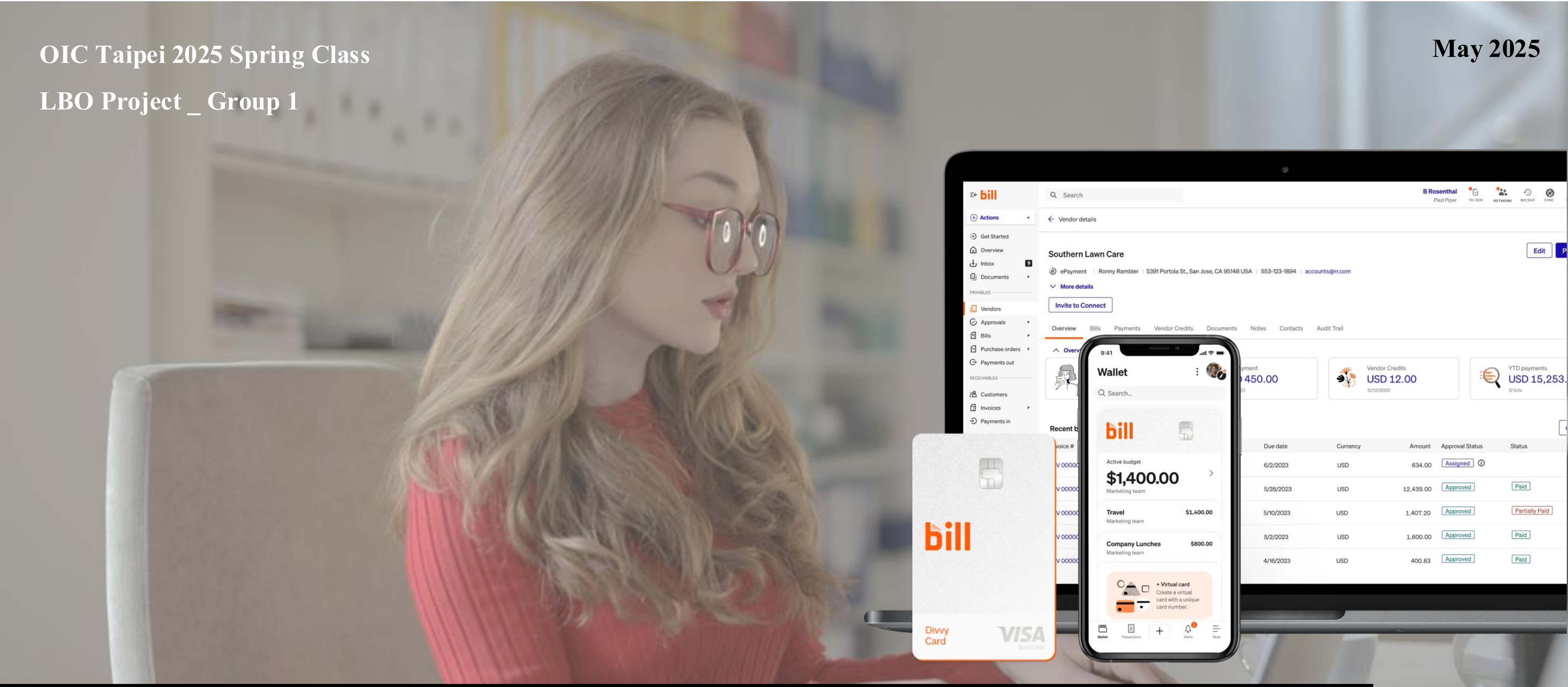
OIC Taipei 2025 Spring Class

LBO Project _ Group 1

May 2025



Leverage Buyout - Empowering SMBs Through Fintech

Group Analysts –Ben Li, Gabriel Wu, Andy Chen, Zoe Chen

Table of Contents

Buyout Bill.com with Thoma Bravo at $60.37, targeting eventual rule of 40, with exit EV/Sales of 5.6x, IRR of 28%

1. Target Overview

- **Industry Background:**
  - SaaS offers stable cash flow, low capex, and high EBITDA margins
  - **Fintech SaaS—especially B2B payments**—is the fastest-growing vertical, fueled by digitalization and automation
- **Bill.com Introduction:**
  - A cloud-based financial automation platform focused on **AP/AR and B2B payments for SMBs**
  - Serves **481K SMBs**, processing **$292B+ in TPV**, and partners with **9,000+ accounting firms**. Positioned for further growth via **automation** and **embedded** financial solutions

2. Investment Thesis

- **Growth prospects for higher exit:**
  - BILL is set for margin reacceleration via **AI, GTM reform**, and international/API-led growth. High-margin products like virtual cards and Divvy remain underpenetrated
- **Issues as opportunities for lower entry and restructuring:**
  - Current EV/Revenue trades **>1 std dev below 2Y average** (3.15x vs. 5.15x), offering entry **discount**
  - Valuation compressed by high rates and weak TPV growth. SMBs still favor **low-margin ACH**, but automation and GTM reform can unlock operating leverage

3. Deal Highlights

- **Valuation summary:**
  - Entry at **$60.37**/share (**3.92x** EV/Sales, **35%** premium)
- **Deal Structure:**
  - Efficient **$8.2B** LBO with balanced funding (**45%** equity, **37%** debt)
  - Full term loan repayment by FY32, and positive cash flow post-FY29
- **Potential Co-investment Third Party and Synergy:**
  - **Thoma Bravo** as investment partner brings strong GTM execution and operational enhancement in Fintech SaaS, targeting **28%** IRR and **5.6x** MOIC

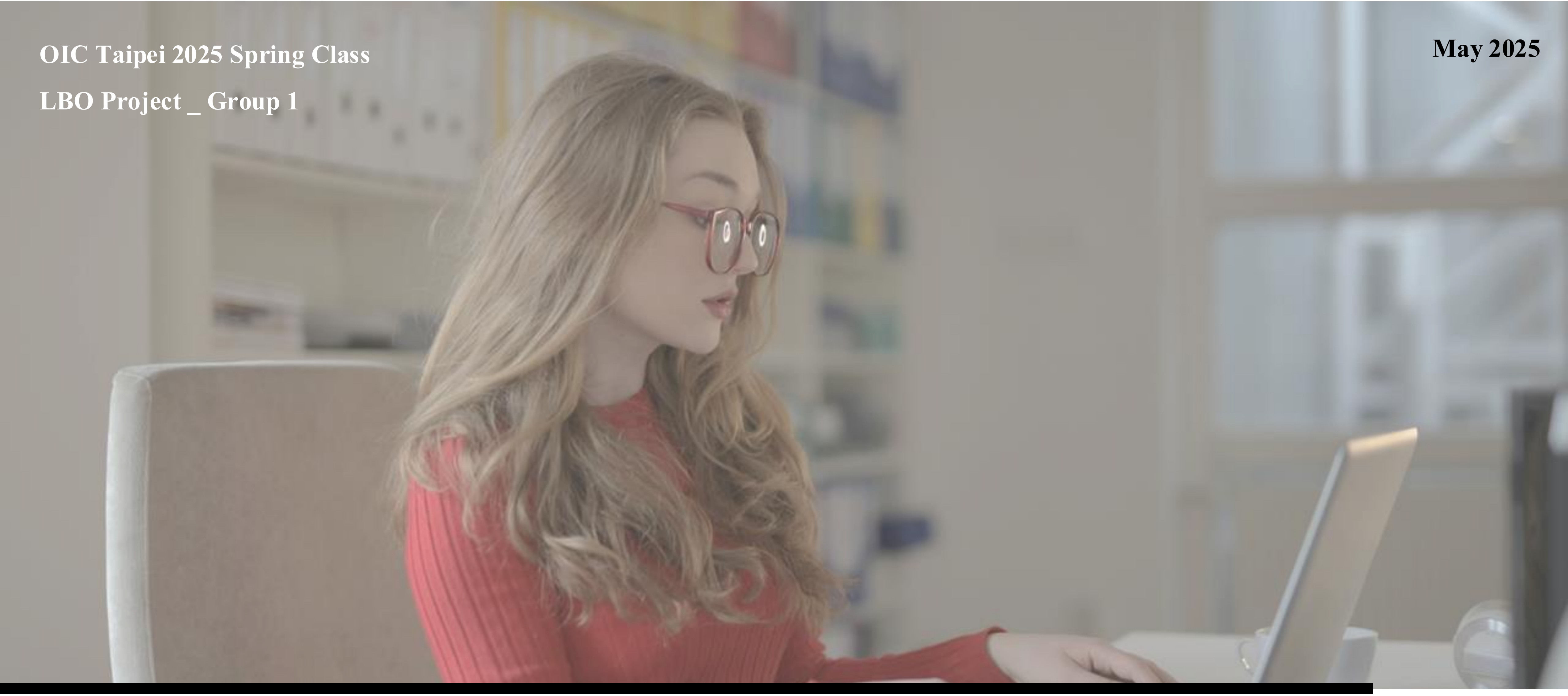
4. Post Investment Management

- **Solutions to Bill.com's pain points:**
  - Governance reset with board optimization and AI/GTM experts
  - Align incentives and raise marketing efficiency. Target **Rule of 40+** and **LFCF >10%** to unlock SaaS multiple re-rating
  - Scale via **API-led PSP** partnerships across Asia-Pacific. Prioritize **FX/card monetization** and **Singapore** as the anchor market
  - Convert high margin network members from the A/R side suppliers to BILL user.
- **Exit Strategy:**
  - Sale to **Xero** due to strong alignment of future strategic movements and product complementarity

OIC Taipei 2025 Spring Class

LBO Project _ Group 1

May 2025



Industry Overview & Competitive Positioning

Group Analysts –Ben Li, Gabriel Wu, Andy Chen, Zoe Chen

SaaS is the most suitable target, due to its favorable business model and financial condition for an LBO.

	SaaS	Industrial Automation	Logistics & Packaging	Automative
Business Model	Delivers internet-based software via recurring subscriptions; centrally hosted and maintained	Uses control systems (e.g., robots, computers) to manage machinery and processes	Involves design and distribution of materials for sectors like food, pharma, etc	Deliver complete systems/modules directly to OEMs
EBITDA margin *By Industry Leaders*	**27.0%**	14.5%	9.8%	10.1%
Current EV / EBITDA	**Relatively High** high-growth SaaS still operate at negative or low EBITDA	20.1x	8.3x	5.83
CAPEX	Low physical asset needs	High upfront costs	High Capex due to upgrades	Ongoing tech and capacity investments
FCF Analysis	Stable and predictable via **subscriptions pricing model.**	Positive outlook but hard to forecast due to market **volatility**.	Highly **volatile**, sensitive to macro trends.	**Fluctuates** with product cycles, capex, and contracts.
2025~2025 YTD Price Move (industry Leaders)	+0.3%	+5.2%	+40%	-14%
Recent Development	Valuation compression due to rising interest rates; growth estimates cut; Rule of 40 < 40%	Resilient performance due to factory automation tailwinds; reshoring & AI adoption	Stable but limited upside; e-commerce logistics normalization post-COVID	EV hype faded; high capital expenditures; supply chain & tariff concerns
Outlook	Growing cloud and AI adoption increases SaaS functionality and value, with the projected CAGR of **13.32%**	AI, IoT, and ML integration is rising in smart manufacturing, with a projected CAGR of **9.8%**	Lack of long-term story due to the homogeneity among competitors, projected CAGR of **6.8%**	EV and ADAS demand rises but constrained by chip shortages, with the projected CAGR of **5.73%**

SaaS's Valuation is relatively Cheap in Recent Years Compares to Pre-COVID Period
(Price was push by Fundamental Growth but multiples remain Low)

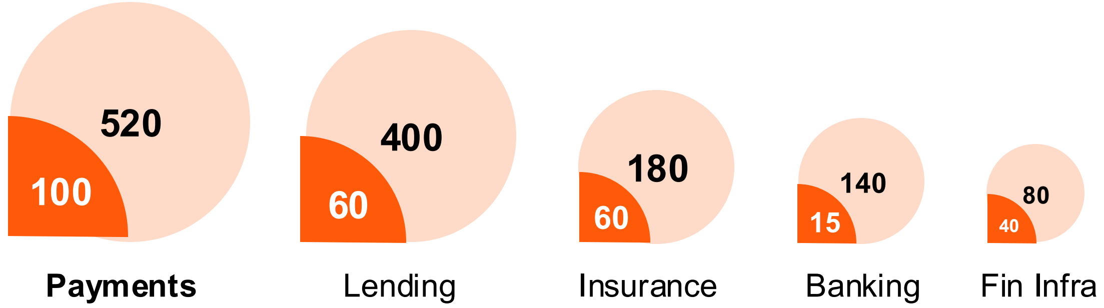
Source: NYU Stern, Market News

B2B Payment services are the focal point of Fintech SaaS investment, fueled by rising demand for digitalization, automation, and embedded financial solutions.

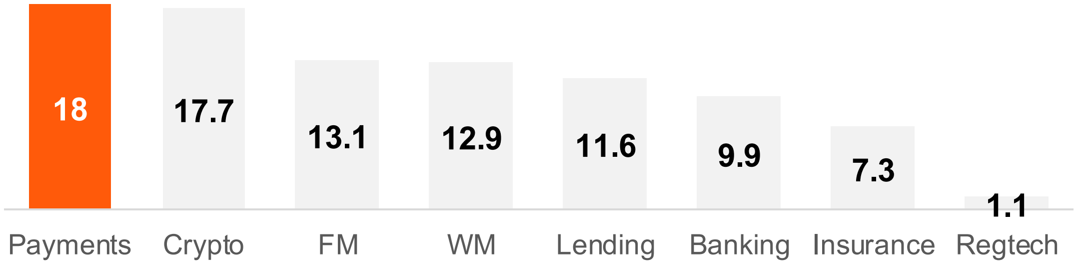
Segment of Fintech SaaS

- Fintech SaaS is cloud-based software that provides financial services, allowing users to access and manage their finances online
- "Payments" is the largest Fintech segment among all other Fintech business models. It also attracts the most fundings in the market

Fintech Revenue Growth by Segment 2021-2030
Unit: $Bn

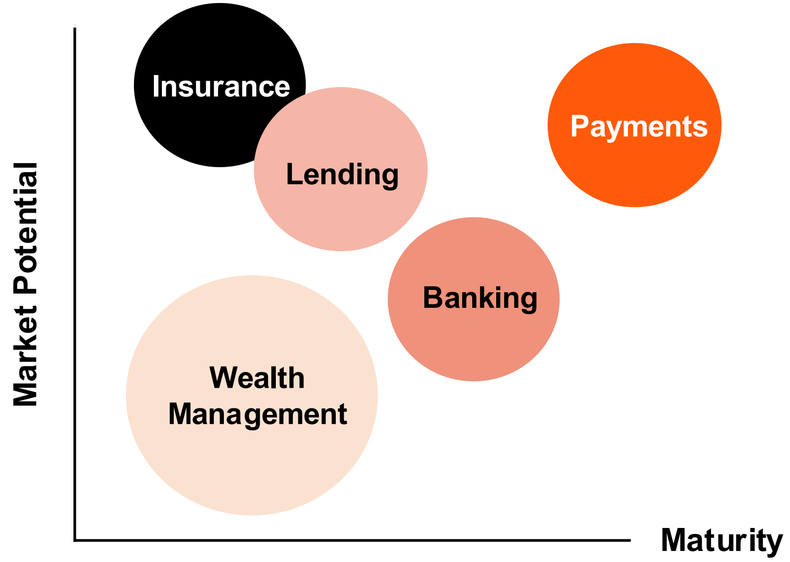


Fintech Funding by Segment in 2023
Unit: $Bn



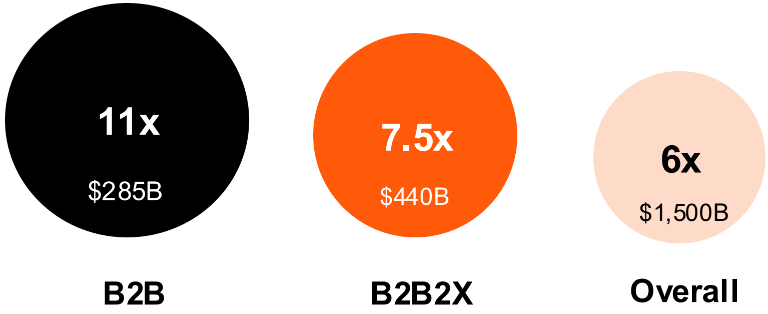
Fintech Segment's Potential and Maturity

- Of all the Fintech SaaS segments, Payments' business model is more mature
- The total digital transaction value growth is low but significant. The demand for payments SaaS to digitalize/ automate the process is high; hence, spurring the market potential



Fintech Revenue Growth by End User 2021-2030 ($Bn)

- Among different models segmented by end users, B2B Fintech SaaS grows the fastest, followed by B2B2X embedded solutions
- Fintech SaaS as a whole grows only 6 times



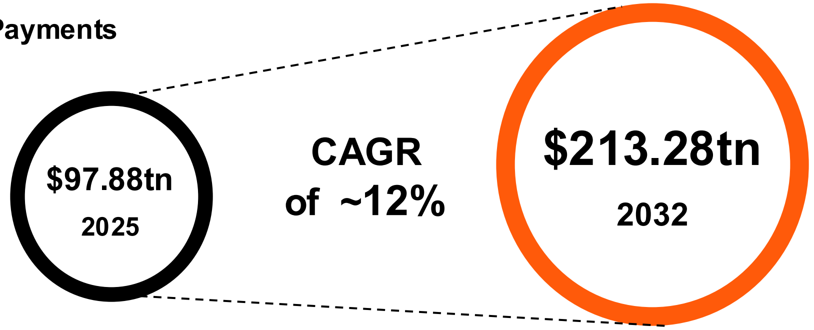
Source: BCG Fintech SaaS Report, KPMG Industry Outlook.

B2B Payments SaaS is mainly spurred by rising SMB demand for digitalization, automation, and embedded financial solutions, as their pain point are high AP/AR management cost.

Key Trend of Payment Fintech SaaS

- B2B segment Fintech Payments' grows the fastest with 12% CAGR.
- Small businesses drive nearly 70% of AP processing spend and, due to limited scale and higher manual workload, stand to gain significantly from automation through cost savings and improved efficiency.

