

# Q4: Quarterly Industry Update

AS OF December 31, 2019

**cogent** valuation  
FINANCIAL OPINIONS

## Fintech - SaaS

### INDUSTRY SUMMARY

COGENT VALUATION identified Fintech SaaS publicly traded companies, IPOs, and recent M&A transactions within the Financial 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 December 31, 2018, the median 52-week share price return of the Financial SaaS industry was 18.0%. Between December 31, 2017 and December 31, 2019, the median EV/EBITDA multiple decreased from 37.2 to 30.9. However, the median price-to-earnings multiple increased from 71.1 to 72.7 over the same period. The median revenue growth and EBITDA margins for the industry for the quarter were 0.3% and 10.8%, respectively.

### Public Company Key Statistics

Median 52-Week  
Return

48.9%

Median Year to Date  
Return

33.8%

Median EV/Revenue  
Multiple

8.4x

Median EV/EBITDA  
Multiple

30.9x

Median Price/Earnings  
Multiple

72.7x

Median EV/Gross CF  
Multiple

48.5x

## Comparable Public Company Market Price Returns as of December 31, 2019

	2019	3 Month	1 Year	2 Year	3 Year	5 Year	2018	2017	2016	2015	2014
<b>2U, Inc.</b>	-22.9%	-22.9%	111.9%	92.8%	48.7%	N/A	114.0%	7.8%	42.3%	N/A	N/A
<b>Alarm.com Holdings, Inc.</b>	37.4%	37.4%	22.8%	26.2%	N/A	N/A	35.6%	66.8%	N/A	N/A	N/A
<b>Amber Road, Inc.</b>	12.1%	12.1%	15.3%	28.3%	-1.3%	N/A	-19.2%	78.4%	-50.2%	N/A	N/A
<b>AppFolio, Inc.</b>	42.7%	42.7%	50.2%	82.7%	N/A	N/A	74.0%	63.4%	N/A	N/A	N/A
<b>Apptio, Inc.</b>	69.3%	69.3%	141.6%	N/A	N/A	N/A	-9.1%	-18.4%	10.8%	-43.1%	N/A
<b>athenahealth, Inc.</b>	24.8%	24.8%	26.9%	1.5%	6.2%	8.1%	18.7%	N/A	N/A	N/A	N/A
<b>Benefitfocus, Inc.</b>	-20.1%	-20.1%	-12.7%	-14.5%	-12.8%	N/A	52.4%	-0.7%	N/A	N/A	N/A
<b>BlackLine, Inc.</b>	-0.8%	-0.8%	31.8%	N/A	N/A	N/A	-11.8%	29.8%	-20.3%	-45.0%	56.4%
<b>Box, Inc.</b>	0.6%	0.6%	26.0%	29.5%	1.3%	N/A	53.0%	67.3%	-31.3%	20.6%	27.9%
<b>Brightcove Inc.</b>	-42.1%	-42.1%	-21.9%	5.5%	-1.8%	2.3%	-24.2%	15.9%	-63.5%	N/A	N/A
<b>Carbonite, Inc.</b>	26.1%	26.1%	41.9%	90.1%	26.3%	21.3%	-37.3%	3.6%	-35.8%	-48.3%	N/A
<b>Castlight Health, Inc.</b>	101.3%	101.3%	0.0%	4.7%	-22.2%	N/A	24.8%	N/A	N/A	N/A	N/A
<b>ChannelAdvisor Corporation</b>	91.0%	91.0%	-18.4%	-10.1%	-2.1%	N/A	61.1%	N/A	N/A	N/A	N/A
<b>Cornerstone OnDemand, Inc.</b>	75.7%	75.7%	0.6%	9.2%	10.6%	2.8%	75.3%	63.1%	94.2%	N/A	N/A
<b>Coupa Software</b>	42.2%	42.2%	79.6%	N/A	N/A	N/A	88.1%	-16.5%	67.5%	N/A	N/A
<b>Everbridge, Inc.</b>	13.3%	13.3%	78.3%	N/A	N/A	N/A	2018	-6.1%	N/A	N/A	N/A
<b>Five9, Inc.</b>	-22.9%	-22.9%	81.0%	83.1%	75.0%	N/A	114.0%	2017	2016	2015	2014
<b>HubSpot, Inc.</b>	37.4%	37.4%	78.9%	57.6%	39.5%	N/A	35.6%	7.8%	42.3%	N/A	N/A
<b>Instructure, Inc.</b>	27.3%	27.3%	80.1%	53.3%	N/A	N/A	-19.2%	66.8%	N/A	N/A	N/A

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## Comparable Public Company Market Price Returns as of December 31, 2019

