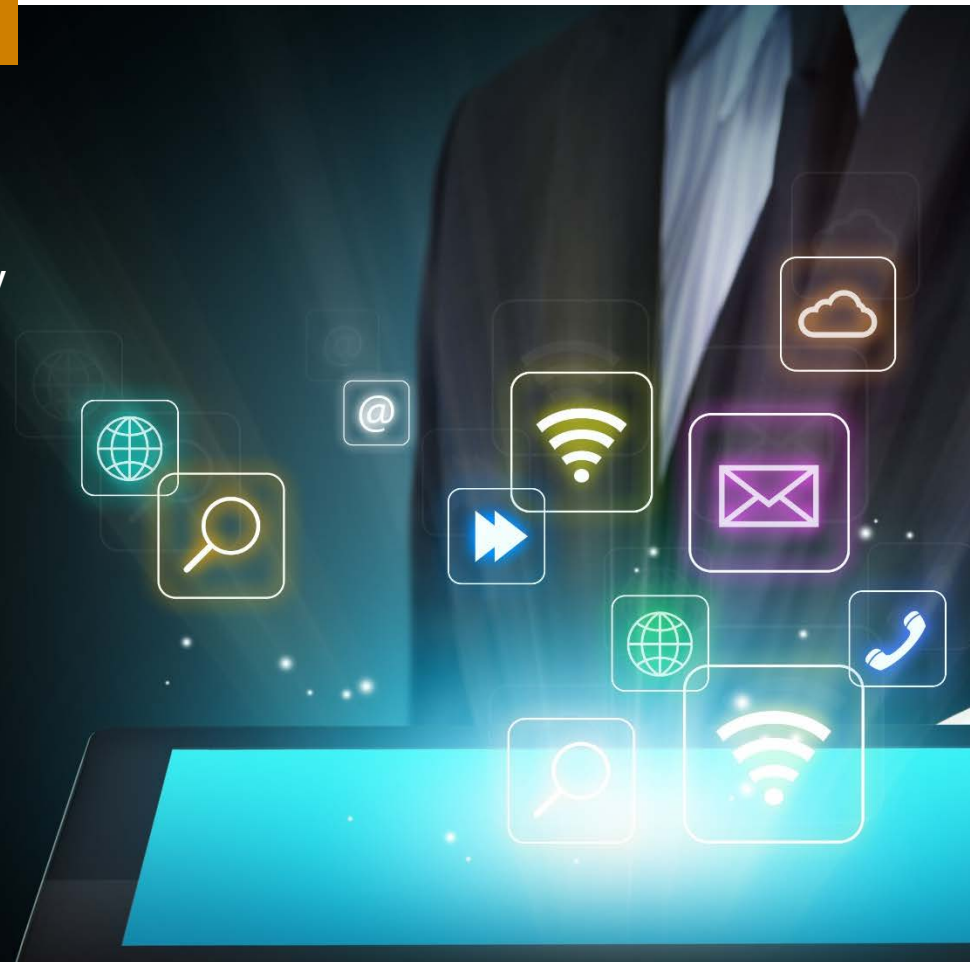


CONTENTS

- 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 Selected M&A Transactions
- 12 Corporate Finance Services**
- 13 Contact**



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as ranked by Accounting Today

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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.

The Human Capital Management sector had the highest median LTM and NTM revenue multiples (6.5x and 5.4x, respectively). All sectors saw an increase in LTM revenue multiples compared to the prior quarter and over the last 12 months. In terms of LTM EBITDA multiples, Customer Relationship Management had the highest LTM EBITDA multiple (19.7x) while Human Capital Management had the highest NTM EBITDA multiple (30.9x).

All of the sectors saw stock price increases in Q3 and over the last 12 months, with the Supply Chain Management sector performing the best in Q3 (+16.1%) and with the Human Capital Management sector performing the best over the last 12 months (+34.7%).

The best individual performer in Q3 was NetSuite (+52.0%), thanks to the announcement of its acquisition by Oracle. The best individual performer behind NetSuite was Workiva (+32.7%). The individual companies that declined the most in Q3 were salesforce.com (-10.2%) and Manhattan Associates (-10.2%).

From an EPS perspective, the strongest companies were MicroStrategy (\$9.18) in the Business Intelligence Sector, and the largest cap enterprise software leaders: SAP (\$4.31), Oracle (\$2.62) and Microsoft (\$2.67). The weakest EPS performers were Workiva (-\$0.98) in the Business Intelligence sector, Amber Road (-\$0.51) in the Supply Chain Management sector, and Zendesk (-\$0.25) in the Customer Relationship Management sector.