Global Fintech Payments TAM growth



Total spending on the processing of AP in the US

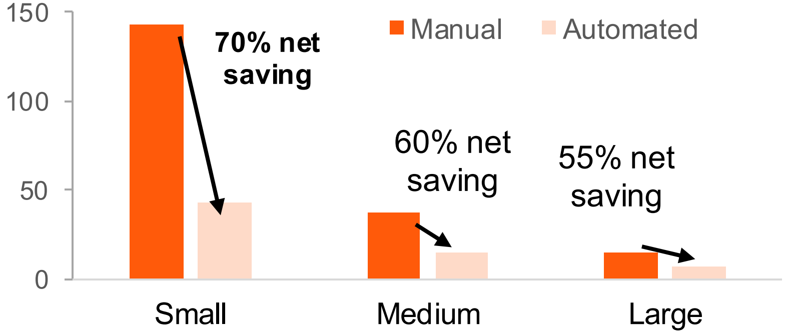
SMBs Accounts for 77%

Mid-Cap **~16%**

Enterprise **~7%**

AP/AR Management Cost by Company size

Unit: $Bn



SMBs' Adaption on AP/AR Automation Solution

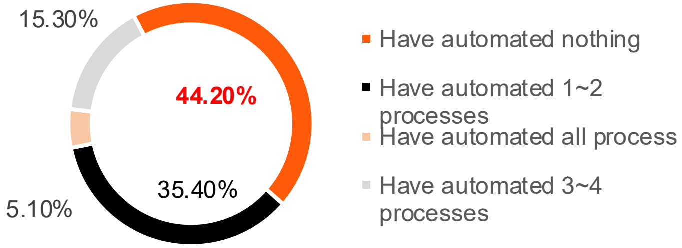
- Although 99.99% of businesses are SMBs that contribute 43.5% GDP, only 5% have fully automated their AP/AR processes, revealing substantial untapped potential in financial automation. As a result, we are highly focused on Fintech SaaS providers that specifically target the SMB sector.

Percentage of SMBs in U.S.

99.99%
Accounts for SMBs

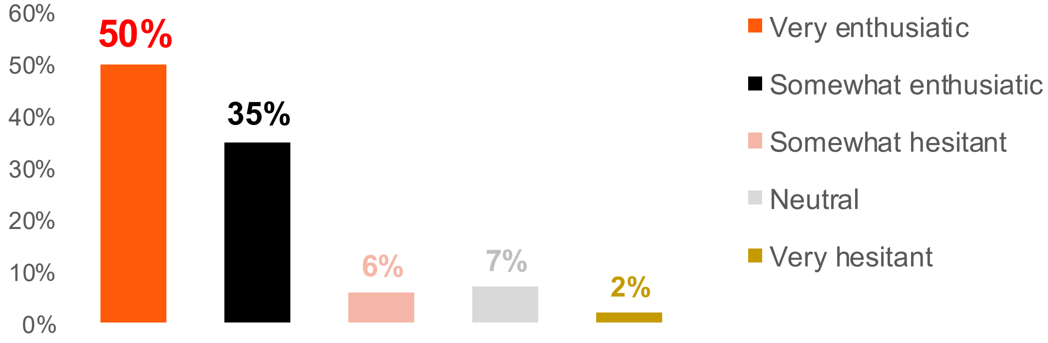
~ they generate 43.5% of U.S. GDP

AP/AR Automation Penetration for SMBs in 2023



SMB's attitudes about financial automation in 2024

Unit: %



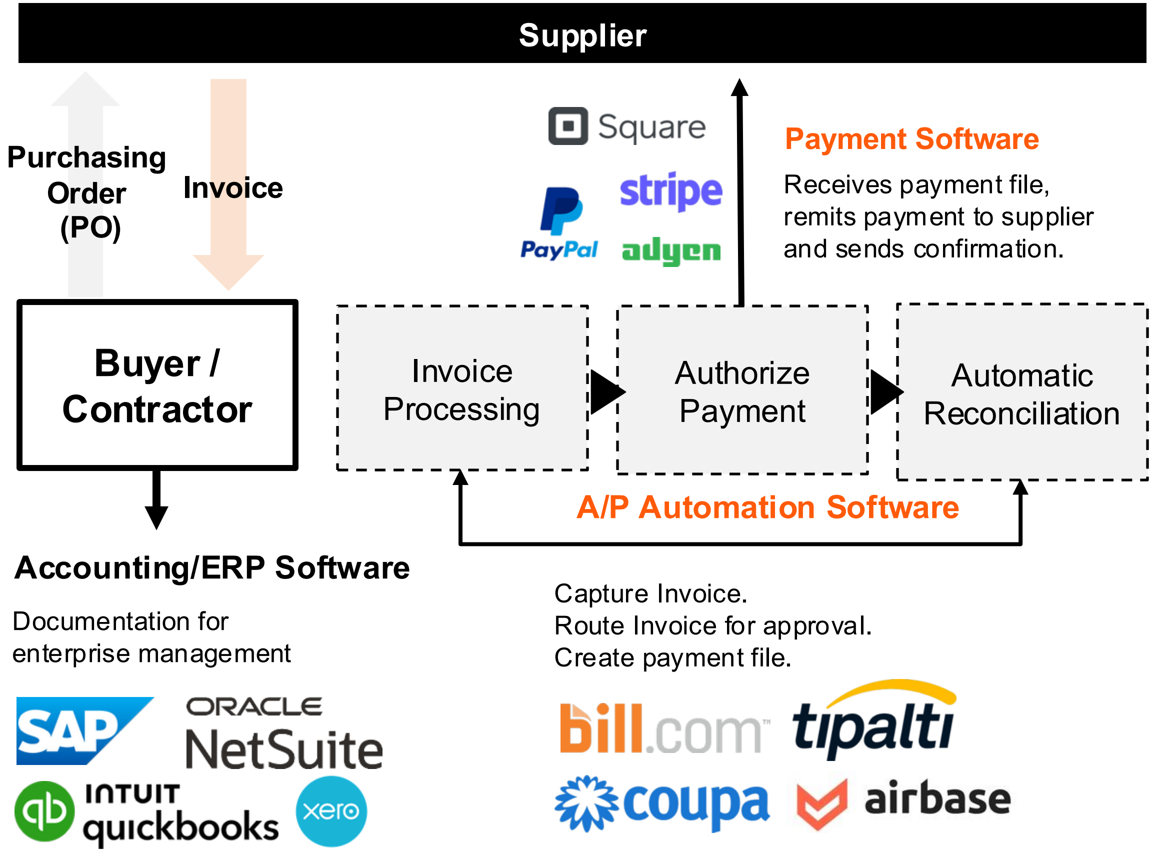
Source: GoldmanSachs Research, BilLL Research Center, American Express

Target Overview – Industry Background

SMBs face a fragmented, manual B2B payment process with multiple pain points, where A/P automation is crucial for targeting the arising issues.

B2B Payments Process and Players

- B2B payments process involves multiple SaaS players providing documentation, streamlining or executing payment via online platform.



B2B Payments Process from a SMB point of view

- Small businesses often navigate fragmented, manual processes across each phase of B2B payment—from invoice intake to reconciliation.
- However, ERP software is uncommon among SMBs due to high cost, This lack of proper managing tools and process leads to confusion and additional costs.

	Action	Challenges
Pre-payment Phase	Issue (PO) Receive invoice via email, PDF, or paper.	Delays, invoice fraud and duplicate billing risk.
Invoice Processing	Enter invoice data, match invoice/PO/receipt, and route for approval and generate payment file.	No real-time tracking; approvals stuck in email/paper.
Payment Authorization & Execution	Choose payment method (ACH, check, card, wire) and execute payment	No visibility into payment status until it's too late.
Post-payment	Reconcile payments and sync records for audit.	Delay reporting, hide spend insights, and risk payment errors.

Source: GoldmanSachs Research, BilLL Research Center, American Express

We Believe Small-Size Businesses (SMB) Have Unique Needs, which provide an opportunity for BILL.com.

		bill.com	avidxchange	coupa	INTUIT
Financials	Market Cap	4.06 b	1.52 b	NA[1]	159.0 b
	LTM Revenue	**1.4 b**	0.44 b	~ 1 b	17.2 b
	NTM Projected Revenue Growth	**11.6%**	4.1%	NA[1]	**12.3%**
	EV / NTM EBITDA	14.3x	13.7x	NA[1]	20.6x
	EV / NTM Revenue	**2.3x**	2.6x	NA[1]	8.5x
Business Overview	Business Model	AP/AR Solution Focus on B2B Payments	AP/AR Solution Focus on B2B Payments	AP/AR Solution Focus on B2B Payments	Accounting Software Developing Quick-Book Bill Pay[2]
	Customer Focus	**SMBs** (1~50 employees)	Middle-Markets (50~1000 employees)	Enterprises (~1000+ employees)	**SMBs** (1~50 employees)
	Customer Base	**481,300**	8,500	3100	Non-disclosed (for Quick-Book Bill Pay)
	Available US Count of Business	**~23 mn**	~435 k	~6 k	~23 mn
	TPV in Latest FY	**292 b**	83.8 b	200~300b[3]	Non-disclosed (for Quick-Book Bill Pay)
Traits	Back office / Supply Chain Complexity	Low	Mid	High	Low
	Adoption of Automation	**Emerging**	Early Adopter	Maturing	Emerging

*(1) Coupa was acquired by Thoma Bravo in 2023 at an implied valuation of **8.7x** NTM revenue*

*(2) Intuit originally partnered with Bill.com to offer embedded bill pay in QuickBooks. It later switched to **melio** for integrated AP functionality, before ultimately launching its own native solution, QuickBooks Bill Pay, in 2023.*

melio

$100B+

Payments processed Annually.

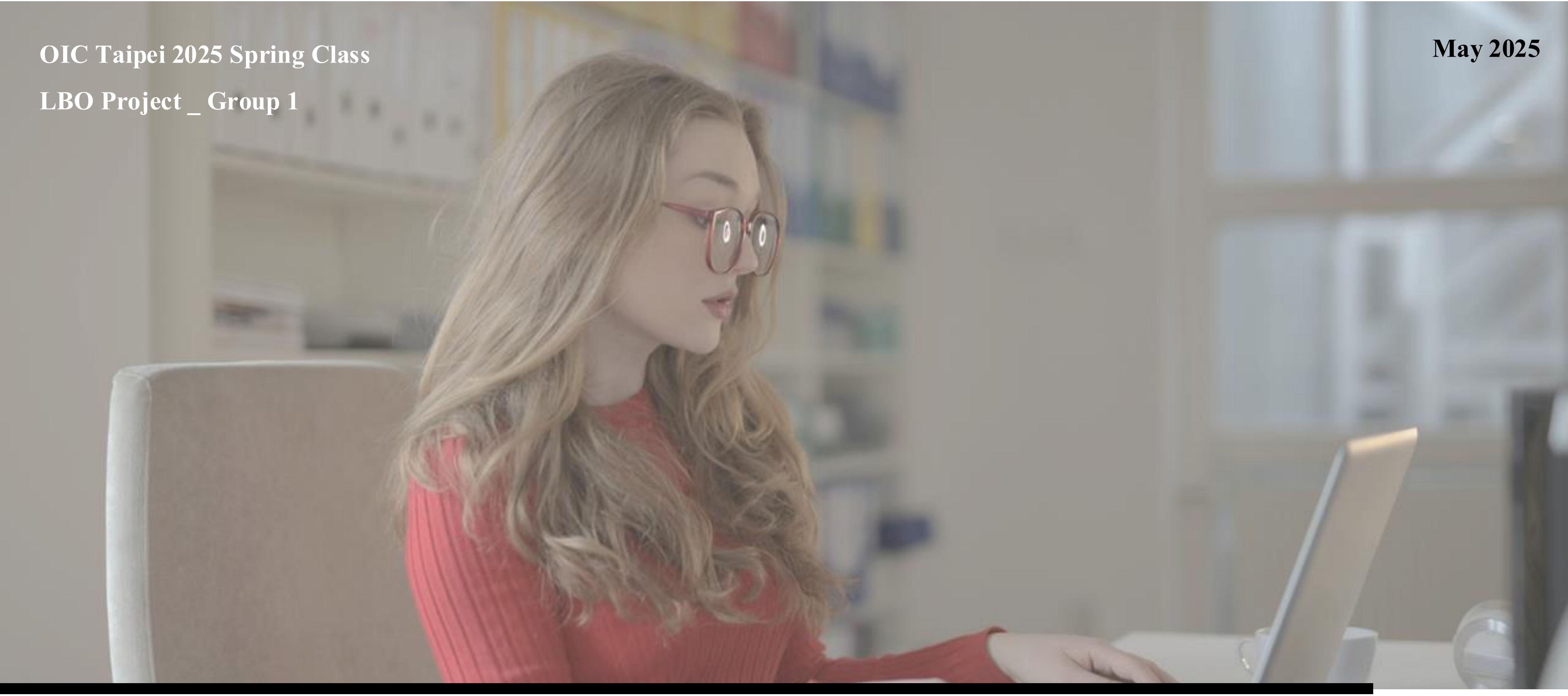
(3) Based on 5–10% monetization of $4T+ spend under management

Source: AvidXchange Investor Day, BiLLL's Transcript, Thoma Bravo pitch Dech, Melio IR, BILL IR, Intuit IR

OIC Taipei 2025 Spring Class

LBO Project _ Group 1

May 2025



Target Overview

Group Analysts –Ben Li, Gabriel Wu, Andy Chen, Zoe Chen

Target Overview – Business Description

Bill.com is a cloud-based financial automation platform that streamlines B2B payments, AP, and AR for SMBs.

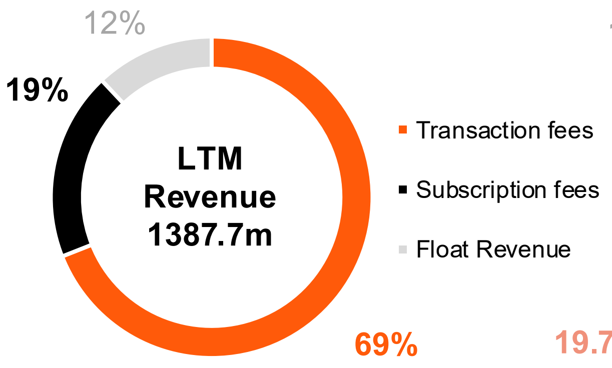
Company Profile

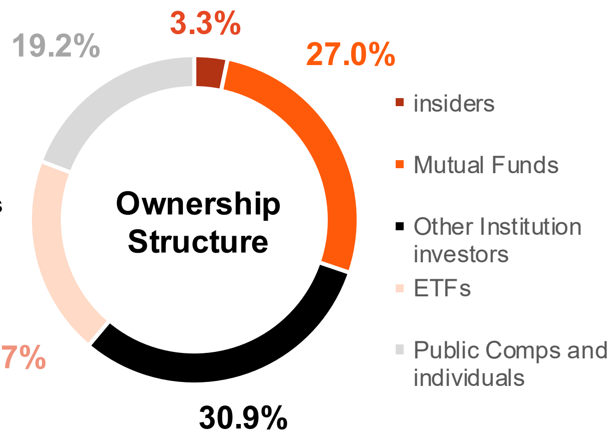
The preferred provider of digital payments solutions for CPA.com.

- BILL is a best-in-class solution trusted by thousands of accounting firms Market leader with limited domestic competition.

Founded Year	2006	Market Cap	4.9 b
Headquarters	California	Total Enterprise Value	4.5 b
Sector	Fintech SaaS	LTM Revenue	1387.7 m

Latest Topline & Ownership Breakdowns





Key Financials

($Mn, %)	FY22	FY23	FY24	FY25F	FY26F
Revenue	**641.9**	**1058.5**	**1290.2**	**1461.1**	**1679.3**
YoY (%)	*169.43%*	*64.88%*	*21.89%*	*13.25%*	*14.94%*
EBITDA	**(228)**	**(152.1)**	**(52.8)**	**244.5**	**292.1**
Margin (%)	*(35.5%)*	*(14.4%)*	*(4.1%)*	*16.7%*	*17.4%*
Net Profit	**(326.4)**	**(223.7)**	**(28.9)**	**81.9**	**222.6**
Adjusted Diluted EPS	**(3.21)**	**(2.11)**	**(0.27)**	**1.95**	**2.15**

Highly integrated with Common ERP Systems

ORACLE NETSUITE

INTUIT quickbooks

sage Intacct

xero

~ ***Connected** with more than **80%** of the top **accounting systems** used by **SMBs***

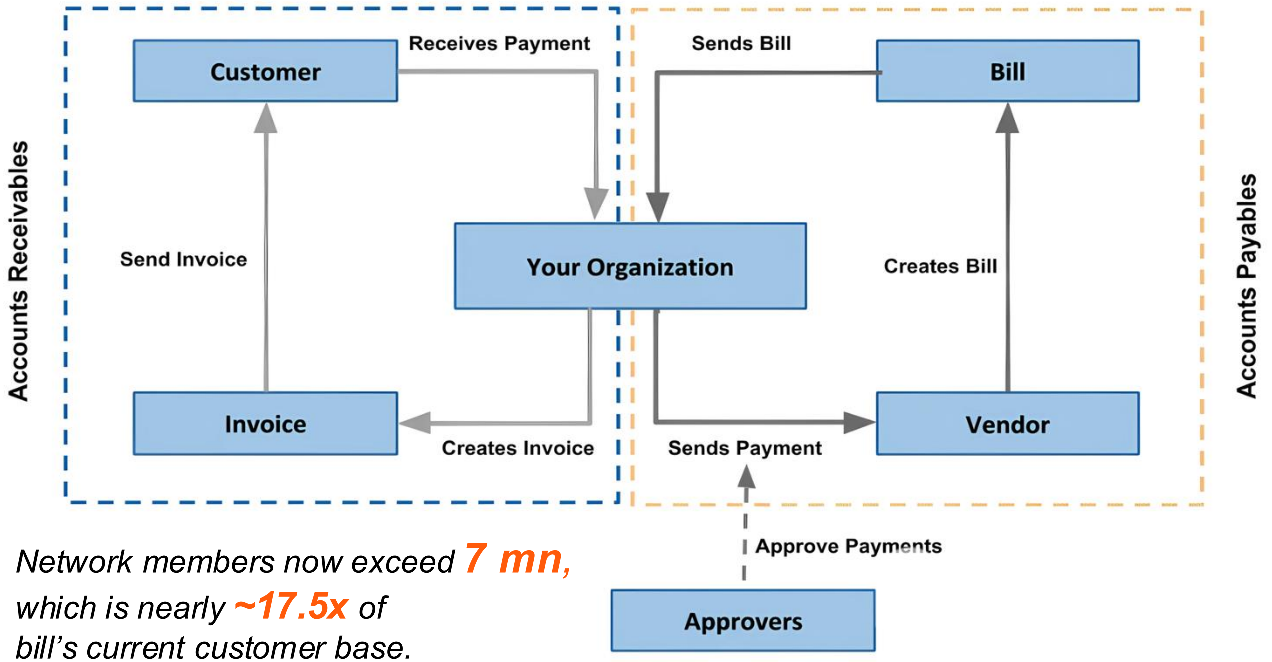
Source: BILL IR, S&P Capital IQ

Its business model focuses on Strategic Partnership and Value-added Solutions, positioned it the market winner.

