



Bigtincan Holdings Limited (BTH)

ClearSlide acquisition doubles BTH customer base and TAM

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Recommendation Accumulate (from Buy)

Risk Rating	High
12-mth Target Price (AUD)	\$1.32 (was \$1.38)
Share Price (AUD)	\$1.15
12-mth Price Range	\$0.26 - \$1.60
Forecast 12-mth Capital Growth	14.8%
Forecast 12-mth Dividend Yield	0.0%
12-mth Total Shareholder Return	14.8%

Market cap (\$m)	473.8
Net debt (net cash) (\$m)(Jun 21e)	(54.9)
Enterprise Value (\$m)	418.9
Gearing (Net Debt/ Equity)	N/a – Net Cash
Shares on Issue (m)	412.0
Options / Perf rights on Issue (m)	10.7
Sector	Software
Average Daily Value Traded (\$)	\$2,377,000
ASX 300 Weight	n/a

Financial Forecasts

Years ending June \$m	19(A)	20(A)	21(e)	22(e)	23(e)
Sales revenue	19.9	31.0	41.0	55.2	69.1
Sales growth	51%	56%	32%	35%	25%
Cash operating costs	-24.9	-38.4	-47.2	-55.9	-62.4
EBITDA	-3.3	-7.9	-7.4	-2.0	5.3
NPAT (reported)	-4.1	-12.2	-9.9	-4.7	2.3
NPAT (adjusted)	-3.8	-10.0	-9.9	-4.7	2.3
EPS (adjusted)	-1.6	-3.3	-2.5	-1.1	0.6
EPS growth	-56%	101%	-24%	nm	-149%
DPS	0.0	0.0	0.0	0.0	0.0
OCF / share	-2.9	0.6	-1.2	0.2	2.6

Valuation Metrics

P/E	-69.8x	-34.8x	-46.1x	-102.7x	209.0x
P / OCF	-40.0x	189.7x	-94.5x	514.6x	43.4x
EV / Sales	22.6x	13.0x	10.2x	7.6x	6.0x
EV / Ebitda	-137.6x	-51.0x	-56.4x	-206.1x	78.2x
Cash from Operations	-6.6	1.8	-4.8	0.9	11.2
Net Cash (Net Debt)	25.1	69.3	54.9	51.9	60.9
Enterprise Value	448.7	404.6	418.9	422.0	413.0

BTH SHARE PRICE PERFORMANCE



Summary

Bigtincan Holdings Limited (BTH) was founded in Sydney in 2011 and has become a recognised global leader with its “Bigtincan Hub” sales enablement software. The platform uses machine learning and artificial intelligence (AI) to provide sales collateral, training and coaching to sales and customer service reps in the field to increase their selling effectiveness. It enables reps to securely access all types of content (files, documents, PDFs, PowerPoint presentations, e-mail, video etc.) from a single data source and to automate work processes and documentation across any mobile device or fixed network.

BTH has ~16 offices across the USA, Europe & Middle East, Australia and Asia with its global sales and marketing headquarters in Boston, and corporate administration in Sydney.

It has long-standing strategic alliances with Apple, Salesforce.com, AT&T and a total of 29 partners / resellers.

BTH has >300,000 users across >400 deployments in over 52 countries and 35 languages. Recent new customer wins include DXC Technology, Sephora, Anheuser Busch and Nike.

Two acquisitions and a \$35m placement at \$1.05/shr

On 23/12/20 BTH announced the acquisition of ClearSlide, a similar but complementary sales enablement software business for US\$16.25m cash (A\$22.6m). This was BTH's largest acquisition to date. With > 500 enterprise customers, ClearSlide doubles BTH's customer base and provides strong opportunities for cross-selling / upselling each firm's products. It also removes a potential competitor and increases BTH's TAM (Total addressable market) to US\$6.0 billion. Acquisition multiple reasonable at ~3.1x ARR of A\$7.2m (or 3.8x including further \$5.0m planned investment).

On 15/1/21 BTH announced the acquisition of VoiceVibes for US\$2.0m (A\$2.6m), an AI-powered sales coaching app which can review the quality of Sales staff's phone calls across ~20 metrics (vibes) with ~90% accuracy. BTH should be able to cross-sell this effectively to its existing customer base.

Placement and initial losses in acquisitions are dilutive short-term, but BTH is building a strong leadership position in a large under-penetrated e-commerce growth market.

ARR (Annualised Recurring Revenue) now \$48.4m at end December including ClearSlide (v \$32.4m) +49% on pcp.

Forecasts and Recommendation

Our revenue forecasts increase by 0.1%, 5.7% and 5.9% for FY21e, FY22e and FY23e, (also including lower US\$ forecasts). However we also increase estimated costs resulting in a downgrade to Ebitda of -\$1.1m, -\$2.6m, and -\$3.5m.

Our revised valuation range is \$0.78 (DCF) to \$1.77 (US SaaS peer group revenue multiples, discounted heavily) with a Composite Valuation of \$1.32 (was \$1.38) per share. This implies 14.3% upside from the current price.

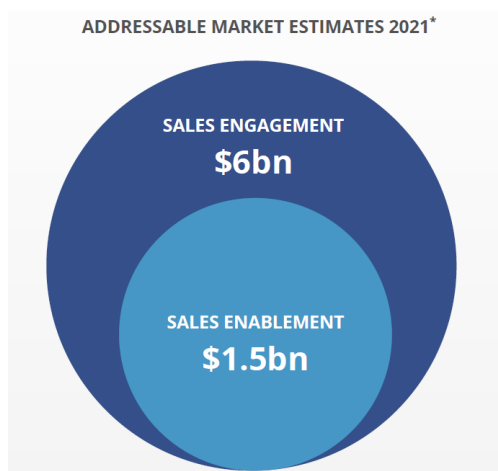
Recommendation: Accumulate (was Buy) on this exciting emerging global SaaS company. With strong tailwinds post Covid, \$65m of net cash, and strong product innovations coming, we think that BTH has never been in better shape.

What has changed?

1. On 23 December 2020 BTH announced the acquisition of ClearSlide Inc, a similar, but complementary Sales Engagement software platform company based in San Francisco, for US\$16.25 (A\$22.6m) in cash. Acquisition revenue multiple stated to be 3.1x US\$5.5m estimated sustainable ARR (annual recurring revenue)(AUD equivalent \$7.1m ARR). In addition BTH estimates a further A\$5.0m of integration costs will be invested in the business, making a total acquisition cost / investment by BTH of A\$27.6m (3.8x ARR).
2. The acquisition was funded by an A\$35.0m institutional placement at \$1.05 per share, despite BTH having \$67m of cash at end September. 33.333m new shares issued on 6 January 2021 (8.8% increase in shares on issue).
3. Revenue guidance was unchanged from the August result at A\$41-44m (v A\$31.0m in FY20) despite the acquisition of ClearSlide and also Agnitio announced 14 October. If ClearSlide's 6 month revenue contribution for FY21 is A\$3.5m and Agnitio's 8.5 month revenue contribution is ~A\$1.6m, this implies a revenue downgrade of around \$5.1m (-12% on the guidance mid-point). We estimate this is entirely due to the currency headwind as the AUD has strengthened from US\$0.69 at 30/6/20 to US\$0.76 now, +10%.
4. On 15/1/21 BTH announced the acquisition of VoiceVibes, a Baltimore Maryland based company and leader in voice analytics, for US\$2.0m (A\$2.6m). This comprises US\$1.26m cash, US\$100k deferred for 12-months subject to set-off against warranty claims, and US\$0.6m in BTH shares (750,220 shares at \$1.098). Revenue in FY21 is not expected to be material. We review this in more detail on following pages.
5. December quarterly report & Appendix 4C cash flow report. Mixed. We review this in detail on pages 6-7.
6. We revise our 12-month price target to \$1.32 per share (previously \$1.38), -4% due to dilution from the placement, adverse FX and higher cost assumptions. Our price target implies 14.8% upside from the current \$1.15 share price. Accordingly our Recommendation is now Accumulate (from Buy). Refer page 9 for detailed discussion.

1. ClearSlide Inc acquisition

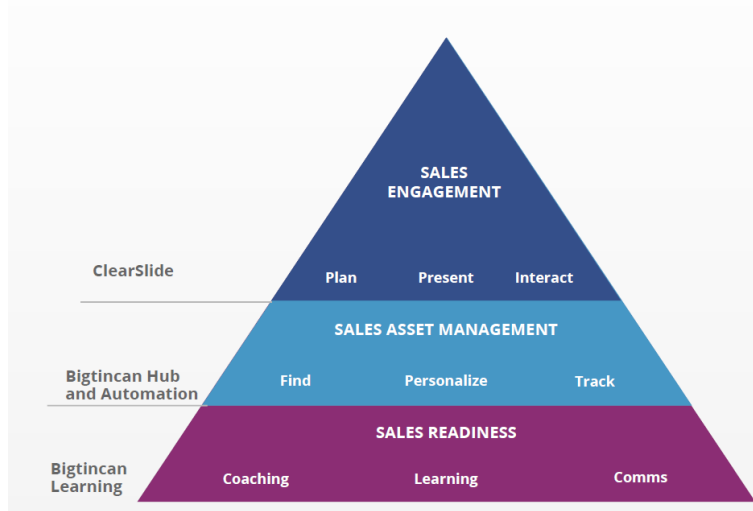
- BTH's largest and most strategic acquisition to date at US\$16.25m in cash (A\$22.6m).
- Highly complementary to BTH's growth strategy – adds a new “engagement layer” to BTH's technology stack (see pyramid diagram below), and increases BTH's addressable market from the US\$1.5bn “Sales Enablement Market” to the US\$6bn “Sales Engagement Market”.



Source: Aragon Research, p12 of BTH presentation

- BTH describes ClearSlide as a Sales Engagement technology platform leader with hundreds of customers across 3 continents.
- Over 500 enterprise customers. Customers per the BTH announcement include: NBC Universal, The Economist, Aflac Insurance, web.com, and Comcast Spotlight. Other customers on the ClearSlide website were: Google and Starwood Hotels and Resorts and Sacramento Kings basketball team.
- 32 ClearSide employees and additional contractors will join BTH (NB. 56 staff on LinkedIn) bringing extensive experience in the sales enablement and sales engagement field.
- Adds operations in California (near San Francisco), Texas (Austin), Canada and the Ukraine to BTH's global footprint, enabling BTH to better serve its expanding customer base.
- Key revenue synergy is the opportunity to cross-sell and up-sell to each other's clients.

BTH Product / Technology Stack



2. VoiceVibes Acquisition

VoiceVibes's technology provides automated coaching that helps people sound more natural and polished when they speak, so they can transform how others perceive them. BTH says that VoiceVibes is one of the most advanced audio analytics engines in the market, built by a team of speech, linguistic data science experts and Ph.Ds and supported by US government funding programs to create the future of voice analytics for coaching and customer engagement analysis.

