

FOUNDERS ADVISORS

Marketing Technology and Services

Market Update | February 2024



I. Market Snapshot | *M&A Activity, Public Market Trends, and Active Market Participants*

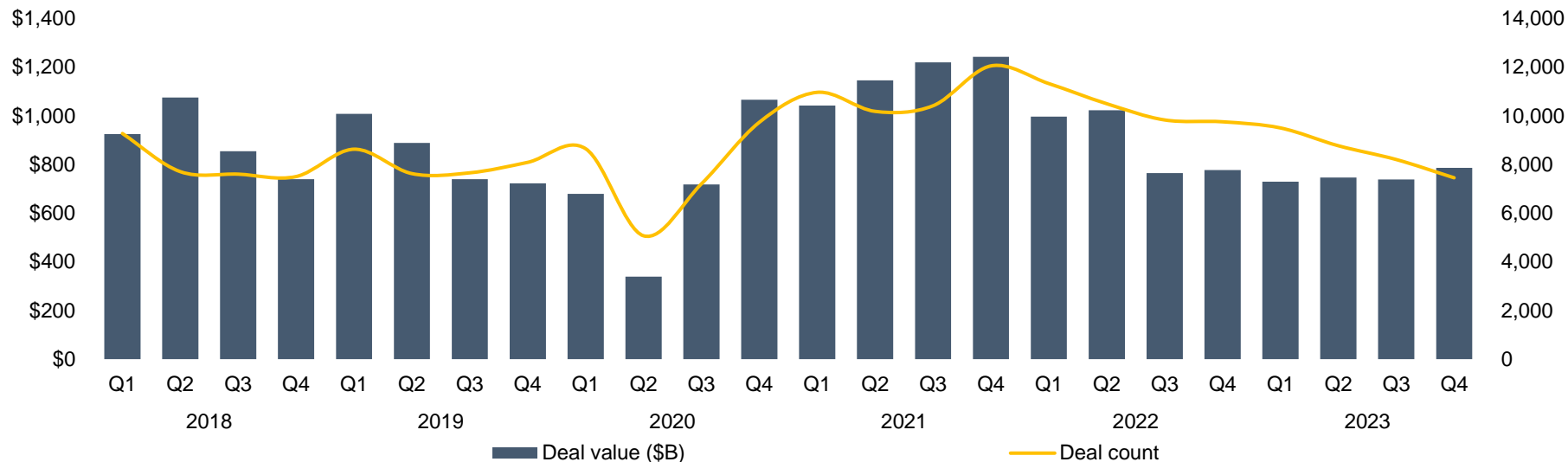
II. Entrepreneurs' Corner | *Curated Content and Valuation Scorecard*

III. Valuation and Operating Metrics | *Analyses of Key Performance Indicators*

IV. About Us | *Founders Advisors Overview and Transaction Experience*

V. Appendix

Global M&A Volume



2024 M&A Outlook

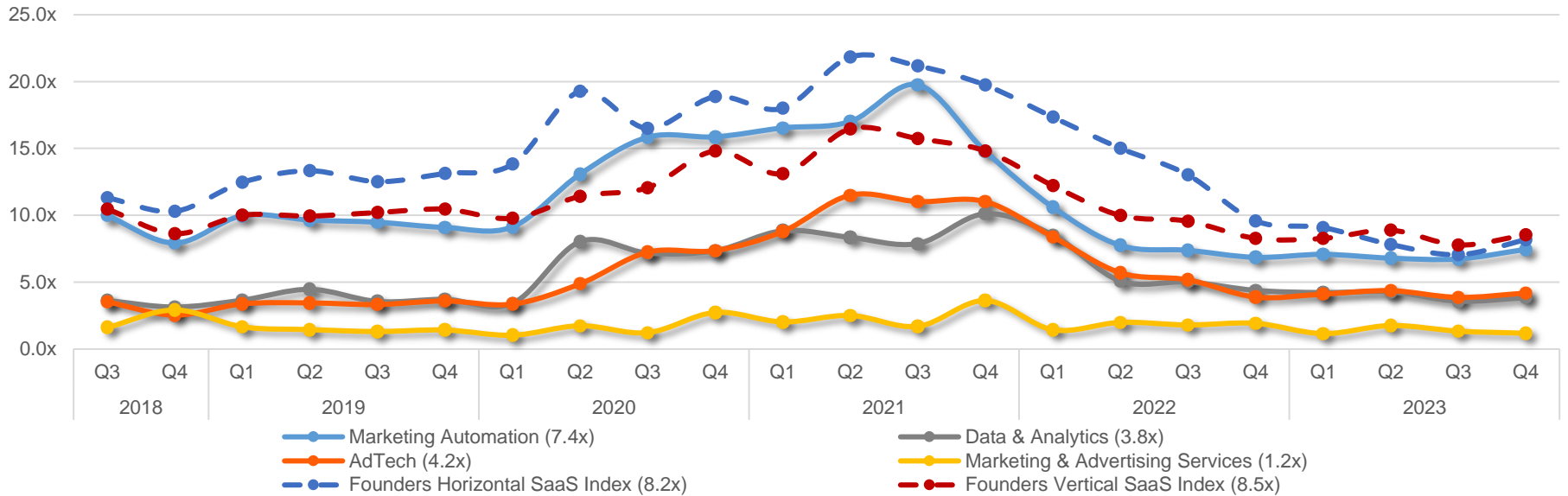
- Global M&A activity saw a combination of growth and contraction in Q4. Overall deal value for the quarter eclipsed \$786.2B, up 6.5% from Q3, while deal count fell 9.2% to 7,451 as buyers and sellers continued to struggle with alignment on valuation expectations in a high interest rate environment.
- Strategic buyers continued to acquire companies at a higher rate than PE groups, who faced high borrowing costs and hurdles in valuation. Strategics completed 4,889 deals in Q4, accounting for 65.6% of global M&A activity.
- Even in the face of economic headwinds, more than 40,000 M&A transactions were announced or completed in 2023, the third highest annual total on record. Moving into 2024, analysts are encouraged by positive Q4 inflation trends and the Fed's expectation of post-March rate cuts. PE groups will look to put a combined \$1.6T of dry powder to work this year as the economic environment settles and groups strive to hit fund mandates.

The State of MarTech M&A

- The MarTech sector as a whole saw decreases in deal volume and funding as many enterprises and SMBs alike looked to reduce operating expenses in a time of high interest rates and uncertain economic outlook by removing duplicative / low-ROI software from their tech stacks.
- The MarTech environment remains highly competitive coming into 2024, as companies work to prove their unique value to customers and break into the marketing budgets of companies across the globe. Winners in this sector are providing clients with user-friendly, high ROI software that quickly and easily integrates with existing enterprise software platforms.
- Based on what we're hearing from active strategic buyers and investors, we expect to see increasing consolidation in the MarTech sector over the next 18 months as companies look for up-sell, cross-sell, and diversification opportunities via M&A in a market experiencing early signs of saturation.

MarTech Index | Valuation Trends and Market Insights

Sector Valuation Trends | Quarterly Enterprise Value / Revenue Multiples



Market Insights | What We're Reading

MarTech Trends Moving into 2024, marketers are continuing to fine-tune their tech stacks and improve their ad-spend efficiency. A recent article from Gartner suggests that [61% of marketers regret a software purchase from the last 18 months](#), and one-third of marketers are now looking for ROI from their software investments within 6 months. Expect companies to put a higher priority on customer acquisition software, as marketers listed this as their greatest challenge moving into 2024.

















Social Media Ads We recently came across an insightful article on [2024 social media marketing trends](#), which include the rise of in-app purchases, short form video content, and the importance of social media marketing with Gen Z. Offering software that integrates with social media applications like TikTok and Instagram is becoming increasingly attractive to companies targeting the 18-34 demographic, whose [preferred search engine is now social media](#).

R&D vs. S&M + AI Entrepreneurs are constantly balancing investment in R&D with S&M initiatives. Despite a renewed focus on revenue growth from buyers/investors, we felt [this recent post from OnlyCFOs](#) was helpful in highlighting how well-performing public companies invest in each category. Similarly, a gap is forming between AI-focused software companies and all other software companies with [AI leaders trading at nearly 3x the multiple of non-AI companies](#).

SaaS Insights For owners and operators looking to compare their year-end SaaS metrics to the rest of the industry, we recommend this [2024 SaaS Benchmarks Report](#) from FirstPageSage, which includes aggregated data and KPIs from a plethora of leading industry reports. For insight into industry data on SaaS marketing spend trends, we recommend Insight Partners' report [analyzing marketing spend and performance data from 500+ of their B2B SaaS portfolio companies](#).

