



Evolve
Capital Partners

QUARTERLY DEALS & MARKET ROUNDUP

Financial Management Solutions (FMS)

November 2017



Human Capital Management



Business Analytics



Revenue Management



Enterprise Management



Accounting / Expenses



Highlights

This quarter's Financial Management Solutions roundup discusses the following key developments:



ADVANCED ANALYTICS DRIVING PRODUCTIVITY IN THE FRONT AND MIDDLE OFFICE



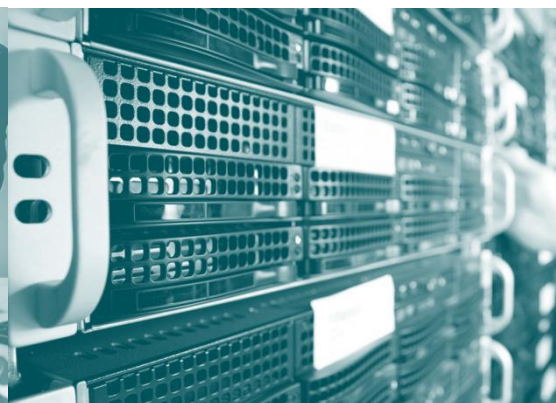
INTEGRATION PARTNERSHIPS TO INCREASE IN ACCOUNTING SOFTWARE SPACE



DIGITAL EXPERIENCE – THE NEW BUZZ IN HUMAN CAPITAL MANAGEMENT



M&A ACTIVITY CONTINUES TO BE STRONG; VC EXIT MULTIPLES SOAR



Overview of Evolve Capital Partners

ABOUT ECP

- Evolve Capital Partners (ECP) is a specialized investment bank focused on businesses serving industries at the intersection of finance and technology.
- We are dedicated investment bankers focused on evolving industries, and we support sustainable growth through transformational M&A / financing transactions.
- ECP is a dedicated, creative, and fully independent investment bank that advises private and public companies on merger, divestiture and acquisition transactions, and capital raising through private placements.
- We also provide structured finance advisory services — our investment banking practice provides a comprehensive suite of solutions to businesses.
- With over 30 engagements executed by its leaders, Evolve Capital Partners has served as a proud partner, bringing renewed value to companies at the intersection of finance and technology.
- We were founded in 2012 and are based in New York, NY.

HIGH-TOUCH INVESTMENT BANKING

Few investment banks have transaction experience across both corporate and asset finance.



Our Clients

- Corporations
- Management Teams
- VC & PE Backed Companies
- Independent Directors / Boards



Investment Banking Advisory

- M&A
- Strategic Alliances
- Capital Raises and Asset Finance
- Financial Restructuring



Industry Focus

Finance and Technology Firms

BPO

IoT

B2B

Specialty Finance

Enterprise Software

Analytics

Payments

Lending

InsuranceTech

Securities

Financial Services

Financial Management

We Focus Exclusively on Finance and Technology-Related Firms

Financial Management Solutions



Payments



Bank Tech / Solutions



BPO



Capabilities

M&A Advisory

Sales / Recaps

Acquisitions

Divestiture

Strategic Advisory

Specialty Finance / Alternative Lending



Healthcare Tech



Securities



Financing

Private Placements

Debt Capital

Restructuring

Data & Analytics / IoT



Insurance





Contents

1. Market Summary

- A. Multiples and Margins – All Sectors
- B. Multiples and Margins – Financial Management Solutions
- C. Stock Comparables – Financial Management Solutions

2. Market Updates

- A. Recent Updates
- B. Key Initiatives by Leading FMS Companies

3. Deal Activity

- A. Overview
- B. M&A Transaction Activity Summary
- C. Key M&A Deal Profiles
- D. Financing Transaction Activity Summary
- E. Key Financing Deal Profiles

