

7 Mile Advisors



Sectorwatch: Advanced Analytics

March 2021



Advanced Analytics

- 4 Sector Dashboard
- 5 Public Basket Overview
- 6 Public Basket Performance
- 8 Operational Metrics
- 11 Vacation 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

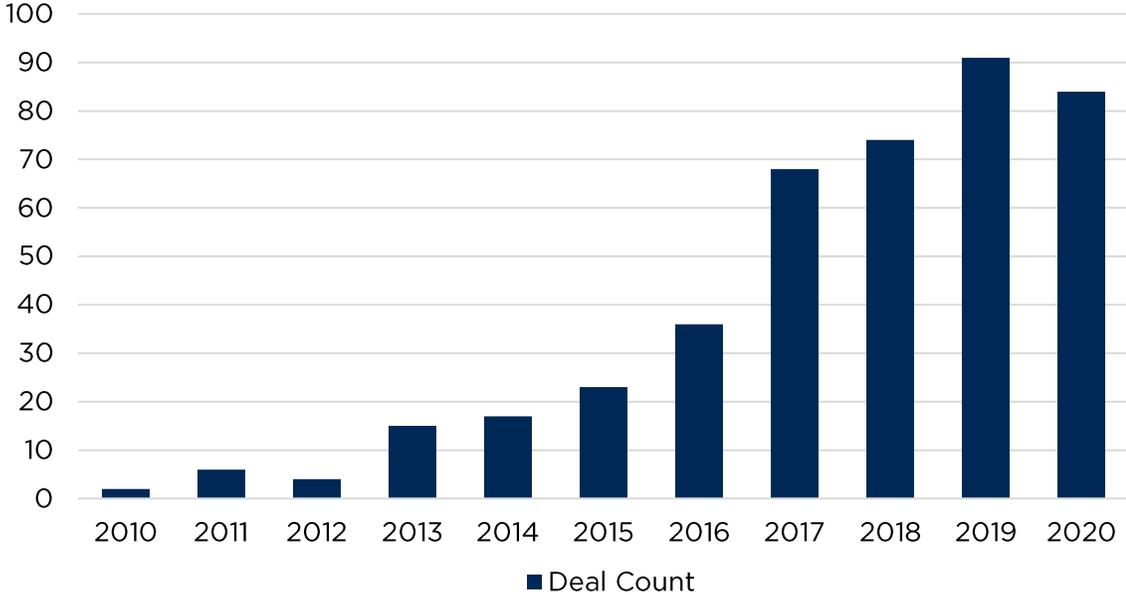
- The most recently announced deals in the sector

Dashboard

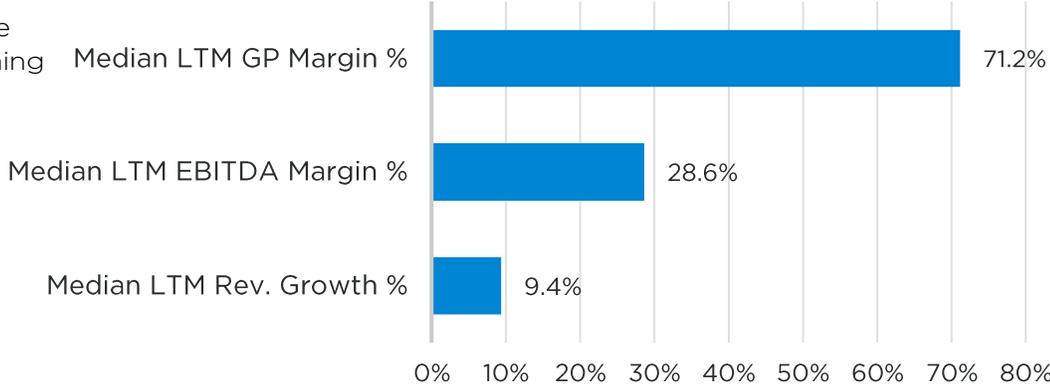
REVENUE GROWTH MOMENTUM ↓ -5.1%

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

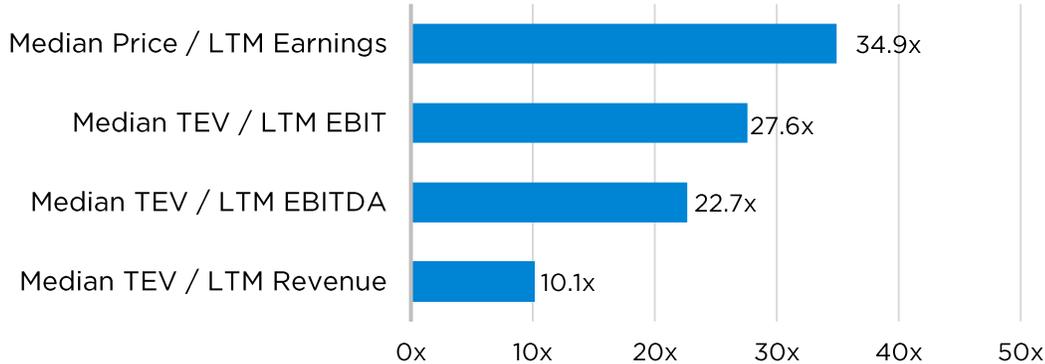
M&A Activity



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

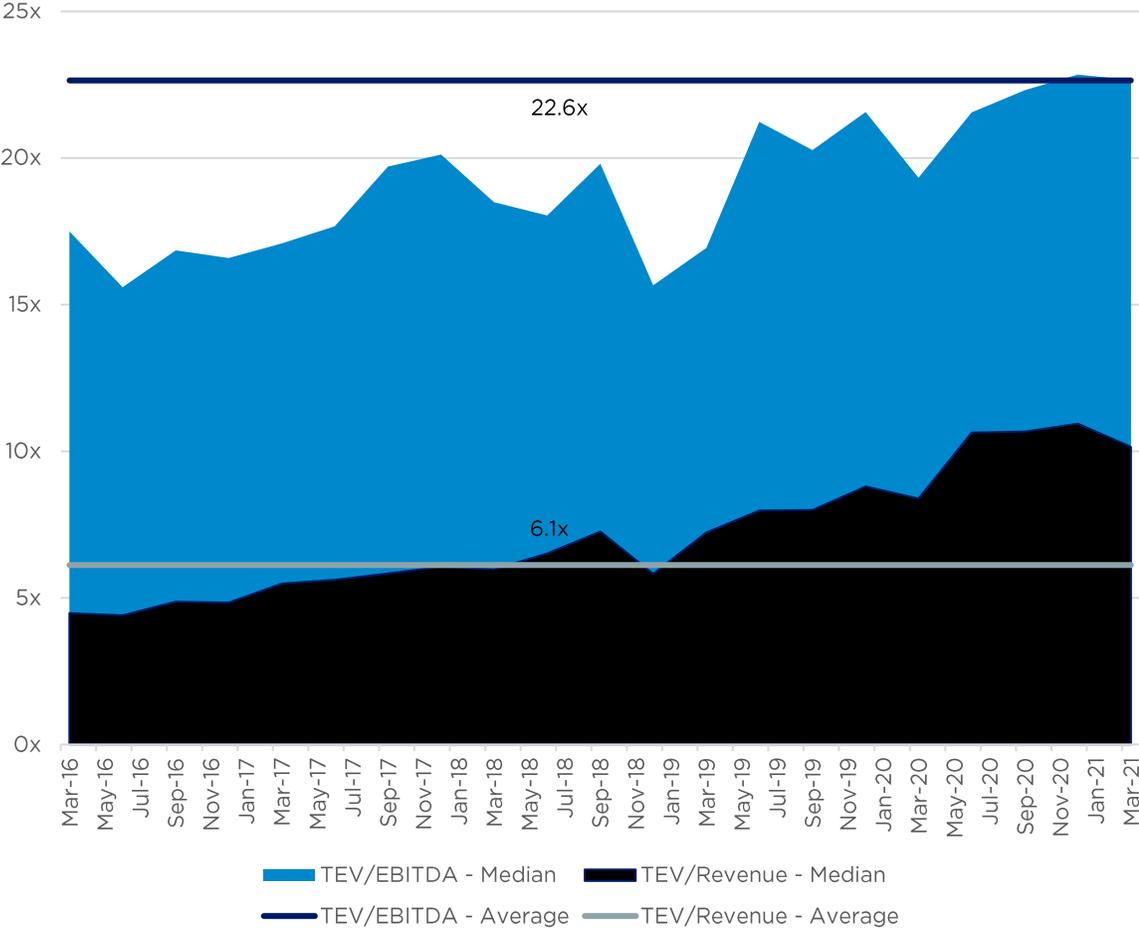
 **Adobe**

Public Basket

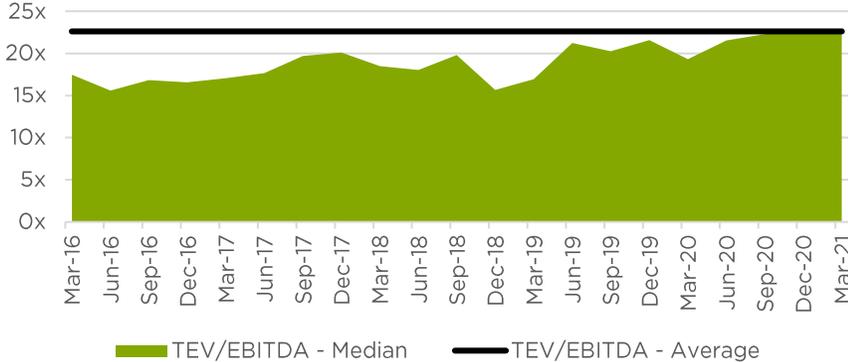
Company	TEV \$m	LTM EBITDA \$m	LTM Rev \$m	Rev Growth YoY	GP %	EBITDA %	TEV / Rev X	TEV / EBITDA X	# FTEs	Rev / FTE \$k
Alteryx	5,359	23	495	18.5%	91.1%	4.6%	10.8x	237.4x	1,469	337
Fair Isaac	14,980	375	1,308	9.4%	72.5%	28.6%	11.4x	40.5x	3,890	336
Splunk	22,612	-609	2,275	3.9%	76.9%	-26.8%	10.1x	NA	5,800	392
International Business Machines	174,190	12,515	73,621	-4.6%	48.3%	17.0%	2.4x	13.9x	375,300	196
Accenture	172,528	7,768	45,677	2.3%	31.7%	17.0%	3.8x	22.2x	514,000	89
SAP	153,072	9,433	31,163	-0.8%	71.2%	30.3%	4.9x	16.2x	102,430	304
Adobe Systems	224,701	4,808	12,868	15.2%	86.6%	37.4%	16.4x	40.5x	22,516	572
Alphabet	1,272,548	60,049	182,527	12.8%	53.6%	32.9%	7.0x	21.2x	135,301	1,349
Microsoft	1,711,661	74,099	153,284	14.2%	68.4%	48.3%	11.2x	23.1x	163,000	940
Average	416,850	18,718	55,913	7.9%	66.7%	21.0%	8.7x	51.9x	147,078	502
Median	172,528	7,768	31,163	9.4%	71.2%	28.6%	10.1x	22.7x	102,430	337

