

7 Mile Advisors



Sectorwatch: Enterprise Software

March 2022



Enterprise Software

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Overview

7MA provides Investment Banking & Advisory Services to the Business Services and Technology Industries globally.

We advise on M&A and private capital transactions and provide market assessments and benchmarking. As a close-knit team with a long history together and a laser focus on our target markets, we help our clients sell their companies, raise capital, grow through acquisitions, and evaluate new markets.

We publish our sectorwatch, a review of M&A and operational trends in the industries we focus.

DASHBOARD

- Summary metrics on the sector
- Commentary on market momentum by comparing the most recent 12-month performance against the last 3-year averages.

PUBLIC BASKET PERFORMANCE

- Summary valuation and operating metrics for a basket of comparable public companies.

VALUATION COMPARISON

- Graphical, detailed comparison of valuation multiples for the public basket.

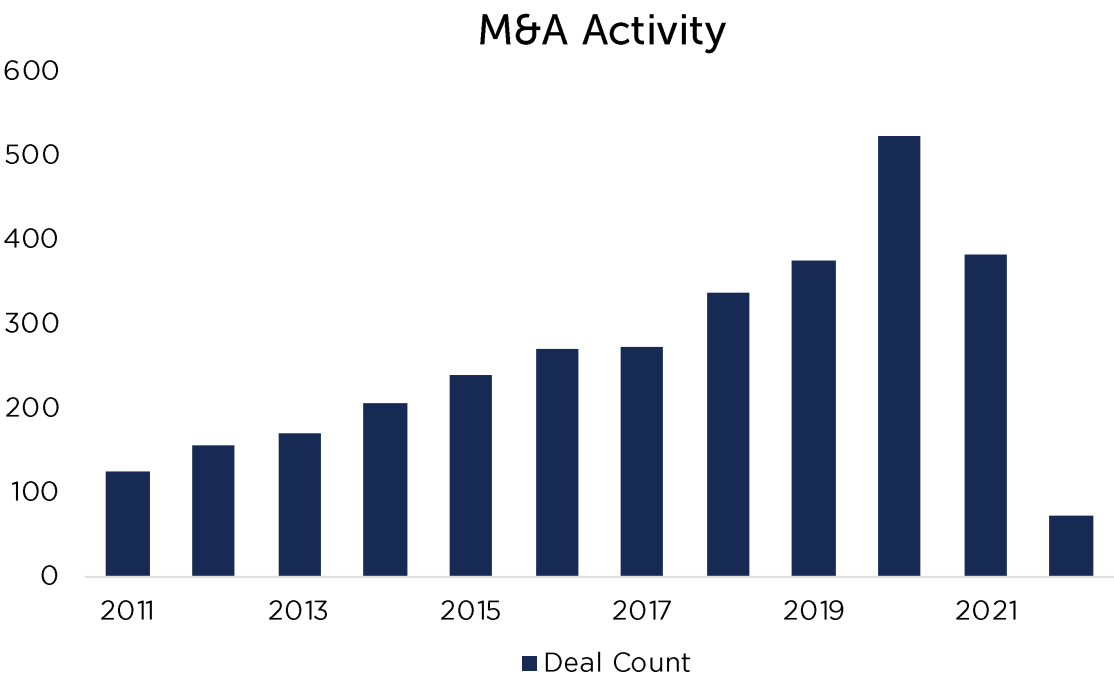
RECENT DEALS

- The most recently announced deals in the sector

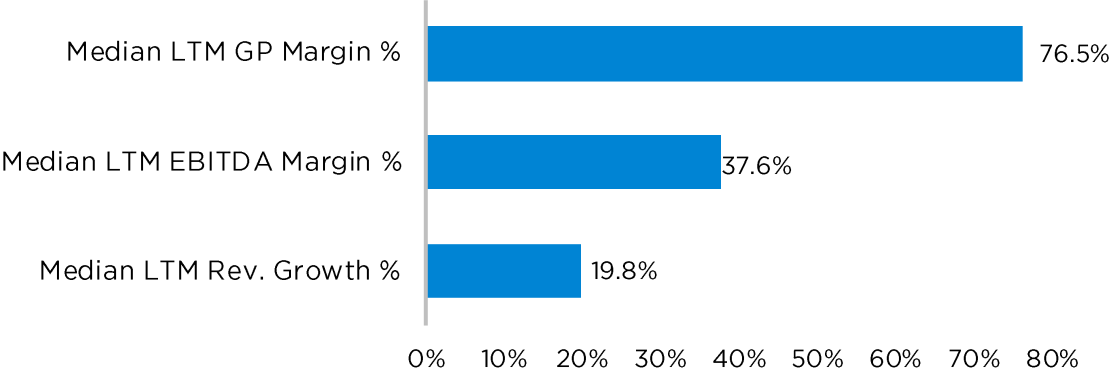
Dashboard

REVENUE GROWTH MOMENTUM ↑1.6%

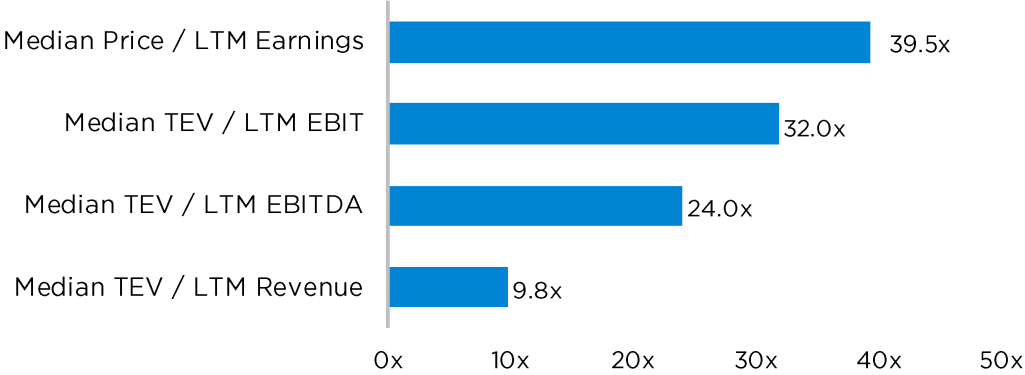
1 - year revenue growth compared to revenue growth average for last 3 years - Current revenue growth rate exceeds the average of the last 3 years by this amount, indicating that market momentum is increasing



