



Public Market Update

March 2020



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Years of Experience

Billions

in Aggregate Transaction Value

1,000s

of Buyer Relationships

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- Exclusive focus on sell-side advisory services for 25+ years
- Services include:
 - Strategic M&A
 - Majority Recapitalizations
 - Divestitures
 - Board Advisory

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**SEG Snapshot: 2019 Real Estate
Software M&A Update**



**SEG Snapshot: 2020 Annual
Software Industry Report**



**SEG Snapshot: 2019 Annual
Software Industry Report**



**SEG Snapshot: 2019 GovTech
M&A Update**

SEG M&A Stories

Our business is built on excellent outcomes and enthusiastic client references. SEG M&A Stories are a unique way to gain insight into the M&A process from former SEG clients themselves. Check out our recent videos from SEG clients LeaseLabs, Nexternal, Bigfoot, and Indatus.



Dana Zeff (Founder & CEO) & Steven Ozbun (President), LeaseLabs



Alex Gile, Co-Founder & President, Nexternal



Paul Lachance, Co-Founder, Bigfoot



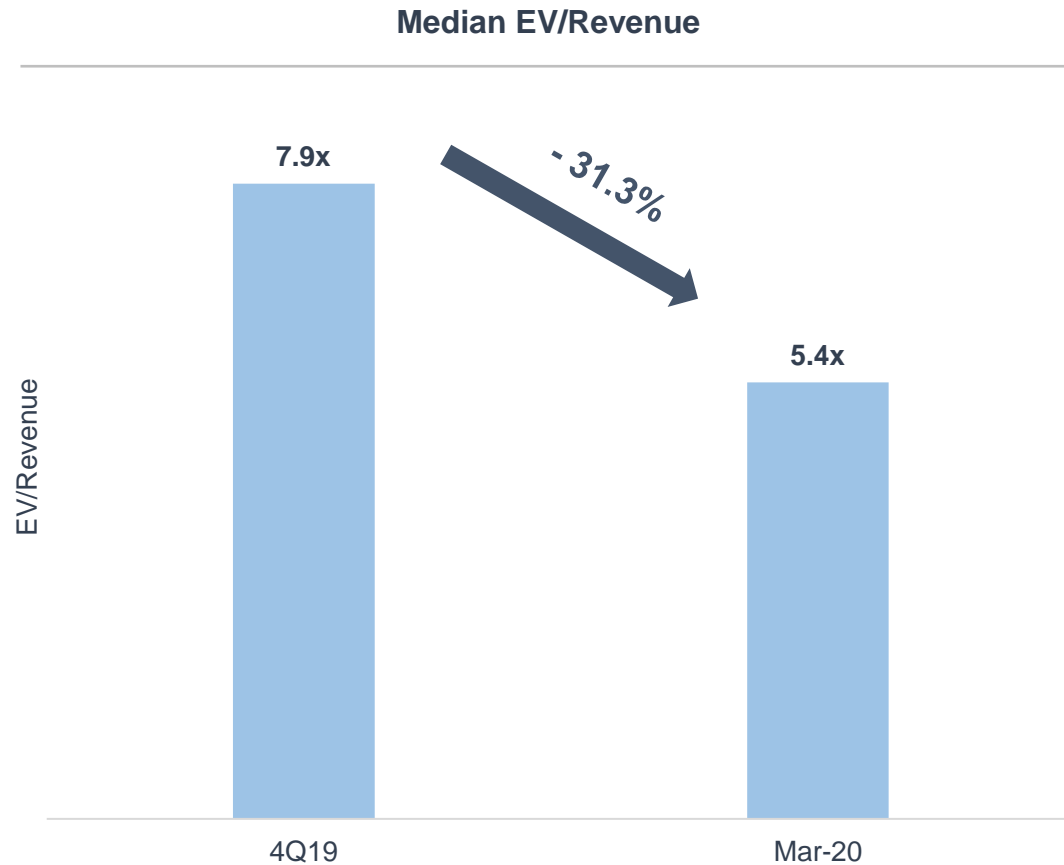
David Durik, CEO, Indatus

Public Market Update: March 2020

- The COVID-19 Pandemic, and associated market uncertainty, has caused a significant sell-off of public equities in a flight to cash.
- The NASDAQ and SEG SaaS Indices have outperformed the S&P 500 and Dow Jones through the sell-off.
- Not surprisingly, the largest SaaS company stocks (\$1B+ TTM Revenue) have held up more resiliently than their smaller counterparts.
- Only nine of the 100 companies in the SEG SaaS Index have posted positive YTD returns, the majority are within the Communications & Collaboration segment and have benefited from mandated “work from home.” Zoom leads the pack and is up over 90% YTD.

