



SaaS sector update

April 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

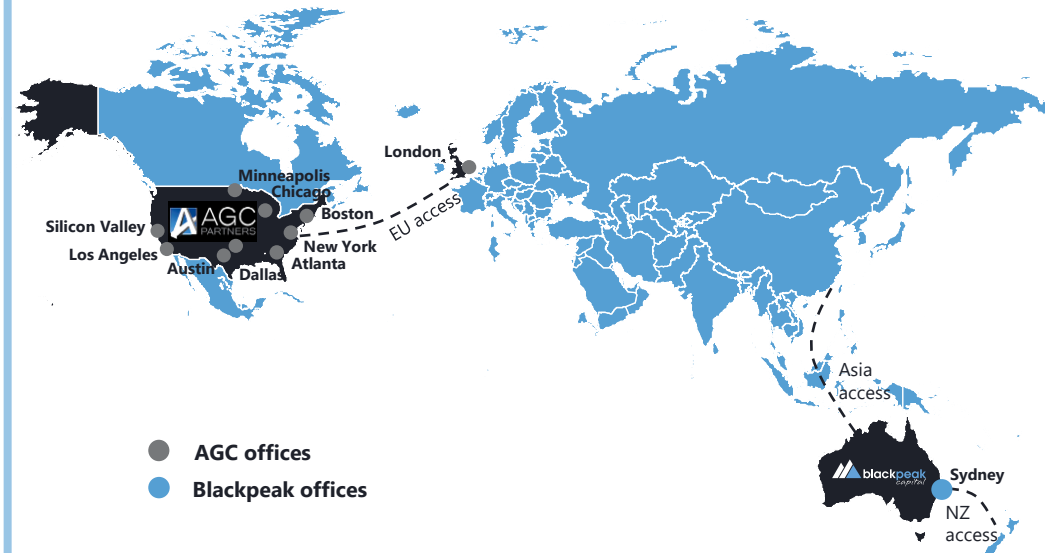
AGC Partners

- **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

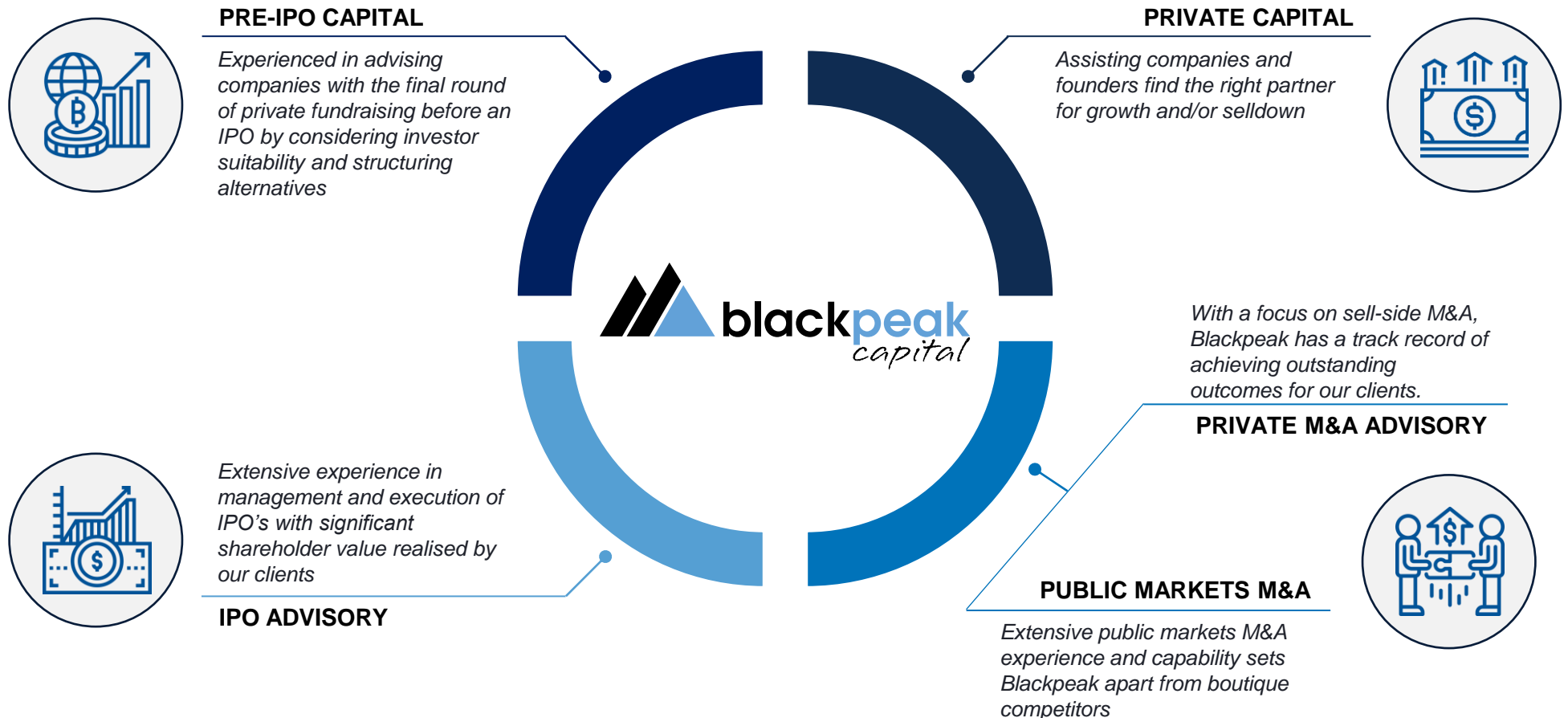
- Alliance will uniquely position Blackpeak to provide global technology investment banking capabilities, combined with leading local coverage, service and support to technology growth companies in ANZ that are institutional size and quality
- Alliance enhances Blackpeak's access to strategic acquirers 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 service offerings



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

 2020 Private raising <i>Financial Advisor</i> 	 2019 Private raising <i>Financial Advisor</i> 	 2019 Trade sale Size undisclosed <i>Financial Advisor</i> 	 2019 Sale of controlling stake <i>Financial Advisor</i> 	 2019 Acquisition HROnboard Undisclosed <i>Financial Advisor</i> 
 2018 Initial Public Offering A\$79m <i>Financial Adviser</i> 	 2018 Pre-IPO Raising A\$25m <i>Financial Adviser</i> 	 2018 Strategic Review <i>Financial Adviser</i> 	 2018 Equity Raising A\$100m <i>Financial Adviser</i> 	 2018 Equity raising A\$45m <i>Financial Adviser</i> 
 2018 Series B equity raising A\$11m <i>Financial Adviser</i> 	 2018 Acquisition of Pivot Remesys A\$11m <i>Financial Adviser</i> 	 2017 Strategic Review <i>Financial Adviser</i> 	 2017 Trade sale A\$44m <i>Financial Adviser</i> 	 2017 Block Trade A\$73m <i>Financial Adviser</i> 

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

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

Deep domain expertise in ANZ technology markets

Proprietary insights and detailed sector analytics

- Blackpeak has deep domain expertise across multiple ANZ technology sectors in both the private and public market
- We have a deep understanding of listed technology companies and key metrics
- We create in-house technology sector reports that contain detailed sector analytics and valuation benchmarking data
- Blackpeak offers a differentiated service for clients in the technology sector based on a highly analytical approach and our focus on understanding the value proposition and key valuation drivers of our clients
















The most comprehensive ANZ technology database

- Technology market themes
- Private equity and venture capital financing
- Private and public market M&A
- Technology IPOs
- Public comparables
- Valuation and performance benchmarking
- Technology deal metrics



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>	  BANK OF ENGLAND	<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

- ANZ SaaS & software indices experienced significant contraction in valuation multiples during the recent market crash, underperforming both the ASX 200 and the ASX 200 IT index by ~10-20%
- US SaaS companies demonstrated greater resilience in the market crash, experiencing ~35% peak to trough falls, compared to 34% for the S&P 500
- Some US SaaS companies benefited from the COVID-19 crisis (e.g. Zoom) as cloud connectivity and remote working became a greater focus



Mergers and acquisitions

- Strong momentum in M&A activity over 2019 has subsided, with an evident slowdown in M&A activity across both ANZ and US over 1Q20 and early indications in 2Q20 suggest M&A activity slowing further
- Significant volatility and uncertainty has affected the willingness of strategic acquirers to continue their inorganic growth strategies
- Financial sponsors may be seeking investments in undervalued assets, particularly SaaS companies with strong growth and defensive outlook, however investment approvals are more challenging



Context for capital raising

- Capital raising activity has been limited due to market volatility and uncertain outlook for the global economy moving forward, although there have been some recapitalisations of ASX listed companies
- Companies have turned towards capital preservation and cost cutting in light of market turbulence
- Gradual recovery is expected as the markets stabilise over the next few quarters when there is greater clarity on the impact of COVID-19 on economic activity

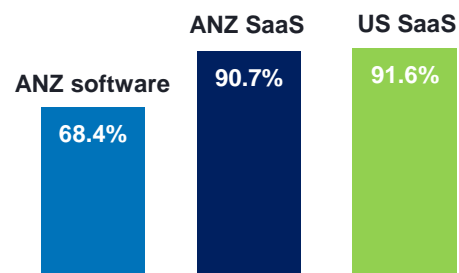


Market outlook

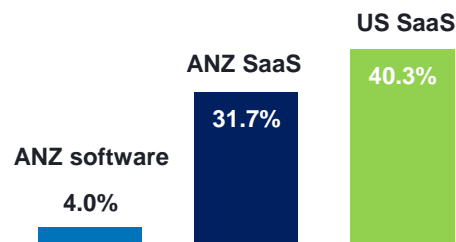
- Record high levels of PE/ VC dry powder should contribute to recovery in capital raising activities for SaaS/ software companies
- Deal volume and value are anticipated to slow over 2020
- Private equity firms continue to show an increased appetite for SaaS companies given their rapid growth trajectories and the ability to service debt through their predictable streams of cash flows

Snapshot of Blackpeak ANZ & US technology universe¹

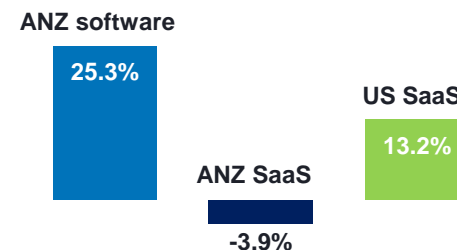
Recurring revenue



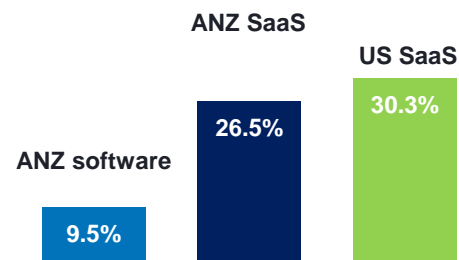
S&M expense/ revenue



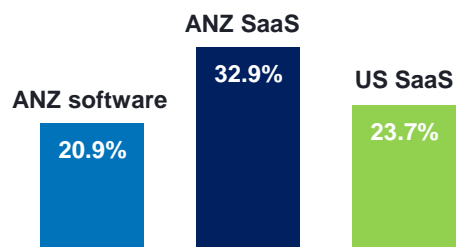
NTM EBITDA margin



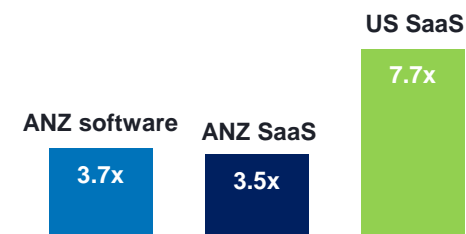
NTM revenue growth



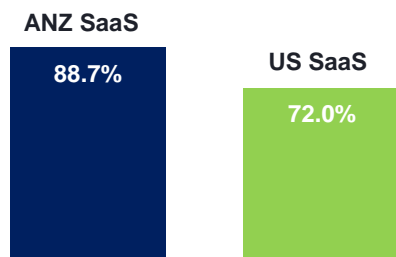
Total R&D expense/ revenue²



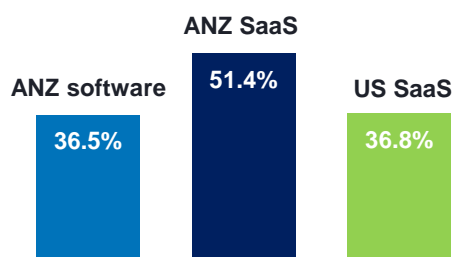
EV/ NTM revenue



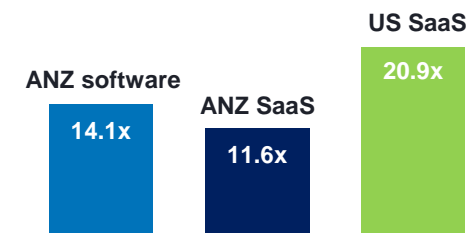
Gross margin



















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	(98.9%)
 wisetech global	Apr-16	SaaS	167.6	8.7x	6.6x	29.7x	18.5x	28.1%	98.0%	29.4%	973.6	410.4%
 bravura solutions	Nov-16	Software	148.1	1.6x	n.a.	9.5x	n.a.	1.6%	57.0%	17.2%	310.6	166.2%
 bigtincan	Mar-17	SaaS	12.0	3.2x	n.a.	n.a.	n.a.	38.0%	92.0%	n.a.	45.8	107.7%
 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	(86.0%)
 ELMO	Jun-17	SaaS	25.0	5.3x	3.8x	97.7x	31.3x	24.8%	96.0%	5.5%	108.3	119.0%
 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	(36.7%)
 ixup	Nov-17	Software	12.5	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	31.7	(83.5%)
 DXN	Apr-18	Software	16.0	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	21.4	(93.0%)
 ReadyTech	Apr-19	SaaS	50.0	4.2x	3.9x	10.9x	9.5x	6.2%	89.5%	39.0%	120.8	(36.4%)
 Life360	May-19	SaaS	145.4	15.2x	8.3x	n.a.	n.a.	82.6%	n.a.	(51.5%)	689.2	(58.2%)
 whispir	Jun-19	SaaS	47.0	4.4x	3.5x	n.a.	n.a.	11.6%	76.7%	(39.1%)	163.0	(31.3%)
 FINEOS	Aug-19	Software	211.0	5.6x	n.a.	75.2x	n.a.	30.9%	n.a.	11.8%	661.0	9.2%
 DAMSTRA	Oct-19	SaaS	110.2	5.1x	n.a.	25.1x	n.a.	39.4%	69.5%	20.3%	123.7	(27.8%)
 nitro	Dec-19	SaaS	110.2	4.5x	n.a.	n.a.	n.a.	14.4%	49.9%	(13.1%)	325.0	(31.4%)
 limeade	Dec-19	SaaS	100.0	5.5x	n.a.	n.a.	n.a.	19.4%	96.2%	(19.1%)	452.9	(26.2%)
Median			56.2	4.8x	3.8x	25.1x	18.5x	22.1%	83.1%	11.8%	143.3	(31.3%)



ANZ SaaS and software sector performance



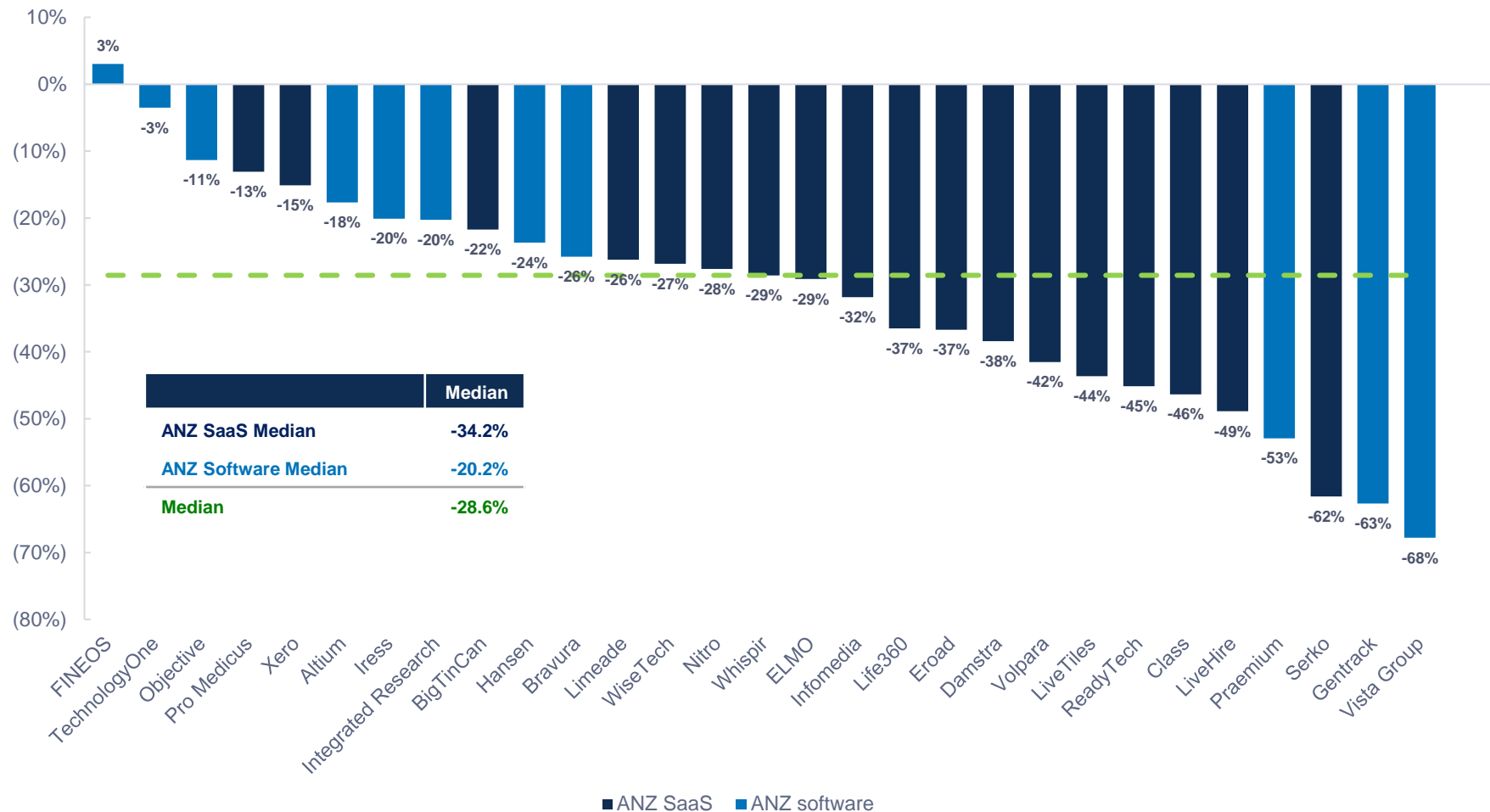
ANZ SaaS & software index performance¹



	ANZ SaaS	ANZ software	ASX 200	ASX 200 IT	ASX All Tech Index
6 months	(38.8%)	(25.9%)	(24.1%)	(23.7%)	(25.5%)
12 months	(34.9%)	(26.8%)	(18.3%)	(17.6%)	(15.0%)
CY20 YTD	(41.7%)	(33.5%)	(24.1%)	(25.1%)	(27.3%)
Peak to trough	(57.9%)	(46.2%)	(36.5%)	(47.2%)	(47.1%)

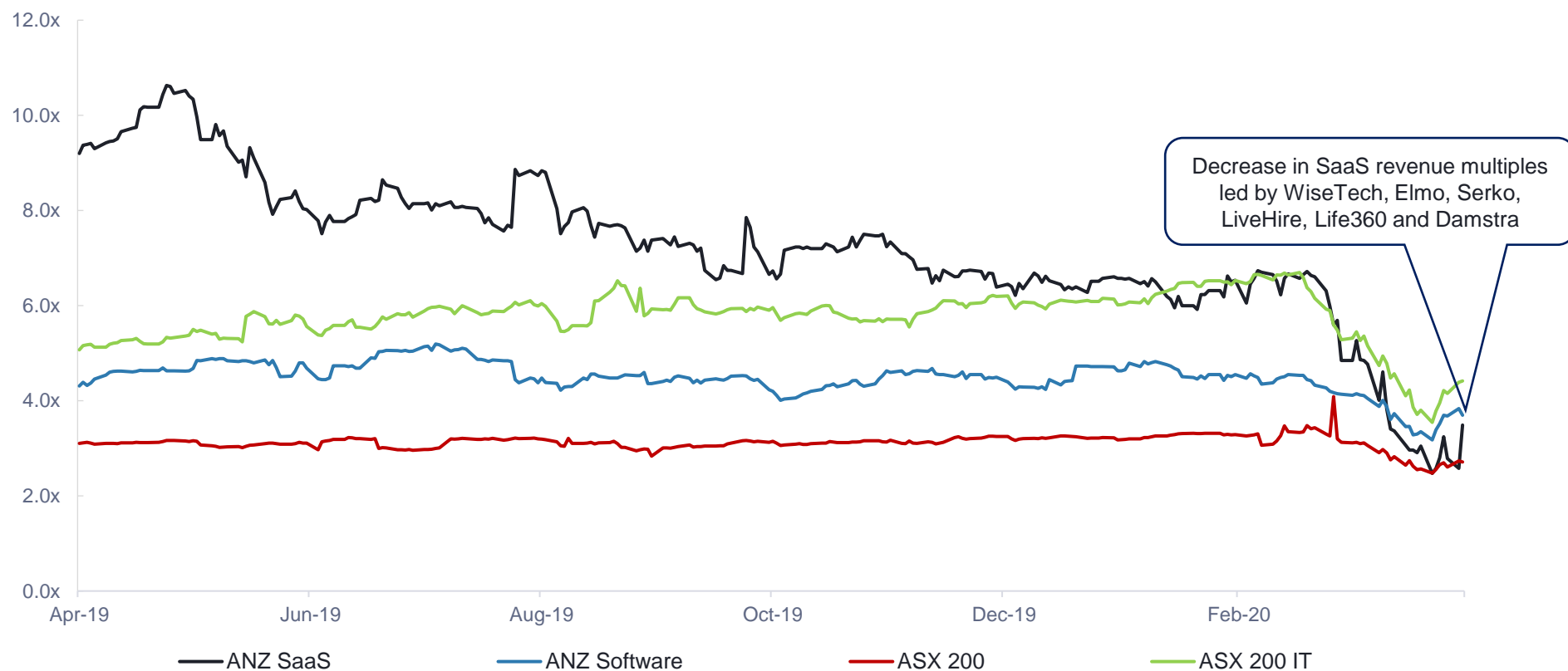
ANZ SaaS, software and the ASX tech indices underperformed the ASX 200 over the past month

ANZ SaaS & software last 3 months performance



ANZ software companies have demonstrated greater resilience compared to ANZ SaaS co's

