

7 Mile Advisors



# Sectorwatch: Enterprise Software

November 2021



# Enterprise Software

---

- 4    [Sector Dashboard](#)
- 5    [Public Basket Overview](#)
- 6    [Public Basket Performance](#)
- 8    [Operational Metrics](#)
- 11   [Valuation Comparison](#)
- 14   [Recent Deals](#)
- 15   [Appendix](#)

# 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

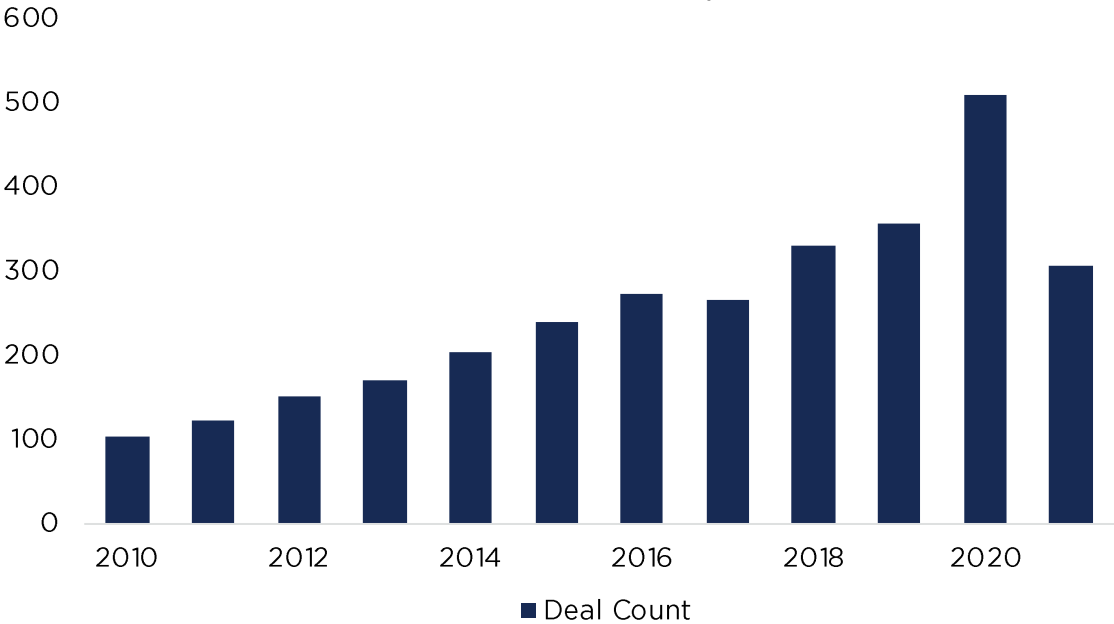
- The most recently announced deals in the sector

