

7 Mile Advisors



Sectorwatch:

Identity and Access Management

February 2021



Identity and Access Management

- 4 [Sector Dashboard](#)
- 5 [Public Basket Overview](#)
- 6 [Public Basket Performance](#)
- 8 [Operational Metrics](#)
- 11 [Valuation Comparison](#)
- 14 [Recent Deals](#)
- 15 [Appendix](#)

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

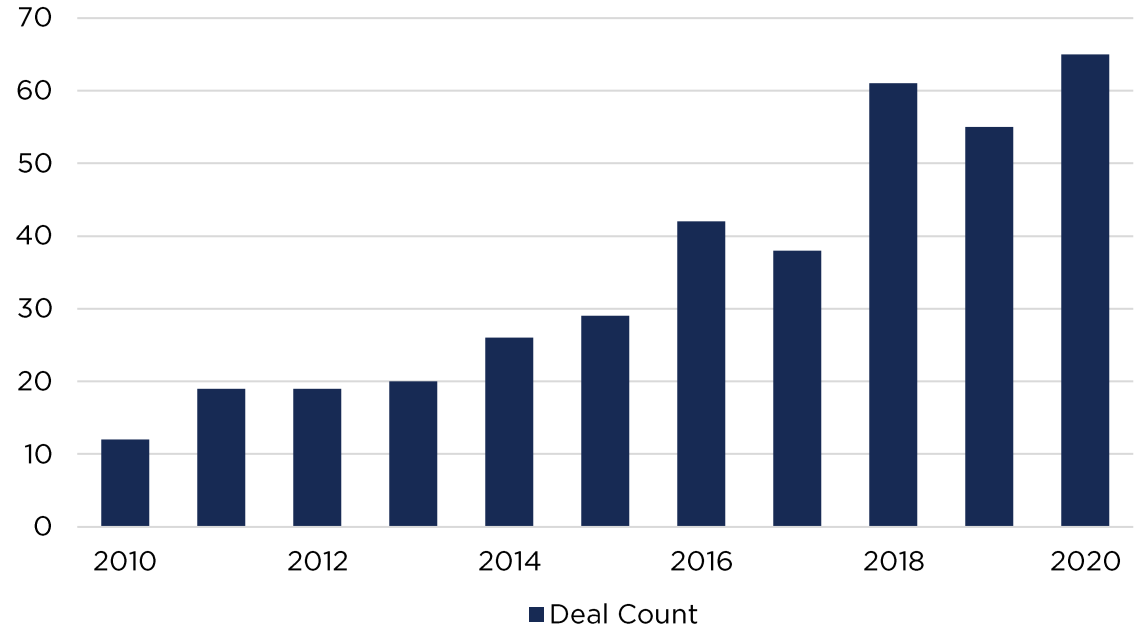
- The most recently announced deals in the sector

Dashboard

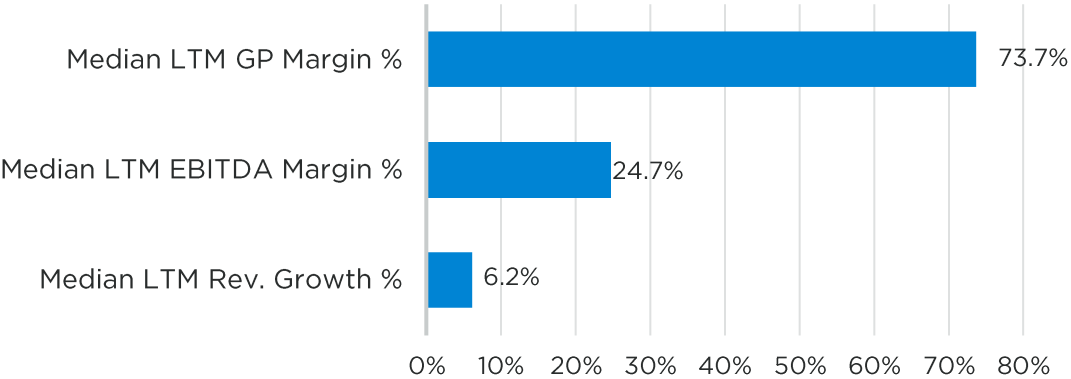
REVENUE GROWTH MOMENTUM ↓ -7.9%

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

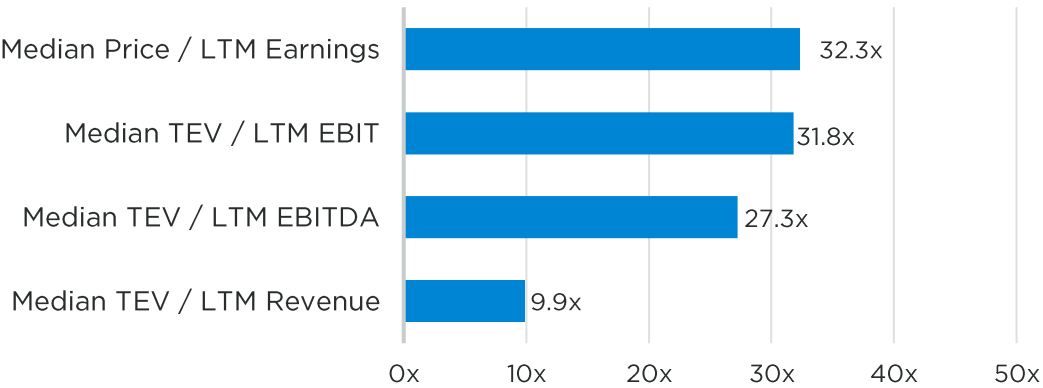
M&A Activity



Operating Metrics



Valuation

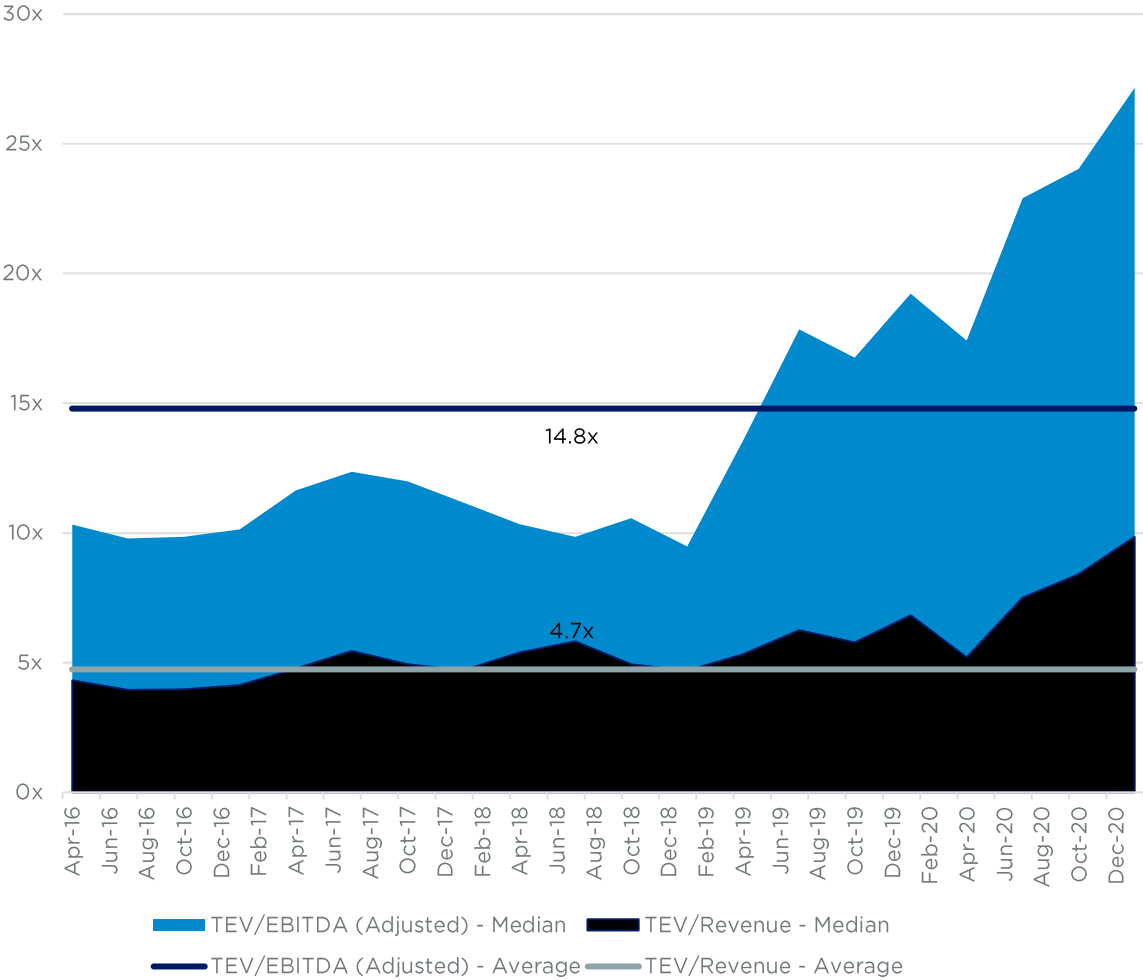


Public Basket

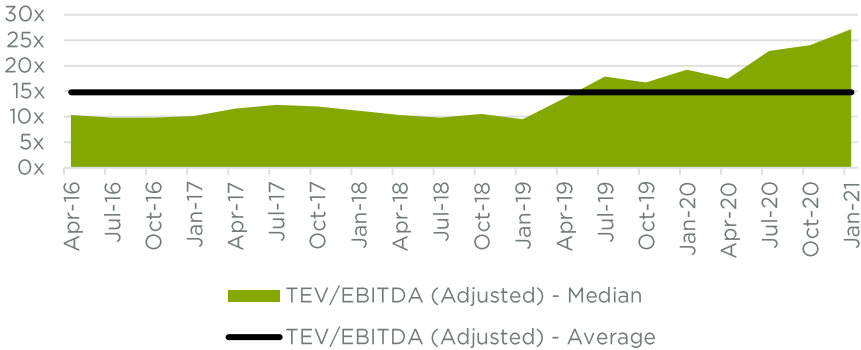
Company	TEV \$m	LTM EBITDA \$m	LTM Rev \$m	Rev Growth YoY	GP %	EBITDA %	TEV / Rev X	TEV / EBITDA X	# FTEs	Rev / FTE \$k
Ping Identity	2,320	54	249	6.2%	73.6%	21.9%	9.3x	42.6x	953	261
SailPoint Technologies	4,713	73	351	25.3%	78.4%	20.8%	13.4x	64.5x	1,168	300
CyberArk Software	5,872	113	450	8.8%	82.9%	25.2%	13.1x	51.8x	1,380	326
Micro Focus International	6,253	1,228	3,146	-	76.5%	39.0%	2.0x	5.1x	11,900	264
Atos	12,189	1,900	12,686	2.9%	37.2%	15.0%	1.0x	6.4x	106,980	119
NICE Systems	17,051	538	1,644	5.7%	66.3%	32.7%	10.4x	31.7x	5,996	274
Okta	32,354	52	768	43.8%	73.8%	6.8%	42.1x	620.6x	2,604	295
International Business Machines	167,085	18,113	75,030	-2.7%	48.2%	24.1%	2.2x	9.2x	381,100	197
Oracle	223,338	19,415	39,402	-0.5%	80.3%	49.3%	5.7x	11.5x	135,000	292
Microsoft	1,614,934	70,799	147,114	13.3%	68.3%	48.1%	11.0x	22.8x	163,000	903
Average	208,611	11,229	28,084	11.4%	68.6%	28.3%	11.0x	86.6x	81,008	323
Median	14,620	883	2,395	6.2%	73.7%	24.7%	9.9x	27.3x	8,948	283

