

Fintech - SaaS

INDUSTRY SUMMARY

COGENT VALUATION identified Fintech SaaS publicly traded companies, IPOs, and recent M&A transactions within the Fintech - SaaS industry, which provides a basis for market and transaction pricing that can be used by your firm in estimating market sentiment and its impact on your firm's value. Over the last year since March 31, 2017, the median 52-week share price return of the Fintech - SaaS industry was 16.7%. Between March 31, 2016 and March 31, 2018, the median EV/EBITDA multiple increased from 32.6 to 35.3. However, the median price-to-earnings multiple decreased from 69.0 to 65.5 over the same period. The median revenue growth and EBITDA margins for the industry for the quarter were 2.4% and 9.4%, respectively.

Public Company Key Statistics

Median 52-Week
Return

47.6%

Median Year to Date
Return

20.9%

Median EV/Revenue
Multiple

8.3x

Median EV/EBITDA
Multiple

35.3x

Median Price/Earnings
Multiple

65.5x

Median EV/Gross CF
Multiple

54.1x

Comparable Public Company Market Price Returns as of March 31, 2018

	YTD	3 Month	1 Year	2 Year	3 Year	5 Year	2017	2016	2015	2014	2013
2U, Inc.	30.3%	30.3%	111.9%	92.8%	48.7%	N/A	114.0%	7.8%	42.3%	N/A	N/A
Alarm.com Holdings, Inc.	0.0%	0.0%	22.8%	26.2%	N/A	N/A	35.6%	66.8%	N/A	N/A	N/A
Amber Road, Inc.	21.3%	21.3%	15.3%	28.3%	-1.3%	N/A	-19.2%	78.4%	-50.2%	N/A	N/A
AppFolio, Inc.	-1.6%	-1.6%	50.2%	82.7%	N/A	N/A	74.0%	63.4%	N/A	N/A	N/A
Apptio, Inc.	20.5%	20.5%	141.6%	N/A	N/A	N/A	26.9%	N/A	N/A	N/A	N/A
athenahealth, Inc.	7.5%	7.5%	26.9%	1.5%	6.2%	8.1%	26.5%	-34.7%	10.5%	8.3%	83.5%
Benefitfocus, Inc.	-9.6%	-9.6%	-12.7%	-14.5%	-12.8%	N/A	-9.1%	-18.4%	10.8%	-43.1%	N/A
BlackLine, Inc.	19.5%	19.5%	31.8%	N/A	N/A	N/A	18.7%	N/A	N/A	N/A	N/A
Box, Inc.	-2.7%	-2.7%	26.0%	29.5%	1.3%	N/A	52.4%	-0.7%	N/A	N/A	N/A
Brightcove Inc.	-2.1%	-2.1%	-21.9%	5.5%	-1.8%	2.3%	-11.8%	29.8%	-20.3%	-45.0%	56.4%
Carbonite, Inc.	14.7%	14.7%	41.9%	90.1%	26.3%	21.3%	53.0%	67.3%	-31.3%	20.6%	27.9%
Castlight Health, Inc.	-2.7%	-2.7%	0.0%	4.7%	-22.2%	N/A	-24.2%	15.9%	-63.5%	N/A	N/A
ChannelAdvisor Corporation	1.1%	1.1%	-18.4%	-10.1%	-2.1%	N/A	-37.3%	3.6%	-35.8%	-48.3%	N/A
Cornerstone OnDemand, Inc.	10.7%	10.7%	0.6%	9.2%	10.6%	2.8%	-16.5%	22.5%	-1.9%	-34.0%	80.5%
Coupa Software	46.1%	46.1%	79.6%	N/A	N/A	N/A	24.8%	N/A	N/A	N/A	N/A
Everbridge, Inc.	23.1%	23.1%	78.3%	N/A	N/A	N/A	61.1%	N/A	N/A	N/A	N/A
Five9, Inc.	19.7%	19.7%	81.0%	83.1%	75.0%	N/A	75.3%	63.1%	94.2%	N/A	N/A
HubSpot, Inc.	22.5%	22.5%	78.9%	57.6%	39.5%	N/A	88.1%	-16.5%	67.5%	N/A	N/A
Instructure, Inc.	27.3%	27.3%	80.1%	53.3%	N/A	N/A	69.3%	-6.1%	N/A	N/A	N/A

