

Sectorwatch: Advanced Analytics

January 2019

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Overview

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

Dashboard

- Summary metrics on the sector
- Commentary on market momentum by comparing the most recent 12-month performance against the last 3-year averages.



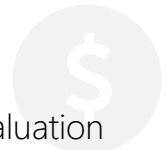
Public Basket Performance

- Summary valuation and operating metrics for a basket of comparable public companies



Valuation Comparison

- Graphical, detailed comparison of valuation multiples for the public basket



Recent Deals

- The most recently announced deals in the sector



Dashboard



Revenue Growth Momentum

↑ 0.08

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

Current revenue growth rate exceeds the average of the last 3 years by this amount, indicating that market momentum is increasing

Pricing / Gross Margin Momentum

↑ 3.3%

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

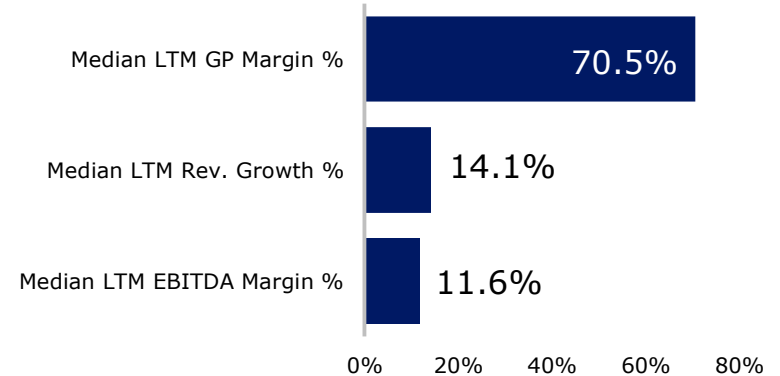
Profitability

↓ -2.7%

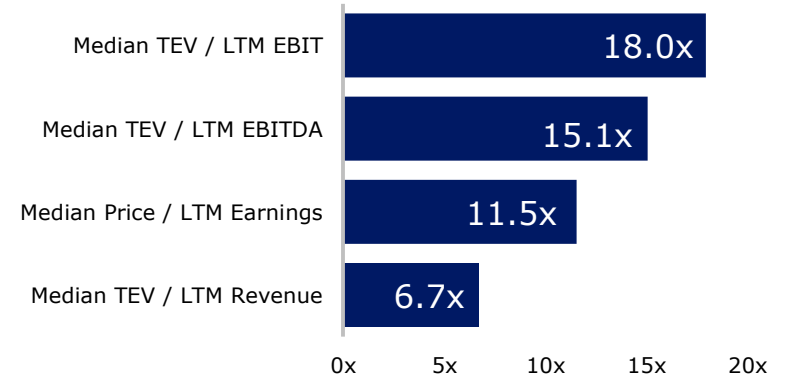
1 - year EBITDA % compared to EBITDA % average for last 3 years

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

Operating Metrics



Valuation



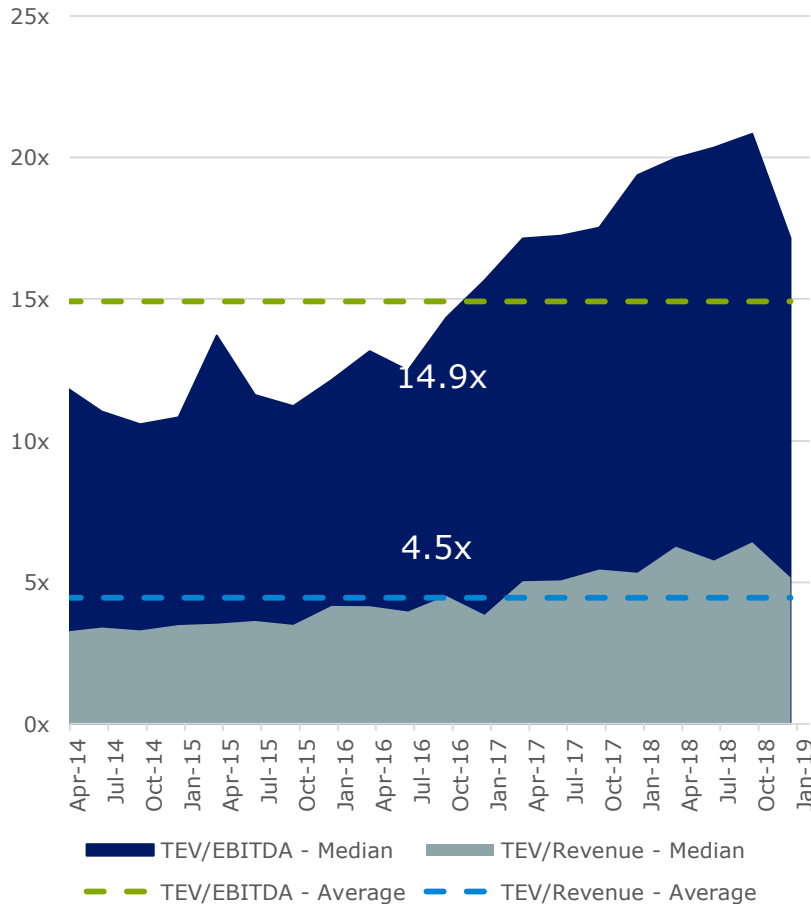
Public Basket



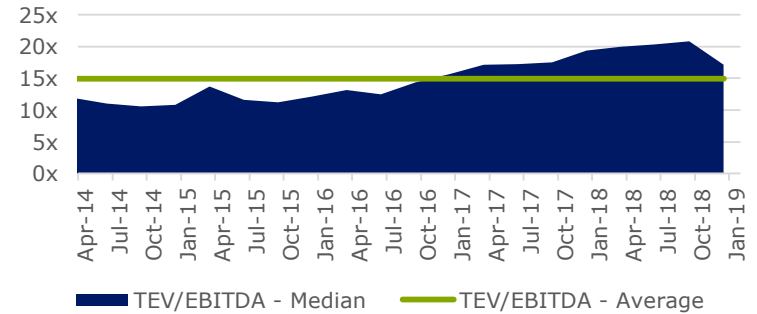
Company	TEV \$m	LTM Rev \$m	Rev Growth YoY	GP %	EBITDA %	TEV / Rev X	TEV / EBITDA X	# FTEs	Rev / FTE \$k
Cloudera, Inc.	3,051	435	29%	70%	-32%	7.0	0.0	1,648	264
Alteryx, Inc.	4,170	182	55%	88%	-7%	22.9	0.0	555	329
Teradata Corporation	4,932	2,202	2%	48%	7%	2.2	32.0	10,615	207
Fair Isaac Corporation	6,903	1,062	12%	71%	23%	6.7	29.5	2,400	443
Tableau Software, Inc.	9,218	1,068	22%	88%	-9%	8.6	0.0	3,489	306
Accenture plc	91,747	40,295	11%	31%	16%	2.3	14.0	459,000	88
SAP SE	128,913	28,289	5%	71%	31%	4.7	18.2	96,498	293
Microsoft Corporation	767,509	118,459	16%	65%	42%	6.7	16.1	131,000	904
Average	127,055	23,999	19%	66%	9%	7.6	13.7	88,151	354
Median	8,061	1,635	14%	71%	12%	6.7	15.1	7,052	300

