

7 Mile Advisors



Sectorwatch: Advanced Analytics

April 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.

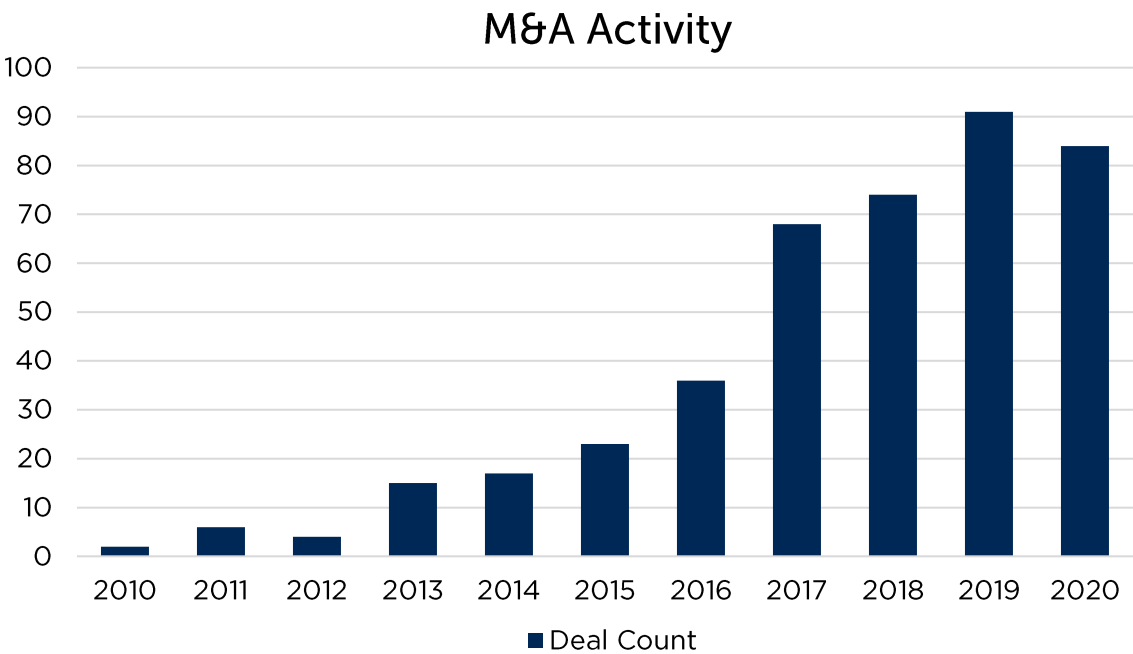
RECENT DEALS

- The most recently announced deals in the sector

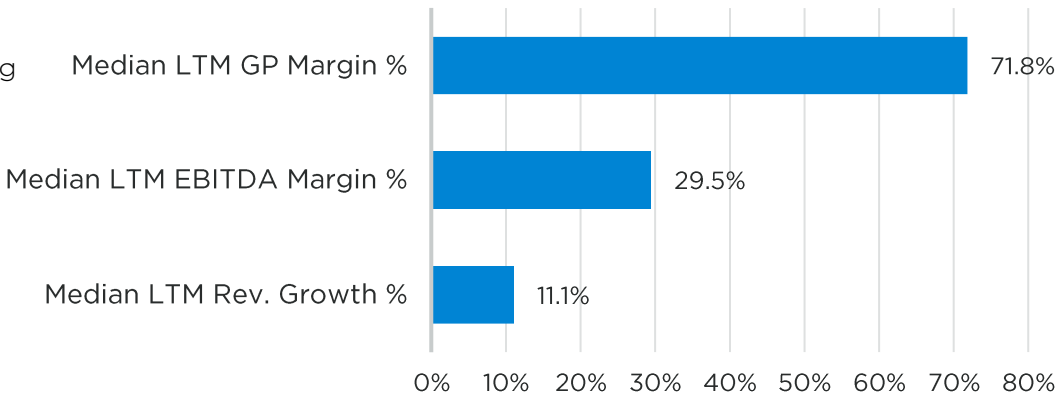
Dashboard

REVENUE GROWTH MOMENTUM ↓ -5.2%

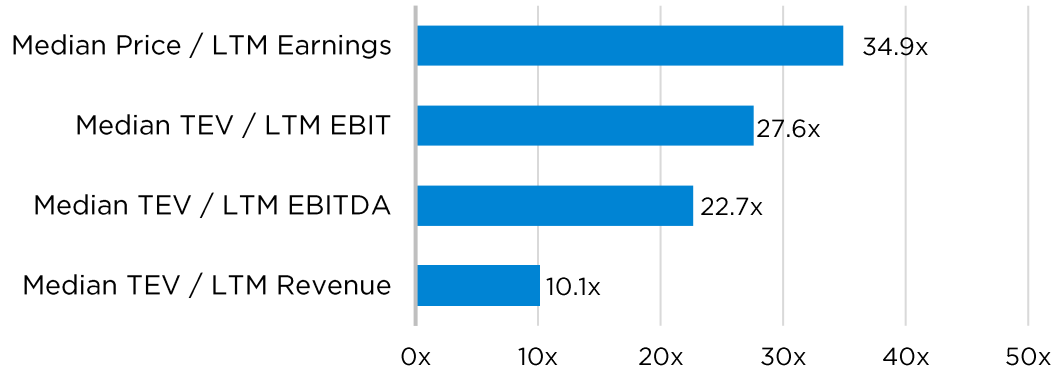
1 - year revenue growth compared to revenue growth average for last 3 years - Current revenue growth rate is less than the average of the last 3 years, indicating that the market may be flattening or declining



