

7 Mile Advisors



Sectorwatch: Advanced Analytics

February 2021



Advanced Analytics

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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

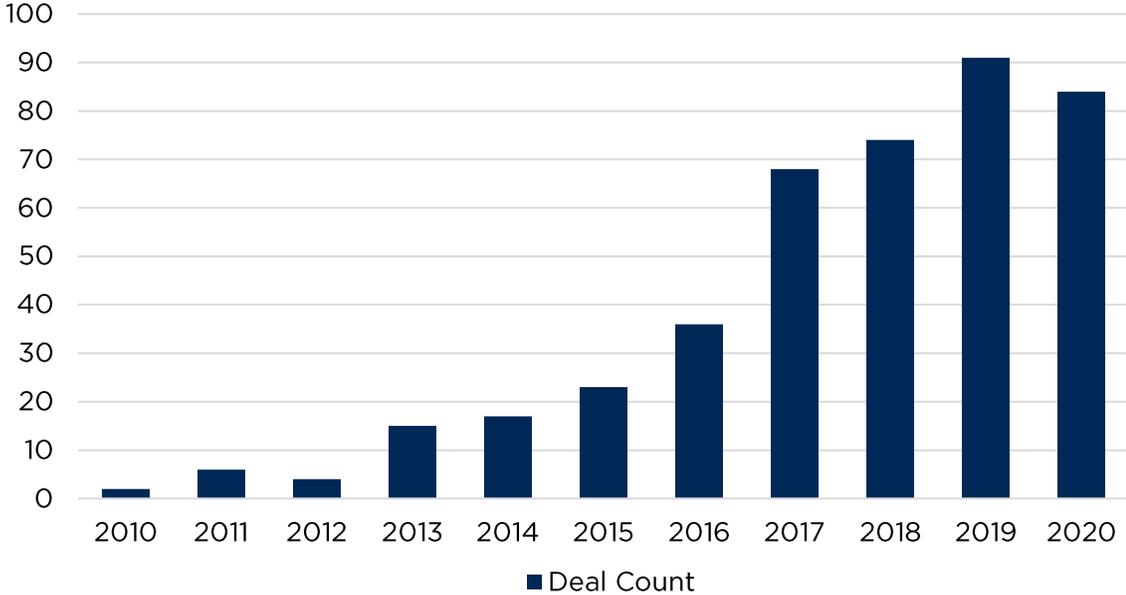
- The most recently announced deals in the sector

Dashboard

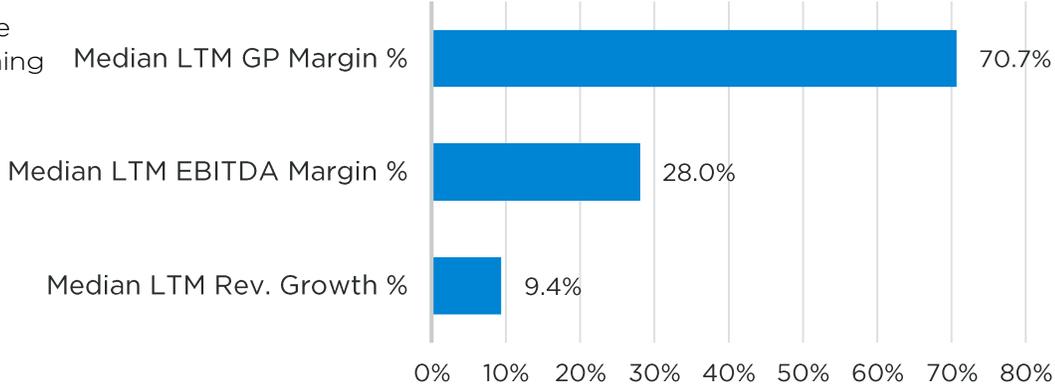
REVENUE GROWTH MOMENTUM ↓ -5.1%

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

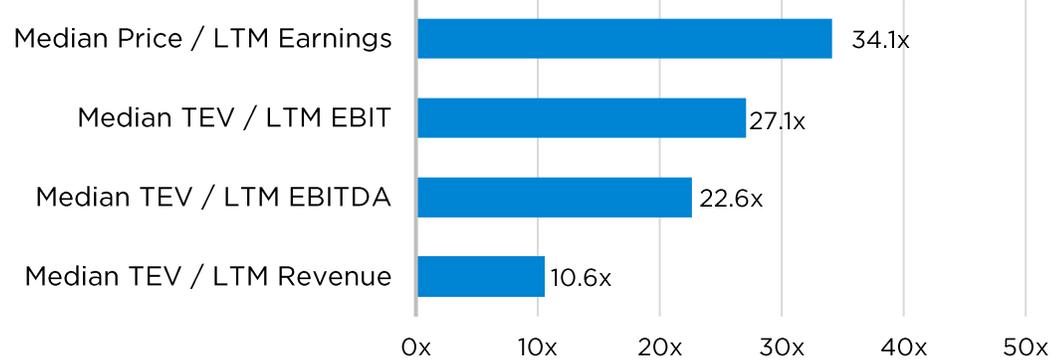
M&A Activity



Operating Metrics



Valuation



Public Basket Overview

Advanced Analytics

TMT

FICO **alteryx** | The Thrill of Solving

Alphabet **IBM**

Big Data

SAP **splunk**>

CloudTech & DevOps

 Microsoft

Marketing Tech

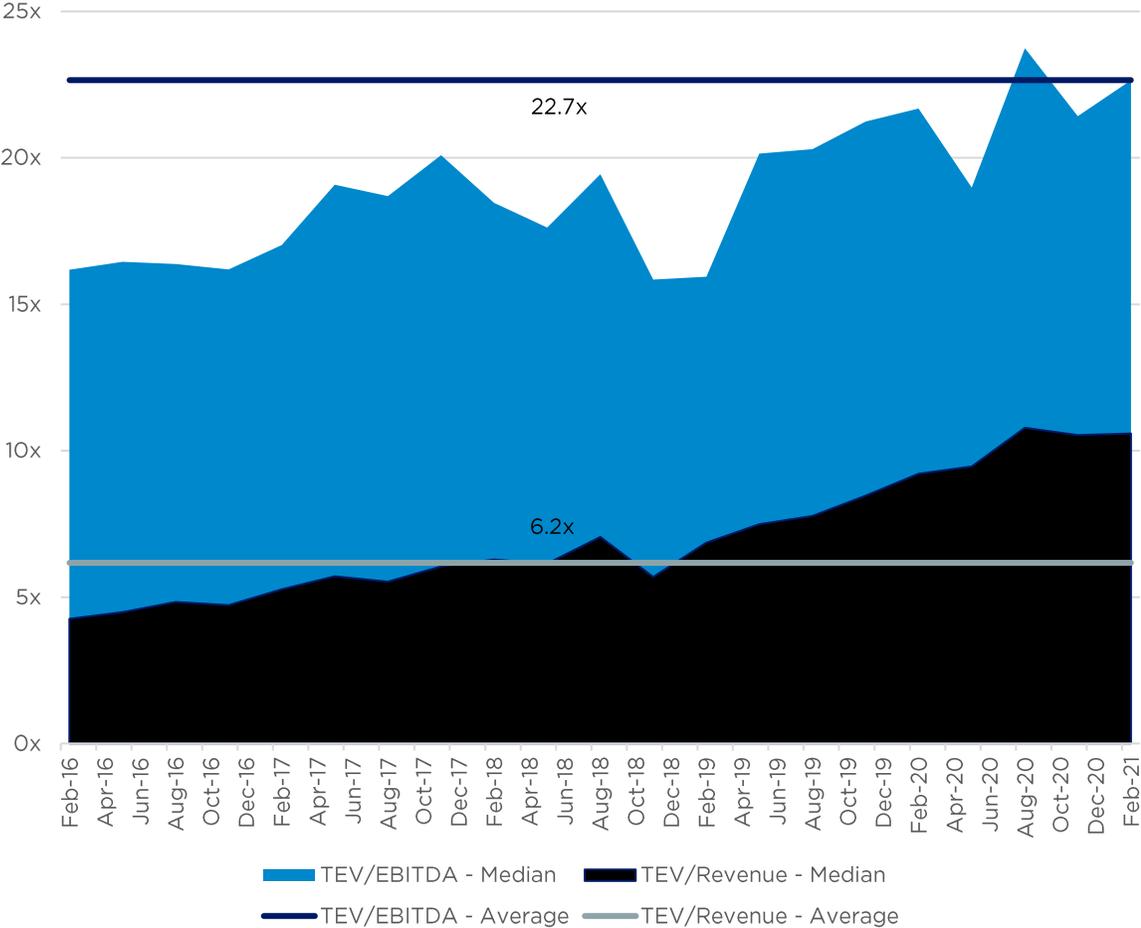
 Adobe

Public Basket

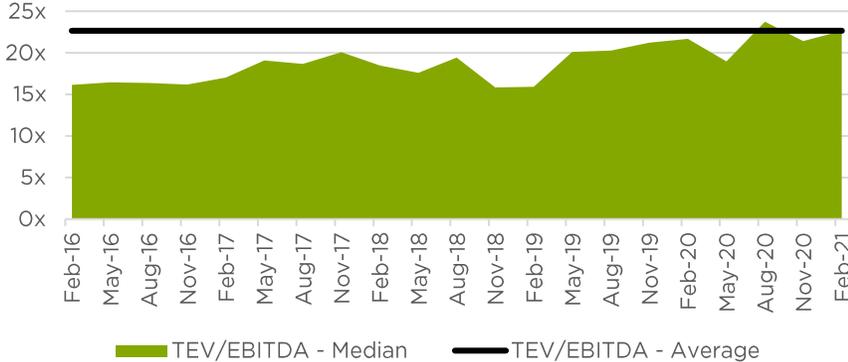
Company	TEV \$m	LTM EBITDA \$m	LTM Rev \$m	Rev Growth YoY	GP %	EBITDA %	TEV / Rev X	TEV / EBITDA X	# FTEs	Rev / FTE \$k
Alteryx	6,501	23	495	18.5%	91.1%	4.6%	13.1x	288.0x	1,519	326
Fair Isaac	13,901	375	1,308	9.4%	72.5%	28.6%	10.6x	37.6x	4,003	327
Splunk	24,083	-609	2,275	3.9%	76.9%	-26.8%	10.6x	NA	5,800	392
International Business Machines	162,224	12,515	73,621	-4.6%	48.3%	17.0%	2.2x	13.0x	381,100	193
Accenture	163,054	7,146	44,730	1.7%	31.8%	16.0%	3.6x	22.8x	514,000	87
SAP	162,088	8,738	31,160	3.3%	70.7%	28.0%	5.2x	17.2x	102,430	304
Adobe Systems	218,516	4,808	12,868	15.2%	86.6%	37.4%	17.0x	45.4x	22,516	572
Alphabet	1,254,151	60,049	182,527	12.8%	53.6%	32.9%	6.9x	20.9x	132,121	1,382
Microsoft	1,664,522	74,099	153,284	14.2%	68.4%	48.3%	10.9x	22.5x	163,000	940
Average	407,671	18,571	55,808	8.3%	66.7%	20.7%	8.9x	58.4x	147,388	503
Median	162,224	7,146	31,160	9.4%	70.7%	28.0%	10.6x	22.6x	102,430	327