VoiceVibes' proprietary data set is one of the largest in the world that can measure human perception of voice – with at least 90% accuracy, per the announcement. VoiceVibes is the only platform with automated feedback to tell speakers how others are likely to perceive them – across 20 areas called “vibes”. Research shows that people are 13 times more likely to buy when the seller sounds confident and authentic.

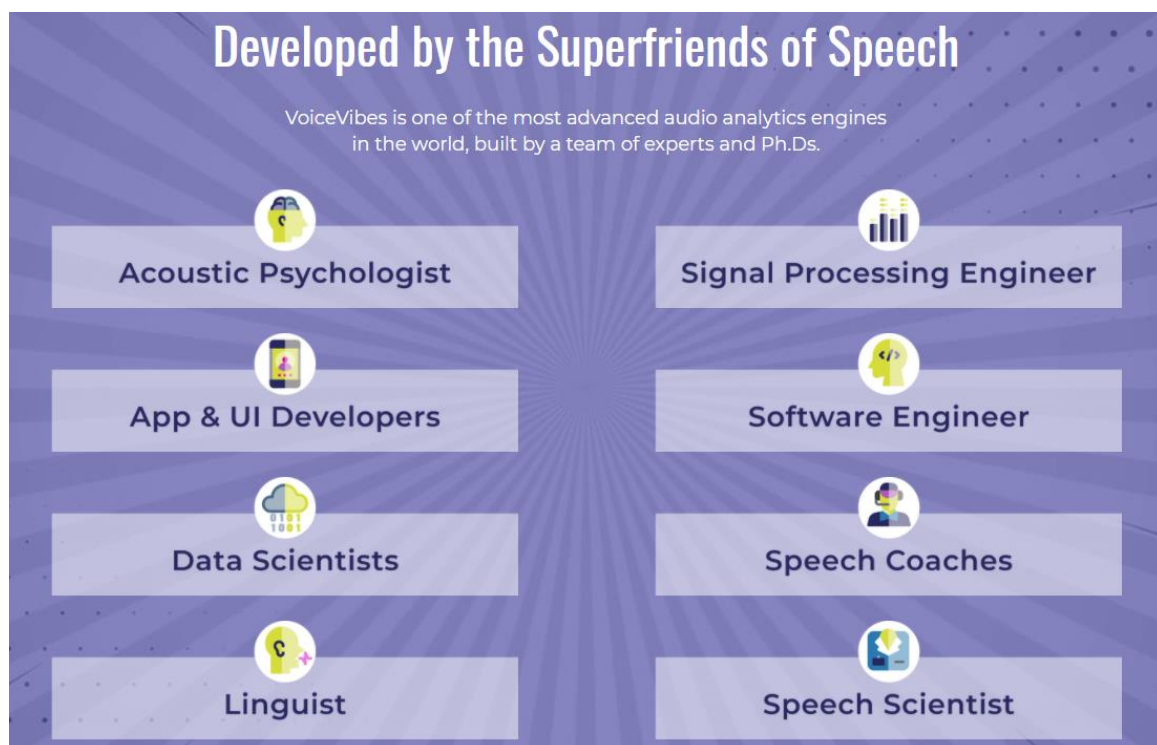
Refer: www.myvoicevibes.com

Customers include:

- Centre for Creative Leadership
- Dell
- Electronic Arts
- Upper Chesapeake Medical Centre, Maryland
- HR Avatar Inc

VoiceVibes was founded in 2012 by Debra Cancro, who brought experience from AT&T Bell Labs, Broadcom Corporation and as a founder of several tech businesses.

- 9 staff on LinkedIn; 250 followers.



Source: myvoicevibes.com

Summary of BTH acquisitions

BTH: Acquisitions Summary								
Date Announced / Completed	Company	Acquisition Price		Annualised Revenue		Revenue Multiple	Locations	Est. Staff
		A\$m	US\$	A\$m	US\$			
22-11-17	Contondo Inc.	0.0		0.0			Haifa (Israel)	<10
18-06-18 31-07-18	Zunos acquisition announced Zunos Inc - up-front Zunos - FY19 earnout Zunos - FY20 earnout Estimated combined multiple	3.25 ? ? ? ?	2.21 ? ? ? ?	3.0	2.0	1.1x 1.5x FY19 Rev less initial Considn 1.0x FY20 revenue ~2.5x revenue	San Francisco, Denver, Sydney, Brisbane	5
25-09-18 22-11-18 15-05-19	FatStax acquisition announced FatStax LLC - Completed - upfront FatStax LLC - 6-mth earnout (max act) FatStax - maximum was achieved	2.6 2.0 4.6	1.8 1.4 3.2	1.6 1.7	1.1 1.2	1.6x n/a ~2.7x revenue	Indianapolis, Detroit, & San Diego	4
25-07-19	Veelo Inc - upfront cash	2.6	1.8	1.3	0.9	2.1x	Portland (Oregon)	15
05-09-19 05-09-19 04-12-19	Asdeq Labs acquisition announced Asdeq Labs - upfront cash Asdeq Labs - 3-mth earnout Asdeq Labs - combined	0.5 0 0.5	0.3	0.6 0.6	0.4	0.8x 0.8x	Hobart	9
30-09-19 30-09-19 29-09-20	Xinnovation acquisition announced Xinn - upfront cash Xinn - upfront scrip Xinn - deferred for up to 12-mths Xinn - Total NB: Xinn incentive bonus n/a	6.6 3.7 <u>0.7</u> 11.0	4.5 2.5 0.5 7.5	2.6	1.7	4.3x	Boston and Atlanta	21
08-10-20 13-10-20	Agnitio A/S - up-front cash Agnitio A/S - 6 mth earn-out Agnitio - Total	3.3 <u>1.7</u> 5.0	3.6	1.6	1.2	3.1x	Copenhagen area	20
23-12-20 01-01-21	ClearSlide - upfront cash Completed	22.6	16.25	7.2	5.2	3.1x	San Francisco, Austin, Canada & Ukraine	56
15-01-21	VoiceVibes - up-front cash VoiceVibes - up-front scrip VoiceVibes - deferred cash VoiceVibes - Total	1.6 0.8 <u>0.1</u> 2.6	1.26 0.64 <u>0.10</u> 2.00	0.5	Not material (not provided) Our estimate: 0.4	5.0x (our est)	Baltimore	9
	Total	52.1	36.9	18.5	13.0	2.8x		

Source: Company announcements; Figures in bold as as stated by BTH; LinkedIn; Google

3. December Quarterly Report

A	B	C	D	E	F	G	H	I	J	K	L	M	N
BTH: Analysis of Quarterly Cash Flows	FY19 Year (y/e Jun)	1QFY20	2QFY20	3QFY19	4QFY20	FY20 Year (y/e Jun)	1QFY21	2QFY21	Qtr Growth QonQ	Qtr Growth Vs pcp	1H20	1H21	Growth Vs pcp
1. Receipts from customers	18.8	5.3	9.1	14.9	10.4	39.7	4.5	10.5	132%	16%	14.4	15.0	5%
1a. Other Revenue (Government Grants)	1.0	0.1	0.1	1.2	1.5	2.9	0.5	0.0	-92%	-39%	0.2	0.5	218%
<i>1b. Revenue per P&L released subsequently</i>	19.9					31.0							
<i>1c. Cash receipts as a % of revenue</i>	95%					128%							
2. Cash Payments													
Advertising & marketing	(2.5)	(0.6)	(0.9)	(0.9)	(0.4)	(2.8)	(0.6)	(0.6)	-2%	-28%	(1.5)	(1.2)	-17%
Staff costs	(20.4)	(6.0)	(7.7)	(8.7)	(9.4)	(31.4)	(9.0)	(9.1)	1%	19%	(13.6)	(18.1)	33%
Administration and corporate	(5.3)	(1.3)	(1.9)	(1.5)	(2.5)	(7.2)	(1.9)	(1.9)	1%	3%	(3.2)	(3.8)	20%
Interest received	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-25%	145%	0.0	0.1	294%
Other	(0.0)					0.0	0.0	0.0			0.0	0.0	
Cash expenses	(28.0)	(7.9)	(10.4)	(11.1)	(12.3)	(41.3)	(11.5)	(11.6)	1%	12%	(18.3)	(23.1)	26%
3. Operating Cash flow	(8.2)	(2.5)	(1.2)	5.0	(0.333)	1.3	(6.5)	(1.1)	-84%	-14%	(3.8)	(7.6)	102%
4. Investing Cash Flow													
Property Plant & Equipment		(0.0)	(0.1)	(0.1)	(0.0)	(0.2)	(0.1)	(0.6)	563%	817%	(0.1)	(0.6)	755%
Acquisition of Businesses		(4.8)	(6.8)	0.0		(11.6)	(0.9)	(27.3)	3012%	299%	(11.6)	(28.1)	142%
Intellectual Property (capitalised R&D)		(0.6)	(0.6)	(0.8)	(1.1)	(3.5)	(1.1)	(1.1)	0%	68%	(1.2)	(2.1)	75%
Other		(0.0)	(0.2)	(0.0)	(0.0)	(0.3)	0.0	0.3		-272%	(0.2)	0.3	-254%
Total Investing Cash Flow	(6.0)	(5.4)	(7.7)	(0.9)	(1.1)	(15.6)	(2.0)	(28.5)	1317%	270%	(13.1)	(30.5)	133%
5. Cash from Financing	15.5	0.0	18.8	(0.0)	41.8	60.7	(0.3)	0.0	-106%	-100%	18.8	(0.3)	-102%
6. Net increase (decrease) in cash	1.3	(7.9)	9.9	4.1	40.4	46.4	(8.9)	(29.6)	234%	-400%	2.0	(38.4)	-2050%
7. Cash at end of period	25.4	17.6	27.4	31.5	71.9	71.9	63.0	33.4	-47%	22%	45.0	96.5	114%
ANALYSIS													
Cash Receipts - Annualised		21.3	36.2	59.6	41.8		18.1	42.0	132%	16%	57.5	60.1	5%
Other Revenue - Annualised		0.4	0.2	4.9	6.1		1.9	0.1	-92%	-39%	0.6	2.0	218%
Cash Payments - Annualised		(31.7)	(41.4)	(44.5)	(49.2)		(46.1)	(46.5)	1%	12%	(73.2)	(92.5)	26%
8. Operating Cash Flow (annualised)		(10.1)	(5.0)	20.0	(1.3)		(26.1)	(4.3)	-84%	-14%	(15.1)	(30.4)	102%
Cash Receipts - Trailing 4 qtrs	18.8	20.7	25.3		39.7	39.7	38.9	40.4	4%	60%			
Other Revenue - Trailing 4 qtrs	1.0	0.9	0.4		2.9	2.9	3.3	3.3	-1%	766%			
Cash Payments - Trailing 4 qtrs	(28.0)	(29.2)	(32.1)		(41.3)	(41.3)	(45.3)	(46.6)	3%	45%			
9. Operating Cash Flow - Trailing 4 qtrs	(8.2)	(7.5)	(6.5)		1.3	1.3	(3.1)	(2.9)	-6%	-55%			
Capitalised R&D - Trailing 4 qtrs	0.0	(0.6)	(1.2)			(3.5)	(3.5)	(4.0)	12%	231%			
10. Annualised Recurring Revenue (ARR)			32.4		35.8			48.4		49%	32.4	48.4	49%
10a. ARR growth on pcp			56%		53%			49%					
11. Unearned revenue (Liability)	(9.6)		(17.9)			(19.6)		To come					

Source: Company quarterly reports; Annual Reports; Sequoia annualisation calculations

Key Points

The December cash flow report was significantly better than the September quarter, but still underwhelming for the 6 months. We focus on the 6 month data (Column L) which is less volatile than the 3 month data (Column I).