M&A Activity | Notable Recent Transactions

Marketing Technology Transactions (\$ in Millions)

Date	Target	Acquirer	Deal Size	Employee Count	Commentary
13-Feb-24	 DRIFT	 Salesloft.	N/A*	550	<i>Drift, developer of a conversational marketing and sales platform designed to turn website traffic into qualified sales meetings, was acquired by SalesLoft, a developer of cloud-based sales intelligence software, via its financial sponsor Vista Equity through an LBO for an undisclosed amount.</i>
22-Jan-24	 LAUNCH METRICS	 LECTRA.	\$220.0	430	<i>Launchmetrics, developer of a marketing and analytics platform helping brands accelerate their launch into the marketplace, was acquired by Lectra (PAR: LSS), a provider of multimedia and software design services, for \$220M.</i>
17-Jan-24	 Habu	 /LiveRamp	\$200.0	70	<i>Habu, a developer of marketing software designed to help brands improve the efficiency and personalization of their current marketing technology, was acquired by LiveRamp Holdings (NYS: RAMP), a provider of marketing analytics software, for \$200M.</i>
02-Jan-24	 Flywheel	 OmnicomGroup	\$900.0	2,000	<i>Flywheel, a provider of digital marketing services designed to help consumer product companies accelerate brand growth in digital retail, was acquired by Omnicom Group (NYS: OMC), the world's second-largest ad holding company, for \$900M.</i>
12-Dec-23	 adcellerant	 CLEARVIEW CAPITAL	N/A	140	<i>AdCellerant, a provider of advertising and marketing software and services to brands, was acquired by Clearview Capital through an LBO for an undisclosed amount.</i>
12-Dec-23	 Hivestack	 Perion	\$100.0	154	<i>Hivestack, developer of a location ad-serving platform designed to target custom audiences based on physical-world behaviors, was acquired by Perion Network (TAE: PERI), a provider of online advertising and searching solutions to brands, agencies and publishers, for \$100M.</i>
22-Nov-23	 TWO CIRCLES	 charterhouse	\$315.5	600	<i>Two Circles, a provider of sports data marketing services, including CRM, marketing campaign strategy and management, digital marketing, data management and consumer research, was acquired by Charterhouse Capital Partners through a \$316M LBO.</i>
01-Nov-23	 VIVVIX	 MEDIA Radar	N/A	360	<i>Vivvix, operator of a marketing and advertising agency, was acquired by MediaRadar, a provider of advertising intelligence services for the media planning, buying and selling sectors, for an undisclosed amount.</i>

Market Participants | Active MarTech Buyers and Investors

Below are some of the more active private equity firms and strategic buyers within the marketing technology space. Potential buyer deal experience and the recency of that M&A are key factors our team considers ahead of a transaction process – a partner with a well-oiled M&A engine generally leads to a more efficient diligence and negotiation process.

Private Equity Firms



Strategic and PE-Backed Acquirers



I. Market Snapshot | *M&A Activity, Public Market Trends, and Active Market Participants*

II. Entrepreneurs' Corner | *Curated Content and Valuation Scorecard*

III. Valuation and Operating Metrics | *Analyses of Key Performance Indicators*

IV. About Us | *Founders Advisors Overview and Transaction Experience*

V. Appendix

Silicon Y'all | Recap of Our 2023 Technology Summit



- Founders hosted its ninth annual Technology Summit, Silicon Y'all, in early October. The event was attended by a curated group of 90 CEOs from across the country and 22 of the leading technology-focused private equity groups.
- The three-day event was filled with meaningful insights from investors, current operators, and industry experts. CEOs shared operational best practices, explored ways to drive enterprise value, discussed innovative growth strategies, and networked with value-added investors and industry experts.



Representative Session Topics

- Financing M&A in a Turbulent Capital Market
- The Day After - A Founder's Fears After Investment & Exit
- The Human Side of a Tech Business
- Lessons Learned in Growing 5 Different Start-Ups to Billion+ companies
- Managing Through the Lens of Data
- How Strategic Buyers Think - A Behind the Scenes Look at Growth by Acquisition
- A Case Study in Pricing Strategy featuring a prior Founders' client
- Embracing AI to Enhance your Market Position
- Understanding the Sales Organization - What the Data Shows from Assessing Hundreds of Organizations

Debt Participants



Private Equity Participants



Investment Grade Coaching & Advisory Board Program

Born out of the Silicon Y'all community of entrepreneurs, Founders established an **exclusive value creation program** that is a collaboration of Investment Banking and Value Creation Consulting. We have partnered with former entrepreneurs, advisors, and investors to develop a peer group program to serve SaaS and software-enabled service company owners and operators who are seeking to create investment grade companies.

The program was officially announced at Silicon Y'all 2023, and we've already filled our first cohort of companies. Based on interest, we are already working with our value creation consultants to fill the second cohort of CEOs. Each group is curated to ensure companies have similar attributes, and the selection process targets CEOs that have a giver orientation, offer an area of expertise to the group, commit to regular attendance and contribution to peers, and have a relentless commitment to growth. If you're interested in discussing the program and our 2024 cohorts, please reach out to our team, and we can share more information.

Objectives

- Accelerate enterprise value creation, yielding a better business to hold & operate while also generating more exit optionality
- Create investment grade companies that are attractive and sellable to both private equity firms and strategic buyers
- Close the knowledge and skill gap compared to institutionally-backed peers by helping founders move to more of a "professional" CEO role
- Provide owners and operators with a peer group of other growth-oriented CEOs
- Offer private equity portfolio company-like services with no equity dilution
- Benchmark your business against other high performing peers while also understanding your company's current valuation, including key needle movers

How We Do This

- Monthly classes on strategies and operations led by software-focused private equity groups and market experts
- KPI benchmarking reviews and peer accountability
- Highly curated referral network of functional area specialists
- Monthly group meetings to process key issues and decisions with peer CEOs and advisory group leader

Sample Program Topics

- Creating an M&A landscape and execution playbook
- How to assess pricing and charge higher rates
- Common problems in unit economics and how to fix them
- How to use customer segmentation to unlock meaningful growth and outsized margins
- Identifying structural barriers to becoming investment grade
- Best practices for establishing scalable business processes
- What to do before establishing a board of directors and how to work with these advisors
- Hiring a sales team that can scale and why 90% of companies initially hire the wrong people for this role
- What to expect from a CFO and what a well-run finance department looks like
- How to design and execute a product/service road map

Leverage data to lead your business to greater enterprise value. Founders has developed a sector-specific, algorithmic evaluation tool to help business owners understand if their company is investment grade based on years of M&A expertise. Our Investment Grade Assessment gives owners a measurable system to assess the 12 interdependent value drivers.

MarTech Assessment Link

- **Assessment:** <https://app.foundersib.com/auth/sign-up>
- **Discount Code:** martech2024
- **Industry:** Technology, Media, and Telecommunication
- **Sector:** Marketing Technology

Approaching the Assessment

- Allow 15-20 minutes to complete; go with your gut answer and keep moving; do your best not to overanalyze questions
- It's okay to select "unknown"; this will bring awareness to areas of the business the need more attention
- Answer honestly as to where your company is now, not where you wish it was
- Don't be discouraged by results; there are action steps to improve in all areas
- If there is more than one owner / operator, we recommend each key executive take the assessment separately to allow for comparison of results and perspectives

Proprietary Assessment Tool

Founders' proprietary assessment platform gives business owners a clear market perspective on how investable their company is coupled with a view on organizational health.



Why Assess Your Business?

The benefits of assessing your business far transcend solely transacting. Doing so provides the opportunity to own and operate an all-around better business.



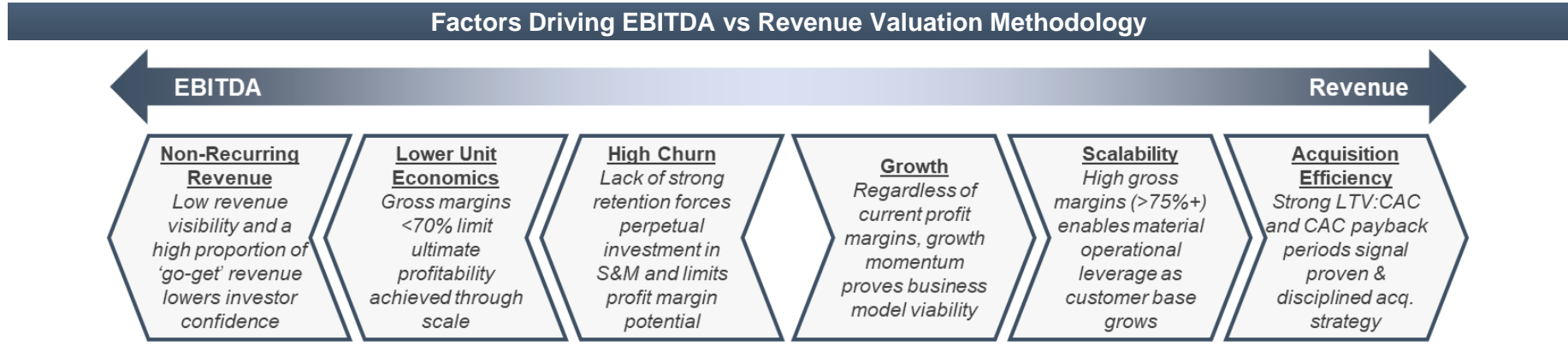
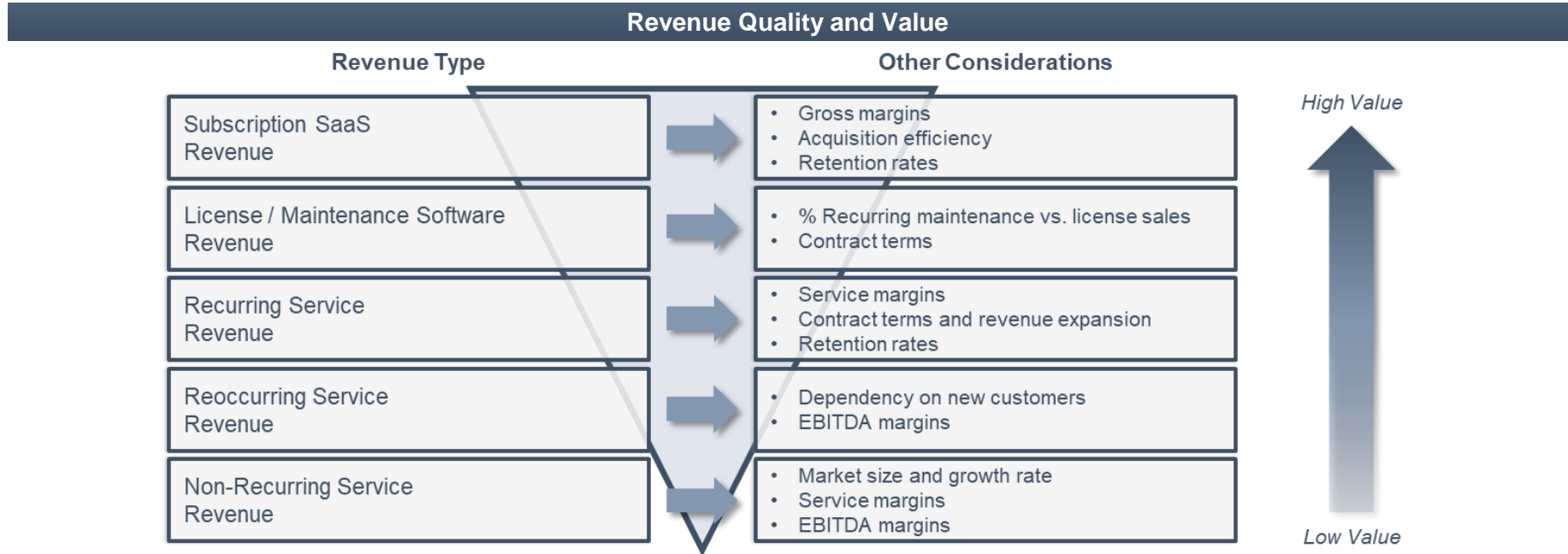
MarTech Scorecard | Factors Driving Valuations

