



Evolve
Capital Partners

Appian Corporation

May 2017

Summary of Initial Public Offering

Appian

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

Appian IPO – Executive Summary

Initial Public Offering Overview



NASDAQ:APPN



Description

Appian Corporation is a Business Process Management technology company. The company provides a low-code software development platform that enables organizations to develop unique applications and streamline business processes.











The company's platform automates the creation of forms, data flows, reports, and software elements, easing the application development process. It also allows businesses to build custom-made applications through the platform's intuitive and visual interface, which requires little or no coding.



Use of Proceeds

The company intends to use the IPO proceeds for working capital and other general corporate purposes. The company also plans to use net proceeds to repay its outstanding debt and pay a cash dividend to the holders of preference shares. In addition, Appian plans to use the funds for making strategic investments in businesses or technologies.

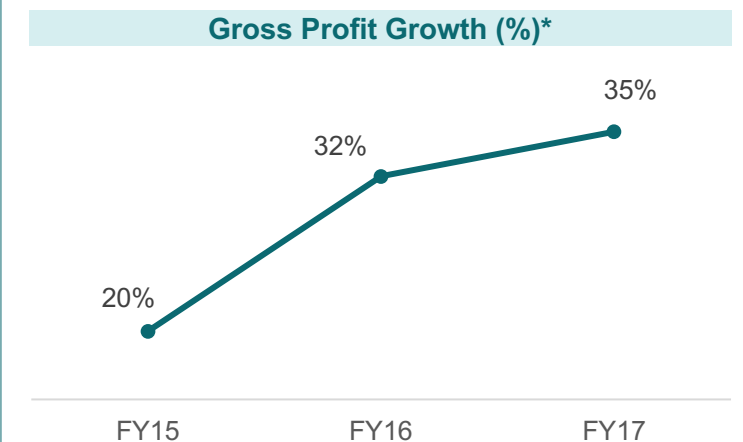
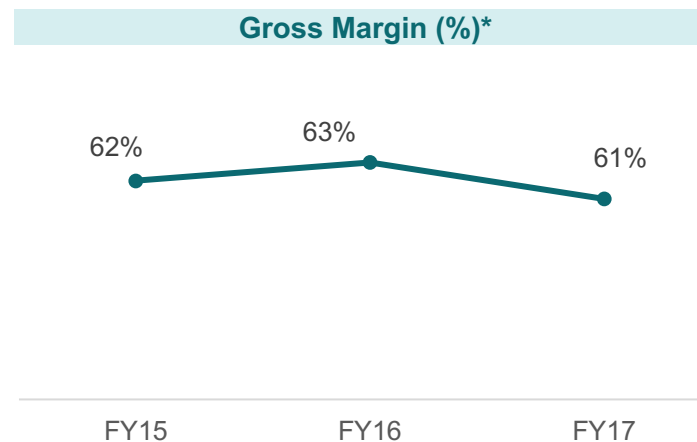
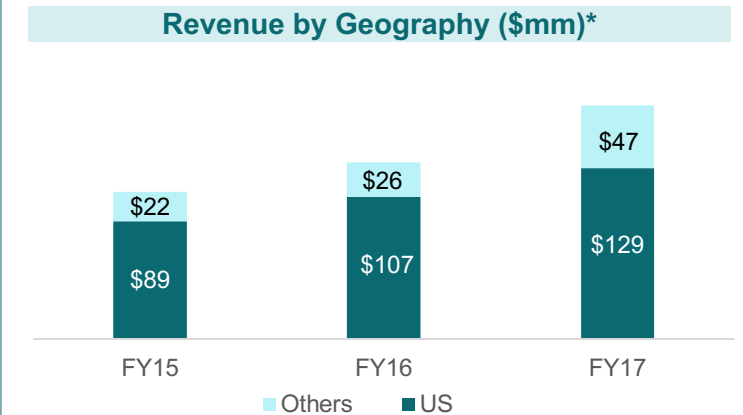
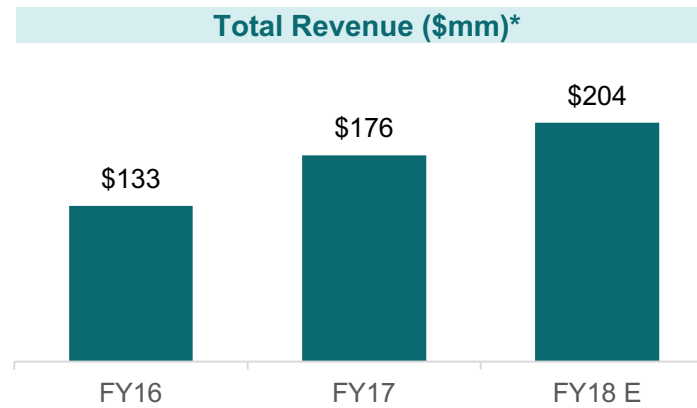
Source(s): Appian website, Appian S-1 filing, Pitchbook

