

**Overview****Clare Capital Tech Insights 147 - Bill.com - 20191122**

Bill.com offers cloud-based accounts payable and accounts receivable solutions for businesses, accounting firms, and banks. The company's platform helps businesses to automate bill approvals and payments, protect against fraud, simplify check approval and signing tasks, maintain a comprehensive audit trail and reduce bookkeeping tasks by automatically syncing with accounting software. Bill.com has strategic partnerships with American Express and Mastercard. The company has filed to list on the NYSE in the coming months, with the aim of raising US\$100m.

**Product overview**

**Capture:** drop invoices in, and Bill.com auto-enters the data for your review

**Approve:** set up workflows and rules for faster, easier approvals from any device

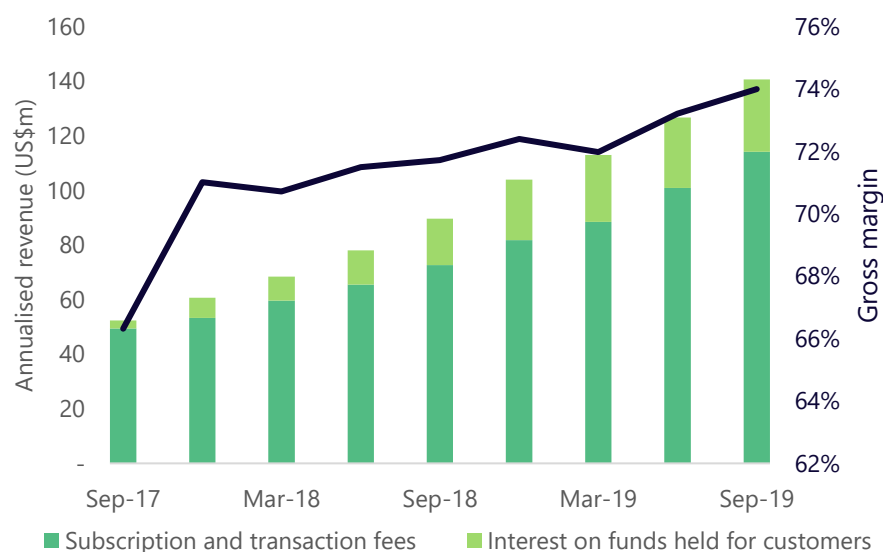
**Pay:** send bill payments to domestic or international vendors in just a few clicks

**Reconcile:** sync with your accounting system for fast reconciliation and less data entry

**Integrations**





**Annualised revenue and gross margin****Annualised three month data**

	30-Sep-18	30-Sep-19	Difference
Subscription and transaction fees (US\$m)	73	114	57%
Interest on funds held for customers (US\$m)	17	27	56%
Total revenue	90	141	57%
EBITDA (US\$m)	(1.2)	(6.3)	(414%)
Gross margin	72%	74%	2%
EBITDA margin	(5%)	(18%)	(12%)
40% rule	66%	39%	(27%)
CAC per addition (US\$)	1,541	2,240	45%
Payback period	19.4	21.0	8%
Customers	67,511	81,374	21%
ARPU - recurring revenue (US\$)	90	117	30%
ARPU - total revenue (US\$)	111	144	30%
Revenue per employee (US\$)		200,000+	

Note: payback period uses "ARPU - total revenue".

Employee numbers estimated from LinkedIn.

We look at Bill.com funding rounds and evaluate investor returns compared to subsequent funding rounds or at possible IPO prices.

Bill.com funding rounds								
Funding round	Series A	Series B	Series C	Series D	Series E	Series F	Series G	Series H
Date	31/03/2006	31/07/2009	16/07/2010	8/12/2011	8/11/2013	4/12/2014	21/07/2017	2/04/2019
Funding amount US\$m	2.11	15.79	8.50	15.50	38.00	30.00	82.50	88.12
Aggregate funding US\$m	2.11	17.90	26.40	41.90	79.90	109.90	192.40	280.51
Implied share price	\$0.39	\$0.73	\$0.92	\$1.25	\$2.01	\$3.05	\$4.88	\$8.31

		Return on investment at different funding rounds							
Date	Stage	Series A	Series B	Series C	Series D	Series E	Series F	Series G	Series H
31/03/2006	Series A								
31/07/2009	Series B	1.87x				9.60x = $\frac{\text{IPO share price: \$12}}{\text{Series D share price: \$1.25}}$			
16/07/2010	Series C	2.36x	1.26x						
8/12/2011	Series D	3.20x	1.71x	1.35x					
8/11/2013	Series E	5.15x	2.75x	2.17x	1.60x				
4/12/2014	Series F	7.81x	4.17x	3.29x	2.43x	1.51x			
21/07/2017	Series G	12.52x	6.69x	5.28x	3.90x	2.42x	1.60x		
2/04/2019	Series H	21.30x	11.37x	8.98x	6.64x	4.13x	2.72x	1.70x	
12/12/2019*	IPO @ US\$10	25.64x	13.69x	10.82x	8.00x	4.97x	3.27x	2.04x	1.20x
12/12/2019*	IPO @ US\$12	30.76x	16.43x	12.98x	9.60x	5.97x	3.93x	2.45x	1.44x

$$9.60x = \frac{\text{IPO share price: \$12}}{\text{Series D share price: \$1.25}}$$

		IRR on investment at different funding rounds							
Date	Stage	Series A	Series B	Series C	Series D	Series E	Series F	Series G	Series H
31/03/2006	Series A								
31/07/2009	Series B	21%				<div><div><div>Time: years</div><div><math>(1 + \text{IRR})^{\text{Time: years}}</math></div></div><div><div>=</div><div><math>\frac{\text{IPO share price \\$}}{\text{Series D share price \\$}}</math></div><div><math>\Rightarrow 1.33^{8.02} = \frac{12}{1.25}</math></div></div></div>			
16/07/2010	Series C	22%	28%						
8/12/2011	Series D	23%	26%	24%					
8/11/2013	Series E	24%	27%	26%	28%				
4/12/2014	Series F	27%	31%	31%	35%		48%		
21/07/2017	Series G	25%	27%	27%	27%	27%	20%		
2/04/2019	Series H	26%	29%	29%	30%	30%	26%	37%	
12/12/2019*	IPO @ US\$10	27%	29%	29%	30%	30%	27%	35%	31%
12/12/2019*	IPO @ US\$12	28%	31%	31%	33%	34%	31%	46%	70%

$$\text{Time: years} = \frac{\text{IPO share price \$}}{\text{Series D share price \$}} \Rightarrow 1.33^{8.02} = \frac{12}{1.25}$$

\*Assumed IPO date

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