



Sectorwatch: Advanced Analytics

March 2020

Advanced Analytics

March 2020

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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

↑4.8%

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

↑0.0%

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

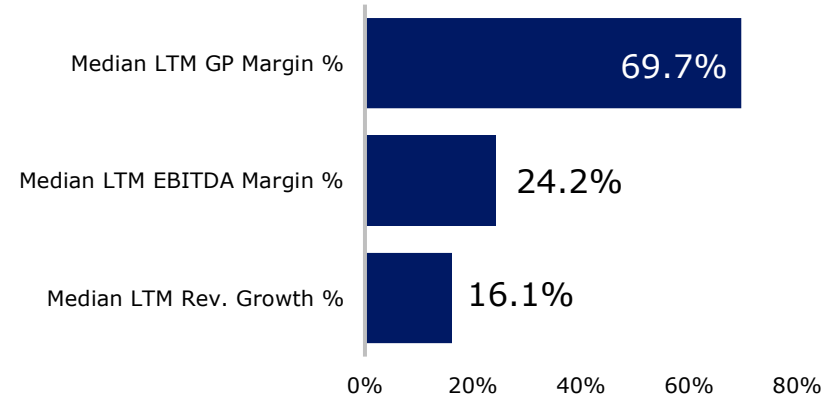
Profitability Momentum

↑1.5%

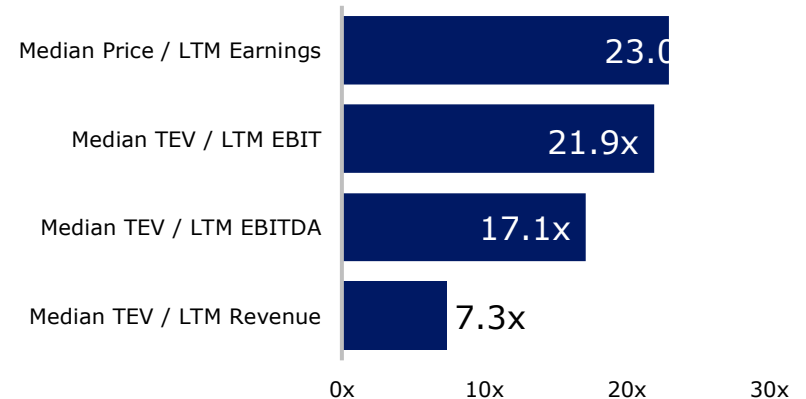
1 - year EBITDA % compared to EBITDA % average for last 3 years

Current EBITDA margin exceeds the average of the last 3 years EBITDA margin by this amount, a condition that may attract new entrants

Operating Metrics



Valuation



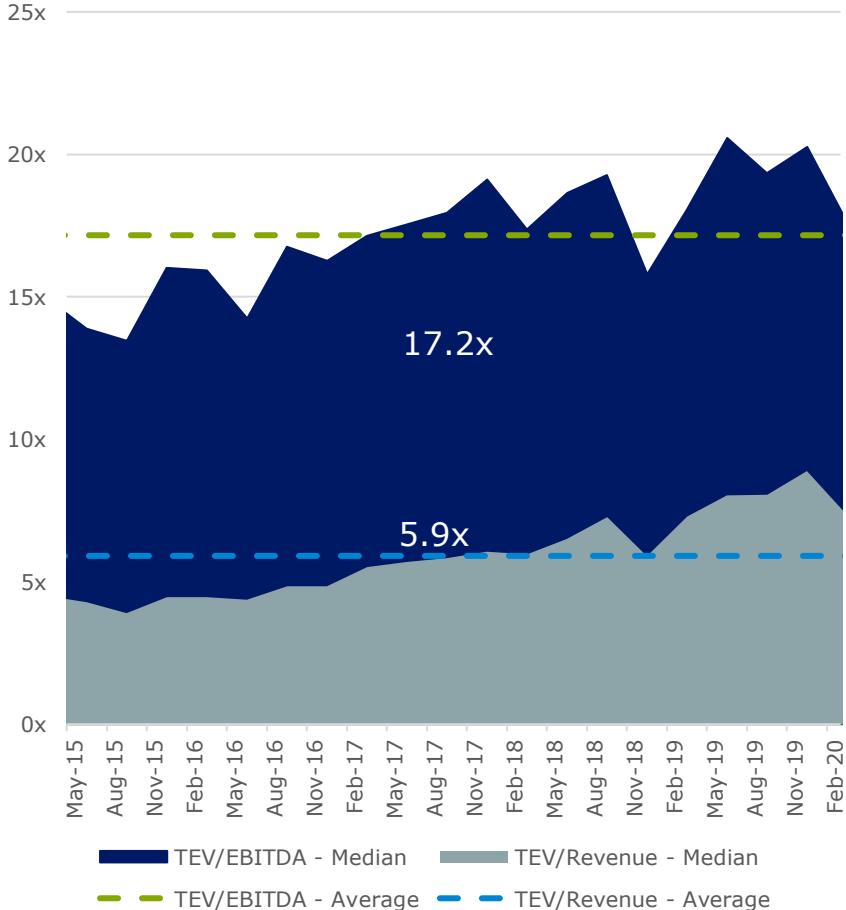
Public Basket



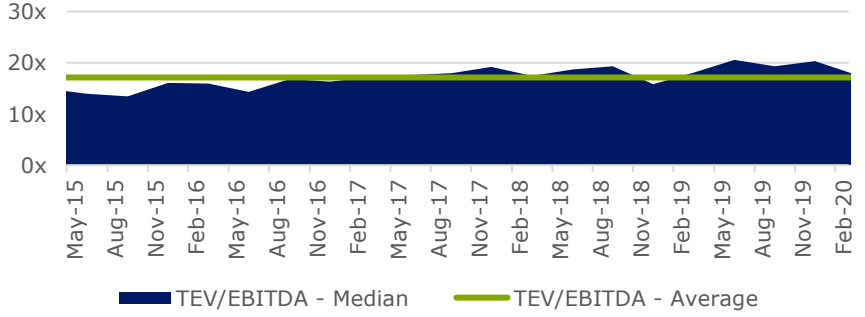
Company	TEV \$m	LTM Rev \$m	Rev Growth YoY	GP %	EBITDA %	TEV / Rev X	TEV / EBITDA X	# FTEs	Rev / FTE \$k
Alteryx, Inc.	6,701	418	65%	91%	11%	16.0	117.9	1,291	324
Fair Isaac Corporation	8,762	1,196	16%	71%	24%	7.3	30.3	2,585	463
Splunk Inc.	19,083	2,359	31%	82%	-9%	8.1	0.0	6,000	393
Accenture plc	98,334	44,656	6%	31%	16%	2.2	12.9	492,000	91
SAP SE	138,993	30,920	12%	70%	24%	4.7	18.1	100,330	308
Adobe Inc.	150,353	11,661	22%	85%	35%	12.9	36.9	22,634	515
International Business Machines Corporation	153,143	77,147	-3%	47%	22%	2.0	8.0	352,600	219
Alphabet Inc.	674,450	161,857	18%	56%	30%	4.2	13.4	118,899	1,361
Microsoft Corporation	1,081,197	134,249	13%	68%	46%	8.1	17.1	144,000	932
Average	259,002	51,607	20%	67%	22%	7.3	28.3	137,815	512
Median	138,993	30,920	16%	70%	24%	7.3	17.1	100,330	393