Founders' Valuation Scorecard isolates the most important quantitative and qualitative factors that impact valuation multiples for software and tech-enabled service businesses in the marketing technology sector.

		1.0x	2.0x	3.0x	4.0x	5.0x	Factors Influencing Revenue Multiple	6.0x	7.0x	8.0x	9.0x	10.0x+
Quantitative Factors	% of Recurring Revenue			< 75%			Mix of subscription/recurring vs. reoccurring vs. project					> 85%
	ARR			< \$5 million			Customer profile, vertical/horizontal, ACV, sales cycle					> \$10 million
	Rule of 40			< 40%			Year-over-year revenue growth rate (%) + profit margin (%)					> 40%
	Total Addressable Market			< \$1 billion			End market dynamics, competition, switching costs					> \$ 1 billion
	Net Revenue Retention			< 90%			Public benchmarks, pricing vs. product, cohort analysis					> 100%
	Gross Margin			< 70%			Fully burdened, end market dependent, scalability					> 85%
	CAC Payback Period			> 12 months			Impact of dialing spend up/down, channel analysis					< 12 months
	LTV:CAC Ratio			< 3:1			Balancing S&M spend but demonstrating return is key					> 3:1
	Avg. Contract Length			< 12 months			Predictability of revenues and stickiness of customers					> 12 months
Qualitative Factors	Management Team	Must understand your gaps and have clear delineation of responsibilities → self-assess strengths/weaknesses to highlight areas for investment										
	Customer Profile	SMB vs. Mid-Market vs. Enterprise; retention expectations, customer wallet size, expansion opportunity, and marketing efficiency influence interest										
	Product Adoption/Usage	Track/present usage stats; understand use cases and patterns across modules/cohorts → usage equates to stickiness in the minds of investors										
	Payments Opportunity	Opportunity to integrate payments into a proprietary, sticky solution → significantly increases scalability, retention, and expansion levers										
	Competitive Position	Understand the landscape, why you win/lose, differentiation, blue ocean vs. red ocean → consider roll-up opportunity to scale										
	IP/Technology Debt	Contracted development is accepted; understand short cuts taken and potential deficiencies → assess third-party dependencies, risks, & "what ifs"										
	Process Documentation	Be able to communicate & <u>show</u> methodologies, onboarding processes (employees and customers), retention strategies, etc.										
	Talent Retention	Maintain a ranking of all employees and understand where each shines → consider warrants, profits interest, M&A and stay bonuses										

MarTech Scorecard | Revenue Mix Considerations

Revenue composition remains a critical driver of valuation for marketing technology and services companies; the below visual displays how the investor community views varying streams of revenue and the considerations influencing valuation models.



I. Market Snapshot | *M&A Activity, Public Market Trends, and Active Market Participants*

II. Entrepreneurs' Corner | *Curated Content and Valuation Scorecard*

III. Valuation and Operating Metrics | *Analyses of Key Performance Indicators*

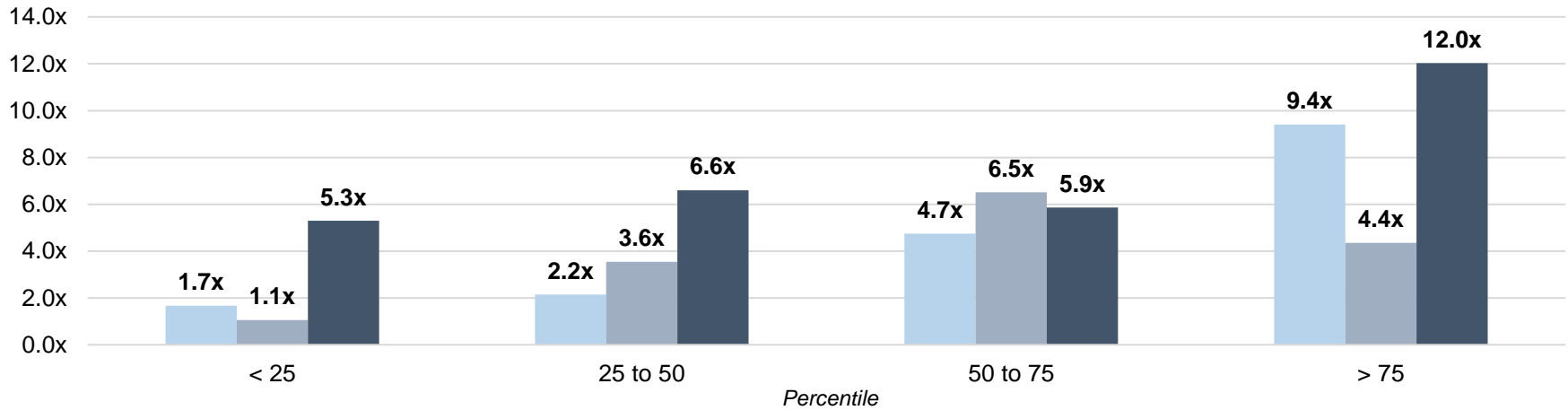
IV. About Us | *Founders Advisors Overview and Transaction Experience*

V. Appendix

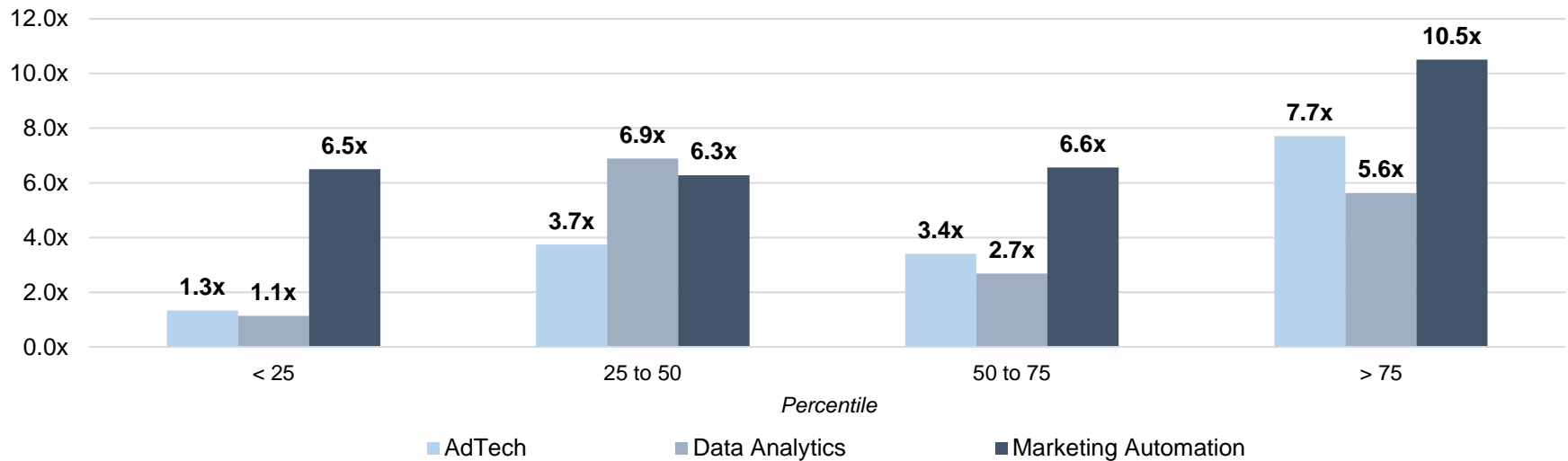
Operating Metrics | Key Performance Indicators

