

## **OutboundEngine targeting profitability in early 2021, CEO says**

**OutboundEngine**, a venture capital-backed marketing platform for small-to-medium size businesses (SMBs), looks to achieve profitability early next year as it expands the breadth of businesses it services, said CEO Marc Pickren.

Austin, Texas-based OutboundEngine provides email marketing, social media services, website building, a mobile app and other services. The company expanded its service offering last year from about 80 business categories, largely in the professional services sector, to over 400 categories, representing about 80% of categories defined by business directory Yelp, Pickren said.

Growth equity and private equity firms have expressed interest in OutboundEngine, Pickren said. The company has been approached by approximately 40 firms, the CEO said, noting it has had “every type of conversation,” but is not going to market in the near term and doesn't have its sights set on a particular exit or timeframe.

The company could look to another capital raise in the form of a Series D, or it could consider being the centerpiece of a private equity platform play in companies that service local and SMBs, Pickren said. An IPO is another potential route, the CEO added, noting a public listing would be years down the road.

The company is focused on reaching break-even and looking to build its strategic partnership network in the near-term, Pickren said. Strategic partners in point-of-sale, credit card processing and website or domain providers are ideal, the CEO said, adding the partnerships could help bolster its client base. OutboundEngine has about 10,000 customers, he added.

Annual recurring revenue is at USD 24m and the company targets 10-15% growth this year, Pickren said. OutboundEngine has 200 employees and will likely stay within the 200-215 headcount range in 2020, Pickren said, noting the company plans to scale efficiently.

The company is well-capitalized in both cash and debt for 2020 and into 2021, Pickren said. OutboundEngine, founded in 2012, has raised close to USD 50m to-date. Investors include **S3 Ventures, Silverton Partners, Floodgate, Noro-Moseley Partners, Austin Ventures, Harmony Partners, Altos Ventures and Capital Factory.**

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Institutional investors together own a majority of the business, Pickren said, adding that founder Brannndon Stewart, who is now an advisor to the company, is still a stakeholder. Pickren also holds an undisclosed stake; he replaced Stewart as CEO in 2018.

OutboundEngine isn't likely to be acquisitive in 2020. The company's last acquisition was of ReadyChat, a live chat service for real estate and mortgage companies, in December 2015.

Companies providing similar services include Fort Collins, Colorado-based **Madwire Media**; Atlanta-based **Mailchimp**; and Waltham, Massachusetts-based **Constant Contact**, Pickren said. Madwire Media's co-CEO told this news service last month that it could look to be acquisitive later this year and sees a path to an IPO in the coming two years. Constant Contact was valued at USD 1.1bn when it was bought by **Endurance International Group Holdings** [NASDAQ:EIGI] for USD 32 per share in cash in November 2015, this news service has reported.

OutboundEngine's focus on data science is a differentiator, the CEO said, noting the company has about 8m SMBs in its database. The company also works to differentiate itself by focusing on being reliable and consistent by not providing any "shiny," "unnecessary" services that can lead to "paralysis of choice" for customers. The company also uses its own intellectual property and it provides a "content-for-you" solution wherein OutboundEngine employees write the content for its customers' marketing.

**Vinson & Elkins** provides legal services to OutBoundEngine.

by Kyle LaHucik in Chicago

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