

# BRIDGELINE

# January 2023

AJU	1,822
EJK	3,680
HPL	1,062
KEE	485
NAH	8,569
QOP	6,602
TIK	890
WLG	6,280
AHD	2,436

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The information in this presentation may contain forward-looking statements. These “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995 are based on our current expectations, estimates and projections about our industry, management's beliefs, and certain assumptions made by us, all of which are subject to change. Forward-looking statements can often be identified by words such as "anticipates," "expects," "intends," "plans," "predicts," "believes," "seeks," "estimates," "may," "will," "should," "would," "could," "potential," "continue," "ongoing," similar expressions, and variations or negatives of these words.

These forward-looking statements are not guarantees of future results and are subject to risks, uncertainties and assumptions, including, but not limited to, the impact of the COVID–19 pandemic and related public health measures that may affect our financial results; business operations and the business of our customers, suppliers and partners; our ability to retain and upgrade current customers, increasing our recurring revenue; our ability to attract new customers; our revenue growth rate; our history of net loss and our ability to achieve or maintain profitability; our liability for any unauthorized access to our data or our users' content, including through privacy and data security breaches; any decline in demand for our platform or products; changes in the interoperability of our platform across devices, operating systems, and third-party applications that we do not control; competition in our markets; our ability to respond to rapid technological changes, extend our platform, develop new features or products, or gain market acceptance for such new features or products; our ability to manage our growth or plan for future growth, and our acquisition of other businesses and the potential of such acquisitions to require significant management attention, disrupt our business, or dilute stockholder value; the volatility of the market price of our common stock; the ability to maintain our listing on the NASDAQ Capital Market; or our ability to maintain an effective system of internal controls as well as other risks described in our filings with the Securities and Exchange Commission. Any of such risks could cause our actual results to differ materially and adversely from those expressed in any forward-looking statement. Bridgeline Digital, Inc. assumes no obligation to, and does not currently intend to, update any such forward-looking statements, except as required by applicable law.

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# Highlights

Bridgeline Digital, Inc.  
NASDAQ: BLIN

## Company

- SaaS Software Company
- Help Retailers Grow Online Revenue
- Organic & Inorganic Growth Strategies