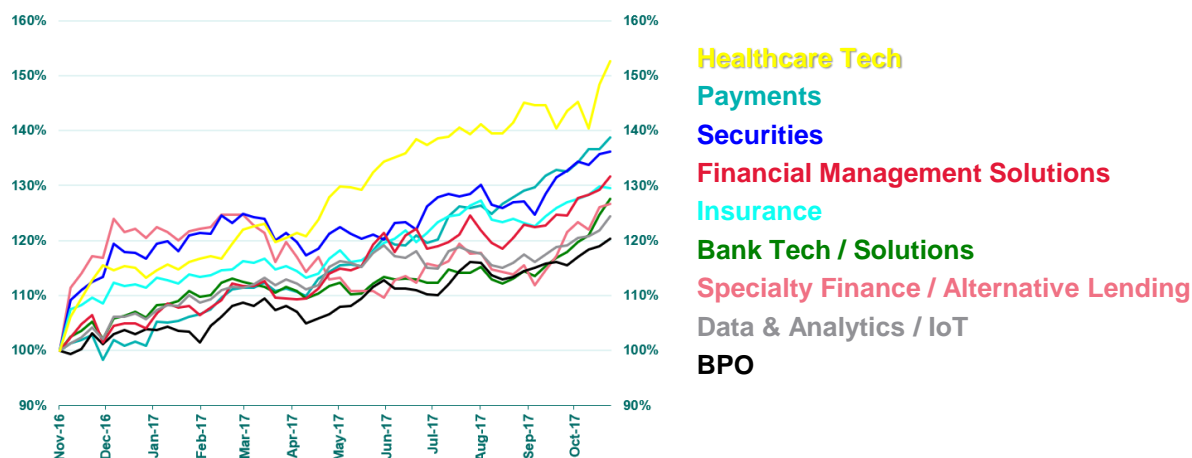
4. IPO Activity Summary

5. Select Wall Street Research & Commentary

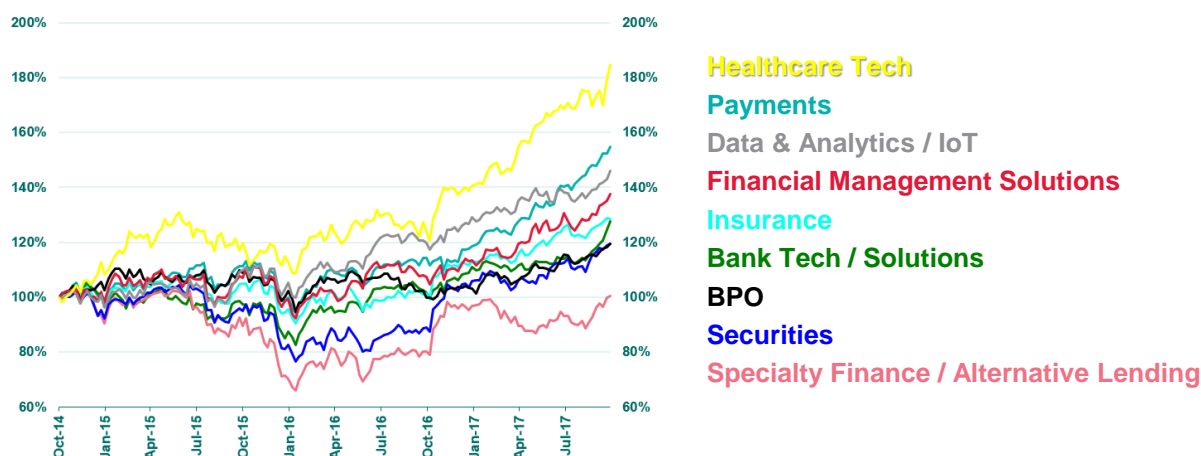
Market Summary

Industry Stock Market Performance of ECP Sector Coverage

Last 12 Months



Last 3 Years



Indexed Price Performance

Sector	3 Months	1 Year	3 Years
Payments	15.9%	35.3%	54.7%
Bank Tech / Solutions	13.7%	25.6%	27.5%
Specialty Finance / Alternative Lending	9.3%	24.9%	0.4%
Securities	8.0%	33.9%	19.4%
Healthcare Tech	6.7%	26.6%	84.7%
BPO	9.0%	19.7%	19.6%
Financial Management Solutions	10.7%	28.1%	37.5%
Data & Analytics / IoT	8.2%	21.8%	46.0%
Insurance	11.2%	49.3%	28.5%

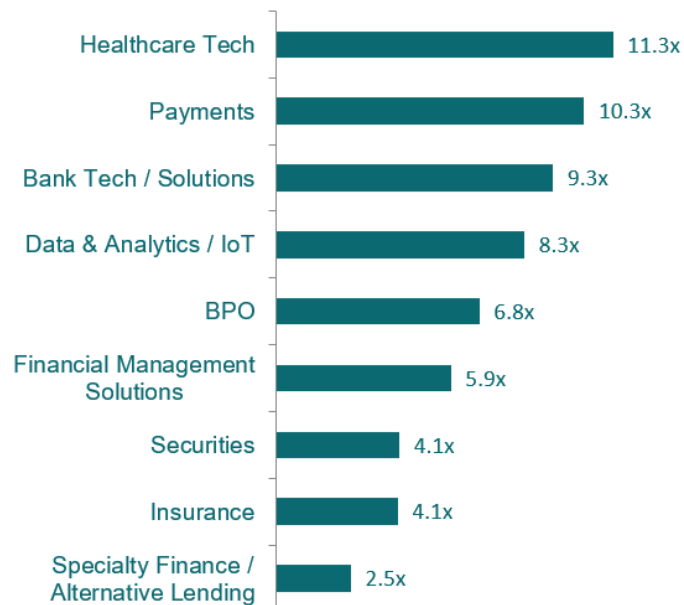
Source: Capital IQ and market data as of October 31, 2017

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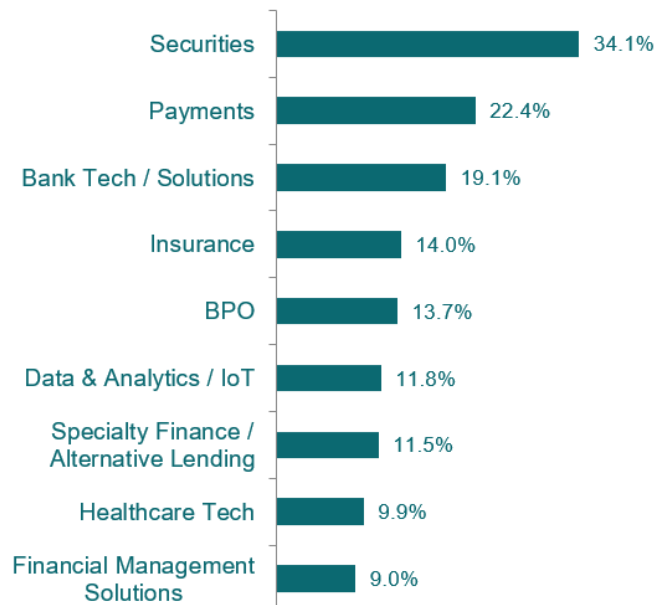
Multiples & Margins – All Sectors

Industry-wide Multiples and Margins

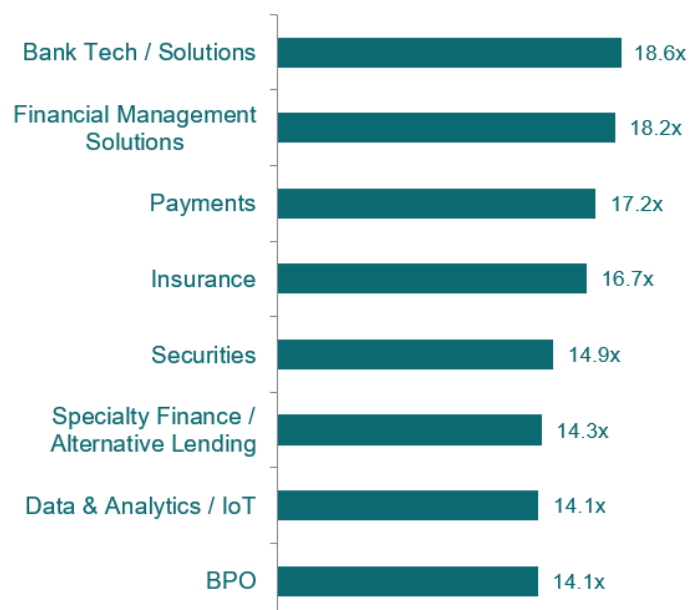
2017E EBITDA Multiples



LTM EBITDA Margins



2017E Price / Earnings Multiples



2017E PEG Ratio



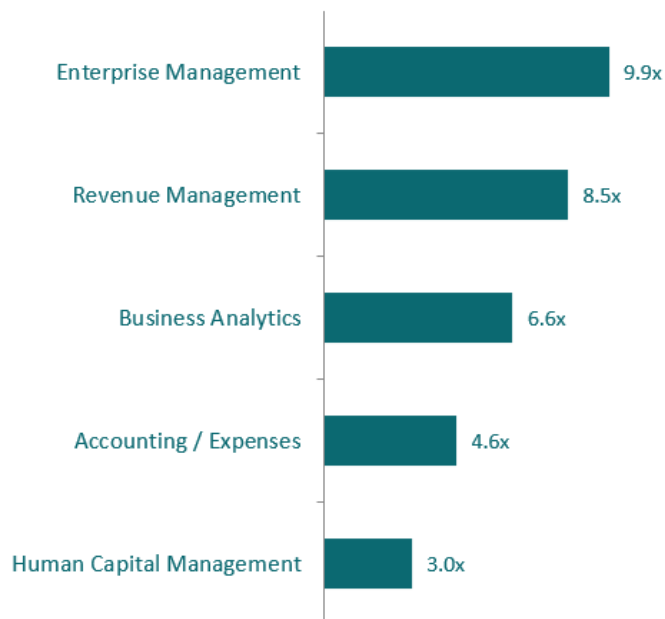
Source: Capital IQ and market data as of October 31, 2017