share price as of 25Mar20

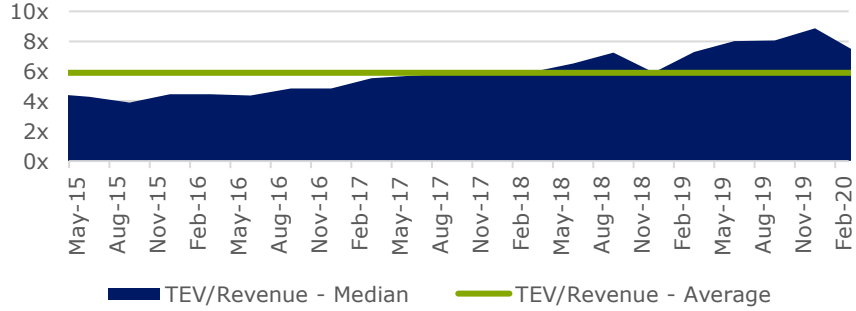
Public Basket Valuation Trends



Public EBITDA Multiples over Time



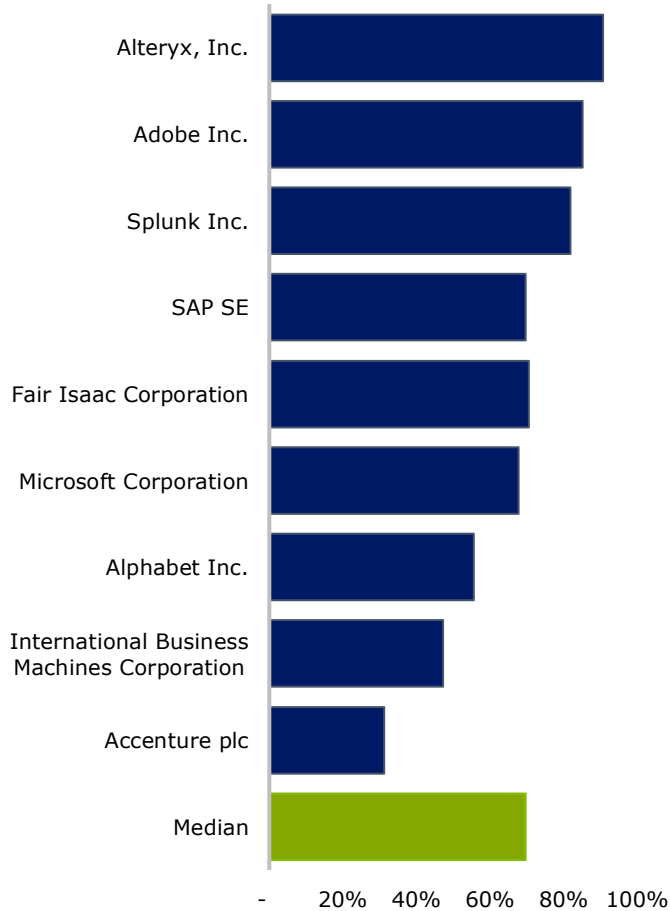
Public Revenue Multiples over Time



Operational Metrics



LTM Gross Profit Margin %



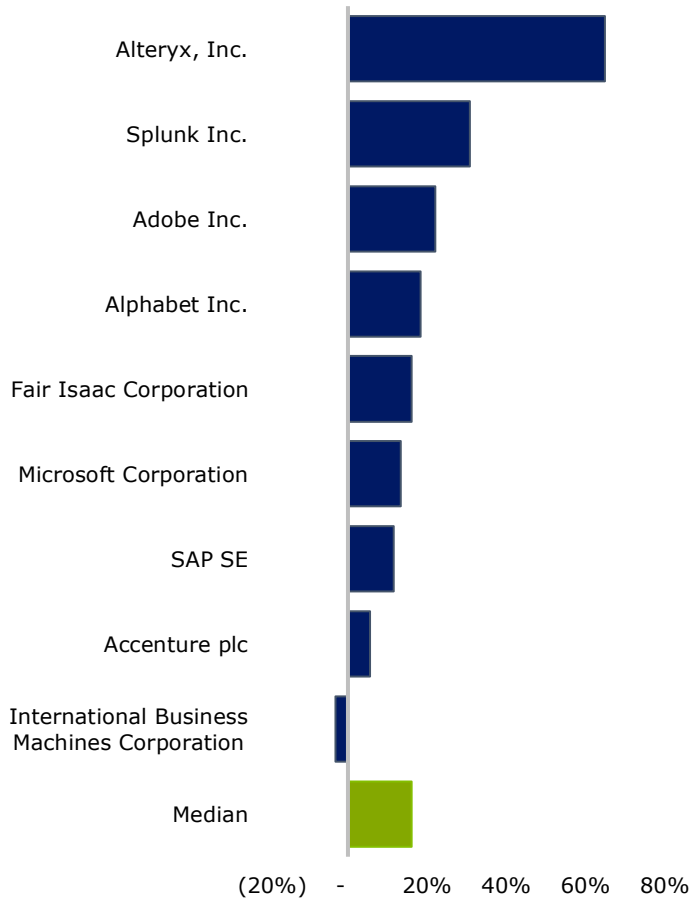
LTM EBITDA %



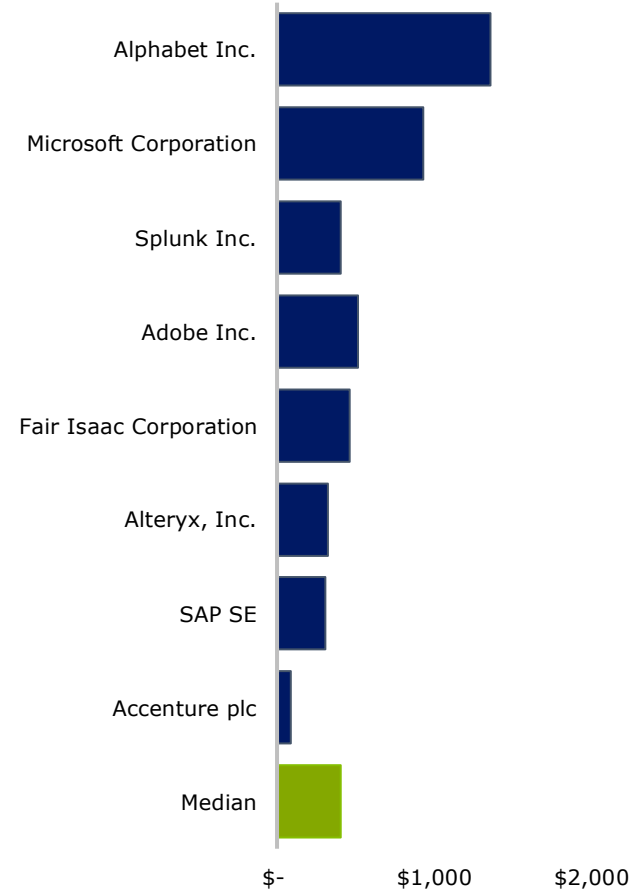
Operational Metrics



LTM Revenue Growth %



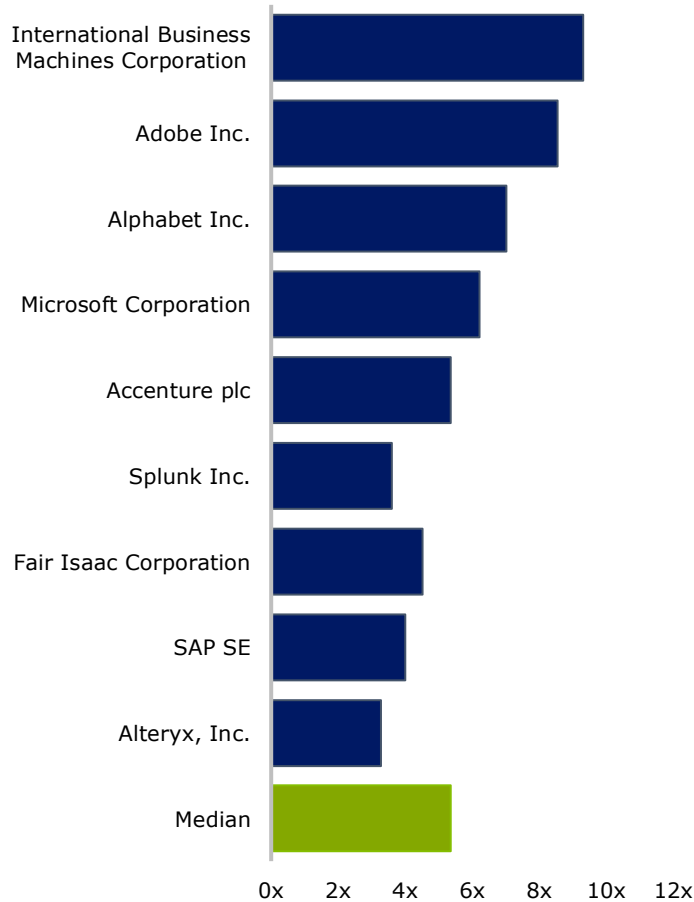
LTM Revenue per Full Time Employee x 000's



