

7 November 2011

Tangoe, Inc.

Reuters: **TNGO.OQ** Bloomberg: **TNGO US** Exchange: **NMS** Ticker: **TNGO**

Extending leadership in nascent growth market

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Tangoe reported 3Q results with revenue/EPS of \$27.3m/\$0.07 versus our/street's \$26.5m/\$0.06 estimate. The company continues to expand the nascent communications lifecycle management (CLM) market (spend managed is up 6% q/q), and the large multi-million dollar IBM deal vindicates market opportunity. Estimated organic recurring revenue growth of 28% came above our expectations, and we view current 2011 expectations as conservative. We are raising estimates for higher momentum. Reiterate our buy rating and raise target to \$18 (from \$17)

Expanding lead in nascent market; IBM win vindicates market opportunity

Tangoe continues to penetrate the growing market for CLM with about \$15.3b in spend managed (up 6% q/q) within an estimated potential TAM of \$425b globally. The company added 25 new customers, in-line with 2Q, and within range of targeted 25 -30 customers, and also had up-sell into major customers, both including Motorola, BlueCoat, and Novartis. The large multi-million dollar internal IBM deal vindicates market opportunity, and view this strengthening existing partnership, and potentially opening new revenue opportunities with IBM over time. We view recurring revenue organic growth of 29%, in-line with last qtr's 28%, as solid, and we think current 4Q estimates of total organic revenue growth is 18% and organic recurring revenue growth of 20% in 4Q, could be conservative given current momentum

MDM, international expansion and current partner investments could lead upside in 2012

MDM represents <10% of revenue, and could benefit from enterprise adoption of greater number of mobile form factors. They continue to benefit from the major 2Q product release and closed biz with Expedia, Biogen, AmerisourceBergen and PWC. The company continues to invest internationally (intl biz is up 37% y/y) and believe new investments could potentially see greater revenue contribution from APAC in 2012, like Europe in 2011. We believe recent partner additions like HP and ACS (broke into Xerox this quarter) are beginning to ramp, and their full impact can be seen only in 2012. We are raising revenue estimates for higher business momentum, but maintain EPS expectations as we expect much of upside to be fueled back to drive growth.

Reiterate Buy and raise target to \$18 (from \$17)

Our \$18 price target is based on a CY13 uFCF/share estimate of \$0.48, an EV/uFCF/G multiple of 1.1x (slight premium to the peer group given market leadership), and an estimated five-year growth rate, net of dilution, of 30% (up from 26%). Risks include execution risk from integrating acquisitions, delayed profitability from new projects not ramping fast enough and customers taking expense processing inhouse after early gains from Tangoe's platform.

Forecasts and ratios

Year End Dec 31	2010A	2011E	2012E
FY EPS (USD)	0.13	0.25	0.39
EV/Sales (x)	—	3.6	3.7

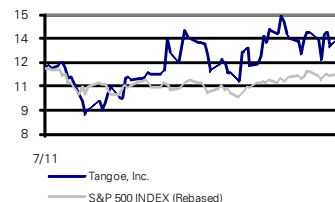
Source: Deutsche Bank estimates, company data

Forecast Change**Buy**

Price at 7 Nov 2011 (USD)	13.00
Price target	18.00
52-week range	14.83 - 8.75

Key changes

Price target	17.00 to 18.00	↑	5.9%
EPS (USD)	0.25 to 0.25	↑	2.2%
Revenue (USDm)	101.8 to 103.4	↑	1.6%

Price/price relative

Performance (%)	1m	3m	12m
Absolute	18.6	40.8	—
S&P 500 INDEX	10.4	14.0	4.3

Stock & option liquidity data

Market cap (USDm)	421.6
Shares outstanding (m)	32.4
Free float (%)	100
Volume (7 Nov 2011)	12,951
Option volume (und. shrs., 1M avg.)	—

Deutsche Bank Securities Inc.

All prices are those current at the end of the previous trading session unless otherwise indicated. Prices are sourced from local exchanges via Reuters, Bloomberg and other vendors. Data is sourced from Deutsche Bank and subject companies. Deutsche Bank does and seeks to do business with companies covered in its research reports. Thus, investors should be aware that the firm may have a conflict of interest that could affect the objectivity of this report. Investors should consider this report as only a single factor in making their investment decision. DISCLOSURES AND ANALYST CERTIFICATIONS ARE LOCATED IN APPENDIX 1. MICA(P) 146/04/2011.

Model updated: 09 November 2011

Running the numbers**North America****United States****Application Software****Tangoe, Inc.**

Reuters: TNGO.OQ

Bloomberg: TNGO US

Buy

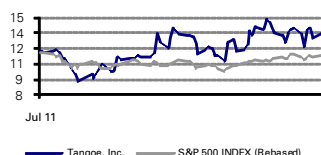
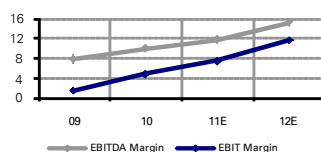
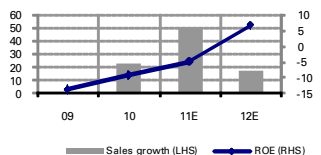
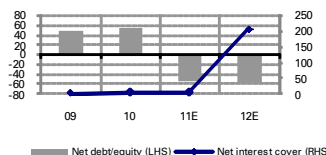
Price (7 Nov 11) USD 13.00

Target price USD 18.00

52-week Range USD 8.75 - 14.83

Market Cap (m) USDm 422
EURm 305**Company Profile**

Tangoe, Inc. provides on-demand communications lifecycle management (CLM) software and related services to enterprises, including large and medium-sized businesses and other organizations. The company's on-demand software and related services enable enterprises to manage and optimize the processes and expenses associated with the lifecycle of an enterprise's fixed and mobile communications assets and services. Tangoe, Inc. was founded in 2000.

Price Performance**Margin Trends****Growth & Profitability****Solvency**

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Fiscal year end 31-Dec

Financial Summary

	2009	2010	2011E	2012E
DB EPS (USD)	-0.11	0.06	0.14	0.24
Reported EPS (USD)	-0.11	-0.06	-0.09	0.17
DPS (USD)	0.00	0.00	0.00	0.00
BVPS (USD)	0.80	0.71	2.95	2.77

Valuation Metrics

Price/Sales (x)	nm	nm	4.1	4.2
P/E (DB) (x)	nm	na	90.0	53.5
P/E (Reported) (x)	nm	nm	nm	75.6
P/BV (x)	0.0	0.0	4.4	4.7
FCF yield (%)	na	na	2.0	3.2
Dividend yield (%)	na	na	0.0	0.0
EV/Sales	nm	nm	3.6	3.7
EV/EBITDA	nm	nm	30.5	24.1
EV/EBIT	nm	nm	47.6	31.4

Income Statement (USDm)

Sales	56	68	103	122
EBITDA	4	7	12	19
EBIT	1	3	8	14
Pre-tax profit	-2	-1	2	8
Net income	-3	-2	-3	7

Cash Flow (USDm)

Cash flow from operations	2	3	9	18
Net Capex	-1	0	-1	-2
Free cash flow	2	3	8	16
Equity raised/(bought back)	-1	-3	-18	-4
Dividends paid	0	0	0	0
Net inc/(dec) in borrowings	0	0	0	0
Other investing/financing cash flows	-1	0	62	0
Net cash flow	0	0	51	12
Change in working capital	0	-1	-1	0

Balance Sheet (USDm)

Cash and cash equivalents	6	6	56	67
Property, plant & equipment	2	2	3	3
Goodwill	18	18	23	23
Other assets	31	33	48	49
Total assets	56	59	129	142
Debt	15	17	5	6
Other liabilities	22	23	28	27
Total liabilities	38	39	34	34
Total shareholders' equity	19	19	96	108
Net debt	9	11	-50	-60

Key Company Metrics

Sales growth (%)	nm	22.5	51.0	18.0
DB EPS growth (%)	na	na	149.9	68.1
Payout ratio (%)	nm	nm	nm	0.0
EBITDA Margin (%)	7.8	10.0	11.8	15.2
EBIT Margin (%)	1.5	4.9	7.5	11.6
ROE (%)	-13.8	-9.2	-5.1	6.6
Net debt/equity (%)	49.6	55.4	-52.7	-55.9
Net interest cover (x)	0.3	1.7	4.1	205.9

