

SaaS Software Cloud Update – January 2018

Public Markets and M&A Activity

The Navidar SaaS Software Cloud Index advanced 7.6% in January, roughly in line with the NASDAQ's 7.4%. Following is a summary of the company-specific issues related to selected stocks in our coverage universe that meaningfully out- or under-performed as well as relevant M&A activity and Navidar events.

Navidar represented Kimbia in its sale to GiveGab. Kimbia is an online fundraising, crowdfunding, and event platform for nonprofits, higher education, and community foundations. GiveGab's software cultivates long-term giving relationships between nonprofits and their supporters, empowering fundraising campaigns and events, managing volunteer opportunities and supporters, and participating in Giving Days.

Callidus Software (NASDAQ: CALD +25.5%) – SAP announced plans to acquire the SaaS lead-to-money suite provider for \$2.4B, representing a 10% prior-close premium and an EV/revenue multiple of 8.0x. This all-cash deal follows several other SAP purchases of marquee public SaaS companies, including Concur, SuccessFactors, and Ariba. CALD will greatly improve SAP's CRM suite, complementing it with SaaS sales enablement and performance management at scale. Concurrent with the announcement, CALD also reported 4Q17 results—SaaS revenue of \$54.6M grew 30% YOY with \$13M of cash from operations and a cash balance of \$150.5M.

GoDaddy (NYSE:GDDY +9.8%) – announced plans to purchase enterprise social management company Main Street Hub for \$175M (including \$50M of earnouts). For a monthly fee, Main Street handles all aspects of small businesses' online presences, including social media (flagship offering), CRM, reputation management, and mobile/web/email marketing automation. GDDY serves 17M-plus small business customers. While it has a professional web services division that helps with building websites and managing SEO for small businesses, MainStreet fills the social-media gap in GDDY's solution suite.

Workday (NASDAQ: WDAY +17.8%) – the SaaS enterprise focused HCM and financial management provider acquired SkipFlag, which creates AI knowledgebases using companies' internal communications. Deep learning models augment human intelligence based on data that sits across multiple applications. SkipFlag will be folded into WDAY's core platform. WDAY is committed to investing in machine learning, advanced search, and natural language processing.

Asure Software (ASUR +7.6%) – the SaaS payroll, HCM, and space management provider acquired three of its resellers (Savers Admin, Sheakley, and TelePayroll) for \$30.6M, reflecting a forward revenue multiple of 2.3x based on 2018E revenue of \$13M. These deals are in line with ASUR's strategy of rolling roll-up the 130 or so resellers of Evolution (acquired in May 2017 for \$55.0M) and Mangrove (purchased March 2016 for \$17.3M). Asure also increased its 2018 revenue guidance by \$8-9M, to \$78-81M, with non-GAAP EBITDA of \$18-20M.

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ServiceNow (NYSE: NOW +14.2%) – the SaaS support solution provider reported strong 4Q17 results. Revenue of \$531.0M advanced 38% YOY and EPS were \$0.35. NOW signed 41 deals over \$1M in annual contract value and cross-sell was also strong — most of its top deals included at least four products. Furthermore, about 840 of *Forbes Global 2000* are customers and NOW is targeting 1,000 by 2020.

Atlassian (NASDAQ: TEAM +18.6%) – the SaaS collaboration solution provider reported strong CY4Q17 results. Revenue was \$212.6M, up 43% YOY, and free cash flow margin was 32%. The outperformance was driven by continued strength in cloud, server, and data center as well as adoption outside of IT departments. It added 4,825 net new customers and now has 112,571 total that pay \$7,555 annually on average. These customers use TEAM to organize, discuss, and complete shared work. Also, Trello (acquired in January 2017 for \$425M) is guided to contribute \$20M of revenue in FY2018 (ending June).

Amazon (NASDAQ: AMZN +24.0%) – the Internet and IaaS conglomerate's 4Q17 results exceeded expectations, driven by seasonally strong holiday revenue and profitability improvements. Data collection and computing efficiencies are driving innovation and margin scalability. In addition, AMZN along with JP Morgan and Berkshire Hathaway announced a non-profit venture focused on reducing health spending. Speculation about this JV ranges from complementing to completely replacing the vendors that currently administer employees' pharmacy and health-insurance benefits.

Also, AMZN's cloud business acquired Sqrll, a cybersecurity company that was carved out of the National Security Agency. This purchase follows AMZN's late 2017 announcement about plans to create a "secret" region of data centers.

Mindbody (NASDAQ: MB +15.4%) – the SaaS wellness operations provider's stock performed well after it announced packaging changes as well as an overall price increase. MB is eliminating the low-end starter plan and increasing pricing on the high-end plan by about \$100, to \$395 monthly. The company has successfully increased overall pricing in each of the past three years, indicating clear pricing power.

Cornerstone OnDemand (NASDAQ: CSOD +16.4%) – the SaaS learning and HCM provider announced corporate governance changes, which investors welcomed given the company's execution issues over the past couple years. Founder Adam Miller will remain CEO but a new independent Chairman will be appointed. Also, CSOD plans to declassify its board, enabling shareholders to vote on the election of all directors.

