



**Evolve**  
Capital Partners

## Smartsheet Inc.

April 2018

### Summary of Initial Public Offering



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**SPECIALIZED INVESTMENT BANKERS AT  
THE INTERSECTION OF FINANCE & TECHNOLOGY**

# Smartsheet IPO – Executive Summary

## Initial Public Offering Overview



**NASDAQ:SMAR**









### Description

- Smartsheet is a cloud-based platform that enables organizations to manage work in real-time, automate workflows, and deploy new processes. The platform works seamlessly with enterprise tools and apps so businesses can focus on the work that matters most.



### Use of Proceeds

The company intends to use the proceeds to expand its headcount, scale its business through sales and marketing activities, develop its technology, spend on general and administrative matters, invest in hardware for the company's data center operations, and build out its office facilities.

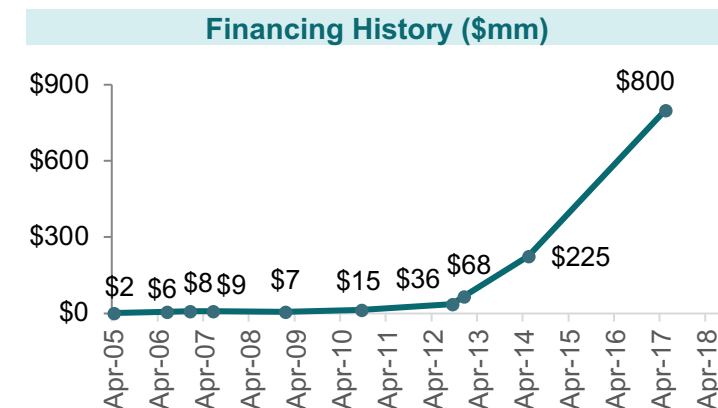
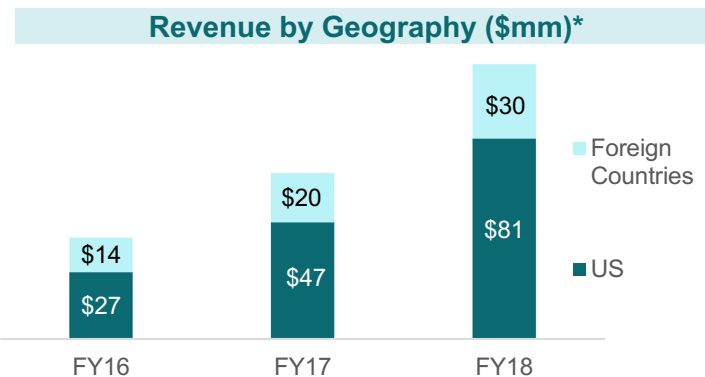
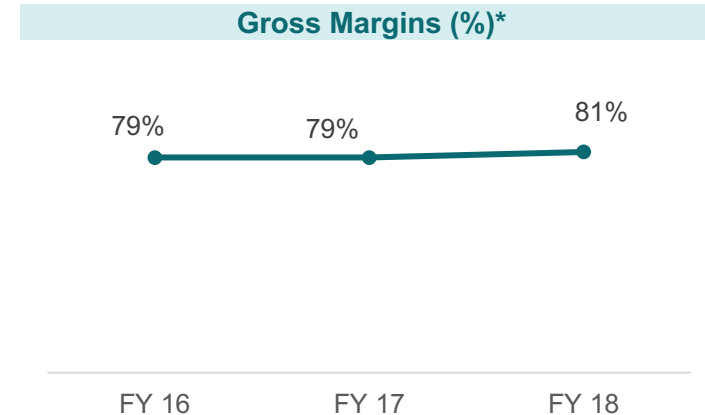
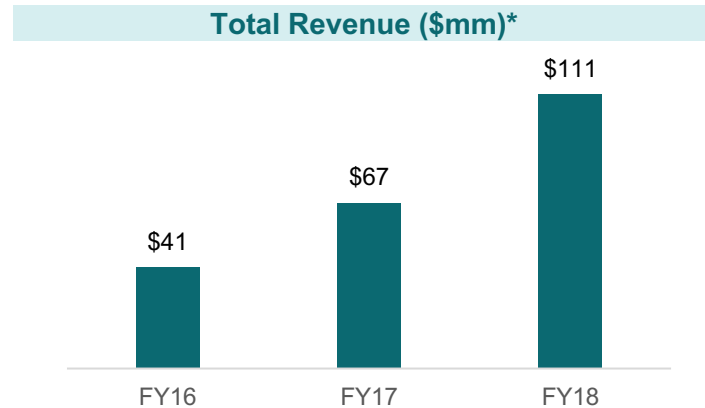
 <b>Headquarters</b>	Bellevue, WA
 <b>Founded</b>	2005
 <b>Employees</b>	830
 <b>Trading Date</b>	04/27/2018
 <b>Underwriters</b>	Morgan Stanley JPMORGAN CHASE & CO. RBC Capital Markets Jefferies CANACCORD Genuity
 <b>Issue Price</b>	\$15.00
 <b>Shares Offered</b>	11.6 million
 <b>Gross Proceeds</b>	\$175 million (before deducting underwriter discounts and commissions)

