



# SaaS sector update

October 2020

# Blackpeak is a leading independent investment banking & advisory firm

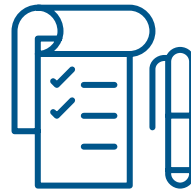
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- We are an independent corporate advisory firm based in Sydney providing corporate finance and strategic advice on mergers & acquisitions, strategy and capital raisings
- We strive to be our client's trusted advisor and confidant and are focused on 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 ~35+ technology transactions in the last 6 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 400 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

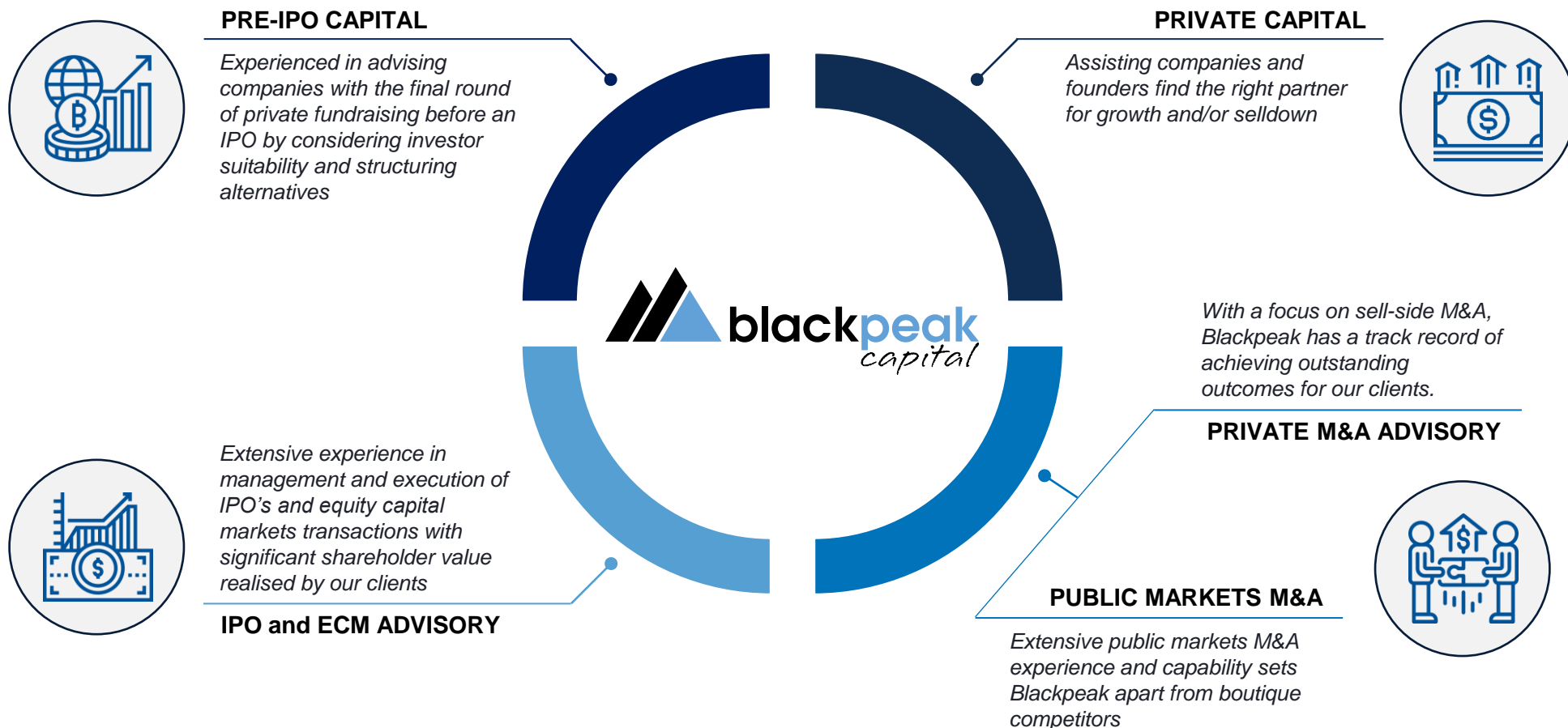
- Alliance will uniquely position Blackpeak to provide global technology investment banking capabilities, combined with leading local coverage, service and support to technology growth companies in ANZ that are institutional size and quality
- Alliance enhances Blackpeak's access to strategic acquirers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

 <p>2020 Pre-IPO Raising A\$25m Financial Adviser</p> 	 <p>2020 Convertible note investment into Jaxsta Financial Adviser</p> 	 <p>Current Private Raising Financial Adviser</p> 	 <p>2020 Private Raising Financial Adviser</p> 	 <p>2019 Private raising Financial Adviser</p> 	
 <p>2019 Sale of Riteq to Ceridian Financial Adviser</p> 	 <p>2019 Sale of controlling stake to Potentia Capital - A\$90m Financial Adviser</p> 	 <p>2018 Acquisition of HROnboard Undisclosed Financial Adviser</p> 	 <p>2018 Initial Public Offering A\$79m Financial Adviser</p> 	 <p>2018 Pre-IPO Raising A\$25m Financial Adviser</p> 	 <p>2018 Strategic Review Financial Adviser</p> 
 <p>2018 Equity Raising A\$100m Financial Adviser</p> 	 <p>2018 Equity raising A\$45m Financial Adviser</p> 	 <p>2018 Series B equity raising A\$11m Financial Adviser</p> 	 <p>2018 Acquisition of Pivot Remesys A\$11m Financial Adviser</p> 	 <p>2017 Strategic Review Financial Adviser</p> 	 <p>2017 Trade sale A\$44m Financial Adviser</p> 

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

 2017 Block Trade A\$73m Financial Adviser 	 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 

# 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><b>Max Billingham</b> Executive Chairman <a href="mailto:max@blackpeakcapital.com.au">max@blackpeakcapital.com.au</a> M +61 417 208 845</p>	  	<ul style="list-style-type: none"> <li>Formerly a Managing Director at Credit Suisse</li> <li>Qualified as a chartered accountant</li> <li>Global experience, worked in New York and London</li> <li>INSEAD, MBA</li> <li>Bachelor of Business, University of Technology Sydney</li> </ul>	27
 <p><b>Scott Colvin</b> Managing Director <a href="mailto:scott@blackpeakcapital.com.au">scott@blackpeakcapital.com.au</a> M +61 416 335 455</p>	   	<ul style="list-style-type: none"> <li>Prior to founding Blackpeak Capital, Scott held senior positions with Credit Suisse and Wilson HTM</li> <li>AGSM UNSW, Executive MBA</li> <li>London Business School, Masters in Finance</li> <li>Graduate Diploma, FINSIA</li> <li>Bachelor of Commerce, UNSW</li> </ul>	22
 <p><b>Jamie Taylor</b> Director <a href="mailto:jamie@blackpeakcapital.com.au">jamie@blackpeakcapital.com.au</a> M +61 414 922 560</p>	  	<ul style="list-style-type: none"> <li>Previous roles include Head of Australian Institutional Sales for Merrill Lynch (London-based), and Head of Corporate Finance For Wilson HTM (Sydney-based)</li> <li>Bachelor of Economics, Monash University</li> </ul>	34
 <p><b>Tom Ng</b> Director <a href="mailto:tom.ng@blackpeakcapital.com.au">tom.ng@blackpeakcapital.com.au</a> M +61 490 796 752</p>	  	<ul style="list-style-type: none"> <li>Formerly a senior FIG banker at Credit Suisse and regulator at Bank of England</li> <li>Oxford University, MPhil (Economics)</li> <li>B. Econ (Hons), UNSW</li> <li>Graduate of Royal Military College, Duntroon</li> </ul>	21



# Agenda

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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 rebounded strongly from their March lows, with ANZ SaaS valuation multiples surging above pre-COVID-19 levels and both segments outperforming the ASX 200 index
- US SaaS companies performed remarkably over the September quarter, with valuation multiples reaching record highs as the Nasdaq and S&P500 IT index continue to outperform
- Some US SaaS companies benefited from the COVID-19 crisis (e.g. Zoom, Shopify, Twilio) as cloud connectivity, e-commerce and remote working became a greater focus



## Mergers and acquisitions

- Momentum in M&A activity has recovered strongly, with an evident increase in transaction volumes across both ANZ and US over 3Q20 compared to the sluggishness seen in 1H20, however the level of activity remains sharply lower than 2019
- While strategic buyers have dominated deal activity in the SaaS space over the past two quarters, the drought of private equity activity may be revitalised by their trillions of dollars of undeployed investor commitments



## Context for capital raising

- Whilst ASX IPO activity has remained relatively stagnant, secondary raisings continued in 3Q20 riding record high valuations and the tenacious rally of global tech indices
- After two quarters of subdued IPO activity, early signs of recovery are evident across the globe, with US tech companies delivering a record year for capital raised through IPOs
- The ASX tech IPO market showed early signs of recovery in 3Q20 with listings of DUG Technology, Laybuy, Plenti and Ai-Media, foreshadowing a powerful comeback of ASX tech IPOs in 4Q20

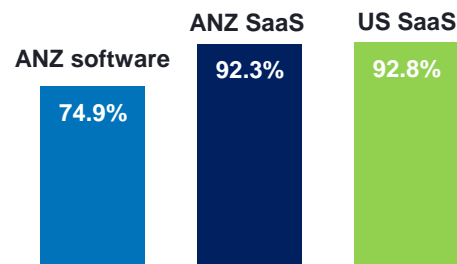


## Market outlook

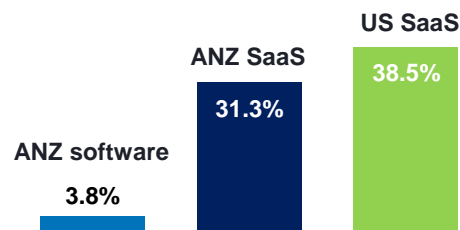
- The past two quarters have seen a rebound in capital markets and M&A activities, with PE/ VC dry powder being unleashed into a multitude of ANZ and US SaaS and software companies
- Investors continue to favour high growth SaaS and software businesses for their resilience during the COVID-19 crisis
- 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 universe<sup>1</sup>

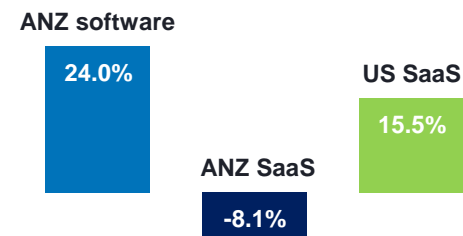
## Recurring revenue



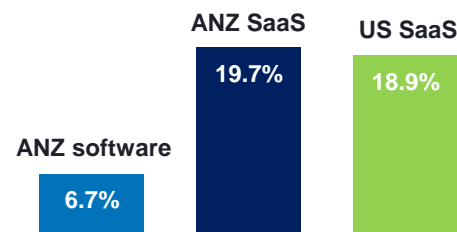
## S&M expense/ revenue



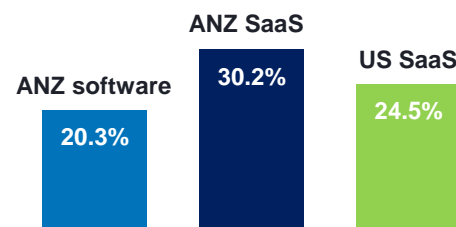
## NTM EBITDA margin



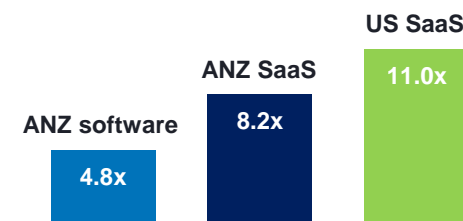
## NTM revenue growth



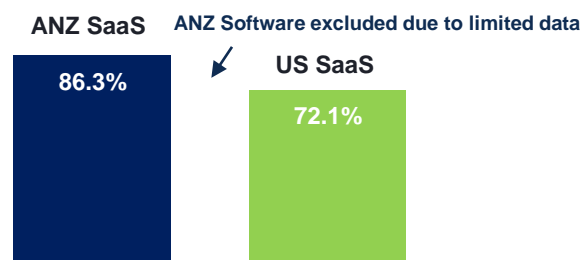
## Total R&D expense/ revenue<sup>2</sup>



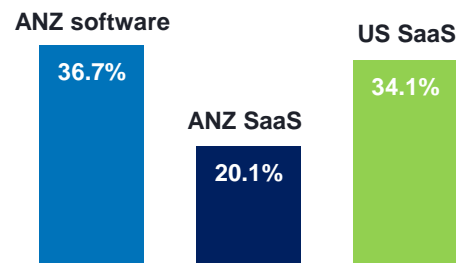
## EV/ NTM revenue



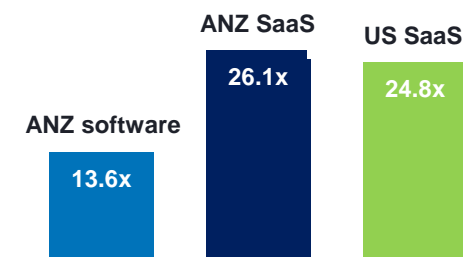
## Gross margin



## Rule of 40% (NTM)




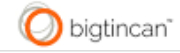














## EV/ NTM EBITDA





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

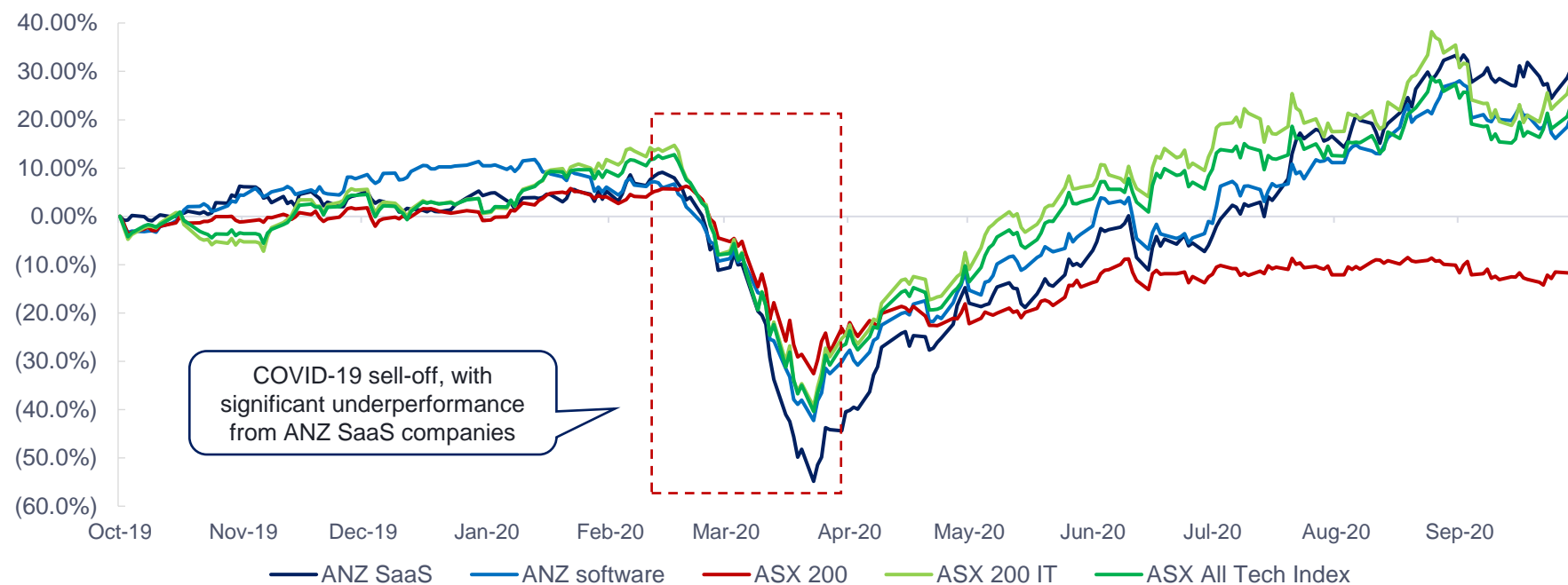
Overview				EV/ Revenue		EV/ EBITDA		IPO metrics				
Company	IPO date	Category	Raising size (A\$m)	IPO year	Forecast year	IPO year	Forecast year	Revenue growth <sup>2</sup>	Recurring revenue <sup>2</sup>	EBITDA margin <sup>2</sup>	Market cap at IPO (A\$m) <sup>3</sup>	Return since IPO
 oneview	Mar-16	Software	62.4	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	194.4	(98.7%)
 wisetech global	Apr-16	SaaS	167.6	8.7x	6.6x	29.7x	18.5x	28.1%	98.0%	29.4%	973.6	669.9%
 bravura solutions	Nov-16	Software	148.1	1.6x	n.a.	9.5x	n.a.	1.6%	57.0%	17.2%	310.6	134.5%
 bigtincan	Mar-17	SaaS	12.0	3.2x	n.a.	n.a.	n.a.	38.0%	92.0%	n.a.	45.8	415.4%
 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	(73.6%)
 ELMO	Jun-17	SaaS	25.0	5.3x	3.8x	97.7x	31.3x	24.8%	96.0%	5.5%	108.3	164.0%
 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	(16.7%)
 ixup	Nov-17	Software	12.5	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	31.7	(81.5%)
 DXN	Apr-18	Software	16.0	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	21.4	(88.5%)
 ReadyTech	Apr-19	SaaS	50.0	4.2x	3.9x	10.9x	9.5x	6.2%	89.5%	39.0%	120.8	28.5%
 Life360	May-19	SaaS	145.4	15.2x	8.3x	n.a.	n.a.	82.6%	n.a.	(51.5%)	689.2	(14.4%)
 whispir	Jun-19	SaaS	47.0	4.4x	3.5x	n.a.	n.a.	11.6%	76.7%	(39.1%)	163.0	119.4%
 FINEOS	Aug-19	Software	211.0	5.6x	n.a.	75.2x	n.a.	30.9%	n.a.	11.8%	661.0	96.0%
 DAMSTRA	Oct-19	SaaS	110.2	5.1x	n.a.	25.1x	n.a.	39.4%	69.5%	20.3%	123.7	120.0%
 nitro	Dec-19	SaaS	110.2	4.5x	n.a.	n.a.	n.a.	14.4%	49.9%	(13.1%)	325.0	60.5%
 limeade	Dec-19	SaaS	100.0	5.5x	n.a.	n.a.	n.a.	19.4%	96.2%	(19.1%)	452.9	(18.9%)
Median			56.2	4.8x	3.8x	25.1x	18.5x	22.1%	83.1%	11.8%	143.3	44.5%



## ANZ SaaS and software sector performance



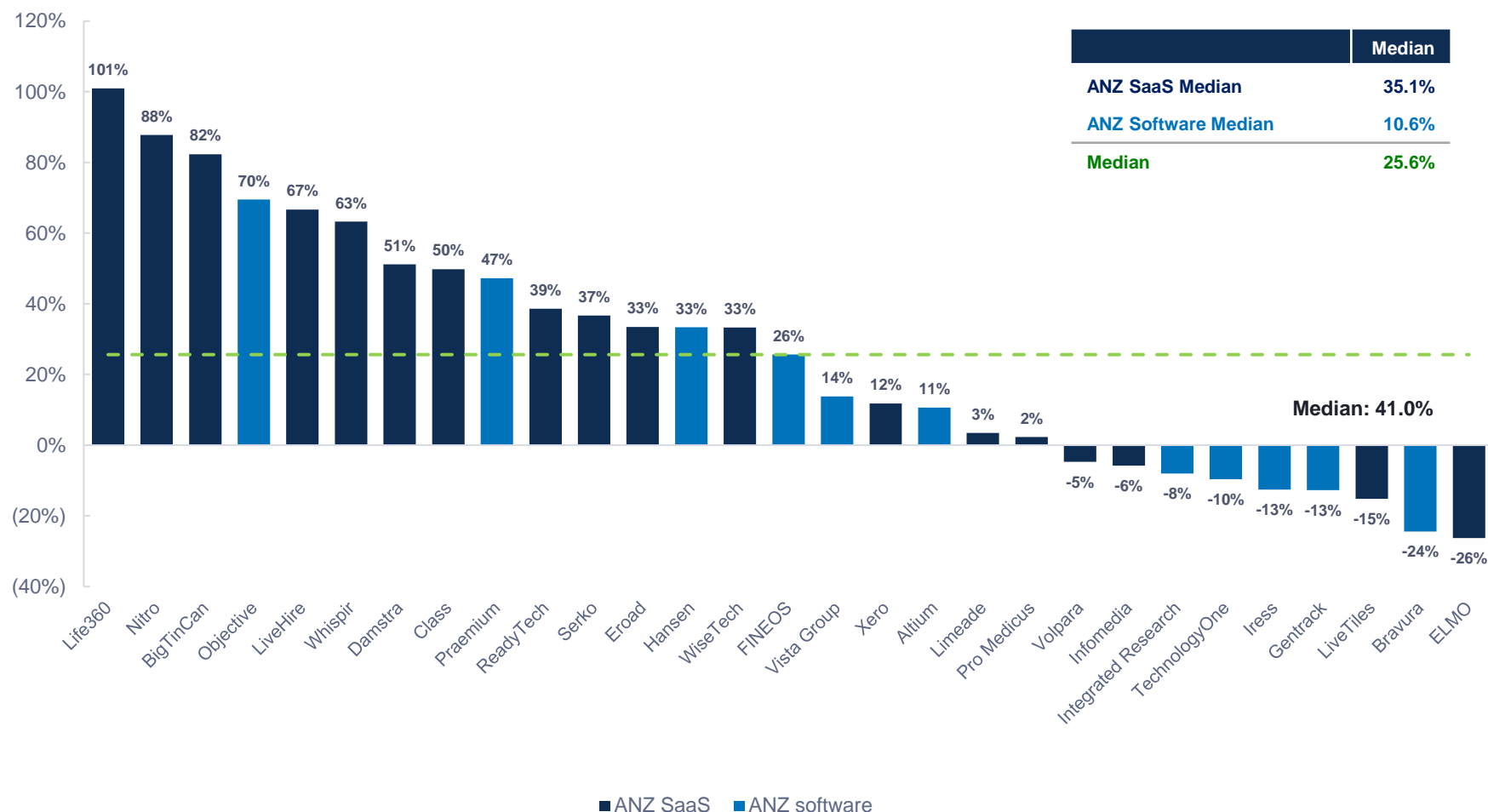
# ANZ SaaS & software index performance<sup>1</sup>



	ANZ SaaS	ANZ software	ASX 200	ASX 200 IT	ASX All Tech Index
Year to date	25.2%	7.7%	(13.0%)	25.4%	20.1%
6 months	119.4%	66.9%	14.6%	66.9%	64.6%
12 months	30.6%	19.0%	(13.8%)	26.1%	21.0%
Peak to trough	(58.6%)	(48.4%)	(36.5%)	(47.2%)	(47.1%)
Trough to current	189.2%	106.2%	27.9%	108.0%	103.0%

**ANZ SaaS, software and the ASX tech indices outperformed the ASX 200**

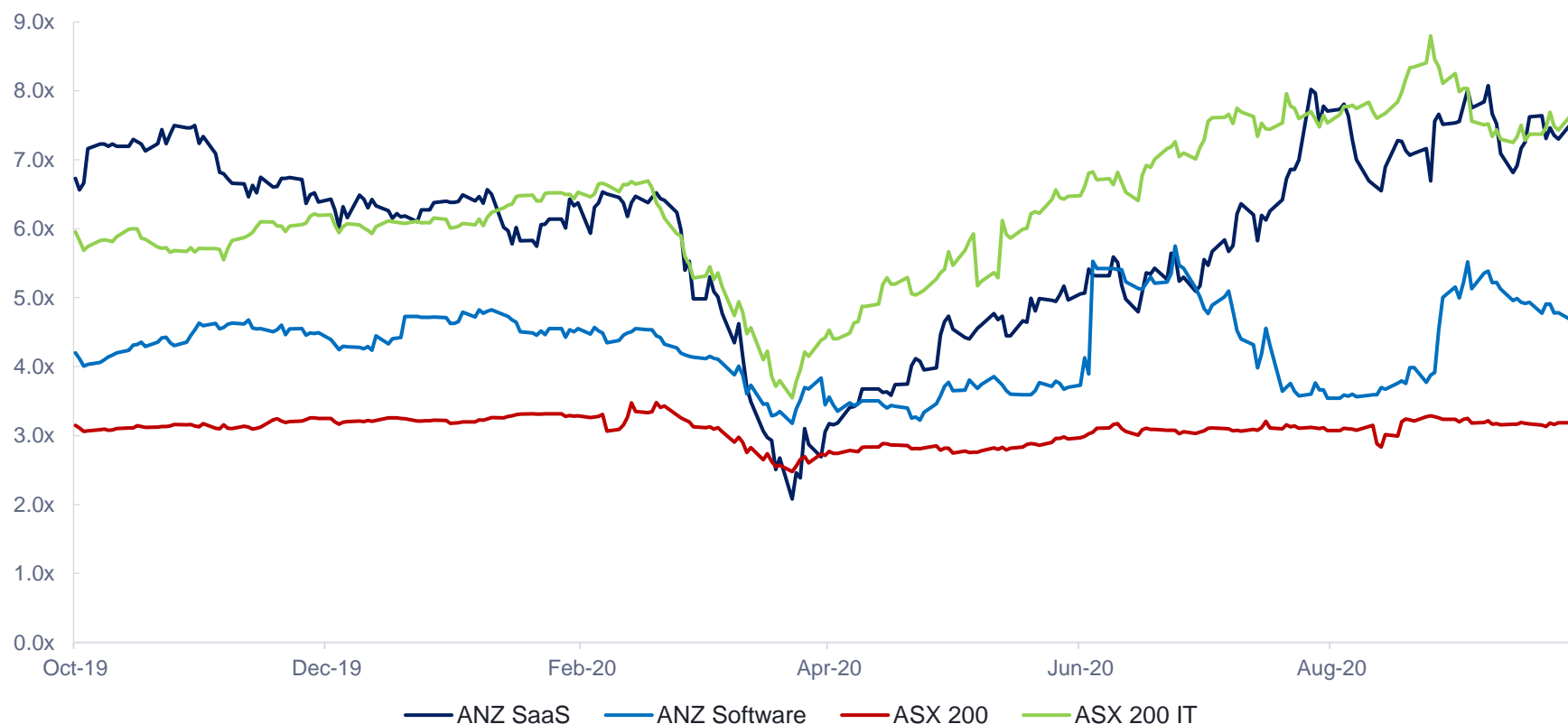
# ANZ SaaS & software last 3 months performance



