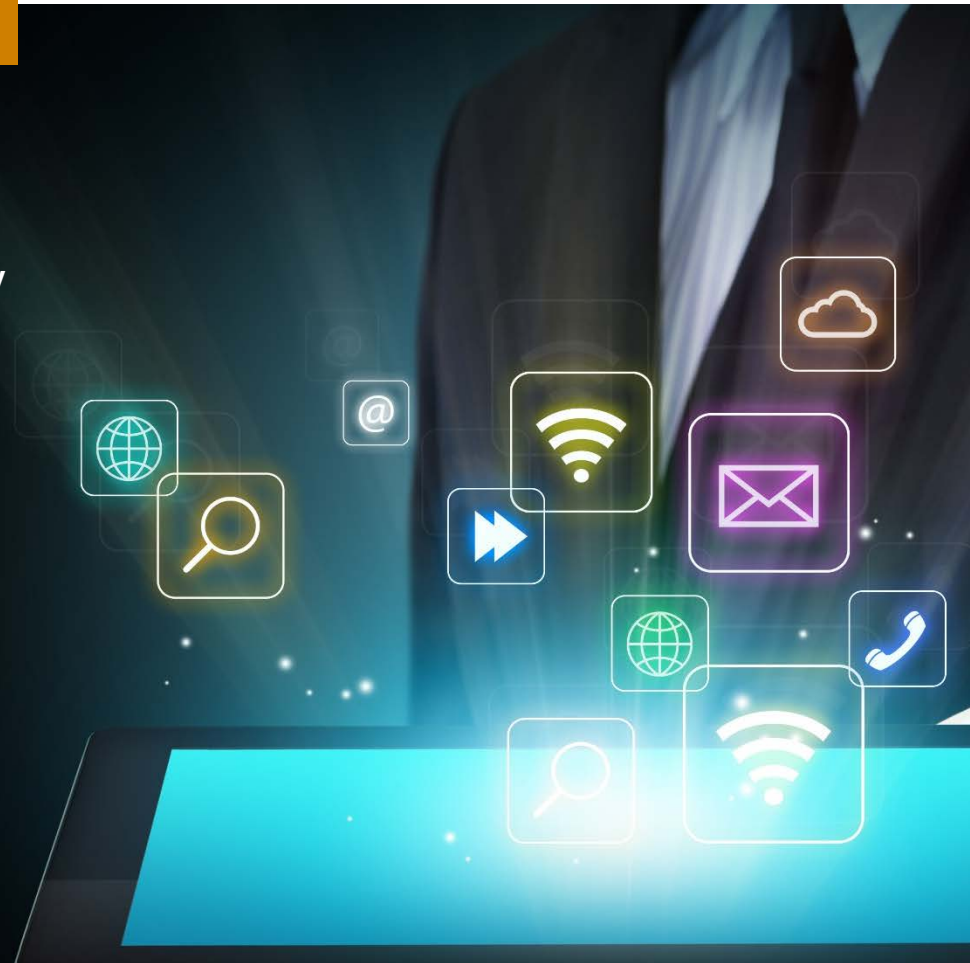


## CONTENTS

- 3 Market Highlights**
- 4 Enterprise Application Software Sector Summary**
  - 5 Enterprise Resource Planning
  - 6 Customer Relationship Management
  - 7 Supply Chain Management
  - 8 Human Capital Management
  - 9 Business Intelligence
- 10 Corporate Finance Services**
- 11 Contact**



# 2016 Top 25 Firm

*as ranked by Accounting Today*

# 2015 Best of the Best Firm

*as ranked by Accounting Today*

# 2014 Fastest Growing Firm

*as ranked by Inside Public Accounting*

**Strategic Thinking.**  
**Sound Insights.**  
**Positive Action.**

Armanino<sup>LLP</sup> is the largest independent accounting and consulting firm based in California and one of the largest firms in the United States. Armanino provides an integrated set of audit, tax, consulting, business management and technology solutions to companies in the U.S. and globally. Armanino extends its global services to more than 100 countries through its membership in Moore Stephens International Limited—one of the world's major accounting and consulting membership organizations.



# Enterprise Application Software Update

## MARKET HIGHLIGHTS

The S&P 500 Software (Industry) Index has considerably outperformed the S&P 500 Index over the past 12 and 24 months, despite the decreases in the first half of the year.

The ERP sector had the highest median LTM revenue multiple (4.6x), although it was down 1.6% from the prior quarter. ERP was the only sector to see a slight decrease in LTM revenue multiples compared to the prior quarter, while ERP was the only sector to see an increase in LTM revenue multiples (+0.2%) over the last 12 months. In terms of LTM EBITDA multiples, Supply Chain Management was the only sector up over the last 3 months, though it was also the only sector that was down over the last 12 months.

ERP was the only sector to see a stock price decrease in Q2 (-2.6%), however, all sectors showed stock price increases over the last 12 months, with the CRM sector (15.9%) performing the best. The worst performing sector was Business Intelligence (+1.6%) over the last twelve months.

The two best individual performers in Q2 were Amber Road (+44.4%) and SPS Commerce (+43.1%). The individual companies that declined the most in Q2 were QAD (-9.2%), Microsoft (-7.0%) and SAP (-7.0%).

From an EPS perspective, the strongest companies were the largest cap enterprise software leaders: SAP (\$4.39), Oracle (\$2.62) and Microsoft (\$2.67). The weakest EPS performers were in the Business Intelligence sector with Splunk (-\$1.81) and in the ERP Sector with NetSuite (-\$1.59).