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Comparable Public Company Market Price Returns as of March 31, 2018

	YTD	3 Month	1 Year	2 Year	3 Year	5 Year	2017	2016	2015	2014	2013
LogMeIn, Inc.	0.9%	0.9%	18.5%	51.3%	27.3%	43.2%	18.6%	43.9%	36.0%	47.1%	49.7%
Mimecast Limited	23.6%	23.6%	58.2%	90.8%	N/A	N/A	60.2%	86.5%	N/A	N/A	N/A
MINDBODY, Inc.	27.8%	27.8%	41.7%	70.8%	N/A	N/A	43.0%	40.8%	N/A	N/A	N/A
New Relic, Inc.	28.3%	28.3%	99.9%	68.6%	28.8%	N/A	104.5%	-22.5%	4.6%	N/A	N/A
Paycom Software, Inc.	33.7%	33.7%	86.7%	73.7%	49.6%	N/A	76.6%	20.9%	42.9%	N/A	N/A
Paylocity Holding Corporation	8.6%	8.6%	32.6%	25.1%	21.4%	N/A	57.1%	-26.0%	55.3%	N/A	N/A
Proofpoint, Inc.	28.0%	28.0%	52.8%	45.4%	24.3%	46.5%	25.7%	8.7%	34.8%	45.4%	169.5%
Q2 Holdings, Inc.	23.6%	23.6%	30.7%	37.7%	29.2%	N/A	27.7%	9.4%	40.0%	N/A	N/A
Qualys, Inc.	22.6%	22.6%	92.0%	69.5%	16.1%	42.6%	87.5%	-4.4%	-12.3%	63.3%	56.3%
Real Matters Inc.	-29.7%	-29.7%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
RealPage, Inc.	16.3%	16.3%	47.6%	57.2%	36.7%	20.0%	47.7%	33.6%	2.2%	-6.1%	8.4%
RingCentral, Inc.	31.2%	31.2%	124.4%	100.8%	60.6%	N/A	135.0%	-12.6%	58.0%	-18.8%	N/A
Salesforce.com, Inc.	13.8%	13.8%	41.0%	25.5%	20.3%	21.1%	49.3%	-12.7%	32.2%	7.5%	31.3%
ServiceNow, Inc.	26.9%	26.9%	89.2%	64.4%	28.1%	35.5%	75.4%	-14.1%	27.6%	21.1%	86.5%
Shopify Inc.	23.4%	23.4%	83.0%	110.2%	N/A	N/A	135.6%	66.2%	N/A	N/A	N/A

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Comparable Public Company Market Price Returns as of March 31, 2018

	YTD	3 Month	1 Year	2 Year	3 Year	5 Year	2017	2016	2015	2014	2013
SPS Commerce, Inc.	31.9%	31.9%	9.5%	22.2%	-1.5%	8.5%	-30.5%	-0.5%	24.0%	-13.3%	75.2%
Ultimate Software Group	11.7%	11.7%	24.8%	12.2%	12.8%	18.5%	19.7%	-6.7%	33.2%	-4.2%	62.3%
Twilio Inc.	61.8%	61.8%	32.2%	N/A	N/A	N/A	-18.2%	N/A	N/A	N/A	N/A
Veeva Systems Inc.	32.1%	32.1%	42.4%	70.8%	41.9%	N/A	35.8%	41.1%	9.2%	-17.7%	N/A
Workday, Inc.	24.9%	24.9%	52.6%	28.6%	14.6%	15.6%	53.9%	-17.1%	-2.4%	-1.9%	52.6%
Workiva Inc.	10.7%	10.7%	51.4%	42.6%	18.1%	N/A	56.8%	-22.3%	31.1%	N/A	N/A
Xero Limited	14.9%	14.9%	86.0%	54.9%	13.1%	22.6%	82.3%	-9.6%	4.8%	-52.3%	332.8%
Zendesk, Inc.	41.5%	41.5%	70.7%	51.2%	28.3%	N/A	59.6%	-19.8%	8.5%	N/A	N/A
Median of Industry Public Companies	20.9%	20.9%	47.5%	51.3%	20.8%	20.5%	49.3%	5.7%	10.8%	-5.1%	59.4%

