



SECTORWATCH:
Advanced Analytics
February 2018

7 MILE 
ADVISORS

SECTORWATCH: Advanced Analytics

February 2018

- Sector Dashboard
- Public Basket Performance
- Operational Metrics
- Valuation Comparison
- Recent Deals
- Appendix

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OVERVIEW



Dashboard

summary metrics on the sector, with commentary on market momentum by comparing the most recent 12-month performance against the last 3-year averages



Public Basket Performance

summary valuation and operating metrics for a basket of comparable public companies



Valuation Comparison

a more graphical, detailed comparison of valuation multiples for the public basket



Recent Deals

the most recently announced sector deals

About Us

7MA provides Investment Banking & Advisory Services to the Business Services and Technology Industries globally.

We advise on M&A and private capital transactions, and provide market assessments and benchmarking. As a close knit team with a long history together and a laser focus on our target markets, we help our clients sell their companies, raise capital, grow through acquisitions, and evaluate new markets.

Sectorwatch

We publish sectorwatch, a review of M&A and operational trends in the industries we focus.

Let us know if we can help

Contact us if there are ways we can assist your M&A or financing strategy.

DASHBOARD

Revenue Growth Momentum

↓ -3.8%

1 - year revenue growth compared to revenue growth average for last 3 years

Current revenue growth rate is less than the average of the last 3 years, indicating that the market may be flattening or declining

Pricing / Gross Margin Momentum

↑ 0.3%

1 - year gross profit % compared to gross profit % average for last 3 years

Current gross profit margin exceeds the average of the last 3 years gross profit margin by this amount, indicating supplier pricing power

Profitability Momentum

↓ -0.1%

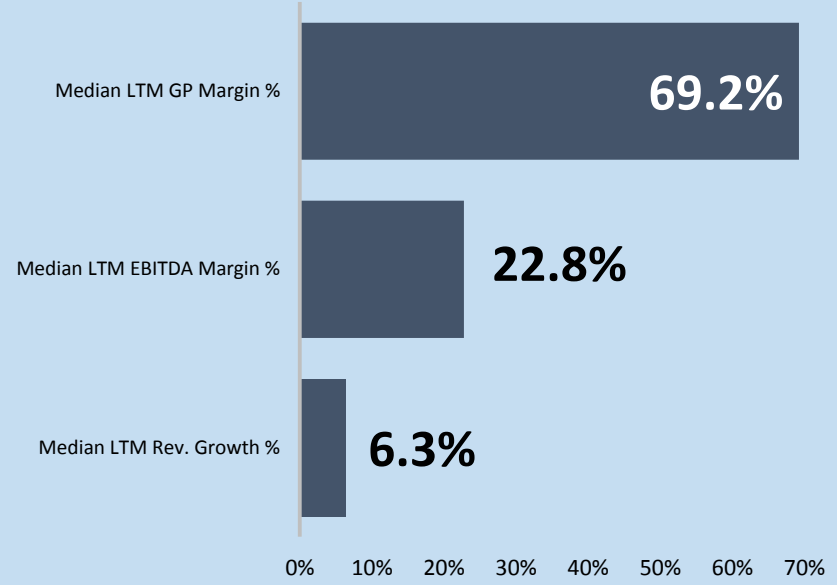
1 - year EBITDA % compared to EBITDA % average for last 3 years

Current EBITDA margin is less than the average of the last 3 years EBITDA margins, which may signal further consolidation

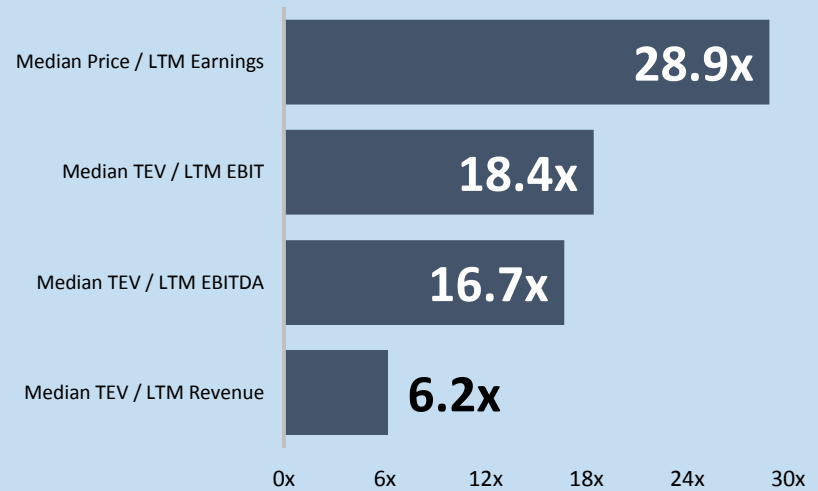
PUBLIC BASKET CONSTITUENTS

- NYSE:DATA
- NYSE:FICO
- NYSE:ACN
- NasdaqGS:ADBE
- DB:SAP
- NYSE:IBM
- NasdaqGS:GOOGL

Operating Metrics



Valuation



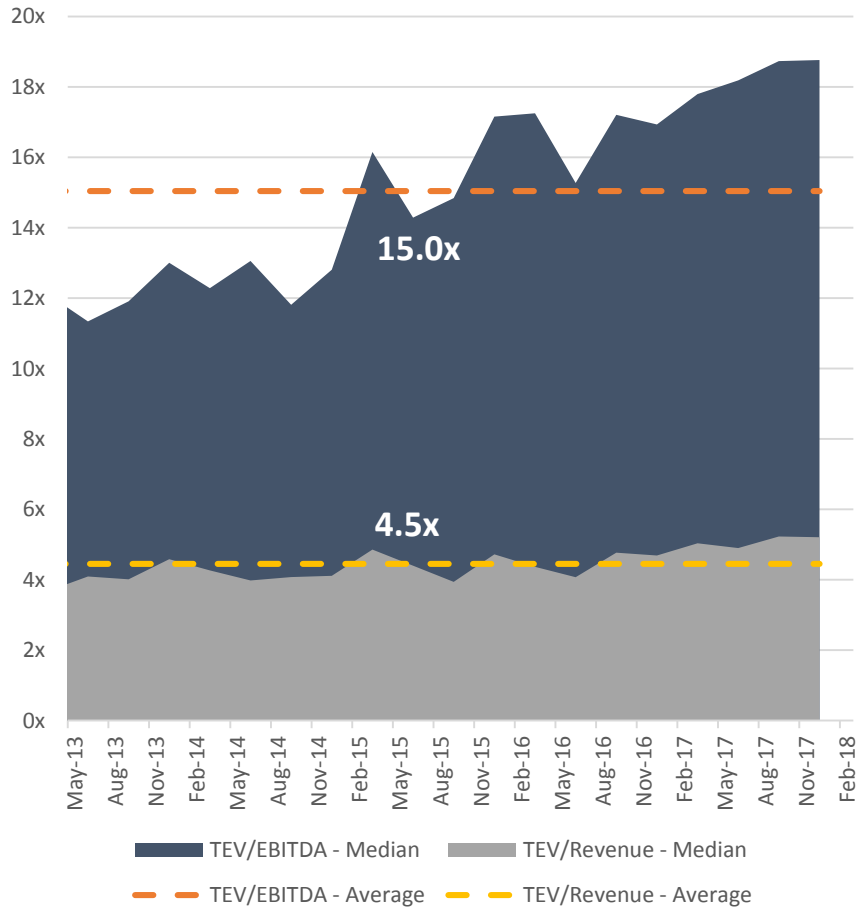
PUBLIC BASKET PERFORMANCE

Company	TEV \$m	LTM Rev \$m	Rev Growth YoY	GP %	EBITDA %	TEV / Rev X	TEV / EBITDA X	# FTEs	Rev / FTE \$k
Tableau Software, Inc.	5,786	877	6%	87%	-17%	6.6	0.0	3,489	251
Fair Isaac Corporation	5,872	948	5%	69%	23%	6.2	27.2	2,168	437
Accenture plc	97,620	35,858	7%	32%	16%	2.7	16.7	425,000	84
Adobe Systems Incorporated	99,166	7,302	25%	86%	34%	13.6	39.8	17,973	406
SAP SE	125,142	28,171	6%	71%	29%	4.3	14.7	88,543	318
International Business Machines Corporation	178,354	79,139	-1%	46%	21%	2.3	10.9	-	NA
Alphabet Inc.	686,001	110,855	23%	59%	32%	6.2	19.2	80,110	1,384

