

## SAAS

INDUSTRY UPDATE | Q3 2019



## NOTABLE & QUOTABLE

*"SaaS has evolved from a technology delivery option to the most powerful platform for lasting value-based relationship with customers. What makes SaaS exciting is the speed and scale at which it develops over time."* – **Tom Aitchison, Swrve CEO**

*"AI will dramatically change the workplace over the next 5 to 10 years. It is those companies keeping on top of the pace of innovation that will thrive."* – **Nagraj Kashyap, M12 Global Head**

*"Every single enterprise needs to understand how you can engage digitally with customers, and I think what's unique about Adobe is this is every customer, from a K-12 student to an individual freelancer, all the way to the largest enterprises in the world. The breadth of our offerings and our customers is truly fueling this success."* – **Shantanu Narayen, Adobe CEO**

*"I believe that while technology becomes smarter, the tools to manage it become simpler, and it's important to stay up to date to ensure you're operating with the maximum efficiency and effectiveness, even if it means a learning curve now and again. The investment in staying current will pay off."* – **Ezra Doty, Quorum CEO**

### PRICING

Sound pricing strategy is an essential component of building a sustainable and profitable subscription business. Providing the right solution at the wrong price over time will destroy value for stakeholders by driving away potential customers and/or foregoing value from current customers. In [this piece](#) Alexander Buchberger analyzes the complexities associated with changing pricing demands for growth-stage SaaS companies.

### PRODUCT

Change can be disruptive and jarring. When handled poorly, significant product changes risk alienating power users, even if the net gain in value is there. In [this write-up](#), Julia Chen at Appcues walks through the major considerations involved in SaaS product redesign: testing, time, and implementation. Additionally, Appcues outlines case studies of previous successful major product redesigns.

### MARKETING

Content marketing is an essential tool for establishing expertise, brand awareness, and customer / prospect touch-points. Weaving your brand's story into your content strategy is key to create a memorable experience for your audience. In [this collection of brief case studies](#), Chintan Zalani at G2 details how and why content marketing fits into a cohesive and effective growth strategy within four SaaS companies successfully implementing content marketing at scale.

### Technology Team Contacts

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### Upcoming Events

**Founders @ SaaStr**

March 10<sup>th</sup> – 12<sup>th</sup>

San Jose McEnery Convention Center

[Meet Us There](#)

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## SILICON Y'ALL 2019 RECAP



Founders' Advisors hosted its 7th Annual Silicon Y'all SaaS & Internet Summit, an exclusive gathering of select SaaS and Internet company leaders, on October 7th – 9th at Ross Bridge Resort & Spa outside of Birmingham, Alabama.

The Founders team hosted more than sixty CEOs and leaders of top SaaS and Internet companies, 15 technology-focused private equity investors, and several strategic buyers with extensive M&A experience to share best practices and engage in discussions about growth, value and current industry trends.

The Founders team looks forward to the 8<sup>th</sup> Annual Silicon Y'all in 2020. For more information on the event, and to express interest in attending the 2020 event, please visit <https://siliconyall.com/>.

### Select 2019 Speakers

Ronan Kennedy – Microsoft  
Shiv Narayana – How to SaaS  
Shegun Otulana – TheraNest  
Sarah Parcak – Global Explorer  
Meg Crosby – PeopleCap

Follow the link to the right for our video recap and hear from this year's participants.