Operating Metrics



Valuation



Public Basket Overview



TMT

FICO **alteryx** | The Thrill of Solving

Alphabet **IBM**

Big Data

SAP **splunk**>

CloudTech & DevOps

 **Microsoft**

Marketing Tech

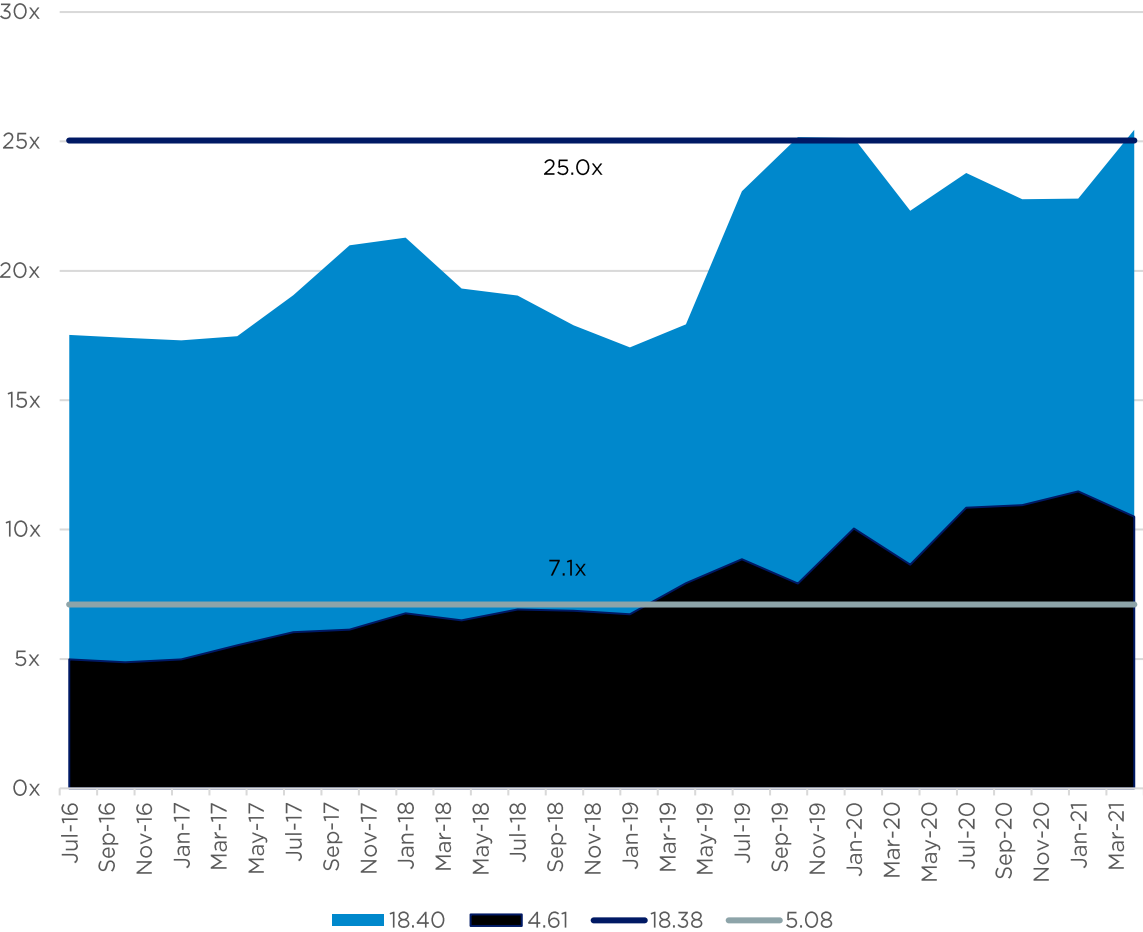
 **Adobe**

Public Basket

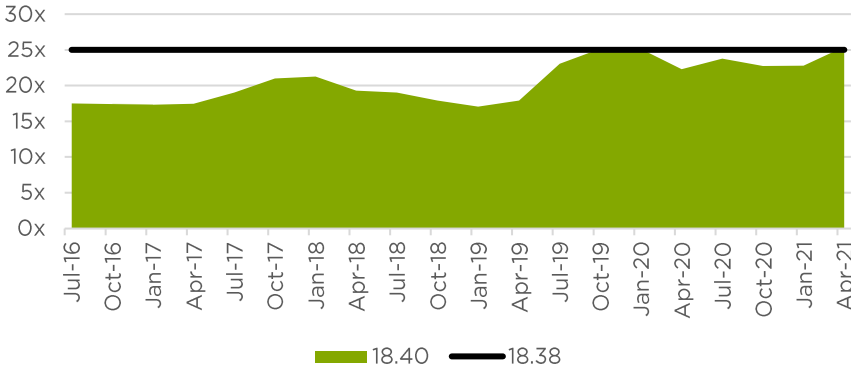
Company	TEV \$m	LTM EBITDA \$m	LTM Rev \$m	Rev Growth YoY	GP %	EBITDA %	TEV / Rev X	TEV / EBITDA X	# FTEs	Rev / FTE \$k
Alteryx	5,437	23	495	18.5%	91.1%	4.6%	11.0x	240.8x	1,469	337
Fair Isaac	16,104	375	1,308	9.4%	72.5%	28.6%	12.3x	43.5x	3,890	336
Splunk	22,359	-698	2,229	-5.5%	75.4%	-31.3%	10.0x	NA	6,500	343
International Business Machines	173,572	12,515	73,621	-4.6%	48.3%	17.0%	2.4x	12.8x	375,300	196
SAP	171,862	9,433	31,163	-0.8%	71.2%	30.3%	5.5x	18.2x	102,430	304
Adobe Systems	245,536	5,338	13,682	17.3%	87.5%	39.0%	17.9x	46.0x	22,516	608
Alphabet	1,431,231	60,049	182,527	12.8%	53.6%	32.9%	7.8x	23.8x	135,301	1,349
Microsoft	1,885,283	74,099	153,284	14.2%	68.4%	48.3%	12.3x	25.4x	163,000	940
Average	493,923	20,142	57,289	7.7%	71.0%	21.2%	9.9x	58.7x	101,301	552
Median	172,717	7,385	22,422	11.1%	71.8%	29.5%	10.5x	25.4x	62,473	340

