



Evolve
Capital Partners

DocuSign, Inc.

April 2018

Summary of Initial Public Offering

DocuSign®

SPECIALIZED INVESTMENT BANKERS AT
THE INTERSECTION OF FINANCE & TECHNOLOGY

DocuSign IPO – Executive Summary

Initial Public Offering Overview



NASDAQ:DOCU



Description

DocuSign is an electronic signature software company. It automates the documentation process when businesses sign agreements, make approvals, and enter into transactions. The company makes the documentation process both virtual and secure through its cloud-based platform.



Use of Proceeds

The company intends to use the proceeds for general corporate purposes, working capital requirements, acquisitions, strategic investments, and expanding in the U.S. and overseas through extensive sales and marketing.

Source(s): DocuSign website, DocuSign S-1 filing, Capital IQ

 Headquarters	San Francisco, California
 Founded	2003
 Employees	2,255*
 Trading Date	04/27/2018
 Lead Underwriters	Morgan Stanley  Merrill Lynch Bank of America Corporation JPMORGAN CHASE & CO. Deutsche Bank  citi
 Offering Price	\$29.00
 Shares Offered	22 million
 Gross Proceeds	\$629 million

*As of January 18, 2018

DocuSign IPO – Executive Summary

Key Metrics – IPO

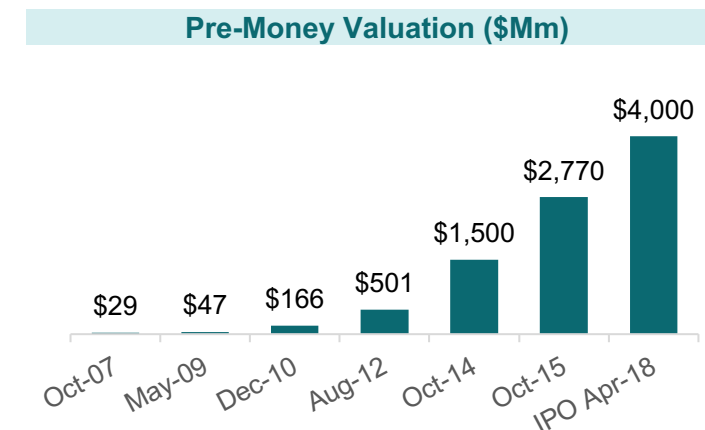
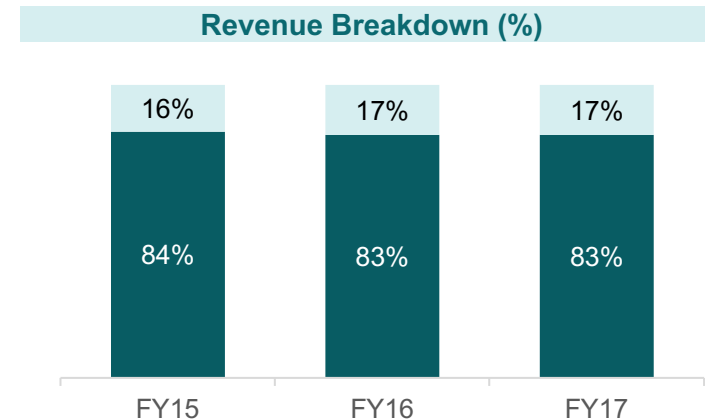
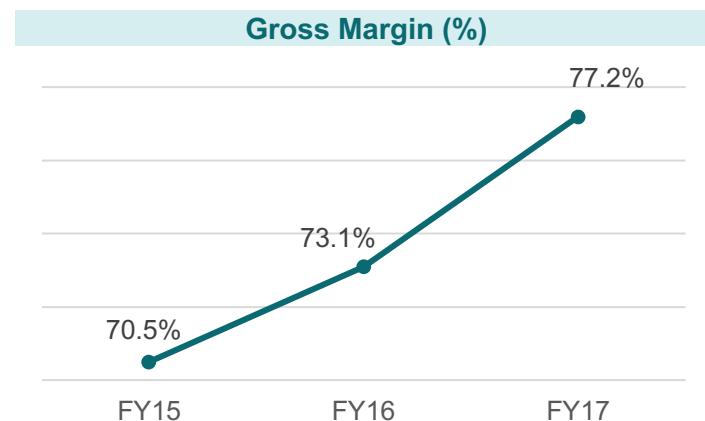
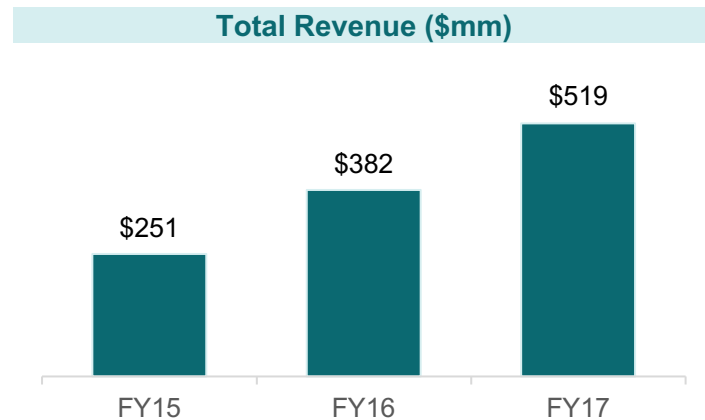
Shares Offered through the IPO	22 million
Issue Price	\$29.00
Total Shares Outstanding after the IPO	152 million
Market Value ⁽¹⁾	\$4.4 billion
Enterprise Value ⁽²⁾	\$4.7 billion
EV / Revenue ⁽³⁾	9X
Trading Date	04/27/2018
Listing Price	\$38.00
Listing Premium	\$9.00

