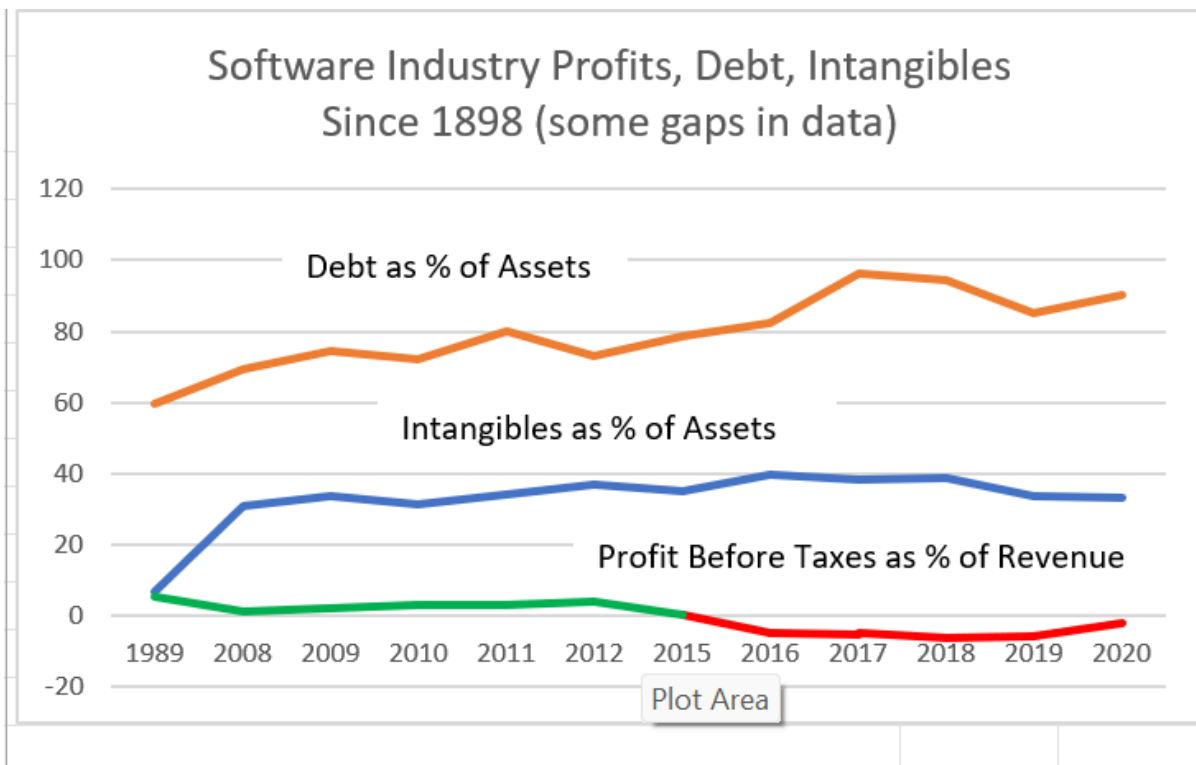


Excerpts from A STUDY OF THE **PROFITS OF 427 PUBLIC AND PRIVATE SOFTWARE COMPANIES** by Tom Ingram and Associates, Inc., © June, 2023 all rights reserved

<https://tiainc.net/SoftwareIndustryFinancialPerformanceUpdate3WinnersLosersLessons.pdf> (password required.)

New Major Finding 1: Software Industry Unprofitable since 2015 – The industry has not sustained an Average Profit Above 6% since 1989. See Pre-Tax Profit as Percent of Sales below.



Source: RMA (Risk Management Associates, Formerly Robert Morris Associates, Financial Statement Studies for NAICS Code 511210, Software Publishers, Prepackaged. Avg. 150 statements per year analyzed. 2013, 2014 not readily available. 1989 data provided for long term benchmark.)