share price as of 26Feb21

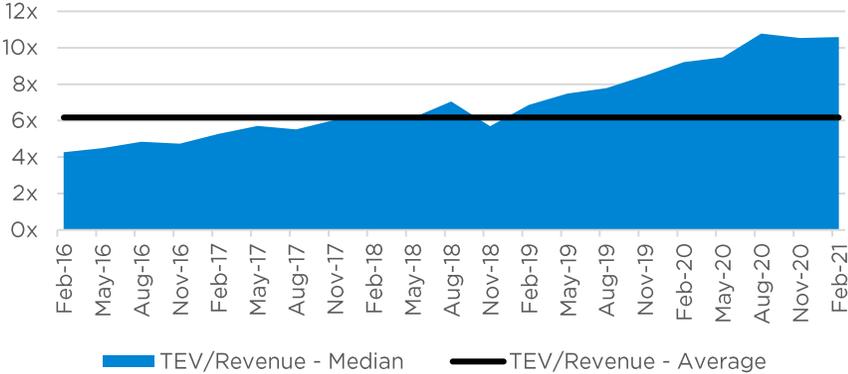
Public Basket



Public EBITDA Multiples over Time

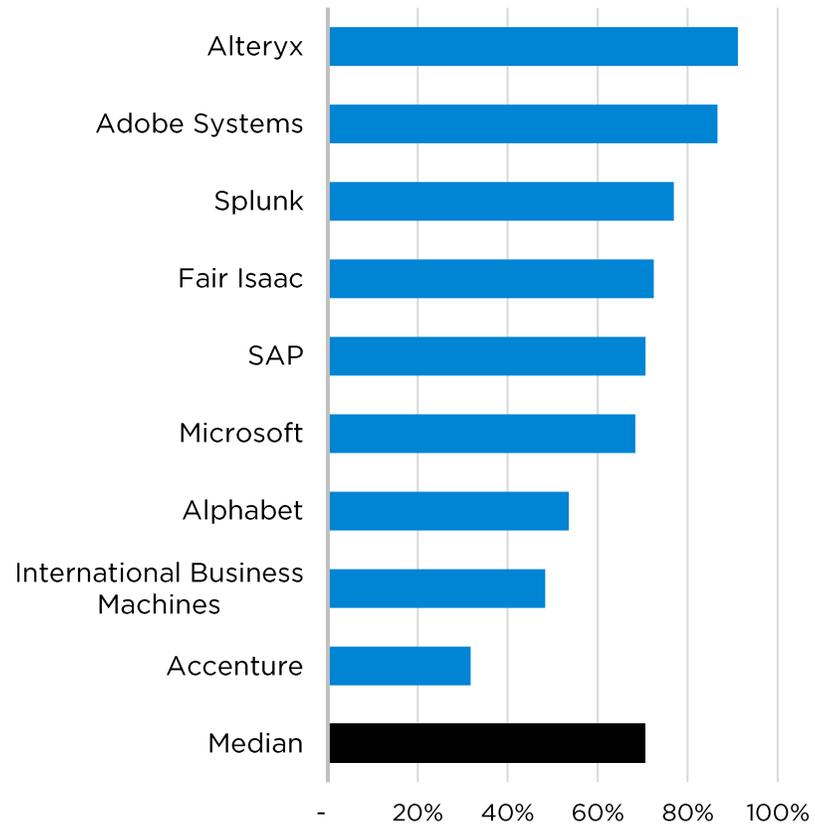


Public Revenue Multiples over Time

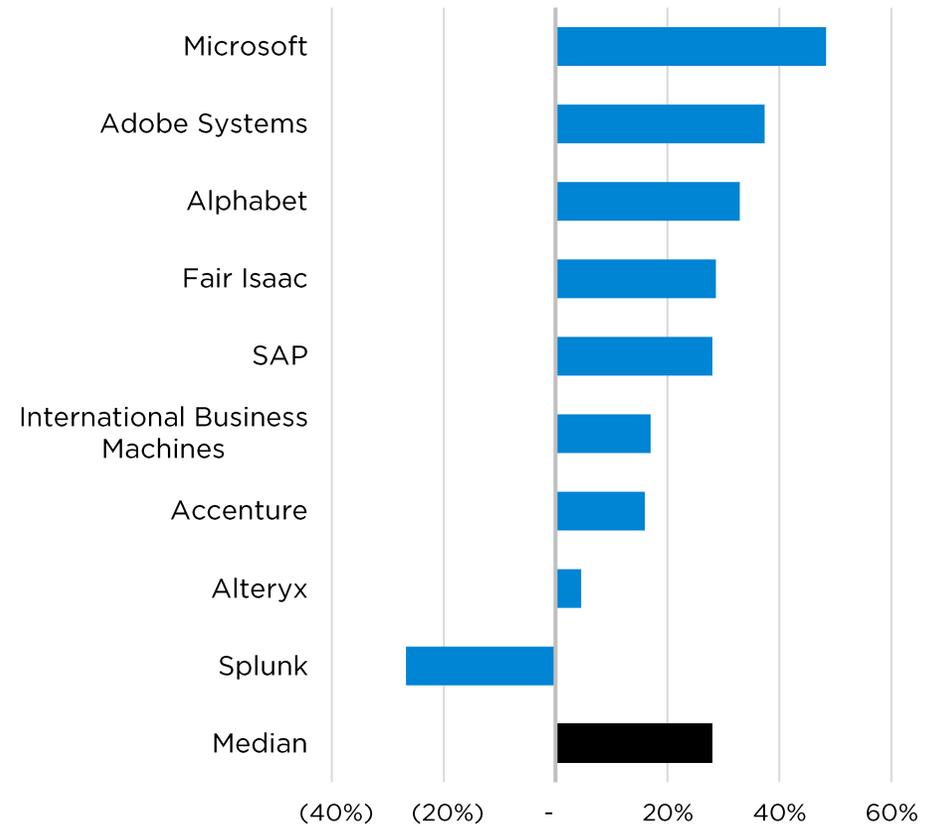


Operational Metrics

LTM Gross Profit Margin %

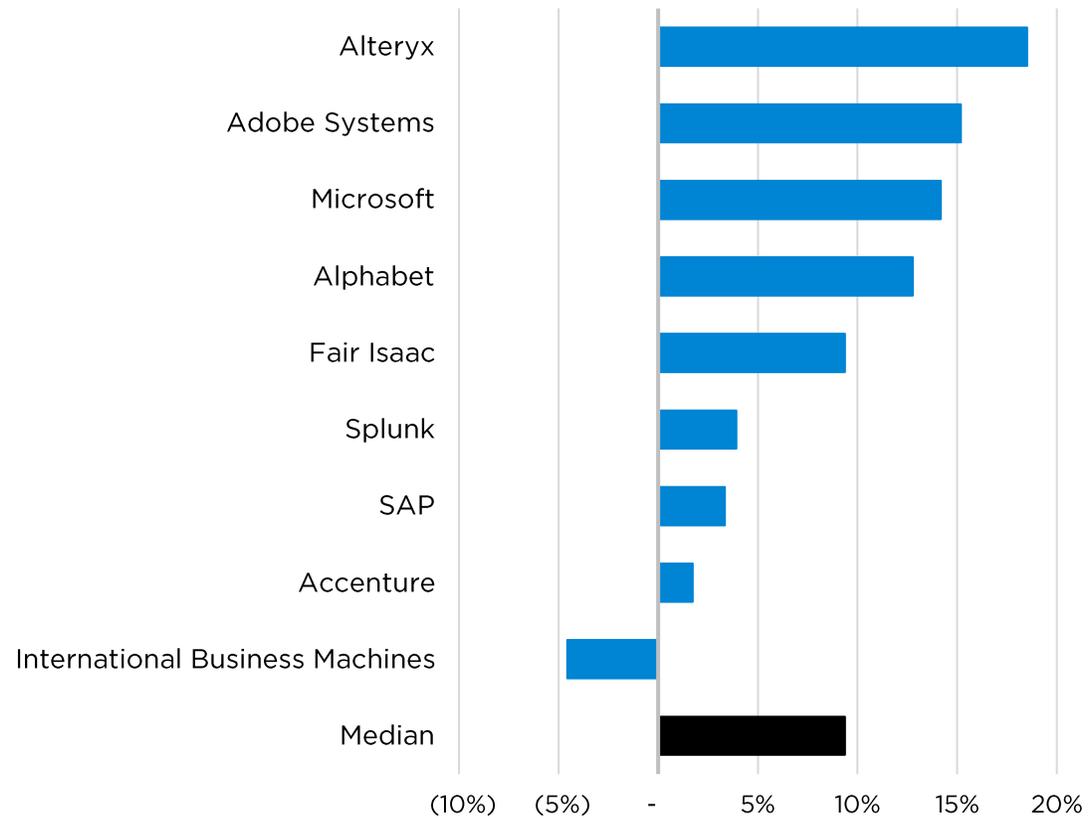


LTM EBITDA %

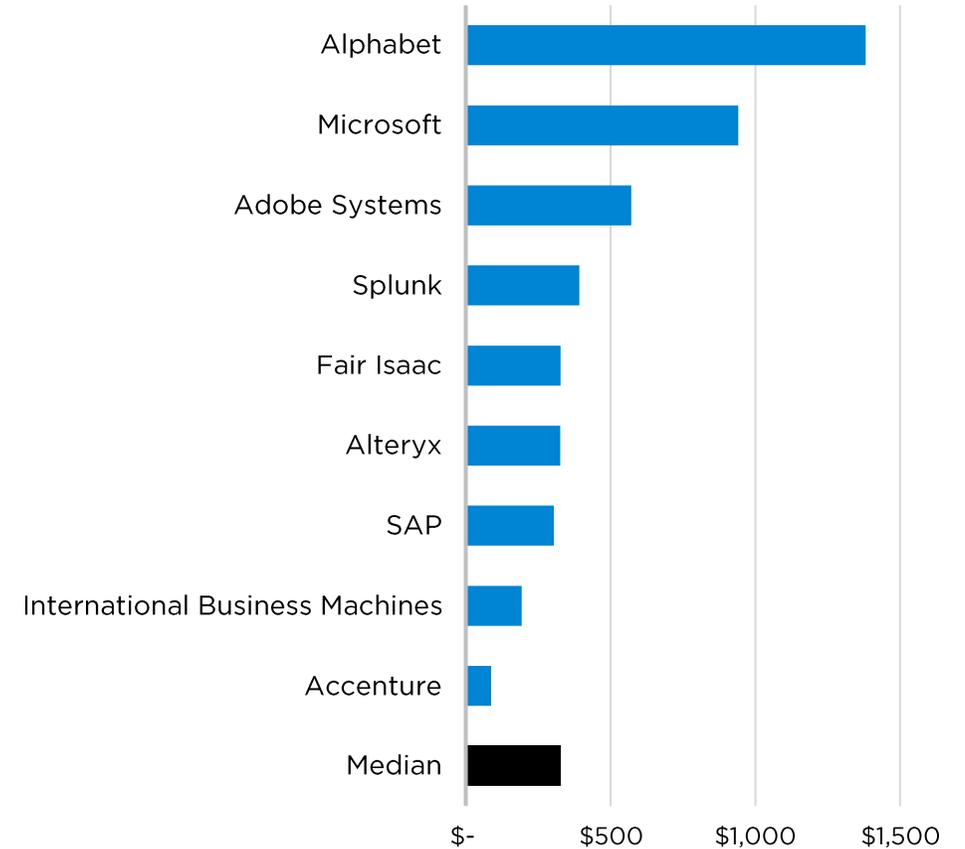


Operational Metrics

LTM Revenue Growth %

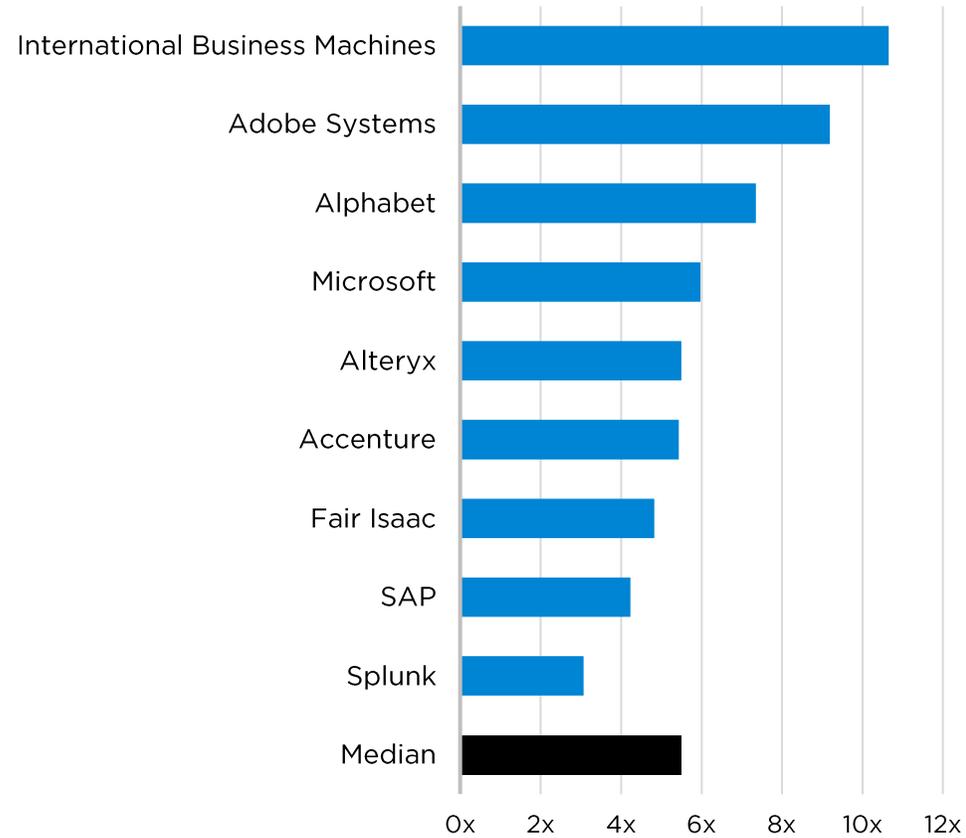


LTM Revenue per Full Time Employee x 000's

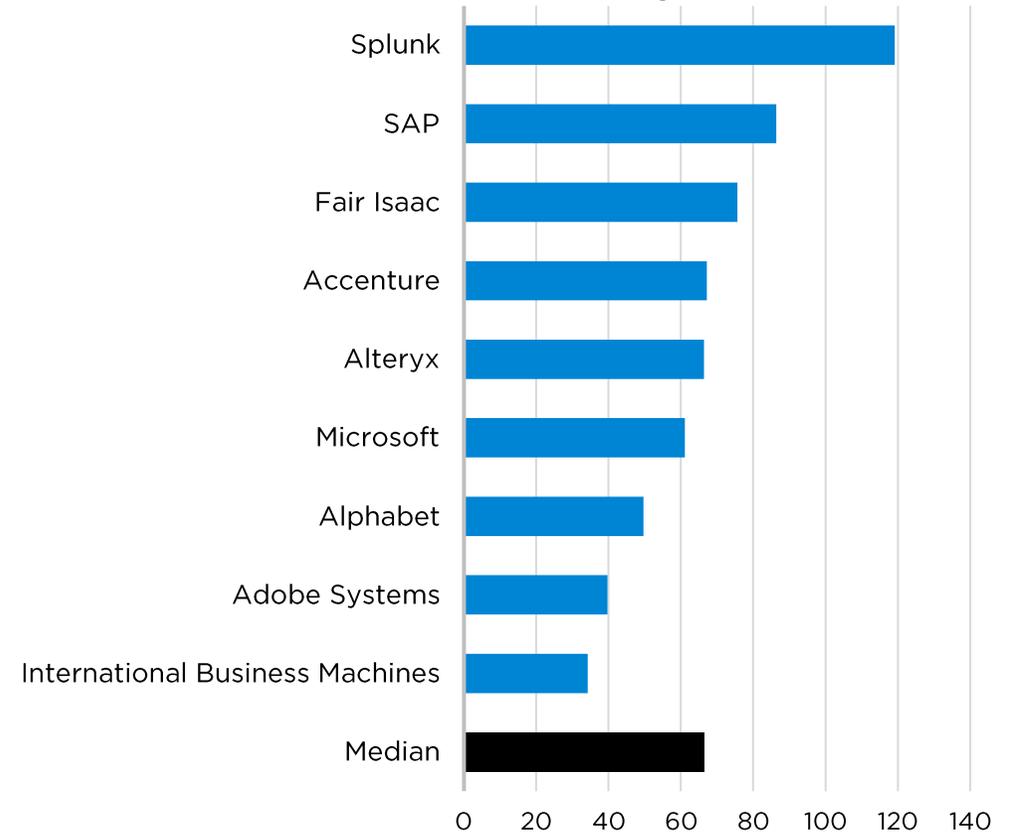


Operational Metrics

Accounts Receivable Turnover

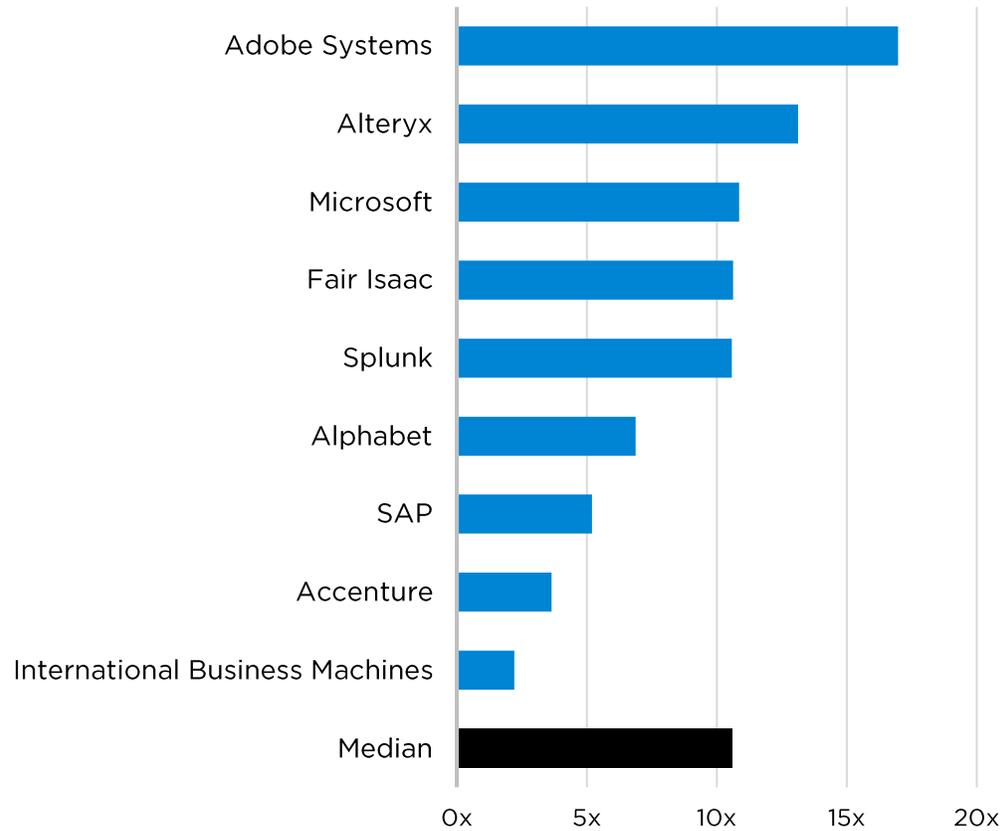


Average Days Sales Outstanding

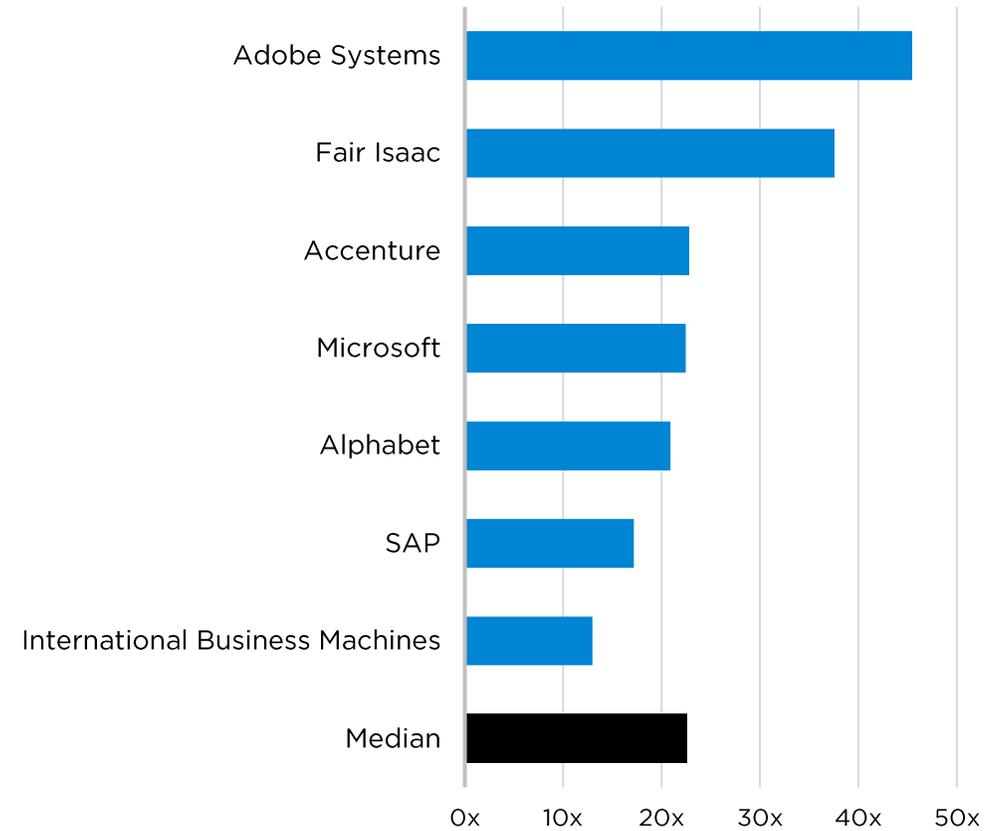


Valuation

TEV / LTM Revenue

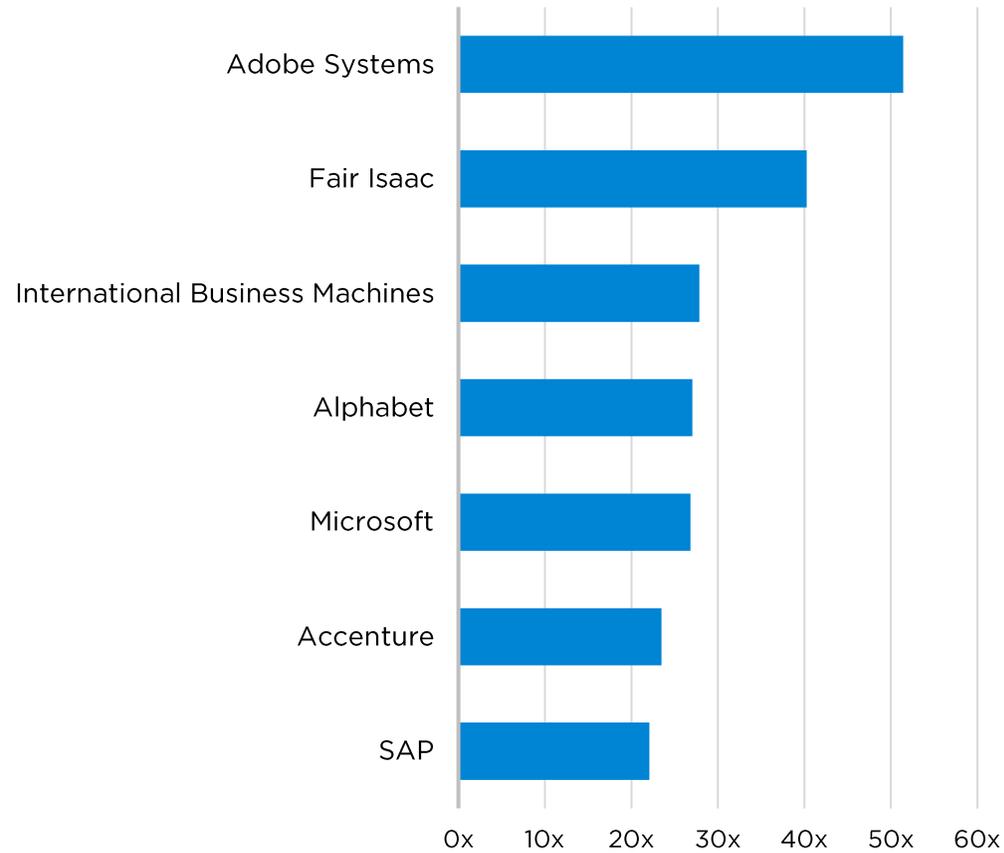


TEV / LTM EBITDA

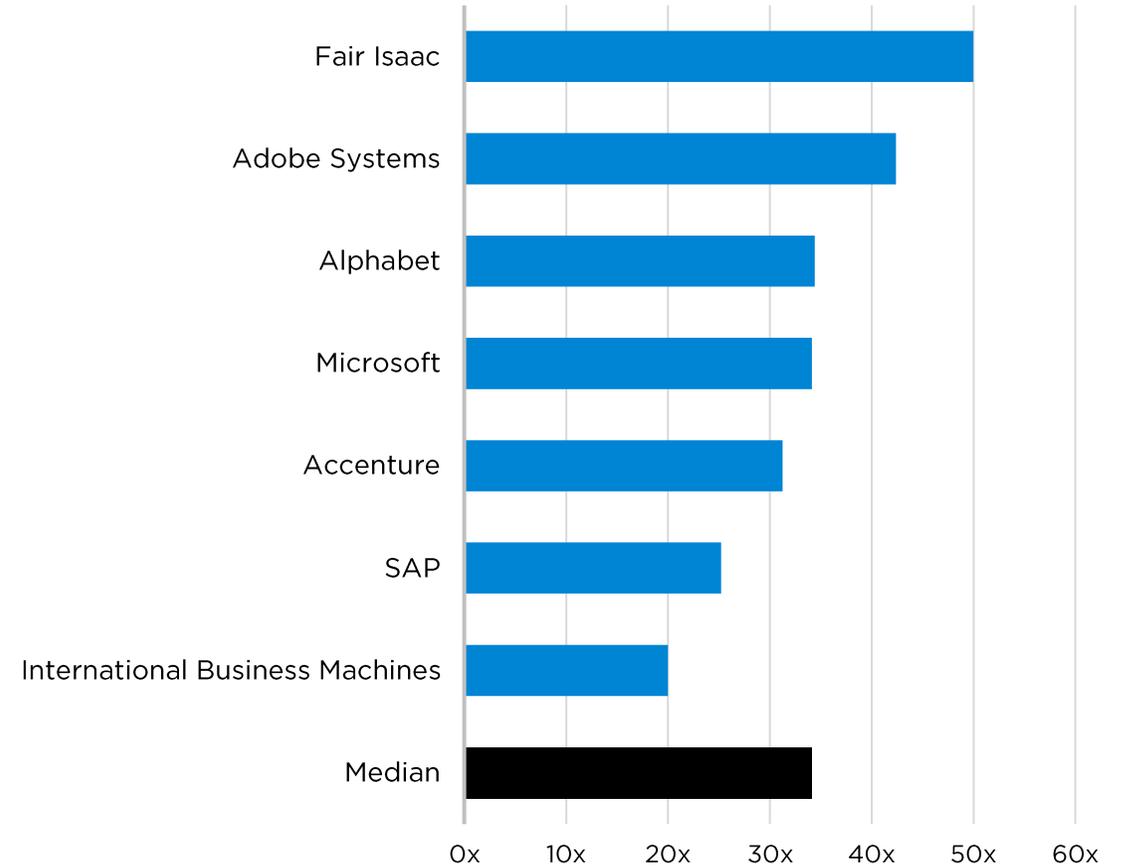


Valuation

TEV / LTM EBIT

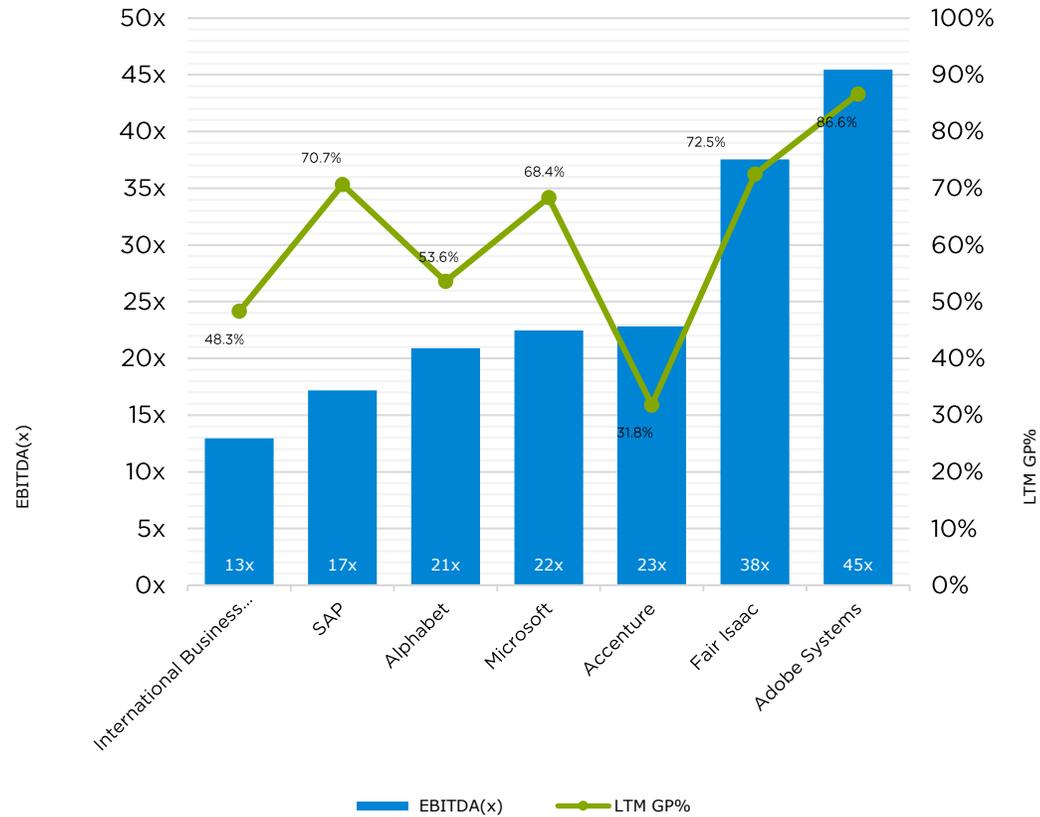


Price / LTM Earnings

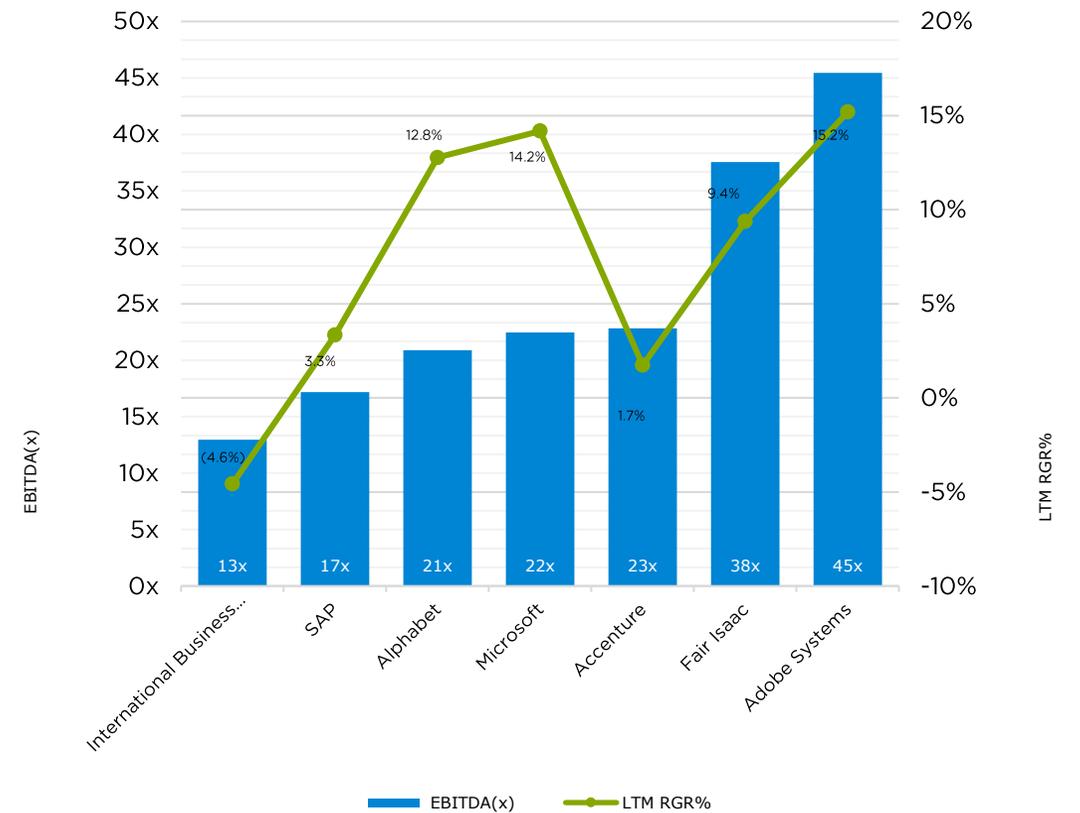


Valuation

Historical Valuation Multiples versus Gross Profit



