

Welcome to the tenth edition of QuEST, which presents valuation and investment trends for SaaS companies during Q2 2017. QuEST utilizes data from both private companies and publicly traded companies referred to as the "SaaS Index." The SaaS Index represents the weighted-average movement of the market capitalization for over 50 publicly traded SaaS companies.

### A CONVERSATION WITH QUICK BASE AND GOLUB CAPITAL

For this edition, Golub Capital's Peter Fair interviewed Rick Willett, CEO of Quick Base.



Rick Willett, CEO, Quick Base

**Peter:** How do you maintain a leading edge in the Platform as a Service (PaaS) business?

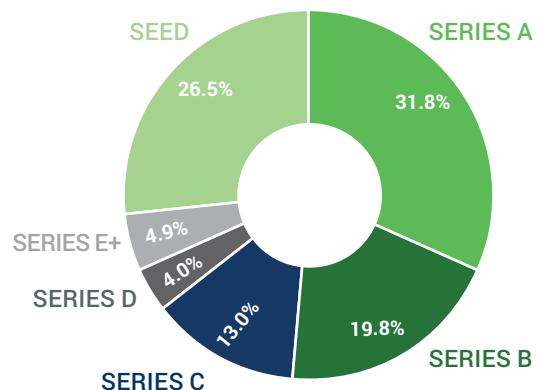
**Rick:** Quick Base was an early innovator in the PaaS space as a cloud-based solution that enables the people closest to the work to solve almost any automation problem. We have been on the leading edge of this market for a very long time—more than 19 years. The key to our long-term market leadership is simple: we have a relentless focus on customers' success. If our customers are successful, we are successful.

**Peter:** What are the biggest challenges your industry faces?

**Rick:** The no-code and low-code industry is about disrupting the status quo of app development. Historically, the IT development cycle was all based on 'waterfall.' You would develop a spec, build it out, test it and release the spec—all before getting user feedback. This approach was extremely expensive and painfully slow. More recently, the concept of agile development improved the development cycle for software apps, but there's still more to be done to reduce the cost and time of app development. We are investing heavily in no-code to further accelerate the development process. We also help users quickly and inexpensively update and change apps as their needs evolve.

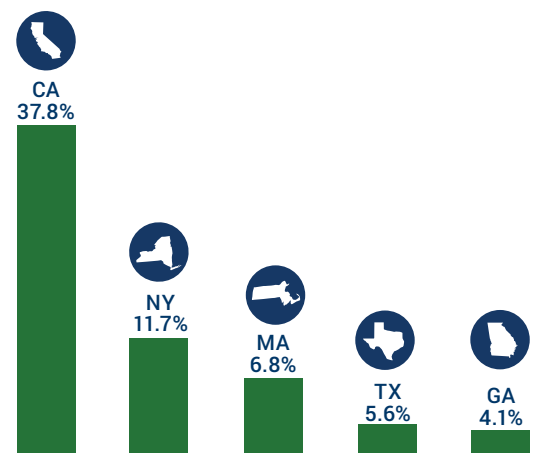
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### Q2 2017 VENTURE-BACKED SaaS COMMITMENT BREAKDOWN



Source: PitchBook

### STATES WITH HIGHEST PERCENTAGE OF VENTURE-BACKED SaaS DEALS IN Q2 2017



Source: PitchBook

**Peter:** How do you drive increased adoption?

**Rick:** We focus on ensuring every app is successful so that our users become champions for Quick Base within their organizations. Once you have that first great app, expansion can happen. We also find that the organizations with the greatest success overall are the ones that encourage users to become builders. Eighty percent of new Quick Base builders were users first. Our goal is to make that evolution easier for them.