Picture of End-to-End Solutions Process

	Main Product Portfolio	Customer Numbers
1	**FREE Spend & Expense Management Software**	**37,800**
2	**AP: vendor** sends a **bill**, and you needs to approve & pay.	**160,600**
3	**AR: you issues an Invoice** to the **customer** and waits for payment.	
4	**Embedded Solutions & Other**	**282,900**

RECEIVE | **APPROVE** | **PAY** | **RECONCILE**



Network members now exceed ***7 mn****, which is nearly* ***~17.5x*** *of bill's current customer base.*

Business Credit

BILL makes it easy to access the funding you need, no matter the size of your business apply online now.

Reimbursements

Track out-of-pocket expenses and manage reimbursements all in one place with BILL Spend & Expense.

Budget Management

Take control of your budgets and start spending smarter with customizable spend controls and policies.

Strategic partnership	*Rationale*
Accounting Firms ~ 9000+ in 25Q1	• Enhanced Financial Management by those Firms • Value-Added & Revenue Opportunities (CAS) • Marketing Channel expansion
Financial Institution	• Increased Customer Retention for Banks: • Marketing Channel expansion • Expansion of Lending & Financing Opportunities

- BILL has a diversified ecosystem strategy, acquiring customers through direct sales, accountants, online channels, and financial institution partners.
- Smaller SMBs are less efficiently reached via direct sales, which is why partnerships are key. In FY25Q1, BILL emphasizes audit trails and now works with over **10%** of accounting firms in the U.S.

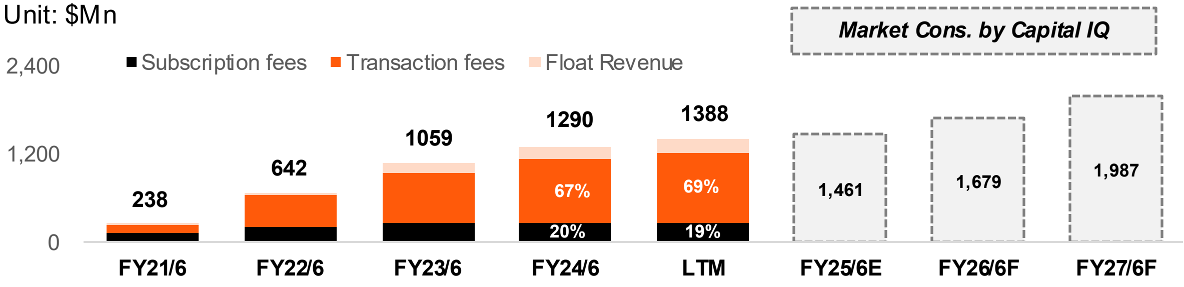
Source: BILL IR, S&P Capital IQ

As a Growth Buyout Deal, BILL has a Very Strong Fundamental Potential and Flexible Capital Structure.

Revenue is set to reaccelerate on DDG, with EBITDA margin surging toward ~19% in FY27 driven by scale and tighter marketing spend in the future.

~total debt is fully covered by its cash balance, and its LTM LFCF Margin has strongly improved by +1,350 bps to 9.7% from FY24.

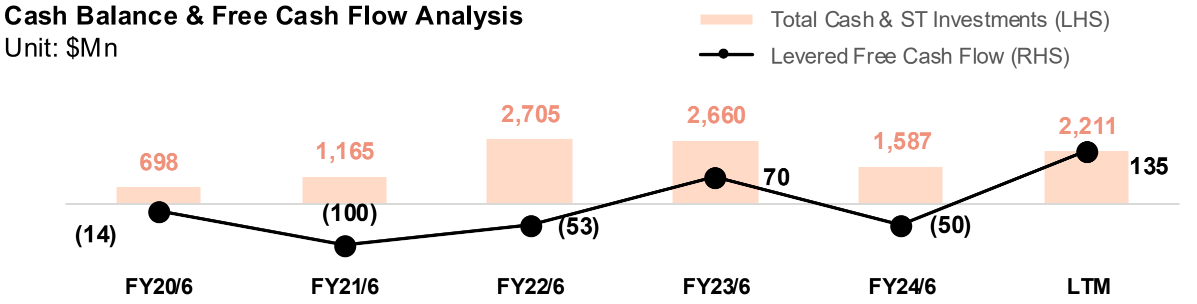
Revenue by Sources
Unit: $Mn



Revenue Year-of-Year Growth Rate

FY21/6	FY22/6	FY23/6	FY24/6	LTM	FY25/6E	FY26/6F	FY27/6F
51.2%	*169.4%*	*64.9%*	*21.9%*	*16.4%*	***13.25%***	***14.94%***	***18.30%***

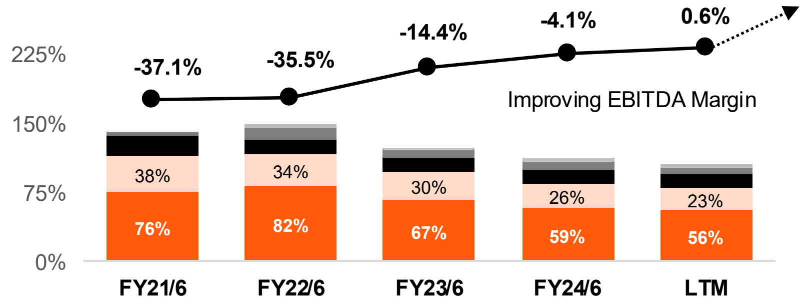
Cash Balance & Free Cash Flow Analysis
Unit: $Mn



Levered Free Cash Flow Margin %

FY20/6	FY21/6	FY22/6	FY23/6	FY24/6	LTM
(9.0%)	(42.1%)	(8.3%)	6.6%	(3.8%)	9.7%

Total Cost as % of Revenue Breakdown
Unit: %



LTM Total Cost Structure
USD 773 mn

SG&A	52.8%
R&D	22.2%
COGS	14.2%
D&A	5.8%
Provision	5.1%

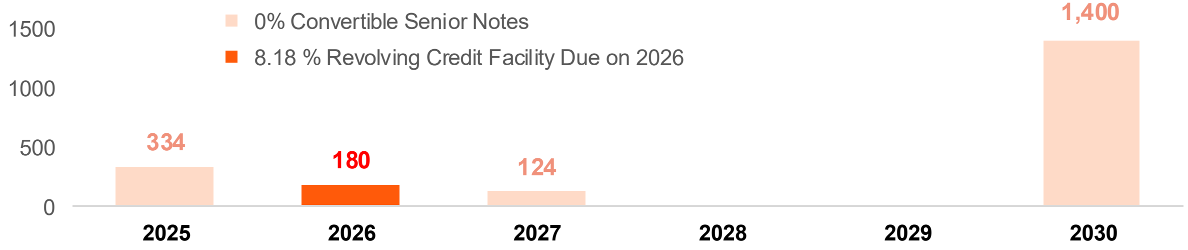
EBITDA Margin

FY21/6	FY22/6	FY23/6	FY24/6	LTM	FY25/6E	FY26/6F	FY27/6F
-37.1%	-35.5%	-14.4%	-4.1%	0.6%	**16.7%**	**17.4%**	**18.7%**

Diluted EPS Excl. Extra Items

FY21/6	FY22/6	FY23/6	FY24/6	LTM	FY25/6E	FY26/6F	FY27/6F
(1.19)	**(3.21)**	**(2.11)**	**(0.27)**	**0.39**	**1.95**	**2.15**	**2.74**

Consolidated Debt & Borrowings' Maturity Schedule as of Dec 31, 2024
Unit: $Mn



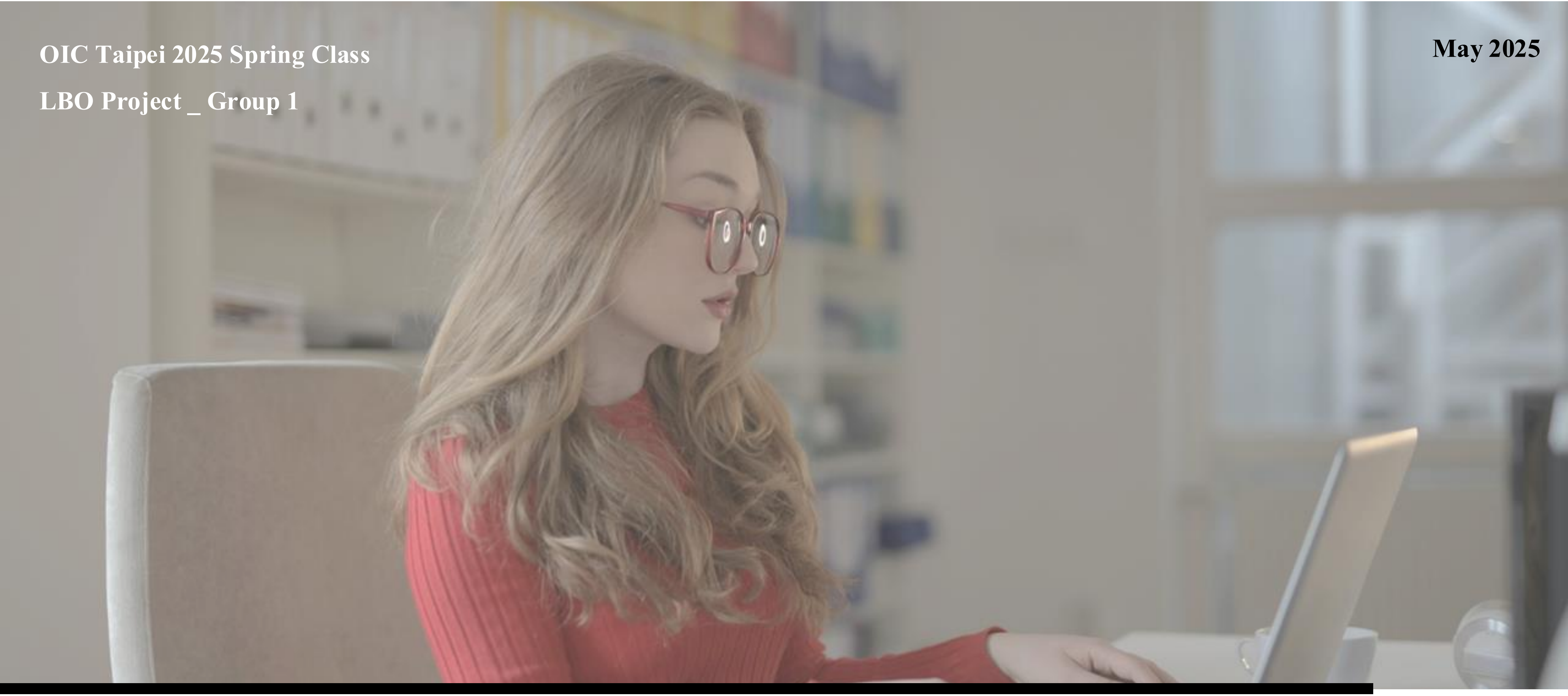
For an LBO scenario, **we assume full debt clean-up at closing**. Given that the convertibles contain a **change-of-control put option**, these instruments would require cash redemption at par.

Source: S&P, Bill IR, Bill 10-Q

OIC Taipei 2025 Spring Class

LBO Project _ Group 1

May 2025



Investment Thesis

Group Analysts –Ben Li, Gabriel Wu, Andy Chen, Zoe Chen

SMBs face financial challenges with high costs, automation inefficiencies, fragmented payments, slow cross-border transactions, and limited access to modern financial tools..

Pain Points	Problems
SMBs Struggle with Financial Management Tools	ERP and financial services are too **costly** while 95% of SMBs are still struggling with cash flow. Manual financial processes cause **inefficiencies**; 86% of SMBs face payment delays.
B2B Payments Are Fragmented and Complex	Supplier payments involve multiple, unintegrated methods, **wasting** SMBs' **time**. Traditional payments **delay** cash flow management, with 29.1-day payment delays.
Cross-Border Payments Are Expensive and Slow	Multiple intermediaries **increase fees** and **settlement times**, with 40% of B2B transactions using checks. SMBs need faster, cheaper international payments to improve **efficiency**.
Cash Flow Management Lacks Real-Time Insights	Slow payments cause cash constraints, and 28% of SMBs lack cash flow **visibility**. Traditional tools lack **real-time analytics** for decision-making.
Financial Workflow Automation Is Limited	Manual AP/AR **increases costs** and **errors**, with 45% of payments requiring manual reviews. SMBs need **automation** to reduce operational expenses and errors.

….streamlines **SMB financial management by automating AP/AR, simplifying B2B payments**, reducing cross-border transaction costs, and providing real-time analytics, enabling improved cash flow and operational efficiency.

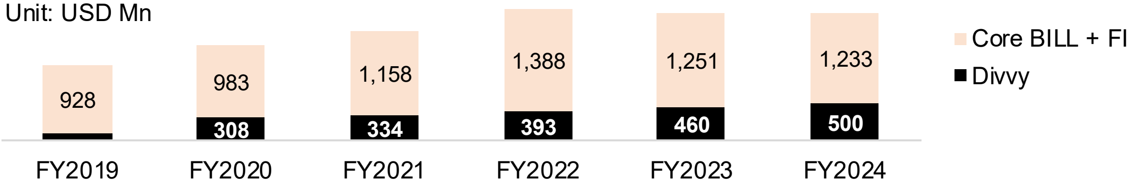
Source: Our Teams Insight, Company IR

Investment Thesis – Issues as opportunities for lower entry and restructuring

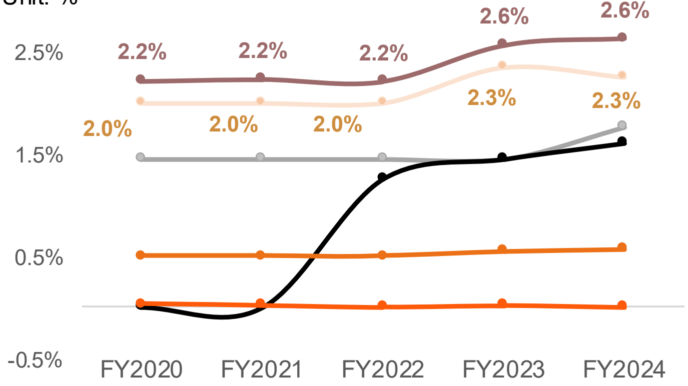
High-Margin Payment Methods Remain Underleveraged Despite Global Opportunity

SMBs are conservative with spending due to volatile macro environment, but Divvy has shown impressive growth among the users.

Total Payment Volume Per Customer
Unit: USD Mn



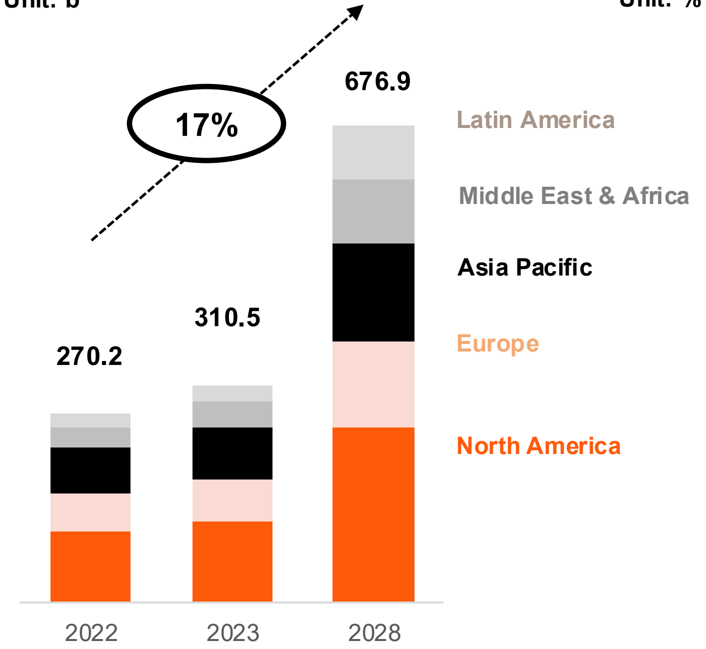
Take Rate by Payment Methods
Unit: %



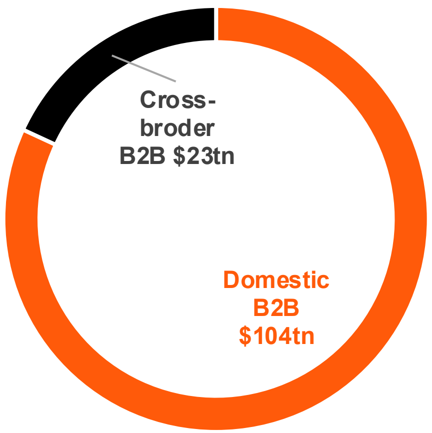
	Share of TPV by Payment Methods in FY24
Divvy	6%
International Transfer (FX)	1%
Virtual Card	3%
Instant Transfer / Pay by Card	1%
International Transfer (USD)	3%
Check/ACH	86%

US Still Dominates the Fintech SaaS Market Until Around 2028, While Asia and Europe Are Emerging as Faster-Growing Markets.

Global Fintech SaaS TAM By Region
Unit: b



B2B volume, 2018
Unit: %



Key Findings - Despite strong demand for cross-border payments, BILL's high-margin international transfers account for just 4% of TPV

- 86% of TPV comes from ACH and paper check, which generate minimal take rates (0.01%)
- Vendors often favor cheaper payment methods, limiting adoption of high-margin options

High margin methods such as virtual cards and Divvy remain underleverage.

- Asia-Pacific and Europe are key growth markets, but BILL has limited customer reach there.
- Cross-border payments make up 1/5 of global B2B trade

International market is the key frontier for unlocking future payment opportunities.

Source: GoldmanSachs Research

BILL's Valuation Has Compressed Due to Market Volatility, but Secular Growth Trends and Business Model Strength Remain Intact.

Jane Fraser (CEO, Citi): FY25Q1 Earnings Call
…clients continue to actively use Citi's services… No significant credit deterioration or demand collapse has been observed.

Jeremy Barnum (CFO, JPMorgan): FY25Q1 Earnings Call
…while small business confidence has softened slightly..., spending, cash balances, repayment behavior, and credit utilization remain stable.

Where We Are

Fintech SaaS Perceived as Lacking Imagination and Operating Leverage due to Uncertainty in Recent Years.

- Valuation pressured by high interest rates.
- Post-pandemic tailwinds fading.
- Demand for financial automation normalizing.
- Growth Momentum (TPV Growth) Weaker Than Expected.

What We See

Reacceleration Setup - BILL is positioned for a "Turnaround"

- **EPS Beat:** Guidance consistently outperformed.
- **Large suppliers Opportunities:** Large suppliers receive over 5,000 checks and ACH transactions per quarter through BILL's platform,
- **AI Scaling:** Applied AI to G&A / compliance; expand margins over time.
- **Global Upside Undiscovered:** BILL is still heavily concentrated in the U.S., but strong international demand presents a future key.

Undervalued: EV/NTM Revenue < -1 Sdv from the mean (2-year).