DuPont Analysis

EBIT margin (%)	1.5	4.9	7.5	11.6
x Asset turnover (x)	1.0	1.2	1.1	0.9
x Financial cost ratio (x)	-1.9	0.4	0.8	1.0
x Tax and other effects (x)	1.7	-1.3	-0.5	0.5
= ROA (post tax) (%)	-4.6	-3.1	-3.1	4.9
x Financial leverage (x)	3.0	3.0	1.6	1.3
= ROE (%)	-13.8	-9.2	-5.1	6.6
annual growth (%)	na	32.9	45.2	na
x NTA/share (avg) (x)	0.8	0.7	1.8	2.6
= Reported EPS	-0.11	-0.06	-0.09	0.17
annual growth (%)	na	41.5	-39.6	na

Source: Company data, Deutsche Bank estimates

3Q Review

Beat and Raise

Tangoe reported 3Q results with revenue/EPS of \$27.3m/\$0.07 versus our/street's \$26.5m/\$0.06 estimate. The company continues to expand the nascent communications lifecycle management (CLM) market (spend managed is up 6% q/q), and the large multi-million dollar IBM deal vindicates market opportunity. Estimated organic recurring revenue growth of 28% came above our expectations, and we view current 2011 expectations as conservative. We are raising estimates for higher momentum. Reiterate our buy rating and raise target to \$18 (from \$17).

Guidance:

- Fourth Quarter 2011 Guidance: Total revenue is expected to be in the range of \$27.5 million to \$27.9 million. Adjusted EBITDA is expected to be in the range of \$3.2 million to \$3.4 million. Non-GAAP EPS is expected to be approximately \$0.07 based on 38.5 million weighted-average diluted shares outstanding.
- Full Year 2011 Guidance: Total revenue is expected to be in the range of \$103.2 million to \$103.6 million. Adjusted EBITDA is expected to be in the range of \$12.2 million to \$12.4 million. Non-GAAP EPS is expected to be approximately \$0.25 based on 33.7 million weighted-average diluted shares outstanding.

Figure 1: Summary of estimate changes

	Revenues		EPS		uFCF/Share	
	Old	New	Old	New	Old	New
4Q11E	\$26.9	\$27.7	\$0.07	\$0.07	\$0.10	0.08
1Q12E	\$28.8	\$29.0	\$0.09	\$0.09	\$0.06	\$0.06
2011E	\$101.8	\$103.4	\$0.25	\$0.25	\$0.31	\$0.28
2012E	\$120.0	\$122.0	\$0.39	\$0.39	\$0.40	\$0.40

Source: Deutsche Bank

Expanding lead in nascent market; large IBM win vindicates market opportunity

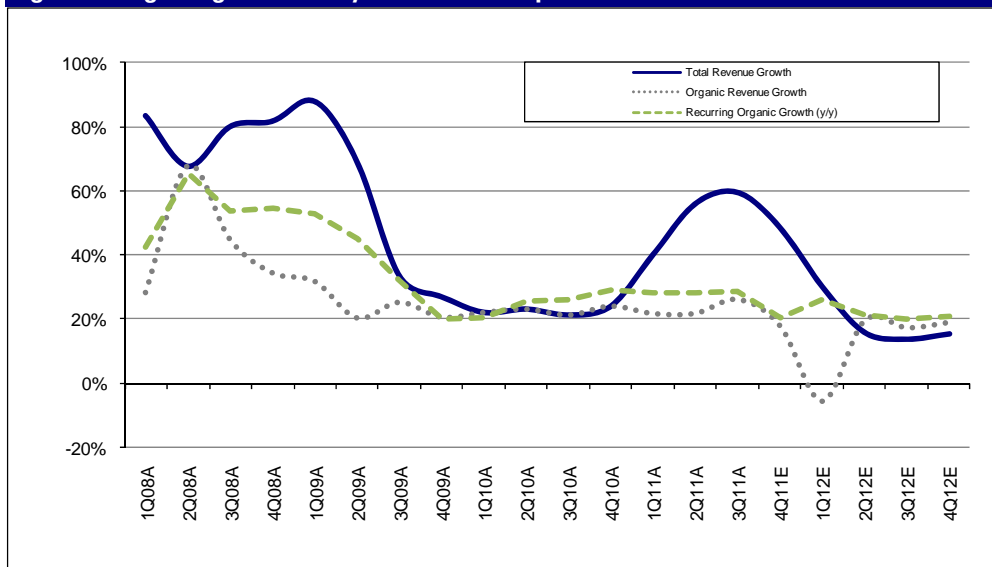
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MDM represents <10% of revenue, and could benefit from enterprise adoption of greater number of mobile form factors. They continue to benefit from the major 2Q product release and closed biz with Expedia, Biogen, AmerisourceBergen and PWC. The company continues to invest internationally (intl biz is up 37% y/y) and believe new investments could potentially see greater revenue contribution from APAC in 2012, like Europe in 2011. We believe recent partner additions like HP and ACS (broke into Xerox this quarter) are beginning to ramp, and their full impact can be seen only in 2012. We are raising revenue estimates for

higher business momentum, but maintain EPS expectations as we expect much of upside to be fueled back to drive growth.

Figure 2: Organic growth analysis – current expectations could be conservative



Source: Deutsche Bank

Figure 3: Estimates vs. actuals

	Actual 3Q11	Estimates 3Q11	Variance		Q/Q Comparison 2Q11	Growth	Y/Y Comparison 3Q10	Growth
Net Revenues	27,312	26,500	812	3%	26,047	5%	17,138	59%
Total cost of revenue	13,068	12,517	551	4.4%	12,503	4.5%	7,524	73.7%
Gross profit	14,244	13,983	261	2%	13,544	5%	9,614	48%
Sales and Marketing	3,813	4,108	(295)	-7%	3,181	20%	2,935	30%
Research & Development	2,723	3,296	(573)	-17%	2,833	-4%	2,294	19%
General and administrative	4,366	3,313	1,074	32.4%	4,436	-1.1%	2,570	70.7%
Operating Income	2,963	2,672	311	11.6%	2,738	8.9%	1,539	93.8%
Interest (expense) and income	(372)	(108)	(264)	244.4%	(774)	-51.9%	(523)	-28.9%
Pretax income	2,611	2,564	47	1.8%	1,964	32.9%	1,016	157.0%
Provision for Taxes	88	308	(220)		180	-51.1%	69	27.5%
Adjusted Net Income	2,523	\$2,256	\$267	12%	1,784	41%	947	166%
Diluted EPS	\$0.07	\$0.06	\$0.01	12%	\$0.06	20%	\$0.03	117%
Pro Forma Fully diluted Shares	35,124	35,100	24	0%	29,867	18%	28,631	23%
Equity based compensation	861	861	-	0%	931	-8%	509	69%
Amortization of intangibles/debt issuance o	910	663	257		757		583	
Other Adjustments	2,172	2,172	-		2,011		(42)	
Reported Earnings	(1,420)	(1,430)	10	-1%	(1,915)	-26%	(103)	1279%
GAAP EPS*	(\$0.04)	(\$0.04)	\$0.00	-1%	(\$0.06)	-37%	(\$0.02)	73%
Gross margin	52%	53%			52%		56%	
Operating margin	11%	10%			11%		9%	
Pretax margin	10%	10%			8%		6%	
Net margin	9%	9%			7%		6%	

Source: Deutsche Bank

Figure 4: Price sensitivity chart

Price Target Sensitivity Based Upon CY13E EV/uFCF/Growth						
		EV/uFCF/G Multiples				
		0.7x	0.9x	1.1x	1.3x	1.5x
-20%	\$0.39	\$10.06	\$12.38	\$14.70	\$17.02	\$19.34
-10%	\$0.43	\$11.13	\$13.74	\$16.35	\$18.96	\$21.57
DB Est. *	\$0.48	\$12.20	\$15.10	\$18.00	\$20.90	\$23.80
10%	\$0.53	\$13.27	\$16.46	\$19.65	\$22.84	\$26.03
20%	\$0.58	\$14.34	\$17.82	\$21.30	\$24.78	\$28.26