Source(s): Capital IQ, DocuSign S-1 Filing, Pitchbook, Media Reports

⁽¹⁾ Market Value has been calculated as Issue Price x Total Shares Outstanding after the IPO.

⁽²⁾ Enterprise value is based on the calculated Market Value at Issue Price and preferred equity, debt and cash as of January 31, 2018 taken from S-1 filing.

⁽³⁾ Revenue and EBITDA values are taken as of January 31 for each fiscal year.



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Company Overview

OVERVIEW

- DocuSign enables businesses to manage documents at a rapid pace through its platform. The documents are accessible at any time and place. DocuSign works on devices and applications such as Microsoft, Salesforce, Google, and Apple.
- DocuSign offers the following solutions:
 - **Electronic signature** for accessing and signing documents digitally
 - **Integrations**, a digital transaction management platform for providing CRM and payments solutions
 - **eSignature API** to sign documents, request signatures, and automate forms and data
- DocuSign also provides a learning portal where businesses can get online and offline training materials in document management.
- The Company offers access to its platform on a subscription basis. The fees charged include the use of their platform and access to customer support.
- The Company's TAM for the fiscal year ended January 31, 2017 is estimated to be approximately \$25 billion.

Key Statistics



DocuSign's customer composition is as follows (as of January 31, 2017):

- **285,000** - Total Customers
- **11%** - Enterprise Customers
- **89%** - Commercial Customers



The Company has invested over \$300 million in research and development.



The company's cloud revenue grew at a CAGR of more than **43%** between 2016 and 2018.



DocuSign's customers have completed over 650 million successful transactions on its platform.



The share of international revenue (as a percentage of total revenue) accounted for 16% in 2016 and 17% in 2017.

Source(s): DocuSign website, DocuSign S-1 filing

DocuSign IPO – Executive Summary

Products

DocuSign's platform enables companies to make nearly every agreement, approval process, or transaction digital. It provides comprehensive functionality across e-signature and addresses the broader agreement process. DocuSign provides a solution for the processes listed below.



Preparing an agreement

DocuSign's platform enables users to create, upload, and send documents to multiple parties for signing in an electronic and legally acceptable manner.



Circulating an agreement

The Company's platform allows routing of agreement documents for review, comment, and signature. The platform also allows the agreement originator to view each participant's status in the process.



Signing an agreement

DocuSign's platform uses various methods to verify and authenticate the identities of document signers. It also has multiple region-specific methods for enabling signers to execute legally valid e-signatures.



Post signature management

DocuSign's platform enables secure retention, retrieval and reporting on agreements. In addition, it enables companies to activate their business processes based on completed agreements.



Agreement's process integration

DocuSign's platform is designed to help businesses integrate DocuSign functionality into their existing systems with ease. In most cases, DocuSign has a prebuilt integration with a customer's existing application. In other cases, an API is used to create the integration.