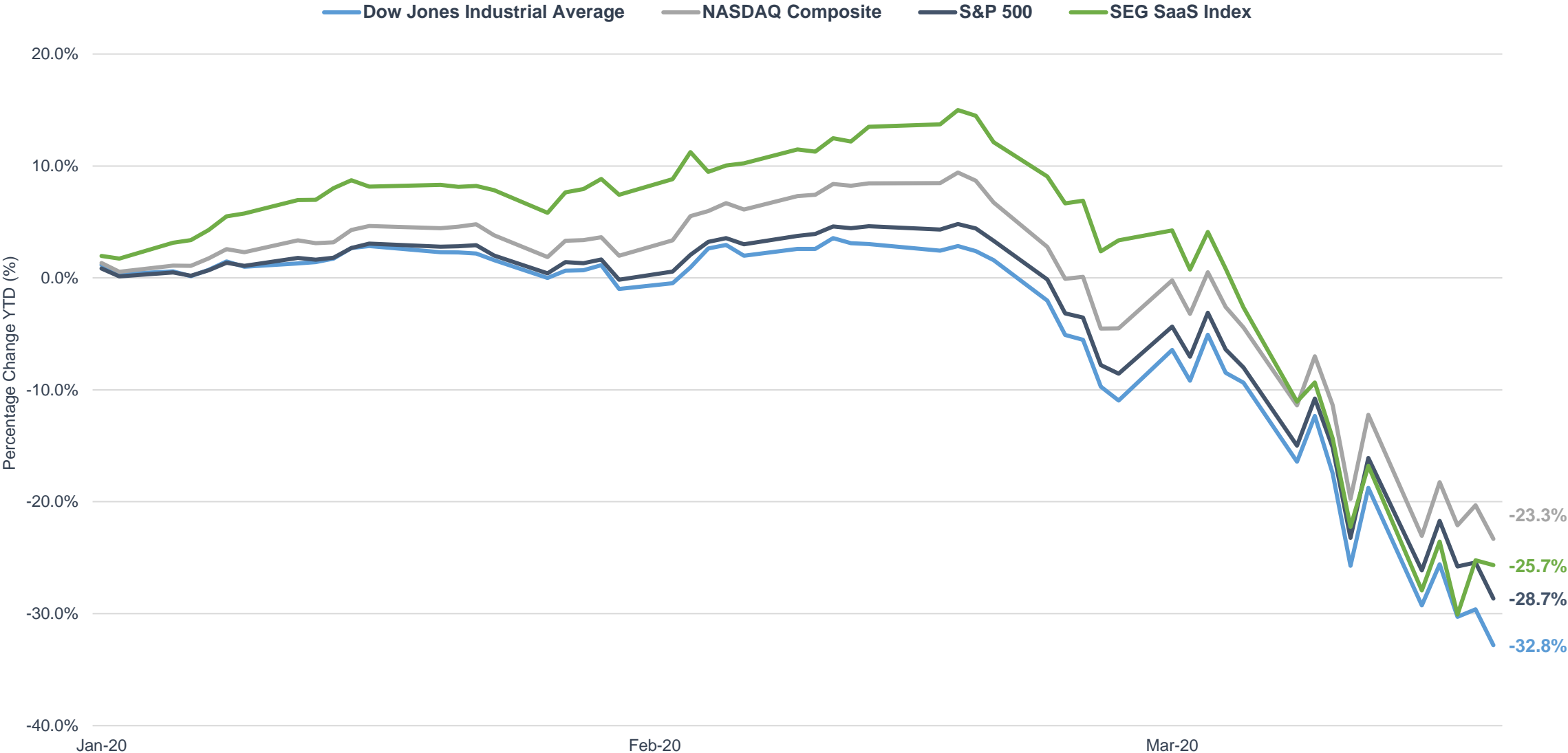
SEG SaaS Index Overview

The SEG SaaS Index is comprised of 100 publicly traded companies that primarily offer solutions via the cloud and/or through a subscription or transaction-based model.



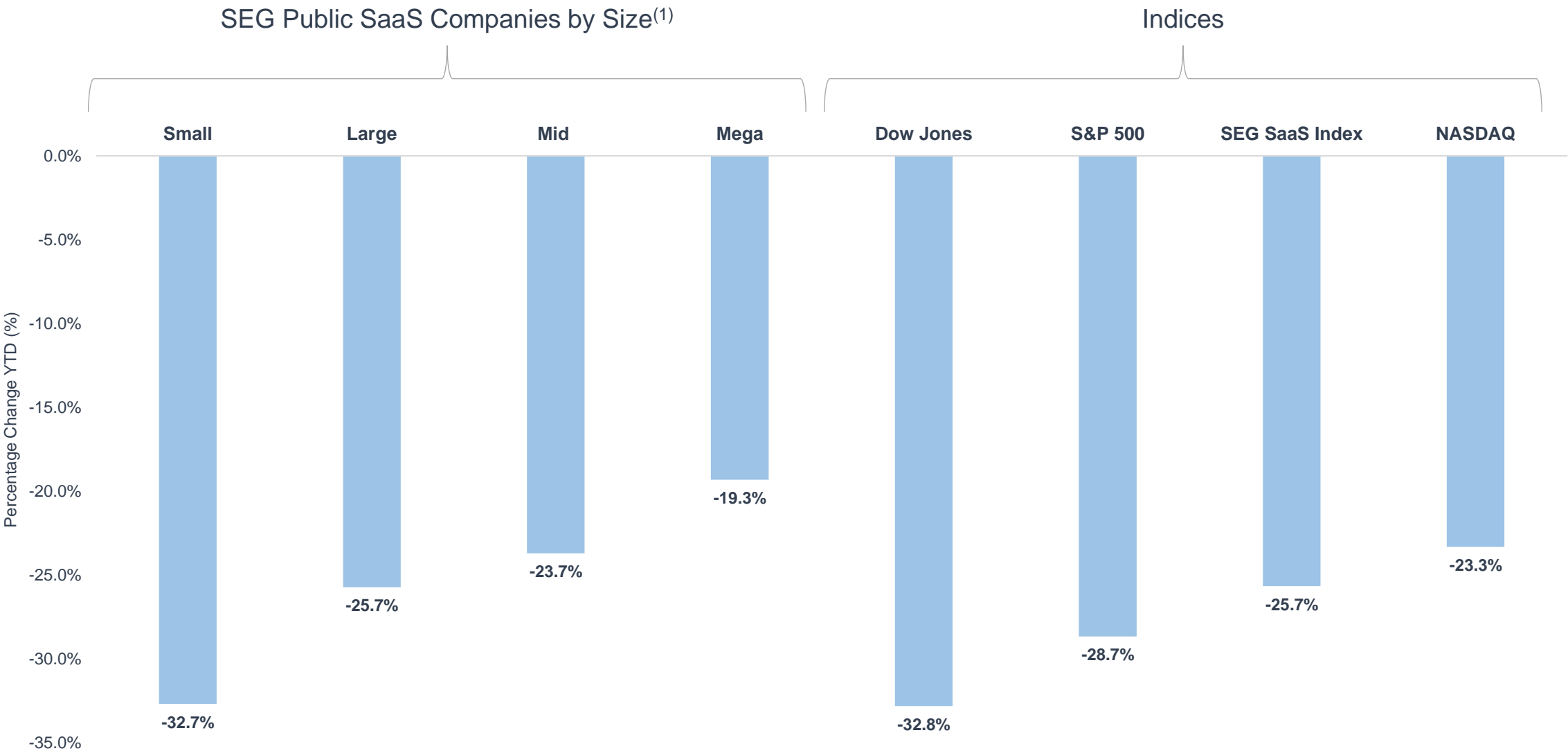
(1) Data updated as of March 20, 2020.