Historical Valuation Multiples versus Revenue Growth Rate



Recent Transactions

Date	Target	Buyer	Total Transaction Amount	Target Revenue	TEV / Revenue	TEV / EBITDA
25-Feb-21	Exa Ag	SNP Schneider-Neureither & Partner	-	-	-	-
23-Feb-21	BeSmartee	M33 Growth	-	-	-	-
23-Feb-21	CloudPhysics	Hewlett Packard Enterprise	-	-	-	-
19-Jan-21	AMBR Detroit	Fusionary Media	-	-	-	-
14-Jan-21	MIA Data	Scanmarket	-	-	-	-
14-Jan-21	Skyline Technologies	Core Business Technology Solutions	-	-	-	-
13-Jan-21	Intelligent Shift	The Jordan Company	-	-	-	-
11-Jan-21	Datastrong	OceanSound Partners	-	-	-	-
11-Jan-21	Mavens Consulting Services	Komodo (Media and Information Services)	-	-	-	-
07-Jan-21	Boemska Technology Solutions	SAS Institute	-	-	-	-
06-Jan-21	CarpeDatum Consulting	Converge Technology Solutions	-	-	-	-
23-Dec-20	Cascade Data Labs	Kin + Carta	-	-	-	-
23-Dec-20	Data Cloud Solutions	Long Point Capital	-	-	-	-
21-Dec-20	Fortego	Aegis Technologies Group	-	-	-	-
18-Dec-20	Bluecap	Globant	-	-	-	-
15-Dec-20	Climber International	Digia	16.19	14.56	-	-
