

FOUNDERS ADVISORS

Marketing Technology and Services

Market Update | June 2024

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

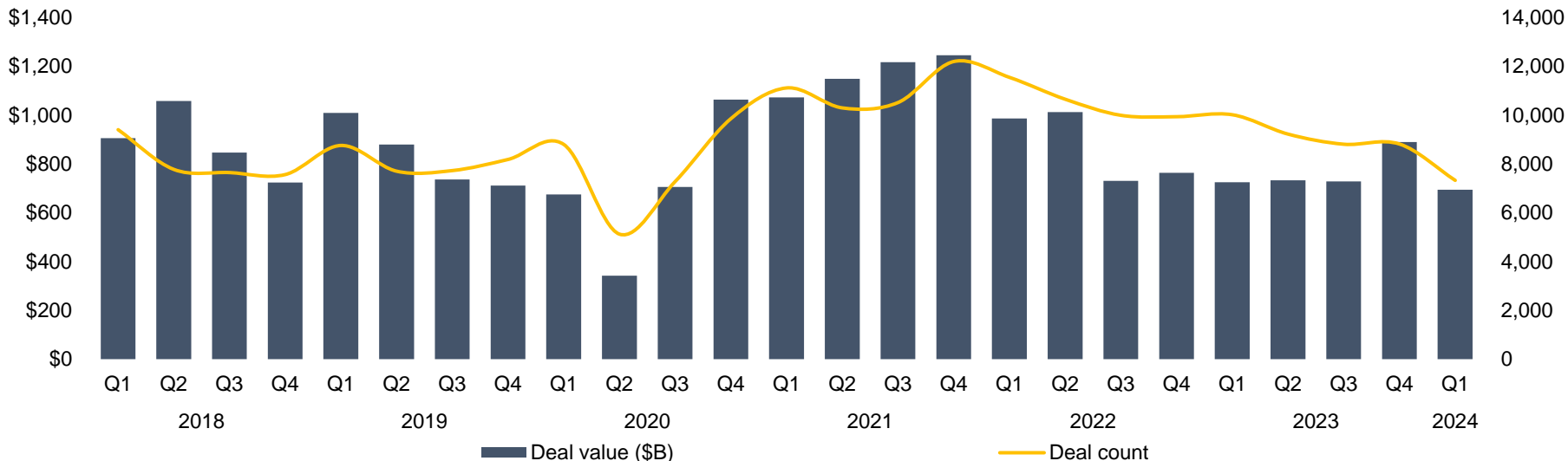
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Global M&A Volume



2024 M&A Outlook

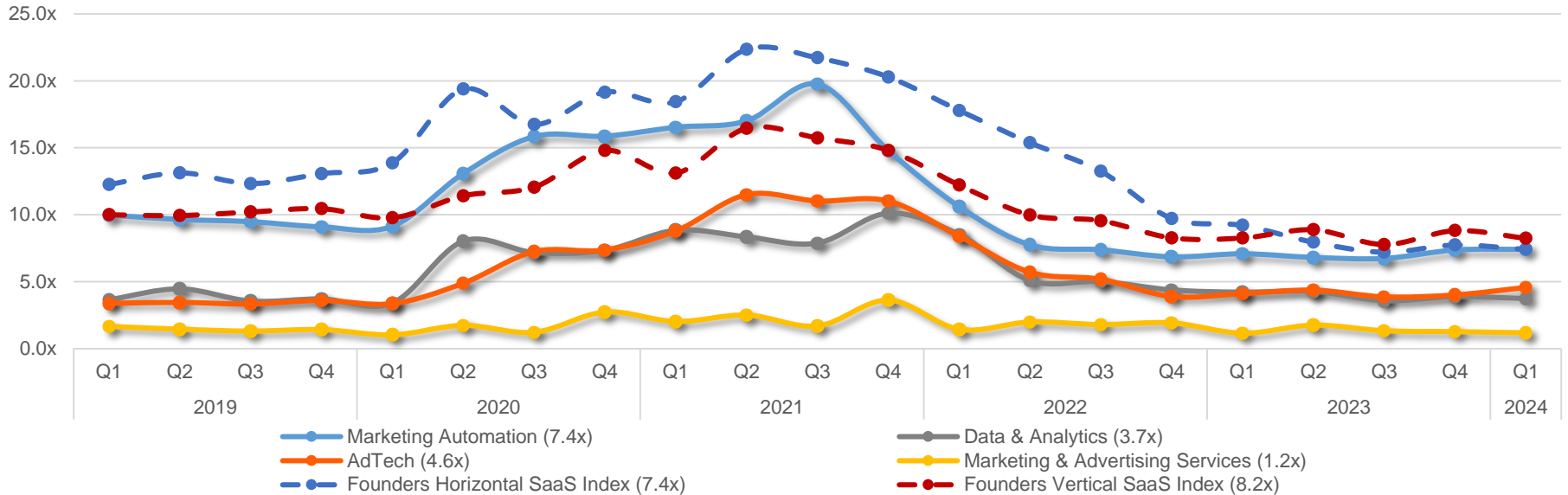
- Global M&A activity slowed in Q1 on a quarterly basis, with overall deal value and deal count falling 22% and 17%, respectively. On a YoY basis, however, Q1 '24 M&A was up 5-10% from Q1 '23 levels.
- Geopolitical tension and the impending presidential election continue to create uncertainty in the global economy as buyers and sellers closely monitor the potential impacts of evolving interest rates, trade-related issues, and policy changes on the M&A environment.
- As financial sponsors continue to battle interest rate headwinds, lenders are seeing an uptick in refinancing activity from PE firms. In a reversal of historical trends, refinancings of PE loans outpaced loans for new acquisitions at a rate of 2:1.
- Smaller enterprise value deals continue to command a greater share of M&A transactions as corporate buyers focus on less transformative deals, and PE-backed strategies look to spur growth ahead of their own exits within the next 12-24 months.

The State of MarTech M&A

- MarTech M&A saw strong activity levels in Q1, with deal count increasing 38% over the prior quarter. Investment in the MarTech ecosystem also grew on a quarterly basis as \$1.8B of capital was invested into the sector. Notably, \$208M in funding was allocated to the development of AI-based marketing platforms/products.
- As valuations across the board inch closer to pre-pandemic levels, buyers continue to award premium valuations to companies with above average gross revenue retention, healthy top-line growth, and positive cash flow. Companies operating in niche verticals continue to be attractive add-on opportunities for platforms seeking customer diversification and more highly customized, value-added solutions.
- We expect corporate and PE-backed strategic buyers to place more emphasis on companies with unique AI differentiation as these larger players seek to bolster talent and reinforce competitive advantages over peers in a highly competitive MarTech environment.

MarTech Index | Valuation Trends and Market Insights

Sector Valuation Trends | Quarterly Enterprise Value / Revenue Multiples



Market Insights | What We're Reading

MarTech Trends

With the vast array of marketing tools available to businesses today, many CMOs still see room for value-added tech. In a recent survey from CMO Council and Zeta Global, [37% of CMOs surveyed](#) felt their 2023 marketing campaigns underperformed or need improvement in 2024. With developing trends in [micro-segmentation](#) and [GenAI](#), CMOs are looking for ways to integrate data, AI, and automation to drive personalized customer engagement across multiple channels.

SEO Changes

We are closely monitoring key developments in SEO stemming from Google's rollout of [Search Generative Experience \(SGE\)](#), a GenAI Q&A form which takes the top organic result in over 90% of popular search queries. Gartner believes SGE will reduce brand visibility in the long-run by [close to 50%](#). Despite this potential headwind, HubSpot reports indicate [92% of marketers](#) still plan to increase or maintain their investment in written content like blogging in 2024.

AI Needs Data

















While AI and data-driven marketing tools can create meaningful value on a standalone basis, [nearly half of CMOs](#) see customer data as essential for helping AI to fully personalize customer engagement. According to a recent study from Forrester, while 75% of marketers believe collecting real-time customer experience data is critical, [less than half \(47%\) are actually doing so](#). Expect marketing departments to continue seeking high-ROI customer data solutions in 2024.

Industry KPIs

For owners and operators looking to compare their marketing conversion rates to current industry benchmarks, FirstPageSage recently released an insightful report on [2024 Digital Marketing Conversion Rates](#). For insight into industry data on 2024 SaaS performance, we recommend this [2024 State of SaaS Report](#) from Crunchbase, which includes data on B2B and B2C SaaS performance trends through the first quarter of 2024.