share price as of 02Jan21

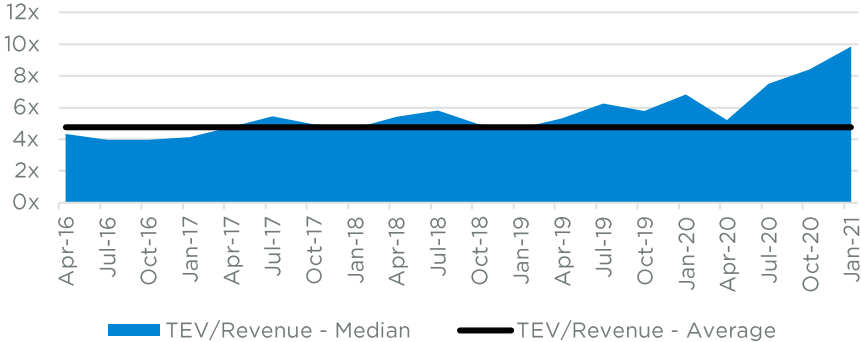
Public Basket



Public EBITDA Multiples over Time

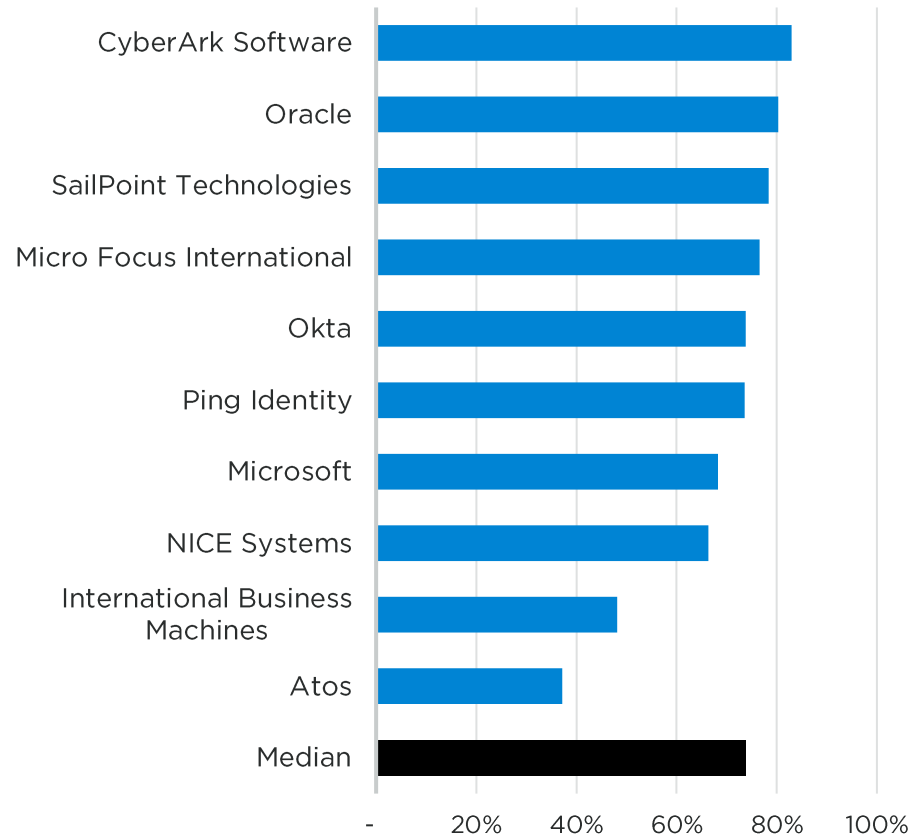


Public Revenue Multiples over Time

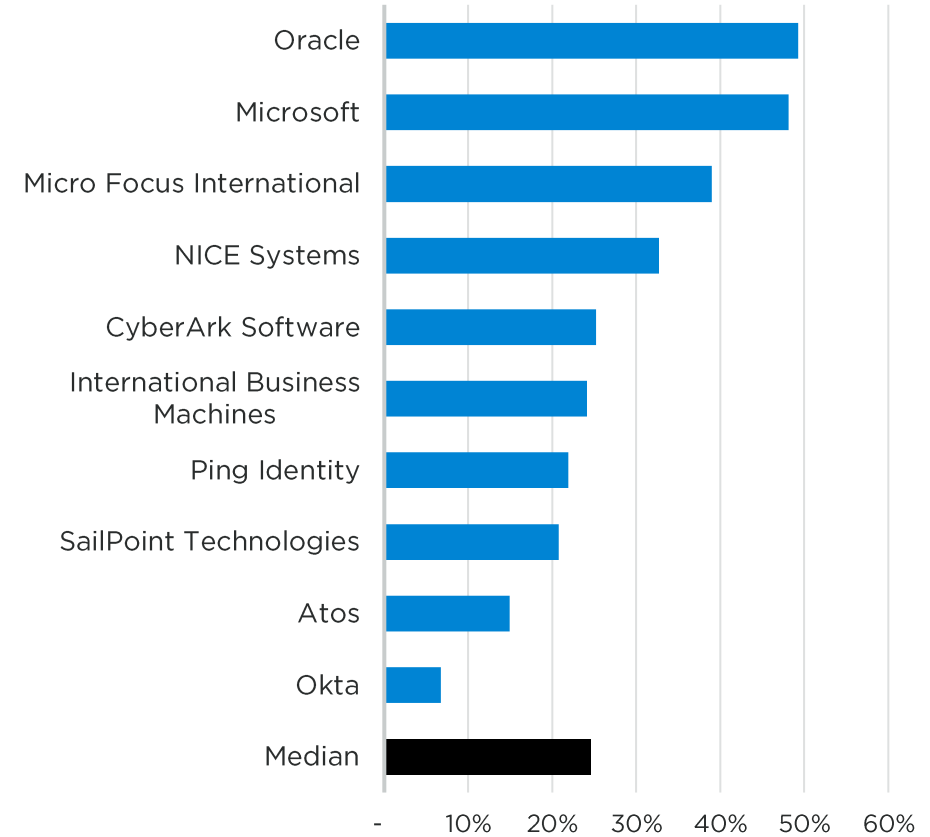


Operational Metrics

LTM Gross Profit Margin %

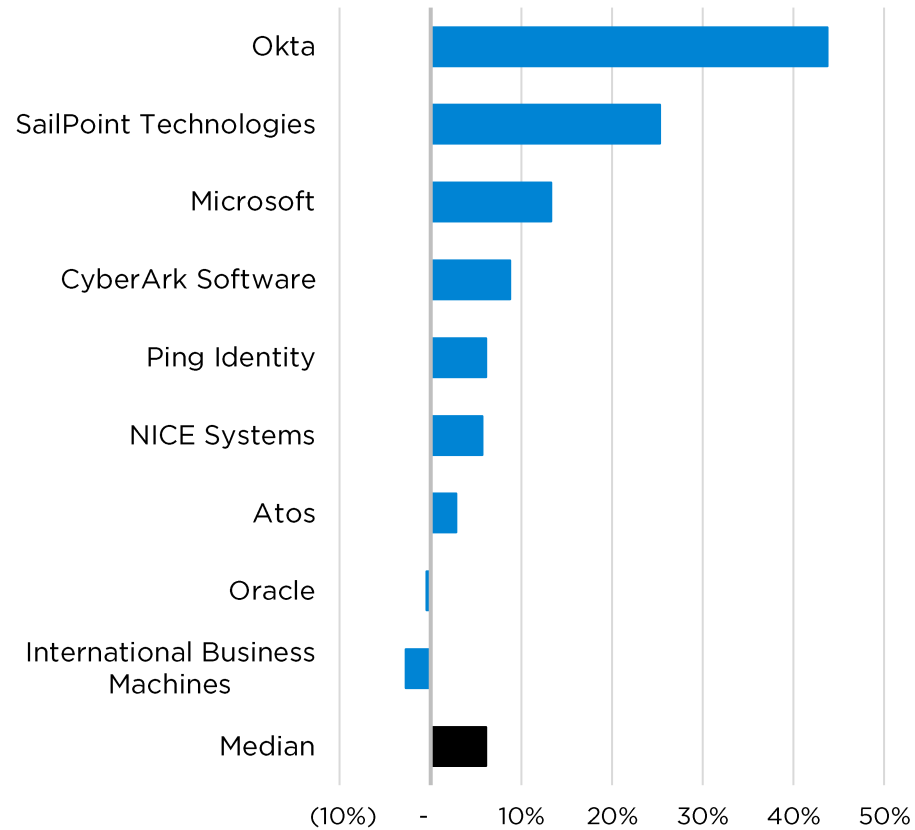


LTM EBITDA %