# Dashboard

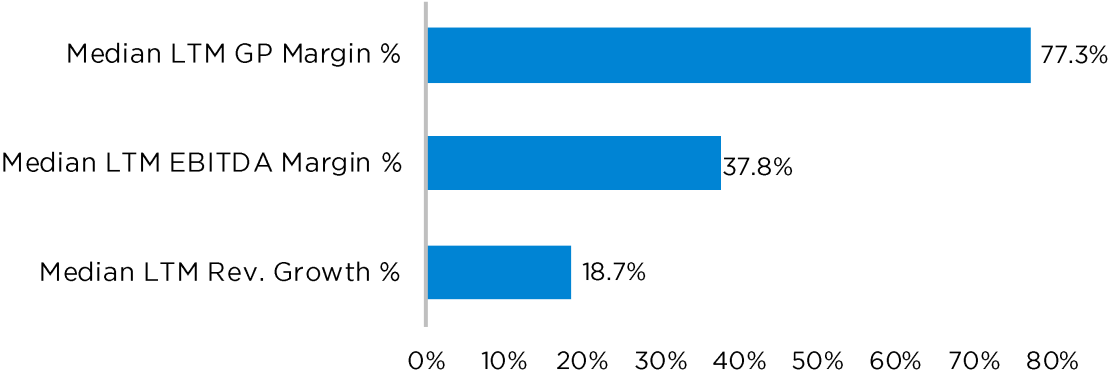
## REVENUE GROWTH MOMENTUM ↑1.6%

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

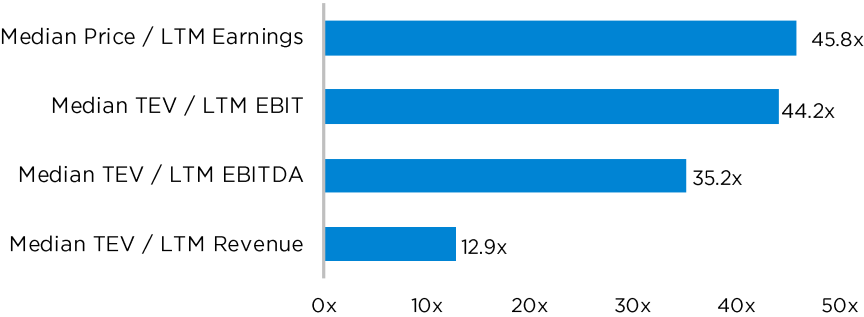
### M&A Activity



## Operating Metrics

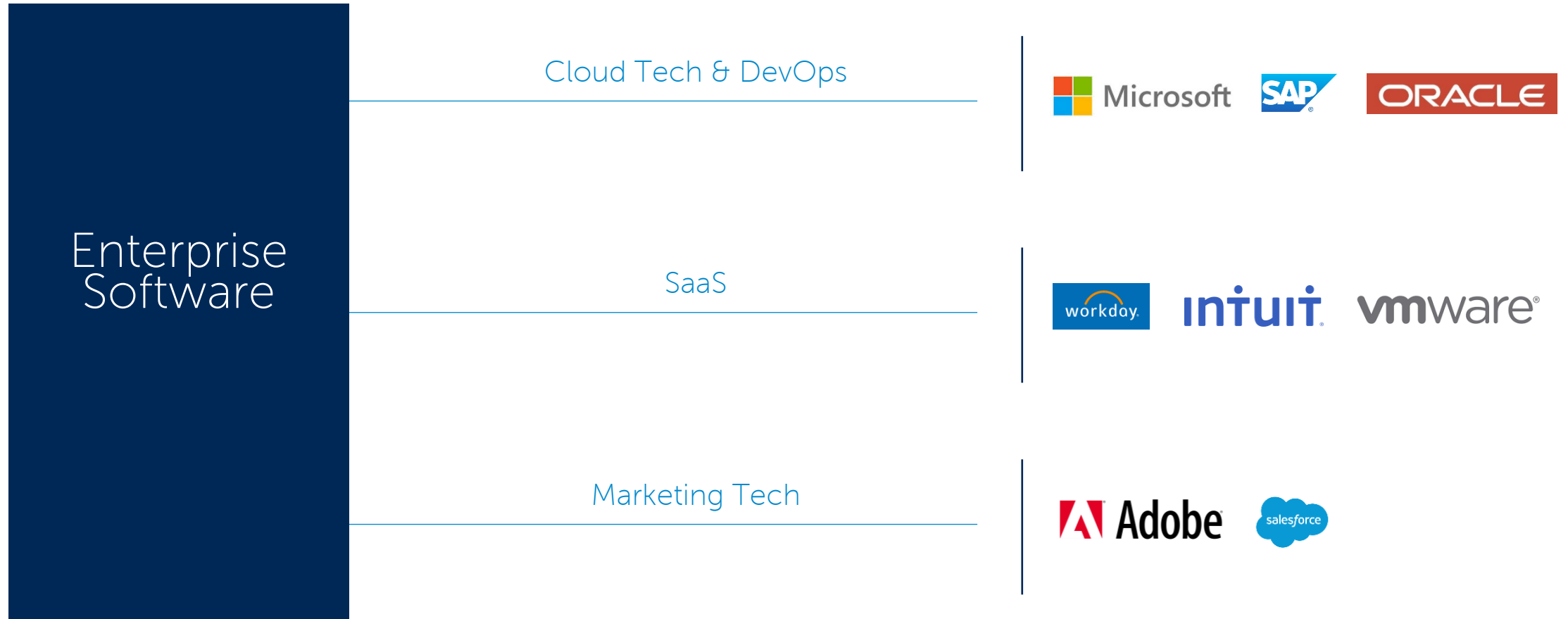


## Valuation



# Public Basket Overview

---

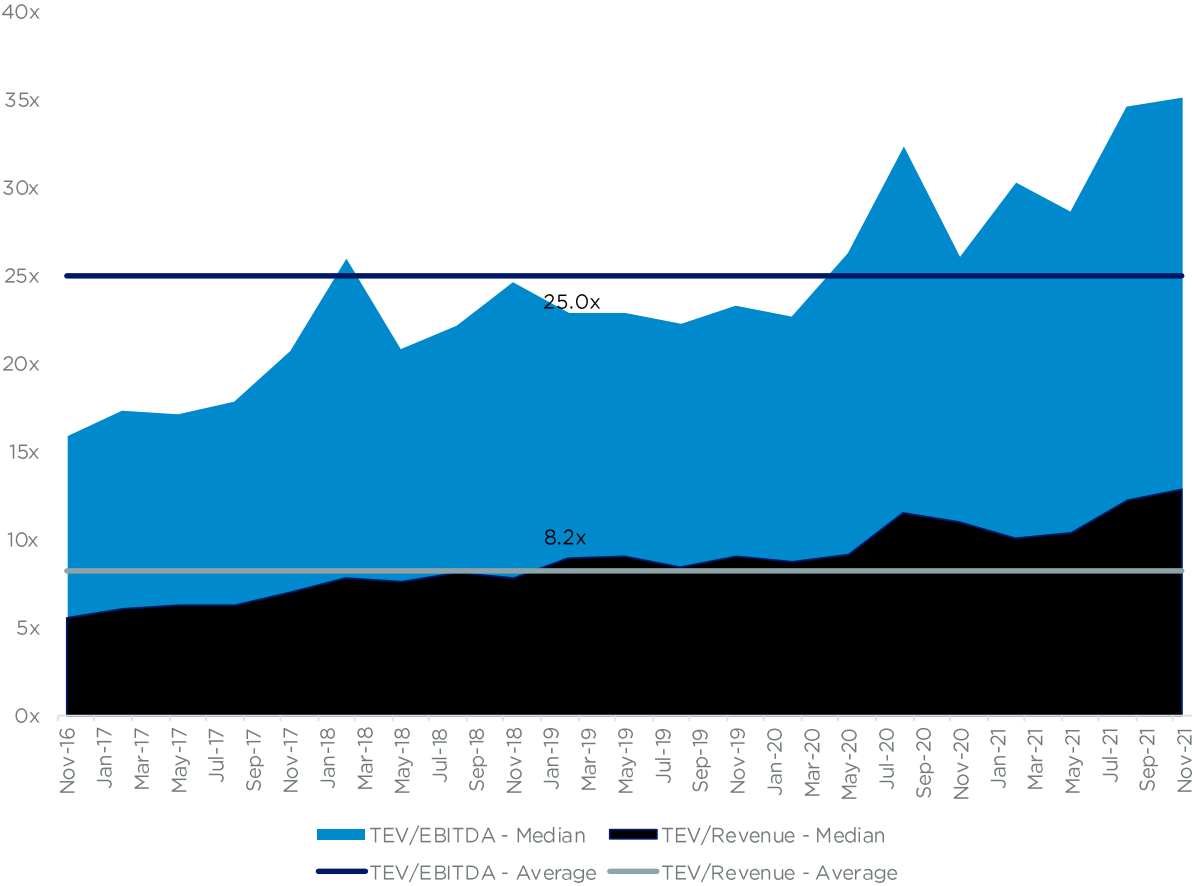


# Public Basket

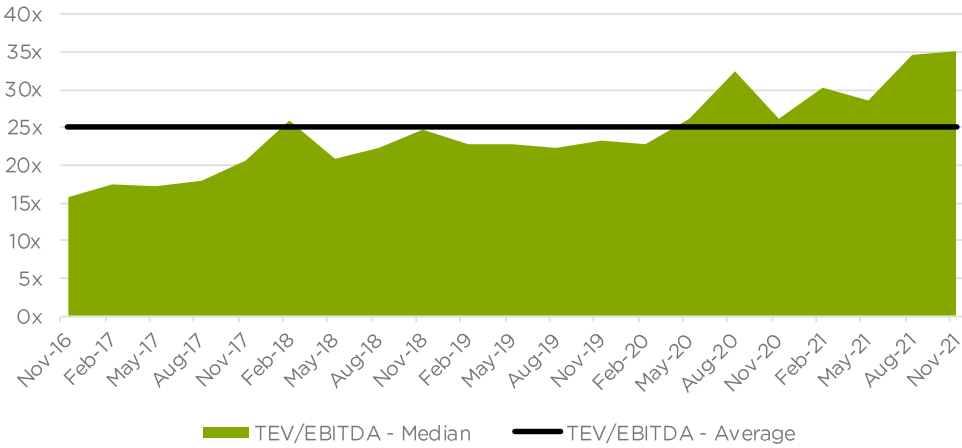
Company	TEV \$m	LTM EBITDA \$m	LTM Rev \$m	Rev Growth YoY	GP %	EBITDA %	TEV / Rev X	TEV / EBITDA X	# FTEs	Rev / FTE \$k
VMware	50,177	4,672	12,290	8.4%	82.4%	38.0%	4.1x	10.7x	34,000	361
Workday	67,967	1,595	4,894	17.6%	72.4%	32.6%	13.9x	42.6x	12,500	392
SAP	161,147	12,301	32,743	-1.6%	71.9%	37.6%	4.9x	13.1x	105,015	312