Actions To Create Value

We Decide to Rebuild the GTM Engine and Governance Model.

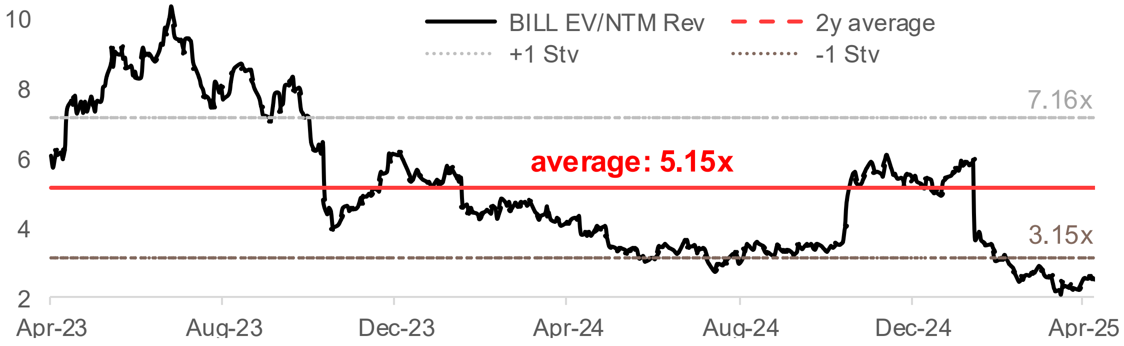
1. Reshaping Incentive Structures Through Governance Reform
2. Fixing GTM via Marketing & AI.
3. Asia Expansion via API-Led Model.
4. Monetizing Mid-Sized Suppliers.

BILL's historical EV / NTM Sales Multiples since IPO vs industry peers

Group	Time	Avg.	+1 sdv	-1 sdv
US Fintech SaaS Industry Avg.	2019~YTD	10.48x	15.00x	5.96x
BILL.com	2019~YTD	21.84x	40.31x	3.37x
Premium / (Discount)		52%	63%	-77%

BILL's Last 2 year historical EV / NTM Revenue trends

Unit: x



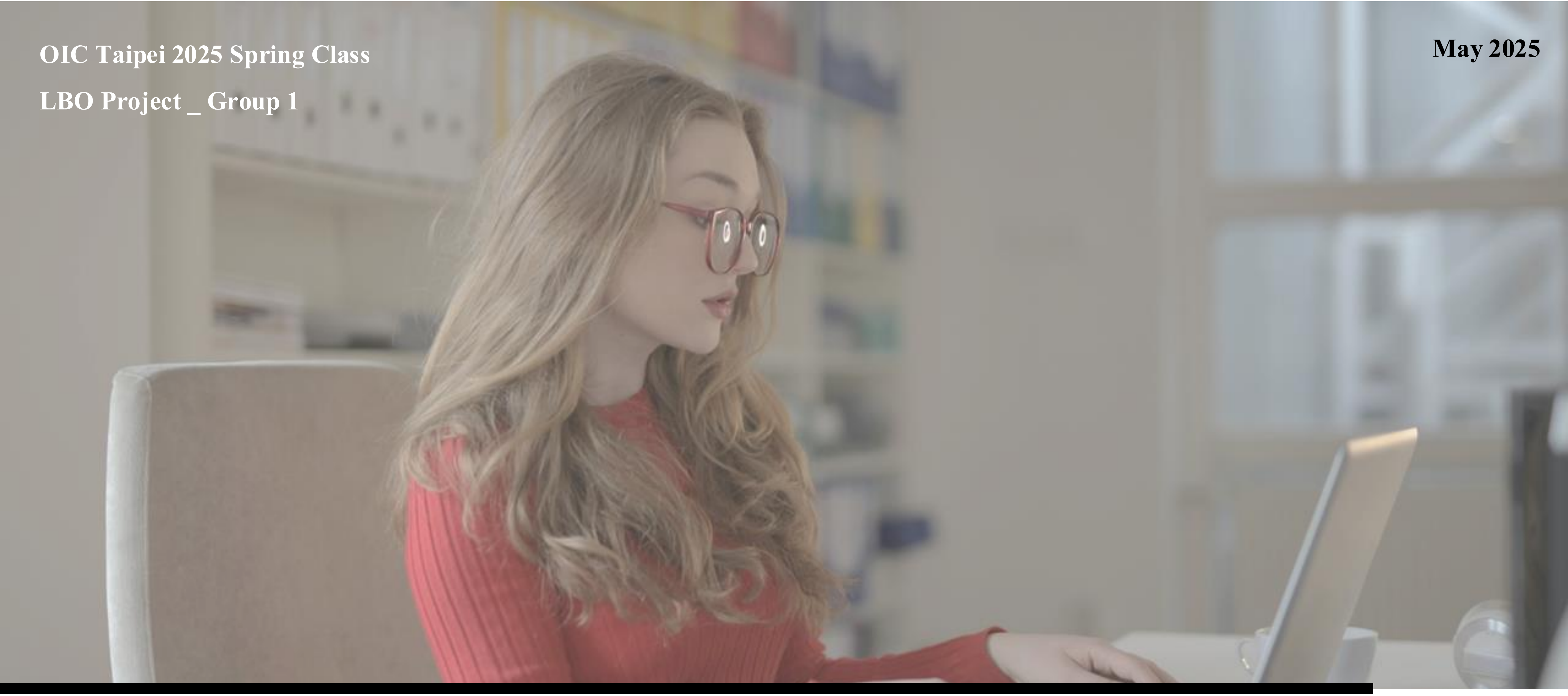
- BILL historically **traded at a 52% premium to the SaaS sector average** (21.8x vs. 10.5x EV/NTM revenue, 2019–YTD), reflecting its strong market position.
- Recently, BILL trades nearly just 3.15x — more than 1 sdv below its 2-year average of 5.15x — implying a strong re-rating opportunity as fundamentals stabilize.

Source: S&P Capital IQ, Company IR

OIC Taipei 2025 Spring Class

LBO Project _ Group 1

May 2025



bill

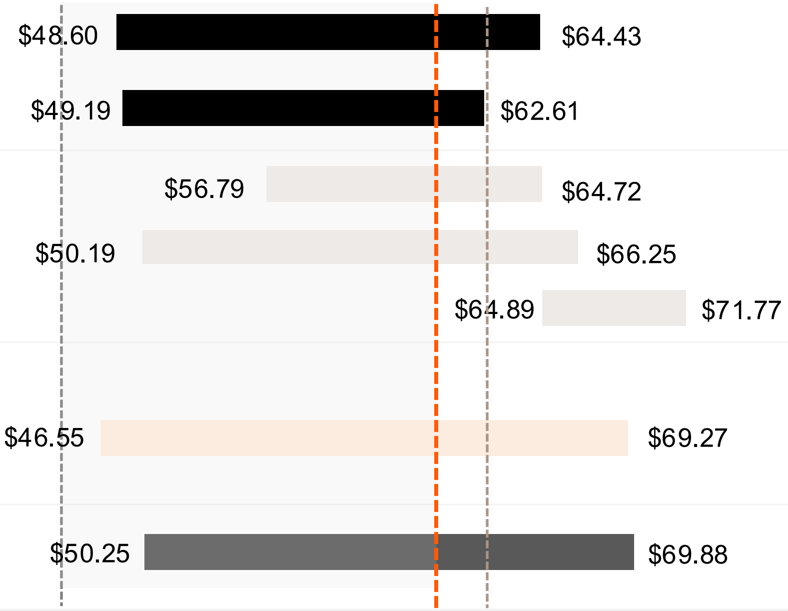
Deal Highlights

Group Analysts –Ben Li, Gabriel Wu, Andy Chen, Zoe Chen

Deal Highlights – Valuation Summary

As Bill is undervalued right now, we offer $60.37 price per share, with the entry EV/Sales of 3.92x, 35% premium.

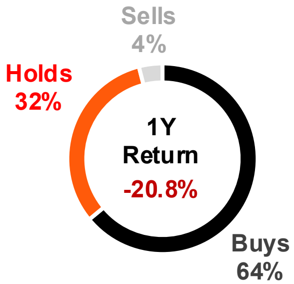
Valuation Methods		Football Field Chart (Price Per Share)	P25	P75	Detail
52-week range		$48.60 – $64.43	$48.60	$64.43	• Low: **$37.30** on 2025/1/28 • High: **$98.57** on 2025/4/8
Premium to spot		$49.19 – $62.61	$49.19	$62.61	Reflect an illustrative **10 ~ 40% premium**, by the premium distribution of precedent transactions
Comparable Comps[3] (FY25E)	EV / Sales[2]	$56.79 – $64.72	5.1 x	7.0 x	• Screening Criteria: (a) Region: U.S., Australia, UK (b) Industry: Fintech SaaS • Peers: INTU, AVDX, SGE, WDAY, XRO, BL, WK, PCTY, OS • Range of market cap: **$2 ~ $200 B** • Range of EV/Rev and P/S: **min ~ 10th percentile[2]**
	EV / EBITDA	$50.19 – $66.25	19.2 x	26.0 x	
	P/S[2]	$64.89 – $71.77	5.2 x	9.4 x	
Precedent Tx (FY25E)	EV / EBITDA	$46.55 – $69.27	18.6 x	46.3 x	• Historical **104** SaaS M&A deals in the U.S. since 2015 • Range of deal value: **$1 ~ $10 B** • Range of EV/EBITDA: **40th ~ 60th percentile[3]**
Discounted Cash Flow		$50.25 – $69.88	$46.55[4]	$69.88[5]	• Projection Period (Investment Period): **7 years** • WACC: **8%** (COD: 5.4%; COE: 8.6%) • Perpetual Growth Rate: **2%** (Long Term U.S. Real GDP Growth)



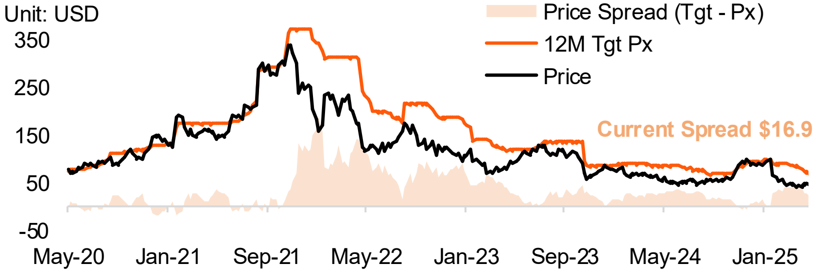
$44.72[1] Current Price | **$60.37** Bid Price | **$61.62** BBG 12M Target Price Cons.

BBG ANR

Total Buys	16
Total Holds	8
Total Sells	1



Bill.com Price Spread



Recently faced a valuation correction, but the long-term optimistic outlook remains unchanged

Premium to VWAP

Unaffected ($44.72)	35.0%
5-Day ($46.17)	30.8%
30-Day ($44.21)	36.6%

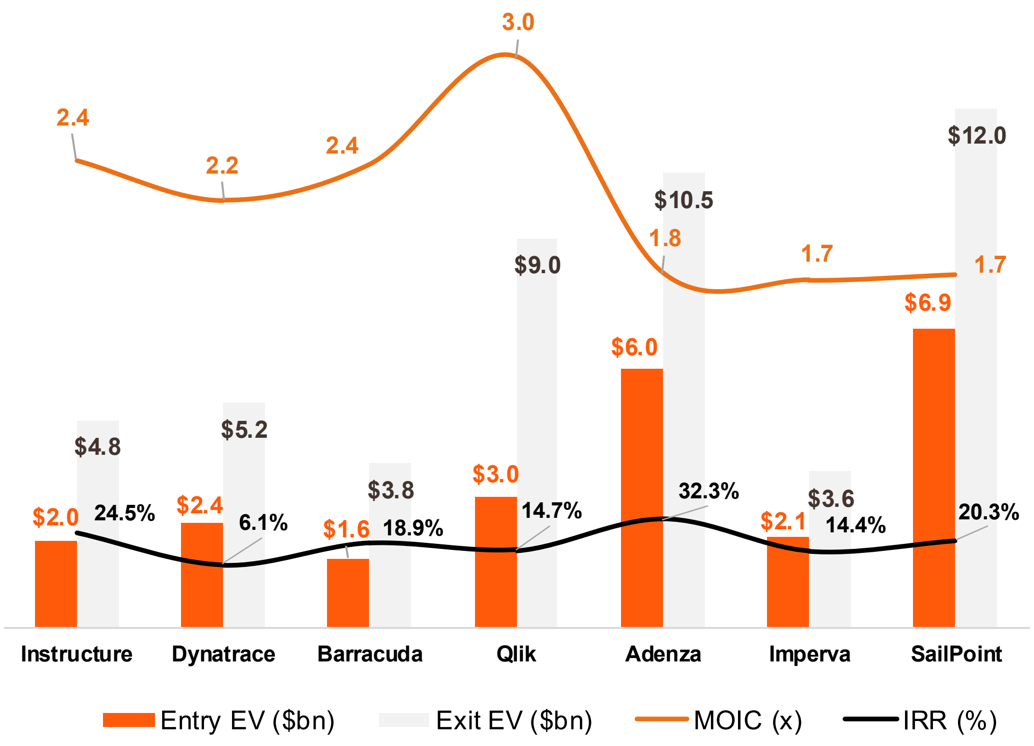
The acquisition delivers a compelling premium for Bill shareholders

1. 2025/5/9; 2. Since Bill's revenue has scaled up, while EBITDA just turned from negative to positive; 3. Since the multiples were widely distributed; 4. WACC 9%, PGR 2.5%; 5. WACC 7%, PGR 1.5%

Source: Bloomberg, Capital IQ, Company Websites, Morgan Stanely, Alpha Spread, Value Investing

Thoma Bravo is a leading PE investment firm focused on the SaaS and technology-enabled services sectors

Thoma Bravo as a Strategic and Value-Driven Investment Partner



- Thoma Bravo has consistently achieved 2.0-3.0x MOIC and 20%+ IRR in SaaS investments
- Since 2022, it has completed 27 deals (including 5 mega-rounds) and privatized several billion-dollar enterprise software firms

Recent Transactions of Financial Services–Oriented SaaS Firms

Portfolio	coupa	Bottomline Technologies	Anaplan	HubSync
	$8bn	$2.6bn	$10.7bn	$100m

Strategic Moves After Acquiring		
	Vertical Consolidation & Platform Building	• Reallocate resources to the highest-margin, stickiest customer segments
	Enterprise SaaS Pricing Strategies	• Implement tiered pricing or value-based pricing to increase ARPU • Focus on upselling and cross-selling modules to existing high-value clients
	Aggressive Cost Rationalization	• Lay off underperforming teams and eliminate redundant functions from past acquisitions
	Leveraged Finance & IPO-readiness	• Experienced in preparing for strategic exit via IPO or sale to strategic buyer • Use debt judiciously in carve-outs or bolt-ons to accelerate inorganic growth

- Focusing on growth buyouts of recurring-revenue platforms with scalable operations and value-creation potential

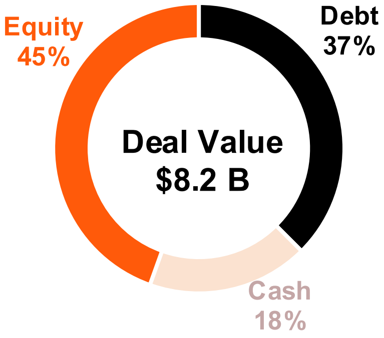
Source: CB Insights, Financial Times, Reuters, Thoma Bravo

Efficient and prudential LBO structure with balanced funding sources, steady deleveraging, cash flow exists post FY29.

Sources and Uses of Fund

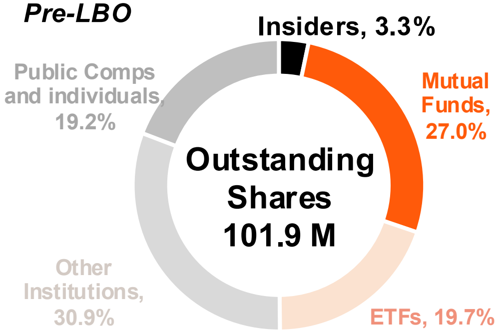
Implied Equity Value				$6.2 B	Implied Enterprise Value		$ 5.7 B
Sources		$ M	x EBITDA	%	Uses	$ M	x EBITDA
Debt	Term Loans	1,500	6.5 x	18.4%	Purchase Equity Value	6,152	26.6 x
Debt	Subordinated Notes	1,000	4.3 x	12.3%	Existing Debt	1,775	7.7 x
Debt	Mezzanine	500	2.2 x	6.1%	Prepayment Penalty	36	0.2 x
	Excess Cash	1,481	6.4 x	18.2%	Financing Fees	75	0.3 x
Equity	OIC Equity	1,000	4.3 x	12.3%	Advisory Fees	123	0.5 x
Equity	Thoma Bravo	2,271	9.8 x	27.8%	Legal and Other Fees	31	0.1 x
Equity	Management Team	408	1.8 x	5.0%			
	Total Sources	**8,161**	**35.3 x**	**100%**	**Total Uses**	**8,161**	**35.3 x**

Deal Structure

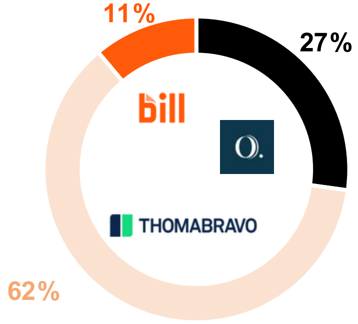


Ownership Change

Pre-LBO

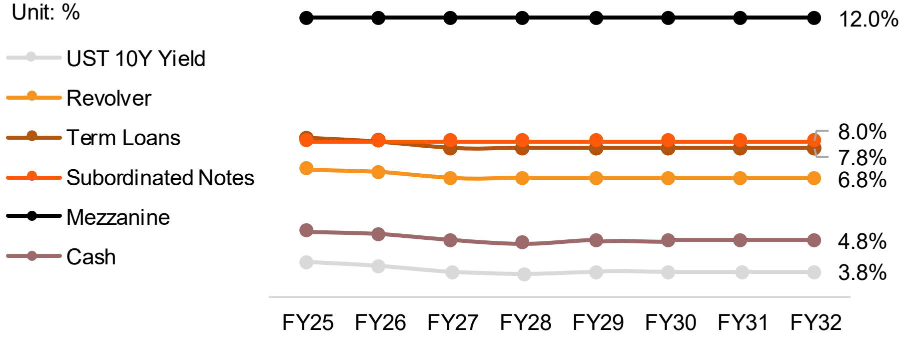


Post-LBO

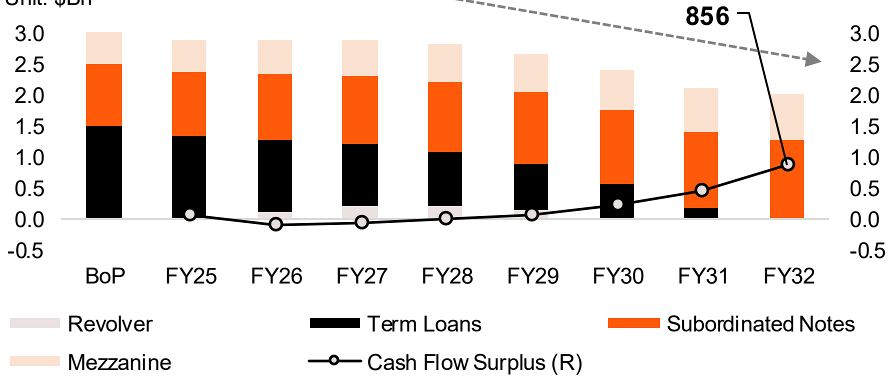


Debt Structure

Interest Rates of Debts[1]



