EVERCORE ISI

Technology | Software

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EVR-ISI Software 'Summer Solstice' Virtual Catch Up

Please see below for the powerpoint used in our 'Summer Solstice' Virtual Catch Up meeting and click here for the replay link.

Software 'Summer Solstice' Virtual Catch Up

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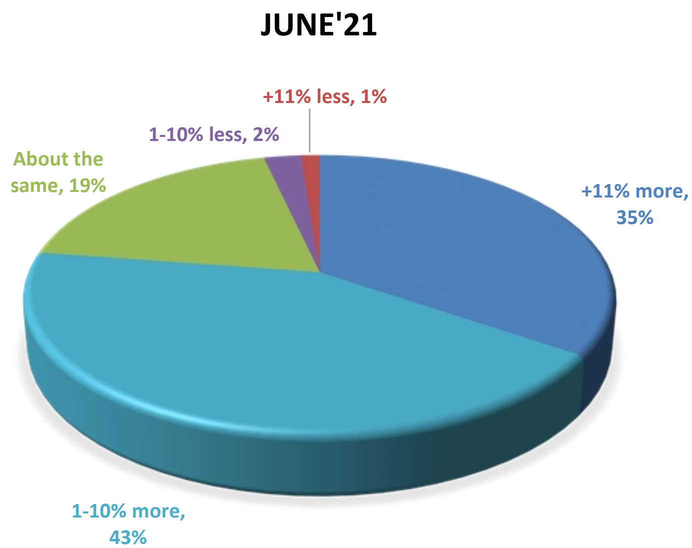
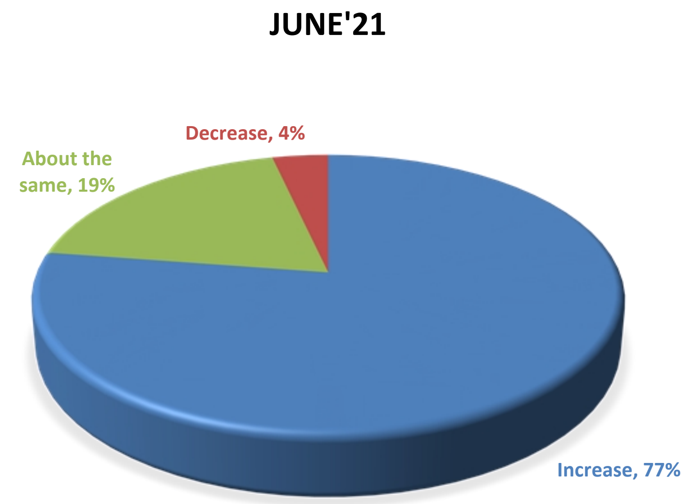
Agenda

- **Stebs Garcia – Software Trading Update**
- **Valuations today vs. 10-year; Valuations today vs. '12-'15 levels**
- **Key investor questions into 2H?**
- **Notable 2H Catalysts**
- **Favorite names into 2H:** Compounders – ADBE, NOW, MSFT, INTU; 'Re-Rate ideas – CRM, WDAY, PLAN, EGHT; Long duration growth ideas: SNOW, DOCU, (RNG & AVLR – Levine)
- **Quick thoughts on ORCL/ADBE EPS**
- **Thoughts on ZEN post virtual meeting with Deputy CFO**
- **Takeaways from recent EVR-ISI IT spending survey**
- **Highlights from Flexera 'State of the Cloud' Survey**
- **A Technical View: Rich Ross' 'Top 5' Software Names**

Outlook For IT Spending In 2H Remains Upbeat

When looking ahead to 2H 2021, would you expect to spend more or less on IT vs. 1H 2021? (N = 252)

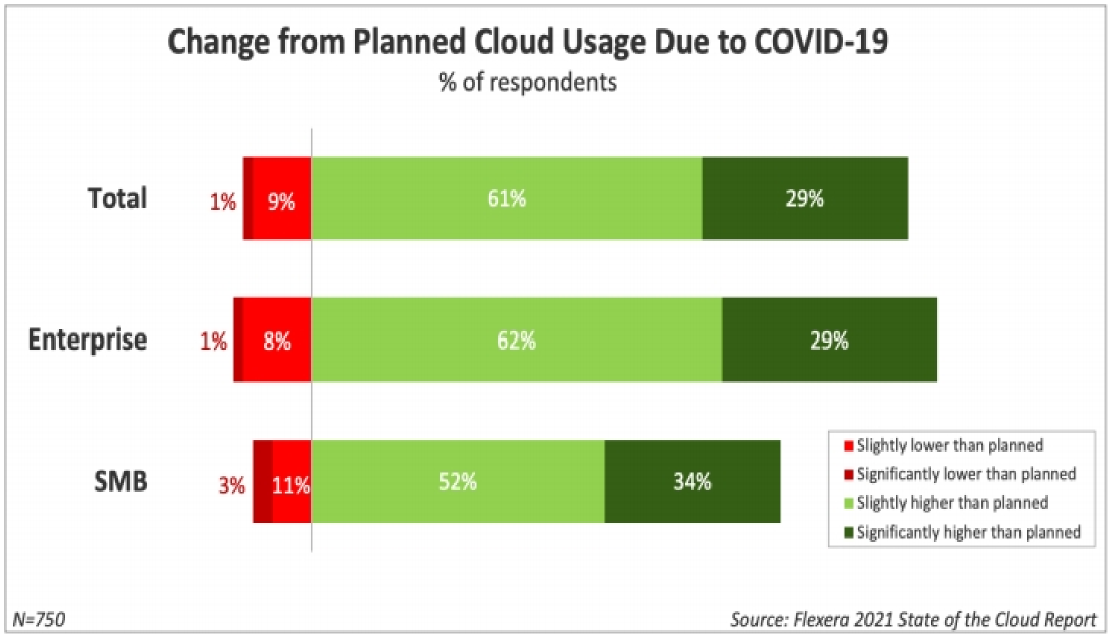




Key Takeaway: The outlook for IT spend in 2H21 remains upbeat, with 77% of customers expecting to increase their spend vs. 1H (and 35% of customers expecting to increase it by +11%).

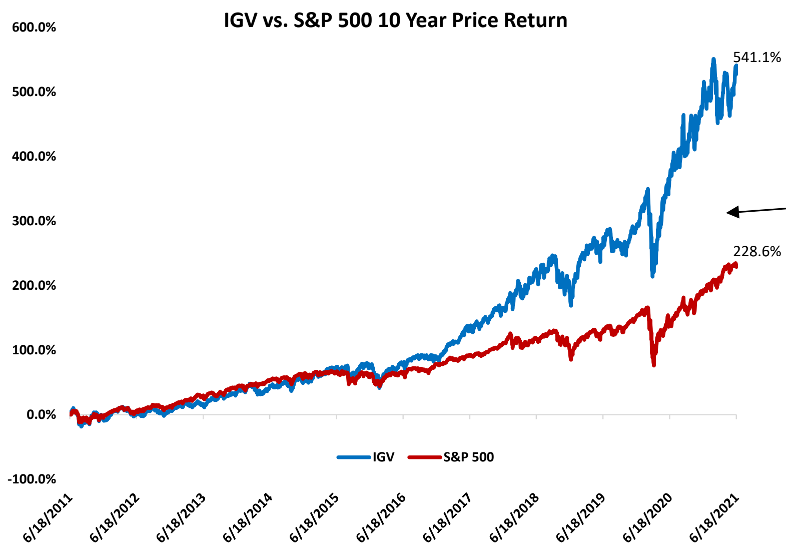
COVID Pushing Consumption Levels Higher For Public Cloud

90% of respondents said that cloud usage is higher than initially planned due to COVID-19, and this is due to a variety of reasons ranging from difficulty in accessing data center facilities to the need for extra capacity to meet increased demand for current cloud-based applications.

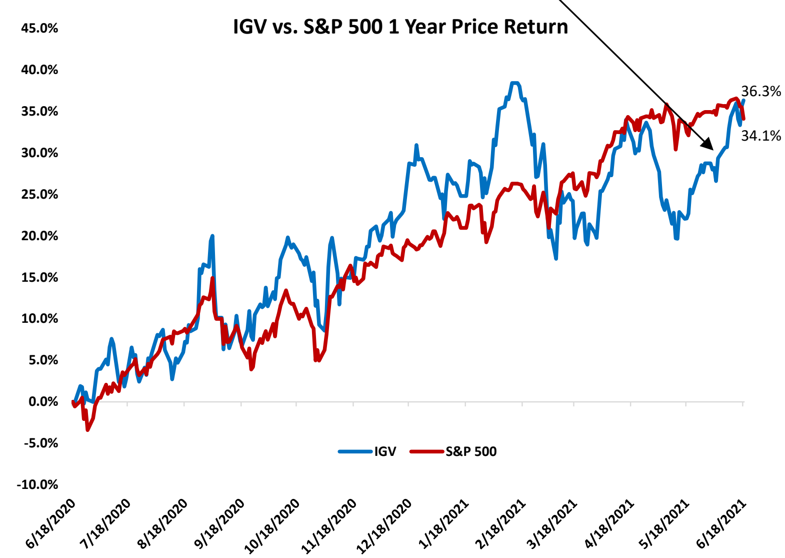


Enterprise Software: Still 'Eating The World' – Just Taking A Breather

Enterprise software remains the 'arms vendor' for the digital economy.



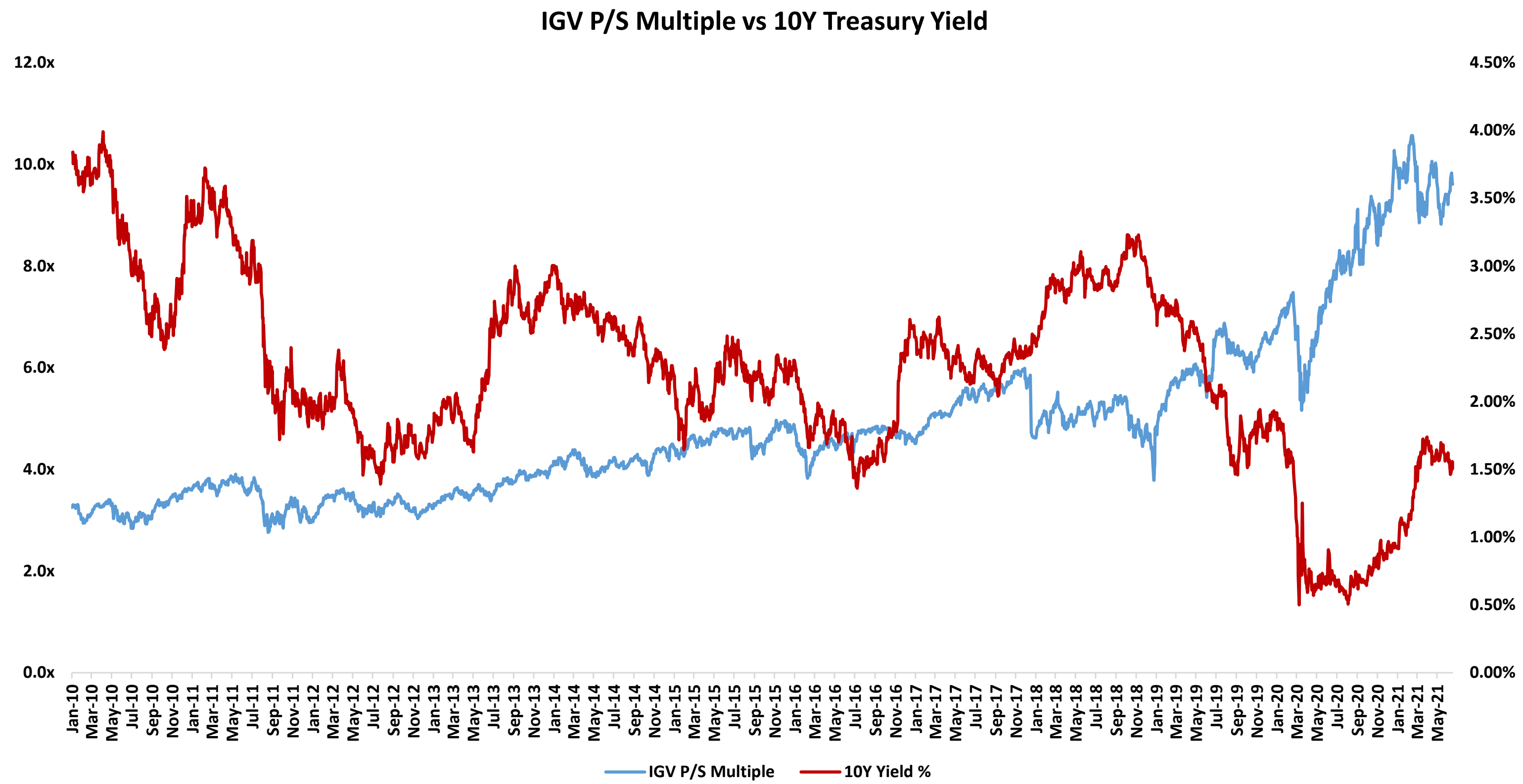
Big catch up in May/June – could be the start of a reversion to the 10-year trend of outperformance



While software has performed roughly in-line with the broader market over the last 12 months, it is important to remember the massive outperformance over the last decade – and especially over the last 5 years. On an annual basis, the IGV has grown at a 20% CAGR vs. the S&P 500 at 13% CAGR.