share price as of 30Mar21

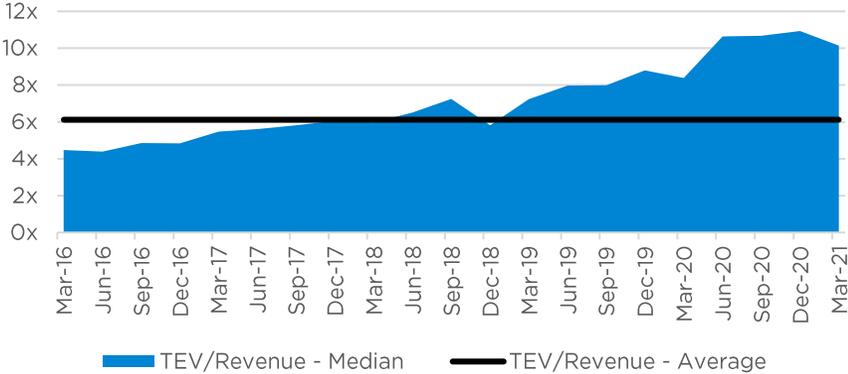
Public Basket



Public EBITDA Multiples over Time

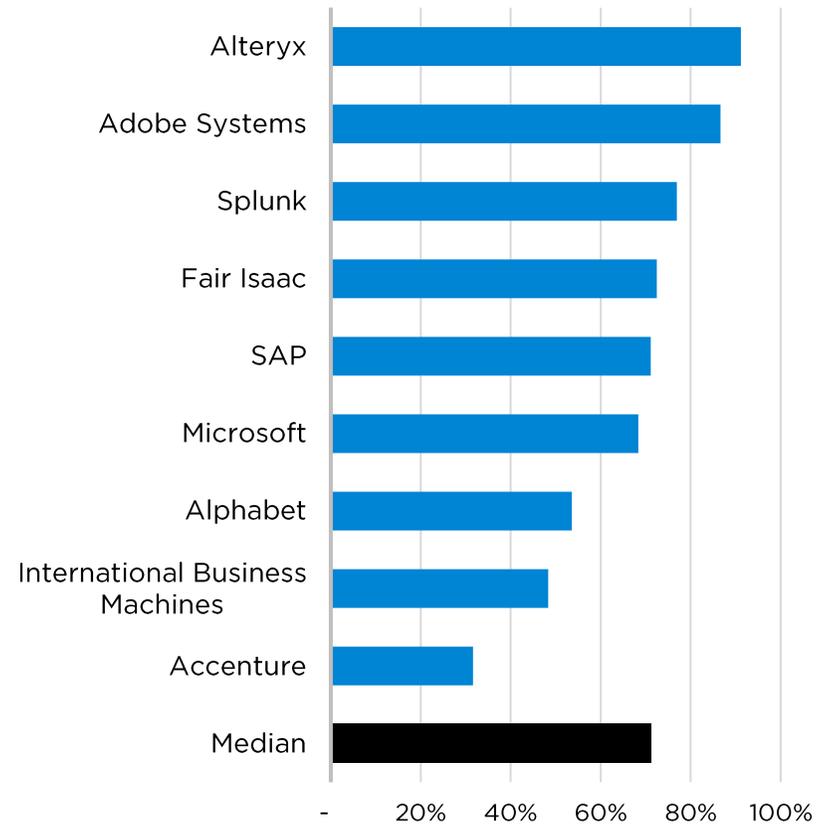


Public Revenue Multiples over Time

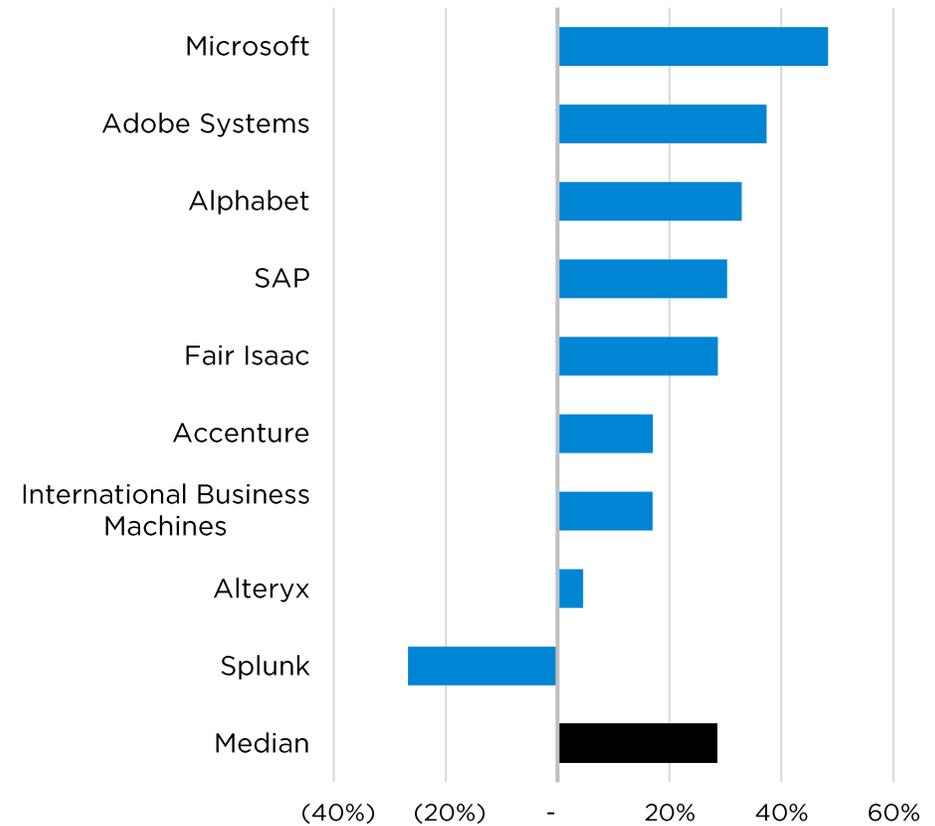


Operational Metrics

LTM Gross Profit Margin %

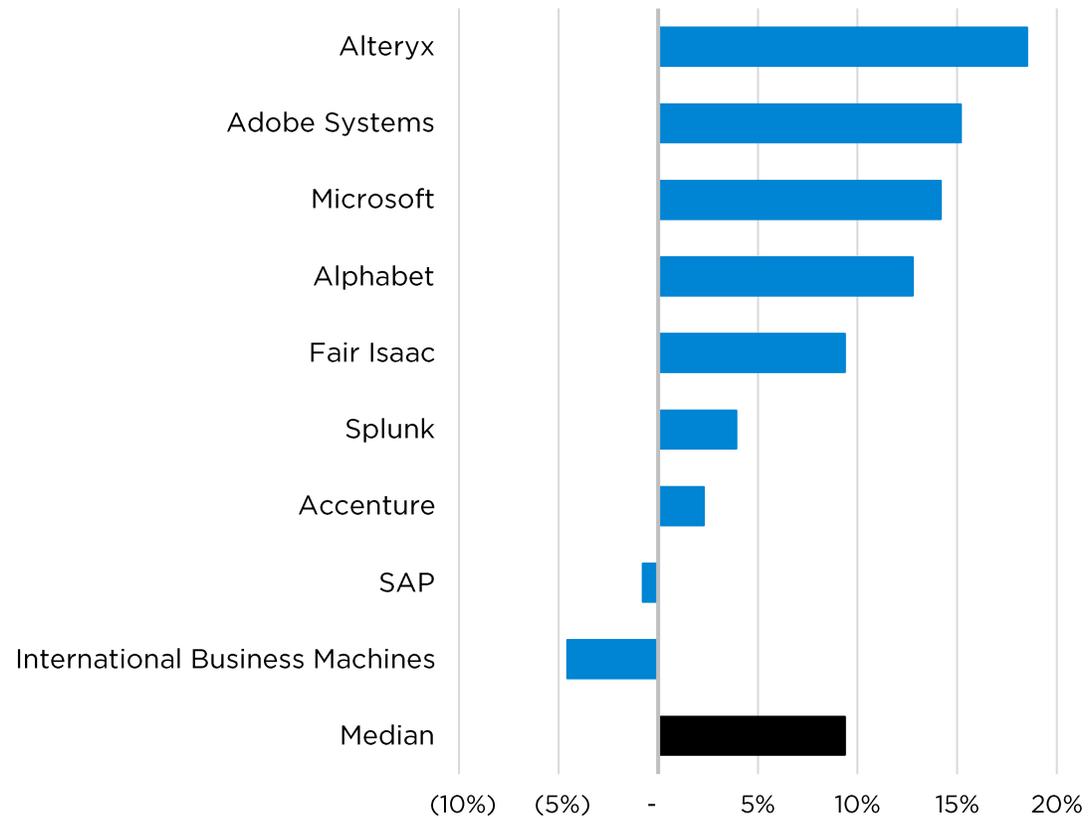


LTM EBITDA %

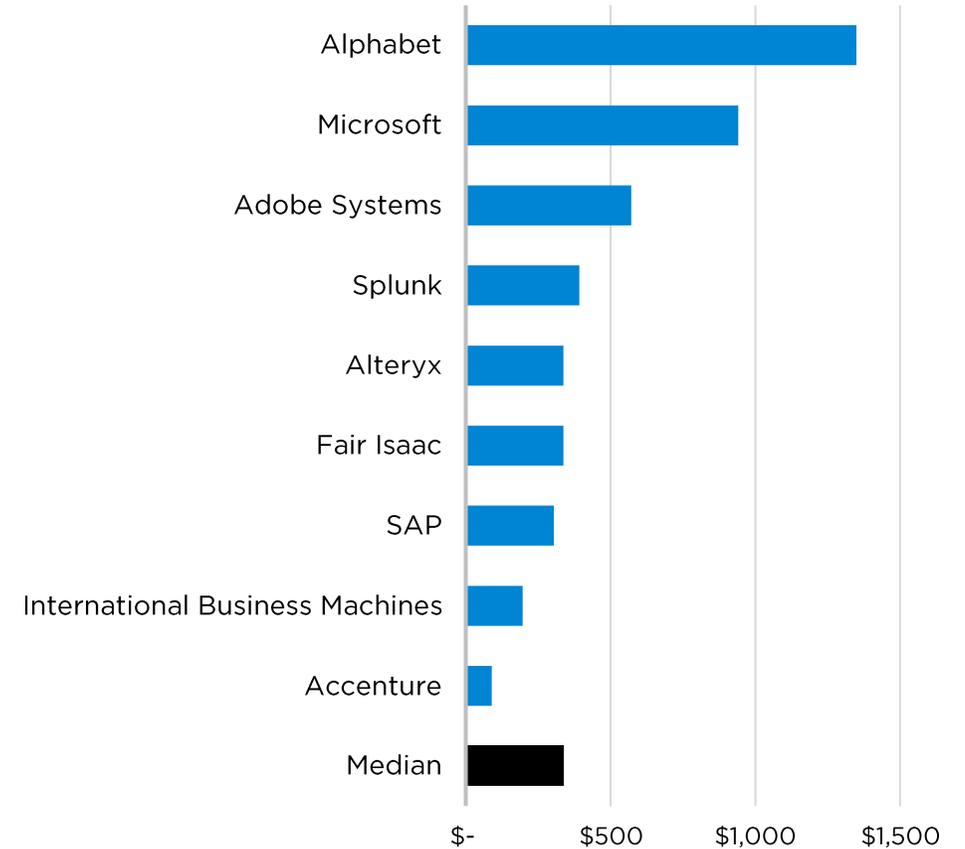


Operational Metrics

LTM Revenue Growth %

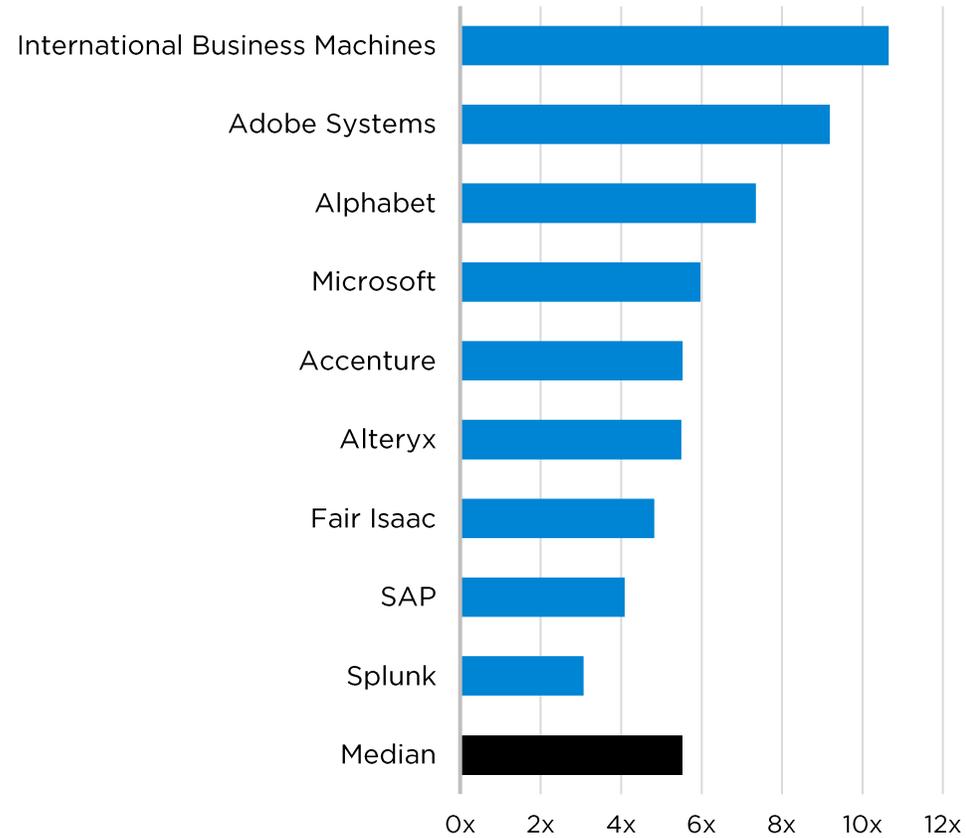


LTM Revenue per Full Time Employee x 000's

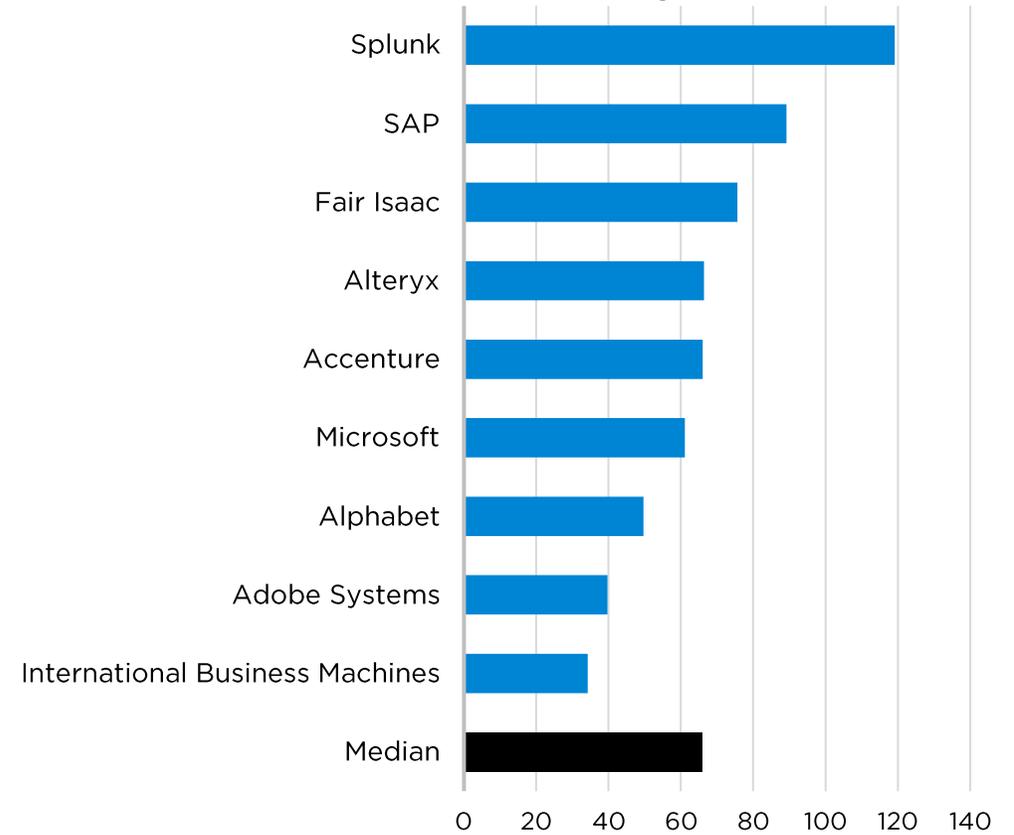


Operational Metrics

Accounts Receivable Turnover

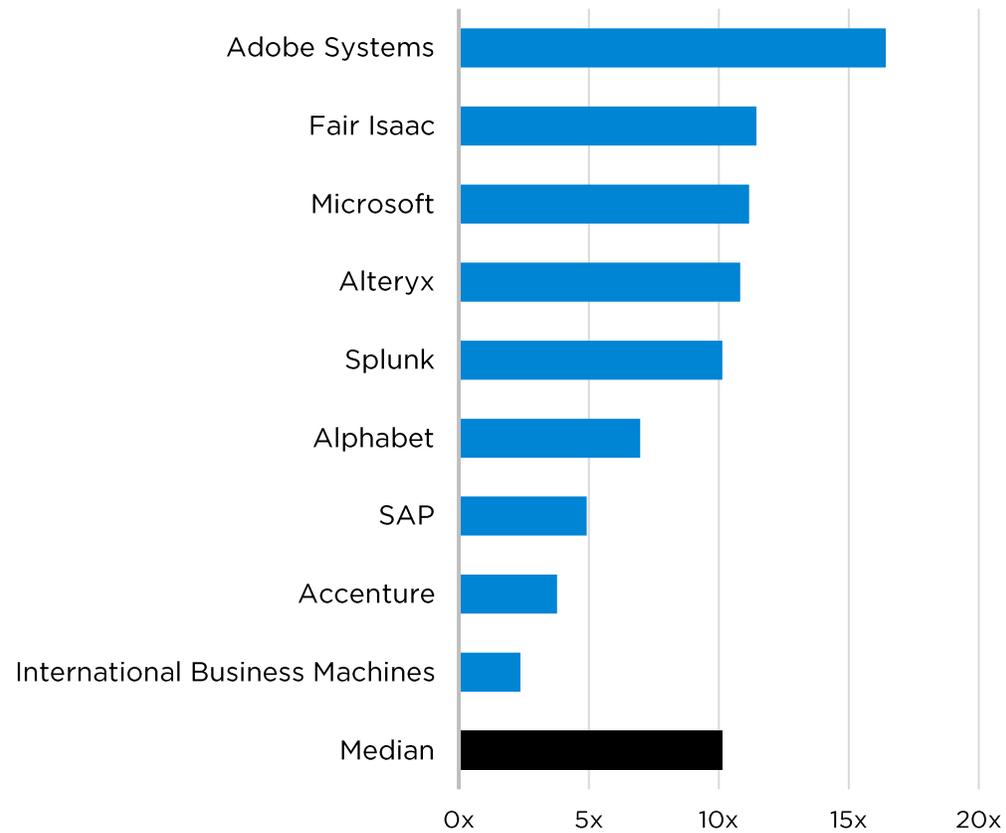


