

Mimecast Ltd
Form F-1
September 12, 2016
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As filed with the Securities and Exchange Commission on September 12, 2016.

Registration No. 333-

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form F-1
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

MIMECAST LIMITED

(Exact Name of Registrant as Specified in Its Charter)

N/A

(Translation of Registrant's Name into English)

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Bailiwick of Jersey (State or Other Jurisdiction of Incorporation or Organization)	7372 (Primary Standard Industrial Classification Code Number) Peter Bauer	Not applicable (I.R.S. Employer Identification Number)
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(Address, Including ZIP Code, and Telephone Number, Including Area Code, of Registrant's Principal Executive Offices)

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Approximate date of commencement of proposed sale to the public: As soon as practicable after this Registration Statement becomes effective.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, check the following box. "

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. "

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. "

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. "

CALCULATION OF REGISTRATION FEE

Title of each class of securities to be registered	Proposed maximum aggregate offering price(1)(2)	Amount of registration fee
Ordinary shares, nominal value \$0.012 per share	\$80,000,000	\$8,056

(1) Estimated solely for the purpose of determining the amount of registration fee in accordance with Rule 457(o) under the Securities Act of 1933.

(2) Includes shares granted pursuant to the underwriters' option to purchase additional shares.

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the Registration Statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.

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The information in this preliminary prospectus is not complete and may be changed. These securities may not be sold until the registration statement filed with the Securities and Exchange Commission is effective. This preliminary prospectus is not an offer to sell nor does it seek an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

Prospectus (Subject to completion)

Issued September 12, 2016

shares

Mimecast Limited

Ordinary shares

The selling shareholders identified in this prospectus are selling a total of _____ ordinary shares of Mimecast Limited. We are not selling any ordinary shares and will not receive any proceeds from the sale of ordinary shares by the selling shareholders.

Our ordinary shares are listed on the NASDAQ Global Select Market under the symbol MIME . On September 9, 2016, the last reported sale price of our ordinary shares on the NASDAQ Global Select Market was \$17.15 per share.

See **Risk Factors** on page 10 to read about factors you should consider before buying the ordinary shares.

Neither the Securities and Exchange Commission nor any other regulatory body has approved or disapproved of these securities or passed upon the accuracy or adequacy of this prospectus. Any representation to the contrary is a criminal offense.

	Per share	Total
Public offering price	\$	\$
Underwriting discount(1)	\$	\$
Proceeds, before expenses, to the selling shareholders	\$	\$

(1) See the section titled Underwriting for a description of the compensation payable to the underwriters.

To the extent that the underwriters sell more than _____ ordinary shares, the underwriters have the option to purchase up to an additional _____ shares from the selling shareholders at the public offering price less the underwriting discount. We will not receive any of the proceeds from the sale of such shares.

The underwriters expect to deliver the shares against payment in New York, New York on _____, 2016.

J.P. Morgan

Barclays

Goldman, Sachs & Co.

Jefferies

RBC Capital Markets

Prospectus dated **Oppenheimer & Co.**
, 2016

Dougherty & Company

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Neither we, the selling shareholders nor the underwriters have authorized anyone to provide any information or to make any representations other than those contained in this prospectus or in any free writing prospectuses we have prepared. Neither we, the selling shareholders nor the underwriters take responsibility for, nor can provide any assurance as to the reliability of, any other information that others may give you. This prospectus is an offer to sell only the ordinary shares offered hereby, but only under circumstances and in jurisdictions where it is lawful to do so. The information contained in this prospectus is current only as of its date.

For investors outside the United States: We, the selling shareholders and the underwriters have not done anything that would permit this offering or possession or distribution of this prospectus in any jurisdiction, other than the United States, where action for that purpose is required. Persons outside the United States who come into possession of this prospectus must inform themselves about, and observe any restrictions relating to, the offering of our ordinary shares and the distribution of this prospectus outside the United States.

The trademarks, trade names and service marks appearing in this prospectus are the property of their respective owners.

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References in this prospectus to "Mimecast UK" are to Mimecast Limited, which was incorporated under the laws of England and Wales with company number 04698693 on March 14, 2003 as a private company limited by shares, and references to "Mimecast Limited" refer to the company incorporated under the laws of the Bailiwick of Jersey with company number 119119 on July 28, 2015 that is the issuer of the ordinary shares being sold by the selling shareholders in this offering.

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Prospectus summary

This summary does not contain all of the information you should consider before buying our ordinary shares. You should read the entire prospectus carefully, especially the Risk Factors section beginning on page 10, Management's Discussion and Analysis of Financial Condition and Results of Operations beginning on page 43 and our consolidated financial statements and the related notes appearing elsewhere in this prospectus, before deciding to invest in our ordinary shares.