Operational Metrics



Accounts Receivable Turnover



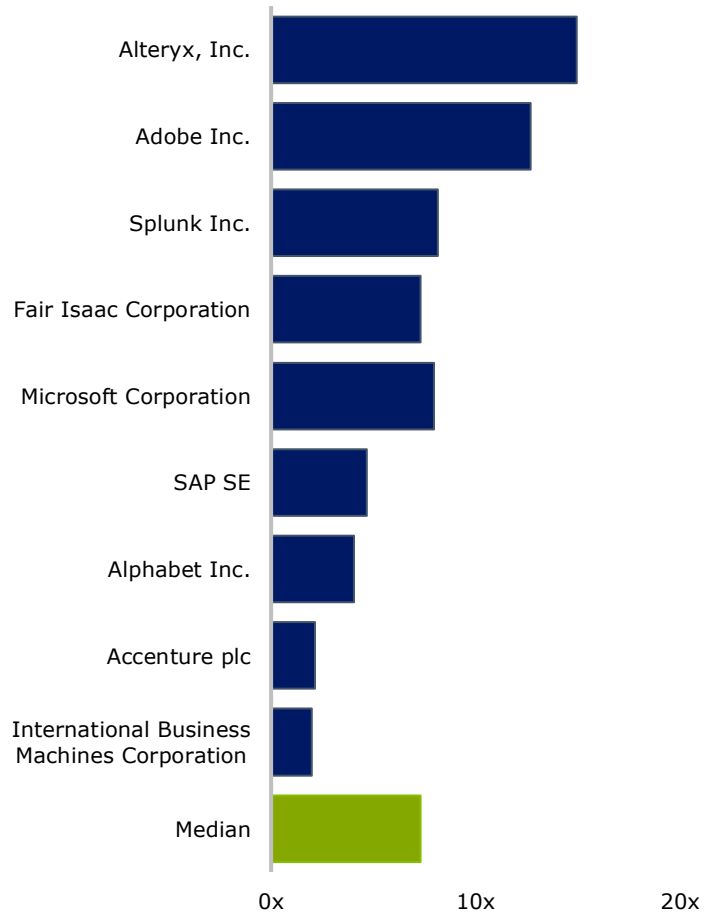
Average Days Sales Outstanding



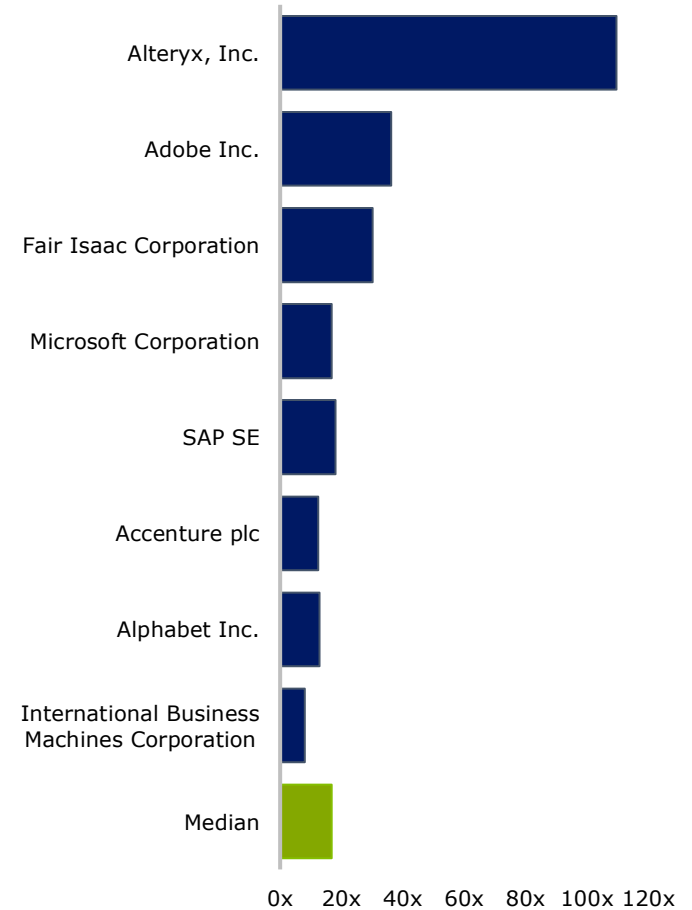
Valuation



TEV / LTM Revenue



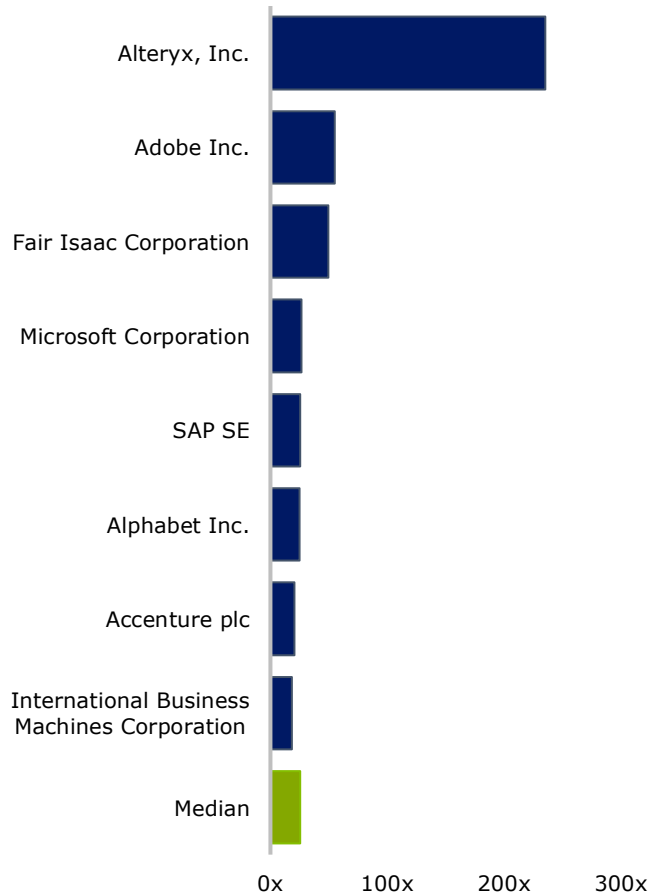
TEV / LTM EBITDA



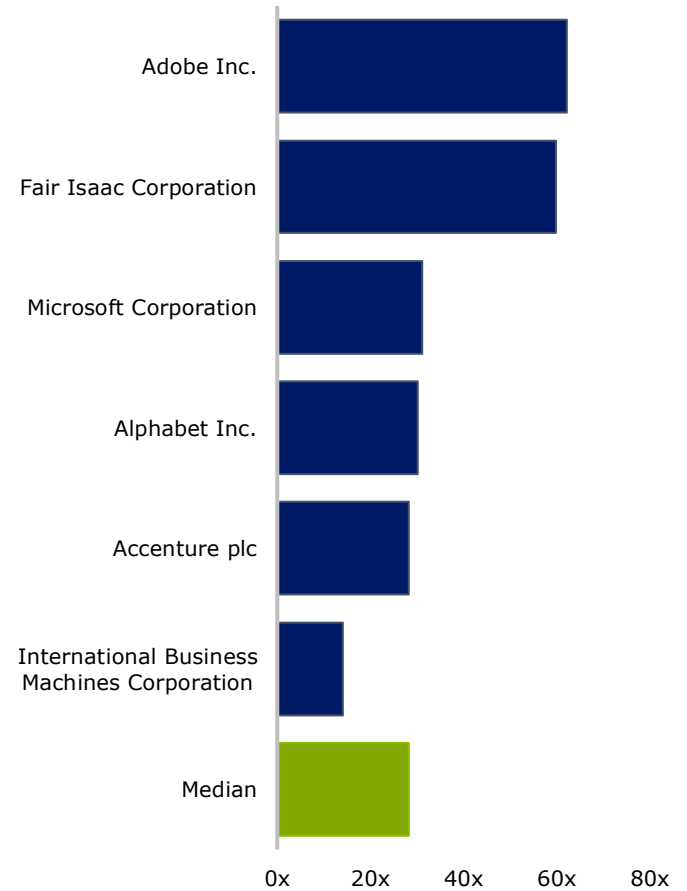
Valuation



TEV / LTM EBIT



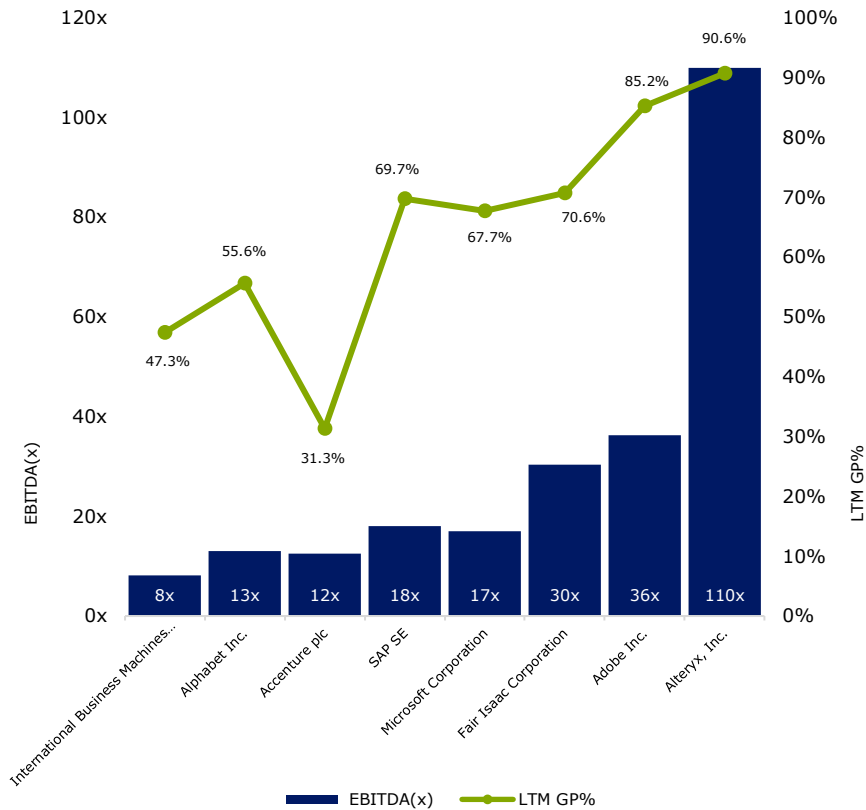
Price / LTM Earnings



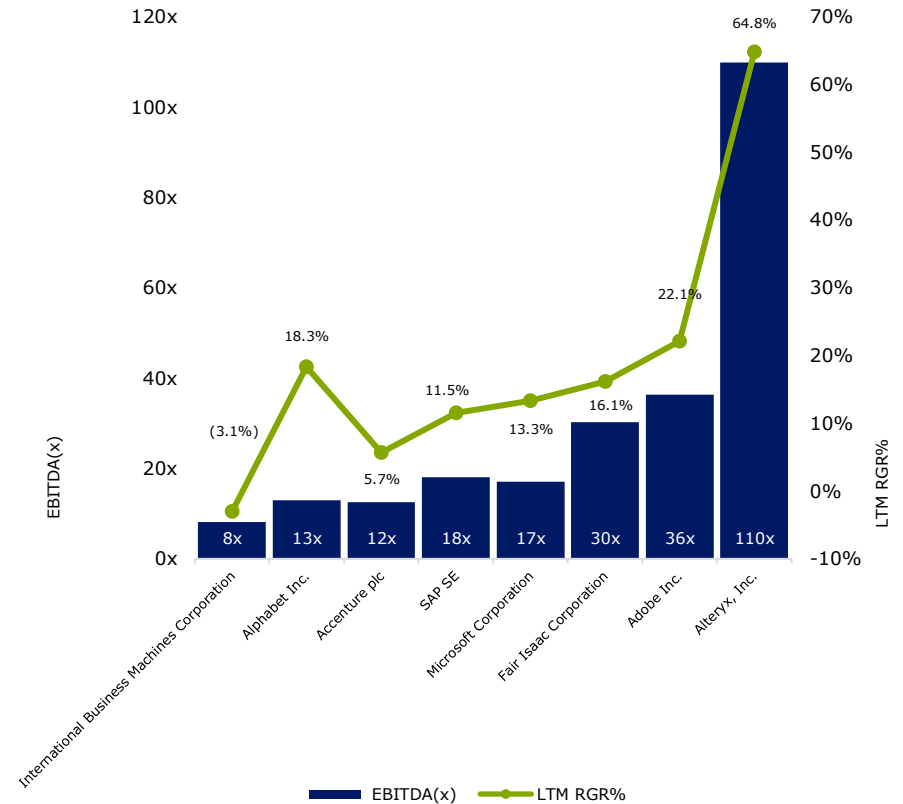
Valuation



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
6Mar20	HelioCampus, Inc.	Pamlico Capital Management, LP	-	-	-	-
4Feb20	Strafford Technology	Apps Associates LLC	-	-	-	-
19Dec19	MotiveX Solutions	Cravety LLC	-	-	-	-
20Nov19	IAPP's Privacy Core® e-learning solution	OneTrust, LLC	-	-	-	-
19Nov19	Nymity Inc.	True Ultimate Standards Everywhere, Inc.	-	-	-	-
13Nov19	it.sec GmbH	Swiss IT Security AG	-	-	-	-
12Nov19	N-Dimension Solutions Inc.	IPKeys Technologies LLC	-	-	-	-
6Nov19	EZMCOM Inc.	Fair Isaac Corporation	-	-	-	-
6Nov19	CyberlinkASP Technology, Inc.	Staple Street Capital LLC	-	-	-	-