Q3 witnessed some large M&A announcements, with Oracle's acquisition of NetSuite for \$8.7B and Micro Focus International's acquisition of the software business of Hewlett Packard Enterprise Company for \$8.7B being the largest.

In other M&A news, the \$55.1B acquisition of EMC Corporation by Dell Technologies finally closed in Q3 after nearly a year since its announcement.

Open Text was an active acquirer in Q3 with 2 M&A transactions that closed which had been announced in Q2, and a new M&A announcement that it would acquire the Enterprise Content Division of Dell Technologies.

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

MARKET SECTOR	Median % Change				
	Price		PEG Ratio	Earnings Ratio	
	3 mo	12 mo		LTM	2016E
Enterprise Resource Planning (ERP)	12.3%	28.7%	2.0x	27.4x	26.8x
Customer Relationship Management (CRM)	9.4%	19.8%	1.6x	42.6x	32.1x
Supply Chain Management	16.1%	17.8%	2.2x	31.3x	32.4x
Human Capital Management	12.6%	34.7%	2.4x	27.4x	65.1x
Business Intelligence	11.1%	14.1%	2.2x	27.3x	22.0x

EV/REVENUE MULTIPLES

MARKET SECTOR	Median 9/30/16	LTM		NTM
		Median % Change		Median
		3 mo	12 mo	9/30/16
Enterprise Resource Planning (ERP)	5.2x	14.7%	14.5%	4.8x
Customer Relationship Management (CRM)	4.8x	9.2%	8.0%	4.5x
Supply Chain Management	4.6x	15.5%	11.4%	4.1x
Human Capital Management	6.5x	5.8%	2.5%	5.4x
Business Intelligence	4.5x	9.5%	3.7%	4.0x

EV/EBITDA MULTIPLES

MARKET SECTOR	Median 9/30/16	Median % Change		NTM
		LTM EBITDA Multiples		Median
		3 mo	12 mo	9/30/16
Enterprise Resource Planning (ERP)	16.9x	13.8%	26.1%	13.9x
Customer Relationship Management (CRM)	19.7x	9.4%	13.2%	16.0x
Supply Chain Management	18.1x	19.8%	19.6%	14.2x
Human Capital Management	16.9x	5.3%	18.5%	30.9x
Business Intelligence	14.3x	8.1%	25.2%	11.2x

INDICIES	Price 9/30/16	% Change			
		3 mo	6 mo	12 mo	24 mo
S&P 500 Index	2,168.27	3.3%	5.1%	12.9%	9.9%
Dow Jones Industrial Average	18,308.15	2.1%	3.3%	12.4%	7.4%
NASDAQ Composite Index	5,312.00	9.7%	9.1%	15.0%	18.2%
Russell 2000 Index	1,251.65	8.7%	12.7%	13.7%	13.6%
S&P 500 Software (Industry) Index	1,156.33	8.0%	5.5%	25.0%	24.5%
S&P 500 Software & Services (Industry Group) Index	1,148.68	9.3%	6.1%	23.2%	28.3%

Source: Capital IQ

COMPANY	TICKER	Price 9/30/16	% 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		
Enterprise Resource Planning (ERP)																		
Microsoft Corporation	MSFT	\$57.60	12.6%	30.1%	\$58.70	\$43.92	\$448,849	\$389,794	\$85,320	\$27,170	\$94,099	\$36,416	\$ 1.48	\$ 2.67	27.4x	NM	NM	
Oracle Corporation	ORCL	39.28	(4.0%)	8.7%	42.00	33.13	161,270	147,327	37,194	14,612	37,952	17,186	2.21	2.62	18.7x	NM	NM	
SAP SE	SAP	91.41	21.6%	41.6%	92.81	64.24	109,532	114,165	23,931	5,995	25,375	8,702	2.78	4.31	27.3x	21.1x	1.9x	
Intuit Inc.	INTU	110.01	(1.4%)	24.0%	116.97	85.61	28,376	28,296	4,694	1,458	5,050	1,931	1.45	3.66	36.2x	NM	NM	
Sage Group plc	SGE	9.61	12.0%	27.2%	9.73	6.52	10,378	10,731	1,907	391	2,140	618	0.27	0.36	45.5x	26.8x	2.0x	
NetSuite Inc.	N	110.69	52.0%	31.9%	110.83	51.75	8,985	8,864	846	(59)	1,088	91	(1.59)	0.48	NM	227.2x	9.5x	
Median			12.3%	28.7%											27.4x	26.8x	2.0x	