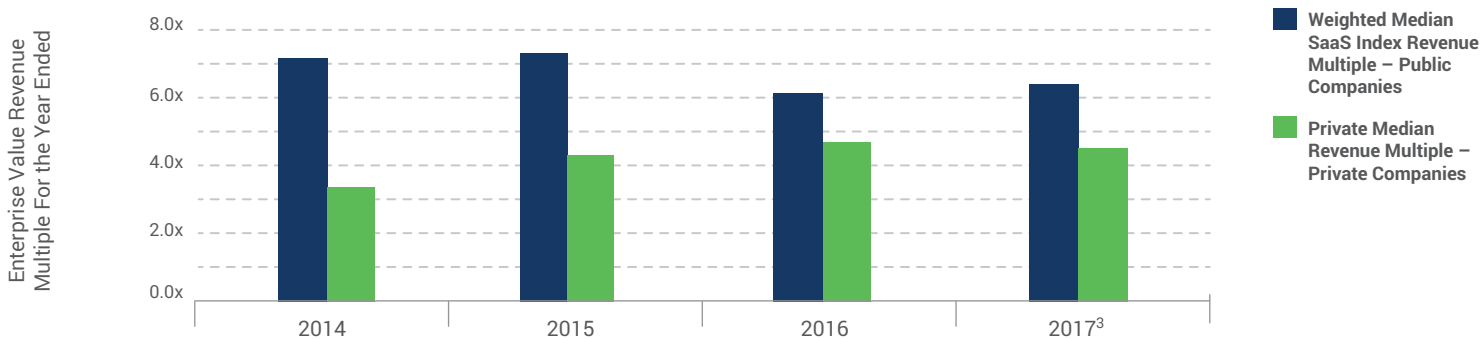
**Peter:** Say you were talking to a group of mid-sized and small software company CEOs. Where would you tell them to focus?

**Rick:** First, you must have a relentless focus on ensuring customers are successful with your product. To drive recurring revenue and renewals, you must make sure customers never want to downgrade and never want to cancel. Second, you must achieve efficiency. Far too many mid-sized and small software companies can't figure out how to become profitable. You must learn to operate efficiently and also to grow efficiently.

**Peter:** Where do you see Quick Base in ten years?

**Rick:** At a high level, our vision is to continue to lead the revolution of agility through business automation. We will continue to ensure the folks closest to the work are empowered to solve their automation problems and improve their business processes. We believe this empowerment helps make their companies more successful. Our experience suggests that Quick Base clients grow faster and earn better returns for shareholders than the average U.S. business. We want our continued growth and success to power our clients' continued growth and success. Additionally, we see ourselves serving an even broader market. Right now, 90 percent of our clients are in the U.S. In ten years, we will be international, so we can help even more people solve more business problems with Quick Base every day.

**PUBLIC<sup>1</sup> VS. PRIVATE<sup>2</sup> REVENUE MULTIPLE**



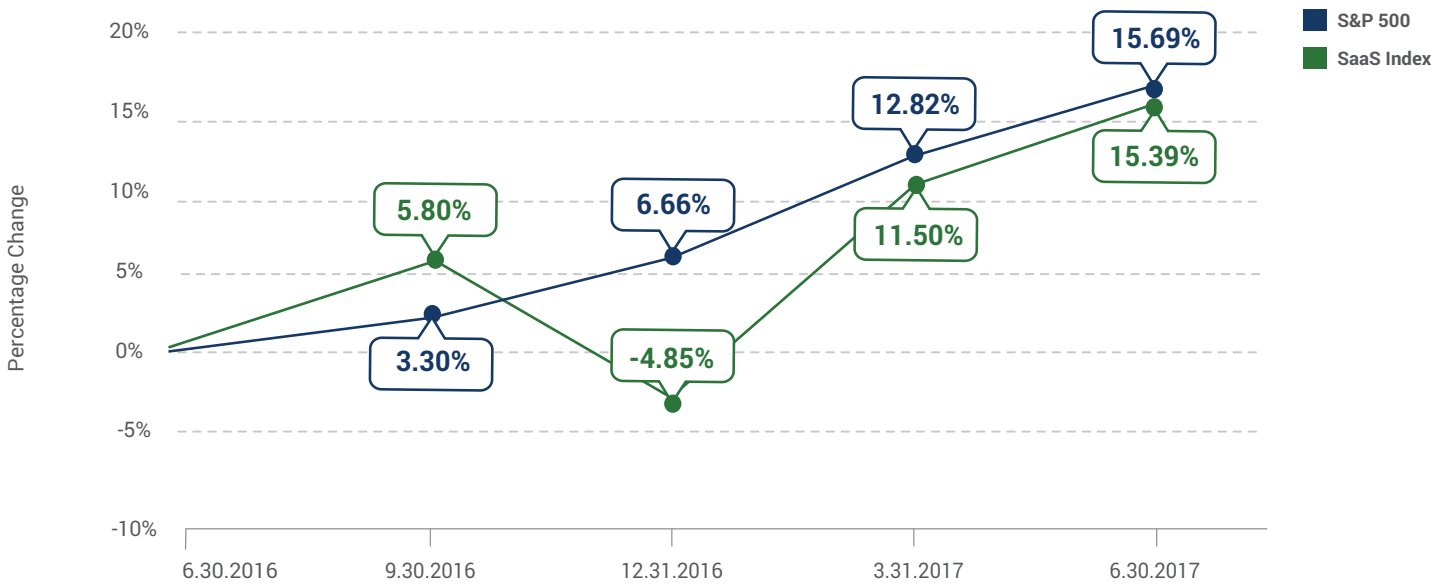
1. For companies on the SaaS Index 1.01.2014 – 6.30.2017