Debt Schedule



- Term loans are amortized annually and reduced by cash flow sweeps, fully repaid by **FY32**
- Revolver is drawn **mid-term** then paid down. Subordinate notes and mezzanine debt **steadily increase**, while cash flow turns surplus from **FY29** onward

Hurdle Rate

IRR > 10%

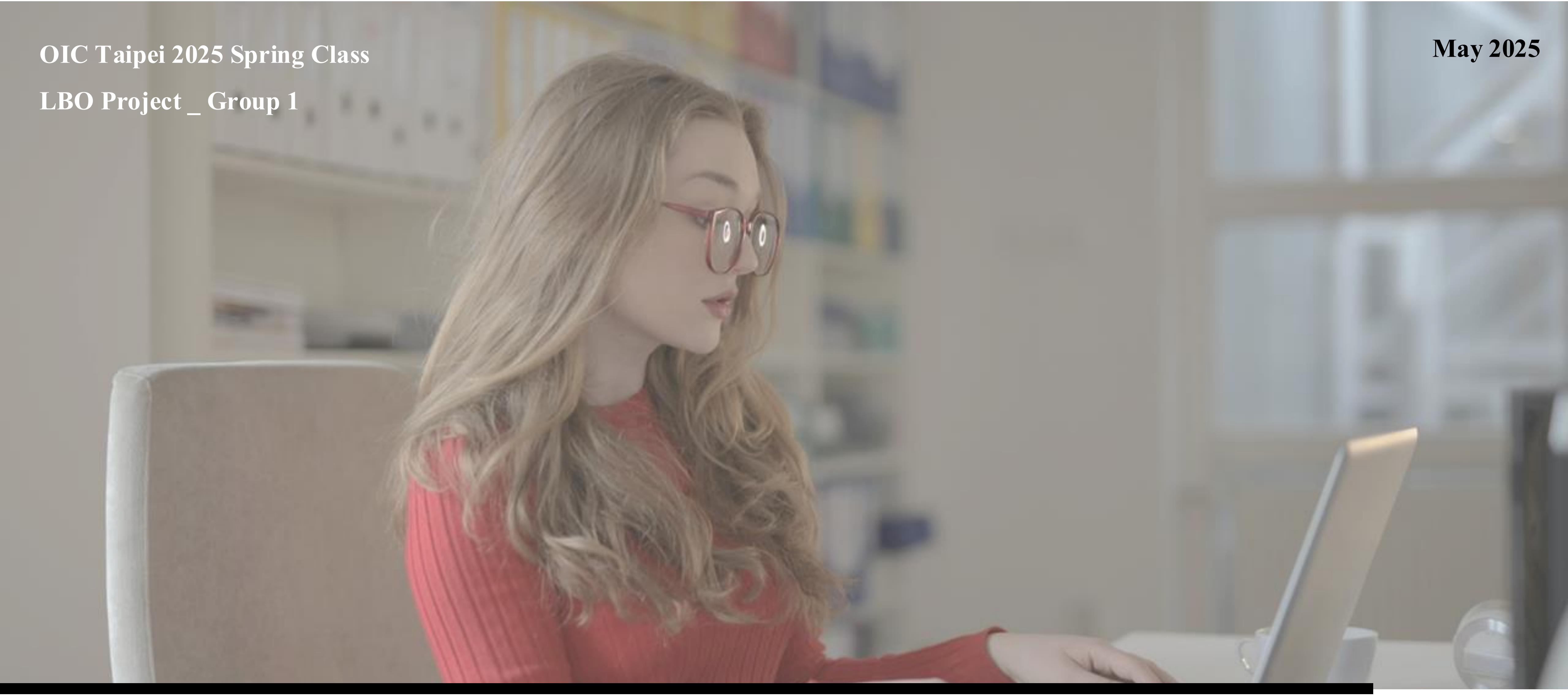
1. Based on our outlook of macro, Fed policy and federal deficit, U.S. Treasury yields dipped first, then rose

Source: Bloomberg, Capital IQ, Thoma Bravo

OIC Taipei 2025 Spring Class

LBO Project _ Group 1

May 2025



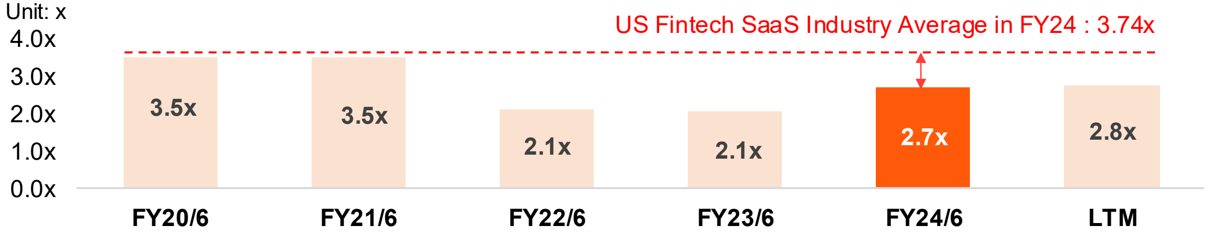
Post Investment Management

Group Analysts –Ben Li, Gabriel Wu, Andy Chen, Zoe Chen

We will restructure BILL's corporate governance to align with execution-centric, value-creation-focused principles.

BILL's marketing efficiency has improved since FY22, but remains below industry peers in FY24, reflecting a weak marketing strategy.

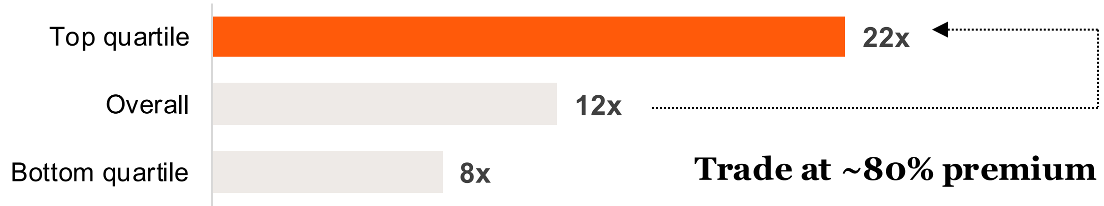
BILL's Marketing Efficiency Ratio (Sales/Marketing Exp.) From FY20 ~ LTM



Sales & Marketing is a key revenue catalyst in the SaaS industry to drive margin expansion.

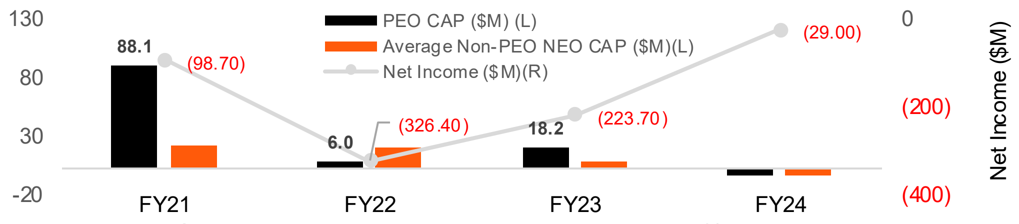
Investors reward SaaS that are at or above the rule of 40 with consistently higher EV/sales multiples.

Median EV/sales for B2B SaaS by Rule of 40 from 2011~2021.



The Rule of 40 is the key for multiple expansion in the SaaS industry.

Our Internal Strategic move

Action	Pre-Investment Snapshot
Board Refresh	• 1/3 Board member (Total of 12) come from a VC background. (ex: David Hornik, Alison Wagonfeld) • Limited expertise in AI, automation, and global expansion—misaligned with the company's future growth strategy.
Incentive Reset	**TSR[1]-based incentives risk decoupling management rewards from core business performance.** Unit: $Mn 

Post-investment Management blueprint

Reduce the number of board members from 12 to ~9.
- Aligned with best practices for PE-backed governance frameworks (optimal size: 7–9)

Replaced VC-affiliated board seats with functional experts:
- Bring in GTM optimization experts, AI workflow leaders, embedded finance operators
- International expansion and cross-border operations

Rule of 40[2] ≥ 40%, LFCF margin ≥ 10%...etc

- Balanced focus on revenue growth and profitability
- Aligns with top-quartile SaaS valuation benchmarks
- Reinforces discipline in cost management and capital efficiency

Meet the Rule = Multiple Expansion

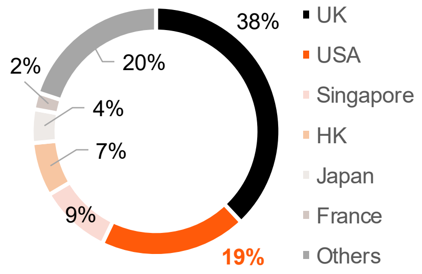
1. Total Stock Returns; 2. Rule of 40: Revenue growth rate + EBITDA Margin > 40%
Source: Proxy Statement, Mckinsey

Scaling into Asia through API-led partnerships and high-margin SME flows

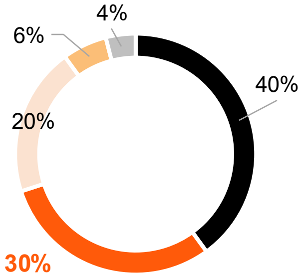
Action	Pre-Investment Snapshot
Singapore Expansion	see below

Pre-Investment Snapshot

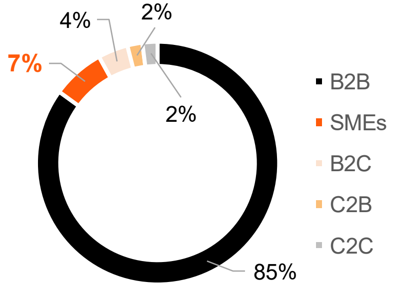
Geographical distribution of OTC foreign exchange turnover In 2022



Asia-Pac Cross-Border Payments Revenues ($ Bn)



Asia-Pac Cross-Border Payments Flows ($ Trn)



Singapore ranks 3rd globally, with 9.5% of global turnover. Moreover, cashless adoption in Singapore reached 97%, the highest in SEA

SMEs account for 7% of flows but 30% of revenue.

- It indicates higher margin per transaction and huge opportunity to add value and improve customer experience

Post-investment Management Blueprint

Prioritize Singapore as the first entry point for Asia expansion

- Establish GTM partnerships with local ERP consultants, accounting firms, and B2B platforms to acquire SME users at scale
- Using Singapore as a launchpad to replicate success across broader Asia
- The Monetary Authority of Singapore (MAS) maintains a supportive approach toward e-payments and open banking

Target High-Margin Asia-Pacific SMEs with FX and Card Solutions

- Offer standalone FX and virtual card modules to address the high fees and long settlement times of traditional cross-border payments
- Then upsell to full AP/AR workflows to deepen retention and value

Action	Collaboration Partners
API Partnership Strategy	see below

Collaboration Partners

Potential Partners	Airwallex	opn	funding societies
Core Business	Global FX & virtual card infra for SMEs	Local PSP for e-commerce & QR payments	Digital lending platform for invoice and capital financing
API Collaboration	Use FX and card APIs to enable cross-border payouts and card issuance	Embed BILL's payment into Opn's checkout to support vendor payments	Integrate BILL API to automate post-loan invoice disbursement and payments
Value / KPI Impact	Monetize FX margin; accelerate multi-market rollout	Lower CAC via embedded acquisition; drive PayNow adoption	Extend reach into underserved SMEs; increase ARPU

Post-investment Management Blueprint

Adopt API and AI Strategy via Regional Payment Service Providers

- Partner with regional PSPs for rollout with built-in compliance and bank connectivity
- Expand across various Asian-Pacific markets without local licenses or banking setup
- Streamline G&A expense through embedding AI-powered automation

Address Inefficient Marketing with API-Based Distribution

- Lower CAC by acquiring users through partners' existing platforms instead of direct paid marketing
- Higher conversion from embedding BILL's services natively into partner workflows
- Stronger monetization as integrated usage drives higher ARPU and long-term retention

Source: Citi, Bank for International Settlements

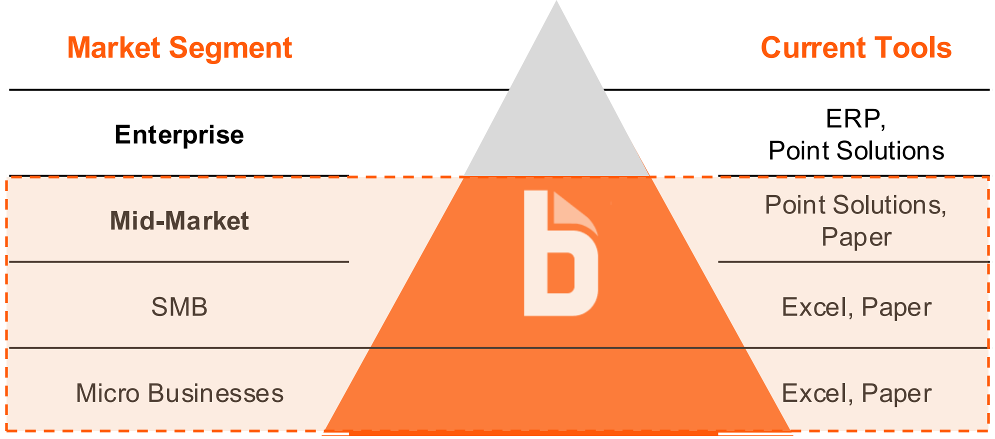
Convert high margin network members from the A/R side suppliers to BILL user.

Network of 7.1M members offers substantial opportunity to acquire new A/R suppliers.

- FY25Q3 Earnings Call: ”Our newer ad valorem offerings—**instant transfer, pay by card,** and invoice financing—contributed meaningfully to monetization expansion, **especially on the supplier side.**”
- Turning suppliers from passive recipients into active users is key for Bill.com to build a two-sided flywheel, expand profitability.
- Bill.com do offers A/R tools, but adoption remains lower than for A/P. Most A/R users start with A/P, suggesting limited value in marketing AR solutions directly.

AR-side suppliers show strong potential, with higher TPV and solid revenue contribution to Bill.com,

Offering	Take Rate
Divvy	**2.63%**
International Transfer (FX)	2.61%
Instant Transfer / Pay by Card	**2.07%**
Virtual Card	1.97%
International Transfer (USD)	0.58%
Check/ACH	0.01%



Our Internal Strategic Move

Action	Pre-investment Snapshot
Free-to-sticky conversion strategy	• Suppliers often manage payments outside Bill.com using manual processes, leading to low engagement, poor visibility, and no platform loyalty—despite repeated use. They incur costs (e.g., card markups) without seeing value, driving dissatisfaction and churn risk.

Post-investment Management Blueprint

- Launch plug-and-play integrations (e.g. QuickBooks, Xero, NetSuite) enabling auto-sync of payment confirmations, remittances, and invoice status.
- Offer free basic reconciliation tools; upsell into advanced versions with batch-matching, exception alerts, and analytics.
- Position Bill as a single source of truth for receivables-related visibility and audit readiness.

Estimated Revenue Earn from Monetization Expansion Strategy

- We estimate revenue earn from these A/R side suppler with value added services from BILL’s existing network can be calculated and break down into following items: number of suppliers that adopt BILL’s offering, checks per year per supplier, cost per invoice and a given take rate.
- We estimate a 0.1% penetration rate of the 7.1 million network users that were inactive.

Revenue	=	Suppliers adopt BILL’s offering	×	Checks per year per supplier	×	Cost per Invoice	×	Take Rate
2,790,300	=	7,100	×	20,000	×	$1.31	×	**1.5%**

Source: Goldman Sachs Global Investment Research, FY25Q3 Earnings Call

Exit through a sale to Xero given strong alignment in product roadmap, SME focus, and API-driven GTM strategy

Sale to Strategic Buyer

Potential Buyer	xero	ORACLE	BLOCK
Focus Region	Australia, US, UK, growing in SEA	North America, Europe, Asia	North America
Product Mix	• Xero Accounting • Basic AR/AP tools • Job and payroll management	• Cloud ERP • HR system • CRM system	• POS • Consumer P2P payments • Buy Now, Pay Later • SMB banking and loans
Business Model	SaaS with third-party app integrations	SaaS + License	Transaction-based + SaaS
Strategic Movement	• Expand large markets • Invest in Gen-AI • Building open ecosystem via API	• Expand cloud infra • Invest massively in GPU • Embed AI agents	• Optimize product control • Target youth and family for adoption • Embed AI agents
Conclusion	**Xero is the most strategically motivated buyer to acquire BILL** • Xero focuses on bookkeeping but lacks payment execution. • BILL fills this payment gap to help it become a complete SME financial system.		

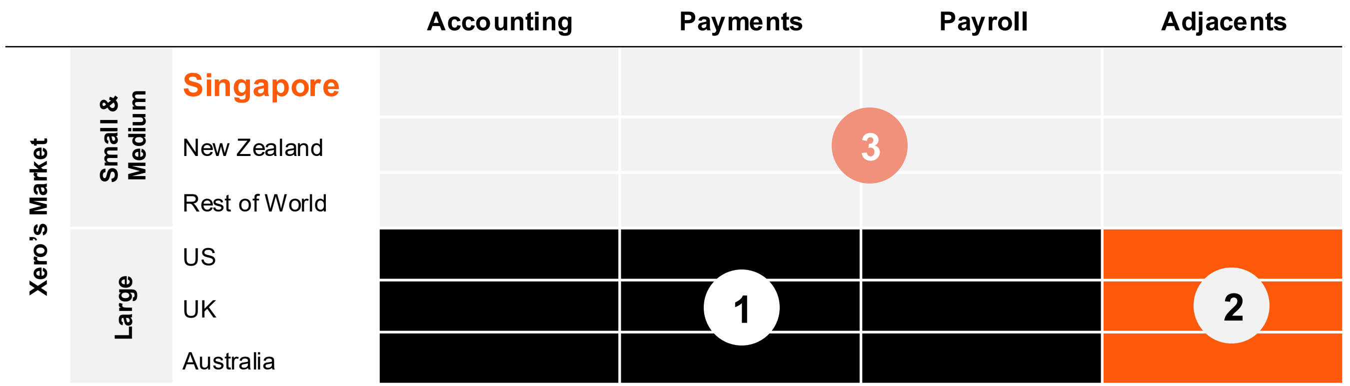
Given that only a 27% stake is being sold, the transaction remains within reach for Xero

Xero's Financial Condition

Founded Year	2006	**TTM Revenue**	AUD 2.1 Bn
Market Cap	AUD 27.97 Bn	**TTM EBITDA**	AUD 376.21 Mn
Total Debt/Equity (mrq)	60.97%	**TTM Levered FCF**	AUD 860.21 Mn

Xero focus for FY25-27: Expand through ecosystem and APIs into new markets, where BILL can create product and GTM synergies.