Enterprise Value Metrics

Revenue Growth Percentile vs. EV / LTM Revenue



Gross Margin Percentile vs. EV / LTM Revenue



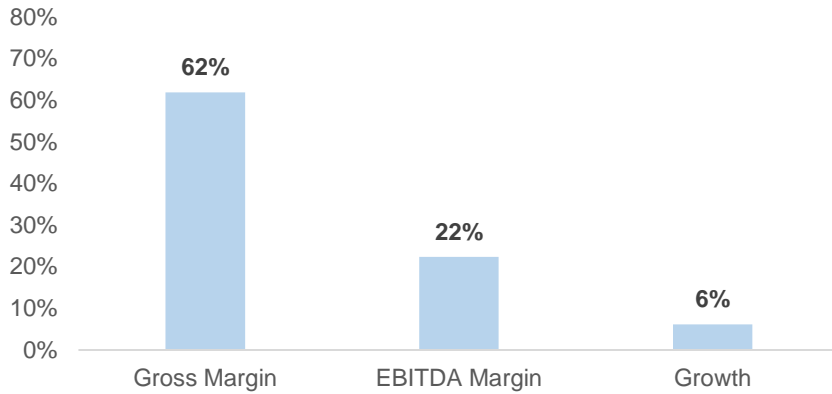
■ AdTech

■ Data Analytics

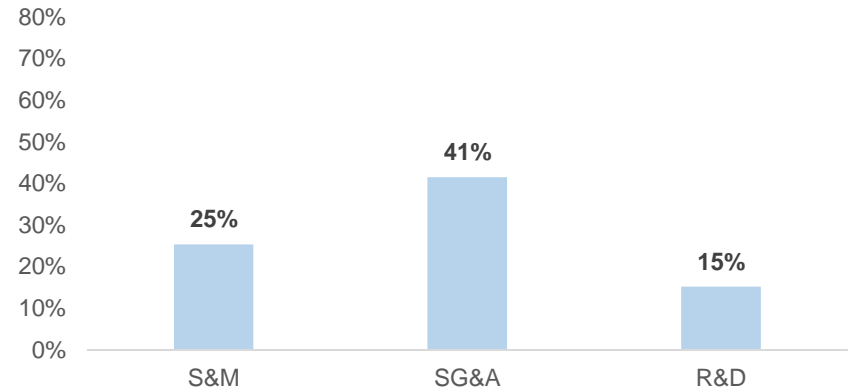
■ Marketing Automation

Public Equities Index | AdTech

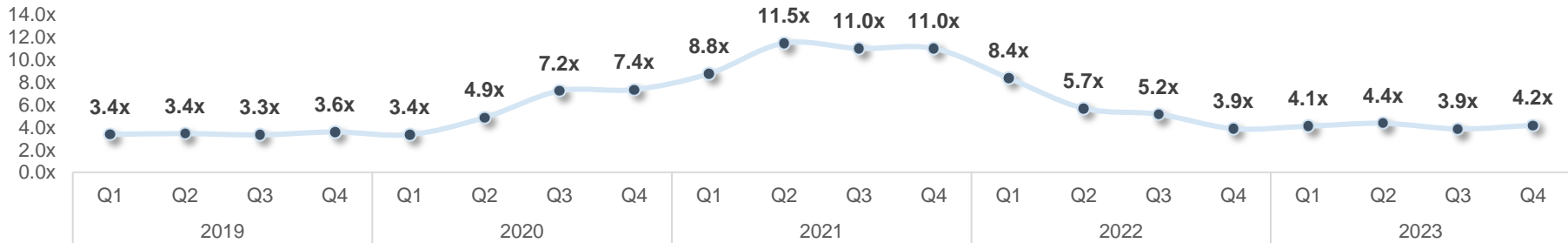
Growth & Margins (Median)



Operating Metrics (Median)*



EV / Revenue (Mean)



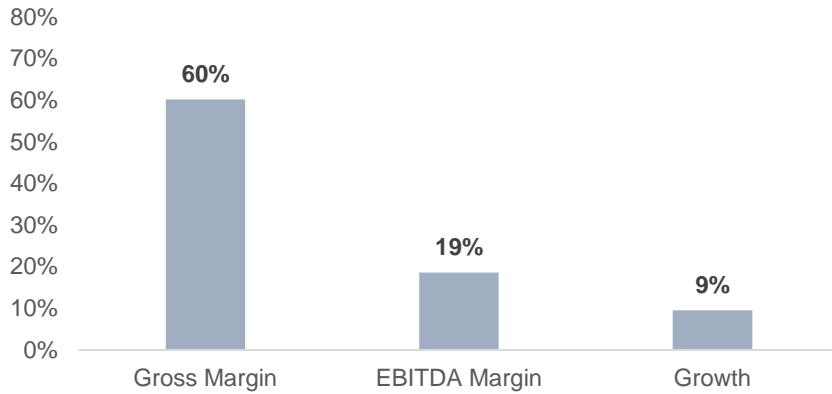
Select Industry Participants



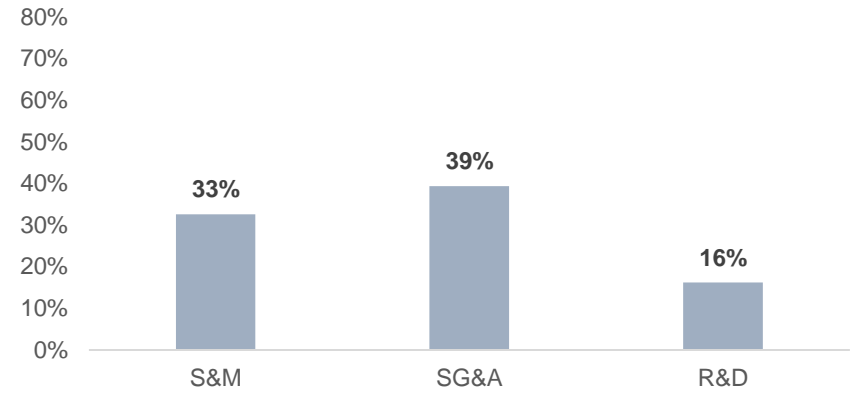
*Shown as a percentage of revenue

Public Equities Index | Data & Analytics

Growth & Margins (Median)



Operating Metrics (Median)*



EV / Revenue (Mean)



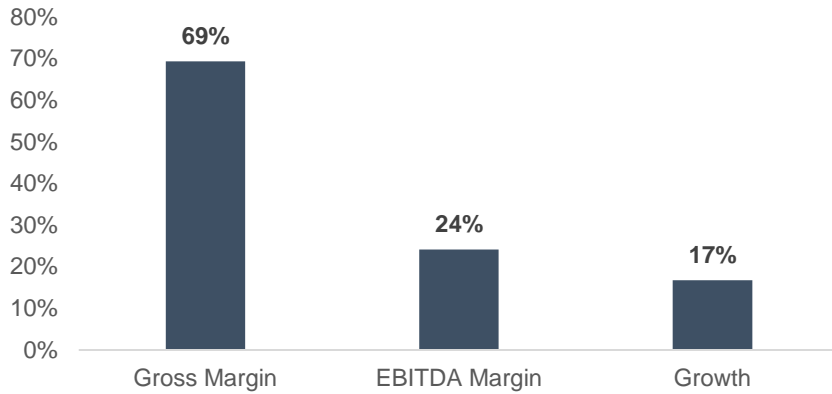
Select Industry Participants



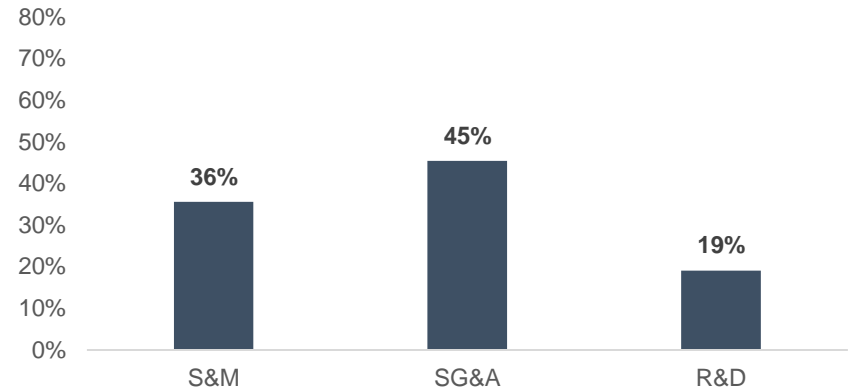
*Shown as a percentage of revenue

Public Equities Index | Marketing Automation

Growth & Margins (Median)



Operating Metrics (Median)*



EV / Revenue (Mean)



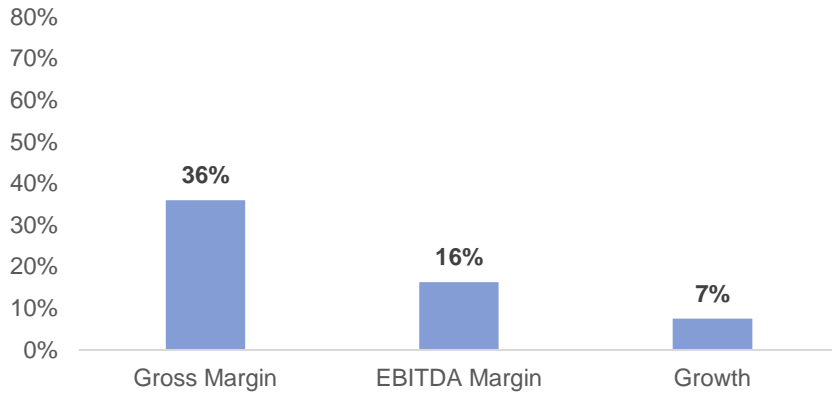
Select Industry Participants



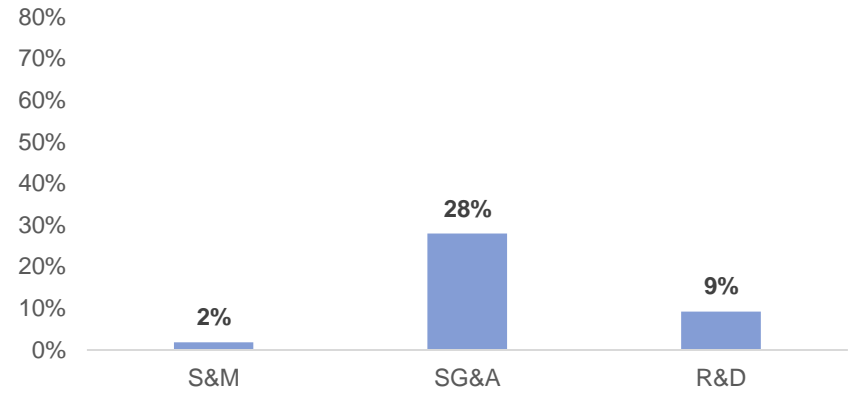
*Shown as a percentage of revenue

Public Equities Index | Marketing & Advertising Services

Growth & Margins (Median)



