



Evolve  
Capital Partners

## Coupa Software Inc.

October 2017

### Summary of Initial Public Offering



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THE INTERSECTION OF FINANCE & TECHNOLOGY**

# Coupa Software IPO – Executive Summary

## Initial Public Offering Overview



NASDAQ: COUP



### Description



Coupa is a cloud-based spend optimisation software company. It is the leading provider of disruptive and innovative cloud spend management (CSM) solutions that help companies control and gain visibility into their indirect spending while generating savings that go direct to the bottom line.



### Use of Proceeds

Coupa intends to use the net proceeds for working capital and other general corporate purposes, which it currently expects will include continued investment in developing technology to support growth, increased investment in sales team and marketing activities, as well as overall growth in international operations

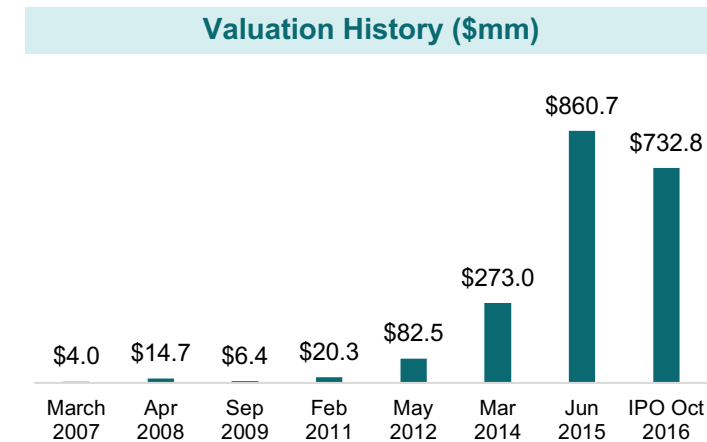
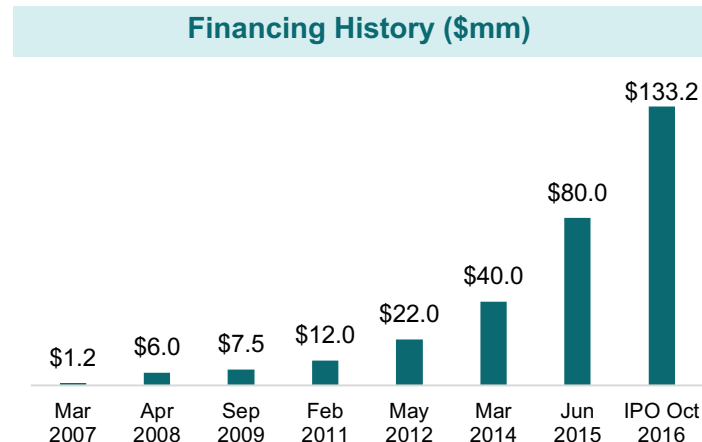
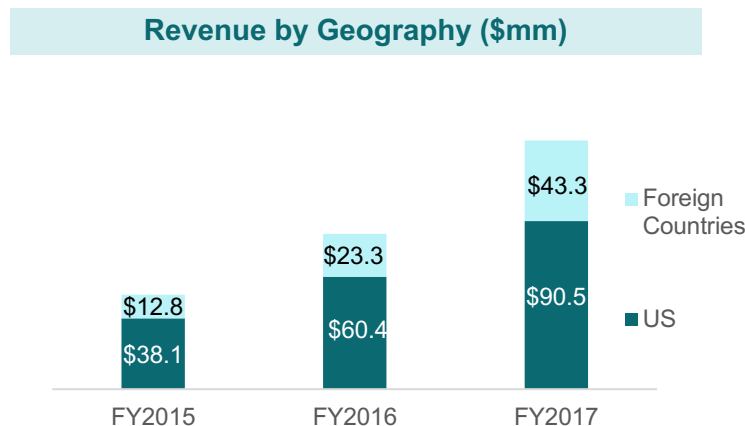
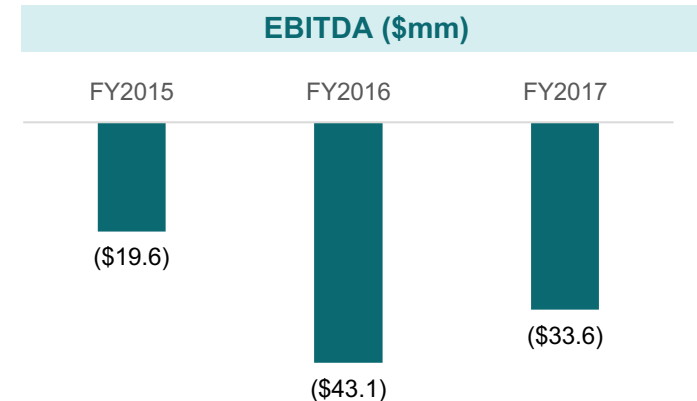
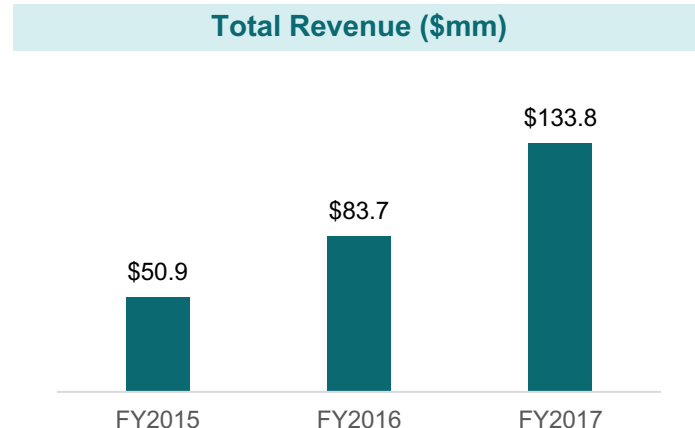
Source(s): Company website