YTD Stock Market Performance



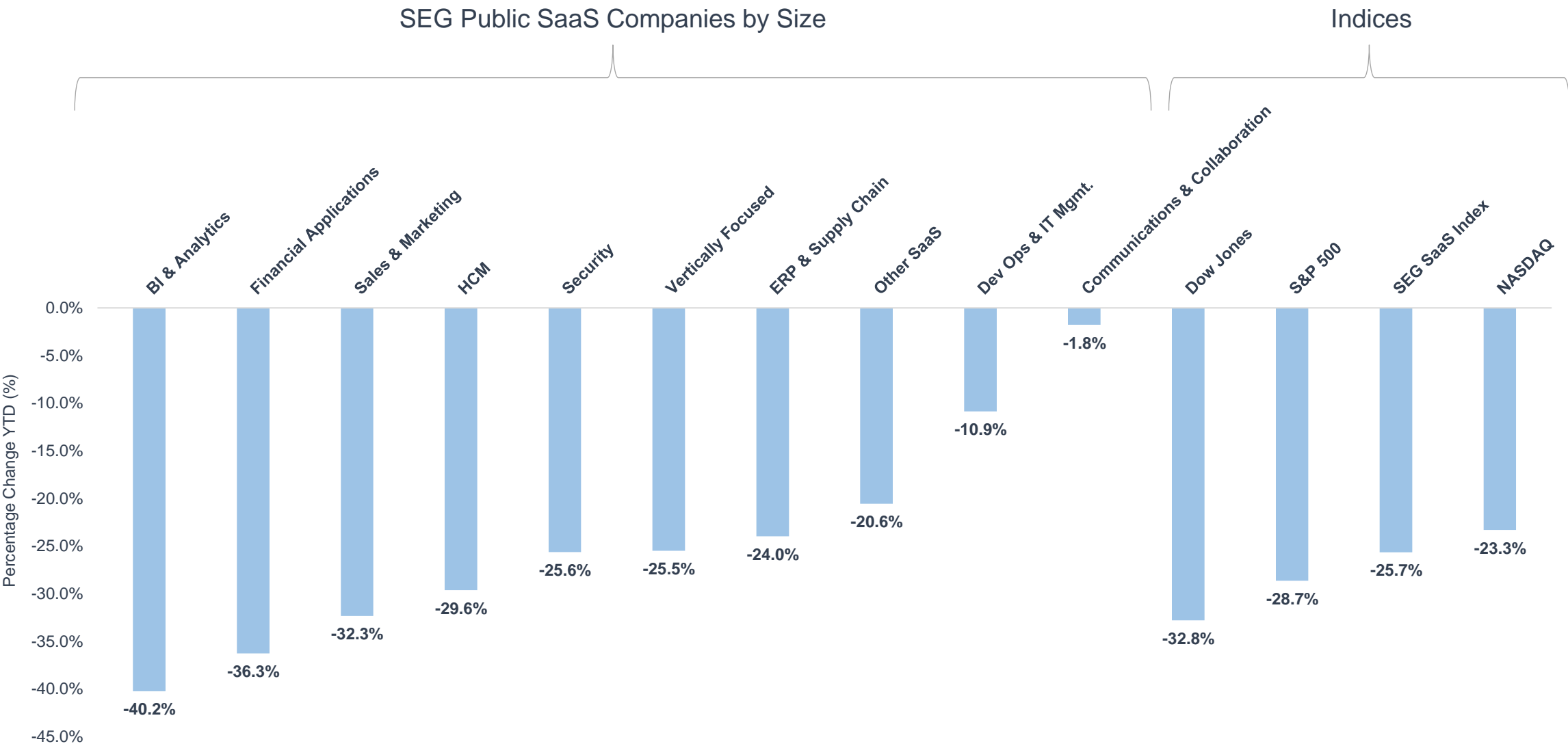
(1) Data updated as of March 20, 2020.