08-Dec-20	OnPrem Solution Partners	Qvest Media	-	-	-	-
07-Dec-20	Northrop Grumman (Federal IT and Mission Support Services Business)	Peraton	3400.00	-	1.48	-
04-Dec-20	New Line Mobile	Montagu Private Equity	-	-	-	-
03-Dec-20	BigBear (California)	AE Industrial Partners	-	-	-	-
21-Dec-20	Inawisdom	Cognizant Technology Solutions	-	-	-	-
21-Dec-20	Knoema	Eldridge Industries	-	-	-	-
15-Dec-20	Alto Analytics	Constella Intelligence	-	-	-	-
15-Dec-20	Constella Intelligence	NA	-	-	-	-
10-Dec-20	Tredence	Chicago Pacific Founders	30.00	-	-	-
10-Dec-20	Xiatech	Rockpool Investments	-	-	-	-
03-Dec-20	BigBear (California)	AE Industrial Partners	-	-	-	-
02-Dec-20	Cleverbots	AST Group	1.00	-	-	-
30-Nov-20	Ekimetrics	Bpifrance	28.41	-	-	-
19-Nov-20	Verafin	NASDAQ	2750.00	-	-	-

Appendix

*Public Basket
Contact Information*



Alteryx

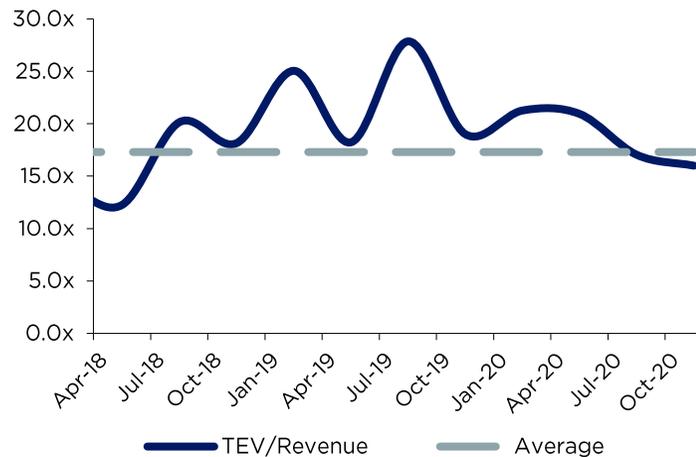
Alteryx Inc is a software company that provides self-service data analytics software.

