

SaaS Software Cloud Update – June 2018

Public Markets and M&A Activity

The Navidar SaaS Software Cloud Index remained flat in June and advanced 19.6% so far in 2018, compared with the NASDAQ's +0.9% and +8.8%, the Russell 2000's +0.7% and +7.4%, and the S&P 500's +0.5% and +1.7%, respectively. 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.

Twitter (NYSE: TWTR +25.9%) – the social media platform provider was added to the S&P 500 stock index, a move that meant mutual funds and exchange-traded funds, bought TWTR shares to ensure they have the proper weighting. TWTR visibility has skyrocketed since President Donald Trump entered the White House, who has been using the digital communications platform to tweet messages on topics from trade and the economy. The Company will be added to the broad "information technology" sector of the S&P 500.

Snap (NYSE: SNAP +14.9%) – the social media provider is reportedly working on a gaming platform for its signature application, slated for launch later this year. SNAP decided to reverse the most controversial component of its redesign last month. From helping SeatGeek drum up event ticket sales, to landing cable network giants the young viewers, the Company is growing despite the lack of respect it has historically garnered on Wall Street. SNAP CEO Evan Spiegel gave a rare television interview to CNBC at the Cannes Lions Festival, indicating that the Company was open to pursuing inorganic growth opportunities.

Coupa Software (NASDAQ: COUP +16.6%) – the cloud-based spend management platform provider reported strong 1Q19 results, outperforming top and bottom-line expectations. COUP revenues increase by 37% to \$56.4M in 1Q19, compared to the same quarter last year. Subscription revenue grew by 40% Y-o-Y to \$50.0M. Adjusted EBIT was reported at \$0.3M during the quarter, compared to a loss of (\$4.6M) in 1Q18. The Company expanded its customer base by adding blue chip and high growth customers and is believed to be well positioned to deliver on its business and financial objectives for the year. Its cumulative spending under management reached \$747B, and is expected to surpass \$1T during the current fiscal.

2U (NASDAQ: TWOU –11.9%) – the online education services provider announced plans to acquire Critiquelt, a digital annotation tool provider, which allows marking of images, documents, videos and presentations, in real time. The deal is part of TWOU efforts to improve the technology of online learning by boosting interaction between teachers and students. The terms of the deal were not disclosed.



Zscaler (NASDAQ: ZS +36.1%) – the security software provider reported strong 3Q18 results, beating analyst expectations. ZS revenues grew 49% Y-o-Y to \$49.2M, beating street forecast of \$46M. It reported calculated billings growth of 73%, compared to street estimate of 42%, driven by strong demand for its cloud security platform. The Company saw its gross margin expand to 81% during the quarter, along with improving operating margin, which improved by 9 percentage points Y-o-Y. ZS reported loss per share of \$0.02, beating street forecasts of \$0.08 loss per share. The company ended the quarter with cash and cash equivalents of \$287M.

Yext (NYSE: YEXT +25.7%) – the digital knowledge management provider announced an expanded partnership with Yelp (NYSE: YELP), to provide businesses greater control over their digital knowledge online. YEXT, as an official YELP Knowledge Partner, can now offer businesses of all sizes and channels the ability to monitor YELP reviews and leverage data-driven insights. Additionally, businesses of all sizes can now use YEXT to manage YELP listing data. The partnership strengthens YEXT existing multifaceted relationship with YELP as a member of the PowerListings Network, which includes solutions for mutual enterprise customers and small businesses.

Cloudera (NYSE: CLDR –15.9%) – the big data specialist reported better than expected 1Q19 results but provided lower guidance. Revenues grew by 29% Y-o-Y to \$102.7M, slightly beating street estimate of \$101.5M. CLDR reported adjusted loss of (\$0.17) per share, in line with street estimates. The Company estimates a loss of (\$0.15-0.13) per share on revenues of \$107-108M for 2Q19 and a loss of (\$0.62-0.59) per share on revenues of \$435-445M for FY2019.

Web.com Group (NASDAQ: WEB +32.2%) – the online marketing solutions provider announced plans to be acquired by an affiliate of Siris Capital Group, for ~\$2B, in an all-cash deal, representing a 30% premium over WEB 90-day weighted average price. Under the terms of the agreement, an affiliate of Siris will acquire all of the outstanding common stock of WEB for \$25.0 per share in cash. The Company may solicit alternative acquisition proposals from third parties during a "go-shop" period from the date of the agreement (June 21, 2018) until August 5, 2018. The transaction will provide WEB shareholders with immediate and substantial cash value, along with a partner that can add strategic and operational value.

Faster Growth

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

Ticker	6/30 \$Price	June %ch	Ticker	6/30 \$Price	June %ch
AMZN	1699.80	4.3	PAYC	98.83	-6.3
APPF	61.15	3.3	PCTY	58.86	-1.5
AYX	38.16	12.2	QTWO	57.05	-0.2
BL	43.43	4.3	RNG	70.35	-7.1
BOX	24.99	-2.7	SAIL	24.54	-5.9
CDLX	21.76	6.6	SEND	26.52	-0.1
CRM	136.40	5.5	SHOP	145.89	-1.5
COUP	62.24	16.6	SNAP	13.09	14.9
EVBG	47.42	2.9	TEAM	62.52	-2.0
FB	194.32	1.3	TWLO	56.02	3.8
HDP	18.22	2.5	TWOU	83.56	-11.9
HUBS	125.40	3.5	WDAY	121.12	-7.5
INST	42.55	-1.0	WIX	100.30	15.4
MB	38.60	-2.0	YEXT	19.34	25.7
MULE	0.00	0.0	ZEN	54.49	-2.5
NOW	172.47	-2.9	ZS	35.75	36.1
OKTA	50.37	-10.4			