Public Company Median Multiples by Quarter

	3/31/18	12/31/17	9/30/17	6/30/17	3/31/17	12/31/16	9/30/16	6/30/16
EV/Revenues Multiple	8.3x	7.2x	7.3x	7.4x	7.0x	5.8x	6.6x	5.6x
EV/EBITDA Multiple	35.3x	34.3x	40.5x	37.3x	36.4x	37.4x	31.4x	37.2x
Price/Earnings Multiple	65.5x	87.1x	93.2x	77.5x	72.3x	63.6x	78.9x	71.1x
EV/Gross Cash Flows Multiple	54.1x	41.7x	45.0x	45.4x	50.3x	52.2x	52.1x	32.4x

 Highest Multiple

 Lowest Multiple

 Median Multiple

Initial Public Offerings Fintech - SaaS (dollars in millions, except share prices)

Offer Date	Company Name	Offer Price	Shares Offered	Amount Raised	Total Assets	Debt	LTM Revenues	LTM EBITDA	LTM Net Income	LTM Cash Flows
9/28/17	Money Forward, Inc.	\$13.76	2.5	\$35.1	N/A	N/A	N/A	N/A	N/A	N/A
9/19/17	Needs Well Inc.	\$14.97	0.4	\$5.2	\$16.4	\$1.7	\$45.3	\$4.1	\$2.5	\$4.1
7/20/17	Seamless Distribution Systems AB (publ)	\$4.38	5.3	\$23.2	\$10.3	\$6.6	\$11.0	\$3.1	\$1.7	\$3.3
5/26/17	Alfa Financial Software Holdings PLC	\$4.16	78.0	\$324.1	\$85.7	\$0.0	\$102.1	\$22.5	\$11.6	\$23.1
3/14/17	Servtech Global Holdings Limited	\$0.15	30.0	\$4.5	\$1.7	\$3.1	\$5.8	(\$1.3)	(\$1.9)	(\$1.2)
10/27/16	BlackLine, Inc.	\$17.00	8.6	\$146.2	\$331.2	\$65.8	\$112.3	(\$19.2)	(\$30.7)	(\$15.4)
10/6/16	Capital Asset Planning, Inc.	\$19.22	0.2	\$3.1	\$24.6	\$11.0	\$41.9	\$3.2	\$1.5	\$3.9
9/23/16	Nets A/S	\$22.58	105.0	\$2,371.3	\$4,393.0	\$2,116.0	\$1,049.3	\$286.4	\$49.3	\$315.4
9/13/16	Hotcopper Holdings Limited	\$0.15	0.0	\$9.1	\$1.4	\$0.0	\$2.0	\$0.6	\$0.4	\$0.6
6/29/16	Change Financial Limited	\$0.60	18.8	\$11.2	\$1.4	\$0.0	\$0.0	(\$2.2)	(\$2.2)	(\$2.2)
6/20/16	Ubicom Holdings, Inc.	\$23.84	0.1	\$2.6	\$17.1	\$2.3	\$26.0	\$0.0	(\$0.0)	\$0.0
10/27/15	Equiniti Group plc	\$2.53	192.0	\$485.0	\$1,261.0	\$477.0	\$536.9	\$97.8	(\$66.7)	\$104.1
5/20/15	Shopify Inc.	\$17.00	7.7	\$130.9	\$97.3	\$0.0	\$123.6	N/A	(\$20.5)	(\$10.2)

Multiple year periods are calculated as the average annual return.

■ Highest Return
 ■ Lowest Return
 ■ Median Return

Initial Public Offerings Fintech - SaaS

(dollars in millions, except share prices)

