

Q4: Quarterly Industry Update

AS OF December 31, 2023



Cloud Computing Industry Summary

COGENT VALUATION identified 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 December 31, 2022, the median 52-week share price return of the Cloud Computing industry decreased from 28.5% to 21.8%, and the median year to date return was 8.5%. Between December 31, 2022 and December 31, 2023, the median EV/Revenue multiple increased from 3.1 to 3.3 and the median EV/EBITDA multiple decreased from 14.6 to 11.7. The median price-to-earnings multiple increased from 20.8 to 29.3 and the median EV/Gross Profit multiple increased from 24.5 to 24.9 over the same period. The median MVIC/Earnings multiple decreased from 15.4 to 11.03. The median Price/Revenue multiple decreased from 10.6 to 10.2 over the same period.

Public Company Key Statistics

Median 52-Week Return	Median YTD Return	Median EV/Revenue Multiple	Median EV/EBITDA Multiple
21.8%	8.5%	3.3x	11.7x
Median Price/Earnings Multiple	Median EV/Gross Profit Multiple	Median MVIC/Earnings Multiple	Median Price/Revenue Multiple
29.3x	24.9x	11.03x	10.2x

Public Company Median Multiples by Quarter

	12/31/23	9/30/23	6/30/23	3/31/23	12/31/22	9/30/22	6/30/22	3/31/22
Median EV/Revenue Multiple	3.3x	3.2x	3.4x	2.7x	3.1x	3.2x	2.9x	3.0x
Median EV/EBITDA Multiple	11.7x	28.0x	17.6x	13.4x	14.6x	14.6x	19.4x	10.7x
Median Price/Earnings Multiple	29.3x	30.9x	20.3x	21.2x	20.8x	19.7x	17.9x	17.7x
Median EV/Gross Profit Multiple	24.9x	22.2x	21.3x	23.6x	24.5x	23.3x	20.4x	25.0x
Median MVIC/Earnings Multiple	11.03x	11.6x	12.7x	13.7x	15.4x	15.5x	12.2x	13.2x
Median Price/ Revenue Multiple	10.2x	3.2x	3.4x	2.7x	10.6x	2.5x	3.2x	3.2x

■ Highest Multiple
 ■ Median Multiple
 ■ Lowest Multiple

Comparable Public Company Market Price Returns as of December 31, 2023

Company Name	Q4 2023	12-months 2023	Two Year ¹	Three Year ¹	2022	2021	2020
Azure	1.9%	6.9%	4.9%	\$4,235.31	\$3,634.88	\$49.24	39.3%
Carbonite, Inc.	14.7%	41.9%	90.1%	\$246.42	\$175.9	(\$268.84)	67.6%
CDW Corporation	1.2%	21.8%	30.2%	\$15,542.12	\$2,542.	(\$357.64)	66.8%
Fusion Connect, Inc.	7.8%	4.2%	2.3%	\$5.4	\$2.21	(\$2.11)	89.5%
GigaMedia Limited	-6.9%	-7.8%	2.2%	\$10.43	\$5	(\$174.29)	-38.9%
Imperva, Inc.	9.1%	5.5%	-7.4%	\$334.42	\$266	(\$11.24)	35.8%
NetApp, Inc.	11.5%	47.4%	50.4%	\$5,751.21	\$3,590	(\$101.00)	49.3%
Red Hat, Inc.	24.5%	72.8%	41.7%	\$2,920.33	\$2,489	\$4,793.00	56.3%
Salesforce	13.8%	41.0%	25.5%	\$10,480.23	\$7,706	(\$395.71)	66.6%
Unisys Corporation	31.9%	-22.9%	18.2%	\$2,786.45	\$632	(\$39.35)	17.0%
Wayside Technology Group	-22.0%	-30.7%	-12.7%	\$452.86	\$27	(\$449.15)	-98.2%
Xunlei Limited	-34.4%	149.1%	28.5%	\$243.21	\$109	(\$5.90)	63.9%
Median of Industry Public Companies	8.5%	21.8%	21.85%	\$1,619.66	\$449	(\$70.18)	52.8%

[1] Calculated as the average annual return.