Enterprise Software: Riding The Annual Roller Coaster

While the IGV is an imperfect vehicle for the group given MSFT's high weighting, we have found that there tends to be in inverse relationship between software multiples vs 10Y rates wherein multiples compress by ~1.5-2x for every 50bps increase in rates.



Enterprise Software: On CY23 Ests. Back In Line With '12-'15 SaaS Levels

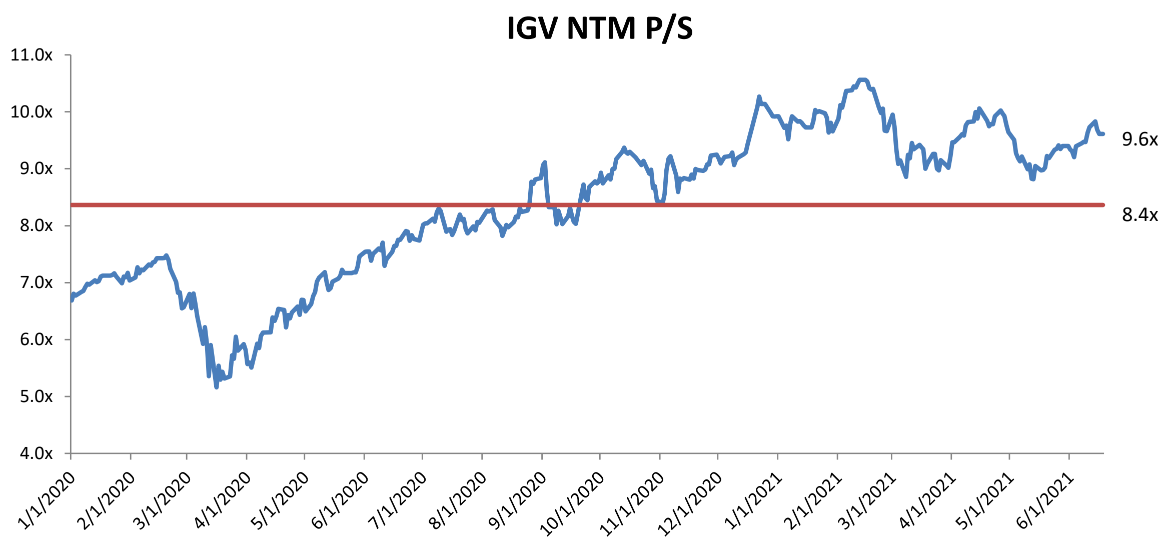
With multiples pulling back, we believe the risk/reward is starting to look more attractive for select growth names, especially when taking a 6-9 month view. Favorite ideas include NOW, WDAY, DOCU, RNG, PLAN, and AVLR

Ticker	Average Price to NTM Sales Multiple 2012-2015	Price to NTM Sales Multiple Today	Premium to 2012-2015 Multiple	Premium to IGV	Price to CY23 Sales	Premium to 2012-2015 Multiple	Premium to IGV
NOW	11.0x	16.4x	49.5%	70.8%	11.8x	7.6%	45.4%
CRM	6.1x	8.1x	31.2%	-16.2%	6.3x	2.8%	-22.4%
WDAY	17.6x	10.9x	-38.2%	13.0%	8.4x	-52.5%	2.8%
SPLK	14.2x	7.7x	-45.6%	7.4x	5.4x	-61.7%	-33.1%
PANW	8.8x	7.4x	-16.3%	20.6x	NA	NA	NA
TWLO	NA - not publicly traded as of start of 2012	20.6x	NA	114.1%	13.8x		70.2%
DOCU		23.5x		144.2%	16.0x		96.7%
OKTA		21.5x		123.8%	14.1x		73.4%
RNG		13.9x		44.9%	10.1x		24.5%
HUBS		19.8x		106.0%	14.0x		72.2%
ZM		20.6x		114.5%	16.1x		98.1%
DDOG		23.4x		143.8%	16.4x		101.4%
Average	**11.5x**	**16.1x**	**39.9%**	**68.0%**	**12.0x**	**4.4%**	**48.1%**
IGV	3.9x	9.6x			8.1x		

The 'gen 2' cohort is currently trading at a ~40% premium on a next twelve months sales basis to the 'gen 1' cohort from 2012-2015. However, when 'flipping' to CY23 sales as the basis for valuations, the group is only at a ~4% premium.

Key Investor Questions/Debates Into 2H

- **Where are we in terms of valuations?**

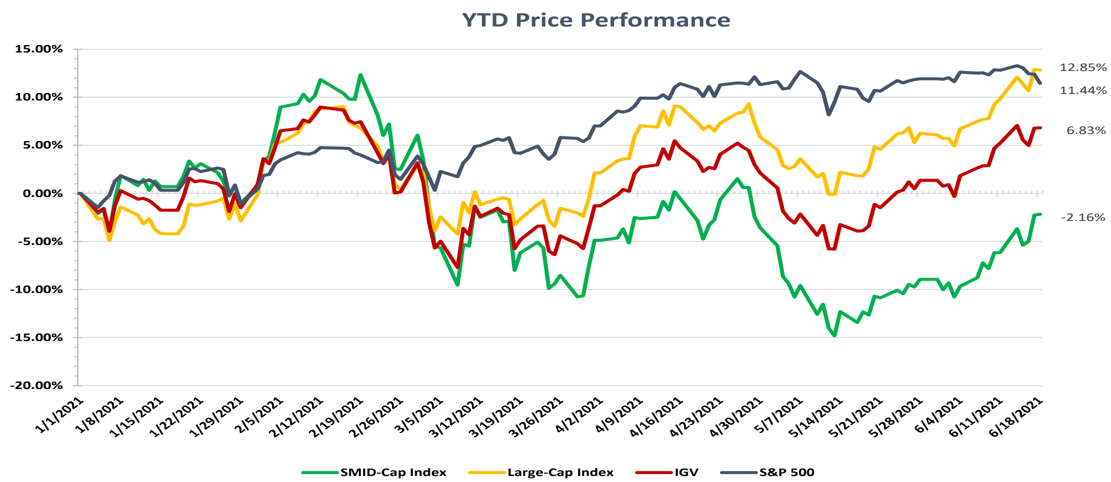


- **Which names haven't worked in 2021 that are due for a 'catch up'? And why?**

IGV +7%
WDAY -1% -- Fall analyst day, revenue acceleration in 2022
NOW -3%
SNOW -11%
CTXS -11% -- Fall analyst day
PLAN -24% -- New CFO
RNG -24%
SPLK -24%

Key Investor Questions/Debates Into 2H

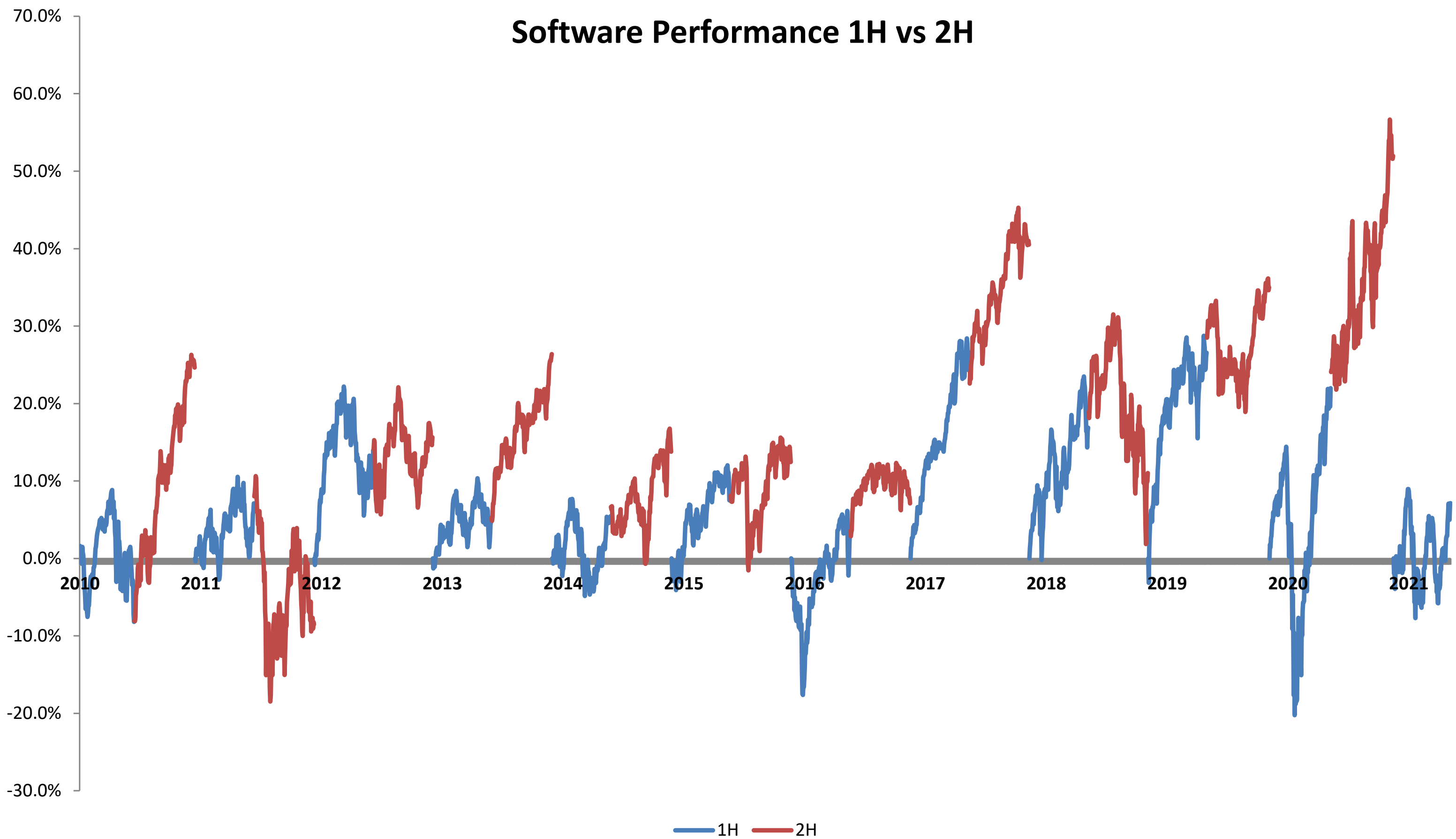
- **Can SMID-Cap start to catch up to Large Cap?**
  - There are A LOT of SMID-cap names in software now
  - Need to stand out fundamentally AND thematically (i.e. acceleration stories)
  - Look for SMID-cap names with analyst days, willingness to market in person



- **Who are going to be the 'acceleration stories' in 2H/2022?**
  - Names that suffered more in 2020 starting to see acceleration
    - HUBS/INTU – already benefiting
    - WDAY/PLAN/ZEN – 2H/1H 2022
    - RAMP
    - MSP

