

CONFIDENTIAL

## Technology-Enabled Business Services

### Quarterly Update – 2018 Q1



# TEBS Overview

**Cherry Tree has been tracking trends and activity in the Technology Enabled Business Services (TEBS) space for more than 15 years, including the TEBS 100 index**

**TEBS companies are defined as those that:**

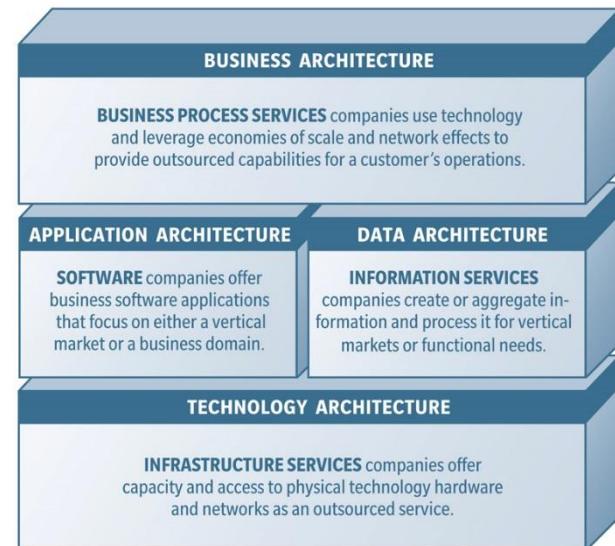
- *Offer a solution, product or service that is delivered or enhanced via technology*
- *Generate revenue primarily from other businesses ("B2B")*
- *Use their own intellectual property to differentiate their solution*

**The TEBS 100 is a broad index of 100 publicly-traded companies. The four segments of the TEBS 100 align with the open architecture framework:**

- *Business Process Services*
- *Software*
- *Information Services*
- *Infrastructure Services*

**TEBS companies are consistently valued at a premium to the overall market due to fundamental business advantages**

- *Recurring Revenue*
- *Operating Leverage*
- *High Switching Costs*



Cherry Tree Research, The Open Group

Valuation Multiples – 3/30/2018		
TEBS Segment	EV/Revenue	EV/EBITDA
Software	6.5x	20.1x
Information Services	6.0x	17.7x
Business Process Services	2.3x	15.5x
Infrastructure Services	4.5x	17.5x
S&P 500	2.9x	12.8x

Source: Cherry Tree Research, Capital IQ: 3/30/2018

## TEBS 100

*An index of 100 publicly-traded Technology Enabled Business Services companies*

# TEBS 100 Index Performance

- The TEBS 100 continues to outperform the overall market over a three-year period (55% return over three years vs. 29% return)
- The TEBS 100 has outperformed the S&P 500 in two of the last three years, including significant outperformance in 2017
- The long-term outperformance is most likely due to superior revenue growth from the TEBS 100

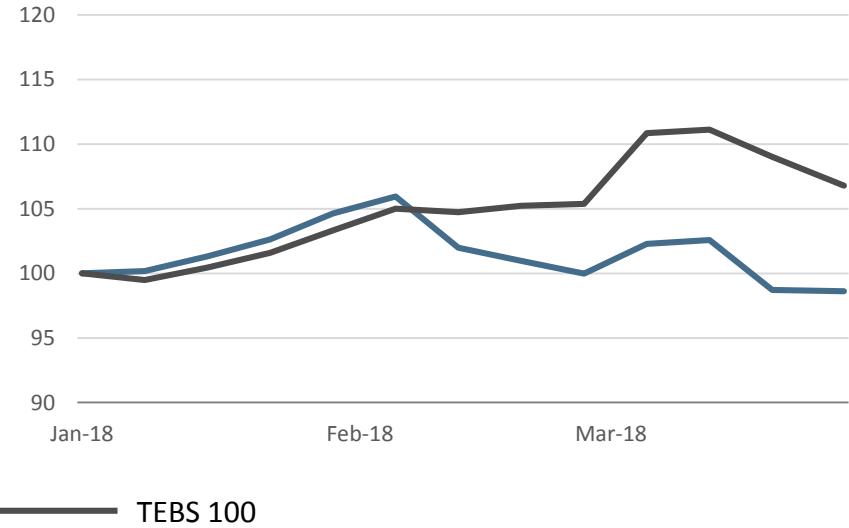
1-Year TEBS 100 Performance vs. S&P 500



3-Year TEBS 100 Performance vs. S&P 500



3-Month TEBS 100 Performance vs. S&P 500



Source: Cherry Tree Research, Capital IQ: 3/30/2018

# TEBS 100 Segment Operating Metrics

- The revenue growth of the TEBS 100 index and three of its four segments continue outperform the S&P 500
- Gross margins for the TEBS 100 are nearly twice as high as the median S&P 500 company, allowing for greater operating leverage and potential for higher overall profitability
- However, EBITDA margins continue to lag the S&P 500, likely due to reinvestment of profits to drive revenue growth

Gross Margin			
	3/30/2016	3/30/2017	3/30/2018
Software	67.2%	68.1%	69.2%
Information Services	64.7%	64.6%	63.5%
Business Process Services	39.3%	39.5%	38.5%
Infrastructure Services	57.3%	57.8%	58.2%
TEBS 100	62.5%	62.1%	62.6%
S&P 500	33.6%	32.4%	31.8%

	Revenue Growth		
	3/30/2016	3/30/2017	3/30/2018
Software	17.1%	18.1%	16.1%
Information Services	7.0%	8.3%	7.5%
Business Process Services	6.1%	5.2%	6.5%
Infrastructure Services	15.9%	30.7%	17.2%
TEBS 100	11.7%	13.7%	13.7%
S&P 500	(2.3%)	1.6%	7.0%

EBITDA Margin			
	3/30/2016	3/30/2017	3/30/2018
Software	10.2%	9.1%	9.7%
Information Services	26.2%	28.7%	26.3%
Business Process Services	17.8%	18.5%	17.8%
Infrastructure Services	18.5%	18.0%	24.0%
TEBS 100	15.3%	16.4%	16.5%
S&P 500	19.4%	19.3%	19.6%