**ANZ SaaS companies have outperformed ANZ software co's during the third quarter rally**



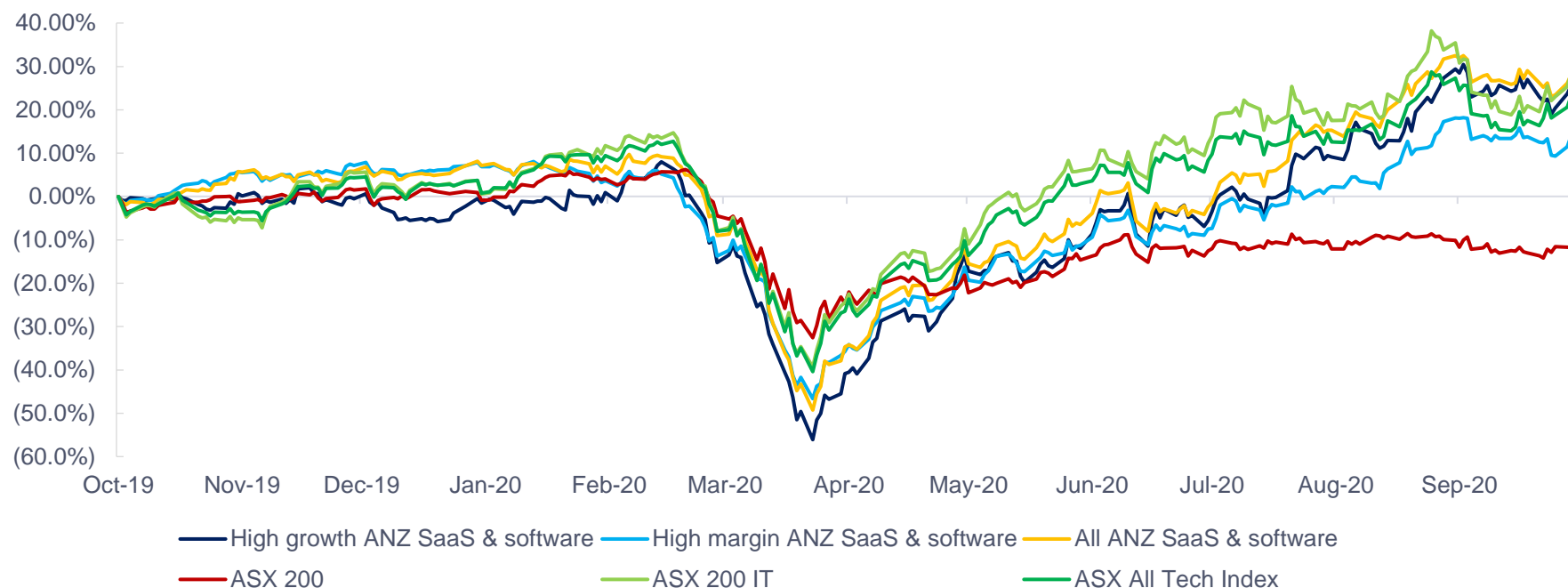
# ANZ SaaS & software EV/ NTM revenue



	ANZ SaaS	ANZ software	ASX 200	ASX 200 IT
12 months ago	6.7x	4.2x	3.1x	6.0x
Current	8.2x	4.8x	3.1x	7.7x

**ASX SaaS and software valuations have rebounded strongly to pre-COVID levels**

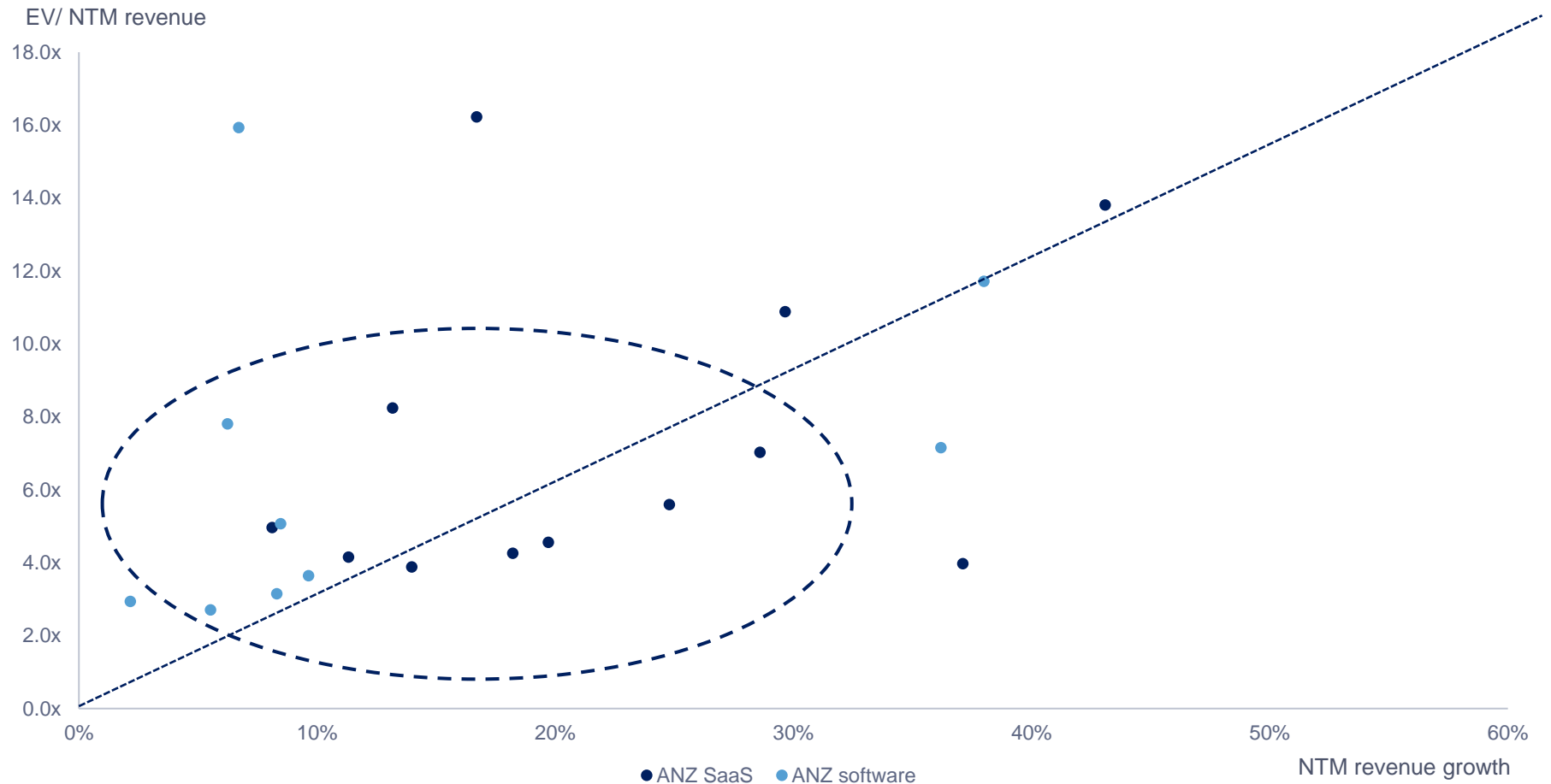
# ANZ SaaS & software high growth<sup>1</sup> and margin<sup>2</sup> performance



	High growth SaaS & software	High margin SaaS & software	All SaaS & software	ASX 200	ASX 200 IT	ASX All Tech Index
Year to date	28.0%	5.8%	19.0%	(13.0%)	25.4%	20.1%
6 months	113.3%	76.0%	95.2%	14.6%	66.9%	64.6%
12 months	26.1%	13.1%	27.5%	(13.8%)	26.1%	21.0%
Peak to trough	(59.3%)	(50.6%)	(53.8%)	(36.5%)	(47.2%)	(47.1%)
Trough to current	187.2%	112.0%	151.5%	27.9%	108.0%	103.0%

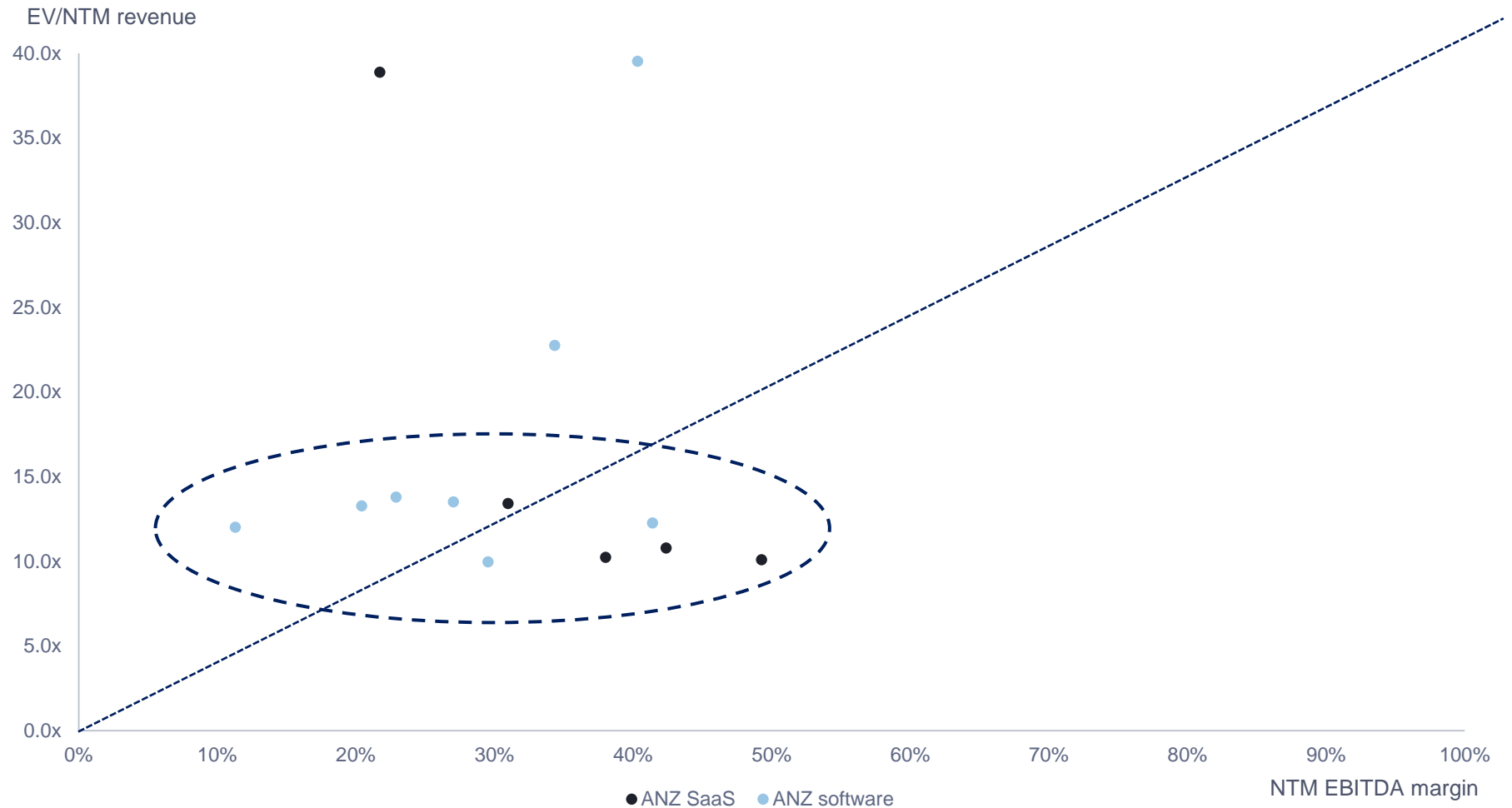
**High growth SaaS & software companies outperformed their high margin ANZ peers**

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



***ANZ SaaS companies regained their valuation premiums (particularly those with high growth) and are now trading at revenue multiples higher than ANZ software companies***

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

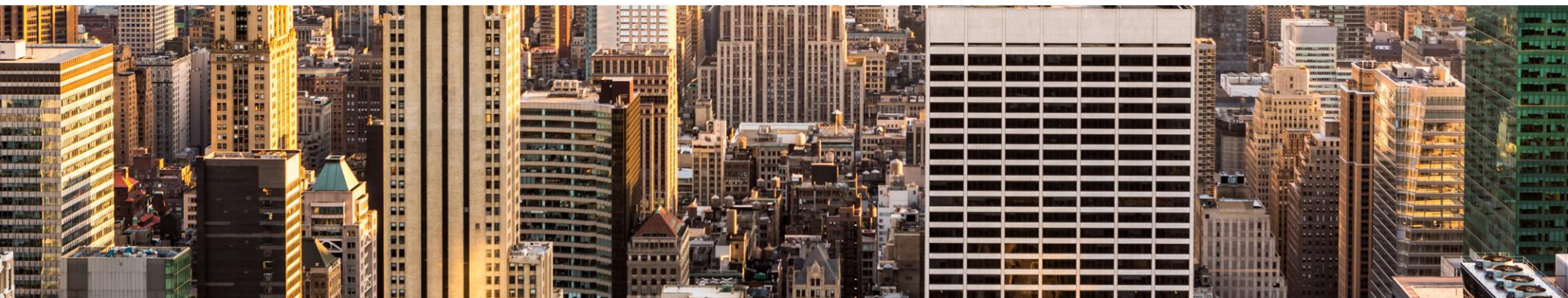


***ANZ software companies tend to trade at similar EBITDA multiples***





## US SaaS sector performance



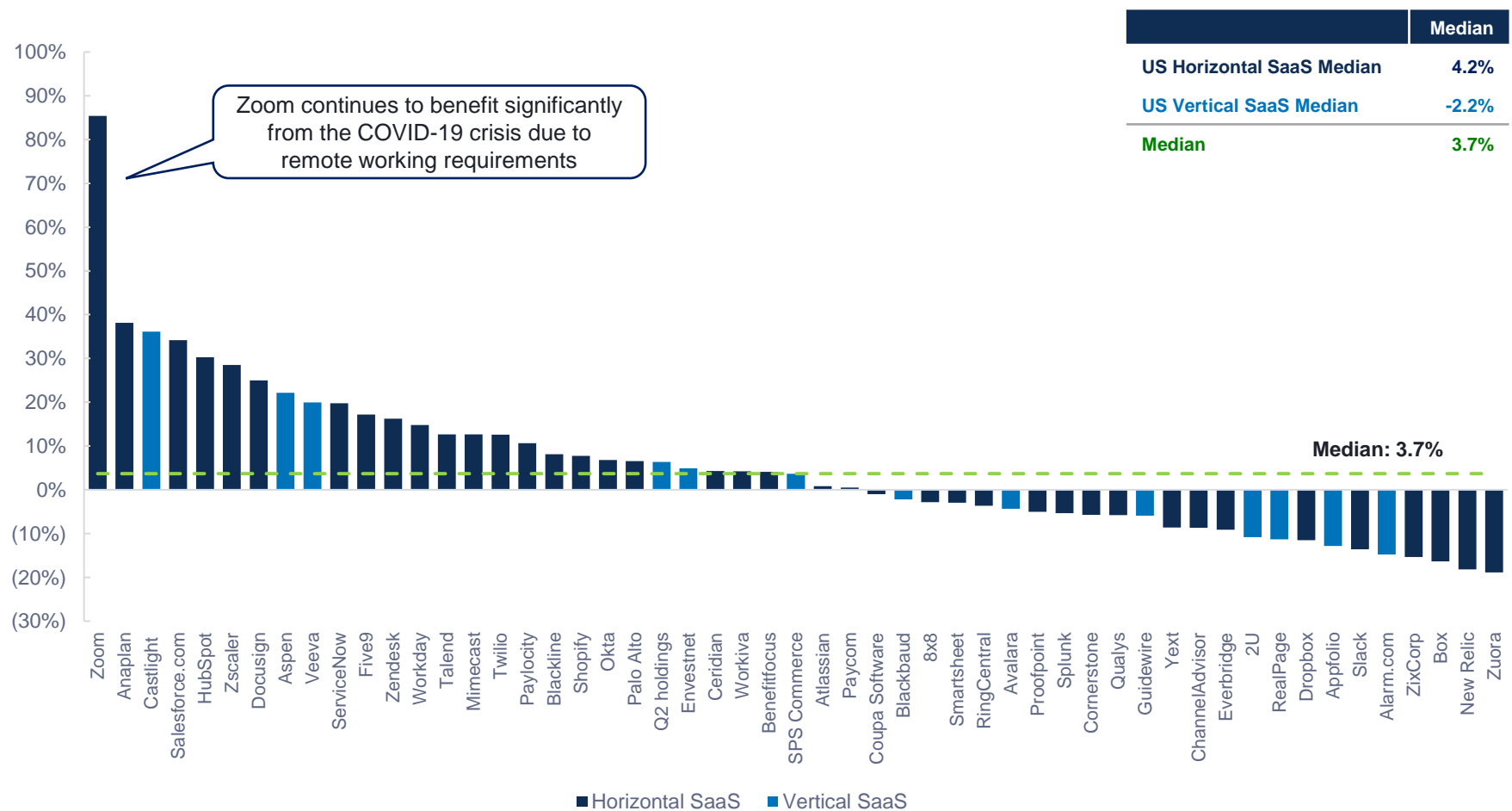
# US SaaS index performance<sup>1</sup>



	Horizontal SaaS	Vertical SaaS	S&P 500	S&P 500 IT
Year to date	54.6%	23.9%	4.1%	27.5%
6 months	68.8%	46.4%	30.1%	45.3%
12 months	68.4%	32.4%	14.4%	46.6%
Peak to trough	(34.9%)	(37.4%)	(33.9%)	(31.2%)
Trough to current	102.1%	76.5%	50.3%	65.8%

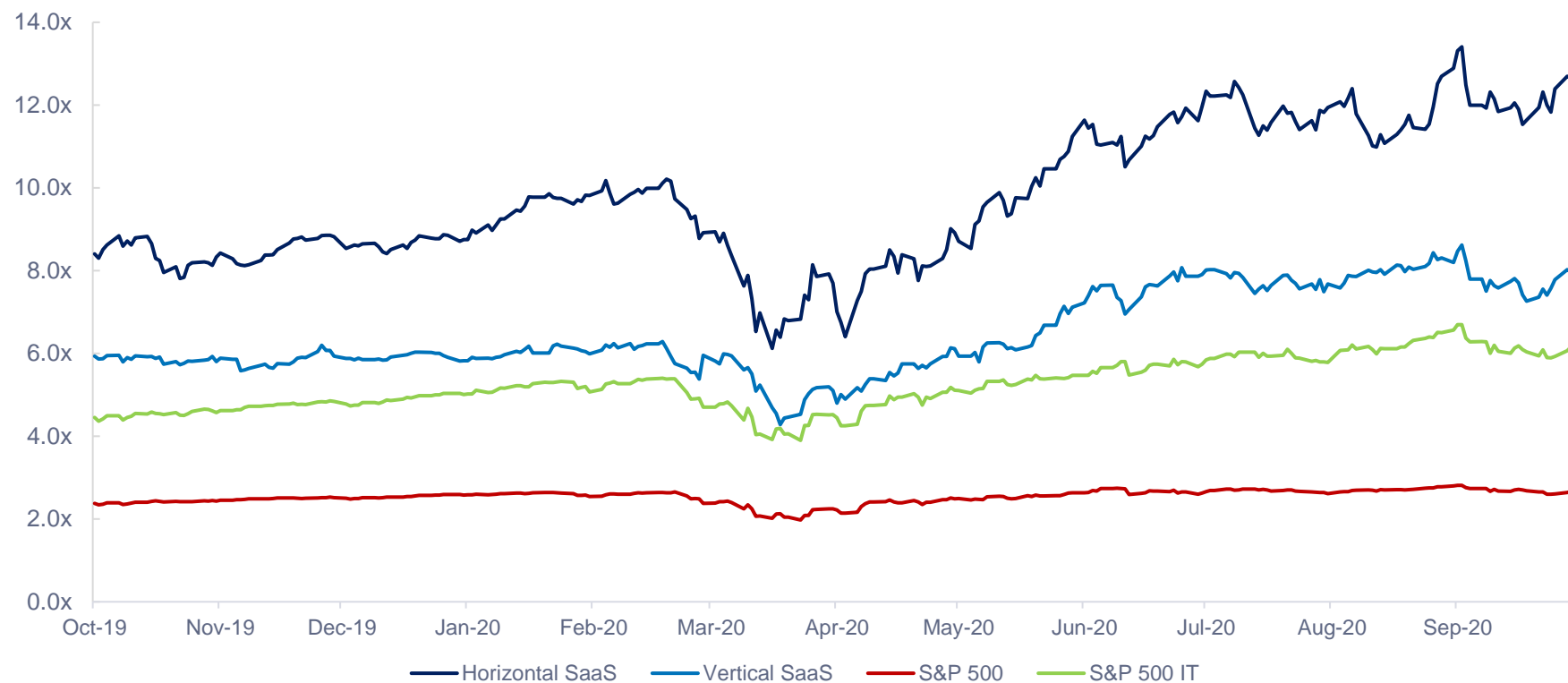
**Horizontal SaaS companies significantly outperformed vertical SaaS co's and the market indices**

# US SaaS last 3 month performance



**US horizontal SaaS companies performed slightly better than their vertical SaaS peers over the last quarter, however it appears that US SaaS companies have lost some steam since their Q2 rally**

# US SaaS EV/ NTM revenue

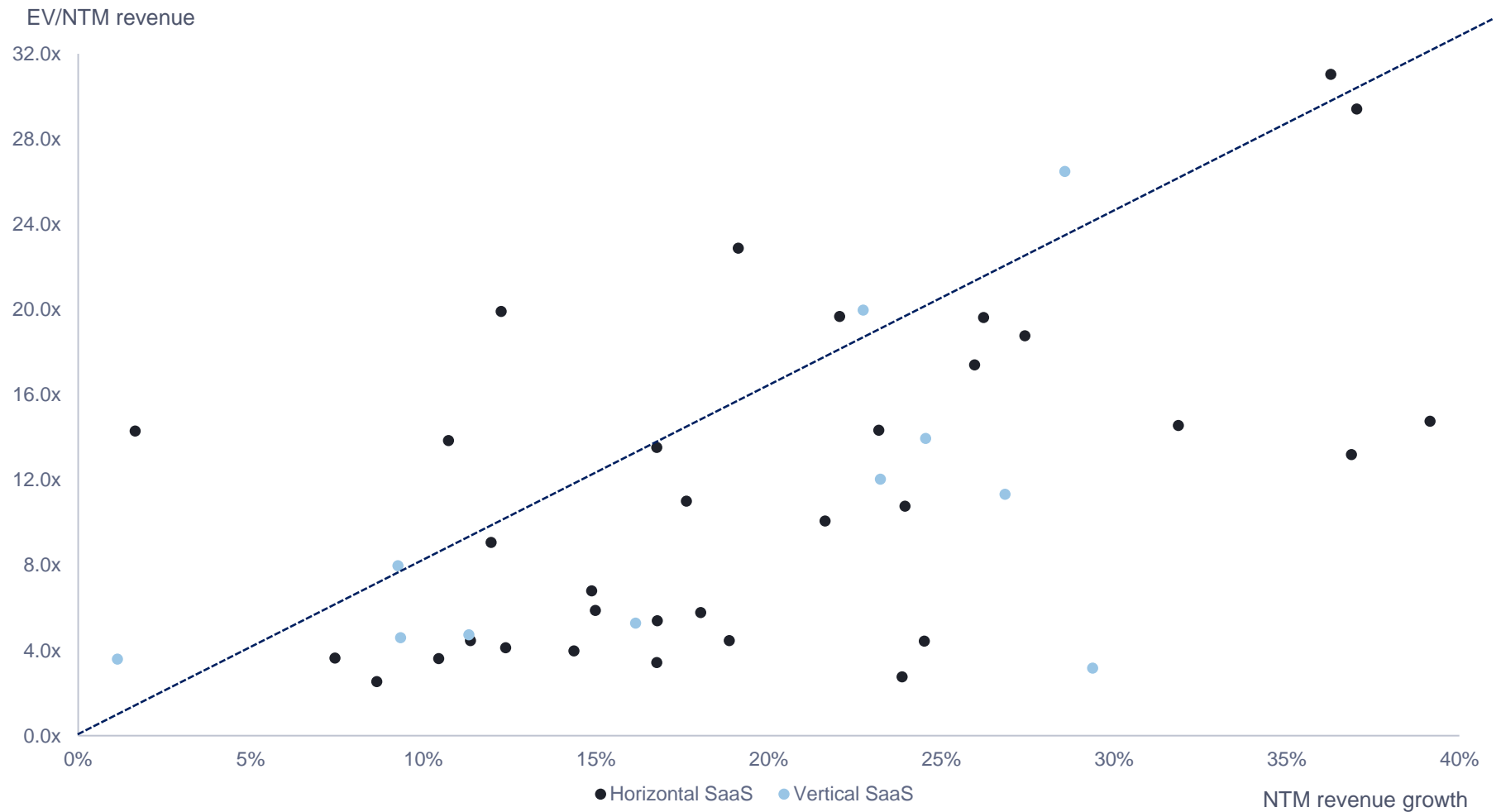


	Horizontal SaaS	Vertical SaaS	S&P 500	S&P 500 IT
12 months ago	8.4x	5.9x	2.4x	4.5x
Current	12.6x	8.0x	2.7x	6.2x

