

# Kingdee

## Earnings Review

Cloud transition still on track, despite NT turbulence, raising PT to HK\$24.6

### Cloud transition on track with clearer roadmap, raise PT to HK\$24.6

Although Kingdee reported revenue decline with rising opex ratio in first half, we reiterate Buy on Kingdee, because: 1) impressive cloud billings growth (up 57.6% YoY in 1H20), which offset the cash flow pressure caused by shrinking ERP business; 2) determined and clearer cloud roadmap with broad offerings (PaaS/140+ SaaS modules/18 industry solutions); 3) leading position in fast-growing China EA SaaS market. We adjusted our model accordingly to reflect the current strategic shift of the company, including cutting traditional ERP business, conservative opex ratio, but enhanced cashflow. We raise Kingdee's cloud revenue by 3.5%/6.5% in FY21/22E from prev ets. with cloud revenue/FCF (excl. IP) heading to RMB11.9bn/RMB3.9bn in FY25E, respectively. Now applying a 30x EV/FCF (in line with cloud transition peers) and discounting back to next year, we derive HK\$24.2/sh for cloud business. By adding on HK\$0.4/sh of investment properties, our new PT is HK\$24.6/sh, implying a 34% upside.

### NT turbulence could be temporary

Despite a strong cloud business, Kingdee's ERP revenue fell by 37.0% YoY to RMB589mn in 1H20, mainly due to: 1) the company terminated the sale of KIS and K/3 WISE to accelerate cloud migration; and 2) some on-site EAS projects were delayed by COVID-19. As a result, total revenue was down 6.6% YoY to RMB1.4bn in 1H20. On the cost side, declining topline magnified the impact of fixed cost. Gross margin fell to 73.9% in 1H20 compared to 80.4% in FY19. In addition, with acquisition of big customers for cloud business and decreasing capitalization ratio, S&M and R&D revenue ratio increased to 62.0% and 25.8%, respectively, in 1H20. However, we believe the weak results were temporary and manageable.

### Committed to cloud fueled by increasing cash inflow & LT investment

OCF came in at RMB51.3mn before micro-credit business in 1H20 compared to RMB290.7mn in 1H19. The decline was mainly due to: 1) shrinking traditional ERP business; 2) seasonal effect (normally stronger cash flow in 2H each year). However, cash inflow from cloud business was still robust. Contract liabilities of cloud business grew strongly by 96.8% YoY/31.1% HoH to RMB712mn, bring total billings of cloud to RMB967mn in 1H20 (up 57.6% YoY), among which RMB798mn (up 45.1% YoY) was booked as cloud revenue. Strong cloud billings sustained continuous cash inflow, which in turn supported high capex & LT investment. In 1H20, capex & LT inv. TTM grew by 22.9% YoY in 1H20, accounting for 67.5% of OCF TTM vs. 50.7% in 1H19. Now, Kingdee has formed a clearer roadmap. Three different clouds Cosmic/Galaxy/Jingdou generated from its unique PaaS platform target large/mid/small-sized segments, respectively.

### Risks

Our PT is based on FY25E FCF forecasts, which imply Kingdee can transit to cloud successfully with cloud revenue proportion of more than 90%. Still, the key risks to our PT include: 1) slower-than-expected cloud transition; 2) higher-than-expected opex ratio; 3) intensified competition, in particular, in mega & micro-sized enterprise segments.

Stock code: 268.HK

**Rating: Buy**

<b>Price target (HK\$)</b>	<b>24.6</b>
Current price (HK\$, 21 Aug 2020)	18.3
Upside/downside %	34%
Market cap (HK\$ m)	61,037
Market cap (US\$ m)	7,875
Avg daily turnover over 1 yr (HK\$ m)	242