## TEBS 100 SEGMENT PERFORMANCE

*Software*

*Information Services*

*Business Process Services*

*Infrastructure Services*

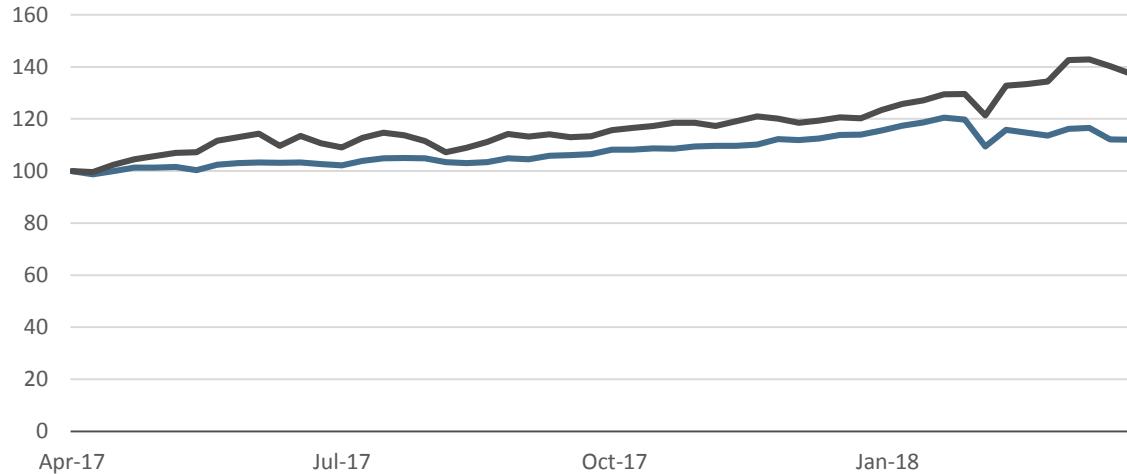
# TEBS 100 Companies – Software

Company	Enterprise Value	LTM Revenue	Gross Margin	EBITDA Margin	EV/Revenue		Revenue Growth
					EBITDA	Revenue	
8x8, Inc.	\$1,558	\$284	76.6%	-3.5%	5.5x	n/m	16.1%
ACI Worldwide, Inc.	\$3,368	\$1,024	55.8%	17.4%	3.3x	18.9x	1.8%
Adobe Systems Incorporated	\$102,148	\$7,699	86.6%	35.4%	13.3x	37.5x	25.1%
Allscripts Healthcare Solutions, Inc.	\$4,126	\$1,806	49.6%	8.4%	2.3x	27.3x	16.5%
Amber Road, Inc.	\$256	\$79	52.3%	-10.3%	3.2x	n/m	8.1%
American Software, Inc.	\$317	\$110	55.3%	15.0%	2.9x	19.3x	0.7%
athenahealth, Inc.	\$5,843	\$1,220	53.1%	13.5%	4.8x	35.3x	12.7%
Atlassian Corporation Plc	\$11,843	\$741	79.3%	-4.0%	16.0x	n/m	39.4%
Benefitfocus, Inc.	\$824	\$257	51.6%	-0.3%	3.2x	n/m	10.0%
Blackbaud, Inc.	\$5,175	\$788	54.2%	17.0%	6.6x	38.7x	7.9%
Bottomline Technologies (de), Inc.	\$1,652	\$366	54.8%	11.4%	4.5x	39.6x	6.4%
BlackLine, Inc.	\$1,983	\$177	76.6%	-9.7%	11.2x	n/m	43.8%
CA, Inc.	\$14,089	\$4,164	85.7%	29.3%	3.4x	11.5x	3.2%
Callidus Software Inc.	\$2,247	\$253	61.1%	-2.2%	8.9x	n/m	22.4%
Citrix Systems, Inc.	\$13,015	\$2,825	86.8%	28.8%	4.6x	16.0x	3.2%
Commvault Systems, Inc.	\$2,125	\$687	86.7%	0.7%	3.1x	n/m	7.7%
Cornerstone OnDemand, Inc.	\$2,212	\$482	70.4%	-7.5%	4.6x	n/m	13.9%
Ellie Mae, Inc.	\$2,912	\$417	61.4%	16.9%	7.0x	n/m	15.8%
Enghouse Systems Limited	\$1,318	\$270	69.3%	23.8%	4.9x	20.5x	6.1%
FireEye, Inc.	\$3,126	\$751	64.2%	-19.8%	4.2x	n/m	5.2%
Fiserv, Inc.	\$34,041	\$5,696	46.9%	31.4%	6.0x	19.0x	3.5%
Five9, Inc.	\$1,668	\$200	58.5%	2.2%	8.3x	n/m	23.5%
Fortinet, Inc.	\$7,751	\$1,495	74.2%	11.2%	5.2x	n/m	17.2%
HubSpot, Inc.	\$3,894	\$376	79.8%	-8.2%	10.4x	n/m	38.6%
Intuit Inc.	\$44,774	\$5,434	84.3%	30.1%	8.2x	27.4x	12.0%
Jack Henry & Associates, Inc.	\$9,387	\$1,472	43.0%	31.0%	6.4x	20.6x	5.6%
Manhattan Associates, Inc.	\$2,721	\$595	58.7%	33.2%	4.6x	13.8x	-1.6%
Medidata Solutions, Inc.	\$3,573	\$546	76.8%	15.4%	6.5x	n/m	17.7%
Mimecast Limited	\$1,960	\$241	73.9%	4.6%	8.1x	n/m	40.9%

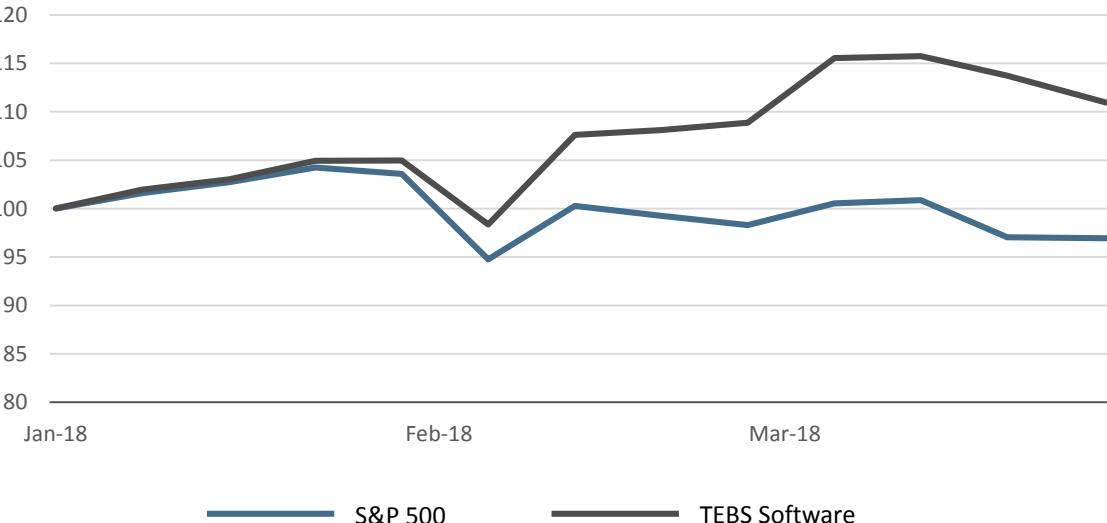
Company	Enterprise Value	LTM Revenue	Gross Margin	EBITDA Margin	EV/Revenue		Revenue Growth
					EBITDA	Revenue	
MINDBODY, Inc.	\$1,617	\$183	71.6%	-3.6%	8.9x	n/m	31.4%
NIC Inc.	\$732	\$337	40.4%	24.8%	2.2x	8.8x	5.8%
Oracle Corporation	\$177,593	\$39,472	80.0%	39.2%	4.5x	11.5x	5.5%
Paycom Software, Inc.	\$6,333	\$433	85.6%	21.0%	14.6x	n/m	31.6%
Pegasystems Inc.	\$4,513	\$841	66.7%	7.5%	5.4x	n/m	12.0%
Proofpoint, Inc.	\$5,611	\$515	72.2%	-5.6%	10.9x	n/m	37.2%
PROS Holdings, Inc.	\$1,117	\$169	59.4%	-31.9%	6.6x	n/m	10.1%
Q2 Holdings, Inc.	\$1,815	\$194	48.7%	-7.7%	9.4x	n/m	29.1%
QAD Inc.	\$635	\$305	51.0%	0.9%	2.1x	n/m	9.7%
Quality Systems, Inc.	\$885	\$528	55.4%	9.7%	1.7x	17.4x	4.4%
RealPage, Inc.	\$4,859	\$671	59.2%	14.1%	7.2x	n/m	18.1%
Red Hat, Inc.	\$25,189	\$2,920	85.2%	19.5%	8.6x	n/m	21.1%
salesforce.com, inc.	\$82,887	\$10,480	73.5%	8.6%	7.9x	n/m	24.9%
ServiceNow, Inc.	\$28,298	\$1,933	74.1%	0.8%	14.6x	n/m	39.0%
Shopify Inc.	\$12,182	\$673	56.5%	-4.8%	18.1x	n/m	72.9%
Splunk Inc.	\$12,828	\$1,271	79.8%	-17.1%	10.1x	n/m	33.8%
SPS Commerce, Inc.	\$942	\$221	66.6%	9.2%	4.3x	n/m	14.1%
Symantec Corporation	\$19,122	\$4,739	78.8%	18.1%	4.0x	22.3x	25.5%
Tableau Software, Inc.	\$5,735	\$877	87.1%	-16.7%	6.5x	n/m	6.1%
The Descartes Systems Group Inc	\$2,194	\$237	73.2%	32.6%	9.2x	28.3x	16.5%
The Ultimate Software Group, Inc.	\$7,296	\$941	62.4%	7.9%	7.8x	n/m	20.4%
Tyler Technologies, Inc.	\$7,837	\$841	47.5%	23.0%	9.3x	n/m	11.2%
Upland Software, Inc.	\$688	\$98	65.6%	16.2%	7.0x	n/m	31.0%
Veeva Systems Inc.	\$9,635	\$686	69.2%	24.1%	14.1x	n/m	26.0%
VMware, Inc.	\$41,731	\$7,922	85.6%	26.7%	5.3x	19.7x	33.1%
Workday, Inc.	\$25,171	\$2,143	70.6%	-7.8%	11.7x	n/m	36.1%
<b>25th Percentile</b>	<b>\$1,741</b>	<b>\$277</b>	<b>55.6%</b>	<b>-3.5%</b>	<b>4.5x</b>	<b>17.0x</b>	<b>7.0%</b>
<b>Median</b>	<b>\$4,126</b>	<b>\$673</b>	<b>69.2%</b>	<b>9.7%</b>	<b>6.5x</b>	<b>20.1x</b>	<b>16.1%</b>
<b>75th Percentile</b>	<b>\$12,013</b>	<b>\$1,484</b>	<b>77.8%</b>	<b>22.0%</b>	<b>9.1x</b>	<b>27.6x</b>	<b>27.6%</b>