Faster Growth

(2019E growth > 20%, excluding micro-caps)

Ticker	1/31 \$Price	Jan %ch	Ticker	1/31 \$Price	Jan %ch
AMZN	1450.89	24.1	NOW	148.87	14.2
APPF	42.35	2.0	OKTA	29.45	15.0
AYX	27.40	8.4	PAYC	91.64	14.1
BL	33.23	1.3	PCTY	52.29	10.9
BOX	22.24	5.3	QTWO	42.35	14.9
CALD	35.95	25.5	RNG	54.30	12.2
CLDR	18.72	13.3	SAIL	16.73	15.4
COUP	38.23	22.5	SHOP	127.92	26.7
EVBG	32.28	8.6	SNAP	13.52	-7.5
FB	186.89	5.9	TEAM	53.99	18.6
HDP	19.95	-0.8	TWLO	26.24	11.2
HUBS	97.05	9.8	TWOU	74.27	15.1
INST	35.90	8.5	WDAY	119.89	17.8
LVT	0.44	33.8	WIX	61.05	6.1
MB	35.15	15.4	YEXT	12.05	0.2
MULE	24.58	5.7	ZEN	38.52	13.8

Slower Growth

(2019E growth < 20%, excluding micro-caps)

Ticker	1/31 \$Price	Jan %ch	Ticker	1/31 \$Price	Jan %ch
ALRM	38.38	1.7	GWRE	79.45	7.0
AMBR	7.26	-1.1	IBM	163.70	6.7
APPN	31.00	-1.5	INTU	167.90	6.4
APTI	25.55	8.6	LOGM	125.80	9.9
ASUR	15.20	7.6	LPSN	11.95	3.9
ATHN	125.31	-5.8	MODN	14.95	-5.1
BNFT	25.20	-6.7	MSFT	95.01	11.1
BSFT	54.90	0.0	ORCL	51.59	9.1
BV	5.50	0.9	PEGA	50.85	7.8
CHUB.K	19.29	-6.3	PYPL	85.32	15.9
CRM	113.91	11.4	RP	49.75	12.3
CSCO	41.54	8.5	SAP	113.56	1.1
CSLT	3.70	-1.3	SPSC	52.60	8.3
CSOD	41.13	16.4	SREV	3.40	10.0
CTXS	92.76	5.4	STMP	203.85	8.4
DATA	76.81	11.0	TWTR	25.81	7.5
EBAY	40.58	7.5	ULTI	232.89	6.7
ECOM	9.10	1.1	UPLD	23.13	6.8
EGAN	5.05	-3.8	VEEV	62.86	13.7
ELLI	93.50	4.6	VRNS	54.30	11.8
ENV	53.75	7.8	WAGE	60.55	-2.3
FNGN	28.45	-6.1	WEB	23.25	6.7
GDDY	55.23	9.8	WK	22.30	4.2
GOOGL	1182.22	12.2			

Indexes (% change in Jan)

Faster SaaS	12.8	NASDAQ	7.4
Slower SaaS	6.8	S&P 500	5.6
Others	1.2	Russell2000	2.6
Overall SaaS	7.8	S&P Volatility	22.6

Data source: S&P Capital IQ. 1/31/2018 Prices. 1/1-31/2018 %Change. All investing involves risk, including the risk of losing the entire investment. Prices are subject to change without prior notice.

More Acquisitions and Investments

- **Internap (NASDAQ:INAP +19.2%)** acquired managed hosting and IaaS provider SingleHop for \$132M, representing a 2.6-2.9x forward revenue multiple based on a top-line contribution of \$45-50M. SingleHop offers automated and on-demand IT infrastructure that INAP plans to cross sell to its customers.
- **Privately-held Smartsheet acquired Converse.AI**, which provides business-automation bots. Its workflow orchestration engine enables business users to easily build and manage bots with natural language processing on multiple messaging and business systems, such as Slack, Facebook's Workplace, salesforce.com, and Hubspot. Converse.AI will further Smartsheet's efforts in building software solutions that enable customers to better manage internal processes. Smartsheet raised \$52M at an \$852M valuation in 2017.
- **Privately-held WP Engine** secured \$250M of funding from Silver Lake. The funds will be used to accelerate R&D efforts and fuel global growth. WP Engine provides a suite of software, infrastructure, analytics, security and support solutions for websites built on WordPress. It powers more WordPress sites than all of its competitors combined. WP Engine also announced that it has achieved \$100M-plus in annualized recurring revenue.

Select Horizontal Companies¹

Ticker	1/31 \$Price	Jan %ch	Ticker	1/31 \$Price	Jan %ch
1PG	0.08	170.3	LVT	0.44	33.8
AAPL	167.43	-1.1	MFON	1.10	-8.3
APPN	31.00	-1.5	MRIN	9.30	-15.1
APTI	25.55	8.6	MSFT	95.01	11.1
ASUR	15.20	7.6	MULE	24.58	5.7
AYX	27.40	8.4	NOW	148.87	14.2
BCOV	6.75	-4.9	OKTA	29.45	15.0
BL	33.23	1.3	ORCL	51.59	9.1
BNFT	25.20	-6.7	PAYC	91.64	14.1
BOX	22.24	5.3	PCTY	52.29	10.9
CALD	35.95	25.5	PEGA	50.85	7.8
CCUR	5.72	-0.7	PYDS	2.00	-21.0
CHUB.K	19.29	-6.3	PYPL	85.32	15.9
CLDR	18.72	13.3	RNG	54.30	12.2
COUP	38.23	22.5	SAP	113.56	1.1
CRM	113.91	11.4	SHSP	4.70	6.7
CSCO	41.54	8.5	SMSI	2.56	-9.9
CSOD	41.13	16.4	SNAP	13.52	-7.5
CTXS	92.76	5.4	SPRT	2.68	10.7
DATA	76.81	11.0	SREV	3.40	10.0
EGAN	5.05	-3.8	TEAM	53.99	18.6
EVBG	32.28	8.6	TWLO	26.24	11.2
FNJN	1.94	-10.2	ULTI	232.89	6.7
GDDY	55.23	9.8	UPLD	23.13	6.8
GOOGL	1182.22	12.2	VRNS	54.30	11.8
GSB	3.55	0.0	WAGE	60.55	-2.3
HDP	19.95	-0.8	WDAY	119.89	17.8
HUBS	97.05	9.8	WEB	23.25	6.7
IBM	163.70	6.7	WK	22.30	4.2
INTU	167.90	6.4	YEXT	12.05	0.2
LOGM	125.80	9.9	ZEN	38.52	13.8
LPSN	11.95	3.9			