2. Private company data is primarily extracted from recent middle-market private equity transactions

3. LTM as of 6.30.2017

Source: CapIQ, Golub Capital Internal Data

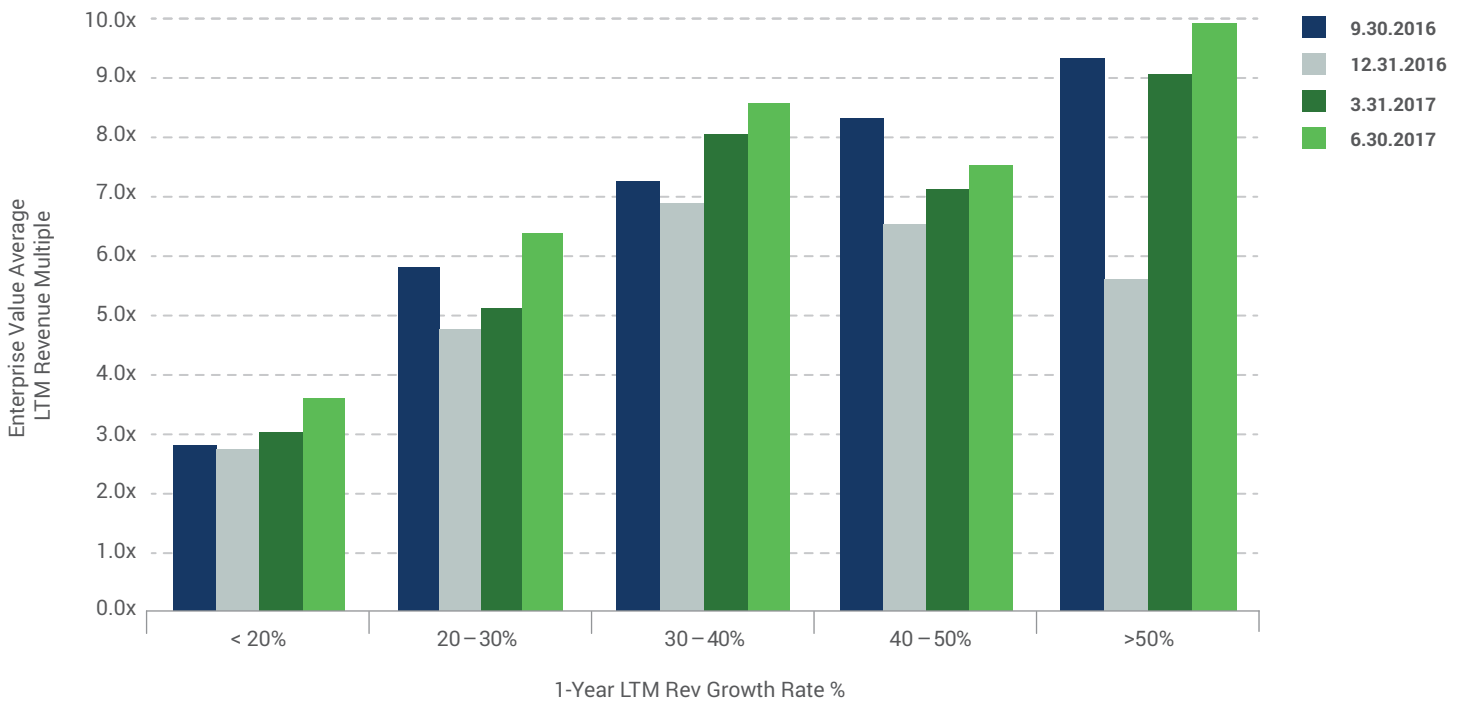
## SaaS INDEX PRICE MOVEMENT\* VS. S&P 500 PRICE MOVEMENT