Slower Growth

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

Ticker	6/30 \$Price	June %ch	Ticker	6/30 \$Price	June %ch
AAPL	185.11	-0.9	GWRE	88.78	-4.4
ALRM	40.38	-9.1	IBM	139.70	-1.1
AMBR	9.41	4.1	INTU	204.31	1.3
APPN	36.16	13.4	LOGM	103.25	-4.3
APTI	36.20	9.6	LPSN	21.10	9.0
ASUR	15.95	-9.0	MODN	18.60	4.2
ATHN	159.14	5.8	MSFT	98.61	-0.2
BCOV	9.65	-5.9	ORCL	44.06	-5.7
BNFT	33.60	0.1	PEGA	54.80	-11.4
CHUB.K	0.00	0.0	PYPL	83.27	1.5
CLDR	13.64	-15.9	RST	16.03	-1.2
CSCO	43.03	0.7	RP	55.10	-6.2
CSLT	4.25	18.1	SAP	115.48	2.9
CSOD	47.43	-4.1	SPSC	73.48	-1.3
CTXS	104.84	-0.7	SREV	3.94	-6.0
DATA	97.75	-1.1	STMP	253.05	0.9
DBX	32.42	8.1	TWTR	43.67	25.9
EBAY	36.26	-3.9	ULTI	257.31	-1.8
ECOM	14.05	-5.1	UPLD	34.37	-3.9
EGAN	15.10	18.0	VEEV	76.86	-0.6
ELLI	103.84	-2.3	VRNS	74.50	-4.1
ENV	54.95	3.9	WAGE	50.00	5.4
FNGN	44.90	0.6	WEB	25.85	32.2
GDDY	70.60	-1.4	WK	24.40	-6.2
GOOGL	1129.19	2.7			

Indexes

(% change in June)

Faster SaaS	0.0	NASDAQ	0.9
Slower SaaS	-0.7	S&P 500	0.5
Others	0.0	Russell2000	0.7
Overall SaaS	-0.2	S&P Volatility	4.3

Data source: S&P Capital IQ. 6/30/2018 Prices. 6/1-30/2018 %Change. All investing involves risk, including the risk of losing the entire investment. Prices are subject to change without prior notice.

More M&A

- **AT&T (NYSE: T)** announced plans to acquire AppNexus, for ~\$1.6B (rumored). AppNexus operates as a global advertising marketplace, providing enterprise products for digital advertising – serving publishers, agencies and marketers. With the proposed deal, T is investing to accelerate the growth of its advertising platform and strengthen its leadership in advanced TV advertising, competing with Google (NASDAQ: GOOGL) and Facebook (NASDAQ: FB).
- **Workday (NASDAQ: WDAY)** announced plans to acquire Adaptive Insights (NYSE: ADIN), for ~\$1.6B. ADIN offers cloud-based platform for modernizing business planning. The proposed deal will assist WDAY in accelerating its roadmap for business planning and provide customers with the cloud system to accelerate finance and business transformational activities.
- **Twitter (NYSE: TWTR)** acquired Smyte, for an undisclosed consideration. Smyte offers tools to stop online abuse, harassment and spam, and protect user accounts. The deal assists TWTR monitor and manage reports of abuse, and take aim at bots, scammers and a number of other threats today's social networks face.
- **Upland Software (NASDAQ: UPLD)** acquired RO Innovation, for ~\$12.5M. RO Innovation offers cloud-based customer reference solution for creating, deploying, managing, and measuring customer reference and sales enablement content. The business will be combined with Qvidian, UPLD cloud-based RFP and sales proposal automation solution.

Select Horizontal Companies¹

Ticker	6/30 \$Price	June %ch	Ticker	6/30 \$Price	June %ch
AAPL	185.11	-0.9	MRIN	5.80	-0.9
APPN	36.16	13.4	MSFT	98.61	-0.2
APTI	36.20	9.6	MULE	0.00	0.0
ASUR	15.95	-9.0	NOW	172.47	-2.9
AYX	38.16	12.2	OKTA	50.37	-10.4
BCOV	9.65	-5.9	ORCL	44.06	-5.7
BL	43.43	4.3	PAYC	98.83	-6.3
BNFT	33.60	0.1	PCTY	58.86	-1.5
BOX	24.99	-2.7	PEGA	54.80	-11.4
CCUR	5.32	1.9	PGQW	0.20	0.0
CHUB.K	0.00	0.0	PYDS	1.65	-1.2
CLDR	13.64	-15.9	PYPL	83.27	1.5
COUP	62.24	16.6	RNG	70.35	-7.1
CRM	136.40	5.5	SAP	115.48	2.9
CSCO	43.03	0.7	SEND	26.52	-0.1
CSOD	47.43	-4.1	SHSP	8.74	8.6
CTXS	104.84	-0.7	SMSI	2.29	11.2
DATA	97.75	-1.1	SNAP	13.09	14.9
DBX	32.42	8.1	SPRT	2.85	-0.7
EGAN	15.10	18.0	SREV	3.94	-6.0
EVBG	47.42	2.9	TEAM	62.52	-2.0
FNJN	3.40	17.2	TWLO	56.02	3.8
GDDY	70.60	-1.4	ULTI	257.31	-1.8
GOOGL	1129.19	2.7	UPLD	34.37	-3.9
GSB	3.87	1.3	VRNS	74.50	-4.1
HDP	18.22	2.5	WAGE	50.00	5.4
HUBS	125.40	3.5	WDAY	121.12	-7.5
IBM	139.70	-1.1	WEB	25.85	32.2
INTU	204.31	1.3	WK	24.40	-6.2
LOGM	103.25	-4.3	YEXT	19.34	25.7
LPSN	21.10	9.0	ZEN	54.49	-2.5
LVT	0.36	15.9	ZS	35.75	36.1
MFON	1.04	-1.0			