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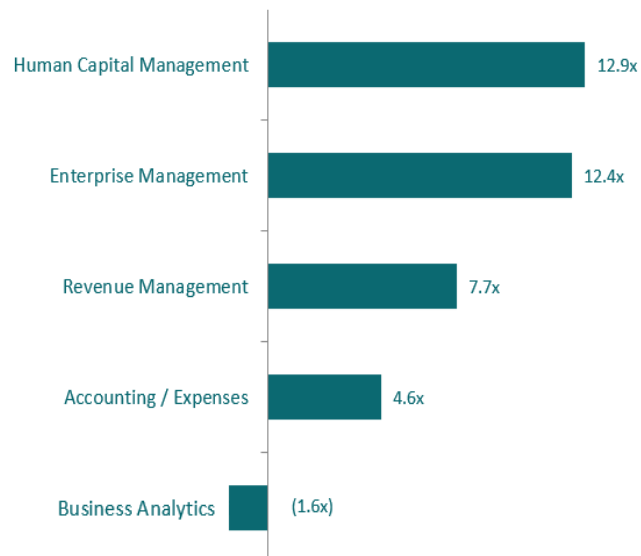
Multiples & Margins – Financial Management Solutions

Sub-sector Multiples and Margins

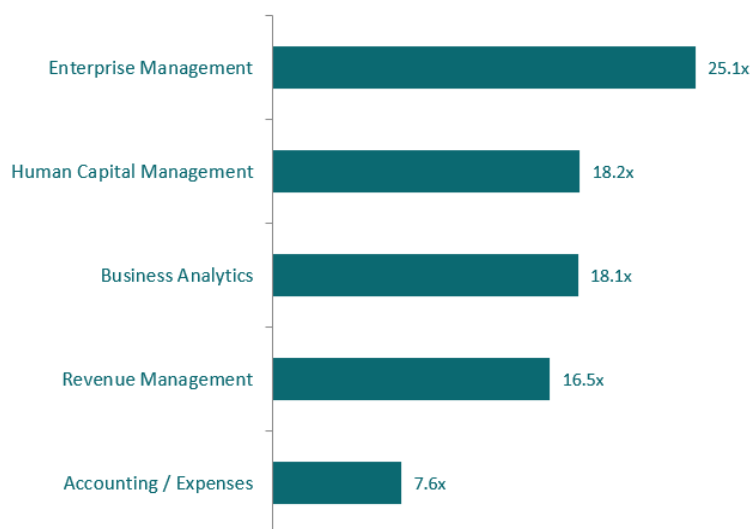
2017E EBITDA Multiples



LTM EBITDA Margins



2017E Price / Earnings Multiples



2017E PEG Ratio



Source: Capital IQ and market data as of October 31, 2017

Evolve Capital Partners; Deals & Market Roundup – FMS 8

Stock Comparables – Financial Management Solutions

(All figures in \$. Figures in millions, except per share data, as of October 31, 2017)

FMS Sub-Sector	Aggregate		Price / Earnings		Multiples		EV / Sales	
	Market Cap	Enterprise Value	FY 17E		FY 17E		FY 17E	
			FY 18E		FY 18E		FY 18E	
Human Capital Management	\$123,304	\$120,660	18.2x	34.9x	3.0x	14.1x	2.4x	4.8x
Business Analytics	\$21,565	\$18,391	18.1x	30.9x	6.6x	12.1x	2.4x	4.0x
Revenue Management	\$3,075	\$2,994	16.5x	34.7x	8.5x	7.8x	4.0x	3.5x
Enterprise Management	\$15,449	\$14,928	25.1x	28.8x	9.9x	14.3x	3.1x	3.4x
Accounting / Expenses	\$56,289	\$56,094	7.6x	21.8x	4.6x	12.8x	2.8x	6.8x
Median			18.1x	30.9x	6.6x	12.8x	2.8x	4.0x
Mean			17.1x	30.2x	6.5x	12.2x	3.0x	4.5x

FMS Sub-Sector	Number of Companies	Growth Rates			EBITDA Margin		PEG* FY 17E
		Revenue		EPS			
		FY 17E	FY 18E	5 Yr	FY 17E	FY 18E	
Human Capital Management	11	9.3%	14.6%	18.7%	12.9%	22.7%	1.17
Business Analytics	4	1.5%	13.8%	15.5%	(1.6%)	12.7%	5.65
Revenue Management	2	4.7%	11.1%	14.8%	7.7%	19.4%	2.80
Enterprise Management	8	5.9%	9.1%	15.6%	12.4%	19.9%	1.16
Accounting / Expenses	6	8.0%	24.5%	(26.0%)	4.6%	17.3%	0.99
Median		5.9%	13.8%	15.5%	7.7%	19.4%	1.17
Mean		5.9%	14.6%	7.7%	7.2%	18.4%	2.35

* Price/Earnings to Growth ratio is a valuation metric for determining the relative trade-off between the price of a stock, the earnings generated per share (EPS), and the company's expected growth. In general, the P/E ratio is higher for a company with a higher growth rate.

Stock Comparables – FMS Sub-Sectors

(All figures in \$. Figures in millions, except per share data, as of October 31, 2017)

Human Capital Management

Company Name	Market Cap	Enterprise Value	LTM Sales	LTM EBITDA Margin	EV / Sales		EV / EBITDA		P / E		PEG FY2017
					FY2017	FY2018	FY2017	FY2018	FY2017	FY2018	
Automatic Data Processing, Inc.	\$51,668	\$50,887	\$12,542	21.6%	NA	3.9x	NA	18.5x	NA	30.7x	NA
Paychex, Inc.	\$22,922	\$22,611	\$3,183	43.7%	NA	6.8x	NA	15.7x	NA	27.1x	NA
Workday, Inc.	\$23,086	\$21,537	\$1,853	(12.4%)	NA	10.0x	NA	NM	NA	NM	NA
The Ultimate Software Group, Inc.	\$6,043	\$5,942	\$900	7.7%	6.2x	5.1x	NM	21.7x	55.6x	45.3x	2.4
H&R Block, Inc.	\$5,172	\$6,115	\$3,049	29.5%	NA	2.0x	NA	7.0x	NA	12.9x	NA
Paycom Software, Inc.	\$4,897	\$4,865	\$407	21.2%	11.0x	8.8x	NM	NM	69.8x	56.1x	2.6
WageWorks, Inc.	\$2,531	\$2,001	\$462	19.9%	4.1x	3.7x	13.6x	11.8x	36.1x	32.5x	2.4
Paylocity Holding Corporation	\$2,795	\$2,691	\$316	7.1%	NA	7.0x	NA	NM	NA	64.1x	NA
Cornerstone OnDemand, Inc.	\$2,209	\$2,142	\$459	(10.4%)	4.4x	3.8x	NM	23.3x	NM	51.5x	4.4
Insperty, Inc.	\$1,978	\$1,839	\$3,203	4.2%	0.6x	0.5x	10.8x	9.5x	20.8x	18.3x	1.3
Hogg Robinson Group plc	\$323	\$351	\$420	13.6%	NA	0.8x	NA	5.2x	NA	10.9x	NA
Median				13.6%	4.4x	3.9x	12.2x	13.7x	45.8x	31.6x	2.4
Mean				13.2%	5.2x	4.8x	12.2x	14.1x	45.6x	34.9x	2.6