Q2 witnessed some large M&A announcements, with Microsoft's acquisition of LinkedIn for \$29B the largest by far. Other large M&A announcements included the acquisition of Demandware by Salesforce for \$2.7B, and private equity firm Thoma Bravo acquiring a controlling stake in Qlik Technologies for \$2.6B.

The largest M&A transaction that closed during Q2 was Oracle's acquisitions of Textura for \$600M and OPOWER for \$491M. Open Text was an active acquirer in Q2, with 2 M&A announcements and 2 M&A transactions that closed in Q2.

*Nadia Carey, CPA, ABV  
Enterprise Software Industry Analyst*

MARKET SECTOR	Median % Change		PEG Ratio	Earnings Ratio	
	Price			2016E	LTM
	3 mo	12 mo			
Enterprise Resource Planning (ERP)	(2.6%)	6.9%	2.1x	39.5x	24.6x
Customer Relationship Management (CRM)	6.9%	15.9%	1.8x	39.5x	24.7x
Supply Chain Management	11.8%	7.4%	2.1x	34.7x	23.3x
Human Capital Management	10.6%	18.2%	2.5x	32.3x	67.5x
Business Intelligence	3.7%	1.6%	2.1x	25.2x	20.3x

**EV/REVENUE MULTIPLES**

MARKET SECTOR	Median 6/30/16	LTM		NTM
		Median % Change		Median 6/30/16
		3 mo	12 mo	
Enterprise Resource Planning (ERP)	4.6x	(1.6%)	0.2%	4.3x
Customer Relationship Management (CRM)	4.2x	0.4%	(0.5%)	4.1x
Supply Chain Management	4.0x	8.0%	(6.1%)	3.8x
Human Capital Management	5.7x	4.3%	(9.6%)	4.7x
Business Intelligence	4.0x	1.2%	(9.6%)	3.7x

**EV/EBITDA MULTIPLES**

MARKET SECTOR	Median 6/30/16	Median % Change		NTM
		LTM EBITDA Multiples		Median 6/30/16
		3 mo	12 mo	
Enterprise Resource Planning (ERP)	14.4x	(5.0%)	5.0%	12.7x
Customer Relationship Management (CRM)	14.4x	(0.8%)	5.0%	13.8x
Supply Chain Management	14.8x	3.1%	(6.4%)	11.8x
Human Capital Management	14.4x	(5.0%)	5.0%	32.7x
Business Intelligence	11.8x	(4.5%)	5.0%	11.1x

INDICIES	Price 6/30/16	% Change			
		3 mo	6 mo	12 mo	24 mo
S&P 500 Index	2,098.86	1.7%	1.7%	1.7%	7.1%
Dow Jones Industrial Average	17,929.99	1.2%	1.9%	1.8%	6.6%
NASDAQ Composite Index	4,842.67	(0.5%)	(4.4%)	(2.9%)	9.9%
Russell 2000 Index	1,151.92	3.7%	0.2%	(8.1%)	(3.4%)
S&P 500 Software (Industry) Index	1,070.98	(2.3%)	(2.8%)	12.4%	20.8%
S&P 500 Software & Services (Industry Group) Index	1,051.31	(2.9%)	(2.4%)	13.5%	22.5%

Source: Capital IQ

COMPANY	TICKER	Price 6/30/16	% Change		52-Week		Market Cap	Ent Val (TEV)	LTM		NTM		EPS		Earnings Ratio		PEG Ratio
			3 mo	12 mo	High	Low			Rev	EBITDA	Rev	EBITDA	2015	2016E	LTM	2016E	2016E
<b>Enterprise Resource Planning (ERP)</b>																	
Microsoft Corporation	MSFT	\$51.17	(7.0%)	15.9%	\$56.85	\$39.72	\$402,220	\$343,649	\$86,886	\$29,148	\$93,889	\$34,322	\$ 1.48	\$ 2.67	39.5x	19.3x	1.8x
Oracle Corporation	ORCL	40.93	(0.1%)	1.6%	42.00	33.13	168,743	156,974	37,047	14,753	38,026	17,100	2.21	2.62	19.8x	NM	NM
SAP SE	SAP	75.16	(7.0%)	7.4%	84.08	60.51	90,041	92,890	23,347	5,826	24,677	8,122	2.78	4.39	25.2x	17.4x	1.9x
Intuit Inc.	INTU	111.61	8.2%	10.8%	111.79	79.63	28,558	27,945	4,636	1,413	4,996	1,963	1.45	3.67	40.5x	31.2x	1.8x
Sage Group plc	SGE	8.58	(5.0%)	6.5%	8.58	6.42	9,264	9,624	1,947	391	2,117	617	0.27	0.36	39.8x	23.8x	2.1x
NetSuite Inc.	N	72.80	8.0%	(20.7%)	102.46	51.75	5,856	5,756	793	(63)	1,028	87	(1.59)	0.45	NM	167.1x	7.5x
<b>Median</b>			<b>(2.6%)</b>	<b>6.9%</b>											<b>39.5x</b>	<b>23.8x</b>	<b>1.9x</b>

**EV/REVENUE MULTIPLES**

COMPANY	TICKER	TTM					NTM
		Trailing		% Change			
		6/30/16	3 mo	12 mo	3 mo		
<b>Enterprise Resource Planning (ERP)</b>							
Microsoft Corporation	MSFT	4.0x	4.3x	3.1x	(7.8%)	27.1%	3.7x
Oracle Corporation	ORCL	4.2x	4.3x	4.3x	(1.5%)	(0.5%)	4.1x
SAP SE	SAP	4.0x	4.4x	4.4x	(9.3%)	(9.6%)	3.8x
Intuit Inc.	INTU	6.0x	6.1x	6.0x	(1.8%)	1.0%	5.6x
Sage Group plc	SGE	4.9x	5.0x	4.4x	(0.3%)	12.2%	4.5x
NetSuite Inc.	N	7.3x	7.2x	11.8x	1.3%	(38.2%)	5.6x
<b>Median</b>		<b>4.6x</b>	<b>4.7x</b>	<b>4.4x</b>	<b>(1.6%)</b>	<b>0.2%</b>	<b>4.3x</b>