Historical P/E/G Ratios		
S&P Tech NASDAQ		
Average '92-'98	2.0x	2.0x
Median '92-'98	2.0x	1.8x

		EV/uFCF/G Multiples				
		0.7x	0.9x	1.1x	1.3x	1.5x
18%	\$7.92	\$9.66	\$11.40	\$13.14	\$14.88	
24%	\$10.06	\$12.38	\$14.70	\$17.02	\$19.34	
30%	\$12.20	\$15.10	\$18.00	\$20.90	\$23.80	
36%	\$14.34	\$17.82	\$21.30	\$24.78	\$28.26	
42%	\$16.48	\$20.54	\$24.60	\$28.66	\$32.72	

Relative EV/uFCF/G Ratios		
2011 2012		
SaaS Software Group		
Average	1.1x	0.8x
Median	1.0x	0.8x

Software Group		
Average	1.0x	1.0x
Median	1.0x	0.8x

LITFCF/G	32%	Cash/Share	\$1.50
Options dilution	-2%		
LITG-FCF/Sh ⁽¹⁾	30%		

Source: Deutsche Bank

Reiterate Buy and raise target to \$18 (from \$17)

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Risks

Risks include execution risk from integrating acquisitions, delayed profitability from new projects not ramping fast enough and customers taking expense processing inhouse after early gains from Tangoe's platform.

Figure 5: Income statement

Tango										Deutsche Bank Securities Tom Ernst - 866.812.7891 Nordin Antad - 212.250.4570									
Income Statement (dollars in thousands, except EPS) FYE Dec-31																			
Fiscal Year ends 2011										Fiscal Year ends 2012									
	Mar-11 1Q11A	Jun-11 2Q11A	Sep-11 3Q11A	Dec-11 4Q11E		Mar-12 1Q12E	Jun-12 2Q12E	Sep-12 3Q12E	Dec-12 4Q12E		Fiscal Year Ends in December								
											2006A	2007A	2008A	2009A	2010A	2011E	2012E	2013E	2014E
Net Revenues	\$22,341	\$26,047	\$27,312	\$27,700	\$29,000	\$30,100	\$31,000	\$31,900		\$12,879	\$21,047	\$37,526	\$55,917	\$68,474	\$103,400	\$122,000	\$144,000		
Recurring technology and services	19,927	23,510	24,456	24,957	26,151	27,194	28,036	28,877		3,578	14,174	27,839	46,005	57,703	92,880	110,258	130,318		
Strategic consulting, software licenses and other	2,414	2,537	2,856	2,743	2,849	2,906	2,964	3,023		9,301	6,873	9,687	9,912	10,771	10,520	11,742	13,682		
Recurring technology and services	9,057	11,258	11,926	11,728	11,768	12,237	12,616	12,955		629	6,982	14,720	20,538	26,350	43,969	49,616	56,533		
Strategic consulting, software licenses and other	1,272	1,245	1,142	1,001	1,048	1,069	1,091	1,113		3,845	2,821	3,043	4,360	4,660	4,660	4,321	4,955		
Total cost of revenue	10,180	12,503	13,068	12,725	12,816	13,307	13,707	14,107		4,474	9,803	17,713	24,783	29,901	48,480	53,937	61,488		
Gross profit	12,161	13,544	14,244	14,971	16,184	16,793	17,293	17,793		8,405	11,244	19,813	31,134	38,573	54,920	68,063	82,511		
Sales and Marketing	3,525	3,181	3,813	4,432	4,605	4,780	4,920	5,091		4,416	5,954	7,683	9,576	11,866	14,951	19,306	23,532		
Research & Development	2,821	2,833	2,723	3,047	3,125	3,245	3,532	3,629		5,913	7,021	5,807	7,982	9,173	11,424	13,532	17,057		
General and administrative	3,254	4,435	4,366	4,294	3,712	3,816	3,886	3,977		2,929	5,399	7,439	9,218	10,677	16,390	15,401	17,888		
Public company costs				0			300	300							0	1,200			
Depreciation	239	366.0	339.00	329	369	370	409	422		239	1,911	2,709	3,537	1,091	1,323	1,560	4,235		
Operating Income	2,252	2,739	2,983	2,870	4,082	4,282	4,236	4,374		(5,152)	(9,031)	(3,825)	821	5,776	10,843	16,974	19,729		
Decrease (increase) in fair value of warrants for redeemable convertible			-	-	0	0	0	0		0	39	(66)	(184)	-	-	-	-		
Interest (expense) and income	-655	-77	-372	-101	-17	-17	-17	-18		-198	-540	-1,116	-2,178	-1,984	-1,902	-69	-72		
Pretax income	1,597	1,964	2,611	2,769	4,065	4,265	4,219	4,356		(5,300)	(9,532)	(5,007)	(1,541)	3,792	8,941	16,905	19,657		
Provision for Taxes	126	180	89	194	308	417	413	426		54	-76	23	264	235	588	1,654	1,923		
Adjusted Net Income	1,471	1,784	2,523	2,575	3,667	3,848	3,806	3,930		(5,404)	(9,456)	(5,030)	(1,805)	3,497	8,353	15,251	17,734		
Adjusted EBITDA	2,551	3,094	3,322	3,199	4,440	4,653	4,646	4,796		(4,853)	(7,120)	(1,116)	4,358	6,857	12,166	18,534	24,025		
Diluted EPS	\$0.06	\$0.06	\$0.07	\$0.07	\$0.09	\$0.10	\$0.10	\$0.10		(\$0.25)	(\$0.43)	(\$0.22)	(\$0.09)	\$0.13	\$0.25	\$0.39	\$0.45		
Diluted EPS (incl. Stock Options)	\$0.02	\$0.03	\$0.05	\$0.04	\$0.03	\$0.05	\$0.05	\$0.05		(\$0.23)	(\$0.44)	(\$0.33)	(\$0.11)	\$0.05	\$0.12	\$0.24	\$0.30		
Pro Forma Fully diluted Shares	26,244	29,857	35,124	38,500	38,693	38,886	39,080	39,276		21,236	22,147	23,282	23,318	27,328	33,700	38,984	39,769		
GAAP Diluted shares	4,672	4,672	4,672	4,672	4,672	4,672	4,672	4,672		2,373	3,088	4,046	4,311	4,399	4,672	4,672	4,672		
Equity based	835	931	861	869	1,450	1,450	1,450	1,434		37	279	1,929	749	1,928	3,486	5,784	5,736		
Amortization of intangibles/debt issuance cost	709	757	910	661	681	678	688	719		-	-	-	-	2,438	3,037	2,765	-		
Other Adjustments	540	2,011	2,172	-	0	0	0	0		-	-	-	-	883	4,723	-	-		
Reported Earnings	(613)	(1,915)	(1,420)	1,045	1,536	1,720	1,668	1,777		(5,441)	(9,735)	(6,959)	(2,554)	(1,752)	(2,909)	6,702	11,998		
GAAP EPS*	(\$0.02)	(\$0.06)	(\$0.04)	\$0.03	\$0.04	\$0.04	\$0.04	\$0.05		(\$2.29)	(\$3.15)	(\$1.72)	(\$0.59)	(\$0.40)	(\$0.10)	\$0.17	\$0.30		
Key Metrics																			
Net Cash and Equivalents	-18,794	-12,980	50,892	52,835	50,633	53,657	57,711	63,551		0	0	-10,362	-8,250	-8,962	52,835	63,551	79,678		
Net Cash Per Share	(\$0.72)	(\$0.43)	\$1.45	\$1.37	\$1.31	\$1.38	\$1.48	\$1.62		0	\$0.00	(\$0.44)	(\$0.35)	(\$0.31)	\$1.37	\$1.62	\$1.99		
Days Sales Outstanding (reported)	81	73	80	75	75	76	76	73		0	-	86	69	69	75	73	67		
Days Deferred Revenue	44	36	39	43	43	42	43	45		0	-	53	47	49	43	45	42		
Adjusted EBITDA	2,551	3,094	3,322	3,199	4,440	4,653	4,646	4,796		(4,853)	(7,120)	(1,116)	4,358	6,857	12,166	18,534	24,025		
Revenue Mix																			
Recurring technology and services	89%	90%	90%	90%	90%	90%	90%	91%		28%	67%	74%	82%	84%	90%	90%	90%		
Strategic consulting, software licenses and other	11%	10%	10%	10%	10%	9%	9%	9%		72%	33%	26%	18%	16%	10%	10%	10%		
Margin Analysis																			
Recurring technology margins	54.5%	52.1%	51.2%	53.1%	55.0%	55.0%	55.0%	55.0%		82.4%	50.7%	47.1%	55.4%	54.3%	52.7%	55.0%	56.6%		
Strategic consulting margins	47.3%	50.9%	60.0%	63.1%	63.2%	63.2%	63.2%	63.2%		58.7%	59.0%	68.6%	56.0%	64.0%	55.7%	63.2%	63.8%		
Gross Margin	54.4%	52.0%	52.2%	54.0%	55.8%	55.8%	55.8%	55.8%		65.3%	53.4%	52.8%	55.7%	55.3%	53.1%	55.5%	57.3%		
Sales and marketing expenses	15.8%	12.2%	14.0%	16.0%	15.9%	15.9%	15.9%	16.0%		34.3%	28.3%	20.5%	17.1%	17.3%	14.5%	15.9%	16.3%		
Research & Development	12.6%	10.9%	10.0%	11.0%	10.8%	10.8%	11.4%	11.4%		45.9%	33.4%	15.5%	14.3%	13.4%	11.0%	11.1%	11.9%		
General and Administrative expenses	14.6%	17.0%	16.1%	15.9%	12.8%	12.7%	12.6%	12.5%		22.7%	25.6%	19.8%	16.5%	15.6%	15.8%	12.6%	12.4%		
Operating income	10.1%	10.5%	10.9%	10.4%	14.1%	14.2%	13.7%	13.7%		-40.0%	-42.9%	-10.2%	1.9%	8.4%	10.5%	13.9%	13.7%		
Interest and other income net	-2.9%	-3.0%	-1.4%	-0.4%	-0.1%	-0.1%	-0.1%	-0.1%		-1.5%	-2.6%	-3.0%	-3.9%	-2.9%	-1.8%	-0.1%	-0.1%		
Pretax income	7.1%	7.5%	9.6%	10.0%	14.0%	14.2%	13.6%	13.7%		-41.5%	-45.3%	-13.3%	-2.8%	5.5%	8.6%	13.9%	13.7%		
Tax rate	7.9%	9.2%	3.4%	7.0%	9.8%	9.8%	9.8%	9.8%		-1.0%	0.8%	-0.9%	-17.1%	7.8%	6.8%	9.8%	9.8%		
Net income	6.6%	6.8%	9.2%	0.0%	0.0%	0.0%	0.0%	0.0%		-42.0%	-44.3%	-13.4%	-3.2%	5.1%	8.1%	12.5%	12.3%		
Adjusted EBITDA Margins	11.4%	11.9%	12.2%	11.5%	15.3%	15.5%	15.0%	15.0%		-37.7%	-33.8%	-3.0%	7.8%	10.0%	11.8%	15.2%	16.7%		
Growth Analysis																			
Year-Over-Year																			
Total revenue growth	40.0%	55.9%	58.4%	48.3%	29.8%	15.6%	13.5%	15.2%			63.4%	78.3%	49.0%	22.5%	51.0%	18.0%	18.0%		
Recurring Technology growth	50%	69%	69%	59%	31.2%	15.7%	14.6%	15.6%			236.1%	96.4%	65.3%	25.4%	61.0%	18.7%	18.2%		
Strategic consulting growth	-10%	-10%	11%	1%	18.0%	14.5%	3.8%	11.4%			-26.1%	40.9%	2.3%	8.7%	-2.3%	11.6%	16.5%		
Operating income	88.1%	101.5%	93.8%	70.1%	81.2%	55.4%	42.0%	52.4%			75.3%	-57.6%	-121.6%	603.5%	87.7%	56.5%	16.2%		
EPS	120.0%	119.5%	117.2%	62.8%	63.1%	65.7%	35.6%	49.6%			63.3%	-49.4%	-64.2%	-285.3%	93.7%	57.8%	14.0%		
Adjusted EBITDA Growth	76.1%	89.9%	83.0%	62.0%	74.1%	50.4%	38.8%	48.9%			46.7%	-84.3%	-480.5%	57.6%	77.2%	52.3%	29.6%		
Sequential																			
Total revenue growth	19.6%	16.6%	4.9%	1.4%	4.7%	3.8%	3.0%	2.9%											
EPS	36.5%	6.6%	20.3%	(6.9%)	41.7%	4.4%	(1.6%)	2.7%											