Average Days Sales Outstanding

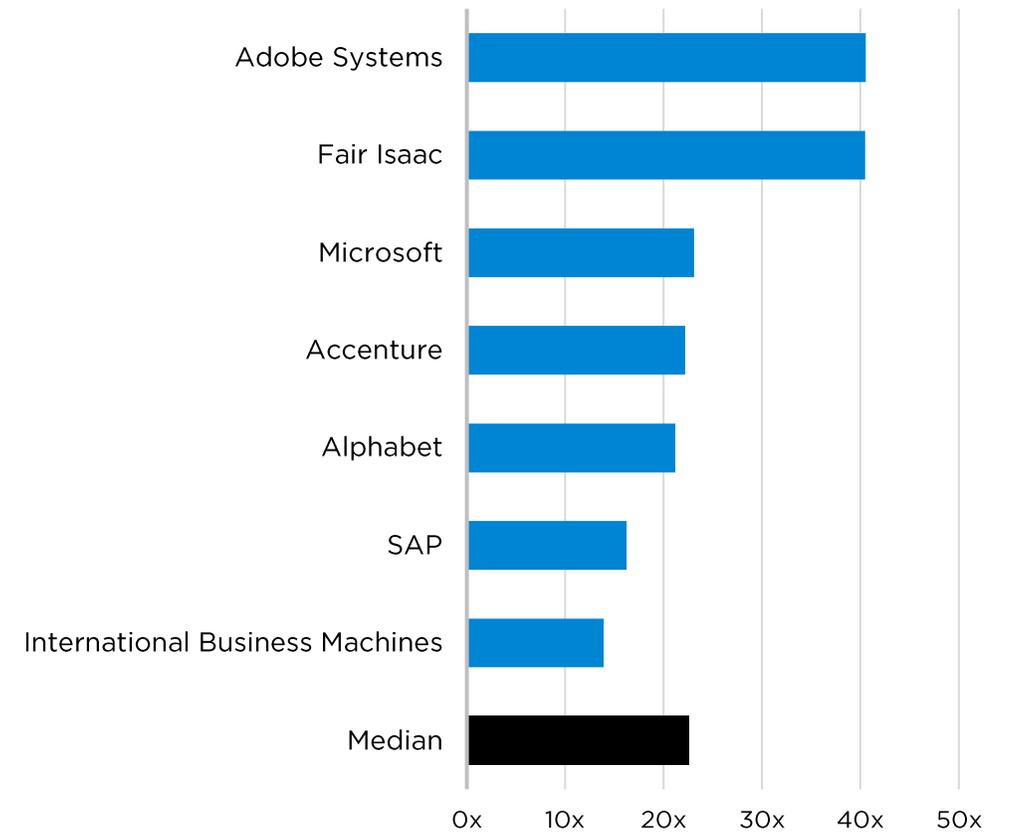


Valuation

TEV / LTM Revenue

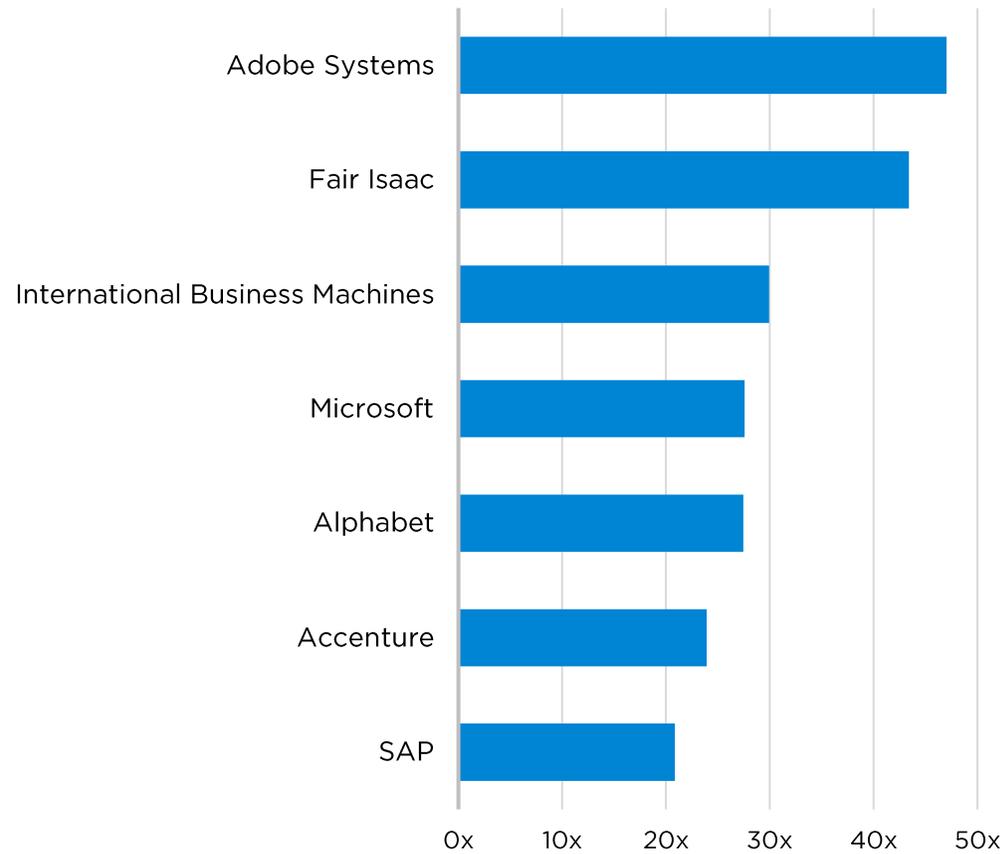


TEV / LTM EBITDA

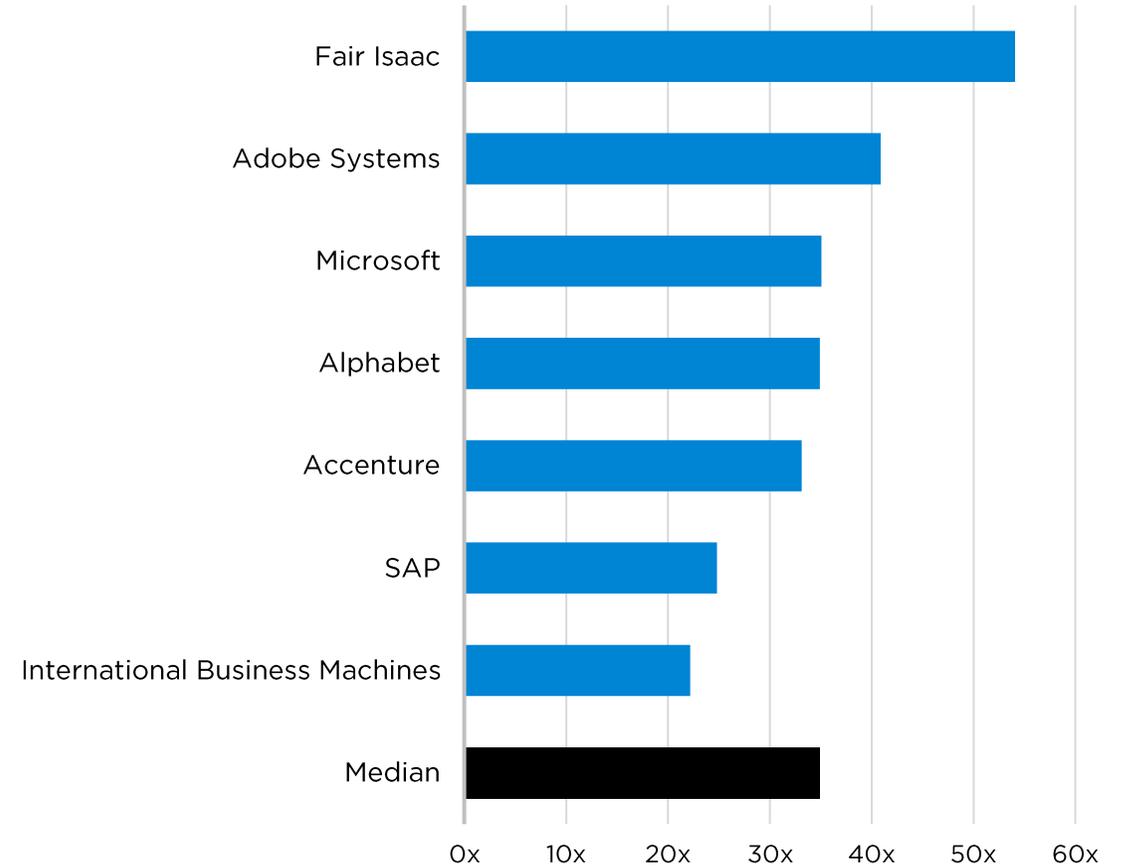


Valuation

TEV / LTM EBIT

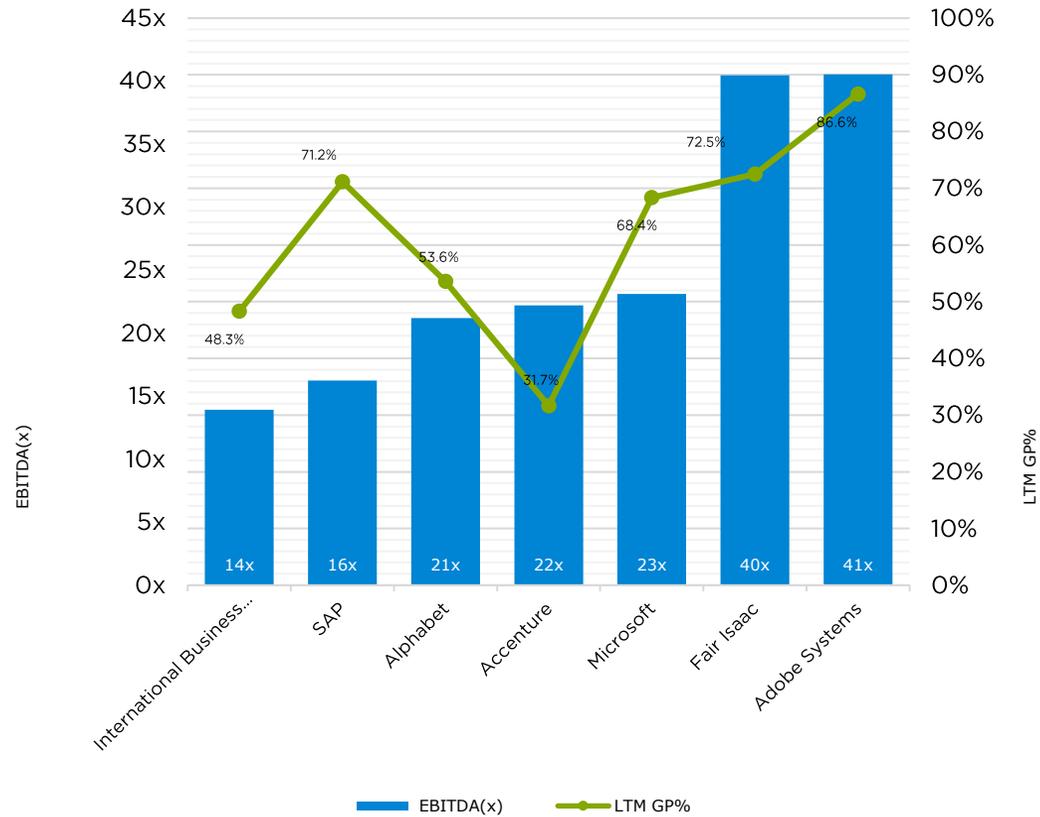


Price / LTM Earnings

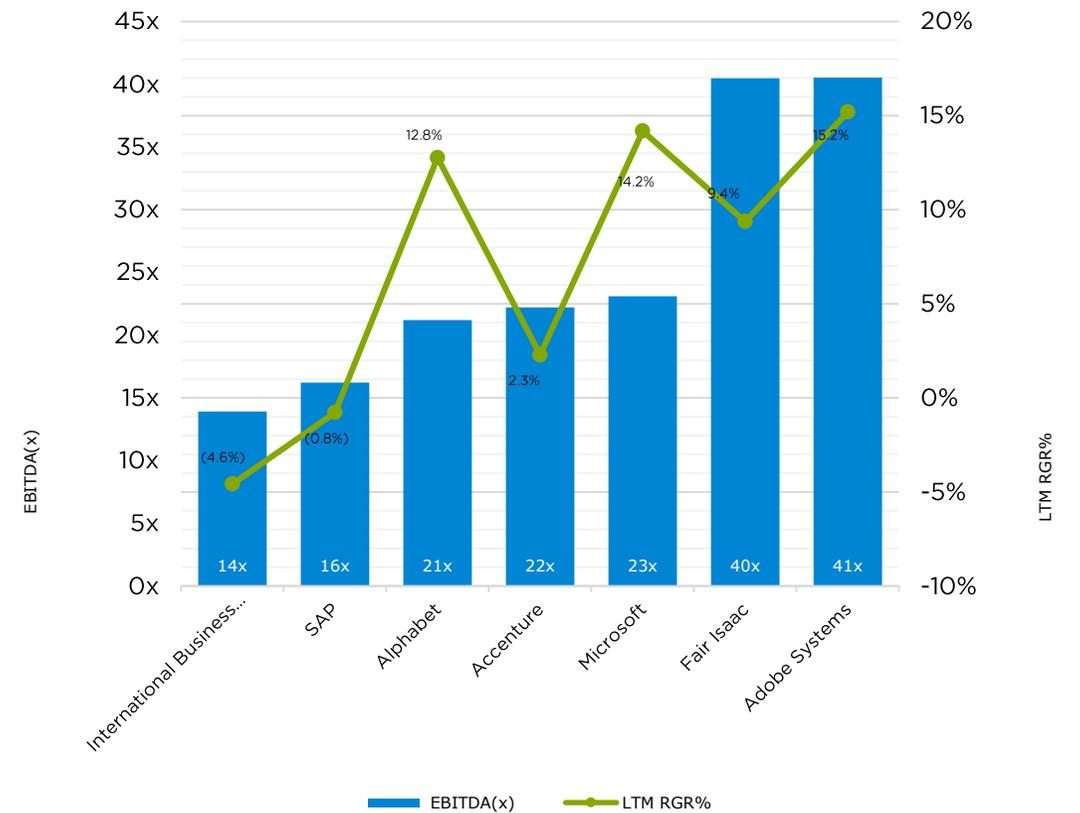


Valuation

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-Mar-21	INNOSPOT	HYPE Softwaretechnik	-	-	-	-
24-Mar-21	Yaguara	Chord (Business/Productivity Software)	-	-	-	-
09-Mar-21	Leansys	Object Ware Group	-	-	-	-
25-Feb-21	Exa Ag	SNP Schneider-Neureither & Partner	-	-	-	-
23-Feb-21	BeSmartee	Arthur Ventures	-	-	-	-