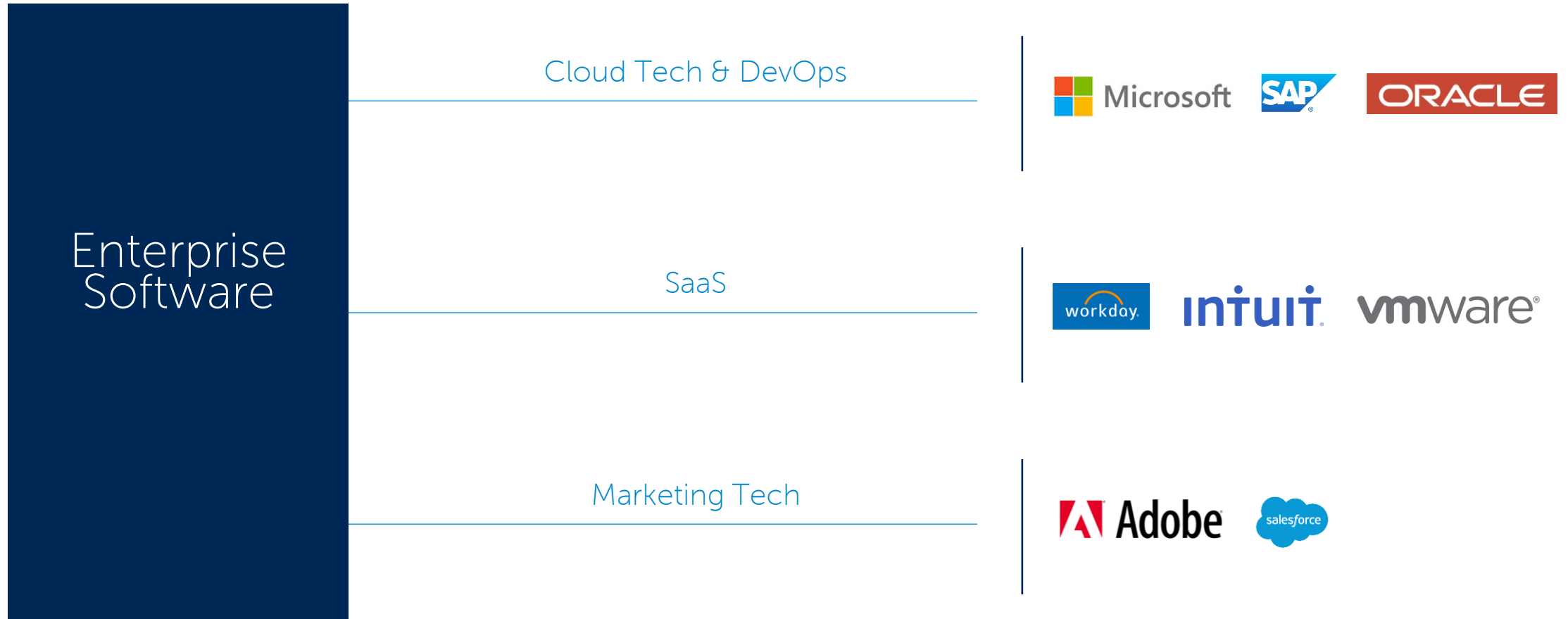
Operating Metrics



Valuation



Public Basket Overview

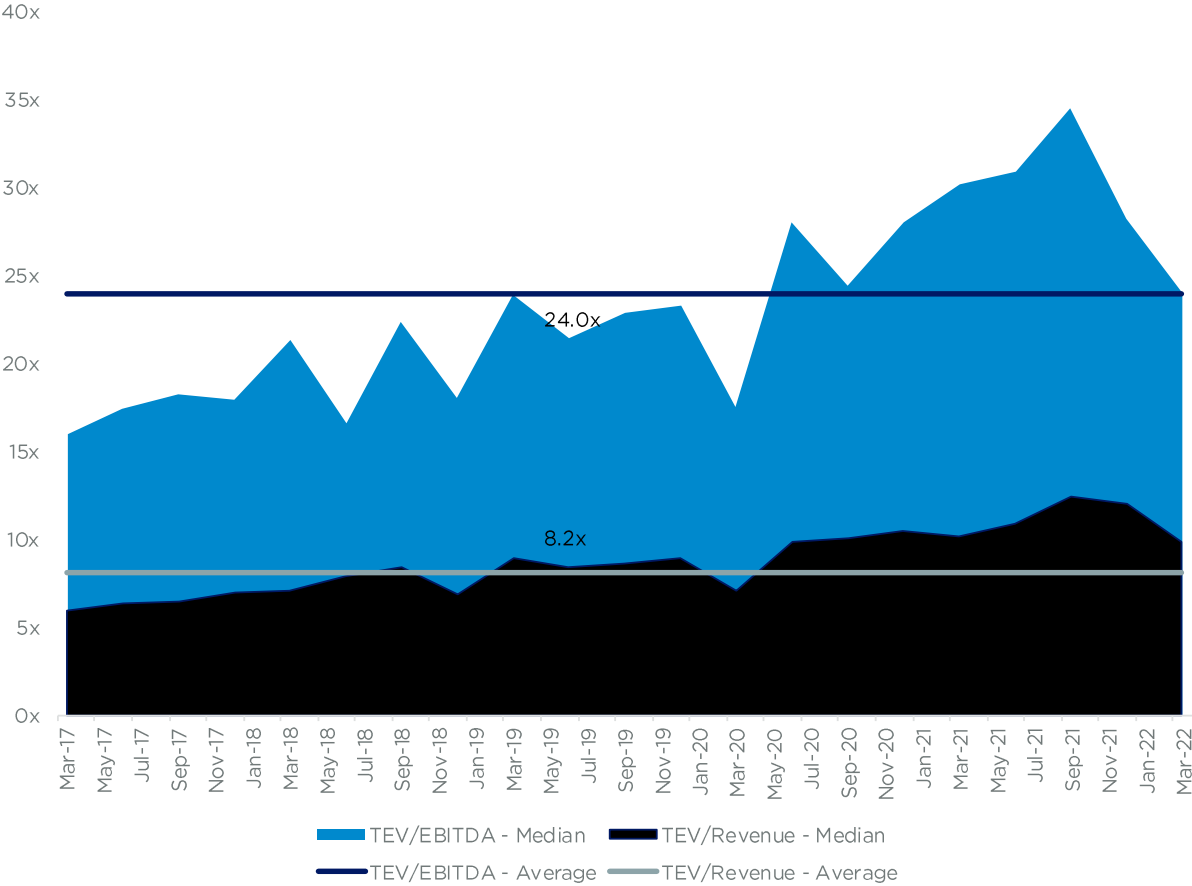


Public Basket

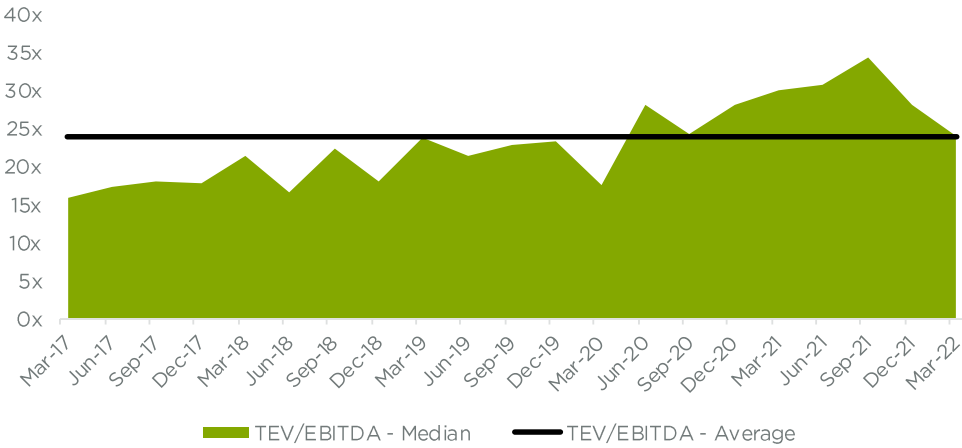
Company	TEV \$m	LTM EBITDA \$m	LTM Rev \$m	Rev Growth YoY	GP %	EBITDA %	TEV / Rev X	TEV / EBITDA X	# FTEs	Rev / FTE \$k
VMware	58,216	4,746	12,614	9.2%	82.4%	37.6%	4.6x	12.3x	34,000	371
Workday	59,411	1,637	5,139	19.0%	72.2%	31.9%	11.6x	36.3x	15,200	338
Intuit	137,755	4,284	11,414	47.9%	82.1%	37.5%	12.1x	32.2x	13,500	845
SAP	139,696	11,112	32,918	1.8%	71.5%	33.8%	4.2x	12.6x	107,415	306
Adobe Systems	213,129	7,453	15,785	22.7%	88.2%	47.2%	13.5x	28.6x	25,988	607
Salesforce.com	215,027	#N/A	26,492	24.7%	73.5%	#N/A	8.1x	#N/A	73,541	360
Oracle	271,523	21,158	41,827	5.4%	79.4%	50.6%	6.5x	12.8x	132,000	317
Microsoft	2,181,447	90,791	184,903	20.6%	68.8%	49.1%	11.8x	24.0x	181,000	1,022
Average	409,525	20,169	41,386	18.9%	77.3%	41.1%	9.0x	22.7x	72,831	521
Median	176,412	7,453	21,139	19.8%	76.5%	37.6%	9.8x	24.0x	53,771	366