	Headquarters	Reston, VA
	Founded	1999
	Employees	753
	Trading Date	05/24/2017
	Underwriters	Morgan Stanley  
	Offering Price	\$12.00
	Shares Offered	6.3 million
	Gross Proceeds	\$75 million

Appian IPO – Executive Summary

Key Metrics – IPO

Shares Offered through the IPO	6.3 million
Issue Price	\$12.00
Total Shares Outstanding after the IPO	58.6 million
Market Value	\$703 million
Enterprise Value at Issue Price ⁽¹⁾	\$629 million
EV / Revenue	3.6x
Trading Date	05/25/2017
Listing Price	\$12.00



Source(s): Capital IQ, Appian 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 December 31, 2017 taken from S-1 filing. ⁽¹⁾

* Revenue and Gross Profit values are taken as of December 31 for each fiscal year.

Appian IPO – Executive Summary

Company Overview

In 2018, Frost & Sullivan named Appian's cloud-based, low-code software application platform as the **top digital transformation platform for the Life Sciences & Pharmaceuticals sector**.

Overview




- Appian provides application development software for businesses and government organizations. The company provides its solutions either directly to customers or through strategic partners. Appian provides its software on a subscription basis to maximize customer retention.
- The company's platform employs pre-built development modules that reduce the time required to build applications. The platform allows organizations to easily modify and enhance applications and also to automatically disseminate such updates across device types.
- The company's patented Self-Assembling Interface Layer (SAIL) technology ensures that applications developed on the platform are natively deployed across a range of mobile and desktop devices with no additional customization.
- The platform also unifies enterprise data in a single searchable environment, enabling organizations to have a comprehensive view of customers, products, and assets through reporting dashboards. The dashboards capture detailed performance metrics and provide analytics that assist in business process optimization.

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

Key Statistics*

35%	Appian achieved a growth of 35% in its total revenue from Q1:17 to Q1:18.
36%	Appian achieved a growth of 36% in subscription-based revenue from Q1:17 to Q1:18.
10	Appian serves 10 industries including Financial Services, Healthcare, and Insurance.
10X	Appian builds web and mobile apps 10 times faster, as compared to the time taken for enterprises to do the same.

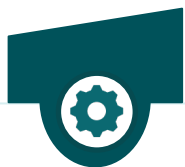
Key Partnerships

 GENESYS	Appian partnered with Genesys to provide comprehensive customer engagement solutions to enterprises.
 KPMG	Appian partnered with KPMG to provide data analytical capabilities and AI services.
 Santander	Appian partnered with Banco Santander to deploy applications across Banco's operations, through fast and simple low-code development.

Appian IPO – Executive Summary

Company Offerings Overview

Appian's platform builds easy-to-use enterprise applications that unify business information across systems, create optimized processes, and can be deployed on any device with one click. The platform's solutions are listed below.



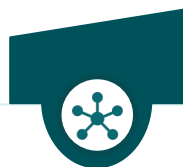
Low Code Development

The platform's Low Code Development solution builds and modifies business apps with pre-built connectors and easy-to-configure APIs. The apps can be deployed to any device with ease and adapt to market changes rapidly.



Business Process Management

The platform's BPM solution increases worker efficiency and reduces costs by monitoring business processes in real time. The BPM solution processes and analyzes data at granular levels to view processes and reassign tasks.



Case Management

The platform's Case Management solution unifies all aspects of business - data, processes and interactions between people. The solution provides a summary on business performance indicators that helps in making business decisions.



Application Platform-as-a Service

The platform's Application PaaS solution is a comprehensive security and compliance program. This program provides third party audits to ensure that there are controls to protect customer data.



Intelligent Contact Center Platform

The platform's ICCP suite integrates leading communication channels into a single interface and provides a seamless customer experience. The solution provides AI-assisted interactions that help businesses to understand their customers better.