Select Vertical Companies²

Ticker	1/31 \$Price	Jan %ch	Ticker	1/31 \$Price	Jan %ch
ACTA	15.60	0.0	GWRE	79.45	7.0
AKDS	0.63	12.3	INST	35.90	8.5
ALRM	38.38	1.7	INUV	0.81	-0.4
AMBR	7.26	-1.1	IPAS	0.59	12.5
AMZN	1450.89	24.1	MB	35.15	15.4
APPF	42.35	2.0	MODN	14.95	-5.1
ATHN	125.31	-5.8	QWTO	42.35	14.9
BSFT	54.90	0.0	RP	49.75	12.3
BV	5.50	0.9	RST	12.78	2.5
COYN	0.03	158.3	SAIL	16.73	15.4
CSLT	3.70	-1.3	SCIL	0.82	57.7
CSTI	9.30	-1.1	SHOP	127.92	26.7
CXDO	3.20	52.4	SNCR	8.04	-10.1
EBAY	40.58	7.5	SPSC	52.60	8.3
ECOM	9.10	1.1	STMP	203.85	8.4
ELLI	93.50	4.6	SVVC	10.11	12.8
ENV	53.75	7.8	TWOU	74.27	15.1
EVOL	5.40	14.9	TWTR	25.81	7.5
FB	186.89	5.9	VEEV	62.86	13.7
FNGN	28.45	-6.1	WIX	61.05	6.1
GSVC	6.82	25.1	WSTL	3.25	-13.3

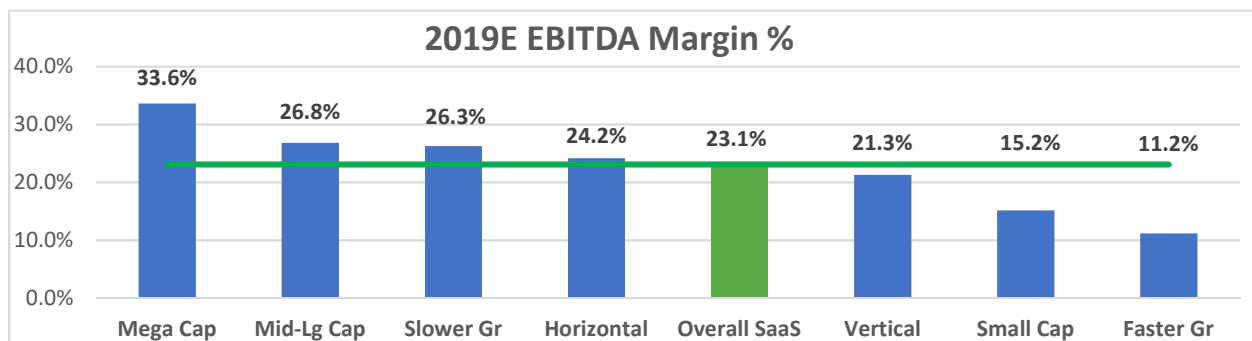
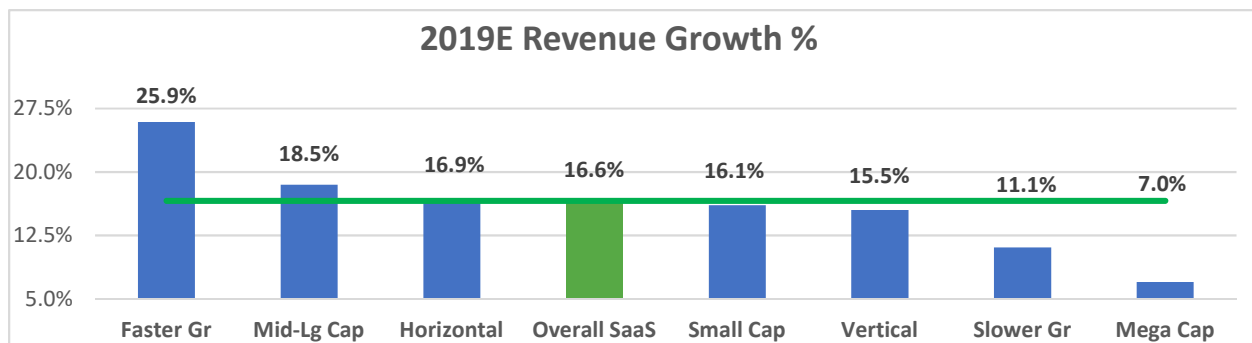
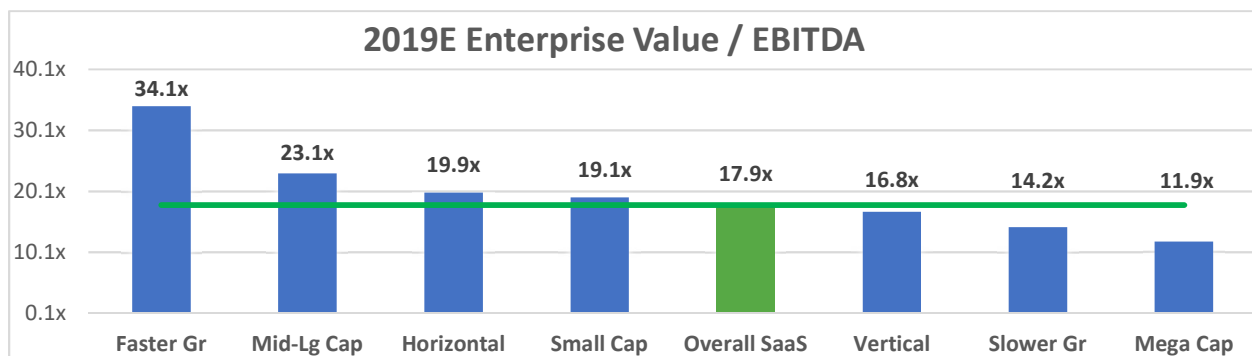
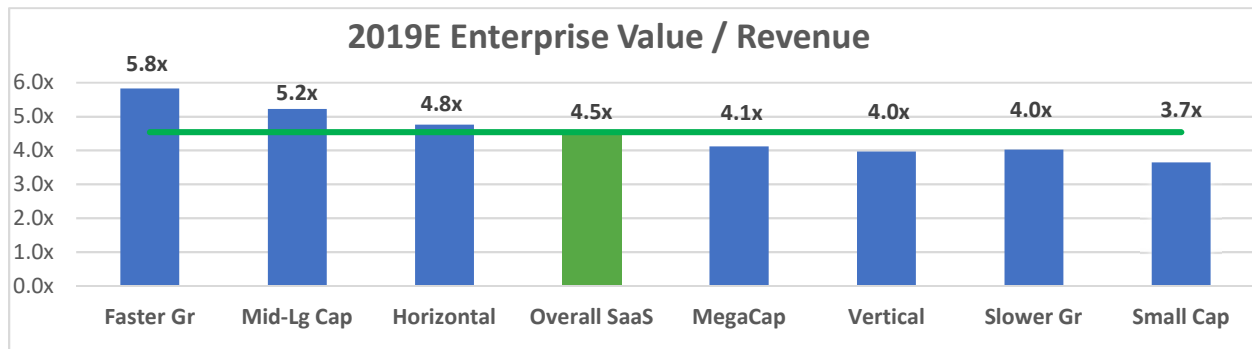
Indexes (% change in Jan)

