
98. Clustree	19	ND	ND	Cornerstone OnDemand	Application software
99. M2M Connectivity Pty Ltd. [dba M2M Group]	16	19	0.8x	Sierra Wireless Inc.	IT services & distribution
100. Unruly Group Ltd. [News Corp]	17	57	0.3x	Tremor International Ltd. [fka Taptica International Ltd.]	Internet content & commerce
101. Eurobits Technologies S.L.	17	ND	ND	Tink AB	Application software
102. Askida	16	13	1.2x	Alithya Group Inc. [aka Groupe Alithya Inc.]	Infrastructure management
103. Dynamic Controls Group [Invacare]	15	17	0.9x	Allied Motion Technologies Inc. [fka Hathaway Corp.]	IT services & distribution
104. ProShip Inc. [fka Systems & Programming Solutions]	15	ND	ND	Fog Software Group [fka Friedman Operating Group] [Constellation Software]	Application software
105. RURO Inc.	15	5	3.0x	Brooks Automation Inc.	Application software

Source: 451 Research - As of 4/8/20

2020 – DISCLOSED TECH M&A TRANSACTIONS (CONT.)

Targets (144)	Enterprise Value (\$M)	LTM Rev. (\$M)	EV / LTM Rev.	Acquirer	Sector
106. Content IQ LLC	\$15	\$39	0.4x	Perion Network Ltd. [fka IncrediMail]	Application software
107. Mages Inc. [Chiyomaru Studio]	15	ND	ND	COLOPL Inc.	Application software
108. Clinical Systems Inc.	15	11	1.3x	CCL Industries Inc.	Application software
109. Circle Media Labs [fka Memory Design] (assets)	14	4	3.4x	Smith Micro Software Inc.	Application software
110. Somerset Capital (Amsterdam-based data center)	13	ND	ND	Avignon Capital	Hosted services
111. SISA Studio Informatica SA	11	ND	ND	WiseTech Global Ltd. [ASX:WTC]	Application software
112. Deltix Inc.	11	ND	ND	EPAM Systems Inc. [NYSE: EPAM]	Application software
113. Nokas Vardehantering AB [Nokas Group]	8	22	0.4x	Loomis AB	IT services & distribution
114. FireMate Software Pty Ltd.	12	2	6.7x	Halma PLC	Application software
115. Chatlayer BVBA	8	1	8.5x	Sinch AB [fka CLX Communications AB]	Application software
116. Cloud Explorers AS	9	ND	ND	TargetEveryOne AB	Application software
117. Logo d.o.o. [aka Logo Ltd.]	6	ND	ND	GetSwift Ltd.	IT services & distribution
118. Dought USA LLC	6	ND	ND	Ziptel Ltd [fka Skyward]	Application software
119. StarDust SAS	5	ND	ND	Computer Task Group Inc. [aka CTG]	IT outsourcing
120. Advania AB (Advania Business Solutions assets)	5	9	0.5x	Columbus A/S [fka Columbus IT Partner A/S]	IT services & distribution

Source: 451 Research - As of 4/8/20

2020 – DISCLOSED TECH M&A TRANSACTIONS (CONT.)

	Targets (144)	Enterprise Value (\$M)	LTM Rev. (\$M)	EV / LTM Rev.	Acquirer	Sector
136.	Servers Australia Pty Ltd. (North Sydney datacenter)	\$1	\$1	1.5x	5G Networks Ltd	Hosted services
137.	The Sage Group Plc (Brazilian business)	1	65	0.0x	The Sage Group Plc (Brazilian business) management	Application software
138.	Aperi Corporation (product portfolio)	1	ND	ND	Net Insight AB	Media technologies
139.	iMyanmarHouse.com	2	1	1.3x	Frontier Digital Ventures Limited	Internet content & commerce
140.	Digital Decisions B.V. [Cosimo Capital B.V.]	1	0	1.7x	Ebiquity plc	IT services & distribution
141.	HiRide Share Ltd.	1	ND	ND	Facedrive Inc.	Application software
142.	Codecaaco	1	ND	ND	Kuuhubb Oy	Application software
143.	Bizwell Sweden AB	1	0	1.1x	TargetEveryOne AB	Internet content & commerce
144.	Cloud Business Technology	0	1	0.4x	Spirit Telecom Limited	IT services & distribution
	MEDIAN	\$43	\$55	2.0x		
	TOTAL VALUE	\$82,928				