Source: Deutsche Bank



Figure 6: Balance sheet

Tangoe											
Balance Sheet (in thousands)											
FY Ends December											
	Dec-08	Dec-09	Mar-11	Jun-11	Sep-11	Dec-11	Mar-12	Jun-12	Sep-12	Dec-12	Dec-13
	4Q08A	4Q09A	1Q11A	2Q11A	3Q11A	4Q11E	1Q12E	2Q12E	3Q12E	4Q12E	4Q13E
Balance Sheet											
Cash and equivalents	6,554	6,163	6,876	8,981	52,521	55,605	53,533	56,667	60,811	66,741	85,894
Accounts receivable	11,384	11,517	20,191	21,007	24,405	23,147	24,233	25,487	26,221	25,761	28,922
Prepaid expenses and Other current assets	869	1,585	1,488	1,418	2,098	2,216	1,160	1,204	1,240	1,276	2,720
	-	-	-	-	-	-	-	-	-	-	-
Total current assets	18,808	19,265	28,556	31,406	79,024	80,968	78,926	83,358	88,272	93,778	117,536
Computers, furniture and equipment - NET	1,625	1,761	2,508	2,610	2,578	2,707	2,776	2,829	2,852	2,781	2,953
Security deposits in non current assest	453	573	2,727	3,744	1,070	2,273	4,350	4,515	4,650	4,785	7,382
Goodwill	16,191	17,636	22,893	22,893	22,893	22,893	22,893	22,893	22,893	22,893	22,893
Intangible assets	16,422	16,843	20,869	21,683	20,910	20,249	19,568	18,890	18,202	17,484	14,882
Cash Held in Escrow	1,375	-	-	-	-	-	-	-	-	-	-
Total Assets	54,874	56,078	77,553	82,336	126,475	129,091	128,513	132,486	136,869	141,720	165,645
Accts payables and accruals	2,745	2,888	4,434	5,894	6,439	4,155	4,350	4,515	4,650	4,785	5,828
Accrued Expenses	2,802	2,285	4,544	5,357	4,961	5,817	5,510	5,719	5,890	6,061	5,828
Long term debt—current portion	6,609	4,421	9,430	10,555	4,324	4,324	-	-	-	-	-
Line of Credit	-	5,000	-	-	-	-	-	-	-	-	-
Capital leases—current portion	200	177	-	-	-	-	-	-	-	-	-
Deferred Revenue	6,228	6,881	8,973	8,492	9,252	10,812	11,084	11,237	11,849	12,760	14,777
Total current liabilities	18,584	21,622	27,382	30,308	24,976	25,108	20,944	21,471	22,389	23,606	26,432
Deferred rent and other non-current liabilities	1,298	2,480	3,642	771	1,629	2,770	2,900	3,010	3,100	3,190	6,216
Long term debt—less current portion	15,408	11,725	22,028	21,170	-	-	-	-	-	-	-
Capital lease—less current portion	200	208	-	-	-	-	-	-	-	-	-
Deferred Revenue - Long Term	712	959	2,036	2,036	2,483	2,454	2,771	2,809	2,962	3,190	3,353
Warrants for redeemable convertible preferred st	328	512	2,598	4,072	3,762	3,221	3,372	3,500	3,604	3,709	3,885
Total liabilities	36,530	37,506	57,686	58,357	32,860	33,552	29,957	30,790	32,056	33,695	39,886
Redeemable Convertible Preferred Stock	53,826	57,604	62,391	63,336	-	-	-	-	-	-	-
Total stockholder's equity	(35,482)	(39,032)	(42,524)	(39,357)	93,625	95,539	98,525	101,695	104,814	108,025	125,759
Total Liabilities and SE	54,874	56,078	77,553	82,336	126,475	129,091	128,513	132,486	136,869	141,720	165,645
Analysis											
Cash, equivalents, ST Investments	6,554	6,163	6,876	8,981	52,521	55,605	53,533	56,667	60,811	66,741	85,894
Cash per share	\$0.28	\$0.26	\$0.26	\$0.30	\$1.50	\$1.44	\$1.38	\$1.46	\$1.56	\$1.70	\$2.14
Long-term liabilities	16,906	14,413	25,670	21,941	1,629	2,770	2,900	3,010	3,100	3,190	6,216
Debt per share	\$0.73	\$0.62	\$3.71	\$3.21	\$0.17	\$0.18	\$0.07	\$0.08	\$0.08	\$0.08	\$0.16
Book value per share	-\$1.5	-\$1.7	-\$1.6	-\$1.3	\$2.7	\$2.5	\$2.5	\$2.6	\$2.7	\$2.8	\$3.1
Deferred revenue	6,940	7,840	11,010	10,528	11,735	13,265	13,856	14,047	14,811	15,950	18,130
% y/y growth		13%	30%	25%	30%	31%	26%	33%	26%	20%	14%
% q/q growth		7%	9%	-4%	11%	13%	4%	1%	5%	8%	6%
Days Deferred Revenue (DDR)	53	47	44	36	39	43	43	42	43	45	42
Days Sales Outstanding (DSO)	86	69	81	73	80	75	75	76	76	73	67
Working capital	224	(2,357)	1,174	1,098	54,048	55,861	57,981	61,887	65,884	70,171	91,104
Current ratio	1.0x	0.9x	1.0x	1.0x	3.2x	3.2x	3.8x	3.9x	3.9x	4.0x	4.4x
ROE	12%	1%	1%	5%	-5%	1%	2%	2%	2%	2%	3%
ROA	-8%	-1%	-1%	-2%	-1%	1%	1%	1%	1%	1%	2%