# Segment Performance – Software

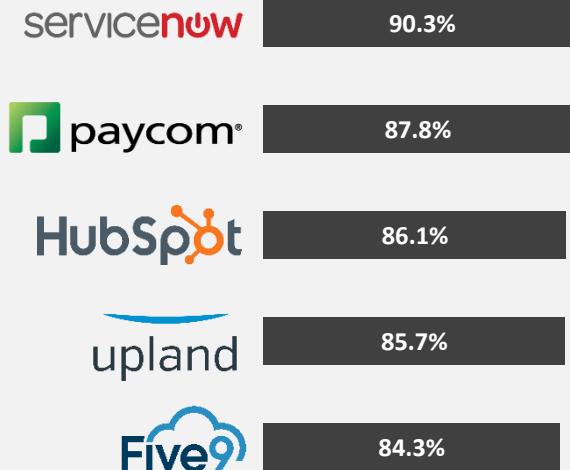
1-Year Stock Performance vs. S&P 500



3-Month Stock Performance vs. S&P 500



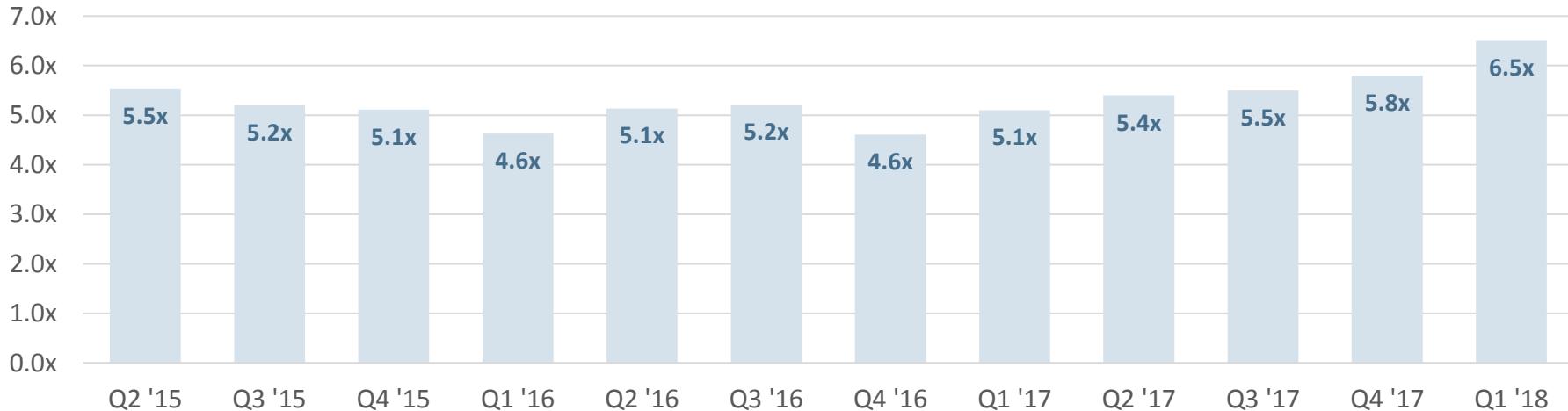
Top Performers (1-Yr)



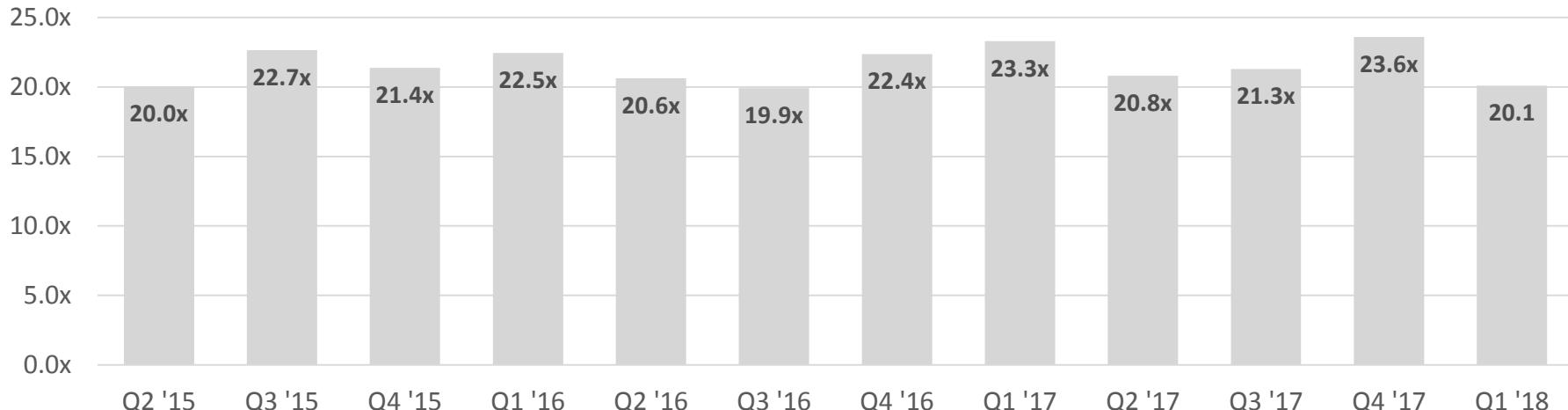
Bottom Performers (1-Yr)