Business Analytics

Company Name	Market Cap	Enterprise Value	LTM Sales	LTM EBITDA Margin	EV / Sales		EV / EBITDA		P / E		PEG FY2017
					FY2017	FY2018	FY2017	FY2018	FY2017	FY2018	
Splunk Inc.	\$9,421	\$8,419	\$1,074	(26.5%)	NA	6.8x	NA	NM	NA	NM	NA
MicroStrategy Incorporated	\$1,514	\$868	\$507	19.1%	1.8x	1.8x	8.8x	13.2x	27.1x	35.3x	NA
Tableau Software, Inc.	\$6,414	\$5,421	\$878	(12.8%)	6.0x	5.5x	NM	NM	NM	NM	19.4
Teradata Corporation	\$4,215	\$3,683	\$2,156	7.9%	1.9x	1.9x	10.9x	10.9x	27.2x	26.4x	8.1
Median				(2.5%)	1.9x	3.7x	9.9x	12.1x	27.2x	30.9x	13.8
Mean				(3.1%)	3.2x	4.0x	9.9x	12.1x	27.2x	30.9x	13.8

Revenue Management

Company Name	Market Cap	Enterprise Value	LTM Sales	LTM EBITDA Margin	EV / Sales		EV / EBITDA		P / E		PEG FY2017
					FY2017	FY2018	FY2017	FY2018	FY2017	FY2018	
Callidus Software Inc.	\$1,715	\$1,542	\$240	(2.7%)	6.1x	5.1x	NM	NM	NM	54.2x	3.7
CSG Systems International, Inc.	\$1,422	\$1,514	\$780	17.8%	1.9x	1.8x	8.5x	7.8x	16.5x	15.1x	2.0
Median				7.5%	4.0x	3.5x	8.5x	7.8x	16.5x	34.7x	2.9
Mean				7.5%	4.0x	3.5x	8.5x	7.8x	16.5x	34.7x	2.9

Source: Capital IQ

Stock Comparables – FMS Sub-Sectors (cont'd.)

(All figures in \$. Figures in millions, except per share data, as of October 31, 2017)

Enterprise Management

Company Name	Market Cap	Enterprise Value	LTM Sales	LTM EBITDA	EV / Sales		EV / EBITDA		P / E		PEG
					FY2017	FY2018	FY2017	FY2018	FY2017	FY2018	
Tyler Technologies, Inc.	\$6,660	\$6,496	\$816	22.4%	7.7x	6.9x	NM	22.6x	45.2x	40.8x	2.6
Pegasystems, Inc.	\$4,526	\$4,345	\$801	6.9%	5.0x	4.5x	NM	NM	60.1x	49.0x	2.4
Technology One Limited	\$1,217	\$1,173	\$200	22.1%	5.5x	4.8x	24.6x	20.9x	35.9x	30.1x	2.9
QAD Inc.	\$690	\$555	\$290	3.7%	NA	1.9x	NA	NM	NA	NM	NA
American Software, Inc.	\$369	\$285	\$106	11.7%	NA	2.6x	NA	13.3x	NA	34.3x	NA
Microgen plc	\$361	\$352	\$67	22.5%	4.4x	4.0x	18.8x	15.7x	32.3x	26.3x	NA
TOTVS S.A.	\$1,625	\$1,742	\$704	10.9%	2.5x	2.4x	16.1x	13.5x	26.9x	21.3x	1.4
Ramco Systems Limited	\$198	\$176	\$69	(1.9%)	NA	NA	NA	NA	NA	NA	NA
Median				11.3%	5.0x	4.0x	18.8x	15.7x	35.9x	32.2x	2.5
Mean				12.3%	5.0x	3.9x	19.8x	17.2x	40.1x	33.6x	2.4

Accounting / Expenses

Company Name	Market Cap	Enterprise Value	LTM Sales	LTM EBITDA	EV / Sales		EV / EBITDA		P / E		PEG
					FY2017	FY2018	FY2017	FY2018	FY2017	FY2018	
Intuit Inc.	\$38,506	\$38,217	\$5,177	31.4%	NA	6.7x	NA	17.8x	NA	30.5x	NA
The Sage Group plc	\$10,687	\$11,136	\$2,160	28.7%	4.9x	4.4x	17.5x	15.3x	24.6x	22.5x	2.3
BlackLine, Inc.	\$1,864	\$1,757	\$162	(11.3%)	10.0x	7.7x	NM	NM	NM	NM	NM
Coupa Software Incorporated	\$1,863	\$1,654	\$159	(21.1%)	NA	9.1x	NA	NM	NA	NM	NA
Reckon Limited	\$107	\$146	\$75	19.1%	2.1x	2.2x	5.5x	5.3x	13.6x	12.3x	2.7
Xero Limited	\$3,230	\$3,152	\$250	(11.1%)	NA	10.9x	NA	NM	NA	NM	NA
Median				4.0%	4.9x	7.2x	11.5x	15.3x	19.1x	22.5x	2.5
Mean				6.0%	5.7x	6.8x	11.5x	12.8x	19.1x	21.8x	2.5

Source: Capital IQ



Recent Updates



ADVANCED ANALYTICS DRIVING PRODUCTIVITY IN THE FRONT AND MIDDLE OFFICE

Employees today are overwhelmed by process complexities, technology changes, and work distractions, more than ever before. Tightening regulations and security requirements have only added to their woes. Solutions that simplify and streamline internal processes, and reduce time spent on compliance and administration, therefore, have a large and growing market.

Companies are increasingly using automation, robotics, and artificial intelligence to release pressure on their employees. These technologies have helped companies improve productivity, employee engagement, and retention.

Solutions providers have taken automation beyond traditional back-office processes and introduced it to more critical middle and front office operations. With automation extending to the front and middle office, employees have been able to focus on more strategic initiatives and improve outcomes.

SunGard's Stream RIMS Middle Office solution, for example, has helped one of its client brokerages reduce the volume of manual work for processing cross-asset and cross-currency trades for institutional investors, at a time when the brokerage firm was facing increased matching volumes and expansion to more locations.



INTEGRATION PARTNERSHIPS TO INCREASE IN ACCOUNTING SOFTWARE SPACE

ERP-like "all-in-one" accounting software solutions have enjoyed great popularity over the years because they are one-stop shops for all accounting needs – billing, report generation, inventory management, and compliance assurance. Although consolidated, such accounting solutions can be increasingly complex and cumbersome, especially for small businesses. With advances in software technology, complex and bulky accounting systems are being replaced by simpler solutions that only focus on specific aspects of accounting administration, but offer great integration capabilities. They let a business pick what it needs and build customized accounting software infrastructure that is cost-effective and easy to use. Zenefit's HR accounting software solution, Z2, for

example, focuses only on core hiring and management issues. However, it offers several integrations to manage peripheral issues. "A great trend that we're seeing in the accounting space is not only using cloud apps as a point solution to solve a very real need for a business, but also leveraging several cloud apps that actually speak to each other and share information," says Matt Plank, Zenefit's director of channel sales. With decentralization becoming the new dominant trend in the accounting software space, a period of partnerships could be on the horizon between vendors that offer complementary products. Software providers could generate more revenues through integration partnerships than integrated software sales.