Key Investor Questions/Debates Into 2H

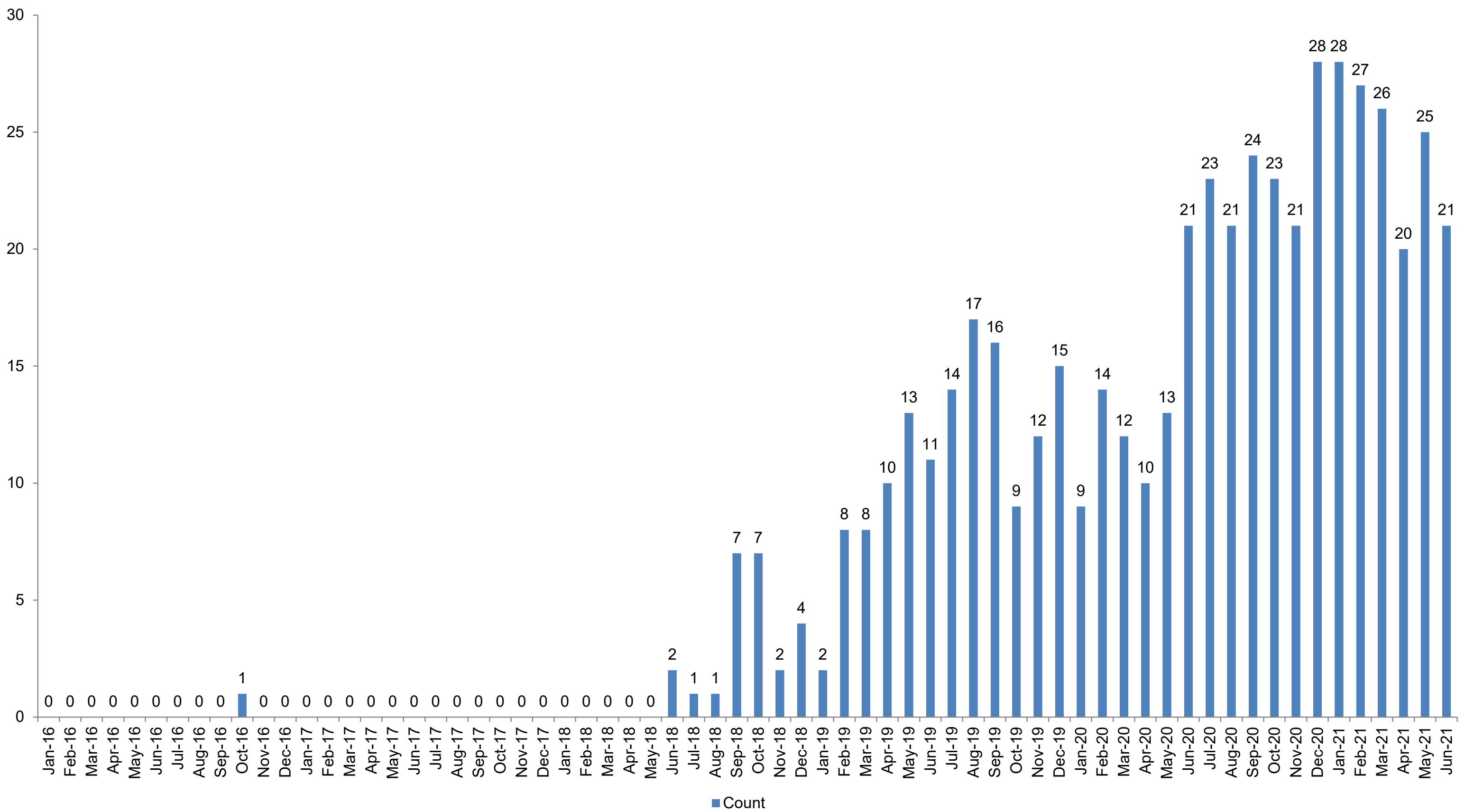
- **After a 'mediocre' 1H vs. the S&P 500 – is software due to outperform in 2H?**



Key Investor Questions/Debates Into 2H

- **Are there too many (expensive) software companies?**

 # Software Companies (>$5B mkt cap today) That Traded >15x EV/NTM Sales



Key 2H Catalysts To Note

Dreamforce/CRM Analyst Day (Sept 21-24th). Expect CRM will host an analyst day & any view on long-term margins/cash flow should help crystalize the risk/reward for investors. We see a 30% OCF yield being realistic. Applying a 25x multiple to CY25 OCF nets a market cap of ~$314bn when discounting back 2-years or roughly 40% upside from here.

Workday Analyst Meeting (Late Sept/Early Oct). Believe many investors have left Workday for dead since the '19 analyst day. We believe the combination of the analyst day highlighting a broader product portfolio and traction with financials helps bring investors back to the story given that Workday is only trading at 11x EV/CY22 sales

Others:

- COUP – July
- CTXS – Oct
- INTU - Oct
- ADBE – Dec (with F4Q EPS?)

User conferences

- PATH – Live! in Las Vegas in Oct
- ADBE – MAX (virtual)

Favorite Ideas Into 2H

Core Compounders:

MSFT
ADBE
NOW
INTU

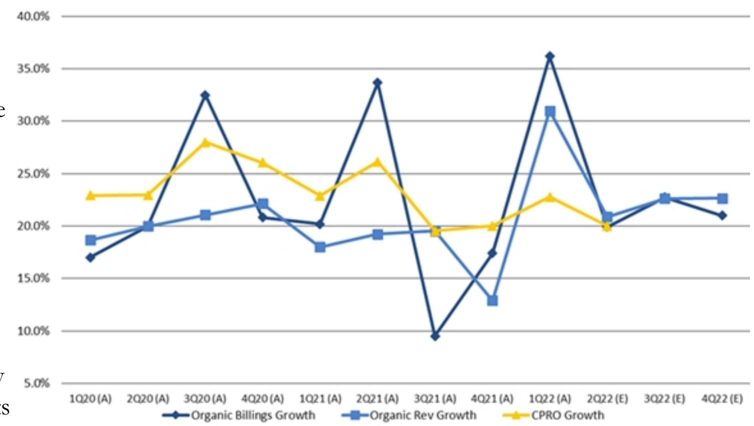
'Re-Rate' Ideas:

CRM
WDAY
PLAN
VRNT (Levine)
EGHT (Levine)

Long Duration Growth Ideas (Not Cheap!):

SNOW
DOCU
AVLR (Levine)
RNG (Levine)

- The company continues to deliver on CRPO growth, with growth last quarter coming in at ~23% (20% in cc) vs initial guidance of 19%. Also, F2Q guidance of +20% is a nice starting point and still leaves room for upside.
- New CFO Amy Weaver has clearly brought a 'disciplined growth' mindset as CEO Marc Benioff noted that Ms. Weaver has 'reimagined' the company's approach. The company currently has some nice momentum with the FY22 outlook for the 'core' business being raised by ~$350mn last quarter and margins being revised upwards by ~30bps to ~18%.
- Dreamforce in September and a possible Analyst Day at the event are likely to be a catalyst in the near term, and the closing of the Slack deal looms near as well.
- Despite the strong run since the recent print, the stock still trades at just 7x EV/CY22 revenue, and so we believe the risk/reward is still very positive especially given the near-term catalysts mentioned above. In particular, any guidance/thoughts around the long term margin-cash flow framework to accompany the top-line targets will be helpful.



Company	Ticker	YTD Change	Market Cap	Enterprise Value	Y/Y Revenue Growth CY21 (E)	Y/Y Revenue Growth CY22 (E)	EV/Revenue CY21 (E)	EV/Revenue CY22 (E)	CY Gross Margin CY21 (E)	CY Gross Margin CY22 (E)	EBIT Margin CY21 (E)	EBIT Margin CY22 (E)	Growth Adj Basis CY21 (E)	Growth Adj Basis CY22 (E)
Veeva	VEEV	12.9%	47,012	46,831	21.2%	18.8%	26.9x	22.7x	77%	77%	40.3%	40.1%	1.27 x	1.21 x
Twilio	TWLO	6.6%	62,295	57,251	36.6%	31.1%	23.8x	18.2x	58%	59%	-0.8%	1.8%	0.65 x	0.58 x
DocuSign	DOCU	22.0%	52,845	52,466	33.1%	28.5%	28.3x	22.0x	86%	87%	17.7%	19.2%	0.86 x	0.77 x
Ring Central	RNG	-24.2%	26,101	26,809	25.5%	23.4%	18.0x	14.6x	78%	78%	10.2%	10.7%	0.71 x	0.63 x
Coupa	COUP	-28.1%	17,913	18,495	27.1%	26.2%	28.3x	22.5x	69%	70%	0.2%	5.3%	1.04 x	0.86 x
ServiceNow	NOW	-3.2%	105,163	105,457	27.0%	24.9%	18.4x	14.7x	81%	82%	23.6%	24.8%	0.68 x	0.59 x
Zendesk	ZEN	1.0%	17,157	17,281	25.8%	24.8%	13.3x	10.7x	81%	82%	7.7%	9.6%	0.52 x	0.43 x
mean	***mean***	***-1.9%***			***28.0%***	***25.4%***	***22.5x***	***17.9x***	**76%**	**76%**	**14.1%**	**15.9%**	**0.82 x**	**0.72 x**
Salesforce	**CRM**	**8.6%**	**223,761**	**219,469**	**21.1%**	**18.9%**	**8.7x**	**7.3x**	**78%**	**79%**	**18.2%**	**19.0%**	**0.41 x**	**0.38 x**

Workday (Outperform, $320 PT):

We continue to see a compelling risk/reward at these levels when looking out to CY22 and believe any acceleration in upmarket HR along with an uptick in demand for the Financials suite or interest in some of Workday's newer products, which have been buried by all the COVID headlines (i.e. Workday Cloud Platform, Scout, Prism, etc.) could drive upside to our/Street estimates.

- When taking a 6-12 month view, we believe dipping your toe in the water and 'embracing the suck' makes sense here, especially for a high quality 're-rate' ideas like WDAY.
- We believe the set up for WDAY shares into the 2H remains favorable as the economy should be opening up at the same time WDAY's bookings comps start to ease.
- The trends around the 'back to the base' sales remain strong (+50%) and we believe that net new ACV growth around 'back office' apps is going to reaccelerate into the 2HCY21/CY22
- While the lower expiry base of ACV this year will create a little bit of a drag (~2%) on the 24-month backlog growth, we believe the acceleration in net new ACV ultimately creates an upward bias on subscription revenue and bookings in 2H.
- We believe the upbeat commentary around pipeline levels sets the table for the multiple to potentially 're-rate' (or if interest rates continue to go vertical – not 'de-rate'!) in the coming quarters.

Bottom line: we believe that the recent F1Q results were really just the appetizer, and F2Q results / F3Q guide is when much of the pipeline activity can start to translate into growing confidence that subscription revenue will reaccelerate in FY23/CY22.

Adobe

Adobe (Outperform, $625 PT):

- We continue to view Adobe as an attractive risk/reward idea given the company's ability to deliver high teens/low 20s revenue growth with industry leading op. margins (~+45% over the last couple quarters).

- We believe Digital Media growth should continue to be fueled by a combination of user growth, value expansion and pricing following a good deal of upside in FY20 vs the initial guide ($1.9bn Digital Media ARR growth in FY20 vs initial guide of $1.55bn). The company is currently pacing to well exceed initial FY21 guidance of $1.75bn net new digital media ARR (we are currently modeling ~$1.9bn).

- The company is positioned to deliver FY21 EPS well ahead of the initial guidance of $11.20 following large beats in both F1Q and F2Q. We are now modeling FY21 EPS of $12.20 (Street: $12.20), which illustrates Adobe's ability to deliver growth and margin expansion despite some dilution from the Workfront deal.

- The Digital Experience business continues to exhibit strength thus far in FY21, with subscription revenue likely to remain at +20% for FY21 (vs. initial guidance of ~19%), indicating that this part of the business is starting to accelerate and we believe that Adobe's Document Cloud business is at a potential inflection point – especially as it relates to Sign in the enterprise market.

- With a ~$147bn TAM opportunity, ADBE is well positioned to prosper in a world where there is more demand for digital content, paper-based processes are moving digital and companies are looking for enterprise technologies to help them execute against their digital agendas.

Microsoft

Microsoft (Outperform, $300 PT):

Obviously a ton of variables, especially macroeconomic, that could derail any thesis attached to a stock with a ~$2trn market cap, the bottom line is we believe there is still a lot of gas in the tank when looking at Microsoft's positioning in the public cloud markets and potential to grow in markets that we consider the 'next gen' growth drivers of the company, including security and gaming. We believe the company could ultimately use some of its cash stockpile to acquire assets, which can help tap into new pools of spend outside of IT, including the broader enterprise applications and IT mgmt. markets (~$300bn TAM).

We see a tremendous investment opportunity for Microsoft in the enterprise market and expect that the company will remain aggressive in investing in areas like security, business apps, the PaaS layer of the cloud, analytics, quantum computing, and AI/ML. As a result, we continue to believe that MSFT is a 'must own' name for software investors and should remain a stock for all seasons given the breadth of its cloud portfolio, its growing annuity revenue base, and its strong balance sheet position.

Key questions for Microsoft heading into 4Q21 / FY22:

- **Azure growth in FY22?** While we have modeled 40% Azure growth for FY22, we continue to believe that the public cloud market is broad enough to support multiple winners over the long term. We believe that Azure's hybrid portfolio, non-conflicted business model, and enterprise footprint are structural advantages that will allow for continued growth (~30% CAGR) through FY24, though entrants such as Google and Oracle are complicating the competitive landscape.
- **Can Teams + Power Platform help Microsoft go 'deeper' with customers in terms of automation and voice?** While we believe that the rapid adoption of Teams due to COVID is notable, we believe there is a bigger opportunity for Microsoft to go deeper with customers, as customers could start increasingly adopting Voice solutions on the platform as well as building out custom applications and processes.
- **What does the future of gaming look like?** We believe that Microsoft is the only gaming vendor that has the combination of a strong and entrenched community, robust cloud platform, and differentiated 3P content; as such, we see gaming becoming the third pillar of growth for Microsoft, and the continued expansion of Game Pass bodes extremely well for the company. The CY22 launch of Starfield (Bethesda) will act as another significant catalyst for the gaming division in FY23.
- **While software valuations have only gone up, could Microsoft start looking at bigger acquisitions?** As we discussed after visiting Microsoft earlier this year, we believe that the company's balance sheet provides Microsoft with a lot of optionality around M&A and our view is that M&A will have a profound impact on the investment narrative when taking a 3-5 year view.
- **Can Microsoft take more share in a tougher economic backdrop?** While we believe that there is some risk to Microsoft's growth if the SMB portion of the economy remains under pressure – especially from a global perspective – we believe that there is also an opportunity for Microsoft to leverage its balance sheet in the enterprise market to aggressively price its services and take market share in areas like public cloud services and collaboration

SMID-Cap Best Ideas

Avalara (Outperform, $180 PT) - (covered by P. Levine): When looking at AVLR's fundamental setup, we remain positive on the durability of +20% growth over the L/T. The investments being made both organic and inorganic to future proof the business deepens the competitive moat and positions AVLR to be more of a platform deployment with Tax and Compliance. When thinking about which software companies are positioned to outperform in a post-COVID world, Avalara stands to be the primary beneficiary as the secular shift to e-commerce, which COVID has fueled, is forcing companies to quickly automate and comply with tax regulation in a digital world. The fact that Avalara has already built out one of the most defensible GTM strategies in all of software consisting of ~1k integration partners speaks to the strategic nature of tax compliance automation.