Company overview

We are a leading provider of next generation cloud security and risk management services for corporate information and email. Our fully-integrated suite of proprietary cloud services protects customers of all sizes from the significant business and data security risks to which their email system exposes them. We protect customers from today's rapidly changing threat landscape where email has become a powerful attack vector and data leak concern. We also mitigate the significant business disruption that email failure or downtime causes. In addition, our archiving services secure, store and manage critical corporate communications and information to address growing compliance and e-discovery requirements and enable customers to use this increasing archive of information to improve employee productivity.

Email is a critical tool for organizations of all sizes. Protecting and managing email has become more complicated due to expanding security and compliance requirements and the rapid increase in both the volume and the importance of the information transmitted via email. Organizations are increasingly at risk from security breaches of sensitive data as sophisticated email-based attacks or data leaks have become more common. Additionally, organizations are not just using email for communication, they are also increasing their use of email archives as an active repository of vital corporate information needed to meet compliance requirements and support employee productivity. As a result, email represents one of the highest concentrations of business risk that organizations may face.

We developed our proprietary cloud architecture to offer customers comprehensive email security, continuity and archiving capabilities in a single service that makes it easier for them to protect themselves effectively in a worsening and rapidly changing security and risk environment. Providing a fully-integrated service also simplifies ongoing management and service deployment. Customers can then decommission the often costly and complex point products and on-premises technology they have traditionally used to tackle these risks. We also make it easier for customers to move more of their IT workloads to the cloud.

We serve approximately 19,900 customers and protect millions of their employees across the world. Our service scales effectively to meet the needs of customers of all sizes and we have optimized our sales organization and channel to address each segment effectively. We have more than 700 employees in nine offices in the United States, the United Kingdom, Australia and South Africa. For the fiscal years ended March 31, 2016, 2015 and 2014, our revenues were \$141.8 million, \$116.1 million and \$88.3 million, respectively, representing year-over-year growth of 22% for 2016 and 31% for 2015. Revenue growth on a constant currency basis was 30% and 33% for the fiscal years ended March 31, 2016 and 2015, respectively. For the three months ended June 30, 2016 and 2015, our revenues were \$41.5 million and \$33.3 million, respectively, representing year-over-year growth for the period of 24%. Growth for this period was 32% on a constant currency basis. Our net loss, net income and net loss in the fiscal years ended March 31, 2016, 2015 and 2014 were \$3.2 million, \$0.3 million and \$16.9 million, respectively. Our net income and net loss in the three months ended June 30, 2016 and 2015 were \$0.2 million and \$2.2 million, respectively.

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Industry background

A number of key considerations are leading to an increased customer need for email security, continuity and archiving services:

Email is critical to all organizations. Email continues to be the primary way organizations exchange information and communicate externally and internally.

The amount of critical and sensitive data in email archives is growing rapidly. The email archive is increasingly used by employees as their primary repository to save and access important information. As a result, the volume and value of this data continues to grow.

Email is a primary security target for advanced cyber-attacks. Well organized and funded, including state-backed, hackers and cyber-criminals are targeting organizations to disrupt their operations, steal money and sensitive corporate data and gain access to valuable intellectual property.

Data protection, cybersecurity and data privacy are key compliance and regulatory concerns for all organizations. Governments, regulators and industry groups globally continue to enact or amend legislation and standards regarding data protection, cybersecurity and data privacy. These laws place growing obligations on organizations of all sizes, particularly those in regulated industries, to store, protect, process, share and transmit data safely, or risk significant sanctions and the threat of civil litigation.

Restrictions IT teams put on email create new security risks. IT teams are under pressure to reduce storage costs and improve infrastructure performance, and this often results in steps that limit unfettered usage of email, driving employees to seek solutions outside the secure corporate network creating new security risks.

Email downtime is disruptive to employee productivity. Given the critical nature of email for business communication and the importance of its information archive, email outages have become increasingly disruptive and costly because of the resulting impact on employee productivity.

IT workloads, including business productivity tools, are moving to the cloud. Organizations of all sizes are adopting cloud-based technologies to reduce the cost and complexity of their IT infrastructure and increase performance and flexibility. As organizations consider which workloads to move to the cloud, IT teams are looking beyond moving infrastructure and looking to shift traditional productivity tools to services such as Microsoft's Office 365 or Google Apps for Work.

Business email mailboxes are moving to the cloud, but this creates new risks to mitigate. Moving email mailboxes to a single cloud vendor creates new security, continuity and archiving risks that need to be mitigated. These risks have delayed adoption of cloud mailbox services by many organizations, particularly larger enterprises.