DIGITAL EXPERIENCE – THE NEW BUZZ IN HUMAN CAPITAL MANAGEMENT

The employee base of businesses now largely comprises digitally-savvy millennials who seek an integrated experience around work – one designed around the team, productivity, and empowerment. Employees have become "volunteers" that global businesses need to re-engage and re-recruit each day under the evolving social contract.

To appeal to this digital employee base, human resources departments are redesigning their talent practices and engagement models, from recruiting to leadership and performance management. They are introducing digital tools that ensure a high-quality employee experience in all employee dealings with the company. Updating legacy HR infrastructure, introducing workflow-embedded apps, and

redesigning engagement programs to maximize employee experience are held in equal importance to investing in client-experience maximizing digital tools. Organizations like Royal Bank of Canada, Deutsche Telekom, and Ford, have created digital design teams within the HR departments.

The vendor market is also reinventing itself and becoming near real-time with newer digital HR products and solutions, especially ones delivering a mobile experience. With the ingress of digital HR, organizations have become more platform-based and their partners have become more digitally empowered.



Key Initiatives by Leading FMS Companies

Ex-Googlers launch Bellgram, an AI-driven virtual assistant for the enterprise

A team of three ex-Google employees has launched Bellgram, an AI-driven virtual assistant that is being tipped as a replacement for a human PA in many ways. The assistant can be used by a whole company to improve communication across the board. It tracks conversational data and applies AI to it to enhance how the business operates. Bellgram's creators claim that its first version allows users to switch on a voice activated virtual assistant during a phone call. Users can ask the Bellgram assistant to set up meetings and add them to people's respective calendars. It can also take meeting notes, transcribe them, and email them to the attendees. The startup already has customers like Lyft, Woopra, and OnFleet and has raised \$800,000 from seed and angel investors including Arzan Venture Capital, 500 Startups and SGH Capital.

Epicor Releases Newest Version of Cloud-First Human Capital Management Solution

Epicor Software Corporation unveiled the latest version of its award-winning cloud-based solution, Epicor Human Capital Management (HCM) on September 6, 2017. Epicor HCM is an intuitive, functional, and adaptable solution that automates various human resources processes through a single software system. New features and capabilities of Epicor HCM include a fully reimagined user interface, a new mobile app, expanded government compliance, and usability enhancements. Epicor HCM features a consumer-inspired navigational and visual structure that speeds task completion and creates a pleasant user experience for greater employee effectiveness and satisfaction.

Tyler Technologies to Provide ERP Solution to the City of Berkeley, California

Tyler Technologies signed an agreement with the city of Berkeley, California, on August 29, 2017, for Tyler's Munis® Enterprise Resource Planning (ERP) and ExecuTime™ time and record keeping solutions. The solutions will help the city meet its goal of improving business processes while it installs core public sector ERP functionality. It will also help the city stay up to date with current technology trends and fulfill many reporting options it needs for departments to run efficiently. The solution would also assist in eliminating duplicate data entry, provide citizen access to data and user-friendly tools, reduce paper use, and offer broader employee and vendor self-service capabilities. Berkeley turned to Tyler, through a competitive bidding process, because of its existing relationship with the company and Tyler's knowledge of modern ERP systems.

Hazeltree teams with BNY Mellon for cash management solution

On September 28, 2017, integrated treasury management specialist Hazeltree teamed with BNY Mellon to deliver an independent platform that streamlines cash management for buy-side and corporate firms. The initiative delivers BNY Mellon's suite of cash, treasury and custody services through Hazeltree's advanced treasury management technology. Under the relationship, BNY Mellon clients will enjoy full transparency across portfolios, as well as optimization of cash investment and streamlined FX hedging. In a collateral management study released in June, BNY Mellon found that over 60% of firms are developing enterprise-level functions to optimize the sourcing of collateral, funding and liquidity, the statement added. The new platform arrangement addresses this industry need. The initiative will be rolled out in phases to select BNY Mellon clients.

Deal Activity

Highlighted M&A Transactions

Date	Target	Acquirer	Sector	Amount (\$mm)
8/21/17	 HROI <small>A PAYCHEX COMPANY</small>	 PAYCHEX	Human Capital Management	NA
8/2/17	 medius	 MARLIN EQUITY PARTNERS	Accounting / Expenses	NA
7/25/17	 Intacct.	 sage	Accounting / Expenses	\$850
7/7/17	 PERFECT COMMERCE <small>A PROACTIS COMPANY</small>	 PROACTIS <small>The Shared Control Company</small>	Enterprise Management	\$133

- Overall M&A activity in the Financial Management Solutions market remained strong.
- There was a growing focus on developing new solutions for standardizing and automating business procedures.
- Larger players are showing an interest to acquire early-stage innovative FMS companies, which is pushing up valuations in this segment.
- There have been a number of profitable VC and PE exits via an M&A, or through an IPO.
- PE and VC are expected to continue being active.

Highlighted Financing Transactions

Date	Company	Lead Investor	Series	Amount (\$mm)
9/27/17	 kyriba	 SEI SUMERU EQUITY PARTNERS	Growth	\$45
7/25/17	 beqom.	 Goldman Sachs	Growth	\$35

M&A activity continues to be strong; VC exit multiples soar

Deal activity in the Financial Management Solutions (FMS) market continued to be strong in Q3:2017. M&A deals were mostly inspired by companies looking to introduce new technological capabilities for internal process improvement, bring together complementary capabilities to develop new solutions, and leverage the benefits of digitization to improve user experience. M&A transactions aimed at developing new solutions largely focused on standardizing and automating business processes that would enable clients to operate on a lean structure and with a smaller workforce.

Standardization- and automation-inspired deals were particularly seen in areas like accounting & finance, human resources management, budgeting, procurement, and grants management. Growing interest for acquiring young and innovative FMS companies among larger players, particularly in spaces like Human Capital Management, have pushed up valuations in this segment. As a result, there have been many profitable VC and PE exits from FMS companies through M&A deals in recent quarters. There have also been some exits through IPOs. These too have been highly profitable.















M&A deals are mostly inspired by companies looking to introduce new technological capabilities for internal process improvement, bring together complementary capabilities to develop new solutions, and leverage the benefits of digitization to improve user experience.