M&A Activity | Notable Recent Transactions

Marketing Technology Transactions (\$ in Millions)

Date	Target	Acquirer	Deal Size	Employee Count	Commentary
16-May-24	 webmechanix	 LEVEL	N/A	60	WebMechanix, developer of a horizontal performance marketing platform, was acquired by Level Agency, a digital marketing agency, via its financial sponsors Route 2 Capital Partners and Dublin Clark & Company through an LBO for an undisclosed amount.
13-May-24*	 SQUARESPACE	 PERMIRA	\$6,900	1,760	Squarespace (NYS: SQP), a provider of website-building software, hosting services, and digital marketing/advertising tools, entered into a definitive agreement to be acquired by Permira for \$6.9B. This valuation implies a 6.6x EV/Revenue and 51.7x EV/EBITDA multiple.
01-Apr-24*	 ADTHEORENT	 CADENT	\$324	302	AdTheorent Holding Company (NAS: ADTH), developer of a predictive targeting and digital advertising, entered into a definitive agreement to be acquired and taken private by Cadent (Adtech), via its financial sponsor Novacap, for \$324M. 1.9x EV/Revenue and 39.5x EV/EBITDA multiple.
11-Mar-24	 Stuzo	 PAR	\$190	156	Stuzo, developer of customer management and engagement software for retailers, was acquired by Par Technology (NYS: PAR), a provider of business management solutions to restaurants, for \$190M.
15-Feb-24	 Constant Contact	 CLEARLAKE	N/A	1,096	Constant Contact, developer of a digital marketing platform intended to drive sales, engagement, and insights for SMBs and non-profits, was acquired by Clearlake Capital Group and other investors through an LBO for an undisclosed amount.
15-Feb-24	 CARNEGIE DARTLET	 SHAMROCK CAPITAL	N/A	390	Carnegie Dartlet, provider of integrated digital marketing and lead generation solutions for higher education institutions, was acquired by Shamrock Capital through an LBO for an undisclosed amount.
23-Jan-24*	 MediaValet	 STG	\$60	82	MediaValet, developer of a digital asset management platform aiding in the storage and distribution of digital marketing materials and campaigns, entered into a definitive agreement to be acquired by STG Partners through an estimated \$60M LBO.
10-Jan-24*	 TechTarget	 informa	\$350	960	TechTarget (NAS: TTGT), provider of go-to-market insights and advertising solutions to B2B customers, reached a definitive agreement to sell a 57% stake in the company to Informa (LON: INF), a multinational publishing and events company, for \$350M + Informa's digital tech business.

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



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Capital Gains Taxes and Non-Competes

By: Billy Pritchard – Director, Founders Advisors

Our deal teams at Founders Advisors are reviewing and processing important news items on key macro environmental factors for lower middle market business owners. Two notable proposals for legislative changes at the federal level are currently in the spotlight:

- *President Biden's proposal for **Capital Gains Tax Increases**, and*
- *The FTC's rule proposal **Banning Noncompetes**.*

Let's review what each policy change considers and discuss the potential impacts on near-term M&A activity.

1) Capital Gains Tax Increase Proposal

"[The President's Budget] also proposes taxing capital gains at the same rate as wage income for those with more than \$1 Million in income..." – The White House Fact Sheet

President Biden's FY 2025 Budget proposal (released last month) includes tax policy change which aims to increase the capital gains tax rate for high-income earning taxpayers. Under this proposed plan, the tax rate on long-term capital gains could nearly double, rising from the current rate of 20% to 39.6% for those high-income earners. When combined with the existing Net Investment Income Tax (NIIT) of 3.8%, the effective capital gains tax rate could reach 43.4%.

Impact on Lower Middle Market Business Operations and M&A Activity

For lower middle market businesses, especially those structured as pass-through entities such as S corporations and partnerships, owners often realize significant capital gains upon the sale of their

businesses. The proposed tax increase could significantly impact the after-tax proceeds for private business shareholders, potentially altering their investment strategies, operating timelines, and exit plans.

The prospect of higher capital gains taxes may incentivize business owners to accelerate their exit timelines to avoid potential tax hikes. Following President Biden's election win in 2020, we saw a similar surge in deal activity as a capital gains tax increase was discussed heavily during that election cycle. As a result of this recent Budget Proposal and the pending election on the horizon, we might witness a similar uptick in M&A activity towards the back half of 2024.

A surge in deal activity can be beneficial for owners that are well prepared to pursue a transaction in the near term. However, as we saw in 2020 and 2021, this type of deal activity ramp up can cause resource constraints on the industry as a whole. It may prove difficult for sellers to get the attention of prospective buyers, and third parties that are critical to the execution of these transactions (like a Q of E provider) may become resource constrained.

For founders and owners considering a future exit, we would suggest speaking to both a tax and M&A advisor in the near term.

For additional reading, please review the [Department of the Treasury's General Explanations](#).

Article continued on the next page

Capital Gains Taxes and Non-Competes (cont.)

2) FTC's Final Rule Banning Non-Competes

"...the Federal Trade Commission issued a final rule to promote competition by banning noncompetes nationwide, protecting the fundamental freedom of workers to change jobs, increasing innovation, and fostering new business formation." – [FTC Press Release](#)

Earlier this week, the Federal Trade Commission ("FTC") voted in favor of a rule banning noncompete agreements nationwide. Noncompete agreements are common practices in the lower middle market across a variety of industries. These agreements, often included in employment contracts, restrict employees from working for competitors or starting their own competing businesses for a specified period after leaving their current employer. The final rule will become effective 120 days after publication in the Federal Register.

Impact on Lower Middle Market Business Operations and M&A Activity

Noncompete agreements have been a common tool for businesses to protect their intellectual property, trade secrets, and client relationships. While this ban may foster innovation and entrepreneurship, it could also pose challenges for businesses seeking to safeguard their proprietary information.

Additionally, the ban of noncompete agreements could impact the attractiveness of private companies in M&A transactions, depending on the business model. Buyers may perceive increased risk if key employees are not bound by non-compete agreements, potentially affecting valuation and deal structures. In those scenarios, sellers would need to rely more heavily on other forms

of protection, such as retention bonuses and stock option incentive plans to mitigate the risk of talent departures post-acquisition.

The proposed ban does include notable exceptions, including the continued exception for the sale of a business. It is very common for selling shareholders (and option holders) of a private business to be subject to noncompete provisions in the transaction documents for a period of time post-sale. This exception would still remain in the FTC's proposed rule, which should give sellers and buyers structure options to derisk the potential departure of key employees after the deal.

This FTC rule is already meeting resistance and immediate legal challenges. While the viability of this rule is hard to predict, founders and owners considering a future exit should begin thinking through alternatives to a traditional non-compete agreement.

Concluding Thoughts

As a business owner, it's imperative to monitor proposed legislation changes and consider the potential impact on business operations and M&A activity. President Biden's Capital Gains Tax Increase and the FTC's Ban on Noncompetes represent major policy shifts that could significantly impact the M&A landscape in the lower middle market. As always, we recommend staying informed through conversations with our team of M&A advisors.

Please reach out to discuss these policy changes, as well as other questions about the current M&A market.

Silicon Y'all | October 2024 Technology Summit



Founders is preparing to host its 10th annual Technology Summit, Silicon Y'all, October 21st – 23rd at the Renaissance Ross Bridge Resort and Spa in Birmingham, AL. Silicon Y'all is an invitation-only event of technology CEOs and leading private equity firms. Over the two and a half days, participants engage in meaningful discussions about growth, value, and current industry trends while enjoying delicious food, scenic views, and true Southern charm and hospitality Birmingham has to offer. If you are interested to learn more, please reach out to our team, or visit www.SiliconYall.com and sign up for the [waitlist](#).



2023 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



Enterprise Value Acceleration to Exit Coaching 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 accelerate the creation of enterprise value.

The program was officially announced at Silicon Y'all 2023, and we've already filled our several cohorts. 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, 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

Value Creation | Investment Grade Assessment Tool

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

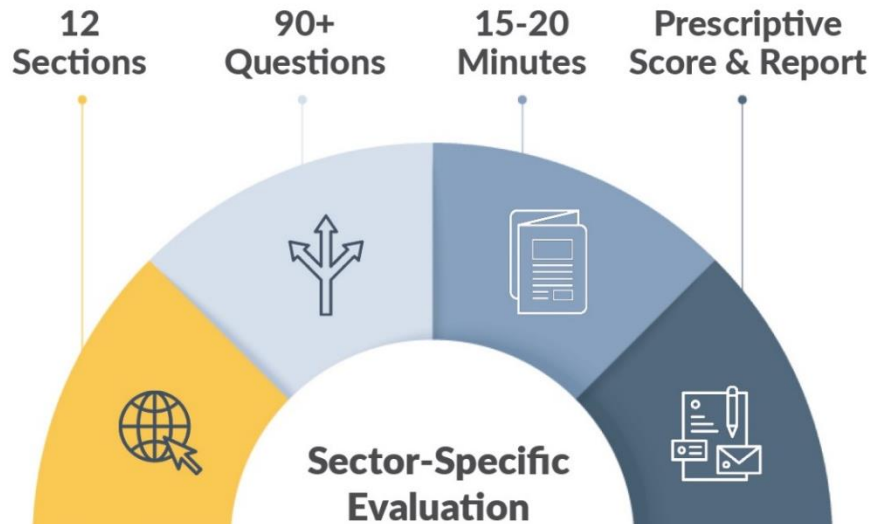
- **Assessment:** <https://app.foundersib.com/auth/sign-up>
- **Discount Code:** martech2024
- **Industry:** Technology, Media, and Telecommunication
- **Sector:** Marketing Technology

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.