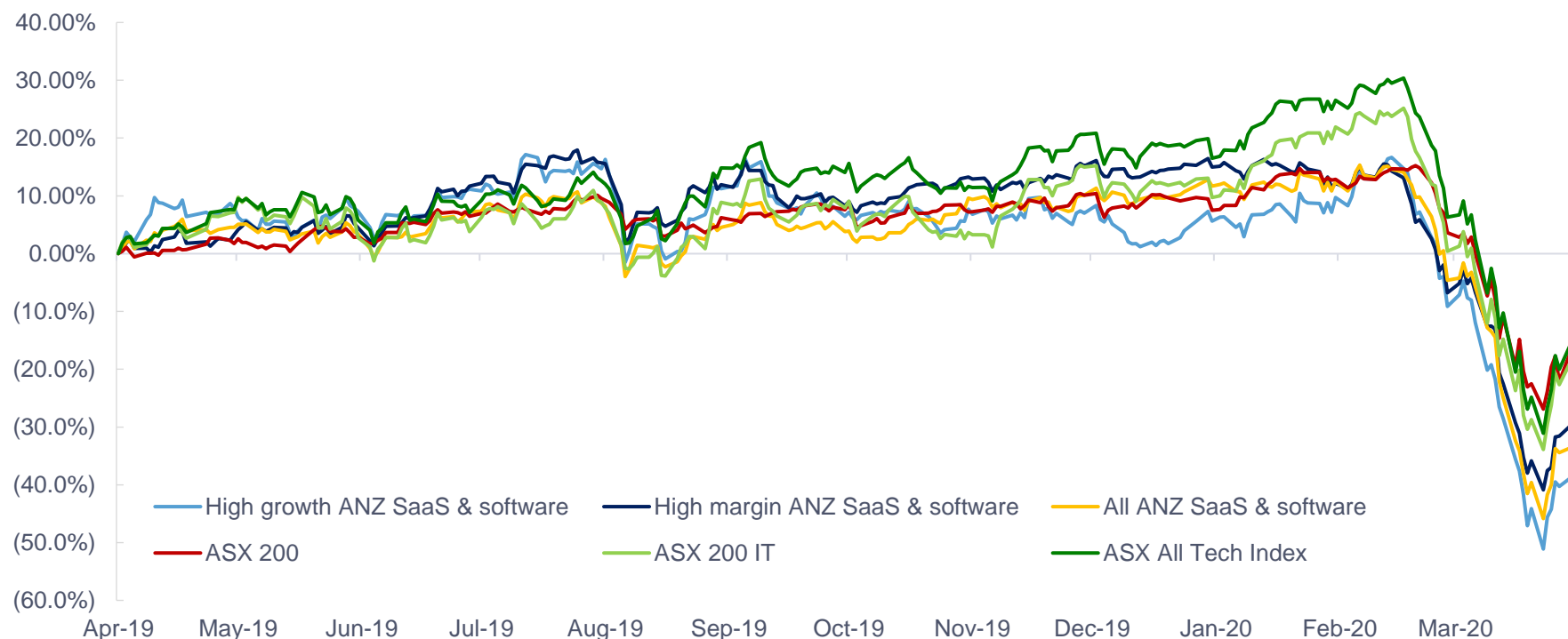
ANZ SaaS & software EV/ NTM revenue



	ANZ SaaS	ANZ software	ASX 200	ASX 200 IT
12 months ago	9.2x	4.3x	3.1x	5.1x
Current	3.5x	3.7x	2.7x	4.4x

ANZ SaaS has seen the most severe contraction in revenue multiples

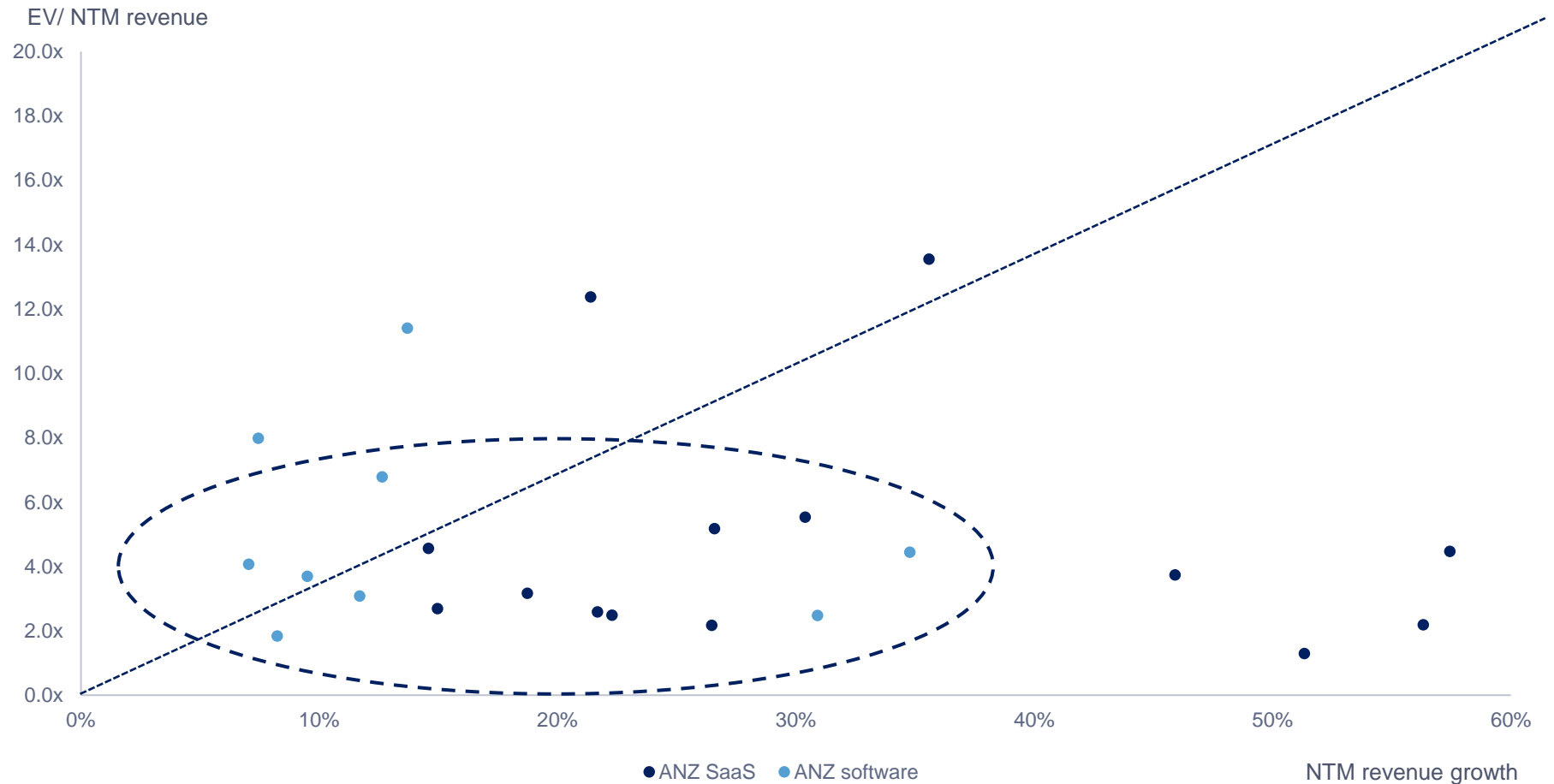
ANZ SaaS & software high growth¹ and margin² performance



	High growth SaaS & software	High margin SaaS & software	All SaaS & software	ASX 200	ASX 200 IT	ASX All Tech Index
6 months	(38.1%)	(33.9%)	(32.7%)	(24.1%)	(23.7%)	(25.5%)
12 months	(34.1%)	(28.4%)	(30.1%)	(18.3%)	(17.6%)	(15.0%)
CY20 YTD	(38.0%)	(37.8%)	(37.6%)	(24.1%)	(25.1%)	(27.3%)
Peak to trough	(58.2%)	(49.9%)	(53.0%)	(36.5%)	(47.2%)	(47.1%)

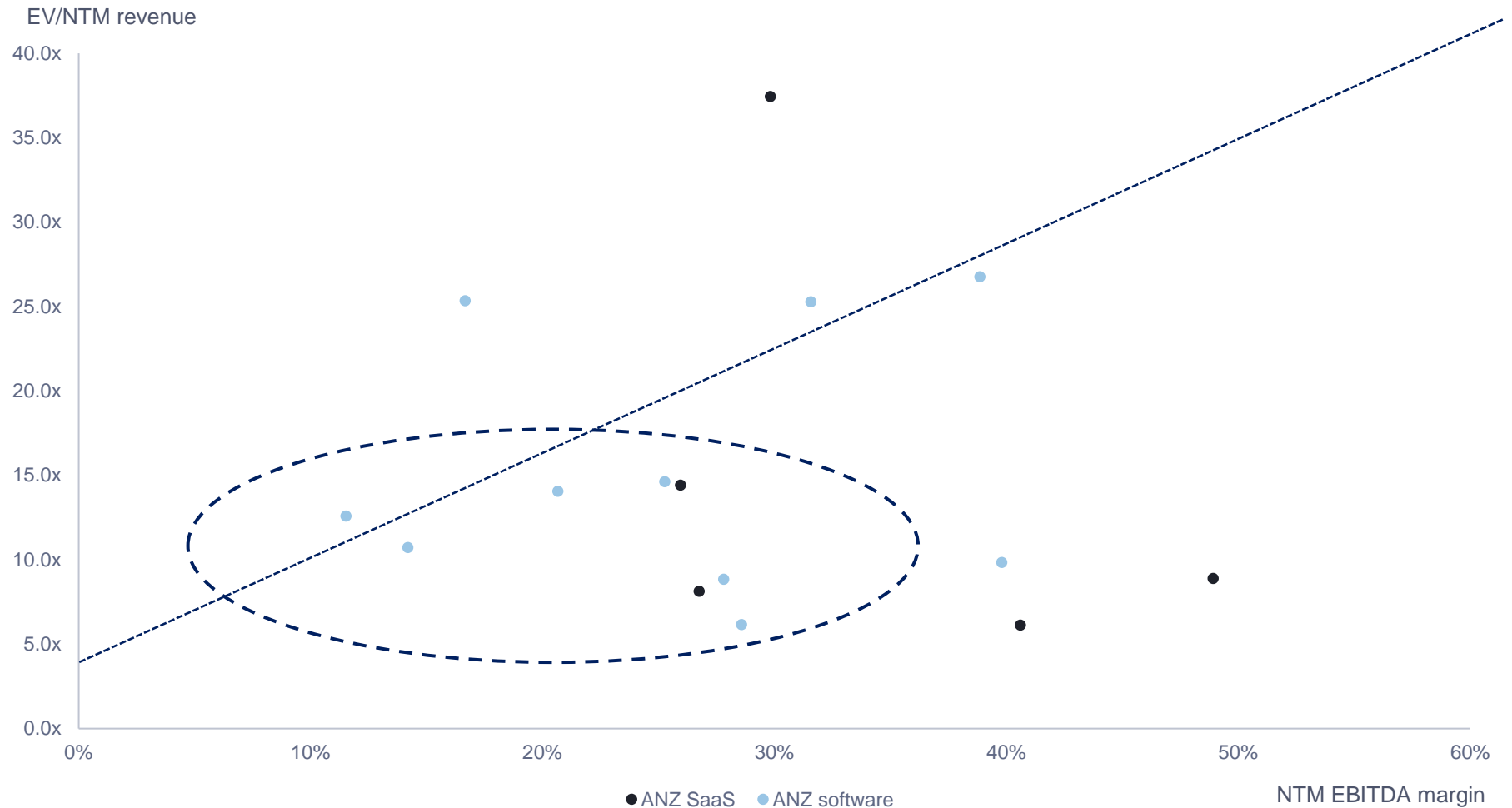
High margin SaaS & software companies outperformed those in the high growth category

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



ANZ SaaS companies lost their valuation premiums and are now trading at revenue multiples similar to ANZ software companies that have comparable growth profiles

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



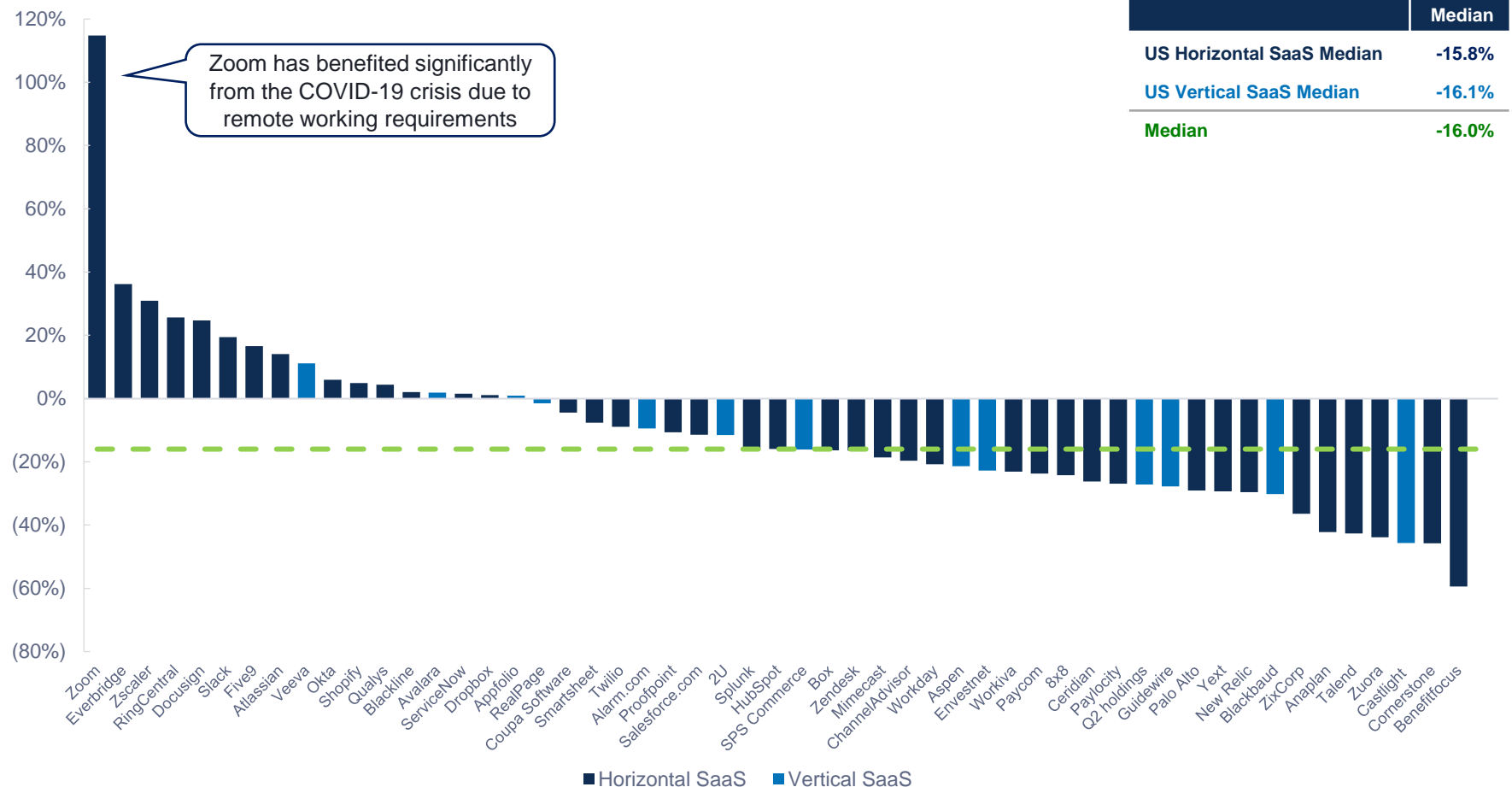
US SaaS index performance¹



	Horizontal SaaS	Vertical SaaS	S&P 500	S&P 500 IT
6 months	5.4%	(10.9%)	(13.2%)	0.1%
12 months	0.0%	(16.8%)	(9.9%)	7.4%
CY20 YTD	(5.8%)	(15.2%)	(20.7%)	(13.7%)
Peak to trough	(34.6%)	(35.7%)	(33.9%)	(31.4%)

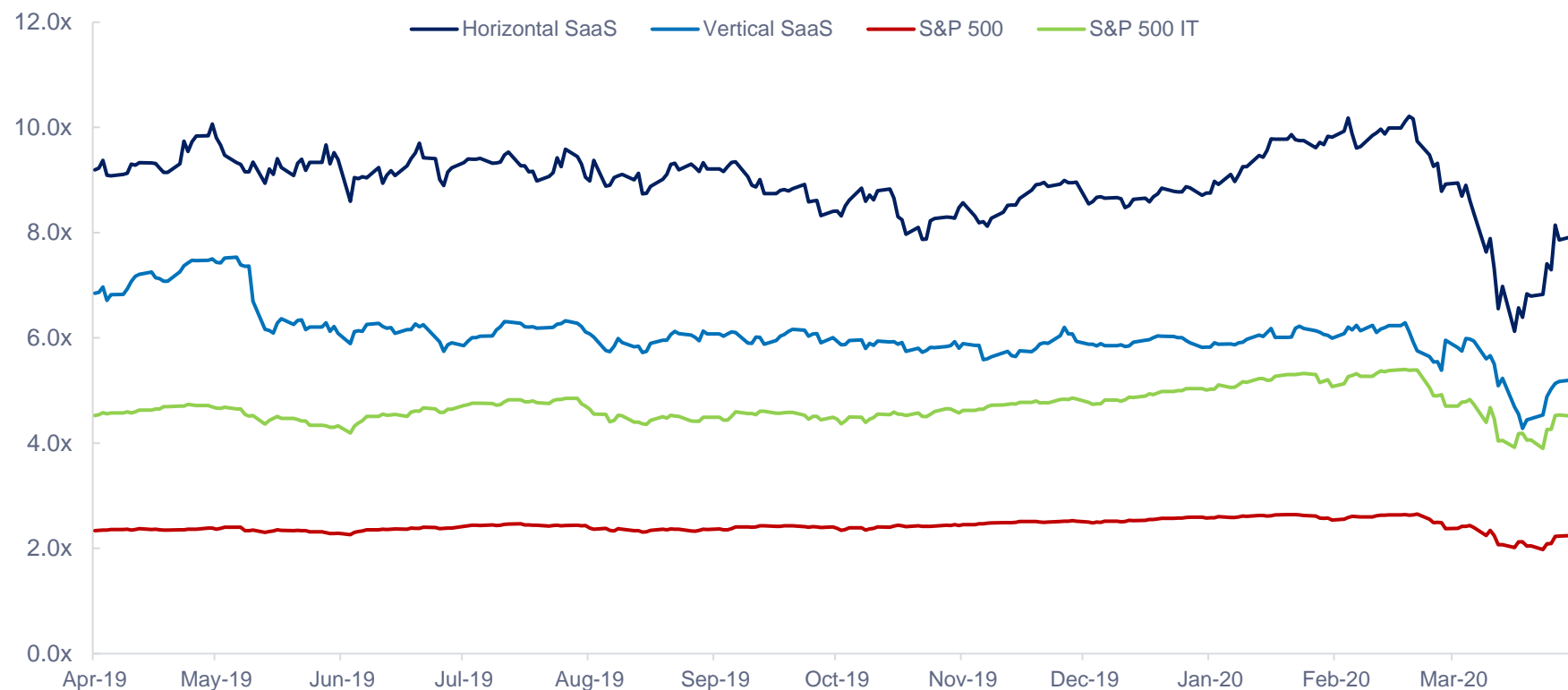
The S&P 500 IT index outperformed horizontal & vertical SaaS companies and the broader market

US SaaS last 3 month performance



US horizontal SaaS companies experienced greater volatility than their vertical SaaS peers with those outperforming typically benefiting from remote working demand

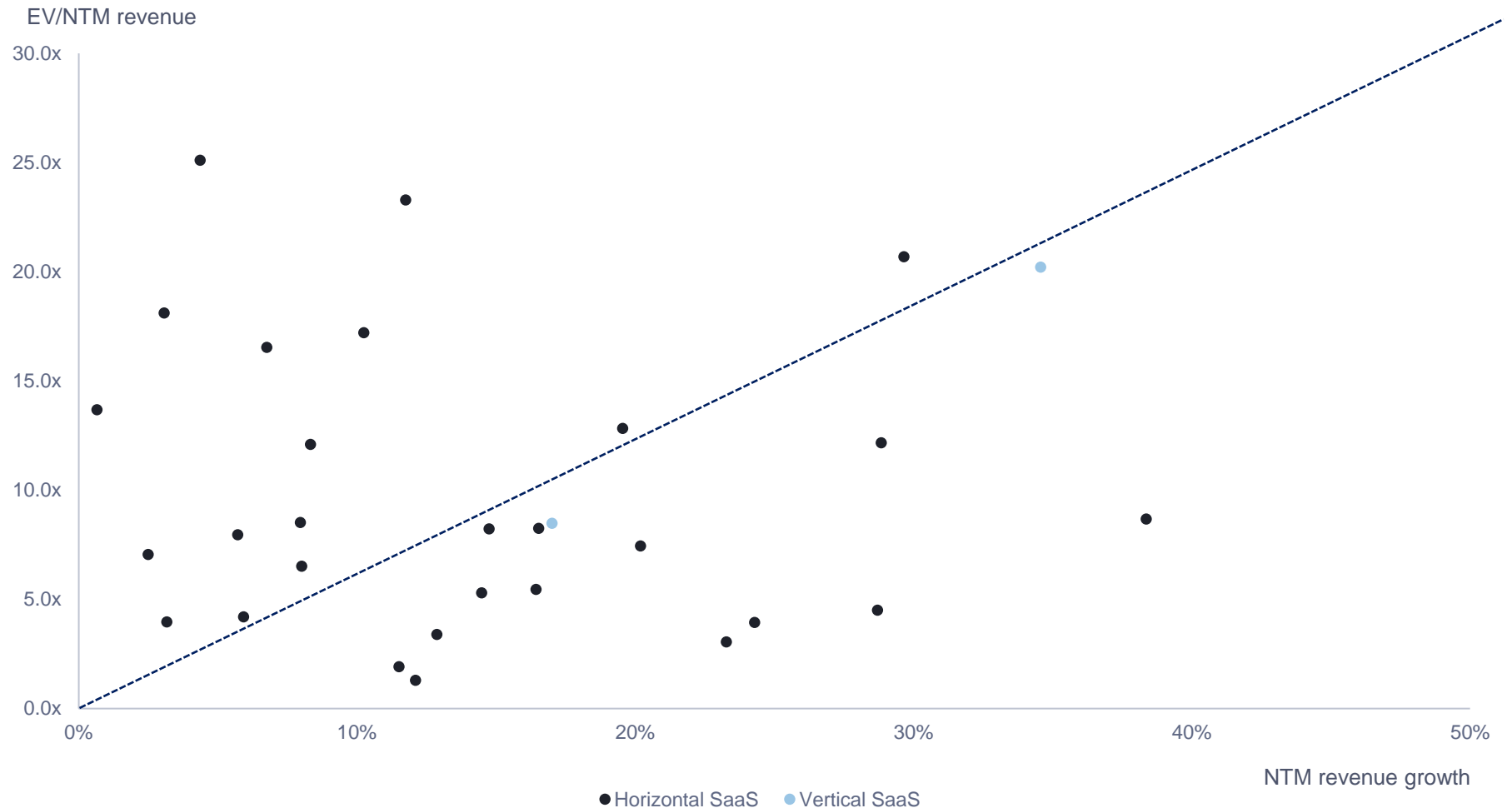
US SaaS EV/ NTM revenue



	Horizontal SaaS	Vertical SaaS	S&P 500	S&P 500 IT
12 months ago	9.2x	6.8x	2.3x	4.5x
Current	7.7x	5.1x	2.2x	4.5x