	1	2	3
Xero's Strategy	**Complete the three key businesses**	**Embed: Extend to adjacent capabilities**	**Ecosystem & APIs: Deliver growth in new market**
Action	Strengthen accounting, payroll and payments for SMBs in large markets	Current partnerships with BILL to expand US market	Buying BILL with API-driven services and expand to SEA market

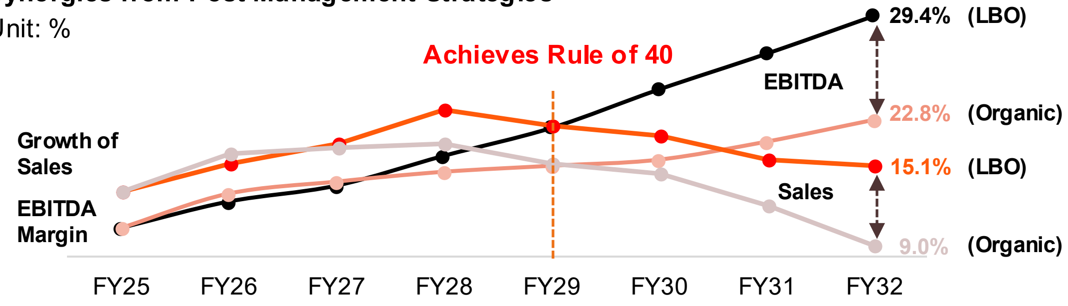


Source: Xero, Oracle, Block, Yahoo Finance

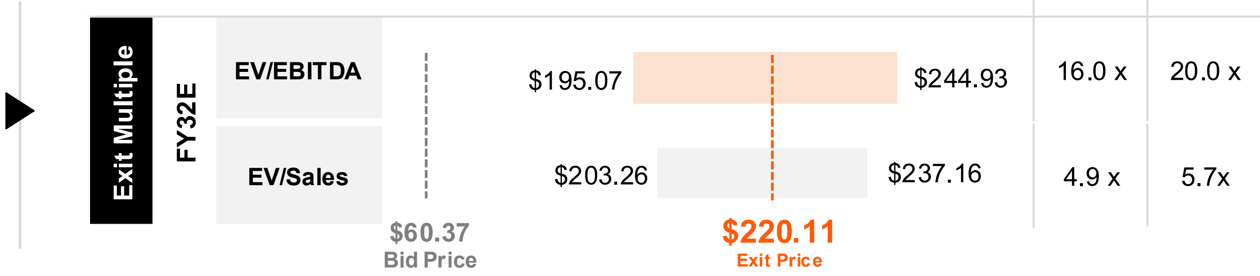
Achieves the Rule of 40 in FY29, exiting with a robust IRR of 28% and a 5.6x MOIC, through EV/EBITDA convergence

Synergies from Post Management Strategies

Unit: %



Football Field Chart (Price Per Share)



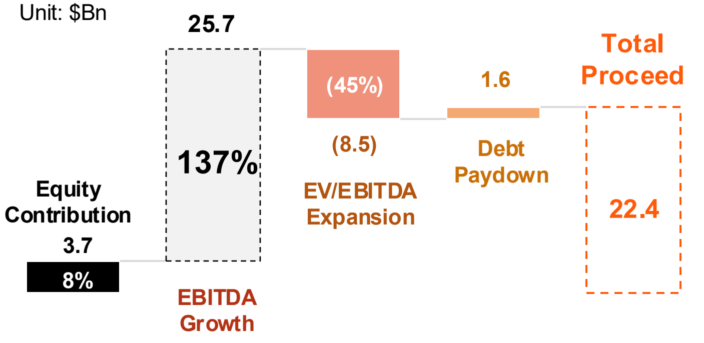
Return Calculations

Returns Calculations	Units:	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32
Initial Investment of OIC Capital	**$ M**	**$ (1,000)**							
EBITDA:	**$ M**	**231**	**294**	**364**	**479**	**616**	**803**	**1,012**	**1,270**
(x) Exit Multiple (EV/Revenue)	*x*	*3.9 x*	*4.2 x*	*4.3 x*	*4.5 x*	*4.7 x*	*4.9 x*	*5.1 x*	***5.3 x***
(x) Exit Multiple (EV/EBITDA)	*x*	*24.5 x*	*24.0 x*	*23.0 x*	*22.0 x*	*21.0 x*	*20.0 x*	*19.0 x*	***18.0 x***
Exit Enterprise Value:	**$ M**	**5,666**	**7,067**	**8,371**	**10,547**	**12,943**	**16,055**	**19,223**	**22,861**
(-) Net Debt	$ M	(2,110)	(2,148)	(2,146)	(2,075)	(1,932)	(1,648)	(1,156)	(440)
Exit Equity Value:	**$ M**	**3,555**	**4,919**	**6,226**	**8,471**	**11,012**	**14,407**	**18,067**	**22,422**
Net Equity to Management & Mezzanine[1]	$ M	(71)	(183)	(299)	(498)	(723)	(1,024)	(1,348)	(1,734)
Sponsor Equity Proceeds:	**$ M**	**3,484**	**4,736**	**5,926**	**7,973**	**10,288**	**13,383**	**16,719**	**20,688**
Project Equity Returns									
Multiple (MOIC):	*x*	*0.9 x*	*1.3 x*	*1.6 x*	*2.2 x*	*2.8 x*	*3.6 x*	*4.5 x*	***5.6 x***
IRR:	**%**		**28.7%**	**26.9%**	**29.4%**	**29.3%**	**29.5%**	**28.7%**	**28.0%**
Rule of 40:	**%**	**29.0%**	**32.7%**	**35.3%**	**39.8%**	**40.4%**	**42.0%**	**42.5%**	**44.5%**

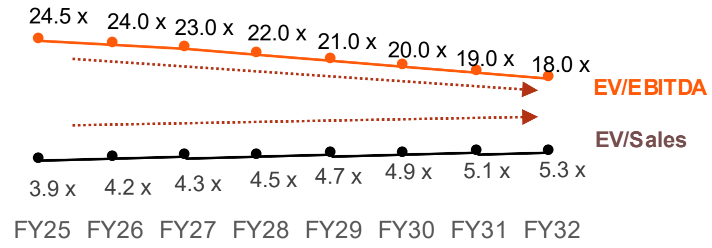
1. Management option pool: 7%; Equity % of Mezzanine: 2%

Returns Attributions Analysis

Unit: $Bn



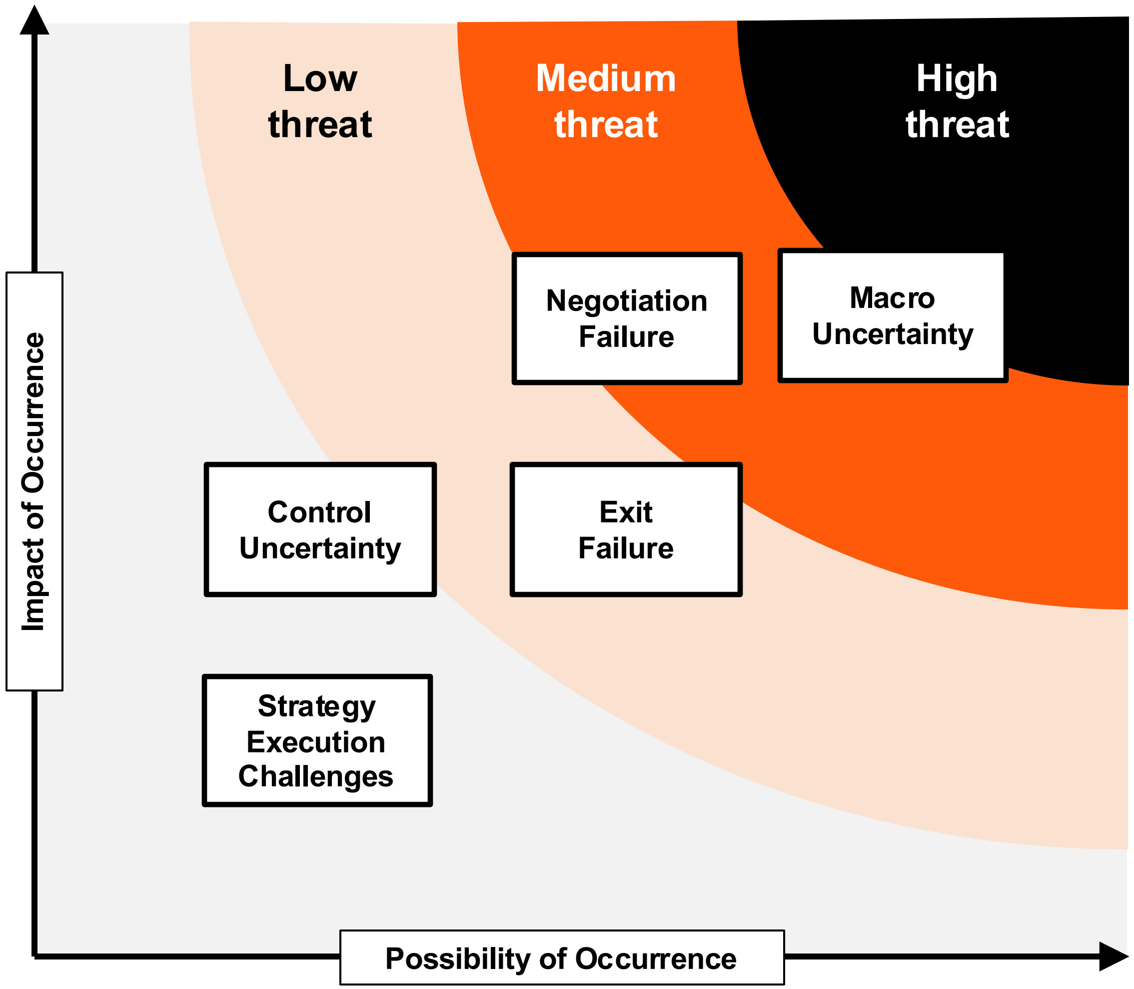
Expect EV/Sales to gradually revert to the average level of the past two years



Source: Bloomberg, Capital IQ, Company Websites, Morgan Stanely, Alpha Spread, Value Investing

We identify 5 potential transaction risk and provide mitigation analysis

Scenario Analysis



Risk & Mitigation

	Situation	Details	Mitigation
Economic issues	Macro Uncertainty	SMBs are sensitive to high interest rates and inflation, which may reduce IT/automation spending.	Focus on high-ROI use cases (e.g., payment automation, FX savings) and offer modular pricing to preserve adoption among cost-conscious SMBs.
Transaction	Negotiation Failure	Misalignment with Thoma Bravo on governance, ownership split, and strategic direction could delay or derail the buyout execution.	Define deal terms upfront through a term sheet outlining governance rights, value creation plan, and targeted exit strategy.
Post-Transaction	Control Uncertainty	As minority co-investor, we cannaot unilaterlly initiate a strategy and it require Thoma Bravo's alignment.	Establish governance rights and pre-agree roadmap at deal close, such as quarterly joint steering committees or drag-along clauses.
	Strategy Execution Challenges	Post-investment strategy (API distribution, FX monetization, PSP rollout) may take longer or underperform vs. base case.	Propose a shared strategy playbook, structured escalation rights, and a neutral operator to ensure objectivity and momentum.
	Exit Failure	Xero has existing commercial ties with BILL, they could suppress the valuation or intentionally delay the acquisition timeline to reduce our IRR.	Secure pre-agreed valuation range and timeline with Xero; maintain alternate buyer engagement to preserve exit leverage.

Buyout Bill.com with Thoma Bravo at $60.37, targeting eventual rule of 40, with exit EV/Sales of 5.6x, IRR of 28%

1. Target Overview

- **Industry Background:**
  - SaaS offers stable cash flow, low capex, and high EBITDA margins
  - **Fintech SaaS—especially B2B payments**—is the fastest-growing vertical, fueled by digitalization and automation
- **Bill.com Introduction:**
  - A cloud-based financial automation platform focused on **AP/AR and B2B payments for SMBs**
  - Serves **481K SMBs**, processing **$292B+ in TPV**, and partners with **9,000+ accounting firms**. Positioned for further growth via **automation** and **embedded** financial solutions

2. Investment Thesis

- **Growth prospects for higher exit:**
  - BILL is set for margin reacceleration via **AI, GTM reform**, and international/API-led growth. High-margin products like virtual cards and Divvy remain underpenetrated
- **Issues as opportunities for lower entry and restructuring:**
  - Current EV/Revenue trades **>1 std dev below 2Y average** (3.15x vs. 5.15x), offering entry **discount**
  - Valuation compressed by high rates and weak TPV growth. SMBs still favor **low-margin ACH**, but automation and GTM reform can unlock operating leverage

3. Deal Highlights

- **Valuation summary:**
  - Entry at **$60.37**/share (**3.92x** EV/Sales, **35%** premium)
- **Deal Structure:**
  - Efficient **$8.2B** LBO with balanced funding (**45%** equity, **37%** debt)
  - Full term loan repayment by FY32, and positive cash flow post-FY29
- **Potential Co-investment Third Party and Synergy:**
  - **Thoma Bravo** as investment partner brings strong GTM execution and operational enhancement in Fintech SaaS, targeting **28%** IRR and **5.6x** MOIC

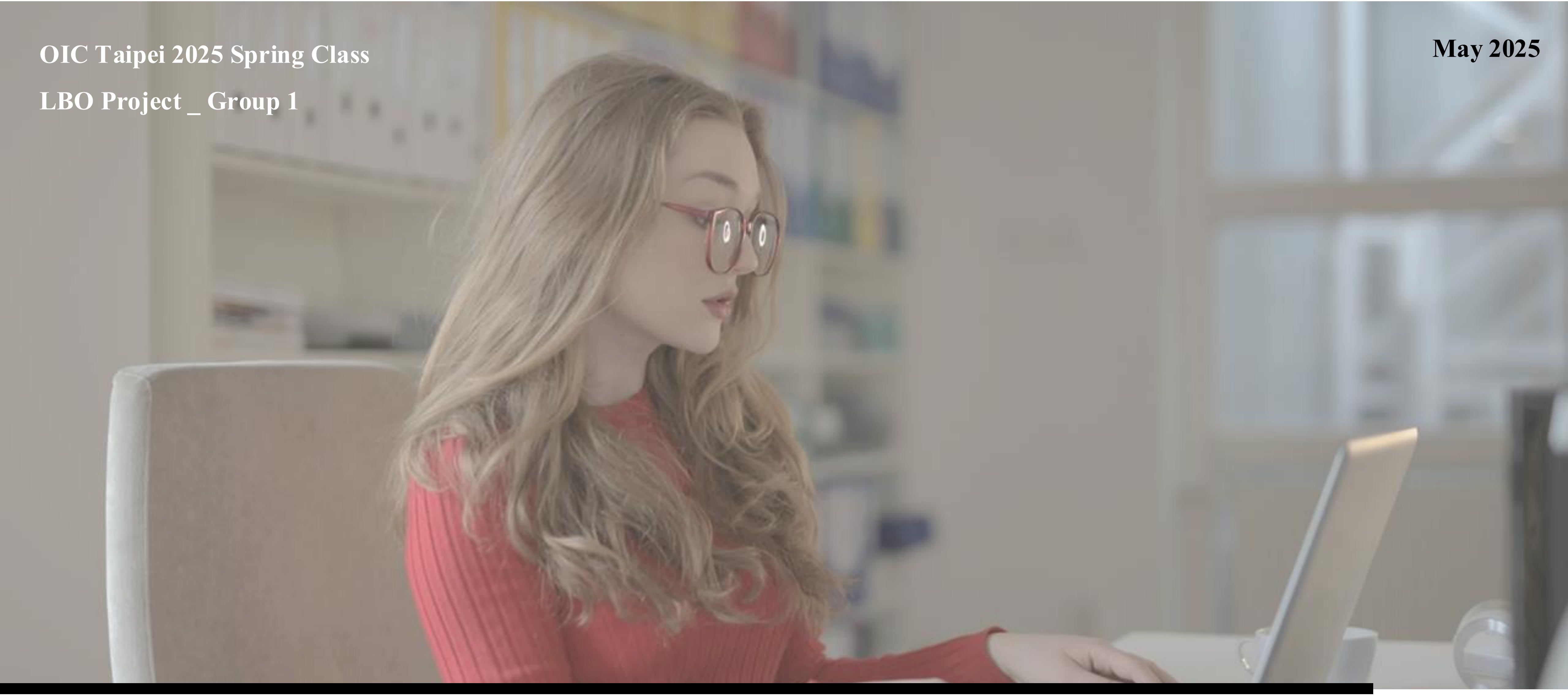
4. Post Investment Management

- **Solutions to Bill.com's pain points:**
  - Governance reset with board optimization and AI/GTM experts
  - Align incentives and raise marketing efficiency. Target **Rule of 40+** and **LFCF >10%** to unlock SaaS multiple re-rating
  - Scale via **API-led PSP** partnerships across Asia-Pacific. Prioritize **FX/card monetization** and **Singapore** as the anchor market
  - Convert high margin network members from the A/R side suppliers to BILL user.
- **Exit Strategy:**
  - Sale to **Xero** due to strong alignment of future strategic movements and product complementarity