\$14M

ARR

\$3M

Services

27%

CAGR

\$2.9M

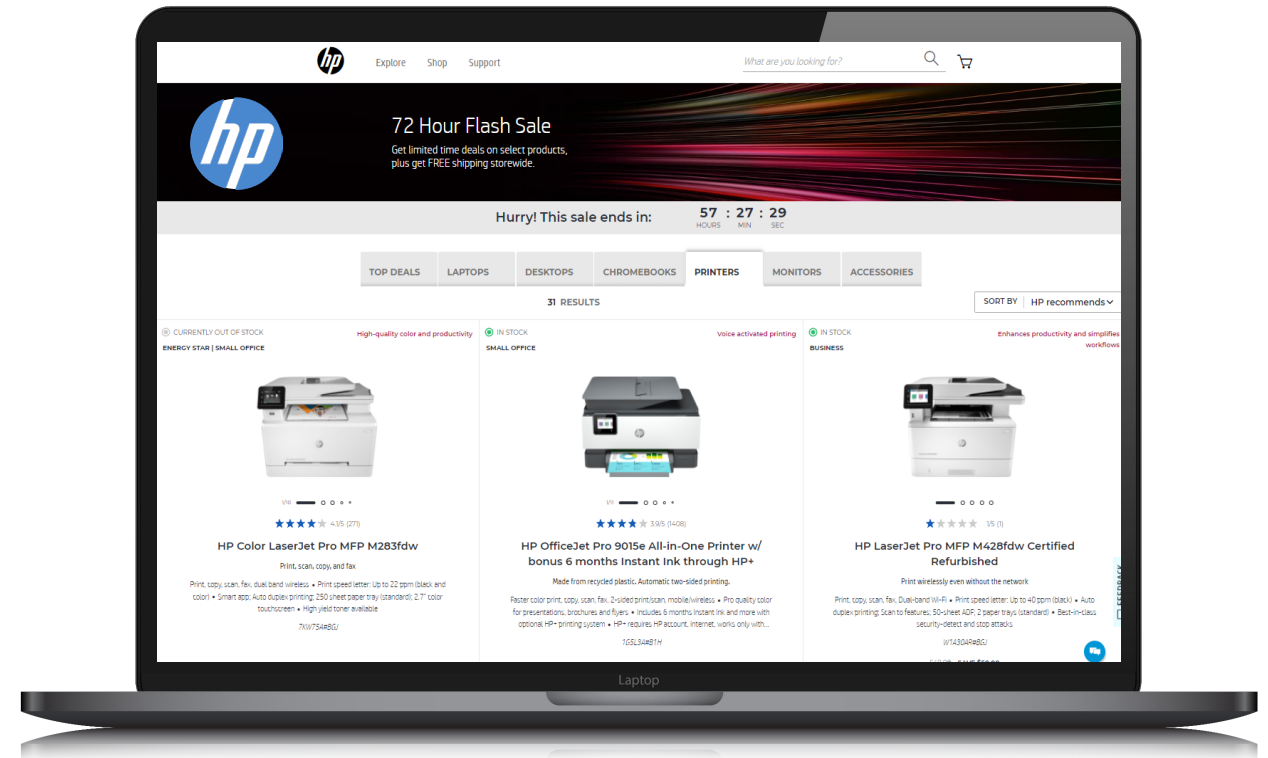
Cash

\$196K

Adj EBITDA

## Q4 FY22

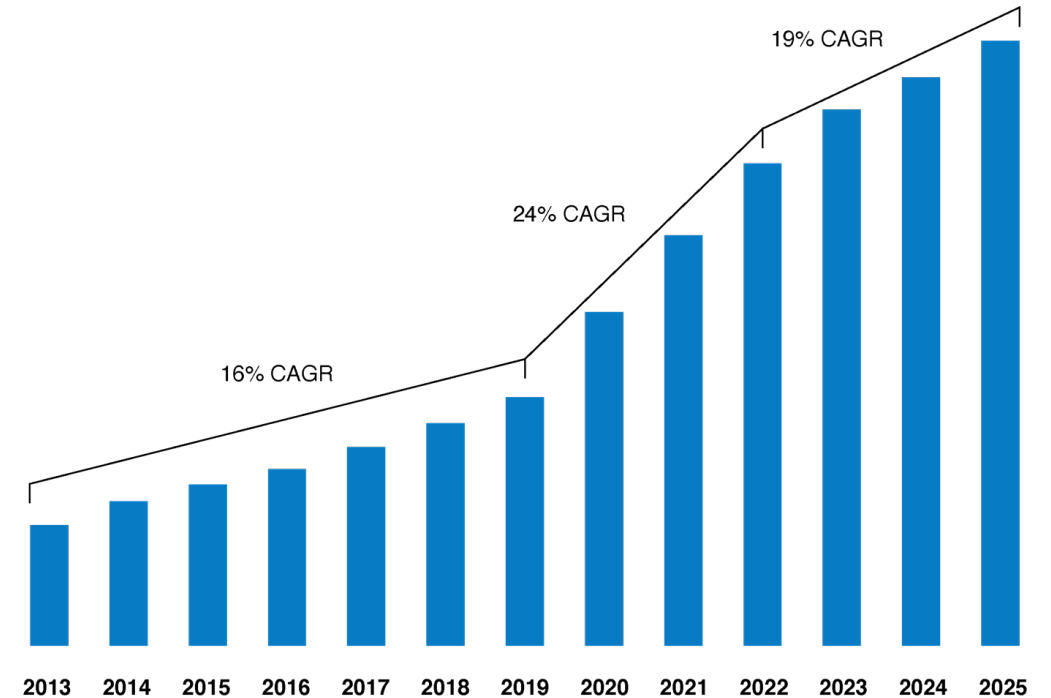