Industry Initial Public Offerings – Cloud Computing (dollars in millions, except share prices)

Effective Date	Company Name	Offer Price	Shares Offered	Amount Raised	Total Assets ¹	Debt ¹	LTM Revenue ¹	LTM EBITDA ¹	LTM Net Income ¹	LTM Cash Flows ¹
9/21/23	Zutec Holding AB	\$2.92	2.1	\$6.1	\$2.4	\$0.0	\$3.0	\$0.0	\$0.4	\$0.0
7/14/23	ReadCloud Limited	\$0.16	30.0	\$4.8	\$2.2	\$0.3	\$1.0	\$0.0	(\$0.2)	\$0.1
4/28/23	intelliHR Holdings Limited	\$0.24	15.0	\$3.6	\$7.1	\$0.0	\$0.1	(\$2.6)	(\$2.8)	(\$2.5)
3/2/23	Ayo Technology Solutions Limited	\$3.40	99.8	\$339.7	\$335.7	\$2.6	\$39.3	\$3.7	\$3.0	\$3.9
12/7/22	5G Networks Limited	\$0.19	16.1	\$3.1	\$0.3	\$0.0	\$0.0	(\$0.1)	(\$0.1)	(\$0.1)
3/3/22	SendGrid, Inc.	\$16.00	8.2	\$131.2	\$79.7	\$16.6	\$103.2	\$6.2	(\$5.2)	\$14.9
2/17/22	Bandwidth Inc.	\$20.00	4.0	\$80.0	\$72.6	\$38.4	\$159.3	\$19.8	\$21.1	\$22.9
2/9/22	Registry Direct Ltd.	\$0.15	10.2	\$1.6	\$2.2	\$0.0	\$0.5	(\$1.1)	(\$1.3)	(\$1.1)
11/20/18	Median of all IPOs	\$1.58	12.6	\$5.4	\$4.8	\$0.15	\$2.0	\$0.0	(\$0.1)	\$0.00

[1] As of the effective date of the IPO

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

Transaction Date	Target	Acquirer	Transaction Size	% Bought	LTM Revenues ¹	EV/ Revenues ¹
12/15/23	Aconex Limited	Vantive Pty Ltd	\$1,258.9	100.0%	\$127.4	9.4x
11/16/23	Clarizen, Inc.	K1 Investment Management, LLC	\$110.0	100.0%	\$33.43	8.6x
9/3/23	Science Warehouse Limited	Advanced Business Software and Solutions Limited	\$23.3	100.0%	\$1.71	5.3x
12/4/22	Twine Health, Inc.	Fitbit, Inc.	\$17.5	100.0%	\$361.9	2.8x
11/12/22	Oncall Systems Limited	Alcidion Group Limited	\$2.1	100.0%	\$18.30	10.85x
11/6/22	EdgePower Inc.	Just Energy Group Inc.	\$18.7	100.0%	\$37.90	9.4x
11/5/22	e-Builder, Inc.	Trimble Inc.	\$500.0	100.0%	\$9.00	7.61x
5/31/22	Vincit Services	DataCenter Finland	\$10.4	100%	\$139.27	9.3x
5/16/22	N2W Software Inc.	Veeam Software AG	\$42.5	100%	\$30.43	15.08x
4/13/22	IO Data Centers, LLC	Iron Mountain Incorporated	\$1,340.0	100%	\$1.71	9.64x

[1] As of the close of the Transaction

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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 ¹	EV/ Revenues ¹
3/4/22	TSheets.com, LLC	Intuit Inc.	\$340.0	100%	\$143.1	14.97x
12/16/21	Folio Dynamics Inc.	Investnet, Inc.	\$205.0	100%	\$37.90	24.54x
11/15/21	Shanghai Yungoal Info Tech Co., Ltd.	Digital China Group Co., Ltd.	\$37.9	70%	\$9.00	7.61x
11/12/21	Qvidian Corporation	Upland Software, Inc.	\$50.0	100%	\$13.30	13.85x
10/1/21	IntraLinks Holdings, Inc.	Siris Capital Group, LLC	\$1,081.6	100%	\$3.51	0.89x
10/1/21	BroadSoft, Inc.	Cisco Systems, Inc.	\$2,288.0	100.0%	\$13.51	0.89x
6/23/21	Enspire Australia Pty Ltd	5G Networks Limited	\$10.4	100%	\$4.00	16.45x
6/23/21	Angoss Software Corp.	Datawatch Corporation	\$32.7	100.0%	\$5.00	14.95x
6/4/21	IQMax, Inc.	Network Billing Systems	\$1.1	100.0%	\$4.00	8.48x
6/4/21	Cantaloupe Systems, Inc.	USA Technologies, Inc.	\$42.5	100%	\$4.00	8.48x