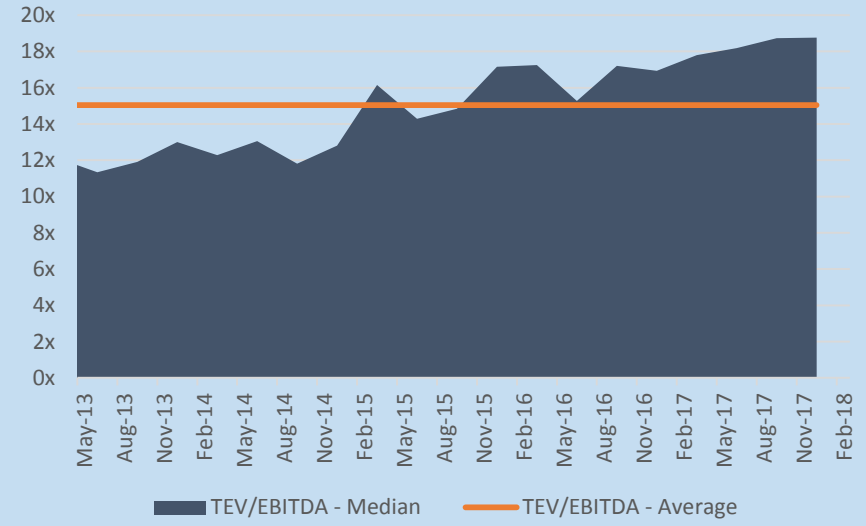
Average	171,135	37,593	10%	64%	20%	6.0	18.3	88,183	480
Median	99,166	28,171	6%	69%	23%	6.2	16.7	17,973	362