Horizontal SaaS	7.8	NASDAQ	7.4
Vertical SaaS	7.5	S&P 500	5.6
Overall SaaS	7.6	Russell2000	2.6
		S&P Volatility	22.6

¹ Horizontal companies provide software that

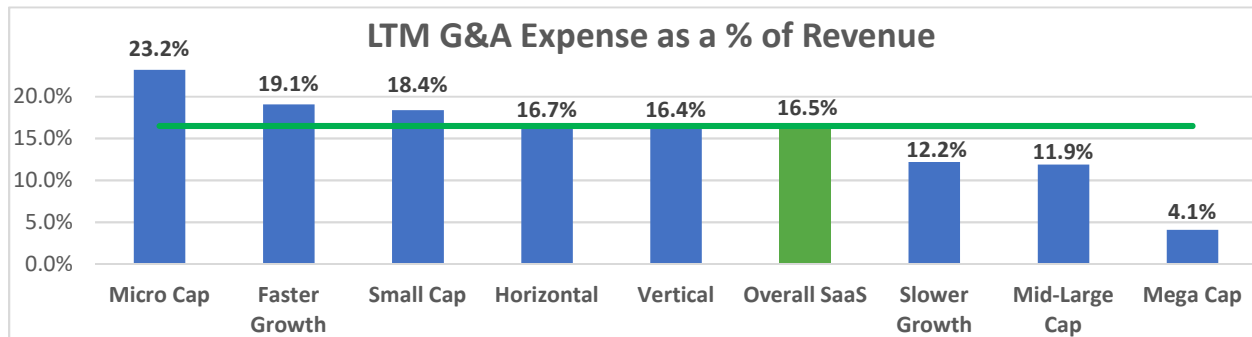
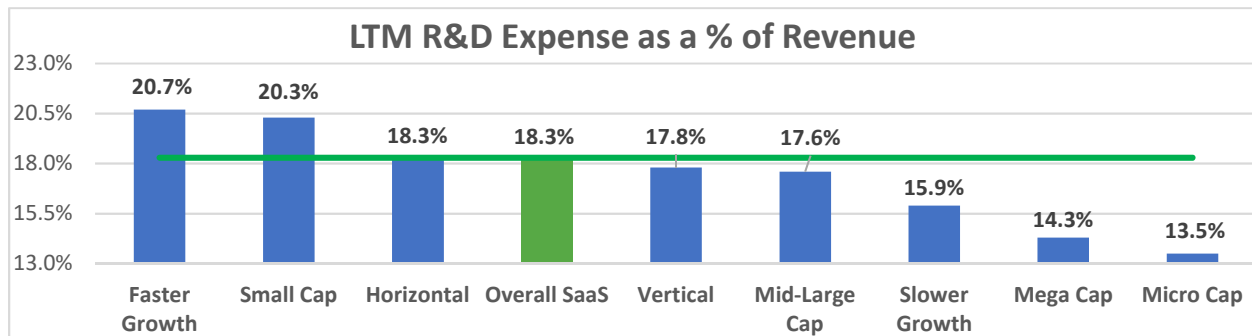
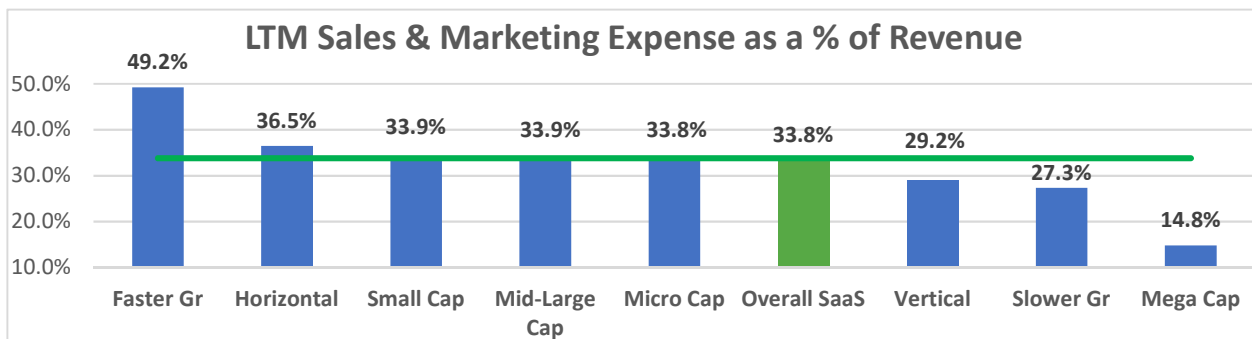
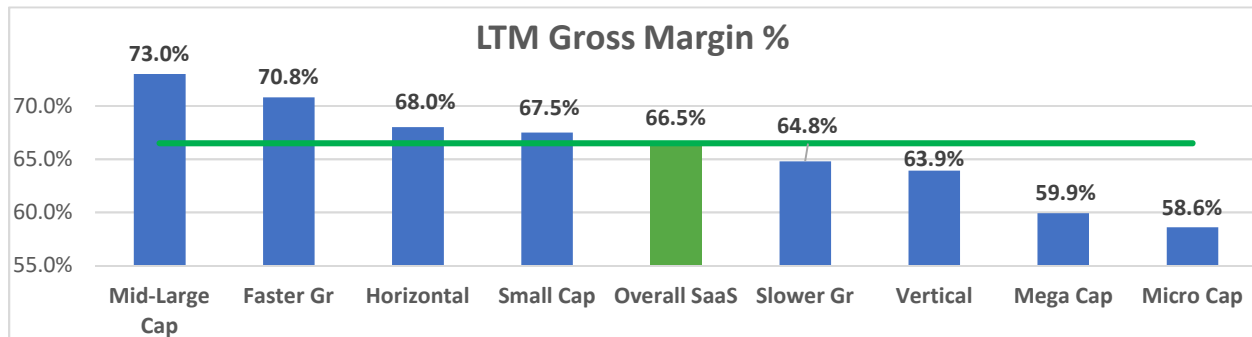
² Vertical companies provide software for specific
Data source: S&P Capital IQ. 1/31/2018 Prices.