SEG SaaS Index by Size



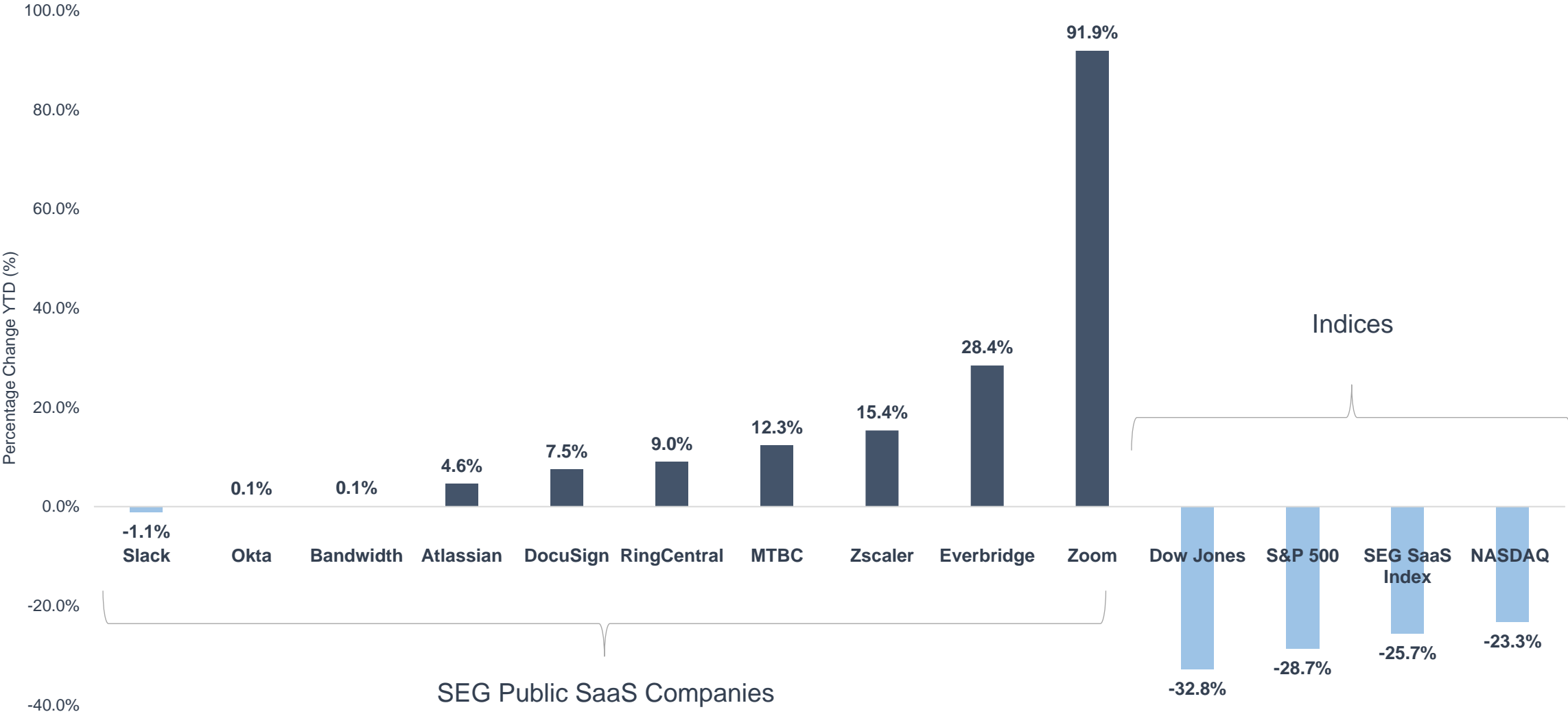
(1) Small, Mid, Large, and Mega Companies from the SEG SaaS Index are those with TTM Revenue between \$0M-\$250M, \$250M – \$500M, \$500M - \$1B, and \$1B+, respectively. Data updated as of March 20,2020.