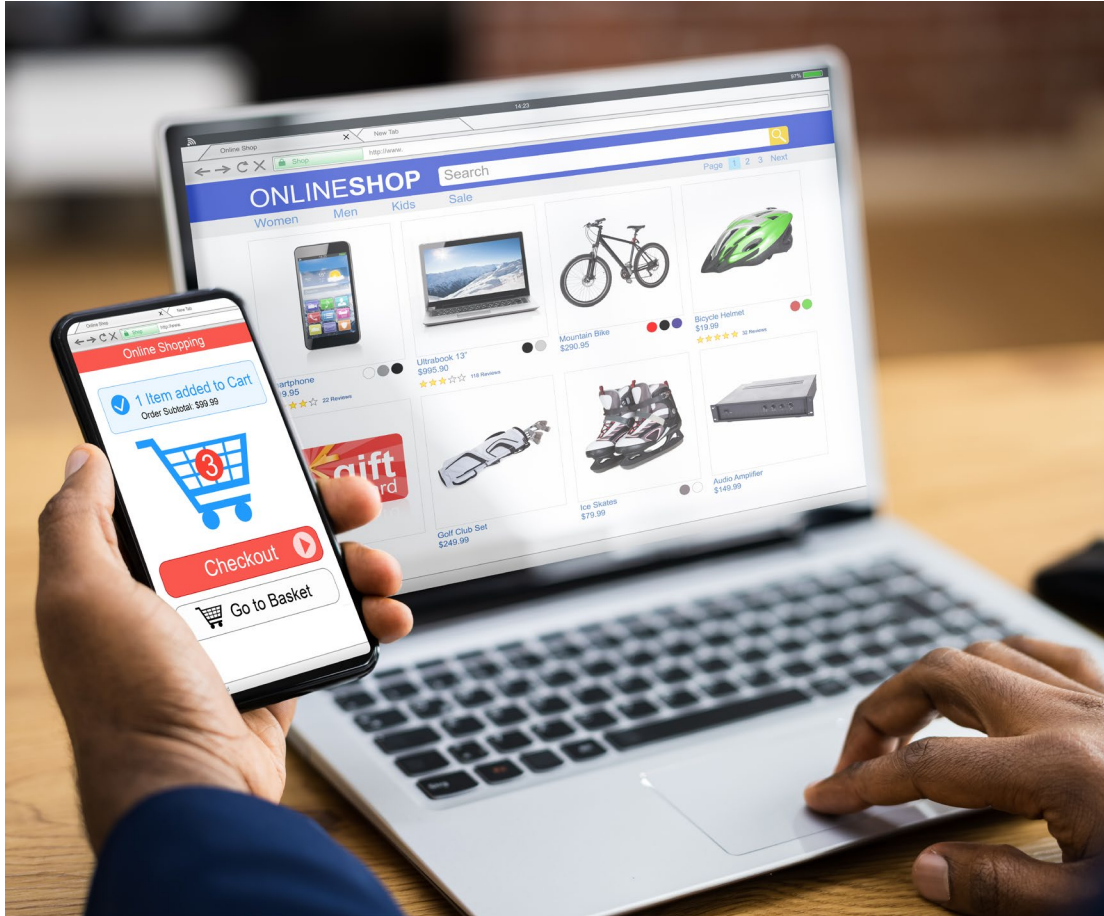
- \$1M TCV adding \$340K ARR
- 100 Customer Renewals
- 82% Revenue from Subscription & License
- 71% Gross Margin



