



RECENT NOTABLE HCM TECHNOLOGY SECTOR ACTIVITY

Announced 1/29/2018



Enterprise Value: \$2.4b

Revenue Multiple: 10.0x

[Press Release](#)

Announced 1/24/2018



Enterprise Value: Not Public

Revenue Multiple: Not Public

[Press Release](#)

Published 1/23/2018



LinkedIn seeks to define the LMS market by delving into data

[Press Release](#)

Announced 1/22/2018



Enterprise Value: Not Public

Revenue Multiple: Not Public

[Press Release](#)

Announced 1/22/2018



Equity Raised: Not Public

Revenue Multiple: Not Public

[Press Release](#)

Announced 1/22/2018



Equity Raised: \$13.3m

Revenue Multiple: Not Public

[Press Release](#)

Published 1/19/2018



Act as an HR person in Chimeria's new game: Grayscale

[Press Release](#)

Announced 1/17/2018



Enterprise Value: Not Public

Revenue Multiple: Not Public

[Press Release](#)

Announced 1/12/2018



Enterprise Value: Not Public

Revenue Multiple: Not Public

[Press Release](#)

Announced 1/2/2018



Equity Raised: Not Public

Revenue Multiple: Not Public

[Press Release](#)

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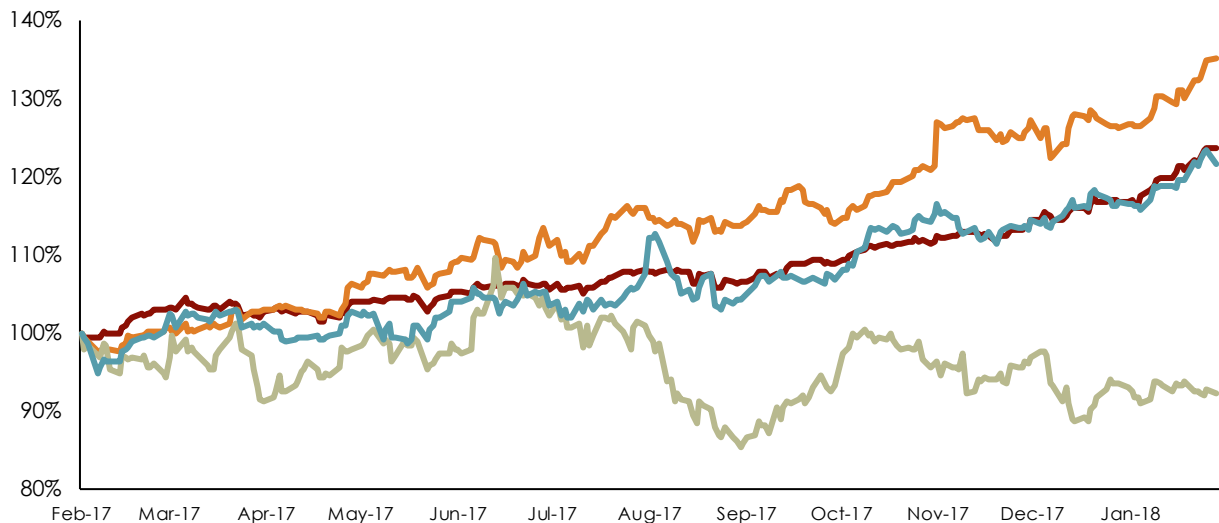
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VALUATION SUPPORT⁽¹⁾

LTM Equity Trading Performance

(Price as a Percent of Base Period as of January 31st, 2018)



Diversified Platforms
35.1%

S&P 500
23.7%

HR Software
21.7%

Benefits Technology
(7.8%)

Companies Recently Reporting Earnings are Linked Below

| | 2018E Revenue Growth Rate | 2018E EBITDA Margin | EV/2018E Revenue | EV/2018E EBITDA | |
|------------------------------|---------------------------|---------------------|------------------|-----------------|-------------|
| HR Software | Asure Software | 43.6% | 24.0% | 3.0x | 12.5x |
| | Paylocity | 37.1% | 20.8% | 6.5x | 31.4x |
| | Paycom Software | 25.6% | 30.7% | 10.0x | 32.6x |
| | Workday | 22.7% | 16.7% | 8.6x | NM |
| | Callidus Software | 20.1% | 15.5% | 6.6x | Median 6.4x |
| | Ultimate Software | 19.1% | 24.6% | 6.2x | NM |
| | ADP | 10.3% | 21.5% | 3.9x | 25.4x |
| | Cornerstone OnDemand | 3.8% | 17.8% | 4.7x | 18.2x |
| | Paychex | 3.5% | 43.7% | 7.1x | 26.1x |
| | DHI Group | 1.6% | 19.1% | 0.7x | 16.3x |
| Benefits Technology | Castlight Health | 23.7% | NM | 2.5x | 3.4x |
| | HealthEquity | 21.0% | 37.5% | 10.8x | NM |
| | WageWorks | 9.4% | 31.8% | 3.5x | 28.9x |
| | Benefitfocus | 9.0% | 9.9% | 3.1x | 11.1x |
| Diversified Platforms | Microsoft | 14.6% | 40.6% | 6.2x | 31.0x |
| | SAP | 5.5% | 32.2% | 4.6x | 15.2x |
| | Oracle | 2.1% | 46.7% | 5.2x | 14.2x |
| | | | Median 5.2x | Median 14.2x | |