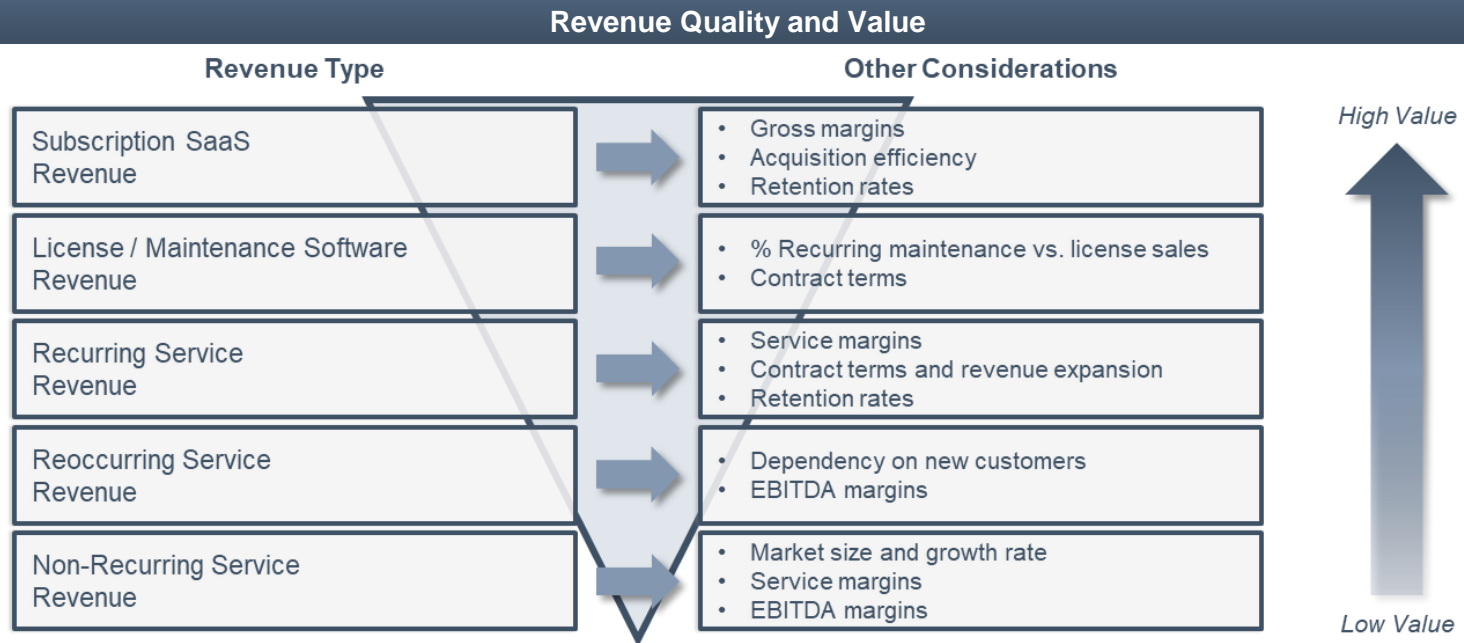
MarTech Scorecard | Factors Driving Valuations

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.

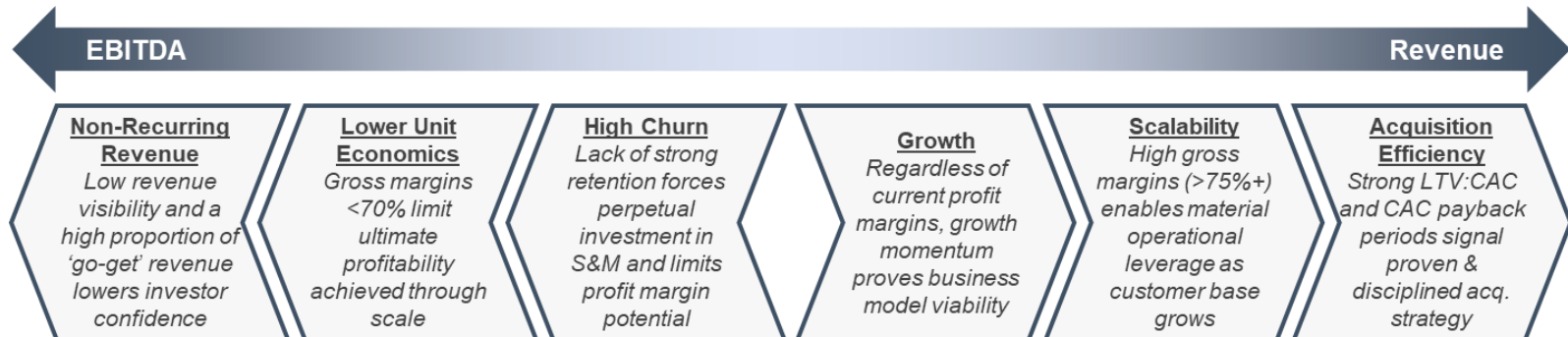
		1.0x	2.0x	3.0x	4.0x	5.0x	Factors Influencing Revenue Multiple	6.0x	7.0x	8.0x	9.0x	10.0x+
Quantitative Factors	% of Recurring Revenue			< 75%			Mix of subscription/recurring vs. reoccurring vs. project				> 85%	
	YOY Growth Rate			< 15%			Historical growth trends, growth compared to peers				> 50%	
	Rule of 40			< 40%			Year-over-year revenue growth rate (%) + profit margin (%)				> 40%	
	Gross Revenue Retention			< 85%			Public benchmarks, system of record vs. point solution				> 95%	
	Net Revenue Retention			< 90%			Public benchmarks, pricing vs. product, cohort analysis				> 110%	
	Gross Margin			< 65%			Fully burdened, end market dependent, scalability				> 80%	
	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	
	Total Addressable Market			< \$1 billion			End market dynamics, competition, switching costs				> \$ 1 billion	
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 & show 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.



Factors Driving EBITDA vs Revenue Valuation Methodology



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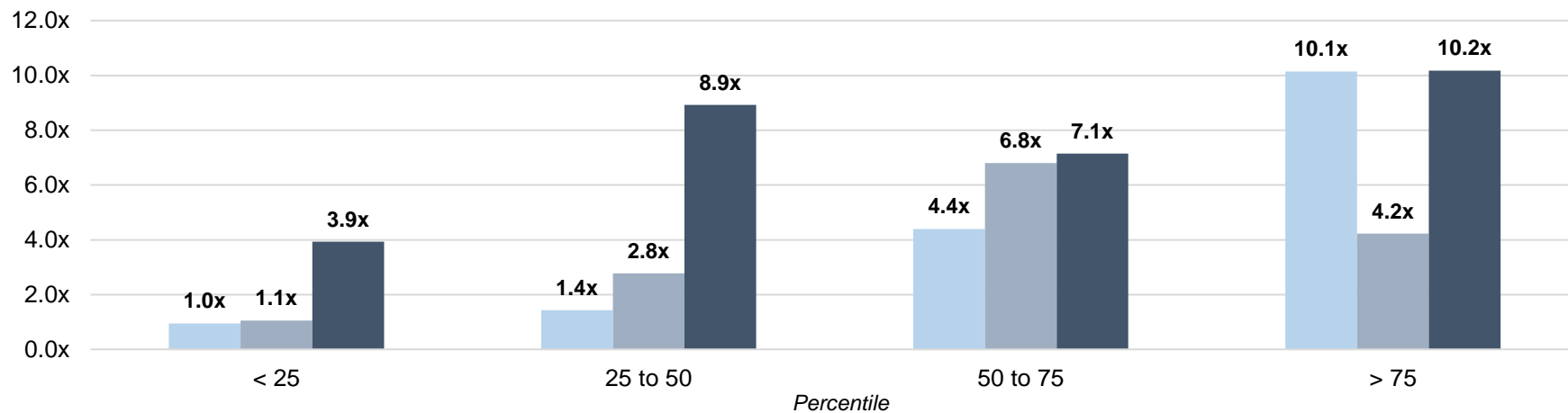
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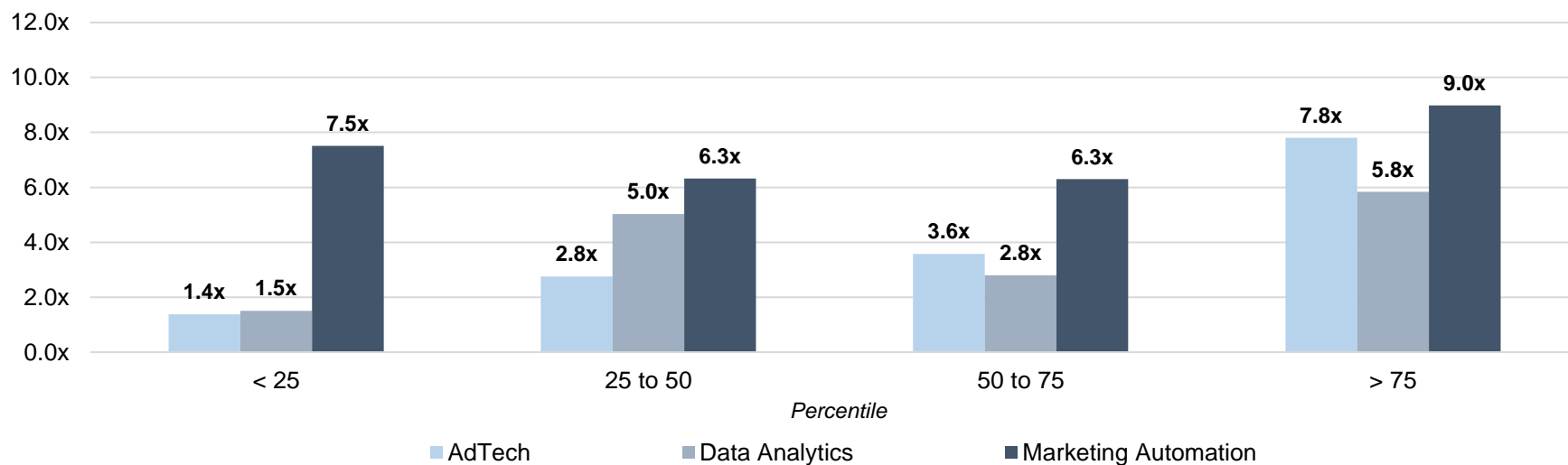
Operating Metrics | Key Performance Indicators

