

# Q1: Quarterly Industry Update

AS OF Q1 March 30, 2022



## Cloud Computing

### INDUSTRY SUMMARY

COGENT VALUATION identified **Cloud Computing** publicly traded companies, IPOs, and recent M&A transactions within the Cloud Computing 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 Q1 March 30, 2021, the median 52-week share price return of the Cloud Computing industry was 29.2%. Between Q1 March 30, 2021 and Q1 March 30, 2022, the median EV/EBITDA multiple increased from 8.2 to 14.6. Furthermore, the median price-to-earnings multiple increased from 17.7 to 20.8 over the same period. The median revenue growth and EBITDA margins for the industry for the quarter were 2.3% and 9.4%, respectively.

### Public Company Key Statistics

Median 52-Week  
Return

29.2%

Median 3-Year CAGR  
Return

6.8%

Median EV/Revenue  
Multiple

3.5x

Median EV/EBITDA  
Multiple

14.6x

Median Price/Earnings  
Multiple

20.8x

Median EV/Gross CF  
Multiple

34.5x

## Comparable Public Company Market Price Returns as of Q1 March 30, 2022

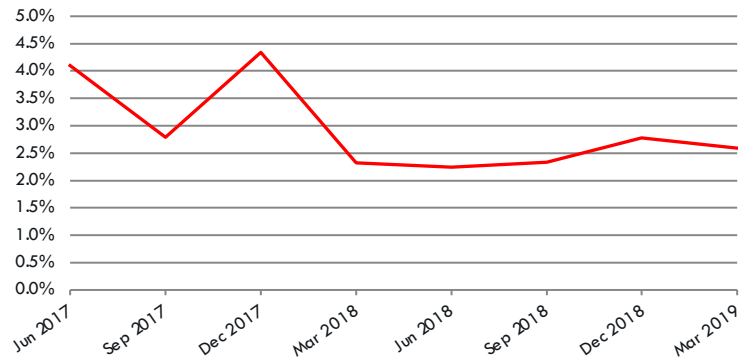
	2022	3 Month	1 Year	2 Year	3 Year	2020	2019	2018
<b>Carbonite, Inc.</b>	2.1%	2.1%	5.0%	8.5%	0.6%	53.0%	67.3%	-31.3%
<b>CDW Corporation</b>	10.1%	10.1%	124.0%	35.9%	16.6%	33.4%	23.9%	19.5%
<b>GigaMedia Limited</b>	-1.4%	-1.4%	56.0%	35.1%	-1.3%	4.1%	-3.6%	-35.4%
<b>NetApp, Inc.</b>	9.4%	9.4%	28.5%	-11.9%	7.9%	56.8%	32.9%	-36.0%
<b>Red Hat, Inc.</b>	1.4%	1.4%	11.3%	-15.9%	46.2%	72.3%	-15.8%	19.8%
<b>salesforce.com, inc.</b>	16.6%	16.6%	62.9%	12.7%	34.0%	49.3%	-12.7%	32.2%
<b>Unisys Corporation</b>	58.1%	58.1%	31.9%	12.3%	42.7%	-45.5%	35.3%	-62.5%
<b>Wayside Technology Group, Inc.</b>	-8.2%	-8.2%	9.1%	11.5%	-40.1%	-10.7%	2.0%	6.6%
<b>Xunlei Limited</b>	-32.1%	-32.1%	75.8%	-20.0%	-77.9%	298.7%	-48.9%	3.6%
<b>Median of Industry Public Companies</b>	<b>1.8%</b>	<b>1.8%</b>	<b>28.5%</b>	<b>8.5%</b>	<b>7.9%</b>	<b>-0.8%</b>	<b>2.0%</b>	<b>3.6%</b>

Multiple year periods are calculated as the average annual return.

