

# Bigtincan Holdings Ltd

## Growing towards profitability

Bigtincan Holdings Limited (ASX:BTH) was founded in 2011 in Sydney, Australia and is now headquartered in Boston, Massachusetts, USA. BTH is a global SaaS provider of sales-enablement software which listed on the ASX in 2017, the year it surpassed 200 customers. BTH's core product is an automation platform that is AI-driven and gives sales and marketing teams a series of tools to enhance the sales process, including sales execution, training and customer service. The BTH platform has three hubs, the Learning Hub, the Content Hub and the Engagement Hub, which support sales teams. BTH has over 2,000 customer deployments and more than one million users. BTH is currently in a growth phase, expanding its offerings and customers both organically and via strategic M&A. BTH has recently acquired Brainshark and has had its first full quarter which includes the Brainshark operating payments, leading to revenue of \$45.9m for H1 FY22 (growth of 142% from H1 FY21). BTH has also recently announced Bigtincan for Salesforce, a new module for its Content and Learning Hubs. The module brings AI-powered content recommendations to users in the Salesforce.com Sales Cloud and Service Cloud (ASX release 11-Jan-22). BTH had cash and equivalents of \$49.9m as at 31-Dec-21, and raised \$136.5m during the half via a placement and institutional entitlement offer, which was completed on 10-Sept-21.

### Business model

BTH has three objectives - to create the buying experience of the future; to empower sellers; and to engage customers - which it delivers via its "Bigtincan Hub", a software platform consisting of three modules including learning, content and engagement. BTH has been growing organically and via acquisition in an addressable market of \$10b+, and its growth strategy has led to a 75% life-time value (LTV) CAGR from 1HFY19-1HFY22. BTH has an established business in North America and conducts business globally. BTH has diversified its recurring revenue base across verticals including life sciences, tech, retail, telecommunications, financial and manufacturing plus others. BTH's outlook for FY22 includes growth through winning new customers and upselling existing customers, investments in technology to support growth in digital and mobility, and targeted strategic M&A.

### H1 FY22 ARR growth of \$63.6m to \$112m (132%) vs pcg

BTH had quarterly customer cash receipts of \$26.3m in Q2 FY22, an increase of 150% from Q2 FY21, which was in line with forecasts. BTH received the first full quarter of operating payments for Brainshark and associated Brainshark integration investments following its acquisition completed in Sept-21. BTH held \$49.9m in cash and equivalents as at 31-Dec-21. BTH confirmed guidance for FY22 in its half year report to achieve or exceed \$119m in ARR and \$109m in revenues for FY22. BTH had positive adjusted EBITDA of \$1.2m in 1H FY22 and achieved a gross margin of 86%. During the half, BTH also raised \$136.5m as part of the acquisition of Brainshark Inc which was completed on 8-Sept-21.

### ASX SaaS tech stocks – a diverse group incorporating AI

BTH focusses on sales enablement across a range of industries, compared with solutions for HR teams like ELMO (ASX: ELO) or a focus on communications with Whispir (ASX:WSP). The smaller LiveTiles (ASX:LVT) is an intranet designed to boost employee engagement and productivity. The comparables are all global SaaS providers and use automation technologies that address different markets and problem sets. BTH focusses on enabling customer-facing teams to improve the buying experience for customers and has clients including Nike, Guess, Prudential and Starwood Hotels.

#### Historical earnings and ratios (In A\$m unless otherwise stated)

Year end	Revenue	EBITDA adj.*	NPAT adj.	NPAT rep.	EPS adj.	EPS rep.	EV/Revenue (x) <sup>^</sup>
06/19a	19.9	(2.8)	(4.0)	(4.1)	0.0	(0.0)	17.0
06/20a	31.0	(6.7)	(10.1)	(12.2)	(0.0)	(0.0)	10.9
06/21a	43.9	(6.1)	(11.7)	(13.9)	(0.0)	(0.0)	7.7

Source: Company data; \*EBITDA, NPAT and EPS adjusted for one-time, non-cash items

<sup>^</sup>calculated from current enterprise value

## Software & Services

11<sup>th</sup> March 2022

### Share Details

ASX code	BTH
Share price	\$0.71
Market capitalisation	\$388.4M
Shares on issue	547.0M
Net cash at 31-Dec-2021	\$49.9M
Free float	93.2%

### Share Performance (since listing)



### Upside Case

- Continued growth in people-changing employers
- Material strategic acquisition
- Growth in new markets

### Downside Case

- Emergence of new disruptive technologies
- Slowing of remote working and job-change mindset globally
- Inability to fund growth cycle

### Catalysts

- Q3 FY22 report April 22
- Full-year result August 22

### Comparable Companies (Aust/NZ)

Whispir Limited (ASX:WSP), LiveTiles (ASX:LVT), ELMO Software (ASX:ELO), Dubber (ASX:DUB)

### Board and Management

Tom Amos	Ind. Non-Executive Chair
David Keane	Executive Director, CEO
Wayne Stevenson	Ind. Non-Executive Director
Inese Kingsmill	Ind. Non-Executive Director
Farouk Hussein	Non-Executive Director

### Company Contact

Mark Ohlsson (Co Sec) +61 400 801 814  
investor@bigtincan.com

### RaaS Contact

Finola Burke +61 414 354 712  
finola.burke@raasgroup.com

# FINANCIAL SERVICES GUIDE

**RaaS Advisory Pty Ltd**

**ABN 99 614 783 363**

**Corporate Authorised Representative, number 1248415**

**of**

**BR SECURITIES AUSTRALIA PTY LTD**

**ABN 92 168 734 530**

**AFSL 456663**

**Effective Date: 6<sup>th</sup> May 2021**



### About Us

BR Securities Australia Pty Ltd (BR) is the holder of Australian Financial Services License ("AFSL") number 456663. RaaS Advisory Pty Ltd (RaaS) is an Authorised Representative (number 1248415) of BR.