Source: Bloomberg, AMTD estimates

### Key forecasts

(RMB mn)	FY19	FY20e	FY21e	FY22e
Cloud Services	1,314	2,020	3,059	4,484
yoy %	55%	54%	51%	47%
Revenue	3,326	3,451	4,205	5,387
yoy %	18%	4%	22%	28%
FCF (excl. IP)	270	345	551	1,022
yoy %	-22%	28%	60%	86%
Core net profit	352	(107)	(19)	206
yoy %	-2%	n.a.	n.a.	n.a.
Core EPS (RMB)	0.11	(0.03)	(0.01)	0.06

Source: Company data, AMTD estimates

### Valuation

	FY19	FY20e	FY21e	FY22e
P/S	16.7	16.1	13.2	10.3
P/E	157.3	n.a.	n.a.	289.2
EV/EBITDA	56.3	62.6	50.7	43.2
EV/FCFF	92.6	87.8	63.1	38.7
ROE	6.4%	-3.3%	-2.1%	0.0%

Source: Bloomberg, AMTD estimates

### Share price performance (HK\$)



Source: Bloomberg

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**Updates on Cosmic/Galaxy/Jingdou cloud**

## Cosmic:

- recorded RMB62.7mn revenue in 1H20, up 310% YoY, vs. RMB15.3mn in 1H19;
- acquired 106 total customers, including 78 new customers in 1H20;
- a total contract value of more than RMB150mn with average contract size of RMB1.4mn;
- provides more than 140 SaaS modules

## Galaxy:

- revenue reached RMB501mn in 1H20, up 30% YoY;
- total customers exceeded 15,700, up 37% YoY in 1H20 with a dollar retention rate of 87%;
- offers 18 industry's solution;

## Jingdou:

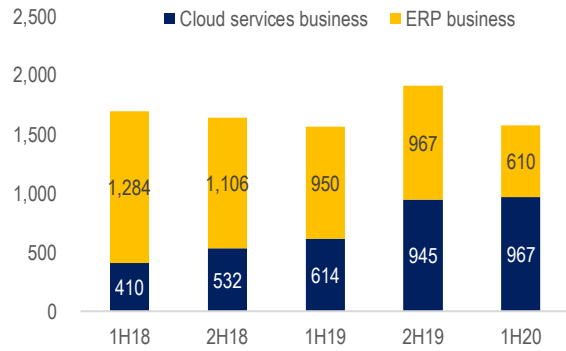
- revenue grew by 48% YoY in 1H20
- has over 137k paying customers with a dollar retention rate of 72%

**New shares placement**

On 21 August, Kingdee announced the new shares placement. 133.28mn new shares was issued at price of HK\$17.82/sh, implying a discount of approx. 7.6% to closing price of HK\$19.28 of 20 Aug and a 4% dilution to the existing issued share capital of the company. According to the company, the estimated gross proceeds of HK\$2,375.1mn will be used for research and development funding, future potential investments (including to support the cloud transition) and general working capital.

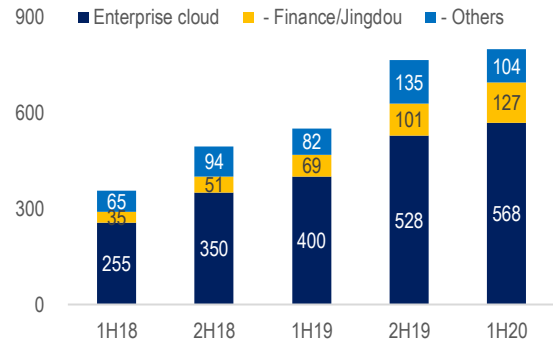
**Total billings & cloud business revenue**

**Figure 1: Total billings breakdown (RMB mn)**



Source: Company data, AMTD Research

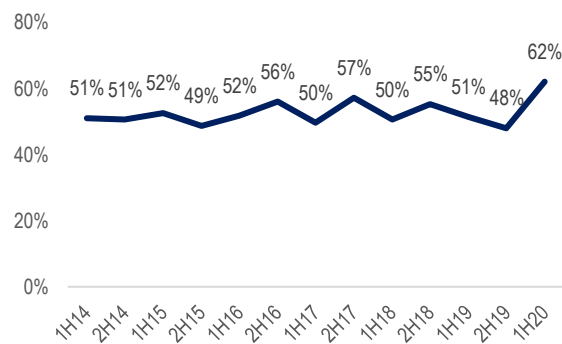
**Figure 2: Cloud revenue breakdown (RMB mn)**