	2019	3 Month	1 Year	2 Year	3 Year	5 Year	2018	2017	2016	2015	2014
<b>LogMeIn, Inc.</b>	-28.8%	-28.8%	18.5%	51.3%	27.3%	43.2%	18.6%	43.9%	36.0%	47.1%	49.7%
<b>Mimecast Limited</b>	17.3%	17.3%	58.2%	90.8%	N/A	N/A	60.2%	86.5%	N/A	N/A	N/A
<b>MINDBODY, Inc.</b>	40.2%	40.2%	41.7%	70.8%	N/A	N/A	43.0%	40.8%	N/A	N/A	N/A
<b>New Relic, Inc.</b>	52.4%	52.4%	99.9%	68.6%	28.8%	N/A	104.5%	-22.5%	4.6%	N/A	N/A
<b>Paycom Software, Inc.</b>	27.7%	27.7%	86.7%	73.7%	49.6%	N/A	76.6%	20.9%	42.9%	N/A	N/A
<b>Paylocity Holding Corporation</b>	-5.6%	-5.6%	32.6%	25.1%	21.4%	N/A	57.1%	-26.0%	55.3%	N/A	N/A
<b>Proofpoint, Inc.</b>	34.5%	34.5%	52.8%	45.4%	24.3%	46.5%	25.7%	8.7%	34.8%	45.4%	169.5%
<b>Q4 Holdings, Inc.</b>	25.9%	25.9%	30.7%	37.7%	29.2%	N/A	27.7%	9.4%	40.0%	N/A	N/A
<b>Qualys, Inc.</b>	-69.9%	-69.9%	92.0%	69.5%	16.1%	42.6%	87.5%	-4.4%	-12.3%	63.3%	56.3%
<b>Real Matters Inc.</b>	8.8%	8.8%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>RealPage, Inc.</b>	70.3%	70.3%	47.6%	57.2%	36.7%	20.0%	47.7%	33.6%	2.2%	-6.1%	8.4%
<b>RingCentral, Inc.</b>	34.0%	34.0%	124.4%	100.8%	60.6%	N/A	135.0%	-12.6%	58.0%	-18.8%	N/A
<b>Salesforce.com, Inc.</b>	36.6%	36.6%	41.0%	25.5%	20.3%	21.1%	49.3%	-12.7%	32.2%	7.5%	31.3%
<b>ServiceNow, Inc.</b>	37.1%	37.1%	89.2%	64.4%	28.1%	35.5%	75.4%	-14.1%	27.6%	21.1%	86.5%
<b>Shopify Inc.</b>	-28.8%	-28.8%	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 December 31, 2019

	2019	3 Month	1 Year	2 Year	3 Year	5 Year	2018	2017	2016	2015	2014
<b>SPS Commerce, Inc.</b>	69.5%	69.5%	9.5%	22.2%	-1.5%	8.5%	-30.5%	-0.5%	24.0%	-13.3%	75.2%
<b>Ultimate Software Group</b>	12.2%	12.2%	24.8%	12.2%	12.8%	18.5%	19.7%	-6.7%	33.2%	-4.2%	62.3%
<b>Twilio Inc.</b>	278.4%	278.4%	32.2%	N/A	N/A	N/A	-18.2%	N/A	N/A	N/A	N/A
<b>Veeva Systems Inc.</b>	61.6%	61.6%	42.4%	70.8%	41.9%	N/A	35.8%	41.1%	9.2%	-17.7%	N/A
<b>Workday, Inc.</b>	56.9%	56.9%	52.6%	28.6%	14.6%	15.6%	53.9%	-17.1%	-2.4%	-1.9%	52.6%
<b>Workiva Inc.</b>	67.7%	67.7%	51.4%	42.6%	18.1%	N/A	56.8%	-22.3%	31.1%	N/A	N/A
<b>Xero Limited</b>	32.3%	32.3%	86.0%	54.9%	13.1%	22.6%	82.3%	-9.6%	4.8%	-52.3%	332.8%
<b>Zendesk, Inc.</b>	72.5%	72.5%	70.7%	51.2%	28.3%	N/A	59.6%	-19.8%	8.5%	N/A	N/A
<b>Median of Industry Public Companies</b>	<b>33%</b>	<b>33%</b>	<b>47.5%</b>	<b>51.3%</b>	<b>20.8%</b>	<b>20.5%</b>	<b>49.3%</b>	<b>5.7%</b>	<b>10.8%</b>	<b>-5.1%</b>	<b>59.4%</b>

## Public Company Median Multiples by Quarter

	12/31/19	9/30/19	6/30/19	3/31/19	12/31/18	9/30/18	6/30/18	3/31/18
<b>EV/Revenues Multiple</b>	8.4x	8.3x	7.2x	7.3x	7.4x	7.0x	5.8x	6.6x
<b>EV/EBITDA Multiple</b>	30.9x	35.3x	34.3x	40.5x	37.3x	35.0x	38.0x	32.0x
<b>Price/Earnings Multiple</b>	72.7x	65.5x	87.1x	91.2x	77.5x	72.3x	63.6x	78.9x
<b>EV/Gross Cash Flows Multiple</b>	48.5x	54.1x	41.7x	45.0x	45.4x	50.3x	52.4x	54.1x