share price as of 24Jan19

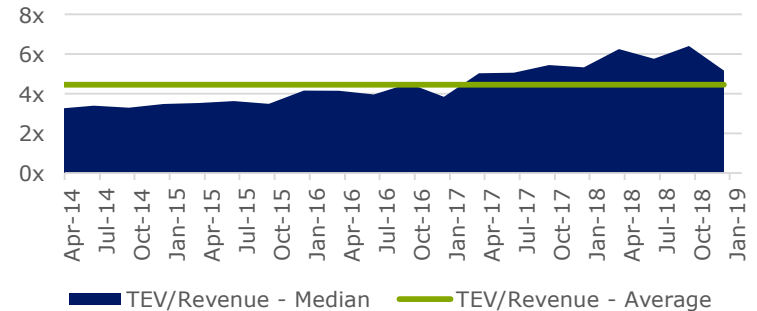
Public Basket Valuation Trends



Public EBITDA Multiples over Time



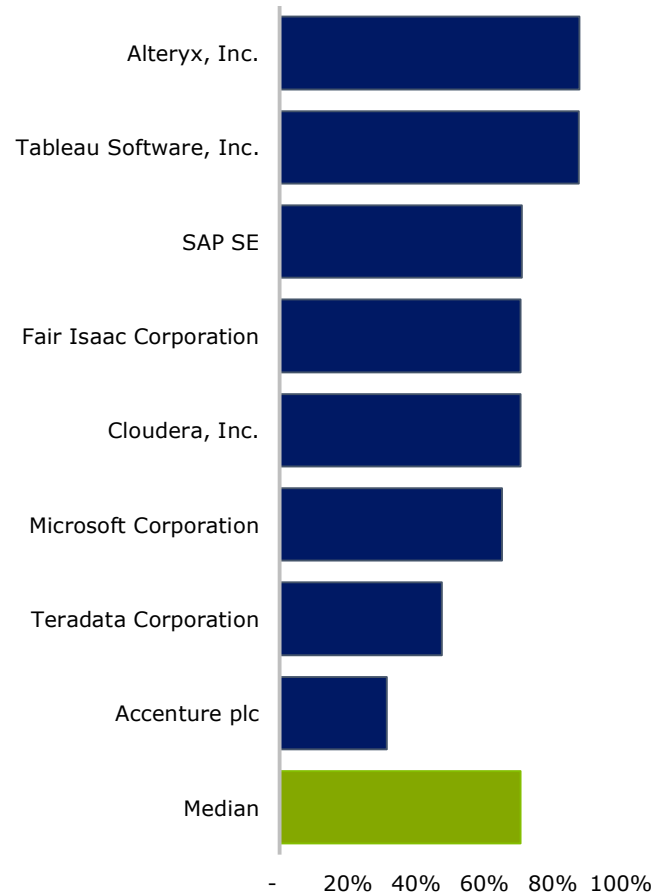
Public Revenue Multiples over Time



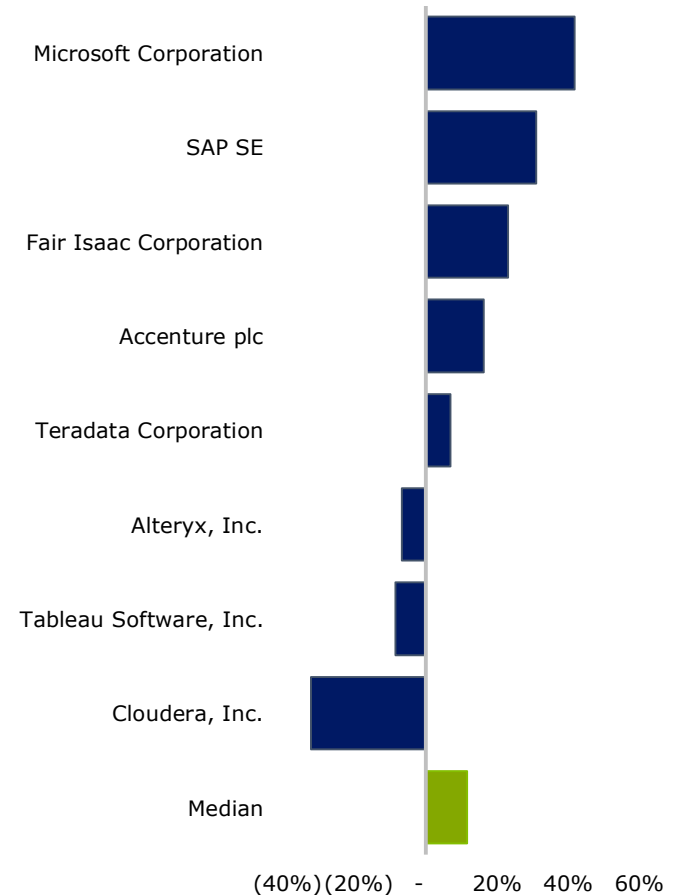
Operational Metrics