# The MarTech Market



# Marketing Technology



## MarTech

- Software to Market & Sell Online
- Strong CAGR pre/during/post COVID

# Platforms, Apps, and Marketplaces



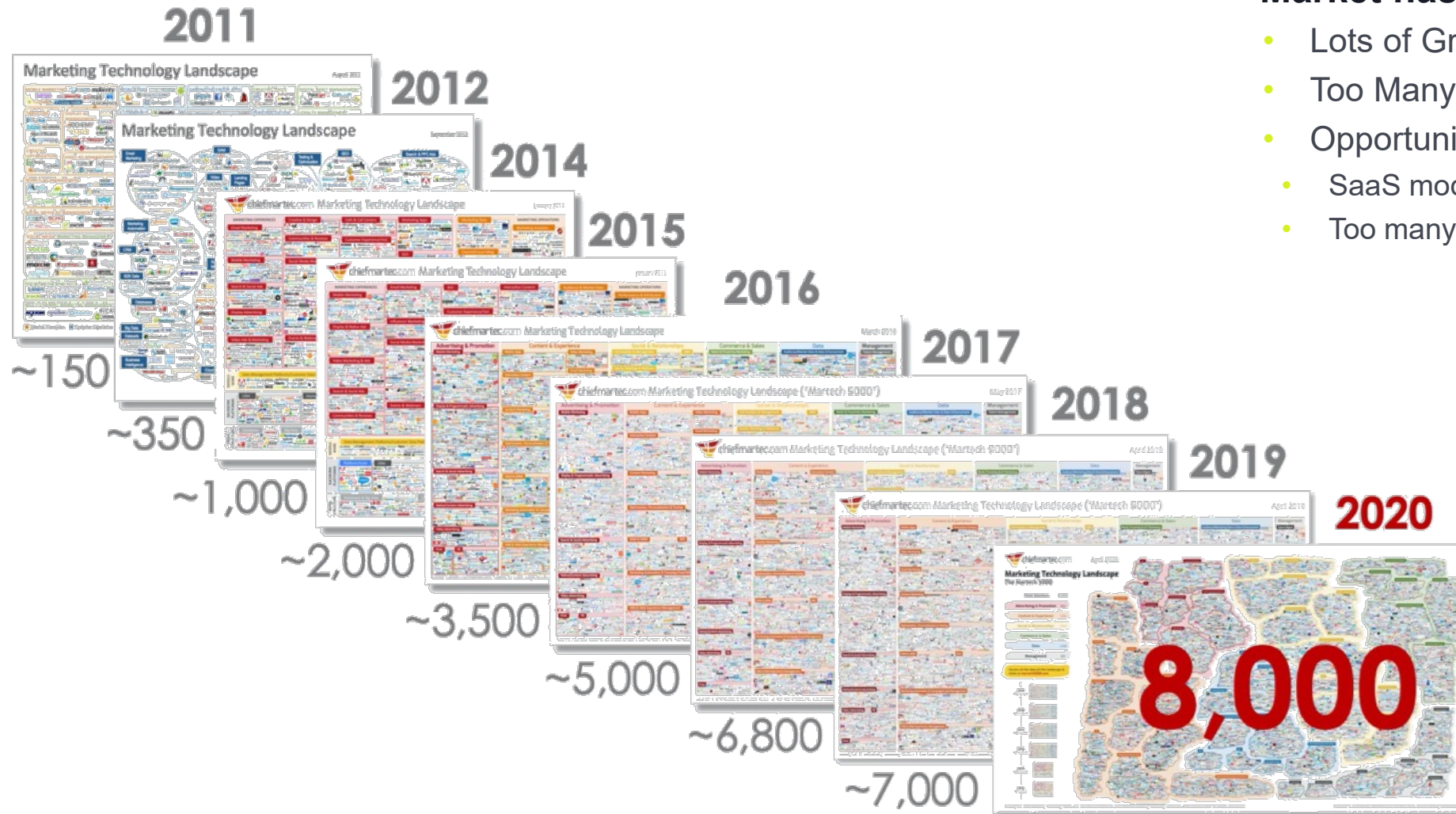
## Platforms – eCommerce Foundation



## Apps – Add Features to Platforms



# Thousands of MarTech Apps



## Market has Grown Exponentially

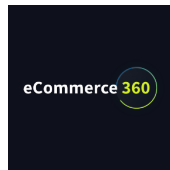
- Lots of Great Ideas
- Too Many Players
- Opportunity for Consolidation
  - SaaS model requires capital
  - Too many for VCs to fund all of them