**US SaaS revenue multiples have appreciated significantly over the past 12 months despite the COVID-19 market crash and are now at record highs**

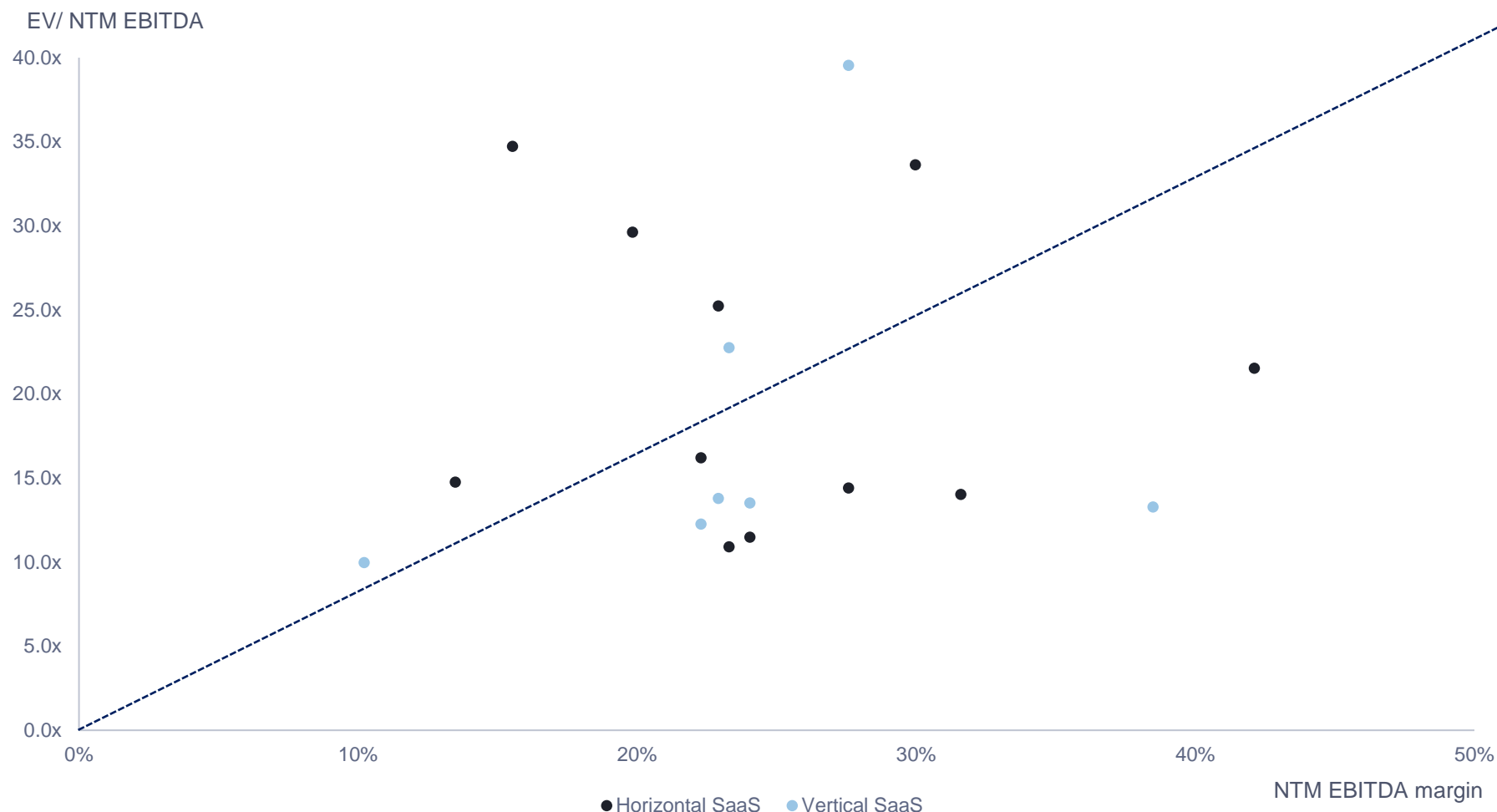


# US SaaS & software EV/ NTM revenue vs NTM revenue growth



*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)<sup>1</sup>



























Transaction overview				Multiples	
Target	Date	Acquirer	Transaction value (A\$m) <sup>2</sup>	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 <sup>®</sup> Brighter Shipping Software	Oct-18	 wisetech global	55.0	7.0x	55.0x
 AVOKA	Dec-18	 TEMENOS	339.2	7.2x	n.a.
 MICROMINE Industrial Mining Solutions	Dec-18	 potentia	n.a.	n.a.	n.a.
 hronboard	Dec-18	 ELMO	15.0	5.8x	n.a.
 CONTAINERCHAIN	Feb-19	 wisetech global	97.6	6.4x	n.a.
 SONET SYSTEMS	Jun-19	 RM Education	13.4	2.4x	n.a.
 midwinter	Aug-19	 bravura solutions	50.0	7.0x	n.a.

# ANZ SaaS: Mergers and acquisitions (> A\$10m)<sup>1</sup>

Transaction overview				Multiples	
Target	Date	Acquirer	Transaction value (A\$m) <sup>2</sup>	EV/ LTM revenue	EV/ LTM EBITDA
 PC-EFTPOS	Aug-19	 potentia	n.a.	n.a.	n.a.
 astute payroll	Aug-19	 PayGroup	12.5	2.3x	n.a.
 RITEQ	Sep-19	 CERIDIAN	29.5	n.a.	n.a.
 today's plan	Oct-19	 zone5 VENTURES	10.0	n.a.	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.
 BIDTRACKER	Nov-19	 Domain	35.0	n.a.	n.a.
 XFLOR	Dec-19	 TISG	n.a.	n.a.	n.a.
 MANDOE	Dec-19	 ADVENT PARTNERS	n.a.	n.a.	n.a.
 SMART SPARROW	Jan-20	 Pearson	36.3	n.a.	n.a.
 complispace	Jan-20	 potentia	n.a.	n.a.	n.a.
 FireMate	Jan-20	 Halma	18.2	9.3x	n.a.
 NowInfinity	Jan-20	 Class	25.0	n.a.	n.a.



# ANZ SaaS: Mergers and acquisitions ( > A\$10m)<sup>1</sup>

Transaction overview				Multiples	
Target	Date	Acquirer	Transaction value (A\$m) <sup>2</sup>	EV/ LTM revenue	EV/ LTM EBITDA
 MyDesktop	Mar-20		14.0	n.a.	n.a.
	Mar-20		10.0	n.a.	n.a.
	Mar-20		n.a.	n.a.	n.a.
	Jun-20		n.a.	n.a.	n.a.
	Jun-20		50.0	n.a.	n.a.
	Jun-20		n.a.	n.a.	n.a.
	Jul-20		18.5	n.a.	n.a.
	Jul-20		61.9	12.7x	n.a.
	Aug-20		52.5	n.a.	n.a.
	Aug-20		n.a.	n.a.	n.a.
	Aug-20		30.0	n.a.	n.a.
	Sep-20		50.0	n.a.	n.a.
 Payments Business	Sep-20		n.a.	n.a.	n.a.
Median				6.6x	31.3x


























## US: Mergers and acquisitions



# US SaaS: Mergers and acquisitions ( > A\$100m)<sup>1</sup>



















Transaction overview				Multiples	
Target	Date	Acquirer	Transaction value (A\$m) <sup>2</sup>	EV/ LTM revenue	EV/ LTM EBITDA
	Sep-19		639.1	n.a.	n.a.
	Oct-19		162.9	n.a.	n.a.
	Oct-19		313.2	n.a.	n.a.
	Oct-19		4,191.7	3.7x	11.4x
	Oct-19		686.6	n.a.	n.a.
	Nov-19		743.9	n.a.	n.a.
	Nov-19		841.6	11.6x	n.a.
	Nov-19		101.4	n.a.	n.a.
	Nov-19		212.8	n.a.	n.a.
	Dec-19		280.8	n.a.	n.a.
	Dec-19		3,072.3	7.6x	n.a.
	Dec-19		171.1	n.a.	n.a.

# US SaaS: Mergers and acquisitions ( > A\$100m)<sup>1</sup>























Transaction overview				Multiples	
Target	Date	Acquirer	Transaction value (A\$m) <sup>2</sup>	EV/ LTM revenue	EV/ LTM EBITDA
 CHURCH COMMUNITY BUILDER	Dec-19	 Pushpay	126.8	8.8x	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.
 yapta	Jan-20	 coupa	162.5	n.a.	n.a.
 KUEBIX	Jan-20	 Trimble	293.4	n.a.	n.a.
 clearpool	Jan-20	 BMO Bank of Montreal	214.8	n.a.	n.a.
 emailage	Feb-20	 LexisNexis <sup>®</sup> RISK SOLUTIONS	717.3	n.a.	n.a.
 evergage	Feb-20	 salesforce	149.4	n.a.	n.a.
 Localytics	Feb-20	 upland	101.9	n.a.	n.a.
 SIMPLUS	Feb-20	 Infosys	299.6	3.0x	n.a.
 docutech	Feb-20	 First American	519.9	n.a.	n.a.
 saba	Feb-20	 Cornerstone	2,049.3	n.a.	n.a.



# US SaaS: Mergers and acquisitions ( > A\$100m)<sup>1</sup>

Transaction overview				Multiples	
Target	Date	Acquirer	Transaction value (A\$m) <sup>2</sup>	EV/ LTM revenue	EV/ LTM EBITDA
 Vlocity™	Feb-20	 salesforce	2,120.3	n.a.	n.a.
 Seal	Feb-20	DocuSign®	285.8	n.a.	n.a.
 AZUL SYSTEMS®	Mar-20	VITRUVIAN PARTNERS  LEADEDGE CAPITAL	514.3	n.a.	n.a.
P O N D E R A	Mar-20	 THOMSON REUTERS	212.8	n.a.	n.a.
CLOUDGENIX	Mar-20	 paloalto® NETWORKS	656.4	n.a.	n.a.
 DivvyCloud	Apr-20	 RAPID7	203.0	23.2x	n.a.
 INNOVEST SYSTEMS	Apr-20	 SS&C	183.5	n.a.	n.a.
idaptive	May-20	 CYBERARK®	108.2	n.a.	n.a.
 lastline™	Jun-20	vmware®	164.3	n.a.	n.a.
 4C	Jul-20	 mediaocean	214.8	n.a.	n.a.
GLOBALSCAPE	Jul-20	 helpsystems	331.3	5.4x	13.6x
 MAJESCO	Jul-20	 THOMABRAVO	1,021.4	4.7x	35.6x

# US SaaS: Mergers and acquisitions ( > A\$100m)<sup>1</sup>

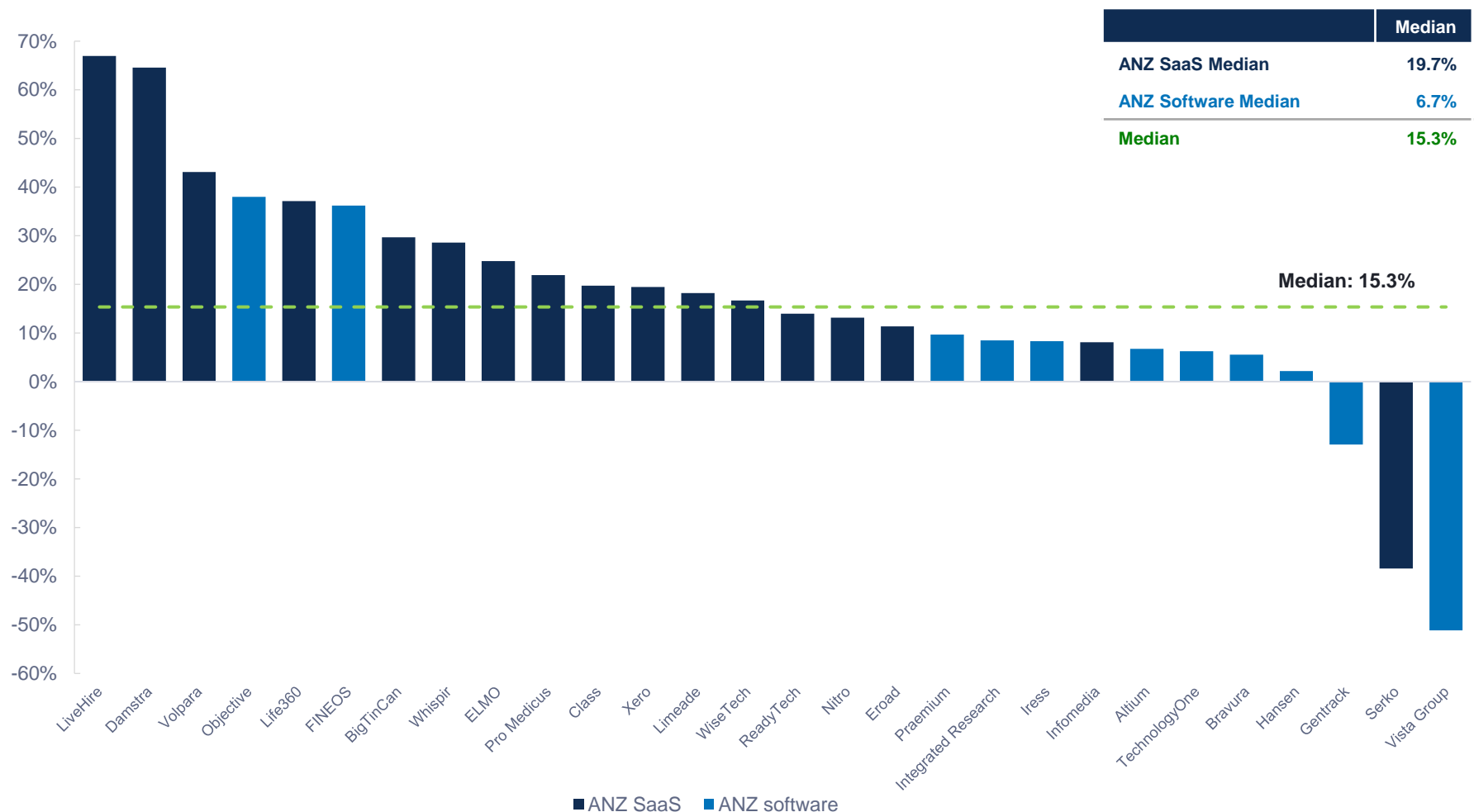
Transaction overview				Multiples	
Target	Date	Acquirer	Transaction value (A\$m) <sup>2</sup>	EV/ LTM revenue	EV/ LTM EBITDA
 REFLEXIS	Jul-20	 ZEBRA TECHNOLOGIES	803.4	8.7x	n.a.
 EllieMae	Aug-20	 ICE	15,272.8	18.1x	n.a.
 LimelightHealth	Aug-20	 FINEOS	104.7	n.a.	n.a.
 Vertafore	Aug-20	 ROPER	7,465.4	n.a.	n.a.
 Brandfolder	Aug-20	 smartsheet	216.3	n.a.	n.a.
 Signal Sciences	Aug-20	 fastly	1,071.2	n.a.	n.a.
 mycase	Sep-20	 Apax PARTNERS	266.7	n.a.	n.a.
 CHEF	Sep-20	 Progress	304.0	3.1x	n.a.
 XCM	Sep-20	 Wolters Kluwer	221.2	7.2x	n.a.
 RUNDECK	Sep-20	 PagerDuty	138.8	n.a.	n.a.
 preempt SECURITY	Sep-20	 CROWDSTRIKE	135.2	n.a.	n.a.
Median				7.4x	13.6x



## Benchmarking: SaaS and software metrics



# Benchmarking: ANZ NTM revenue growth



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

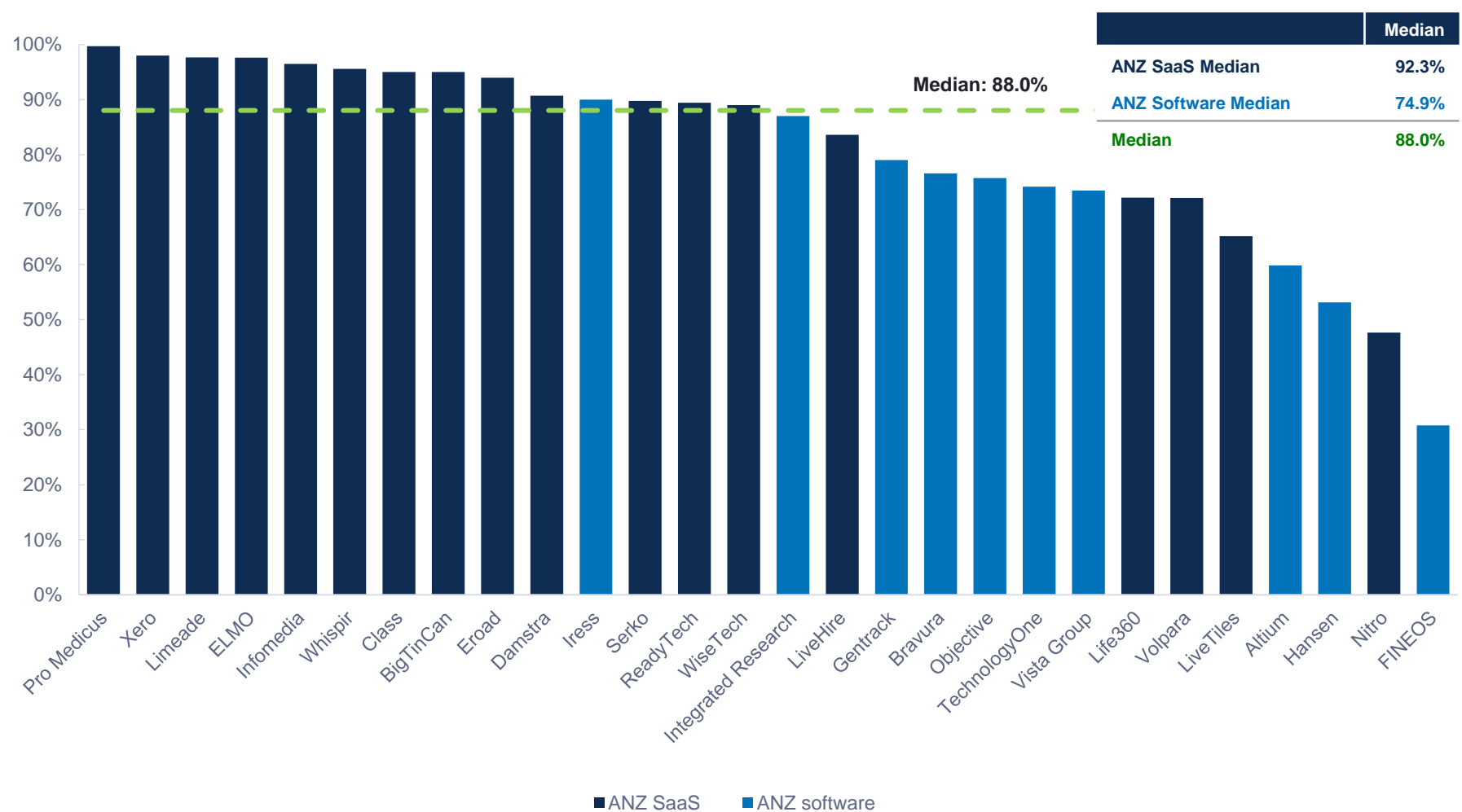


# Benchmarking: US NTM revenue growth



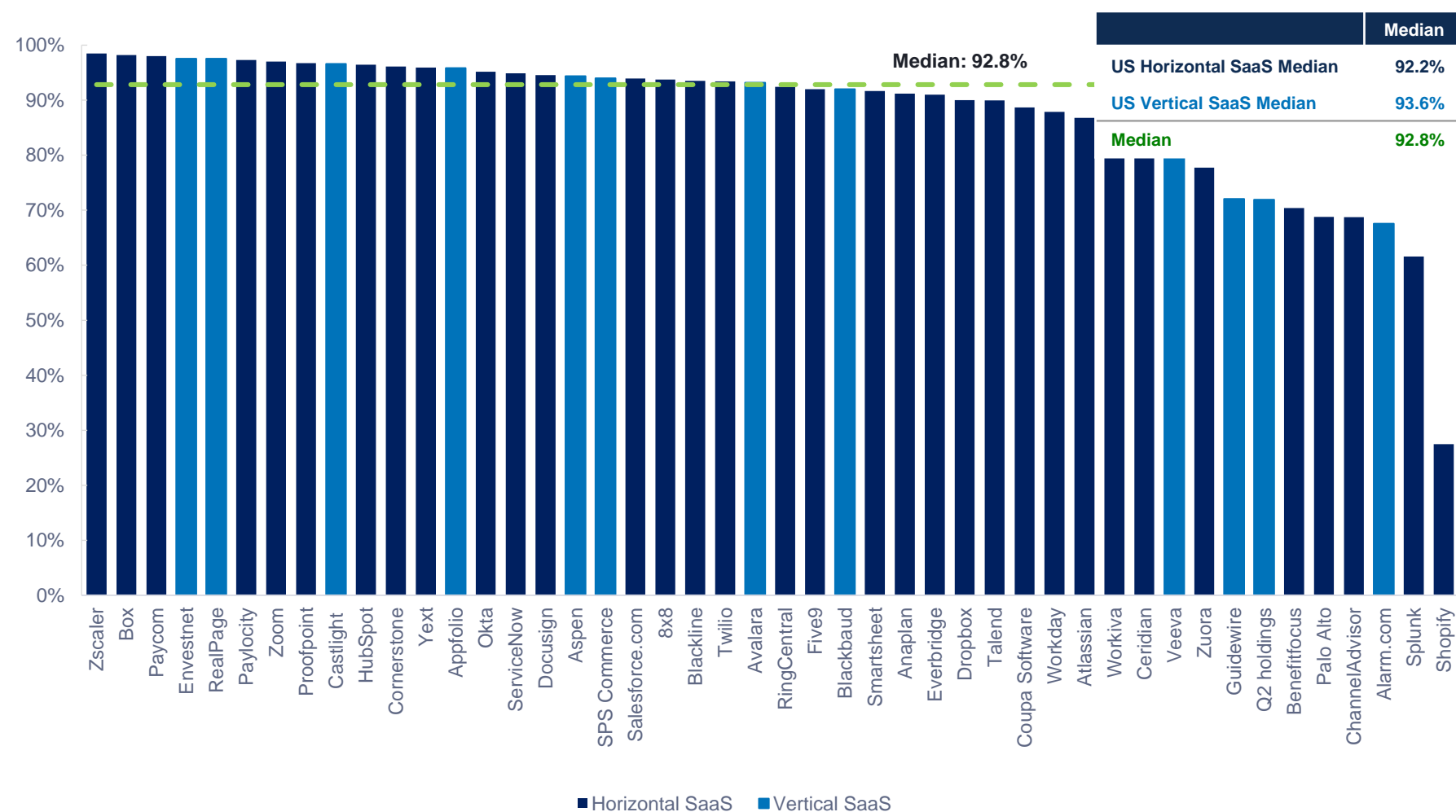
**Due to the COVID-19 crisis, US SaaS companies are expected to experience weaker growth than what we have seen in previous periods**