Enterprise Value Metrics

Revenue Growth Percentile vs. EV / LTM Revenue

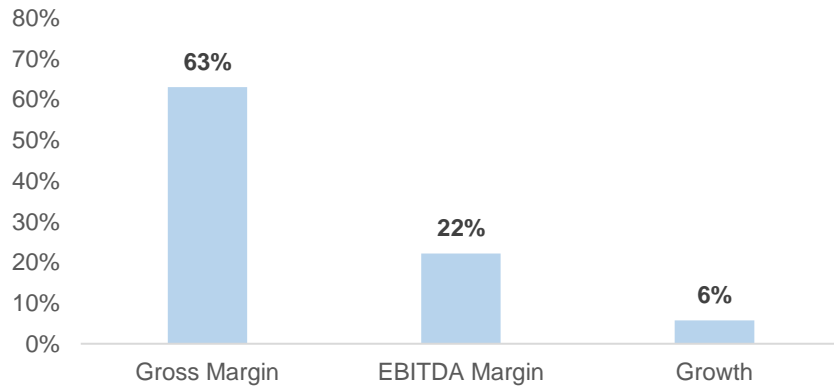


Gross Margin Percentile vs. EV/LTM Revenue

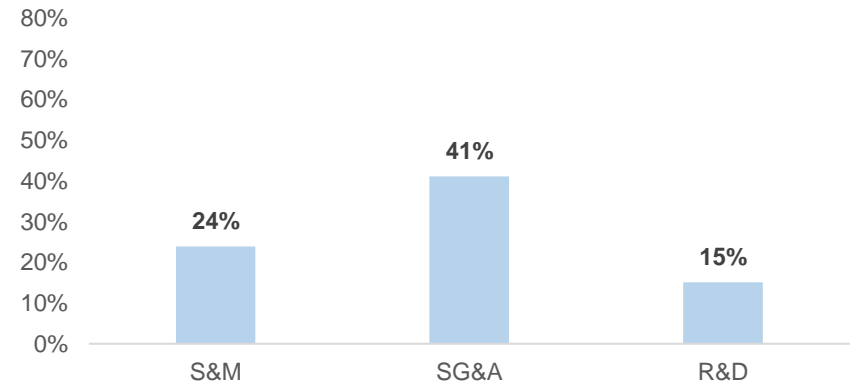


Public Equities Index | AdTech

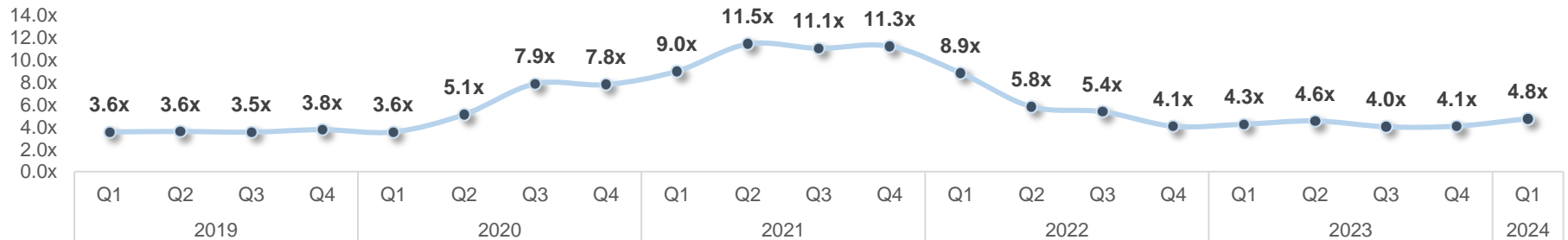
Growth & Margins (Median)



Operating Metrics (Median)*



EV / Revenue (Mean)



Select Industry Participants

affle

APPLOVIN

catenamedia

CRITEO

Digital Garage

Digital Turbine

DoubleVerify

IAS Integral Ad Science

LiveRamp

Magnite

Mobvista

nexxen

Perion

PubMatic

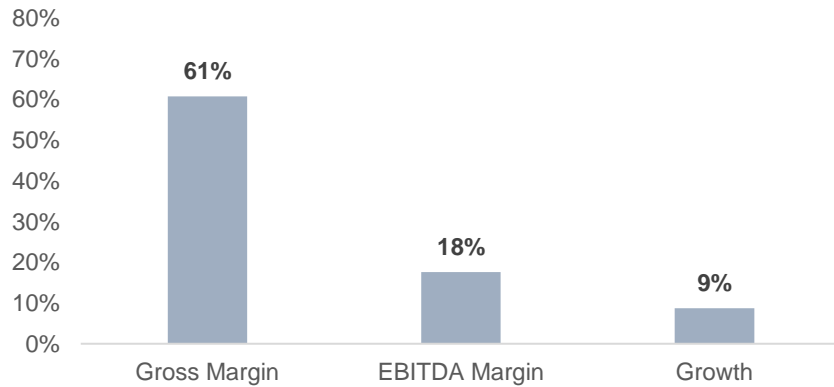
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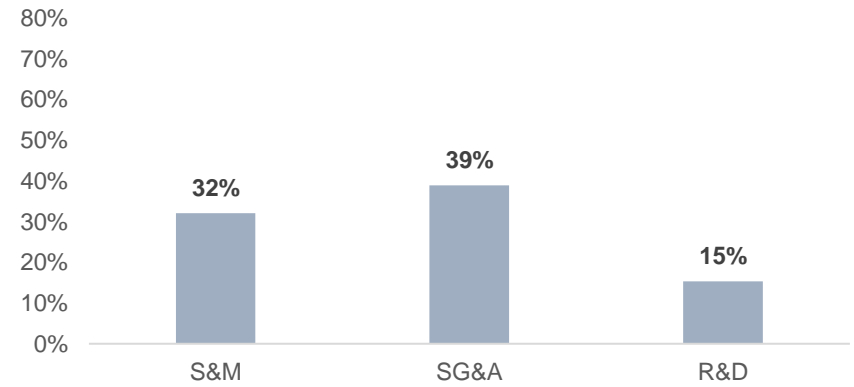
VALUE COMMERCE

Public Equities Index | Data & Analytics

Growth & Margins (Median)



Operating Metrics (Median)*



EV / Revenue (Mean)



Select Industry Participants

Appier

BRAND24

CINgroup

comscore

dun & bradstreet

FORRESTER®

ORACLE®

PEGA®

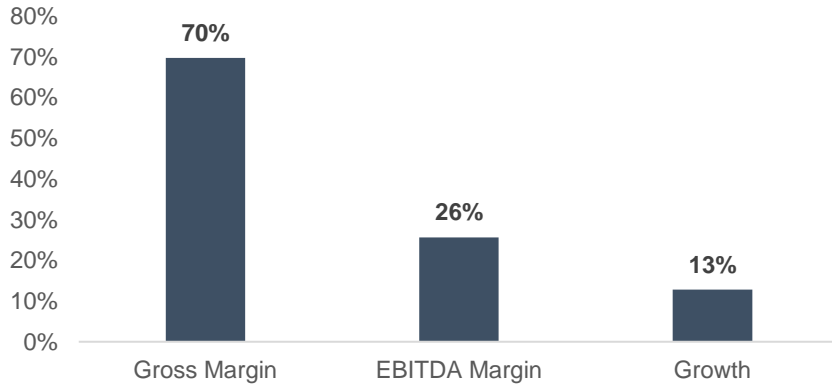
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ZETA

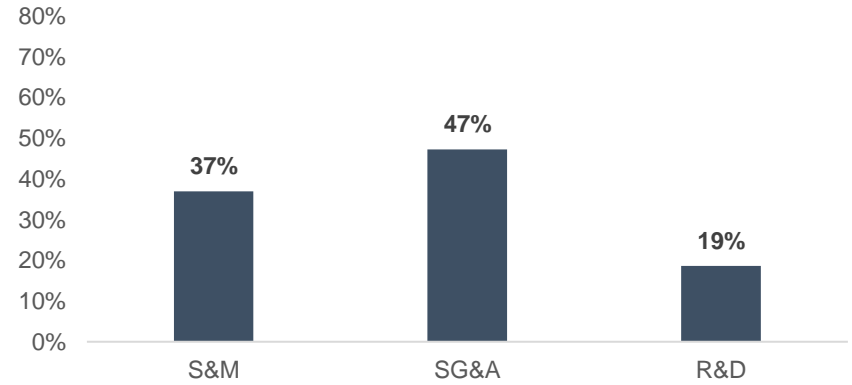
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Public Equities Index | Marketing Automation

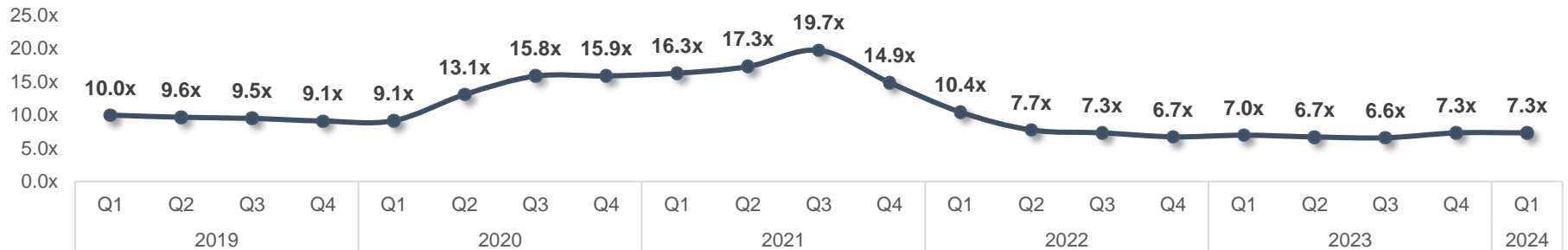
Growth & Margins (Median)



Operating Metrics (Median)*



EV / Revenue (Mean)



