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Best Ideas 2019, Hosted by MOI Global

January 2019



Appian Corporation (APPN)

Need

- 47% of Global 2000 executives cited digital transformation as their highest priority^[1]
- More than half of business requests for transformational software fail^[2]
- Enterprises face a number of digital transformation challenges, including:
 - Endless backlog of technology projects and initiatives
 - IT teams spend nearly 80% of their time on maintenance and only 20% on new innovation
 - Shadow IT
 - Lack of integration and information silos
 - Developer talent is expensive and scarce
 - Packaged software is inadequate
 - Custom software is slow to build and expensive
- How does an enterprise digitally transform while delighting stakeholders?
 - A best-in-class low code development platform

[1] January 2017 LTM Research Study of 120 Information Technology and Business Unit Leaders commissioned by Appian

[2] International Data Group (IDG)

Market Opportunity

- Global IT spending is expected to total \$3.7 trillion in 2018, of which enterprise software spending is \$389 billion. Enterprise software spending is expected to grow 8.4% to \$421 billion in 2019^[1]
- The size of Appian's core markets – including low code platform software, case management software, business process management software, and application platform-as-a-service – totaled \$23.6 billion in 2017^[2]
- The low code platform market is expected to grow from \$4.3 billion in 2017 to \$27.2 billion by 2022^[3]
- Based on Appian's calculations, the current market opportunity for its software is **\$31 billion** and growing rapidly as enterprises digitally transform

[1] Gartner Worldwide IT Spending Forecast, 1Q2018

[2] Appian 2017 Annual Report

[3] MarketsandMarkets, "Low-Code Development Platform Market by Component...", January 2018

Appian

- Low-Code: Ease → Speed → Power
- Patented “Self-Assembling Interface Layer” (SAIL)
- Deployment options: Cloud, hybrid or on-premises
- Robust Security and Privacy
- Appian Guarantee - “Deliver business applications, faster. Guaranteed”
- Anti-Silicon Valley Culture

Customers

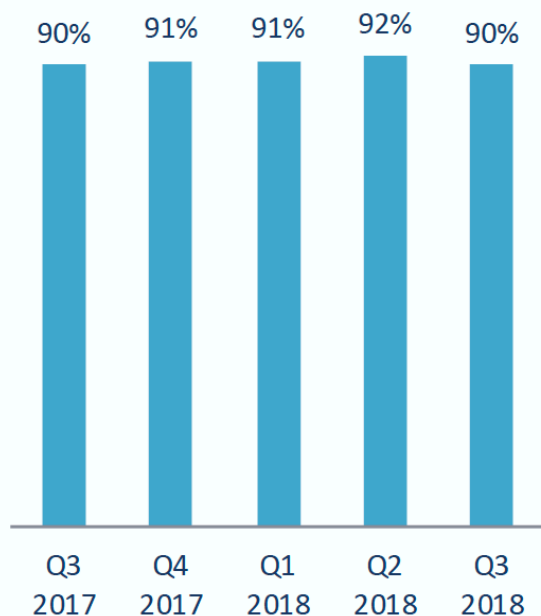
Top-Tier Enterprise Customers Across Industry Verticals