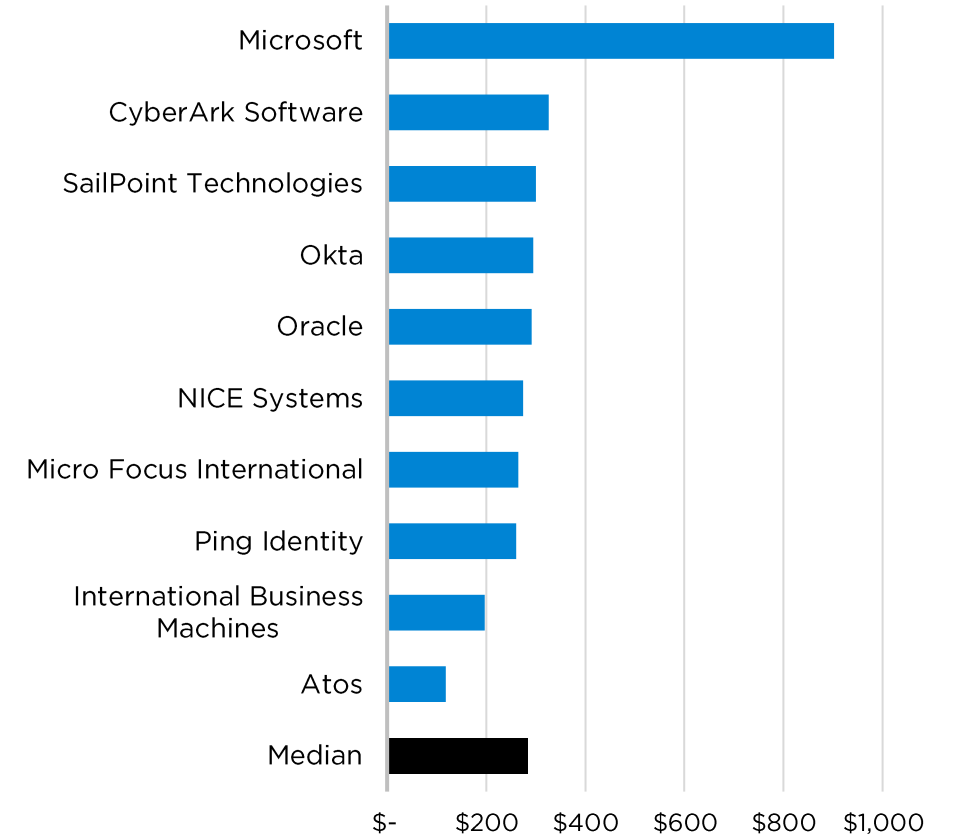


Operational Metrics

LTM Revenue Growth %

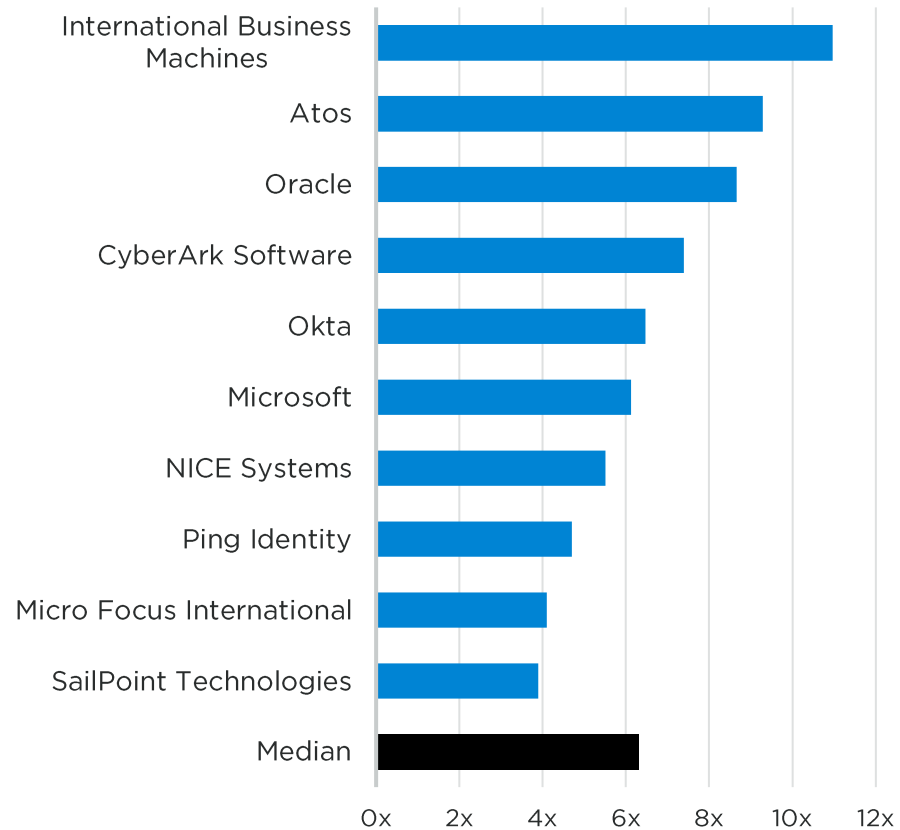


LTM Revenue per Full Time Employee x 000's

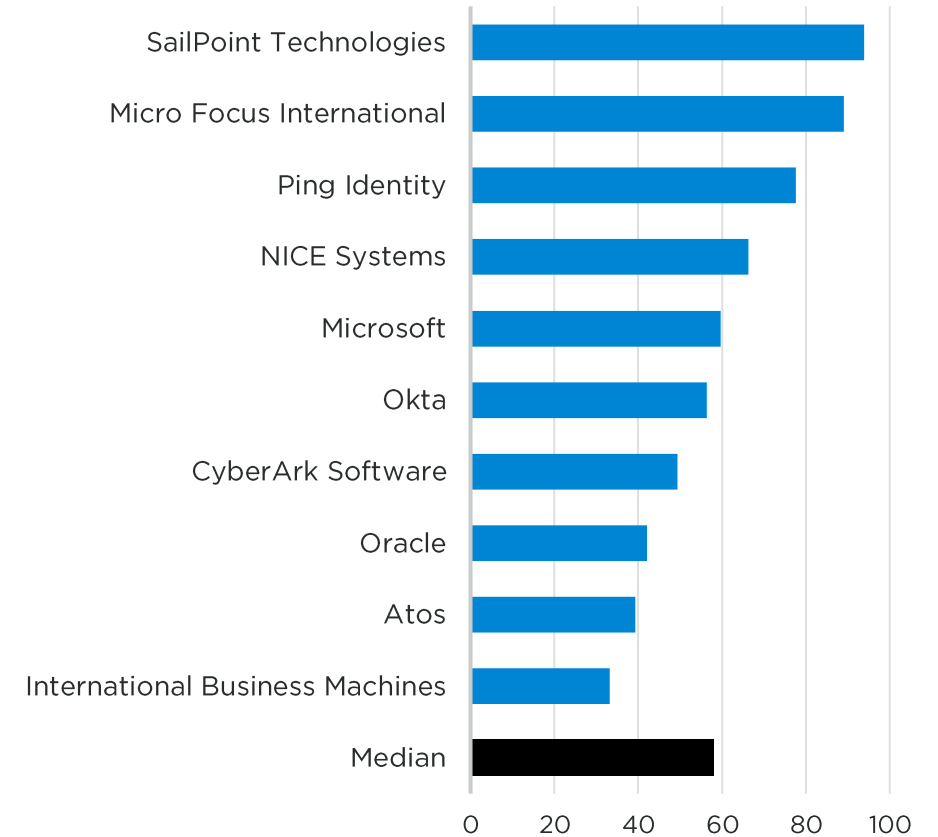


Operational Metrics

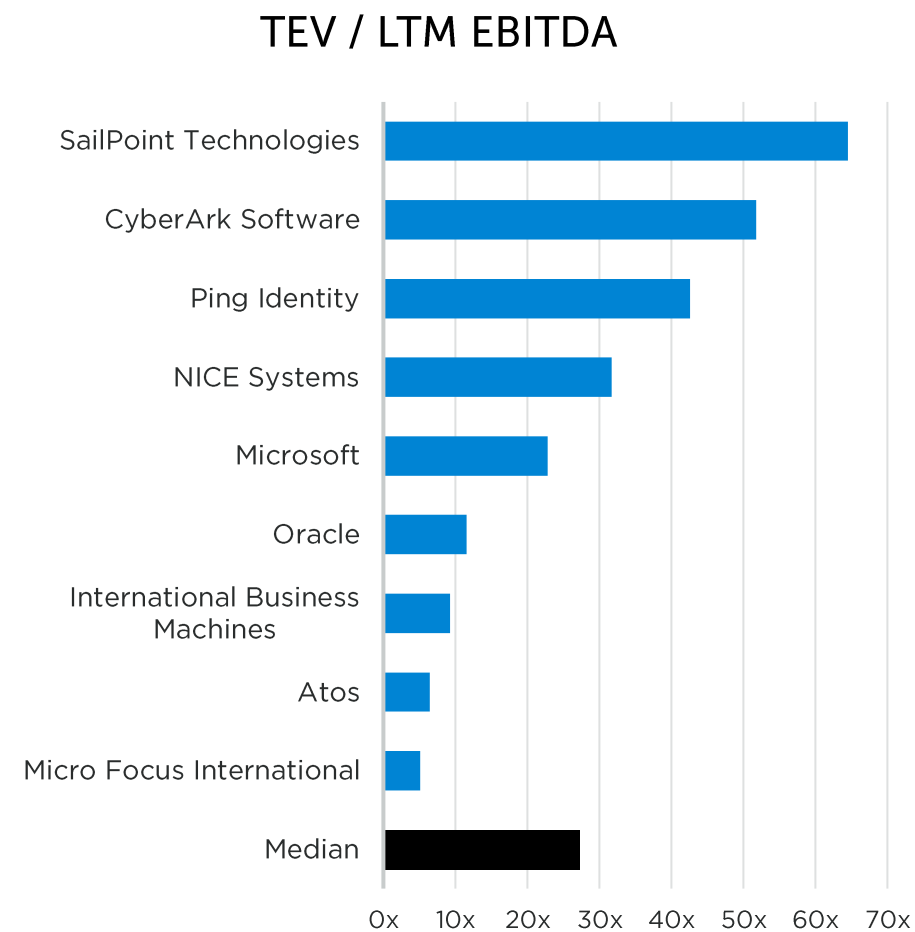
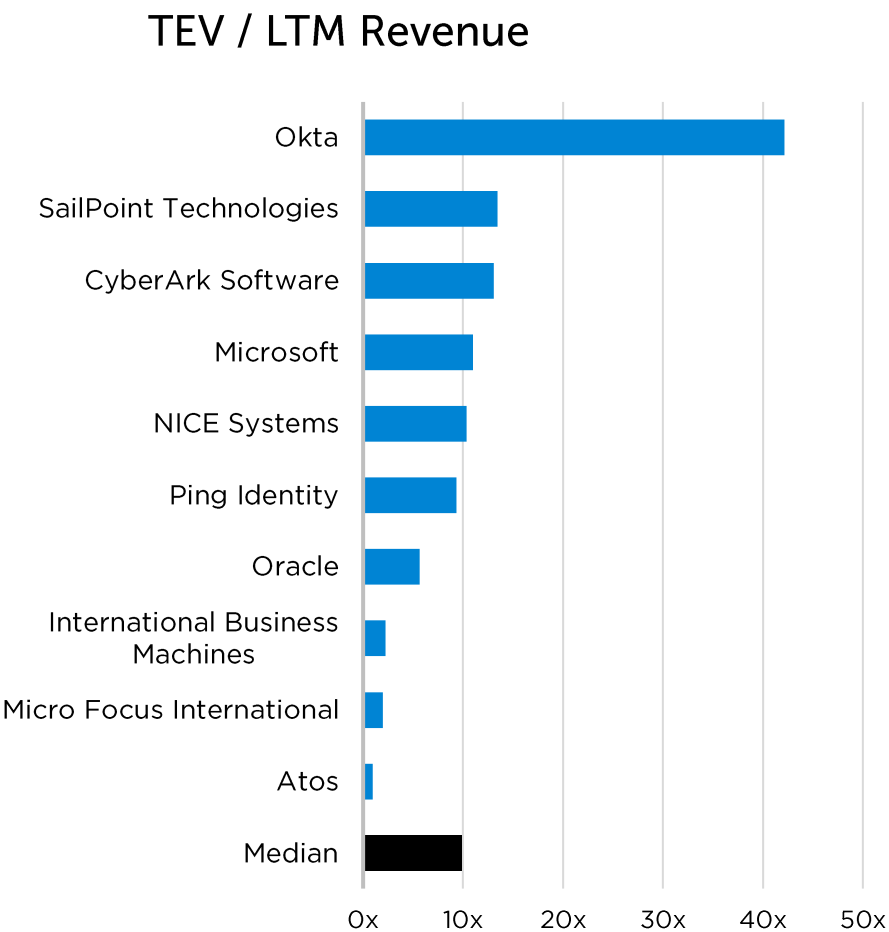
Accounts Receivable Turnover