Its software platform enables organizations to dramatically improve business outcomes and the productivity of business analysts. The firm offers solutions such as advanced analytics, location intelligence, data preparation, technology integrations, and others. The company generates its revenue from the sale of a subscription-based software platform.

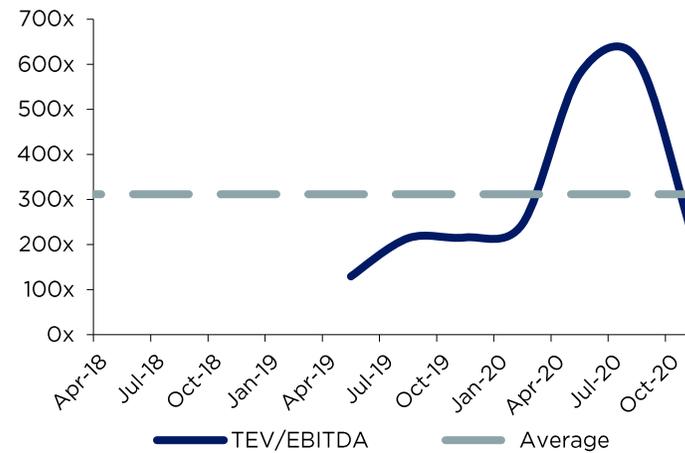
Public Basket

Alteryx

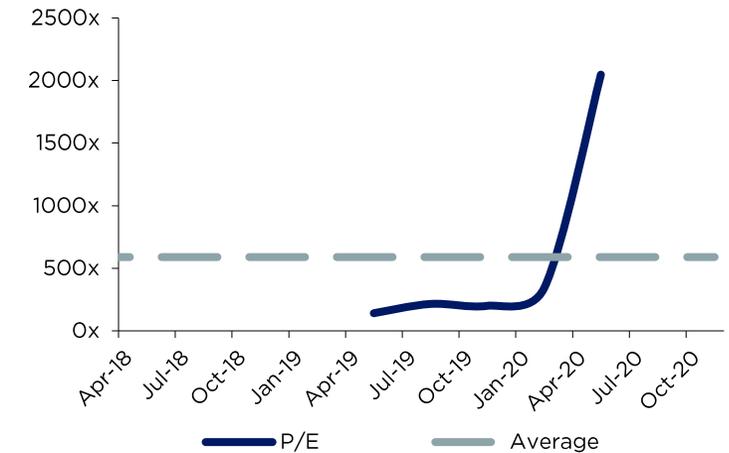
Revenue Multiples - Alteryx



EBITDA Multiples - Alteryx



P/E Multiples - Alteryx



Company Name	Date	Deal Synopsis
Feature Labs	03-Oct-19	The company was acquired by Alteryx (NYS: AYX) for \$25.2 million on October 3, 2019. The purpose of acquisition to help organizations empower every data worker to fill the data science and machine learning talent gap.
ClearStory Data	04-Apr-19	The company was acquired by Alteryx (NYS: AYX) for \$20 million on April 4, 2019. The acquisition creates a natural extension to the Alteryx technology center, needed to support the organization's rapid growth as a leader in the data science and analytics market.