# Benchmarking: ANZ recurring revenue



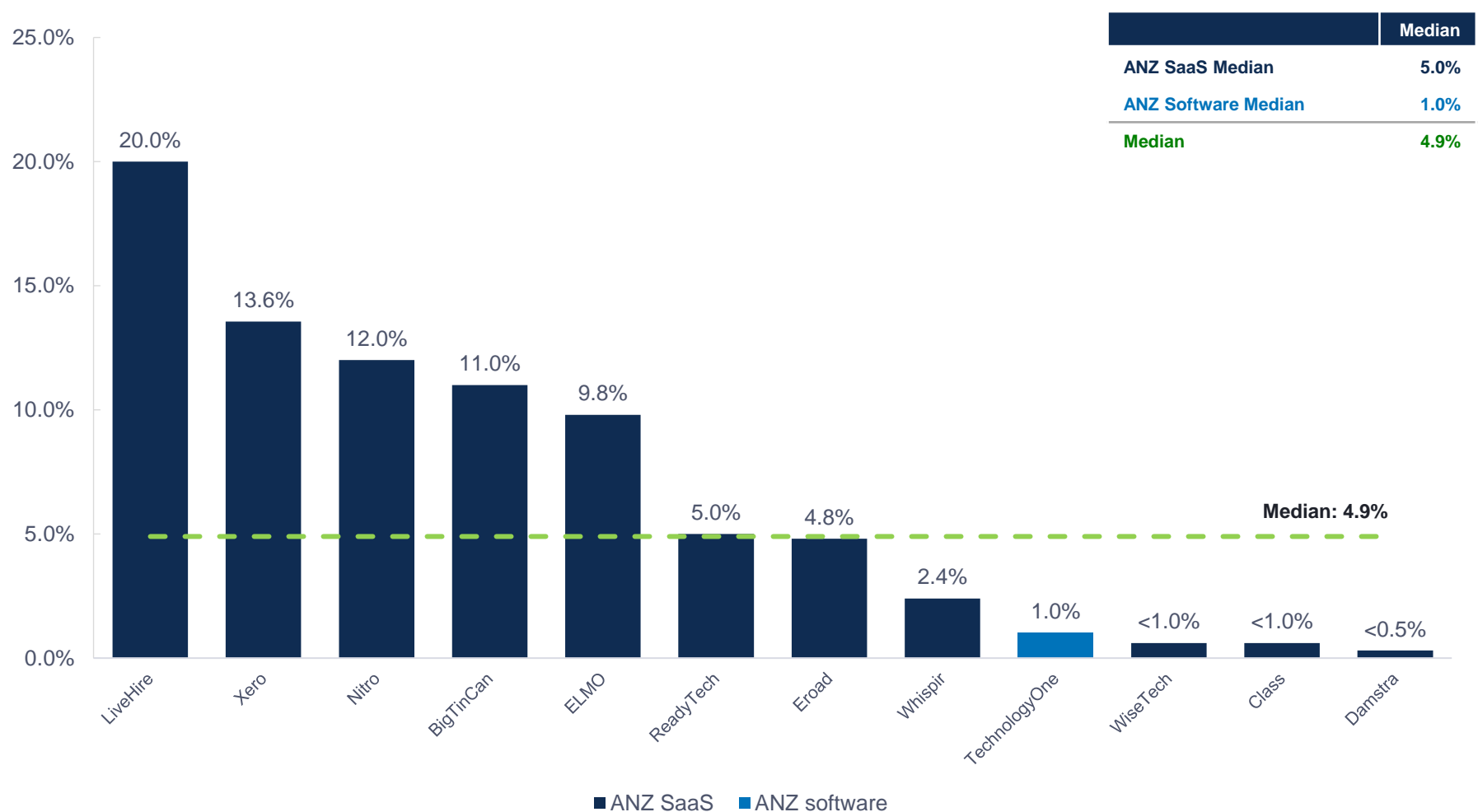
**SaaS companies have significantly higher levels of recurring revenue than traditional software co's**

# Benchmarking: US recurring revenue



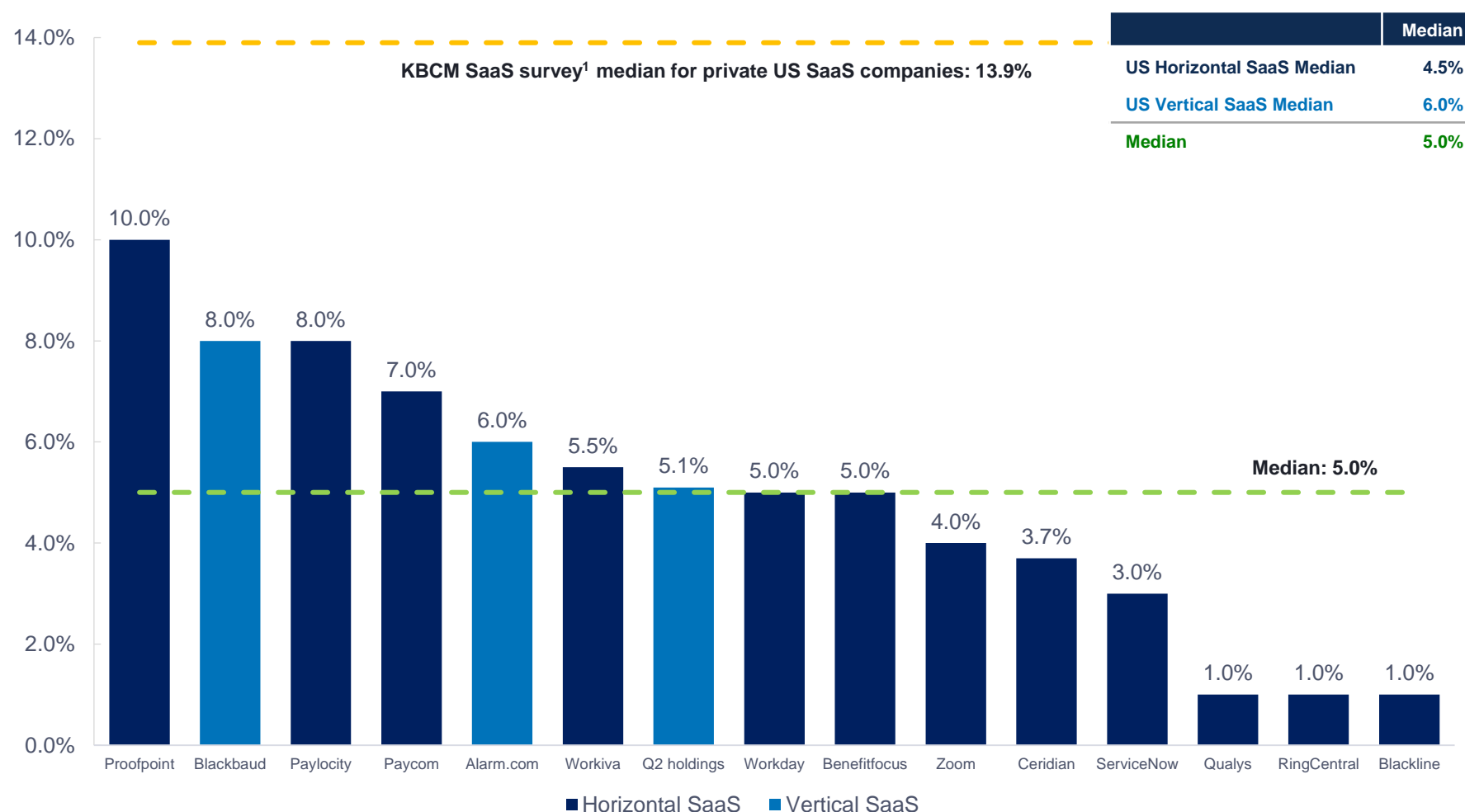
**US SaaS companies have a median of ~93% recurring revenue**

# Benchmarking: ANZ attrition rate



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

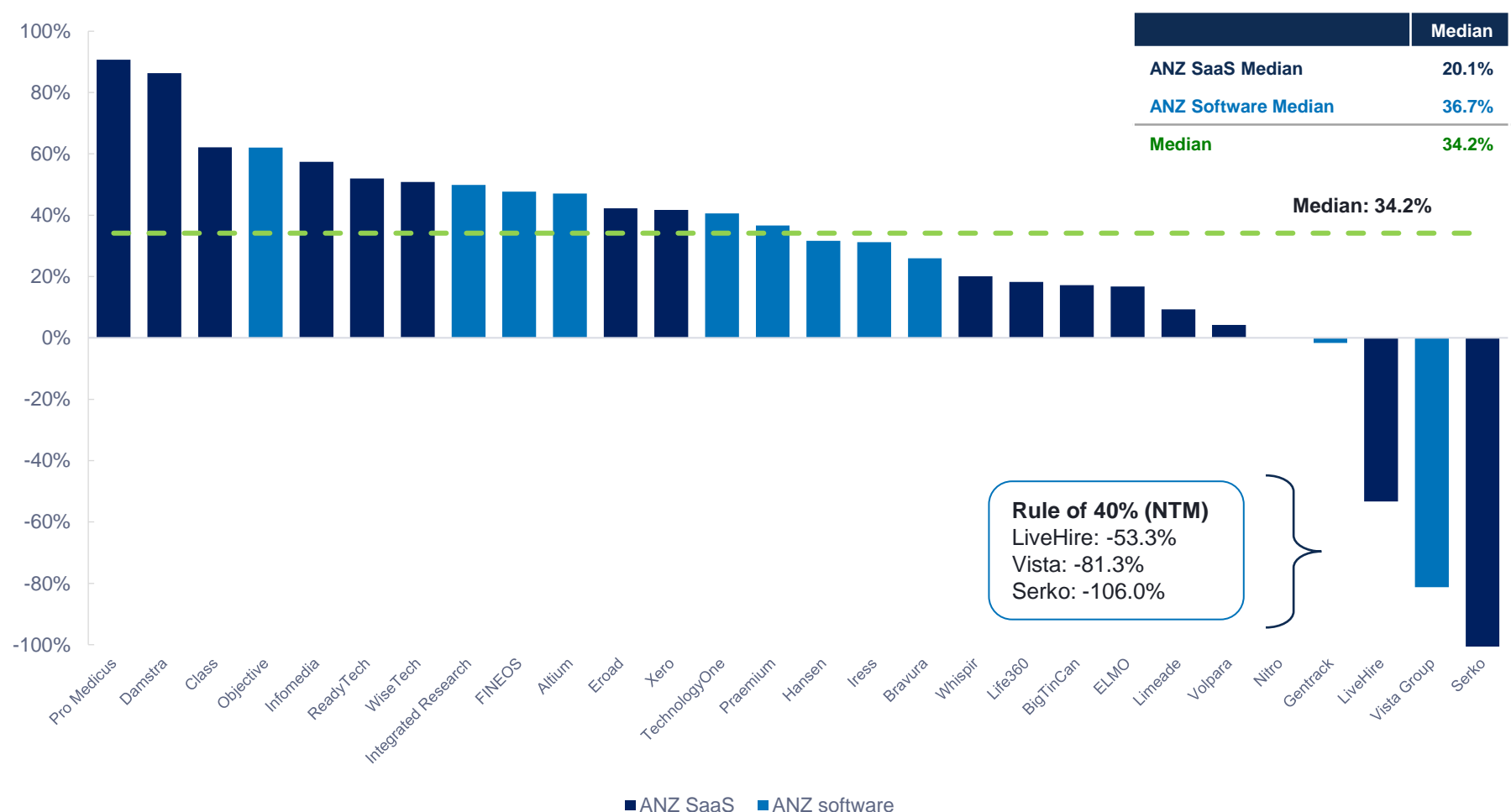
# Benchmarking: US attrition rate



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

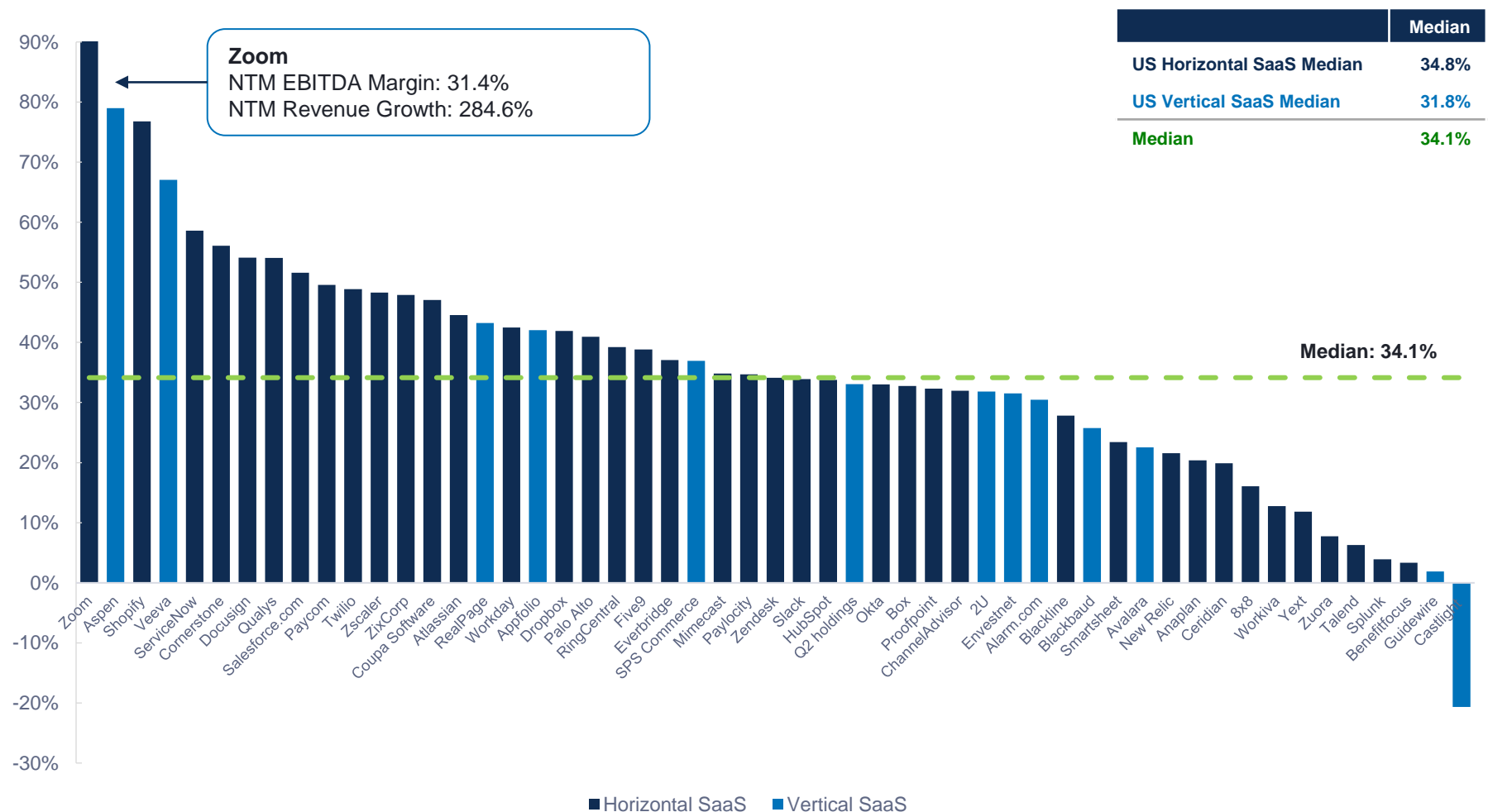


# Benchmarking: ANZ rule of 40% (NTM)



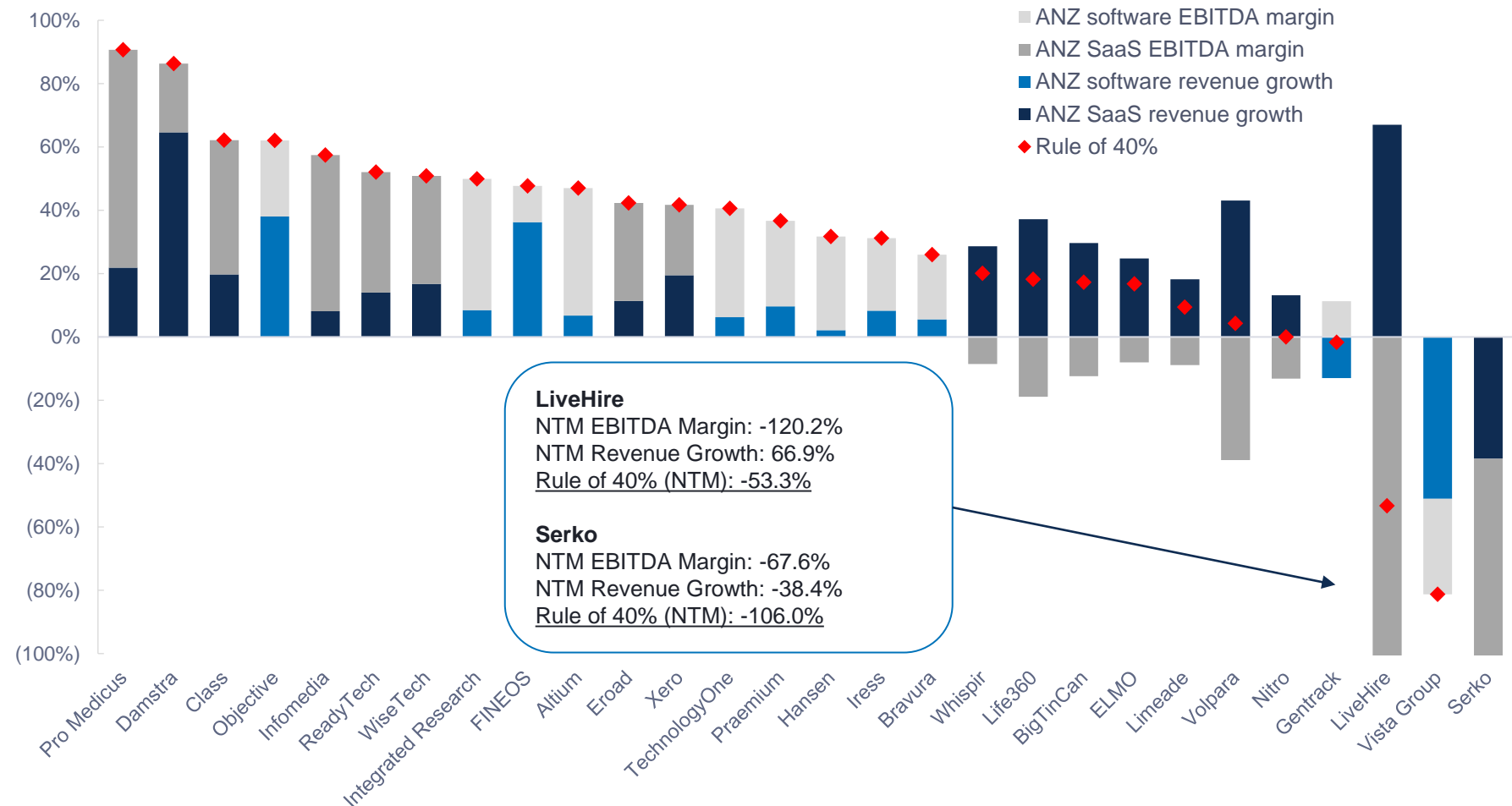
**ANZ SaaS and traditional software companies are expected to fall short of the rule of 40%, which is unusual and quite different to what we have seen in previous periods**

# Benchmarking: US rule of 40% (NTM)



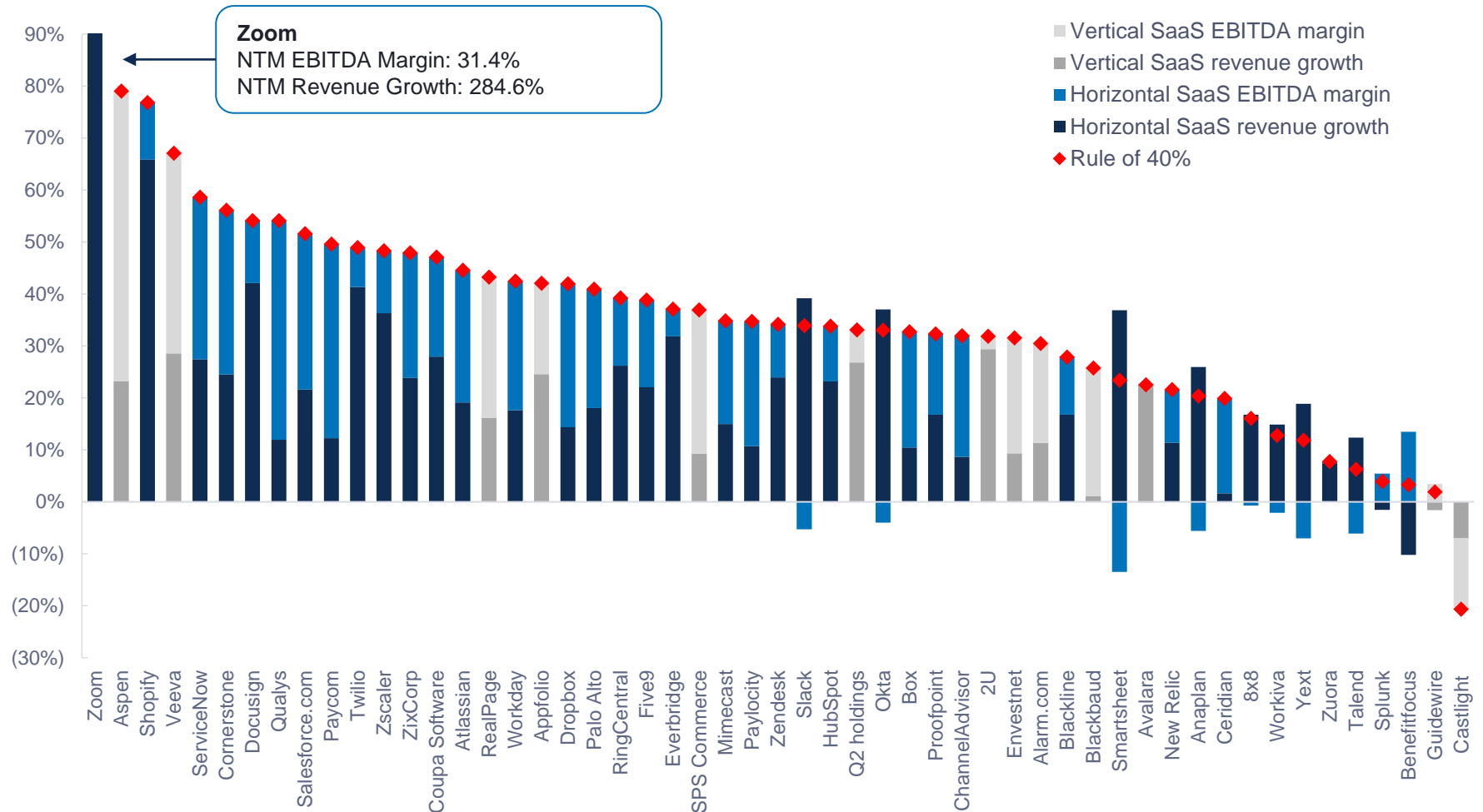
**The median US SaaS company is expected to fall short of the rule of 40%**