	Headquarters	San Mateo, California
	Founded	2006
	Employees	652 (approx.)
	Listing Date	10/07/2016
	Lead Underwriters	      
	Issue Price	\$18.00
	Shares Offered	8.5 million (including 1.1 million shares reserved for underwriters)
	Gross Proceeds	\$133 million (before expenses)

# Coupa IPO – Executive Summary

## Key Metrics – IPO

Shares Offered at the time of IPO	7.4 million
Issue Price	\$18.00
Total Shares Outstanding after IPO*	48 million
Market Value at Issue Price**	\$866 million
Enterprise Value at Issue Price#	\$951 million
EV / 2017 Revenue	7.1x
Listing Date	10/07/2016
Listing Price	\$35.00
Listing Premium	94.4%



Source(s): Capital IQ, Pitchbook

\* 49,220,957 shares if the underwriters exercise their option to purchase additional shares in full; \*\* Market Value based on shares outstanding as on Oct 6, 2016 and IPO issue price of \$18.0;

# Enterprise Value is based on the calculated Market Value at Issue Price and Net Debt for FY 2016 taken from Coupa's SEC filings..

# Coupa IPO – Executive Summary






## Company Overview

*Coupa's unified, cloud-based spend management platform connects more than 460 organizations with more than 2 million suppliers globally. Since inception, the Company has had \$250 billion of cumulative spend under management, which resulted in customer savings of more than \$8 billion.*

- Purpose-built for the cloud, Coupa delivers the only spend management platform that unifies business processes across all the ways employees spend money.
- Consumerized financial applications digitize spending across travel and expense management, procurement, and invoicing.
- Platform also offers supporting modules including sourcing, analytics, contract management, supplier management, inventory management and storefront that help customers further manage their spend.
- Platform is provided under a Software-as-a-Service (SaaS) business model, mainly to larger enterprises with more than 1,000 employees.
- In addition to the US, Coupa offers this platform in EMEA and APAC regions. For fiscal year ended January 31, 2016, the total revenues from EMEA and APAC were 29% of total revenue.