Source: Company data, AMTD Research  
\*Note: Enterprise cloud includes Cosmic/Galaxy

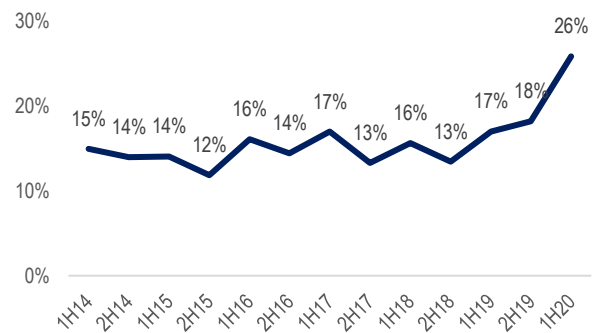
**Operating expenses revenue ratio**

**Figure 3: S&M to revenue ratio**



Source: Company data, AMTD Research

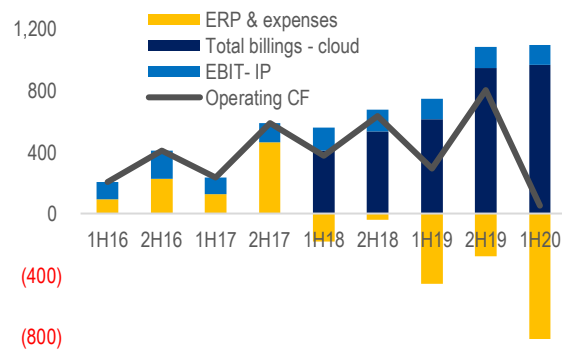
**Figure 4: R&D to revenue ratio**



Source: Company data, AMTD Research

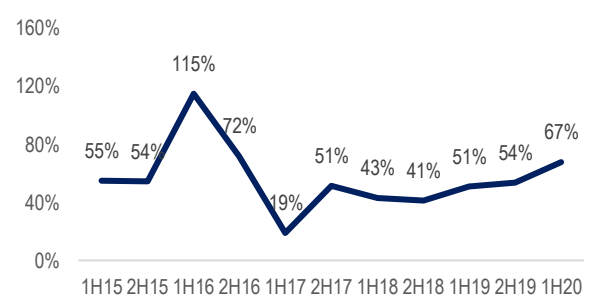
**Cash flow & capex/LT investment**

**Figure 5: Operating cash flow breakdown (RMB mn)**



Source: Company data, AMTD Research

**Figure 6: Capex & LT investment as % of operating cash flow (TTM)**



Source: Company data, AMTD Research

Figure 7: Kingdee's key financials &amp; forecasts

(RMB mn)	FY17	FY18	FY19	FY20E	FY21E	FY22E	CAGR FY19- 22E	1H17	1H18	1H19	1H20
Management Software - ERP	1,854.0	2,389.4	1,917.5	1,359.7	1,089.2	857.7	-23.5%	-	1,283.5	950.5	610.0
Cloud Services	773.3	942.1	1,558.4	2,606.4	4,075.0	5,783.9	54.8%	-	409.8	613.7	967.1
<b>Total Billings</b>	<b>2,407.2</b>	<b>3,331.5</b>	<b>3,475.8</b>	<b>3,966.1</b>	<b>5,164.2</b>	<b>6,641.6</b>		<b>1,044.3</b>	<b>1,693.3</b>	<b>1,564.2</b>	<b>1,577.1</b>
<i>Management Software - ERP</i>	<i>107%</i>	<i>122%</i>	<i>95%</i>	<i>95%</i>	<i>95%</i>	<i>95%</i>			<i>139%</i>	<i>102%</i>	<i>104%</i>
<i>Cloud Services</i>	<i>136%</i>	<i>111%</i>	<i>119%</i>	<i>129%</i>	<i>133%</i>	<i>129%</i>			<i>115%</i>	<i>112%</i>	<i>121%</i>
<b>Billings to revenue ratio</b>	<b>105%</b>	<b>119%</b>	<b>105%</b>	<b>115%</b>	<b>123%</b>	<b>123%</b>			<b>132%</b>	<b>105%</b>	<b>114%</b>
Management Software - ERP	1,735.3	1,959.4	2,012.0	1,431.2	1,146.5	902.8	-23.4%	771.8	924.0	934.9	589.1