# Segment Valuation – Software

Enterprise Value/Revenue



Enterprise Value/EBITDA



# TEBS 100 Companies – Information Services

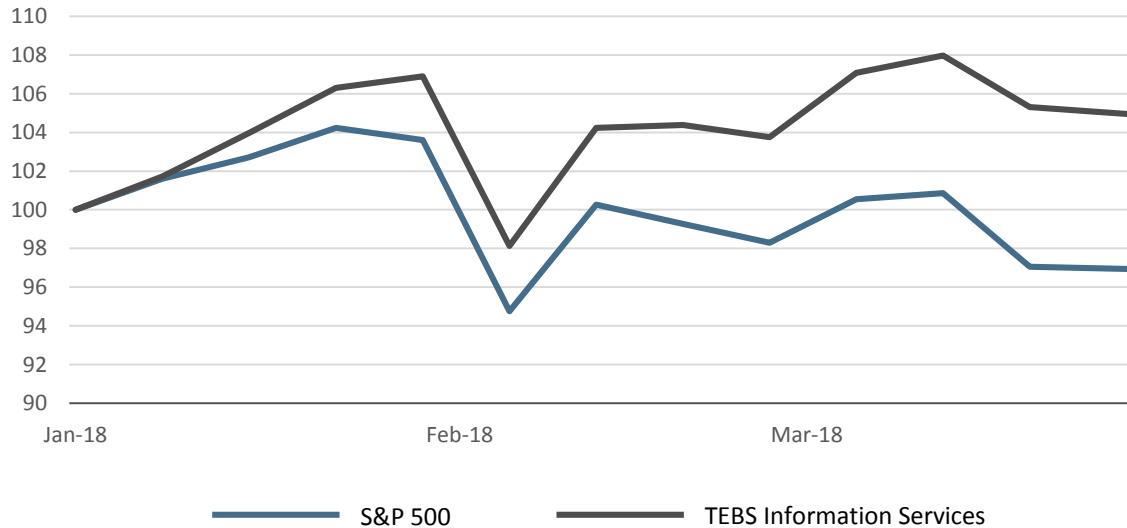
Company	Enterprise	LTM	Gross	EBITDA	EV/		Revenue
	Value	Revenue	Margin	Margin	Revenue	EBITDA	Growth
CoreLogic, Inc.	\$5,323	\$1,851	47.3%	20.8%	2.9x	13.8x	-5.2%
CoStar Group, Inc.	\$11,879	\$965	77.2%	25.9%	12.3x	n/m	15.2%
Equifax Inc.	\$16,584	\$3,362	64.0%	33.2%	4.9x	14.9x	6.9%
FactSet Research Systems Inc.	\$8,092	\$1,303	52.0%	32.9%	6.2x	18.9x	12.6%
Fair Isaac Corporation	\$5,663	\$948	69.2%	22.8%	6.0x	26.2x	5.2%
Forrester Research, Inc.	\$615	\$338	59.5%	10.4%	1.8x	17.6x	3.6%
Gartner, Inc.	\$13,424	\$3,311	60.1%	11.5%	4.1x	35.1x	35.5%
IHS Markit Ltd.	\$22,573	\$3,688	62.8%	31.5%	6.1x	19.4x	21.7%
Moody's Corporation	\$35,396	\$4,204	70.9%	47.3%	8.4x	17.8x	16.6%
Morningstar, Inc.	\$3,886	\$912	57.6%	25.7%	4.3x	16.6x	14.2%
Nielsen Holdings plc	\$19,321	\$6,572	57.9%	25.9%	2.9x	11.4x	4.2%
S&P Global Inc.	\$49,828	\$6,063	71.7%	48.3%	8.2x	17.0x	7.1%
The Dun & Bradstreet Corporation	\$5,591	\$1,743	67.1%	26.3%	3.2x	12.2x	2.3%
TransUnion	\$12,864	\$1,934	66.6%	36.3%	6.7x	18.3x	13.4%
Verisk Analytics, Inc.	\$20,025	\$2,145	63.5%	46.0%	9.3x	20.3x	7.5%
<b>25th Percentile</b>	<b>\$5,627</b>	<b>\$1,134</b>	<b>58.7%</b>	<b>24.3%</b>	<b>3.6x</b>	<b>15.3x</b>	<b>4.2%</b>
<b>Median</b>	<b>\$12,864</b>	<b>\$1,934</b>	<b>63.5%</b>	<b>26.3%</b>	<b>6.0x</b>	<b>17.7x</b>	<b>7.5%</b>
<b>75th Percentile</b>	<b>\$19,673</b>	<b>\$3,525</b>	<b>68.2%</b>	<b>34.7%</b>	<b>7.4x</b>	<b>19.3x</b>	<b>15.2%</b>

# Segment Performance – Information Services

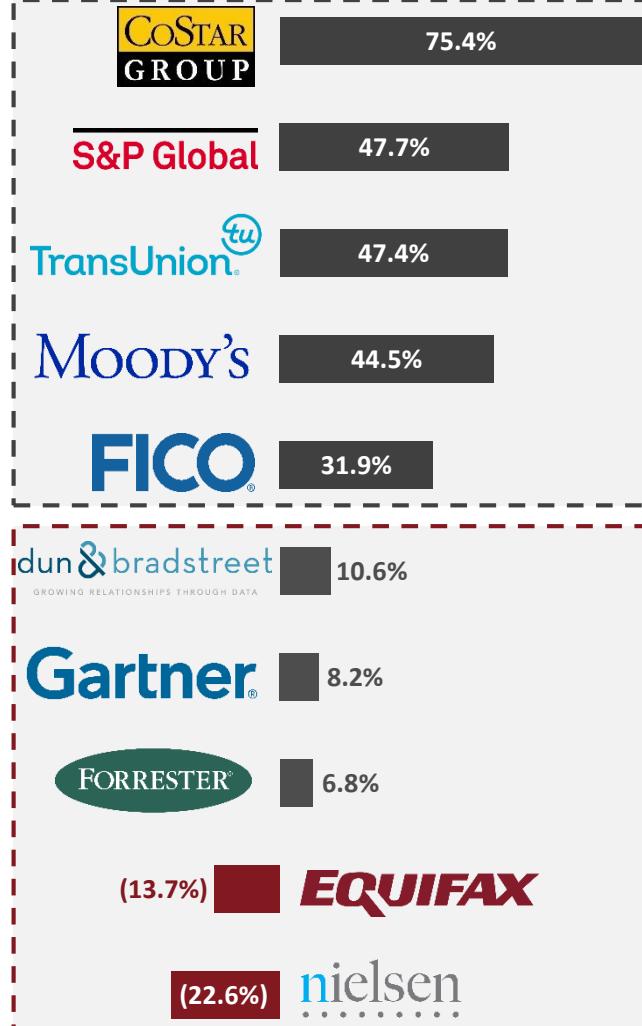
1-Year Stock Performance vs. S&P 500



3-Month Stock Performance vs. S&P 500



Top Performers (1-Yr)



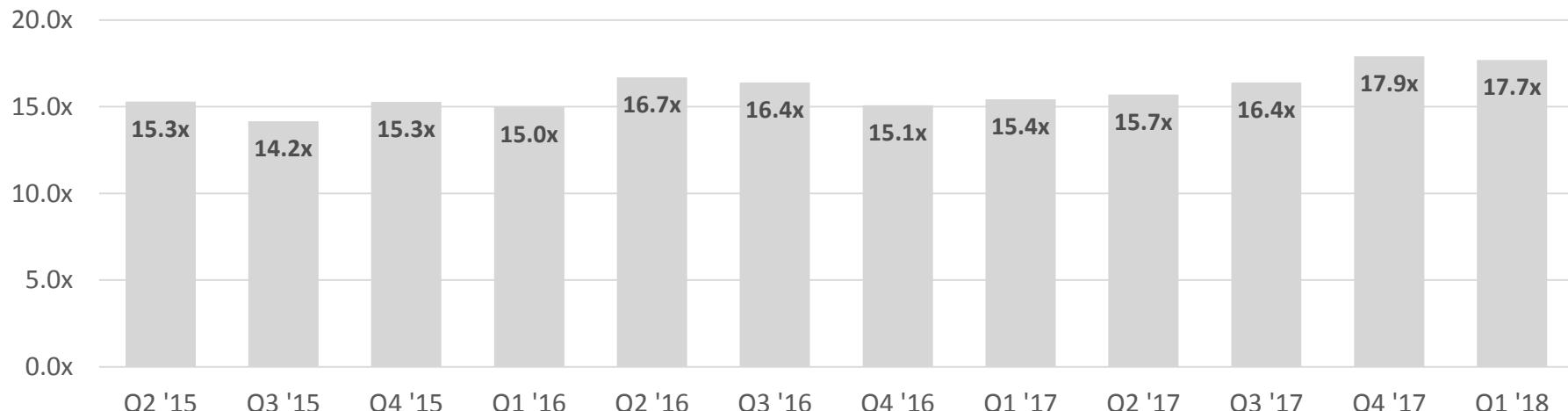
Bottom Performers (1-Yr)