LTM Gross Profit Margin %



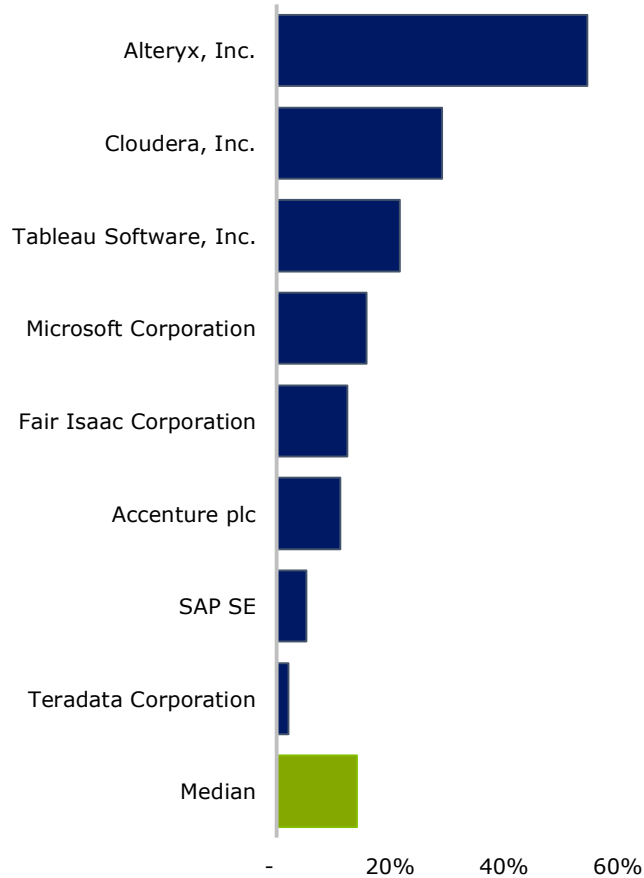
LTM EBITDA %



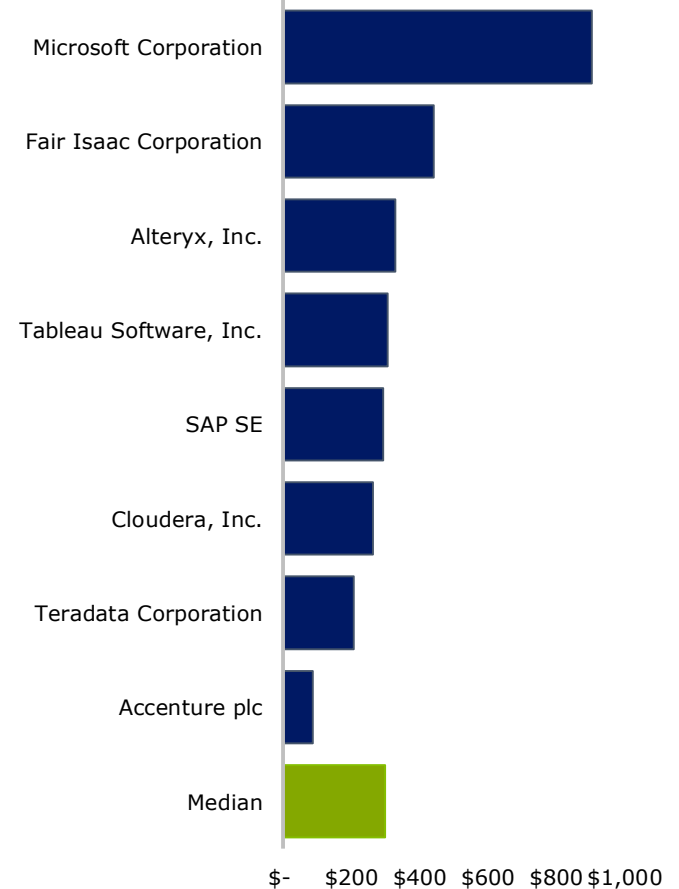
Operational Metrics



LTM Revenue Growth %



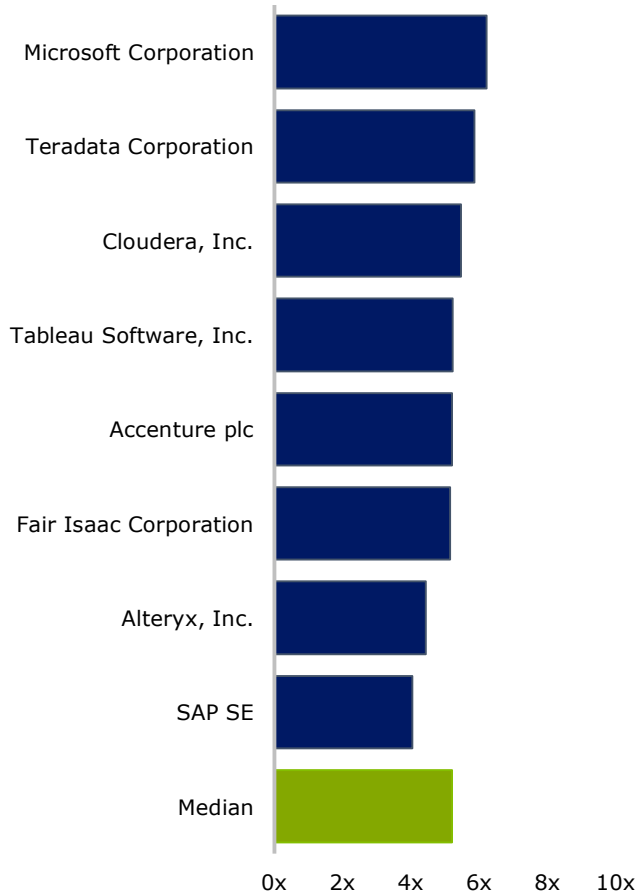
LTM Revenue per Full Time Employee x 000's