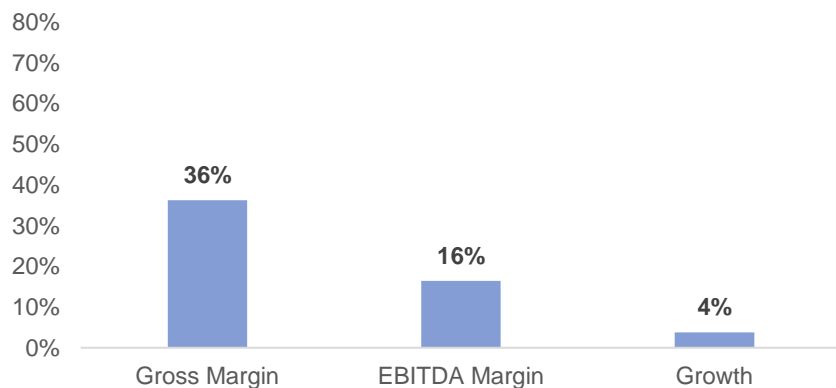
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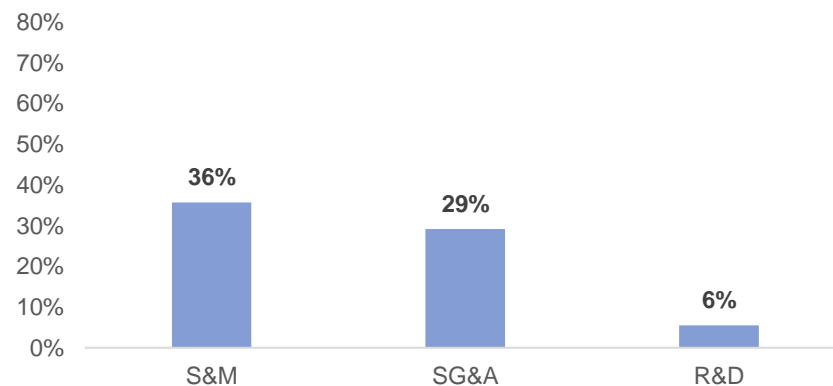
*Shown as a percentage of revenue

Public Equities Index | Marketing & Advertising Services

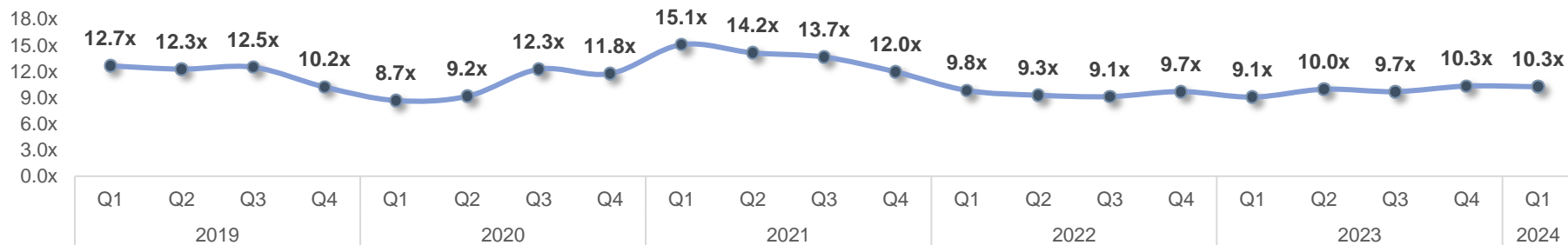
Growth & Margins (Median)



Operating Metrics (Median)*



EV / EBITDA (Mean)

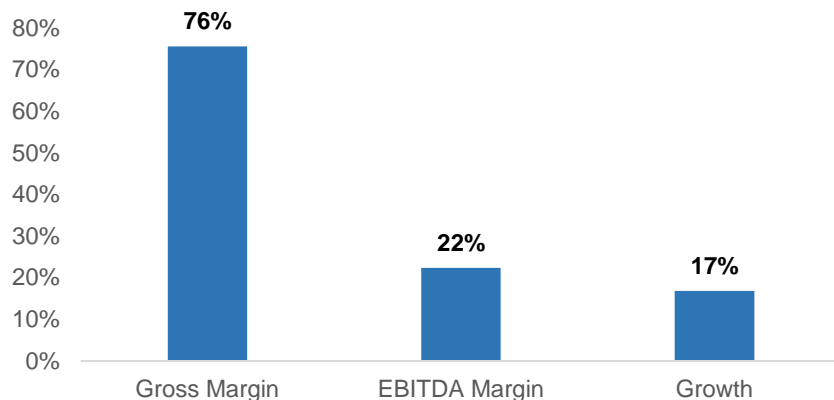


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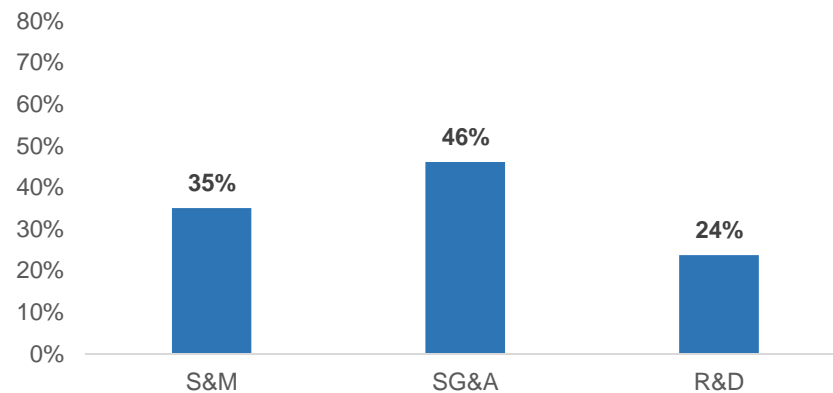


Public Equities Index | Horizontal SaaS

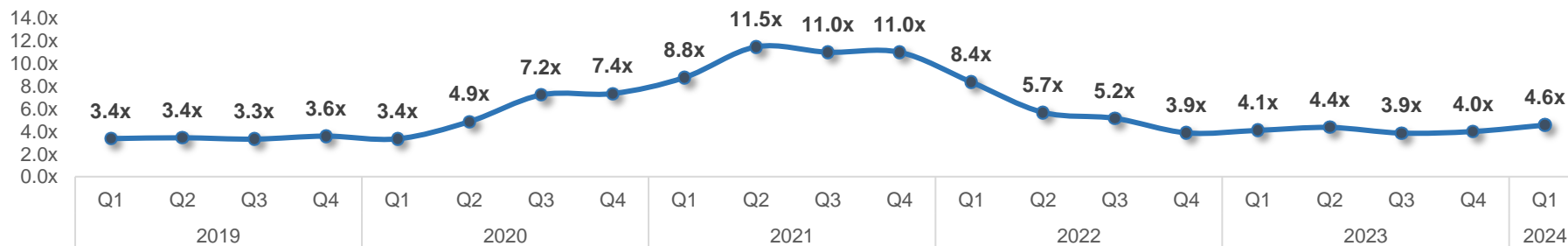
Growth & Margins (Median)



Operating Metrics (Median)*



EV / Revenue (Mean)



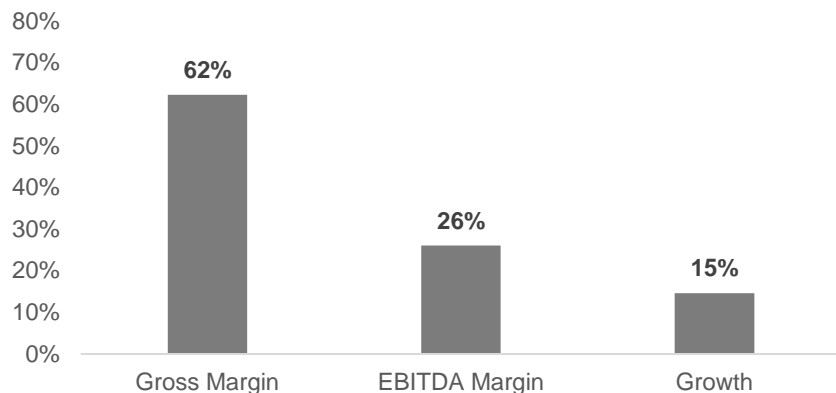
Select Industry Participants



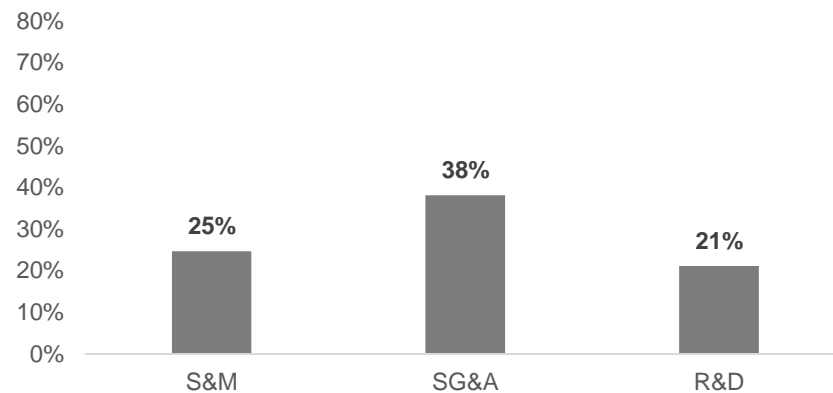
*Shown as a percentage of revenue

Public Equities Index | Vertical SaaS

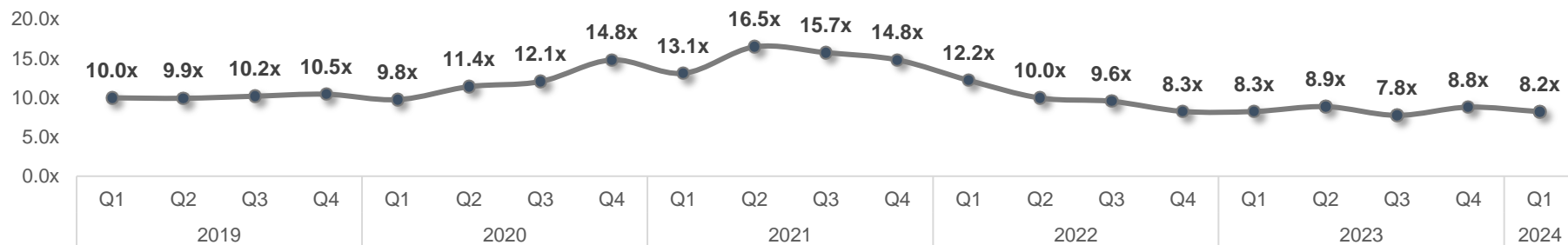
Growth & Margins (Median)