Average Days Sales Outstanding

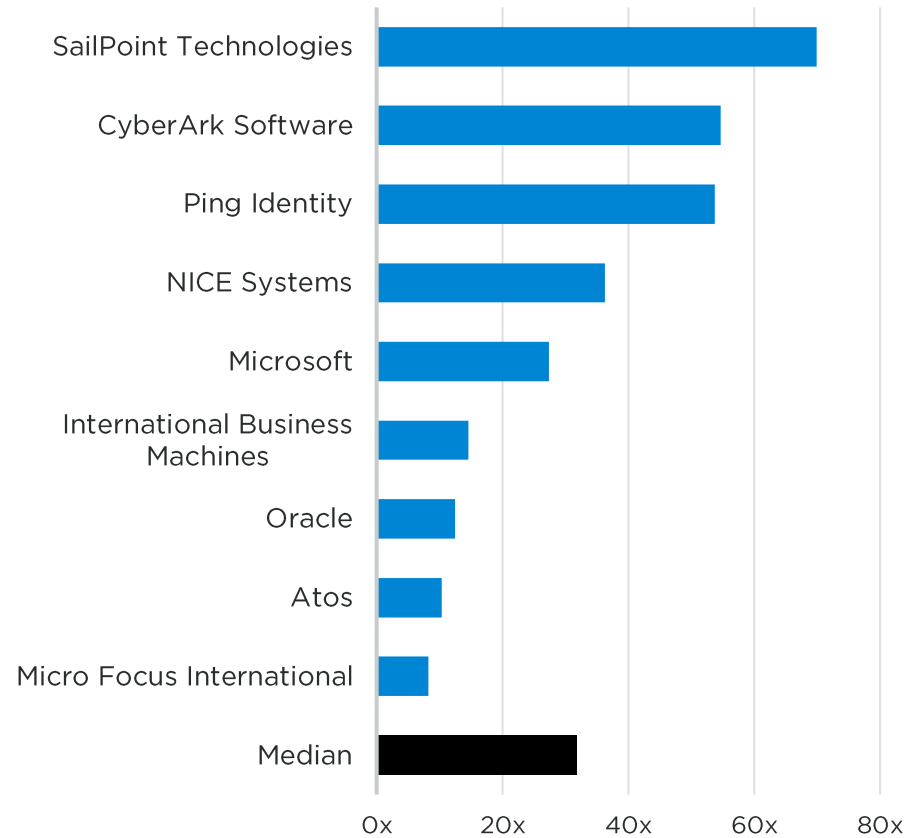


Valuation

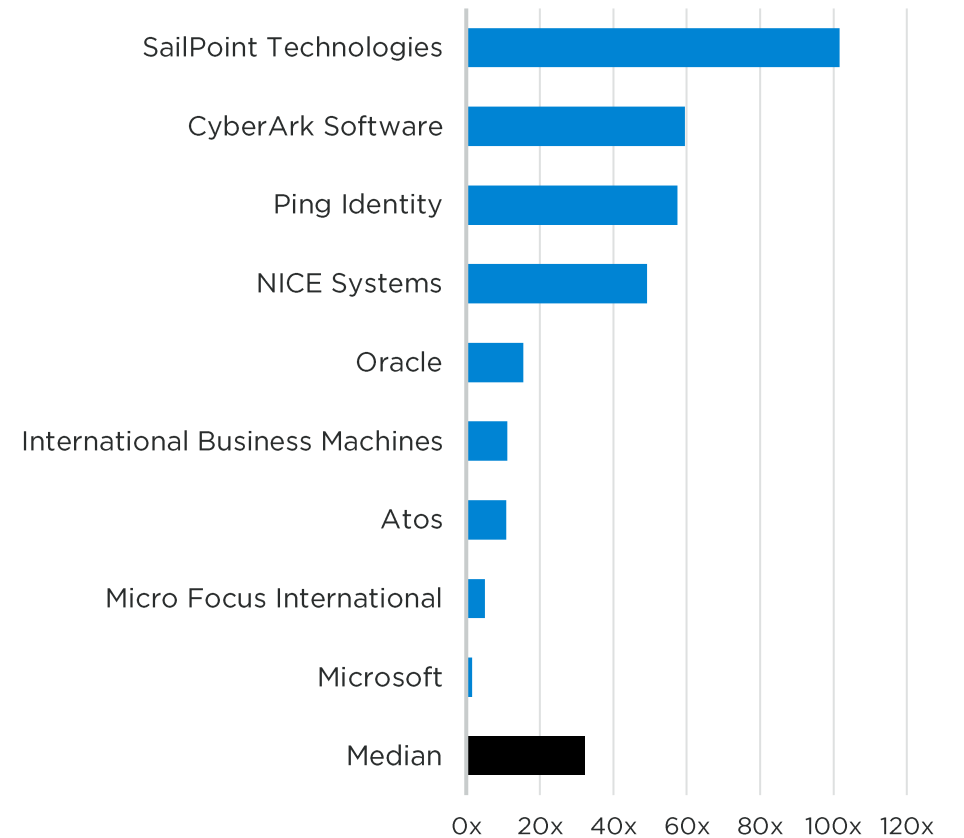


Valuation

TEV / LTM EBIT

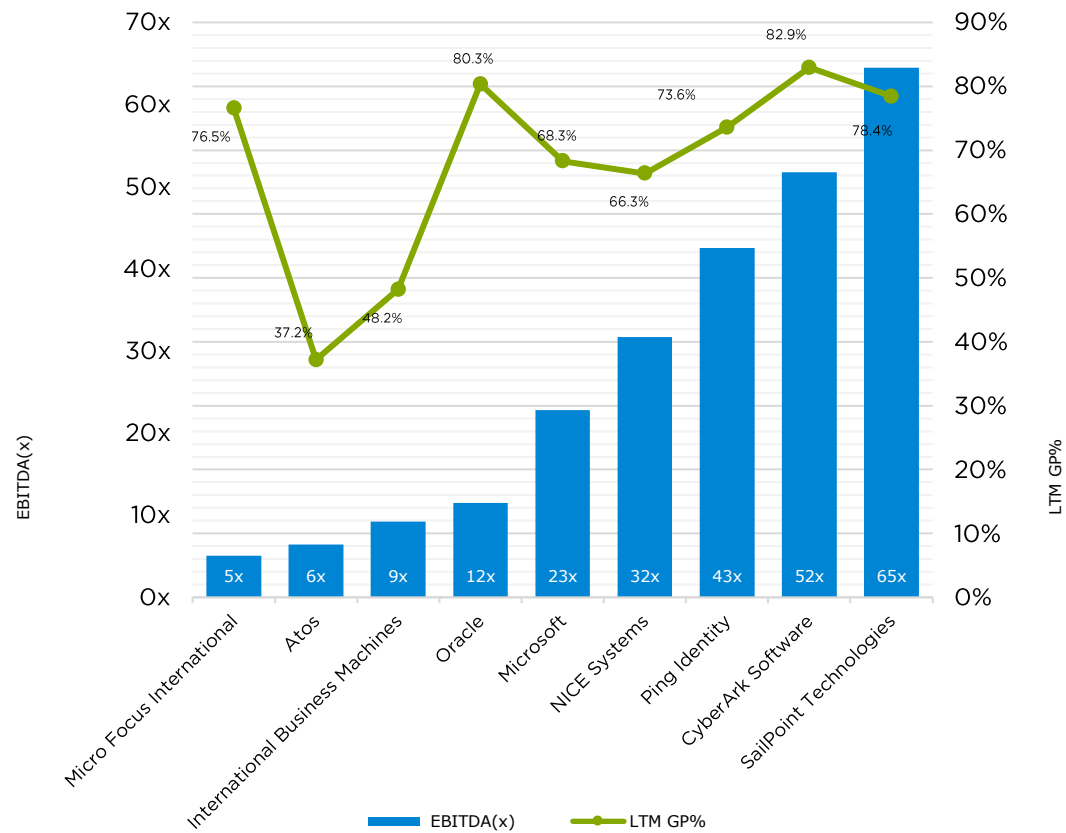


Price / LTM Earnings

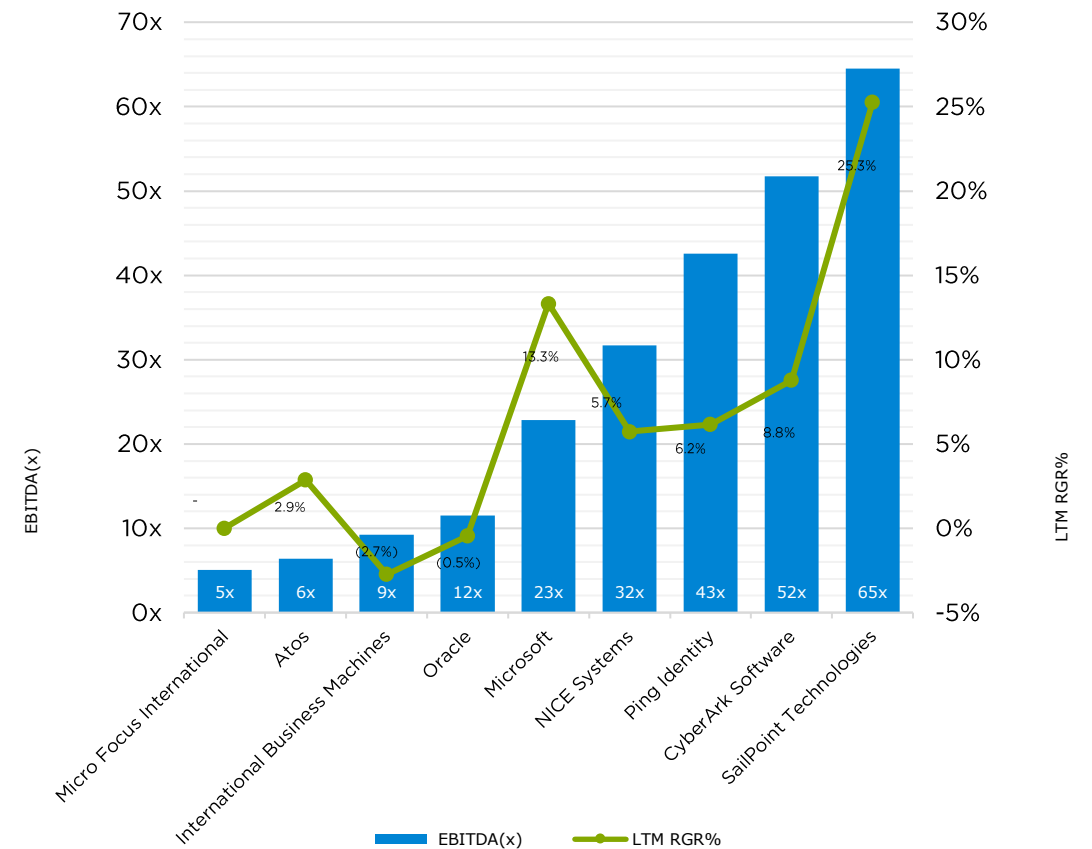


Valuation

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
01-Feb-21	Ibriodia	Beyond Technologies	-	-	-	-
21-Dec-20	Identropy	Protiviti	-	-	-	-
19-Oct-20	Decipher Works	BGH Capital	17.87	-	-	-
19-Aug-20	Guardian Analytics	NICE Systems	-	-	-	-
09-Jul-20	Securience	The Herjavec Group	-	-	-	-
01-Jun-20	Versent	Kin Group Pty Ltd	25.00	-	-	-
19-May-20	CheckOut Technologies	Standard Cognition	-	-	-	-
30-Apr-20	Incadence Strategic Solutions	Stonehaven Capital	-	-	-	-
19-Mar-20	Emailage	LexisNexis Risk Solutions	480.00	-	0.96	-
19-Mar-20	Pondera	Thomson Reuters	125.00	-	-	-
18-Feb-20	Algo (Michigan)	APES Ventures	15.00	-	-	-
04-Feb-20	Technology Nexus	IN Groupe	-	-	-	-
31-Jan-20	First Advantage	Silver Lake Management	1500.00	-	-	-
31-Jan-20	Simeio Solutions	Riverside Credit Solutions	240.00	-	3.58	-
13-Nov-19	SheerID	Centana Growth Partners	64.00	-	-	-
29-Oct-19	Alpin (US)	CoreView (Italy)	-	-	-	-
17-Oct-19	IdentityMind Global	Acuant	-	-	-	-
16-Oct-19	OverWatchID	SailPoint Technologies	20.90	-	-	-
17-Sep-19	Arth Systems	Xoriant	-	-	-	-
27-Aug-19	Drawbridge	LinkedIn	-	-	-	-
18-Jul-19	Trusted Key Solutions	Workday	-	-	-	-
30-May-19	X-ID	NextRoll	-	-	-	-
22-Mar-19	Aujas Networks	Actis	-	-	-	-
27-Feb-19	Integrated Biometrics	#ENTITYNOTFOUND	1.50	-	-	-
11-Feb-19	IDology	GB Group	300.00	-	-	18.40
01-Jan-19	Pinn	The SCE Group	-	-	-	-
01-Jan-19	SecureAuth	W Capital Partners	-	-	-	-