# Benchmarking: ANZ rule of 40% contributions (NTM)



**High growth SaaS companies tend to forego EBITDA margin in the early stages of their lifecycle**

# Benchmarking: US rule of 40% contributions (NTM)



*US SaaS companies are typically more focused on revenue growth*

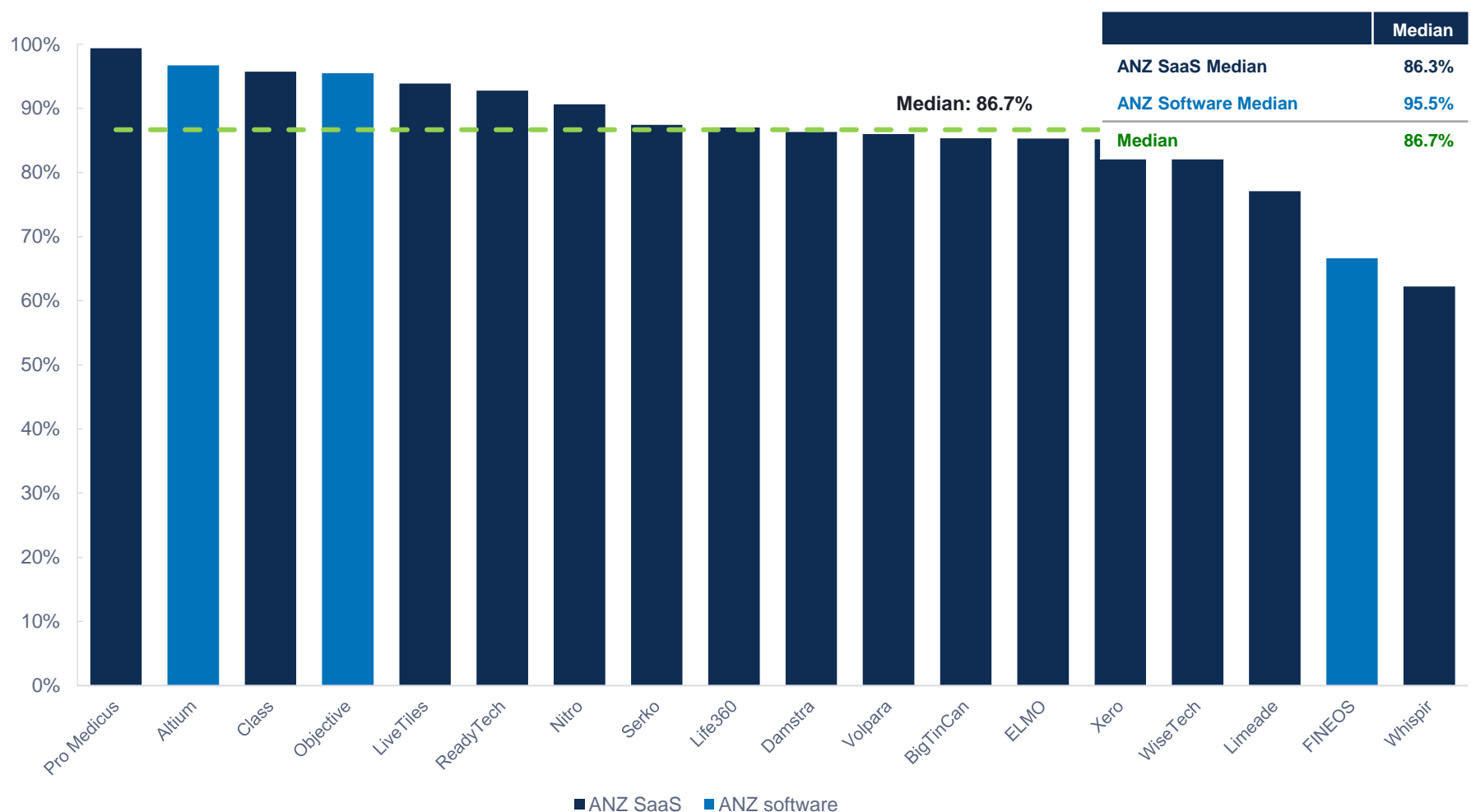


## Benchmarking: SaaS and software margins



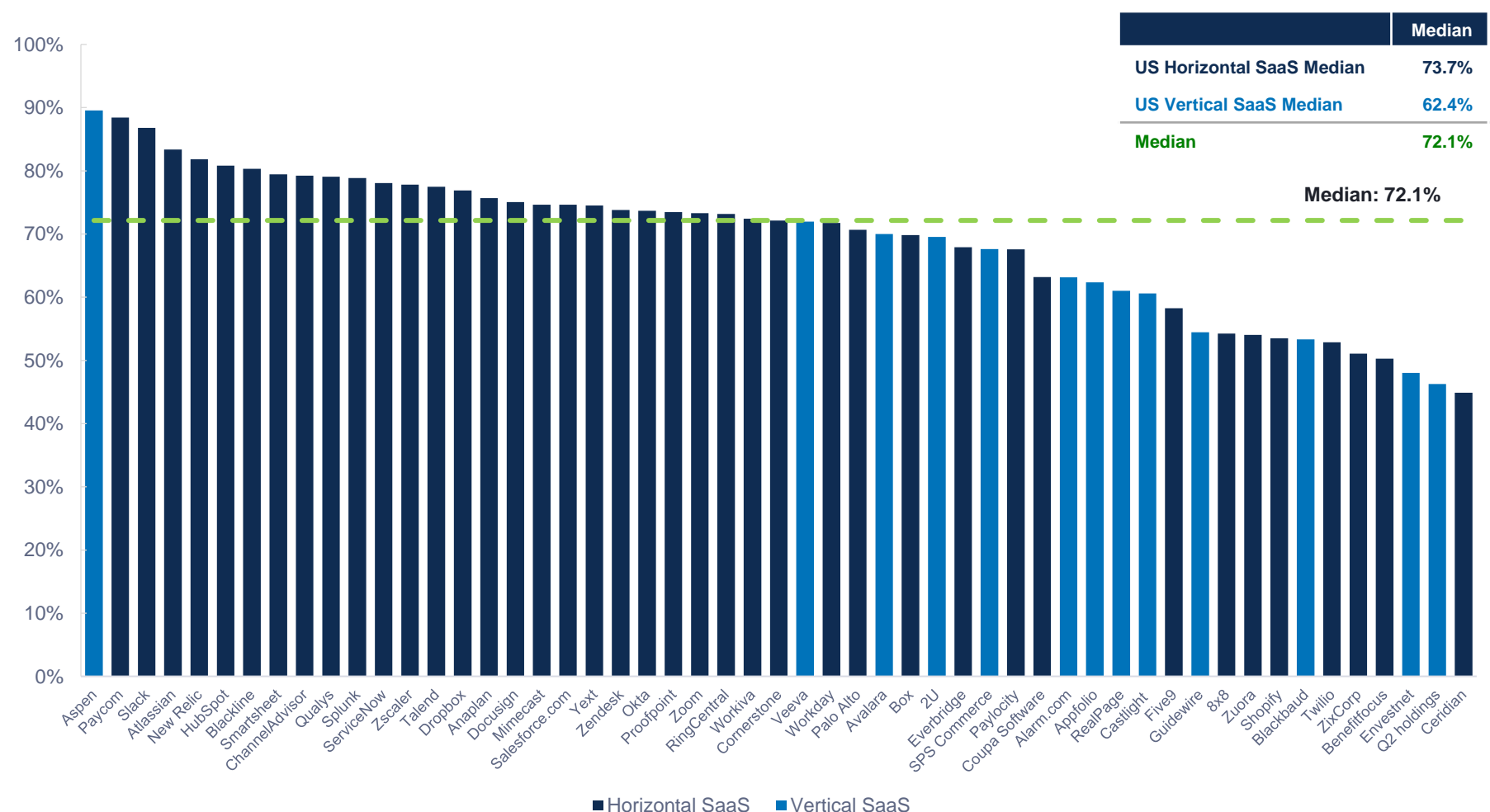


# Benchmarking: ANZ gross margin<sup>1</sup>



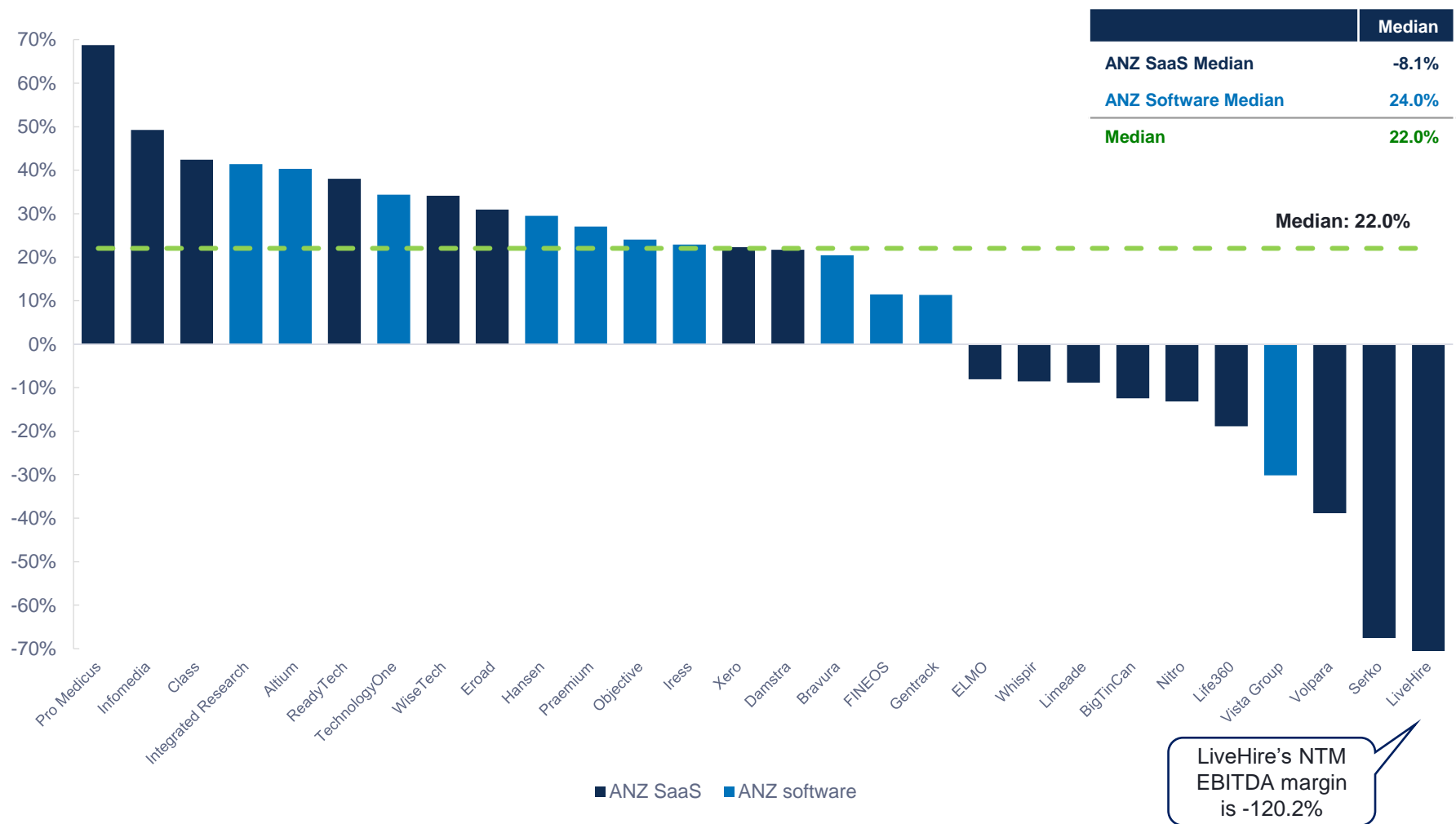
**ANZ SaaS and software companies have highly competitive gross margins**

# Benchmarking: US gross margin



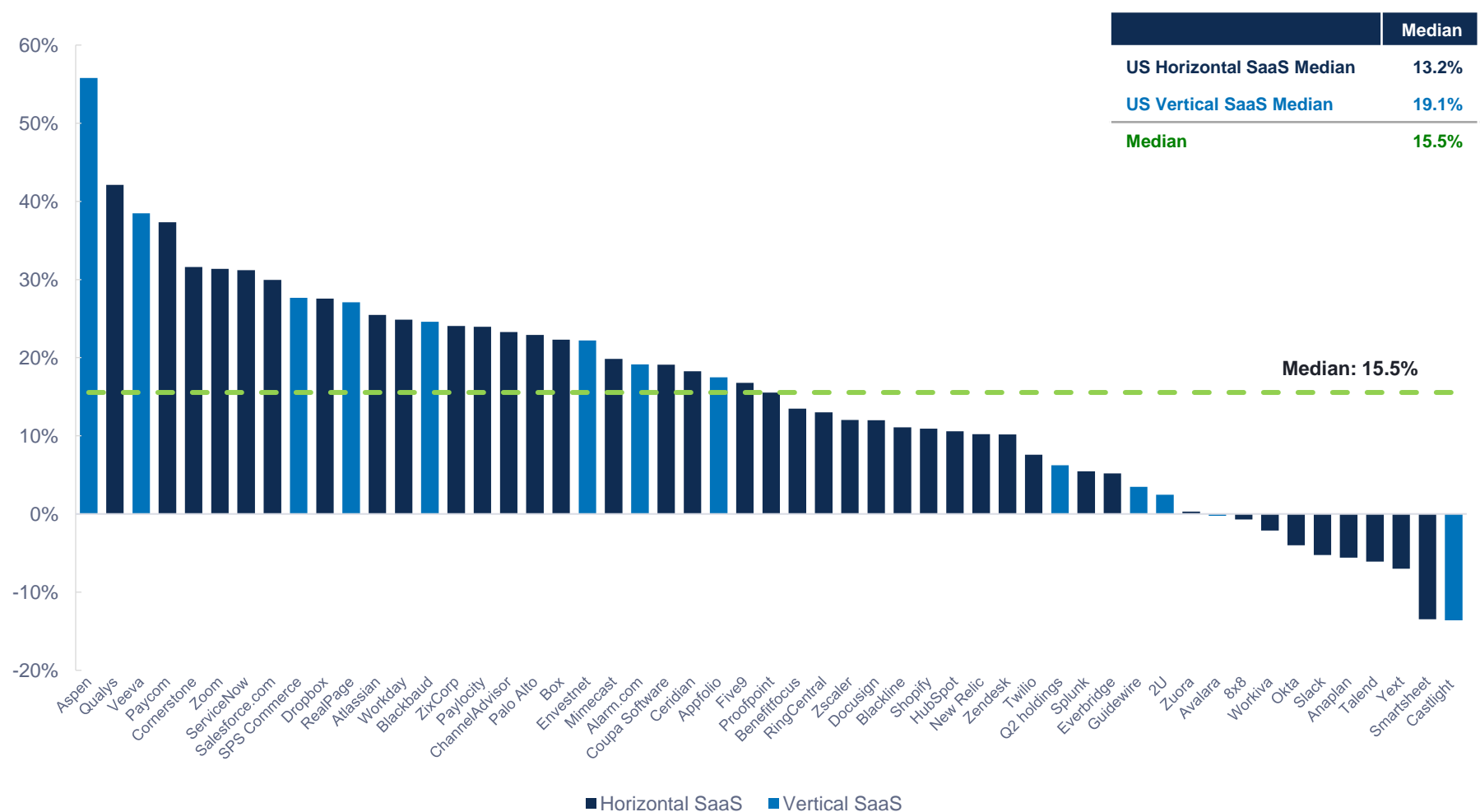
**US SaaS companies have a median gross margin of ~72%, with horizontal SaaS typically higher**

# Benchmarking: ANZ NTM EBITDA margin %



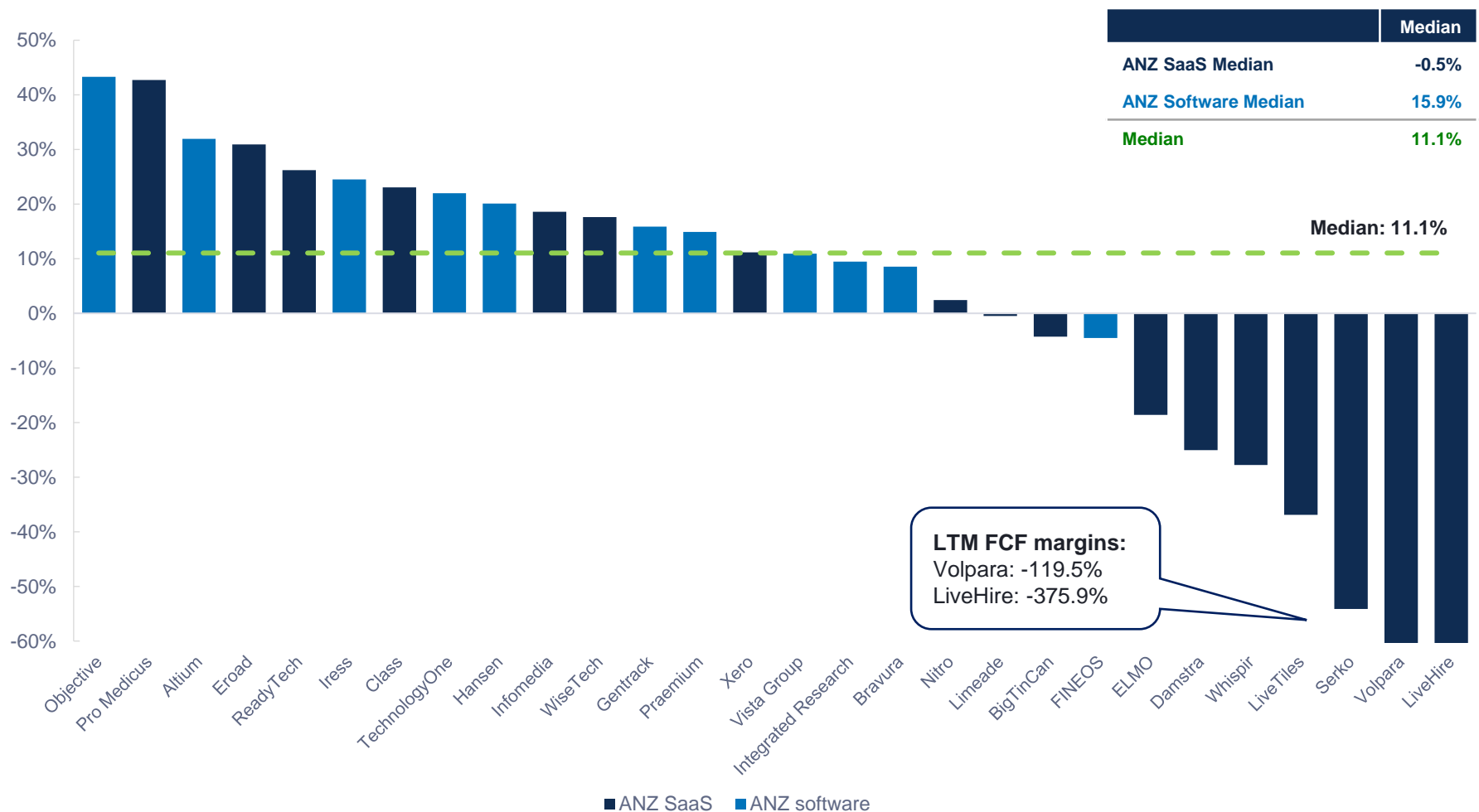
**ANZ software companies are expected to be more profitable than their SaaS peers**

# Benchmarking: US NTM EBITDA margin %



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

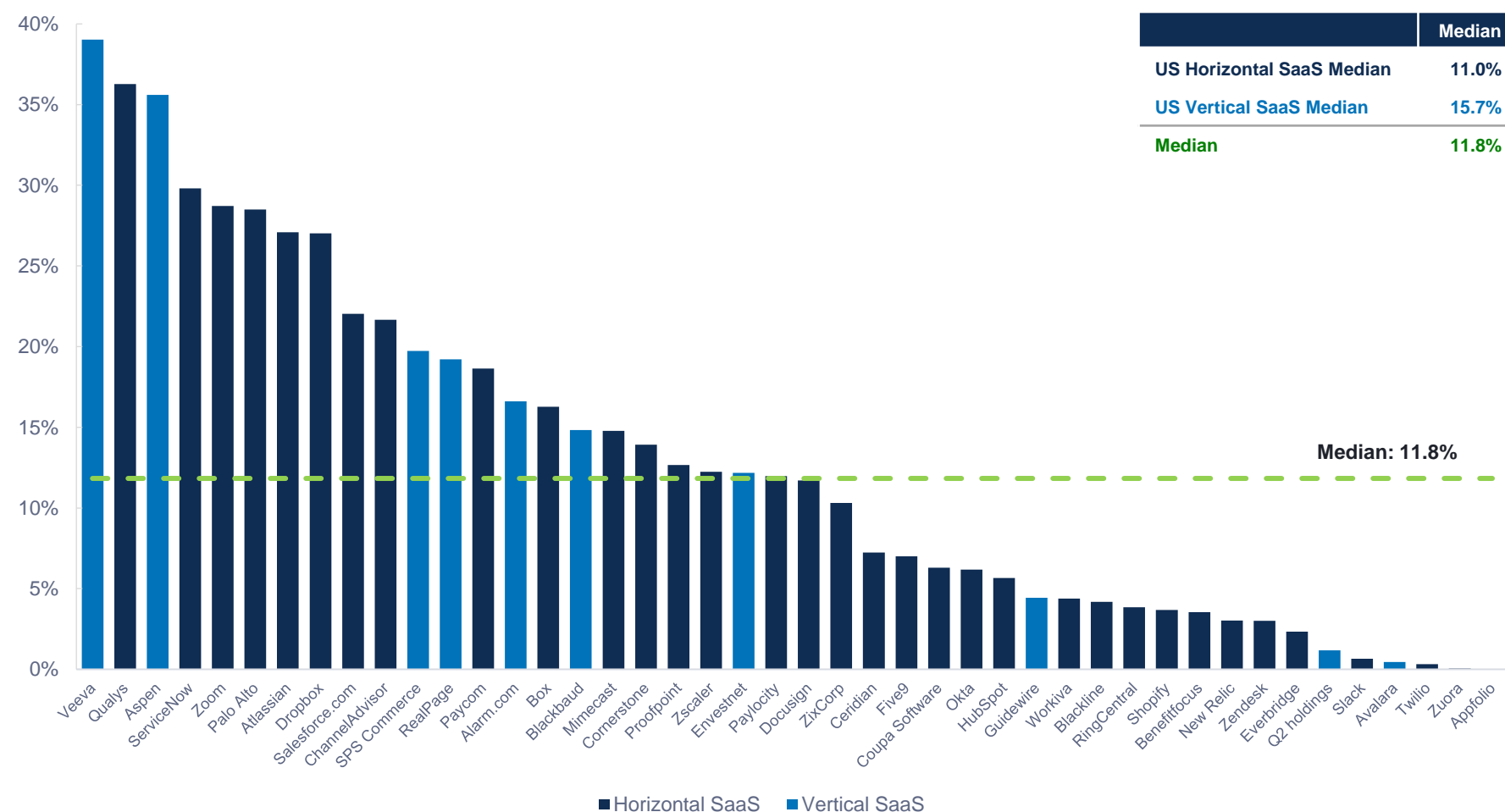
# Benchmarking: ANZ LTM FCF margin<sup>1</sup>



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



# Benchmarking: US NTM FCF margin<sup>1</sup>



	Median
US Horizontal SaaS Median	11.0%
US Vertical SaaS Median	15.7%
Median	11.8%

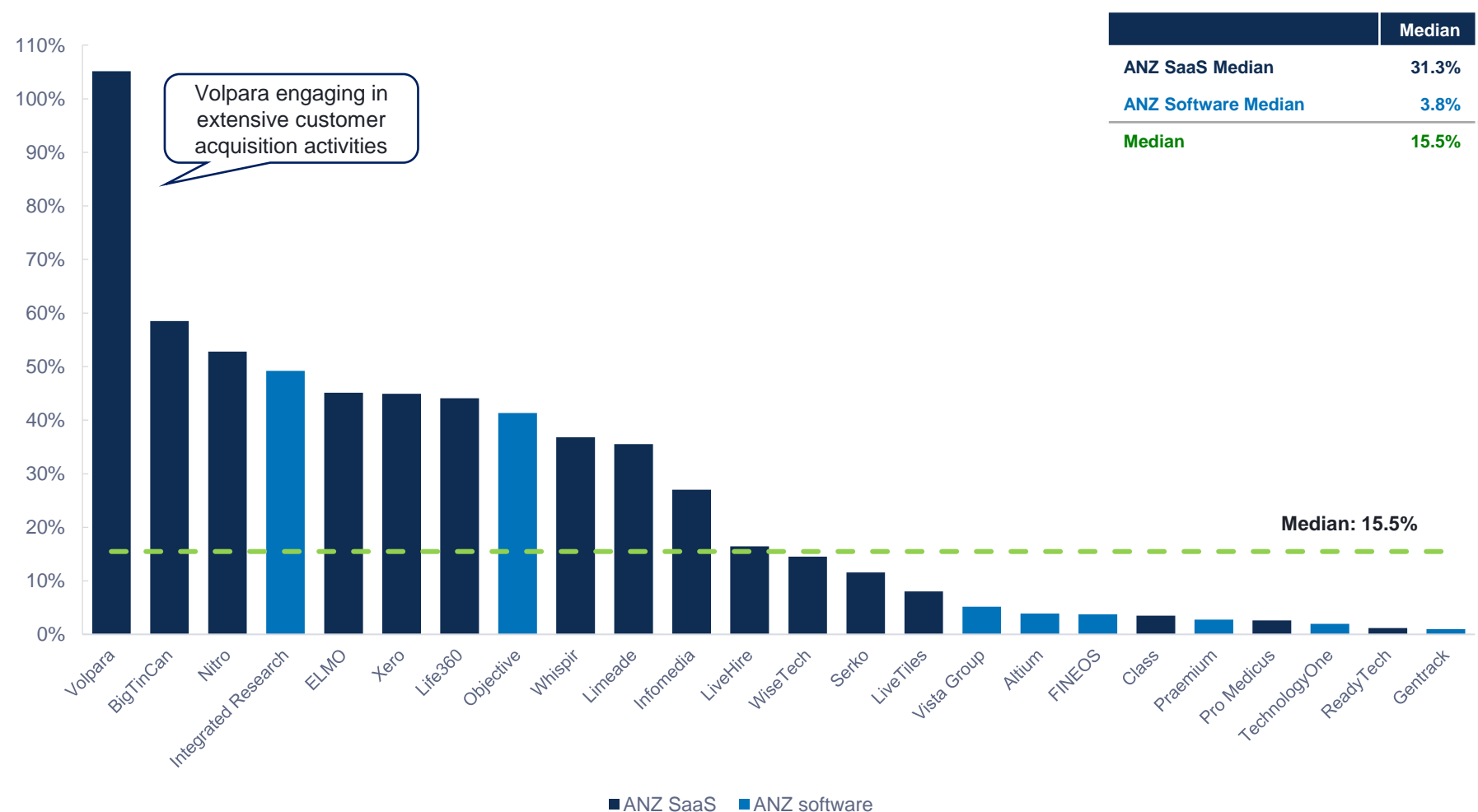
**US SaaS FCF margins are positively impacted by deferred revenue accounting policy on subscription revenue and executive remuneration**