Anaplan (Outperform, $84 PT): If bookings/billings can reaccelerate in CY21, there is potential for revenue to get back to +30% in CY22 and that creates a very attractive risk/reward set up over the next 3-6 months. Not to mention, we believe there is also an opportunity for Anaplan to show better operating leverage in 2H and accelerate its path back to being a 'rule of 40' stock in CY22. While we get that some investors were looking for more upside in F1Q and a faster pace of acceleration, the trend is in the right direction and we believe a 2H 're-rate' is still very much in the cards.

Datto (Outperform, $36 PT): We believe that MSP remains well-positioned for 2H21 and CY22 as it is appearing more and more likely that we are approaching a full return to normal. Importantly, ARR continues to improve following the dip related to COVID with q/q growth accelerating in each of the last 4 quarters. Obviously there is some macro risk here given the companies' SMB exposure, but believe that if that reopening does occur, our/Street estimates could prove to be conservative.

8x8 (Outperform, $46 PT) - (covered by P. Levine): 8x8 stands to be one of the few small-cap SaaS beneficiaries as IT spend remains tilted towards UC to ensure business continuity, given its products embrace a more mobile and remote workforce. We acknowledge 8x8 remains a 'show me' story for now, but believe if management can demonstrate consistent execution against their opportunity with a clear path towards durable high-teens to 20% service revenue growth with a balanced approach to profitability, we believe there is potential for the stock to 're-rate' relative to its UC peers. With EGHT shares down ~25% YTD and trading at a 60% discount to the UC group, we believe there is less downside risk to the stock on both an absolute and relative basis.

Thoughts On ORCL/ADBE EPS

ORCL: Bottom line – Without the double digit EPS narrative, we believe the shares are likely range bound. Key takeaways:

- **The apps business is doing well** and the 'good' cloud apps business should be bigger than the remaining legacy business in CY22, as NetSuite and Fusion continue to show consistent 20%+ growth y/y. That should help drive sustainable high single digit growth in apps.
- **Survey results** show that **ORCL is a leading vendor and partner** when compared to other enterprise software names.
- **Recent 4Q21 results indicate that OCI / Autonomous DB are continuing to show robust growth**, and the company is investing heavily in CapEx to support its cloud demand; ***however, cloud business ramp adds pressure on CapEx / OpEx, which impacts EPS growth.***

ADBE: Bottom line – The momentum in the business remains strong heading into F3Q and the company is well positioned to cruise past FY21 guidance. Despite the recent strong performance, with shares rallying over 15% in the last few weeks, we believe there is still room for upside in one of the best compounding stories in software. Key takeaways:

- **The digital media business continues to show strength** with Digital Media ARR for F2Q coming in well ahead of guidance. We are now modeling net new digital media ARR of ~$1.9bn for FY21 vs. initial guidance of $1.75bn.
- **Experience Cloud subscription revenue is positioned to accelerate to +20% for FY21** after a strong 1H, ahead of initial guidance of ~19%.

Takeaways From Virtual Meeting With ZEN Deputy CFO

Top questions from investors: CFO transition, move upmarket, macro backdrop

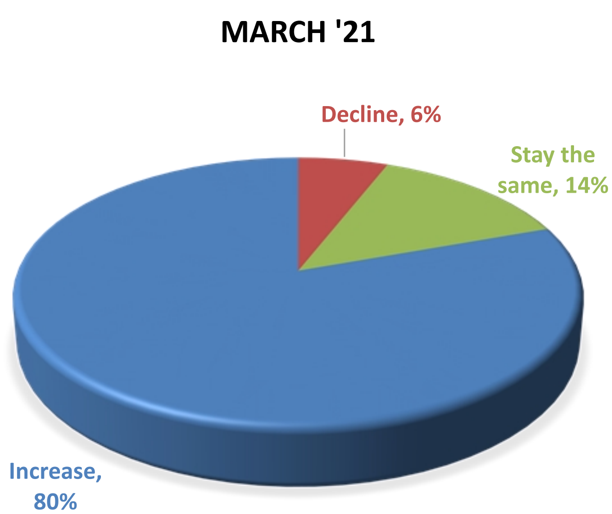
Suite is gaining meaningful traction, Sunshine strategy shifting slightly

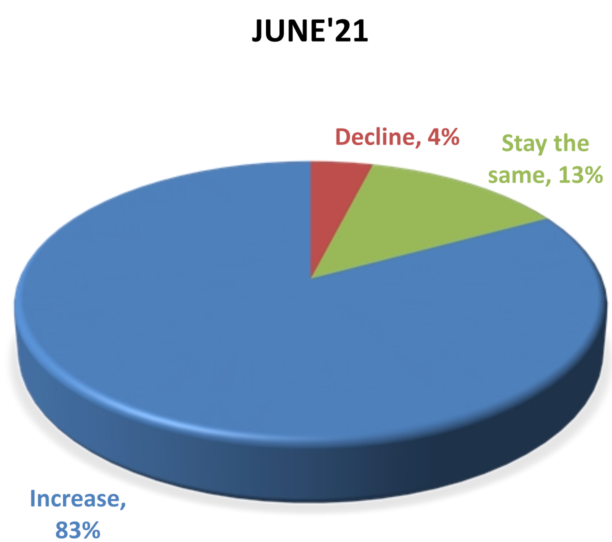
Focus on the move upmarket into the enterprise

Continuing to develop the ecosystem

Outlook For IT Spending In 2H Remains Upbeat

What is your best estimate for the absolute growth (or decline) in your IT spending budget for 2021? (N = 252)

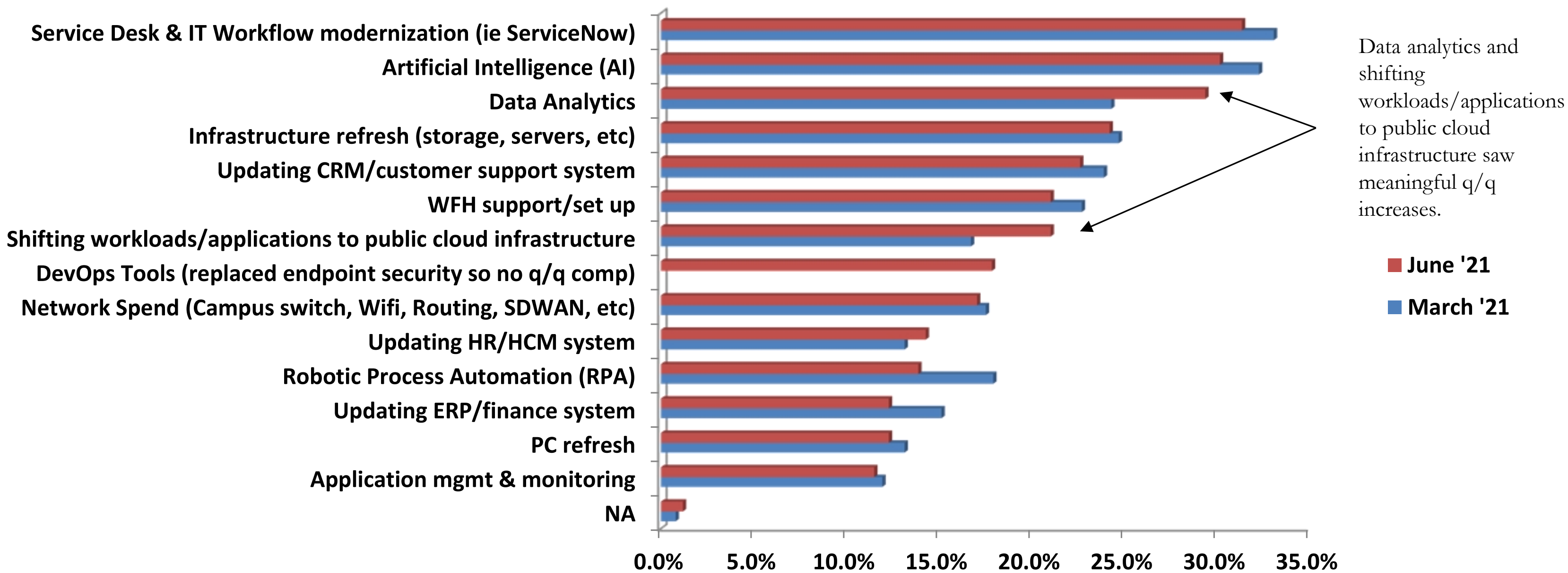




Key Takeaway: 83% of respondents stated that they expected IT spending budget to increase, up from 80% in March, indicating that a robust IT spend environment exists and is expected to continue as companies begin to reprioritize projects that may have otherwise slipped in the prior year.

Data Analytics And Shifting To Public Cloud Infrastructure Gaining Priority

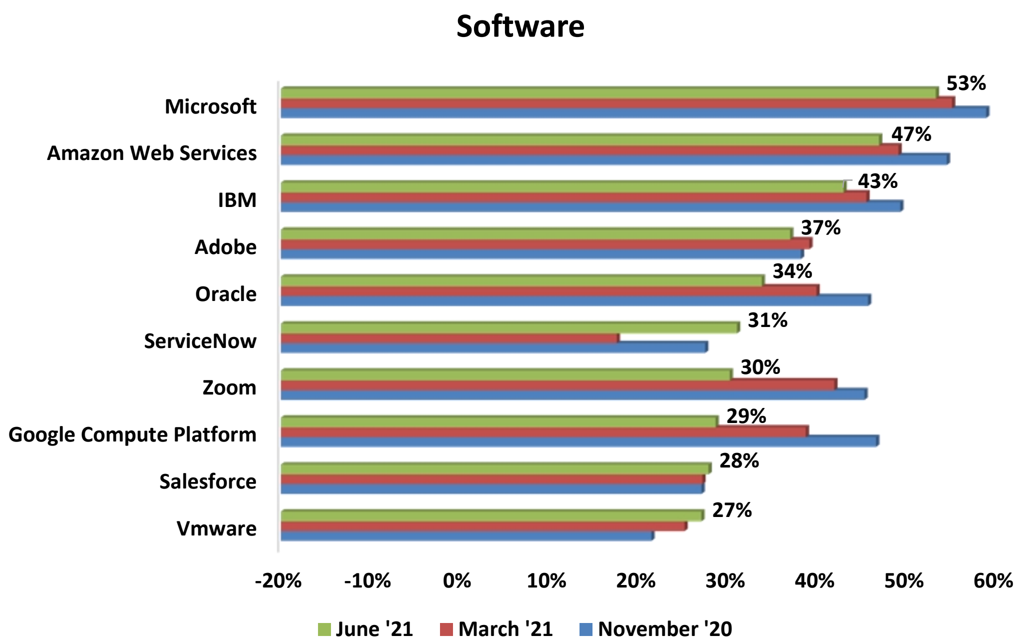
When looking ahead to 2021, what, if anything, are the highest priority projects at your firm today (in terms of incremental spending in regards to your IT/Digital strategy)? (Pick up to 3)



Key Takeaway: Service Desk and IT Workflow modernization remain key priorities, though we would note the biggest q/q increases were seen in data analytics and shifting to public cloud infrastructure.