share price as of 23Mar22

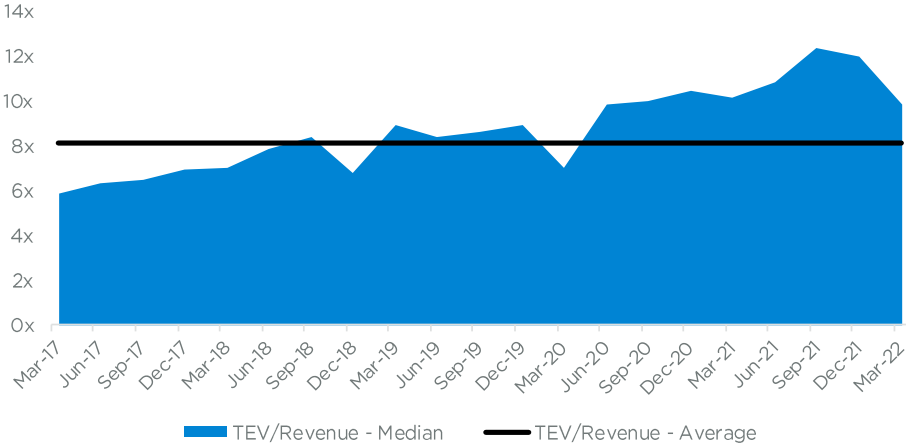
Public Basket



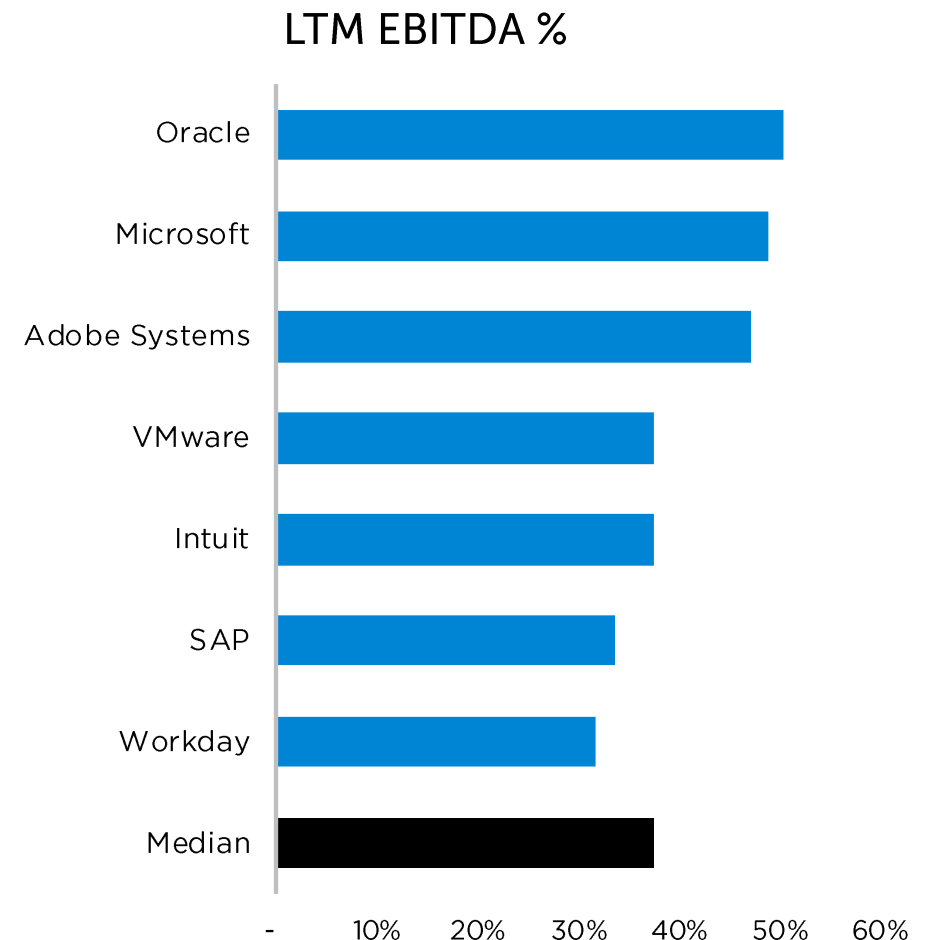
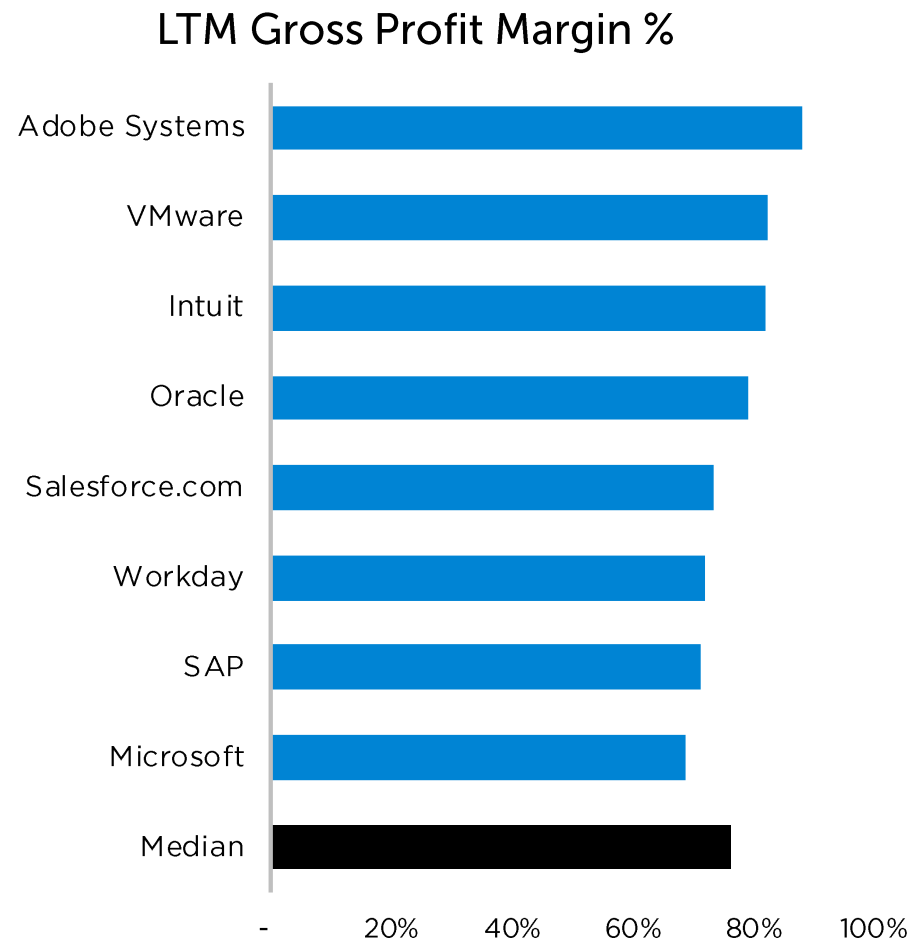
Public EBITDA Multiples over Time