M&A Transaction Activity Summary

Date	Target	Acquirer(s)	Sector	Amount (\$mm)
9/20/17	 WORKBOOK	 Deltek	Enterprise Management	NA
9/11/17	 connexys <small>by Bullhorn</small>	 Bullhorn	Human Capital Management	NA
9/7/17	 ACTIVE <small>network</small> Communities and Sports Divisions	 globalpayments	Enterprise Management	\$600
9/7/17	 LOGMATIC.IO	 DATADOG	Business Analytics	NA
8/31/17	 revstream [™]	 microgen	Revenue Management	NA
8/30/17	 LOKI <small>SYSTEMS</small>	 zerochaos	Enterprise Management	NA
8/21/17 Transaction Profiled	 HROI <small>A PAYCHEX COMPANY</small>	 PAYCHEX	Human Capital Management	NA
8/14/17	 ECI Software Solutions	 Apax <small>PARTNERS</small>	Enterprise Management	NA

Source: Capital IQ and Media Reports

M&A Transaction Activity Summary

Date	Target	Acquirer(s)	Sector	Amount (\$mm)
8/8/17	 SYNERGISTIC [®] SOFTWARE SOLUTIONS	 Scanco	Accounting / Expenses	NA
8/2/17 Transaction Profiled	 medius	 MARLIN EQUITY PARTNERS	Accounting / Expenses	NA
7/25/17 Transaction Profiled	 Intacct.	 sage	Accounting / Expenses	\$850
7/18/17	 DATA CLAIRVOYANCE an Infogix Company	 infogix.	Enterprise Management	NA
7/13/17	 observable networks	 CISCO	Enterprise Management	NA
7/12/17	 HUDMAN	 Advanced Computer Software Group	Enterprise Management	NA
7/10/17	 KOFAX perceptive software  READSOFT [®]	 THOMA BRAVO	Business Analytics	NA
7/7/17 Transaction Profiled	 PERFECT COMMERCE A PROACTIS COMPANY	 PROACTIS The Spend Control Company	Accounting / Expenses	\$133

Source: Capital IQ and Media Reports

Key M&A Deal Profiles

Paychex acquires HROI for undisclosed amount

Target Company Overview



HR Outsourcing, LLC (HROI) is a professional employer organization (PEO) that develops HR solutions tailored to clients' business objectives and employee needs. The company offers its services to small- to medium-sized businesses across 35 states in the US. It was founded in 2001 and is based in Springfield, MO.

Services Offered

HROI draws on its extensive portfolio of HR products and services to develop single-source comprehensive custom solutions that optimize HR operations for businesses. The company's wide range of outsourced HR services mainly fall under HR Information Systems, employee benefits, consulting, compliance, and workers compensation domains.

Acquisition Details



Paychex, Inc. acquired HROI for an undisclosed amount on August 21, 2017. Paychex also acquired all of HROI's operating subsidiaries. The company's 140 employees will be offered the opportunity to become Paychex employees.

Transaction Rationale

The acquisition expands Paychex's leadership position in the HR outsourcing business. It brings together Paychex's experience, knowledge, and resources with HROI's niche segment experience and fast-paced growth model. The acquisition will help grow the companies' combined HR solutions portfolio and enhance their offerings for clients.

Marlin acquires Medius for undisclosed amount

Target Company Overview



Medius AB provides cloud-based accounts payable automation software that allows customers to automate and efficiently manage their invoice management process. The company serves more than 2,000 customers worldwide and processes over 52 million invoices annually, with high density in the retail, manufacturing, and professional services sectors. Medius was founded in 2001 and is based in Linköping, Sweden.

Products Offered

Medius offers two flagship solutions – MediusFlow and Ascendo. These solutions help customers eliminate manual, paper-based accounts payable workflows, accelerate invoice processing, improve supplier relationships, and reduce costs, providing more time that can be dedicated to the core of their business.

Acquisition Details



Marlin Equity Partners signed a definitive agreement to acquire Medius AB for an undisclosed amount from Novax AB, InnovationsKapital, and other minority shareholders on August 2, 2017.

Transaction Rationale

Medius will become a part of Marlin's family of software businesses and gain from its extensive experience. The acquisition will enable Medius to accelerate its ongoing global expansion and continue investing in its cloud-based solutions for accounts payable automation.

Source: Capital IQ, company websites and press releases

Key M&A Deal Profiles

Sage acquires Intacct for \$850 million

Target Company Overview



Intacct Corporation, delivers cloud-based accounting and financial management solutions to meet the needs of financial professionals. Intacct financial management software is regarded as the only AICPA-preferred FMS that delivers the automation and controls around billing, accounting, and reporting that finance professionals need to reduce errors, stay audit-ready, and scale the business. The company is based in San Jose, CA

Services Offered

Intacct's offering includes accounting outsourcing services, contract and revenue management services, contract billing for CRM, Intacct services resource planning, Intacct flex reporting, Intacct subscription billing, order management solution, and time and expense management services.

Acquisition Details



Sage announced on July 25, 2017 that it has agreed to acquire Intacct for \$807 million in cash and rolled over stock options valued at \$43 million for a total consideration of \$850 million. Key members of the Intacct executive management are rolling a minimum of 25% of their proceeds into new Sage options, vesting in 12 months assuming continued employment – in addition to other retention incentives being provided.

Transaction Rationale

The acquisition will strengthen Sage's position as providing the first and last cloud FMS a customer will ever need from start-up to global enterprise, while integrating seamlessly with their other enterprise applications. In the short term, it will provide Sage a further platform for growth, with medium term aspirations for geographical expansion.

PROACTIS acquires Perfect Commerce for \$133 million

Target Company Overview



Perfect Commerce provides SaaS-based sourcing and procurement solutions to enterprise and public sectors. It serves chemicals, retail, energy, financial services, health/medical, hospitality, food products, education, manufacturing, technology, and transportation industries. The company is based in Newport News, VA.

Services Offered

The Company's solutions includes:

- **PerfectSource**, which creates value from supply management
- **PerfectProcure**, which controls the procure-to-pay process
- **PerfectShop**, which enhances visibility of company-approved goods and services
- **Open Supplier Network**, which facilitate B2B transactions

Acquisition Details



PROACTIS entered into an agreement to acquire Perfect Commerce for approximately \$130 million on July 7, 2017. As part of consideration, PROACTIS will issue \$5 million of convertible acquisition loan notes, \$5 million of contingent payment and the remaining \$123 million in cash.


Transaction Rationale

The acquisition will add 150 customers to Proactis' 850+ buy-side customer base. It will also add 1.3 million users to its 2 million users and nearly doubles its 1 million supplier connections. The combined entity will see 450+ employees serving over 100 countries, mainly on North America and Europe/U.K.