Operational Metrics



Accounts Receivable Turnover



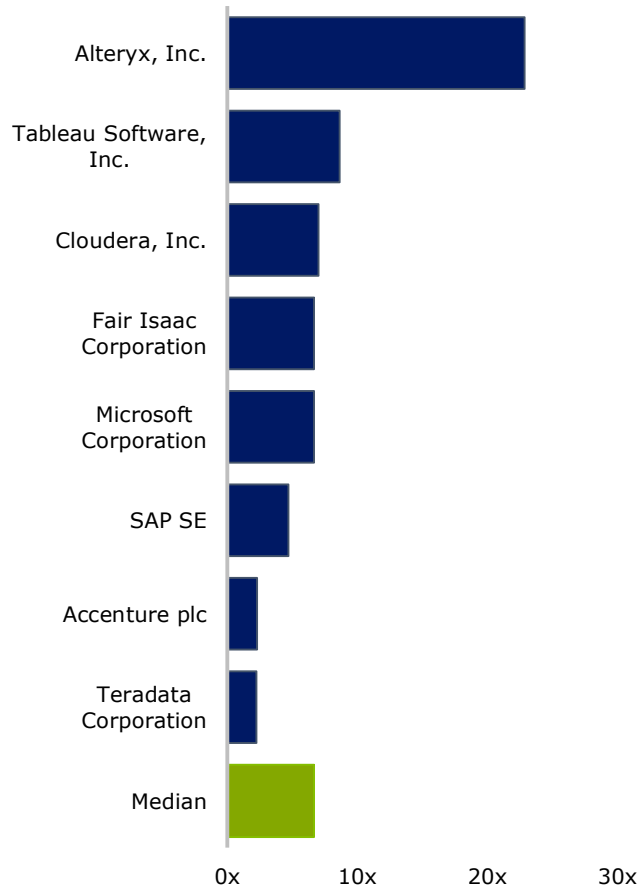
Average Days Sales Outstanding



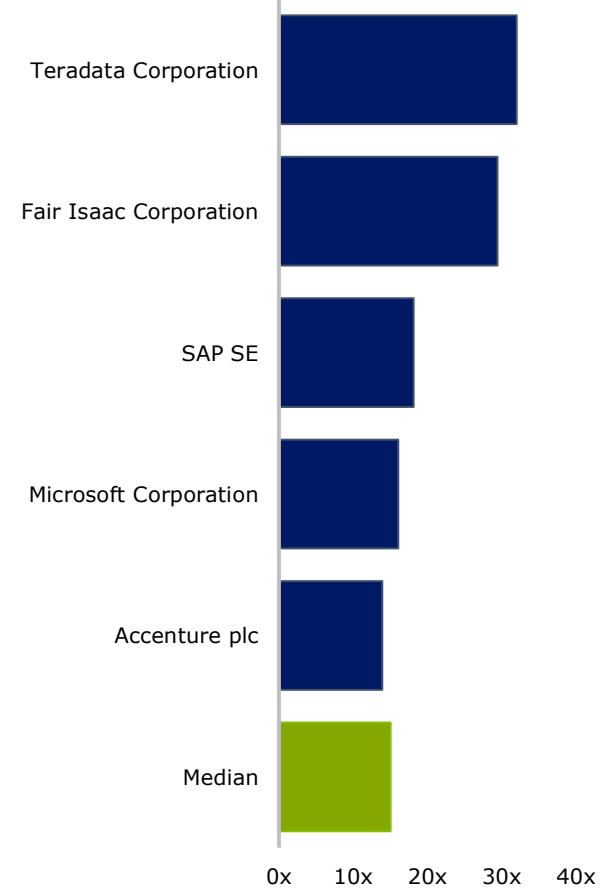
Valuation



TEV / LTM Revenue



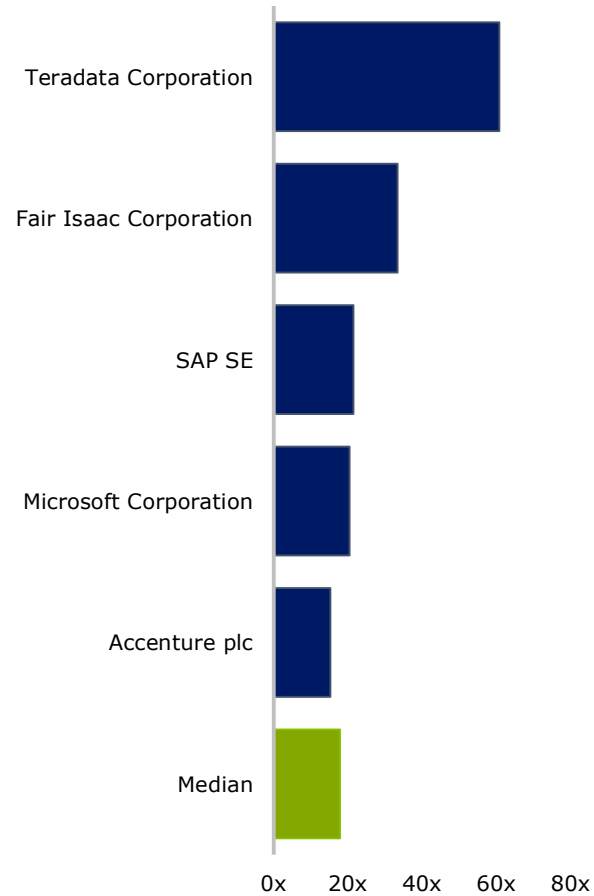
TEV / LTM EBITDA



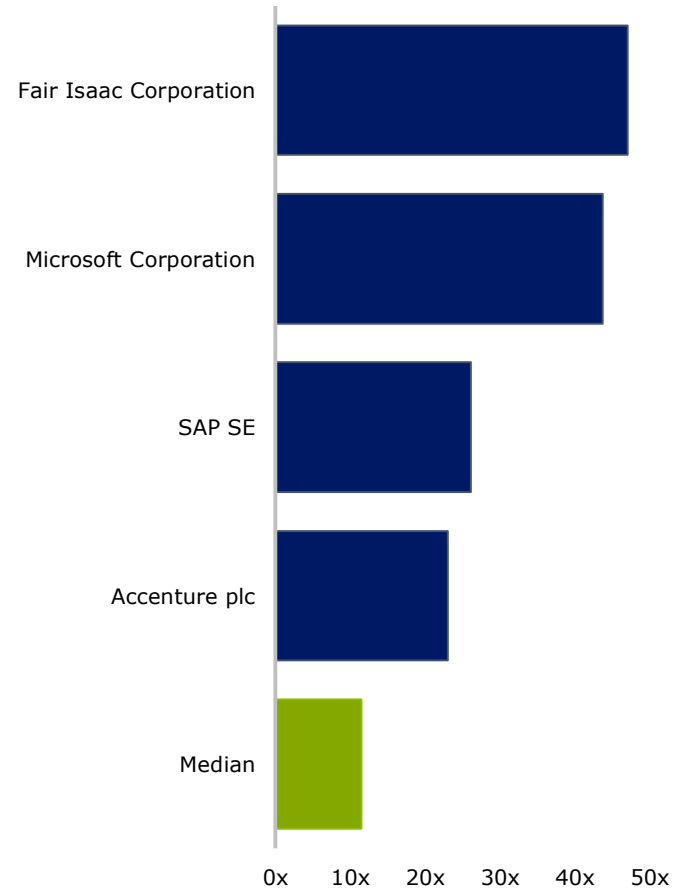
Valuation



TEV / LTM EBIT



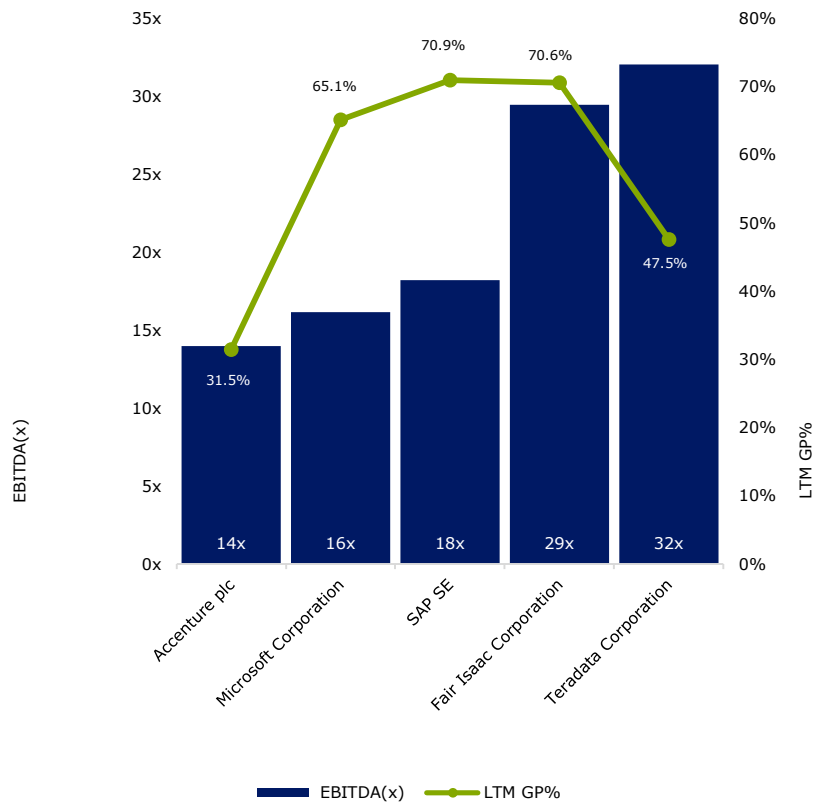
Price / LTM Earnings



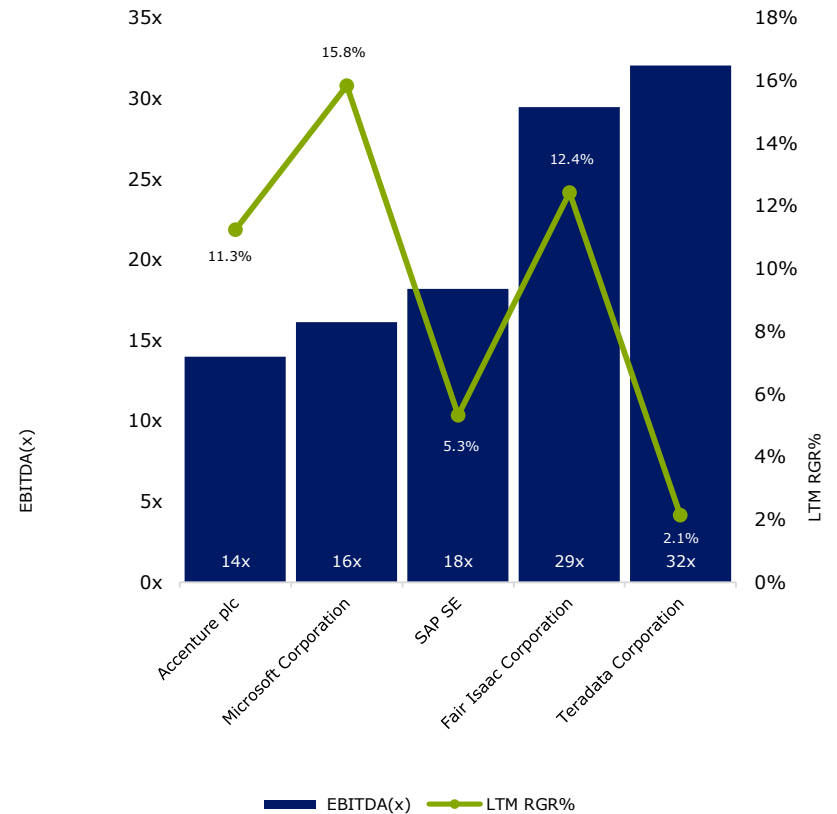
Valuation



Historical Valuation Multiples versus Gross Profit



Historical Valuation Multiples versus Revenue Growth Rate



Recent Transactions



Date	Target	Buyer / Investor	Total Transaction Value	Target Revenue	TEV / Revenue	TEV / EBITDA
29Jan19	T-PRO Solutions, LLC	Blacksmith Applications, Inc.	-	-	-	-
8Jan19	Reach Analytics LLC	Data Decisions Group, LLC	-	-	-	-
7Jan19	Leo Enterprises Inc.	DS Co.	-	-	-	-
11Dec18	IQMS Inc.	Dassault Systèmes SE	425.00	56.00	7.6x	-
22Nov18	Noah Data Technologies Inc.	Indium Software, Inc.	-	-	-	-
8Oct18	Qlouder B.V.	Cloud Technology Solutions Ltd	-	-	-	-
21Aug18	Predikto, Inc.	United Technologies Corporation	-	-	-	-
30Mar18	PeopleDoc SAS	The Ultimate Software Group, Inc.	-	-	-	-
30Jun18	Sift Security, Inc.	Netskope, Inc.	-	-	-	-
21Jun18	Shape Analytics	Reflektive, Inc.	-	-	-	-
23May18	Evolusys SA	Bechtle AG	-	5.03	-	-
15May18	Cyient Insights Private Limited	Cyient Limited	0.52	1.96	0.5x	-
14Mar18	Avarea Oy	Digia Oyj	-	4.44	-	-
10Jan18	CBIG Consulting, LLC	Trianz Holdings Pvt. Limited	-	-	-	-
14Dec17	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	-	-	-

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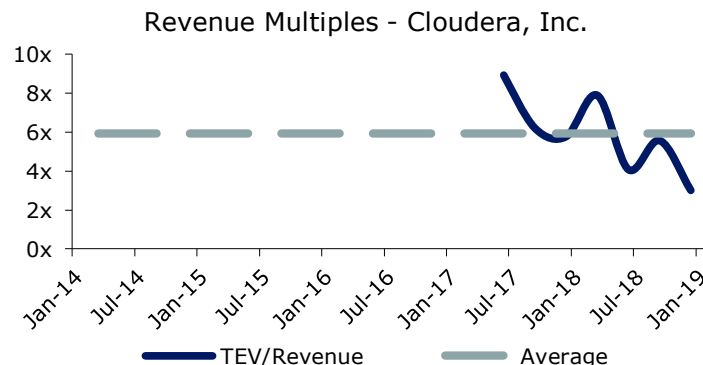
APPENDIX: Public Basket Constituents

Public Basket



Cloudera, Inc.

Cloudera, Inc. provides platform for machine learning and analytics in the United States, Europe, and Asia. The company operates through two segments, Subscription and Services. Its platform delivers an integrated suite of capabilities for data management, machine learning, and analytics to customers for transforming their businesses. The company provides Cloudera Enterprise Data Hub that allows companies to execute various analytic functions against