

12<sup>TH</sup> ANNUAL

# 2021 SAAS SURVEY RESULTS

# KBCM TECHNOLOGY GROUP 2021 PRIVATE SAAS 12<sup>th</sup> ANNUAL COMPANY SURVEY

2021 Private SaaS Company Survey 

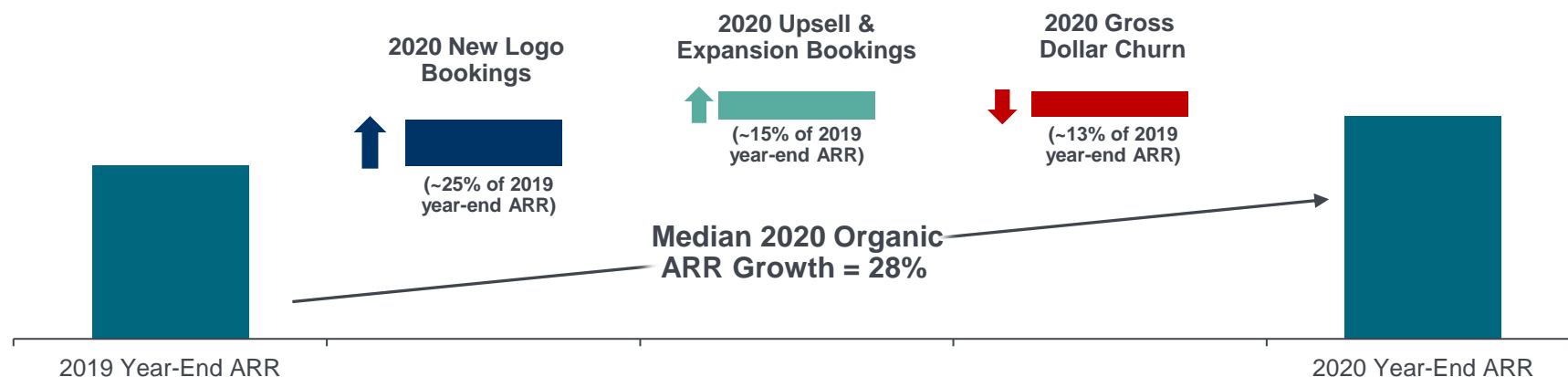
- This report provides an analysis of the results of a survey of private SaaS companies which KBCM Technology Group's software investment banking team conducted in June and July 2021.
  - Results include responses from senior executives of over 350 companies.
- Representative statistics on the survey participants:
  - \$8.5MM median 2020 Ending ARR<sup>1</sup>, with 91 companies >\$25MM
  - Median organic growth in ARR in 2020 was ~31% and ~24% for companies >\$25MM
  - Median employees (FTEs): ~75
  - Median customer count: ~280
  - ~\$28K median initial annual contract value
  - 67% headquartered in the U.S.

New This Year!			
Valuation	Growth Forecasts	Exit Expectations	
<b>8.4x</b>	<b>36%</b>	Exit <sup>2</sup>	'20 Median Growth Rate
Median Multiple of ARR <i>in capital raise or change of control event since Jan. 2020<sup>2</sup></i>	Median 2021E Organic Growth Forecast <sup>2</sup> <i>Compared to 28% in 2020A</i>	Public Listing	40%
		Sponsor Acquisition	22%
		Strategic Acquisition	21%
		Remain Private	15%
<i>see Slide 63 for results</i>	<i>see Slide 18 for results</i>	<i>see Slide 66 for results</i>	

# SUMMARY VIEW OF MEDIAN 2020 SAAS METRICS PERFORMANCE

2021 Private SaaS Company Survey 

Excluding Companies <\$5MM in 2020 Ending ARR



## Customer Acquisition Costs

2020 Median CAC Ratios <sup>1</sup>	
<b>2020 Blended CAC Ratio</b> Fully-loaded S&M spend to acquire \$1 of new ARR across all customers	\$1.20
<b>2020 New Customer CAC Ratio</b> Fully-loaded S&M spend to acquire \$1 of new ARR from a new customer	\$1.67
<b>2020 Existing Customer CAC Ratio</b> Fully-loaded S&M spend to acquire \$1 of ARR from upsells and expansions	\$0.63

## Margin Profile

2020 Median Margins <sup>2</sup>	
<b>Subscription Gross Margin</b>	80%
<b>Total Gross Margin<sup>3</sup></b>	73%
<b>Sales &amp; Marketing as a % of Revenue</b>	35%
<b>Free Cash Flow Margin</b>	0%

<sup>1</sup> Excluding companies with less than \$5M of S&M spend

<sup>2</sup> All margins based on 2020 GAAP revenue, adjusted for stock-based compensation add-back

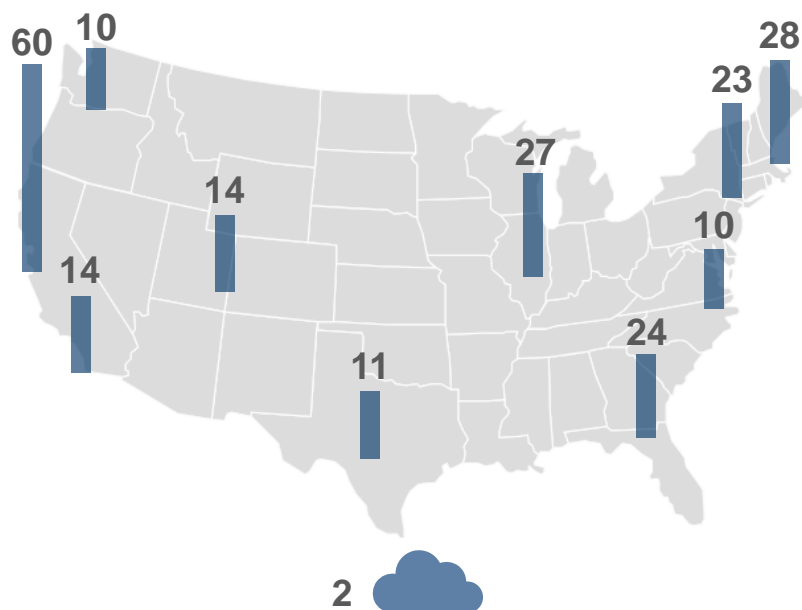
<sup>3</sup> Gross margin determined based on including customer support in COGS

Respondents: Median 2020 Organic ARR Growth: 189, 2020 New Logo Bookings: 189, 2020 Upsell Bookings: 189, 2020 Gross Dollar Churn: 189, Customer Acquisition Costs: 101

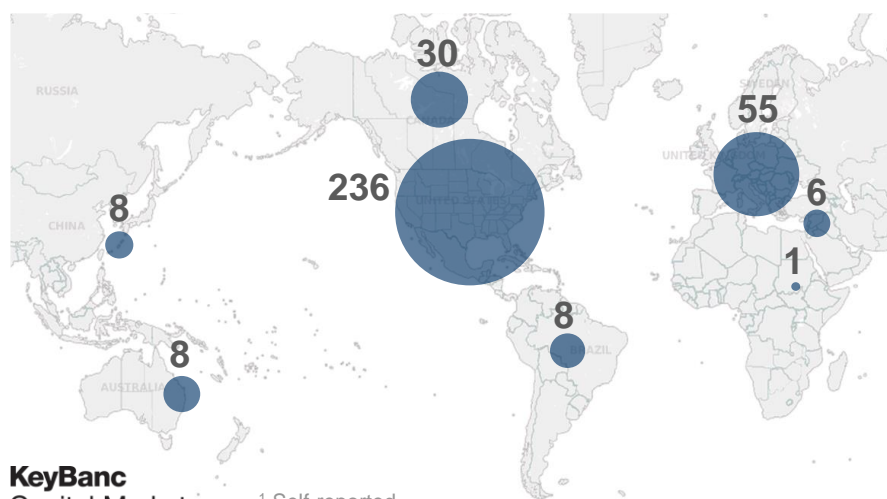
# SURVEY PARTICIPANT COMPOSITION

# SURVEY PARTICIPANT GEOGRAPHY (HQ)

2021 Private SaaS Company Survey 



U.S. Regions	# of Companies	Median 2020 Ending ARR (\$ in MM)	Median 2020 Organic Growth Rate	% of Revenue: International
Silicon Valley	60	\$17.2	48%	19%
Boston / New England	28	7.7	20%	14%
Midwest / Chicago	27	8.0	23%	5%
Southeast U.S.	24	9.9	24%	1%
New York	23	14.0	32%	15%
Colorado – Utah	14	7.4	40%	0%
Southern California	14	14.1	28%	0%
Texas	11	7.7	38%	4%
Mid-Atlantic-DC	10	12.8	17%	10%
Pacific Northwest	10	12.0	8%	18%
Other U.S.	15	4.8	44%	0%
<b>Total U.S.</b>	<b>236</b>	<b>\$11.7</b>	<b>29%</b>	<b>8%</b>

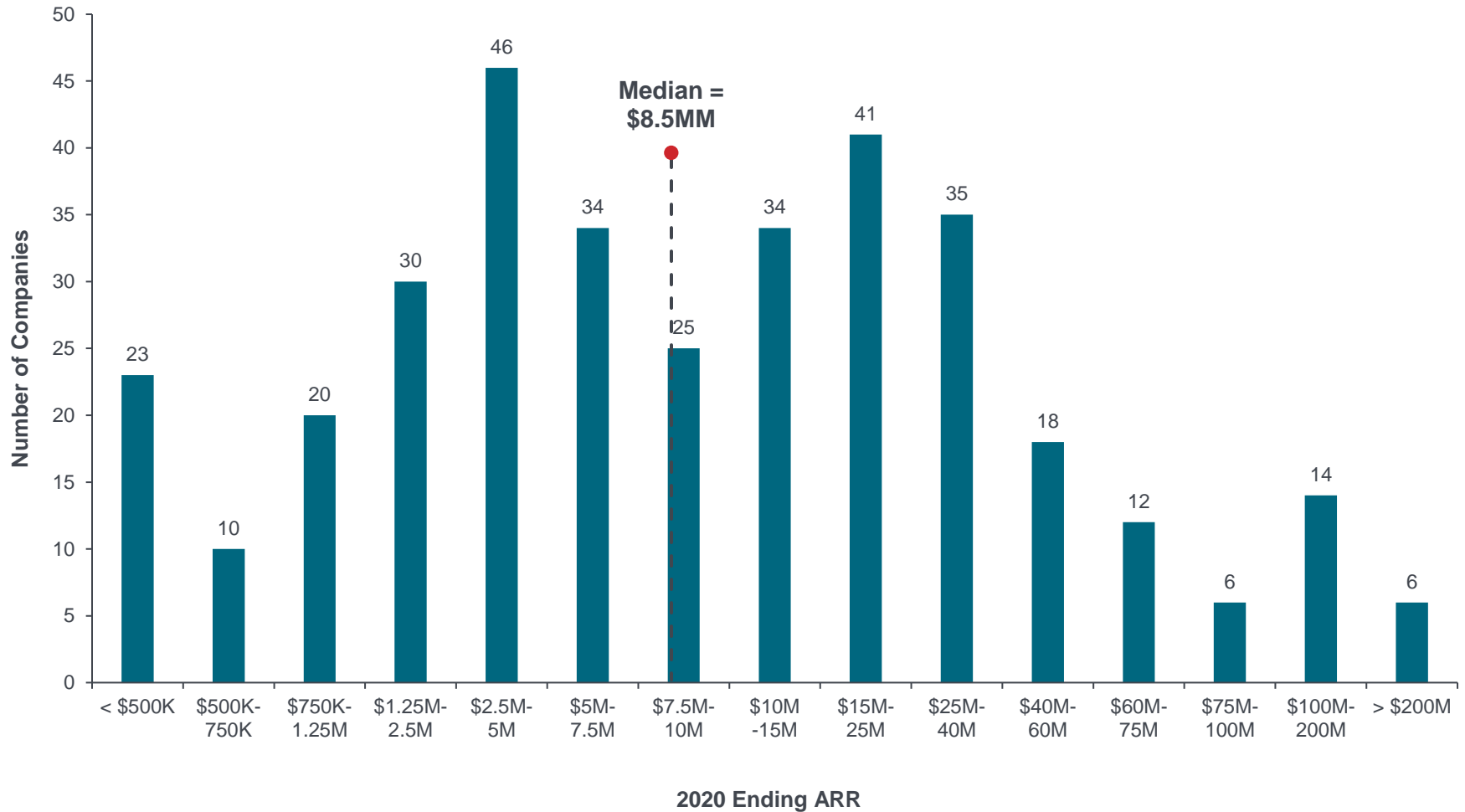


Other Locations	# of Companies	Median 2020 Ending ARR (\$ in MM)	Median 2020 Organic Growth Rate	% of Revenue: Home Region / North America / RoW
Europe	55	\$4.2	34%	54% / 25% / 21%
Canada	30	6.6	27%	85% / 85% / 15%
Australia / New Zealand	8	3.2	49%	36% / 6% / 59%
Latin America	8	2.5	41%	100% / 0% / 0%
Asia	8	1.8	47%	43% / 13% / 45%
Israel	6	11.8	108%	20% / 60% / 20%
Virtual <sup>1</sup>	2	5.0	NA	NA
Middle East – Africa	1	0.1	NA	NA
<b>Other Locations</b>	<b>118</b>	<b>\$4.7</b>	<b>37%</b>	<b>41% / 38% / 21%</b>

<b>TOTAL</b>	<b>354</b>	<b>\$8.5</b>	<b>31%</b>
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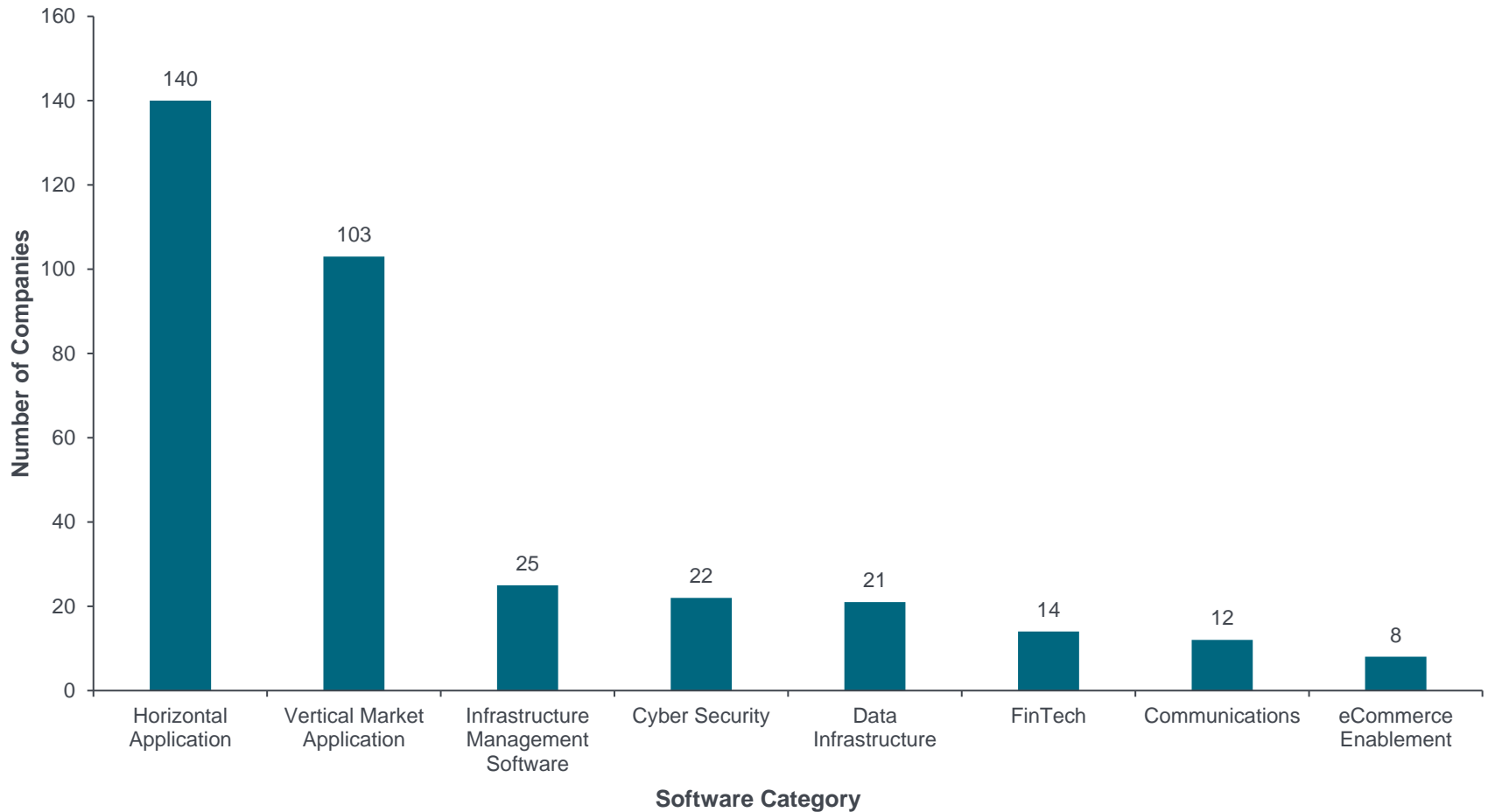
# PARTICIPANTS BY ENDING ARR