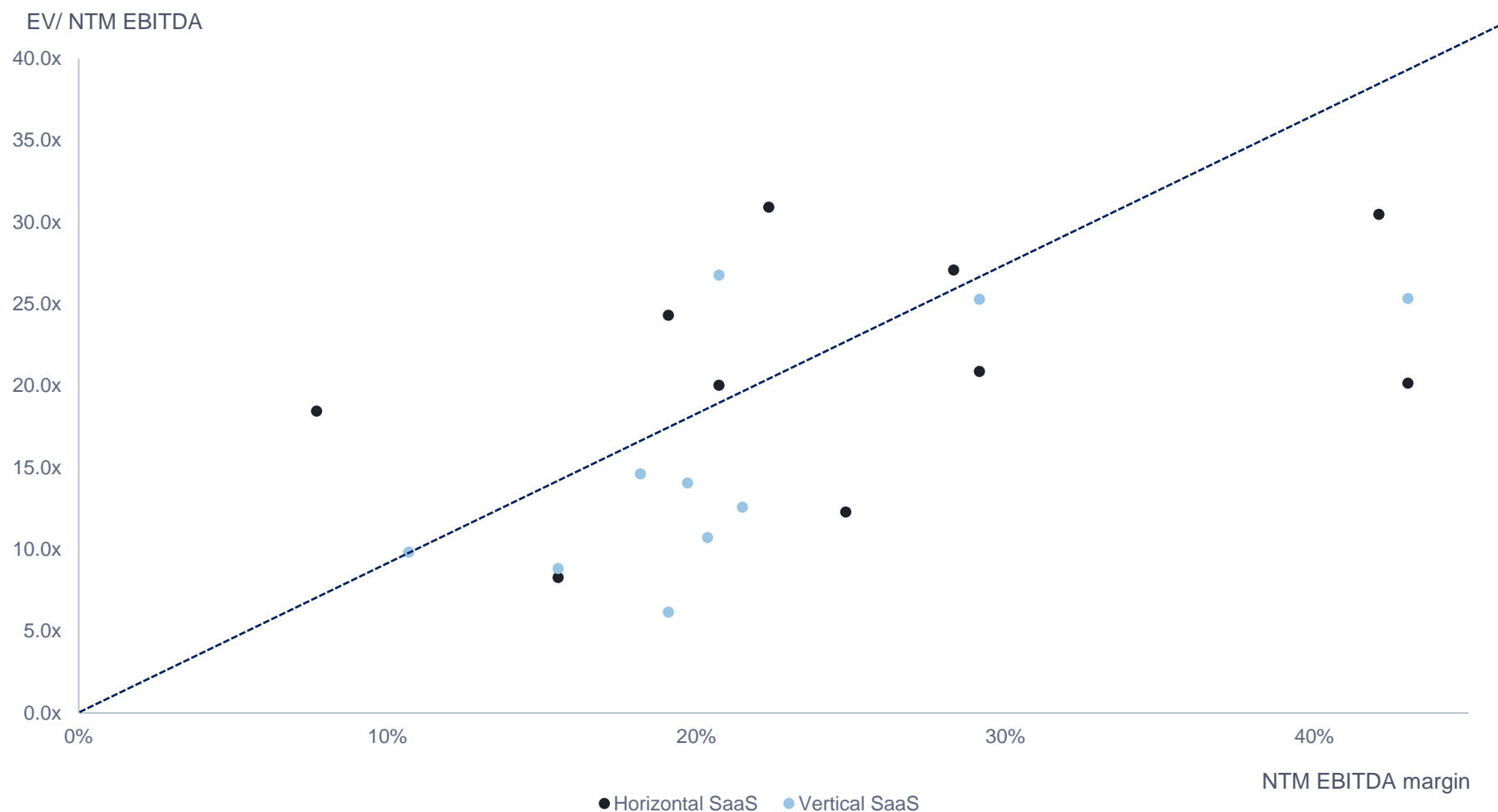
US SaaS revenue multiples have contracted significantly since late February but remain well above ASX SaaS companies

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
























Investors tend to pay a premium for SaaS companies with higher EBITDA margins























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	 wisetech global	40.0	5.9x	23.5x
 aconex	Dec-17	 ORACLE	1,641.2	9.7x	n.a.
 PageUp	Feb-18	 Battery	n.a.	n.a.	n.a.
 Pivot	Feb-18	 ELMO	11.2	2.5x	n.a.
Forward/ Softcargo/ Easylog	Apr-18	 wisetech global	25.0	3.7x	31.3x
 ZUNOS	Jun-18	 Bigtincan™	11.0	n.a.	n.a.
 swipedon	Oct-18	 SMARTSPACE SOFTWARE	10.2	11.0x	n.a.
 SmartFreight [®] Brighter Shipping Software	Oct-18	 wisetech global	55.0	7.0x	55.0x
 AVOKA	Dec-18	 TEMENOS	339.2	7.2x	n.a.
 hronboard	Dec-18	 ELMO	15.0	5.8x	n.a.
 CONTAINERCHAIN	Feb-19	 wisetech global	92.0	6.4x	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
 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 The Complete HRIS Cloud Based Solution	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	28.4	n.a.	n.a.
 BIDTRACKER	Nov-19	 Domain	35.0	n.a.	n.a.
 SMART SPARROW	Jan-20	 Pearson	n.a.	n.a.	n.a.
 FireMate	Jan-20	 Halma	18.2	9.3x	n.a.
Median				6.6x	31.3x





















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	blackbaud™	225.0	n.a.	n.a.
 janrain	Jan-19	 Akamai	173.4	n.a.	n.a.
 appriver	Jan-19	zix®	384.5	n.a.	n.a.
 TRENDKITE	Jan-19	CISION™	314.6	8.8x	n.a.
 Ultimate SOFTWARE	Feb-19	HELLMAN & FRIEDMAN JMI Blackstone GIC CPP INVESTMENT BOARD  QIA	15,223.3	9.6x	89.2x
 WEBROOT®	Feb-19	CARBONITE™	871.3	2.9x	n.a.
 EllieMae	Feb-19	THOMABRAVO	5,192.4	7.0x	59.6x
 nvoicepay	Mar-19	FLEETCOR®	314.7	n.a.	n.a.
 PrescribeWellness	Mar-19	TABULARASA HEALTHCARE®	212.1	5.2x	n.a.
 PIEtech Plan • Invest • Enjoy	Mar-19	ENVESTNET™	715.2	11.4x	27.8x
 Xevo	Apr-19	LEAR CORPORATION	455.8	4.3x	n.a.
 Axio ma	Apr-19	DEUTSCHE BÖRSE GROUP	1,192.5	8.5x	n.a.
samanage	Apr-19	solarwinds	479.8	n.a.	n.a.
 exari	Apr-19	coupa	299.7	7.3x	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
 MapAnything	Apr-19		313.8	n.a.	n.a.
 Amber Road POWERING GLOBAL TRADE®	May-19	 E2OPEN®	624.2	4.9x	n.a.
 PROFITECT	May-19	 ZEBRA	124.4	n.a.	n.a.
 looker	Jun-19		3,721.1	n.a.	n.a.
 + a b e a u	Jun-19		24,949.0	13.7x	n.a.
 JAGGAER	Jul-19		143.4	n.a.	n.a.
 HotSchedules®  fourth	Jul-19	 INSIGHT PARTNERS  MARLIN EQUITY PARTNERS	431.1	n.a.	n.a.
 OmniComm eClinical Solutions for Life™	Jul-19	 anju LIFE SCIENCES SOFTWARE	110.3	3.0x	39.9x
 IPIPELINE® INNOVATION UNLEASHED	Aug-19		2,386.8	n.a.	n.a.
 Pivotal	Aug-19		4,952.0	4.2x	n.a.
 Hedvig	Sep-19	 COMMVAULT® 	331.0	n.a.	n.a.
 Acquia®	Sep-19	 VISTA EQUITY PARTNERS	1,472.0	n.a.	n.a.
 CROSSIX	Sep-19		639.1	n.a.	n.a.
 RADIXX	Oct-19		162.9	n.a.	n.a.

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

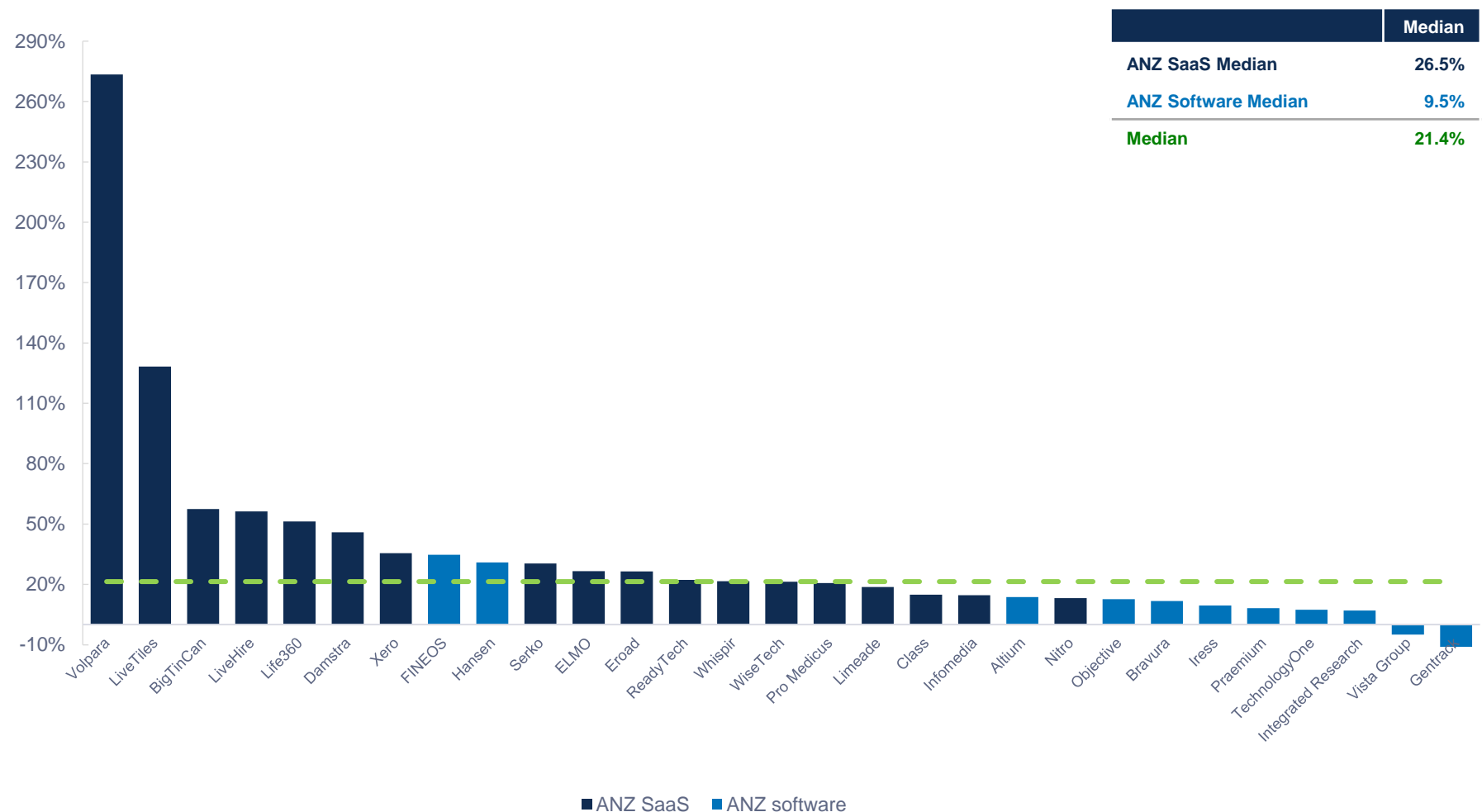
Transaction overview				Multiples	
Target	Date	Acquirer	Transaction value (A\$m) ²	EV/ LTM revenue	EV/ LTM EBITDA
 sessionm	Oct-19	 mastercard	313.2	n.a.	n.a.
 Onshape	Oct-19	 ptc	686.6	n.a.	n.a.
 scout™	Nov-19	 workday	743.9	n.a.	n.a.
 Buildium®	Nov-19	 REALPAGE®	841.6	11.6x	n.a.
 Aporeto	Nov-19	 paloalto NETWORKS	212.8	n.a.	n.a.
 FAST Flexible Architecture. Simplified Technology.	Dec-19	 Verisk	280.8	n.a.	n.a.
 INSTRUCTURE	Dec-19	 THOMABRAVO	3,072.3	7.6x	n.a.
 VividCortex	Dec-19	 solarwinds	171.1	n.a.	n.a.
 CHURCH COMMUNITY BUILDER	Dec-19	 Pushpay	126.8	n.a.	n.a.
 bridgevine	Dec-19	 updater	109.3	n.a.	n.a.
 revolutionEHR freedom to focus	Dec-19	n.a.	101.3	n.a.	n.a.
 SIMPLUS	Feb-20	 Infosys	299.6	n.a.	n.a.
 Localytics	Feb-20	 upland	101.9	n.a.	n.a.
Median				7.3x	44.8x



Benchmarking: SaaS and software metrics

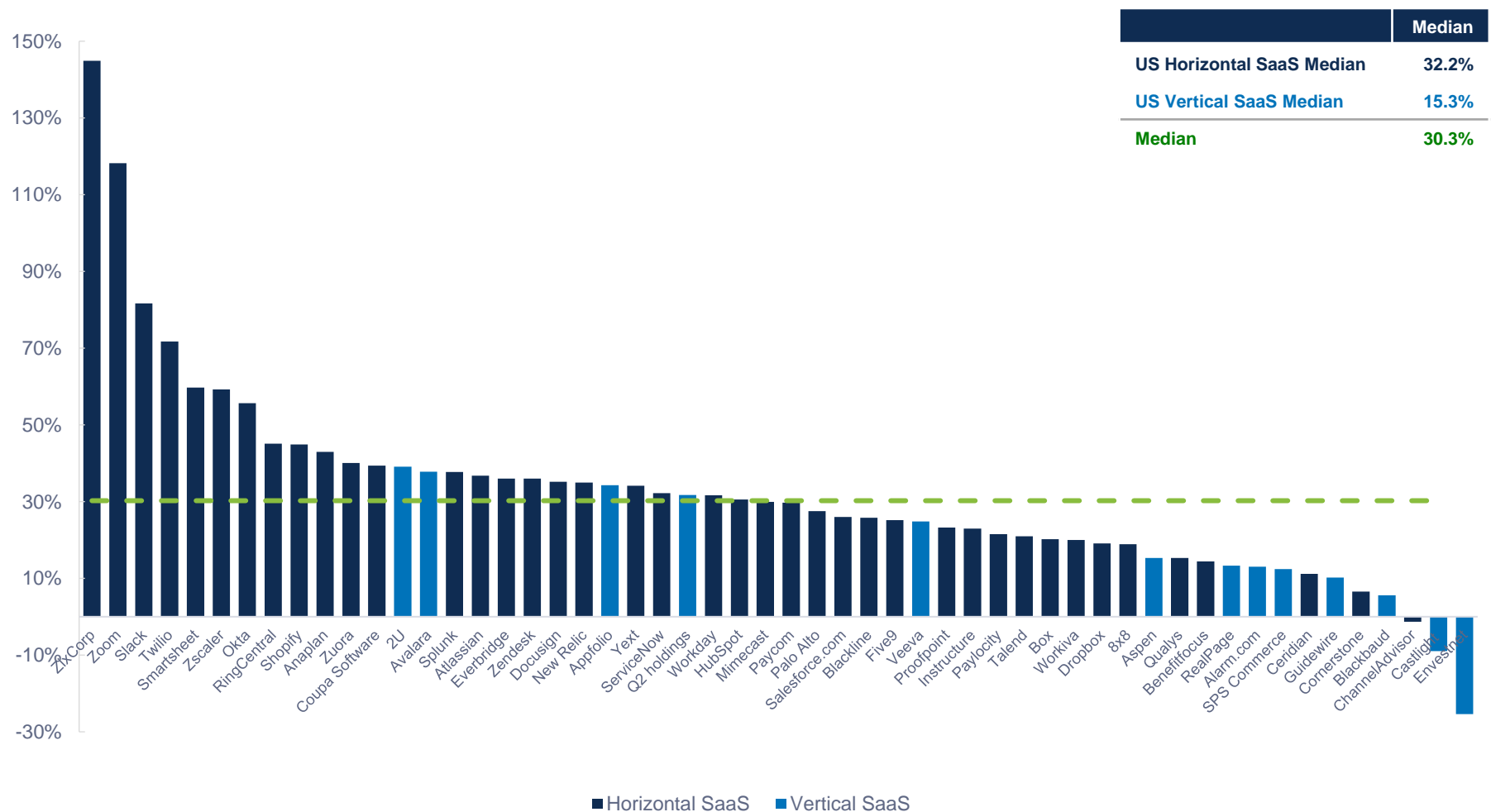


Benchmarking: ANZ NTM revenue growth



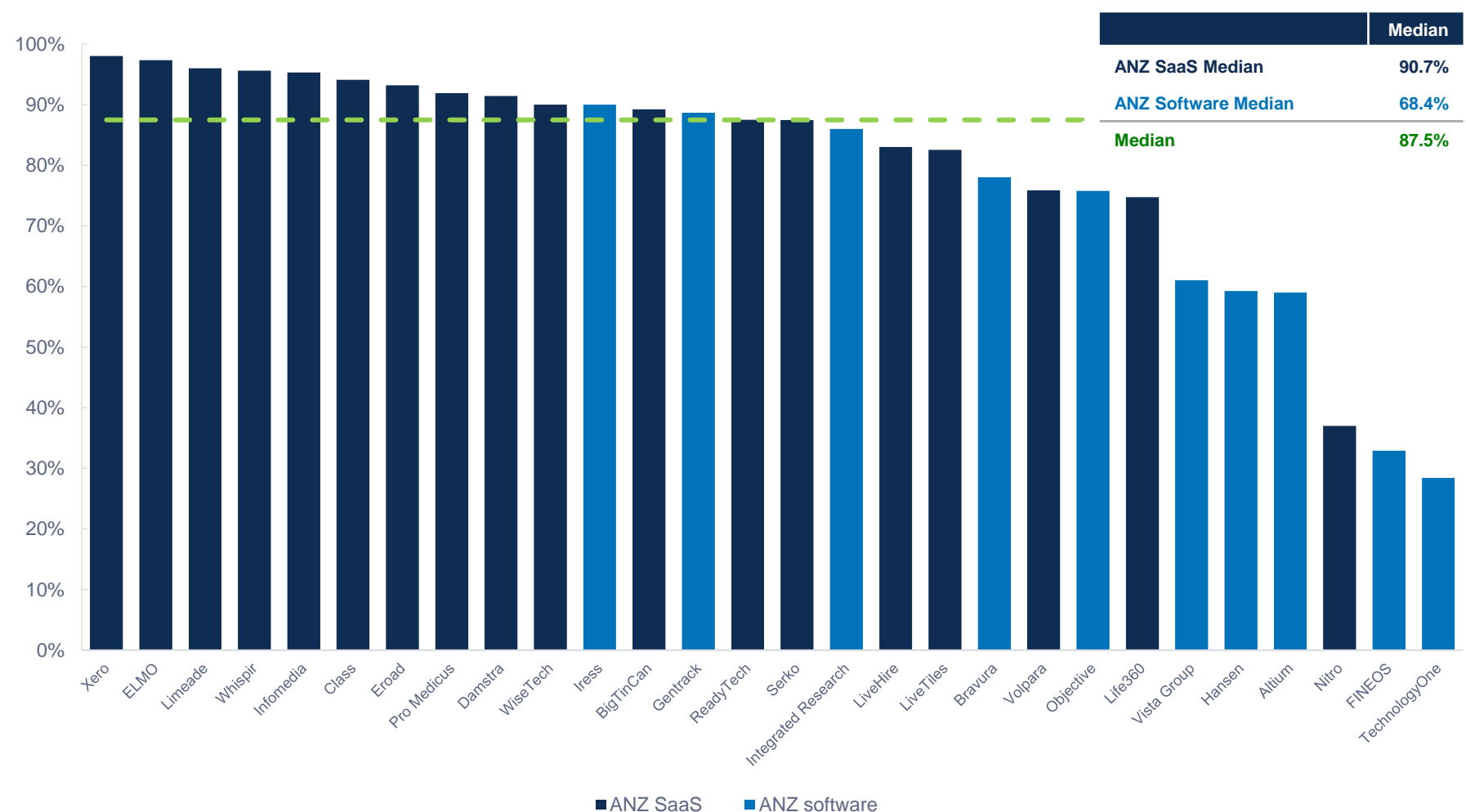
ANZ SaaS companies have significantly higher growth rates than traditional software companies

Benchmarking: US NTM revenue growth



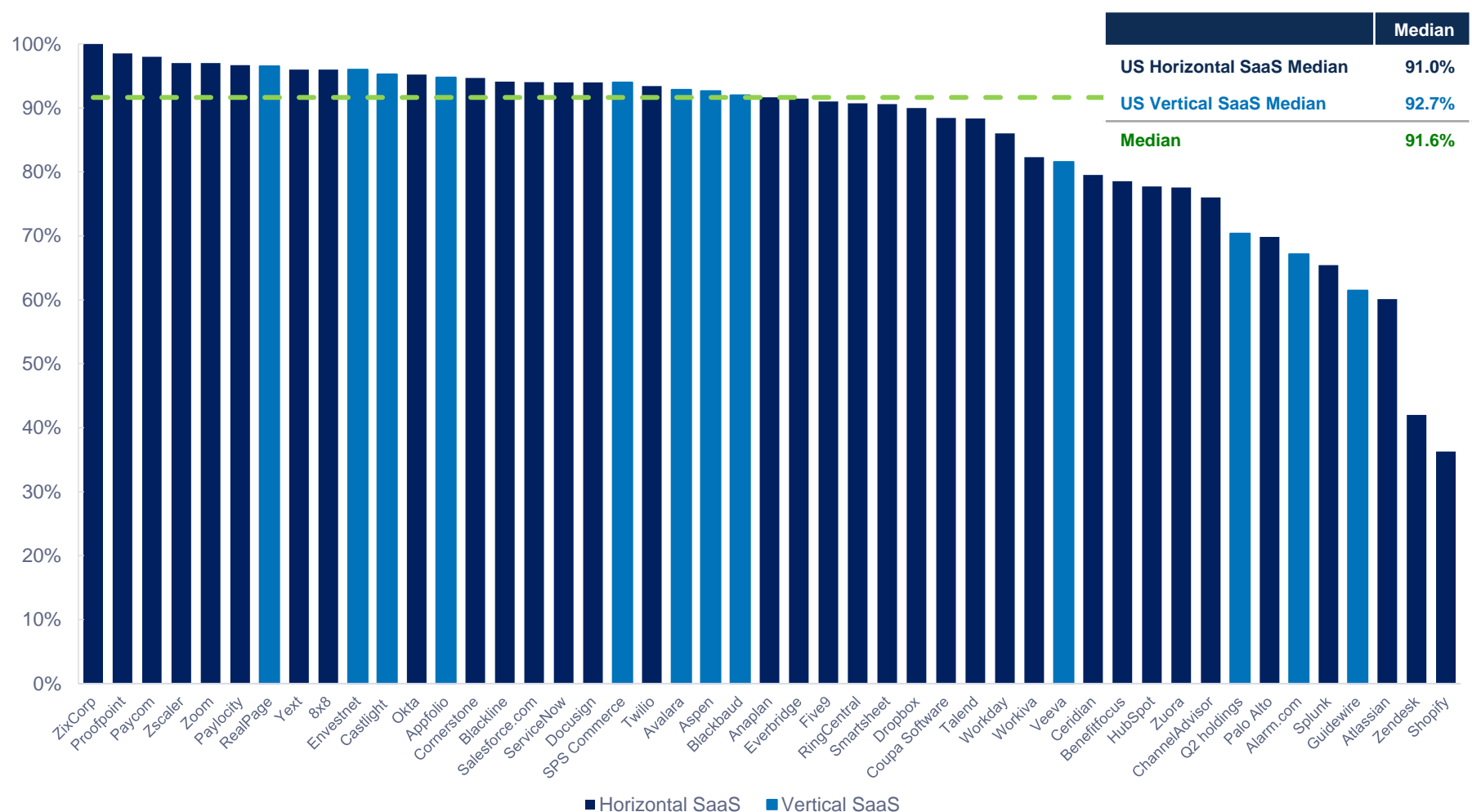
Despite the COVID-19 crisis, US horizontal SaaS companies are expected to achieve high growth