share price as of 20Apr21

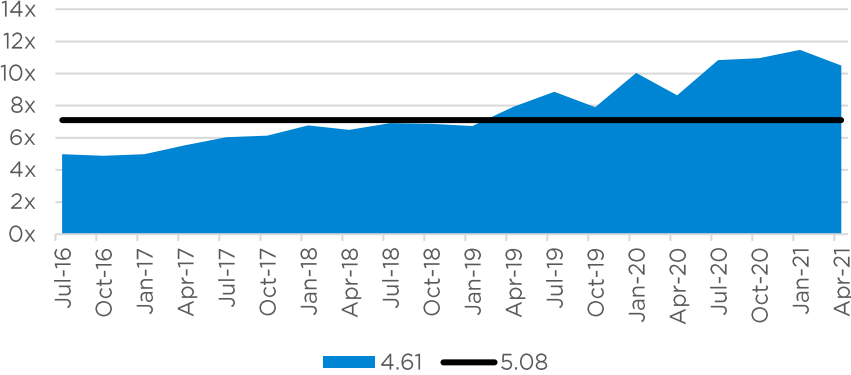
Public Basket



Public EBITDA Multiples over Time

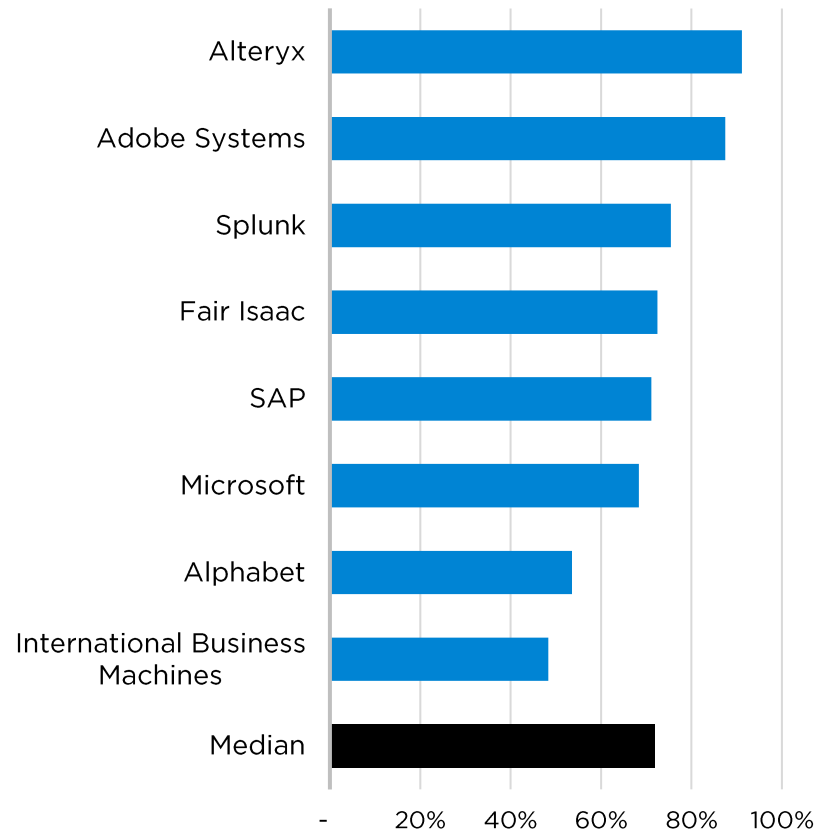


Public Revenue Multiples over Time

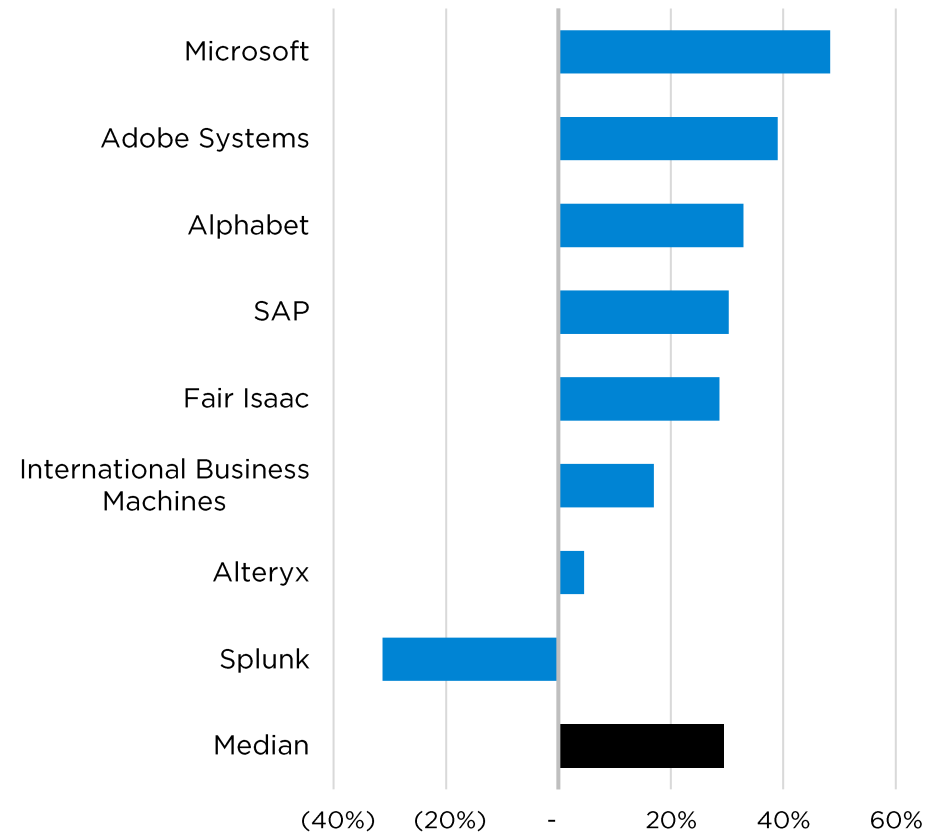


Operational Metrics