23-Feb-21	CloudPhysics	Hewlett Packard Enterprise	-	-	-	-
04-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 Health	-	-	-	-
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	-	-	-	-
07-Jan-21	Climber International	Digia	16.44	-	-	-
08-Dec-20	OnPrem Solution Partners	Qvest Media	-	-	-	-
01-Feb-21	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 (Greenwich)	-	-	-	-
15-Dec-20	Alto Analytics	Constella Intelligence	-	-	-	-
15-Dec-20	Constella Intelligence	#VALUE!	-	-	-	-
10-Dec-20	Tredence	Chicago Pacific Founders	30.00	-	-	-
10-Dec-20	Xiatech	Rockpool Investments	-	-	-	-
03-Dec-20	BigBear (California)	AE Industrial Partners	-	-	-	-

Appendix

*Public Basket
Contact Information*



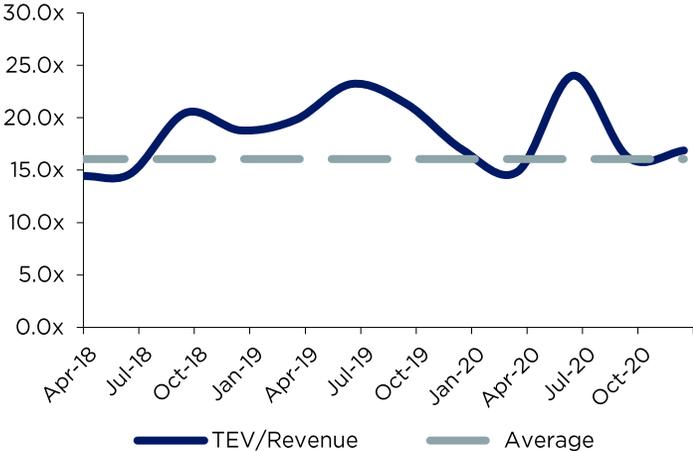
Alteryx

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

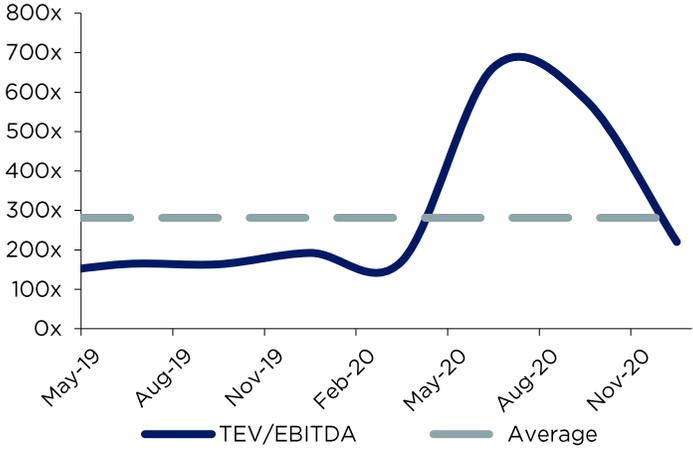
Its software platform enables organizations to dramatically improve business outcomes and the productivity of business analysts. The firm offers solutions such as advanced analytics, location intelligence, data preparation, technology integrations, and others. It serves Financial Services; Healthcare; Retail; Transportation and Logistics; Oil and Gas; Pharmaceuticals and Biotechnology and other industries. The company generates its revenue from the sale of a subscription-based software platform.