### 2019 PARTICIPANTS



### 2019 Co-Hosts

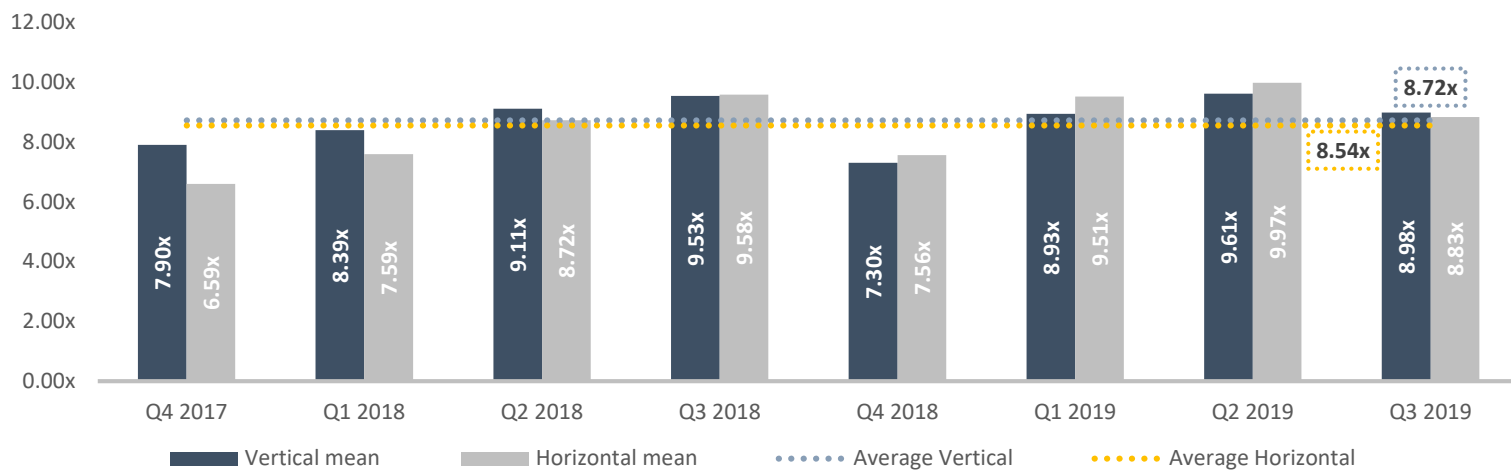


## RECENT TRANSACTIONS

Announced Date	Target	Buyer	Purchase Price	LTM Revenue	LTM EBITDA	Enterprise Value / LTM Revenue	Enterprise Value / LTM EBITDA
9/26/2019			\$430	-	N/A	N/A	N/A
9/24/2019			\$1,000	-	N/A	N/A	N/A
9/20/2019			\$244	\$70	\$9	3.4x	28.1x
9/11/2019			\$767	-	N/A	N/A	N/A
9/3/2019			\$159	\$38	\$6	4.1x	28.0x
9/3/2019			-	-	N/A	N/A	N/A
8/22/2019			\$3,349	\$716	(\$127)	4.3x	N/A
8/22/2019			\$2,208	\$230	(\$66)	9.0x	N/A
8/21/2019			\$1,050	-	N/A	N/A	N/A
8/8/2019			\$1,625	-	N/A	N/A	N/A
8/8/2019			\$10,700	\$2,323	\$350	4.6x	30.6x
8/7/2019			\$1,350	-	N/A	N/A	N/A
7/10/2019			\$56	-	N/A	N/A	N/A
7/3/2019			-	-	N/A	N/A	N/A

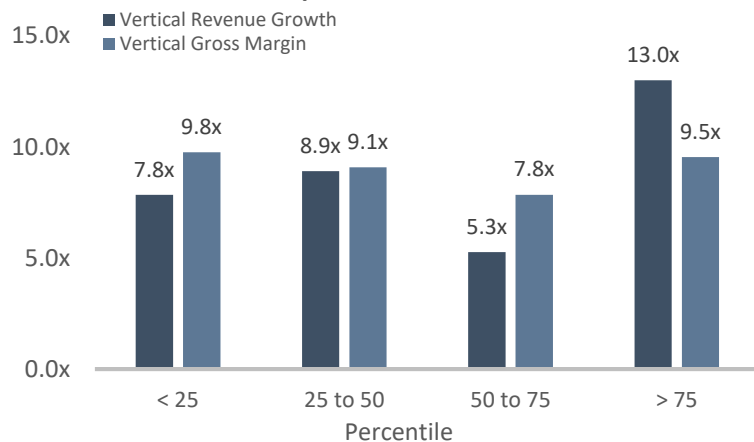
# METRICS OVERVIEW

## Public Vertical & Horizontal EV/LTM Revenue Multiples

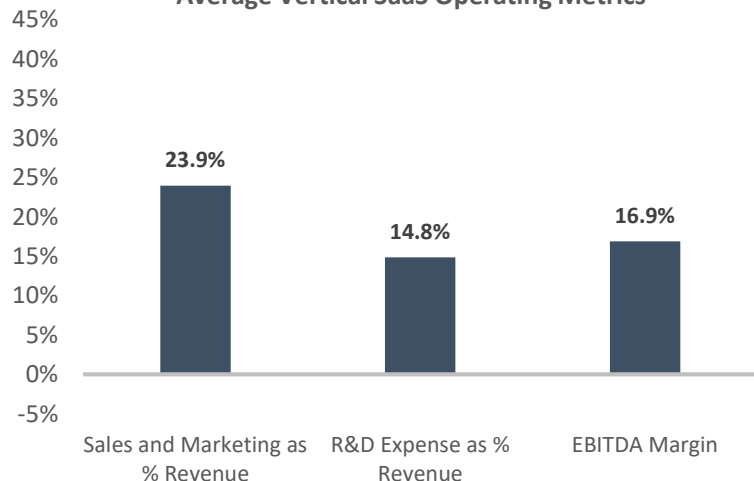


### Public Vertical

#### Percentile Revenue Growth and Margin vs. EV/LTM Revenue

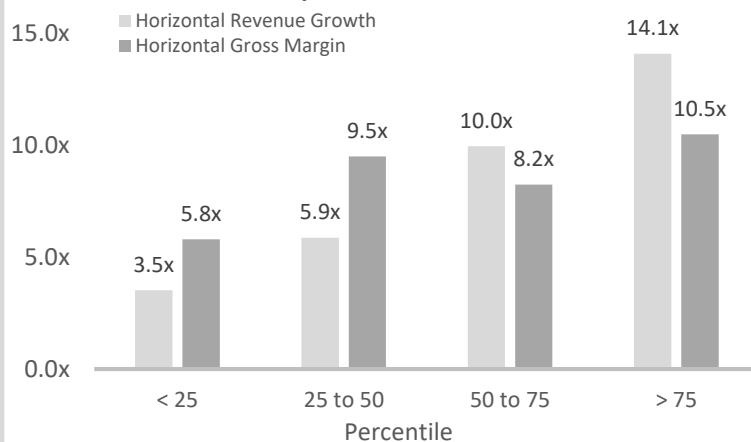


#### Average Vertical SaaS Operating Metrics

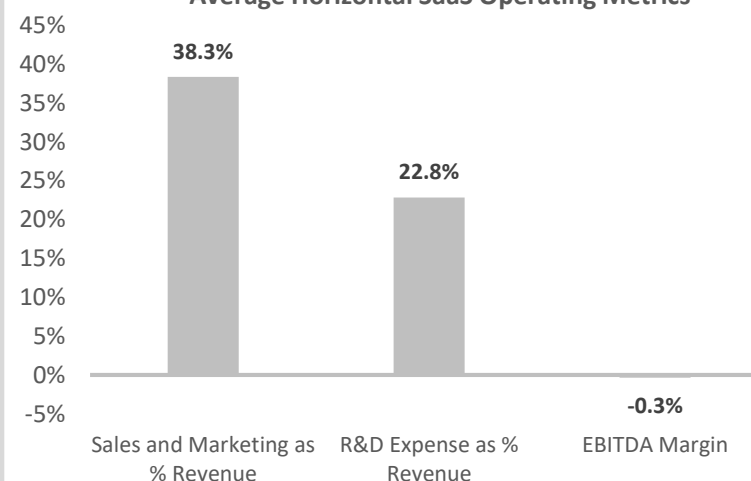


### Public Horizontal

#### Percentile Revenue Growth and Margin vs. EV/LTM Revenue



#### Average Horizontal SaaS Operating Metrics



## VALUATION & GROWTH METRICS

### FA SaaS Index - Valuation & Growth - As of Q3 2019

(In millions)