GLOBAL LEADER IN TECH ADVISORY – 393 CLOSED DEALS



AGC is consistently ranked as the most active pure tech boutique



Over 40 active engagements with 35 deals closed in '19



10 offices across the US and Europe



52 employees

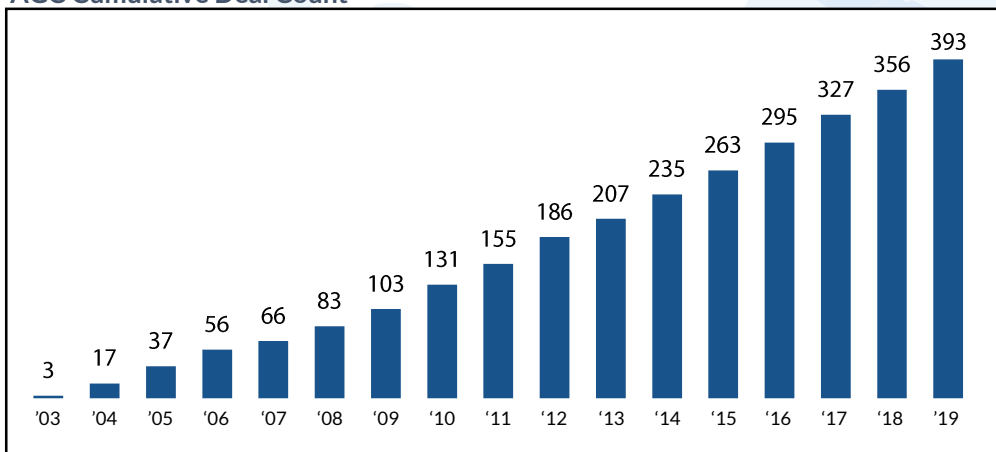


Closing in on 400 deals in our history



'19 was a record year for revenue and profits

AGC Cumulative Deal Count



Top Tech Dealmakers of 2019

Firm	# Trans.
1. Goldman Sachs	54
2. Morgan Stanley	46
3. J.P. Morgan	40
4. William Blair	38
5. Barclays Capital	35
6. Evercore Partners	35
7. Houlihan Lokey	33
8. Raymond James	28
9. AGC Partners	27
10. GCA Advisors	27
11. Bank of America Merrill Lynch	24
12. Robert W. Baird	23
13. Citigroup	22
14. Credit Suisse	22
15. Stifel	21
16. RBC Capital Markets	18
17. Canaccord Genuity	17
18. Moelis & Company	17
19. UBS	17
20. Piper Jaffray	15
21. Ernst & Young	11
22. GP Bullhound	10
23. Atlas technology Group	9
24. Shea & Company	9
25. Wells Fargo Securities	9

THE AGC DIFFERENCE

451 RESEARCH SAAS RANKINGS

 102
<i>William Blair</i> 92
 72
Morgan Stanley 57
 54
 47
 43
Jefferies 36
Armapartners 31