Public Basket

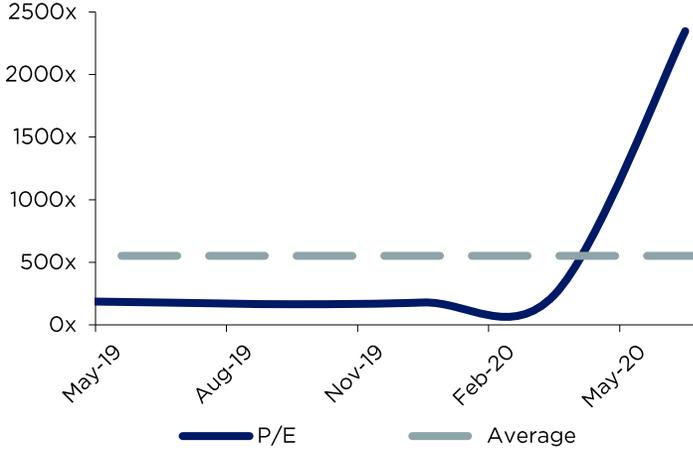
Revenue Multiples - Alteryx



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

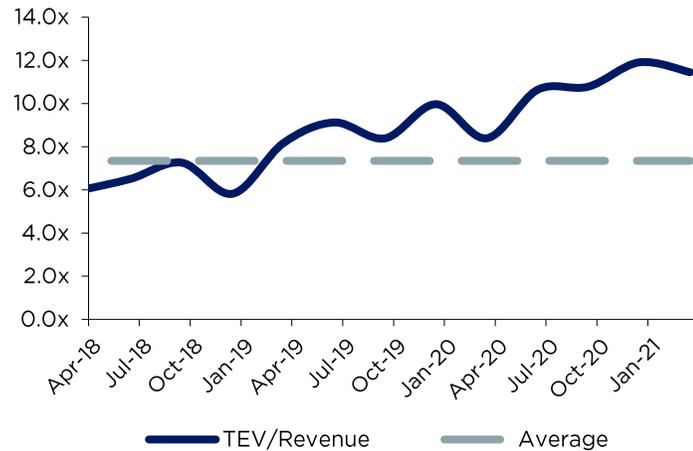
Fair Isaac Corp is a provider of business performance management solutions that allow corporations to automate and improve key decisions.

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.

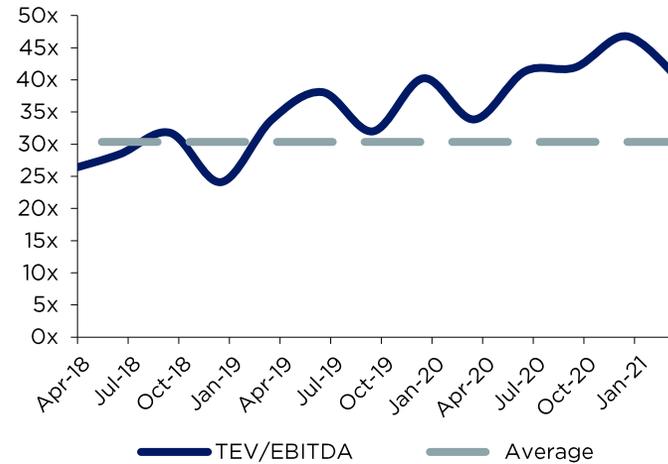
Public Basket

Fair Isaac

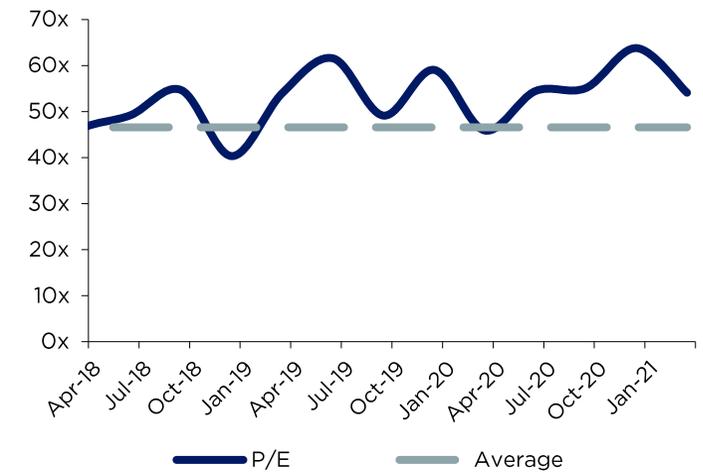
Revenue Multiples - Fair Isaac



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.

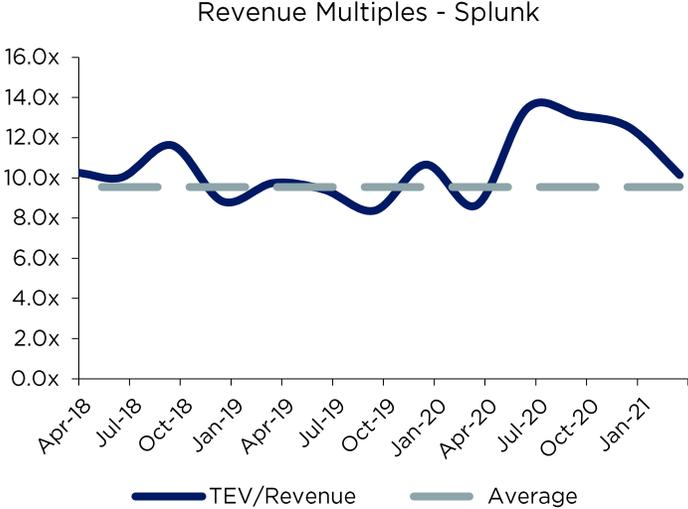
Splunk

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.

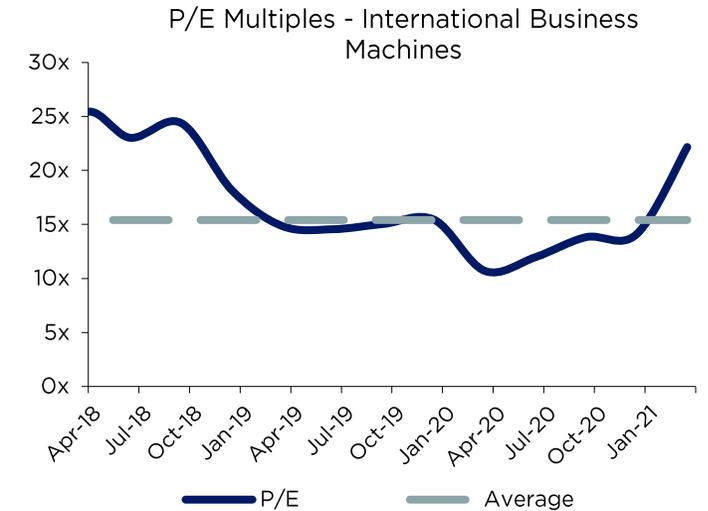
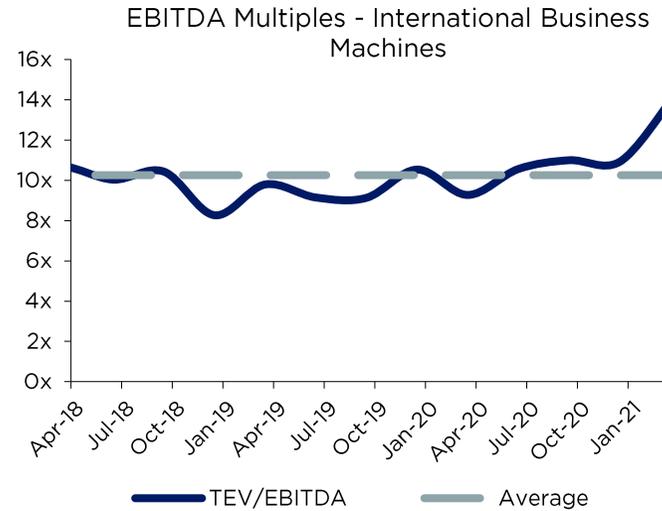
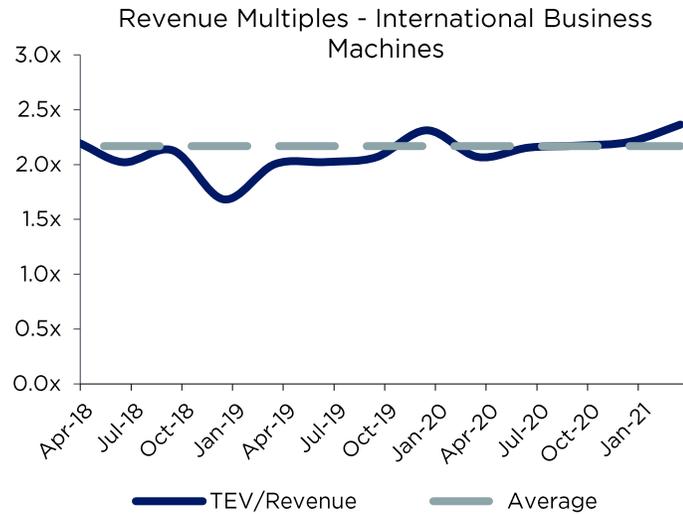
International Business Machines

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	11-Feb-21	The company was acquired by International Business Machines (NYS: IBM) for an undisclosed amount on February 11, 2021.
Lyon	09-Feb-21	The company was formed as joint venture between ANZ bank (AXS: ANZ), the Commonwealth Bank (ASX: CBA), Westpac (AXS: WBC), Scentre Group (AXS: SCG) and IBM (NYSE: IBM) on February 9, 2021. The joint venture is formed to create first digital bank guarantee using blockchain technology in the Australian banking sector.