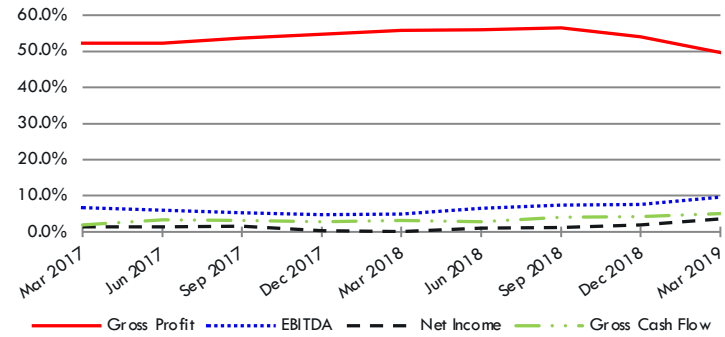
■ Highest Return
 ■ Lowest Return
 ■ Median Return

## Industry Revenue Growth and Profit Margins for the Past Two Years

Median Quarterly Revenue Growth of All Cloud Computing Companies




Median Gross Profit, EBITDA, Net Income, and Gross Cash Flow Margins




## Public Company Median Multiples by Quarter

	3/31/22	12/31/21	9/30/21	6/30/21	3/31/21	12/31/20	9/30/20	6/30/20
<b>EV/Revenues Multiple</b>	3.5x	3.3x	3.2x	3.4x	2.7x	2.9x	2.5x	3.2x
<b>EV/EBITDA Multiple</b>	14.6x	11.7x	12.2x	10.6x	8.6x	10.8x	9.6x	10.2x
<b>Price/Earnings Multiple</b>	20.8x	29.3x	30.9x	20.5x	21.2x	29.5x	19.7x	17.9x
<b>EV/Gross Cash Flows Multiple</b>	34.5x	24.9x	28.0x	17.6x	14.6x	16.7x	14.6x	19.4x

 Highest Multiple

 Lowest Multiple

 Median Multiple

## Industry Initial Public Offerings – Cloud Computing (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
3/20/22	<b>CannaOne Technologies Inc.</b>	\$0.30	2.1	\$6.1	\$97.1	\$68.4	\$0.0	(\$91.7)	(\$105.7)	\$3.4
2/19/22	<b>Straker Translations Limited</b>	\$1.08	30.0	\$4.8	\$22.6	\$13.7	\$12.3	\$3.9	\$1.0	(\$0.1)
12/11/20	<b>Anaplan, Inc.</b>	\$17.00	15.0	\$3.6	\$11.3	\$0.0	\$199.9	\$0.0	\$1.2	\$14.9
11/25/18	<b>SVMK Inc.</b>	\$12.00	99.8	\$339.7	\$86.5	\$5.0	\$233.5	(\$39.0)	(\$43.2)	\$22.9
9/19/18	<b>archTIS Limited</b>	\$0.15	16.1	\$3.1	\$843.0	\$171.5	\$0.5	\$150.6	\$76.6	(\$0.8)
9/12/18	<b>111, Inc.</b>	\$14.00	8.2	\$131.2	\$843.0	\$171.5	\$189.6	\$150.6	\$76.6	(\$1.4)
6/28/18	<b>Domo, Inc.</b>	\$21.00	4.0	\$80.0	\$843.0	\$171.5	\$116.2	\$150.6	\$76.6	\$2.9
6/26/18	<b>Property Data Bank, Inc.</b>	\$16.19	10.2	\$1.6	\$843.0	\$171.5	\$11.7	\$150.6	\$76.6	(\$6.5)
11/20/18	<b>Median of all IPOs</b>	<b>nm</b>	<b>nm</b>	<b>\$5.4</b>	<b>\$470.1</b>	<b>\$120.0</b>	<b>\$64.3</b>	<b>\$77.3</b>	<b>\$38.9</b>	<b>\$1.4</b>

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

Transaction Date	Target	Acquirer	Transaction Size	% Bought	LTM Revenues	EV/Revenues
3/1/22	Veracode, Inc.	Thoma Bravo, LLC	\$950.0	100%	\$595.5	N/A
1/27/21	Beijing Soyuan Science & Technology Co., Ltd.	BizConf Telecom Co.,Ltd.	\$54.9	100%	N/A	N/A
12/24/20	Decimal Software Limited	Sargon Capital Pty Ltd	\$3.2	100%	N/A	N/A
12/20/18	Threadsol Software Pvt. Ltd	Coats Global Services Limited	\$12.0	100%	\$19.0	0.8x
12/20/18	Commcise Software Limited	Euronext N.V.	\$34.1	100%	N/A	N/A
12/19/18	Substantially All of the Assets of CovalentWorks Corporation	SPS Commerce, Inc.	\$23.0	100%	N/A	2.6x
12/19/18	TapInfluence, Inc.	IZEA, Inc.	\$875.0	100%	\$0.2	N/A
12/31/18	HEALTHCAREfirst Inc.	Brightree LLC	\$950.0	100%	\$361.9	0.1x
7/2/18	Viewpoint, Inc.	Trimble Inc.	\$1,200.0	100%	\$10.2	N/A
6/28/18	SiteHelix Inc.	Overstock.com, Inc.	\$4.2	100%	N/A	1.1x
5/22/18	Ability Data Services SA	DataCenter Finland Oy	\$405.0	100%	N/A	2.8x
1/16/18	N2W Software Inc.	Veeam Software AG	\$0.5	100%	N/A	N/A