# Segment Valuation – Information Services

Enterprise Value/Revenue



Enterprise Value/EBITDA



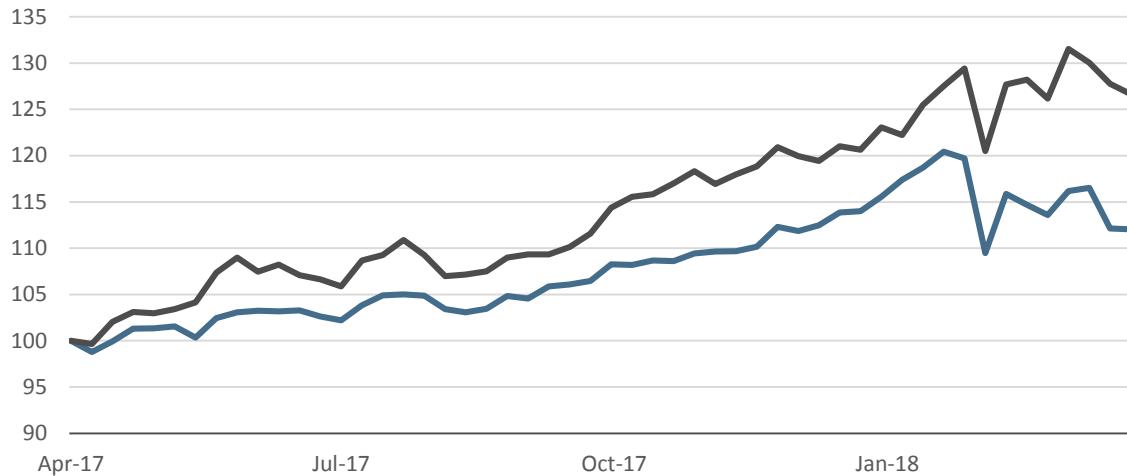
Source: Cherry Tree Research, Capital IQ: 3/30/2018

# TEBS 100 Companies – Business Process Services

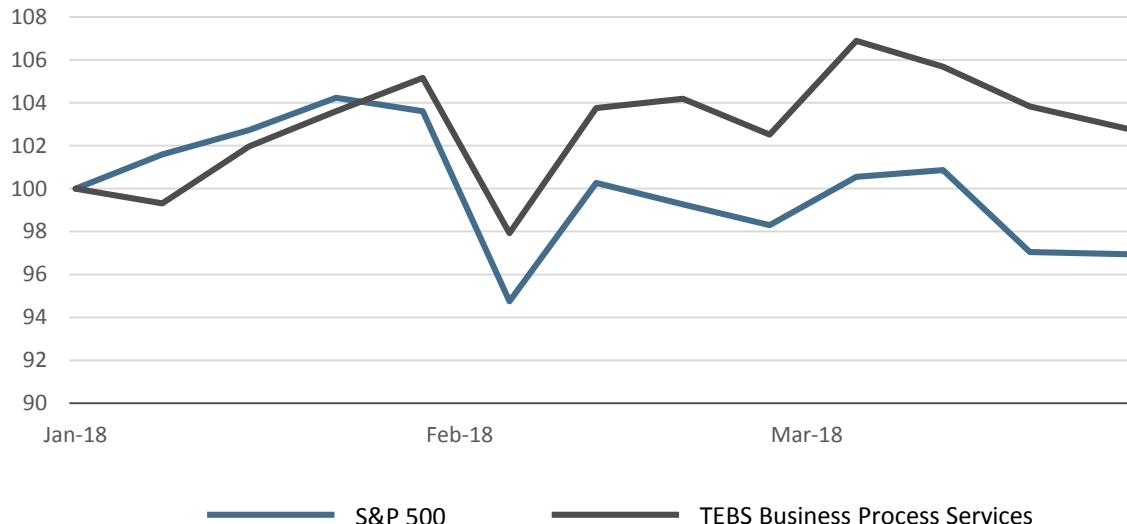
Company	Enterprise	LTM	Gross	EBITDA	EV/		Revenue
	Value	Revenue	Margin	Margin	Revenue	EBITDA	Growth
Amdocs Limited	\$8,641	\$3,890	35.0%	18.6%	2.2x	11.9x	3.7%
Automatic Data Processing, Inc.	\$50,528	\$12,790	42.7%	21.3%	4.0x	18.5x	6.1%
Broadridge Financial Solutions, Inc.	\$13,652	\$4,292	25.9%	18.5%	3.2x	17.2x	24.4%
Cimpres N.V.	\$5,652	\$2,440	51.2%	7.9%	2.3x	29.3x	26.0%
CSG Systems International, Inc.	\$1,585	\$790	50.0%	17.8%	2.0x	11.3x	3.8%
Conduent Incorporated	\$5,468	\$6,022	17.4%	11.4%	0.9x	7.9x	-6.0%
Global Payments Inc.	\$21,919	\$3,975	51.5%	27.8%	5.5x	19.8x	5.3%
InnerWorkings, Inc.	\$583	\$1,136	24.5%	4.2%	0.5x	12.3x	4.2%
Exela Technologies, Inc.	\$2,141	\$1,152	28.0%	11.6%	1.9x	16.0x	45.9%
Paychex, Inc.	\$21,764	\$3,308	70.3%	42.5%	6.6x	15.5x	6.5%
PFSweb, Inc.	\$195	\$274	29.4%	5.7%	0.7x	12.6x	-0.2%
Genpact Limited	\$6,905	\$2,737	38.5%	15.5%	2.5x	16.3x	6.5%
TTEC Holdings, Inc.	\$1,685	\$1,477	24.9%	12.5%	1.1x	9.1x	15.8%
Worldpay, Inc.	\$30,303	\$4,026	52.7%	22.1%	7.5x	34.1x	12.5%
WageWorks, Inc.	\$1,144	\$462	63.3%	19.9%	2.5x	12.5x	33.1%
<b>25th Percentile</b>	<b>\$1,635</b>	<b>\$1,144</b>	<b>27.0%</b>	<b>11.5%</b>	<b>1.5x</b>	<b>12.1x</b>	<b>3.8%</b>
<b>Median</b>	<b>\$5,652</b>	<b>\$2,737</b>	<b>38.5%</b>	<b>17.8%</b>	<b>2.3x</b>	<b>15.5x</b>	<b>6.5%</b>
<b>75th Percentile</b>	<b>\$17,708</b>	<b>\$4,001</b>	<b>51.3%</b>	<b>20.6%</b>	<b>3.6x</b>	<b>17.9x</b>	<b>24.4%</b>

# Segment Performance – Business Process Services

1-Year Stock Performance vs. S&P 500



3-Month Stock Performance vs. S&P 500



Top Performers (1-Yr)