Tailwinds of Digital Transformation Push Software Higher

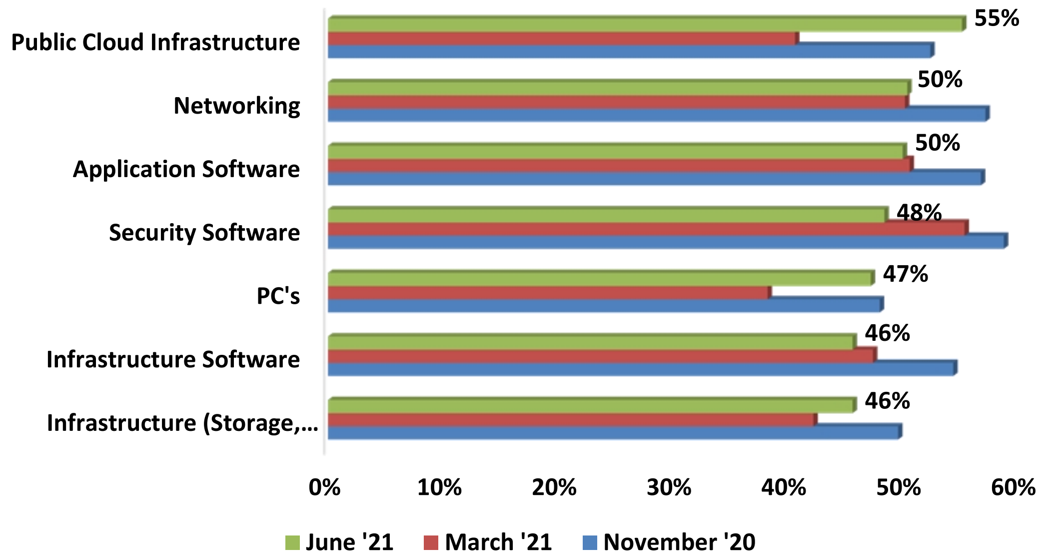
Of the large enterprise IT vendors listed below, which have the greatest "net-increase" in incremental wallet share with your company?



Key Takeaway: While MSFT and AWS still lead the charge, we would note that collectively, most of the group saw small q/q declines, with the exception of NOW which jumped up meaningfully. CRM also increased slightly q/q.

Public Cloud Infrastructure Jumps Back To Top Priority In Digital World

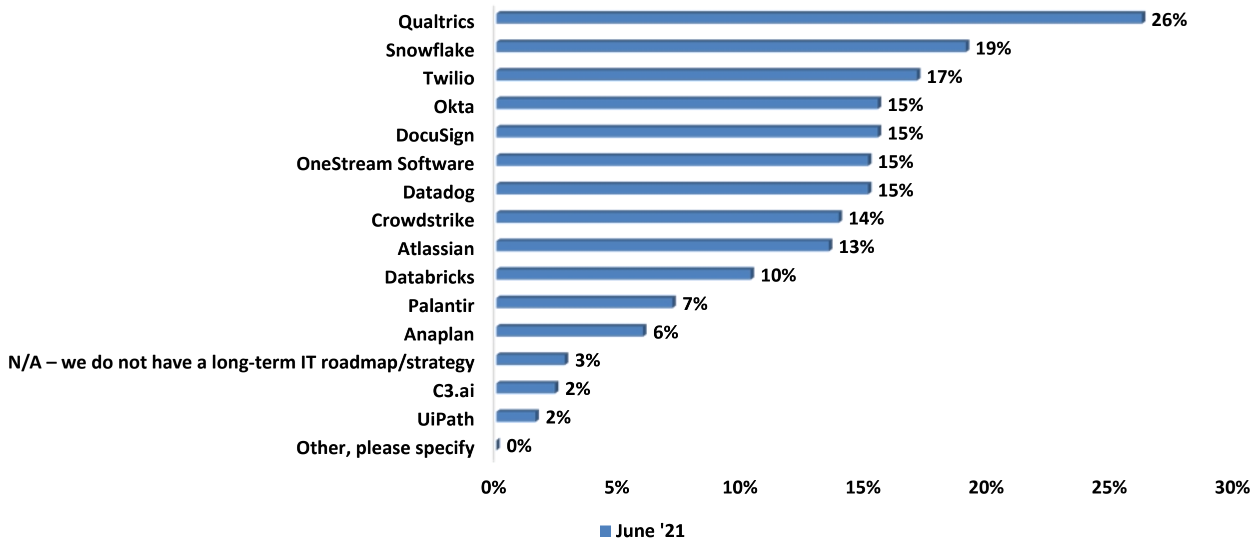
When looking ahead to 2021, which of the following segments will have the greatest 'net-increase' in wallet share with your company?



Key Takeaway: Notably, public cloud infrastructure ticked up materially q/q. Networking stands out from a hardware perspective.

Experience Matters! XM Way Out In Front In 'Emerging' Software Category

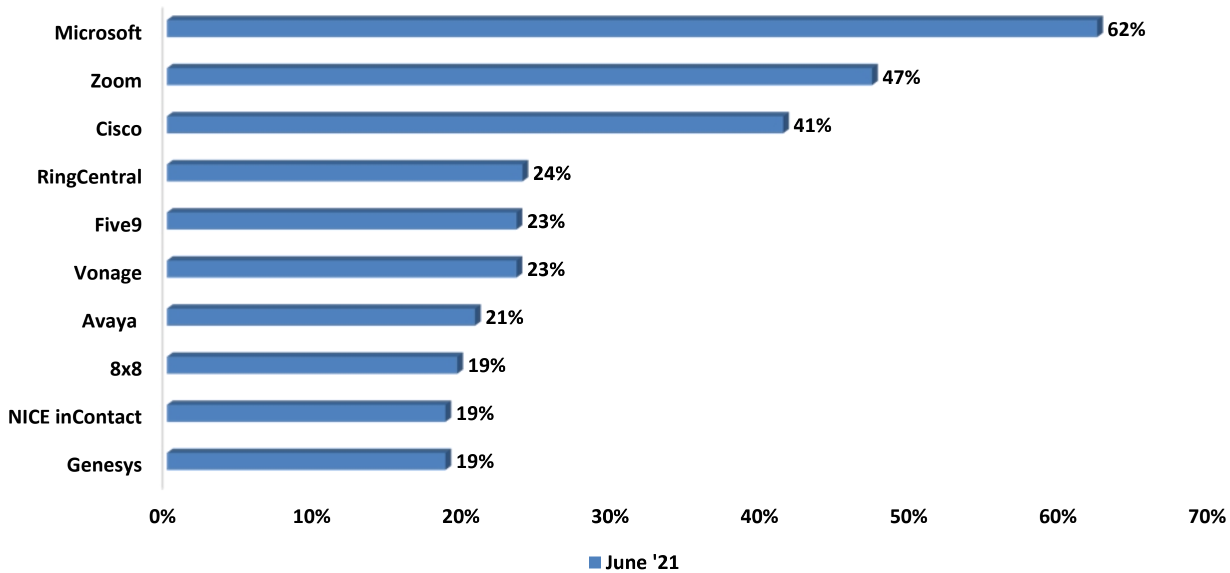
Q13. When thinking about your long-term IT roadmap/strategy (3-5 years out), which 'emerging' software/SaaS vendor(s) do you see as having a more strategic role within your organization (i.e. spending on with this vendor will be materially higher in 3-5 years)? Select up to two vendors.



Key Takeaway: Now – we should note this is only the first time asking this question – so seeing more than one data point is important, but the clear takeaway is that Qualtrics is gaining mindshare in IT spending organizations.

UCaaS & CCaaS are now at the forefront of digital transformation

Q14. When thinking about your firms spending on unified communications (voice, video, contact center, & digital) do you expect to spend more or less with the following vendors?

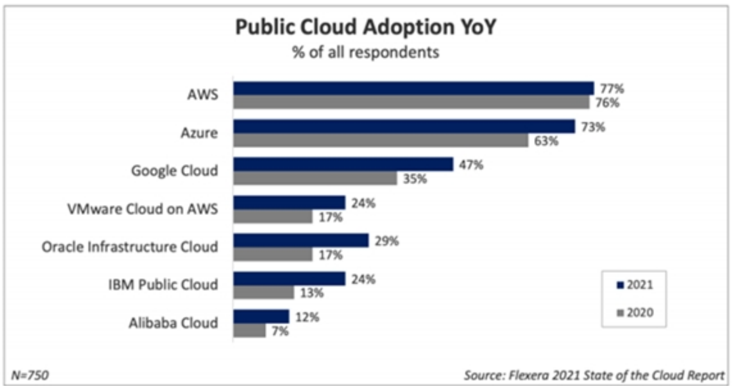


Key Takeaway: We should note this is only the first time asking this question – so seeing more than one data point is important, but the clear takeaway is that Microsoft and Zoom are gaining mindshare within UC which shouldn't come as a surprise at this point.

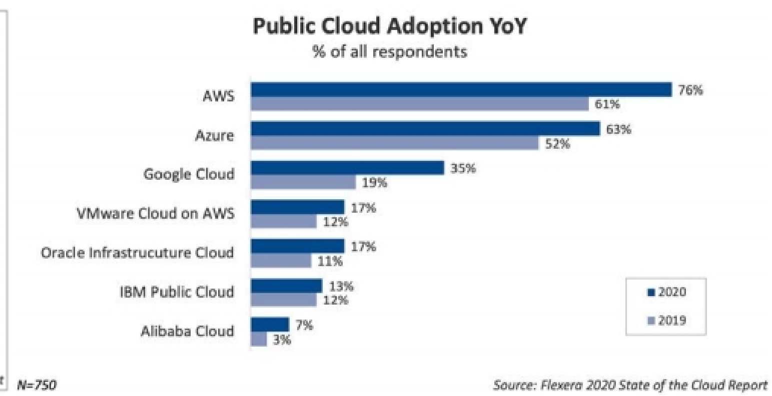
Takeaways From 'Flexera State of the Cloud' Report (cont.)

While AWS still holds the lead with 77% of respondents indicating that they use AWS. 'The field' is rapidly catching up with Azure jumping to 73% vs. just 52% in 2019. Further, GCP is now up to 47% vs. 19% two years ago and ORCL is up to 29% vs. 11% two years ago. We believe that these results help further illustrate that the likely end state for most big enterprises is going to be a hybrid cloud architecture with multiple public clouds.

2021 Survey



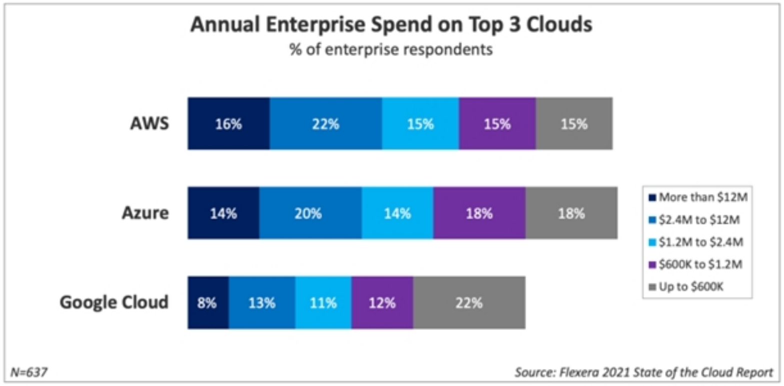
2020 Survey



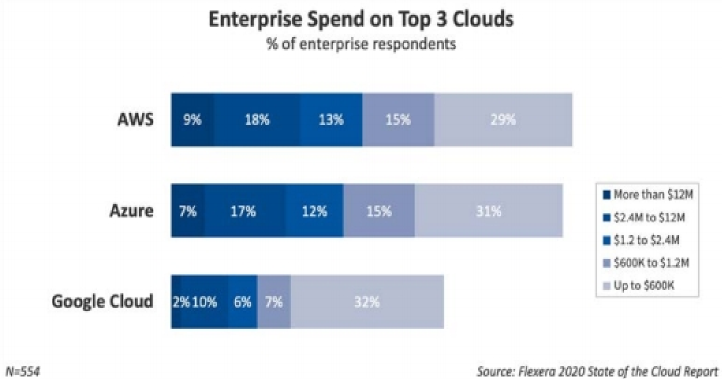
Takeaways From 'Flexera State of the Cloud' Report (cont.)

The 'size of the prize' is getting bigger in terms of the number of enterprises spending more than $1.2mn with the three biggest public cloud vendors. The number of respondents indicating they were spending more than $1.2mn jumped ~33% for both AWS and Azure and ~77% for GCP vs. the 2020 survey.