Cloud Services	568.2	849.3	1,313.6	2,019.8	3,058.5	4,484.5	50.6%	282.8	355.1	550.2	798.4
<b>Total Revenue</b>	<b>2,303.5</b>	<b>2,808.7</b>	<b>3,325.6</b>	<b>3,451.0</b>	<b>4,205.0</b>	<b>5,387.3</b>	<b>17.4%</b>	<b>1,054.7</b>	<b>1,279.1</b>	<b>1,485.2</b>	<b>1,387.4</b>
<b>Cost of Goods Sold</b>	<b>(427.0)</b>	<b>(514.3)</b>	<b>(652.0)</b>	<b>(828.3)</b>	<b>(967.2)</b>	<b>(1,212.1)</b>	<b>23.0%</b>	<b>(209.7)</b>	<b>(253.2)</b>	<b>(304.7)</b>	<b>(362.8)</b>
<b>Gross Profit</b>	<b>1,876.5</b>	<b>2,294.3</b>	<b>2,673.6</b>	<b>2,622.8</b>	<b>3,237.9</b>	<b>4,175.1</b>	<b>16.0%</b>	<b>844.9</b>	<b>1,025.9</b>	<b>1,180.4</b>	<b>1,024.6</b>
<i>Gross margin</i>	<i>81.5%</i>	<i>81.7%</i>	<i>80.4%</i>	<i>76.0%</i>	<i>77.0%</i>	<i>77.5%</i>		<i>80.1%</i>	<i>80.2%</i>	<i>79.5%</i>	<i>73.9%</i>
S&M	(1,235.9)	(1,491.3)	(1,644.4)	(1,917.3)	(2,282.2)	(2,797.0)	19.4%	(523.5)	(645.7)	(762.7)	(860.1)
G&A	(320.2)	(334.3)	(386.3)	(448.6)	(538.2)	(662.6)	19.7%	(129.1)	(146.1)	(163.4)	(189.2)
R&D	(345.3)	(405.2)	(586.8)	(774.1)	(891.2)	(1,029.6)	20.6%	(179.0)	(199.4)	(252.5)	(358.4)
<b>Operating expenses</b>	<b>(1,901.4)</b>	<b>(2,230.8)</b>	<b>(2,617.5)</b>	<b>(3,140.1)</b>	<b>(3,711.6)</b>	<b>(4,489.3)</b>	<b>19.7%</b>	<b>(831.6)</b>	<b>(991.2)</b>	<b>(1,178.6)</b>	<b>(1,407.7)</b>
(+) SBC	68.1	91.5	103.9	172.6	201.8	247.8	33.6%	26.3	49.4	44.9	89.7
<b>Adj. operating expenses</b>	<b>(1,833.3)</b>	<b>(2,139.3)</b>	<b>(2,513.6)</b>	<b>(2,967.5)</b>	<b>(3,509.8)</b>	<b>(4,241.4)</b>	<b>19.1%</b>	<b>(805.2)</b>	<b>(941.9)</b>	<b>(1,133.7)</b>	<b>(1,318.0)</b>
Opex ratio	79.6%	76.2%	75.6%	86.0%	83.5%	78.7%		76.3%	73.6%	76.3%	95.0%
<b>Adj. EBIT (excl. IP)</b>	<b>43.2</b>	<b>155.0</b>	<b>160.0</b>	<b>(344.7)</b>	<b>(271.9)</b>	<b>(66.3)</b>	<i>n.a.</i>	<b>39.7</b>	<b>84.0</b>	<b>46.7</b>	<b>(293.3)</b>