Fair Isaac

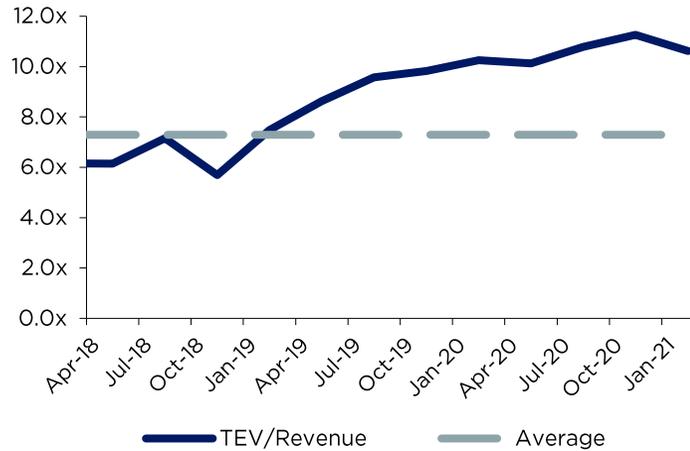
Fair Isaac Corp is a provider of business performance management solutions that allow corporations to automate and improve key decisions.

The firm operates in three segments: Applications, which includes preconfigured software for marketing, account origination, and collections; Scores, which consists of business-to-business scoring solutions, including the FICO score; and Decision management software, composed of analytic and decision management software tools. The company derives revenue from software license agreements and transaction-based fees. The majority of the firm's revenue is generated in the United States, followed by the United Kingdom, Canada, and other countries.

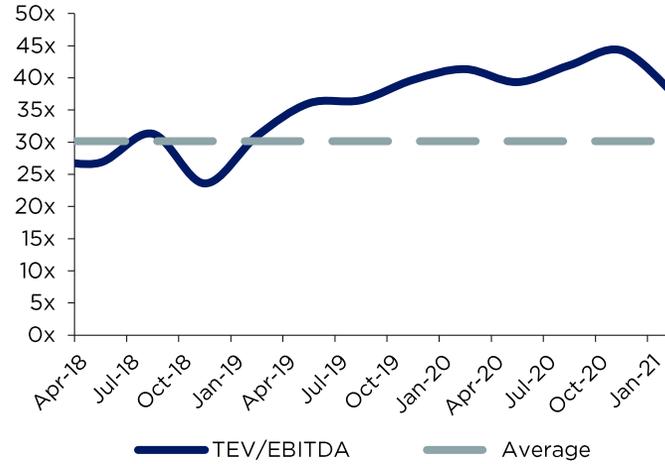
Public Basket

Fair Isaac

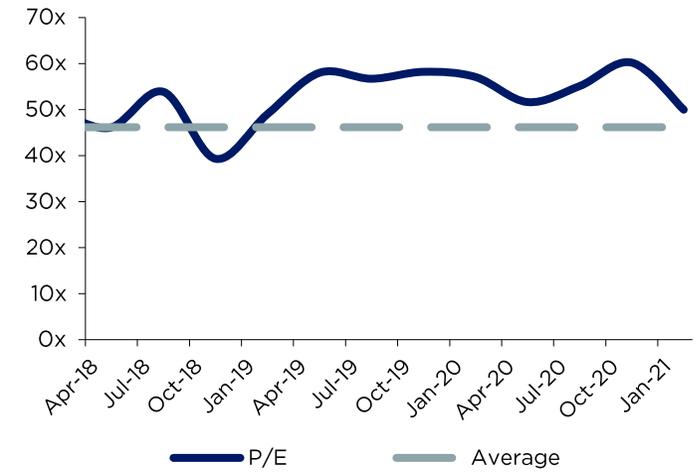
Revenue Multiples - Fair Isaac



EBITDA Multiples - Fair Isaac



P/E Multiples - Fair Isaac



Company Name

Date

Deal Synopsis

GoOn

12-Dec-18

The company was acquired by Fair Isaac (NYS: FICO) for an undisclosed amount on December 12, 2018. The acquisition will enable the acquirer to grow in areas of Brazil and Latin America.

QuadMetrics

14-Jun-16

The company was acquired by FICO for \$5.7 million amount on June 14, 2016. In acquiring QuadMetrics, FICO becomes the exclusive licensee of QuadMetrics' intellectual property and pending patents, and gains access to a rich historical pool of development data for additional analytics research.

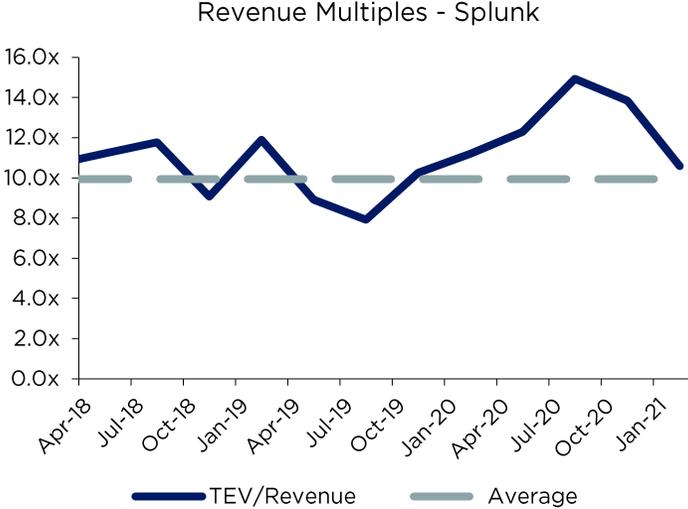
Splunk

Splunk provides software for machine log analysis.

Its flagship solution, Splunk Enterprise, is employed across a multitude of use cases, including application management, IT operations, and security. The company has historically deployed its solutions on-premises, but the software-as-a-service delivery model is growing in popularity with Splunk Cloud. The company derives revenue from software licenses, as well as cloud subscriptions, maintenance, and support.

Public Basket

Splunk



Company Name	Date	Deal Synopsis
Flowmill	24-Nov-20	The company reached a definitive agreement to be acquired by Splunk (NAS: SPLK) for an undisclosed amount on November 24, 2020.
Plumbr	20-Oct-20	The company was acquired by Splunk (NAS: SPLK) for an undisclosed amount on October 20, 2020.

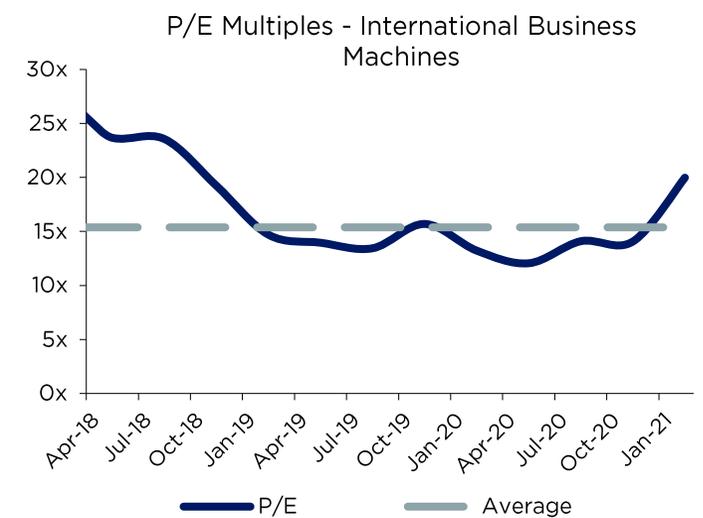
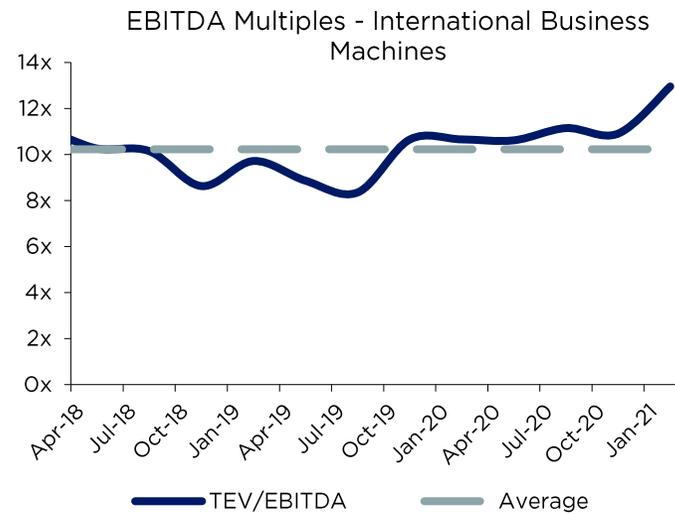
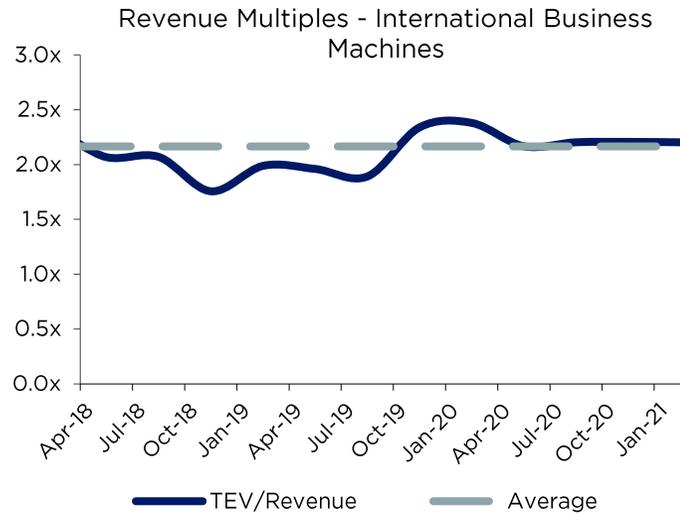
International Business Machines

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



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	11-Jan-21	The company was acquired by International Business Machines (NYS: IBM) on January 11, 2021 for an undisclosed sum.

