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## UK Software Sector

### Quoted Company Analysis

**April 2010**

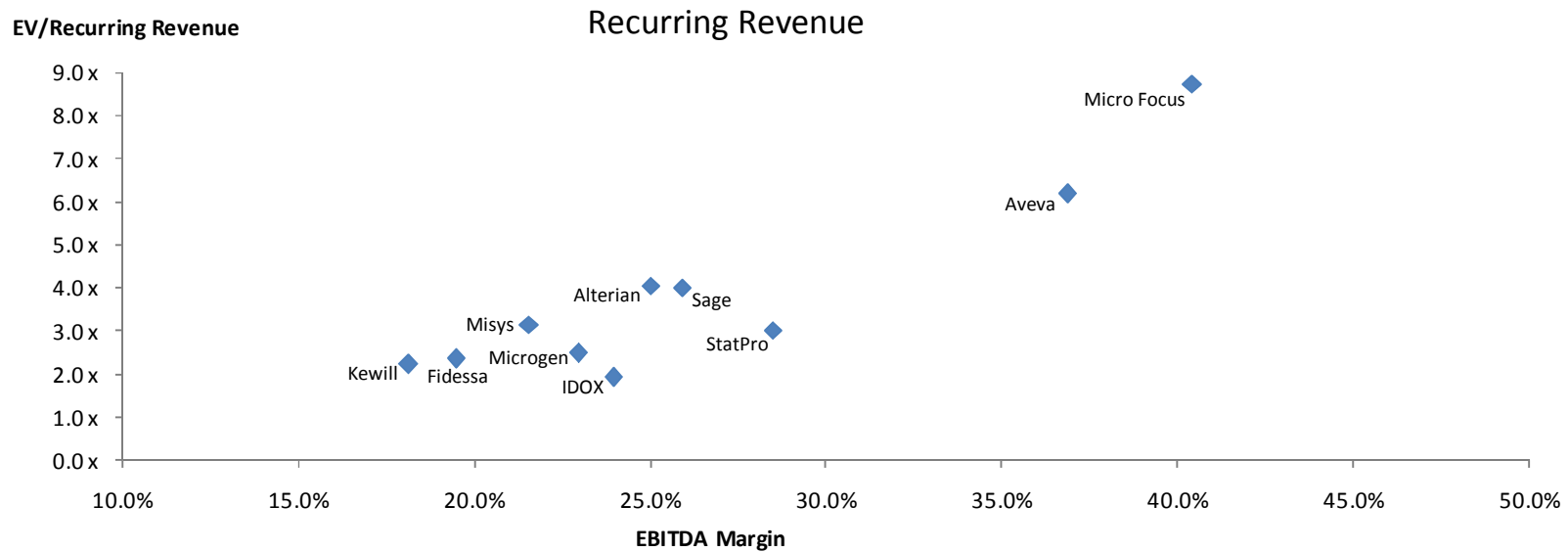
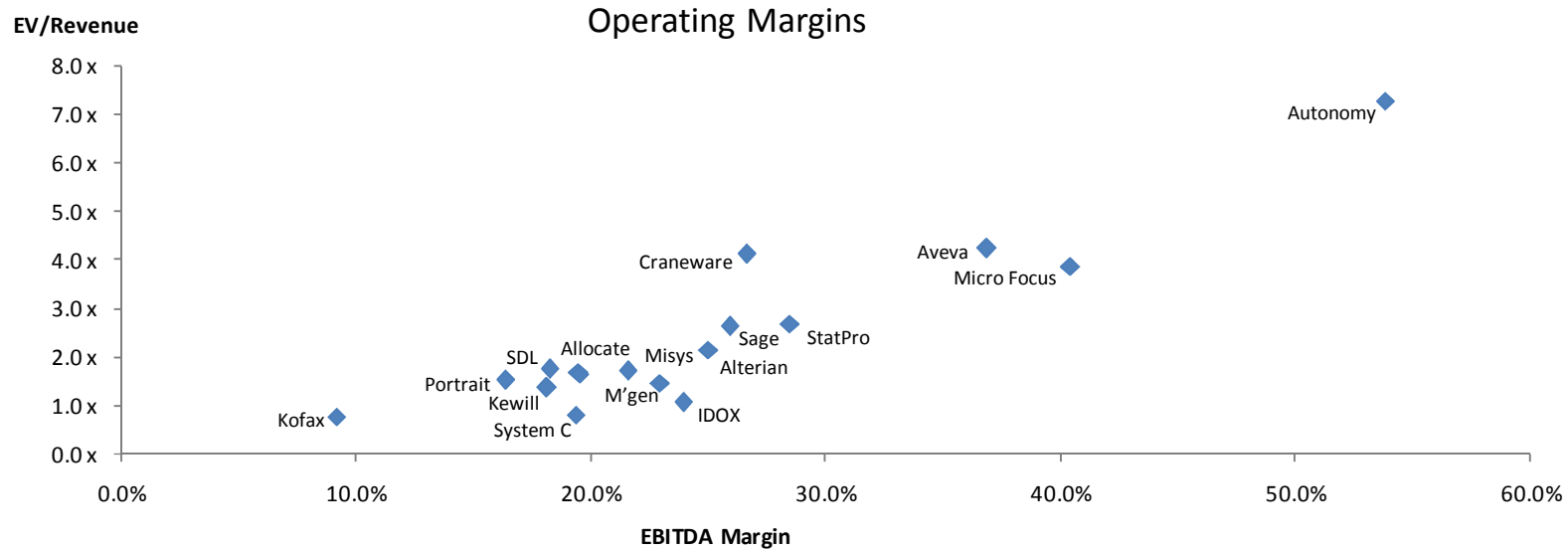
# UK Software Sector Valuation Metrics