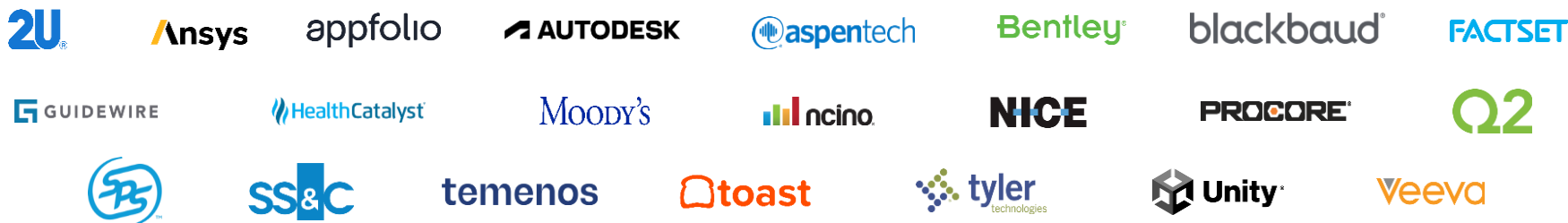
Operating Metrics (Median)*



EV / Revenue (Mean)



Select Industry Participants



*Shown as a percentage of revenue

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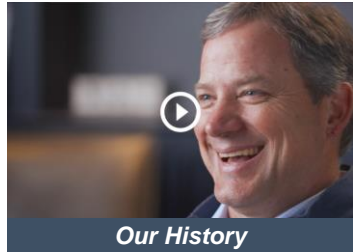
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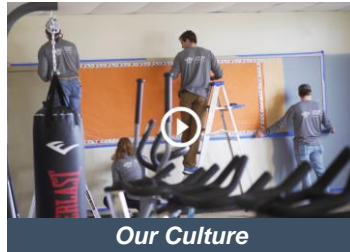
Founders Advisors Overview

FIRM OVERVIEW

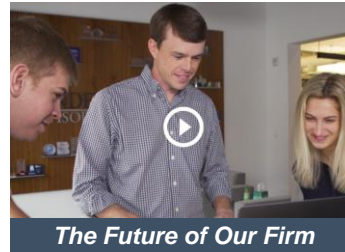
Founders is a mergers, acquisitions, and strategic advisory services firm that has served middle-market companies since 2003. With a nationwide footprint, we pride ourselves in employing a values based and highly personalized relational approach through our five industry-focused advisory teams. Today,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



Our History



Our Culture



The Future of Our Firm

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

Select Recent Transactions

Current Engagement

B2B Customer Journey & Digital Experience Suite

Current Engagement

DTC Financial Services Customer Acquisition Platform



PURPOSE

Be Servant Leaders who value relationships and results

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

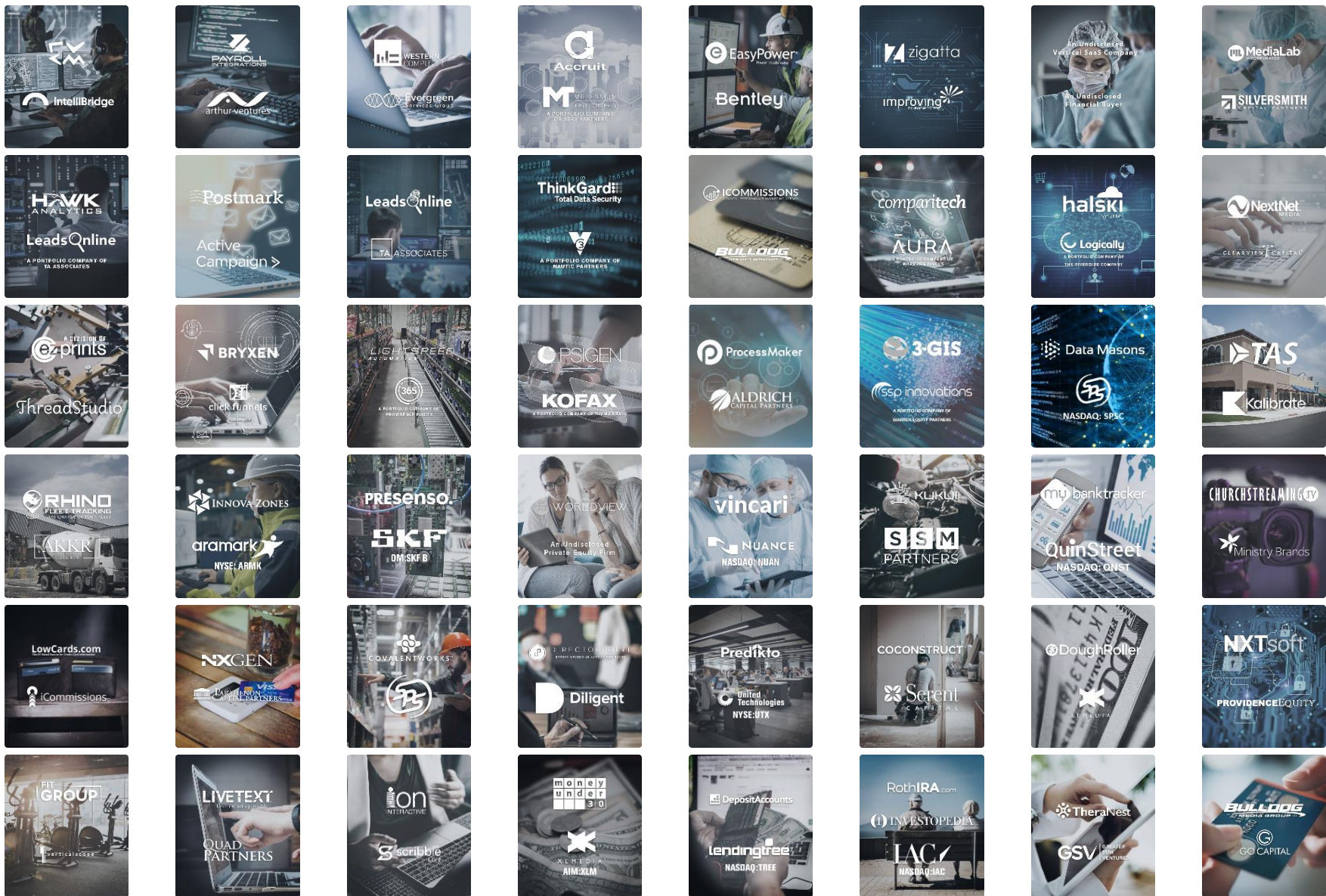
HEALTH

Be and stay healthy, personally, and as a team

COMMUNITY

Be team-focused; we're better together

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*

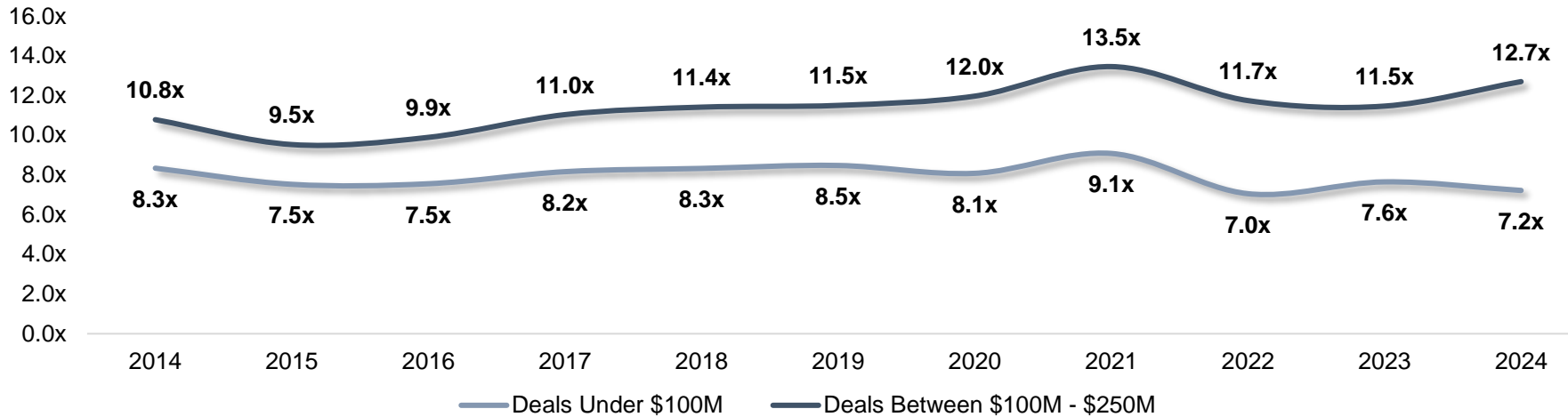
III. Valuation and Operating Metrics | *Analyses of Key Performance Indicators*