share price as of 26Feb18

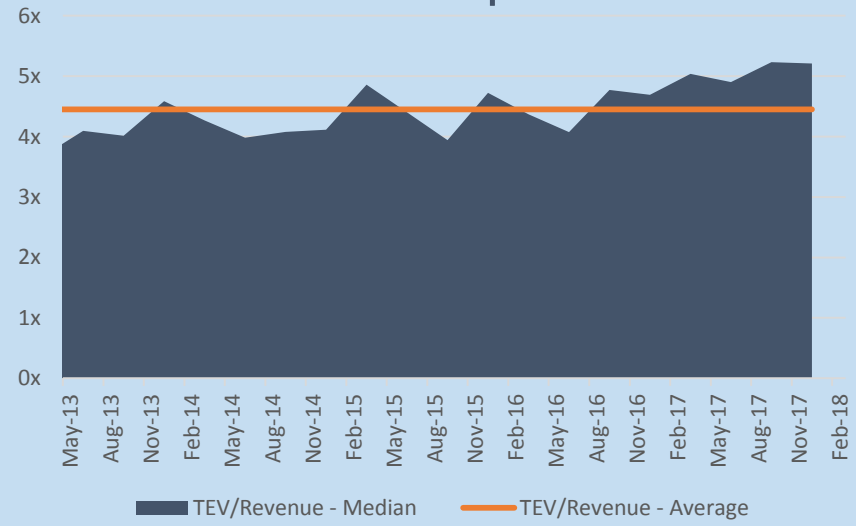
PUBLIC BASKET VALUATION TRENDS



Public EBITDA Multiples Over Time



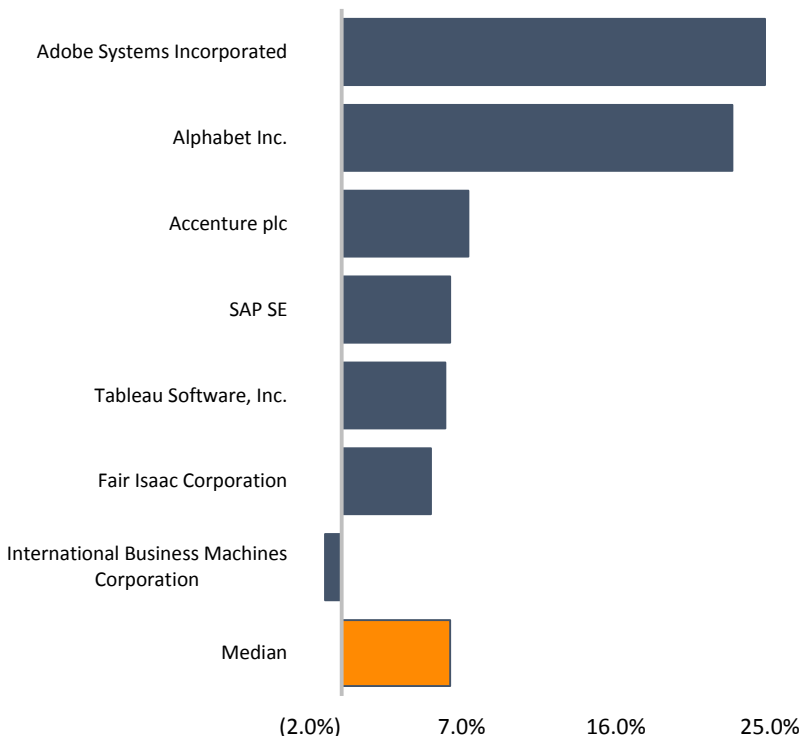
Public Revenue Multiples Over Time



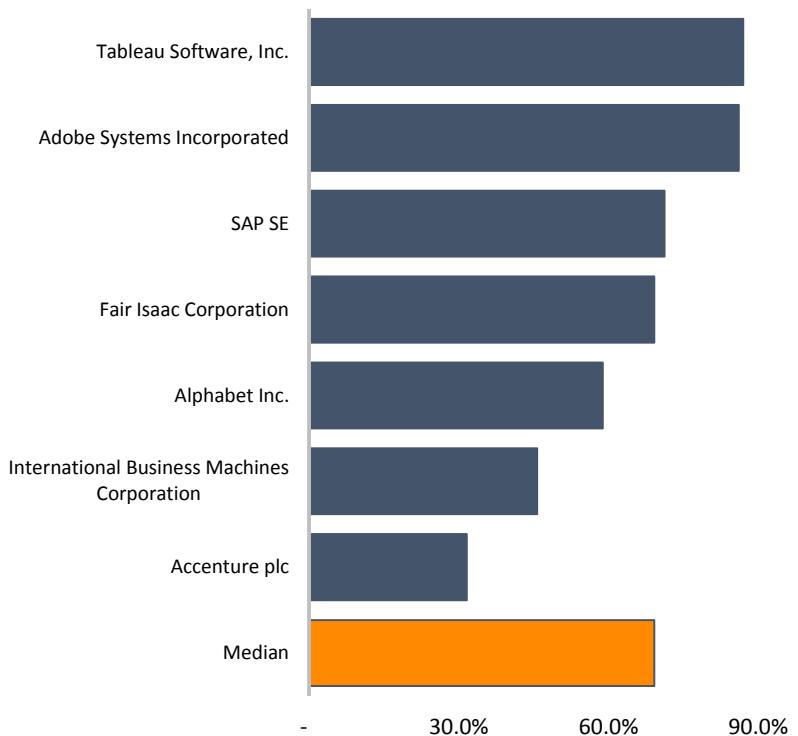
OPERATIONAL METRICS




LTM Revenue Growth %



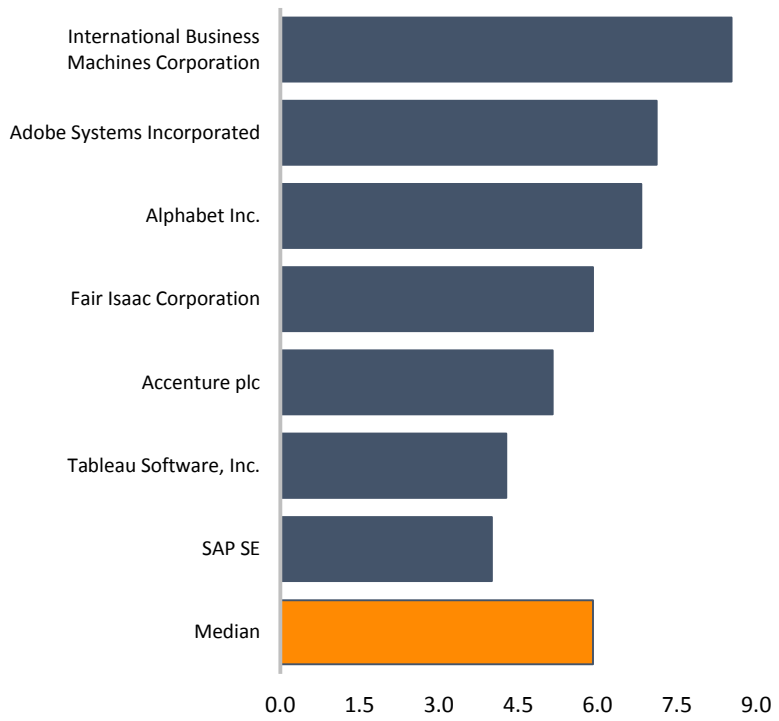

LTM Gross Profit Margin %



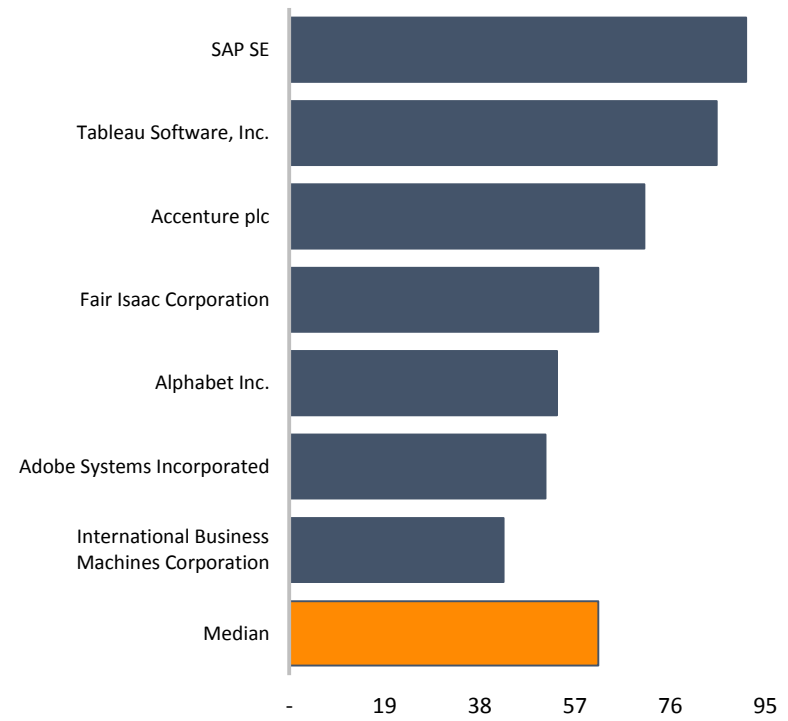
OPERATIONAL METRICS



Accounts Receivable Turnover

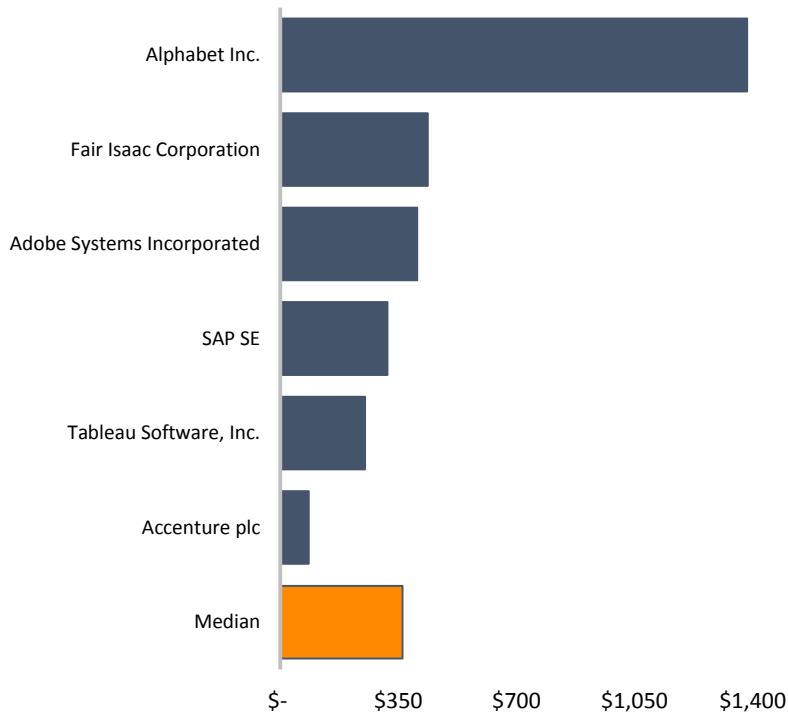
Average Days Sales Outstanding



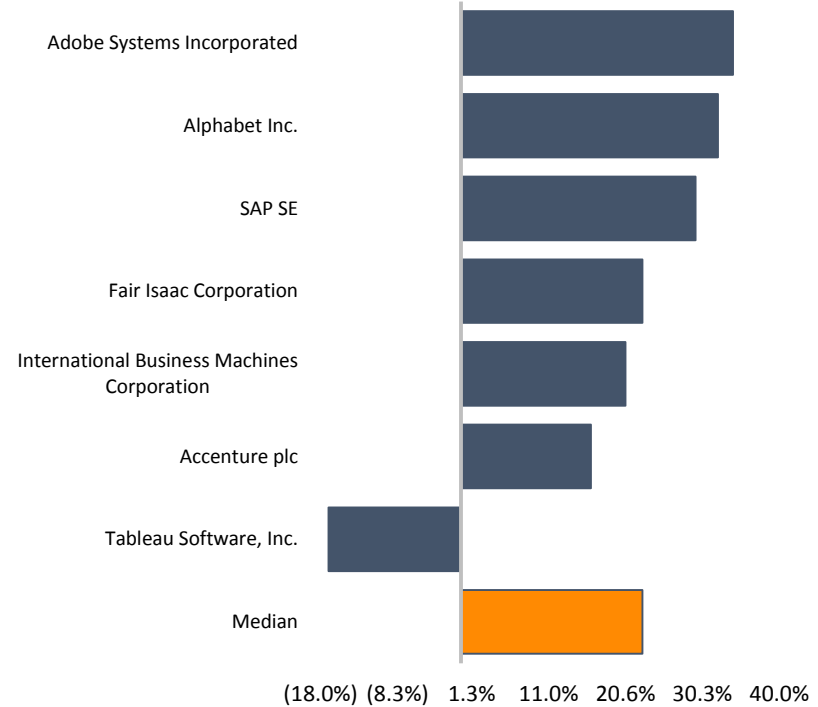
OPERATIONAL METRICS



LTM Revenue per Full Time Employee x 000's



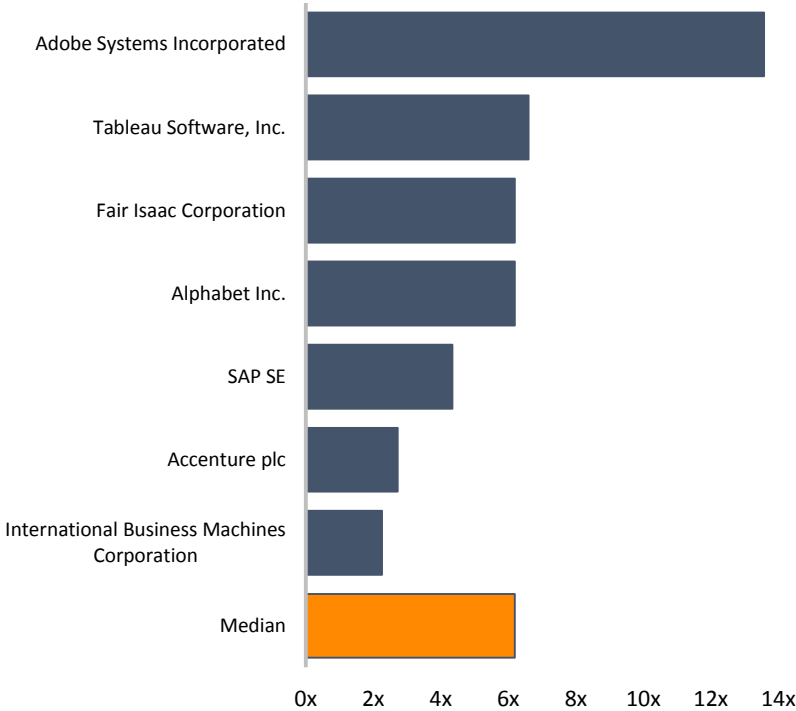
LTM EBITDA %



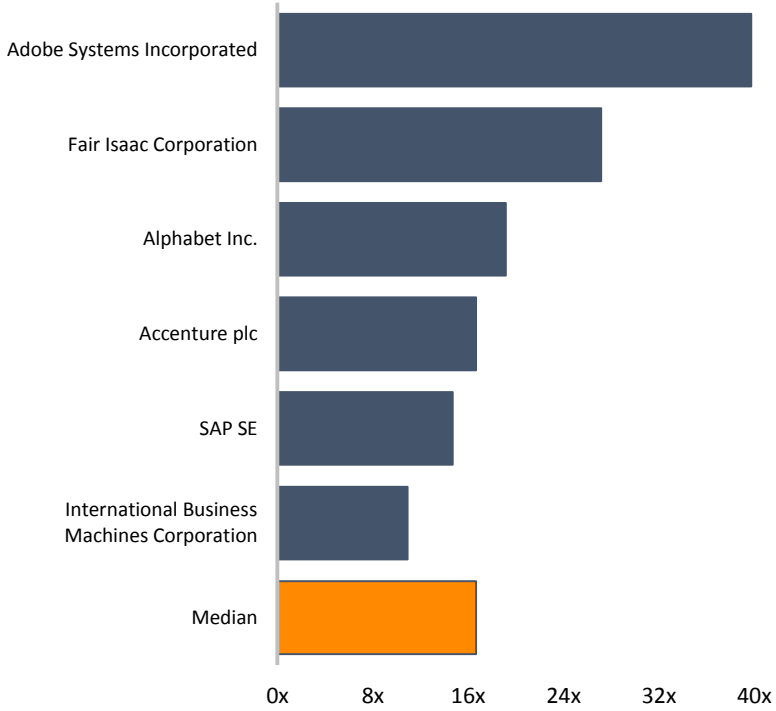
VALUATION



TEV / LTM Revenue



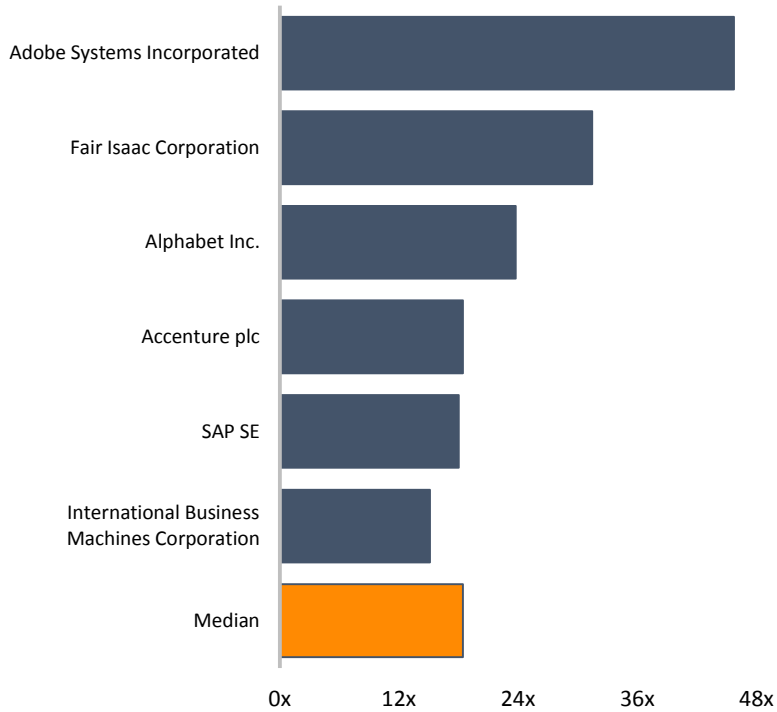
TEV / LTM EBITDA



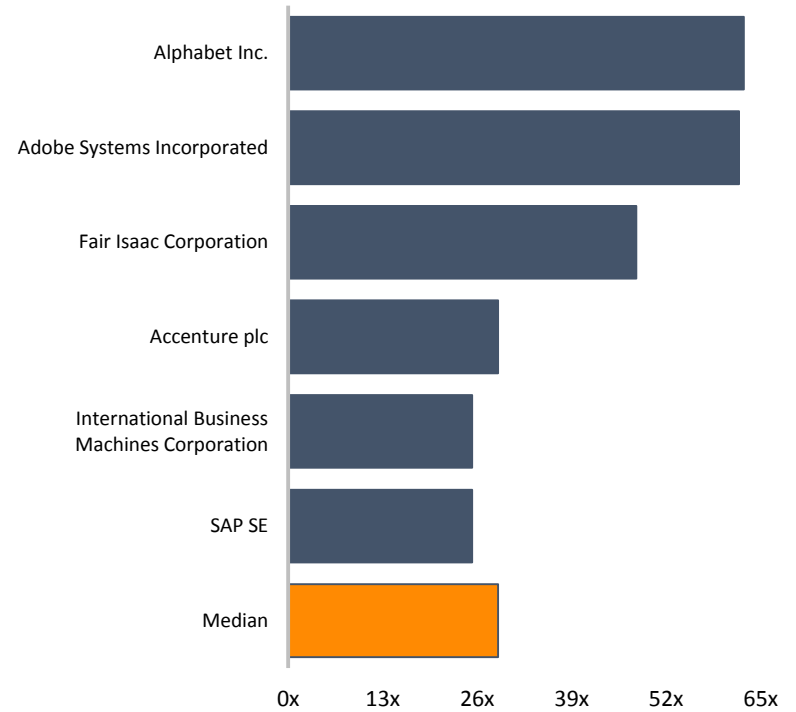
VALUATION



TEV / LTM EBIT



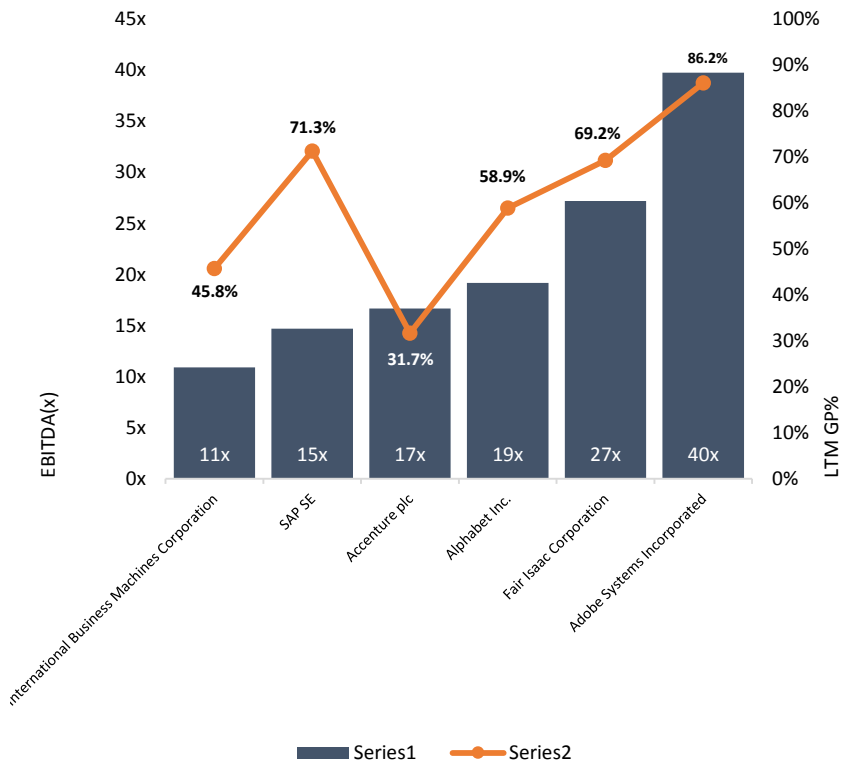
Price / LTM Earnings



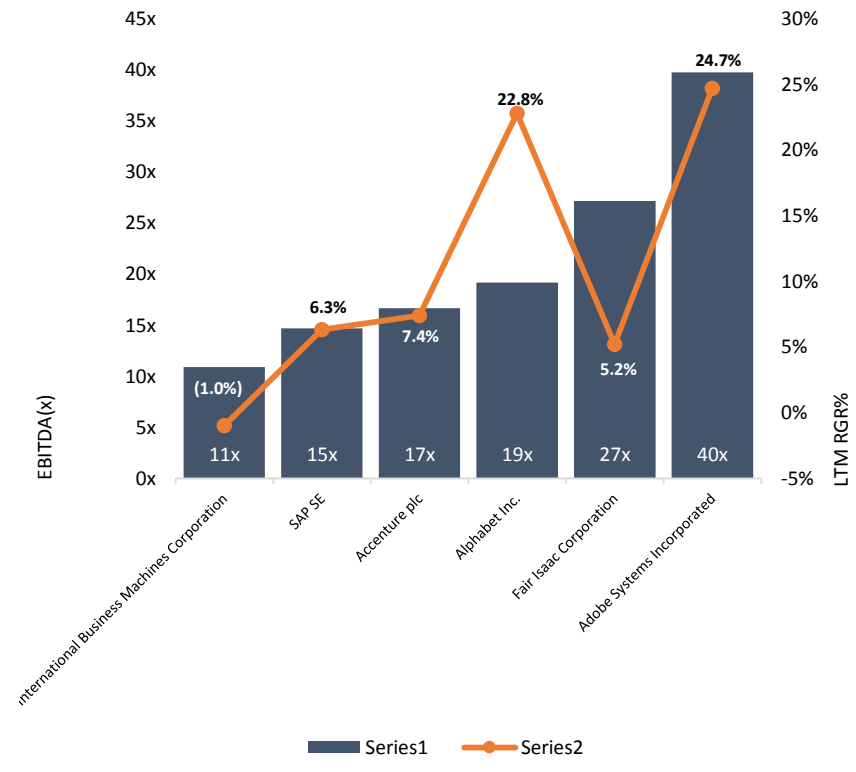
VALUATION



Historical Valuation Multiples versus Gross Profit



Historical Valuation Multiples versus Revenue Growth Rate



RECENT TRANSACTIONS

Date	Target	Buyer	Total Transaction Value	Target Revenue	TEV / Revenue	TEV / EBITDA
10Jan18	CBIG Consulting, LLC	Trianz Holdings Pvt. Limited	-	-	-	-
20Dec17	Innowera LLC	Magnitude Software, Inc.	-	-	-	-
25Oct17	Zettafox	Mazars Group	-	-	-	-
7Sep17	Logmatic.io	Datadog, Inc.	-	-	-	-
21Aug17	Affecto Oyj	CGI Nordic Investments Limited	132.94	140.98	0.8x	16.3x
8Jun17	Elite Analytics LLC	Aviana Global Technologies, Inc.	-	-	-	-
1Jun17	4i, Inc.	Fractal Analytics Inc.	-	-	-	-
1Feb17	YourMembership.com, Inc.	Insight Venture Partners LLC; MBP Holdings Limited	-	-	-	-