2020 ARR: Contracted Annual Recurring Revenue at Year-End 2020

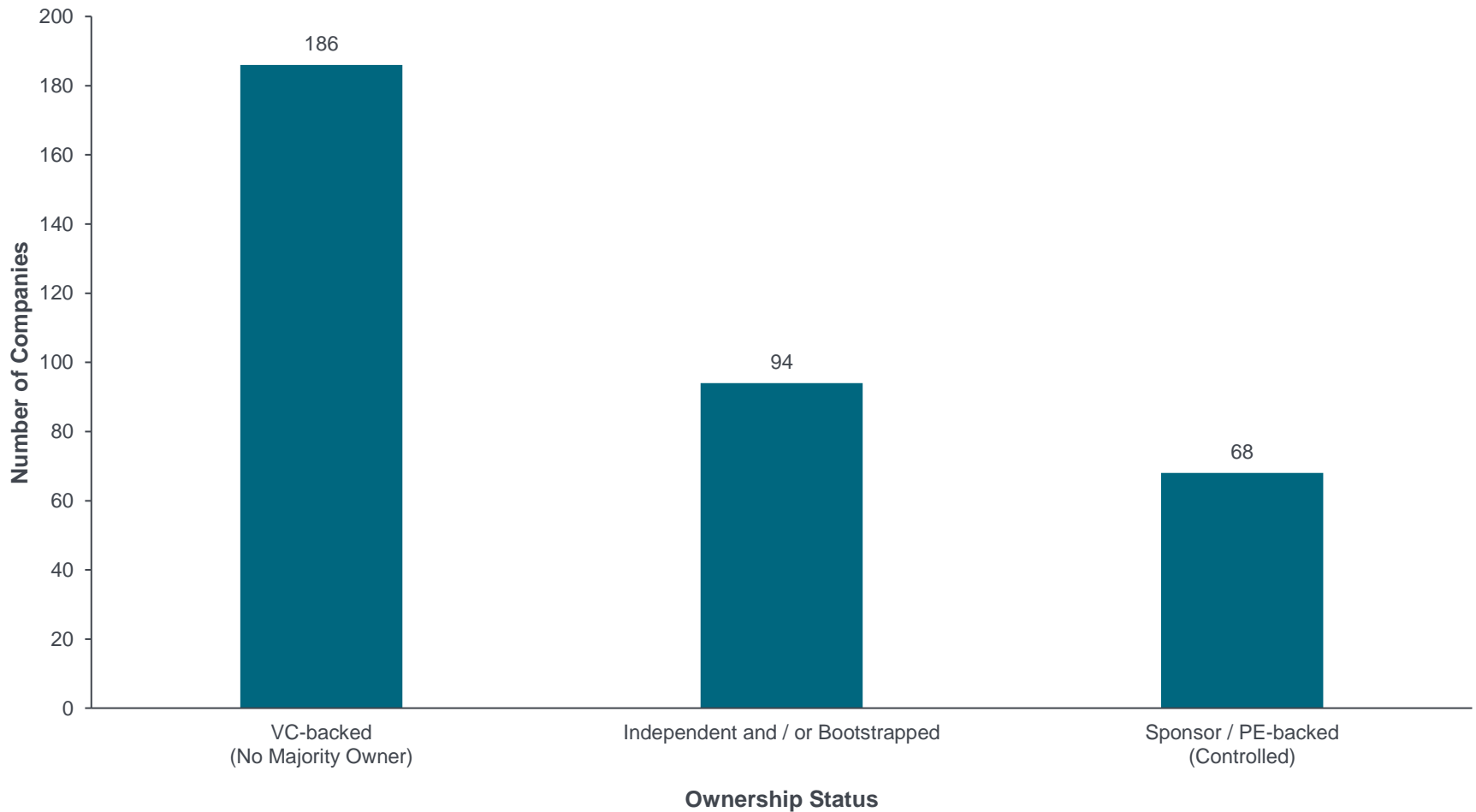


# PARTICIPANTS BY SOFTWARE CATEGORY

2021 Private SaaS Company Survey 

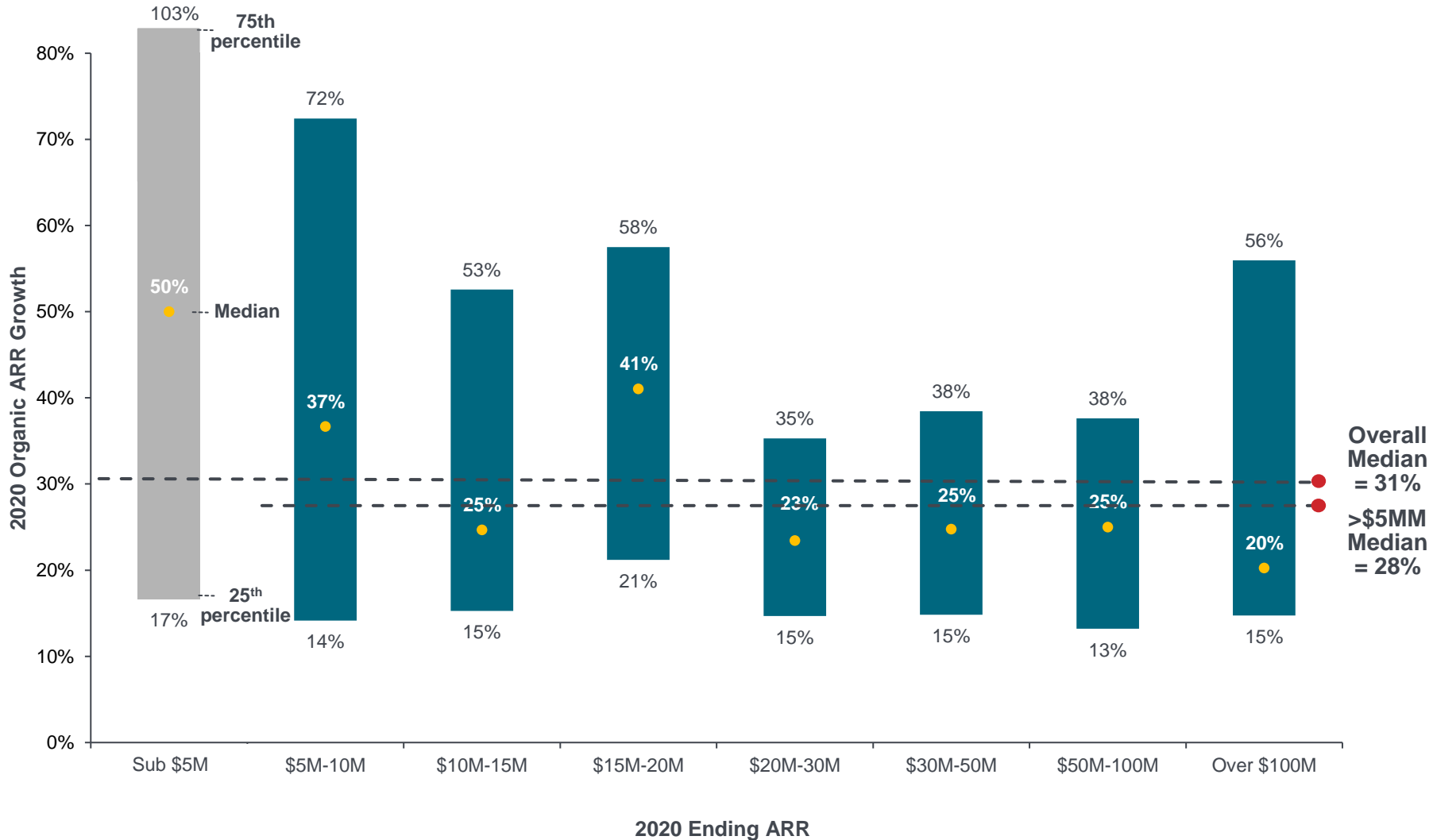


# PARTICIPANT BY OWNERSHIP STATUS



# 2020 GROWTH

# 2020 ORGANIC ARR GROWTH



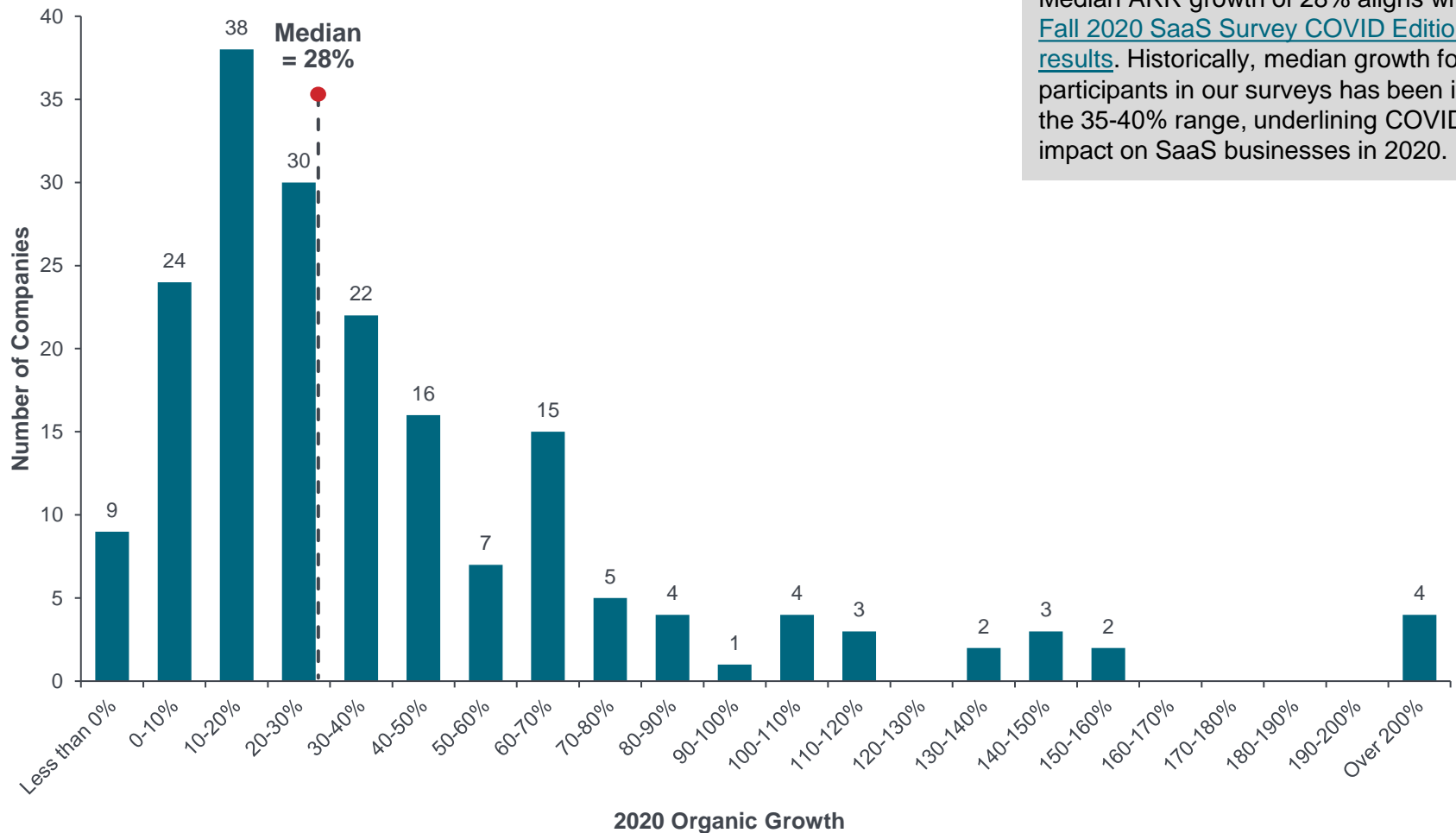
# ORGANIC ARR GROWTH HISTOGRAM

2021 Private SaaS Company Survey 

Excluding Companies <\$5MM in 2020 Ending ARR

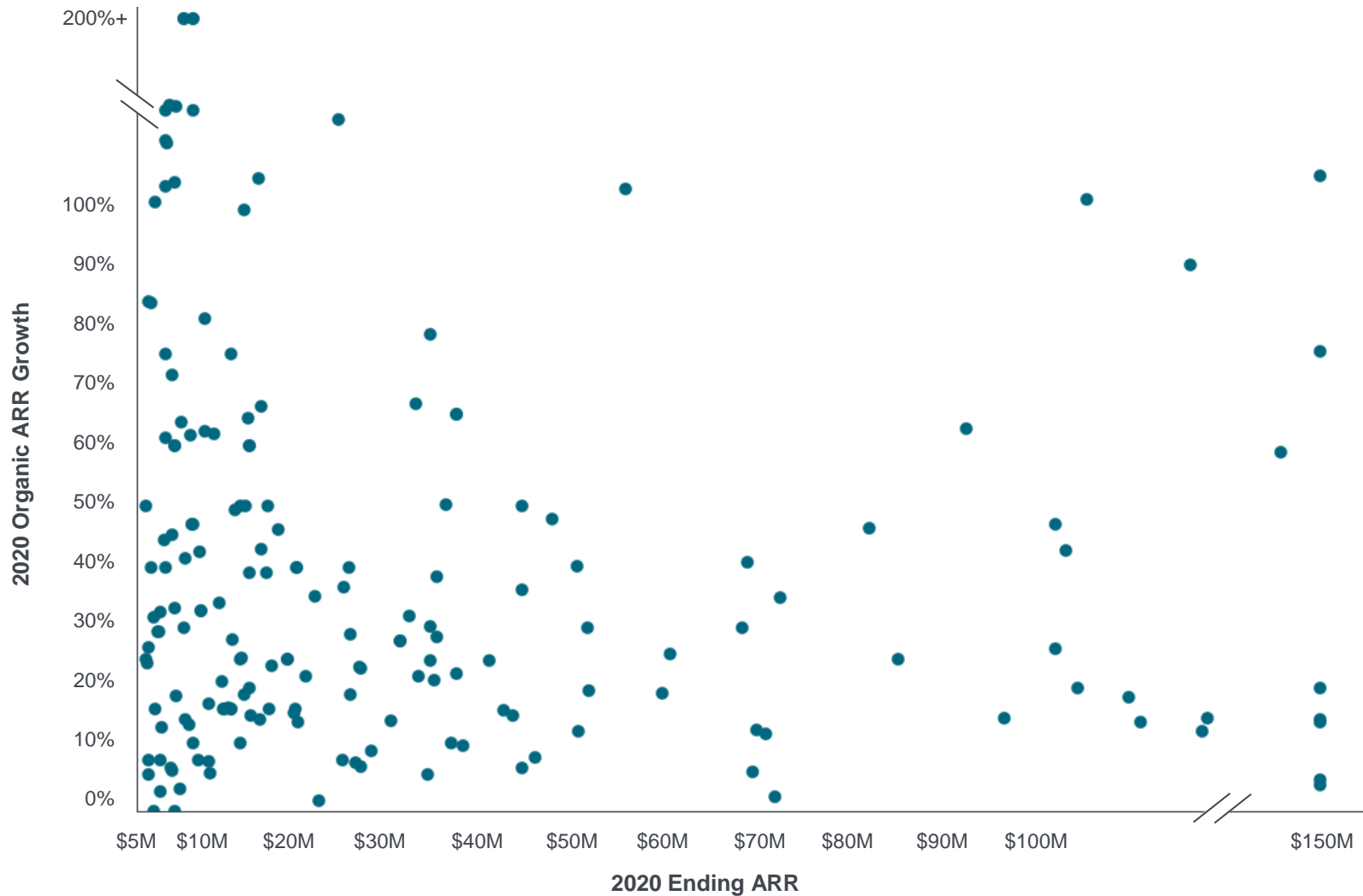


Median ARR growth of 28% aligns with [Fall 2020 SaaS Survey COVID Edition results](#). Historically, median growth for participants in our surveys has been in the 35-40% range, underlining COVID's impact on SaaS businesses in 2020.



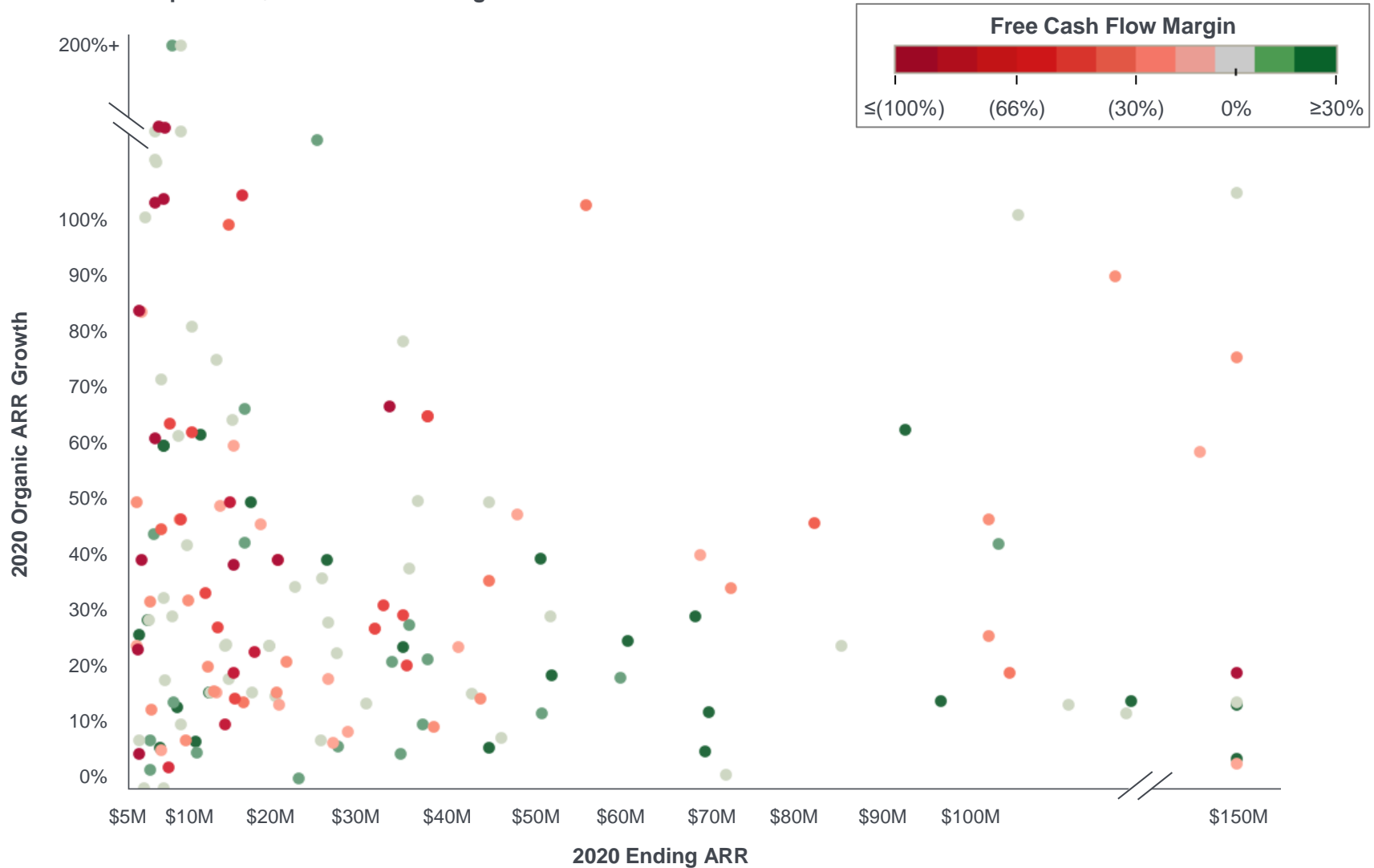
# HOW FAST DID YOU GROW ORGANICALLY IN 2020?

Scatter View of Companies  $\geq$ \$5MM in 2020 Ending ARR



# 2020 GROWTH VS. BURN TRADEOFF

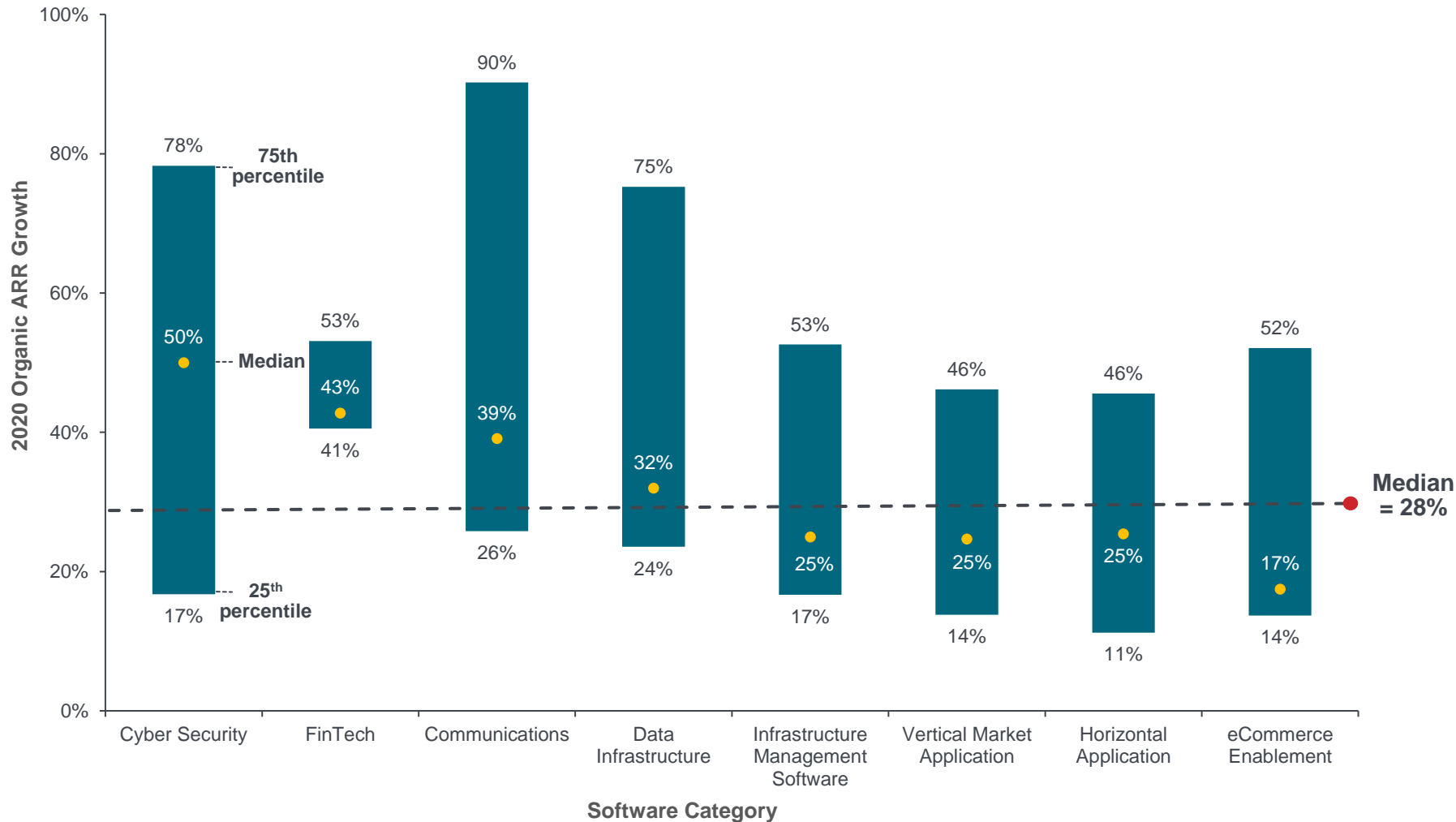
Scatter View of Companies  $\geq$ \$5MM in 2020 Ending ARR



# 2020 ARR GROWTH BY SOFTWARE CATEGORY

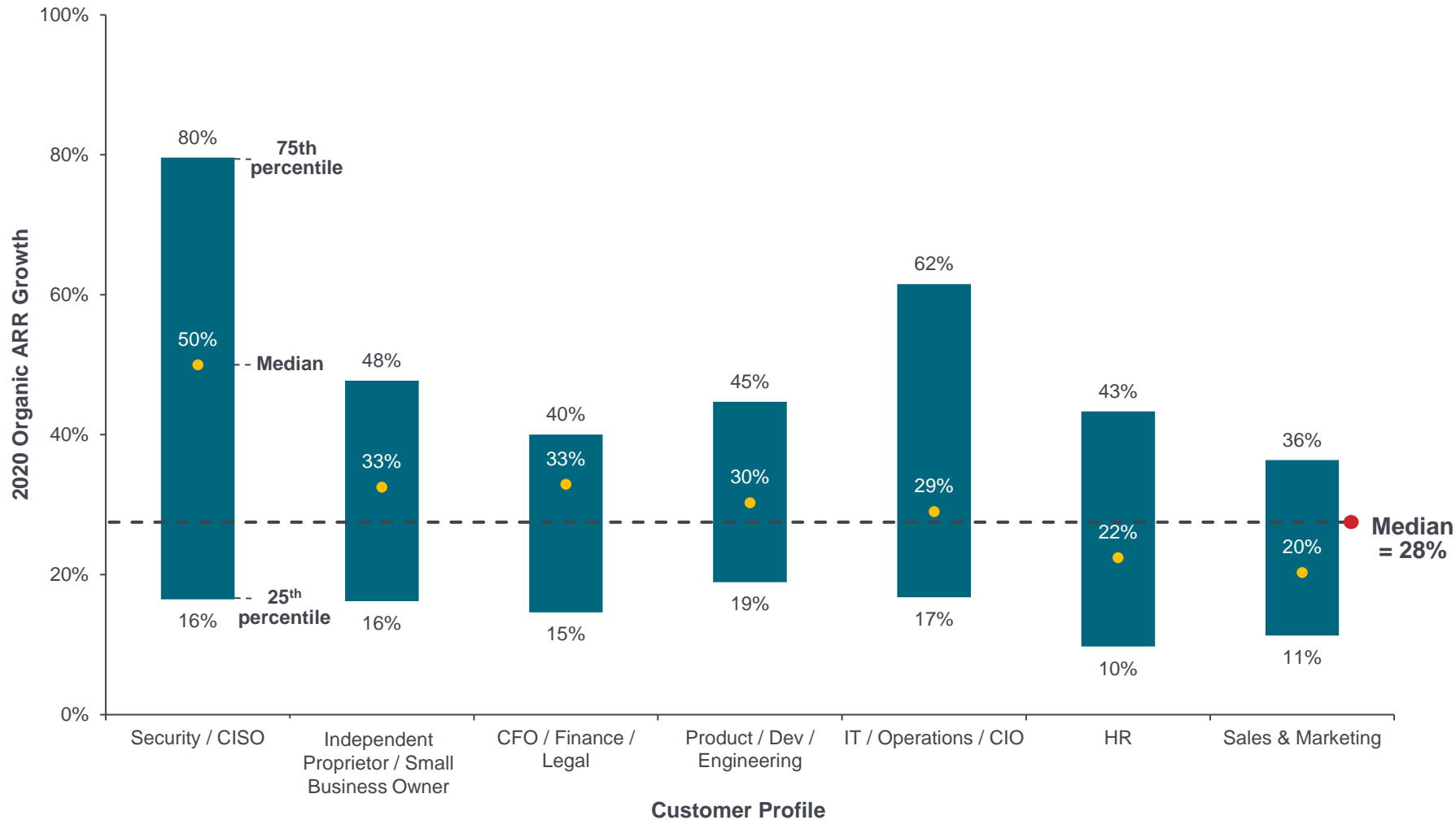
2021 Private SaaS Company Survey 

Excluding Companies <\$5MM in 2020 Ending ARR



# 2020 ARR GROWTH BY CUSTOMER PROFILE

Excluding Companies <\$5MM in 2020 Ending ARR



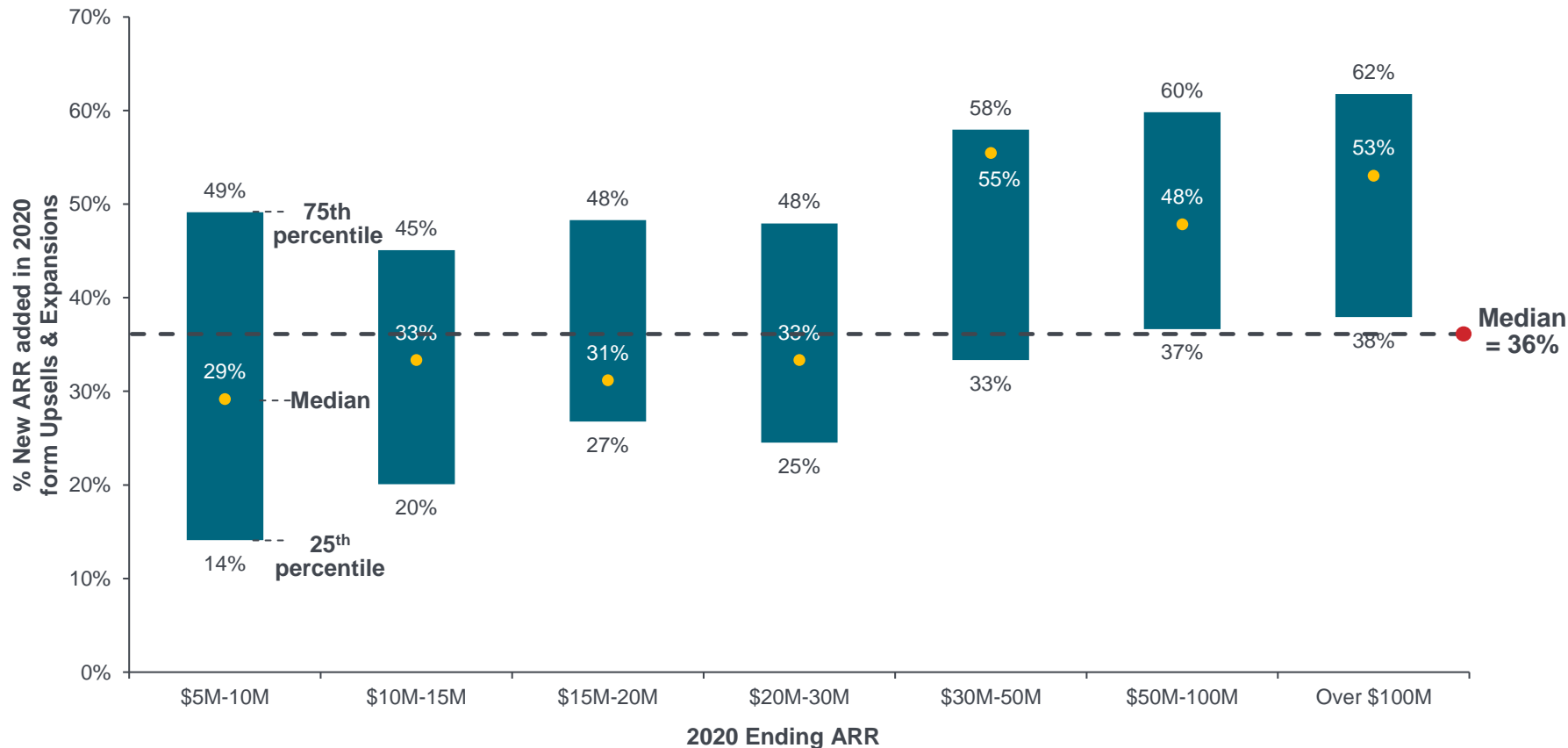
# RELIANCE ON UPSELLS & EXPANSIONS IN 2020