Traditional email security, continuity and archiving alternatives can be inadequate and do not address increasing customer requirements and protect against next generation security threats. To address security and archiving needs, many organizations have deployed a complex array of disparate or point products on-premises, or as cloud-based versions hosted by the vendor. These technologies are typically from multiple vendors and often only address narrow uses and problems. They can also be difficult to integrate and inflexible, as well as complex and expensive to manage as email and data volumes grow.

The limitations of traditional security and archiving technologies mean customers need to rethink their approach to protecting email and corporate information. Customers need to mitigate the risks they face from email, and want to reduce the cost and complexity, and move more of their workloads to the cloud.

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Our market opportunity

The growing need of organizations to mitigate the risks of email and data security, continuity and archiving has already established a significant industry beyond the mail server. Based on recent Gartner reports, combined spending in markets catering to enterprise information and email security, continuity and archiving, which include Secure Email Gateway, Backup and Recovery Software, E-Discovery Software and Data Loss Prevention, was \$9.4 billion in 2014 and will grow to \$11.5 billion in 2017. We believe there is a considerable need for a comprehensive integrated cloud solution that can address the needs of customers in these markets.

Our solution

Our fully-integrated suite of next generation cloud services for security, continuity and archiving, is designed to protect email and deliver comprehensive email risk management beyond the primary mail server. We protect customers from the growing threat to email and the corporate data it contains. We also help organizations securely and cost effectively archive their growing email and file repositories, and ensure email remains available in the event of a primary system failure or scheduled maintenance downtime. The key customer benefits of our service include:

Comprehensive email and data risk management in a single, unified cloud service. Our services integrate a range of technologies into a comprehensive service that would otherwise require an array of individual devices or services from multiple vendors. As a result, our customers are able to decommission these technologies and reduce the cost and complexity of their infrastructure as a result.

Best-of-breed security, continuity and archiving services. We believe our customers should not have to compromise on the quality of their email security, continuity or archiving services in order to benefit from integration. Our strategy is to develop best-of-breed capabilities within our integrated service to compete successfully with industry-leading point products.

Web scale performance for organizations of all sizes. Our cloud service is built to address the most demanding scale, performance and availability requirements of large enterprises but delivers this as a subscription-based cloud service that puts these capabilities within the reach of small and mid-market organizations too.

Compelling return on investment. Customers can decommission a range of individual technologies they use for security, continuity and archiving and move to a subscription-based service and benefit from a long term cost improvement as result.

Easy to deploy and manage. Our service is designed to be easier to deploy than alternative technologies. Customers simply route their email traffic through our cloud and can be up and running in a matter of days and sometimes less. Each customer then manages the service centrally via a single web-based administration console that supports all their subscribed services. Additional services can be deployed easily from the same console.

Highly agile and adaptable service. We are continually improving our cloud architecture and services. Our common code base and multi-tenant cloud architecture enables us to perform maintenance updates and add new features or products by updating our core code base once. Continuous service development and multi-tenant rapid deployment also means we can keep pace with emerging threats to protect and respond quickly to changing customer needs.

An easier move of additional critical workloads to the cloud. Our cloud service enables customers to decommission on-premises technologies that have been a significant historical barrier to migrating email

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mailboxes to the cloud, and supports customers wanting to adopt cloud services more broadly in their organization.

A safer Office 365 or Google cloud email and data implementation. Our cloud service mitigates the single-vendor exposure and security, service continuity and data assurance risks created by a move to these cloud email services.

Our growth strategy

Our growth strategy is focused on the following:

Grow revenue from our existing customer base. We intend to continue proactively broadening our reach within our existing customer base by selling additional services.

Acquire new customers. We will continue to invest in a direct sales force combined with a focused channel strategy designed to serve the various requirements of small, mid-market and large enterprises and to bring new customers onto our cloud architecture.

Actively invest in our channel partner network. We intend to further invest in our network of channel partners to extend our global sales, service and support capabilities.

Develop our technology and release new services. We will continue to build on our current capabilities and exploit additional opportunities in adjacent areas to those we serve today.

Continue to expand our geographic presence. We plan to investigate additional international expansion from our regional bases in the United States (for North America), the United Kingdom (for Europe), South Africa (for Africa and the Middle East) and Australia (for Asia-Pacific).

Target organizations moving workloads to the cloud. As more organizations move IT workloads to the cloud, we believe we are well-positioned to take advantage of growth opportunities that exist from augmenting services, including Office 365 and Google Apps for Work with critical security, continuity and archiving services.

Risks related to our business

Our business is subject to numerous risks, as highlighted in the section entitled **Risk Factors** immediately following this prospectus summary. Some of these risks include:

We have incurred losses in the past, and we may not be able to achieve or sustain profitability for the foreseeable future.

Failure to manage our growth effectively could increase our expenses, decrease our revenue and prevent us from implementing our business strategy.

