

# IPO Simulation - Bank 12

INVESTMENT BANKS IN PRACTICE



# Introduction & Objectives

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Welcome to the Initial Public Offering (IPO) Simulation and to the Equity Capital Markets division (ECM) of your bank.

Your ECM team have won a mandate from a company intending to float. It will be your responsibility to take the company through the roadshow and book-building process and gain investor interest.

This document will outline key information about the company mandate you have won including:

- The published price range valuation and minimum amount the company aims to raise
- Company information
- Financials & Comparable information

**Your first responsibility is to create a one-pager to distribute to investor teams and a 2 minutes presentation for the event day providing your investment thesis.**

## Offering Summary

### **Issuer**

**RoboTicket**

### **Price Range**

\$20 - \$30

### **Shares Issued**

5 million (i.e. \$100 million minimum capital to raise)

## Company Information - Bank 12

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### Company Background

This year, your team have had success in bringing a number of companies public in technology, and especially with new internet service companies. Given the success, you have recently won the mandate to be the lead Investment Bank to take RoboTicket public.

RoboTicket is a U.S.-based event management and ticketing website. The company build technology that allows anyone to create, share, find and attend events of all kinds. Music festivals, marathons, conferences, hackathons, political rallies, fundraisers, gaming competitions— “you name it, we power it”.

The service allows users to browse, create, and promote local events and use machine learning to help match events to the right customers. The service charges a fee to event organizers in exchange for online ticketing services, unless the event is free. They now operate in over 170 countries servicing over 3 million events.

## Company Information - Bank 12

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### Risk Factors

- 1) Further expansion into markets outside of the United States is important to the growth of our business, and if we do not manage the risks of international expansion effectively, our business and results of operations will be harmed.
- 2) Our ability to attract and retain creators depends in large part on our ability to provide a user-friendly and effective platform, develop and improve our platform and introduce compelling new solutions and enhancements.
- 3) Security breaches are becoming more prevalent.. Despite the implementation of security measures, our internal computer systems and those of our third-party service providers and partners are vulnerable to damage from computer viruses, hacking and other means of unauthorized access.

### Key Performance Indicators

- 1) Attractive cohort economics: The revenue we have generated from new creators has increased over time. Each creator cohort consists of creators that first paid us a fee in a specific year. The gross ticket fees we have generated for the first year of each creator cohort has more than doubled from 2013 to 2017.
- 2) We have acquired or entered into commercial arrangements with a number of businesses in the past. For example, since 2015 we have acquired seven companies. Our future growth may depend, in part, on future acquisitions

# Operating & Financial Metrics

Name of Company	RoboTicket
Ticker	ROBO
Industry	Technology

Estimated Enterprise Value (USD, mn)	133
Revenue	302
Revenue Growth (t-1, %)	30%
Revenue Growth (t-2, %)	40%
EBITDA (USD, mn)	108
Net Income (USD, mn)	100
Shares Issued	5,000,000
Valuation Range	\$20 - \$30

# Comparable Company Analysis

Market Data & Financials					
	Share Price	Mkt. Cap	EV	Revenue	EPS
Company 1	32	2600	2700	600	9.80
Company 2	4.35	3800	4500	650	2.11
Company 3	6	4000	6100	640	1.80
Company 4	20	7500	8600	350	4.30
Company 5	18	680	820	59	9.10

Multiples			
	P/E	EV/EBITDA	P/SALES
Company 1	3.3	2.3	0.1
Company 2	2.1	1.5	0.0
Company 3	3.3	1.2	0.0
Company 4	4.7	1.2	0.1
Company 5	2.0	0.9	0.3