**cimpress** 81.6%

**Broadridge** 61.5%

**globalpayments** 38.2%

**PFSweb** 36.6%

**GENPACT** 29.3%

**amdocs** 8.3%

**TeleTech.** 4.2%

**PAYCHEX** 4.2%

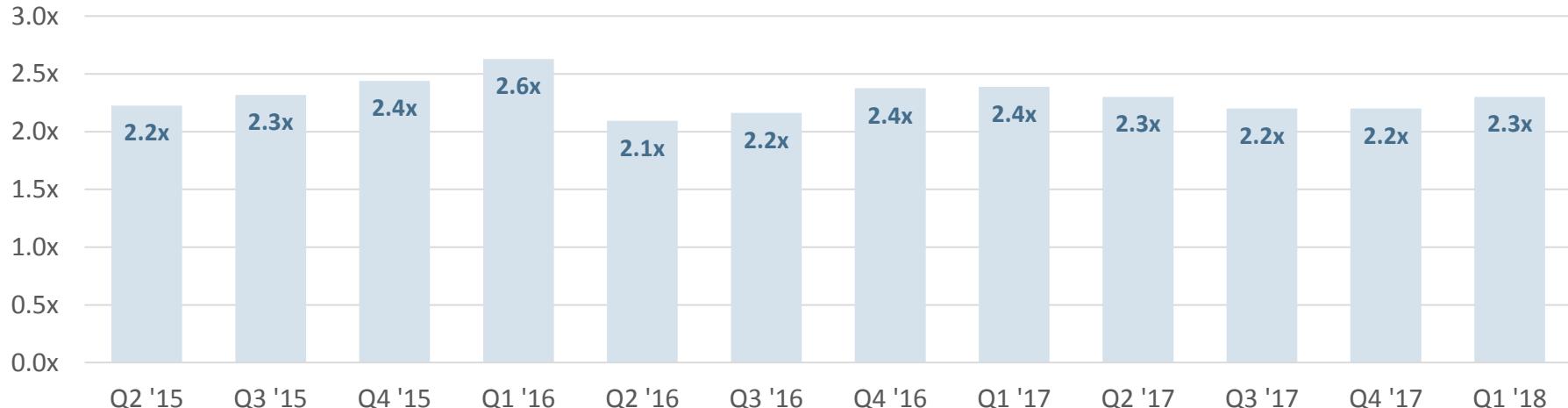
(6.9%) **InnerWorkings**  
we make marketing happen.

(37.1%) **WageWorks**

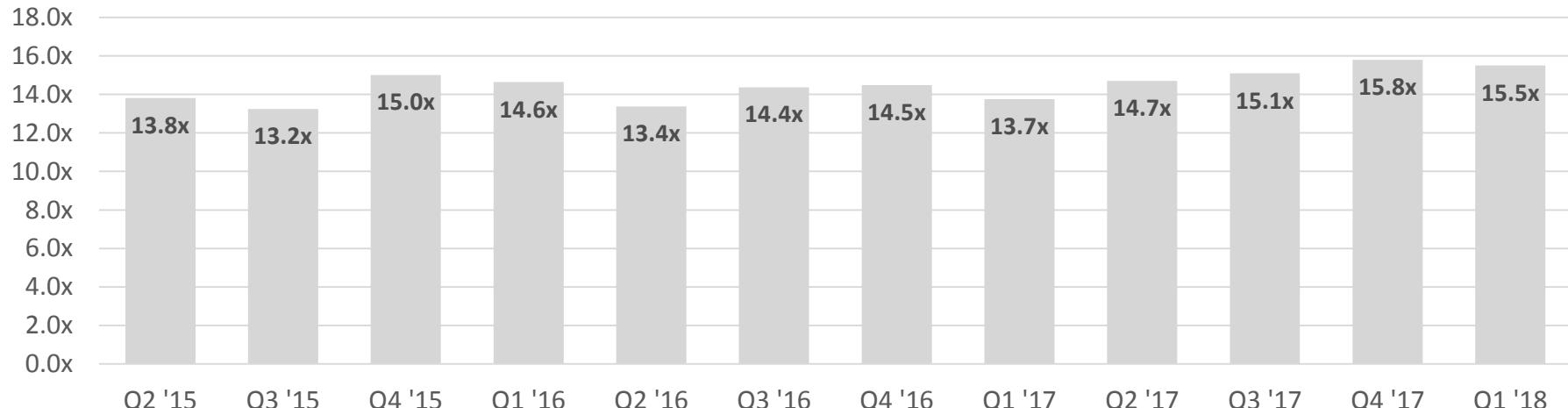
Bottom Performers (1-Yr)