This Financial Service Guide (FSG) is designed to assist you in deciding whether to use RaaS's services and includes such things as

- who we are
- our services
- how we transact with you
- how we are paid, and
- complaint processes

Contact Details, BR and RaaS

BR Head Office: Suite 5GB, Level 5, 33 Queen Street, Brisbane, QLD, 4000

RaaS. 20 Halls Road Arcadia, NSW 2159

P: +61 414 354712

E: [finola.burke@raasgroup.com](mailto:finola.burke@raasgroup.com)

RaaS is the entity providing the authorised AFSL services to you as a retail or wholesale client.

**What Financial Services are we authorised to provide?** RaaS is authorised to

- provide general advice to retail and wholesale clients in relation to
  - Securities
- deal on behalf of retail and wholesale clients in relation to
  - Securities

The distribution of this FSG by RaaS is authorized by BR.

### Our general advice service

Please note that any advice given by RaaS is general advice, as the information or advice given will not take into account your particular objectives, financial situation or needs. You should, before acting on the advice, consider the appropriateness of the advice, having regard to your objectives, financial situation and needs. If our advice relates to the acquisition, or possible acquisition, of a particular financial product you should read any relevant Prospectus, Product Disclosure Statement or like instrument. As we only provide general advice we will not be providing a Statement of Advice. We will provide you with recommendations on securities

### Our dealing service

RaaS can arrange for you to invest in securities issued under a prospectus by firstly sending you the offer document and then assisting you fill out the application form if needed.

### How are we paid?

RaaS earns fees for producing research reports. Sometimes these fees are from companies for producing research reports and/or a financial model. When the fee is derived from a company, this is clearly highlighted on the front page of the report and in the disclaimers and disclosures section of the report.

We may also receive a fee for our dealing service, from the company issuing the securities.

### Associations and Relationships

BR, RaaS, its directors and related parties have no associations or relationships with any product issuers other than when advising retail clients to invest in managed funds when the managers of these funds may also be clients of BR. RaaS's representatives may from time to time deal in or otherwise have a financial interest in financial products recommended to you but any material ownership will be disclosed to you when relevant advice is provided.

### Complaints

If you have a complaint about our service you should contact your representative and tell them about your complaint. The representative will follow BR's internal dispute resolution policy, which includes sending you a copy of the policy when required to. If you aren't satisfied with an outcome, you may contact AFCA, see below. BR is a member of the Australian Financial Complaints Authority (AFCA). AFCA provide fair and independent financial services complaint resolution that is free to consumers.

Website: [www.afca.org.au](http://www.afca.org.au); Email: [info@afca.org.au](mailto:info@afca.org.au); Telephone: 1800931678 (free call)

In writing to: Australian Financial Complaints Authority, GPO Box 3, Melbourne, VIC, 3001.

### Professional Indemnity Insurance

BR has in place Professional Indemnity Insurance which satisfies the requirements for compensation under s912B of the Corporations Act and that covers our authorized representatives.

#### DISCLAIMERS and DISCLOSURES

This report has been prepared and issued by RaaS Advisory Pty Ltd trading as Research as a Service ("RaaS"). This research is issued in Australia by RaaS and any access to it should be read in conjunction with the Financial Services Guide on the preceding two pages. All information used in the publication of this report has been compiled from publicly available sources that are believed to be reliable. Opinions contained in this report represent those of the principals of RaaS Advisory at the time of publication. RaaS Advisory provides this financial advice as an honest and reasonable opinion held at a point in time about an investment's risk profile and merit and the information is provided by the RaaS Advisory in good faith. The views of the adviser(s) do not necessarily reflect the views of the AFS Licensee. RaaS Advisory has no obligation to update the opinion unless RaaS Advisory is currently contracted to provide such an updated opinion. RaaS Advisory does not warrant the accuracy of any information it sources from others. All statements as to future matters are not guaranteed to be accurate and any statements as to past performance do not represent future performance. RaaS Advisory's principals, employees and associates may hold shares in companies that are covered and, if so, this will be clearly stated on the front page of each report.

Assessment of risk can be subjective. Portfolios of equity investments need to be well diversified and the risk appropriate for the investor. Equity investments in listed or unlisted companies yet to achieve a profit or with an equity value less than \$50 million should collectively be a small component of a balanced portfolio, with smaller individual investment sizes than otherwise.

The science of climate change is common knowledge and its impacts may damage the global economy. Mitigating climate change may also disrupt the global economy. Investors need to make their own assessments and we disclaim any liability for the impact of either climate change or mitigating strategies on any investment we recommend.

Investors are responsible for their own investment decisions, unless a contract stipulates otherwise. RaaS Advisory does not stand behind the capital value or performance of any investment. Subject to any terms implied by law and which cannot be excluded, RaaS Advisory shall not be liable for any errors, omissions, defects or misrepresentations in the information (including by reasons of negligence, negligent misstatement or otherwise) or for any loss or damage (whether direct or indirect) suffered by persons who use or rely on the information. If any law prohibits the exclusion of such liability, RaaS Advisory limits its liability to the re-supply of the Information, provided that such limitation is permitted by law and is fair and reasonable. Copyright 2022 RaaS Advisory Pty Ltd (A.B.N. 99 614 783 363). All rights reserved.