Ticker	Company Name	LTM Revenue	YoY Growth	LTM EBITDA	Enterprise Value /	
					LTM Revenue	LTM EBITDA
<b>Vertical SaaS Companies</b>						
TWOU	2U, Inc.	\$ 526.6	37.4%	\$ (61.6)	2.3x	NM
APPF	AppFolio, Inc.	\$ 239.0	34.6%	\$ 17.8	14.8x	182.5x
BKI	Black Knight, Inc.	\$ 1,162.5	6.1%	\$ 378.5	9.3x	29.7x
BLKB	Blackbaud, Inc.	\$ 883.8	4.6%	\$ 113.9	5.7x	41.7x
EBIX	Ebix, Inc.	\$ 570.8	22.4%	\$ 158.8	3.7x	11.9x
FDS	FactSet Research Systems Inc.	\$ 1,435.4	6.3%	\$ 498.5	6.6x	19.0x
INOV	Inovalon Holdings, Inc.	\$ 605.2	19.6%	\$ 164.9	5.9x	21.5x
INST	Instructure, Inc.	\$ 245.5	24.0%	\$ (59.2)	6.2x	NM
MDSO	Medidata Solutions, Inc.	\$ 684.6	12.2%	\$ 78.1	8.1x	70.7x
MCO	Moody's Corporation	\$ 4,656.3	2.4%	\$ 2,172.9	9.7x	20.6x
QTWO	Q2 Holdings, Inc.	\$ 295.8	31.1%	\$ (30.5)	13.0x	NM
RP	RealPage, Inc.	\$ 960.3	15.7%	\$ 163.0	6.7x	40.6x
SPSC	SPS Commerce, Inc.	\$ 271.6	12.6%	\$ 51.2	5.6x	30.9x
TEMN	Temenos AG	\$ 921.9	12.6%	\$ 286.6	14.1x	45.9x
TYL	Tyler Technologies, Inc.	\$ 1,039.6	14.1%	\$ 195.7	10.1x	52.9x
VEEV	Veeva Systems Inc.	\$ 968.7	26.1%	\$ 289.1	21.9x	73.3x
Min		\$ 239.0	2.4%	\$ (61.6)	2.3x	11.9x
Median		\$ 784.2	14.9%	\$ 160.9	7.4x	40.6x
Mean		\$ 966.7	17.6%	\$ 276.1	9.0x	49.3x
Max		\$ 4,656.3	37.4%	\$ 2,172.9	21.9x	182.5x

### Horizontal SaaS Companies

EGHT	8x8, Inc.	\$ 389.9	20.4%	\$ (105.7)	5.5x	NM
ADBE	Adobe Inc.	\$ 10,644.0	24.2%	\$ 3,566.5	12.6x	37.6x
ALRM	Alarm.com Holdings, Inc.	\$ 473.3	18.9%	\$ 75.8	4.9x	28.7x
AMBR	Amber Road, Inc.	\$ 86.2	2.7%	\$ (6.6)	-	-
TEAM	Atlassian Corporation Plc	\$ 1,306.2	38.1%	\$ (29.4)	24.5x	NM
BNFT	Benefitfocus, Inc.	\$ 283.3	12.5%	\$ (19.6)	3.4x	NM
BL	BlackLine, Inc.	\$ 271.0	25.8%	\$ (13.0)	9.9x	NM
BOX	Box, Inc.	\$ 655.2	18.1%	\$ (83.7)	4.0x	NM
BCOV	Brightcove Inc.	\$ 177.7	8.3%	\$ (2.3)	2.3x	NM
CARB	Carbonite, Inc.	\$ 405.3	44.2%	\$ 39.9	3.1x	30.7x
CSLT	Castlight Health, Inc.	\$ 149.0	(1.7%)	\$ (30.0)	1.1x	NM
ECOM	ChannelAdvisor Corporation	\$ 130.0	(0.4%)	\$ 7.1	1.8x	150.8x
CTXS	Citrix Systems, Inc.	\$ 3,002.6	1.8%	\$ 748.6	4.4x	16.7x
CSOD	Cornerstone OnDemand, Inc.	\$ 565.2	6.3%	\$ 17.1	6.0x	216.4x
COUP	Coupa Software Incorporated	\$ 318.8	45.5%	\$ (46.0)	25.4x	NM
DOCU	DocuSign, Inc.	\$ 827.7	37.4%	\$ (184.3)	13.0x	NM
EGAN	eGain Corporation	\$ 68.7	10.1%	\$ 6.5	3.2x	33.6x
EVBG	Everbridge, Inc.	\$ 185.6	38.1%	\$ (36.7)	11.3x	NM
FIVN	Five9, Inc.	\$ 308.1	28.0%	\$ 19.6	11.0x	161.6x
HUBS	HubSpot, Inc.	\$ 632.7	33.1%	\$ (32.0)	10.3x	NM
INTU	Intuit Inc.	\$ 6,784.0	12.6%	\$ 2,059.0	9.9x	32.5x
KXS	Kinaxis Inc.	\$ 173.5	18.2%	\$ 29.8	9.4x	53.8x
LPSN	LivePerson, Inc.	\$ 278.3	15.2%	\$ (43.3)	8.3x	NM