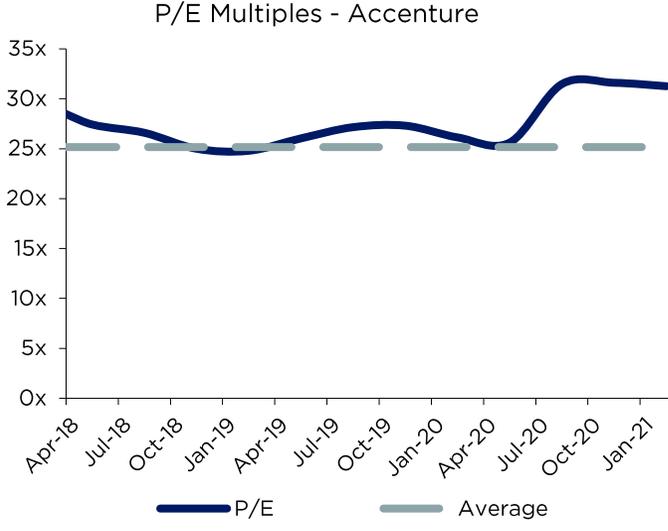
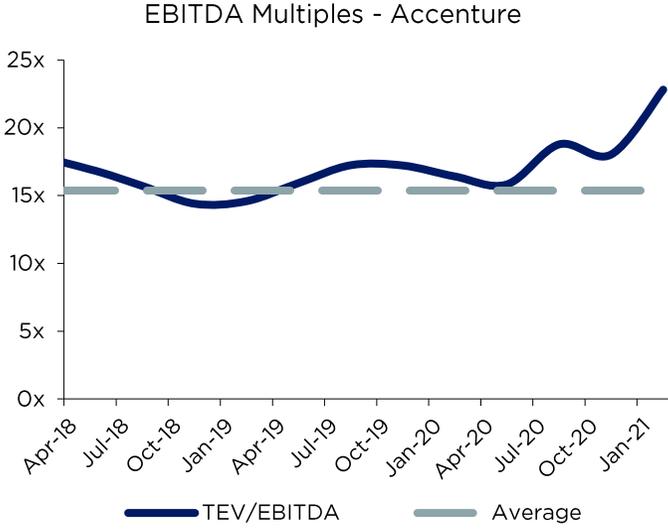
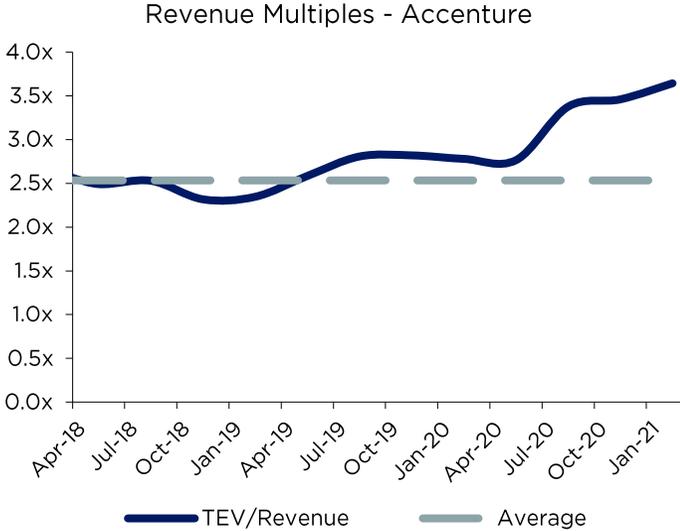
Accenture

Accenture is a leading global IT services firm that provides consulting, strategy, and technology and operational services.

These services run the gamut from aiding enterprises with digital transformation, to procurement services, to software system integration. The company provides its IT offerings to a variety of sectors, including communications, media and technology, financial services, health and public services, consumer products, and resources. Accenture employs just under 500,000 people throughout 200 cities in 51 countries.

Public Basket

Accenture



Company Name	Date	Deal Synopsis
Wolox	15-Jan-21	The company was acquired by Accenture (NYS: ACN) for an undisclosed amount on January 15, 2021. The acquisition of Wolox team enhances the global capabilities of Accenture Cloud First, a multi-service group providing a full stack of cloud services to help clients across every industry accelerate their digital transformation, innovate faster, and create differentiated, sustainable value and also strengthens its ability to help clients accelerate business transformation using cloud technologies and deliver measurable business value.
Group Operations Service Platform	16-Dec-20	The company was formed as a joint venture between Assicurazioni Generali (BIT: G) and Accenture (NYSE: ACN) on December 16, 2020. Accenture holds a 5% stake in the joint venture while the rest is held by Generali Group. The JV is being formed to develop solutions that accelerate the digitization of Generali Group's business processes and the adoption of a cloud-centric model.

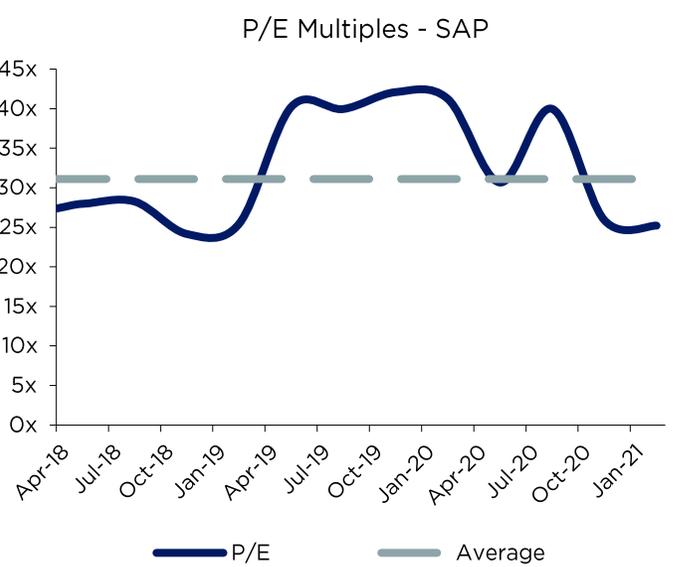
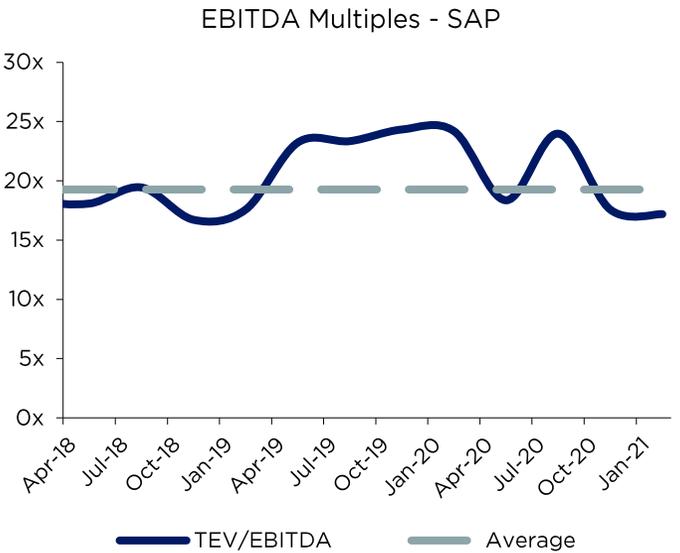
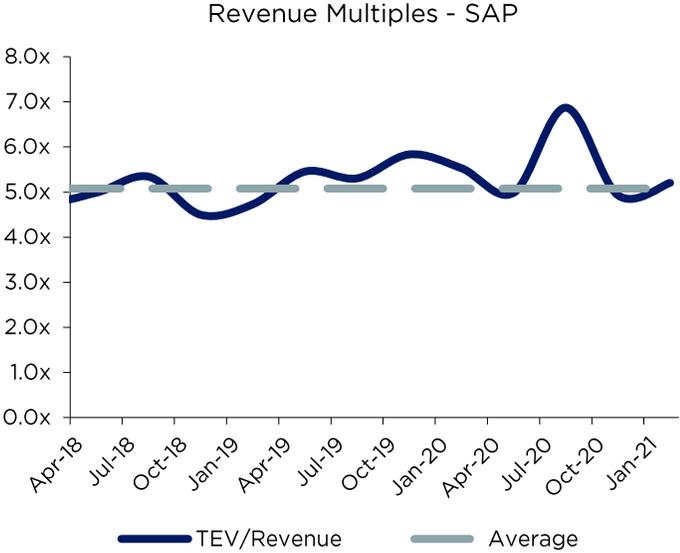
SAP

Founded in 1972 by former IBM employees, SAP provides database technology and enterprise resource planning software to enterprises around the world.

Across more than 180 countries, the company serves 440,000 customers, approximately 80% of which are small to medium-size enterprises.

Public Basket

SAP



Company Name	Date	Deal Synopsis
Emarsys eMarketing Systems	02-Oct-20	The company was acquired by SAP (ETR: SAP) for an undisclosed amount on October 2, 2020.
Vistex (Illinois)	04-Aug-20	The company received an undisclosed amount of financing from SAP on August 4, 2020. This investment in the company showcases SAP's commitment to developing its partner community and reflects the impact that the partner ecosystem has on its overall success.



Adobe Systems

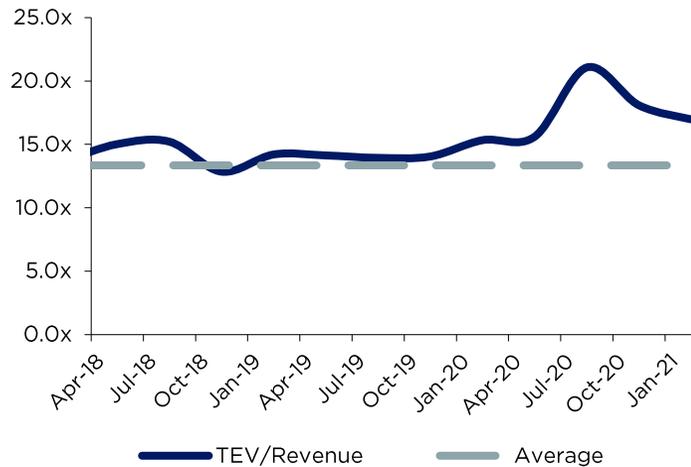
Adobe provides content creation, document management, and digital marketing and advertising software and services to creative professionals and marketers for creating, managing, delivering, measuring, optimizing and engaging with compelling content multiple operating systems, devices and media.

The company operates with three segments: digital media content creation, digital experience for marketing solutions, and publishing for legacy products (less than 5% of revenue).

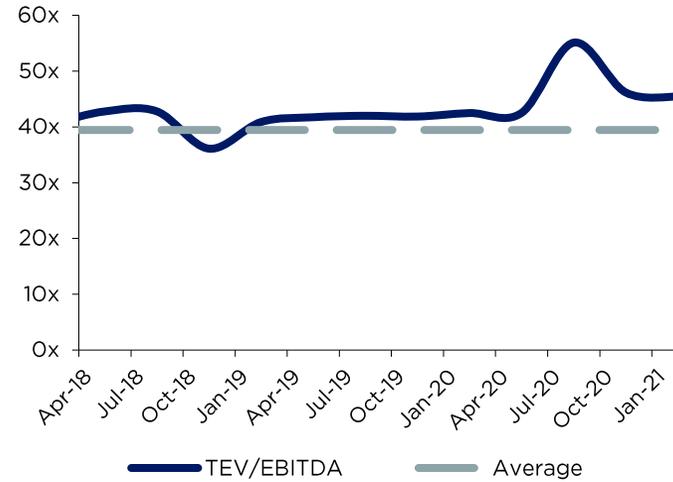
Public Basket

Adobe Systems

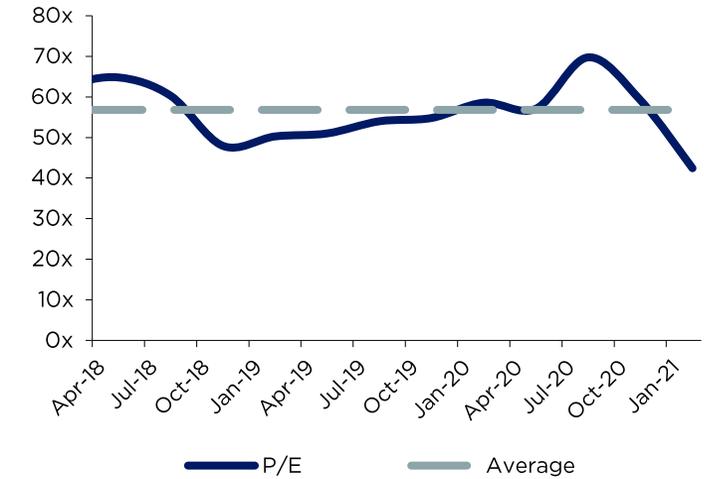
Revenue Multiples - Adobe Systems



EBITDA Multiples - Adobe Systems



P/E Multiples - Adobe Systems



Company Name

Date

Deal Synopsis

Workfront

07-Dec-20

The company was acquired by Adobe Systems (NAS: ADBE) for an undisclosed amount on December 7, 2020.