5Nov19	2Keys Corporation	Interac, Inc.	-	-	-	-
5Nov19	Tectrade Computers Ltd.	Computer Systems Integration Limited	-	40.15	-	-
4Nov19	Onica Inc.	Rackspace Hosting, Inc.	-	-	-	-
1Nov19	All Assets of Clockwork Solutions, Inc.	Logistics Management Institute, Inc.	-	-	-	-
18Oct19	Opex Analytics LLC	LLamasoft, Inc.	-	-	-	-
4Oct19	Pacific Technology Solutions, LLC	MSX International, Inc.	7.96	-	-	-
30Oct19	Outbrain Inc.	Taboola, Inc.	-	-	-	-
30Oct19	Nexd Corporation	InsightSquared, Inc.	-	-	-	-
10Oct19	Silicus Technologies, LLC	Infogain Corporation	-	-	-	-
19Aug19	Assets of SmartZip Analytics Inc.	Constellation Real Estate Group, Inc.	-	-	-	-
17Aug19	Predictronics Corp.	TVS Motor (Singapore) Pte. Ltd.	3.20	-	-	-
1Jul19	Indecomm Holdings, Inc.	Warburg Pincus LLC	-	-	-	-
21Jul19	AgileThought, LLC	AN Global I.T. S.A.P.I. de C.V.	-	-	-	-
28Jun19	Perspective Partners, LLC	Manning Partners, LLC	3.10	-	-	-
27Jun19	LifeWhere, LLC	Resideo Technologies, Inc.	6.00	-	-	-
13Jun19	Lattice Engines, Inc.	The Dun & Bradstreet Corporation	-	-	-	-
31May19	LiteLink Technologies Inc.	-	0.09	0.17	NM	NM