Appendix

*Public Basket
Contact Information*



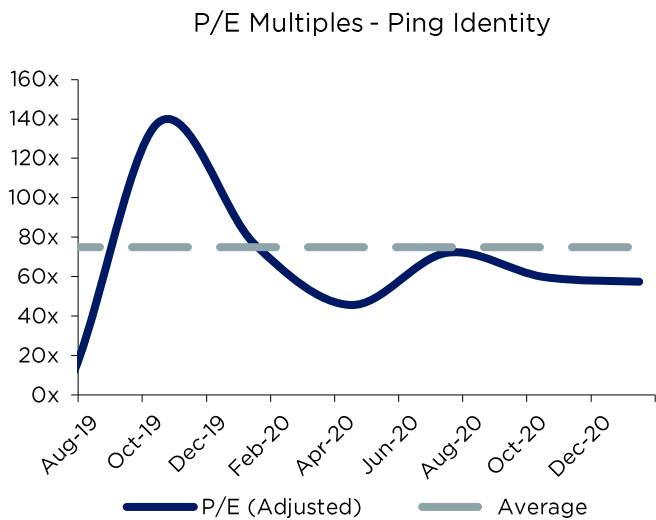
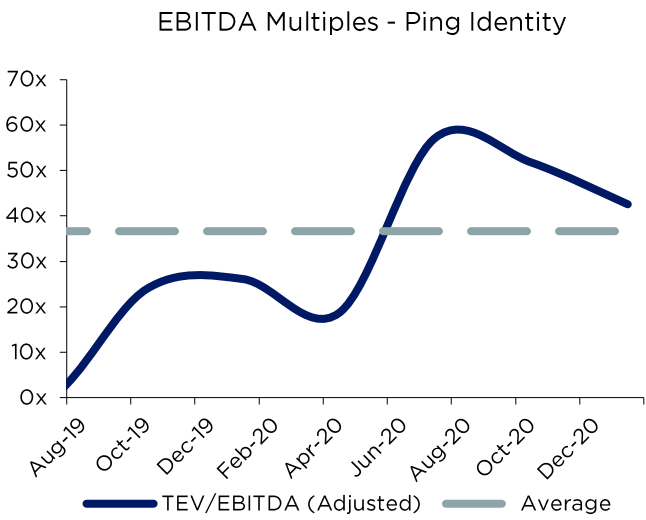
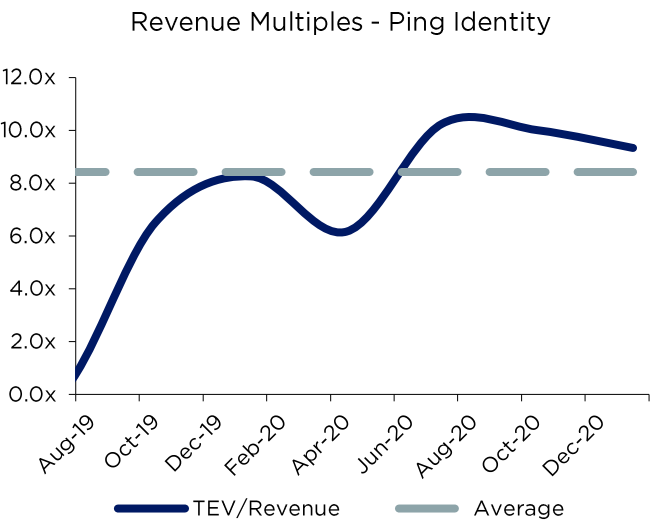
Ping Identity

Ping Identity Holding Corp is a United States-based company engaged in the business of software.

It enables secure access to any service, application or API from any device. Its Intelligent Identity Platform leverages artificial intelligence and machine learning to analyze the device, network, application and user behavior data to make authentication and security control decisions.

Public Basket

Ping Identity



Company Name	Date	Deal Synopsis
Symphonic Software	02-Nov-20	The company was acquired by Ping Identity (NYS: PING) for an undisclosed amount on November 2, 2020. The acquisition enables Ping Identity to accelerate dynamic authorization for enterprises pursuing zero trust identity security.
ShoCard	01-Jan-19	The company was acquired by Ping Identity (NYS: PING) for \$5.5 million in 2019.

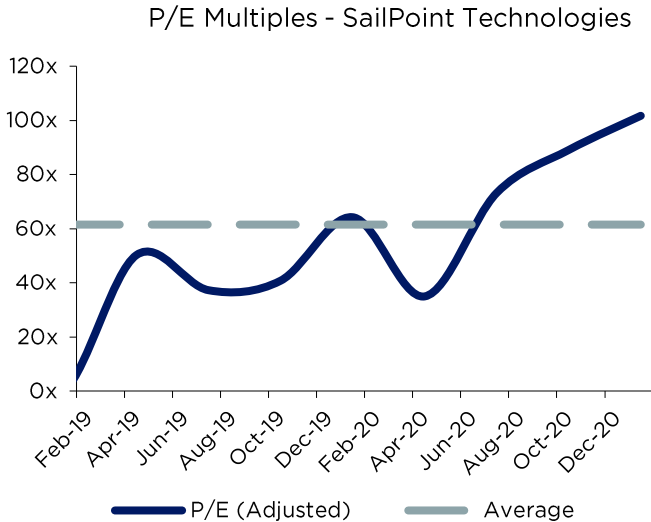
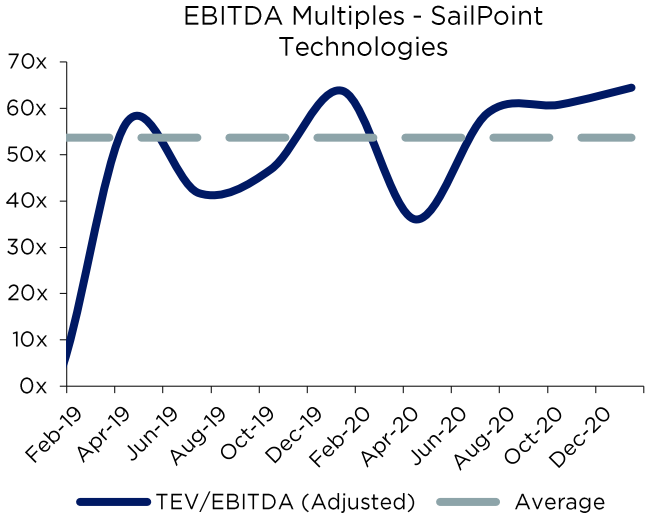
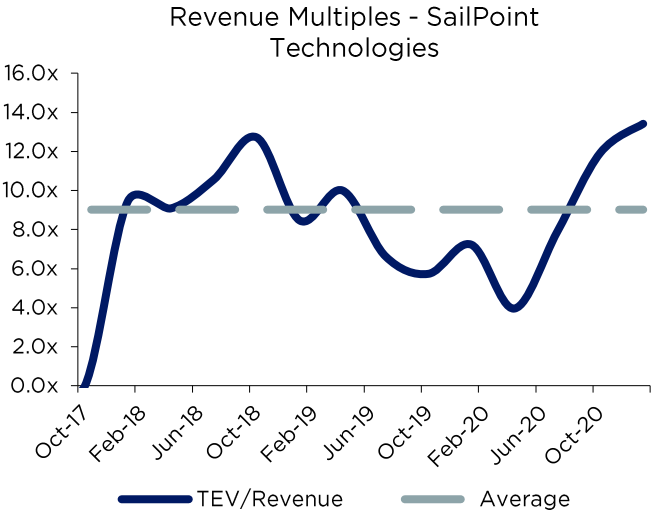
SailPoint Technologies

SailPoint Technologies Holdings Inc is a US-based company which acts as a provider of enterprise identity governance solutions.

It mainly designs, develops, and markets identity governance software that helps organizations govern user access to critical systems and data. The company offers on-premises software and cloud-based solutions, which provide organizations with the intelligence required to empower users and govern their access to applications and data across hybrid IT (Information Technology) environments, whether comprised of on-premises, cloud or mobile applications. The company markets its products and services throughout North America, Europe, and the Asia Pacific regions. Most of the company's revenue comes from the United States.

Public Basket

SailPoint Technologies



Company Name	Date	Deal Synopsis
OverWatchID	16-Oct-19	The company was acquired by SailPoint Technologies (NYS: SAIL) for \$20.9 million on October 15, 2019. The acquisition will further SailPoint's Predictive Identity vision.
Orkus	15-Oct-19	The company was acquired by SailPoint Technologies (NYS: SAIL) for \$16.5 million on October 15, 2019. The acquisition will further SailPoint's Predictive Identity vision.