Source: Capital IQ, company websites and press releases

Evolve Capital Partners; Deals & Market Roundup – FMS 18

Financing Transaction Activity Summary

Date	Target	Sector	Amount (\$mm)	Type	Investor(s)
9/27/17 Transaction Profiled		Revenue Management	\$45	Growth	 SUMERU EQUITY PARTNERS and Others
9/26/17		Enterprise Management	\$32	Series B	GENERAL  CATALYST and Others
9/12/17		Enterprise Management	\$18	Growth	MADISON BAY CAPITAL PARTNERS and Others
9/6/17		Human Capital Management	\$59	Growth	 CAPITAL PARTNERS
8/30/17		Human Capital Management	\$25	Series B	dcm  and Others
8/23/17		Enterprise Management	\$80	Growth	RIVERWOOD  CAPITAL
8/23/17		Enterprise Management	\$45	Series E	
8/10/17		Accounting / Expenses	\$43	Series B	Georgian  and Others

Source: Capital IQ and Media Reports

Financing Transaction Activity Summary

Date	Target	Sector	Amount (\$mm)	Type	Investor(s)
7/29/17	DataRobot	Revenue Management	\$67	Series C	Undisclosed
7/27/17	Callsign	Enterprise Management	\$35	Series A	ACCEL PARTNERS
7/25/17 Transaction Profiled	beqom.	Human Capital Management	\$35	Growth	Goldman Sachs
7/24/17	Kennet	Accounting / Expenses	\$25	Venture	Rimilia 8th EIGHT ROADS™
7/20/17	receipt bank	Accounting / Expenses	\$50	Series B	INSIGHT VENTURE PARTNERS
7/20/17	LEVER	Human Capital Management	\$30	Series C	ADAMS STREET PARTNERS and Others
7/18/17	#FloQast	Accounting / Expenses	\$25	Series B	INSIGHT VENTURE PARTNERS and Others

Source: Capital IQ and Media Reports

Key Financing Deal Profiles

Kyriba receives \$45 million in Growth funding

Target Company Overview



Kyriba Corporation's cloud-based SaaS platform helps global companies manage their cash in far-flung bank accounts -- reducing the potential impact of foreign exchange volatility, fraud and cybercrime. Kyriba was founded in 2000 and is based in San Diego, CA.

Products and Services Offered

Kyriba's offering includes:

- **SaaS Solution** - web-based cash, treasury, and risk management solution used by over 25,000 users across 700 global organizations.
- **Kyriba 13.1** - brings comprehensive FX and risk management workflow to kyriba's treasury platform.
- **On-Demand Cash Management Suite**
- **Proactive Treasury Management** - solution to anticipate and plan for market volatility, regulation and fraud.

Financing Details



Kyriba receives \$45 million in funding from Sumeru Equity Partners, Inc., Bpifrance Investissement, IrisNext fund, HSBC Holdings plc, and Daher Capital on September 27, 2017. Kyriba has raised a total of \$159 million in funding till date.

Use of Funds

Kyriba Corp. will use the proceeds to accelerate growth, strengthen its market leadership, and develop products, including its encrypted payments technology, customer support, and sales and marketing.

Beqom receives \$35 million in growth funding from Goldman

Target Company Overview



Beqom SA provides a platform for employee compensation management and performance software solutions for large companies, from various industry sectors across the globe. The company was founded in 2008 and is based in Fribourg, Switzerland.

Services Offered

The company offers human capital management solutions, including salary management, bonus management, and long term incentives management. It also offers compensation management solutions and sales performance management solutions, including sales incentive management, sales performance management, and objective and quota management.

Financing Details









beqom SA announced that it has received \$35 million in a round of funding from new investor, Goldman Sachs Private Capital Investing on July 25, 2017. This is the company's sixth funding round and the company has raised close to \$40 million in funding till date.

Use of Funds

Beqom will use the proceeds to accelerate its worldwide growth by reinforcing its global presence, increasing the direct sales force and further developing indirect sales channels.

Source: Capital IQ, company websites and press releases

IPO Activity Summary

Company	IPO Date	Amount Raised (\$mm)	IPO Price	Current Market Price	Total Return
 BLACKLINE	10/28/16	\$146	\$17	\$30.87	82%
 coupa	6/10/16	\$133	\$18	\$30.46	69%
 eppfolio	6/26/15	\$74	\$12	\$42.90	258%
 workiva	12/11/14	\$101	\$13.75	\$20.85	52%
 upland	9/4/14	\$43	\$9.75	\$21.16	117%
 paylocity	3/19/14	\$120	\$24.04	\$48.82	103%

Source: Capital IQ and Pitchbook
Market data as of September 29, 2017

Select Wall Street Research Updates and Commentary



Update from RBC Capital Markets, October 2017

SMB Ecosystem Fundamentals are Strong: An expanded TAM (215M potential customers in the countries addressed today), **scale in key countries (over 100K subscribers in Canada, UK and Australia each)** and **improving Net Promoter Scores in the US, UK and Canada are all drivers of the acceleration in active customers** (+14% Y/Y in FY17) and QBO users (+58% Y/Y growth in FY17). QBSE remains the most important driver of growth, up 4X to 400K and with a NPS of >60. We expect QBOE to grow users >40% and revenue >30% in FY18.



Update from MUFG, August 2017

The BI vertical is not standing still. We expect the pace of innovation to remain elevated in the BI space in response to an elevated level of interest by IT purchasers. As key players look to deliver the next new thing in their solutions, **the industry has recently taken a new tact toward AI.** Beyond its current full plate, we believe that Tableau must additionally focus on integrating AI and machine learning into its products to keep up with broad industry innovation. However considering the company's backlog of active project, we see these projects as more back-burner for Tableau and believe that there is significant R&D execution risk associated with these disciplines.



Update from Wedbush, October 2017

Our checks with PEGA integration practices at large integrators point to continued momentum for PEGA as **enterprise customers tackle digital cross-channel customer experience and front/back-office integration.** Despite more head-to-head competition in CRM with Salesforce.com (CRM, OUTPERFORM) as PEGA competes more successfully in sales and marketing and Salesforce notches larger customer service wins, **integrators see lots of white space for both companies due to digital transformation initiatives, analytics opportunities, and replacement cycles for legacy packaged and custom systems.** Moreover, PEGA's acquisition of OpenSpan earlier this year looks like an important new differentiator, as we're hearing about strong customer interest, proof-of-concept (PoC) activity, and new deals in robotic automation and workforce intelligence.



Update from Deutsche Bank, October 2017

Financials Management Business at an Inflection Point. Workday is seeing increasing traction with Financials, especially in medium enterprise (<\$5B in revenue) **driven by an increasing number of referenceable customers and better maturity of the product.** Additionally, Workday Planning and Workday Financial Performance Management are acting as beachheads for the core Financials product and are driving a broader discussion on cloud Financials.

CEO Aneel Bhusri thinks **Cloud Platform could become a billion dollar business over time.** Workday spoke optimistically on its impending Cloud platform which was introduced today (available in 2018), stating that it could become a billion dollar business over time. While near-term monetization will be close to zero, and no pricing plans were disclosed, management indicated that a significant component of the pricing could be tied to the usage of the platform.

Appendix – Coverage Universe Components

The coverage universe for various sectors is as follows.