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

# Smartsheet IPO – Executive Summary

## Key Metrics – IPO

Shares Offered through the IPO	11.6 million
Issue Price	\$15.00
Total Shares Outstanding after the IPO	99 million
Market Value	\$1.5 billion
Enterprise Value at Issue Price <sup>(1)</sup>	\$1.6 billion
EV / Revenue	2.8X
Trading Date	04/27/2018
Listing Price	\$18.40
Listing Premium	\$3.40



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

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. <sup>(1)</sup>

\* Revenue and EBITDA values are taken as of January 31 for each fiscal year.

# Smartsheet IPO – Executive Summary

## Company Overview

### OVERVIEW

- Smartsheet is a cloud-based work management platform designed to automate large-scale collaborative work. The company's platform is used to assign tasks, track project progress, manage calendars, share documents, and manage other work processes, enabling clients to accelerate business execution.
- The platform serves as a single source of truth (SSOT) across work processes that helps businesses plan, track, and automate their processes and projects so they are well-informed regarding their work status.
- Smartsheet seamlessly integrates with all cloud productivity suites and applications, like Google G-Suite, Microsoft Office 365, Box, DocuSign, and many others.
- The platform allows businesses to execute their work with greater speed and accountability than legacy tools.
- The Smartsheet platform is used across industries including retail, manufacturing, construction, education, technology, and professional services.

### Key Statistics



The platform saves:

- **300 hours** per year for an average business leader due to improved productivity
- **26 hours** per year for an average user due to increased collaboration
- **60,658 hours** per year for an average organization



As of January 31, 2018, Smartsheet had approximately **4 million** total users and more than **74,000 domain-based** customers.



Smartsheet's net dollar retention ratio was **130%** as of January 31, 2018.



Smartsheet offers its platform services in more than **190 countries**.



**90%** of the companies in the Fortune 100 and approximately **67%** of the companies in the Fortune 500 use Smartsheet to implement, manage, and automate processes.






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








# Smartsheet IPO – Executive Summary

## Products Overview

The company offers the following products through its platform:

	<b>Smartprojects</b> Smartprojects offers an intuitive interface with capabilities that foster collaboration among teams and organizations to improve work execution. Business users rely on Smartprojects to create a single source of truth for all project-related information.
	<b>Smartgrids</b> Configurable to support thousands of use cases through an extensible data model, Smartgrids uses multiple column types and a hierarchical approach that allows business users to visually group data and establish relationships between important data.
	<b>Smartcalendars</b> Smartcalendars aligns teams and organizations by connecting deadlines to workflows, while offering a familiar interface to effectively communicate timing expectations.
	<b>Smartdashboards</b> Smartdashboards provides real-time visibility into the status of work to align individuals, managers, and executives. It provides real-time status of top key performance indicators, trends, summary reports, and important deadlines.
	<b>Smartautomations</b> Smartautomation automates repetitive processes and accelerates work by creating automated actions based on preset conditions.

	<b>Smartportals</b> Smartportals allows business users to create customized landing pages for teams to easily locate and access information from any device in the entire set of resources available for a project without IT assistance.
	<b>Smartforms</b> Smartforms creates and customizes forms using a user-friendly interface. Smartforms enable business users to collect information in a structured and consistent format.
	<b>Smartcards</b> Smartcards provides a visualization tool for teams to organize, share, and act on workflows. The ability to understand the flow of work from multiple perspectives enables teams to display information in the most effective format and foster timely engagement.
	<b>Smartintegrations</b> Smartintegrations enables organizations and teams to connect, sync, and extend their existing enterprise applications across their workflows to create seamless work execution.
	<b>Smartconnectors</b> Connectors provide embedded integrations with industry-leading systems of record, including those from Salesforce, Atlassian, and ServiceNow. Connectors enable data to be synchronized in real-time, increasing visibility and interoperability across these business platforms.