\*The SaaS Index represents the weighted-average movement of the market capitalization for 50+ publicly traded SaaS companies  
See page 5 for the full company listing

Source: CapIQ

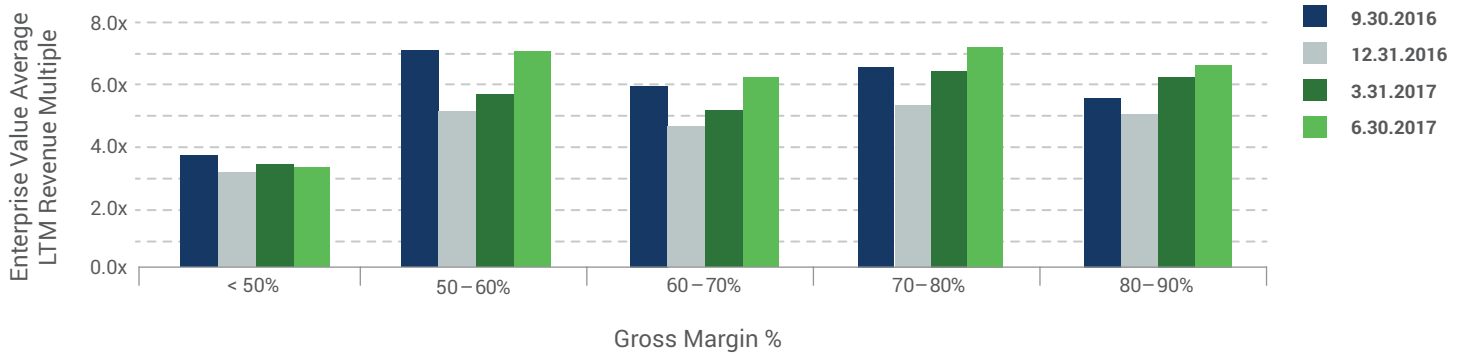
## LTM REVENUE MULTIPLE VS. 1-YEAR GROWTH\*



\*For companies on the SaaS Index from 9.30.2016 – 6.30.2017

Source: CapIQ

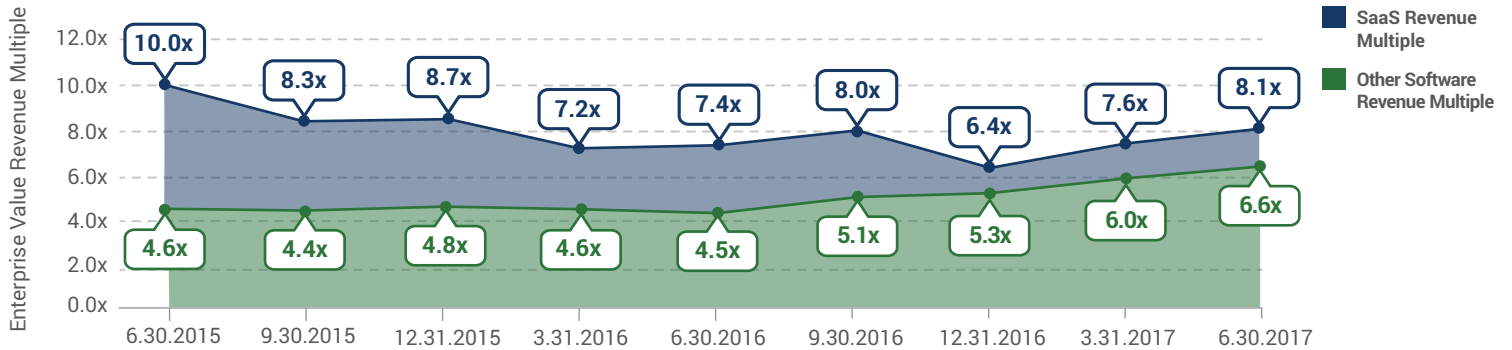
## LTM REVENUE MULTIPLE VS. GROSS MARGIN PERCENTAGE\*