The markets in which we participate are highly competitive, with several large established competitors, and our failure to compete successfully would make it difficult for us to add and retain customers and would reduce or impede the growth of our business.

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Failure to effectively expand our sales and marketing capabilities could harm our ability to acquire new customers and achieve broader market acceptance of our services.

If we are unable to maintain successful relationships with our channel partners, our ability to acquire new customers could be adversely affected.

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We provide service level commitments under our subscription agreements and, as a result of an external network DDoS attack in September 2015, we voluntarily paid service credits to customers. Any future service disruption could obligate us to provide refunds and we could face subscription terminations, which could adversely affect our revenue.

Our business depends substantially on customers renewing their subscriptions with us. A decline in our customer renewals would harm our future operating results.

If we are unable to sell additional services and features to our existing customers, our future revenues and operating results will be harmed.

If we are not able to provide successful updates, enhancements and features to our technology to, among other things, keep up with emerging threats and customer needs, our business could be adversely affected.

Data security and integrity are critically important to our business, and breaches of our information and technology networks and unauthorized access to a customer's data could harm our business and operating results.

Because we recognize revenue from subscriptions for our services over the term of the agreement, downturns or upturns in new business may not be immediately reflected in our operating results and may be difficult to discern.

Fluctuations in currency exchange rates could adversely affect our business.

Our history and structure

Mimecast Limited was incorporated under the laws of the Bailiwick of Jersey with company number 119119 on July 28, 2015 as a public company limited by shares for the purpose of effecting our initial public offering. On November 4, 2015, Mimecast Limited became the holding company of Mimecast UK, a private limited company incorporated in 2003 under the laws of England and Wales, and its subsidiaries by way of a share-for-share exchange in which the shareholders of Mimecast UK exchanged their shares in Mimecast UK for an identical number of shares of the same class in Mimecast Limited. Following the exchange, the historical consolidated financial statements of Mimecast UK included in this prospectus became the historical consolidated financial statements of Mimecast Limited.

Corporate information

Our principal office is located at CityPoint, One Ropemaker Street, Moorgate, London, United Kingdom EC2Y 9AW, and our telephone number is +44 (0) 20 7300 7000. Our website address is www.mimecast.com. The information contained on, or that can be accessed from, our website does not form part of this prospectus. Our agent for service of process in the United States is Mimecast North America, Inc., 480 Pleasant Street, Watertown, MA 02472.

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The following tables present summary consolidated financial and other data for our business. You should read this information together with the section entitled *Selected Consolidated Financial and Other Data* and *Management's Discussion and Analysis of Financial Condition and Results of Operations* and the consolidated financial statements and related notes and other financial information included elsewhere in this prospectus. Our consolidated financial statements have been prepared in accordance with U.S. GAAP.

We derived the consolidated statements of operations data for the years ended March 31, 2016, 2015 and 2014 from our audited consolidated financial statements included elsewhere in this prospectus. We derived the consolidated statements of operations data for the year ended March 31, 2013 from our unaudited consolidated financial statements not included in this prospectus. We derived the consolidated statements of operations data for the three months ended June 30, 2016 and 2015 and the consolidated balance sheet data as of June 30, 2016 from our unaudited interim consolidated financial statements included elsewhere in this prospectus. We have prepared the unaudited consolidated financial data on the same basis as the audited consolidated financial statements and have included, in our opinion, all adjustments, consisting only of normal recurring adjustments, that we consider necessary for a fair presentation of the financial information set forth in those statements. Our historical results are not necessarily indicative of the results to be expected in the future.

	2016	2015	Year ended March 31,		Three months ended	
			2014	2013	2016	2015
(in thousands, except per share data)						
Consolidated Statements of Operations Data:						
Revenue	\$ 141,841	\$ 116,085	\$ 88,315	\$ 66,750	\$ 41,460	\$ 33,328
Cost of revenue(1)	41,809	36,821	28,673	21,165	11,339	9,876
Gross profit	100,032	79,264	59,642	45,585	30,121	23,452
Operating expenses						
Research and development(1)	17,663	14,461	12,844	11,019	5,149	3,530
Sales and marketing(1)	65,187	51,224	46,971	35,635	21,463	13,121
General and administrative(1)	19,756	15,806	11,187	13,666	6,456	4,691
Restructuring		1,203				
Total operating expenses	102,606	82,694	71,002	60,320	33,068	21,342
(Loss) income from operations	(2,574)	(3,430)	(11,360)	(14,735)	(2,947)	2,110
Other income (expense)						
Interest income	74	62	86	77	67	17
Interest expense	(690)	(703)	(542)	(844)	(107)	(177)
Foreign exchange income (expense)	811	4,508	(5,055)	1,188		