SEG SaaS Index Categories YTD



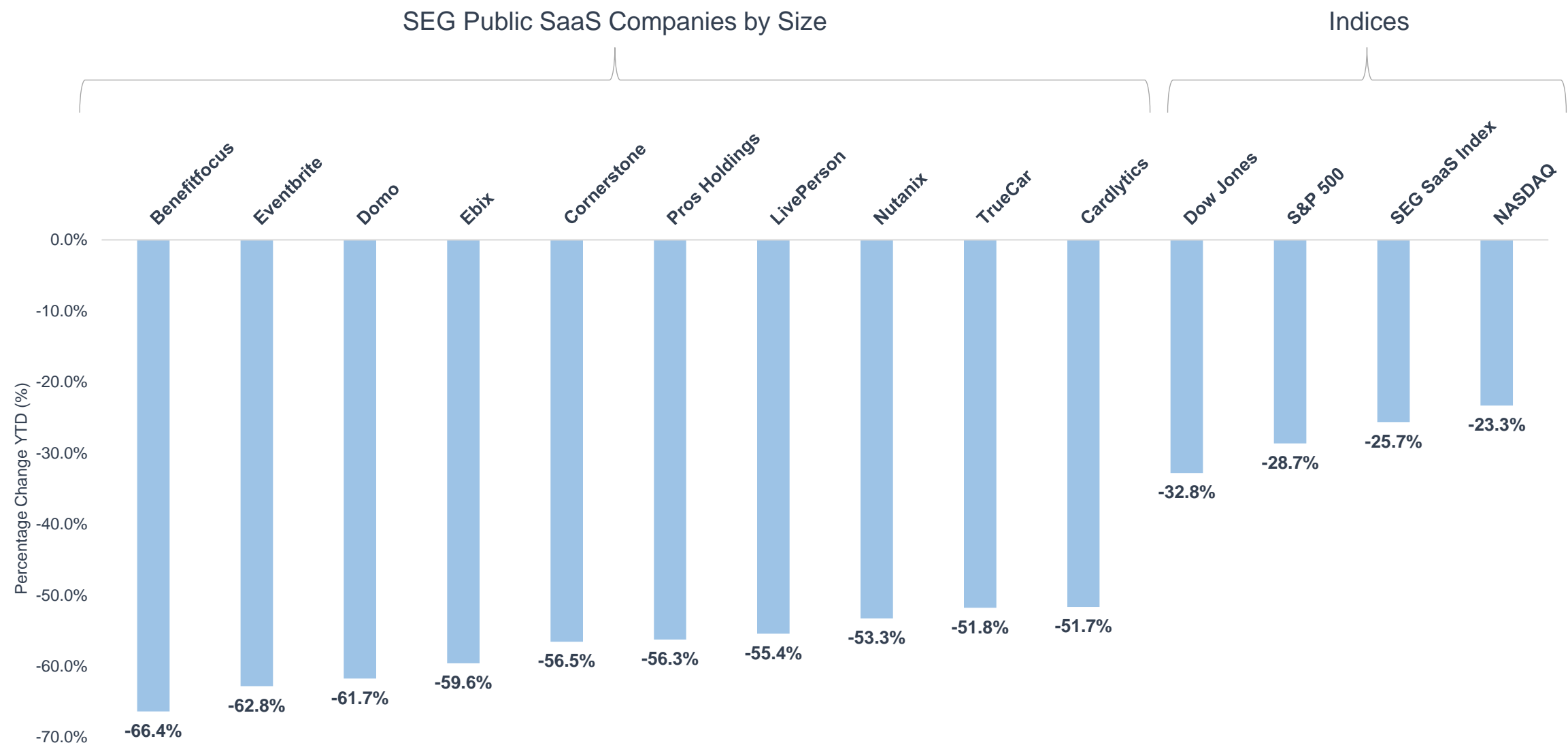
(1) Data updated as of March 20, 2020. See slide 14 for a more comprehensive data set.

SEG SaaS Index Biggest Wins YTD



(1) Data updated as of March 20, 2020. See slide 15 for a more comprehensive data set.

SEG SaaS Index Biggest Losses YTD



(1) Data updated as of March 20, 2020. See slide 16 for a more comprehensive data set.

SEG SaaS Index Categories YTD

Category	Market Cap	EV	TTM Revenue	Forward Revenue	TTM Gross Margin	TTM EBITDA Margin	Revenue Growth	EV/Revenue	EV/EBITDA	Forward EV/Revenue	Forward EV/EBITDA	YTD % Change
SEG SaaS Index	\$2,830.3	\$2,970.2	\$506.9	\$563.0	70.7%	-0.41%	27.0%	5.4x	26.6x	4.6x	16.5x	-25.7%
Communications & Collaboration	\$4,976.0	\$4,409.5	\$630.4	\$886.5	74.4%	-11.5%	34.0%	11.4x	131.6x	10.5x	34.4x	-1.8%
Dev Ops & IT Management	\$3,404.4	\$4,102.0	\$541.7	\$568.8	75.2%	-15.9%	26.5%	8.2x	116.1x	6.1x	-5.4x	-10.9%
Other SaaS	\$2,505.9	\$2,880.0	\$761.1	\$948.0	64.9%	-6.7%	12.1%	4.3x	19.1x	3.5x	13.5x	-20.6%
ERP & Supply Chain	\$7,257.6	\$7,741.9	\$389.7	\$399.4	70.6%	19.6%	28.5%	7.8x	19.4x	6.9x	30.5x	-24.0%
Vertically Focused	\$1,292.3	\$1,682.3	\$502.4	\$550.9	56.9%	4.7%	19.5%	4.2x	25.4x	3.6x	16.9x	-25.5%
Security	\$3,925.9	\$2,976.8	\$443.2	\$438.0	73.8%	-5.9%	28.7%	5.2x	25.9x	5.0x	17.7x	-25.6%
Human Capital Management	\$4,409.3	\$4,109.2	\$576.5	\$623.1	67.7%	15.1%	14.3%	5.0x	37.4x	4.5x	21.7x	-29.6%
Sales & Marketing	\$2,818.6	\$2,474.9	\$402.5	\$478.1	75.1%	-5.3%	28.7%	6.1x	46.4x	5.2x	28.7x	-32.3%
Financial Applications	\$2,589.9	\$2,680.8	\$408.5	\$461.0	54.3%	6.0%	25.7%	3.6x	13.9x	3.3x	8.7x	-36.3%
BI & Analytics	\$2,264.6	\$2,139.5	\$417.9	\$563.0	70.7%	-15.9%	35.0%	3.8x	69.4x	3.3x	6.6x	-40.2%

(1) Data updated as of March 20, 2020.