COMPANY	TICKER	EV/REVENUE MULTIPLES						NTM
		TTM			% Change			
		Trailing	3 mo	12 mo	3 mo	12 mo		
Enterprise Resource Planning (ERP)								
Microsoft Corporation	MSFT	4.6x	4.0x	3.1x	15.5%	45.9%	4.1x	
Oracle Corporation	ORCL	4.0x	4.2x	3.7x	(6.5%)	7.3%	3.9x	
SAP SE	SAP	4.8x	4.0x	3.9x	19.9%	21.1%	4.5x	
Intuit Inc.	INTU	6.0x	6.0x	5.6x	0.0%	7.9%	5.6x	
Sage Group plc	SGE	5.6x	4.9x	4.3x	13.8%	30.8%	5.0x	
NetSuite Inc.	N	10.5x	7.3x	10.1x	44.2%	3.3%	8.1x	
Median		5.2x	4.6x	4.1x	14.7%	14.5%	4.8x	

COMPANY	TICKER	EV/EBITDA MULTIPLES						NTM
		TTM			% Change			
		Trailing	3 mo	12 mo	3 mo	12 mo		
Enterprise Resource Planning (ERP)								
Microsoft Corporation	MSFT	14.3x	11.8x	8.7x	21.7%	64.4%	10.7x	
Oracle Corporation	ORCL	10.1x	10.6x	8.9x	(5.2%)	13.2%	8.6x	
SAP SE	SAP	16.9x	14.4x	13.4x	18.0%	26.1%	13.1x	
Intuit Inc.	INTU	19.4x	19.8x	21.5x	(1.9%)	(9.9%)	14.7x	
Sage Group plc	SGE	21.1x	18.5x	15.2x	13.8%	39.2%	17.4x	
NetSuite Inc.	N	NM	NM	NM	NM	NM	97.2x	
Median		16.9x	14.4x	13.4x	13.8%	26.1%	13.9x	

Source: Capital IQ

COMPANY	TICKER	Price 9/30/16	% 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		
Customer Relationship Management (CRM)																		
Microsoft Corporation	MSFT	\$57.60	12.6%	30.1%	\$58.70	\$43.92	\$448,849	\$389,794	\$85,320	\$27,170	\$94,099	\$36,416	\$ 1.48	\$ 2.67	27.4x	NM	NM	
Oracle Corporation	ORCL	39.28	(4.0%)	8.7%	42.00	33.13	161,270	147,327	37,194	14,612	37,952	17,186	2.21	2.62	18.7x	NM	NM	
SAP SE	SAP	91.41	21.6%	41.6%	92.81	64.24	109,532	114,165	23,931	6,658	25,375	8,702	2.78	4.31	27.3x	21.1x	1.9x	
salesforce.com, inc.	CRM	71.33	(10.2%)	2.7%	84.48	52.60	48,326	49,667	7,475	560	9,178	1,739	(0.42)	0.75	220.4x	NM	NM	
Blackbaud Inc.	BLKB	66.34	(2.3%)	18.2%	71.76	49.89	3,080	3,466	684	114	766	184	0.55	1.92	114.5x	34.0x	1.6x	
Pegasystems Inc.	PEGA	29.49	9.4%	19.8%	30.23	20.21	2,250	2,112	735	94	835	111	0.46	0.92	57.9x	32.1x	0.9x	
Zendesk, Inc.	ZEN	30.71	16.4%	55.8%	31.88	11.06	2,881	2,657	261	(78)	359	6.0	(0.99)	(0.25)	NM	NM	NM	
Median			9.4%	19.8%												42.6x	32.1x	1.6x

EV/REVENUE MULTIPLES

COMPANY	TICKER
Customer Relationship Management (CRM)	
Microsoft Corporation	MSFT
Oracle Corporation	ORCL
SAP SE	SAP
salesforce.com, inc.	CRM
Blackbaud Inc.	BLKB
Pegasystems Inc.	PEGA
Zendesk, Inc.	ZEN
Median	

	TTM					NTM
	Trailing		% Change			
	9/30/16	3 mo	12 mo	3 mo	12 mo	
Microsoft Corporation	4.6x	4.0x	3.1x	15.5%	45.9%	4.1x
Oracle Corporation	4.0x	4.2x	3.7x	(6.5%)	7.3%	3.9x
SAP SE	4.8x	4.0x	3.9x	19.9%	21.1%	4.5x
salesforce.com, inc.	6.6x	7.6x	7.8x	(12.7%)	(14.4%)	5.4x
Blackbaud Inc.	5.1x	5.4x	4.7x	(6.1%)	7.5%	4.5x
Pegasystems Inc.	2.9x	2.6x	2.7x	9.2%	8.0%	2.5x
Zendesk, Inc.	10.2x	9.2x	8.9x	10.5%	14.5%	7.4x
Median	4.8x	4.2x	3.9x	9.2%	8.0%	4.5x