Public Revenue Multiples over Time

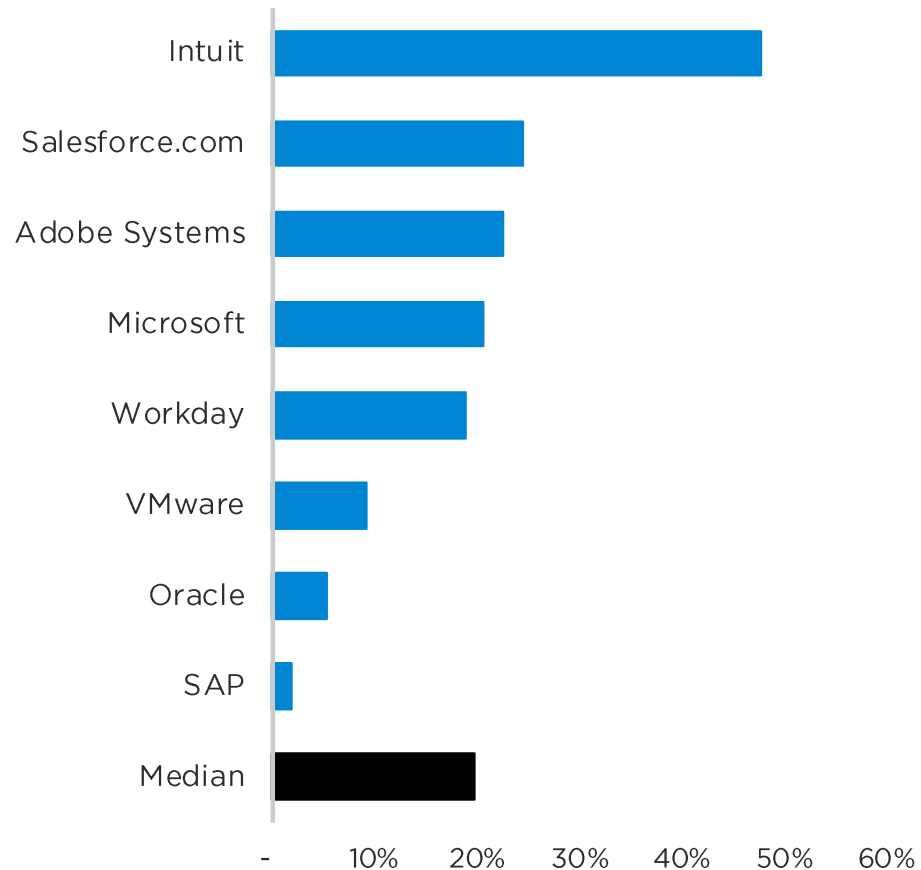


Operational Metrics

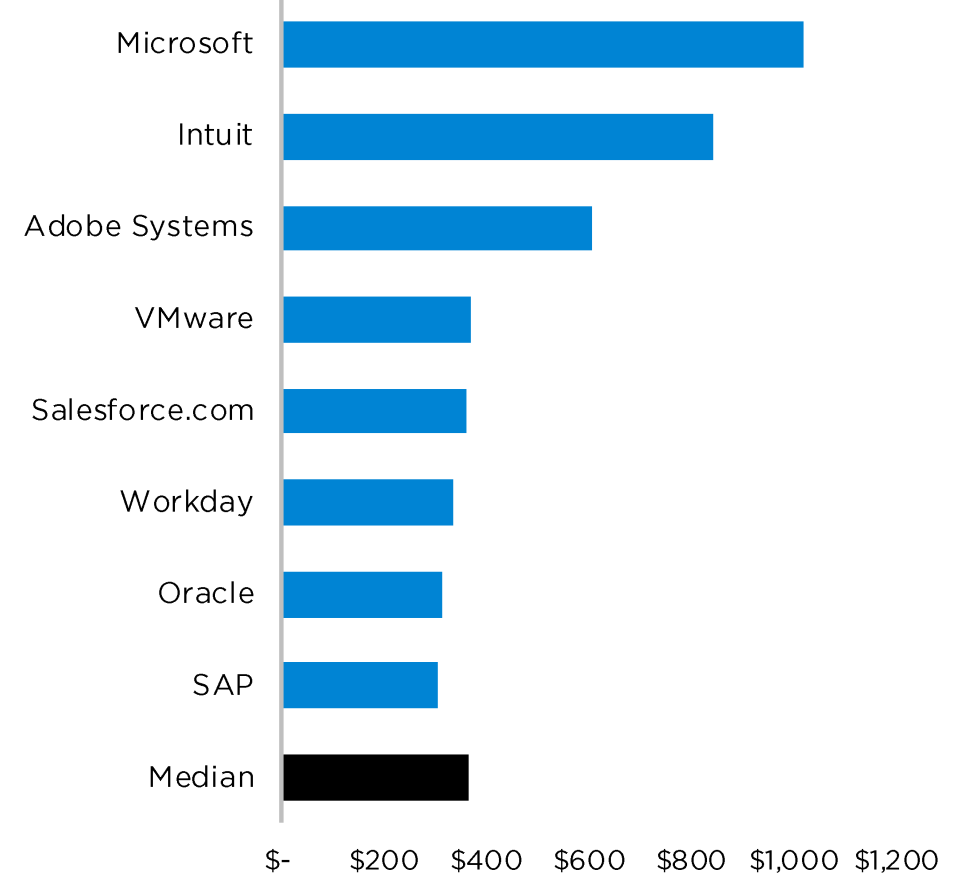


Operational Metrics

LTM Revenue Growth %

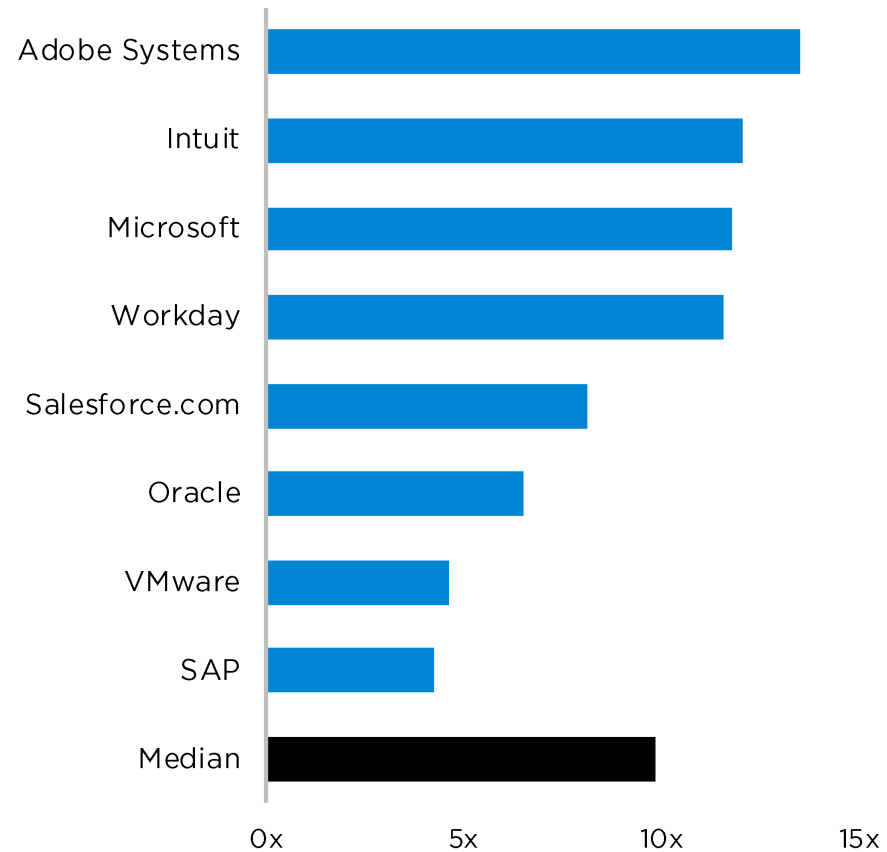


LTM Revenue per Full Time Employee x 000's

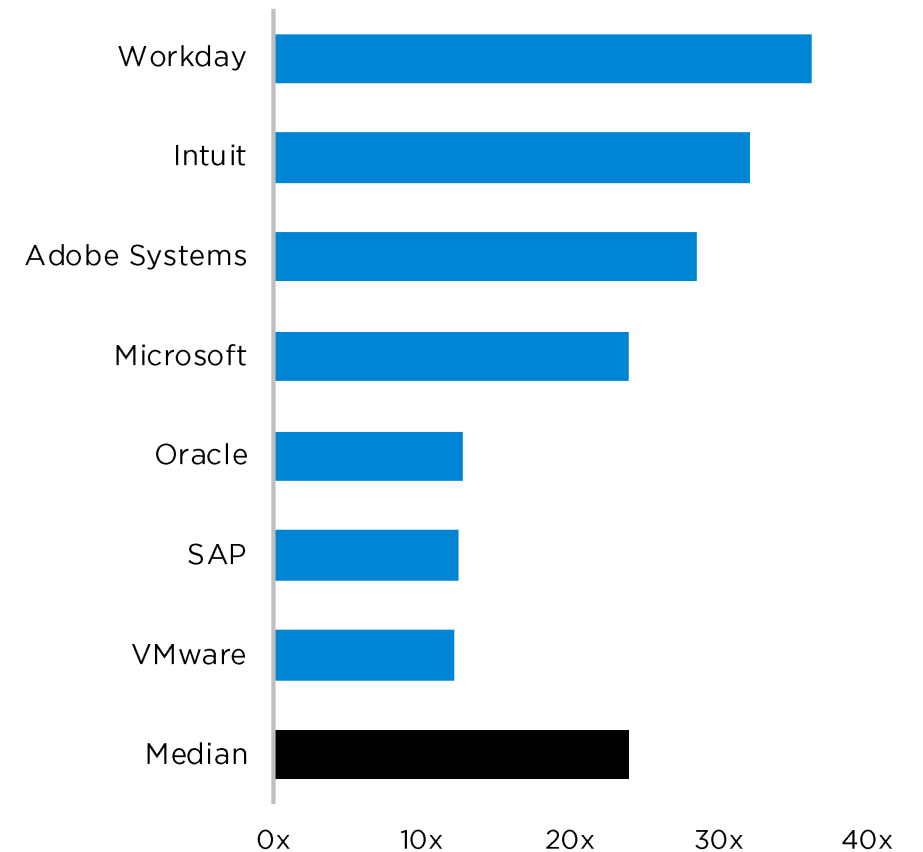


Valuation

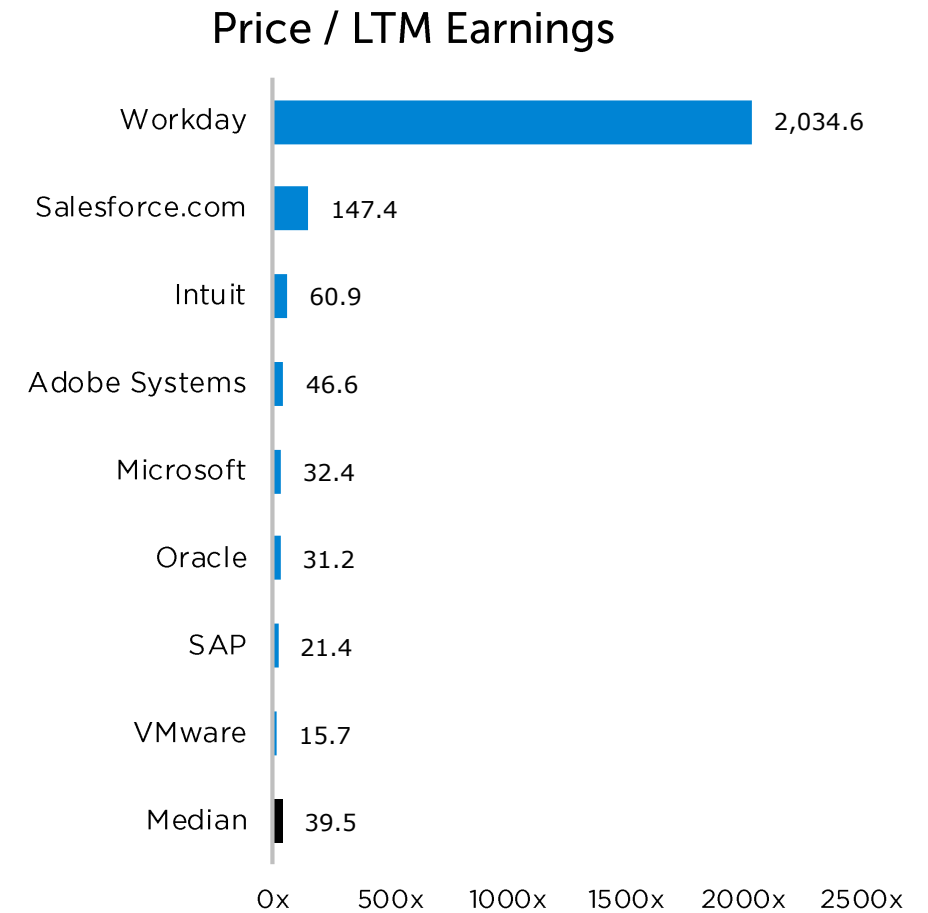
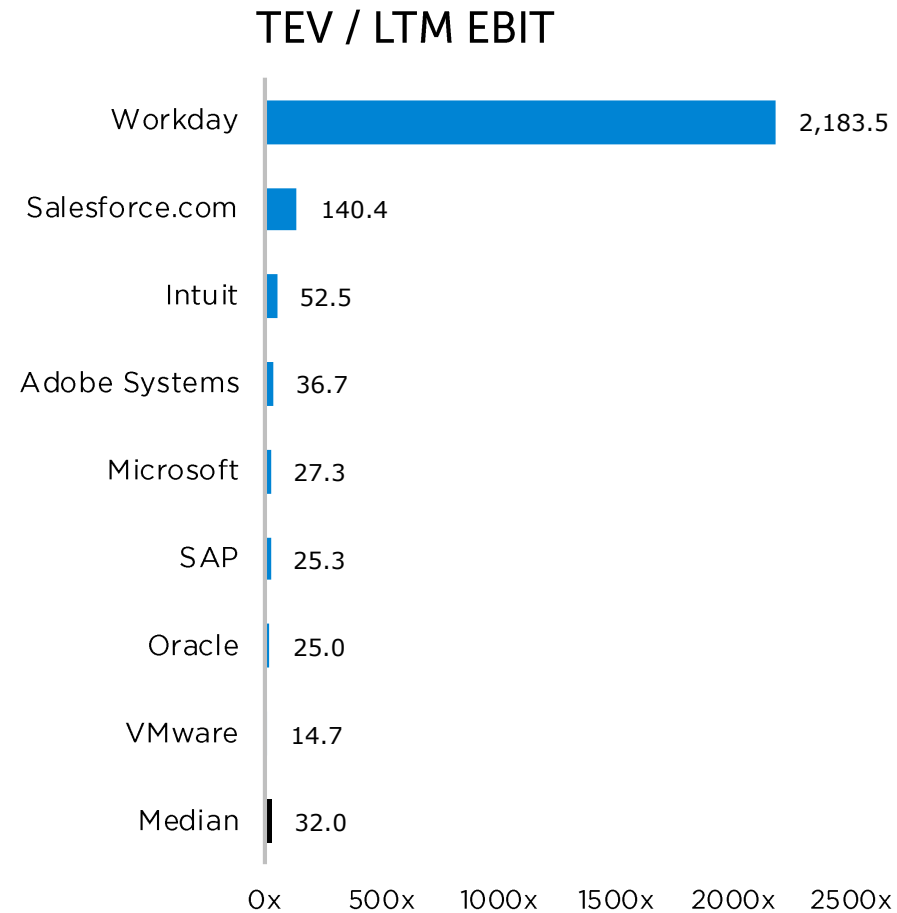
TEV / LTM Revenue