**EV/EBITDA MULTIPLES**

COMPANY	TICKER	TTM					NTM
		Trailing		% Change			
		6/30/16	3 mo	12 mo	3 mo		
<b>Enterprise Resource Planning (ERP)</b>							
Microsoft Corporation	MSFT	11.8x	12.4x	8.7x	(5.0%)	34.8%	10.0x
Oracle Corporation	ORCL	10.6x	10.7x	10.1x	(0.8%)	5.0%	9.2x
SAP SE	SAP	14.4x	16.0x	14.7x	(10.1%)	(2.3%)	11.4x
Intuit Inc.	INTU	19.8x	21.1x	24.2x	(6.1%)	(18.3%)	14.2x
Sage Group plc	SGE	18.5x	18.3x	15.5x	1.2%	19.5%	15.6x
NetSuite Inc.	N	NM	NM	NM	NM	NM	66.2x
<b>Median</b>		<b>14.4x</b>	<b>16.0x</b>	<b>14.7x</b>	<b>(5.0%)</b>	<b>5.0%</b>	<b>12.8x</b>

Source: Capital IQ (\$ in '000, except per share)

COMPANY	TICKER	Price 6/30/16	% Change		52-Week		Market Cap	Ent Val (TEV)	LTM		NTM		EPS		Earnings Ratio		PEG Ratio
			3 mo	12 mo	High	Low			Rev	EBITDA	Rev	EBITDA	2015	2016E	LTM	2016E	2016E
<b>Customer Relationship Management (CRM)</b>																	
Microsoft Corporation	MSFT	\$51.17	(7.0%)	15.9%	\$56.85	\$39.72	\$402,220	\$343,649	\$86,886	\$29,148	\$93,889	\$34,322	\$ 1.48	\$ 2.67	39.5x	19.3x	1.8x
Oracle Corporation	ORCL	40.93	(0.1%)	1.6%	42.00	33.13	168,743	156,974	37,047	14,753	38,026	17,100	2.21	2.62	19.8x	NM	NM
SAP SE	SAP	75.16	(7.0%)	7.4%	84.08	60.51	90,041	92,890	23,347	6,635	24,677	8,122	2.78	4.39	25.2x	17.4x	1.9x
salesforce.com, inc.	CRM	79.41	6.9%	14.0%	84.48	52.60	53,800	53,835	7,073	522	8,673	1,704	(0.42)	0.75	NM	NM	NM
Blackbaud Inc.	BLKB	67.90	8.9%	19.2%	68.51	49.89	3,151	3,562	660	110	749	184	0.55	1.94	119.2x	35.0x	1.7x
Pegasystems Inc.	PEGA	26.95	6.9%	17.7%	30.23	20.21	2,057	1,863	708	91	821	115	0.46	0.96	55.0x	27.7x	1.0x
Zendesk, Inc.	ZEN	26.38	27.2%	18.8%	28.20	11.06	2,420	2,166	235	(74)	326	0.2	(0.99)	(0.30)	NM	NM	NM
<b>Median</b>			<b>6.9%</b>	<b>15.9%</b>											<b>39.5x</b>	<b>23.5x</b>	<b>1.7x</b>

EV/REVENUE MULTIPLES

COMPANY	TICKER	TTM					NTM
		Trailing		% Change		6/30/16	
		3 mo	12 mo	3 mo	12 mo		
<b>Customer Relationship Management (CRM)</b>							
Microsoft Corporation	MSFT	4.0x	4.3x	3.1x	(7.8%)	27.1%	3.7x
Oracle Corporation	ORCL	4.2x	4.3x	4.3x	(1.5%)	(0.5%)	4.1x
SAP SE	SAP	4.0x	4.4x	4.4x	(9.3%)	(9.6%)	3.8x
salesforce.com, inc.	CRM	7.6x	7.6x	8.2x	0.4%	(7.6%)	6.2x
Blackbaud Inc.	BLKB	5.4x	5.1x	5.0x	5.8%	8.7%	4.8x
Pegasystems Inc.	PEGA	2.6x	2.5x	2.5x	5.5%	4.0%	2.3x
Zendesk, Inc.	ZEN	9.2x	7.8x	11.2x	17.9%	(17.4%)	6.6x
<b>Median</b>		<b>4.2x</b>	<b>4.4x</b>	<b>4.4x</b>	<b>0.4%</b>	<b>(0.5%)</b>	<b>4.1x</b>

EV/EBITDA MULTIPLES

COMPANY	TICKER	TTM					NTM
		Trailing		% Change		6/30/16	
		3 mo	12 mo	3 mo	12 mo		
<b>Customer Relationship Management (CRM)</b>							
Microsoft Corporation	MSFT	11.8x	12.4x	8.7x	(5.0%)	34.8%	10.0x
Oracle Corporation	ORCL	10.6x	10.7x	10.1x	(0.8%)	5.0%	9.2x
SAP SE	SAP	14.4x	16.0x	14.7x	(10.1%)	(2.3%)	11.4x
salesforce.com, inc.	CRM	NM	NM	NM	NM	NM	31.6x
Blackbaud Inc.	BLKB	32.2x	31.1x	30.7x	3.6%	5.0%	19.4x
Pegasystems Inc.	PEGA	20.5x	19.4x	21.1x	5.5%	(2.9%)	16.2x
Zendesk, Inc.	ZEN	NM	NM	NM	NM	NM	NM
<b>Median</b>		<b>14.4x</b>	<b>16.0x</b>	<b>14.7x</b>	<b>(0.8%)</b>	<b>5.0%</b>	<b>13.8x</b>