## Benchmarking: SaaS and software expenses

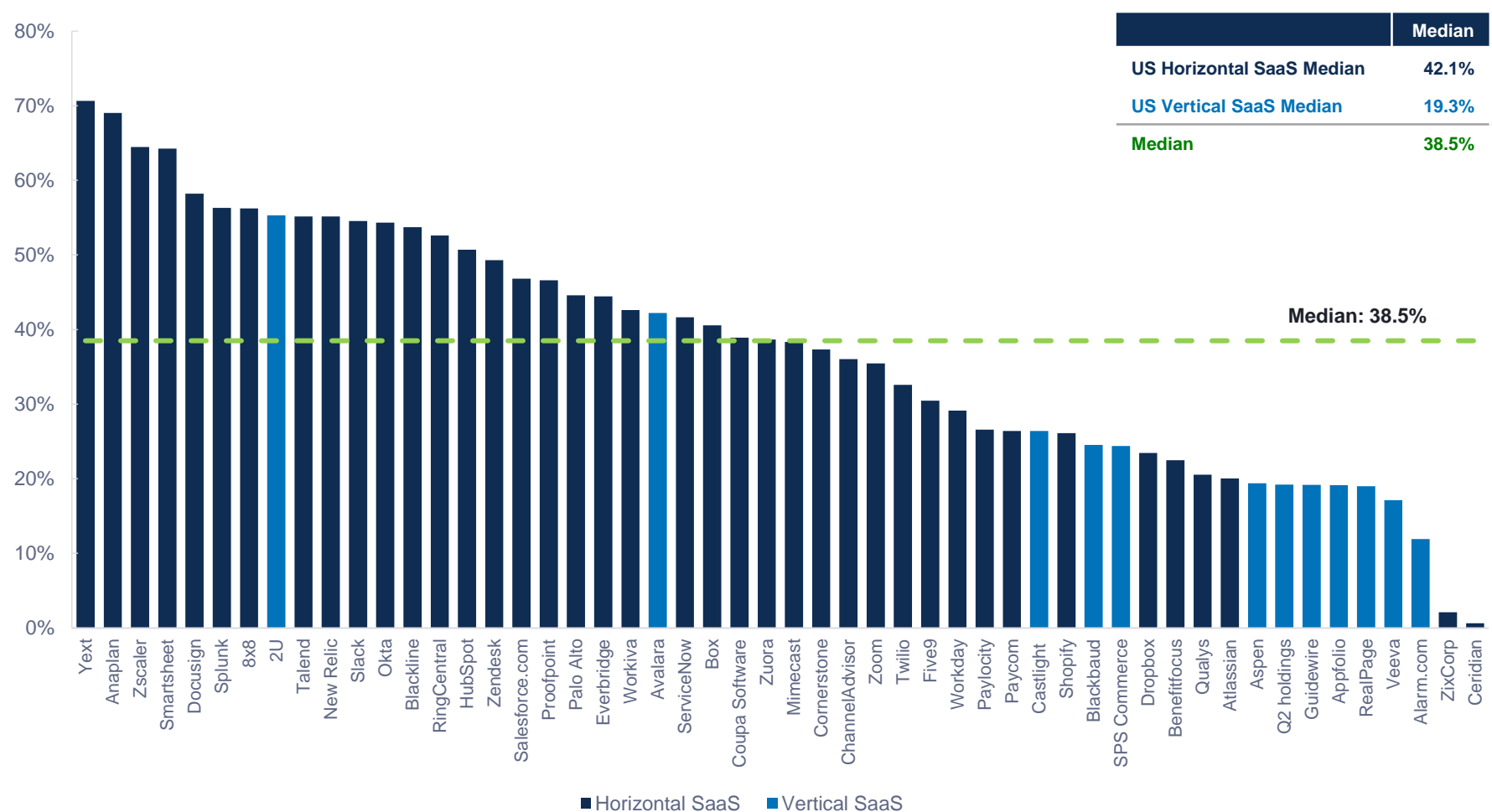


# Benchmarking: ANZ LTM S&M expense/ LTM revenue



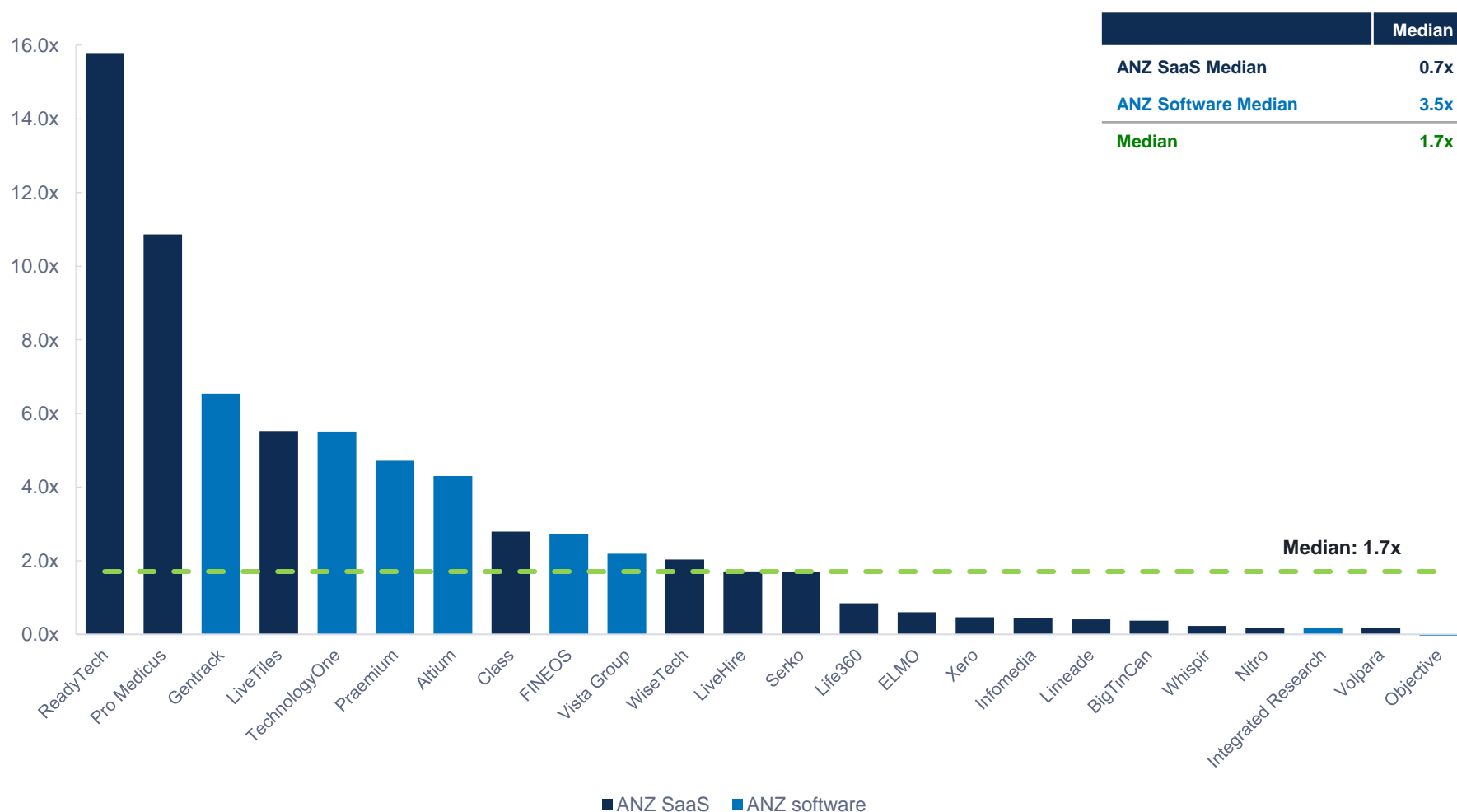
**ANZ SaaS companies tend to have significantly higher S&M spend as a proportion of revenue**

# Benchmarking: US LTM S&M expense/ LTM revenue



**US SaaS companies invest ~39% of revenue on S&M, demonstrating greater focus on growth – vertical SaaS companies are much more efficient in their S&M spend**

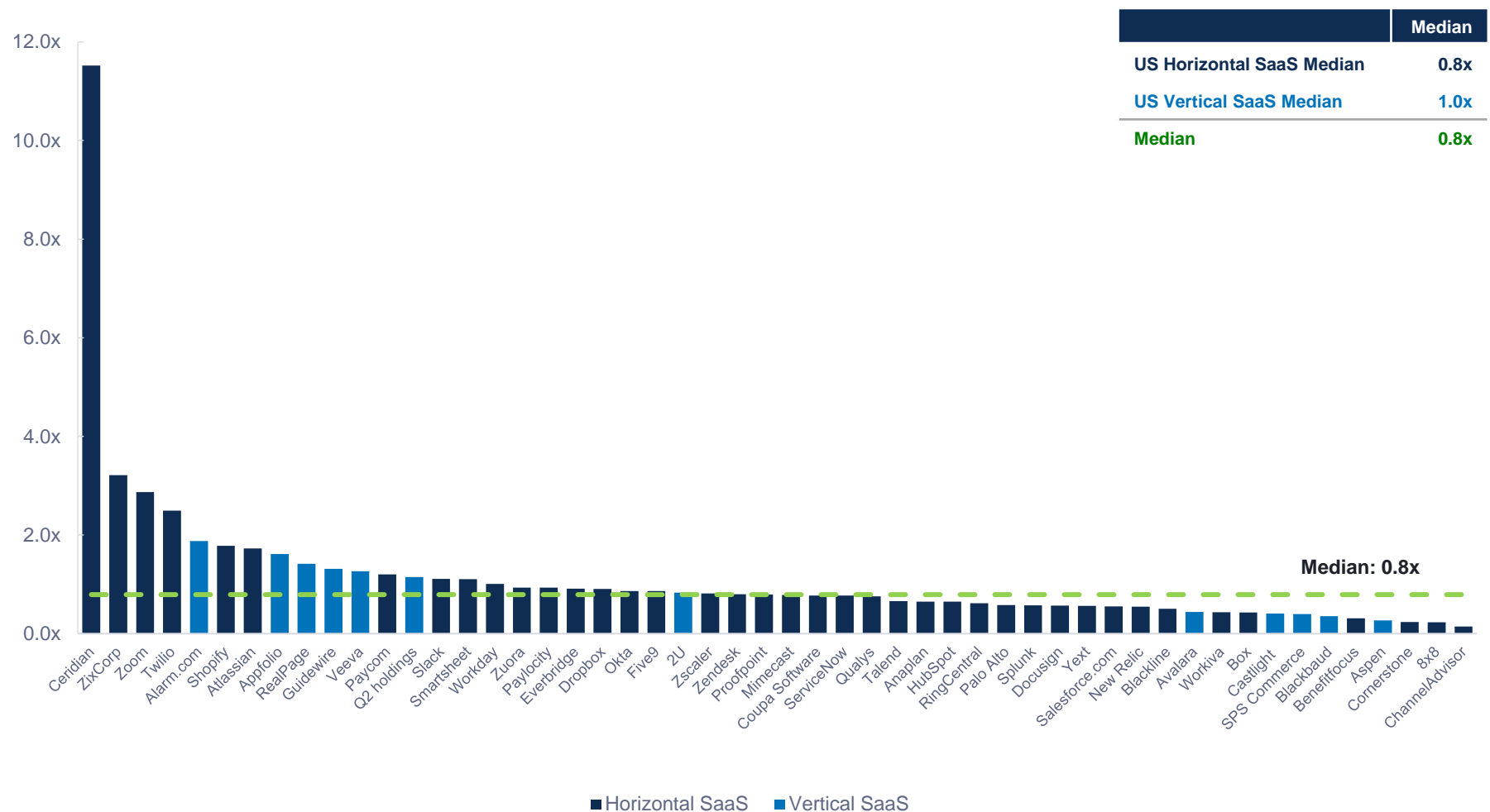
# Benchmarking: ANZ LTM S&M efficiency<sup>1</sup>



**The median S&M efficiency multiple for ANZ SaaS and software companies is 1.7x**

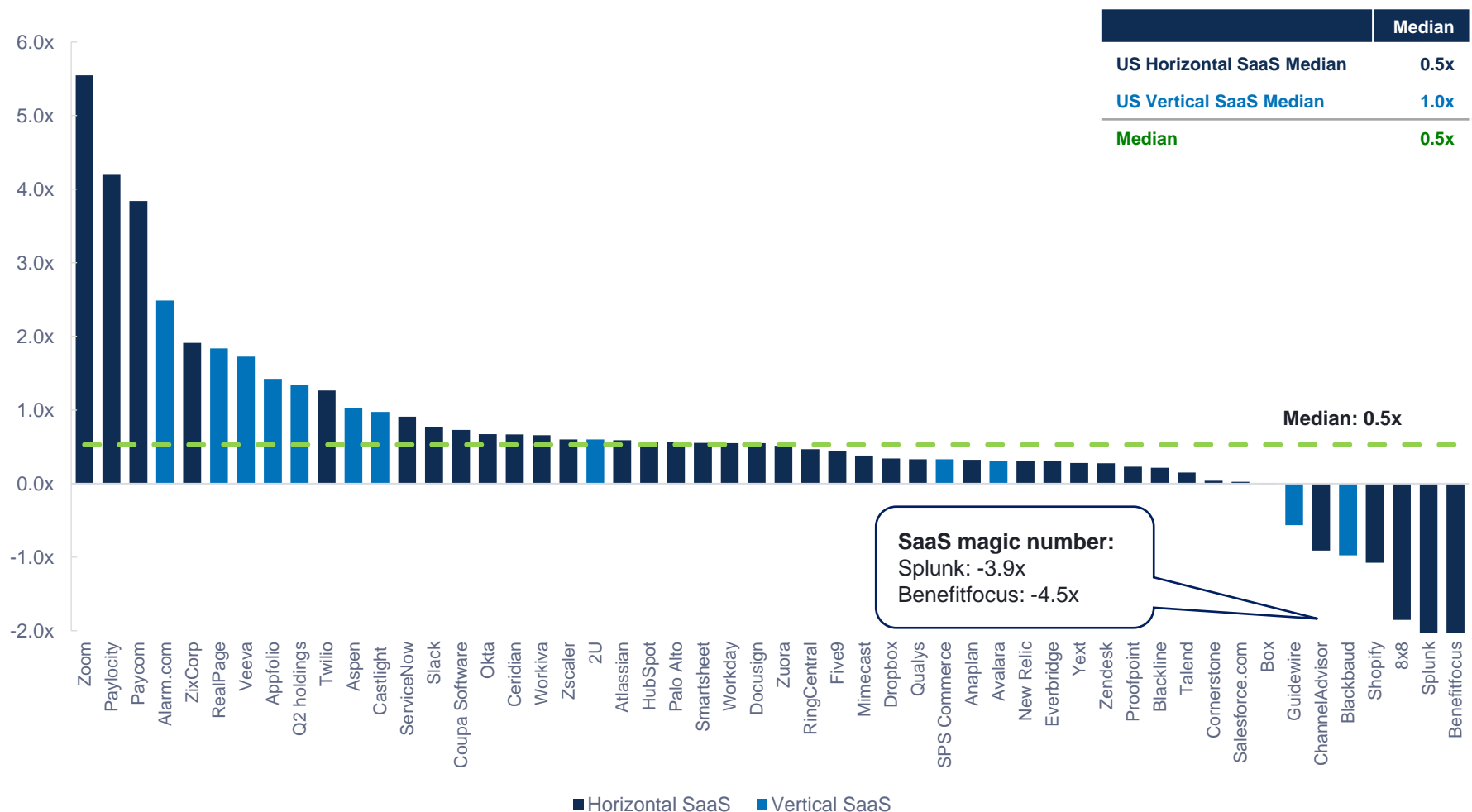


# Benchmarking: US LTM S&M efficiency<sup>1</sup>



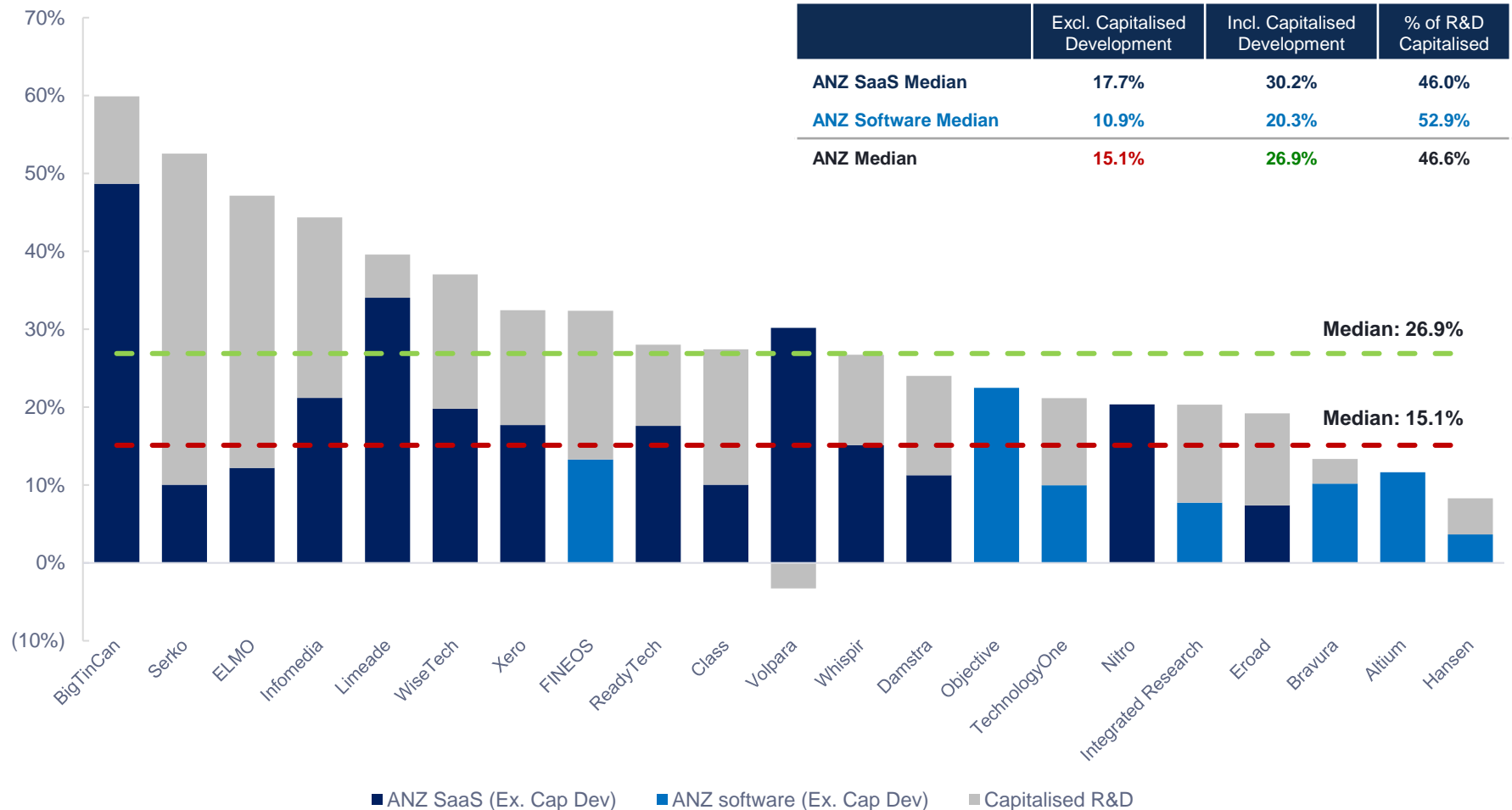
**The median S&M efficiency multiple for US SaaS companies is materially lower than ANZ peers**

# Benchmarking: US SaaS magic number<sup>1</sup>



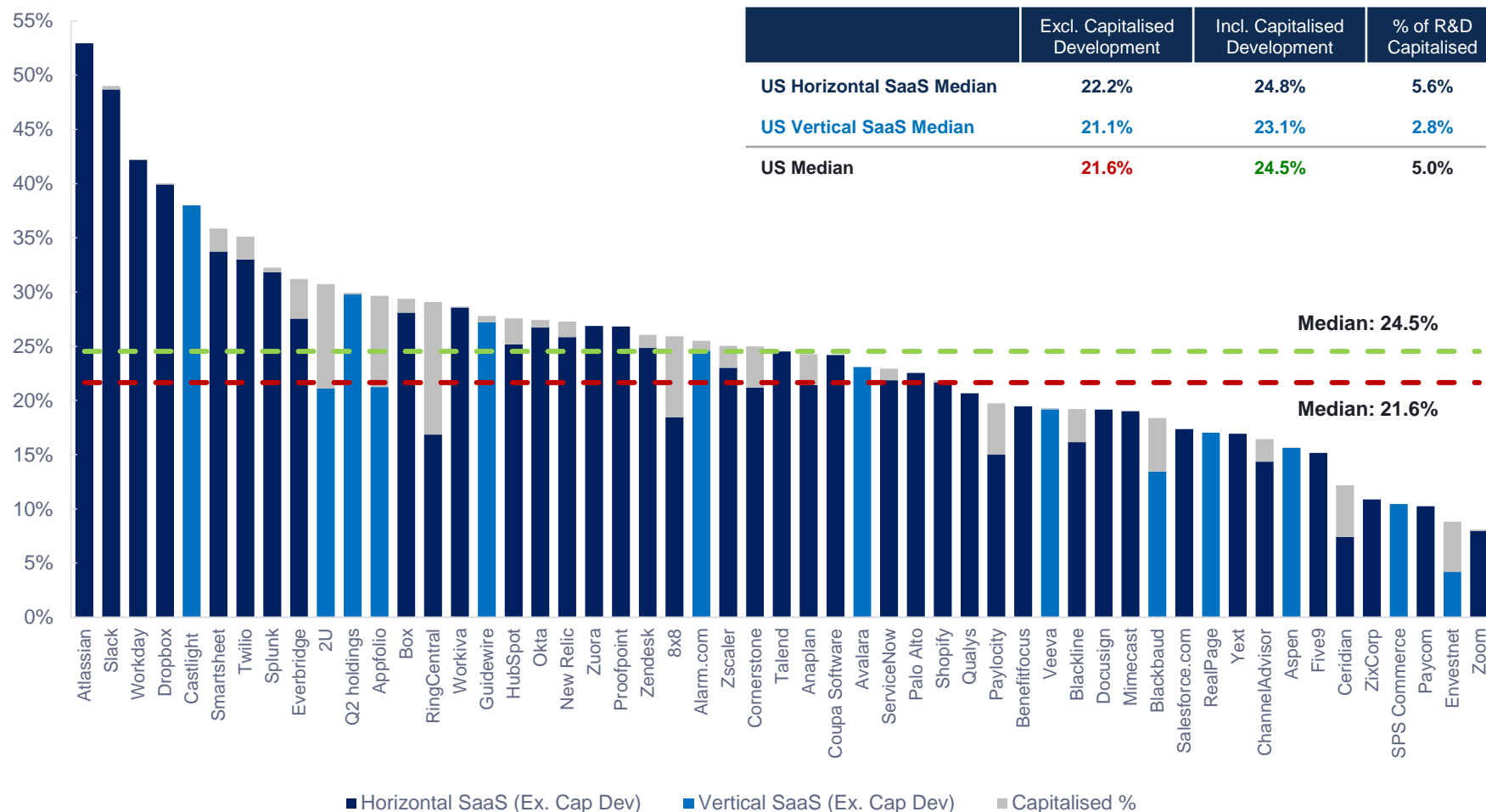
*The median US SaaS company achieves a relatively low SaaS magic number*