LTM Gross Profit Margin %

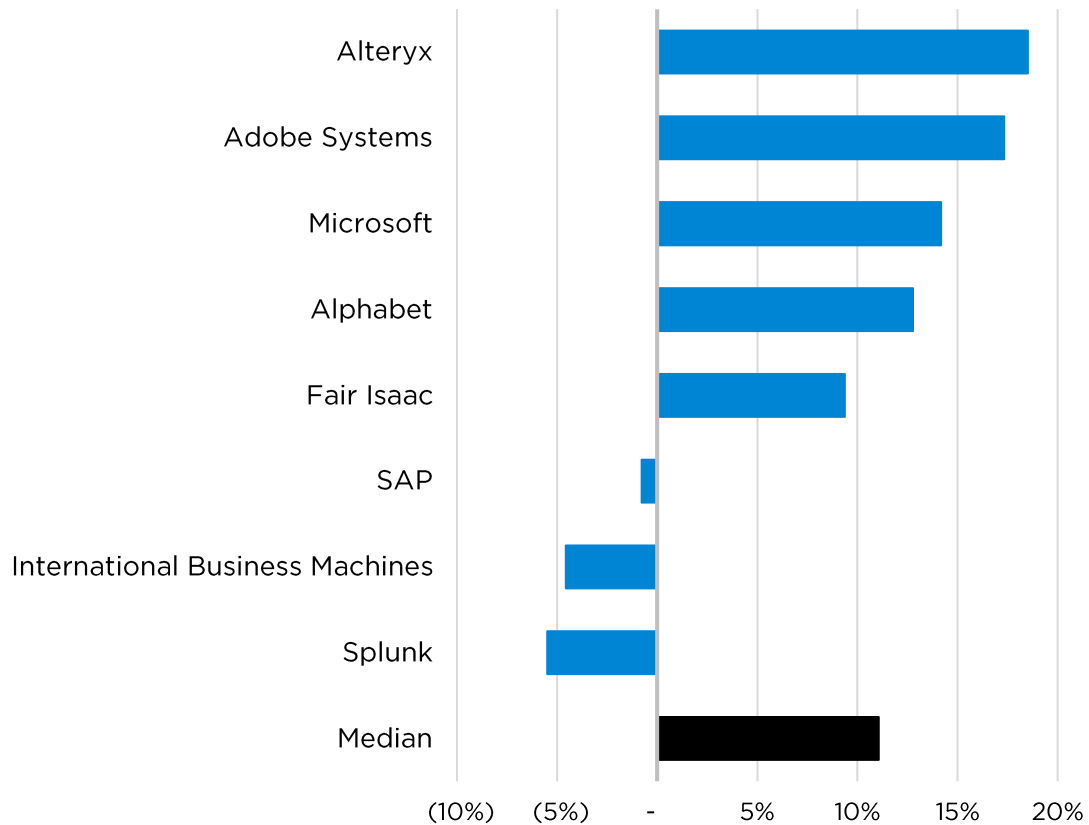


LTM EBITDA %

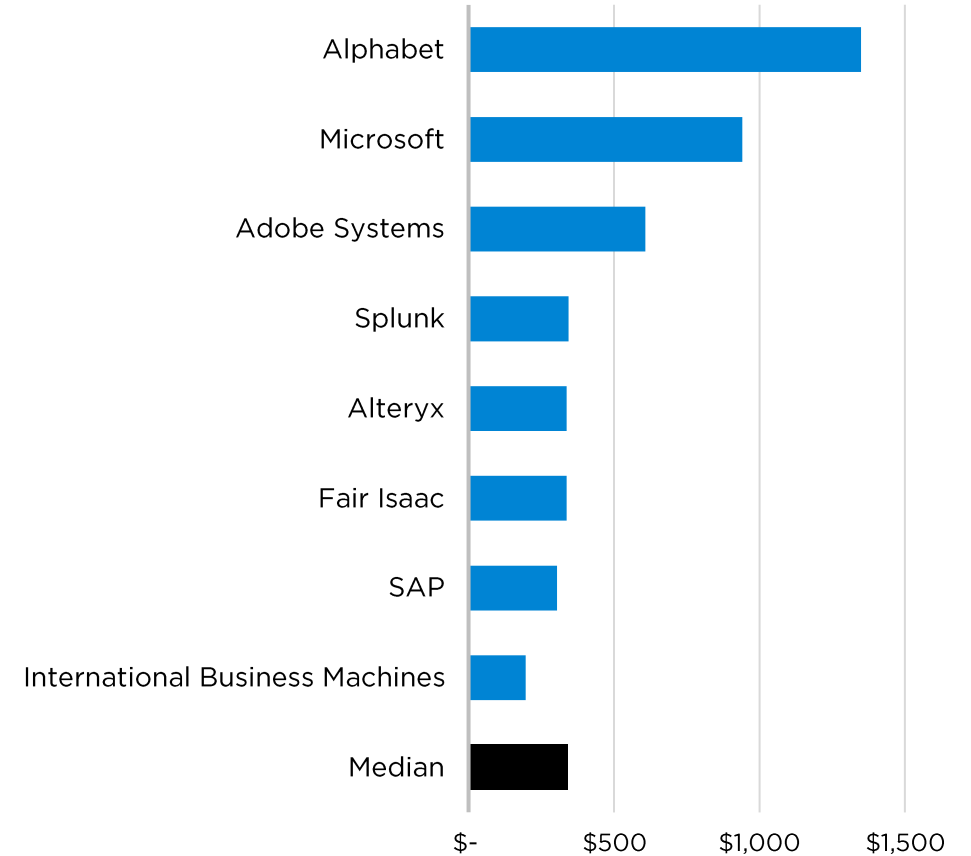


Operational Metrics