## VALUATION & GROWTH METRICS, CONT'D

Ticker	Company Name	LTM Revenue	YoY Growth	LTM EBITDA	Enterprise Value /	
					LTM Revenue	LTM EBITDA
<b>Horizontal SaaS Companies</b>						
LOGM	LogMeIn, Inc.	\$ 1,247.9	6.7%	\$ 318.8	3.0x	11.3x
MIME	Mimecast Limited	\$ 382.4	26.9%	\$ 28.7	6.2x	80.2x
MOBL	MobileIron, Inc.	\$ 205.3	9.1%	\$ (41.1)	3.1x	NM
MODN	Model N, Inc.	\$ 141.2	(8.7%)	\$ (8.2)	6.4x	NM
NEWR	New Relic, Inc.	\$ 542.9	31.3%	\$ (25.9)	6.5x	NM
PAYC	Paycom Software, Inc.	\$ 694.6	31.0%	\$ 236.2	18.4x	55.0x
PCTY	Paylocity Holding Corporation	\$ 493.8	24.5%	\$ 75.5	10.7x	67.9x
PEGA	Pegasystems Inc.	\$ 891.2	0.2%	\$ (73.5)	6.0x	NM
PFPT	Proofpoint, Inc.	\$ 843.2	26.7%	\$ (24.6)	8.9x	NM
QLYS	Qualys, Inc.	\$ 311.1	16.3%	\$ 95.4	9.0x	29.5x
RNG	RingCentral, Inc.	\$ 838.6	33.9%	\$ 8.6	13.2x	NM
CRM	salesforce.com, inc.	\$ 14,729.0	24.3%	\$ 2,064.0	8.8x	63.1x
SCWX	SecureWorks Corp.	\$ 533.2	8.2%	\$ (3.5)	1.8x	NM
NOW	ServiceNow, Inc.	\$ 3,224.1	32.0%	\$ 237.8	15.6x	285.3x
SHOP	Shopify Inc.	\$ 1,416.9	48.8%	\$ (95.6)	26.3x	NM
SMAR	Smartsheet Inc.	\$ 219.9	55.9%	\$ (60.5)	16.8x	NM
ULTI	The Ultimate Software Group, Inc.	\$ 1,198.8	10.3%	\$ 117.0	-	-
UPLD	Upland Software, Inc.	\$ 201.8	52.2%	\$ 48.3	5.9x	24.5x
VRNS	Varonis Systems, Inc.	\$ 269.1	5.2%	\$ (51.5)	6.4x	NM
WIX	Wix.com Ltd.	\$ 720.7	29.1%	\$ (50.6)	8.3x	NM
WDAY	Workday, Inc.	\$ 3,244.6	33.6%	\$ (277.8)	11.8x	NM
WK	Workiva Inc.	\$ 282.1	20.3%	\$ (25.7)	7.2x	NM
YEXT	Yext, Inc.	\$ 263.5	32.9%	\$ (81.4)	6.2x	NM
ZEN	Zendesk, Inc.	\$ 758.8	38.4%	\$ (129.2)	11.7x	NM
ZIXI	Zix Corporation	\$ 141.5	105.6%	\$ 22.5	6.0x	70.7x
ZUO	Zuora, Inc.	\$ 258.7	25.3%	\$ (76.2)	5.9x	NM
Min		\$ 68.7	(8.7%)	\$ (277.8)	-	11.3x
Median		\$ 405.3	24.3%	\$ (8.2)	6.5x	53.8x
Mean		\$ 1,268.8	24.0%	\$ 166.6	8.5x	76.3x
Max		\$ 14,729.0	105.6%	\$ 3,566.5	26.3x	285.3x

# OPERATING STATISTICS

## FA SaaS Index - Operating Statistics - As of Q3 2019

Ticker	Company Name	COGS <i>As a % of Revenue</i>	Gross Margin	SG&A <i>As a % of Revenue</i>	R&D Expense <i>As a % of Revenue</i>	Sales & Marketing <i>As a % of Revenue</i>	EBITDA Margin
<b>Vertical SaaS Companies</b>							
TWOU	2U, Inc.	26.1%	73.9%	77.5%	18.7%	58.7%	(11.7%)
APPF	AppFolio, Inc.	39.4%	60.6%	33.2%	20.0%	19.5%	7.4%
BKI	Black Knight, Inc.	54.7%	45.3%	0.9%	0.1%	N/A	32.6%
BLKB	Blackbaud, Inc.	45.8%	54.2%	36.6%	14.0%	24.4%	12.9%
EBIX	Ebix, Inc.	34.1%	65.9%	30.3%	8.3%	3.3%	27.8%
FDS	FactSet Research Systems Inc.	46.2%	53.8%	23.3%	15.0%	N/A	34.7%
INOV	Inovalon Holdings, Inc.	26.0%	74.0%	41.5%	5.3%	9.6%	27.2%
INST	Instructure, Inc.	31.4%	68.6%	66.8%	33.3%	47.4%	(24.1%)
MDSO	Medidata Solutions, Inc.	26.4%	73.6%	41.9%	26.2%	24.2%	11.4%
MCO	Moody's Corporation	28.7%	71.3%	24.6%	1.1%	N/A	46.7%
Q TWO	Q2 Holdings, Inc.	51.8%	48.2%	38.9%	27.0%	20.6%	(10.3%)
RP	RealPage, Inc.	38.8%	61.2%	31.5%	17.6%	19.6%	17.0%
SPSC	SPS Commerce, Inc.	33.0%	67.0%	42.1%	9.9%	25.8%	18.8%
TEMN	Temenos AG	29.4%	70.6%	26.9%	N/A	17.2%	31.1%
TYL	Tyler Technologies, Inc.	52.8%	47.2%	23.2%	7.5%	N/A	18.8%
VEEV	Veeva Systems Inc.	27.0%	73.0%	26.5%	18.5%	16.7%	29.8%
Min		26.0%	45.3%	0.9%	0.1%	3.3%	(24.1%)
Median		33.5%	66.5%	32.3%	15.0%	20.1%	18.8%
Mean		37.0%	63.0%	35.4%	14.8%	23.9%	16.9%
Max		54.7%	74.0%	77.5%	33.3%	58.7%	46.7%