Public Comparisons - Calendar Year (CY) 2019E Metrics - SaaS Software Cloud



Data Source: S&P Capital IQ | **Mega Cap** = \$100B+ mcap | **Mid-Large Cap** = \$3B-\$100B mcap | **Small Cap** = \$150M-3B mcap | **Micro Cap** = <\$150M mcap | **Fast Growth** = 2018E rev gr >20% | **Slow Growth** = 2018E rev gr <20% | **Horizontal** = Industry-neutral | **Vertical** = Industry-specific | **Overall SaaS** = median | **EBITDA** = earnings before int., tax, depr., amort.

Public Comparisons - Last Twelve Months (LTM) Metrics - SaaS Software Cloud



Data Source: S&P Capital IQ | **Mega Cap** = \$100B+ mcap | **Mid-Large Cap** = \$3B-\$100B mcap | **Small Cap** = \$150M-3B mcap | **Micro Cap** = <\$150M mcap | **Fast Gr** = 2018E rev gr >20% | **Slow Gr** = 2018E rev gr <20% | **Horizontal** = Industry-neutral solution | **Vertical** = Industry-specific solution | **Overall SaaS** = Group median

Selected Fast Growth – SaaS Software Cloud Public Company Valuation Metrics

(In \$ million, except per share values)

Ticker	Company Name	2/21/18 Price	Market Cap	Enterprise Value (EV)	2019E Street		EBITDA margin	2020E Growth	EV/Sales		EV/FCF		Price % Change From			60D avg \$Volume	Short as % of Float	Insider Ownership
					Sales	Growth			CY19E	CY20E	CY19E	CY20E	1M	3M	12M			
Fast Growth (2019E Revenue Growth > 20%, excluding Micro Caps)																		
AMZN	Amazon	\$1,377.95	\$663,996	682,872	\$276,633	21%	12.1%	18%	2.5x	2.1x	30.7x	25.0x	18%	42%	65%	5,222.18	1.5%	16%
APPF	AppFolio	43.45	1,475	1,432	232	28%	29.3%	na	6.2x	na	na	na	6%	-7%	89%	5.23	2.9%	45%
AYX	Alteryx	30.00	1,775	1,618	233	32%	na	na	7.0x	na	63.6x	na	17%	36%	0%	19.43	5.8%	21%
BL	BlackLine	33.35	1,763	1,654	286	28%	5.6%	na	5.8x	na	74.1x	na	-5%	-3%	19%	11.29	3.1%	7%
BOX	Box	22.20	3,022	2,934	769	23%	7.0%	na	3.8x	na	33.8x	na	8%	4%	28%	47.23	5.5%	5%
CALD	CallidusCloud	31.55	2,149	1,973	361	21%	17.7%	20%	5.5x	4.5x	48.3x	na	9%	27%	69%	13.08	1.9%	2%
CLDR	Cloudera	18.52	2,616	2,226	569	24%	na	24%	3.9x	3.2x	na	63.8x	6%	22%	0%	42.47	6.6%	3%
COUP	Coupa	37.50	2,064	1,845	279	24%	0.6%	na	6.6x	na	87.8x	na	18%	7%	42%	21.86	3.2%	1%
EVBG	Everbridge	32.95	931	883	163	24%	4.9%	22%	5.4x	4.4x	71.5x	na	13%	25%	69%	11.60	10.0%	12%
FB	Facebook	187.48	544,781	506,492	67,816	26%	60.4%	22%	7.5x	6.1x	24.2x	19.2x	6%	10%	43%	3,688.64	1.1%	18%
HDP	Hortonworks	19.84	1,399	1,336	405	24%	na	24%	3.3x	2.7x	30.9x	na	-2%	24%	119%	12.28	5.3%	5%
HUBS	HubSpot	98.15	3,668	3,470	587	24%	9.6%	na	5.9x	na	74.7x	24.8x	12%	19%	84%	49.85	12.2%	7%
INST	Instructure	34.85	1,054	988	253	26%	na	na	3.9x	na	na	44.9x	5%	2%	58%	5.38	7.7%	11%
LVT	LiveTiles	0.46	190	187	18	72%	na	na	10.2x	na	na	na	58%	116%	219%	0.50	0.0%	59%
MB	MINDBODY	34.85	1,628	1,417	287	26%	13.9%	23%	4.9x	4.0x	49.6x	na	15%	23%	35%	15.34	16.3%	7%
MULE	MuleSoft	24.88	3,233	3,052	519	31%	na	36%	5.9x	4.3x	na	51.9x	8%	5%	0%	37.14	5.3%	7%
NOW	ServiceNow	145.54	25,136	24,620	3,226	28%	28.9%	30%	7.6x	5.9x	27.3x	19.9x	13%	17%	69%	236.60	7.0%	2%
OKTA	Okta	30.52	3,111	2,887	444	33%	na	18%	6.5x	5.5x	na	na	20%	11%	0%	46.92	7.8%	12%
PAYC	Paycom	89.89	5,237	5,205	674	24%	31.4%	22%	7.7x	6.3x	35.7x	na	11%	13%	80%	51.94	15.9%	19%
PCTY	Paylocity	48.35	2,539	2,442	494	22%	20.2%	na	4.9x	na	37.6x	na	2%	-6%	50%	12.56	3.2%	35%
QTWO	Q2 Holdings	40.30	1,679	1,591	299	25%	11.2%	25%	5.3x	4.2x	81.6x	na	10%	-3%	22%	8.84	2.7%	2%
RNG	RingCentral	53.25	4,119	3,947	755	23%	8.5%	na	5.2x	na	na	48.8x	12%	30%	125%	23.66	1.5%	18%
SAIL	SailPoint	17.05	1,455	1,766	271	25%	7.9%	25%	6.5x	5.2x	69.5x	48.3x	15%	0%	0%	6.89	0.8%	10%
SHOP	Shopify	124.90	12,508	11,582	1,281	34%	8.9%	33%	9.0x	6.8x	na	51.9x	20%	21%	143%	144.59	7.7%	17%
SNAP	Snap	13.71	16,510	14,228	2,000	55%	na	41%	7.1x	5.0x	na	na	-10%	-3%	0%	256.94	15.3%	36%
TEAM	Atlassian	53.09	11,989	11,310	1,235	27%	26.9%	na	9.2x	na	26.8x	18.6x	15%	10%	91%	57.88	7.8%	36%
TWLO	Twilio	26.52	2,467	2,183	598	24%	1.6%	na	3.7x	na	na	na	7%	-15%	-9%	42.15	19.6%	13%
TWOU	2U	73.54	3,840	3,656	526	33%	5.0%	37%	6.9x	5.1x	na	43.5x	17%	19%	110%	30.96	13.3%	1%
WDAY	Workday	115.32	24,217	22,480	3,270	23%	18.6%	20%	6.9x	5.7x	42.3x	32.6x	13%	9%	36%	255.67	11.0%	33%
WIX	Wix.com	61.30	2,786	2,579	704	26%	23.4%	23%	3.7x	3.0x	16.5x	13.3x	3%	-10%	9%	34.52	8.1%	3%
YEXT	Yext	12.15	1,108	995	299	33%	na	30%	3.3x	2.6x	na	na	-2%	4%	0%	8.99	10.5%	25%
ZEN	Zendesk	37.45	3,801	3,575	711	28%	6.4%	42%	5.0x	3.5x	51.5x	30.0x	11%	24%	53%	25.54	3.8%	4%
Select Faster Growth (2019E Rev. Growth >20%) Median					523	26%	11.2%	24%	5.8x	4.5x	45.3x	32.6x	11%	11%	65%	28.25	6.6%	12%

Data Source: S&P Capital IQ | EV = Enterprise value | EBITDA = Earnings before int., tax, depr., amort | FCF = Free cash flow

Selected Slower Growth - SaaS Software Cloud Public Company Valuation Metrics

(In \$ million, except per share values)