2021 Private SaaS Company Survey 

Excluding Companies <\$5MM in 2020 Ending ARR



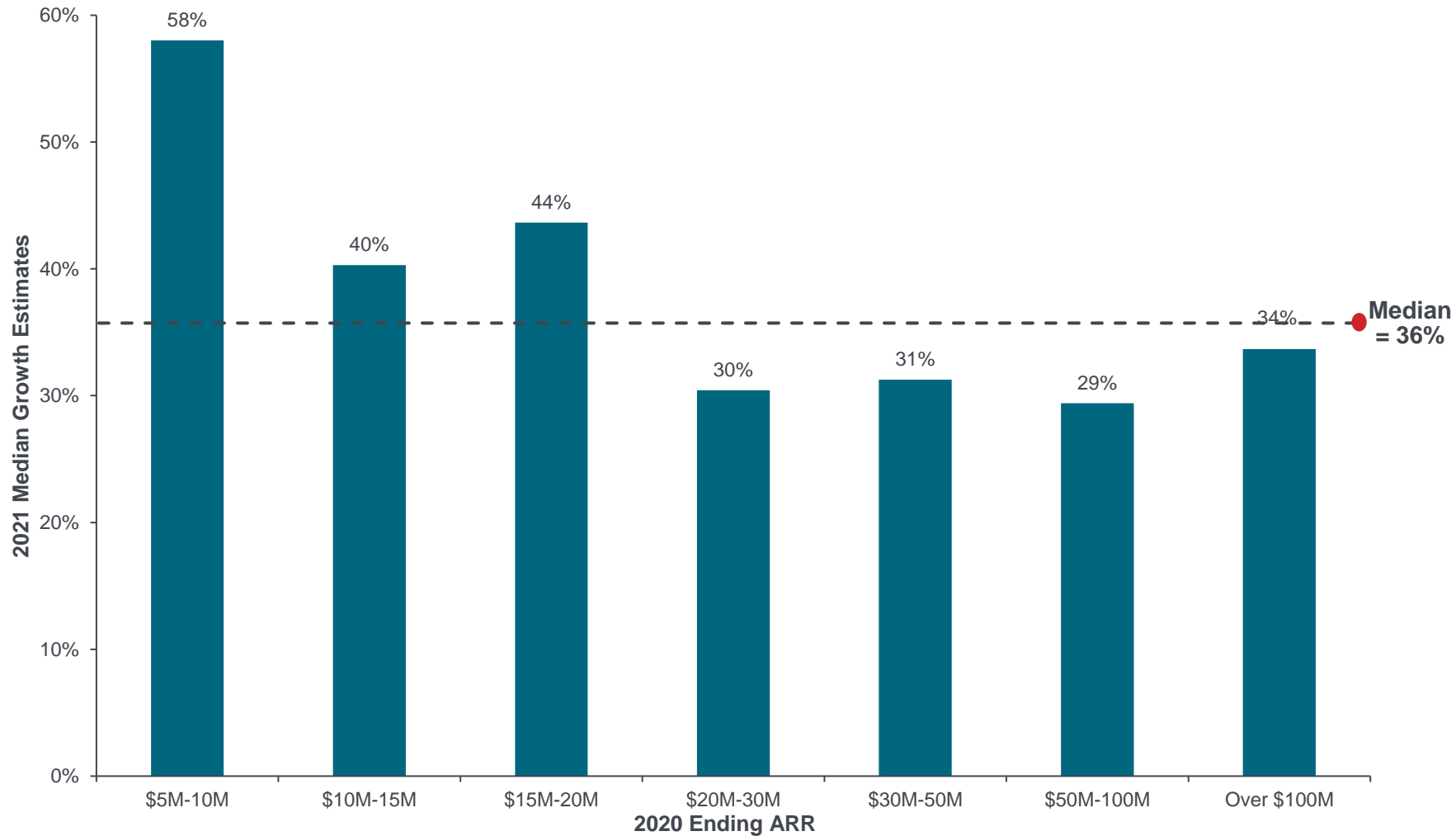
As seen in previous surveys, larger companies tend to rely more heavily on upselling existing customers.



# 2021 GROWTH FORECAST

# 2021 GROWTH FORECAST


Excluding Companies <\$5MM in 2020 Ending ARR

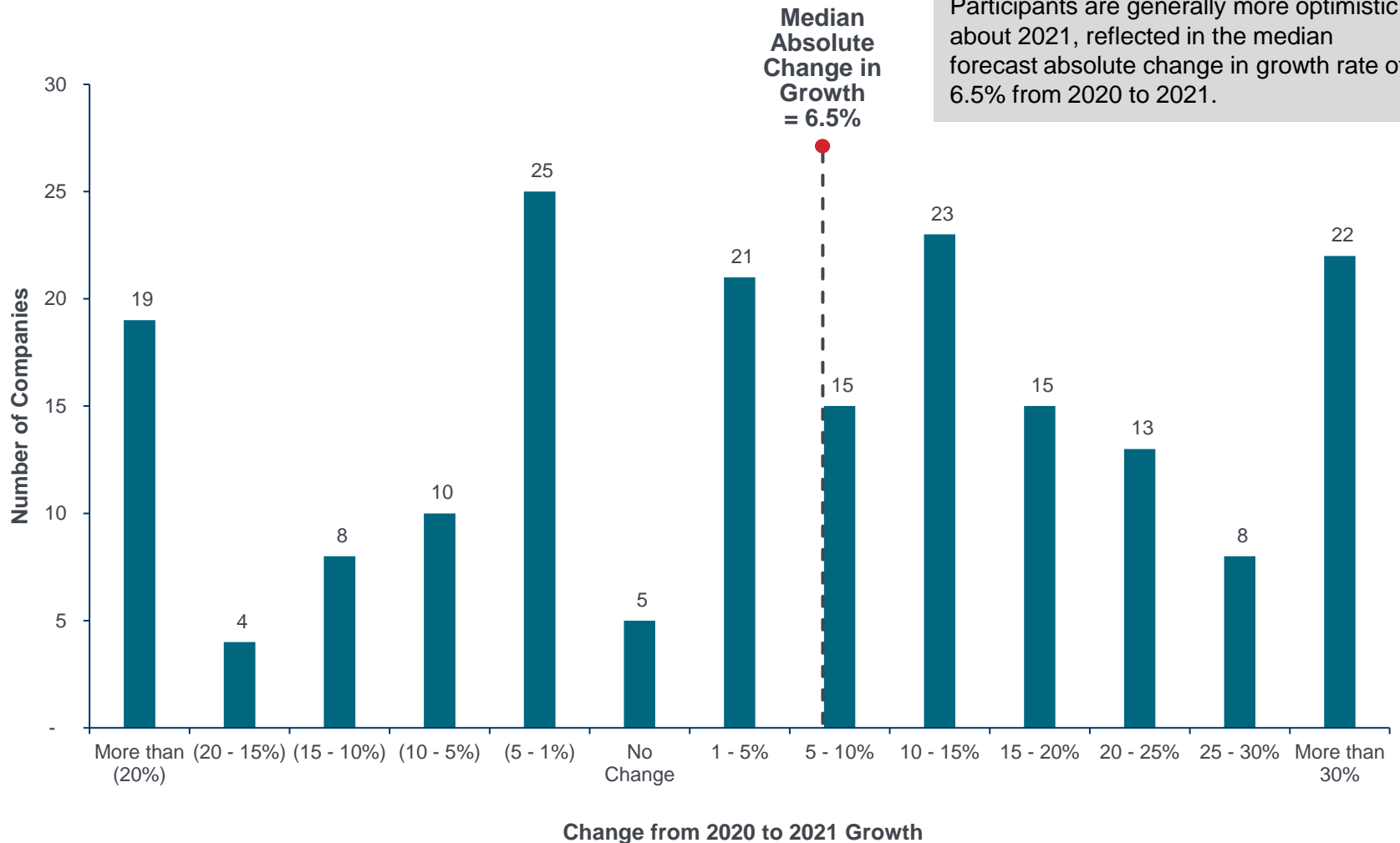


# 2021 GROWTH FORECAST: ACCELERATION VS DECELERATION

2021 Private SaaS Company Survey 

Excluding Companies <\$5MM in 2020 Ending ARR

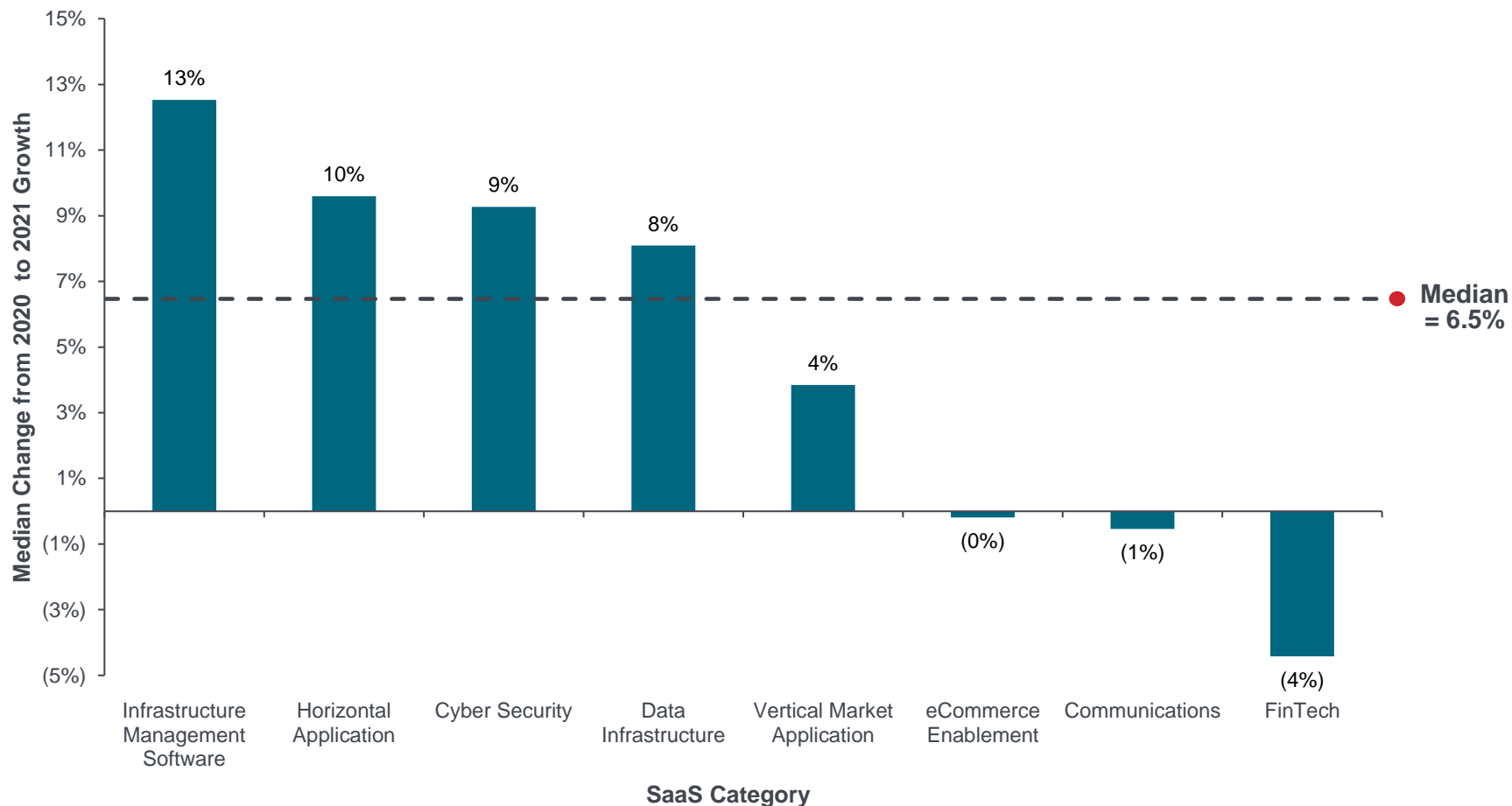
 Participants are generally more optimistic about 2021, reflected in the median forecast absolute change in growth rate of 6.5% from 2020 to 2021.



# 2021 GROWTH FORECAST: ACCELERATION VS DECELERATION BY SOFTWARE CATEGORY

2021 Private SaaS Company Survey 

Excluding Companies <\$5MM in 2020 Ending ARR

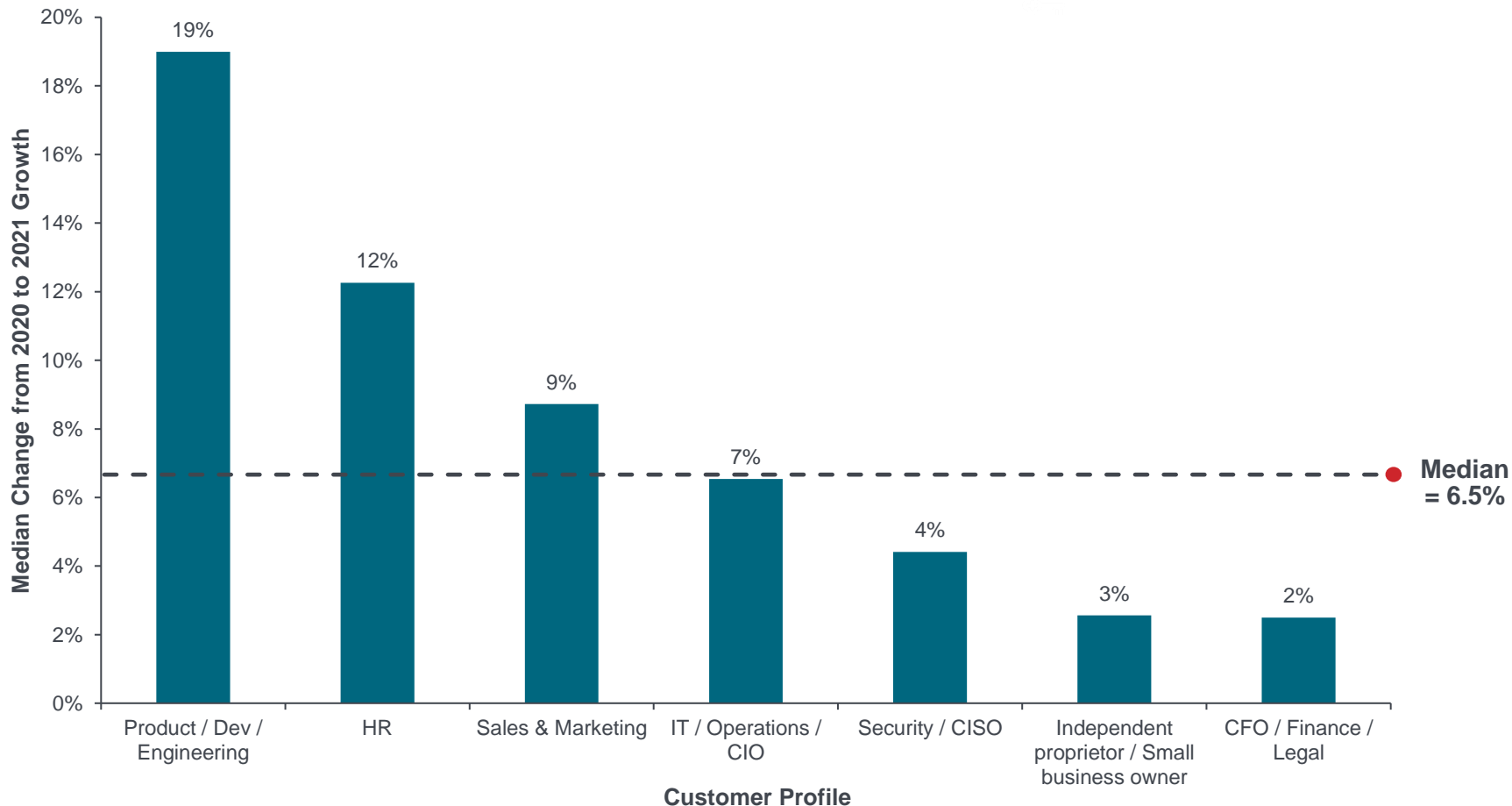


Median 2020 Growth	25%	25%	50%	32%	25%	17%	39%	43%
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# 2021 GROWTH FORECAST: ACCELERATION VS DECELERATION BY CUSTOMER PROFILE

2021 Private SaaS Company Survey 

Excluding Companies <\$5MM in 2020 Ending ARR



Median 2020 Growth

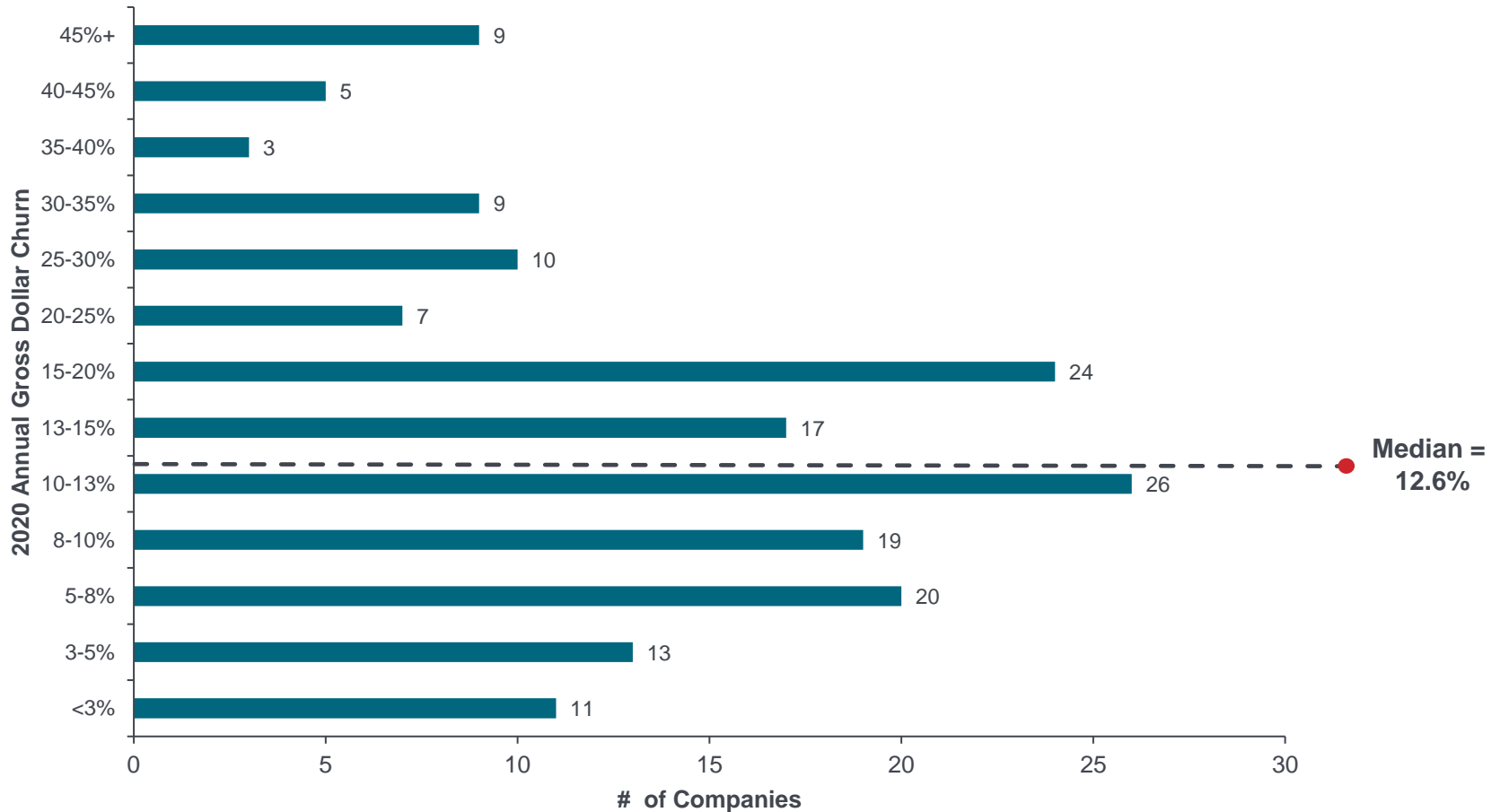
30%	22%	20%	29%	50%	33%	33%
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# RETENTION AND CHURN

# ANNUAL GROSS DOLLAR CHURN

Excluding Companies <\$5MM in 2020 Ending ARR

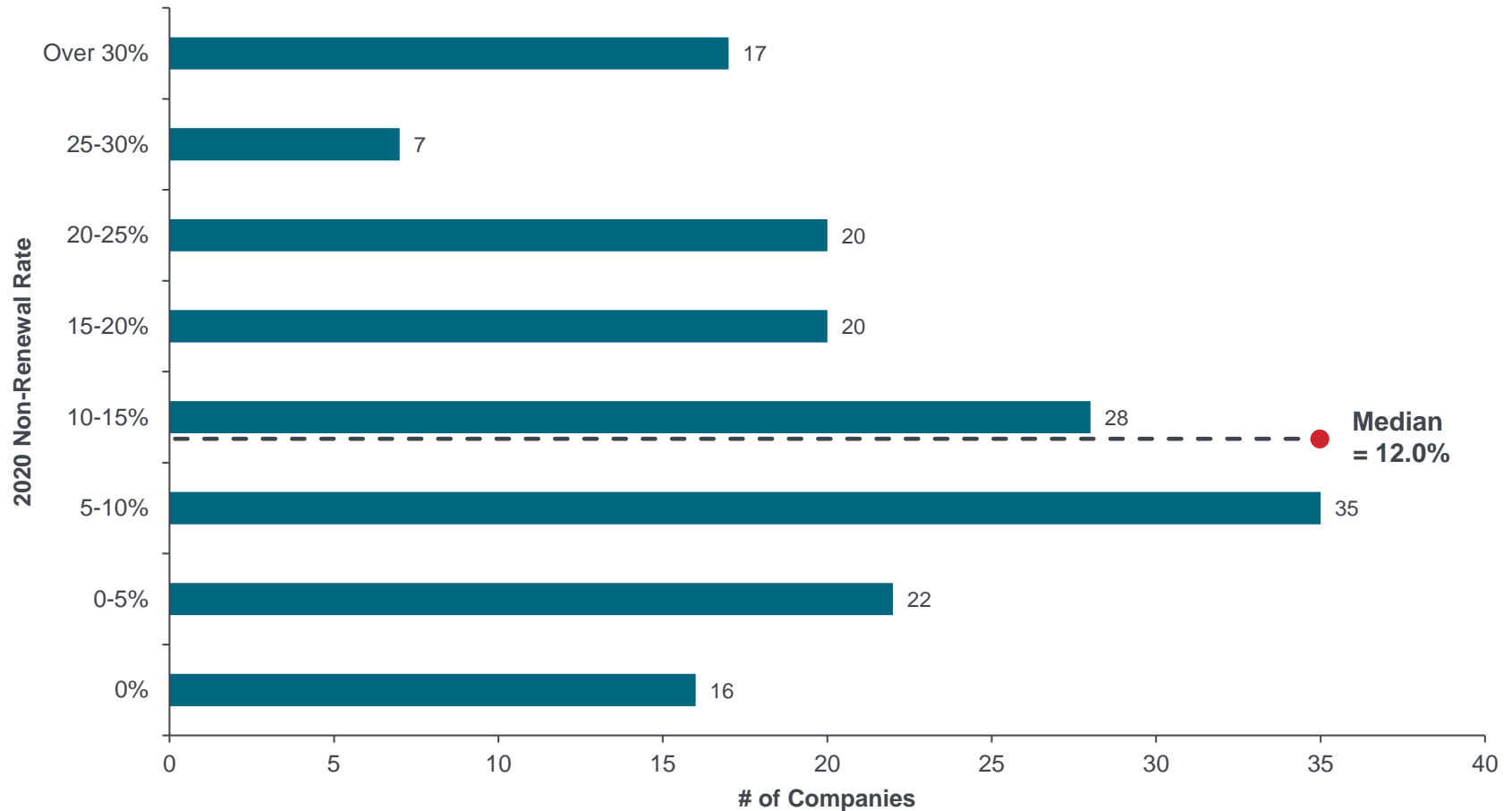
On a dollar basis, what percentage of ARR contracted as of 12/31/19, churned during 2020?  
(Excluding benefits of upsells and expansions)



# ANNUAL NON-RENEWAL RATE

Excluding Companies <\$5MM in 2020 Ending ARR

On a dollar basis, what percentage of ARR up for renewal during 2020 did not renew? (Excluding benefits of upsells and expansions)