a shared set of governed and secured data in public and private clouds, and data centers; Cloudera Data Science and Engineering enables users to streamline, simplify, and scale big data processing; Cloudera Operational DB that enables stream processing and real-time analytics on continuously changing data; Cloudera Analytic DB optimizes enterprise data warehouses; and Cloudera Essentials. It also offers Cloudera Altus, a platform-as-a-service offering; Cloudera Data Science Workbench that enables self-service data science for the enterprise; Cloudera Fast Forward Labs, which delivers applied research in machine learning and artificial intelligence to its customers; and Cloudera SDX, a modular software framework that enables its customers to have a shared data experience. Cloudera, Inc. was founded in 2008 and is headquartered in Palo Alto, California.



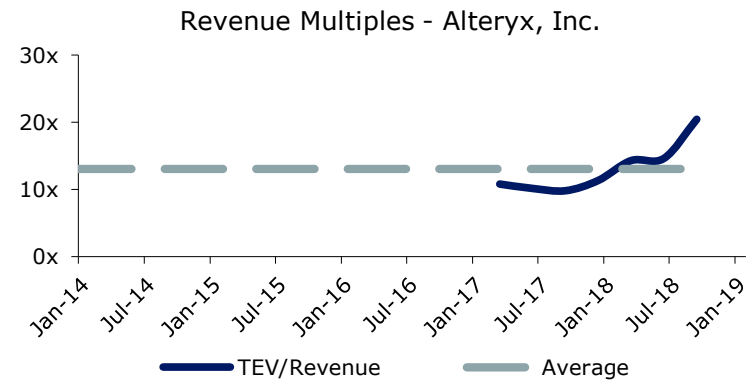
Date	Key Development Headline
1/2/19	Cloudera, Inc. (NYSE:CLDR) completed the acquisition of Hortonworks, Inc. (NasdaqGS:HDP) in a merger of equals.

Public Basket



Alteryx, Inc.

Alteryx, Inc. operates a self-service data analytics software platform that enables organizations to enhance business outcomes and the productivity of their business analysts. Its software platform includes Alteryx Designer for data preparation, blending, and analytics that could be deployable in the cloud and on premise; Alteryx Server, a secure and scalable server-based product for scheduling, sharing, and running analytic processes and applications in a Web-based environment; Alteryx Connect, a collaborative data exploration platform for discovering information assets and sharing recommendations across the enterprise; Alteryx Promote, an analytics model management product for data scientists and analytics teams to build, manage, monitor, and deploy predictive models to production; and Alteryx Analytics Gallery, a cloud-based collaboration offering that allows users to share workflows in a centralized repository. The company also provides technical support, instruction, and customer services. Alteryx, Inc. was founded in 1997 and is headquartered in Irvine, California.