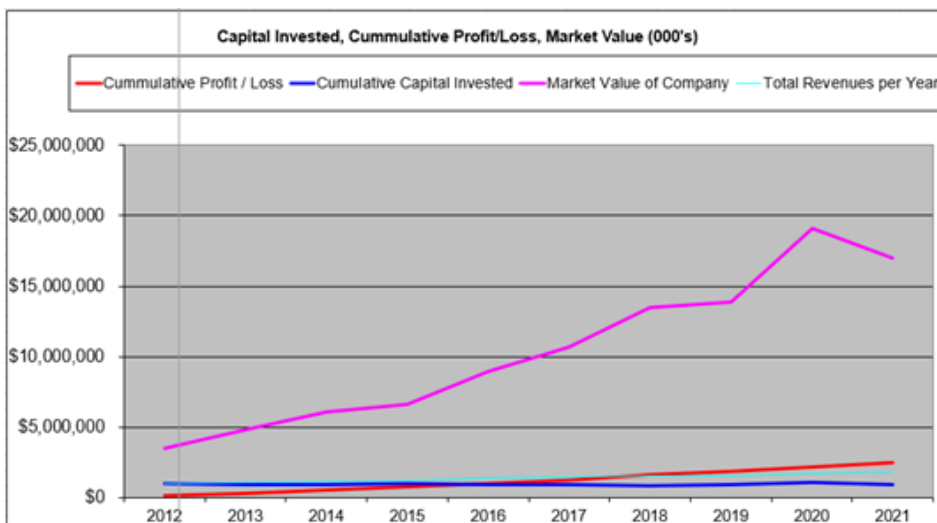
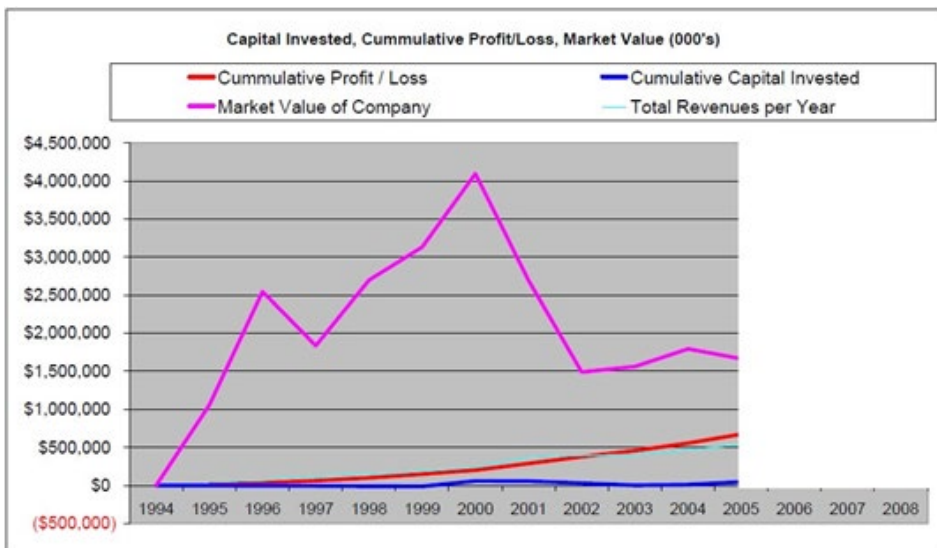
Update 1/6/2023: an average of 173 companies are in the study for the last five years.

New Major Finding 2: Only 11.2% of Public Software Firms Produced Higher ROI than Cash in an Indexed Mutual Fund

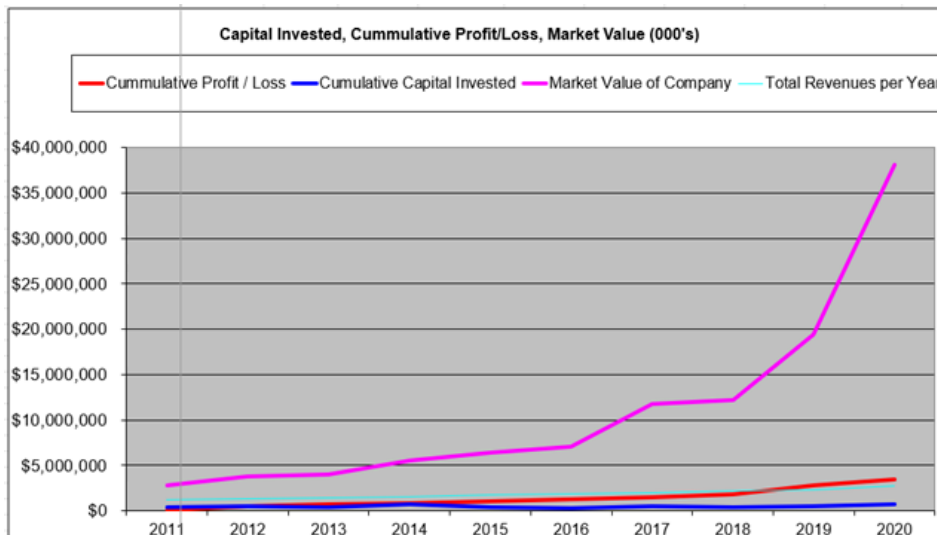
Short Summary of Findings – Winners, Well Known Losers