20May19	Profitect Inc.	Zebra Technologies Corporation	86.00	-	-	-
26Mar19	Entic LLC	Aquicore, Inc.	-	-	-	-
13Mar19	ADVIZOR Solutions, Inc.	The Pursuant Group, Inc.	-	-	-	-

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APPENDIX:
Public Basket
Constituents

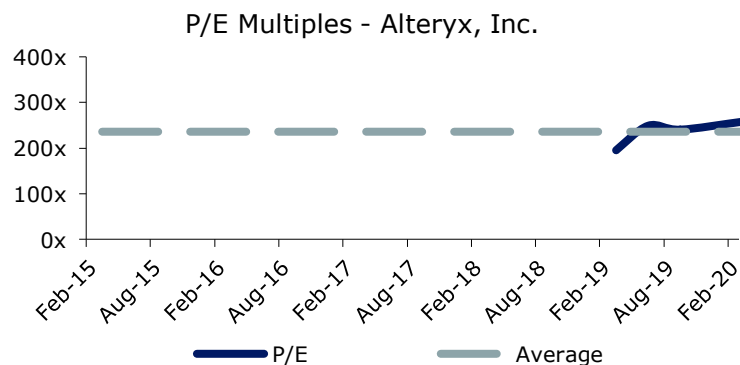
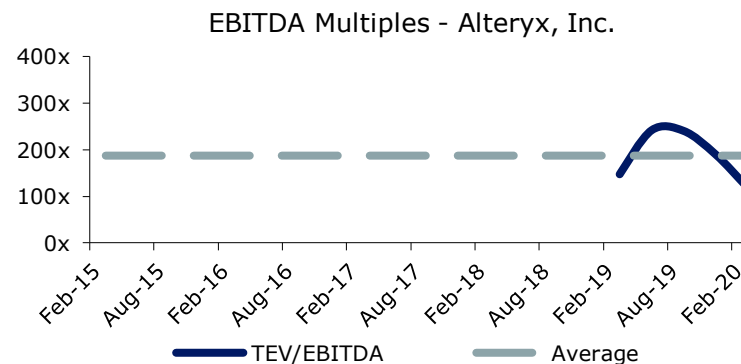
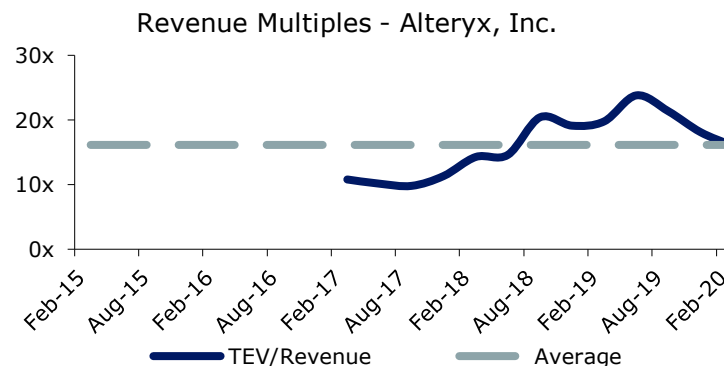
Public Basket



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
11/15/19	Arizona State University and Alteryx Join Forces to Enable Smart City Initiatives in Phoenix Metro Area
10/3/19	Alteryx, Inc. (NYSE:AYX) acquired Feature Labs, Inc. for \$25.5 million.
8/6/19	Alteryx To Seek Acquisitions



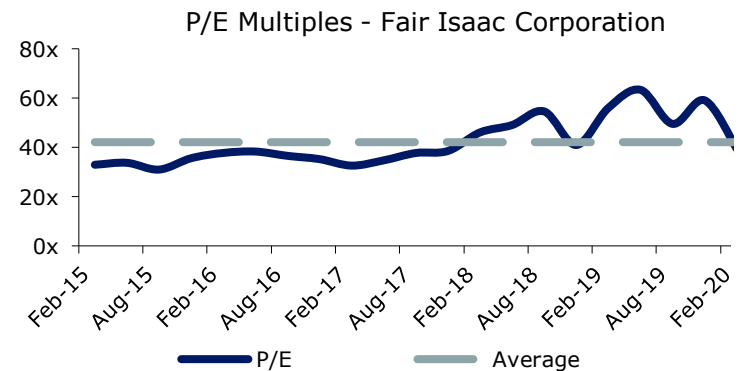
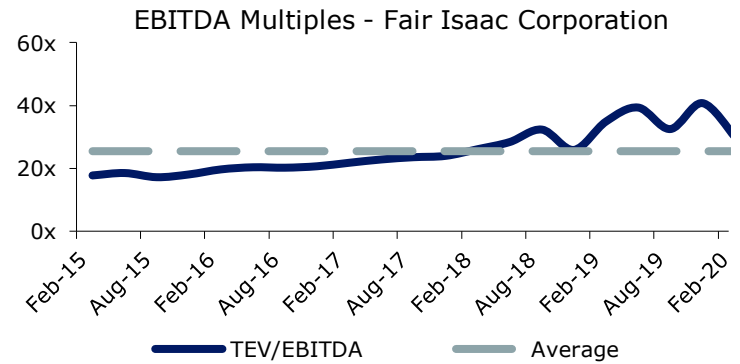
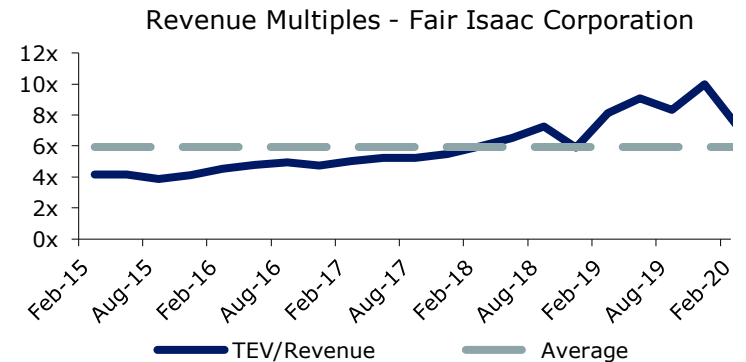
Public Basket



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
11/5/19	Fair Isaac Corporation (NYSE:FICO) acquired EZMCOM Inc.
12/11/18	Fair Isaac Corporation (NYSE:FICO) acquired GoOn - Evolucao em Gestao de Riscos Ltda.