Source: Capital IQ (\$ in '000, except per share)

COMPANY	TICKER	Price 6/30/16	% Change		52-Week		Market Cap	Ent Val (TEV)	LTM		NTM		EPS		Earnings Ratio		PEG Ratio
			3 mo	12 mo	High	Low			Rev	EBITDA	Rev	EBITDA	2015	2016E	LTM	2016E	2016E
<b>Supply Chain Management</b>																	
Microsoft Corporation	MSFT	\$51.17	(7.0%)	15.9%	\$56.85	\$39.72	\$402,220	\$343,649	\$86,886	\$29,148	\$93,889	\$34,322	\$ 1.48	\$ 2.67	39.5x	19.3x	1.8x
Oracle Corporation	ORCL	40.93	(0.1%)	1.6%	42.00	33.13	168,743	156,974	37,047	14,753	38,026	17,100	2.21	2.62	19.8x	NM	NM
SAP SE	SAP	75.16	(7.0%)	7.4%	84.08	60.51	90,041	92,890	23,347	6,635	24,677	8,205	2.78	4.39	25.2x	17.4x	1.9x
Manhattan Associates, Inc.	MANH	64.13	11.8%	7.5%	77.75	44.14	4,626	4,511	573	176	630	217	1.40	1.76	43.6x	37.8x	2.5x
Aspen Technology, Inc.	AZPN	40.24	11.9%	(11.7%)	46.13	29.25	3,294	3,328	473	219	467	232	1.33	1.82	24.7x	22.0x	1.7x
SPS Commerce, Inc.	SPSC	60.60	43.1%	(7.9%)	78.29	38.35	1,023	902	167	17	201	26	0.27	0.94	202.0x	65.2x	2.9x
QAD Inc.	QADA	19.27	(9.2%)	(27.1%)	28.71	17.11	356	232	274	12	281	16	0.77	0.68	66.4x	NM	NM
American Software, Inc.	AMSW.A	10.48	18.6%	10.3%	11.36	7.78	302	232	114	19	118	20	0.28	0.30	29.9x	NM	NM
Amber Road, Inc.	AMBR	7.71	44.4%	9.8%	7.84	3.42	203	206	69	(21)	76	(6)	(1.07)	(0.56)	NM	NM	NM
<b>Median</b>			<b>11.8%</b>	<b>7.4%</b>											<b>34.7x</b>	<b>22.0x</b>	<b>1.9x</b>

EV/REVENUE MULTIPLES

COMPANY	TICKER	TTM					NTM
		Trailing		% Change			
		6/30/16	3 mo	12 mo	3 mo		
<b>Supply Chain Management</b>							
Microsoft Corporation	MSFT	4.0x	4.3x	3.1x	(7.8%)	27.1%	3.7x
Oracle Corporation	ORCL	4.2x	4.3x	4.3x	(1.5%)	(0.5%)	4.1x
SAP SE	SAP	4.0x	4.4x	4.4x	(9.3%)	(9.6%)	3.8x
Manhattan Associates, Inc.	MANH	7.9x	7.3x	8.4x	8.0%	(6.1%)	7.2x
Aspen Technology, Inc.	AZPN	7.0x	6.0x	8.6x	17.0%	(18.0%)	7.1x
SPS Commerce, Inc.	SPSC	5.4x	3.7x	7.0x	46.5%	(23.1%)	4.5x
QAD Inc.	QADA	0.8x	0.9x	1.2x	(10.3%)	(30.6%)	0.8x
American Software, Inc.	AMSW.A	2.0x	1.7x	2.0x	20.8%	1.8%	2.0x
Amber Road, Inc.	AMBR	3.0x	2.2x	2.7x	37.8%	11.7%	2.7x
<b>Median</b>		<b>4.0x</b>	<b>4.3x</b>	<b>4.3x</b>	<b>8.0%</b>	<b>(6.1%)</b>	<b>3.8x</b>

EV/EBITDA MULTIPLES

COMPANY	TICKER	TTM					NTM
		Trailing		% Change			
		6/30/16	3 mo	12 mo	3 mo		
<b>Supply Chain Management</b>							
Microsoft Corporation	MSFT	11.8x	12.4x	8.7x	(5.0%)	34.8%	10.0x
Oracle Corporation	ORCL	10.6x	10.7x	10.1x	(0.8%)	5.0%	9.2x
SAP SE	SAP	14.4x	16.0x	14.7x	(10.1%)	(2.3%)	11.4x
Manhattan Associates, Inc.	MANH	25.7x	24.0x	30.5x	7.0%	(16.0%)	20.8x
Aspen Technology, Inc.	AZPN	15.2x	13.6x	21.1x	12.0%	(28.0%)	14.9x
SPS Commerce, Inc.	SPSC	51.6x	35.2x	68.5x	46.5%	(24.7%)	32.4x
QAD Inc.	QADA	19.0x	16.4x	17.0x	15.9%	11.6%	12.2x
American Software, Inc.	AMSW.A	12.1x	12.5x	13.6x	(3.0%)	(10.6%)	11.4x
Amber Road, Inc.	AMBR	NM	NM	NM	NM	NM	NM
<b>Median</b>		<b>14.8x</b>	<b>14.8x</b>	<b>15.9x</b>	<b>3.1%</b>	<b>(6.4%)</b>	<b>11.8x</b>