Select Vertical Companies²

Ticker	6/30 \$Price	June %ch	Ticker	6/30 \$Price	June %ch
ACTA	0.73	0.1	INST	42.55	-1.0
AKDS	0.38	-2.6	INUV	0.77	4.1
ALRM	40.38	-9.1	IPAS	0.34	-22.2
AMBR	9.41	4.1	MB	38.60	-2.0
AMZN	1699.80	4.3	MODN	18.60	4.2
APPF	61.15	3.3	QTWO	57.05	-0.2
ATHN	159.14	5.8	RP	55.10	-6.2
CDLX	21.76	6.6	RST	16.03	-1.2
COYN	0.01	-78.3	SAIL	24.54	-5.9
CSLT	4.25	18.1	SCIL	0.72	-15.6
CSTI	9.20	8.2	SHOP	145.89	-1.5
CXDO	2.60	-7.1	SNCR	6.17	7.7
EBAY	36.26	-3.9	SPSC	73.48	-1.3
ECOM	14.05	-5.1	STMP	253.05	0.9
ELLI	103.84	-2.3	SVVC	14.17	17.3
ENV	54.95	3.9	TWOU	83.56	-11.9
EVOL	2.85	-13.6	TWTR	43.67	25.9
FB	194.32	1.3	VEEV	76.86	-0.6
FNGN	44.90	0.6	WIX	100.30	15.4
GSVC	6.86	2.1	WSTL	2.85	-2.1
GWRE	88.78	-4.4			

Indexes (% change in June)

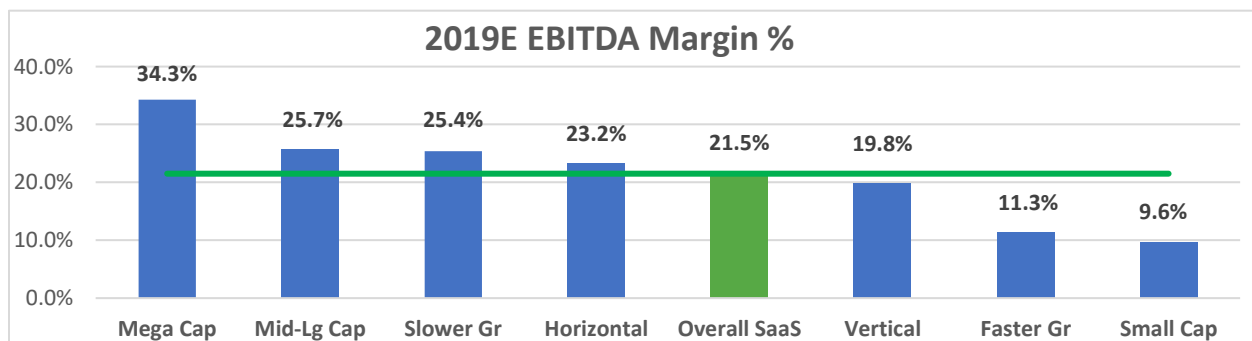
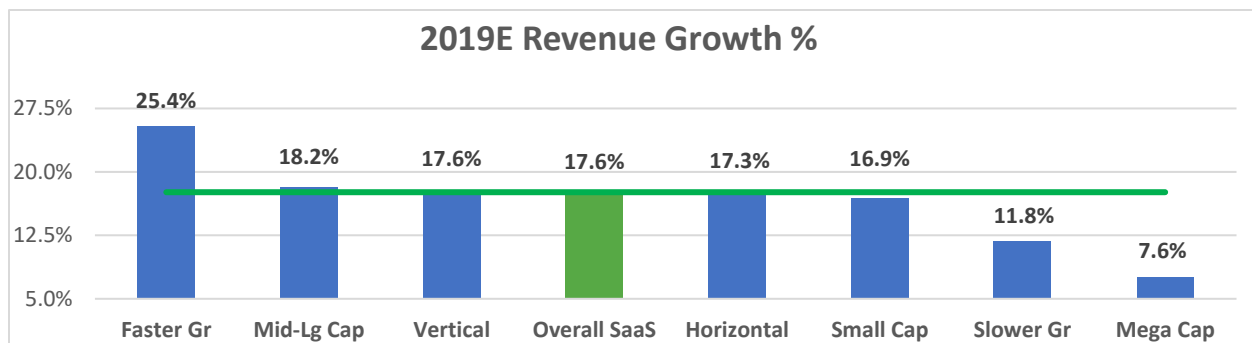
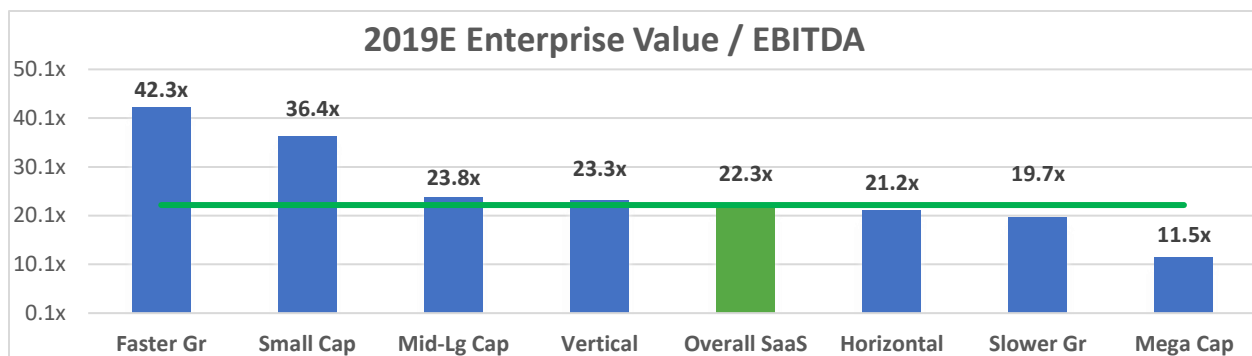
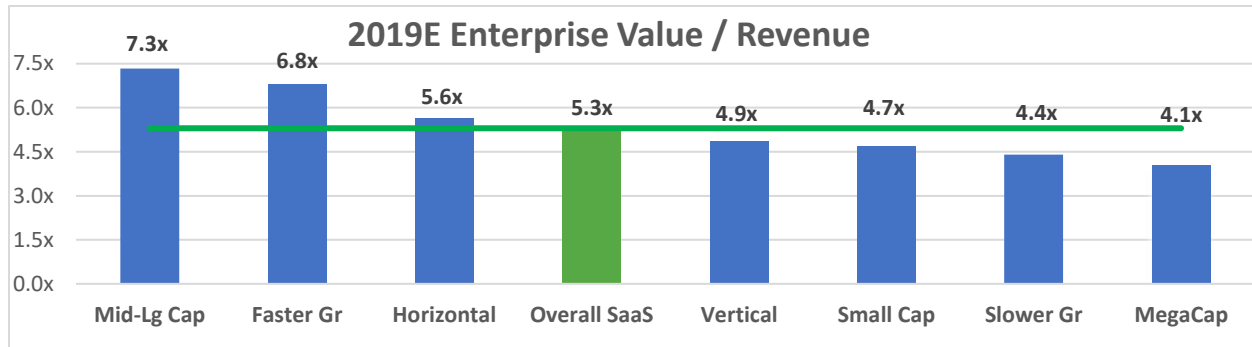
Horizontal SaaS	0.0	NASDAQ	0.9
Vertical SaaS	-0.6	S&P 500	0.5
Overall SaaS	-0.1	Russell2000	0.7
		S&P Volatility	4.3

