



## RECENT NOTABLE HCM TECHNOLOGY SECTOR ACTIVITY

Closed 7/27/2017



Enterprise Value: Not Public

Revenue Multiple: Not Public

[Press Release](#)

Closed 7/13/2017



Enterprise Value: Not Public

Revenue Multiple: Not Public

[Press Release](#)

Closed 7/25/2017



Equity Raised: \$35.0m

Revenue Multiple: Not Public

[Press Release](#)

Closed 7/11/2017



Equity Raised: \$48.0m

Revenue Multiple: Not Public

[Press Release](#)

Closed 7/17/2017



Enterprise Value: Not Public

Revenue Multiple: Not Public

[Press Release](#)

Closed 7/6/2017



Equity Raised: \$15.9m

Revenue Multiple: Not Public

[Press Release](#)

Closed 7/14/2017



Enterprise Value: Not Public

Revenue Multiple: Not Public

[Press Release](#)

7/17/2017

7/24/2017



Targeting Mid-Market and SMB

[Press Release](#)

[Press Release](#)

Published 7/12/2017



The Pop-Up Employer: Build a Team, Do the Job, Say Goodbye

[Press Release](#)

Published 7/7/2017



Recruiters Use 'Geofencing' To Target Potential Hires Where They Live And Work

[Press Release](#)

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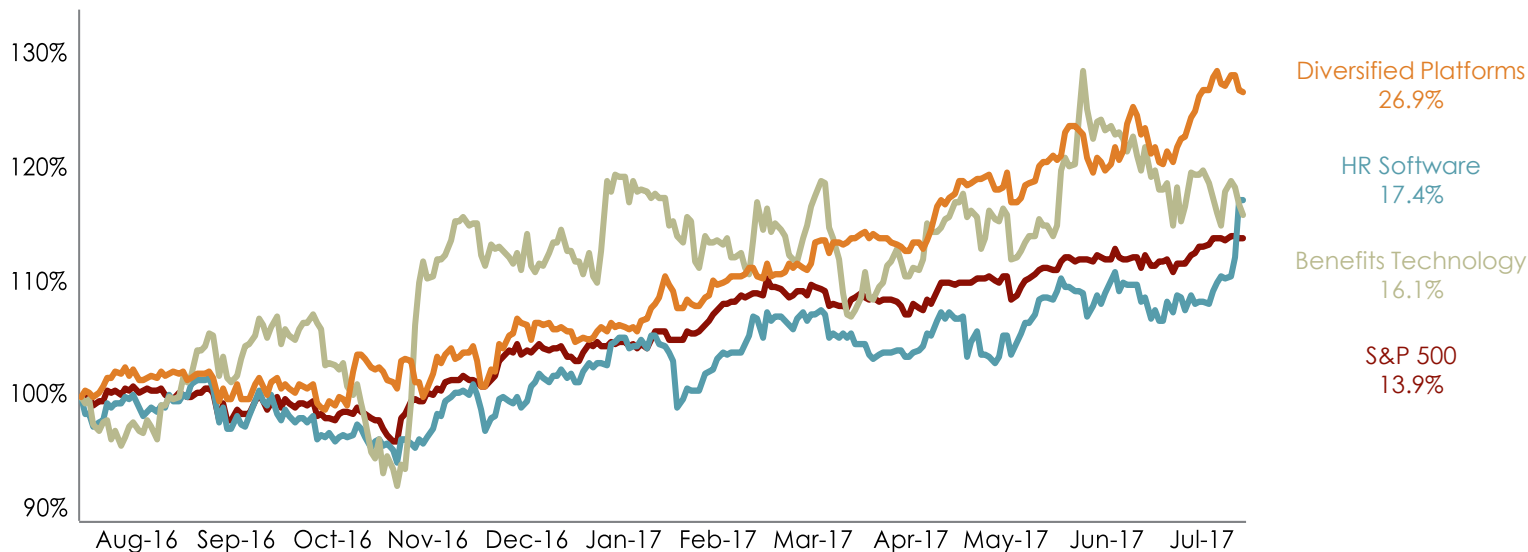
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VALUATION SUPPORT<sup>(1)</sup>

# LTM Equity Trading Performance

(Price as a Percent of Base Period as of July 31, 2017)



Companies Recently Reporting Earnings are Linked Below

	2017E Revenue Growth Rate	2017E EBITDA Margin	EV/2017E Revenue	EV/2017E EBITDA	
<b>HR Software</b>	Asure Software	50.8%	22.8%	2.7x	11.6x
	Workday	33.7%	14.4%	9.5x	NM
	Paycom Software	29.7%	27.8%	9.5x	NM
	Ultimate Software	23.9%	24.3%	7.1x	29.1x
	Callidus Software	18.3%	12.4%	5.7x	NM
	Cornerstone OnDemand	13.8%	11.2%	4.7x	NM
	Paylocity	12.4%	17.0%	8.1x	NM
	Paychex	7.8%	43.9%	6.2x	14.2x
	<a href="#">ADP</a>	2.8%	21.0%	4.2x	20.1x
	<a href="#">DHI Group</a>	(6.9%)	20.6%	0.8x	3.7x
<b>Benefits Technology</b>	WageWorks	32.4%	29.9%	4.4x	14.8x
	Castlight Health	31.3%	NM	2.5x	NM
	HealthEquity	29.2%	36.1%	12.0x	NM
	Benefitfocus	13.8%	6.0%	4.4x	NM
	Connecture	(6.5%)	NM	1.4x	NM
<b>Diversified Platforms</b>	<a href="#">SAP</a>	19.8%	32.1%	4.7x	14.6x
	Oracle	4.5%	46.4%	5.2x	11.2x
	<a href="#">Microsoft</a>	2.3%	39.2%	5.4x	13.9x
			<b>Median 6.0x</b>	<b>Median 14.2x</b>	
			<b>Median 4.4x</b>	<b>Median 14.8x</b>	
			<b>Median 5.2x</b>	<b>Median 13.9x</b>	