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

# Smartsheet IPO – Executive Summary

## Customer Case Studies

### Aramark



Aramark provides food, facilities, and uniform services to education, healthcare, business and industry, sports, leisure, and corrections clients internationally.

Prior to using Smartsheet, a vast majority of Aramark's work management was being handled via email. The company faced challenges with siloed information and lack of visibility into project status.

The company adopted the Smartsheet platform that provided real-time program status and enabled Aramark to provide better experiences to its customers and develop new projects.

The capital projects group, the funding team behind Aramark's food service solutions, adopted Smartsheet Control Center to balance the flexibility it needs for innovation with the rigorous process required for effective and efficient capital management.

### MOD Pizza



MOD Pizza owns and operates a network of company-owned and franchised pizza restaurants. It also offers an online pizza ordering service. It has restaurant locations in the United States and the United Kingdom.

MOD Pizza added 100 or more stores in each of 2016 and 2017, reflecting 57% year-over-year growth in 2017. To manage and organize this rapid growth, MOD Pizza built a standardized system in Smartsheet Control Center.

Smartsheet facilitated better communication for MOD Pizza management among many geographic locations by providing stakeholders with real-time updates and a single source of truth. MOD Pizza also standardized store models with various Smartsheet templates, making expansion more efficient and organized, and leveraged attachments, notes, and reminders to keep store openings on track.

### Colliers International Group



Colliers International Group provides commercial real estate services to corporations, financial institutions, governments, and individuals worldwide.

Colliers|Wisconsin, a regional subdivision of the company, was challenged with tracking large customer data sets.

The company needed a platform that would enable them to manage complex work streams with their clients in real time.

Colliers|Wisconsin adopted Smartsheet to share real-time information with clients, manage multi-million dollar projects, and win more business as the leading real estate provider in their region.

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

# Smartsheet IPO – Executive Summary

## Market Opportunity

### Factors that strengthen Smartsheet's market position

#### Limitations of existing business tools when applied to work execution

According to McKinsey Global Institute, employees rely on manual processes to manage more than 60% of their work using a combination of spreadsheets, email, in-person meetings, calls, and written notes. It is estimated that 61% of work time is spent reading and answering emails, searching for and gathering information, communicating, and collaborating internally.

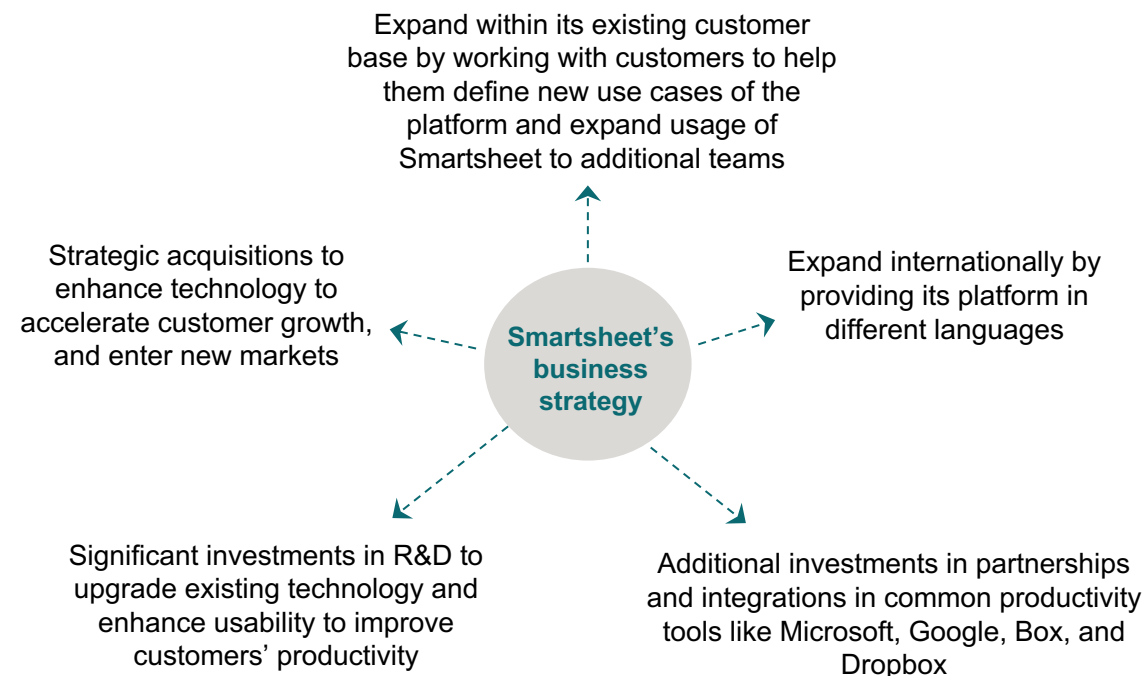
#### Business users are seeking technology solutions to rapidly adapt to their changing business needs