Source(s): Company Website, Company's S-1/A and 424B4 filings

## Key Statistics

 <b>Revenue* Mix by Geography</b>	Subscription (90%)	Services	Professional Services and Others (10%)
	* Revenue mix for year ending January 31, 2016		
 <b>Users</b>	More than 1.5 million licensed users have driven an expansion in spend under management over time.		
 <b>Total Funding</b>	Coupa Software has received funding to date of \$169 million in private funding.		
 <b>Customer Savings</b>	Estimated more than <b>\$8 million</b> in savings until now.		
 <b>Revenue Growth</b>	Total Revenue has grown at a CAGR of <b>62.1%</b> from 2015 to 2017.		

# Coupa IPO – Executive Summary

## Company Overview

*Coupa's **unified platform** is tightly integrated and delivers a broad range of capabilities to manage different types of spend that would otherwise require the purchase and use of multiple disparate point applications. The platform is 100% built from the ground up as a **SaaS application** delivered via the cloud, resulting in lower cost of ownership and shorter deployment times.*

- **Drive Adoption** – The platform applies a distinctive user-centric approach that shields users from complexity and provides a mobile-enabled consumer Internet-like experience, thus enabling widespread adoption of the platform.
- **Capture** – At the core of the platform is a transactional engine that is comprised of Coupa's procurement, invoicing and expense management modules, capturing spend within an organization.
- **Analyze** – Coupa's spending analytics capabilities provide intuitive spend analysis dashboards and reports that deliver real-time analytical insights that help businesses identify problems and make better spending decisions.
- **Control** – The platform has extensive functionality that enables managers to prevent excessive spend and reduce spend through realizing efficiencies and cost savings associated with strategic sourcing and contract compliance.
- **Save** – The Platform helps customers realize measurable value and savings by taking advantage of pre-negotiated supplier discounts, achieving contract compliance, improving process efficiencies and reducing redundant and wasteful spending.

Source(s): Company Website, Coupa's S-1/A and 424B4 filings

## Key Offerings

**Professional and Support Services** Coupa's e-procurement-or-procure to pay solution, invoicing solution, business expense management, inventory management, and spend analysis projects team works with companies to define success metrics for Spend Management initiative.

**Coupa Strategic Sourcing Software** quickly optimizes resources and provides the rich capabilities needed to source indirect goods, direct materials, goods for resale, complex services, and everything in between.

**Coupa Inventory Management Tracking Software** system provides the entire organization real-time visibility into inventory availability while ordering, reducing redundant and wasteful spend.

**Contract Lifecycle Management Software** provides complete contract automation—from authoring, collaborating, and signing contract documents to operationalizing them with spend tracking and renewal alerts. Everything's digital and contracts are enforced in real time.

## Implementation and Technology Partners



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IBM



# Coupa IPO – Executive Summary

## Customer Case Studies In Different Sectors

### Procter & Gamble (P&G)



- Procter & Gamble (P&G) is a **global leader in consumer packaged goods** with operations in approximately 70 countries worldwide.
- It desired to automate and reduce complexity in its source-to-pay process. Its existing infrastructure, which included multiple customized instances of legacy offerings, had become inefficient and difficult to maintain, which resulted in increased business costs.
- In **June 2015**, P&G selected Coupa as the spend management platform to modernize and replace its existing sourcing, procurement, invoicing and contracts systems and to digitize its corporate spending processes.
  - P&G went live on the Coupa spend management platform in February 2016
  - Since that time, the platform has expanded to cover all of its planned users across the United States and its worldwide suppliers
  - P&G plans to continue its rollout and be live with over 50,000 users across the majority of countries in which they operate by the middle to end of calendar 2017

### Capital One



- Capital One is an American financial services holding company specializing in credit cards, home loans, auto loans, banking and savings products.
- In **2015**, Capital One sought to digitize its source-to-pay process. While its customer-facing applications had long been known for their intuitive design and ease of use, its back office operations were still heavily manual and complex. Capital One sought a solution that would transform its processes in major ways.
- It selected Coupa as its platform for business spend, including expense management, sourcing, procurement, invoicing, contract management and spend analytics in September 2015.
  - 100% of spend captured in Coupa and 100% of purchases orders sent electronically
  - 99% of invoices received electronically
  - 80% of invoicing resources focused on strategic activities