EV/EBITDA MULTIPLES

	TTM					NTM
	Trailing		% Change			
	9/30/16	3 mo	12 mo	3 mo	12 mo	
Microsoft Corporation	14.3x	11.8x	8.7x	21.7%	64.4%	10.7x
Oracle Corporation	10.1x	10.6x	8.9x	(5.2%)	13.2%	8.6x
SAP SE	16.9x	14.4x	13.4x	18.0%	26.1%	13.1x
salesforce.com, inc.	88.8x	NM	NM	NM	NM	28.6x
Blackbaud Inc.	30.5x	32.2x	28.5x	(5.3%)	7.0%	18.8x
Pegasystems Inc.	22.4x	20.5x	22.0x	9.4%	1.9%	19.1x
Zendesk, Inc.	NM	NM	NM	NM	NM	NM
Median	19.7x	14.4x	13.4x	9.4%	13.2%	16.0x

Source: Capital IQ

COMPANY	TICKER	Price 9/30/16	% 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	
Supply Chain Management																	
Microsoft Corporation	MSFT	\$57.60	12.6%	30.1%	\$58.70	\$43.92	\$448,849	\$389,794	\$85,320	\$27,170	\$94,099	\$36,416	\$ 1.48	\$ 2.67	27.4x	NM	NM
Oracle Corporation	ORCL	39.28	(4.0%)	8.7%	42.00	33.13	161,270	147,327	37,194	14,612	37,952	17,186	2.21	2.62	18.7x	NM	NM
SAP SE	SAP	91.41	21.6%	41.6%	92.81	64.24	109,532	114,165	23,931	6,658	25,375	8,409	2.78	4.31	27.3x	21.1x	1.9x
Manhattan Associates, Inc.	MANH	57.62	(10.2%)	(7.5%)	77.75	44.14	4,126	4,031	588	187	643	224	1.40	1.79	36.5x	32.4x	2.2x
Aspen Technology, Inc.	AZPN	46.79	16.3%	23.4%	47.31	29.25	3,731	3,550	472	222	475	231	1.33	1.82	27.9x	NM	NM
SPS Commerce, Inc.	SPSC	73.41	21.1%	8.1%	78.29	38.35	1,246	1,118	176	18	210	26	0.27	0.98	262.4x	74.5x	3.3x
QAD Inc.	QADA	22.38	16.1%	(12.6%)	27.56	17.11	415	296	272	9	282	15	0.77	0.68	93.7x	NM	NM
American Software, Inc.	AMSW.A	11.10	5.9%	17.8%	11.94	8.56	323	251	112	13	121	19	0.28	0.30	34.7x	NM	NM
Amber Road, Inc.	AMBR	9.65	25.2%	128.7%	11.29	3.42	255	261	70	(17)	79	(6)	(1.07)	(0.51)	NM	NM	NM
Median			16.1%	17.8%											31.3x	32.4x	2.2x

EV/REVENUE MULTIPLES

COMPANY	TICKER	TTM					NTM
		Trailing		% Change			
		9/30/16	3 mo	12 mo	3 mo		
Supply Chain Management							
Microsoft Corporation	MSFT	4.6x	4.0x	3.1x	15.5%	45.9%	4.1x
Oracle Corporation	ORCL	4.0x	4.2x	3.7x	(6.5%)	7.3%	3.9x
SAP SE	SAP	4.8x	4.0x	3.9x	19.9%	21.1%	4.5x
Manhattan Associates, Inc.	MANH	6.8x	7.9x	8.4x	(13.1%)	(18.9%)	6.3x
Aspen Technology, Inc.	AZPN	7.5x	7.0x	6.7x	6.8%	11.4%	7.5x
SPS Commerce, Inc.	SPSC	6.4x	5.4x	7.0x	17.9%	(9.0%)	5.3x
QAD Inc.	QADA	1.1x	0.8x	1.2x	28.5%	(9.2%)	1.0x
American Software, Inc.	AMSW.A	2.2x	2.0x	1.9x	9.5%	16.9%	2.1x
Amber Road, Inc.	AMBR	3.8x	3.0x	1.6x	25.3%	133.4%	3.3x
Median		4.6x	4.0x	3.7x	15.5%	11.4%	4.1x