Offer Date	Company Name	Offer Price	Shares Offered	Amount Raised	Total Assets	Debt	LTM Revenues	LTM EBITDA	LTM Net Income	LTM Cash Flows
12/11/14	Workiva Inc.	\$14.00	7.2	\$100.8	\$82.6	\$36.6	\$106.1	(\$30.6)	(\$35.5)	(\$27.0)
10/2/14	Yodlee, Inc.	\$12.00	6.3	\$75.0	\$43.6	\$12.1	\$84.3	\$4.2	(\$1.3)	\$7.6
8/4/14	FairFX Group Plc	\$0.76	5.7	\$4.3	\$19.4	\$0.8	\$704.6	(\$0.5)	(\$0.5)	(\$0.4)
7/9/14	Digiliti Money Group, Inc.	\$1.50	4.5	\$6.8	\$3.5	\$13.1	\$1.8	(\$7.8)	(\$12.2)	(\$7.5)
3/19/14	Q2 Holdings, Inc.	\$13.00	7.8	\$100.9	\$61.1	\$7.6	\$56.9	(\$14.2)	(\$17.9)	(\$11.2)
12/9/13	Link Mobility Group ASA	\$3.58	1.4	\$4.9	\$12.0	\$0.9	\$22.2	\$1.4	\$1.9	\$1.5
10/15/13	Tungsten Corporation Plc	\$3.59	71.1	\$255.4	\$297.1	\$0.0	\$0.6	\$0.0	(\$9.4)	\$0.0
9/25/13	Finsoft Financial Investment Holdings Limited	\$0.11	50.0	\$5.3	\$3.0	\$0.0	\$4.4	\$1.8	\$0.9	\$1.8
11/26/12	FinTech Chain Limited	\$0.63	4.0	\$2.5	\$3.6	\$0.0	\$0.2	(\$1.0)	(\$1.1)	(\$1.0)
10/11/12	Workday, Inc.	\$28.00	22.8	\$637.0	\$267.2	\$16.1	\$199.1	(\$75.8)	(\$90.3)	(\$62.7)
7/19/11	Zillow Group, Inc.	\$20.00	3.5	\$69.2	\$33.9	\$0.0	\$44.9	\$1.1	(\$1.2)	\$2.6
	Median of all IPOs	nm	nm	\$29.1	\$24.6	\$2.3	\$44.9	\$0.0	(\$1.2)	\$0.0

Multiple year periods are calculated as the average annual return.

■ Highest Return
 ■ Lowest Return
 ■ Median Return

Recent Merger and Acquisition Transactions for a Majority Stake (dollars in millions)

Transaction Date	Target	Acquirer	Transaction Size	% Bought	LTM Revenues	EV/ Revenues
3/31/18	Fiserv Solutions, LLC	Warburg Pincus LLC	\$419.0	55%	N/A	N/A
2/28/18	Financial Performance Solutions	Verdane Capital	\$43.5	100%	\$18.7	2.3x
2/23/18	Lombard Risk Management plc	Vermeg N.V.	\$71.0	100%	\$43.1	1.6x
2/1/18	Nets A/S	Advent International Corp.	\$6,716.2	100%	\$1,213.3	5.3x
1/16/18	ACCEO Solutions Inc.	N. Harris Computer Corporation	\$201.4	100%	N/A	N/A
1/2/18	Folio Dynamics Inc.	Investnet, Inc.	\$205.0	100%	\$32.6	6.0x
12/21/17	Ensenta Corporation	Jack Henry & Associates	\$130.0	100%	\$27.0	4.8x
12/1/17	BluePay, Inc.	First Data Corporation	\$760.0	100%	N/A	N/A
11/3/17	eg solutions plc	Verint Ws Holdings	\$33.3	100%	\$14.1	2.1x
10/23/17	eVestment Alliance, LLC	Nasdaq, Inc.	\$705.0	100%	N/A	N/A
9/28/17	Deltagon Group Oy	UTIB INVL Technology	\$5.8	77%	\$3.1	2.4x

■ USA
 ■ International
 ■ Highest
 ■ Lowest
 ■ Median

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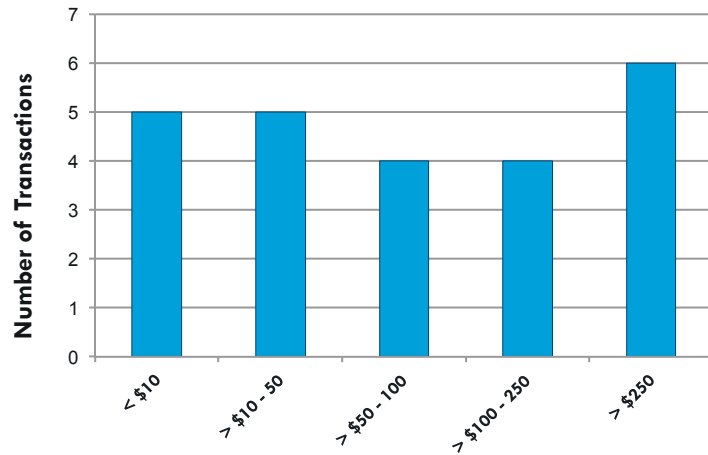
Recent Merger and Acquisition Transactions for a Majority Stake (dollars in millions)