- **Annualised Recurring Revenue (ARR) \$48.4m (v \$32.4m pcp), a company record, up \$16.0m or +49%.** This includes \$8.4m from acquisitions being A\$6.8m from the ClearSlide and A\$1.6m from Agnitio. So organic ARR growth of about \$7.6m (also includes full year impact of prior year acquisitions, being an extra 1 month of Veelo, 2 months of Asdeq Labs and 3 months of Xinnovations; less an adverse currency movement).
- **1H21 cash receipts \$15.0m (v \$14.5m) +5% (+10% excluding an estimated 5% FX impact from the strengthening of the A\$ from \$0.68 1H20 to US\$0.72 1H21).** For BTH, cash collections have historically varied significantly from reported accounting revenues with most customers paying annual subscriptions in a single payment, one year in advance. We really like this aspect of the BTH business model. We estimate 1H21 revenue of \$18.3m (V \$14.3m pcp) up 28% despite the currency headwind.
- **1H21 cash costs \$23.1m (v \$18.3m) +26% (+31% excluding an estimated 5% FX benefit from the strengthening of the A\$).** This includes the full year effect of last year's acquisitions and 3 months of the Agnitio acquisition in October 2020.
- **Operating cash outflow (\$7.6m) V (\$3.8m) +\$3.8m or +102%.** We expect this is partly due to timing issues on customer cash receipts.

- This excludes capitalised R&D of \$2.1m (v \$1.2m) +75%.
- \$28.1m cash spent on acquisitions (\$3.3m Agnitio, announced 8/10/20 and \$22.6m for ClearSlide, announced 23/12/20; \$2.2m costs & other).
- Financing cash flow \$0.3m (v \$18.m pcp) as settlement of the \$35m placement for the ClearSlide acquisition did not occur until after half-year-end (5/1/21) with new scrip allotted on 6/1/21.
- BTH finished the half with net cash of \$33.4m (pro-forma \$65m including the placement funds, less associated costs).

Operational Highlights

Operational highlights were much more encouraging with a good variety of new clients signed, a number of existing customers expanding, lots of technology enhancements, an integration with Microsoft Teams and 2 promising acquisitions in the quarter (and another in mid Jan which goes into Q3).

- **New customers** - A \$1.0m (minimum) contract over 3 years was announced with John Hancock, a leading US-based financial services company (refer ASX announcement 3/11/20). Other new customers included: Lexmark, Allurion, SAGE Publishing, Algorithm, Moleac (Singapore), Heel GmbH, Otto Bock and Kofax.
- **Expansion by existing customers** – Thermo Fisher, Acutus Medical, Pacific Life, WL Gore (Goretex), GUESS and Breville. Waters Corporation expanded Bigtincan software into 33 countries.
- Integration with Microsoft Teams remote engagement platform.
- Northern hemisphere “Fall release” of software upgrades added 6 new languages and 50+ new features including “Bigtincan 3D” AR (Augmented Reality). The in-app AR camera can present AR / digital objects into a setting with real objects.
- BTH said “Lead to Pipeline” conversion rates had returned to pre-Covid levels, which is encouraging.

Changes in Estimates

We have revised our estimates as follows:

BTH: Changes in Estimates Years ending June \$m	FY20	FY21e			FY22e			FY23e		
		Old	New	Change	Old	New	Change	Old	New	Change
Avg FX rate assumed: AUD/USD	0.671	0.735	0.750	2.0%	0.750	0.760	1.3%	0.750	0.760	1.3%
Sales revenue	31.0	41.0	41.0	0.1%	52.2	55.2	5.7%	65.3	69.1	5.9%
Sales growth	56%	32%	32.2%		27%	35%		25%	25%	
Cost of sales	-4.8	-5.7	-6.1	7.2%	-7.0	-8.0	13.5%	-8.5	-9.7	14.0%
Gross profit	26.2	35.2	34.8	-1.1%	45.2	47.2	4.5%	56.8	59.4	4.7%
Gross profit margin %	84.6%	86.0%	85.0%	-1.0%	86.5%	85.5%	-1.0%	87.0%	86.0%	-1.0%
Other revenue (Govt grants etc)	0.6	0.0	0.0		0.0	0.0		0.0	0.0	
Operating costs	-34.8	-41.5	-42.3	1.8%	-44.6	-49.2	10.3%	-48.0	-54.1	12.9%
EBITDA	-7.9	-6.3	-7.4	18.3%	0.6	-2.0	-468.2%	8.8	5.3	-40.2%
Ebitda margin	-25.6%	-15.3%	-18.1%	-2.8%	1.1%	-3.7%	-4.8%	13.5%	7.6%	-5.9%
Depn & Amortisation	-2.0	-2.4	-2.4	0.0%	-2.7	-2.7	0.0%	-3.0	-3.0	0.0%
EBIT	-10.0	-8.7	-9.9	13.2%	-2.1	-4.7	122.1%	5.9	2.3	-60.4%
Ebit margin	-32.2%	-21.3%	-24.1%	-2.8%	-4.1%	-8.6%	-4.5%	9.0%	3.4%	-5.6%
NPAT (reported)	-12.2	-8.7	-9.9	13.2%	-2.1	-4.7	122.1%	5.9	2.3	-60.4%
NPAT (normalised)	-10.0	-8.7	-9.9	13.2%	-2.1	-4.7	122.1%	5.9	2.3	-60.4%
EPS (normalised)	-3.3	-2.3	-2.5	10.3%	-0.5	-1.1	104.6%	1.5	0.6	-63.5%
DPS	0.0	0.0	0.0	n/a	0.0	0.0	n/a	0.0	0.0	n/a
Balance Sheet:										
Net cash (debt)	69.3	57.1	54.9	-3.9%	60.4	51.9	-14.0%	72.0	60.9	-15.4%
Shares on issue (year-end)	378.6	385.2	412.0	7.0%	388.2	415.0	6.9%	388.2	415.0	6.9%
Composite valuation		\$ 1.38	\$ 1.32	-4.3%						

Source: Sequoia estimates

Comment on Forecasts & Valuation

We forecast BTH's revenues in US\$ terms, and then convert back to A\$.

We have included Agnitio revenues for 8.5 months in FY21, ClearSlide revenues for 6 months in FY21e and VoiceVibes for 5.5 months. However most of the benefit of these acquisitions in FY21 is offset by the devaluation of US\$ revenues.

We have increased our cost assumptions, and assume modest operating losses on the 3 acquisitions in year one (FY21e). We assume that the planned \$5m additional investment on ClearSlide will be 50% capitalised, and 50% expensed in 2H21 and 1H22.

BTH's acquisitions usually incur small losses in the first year or so, including integration costs, but then move into profit as revenue synergies with the wider group begin to crank up. So BTH is somewhat unusual in that most / all of its acquisitions are initially dilutive to Ebitda, and more-so to EPS if new shares are issued.

We consider BTH's revenue growth and customer growth progression to be more important than minor changes in Ebitda or NPAT at this early stage in BTH's rapid growth path (BTH is just 9 years young). BTH is building a US-based global business in a strong growth segment. It is benefitting from multiple growth trends – Increasing mobility of workers (including working from home), increased adoption of cloud computing, increased use of artificial intelligence (AI) to improve efficiencies, increased document automation. And it continues to invest in product development and product capability and acquisitions. So in many ways, BTH has not yet hit steady state yet. Covid has accelerated BTH's already strong revenue drivers. The outlook is extremely strong. And the recent acquisitions significantly expand the customer base and technical capabilities.

4. Valuation

Discounted Cash Flow valuation (DCF)

Our DCF valuation of \$0.78 per share (previously \$0.97 per share) is based on specific forecasts for 5 years (FY21-FY25), a 4% terminal growth rate and a 9.6% discount rate (WACC). We assume approximately a nil tax charge for FY21 to FY23, but in our Stage 2 DCF model, we apply a notional 20% tax rate from FY25 into perpetuity, being approximately the US company tax rate.

Comps Valuation

We have expanded our “Comps” table on page 12 to now include 20 SaaS companies which we think are appropriate valuation comparables. We believe that BTH is effectively a US-based global company. BTH is headquartered in Boston, and had 91% of FY20 revenues attributed to the USA, 6% from Australia and 3% from Europe / Rest of World.

We use approximately half of the US SaaS company peer group Revenue Multiples in our valuation of BTH, to be conservative given that BTH is listed in Australia and is still a small cap stock. For FY1e, FY2e and FY3e we apply 15.0x, 12.0x and 10.0x respectively. This does not look unreasonable looking at some of the individual US and Australian company multiples E.g. Atlassian on 31x FY1e, 26x FY2e and 21x FY3e. And Xero on 27x FY1e/ 23x FY2e/ 19x FY3e. Further, we believe a possible bidder for BTH would need to pay US multiples.

Most of the US peer companies have either a December year-end (9 coys) or a January year-end (8 coys) whereas BTH has a June year-end. Given that we are applying less than half the US multiples, we don't bother trying to adjust for different year-ends.

Composite Valuation

We have weighted our valuations as follows: 40% to our DCF valuation, and 60% to our EV/ Revenue valuations, split evenly across 3 years (i.e. 20% to each year).

We arrive at a valuation range of \$0.78 to \$1.77 per share, with a Composite weighted average valuation of \$1.32 (previously \$1.38).

BTH: Sequoia Valuation		Comps Revenue Multiple	We Use	Valuation Per Share \$		
				\$m		Weighting
DCF valuation (9.6% WACC; 4.0% terminal growth; 20% tax rate FY25 on)				328.4	\$ 0.78	40%
Comparable company's Valuation:						
US SaaS companies EV/ Sales multiple (FY1e)(mostly CY20e)		30.2x	15.0x	669.6	\$ 1.58	20%
US SaaS companies EV/ Sales multiple (FY2e)(mostly CY21e)		24.8x	12.0x	714.0	\$ 1.69	20%
US SaaS companies EV/ Sales multiple (FY3e)(mostly CY22e)		20.2x	10.0x	751.9	\$ 1.78	20%
Composite valuation				558.4	\$ 1.32	100%
Shares on issue (Fully diluted)(m)			422.7			

Source: Sequoia estimates; Refinitiv consensus multiples for US SaaS peers

12-mth Price Target and Recommendation

We revise our 12-month price target to \$1.32 per share (previously \$1.38), -4% due to dilution from the placement, adverse FX and higher cost assumptions.