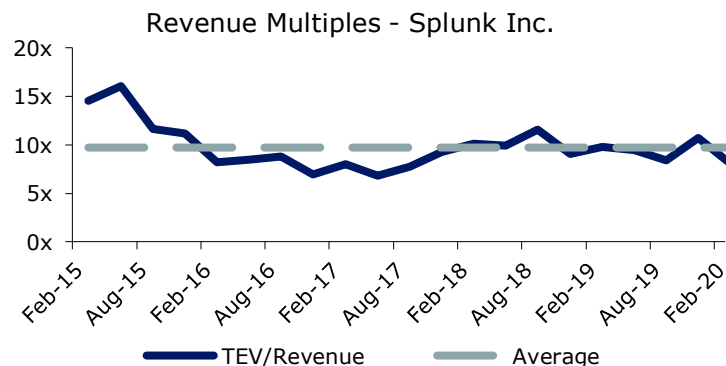


Public Basket



Splunk Inc.

Splunk Inc. provides software solutions that enable organizations to gain real-time operational intelligence in the United States and internationally. Its products enable users to investigate, monitor, analyze, and act on data regardless of format or source. The company offers Splunk Enterprise, a machine data platform with collection, indexing, search, reporting, analysis, alerting, monitoring, and data management capabilities; Splunk Cloud; and Splunk Light, which offers log search and analysis for small IT environments. It also provides Splunk Enterprise Security that addresses security threats and information, and event management; Splunk IT Service Intelligence, which monitors health and key performance indicators of critical IT and business services. Splunk Inc. was incorporated in 2003 and is headquartered in San Francisco, California.



Date	Key Development Headline
1/8/20	Splunk Inc. Announces Research in Collaboration with Censuswide
10/30/19	Splunk Inc. (NasdaqGS:SPLK) completed the acquisition of Streamlio, Inc. for \$24 million.
10/20/19	Splunk Inc. (NasdaqGS:SPLK) entered into a letter of intent to acquire Streamlio, Inc.
9/30/19	Splunk Inc. (NasdaqGS:SPLK) completed the acquisition of SignalFx, Inc. from Andreessen Horowitz LLC, Charles River Ventures, Inc., General Catalyst Partners, Tiger Global Management LLC and others.

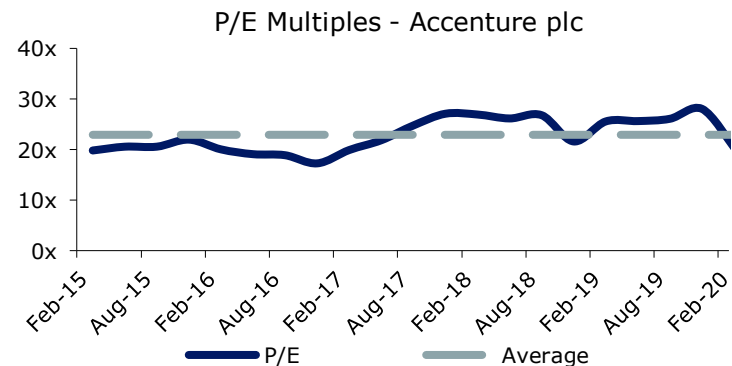
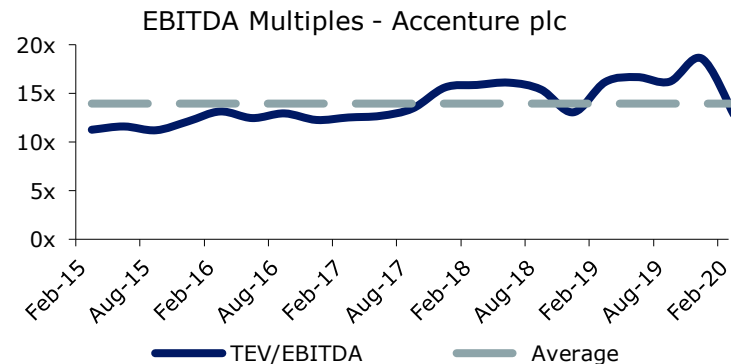
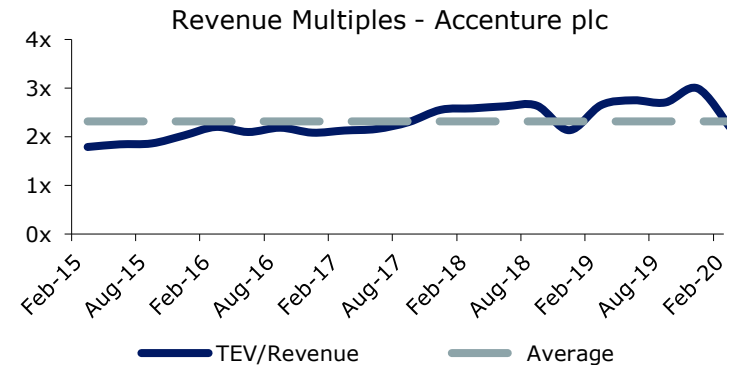
Public Basket



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
3/20/20	SAP and Accenture Launch Upstream Oil and Gas Solution to Help Streamline Processes and Costs
3/5/20	Accenture plc (NYSE:ACN) acquired Context Information Security Limited from Babcock International Group PLC (LSE:BAB) for approximately £110 million.
2/27/20	Accenture plc (NYSE:ACN) completed the acquisition of Mudano Limited.
2/27/20	Accenture plc (NYSE:ACN) completed the acquisition of Workday, Salesforce and U.S. MuleSoft Practices from Sierra-Cedar Group Inc.
2/26/20	Accenture plc (NYSE:ACN) acquired AlphaBeta Pty Ltd.



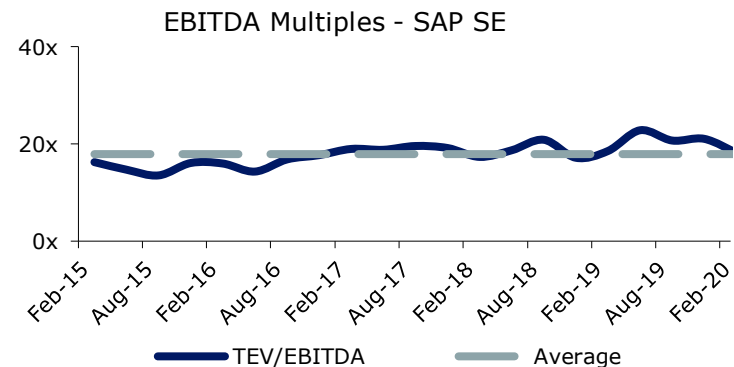
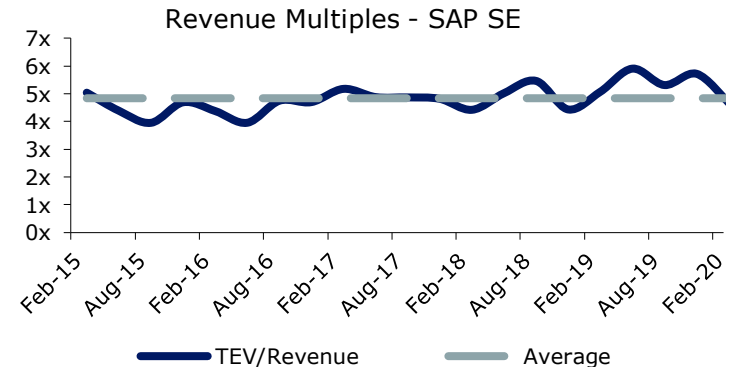
Public Basket