Intuit	188,104	3,571	10,317	31.6%	82.1%	34.6%	18.2x	52.7x	13,500	764
Salesforce.com	284,111	6,250	23,539	21.5%	74.3%	26.6%	12.1x	45.5x	56,606	416
Oracle	296,220	20,941	40,840	4.1%	80.2%	51.3%	7.3x	14.1x	132,000	309
Adobe Systems	313,548	7,117	15,099	21.4%	88.2%	47.1%	20.8x	44.1x	22,516	671
Microsoft	2,407,985	86,617	176,251	19.8%	68.9%	49.1%	13.7x	27.8x	181,000	974
<b>Average</b>	471,157	17,883	39,497	15.4%	77.6%	39.6%	11.9x	31.3x	69,642	525
<b>Median</b>	236,107	6,684	19,319	18.7%	77.3%	37.8%	12.9x	35.2x	45,303	404

share price as of 30Nov21

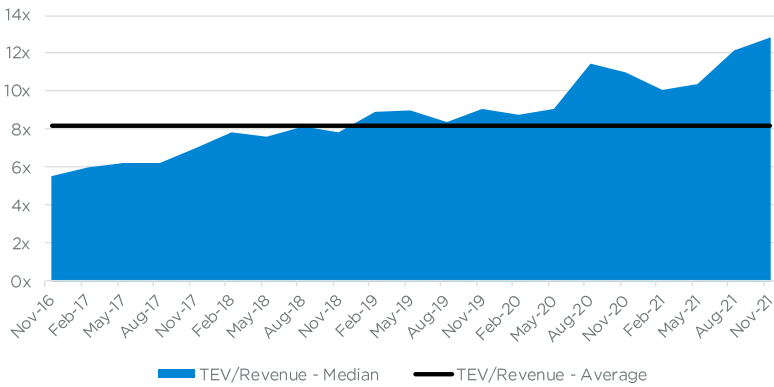
# Public Basket



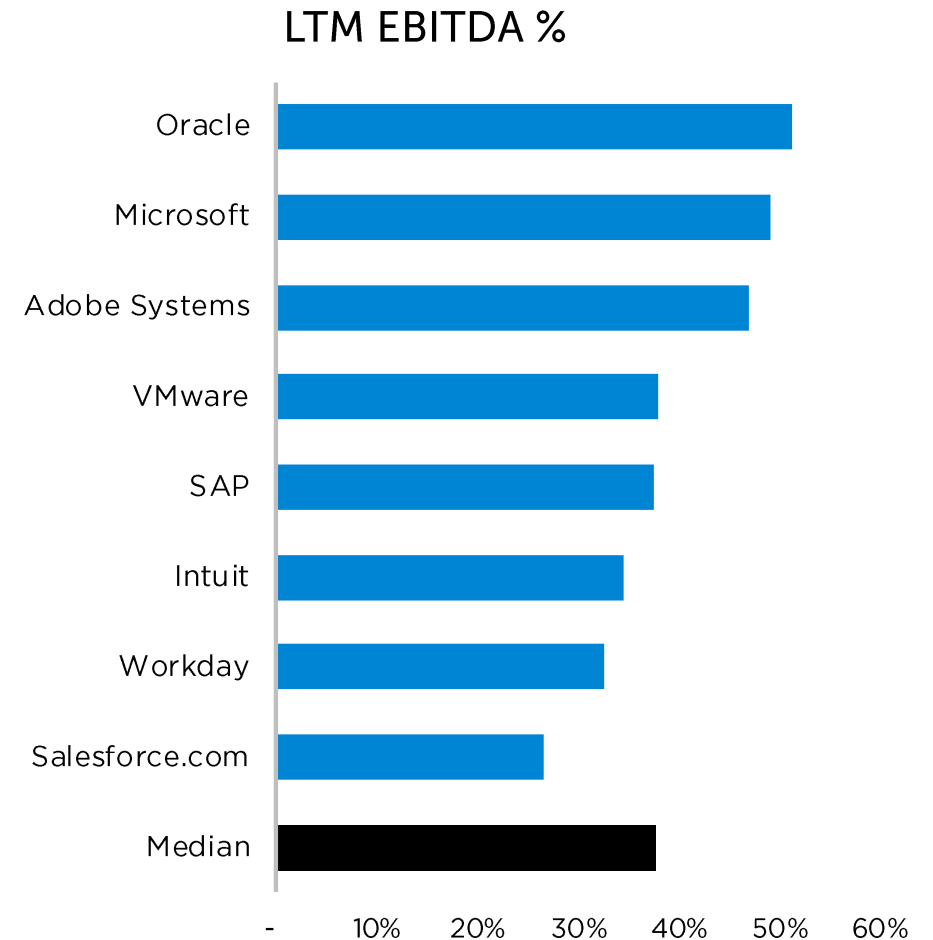
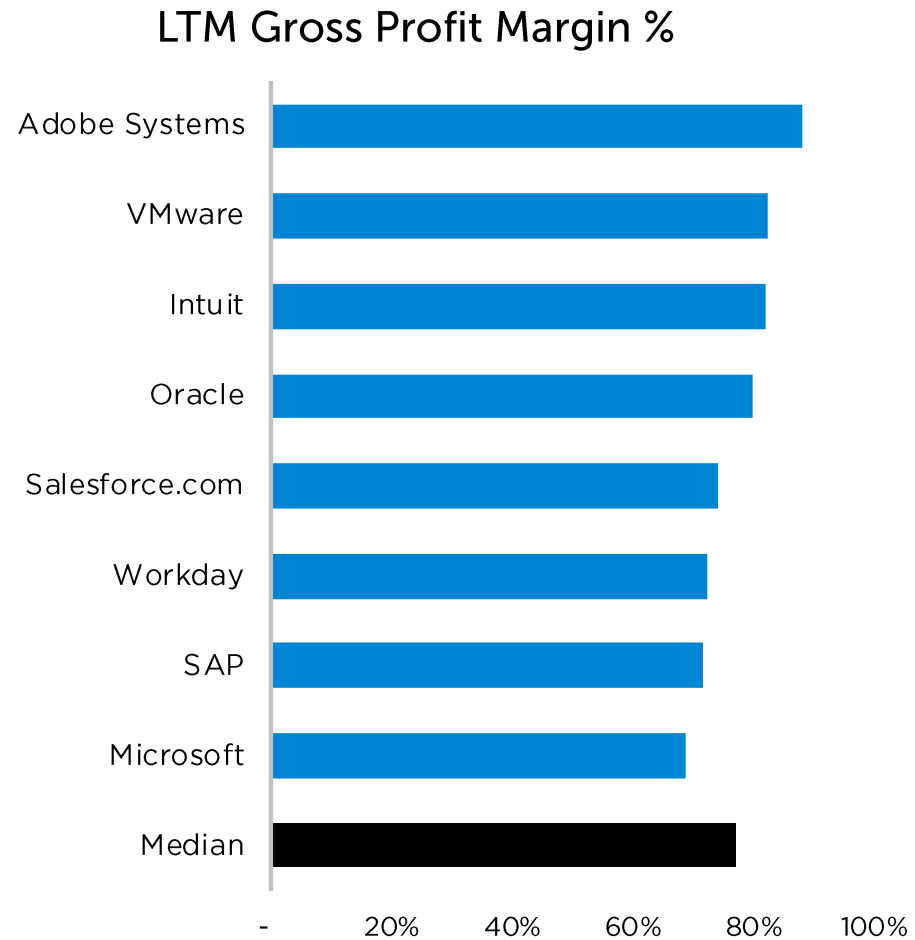
## Public EBITDA Multiples over Time