Our price target implies 14.8% upside from the current \$1.15 share price. Accordingly our Recommendation is now Accumulate (from Buy).

With strong tailwinds post Covid, \$65m net cash (proforma, post placement) and 9 acquisitions since its IPO now starting to deliver, we think BTH has never been better positioned. However dilution from the recent placement, higher short term costs to integrate these acquisitions, and possible short-term operating losses by the acquisitions stretches the valuation. We think the market will continue to look through this investment period, recognising the leadership position that BTH is building in a strong growth e-commerce sector. We recommend investors Accumulate this exciting growth stock.

5. Comp-Co Valuations

In the table below we show consensus forecasts for BTH's local and international peers.

We highlight in orange the companies with the highest Ebitda margins and sales growth, within our selected stocks. Adobe has the highest ebitda margin of our 20 selected US stocks at around 48-49%. In Australia, Netwealth (NWL) has the strongest forecast Ebitda margins in our table at 52-54%. We expect that eventually BTH will be a 20-30% Ebitda margin company as it builds out its global presence and cost growth moderates.

Part A

Refinitiv Code	Company (in Market Cap order)	Market Cap \$m	Net Cash (Debt)	Price AS\$	Revenue				Ebitda				Ebitda Margin			
					\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
					FY0	FY1e	FY2e	FY3e	FY0	FY1e	FY2e	FY3e	FY0	FY1e	FY2e	FY3e
Sequoia Covered Tech stocks :					31.0	41.0	55.2	69.1	(7.9)	(7.4)	(2.0)	5.3	-25.5%	-18.0%	-3.6%	7.7%
BTH.AX	Bigtincan Holdings Ltd	473.8	54.9	1.150												
US SaaS Companies (in USD)(consensus forecasts)																
ADBE.O	Adobe Inc	234,266	1,875	489.380	12,868	15,196	17,389	19,759	5,180.0	7,569.5	8,410.5	9,652.7	40.3%	49.8%	48.4%	48.9%
CRM	Salesforce.Com Inc	218,402	4,889	237.980	17,098	21,114	25,401	30,128	2,598.0	6,324.6	7,058.8	8,434.3	15.2%	30.0%	27.8%	28.0%
NOW	ServiceNow Inc	114,910	1,452	588.980	4,519	5,734	7,165	9,011	541.4	1,755.0	2,210.5	2,889.2	12.0%	30.6%	30.9%	32.1%
SHOP.K	Shopify Inc	153,715	2,455	1260.870	1,578	2,857	3,811	5,107	(105.5)	397.1	458.5	748.4	-6.7%	13.9%	12.0%	14.7%
ZM.O	Zoom Video Communications	113,520	855	389.980	623	2,581	3,561	4,344	29.1	956.4	1,096.3	1,360.6	4.7%	37.1%	30.8%	31.3%
SQ	Square Inc	107,197	601	237.720	4,714	9,407	12,855	15,255	246.0	427.6	676.5	1,097.1	5.2%	4.5%	5.3%	7.2%
TEAM.O	Atlassian Corporation PLC	60,265	1,002	241.000	1,614	1,944	2,271	2,817	111.5	421.1	524.8	702.4	6.9%	21.7%	23.1%	24.9%
TWLO.K	Twilio Inc	60,307	1,379	399.490	1,134	1,668	2,199	2,819	(243.6)	92.6	72.8	213.6	-21.5%	5.5%	3.3%	7.6%
WDAY.O	Workday Inc	63,406	682	264.190	3,627	4,302	5,023	5,937	(229.2)	1,025.7	1,177.5	1,483.8	-6.3%	23.8%	23.4%	25.0%
DOCU.O	DocuSign Inc	45,895	191	246.010	974	1,430	1,891	2,430	(143.3)	206.4	288.9	456.9	-14.7%	14.4%	15.3%	18.8%
VEEV.K	Veeva Systems Inc	43,925	1,085	290.000	1,104	1,448	1,718	2,028	314.0	577.6	658.3	794.2	28.4%	39.9%	38.3%	39.2%
CRWD.O	CrowdStrike Holdings Inc	49,565	912	224.010	481	860	1,214	1,586	(122.5)	86.7	122.4	204.2	-25.5%	10.1%	10.1%	12.9%
OKTA.O	Okta Inc	36,719	465	283.620	586	823	1,074	1,372	(162.9)	19.4	23.6	94.6	-27.8%	2.4%	2.2%	6.9%
RNG	RingCentral Inc	35,532	(43)	396.420	903	1,167	1,438	1,778	(7.8)	156.5	193.8	257.6	-0.9%	13.4%	13.5%	14.5%
DDOG.O	Datadog Inc	34,083	774	111.920	363	590	802	1,060	(7.8)	65.9	80.2	128.4	-2.1%	11.2%	10.0%	12.1%
PAYC.K	Paycom Software Inc	25,053	101	428.160	738	834	1,003	1,243	268.4	323.7	390.9	505.4	36.4%	38.8%	39.0%	40.7%
WORK.K	Slack Technologies Inc	24,983	769	43.030	630	887	1,138	1,448	(561.1)	(29.8)	(23.9)	78.9	-89.0%	-3.4%	-2.1%	5.5%
COUP.O	Coupa Software Inc	24,598	1	340.800	390	524	665	829	(44.1)	47.0	58.6	121.8	-11.3%	9.0%	8.8%	14.7%
ZEN	Zendesk Inc	18,149	NaN	155.550	1,030	1,024	1,275	1,583	NaN	112.4	148.2	205.4	NaN	11.0%	11.6%	13.0%
LPSN.O	LivePerson Inc	4,609	(2)	68.910	292	364	449	552	(57.7)	30.0	40.9	59.8	-19.8%	8.2%	9.1%	10.8%
Mean Average													-4.0%	18.6%	18.0%	20.4%
Median Average													-2.1%	13.7%	12.8%	14.7%
ASX Tech Comps (consensus forecasts)(in market cap order)																
apt.ax	Afterpay Ltd	43,144	148	151.300	519.2	953.1	1,515.1	1,997.8	13.9	99.9	244.9	413.6	2.7%	10.5%	16.2%	20.7%
xro.ax	Xero Ltd	18,977	39	129.380	718.2	851.5	1,021.2	1,239.3	139.2	240.2	276.8	383.3	19.4%	28.2%	27.1%	30.9%
wtc.ax	WiseTech Global Ltd	10,698	178	33.040	429.4	502.9	613.7	737.9	129.2	171.6	227.6	296.0	30.1%	34.1%	37.1%	40.1%
nwl.ax	Netwealth Group Ltd	4,202	82	17.680	121.3	149.4	180.6	214.4	63.6	78.5	96.2	115.7	52.4%	52.5%	53.3%	54.0%
alu.ax	Altium Ltd	4,027	79	30.690	190.0	193.7	217.5	261.6	72.2	76.4	84.6	101.4	38.0%	39.5%	38.9%	38.8%
nxl.ax	Nuix Ltd	3,170	67	9.990	175.9	193.5	NaN	NaN	55.5	63.6	NaN	NaN	31.6%	32.9%	NaN	NaN
apx.ax	Appen Ltd	2,799	53	22.880	536.0	622.5	736.0	863.4	92.6	108.6	139.1	173.9	17.3%	17.5%	18.9%	20.1%
tne.ax	TechnologyOne Ltd	2,731	96	8.500	298.3	318.6	350.0	383.7	101.8	120.5	141.3	161.7	34.1%	37.8%	40.4%	42.1%
lnk.ax	Link Administration Holdings Ltd	2,632	-999	4.920	1,230.4	1,206.0	1,249.6	1,274.6	286.9	280.2	317.3	331.6	23.3%	23.2%	25.4%	26.0%
mp1.ax	Megaport Ltd	2,052	139	13.260	58.0	81.5	116.2	154.2	(25.8)	(13.9)	7.2	33.1	-44.4%	-17.0%	6.2%	21.5%
ddr.ax	Dicker Data Ltd	2,005	-113	11.650	1,761.3	NaN	NaN	NaN	74.4	NaN	NaN	NaN	4.2%	NaN	NaN	NaN
pph.ax	Pushpay Holdings Ltd	1,839	-55	1.650	127.5	185.8	207.6	235.1	24.0	54.9	66.3	83.1	18.9%	29.5%	31.9%	35.4%
hub.ax	Hub24 Ltd	1,737	28	25.940	111.2	126.5	163.6	192.3	21.9	34.2	51.6	65.9	19.7%	27.0%	31.6%	34.3%
eml.ax	EML Payments Ltd	1,531	907	4.230	121.0	182.7	222.0	254.6	24.4	54.4	76.7	94.5	20.2%	29.8%	34.5%	37.1%
nea.ax	Nearmap Ltd	1,201	22	2.440	97.4	110.7	134.2	165.9	9.6	6.2	12.2	32.1	9.9%	5.6%	9.1%	19.4%
fcl.ax	FINEOS Corporation Holdings Ltd	1,098	32	3.640	87.8	99.7	112.3	128.1	14.0	10.6	14.6	20.8	15.9%	10.7%	13.0%	16.2%
hsn.ax	Hansen Technologies Ltd	811	-135	4.080	301.4	291.6	298.8	309.8	84.5	100.2	98.3	101.1	28.1%	34.4%	32.9%	32.6%
bvs.ax	Bravura Solutions Ltd	791	59	3.200	273.5	276.8	308.2	333.6	69.0	57.3	67.4	76.0	25.2%	20.7%	21.9%	22.8%
ifm.ax	Infomedia Ltd	670	98	1.785	94.6	101.6	113.3	124.4	45.1	50.1	58.0	65.5	47.7%	49.3%	51.2%	52.7%
elo.ax	ELMO Software Ltd	607	121	6.800	50.1	68.0	92.2	114.8	(4.2)	(5.0)	(0.8)	7.4	-8.3%	-7.3%	-0.8%	6.4%
nto.ax	Nitro Software Ltd	590	44	3.100	35.7	40.5	46.3	54.2	(5.0)	(5.0)	(9.4)	(10.1)	-13.9%	-12.2%	-20.3%	-18.7%
sko.ax	Serko Ltd	589	40	5.490	25.9	16.1	40.2	72.2	(7.1)	(18.2)	(18.4)	11.1	-27.6%	-112.8%	-45.9%	15.3%
bth.ax	Bigtincan (Consensus ests)	475	69	1.150	31.0	45.6	58.8	72.7	(8.0)	(6.4)	(2.2)	4.6	-25.7%	-14.1%	-3.8%	6.4%
bet.ax	Betmakers Technology Group	474	31	0.675	8.6	31.0	81.2	NaN	0.2	4.7	16.7	NaN	2.4%	15.0%	20.5%	NaN
dub.ax	Dubber Corp Ltd	450	18	1.760	11.8	24.0	42.0	63.0	(15.7)	(8.0)	(6.0)	5.0	-132.5%	-33.3%	-14.3%	7.9%
iri.ax	Integrated Research Ltd	442	-2	2.570	110.9	84.7	96.0	105.6	44.8	27.5	41.2	48.0	40.4%	32.5%	42.9%	45.4%
wsp.ax	Whispair Ltd	411	12	3.940	39.3	50.1	61.8	75.7	(0.1)	(4.2)	0.7	6.7	-0.3%	-8.3%	1.1%	8.8%
ppl.ax	Praemium Ltd	399	12	0.795	50.2	66.1	77.9	86.0	10.8	15.5	21.1	25.8	21.6%	23.4%	27.1%	30.0%
vgl.ax	Vista Group International Ltd	338	-16	1.500	144.5	94.3	130.4	149.0	34.7	(0.6)	24.1	33.4	24.0%	-0.6%	18.5%	22.4%
lvt.ax	Livetiles Ltd	239	34	0.265	37.8	74.8	87.3	108.5	(19.0)	(2.9)	10.0	24.9	-50.4%	-3.9%	11.5%	22.9%
wzr.ax	WISR Ltd	225	-53	0.205	7.2	23.9	45.9	84.2	(22.2)	(12.0)	3.9	18.6	-309.5%	-50.3%	8.5%	22.1%
bid.ax	BidEnergy (consensus forecast)	170	8	1.050	9.4	15.0	23.0	31.6	(5.8)	(1.8)	5.9	13.1	-61.8%	-12.0%	25.7%	41.3%
evs.ax	EnviroSuite Ltd	169	20	0.165	23.8	58.8	75.1	88.4	(15.0)	(7.3)	4.3	15.3	-62.9%	-12.5%	5.8%	17.2%
gtk.ax	Gentrack Group Ltd	134	2	1.340	100.5	96.1	101.5	109.8	12.1	4.6	8.2	13.0	12.0%	4.8%	8.0%	11.9%
and.ax	Ansarada Group Ltd	108	18	1.500	34.0	NaN	NaN	NaN	(0.6)	NaN	NaN	NaN	-1.8%	NaN	NaN	NaN
dug.ax	DUG Technology Ltd	103	-43	1.040	49.4	54.7	63.1	72.7	9.0	11.6	15.1	19.9	18.3%	21.2%	23.9%	27.4%
vlt.ax	Vault Intelligence Ltd	93	2	0.725	4.6	NaN	NaN	NaN	(6.2)	NaN	NaN	NaN	-134.7%	NaN	NaN	NaN
lvh.ax	LiveHire (Consensus)	85	20	0.285	3.5	5.6	11.6	21.2	(13.3)	(8.2)	(3.5)	4.9	-378.3%	-146.4%	-30.3%	22.9%
ada.ax	Adacel Technologies Ltd	69	-2	0.905	41.2	42.7	45.9	46.3	3.4	9.2	10.1	10.6	8.2%	21.6%	21.9%	22.9%
mpw.ax	MSL Solutions Ltd	41	0	0.125	25.1				(1.5)							
Mean Average ASX Tech Comps													-18.1%	4.6%	16.9%	25.4%
Median ASX Tech Comps													14.0%	17.5%	21.2%	22.9%