- 1 **Payments:**
ADS, FLT, ENXTPA:EDEN, WEX, FIS, FISV, JKHY, ACIW, EPAY, V, MA, AXP, PYPL, SHOP, ENXTAM:GTO, DBD, CATM, MB, EVRI, PMTS, BOVESPA:CIEL3, FDC, GPN, TSS, VNTV, SQ, LSE:WPG, XTRA:WDI, ENXTPA:WLN, DLX, LSE:PAYS, TSE:3769, QIWI, EVTC, LSE:PAY, UEPS, NEWT, JTPY, ENXTPA:ING, NCR, SZSE:002152, PAY, SEHK:327, AIM:SCH, PAR, WU, EEFT, HAWK, GDOT, MGI, ASX:OFX, PLPM
- 2 **Bank Tech / Solutions:**
FIS, FISV, JKHY, SWX:TEMN, BSE:532466, TSE:6457, Q TWO, SGX:5CP, EPAY, OTCPK:CSVI, BSE:538835, SWX:CLXN, AIM:MONI, LSE:EXPN, EFX, TRU, OM:INTRUM, FICO, FNF, ZG, CSGP, ELLI, CLGX, BKI, LSE:ZPG, STC, TSX:REAL, RP, RDFN, ASPS, REIS, ENXTAM:WKL, PEGA, DNB, ENXTPA:SOP, WSE:ACP, MITK, AIM:SQS, NTKW, INTC, IBM, AXP, PYPL, FDC
- 3 **Specialty Finance / Alternative Lending:**
NAVI, NNI, PRAA, ECPG, PRGX, PFMT, ASFI, CIT, CACC, NEWS, MRLN, TSX:CHW, ASX:ZML, CPSS, COF, SYF, DFS, SLM, LSE:PFG, SC, OMF, FCFS, AAN, LSE:TCS, SGBK, WRLD, LSE:IPF, TBBK, EZPW, RM, OB:MONO-ME, ATLC, URI, AL, TSX:EFN, TGH, RCII, ASX:FXL, CAI, FLY, NSM, CASH, PHH, PFSI, OCN, WAC, LC, TREE, YRD, DB:FRU, ENVA, XRF, ELVT, ONDK, DB:MBC
- 4 **Securities:**
BGCP, LSE:NXXG, LSE:IGG, IBKR, ENXTAM:FLOW, KCG, VIRT, ITG, ENXTPA:VIL, INTL, SWX:CFT, BMV:FINAMEX O, WFC, BAC, C, LSE:HSBA, ASX:CBA, TSX:RY, TSX:TD, ENXTPA:BNP, USB, AXP, LSE:LLOY, PNC, ASX:NAB, TSX:BMO, LSE:BARC, SEHK:11, LSE:RBS, SGX:D05, TSX:CM, NSEI:ICICIBANK, MTB, BIT:MB, UMBF, LSE:CBG, FII, NSEI:IIFL, XTRA:COM, CME, ICE, SEHK:388, XTRA:DB1, LSE:LSE, BOVESPA:BVMF3, NDAQ, CBOE, ASX:ASX, SGX:S68, ENXTPA:ENX, BME:BME, TSX:X, SPGI, TSX:TRI, MCO, INFO, MSCI, FDS, ENXTPA:FIM, MORN, NSEI:CRISIL, VALU, JPM, GS, MS, SWX:UBSG, DB:DBK, SWX:CSGN, ASX:MQG, TSE:8604, RJF, LAZ, SF, PJC, GHL, COWN, AMEX:LTS, AIM:NUM, JMP, BLK, BK, BEN, NTRS, AMP, TROW, IVZ, LSE:HL, LSE:INVP, JHG, AB, CNS, WDR, APAM, WETF, VRTS, SCHW, AMTD, ETFC, MKTX, TSE:8628, AIM:PLUS, TSE:8698, YIN, LSE:CMCX, SWX:SQN, GCAP, GLBR, STT, BR, SEIC, ASX:CPU, DST, LPLA, LSE:TCAP, FNGN, ENV, LSE:SNN, ASX:BVS, ENXTAM:KA, SSNC, CPSE:SIM, LSE:ALFA, ASX:IRE, LSE:FDSA, AIM:FDP, ENXTPA:LIN, AIM:SOG
- 5 **Insurance:**
LSE:REL, VRSK, DNB, ACXM, MMC, AON, WLTW, AJG, BRO, LSE:JLT, MET, PRU, CI, TSX:MFC, AFL, LSE:AV, TSX:GWO, TSX:SLF, LSE:LGEN, PFG, LNC, SWX:SLHN, LSE:SLA, ENXTAM:AGN, TMK, PRI, ANAT, LSE:HSD, DB:ALV, ENXTPA:CS, AIG, SWX:ZURN, ALL, AFG, GNW, LSE:MONY, RATE, EHTH, ASX:ISU, QNST, CB, TRV, PGR, HIG, CINF, LSE:RSA, THG, MCY, SIGI, EIG, STFC, MKL, WRB, AIZ, AWH, PRA, AFSI, RLI, AGII, OB, NAVG, AMSF, GBLI, GWRE, EBIX, SPNS, CRD.B, AMEX:MJCO, TSXV:SY, PN, FNF, ORI, FAF, STC
- 6 **BPO:**
ENXTPA:RCF, CVG, TTEC, SYKE, SRT, ESRX, ATHN, HQY, BOVESPA:QUAL3, MDRX, HMSY, QSII, CSLT, CPSI, RCM, ADP, PAYX, ULTI, WAGE, TNET, CSOD, NSP, BNFT, ACN, NSEI:TCS, CTSH, NSEI:INFY, DXC, BSE:507685, NSEI:HCLTECH, ENXTPA:CAP, ENXTPA:ATO, DOX, OTEX, NSEI:TECHM, CACI, EXLS, WNS, CALD, SYNT, BSE:532819, NSEI:HEXWARE, VRTU, UIS, VDSI, LSE:MCGN, BIT:BET, TSX:GIB.A, LSE:CPI, G, BSE:526299, CSGS, BSE:532809, AIM:IBPO, PRGX
- 7 **Financial Management Solutions:**
INTU, LSE:SGE, BL, COUP, ASX:RKN, NZSE:XRO, SPLK, MSTR, DATA, TDC, TYL, PEGA, ASX:TNE, QADA, AMSW.A, LSE:MCGN, BOVESPA:TOTS3, NSEI:RAMCOSYS, ADP, PAYX, WDAY, ULTI, HRB, PAYC, WAGE, PCTY, CSOD, NSP, LSE:HRG, CALD, CSGS
- 8 **Data & Analytics / IoT:**
ORCL, DB:SAP, CRM, VMW, LSE:EXPN, OTEX, SPLK, DATA, FICO, XTRA:SOW, NEWR, MSTR, CLDR, AYX, HDP, VERI, DWCH, GOOGL, MSFT, AMZN, KOSE:A005930, T, CMCS.A, VZ, QCOM, TMUS, HLSE:NOKIA, S, GRMN, LOGM, SLAB, IDCC, AMBA, GLOB, FIT, CTRL, GE, INTC, CSCO, DB:SIE, HON, TXN, TSE:6501, HPE, SWKS, RHT, ARW, PTC, ZBRA, CY, IRDM, TSX:SW, ORBC, CAMP, SSNI, IBM, LSE:REL, EFX, NLSN, VRSK, IT, TRU, DNB, TDC, CLGX, VRNT, ACXM, FORR, TSX:AIM, MATR
- 9 **Healthcare Tech:**
INOV, OMCL, VCRA, TRHC, STRM, CERN, DB:COP, MDRX, EVH, QSII, HSTM, AIM:EMIS, CPSI, COTV, HMSY, ATHN, AIM:CRW, RCM, SREV, UNH, AET, ANTM, HUM, CNC, WCG, NUAN, MMS, MOH, MGLN, GTS, HIIQ



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