[1] As of the close of the Transaction

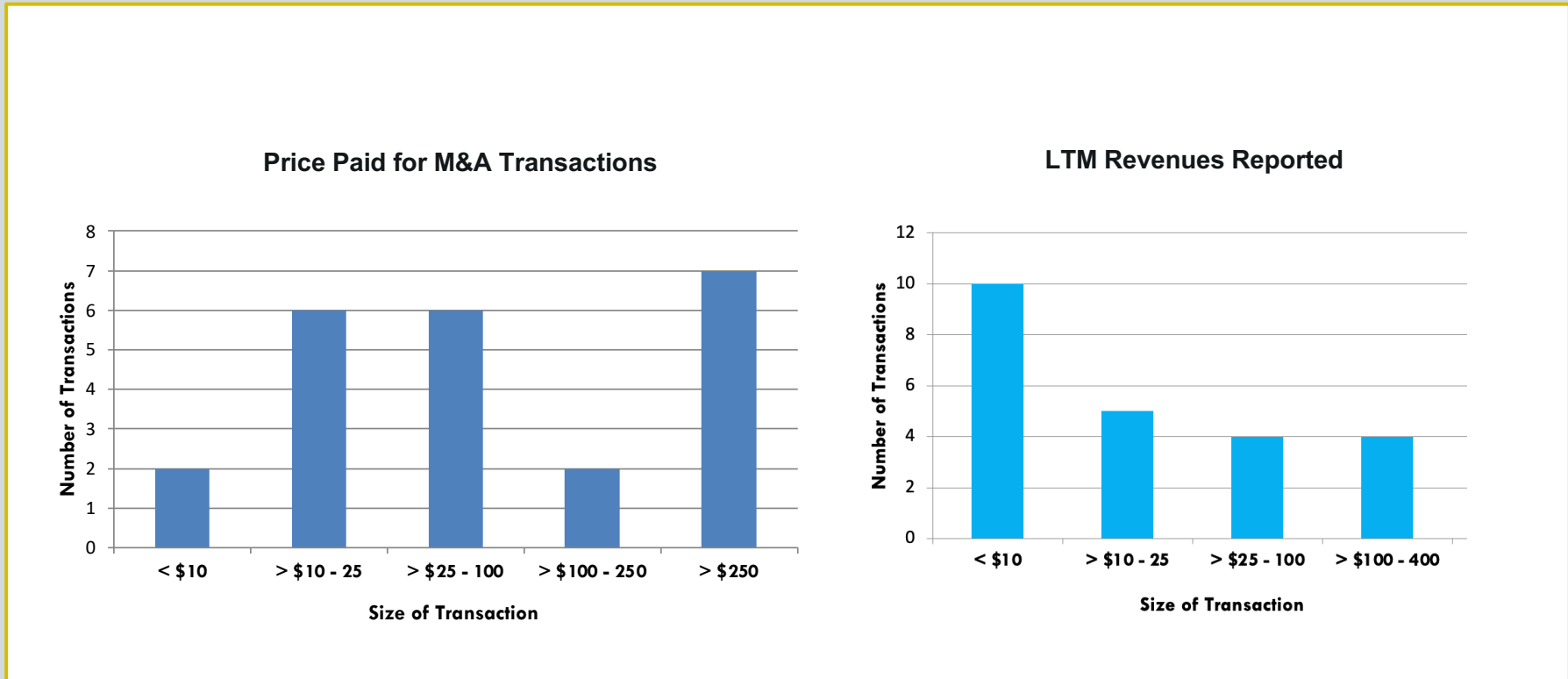
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Recent Merger and Acquisition Transactions for a Majority Stake (dollars in millions)

Transaction Date	Target	Acquirer	Transaction Size	% Bought	LTM Revenues ¹	EV/ Revenues ¹
5/15/21	Restlet, SAS	Talend S.A.	\$10.1	100.0%	\$20.21	2.94x
2/12/21	REstore NV	Centrica plc	\$81.3	100.0%	\$17.32	1.68x
9/5/20	eVestment Alliance, LLC	Nasdaq, Inc.	\$705.0	100.0%	\$0.18	20.00x
Median of the M&A Transaction Targets			\$42.5	100.0%	\$67.44	9.3x

[1] As of the close of the Transaction

Recent Merger and Acquisition Transactions for a Majority Stake (dollars in millions) as of December 31, 2023



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.

Market Value of Invested Capital (MVIC): Market Value of Equity + Market Value of Debt

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