TEV / LTM EBITDA

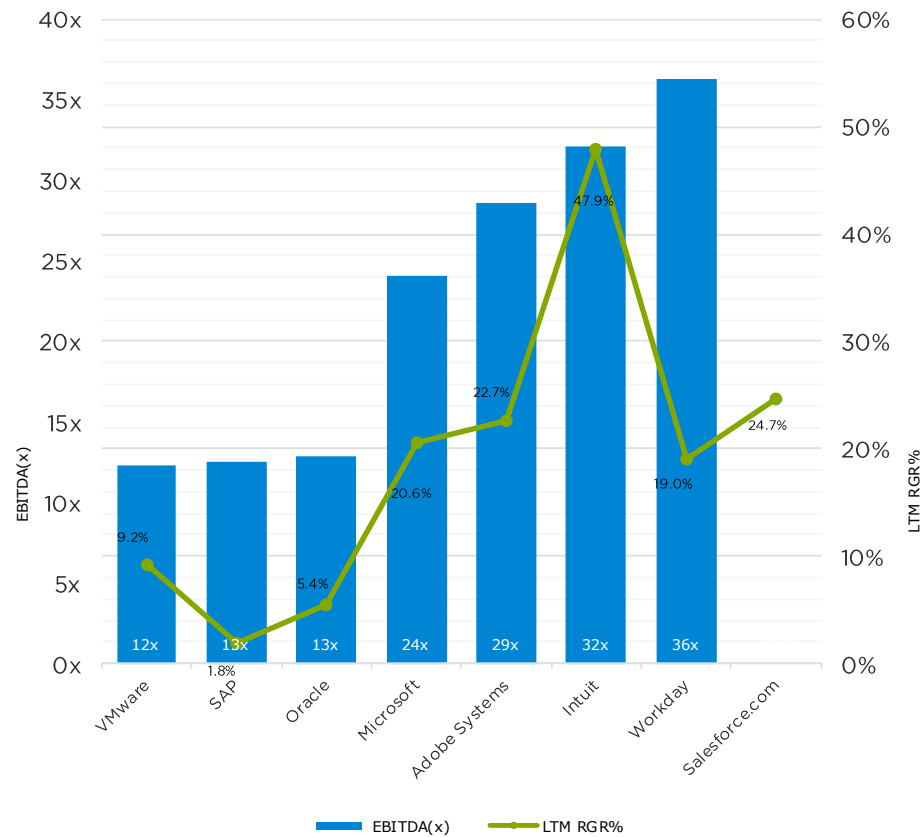


Valuation

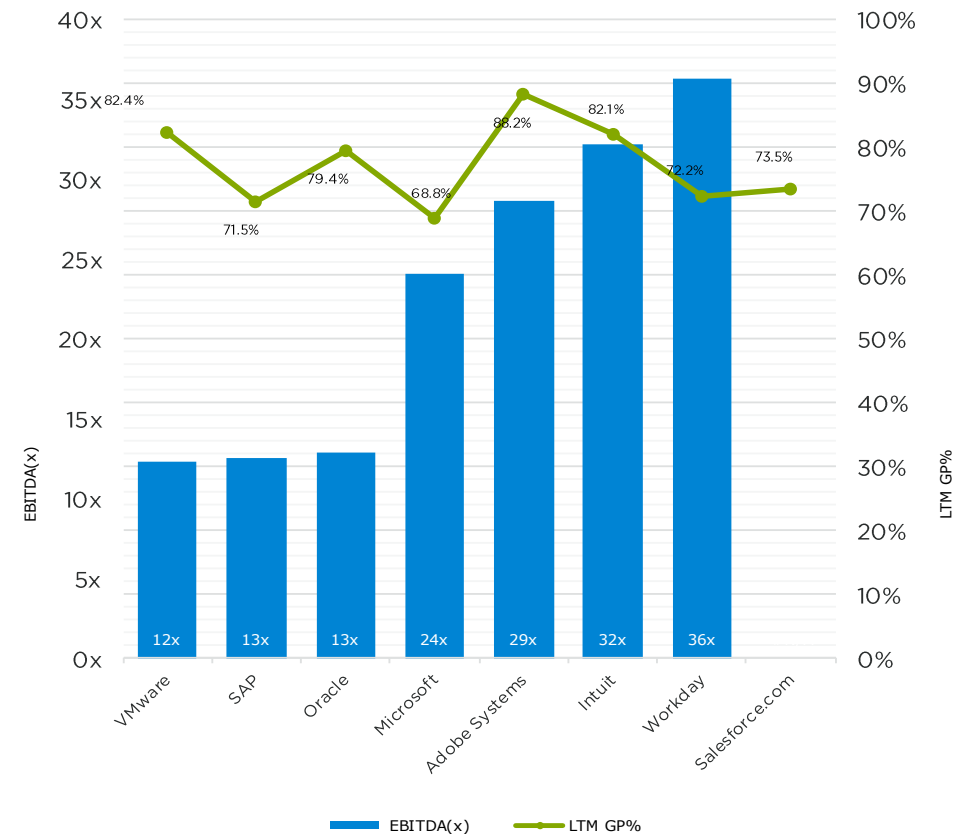


Valuation

Historical Valuation Multiples versus Gross Profit



Historical Valuation Multiples versus Revenue Growth Rate



Recent Transactions

Date	Target	Buyer	Total Transaction Amount	Target Revenue	TEV / Revenue	TEV / EBITDA
22-Mar-22	Brew (Media and Information Services)	Aleph	12.00	-	-	-
22-Mar-22	Decentriq	Atlantic Labs	15.00	-	-	-
18-Mar-22	Spacesys	-	-	-	-	-
16-Mar-22	Rubicon Red	KPMG Australia	-	-	-	-
15-Mar-22	Hashtaag	Reshamandi	-	-	-	-
14-Mar-22	Ekobit	Span (Croatia)	5.43	-	-	-
11-Mar-22	Gett	Rosecliff Acquisition I	253.00	-	-	-
11-Mar-22	Gett	Access Technology Ventures	30.00	-	-	-
10-Mar-22	Tecxprt Solutions	Ninjacart	-	-	-	-
09-Mar-22	Jiffy.ai	Eight Roads	53.00	-	-	-
07-Mar-22	IntraSee	Gideon Taylor Consulting	-	-	-	-
07-Mar-22	The Medical Concierge Group	Creadev	5.00	-	-	-
03-Mar-22	Sona (Business/Productivity Software)	-	6.76	-	-	-
01-Mar-22	Jumeng	Fenghua Capital	100.00	-	-	-
01-Mar-22	Nethansa	Movens Capital	4.53	-	-	-
01-Mar-22	Unily	-	-	-	-	-
01-Mar-22	ZERO	468 Capital	12.00	-	-	-
25-Feb-22	ETQ	Hexagon	1200.00	-	-	-
25-Feb-22	Projetech	Galanthus Partners	-	-	-	-
24-Feb-22	Canary Technologies	Acronym Venture Capital	15.00	-	-	-
23-Feb-22	Ever.Security	GSR Ventures	-	-	-	-
23-Feb-22	SandLogic	Sai Kumar	4.00	-	-	-
23-Feb-22	Secureframe	Accomplice VC	56.00	-	-	-
23-Feb-22	YesElf	AppLearn	-	-	-	-
22-Feb-22	Koxa	BaseCamp Capital	6.40	-	-	-

Appendix

*Public Basket
Contact Information*



VMware

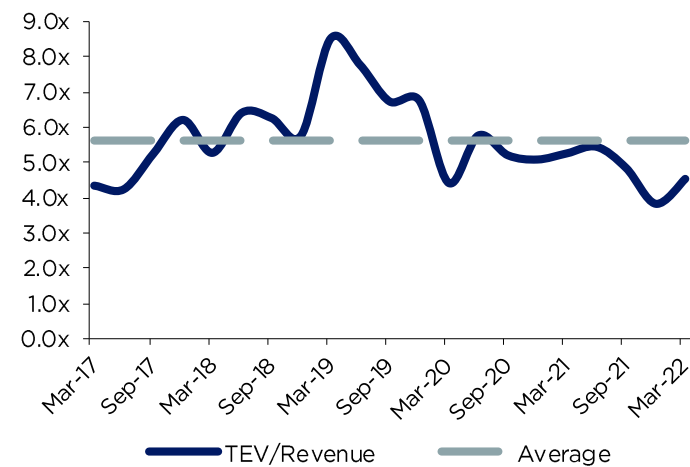
VMware is an industry leader in virtualizing IT infrastructure and became a stand-alone entity after spinning off from Dell Technologies in November 2021.

The software provider operates in the three segments: licenses; subscriptions and software as a service; and services. VMware's solutions are used across IT infrastructure, application development, and cybersecurity teams, and the company takes a neutral approach to being the cohesion between cloud environments. The Palo Alto, California, firm operates and sells on a global scale, with about half its revenue from the United States, through direct sales, distributors, and partnerships.

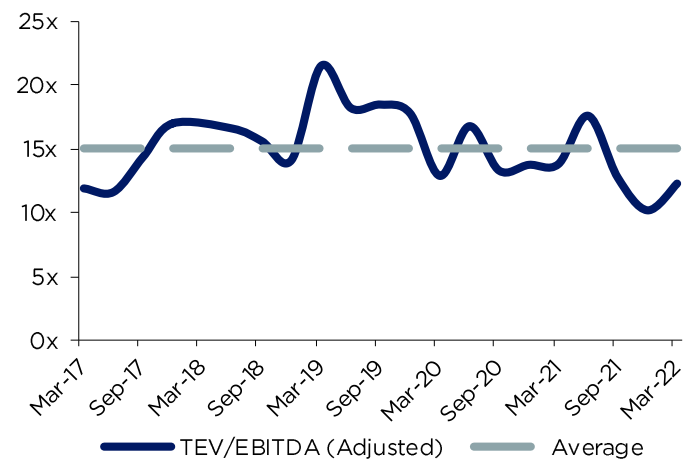
Public Basket

VMware

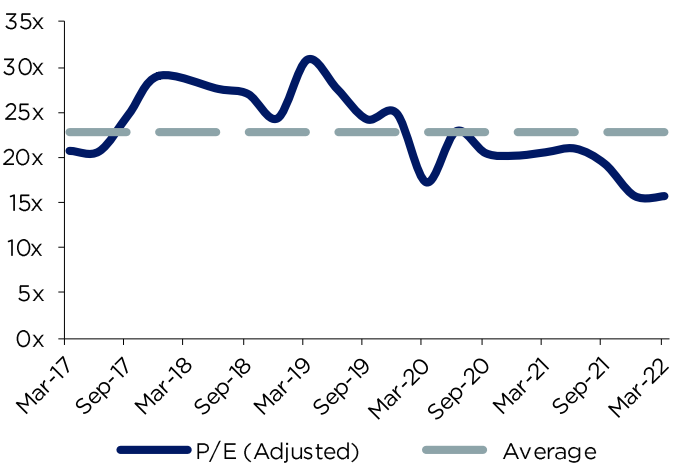
Revenue Multiples - VMware



EBITDA Multiples - VMware



P/E Multiples - VMware



Company Name	Date	Deal Synopsis
Mesh7	22-Mar-21	The company was acquired by VMware (NYS: VMW), a subsidiary of Dell Technologies (NYS: DELL), for an undisclosed amount on March 22, 2021.
SaltStack	13-Oct-20	The company was acquired by VMware (NYS: VMW), a subsidiary of Dell Technologies (NYS: DELL), for \$51 million on October 13, 2020.