Source: Capital IQ (\$ in '000, except per share)

COMPANY	TICKER	Price	% Change		52-Week		Market Cap	Ent Val (TEV)	LTM		NTM		EPS		Earnings Ratio		PEG Ratio
		6/30/16	3 mo	12 mo	High	Low			Rev	EBITDA	Rev	EBITDA	2015	2016E	LTM	2016E	2016E
<b>Human Capital Management</b>																	
Microsoft Corporation	MSFT	\$51.17	(7.0%)	15.9%	\$56.85	\$39.72	\$402,220	\$343,649	\$86,886	\$29,148	\$93,889	\$34,322	\$ 1.48	\$ 2.67	39.5x	19.3x	1.8x
Oracle Corporation	ORCL	40.93	(0.1%)	1.6%	42.00	33.13	168,743	156,974	37,047	14,753	38,026	17,100	2.21	2.62	19.8x	NM	NM
SAP SE	SAP	75.16	(7.0%)	7.4%	84.08	60.51	90,041	92,890	23,347	6,470	24,677	8,122	2.78	4.39	25.2x	17.4x	1.9x
Workday, Inc.	WDAY	74.67	(1.9%)	NA	85.67	47.32	14,710	13,144	1,257	(194)	1,668	154	(1.35)	(0.05)	NM	NM	NM
The Ultimate Software Group, Inc.	ULTI	210.29	10.6%	28.0%	216.27	148.26	6,072	5,986	660	64	818	205	0.76	3.30	NM	65.0x	2.5x
Paycom Software, Inc.	PAYC	43.21	22.6%	26.5%	46.35	22.42	2,589	2,543	260	61	344	78	0.36	0.67	76.8x	67.9x	2.5x
Cornerstone OnDemand, Inc.	CSOD	38.06	16.6%	9.4%	43.38	22.25	2,096	2,054	365	(59)	455	42	(1.58)	0.03	NM	NM	55.6x
Paylocity Holding Corporation	PCTY	43.20	35.0%	20.5%	46.90	24.00	2,204	2,114	211	5	274	33	(0.28)	0.27	NM	162.7x	6.5x
Callidus Software Inc.	CALD	19.98	21.5%	28.2%	21.64	11.48	1,135	1,033	182	(0)	218	27	(0.24)	0.28	NM	72.5x	2.9x
<b>Median</b>			<b>10.6%</b>	<b>18.2%</b>											<b>32.3x</b>	<b>66.5x</b>	<b>2.5x</b>

COMPANY	TICKER	EV/REVENUE MULTIPLES					NTM
		TTM		% Change			
		Trailing		3 mo	12 mo		
		6/30/16	3 mo	12 mo	3 mo	12 mo	
<b>Human Capital Management</b>							
Microsoft Corporation	MSFT	4.0x	4.3x	3.1x	(7.8%)	27.1%	3.7x
Oracle Corporation	ORCL	4.2x	4.3x	4.3x	(1.5%)	(0.5%)	4.1x
SAP SE	SAP	4.0x	4.4x	4.4x	(9.3%)	(9.6%)	3.8x
Workday, Inc.	WDAY	10.5x	11.5x	15.0x	(9.2%)	(30.2%)	7.9x
The Ultimate Software Group, Inc.	ULTI	9.1x	8.7x	8.7x	4.3%	4.7%	7.3x
Paycom Software, Inc.	PAYC	9.8x	9.2x	11.7x	7.0%	(16.5%)	7.4x
Cornerstone OnDemand, Inc.	CSOD	5.6x	5.2x	6.7x	7.6%	(16.3%)	4.5x
Paylocity Holding Corporation	PCTY	10.0x	8.3x	12.2x	21.2%	(17.7%)	7.7x
Callidus Software Inc.	CALD	5.7x	4.8x	5.3x	18.8%	7.2%	4.7x
<b>Median</b>		<b>5.7x</b>	<b>5.2x</b>	<b>6.7x</b>	<b>4.3%</b>	<b>(9.6%)</b>	<b>4.7x</b>

COMPANY	TICKER	EV/EBITDA MULTIPLES					NTM
		TTM		% Change			
		Trailing		3 mo	12 mo		
		6/30/16	3 mo	12 mo	3 mo	12 mo	
<b>Human Capital Management</b>							
Microsoft Corporation	MSFT	11.8x	12.4x	8.7x	(5.0%)	34.8%	10.0x
Oracle Corporation	ORCL	10.6x	10.7x	10.1x	(0.8%)	5.0%	9.2x
SAP SE	SAP	14.4x	16.0x	14.7x	(10.1%)	(2.3%)	11.4x
Workday, Inc.	WDAY	NM	NM	NM	NM	NM	85.2x
The Ultimate Software Group, Inc.	ULTI	93.0x	84.0x	64.5x	10.7%	44.1%	29.2x
Paycom Software, Inc.	PAYC	41.7x	48.9x	66.6x	(14.8%)	(37.5%)	32.7x
Cornerstone OnDemand, Inc.	CSOD	NM	NM	NM	NM	NM	48.4x
Paylocity Holding Corporation	PCTY	NM	NM	NM	NM	NM	64.2x
Callidus Software Inc.	CALD	NM	NM	NM	NM	NM	38.4x
<b>Median</b>		<b>14.4x</b>	<b>16.0x</b>	<b>14.7x</b>	<b>(5.0%)</b>	<b>5.0%</b>	<b>32.7x</b>