Operating Metrics (Median)*



EV / EBITDA (Mean)



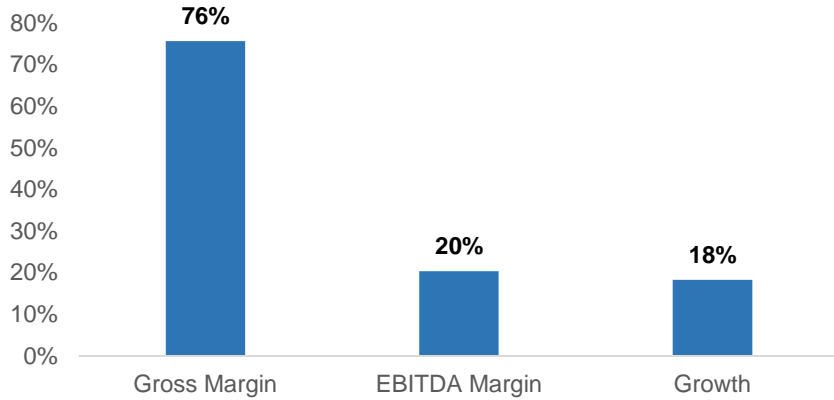
Select Industry Participants



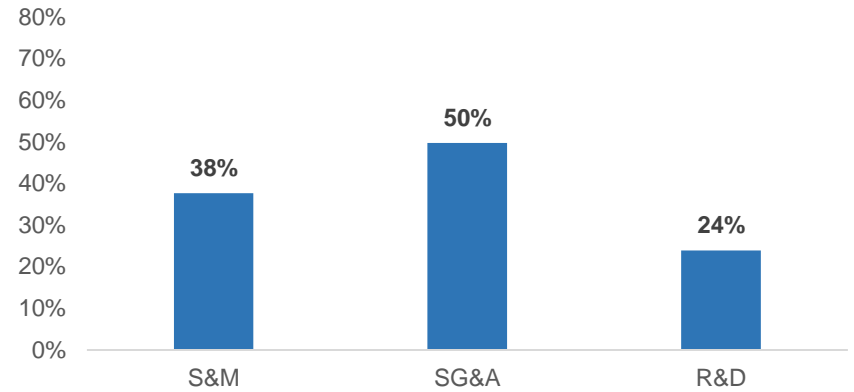
*Shown as a percentage of revenue

Public Equities Index | Horizontal SaaS

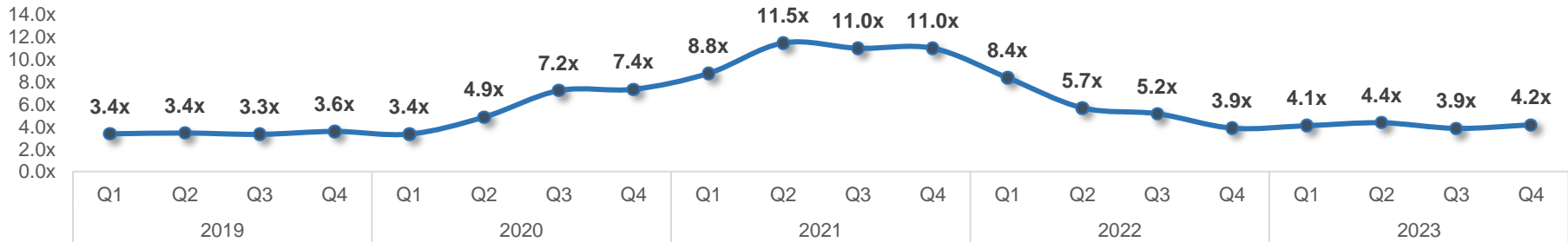
Growth & Margins (Median)



Operating Metrics (Median)*



EV / Revenue (Mean)



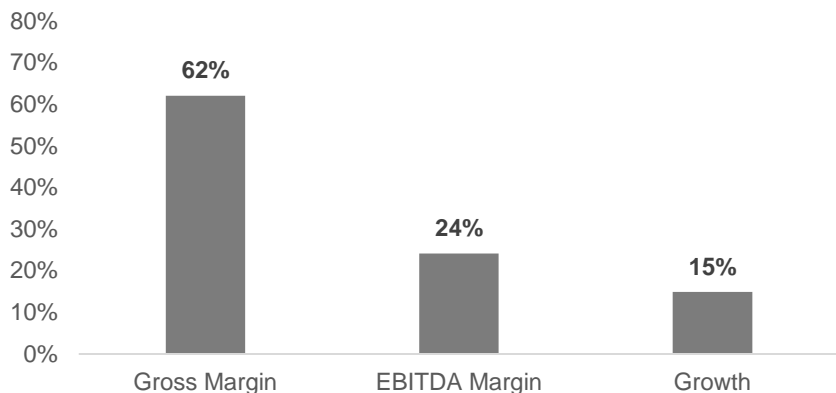
Select Industry Participants



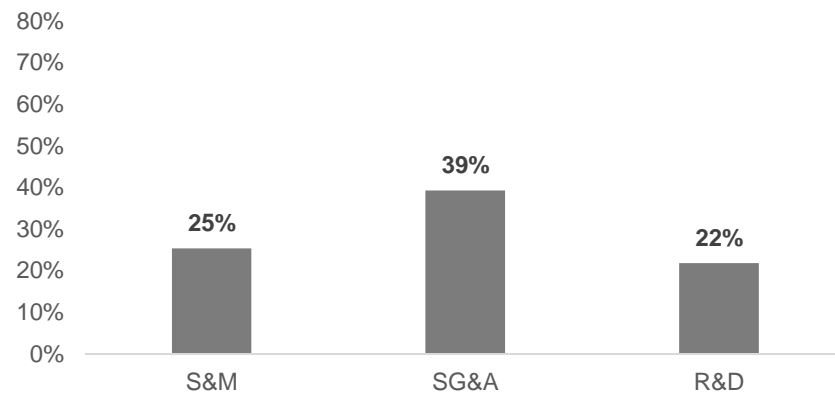
*Shown as a percentage of revenue

Public Equities Index | Vertical SaaS

Growth & Margins (Median)



Operating Metrics (Median)*



EV / Revenue (Mean)



Select Industry Participants



*Shown as a percentage of revenue

Table of Contents

I. Market Snapshot | *M&A Activity, Public Market Trends, and Active Market Participants*

II. Entrepreneurs' Corner | *Curated Content and Valuation Scorecard*

III. Valuation and Operating Metrics | *Analyses of Key Performance Indicators*

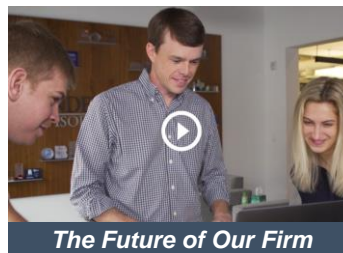
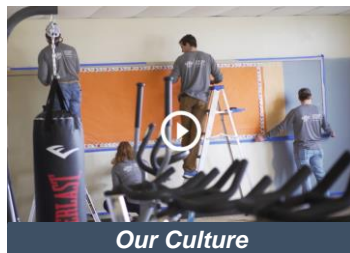
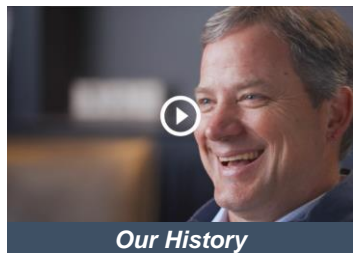
IV. About Us | *Founders Advisors Overview and Transaction Experience*

V. Appendix

Founders Advisors Overview

FIRM OVERVIEW

Founders is a mergers, acquisitions, and strategic advisory services firm that has served middle-market companies since 2003. With a nationwide footprint, we pride ourselves in employing a values based and highly personalized relational approach through our five industry-focused advisory teams. Today, Founders employs over 45 professionals and has offices in Birmingham, AL (headquarters) and Dallas, TX.