# Bridgeline

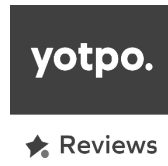
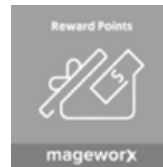
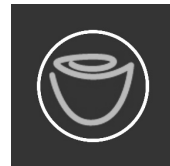
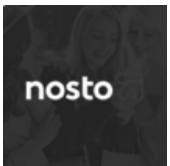


# Bridgeline **Drives** Online Revenue

## Bridgeline



## The Competition



## Bridgeline is Unique

- Revenue Focused Value Proposition
- Suite of Apps – Multiple Entry Points
- Recommendation Dashboard – Cross-Sales

## 2,000 Customers

- Mid-Market – Enterprise

Franchise	Finance	Manufacturing	Healthcare	Retail
<b>SportClips</b> HAIRCUTS	<b>Deloitte.</b>	<b>CATERPILLAR</b>	AstraZeneca	Hammacher Schlemmer
<b>7 ELEVEN</b>	Manulife	<b>TRIUMPH</b>	Bristol-Myers Squibb	<b>PNY</b> Make Life Simple.
The UPS Store	ESL Federal Credit Union	deflecto	endo	sugarfina
sears	Corona direct	xylem Let's Solve Water	Montefiore	HELAN VERNON
CVS	AmerisourceBergen	<b>RAM TOOL</b> CONSTRUCTION SUPPLY CO.	Hartford HealthCare	co-op SUPERSTORES