Benchmarking: ANZ recurring revenue



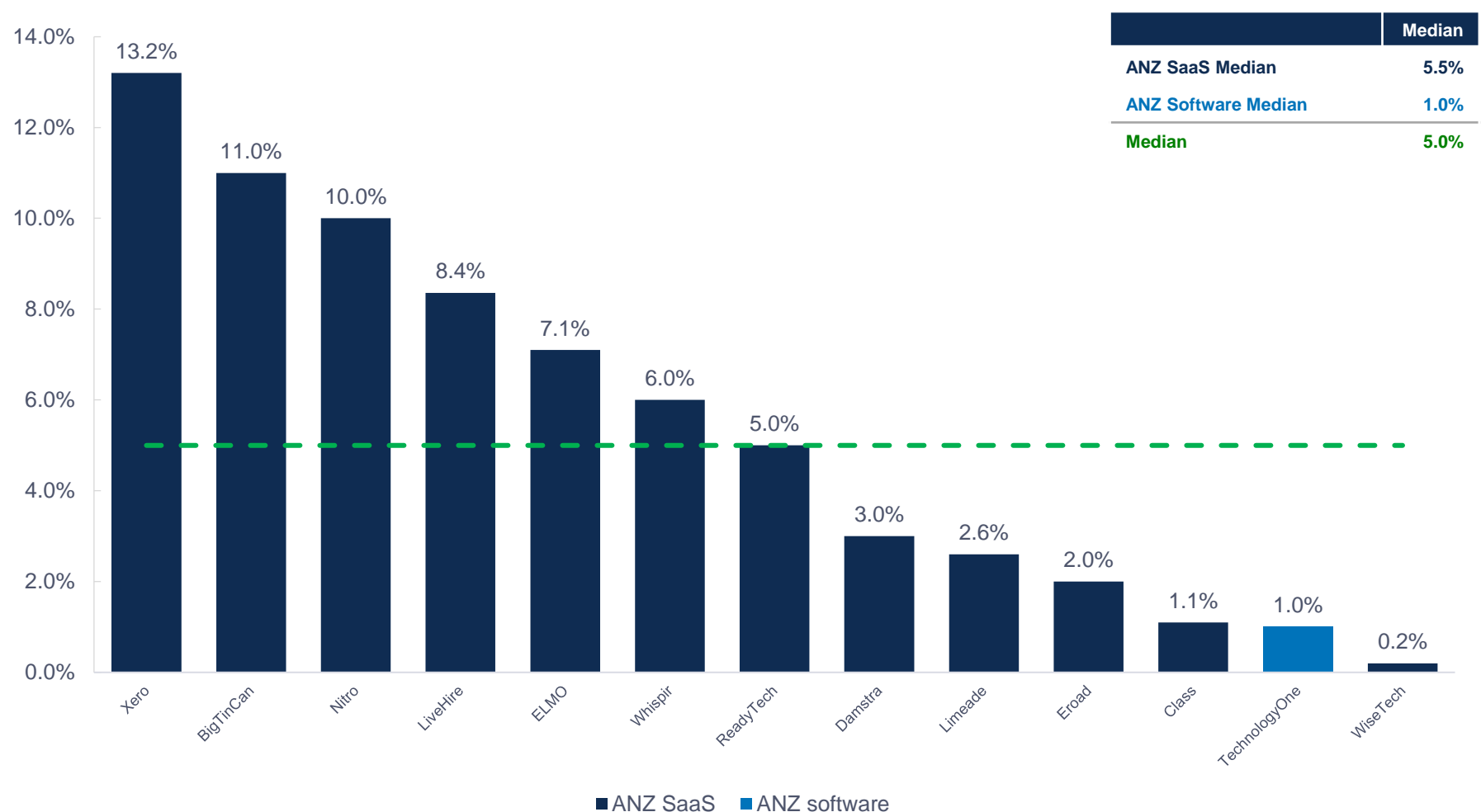
SaaS companies have significantly higher levels of recurring revenue than traditional software co's

Benchmarking: US recurring revenue



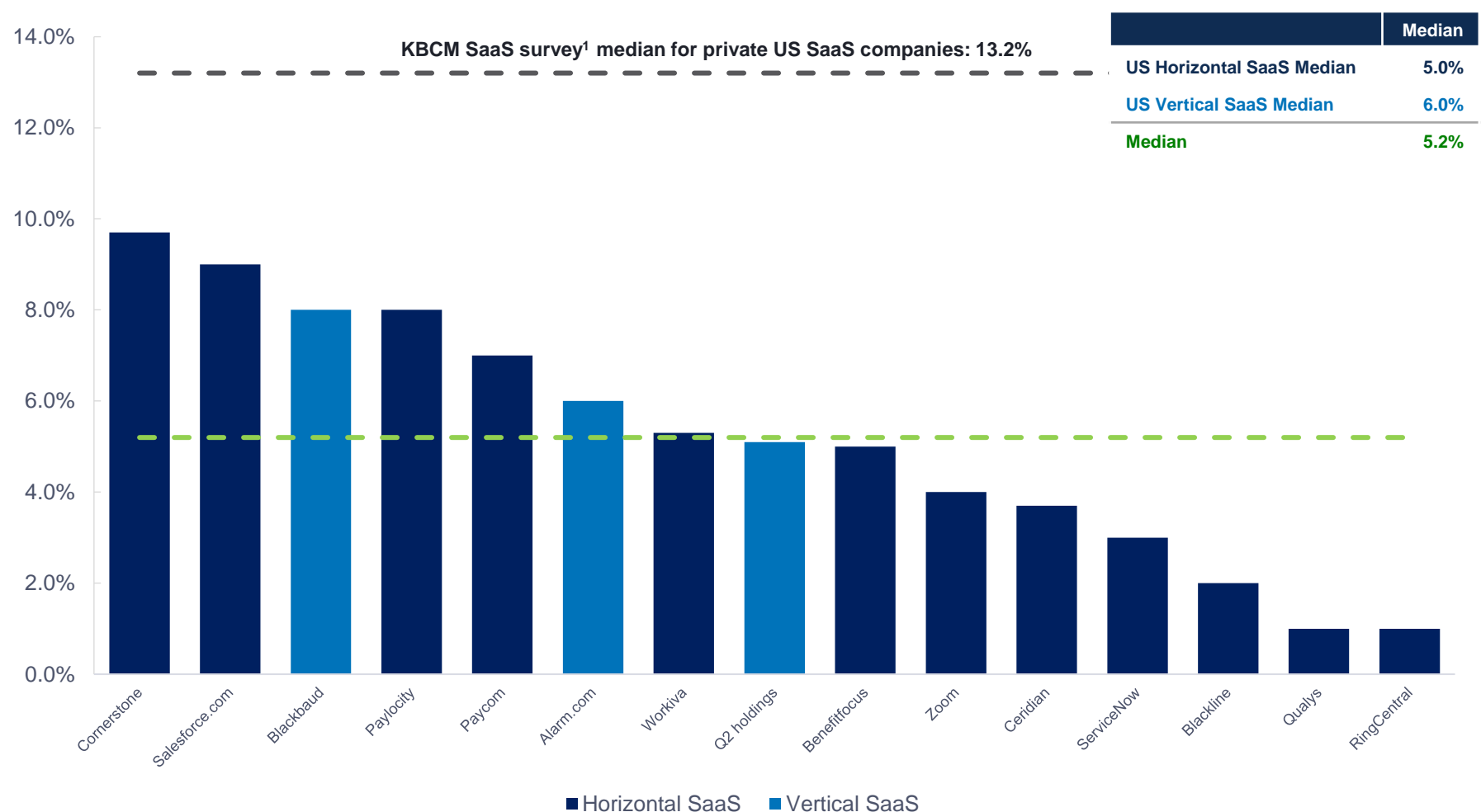
US SaaS companies have a median of ~92% recurring revenue

Benchmarking: ANZ attrition rate



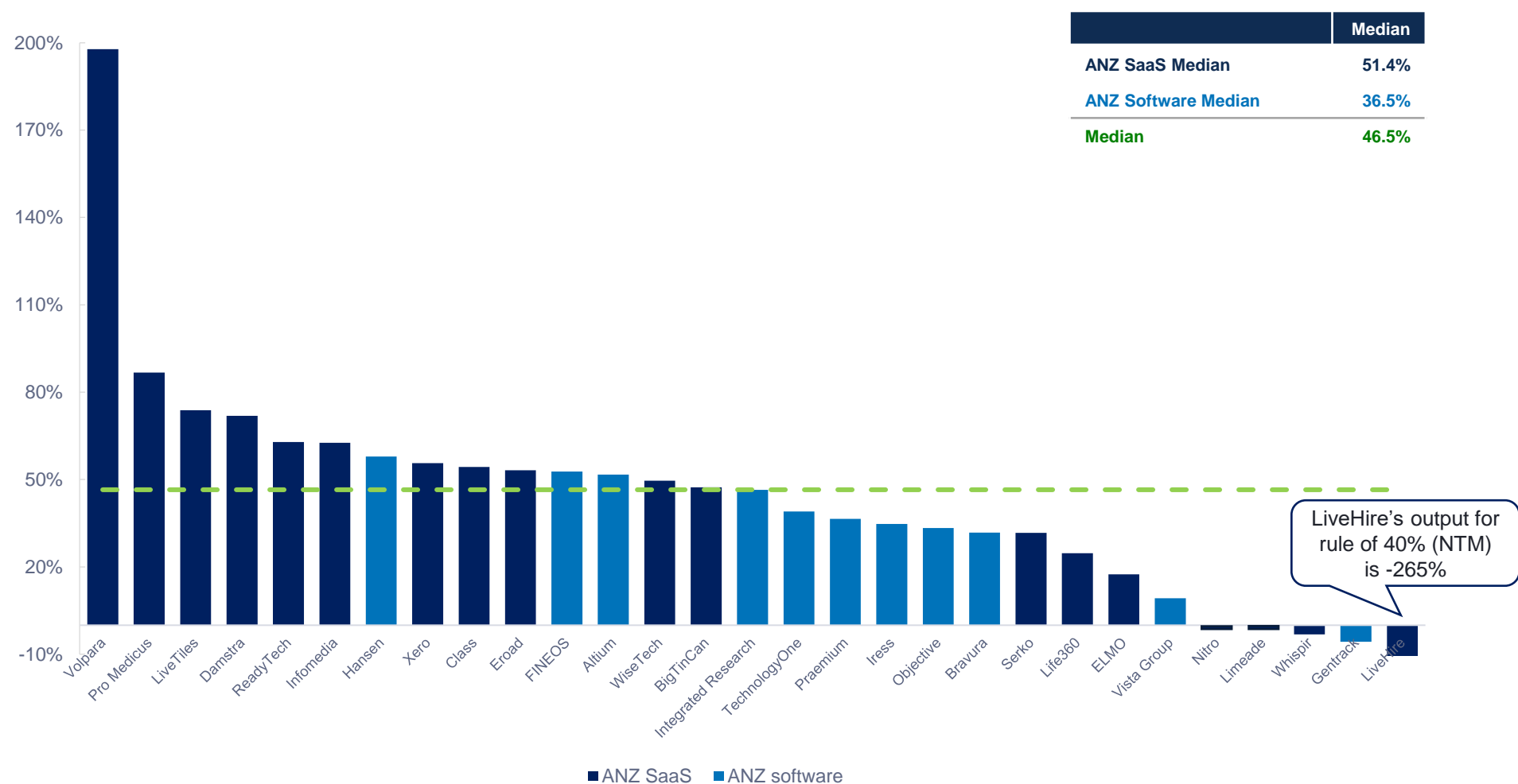
Limited reporting on gross attrition but investors pay premiums for low attrition (e.g. WiseTech)

Benchmarking: US attrition rate



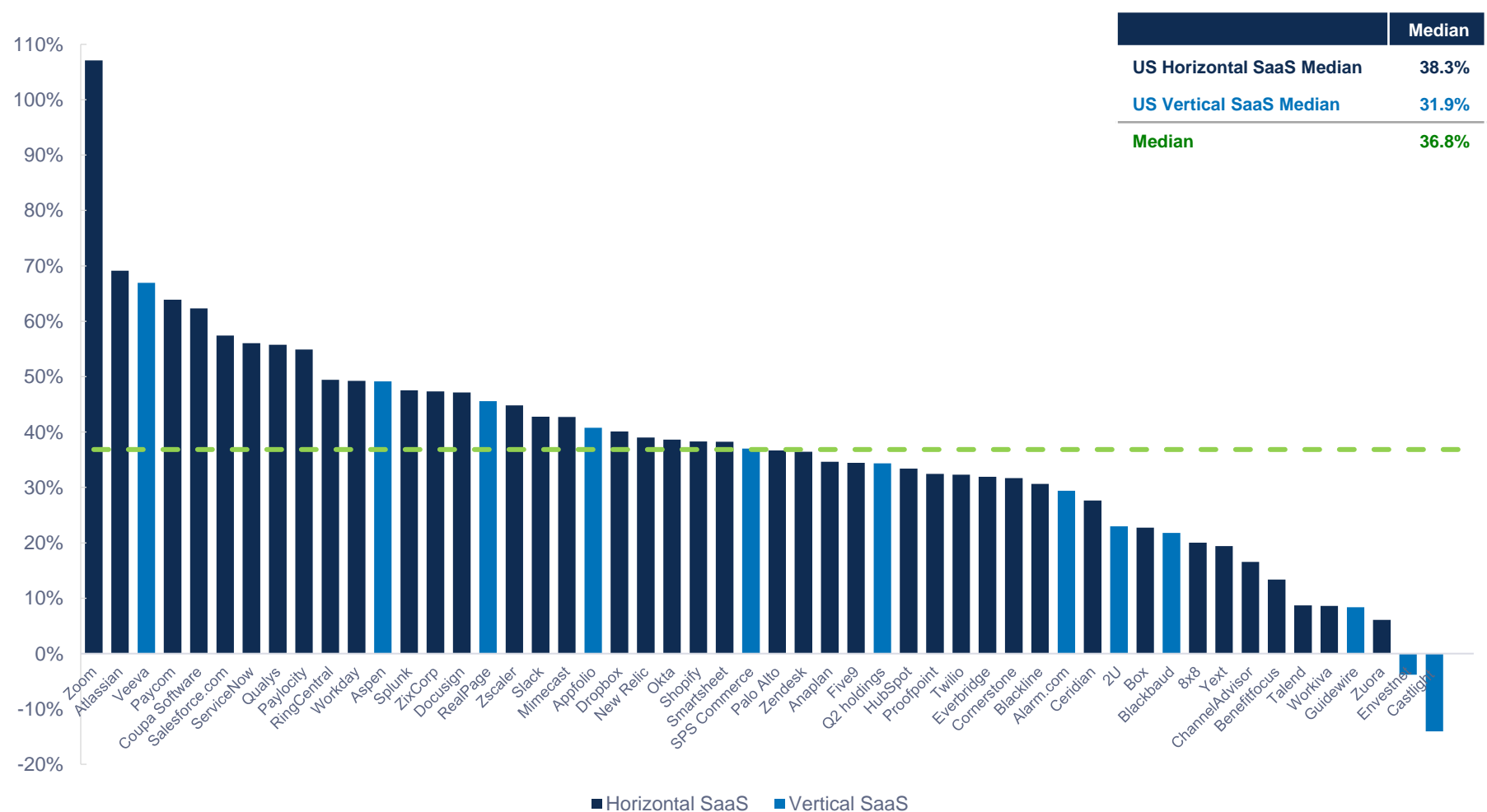
US SaaS companies typically have attrition rates of ~5% pa

Benchmarking: ANZ rule of 40% (NTM)



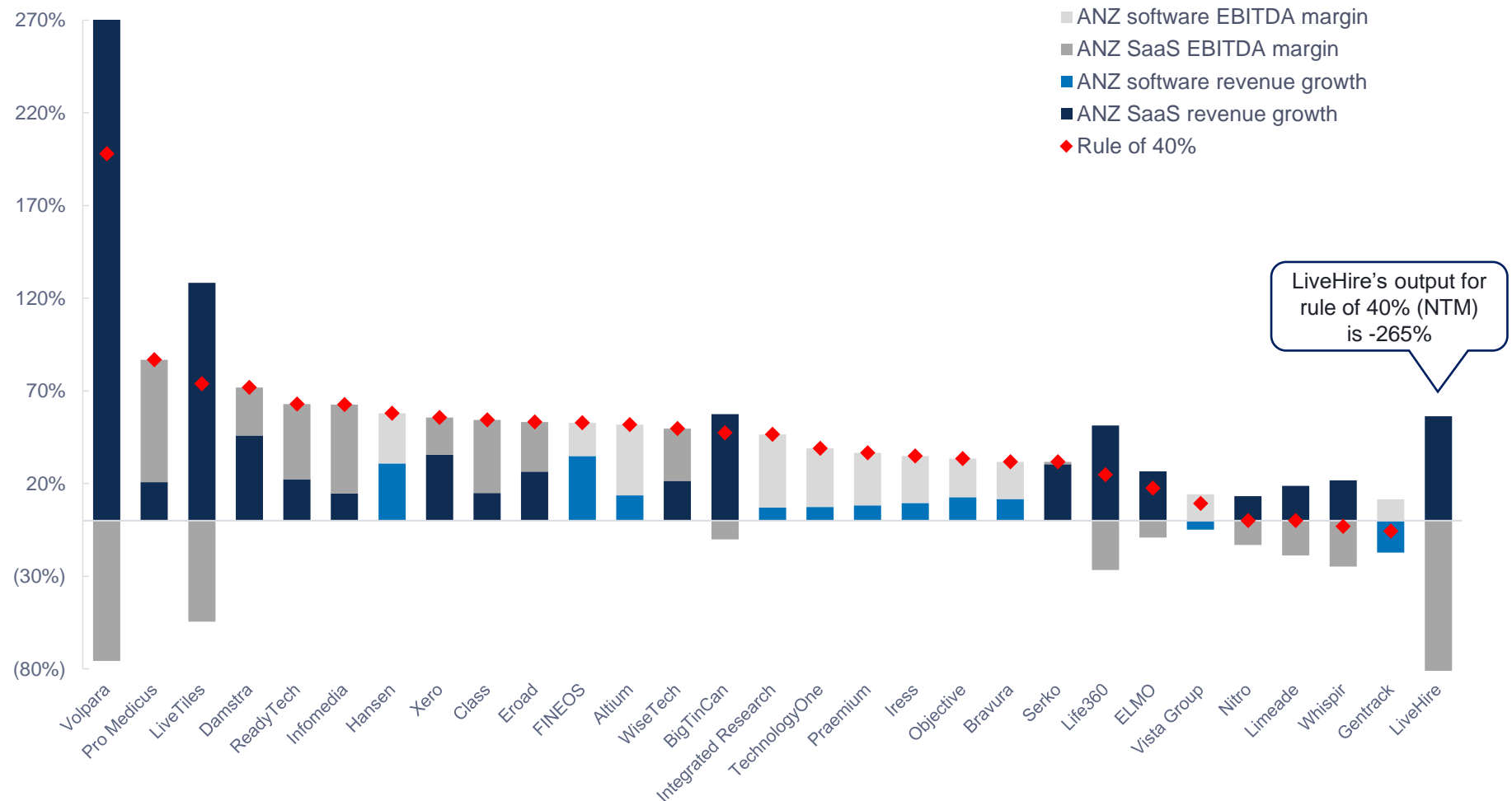
The median ANZ SaaS companies comfortably meets the rule of 40%

Benchmarking: US rule of 40% (NTM)



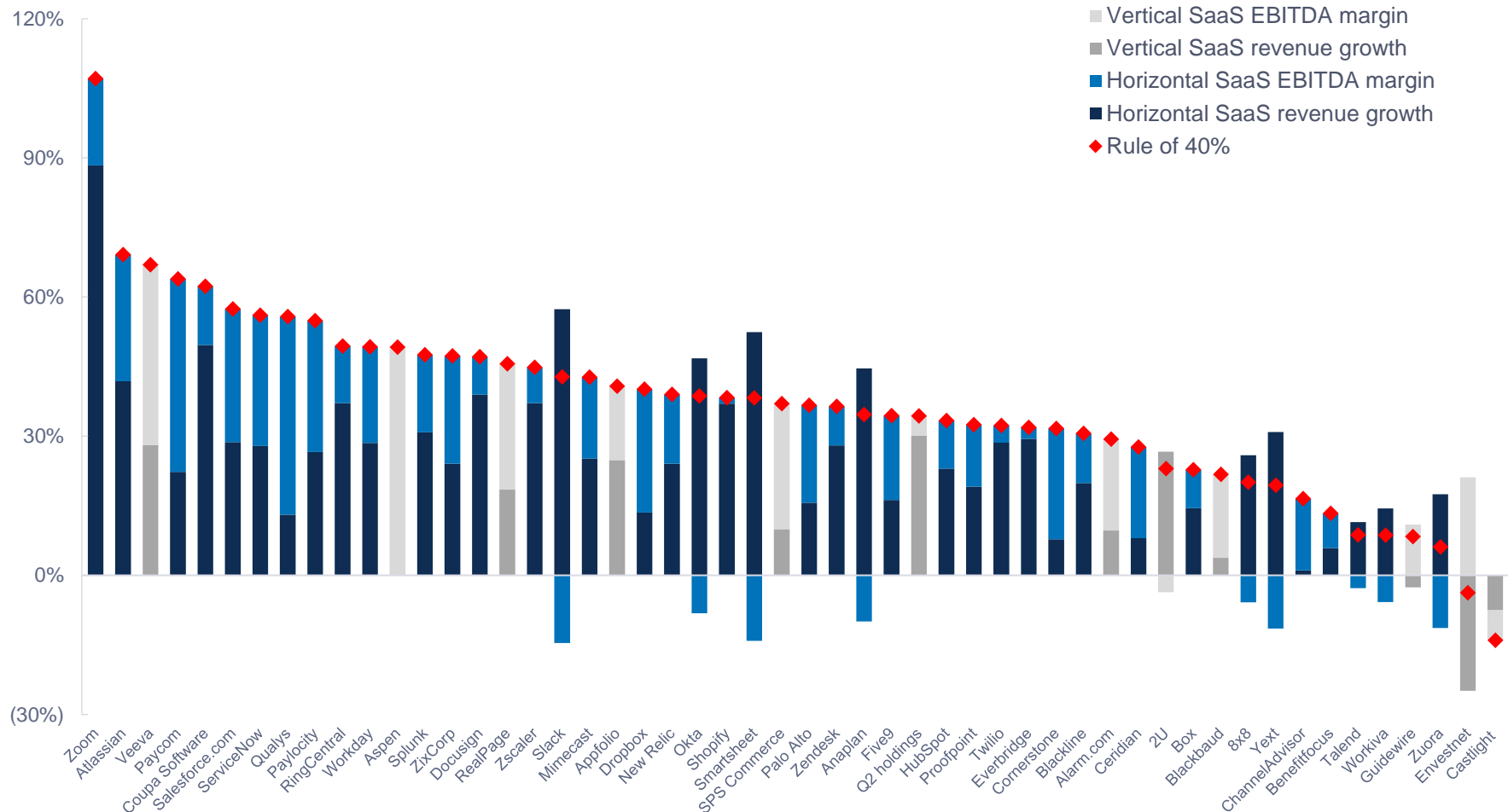
The median US SaaS company typically falls just short of the rule of 40%

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)



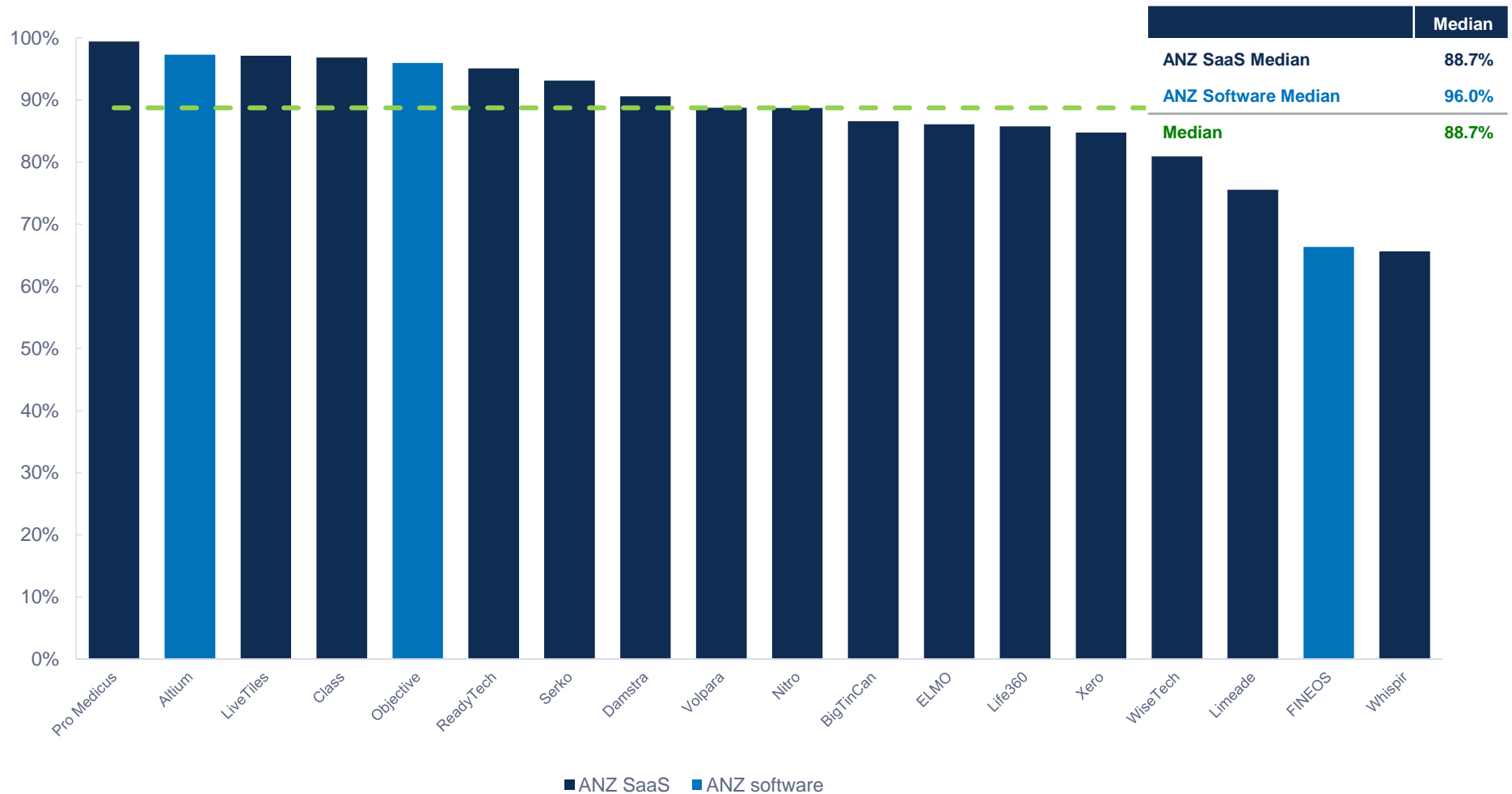
US SaaS companies are more focused on revenue growth