PURPOSE

Be Servant Leaders who value relationships and results

OUR WHEELHOUSE

The majority of our clients are founder-owned and operated companies across five industry groups that collaborate together. We listen to our clients and take the time to truly understand each client's unique situation and desired outcomes. Founders has been a trusted advisor to hundreds of middle market business owners, supporting their growth through tailored financing structures and ownership transition transactions

FIRM VALUES

ORDER

Maintain focus on doing the right things at the right time

SERVICE

Go the extra mile for our clients, co-workers, & community

GROWTH

Reflect, evaluate, and plan for improvement

EXCELLENCE

All we do, we do well

HEALTH

Be and stay healthy, personally, and as a team

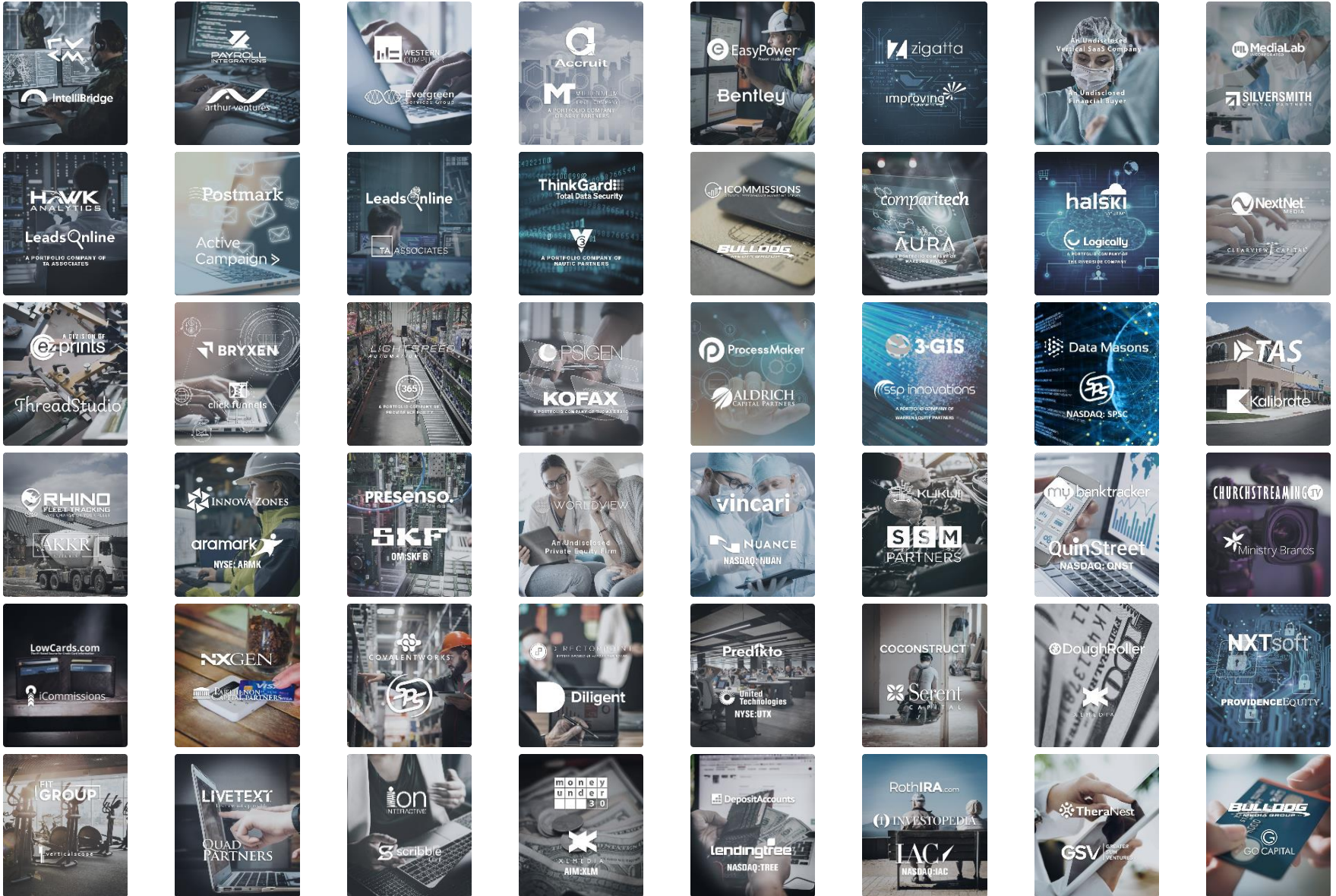
COMMUNITY

Be team-focused; we're better together

Select Recent Transactions



We Focus Exclusively on Technology



Defining the Gold Standard for M&A Advisory

The Gold Standard

Excellence in Relationship Development

- Founders strives to create **Raving Fans** through a deep focus on developing strong, trustworthy relationships with our clients that will last well beyond the process.
- We believe transactions come and go, but the impact an M&A event has on a business owner lasts a lifetime and our services should be delivered with that in mind.

Best-In-Class Process Management

- A key objective of each Founders' process is maximizing the probability of success. The best way to meet that objective is through our best-in-class process management systems.

Key Differentiators vs. Other Advisors

Exceptional Results

- We have a track record of understanding our client's goals and objectives for the transaction process and delivering exceptional results for each specific situation.

Deep Sector Knowledge

- Founders leverages the collective knowledge of our growing team of professionals with dedicated sector coverage expertise allowing us to fully understand your business, stay at the forefront of sector trends & drivers, and have a comprehensive understanding of the buyer landscape.

Table Stakes for M&A Advisory

Transaction Expertise

- Every deal structure is unique and contingent upon the client's circumstances and goals. Through a deep bench of seasoned deal professionals, Founders provides a depth of transaction experience with over \$55B in total transacted enterprise value....Put simply, **We Get Deals Done.**

I. Market Snapshot | M&A Activity, Public Market Trends, and Active Market Participants

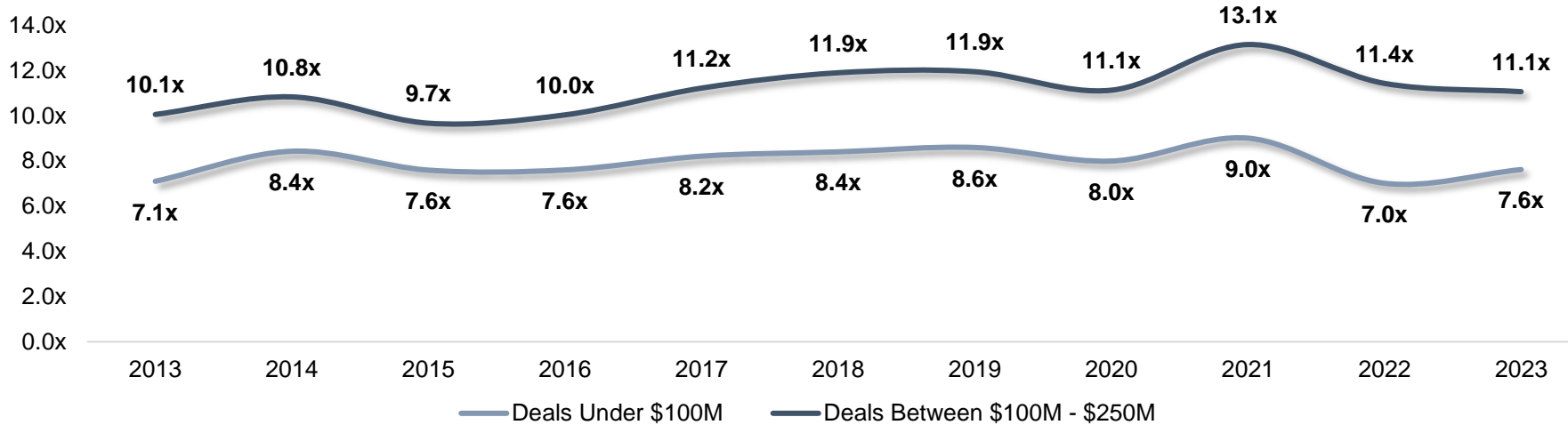
II. Entrepreneurs' Corner | *Curated Content and Valuation Scorecard*

III. Valuation and Operating Metrics | *Analyses of Key Performance Indicators*

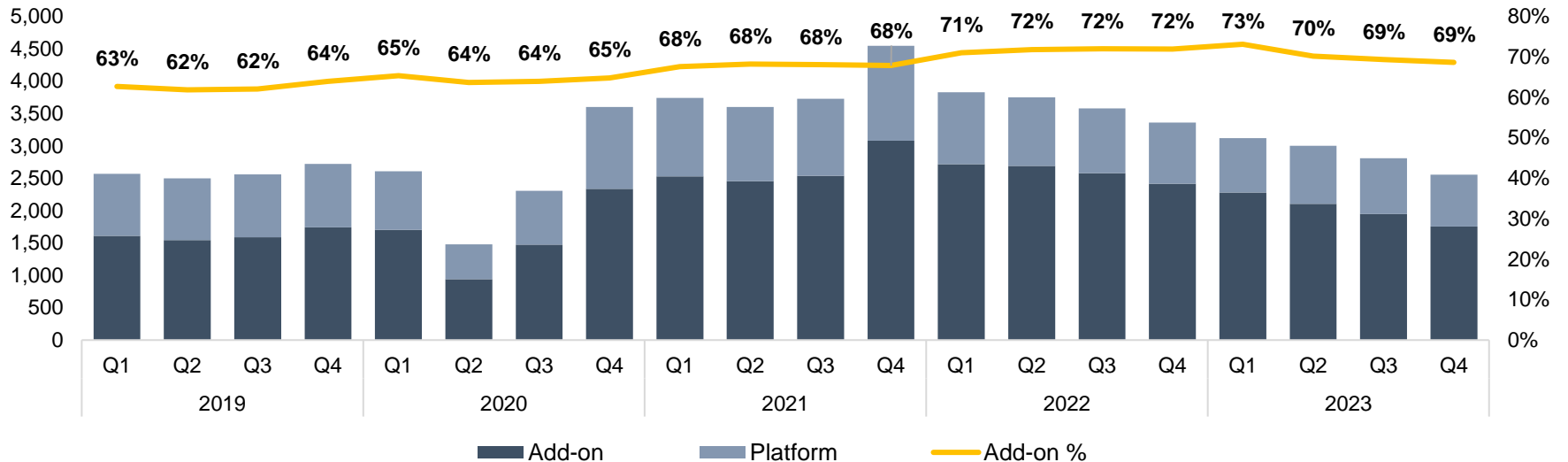
IV. About Us | *Founders Advisors Overview and Transaction Experience*

V. Appendix

EV / EBITDA Multiples (North America & Europe)