SEG SaaS Index Biggest Wins YTD

Symbol	Name	Category	Market Cap	EV	TTM Revenue	Forward Revenue	TTM Gross Margin	TTM EBITDA Margin	Revenue Growth	EV/ Revenue	EV/ EBITDA	Forward EV/ Revenue	Forward EV/ EBITDA	YTD % Change
ZM	Zoom	Communications & Collaboration	\$36,084.3	\$35,229.1	\$622.7	\$917.8	81.5%	5.5%	77.93%	56.6x	1,036.6x	38.4x	198.7x	91.9%
EVBG	Everbridge	Communications & Collaboration	\$3,432.1	\$3,330.8	\$200.9	\$261.5	68.4%	-12.3%	36.54%	16.6x	-	12.7x	516.9x	28.4%
ZS	Zscaler	Security	\$6,938.4	\$6,553.5	\$360.1	\$415.8	80.0%	-15.2%	36.29%	18.2x	-	15.8x	193.7x	15.4%
MTBC	MTBC	Vertically Focused	\$56.3	\$36.6	\$64.4	\$100.3	36.1%	7.2%	-4.56%	0.6x	7.9x	0.4x	3.2x	12.3%
RNG	RingCentral	Communications & Collaboration	\$16,015.0	\$16,058.3	\$902.9	\$1,130.7	74.4%	0.2%	34.06%	17.8x	11,136.1x	14.2x	106.2x	9.0%
DOCU	DocuSign	Communications & Collaboration	\$14,302.6	\$14,111.8	\$974.0	\$1,269.5	75.0%	-12.8%	37.63%	14.5x	-	11.1x	83.7x	7.5%
TEAM	Atlassian	Dev Ops & IT Mgmt.	\$30,899.2	\$29,833.0	\$1,416.0	\$1,598.5	82.8%	-3.4%	36.71%	21.1x	-	18.7x	68.7x	4.6%
BAND	Bandwidth	Communications & Collaboration	\$1,509.5	\$1,324.5	\$232.6	-	46.3%	-1.7%	13.95%	5.7x	-	-	-	0.1%
OKTA	Okta	Security	\$14,174.3	\$13,709.0	\$586.1	\$775.5	72.8%	-28.2%	46.79%	23.4x	-	17.7x	-311.7x	0.1%
WORK	Slack	Communications & Collaboration	\$12,377.8	\$11,624.3	\$630.4	\$855.2	84.6%	-89.0%	57.39%	18.4x	-	13.6x	-121.0x	-1.1%

(1) Data updated as of March 20, 2020.

SEG SaaS Index Biggest Losses YTD

Symbol	Name	Category	Market Cap	EV	TTM Revenue	Forward Revenue	TTM Gross Margin	TTM EBITDA Margin	Revenue Growth	EV/ Revenue	EV/ EBITDA	Forward EV/ Revenue	Forward EV/ EBITDA	YTD % Change
BNFT	Benefitfocus	Human Capital Mgmt.	\$242.2	\$299.2	\$295.7	\$313.5	51.3%	0.1%	14.29%	1.0x	773.1x	1.0x	12.4x	-66.4%
EB	Eventbrite	Other SaaS	\$647.6	\$226.9	\$326.8	\$335.6	60.5%	-12.7%	12.07%	0.7x	-	0.7x	-22.9x	-62.8%
DOMO	Domo	BI & Analytics	\$231.6	\$233.8	\$173.4	\$194.8	67.7%	-62.5%	21.71%	1.3x	-	1.2x	-3.0x	-61.7%
EBIX	Ebix	Vertically Focused	\$411.4	\$1,127.2	\$580.6	\$642.2	64.7%	27.1%	16.63%	1.9x	7.2x	1.8x	6.3x	-59.6%
CSOD	Cornerstone	HCM	\$1,559.0	\$1,434.7	\$576.5	\$623.1	74.1%	10.7%	7.18%	2.5x	23.2x	2.3x	9.3x	-56.5%
PRO	Pros Holdings	BI & Analytics / Financial Apps.	\$1,134.4	\$939.0	\$250.3	\$287.3	60.4%	-15.9%	27.06%	3.8x	-	3.3x	-74.5x	-56.3%
LPSN	LivePerson	Sales & Marketing	\$1,057.1	\$1,059.6	\$291.6	\$350.7	73.0%	-22.5%	16.72%	3.6x	-	3.0x	-1422.5x	-55.4%
NTNX	Nutanix	Dev Ops & IT Mgmt.	\$2,841.9	\$2,497.2	\$1,249.0	\$1,343.3	76.7%	-58.1%	6.98%	2.0x	-	1.9x	-5.4x	-53.3%
TRUE	TrueCar	Vertically Focused	\$245.2	\$63.7	\$353.9	\$343.7	90.6%	-6.5%	0.09%	0.2x	-	0.2x	3.7x	-51.8%
CDLX	Cardlytics	Sales & Marketing	\$811.5	\$707.1	\$210.4	\$256.1	37.8%	-5.3%	39.65%	3.4x	-	2.8x	55.4x	-51.7%

(1) Data updated as of March 20, 2020.