Benchmarking: SaaS and software margins

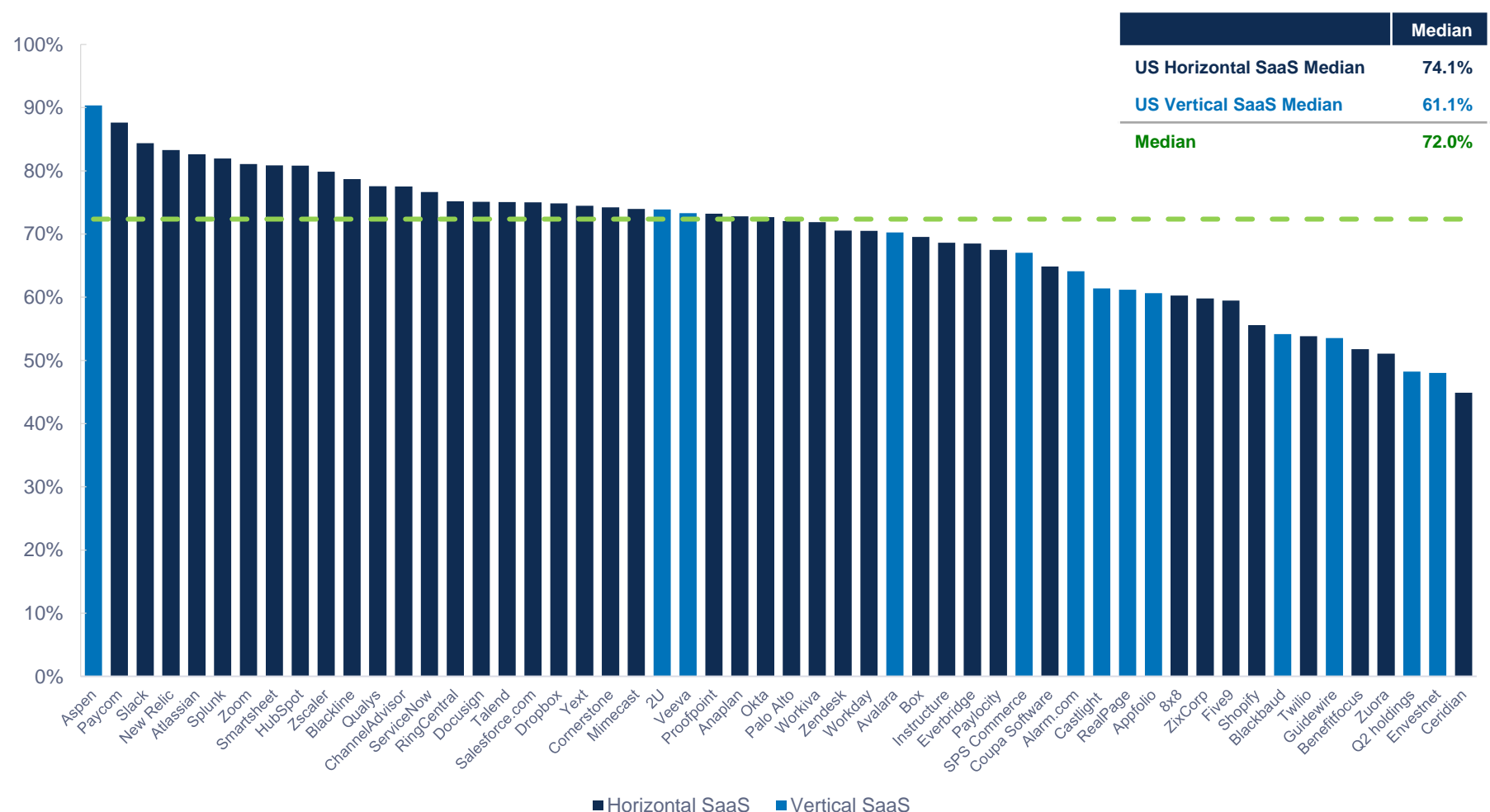


Benchmarking: ANZ gross margin¹



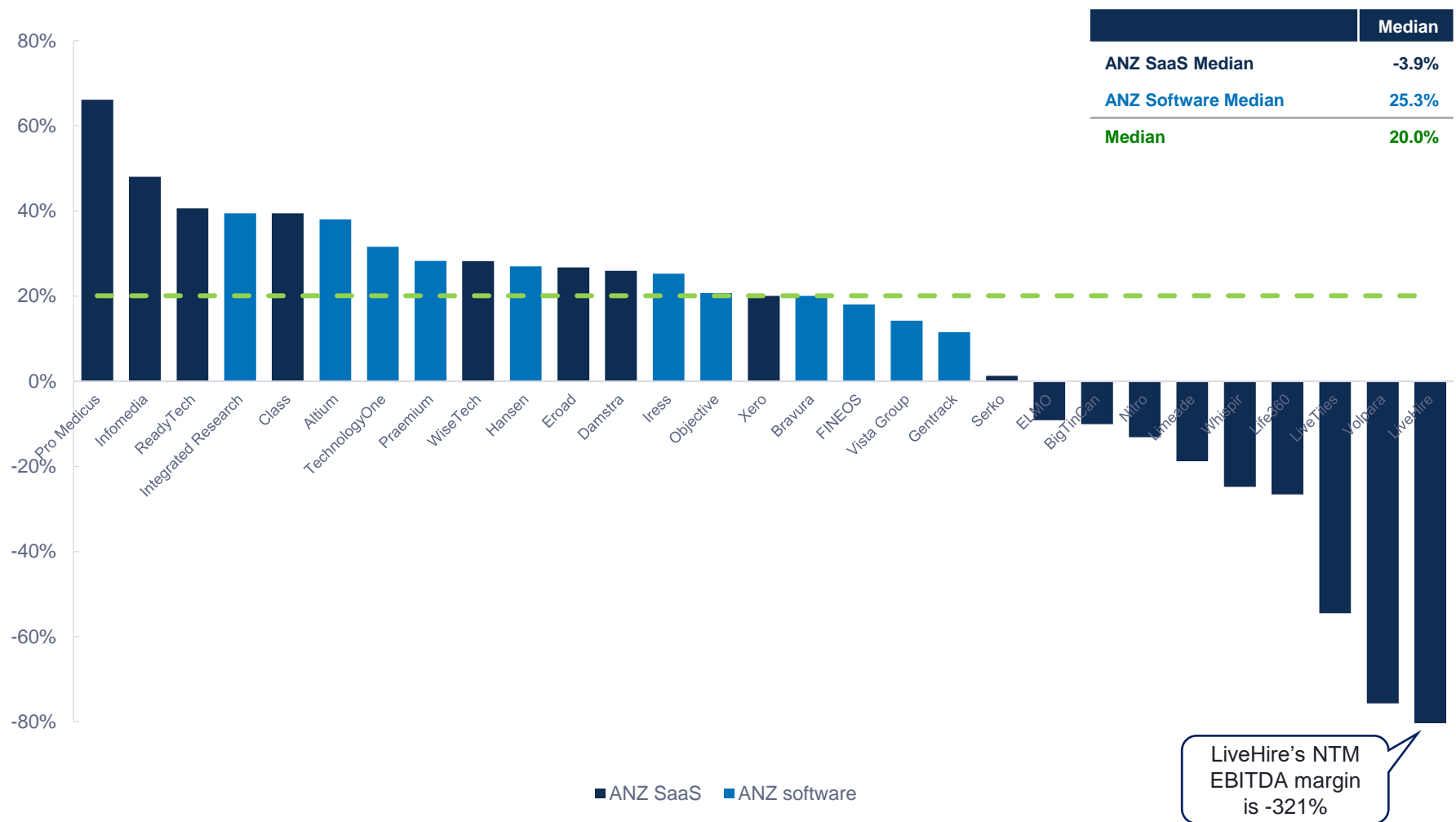
ANZ SaaS and software companies have highly competitive gross margins

Benchmarking: US gross margin



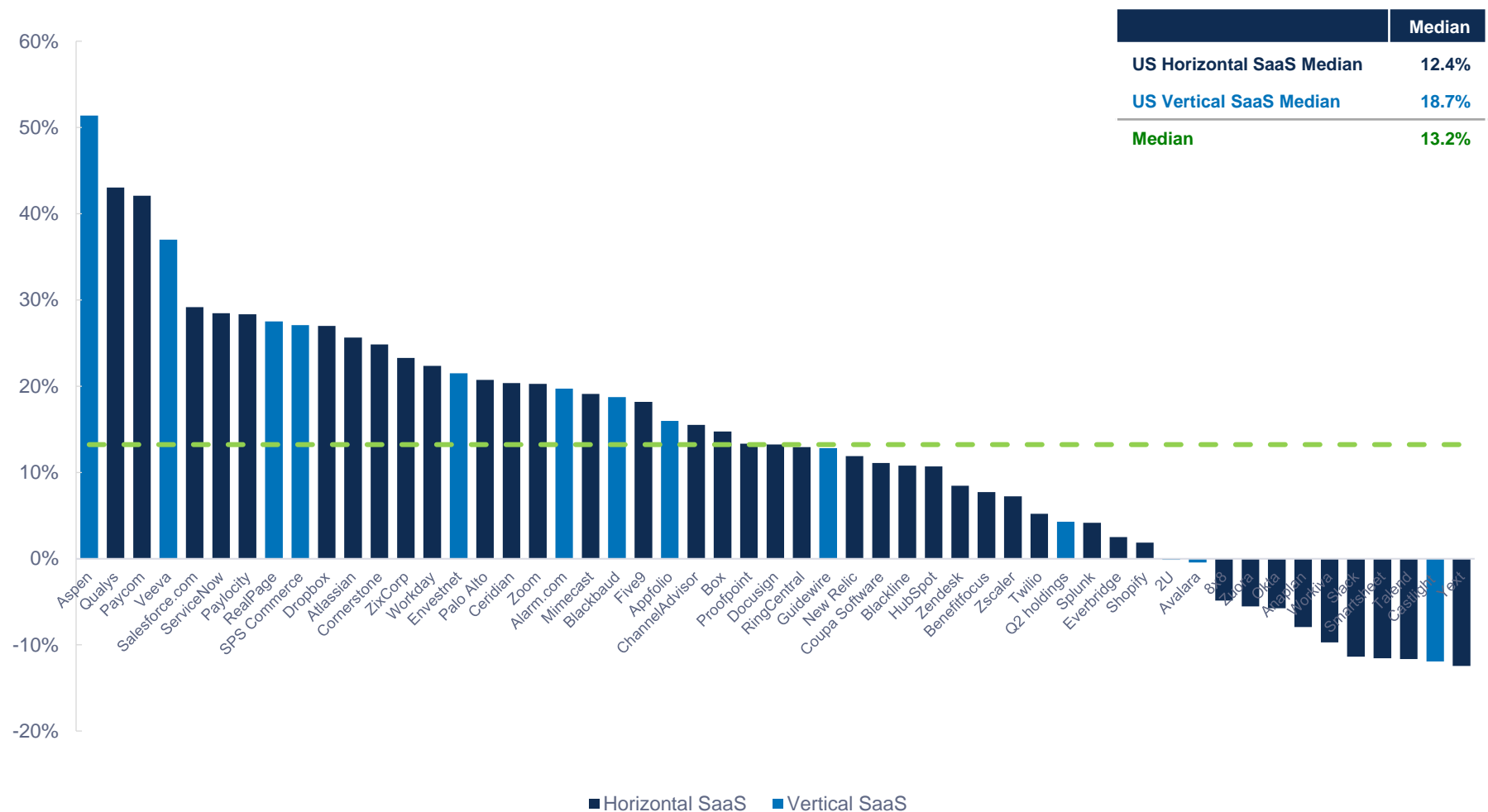
US SaaS companies have a median gross margin of ~72%, with horizontal SaaS taking the lead

Benchmarking: ANZ NTM EBITDA margin %



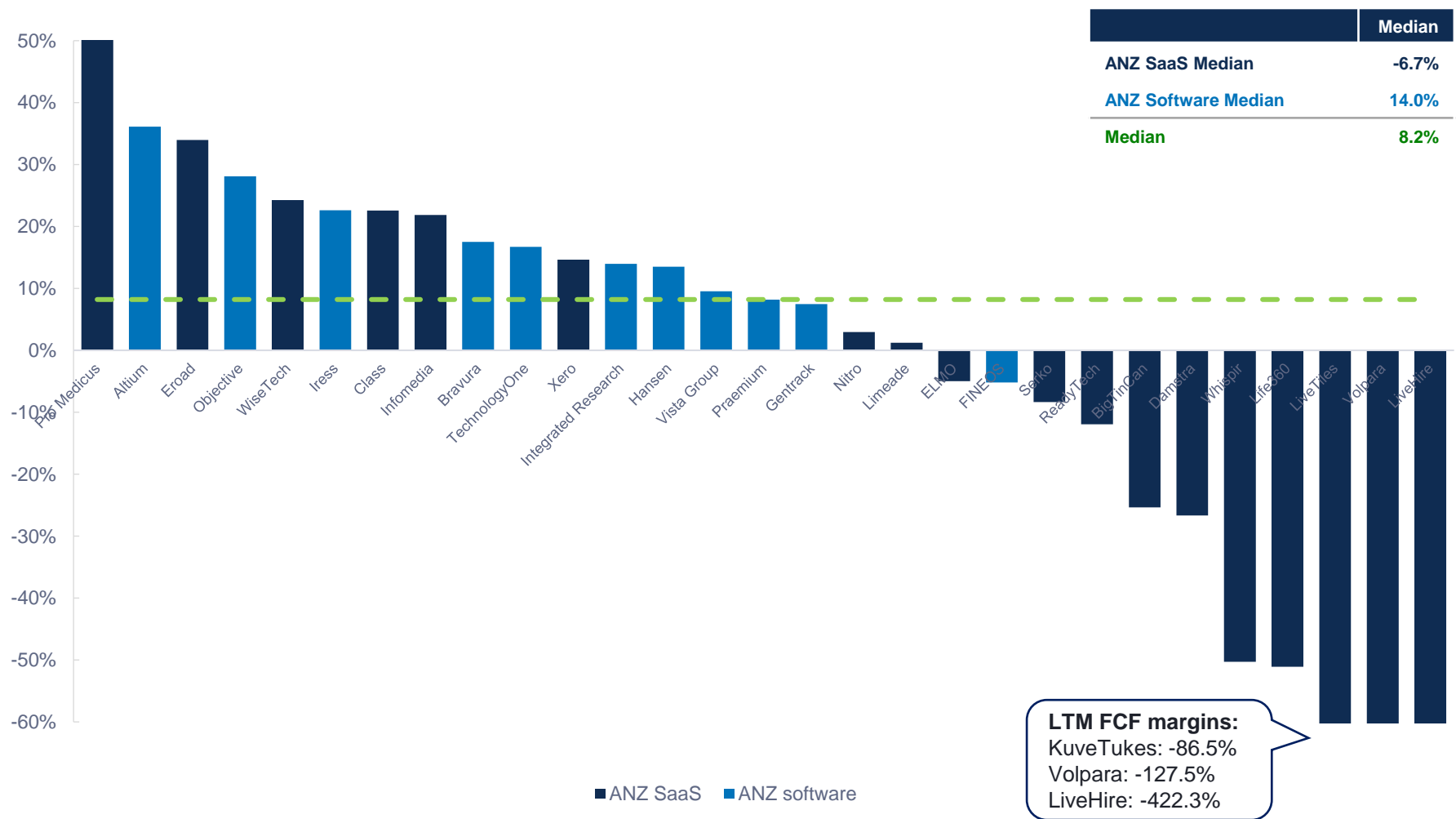
Profitability of ANZ software companies are expected to be more defensive than their SaaS peers

Benchmarking: US NTM EBITDA margin %



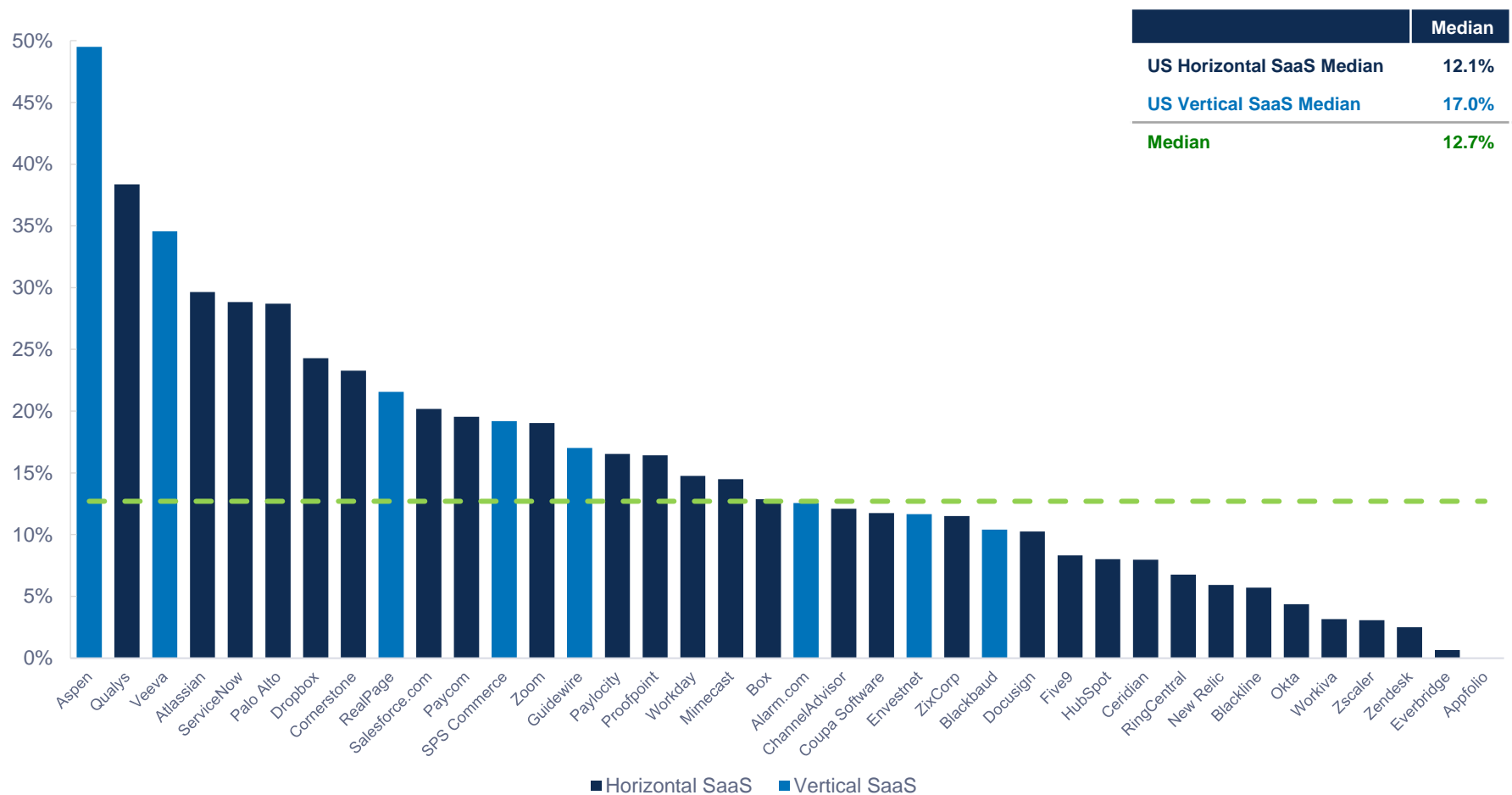
US vertical SaaS companies demonstrate stronger EBITDA margins than horizontal SaaS peers

Benchmarking: ANZ LTM FCF margin¹



ANZ software companies typically have significantly higher FCF margins than ANZ SaaS co's

Benchmarking: US NTM FCF margin¹



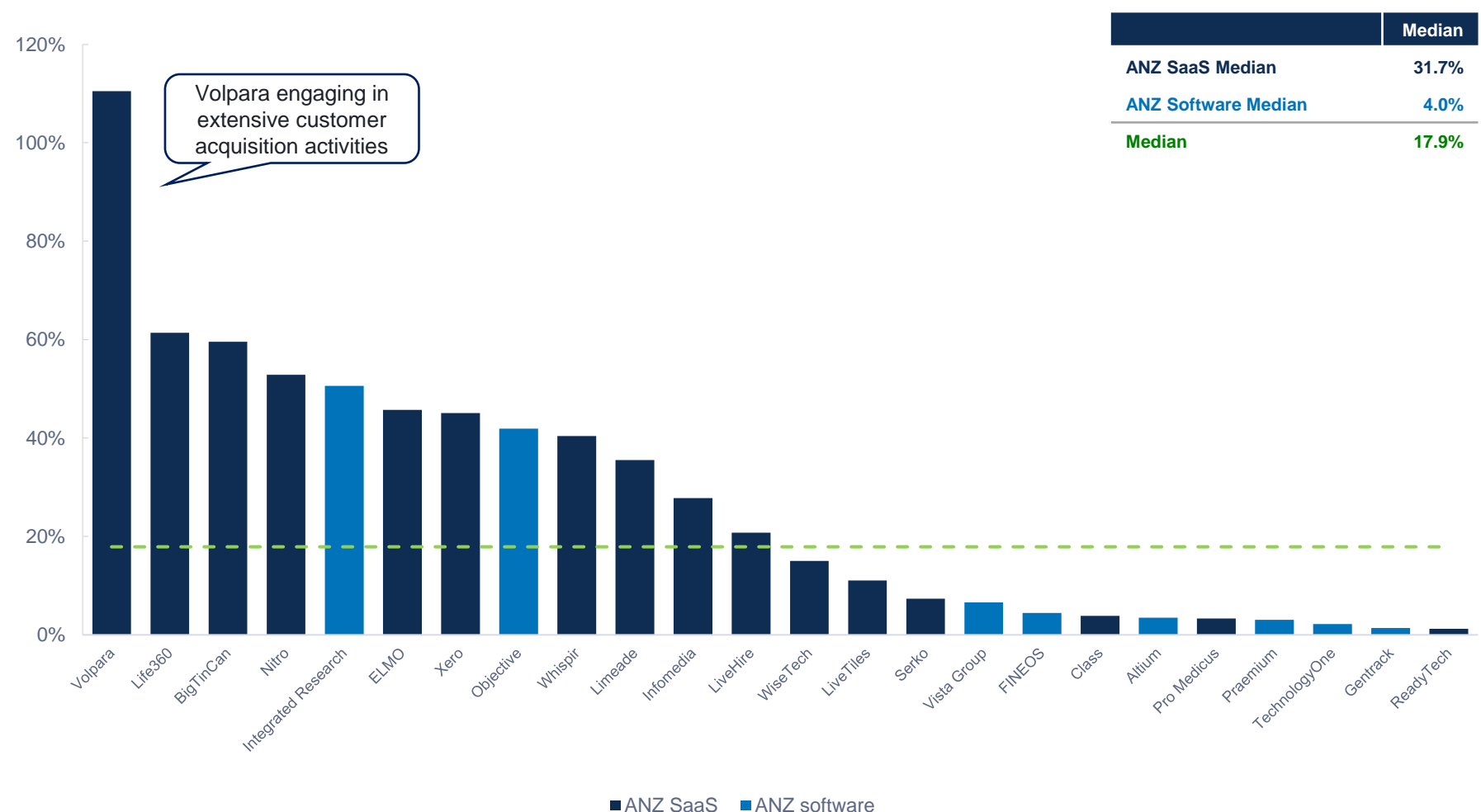
US SaaS FCF margins are positively impacted by deferred revenue accounting policy on subscription revenues plus accounting for executive remuneration