# Segment Valuation – Business Process Services

Enterprise Value/Revenue



Enterprise Value/EBITDA

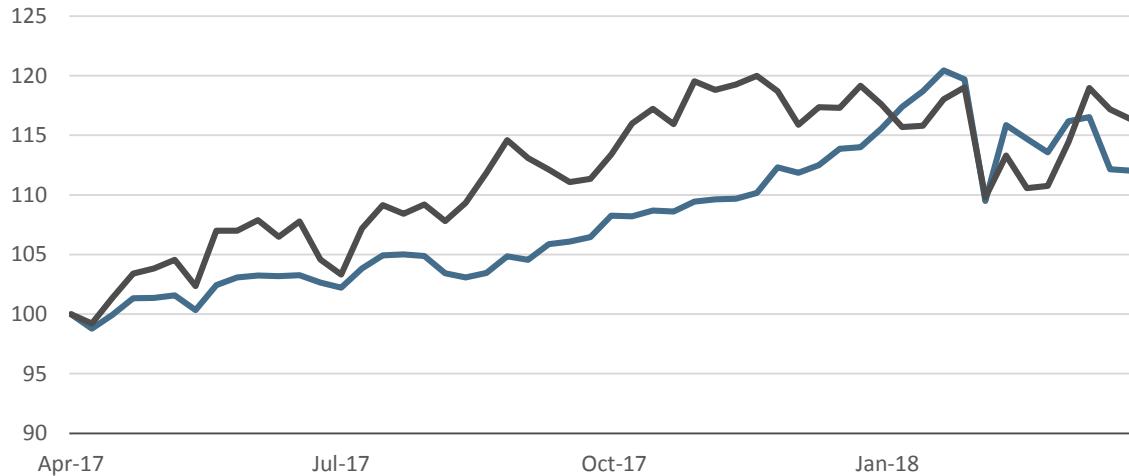


# TEBS 100 Companies – Infrastructure Services

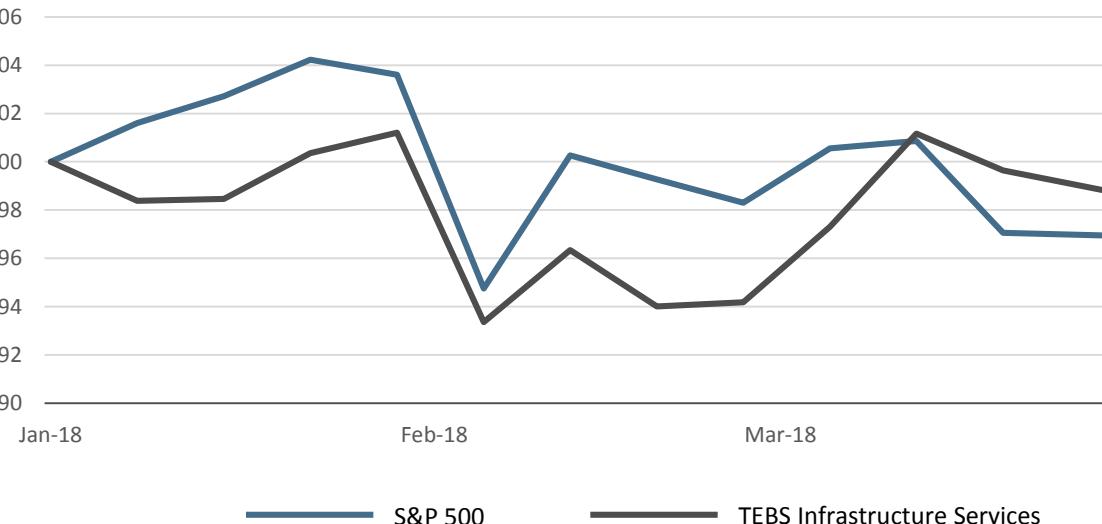
Company	Enterprise	LTM	Gross	EBITDA	EV/		Revenue
	Value	Revenue	Margin	Margin	Revenue	EBITDA	Growth
Akamai Technologies, Inc.	\$12,020	\$2,503	65.0%	25.8%	4.8x	18.6x	7.0%
Boingo Wireless, Inc.	\$1,011	\$204	32.8%	25.8%	4.9x	19.2x	28.3%
Box, Inc.	\$2,704	\$506	73.3%	-22.6%	5.3x	n/m	27.0%
Carbonite, Inc.	\$805	\$239	70.8%	5.6%	3.4x	n/m	15.7%
Cogent Communications Holdings, Inc.	\$2,434	\$474	58.2%	31.2%	5.1x	16.4x	8.3%
Endurance International Group Holdings, Inc.	\$2,888	\$1,177	50.6%	24.0%	2.5x	10.2x	5.9%
Equinix, Inc. (REIT)	\$41,796	\$4,368	49.8%	43.4%	9.6x	22.0x	20.9%
GoDaddy Inc.	\$11,132	\$2,232	65.3%	13.1%	5.0x	38.2x	20.8%
Gogo Inc.	\$1,344	\$699	53.2%	11.6%	1.9x	16.5x	17.2%
GTT Communications, Inc.	\$3,686	\$828	47.8%	24.1%	4.5x	18.5x	57.0%
Internap Corporation	\$736	\$281	53.0%	27.7%	2.6x	9.5x	-5.9%
Limelight Networks, Inc.	\$406	\$184	57.5%	9.7%	2.2x	22.6x	9.6%
Pure Storage, Inc.	\$3,976	\$1,023	65.4%	-12.2%	3.9x	n/m	40.5%
Web.com Group, Inc.	\$1,419	\$749	68.4%	20.0%	1.9x	9.5x	5.5%
Zayo Group Holdings, Inc.	\$13,835	\$2,485	63.9%	45.8%	5.6x	12.2x	24.5%
<b>25th Percentile</b>	<b>\$1,178</b>	<b>\$377</b>	<b>51.8%</b>	<b>10.7%</b>	<b>2.5x</b>	<b>11.7x</b>	<b>7.0%</b>
<b>Median</b>	<b>\$2,704</b>	<b>\$749</b>	<b>58.2%</b>	<b>24.0%</b>	<b>4.5x</b>	<b>17.5x</b>	<b>17.2%</b>
<b>75th Percentile</b>	<b>\$7,554</b>	<b>\$1,704</b>	<b>65.3%</b>	<b>26.8%</b>	<b>5.1x</b>	<b>19.9x</b>	<b>27.0%</b>

# Segment Performance – Infrastructure Services

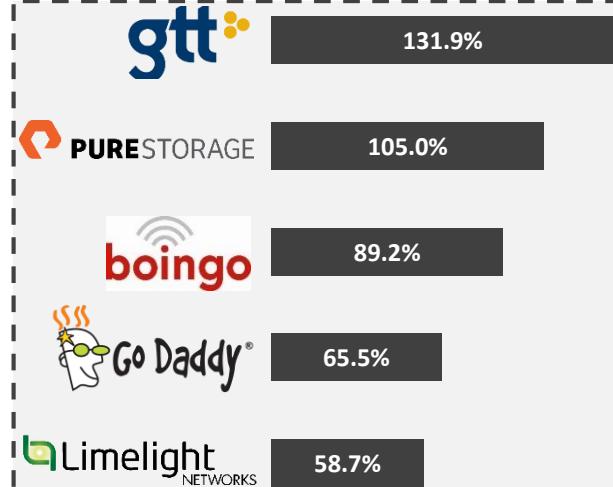
1-Year Stock Performance vs. S&P 500 – Update Chart



3-Month Stock Performance vs. S&P 500



Top Performers (1-Yr)



 0.8%

(4.7%) 

(6.3%) 

(21.3%) 

(27.2%) 

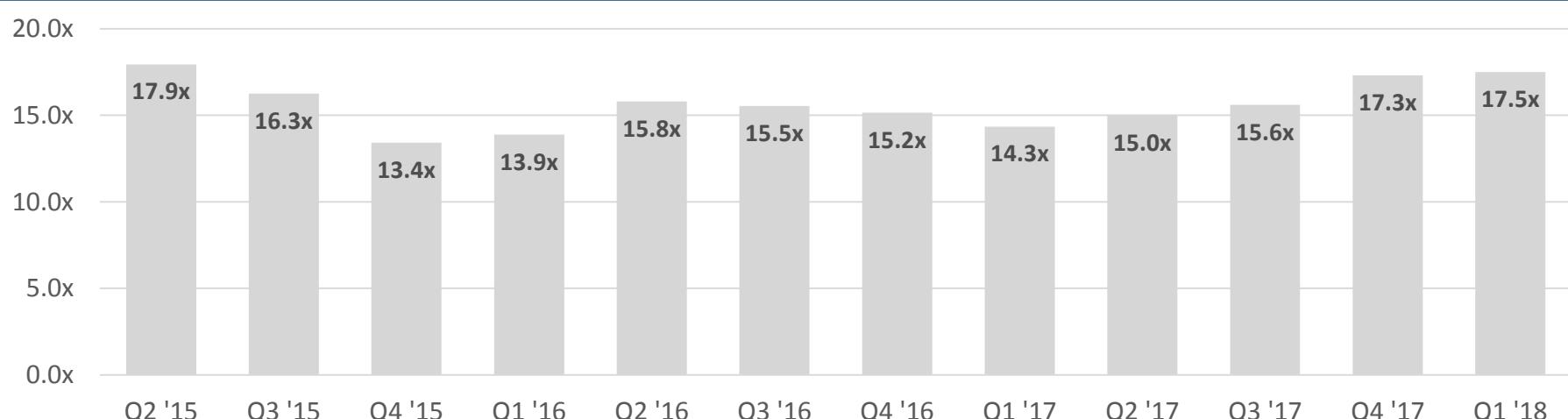
Bottom Performers (1-Yr)

# Segment Valuation – Infrastructure Services

Enterprise Value/Revenue



Enterprise Value/EBITDA



## M&A ACTIVITY

# Select M&A Transactions

Date	Target	Acquirer	Enterprise Value	EV/		EBITDA Margin		Segment
				Revenue	EBITDA	Revenue	EBITDA	
1/11/2018	DST Systems, Inc.	SS&C Technologies	\$5,671.1	2.6x	11.5x	\$2,218.2	\$491.1	22.1% Business Process
1/16/2018	Blackhawk Network Holdings	P2 Capital, Silver Lake	\$3,019.2	1.4x	16.0x	\$2,231.6	\$189.1	8.5% Business Process
1/29/2018	Callidus Software, Inc.	SAP	\$2,425.9	9.6x		\$253.1		Software
1/29/2018	SingleHop, LLC	Internap Corporation	\$132.0	2.8x	8.0x	\$47.7	\$16.5	34.6% Infrastructure
1/30/2018	Angoss Software	Datawatch Corporation	\$24.5	2.3x	11.1x	\$10.6	\$2.2	20.8% Software
1/30/2018	Thomson Reuters F&R Business	Blackstone Group	\$20,000.0	3.3x	10.4x	\$6,112.0	\$1,916.0	31.3% Information
1/31/2018	Xerox Corporation	FUJIFILM Holdings	\$16,961.9	1.7x	11.3x	\$10,265.0	\$1,504.0	14.7% Business Process
2/9/2018	Hogg Robinson Group	American Express	£440.5	1.3x	9.8x	£333.4	£45.0	13.5% Business Process
2/13/2018	Mozy, Inc.	Carbonite, Inc.	\$145.8					Infrastructure
2/14/2018	Dealer Inspire/Launch Digital Marketing	Cars.com	\$205.0	5.0x	51.3x	\$41.0	\$4.0	9.8% Business Process
2/16/2018	WebDAM, Inc.	Bynder LLC	\$49.1	3.0x		\$16.2		Software
2/21/2018	Fidessa Group	Temenos Group	£1,327.2	3.8x	20.1x	£353.9	£66.2	18.7% Software
2/26/2018	HelpSystems	HGGC	\$1,200.0	7.5x		\$160.0		Software
2/26/2018	Intermedix Corporation	R1 RCM Inc.	\$460.0	2.4x	9.6x	\$193.0	\$48.0	24.9% Business Process
3/6/2018	CommerceHub, Inc.	GTCR	\$1,089.6	9.8x	34.1x	\$111.1	\$31.9	28.7% Software
3/6/2018	Kensho Technologies, Inc.	S&P Global	\$564.3	28.2x		\$20.0		Information
3/7/2018	Ability Network	Inovalon Holdings	\$1,200.0	8.6x	16.6x	\$140.0	\$72.1	51.5% Software
3/12/2018	Booker Software	MINDBODY	\$150.0	6.0x		\$25.0		Software
3/12/2018	Netsil Inc.	Nutanix, Inc.	\$69.9					Infrastructure
3/14/2018	Wipro Data Centre and Cloud Services	Ensono, LP	\$405.0	1.7x		\$241.0		Infrastructure
3/14/2018	Evident.io	Palo Alto Networks	\$300.0					Software
3/15/2018	Clear Score Technology	Experian	£275.0					Information
3/19/2018	Stewart Information Services	Fidelity National Financial	\$1,206.6	0.6x	10.7x	\$1,956.5	\$112.8	5.8% Information
3/20/2018	MuleSoft, Inc.	salesforce.com	\$6,607.4	22.3x		\$296.5		Software