SEG SaaS Index Top 25% by EV/Revenue

Symbol	Name	Market Cap	EV	TTM Revenue	Forward Revenue	TTM Gross Margin	TTM EBITDA Margin	Revenue Growth	EV/Revenue	EV/EBITDA	Forward EV/Revenue	Forward EV/EBITDA	YTD % Change
ZM	Zoom	\$36,084.3	\$35,568.5	\$622.7	\$917.8	81.5%	4.7%	88.39%	57.1x	1220.4x	38.8x	200.6x	91.9%
SHOP	Shopify	\$40,291.4	\$37,836.2	\$1,578.2	\$2,179.0	54.9%	-6.7%	47.05%	24.0x	-	17.3x	851.6x	-13.0%
COUP	Coupa Software	\$9,022.4	\$9,150.2	\$389.7	\$489.7	64.3%	-9.1%	49.68%	23.5x	-	18.7x	176.9x	-3.3%
OKTA	Okta	\$14,174.3	\$13,709.0	\$586.1	\$775.5	72.8%	-28.2%	46.79%	23.4x	-	17.7x	-311.7x	0.1%
TEAM	Atlassian Corporation	\$30,899.2	\$29,833.0	\$1,416.0	\$1,598.5	82.8%	-3.4%	37.36%	21.1x	-	18.7x	68.7x	4.6%
CRWD	CrowdStrike	\$10,073.8	\$9,162.2	\$481.4	\$730.1	70.6%	-24.1%	92.70%	19.0x	-	12.5x	1123.3x	-1.7%
WORK	Slack Technologies	\$12,377.8	\$11,624.3	\$630.4	\$855.2	84.6%	-89.0%	57.39%	18.4x	-	13.6x	-121.0x	-1.1%
ZS	Zscaler	\$6,938.4	\$6,553.5	\$360.1	\$415.8	80.0%	-15.2%	59.24%	18.2x	-	15.8x	193.7x	15.4%
RNG	RingCentral	\$16,015.0	\$16,058.3	\$902.9	\$1,130.7	74.4%	0.2%	34.03%	17.8x	11136.1x	14.2x	106.2x	9.0%
VEEV	Veeva Systems	\$19,828.9	\$18,742.1	\$1,104.1	\$1,399.5	72.5%	28.4%	28.05%	17.0x	59.7x	13.4x	36.0x	-5.1%
EVBG	Everbridge	\$3,432.1	\$3,330.8	\$200.9	\$261.5	68.4%	-12.3%	36.57%	16.6x	-	12.7x	516.9x	28.4%
SMAR	Smartsheet	\$4,976.0	\$4,409.5	\$270.9	\$375.0	80.5%	-32.6%	52.42%	16.3x	-	11.8x	-102.8x	-6.3%
MDB	MongoDB	\$6,914.6	\$6,839.1	\$421.7	\$518.8	70.3%	-29.1%	57.94%	16.2x	-	13.2x	-131.8x	-8.4%
PAYC	Paycom Software	\$11,346.1	\$11,245.1	\$737.7	\$907.9	85.1%	36.5%	30.25%	15.2x	41.8x	12.3x	29.3x	-27.2%
AYX	Alteryx	\$6,264.6	\$6,176.1	\$417.9	\$563.0	90.6%	8.7%	64.81%	14.8x	170.6112	11.0x	71.4x	-4.3%
DOCU	DocuSign	\$14,302.6	\$14,111.8	\$974.0	\$1,269.5	75.0%	-12.8%	38.95%	14.5x	-	11.1x	83.7x	7.5%
MSCI	MSCI	\$20,664.5	\$22,229.9	\$1,557.8	\$1,734.1	81.1%	53.7%	8.63%	14.3x	26.6x	12.8x	22.9x	-5.9%
NOW	ServiceNow	\$48,342.1	\$47,345.9	\$3,460.4	\$4,437.9	77.0%	10.1%	32.64%	13.7x	134.9x	10.7x	36.8x	-9.8%
DT	Dynatrace	\$6,396.7	\$6,748.4	\$511.4	\$542.6	75.0%	-25.7%	8.27%	13.2x	-	-	-	-10.0%
ADBE	Adobe	\$142,728.4	\$142,670.4	\$11,661.4	\$13,050.3	85.2%	37.3%	23.71%	12.2x	32.8x	10.9x	23.4x	-10.5%
APPF	AppFolio	\$2,992.2	\$3,002.1	\$256.0	\$319.5	60.3%	12.9%	34.69%	11.7x	91.0x	9.4x	58.8x	-20.3%
AVLR	Avalara	\$4,836.6	\$4,369.7	\$382.4	\$472.1	69.9%	-8.7%	40.55%	11.4x	-	9.3x	-2033.4x	-15.4%
FIVN	Five9	\$3,854.5	\$3,744.2	\$328.0	\$381.7	59.0%	8.7%	27.30%	11.4x	131.6x	9.8x	53.9x	-4.6%
TTD	The Trade Desk	\$7,747.5	\$7,492.5	\$661.1	\$862.2	76.4%	20.2%	38.50%	11.3x	56.0x	8.7x	28.7x	-34.6%
LVGO	Livongo Health	\$2,130.6	\$1,738.8	\$170.0	\$283.7	72.8%	-31.9%	148.71%	10.2x	-	6.1x	-82.6x	-10.0%

(1) Data updated as of March 20, 2020.