24Jan17	BlueFlare, LLC	Robots and Pencils Corp.	-	-	-	-
1Dec16	The Encima Group, Inc.	Indegene Lifesystems Pvt Ltd.	16.00	-	-	-
18Aug16	INTELLEGO S.C	Southern Cross Group	-	-	-	-
31May16	Syslogic Technical Services Inc.	Incedo Inc.	-	-	-	-
31Oct15	Bring Focus 2 Group, S.A.	Oxy Capital - Sociedade de Capital de Risco SA; Fundo Revitalizar Centro	1.69	-	-	-
2Jun16	Recommind, Inc.	Open Text Corporation	163.00	-	-	-
11May16	Vestrics, Inc.	The Ultimate Software Group, Inc.	10.10	-	-	-
19May16	ProbaYes SAS	Mediapost Holding SAS	-	-	-	-
17May16	Datalytics Technologies LLC	Magnitude Software, Inc.	-	-	-	-
3Apr16	MphasiS Limited	The Blackstone Group L.P.	892.05	916.37	1.1x	6.3x
29Mar16	EagleEye Analytics, Inc.	Guidewire Software, Inc.	42.00	-	-	-
20Mar16	Boire Filler Group	Environics Analytics Group Ltd.	-	-	-	-
22Dec15	ShopperTrak RCT Corporation	Tyco International plc	175.00	75.00	2.3x	-
5Nov15	MarketShare Partners LLC	NeuStar, Inc.	450.00	51.17	8.8x	-
15Oct15	Fitzgerald Analytics, Inc.	Square Root Solutions, Inc.	-	-	-	-
1Sep15	Creatix Inc.	GoHealth, LLC	-	-	-	-
1Jul15	Torque Solutions (Australia) Pty Ltd	Velocity Frequent Flyer Pty Ltd	3.66	-	-	-
2Jul15	X-Ray Analytics	Blackboard Inc.	-	-	-	-
31Mar15	Velos, Inc.	Oath Inc.	-	-	-	-
26Feb15	Prelytix, LLC	Market Resource Partners LLC	19.98	2.00	10.0x	199.9x
3Sep14	Think Big Analytics, Inc.	Teradata Corporation	-	-	-	-
21Aug14	Invati Insights Private Limited (nka:Cyient Insights Private Limited)	Cyient Limited	1.45	-	-	-

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Appendix: Public Basket
Constituents

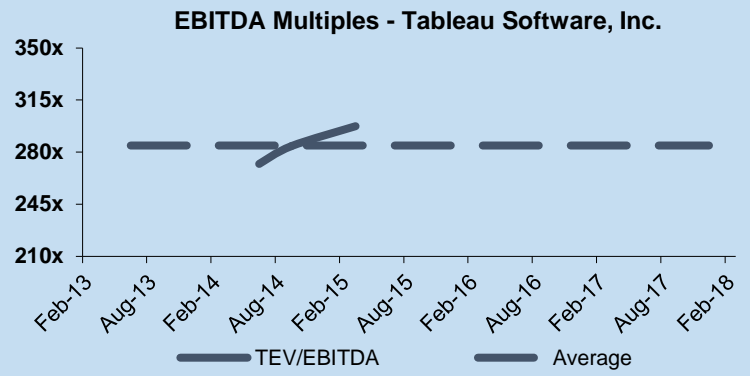
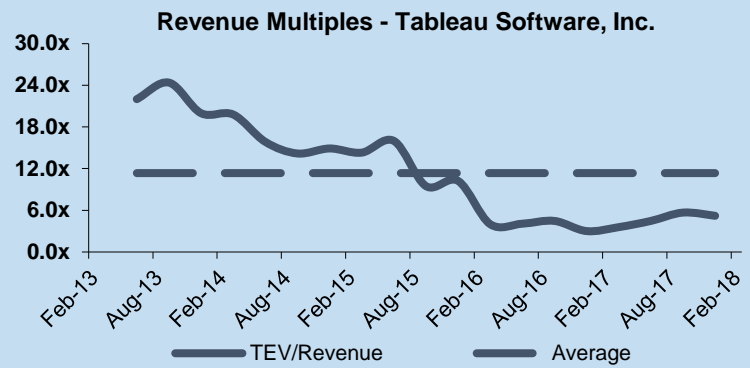


PUBLIC BASKET CONSTITUENTS

Tableau Software, Inc.