### Horizontal SaaS Companies

EGHT	8x8, Inc.	39.7%	60.3%	72.9%	18.7%	53.2%	(27.1%)
ADBE	Adobe Inc.	14.8%	85.2%	37.9%	17.3%	29.7%	33.5%
ALRM	Alarm.com Holdings, Inc.	35.9%	64.1%	24.1%	24.0%	12.6%	16.0%
AMBR	Amber Road, Inc.	43.6%	56.4%	50.9%	18.8%	26.2%	(7.6%)
TEAM	Atlassian Corporation Plc	17.4%	82.6%	39.5%	50.4%	21.8%	(2.2%)
BNFT	Benefitfocus, Inc.	48.2%	51.8%	44.9%	21.0%	28.1%	(6.9%)
BL	BlackLine, Inc.	21.3%	78.7%	75.0%	19.1%	55.6%	(4.8%)
BOX	Box, Inc.	29.7%	70.3%	63.2%	27.4%	48.5%	(12.8%)
BCOV	Brightcove Inc.	41.0%	59.0%	45.6%	19.1%	32.9%	(1.3%)
CARB	Carbonite, Inc.	20.1%	79.9%	45.6%	21.7%	29.3%	9.8%
CSLT	Castlight Health, Inc.	38.6%	61.4%	44.6%	40.2%	26.5%	(20.1%)
ECOM	ChannelAdvisor Corporation	22.5%	77.5%	61.3%	15.8%	42.1%	5.4%
CTXS	Citrix Systems, Inc.	13.4%	86.6%	48.2%	18.2%	37.4%	24.9%
CSOD	Cornerstone OnDemand, Inc.	25.8%	74.2%	55.2%	22.7%	39.5%	3.0%
COUP	Coupa Software Incorporated	34.0%	66.0%	60.2%	25.8%	40.1%	(14.4%)
DOCU	DocuSign, Inc.	25.1%	74.9%	82.0%	20.4%	63.5%	(22.3%)
EGAN	eGain Corporation	31.9%	68.1%	38.0%	21.5%	26.3%	9.4%
EVBG	Everbridge, Inc.	31.5%	68.5%	67.1%	30.1%	44.3%	(19.8%)
FIVN	Five9, Inc.	40.5%	59.5%	43.8%	13.5%	28.8%	6.4%
HUBS	HubSpot, Inc.	19.2%	80.8%	64.9%	24.9%	50.8%	(5.1%)
INTU	Intuit Inc.	16.9%	83.1%	37.2%	18.5%	28.4%	30.4%
KXS	Kinaxis Inc.	29.6%	70.4%	38.1%	18.3%	23.5%	17.2%
LPSN	LivePerson, Inc.	26.5%	73.5%	68.7%	26.5%	50.8%	(15.6%)
LOGM	LogMeIn, Inc.	25.0%	75.0%	47.1%	15.4%	34.3%	25.5%
MIME	Mimecast Limited	26.0%	74.0%	56.3%	18.1%	40.5%	7.5%

## OPERATING STATISTICS, CONT'D

Ticker	Company Name	COGS <i>As a % of Revenue</i>	Gross Margin	SG&A <i>As a % of Revenue</i>	R&D Expense <i>As a % of Revenue</i>	Sales & Marketing <i>As a % of Revenue</i>	EBITDA Margin
<b>Horizontal SaaS Companies</b>							
MOBL	MobileIron, Inc.	20.3%	79.7%	62.1%	39.4%	47.5%	(20.0%)
MODN	Model N, Inc.	46.8%	53.2%	42.6%	21.2%	23.3%	(5.8%)
NEWR	New Relic, Inc.	16.7%	83.3%	70.4%	24.2%	54.4%	(4.8%)
PAYC	Paycom Software, Inc.	12.4%	87.6%	42.1%	9.7%	24.6%	34.0%
PCTY	Paylocity Holding Corporation	32.5%	67.5%	45.1%	14.2%	24.9%	15.3%
PEGA	Pegasystems Inc.	34.8%	65.2%	56.0%	22.4%	49.9%	(8.2%)
PFPT	Proofpoint, Inc.	26.8%	73.2%	59.6%	25.7%	47.2%	(2.9%)
QLYS	Qualys, Inc.	22.5%	77.5%	35.4%	21.1%	22.8%	30.7%
RNG	RingCentral, Inc.	24.8%	75.2%	63.1%	14.9%	48.1%	1.0%
CRM	salesforce.com, inc.	25.2%	74.8%	55.4%	14.7%	45.8%	14.0%
SCWX	SecureWorks Corp.	46.8%	53.2%	44.8%	16.9%	27.5%	(0.6%)
NOW	ServiceNow, Inc.	23.4%	76.6%	54.6%	21.5%	44.6%	7.4%
SHOP	Shopify Inc.	44.4%	55.6%	41.2%	22.8%	30.5%	(6.7%)
SMAR	Smartsheet Inc.	18.9%	81.1%	79.7%	34.4%	61.0%	(27.5%)
ULTI	The Ultimate Software Group, Inc.	38.1%	61.9%	37.5%	19.4%	25.0%	9.8%
UPLD	Upland Software, Inc.	31.3%	68.7%	35.9%	13.2%	14.7%	23.9%
VRNS	Varonis Systems, Inc.	12.2%	87.8%	78.6%	29.1%	62.7%	(19.1%)
WIX	Wix.com Ltd.	24.2%	75.8%	51.7%	33.1%	40.8%	(7.0%)
WDAY	Workday, Inc.	29.8%	70.2%	43.8%	42.6%	32.3%	(8.6%)
WK	Workiva Inc.	28.1%	71.9%	51.3%	31.0%	38.8%	(9.1%)
YEXT	Yext, Inc.	25.2%	74.8%	93.0%	15.6%	69.6%	(30.9%)
ZEN	Zendesk, Inc.	29.5%	70.5%	65.9%	26.0%	48.6%	(17.0%)
ZIXI	Zix Corporation	40.2%	59.8%	43.7%	12.5%	N/A	15.9%
ZUO	Zuora, Inc.	49.3%	50.7%	58.1%	25.5%	41.5%	(29.4%)
	Min	12.2%	50.7%	24.1%	9.7%	12.6%	(30.9%)
	Median	26.8%	73.2%	51.3%	21.2%	39.2%	(2.9%)
	Mean	29.0%	71.0%	53.5%	22.8%	38.3%	(0.3%)
	Max	49.3%	87.8%	93.0%	50.4%	69.6%	34.0%