2021 Survey



2020 Survey



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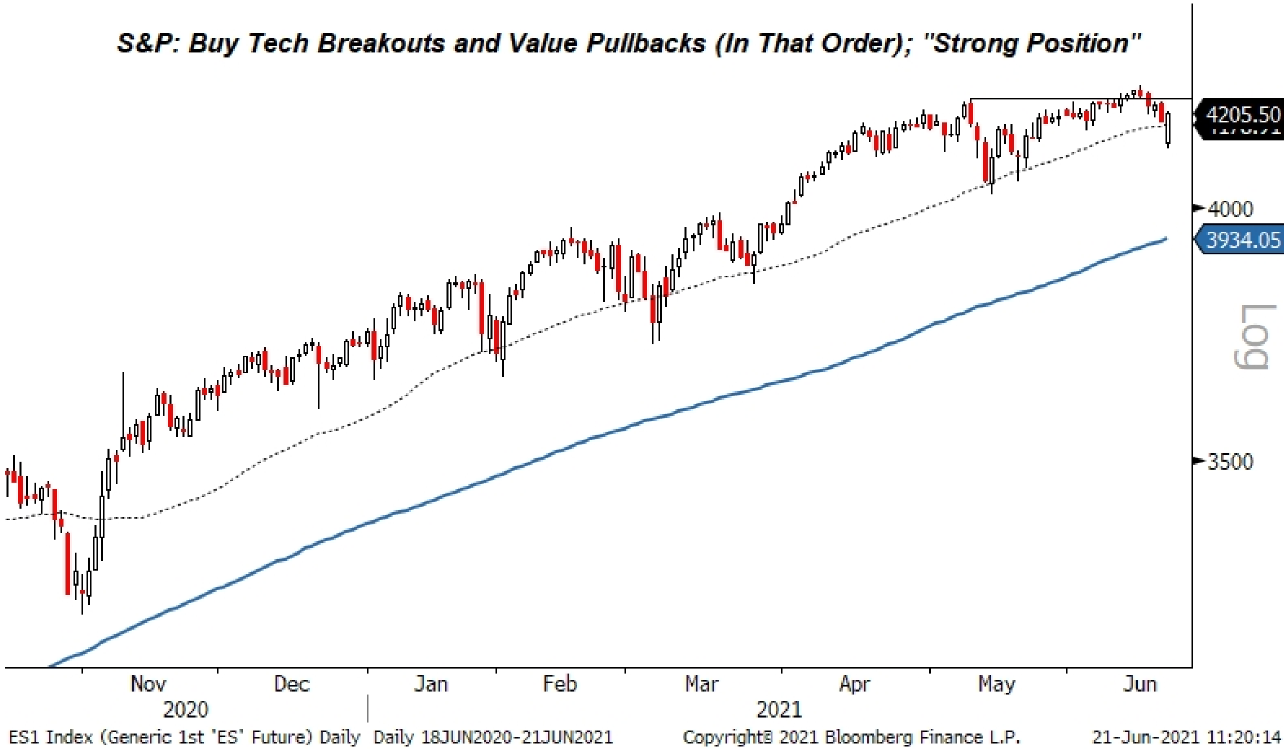
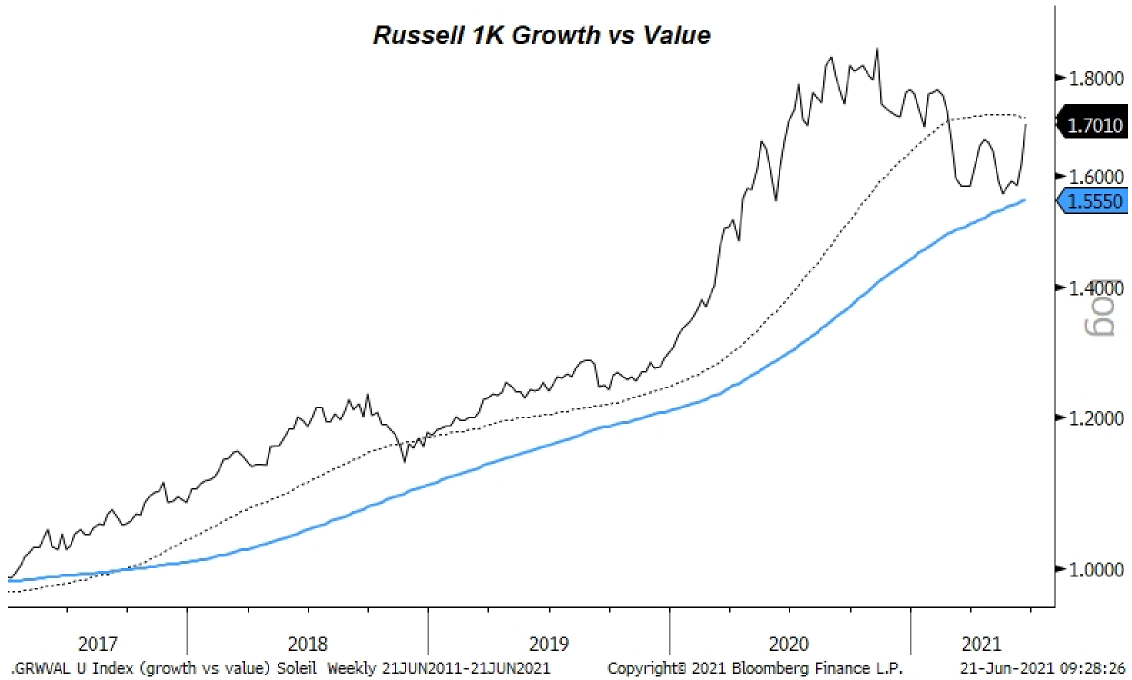
Sum of the Charts: "Software"

Technical Analysis – Rich Ross



Technical Analysis – Rich Ross



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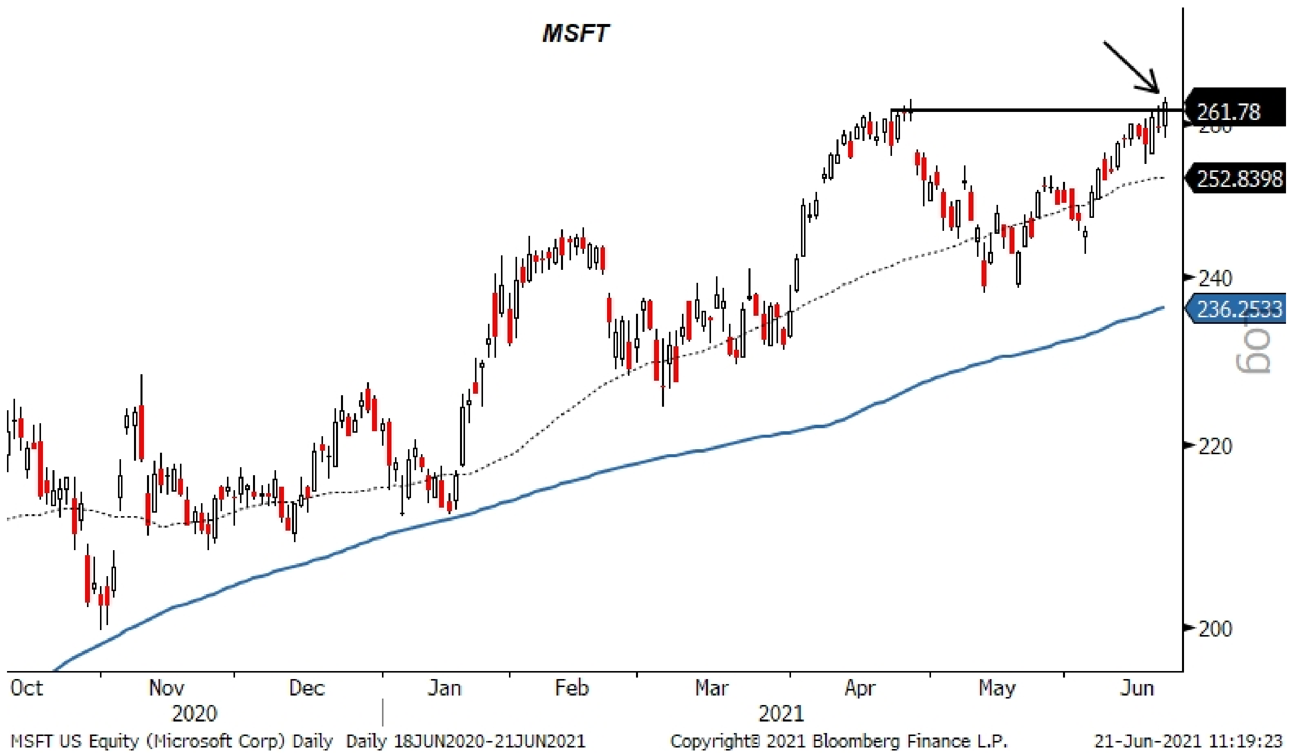

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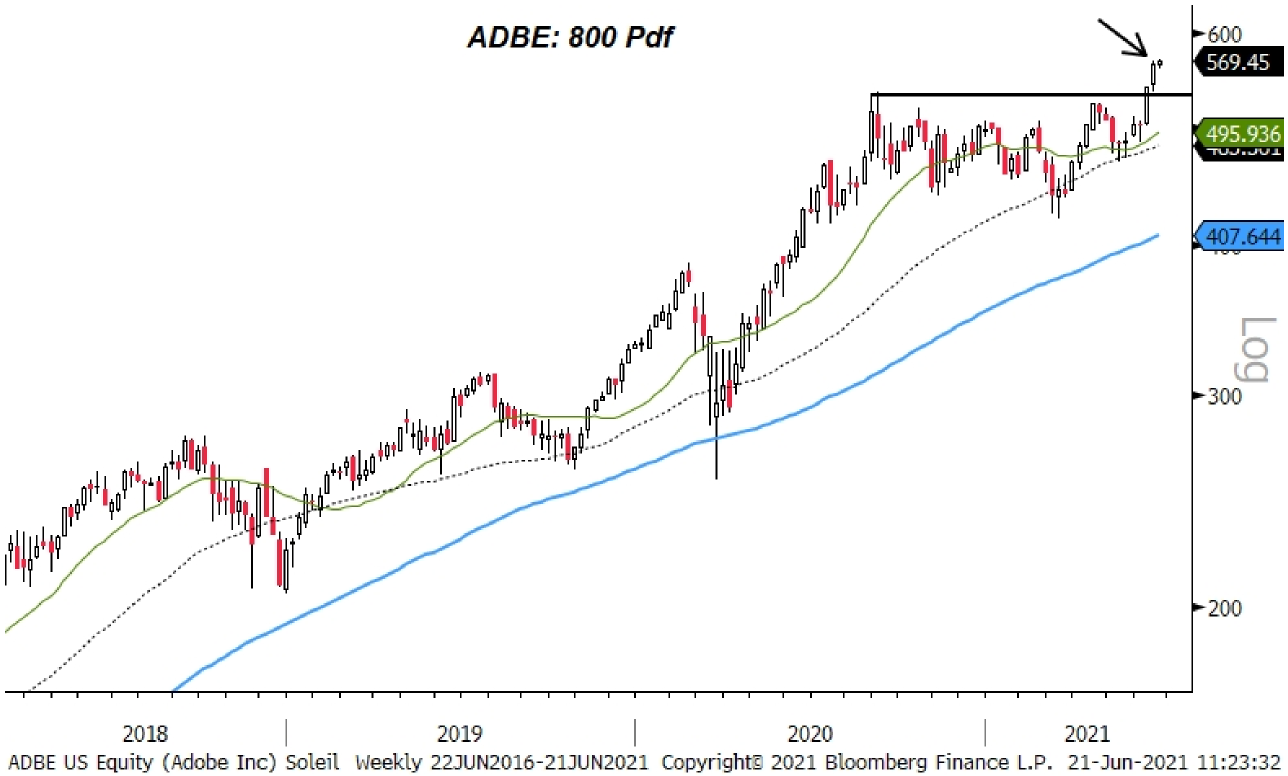
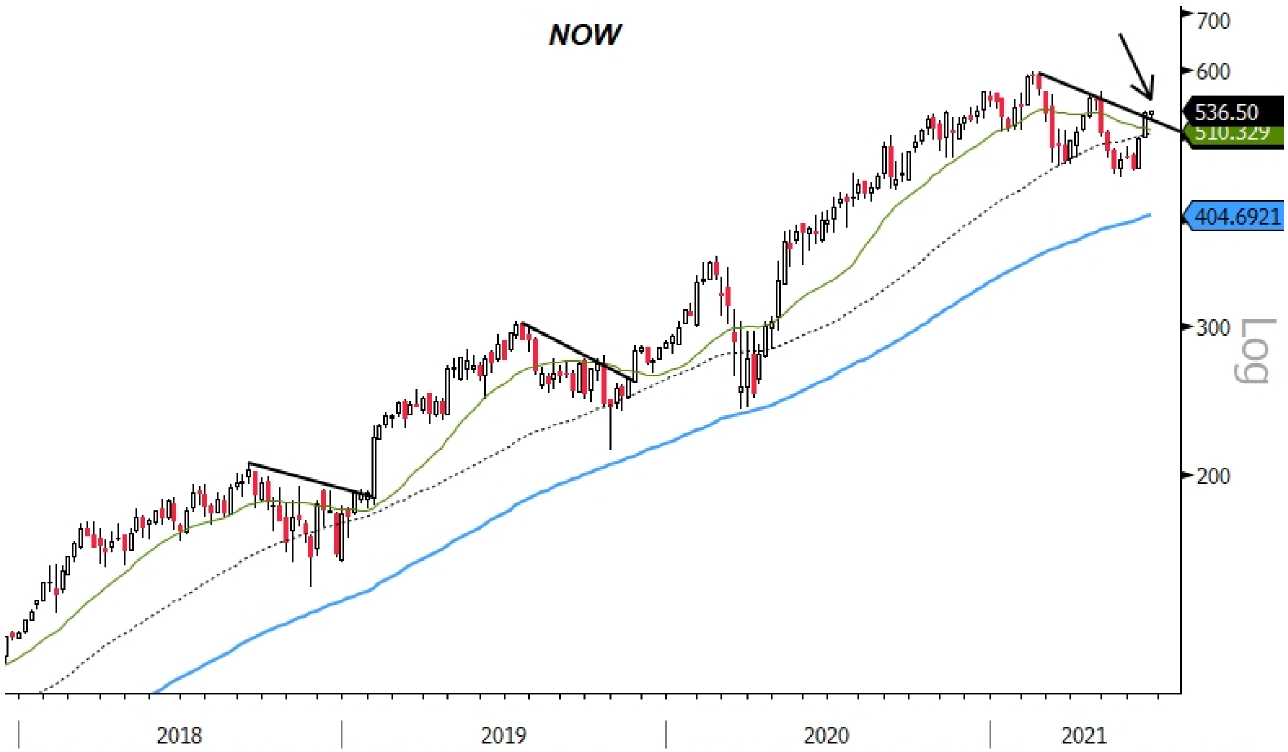