Facebook (Oculus Medium)

09-Dec-19

Oculus' virtual reality sculpting tool was acquired by Adobe for an undisclosed amount on December 09, 2019. The acquisition will enable Facebook to accelerate 3D & immersive offerings.

Alphabet

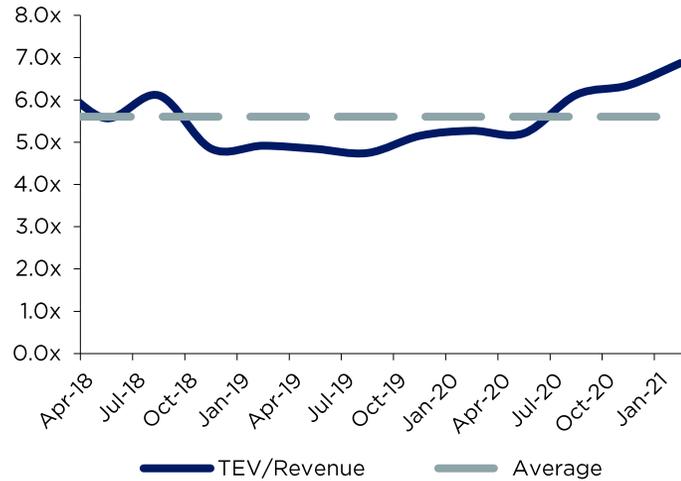
Alphabet is a holding company, with Google, the Internet media giant, as a wholly owned subsidiary.

Google generates 99% of Alphabet revenue, of which more than 85% is from online ads. Google's other revenue is from sales of apps and content on Google Play and YouTube, as well as cloud service fees and other licensing revenue. Sales of hardware such as Chromebooks, the Pixel smartphone, and smart homes products, which include Nest and Google Home, also contribute to other revenue. Alphabet's moonshot investments are in its other bets segment, where it bets on technology to enhance health (Verily), faster Internet access to homes (Google Fiber), self-driving cars (Waymo), and more. Alphabet's operating margin has been 25%-30%, with Google at 30% and other bets operating at a loss.

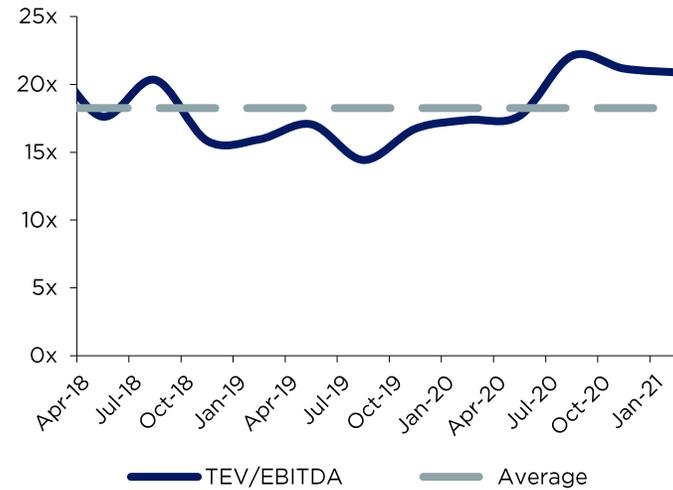
Public Basket

Alphabet

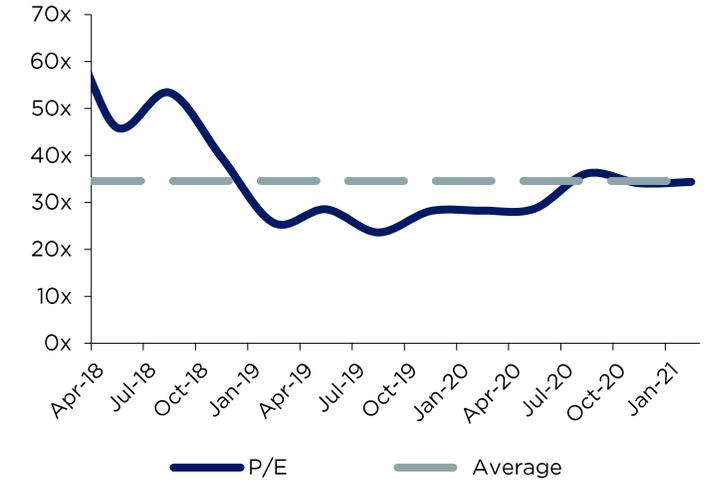
Revenue Multiples - Alphabet



EBITDA Multiples - Alphabet



P/E Multiples - Alphabet



Company Name	Date	Deal Synopsis
Dunzo	19-Jan-21	The company raised \$40 million of Series E venture funding in a deal led by Alteria Capital, Lightbox, Alphabet, Hana Financial Group, Evolve Capital and LGT Lightstone Aspada on January 19, 2021, putting the company's pre-money valuation at \$217 million. 4 other investors also participated in the round. The company will use the funding to stay in the race of high capital burn segment with competitors like Swiggy, Zomato, BigBasket and Shadowfax among others.
Fitbit	14-Jan-21	The company was acquired by Alphabet (NAS: GOOGL) for \$2.1 billion on January 14, 2021. With the acquisition, the company will be able to accelerate innovation in the wearables category, scale faster and make health even more accessible to everyone.

Microsoft

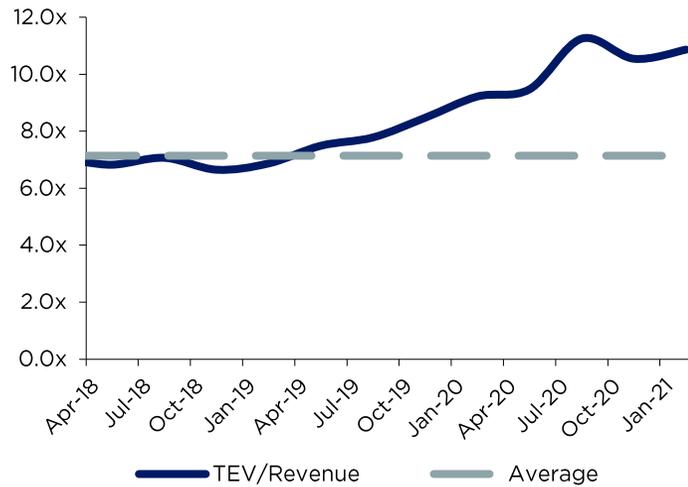
Microsoft develops and licenses consumer and enterprise software.

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.

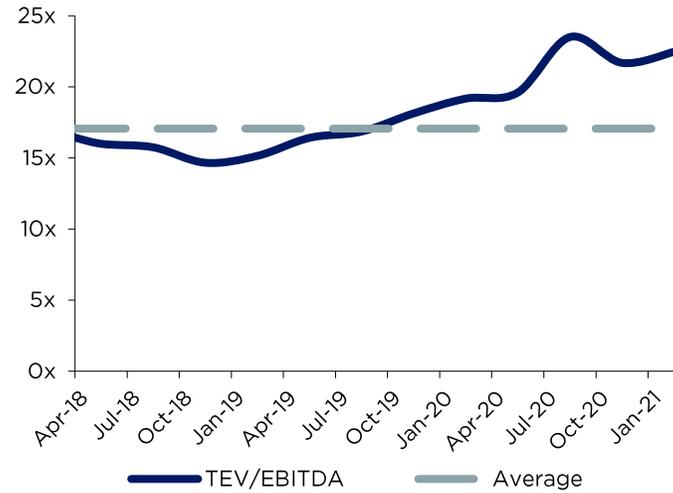
Public Basket

Microsoft

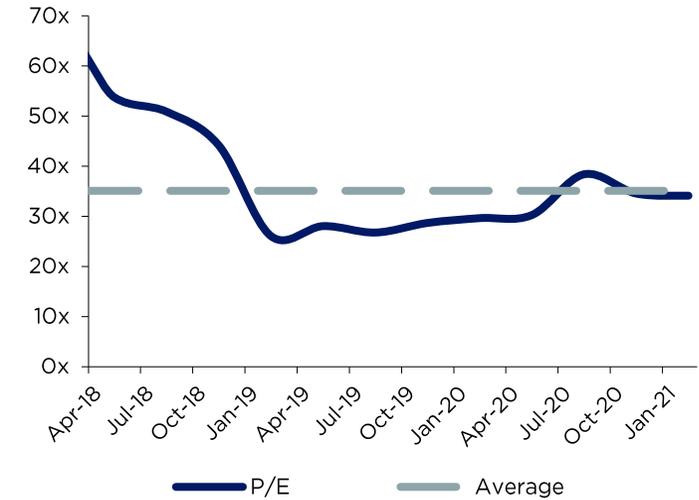
Revenue Multiples - Microsoft



EBITDA Multiples - Microsoft



P/E Multiples - 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
Mark Landry, Managing Director	561.972.0609	mark@7mileadvisors.com
John Cooper, Director	704.973.3996	john@7mileadvisors.com
Tim Frye, 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
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
Robin Siegel, Analyst	704.285.8173	robin@7mileadvisors.com
Luke Perda, Analyst	704.851.4013	luke.perda@7mileadvisors.com
Sawyer Willingham, Analyst	704.285.8171	sawyer.willingham@7mileadvisors.com
Alexis Papa, Marketing & Sales Coordinator	704.414.8732	lexi.papa@7mileadvisors.com