SEG SaaS Index Bottom 25% by EV/Revenue

Symbol	Name	Market Cap	EV	TTM Revenue	Forward Revenue	TTM Gross Margin	TTM EBITDA Margin	Revenue Growth	EV/Revenue	EV/EBITDA	Forward EV/Revenue	Forward EV/EBITDA	YTD % Change
TRUE	TrueCar	\$245.2	\$63.7	\$353.9	\$343.7	90.6%	-6.5%	0.09%	0.2x	-	0.2x	3.7x	-51.8%
MTBC	MTBC	\$56.3	\$36.6	\$64.4	\$100.3	36.1%	7.2%	27.49%	0.6x	7.9x	0.4x	3.2x	12.3%
EB	Eventbrite	\$647.6	\$226.9	\$326.8	\$335.6	60.5%	-12.7%	12.07%	0.7x	-	0.7x	-22.9x	-62.8%
ECOM	ChannelAdvisor	\$155.1	\$103.4	\$130.0	\$131.3	77.7%	7.8%	-0.96%	0.8x	10.2x	0.8x	5.1x	-39.3%
MDRX	Allscripts Healthcare	\$896.5	\$1,682.3	\$1,771.7	\$1,785.9	40.3%	3.7%	1.24%	0.9x	25.4x	0.9x	5.4x	-43.9%
BNFT	Benefitfocus	\$242.2	\$299.2	\$295.7	\$313.5	51.3%	0.1%	14.29%	1.0x	773.1x	1.0x	12.4x	-66.4%
SNCR	Synchronoss Tech.	\$180.5	\$342.3	\$308.7	\$329.6	51.3%	-7.5%	-5.24%	1.1x	-	1.0x	12.0x	-14.7%
TDC	Teradata	\$2,154.5	\$2,139.5	\$1,899.0	\$1,882.8	50.3%	8.9%	-12.25%	1.1x	12.7x	1.1x	6.6x	-27.5%
BCOV	Brightcove	\$240.0	\$217.2	\$184.5	\$194.5	59.1%	-0.6%	11.90%	1.2x	-	1.1x	13.5x	-29.1%
DOMO	Domo	\$231.6	\$233.8	\$173.4	\$194.8	67.7%	-62.5%	21.71%	1.3x	-	1.2x	-3.0x	-61.7%
CSGS	CSG Systems	\$1,257.6	\$1,431.7	\$996.8	\$931.3	47.3%	19.4%	13.91%	1.4x	7.4x	1.5x	7.1x	-26.1%
TWOU	2U	\$1,016.8	\$1,092.8	\$574.7	\$733.1	71.8%	-29.9%	39.56%	1.9x	-	1.5x	2297.5x	-33.4%
EBIX	Ebix	\$411.4	\$1,127.2	\$580.6	\$642.2	64.7%	27.1%	16.63%	1.9x	7.2x	1.8x	6.3x	-59.6%
HSTM	HealthStream	\$672.2	\$499.3	\$254.1	\$251.2	59.1%	16.8%	9.71%	2.0x	11.7x	2.0x	11.5x	-23.7%
CLDR	Cloudera	\$1,943.6	\$1,582.6	\$794.2	\$867.4	70.7%	-25.4%	65.48%	2.0x	-	1.8x	9.1x	-40.2%
NTNX	Nutanix	\$2,841.9	\$2,497.2	\$1,249.0	\$1,343.3	76.7%	-58.1%	6.98%	2.0x	-	1.9x	-5.4x	-53.3%
TMICF	Trend Micro	\$4,675.5	\$3,076.2	\$1,485.3	-	79.7%	33.2%	9.52%	2.1x	6.2x	-	-	-27.6%
ZIXI	Zix	\$197.5	\$364.3	\$173.4	\$222.3	55.7%	8.9%	146.07%	2.1x	23.6x	1.6x	7.2x	-47.6%
VRNT	Verint Systems	\$2,505.9	\$2,880.0	\$1,294.7	\$1,456.1	64.9%	15.4%	8.33%	2.2x	14.5x	2.0x	7.8x	-32.3%
FEYE	FireEye	\$2,183.9	\$2,154.9	\$889.2	\$938.0	65.3%	-9.7%	7.00%	2.4x	-	2.3x	16.8x	-40.7%
TLND	Talend	\$654.5	\$608.2	\$247.9	\$278.3	75.4%	-20.4%	20.44%	2.5x	-	2.2x	-18.8x	-46.5%
BOX	Box	\$1,880.8	\$1,725.2	\$696.3	\$773.1	69.0%	-11.5%	14.44%	2.5x	-	2.2x	14.8x	-25.6%
CSOD	Cornerstone OnDemand	\$1,559.0	\$1,434.7	\$576.5	\$623.1	74.1%	10.7%	7.18%	2.5x	23.2x	2.3x	9.3x	-56.5%
ZUO	Zuora	\$916.9	\$755.5	\$276.1	\$303.1	51.4%	-23.6%	17.37%	2.7x	-	2.5x	-45.9x	-43.5%
JCOM	J2 Global	\$3,129.8	\$4,002.6	\$1,372.1	\$1,479.1	82.7%	38.7%	13.65%	2.9x	7.5x	2.7x	6.8x	-31.4%

(1) Data updated as of March 20, 2020.



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Services:

Strategic M&A: Sell-side representation of emerging and established software companies.

Majority Recapitalizations: Majority investments from software-focused private equity investors that look to provide shareholder liquidity and growth capital to established software companies.

Divestitures: Sell-side representation of divisions of public and large private software companies.

Board Advisory: Strategic guidance and advice to business owners preparing for a future liquidity event, whether that be months or years down the road.

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