Data source: S&P Capital IQ. 6/30/2018 Prices. 6/1-30/2018 %Change. All investing involves risk, including the risk of losing the entire investment. Prices are subject to change without prior notice.

¹ Horizontal companies provide software that can be used in almost all industries

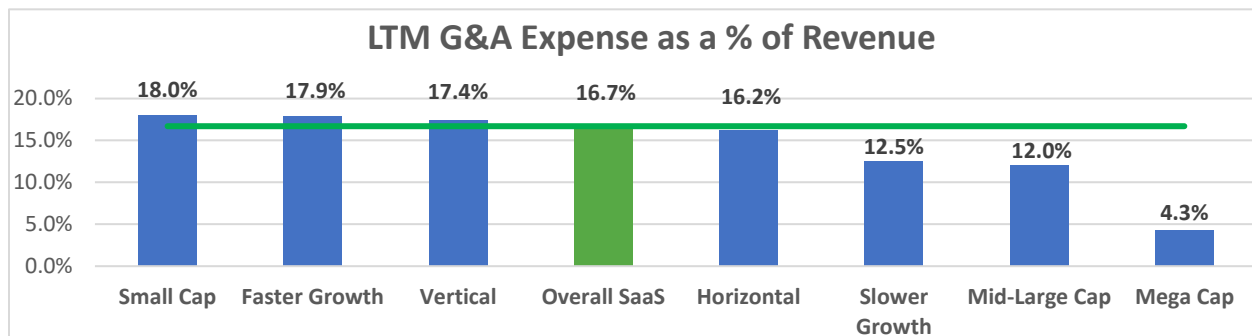
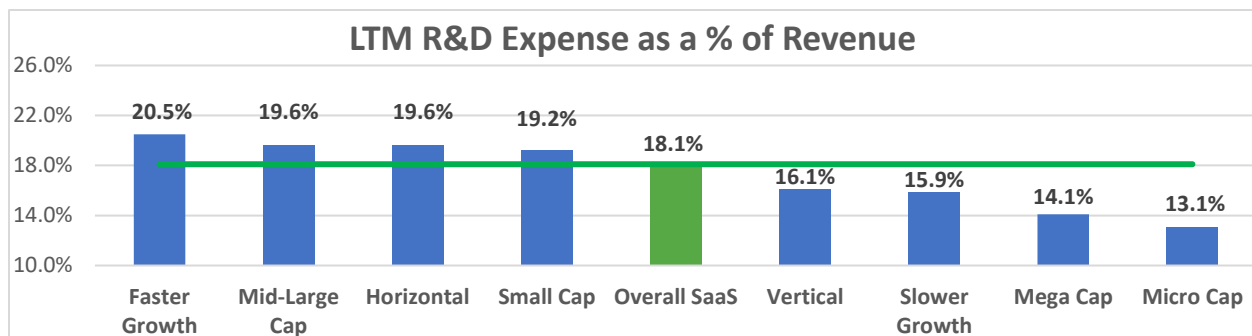
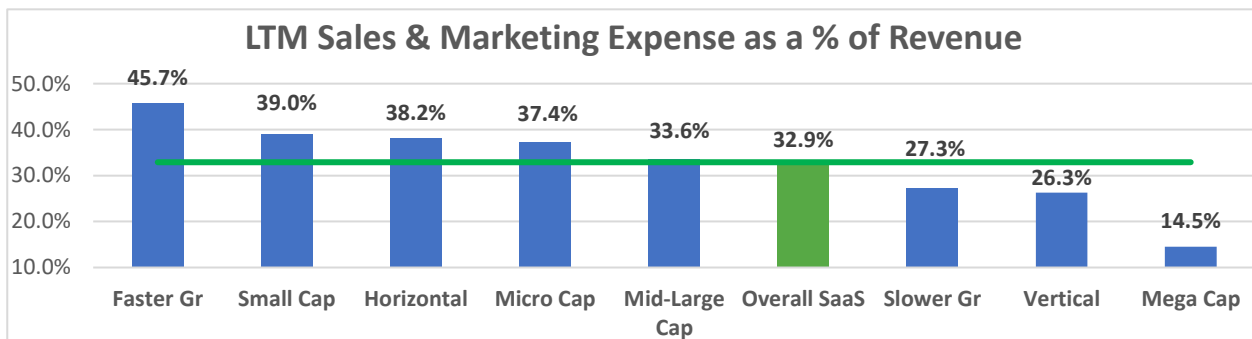
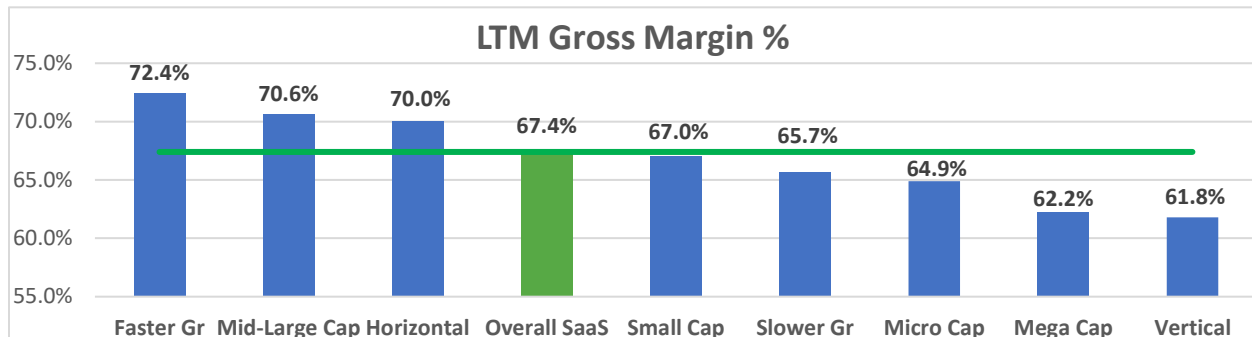
² Vertical companies provide software for specific industries