# BALANCE SHEET METRICS

## FA SaaS Index - Balance Sheet Metrics - As of Q3 2019

Ticker	Company Name	Return on Assets	Return on Equity	Current Ratio	Days Sales Outstanding	Days Payable Outstanding	Liabilities/Assets	Debt/Equity
<b>Vertical SaaS Companies</b>								
TWOU	2U, Inc.	(7.3%)	(26.1%)	1.8x	46.5	45.9	39.6%	42.6%
APPF	AppFolio, Inc.	3.6%	29.5%	1.5x	10.3	5.1	46.4%	57.7%
BKI	Black Knight, Inc.	4.7%	7.7%	1.3x	62.8	21.0	53.3%	90.3%
BLKB	Blackbaud, Inc.	1.9%	5.3%	0.7x	38.5	26.9	77.7%	163.8%
EBIX	Ebix, Inc.	6.0%	13.6%	1.5x	101.9	213.1	63.7%	132.3%
FDS	FactSet Research Systems Inc.	18.4%	58.9%	2.7x	38.5	40.3	56.9%	85.4%
INOV	Inovalon Holdings, Inc.	1.8%	(1.2%)	2.3x	71.6	72.1	65.3%	157.5%
INST	Instructure, Inc.	(12.8%)	(47.3%)	1.0x	66.3	45.2	61.4%	32.5%
MDSO	Medidata Solutions, Inc.	2.2%	7.2%	2.6x	89.4	17.3	35.5%	30.1%
MCO	Moody's Corporation	13.8%	201.8%	1.4x	92.5	4.2	92.6%	828.1%
QTWO	Q2 Holdings, Inc.	(4.3%)	(24.8%)	5.9x	30.1	19.7	60.9%	119.8%
RP	RealPage, Inc.	2.6%	4.0%	0.8x	46.7	30.9	49.9%	64.2%
SPSC	SPS Commerce, Inc.	5.6%	9.7%	4.5x	38.1	16.8	19.1%	5.7%
TEMN	Temenos AG	9.0%	64.9%	0.9x	109.6	217.1	83.8%	343.0%
TYL	Tyler Technologies, Inc.	4.8%	8.9%	1.2x	110.5	4.5	26.1%	1.6%
VEEV	Veeva Systems Inc.	10.5%	23.1%	4.2x	55.3	11.4	22.3%	1.5%
Min		(12.8%)	(47.3%)	0.7x	10.3	4.2	19.1%	1.5%
Median		4.1%	8.3%	1.5x	59.0	24.0	55.1%	74.8%
Mean		3.8%	21.0%	2.1x	63.0	49.5	53.4%	134.8%
Max		18.4%	201.8%	5.9x	110.5	217.1	92.6%	828.1%



## Horizontal SaaS Companies

EGHT	8x8, Inc.	(15.6%)	(53.2%)	2.4x	24.1	82.2	64.2%	126.8%
ADBE	Adobe Inc.	10.6%	29.1%	0.7x	41.3	38.3	48.9%	40.4%
ALRM	Alarm.com Holdings, Inc.	8.0%	16.1%	4.7x	46.4	42.3	32.9%	31.5%
AMBR	Amber Road, Inc.	(5.9%)	(39.7%)	0.6x	63.2	24.4	72.7%	101.3%
TEAM	Atlassian Corporation Plc	(1.5%)	(46.3%)	0.9x	22.8	116.0	78.8%	164.9%
BNFT	Benefitfocus, Inc.	(8.8%)	N/A	2.5x	49.2	20.6	108.2%	-1040.0%
BL	BlackLine, Inc.	(2.7%)	(8.6%)	3.9x	97.8	14.3	58.9%	98.6%
BOX	Box, Inc.	(12.1%)	(463.3%)	0.8x	64.8	29.8	97.3%	1789.9%
BCOV	Brightcove Inc.	(2.9%)	(24.3%)	0.8x	57.0	40.6	56.1%	21.7%
CARB	Carbonite, Inc.	(0.1%)	(9.2%)	0.7x	34.2	25.6	79.7%	262.7%
CSLT	Castlight Health, Inc.	(8.7%)	(17.3%)	1.8x	80.5	55.4	26.9%	11.2%
ECOM	ChannelAdvisor Corporation	0.3%	(1.5%)	2.0x	60.4	20.0	35.3%	17.9%
CTXS	Citrix Systems, Inc.	7.6%	87.4%	0.7x	51.1	65.7	82.3%	141.8%
CSOD	Cornerstone OnDemand, Inc.	0.4%	(18.0%)	1.5x	63.9	22.7	84.9%	286.2%
COUP	Coupa Software Incorporated	(3.7%)	(18.9%)	2.1x	76.5	10.4	69.3%	166.3%
DOCU	DocuSign, Inc.	N/A	N/A	1.6x	60.9	35.2	67.8%	109.3%
EGAN	eGain Corporation	5.7%	N/A	1.3x	98.5	30.0	67.4%	16.7%
EVBG	Everbridge, Inc.	(7.7%)	(37.8%)	1.8x	87.4	40.5	56.0%	54.0%
FIVN	Five9, Inc.	1.1%	(1.1%)	6.1x	33.6	16.5	60.8%	124.6%
HUBS	HubSpot, Inc.	(2.6%)	(12.8%)	3.8x	40.6	35.6	57.5%	91.7%
INTU	Intuit Inc.	20.3%	47.4%	1.8x	5.0	71.9	40.3%	11.6%
KXS	Kinaxis Inc.	5.3%	9.4%	3.3x	78.2	32.6	29.5%	4.8%
LPSN	LivePerson, Inc.	(10.0%)	(45.6%)	2.2x	69.2	39.1	66.9%	119.4%
LOGM	LogMeIn, Inc.	0.7%	0.5%	0.5x	25.2	54.6	28.1%	11.1%
MIME	Mimecast Limited	(0.2%)	(3.7%)	1.2x	62.1	36.3	70.1%	120.0%