Note: Companies with EV/EBITDA less than zero or greater than 30x are listed as NM

VALUATION SUPPORT<sup>(1)</sup>

As of July 31, 2017  
(\$ in 000s)

Company	Market Capitalization	Enterprise Value	Revenue		EBITDA Margin		Multiples Summary			
			2017E	2018P	2017E	2018P	EV/Rev		EV/EBITDA	
			2017E	2018P	2017E	2018P	2017E	2018P	2017E	2018P
<b>HR Software</b>										
Automatic Data Processing, Inc.	\$53,201,523	\$52,078,214	\$12,379,800	\$13,501,444	21.0%	21.4%	4.2x	3.9x	20.1x	18.1x
Workday, Inc. Class A	21,045,280	19,469,901	2,051,944	2,527,387	14.4%	15.9%	9.5x	7.7x	NM	NM
Paychex, Inc.	20,791,059	20,620,376	3,313,205	3,425,056	43.9%	44.0%	6.2x	6.0x	14.2x	13.7x
Ultimate Software Group, Inc.	6,707,198	6,853,944	967,652	1,125,379	24.3%	23.8%	7.1x	6.1x	29.1x	25.6x
Paycom Software, Inc.	4,165,238	4,062,341	426,964	536,834	27.8%	29.1%	9.5x	7.6x	NM	26.0x
Paylocity Holding Corp.	2,342,160	2,399,923	297,711	413,394	17.0%	18.4%	8.1x	5.8x	NM	NM
Cornerstone OnDemand, Inc.	2,290,455	2,257,375	481,642	555,840	11.2%	15.0%	4.7x	4.1x	NM	27.1x
Callidus Software Inc.	1,576,365	1,403,439	244,635	290,946	12.4%	13.7%	5.7x	4.8x	NM	NM
Asure Software, Inc.	161,914	142,074	53,580	67,566	22.8%	24.2%	2.7x	2.1x	11.6x	8.7x
DHI Group, Inc.	110,902	162,309	211,289	211,931	20.6%	21.3%	0.8x	0.8x	3.7x	3.6x
<b>Median</b>	<b>\$3,253,699</b>	<b>\$2,399,923</b>	<b>\$454,303</b>	<b>\$546,337</b>	<b>20.8%</b>	<b>21.3%</b>	<b>6.0x</b>	<b>5.3x</b>	<b>14.2x</b>	<b>18.1x</b>
<b>Benefits Technology</b>										
HealthEquity Inc	2,751,007	2,706,207	224,835	270,947	36.1%	37.8%	12.0x	10.0x	NM	26.4x
WageWorks, Inc.	2,578,073	2,137,234	482,842	527,958	29.9%	31.5%	4.4x	4.0x	14.8x	12.8x
Benefitfocus, Inc.	1,109,787	1,171,433	265,571	315,119	6.0%	9.5%	4.4x	3.7x	NM	NM
Castlight Health, Inc. Class B	561,210	337,522	133,536	169,513	NM	NM	2.5x	NM	NM	NM
Connecture Inc.	18,432	108,362	76,597	83,753	NM	3.3%	1.4x	NM	NM	NM
<b>Median</b>	<b>\$1,109,787</b>	<b>\$1,171,433</b>	<b>\$224,835</b>	<b>\$270,947</b>	<b>29.9%</b>	<b>20.5%</b>	<b>4.4x</b>	<b>4.0x</b>	<b>14.8x</b>	<b>19.6x</b>
<b>Diversified Platforms</b>										
Microsoft Corporation	561,435,813	525,262,280	96,700,000	108,128,740	39.2%	39.8%	5.4x	4.9x	13.9x	12.2x
Oracle Corporation	206,544,547	204,332,100	39,319,320	40,373,890	46.4%	47.2%	5.2x	5.1x	11.2x	10.7x
SAP SE	129,893,094	130,078,004	27,884,941	30,057,448	32.1%	33.0%	4.7x	4.3x	14.6x	13.1x
<b>Median</b>	<b>\$206,544,547</b>	<b>\$204,332,100</b>	<b>\$39,319,320</b>	<b>\$40,373,890</b>	<b>39.2%</b>	<b>39.8%</b>	<b>5.2x</b>	<b>4.9x</b>	<b>13.9x</b>	<b>12.2x</b>

Values less than 0.0x or greater than 30.0x are denoted NM or Not Meaningful  
EBITDA Margins less than 0.0% are noted NM or Not Meaningful

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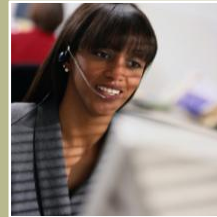
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### SOURCES

- 1) FactSet
- 2) PitchBook
- 3) HW&Co. proprietary transaction information

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