Business users are becoming significant business application buyers. Self-service adoption models have made it easy for employees and business owners to find and purchase the applications of their choice through the web while remaining in compliance with IT policy.

#### Increasing demand for collaborative applications and project management applications

The Smartsheet work management platform serves both the collaborative applications and project management applications markets. According to International Data Corporation, these two markets combined are estimated to grow from **approximately \$21 billion in 2017 to approximately \$32 billion in 2021, representing approximately 11% CAGR.**

With demand for collaborative and project management applications rising, Smartsheet plans to leverage these market opportunities through the following five strategies:








Source(s): Smartsheet S-1 filing, McKinsey Global Institute, International Data Corporation

# Smartsheet IPO – Executive Summary

## Financing History

The company had raised a total of \$121 million prior to the IPO, with the latest valuation of \$852 million during the Series F. Smartsheet's valuation for this IPO at \$1.5 billion represents a 76% increase from a year ago.



Date	Series/Type	Amount (\$mm)	Lead Investors	Transaction Notes
5/26/17	Series F	\$52		The company raised \$52 million of Series F venture funding in a round led by Insight Venture Partners on May 26, 2017, putting the company's pre-money valuation at \$800 million. The company intends to use the capital to accelerate investments in products, sales and marketing, and infrastructure.
5/5/14	Series E	\$35		The company raised \$35 million of Series E venture funding in a deal led by Sutter Hill Ventures on May 5, 2014, putting the pre-money valuation at \$225 million. Follow on investors Insight Venture Partners and Madrona Venture Group also participated.
12/3/12	Series D	\$26		The company raised \$26 million of Series D funding led by Insight Venture Partners on November 3, 2012, putting the pre-money valuation at \$68 million. Madrona Venture Group and Top Tier Capital Partners also participated.
9/24/12	Series C1	\$1		The company raised \$1 million of Series C1 venture funding from Insight Venture Management and Madrona Venture Group on September 24, 2012, putting the pre-money valuation at \$36 million.
9/15/10	Series C	\$2		The company raised \$2 million of Series C funding from Madrona Venture Group on September 16, 2010, putting the pre-money valuation at \$15 million.

Source(s): Pitchbook



# Smartsheet IPO – Executive Summary

## Financing History (Cont'd)

Date	Series/Type	Amount (\$mm)	Lead Investors	Transaction Notes
1/13/09	Series B	\$1.3	 MADRONA VENTURE GROUP	The company received \$1.3 million in Series B funding from lead investor Madrona Venture Group on January 13, 2009, putting the pre-money valuation at \$7 million.
6/14/07	Early Stage VC	\$2.7	 MADRONA VENTURE GROUP	The company raised \$2.7 million of Series A4 venture funding from Madrona Venture Group and other undisclosed investors on June 14, 2007, putting the pre-money valuation at \$9 million.
12/21/06	Series A3	\$0.3	Undisclosed Investor	The company raised \$300,000 Series A3 venture funding from undisclosed investors on December 21, 2006, putting the pre-money valuation at \$8 million.
6/5/06	Series A2	\$0.6	Undisclosed Investor	The company raised \$550,000 of Series A2 funding from undisclosed investors on June 5, 2006, putting the pre-money valuation at \$6 million.
6/1/05	Series A	\$0.5	Undisclosed Investor	The company raised \$480,000 of Series A venture funding from undisclosed investors on June 01, 2005, putting the pre-money valuation at \$2 million.

Source(s): Pitchbook

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