## Public Revenue Multiples over Time



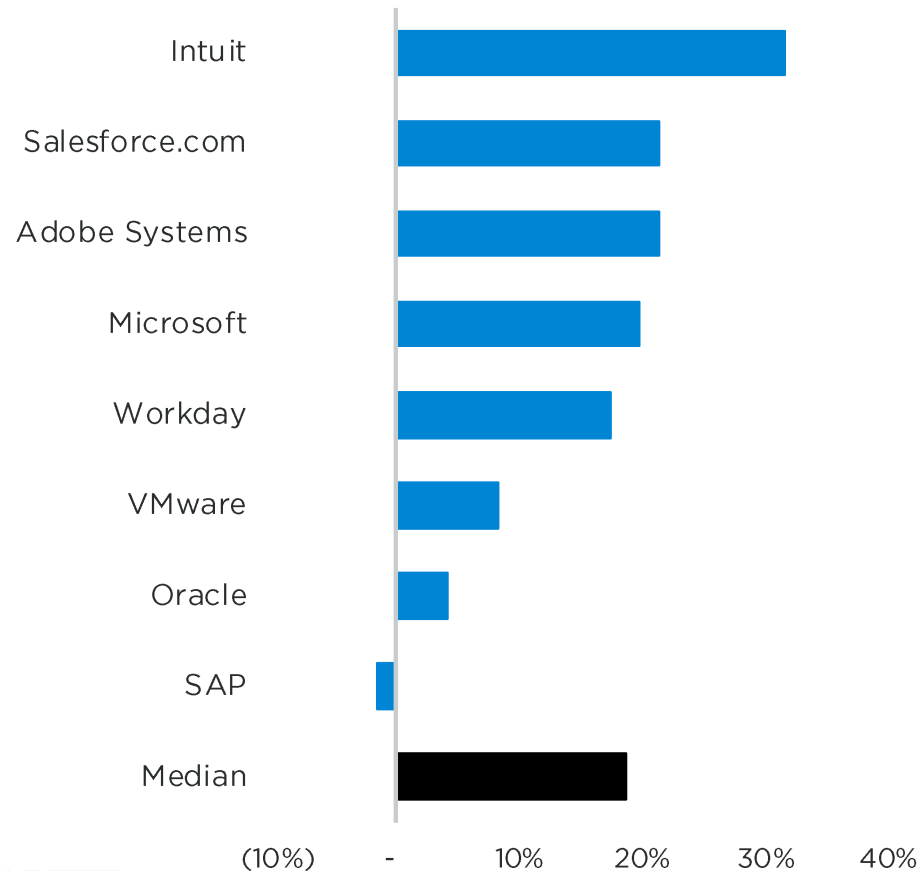
# Operational Metrics



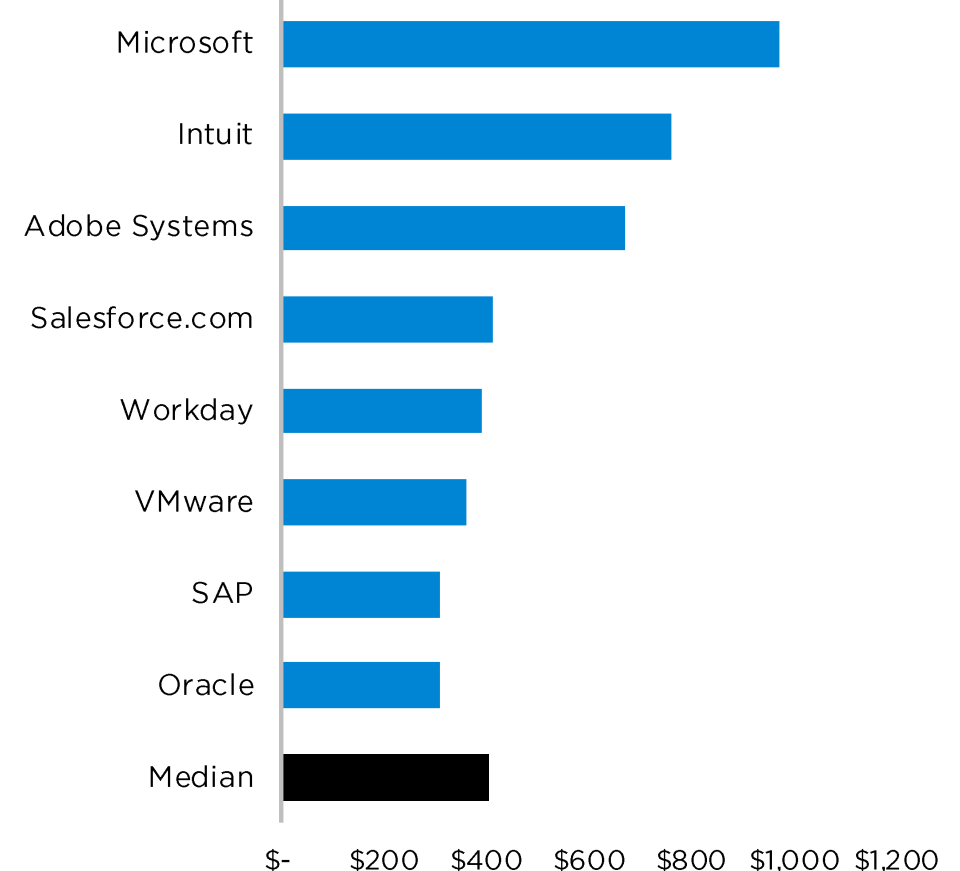


# Operational Metrics

LTM Revenue Growth %

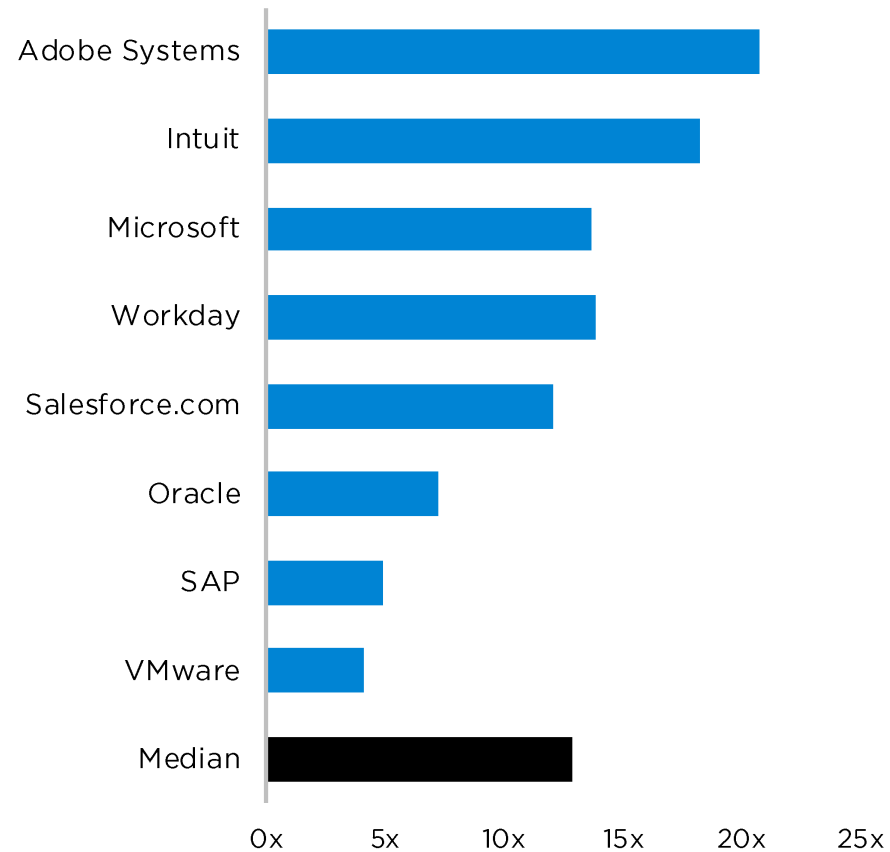


LTM Revenue per Full Time Employee x 000's

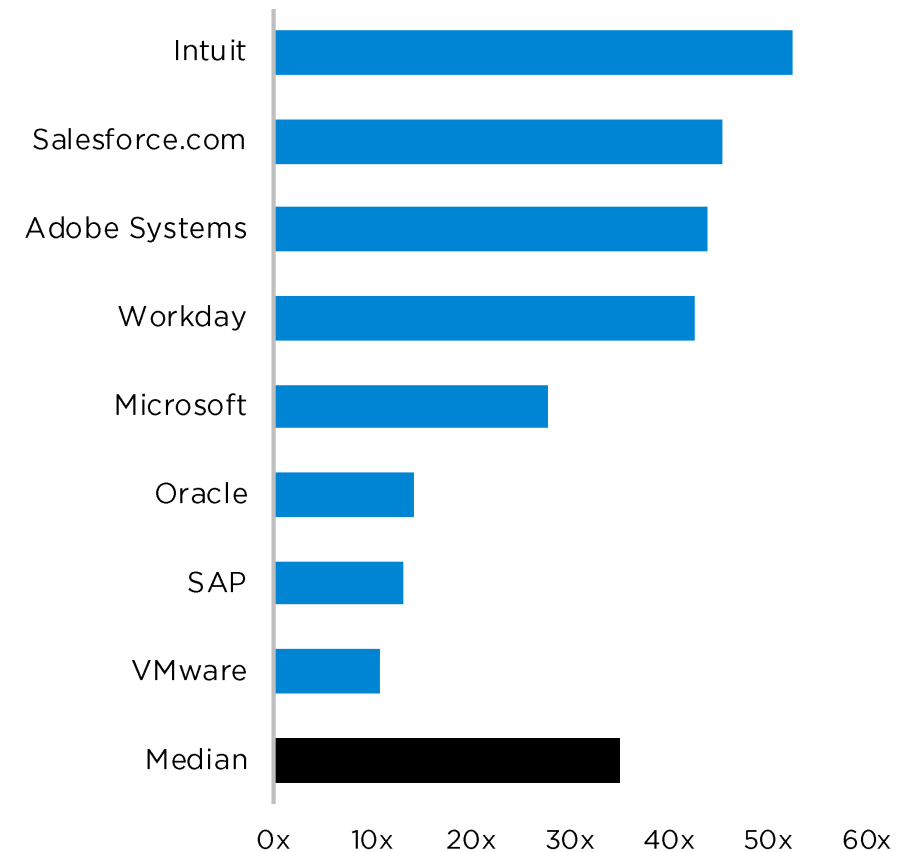


# Valuation

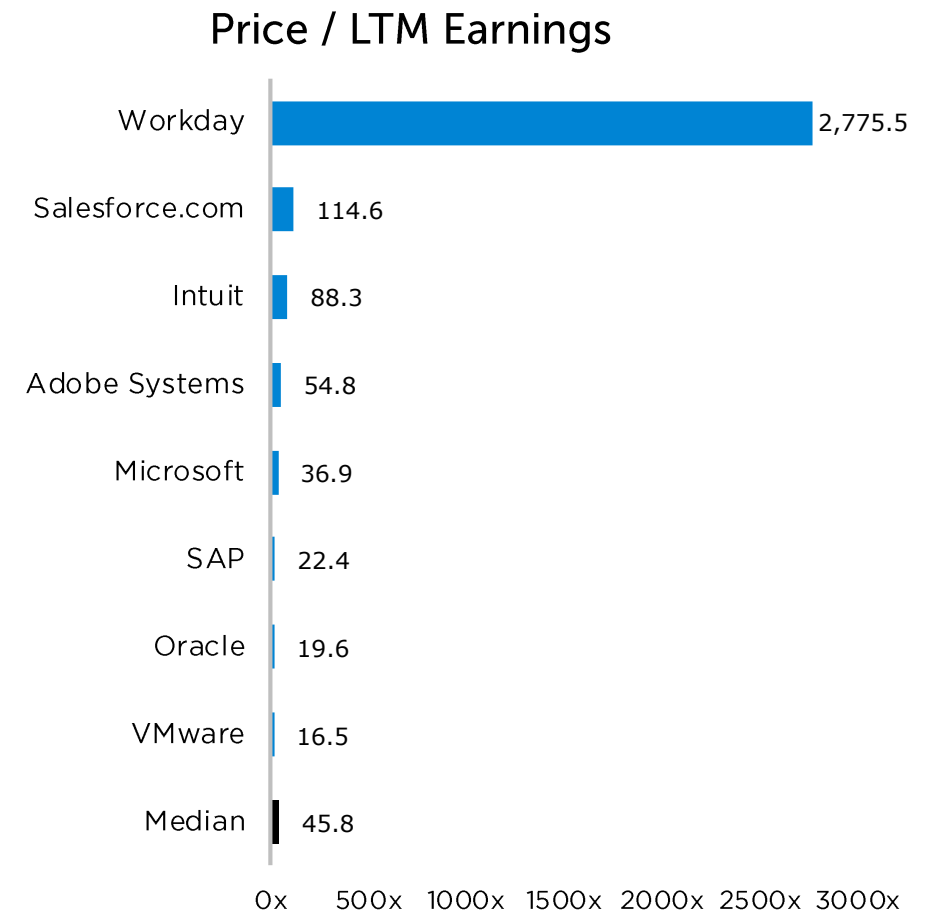
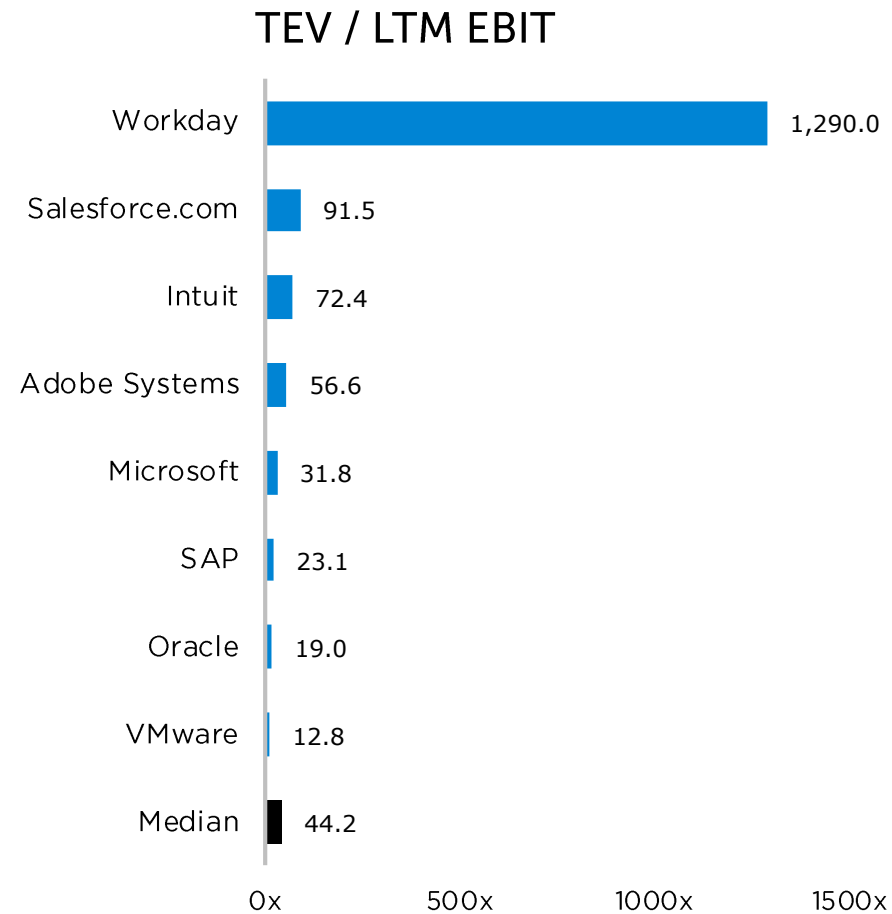
TEV / LTM Revenue