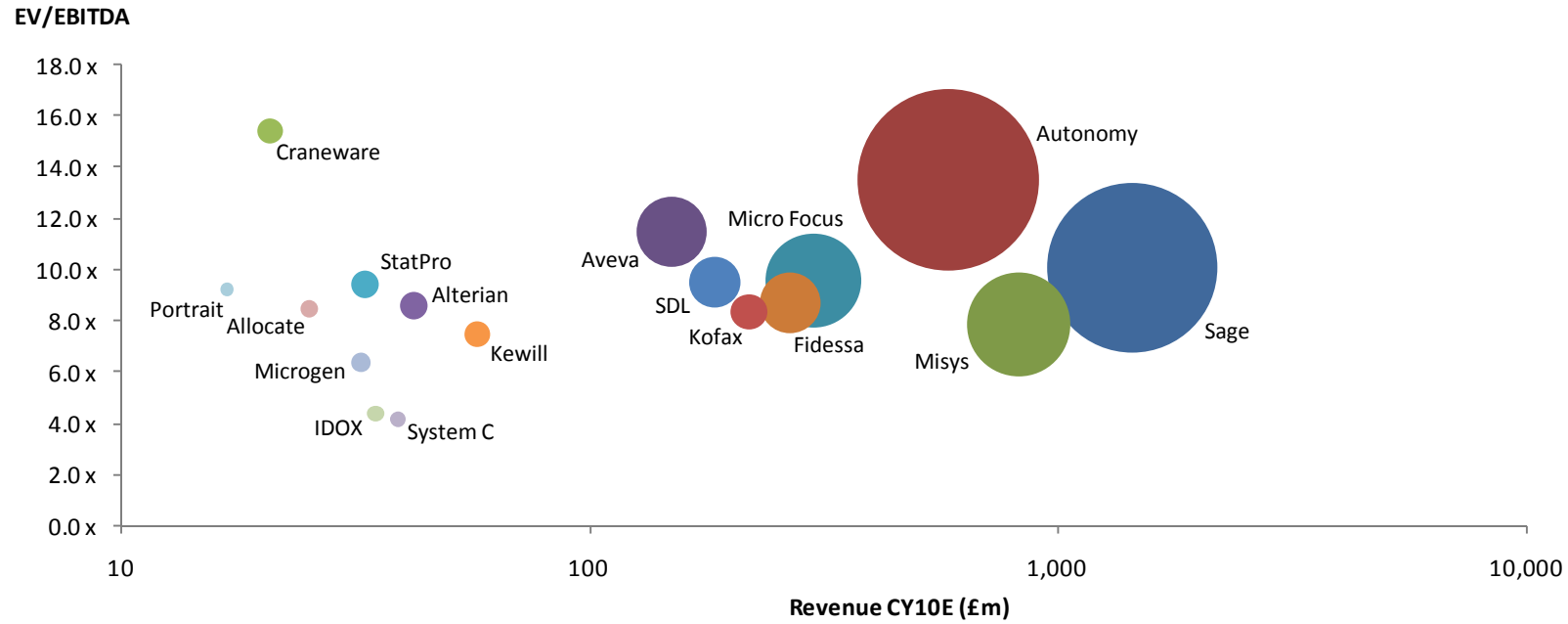
Company	Share Price (£)	Market Cap <sup>(1)</sup>	Net Debt <sup>(2)</sup>	Enterprise Value (£m)	Revenue	EV/Revenue		EV/Revs	EV/EBITDA		Revenue Growth		EBITDA Margin	
	16-Apr-10				CY10E (£m)	CY2009	CY2010	Recurring <sup>(3)</sup>	CY2009	CY2010	FY09/10	FY10/11	CY2009	CY2010
<b>Selected UK Software Large</b>														
Sage	2.55	3,358	392	3,750	1,436	2.6 x	2.6 x	4.0 x	11.3 x	10.1 x	-1.3%	4.2%	23.2%	25.9%
Autonomy	17.40	4,239	(32)	4,206	579	8.8 x	7.3 x	29.2 x	17.6 x	13.5 x	20.5%	13.6%	49.6%	53.8%
Misys	2.50	1,335	59	1,394	821	1.9 x	1.7 x	3.2 x	9.4 x	7.9 x	13.0%	8.6%	19.8%	21.6%
<b>Average</b>						<b>4.4 x</b>	<b>3.9 x</b>		<b>12.8 x</b>	<b>10.5 x</b>	<b>10.8%</b>	<b>8.8%</b>	<b>30.9%</b>	<b>33.8%</b>
<b>Selected UK Software Mid</b>														
Aveva Group	11.53	785	(155)	630	149	4.2 x	4.2 x	6.2 x	11.6 x	11.5 x	-12.2%	4.9%	36.4%	36.9%
Micro Focus	5.34	1,105	51	1,157	299	4.7 x	3.9 x	8.7 x	11.7 x	9.6 x	55.3%	11.7%	40.3%	40.4%
Fidessa	13.93	497	(45)	452	267	1.9 x	1.7 x	2.3 x	9.2 x	8.7 x	11.9%	13.9%	20.5%	19.5%
<b>Average</b>						<b>3.6 x</b>	<b>3.3 x</b>		<b>10.9 x</b>	<b>9.9 x</b>	<b>18.3%</b>	<b>10.1%</b>	<b>32.4%</b>	<b>32.2%</b>
<b>Selected UK Software Small</b>														