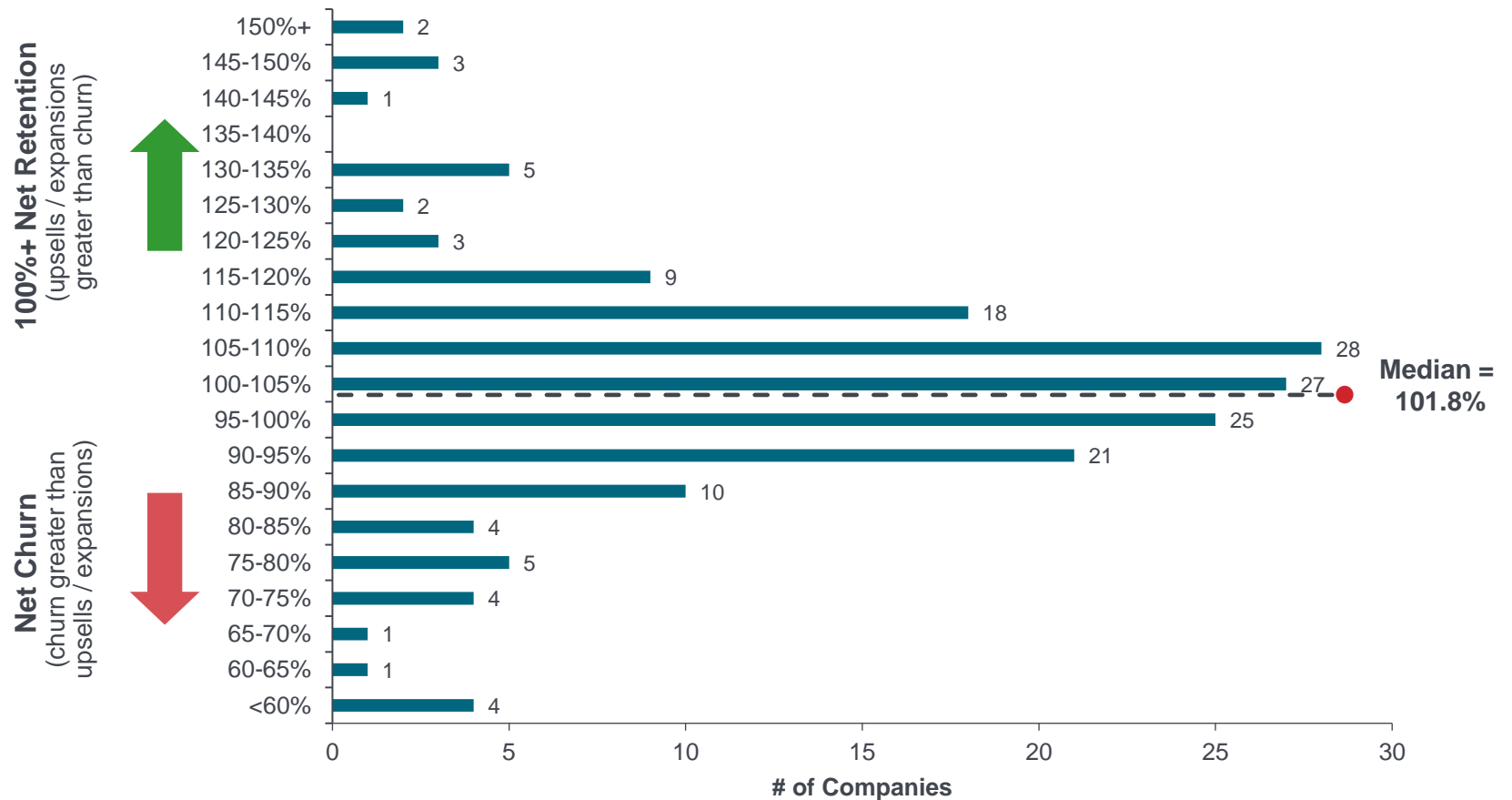


# ANNUAL NET DOLLAR RETENTION FROM EXISTING CUSTOMERS

2021 Private SaaS Company Survey 

Excluding Companies <\$5MM in 2020 Ending ARR

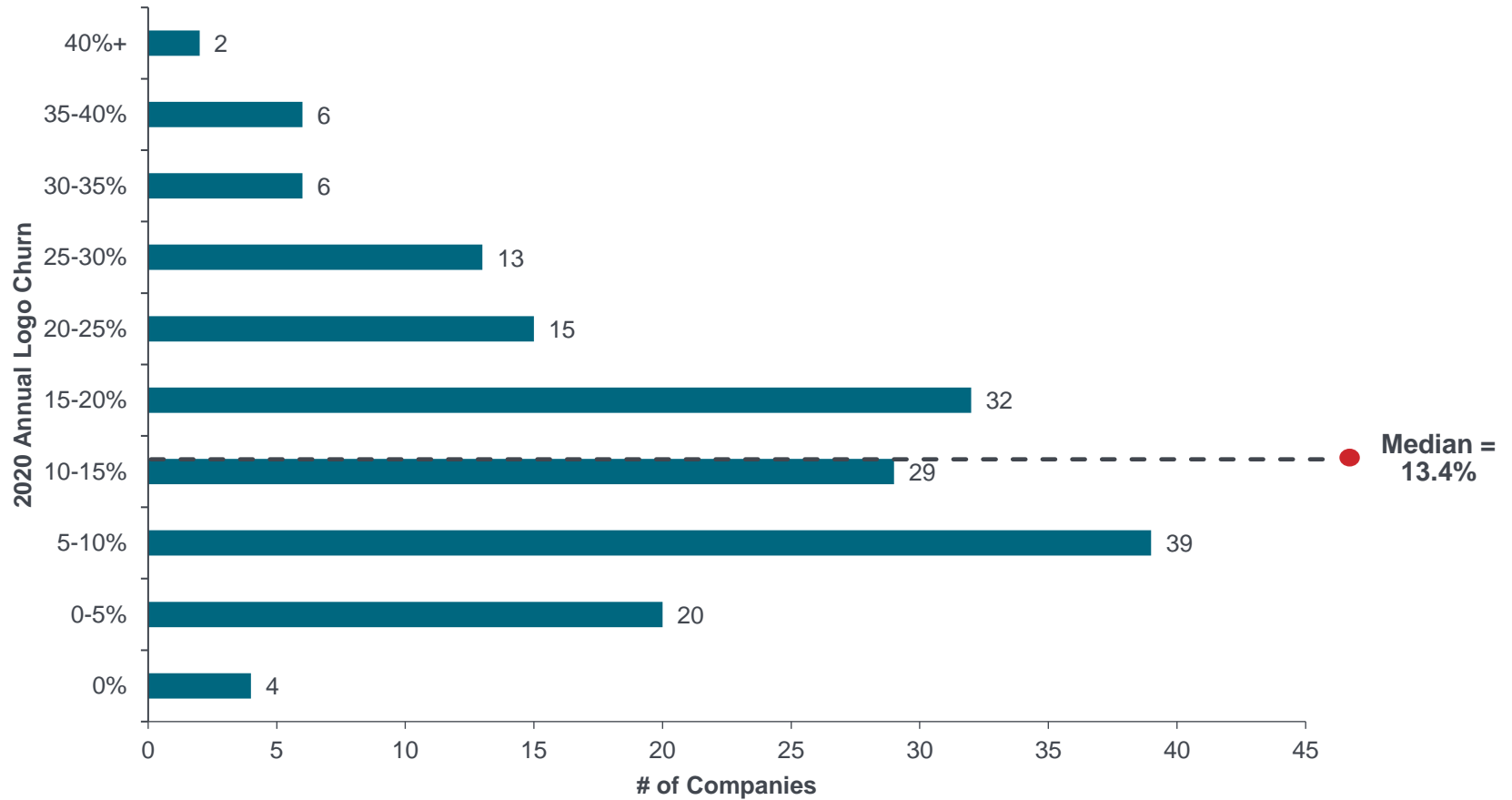
How much did your existing ARR base at the end of 2020 expand or contract, adding upsells and expansions from existing customers, subtracting gross dollar churn?



# ANNUAL LOGO CHURN

Excluding Companies <\$5MM in 2020 Ending ARR

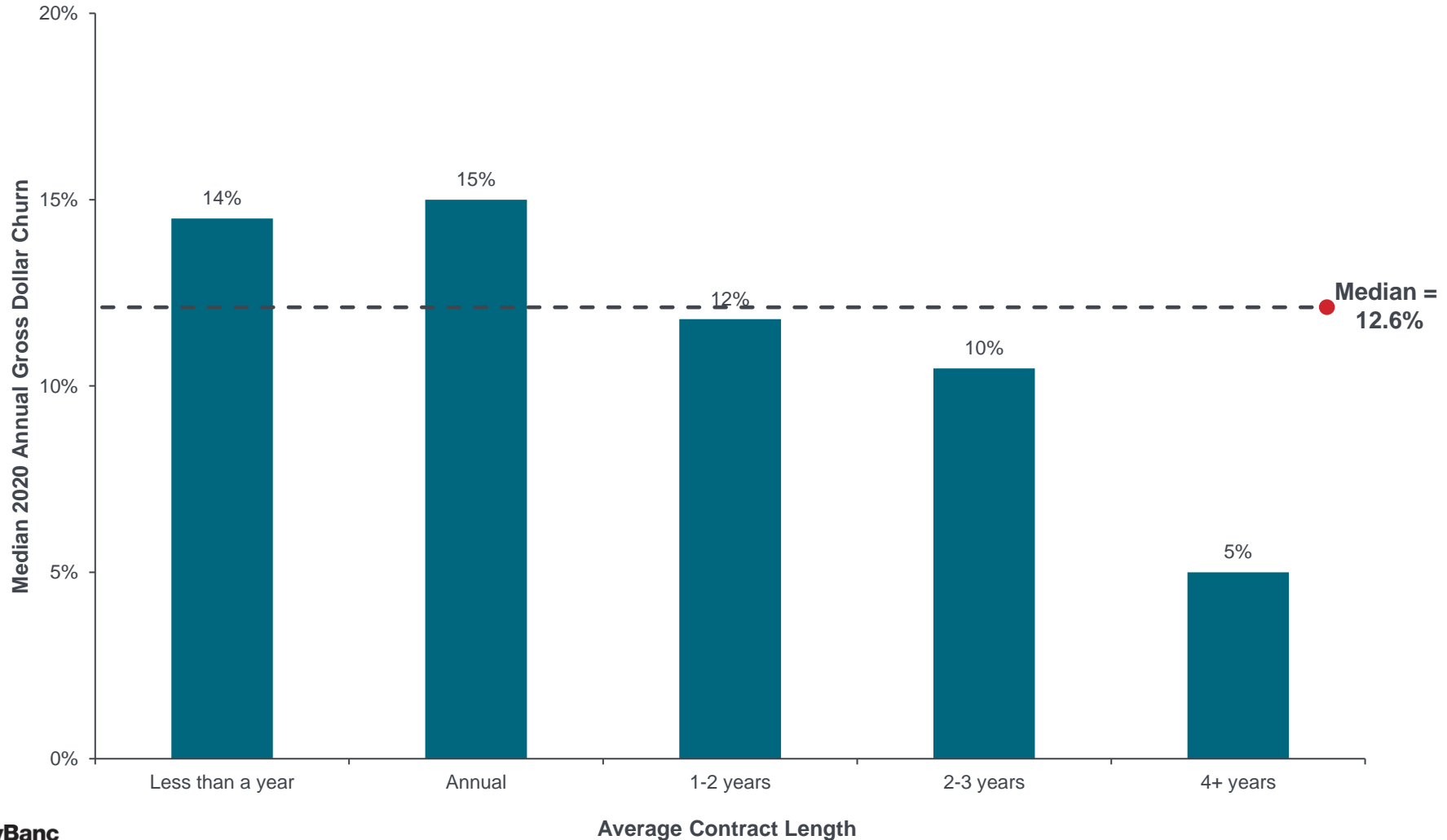
Annual Logo Churn: Number of Pre-existing Customers Lost During 2020 Divided by Total Number of Customers at Year-End 2019?



# ANNUAL GROSS DOLLAR CHURN AS A FUNCTION OF CONTRACT LENGTH

2021 Private SaaS Company Survey 

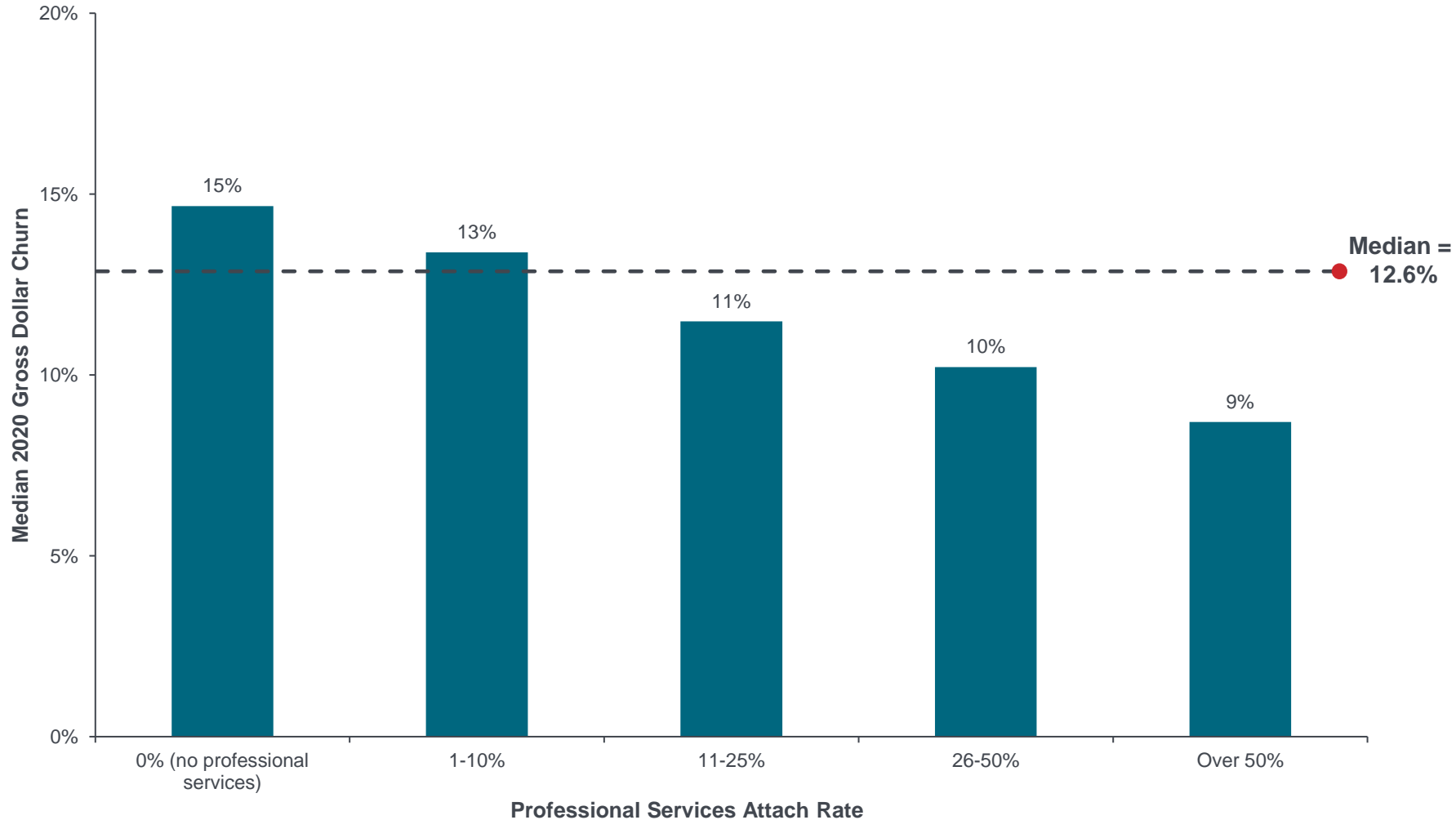
Excluding Companies <\$5MM in 2020 Ending ARR



# ANNUAL GROSS DOLLAR CHURN AS A FUNCTION OF UPFRONT PROFESSIONAL SERVICES

2021 Private SaaS Company Survey 

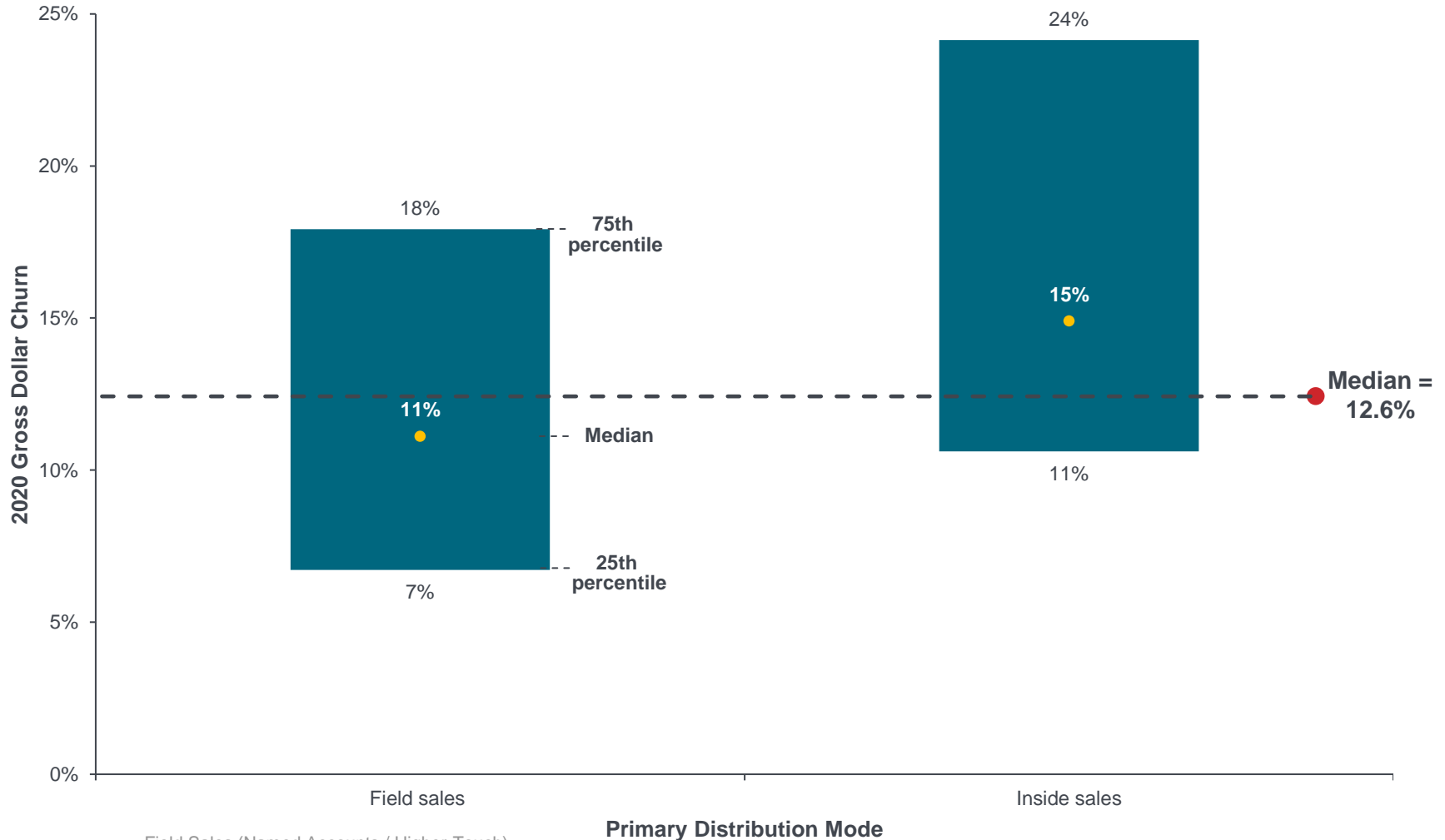
Excluding Companies <\$5MM in 2020 Ending ARR



# GROSS DOLLAR CHURN AS A FUNCTION OF GO-TO-MARKET MOTION<sup>1</sup>

2021 Private SaaS Company Survey 

Excluding Companies <\$5MM in 2020 Ending ARR



Field Sales (Named Accounts / Higher-Touch)

Inside Sales (Higher Velocity / Lower-Touch)

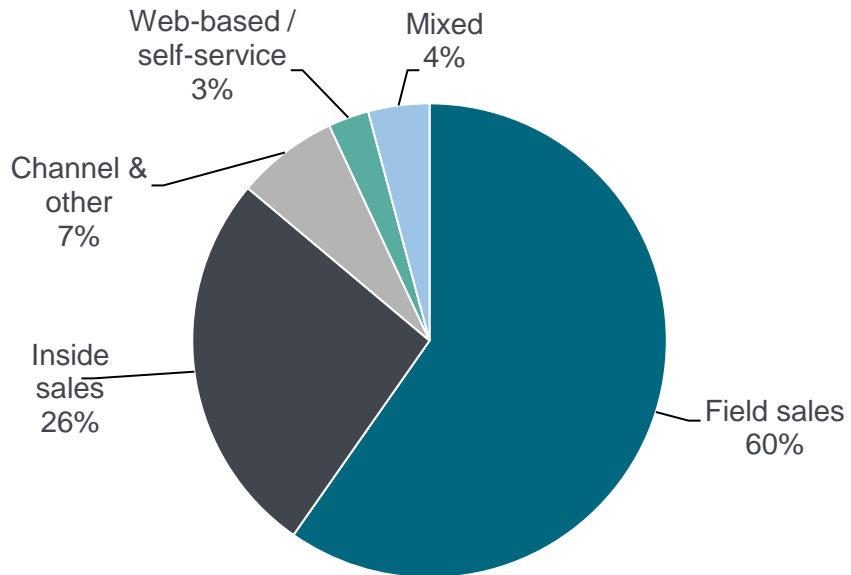
<sup>1</sup> Primary Mode of Distribution defined by determining the greatest contributor to new sales and confirming that it is at least a 20% point higher contributor than any other. If no mode satisfies these conditions, then it is Mixed