Technical Analysis – Rich Ross



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Technical Analysis – Rich Ross

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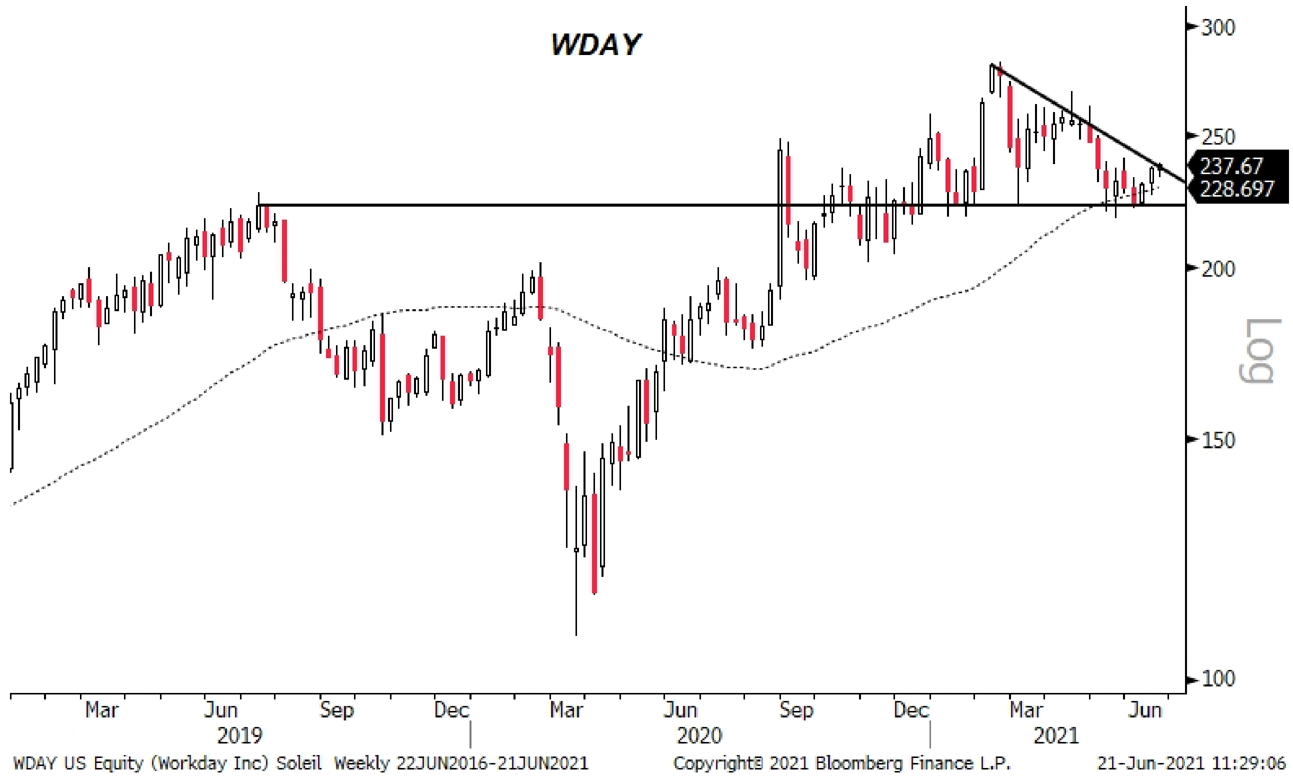

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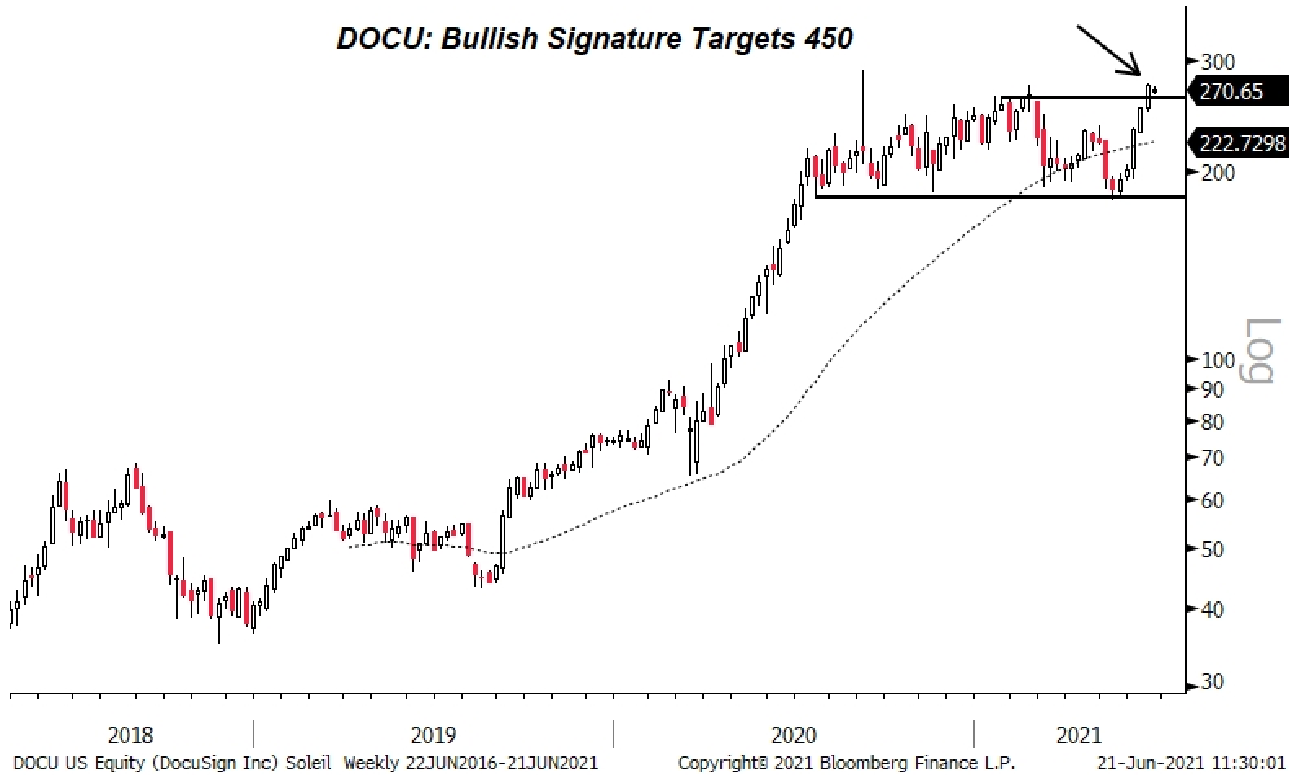

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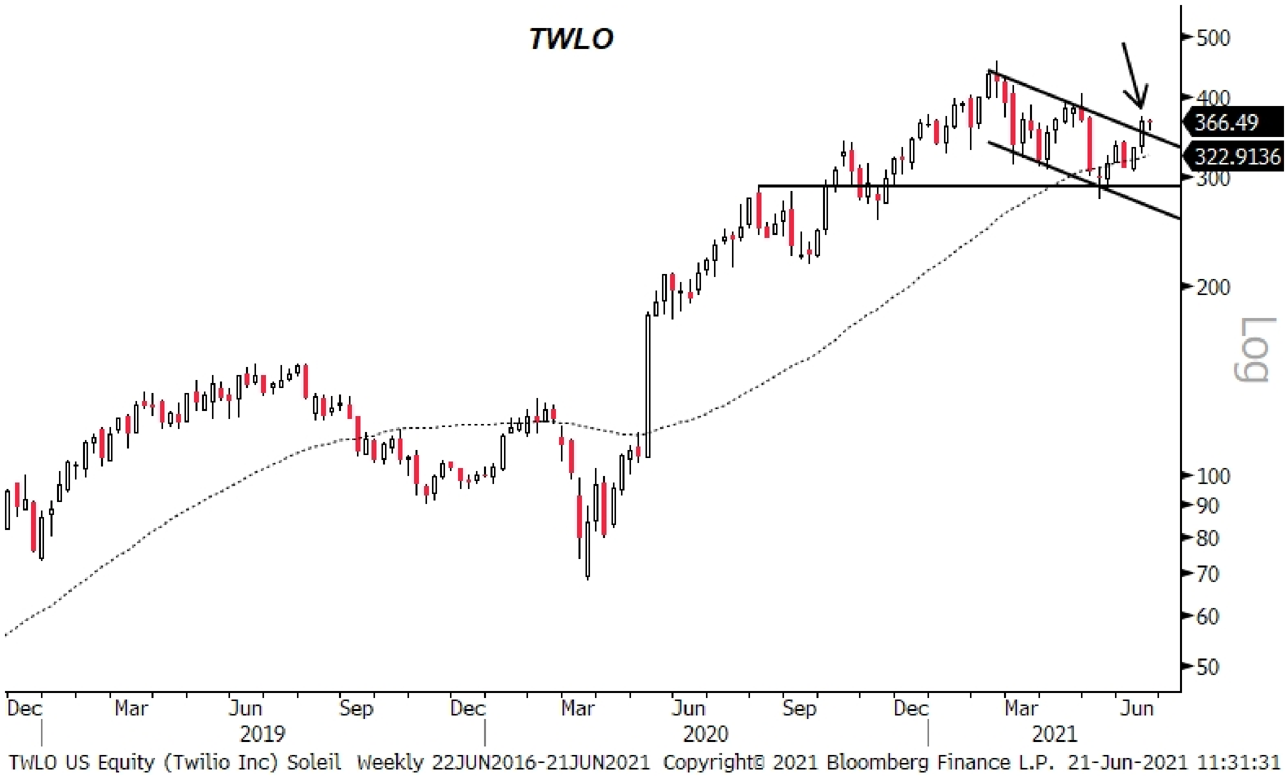

Technical Analysis – Rich Ross

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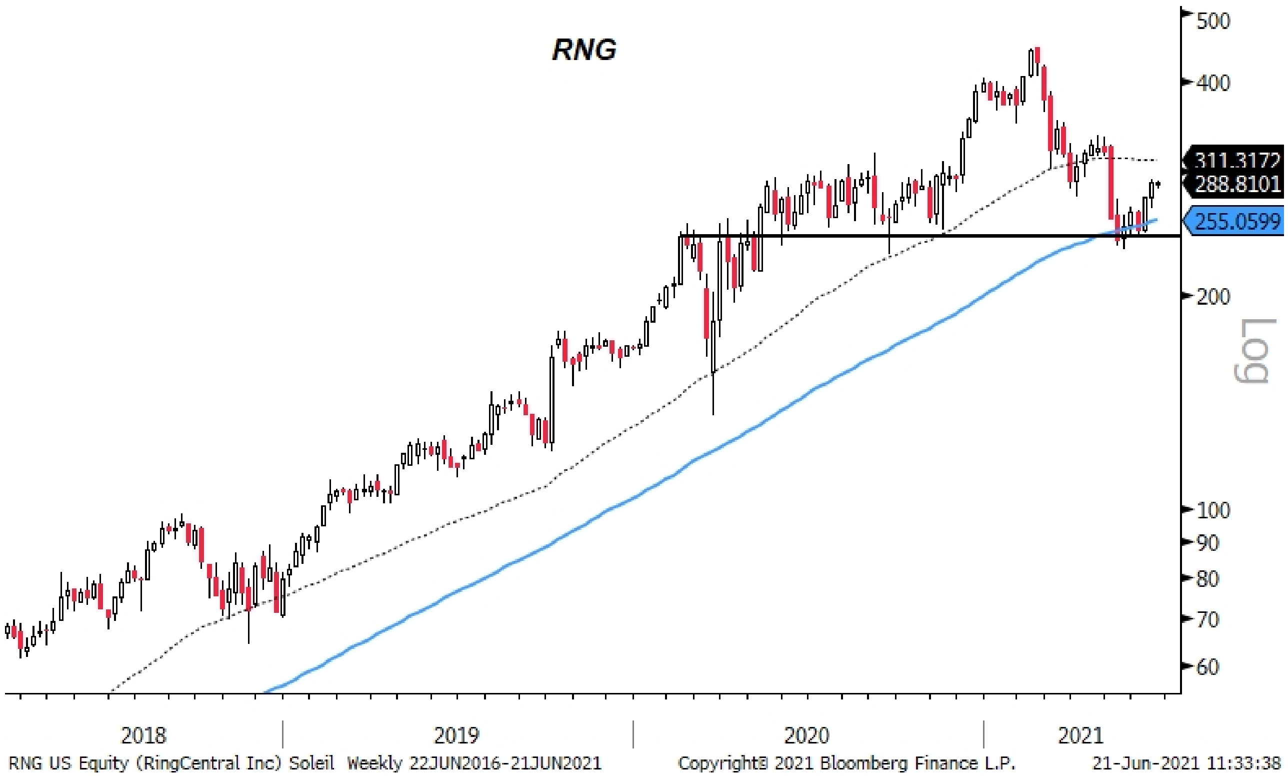
Technical Analysis – Rich Ross