Platform v. Add-on Activity



Public Equities Index | AdTech

Name	% of 52 Week High	Enterprise Value	LTM Financials					Enterprise Value Multiples		Operating Stats		
			Revenue	EBITDA	Revenue Growth	Gross Margin	EBITDA Margin	EV / LTM Revenue	EV / LTM EBITDA	S&M as % of Rev.	R&D as % of Rev.	SG&A as % of Rev.
Affle	98%	2,142	191	41	16%	39%	21%	11.2x	52.3x	N/A	N/A	16%
AppLovin	88%	16,237	3,032	1,061	4%	62%	35%	5.4x	15.3x	27%	18%	32%
Catena Media	34%	122	105	36	35%	86%	35%	1.7x	2.9x	N/A	N/A	34%
Criteo	69%	1,361	1,948	219	-8%	43%	11%	0.7x	6.2x	21%	14%	27%
Digital Garage	70%	793	245	2	-27%	73%	1%	2.9x	37.1x	N/A	N/A	50%
Digital Turbine	37%	1,021	592	116	-23%	46%	20%	1.7x	8.8x	11%	10%	38%
DoubleVerify	87%	6,081	534	124	26%	81%	23%	11.4x	49.0x	22%	22%	38%
Nexxen	61%	314	344	84	4%	82%	24%	0.9x	3.7x	33%	15%	49%
Integral Ad Science	69%	2,388	458	75	16%	80%	16%	5.2x	31.8x	25%	17%	49%
LiveRamp Holdings	98%	2,003	621	111	9%	72%	18%	3.2x	18.0x	31%	26%	51%
Magnite	59%	1,657	608	167	8%	26%	28%	2.7x	9.9x	30%	15%	45%
Mobvista	59%	586	1,000	N/A	N/A	20%	N/A	0.6x	18.0x	5%	10%	10%
Perion Network	74%	964	719	164	22%	38%	23%	1.3x	5.9x	8%	5%	12%
PubMatic	81%	679	257	65	0%	62%	25%	2.6x	9.4x	31%	10%	50%
QuinStreet	71%	647	553	14	-1%	8%	2%	1.2x	47.6x	2%	5%	7%
SEMrush	97%	1,738	293	(2)	22%	83%	-1%	5.9x	N/A	46%	19%	72%
The Trade Desk	78%	34,008	1,831	733	23%	81%	40%	18.6x	46.4x	23%	22%	51%
Thryv Holdings	78%	1,082	960	211	-18%	62%	22%	1.1x	5.1x	33%	N/A	54%
ValueCommerce	67%	200	221	45	-15%	34%	20%	0.9x	4.5x	N/A	N/A	N/A
Min		122	105	(2)	-27%	8%	-1%	0.6x	2.9x	2%	5%	7%
Median		1,082	553	97	6%	62%	22%	2.6x	12.6x	25%	15%	41%
Mean		3,896	764	181	5%	57%	20%	4.2x	20.7x	23%	15%	38%
Max		34,008	3,032	1,061	35%	86%	40%	18.6x	52.3x	46%	26%	72%

Public Equities Index | Data & Analytics

Name	% of 52 Week High	Enterprise Value	LTM Financials					Enterprise Value Multiples		Operating Stats		
			Revenue	EBITDA	Revenue Growth	Gross Margin	EBITDA Margin	EV / LTM Revenue	EV / LTM EBITDA	S&M as % of Rev.	R&D as % of Rev.	SG&A as % of Rev.
Appier	80%	1,218	177	16	40%	52%	9%	6.9x	78.5x	32%	12%	39%
Brand24	96%	20	6	N/A	27%	58%	N/A	3.4x	N/A	22%	N/A	40%
Cint Group	26%	326	293	408	6%	32%	139%	1.1x	0.8x	N/A	N/A	N/A
Dun & Bradstreet	76%	8,606	2,279	875	2%	65%	38%	3.8x	9.8x	N/A	N/A	33%
Forrester Research	69%	480	500	84	-7%	58%	17%	1.0x	5.7x	34%	N/A	49%
Oracle	83%	370,430	51,628	24,095	12%	72%	47%	7.2x	15.4x	17%	17%	21%
Pegasystems	82%	4,329	1,355	179	9%	72%	13%	3.2x	24.2x	43%	22%	50%
QuinStreet	71%	647	553	14	-1%	8%	2%	1.2x	47.6x	2%	5%	7%
Teradata	75%	4,557	1,828	372	1%	60%	20%	2.5x	12.3x	N/A	16%	36%
Zeta Global	78%	1,953	694	(133)	26%	63%	-19%	2.8x	N/A	42%	10%	72%
ZoomInfo Technologies	60%	7,969	1,221	551	20%	85%	45%	6.5x	13.1x	34%	16%	47%
Min		20	6	(133)	-7%	8%	-19%	1.0x	0.8x	2%	5%	7%
Median		1,953	694	276	9%	60%	19%	3.2x	13.1x	33%	16%	39%
Mean		36,412	5,503	2,646	12%	57%	31%	3.6x	23.0x	28%	14%	39%
Max		370,430	51,628	24,095	40%	85%	139%	7.2x	78.5x	43%	22%	72%

Public Equities Index | Marketing Automation

Name	% of 52 Week High	Enterprise Value	LTM Financials					Enterprise Value Multiples		Operating Stats		
			Revenue	EBITDA	Revenue Growth	Gross Margin	EBITDA Margin	EV / LTM Revenue	EV / LTM EBITDA	S&M as % of Rev.	R&D as % of Rev.	SG&A as % of Rev.
Ascential Group	98%	1,978	687	246	25%	61%	36%	2.9x	8.0x	42%	N/A	45%
Adobe	94%	267,870	18,886	9,213	10%	88%	49%	13.8x	29.1x	28%	18%	35%
Braze	91%	4,928	440	(27)	34%	69%	-6%	11.2x	N/A	54%	26%	76%
DotDigital Group	88%	322	83	27	10%	79%	32%	3.9x	12.1x	4%	N/A	47%
Freshworks	94%	5,802	569	43	21%	82%	8%	10.2x	134.1x	63%	24%	92%
HubSpot	98%	28,409	2,058	360	26%	84%	17%	13.8x	78.9x	50%	28%	61%
Lime Technologies	96%	411	52	16	19%	61%	31%	7.8x	25.3x	N/A	N/A	N/A
LiveChat	76%	748	78	50	39%	83%	64%	9.6x	15.0x	18%	N/A	26%
Microsoft	98%	2,735,872	218,310	109,660	8%	69%	50%	12.5x	24.9x	10%	12%	14%
NICE (Israel)	86%	11,849	2,323	767	9%	68%	33%	5.1x	15.4x	26%	14%	37%
Salesforce	98%	255,569	33,954	12,495	12%	75%	37%	7.5x	20.5x	38%	14%	45%
Shopify	97%	96,289	6,651	628	27%	49%	9%	14.5x	197.6x	18%	28%	27%
Sprinklr	70%	2,671	703	112	20%	76%	16%	3.8x	23.8x	47%	13%	61%
Sprout Social	83%	3,422	310	9	30%	77%	3%	11.0x	389.1x	50%	24%	74%
Squarespace	96%	4,966	970	108	15%	82%	11%	5.1x	46.1x	33%	24%	48%
TechTarget	66%	1,112	246	85	-18%	69%	35%	4.5x	13.0x	40%	5%	53%
Twilio	95%	11,073	4,103	507	13%	49%	12%	2.7x	21.8x	26%	24%	38%
Upland Software	44%	492	304	62	-3%	67%	20%	1.6x	7.9x	20%	16%	40%
Verint Systems	66%	2,374	882	246	-2%	69%	28%	2.7x	9.6x	N/A	15%	44%
Weave	92%	749	162	6	19%	67%	4%	4.6x	142.2x	42%	20%	69%
Min		322	52	(27)	-18%	49%	-6%	1.6x	7.9x	4%	5%	14%
Median		4,175	695	110	17%	69%	24%	6.3x	23.8x	36%	19%	45%
Mean		171,845	14,589	6,731	16%	71%	24%	7.4x	63.9x	34%	19%	49%
Max		2,735,872	218,310	109,660	39%	88%	64%	14.5x	389.1x	63%	28%	92%

Public Equities Index | Marketing & Advertising Services

Name	% of 52 Week High	Enterprise Value	LTM Financials					Enterprise Value Multiples		Operating Stats		
			Revenue	EBITDA	Revenue Growth	Gross Margin	EBITDA Margin	EV / LTM Revenue	EV / LTM EBITDA	S&M as % of Rev.	R&D as % of Rev.	SG&A as % of Rev.
Aidma Holdings	32%	154	65	18	46%	73%	28%	2.4x	8.5x	N/A	N/A	N/A
Comscore	57%	286	374	38	0%	45%	10%	0.8x	7.5x	2%	9%	30%
Concentrix (US)	65%	8,402	6,046	1,085	7%	36%	18%	1.3x	7.7x	N/A	N/A	28%
Digital Media Solutions	1%	211	350	(6)	-15%	24%	-2%	0.6x	N/A	N/A	N/A	26%
Omnicom Group	87%	21,693	14,500	2,422	2%	18%	17%	1.5x	9.0x	N/A	N/A	3%
The Interpublic Group	80%	15,615	10,852	1,689	0%	16%	16%	1.4x	9.2x	N/A	N/A	1%
Dentsu Group	70%	8,808	9,304	1,825	8%	88%	20%	0.9x	4.8x	N/A	N/A	78%
Next Fifteen Comm.	78%	1,130	900	187	24%	77%	21%	1.3x	6.0x	N/A	N/A	55%
Publicis Groupe	99%	25,960	13,621	3,046	14%	N/A	22%	1.7x	8.5x	N/A	N/A	65%
S4 Capital	22%	595	1,371	144	34%	84%	11%	0.4x	4.1x	N/A	N/A	69%
TTEC Holdings	40%	1,997	2,495	299	4%	23%	12%	0.8x	6.7x	N/A	N/A	12%
WPP	74%	17,999	17,914	2,848	11%	17%	16%	1.0x	6.3x	N/A	N/A	10%
Min		154	65	(6)	-15%	16%	-2%	0.4x	4.1x	2%	9%	1%
Median		5,199	4,271	692	7%	36%	16%	1.1x	7.5x	2%	9%	28%
Mean		8,571	6,483	1,133	11%	46%	16%	1.2x	7.1x	2%	9%	34%
Max		25,960	17,914	3,046	46%	88%	28%	2.4x	9.2x	2%	9%	78%