## ABOUT CHERRY TREE & ASSOCIATES

# Cherry Tree & Associates Overview

**Cherry Tree & Associates provides a broad array of M&A advisory services to owner-operators, private equity firms, corporations, management teams and public companies.**

## M&A Services

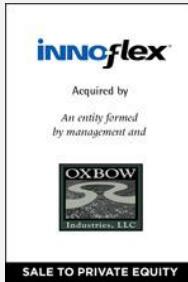
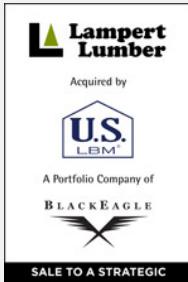
- Sell-side Advisory
- Recapitalizations
- Non-core Divestitures
- Management-led Buyouts
- Buy-side Advisory

## Highlights

- Based on over 30 years of growing and advising hundreds of entrepreneurial companies
- Been advisor or principal in more than 300 transactions
- Completed over \$3 billion in transactions in the past 10 years
- Expertise in multiple industries
- Experience completing transactions globally
- Cherry Tree professionals have closed deals with leading private equity and venture capital firms
- 13 M&A professionals

## RECENT M&A ENGAGEMENTS

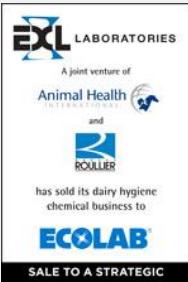
### Sell-side Advisory



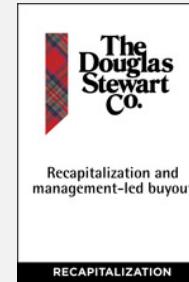
### Recapitalizations



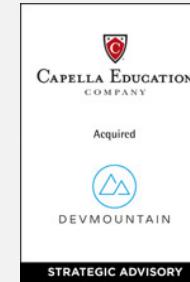
### Non-core Divestitures



### Management-led Buyouts



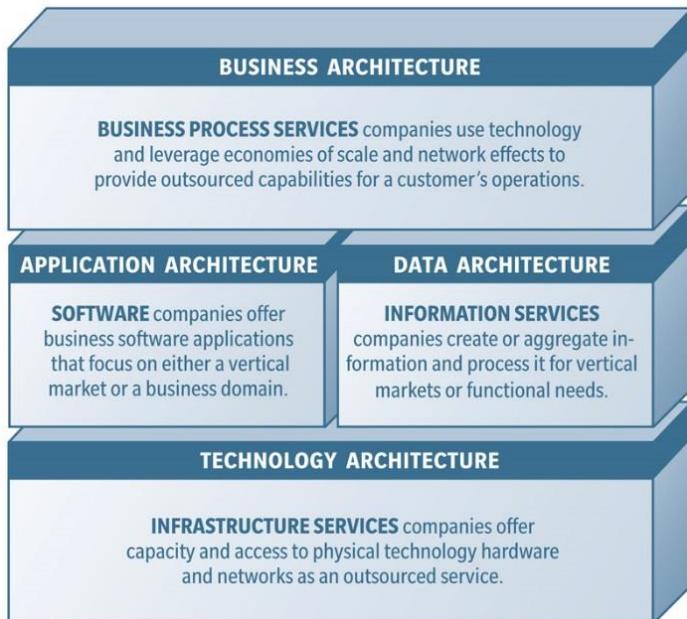
### Buy-side Advisory



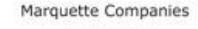
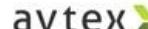
# TEBS Expertise

Cherry Tree has been tracking trends and activity in the Technology Enabled Business Services (TEBS) space for more than 15 years. TEBS companies are defined as those that:

- Offer a solution, product or service that is delivered or enhanced via technology
- Generate revenue primarily from other businesses ("B2B")
- Use their own intellectual property to differentiate their solution



## SELECT TRANSACTIONS

 Acquired  STRATEGIC ADVISORY	 Has Partnered With  Norwest Equity Partners PRIVATE EQUITY TRANSACTION	 (OTC:CTIG) Acquired by  Enghouse Systems Software engineered for results SALE TO A STRATEGIC
 Welcomes as an Equity Partner  SALE TO PRIVATE EQUITY	 Acquired  STRATEGIC ADVISORY	 CAPPELLA EDUCATION COMPANY Acquired  STRATEGIC ADVISORY
  Acquired by  SALE TO A STRATEGIC	 The operating group of  Has completed the sale of  to  SALE TO PRIVATE EQUITY	 Acquired  STRATEGIC ADVISORY

# Cherry Tree TEBS Team

**Each of our senior investment bankers has many years of transaction experience as either an operating executive or private equity professional, in addition to deep investment banking experience.**



**Mik Gusenius**  
*Director*

- Joined Cherry Tree & Associates in 2007
- Over 10 years of middle market investment banking experience
- Completed more than 30 M&A transactions totaling more than \$1 billion of transaction value
- B.A., Economics, Gustavus Adolphus College
- M.B.A., University of Minnesota – Carlson School of Management



**Elmer Baldwin**  
*Managing Director*

- Joined Cherry Tree & Associates in 2015
- Previously the President and CEO of five information technology companies (20 years)
- Strategic advisor and consultant to over 100 companies over last 30+ years
- Experience working with publicly-traded companies, private-equity syndicates, and owner-operator situations
- B.B.A., Finance, Loyola Marymount University



**Dave Latzke**  
*Managing Director*

- Joined Cherry Tree & Associates in 2007
- Previously the CFO for two publicly-traded enterprise software companies (13 years)
- Previously with Arthur Andersen (11 years)
- B.A., Accounting, University of Northern Iowa
- Certified Public Accountant (inactive)



**Matt Otto**  
*Senior Associate*

- Joined Cherry Tree & Associates in 2010
- Over six years of middle market investment banking experience
- Completed 20 M&A transactions
- Member of equity research team that won the Minnesota CFA Global Investment Research Challenge
- B.S., Finance, University of Minnesota – Carlson School of Management



**Ben Ikeda**  
*Senior Associate*

- Joined Cherry Tree & Associates in 2012
- Completed 18 M&A transactions
- Previously with Sterling Partners' Education Opportunity Fund, UnitedHealth Group and Mayo Clinic Ventures
- B.A., Economics, *magna cum laude* and *Phi Beta Kappa*, Gustavus Adolphus College
- M.B.A. Candidate, University of Chicago Booth School of Business

# Important Disclosures

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