Respondents: 134; Field Sales: 86, Inside Sales: 48

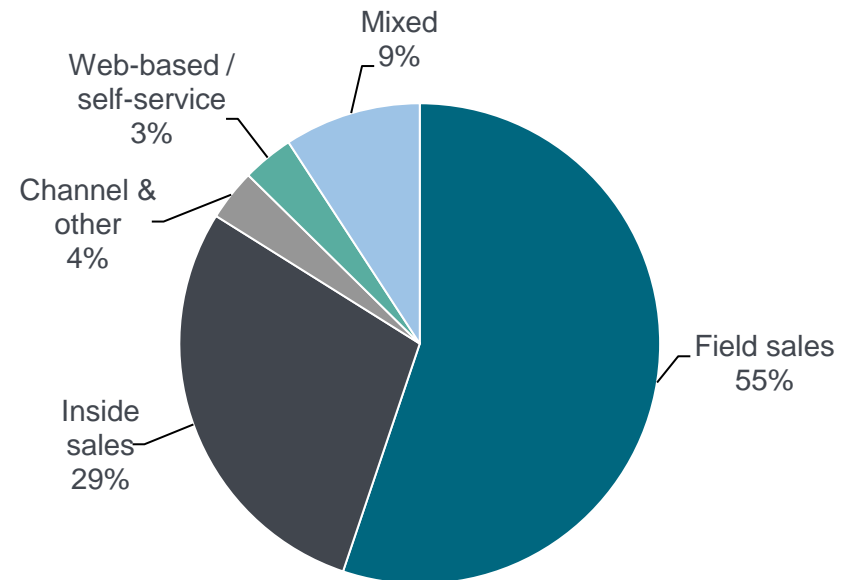
# GO-TO-MARKET AND SALES AND MARKETING

# PRIMARY GO-TO-MARKET MOTION<sup>1</sup>

## Smaller Companies <\$5MM in 2020 Ending ARR



## Larger Companies ≥ \$5MM in 2020 Ending ARR

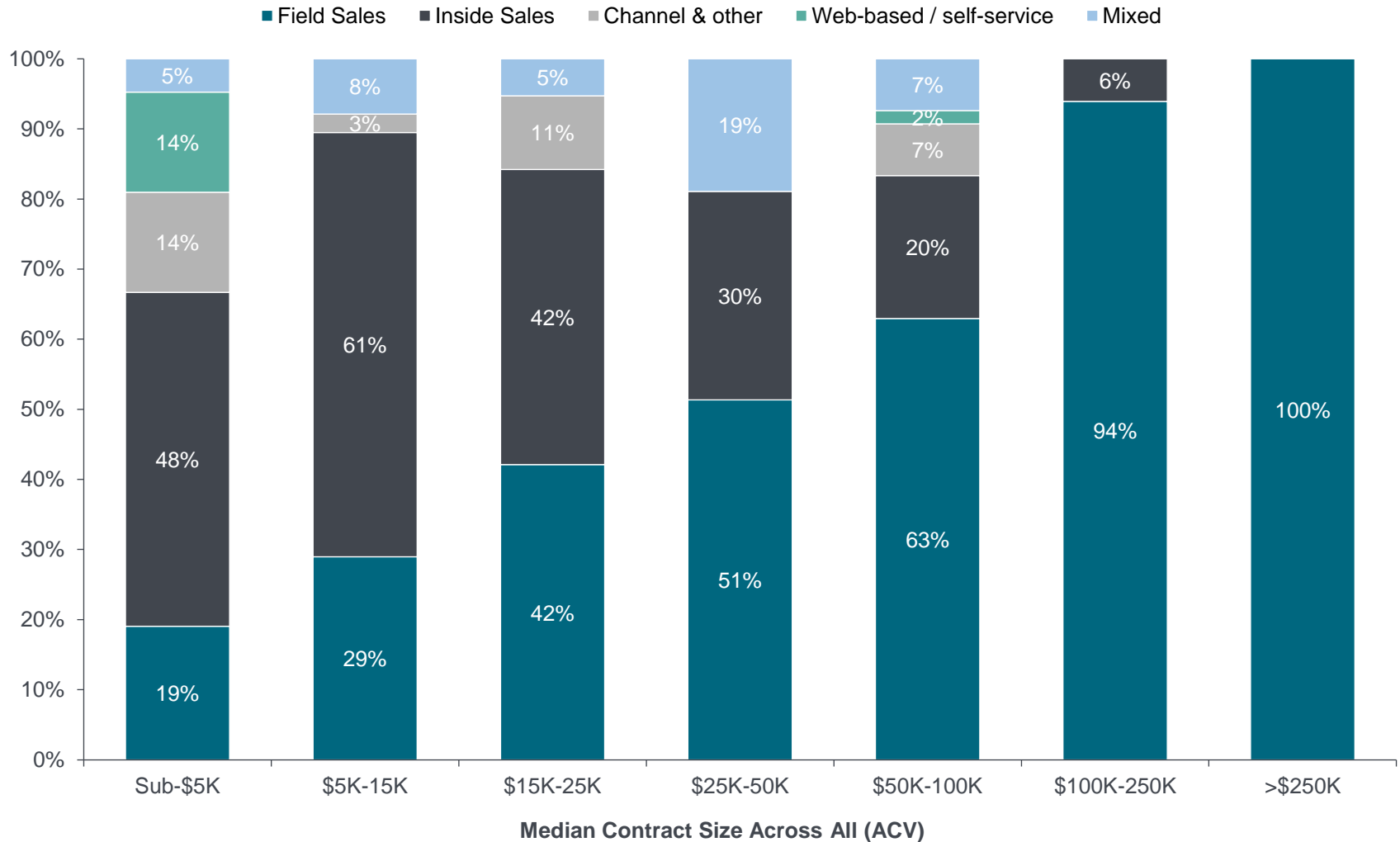


<sup>1</sup> Primary Go-To-Market Motion is defined by determining the greatest contributor to new sales and confirming that it is at least a 20% point higher contributor than any other. If no mode satisfies these conditions, then it is Mixed

Note: Field sales defined as “named accounts / higher-touch” model, Inside sales defined as “higher-velocity / lower-touch” model  
72 and 174 respondents, respectively

# PRIMARY MODE OF DISTRIBUTION<sup>1</sup> AS A FUNCTION OF MEDIAN CONTRACT SIZE

2021 Private SaaS Company Survey 




# ANALYSIS OF FIELD VS. INSIDE SALES IN KEY CROSSOVER DEAL SIZE TIERS

2021 Private SaaS Company Survey 

Excluding Companies <\$5MM in 2020 Ending ARR

Median	\$15-\$50K Median Annual Contract Size	
	Field-Dominated	Inside-Dominated
2020 Ending ARR	\$11MM	\$14MM
Initial ACV per Customer	\$23K	\$24K
Average Contract Length	1 Year	1 Year
Professional Services Attach Rate	4.6%	2.2%
Commissions for New Sales to New Accounts – Direct	10%	10%
2020 ARR per FTE	\$112K	\$130K
2020 Organic ARR Growth Rate	28%	18%
S&M % of Revenue	41%	31%
2020 FCF Margin	(12%)	1%
2020 Rule of 40	1%	16%
Blended CAC Ratio <sup>1</sup>	\$1.11	\$1.00
% of New ARR from Upsells and Expansions	37%	36%
Annual Gross Dollar Churn <sup>2</sup>	16%	15%
Net Dollar Retention Rate <sup>3</sup>	98%	98%

 Among companies selling \$15K-\$50K average ACV, we compared those favoring Field vs. Inside and found Field Sales-driven companies had somewhat higher growth and burn rates, as well as higher CAC, though retention rates were largely the same.

<sup>1</sup> Fully-loaded sales & marketing spend divided by new ARR added from all customers

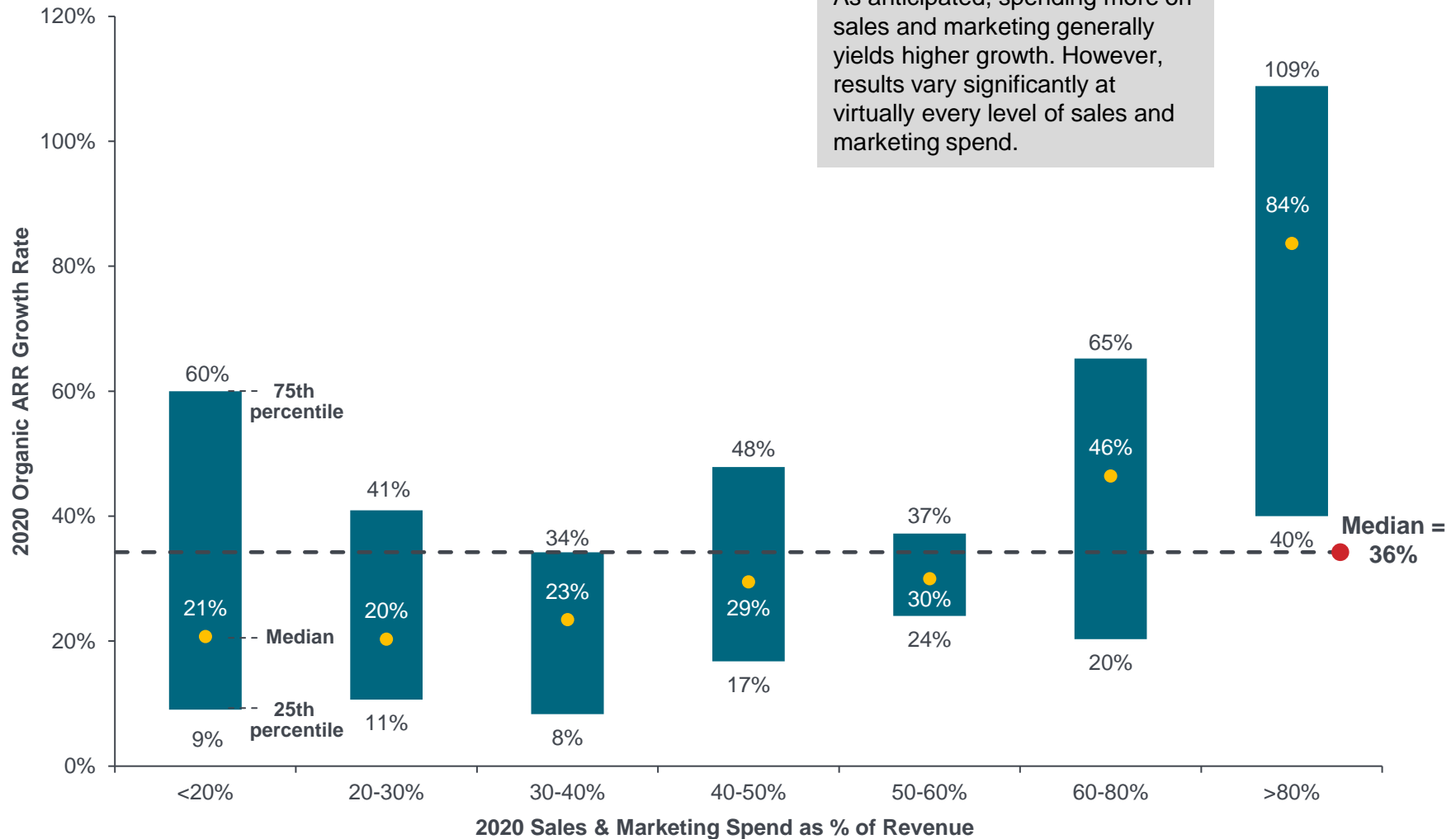
<sup>2</sup> The % of dollar ARR under contract at the end of the prior year which was lost during the most recent year (excludes the benefits of upsells and expansions)

<sup>3</sup> The % change in ACV from existing customers, resulting only from the effect of churn, upsells / expansions and price increases

Respondents: Total: 34, Field-Dominated: 18, Inside-Dominated: 16

# SALES & MARKETING SPEND VS. GROWTH RATE

Excluding Companies <\$5MM in 2020 Ending ARR



# SALES & MARKETING COST COMPOSITION BY MEDIAN ACV

2021 Private SaaS Company Survey 

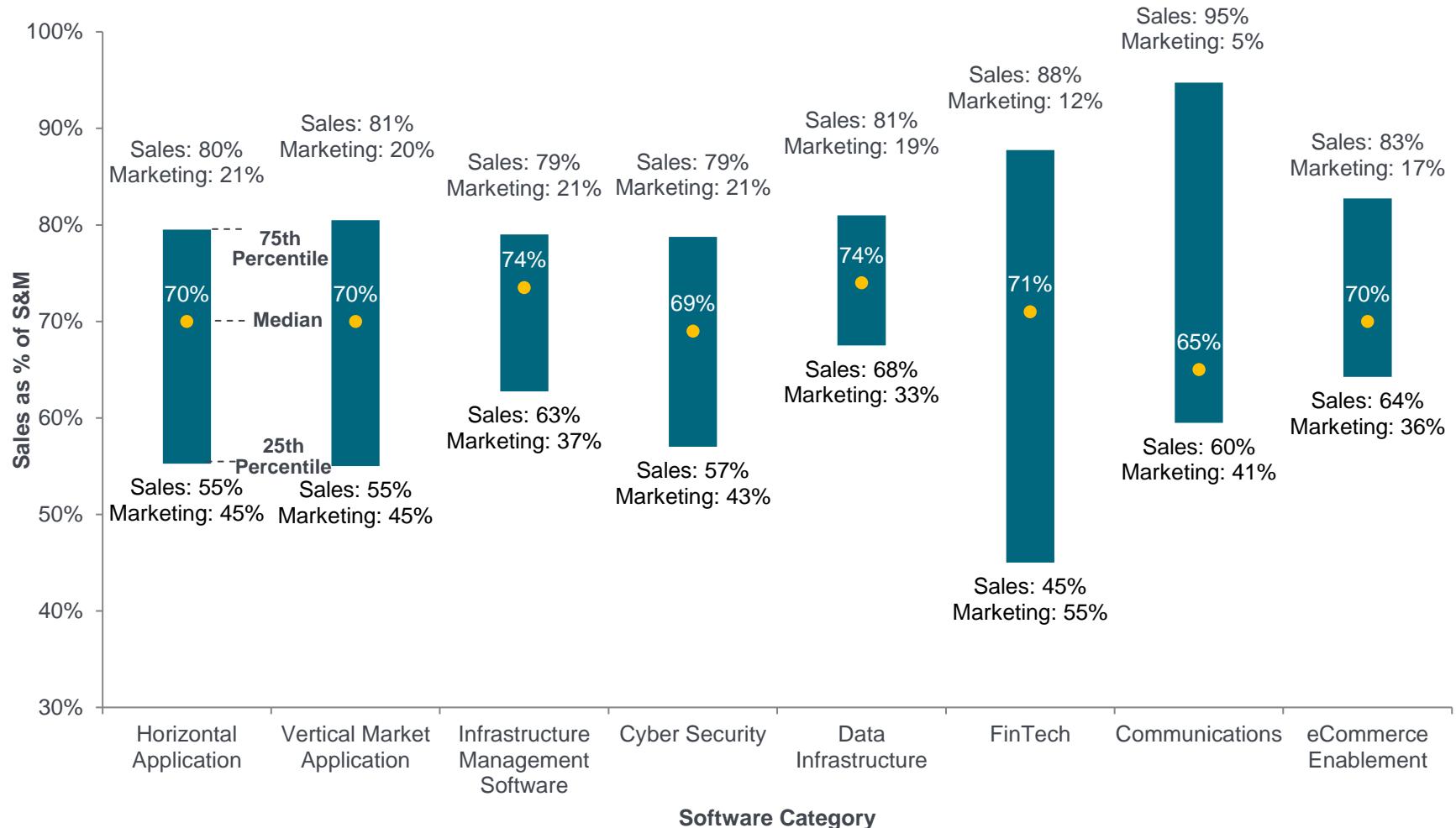
Excluding Companies <\$5MM in 2020 Ending ARR



# SALES VS. MARKETING COMPOSITION BY SOFTWARE CATEGORY

2021 Private SaaS Company Survey 

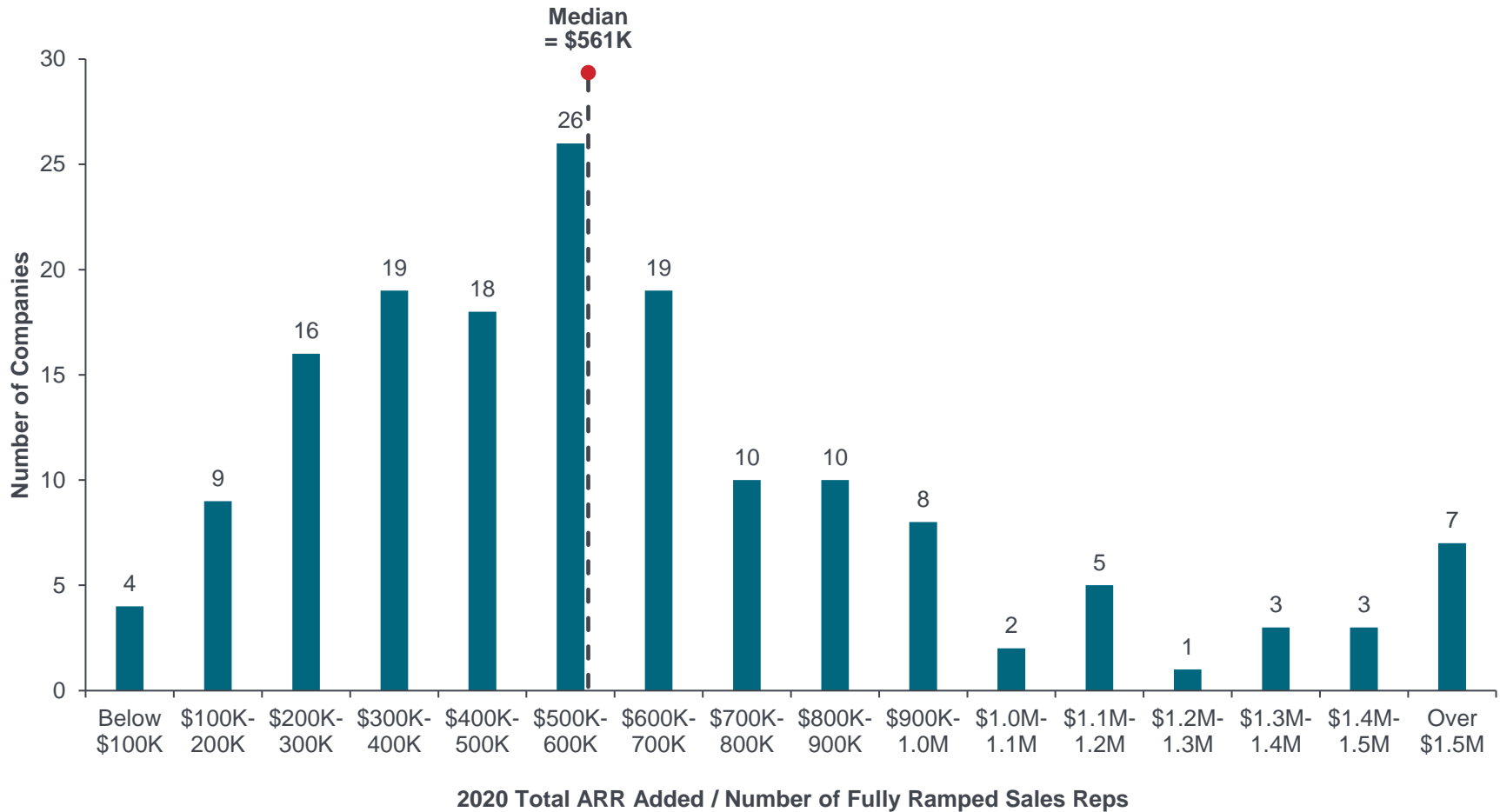
Excluding Companies <\$5MM in 2020 Ending ARR



# SALES REP EFFICIENCY HISTOGRAM

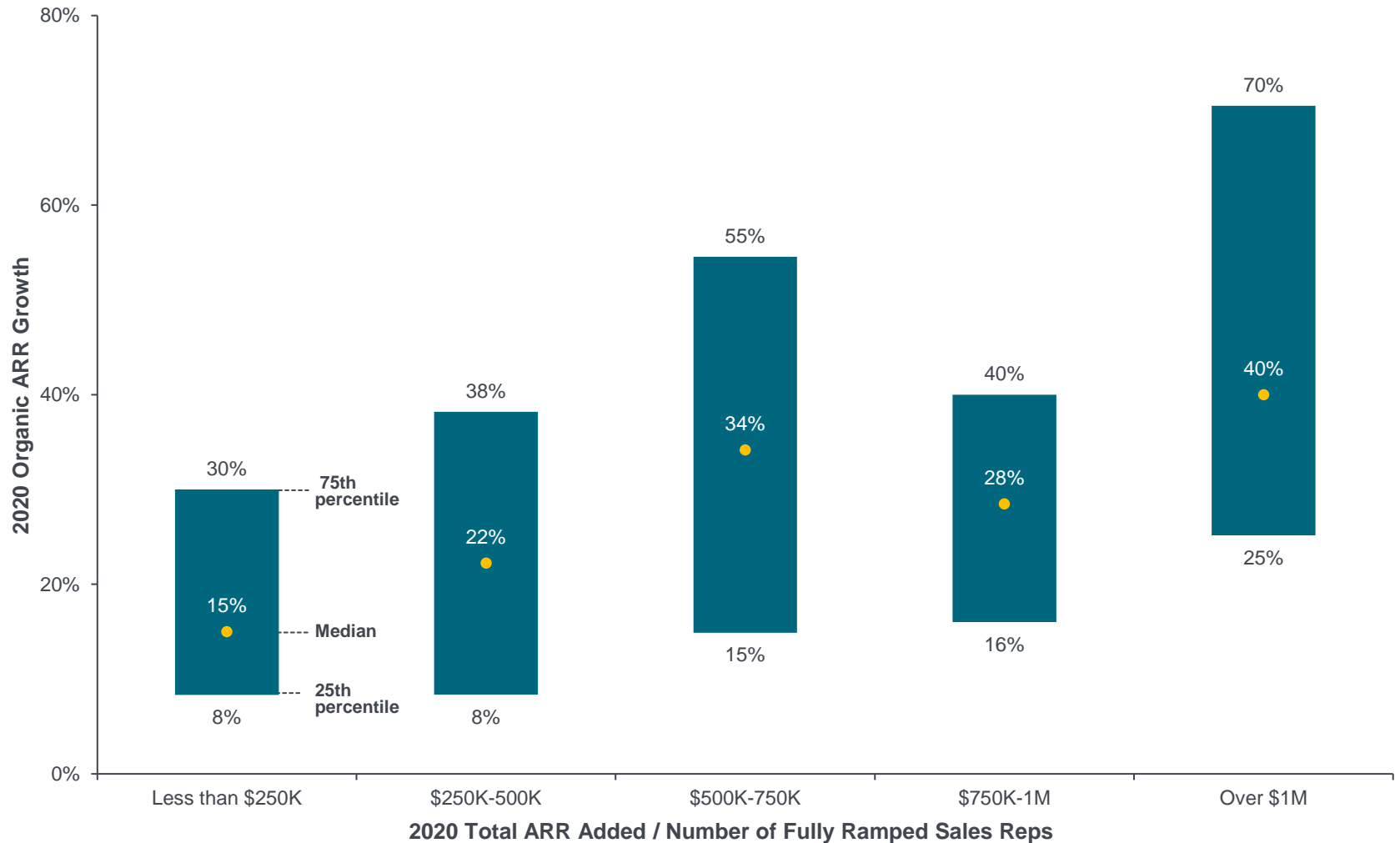
2021 Private SaaS Company Survey 

Excluding Companies <\$5MM in 2020 Ending ARR



# SALES REP EFFICIENCY VS. GROWTH RATE

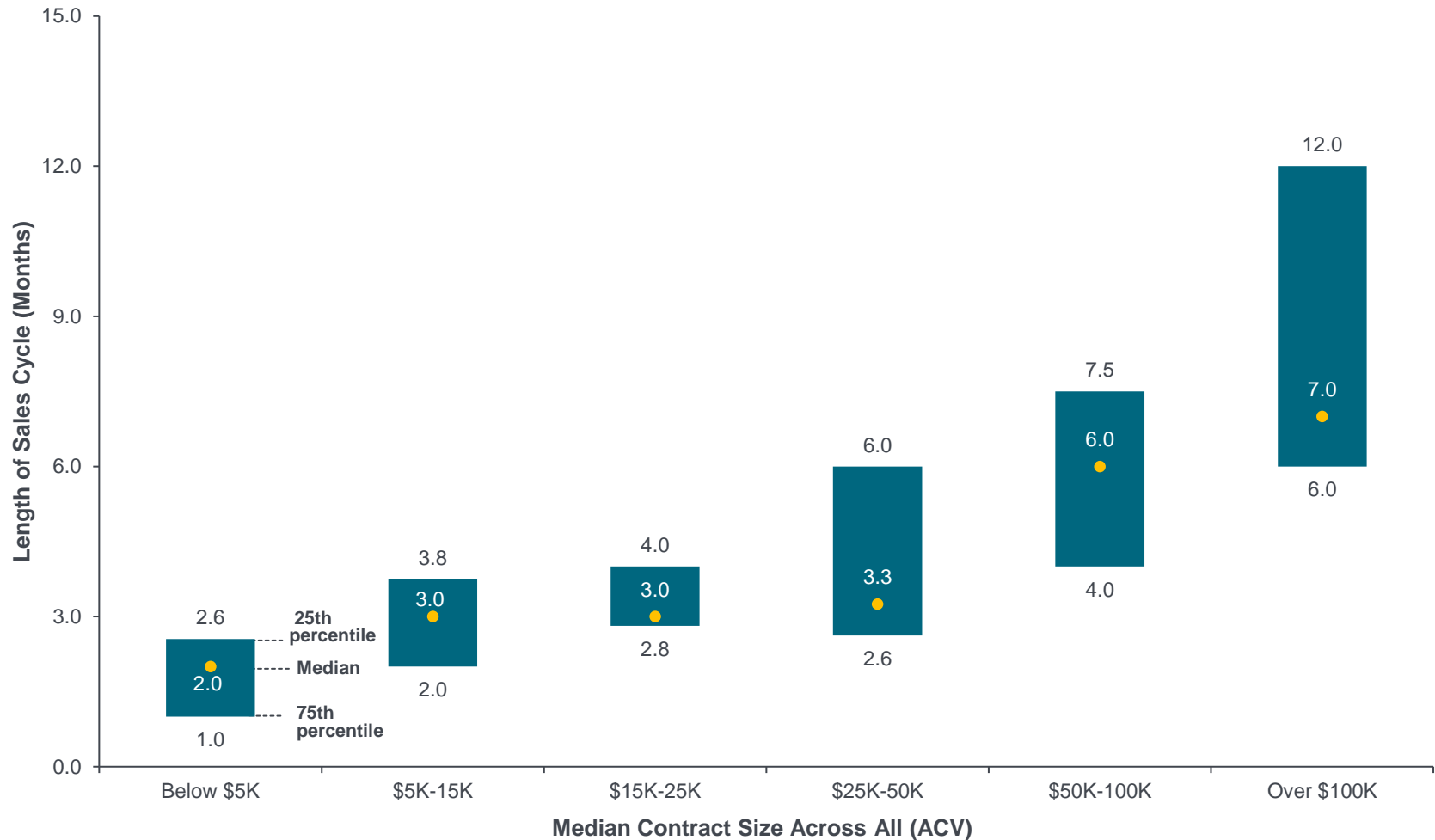
Excluding Companies <\$5MM in 2020 Ending ARR