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

Appian IPO – Executive Summary

Customer Case Studies

Dallas / Fort Worth International Airport



- Dallas / Fort Worth International Airport is the world's eighth largest airport, in terms of traffic, with a facility covering 27 square miles.
- Prior to using Appian's platform, DFW used paper-based processes requiring physical transportation of forms and files across the massive facility.
- DFW used Appian cloud to build 18 applications in the initial six months following launch to automate manual business operations.
- Appian solutions generated the following benefits:
 - Management of compliance requirements via the mobile app
 - Efficient management of back office operations
 - Support to daily operations of HR, Finance, IT
 - Better customer experience

Sprint



- Sprint is a communications services company that provides various wireless and wireline communications products and services to businesses and government subscribers.
- The company chose Appian's platform to streamline and improve its wireline IT infrastructure.
- Appian enabled Sprint to decommission applications, remove mainframes, and turn down two data centers, resulting in added data services and cost savings for the company.
- Appian simplified and accelerated the process of selling and delivering solutions to Sprint's business customer base. Process improvements also increased Sprint's ability to pre-qualify customers for wireline services.

Ryder System



- Ryder is a commercial fleet management and supply chain solutions company. The company has been recognized for its industry-leading practices in third-party logistics, environmentally-friendly fleet and supply chain solutions, and safety and security programs.
- Prior to Appian, all customer-related documentation was uploaded using e-mail, mail and fax. Outside party data was collected through phone calls and e-mails.
- Appian's platform unified Ryder's systems and processes through multiple synergistic applications. Deploying a series of applications helped Ryder reduce its rental transaction time by 50% and increase its customer satisfaction score by 10%.

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

Appian IPO – Executive Summary

Market Opportunity

Key Demand Drivers

- **Rapid digital transformation of business processes**

Organizations across industries are adopting diverse software solutions to automate and optimize critical operations, enhance customer experiences and drive competitive differentiation. Businesses are using several technologies such as Cloud, IoT, and blockchain for automation, which provide opportunities for companies like Appian.

- **Packaged software solutions are inadequate**

Businesses traditionally used to adopt packaged software (either delivered in the cloud or on-premises) to apply in specific verticals rather than in entire organizations. The packaged solutions are supposed to conform to a company's individual processes, needs, and systems of record to standardized frameworks.

The packaged solutions are potentially adopted in numerous point solutions that can be difficult to integrate. Companies like Appian are tackling this problem by developing low-code software solutions which can be deployed on any device.

- **Growing demand for less costly and easy-to-use software solutions**

Businesses using traditional technologies like computer software development require complex coding. Deploying these solutions on different devices allows businesses to modify and make customizations to specific hardware configurations. Businesses are also required to hire experts who can develop this custom software, which adds to their cost. Therefore, demand for solutions that build apps using easy configurations and integrations is growing.

Appian plans to leverage these market opportunities through the following strategies:




Innovating its platform	Appian is continuously making innovations in the functionality of its platform. With these upcoming innovations, the company intends to reduce the amount of developer skill that is required to build robust applications.
Expanding into new geographies	Appian is expanding into new geographies through investment in direct and indirect sales channels, professional services, customer support, and implementation partners.
Expanding use cases	Appian intends to provide its solutions for a variety of use cases. Appian is already providing solutions in areas such as launching new business lines, building large procurement systems, managing retail store layouts, conducting predictive maintenance on field equipment, and managing trading platforms. The company intends to explore new options.
Expanding network of customers and partners	Appian intends to partner with organizations that are undertaking digital transformation projects. The company can leverage these partnerships to broaden customer coverage and solution delivery capabilities.

Source(s): Appian S-1 filing

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Financing History

The company had raised a total of \$48 million prior to the IPO, with the latest valuation being \$380 million. Appian's pre-money valuation for this IPO at \$630 million represents a 67% increase from its Series B financing in 2014.

Date	Transaction Type	Amount (\$mm)	Investors	Transaction Notes
02/17/14	Series B	\$38	 	The company raised \$38 million of Series B venture funding from New Enterprise Associates and Saints Capital on February 17, 2014, putting the pre-money valuation at \$380 million.
07/21/08	Series A	\$10		The company raised \$10 million of Series A venture funding from Novak Biddle Venture Partners on July 21, 2008, putting the pre-money valuation at \$44 million.

Source(s): Pitchbook

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