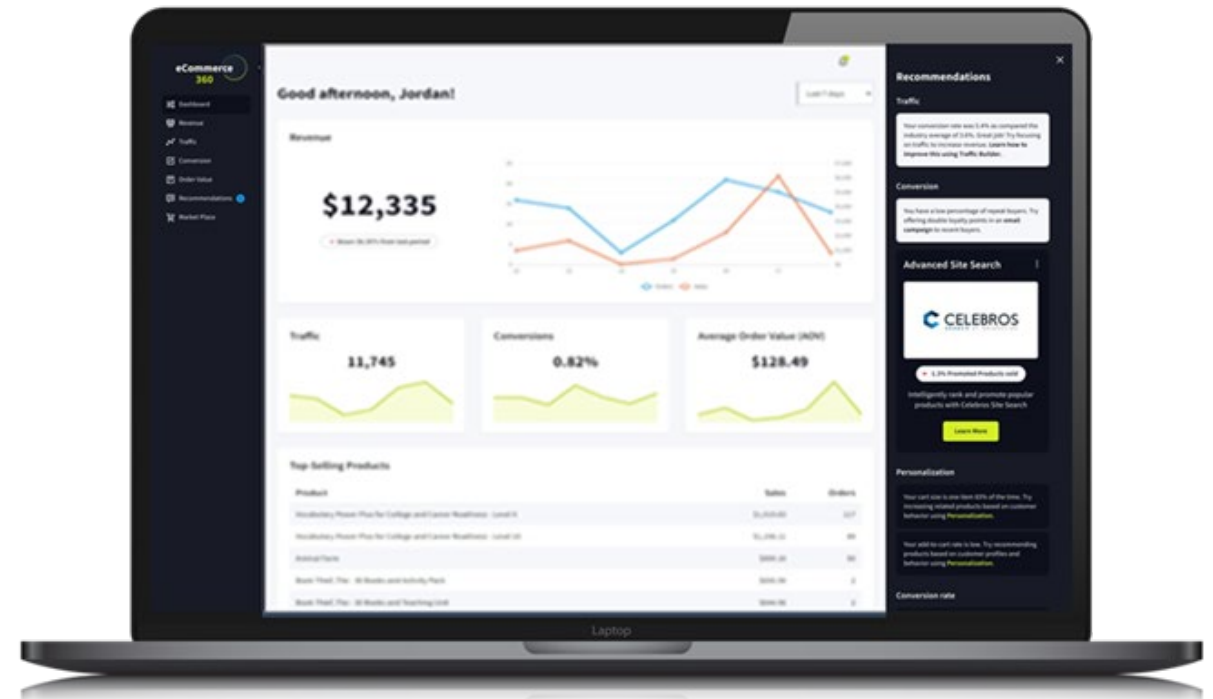
# Organic Growth

$$\text{REVENUE} = \text{TRAFFIC} \times \text{CONVERSION} \times \text{AOV}$$



## Reduce CAC with X-Sales

- Recommendation Dashboard
- Portfolio of Apps
- Revenue Expansion in Existing Customers



# Inorganic Growth



## Target Rich Environment

- 8,000 Apps
- \$2M - \$5M revenue
- Customer Base as Important as Technology

## Easy Integration

- Dashboard is Fast Integration
- Dashboard Cross Sells

## Deal Structure

- 1-2x Revenue
- 50% Earn-Out
- Accretive with Synergies

## Recent Acquisitions









# Financials

# Income Statement

Income Statement	3 Mos Ended Sept 2022	3 Mos Ended Sept 2021	12 Mos Ended Sept 2022	12 Mos Ended Sept 2021
<b>Revenue</b>				
Services	767	753	3,259	3,296
Subscription	3,443	3,351	13,560	9,963
<b>Revenue</b>	<b>4,210</b>	<b>4,104</b>	<b>16,819</b>	<b>13,259</b>
<b>Cost of Goods Sold</b>				
Services	406	472	1,759	1,743
Subscription	826	844	3,358	2,790
<b>Cost of Goods Sold</b>	<b>1,232</b>	<b>1,316</b>	<b>5,117</b>	<b>4,533</b>
<b>Gross Profit</b>				
Services	361	281	1,500	1,553
Subscription	2,617	2,507	10,202	7,173
<b>Gross Profit</b>	<b>2,978</b>	<b>2,788</b>	<b>11,702</b>	<b>8,726</b>
Services GM%	47%	37%	46%	47%
Subscription & License GM%	76%	75%	75%	72%
Gross Margin%	71%	68%	70%	66%
<b>Operating Expenses</b>				
S&M	1,352	997	5,232	2,726
G&A	927	678	3,387	2,359
R&D	722	934	3,217	2,387
Depr&Amort	386	425	1,599	1,202
Restructuring/Acquisition	-	373	164	1,235
<b>Operating Expenses</b>	<b>3,387</b>	<b>3,407</b>	<b>13,599</b>	<b>9,909</b>
<b>Operating Income (Loss)</b>	<b>(409)</b>	<b>(619)</b>	<b>(1,897)</b>	<b>(1,183)</b>
Other Income/Expenses/Taxes	(66)	(742)	4,042	(5,506)
<b>Net Income (Loss)</b>	<b>(475)</b>	<b>(1,361)</b>	<b>2,145</b>	<b>(6,689)</b>
<b>Adjusted EBITDA</b>	<b>100</b>	<b>234</b>	<b>196</b>	<b>1,442</b>

## Revenue

- 82% of Total Revenue is from Subscription
- 27% CAGR (36% CAGR in Subscription and License)

## Gross Profit

- 75% Subscription gross margin
- Gross Margin expected to grow with acquisitions