EV/EBITDA MULTIPLES

COMPANY	TICKER	TTM					NTM
		Trailing		% Change			
		9/30/16	3 mo	12 mo	3 mo		
Supply Chain Management							
Microsoft Corporation	MSFT	14.3x	11.8x	8.7x	21.7%	64.4%	10.7x
Oracle Corporation	ORCL	10.1x	10.6x	8.9x	(5.2%)	13.2%	8.6x
SAP SE	SAP	16.9x	14.4x	13.4x	18.0%	26.1%	13.1x
Manhattan Associates, Inc.	MANH	21.5x	25.7x	29.8x	(16.0%)	(27.7%)	18.0x
Aspen Technology, Inc.	AZPN	16.0x	15.2x	16.1x	5.3%	(0.6%)	15.4x
SPS Commerce, Inc.	SPSC	63.3x	51.9x	71.2x	22.0%	(11.1%)	37.1x
QAD Inc.	QADA	34.5x	20.5x	15.7x	67.9%	119.5%	15.9x
American Software, Inc.	AMSW.A	19.3x	12.1x	15.2x	58.8%	26.6%	12.6x
Amber Road, Inc.	AMBR	NM	NM	NM	NM	NM	NM
Median		18.1x	14.8x	15.5x	19.8%	19.6%	14.2x

Source: Capital IQ

COMPANY	TICKER	Price 9/30/16	% 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	
Human Capital Management																	
Microsoft Corporation	MSFT	\$57.60	12.6%	30.1%	\$58.70	\$43.92	\$448,849	\$389,794	\$85,320	\$27,170	\$94,099	\$36,416	\$ 1.48	\$ 2.67	27.4x	NM	NM
Oracle Corporation	ORCL	39.28	(4.0%)	8.7%	42.00	33.13	161,270	147,327	37,194	14,612	37,952	17,186	2.21	2.62	18.7x	NM	NM
SAP SE	SAP	91.41	21.6%	41.6%	92.81	64.24	109,532	114,165	23,931	6,739	25,375	8,702	2.78	4.31	27.3x	21.1x	1.9x
Workday, Inc.	WDAY	91.69	22.8%	NA	92.46	47.32	18,338	16,791	1,352	(209)	1,788	170	(1.35)	(0.05)	NM	NM	NM
The Ultimate Software Group, Inc.	ULTI	204.39	(2.8%)	14.2%	224.07	148.26	5,915	5,826	700	66	861	211	0.76	3.29	NM	63.6x	2.4x
Paycom Software, Inc.	PAYC	50.13	16.0%	39.6%	52.93	22.42	2,999	2,947	284	67	371	95	0.36	0.77	78.5x	66.5x	2.2x
Cornerstone OnDemand, Inc.	CSOD	45.95	20.7%	39.2%	47.75	22.25	2,570	2,537	389	(54)	468	36	(1.58)	0.01	NM	NM	200.2x
Paylocity Holding Corporation	PCTY	44.46	2.9%	48.2%	49.65	24.00	2,274	2,188	231	5	297	37	(0.28)	0.27	NM	NM	NM
Callidus Software Inc.	CALD	18.35	(8.2%)	8.0%	21.64	11.48	1,142	1,048	190	(0)	223	30	(0.24)	0.27	NM	66.7x	2.8x
Median			12.6%	34.7%											27.4x	65.1x	2.4x

EV/REVENUE MULTIPLES

COMPANY	TICKER	TTM					NTM
		Trailing		% Change			
		9/30/16	3 mo	12 mo	3 mo	12 mo	
Human Capital Management							
Microsoft Corporation	MSFT	4.6x	4.0x	3.1x	15.5%	45.9%	4.1x
Oracle Corporation	ORCL	4.0x	4.2x	3.7x	(6.5%)	7.3%	3.9x
SAP SE	SAP	4.8x	4.0x	3.9x	19.9%	21.1%	4.5x
Workday, Inc.	WDAY	12.4x	10.5x	12.1x	18.8%	2.5%	9.4x
The Ultimate Software Group, Inc.	ULTI	8.3x	9.1x	9.0x	(8.1%)	(7.9%)	6.8x
Paycom Software, Inc.	PAYC	10.4x	9.8x	11.4x	5.8%	(9.1%)	8.0x
Cornerstone OnDemand, Inc.	CSOD	6.5x	5.6x	6.0x	15.7%	9.5%	5.4x
Paylocity Holding Corporation	PCTY	9.5x	10.0x	9.4x	(5.4%)	0.6%	7.4x
Callidus Software Inc.	CALD	5.5x	5.7x	5.5x	(2.8%)	(0.2%)	4.7x
Median		6.5x	5.7x	6.0x	5.8%	2.5%	5.4x