LTM Revenue Growth %

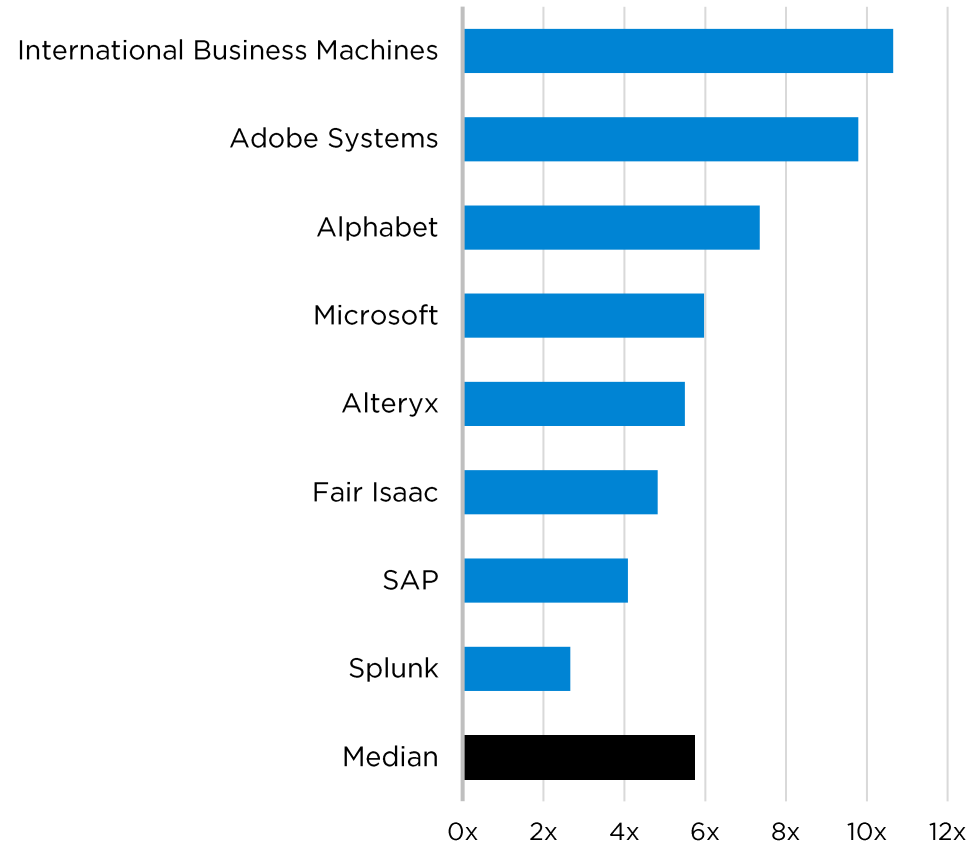


LTM Revenue per Full Time Employee x 000's

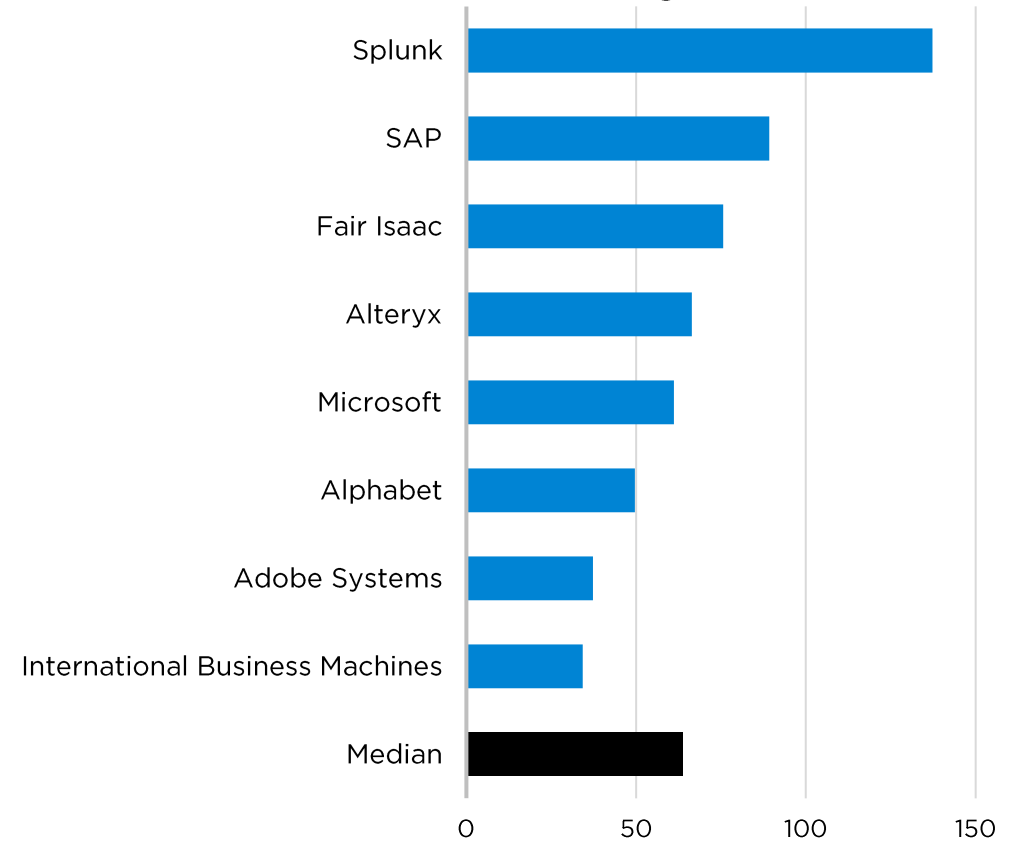