Source: Deutsche Bank

Figure 7: Cash flow statement

Tangoe Cash Flow Statement (in thousands) (FY:12)															
	Mar-11 1Q11A	Jun-11 2Q11A	Sep-11 3Q11A	Dec-11 4Q11E	Mar-12 1Q12E	Jun-12 2Q12E	Sep-12 3Q12E	Dec-12 4Q12E	2007A	2008A	2009A	2010A	2011E	2012E	2013E
CASH FLOW FROM OPERATING ACTIVITIES															
Net income/(loss)	(613)	(1,300)	(1,855)	1,045	1,536	1,720	1,668	1,777	(9,735)	(6,959)	(2,554)	(1,752)	(2,813)	6,702	11,988
Adjustments to reconcile net loss to net cash used in operating activities:			1,549						-	-	-	-	1,549	-	-
Amortization of debt discount and imputed interest expense	180	195	757						32	53	192	95	1,132	-	-
Amortization of EMTWarrants	19	30							-	-	-	26	49	-	-
Depreciation & amortization	1,008	1,123	1,314	980	1,039	1,048	1,088	1,140	1,911	2,709			4,435	4,325	4,235
Stock-based compensation expense	835	932	897	869	1,450	1,450	1,450	1,434	279	1,928	749	1,928	3,533	5,784	5,736
Non-cash expense related to issuance of warrants									-	-				-	-
Increase (decrease) in deferred rent liability	(125)	(20)	44	1,141	130	110	90	90	199	193	(380)	(494)	1,040	420	3,026
Allowance for doubtful accounts	11	12	-						205	137	9	207	23	-	-
Deferred income taxes	125	3	92						-	62				-	-
Incr. (Decr.) in fair value of warrants for redeemable pfd stock	541	1,474	(19)	(541)	151	128	105	105	(39)	80	183	884	1,455	488	176
Changes in operating assets and liabilities:									-	-	-	-	-	-	-
(Incr.) Decr. in accounts receivable	(1,605)	(826)	(3,309)	1,258	(1,086)	(1,254)	(735)	461	(1,040)	(1,908)	(141)	(2,998)	(4,573)	(2,613)	(3,161)
(Incr.) Decr. in prepaid expenses	94	74	(82)	(118)	1,066	(44)	(36)	(36)	258	(323)	(26)	(500)	(32)	940	(1,443)
(Incr.) Decr. in deposits & other assets	(444)	54	63	(1,203)	(2,077)	(165)	(135)	(135)	264	(36)	(133)	(1,242)	(1,530)	(2,512)	(2,596)
Incr. (Decr.) in accounts payable	814	781	1,594	(2,284)	195	165	135	135	708	392	112	172	905	630	1,042
Incr. (Decr.) in accrued liabilities and others	(424)	500	(440)	866	(307)	209	171	171	(45)	573	(198)	1,080	482	244	(234)
Incr. (Decr.) in deferred revenues	713	(493)	1,218	1,530	590	191	764	1,139	2,200	1,524	882	2,252	2,968	2,685	2,180
									-	-	-	-	-	-	-
									-	-	-	-	-	-	-
Net cash provided by operating activities	1,129	2,449	1,733	3,542	2,678	3,559	4,575	6,281	(4,803)	(1,253)	2,431	3,389	8,853	17,033	21,019
CASH FLOW FROM INVESTING ACTIVITIES															
Capital expenditures (net of capital leases originated)	(383)	(459)	(306)	(459)	(427)	(424)	(432)	(351)	(513)	(671)	(1,258)	(1,125)	(1,606)	(1,633)	(1,866)
Capital leases originated		491	175						-	-	598	660	666	-	-
Capital expenditures (net of capital leases originated)	(383)	32	(131)	(459)	(427)	(424)	(432)	(351)	(513)	(671)	(660)	(465)		-	-
Cash paid in connection with acquisitions	(8,169)	(0)	-						(1,979)	(13,425)	(965)	(952)	(8,166)	-	-
									-	-	-	-	-	-	-
Net cash used in investing activities	(8,549)	32	(131)	(459)	(427)	(424)	(432)	(351)	(2,492)	(14,098)	(1,625)	(1,417)	(9,109)	(1,633)	(1,866)
CASH FLOW FROM FINANCING ACTIVITIES															
Net incr. (decr.) debt	7,881	47	(25,425)	-	(4,324)	-	-	-	3,747	13,451	(579)	(3,012)	(18,497)	(4,324)	-
Repayment of settlement fee		-	-	-	-	-	-	-	(175)	(175)	-	-	-	-	-
Costs incurred in securing financing		-	-	-	-	-	-	-	(88)	-	(85)	-	-	-	-
Payments made to repurchase securities		-	-	-	-	-	-	-	-	-	(408)	-	-	-	-
Proceeds from exercise of stock options and warrants	205	(126)							394	137	75	300	79	-	-
Proceeds from repayment of notes receivable									-	-	-	691	-	-	-
Proceeds from issuance (Repurchase) of stock			69,925						-	7,258	-	-	69,925	-	-
									-	-	-	-	-	-	-
Net cash (used in) provided by financing activities	8,066	(79)	43,500	-	(4,324)	-	-	-	3,818	20,671	(1,197)	(2,221)	51,507	(4,324)	-
Exchange rate fluctuation		(138)							-	-	-	-	(138)	-	-
Increase (decrease) in cash and cash equivalents	666	2,223	45,102	3,084	(2,073)	3,135	4,144	5,930	(3,477)	5,312	(391)	(250)	51,116	11,136	19,153
Cash and cash equivalents at beginning of period	6,051	6,718	8,981	54,083	57,167	55,085	58,229	62,373	4,858	1,381	6,692	6,301	6,051	57,167	68,303
Cash and cash equivalents at end of period	6,718	8981	54083	57,167	55,085	58,229	62,373	68,303	1,381	6,692	6,301	6,051	57,167	68,303	87,456
Free cash flow															
Cash flow from operations	1,129	2,449	1,733	3,542	2,678	3,559	4,575	6,281	(4,803)	(1,253)	2,431	3,389	8,853	17,033	21,019
- Capex	(383)	(459)	(306)	(459)	(427)	(424)	(432)	(351)	(513)	(671)	(1,258)	(1,125)	(1,606)	(1,633)	(1,866)
Free cash flow	746	1,990	1,427	3,084	2,251	3,135	4,144	5,930	(5,316)	(1,934)	1,173	2,264	7,247	15,460	19,153
Per share	0.03	0.07	0.04	0.08	\$0.06	\$0.08	\$0.11	\$0.15	(\$0.24)	(\$0.09)	\$0.05	\$0.08	\$0.22	\$0.40	\$0.48
- net interest income	399	574	627	94	15	15	15	16	539	1,116	2,178	1,994	1,694	62	65
- IFO expense	405	61	-						-	-	-	-	466	-	-
Unlevered Free cash flow	1,550	2,625	2,054	3,178	2,257	3,150	4,159	5,946	(4,776)	(818)	3,351	4,248	9,407	15,522	19,218
Per share	\$0.06	0.09	0.06	0.08	\$0.06	\$0.08	\$0.11	\$0.15	(\$0.22)	(\$0.04)	\$0.14	\$0.16	\$0.28	\$0.40	\$0.48
uFCF Margins									-23%	-2%	6%	6%	9%	13%	13.3%

