



STACKCLOUD.AI

Valuation Discussion Summary

March 2020

Executive Summary



StackCloud simplifies enterprise IT infra by deploying software defined infra solutions

- Deploying & managing hardware heavy IT infra at affordable costs is an ongoing challenge for enterprises
- Transforming from a hardware defined infra to software defined infra resolves this challenge
- In the past 5 years, StackCloud has deployed Hyperconvergence & Private Cloud Solutions to enable this transformation
- It is currently an INR 22 Bn market opportunity for StackCloud

First versions of products designed & deployed generating a revenue of INR 200 Mn

- StackCloud has implemented 241 Hyperconvergence deployments across 121 customers
- India's first Geospatial Cloud is deployed & managed by StackCloud for NSDI, Survey of India, Govt. of India
- Established strategic channel partnerships with IT technology distributor giants - Ingram & Texonic
- StackCloud has acquired multiple customers across sectors & geographies

Founded by a highly qualified & experienced team

- 3 co-founders - Rohan Rao, Aman Sinha, Shrikant Shah - from IT & Telecommunication background
- With more than 20+ years of experience each in product engineering, software consulting & enterprise sales
- Deep relationships & domain expertise in data centre solutions
- Sound educational backgrounds & established presence in Chennai, Bangalore & Hyderabad

StackCloud is seeking to raise INR 250 Mn to fuel its expansion plans

Valuation By Transaction Comparables Method



- The main approach to the transaction comparable method is to look at the historical investment transactions of peer groups called comparables (similar funded companies) and arrive at an indication of valuation
- The transaction details of the comparable companies like investment amount, investor stake, revenue figures, etc are obtained from Venture Intelligence, a leading private equity database company
- Revenue multiple is found for all comparable companies and the median revenue multiple is considered as an appropriate multiplier for determining valuation
- The final valuation is derived by simply multiplying next year's projected revenue with the median revenue multiple determined in the previous step

Comparables & Transaction Details



Company	Year	Investor	Stake	Deal Value (INR Cr)	Revenue (INR Cr)	Valuation (INR Cr)	Revenue Multiple
Lavelle Networks	Mar-17	Ideaspring	23.9%	3.9	2.3	16.5	7.1
Anunta Technology Mgmt Services	Jan-13	Bessemer	35.3%	16.5	4.9	46.7	9.4
Anunta Technology Mgmt Services	Jun-14	Bessemer	7.8%	10.0	14.7	126.9	8.6
Average Revenue Multiple							8.0

NOTE :

- The transaction details of **NxtGen Data Center Pvt Ltd** deal with Intel Capital was not available as it was a cross border deal and the filing was done abroad.
- The transaction details of **CoreStack Cloudenablers Pvt Ltd** with Naya Ventures closed in Mar-20 and the exact details are yet to be filed with the Ministry of Corporate Affairs (MCA)

Projected P&L



(In INR Mn)

Projections	2021	2022	2023	2024	2025
Total Revenue	121.0	302.5	544.5	817.0	1225.0
Gross Profit	71.6	227.7	435.3	685.3	1056.0
EBITDA	(27.3)	128.0	266.3	444.5	702.9
EBT	(44.0)	115.9	217.2	405.7	627.5
PAT	(33.5)	87.0	162.9	304.3	470.6
EBITDA Margin	(22.6%)	42.3%	48.9%	54.4%	57.4%
Gross Profit Margin	59.2%	75.3%	79.9%	83.9%	86.2%

Note:

The projected revenue of **INR 121 Mn** of **FY 21** is **discounted** to **INR 100 Mn** in valuation calculation to account for the impact on revenue due to the COVID-19 crisis

Post Money Valuation & Dilution



▶ Projected Revenue FY 21	INR 100 Mn
▶ Average Revenue Multiple	8x
▶ Valuation	INR 800 Mn
▶ Investment Ask	INR 160 Mn
▶ % Dilution	20%



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Thank You