EV/EBITDA MULTIPLES

COMPANY	TICKER	TTM					NTM
		Trailing		% Change			
		9/30/16	3 mo	12 mo	3 mo	12 mo	
Human Capital Management							
Microsoft Corporation	MSFT	14.3x	11.8x	8.7x	21.7%	64.4%	10.7x
Oracle Corporation	ORCL	10.1x	10.6x	8.9x	(5.2%)	13.2%	8.6x
SAP SE	SAP	16.9x	14.4x	13.4x	18.0%	26.1%	13.1x
Workday, Inc.	WDAY	NM	NM	NM	NM	NM	98.6x
The Ultimate Software Group, Inc.	ULTI	87.8x	93.0x	74.1x	(5.6%)	18.5%	27.6x
Paycom Software, Inc.	PAYC	43.9x	41.7x	55.3x	5.3%	(20.6%)	30.9x
Cornerstone OnDemand, Inc.	CSOD	NM	NM	NM	NM	NM	69.5x
Paylocity Holding Corporation	PCTY	NM	NM	NM	NM	NM	58.9x
Callidus Software Inc.	CALD	NM	NM	NM	NM	NM	35.1x
Median		16.9x	14.4x	13.4x	5.3%	18.5%	30.9x

Source: Capital IQ

COMPANY	TICKER	Price 9/30/16	% 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		
Business Intelligence																		
Microsoft Corporation	MSFT	\$57.60	12.6%	30.1%	\$58.70	\$43.92	\$448,849	\$389,794	\$85,320	\$27,170	\$94,318	\$36,416	\$ 1.48	\$ 2.67	27.4x	NM	NM	
Oracle Corporation	ORCL	39.28	(4.0%)	8.7%	42.00	33.13	161,270	147,327	37,194	14,612	37,952	17,186	2.21	2.62	18.7x	NM	NM	
SAP SE	SAP	91.41	21.6%	41.6%	92.81	64.24	109,532	114,165	23,931	6,658	25,375	8,409	2.78	4.31	27.3x	21.1x	2.0x	
Splunk, Inc.	SPLK	58.68	8.3%	6.0%	66.90	29.85	7,895	6,874	793	(307)	1,027	85	(1.81)	0.15	NM	NM	NM	
Open Text Corporation	OTEX	64.86	9.6%	44.9%	66.84	41.93	7,877	8,728	1,824	572	2,155	781	1.91	3.59	27.8x	NM	NM	
Tableau Software, Inc.	DATA	55.27	13.0%	(30.7%)	104.92	36.60	4,112	3,277	744	(84)	922	79	(1.17)	0.28	NM	186.6x	9.3x	
MicroStrategy Inc.	MSTR	167.44	(4.3%)	(14.8%)	209.77	141.01	1,914	1,364	515	129	517	131	9.18	7.67	20.1x	22.5x	2.2x	
Workiva Inc.	WK	18.13	32.7%	19.4%	19.04	10.92	744	716	164	(45)	199	NA	(1.09)	(0.98)	NM	NM	NM	
Median			11.1%	14.1%											27.3x	22.5x	2.2x	

COMPANY	TICKER
Business Intelligence	
Microsoft Corporation	MSFT
Oracle Corporation	ORCL
SAP SE	SAP
Splunk, Inc.	SPLK
Open Text Corporation	OTEX
Tableau Software, Inc.	DATA
MicroStrategy Inc.	MSTR
Workiva Inc.	WK
Median	

EV/REVENUE MULTIPLES						NTM
TTM						
Trailing	% Change					
9/30/16	3 mo	12 mo	3 mo	12 mo		
4.6x	4.0x	3.1x	15.5%	45.9%	4.1x	
4.0x	4.2x	3.7x	(6.5%)	7.3%	3.9x	
4.8x	4.0x	3.9x	19.9%	21.1%	4.5x	
8.7x	8.5x	11.6x	2.3%	(25.5%)	6.7x	
4.8x	4.3x	3.4x	10.9%	39.5%	4.1x	
4.4x	4.1x	9.5x	8.2%	(53.5%)	3.6x	
2.6x	2.8x	3.2x	(5.0%)	(18.3%)	2.6x	
4.4x	3.4x	4.4x	28.4%	0.2%	3.6x	
4.5x	4.0x	3.8x	9.5%	3.7%	4.0x	