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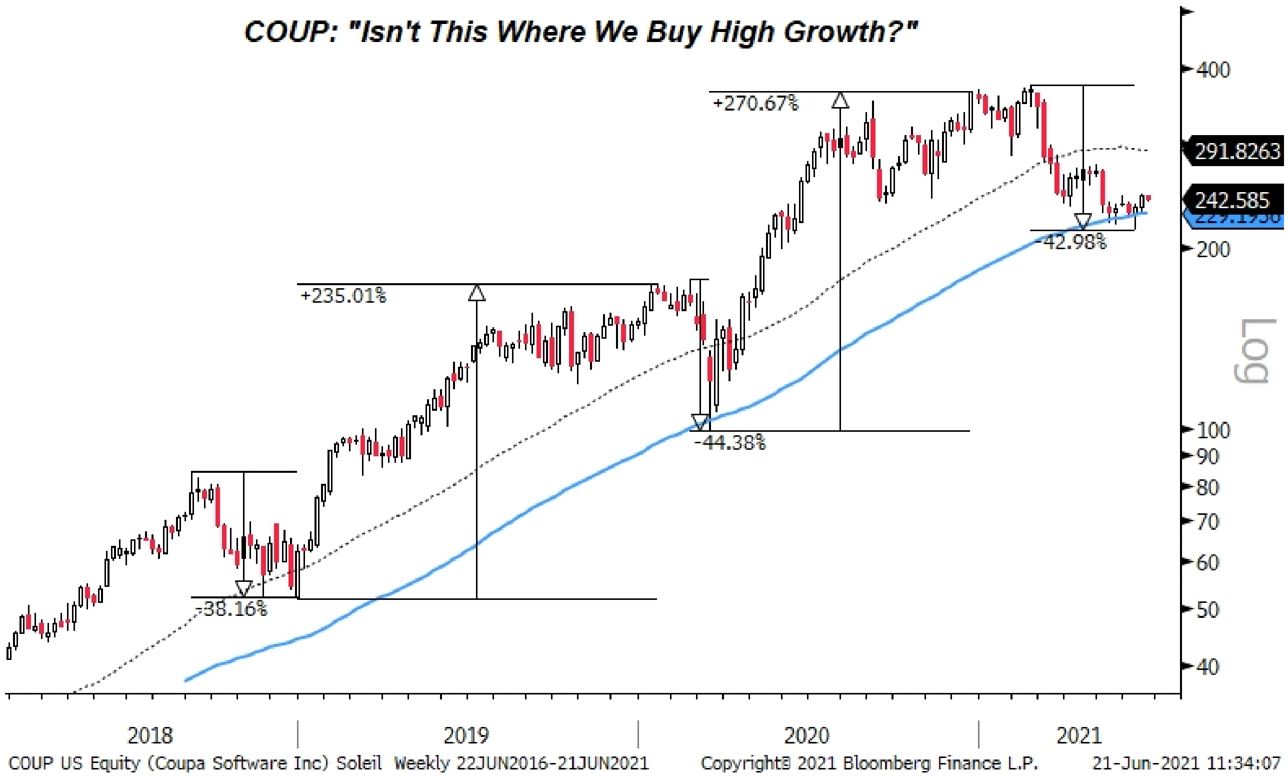

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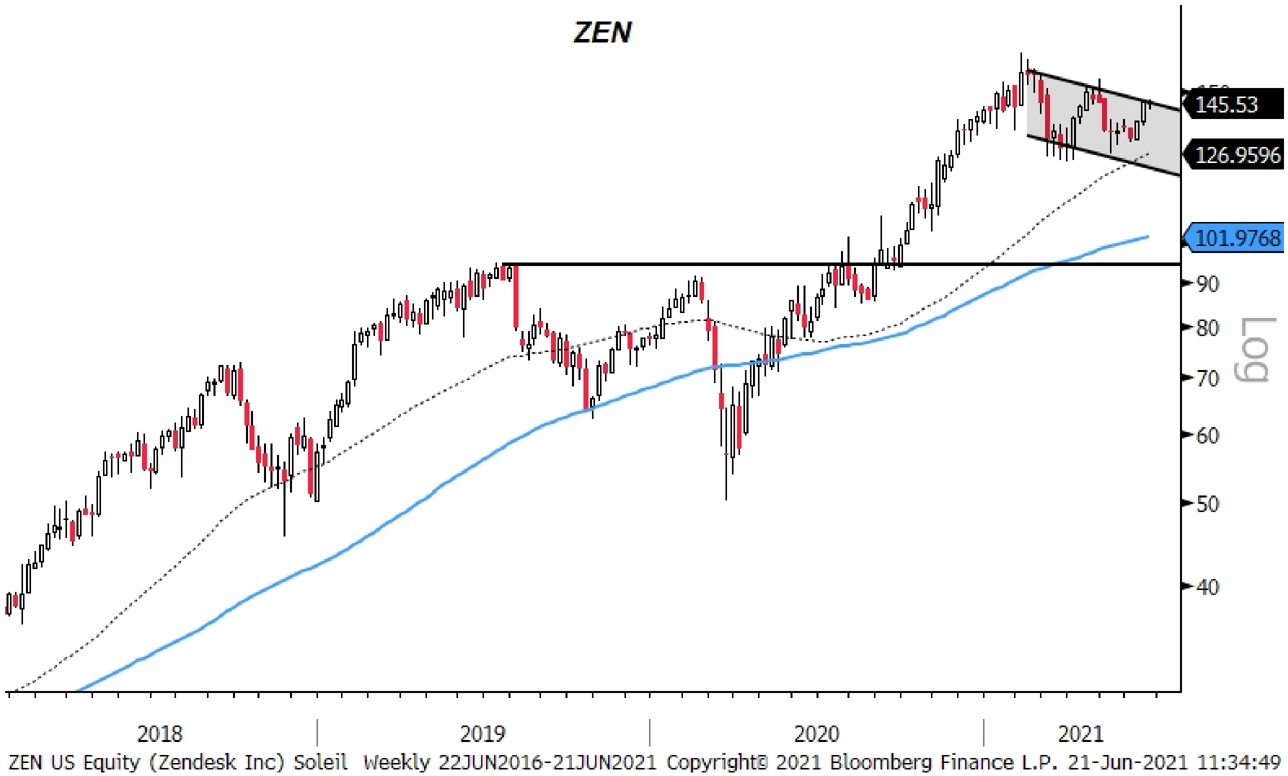

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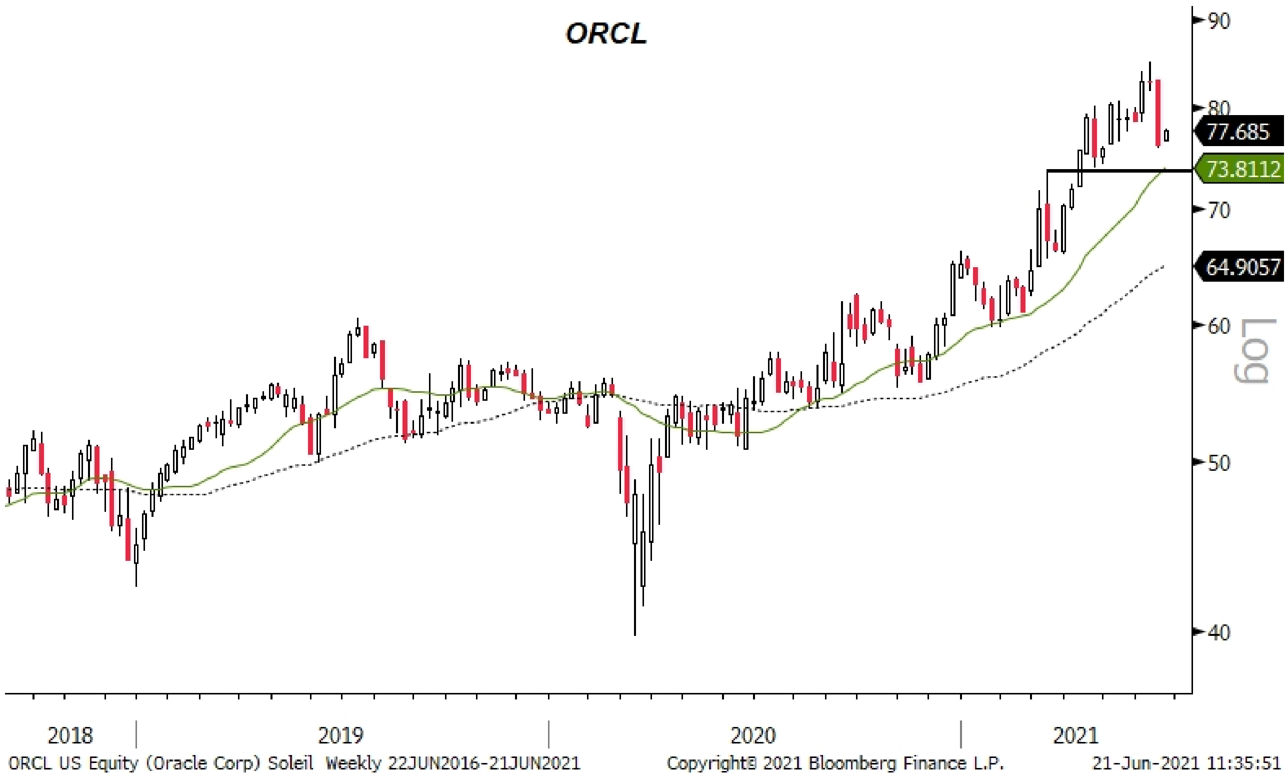

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Outperform- the total forecasted return is expected to be greater than the expected total return of the analyst's coverage sector
In Line- the total forecasted return is expected to be in line with the expected total return of the analyst's coverage sector
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*Prior to October 10, 2015, the "Coverage Suspended" and "Rating Suspended" categories were included in the category "Suspended."

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Sell -the total forecasted return is expected to be less than 0%

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Strong Buy- Return > 20%
Buy- Return 10% to 20%
Neutral - Return 0% to 10%
Cautious- Return -10% to 0%
Sell- Return< -10%

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Evercore Group:

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Overweight- the stock is expected to outperform the average total return of the analyst's coverage sector over the next 12 months.
Equal-Weight- the stock is expected to perform in line with the average total return of the analyst's coverage sector over the next 12 months.
Underweight -the stock is expected to underperform the average total return of the analyst's coverage sector over the next 12 months.
Suspended- the company rating, target price and earnings estimates have been temporarily suspended.

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Short- the stock is a negative holding in the model portfolio; the total forecasted return is expected to be less than 0%.
No Position- the stock is not included in the model portfolio.
Coverage Suspended- the rating and target price have been removed pursuant to Evercore ISI policy when Evercore is acting in an advisory capacity in a merger or strategic transaction involving this company, and in certain other circumstances; a stock in the model portfolio is removed.
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Stocks included in the model portfolio are weighted from 0 to 100% for Long and 0 to -100% for Short. A stock's weight in the portfolio reflects the analyst's degree of conviction in the stock's rating relative to other stocks in the portfolio. The model portfolio may also include a cash component. At any given time the aggregate weight of the stocks included in the portfolio and the cash component must equal 100%.

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Evercore ISI rating (as of 06/22/2021)

Coverage Universe			Investment Banking Services I Past 12 Months		
Ratings	**Count**	**Pct.**	**Ratings**	**Count**	**Pct.**
Buy	487	59	Buy	0	0
Hold	293	35	Hold	0	0
Sell	24	3	Sell	0	0
Coverage Suspended	13	2	Coverage Suspended	0	0
Rating Suspended	9	1	Rating Suspended	0	0

Issuer-Specific Disclosures (as of June 22, 2021)

Price Charts

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