\*For companies on the SaaS Index from 9.30.2016 – 6.30.2017

Source: CapIQ

## WEIGHTED AVERAGE LTM SaaS REVENUE MULTIPLE<sup>1</sup> VS. OTHER SOFTWARE<sup>2</sup> REVENUE MULTIPLE

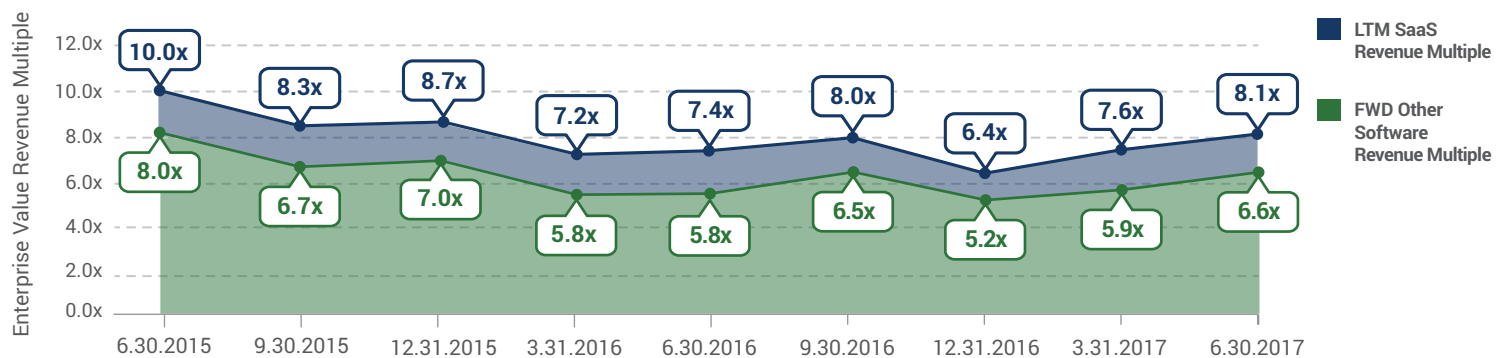


1. For companies on the SaaS Index from 6.30.2015 – 6.30.2017

2. Other Software - typically defined as companies with perpetual license revenue models

Source: CapIQ

## WEIGHTED AVERAGE LTM SaaS REVENUE MULTIPLE\* VS. WEIGHTED AVERAGE FWD REVENUE MULTIPLE



\*For companies on the SaaS Index from 6.30.2015 – 6.30.2017

Source: CapIQ

## Q2 2017 SaaS INDEX COMPANIES SORTED BY MARKET CAP

Companies in the SaaS Index, listed by Market Cap, below:

All data as of 6.30.2017. New companies to the SaaS Index are highlighted in green.