EV/EBITDA MULTIPLES						NTM
TTM						
Trailing	% Change					
9/30/16	3 mo	12 mo	3 mo	12 mo		
14.3x	11.8x	8.7x	21.7%	64.4%	10.7x	
10.1x	10.6x	8.9x	(5.2%)	13.2%	8.6x	
16.9x	14.4x	13.4x	18.0%	26.1%	13.1x	
NM	NM	NM	NM	NM	70.5x	
15.3x	14.1x	12.2x	8.1%	25.2%	11.2x	
NM	NM	NM	NM	NM	41.7x	
10.6x	10.2x	15.6x	4.1%	(32.2%)	10.4x	
NM	NM	NM	NM	NM	NM	
14.3x	11.8x	12.2x	8.1%	25.2%	11.2x	

Source: Capital IQ

ACQUIRER	TARGET	Date Announced	Headquarters		Enterprise Value	LTM		Enterprise Value / LTM	
			Buyer	Target		Revenue	EBITDA	Revenue	EBITDA
Selected Enterprise Application Software M&A Transactions Announced Q3 2016 (with Deal Value Disclosed)									
Micro Focus International plc	Hewlett Packard Enterprise Company, Software Business	9/7/2016	United Kingdom	United States	8,730,425	3,172,000	658,000	2.8x	13.3x
Genesys Telecommunications Laboratories, Inc.	Interactive Intelligence Group Inc.	8/31/2016	United States	United States	1,394,336	413,128	(2,129)	3.4x	NM
Dassault Systemes Deutschland GmbH	CST - Computer Simulation Technology AG	7/21/2016	Germany	Germany	242,064	51,714	NA	4.7x	NA
IRESS Limited	Financial Synergy Pty. Limited	9/26/2016	Australia	Australia	68,799	21,022	7,186	3.3x	9.6x
EQT Partners AB	XP Solutions Inc.	9/19/2016	Sweden	United States	49,000	NA	NA	NA	NA
Nemetschek SE	Design Data Corporation	7/28/2016	Germany	United States	48,900	NA	NA	NA	NA
InfoVista S.A.	Ascom Network Testing Inc.	8/22/2016	France	United States	45,000	NA	NA	NA	NA
The Reynolds and Reynolds Company	Walters Kluwer N.V., Indirect Loan Origination Solutions and AppOne Software Platform	9/8/2016	United States	Netherlands	36,075	NA	NA	NA	NA
Guidewire Software, Inc.	FirstBest Systems, Inc.	8/4/2016	United States	United States	34,000	NA	NA	NA	NA
Hockliffe Limited; Bond US Inc.	6 Bond International Companies	9/12/2016	NA	United Kingdom	22,954	23,685	NA	1.0x	NA
Nihilent Technologies Limited	ICRA Techno Analytics Limited	8/5/2016	India	India	10,282	10,924	NA	0.9x	NA
Direct Response Contact Centres Group Limited	IPPLUS (UK) Ltd. and CallScripter Limited	9/9/2016	United Kingdom	United Kingdom	8,885	NA	NA	NA	NA
Atos SE	Anthelio Healthcare Solutions Inc.	9/12/2016	France	United States	275,000	200,000	NA	1.4x	NA
Beijing Orient National Communication Science & Technology Co., Ltd.	Ruisoft Technology co., Ltd.	9/20/2016	China	China	64,942	NA	NA	NA	NA
Onex Corporation; Baring Private Equity Asia; Onex Partners IV LP	Thomson Reuters Corporation, Intellectual Property & Science Business	7/11/2016	NA	United States	3,550,000	NA	NA	NA	NA
Open Text Corporation	Enterprise Content Division	9/12/2016	Canada	United States	1,620,000	599,000	NA	2.7x	NA
salesforce.com, inc.	Quip, Inc.	8/1/2016	United States	United States	582,000	NA	NA	NA	NA
Nantian Electronics Information Corp, Ltd.	Beijing Karakal Technology Co., Ltd.	7/12/2016	China	China	104,657	8,541	NA	12.3x	NA
Oracle Corporation	NetSuite Inc.	7/28/2016	United States	United States	8,698,942	846,401	(59,087)	10.3x	NM
Hewlett Packard Enterprise Company	Silicon Graphics International Corp.	8/11/2016	United States	United States	285,496	532,930	5,525	0.5x	51.7x
Median					86,728	200,000	5,525	2.8x	13.3x