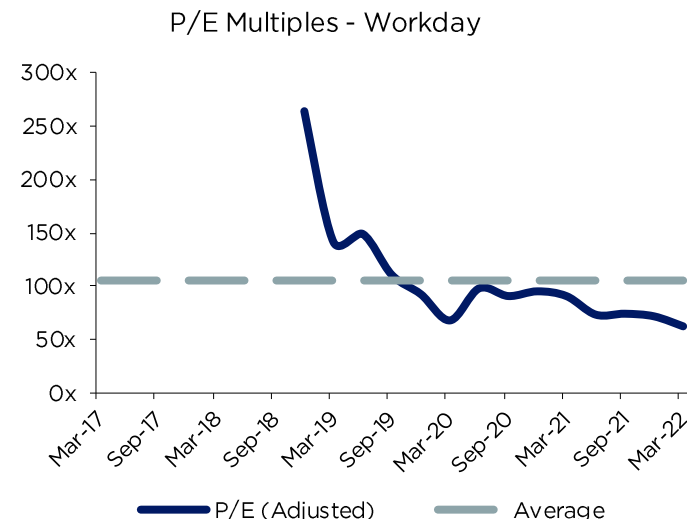
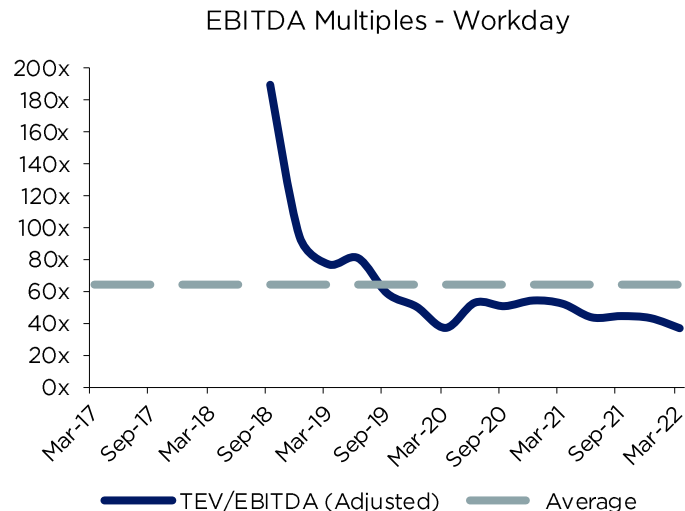
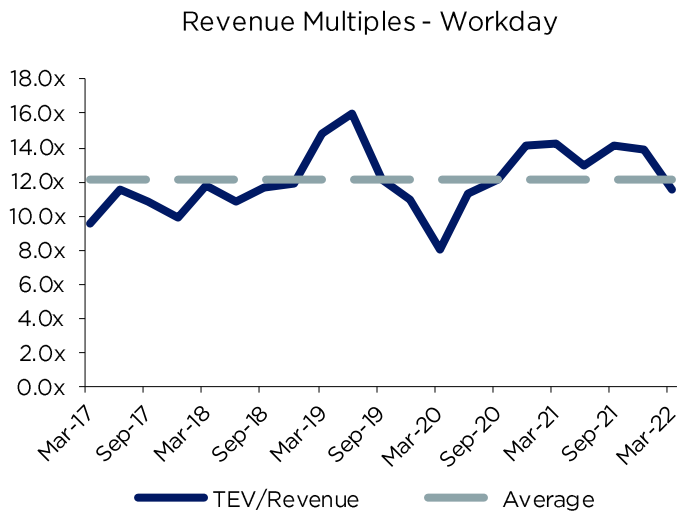
Workday

Workday is a software company that offers human capital management, or HCM, financial management, and business planning solutions.

Known for being a cloud-only software provider, Workday is headquartered in Pleasanton, California. Founded in 2005, Workday now employs over 12,000 employees.

Public Basket

Workday



Company Name	Date	Deal Synopsis
Zimit	28-Sep-21	The company was acquired by Workday (NAS: WDAY) for \$76 million on September 28, 2021. The acquisition of the company will accelerate Workday's ability to deliver a comprehensive quote-to-cash process automation offering that will provide services organizations increased visibility across the entire revenue cycle.
Peakon	09-Mar-21	The company was acquired by Workday (NAS: WDAY) for \$701.74 million on March 9, 2021.

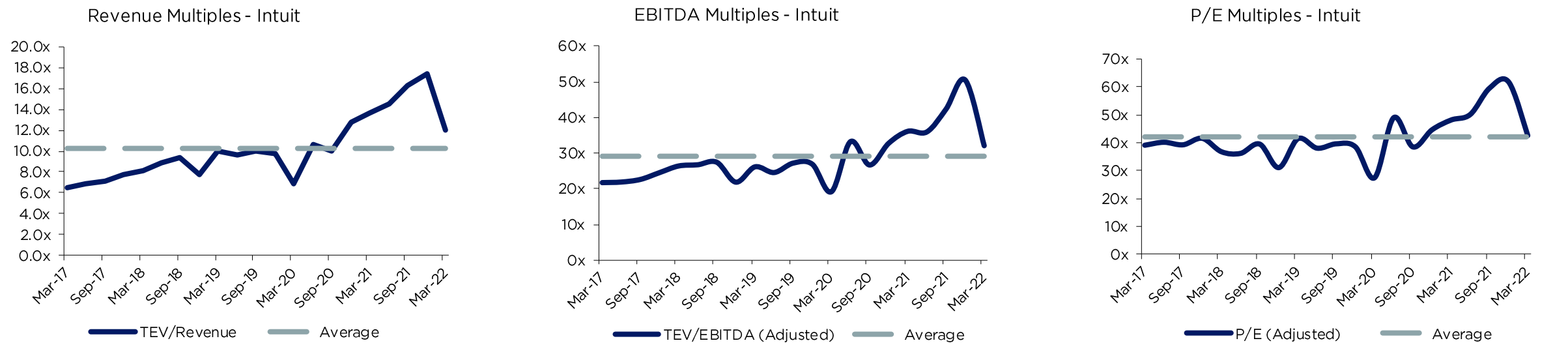
Intuit

Intuit is a provider of small-business accounting software (QuickBooks), personal tax solutions (TurboTax), and professional tax offerings (Lacerte).

Founded in the mid-1980s, Intuit controls the majority of U.S. market share for small-business accounting and DIY tax-filing software.

Public Basket

Intuit



Company Name	Date	Deal Synopsis
Invision	1/6/20	The company was acquired by Intuit (NAS: INTU) for \$50 million on December 21, 2021.
MailChimp	5/22/19	The company was acquired by Intuit (NAS: INTU) for \$12 billion on November 1, 2021. The integration of the company into the QuickBooks platform will help address these issues, providing small and mid-market businesses with tools to power their success.

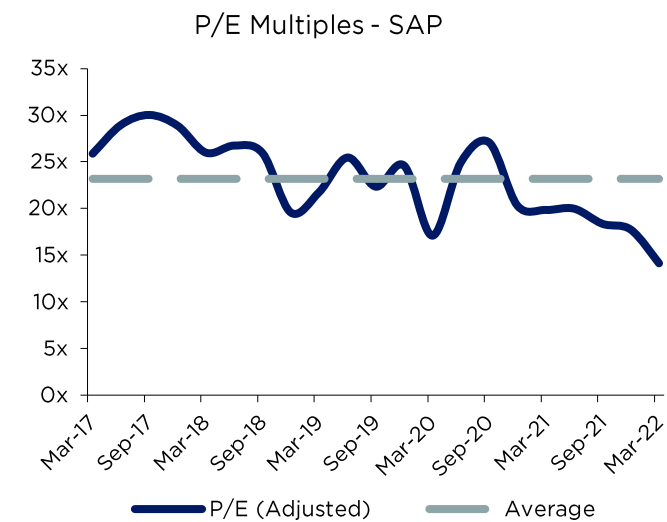
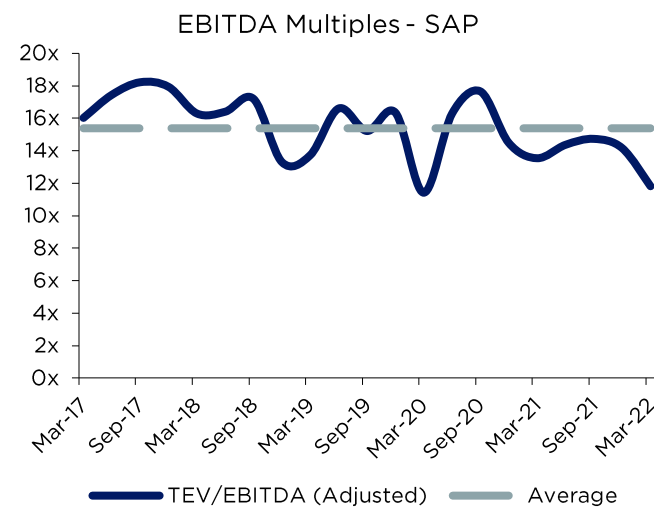
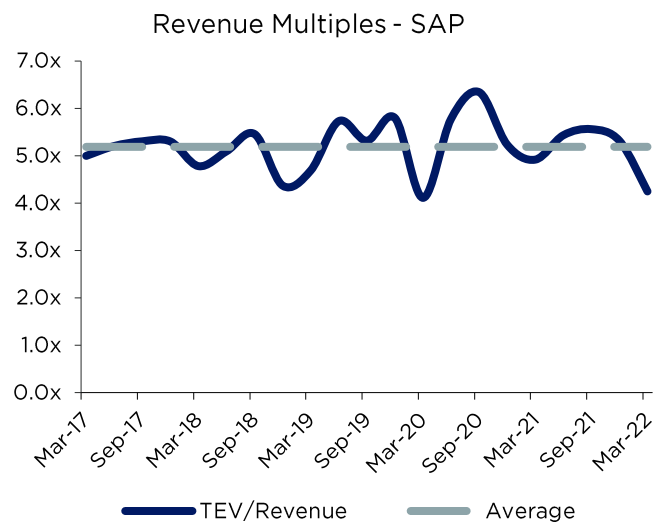
SAP

Founded in 1972 by former IBM employees, SAP provides database technology and enterprise resource planning software to enterprises around the world.