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



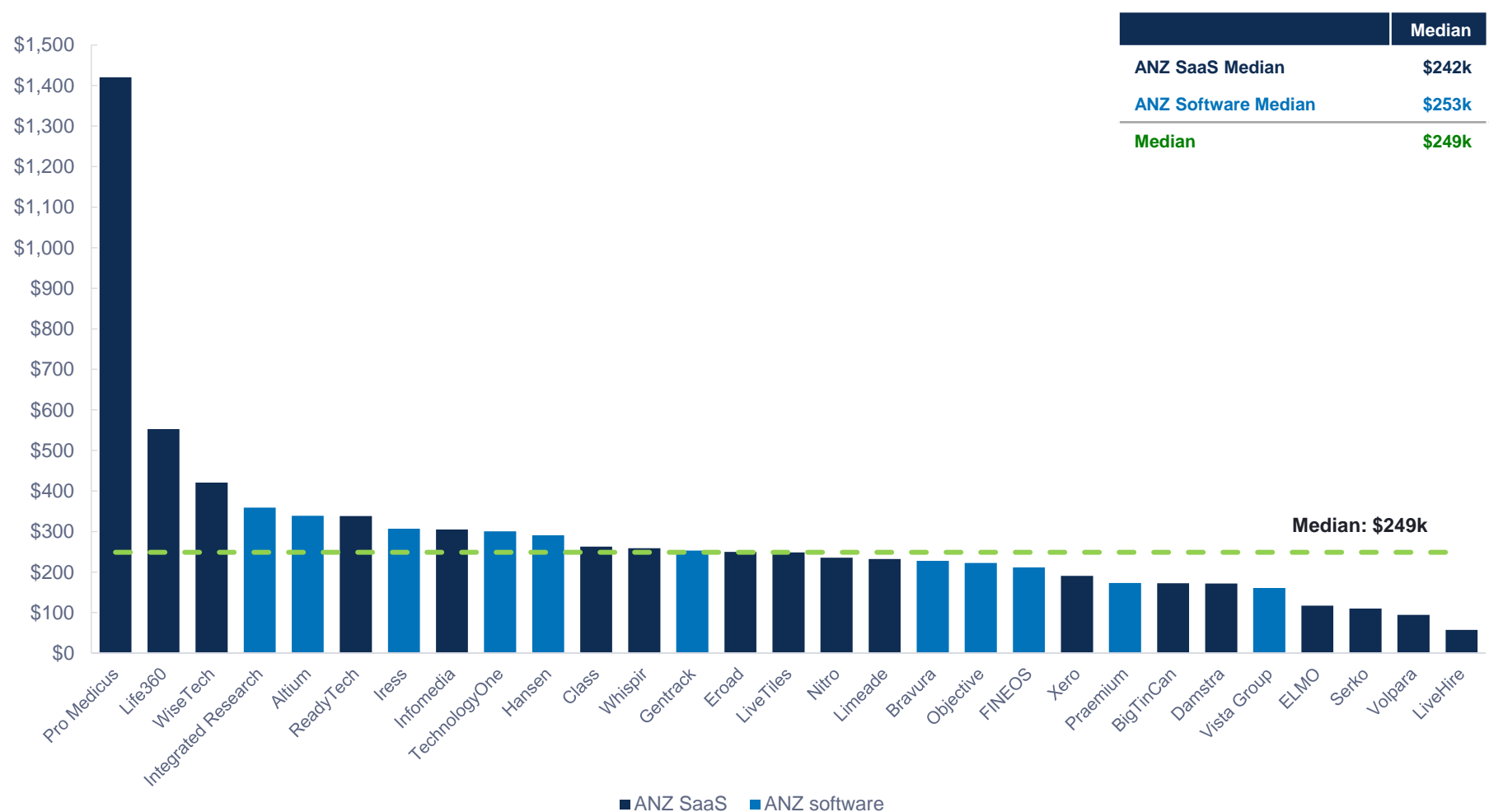
**ANZ SaaS co's invest a greater portion of revenue into R&D compared to their software peers**

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



**US SaaS companies tend to capitalise a significantly lower % of R&D than their ANZ counterparts**

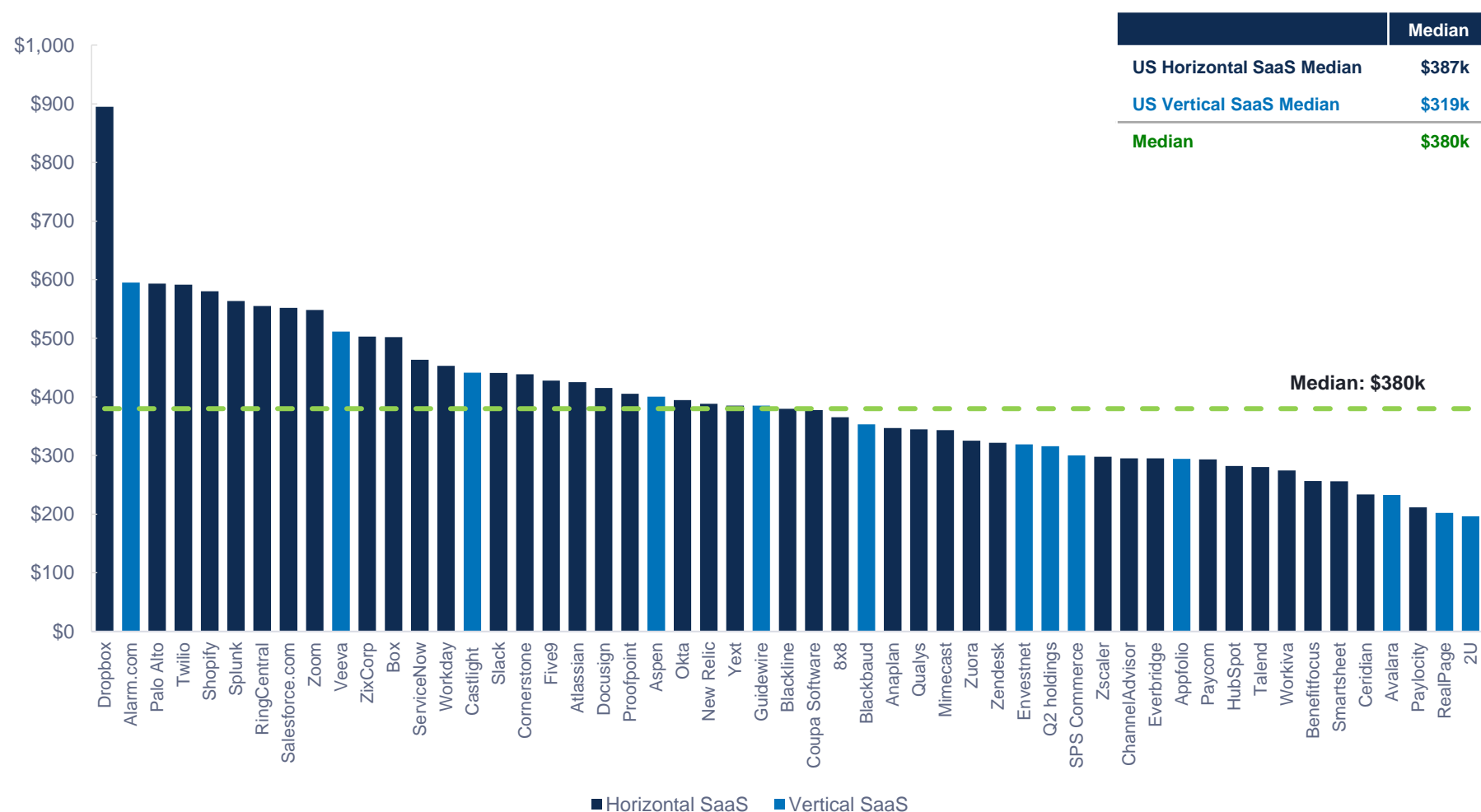
# Benchmarking: ANZ revenue per employee (\$'000)



**ANZ SaaS and software companies typically earn ~\$250k of revenue per employee**



# Benchmarking: US revenue per employee (\$'000)<sup>1</sup>



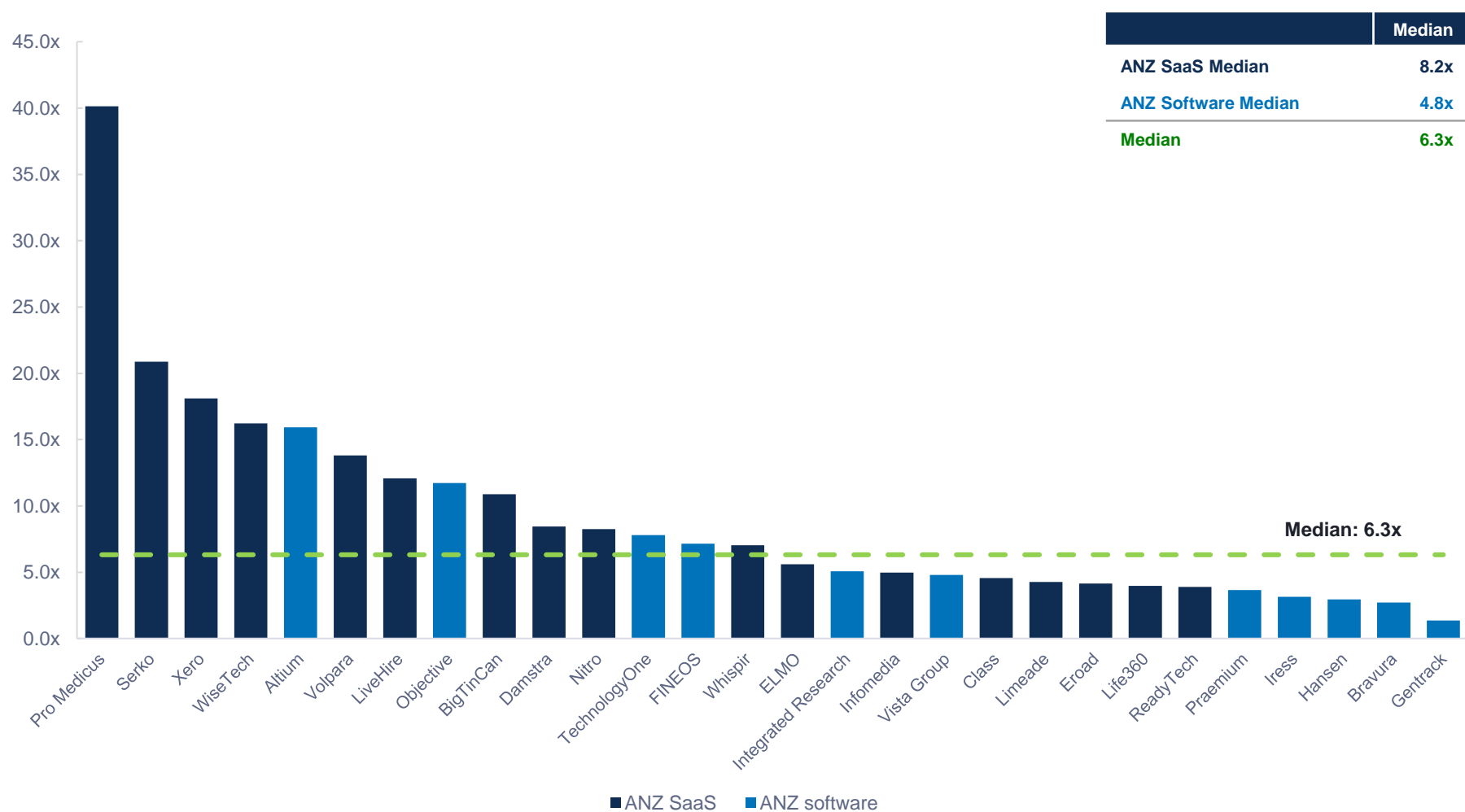
**US SaaS companies earn significantly more revenue per employee than their ANZ counterparts**



## SaaS and software trading multiples

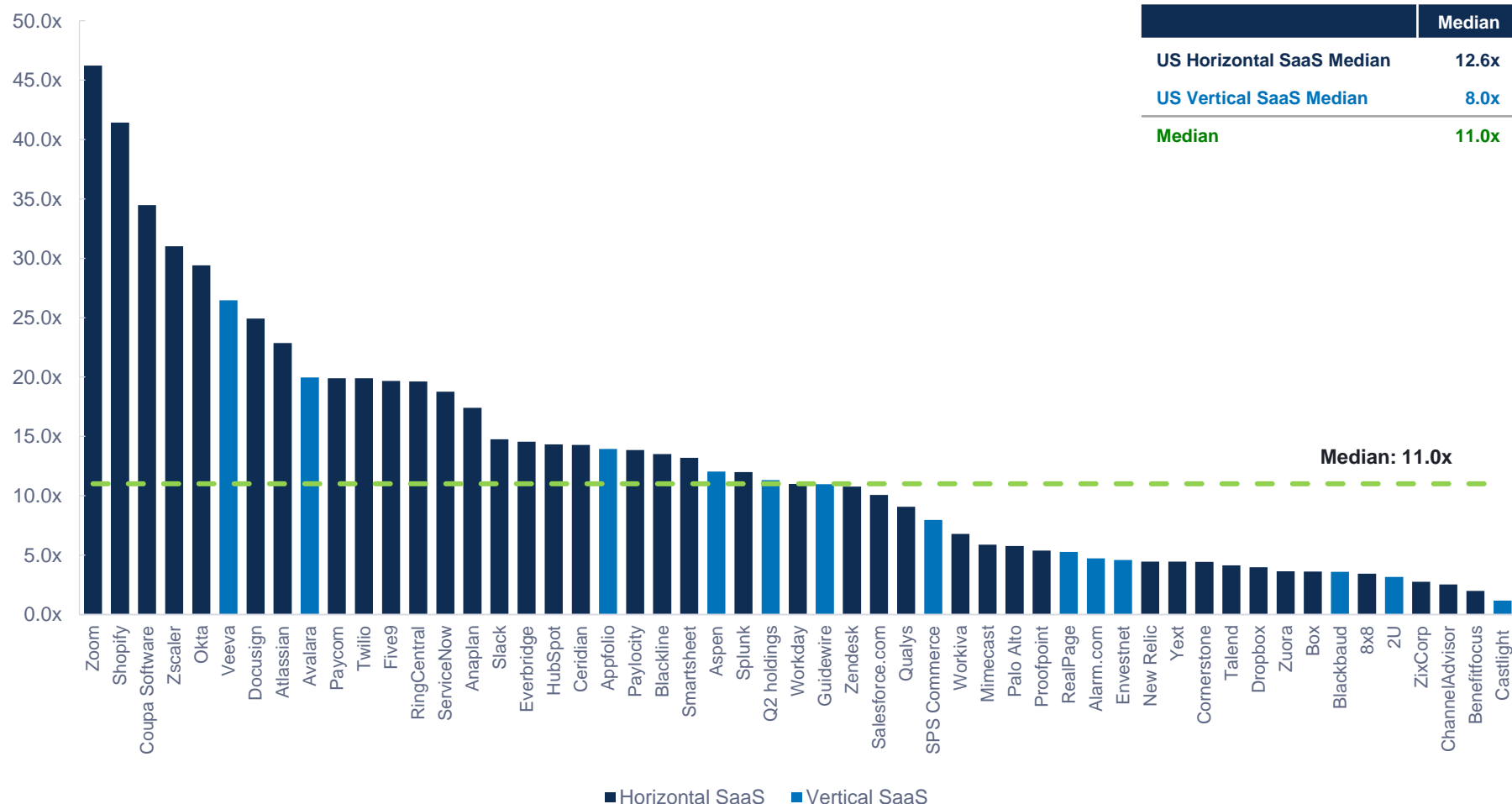


# ANZ: EV/ NTM revenue



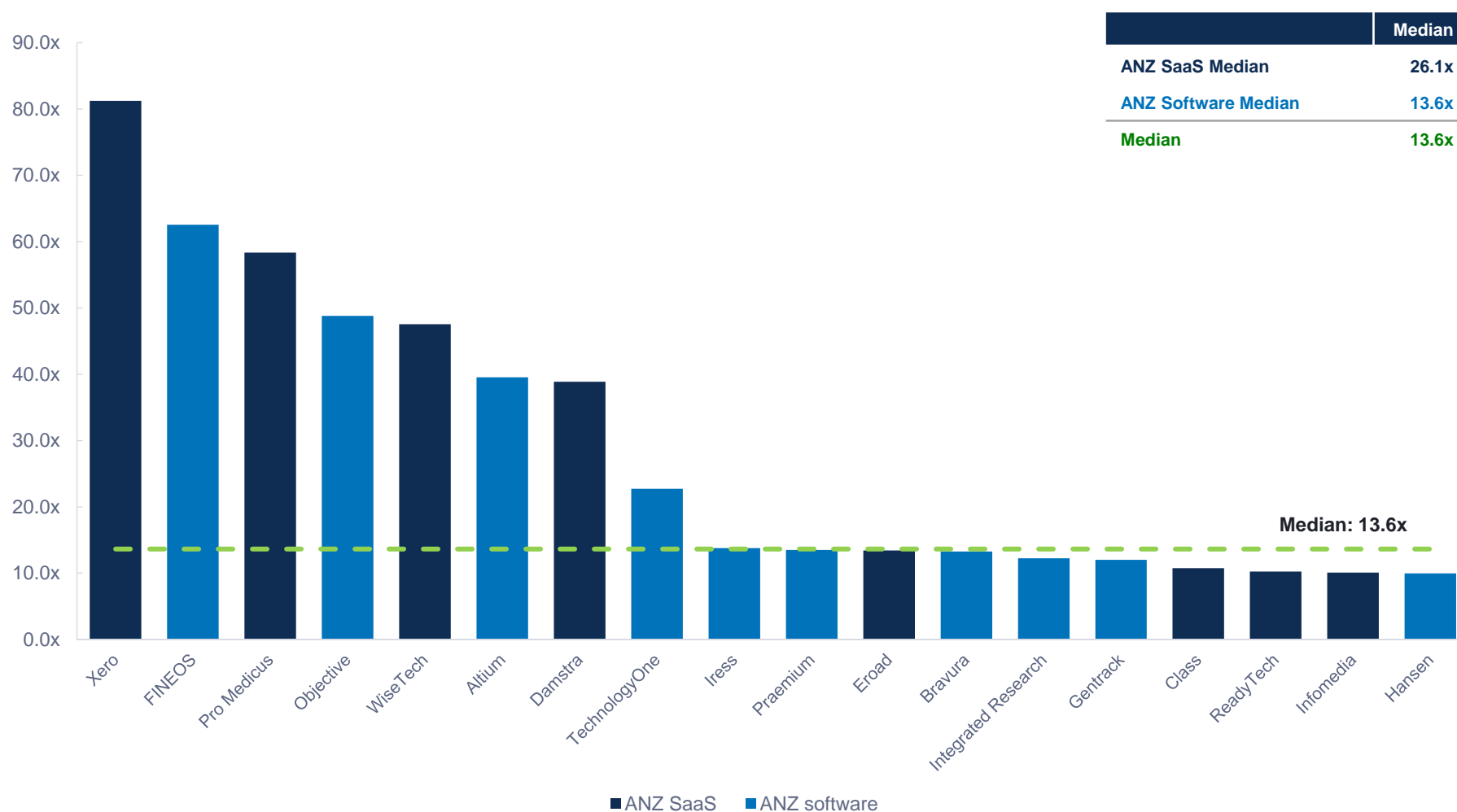
**ANZ SaaS companies trade at significant premiums compared to their software peers**

# US: EV/ NTM revenue



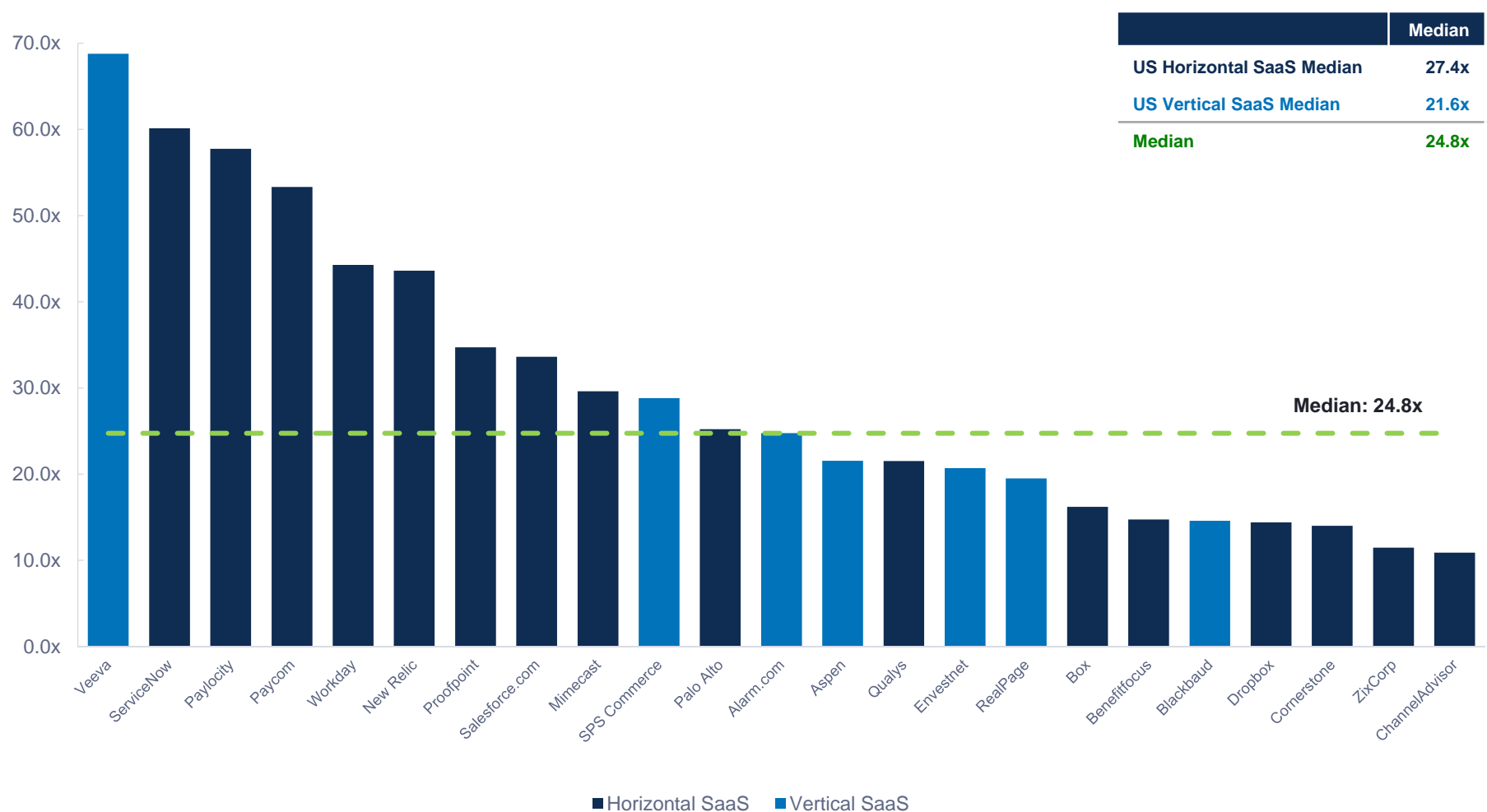
**US SaaS trade at a significant premium compared to their ANZ peers, horizontal SaaS companies are trading at higher multiples than vertical SaaS companies – reflecting higher growth rates**