# MEDIAN ACV VS. SALES CYCLE LENGTH

2021 Private SaaS Company Survey 

Excluding Companies <\$5MM in 2020 Ending ARR

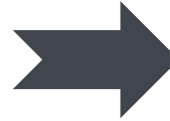


# CAC RATIOS AND CAC PAYBACK

# CAC RATIO DEFINITIONS

## Blended CAC Ratio

Fully-loaded S&M spend to acquire \$1 of new ARR across all customers



$$\frac{2020 \text{ Fully-loaded S\&M}}{2020 \text{ Gross ARR Bookings}}$$

## New Customer CAC Ratio

Fully-loaded S&M spend to acquire \$1 of new ARR from a new customer



$$\frac{2020 \text{ Fully-loaded S\&M Targeted at New Customers}}{2020 \text{ ARR Bookings from New Customers}}$$

## Upsell & Expansion CAC Ratio

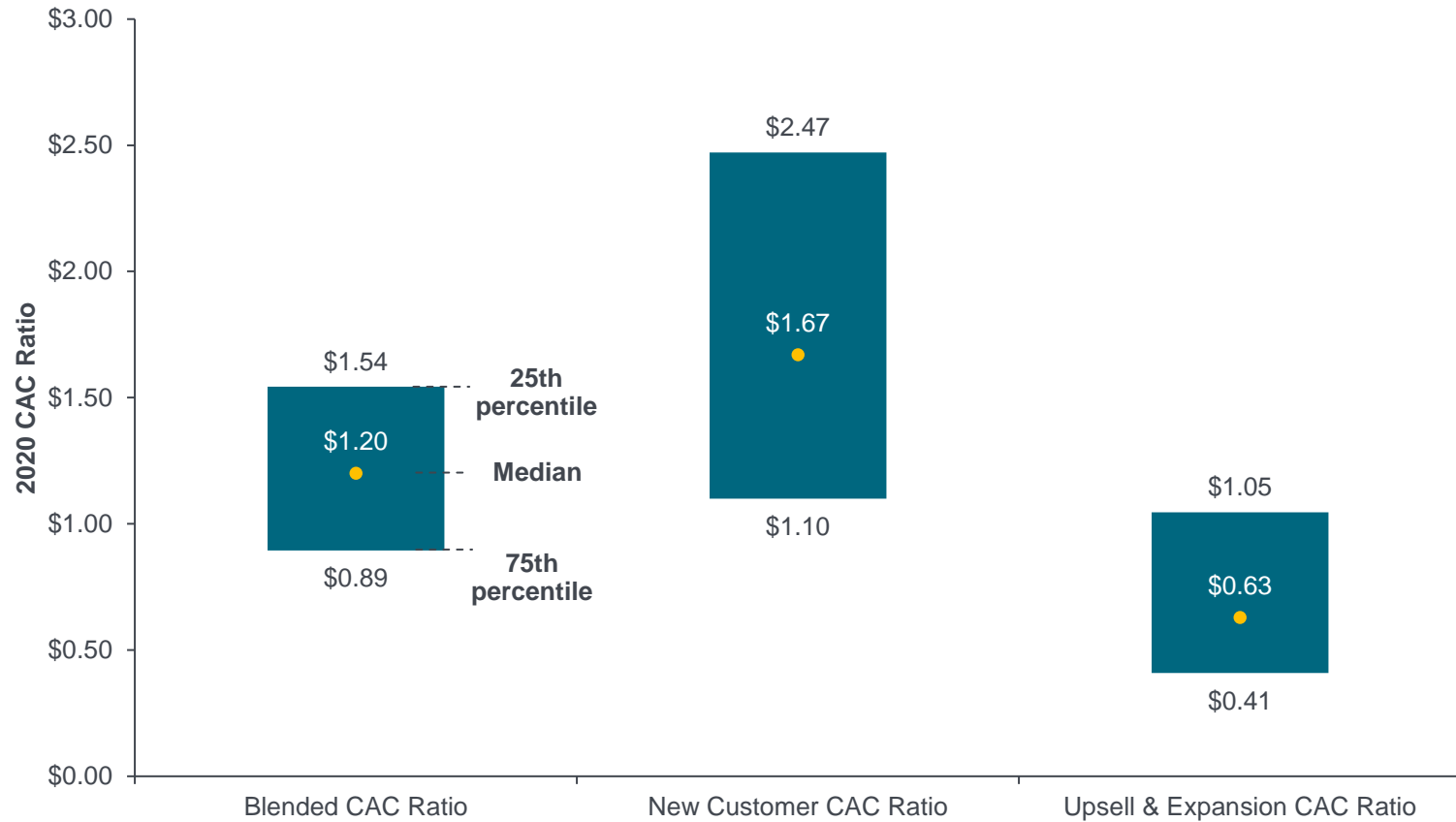
Fully-loaded S&M spend to acquire \$1 of new ARR from upsells and expansions



$$\frac{2020 \text{ Fully-loaded S\&M Targeted at Upsell \& Expansion}}{2020 \text{ ARR Bookings from Upsell \& Expansion}}$$

# DISTRIBUTION OF 2020 CAC RATIOS

Excluding Companies <\$5MM in 2020 Sales & Marketing Spend

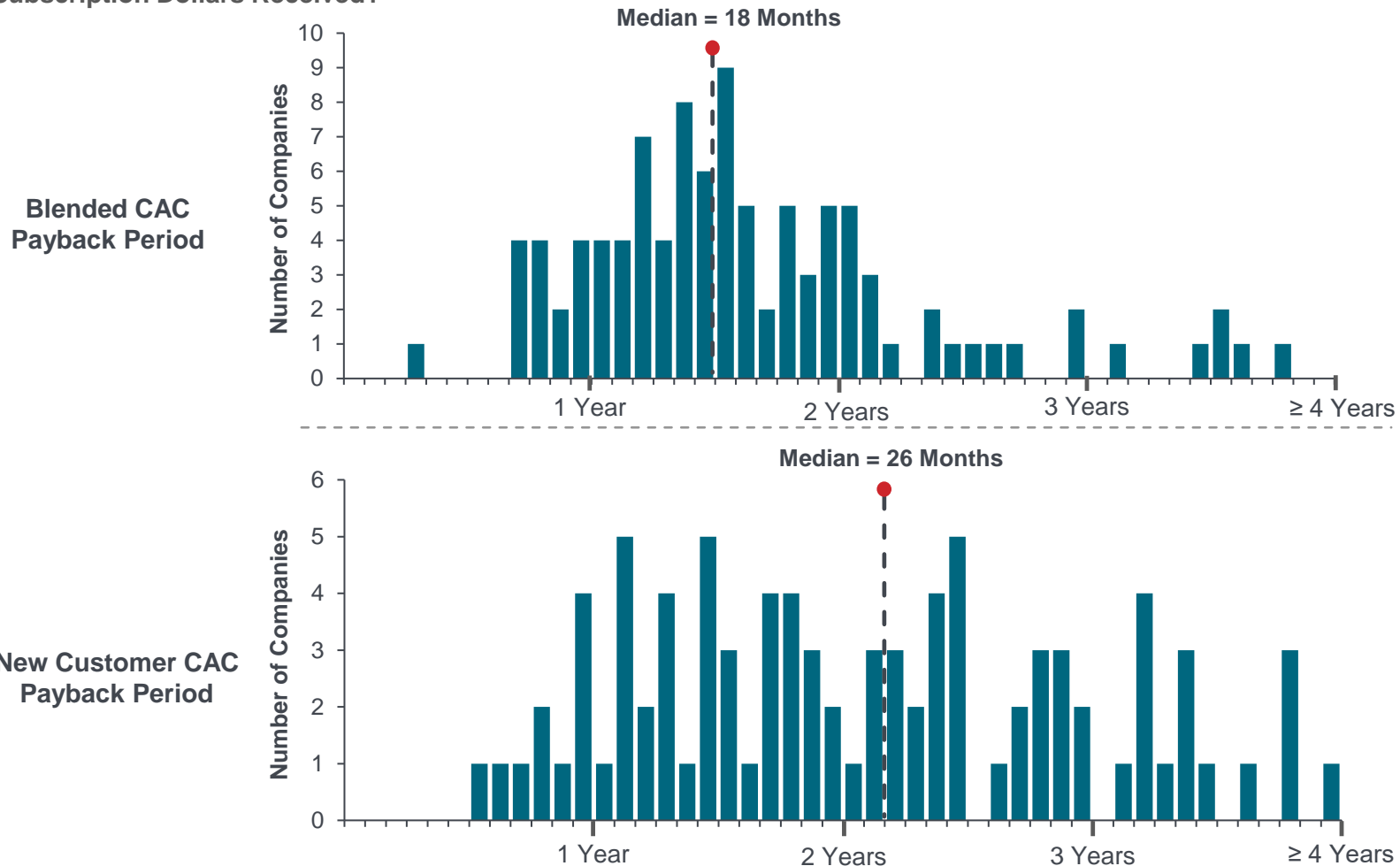


# CAC PAYBACK PERIOD<sup>1</sup> (GROSS MARGIN BASIS)

2021 Private SaaS Company Survey 

Excluding Companies <\$5MM in 2020 Sales & Marketing Spend

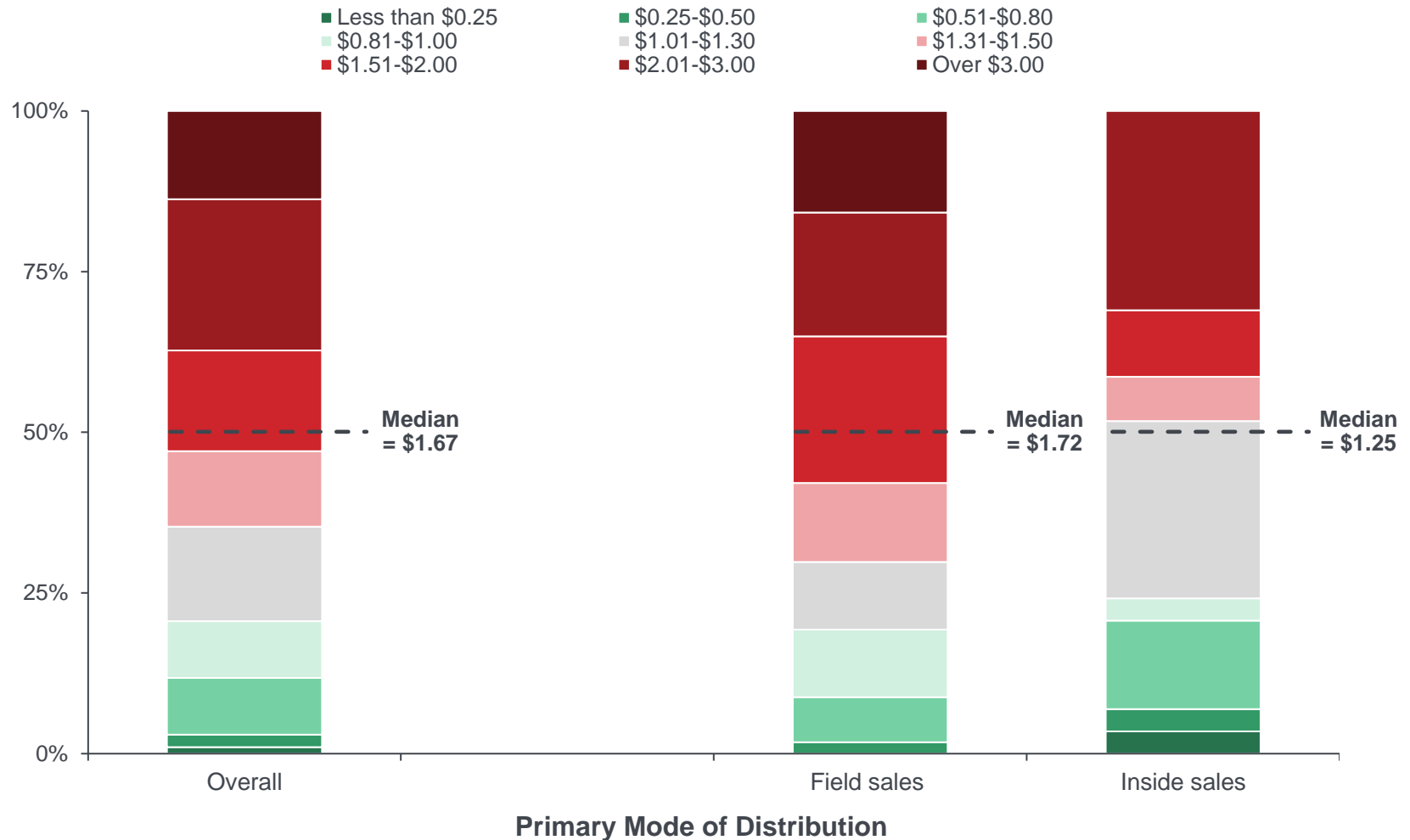
How Long Does It Take to Recover Blended CAC vs. New Customer CAC, Based on Gross Margin Subscription Dollars Received?



# NEW CUSTOMER CAC RATIO BY PRIMARY MODE OF DISTRIBUTION<sup>1</sup>

2021 Private SaaS Company Survey 

Excluding Companies <\$5MM in 2020 Sales & Marketing Spend

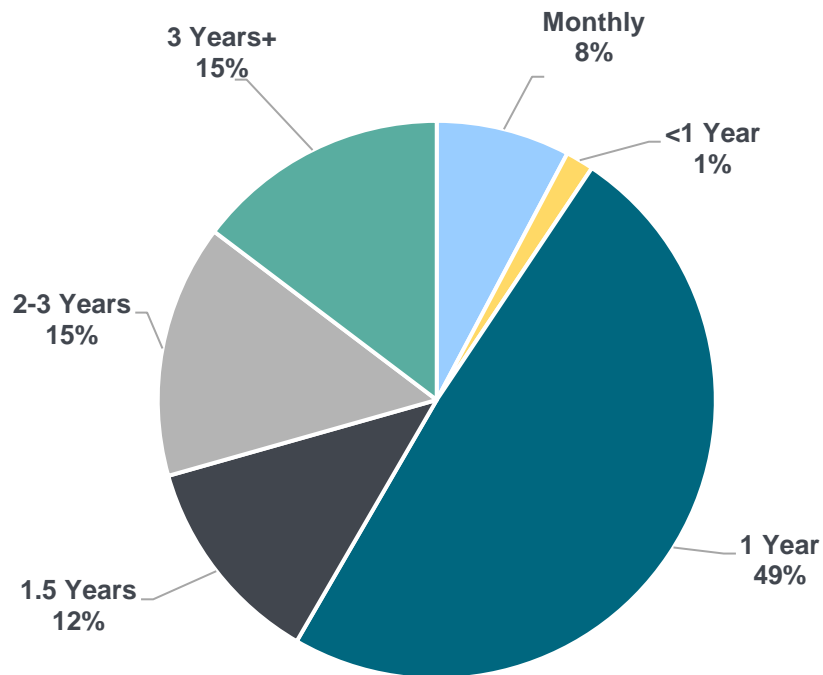


# CONTRACTING AND PRICING

# MEDIAN / TYPICAL CONTRACT TERMS FOR THE GROUP

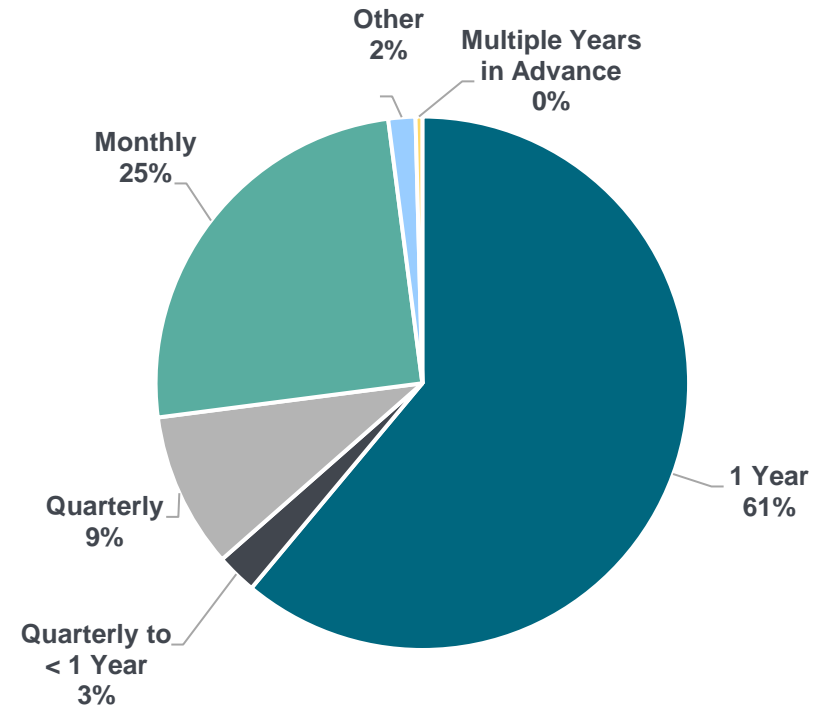
### Average Contract Length

Median = 1 Year



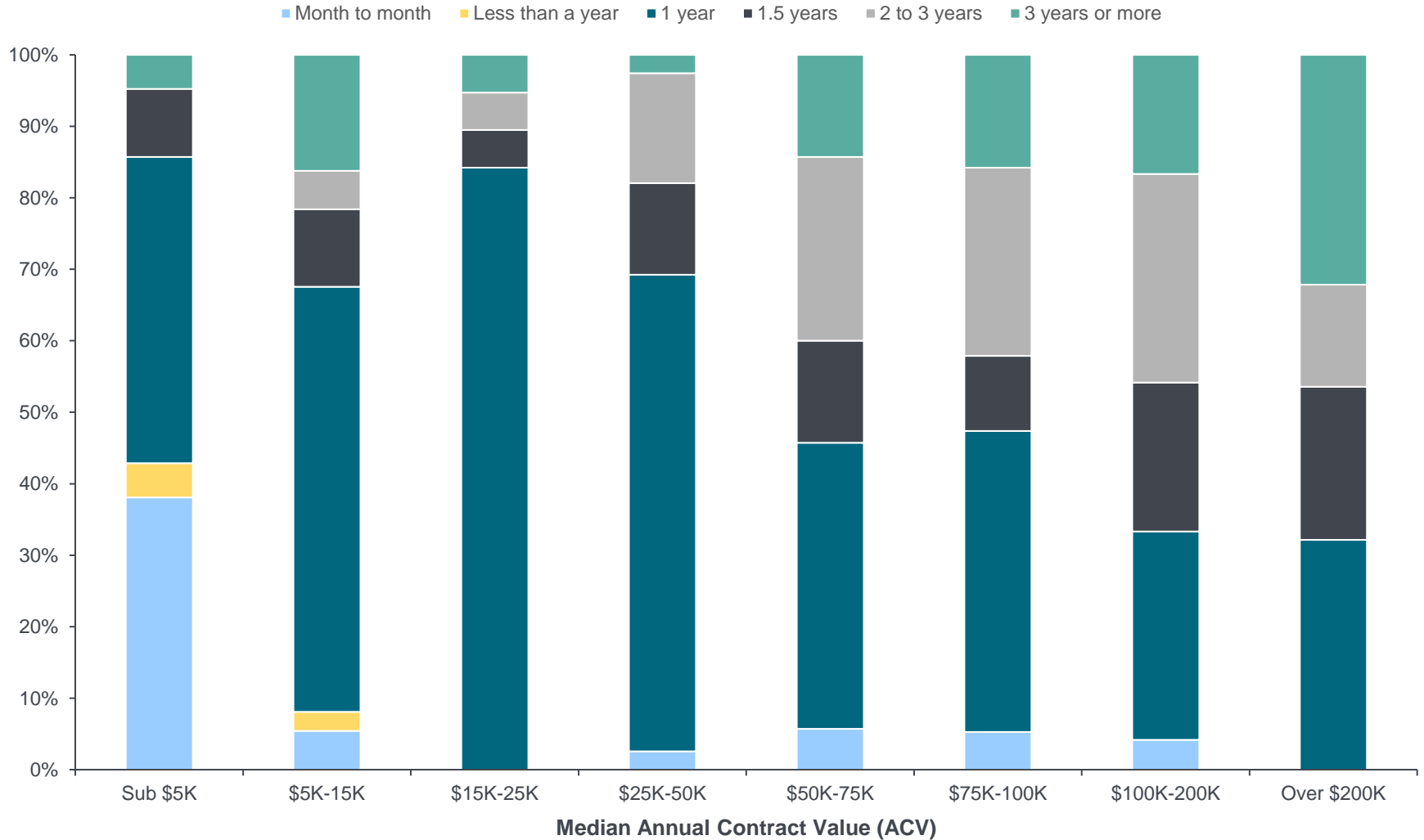
### Average Billing Frequency

Median = 1 Year



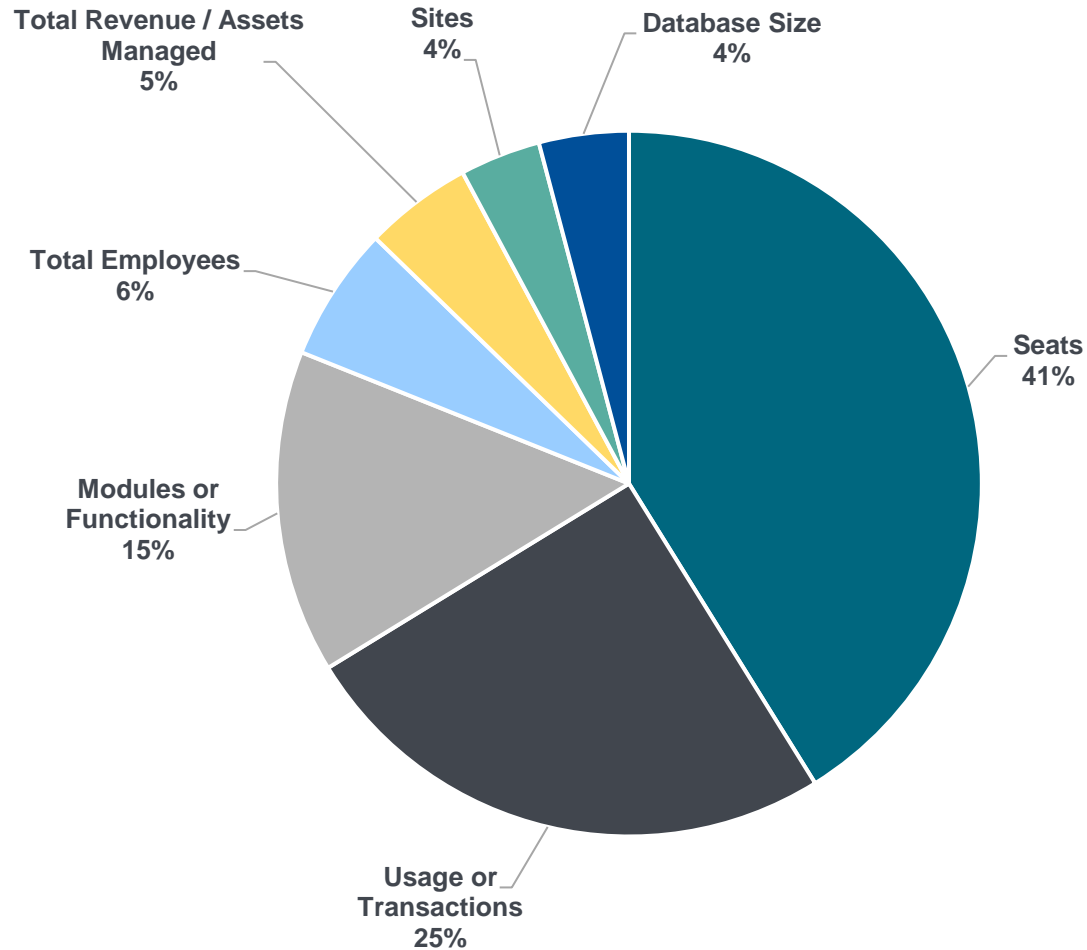
# CONTRACT LENGTH AS A FUNCTION OF CONTRACT SIZE