Source: Sequoia estimates for BTH; Prospectus forecasts for NXL; Refinitiv consensus estimates for all other stocks; FY1 means forecast year 1 (FY21 in most cases); FY2 means forecast year 2 (FY22 mostly)

In the table below, we show revenue growth and valuation metrics for US and ASX listed peers. Our forecast revenue growth for BTH of 32% for FY21e, 35% for FY22e and 25% for FY23e are well above the Aust. Tech company median average of 16% to 20%.

BTH's EV/ Sales multiple falls rapidly from 11.2x in FY20 to 5.3x in FY3e (FY23e). If BTH maintained its current revenue multiple, the share price should approximately double in 3 years. EV/ Ebitda multiples and P/E multiples for BTH aren't very useful as it is not yet surfacing maintainable profits due to heavy investment in capability, acquisitions still being integrated, and lack of scale. This will gradually change as positive Ebitda emerges – which we expect in 3 years (FY23e).

Refinitiv Code	Company (in Market Cap order)	Revenue Growth			EV/ Sales				EV/ Ebitda			P/E		
		FY1e	FY2e	FY3e	FY0	FY1e	FY2e	FY3e	FY1e	FY2e	FY3e	FY1e	FY2e	FY3e
Sequoia Covered Tech stocks :														
BTH.AX	Bigtincan Holdings Ltd	32.2%	34.6%	25.2%	13.0x	10.2x	7.6x	6.0x	-56.4x	-206.1x	78.2x	-46.1x	-102.7x	-209.0x
US SaaS Companies (in USD)(consensus forecasts)														
ADBE.O	Adobe Inc	18.1%	14.4%	13.6%	17.6x	15.3x	13.4x	11.8x	30.7x	27.6x	24.1x	43.6x	36.9x	31.7x
CRM	Salesforce.Com Inc	23.5%	20.3%	18.6%	9.2x	10.0x	8.3x	7.0x	33.5x	30.0x	25.1x	51.3x	68.0x	55.5x
NOW	ServiceNow Inc	26.9%	24.9%	25.8%	23.4x	19.8x	15.8x	12.6x	64.6x	51.3x	39.3x	107.1x	83.5x	64.6x
SHOP.K	Shopify Inc	81.0%	33.4%	34.0%	27.8x	51.9x	38.9x	29.0x	373.6x	323.6x	198.2x	342.8x	342.8x	243.5x
ZM.O	Zoom Video Communications	314.5%	38.0%	22.0%	32.8x	43.3x	31.4x	25.7x	116.7x	101.8x	82.1x	134.2x	130.4x	108.7x
SQ	Square Inc	99.6%	36.6%	18.7%	5.6x	11.3x	8.3x	7.0x	249.2x	157.5x	97.1x	313.4x	207.0x	130.2x
TEAM.O	Atlassian Corporation PLC	20.4%	16.8%	24.0%	27.0x	30.6x	26.2x	21.1x	141.2x	113.3x	84.7x	215.9x	174.5x	129.4x
TWLO.K	Twilio Inc	47.0%	31.8%	28.2%	11.8x	34.5x	26.1x	20.4x	620.8x	789.1x	269.0x	3343.0x	5604.5x	1031.2x
WDAY.O	Workday Inc	18.6%	16.8%	18.2%	11.6x	14.5x	12.4x	10.5x	60.7x	52.9x	42.0x	98.1x	90.9x	73.4x
DOCU.O	DocuSign Inc	46.9%	32.2%	28.5%	14.4x	32.0x	24.2x	18.8x	221.8x	158.4x	100.2x	331.2x	220.4x	142.3x
VEEV.K	Veeva Systems Inc	31.2%	18.6%	18.1%	18.8x	29.2x	24.6x	20.9x	73.3x	64.3x	53.3x	102.1x	93.4x	79.9x
CRWD.O	CrowdStrike Holdings Inc	78.6%	41.2%	30.6%	25.1x	56.4x	40.0x	30.6x	559.4x	396.2x	237.6x	1003.4x	618.0x	340.0x
OKTA.O	Oktta Inc	40.4%	30.5%	27.8%	26.0x	43.7x	33.5x	26.2x	1852.6x	1522.7x	380.3x	6140.3x	27998.0x	758.3x
RNG	RingCentral Inc	29.2%	23.3%	23.6%	16.3x	31.0x	25.2x	20.4x	231.3x	186.7x	140.5x	412.6x	339.0x	259.8x
DDOG.O	Datadog Inc	62.5%	36.1%	32.1%	28.7x	56.2x	41.3x	31.3x	502.9x	413.5x	258.3x	636.9x	577.3x	377.2x
PAYC.K	Paycom Software Inc	13.1%	20.2%	23.9%	20.6x	29.9x	24.9x	20.1x	77.0x	63.8x	49.3x	124.6x	102.5x	78.3x
WORK.K	Slack Technologies Inc	40.6%	28.2%	27.3%	17.1x	27.1x	21.2x	16.6x	NaN	NaN	NaN	NaN	NaN	352.1x
COUP.O	Coupa Software Inc	34.4%	26.9%	24.7%	26.7x	47.2x	37.2x	29.8x	525.8x	421.7x	202.9x	718.2x	893.4x	359.5x
ZEN	Zendesk Inc	-0.5%	24.5%	24.2%	16.3x	17.8x	14.3x	11.5x	162.4x	123.2x	88.9x	275.2x	199.7x	137.2x
LPSN.O	LivePerson Inc	24.7%	23.4%	23.0%	8.1x	12.6x	10.2x	8.3x	153.3x	112.3x	76.9x	NaN	6191.4x	360.1x
	Mean Average	52.5%	26.9%	24.3%	19.2x	30.7x	23.9x	19.0x	318.5x	268.9x	137.7x	799.7x	2314.3x	255.6x
	Median Average	32.8%	25.9%	24.1%	18.2x	30.2x	24.8x	20.2x	162.4x	123.2x	93.0x	294.3x	207.0x	139.8x
ASX Tech Comps (consensus forecasts)(in market cap order)														
apt.ax	Afterpay Ltd	83.6%	59.0%	31.9%	31.2x	45.1x	28.4x	21.5x	430.6x	175.6x	104.0x	1320.6x	337.8x	182.8x
xro.ax	Xero Ltd	18.6%	19.9%	21.4%	13.7x	23.6x	19.7x	16.2x	83.6x	72.6x	52.4x	316.0x	243.1x	134.0x
wtc.ax	WiseTech Global Ltd	17.1%	22.0%	20.2%	14.2x	20.9x	17.1x	14.3x	61.3x	46.2x	35.5x	121.9x	85.7x	63.9x
nwl.ax	Netwealth Group Ltd	23.1%	20.8%	18.7%	16.9x	27.6x	22.8x	19.2x	52.5x	42.8x	35.6x	79.9x	64.9x	52.9x
alu.ax	Altium Ltd	2.0%	12.3%	20.2%	15.0x	15.4x	13.7x	11.4x	39.0x	35.2x	29.4x	62.1x	55.3x	45.6x
nxl.ax	Nuix Ltd	10.0%	NaN	NaN	17.6x	16.0x	NaN	NaN	48.8x	NaN	NaN	170.8x	NaN	NaN
apx.ax	Appen Ltd	16.1%	18.2%	17.3%	5.0x	4.4x	3.7x	3.2x	25.2x	19.7x	15.7x	46.7x	35.1x	26.7x
tne.ax	TechnologyOne Ltd	6.8%	9.9%	9.6%	8.2x	8.3x	7.5x	6.9x	21.9x	18.6x	16.3x	40.4x	35.0x	29.5x
lnk.ax	Link Administration Holdings Ltd	-2.0%	3.6%	2.0%	2.6x	3.0x	2.9x	2.9x	13.0x	11.5x	11.0x	22.4x	16.0x	14.8x
mp1.ax	Megaport Ltd	40.4%	42.5%	32.7%	29.5x	23.5x	16.5x	12.4x	NaN	266.0x	57.8x	NaN	NaN	304.3x
ddr.ax	Dicker Data Ltd	NaN	NaN	NaN	0.7x	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
pph.ax	Pushpay Holdings Ltd	45.7%	11.8%	13.2%	4.8x	7.7x	6.9x	6.1x	26.0x	21.5x	17.1x	42.7x	29.9x	23.5x
hub.ax	Hub24 Ltd	13.8%	29.3%	17.6%	5.0x	13.5x	10.4x	8.9x	50.0x	33.1x	25.9x	88.6x	56.2x	43.0x
eml.ax	EML Payments Ltd	51.0%	21.5%	14.7%	2.4x	3.4x	2.8x	2.4x	11.5x	8.1x	6.6x	43.9x	30.1x	24.0x
nea.ax	Nearmap Ltd	13.7%	21.2%	23.6%	10.2x	10.7x	8.8x	7.1x	190.4x	97.1x	36.7x	NaN	NaN	NaN
fcl.ax	FINEOS Corporation Holdings	13.5%	12.6%	14.1%	7.1x	6.7x	5.9x	5.2x	62.6x	45.6x	32.0x	NaN	NaN	123.4x