Tableau Software, Inc. provides business analytics software products. It offers Tableau Desktop, a self-service analytics product that empowers people to access and analyze data independently; and Tableau Server, a business intelligence platform with data management and scalability to foster sharing of analytics, as well as to improve the dissemination of information across an organization and promote improved decision-making. The company also provides Tableau Online, a hosted SaaS version of Tableau Server; and Tableau Public, a cloud-based platform that allows users of various backgrounds, such as bloggers, journalists, researchers, and government workers to visualize public data on their Websites. In addition, it offers Vizable that turns data into graphs, as well as allows it to be shared from an iPad; Live Query Engine, which interprets abstract queries generated by VizQL into syntax understandable by popular database systems; In-Memory data engine that allows to analyze large amounts of data independently of database systems; and maintenance and support, training, and professional services. The company serves organizations in various industries, including business services, energy and telecommunications, financial services, life sciences and healthcare, manufacturing and technology, media and entertainment, public sector, education, retail, consumer, and distribution industries. It sells its products directly, as well as through indirect sales channels, such as technology vendors, resellers, original equipment manufacturers, and independent software vendor partners in the United States, Australia, Canada, China, France, Germany, India, Ireland, Japan, Singapore, the United Kingdom, and internationally. Tableau Software, Inc. was founded in 2003 and is headquartered in Seattle, Washington.