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

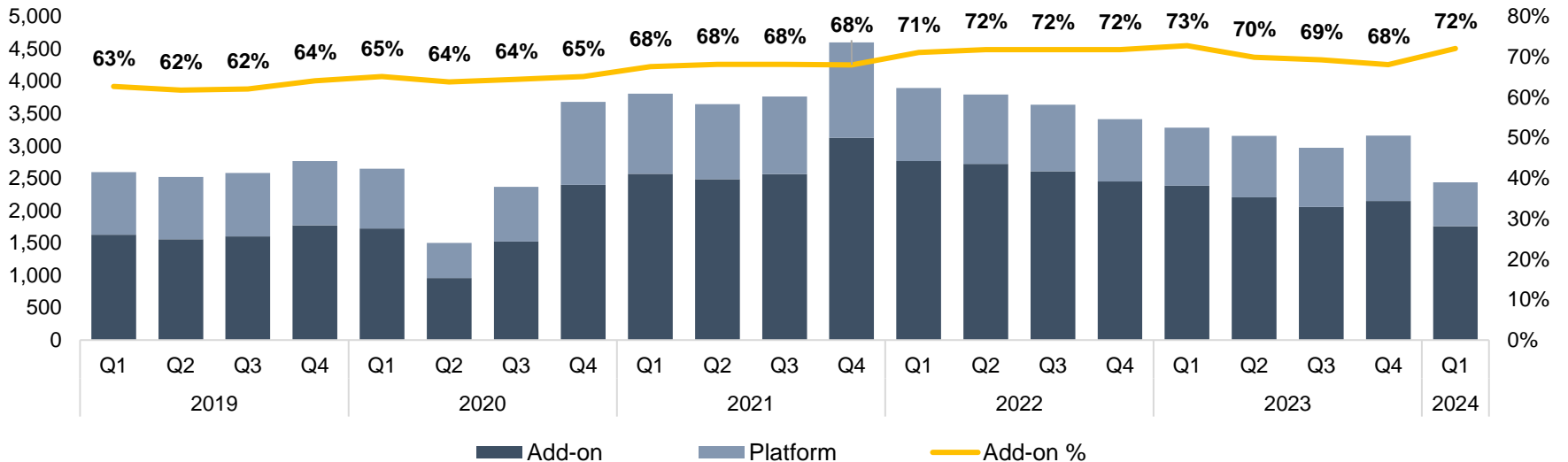
V. Appendix

M&A Snapshot | All Sectors

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	78%	1,698	205	45	21%	39%	22%	8.3x	40.4x	N/A	N/A	13%
AppLovin	93%	25,624	3,283	1,168	17%	68%	36%	7.8x	21.9x	25%	18%	30%
Catena Media	31%	97	83	34	-22%	82%	40%	1.2x	3.0x	1%	N/A	37%
Criteo	97%	1,745	1,949	289	-3%	44%	15%	0.9x	6.0x	21%	12%	28%
Digital Garage	59%	576	243	39	-12%	71%	16%	2.3x	14.6x	N/A	N/A	51%
Digital Turbine	18%	592	572	102	-19%	45%	18%	1.0x	5.8x	11%	10%	40%
DoubleVerify	82%	5,798	573	139	27%	81%	24%	10.1x	41.8x	22%	22%	37%
Nexxen	67%	273	332	74	-1%	81%	22%	0.8x	3.7x	32%	15%	46%
Integral Ad Science	48%	1,648	474	76	16%	79%	16%	3.5x	21.8x	25%	15%	48%
LiveRamp Holdings	81%	1,796	636	129	8%	72%	20%	2.8x	14.0x	30%	25%	48%
Magnite	68%	1,785	620	167	7%	34%	27%	2.9x	10.7x	28%	15%	42%
Mobvista	70%	573	1,000	N/A	N/A	20%	N/A	0.5x	N/A	5%	10%	10%
Perion Network	53%	595	719	163	22%	38%	23%	0.8x	3.6x	8%	5%	12%
PubMatic	99%	1,033	267	75	4%	63%	28%	3.9x	13.7x	31%	10%	52%
The Trade Desk	93%	41,598	1,946	N/A	23%	81%	N/A	21.4x	56.8x	23%	21%	50%
Thryv Holdings	85%	1,121	917	N/A	-24%	63%	N/A	1.2x	5.3x	33%	N/A	55%
ValueCommerce	54%	79	209	41	-18%	35%	19%	0.4x	1.9x	N/A	N/A	N/A
Min		79	83	33	-24%	20%	15%	0.4x	1.9x	1%	5%	10%
Median		1,121	573	89	6%	63%	22%	2.3x	12.2x	24%	15%	41%
Mean		5,096	825	181	3%	59%	23%	4.1x	16.6x	21%	15%	38%
Max		41,598	3,283	1,168	27%	82%	40%	21.4x	56.8x	33%	25%	55%

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	72%	945	188	19	36%	52%	10%	5.0x	49.4x	31%	12%	38%
Brand24	96%	26	6	N/A	27%	58%	N/A	4.3x	N/A	22%	N/A	40%
Cint Group	89%	381	288	44	-10%	33%	15%	1.3x	8.6x	N/A	N/A	N/A
Comscore	60%	285	371	40	-1%	45%	11%	0.8x	7.2x	2%	9%	30%
Dun & Bradstreet	80%	7,824	2,314	864	4%	64%	37%	3.4x	9.1x	N/A	N/A	32%
Forrester Research	63%	380	481	75	-11%	57%	16%	0.8x	5.1x	35%	N/A	49%
Oracle	95%	423,876	52,510	24,941	9%	72%	47%	8.1x	17.0x	16%	17%	19%
Pegasystems	93%	5,582	1,433	282	9%	74%	20%	3.9x	19.8x	39%	21%	46%
Teradata	67%	3,931	1,833	398	2%	61%	22%	2.1x	9.9x	N/A	16%	35%
Zeta Global	95%	2,440	729	(114)	23%	62%	-16%	3.3x	N/A	40%	10%	68%
ZoomInfo Technologies	53%	6,858	1,235	538	13%	86%	44%	5.5x	12.5x	33%	15%	47%
Min		26	6	(114)	-11%	33%	-16%	0.8x	5.1x	2%	9%	19%
Median		2,440	729	178	9%	61%	18%	3.4x	9.9x	32%	15%	39%
Mean		41,139	5,581	2,709	9%	60%	21%	3.5x	15.4x	27%	14%	40%
Max		423,876	52,510	24,941	36%	86%	47%	8.1x	49.4x	40%	21%	68%

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	95%	2,208	286	403	-48%	54%	141%	8.6x	9.0x	N/A	N/A	50%
Adobe	79%	223,327	19,936	9,769	11%	88%	49%	11.2x	22.9x	27%	18%	34%
Braze	72%	4,038	440	(27)	34%	69%	-6%	8.6x	N/A	54%	26%	76%
DotDigital Group	80%	288	92	29	13%	79%	32%	3.1x	9.9x	N/A	N/A	49%
Freshworks	73%	4,267	596	57	20%	83%	10%	7.2x	75.1x	60%	23%	88%
HubSpot	95%	31,150	2,170	397	25%	84%	18%	14.4x	78.5x	49%	28%	61%
Lime Technologies	99%	481	54	17	18%	62%	32%	8.9x	28.4x	N/A	N/A	14%
LiveChat	58%	557	81	50	18%	82%	61%	6.9x	11.2x	18%	N/A	26%
Microsoft	98%	3,133,525	227,583	117,372	12%	70%	52%	13.8x	26.7x	10%	12%	13%
NICE (Israel)	96%	15,799	2,378	788	9%	68%	33%	6.6x	20.1x	25%	14%	36%
Salesforce	94%	290,539	34,857	12,696	11%	75%	36%	8.3x	22.9x	31%	14%	42%
SEMrush	94%	1,698	308	15	21%	83%	5%	5.5x	111.8x	41%	19%	66%
Shopify	84%	95,289	7,060	819	26%	50%	12%	13.5x	116.3x	17%	25%	24%
Sprinklr	72%	2,723	732	138	18%	76%	19%	3.7x	19.7x	44%	12%	58%
Sprout Social	87%	3,338	334	10	31%	77%	3%	10.0x	328.5x	50%	24%	74%
Squarespace	99%	5,398	1,012	124	17%	80%	12%	5.3x	43.7x	35%	24%	47%
TechTarget	79%	1,049	230	73	-23%	67%	32%	4.6x	14.4x	42%	5%	57%
Twilio	78%	8,298	4,154	660	9%	49%	16%	2.0x	12.6x	25%	23%	36%
Upland Software	59%	451	298	66	-6%	68%	22%	1.5x	6.8x	22%	17%	42%
Verint Systems	82%	2,714	910	263	1%	70%	29%	3.0x	10.3x	N/A	15%	45%
Weave	83%	761	170	N/A	20%	68%	N/A	4.5x	144.4x	42%	20%	68%
Min		288	54	(27)	-48%	49%	-6%	1.5x	6.8x	10%	5%	13%
Median		3,338	596	131	13%	70%	26%	6.9x	22.9x	37%	19%	47%
Mean		182,281	14,461	7,186	11%	71%	30%	7.2x	55.7x	35%	19%	48%
Max		3,133,525	227,583	117,372	34%	88%	141%	14.4x	328.5x	60%	28%	88%