Date	Key Development Headline
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5/14/18	Alteryx Mulls Acquisitions
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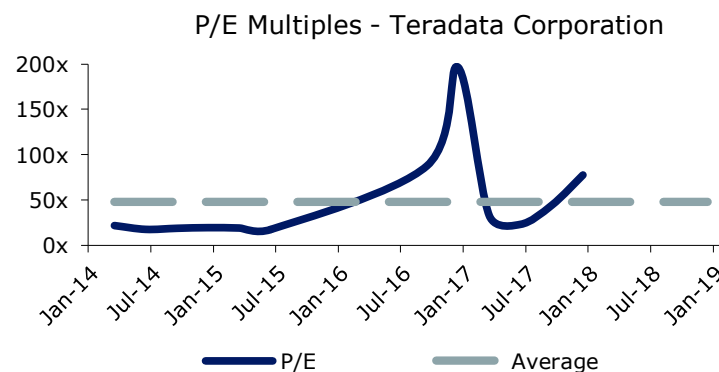
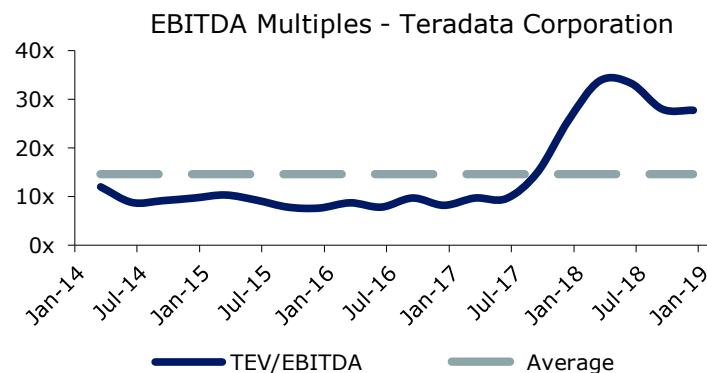
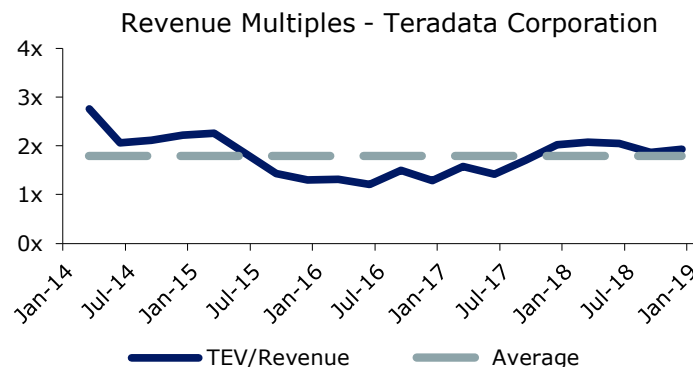
Public Basket



Teradata Corporation

Teradata Corporation provides analytic data solutions and related services worldwide. The company operates through Americas Data and Analytics, and International Data and Analytics segments. Its analytic data solutions comprise software, hardware, and related business consulting and support services. The company offers Teradata IntelliCloud, an as-a-service solution for the management of performance, security, availability and operations; Teradata Analytics Platform, an integrated data warehouse engine that allow access to the analytic functions and analytic engines; Business Analytics Consulting and Solutions, which engages with business users through solution-based selling; and Ecosystem Architecture Consulting that enable customers to build an optimized analytical ecosystems. It serves various industries comprising communications, ecommerce, financial services, government, gaming, healthcare, insurance, manufacturing, media and entertainment, oil and gas, retail, travel and transportation, and utilities. Teradata Corporation was founded in 1979 and is headquartered in San Diego, California.

Date	Key Development Headline
3/5/18	Teradata Unlocks IoT Value for Smart Cities with Cisco Integration
2/14/18	Teradata Mulls Acquisitions



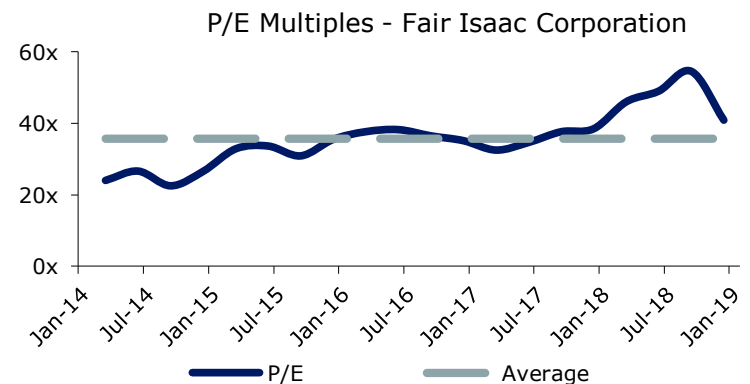
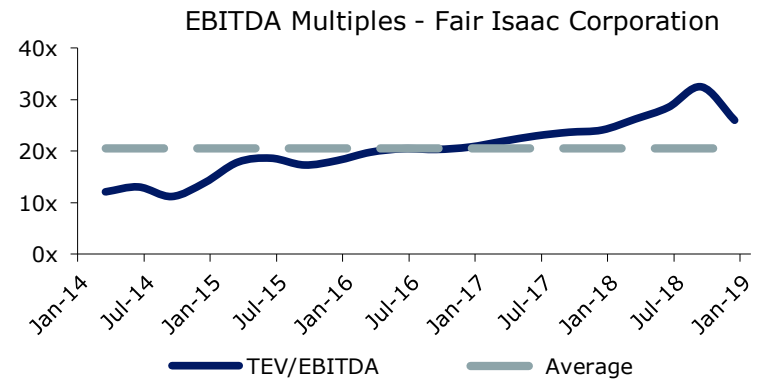
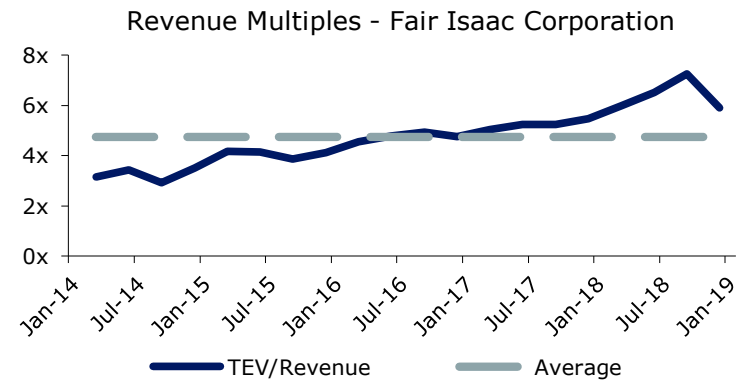
Public Basket



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. Fair Isaac Corporation was founded in 1956 and is headquartered in San Jose, California.