2021 Private SaaS Company Survey 



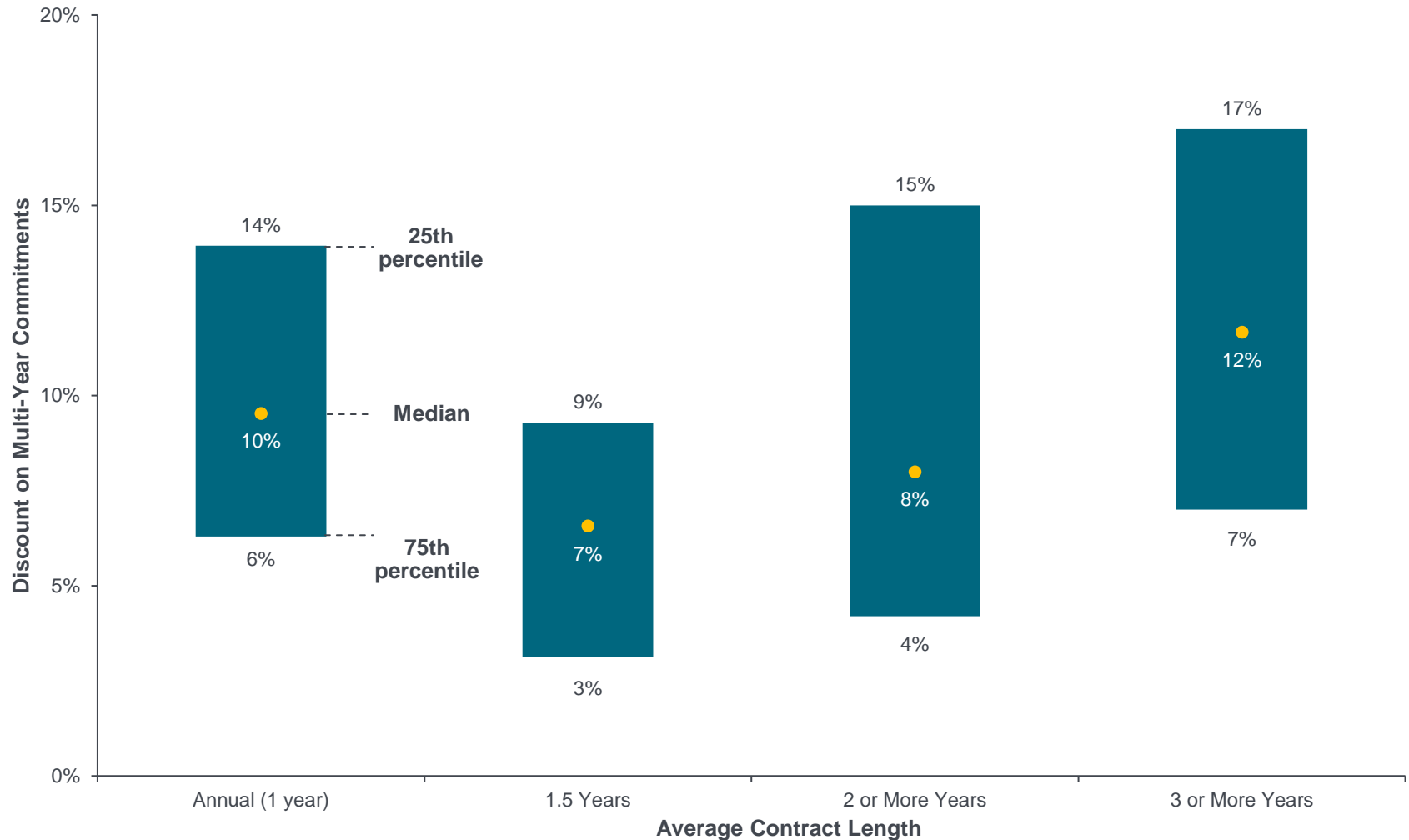
# WHAT IS YOUR PRIMARY PRICING METRIC?

2021 Private SaaS Company Survey 



# DISCOUNTS ON MULTI-YEAR COMMITMENTS

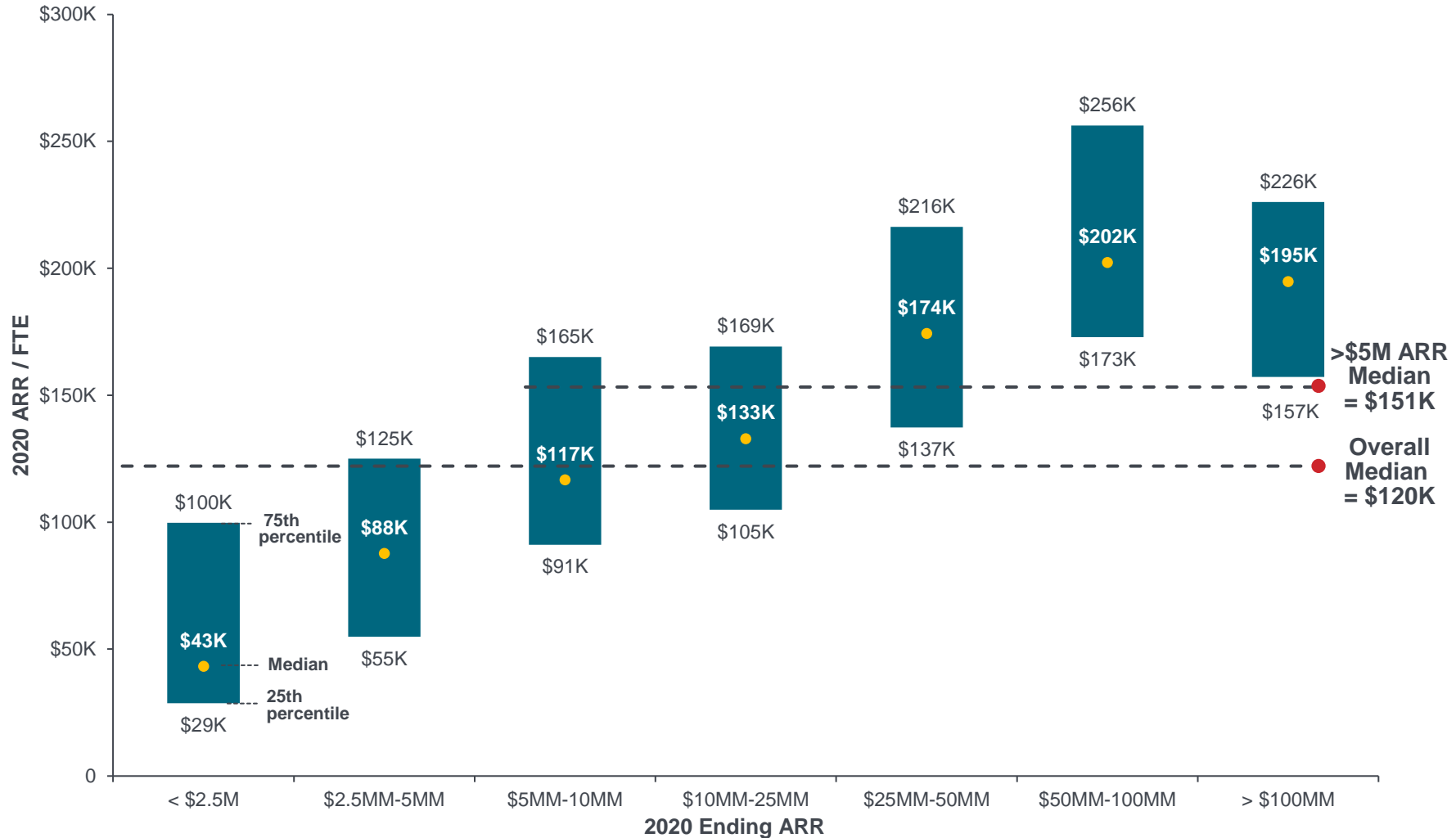
Excluding Companies <\$5MM in 2020 Ending ARR



# OPERATIONS AND COST STRUCTURE

# HUMAN CAPITAL EFFICIENCY

## ARR per FTE

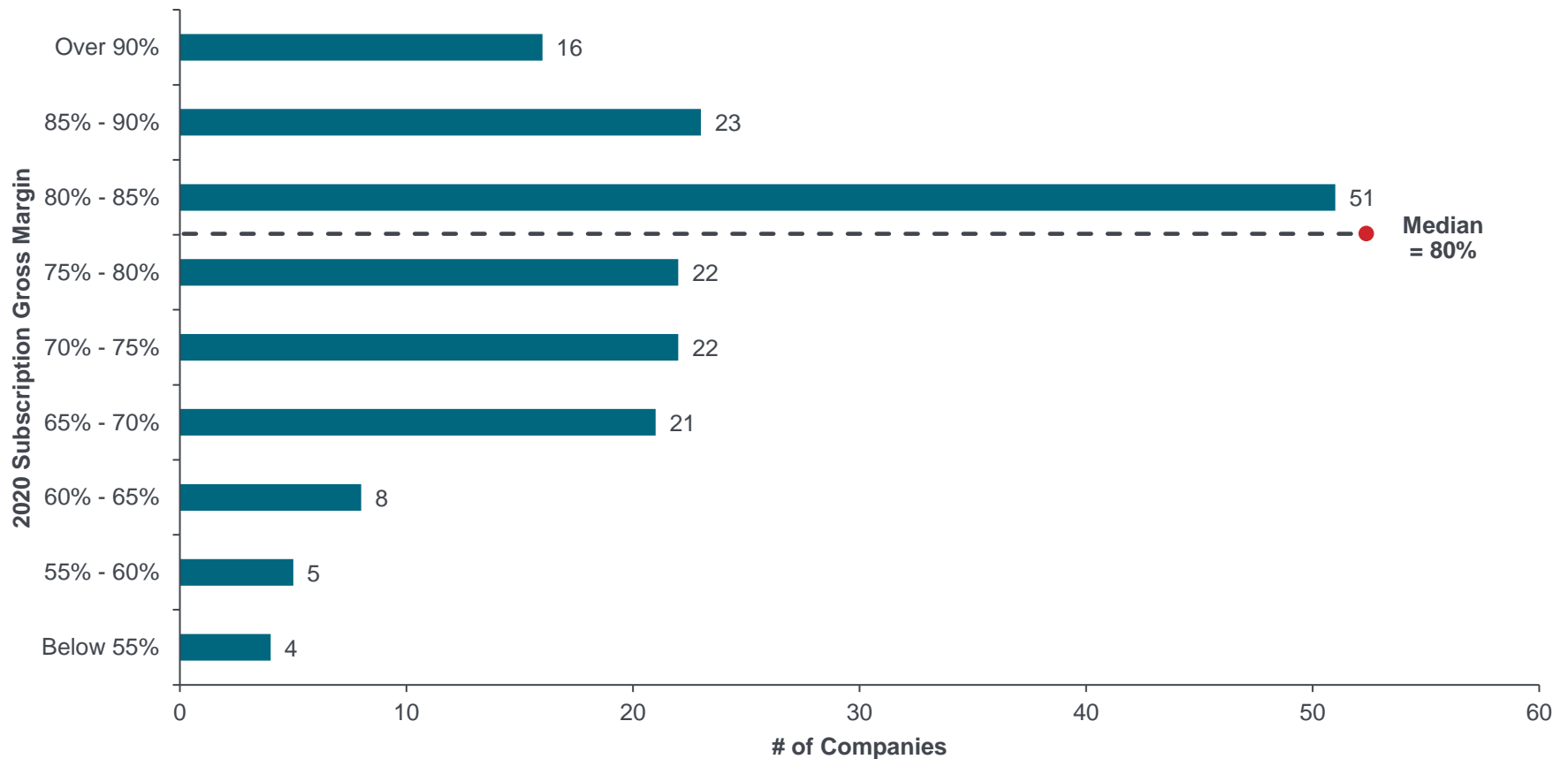


# SUBSCRIPTION GROSS MARGIN

2021 Private SaaS Company Survey 

Excluding Companies <\$5MM in 2020 Ending ARR

“What is Your Gross Profit Margin on Just Subscription / SaaS Revenues?”



# ALLOCATION OF CUSTOMER SUCCESS AND SUPPORT COSTS

2021 Private SaaS Company Survey 

Excluding Companies <\$5MM in 2020 GAAP Revenue

Customer Success Costs <sup>1</sup>	Average Allocation
Cost of Good Sold	36%
Sales & Marketing	57%
General & Administrative	7%

Customer Support Costs <sup>2</sup>	Average Allocation
Cost of Good Sold	84%
Sales & Marketing	9%
General & Administrative	7%

	Customer Success Cost Allocation <sup>3</sup>		
	All / Most in COGS	All / Most in S&M	Split
Number of respondents	43	65	40
Median Total Gross Margin	72%	76%	75%
Median Subscription Gross Margin	80%	80%	80%
Median S&M as a % of Revenue	37%	36%	39%

<sup>1</sup> Customer Success / Account management defined as personnel expenses involved in renewals and upsell / cross-sells / expansions

<sup>2</sup> Customer Support defined as costs associated with supporting existing customers' use of a product

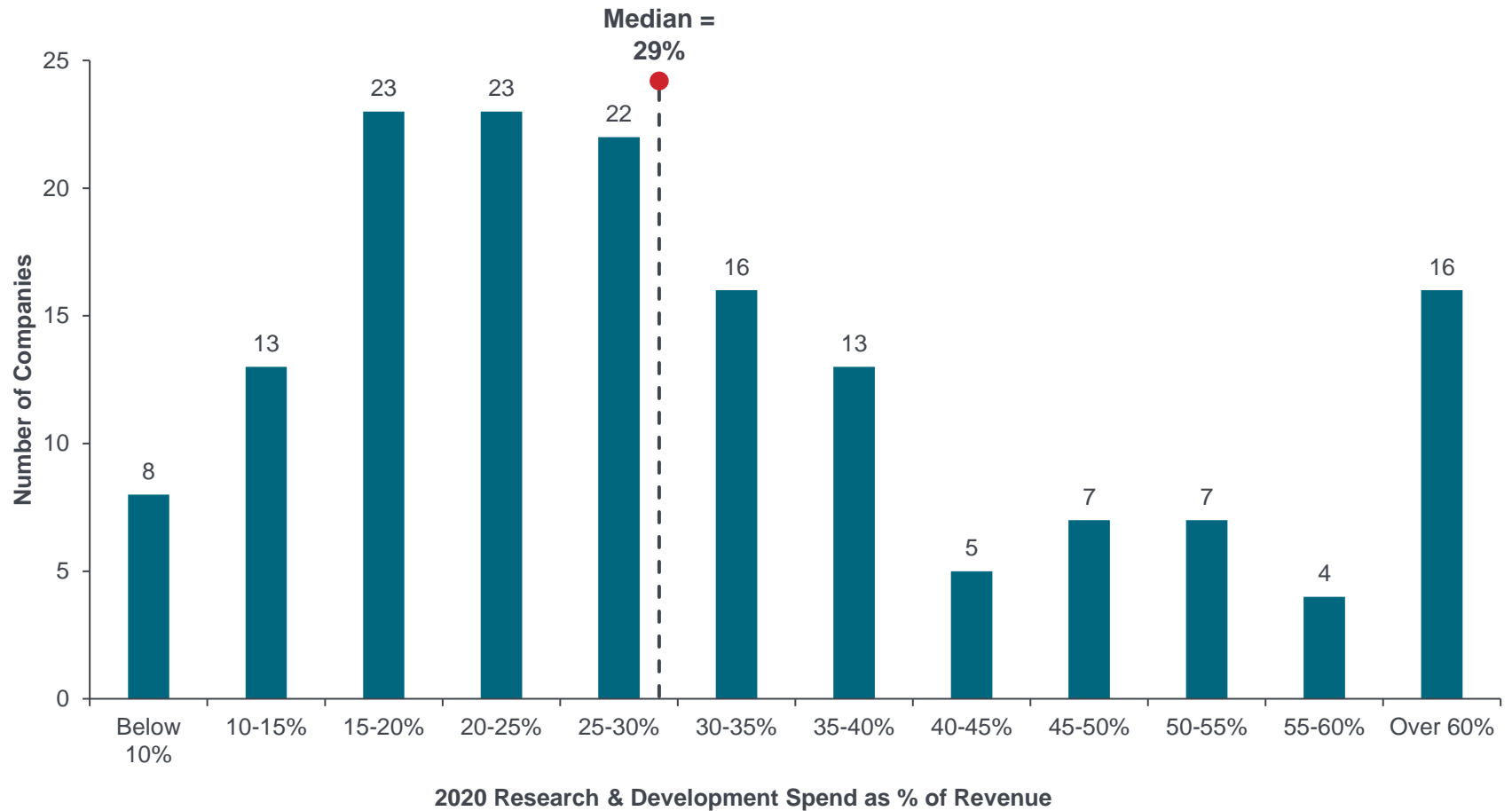
<sup>3</sup> Bucket defined as 80% or greater allocated in respective category, otherwise considered Split

Respondents: Customer Success Cost: 159, Customer Support Costs: 158

# R&D AS % OF REVENUE HISTOGRAM

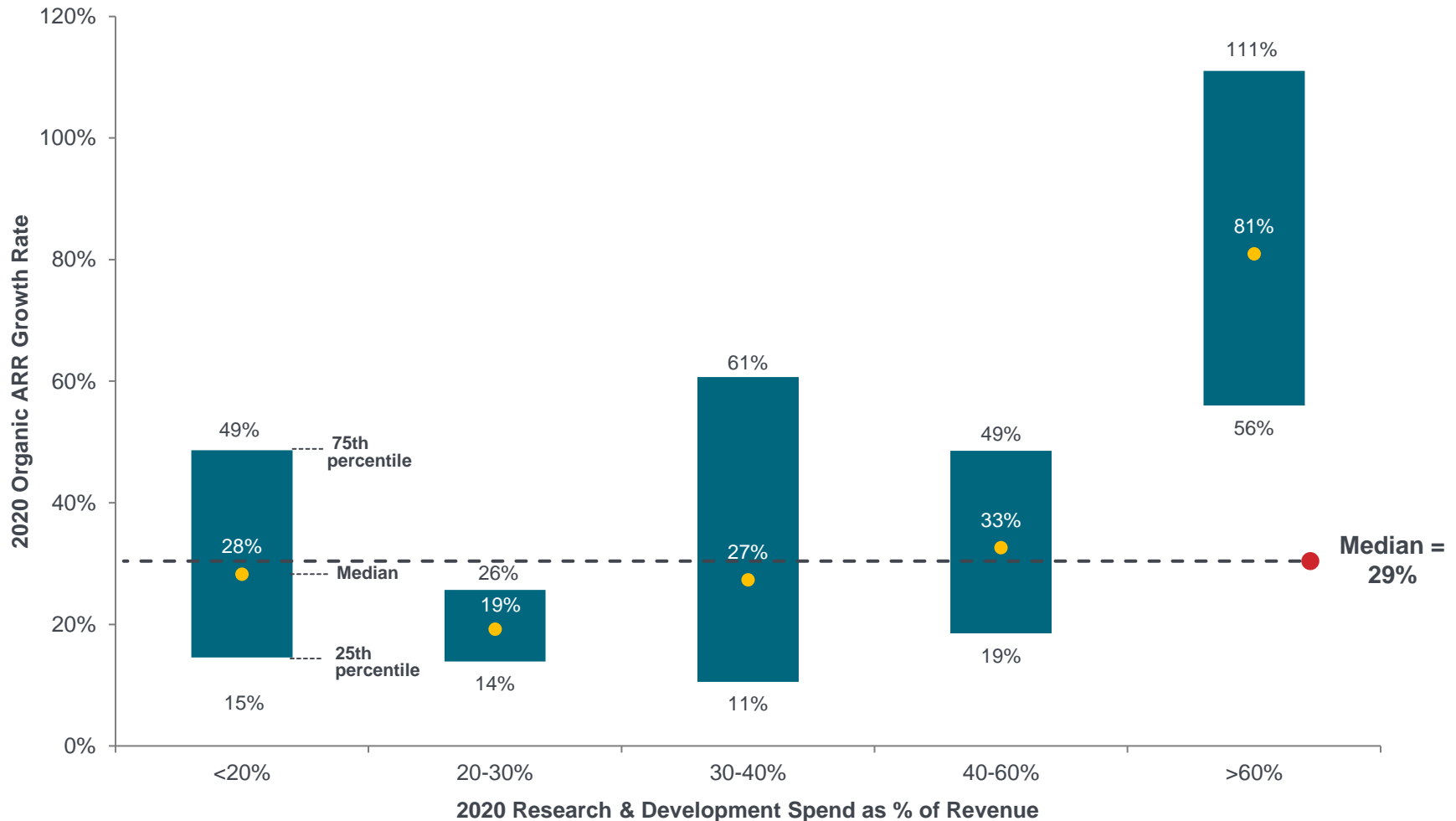
2021 Private SaaS Company Survey 

Excluding Companies <\$5MM in 2020 Ending ARR



# R&D AS % OF REVENUE VS. GROWTH

Excluding Companies <\$5MM in 2020 Ending ARR



# COST STRUCTURE

Excluding Companies <\$5MM in 2020 GAAP Revenue

Gross Margins:	2020 Median <sup>1</sup>
Subscription Gross Margin	80%
Total Gross Margin <sup>2</sup>	73%

Operating Expense Margins:	
Sales & Marketing	35%
Research & Development	26%
General & Administrative	18%

Profitability & Growth:	
EBITDA Margin	(1%)
FCF Margin	0%
YoY Organic ARR Growth Rate	27%

<sup>1</sup> All margins based on 2020 GAAP, adjusted for stock-based compensation add-back

<sup>2</sup> Gross margin determined based on including customer support in COGS

Note: Margins may differ from margins on other pages due to the fact that the \$5MM size threshold is based on companies' 2020 GAAP Revenue instead of 2020 ARR (consistent with previous years' surveys)

Respondents reporting: Subscription Gross Margin: 169, Gross Margin: 169, Sales & Marketing: 177, Research & Development: 170, General & Administrative: 170, EBITDA Margin: 172, FCF Margin: 173, YoY Organic ARR Growth Rate: 187

# MEDIAN COST STRUCTURE BY SIZE

2021 Private SaaS Company Survey 

Excluding Companies <\$5MM in 2020 GAAP Revenue

	Size of Company (2020 GAAP Revenue)				
	All Respondents	\$5MM –\$25MM	\$25MM –\$50MM	\$50MM –\$100MM	>\$100MM
<b>Gross Margins:</b>					
Subscription Gross Margin	80%	80%	80%	78%	80%
Total Gross Margin	73%	75%	75%	68%	75%
<b>Operating Expense Margins:</b>					
Sales & Marketing	35%	33%	36%	37%	30%
Research & Development	26%	27%	26%	25%	24%
General & Administrative	18%	22%	17%	17%	12%
<b>Profitability and Growth:</b>					
EBITDA Margin	(1%)	(4%)	0%	0%	(2%)
FCF Margin	0%	0%	0%	2%	0%
YoY Organic ARR Growth Rate	27%	30%	24%	26%	20%

Note: Margins may differ from margins on other pages because here companies are excluded based on their 2020 GAAP Revenue instead of 2020 ARR, which is consistent with previous years' surveys

Note: Numbers do not add due to the fact that medians were calculated for each metric separately and independently

Average Number of Respondents: \$5MM-\$25MM: 101, \$25MM-\$50MM: 33, \$50MM-\$100MM: 22, >\$100MM: 17

# FOR COMPARISON: HISTORICAL RESULTS OF SELECTED PUBLIC SAAS COMPANIES

2021 Private SaaS Company Survey 

	Public SaaS at Historical Revenue Run-Rates		
	~\$25MM	~\$50MM	~\$100MM
	Median Values		
<b>Gross Margins:</b>			
Total Gross Margin	64%	67%	70%
<b>Operating Expense Margins:</b>			
Sales and Marketing	47%	44%	46%
Research and Development	23%	23%	21%
General and Administrative	17%	16%	16%
<b>Profitability and Growth:</b>			
EBIT Margin	(30%)	(24%)	(25%)
Adj. EBITDA Margin	(28%)	(14%)	(13%)
FCF Margin	(32%)	(22%)	(18%)
YoY Revenue Growth Rate <sup>1</sup>	88%	48%	42%

<sup>1</sup> YoY Revenue Growth compares against previous year's revenue of the companies at the time

Note: Excludes stock-based compensation (SBC)