Ticker	Company Name	2/21/18 Price	Market Cap	Enterprise Value (EV)	2019E Street		EBITDA margin	2020E Growth	EV/Sales		EV/FCF		Price % Change From			60D avg \$Volume	Short as % of Float	Insider Ownership
					Sales	Growth			CY19E	CY20E	CY19E	CY20E	1M	3M	12M			
Slower Growth (2019E Revenue Growth < 20%, excluding Micro Caps)																		
ALRM	Alarm.Com	37.68	1,776	1,764	437	14%	23.1%	13%	4.0x	3.6x	31.7x	23.5x	1%	-20%	36%	28.88	6.5%	3%
AMBR	Amber Road	\$7.70	\$210	224	\$97	11%	6.7%	na	2.3x	na	49.8x	na	5%	-1%	-15%	1.01	2.9%	16%
APPN	Appian	32.26	1,951	1,879	234	20%	na	na	8.0x	na	na	na	16%	45%	0%	24.08	42.4%	0%
APTI	Apptio	25.26	1,020	885	251	16%	7.2%	31%	3.5x	2.7x	70.8x	20.8x	10%	35%	56%	10.10	8.2%	16%
ASUR	Asure Software	15.30	191	239	85	8%	24.2%	na	2.8x	na	31.0x	na	9%	46%	35%	2.13	23.6%	9%
ATHN	AthenaHealth	128.07	5,125	5,279	1,492	11%	26.3%	13%	3.5x	3.1x	33.8x	27.3x	-5%	4%	3%	48.44	9.9%	1%
BNFT	Benefitfocus	25.40	794	860	322	14%	12.1%	20%	2.7x	2.2x	48.4x	34.4x	-5%	-9%	-19%	4.06	19.9%	18%
BSFT	BroadSoft	54.95	1,746	1,586	488	13%	na	na	3.2x	na	20.9x	14.9x	0%	0%	24%	56.53	15.6%	1%
BV	Bazaarvoice	5.48	471	406	226	4%	16.6%	8%	1.8x	1.7x	14.1x	11.3x	0%	13%	18%	12.28	1.0%	2%
CHUB.K	CommerceHub	19.79	873	865	145	13%	45.3%	13%	6.0x	5.3x	18.6x	15.3x	-5%	-6%	37%	2.53	0.2%	6%
CRM	salesforce.com	111.96	80,869	79,828	14,952	19%	23.2%	19%	5.3x	4.5x	25.3x	22.1x	9%	12%	43%	468.30	2.2%	5%
CSCO	Cisco	41.90	207,138	171,475	50,302	3%	33.6%	na	3.4x	na	12.4x	na	9%	22%	36%	906.68	1.0%	0%
CSLT	Castlight Health	3.90	522	440	194	20%	6.5%	26%	2.3x	1.8x	10.5x	9.0x	-1%	-8%	11%	1.35	7.5%	6%
CSOD	Cornerstone	41.34	2,394	2,331	558	11%	20.1%	8%	4.2x	3.9x	20.5x	na	18%	6%	0%	20.88	8.2%	9%
CTXS	Citrix	94.00	14,163	14,076	2,975	3%	31.6%	3%	4.7x	4.6x	15.1x	18.2x	7%	14%	-2%	135.16	4.0%	1%
DATA	Tableau	74.95	5,977	5,033	1,061	13%	11.5%	14%	4.7x	4.2x	27.4x	29.2x	7%	-4%	57%	46.82	8.4%	22%
EBAY	eBay	40.02	41,804	45,772	10,940	7%	36.2%	5%	4.2x	4.0x	15.7x	14.6x	6%	9%	32%	389.82	3.3%	6%
ECOM	ChannelAdvisor	9.05	240	187	146	8%	9.1%	6%	1.3x	1.2x	15.5x	12.5x	1%	-21%	-38%	1.36	1.3%	9%
EGAN	eGain	5.70	155	155	66	9%	na	na	2.3x	na	na	na	21%	100%	165%	1.12	0.4%	37%
ELLI	Ellie Mae	96.88	3,346	2,980	586	20%	30.1%	na	5.1x	na	32.9x	na	5%	8%	16%	33.94	12.2%	2%
ENV	Envestnet	53.00	2,348	2,558	910	15%	21.3%	12%	2.8x	2.5x	18.1x	15.5x	2%	0%	42%	12.08	3.1%	4%
FNGN	Financial Engines	29.20	1,849	1,651	561	9%	33.6%	2%	2.9x	2.9x	11.9x	11.2x	-1%	-21%	-25%	15.78	7.2%	1%
GDDY	GoDaddy	54.55	7,406	9,546	2,824	11%	28.1%	11%	3.4x	3.0x	13.9x	12.4x	9%	20%	51%	77.24	4.8%	0%