Across more than 180 countries, the company serves 440,000 customers, approximately 80% of which are small to medium-size enterprises.

Public Basket

SAP



Company Name	Date	Deal Synopsis
Icercis	04-Feb-22	The company raised \$80 million of venture funding from SAP and other undisclosed investors on February 4, 2022.
Joint Venture (SAP / Icercis)	25-Jan-22	SAP(ETR: SAP) and Icercis have entered into an agreement to form a joint venture as of January 25, 2022. The joint venture aims at developing a joint product roadmap and a deep technological integration to deliver enterprise-wide value, including faster negotiations, greater compliance, and AI-powered business insights and automation. Through joint venture, SAP and Icercis customers will have the capability to gain end-to-end recognition across the business.

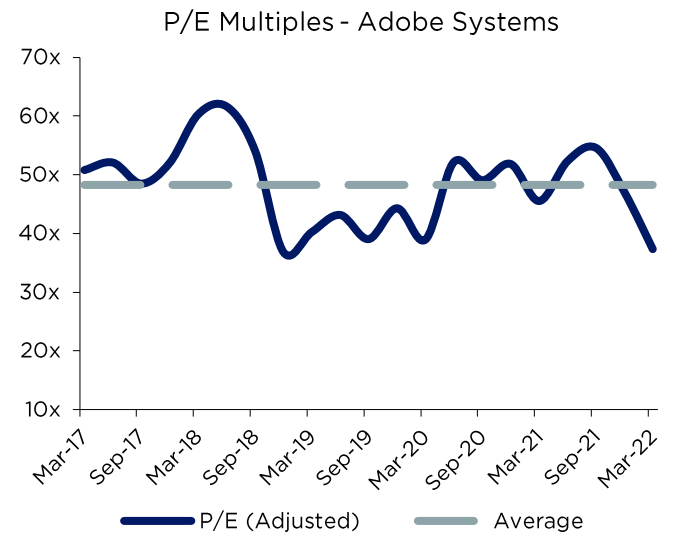
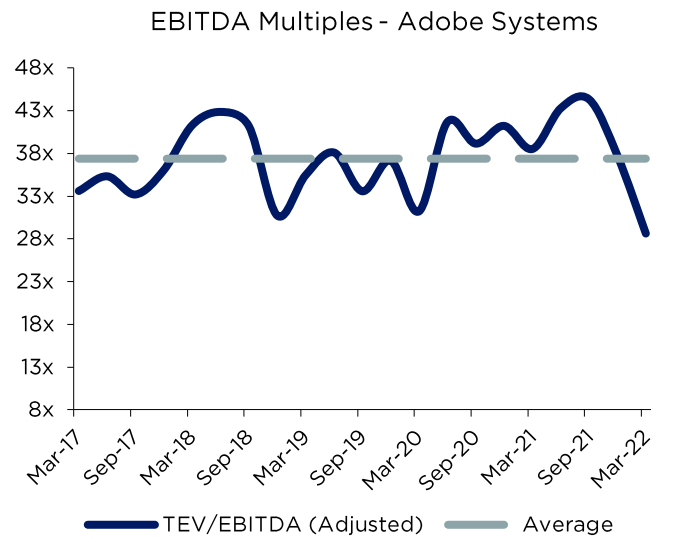
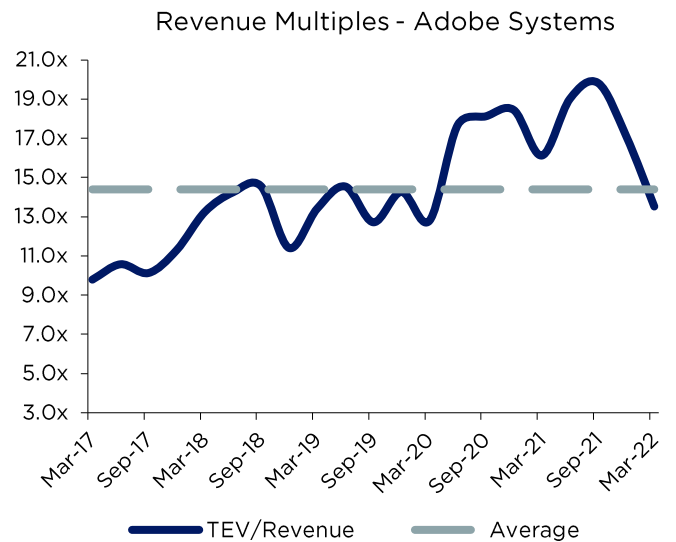
Adobe Systems

Adobe provides content creation, document management, and digital marketing and advertising software and services to creative professionals and marketers for creating, managing, delivering, measuring, optimizing and engaging with compelling content multiple operating systems, devices and media.

The company operates with three segments: digital media content creation, digital experience for marketing solutions, and publishing for legacy products (less than 5% of revenue).

Public Basket

Adobe Systems



Company Name	Date	Deal Synopsis
ContentCal	08-Dec-21	The company reached a definitive agreement to be acquired by Adobe Systems (NAS: ADBE) for an undisclosed amount on December 8, 2021.
Frame.io	07-Oct-21	The company was acquired by Adobe Systems (NAS: ADBE) for \$1.275 billion on October 7, 2021.

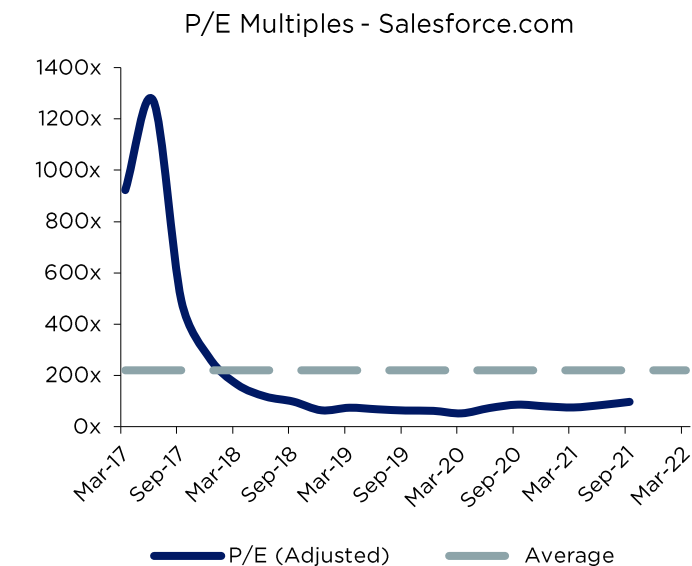
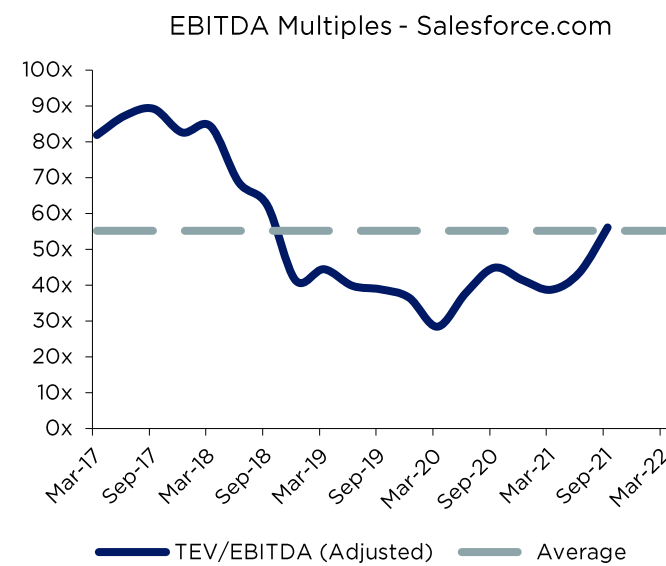
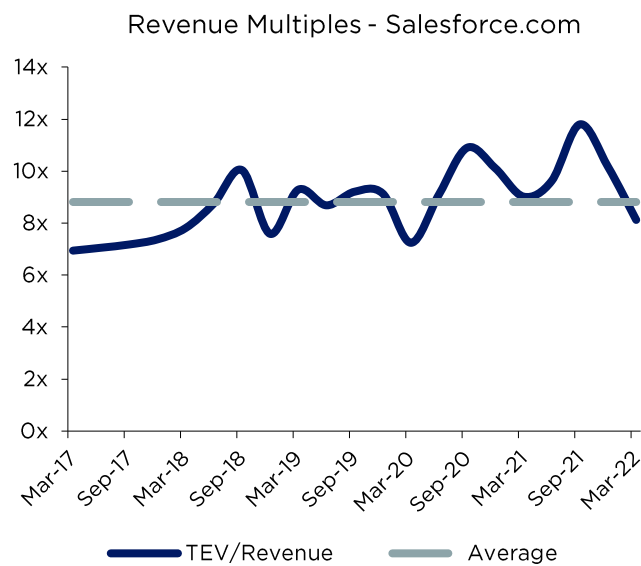
Salesforce.com

Salesforce.com provides enterprise cloud computing solutions, including Sales Cloud, the company's main customer relationship management software-as-a-service product.

