



# Fidelman & Co.



## QUESTION

### SMS Marketing Platform Valuation - SMS Bump & PostScript

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## INSIGHTS

- SMS Bump secured EUR 200,000 in investor funding from Eleven Ventures in November 2018.
- PostScript secured USD 150,000 in investor funding from Y Combinator in January 2019.
- We were unable to find the valuation multiples that SMS Bump and PotScript used to secure funding from investors.

## FINDINGS

While we were not able to provide the valuation multiples that SMS Bump and PostScript used to secure funding from investors, we were able to establish that SMS Bump secured [EUR 200,000 \(2\)](#) (USD 226,000) from [Eleven Ventures \(1\)](#) in November 2018 while PostScript secured from [USD 150,000 \(7\)](#) from Y Combinator in January 2019. We have summarized the data obtained on the [attached spreadsheet. \(6\)](#)

## Research methodology

### 1. SMS BUMP

We were unable to find any relevant data detailing the valuation multiple used by SMS Bump when the company was seeking investor financing from Eleven Ventures.

In order to determine the equity of SMS Bump at the time capital was raised as well as the valuation multiple used for raising capital/equity for the company, we began our search by scanning through the official website of the company. However, we were unable to find any relevant data detailing the valuation multiple used by the company as well as the equity that the company secured from investors on its official website. We further searched for investors who have invested in the company and we were able to establish that [Eleven Ventures \(1\)](#) invested [EUR 200,000 \(2\)](#) in the company in late 2018. Therefore, we conducted a search through the official website of Eleven Ventures. Unfortunately, we were unable to obtain any relevant data that could help us establish the valuation multiple used by SMS Bump when securing the funding. Therefore, we extended our search through popular databases that provide revenues, growth rates and other financial details such as Crunchbase. Unfortunately, the search did not bear any fruits.

We decided to change gears by focusing our attention on the founder of the company Mihail Stoychev. Our intention was to establish if the founder had other companies alongside SMS Bump and if the companies were operating under an umbrella of one parent company. This information would enable us to try searching for relevant data from the parent company. We were able to establish that Mihail Stoychev is also the founder of iSenseLabs and Fwop. We were also able to determine that all these companies operate independently, which made it harder for us to use our intended strategy to obtain relevant data.

Finally, we broadened our search strategy by focusing our attention on the social media accounts of both SMS Bump and its investor Eleven Ventures. However, we were unable to obtain any relevant data regarding the equity and valuation multiple used by SMS Bump in order to secure funds from Eleven Ventures. The only relevant information that we

were able to obtain related to the investment amount of [EUR 200,000 \(2\)](#) that SMS Bump secured as its initial capital from Eleven Ventures.

One possible reason why we were unable to find the financial information of the company could stem from the fact that the company is relatively new thus its revenue growth and other valuation metrics may not have been publicly made available.

## CALCULATIONS

To calculate the amount invested into SMS Bump in US dollars we multiplied amount invested by Eleven Ventures, which was in Euros, by the current by the conversion rate of EURO to USD of 1.13 US dollars.

EUR 200,000 \* 1.13 (rate) = \$226,000

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## 2. POSTSCRIPT

We were unable to find any relevant data detailing the valuation multiple used by PostScript to secure investor financing.

In order to establish the equity of PostScript at the time capital was raised as well as the valuation multiple for raising capital/equity for PostScript we commenced our search by scanning through the official website of the company. However, we were unable to locate any relevant data detailing the equity raised by the company or any valuation metrics used establishing the equity to be raised. We extended our search through other credible databases such as Crunchbase but most of the financial information of the company was protected by a paywall on CrunchBase. However, we were able to obtain information detailing the employees and the CEO of the company Adam Turner. Upon further research, we were able to obtain the amount of equity that PostScript secure from [Y Combinator \(5\)](#) in January 2019. However, relevant data detailing the valuation multiple used by the company to secure funds was not available.

Therefore, we changed our research strategy by scanning through the official website of [Y Combinator \(5\)](#) for any relevant data regarding the valuation multiple used by PostScript to secure the investor financing. Unfortunately, we were not able to obtain any relevant data regarding the subject under investigation.

As a last resort, we scanned through the social media accounts of both companies. However, we were not able to find any relevant information detailing the valuation multiple that the company used to secure investment from Y Combinator. One possible reason for the unavailability of the data could stem from the fact that has not published

any financial information since it is relatively new in the industry.

## Helpful Findings

### 1. SMS Bump

SMS Bump provides a text marketing API designed to help e-commerce store owners communicate and market their online products/ stores to clients via text messages. The startup was able to secure [EUR 200,000 \(2\)](#) (USD \$226,000) from [Eleven Ventures \(1\)](#) on November 28, 2018.

### 2. PostScript

PostScript was launched in late 2018 with the objective of enabling e-commerce store owners on major e-commerce platforms such as Shopify, WooCommerce, BigCommerce, and OpenCart to engage online shoppers through text messages. The company was able to secure USD [\\$150,000 \(4\)](#) from Y Combinator on January 1, 2019.

## SOURCES

1) 8 Companies Joining the #OneOf11 Family | Eleven Ventures

[https://www.11.me/blog/8-companies-joining-the-oneof11-family/?](https://www.11.me/blog/8-companies-joining-the-oneof11-family/?fbclid=IwAR37O4Tm0PVQkuAQ5B8AaE4NdVVOqJcx3UiS0Gc-Oe33a4E51f53SqNaGb8)

[fbclid=IwAR37O4Tm0PVQkuAQ5B8AaE4NdVVOqJcx3UiS0Gc-Oe33a4E51f53SqNaGb8](https://www.11.me/blog/8-companies-joining-the-oneof11-family/?fbclid=IwAR37O4Tm0PVQkuAQ5B8AaE4NdVVOqJcx3UiS0Gc-Oe33a4E51f53SqNaGb8)

2) Eleven Ventures Has Just Put €1.25M Into 8 Companies - TrendingTopics.at Bulgaria

<https://www.trendingtopics.at/bulgaria/eleven-ventures-1-25m-into-8-companies/>

3) Postscript wants to be the Mailchimp for SMS

<https://techcrunch.com/2019/02/14/postscript-wants-to-be-the-mailchimp-for-sms/>

4) Meet Flockjay, a Company in the YC Winter 2019 Batch

<https://blog.ycombinator.com/meet-flockjay-a-company-in-the-yc-winter-2019-batch/>

5) Apply to Y Combinator

<https://www.ycombinator.com/apply/>

6) SMS Marketing Platforms

[https://docs.google.com/spreadsheets/d/147K2hTGhQkjsGJCjONHX-L-tFmKdU4GS7EvkJYxCg2I/](https://docs.google.com/spreadsheets/d/147K2hTGhQkjsGJCjONHX-L-tFmKdU4GS7EvkJYxCg2I/edit#gid=0)  
[edit#gid=0](https://docs.google.com/spreadsheets/d/147K2hTGhQkjsGJCjONHX-L-tFmKdU4GS7EvkJYxCg2I/edit#gid=0)

7) Postscript Company Profile: Valuation & Investors | PitchBook

<https://pitchbook.com/profiles/company/265436-56>