hsn.ax	Hansen Technologies Ltd	-3.2%	2.5%	3.7%	2.4x	3.2x	3.2x	3.1x	9.4x	9.6x	9.4x	14.5x	15.0x	14.4x
bvs.ax	Bravura Solutions Ltd	1.2%	11.4%	8.2%	3.8x	2.6x	2.4x	2.2x	12.8x	10.9x	9.6x	20.8x	18.0x	15.8x
ifm.ax	Infomedia Ltd	7.4%	11.5%	9.7%	5.8x	5.6x	5.0x	4.6x	11.4x	9.9x	8.7x	32.5x	27.3x	23.6x
elo.ax	ELMO Software Ltd	35.9%	35.6%	24.5%	6.6x	7.1x	5.3x	4.2x	NaN	NaN	65.7x	NaN	NaN	NaN
nto.ax	Nitro Software Ltd	13.6%	14.2%	17.2%	4.8x	10.0x	8.8x	7.5x	NaN	NaN	NaN	NaN	NaN	NaN
sko.ax	Serko Ltd	-37.6%	148.8%	79.9%	5.3x	36.9x	14.8x	8.2x	NaN	NaN	53.8x	NaN	NaN	67.2x
bth.ax	Bigtincan (Consensus ests)	47.2%	28.8%	23.7%	6.7x	8.9x	6.9x	5.6x	NaN	NaN	87.5x	NaN	NaN	313.4x
bet.ax	Betmakers Technology Group	260.6%	162.4%	NaN	24.5x	14.3x	5.5x	NaN	95.2x	26.6x	61.5x	135.0x	37.5x	NaN
dub.ax	Dubber Corp Ltd	102.6%	75.0%	50.0%	18.3x	18.0x	10.3x	6.9x	NaN	NaN	86.4x	NaN	NaN	176.0x
iri.ax	Integrated Research Ltd	-23.6%	13.3%	10.0%	6.0x	5.2x	4.6x	4.2x	16.1x	10.8x	9.3x	44.3x	23.6x	19.5x
wsp.ax	Whisper Ltd	27.4%	23.3%	22.5%	5.4x	8.0x	6.5x	5.3x	NaN	582.2x	60.0x	NaN	NaN	321.6x
pps.ax	Praemium Ltd	31.8%	17.8%	10.4%	2.7x	5.9x	5.0x	4.5x	25.0x	18.3x	15.0x	66.3x	39.3x	31.4x
vgl.ax	Vista Group International Ltd	-34.7%	38.2%	14.3%	4.3x	3.3x	2.4x	2.1x	NaN	13.1x	9.4x	NaN	53.9x	30.8x
lvt.ax	Livetiles Ltd	97.9%	16.7%	24.3%	4.4x	2.7x	2.4x	1.9x	NaN	20.6x	8.3x	NaN	NaN	44.2x
wzr.ax	WISR Ltd	232.8%	92.5%	83.4%	39.2x	11.7x	6.1x	3.3x	NaN	71.3x	15.0x	NaN	NaN	NaN
bid.ax	BidEnergy (consensus forecast)	59.1%	53.3%	37.4%	7.7x	10.8x	7.0x	5.1x	NaN	27.4x	12.4x	NaN	38.9x	14.2x
evs.ax	Envirosuite Ltd	146.4%	27.8%	17.8%	5.4x	2.5x	2.0x	1.7x	NaN	34.6x	9.8x	NaN	NaN	27.5x
gtk.ax	Gentrack Group Ltd	-4.4%	5.6%	8.2%	1.2x	1.5x	1.4x	1.3x	30.6x	17.2x	10.8x	NaN	NaN	60.0x
and.ax	Ansarada Group Ltd	NaN	NaN	NaN	2.6x	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
dug.ax	DUG Technology Ltd	10.7%	15.4%	15.2%	3.0x	3.1x	2.7x	2.3x	14.4x	11.1x	8.4x	NaN	104.0x	20.8x
vlt.ax	Vault Intelligence Ltd	NaN	NaN	NaN	7.8x	NULL	NULL	NULL	NULL	NULL	NULL	NaN	NaN	NaN
lvh.ax	LiveHire (Consensus)	59.7%	106.3%	83.1%	9.8x	11.7x	5.7x	3.1x	NaN	NaN	13.5x	NaN	NaN	1.8x
ada.ax	Adacel Technologies Ltd	3.7%	7.6%	0.8%	0.8x	1.7x	1.6x	1.6x	7.8x	7.1x	6.8x	13.9x	12.6x	11.9x
mpw.ax	MSL Solutions Ltd				0.7x									
	Mean Average ASX Tech Com	37.3%	33.9%	23.3%	8.5x	10.3x	7.3x	5.9x	41.3x	56.7x	28.3x	75.7x	51.1x	71.7x
	Median ASX Tech Comps	16.1%	20.4%	17.6%	5.4x	8.0x	5.8x	4.6x	25.6x	21.0x	15.7x	45.5x	36.3x	30.8x

Source: Sequoia estimates for BTH; Prospectus forecasts for NXL; Refinitiv consensus estimates for all other stocks; FY1 means forecast year 1 (FY21 in most cases); FY2 means forecast year 2

6. Potential Share Price Catalysts

1. Quarterly cash flow and operations reports demonstrating continued growth in customers, deployments and revenues. Maintaining or improving the customer retention rate.
2. Half-year results in February (Full year results in August).
3. Major new customer wins, especially in targeted verticals such as Healthcare and Financials.
4. Progress with integrations of recent acquisitions, particularly the technology integration.
5. New acquisitions. We expect BTH to remain acquisitive, but highly selective.
6. New country launches (e.g. BTH's investment in Japan recently stepped up a gear with the appointment of NTT DoCoMo as BTH's local sales partner).
7. Becoming NPAT positive (we expect in FY22), but it could be a year or so later depending on the level of growth investment BTH decides to make. BTH was already cashflow positive in FY20, aided by a \$10.8m working capital benefit. We expect it might be mildly negative in FY21, but not seriously so.

7. Growth Drivers

We have identified 7 growth drivers for BTH:

1. Cloud, remote working and the mobile business device revolution (These drivers were strong before Covid, but have only become stronger since the pandemic).
2. Software as a Service (SaaS) a strong growth segment within IT.
3. Sales enablement software is a US\$6.0bn market opportunity by 2021 according to Aragon Research, and still a relatively new category.
4. BTH is already established as one of the industry sector leaders, recognised by Gartner, Arragon Research and other research houses; And BTH has won the CODIE industry award for a second time in 2020.
5. Technology leadership and innovation - BTH continues to invest strongly in R&D (~A\$2.0m pa) and in acquisitions which expand BTH's technical capabilities. The acquisitions of Agnitio (virtual sales rooms) and VoiceVibes (AI driven voice analytics and sales coaching) are exciting examples of BTH's strategic direction. We can easily see how these new capabilities can be deployed across BTH's existing customer base to add further significant value to customers, and grow group revenue.
6. US market penetration still low (just 35 of the Forbes Global 2,000 companies are customers per 26/8/20 Results presentation).
7. Non-US market penetration even lower.
8. Recent major contract wins point to strong growth momentum in the business E.g. Nike (Sept 2019), Sephora (Dec 2019), DXC (Jan 2020), Red Bull (July 2020) and John Hancock (Nov 2020). Please refer Appendix 1 for further details.