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** = 2019E rev gr >20% | **Slow Growth** = 2019E 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** = 2019E rev gr >20% | **Slow Gr** = 2019E 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

Ticker	Company Name	6/30/18 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	\$1,699.80	\$824,789	\$844,313	\$290,546	22%	13.5%	20%	2.9x	2.4x	34.2x	24.7x	5%	17%	76%	6,228.25	1.2%	16%
APPF	AppFolio	61.15	2,090	2,044	224	23%	25.4%	21%	9.1x	7.5x	49.1x	na	5%	50%	88%	10.93	3.3%	42%
AYX	Alteryx	38.16	2,313	2,134	245	32%	na	31%	8.7x	6.7x	74.4x	53.1x	14%	12%	95%	39.23	23.8%	19%
BL	BlackLine	43.43	2,321	2,207	281	25%	6.8%	26%	7.9x	6.2x	na	90.1x	7%	11%	22%	20.51	4.7%	17%
BOX	Box	24.99	3,509	3,382	735	21%	6.3%	13%	4.6x	4.1x	41.4x	na	-10%	22%	37%	151.87	7.4%	5%
CDLX	Cardlytics	21.76	441	410	243	57%	4.0%	36%	1.7x	1.2x	na	43.3x	2%	49%	0%	3.80	13.5%	6%
COUP	Coupa	62.24	3,548	3,283	292	24%	3.6%	29%	11.2x	8.7x	na	72.6x	18%	36%	115%	63.09	7.0%	1%
CRM	salesforce.com	136.40	101,333	98,162	15,768	20%	23.6%	19%	6.2x	5.2x	29.4x	23.4x	5%	17%	58%	711.05	2.6%	5%
EVBG	Everbridge	47.42	1,363	1,302	175	26%	1.5%	23%	7.4x	6.0x	na	na	3%	30%	95%	20.95	8.7%	11%
FB	Facebook	194.32	562,484	518,528	71,742	27%	59.7%	23%	7.2x	5.9x	25.5x	19.2x	4%	22%	29%	3,562.88	1.2%	17%
HDP	Hortonworks	18.22	1,440	1,351	407	23%	na	23%	3.3x	2.7x	51.0x	27.9x	4%	-11%	41%	24.45	10.0%	3%
HUBS	HubSpot	125.40	4,817	4,590	612	25%	10.8%	23%	7.5x	6.1x	83.5x	na	4%	16%	91%	72.87	11.6%	6%
INST	Instructure	42.55	1,461	1,324	261	26%	na	26%	5.1x	4.0x	na	na	0%	1%	44%	11.99	3.5%	10%
MB	MINDBODY	38.60	1,832	1,629	314	26%	5.2%	26%	5.2x	4.1x	na	57.7x	-1%	-1%	42%	27.33	20.0%	4%
NOW	ServiceNow	172.47	30,471	29,740	3,344	29%	27.8%	27%	8.9x	7.0x	31.9x	24.1x	-3%	4%	63%	295.49	6.2%	1%
OKTA	Okta	50.37	5,370	5,083	471	32%	na	30%	10.8x	8.3x	na	94.6x	-9%	26%	121%	137.81	9.0%	12%
PAYC	Paycom	98.83	5,837	5,804	673	23%	40.6%	23%	8.6x	7.0x	36.8x	25.4x	-6%	-8%	44%	91.03	15.3%	16%
PCTY	Paylocity	58.86	3,099	2,970	501	22%	23.7%	na	5.9x	na	44.5x	na	-2%	15%	30%	16.53	5.0%	34%
Q TWO	Q2 Holdings	57.05	2,423	2,304	293	23%	11.9%	21%	7.9x	6.5x	na	na	-1%	25%	54%	23.51	4.9%	2%
RNG	RingCentral	70.35	5,537	5,339	792	23%	12.5%	26%	6.7x	5.3x	na	69.2x	-7%	11%	92%	58.32	3.4%	14%
SAIL	SailPoint	24.54	2,140	2,077	280	23%	9.1%	24%	7.4x	6.0x	70.4x	47.7x	-2%	19%	0%	35.22	3.3%	10%
SEND	SendGrid	26.52	1,174	1,022	176	24%	11.7%	22%	5.8x	4.8x	na	na	-1%	-6%	0%	16.44	2.1%	7%
SHOP	Shopify	145.89	15,486	13,906	1,398	37%	6.7%	33%	10.0x	7.5x	na	62.7x	0%	17%	68%	239.56	10.9%	15%
SNAP	Snap	13.09	16,469	14,664	1,695	44%	na	42%	8.7x	6.1x	na	na	19%	-18%	-26%	422.19	15.6%	36%
TEAM	Atlassian	62.52	14,631	13,867	1,241	26%	26.0%	na	11.2x	na	34.7x	25.1x	-1%	16%	78%	78.21	9.6%	34%
TWLO	Twilio	56.02	5,365	5,057	668	23%	5.3%	28%	7.6x	5.9x	na	na	4%	47%	92%	151.97	6.4%	13%
TWOU	2U	83.56	4,783	4,624	541	32%	5.2%	34%	8.5x	6.4x	na	na	-10%	-1%	78%	64.68	9.9%	1%
WDAY	Workday	121.12	26,162	24,306	3,314	23%	20.4%	22%	7.3x	6.0x	45.6x	39.3x	-8%	-5%	25%	233.46	9.1%	31%
WIX	Wix.com	100.30	4,703	4,439	753	26%	22.8%	23%	5.9x	4.8x	29.4x	20.2x	18%	26%	44%	69.72	7.6%	3%
YEXT	Yext	19.34	1,873	1,749	298	32%	na	28%	5.9x	4.6x	na	na	28%	53%	45%	28.08	7.5%	22%
ZEN	Zendesk	54.49	5,697	5,399	734	29%	9.1%	30%	7.4x	5.7x	74.5x	39.2x	-3%	14%	96%	89.04	3.8%	4%
ZS	Zscaler	35.75	4,276	3,988	280	32%	1.6%	25%	14.3x	11.4x	na	na	40%	27%	0%	53.63	9.5%	53%
Select Faster Growth (2019E Rev. Growth >20%) Median					521	25%	11.3%	25%	6.8x	6.0x	43.0x	39.3x	1%	17%	60%	63.89	7.5%	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