Note: Companies with EV/EBITDA less than zero or greater than 35.0x are listed as NM

VALUATION SUPPORT⁽¹⁾

As of January 31, 2018

(\$ 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 |
| HR Software | | | | | | | | | | |
| Automatic Data Processing, Inc. | \$54,252,131 | \$53,392,900 | \$12,379,800 | \$13,652,593 | 21.2% | 21.5% | 4.3x | 3.9x | 20.3x | 18.2x |
| Paychex, Inc. | 25,146,542 | 24,669,962 | 3,354,157 | 3,471,311 | 43.4% | 43.7% | 7.4x | 7.1x | 16.9x | 16.3x |
| Workday, Inc. Class A | 24,950,099 | 22,636,893 | 2,134,267 | 2,619,504 | 16.2% | 16.7% | 10.6x | 8.6x | NM | NM |
| Ultimate Software Group, Inc. | 6,944,377 | 6,950,382 | 934,113 | 1,112,213 | 23.0% | 24.6% | 7.4x | 6.2x | 32.4x | 25.4x |
| Paycom Software, Inc. | 5,415,056 | 5,422,390 | 432,044 | 542,630 | 30.7% | 30.7% | 12.6x | 10.0x | NM | 32.6x |
| Paylocity Holding Corp. | 2,608,519 | 2,686,619 | 300,010 | 411,447 | 18.7% | 20.8% | 9.0x | 6.5x | NM | 31.4x |
| Cornerstone OnDemand, Inc. | 2,439,948 | 2,334,741 | 483,415 | 501,839 | 11.6% | 17.8% | 4.8x | 4.7x | NM | 26.1x |
| Callidus Software Inc. | 2,196,709 | 1,969,489 | 249,163 | 299,323 | 12.7% | 15.5% | 7.9x | 6.6x | NM | NM |
| Asure Software, Inc. | 190,870 | 237,242 | 55,187 | 79,242 | 23.0% | 24.0% | 4.3x | 3.0x | 18.7x | 12.5x |
| DHI Group, Inc. | 92,951 | 138,470 | 208,400 | 211,698 | 18.9% | 19.1% | 0.7x | 0.7x | 3.5x | 3.4x |
| Median | \$4,011,788 | \$2,686,619 | \$457,730 | \$522,235 | 20.0% | 21.1% | 7.4x | 6.4x | 18.7x | 21.8x |
| Benefits Technology | | | | | | | | | | |
| HealthEquity Inc | 3,045,785 | 2,981,540 | 227,416 | 275,196 | 36.3% | 37.5% | 13.1x | 10.8x | NM | 28.9x |
| WageWorks, Inc. | 2,439,585 | 1,848,474 | 480,350 | 525,625 | 30.4% | 31.8% | 3.8x | 3.5x | 12.6x | 11.1x |
| Benefitfocus, Inc. | 791,972 | 860,319 | 256,436 | 279,617 | 7.4% | 9.9% | 3.4x | 3.1x | NM | 31.0x |
| Castlight Health, Inc. Class B | 501,516 | 407,892 | 130,799 | 161,833 | NM | NM | 3.1x | 2.5x | NM | NM |
| Median | \$1,615,778 | \$1,354,397 | \$241,926 | \$277,406 | 30.4% | 31.8% | 3.6x | 3.3x | 12.6x | 28.9x |
| Diversified Platforms | | | | | | | | | | |
| Microsoft Corporation | 725,634,302 | 682,759,080 | 96,700,000 | 110,863,940 | 39.2% | 40.6% | 7.1x | 6.2x | 18.0x | 15.2x |
| Oracle Corporation | 218,364,008 | 211,980,020 | 39,830,715 | 40,673,650 | 46.5% | 46.7% | 5.3x | 5.2x | 11.4x | 11.2x |
| SAP SE | 140,098,693 | 139,727,548 | 28,989,588 | 30,571,482 | 31.2% | 32.2% | 4.8x | 4.6x | 15.5x | 14.2x |
| Median | \$218,364,008 | \$211,980,020 | \$39,830,715 | \$40,673,650 | 39.2% | 40.6% | 5.3x | 5.2x | 15.5x | 14.2x |

Values less than 0.0x or greater than 35.0x are denoted NM or Not Meaningful

EBITDA Margins less than 0.0% are noted NM or Not Meaningful

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has made a majority investment in



Workforce Management Software

WORKPLACE

has been acquired by



Workforce Management Software



a portfolio company of



has been acquired by



Workplace Compliance and Training Solutions



has been acquired by




Employee Benefits Management Software




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Healthcare Information Systems, HR and Payroll Software



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has been recapitalized

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a portfolio company of



has been acquired by



Post Acute Compliance and Learning Management Software



a portfolio company of



and



has been acquired by



Corporate Grant Management and Employee Engagement Software



a portfolio company of



has been acquired by



Commercial Talent Payroll Software



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has been acquired by



Employee Benefits, Health Assessment and Coaching Software



a portfolio company of



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Talent Sourcing and Acquisition Solutions

Talent Acquisition

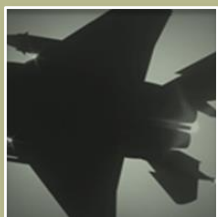
Talent Management

Workforce Management

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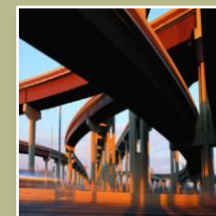
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1) FactSet

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