■ 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
11/22/19	<b>Tecnos Data Science Engineering Incorporated</b>	\$28.32	2.5	\$35.1	N/A	N/A	N/A	N/A	N/A	N/A
11/6/19	<b>Yusys Technologies Co., Ltd.</b>	\$1.21	0.4	\$5.2	\$16.4	\$1.7	\$262.4	\$4.1	\$2.5	\$4.1
10/15/19	<b>identitii Limited</b>	\$0.54	5.3	\$23.2	\$10.3	\$6.6	\$1.3	\$3.1	\$1.7	\$3.3
6/26/18	<b>Property Data Bank, Inc.</b>	\$16.19	78.0	\$324.1	\$85.7	\$0.0	\$11.7	\$22.5	\$11.6	\$23.1
6/14/18	<b>Huifu Payment Limited</b>	\$0.96	30.0	\$4.5	\$1.7	\$3.1	\$265.3	(\$1.3)	(\$1.9)	(\$1.2)
5/23/18	<b>CLPS Incorporation</b>	\$5.25	8.6	\$146.2	\$331.2	\$65.8	\$39.2	(\$19.2)	(\$30.7)	(\$15.4)
9/28/17	<b>Money Forward, Inc.</b>	\$13.76	0.2	\$3.1	\$24.6	\$11.0	N/A	\$3.2	\$1.5	\$3.9
9/19/17	<b>Needs Well Inc.</b>	\$14.97	105.0	\$2,371.3	\$4,393.0	\$2,116.0	\$45.3	\$286.4	\$49.3	\$315.4
7/20/17	<b>Seamless Distribution Systems AB (publ)</b>	\$4.38	0.0	\$9.1	\$1.4	\$0.0	\$11.3	\$0.6	\$0.4	\$0.6
5/26/17	<b>Alfa Financial Software Holdings PLC</b>	\$4.16	18.8	\$11.2	\$1.4	\$0.0	\$90.5	(\$2.2)	(\$2.2)	(\$2.2)
9/23/16	<b>Servtech Global Holdings Limited</b>	\$0.15	0.1	\$2.6	\$17.1	\$2.3	\$6.0	\$0.0	(\$0.0)	\$0.0
10/27/15	<b>Equiniti Group plc</b>	\$2.53	192.0	\$485.0	\$1,261.0	\$477.0	\$536.9	\$97.8	(\$66.7)	\$104.1
5/20/15	<b>Shopify Inc.</b>	\$17.00	7.7	\$130.9	\$97.3	\$0.0	\$123.6	N/A	(\$20.5)	(\$10.2)

## 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	<b>Workiva Inc.</b>	\$14.00	7.2	\$100.8	\$82.6	\$36.6	\$106.1	(\$30.6)	(\$35.5)	(\$27.0)
10/2/14	<b>Yodlee, Inc.</b>	\$12.00	6.3	\$75.0	\$43.6	\$12.1	\$84.3	\$4.2	(\$1.3)	\$7.6
8/4/14	<b>FairFX Group Plc</b>	\$0.76	5.7	\$4.3	\$19.4	\$0.8	\$704.6	(\$0.5)	(\$0.5)	(\$0.4)
7/9/14	<b>Digiliti Money Group, Inc.</b>	\$1.50	4.5	\$6.8	\$3.5	\$13.1	\$1.8	(\$7.8)	(\$12.2)	(\$7.5)
3/19/14	<b>Q4 Holdings, Inc.</b>	\$13.00	7.8	\$100.9	\$61.1	\$7.6	\$56.9	(\$14.2)	(\$17.9)	(\$11.2)
12/9/13	<b>Link Mobility Group ASA</b>	\$3.58	1.4	\$4.9	\$12.0	\$0.9	\$22.2	\$1.4	\$1.9	\$1.5
10/15/13	<b>Tungsten Corporation Plc</b>	\$3.59	71.1	\$255.4	\$297.1	\$0.0	\$0.6	\$0.0	(\$9.4)	\$0.0
9/25/13	<b>Finsoft Financial Investment Holdings Limited</b>	\$0.11	50.0	\$5.3	\$3.0	\$0.0	\$4.4	\$1.8	\$0.9	\$1.8
11/26/12	<b>FinTech Chain Limited</b>	\$0.63	4.0	\$2.5	\$3.6	\$0.0	\$0.2	(\$1.0)	(\$1.1)	(\$1.0)
10/11/12	<b>Workday, Inc.</b>	\$28.00	22.8	\$637.0	\$267.2	\$16.1	\$199.1	(\$75.8)	(\$90.3)	(\$62.7)
7/19/11	<b>Zillow Group, Inc.</b>	\$20.00	3.5	\$69.2	\$33.9	\$0.0	\$44.9	\$1.1	(\$1.2)	\$2.6
	<b>Median of all IPOs</b>	<b>nm</b>	<b>nm</b>	<b>\$29.1</b>	<b>\$24.6</b>	<b>\$2.3</b>	<b>\$44.9</b>	<b>\$0.0</b>	<b>(\$1.2)</b>	<b>\$0.0</b>