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
3/20/20	SAP and Accenture Launch Upstream Oil and Gas Solution to Help Streamline Processes and Costs
3/12/20	Wipro Limited Enters into Agreement with SAP SE
2/6/20	SAP and Proxia to Deliver Intelligent Enterprise Solution for Automotive Retail Based on SAP S/4Hana
10/23/19	Verizon and SAP SE Co-Developing Next Gen Iot Analytics Solutions
8/29/19	BearingPoint RegTech, Berlin Hyp, SAP and Okadis Develop Solution for the Integration with SAP FSDM in Regulatory Reporting on Abacus360 Banking



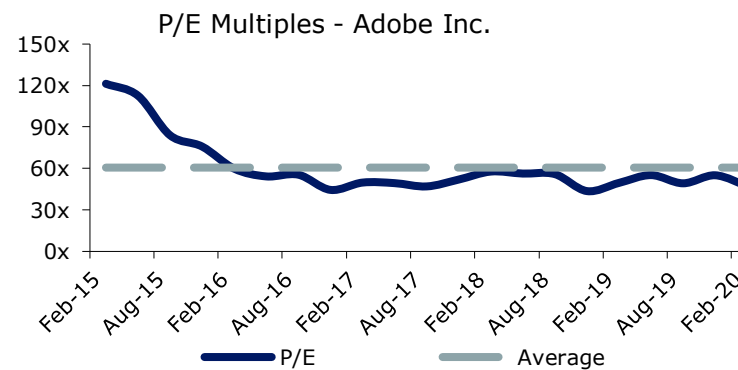
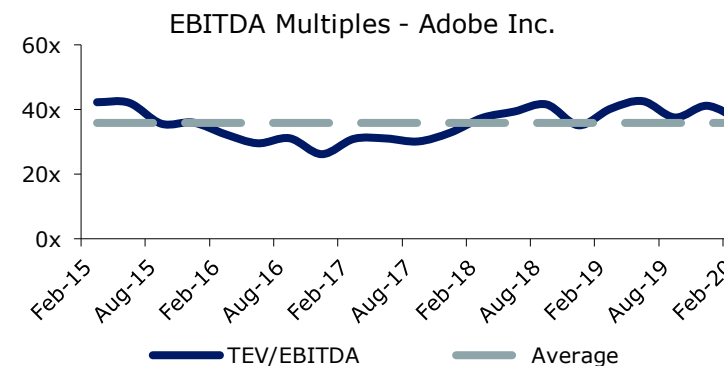
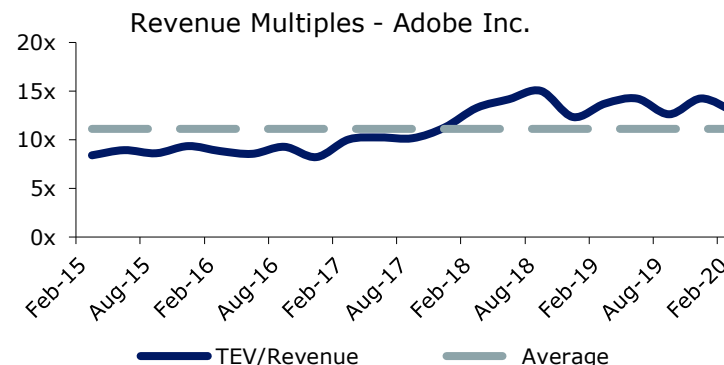
Public Basket



Adobe Inc.

Adobe Inc. 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. Its flagship product is Creative Cloud, a subscription service that allows customer to download and access 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 Experience segment offers solutions for how digital advertising and marketing are created, managed, executed, measured, and optimized. The company was founded in 1982 and is headquartered in San Jose, California.

Date	Key Development Headline
12/5/19	Adobe Inc. (NasdaqGS:ADBE) acquired Oculus Medium from Facebook Technologies, LLC.
11/4/19	HP Inc. and Adobe Fuel New Era of 3D Production Technology for Creatives
11/3/19	Adobe, The New York Times Company and Twitter Announce Content Authenticity Initiative to Develop Industry Standard for Content Attribution
6/11/19	Datacolor Collaborates with Adobe to Launch New Innovative Solution for Textile Industry
3/27/19	Adobe, Microsoft and SAP Announce New Open Data Initiative Details



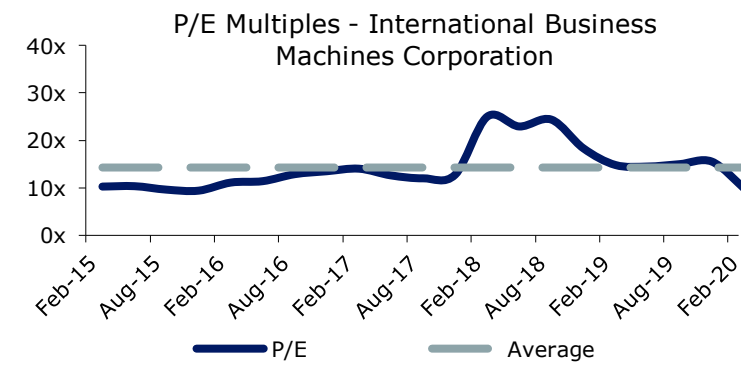
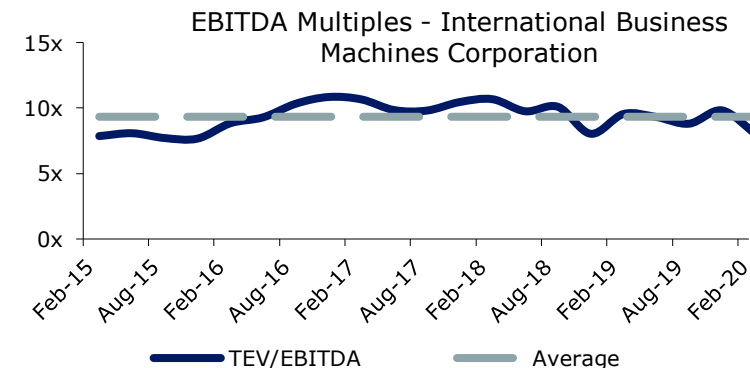
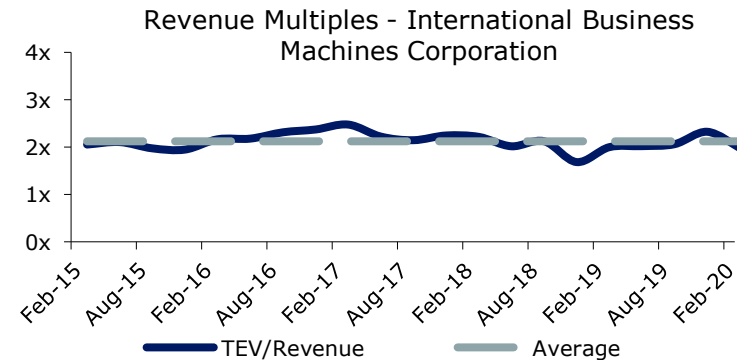
Public Basket



International Business Machines Corporation

International Business Machines Corporation operates as an integrated technology and services company worldwide. Its Cognitive Solutions segment offers a portfolio of enterprise artificial intelligence platforms, such as analytics and data management platforms, cloud data services, talent management, and industry solutions primarily under the Watson Platform, Watson Health, and Watson Internet of Things names. This segment also offers transaction processing software for use in banking, airlines, and retail industries. The company was incorporated in 1911 and is headquartered in Armonk, New York.