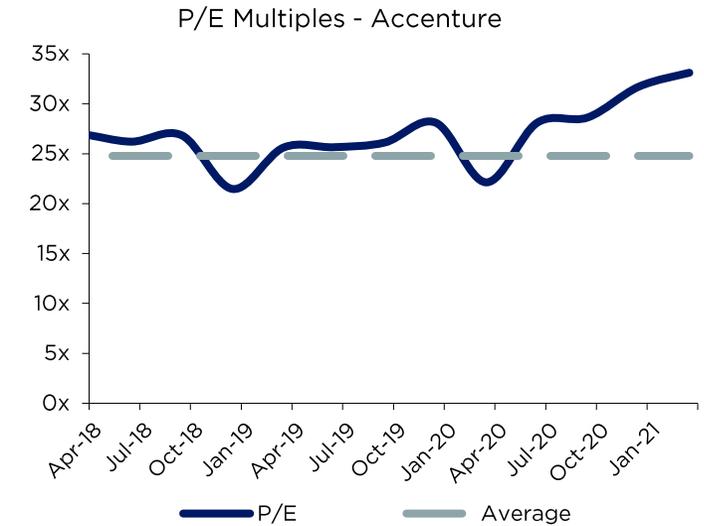
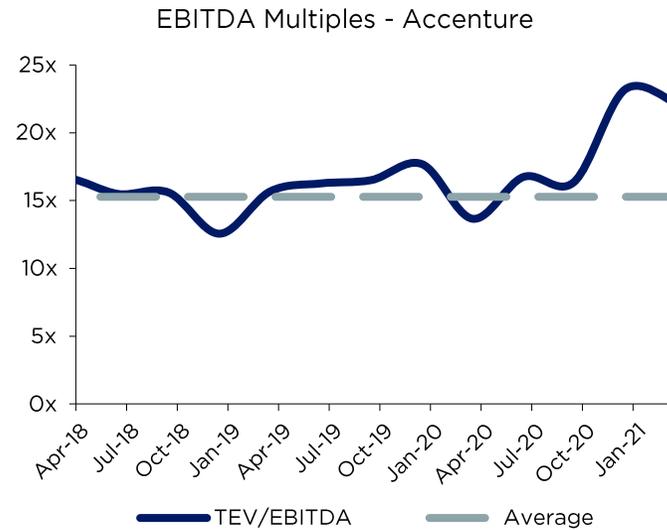
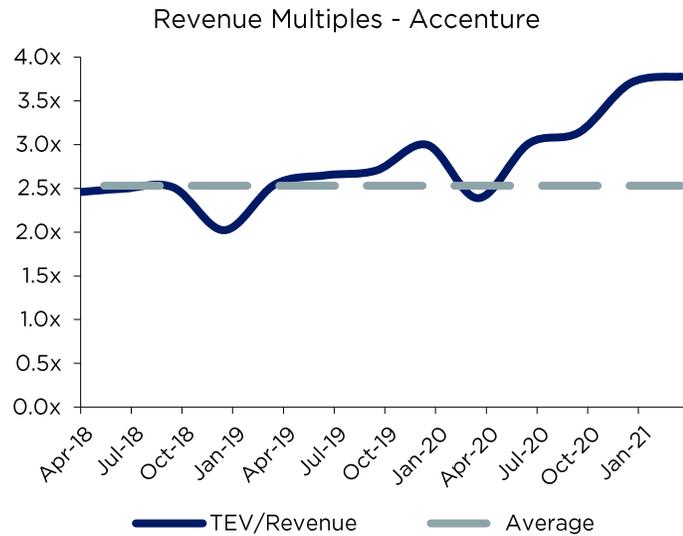
Accenture

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
Cygni	29-Mar-21	The company reached a definitive agreement to be acquired by Accenture (NYS: ACN) for an undisclosed amount on March 29, 2021. The acquisition will enhance the global capabilities of Accenture Cloud First while also strengthening its ability to help clients use the cloud and technology innovation to act faster, operate sustainably and deliver exceptional new experiences.
Fable+	10-Mar-21	The company was acquired by Accenture (NYS: ACN) for an undisclosed amount on March 10, 2021. The acquisition will expand Accenture's analytics-driven transformation and workplace culture capabilities.

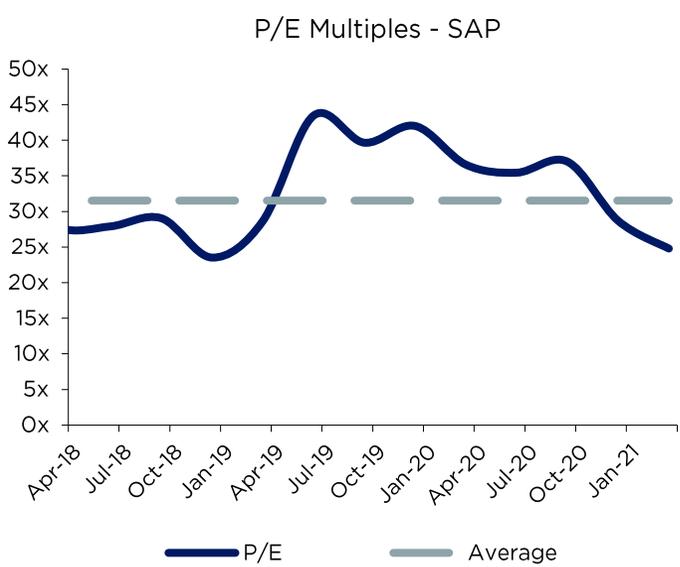
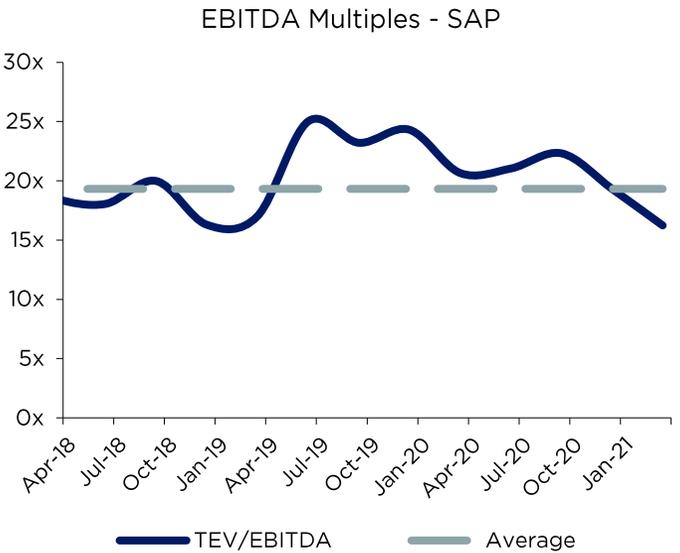
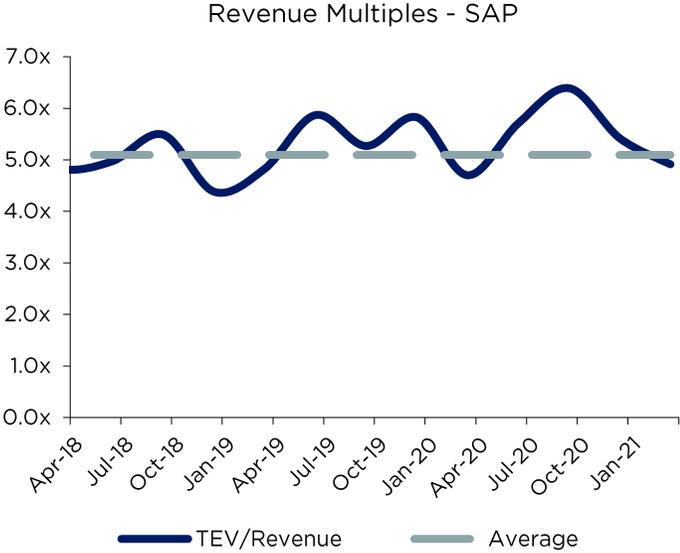
SAP

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
Signavio	05-Mar-21	The company was acquired by SAP (ETR: SAP) for EUR 1 billion on March 5, 2021.
AppGyver	11-Feb-21	The company was acquired by SAP (ETR: SAP) for an undisclosed amount on February 11, 2021.

Adobe Systems

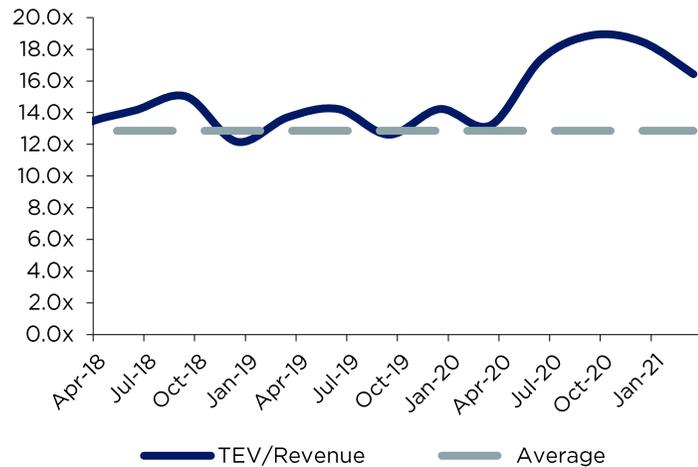
Adobe provides content creation, document management, and digital marketing and advertising software and services to creative professionals and marketers for creating, managing, delivering, measuring, optimizing and engaging with compelling content multiple operating systems, devices and media.

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).

