



Appian

Expectation relative to market segment
Track

Technology Segment
Enterprise Applications

Ticker Exchange Bloomberg
APPN NASD NH NUC <GO>

Analyst
Isaac Gould
igould@NucleusResearch.com

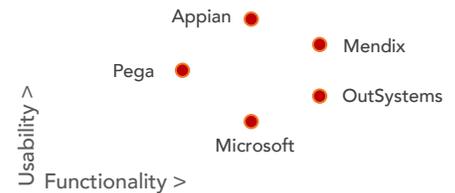
Despite fierce competition within the Low-Code Application Platform (LCAP) market, full-suite solution vendors developing their own low-code tools, and the on-going pandemic, Appian’s growth has remained strong. Appian’s track record in rapid application development and short time-to-value will see this success continue in 2021.

Price 02/12/2021 \$217.00
52 week range \$29.07 - \$260.00

COMPANY

Appian is an American technology company that provides a Platform-as-a-Service (PaaS) for businesses to develop enterprise applications internally. The Appian Platform, an end-to-end low-code application platform (LCAP), enables the full cycle of development within its environment. To democratize app development to the citizen developer, the vendor offers a host of easy-to-use Robotic Process Automation, Business Process Management, Decision Rules, API Integration, Case Management, and AI tools.

MARKET POSITION



MARKET

As the digitization of business processes and technology adoption continues to ramp up, the LCAP market has equally gained traction as organizations explore options to develop solutions themselves. Appian is an established vendor in the LCAP market and has made a name for itself in giving customers the ability to build enterprise-level solutions. Given the functional breadth of solutions that can be built, the Appian Platform is best suited for mid-sized to large businesses with the necessary IT resources and business users to develop and manage the applications. The vendor supports customers from virtually any industry, from discrete and process manufacturing to healthcare and professional services.

RELATIVE SOLUTION COST

Mendix	110%
Pega	107%
OutSystems	105%
Appian	100%
Microsoft	92%

Relative cost to a customer based on typical mid-sized deployments during the past 6 months.

COMPETITION

The LCAP market has continued to ramp up with new players like Amazon and Google entering the fray, providing lightweight low-code tools. While many vendors cater to small businesses with simple spreadsheet apps, Appian and its competitors like Pega, OutSystems, Mendix, and Microsoft PowerApps occupy the higher end of the

CUSTOMER PERCEPTION

> 95 Positive

Analyst estimate based on feedback from customers and prospects during the past 6 months

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market. Appian may struggle to compete in user interface and experience design for online customer-facing applications, it excels at business process management. Customers report that Appian wins deals by building internal operation solutions with out-of-the-box workflow and integration tools capable of connecting systems and managing large volumes of complex data, multiple times faster than competitors. (Nucleus Research u154 – *Appian targets ecosystem gaps* - September 2020) Leaning into this competitive edge, the vendor offers its “Appian Guarantee,” where it will deliver on the first application project within eight weeks for a flat \$150,000 or money back.

OUTLOOK

Appian has experienced record growth through recent years. In 2019, subscription revenue increased by 34 percent compared to 2018. The vendor achieved double-digit subscription revenue growth in the first three quarters of 2020 compared to the same periods the previous year. Closing out Q3 2020, Appian reported 115 percent subscription revenue retention rate, meaning it has retained virtually all existing customers, netted new customers, and seen a deepening of users’ investments with the platform through the pandemic.

In general, users prefer to consolidate their IT ecosystem under fewer vendors to reduce technology spend and complexity. Therefore, Appian and all dedicated LCAP players face a challenge in full-suite solution vendors like SAP, Microsoft, Oracle, Infor, and Zoho developing their own low-code app development and extension solutions. Appian’s success demonstrates it has remained ahead of the curve in LCAP functionality. As long as it can continue to keep pace with its integration capabilities, it will remain an attractive option for businesses that require bespoke applications with short payback periods. Nucleus expects the rising tide of digital transformation initiatives across the market to carry Appian’s growth momentum through 2021.