Transaction Date	Target	Acquirer	Transaction Size	% Bought	LTM Revenues	EV/ Revenues
9/28/17	Unafortis AG	Luxoft Global Operations	\$17.2	100%	N/A	N/A
9/1/17	Monitise plc	Fiserv (Europe) Limited	\$95.1	100%	\$81.2	0.7x
8/28/17	Meontrust Inc.	Inside Secure S.A.	\$6.0	100%	N/A	N/A
8/14/17	Decillion Solutions Pte Ltd	Bottomline Technologies	\$4.6	100%	N/A	N/A
8/11/17	Horizon Globex	N/A	\$2.0	100%	N/A	N/A
8/10/17	Mercury Network, LLC	CoreLogic, Inc.	\$153.0	100%	N/A	N/A
8/3/17	SoftTelecom Desarrollos I Mas	Vipera Plc	\$1.5	100%	\$0.9	1.6x
7/5/17	CardConnect Corp.	First Data Corporation	\$727.7	100%	\$616.0	1.2x
7/3/17	Archway Technology Partners	SEI Investments Co.	\$88.0	100%	\$17.9	4.9x
6/29/17	Credit.fr, SAS	Tikehau Capital	\$13.7	96%	N/A	N/A
6/13/17	DH Corporation	Misys Limited	\$3,502.0	100%	\$1,250.0	2.8x
6/6/17	Banking Computer Services	Network For Electronic Transfers	\$27.1	100%	N/A	N/A
5/22/17	Rubik Financial Limited	Temenos Solutions Australia	\$62.2	100%	\$32.0	1.9x
Median of the 24 M&A Transaction Targets			\$79.5	100%	\$32.0	2.3x

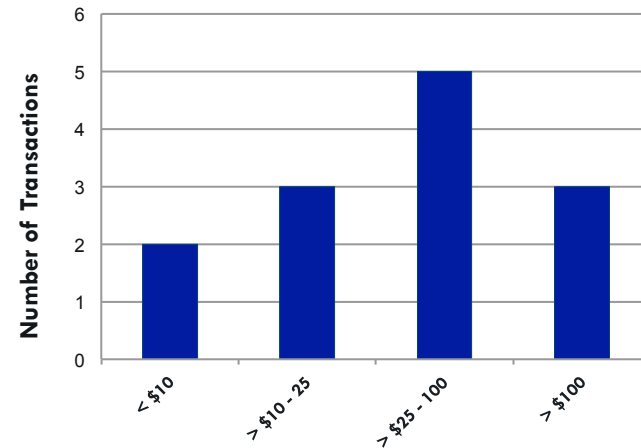
■ USA
 ■ International
 ■ Highest
 ■ Lowest
 ■ Median

Recent Merger and Acquisition Transactions for a Majority Stake (dollars in millions) as of March 31, 2018

Size of the M&A Transactions



LTM Revenues Reported



COGENT VALUATION is a nationally recognized full service business valuation firm that has provided independent valuation and financial advisory opinions in thousands of situations since 1991. These assignments include the valuation of companies and pass-through entities, their securities, and their intangible assets ranging in size from small, closely-held businesses and start-ups, to corporations with market values over a billion dollars, covering almost every industry and all types of transactions. With the collective backgrounds of our managing directors and professional staff, Cogent Valuation brings substantial large deal experience to bear on our middle market transaction opinions. Cogent Valuation utilizes proprietary research, intensive due diligence, and the experience and insights of its professionals to produce thoughtful, well-documented opinions that have consistently withstood the scrutiny of clients and their advisors, investors, regulators, and courts.

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Definitions of Financial Terms Used in this Quarterly Industry Update:

Enterprise Value (EV): Market Value of Equity + Market Value of Debt —Cash

Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA): Profitability metric sometimes also referred to as operating profit or operating earnings.

Gross Cash Flows: Net Income + Depreciation and Amortization Expense

Latest Twelve Months (LTM): Financial information is as of the latest twelve months through the date of this Quarterly Industry Update.

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