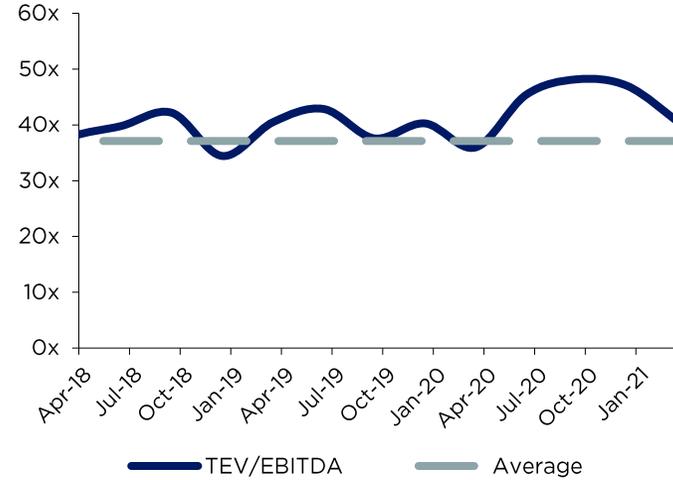
Public Basket

Adobe Systems

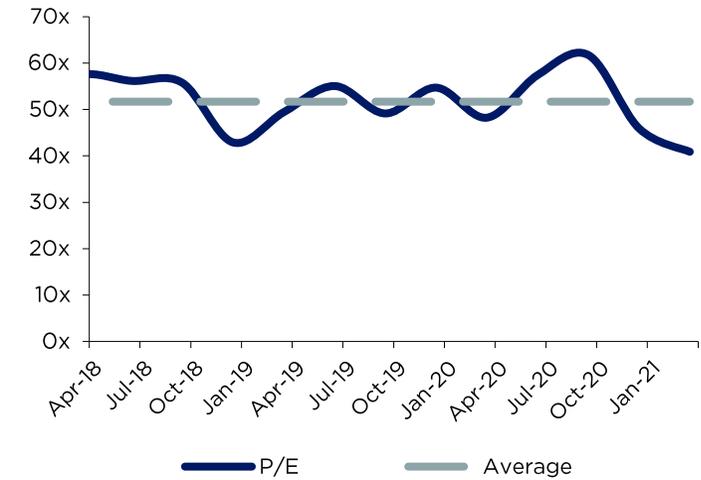
Revenue Multiples - Adobe Systems



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 \$1.5 billion 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

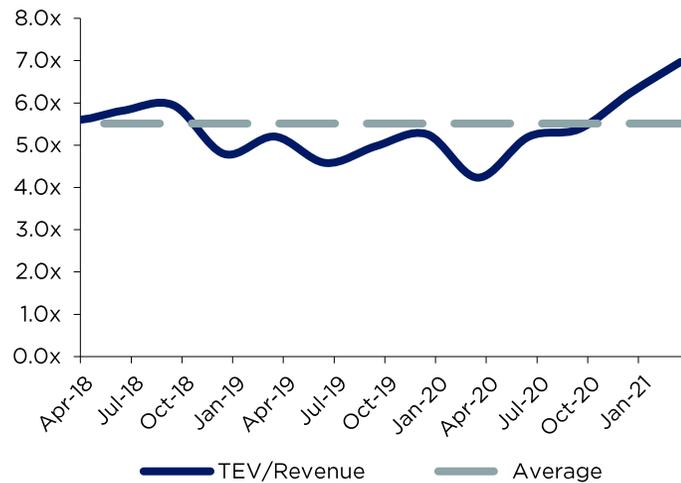
Alphabet is a holding company, with Google, the Internet media giant, as a wholly owned subsidiary.

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.

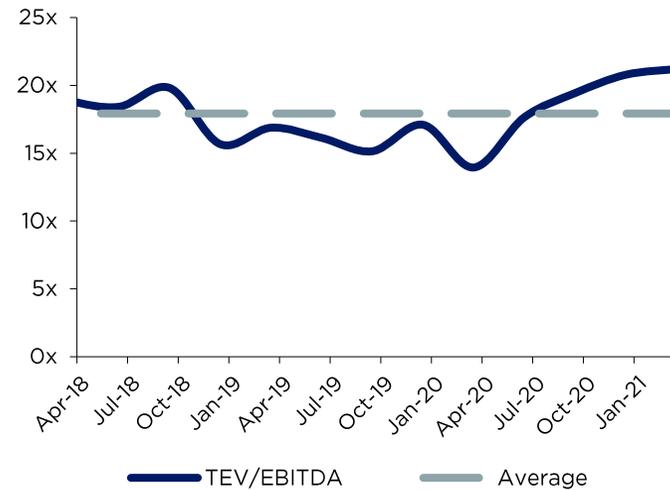
Public Basket

Alphabet

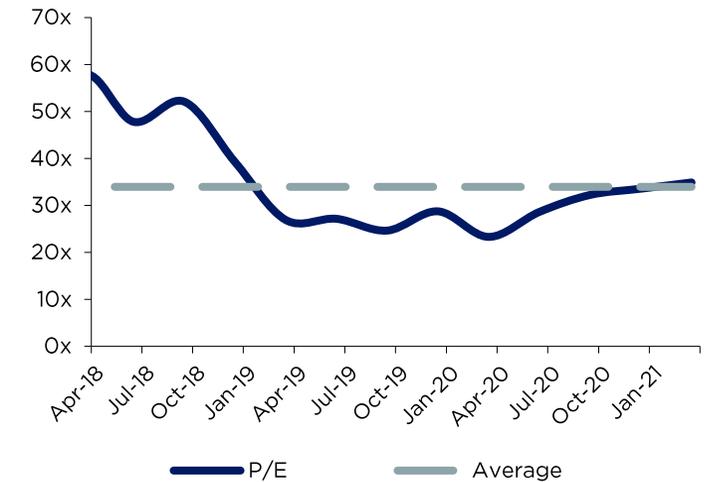
Revenue Multiples - Alphabet



EBITDA Multiples - Alphabet



P/E Multiples - Alphabet



Company Name

Date

Deal Synopsis

DotPe

25-Mar-21

The company raised INR 1.70 billion of Series B venture funding in a deal led by PayU on March 25, 2021, putting the company's pre-money valuation at INR 4.40 billion. Info Edge Ventures and Alphabet also participated in the round.

Dailyhunt

07-Feb-21

The company raised \$200 million of Series H venture funding in a deal led by Glade Brook Capital Partners and Qatar Investment Authority on February 7, 2021, putting the company's pre-money valuation at \$900 million. Microsoft, Sofina, Alphawave Incubation Fund, Lupa Systems, Alphabet and Canaan Valley Capital Management also participated in the round. The funds will be used to scale up its short video platform, strengthen its local language content offerings, develop its content creator ecosystem and investments in artificial intelligence and machine learning.

Microsoft

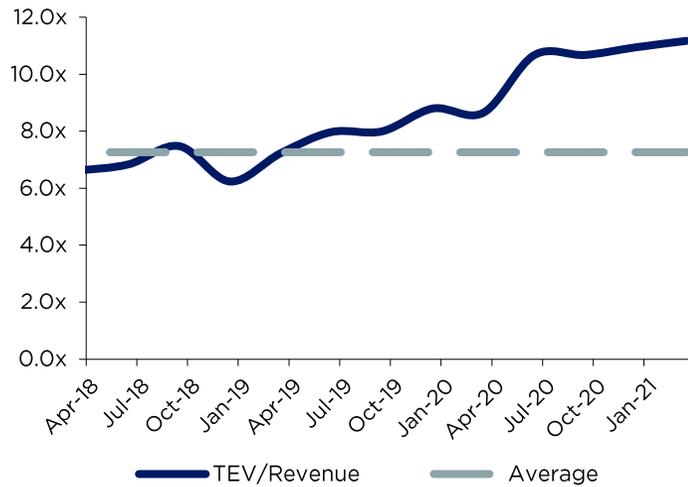
Microsoft develops and licenses consumer and enterprise software.

It is known for its Windows operating systems and Office productivity suite. The company is organized into three equally sized broad 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).

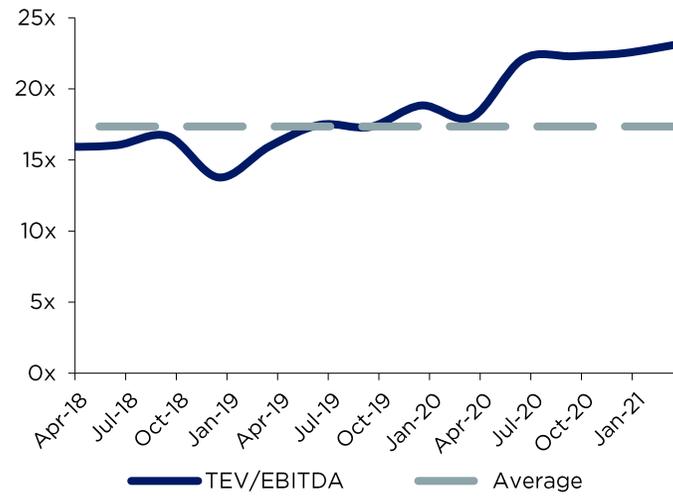
Public Basket

Microsoft

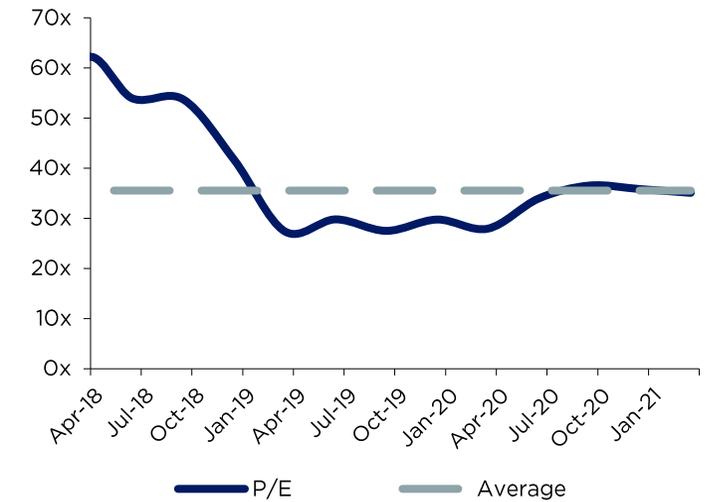
Revenue Multiples - Microsoft



EBITDA Multiples - Microsoft



P/E Multiples - Microsoft



Company Name	Date	Deal Synopsis
The Marsden Group	16-Mar-21	The company was acquired by Microsoft (NAS: MSFT) for an undisclosed amount on March 16, 2021. The acquisition will help Microsoft to create new customer value through experimentation and deep industry solutions based on cloud, edge and AI products.
Vertical Aerospace	11-Mar-21	The company raised GBP 25 million of funding in the form of convertible notes from Microsoft, Rocket Internet, and other undisclosed investors on March 11, 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
Simon Baitler, Executive Managing Director	310.829.1635	simon.baitler@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
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
Conor Smith, Analyst	704.855.2134	conor.smith@7mileadvisors.com
Sawyer Willingham, Analyst	704.285.8171	sawyer.willingham@7mileadvisors.com