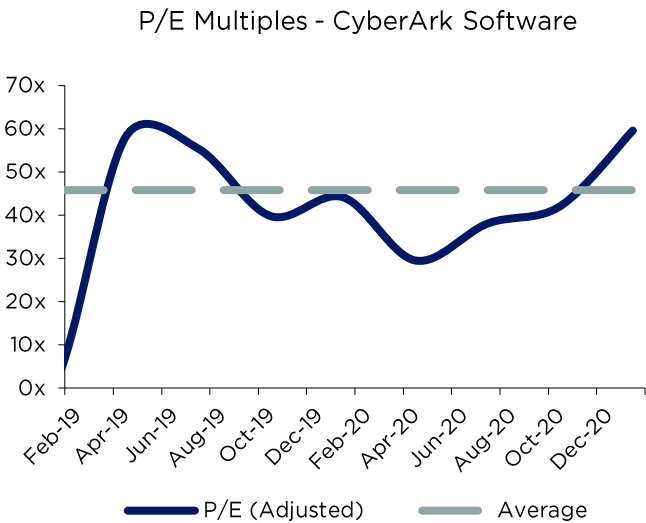
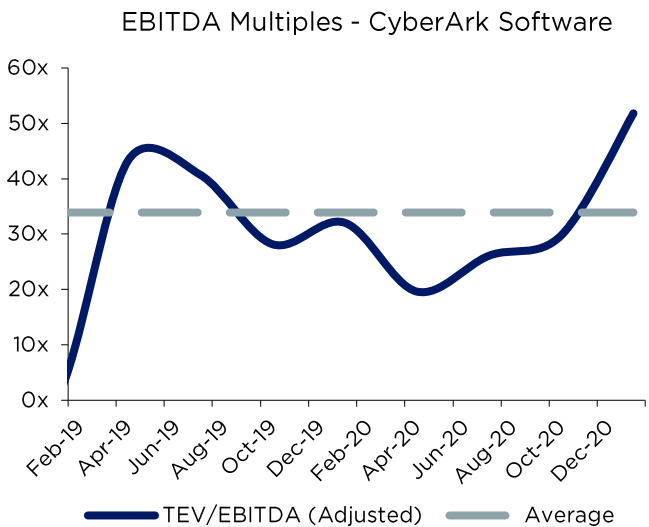
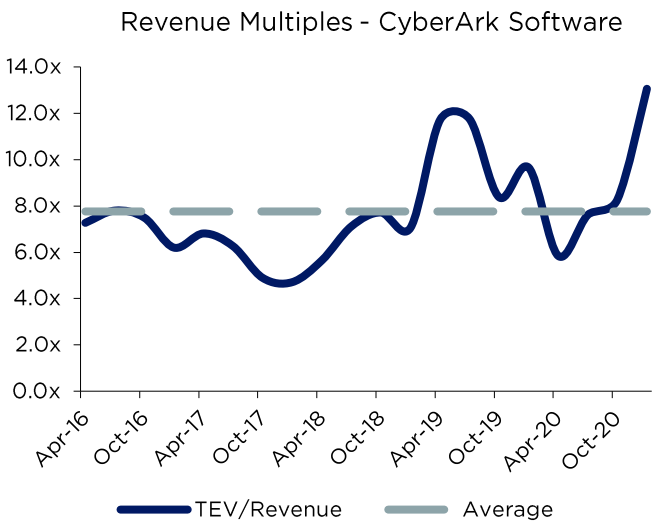
CyberArk Software

CyberArk Software Ltd provides Information technology security solutions to protect data, infrastructure, and assets across the enterprise.

The company software solutions focused on protecting privileged accounts, credentials, and secrets. Its products and services include Enterprise Password Vault, Privileged Session Manager, Privileged Threat Analytics, CyberArk Privilege Cloud. The company provides a solution on Audit and Compliance, Security and Risk Management, Industry Solutions. Geographically, it generates maximum revenue from the United States and also has a presence in the United Kingdom; Europe, the Middle East and Africa and Other countries.

Public Basket

CyberArk Software



Company Name	Date	Deal Synopsis
Idaptive	13-May-20	The company was acquired by CyberArk Software (NAS: CYBR) for \$70 million on May 13, 2020.
Vaultive	12-Mar-18	The company was acquired by CyberArk (NASDAQ: CYBR) for \$19 million on March 12, 2018. The acquisition will enable CyberArk to add additional depth and proactive protection for enterprises facing an expanding attack surface in the cloud.

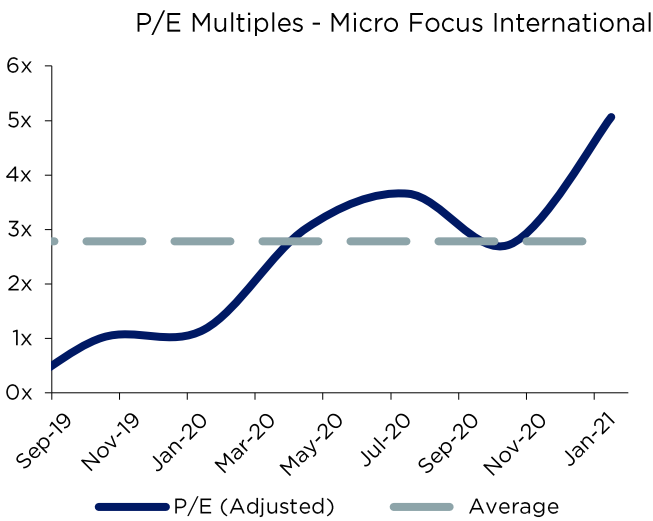
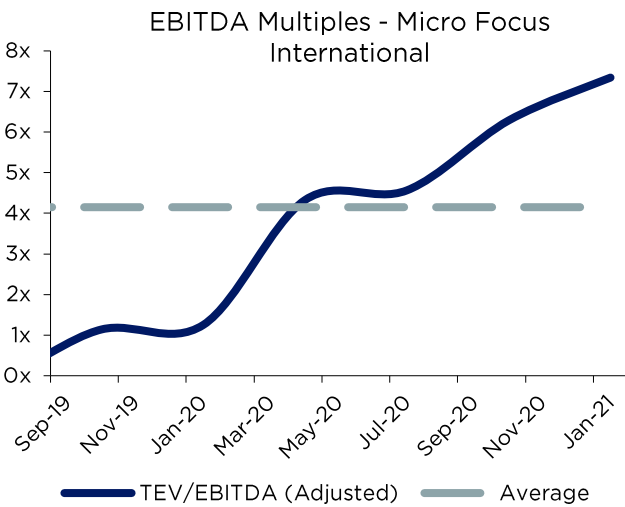
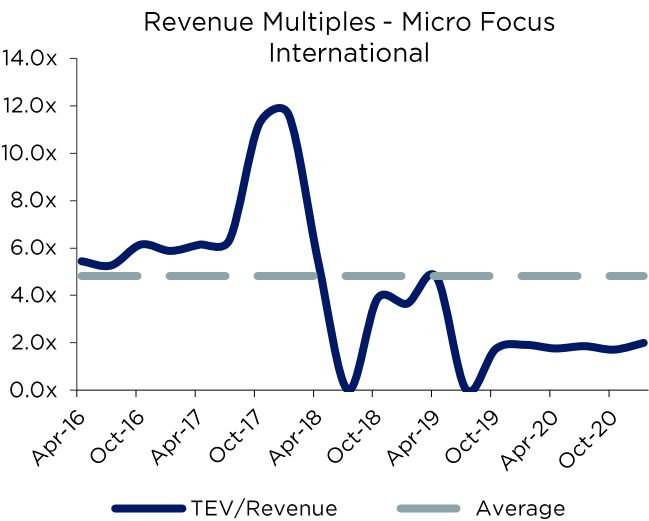
Micro Focus International

Micro Focus International PLC is a United Kingdom-based provider of software solutions.

Its software portfolio includes identity access and security solutions, COBOL development and mainframe solutions, development and IT operations management tools, host connectivity solutions, collaboration and networking solutions, software-defined storage, and enterprise Linux solutions. The firm helps organizations install, operate, and improve IT infrastructure and business applications. Its clients span a variety of industries, including healthcare, airlines, and the public sector.

Public Basket

Micro Focus International



Company Name	Date	Deal Synopsis
ATAR Labs	10-Jul-20	The company was acquired by Micro Focus International (LON: MCRO) for an undisclosed amount on July 10, 2020.
Interaset	15-Feb-19	The company was acquired by Micro Focus (LON: MCRO) for an undisclosed amount on February 15, 2019. The acquisition adds depth to Micro Focus' Security, Risk & Governance portfolio and aligns with the company's strategy to help customers quickly and accurately validate and assess risk as they digitally transform their businesses.

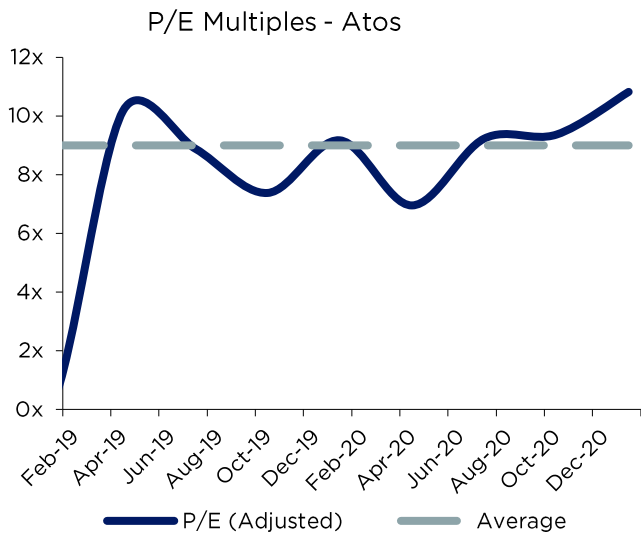
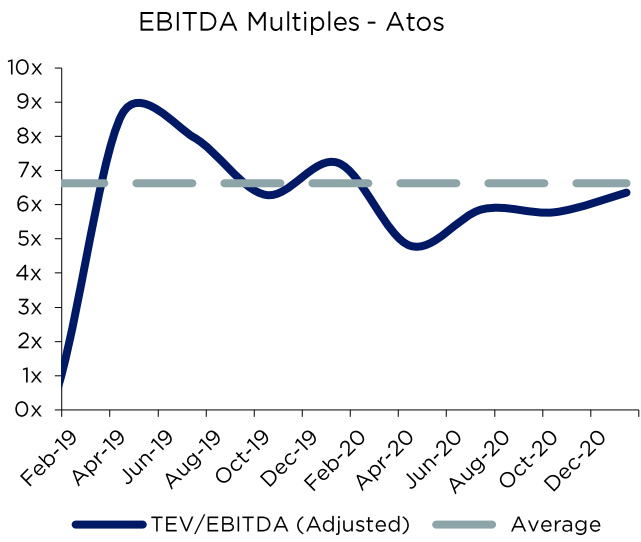
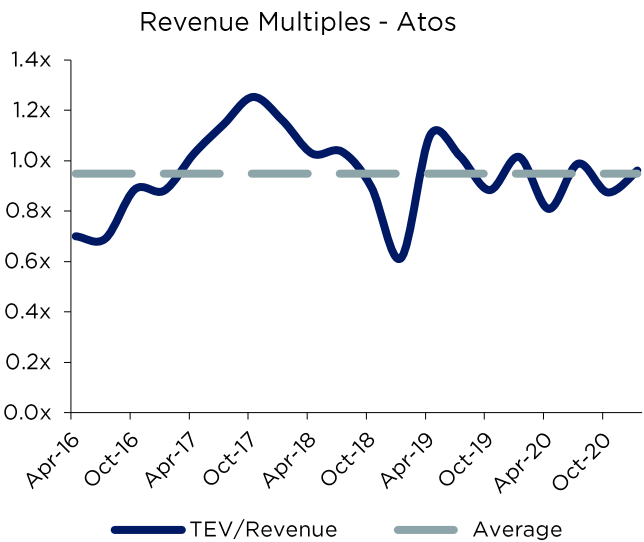
Atos

Atos SE is a France-based IT services provider.