Date	Key Development Headline
12/11/18	Fair Isaac Corporation (NYSE:FICO) acquired GoOn - Evolucao em Gestao de Riscos Ltda.
7/26/18	Fair Isaac Seeks Acquisitions

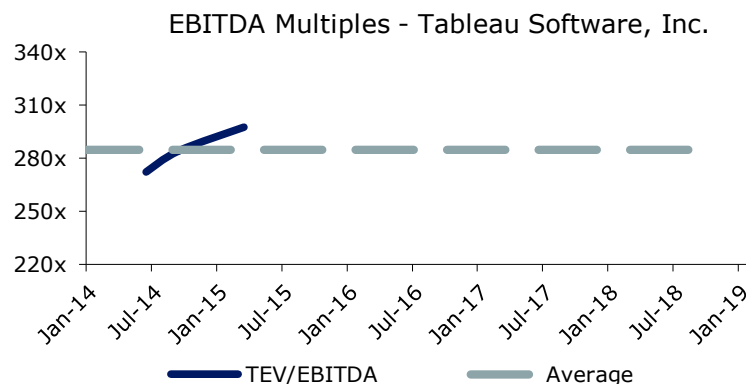
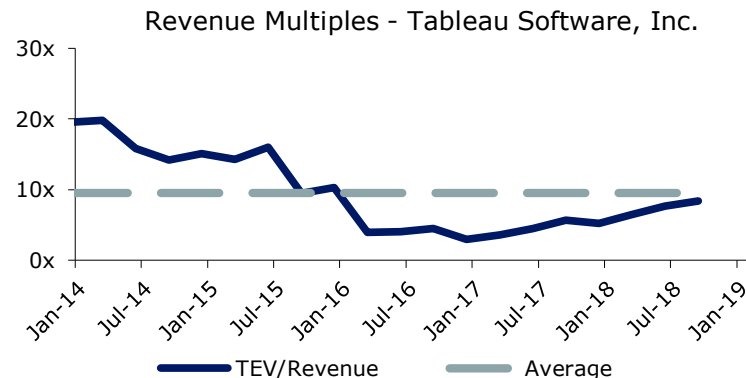


Public Basket



Tableau Software, Inc.

Tableau Software, Inc. provides business analytics software products. It offers Tableau Desktop, an analytics product that empowers people to access and analyze data; and Tableau Server, a business intelligence platform with data management and scalability to foster sharing of analytics, as well as to enhance the dissemination of information in an organization and promote decision-making. The company also provides Tableau Online, a hosted software-as-a-service version of Tableau Server; and Tableau Public, a cloud-based platform that allows various users, such as bloggers, journalists, researchers, and government workers to visualize public data on their Websites. In addition, it offers Visual Query Language (VizQL) for databases, which is a computer language for describing pictures of data, including graphs, charts, maps, time series, and tables of visualizations; Live Query Engine that interprets abstract queries generated by VizQL into syntax understandable by various database systems. Tableau Software, Inc. was founded in 2003 and is headquartered in Seattle, Washington.



Date **Key Development Headline**

6/12/18 Tableau Software, Inc. (NYSE:DATA) acquired Empirical Systems, Inc.

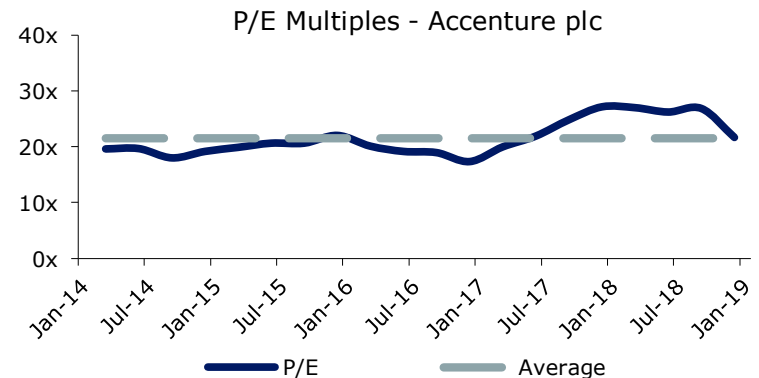
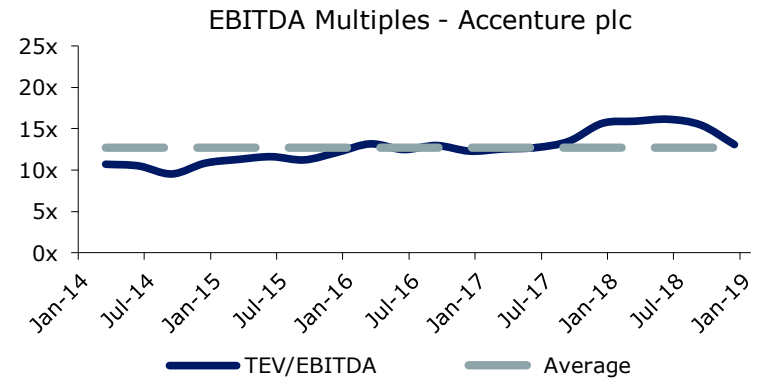
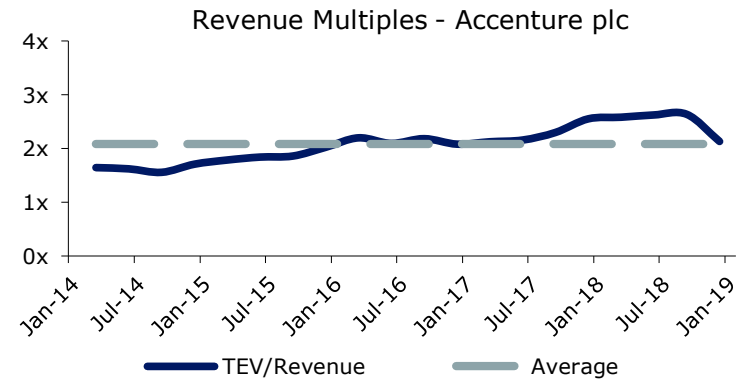
Public Basket



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. Accenture plc was founded in 1989 and is based in Dublin, Ireland.

Date	Key Development Headline
1/16/19	Accenture plc (NYSE:ACN) completed the acquisition of Knowledge Group Inc.
1/8/19	Accenture plc (NYSE:ACN) agreed to acquire Orbium Holding Ag.
12/19/18	Accenture plc (NYSE:ACN) entered into an agreement to acquire Knowledge Group Inc.
12/19/18	Accenture plc (NYSE:ACN) acquired Adaptly Inc.
12/12/18	Accenture plc Enters into an Agreement to Form a Strategic Alliance with Zafin Global Holdings Corp