Date	Key Development Headline
8/8/17	Tableau Software, Inc. (NYSE:DATA) acquired ClearGraph from RRE Ventures LLC, Great Oaks Venture Capital LLC and others.

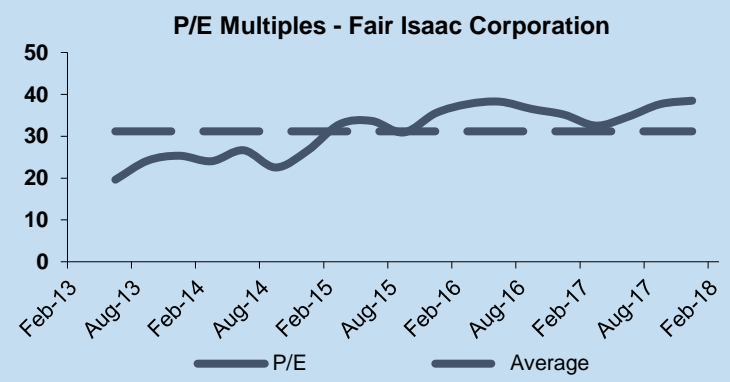
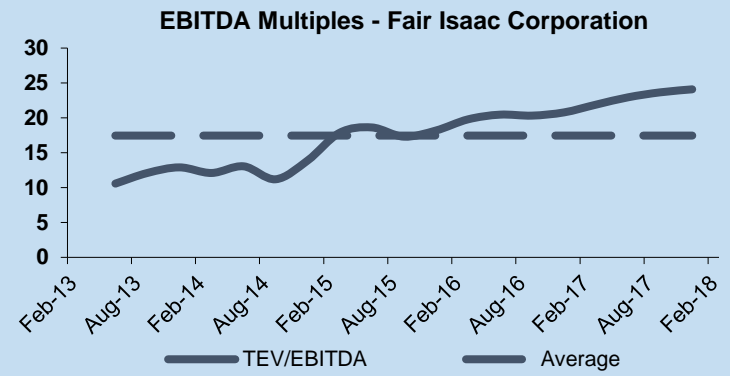
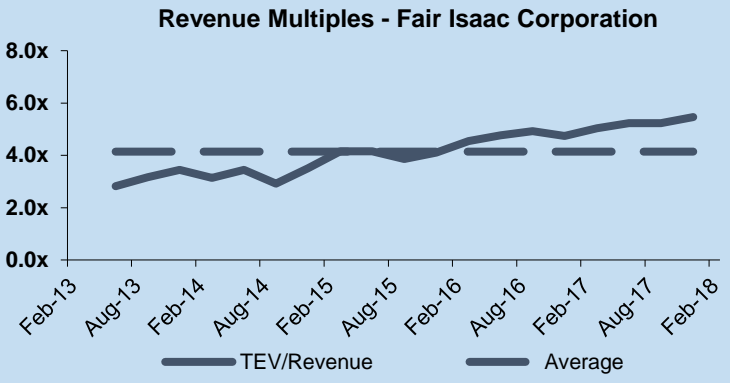


PUBLIC BASKET CONSTITUENTS

Fair Isaac Corporation

Fair Isaac Corporation develops analytic, software, and data management products and services that enable businesses to automate, enhance, and connect decisions. The company offers analytical solutions, credit scoring, and credit account management products and services to banks, credit reporting agencies, credit card processing agencies, insurers, retailers, healthcare organizations, and public agencies. It operates through three segments: Applications, Scores, and Decision Management Software. The Applications segment offers pre-configured decision management applications designed for various business problem or process, such as marketing, account origination, customer management, fraud, collection, and insurance claims management, as well as associated professional services. The Scores segment provides business-to-business scoring solutions and services, including myFICO solutions for consumers that give clients access to analytics to be integrated into their transaction streams and decision-making processes, as well as associated professional services. The Decision Management Software segment offers analytic and decision management software tools, as well as professional services. The company offers a portfolio of applications, tools, and services in the cloud to clients through its FICO Analytic Cloud, FICO Decision Management Suite, and FICO Decision Management Platform. Fair Isaac Corporation was founded in 1956 and is headquartered in San Jose, California.

Date	Key Development Headline
7/31/17	Fair Isaac Seeks Acquisitions

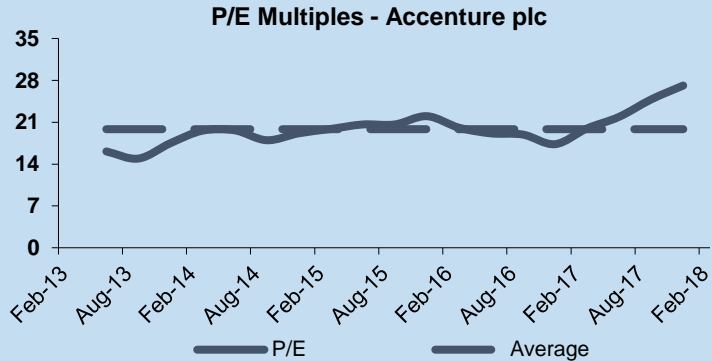
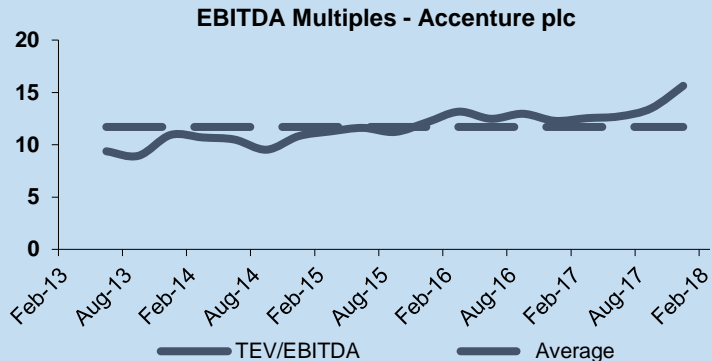
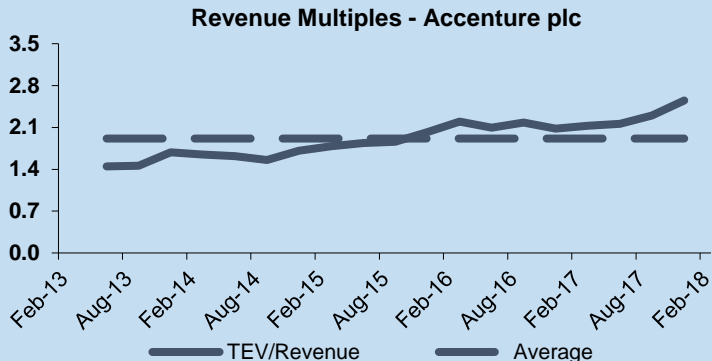


PUBLIC BASKET CONSTITUENTS

Accenture plc

Accenture plc provides consulting, technology, and outsourcing services worldwide. Its Communications, Media & Technology segment provides professional services that help clients accelerate and deliver digital transformation, and enhance business results through industry-specific solutions for communications, media, and high tech industries, as well as for software platforms. The company's Financial Services segment offers services that address profitability pressures, industry consolidation, regulatory changes, and the need to continually adapt to new digital technologies. This segment serves clients in banking, capital markets, and insurance industries. Its Health & Public Service segment provides research-based insights and offerings, including consulting services and digital solutions to help clients deliver social, economic, and health outcomes. This segment serves healthcare payers and providers, as well as government departments and agencies, public service organizations, educational institutions, and non-profit organizations. The company's Products segment helps clients enhance their performance in distribution, sales, and marketing; in research and development, and manufacturing; and in business functions, such as finance, human resources, procurement, and supply chain. Accenture plc was founded in 1989 and is based in Dublin, Ireland.