Benchmarking: SaaS and software expenses



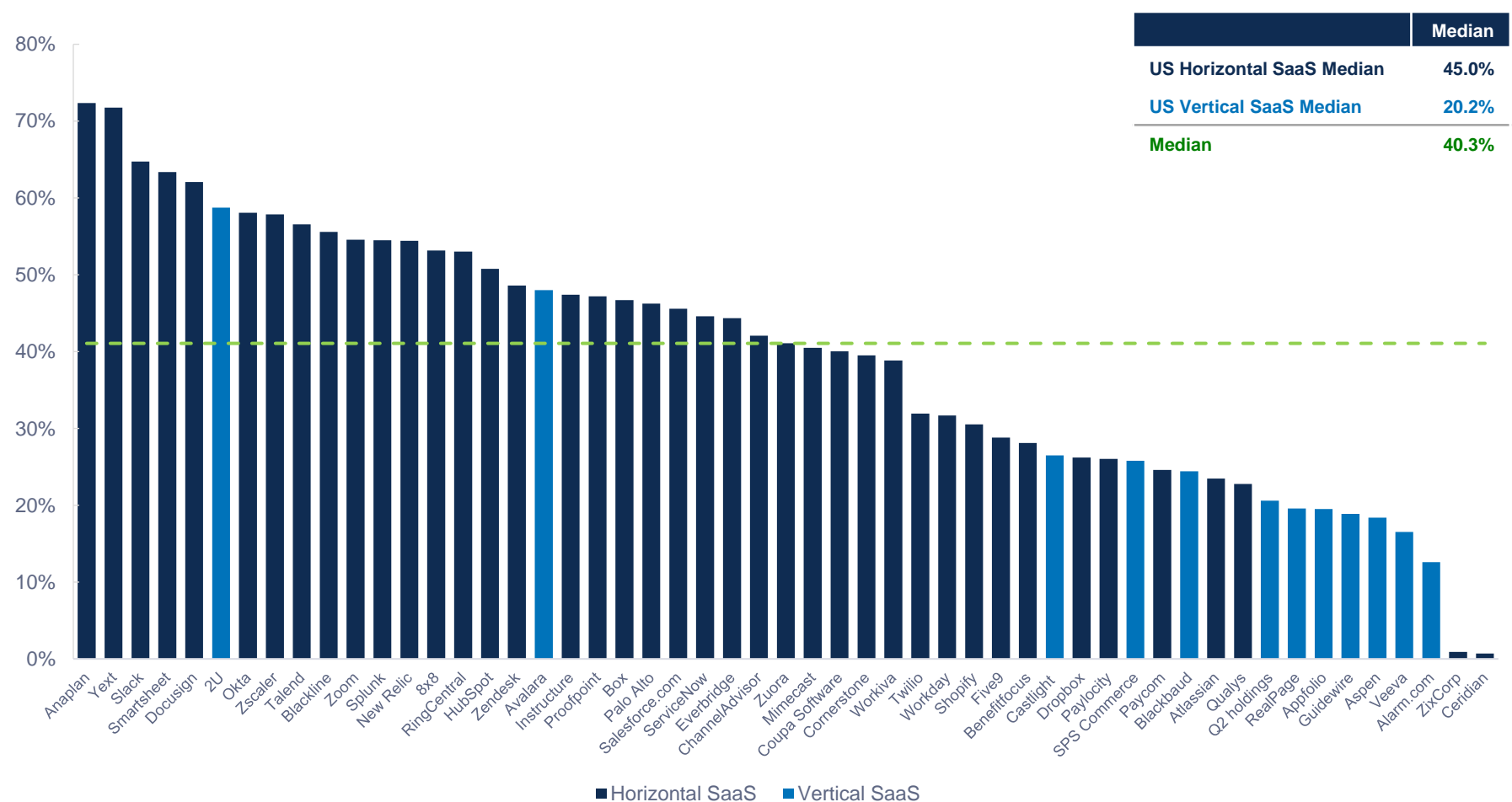
Benchmarking: ANZ LTM S&M expense/ LTM revenue



	Median
ANZ SaaS Median	31.7%
ANZ Software Median	4.0%
Median	17.9%

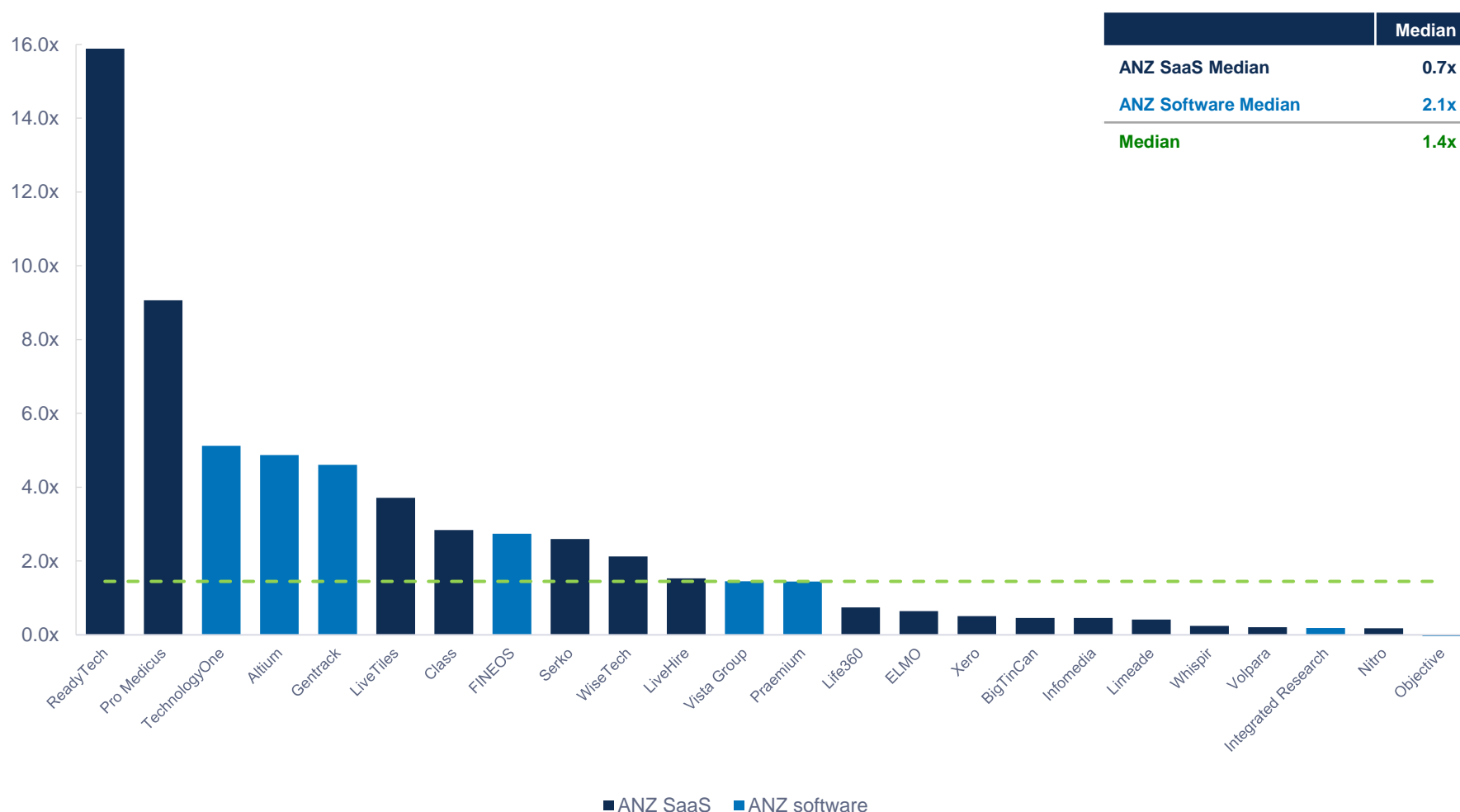
ANZ SaaS companies tend to have significantly higher S&M spend as a proportion of revenue

Benchmarking: US LTM S&M expense/ LTM revenue



US SaaS companies invest ~40% of revenue on S&M, demonstrating greater focus on growth – vertical SaaS much more efficient in their S&M spend

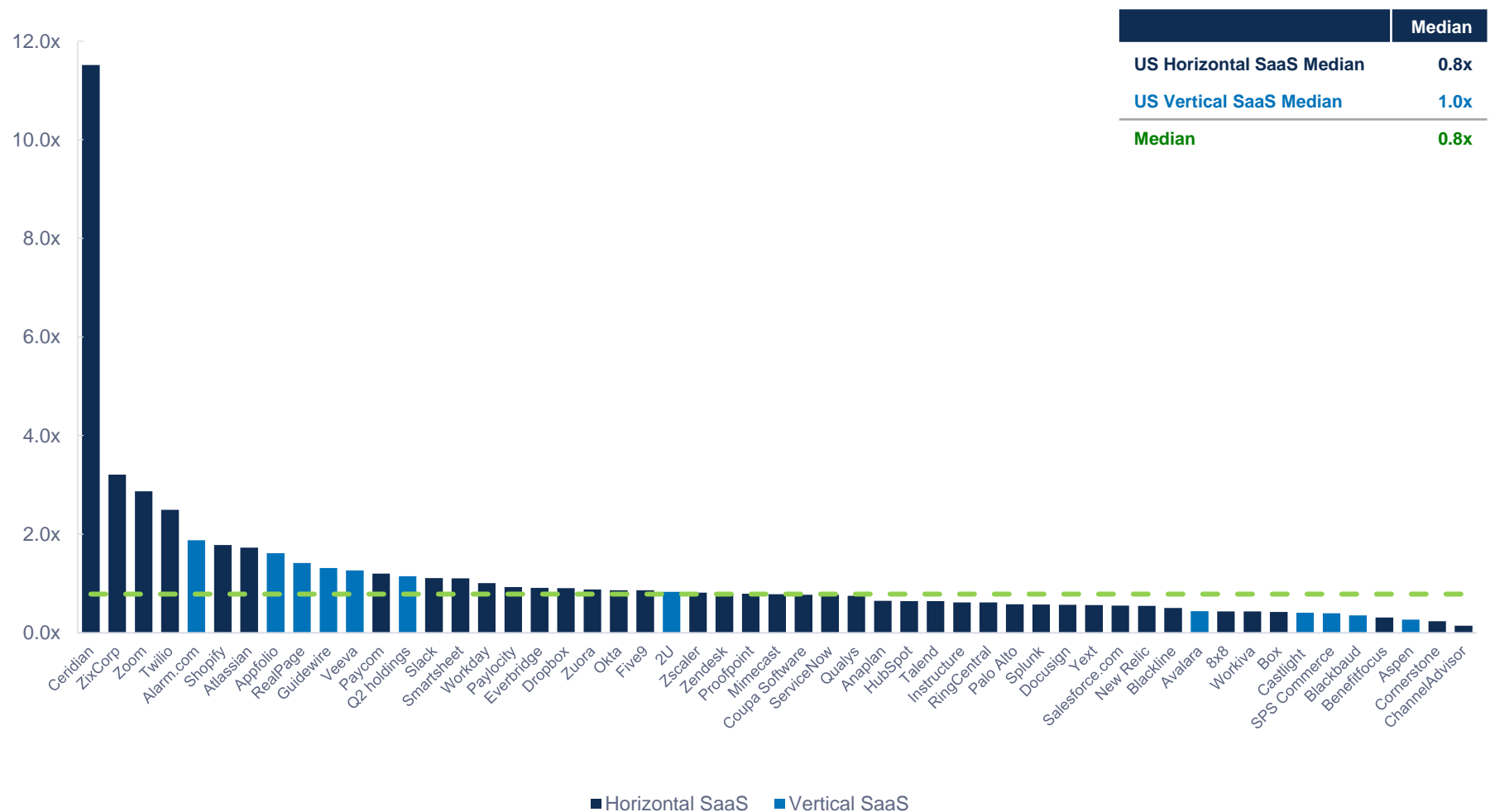
Benchmarking: ANZ LTM S&M efficiency¹



	Median
ANZ SaaS Median	0.7x
ANZ Software Median	2.1x
Median	1.4x

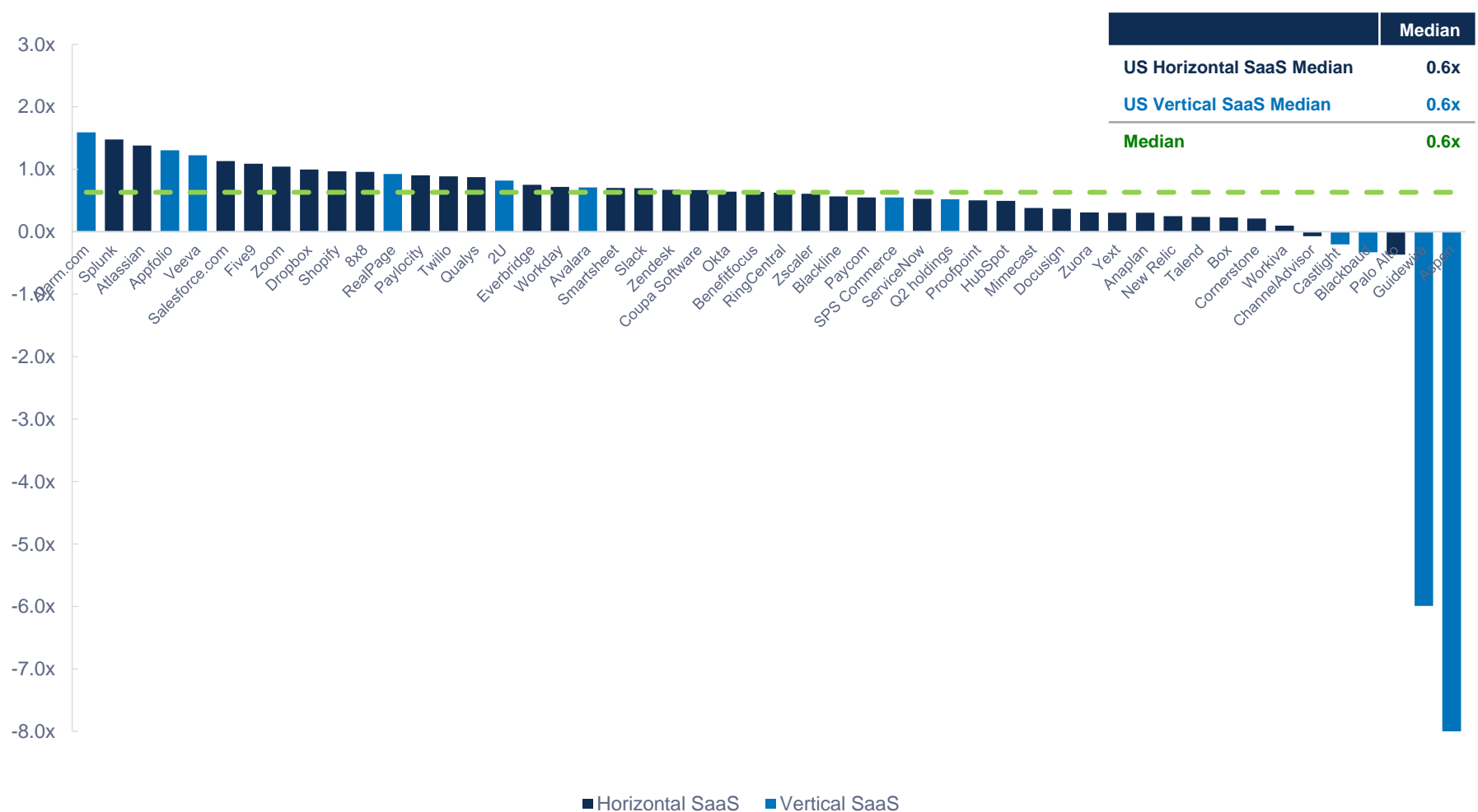
The median S&M efficiency multiple for ANZ SaaS and software companies is 1.4x

Benchmarking: US LTM S&M efficiency¹



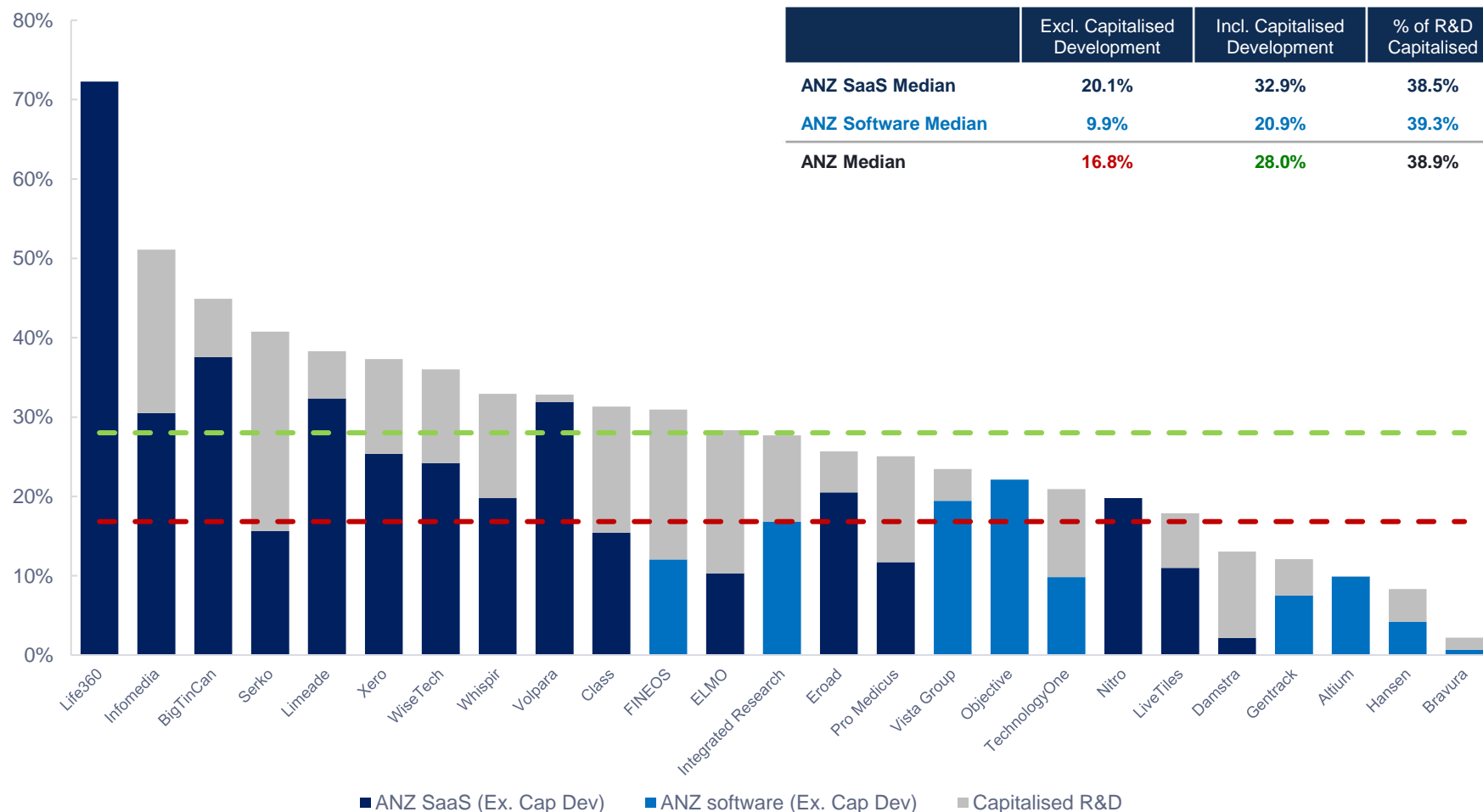
The median S&M efficiency multiple for US SaaS companies is materially lower than ANZ peers

Benchmarking: US SaaS magic number¹



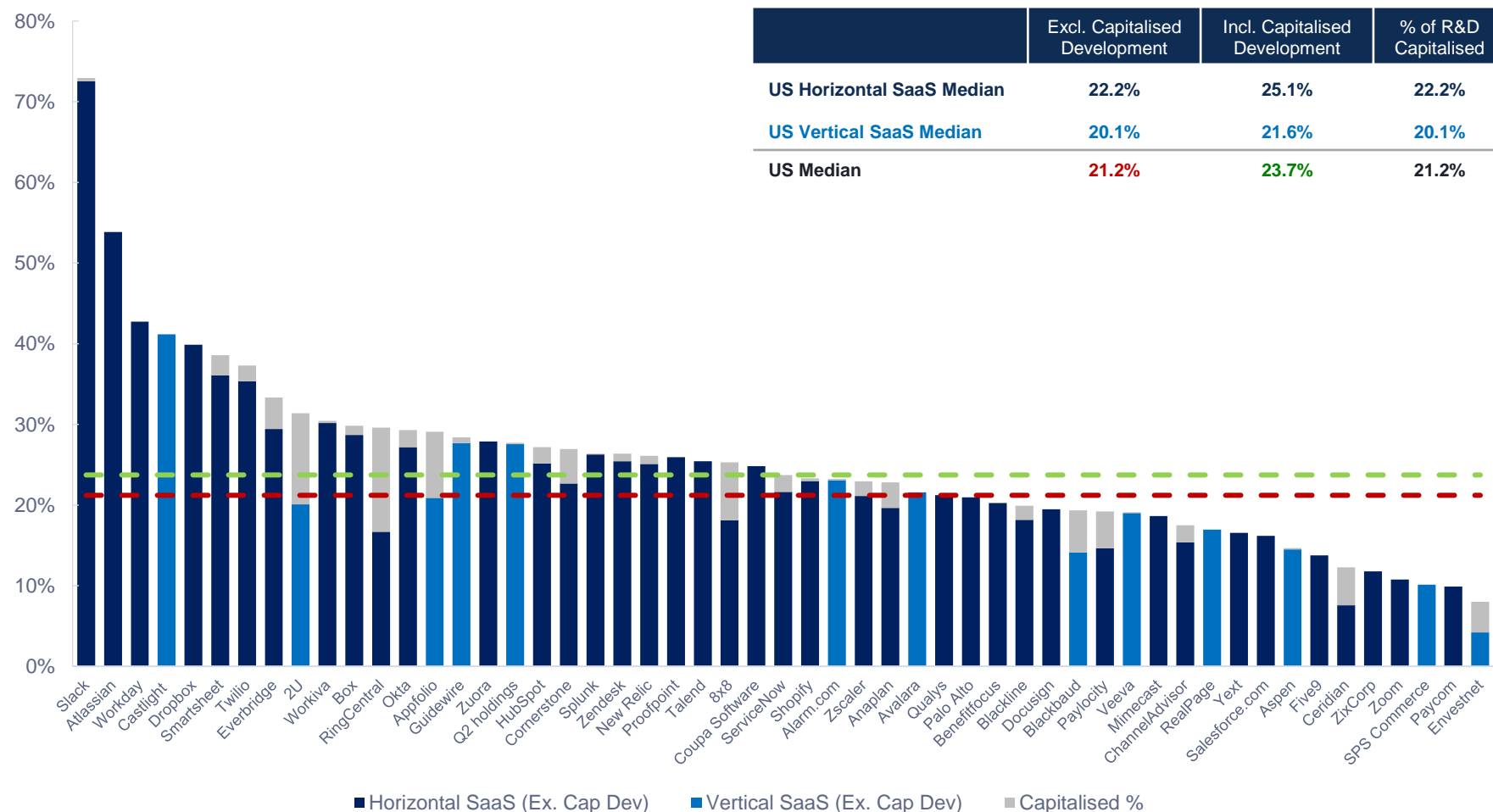
The median US SaaS company achieves a relatively low SaaS magic number