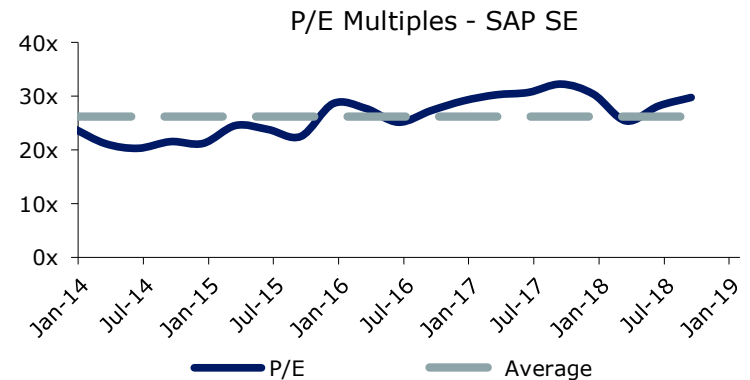
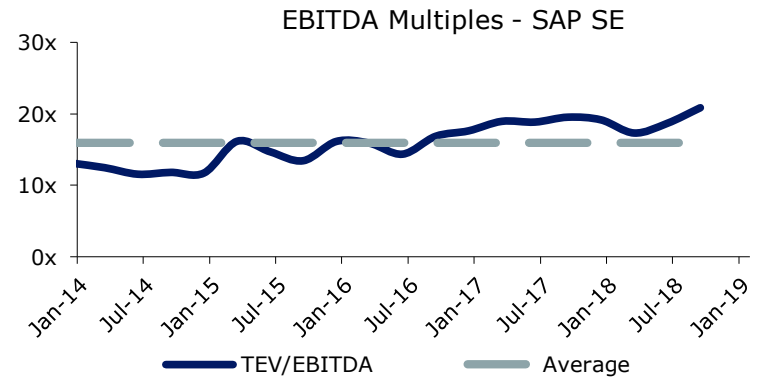
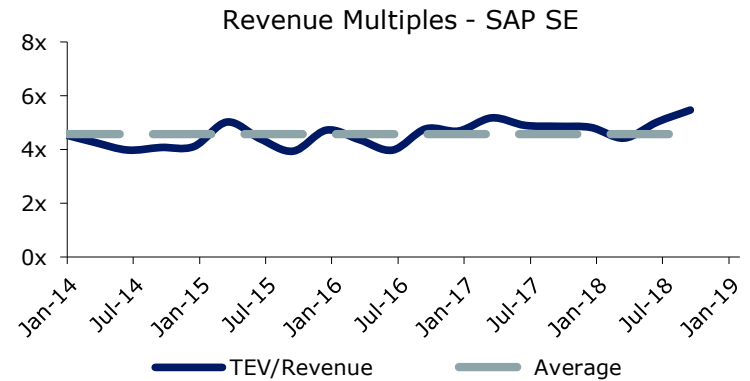
Public Basket



SAP SE

SAP SE operates as an enterprise application software, and analytics and business intelligence company worldwide. It offers SAP HANA, which enables businesses to process and analyze live data; SAP Data Hub, a solution that enables businesses to manage data from various sources; SAP Cloud Platform, which enables businesses to connect and integrate applications; SAP BW/4HANA, a data warehouse solution; SAP Leonardo, a system that enables customers to make business sense and opportunity of disruptive technologies; and SAP Analytics Cloud, which leverages the intersection of business intelligence, planning, and predictive analytics. SAP SE was founded in 1972 and is headquartered in Walldorf, Germany.

Date	Key Development Headline
12/17/18	SAP and Software AG Launch Joint Platform for Smart Cities
12/17/18	Litton Signs a Co-Innovation Agreement with SAP SE
11/20/18	Tata Consultancy Services Partners with SAP to Build Intelligent Rail Digital Maintenance
11/18/18	SAP SE (DB:SAP) acquired Contextor SAS.
11/16/18	SAP To Seek Acquisitions



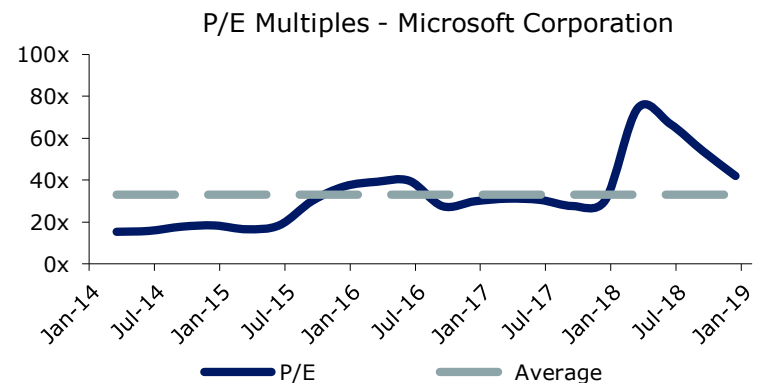
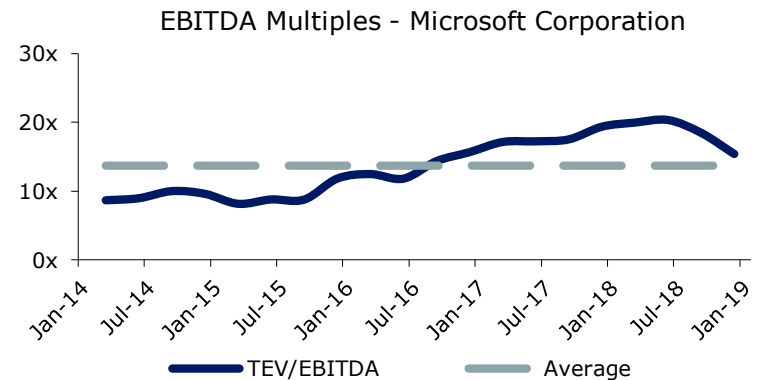
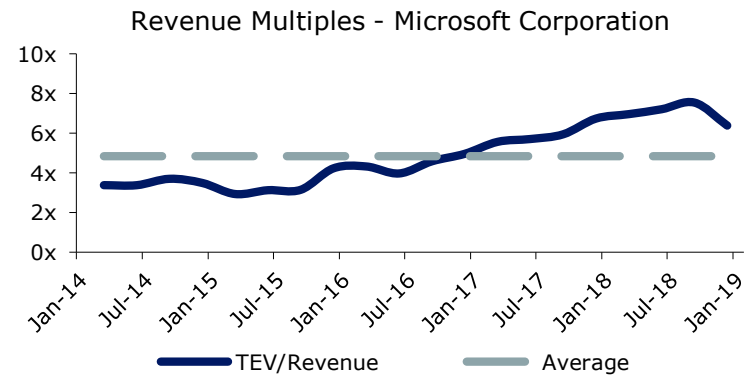
Public Basket



Microsoft Corporation

Microsoft Corporation develops, licenses, and supports software products, services, and devices worldwide. The company's Productivity and Business Processes segment offers Office 365 commercial products and services for businesses, including Office, Exchange, SharePoint, Skype for Business, and related Client Access Licenses (CALs); Office 365 consumer services, such as Skype, Outlook.com, and OneDrive; Dynamics business solutions, such as financial management, enterprise resource planning, customer relationship management, supply chain management, and analytics applications for small and mid-size businesses, large organizations, and divisions of enterprises; and LinkedIn online professional network. The company was founded in 1975 and is headquartered in Redmond, Washington.

Date	Key Development Headline
1/15/19	Walgreens Boots Alliance and Microsoft Establish Strategic Partnership to Transform Health Care Delivery
1/9/19	ZF Expands Partnership with Microsoft to Develop Digital Services
1/8/19	Hill-Rom Holdings, Inc. Announces Collaboration with Microsoft
1/1/19	Stingray Digital Group Inc. (TSX:RAY.A) cancelled the acquisition of Music Choice, Inc. from Charter Communications, Comcast Corp., Cox Communications, Sony Corporation of America, AT&T Inc., WarnerMedia, Arris International PLC, and Microsoft Corp.
12/3/18	Mastercard and Microsoft Join Forces to Advance Digital Identity Innovations



CONTACT INFO

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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