■ USA
 ■ International

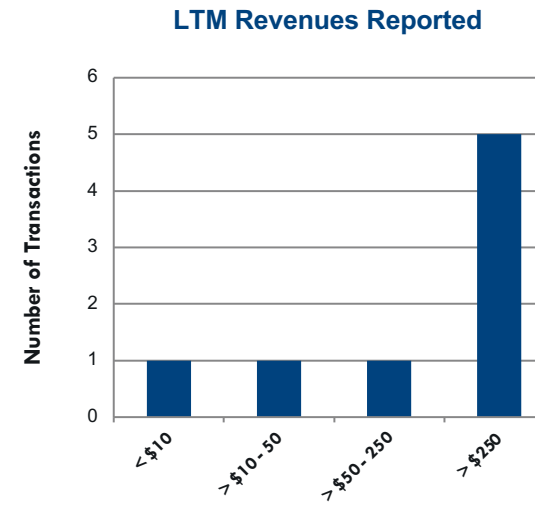
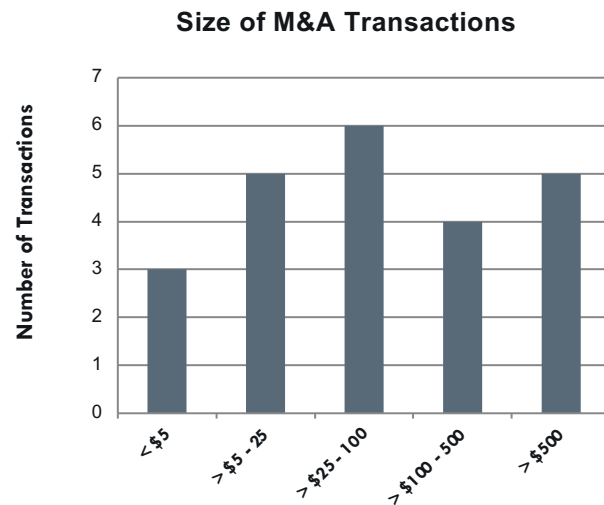
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## Recent Merger and Acquisition Transactions for a Majority Stake (dollars in millions)

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Transaction Date	Target	Acquirer	Transaction Size	% Bought	LTM Revenues	EV/Revenues
8/31/17	<b>DC74, LLC</b>	Lumos Networks Corp.	\$29.5	100%	N/A	N/A
9/26/17	<b>Applied Micro Circuits</b>	MACOM Technology	\$772.3	100%	\$165.0	4.2x
1/25/17	<b>CannaBuild , LLC</b>	MassRoots, Inc.	\$2.5	100%	N/A	N/A
8/24/17	<b>eGov Holdings, Inc.</b>	Booz Allen Hamilton Inc.	\$250.0	100%	N/A	N/A
1/19/17	<b>IntraLinks Holdings, Inc.</b>	Synchronoss Technologies	\$903.4	100%	\$290.4	2.9x
7/10/17	<b>ServiceMax, Inc.</b>	GE Digital LLC	\$915.0	100%	N/A	N/A
1/6/17	<b>Datalink Corporation</b>	Insight Enterprises, Inc.	\$297.9	100%	\$756.5	0.3x
	<b>Median of the M&amp;A Transaction Targets</b>		<b>\$65.5</b>	<b>100%</b>	<b>\$67</b>	<b>1.1x</b>

## Recent Merger and Acquisition Transactions for a Majority Stake (dollars in millions) as of Q1 March 30, 2022





**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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