TEV / LTM EBITDA

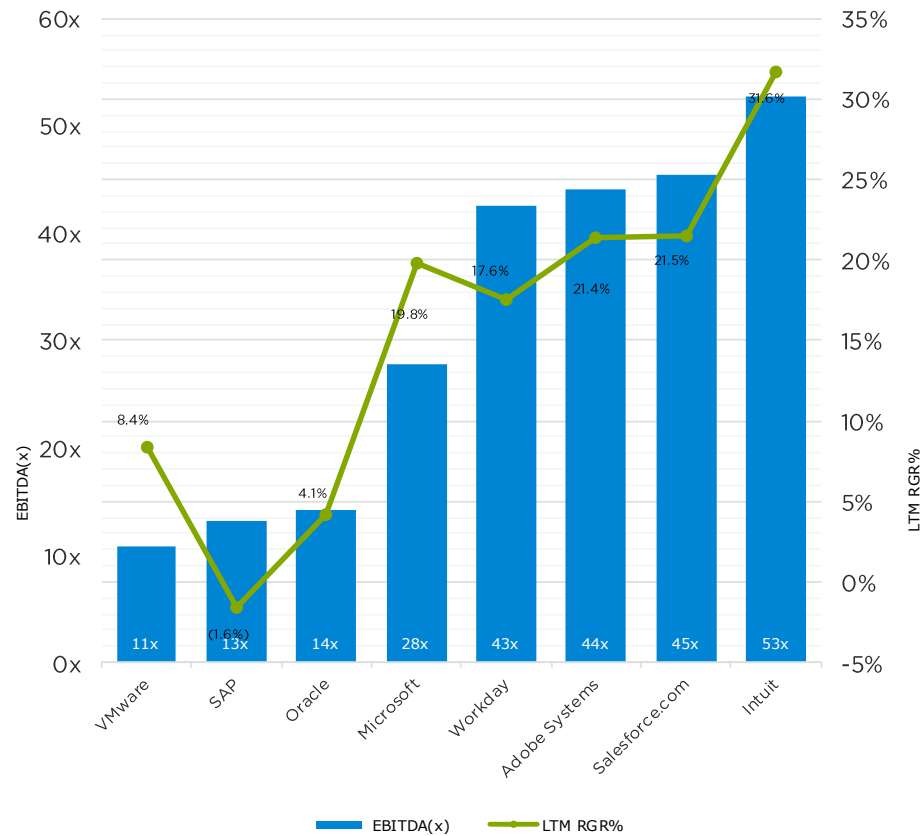


# Valuation

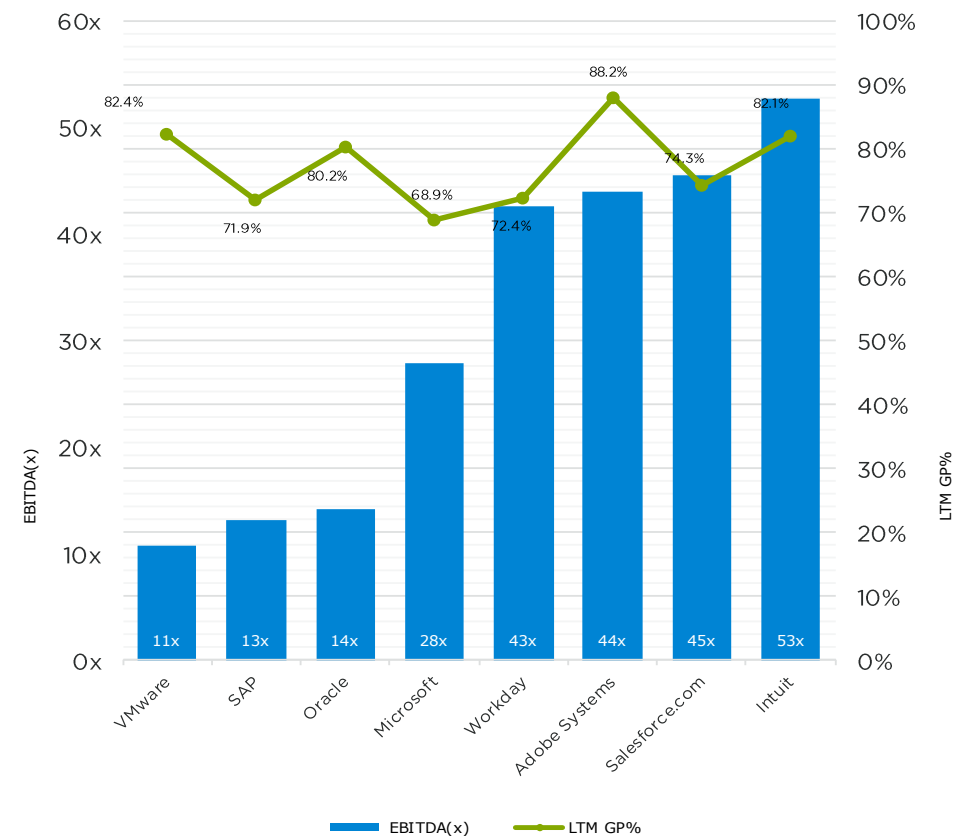


# Valuation

## 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
23-Nov-21	Snapview	BSI Business Systems Integration	-	-	-	-
18-Nov-21	Craft.io	Fosun RZ Capital	14.50	-	-	-
17-Nov-21	e-Emphasys	TA Associates Management	-	-	-	-
17-Nov-21	Lemonsoft	-	62.40	-	-	-
17-Nov-21	Paragon Data Labs	Jody Kochansky	2.30	-	-	-
10-Nov-21	Gett	Rosecliff Acquisition I	253.00	-	-	-
10-Nov-21	Gett	Access Technology Ventures	30.00	-	-	-
10-Nov-21	Woobie	-	0.05	-	-	-
20-Oct-21	Fyllo	Ambria Capital	40.00	-	-	-
05-Nov-21	Qad	Thoma Bravo	2000.00	327.45	5.69	99.69
02-Nov-21	Insilico Biotechnology	Yokogawa Electric	-	-	-	-
01-Nov-21	LeapYear (Business/Productivity Software)	Harpoon	16.00	-	-	-
01-Nov-21	SunSmart	Venture Garage	-	-	-	-
28-Oct-21	AptEdge	National Grid Partners	-	-	-	-
28-Oct-21	NeuVector	SUSE	130.00	-	-	-
27-Oct-21	qBotica	Peacock Ventures	1.00	-	-	-
27-Oct-21	Waterdata	-	-	-	-	-
26-Oct-21	Controltec	The Firmament Group	-	-	-	-
26-Oct-21	Identitii	-	4.41	-	-	-
26-Oct-21	Ultimedia	Remarkable Group International	-	-	-	-
22-Oct-21	Clear Software	Microsoft	-	-	-	-
22-Oct-21	Clear Software	Innovatemap	1.68	-	-	-
22-Oct-21	GoLinks	FundersClub	24.00	-	-	-
22-Oct-21	reeazily	Moxi Works	-	-	-	-
21-Oct-21	MediSponsor	-	-	-	-	-

# Appendix

*Public Basket  
Contact Information*



## VMware

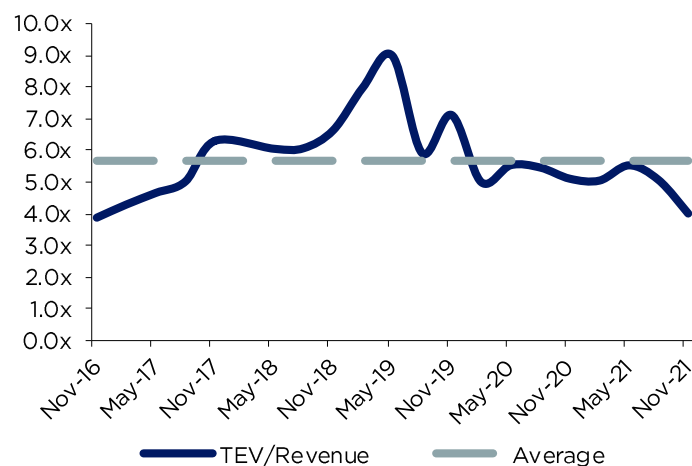
**VMware is an industry leader in virtualizing IT infrastructure and became a stand-alone entity after spinning off from Dell Technologies in November 2021.**

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.

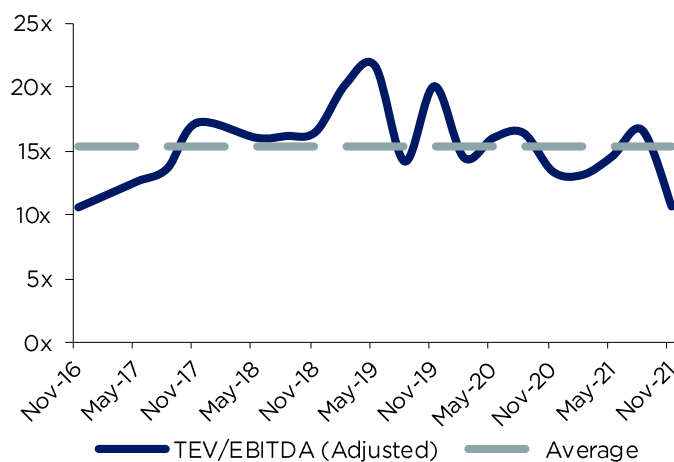
# Public Basket

VMware

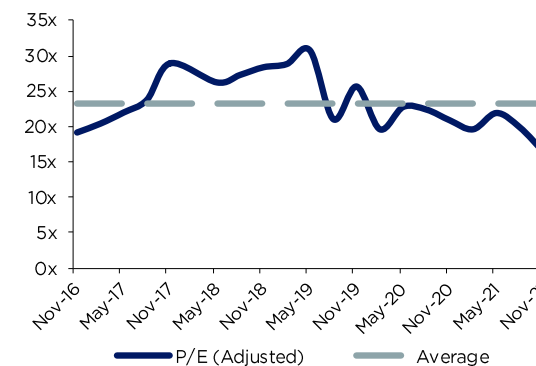
Revenue Multiples - VMware



EBITDA Multiples - VMware



P/E Multiples - VMware



Company Name	Date	Deal Synopsis
Mesh7	31-Mar-21	The company was acquired by VMware (NYS: VMW), a subsidiary of Dell Technologies (NYS: DELL), for an undisclosed amount on March 18, 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