Ticker	Company Name	6/30/18 Price	Market Cap	Enterprise Value (EV)	2019E Street Sales	2019E Growth	EBITDA margin	2020E Growth	EV/Sales CY19E	EV/Sales CY20E	EV/FCF CY19E	EV/FCF CY20E	Price % Change From 1M	Price % Change From 3M	Price % Change From 12M	60D avg \$Volume	Short as % of Float	Insider Ownership
Slower Growth (2019E Revenue Growth < 20%, excluding Micro Caps)																		
AAPL	Apple	\$185.11	\$909,841	943,741	\$271,528	3%	30.9%	2%	3.5x	3.4x	14.7x	14.0x	-1%	10%	29%	4,944.59	1.0%	0%
ALRM	Alarm.Com	40.38	1,910	1,883	429	12%	22.6%	12%	4.4x	3.9x	30.0x	19.8x	-8%	7%	7%	21.23	14.9%	4%
AMBR	Amber Road	9.41	257	270	94	10%	4.3%	na	2.9x	na	60.6x	na	3%	6%	10%	1.05	0.8%	9%
APPN	Appian	36.16	2,215	2,154	240	18%	na	18%	9.0x	7.6x	na	na	15%	44%	99%	20.10	13.4%	0%
APTI	Apptio	36.20	1,581	1,442	267	17%	6.1%	16%	5.4x	4.7x	61.6x	26.0x	12%	28%	109%	22.50	6.9%	20%
ASUR	Asure Software	15.95	239	330	105	15%	23.8%	10%	3.2x	2.9x	36.3x	na	-10%	30%	9%	3.63	20.0%	6%
ATHN	AthenaHealth	159.14	6,431	6,558	1,485	10%	28.2%	10%	4.4x	4.0x	41.2x	26.9x	5%	11%	13%	80.78	5.4%	1%
BCOV	Brightcove	9.65	341	315	183	9%	4.7%	na	1.7x	na	51.1x	na	-7%	39%	56%	2.41	0.8%	2%
BNFT	Benefitfocus	33.60	1,067	1,135	286	12%	7.4%	14%	4.0x	3.5x	na	na	1%	38%	-8%	10.77	15.1%	18%
CLDR	Cloudera	13.64	2,021	1,592	526	19%	na	19%	3.0x	2.5x	na	na	-15%	-37%	-15%	27.88	6.9%	3%
CSCO	Cisco	43.03	202,365	176,072	51,570	3%	34.3%	6%	3.4x	3.2x	11.6x	na	0%	0%	37%	965.00	1.1%	0%
CSLT	Castlight Health	4.25	578	509	181	18%	4.9%	18%	2.8x	2.4x	60.1x	25.9x	13%	16%	2%	2.81	5.7%	5%
CSOD	Cornerstone	47.43	2,736	2,656	560	10%	22.9%	14%	4.7x	4.2x	28.6x	19.0x	-5%	21%	33%	29.04	3.9%	9%
CTXS	Citrix	104.84	14,208	14,881	3,005	3%	31.7%	5%	5.0x	4.7x	15.5x	14.7x	-2%	13%	32%	199.26	6.9%	1%
DATA	Tableau	97.75	7,971	7,105	1,120	14%	7.3%	20%	6.3x	5.3x	34.4x	31.5x	-2%	21%	60%	91.50	5.1%	17%
DBX	DropBox	32.42	12,981	12,305	1,582	17%	21.5%	16%	7.8x	6.7x	28.4x	23.9x	6%	4%	0%	153.56	9.8%	34%
EBAY	eBay	36.26	36,042	40,492	11,902	8%	33.1%	9%	3.4x	3.1x	15.4x	13.3x	-4%	-10%	4%	319.32	2.8%	6%
ECOM	ChannelAdvisor	14.05	381	326	140	7%	7.6%	6%	2.3x	2.2x	37.2x	19.0x	-4%	54%	22%	1.84	0.9%	5%
EGAN	eGain	15.10	415	411	74	13%	8.0%	na	5.6x	na	na	na	22%	90%	815%	6.20	3.5%	37%
ELLI	Ellie Mae	103.84	3,567	3,335	587	18%	28.4%	17%	5.7x	4.9x	34.3x	29.1x	-5%	13%	-6%	48.81	20.0%	2%
ENV	Envestnet	54.95	2,485	2,864	919	12%	20.1%	14%	3.1x	2.7x	22.0x	19.7x	0%	-4%	39%	21.81	4.4%	4%
FNGN	Financial Engines	44.90	2,861	2,622	561	9%	33.9%	5%	4.7x	4.4x	15.0x	13.9x	0%	28%	23%	38.34	1.0%	1%
GDDY	GoDaddy	70.60	11,072	13,059	2,944	12%	27.2%	11%	4.4x	4.0x	17.7x	15.1x	-2%	15%	66%	151.10	3.6%	0%