<i>Adj. EBIT margin</i>	<i>1.9%</i>	<i>5.5%</i>	<i>4.8%</i>	<i>-10.0%</i>	<i>-6.5%</i>	<i>-1.2%</i>		<i>3.8%</i>	<i>6.6%</i>	<i>3.1%</i>	<i>-21.1%</i>
<b>Adj. EBITDA (excl. IP)</b>	<b>401.6</b>	<b>507.0</b>	<b>626.5</b>	<b>208.4</b>	<b>356.6</b>	<b>649.6</b>	<b>1.2%</b>	<b>214.6</b>	<b>240.8</b>	<b>241.1</b>	<b>(60.7)</b>
<b>EBIT - Investment Properties</b>	<b>164.7</b>	<b>167.5</b>	<b>113.2</b>	<b>114.7</b>	<b>116.2</b>	<b>117.7</b>	<b>1.3%</b>	<b>32.0</b>	<b>34.9</b>	<b>36.9</b>	<b>38.6</b>
Total Financial Costs	(67.1)	(30.5)	(14.4)	(12.5)	(13.5)	(13.5)		(31.9)	(10.3)	(8.2)	(3.7)
Share Profits From Associated Companies	(15.2)	(4.2)	(33.0)	(33.0)	(33.0)	(33.0)		(1.5)	(0.7)	(10.2)	(2.0)
<b>Income Before Income Taxes</b>	<b>378.4</b>	<b>448.0</b>	<b>396.1</b>	<b>(258.9)</b>	<b>(197.4)</b>	<b>(8.7)</b>	<i>n.a.</i>	<b>109.9</b>	<b>169.5</b>	<b>119.1</b>	<b>(250.9)</b>
Income Tax Expense (Benefit)	(54.8)	(38.8)	(30.3)	12.9	9.9	0.4		(5.2)	(11.1)	(8.2)	9.2
<b>Net Income - reported</b>	<b>310.0</b>	<b>412.1</b>	<b>372.6</b>	<b>(239.2)</b>	<b>(180.7)</b>	<b>(1.4)</b>	<i>n.a.</i>	<b>106.4</b>	<b>169.8</b>	<b>109.6</b>	<b>(224.0)</b>
<b>Core net Profit</b>	<b>224.8</b>	<b>360.9</b>	<b>352.0</b>	<b>(106.7)</b>	<b>(18.9)</b>	<b>206.4</b>	<i>n.a.</i>	<b>132.8</b>	<b>219.1</b>	<b>154.5</b>	<b>(134.3)</b>
Core EPS (RMB)	0.078	0.108	0.106	(0.031)	(0.006)	0.060	<i>n.a.</i>	0.045	0.069	0.046	(0.041)
Diluted - reported EPS (RMB)	0.107	0.123	0.112	(0.070)	(0.053)	(0.000)	<i>n.a.</i>	0.036	0.053	0.033	(0.069)
Final Dividend Per Shr (RMB)	0.013	0.010	0.011	(0.007)	(0.005)	(0.000)	<i>n.a.</i>	-	-	-	-