Winners

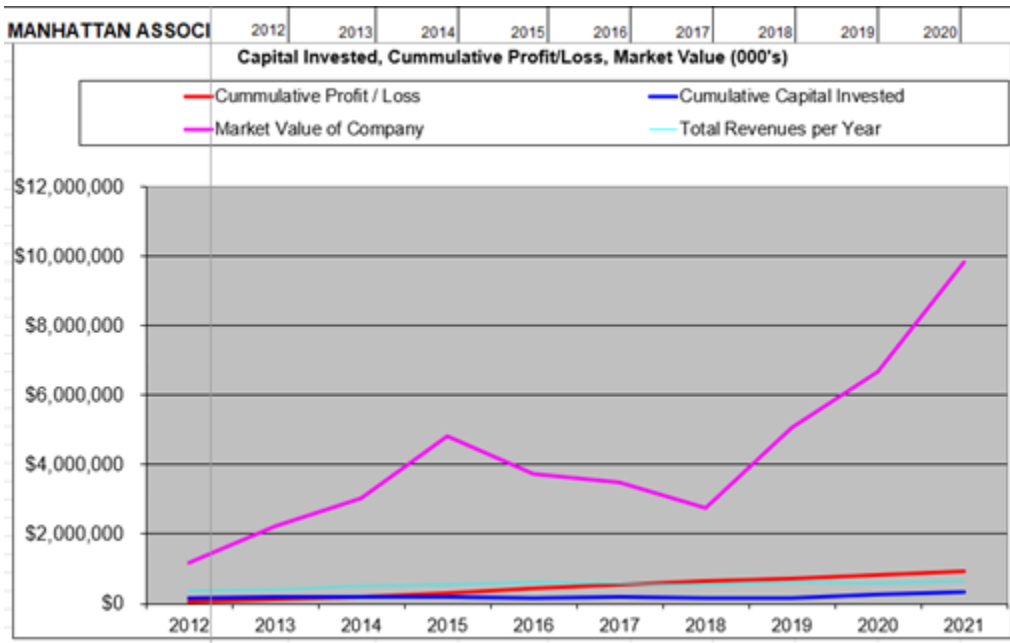
Jack Henry



Cadence

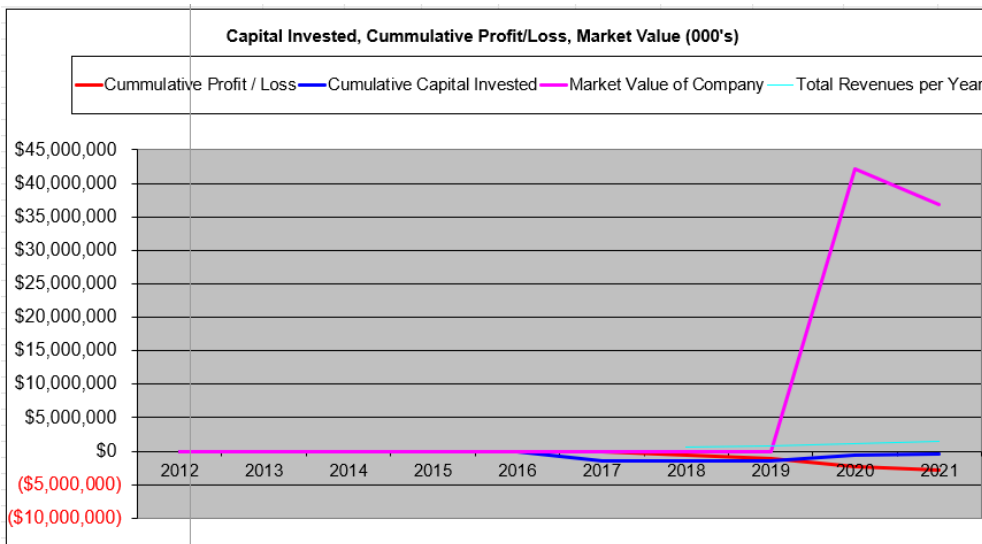


Manhattan

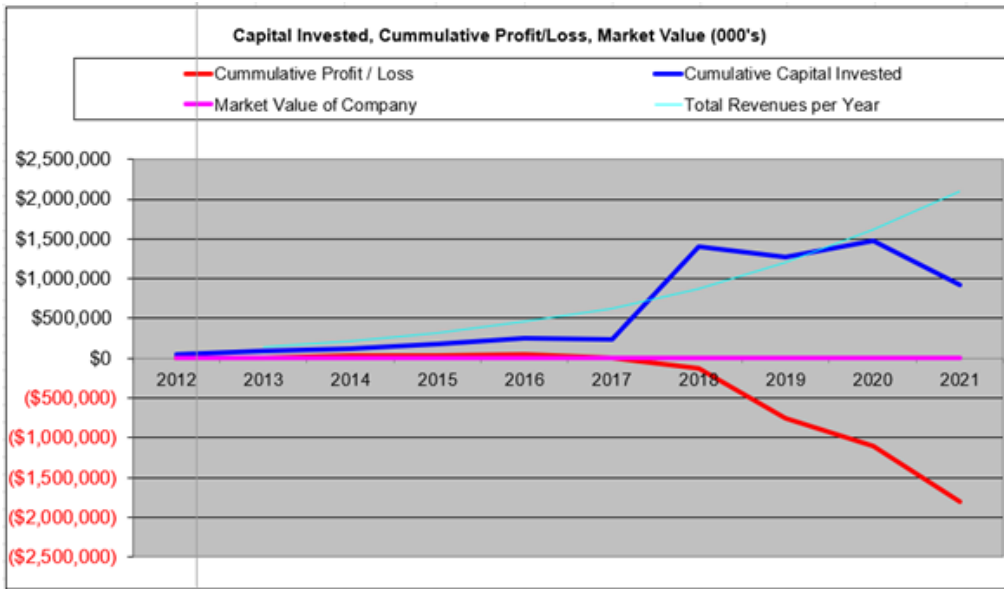


Well Know Losers

Palantir



Atlassian



Splunk