Median includes AI, ALKT, ALRM, AMBR, API, APPF, APPN, APTI, ASAN, ATHN, AVLRL, AYX, BCOV, BIGC, BILL, BL, BNFT, BOX, BV, CARB, CNVO, COUP, COVS, CRM, CRWD, CSLT, CSOD, CTCT, CVT, DDOG, DMAN, DOMO, DWRE, ECOM, ELLI, EOPN, ESTC, ET, EVBG, FIVN, FLTX, FROG, FSLY, HUBS, INST, JIVE, KXS, LOGM, MB, MDB, MIME, MKTG, MKTO, MNDY, MRIN, MULE, N, NCNO, NET, NEWR, NOW, ONTF, OKTA, OPWR, PAYC, PCOR, PCTY, PD, PFPT, PLAN, QLYS, QTWO, RNG, RNOW, RP, S, SEMR, SEND, SFSF, SHOP, SMAR, SNOW, SPSC, SPT, SQI, SUMO, TENB, TLEO, TWLO, TWOU, TXTR, ULTI, VEEV, VOCS, WDAY, WK, WKME, WORK, XRO, XTLY, YDLE, ZS and ZUO

~\$25MM median excludes AI, ALKT, ALRM, AMBR, APPN, APTI, ASAN, ATHN, AVLRL, BIGC, BILL, BL, BNFT, CBLK, COUP, COVS, CRWD, CSLT, CVT, DDOG, DOMO, ECOM, ELLI, EOPN, ESTC, FIVN, FLTX, FROG, FSLY, KXS, MB, MDB, MIME, MKTG, MKTO, MNDY, MULE, N, NCNO, NET, OKTA, ONTF, PAYC, PCOR, PCTY, PD, PFPT, PLAN, QLYS, RNG, RP, S, SEMR, SEND, SFSF, SMAR, SNOW, SPT, SUMO, TENB, TWLO, ULTI, WK, WKME, WORK, WTC, XRO, YDLE, ZS and ZUO

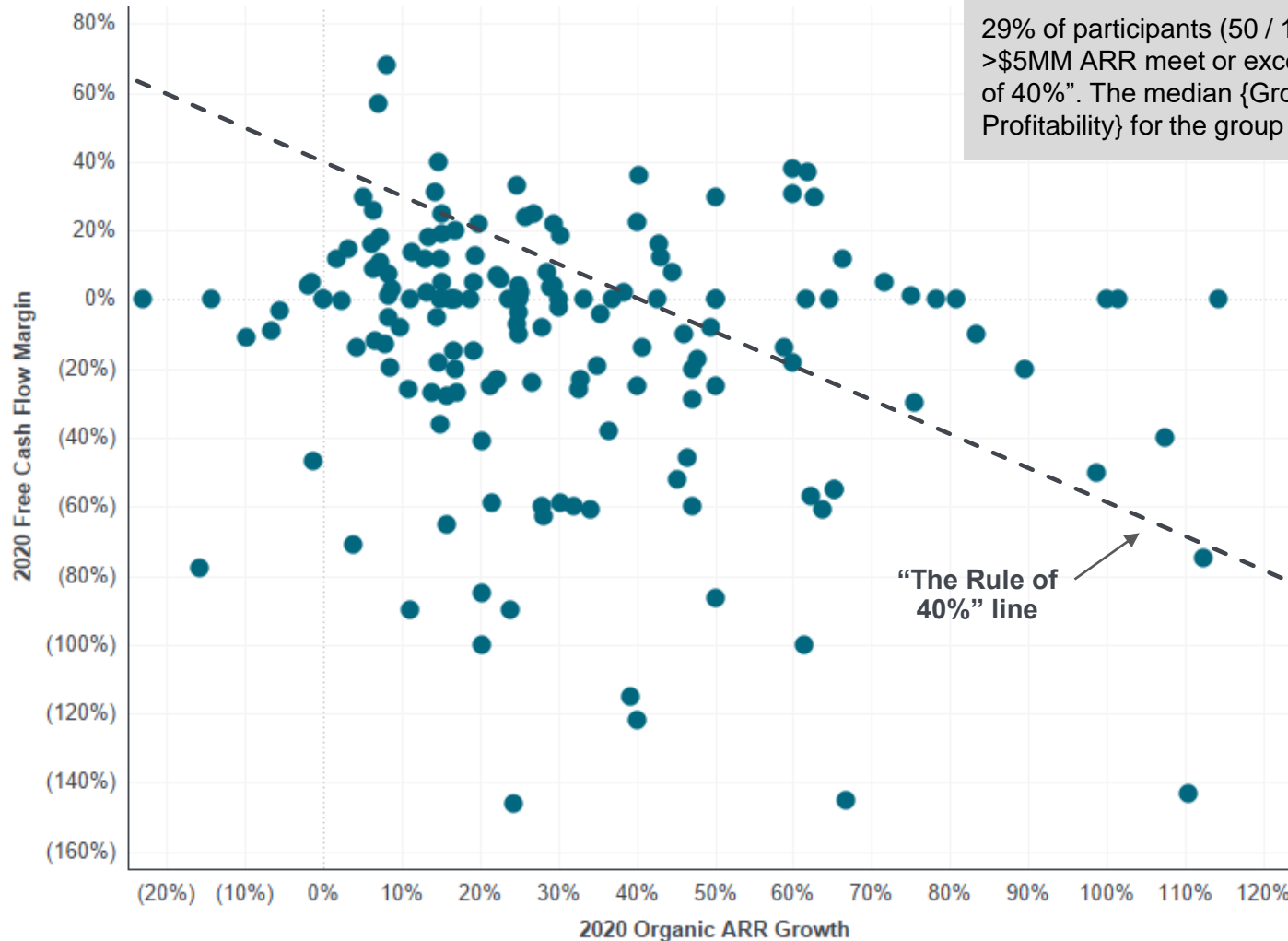
~\$50MM median excludes AI, ALRM, APPN, APTI, AVLRL, BIGC, BNFT, BSY, BV, CBLK, DDG, DOMO, FLTX, FSLY, MDB, N, NET, NEWR, ONTF, PCOR, PD, PLAN, RP, SEMR, SNOW, SFSF, TENB, WDAY, WKME, WORK and ZUO


~\$100MM median excludes BOX, EOPN, NOW, S and VEEV

# MEASURING SURVEY PARTICIPANTS AGAINST “THE RULE OF 40%”

2021 Private SaaS Company Survey 

Excluding Companies <\$5MM in 2020 Ending ARR



 29% of participants (50 / 173) with >\$5MM ARR meet or exceed “The Rule of 40%”. The median {Growth + Profitability} for the group is 19%.


“The Rule of 40%” line

# COMPARISON OF “THE RULE OF 40%” QUALIFIERS VS. OTHERS

2021 Private SaaS Company Survey 

Excluding Companies <\$5MM in 2020 Ending ARR

Respondents	Rule of 40% <sup>(1)</sup>	
	{G + P} ≥ 40% (Medians)	{G + P} < 40% (Medians)
<b>Respondents</b>	<b>50</b>	<b>123</b>
<b>Scale / Growth / Profitability:</b>		
2020 Ending ARR (MM)	\$15.9	\$20.1
2020 Organic ARR Growth Rate	60%	20%
2020 FCF Margin	4%	(12%)
% of Gross Bookings from New Customers	67%	63%
<b>Churn &amp; CAC:</b>		
Annual Gross Dollar Churn	10%	14%
Net Dollar Retention Rate	109%	99%
% of Bookings from Upsells and Expansions	33%	38%
Blended CAC Ratio	\$0.85	\$1.17
CAC Ratio for New Customers	\$1.03	\$1.50
<b>Margins:</b>		
Subscription Gross Margins	80%	80%
Sales & Marketing Expense	31%	39%
Research & Development Expense	18%	29%
General & Administrative Expense	14%	19%
<b>Business Focus / Go-To-Market:</b>		
% of Companies with a Vertical Focus	24%	24%
% of Companies with an Enterprise Focus	50%	46%
% of Companies with a Middle Market Focus	16%	15%
% of Companies with an SMB Focus	16%	8%
% of Companies with an Inside Sales GTM	22%	32%
% of Companies with a Field Sales GTM	60%	52%
Median ACV per Customer	\$53K	\$37K
<b>Capital / Maturity:</b>		
Capital Consumed	\$4MM	\$24MM

 Customer Acquisition Cost, among other metrics, stands out as a differentiator between companies which achieve “Rule of 40%” status and those which don’t.

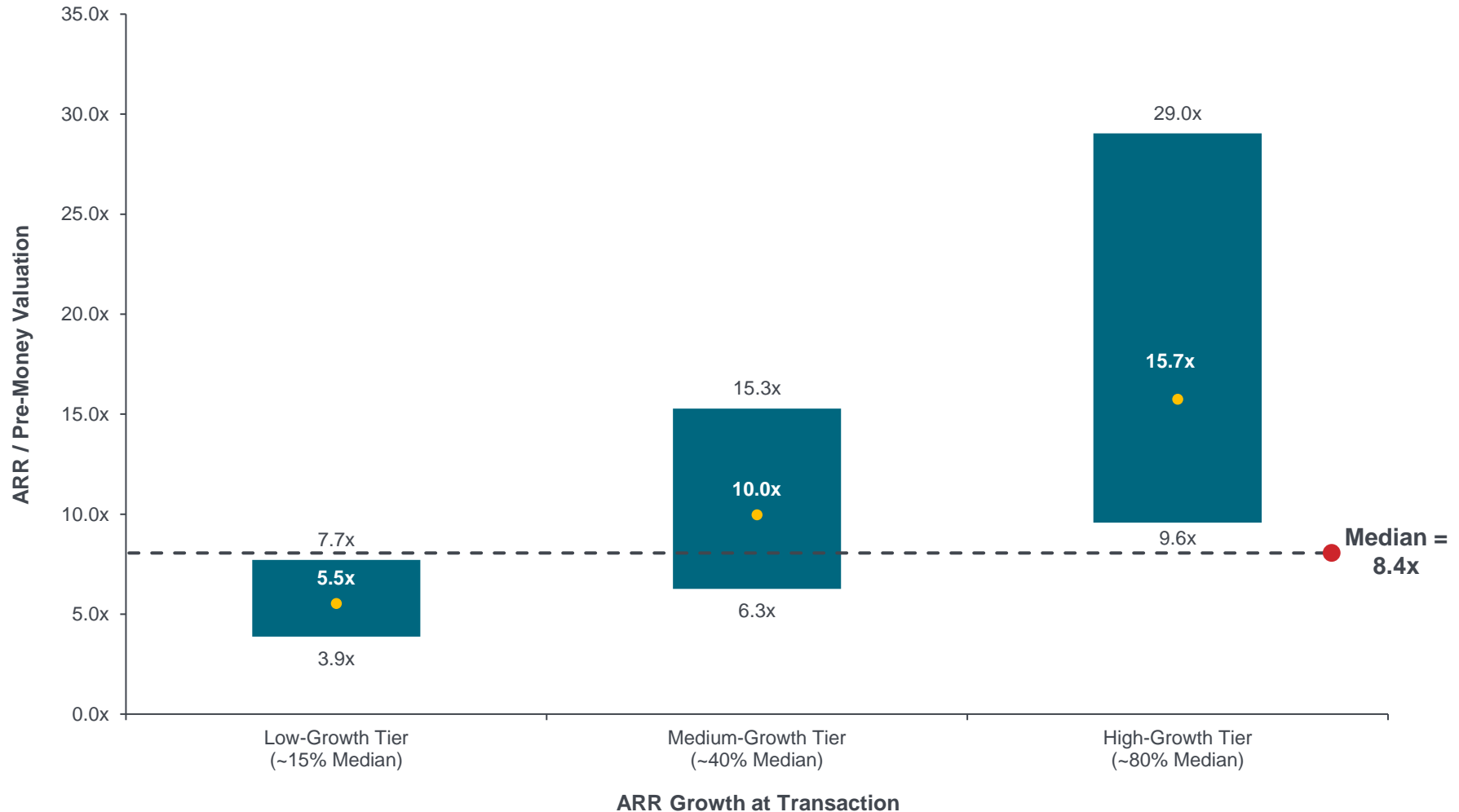


# VALUATION, CAPITAL EFFICIENCY AND EXIT EXPECTATIONS

# VALUATION BY GROWTH SINCE JANUARY 2020

2021 Private SaaS Company Survey 

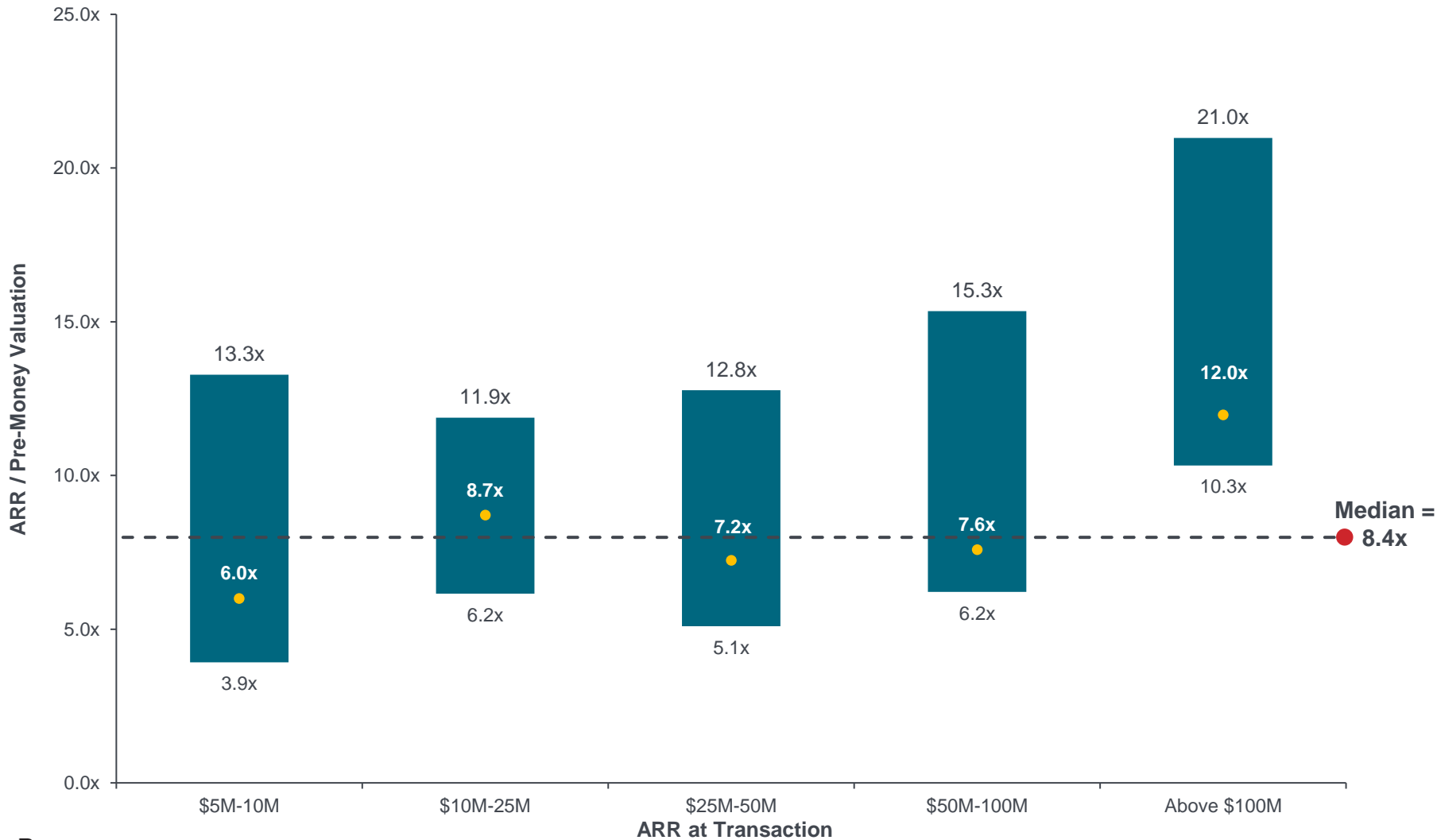
Excluding Companies <\$5MM in Ending ARR at Time of Last Capital Raise or Change of Control Event



# VALUATION BY SIZE SINCE JANUARY 2020

2021 Private SaaS Company Survey 

Excluding Companies <\$5MM in Ending ARR at Time of Last Capital Raise or Change of Control Event



# CAPITAL EFFICIENCY

## Time and Investment Required to Reach Selected ARR Thresholds

Threshold	Medians	
	Years Required	Total Capital Consumed (MM) <sup>1</sup>
\$5MM ARR	4.4	\$6.5
\$10MM ARR	5.1	\$12.7
\$25MM ARR	6.5	\$21.5
\$50MM ARR	7.9	\$32.1
\$100MM ARR	8.7	\$52.1

<sup>1</sup> Capital consumed defined as total cumulative primary equity raised plus debt drawn minus cash on the balance sheet (adjusted for dividends / distributions)

Total Respondents: Years required: 182, Capital Consumed: 162

# MEDIAN EXIT EXPECTATIONS

## Excluding Companies <\$5MM in 2020 Ending ARR



As expected, companies anticipating an eventual public listing are growing significantly faster and burning more – specifically on Sales and Marketing. These companies are also able to drive more upsell and expansion revenue evidenced by strong net dollar retention.

Median	Expected Exit				
	Public Listing	Acquisition by Sponsor	Acquisition by Strategic	Remain Privately Held	Uncertain
2020 Ending ARR	\$45M	\$17M	\$14M	\$10M	\$17M
2020 Organic Growth	40%	22%	21%	15%	30%
2020 FCF Margin	(11%)	1%	0%	6%	(23%)
2020 Rule of 40	27%	25%	25%	25%	(8%)
S&M % of Revenue	51%	33%	32%	20%	39%
New CAC Ratio	\$1.52	\$1.14	\$1.29	\$2.51	\$1.50
Gross Dollar Churn	(12%)	(10%)	(12%)	(5%)	(16%)
Net Dollar Retention Rate	109%	97%	101%	102%	100%
Capital Consumed to Date	\$25M	\$5M	\$15M	\$0M	\$29M
Ownership Status (VC / PE / Independent & Other)	83% / 10% / 8%	35% / 53% / 12%	41% / 43% / 16%	33% / 17% / 50%	79% / 21% / 0%

# TOP QUARTILE BENCHMARKS

# BENCHMARKS FOR COMPANIES IN THE TOP QUARTILE GROWTH TIER

2021 Private SaaS Company Survey 

	2020 Year-End ARR Tier (\$MM)				
	\$1 – \$5	\$5 – \$15	\$15 – \$25	\$25 – \$50	> \$50
<b>Overall Survey Group</b>					
Total # of Respondents Providing Growth Data	71	80	32	40	37
Overall Median 2020 Organic ARR Growth	50%	33%	30%	24%	20%
<b>Top Quartile Growth Tier</b>					
# of Respondents <sup>1</sup>	18	20	6	10	8
2020 ARR Organic Growth Threshold	103%	63%	50%	37%	43%
2020 FCF Margin Median	0%	0%	(18%)	0%	(17%)
2020 {Growth + FCF} Median	109%	77%	49%	45%	68%
Subscription Gross Margin Median	69%	73%	83%	71%	77%
Blended CAC Ratio <sup>2</sup> Median	\$0.79	\$0.88	\$1.00	\$0.91	\$0.86
New Customer CAC Ratio <sup>1</sup> Median	\$1.03	\$0.90	\$1.18	\$0.96	\$1.05
Gross Dollar Churn <sup>2</sup> Median	(3%)	(18%)	(10%)	(10%)	(11%)
Net Dollar Retention <sup>2</sup> Median	121%	109%	109%	122%	115%

<sup>1</sup> Includes respondents that provided growth and FCF data for comparability

<sup>2</sup> See definitions described earlier in this presentation




















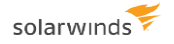






















# BENCHMARKS FOR COMPANIES IN THE TOP QUARTILE {GROWTH + FCF} TIER

2021 Private SaaS Company Survey 

	2020 Year-End ARR Tier (\$MM)				
	\$1 – \$5	\$5 – \$15	\$15 – \$25	\$25 – \$50	> \$50
<b>Overall Survey Group</b>					
Total # of Respondents Providing Growth and FCF Data	61	70	29	39	35
Overall Median 2020 Organic ARR Growth + FCF Margin	46%	31%	25%	25%	25%
<b>Top Quartile {Growth + FCF} Tier</b>					
# of Respondents	15	18	7	10	9
2020 {Organic Growth + FCF} Threshold	75%	52%	36%	32%	49%
2020 ARR Organic Growth Median	109%	78%	65%	39%	63%
2020 FCF Margin Median	0%	1%	0%	3%	16%
Subscription Gross Margin Median	61%	78%	75%	75%	81%
Blended CAC Ratio <sup>1</sup> Median	\$0.66	\$0.78	\$0.82	\$0.93	\$0.85
New Customer CAC Ratio <sup>1</sup> Median	\$0.90	\$0.88	\$1.10	\$1.17	\$1.00
Gross Dollar Churn <sup>1</sup> Median	7%	7%	10%	9%	7%
Net Dollar Retention <sup>1</sup> Median	120%	109%	109%	108%	110%

# KBCM TECHNOLOGY GROUP LEADERSHIP IN SOFTWARE TRANSACTION EXECUTION

2021 Private SaaS Company Survey 

Equity Capital Markets				Advisory			
Selected Transactions				Selected Transactions			
<p><b>\$415,150,000</b></p>  <p>VTEX (VTEX) July 2021 Initial Public Offering</p>	<p><b>\$360,000,000</b></p>  <p>Blend (BLND) July 2021 Initial Public Offering</p>	<p><b>\$828,000,000</b></p>  <p>Confluent (CFLT) June 2021 Initial Public Offering</p>	<p><b>\$266,000,000</b></p>  <p>Sprinklr (CXM) June 2021 Initial Public Offering</p>	<p><b>\$255,000,000</b></p>  <p>has been acquired by </p>	<p>Not Disclosed</p>  <p>has been acquired by </p>	<p>Not Disclosed</p>  <p>has been acquired by </p>	<p>Not Disclosed</p>  <p>has been acquired by </p>
<p><b>\$286,750,000</b></p>  <p>Walkme Ltd (WKME) June 2021 Initial Public Offering</p>	<p><b>\$1,411,363,629</b></p>  <p>Marqeta Inc. (MQ) June 2021 Initial Public Offering</p>	<p><b>\$431,250,000</b></p>  <p>Global-E Online Ltd. (GLBE) May 2021 Initial Public Offering</p>	<p><b>\$697,470,000</b></p>  <p>Procore (PCOR) May 2021 Initial Public Offering</p>	<p>Not Disclosed</p>  <p>a portfolio company of   has merged with </p>	<p>Not Disclosed</p>  <p>has been acquired by   a portfolio company of </p>	<p>Not Disclosed</p>  <p>a portfolio company of   has merged with </p>	<p><b>\$117,500,000</b></p>  <p>has been acquired by </p>
<p><b>\$1,538,566,008</b></p>  <p>UiPath Inc (PATH) April 2021 Initial Public Offering</p>	<p><b>\$150,069,724</b></p>  <p>Semrush (SEMR) March 2021 Initial Public Offering</p>	<p><b>\$775,500,000</b></p>  <p>Digital Ocean (DOCN) March 2021 Initial Public Offering</p>	<p><b>\$492,253,450</b></p>  <p>ON24, INC. (ONTF) February 2021 Initial Public Offering</p>	<p>Not Disclosed</p>  <p>has been acquired by </p>	<p>Not Disclosed</p>  <p>has been acquired by   a portfolio company of </p>	<p>Not Disclosed</p>  <p>has been acquired by   a portfolio company of </p>	<p><b>\$425,000,000</b></p>  <p>has been acquired by   a portfolio company of </p>
<p><b>\$748,650,000</b></p>  <p>C3.ai, Inc. (AI) December 2020 Initial Public Offering</p>	<p><b>\$585,350,000</b></p>  <p>JFrog, Ltd. (FROG) September 2020 Initial Public Offering</p>	<p><b>\$248,940,000</b></p>  <p>BigCommerce (BIGC) August 2020 Initial Public Offering</p>	<p><b>\$248,535,284</b></p>  <p>Bill.com Holdings (BILL) December 2019 Initial Public Offering</p>	<p>Not Disclosed</p>  <p>a portfolio company of   has been acquired by   a portfolio company of </p>	<p>Not Disclosed</p>  <p>has been acquired by </p>	<p>Not Disclosed</p>  <p>has received an investment from </p>	<p><b>\$325,000,000</b></p>  <p>has been acquired by </p>

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