Source: Company, AMTD Research estimates

**Figure 8: growth, YoY**

	FY17	FY18	FY19	FY20E	FY21E	FY22E	1H17	1H18	1H19	1H20
Management Software - ERP		28.9%	-19.8%	-29.1%	-19.9%	-21.3%			-25.9%	-35.8%
Cloud Services		21.8%	65.4%	67.3%	56.3%	41.9%			49.8%	57.6%
<b>Total Billings</b>		<b>38.4%</b>	<b>4.3%</b>	<b>14.1%</b>	<b>30.2%</b>	<b>28.6%</b>			<b>-7.6%</b>	<b>0.8%</b>
Management Software - ERP		12.9%	2.7%	-28.9%	-19.9%	-21.3%		19.7%	1.2%	-37.0%
Cloud Services		49.5%	54.7%	53.8%	51.4%	46.6%		25.6%	54.9%	45.1%
<b>Total Revenue</b>		<b>21.9%</b>	<b>18.4%</b>	<b>3.8%</b>	<b>21.8%</b>	<b>28.1%</b>		<b>21.3%</b>	<b>16.1%</b>	<b>-6.6%</b>
<b>Cost of Goods Sold</b>		<b>20.5%</b>	<b>26.8%</b>	<b>27.0%</b>	<b>16.8%</b>	<b>25.3%</b>		<b>20.8%</b>	<b>20.3%</b>	<b>19.1%</b>
<b>Gross Profit</b>		<b>22.3%</b>	<b>16.5%</b>	<b>-1.9%</b>	<b>23.5%</b>	<b>28.9%</b>		<b>21.4%</b>	<b>15.1%</b>	<b>-13.2%</b>
S&M		20.7%	10.3%	16.6%	19.0%	22.6%		23.4%	18.1%	12.8%
G&A		4.4%	15.5%	16.1%	20.0%	23.1%		13.1%	11.9%	15.8%
R&D		17.3%	44.8%	31.9%	15.1%	15.5%		11.4%	26.6%	42.0%
<b>Operating expenses</b>		<b>17.3%</b>	<b>17.3%</b>	<b>20.0%</b>	<b>18.2%</b>	<b>21.0%</b>		<b>19.2%</b>	<b>18.9%</b>	<b>19.4%</b>
(+) SBC		34.4%	13.6%	66.0%	17.0%	22.8%		87.4%	-9.1%	99.9%
<b>Adj. operating expenses</b>		<b>16.7%</b>	<b>17.5%</b>	<b>18.1%</b>	<b>18.3%</b>	<b>20.8%</b>		<b>17.0%</b>	<b>20.4%</b>	<b>16.3%</b>
<b>Adj. EBIT (excl. IP)</b>		<b>259.0%</b>	<b>3.2%</b>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>		<b>111.5%</b>	<b>-44.4%</b>	<i>n.a.</i>
<b>Adj. EBITDA (excl. IP)</b>		<b>26.3%</b>	<b>23.6%</b>	<b>-66.7%</b>	<b>71.1%</b>	<b>82.2%</b>		<b>12.2%</b>	<b>0.1%</b>	<i>n.a.</i>
<b>EBIT - Investment Properties</b>		<b>1.7%</b>	<b>-32.4%</b>	<b>1.3%</b>	<b>1.3%</b>	<b>1.3%</b>		<b>9.0%</b>	<b>5.8%</b>	<b>4.7%</b>
Total Financial Costs		-54.6%	-52.8%	-13.4%	7.9%	0.0%		-67.8%	-19.6%	-55.3%
Financial Income		-26.4%	-32.9%	0.0%	0.0%	0.0%		-26.9%	5.2%	-39.2%
Share Profits From Associated		-72.2%	678.9%	0.0%	0.0%	0.0%		-55.7%	1431.3%	-80.9%
<b>Income Before Income Taxes</b>		<b>18.4%</b>	<b>-11.6%</b>	<b>-165.4%</b>	<b>-23.8%</b>	<b>-95.6%</b>		<b>54.2%</b>	<b>-29.7%</b>	<i>n.a.</i>
Income Tax Expense (Benefit)		-29.3%	-21.7%	<i>n.a.</i>	-23.8%	-95.6%		114.0%	-26.0%	<i>n.a.</i>
<b>Net Income - reported</b>		<b>32.9%</b>	<b>-9.6%</b>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>		<b>59.5%</b>	<b>-35.4%</b>	<i>n.a.</i>
<b>Core net Profit</b>		<b>60.5%</b>	<b>-2.5%</b>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>		<b>65.0%</b>	<b>-29.5%</b>	<i>n.a.</i>
Core EPS (RMB)		38.2%	-1.6%	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>		51.1%	-32.3%	<i>n.a.</i>