Source: Capital IQ (\$ in '000, except per share)



COMPANY	TICKER	Price 6/30/16	% Change		52-Week		Market Cap	Ent Val (TEV)	LTM		NTM		EPS		Earnings Ratio		PEG Ratio 2016E	
			3 mo	12 mo	High	Low			Rev	EBITDA	Rev	EBITDA	2015	2016E	LTM	2016E		
<b>Business Intelligence</b>																		
Microsoft Corporation	MSFT	\$51.17	(7.0%)	15.9%	\$56.85	\$39.72	\$402,220	\$343,649	\$86,886	\$29,148	\$93,889	\$34,322	\$ 1.48	\$ 2.67	39.5x	19.7x	1.8x	
Oracle Corporation	ORCL	40.93	(0.1%)	1.6%	42.00	33.13	168,743	156,974	37,047	14,753	38,026	17,100	2.21	2.62	19.8x	NM	NM	
SAP SE	SAP	75.16	(7.0%)	7.4%	84.08	60.51	90,041	92,890	23,347	6,635	24,677	8,205	2.78	4.39	25.2x	17.8x	2.0x	
Splunk, Inc.	SPLK	54.18	11.5%	(22.2%)	76.85	29.85	7,199	6,177	729	(291)	947	79	(1.81)	0.15	NM	NM	NM	
Open Text Corporation	OTEX	59.16	13.2%	46.0%	61.97	36.65	7,175	7,868	1,823	557	1,991	719	1.91	3.59	27.1x	16.4x	1.9x	
Tableau Software, Inc.	DATA	48.92	7.8%	(57.6%)	131.34	36.60	3,639	2,831	695	(58)	896	112	(1.17)	0.55	NM	91.4x	3.5x	
Qlik Technologies, Inc.	QLIK	29.58	3.7%	(15.4%)	42.90	15.77	2,806	2,437	630	4	730	79	(0.40)	0.44	NM	68.0x	2.2x	
MicroStrategy Inc.	MSTR	175.02	(3.2%)	2.9%	226.48	141.01	2,000	1,463	525	144	534	173	9.18	9.01	20.3x	20.0x	2.2x	
Workiva Inc.	WK	13.66	17.1%	(1.2%)	18.80	10.92	560	526	155	(45)	189	NA	(1.09)	(1.15)	NM	NM	NM	
<b>Median</b>			<b>3.7%</b>	<b>1.6%</b>											<b>25.2x</b>	<b>19.9x</b>	<b>2.1x</b>	

EV/REVENUE MULTIPLES

COMPANY	TICKER	TTM					NTM
		Trailing		% Change			
		6/30/16	3 mo	12 mo	3 mo	12 mo	
<b>Business Intelligence</b>							
Microsoft Corporation	MSFT	4.0x	4.3x	3.1x	(7.8%)	27.1%	3.7x
Oracle Corporation	ORCL	4.2x	4.3x	4.3x	(1.5%)	(0.5%)	4.1x
SAP SE	SAP	4.0x	4.4x	4.4x	(9.3%)	(9.6%)	3.8x
Splunk, Inc.	SPLK	8.5x	7.9x	16.1x	7.0%	(47.3%)	6.5x
Open Text Corporation	OTEX	4.3x	3.9x	3.2x	10.2%	35.8%	4.0x
Tableau Software, Inc.	DATA	4.1x	3.9x	16.0x	3.7%	(74.5%)	3.2x
Qlik Technologies, Inc.	QLIK	3.9x	3.8x	5.1x	1.2%	(24.9%)	3.3x
MicroStrategy Inc.	MSTR	2.8x	3.0x	2.7x	(6.4%)	2.8%	2.7x
Workiva Inc.	WK	3.4x	2.9x	4.1x	16.5%	(16.9%)	2.8x
<b>Median</b>		<b>4.0x</b>	<b>3.9x</b>	<b>4.3x</b>	<b>1.2%</b>	<b>(9.6%)</b>	<b>3.7x</b>

EV/EBITDA MULTIPLES

COMPANY	TICKER	TTM					NTM
		Trailing		% Change			
		6/30/16	3 mo	12 mo	3 mo	12 mo	
<b>Business Intelligence</b>							
Microsoft Corporation	MSFT	11.8x	12.4x	8.7x	(5.0%)	34.8%	10.0x
Oracle Corporation	ORCL	10.6x	10.7x	10.1x	(0.8%)	5.0%	9.2x
SAP SE	SAP	14.4x	16.0x	14.7x	(10.1%)	(2.3%)	11.4x
Splunk, Inc.	SPLK	NM	NM	NM	NM	NM	80.0x
Open Text Corporation	OTEX	14.1x	13.6x	11.0x	3.9%	28.5%	10.9x
Tableau Software, Inc.	DATA	NM	NM	NM	NM	NM	25.4x
Qlik Technologies, Inc.	QLIK	NM	NM	NM	NM	NM	30.7x
MicroStrategy Inc.	MSTR	10.2x	10.6x	22.0x	(4.5%)	(53.7%)	8.4x
Workiva Inc.	WK	NM	NM	NM	NM	NM	NM
<b>Median</b>		<b>11.8x</b>	<b>12.4x</b>	<b>11.0x</b>	<b>(4.5%)</b>	<b>5.0%</b>	<b>11.2x</b>

Source: Capital IQ (\$ in '000, except per share)