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	39%	152	68	N/A	35%	73%	N/A	2.2x	8.4x	N/A	N/A	N/A
Concentrix (US)	54%	9,193	6,560	1,201	13%	36%	18%	1.2x	7.7x	N/A	N/A	29%
Digital Media Solutions	7%	216	350	(6)	-15%	24%	-2%	0.6x	N/A	N/A	N/A	26%
Omnicom Group	98%	22,176	14,692	2,417	3%	18%	16%	1.5x	9.1x	N/A	N/A	3%
The Interpublic Group	80%	14,746	10,889	1,741	0%	17%	16%	1.4x	8.5x	N/A	N/A	1%
Dentsu Group	75%	8,380	9,284	1,552	5%	88%	17%	0.9x	5.4x	N/A	N/A	78%
NerdWallet	85%	1,039	599	N/A	11%	91%	N/A	1.7x	17.2x	67%	13%	77%
Next Fifteen Comm.	95%	1,234	900	177	24%	77%	20%	1.4x	6.6x	N/A	N/A	55%
Publicis Groupe	100%	28,593	13,621	3,046	14%	N/A	22%	1.8x	9.4x	N/A	N/A	65%
QuinStreet	100%	933	541	13	-5%	8%	2%	1.7x	71.4x	2%	6%	7%
S4 Capital	32%	669	1,371	155	34%	84%	11%	0.5x	4.6x	N/A	N/A	68%
TTEC Holdings	27%	1,466	2,463	272	1%	22%	11%	0.6x	5.4x	N/A	N/A	12%
WPP	79%	16,742	18,453	N/A	3%	17%	N/A	0.9x	5.9x	N/A	N/A	13%
Ziff Davis	80%	3,145	1,364	472	-2%	86%	35%	2.3x	6.7x	36%	5%	67%
Min		152	68	(6)	-15%	8%	-2%	0.5x	4.5x	2%	5%	1%
Median		2,305	1,917	472	4%	36%	16%	1.4x	7.8x	36%	6%	29%
Mean		7,763	5,797	1,001	9%	49%	15%	1.3x	12.9x	35%	8%	38%
Max		28,593	18,453	3,046	35%	91%	35%	2.3x	71.4x	67%	13%	78%

Public Equities Index | Horizontal SaaS

			LTM Financials					Enterprise Value Multiples		Operating Stats		
Name	% of 52 Week High	Enterprise Value	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.
Atlassian	75%	50,272	3,672	881	24%	82%	24%	12.9x	57.0x	23%	55%	39%
Box	89%	4,591	1,038	288	5%	75%	28%	4.4x	15.9x	34%	24%	46%
Ceridian HCM	88%	10,973	1,514	407	21%	43%	27%	7.2x	27.0x	17%	N/A	34%
CrowdStrike Holdings	88%	74,892	3,056	787	36%	75%	26%	24.5x	95.1x	37%	25%	50%
DocuSign	92%	11,330	2,762	779	10%	79%	28%	4.1x	14.6x	42%	20%	57%
Domo	49%	411	319	(1)	3%	76%	0%	1.3x	N/A	51%	27%	67%
Dropbox	73%	9,033	2,502	N/A	8%	81%	N/A	3.6x	9.7x	19%	37%	28%
Elasticsearch	74%	9,686	1,212	169	18%	74%	14%	8.0x	57.3x	44%	27%	57%
Everbridge	98%	1,681	449	87	4%	71%	19%	3.7x	19.2x	35%	21%	62%
Fastly	50%	1,851	506	14	17%	53%	3%	3.7x	136.2x	38%	30%	61%
Five9	67%	4,618	910	N/A	17%	52%	N/A	5.1x	24.9x	33%	17%	46%
HubSpot	95%	31,150	2,170	397	25%	84%	18%	14.4x	78.5x	49%	28%	61%
Intuit	97%	187,001	15,094	6,110	10%	78%	40%	12.4x	30.6x	25%	18%	34%
Okta	91%	16,608	2,263	332	22%	74%	15%	7.3x	50.0x	46%	29%	66%
PagerDuty	64%	2,001	431	78	16%	82%	18%	4.6x	25.5x	46%	32%	72%
Palo Alto Networks	75%	90,616	7,527	2,212	22%	74%	29%	12.0x	41.0x	35%	22%	44%
Paycom Software	53%	11,278	1,694	719	23%	84%	42%	6.7x	15.7x	25%	12%	42%
Paylocity	75%	9,373	1,292	448	29%	69%	35%	7.3x	20.9x	24%	13%	38%
Pegasystems	93%	5,582	1,433	282	9%	74%	20%	3.9x	19.8x	39%	21%	46%
PTC	97%	24,774	2,181	861	12%	79%	39%	11.4x	28.8x	25%	19%	37%
Qualys	81%	5,774	554	258	13%	81%	46%	10.4x	22.4x	20%	20%	31%
Salesforce	94%	290,539	34,857	12,696	11%	75%	36%	8.3x	22.9x	31%	14%	42%
ServiceNow	94%	153,699	8,971	2,934	24%	79%	33%	17.1x	52.4x	37%	24%	46%
Shopify	84%	95,289	7,060	819	26%	50%	12%	13.5x	116.3x	17%	25%	24%
Smartsheet	73%	4,712	958	116	25%	81%	12%	4.9x	40.5x	53%	24%	69%
Sprout Social	87%	3,338	334	10	31%	77%	3%	10.0x	328.5x	50%	24%	74%
Twilio	78%	8,298	4,154	660	9%	49%	16%	2.0x	12.6x	25%	23%	36%
Upland Software	59%	451	298	66	-6%	68%	22%	1.5x	6.8x	22%	17%	42%
Varonis Systems	89%	4,925	499	37	5%	86%	7%	9.9x	132.7x	56%	37%	72%
Wix.com	94%	7,684	1,562	N/A	13%	67%	N/A	4.9x	560.6x	26%	31%	36%
Workday	88%	67,540	7,259	1,934	17%	76%	27%	9.3x	34.2x	29%	34%	39%
Workiva	73%	4,621	630	N/A	17%	76%	N/A	7.3x	677.3x	46%	27%	63%
Yext	42%	649	404	63	1%	78%	15%	1.6x	10.4x	44%	18%	62%
Zoom Video Communications	86%	13,216	4,527	2,077	3%	76%	46%	2.9x	6.4x	34%	18%	47%
Zscaler	74%	27,641	1,896	398	41%	77%	21%	14.6x	69.4x	43%	22%	65%
Min		411	298	(1)	-6%	43%	0%	1.3x	6.4x	17%	12%	24%
Median		9,373	1,562	398	17%	76%	22%	7.3x	29.7x	35%	24%	46%
Mean		35,603	3,600	1,191	16%	73%	23%	7.9x	84.2x	35%	25%	50%
Max		290,539	34,857	12,696	41%	86%	46%	24.5x	677.3x	56%	55%	74%

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	6%	963	946	171	-2%	73%	18%	1.0x	5.7x	39%	19%	53%
Ansys	95%	30,203	2,270	N/A	10%	88%	N/A	13.3x	33.8x	N/A	22%	38%
AppFolio	97%	8,683	611	102	33%	62%	17%	14.0x	85.2x	18%	25%	33%
Aspen Technology	86%	13,521	1,057	384	N/A	64%	36%	12.8x	35.2x	46%	20%	61%
Autodesk	93%	56,088	5,045	1,994	10%	91%	40%	10.2x	28.1x	35%	26%	47%
Bentley Systems	94%	17,029	1,228	420	12%	78%	34%	13.9x	40.4x	18%	22%	34%
Blackbaud	84%	4,753	1,105	352	4%	55%	32%	4.3x	13.5x	19%	14%	36%
FactSet Research	93%	18,560	2,123	840	10%	53%	40%	8.6x	22.1x	N/A	N/A	21%
Guidewire Software	95%	9,384	926	76	6%	56%	8%	10.1x	122.9x	21%	28%	39%
Health Catalyst	52%	370	296	13	7%	45%	4%	1.3x	29.5x	23%	25%	49%
Moody's	96%	77,132	5,916	2,646	8%	N/A	45%	13.0x	29.2x	N/A	N/A	28%
nCino	100%	4,235	477	69	17%	60%	14%	8.9x	61.4x	27%	25%	43%
NICE (Israel)	96%	15,799	2,378	788	9%	68%	33%	6.6x	20.1x	25%	14%	36%
Procore Technologies	99%	11,311	950	N/A	32%	82%	N/A	11.9x	505.1x	52%	32%	73%
Q2 Software	99%	3,330	625	78	10%	48%	13%	5.3x	42.5x	18%	22%	35%
SPS Commerce	85%	6,575	537	164	19%	66%	31%	12.2x	40.1x	23%	10%	39%
SS&C Technologies	98%	22,452	5,503	2,128	4%	48%	39%	4.1x	10.6x	10%	9%	18%
Temenos	68%	5,889	980	391	2%	70%	40%	6.0x	15.1x	22%	N/A	31%
Toast	92%	12,576	3,865	(237)	42%	22%	-6%	3.3x	N/A	10%	9%	20%
Tyler Technologies	93%	18,558	1,952	511	5%	44%	26%	9.5x	36.3x	8%	6%	23%
Unity	53%	11,658	2,187	448	57%	66%	20%	5.3x	26.0x	38%	48%	56%
Veeva Systems	98%	33,403	2,364	881	10%	71%	37%	14.1x	37.9x	16%	27%	27%
Min		370	296	(237)	-2%	22%	-6%	1.0x	5.7x	8%	6%	18%
Median		12,117	1,167	388	10%	64%	31%	9.2x	33.8x	22%	22%	36%
Mean		17,385	1,970	611	15%	62%	26%	8.6x	59.1x	25%	21%	38%
Max		77,132	5,916	2,646	57%	91%	45%	14.1x	505.1x	52%	48%	73%

FOUNDERS

ADVISORS

BIRMINGHAM | DALLAS

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