Source: Deutsche Bank



Figure 8: Comp sheet

Tom Ernst

Nandan Aniladi, Jobin Mathew

Deutsche Bank Securities

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				MARKET	Net	NET CASH	Sales			TEV/SALES			EPS			P/E			FCF/Share			EV/FOF			
				CAP	Cash	PER SH	CY10A	CY11E	CY12E	CY10A	CY11E	CY12E	CY10A	CY11E	CY12E	CY10A	CY11E	CY12E	CY10A	CY11E	CY12E	CY10A	CY11E	CY12E	
Enterprise and Security																									
		Price	Rating	9-Nov-11																					
Adobe Systems Inc.	ADBE	\$29.92	Buy		\$14,922	\$1,212	\$2.85	\$3,800	\$4,164	\$4,600	3.6x	3.3x	3.0x	\$1.94	\$2.29	\$2.55	15x	13x	12x	\$2.10	\$2.45	\$3.00	12.9x	11.0x	9.0x
Check Point Software Techn	CHKP	\$58.49	Hld		\$12,550	\$2,690	\$12.54	\$1,098	\$1,244	\$1,348	10.4x	9.2x	8.5x	\$2.48	\$2.82	\$3.08	24x	21x	19x	\$3.03	\$3.30	\$3.50	15.2x	13.9x	13.1x
Citrix Systems Inc.	CTXS	\$73.59	Buy		\$14,086	\$1,581	\$8.26	\$1,875	\$2,200	\$2,459	7.1x	6.0x	5.4x	\$2.08	\$2.45	\$2.75	35x	30x	27x	\$2.78	\$3.21	\$3.63	23.5x	20.4x	18.0x
Fair Isaac Corp.	FICO	\$33.73	Hld		\$1,305	(\$230)	(\$6.95)	\$610	\$625	\$645	2.5x	2.5x	2.4x	\$1.50	\$1.97	\$2.52	22x	17x	13x	\$2.74	\$3.54	\$4.40	14.9x	11.5x	9.2x
Fortinet Inc.	FTNT	\$23.96	Buy		\$3,927	\$468	\$2.86	\$325	\$403	\$463	11.0x	8.9x	7.7x	\$0.29	\$0.35	\$0.44	84x	68x	55x	\$0.64	\$0.82	\$0.87	32.9x	25.7x	24.3x
Informatica Corp.	INFA	\$46.96	Buy		\$5,313	\$564	\$4.99	\$650	\$783	\$900	7.3x	6.1x	5.3x	\$1.12	\$1.39	\$1.66	42x	34x	28x	\$1.16	\$1.52	\$1.71	36.2x	27.5x	24.6x
Microsoft Corp.	MSFT	\$26.80	Buy		\$228,363	\$51,716	\$6.07	\$66,690	\$72,206	\$77,012	2.9x	2.7x	2.5x	\$2.35	\$2.81	\$2.82	11x	10x	10x	\$2.60	\$2.67	\$3.19	8.0x	7.8x	6.5x
Nuance Communications Inc.	NUAN	\$25.86	Buy		\$8,218	(\$550)	(\$1.59)	\$1,228	\$1,454	\$1,677	7.1x	6.0x	5.2x	\$1.18	\$1.47	\$1.71	22x	18x	15x	\$0.93	\$1.16	\$1.40	29.4x	23.7x	19.5x
Oracle Corp.	ORCL	\$32.87	Hld		\$169,281	\$16,871	\$3.28	\$32,337	\$37,286	\$39,722	4.7x	4.1x	3.8x	\$1.92	\$2.33	\$2.45	17x	14x	13x	\$1.82	\$2.62	\$2.74	16.2x	11.3x	10.8x
Pros Holdings Inc.	PRO	\$16.19	Buy		\$451	\$64	\$2.31	\$74	\$96	\$115	5.2x	4.0x	3.4x	\$0.24	\$0.32	\$0.40	67x	50x	41x	(\$0.27)	\$0.30	\$0.52	NM	46.0x	26.5x
Red Hat Inc.	RHT	\$50.58	Hld		\$9,922	\$1,301	\$6.63	\$860	\$1,080	\$1,232	10.4x	8.3x	7.3x	\$0.77	\$1.05	\$1.14	66x	48x	44x	\$1.20	\$1.50	\$1.63	36.5x	29.3x	27.0x
Symantec Corp.	SYMC	\$17.12	Hld		\$13,097	\$312	\$0.41	\$6,048	\$6,710	\$7,057	2.1x	1.9x	1.8x	\$1.44	\$1.58	\$1.76	12x	11x	10x	\$1.93	\$2.20	\$2.66	8.7x	7.6x	6.3x
Verint	VRNT	\$28.15	Buy		\$1,406	(\$682)	(\$13.65)	\$727	\$792	\$864	2.5x	2.3x	2.1x	\$2.84	\$2.50	\$3.00	10x	11x	9x	\$2.09	\$3.06	\$3.27	20.0x	13.7x	12.8x
VMware	VMW	\$99.59	Buy		\$42,871	\$3,253	\$7.56	\$2,857	\$3,731	\$4,436	13.9x	10.6x	8.9x	\$1.51	\$2.11	\$2.29	66x	47x	43x	\$2.34	\$3.32	\$4.11	39.4x	27.8x	22.4x
								Group Median			6.1x	5.1x	4.5x	Group Median			23.0x	19.2x	17.0x	Group Median			20.0x	17.2x	15.6x
								Group Mean			6.5x	5.4x	4.8x	Group Mean			35.3x	27.9x	24.3x	Group Mean			22.6x	19.8x	16.4x
Cloud Computing and SaaS																									
Ariba Inc.	ARBA	\$30.00	Buy		\$2,930	\$232	\$2.87	\$366	\$479	\$559	7.4x	5.6x	4.8x	\$0.75	\$0.83	\$1.02	40x	36x	29x	\$0.87	\$0.79	\$0.94	31.3x	34.2x	29.0x
Aspen Technology Inc.	AZPN	\$18.32	Buy		\$1,723	\$145	\$1.55	\$177	\$210	\$272	8.9x	7.5x	5.8x	(\$0.78)	(\$0.38)	\$0.07	NM	NM	NM	\$0.45	\$0.62	\$0.95	37.7x	27.0x	17.7x
Concur Technologies Inc.	CNCR	\$48.26	Hld		\$2,691	\$322	\$5.52	\$306	\$367	\$438	7.8x	6.5x	5.4x	\$0.80	\$0.82	\$0.99	61x	59x	49x	\$1.16	\$0.93	\$1.48	36.8x	46.0x	28.8x
DemandTec Inc.	DMAN	\$8.15	Buy		\$268	\$64	\$1.95	\$80	\$90	\$100	2.6x	2.3x	2.0x	(\$0.03)	(\$0.05)	\$0.13	NM	NM	63x	\$0.10	\$0.13	\$0.16	61.1x	46.2x	37.9x
IntraLinks Holdings Inc.	IL	\$8.80	Buy		\$481	(\$43)	(\$0.42)	\$184	\$212	\$205	2.8x	2.5x	2.6x	\$0.27	\$0.43	\$0.45	33x	21x	19x	\$0.74	\$0.53	\$0.66	12.4x	17.4x	14.0x
Intuit Inc.	INTU	\$53.33	Buy		\$16,106	\$985	\$3.26	\$3,554	\$3,990	\$4,446	4.3x	3.8x	3.4x	\$2.03	\$2.59	\$2.99	26x	21x	18x	\$2.35	\$2.97	\$3.38	21.3x	16.9x	14.8x
Motricity Inc.	MOTR	\$1.74	Buy		\$79	\$3	\$0.07	\$133	\$131	\$140	0.6x	0.6x	0.5x	\$0.39	(\$0.03)	\$0.07	4x	NM	25x	(\$0.24)	(\$0.84)	\$0.06	NM	NM	27.4x
NetSuite Inc.	N	\$41.35	Hld		\$2,936	\$121	\$1.65	\$193	\$235	\$295	14.6x	12.0x	9.5x	\$0.13	\$0.15	\$0.22	NM	NM	NM	\$0.18	\$0.34	\$0.43	NM	NM	91.9x
NeuStar Inc.	NSR	\$32.86	Hld		\$2,465	\$399	\$5.36	\$527	\$600	\$655	3.9x	3.4x	3.2x	\$1.40	\$1.77	\$1.92	23x	19x	17x	\$1.41	\$2.64	\$2.50	19.5x	10.4x	11.0x
RealPage Inc.	RP	\$25.29	Buy		\$1,851	\$21	\$0.14	\$188	\$261	\$327	9.7x	7.0x	5.6x	\$0.19	\$0.35	\$0.48	NM	72x	52x	\$0.29	\$0.60	\$0.75	85.5x	41.7x	33.5x
Salesforce.com Inc.	CRM	\$133.34	Buy		\$19,128	\$1,252	\$8.97	\$1,657	\$2,230	\$2,800	10.8x	8.0x	6.4x	\$1.22	\$1.30	\$1.78	NM	NM	75x	\$2.66	\$2.74	\$3.48	46.8x	45.4x	35.8x
SuccessFactors Inc.	SFSF	\$26.51	Buy		\$2,307	247	\$2.94	\$209	\$332	\$415	9.8x	6.2x	5.0x	\$0.07	\$0.13	\$0.23	NM	NM	NM	\$0.47	\$0.33	\$0.60	49.7x	70.7x	39.4x
Synchronoss Technologies Inc	SNCR	\$31.73	Buy		\$1,232	139	\$3.85	\$170	\$230	\$278	6.4x	4.8x	3.9x	\$0.69	\$0.86	\$1.10	46x	37x	29x	\$0.19	\$0.86	\$1.15	NM	32.4x	24.2x
Taleo Corp.	TLEO	\$33.09	Buy		\$1,458	\$111	\$2.54	\$242	\$325	\$389	5.6x	4.1x	3.5x	\$0.78	\$1.03	\$1.18	42x	32x	28x	\$0.49	\$0.82	\$1.34	62.6x	37.2x	22.9x
Tangoe	TNGO	\$13.44	Buy		\$401	(\$13)	\$0.30	\$68	\$103	\$122	6.1x	4.0x	3.4x	\$0.13	\$0.25	\$0.39	NM	54x	34x	\$0.16	\$0.28	\$0.40	84.5x	47.1x	33.0x
VMware	VMW	\$99.59	Buy		\$42,749	\$3,253	\$7.56	\$2,857	\$3,731	\$4,436	13.9x	10.6x	8.9x	\$1.51	\$2.11	\$2.29	66x	47x	43x	\$2.34	\$3.32	\$4.11	39.4x	27.8x	22.4x
								Group Median			6.4x	4.8x	3.9x	Group Median			40x	36x	29x	Group Median			43.0x	35.7x	28.1x
								Group Mean			7.1x	5.5x	4.6x	Group Mean			38x	40x	37x	Group Mean			45.4x	35.7x	30.2x