Date	Key Development Headline
2/27/20	Ospedale Pediatrico Bambino Gesù and IBM Partner to Accelerate Pediatric Research and Care
2/27/20	IBM Services and C3.Ai Announce Strategic Alliance for Digital Transformation with Ai
1/23/20	Yara International Asa and International Business Machines Corporation Launch an Open Collaboration for Farm and Field Data to Advance Sustainable Food Production
12/31/19	Great Hill Partners, LP and Spectrum Equity Management, L.P. completed the acquisition of Sales Performance Management Business of International Business Machines Corporation (NYSE:IBM).



Public Basket

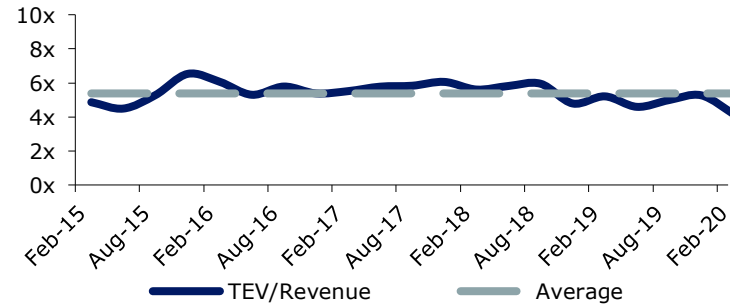


Alphabet Inc.

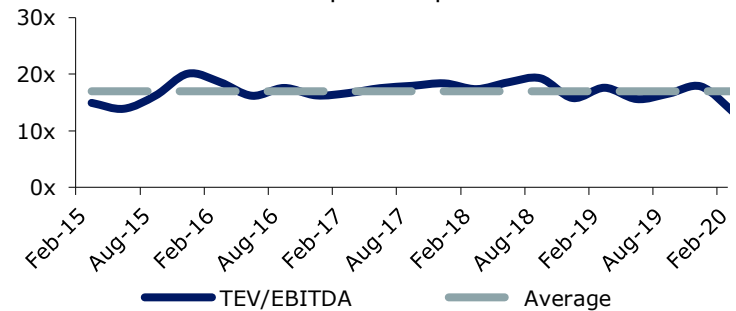
Alphabet Inc. provides online advertising services in the United States, Europe, the Middle East, Africa, the Asia-Pacific, Canada, and Latin America. It offers performance and brand advertising services. The company operates through Google and Other Bets segments. The Google segment offers products, such as Ads, Android, Chrome, Google Cloud, Google Maps, Google Play, Hardware, Search, and YouTube, as well as technical infrastructure. This segment also offers digital content, cloud services, hardware devices, and other miscellaneous products and services. The Other Bets segment includes businesses, including Access, Calico, CapitalG, GV, Verily, Waymo, and X, as well as Internet and television services. Alphabet Inc. was founded in 1998 and is headquartered in Mountain View, California.

Date	Key Development Headline
1/7/20	PASCO Scientific Joins the Google for Education Integrated Solutions Initiative
11/6/19	The AES Corporation and Google Create Strategic Alliance to Accelerate the Future of Energy
8/14/19	Alphabet Inc. (NasdaqGS:GOOG.L) acquired Socratic, Inc. from Andreessen Horowitz LLC, Betaworks Ventures Management, Llc and Spark Capital Partners, LLC.
4/3/19	CommScope Holding Company, Inc. (NasdaqGS:COMM) completed the acquisition of ARRIS International plc (NasdaqGS:ARRS) from Alphabet Inc. (NasdaqGS:GOOG.L), BlackRock, Inc. (NYSE:BLK), The Vanguard Group, Inc., Hotchkis and Wiley Capital Management, LLC and other shareholders.

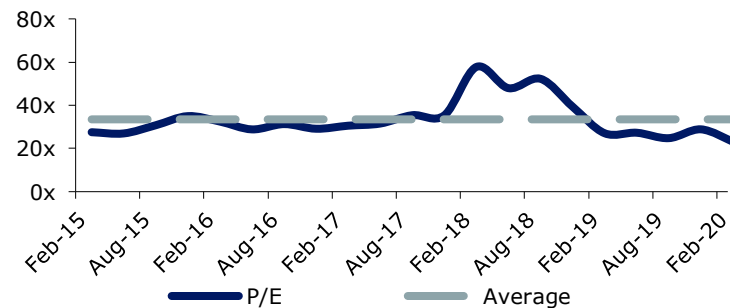
Revenue Multiples - Alphabet Inc.



EBITDA Multiples - Alphabet Inc.



P/E Multiples - Alphabet Inc.



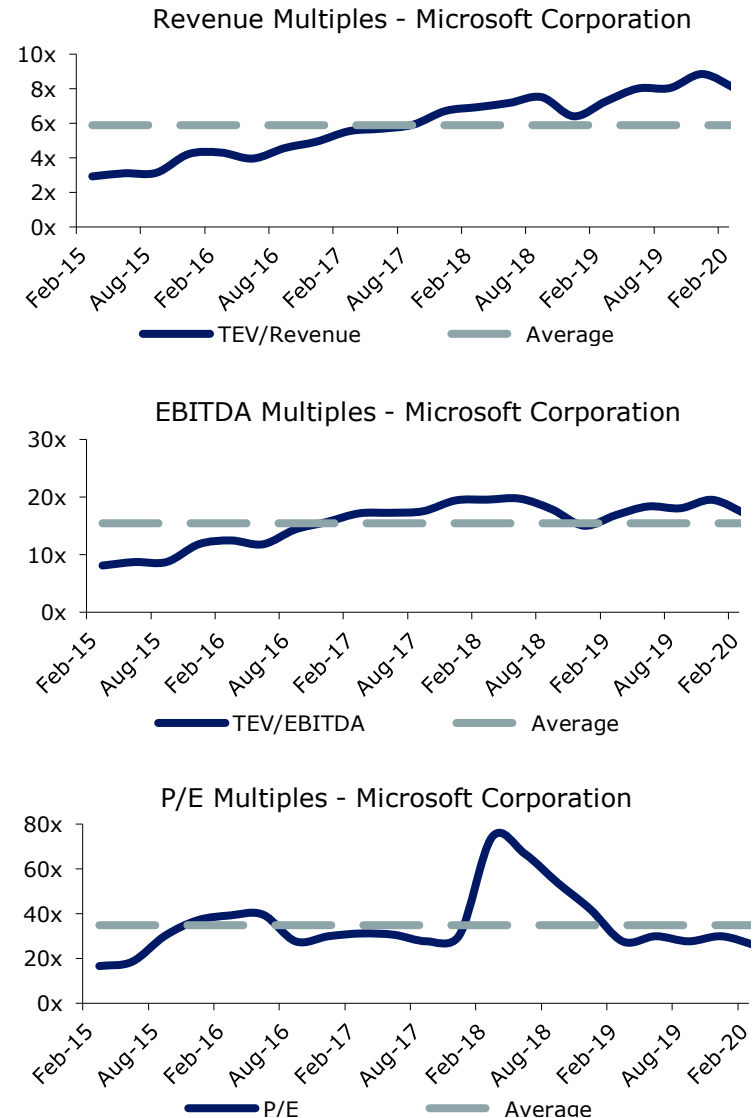
Public Basket



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
3/18/20	Wipro Launches Microsoft Business Unit for Digital Transformation Solutions
2/21/20	Firedome Announces Integration with Microsoft Azure Security Center for IoT to Offer End-To-End Device Cyber Threat Detection, Prevention, and Response
2/17/20	Atos Furthers Collaboration with Microsoft to Accelerate the Cloud Transformation of SAP's Customers
2/14/20	Kroger Partners with Microsoft to Ensure Consumer Products Goods Companies Can Analyze Data
2/13/20	CDK Global, Inc. Teams Up with Microsoft Corp. to Drive Dealer and Developer-Led Innovation in Automotive Industry



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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