The company generates over EUR 11 billion in annual revenue (the majority of which is generated in Europe), employs approximately 100,000 staff, and operates in 72 countries. Atos provides managed services, consulting and systems integration, Big Data and security, and Worldline (transactional services) across the manufacturing, retail and transportation, public health, telecom, media and utilities, and financial services markets.

Public Basket

Atos



Company Name	Date	Deal Synopsis
In Fidem	20-Jan-21	The company was acquired by Atos (PAR: ATO) for an undisclosed amount on January 20, 2021.
SEC Consult	18-Dec-20	The company was acquired by Atos (PAR: ATO) for an undisclosed amount on December 18, 2020.

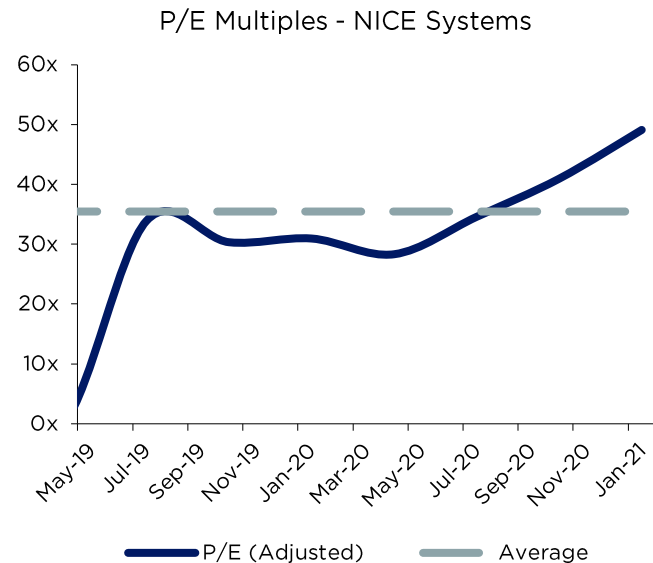
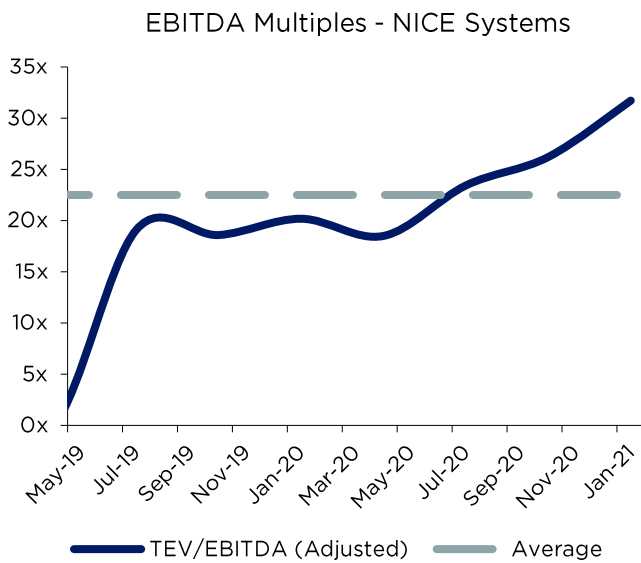
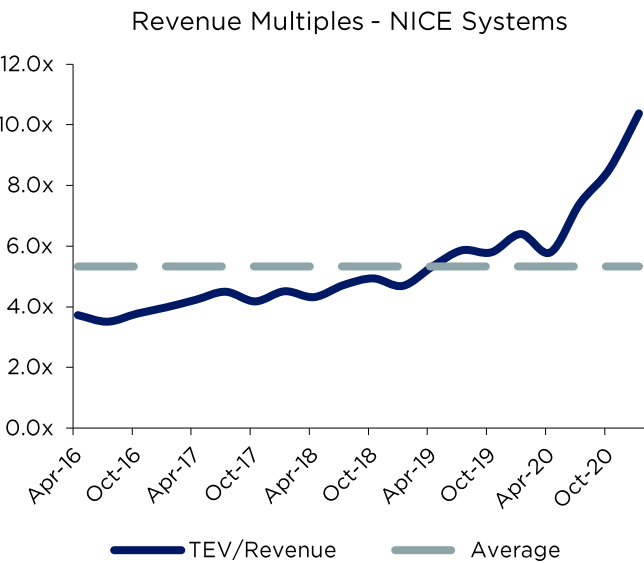
NICE Systems

Nice is an enterprise software company that operates in two segments: customer engagement and financial crime and compliance.

The company develops on-premises and cloud software based on data analytics. In customer engagement, Nice uses its software to offer services in both workforce engagement management and contact center infrastructure (CCI), serving both niches. WEM products optimize call center efficiency, using data for call volume forecasting and scheduling. Nice's CCI products are cloud-based infrastructure products for back-end call routing. In financial crime and compliance, Nice sells anti-money-laundering, risk management, and fraud prevention software products.

Public Basket

NICE Systems

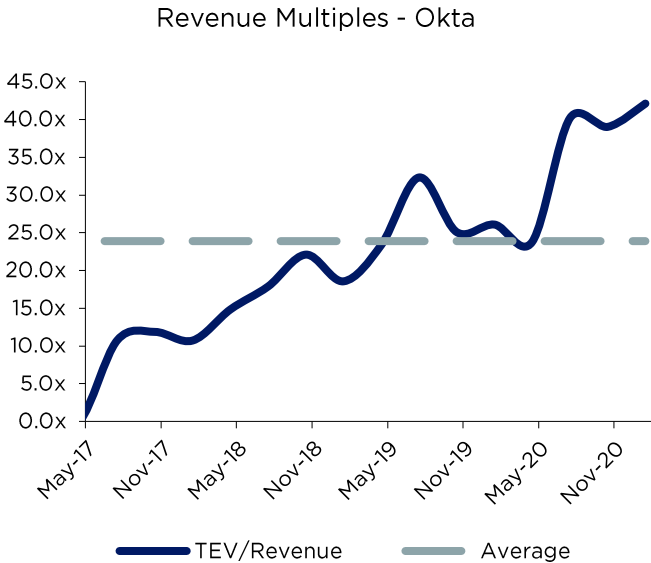


Company Name	Date	Deal Synopsis
Guardian Analytics	19-Aug-20	The company was acquired by NICE Systems (TAE: NICE) a subsidiary of Nokia Networks (IST: ALCTL) for an undisclosed amount on August 19, 2020.
Sira Defence & Security	23-May-19	The company, a subsidiary of Volvere (LON: VLE) was acquired by NICE Systems (TAE: NICE), a subsidiary of Nokia Networks (IST: ALCTL), for approximately GBP 3 million on May 23, 2019. The acquisition will provide opportunities for the company's technology to be offered through NICE's international network and therefore to provide enhanced opportunities for the company and its staff.

Okta

Okta, Inc.

addresses two primary security concerns via its workforce identity and customer identity solutions. The pureplay cybersecurity firm sells products to protect employees, contractors, and partners as well as its customers' end users. Okta's software solutions are cloud-delivered, and its integration network gives customers security protection across a wide variety of applications that are critical to business and government needs. The California-based company went public in 2017 and had over 2,100 employees at the end of the third quarter of fiscal 2020.



Company Name	Date	Deal Synopsis
Fast Forward (Consulting Services)	02-Jul-19	The company received \$5 million of grant funding from Twilio, Hewlett Packard Enterprise and Okta on July 2, 2019. PagerDuty, Amazon Web Services, GitHub, Google.org and BlackRock also participated in the round.
Azuqua	18-Mar-19	The company was acquired by Okta (NAS: OKTA) for \$52.5 million on March 05, 2019.

International Business Machines

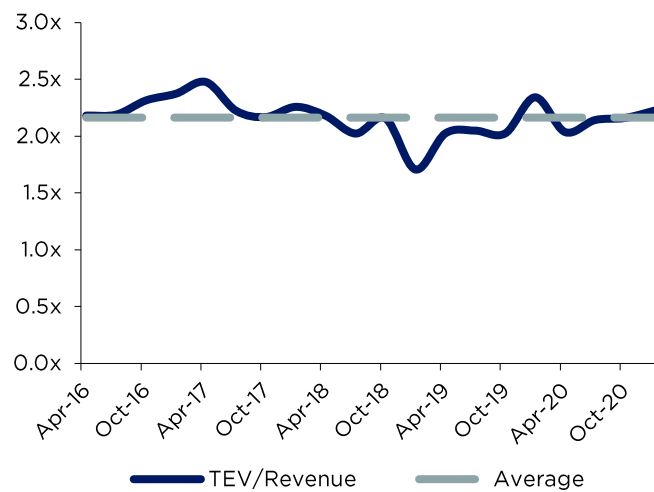
IBM looks to be a part of every aspect of an enterprise's IT needs.

The company primarily sells infrastructure services (37% of revenue), software (29% of revenue), IT services (23% of revenue) and hardware (8% of revenues). IBM operates in 175 countries and employs approximately 350,000 people. The company has a robust roster of 80,000 business partners to service 5,200 clients--which includes 95% of all Fortune 500. While IBM is a B2B company, IBM's outward impact is substantial. For example, IBM manages 90% of all credit card transactions globally and is responsible for 50% of all wireless connections in the world.

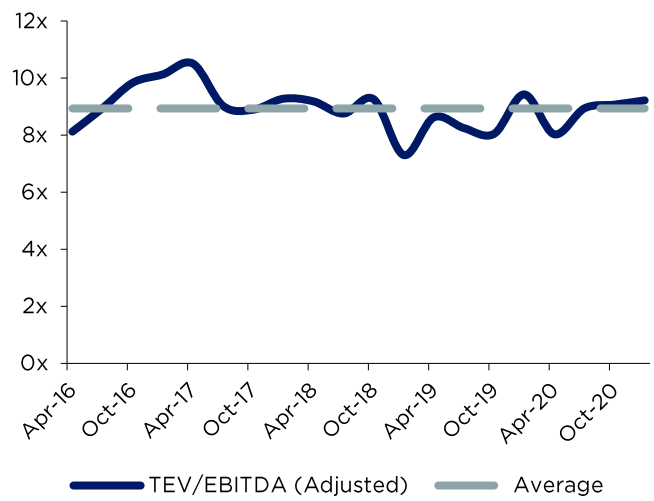
Public Basket

International Business Machines

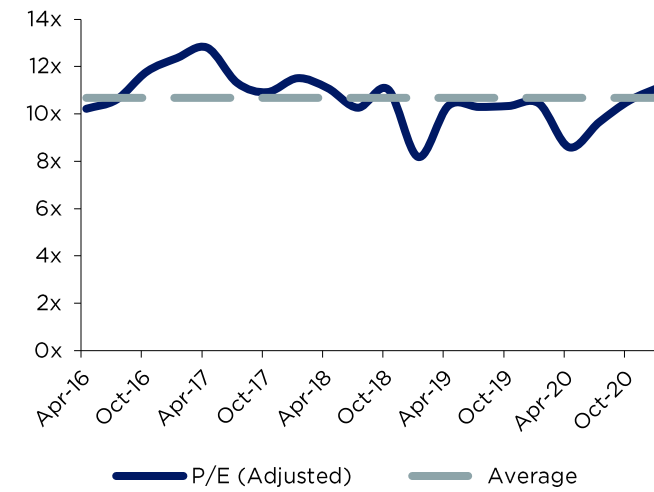
Revenue Multiples - International Business Machines



EBITDA Multiples - International Business Machines



P/E Multiples - International Business Machines



Company Name

Date

Deal Synopsis

Taos Mountain

14-Jan-21

The company reached a definitive agreement to be acquired by International Business Machines (NYS: IBM) for an undisclosed amount on January 14, 2021.