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



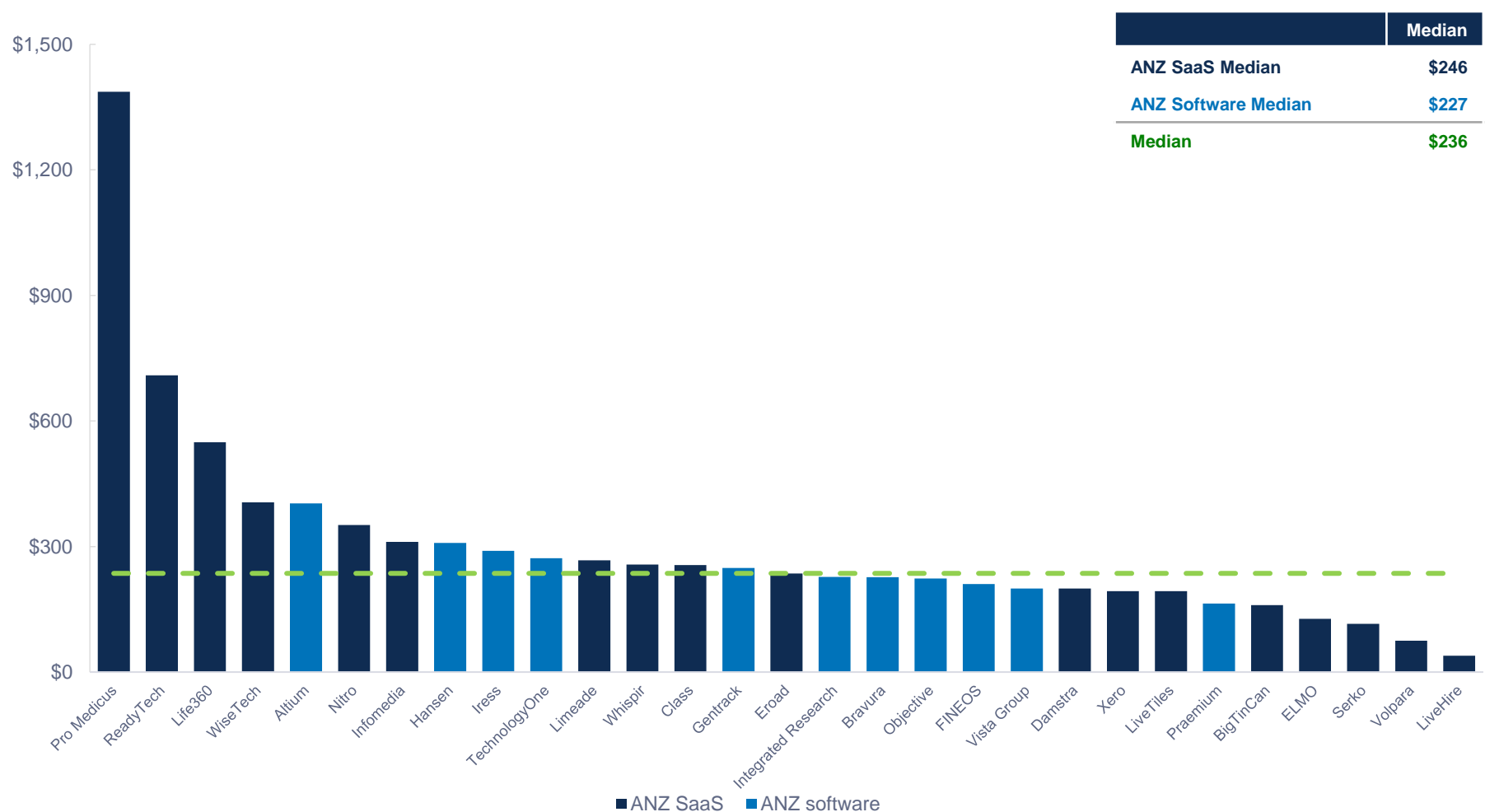
ANZ SaaS companies invest a greater portion of their revenue into R&D than their software peers

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

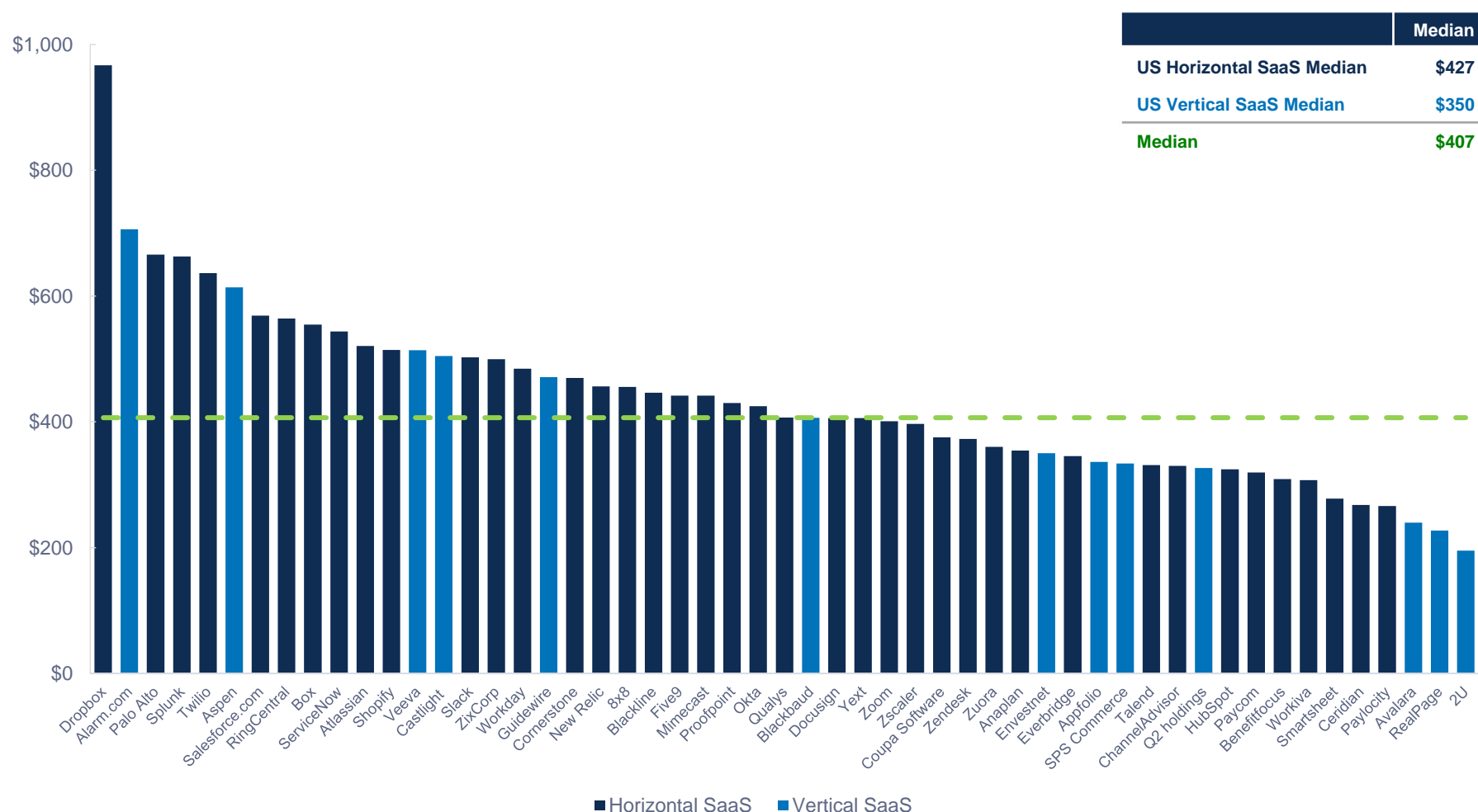
Benchmarking: ANZ revenue per employee (\$'000)



	Median
ANZ SaaS Median	\$246
ANZ Software Median	\$227
Median	\$236

ANZ SaaS and software companies typically earn ~\$236k of revenue per employee

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



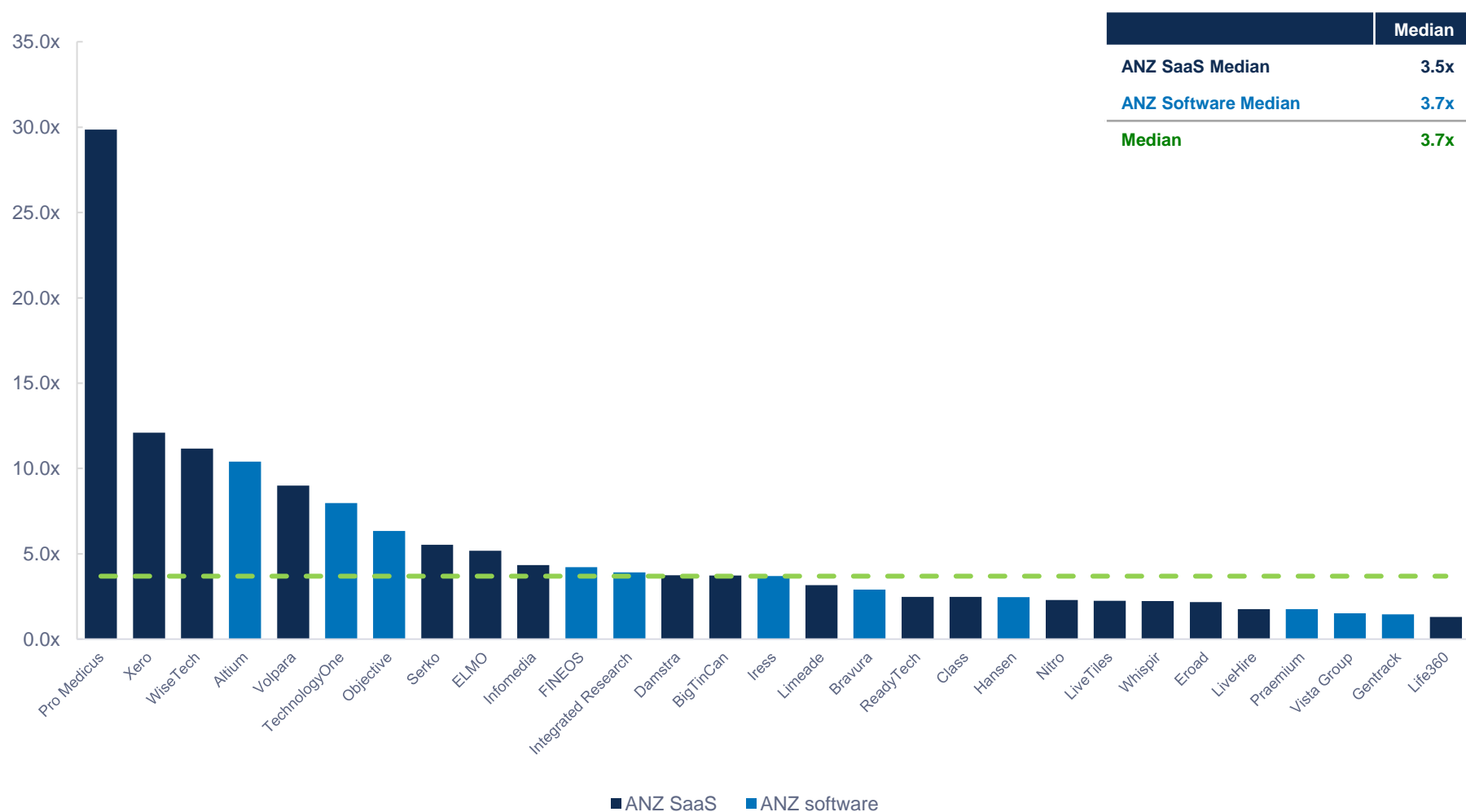
US SaaS companies earn significantly more revenue per employee than their ANZ comparables



SaaS and software trading multiples

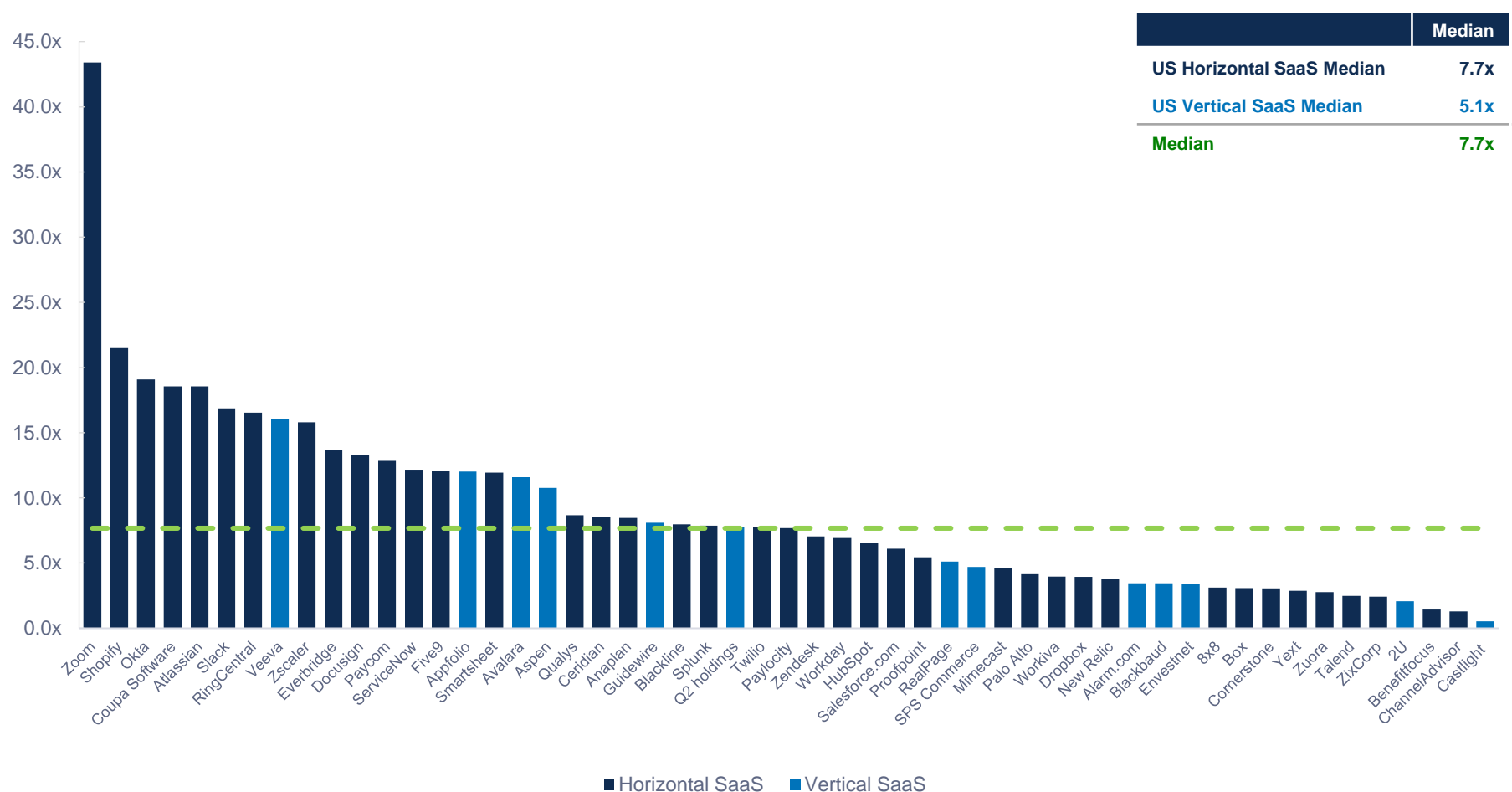


ANZ: EV/ NTM revenue



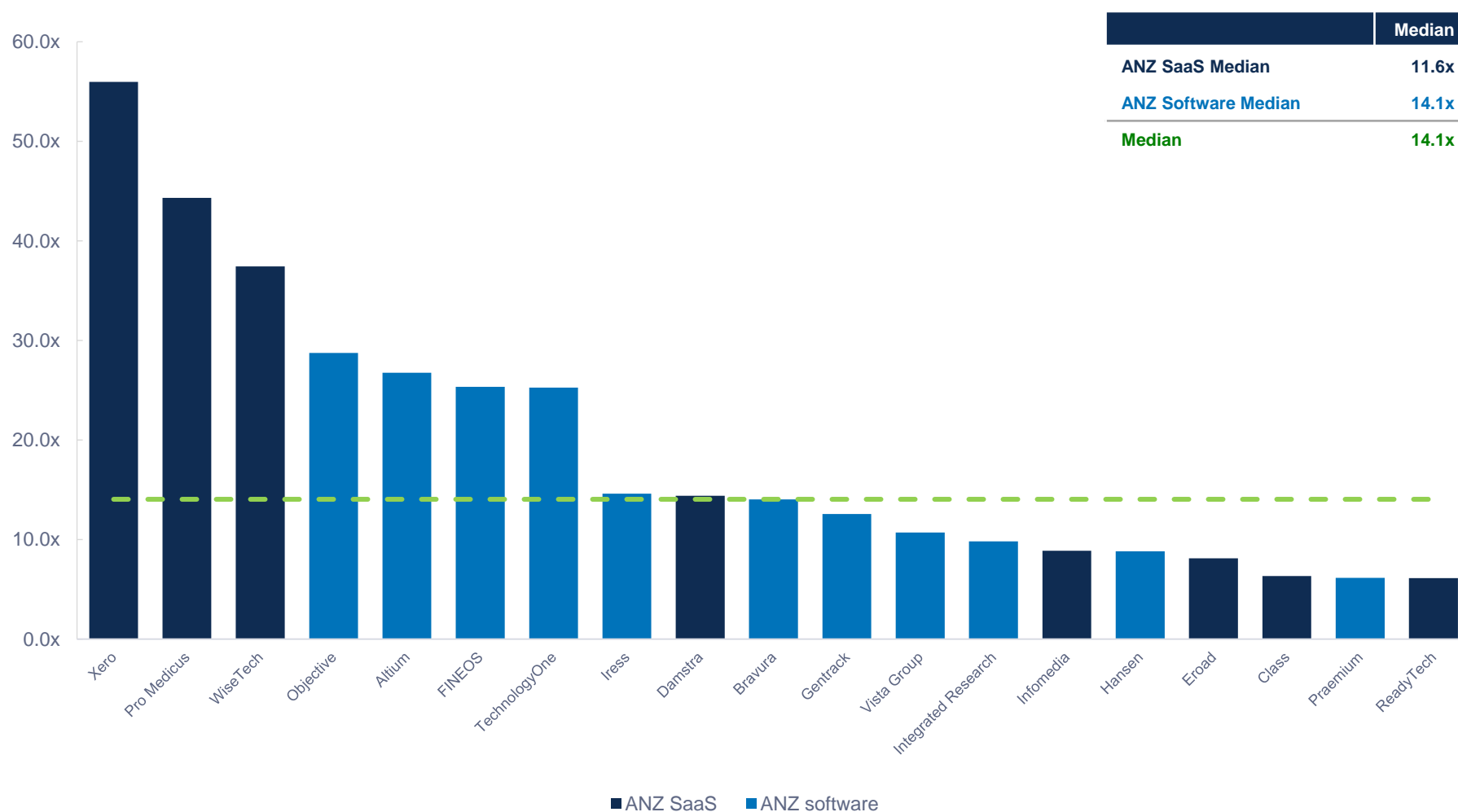
ANZ SaaS companies lost their previous valuation premiums to ANZ software companies

US: EV/ NTM revenue



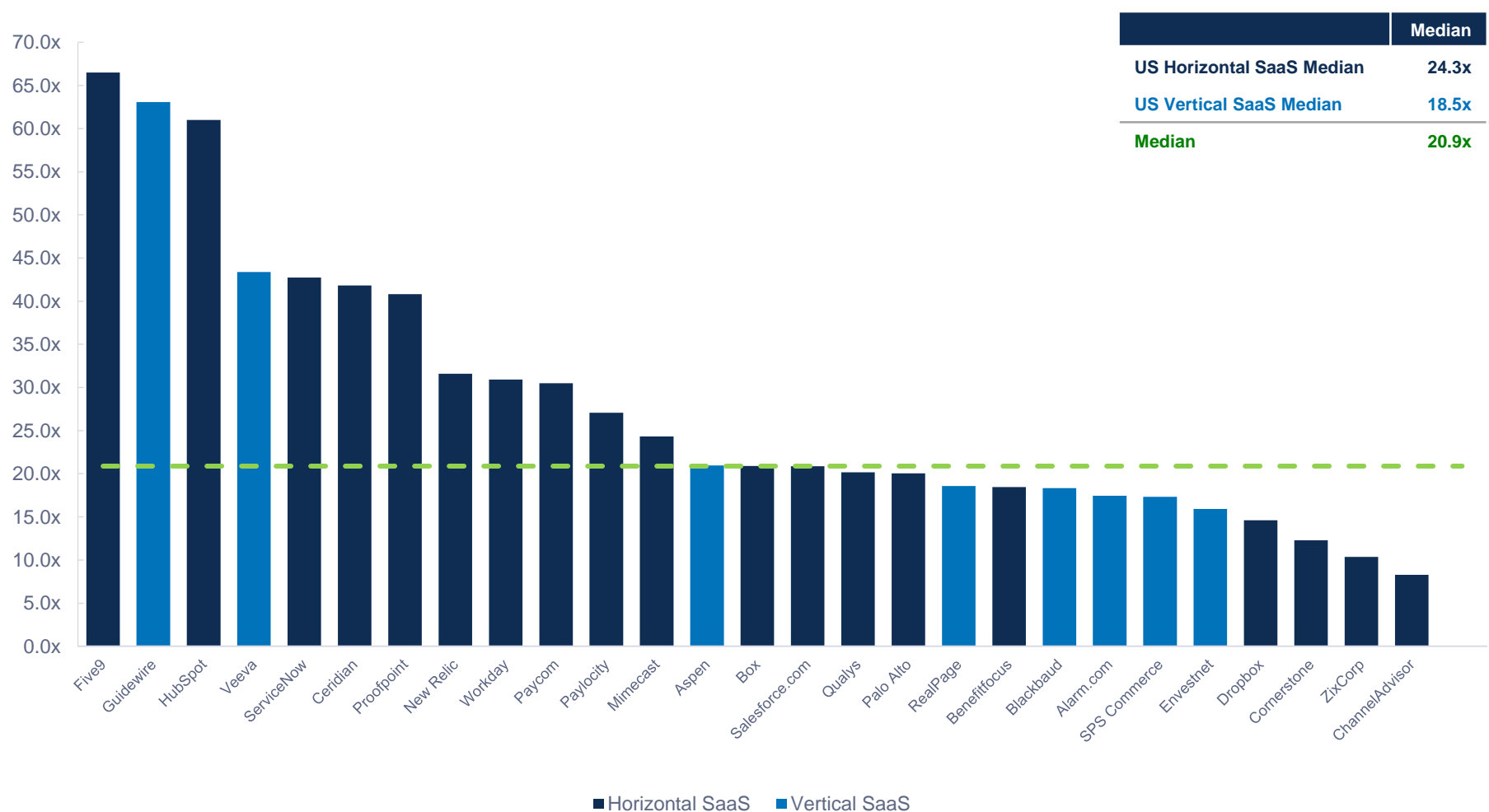
Horizontal SaaS companies are trading at a premium to their vertical SaaS peers reflecting higher growth rates