GOOGL	Alphabet	1182.14	817,240	721,061	152,856	16%	39.8%	16%	4.7x	4.1x	19.7x	17.0x	11%	19%	38%	1,850.58	0.5%	12%
GWRE	Guidewire	79.18	6,082	5,521	781	16%	24.0%	na	7.1x	na	30.5x	na	8%	2%	49%	52.28	5.8%	0%
IBM	IBM	165.47	153,191	187,566	80,485	1%	24.6%	1%	2.3x	2.3x	15.5x	15.2x	9%	8%	-7%	964.85	1.9%	0%
INTU	Intuit	167.82	42,903	43,001	6,493	9%	36.3%	11%	6.6x	6.0x	21.3x	na	6%	12%	40%	217.51	1.1%	5%
LOGM	LogMeIn	124.45	6,551	6,275	1,218	6%	39.7%	5%	5.2x	4.9x	15.4x	14.0x	9%	3%	13%	61.74	5.7%	2%
LPSN	LivePerson	11.80	702	648	254	9%	11.5%	na	2.6x	na	53.1x	23.3x	4%	-17%	48%	4.73	2.3%	8%
MODN	Model N	15.45	455	455	164	9%	7.3%	na	2.8x	na	21.0x	na	-1%	8%	77%	2.75	1.7%	20%
MSFT	Microsoft	92.33	712,288	667,628	119,464	8%	42.3%	8%	5.6x	5.2x	17.3x	16.3x	8%	17%	45%	2,231.09	0.5%	1%
ORCL	Oracle	51.60	213,603	203,131	42,436	5%	47.1%	na	4.8x	na	12.8x	na	9%	4%	29%	909.21	1.1%	27%
PEGA	Pegasystems	51.15	3,983	3,788	1,029	15%	15.1%	19%	3.7x	3.1x	31.5x	25.8x	10%	-11%	32%	18.07	4.7%	52%
PYPL	PayPal Holdings	84.34	101,369	90,763	17,854	17%	26.8%	19%	5.1x	4.3x	20.0x	19.3x	14%	19%	102%	761.40	1.4%	5%
RP	RealPage	48.55	4,024	4,312	931	11%	27.7%	8%	4.6x	4.3x	24.8x	22.4x	11%	12%	59%	22.22	4.8%	5%
SAP	SAP	113.71	136,323	137,047	33,265	7%	33.4%	8%	4.1x	3.8x	21.8x	18.4x	1%	1%	25%	0.71	0.0%	1%
SPSC	SPS Commerce	52.12	898	734	270	11%	16.8%	na	2.7x	na	27.2x	na	7%	-9%	-27%	7.49	2.5%	0%
SREV	ServiceSource	3.55	320	282	255	5%	10.8%	na	1.1x	na	83.6x	na	12%	2%	-36%	1.13	3.1%	4%
STMP	Stamps.com	204.20	3,569	3,534	615	15%	47.7%	na	5.7x	na	15.1x	na	12%	-11%	64%	70.23	16.1%	6%
TWTR	Twitter	22.16	16,391	13,905	2,803	9%	34.9%	9%	5.0x	4.5x	22.6x	19.7x	-9%	29%	32%	422.61	5.8%	11%
ULTI	Ultimate Software	226.40	6,764	6,635	1,317	18%	25.3%	16%	5.0x	4.3x	40.2x	32.9x	5%	16%	14%	65.00	9.8%	5%
UPLD	Upland Software	23.65	491	530	128	5%	36.5%	na	4.1x	na	16.8x	na	5%	8%	107%	5.77	1.5%	15%
VEEV	Veeva Systems	58.91	8,327	7,568	952	18%	32.8%	16%	7.9x	6.8x	25.6x	na	5%	-1%	36%	69.45	3.6%	20%
VRNS	Varonis Systems	54.10	1,506	1,378	292	17%	8.1%	13%	4.7x	4.2x	40.8x	23.5x	13%	21%	82%	14.86	2.3%	1%
WAGE	WageWorks	60.45	2,396	1,748	579	10%	33.1%	na	3.0x	na	na	na	-2%	-6%	-16%	17.98	9.4%	0%
WEB	Web.com Group	23.35	1,138	1,796	817	4%	27.0%	0%	2.2x	2.2x	10.8x	12.4x	3%	-6%	17%	6.03	5.2%	4%
WK	Workiva	21.90	918	860	267	14%	na	16%	3.2x	2.8x	42.4x	na	2%	-1%	72%	3.14	4.0%	45%
Select Slower Growth (2019E Rev. Growth < 20%) Median					615	11%	26.3%	12%	4.0x	3.9x	21.1x	18.2x	6%	4%	34%	22.22	4.0%	5%