Ticker	Price	Mkt Cap	EV	LTM Rev	FWD Rev	EV/ LTM Rev	EV/ FWD Rev	1 Year Rev Growth	LTM Gross Profit
CRM	86.6	61,602	60,918	8,863	10,784	6.9x	5.6x	25.3%	6,475
WDAY	97	20,079	18,505	1,702	2,164	10.9x	8.5x	35.1%	1,190
NOW	106	18,007	17,548	1,632	2,009	10.8x	8.7x	36.7%	1,186
VEEV	61.31	8,568	7,904	582	699	13.6x	11.3x	32.6%	401
SHOP	86.9	8,492	8,097	509	684	15.9x	11.8x	80.3%	281
SPLK	56.89	7,872	6,869	1,006	1,261	6.8x	5.4x	38.1%	797
ULTI	210.06	6,243	6,168	861	1,020	7.2x	6.0x	23.0%	531
ATHN	140.55	5,599	5,784	1,151	1,261	5.0x	4.6x	13.8%	595
LOGM	104.5	5,499	5,233	618	1,087	8.5x	4.8x	100.1%	503
DATA	61.27	4,778	3,824	869	889	4.4x	4.3x	16.9%	764
MDSO	78.2	4,555	4,457	509	579	8.8x	7.7x	20.9%	387
GDDY	42.42	4,465	4,973	2,006	2,324	2.5x	2.1x	16.2%	1,291
JCOM	85.09	4,101	4,742	990	1,177	4.8x	4.0x	24.4%	829
PAYC	68.41	4,065	4,004	383	457	10.5x	8.8x	34.6%	325
PFPT	86.83	3,796	3,755	442	530	8.5x	7.1x	41.3%	318
ELLI	109.91	3,745	3,351	394	460	8.5x	7.3x	32.3%	256
MULE	24.94	3,212	2,872	235	297	12.2x	9.7x	113.0%	174
WIX	69.6	3,164	3,001	356	456	8.4x	6.6x	47.8%	299
RP	35.95	2,972	3,034	611	683	5.0x	4.4x	18.8%	355
ZEN	27.78	2,749	2,501	364	450	6.9x	5.6x	39.3%	255
RNG	36.55	2,747	2,598	433	518	6.0x	5.0x	27.8%	328
FEYE	15.21	2,713	2,589	730	745	3.5x	3.5x	5.3%	466
WAGE	67.2	2,657	2,294	435	491	5.3x	4.7x	27.5%	274
TWLO	29.11	2,634	2,345	337	376	7.0x	6.2x	53.4%	192
BOX	18.24	2,465	2,362	426	534	5.5x	4.4x	30.1%	309
HUBS	65.75	2,404	2,282	318	381	7.2x	6.0x	41.6%	250
PCTY	45.18	2,327	2,226	300	352	7.4x	6.3x	30.0%	176
NEWR	43.01	2,301	2,095	285	345	7.4x	6.1x	41.2%	232
TWOU	46.92	2,231	2,102	239	289	8.8x	7.3x	35.2%	194
OKTA	22.8	2,173	1,948	182	253	10.7x	7.7x	111.3%	121
TTD	50.11	2,121	2,040	252	298	8.1x	6.8x	68.8%	200
CLDR	16.02	2,101	2,537	284	368	8.9x	6.9x	71.1%	158
CSOD	35.75	2,031	1,982	445	500	4.5x	4.0x	14.3%	308
BL	35.74	1,836	1,735	148	184	11.7x	9.4x	45.9%	113
EBIX	53.9	1,700	1,898	321	369	5.9x	5.1x	14.4%	220
KXS	62.12442	1,571	1,426	126	151	11.4x	9.4x	21.2%	86
CALD	24.2	1,570	1,387	228	255	6.1x	5.4x	20.1%	139
COUP	28.98	1,536	1,297	146	184	8.9x	7.0x	52.4%	98
QTWO	36.95	1,513	1,431	173	206	8.3x	7.0x	34.7%	85
QLYS	40.8	1,511	1,266	212	236	6.0x	5.4x	16.5%	165
MB	27.2	1,189	1,116	160	192	7.0x	5.8x	33.2%	113
FIVN	21.52	1,172	1,161	180	201	6.5x	5.8x	23.9%	106
AYX	19.52	1,139	974	106	132	9.2x	7.4x	97.5%	88
BNFT	36.35	1,128	1,179	248	276	4.8x	4.3x	16.8%	126
APPF	32.6	1,104	1,076	124	147	8.7x	7.3x	37.8%	75
SPSC	63.76	1,096	942	207	229	4.6x	4.1x	17.6%	138
APPN	18.15	1,082	1,124	146	162	7.7x	6.9x	31.3%	95
VRNS	37.2	1,012	891	186	210	4.8x	4.3x	28.9%	168
INST	29.5	853	815	134	162	6.1x	5.0x	45.5%	95
HDP	12.88	824	741	217	251	3.4x	2.9x	40.5%	141
WK	19.05	788	744	192	212	3.9x	3.5x	17.5%	138
LRN	17.92	727	558	889	908	0.6x	0.6x	1.8%	332
APTI	17.35	689	578	174	187	3.3x	3.1x	22.0%	116
EVBG	24.36	679	639	89	108	7.2x	5.9x	32.9%	62
MOBL	6.05	558	467	172	189	2.7x	2.5x	8.9%	142
XTLY	0	504	473	97	-	4.9x	0.0x	19.0%	59
UPLD	21.99	446	484	83	92	5.9x	5.3x	16.6%	54
BV	4.95	417	358	201	205	1.8x	1.7x	0.7%	125
ZIXI	5.69	310	286	63	68	4.5x	4.2x	9.7%	52
ECOM	11.55	304	242	118	127	2.0x	1.9x	10.1%	91
AMBR	8.57	232	240	76	85	3.1x	2.8x	9.5%	39
MRIN	1.3	51	21	86	-	0.2x	0.0x	-20.6%	52
CNXR	0.6179	14	103	82	77	1.3x	1.3x	-6.7%	28