## Operating Expenses

- Investment in S&M and R&D

## Adjusted EBITDA

- Positive
- Excludes non-cash charge on warrants and other income / expense

# Balance Sheet & Cap Table

Balance Sheet	Sept 30, 2022	Sept 30, 2021
<b>Assets</b>		
Cash and Equivalents	2,856	8,852
Other Current Assets	1,424	1,566
<b>Total Current Assets</b>	<b>4,280</b>	<b>10,418</b>
Goodwill & Intangibles	22,253	23,740
Other Assets	980	809
<b>Total Assets</b>	<b>27,513</b>	<b>34,967</b>
<b>Liabilities</b>		
A/P and Accrued Liabilities	2,166	2,043
Current portion of LTD	429	732
Earnouts Payable	250	3,463
Deferred Revenue	1,943	2,097
<b>Total Current Liabilities</b>	<b>4,788</b>	<b>8,335</b>
<b>Long-term Liabilities</b>		
Long Term Debt (LTD)	588	1,197
Earnouts Payable	-	2,360
Warrant Liability	749	4,404
Other Long Term Liabilities	1,036	1,094
<b>Total Liabilities</b>	<b>7,161</b>	<b>17,390</b>
<b>Total Equity</b>	<b>20,352</b>	<b>17,577</b>
<b>Total Liabilities and Equity</b>	<b>27,513</b>	<b>34,967</b>

## Assets

- \$2.9M of cash
- \$1.2M of receivables

## Liabilities

- \$1.0M debt at ~2.5% APR staggered over 5+ years
- \$0.3M in earn-outs (all paid in October 2022)
- Cash warrants are derivative liabilities and fluctuate with stock price

Cap Table	Shares
Common Stock	10,417,609
Series C Preferred Stock	38,889
Warrants	1,757,629
Stock Options	1,157,927
<b>Total</b>	<b>13,372,054</b>

## Preferred Stock

- No dividends or other special rights
- Converts to common - 38k shares (as converted)

## Warrants

- 926K at \$4.00 exercise price (expire Sept 2024)
- 592K at \$2.51 exercise price (expire Nov 2026)
- 180K at \$2.85 exercise price (expire May 2026)
- 60K at \$11.54 exercise price (weighted average)

## Employee Stock Options

- 1,158K at \$3.49 exercise price (weighted average)

# Comps

Company	Ticker	Enterprise Value	Revenue (TTM)	EV / Rev
Bango	BGO.L	\$ 176,225	\$ 26,041	7x
Big Commerce	BIGC	\$ 736,170	\$ 271,541	3x
Bsquare	BSQR	\$ (12,640)	\$ 37,610	< 1.0 x
Coveo	CVO.TO	\$ 414,682	\$ 75,726	5x
Elastic N.V.	ESTC	\$ 4,820,000	\$ 977,781	5x
Exela Tech	XELA	\$ 1,170,000	\$ 1,104,518	1x
HubSpot	HUBS	\$ 13,810,000	\$ 1,630,622	8x
Izea Worldwide	IZEA	\$ (1,330)	\$ 42,637	< 1.0 x
Marin Software	MRIN	\$ (8,220)	\$ 20,721	< 1.0 x
Pubmatic	PUBM	\$ 543,820	\$ 257,640	2x
Semrush	SEMR	\$ 1,050,000	\$ 239,277	4x
Sprout Social	SPT	\$ 3,380,000	\$ 237,433	14x
Verb Tech	VERB	\$ 19,530	\$ 9,983	2x
WeCommerce	WECMF	\$ 87,570	\$ 47,421	2x
Wix	WIX	\$ 4,900,000	\$ 1,366,039	4x
Bridgeline Digital	BLIN	\$ 11,520	\$ 16,819	< 1.0 x

Source: Yahoo Finance. December 21, 2022 (in thousands).

## Financial Profile

- 27% Revenue CAGR
- 36% Subscription Revenue CAGR
- \$2.9M Cash

## Value Investment

- \$1.10 Stock Price
- 1x EV/Revenue
- Analyst Targets
  - \$2.30 – Taglich Brothers
  - \$4.00 – Joseph Gunnar
  - \$4.50 – Ladenburg Thalmann