Docusign [DOCU] – Information Tech. – MC: $11.10B

Information as of January 27, 2026 except when noted otherwise

Company Profile

Overview: DocuSign Inc ("DocuSign" or the "Company") is a leading provider of cloud-based software solutions focused on electronic signatures and intelligent agreement management. Founded in April 2003 in Washington, the company is headquartered in San Francisco, CA, with additional offices worldwide. The company went public in 2018 and trades on the Nasdaq under the ticker DOCU. DocuSign operates in the rapidly growing digital signature and contract lifecycle management (CLM) markets, driven by trends in digital transformation, remote work, and AI integration. DocuSign's core platform enables organizations to create, sign, manage, and automate agreements digitally, streamlining workflows and reducing reliance on paper-based processes. Key products include its flagship eSignature solution and the newer Intelligent Agreement Management (IAM) platform (launched in April 2024), which incorporates AI for contract analysis and automation. The Company has been working through two key transformations to its business, which are a cloud mass migration of all Company data and a realignment of incentives towards the IAM platform for its sales staff. As of fiscal year 2025 (ended January 31, 2025), the company reported serving over 1.5M paying customers, including enterprises, small businesses, and individuals, across industries such as real estate, financial services, healthcare, and government. Financially, DocuSign has demonstrated resilient growth amid economic challenges. For fiscal 2026 (ending January 31, 2026), guidance projects total revenue of approximately $3.21B, representing 8% YoY growth. As of October 31, 2025, trailing twelve-month (TTM) revenue was approximately $3.16B with subscription-based revenue constituting about 98% of total revenue. The Company's strong cash flow generation has been supporting stock repurchases (authorized up to $2.5B as of October 2025) and R&D. International revenue has grown to 30% of total, up from prior years, reflecting expansion in Europe, Asia-Pacific, and Latin America regions. Of note, the Company recognized its first "release of a valuation allowance" as a provision for income taxes in 2Q24 marking a positive inflection point in the Company's expectations for sustained profitability going forward. DocuSign holds a dominant position in the e-signature market, with an estimated 67% market share as of 2025, amid a global digital signature market valued at around $13-15B and growing at a 35% CAGR.

Investment Thesis: The Company is attractively priced both historically and relative to its competitors. Meanwhile, it continues to defend its position as a leading CLM software business by actively seizing evolutionary opportunities through the integration of AI/ML (via the IAM platform) into its comprehensive suite of products, services, and platform partnerships. Senior management and the board appear to be relatively weak compared to peers based upon their professional experience, earnings call performance, and organic growth performance. If activist investors were to shake up the leadership roster, then this could be a short-term positive catalyst for the stock's price. We believe the application layer for the AI/ML tech stack is poised for exponential growth, and this layer is most likely to emerge at DocuSign, given its data-centric and rules-based software suite—as opposed to creative, design, or engineering software (e.g., Adobe, Autodesk, Figma).

Key Personnel: CEO/Pres.: Allan Thygesen, CFO: Blake Grayson, CRO: Paula Hansen, GC: James S.
Chair: James Beer,

Notable Insider Transactions:
Allan Thygesen: Has been a net disposer of common stock in the amount of 13,789 shares; he sells quarterly.
Blake Grayson: Has been a net acquirer of common stock in the amount of 25,862 shares; he sells bi-quarterly.
James Shaughnessy: Has been a net acquirer of common stock in the amount of 10,769; he sells quarterly.
Paula Hansen: She has been a net acquirer of common stock in the amount of 25,758; she sells quarterly.
*Notable insider transactions were researched on a TTM basis

Recent Events:
12/04/2025: 3Q26 earnings double beat, but forecasted conservative 4Q26 growth and lowered.
11/13/2025: Launches free templates to jump-start contracts.
10/30/2025: Integrates into ChatGPT
09/15/2025: Achieves FedRAMP Moderate authorization for its IAM platform.
09/04/2025: 2Q26 earnings double beat and raised.

Financial Performance

Annualized Performance Metrics: 1Y: -37.05%, 3Y: -0.54%, 5Y: -24.50%

Key Financials (TTM): Rev.: $3.16B (6% YoY), *Pre-Tax Net Inc.: $313.67M (27% YoY), EPS: $1.43 (-72% YoY)
*Due to a release of a valuation allowance resulting in a tax benefit from 2Q24 to 1Q25 which skewed net income and EPS.