Date	Key Development Headline
2/18/18	Accenture plc (NYSE:ACN) completed the acquisition of MACKEVISION Medien Design GmbH from GIMV NV (ENXTBR:GIMB) and other shareholders.
2/10/18	Accenture Mulls Acquisitions

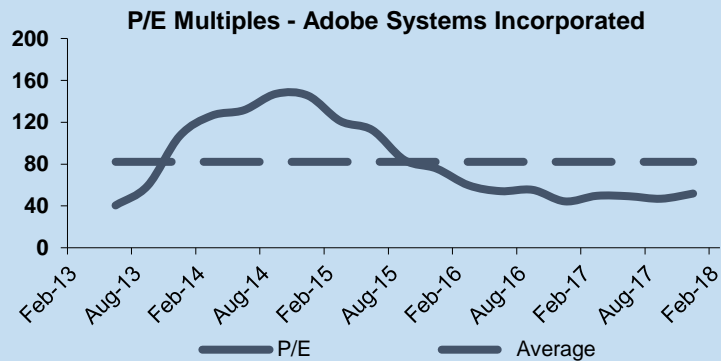
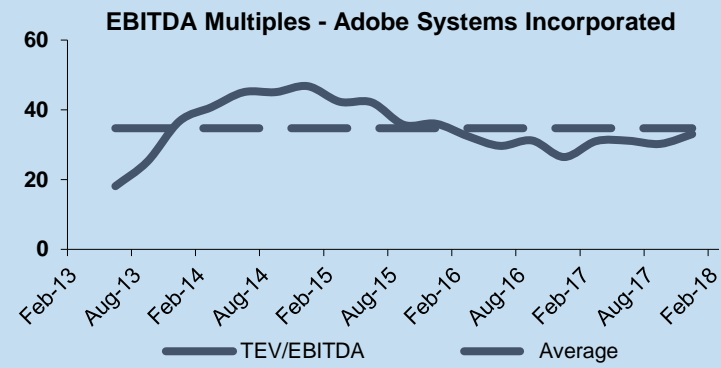
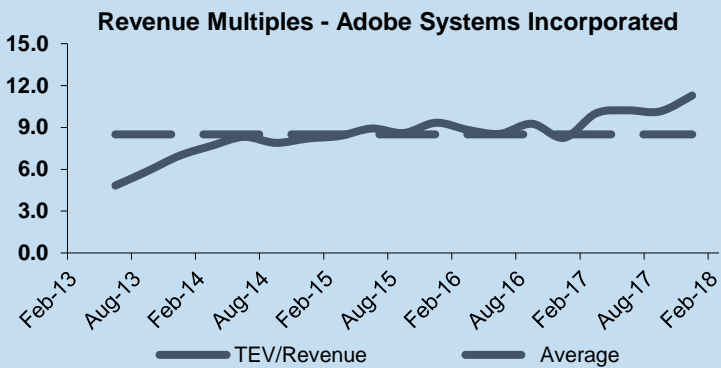


PUBLIC BASKET CONSTITUENTS

Adobe Systems Incorporated

Adobe Systems Incorporated operates as a diversified software company worldwide. Its Digital Media segment provides tools and solutions that enable individuals, small and medium businesses, and enterprises to create, publish, promote, and monetize their digital content. This segment's flagship product is Creative Cloud, a subscription service that allows customers to download and install the latest versions of its creative products. This segment serves traditional content creators, Web application developers, and digital media professionals, as well as their management in marketing departments and agencies, companies, and publishers. The company's Digital Marketing segment offers solutions for how digital advertising and marketing are created, managed, executed, measured, and optimized. This segment provides analytics, social marketing, targeting, advertising and media optimization, digital experience management, cross-channel campaign management, and audience management solutions, as well as video delivery and monetization to digital marketers, advertisers, publishers, merchandisers, Web analysts, chief marketing officers, chief information officers, and chief revenue officers. Its Print and Publishing segment offers products and services, such as eLearning solutions, technical document publishing, Web application development, and high-end printing, as well as publishing needs of technical and business, and original equipment manufacturers (OEMs) printing businesses. The company was founded in 1982 and is headquartered in San Jose, California.

Date	Key Development Headline
12/15/17	Adobe Systems Mulls Acquisitions
8/22/17	Hootsuite and Adobe Collaborate to Unlock the Value of Creative Content Across Social
6/21/17	Adobe Systems Incorporated (NasdaqGS:ADBE) acquired Mettler.

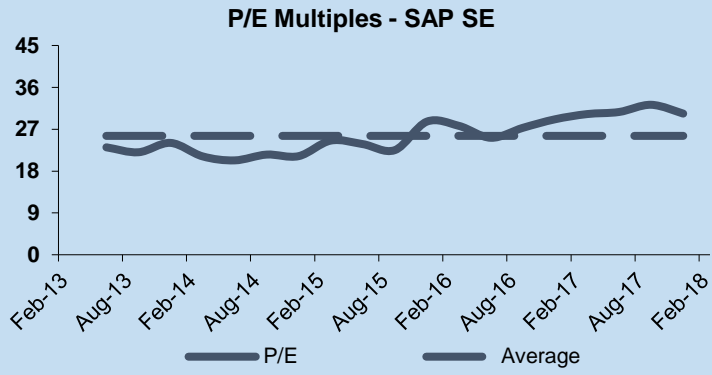
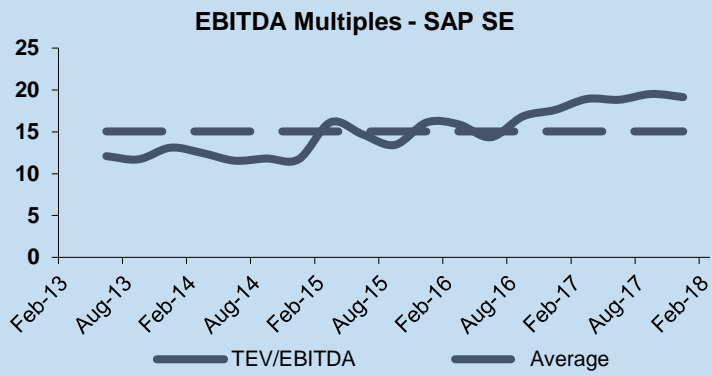
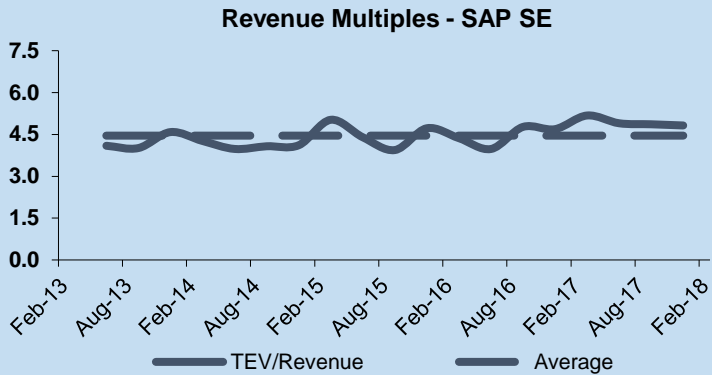


PUBLIC BASKET CONSTITUENTS

SAP SE

SAP SE operates as an enterprise application software and database company worldwide. It offers SAP HANA and SAP S/4HANA, which are in-memory computing platforms that store and process huge data, and eliminate the maintenance of separate legacy systems and siloed data; SAP BW/4HANA, a data warehouse software; SAP S/4HANA Cloud, a software-as-a-service solution that provides the scalability, ease of management, and security; SAP SuccessFactors, a suite of human capital management solutions to develop, manage, engage, and empower the workforce; SAP Concur, a travel and expense management solution; SAP Ariba, a guided buying, light enablement, and open platform solution; and SAP Fieldglass, a solution to procure and manage external workforce. SAP SE was founded in 1972 and is headquartered in Walldorf, Germany.