Data Source: S&P Capital IQ | EV = Enterprise value | EBITDA = Earnings before int., tax, depr., amort | FCF = Free cash flow

Selected Micro-Caps – SaaS Software Cloud Public Company Valuation Metrics

Ticker	Company Name	2/21/18 Price	Market Cap	Enterprise Value (EV)	2019E Street		EBITDA margin	2020E Growth	EV/Sales		EV/FCF		Price % Change From			60D avg \$Volume	Short as % of Float	Insider Ownership
					Sales	Growth			CY19E	CY20E	CY19E	CY20E	1M	3M	12M			
Micro Caps and Those with No 2019E Revenue Estimates																		
1PG	1-PAGE	0.08	12	(11)	na	na	na	na	na	na	na	na	0%	1500%	-41%	0.00	0.0%	9%
AKDS	Arkados Group	\$0.64	\$17	22	na	na	na	na	na	na	na	na	-11%	-18%	-38%	0.04	0.0%	12%
BCOV	Brightcove	6.90	236	214	na	na	na	na	na	na	na	na	-1%	-8%	-14%	0.94	1.5%	2%
CCUR	Concurrent	5.39	53	(12)	na	na	na	na	na	na	na	na	-5%	-11%	7%	0.28	0.6%	26%
COYN	COPsync	0.03	0	1	na	na	na	na	na	na	na	na	-12%	-25%	-92%	0.00	0.1%	12%
CSTI	Costar	8.58	12	21	na	na	na	na	na	na	na	na	-13%	-12%	-14%	0.01	0.0%	0%
CXDO	Crexendo	2.65	39	37	na	na	na	na	na	na	na	na	-4%	48%	82%	0.01	1.1%	75%
EVOL	Evolving Systems	5.58	69	71	na	na	na	na	na	na	na	na	2%	21%	24%	0.10	0.1%	31%
FNJN	FinJan	2.86	80	64	na	na	na	na	na	na	na	na	27%	36%	100%	1.40	2.1%	3%
GSB	GlobalSCAPE	3.60	77	64	na	na	na	na	na	na	na	na	1%	-8%	-6%	0.36	0.1%	21%
GSVC	GSV Capital	6.89	146	217	na	na	na	na	na	na	na	na	-13%	7%	26%	1.52	0.0%	1%
INUV	Inuvo	0.88	25	26	114	20%	2.8%	na	0.2x	na	na	na	2%	14%	-45%	0.09	1.8%	16%
IPAS	iPass	0.47	31	24	74	19%	5.0%	na	0.3x	na	na	na	-6%	-23%	-64%	0.24	0.5%	3%
MFON	Mobivity	1.08	40	41	na	na	na	na	na	na	na	na	3%	-10%	40%	0.03	0.0%	20%
MRIN	Junein Software	8.90	50	24	na	na	na	na	na	na	na	na	-14%	-4%	-42%	0.07	2.2%	29%
PYDS	Payment Data Sy:	1.68	23	21	na	na	na	na	na	na	na	na	-22%	-26%	3%	0.46	3.5%	55%
RST	Rosetta Stone	13.66	304	266	na	na	na	na	na	na	na	na	10%	18%	78%	1.46	1.3%	3%
SCIL	Scientific Learnin	0.72	17	na	na	na	na	na	na	na	na	na	26%	140%	40%	0.02	0.0%	0%
SHSP	SharpSpring	5.09	43	37	na	na	na	na	na	na	na	na	4%	21%	-1%	0.15	1.6%	21%
SMSI	Smith Micro Softv	2.25	32	31	na	na	na	na	na	na	na	na	-19%	11%	70%	0.18	3.9%	40%
SPRT	Support.com	2.84	53	4	na	na	na	na	na	na	na	na	2%	21%	31%	0.13	0.2%	10%
SVVC	First Technology	9.69	71	64	na	na	na	na	na	na	na	na	-2%	17%	20%	0.45	0.0%	8%
WSTL	Westell	3.18	50	24	na	na	na	na	na	na	na	na	-9%	-24%	2%	0.18	0.1%	32%
Select Micro Caps and Those with No Rev. Estimates Media					94	na	na	na	na	na	na	na	-2%	7%	3%	0.15	0.2%	12%

Data Source: S&P Capital IQ | EV = Enterprise value | EBITDA = Earnings before int., tax, depr., amort. | FCF = Free cash flow

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