7Summits

23-Dec-20

The company was acquired by International Business Machines (NYS: IBM) for an undisclosed amount on December 23, 2020.

Oracle

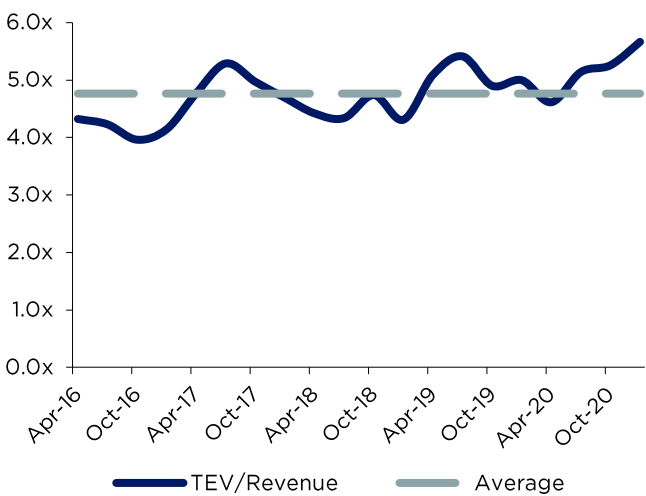
Oracle provides database technology and enterprise resource planning, or ERP, software to enterprises around the world.

Founded in 1977, Oracle pioneered the first commercial SQL-based relational database management system. Today, Oracle has 430,000 customers in 175 countries, supported by its base of 136,000 employees.

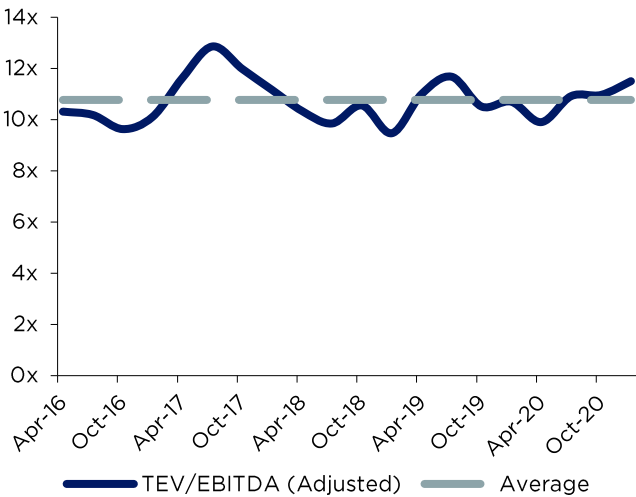
Public Basket

Oracle

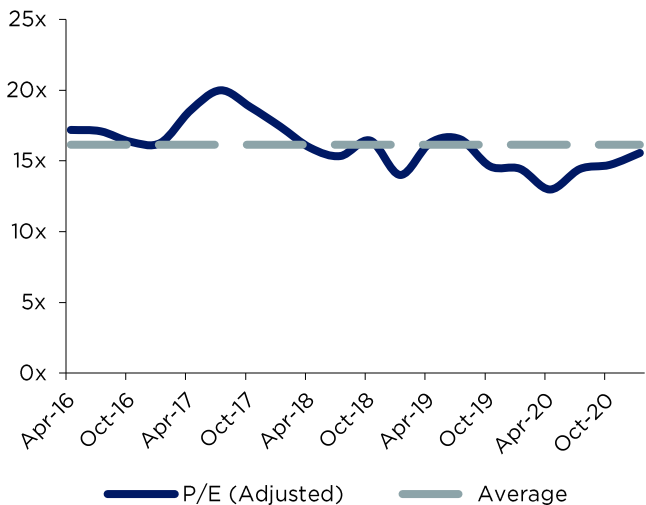
Revenue Multiples - Oracle



EBITDA Multiples - Oracle



P/E Multiples - Oracle



Company Name	Date	Deal Synopsis
Nor1	18-Nov-20	The company reached a definitive agreement to be acquired by Oracle (NYS: ORCL) for an undisclosed amount on November 18, 2020.
Sauce Video	27-Apr-20	The company was acquired by Oracle (NYS: ORCL) for an undisclosed amount on April 27, 2020. The acquisition helps Oracle to enhance its portfolio with advanced video capabilities and to provide customers with a comprehensive set of content creation and management tools in order to create exceptional customer, employee and supplier experiences.

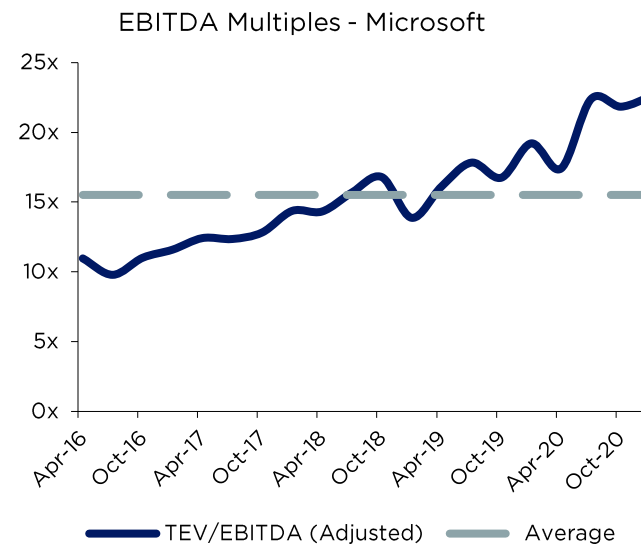
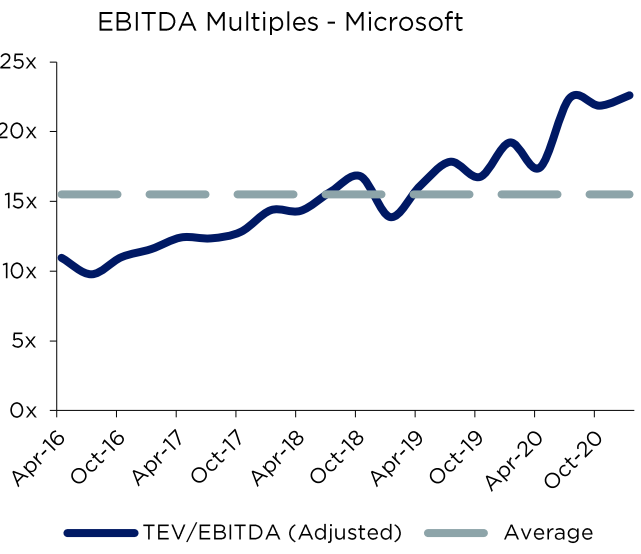
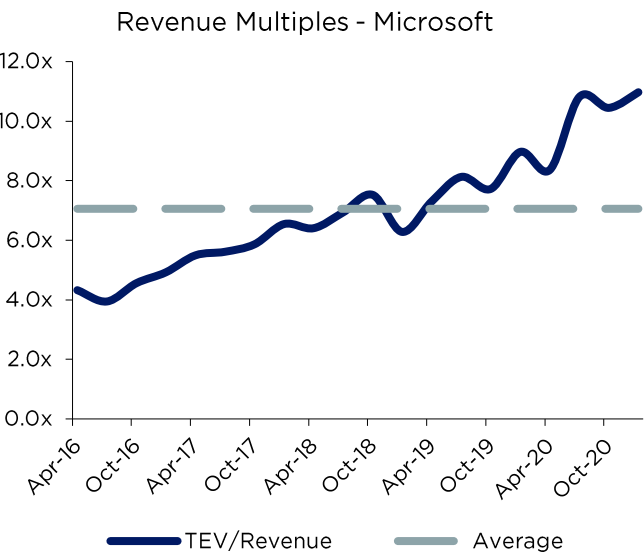
Microsoft

Microsoft develops and licenses consumer and enterprise software.

It is known for its Windows operating systems and Office productivity suite. The company is organized into three overarching segments: productivity and business processes (legacy Microsoft Office, cloud-based Office 365, Exchange, SharePoint, Skype, LinkedIn, Dynamics), intelligence cloud (infrastructure- and platform-as-a-service offerings Azure, Windows Server OS, SQL Server), and more personal computing (Windows Client, Xbox, Bing search, display advertising, and Surface laptops, tablets, and desktops). Through acquisitions, Microsoft owns Xamarin, LinkedIn, and GitHub. It reports revenue in product and service and other revenue on its income statement.

Public Basket

Microsoft



Company Name	Date	Deal Synopsis
Cruise (California)	19-Jan-21	The company received a \$2 billion amount of financing from General Motors, Honda Motor Company and Microsoft on January 19, 2021.
HUB (IT)	01-Jan-21	Pacific Investment Management Company, Man Group, IHS Markit, State Street, Microsoft and McKinsey & Company have entered into an agreement to form a joint venture as of January 7, 2021.

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.

Leroy Davis, Partner	704.899.5962	leroy@7mileadvisors.com
Tripp Davis, Partner	704.899.5762	tripp@7mileadvisors.com
Andy Johnston, Partner	704.899.5961	andy@7mileadvisors.com
John Cooper, Managing Director	704.973.3996	john@7mileadvisors.com
Mark Landry, Managing Director	561.972.0609	mark@7mileadvisors.com
Tim Frye, Senior Director	704.973.3994	tim@7mileadvisors.com
Kristina Sergueeva, Director	704.899.5149	kristina@7mileadvisors.com
Ben Garber, Vice President	412.626.7898	ben.garber@7mileadvisors.com
Garth Martin, Vice President	704.973.3997	garth.martin@7mileadvisors.com
Nicholas Prendergast, Vice President	704.973.3995	nicholas@7mileadvisors.com
Ariail Barker, Director, Sales & Marketing	704.981.2908	ariail@7mileadvisors.com
Ben Bruggeworth, VP, Business Development	704.365.8859	ben.bruggeworth@7mileadvisors.com
Steve Sypek, VP, Business Development	704.414.8736	Steve.sypek@7mileadvisors.com
Emily Halstenberg, Marketing & Sales Manager	704.409.9912	emily@7mileadvisors.com
Alexis Papa, Marketing & Sales Coordinator	704.414.8732	lexi.papa@7mileadvisors.com
Marty Johnson, Senior Associate	704.973.3999	marty@7mileadvisors.com
Sydney Scadden, Senior Associate	704.973.3998	sydney@7mileadvisors.com
Steve Buffington, Associate	704.960.1828	steve@7mileadvisors.com
Dennis Fox, Associate	704.706.9168	dennis@7mileadvisors.com
Ilia Ulianchuk, Senior Analyst	704.414.8743	ilia@7mileadvisors.com
Nic Anderle, Analyst	704.826.7492	nic.anderle@7mileadvisors.com
Luke Perda, Analyst	704.851.4013	luke.perda@7mileadvisors.com
Robin Siegel, Analyst	704.285.8173	robin@7mileadvisors.com
Conor Smith, Analyst	704.855.2134	conor.smith@7mileadvisors.com
Sawyer Willingham, Analyst	704.285.8171	sawyer.willingham@7mileadvisors.com