Salesforce.com also offers Service Cloud for customer support, Marketing Cloud for digital marketing campaigns, Commerce Cloud as an e-commerce engine, the Salesforce Platform, which allows enterprises to build applications, and other solutions, such as MuleSoft for data integration.

Public Basket

Salesforce.com



Company Name	Date	Deal Synopsis
South Pole Carbon Asset Management	09-Feb-22	The company received an undisclosed amount of development capital from Salesforce.com and Temasek Holdings on February 9, 2022.
iCare	07-Feb-22	The company raised JPY 1.9 billion of Series E venture funding through a combination of equity and debt in a deal led by Incubate Fund on February 7, 2022. Mitsui Sumitomo Insurance Company, Salesforce.com and Global Brain also participated in the round.

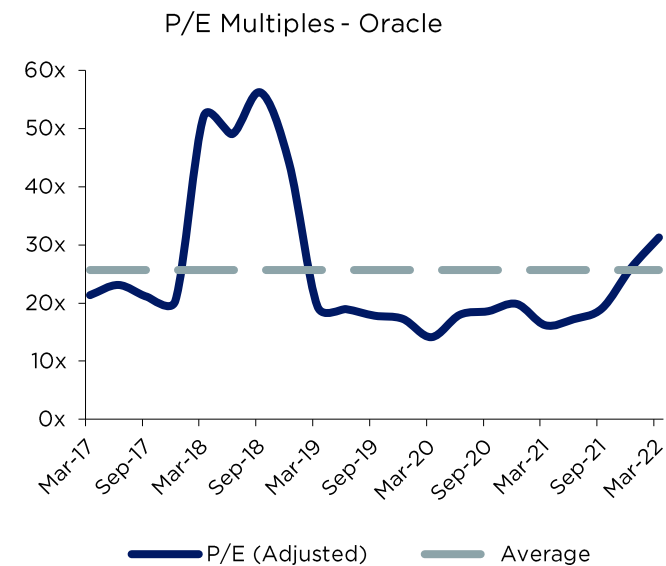
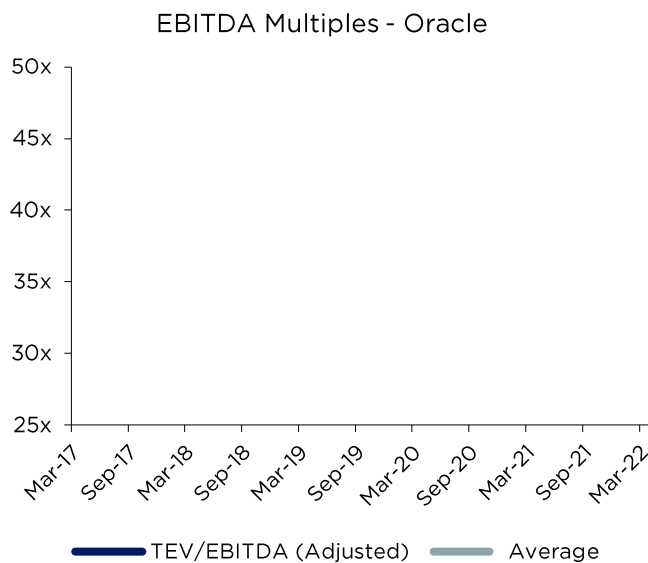
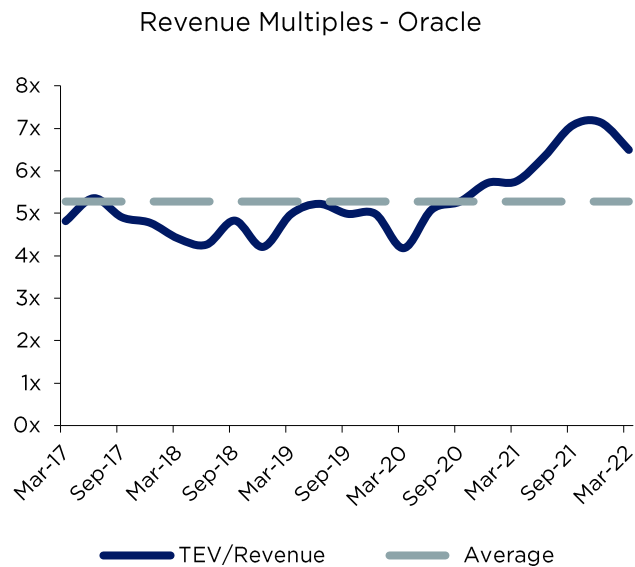
Oracle

Oracle provides database technology and enterprise resource planning, or ERP, software to enterprises around the world.

Founded in 1977, Oracle pioneered the first commercial SQL-based relational database management system. Today, Oracle has 430,000 customers in 175 countries, supported by its base of 136,000 employees.

Public Basket

Oracle



Company Name	Date	Deal Synopsis
Federos	23-Dec-21	The company was acquired by Oracle (NYS: ORCL) for an undisclosed amount on December 23, 2021.
Cerner	20-Dec-21	The company reached a definitive agreement to be acquired by Oracle (NYS: ORCL) for \$28.3 billion on December 20, 2021. The acquisition offers additional revenue growth for Oracle and accelerates the pace of its product and technology development.

Microsoft

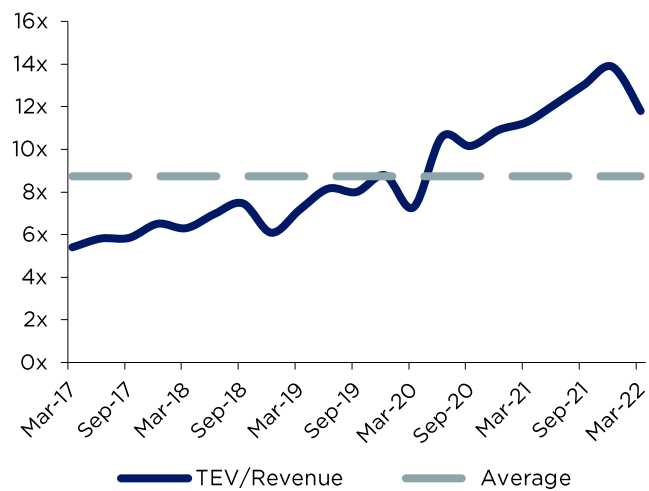
Microsoft develops and licenses consumer and enterprise software.

It is known for its Windows operating systems and Office productivity suite. The company is organized into three equally sized broad segments: productivity and business processes (legacy Microsoft Office, cloud-based Office 365, Exchange, SharePoint, Skype, LinkedIn, Dynamics), intelligence cloud (infrastructure- and platform-as-a-service offerings Azure, Windows Server OS, SQL Server), and more personal computing (Windows Client, Xbox, Bing search, display advertising, and Surface laptops, tablets, and desktops).

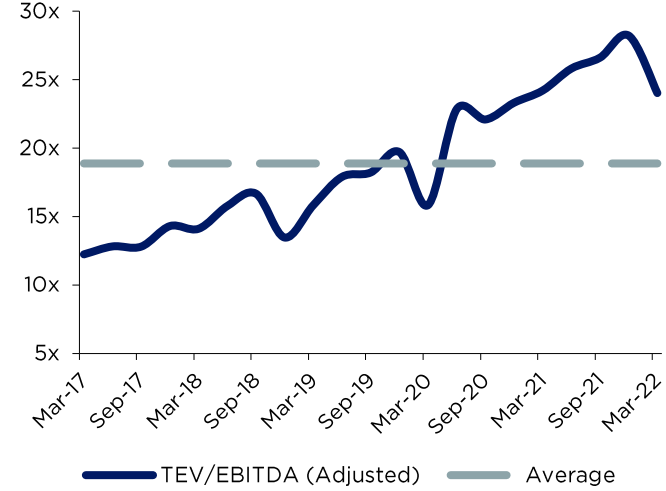
Public Basket

Microsoft

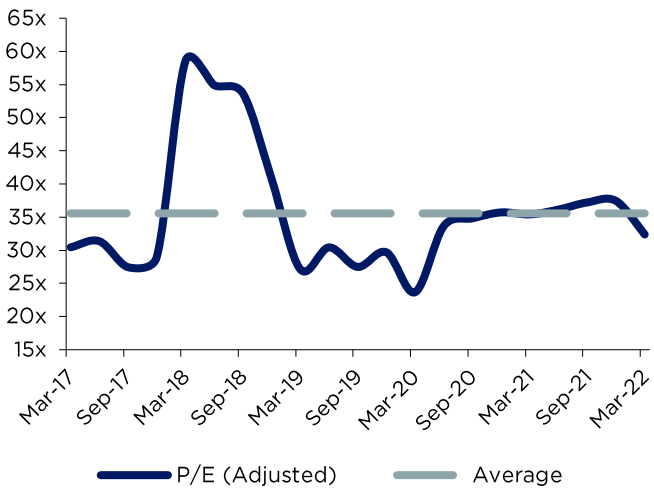
Revenue Multiples - Microsoft



EBITDA Multiples - Microsoft



P/E Multiples - Microsoft



Company Name	Date	Deal Synopsis
Nuance Communications	04-Mar-22	The company was acquired by Microsoft (NAS: MSFT) for \$20 billion on March 4, 2022. The acquisition will help Microsoft to put advanced AI solutions into the hands of professionals everywhere to drive better decision-making and create more meaningful connections and help providers offer more affordable, effective and accessible healthcare.
Activision Blizzard	18-Jan-22	The company (NASDAQ: ATVI) reached a definitive agreement to be acquired by Microsoft (NAS: MSFT) for \$68.7 billion on January 18, 2022.

Contact Info

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As a close-knit team with a long history together and a laser focus on our target markets, we help our clients sell their companies, raise capital, grow through acquisitions, and evaluate new markets. Securities offered through 7M Securities LLC.

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