Source(s): DocuSign website, DocuSign S-1 filing

DocuSign IPO – Executive Summary

Customer Case Studies

Salesforce



- Salesforce.com, Inc. is one of the most highly valued American cloud computing companies with a market capitalization above \$90 billion.
- The company used to send out contracts by email and mail and receive completed agreements back in an average of two days. Then the operations team would follow up with the customer to get a purchase order, taking an additional few days.
- The company integrated its process with DocuSign and leveraged the following benefits:
 - **Automation:** Integrating with DocuSign enabled Salesforce to create and populate agreements with data from any Salesforce record and send them for signature. The customer could then enter additional data when signing (such as that PO number) and have it automatically map back to the Salesforce record.
 - **Reduced Time:** Many redundant processes were eliminated, bringing down the lead time. In 2017, over 90% of Salesforce contracts were completed within the same day and 71% within an hour.

Coldwell Banker Elite



ELITE

- Coldwell Banker Elite is a locally owned & operated, full-service real estate company with 9 office locations.
- The company used to process reams of paper documents and required handwritten signatures and duplication of documents for storing at multiple locations. It struggled to solve the spiralling complexity of managing these documents.
- The company invested in technology in the form of DocuSign's e-signature solution and its Transaction Rooms for Real Estate solution and reaped the following benefits:
 - **Increased Productivity:** With records stored in the cloud, agents are free to work remotely and independently, thereby increasing productivity.
 - **Cost Savings:** Colwell Banker Elite has saved more than 10% in paper purchasing, copying and storage costs.
 - **Digitization:** Within 18 months of making the decision to use DocuSign, all 200 agents were managing 100% of their transactions digitally.

Source(s): DocuSign website, DocuSign S-1 filing

DocuSign IPO – Executive Summary

Market Opportunity

Several market dynamics represent a global opportunity for document management businesses

Rapidly growing e-commerce industry

An increasing number of e-commerce businesses is driving demand in the e-signature industry. E-signature allows the e-commerce businesses to address the issue of deception while helping share documents and agreements conveniently. As per P&S Market research studies, high e-commerce growth is expected to continue until 2023.

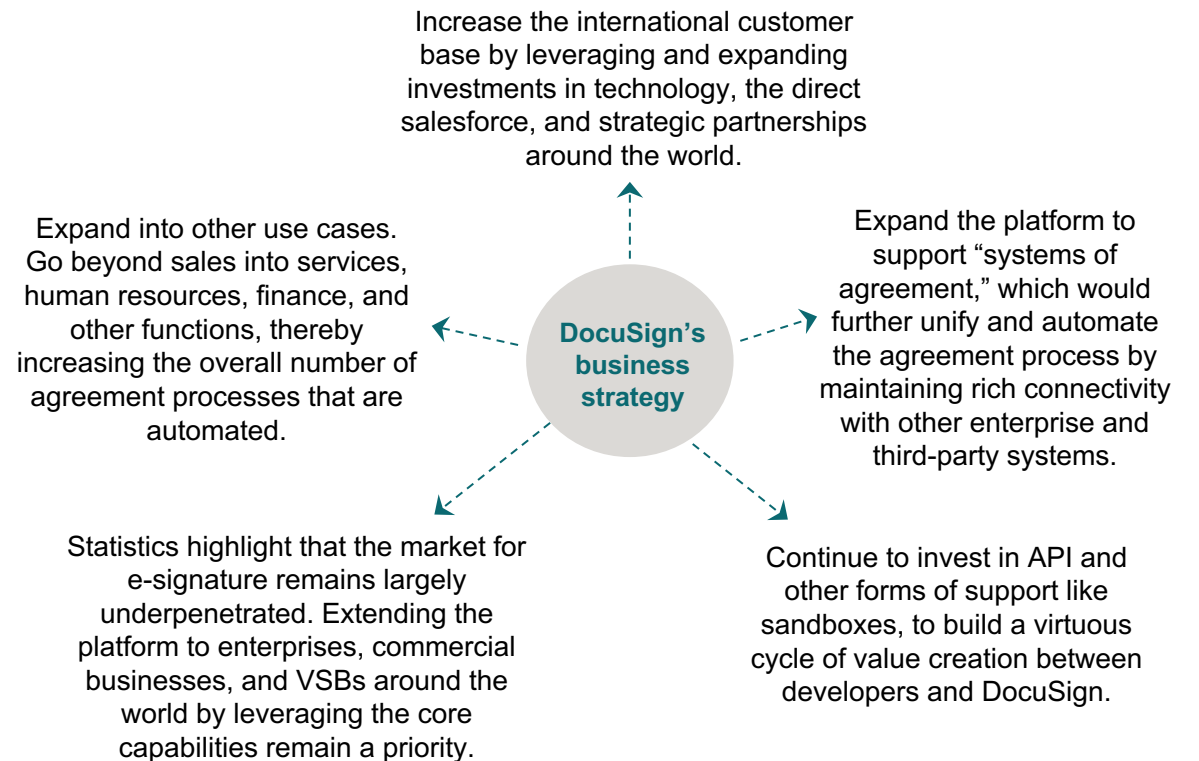
Integration with existing business applications