Appendix 1 – BTH New Customer Wins

BTH: Customers & Distribution Partners		
Customers (& tickers if listed)	Customer's Sector	Distribution partners
At IPO (March 2017): AT&T (NYSE: T)(from 2014) GUESS Inc (GES) Merck & Co (MRK) Zoetis Inc (ZTS) Palo Alto Networks Inc (PANW) Telefonica SA (TEF)	Telecommunications Apparel Pharmaceuticals Pharmaceuticals for pets & livestock Technology / cyber security Telecommunications	At IPO: Apple (strategic technology partner, since 2015) Salesforce.com (strategic technology partner; World's N AT&T (since June 2014) Singtel Optus (carrier partner)
Announced post IPO, 2017: T-Mobile (TMUS)(see ASX announcement 8/8/17) Automatic Data Processing (ADP)(expanded) Becton Dickinson & Co (NYSE: BDX) Abiomed Inc (ABMD) Cryolife Inc (CRY)	Telecomms (see 8/1/19 detail below) Payroll & HR software & services Healthcare - medical device & reagents coy Healthcare - medical device coy Healthcare - cryogenics coy	Verizon Comms Inc (VZ) - 3 year re-seller agt for US (A Expanded partnerships with Apple & Cisco Expanded partnership with Salesforce.com, achieving "C CDW (CDW) - (US\$17bn rev, hardware & software coy, Zones (Tier 1 hardware & software solutions coy in US & New partners - Germany, Scandinavia & Italy
Announced 2018: Extreme Networks (EXTR) Syngenta AG (SYNN) Omada Health Thyssen Krupp (TKA)(existing customer expanded) Hologic (HOLX)(existing customer 5+ yrs expanded) Hino Trucks (existing customer expanded) Cardinal Health (CAH)(customer example) Eaton Corp plc (ETN) EMC Corp (DELL) Prudential Insurance plc (PUK) Deloitte Cushman & Wakefield plc (CWK)	Network equipment European agro-chemical & seed coy Digital healthcare company based in San Francisco Industrial engineering & steel. Healthcare (breast & skeletal health)(2,000+ reps) Truck division of Toyota (250 dealers, 6,000 users) Healthcare & logistics (thousands of salespeople) World's largest power management coy, in 175 countries Technology (Dell acquired EMC in 2016) Insurance Accounting & Consulting Real estate management	Connection.com (Global IT solutions coy in 174 countries) Cancom.com (Global IT solutions coy) BPM Works (Sales enablement coy - digital playbooks) Jamf (mobile device mgt for Apple devices, 4,000 custom
Announced 2019: T-Mobile (TMUS)(see ASX announcement 8/1/19) American Express (AXP) CA Technologies (Broadcom AVGO)(nee Computer Associa McKesson Corp (MCK) Guardian Life Acushnet (Titleist)(GOLF) Anheuser Busch Inbev (BUD) Pacific Life Microsoft (MSFT) Major League Baseball Campbell's Soup (CPB) Eaton Corp (see ASX announcement 6/2/20) Openreach (BT Group plc BT)(see ASX 17/4/20) Mohawk Industries / Dal-Tile (MHK) Scoot (Singapore Airlines)(C6L) Pentair plc (PNR) A.O. Smith Corp (AOS) Brookdale Senior Living (BKD)(see ASX 11/7/19) Anheuser Busch Inbev (BUD)(expansion)(see ASX 18/7/19) Sony Playstation (expansion for unique AR application) Nike Inc (NKE)(see ASX announcement 9/9/19) Wyndham Destinations (WYND) ABB Ltd (ABB)(Swiss / Swedish coy) Stratasys Ltd (SSYS) BMT Group Cogeco Connection Phoenix Contact Sephora (LVMH)(refer AX announcement 2/12/19)	Telecomms (~23,000 iPads in 5,500 locations)(additional \$ Credit cards Technology Pharmaceuticals distribution Insurance Leisure products Multinational drinks & brewing coy Insurance Technology Sports / Leisure Food Electricity (\$2.7m over 3 years) Telecomms (\$615k 1 year, + options to extend) Largest Ceramic tile manufacturer in the US Airlines / Transportation Water treatment coy Manufacturer of water heaters and boilers Operates > 1,000 Retirement communities (existing cust expanded)(\$1.5m over 2 yrs) Multinational drinks & brewing coy (TCV: \$0.7m pa) Computer games / Entertainment Footwear, apparel, equipment & accessories (\$2.8m over 3yrs) Hotels & Timeshare operator (RCI)(> 3,500 users) Robotics, power heavy electrical equipment Manufacturer of 3D printers Marine engineering, IT & consulting 2nd largest cable operator in Quebec & Ontario Industrial automation coy in Germany Personal care & beauty, 2,600 stores in 34 countries (\$2.8m over 3.5 yrs)	\$7.2m making \$11.5m 3 yrs) Stratix Corporation, Atlanta Pivot Networks, Dallas NTT Docomo Inc (TO: 9437), Japan (carrier partner) Compucon Software (COMPUSOFT) Adobe Inc (ADBE) Cisco Systems (CSCO) - Solution Partner
Announced 2020: Mastercard (NYSE: MA) Brown Brothers Wines American Orthodontics Corp Waters Corporation (NYSE: WAT) Invatae Corporation (NYSE: NVTA) WL Gore & Associates Inc (Goretex) Disys (Digital Intelligence Systems LLC) DXC Technology Services (refer ASX ann. 31/1/20) Mass Mutual (Massachusetts Mutual Life)(Fortune 500 #84) Emergent Biosolutions (NYSE: EBS) WhiteHat Security (now part of NTT) Socure Inc	Finance / banking / payments Food & beverages Healthcare Healthcare (Lab analytical instrument and software coy) Healthcare - genetics Industrial fabrics IT services IT services (\$6.2m over 2 years, plus 1 yr option) Finance / insurance / funds management Healthcare - drug development and manufacturing. 19 locations, 1,800 staff IT services IT services	
Red Bull (announced 2/7/20) John Hancock (announced 3/11/20)	Beverages (\$1.8m contract over 30 mths; option for further 60 mths) Financial services (\$1.0m contract over 3 years)	
Announced 2021: Lexmark Allurion Technologies Inc SAGE Publishing Algorithm Inc Moleac (Singapore) Heel GmbH (Germany) Otto Bock Kofax Waters Technology - expansion to 33 countries	Technology (printing & imaging software) Medical device coy (gastric balloons) Newspaper publisher in Wyoming IT (ERP services, software & support) Healthcare (bio-pharmaceuticals helping stroke sufferers) Healthcare Healthcare IT Healthcare (Lab analytical instrument and software coy)	Integration with Microsoft Teams remote platform

Source: Company announcements, quarterlies and Annual Reports. NB This list is not meant to be exhaustive.

Separate ASX releases (implying material announcements or contract values) highlighted in yellow

Appendix 2 – BTH Annualised Revenue by Industry Segment

Growing Customer Base

35+ Forbes Global 2000 customers*

400+ Customer Deployments

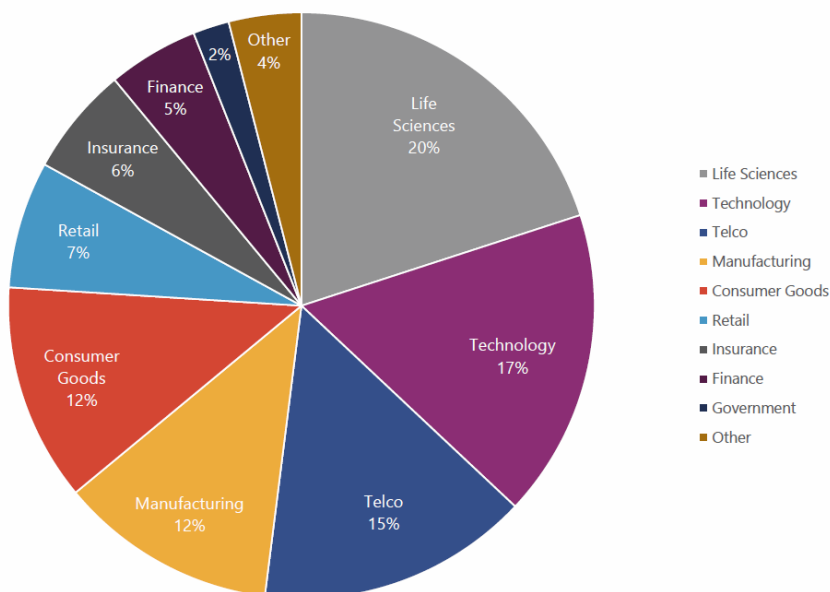
300,000+ Active Licenses

Localized into 23 languages and used in 50 countries

FY20 investments in Customer Success, Product & Engineering to support enterprise growth

*<https://www.forbes.com/global2000/#64fbda9335d>

ARR BY INDUSTRY VERTICAL



Bigtincan

Source: BTH FY20 results presentation, p12, 26/8/20.

Appendix 3 – BTH Competitive Landscape

We have summarised some basic facts on BTH's main competitors as identified in the recent Gartner report - "Market Guide for Sales Enablement Platforms," dated 5/8/20.

We estimate that BTH is now the 5th largest Sales Enablement software provider in terms of staff numbers, but possibly now the largest in terms of customer numbers following 3 acquisitions in FY21 YTD.

The staffing numbers are taken from LinkedIn, and may not include all staff and contractors, as not all staff members would use LinkedIn – but we think it is still a useful guide to the size of each competitor, which are all unlisted.

BTH estimates that Seismic is still the market leader in terms of revenue (possibly at ~\$100m annual revenue), but no reliable data is available as Seismic is unlisted.

A	B	C	D	E	F	G	H	I	J
Employee No's Rank	Company / website (in alphabetic order)	Product, Service or Solution name	Digital Content Management	Sales Training	Sales Coaching	Head Office	Employees (on LinkedIn)	Followers (on LinkedIn)	Customers
	www.bigtincan.com	BigTinCan Hub	✓	✓	✓	Boston	194	7,066	>400
	www.clearslide.com	ClearSlide	✓			San Francisco	56	14,568	>500
	www.agnitio.com	Agnitio				Copenhagen	41	4,442	
	www.myvoicevibes.com	VoiceVibes			✓	Baltimore	9	250	
5	BTH combined		✓	✓	✓		300	26,326	>900
1	www.seismic.com	Seismic	✓			San Diego	956	22,216	>600
2	www.highspot.com	Highspot	✓	✓		Seattle	561	12,651	300
3	www.mindtickler.com	MindTickle		✓	✓	San Francisco	412	22,324	
4	www.showpad.com	Showpad Sales Enablement Platform	✓	✓	✓	Ghent (Belgium)	410	25,692	
5	BTH combined	Bigtincan Hub	✓	✓	✓		300	26,326	>900
6	www.brainshark.com	Brainshark Pro, Brainshark Premier	✓	✓	✓	Boston	226	17,097	
7	www.lessonly.com	Lessonly		✓	✓	Indianapolis	206	11,302	
8	www.accenttechnologies.com	Accent Connect, Accent CRM Supercharger, Accent Accelerator	✓	✓	✓	Florida (Melbourne)	161	4,928	
9	www.allego.com	Allego		✓	✓	Needham Massdachusetts	125	6,378	
10	www.medialty.com	Medialty	✓			Chicago	99	2,708	
11	www.apparound.com	Apparound	✓	✓		Pisa, Italy	88	3,895	
12	www.saleshood.com	SalesHood		✓	✓	San Francisco	76	3,529	
13	www.pitcher.com	Pitcher	✓	✓		Zurich (Switzerland)	75	5,515	
14	www.gomodus.com	Modus Sales Hub	✓	✓	✓	Minneapolis	43	1,635	

Source: Columns B to F: Gartner - Market Guide for Sales Engagement Platforms, 5/8/20 (can download from BTH website)

Source: Columns G, H & I from LinkedIn; Column J from company websites

Bigtincan Holdings (BTH)