ACQUIRER	TARGET	Date Announced	Headquarters		Enterprise Value	LTM		Enterprise Value / LTM		
			Buyer	Target		Revenue	EBITDA	Revenue	EBITDA	
<b>Selected Enterprise Application Software M&amp;A Transactions Announced Q2 2016 (with Deal Value Disclosed)</b>										
Blackboard Inc.	Higher One Holdings, Inc.	6/30/2016	United States	United States	\$ 259,543	\$ 152,001	\$ (12,328)	1.7x	NM	
GB Group plc	IDscan Biometrics Ltd.	6/29/2016	United Kingdom	United Kingdom	60,833	10,274	NA	5.9x	NA	
Innova AF II S.à r.l.	Centrum Rozliczen Elektronicznych Polskie ePlatnosci S.A.	6/23/2016	Luxembourg	Poland	39,010	NA	NA	NA	NA	
Open Text Corporation	HP Inc., Customer Communications Management and Other Assets	6/20/2016	Canada	United States	315,000	NA	NA	NA	NA	
Shanghai Wo Rui Ou	Shenzhen - The Chi Fu Network Ltd.	6/16/2016	China	China	64,526	610	NA	105.8x	NA	
Microsoft Corporation	LinkedIn Corporation	6/13/2016	United States	United States	26,190,925	3,213,874	266,144	8.1x	98.4x	
Trapeze ITS Luxembourg SARL	Bond International Software plc	6/3/2016	Luxembourg	United Kingdom	73,860	NA	(2,304)	NA	NM	
Open Text Corporation	Recommind, Inc.	6/2/2016	Canada	United States	163,000	NA	NA	NA	NA	
Thoma Bravo, LLC; Thoma Bravo Fund XI, L.P.; Thoma Bravo Special Opportunities Fund II; Thoma Bravo Fund XII, L.P.	Qlik Technologies, Inc.	6/2/2016	NA	United States	2,614,879	630,498	3,829	4.1x	682.9x	
salesforce.com, inc.	Demandware, Inc.	6/1/2016	United States	United States	2,661,907	254,083	(33,691)	10.5x	NM	
Tech Mahindra Limited	Target Group Limited	5/27/2016	India	United Kingdom	163,873	74,621	NA	2.2x	NA	
Siris Capital Group, LLC	Xura, Inc.	5/23/2016	United States	United States	683,378	292,737	367	2.3x	1862.1x	
NICE Systems Ltd. (nka:NICE Ltd.)	inContact, Inc.	5/18/2016	Israel	United States	881,198	233,036	1,507	3.8x	584.7x	
KB No.7 Special Purpose Acquisition Company	FuturestreamNetworks Corp.	4/26/2016	South Korea	South Korea	67,821	21,054	2,196	3.2x	30.9x	
Silver Lake; AltaOne Capital	Cegid Group SA	4/18/2016	NA	France	701,246	319,287	48,987	2.2x	14.3x	
The Blackstone Group L.P.	MphasiS Limited	4/3/2016	United States	India	1,039,808	916,367	134,915	1.1x	7.7x	
Dassault Systèmes SE	3DPLM Software Solutions Limited	4/1/2016	France	India	114,079	NA	NA	NA	NA	
<b>Median</b>					<b>259,543</b>	<b>243,560</b>	<b>1,852</b>	<b>3.5x</b>	<b>98.4x</b>	

Source: Capital IQ (\$ in '000, except per share)

ACQUIRER	TARGET	Date Closed	Headquarters		Enterprise Value	LTM		Enterprise Value / LTM	
			Buyer	Target		Revenue	EBITDA	Revenue	EBITDA
<b>Selected Enterprise Application Software M&amp;A Transactions Closed Q2 2016 (with Deal Value Disclosed)</b>									
Astorg Partners; Astorg Partners Fund VI	AutoForm Engineering GmbH	6/27/2016	NA	Switzerland	\$ 714,774	NA	NA	NA	NA
Callidus Software Inc.	Badgeville, Inc.	6/24/2016	United States	United States	7,500	NA	NA	NA	NA
Spectris plc	Capstone Technology Corporation	6/20/2016	United Kingdom	United States	22,500	NA	NA	NA	NA
Electronics for Imaging, Inc.	OptiTex Ltd.	6/16/2016	United States	Israel	52,800	NA	NA	NA	NA
Broadridge Financial Solutions, Inc.	4Sight Financial Software Limited	6/10/2016	United States	United Kingdom	40,000	12,000	NA	3.3x	NA
Fortinet Inc.	AccelOps, Inc.	6/7/2016	United States	United States	32,000	NA	NA	NA	NA
Wolters Kluwer Law & Business Group	Enablon SA	7/1/2016	United States	France	331,589	65,505	NA	5.1x	NA
Black Knight Financial Services, Inc.	eLynx, Ltd.	5/16/2016	United States	United States	115,000	NA	NA	NA	NA
Kingdee International Software Group Co. Ltd.	Shanghai Guanyi Cloud Computing Software Co., Ltd.	5/11/2016	China	China	66,322	NA	NA	NA	NA
adesso AG	Smarthouse Media GmbH	5/4/2016	Germany	Germany	27,597	18,398	NA	1.5x	NA
Kewill plc	LeanLogistics, Inc.	6/1/2016	United Kingdom	United States	115,000	NA	NA	NA	NA
Oracle Corporation	OPOWER, Inc.	6/14/2016	United States	United States	490,767	151,959	(42,013)	3.2x	NM
Qlik Technologies, Inc.	Industrial CodeBox Ltd.	4/29/2016	United States	United Kingdom	4,000	NA	NA	NA	NA
The Descartes Systems Group Inc	pixi* Software GmbH	4/29/2016	Canada	Germany	10,537	NA	NA	NA	NA
Oracle Corporation	Textura Corporation	6/10/2016	United States	United States	600,323	92,190	(6,345)	6.5x	NM
Open Text Corporation	ANXeBusiness Corp.	5/2/2016	Canada	United States	104,000	NA	NA	NA	NA
K3 Retail and Business Solutions Limited	DdD retail A/S	4/29/2016	Ireland	Denmark	11,453	7,024	1,218	1.6x	9.4x
Zoopla Property Group Plc	The Property Software Group	4/29/2016	United Kingdom	United Kingdom	109,759	22,892	7,343	4.8x	14.9x
Francisco Partners Management LLC	SintecMedia Ltd.	4/19/2016	United States	Israel	400,000	NA	NA	NA	NA
Open Text Corporation	HP Inc., Certain Customer Experience Software Assets	5/2/2016	Canada	United States	170,000	NA	NA	NA	NA
Pegasystems Inc.	OpenSpan, Inc.	4/11/2016	United States	United States	52,300	NA	NA	NA	NA
Kedma Capital	Continuity Software Ltd.	4/11/2016	Israel	Israel	42,492	NA	NA	NA	NA
Callidus Software Inc.	ViewCentral, LLC	4/7/2016	United States	United States	4,000	NA	NA	NA	NA
Global Payments Inc.	Web Active Corporation Pty Ltd.	4/6/2016	United States	Australia	50,000	NA	NA	NA	NA
TravelSky Technology Ltd.	OpenJaw Technologies, Ltd.	5/5/2016	China	Ireland	38,500	NA	NA	NA	NA
salesforce.com, inc.	MetaMind Inc.	4/4/2016	United States	United States	48,000	NA	NA	NA	NA
NYX Gaming Group Limited	OpenBet Technologies Limited	5/20/2016	United States	United Kingdom	391,972	92,071	31,118	4.3x	12.6x
<b>Median</b>					<b>52,300</b>	<b>44,198</b>	<b>1,218</b>	<b>3.8x</b>	<b>12.6x</b>