Valuation: P/E Ratio (Fwd): 14.7x vs. Industry Avg: 29.8x, P/B Ratio: 5.6x, P/S Ratio: 3.7x

Companies	DocuSign	Adobe	Zoom	HubSpot
P/E Ratio (1yr)	14.7x	12.7x	15.8x	33.3x
P/E Ratio (2yr)	13.5x	11.3x	15.6x	27.9x
PEG Ratio (5yr)	0.41x	0.84x	5.25x	1.86x
Dividend Yield (Fwd)	N/A	N/A	N/A	N/A

Dividends: N/A

Price Chart (Since 01/2020 Daily; D-SMA 50, D-SMA 200, W-SMA 200, D-Stochastic 90):

Investment Outlook

Key Growth Drivers:
AI Innovation & Adoption
AI innovation and accelerating user adoption constitute DocuSign's primary near-term growth driver. Deeply embedded in enterprise agreement workflows across 95% of the Fortune 500 with proprietary expertise in agreement structures, the Company benefits from an unparalleled data moat derived from over 150 million opted-in agreements stored in the Docusign Navigator repository (part of IAM) plus historical scale exceeding 1 billion agreements processed annually. Native integrations into Salesforce, Microsoft, Workday, Google Workspace, SAP, and ServiceNow, coupled with AI-driven analytics and an intuitive UI, are driving higher retention and utilization. The Agreement Library enables modular, reusable clause deployment at scale. IAM adoption has expanded to more than 25,000 customers (average >5,000 contracts per customer), contributing to 9% subscription revenue growth in Q3 FY26 ($801M) and supporting non-GAAP operating margin expansion to 31.4%. These factors are accelerating migration to the higher-ARR Intelligent Agreement Management platform.

Partnerships & M&A
Strategic partnerships and disciplined M&A remain important growth catalysts. The October 2025 integration of IAM capabilities directly into ChatGPT—alongside availability in Anthropic Claude, Gemini Enterprise, GitHub Copilot, and Microsoft Copilot Studio via the Model Context Protocol—meaningfully broadens generative AI use

cases for contract generation, review, and management. Securing FedRAMP Moderate authorization for the IAM platform in September 2025 unlocks future U.S. federal government opportunities. Management continues to monitor an active pipeline for high-quality, accretive acquisitions to bolster CLM functionality, vertical solutions, and AI depth, while maintaining focus on returns.

Emerging Market Expansion
International expansion provides a structural long-term growth lever. International revenue reached 30% of total revenue for the first time in Q3 FY26 and grew 14% year-over-year—well ahead of the company's 8% overall growth—driven by localization, multi-language support, and compliance capabilities. Continued investment in Asia-Pacific, Latin America, and select European markets is expected to sustain above-average international growth, aiding overall revenue expansion toward the mid-to-high single digits and greater geographic diversification.

Key Risks:
Cybersecurity
Cybersecurity is the most acute near-term risk to DocuSign. The Company was named the #1 Most Trustworthy Software & Telecommunications company in America by Newsweek in 2025 (second consecutive year), a distinction built on nearly two decades of handling mission-critical agreements for 1.7 million customers. Any material platform incident, data breach, or sustained service disruption would directly undermine this reputation premium, triggering accelerated churn, heightened customer due diligence, and potential loss of FedRAMP and other compliance certifications. The threat environment is intensifying: DocuSign impersonation phishing now accounts for ~14% of advanced attacks bypassing enterprise gateways, many AI-assisted. While security investments remain strong, the asymmetry between attack surface and defense sophistication creates meaningful downside to brand equity and valuation multiples

Competition In CLM Market
Competition in Contract Lifecycle Management is intensifying and represents a structural growth risk. Despite maintaining a Leader position in the Gartner Magic Quadrant for CLM for six consecutive years, DocuSign faces a rapidly fragmenting field that now includes well-capitalized specialists (Ironclad, Sirion, Icertis, Conga) and broad-platform incumbents (Salesforce, ServiceNow, Workday) aggressively bundling native CLM/IAM capabilities. Many competitors are investing heavily in vertical-specific AI and lower price points. If DocuSign cannot sustain clear differentiation in its Intelligent Agreement Management platform, it risks slower IAM upsell velocity, margin compression, and erosion of its ~30% share in the high-end enterprise segment.

AI Implementation
AI implementation risk is material and under-appreciated. The pace of generative AI advancement creates the potential for DocuSign to fall behind in core capabilities such as contract intelligence, clause recommendation, and autonomous negotiation. Inability to anticipate or effectively respond to rapid technological shifts poses significant new competitive, business, legal, compliance, and reputational risks. The Company's proprietary data moat (150M+ agreements) is valuable only if it can be monetized faster than rivals with broader model access or lower latency. Regulatory uncertainty around AI transparency, bias, and data usage further compounds exposure. Any perceptible lag in AI roadmap execution could slow IAM adoption and compress the premium multiple the market currently awards to its AI narrative.

Analyst Consensus (as of 01/27/26): Price Target: $80.23 (39.14% upside), Ratings: 3 Buy, 13 Hold, 0 Sell

Collar Capital Valuation:

Ticker	DOCU
Date	1/27/2026
Current Price	$55.43
Target Price	**$85.08**
Implied Return	**53.50%**
Target Price Range	**$76.57 - $93.58**
Implied Return Range	**38% - 69%**
Probability Score	**98%**