OIC Taipei 2025 Spring Class

LBO Project _ Group 1

May 2025



Appendix

Group Analysts –Ben Li, Gabriel Wu, Andy Chen, Zoe Chen

Income Statement

Income Statement:	Units:	Historical FY21	FY22	FY23	FY24	Projected FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32
Revenue													
By Softwares													
(+) Core BILL	$ M	$ 208	$ 362	$ 506	$ 596	$ 673	$ 774	$ 906	$ 1,105	$ 1,326	$ 1,564	$ 1,815	$ 2,105
(+) Divvy	$ M	80	209	354	458	$ 522	$ 606	$ 721	$ 872	$ 1,038	$ 1,215	$ 1,409	$ 1,620
(+) Integrated Platform:	$ M	288	570	860	1,054	1,195	1,380	1,627	1,977	2,364	2,779	3,224	3,725
(+) FI	$ M	14	30	43	20	$ 12	$ 11	$ 11	$ 12	$ 13	$ 15	$ 17	$ 20
(+) Core BILL + FI	$ M	222	392	549	616	685	785	917	1,117	1,339	1,579	1,832	2,125
(+) Invoice2Go	$ M	-	33	42	45	$ 47	$ 49	$ 51	$ 52	$ 54	$ 55	$ 56	$ 57
(+) Embedded & Other Solutions	$ M	10	0	0	4								
By Segments													
(+) Transaction fees	$ M	121	440	691	866	$ 1,013	$ 1,154	$ 1,304	$ 1,461	$ 1,622	$ 1,784	$ 1,944	$ 2,100
(+) Subscription fees	$ M	112	194	253	257	$ 242	$ 286	$ 384	$ 581	$ 809	$ 1,065	$ 1,353	$ 1,703
Core Revenue	$ M	**232**	**633**	**945**	**1,123**	**1,255**	**1,440**	**1,689**	**2,042**	**2,431**	**2,849**	**3,297**	**3,803**
Core Revenue Growth:	%		*172.7%*	*49.1%*	*18.8%*	*11.8%*	*14.7%*	*17.3%*	*20.9%*	*19.1%*	*17.2%*	*15.7%*	*15.3%*
Float Revenue	$ M	**6**	**9**	**114**	**167**	**204**	**241**	**275**	**302**	**339**	**399**	**455**	**515**
Float Revenue Growth:	%		*43.3%*	*1,221.3%*	*47.2%*	*22.0%*	*18.0%*	*14.0%*	*10.0%*	*14.0%*	*18.0%*	*14.0%*	*13.0%*
Total Revenue	$ M	**238**	**642**	**1,058**	**1,290**	**1,459**	**1,681**	**1,963**	**2,344**	**2,770**	**3,249**	**3,752**	**4,318**
Total Revenue Growth:	%		*169.4%*	*64.9%*	*21.9%*	*13.1%*	*15.2%*	*16.8%*	*19.4%*	*18.2%*	*17.3%*	*15.5%*	*15.1%*
						145,923.3%	*168,097.7%*	*196,344.0%*	*234,398.3%*	*276,976.2%*	3248.50891	3752.42971	4317.55189
(-) Cost of Revenue:	$ M	(56)	(105)	(151)	(190)	(212)	(242)	(281)	(333)	(391)	(455)	(525)	(604)
Gross Profit:	$ M	**182**	**537**	**908**	**1,101**	**1,248**	**1,439**	**1,683**	**2,011**	**2,379**	**2,794**	**3,227**	**3,713**
Gross Margin:	%	*76.4%*	*83.6%*	*85.8%*	*85.3%*	*85.5%*	*85.6%*	*85.7%*	*85.8%*	*85.9%*	*86.0%*	*86.0%*	*86.0%*
Gross Margin Growth	%		*194.9%*	*69.0%*	*21.2%*	*13.4%*	*15.3%*	*16.9%*	*19.5%*	*18.3%*	*17.4%*	*15.5%*	*15.1%*
OPEX													
(-) SG&A	$ M	(181)	(525)	(713)	(756)	(738)	(815)	(922)	(1,068)	(1,227)	(1,386)	(1,543)	(1,708)
(-) Provision for Bad Debts	$ M		(20)	(32)	(60)	(36)	(43)	(48)	(49)	(50)	(51)	(52)	(53)
(-) R&D	$ M	(90)	(220)	(315)	(337)	(242)	(286)	(349)	(415)	(486)	(554)	(621)	(683)
(-) D&A	$ M	(4)	(9)	(11)	(14)	(16)	(18)	(19)	(20)	(21)	(22)	(22)	(23)
Total Operating Expenses	$ M	**(280)**	**(850)**	**(1,151)**	**(1,247)**	**(1,269)**	**(1,399)**	**(1,575)**	**(1,789)**	**(2,021)**	**(2,250)**	**(2,475)**	**(2,703)**
Operating Income / (Loss):	$ M	**(98)**	**(313)**	**(243)**	**(146)**	**(22)**	**40**	**108**	**222**	**358**	**544**	**752**	**1,010**
Operating Margin:	%	*(41.2%)*	*(48.7%)*	*(23.0%)*	*(11.3%)*	*(1.5%)*	*2.4%*	*5.5%*	*9.5%*	*12.9%*	*16.7%*	*20.0%*	*23.4%*
Operating Margin Growth	%						*(282.0%)*	*172.1%*	*106.3%*	*61.3%*	*51.9%*	*38.3%*	*34.3%*
(-) Interest Expense	$ M	(28)	(9)	(15)	(19)	(262)	(251)	(249)	(249)	(245)	(235)	(218)	(196)
(+) Interest & Investment Income	$ M	3	7	91	122	50	38	35	34	34	34	35	45
(+/-) Other Items (Income)	$ M	(0)	(11)	(3)	(1)	175	185	196	188	166	162	188	216
Net Interest Income / (Expense):	$ M	**(25)**	**(14)**	**73**	**103**	**(36)**	**(28)**	**(17)**	**(27)**	**(45)**	**(39)**	**5**	**65**
Pre-Tax Income:	$ M	**$ (123)**	**$ (326)**	**$ (170)**	**$ (44)**	**$ (58)**	**$ 12**	**$ 90**	**$ 195**	**$ 313**	**$ 505**	**$ 757**	**$ 1,075**
Pre-Tax Income Margin:	%	*(51.8%)*	*(50.8%)*	*(16.1%)*	*(3.4%)*	*(4.0%)*	*0.7%*	*4.6%*	*8.3%*	*11.3%*	*15.5%*	*20.2%*	*24.9%*
Pre-Tax Income Growth	%				*(74.3%)*	*32.2%*	*(120.3%)*	*667.7%*	*116.0%*	*60.8%*	*61.0%*	*50.0%*	*42.0%*

Source: Bloomberg, CIQ, Wells Fargo, Morgan Stanely

Comparable Companies

Comparable Companies - Fintech SaaS Companies in the U.S.
($ in Millions Except Per Share and Per Unit Data)

Operating Statistics: Company Name	Day Close Price Latest	Outstanding Shares	Market Cap	Enterprise Value	Revenue LTM	Revenue NTM	EBITDA LTM	EBITDA NTM	Projected Revenue Growth	Projected EBITDA Growth	EBITDA Margin LTM	EBITDA Margin NTM
BILL Holdings, Inc. (NYSE:BILL)	$ 44.72	101.9	$ 4,557	$ 4,121	1,388	1,549	8	253	11.6%	3,104.3%	0.6%	16.3%
Intuit Inc. (NasdaqGS:INTU)	$ 653.88	279.6	$ 182,825	$ 187,258	$ 17,167	$ 19,285	$ 4,714	$ 7,939	12.3%	68.4%	27.5%	41.2%
AvidXchange Holdings, Inc. (NasdaqGS:AVDX	$ 9.73	204.4	$ 1,989	$ 1,675	439	457	34	88	4.1%	160.1%	7.7%	19.4%
The Sage Group plc (LSE:SGE)	$ 16.86	966.7	$ 16,296	$ 17,302	3,123	3,402	687	895	8.9%	30.3%	22.0%	26.3%
Workday, Inc. (NasdaqGS:WDAY)	$ 259.18	266.4	$ 69,046	$ 64,391	8,446	9,501	825	3,008	12.5%	264.6%	9.8%	31.7%
Xero Limited (ASX:XRO)	$ 97.50	153.1	$ 14,927	$ 14,472	1,146	1,381	226	438	20.6%	93.5%	19.7%	31.7%
BlackLine, Inc. (NasdaqGS:BL)	$ 53.23	65.9	$ 3,508	$ 3,539	653	698	48	189	6.9%	291.6%	7.4%	27.0%
Workiva Inc. (NYSE:WK)	$ 67.57	56.1	$ 3,791	$ 3,768	739	864	(61)	52	17.0%	(185.4%)	(8.3%)	6.0%
Paylocity Holding Corporation (NasdaqGS:PCT	$ 194.61	55.9	$ 10,879	$ 10,778	1,499	1,628	311	558	8.6%	79.5%	20.7%	34.3%
OneStream, Inc. (NasdaqGS:OS)	$ 26.09	176.0	$ 4,592	$ 4,066	489	584	(316)	4	19.2%	(101.2%)	(64.5%)	0.7%

Industry Statistcs			Market Cap	Enterprise Value	Revenue LTM	Revenue NTM	EBITDA LTM	EBITDA NTM	Projected Revenue Growth	Projected EBITDA Growth	EBITDA Margin LTM	EBITDA Margin NTM
Maximum			$ 182,824.8	$ 187,257.8	$ 17,167.0	$ 19,285.2	$ 4,714.0	$ 7,938.8	20.6%	291.6%	27.5%	41.2%
75th Percentile			16,296.4	17,302.1	3,123.0	3,402.4	687.0	895.1	17.0%	160.1%	20.7%	31.7%
Median			**10,878.7**	**10,778.5**	**1,145.7**	**1,381.3**	**226.2**	**437.8**	**12.3%**	**79.5%**	**9.8%**	**27.0%**
25th Percentile			3,790.7	3,767.6	653.3	698.2	34.0	88.4	8.6%	30.3%	7.4%	19.4%
Minimum			1,988.8	1,674.9	438.9	456.8	(315.9)	3.9	4.1%	-185.4%	(64.5%)	0.7%

Source: Bloomberg, CIQ, Wells Fargo, Morgan Stanely

Comparable Companies

Valuation Statistics: Company Name	Market Cap	Enterprise Value	Enterprise Value / Revenue LTM	Enterprise Value / Revenue NTM	Enterprise Value / EBITDA LTM	Enterprise Value / EBITDA NTM	Price /Sales LTM
BILL Holdings, Inc. (NYSE:BILL)	$ 4,557.0	$ 4,121.3	3.0 x	2.7 x	NM	16.3 x	3.3 x
Intuit Inc. (NasdaqGS:INTU)	$ 182,824.8	$ 187,257.8	10.9 x	9.7 x	39.7 x	23.6 x	10.6 x
AvidXchange Holdings, Inc. (NasdaqGS:AVDX)	1,988.8	1,674.9	3.8 x	3.7 x	49.3 x	18.9 x	4.5 x
The Sage Group plc (LSE:SGE)	16,296.4	17,302.1	5.5 x	5.1 x	25.2 x	19.3 x	5.2 x
Workday, Inc. (NasdaqGS:WDAY)	69,045.6	64,390.6	7.6 x	6.8 x	78.0 x	21.4 x	8.2 x
Xero Limited (ASX:XRO)	14,927.3	14,472.1	12.6 x	10.5 x	64.0 x	33.1 x	13.0 x
BlackLine, Inc. (NasdaqGS:BL)	3,507.9	3,538.6	5.4 x	5.1 x	73.4 x	18.7 x	5.4 x
Workiva Inc. (NYSE:WK)	3,790.7	3,767.6	5.1 x	4.4 x	NM	72.1 x	5.1 x
Paylocity Holding Corporation (NasdaqGS:PCTY)	10,878.7	10,778.5	7.2 x	6.6 x	34.7 x	19.3 x	7.3 x
OneStream, Inc. (NasdaqGS:OS)	4,591.8	4,066.2	8.3 x	7.0 x	NM	NM	9.4 x

Industry Statistcs							
Maximum	$ 182,824.8	$ 187,257.8	12.6 x	10.5 x	78.0 x	72.1 x	13.0 x
75th Percentile	16,296.4	17,302.1	8.3 x	7.0 x	68.7 x	26.0 x	9.4 x
Median	**10,878.7**	**10,778.5**	**7.2 x**	**6.6 x**	**49.3 x**	**20.4 x**	**7.3 x**
25th Percentile	3,790.7	3,767.6	5.4 x	5.1 x	37.2 x	19.2 x	5.2 x
10th Percentile	3,204.0	3,165.8	4.8 x	4.2 x	30.9 x	18.9 x	5.0 x
Minimum	1,988.8	1,674.9	3.8 x	3.7 x	25.2 x	18.7 x	4.5 x

Source: Bloomberg, CIQ, Wells Fargo, Morgan Stanely

Discounted Cash Flow

DCF	Units:	Historical				Projected							
		FY21	FY22	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32
Numerical Year:	#					0	1	2	3	4	5	6	7
Free Cash Flow (FCF)	*$ M*	**(100)**	**(53)**	**70**	**(50)**	**(41)**	**20**	**61**	**132**	**206**	**349**	**561**	**788**
WACC %						**9.0%**							
Discounted FCF	*$ M*					(41)	18	52	102	146	227	334	431
Accumulated Discounted DCF	*$ M*					1,269							
Perpetual Growth rate %						**2.5%**							
Terminal Value	*$ M*					6,799							
Discounted Terminal Value	*$ M*					3,412							
Exit Enterprise Value	*$ M*					4,681							
(+) Cash & Investments	*$ M*					2,211							
(-) Debt	*$ M*					(1,775)							
Entry Equity Value	*$ M*					**5,117**							
Entry Stock Price						**50.21**							

Source: Bloomberg, CIQ, Wells Fargo, Morgan Stanely

Bill LBO Model

Transaction Assumptions & Sources and Uses

Bill.com - LBO Model
($ USD in Millions, Except Per Share and Per Unit Data)

Transaction Assumptions: *Units:*

Company Name:	*Name*	Bill.com	
Ticker:	*Name*	BILL	
Share Price:	*$ as Stated*	$ 44.72	9-May
Premium Paid:	*%*	35.0%	
Offer Price per Share:	*$ as Stated*	60.37	
Diluted Share Count:	*M Shares*	101.9	
Last Historical Year:	*Date*	2024-12-31	
Units:	*#*	1,000,000	
Prepayment Penalty on Existing Debt:	*%*	2.0%	
Advisory Fee %:	*%*	2.0%	
Debt Issuance Fee %:	*%*	2.5%	
Legal and Other Fees:	*%*	0.5%	
OIC Capital	*$ M*	1,000	

Premium To:	VWAP	Premium
5-Day VWAP	$ 46.17	30.8%
30-Day VWAP	$ 44.21	36.6%

			LTM EBITDA	Forward EBITDA	Forward Revenue	Forward Gross Profit
Purchase Equity Value:		*$ M*	$ 6,152			
(-) Cash & Investments:		*$M*	(2,211)			
(+) Debt:		*$M*	1,775			
(+) Noncontrolling Interests:		*$M*	-			
(+) Unfunded Pensions:		*$M*	-			
Purchase Enterprise Value:		*$ M*	$ 5,716			
Self-estimated		*$ M*	$ 7.90	231.26	1,459.23	1,247.64
Purchase TEV Multiple:		*x*	723.58 x	24.72 x	3.92 x	4.58 x
Bloomberg Consensus		*$ M*		243.33	1,456.60	1,238.69
Purchase TEV Multiple:		*x*		23.49 x	3.92 x	4.61 x
Average Multiple		*x*		**24.11 x**	**3.92 x**	**4.60 x**
Management Options Pool:		*%*	7.0%			
Minimum Cash Balance: (% of Rev)	50%	*$ M*	730			

Goodwill Calculation:		
Equity Purchase Price:	*$ M*	$ 6,152
(-) Seller Book Value:	*$ M*	(3,810)
(+) Write-Off of Existing Goodwill:	*$ M*	2,397
Total Allocable Purchase Premium:	*$ M*	**4,739**
(+/-) Other Write-Ups & Write-Downs:	*$ M*	-
Total Goodwill Created:	*$ M*	$ **4,739**
Amortization Period:	*# Years*	20

Sources & Uses Schedule:

Sources of Funds:	$ M	x LTM EBITDA	x Forward EBITDA	x Revenue	x Gross Profit	% Sources	% Ownership
Revolver:	$ -	0.0 x	0.0 x	0.0 x	0.0 x	0.0%	
Term Loans:	1,500	189.9 x	6.5 x	1.0 x	1.2 x	18.4%	
Subordinated Notes:	1,000	126.6 x	4.3 x	0.7 x	0.8 x	12.3%	
Mezzanine:	500	63.3 x	2.2 x	0.3 x	0.4 x	6.1%	
Debt Proportion	$ **3,000**	**379.7 x**	**13.0 x**	**2.1 x**	**2.4 x**	**36.8%**	
Excess Cash:	1,481	187.5 x	6.4 x	1.0 x	1.2 x	18.2%	
OIC (Sponsor) Equity:	1,000	126.6 x	4.3 x	0.7 x	0.8 x	12.3%	**27.2%**
Third Party Equity	2,271	287.5 x	9.8 x	1.6 x	1.8 x	27.8%	**61.7%**
Management Team	408	51.7 x	1.8 x	0.3 x	0.3 x	5.0%	**11.1%**
Equity Proportion	$ **5,161**	**653.3 x**	**22.3 x**	**3.5 x**	**4.1 x**	**63.2%**	
Total Sources:	$ **8,161**	**1033.0 x**	**35.3 x**	**5.6 x**	**6.5 x**	**100.0%**	
Check	TRUE						

Uses of Funds:	$ M	x LTM EBITDA	x Forward EBITDA
Purchase Equity Value:	$ 6,152	778.7 x	26.6 x
Assume/Replace Existing Debt:	1,775	224.7 x	7.7 x
Prepayment Penalty on Existing Debt:	36	4.5 x	0.2 x
Financing Fees:	75	9.5 x	0.3 x
Advisory fees	123	15.6 x	0.5 x
Legal and Other Fees	31	3.9 x	0.1 x
Total Uses:	$ **8,161**	**1033.0 x**	**35.3 x**

Source: Bloomberg, CIQ, Wells Fargo, Morgan Stanely

Debt and Cash & Revenue, Expenses, and Cash Flow Assumptions

Debt and Cash Assumptions:

Tranche Name:	US 10-Yr Floor:	US 10-Yr Spread:	Fixed Rate:	PIK Margin:	Annual Amort:	Cash Flow Sweep %:	Equity %:
Revolver:	3.8%	3.0%					
Term Loans:	3.8%	4.0%			10.0%	50.0%	
Subordinated Notes:			5.0%	3.0%			
Mezzanine:			7.0%	5.0%			2.0%
Cash:		1.0%					