GOOGL	Alphabet	1129.19	779,553	681,970	160,910	18%	36.7%	17%	4.2x	3.6x	20.9x	16.5x	5%	9%	21%	2,027.84	0.5%	12%
GWRE	Guidewire	88.78	7,126	6,434	834	18%	21.7%	na	7.7x	na	40.2x	na	-5%	10%	29%	56.64	5.9%	0%
IBM	IBM	139.70	128,240	161,987	80,875	0%	24.4%	0%	2.0x	2.0x	13.1x	12.0x	-2%	-9%	-9%	581.74	1.7%	0%
INTU	Intuit	204.31	52,422	50,936	6,833	11%	36.3%	12%	7.5x	6.7x	23.2x	na	2%	18%	54%	295.41	1.4%	4%
LOGM	LogMeIn	103.25	5,391	5,026	1,316	8%	37.9%	7%	3.8x	3.6x	12.2x	10.7x	-6%	-11%	-1%	60.08	6.3%	2%
LPSN	LivePerson	21.10	1,281	1,224	270	12%	10.9%	na	4.5x	na	na	na	8%	29%	92%	11.74	2.9%	8%
MODN	Model N	18.60	568	570	157	4%	9.6%	na	3.6x	na	38.7x	na	3%	3%	40%	4.13	0.9%	16%
MSFT	Microsoft	98.61	757,640	713,988	125,675	9%	42.8%	12%	5.7x	5.1x	17.4x	16.9x	0%	8%	43%	2,550.11	0.7%	1%
ORCL	Oracle	44.06	175,410	169,424	41,794	4%	46.9%	2%	4.1x	4.0x	10.9x	11.1x	-6%	-4%	-12%	741.17	1.1%	29%
PEGA	Pegasystems	54.80	4,306	4,051	1,063	11%	16.0%	21%	3.8x	3.1x	24.2x	26.2x	-13%	-10%	-6%	29.97	2.4%	52%
PYPL	PayPal Holdings	83.27	98,874	89,363	17,806	16%	26.8%	17%	5.0x	4.3x	22.5x	18.8x	2%	10%	55%	679.46	1.3%	5%
RST	Rosetta Stone	16.03	362	326	194	12%	4.3%	5%	1.7x	1.6x	na	na	-4%	22%	49%	2.59	1.9%	8%
RP	RealPage	55.10	4,965	5,513	971	12%	27.9%	10%	5.7x	5.2x	28.6x	23.4x	-6%	7%	53%	57.69	4.0%	3%
SAP	SAP	115.48	137,817	137,405	30,550	8%	33.6%	8%	4.5x	4.2x	27.0x	22.1x	3%	10%	10%	0.90	0.0%	1%
SPSC	SPS Commerce	73.48	1,276	1,110	267	10%	19.8%	9%	4.2x	3.8x	31.1x	31.6x	-1%	15%	15%	11.04	1.3%	1%
SREV	ServiceSource	3.94	358	320	262	6%	10.8%	na	1.2x	na	36.9x	na	-8%	3%	2%	1.68	1.2%	4%
STMP	Stamps.com	253.05	4,536	4,423	645	17%	48.3%	na	6.9x	na	17.7x	na	0%	26%	63%	81.45	10.9%	5%
TWTR	Twitter	43.67	32,748	30,028	3,302	13%	39.1%	10%	9.1x	8.3x	37.9x	36.0x	27%	51%	144%	1,245.23	7.9%	10%
ULTI	Ultimate Software	257.31	7,877	7,739	1,307	17%	25.7%	18%	5.9x	5.0x	40.6x	31.4x	-3%	6%	22%	71.37	6.6%	4%
UPLD	Upland Software	34.37	740	867	148	8%	36.5%	na	5.9x	na	23.7x	na	-4%	19%	56%	8.53	1.6%	14%
VEEV	Veeva Systems	76.86	11,025	10,106	975	18%	33.7%	17%	10.4x	8.9x	33.2x	27.7x	0%	5%	25%	87.81	4.3%	10%
VRNS	Varonis Systems	74.50	2,142	1,988	316	18%	5.3%	17%	6.3x	5.4x	71.1x	49.2x	-4%	23%	100%	28.44	1.1%	2%
WAGE	WageWorks	50.00	1,982	1,334	542	6%	32.6%	7%	2.5x	2.3x	na	na	7%	11%	-26%	20.14	7.0%	1%
WEB	Web.com Group	25.85	1,287	1,927	766	2%	25.4%	2%	2.5x	2.5x	14.3x	14.7x	32%	43%	2%	28.75	2.8%	4%
WK	Workiva	24.40	1,043	981	268	13%	na	13%	3.7x	3.2x	na	na	-6%	3%	28%	4.56	3.0%	44%
Select Slower Growth (2019E Rev. Growth < 20%) Median					705	12%	25.4%	12%	4.4x	4.0x	28.5x	19.8x	-1%	11%	28%	29.50	3.5%	4%