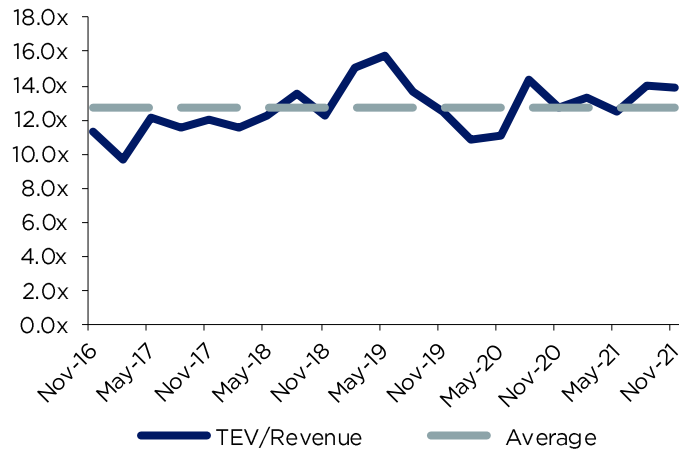
**Workday is a software company that offers human capital management, or HCM, financial management, and business planning solutions.**

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

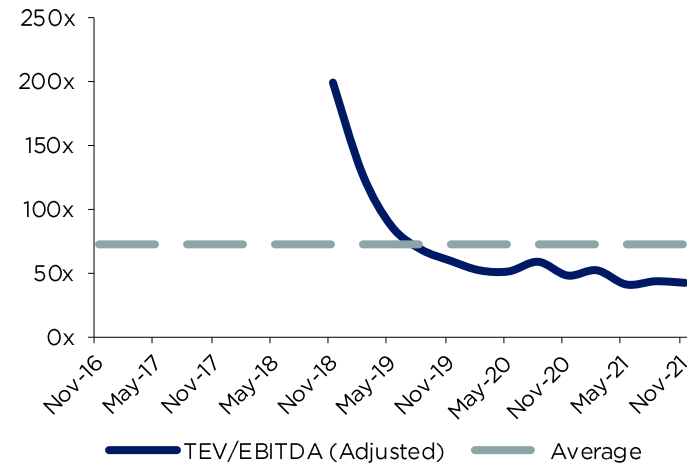
# Public Basket

Workday

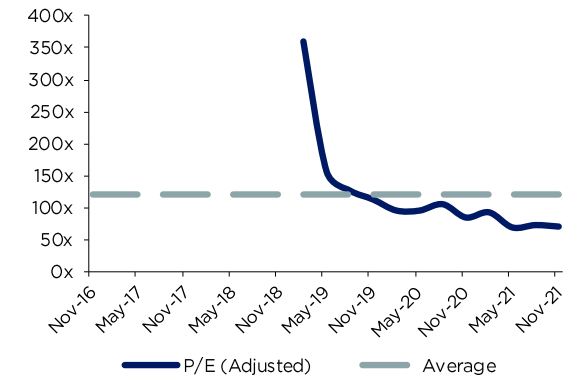
Revenue Multiples - Workday



EBITDA Multiples - Workday



P/E Multiples - Workday



Company Name	Date	Deal Synopsis
Zimit	08-Sep-21	The company was acquired by Workday (NAS: WDAY) on an undisclosed date.
Peakon	09-Mar-21	The company was acquired by Workday (NAS: WDAY) for \$701.74 million on March 9, 2021.

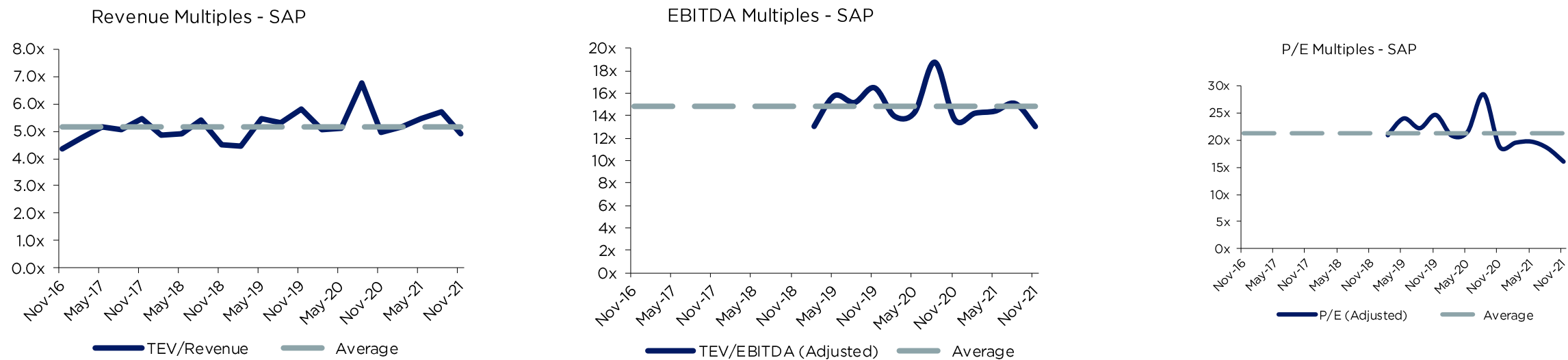
## SAP

**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
ScaleMP	1/6/20	The company was acquired by SAP (ETR: SAP) for an undisclosed amount on June 4, 2021.
SAP Pioneer	5/22/19	Dediq and SAP have entered into an agreement to form a joint venture as of April 13, 2021. As result of this transaction, SAP will hold a 20% stake in the company.

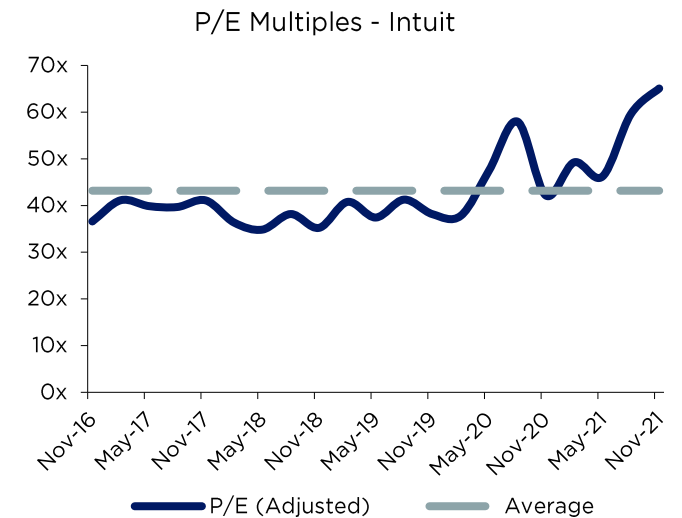
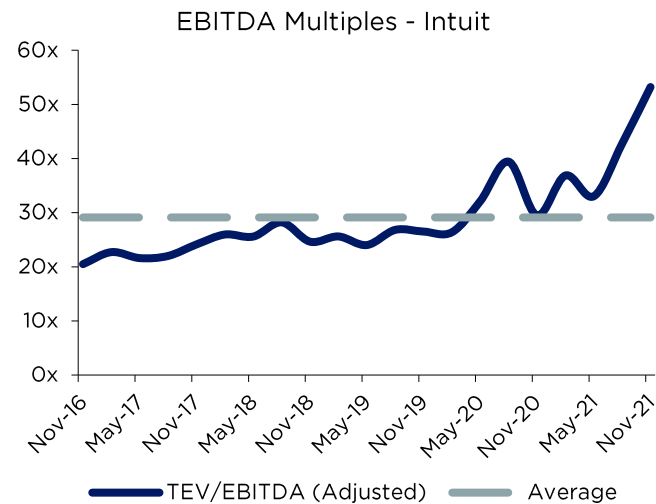
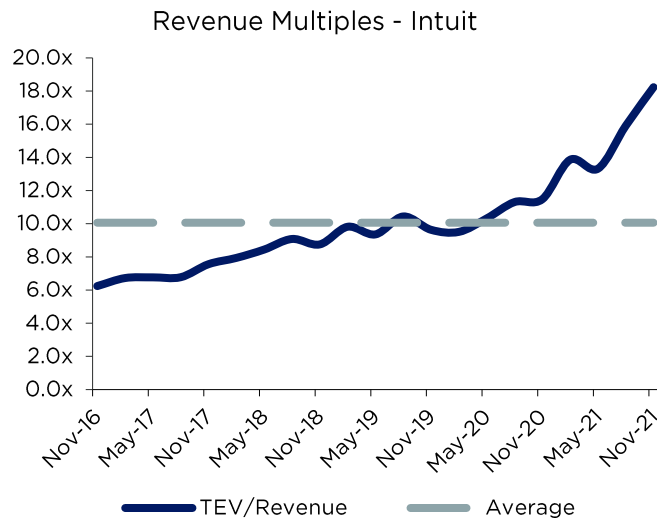
## Intuit

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
SeedFi	30-Sep-21	The company raised \$15 million of Series B venture funding from Intuit, Flourish Ventures and Andreessen Horowitz on September 30, 2021, putting the company's pre-money valuation at \$50 million. Intersection Fintech Ventures also participated in the round.
Clearco	08-Jul-21	The company raised \$215 million of Series C venture funding in a deal led by SoftBank Investment Advisers on July 8, 2021. Bow Capital and 5 other investors also participated in the round. The company intends to use the fund to accelerate its international expansion.