ANZ: EV/ NTM EBITDA¹



ANZ SaaS & software companies trade on ~14x median forward EBITDA

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	LTM	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	5,421.2	5,231.7	15.0x	11.2x	48.4x	37.4x	24.3%	80.9%	30.4%	57.2%	21.4%	15.0%	24.2%	36.0%	2.0x	2.1x	49.6%	90.0%	0.2%	405.58
Xero	9,600.8	9,582.1	18.4x	12.1x	107.7x	56.0x	14.6%	84.8%	22.7%	35.3%	35.6%	45.1%	25.4%	37.3%	1.2x	0.5x	55.6%	98.0%	13.2%	193.55
Class	134.5	118.6	3.1x	2.5x	6.6x	6.4x	22.6%	96.8%	44.0%	12.7%	15.0%	3.8%	15.4%	31.3%	6.7x	2.8x	54.4%	94.1%	1.1%	255.81
ELMO	329.5	262.3	6.5x	5.2x	n.a.	n.a.	(5.0%)	86.1%	(3.3%)	51.0%	26.6%	45.7%	10.3%	28.3%	0.5x	0.6x	17.4%	97.3%	7.1%	127.54
Eroad	130.6	163.6	2.8x	2.2x	10.8x	8.1x	34.0%	n.a.	25.4%	40.2%	26.5%	n.a.	20.5%	25.7%	n.a.	n.a.	53.2%	93.2%	2.0%	235.76
BigTinCan	166.9	139.8	7.0x	3.7x	n.a.	n.a.	(25.3%)	86.6%	(24.6%)	51.3%	57.4%	59.5%	37.5%	44.9%	2.4x	0.5x	47.4%	89.2%	11.0%	160.45
ReadyTech	76.8	99.4	3.0x	2.5x	7.8x	6.1x	(11.9%)	95.1%	41.5%	27.6%	22.3%	1.2%	n.a.	n.a.	6.3x	15.9x	62.9%	87.5%	5.0%	709.00
Serko	170.6	163.2	7.2x	5.5x	65.0x	n.a.	(8.4%)	93.1%	2.7%	27.8%	30.4%	7.3%	15.6%	40.8%	14.5x	2.6x	31.7%	87.4%	n.a.	115.41
Whispir	114.1	98.0	3.1x	2.2x	n.a.	n.a.	(50.3%)	65.6%	(31.5%)	11.9%	21.7%	40.4%	19.8%	32.9%	1.3x	0.2x	(3.2%)	95.6%	6.0%	257.41
LiveTiles	134.8	92.8	5.1x	2.2x	n.a.	n.a.	(86.5%)	97.1%	(94.7%)	218.3%	128.3%	11.0%	11.0%	17.9%	14.1x	3.7x	73.8%	82.5%	n.a.	193.27
LiveHire	34.8	9.0	3.4x	1.8x	n.a.	n.a.	(422.3%)	n.a.	(572.8%)	58.9%	56.3%	20.8%	n.a.	64.0%	n.a.	1.5x	(264.9%)	83.0%	8.4%	39.21
Damstra	90.7	83.3	5.5x	3.7x	64.1x	14.4x	(26.7%)	90.6%	17.4%	38.3%	45.9%	n.a.	2.2%	13.1%	n.a.	n.a.	71.9%	91.4%	3.0%	199.82
Life360	293.0	188.9	2.0x	1.3x	n.a.	n.a.	(51.1%)	85.7%	(48.7%)	83.8%	51.3%	61.4%	72.3%	72.3%	2.3x	0.7x	24.7%	74.7%	n.a.	549.05
Pro Medicus	2,019.7	1,983.2	39.6x	29.9x	62.1x	44.3x	50.7%	99.4%	51.4%	47.9%	20.7%	3.3%	11.7%	25.1%	28.8x	9.1x	86.8%	91.9%	n.a.	1386.62
Volpara	233.8	198.3	40.9x	9.0x	n.a.	n.a.	(127.5%)	88.7%	(159.2%)	77.8%	273.4%	110.5%	31.9%	32.8%	3.3x	0.2x	197.8%	75.8%	n.a.	75.11
Infomedia	453.9	442.7	5.2x	4.3x	11.6x	8.9x	21.8%	n.a.	47.7%	16.0%	14.6%	27.8%	30.5%	51.1%	1.2x	0.5x	62.6%	95.3%	n.a.	311.13
Limeade	334.2	288.5	3.8x	3.2x	n.a.	n.a.	1.2%	75.5%	(10.2%)	17.2%	18.7%	35.5%	32.3%	38.3%	1.0x	0.4x	(0.0%)	96.0%	2.6%	266.95
Nitro	222.9	151.1	2.6x	2.3x	n.a.	n.a.	3.0%	88.7%	(10.7%)	10.2%	13.2%	52.8%	19.8%	19.8%	n.a.	0.2x	(0.0%)	37.0%	10.0%	351.86
Median			5.2x	3.5x	48.4x	11.6x	(6.7%)	88.7%	(0.3%)	39.2%	26.5%	31.7%	20.1%	32.9%	2.3x	0.7x	51.4%	90.7%	5.5%	246
Max			40.9x	29.9x	107.7x	56.0x	50.7%	99.4%	51.4%	218.3%	273.4%	110.5%	72.3%	72.3%	28.8x	15.9x	197.8%	98.0%	11.0%	1387
Min			2.0x	1.3x	6.6x	6.1x	(422.3%)	65.6%	(572.8%)	10.2%	13.2%	1.2%	2.2%	13.1%	0.5x	0.2x	(264.9%)	37.0%	0.2%	39

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	LTM	Gross	EBITDA	FY19	FY20E	S&M/ revenue	R&D(exc)/ revenue	R&D(inc)/ revenue	LTM	NTM	Last reported	Last reported	
ANZ software																			
FINEOS	721.8	673.4	6.0x	4.2x	52.9x	25.3x	(5.2%)	66.4%	13.8%	16.8%	34.8%	4.5%	12.1%	30.9%	2.7x	52.8%	32.9%	n.a.	210.38
Iress	1,807.7	2,058.5	4.0x	3.7x	17.7x	14.6x	22.6%	n.a.	22.6%	9.5%	9.5%	n.a.	n.a.	n.a.	n.a.	34.8%	90.0%	n.a.	290.16
TechnologyOne	2,549.4	2,444.3	8.6x	8.0x	29.8x	25.3x	16.7%	n.a.	28.7%	12.7%	7.4%	2.2%	9.8%	20.9%	5.1x	39.0%	28.4%	1.0%	271.94
Altium	3,742.8	3,632.1	13.0x	10.4x	35.5x	26.8x	36.1%	97.3%	38.2%	22.6%	13.7%	3.5%	9.9%	9.9%	4.9x	51.7%	59.0%	n.a.	403.30
Hansen	574.8	750.0	3.2x	2.5x	13.4x	8.8x	13.5%	n.a.	23.9%	0.2%	30.9%	n.a.	4.2%	8.3%	n.a.	57.9%	59.3%	n.a.	308.94
Integrated Research	446.8	439.2	4.4x	3.9x	10.9x	9.8x	14.0%	n.a.	38.6%	10.6%	7.0%	50.6%	16.8%	27.7%	0.2x	46.5%	86.0%	n.a.	227.34
Objective	495.5	474.5	7.6x	6.3x	33.6x	28.8x	28.1%	96.0%	23.2%	(1.7%)	12.6%	41.9%	22.1%	22.1%	(0.0x)	33.4%	75.8%	n.a.	223.48
Praemium	98.1	88.2	2.0x	1.8x	7.7x	6.2x	8.2%	n.a.	29.3%	4.7%	8.2%	3.0%	n.a.	n.a.	1.4x	36.5%	n.a.	n.a.	163.91
Vista Group	187.1	202.4	1.4x	1.5x	8.6x	10.7x	9.6%	n.a.	16.7%	10.6%	(4.9%)	6.6%	19.4%	23.5%	1.5x	9.3%	61.0%	n.a.	200.00
Bravura	943.2	888.7	3.4x	2.9x	18.1x	14.1x	17.5%	n.a.	19.3%	16.6%	11.7%	n.a.	0.7%	2.2%	n.a.	31.7%	78.0%	n.a.	226.79
Gentrack	133.8	129.8	1.2x	1.4x	5.4x	12.6x	7.5%	n.a.	22.2%	6.9%	(17.3%)	1.4%	7.5%	12.1%	4.6x	(5.7%)	88.7%	n.a.	248.75
Median			4.0x	3.7x	17.7x	14.1x	14.0%	96.0%	23.2%	10.6%	9.5%	4.0%	9.9%	20.9%	2.1x	36.5%	68.4%	1.0%	227
Max			13.0x	10.4x	52.9x	28.8x	36.1%	97.3%	38.6%	22.6%	34.8%	50.6%	22.1%	30.9%	5.1x	57.9%	90.0%	1.0%	403
Min			1.2x	1.4x	5.4x	6.2x	(5.2%)	66.4%	13.8%	(1.7%)	(17.3%)	1.4%	0.7%	2.2%	(0.0x)	(5.7%)	28.4%	1.0%	164

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												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)	FY19	NTM	FY19	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
US horizontal SaaS																				
Workday	49,247.0	48,636.2	10.6x	6.9x	63.6x	30.9x	14.7%	70.6%	(6.2%)	31.7%	28.5%	31.6%	42.7%	42.8%	0.7x	1.0x	49.2%	86.0%	n.a.	484.65
Splunk	32,638.8	33,029.8	11.2x	7.9x	n.m.	n.a.	n.a.	81.8%	(8.3%)	37.7%	30.8%	53.3%	26.3%	26.4%	1.5x	0.6x	47.6%	65.4%	n.a.	662.98
ServiceNow	88,665.8	87,752.6	15.6x	12.2x	55.4x	42.8x	28.8%	77.0%	8.5%	32.6%	27.9%	44.3%	21.6%	23.7%	0.5x	0.8x	56.1%	94.0%	3.0%	543.91
Zendesk	11,827.4	11,998.9	9.0x	7.0x	n.m.	n.a.	2.5%	71.3%	(14.9%)	36.4%	28.0%	48.6%	25.4%	26.4%	0.7x	0.8x	36.4%	42.0%	n.a.	372.78
Paylocity	7,718.1	7,618.5	10.4x	7.7x	35.4x	27.1x	16.5%	67.7%	15.3%	21.5%	26.6%	26.9%	14.6%	19.2%	0.9x	0.9x	54.9%	96.7%	8.0%	266.09
Cornerstone	3,171.7	3,090.3	3.3x	3.1x	14.9x	12.3x	23.3%	74.1%	4.3%	7.2%	7.8%	39.5%	22.7%	27.0%	0.2x	0.2x	31.7%	94.7%	9.7%	469.90
Proofpoint	9,532.8	9,394.4	6.5x	5.4x	37.5x	40.8x	16.4%	73.4%	(2.8%)	23.9%	19.1%	46.9%	25.9%	25.9%	0.5x	0.8x	32.5%	98.5%	10.0%	429.88
Paycom	18,982.9	18,865.0	15.7x	12.8x	37.1x	30.5x	19.5%	87.9%	33.8%	30.3%	22.3%	24.3%	9.9%	9.9%	0.5x	1.2x	63.9%	98.0%	7.0%	319.38
Benefitfocus	476.7	725.1	1.5x	1.4x	28.7x	18.5x	n.a.	51.3%	(5.2%)	14.3%	5.9%	25.7%	20.2%	20.2%	0.6x	0.3x	13.4%	78.5%	5.0%	308.97
Qualys	5,543.4	5,140.7	9.8x	8.7x	22.8x	20.2x	38.4%	78.4%	31.7%	15.3%	13.0%	22.0%	21.2%	21.2%	0.9x	0.8x	55.8%	n.a.	1.0%	406.71
RingCentral	30,088.9	30,229.2	22.7x	16.5x	n.m.	n.a.	6.8%	74.4%	0.6%	33.4%	37.1%	52.4%	16.7%	29.6%	0.6x	0.6x	49.5%	90.7%	1.0%	564.16
Five9	7,675.6	7,518.1	14.1x	12.1x	n.m.	66.5x	8.3%	59.0%	5.3%	27.3%	16.2%	29.1%	13.8%	13.8%	1.1x	0.9x	34.4%	91.0%	n.a.	441.89
Salesforce.com	210,058.1	207,296.7	9.6x	6.1x	39.7x	20.9x	20.2%	75.2%	13.3%	26.0%	28.7%	46.4%	16.2%	16.2%	1.1x	0.6x	57.4%	94.0%	9.0%	568.81
Palo Alto	26,648.2	24,587.1	5.2x	4.2x	19.2x	20.0x	28.7%	72.0%	1.5%	27.5%	15.6%	46.5%	20.9%	20.9%	-0.4x	0.6x	36.7%	69.8%	n.a.	665.65
Atlassian	54,913.7	53,642.0	29.3x	18.5x	n.m.	n.a.	29.7%	82.8%	0.8%	36.8%	41.8%	21.7%	53.9%	54.0%	1.4x	1.7x	69.1%	60.1%	n.a.	520.50
Blackline	4,834.9	4,496.1	9.5x	8.0x	n.m.	n.a.	5.7%	79.6%	(4.0%)	26.9%	19.9%	55.0%	18.2%	19.9%	0.6x	0.5x	30.6%	94.1%	2.0%	446.50
ChannelAdvisor	334.4	275.1	1.3x	1.3x	9.3x	8.3x	12.1%	77.9%	8.2%	(1.0%)	1.0%	40.4%	15.4%	17.5%	-0.1x	0.1x	16.6%	76.0%	n.a.	329.98
HubSpot	9,398.3	8,822.8	8.0x	6.5x	64.4x	61.0x	8.0%	80.7%	(4.3%)	31.6%	23.0%	50.5%	25.2%	27.2%	0.5x	0.6x	33.4%	77.7%	n.a.	324.80
Shopify	79,562.0	75,786.1	29.5x	21.5x	n.m.	n.a.	n.a.	54.9%	(7.2%)	47.0%	37.0%	29.7%	23.0%	23.3%	1.0x	1.8x	38.3%	36.3%	n.a.	514.52
Twilio	20,380.7	18,404.2	10.0x	7.7x	n.m.	n.a.	n.a.	53.7%	(23.0%)	74.5%	28.6%	32.5%	35.4%	37.3%	0.9x	2.5x	32.3%	93.4%	n.a.	636.59
Docusign	27,331.1	27,318.7	23.9x	13.3x	n.m.	n.a.	10.2%	75.3%	(15.1%)	35.2%	38.9%	60.7%	19.5%	19.5%	0.4x	0.6x	47.2%	94.0%	n.a.	406.16

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)	FY19	NTM	FY19	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
US horizontal SaaS																				
Zscaler	12,832.7	12,261.4	24.8x	15.8x	n.m.	n.a.	3.1%	80.0%	(8.3%)	59.2%	37.1%	59.9%	21.1%	22.9%	0.6x	0.8x	44.8%	97.0%	n.a.	396.61
Dropbox	12,358.2	12,110.0	4.5x	3.9x	20.0x	14.6x	24.3%	75.3%	5.7%	19.4%	13.5%	25.5%	39.9%	40.0%	1.0x	0.9x	40.1%	90.0%	n.a.	966.83
Smartsheet	8,040.9	7,223.6	24.9x	11.9x	n.m.	n.a.	n.a.	80.5%	(33.3%)	59.7%	52.4%	65.0%	36.1%	38.6%	0.7x	1.1x	38.3%	90.6%	n.a.	278.06
Zuora	1,509.7	1,357.5	3.5x	2.8x	n.m.	n.a.	n.a.	51.4%	(27.3%)	37.3%	17.5%	39.2%	27.9%	27.9%	0.3x	0.9x	6.1%	77.6%	n.a.	360.29
Okta	24,468.4	23,981.5	36.8x	19.1x	n.m.	n.a.	4.4%	72.8%	(29.9%)	55.6%	46.8%	58.1%	27.2%	29.3%	0.6x	0.9x	38.6%	95.2%	n.a.	424.98
New Relic	4,466.2	4,064.6	5.2x	3.8x	32.7x	31.6x	5.9%	83.1%	(6.6%)	35.0%	24.1%	55.4%	25.1%	26.1%	0.3x	0.5x	39.0%	n.a.	n.a.	456.36
Coupa Software	14,765.7	14,792.1	34.9x	18.5x	n.m.	n.a.	11.7%	64.3%	(11.5%)	39.4%	49.7%	39.8%	24.8%	24.8%	0.7x	0.8x	62.3%	88.4%	n.a.	375.24
Box	3,479.1	3,852.3	3.9x	3.1x	n.m.	20.9x	12.9%	69.0%	(11.5%)	20.2%	14.4%	45.6%	28.7%	29.8%	0.2x	0.4x	22.8%	n.a.	n.a.	554.73
Mimecast	3,597.3	3,680.6	6.6x	4.6x	41.8x	24.3x	14.5%	74.1%	8.0%	30.0%	25.2%	40.3%	18.6%	18.6%	0.4x	0.8x	42.7%	n.a.	n.a.	441.53
Everbridge	5,934.4	5,794.4	17.7x	13.7x	n.m.	n.a.	0.6%	68.4%	(18.4%)	36.6%	29.4%	43.7%	29.4%	33.3%	0.8x	0.9x	31.9%	91.4%	n.a.	345.42
Workiva	2,478.9	2,204.2	4.5x	4.0x	n.m.	n.a.	3.2%	71.5%	(14.0%)	21.9%	14.4%	40.4%	30.2%	30.4%	0.1x	0.4x	8.6%	82.3%	5.3%	307.34
Yext	1,924.3	1,708.7	4.6x	2.9x	n.m.	n.a.	n.a.	74.2%	(38.1%)	34.1%	30.9%	73.0%	16.5%	16.5%	0.3x	0.6x	19.4%	96.0%	n.a.	405.93
Talend	1,143.9	1,116.1	2.8x	2.5x	n.m.	n.a.	n.a.	75.4%	(20.4%)	20.4%	11.5%	55.7%	25.4%	25.4%	0.2x	0.7x	8.7%	88.3%	n.a.	331.45
Zoom	66,455.5	65,179.5	n.m.	43.4x	n.m.	n.a.	19.0%	81.5%	4.7%	118.2%	88.4%	54.7%	10.8%	10.8%	1.0x	2.9x	107.1%	97.0%	4.0%	400.87
Slack	24,361.4	23,478.3	36.0x	16.9x	n.m.	n.a.	n.a.	84.6%	n.a.	81.6%	57.4%	63.9%	72.5%	72.9%	0.7x	1.1x	42.8%	n.a.	n.a.	502.52
8x8	2,314.9	2,580.4	4.5x	3.1x	n.m.	n.a.	n.a.	57.4%	(29.6%)	18.9%	25.9%	53.5%	18.1%	25.3%	1.0x	0.4x	20.0%	96.0%	n.a.	455.74
Anaplan	6,747.9	6,333.2	16.1x	8.5x	n.m.	n.a.	n.a.	73.9%	(38.3%)	42.9%	44.6%	72.0%	19.7%	22.8%	0.3x	0.6x	34.7%	91.6%	n.a.	354.35
ZixCorp	377.5	671.1	2.4x	2.4x	10.3x	10.3x	11.5%	55.7%	15.2%	146.1%	24.0%	2.5%	11.8%	11.8%	n.a.	3.2x	47.3%	100.0%	n.a.	499.48
Ceridian	11,644.4	12,353.0	9.2x	8.5x	40.8x	41.8x	8.0%	44.9%	14.7%	11.3%	8.0%	0.7%	7.6%	12.3%	n.a.	11.5x	27.6%	79.5%	3.7%	268.08
Median			9.6x	7.7x	35.4x	24.3x	12.1%	74.1%	-5.2%	32.2%	26.3%	45.0%	22.2%	25.1%	0.6x	0.8x	38.3%	91.0%	5.0%	427.43
Max			36.8x	43.4x	64.4x	66.5x	38.4%	87.9%	33.8%	146.1%	88.4%	73.0%	72.5%	72.9%	1.5x	11.5x	107.1%	100.0%	10.0%	966.83
Min			1.3x	1.3x	9.3x	8.3x	0.6%	44.9%	-38.3%	-1.0%	1.0%	0.7%	7.6%	9.9%	(0.4x)	0.1x	6.1%	36.3%	1.0%	266.09

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 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	9,486.5	8,834.3	14.2x	11.6x	n.m.	n.a.	n.a.	69.9%	(10.5%)	40.5%	22.3%	44.1%	21.6%	21.6%	0.7x	0.4x	n.a	92.8%	n.a.	239.67
Castlight	175.9	113.3	0.5x	0.5x	n.m.	n.a.	n.a.	58.8%	(24.7%)	(8.4%)	(7.5%)	26.9%	41.2%	41.2%	-0.2x	0.4x	(14.0%)	95.3%	n.a.	504.55
Veeva	38,045.3	36,363.2	25.9x	16.0x	n.m.	43.4x	34.6%	72.5%	27.8%	24.9%	28.1%	17.2%	19.0%	19.1%	1.2x	1.3x	67.0%	81.6%	n.a.	514.07
Guidewire	10,715.7	9,690.2	8.3x	8.1x	41.5x	63.1x	17.0%	53.3%	0.6%	10.2%	(2.6%)	19.6%	27.7%	28.4%	-6.0x	1.3x	8.4%	61.4%	n.a.	470.96
2U	2,200.9	2,446.0	2.6x	2.1x	n.m.	n.a.	n.a.	71.8%	(15.3%)	39.6%	26.7%	59.6%	20.1%	31.4%	0.8x	0.8x	23.0%	n.a.	n.a.	195.20
Aspen	10,524.5	11,013.9	11.3x	10.8x	23.3x	21.0x	49.5%	89.9%	46.3%	15.3%	0.1%	19.2%	14.5%	14.7%	-8.0x	0.3x	49.2%	92.6%	n.a.	613.91
Alarm.com	3,091.9	3,072.8	3.8x	3.4x	18.4x	17.5x	12.5%	63.5%	16.9%	19.5%	9.7%	12.3%	23.1%	23.2%	1.6x	1.9x	29.4%	67.1%	6.0%	705.95
Appfolio	6,177.8	6,252.9	15.0x	12.0x	n.m.	n.a.	n.a.	60.3%	5.9%	34.7%	24.8%	20.1%	20.9%	29.1%	1.3x	1.6x	40.8%	94.8%	n.a.	336.55
RealPage	7,979.5	9,742.5	6.0x	5.1x	21.2x	18.6x	21.6%	61.1%	17.6%	13.6%	18.5%	19.6%	16.9%	16.9%	0.9x	1.4x	45.6%	96.5%	n.a.	227.35
Envestnet	4,637.9	5,591.9	2.6x	3.4x	17.9x	15.9x	11.7%	48.0%	9.5%	10.3%	(24.9%)	n.a	4.2%	8.0%	n.a.	n.a.	(3.8%)	96.0%	n.a.	350.19
Q2 holdings	4,661.4	5,211.7	10.1x	7.8x	n.m.	n.a.	n.a.	48.5%	(10.4%)	30.9%	30.1%	20.3%	27.6%	27.7%	0.5x	1.1x	34.4%	70.4%	5.1%	326.73
Blackbaud	4,330.7	5,231.3	3.6x	3.4x	17.7x	18.3x	10.4%	53.7%	11.4%	6.1%	3.8%	24.9%	14.1%	19.3%	-0.3x	0.4x	21.8%	92.0%	8.0%	406.47
SPS Commerce	2,655.0	2,345.8	5.2x	4.7x	20.8x	17.3x	19.2%	67.0%	19.6%	12.4%	9.9%	25.1%	10.1%	10.1%	0.5x	0.4x	37.0%	94.0%	n.a.	333.82
Median			6.0x	5.1x	20.8x	18.5x	17.0%	61.1%	9.5%	15.3%	9.9%	20.2%	20.1%	21.6%	0.6x	1.0x	31.9%	92.7%	6.0%	350.19
Max			25.9x	16.0x	41.5x	63.1x	49.5%	89.9%	46.3%	40.5%	30.1%	59.6%	41.2%	41.2%	1.6x	1.9x	67.0%	96.5%	8.0%	705.95
Min			0.5x	0.5x	17.7x	15.9x	0.0%	48.0%	-24.7%	(8.4%)	(24.9%)	12.3%	4.2%	8.0%	(8.0x)	0.3x	(14.0%)	61.4%	5.1%	195.20



40-42 Young St
Sydney, New South Wales, 2000

www.blackpeakcapital.com.au

Copyright © blackpeak capital Pty Ltd (ABN 52 601 350 841). All rights reserved.
Australian Financial Services Licence: 472221