## BALANCE SHEET METRICS, CONT'D

Ticker	Company Name	Return on Assets	Return on Equity	Current Ratio	Days Sales Outstanding	Days Payable Outstanding	Liabilities/ Assets	Debt/ Equity
<b>Horizontal SaaS Companies</b>								
MOBL	MobileIron, Inc.	(14.1%)	(97.9%)	1.3x	83.9	19.2	80.3%	39.4%
MODN	Model N, Inc.	(5.6%)	(41.6%)	1.2x	71.4	10.9	68.9%	84.0%
NEWR	New Relic, Inc.	(3.3%)	(17.9%)	3.0x	51.4	60.6	67.5%	129.9%
PAYC	Paycom Software, Inc.	8.6%	39.9%	1.1x	1.3	23.0	70.2%	12.6%
PCTY	Paylocity Holding Corporation	2.3%	21.4%	1.1x	2.7	9.8	80.6%	27.2%
PEGA	Pegasystems Inc.	(7.8%)	(13.0%)	1.5x	124.9	16.7	42.3%	13.7%
PFPT	Proofpoint, Inc.	(3.8%)	(22.4%)	1.9x	75.5	26.4	73.1%	134.3%
QLYS	Qualys, Inc.	6.6%	17.2%	1.8x	70.3	14.7	42.3%	10.6%
RNG	RingCentral, Inc.	(1.5%)	(10.2%)	2.9x	46.2	24.9	65.1%	115.4%
CRM	salesforce.com, inc.	1.5%	6.2%	1.0x	56.7	121.4	48.5%	37.5%
SCWX	SecureWorks Corp.	(2.8%)	(4.9%)	1.1x	86.5	29.6	34.6%	4.7%
NOW	ServiceNow, Inc.	0.2%	2.9%	1.0x	54.6	25.5	69.9%	78.7%
SHOP	Shopify Inc.	(3.0%)	(5.7%)	11.2x	6.2	71.7	11.6%	3.9%
SMAR	Smartsheet Inc.	(8.5%)	(18.6%)	3.5x	52.9	23.2	29.1%	10.8%
ULTI	The Ultimate Software Group, Inc.	1.9%	8.4%	1.0x	67.0	13.1	69.6%	11.5%
UPLD	Upland Software, Inc.	2.2%	(15.4%)	1.6x	64.0	21.8	68.1%	159.3%
VRNS	Varonis Systems, Inc.	(13.2%)	(55.5%)	1.5x	71.1	34.1	67.2%	67.5%
WIX	Wix.com Ltd.	(4.4%)	(42.4%)	2.0x	7.8	92.3	80.8%	205.8%
WDAY	Workday, Inc.	(6.1%)	(24.8%)	0.8x	60.2	12.4	63.1%	69.8%
WK	Workiva Inc.	(4.5%)	N/A	2.6x	54.5	22.9	88.8%	453.5%
YEXT	Yext, Inc.	(15.7%)	(57.6%)	2.0x	45.0	48.3	55.7%	51.4%
ZEN	Zendesk, Inc.	(7.5%)	(39.6%)	1.4x	44.3	59.2	70.0%	134.1%
ZIXI	Zix Corporation	1.3%	(2.3%)	0.3x	17.2	42.1	63.7%	128.8%
ZUO	Zuora, Inc.	N/A	N/A	1.9x	65.3	5.4	45.1%	7.4%
Min		(15.7%)	(463.3%)	0.3x	1.3	5.4	11.6%	(1040.0%)
Median		(2.7%)	(12.9%)	1.6x	57.0	29.8	66.9%	69.8%
Mean		(2.1%)	(22.4%)	2.0x	54.6	37.3	61.2%	99.5%
Max		20.3%	87.4%	11.2x	124.9	121.4	108.2%	1789.9%