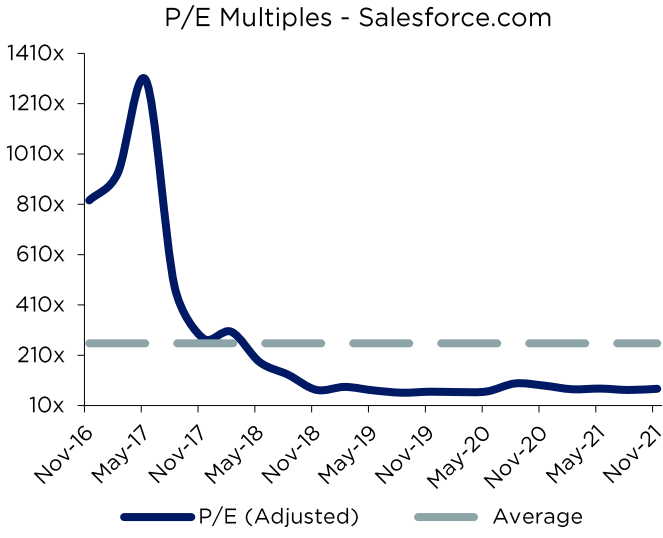
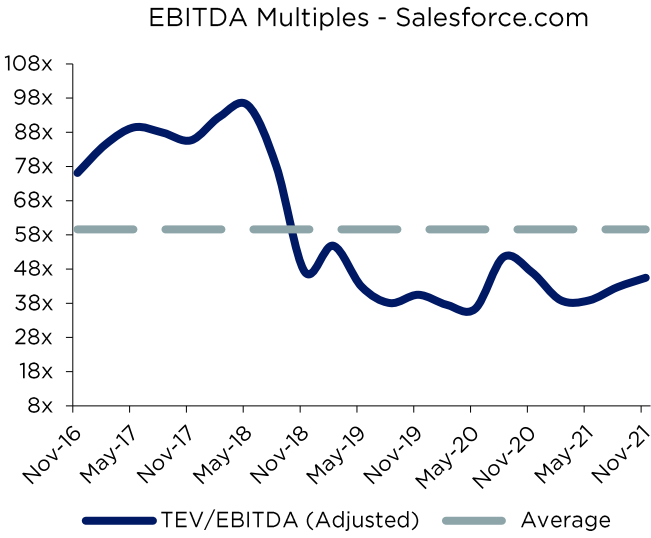
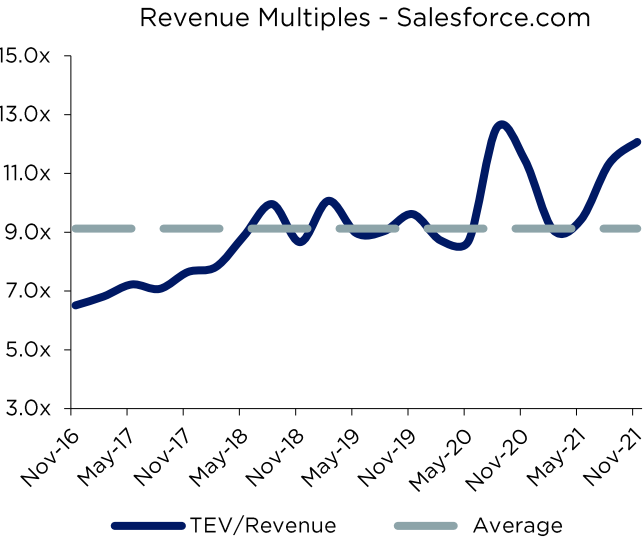
Salesforce.com

**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
LevelJump	01-Oct-21	The company was acquired by Salesforce for an undisclosed sum on October 01 2021.
Servicetrace	02-Sep-21	The company was acquired by Salesforce.com (NYS: CRM) for an undisclosed amount on September 2, 2021. The acquisition will help Salesforce.com clients streamline their sales operations and customer case resolution. i5invest also participated in the round



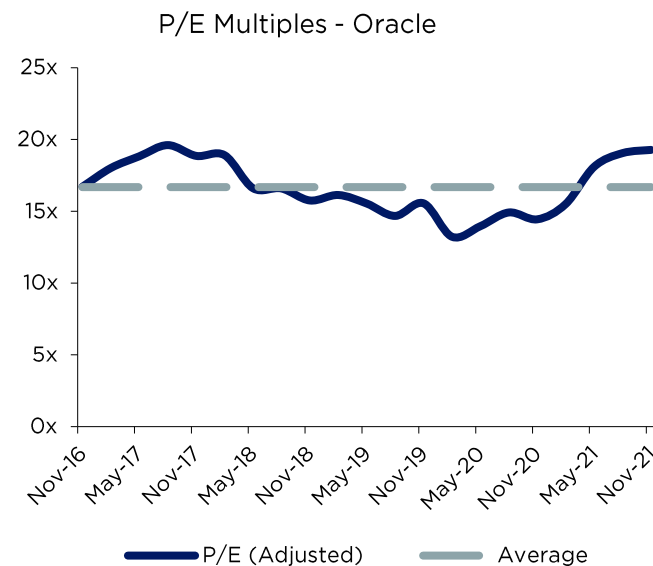
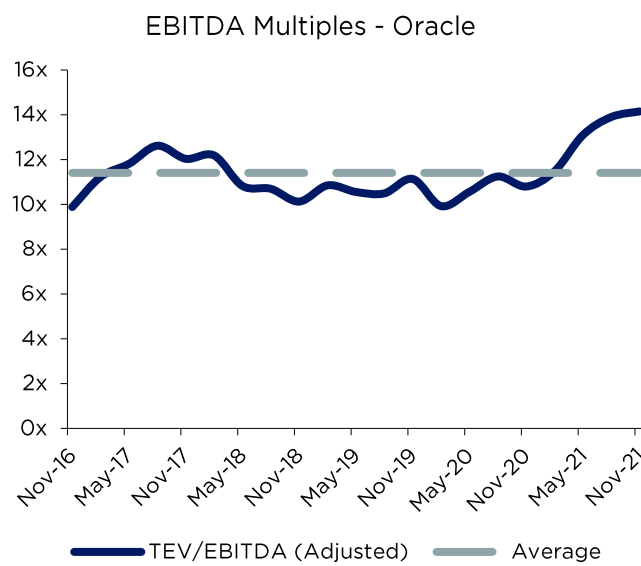
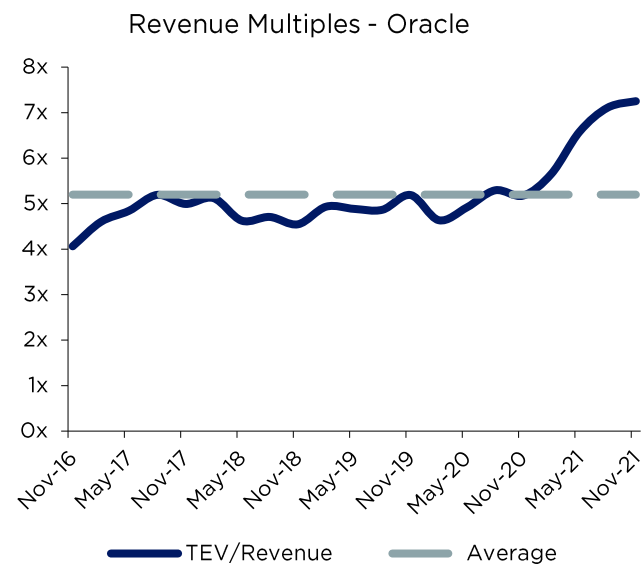
## Oracle

**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
GloriaFood	25-Jun-21	The company was acquired by Oracle (NYS: ORCL) for an undisclosed amount on June 25, 2021. The acquisition will allow the acquirer to expand the ecosystem of HoReCa MICROS Symphony Cloud POS orders with a global ordering and marketing system to enable restaurants of all sizes to go digital and serve customers directly via the web, mobile, and applications.
FarApp	06-Apr-21	The company was acquired by Oracle (NYS: ORCL) for an undisclosed amount on April 6, 2021. The acquisition enable Oracle a more seamless and unified experience for NetSuite customers. The FarApp team will join the Oracle NetSuite Global Business Unit organization.