Electronic signature solutions offer an invaluable advantage by integrating with the current and existing business tools such as Microsoft, Dropbox, and Google Docs. Often, one can also incorporate internal applications into current business processes across several departments within the enterprise, increasing its adaptability across businesses. According to Business Insider, the worldwide e-signature market is expected to grow at a compound annual growth rate (CAGR) of 35% between 2017 and 2023.

Increased customization to increase the customer base

Large players in the industry are investing in research for developing turnkey solutions made up of carefully selected tools that fit the needs of different kinds of businesses. For example, LASSO, has launched LASSO Signature, a new e-signature product that enables customers to electronically complete, review and sign documents from the same system they use to schedule, communicate and manage their workforce.

With rising demand for e-signature and document management solutions, DocuSign is building solutions to leverage market opportunities. The company's key growth strategies include:















Source(s): DocuSign S-1 filing, International Data Corporation

DocuSign IPO – Executive Summary

Financing and M&A History

The company has raised a total of \$371 million prior to the IPO, with the latest valuation of \$2.8 billion. DocuSign's pre-money valuation for this IPO at \$4 billion represents a 42% increase from its Series F financing in 2015.

Date	Transaction Type	Amount (\$mm)	Role	Target	Buyer / Key Investors / Lenders	Transaction Notes
12/19/17	Acquisition	NA	Buyer	 APPURI		DocuSign acquired the assets of Appuri Inc. The assets included license to Appuri's source code.
04/11/17	Acquisition	\$0.5	Seller	 Digital Certification Business Unit In Brazil		Soluti acquired DocuSign, Inc.'s digital certification business unit in Brazil for \$0.5 million.
04/30/16	Minority Stake Acquisition	\$0.3	Target		Peter Solvik	Peter Solvik acquired an unknown minority stake in DocuSign, Inc. by purchasing 24,000 common shares of DocuSign at a purchase price of \$11 per share.
11/10/15	Acquisition	\$4	Buyer			DocuSign, Inc. acquired Estate Assist, Inc. from Social Leverage, LLC for \$4 million in September, 2015.
09/08/15	Acquisition	\$21	Buyer	Trusted Documents and Transactions		DocuSign, Inc. acquired Trusted Documents and Transactions (TDT) from Keynectis S.A. for \$21.4 million. The consideration was paid in cash.
04/30/15	Series F	\$303	Target		  	The company raised \$300 million in Series F financing by issuing convertible preferred stock in a deal that valued it at \$2.8 billion on a pre-money basis.

Source(s): CapitalIQ and Pitchbook

DocuSign IPO – Executive Summary

Financing and M&A History (Cont'd)

Date	Transaction Type	Amount (\$mm)	Role	Target	Buyer / Key Investors / Lenders	Transaction Notes
03/11/15	Acquisition	\$35	Buyer	 Algorithmic Research Ltd.		DocuSign, Inc. acquired Algorithmic Research Ltd. for \$35 million in an all cash transaction.
03/07/14	Acquisition	NA	Buyer			DocuSign, Inc. completed the acquisition of Comprova.com on March 10, 2014.
03/03/14	Series E	\$115	Target		BBA Ventures	The Company raised \$115 million through Series E funding at a pre-money valuation of \$1.5 billion. The proceeds were directed towards increasing the pace of expansion in Asia, Spain, Latin America and Spanish speaking countries.
05/15/13	Acquisition	NA	Buyer			DocuSign, Inc. acquired Cartavi, Inc. from I2A Fund, FireStarter Fund, Point B Capital and other shareholders.
06/29/12	Series D	\$56	Target			The Company received \$56 million in Series D funding for expanding its sales base and support functions to accelerate growth and international expansion. The transaction valued the company at \$501 million on a pre-money basis.

Source(s): CapitalIQ and Pitchbook

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