Source: Capital IQ (\$ in '000, except per share)

## CORPORATE FINANCE SERVICES

The sale of a company can represent the culmination of years of effort by its investors and management. With this in mind, Armanino guides our clients through the sale process, bringing to bear extensive structuring, preparation, negotiation, valuation and corporate finance experience and judgment to optimize value.

Our team has developed its expertise through many M&A, divestiture and strategic partnering transactions for closely-held businesses across most major technology sectors.

### **Corporate Finance Services include:**

- Sell-Side Representation
- Buy-Side Representation
- Intellectual Property and Patents Sales
- Purchaser Representative (SEC Reg 501)

The professionals in our practice have many years of business valuation and corporate finance experience with companies in every major industrial sector and size to deliver superior results for private technology companies in Silicon Valley.

### **SELL SIDE M&A ADVISORY**

We help companies pursuing a sale or merger involving all or part of their business, as well as organizations interested in partial divestitures of a division or assets. We provide end-to-end strategic advisory, introducing the company to potential acquirers and managing a rigorous process to optimize competition, achieve strategic valuations and successfully close transactions.

### **BUY SIDE M&A ADVISORY**

We represent clients pursuing strategic acquisitions, such as asset purchases, mergers, and intellectual property procurements. Our financial advisory includes market analyses, target identification, financial modeling, deal negotiations, preliminary due diligence and final negotiation of the definitive agreements.

### **IP AND PATENT SALES**

Armanino is among Silicon Valley's most experienced financial advisory firms for technology companies that seek to monetize assets including intellectual property (IP).

### **PURCHASER REPRESENTATIVE SERVICES**

A Purchaser Representative may be necessary in merger and acquisition transactions where the consideration is not all cash, but includes securities that are not registered with the SEC.

## CONTACT

### CORPORATE FINANCE

*Sell-Side and Buy-Side Advisory,  
IP & Patent Sales, Purchase Representative*

**Gunther Hofmann, CFA, CVA**  
**Director**

44 Montgomery Street, Suite 900  
San Francisco, CA 94104

[gunther.hofmann@armaninollp.com](mailto:gunther.hofmann@armaninollp.com)

+1 667 800 6773

### TRANSACTION ADVISORY

*Due Diligence, Post Merger Integration*

**John Dunican, CPA**  
**Partner**

12657 Alcosta Blvd., Suite 500  
San Ramon, CA 94583

[john.dunican@armaninollp.com](mailto:john.dunican@armaninollp.com)

+1 925 498 1902

### VALUATION

*Purchase Price Allocation, M&A Valuation  
409A Valuation, Gift & Estate Tax*

**Alex Florea**  
**Account Executive**

50 West Fernando Ave., Suite 500  
San Jose, CA 95113

[alex.florea@armaninollp.com](mailto:alex.florea@armaninollp.com)

+1 669 800 6771

### AUDIT

**Matthew Perreault, CPA**  
**Partner**

12657 Alcosta Blvd., Suite 500  
San Ramon, CA 94583

[mattt.perreault@armaninollp.com](mailto:mattt.perreault@armaninollp.com)

+1 925 790 2755

### TAX

**David Sordello, CPA**  
**Partner**

50 West Fernando Ave., Suite 500  
San Jose, CA 95113

[david.sordello@armaninollp.com](mailto:david.sordello@armaninollp.com)

+1 408 200 6403

### GENERAL

[info@armaninollp.com](mailto:info@armaninollp.com)

**Toll Free from U.S. and Canada**  
844 582 8883

**Outside the U.S.**  
925 790 2600