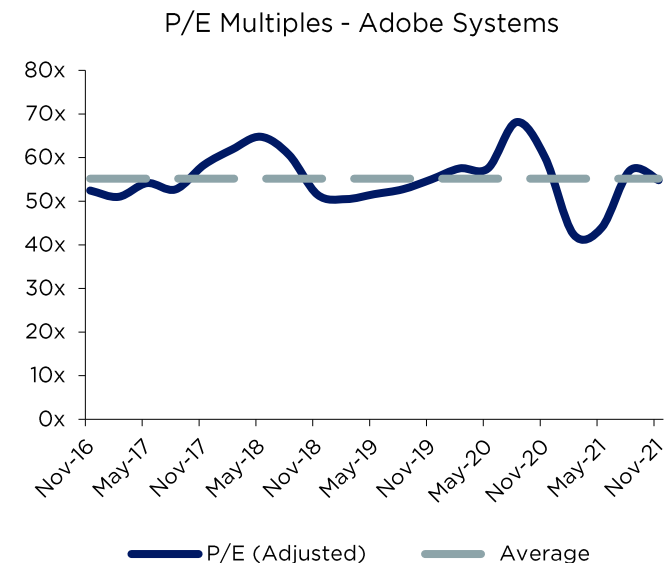
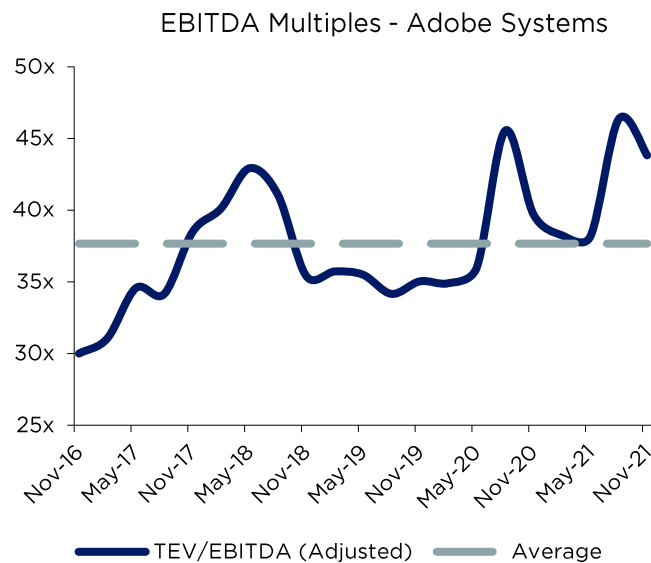
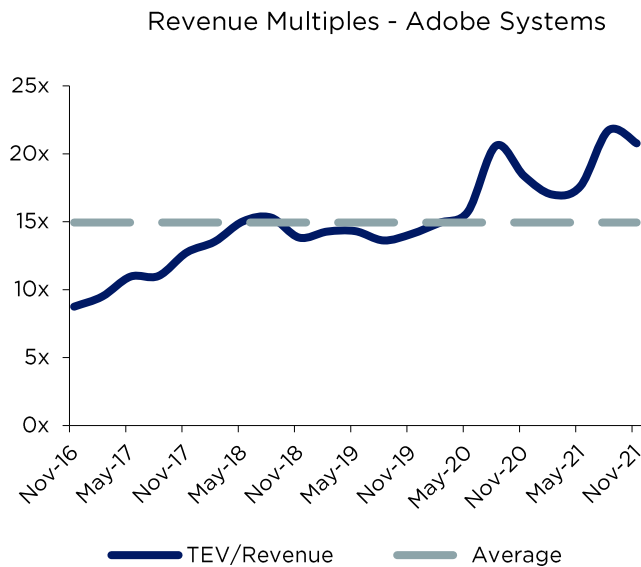
## Adobe Systems

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
Tiled	08-Sep-21	The company raised \$13.70 million through a combination of Series A 1, Series A 2 and Series A 3 venture funding in a deal led by Signal Peak Ventures on September 8, 2021, putting the company's pre-money valuation at \$35 million. Seismic (Business/Productivity Software), Adobe Systems, University Growth Fund, and BYU Cougar Capital also participated in the round.
Workfront	07-Dec-20	The company was acquired by Adobe Systems (NAS: ADBE) for \$1.524 billion on December 7, 2020.

## Microsoft

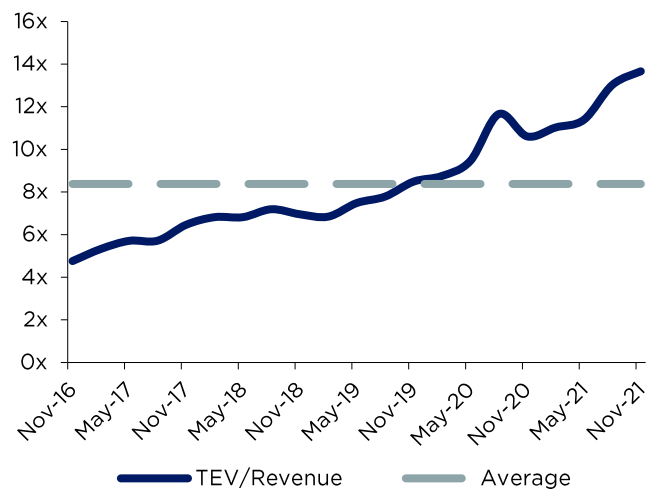
### Microsoft develops and licenses consumer and enterprise software.

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).

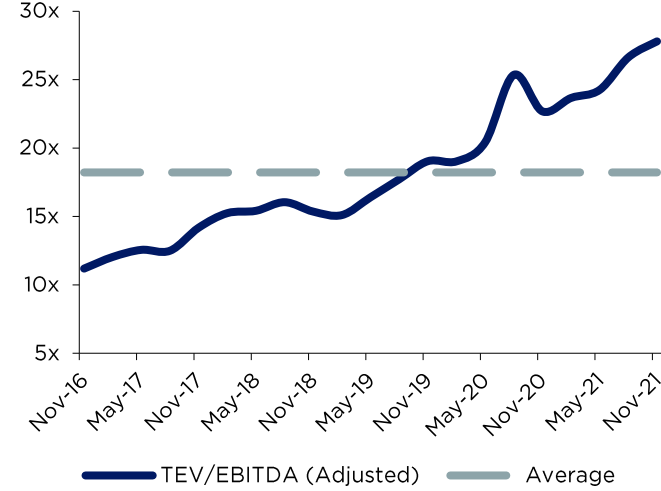
# Public Basket

Microsoft

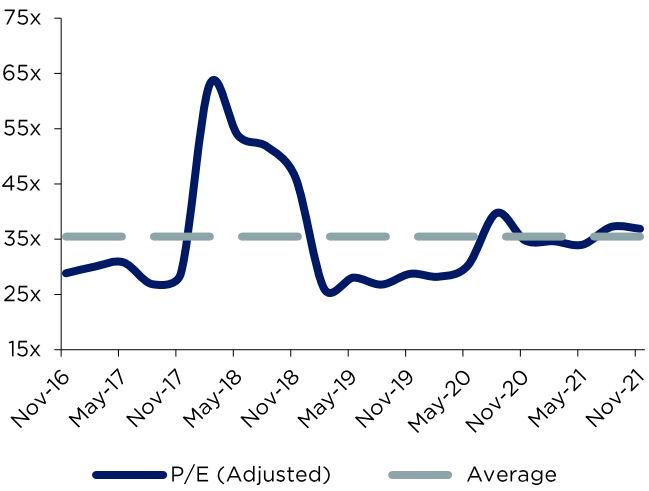
Revenue Multiples - Microsoft



EBITDA Multiples - Microsoft



P/E Multiples - Microsoft



Company Name	Date	Deal Synopsis
Truveta	09-Nov-21	The company raised \$100 million of venture funding from Microsoft and other undisclosed investors on November 9, 2021.
Clear Software	22-Oct-21	The company was acquired by Microsoft (NAS: MSFT) for an undisclosed amount on October 22, 2021. The acquisition will allow Clear Software's API access and system knowledge to strengthen Microsoft Power Platform's integration with outside systems and accelerate how customers leverage data and processes that reside beyond Microsoft first-party services.

# Contact Info

**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. Securities offered through 7M Securities LLC.

Leroy Davis, Partner	704.899.5962	leroy@7mileadvisors.com
Tripp Davis, Partner	704.899.5762	tripp@7mileadvisors.com
Andy Johnston, Partner	704.899.5961	andy@7mileadvisors.com
John Cooper, Partner	704.973.3996	john@7mileadvisors.com
Mark Landry, Partner	561.972.0609	mark@7mileadvisors.com
Simon Baitler, Executive Managing Director	310.829.1635	simon.baitler@7mileadvisors.com
Tim Frye, Managing Director	704.973.3994	tim@7mileadvisors.com
Kristina Sergueeva, Managing Director	704.899.5149	kristina@7mileadvisors.com
Horacio Yenaropulos, Managing Director	(+) 54.261.4617300	horacio@7mileadvisors.com
Chris Calton, Senior Advisor	629.236.6119	chris.calton@7mileadvisors.com
Steve Buffington, Vice President	704.960.1828	steve@7mileadvisors.com
Ben Garber, Vice President	412.626.7898	ben.garber@7mileadvisors.com
Garth Martin, Vice President	704.973.3997	garth.martin@7mileadvisors.com
Nicholas Prendergast, Vice President	704.973.3995	nicholas@7mileadvisors.com
Sydney Scadden, Vice President	704.973.3998	sydney@7mileadvisors.com
Ilia Ulianchuk, Vice President	704.414.8743	ilia@7mileadvisors.com
Ariail Barker, Director, Sales & Marketing	704.981.2908	ariail@7mileadvisors.com
Ben Bruggeworth, VP, Business Development	704.365.8859	ben.bruggeworth@7mileadvisors.com
Steve Sypek, VP, Business Development	704.414.8736	steve.sypek@7mileadvisors.com
Emily Halstenberg, Marketing & Sales Manager	704.409.9912	emily@7mileadvisors.com
Alexis Papa, Marketing & Sales Coordinator	704.414.8732	lexi.papa@7mileadvisors.com
Nic Anderko, Analyst, Business Development	704.398.3991	nic.anderko@7mileadvisors.com
Kevin Postigo, Associate	704.912.4903	kevin.postigo@7mileadvisors.com
Conor Smith, Associate	704.855.2134	conor.smith@7mileadvisors.com
Nic Anderle, Senior Analyst	704.826.7492	nic.anderle@7mileadvisors.com
Chris McConnell, Senior Analyst	704.912.4584	chris@7mileadvisors.com
Adam Alderfer, Analyst	704.644.1917	adam@7mileadvisors.com
Lucas Cerbelli, Analyst	704.336.0118	lucas@7mileadvisors.com
Tanner Lange, Analyst	704.672.0611	tanner.lange@7mileadvisors.com
Trent McCauley, Analyst	704.644.1916	trent.mccauley@7mileadvisors.com
Tyler Ratterree, Analyst	704.706.9168	tyler@7mileadvisors.com