# FOUNDERS TECHNOLOGY TRANSACTIONS

<b>VINCARI</b> <i>Has been acquired by</i>  <b>NUANCE</b> Sell-Side Advisor	 <i>Has been acquired by</i>  <b>SSM PARTNERS</b> Sell-Side Advisor	<b>Predikto</b> <i>Has been acquired by</i>  <b>United Technologies</b> Sell-Side Advisor	<b>COCONSTRUCT</b> BUILD TOGETHER <i>Has been recapitalized by</i>  <b>Serent CAPITAL</b> Financial Advisor	<b>Vertical SaaS Company</b> <i>Has been acquired by</i>  <b>INSIGHT VENTURE PARTNERS</b> Sell-Side Advisor	<b>PREsenso.</b> <i>Has been acquired by</i>  <b>SKF</b> Sell-Side Advisor	<b>NXGEN</b> <i>Has been recapitalized by</i>  <b>PARTHENON CAPITAL PARTNERS</b> Financial Advisor
<b>Vertical Software Provider</b> <i>Has been recapitalized by</i>  <b>GSV   GREATER SUM VENTURES</b> Financial Advisor	 <b>INNOVA ZONES</b> <i>Has been recapitalized by</i>  <b>aramark</b> Financial Advisor	 <b>COVALENTWORKS</b> <i>Has been acquired by</i>  <b>SPS COMMERCE</b> Sell-Side Advisor	<b>Software Application Provider</b> <i>Has been acquired by</i>  <b>amazon</b> Financial Advisor	<b>LIVETEXT</b> Learn what's possible <i>Has been acquired by</i> <b>QUAD PARTNERS</b> Sell-Side Advisor	 <b>DAMAC</b> <i>Has been acquired by</i> <b>Maysteel</b> Sell-Side Advisor	 <b>DIRECTORPOINT</b> <i>Has been acquired by</i>  <b>Diligent</b> Sell-Side Advisor
<b>K-12 Content &amp; Messaging Platform</b> <i>Has been acquired by</i>  <b>communitybrands</b> Sell-Side Advisor	 <i>Has been recapitalized by</i> <b>GO CAPITAL</b> Financial Advisor	 <b>Ministry Brands and in10sity</b> <i>Have been acquired by</i> <b>PROVIDENCE EQUITY</b> Sell-Side Advisor	 <i>Has been acquired by</i>  <b>XL MEDIA</b> Sell-Side Advisor	 <b>TheraNest</b> <i>Has been recapitalized by</i> <b>GSV   GREATER SUM VENTURES</b> Financial Advisor	 <b>HEALTH INFORMATION DESIGNS</b> <i>Has been recapitalized by</i>  <b>bv INVESTMENT PARTNERS</b> Financial Advisor	<b>LowCards.com</b> <i>Has been acquired by</i>  <b>iCommissions</b> Sell-Side Advisor
 <b>RothIRA.com</b> <i>Has been acquired by</i>  <b>INVESTOPEDIA</b> A subsidiary of  <b>IAC</b> Sell-Side Advisor	 <b>ion INTERACTIVE</b> <i>Has been acquired by</i>  <b>scribble LIVE</b> Sell-Side Advisor	 <b>netDirect Merchants</b> <i>Has been recapitalized by</i>  <b>THE MUSTANG GROUP</b> Financial Advisor	 <b>FlexOffers.com</b> <i>Has been acquired by</i> <b>Bankrate, Inc.</b> Sell-Side Advisor	 <b>GradesFirst</b> <i>Has been acquired by</i>  <b>The Advisory Board Company</b> Sell-Side Advisor	<b>redOrbit</b> <i>Has been acquired by</i>  <b>SCIENCE MATTERS MEDIA</b> Sell-Side Advisor	 <b>DoughRoller</b> <i>Has been acquired by</i>  <b>XL MEDIA</b> Sell-Side Advisor
 <b>SmarterServices</b> <i>Has been recapitalized by</i> <b>MAIN LINE EQUITY PARTNERS</b> Sell-Side Advisor	<b>TICKET-BISCUIT</b> <i>Has been recapitalized by</i>  <b>BALLAST POINT VENTURES</b> Financial Advisor	 <b>ABOUT AIRPORT PARKING</b> <i>Has been acquired by</i>  <b>OVERSEE.NET</b> Sell-Side Advisor	 <b>ACTEKSOFT</b> <i>Has been acquired by</i>  <b>CALLIDUS SOFTWARE</b> Sell-Side Advisor	 <b>SHIPT</b> <i>Has secured growth capital from</i>  <b>Harbert Management Corporation</b> <b>GREYCROFT</b> Strategic Advisor	 <b>DepositAccounts</b> <i>Has been acquired by</i>  <b>lendingtree</b> Sell-Side Advisor	 <b>USDiagnostics</b> <i>Has been acquired by</i>  <b>Alere</b> Sell-Side Advisor
<b>SOUTH CYPRESS</b> <i>Has secured growth funding from</i> <b>FIDELIS CAPITAL</b> Financial Advisor	 <b>YOUCARING</b> <i>Has been acquired by</i> <b>ALPINE INVESTORS, L.P.</b> Sell-Side Advisor	<b>TICKET-BISCUIT</b> <i>Has secured growth funding from</i>  <b>C&amp;G CAPITAL PARTNERS</b> Financial Advisor	 <i>Has been acquired by</i> <b>301 Digital Media</b> Sell-Side Advisor	<b>TriNovus</b> <i>Has been acquired by</i>  <b>TEMENOS</b> Sell-Side Advisor	 <b>BARGAINEERING</b> <i>Has been acquired by</i>  <b>Bankrate, Inc.</b> Sell-Side Advisor	<b>Top Insurance Lead-Gen Company</b> <i>Has been acquired by</i>  <b>Bankrate, Inc.</b> Financial Advisor
 <b>mma JUNKIE.COM</b> <i>Has been acquired by</i>  <b>USA TODAY</b> Sell-Side Advisor	<b>nursing jobs.org</b> <i>Has been acquired by</i>  <b>Internet Brands</b> Sell-Side Advisor	 <b>CreditorWeb</b> <i>Has been acquired by</i>  <b>Internet Brands</b> Sell-Side Advisor	 <b>ElderCareLink</b> <i>Has been acquired by</i> <b>QUIN STREET</b> Sell-Side Advisor	 <b>CreditCardForum</b> <i>Has been acquired by</i> <b>An Undisclosed Strategic Buyer</b> Sell-Side Advisor	<b>PORTFOLIO OF TRUCKING EMPLOYMENT WEBSITES OWNED BY</b> <i>Has been acquired by</i>  <b>Internet Brands</b> Sell-Side Advisor	 <b>Petri IT Knowledgebase</b> <i>Has been acquired by</i>  <b>BlueWhaleWeb</b> Sell-Side Advisor
 <b>fivecentnickel.com</b> <i>Has been acquired by</i> <b>QUIN STREET</b> Sell-Side Advisor	 <b>MAGIC INC.</b> <i>Has been acquired by</i> <b>SofterWare.</b> Sell-Side Advisor	 <b>CONSUMERISM COMMENTARY</b> <i>Has been acquired by</i> <b>QUIN STREET</b> Sell-Side Advisor	 <b>Bankaholic</b> <i>Has been acquired by</i>  <b>Bankrate, Inc.</b> Sell-Side Advisor	 <b>GetRich Slowly</b> <i>Has been acquired by</i>  <b>Internet Brands</b> Sell-Side Advisor	 <b>GetRich Slowly</b> <i>Has been acquired by</i> <b>QUIN STREET</b> Sell-Side Advisor	 <b>RothIRA.com</b> <i>Has been recapitalized by</i> <b>T2 MEDIA</b> Financial Advisor



# FOUNDERS ADVISORS

VALUE | LIQUIDITY | GROWTH

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