# ANZ: EV/ NTM EBITDA<sup>1</sup>



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

# US: EV/ NTM EBITDA



**US SaaS companies trade on materially higher EBITDA multiples than their ANZ peers**





## Appendix: Index constituents



# Blackpeak ANZ SaaS index constituents

Company	Capitalisation		Multiples					Operating metrics												Revenue/ employee
			EV/ Revenue		EV/ EBITDA		FCF margin <sup>1</sup>	Margins (LTM)		Revenue growth		Expenses (LTM) <sup>2</sup>			SaaS <sup>3</sup>	S&M Efficiency <sup>4</sup>	Rule of 40% <sup>5</sup>	Recurring revenue	Attrition	
	Equity Value (A\$m)	Enterprise Value (A\$m)	FY20	NTM	FY20	NTM	LTM	Gross	EBITDA	LTM	NTM	S&M/ revenue	R&D (exc)/ revenue	R&D (inc)/ revenue	SaaS magic number	LTM	NTM	Last reported	Last reported	LTM
ANZ SaaS																				
WiseTech	8,311	8,132	18.9x	16.2x	64.2x	47.6x	17.7%	82.1%	29.5%	23.3%	16.7%	14.5%	19.8%	37.1%	2.2x	2.0x	50.8%	89.0%	0.6%	420.98
Xero	14,356	14,321	21.6x	18.1x	112.7x	81.2x	11.2%	85.2%	19.8%	29.9%	19.4%	44.9%	17.7%	32.4%	1.1x	0.5x	41.7%	98.0%	13.6%	190.39
Class	247	241	5.5x	4.6x	13.2x	10.8x	23.1%	95.7%	41.5%	14.7%	19.7%	3.5%	10.0%	27.4%	15.0x	2.8x	62.1%	95.0%	0.6%	262.90
ELMO	452	331	6.6x	5.6x	n.a.	n.a.	(18.6%)	85.3%	(8.4%)	25.0%	24.8%	45.1%	12.2%	47.2%	1.0x	0.6x	16.7%	97.6%	9.8%	117.22
Eroad	311	347	4.6x	4.2x	13.9x	13.4x	30.9%	n.a.	33.4%	32.2%	11.3%	n.a.	7.4%	19.2%	n.a.	n.a.	42.3%	94.0%	4.8%	249.66
BigTinCan	507	438	14.1x	10.9x	n.a.	n.a.	(4.2%)	85.3%	(32.7%)	56.0%	29.7%	58.5%	48.7%	59.9%	1.2x	0.4x	17.2%	95.0%	11.0%	172.26
ReadyTech	155	174	4.4x	3.9x	11.2x	10.2x	26.2%	92.8%	39.7%	20.0%	14.0%	1.2%	17.6%	28.0%	13.2x	15.8x	52.0%	89.4%	5.0%	338.40
Serko	378	341	14.3x	20.9x	n.a.	n.a.	(54.1%)	87.5%	(23.6%)	10.7%	(38.4%)	11.6%	10.0%	52.5%	(11.3x)	1.7x	(106.0%)	89.8%	n.a.	109.96
Whispir	366	353	9.0x	7.0x	n.a.	n.a.	(27.8%)	62.2%	(14.3%)	25.5%	28.6%	36.8%	15.1%	26.7%	1.5x	0.2x	20.1%	95.6%	2.4%	258.91
LiveTiles	176	143	3.2x	n.a.	n.a.	n.a.	(36.9%)	93.9%	(52.6%)	108.9%	n.a.	8.0%	n.a.	n.a.	4.3x	5.5x	n.a.	65.2%	n.a.	248.62
LiveHire	90	70	20.2x	12.1x	n.a.	n.a.	(375.9%)	n.a.	(383.8%)	31.8%	66.9%	16.4%	n.a.	n.a.	n.a.	1.7x	(53.3%)	83.6%	20.0%	57.61
Damstra	276	272	11.6x	8.4x	40.0x	38.9x	(25.0%)	86.3%	34.7%	28.1%	64.6%	n.a.	11.2%	24.0%	n.a.	n.a.	86.3%	90.7%	0.3%	171.73
Life360	610	534	4.7x	4.0x	n.a.	n.a.	n.a.	87.0%	(26.8%)	59.8%	37.1%	44.1%	48.0%	n.a.	0.8x	0.8x	18.2%	72.2%	n.a.	552.98
Pro Medicus	2,821	2,780	48.9x	40.1x	74.1x	58.4x	42.7%	99.4%	66.0%	13.4%	21.9%	2.6%	n.a.	n.a.	(6.0x)	10.9x	90.7%	99.7%	n.a.	1420.53
Volpara	327	302	26.0x	13.8x	n.a.	n.a.	(119.5%)	86.0%	(158.5%)	152.0%	43.1%	105.1%	30.2%	26.9%	(0.7x)	0.2x	4.2%	72.1%	n.a.	94.50
Infomedia	607	509	5.4x	5.0x	11.1x	10.1x	18.6%	n.a.	48.6%	11.8%	8.1%	27.0%	21.2%	44.4%	(0.4x)	0.5x	57.4%	96.5%	n.a.	305.22
Limeade	368	333	4.3x	4.3x	n.a.	n.a.	(0.5%)	77.1%	(2.6%)	21.5%	18.2%	35.5%	34.0%	39.6%	1.8x	0.4x	9.3%	97.7%	n.a.	232.50
Nitro	523	465	8.2x	8.2x	n.a.	n.a.	2.4%	90.6%	(11.0%)	n.a.	13.2%	52.8%	20.3%	20.3%	1.1x	0.2x	(0.0%)	47.6%	12.0%	235.16
Median			8.6x	8.2x	26.9x	26.1x	(0.5%)	86.3%	(5.5%)	25.5%	19.7%	31.3%	17.7%	30.2%	1.1x	0.7x	20.1%	92.3%	5.0%	242
Max			48.9x	40.1x	112.7x	81.2x	42.7%	99.4%	66.0%	152.0%	66.9%	105.1%	48.7%	59.9%	15.0x	15.8x	90.7%	99.7%	20.0%	1421
Min			3.2x	3.9x	11.1x	10.1x	(375.9%)	62.2%	(383.8%)	10.7%	(38.4%)	1.2%	7.4%	19.2%	(11.3x)	0.2x	(106.0%)	47.6%	0.3%	58

# Blackpeak ANZ software index constituents

Company	Capitalisation		Multiples					Operating metrics											
			EV/ Revenue		EV/ EBITDA		FCF margin <sup>1</sup>	Margins (LTM)		Revenue growth		Expenses (LTM) <sup>2</sup>			S&M Efficiency <sup>3</sup>	Rule of 40% <sup>4</sup>	Recurring revenue	Attrition	Revenue/ employee
	Equity Value (A\$m)	Enterprise Value (A\$m)	FY20	NTM	FY20	NTM	LTM	Gross	EBITDA	LTM	NTM	S&M/ revenue	R&D(exc)/ revenue	R&D(inc)/ revenue	LTM	NTM	Last reported	Last reported	LTM
ANZ software																			
FINEOS	1,455	1,402	9.8x	7.2x	54.5x	62.6x	(4.5%)	66.6%	17.9%	39.8%	36.2%	3.8%	13.3%	32.4%	2.7x	47.6%	30.8%	n.a.	211.53
Iress	1,825	1,827	3.3x	3.2x	14.3x	13.8x	24.5%	n.a.	24.0%	12.8%	8.3%	n.a.	24.1%	n.a.	n.a.	31.2%	90.0%	n.a.	307.00
TechnologyOne	2,535	2,482	8.2x	7.8x	24.6x	22.7x	22.0%	n.a.	30.6%	14.2%	6.2%	2.0%	10.0%	21.1%	5.5x	40.6%	74.1%	1.0%	300.16
Altium	4,714	4,603	17.5x	15.9x	43.6x	39.5x	31.9%	96.7%	40.0%	10.1%	6.7%	3.9%	11.6%	11.6%	4.3x	47.0%	59.9%	n.a.	338.68
Hansen	771	906	3.0x	2.9x	10.6x	10.0x	20.1%	n.a.	28.4%	30.3%	2.2%	n.a.	3.6%	8.3%	n.a.	31.7%	53.1%	n.a.	290.62
Integrated Research	609	610	5.5x	5.1x	14.2x	12.3x	9.5%	n.a.	38.7%	10.0%	8.5%	49.2%	7.7%	20.3%	0.2x	49.9%	87.0%	n.a.	358.94
Objective	1,171	1,132	16.2x	11.7x	65.8x	48.8x	43.3%	95.5%	24.6%	12.9%	38.0%	41.3%	22.5%	22.5%	(0.0x)	62.0%	75.7%	n.a.	222.35
Praemium	217	205	4.0x	3.7x	14.4x	13.5x	14.9%	n.a.	28.3%	13.6%	9.6%	2.7%	n.a.	n.a.	4.7x	36.7%	n.a.	n.a.	172.94
Vista Group	348	313	4.8x	4.8x	n.a.	n.a.	10.9%	n.a.	10.5%	11.8%)	51.1%)	5.2%	n.a.	n.a.	2.2x	(81.3%)	73.4%	n.a.	160.49
Bravura	840	784	2.9x	2.7x	13.6x	13.3x	8.6%	n.a.	21.2%	6.6%	5.5%	n.a.	10.2%	13.3%	n.a.	25.9%	76.6%	n.a.	227.60
Gentrack	112	122	1.4x	1.4x	12.0x	12.0x	15.9%	n.a.	15.1%	0.9%	(13.0%)	1.0%	n.a.	n.a.	6.5x	(1.7%)	79.0%	n.a.	253.21
Median			4.8x	4.8x	14.4x	13.6x	15.9%	95.5%	24.6%	12.8%	6.7%	3.8%	10.9%	20.3%	3.5x	36.7%	74.9%	1.0%	253
Max			17.5x	15.9x	65.8x	62.6x	43.3%	96.7%	40.0%	39.8%	38.0%	49.2%	24.1%	32.4%	6.5x	62.0%	90.0%	1.0%	359
Min			1.4x	1.4x	10.6x	10.0x	(4.5%)	66.6%	10.5%	11.8%)	(51.1%)	1.0%	3.6%	8.3%	(0.0x)	(81.3%)	30.8%	1.0%	160

Source: Capital IQ, company filings, Blackpeak Capital.

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

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

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

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

# Blackpeak US horizontal SaaS index constituents

Company	Capitalisation		Multiples					Operating metrics												
			EV/ Revenue		EV/ EBITDA		FCF margin <sup>1</sup>	Margins (LTM)		Revenue growth		Expenses (LTM) <sup>2</sup>			SaaS <sup>3</sup>	S&M Efficiency <sup>4</sup>	Rule of 40% <sup>5</sup>	Recurring revenue	Attrition	Revenue/ employee
	Equity Value (A\$m)	Enterprise Value (A\$m)	FY20E	NTM	FY20E	NTM	NTM	Gross	EBITDA	LTM	NTM	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	71,173.4	70,313.2	13.9x	11.0x	67.1x	44.3x	16.9%	71.7%	(1.2%)	23.1%	17.6%	29.1%	42.2%	42.2%	0.5x	1.0x	42.5%	87.9%	5.0%	453.06
Splunk	42,094.0	42,944.6	13.1x	12.0x	n.m.	n.a.	n.a.	78.8%	(20.1%)	14.6%	(1.5%)	56.3%	31.8%	32.2%	-3.9x	0.6x	3.9%	61.6%	n.a.	563.59
ServiceNow	129,767.8	128,171.5	20.9x	18.8x	65.7x	60.1x	29.8%	78.0%	12.4%	31.3%	27.4%	41.6%	21.9%	22.9%	0.9x	0.8x	58.6%	94.9%	3.0%	463.57
Zendesk	16,572.1	16,785.4	11.9x	10.8x	n.m.	n.a.	3.0%	73.8%	(11.0%)	31.5%	23.9%	49.3%	24.8%	26.0%	0.3x	0.8x	34.1%	n.a.	n.a.	321.61
Paylocity	12,117.8	11,972.7	15.7x	13.8x	58.1x	57.8x	12.0%	67.6%	16.2%	20.0%	10.7%	26.6%	15.0%	19.7%	4.2x	0.9x	34.7%	97.3%	8.0%	211.66
Cornerstone	3,263.5	4,914.1	4.9x	4.4x	15.6x	14.0x	13.9%	72.1%	9.5%	13.5%	24.5%	37.3%	21.2%	25.0%	0.0x	0.2x	56.1%	96.1%	n.a.	438.76
Proofpoint	8,487.3	8,296.3	5.7x	5.4x	35.9x	34.7x	12.7%	73.5%	(1.2%)	22.4%	16.8%	46.6%	26.8%	26.8%	0.2x	0.8x	32.3%	96.7%	10.0%	405.51
Paycom	25,015.3	24,930.9	21.6x	19.9x	57.4x	53.3x	18.6%	88.4%	32.2%	21.4%	12.2%	26.4%	10.2%	10.2%	3.8x	1.2x	49.6%	98.0%	7.0%	293.59
Benefitfocus	504.0	643.0	1.7x	2.0x	12.8x	14.7x	3.5%	50.3%	(0.8%)	5.3%	(10.2%)	22.5%	19.5%	19.5%	-4.5x	0.3x	3.3%	70.4%	5.0%	256.77
Qualys	5,365.9	4,956.5	9.9x	9.1x	22.4x	21.5x	36.3%	79.1%	34.4%	14.1%	12.0%	20.5%	20.7%	20.7%	0.3x	0.8x	54.1%	n.a.	1.0%	344.65
RingCentral	34,078.2	34,525.0	21.7x	19.6x	n.m.	n.a.	3.9%	73.2%	(1.8%)	32.4%	26.2%	52.6%	16.8%	29.1%	0.5x	0.6x	39.2%	92.4%	1.0%	555.20
Five9	11,819.5	11,776.1	21.1x	19.7x	n.m.	n.a.	7.0%	58.2%	2.8%	28.1%	22.1%	30.5%	15.2%	15.2%	0.4x	0.9x	38.8%	92.0%	n.a.	427.62
Salesforce.com	319,038.2	314,720.6	13.2x	10.1x	46.0x	33.6x	22.0%	74.6%	10.8%	31.6%	21.6%	46.8%	17.3%	17.3%	0.0x	0.6x	51.6%	94.0%	n.a.	551.74
Palo Alto	32,904.4	32,528.8	6.8x	5.8x	30.7x	25.2x	28.5%	70.7%	0.1%	17.5%	18.0%	44.6%	22.5%	22.5%	0.6x	0.6x	40.9%	68.8%	n.a.	593.30
Atlassian	62,882.7	61,484.5	29.5x	22.9x	n.m.	n.a.	27.1%	83.3%	3.2%	33.4%	19.1%	20.0%	52.9%	52.9%	0.6x	1.7x	44.6%	86.8%	n.a.	425.29
Blackline	7,114.3	6,810.4	14.5x	13.5x	n.m.	n.a.	4.2%	80.3%	(2.8%)	26.0%	16.8%	53.7%	16.2%	19.2%	0.2x	0.5x	27.8%	93.5%	1.0%	379.87
ChannelAdvisor	579.0	507.4	2.6x	2.5x	10.5x	10.9x	21.7%	79.2%	16.9%	4.1%	8.6%	36.0%	14.3%	16.4%	-0.9x	0.1x	31.9%	68.7%	n.a.	295.36
HubSpot	18,574.7	18,067.6	15.6x	14.3x	n.m.	n.a.	5.7%	80.8%	(4.0%)	29.0%	23.2%	50.7%	25.2%	27.6%	0.6x	0.6x	33.8%	96.5%	n.a.	282.18
Shopify	173,925.0	168,557.2	46.2x	41.4x	n.m.	n.a.	3.7%	53.5%	(1.9%)	60.5%	65.9%	26.1%	21.6%	21.8%	-1.1x	1.8x	76.8%	27.5%	n.a.	580.34
Twilio	51,081.4	49,396.5	22.2x	19.9x	n.m.	n.a.	0.3%	52.8%	(18.7%)	57.9%	41.3%	32.6%	33.0%	35.1%	1.3x	2.5x	48.9%	93.4%	n.a.	591.31
Docusign	55,597.6	55,616.2	40.9x	24.9x	n.m.	n.a.	11.7%	75.0%	(11.4%)	40.6%	42.1%	58.2%	19.2%	19.2%	0.5x	0.6x	54.1%	94.6%	n.a.	415.26



# Blackpeak US horizontal SaaS index constituents

Company	Capitalisation		Multiples					Operating metrics												
			EV/ Revenue		EV/ EBITDA		FCF margin <sup>1</sup>	Margins (LTM)		Revenue growth		Expenses (LTM) <sup>2</sup>			SaaS <sup>3</sup>	S&M Efficiency <sup>4</sup>	Rule of 40% <sup>5</sup>	Recurring revenue	Attrition	Revenue/ employee
	Equity Value (A\$m)	Enterprise Value (A\$m)	FY20E	NTM	FY20E	NTM	NTM	Gross	EBITDA	LTM	NTM	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	26,084.5	25,435.4	42.3x	31.0x	n.m.	n.a.	12.2%	77.8%	(17.9%)	42.4%	36.3%	64.5%	23.0%	25.0%	0.6x	0.8x	48.3%	98.5%	n.a.	297.83
Dropbox	11,106.1	11,067.3	4.2x	4.0x	15.2x	14.4x	27.0%	76.9%	9.8%	17.9%	14.4%	23.5%	39.9%	40.0%	0.3x	0.9x	41.9%	90.0%	n.a.	894.77
Smartsheet	8,314.9	7,653.6	20.3x	13.2x	n.m.	n.a.	n.a.	79.4%	(31.4%)	48.6%	36.9%	64.3%	33.7%	35.9%	0.6x	1.1x	23.4%	91.7%	n.a.	256.08
Zuora	1,705.0	1,558.7	4.0x	3.6x	n.m.	n.a.	0.1%	54.0%	(23.6%)	12.6%	7.4%	38.7%	26.9%	26.9%	0.5x	0.9x	7.7%	77.7%	n.a.	325.13
Okta	38,211.4	37,412.3	45.8x	29.4x	n.m.	n.a.	6.2%	73.7%	(25.1%)	44.6%	37.0%	54.3%	26.7%	27.4%	0.7x	0.9x	33.0%	95.2%	n.a.	394.38
New Relic	4,736.5	4,277.6	5.1x	4.5x	34.8x	43.6x	3.0%	81.8%	(8.7%)	21.3%	11.4%	55.2%	25.8%	27.3%	0.3x	0.5x	21.6%	n.a.	n.a.	388.18
Coupa Software	26,338.9	26,545.7	48.8x	34.5x	n.m.	n.a.	6.3%	63.2%	(9.3%)	43.8%	27.9%	38.9%	24.2%	24.2%	0.7x	0.8x	47.1%	88.7%	n.a.	377.69
Box	3,791.1	4,045.5	4.2x	3.6x	50.1x	16.2x	16.3%	69.8%	(4.5%)	12.4%	10.4%	40.6%	28.1%	29.4%	0.0x	0.4x	32.7%	98.2%	n.a.	502.22
Mimecast	4,142.6	4,175.2	7.0x	5.9x	40.2x	29.6x	14.8%	74.6%	10.5%	22.6%	15.0%	38.3%	19.0%	19.0%	0.4x	0.8x	34.8%	n.a.	n.a.	343.25
Everbridge	6,066.0	6,035.0	16.3x	14.6x	n.m.	n.a.	2.3%	67.9%	(18.0%)	36.0%	31.9%	44.4%	27.5%	31.2%	0.3x	0.9x	37.1%	91.0%	n.a.	295.06
Workiva	3,714.6	3,458.8	7.2x	6.8x	n.m.	n.a.	4.4%	72.4%	(15.8%)	20.6%	14.9%	42.6%	28.6%	28.6%	0.7x	0.4x	12.8%	84.3%	5.5%	274.68
Yext	2,532.9	2,404.1	5.8x	4.5x	n.m.	n.a.	n.a.	74.5%	(35.2%)	25.7%	18.9%	70.6%	16.9%	16.9%	0.3x	0.6x	11.8%	95.9%	n.a.	384.97
Talend	1,718.7	1,711.0	4.4x	4.1x	n.m.	n.a.	n.a.	77.5%	(19.1%)	17.0%	12.4%	55.2%	24.5%	24.5%	0.1x	0.7x	6.3%	90.0%	n.a.	280.42
Zoom	186,524.3	184,558.5	n.m.	46.2x	n.m.	n.a.	28.7%	73.3%	18.7%	118.2%	284.6%	35.5%	8.0%	8.1%	5.5x	2.9x	316.0%	97.0%	4.0%	548.12
Slack	21,377.4	20,418.8	23.2x	14.8x	n.m.	n.a.	0.7%	86.8%	(34.9%)	81.6%	39.1%	54.5%	48.7%	49.0%	0.8x	1.1x	33.9%	n.a.	n.a.	440.79
8x8	2,261.1	2,590.7	4.5x	3.4x	n.m.	n.a.	n.a.	54.2%	(32.8%)	28.8%	16.8%	56.2%	18.5%	25.9%	-1.9x	0.2x	16.1%	93.8%	n.a.	365.13
Anaplan	12,201.9	11,850.7	24.4x	17.4x	n.m.	n.a.	n.a.	75.7%	(32.6%)	36.5%	26.0%	69.0%	21.4%	24.3%	0.3x	0.6x	20.4%	91.2%	n.a.	346.80
ZixCorp	447.6	703.8	2.3x	2.8x	9.9x	11.5x	10.3%	51.1%	20.1%	82.9%	23.9%	2.1%	10.9%	10.9%	1.9x	3.2x	47.9%	n.a.	n.a.	502.75
Ceridian	16,951.1	17,627.2	15.1x	14.3x	n.m.	n.a.	7.2%	44.9%	12.7%	8.6%	1.6%	0.6%	7.4%	12.2%	0.7x	11.5x	19.9%	82.6%	3.7%	233.68
Median			13.9x	12.6x	35.4x	27.4x	11.0%	73.7%	-2.4%	27.0%	19.0%	42.1%	22.2%	24.8%	0.5x	0.8x	34.8%	92.2%	4.5%	386.57
Max			48.8x	46.2x	67.1x	60.1x	36.3%	88.4%	34.4%	118.2%	284.6%	70.6%	52.9%	52.9%	5.5x	11.5x	316.0%	98.5%	10.0%	894.77
Min			1.7x	2.0x	9.9x	10.9x	0.1%	44.9%	-35.2%	4.1%	-10.2%	0.6%	7.4%	8.1%	(4.5x)	0.1x	3.3%	27.5%	1.0%	211.66

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 <sup>1</sup>	Margins (LTM)		Revenue growth		Expenses (LTM) <sup>2</sup>			SaaS <sup>3</sup>	S&M Efficiency <sup>4</sup>	Rule of 40% <sup>5</sup>	Recurring revenue	Attrition	Revenue/ employee
	Equity Value (A\$m)	Enterprise Value (A\$m)	FY20E	NTM	FY20E	NTM	NTM	Gross	EBITDA	LTM	NTM	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	14,834.6	14,266.1	21.8x	20.0x	n.m.	n.a.	0.5%	70.0%	(10.1%)	34.3%	22.7%	42.2%	23.1%	23.1%	0.3x	0.4x	22.5%	93.2%	n.a.	232.81
Castlight	237.4	199.5	1.1x	1.2x	n.m.	n.a.	n.a.	60.6%	(16.8%)	(4.6%)	(7.0%)	26.4%	38.0%	38.0%	1.0x	0.4x	(20.7%)	96.6%	n.a.	441.26
Veeva	59,163.2	57,156.9	37.1x	26.5x	n.m.	68.8x	39.0%	72.0%	27.1%	32.5%	28.6%	17.1%	19.2%	19.3%	1.7x	1.3x	67.1%	80.2%	n.a.	511.31
Guidewire	12,142.0	11,187.8	10.8x	11.0x	n.m.	n.a.	4.4%	54.5%	2.3%	3.2%	(1.6%)	19.2%	27.2%	27.8%	-0.6x	1.3x	1.9%	72.1%	n.a.	384.95
2U	3,363.3	3,573.1	3.4x	3.2x	n.m.	n.a.	n.a.	69.6%	(14.9%)	40.7%	29.4%	55.3%	21.1%	30.7%	0.6x	0.8x	31.8%	n.a.	n.a.	196.25
Aspen	11,958.7	12,209.3	14.8x	12.0x	31.8x	21.6x	35.6%	89.6%	43.8%	(1.4%)	23.2%	19.4%	15.6%	15.7%	1.0x	0.3x	79.0%	94.4%	n.a.	400.44
Alarm.com	3,774.0	3,709.6	4.8x	4.7x	24.9x	24.8x	16.6%	63.1%	15.5%	22.9%	11.3%	11.9%	24.6%	25.5%	2.5x	1.9x	30.5%	67.6%	6.0%	595.23
Appfolio	6,784.7	6,866.7	15.4x	13.9x	n.m.	n.a.	-	62.4%	7.6%	30.6%	24.5%	19.1%	21.2%	29.6%	1.4x	1.6x	42.0%	95.8%	n.a.	294.11
RealPage	7,949.0	8,914.7	5.6x	5.3x	20.9x	19.5x	19.2%	61.0%	16.8%	15.3%	16.1%	19.0%	17.0%	17.0%	1.8x	1.4x	43.2%	97.5%	n.a.	202.13
Envestnet	5,788.0	6,610.1	4.8x	4.6x	21.1x	20.7x	12.2%	48.0%	13.7%	14.4%	9.3%	n.a	4.2%	8.8%	n.a.	n.a.	31.5%	97.5%	n.a.	318.91
Q2 holdings	6,808.6	6,934.8	12.4x	11.3x	n.m.	n.a.	1.2%	46.3%	(13.0%)	28.9%	26.8%	19.2%	29.8%	29.9%	1.3x	1.1x	33.1%	71.9%	5.1%	315.96
Blackbaud	3,760.4	4,553.8	3.6x	3.6x	14.7x	14.6x	14.8%	53.3%	12.9%	4.9%	1.1%	24.5%	13.4%	18.4%	-1.0x	0.4x	25.7%	92.0%	8.0%	353.32
SPS Commerce	3,815.9	3,532.0	8.3x	8.0x	30.6x	28.8x	19.7%	67.6%	21.1%	11.3%	9.3%	24.4%	10.4%	10.4%	0.3x	0.4x	36.9%	94.0%	n.a.	300.31
Median			8.3x	8.0x	23.0x	21.6x	14.8%	62.4%	12.9%	15.3%	16.1%	19.3%	21.1%	23.1%	1.0x	1.0x	31.8%	93.6%	6.0%	318.91
Max			37.1x	26.5x	31.8x	68.8x	39.0%	89.6%	43.8%	40.7%	29.4%	55.3%	38.0%	38.0%	2.5x	1.9x	79.0%	97.5%	8.0%	595.23
Min			1.1x	1.2x	14.7x	14.6x	0.0%	46.3%	-16.8%	-4.6%	-7.0%	11.9%	4.2%	8.8%	(1.0x)	0.3x	-20.7%	67.6%	5.1%	196.25

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)





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

[www.blackpeakcapital.com.au](http://www.blackpeakcapital.com.au)

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