



Bigtincan Holdings Limited (BTH) – RESTRICTED

Enterprise SaaS company makes ASX debut

Recommendation	RESTRICTED
Previous	N/A
Risk	RESTRICTED
Price Target	RESTRICTED
Previous Price Target	N/A
IPO Offer Share Price (A\$)	\$ 0.26
ASX Code	BTH
52 week low - high (A\$)	N/A
Capital structure	
Shares on Issue (M)	176.3
Market Cap (A\$M)	45.8
Net Cash/(Debt) (A\$M)	14.0
EV (A\$m)	31.8
Options (M)	12.6
Warrants (M)	5
12mth Av Daily Volume ('000)	N/A
Board	
Tom Amos	Non-Executive Chairman
Wayne Stevenson	Non-Executive Director
John Scull	Non-Executive Director
David Keane	Chief Executive Officer
Geoff Cohen	Commercial Director / CFO
Major Shareholders (Prospectus)	
Lai Sun Keane	14.5%
Jensen/Cohen Holdings	10.2%
SBCVC Fund IV	8.5%
Sotuhern Cross IIF Trusco	8.5%
Analyst: Matthew Chen	+61 2 9993 8130
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The analyst owns no BTH shares.	

Foster Stockbroking acted as Co-Manager to the A\$12M IPO of 46.154M BTH shares at A\$0.26 in March 2017.
Foster Stockbroking received fees as consideration for these services.

Talking Point mostly discusses stocks for which Foster Stockbroking does not provide formal research coverage. It combines both the dealing desk's market view and basic research analysis. The aim is to offer clients additional investment ideas that lie outside the firm's universe of formally covered stocks. Occasionally, some stocks under formal research coverage will also be discussed in Talking Point.

Event:

- ASX debut 11am, 24 March; IPO of 46.154 million shares at an offer price of \$0.26 per share to raise \$12M.

Highlights:

- Bigtincan Holdings (BTH) is a software-as-a-service (SaaS) company** with a focus on enterprise mobility software to facilitate sales enablement and salesforce productivity. BTH owns its core intellectual property.
- BTH's centrepiece is the Bigtincan Hub which is an integrated device- and OS-agnostic platform which allows businesses to:
 - distribute content to a salesperson's mobile device;
 - facilitate users creating, customising, and sharing content;
 - capture data and automate manual processes; and
 - work with content both on and off line on any mobile device.
- Bigtincan Hub is enhanced by machine learning and an AI system.
- Formed in Sydney in 2011 by David Keane (CEO) and Geoff Cohen (CFO), BTH has an established presence in Boston, USA, with additional offices throughout the USA, Tokyo, London, Singapore. Product development remains based in Sydney.
- BTH is not a start up.** BTH has 300 fee paying customers with approximately 100,000 users; pro forma FY16 revenue was \$7M.
- Recognised enterprise customers and channel partners.** 90% of revenue is from the US after BTH made an early commercial decision to establish in Boston.
- Significant enterprise clients** include GUESS, AT&T, Merck, and Palo Alto Networks as well as **globally recognised channel partners** including Apple, AT&T, SingTel Optus. BTH has **50+ customers with a market cap of US\$1B+** (Prospectus).
- BTH forecast **strong revenue growth of 48% in CY17** (Prospectus) as it utilises a 'land and expand' model with enterprise customers. BTH achieved 36% revenue growth in FY16 after successfully employing this strategy with customers like Merck and AT&T.
- Management are targeting 126,000 seats by CY17 end, and average recurring revenue per seat of \$8.50 (CY16: \$7.40). BTH forecast CY17 revenue to be \$11.7M (Prospectus).
- Enterprise software with sticky customer base.** BTH exhibits strong retention with an annual recurring revenue retention rate of 92%.
- Business already demonstrates healthy gross profit margin of 77% in FY16 (Prospectus), with the opportunity to increase as business targets scale.

Earnings, Valuation, and Recommendation:

- Foster Stockbroking is currently restricted from providing earnings forecasts, a price target, or a recommendation for BTH.