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	6/30/18 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																		
ACTA	Actua	\$0.73	\$22	\$5	na	na	na	na	na	na	na	na	0%	-5%	-95%	0.00	0.0%	4%
AKDS	Arkados Group	0.38	11	17	na	na	na	na	na	na	na	na	-5%	-30%	-56%	0.04	0.1%	11%
CCUR	Concurrent	5.32	49	(12)	na	na	na	na	na	na	na	na	2%	11%	-20%	0.09	0.4%	43%
COYN	COPSync	0.01	0	na	na	na	na	na	na	na	na	na	-78%	-72%	-95%	0.00	0.2%	0%
CSTI	Costar	9.20	14	22	na	na	na	na	na	na	na	na	8%	10%	-8%	0.01	0.0%	0%
CXDO	Crexendo	2.60	37	36	na	na	na	na	na	na	na	na	-9%	-7%	43%	0.00	1.1%	74%
EVOL	Evolving Systems	2.85	35	34	na	na	na	na	na	na	na	na	-14%	-41%	-45%	0.04	0.0%	33%
FNJN	FinJan	3.40	94	14	71	-30%	63.6%	40%	0.2x	0.1x	na	na	18%	5%	4%	0.94	3.8%	3%
GSB	GlobalSCAPE	3.87	84	68	na	na	na	na	na	na	na	na	-1%	5%	-27%	0.12	0.1%	21%
GSVC	GSV Capital	6.86	145	142	1	3%	na	na	na	na	na	na	3%	-9%	58%	0.83	0.0%	1%
INUV	Inuvo	0.77	25	26	104	15%	5.8%	na	0.2x	na	na	na	8%	-16%	-24%	0.07	1.2%	16%
IPAS	iPass	0.34	25	22	67	25%	5.0%	na	0.3x	na	na	na	-11%	-9%	-74%	0.21	2.0%	2%
MFON	Mobivity	1.04	41	42	na	na	na	na	na	na	na	na	-1%	-5%	32%	0.02	0.0%	17%
MRIN	Junein Software	5.80	33	14	na	na	na	na	na	na	na	na	-2%	-13%	-36%	0.08	3.1%	29%
PGQW.F	1-Page	0.20	31	11	na	na	na	na	na	na	na	na	0%	152%	63%	0.00	0.7%	12%
PYDS	Payment Data Sys	1.65	26	23	32	20%	0.7%	na	0.7x	na	na	na	-1%	-9%	36%	0.17	5.2%	45%
SCIL	Scientific	0.72	20	na	na	na	na	na	na	na	na	na	-8%	18%	55%	0.01	0.0%	0%
SHSP	SharpSpring	8.74	74	70	23	28%	na	na	3.0x	na	na	na	9%	37%	93%	0.40	0.9%	18%
SMSI	Smith Micro	2.29	56	56	na	na	na	na	na	na	na	na	12%	31%	57%	0.68	18.8%	24%
SPRT	Support.com	2.85	53	6	na	na	na	na	na	na	na	na	-1%	3%	22%	0.10	0.1%	8%
SVVC	First Technology	14.17	103	103	na	na	na	na	na	na	na	na	19%	26%	69%	0.61	0.0%	4%
WSTL	Westell	2.85	45	17	na	na	na	na	na	na	na	na	-1%	-15%	-9%	0.20	0.6%	32%
Select Micro Caps and Those with No Rev. Estimates Med					32	na	na	na	na	na	na	na	-1%	-5%	4%	0.09	0.2%	16%

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

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