Source: Deutsche Bank



Figure 9: Operating metrics

Operating Metrics

	Sales Growth			EPS Growth			FCF/share Growth			Gross Margins			Operating Margins			uFCF Margins			DDRs			CapX/annual revs			S&M/subsorption revs			Subscription growth		
	CY10A	CY11E	CY12E	CY10A	CY11E	CY12E	CY10A	CY11E	CY12E	CY10A	CY11E	CY12E	CY10A	CY11E	CY12E	CY10A	CY11E	CY12E	CY10A	CY11E	CY12E	CY10A	CY11E	CY12E	CY10A	CY11E	CY12E	CY10A	CY11E	CY12E
Enterprise and Security																														
Adobe Systems Inc.	29%	10%	10%	26%	18%	11%	15%	17%	22%	91%	91%	91%	37%	37%	38%	28%	29%	33%	34	33	33	4%	4%	5%						
Check Point Software Tech	19%	13%	8%	21%	14%	9%	0%	9%	6%	88%	88%	88%	57%	57%	58%	59%	57%	58%	131	132	155	0%	1%	1%						
Citrix Systems Inc.	16%	17%	12%	-100%	18%	12%	31%	15%	13%	91%	90%	92%	26%	26%	28%	28%	28%	28%	132	135	145	4%	6%	6%						
Fair Isaac Corp.	-1%	2%	3%	1%	31%	28%	-11%	29%	24%	70%	70%	70%	18%	21%	23%	17%	22%	26%	27	28	29	2%	3%	3%						
Fortinet Inc.	29%	24%	15%	39%	23%	24%	0%	28%	6%	74%	75%	75%	20%	20%	20%	32%	33%	31%	243	267	266	1%	1%	1%						
Informatica Corp.	30%	20%	15%	24%	25%	19%	64%	32%	12%	84%	85%	84%	26%	28%	29%	20%	22%	21%	82	91	93	1%	1%	1%						
Microsoft Corp.	14%	8%	7%	25%	19%	0%	26%	3%	20%	80%	78%	76%	39%	39%	38%	33%	32%	35%	61	61	61	4%	4%	4%						
Nuance Communications Inc.	11%	18%	15%	7%	24%	17%	3%	24%	21%	69%	70%	70%	33%	35%	36%	24%	25%	27%	68	60	60	3%	2%	3%						
Oracle Corp.	39%	15%	7%	27%	22%	5%	18%	44%	5%	76%	78%	79%	43%	45%	46%	29%	36%	35%	60	64	64	1%	1%	2%						
Pros Holdings Inc.	8%	29%	20%	-33%	34%	22%	-170%	NM	74%	73%	73%	73%	13%	14%	15%	-10%	9%	13%	116	109	97	2%	5%	2%						
Red Hat Inc.	20%	26%	14%	-49%	37%	8%	20%	25%	8%	86%	85%	84%	25%	26%	26%	27%	27%	28%	262	270	268	4%	4%	3%						
Symantec Corp.	2%	11%	5%	-9%	10%	11%	13%	14%	21%	85%	86%	86%	26%	25%	26%	24%	25%	29%	167	195	205	5%	4%	2%						
Verint	3%	9%	9%	56%	-12%	20%	-35%	46%	7%	69%	68%	66%	25%	22%	23%	14%	19%	19%	88	88	91									
VMware	41%	31%	19%	51%	39%	9%	15%	42%	24%	88%	88%	88%	28%	30%	31%	35%	36%	40%	200	190	185	7%	8%	5%						
Group Median =>	17%	16%	11%	22%	23%	12%	14%	25%	16%	82%	81%	81%	26%	27%	28%	28%	28%	29%	102	100	95	3%	4%	3%						
Group Mean =>	18%	17%	11%	6%	22%	14%	-1%	25%	19%	80%	80%	80%	30%	30%	31%	26%	29%	30%	119	123	125	3%	3%	3%						
Cloud Computing and SaaS																														
Ariba Inc.	8%	31%	17%	8%	10%	23%	-5%	-8%	18%	66%	68%	68%	19%	18%	20%	23%	16%	16%	125	111	113	3%	9%	5%	29%	30%	29%	17%	67%	23%
Aspen Technology Inc.	-21%	19%	30%	NM	NM	NM	274%	40%	53%	67%	75%	78%	-42%	-20%	2%	23%	28%	33%	185	240	229	2%	2%	1%	287%	90%	50%	2429%	229%	91%
Concur Technologies Inc.	19%	20%	19%	5%	3%	20%	1%	-20%	60%	73%	72%	73%	23%	21%	22%	21%	14%	19%	67	78	88	6%	9%	5%	30%	33%	33%	22%	20%	19%
DemandTec Inc.	1%	12%	12%	-125%	NM	NM	NM	32%	22%	69%	68%	69%	0%	-1%	4%	4%	5%	5%	208	193	188	3%	6%	4%	69%	68%	69%	1%	12%	12%
IntraLinks Holdings Inc.	31%	15%	-3%	NM	61%	6%	-25%	-29%	24%	81%	80%	82%	24%	22%	22%	22%	14%	18%	66	63	63	12%	12%	10%	21%	20%	20%	31%	15%	-3%
Intuit Inc.	12%	12%	11%	13%	27%	15%	-10%	26%	14%	82%	83%	83%	29%	32%	32%	20%	22%	23%	50	57	15	6%	4%	4%	48%	45%	44%	16%	16%	13%
Mobility Inc.	17%	-2%	7%	NM	-107%	NM	-131%	NM	NM	64%	64%	63%	13%	-1%	2%	-8%	-29%	2%	2	2	2	13%	31%	11%	10%	14%	13%	17%	-2%	7%
NetScite Inc.	16%	22%	25%	141%	16%	49%	NM	87%	27%	72%	73%	74%	5%	5%	5%	7%	10%	10%	140	154	159	0%	0%	0%	43%	46%	47%	12%	21%	27%
NetStar Inc.	8%	14%	9%	4%	27%	8%	118%	67%	-5%	77%	78%	78%	33%	37%	36%	20%	33%	29%	28	25	30	7%	8%	7%	17%	17%	18%	10%	14%	9%
RealPage Inc.	34%	39%	25%	44%	83%	37%	-12%	105%	24%	65%	65%	66%	13%	18%	19%	11%	17%	17%	93	89	93	6%	6%	5%	18%	18%	19%	32%	43%	27%
Salesforce.com Inc.	27%	35%	26%	7%	6%	37%	79%	3%	27%	82%	82%	82%	14%	12%	13%	23%	18%	18%	184	191	203	5%	6%	5%	44%	46%	45%	28%	34%	26%
SuccessFactors Inc.	37%	59%	25%	NM	86%	73%	153%	-30%	79%	76%	72%	72%	2%	4%	4%	20%	9%	13%	342	248	262	3%	2%	3%	43%	40%	39%	62%	44%	26%
Synchronoss Technologies	32%	35%	21%	23%	25%	27%	-66%	349%	34%	54%	56%	56%	22%	22%	22%	4%	15%	16%	12	22	18	9%	7%	7%						
Taleo Corp.	21%	34%	20%	1%	31%	14%	-59%	68%	63%	70%	70%	70%	14%	14%	14%	9%	11%	15%	124	145	138	6%	5%	4%	26%	28%	29%	16%	29%	24%
Tangoe	22%	51%	18%	NM	94%	58%	8%	80%	43%	56%	53%	56%	8%	10%	14%	7%	8%	10%	49	43	45	2%	2%	1%	17%	14%	16%	25%	61%	19%
VMware	41%	31%	19%	51%	39%	9%	15%	42%	24%	88%	88%	88%	28%	30%	31%	35%	36%	40%	200	190	185	7%	8%	5%	33%	32%	32%			
Group Median =>	21%	28%	19%	7%	27%	25%	1%	36%	27%	70%	72%	72%	14%	14%	14%	20%	14%	16%	100	89	93	6%	6%	5%	29%	31%	30%	22%	28%	23%
Group Mean =>	20%	27%	18%	9%	23%	38%	24%	41%	34%	70%	70%	71%	13%	13%	16%	15%	13%	17%	116	113	112	6%	7%	5%	47%	35%	33%	184%	42%	23%
Group Median =>	17%	20%	15%	2%	16%	23%	13%	27%	27%	75%	75%	75%	19%	19%	22%	19%	18%	22%	116	118	116	5%	7%	4%						
Group Mean =>	17%	18%	14%	8%	22%	15%	1%	25%	22%	74%	75%	76%	23%	22%	22%	22%	19%	19%	102	100	95	4%	5%	4%						