SDL	4.69	369	(50)	319	184	1.9 x	1.7 x	n/a	10.2 x	9.5 x	7.0%	7.1%	18.3%	18.3%
Kofax	2.29	187	(20)	167	219	0.8 x	0.8 x	n/a	9.4 x	8.4 x	15.6%	3.3%	8.9%	9.2%
Craneware	3.91	103	(18)	85	21	5.1 x	4.1 x	n/a	19.8 x	15.4 x	23.9%	22.8%	25.6%	26.6%
Alterian	1.75	101	(11)	90	42	2.4 x	2.1 x	4.1 x	11.0 x	8.6 x	15.0%	12.5%	22.0%	25.0%
StatPro	1.28	79	9	88	33	2.8 x	2.7 x	3.0 x	10.3 x	9.4 x	4.4%	4.2%	27.2%	28.5%
Kewill	0.99	91	(13)	78	57	1.4 x	1.4 x	2.2 x	8.8 x	7.5 x	4.1%	4.5%	16.0%	18.1%
Microgen	0.78	69	(22)	47	32	1.6 x	1.5 x	2.5 x	6.9 x	6.4 x	11.2%	11.6%	23.4%	22.9%
Allocate Software	0.72	45	(4)	41	25	1.9 x	1.7 x	n/a	10.4 x	8.5 x	15.6%	16.2%	18.4%	19.5%
IDOX	0.12	42	(5)	37	35	1.1 x	1.1 x	1.9 x	4.8 x	4.4 x	8.3%	3.0%	23.5%	24.0%
System C Healthcare	0.41	47	(16)	31	39	0.9 x	0.8 x	n/a	5.0 x	4.1 x	20.8%	10.9%	18.4%	19.3%
Portrait Software	0.22	26	(1)	25	17	1.7 x	1.5 x	n/a	12.7 x	9.2 x	6.3%	13.1%	13.3%	16.4%
<b>Average</b>						<b>2.0 x</b>	<b>1.8 x</b>		<b>9.9 x</b>	<b>8.3 x</b>	<b>12.0%</b>	<b>9.9%</b>	<b>19.5%</b>	<b>20.7%</b>

(1) Fully diluted basis - treasury method

(2) Net financial debt plus pension liabilities plus minority interests

(3) LTM estimated recurring revenues (maintenance, SaaS etc)





Note: Bubble size depicts Enterprise Value

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