Revenue, Expenses, and Cash Flow:	Units:	Historical FY21	FY22	FY23	FY24	Projected FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32
Cost of Sales % Revenue:	%	23.6%	16.4%	14.2%	14.7%	14.5%	14.4%	14.3%	14.2%	14.1%	14.0%	14.0%	14.0%
SG&A % Revenue:	%	75.8%	81.7%	67.3%	58.6%	50.6%	48.5%	47.0%	45.6%	44.3%	42.7%	41.1%	39.6%
Other Items % Revenue:	%	59.8%	47.9%	29.1%	14.7%	12.0%	11.0%	10.0%	8.0%	6.0%	5.0%	5.0%	5.0%
CapEx and Intangible Purchases	$ M	19	5	8	1	6	3	2	2	2	3	4	5
Growth Rate:	%		*(71.4%)*	*40.7%*	*(86.8%)*	*480.4%*	*(56.9%)*	*(36.0%)*	*6.3%*	*5.9%*	*55.6%*	*35.7%*	*26.3%*
CapEx % Sales:	%	*7.9%*	*0.8%*	*0.7%*	*0.1%*	0.4%	0.2%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%
New Goodwill:	$ M				4,739	4,502	4,265	4,028	3,791	3,554	3,317	3,080	2,843
New Goodwill Amortization:	$ M					237	237	237	237	237	237	237	237
Change in Net Working Capital:	$ M	110	125	154	283	277	286	314	352	388	422	450	518
% Revenue:	%	46.4%	19.5%	14.5%	21.9%	19.0%	17.0%	16.0%	15.0%	14.0%	13.0%	12.0%	12.0%
Cash Taxes % Cash Taxable Income:	%	0.0%	0.0%	(1.4%)	15.5%	4.7%	6.3%	8.8%	6.6%	7.2%	7.6%	7.1%	7.3%

Source: Bloomberg, CIQ, Wells Fargo, Morgan Stanely

Income Statement

		Historical				Projected							
Income Statement:	***Units:***	**FY21**	**FY22**	**FY23**	**FY24**	**FY25**	**FY26**	**FY27**	**FY28**	**FY29**	**FY30**	**FY31**	**FY32**
By Softwares													
(+) Core BILL	$ M	$ 208	$ 362	$ 506	$ 596	$ 673	$ 774	$ 906	$ 1,105	$ 1,326	$ 1,564	$ 1,815	$ 2,105
(+) Divvy	$ M	80	209	354	458	522	606	721	872	1,038	1,215	1,409	1,620
(+) Integrated Platform:	$ M	288	570	860	1,054	1,195	1,380	1,627	1,977	2,364	2,779	3,224	3,725
(+) FI	$ M	14	30	43	20	12	11	11	12	13	15	17	20
(+) Core BILL + FI	$ M	222	392	549	616	685	785	917	1,117	1,339	1,579	1,832	2,125
(+) Invoice2Go	$ M	-	33	42	45	47	49	51	52	54	55	56	57
(+) Embedded & Other Solutions	$ M	10	0	0	4	-	-	-	-	-	-	-	-
By Segments													
(+) Transaction fees	$ M	121	440	691	866	1,013	1,154	1,304	1,461	1,622	1,784	1,944	2,100
(+) Subscription fees	$ M	112	194	253	257	242	286	384	581	809	1,065	1,353	1,703
Core Revenue	$ M	**232**	**633**	**945**	**1,123**	**1,255**	**1,440**	**1,689**	**2,042**	**2,431**	**2,849**	**3,297**	**3,803**
Core Revenue Growth:	%	*- %*	*172.7%*	*49.1%*	*18.8%*	*11.8%*	*14.7%*	*17.3%*	*20.9%*	*19.1%*	*17.2%*	*15.7%*	*15.3%*
Float Revenue	$ M	**6**	**9**	**114**	**167**	**204**	**241**	**275**	**302**	**339**	**399**	**455**	**515**
Float Revenue Growth:	%	*- %*	*43.3%*	*1,221.3%*	*47.2%*	*22.0%*	*18.0%*	*14.0%*	*10.0%*	*14.0%*	*18.0%*	*14.0%*	*13.0%*
Total Revenue	$ M	**238**	**642**	**1,058**	**1,290**	**1,459**	**1,681**	**1,963**	**2,344**	**2,770**	**3,249**	**3,752**	**4,318**
Total Revenue Growth:	%		*169.4%*	*64.9%*	*21.9%*	*13.1%*	*15.2%*	*16.8%*	*19.4%*	*18.2%*	*17.3%*	*15.5%*	*15.1%*
(-) Cost of Revenue:	$ M	(56)	(105)	(151)	(190)	(212)	(242)	(281)	(333)	(391)	(455)	(525)	(604)
Gross Profit:	$ M	**182**	**537**	**908**	**1,101**	**1,248**	**1,439**	**1,683**	**2,011**	**2,379**	**2,794**	**3,227**	**3,713**
Gross Margin:	%	*76.4%*	*83.6%*	*85.8%*	*85.3%*	*85.5%*	*85.6%*	*85.7%*	*85.8%*	*85.9%*	*86.0%*	*86.0%*	*86.0%*
Gross Margin Growth	%	*- %*	*194.9%*	*69.0%*	*21.2%*	*13.4%*	*15.3%*	*16.9%*	*19.5%*	*18.3%*	*17.4%*	*15.5%*	*15.1%*
(-) SG&A	$ M	(181)	(525)	(713)	(756)	(738)	(815)	(922)	(1,068)	(1,227)	(1,386)	(1,543)	(1,708)
(-) Provision for Bad Debts	$ M	-	(20)	(32)	(60)	(36)	(43)	(48)	(49)	(50)	(51)	(52)	(53)
(-) R&D	$ M	(90)	(220)	(315)	(337)	(242)	(286)	(349)	(415)	(486)	(554)	(621)	(683)
(-) D&A	$ M	(4)	(9)	(11)	(14)	(16)	(18)	(19)	(20)	(21)	(22)	(22)	(23)
(-) Amortization of Goodwill	$ M	(6)	(76)	(80)	(80)	(237)	(237)	(237)	(237)	(237)	(237)	(237)	(237)
Total Operating Expenses	$ M	**(280)**	**(850)**	**(1,151)**	**(1,247)**	**(1,269)**	**(1,399)**	**(1,575)**	**(1,789)**	**(2,021)**	**(2,250)**	**(2,475)**	**(2,703)**
Operating Income / (Loss):	$ M	**(98)**	**(313)**	**(243)**	**(146)**	**(22)**	**40**	**108**	**222**	**358**	**544**	**752**	**1,010**
Operating Margin:	%	*(41.2%)*	*(48.7%)*	*(23.0%)*	*(11.3%)*	*(1.5%)*	*2.4%*	*5.5%*	*9.5%*	*12.9%*	*16.7%*	*20.0%*	*23.4%*
Operating Margin Growth	%	*- %*	*- %*	*- %*	*- %*	*- %*	*(282.0%)*	*172.1%*	*106.3%*	*61.3%*	*51.9%*	*38.3%*	*34.3%*
(-) Interest Expense	$ M	(28)	(9)	(15)	(19)	(262)	(251)	(249)	(249)	(245)	(235)	(218)	(196)
(+) Interest Income	$ M	3	7	91	122	50	38	35	34	34	34	35	45
(+/-) Other Items (Income)	$ M	143	308	308	189	175	185	196	188	166	162	188	216
Net Interest Income / (Expense):	$ M	**(25)**	**(14)**	**73**	**103**	**(36)**	**(28)**	**(17)**	**(27)**	**(45)**	**(39)**	**5**	**65**
Pre-Tax Income:	$ M	**$ (123)**	**$ (326)**	**$ (170)**	**$ (44)**	**$ (58)**	**$ 12**	**$ 90**	**$ 195**	**$ 313**	**$ 505**	**$ 757**	**$ 1,075**

Source: Bloomberg, CIQ, Wells Fargo, Morgan Stanely

Cash Flow Projection

		Historical				Projected							
Cash Flow Projections:	***Units:***	**FY21**	**FY22**	**FY23**	**FY24**	**FY25**	**FY26**	**FY27**	**FY28**	**FY29**	**FY30**	**FY31**	**FY32**
EBITDA:	*$ M*	**$ (88)**	**$ (227)**	**$ (152)**	**$ (53)**	**$ 231**	**$ 294**	**$ 364**	**$ 479**	**$ 616**	**$ 803**	**$ 1,012**	**$ 1,270**
(-) CapEx and Intangible Purchases	*$ M*	(19)	(5)	(8)	(1)	(6)	(3)	(2)	(2)	(2)	(3)	(4)	(5)
(-) Change in Net Working Capital	*$ M*	(110)	(125)	(154)	(283)	(277)	(286)	(314)	(352)	(388)	(422)	(450)	(518)
(-) Cash Interest Expense	*$ M*	(28)	(9)	(15)	(19)	(207)	(194)	(189)	(187)	(180)	(169)	(149)	(124)
(+) Cash Interest Income	*$ M*	3	7	91	122	50	38	35	34	34	34	35	45
(-) Cash Taxes	*$ M*			(1)	(6)	(8)	(16)	(29)	(29)	(40)	(56)	(71)	(96)
(+/-) Other Items	*$ M*	143	308	308	189	175	185	196	188	166	162	188	216
Free Cash Flow (FCF)	*$ M*	**(100)**	**(53)**	**70**	**(50)**	**(41)**	**20**	**61**	**132**	**206**	**349**	**561**	**788**
FCF Margin:	*%*	*(42.0%)*	*(8.3%)*	*6.6%*	*(3.8%)*	*(2.8%)*	*1.2%*	*3.1%*	*5.6%*	*7.4%*	*10.7%*	*14.9%*	*18.3%*
Cash - Beginning of Period	*$ M*	574	510	1,597	1,617	986	762	730	730	730	730	755	948
(+) Free Cash Flow	*$ M*	(100)	(53)	70	(50)	(41)	20	61	132	206	349	561	788
(+) Debt Drawdown / (-) Repayment	*$ M*	*36*	*1,140*	*(49)*	*(582)*	(182)	(52)	(61)	(132)	(206)	(323)	(368)	(174)
Cash - End of Period	***$ M***	***$ 510***	***$ 1,597***	***$ 1,617***	***$ 986***	**$ 762**	**$ 730**	**$ 730**	**$ 730**	**$ 730**	**$ 755**	**$ 948**	**$ 1,562**

Source: Bloomberg, CIQ, Wells Fargo, Morgan Stanely

Debt Schedule

Debt Schedule:	***Units:***	**FY21**	**FY22**	**FY23**	**FY24**	**FY25**	**FY26**	**FY27**	**FY28**	**FY29**	**FY30**	**FY31**	**FY32**
Interest Rates:													
US 10-Year Government Bond Yield:	%					4.10%	4.00%	3.80%	3.70%	3.60%	3.60%	3.70%	3.80%
Revolver:	%					7.10%	7.00%	6.80%	6.80%	6.80%	6.80%	6.80%	6.80%
Term Loans:	%					8.10%	8.00%	7.80%	7.80%	7.80%	7.80%	7.80%	7.80%
Subordinated Notes:	%					8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%
Mezzanine:	%					12.00%	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%
Cash:	%					5.10%	5.00%	4.80%	4.70%	4.60%	4.60%	4.70%	4.80%
Cash Flow and Revolver Calculations:													
Cash - Beginning of Period:	$ M					$ 986	$ 762	$ 730	$ 730	$ 730	$ 730	$ 755	$ 948
(+) Free Cash Flow:	$ M					(41)	20	61	132	206	349	561	788
(-) Amortization of Term Loan:	$ M					(150)	(150)	(150)	(150)	(150)	(150)	(150)	(150)
(-) Minimum Cash:	$ M					(730)	(730)	(730)	(730)	(730)	(730)	(730)	(730)
Cash Flow Surplus / (Shortfall):	$ M					**65**	**(98)**	**(89)**	**(18)**	**56**	**199**	**436**	**856**
BoP Revolver:	$ M					-	-	98	186	204	148	-	-
Revolver (Repayments) / Drawdowns:	$ M					-	98	89	18	(56)	(148)	-	-
EoP Revolver:	$ M				-	**-**	**98**	**186**	**204**	**148**	**-**	**-**	**-**
Cash Interest Expense:	$ M					-	-	7	13	14	10	-	-
Term Loans:													
BoP Term Loans:	$ M					1,500	1,318	1,168	1,018	868	718	542	174
(-) Amortization:	$ M					(150)	(150)	(150)	(150)	(150)	(150)	(150)	(150)
(-) Cash Flow Sweep:	$ M					(32)	-	-	-	-	(25)	(218)	(24)
EoP Term Loans:	$ M				**1,500**	**1,318**	**1,168**	**1,018**	**868**	**718**	**542**	**174**	**-**
Cash Interest Expense:	$ M					122	105	91	79	68	56	42	14
Subordinated Notes:													
BoP Subordinated Notes:	$ M					1,000	1,030	1,061	1,093	1,126	1,159	1,194	1,230
(+) PIK Interest:	$ M					30	31	32	33	34	35	36	37
EoP Subordinated Notes:	$ M				**1,000**	**1,030**	**1,061**	**1,093**	**1,126**	**1,159**	**1,194**	**1,230**	**1,267**
Cash Interest Expense:	$ M					50	52	53	55	56	58	60	61
Mezzanine:													
BoP Mezzanine:	$ M					500	525	551	579	608	638	670	704
(+) PIK Interest:	$ M					25	26	28	29	30	32	34	35
EoP Mezzanine:	$ M				**500**	**525**	**551**	**579**	**608**	**638**	**670**	**704**	**739**
Cash Interest Expense:	$ M					35	37	39	41	43	45	47	49
Total:													
Debt (Repayment) / Drawdown:	$ M					(182)	(52)	(61)	(132)	(206)	(323)	(368)	(174)
Cash Interest Expense:	$ M					(207)	(194)	(189)	(187)	(180)	(169)	(149)	(124)
Total Interest Expense:	$ M					(262)	(251)	(249)	(249)	(245)	(235)	(218)	(196)
Cash Interest Income:	$ M					50	38	35	34	34	34	35	45

Source: Bloomberg, CIQ, Wells Fargo, Morgan Stanely

Return Calculations and Sensitivity Analysis

Returns Calculations:	Units:	Historical FY21	FY22	FY23	FY24	Projected FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32
Numerical Year:	#					0	1	2	3	4	5	6	7
EBITDA:	$ M	$ (88)	$ (227)	$ (152)	$ (53)	$ 231	$ 294	$ 364	$ 479	$ 616	$ 803	$ 1,012	$ 1,270
(x) Exit Multiple (EV/Revenue):						3.9 x	4.2 x	4.3 x	4.5 x	4.7 x	4.9 x	5.1 x	5.3 x
(x) Exit Multiple (EV/EBITDA):	x					24.5 x	24.0 x	23.0 x	22.0 x	21.0 x	20.0 x	19.0 x	18.0 x
Exit Enterprise Value:	$ M					**5,666**	**7,067**	**8,371**	**10,547**	**12,943**	**16,055**	**19,223**	**22,861**
(-) Net Debt:	$ M					(2,110)	(2,148)	(2,146)	(2,075)	(1,933)	(1,651)	(1,160)	(443)
(-) Noncontrolling Interests:	$ M					-	-	-	-	-	-	-	-
(-) Unfunded Pensions:	$ M					-	-	-	-	-	-	-	-
Exit Equity Value:	$ M					**3,555**	**4,919**	**6,226**	**8,471**	**11,010**	**14,404**	**18,063**	**22,418**
Project-Level Returns:													
Multiple (MOIC):	x					1.0 x	1.3 x	1.7 x	2.3 x	3.0 x	3.9 x	4.9 x	6.1 x
IRR:	%						33.7%	30.1%	32.0%	31.5%	31.4%	30.4%	29.5%
Distributions to Management and Mezzanine Investors:													
(+) Cash from Management Options:	$ M					-	277	277	277	277	277	277	277
(-) Equity to Management Options:	$ M					-	(364)	(455)	(612)	(790)	(1,028)	(1,284)	(1,589)
(-) Equity to Mezzanine Investors:	$ M					(71)	(97)	(121)	(163)	(210)	(273)	(341)	(422)
Net Equity to Management & Mezzanine:	$ M					**(71)**	**(183)**	**(299)**	**(498)**	**(723)**	**(1,024)**	**(1,348)**	**(1,734)**
Sponsor Equity Proceeds:	$ M					**3,484**	**4,736**	**5,926**	**7,973**	**10,287**	**13,380**	**16,715**	**20,684**
Sponsor Returns:													
Multiple (MOIC):	x					0.9 x	1.3 x	1.6 x	2.2 x	2.8 x	3.6 x	4.5 x	5.6 x
IRR:	%						28.7%	26.9%	29.4%	29.3%	29.5%	28.7%	28.0%

Sensitivity Tables - Sponsor Returns (IRR):

		2032 Exit EV / EBITDA Multiple:								
		16.0 x	16.5 x	17.0 x	17.5 x	**18.0 x**	18.5 x	19.0 x	19.5 x	20.0 x
Purchase Premium:	55.0%	22.7%	23.3%	23.9%	24.5%	**25.1%**	25.7%	26.2%	26.7%	27.2%
	50.0%	23.8%	24.4%	25.0%	25.6%	**26.2%**	26.7%	27.2%	27.8%	28.3%
	45.0%	24.9%	25.5%	26.1%	26.7%	**27.3%**	27.8%	28.3%	28.8%	29.3%
	40.0%	26.1%	26.7%	27.3%	27.9%	**28.4%**	28.9%	29.5%	30.0%	30.5%
	35.0%	**27.3%**	**27.9%**	**28.5%**	**29.0%**	**29.6%**	30.1%	**30.6%**	**31.1%**	**31.6%**
	30.0%	28.5%	29.1%	29.7%	30.3%	**30.8%**	31.3%	31.9%	32.4%	32.8%
	25.0%	29.8%	30.4%	31.0%	31.6%	**32.1%**	32.6%	33.1%	33.6%	34.1%
	20.0%	31.2%	31.8%	32.3%	32.9%	**33.4%**	34.0%	34.5%	35.0%	35.4%
	15.0%	32.6%	33.2%	33.8%	34.3%	**34.9%**	35.4%	35.9%	36.4%	36.8%

Source: Bloomberg, CIQ, Wells Fargo, Morgan Stanely

Valuation Creation Analysis

Value Creation Analysis:	Units:	Historical				Projected							
		FY21	FY22	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32
Value Creation in USD:													
EBITDA Growth:	$ M					$ -	$ 1,562	$ 3,280	$ 6,133	$ 9,519	$ 14,126	$ 19,292	$ 25,678
Multiple Expansion:	$ M					(50)	(211)	(625)	(1,303)	(2,292)	(3,788)	(5,785)	(8,533)
Debt Paydown and Cash Generation:	$ M					(74)	(111)	(109)	(38)	104	386	877	1,593
Total Equity Return:	$ M					**(124)**	**1,240**	**2,546**	**4,792**	**7,331**	**10,725**	**14,384**	**18,739**
Value Creation in %:													
EBITDA Growth:	%					0.0%	126.0%	128.8%	128.0%	129.8%	131.7%	134.1%	137.0%
Multiple Expansion:	%					40.7%	(17.1%)	(24.6%)	(27.2%)	(31.3%)	(35.3%)	(40.2%)	(45.5%)
Debt Paydown and Cash Generation:	%					59.3%	(8.9%)	(4.3%)	(0.8%)	1.4%	3.6%	6.1%	8.5%
Total Equity Return:	%					100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Source: Bloomberg, CIQ, Wells Fargo, Morgan Stanely