Public Equities Index | Horizontal SaaS

Name	% of 52 Week High	Enterprise Value	LTM Financials					Enterprise Value Multiples		Operating Stats		
			Revenue	EBITDA	Revenue Growth	Gross Margin	EBITDA Margin	EV / LTM Revenue	EV / LTM EBITDA	S&M as % of Rev.	R&D as % of Rev.	SG&A as % of Rev.
Alteryx	67%	4,059	920	112	26%	86%	12%	4.4x	36.0x	66%	25%	88%
Atlassian	96%	60,418	3,488	801	25%	82%	23%	16.3x	75.4x	23%	56%	40%
Box	73%	4,243	1,031	277	7%	75%	27%	4.1x	15.3x	34%	24%	46%
Ceridian HCM	84%	11,215	1,450	375	22%	42%	26%	7.7x	29.9x	N/A	N/A	35%
CrowdStrike Holdings	98%	58,974	2,848	653	40%	75%	23%	20.7x	90.3x	39%	26%	52%
DocuSign	86%	11,369	2,709	759	11%	79%	28%	4.2x	15.0x	43%	19%	58%
Domo	54%	452	318	(0)	6%	77%	0%	1.4x	N/A	52%	27%	68%
Dropbox	97%	10,901	2,465	933	8%	81%	38%	4.4x	11.7x	18%	39%	28%
Elasticsearch	95%	10,854	1,159	143	19%	74%	12%	9.4x	76.1x	45%	28%	58%
Everbridge	68%	1,260	450	81	8%	71%	18%	2.8x	15.6x	36%	21%	60%
Fastly	73%	2,465	488	3	19%	52%	1%	5.1x	N/A	39%	31%	62%
Five9	85%	5,816	880	185	18%	53%	21%	6.6x	31.4x	33%	18%	46%
HubSpot	98%	28,409	2,058	360	26%	84%	17%	13.8x	78.9x	50%	28%	61%
Intuit	99%	179,134	14,749	5,976	11%	78%	41%	12.1x	30.0x	25%	18%	34%
Okta	98%	14,260	2,168	236	25%	73%	11%	6.6x	60.3x	48%	30%	69%
PagerDuty	66%	2,019	421	68	21%	82%	16%	4.8x	29.6x	47%	33%	70%
Palo Alto Networks	93%	91,304	7,207	2,027	24%	73%	28%	12.7x	45.0x	36%	23%	42%
Paycom Software	55%	11,473	1,630	707	26%	84%	43%	7.0x	16.2x	25%	11%	42%
Paylocity	70%	9,025	1,239	413	34%	69%	33%	7.3x	21.9x	25%	14%	40%
Pegasystems	82%	4,329	1,355	179	9%	72%	13%	3.2x	24.2x	43%	22%	50%
PTC	99%	22,464	2,097	824	8%	79%	39%	10.7x	27.3x	25%	19%	36%
Qualys	95%	6,825	541	248	15%	80%	46%	12.6x	27.5x	20%	20%	31%
Salesforce	98%	255,569	33,954	12,495	12%	75%	37%	7.5x	20.5x	38%	14%	45%
ServiceNow	98%	143,062	8,474	2,726	22%	79%	32%	16.9x	52.5x	37%	24%	47%
Shopify	97%	96,289	6,651	628	27%	49%	9%	14.5x	197.6x	18%	28%	27%
Smartsheet	91%	6,000	914	83	28%	80%	9%	6.6x	71.9x	55%	25%	71%
Splunk	100%	27,249	3,981	1,033	20%	79%	26%	6.8x	26.4x	42%	24%	53%
Sprout Social	83%	3,422	310	9	30%	77%	3%	11.0x	389.1x	50%	24%	74%
Twilio	95%	11,073	4,103	507	13%	49%	12%	2.7x	21.8x	26%	24%	38%
Upland Software	44%	492	304	62	-3%	67%	20%	1.6x	7.9x	20%	16%	40%
Varonis Systems	99%	4,710	488	39	7%	86%	8%	9.7x	120.7x	57%	37%	74%
Wix.com	97%	7,079	1,513	14	11%	66%	1%	4.7x	516.4x	26%	31%	36%
Workday	99%	69,000	6,983	1,863	17%	75%	27%	9.9x	37.0x	30%	35%	40%
Workiva	88%	5,495	607	7	18%	75%	1%	9.1x	805.5x	45%	28%	64%
Yext	41%	657	405	59	1%	77%	14%	1.6x	11.2x	45%	18%	63%
Zoom Video Communications	84%	15,476	4,499	2,002	3%	76%	44%	3.4x	7.7x	37%	19%	51%
Zscaler	97%	31,756	1,758	342	45%	77%	19%	18.1x	92.8x	44%	22%	67%
Min		452	304	(0)	-3%	42%	0%	1.4x	7.7x	18%	11%	27%
Median		10,901	1,513	342	18%	76%	20%	7.0x	30.0x	38%	24%	50%
Mean		33,205	3,422	1,006	18%	73%	21%	8.2x	89.6x	37%	25%	52%
Max		255,569	33,954	12,495	45%	86%	46%	20.7x	805.5x	66%	56%	88%

Public Equities Index | Vertical SaaS

Name	% of 52 Week High	Enterprise Value	LTM Financials					Enterprise Value Multiples		Operating Stats		
			Revenue	EBITDA	Revenue Growth	Gross Margin	EBITDA Margin	EV / LTM Revenue	EV / LTM EBITDA	S&M as % of Rev.	R&D as % of Rev.	SG&A as % of Rev.
2U	9%	1,036	926	138	-5%	71%	15%	1.1x	7.5x	40%	20%	55%
Ansys	100%	31,739	2,159	895	7%	88%	41%	14.7x	35.5x	N/A	22%	39%
AppFolio	82%	6,045	563	58	31%	60%	10%	10.6x	104.9x	21%	26%	38%
Aspen Technology	89%	13,968	1,043	386	N/A	64%	37%	13.4x	36.2x	47%	20%	61%
Autodesk	99%	52,778	5,045	1,994	10%	91%	40%	9.9x	26.5x	35%	26%	47%
Bentley Systems	94%	17,007	1,205	405	12%	78%	34%	14.1x	42.6x	18%	23%	33%
Blackbaud	98%	5,429	1,085	322	5%	54%	30%	5.0x	16.9x	20%	14%	40%
FactSet Research	100%	19,451	2,086	829	13%	53%	40%	9.2x	23.5x	N/A	N/A	22%
Guidewire Software	98%	8,659	917	69	9%	54%	8%	9.4x	125.2x	20%	28%	38%
Health Catalyst	58%	435	290	11	7%	46%	4%	1.5x	41.3x	24%	25%	51%
Moody's	98%	76,829	5,726	2,490	0%	N/A	43%	13.4x	30.9x	N/A	N/A	28%
nCino	97%	3,772	462	54	24%	59%	12%	8.2x	69.7x	29%	26%	46%
NICE (Israel)	86%	11,849	2,323	767	9%	68%	33%	5.1x	15.4x	26%	14%	37%
Procore Technologies	90%	9,391	892	22	34%	81%	2%	10.5x	419.4x	55%	34%	76%
Q2 Software	97%	2,800	609	41	11%	47%	7%	4.6x	68.8x	18%	23%	35%
SPS Commerce	98%	6,889	514	156	19%	66%	30%	13.4x	44.2x	22%	10%	39%
SS&C Technologies	95%	21,814	5,430	2,075	4%	48%	38%	4.0x	10.5x	10%	9%	17%
Temenos	99%	7,416	980	400	2%	70%	41%	7.6x	18.5x	22%	N/A	31%
Toast	68%	8,866	3,597	(284)	45%	21%	-8%	2.5x	N/A	11%	10%	21%
Tyler Technologies	98%	18,259	1,923	503	5%	44%	26%	9.5x	35.6x	8%	6%	23%
Unity	82%	16,965	2,029	139	62%	70%	7%	8.4x	122.1x	40%	52%	59%
Veeva Systems	85%	27,114	2,296	963	11%	71%	42%	11.8x	28.2x	16%	26%	27%
Min		435	290	(284)	-5%	21%	-8%	1.1x	7.5x	8%	6%	17%
Median		10,620	1,145	354	10%	64%	30%	9.3x	35.6x	22%	23%	38%
Mean		16,751	1,914	565	15%	62%	24%	8.5x	63.0x	25%	22%	39%
Max		76,829	5,726	2,490	62%	91%	43%	14.7x	419.4x	55%	52%	76%

FOUNDERS

ADVISORS

BIRMINGHAM | DALLAS

2400 Fifth Avenue South, Suite 100 · Birmingham, AL 35233 · 205.949.2043

In order to provide securities-related services discussed herein, certain principals of Founder Advisors, LLC are licensed with Founders M&A Advisory, LLC, member [FINRA](#) & [SIPC](#). Founders M&A Advisory is a wholly owned subsidiary of Founders Advisors. Neither Founders M&A Advisory nor Founders Advisors provide investment advice.