Source: Company, AMTD Research estimates

**Valuation****Figure 9: SOTP summary**

<b>Software (ERP &amp; Cloud) - EV/FCF</b>	
FY25E Free Cash Flow (RMB mn)	3,945
FCF CAGR in FY19-25E	56.3%
EV/FCF	30.0x
FY25E Enterprise Value (RMB mn)	118,364
Discount rate	14.2%
<b>FY21E Enterprise Value (RMB mn)</b>	<b>69,557</b>
(+) Cash and short-term investments (RMB mn)	7,563
(-) Noncontrolling interests (RMB mn)	159
(-) Total debt (RMB mn)	234
<b>FY21E Equity value (RMB mn)</b>	<b>76,727</b>
No. of shares (mn)	3,490
Valuation per share in RMB	22.0
<b>Valuation per share in HKD</b>	<b>24.2</b>
<b>Investment properties - NAV</b>	
FY21E Net Rental Income (RMB mn)	76
Cap rate	3.0%
FY21E NAV (RMB mn)	2,540
Discount rate	40.0%
<b>FY21E Equity value (RMB mn)</b>	<b>1,524</b>
No. of shares (mn)	3,490
Valuation per share in RMB	0.4
<b>Valuation per share in HKD</b>	<b>0.4</b>
<b>Total valuation per share in HKD</b>	<b>24.6</b>

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Source: Company, AMTD Research estimates