Date	Key Development Headline
2/12/18	SAP Seeks Acquisition
2/1/18	Virtual Power Systems Joins SAP and Schneider Electric to Prove Software-Defined Power Optimizes Energy Utilization in Data Centers and Clouds
11/14/17	EY Collaborates with SAP to Continue Advancement of Blockchain Deployment Across Industries Worldwide
10/9/17	VMware, Inc. Teams Up with SAP to Accelerate and Streamline Enterprise IoT Initiatives
8/29/17	BASF and SAP SE Bring Multiple Business Partners Together in Global Network for Technical Assets

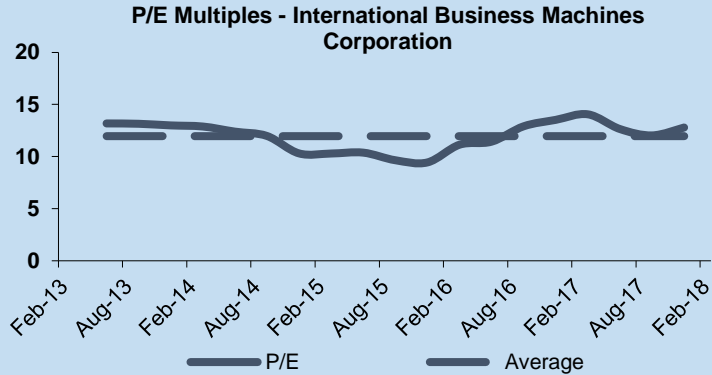
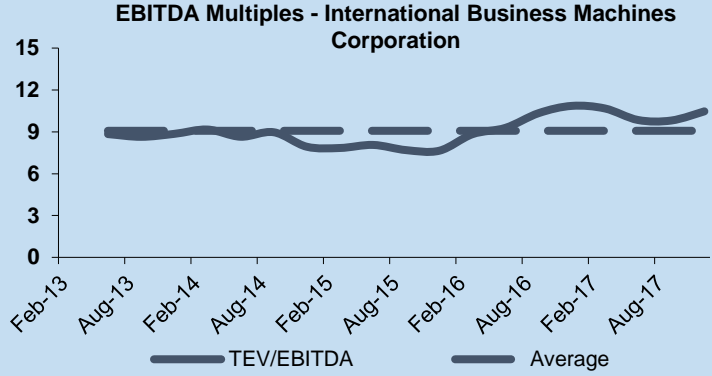
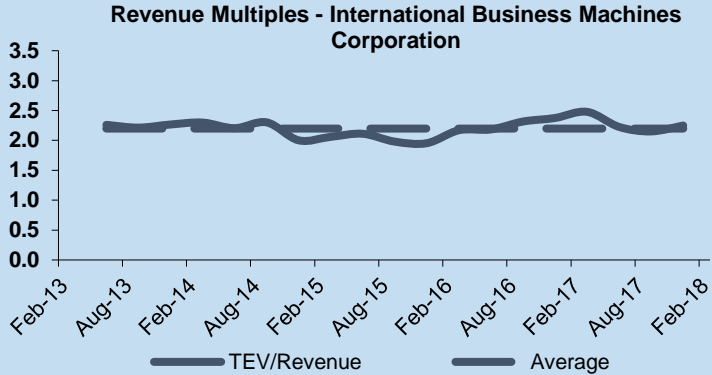


PUBLIC BASKET CONSTITUENTS

International Business Machines Corporation

International Business Machines Corporation provides information technology (IT) products and services worldwide. Its Cognitive Solutions segment includes Watson, a cognitive computing platform that interacts in natural language, processes big data, and learns from interactions with people and computers. The company's Cognitive Solutions segment also offers data and analytics solutions, including analytics and data management platforms, cloud data services, enterprise social software, talent management solutions, and solutions tailored by industry; and transaction processing software that runs mission-critical systems in banking, airlines, and retail industries. The company's Global Business Services segment offers business consulting services; delivers system integration, application management, maintenance, and support services for packaged software applications; and business process outsourcing services. The company was founded in 1910 and is headquartered in Armonk, New York.

Date	Key Development Headline
2/15/18	IBM and SpaceBelt Collaborate on Innovative Architecture for Secure Cloud Management and Storage in Space
2/11/18	Graph Blockchain Enters into Definitive Agreement to Develop Large Scale Graph Database and Blockchain Solution Prototype in Partnership with IBM
1/19/18	IBM and Salesforce Announces an Expansion of Their Strategic Partnership
1/16/18	Maersk and IBM to Form Joint Venture Applying Blockchain to Improve Global Trade and Digitize Supply Chains; Appoints Michael J. White as CEO of the New Company
10/4/17	Forensic Logic, Inc. acquired COPLINK Suite of Products from International Business Machines Corporation (NYSE:IBM).

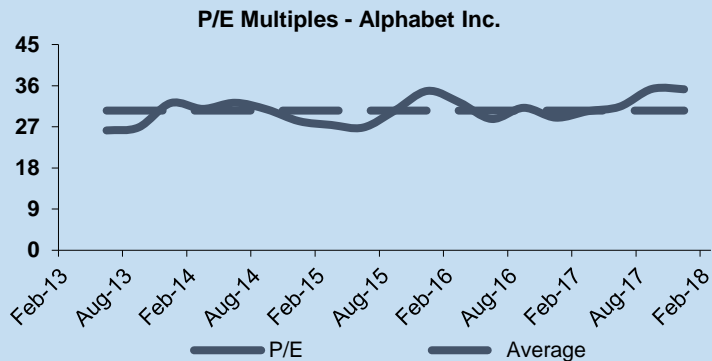
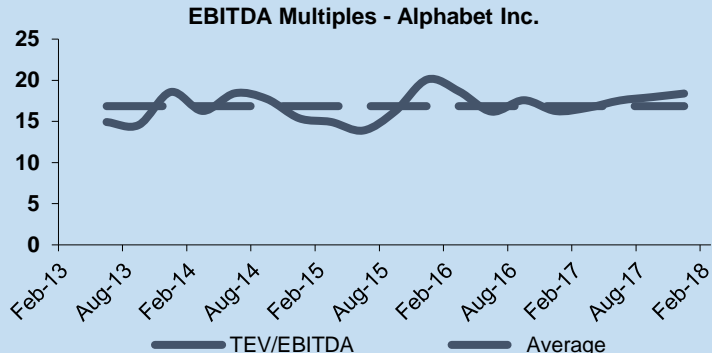
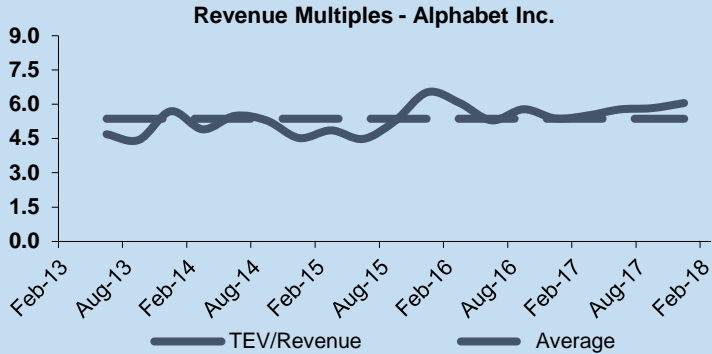


PUBLIC BASKET CONSTITUENTS

Alphabet Inc.

Alphabet Inc., through its subsidiaries, provides online advertising services in the United States, the United Kingdom, and rest of the world. The company offers performance and brand advertising services. It operates through Google and Other Bets segments. The Google segment includes principal Internet products, such as Search, Ads, Commerce, Maps, YouTube, Google Cloud, Android, Chrome, and Google Play, as well as technical infrastructure and newer efforts, including Virtual Reality. This segment also sells digital contents, apps and cloud offerings, and hardware products. The Other Bets segment includes businesses, such as Access, Calico, CapitalG, GV, Nest, Verily, Waymo, X, and Google Fiber. Alphabet Inc. was founded in 1998 and is headquartered in Mountain View, California.

Date	Key Development Headline
1/10/18	Alphabet Inc. (NasdaqGS:GOOGL) acquired NVF Tech Ltd. from Arie Ventures and others.
1/2/18	Microsoft Azure signed an agreement to acquire Avere Systems, Inc. from Menlo Ventures, Norwest Venture Partners, Alphabet Inc. (NasdaqGS:GOOGL), Lightspeed Venture Partners, Tenaya Capital Inc., Western Digital Capital and others.
10/8/17	Alphabet Inc. (NasdaqGS:GOOGL) acquired Relay Media, Inc.
9/7/17	Alphabet Seeks Acquisitions
8/15/17	Alphabet Inc. (NasdaqGS:GOOGL) acquired AIMATTER OOO from Haxus and others.



CONTACT INFORMATION

7MA provides Investment Banking & Advisory Services to the Business Services and Technology Industries globally. We advise on M&A and private capital transactions, and provide market assessments and benchmarking. As a close-knit team with a long history together and a laser focus on our target markets, we help our clients sell their companies, raise capital, grow through acquisitions, and evaluate new markets. Securities offered through 7M Securities LLC.

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