***Cloud-based spend management improves efficiency and increases savings***

Source(s): Company Website, Coupa's S-1/A and 424B4 filings

# Coupa IPO – Executive Summary

## Market Opportunity

The spend management industry is growing as the current economic conditions and global regulatory environment are forcing businesses to find new ways to drive operational efficiencies, track processes, reduce costs, fund business growth and enhance profitability and cash flow. Managing spend helps businesses achieve cost savings that enhance their operating profit and free up monetary resources.

Many businesses lack ways to track and control spend due to several issues:

- **Manual and Inefficient Processes** - Businesses typically employ inefficient manual procurement, invoicing, expensing and approval processes that cannot be managed across the organization in real time.
- **Fragmented Systems** - Businesses face different types of spend within their organizations: preapproved spend, post-approved spend, and unapproved spend. In order to manage the different types of spend, businesses frequently utilize several point applications, which do not always integrate with each other, making it difficult to access, organize and analyze aggregated spend data across systems.
- **Maverick Spending** - Mostly processes related to procurement, invoicing, expense management etc. are cumbersome, time consuming and have unclear policies and guidelines. Employees engage in “maverick spending,” neglecting to purchase from preferred suppliers or purchasing without approval and outside of budgets.
- **Lack of Compliance** - Businesses often struggle to manage risk, ensure compliance with respect to frequently changing governmental regulations and internal control policies and prevent potential fraud and corruption within the procurement process.

*Coupa is well positioned to tap this opportunity and help companies by providing a unified platform to track and control spend issues.*

Source(s): Company Website, Coupa's S-1/A and 424B4 filings

*Coupa Platform addresses three new transformative markets.*

**\$4.3 billion**

is estimated to be the size of the global market for Procurement and Invoicing that automate processes related to purchasing supplies, material and services in 2016.

**\$5.3 billion**

is expected to be the size of global Procurement and Invoicing market by 2019.

**\$9.5 billion**








is estimated to be the size of the global Supply Chain Management application software, including software related to logistics, production planning and inventory management market in 2016.

*Coupa intends to focus on the following points as part of its growth strategy:*

- expand customer base, both domestically and internationally;
- deepen existing customer relationships;
- increase direct spend under management on the platform;
- continue to innovate and further develop the existing platform; and
- further expand and develop the Company's partner ecosystem.

# Coupa IPO – Executive Summary

## Financing History

Date	Series/Type	Amount (\$mm)	Lead Investor	Transaction Notes
05/26/2015	Series G	\$80	 T. Rowe Price INVEST WITH CONFIDENCE	Coupa will use the funds to continue investing in its go-to-market capacity and further expand its product portfolio, cloud innovations and product development to meet the evolving needs of global enterprises.
03/20/2014	Series F	\$40	 MERITECH CAPITAL PARTNERS	Coupa Software will use the funds to accelerate development, further extend its suite of organically developed cloud spend optimization solutions, and continue its expansion across the globe.
05/10/2012	Series E	\$22	 CROSSLINK CAPITAL	Coupa planned to use the proceeds to fuel the Company's worldwide expansion beyond 2015.
02/15/2011	Series D	\$12	 MOHR DAVIDOW VENTURES	Coupa Software will use the proceeds to accelerate the transformation of the e-procurement and expense management industry.
08/20/2009	Series C	\$7	 EL DORADO VENTURES	Coupa Software raised gross proceeds of \$8 million to execute its business plans within the US and worldwide.
04/09/2008	Series B	\$6	 BV Battery Ventures	Coupa Software will use the proceeds to fund continued business expansion and maintain its 100% plus growth in customer sales and transactional spend through 2008 and beyond.
03/13/2007	Series A	\$1	 BV Battery Ventures	-

Source(s): CapitalIQ, Pitchbook

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