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## Comparables

Figure 10: Comparables

Date	21/8/2020	Price	Mkt cap	Sales				P/E				EV/FCFF			
				(LC)	(USD mn)	FY19	FY20E	FY21E	'19-21	FY19	FY20E	FY21E	'20-21	FY19	FY20E
<b>SaaS – HK &amp; China listed</b>															
268 HK	Kingdee	18.32	7,875	16.4x	15.3x	12.6x	14%	129.4x	523.4x	197.0x	1.2	273.4x	222.4x	105.6x	61%
600588 CH	Yonyou	42.46	19,935	16.2x	14.3x	11.6x	18%	115.0x	133.1x	107.5x	4.5	121.1x	161.5x	82.6x	21%
2013 HK	Weimob	11.00	3,199	15.4x	10.2x	7.1x	48%	63.9x	314.3x	102.8x	0.5	n.a.	n.a.	138.5x	n.a.
8083 HK	China Youzan	1.55	3,449	20.3x	12.4x	7.6x	64%	n.a.	n.a.	n.a.	n.a.	132.8x	n.a.	122.6x	4%
1588 HK	Chanjet	13.42	376	5.6x	5.1x	4.5x	11%	27.4x	28.3x	25.7x	2.5	n.a.	n.a.	n.a.	n.a.
<b>Mean (excl. Kingdee):</b>				<b>14.4x</b>	<b>10.5x</b>	<b>7.7x</b>	<b>35%</b>	<b>68.8x</b>	<b>158.6x</b>	<b>78.7x</b>	<b>2.5</b>	<b>126.9x</b>	<b>161.5x</b>	<b>114.6x</b>	<b>13%</b>
<b>Median (excl. Kingdee):</b>				<b>15.8x</b>	<b>11.3x</b>	<b>7.3x</b>	<b>33%</b>	<b>63.9x</b>	<b>133.1x</b>	<b>102.8x</b>	<b>2.5</b>	<b>126.9x</b>	<b>161.5x</b>	<b>122.6x</b>	<b>13%</b>
<b>SaaS – cloud transition</b>															
ORCL US	Oracle*	55.19	169,361	4.3x	4.2x	4.3x	0%	18.0x	14.2x	13.7x	3.9	15.3x	16.5x	16.6x	-4%
MSFT US	Microsoft*	213.02	1,612,061	12.8x	11.4x	10.3x	12%	44.8x	39.5x	33.0x	1.7	42.8x	38.5x	31.5x	17%
ADBE US	Adobe*	473.22	226,987	20.3x	17.3x	15.5x	15%	79.9x	48.2x	42.7x	3.3	53.6x	44.4x	37.3x	20%
SAP GR	SAP	135.76	196,352	6.4x	5.9x	5.5x	8%	26.6x	27.1x	23.7x	1.7	67.5x	42.3x	32.8x	43%
<b>Mean:</b>				<b>10.9x</b>	<b>9.7x</b>	<b>8.9x</b>	<b>8%</b>	<b>42.3x</b>	<b>32.2x</b>	<b>28.3x</b>	<b>2.6</b>	<b>44.8x</b>	<b>35.4x</b>	<b>29.6x</b>	<b>19%</b>
<b>Median:</b>				<b>9.6x</b>	<b>8.7x</b>	<b>7.9x</b>	<b>10%</b>	<b>35.7x</b>	<b>33.3x</b>	<b>28.3x</b>	<b>2.5</b>	<b>48.2x</b>	<b>40.4x</b>	<b>32.1x</b>	<b>18%</b>
<b>SaaS – cloud native</b>															
CRM US	Salesforce*	207.53	186,985	14.1x	11.0x	9.3x	18%	235.9x	71.6x	69.5x	0.1	69.9x	52.9x	45.0x	22%
WDAY US	Workday*	192.65	45,273	16.0x	12.5x	10.8x	16%	n.a.	107.3x	84.7x	0.0	131.2x	88.4x	69.5x	32%
VEEV US	Veeva*	266.94	40,080	46.5x	36.8x	28.8x	24%	181.1x	122.8x	104.6x	0.0	137.2x	100.9x	81.5x	25%
SHOP US	Shopify	1,021.12	122,461	77.6x	48.2x	36.9x	45%	3403.7x	506.3x	507.3x	n.a.	n.a.	639.2x	590.0x	n.a.
NOW US	Service	449.42	86,199	24.9x	19.6x	15.8x	26%	141.3x	102.2x	82.4x	3.4	88.2x	65.7x	51.8x	30%
TTD US	Trade Desk	461.78	21,587	32.7x	29.7x	22.0x	22%	203.8x	166.1x	130.4x	4.8	245.0x	298.1x	158.7x	24%
ZEN US	Zendesk	86.22	9,952	12.2x	9.8x	7.9x	24%	n.a.	185.4x	122.5x	2.4	233.7x	n.a.	129.4x	34%
<b>Mean:</b>				<b>29.7x</b>	<b>22.3x</b>	<b>17.7x</b>	<b>25%</b>	<b>675.1x</b>	<b>174.1x</b>	<b>151.2x</b>	<b>1.8</b>	<b>134.9x</b>	<b>199.8x</b>	<b>154.5x</b>	<b>28%</b>
<b>Median:</b>				<b>24.9x</b>	<b>19.6x</b>	<b>15.8x</b>	<b>24%</b>	<b>132.1x</b>	<b>104.6x</b>	<b>88.1x</b>	<b>1.2</b>	<b>94.7x</b>	<b>75.5x</b>	<b>64.6x</b>	<b>28%</b>
<b>Total Mean</b>				<b>20.6x</b>	<b>15.8x</b>	<b>12.7x</b>	<b>23%</b>	<b>340.5x</b>	<b>130.3x</b>	<b>100.6x</b>	<b>2.2</b>	<b>103.5x</b>	<b>136.6x</b>	<b>110.2x</b>	<b>22%</b>
<b>Total Median</b>				<b>15.4x</b>	<b>11.4x</b>	<b>9.2x</b>	<b>18%</b>	<b>79.9x</b>	<b>93.5x</b>	<b>76.4x</b>	<b>2.4</b>	<b>88.3x</b>	<b>65.7x</b>	<b>58.2x</b>	<b>23%</b>

Source: Bloomberg, share prices as of 21 August 2020

\*Note: Oracle's FY20 ended 20 May 2020; Microsoft's FY20 ended 30 June 2020; Adobe's FY19 ended 29 November 2019; Salesforce, Workday, Veeva FY20 ended 31 January 2020

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