Criteria



Competitors

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

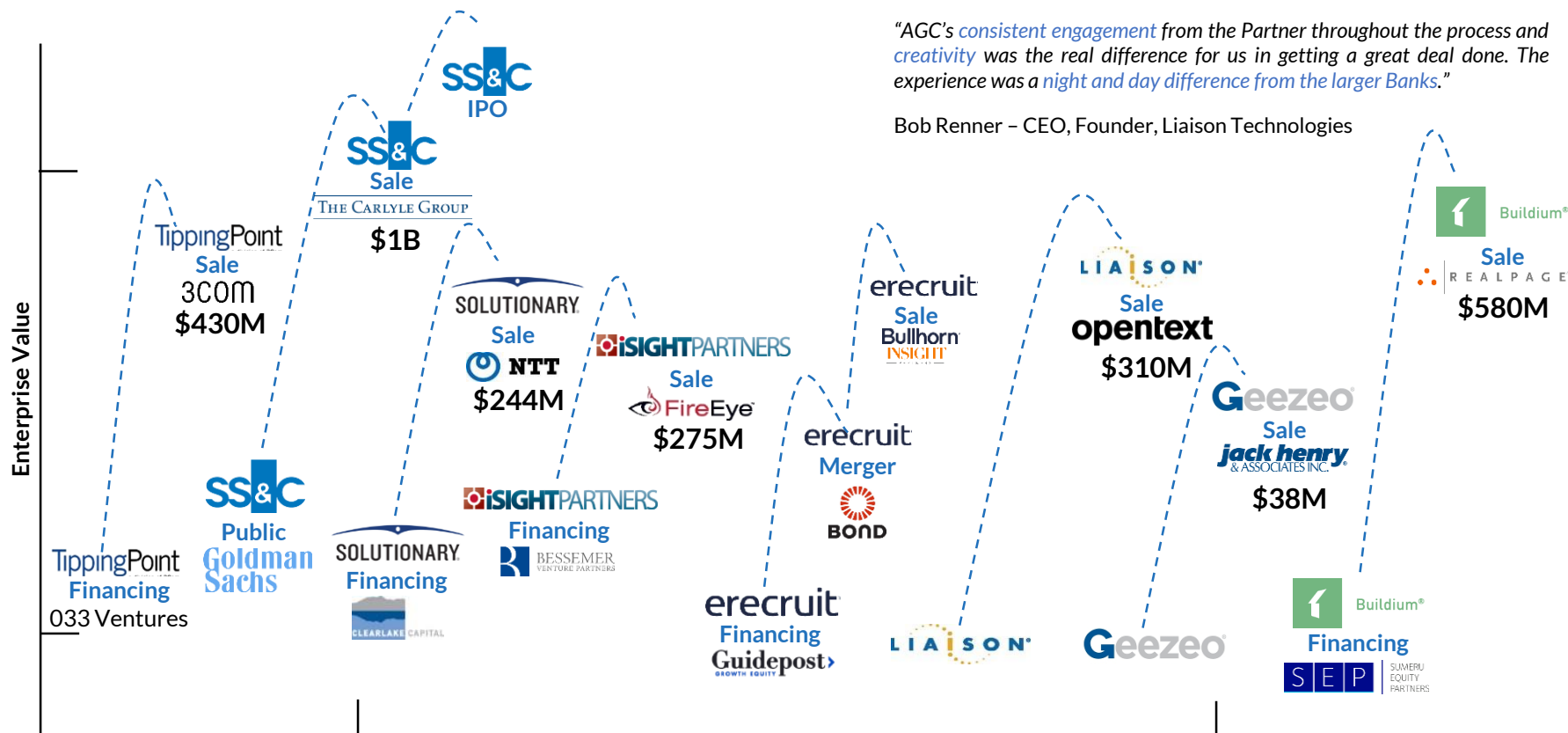
Depends

Results

Premium Valuations

Binary Results of Standard Process

LONG HISTORY OF DELIVERING PREMIUM RESULTS



“AGC’s *consistent engagement* from the Partner throughout the process and *creativity* was the real difference for us in getting a great deal done. The experience was a *night and day difference* from the larger Banks.”

Bob Renner – CEO, Founder, Liaison Technologies

THE GLOBAL LEADERS IN TECH STRATEGIC ADVISORY



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Dennis Rourke
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Charlie Schopp
Partner
Boston



Tristan Snyder
Partner
Dallas



Jim Stone
Partner
Austin



Sean Tucker
Partner
London



Russ Workman
Partner
Boston

BEN HOWE – CO-FOUNDER AND CEO



- Ben Co-founded AGC in 2003, building it into the market leading pure-play tech boutique
- In over 32 years as an investment banker, Ben has completed roughly 400 transactions
- 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
- In 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 holds a B.A. in Economics from Trinity College and an M.S. in Accounting from NYU
- Chairman of Excel Academy, which has 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