Source: Capital IQ

ACQUIRER	TARGET	Date Closed	Headquarters		Enterprise Value	LTM		Enterprise Value / LTM		
			Buyer	Target		Revenue	EBITDA	Revenue	EBITDA	
Selected Enterprise Application Software M&A Transactions Closed Q3 2016 (with Deal Value Disclosed)										
DTI	Epiq Systems, Inc.	9/30/2016	United States	United States	\$ 1,008,999	529,799	87,187	1.9x	11.6x	
KT Corp.; Nasmedia, Inc.	N Search Marketing Corp.	9/26/2016	NA	South Korea	54,264	NA	NA	NA	NA	
KBR Holdings, LLC	Honeywell Technology Solutions Inc.	9/16/2016	United States	United States	300,000	NA	NA	NA	NA	
Denali Holding Inc. (nka:Dell Technologies Inc.)	EMC Corporation (nka:Dell EMC)	9/7/2016	United States	United States	55,083,630	24,738,000	5,109,000	2.2x	10.8x	
Logo Yazilim Sanayi ve Ticaret AS	TotalSoft S.A.	9/2/2016	Turkey	Romania	33,681	22,765	NA	1.5x	NA	
Paysafe Group Plc	Income Access Group	9/1/2016	United Kingdom	Canada	30,553	NA	NA	NA	NA	
SAI Global Limited	Modulo Security, LLC	8/31/2016	Australia	United States	5,156	NA	NA	NA	NA	
Thoma Bravo, LLC; Thoma Bravo Fund XI, L.P.; Thoma Bravo Special Opportunities Fund II LP; Thoma Bravo Fund XII, L.P.	Qlik Technologies, Inc.	8/22/2016	NA	United States	2,602,934	630,498	3,829	4.1x	679.8x	
Siris Capital Group, LLC	Xura, Inc.	8/19/2016	United States	United States	683,378	292,737	367	2.3x	1862.1x	
Leidos Holdings, Inc.	Lockheed Martin Information Systems & Global Solutions, Inc., Information Systems & Global Solutions	8/16/2016	United States	United States	3,866,416	NA	NA	NA	NA	
Nuance Communications, Inc.	TouchCommerce, Inc.	8/16/2016	United States	United States	215,101	NA	NA	NA	NA	
Catapult Group International Ltd.	XOS Digital, Inc.	8/12/2016	Australia	United States	60,000	NA	NA	NA	NA	
Applied Systems, Inc.	Relay Software Limited	8/9/2016	United States	United Kingdom	5,201	7,190	NA	0.7x	NA	
OpenMail, LLC	Infospace LLC	8/9/2016	United States	United States	45,000	NA	NA	NA	NA	
Provincial Aerospace Ltd.	CarteNav Solutions Inc.	8/8/2016	Canada	Canada	12,914	NA	NA	NA	NA	
LDC (Managers) Limited	ByBox Holdings Limited	8/5/2016	United Kingdom	United Kingdom	137,272	95,437	NA	1.4x	NA	
MYOB Group Limited	Greentree International Limited	8/1/2016	Australia	New Zealand	20,487	NA	NA	NA	NA	
Open Text Corporation	HP Inc., Customer Communications Management and Other Assets	8/1/2016	Canada	United States	315,000	NA	NA	NA	NA	
Eco City Vehicles plc (nka:Tax Systems plc)	Tax Computer Systems Limited	7/26/2016	United Kingdom	United Kingdom	95,816	16,950	8,758	5.7x	10.9x	
IDOX plc	Open Objects Software Ltd.	7/26/2016	United Kingdom	United Kingdom	6,850	3,806	827	1.8x	8.3x	
Chinasoft International (China) Technology Co., Ltd.	Shanghai Huateng Software Systems Co., Ltd.	7/20/2016	China	China	50,915	157,827	NA	0.3x	NA	
Open Text Corporation	Recommind, Inc.	7/20/2016	Canada	United States	163,000	NA	NA	NA	NA	
Nutanix, Inc.	PernixData, Inc.	7/19/2016	United States	United States	38,000	NA	NA	NA	NA	
salesforce.com, inc.	Demandware, Inc.	7/8/2016	United States	United States	2,912,858	254,083	(33,691)	11.5x	NM	
Wolters Kluwer Law & Business Group	Enablon SA	7/1/2016	United States	France	278,598	50,081	NA	5.6x	NA	
RungePincockMinarco Limited	iSolutions International Pty Ltd.	7/1/2016	Australia	Australia	13,665	NA	NA	NA	NA	
BigAir Group Limited	CyberHound Pty Ltd.	7/1/2016	Australia	Australia	5,296	NA	NA	NA	NA	
Marlin Equity Partners, LLC; Marlin Equity IV LP	Teradata Applications	7/1/2016	NA	United States	90,000	NA	NA	NA	NA	
Median					75,000	126,632	3,829	2.1x	11.3x	

Source: Capital IQ

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.

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