\$ 1.150

Profit & Loss

Year end June \$m	FY19	FY20	FY21e	FY22e	FY23e
Op. Revenue	19.9	31.0	41.0	55.2	69.1
Revenue growth %	51.3%	56.0%	32.2%	34.7%	25.2%
Cost of Goods Sold	(2.4)	(4.8)	(6.1)	(8.0)	(9.7)
Gross Profit	17.5	26.2	34.8	47.2	59.4
Gross Profit Margin	87.8%	84.6%	85.0%	85.5%	86.0%
Other Income	1.9	0.6	0.0	0.0	0.0
Cash Operating Expenses	(22.6)	(34.8)	(42.3)	(49.2)	(54.1)
EBITDA	-3.3	-7.9	-7.4	-2.0	5.3
Ebitda Margin	-16.4%	-25.6%	-18.1%	-3.7%	7.6%
Depreciation & Amort	(0.5)	(2.0)	(2.4)	(2.7)	(3.0)
EBIT	-3.8	-10.0	-9.9	-4.7	2.3
Ebit Margin	-18.9%	-32.2%	-24.1%	-8.6%	3.4%
Net Interest Income (Expense)	0.1	0.0	0.1	0.1	0.1
Share of Assoc NPAT	0.0	0.0	0.0	0.0	0.0
Pre-tax profit	(3.7)	(9.9)	(9.8)	(4.6)	2.4
Income Tax Credit (Expense)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)
Tax Rate	2.3%	0.7%	1.0%	2.2%	-4.1%
Minorities (share of loss)	0.0	0.0	0.0	0.0	0.0
Abnormals	-0.3	-2.2	0.0	0.0	0.0
NPAT (reported)	-4.1	-12.2	-9.9	-4.7	2.3
Adjustments (Abnormals)	0.3	2.2	0.0	0.0	0.0
NPAT (normalised)	-3.8	-10.0	-9.9	-4.7	2.3

Balance Sheet

Cash	25.1	71.4	57.0	54.0	62.9
Receivables	5.1	4.8	6.3	8.5	8.6
Inventories	0.0	0.0	0.0	0.0	0.0
Other	2.5	3.3	3.3	3.3	3.3
Total current assets	32.7	79.4	66.5	65.7	74.8
PP&E	0.2	2.3	2.3	2.3	2.3
Investments	0.0	0.0	0.0	0.0	0.0
Intangibles	12.9	31.0	73.1	79.3	82.1
Deferred tax assets	0.0	0.0	0.0	0.0	0.0
Other	0.3	0.4	0.4	0.4	0.4
Total non-current assets	13.4	33.7	75.8	82.0	84.8
Total Assets	46.2	113.0	142.4	147.7	159.6
Payables	-1.6	-1.4	-1.8	-2.4	-3.0
Interest bearing liabilities - C	0.0	-0.9	-0.9	-0.9	-0.9
Deferred revenue - current	-9.1	-18.5	-22.2	-26.7	-32.0
Provisions	-0.5	-0.9	-0.9	-0.9	-0.9
Other	-3.1	-5.6	-5.6	0.9	0.9
Total Current Liabilities	-14.2	-27.3	-31.5	-30.0	-35.9
Interest-bearing liabilities - N	0.0	-1.2	-1.2	-1.2	-1.2
Deferred revenue - non-curre	-0.5	-1.1	-1.1	-1.1	-1.1
Provisions	-0.1	-0.1	-0.1	-0.1	-0.1
Other	-2.8	-1.5	0.3	-9.7	-13.3
Total Non-current Liabilities	-3.4	-3.9	-2.2	-12.1	-15.8
Total Liabilities	-17.6	-31.3	-33.6	-42.1	-51.7
Total Shareholders' Equity	28.6	81.8	108.7	105.6	107.9

Interims

Year end June	1H20	2H20	1H21e	2H21e	FY21e
Sales	14.3	16.7	18.3	22.7	41.0
Sales Growth (%)	51.2%	60.2%	28.4%	35.4%	32.2%
EBITDA profit (loss)	-2.2	-5.7	-4.2	-3.2	-7.4
EBITDA Margin	-15.6%	-34.1%	-23.0%	-14.1%	-18.1%
EBIT	-3.2	-6.8	-5.4	-4.4	-9.9
Equity Share of Assocs NPAT	0.0	0.0	0.0	0.0	0.0
NPAT (Reported)	-4.0	-8.2	-5.4	-4.5	-9.9
NPAT (Adjusted)	-3.2	-6.8	-5.4	-4.5	-9.9
EPS (adjusted)(cents)	-1.1	-2.2	-1.4	-1.1	-2.5
EPS Growth	42.7%	154.6%	25.7%	-50.6%	-24.5%
DPS (cents)	0.0	0.0	0.0	0.0	0.0

Source: Sequoia estimates

Per share & Ratio data

Year end June	FY19	FY20	FY21e	FY22e	FY23e
Shares on Issue - Wavgr	228.2	302.8	395.2	422.7	422.7
Shares on Issue - at y/er	261.9	378.6	412.0	415.0	415.0
Reported EPS (cents)	(1.8)	(4.0)	(2.5)	(1.1)	0.6
Growth	-52.2%	125.2%	-38.1%	-55.1%	-149.1%
P/E ratio (x)	-64.2x	-28.5x	-46.1x	-102.7x	209.0x
EPS (normalised)(cents)	(1.6)	(3.3)	(2.5)	(1.1)	0.6
Growth	-56.0%	100.7%	-24.5%	-55.1%	-149.1%
P/E ratio (x)	-69.8x	-34.8x	-46.1x	-102.7x	209.0x
DPS (cents)	0.0	0.0	0.0	0.0	0.0
Franking	0%	0%	0%	0%	0%
Yield	0.0%	0.0%	0.0%	0.0%	0.0%
OCF per share (cents)	-2.9	0.6	-1.2	0.2	2.6
Price/OCF (x)	-40.0x	189.7x	-94.5x	514.6x	43.4x
Enterprise Value \$m	448.7	404.6	418.9	422.0	413.0
EV/ Sales	22.6x	13.0x	10.2x	7.6x	6.0x
EV/EBITDA	-137.6x	-51.0x	-56.4x	-206.1x	78.2x
EV/EBIT	-119.7x	-40.6x	-42.5x	-89.1x	177.5x
Liquidity & Leverage					
Net Cash (Debt) \$m	25.1	69.3	54.9	51.9	60.9
Net Debt / Equity %	n/a	n/a	n/a	n/a	n/a
Net Debt / EBITDA	n/a	n/a	7.4x	25.3x	n/a
ROA (EBIT / T.Assets) %	-8.1%	-8.8%	-6.9%	-3.2%	1.5%
ROE (NPAT / T.Equity) %	-13.2%	-12.2%	-9.4%	-4.7%	2.2%
Interest Cover (EBIT)	n/a	n/a	n/a	n/a	n/a
Dividend Payout % (of ac	n/a	n/a	n/a	n/a	n/a

Cash Flow

EBITDA	-3.3	-7.9	-7.4	-2.0	5.3
Chge in Working Capital	-1.4	10.2	2.6	2.9	5.8
Interest Received (Paid)	0.2	0.0	0.1	0.1	0.1
Income taxes paid	0.0	-0.1	-0.1	0.0	0.0
Other	-2.1	-0.4	0.0	0.0	0.0
Operating cash flows	-6.6	1.8	-4.8	0.9	11.2
Capex	-0.2	-0.3	-0.2	-0.2	-0.2
Acquisitions	-5.6	-11.6	-36.1	-0.1	0.0
Investments	0.0	0.0	0.0	0.0	0.0
Other (Capitalised R&D)	-1.8	-3.5	-5.3	-5.3	-2.0
Net investing cash flow:	-7.6	-15.4	-41.6	-5.6	-2.2
Equity raised (bought ba	15.5	60.7	32.0	1.6	0.0
Dividends paid	0.0	0.0	0.0	0.0	0.0
Change in Debt	0.0	0.0	0.0	0.0	0.0
Other	0.0	-0.9	0.0	0.0	0.0
Financing cash flow	15.5	59.8	32.0	1.6	0.0
Change in Cash	1.3	46.2	-14.4	-3.0	9.0

Revenue by Geography

Australia	1.3	1.8	2.4	3.0	3.7
United States	16.5	28.2	36.1	47.3	57.4
Rest of World	2.1	1.0	2.6	4.8	8.0
Acqns (Veelo, Asdeq,)	0.0	0.0	0.0	0.0	0.0
Total Revenue	19.9	31.0	41.0	55.2	69.1
Revenue Growth	51.3%	56.0%	32.2%	34.7%	25.2%

Directors Shareholdings

	Shares (m)	% of coy	Options (m)
Tom Amos, Chairman (INED)	0.373	0.1%	0.000
David Keane, CEO (based in Boston)	23.058	5.6%	0.000
Wayne Stevenson (INED)	0.403	0.1%	0.000
John Scull (NED)(based in Palo Alto, California)	6.926	1.7%	0.000

Major Shareholders

	Shares (m)	% of coy
Regal Funds Management Pty Ltd	38.751	9.4%
Australian Ethical Investment Limited	28.500	6.9%
Keane (Lai Sun)(spouse of David Keane, CEO	22.290	5.4%
Jensen/Cohen Holdings Pty Ltd	9.580	2.3%
Southern Cross Venture Partners (related to J	6.930	1.7%

Source: ASX announcements, Refinitiv

SEQUOIA FINANCIAL GROUP (ASX: SEQ) - About Us

Sequoia Financial Group is a boutique investment house known for the quality of its advice, the strength of its relationships and depth of expertise across financial markets. The Group has also expanded into corporate advisory, equity capital markets, institutional dealing and financial planning.

Sequoia Financial Group is listed on the Australian Securities Exchange and trades under the stock code SEQ. We provide:

- Investment and superannuation products
- Wealth management and advisory services
- Corporate advisory and capital markets expertise
- Retail, wholesale and institutional trading platforms
- Market data and financial news services.

With offices in Melbourne, Sydney and Gold Coast, Sequoia Financial Group provides products and services to self-directed retail and wholesale clients and those of third-party professional service firms. Our group includes:

- **Sequoia Wealth Management** - is a holder of an Australian Financial Services License (AFSL). Our aim is to provide exceptional unbiased advice to high net wealth individuals, families and institutional investors.

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Our services are designed for individuals and family offices all seeking unbiased financial and strategic structuring advice.

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- **Sequoia Corporate Finance** - is a leading Australian small and mid-market corporate adviser. We apply our knowledge, extensive contacts, expertise and professionalism to deliver best-practice, objective advice in the following disciplines: Public market M&A; Private treaty M&A; Equity capital markets; Capital management and restructuring; Corporate and strategic advice.

- **InterPrac Financial Planning** - The easy choice for client-focussed and accountant-aligned financial planners to deliver superior integrated and practical solutions.

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SSI can also offer a variety of solutions for professional advisers where we can provide white-label solutions for groups that want to retain their own branding.

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Recommendation Criteria

Investment View

The Sequoia Wealth Management (SWM) Investment View is based on an absolute 1-year total return equal to capital appreciation plus yield.

Buy	Accumulate	Hold	Reduce	Sell
>20%	10% – 20%	0% – 10%	0% to -10%	>-10%

A Speculative recommendation is when a company has limited experience from which to derive a fundamental investment view.

Risk Rating

SWM has a four tier Risk Rating System consisting of: Very High, High, Medium and Low. The Risk Rating is a subjective rating based on: Management Track Record, Forecasting Risk, Industry Risk and Financial Risk including cash flow analysis.

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