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

Transaction Date	Target	Acquirer	Transaction Size	% Bought	LTM Revenues	EV/ Revenues
12/21/19	Avoka Technologies Pty, Ltd.	Temenos AG	\$245.0	55%	\$14.7	N/A
11/13/19	Hyperwallet Systems Inc.	PayPal Holdings, Inc.	\$400.0	100%	\$78.0	2.3x
12/1/18	Agiletics, Inc.	Jack Henry & Associates, Inc.	\$6.3	100%	N/A	1.6x
9/4/18	Miles Software Solutions (P) Ltd.	Itz Cash Card Ltd.	\$27.5	100%	\$18.7	5.3x
8/21/18	Thumbworks Technologies Pvt. Ltd.	CapFloat Financial Services Private Limited	\$29.9	100%	\$43.1	N/A
7/30/18	Vipera Plc	Sella Open Fintech Platform S.P.A. (nka:Fabrck S.p.A)	\$19.4	100%	\$1,213	6.0x
5/10/18	Inworx S.A de CV	Charles Taylor InsureTech.	\$50.5	100%	N/A	4.8x
4/6/18	CAD IT S.p.A.	Quarantacinque Srl	\$44.1	100%	\$32.6	N/A
3/31/18	Ensenta Corporation	Warburg Pincus LLC	\$419.0	100%	\$27.0	2.1x
2/28/18	BluePay, Inc.	Verdane Capital	\$60.8	100%	N/A	N/A
9/28/17	eg solutions plc	UTIB INVL Technology	\$5.8	77%	\$3.1	2.4x

■ USA ■ International

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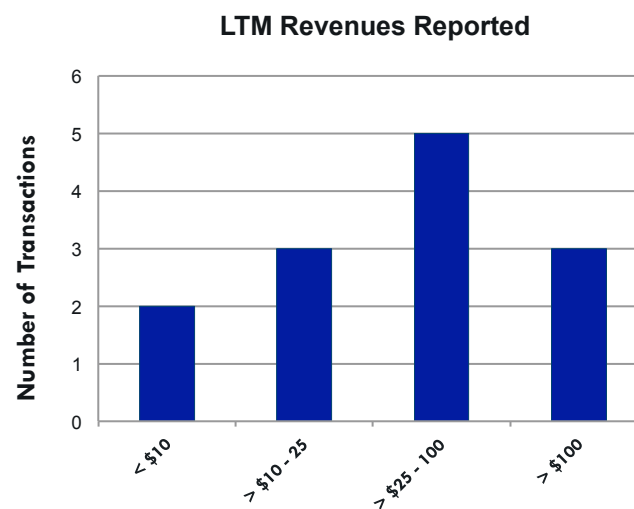
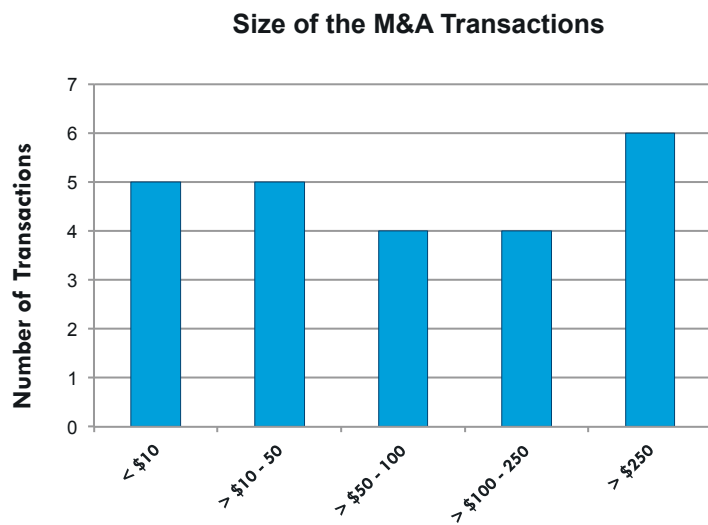
## Size of Recent Merger and Acquisition Transactions for a Majority Stake (dollars in millions)

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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

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



**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):** 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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