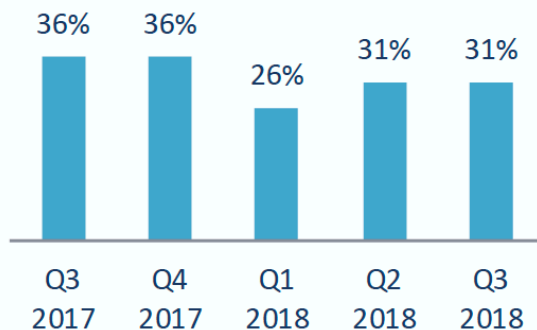
[1] Appian 2017 Annual Report

Gross Margin Profile

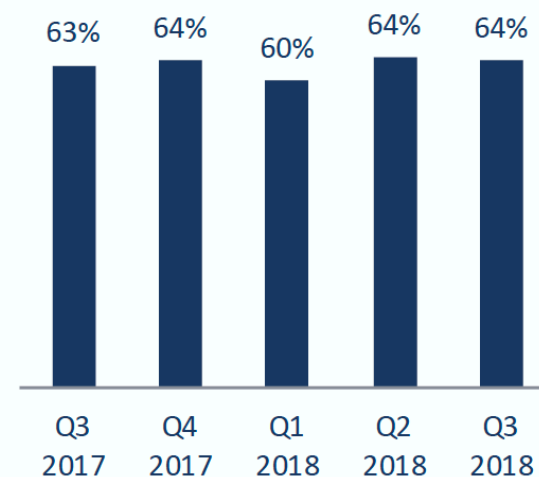
Subscriptions, Software, and Support



Professional Services

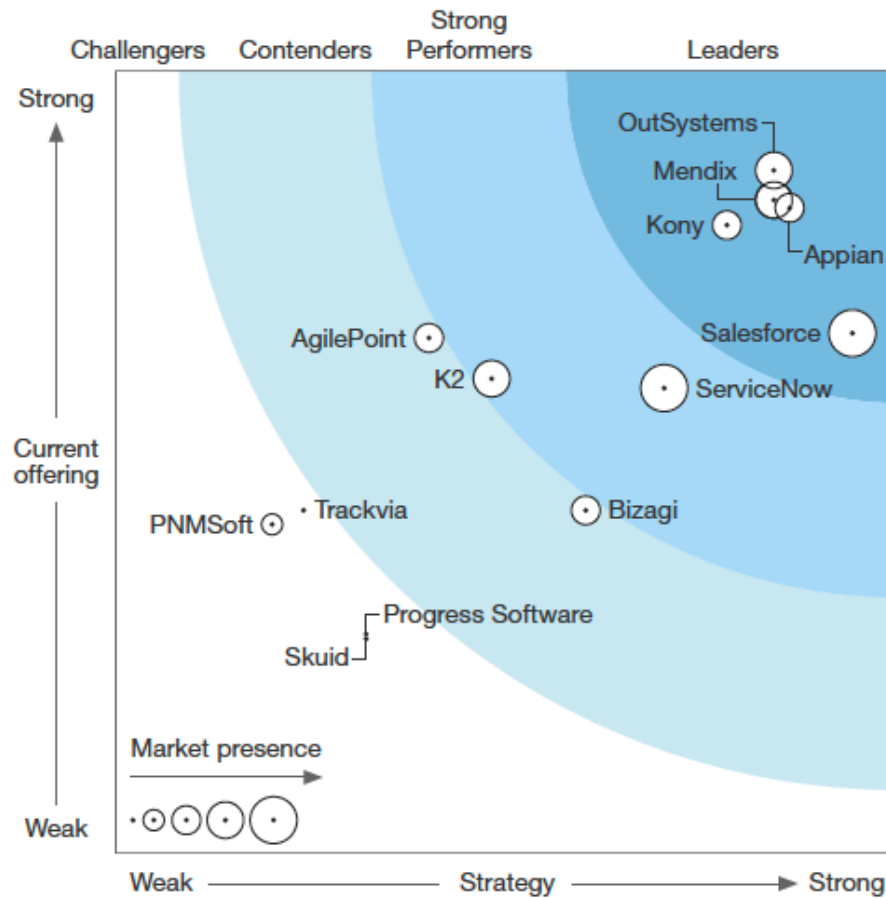


Overall



[1] Appian Third Quarter 2018 Earnings Call Slides

Competition



[1] Forrester Research, "The Forrester Wave: Low-Code Development Platforms for AD&D Pros, Q42017"

Risks

- Well-heeled competitors
- Finding and retaining talent
- Shareholder concentration
- Key man risk
- Software development innovation replacing low code

Appian Stock Price



Source: Sentio



Thank you