Source: Deutsche Bank

Appendix 1

Important Disclosures

Additional information available upon request

Disclosure checklist

Company	Ticker	Recent price*	Disclosure
Tangoe, Inc.	TNGO.OQ	13.97 (USD) 8 Nov 11	1,2,7

*Prices are sourced from local exchanges via Reuters, Bloomberg and other vendors. Data is sourced from Deutsche Bank and subject companies.

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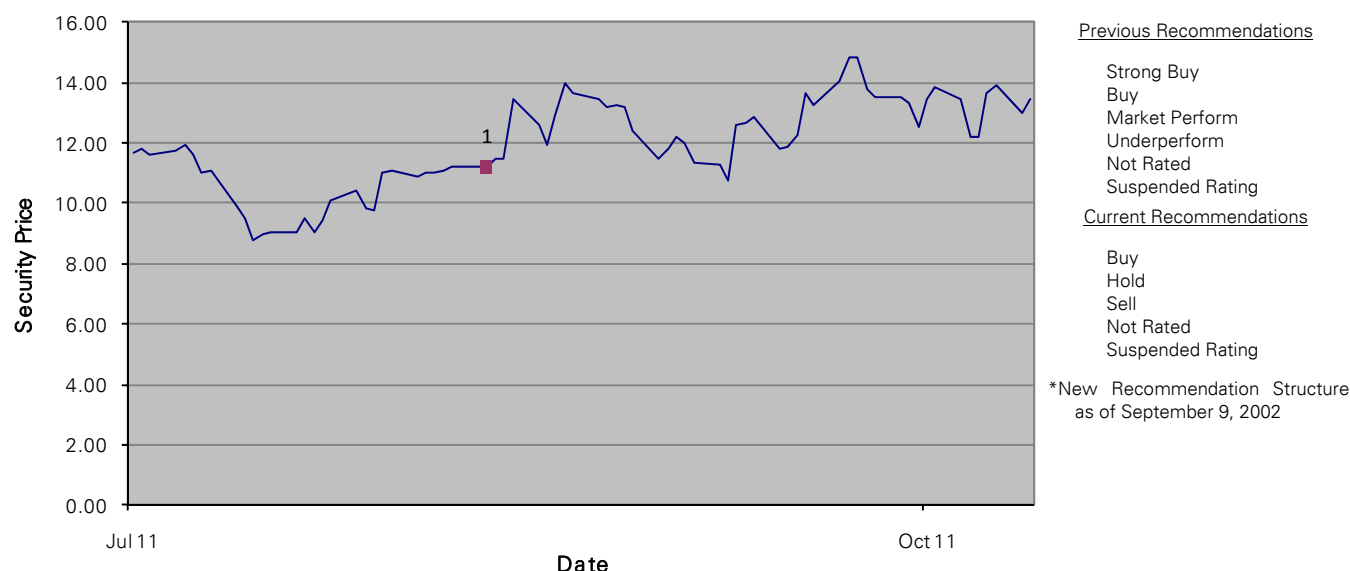
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Historical recommendations and target price: Tangoe, Inc. (TNGO.OQ)

(as of 11/8/2011)



1. 9/6/2011: Buy, Target Price Change USD17.00

Equity rating key**Equity rating dispersion and banking relationships**

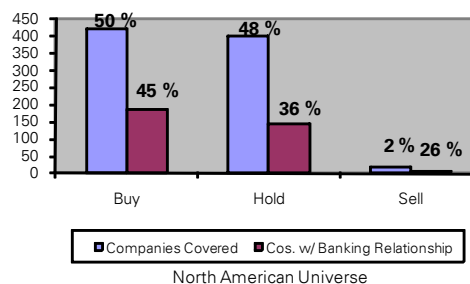
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Hold: We take a neutral view on the stock 12-months out and, based on this time horizon, do not recommend either a Buy or Sell.

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 - Hold: Expected total return (including dividends) between -10% and 10% over a 12-month period
 - Sell: Expected total return (including dividends) of -10% or worse over a 12-month period



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