Operational Metrics

Accounts Receivable Turnover

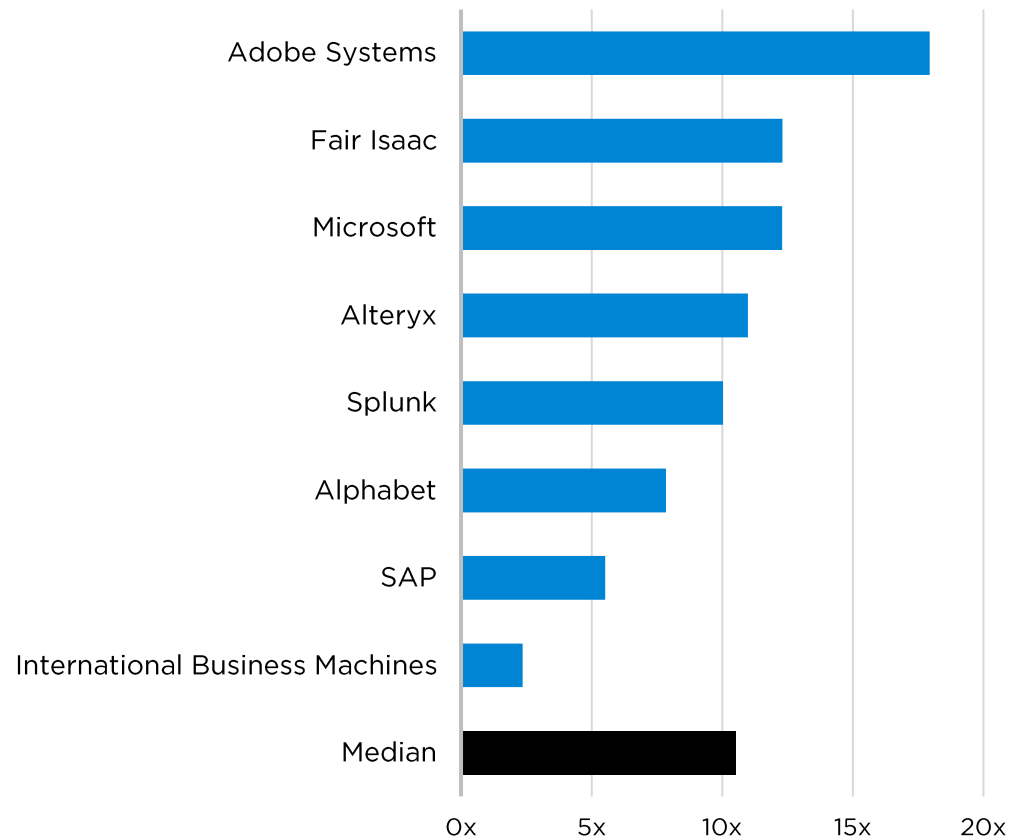


Average Days Sales Outstanding

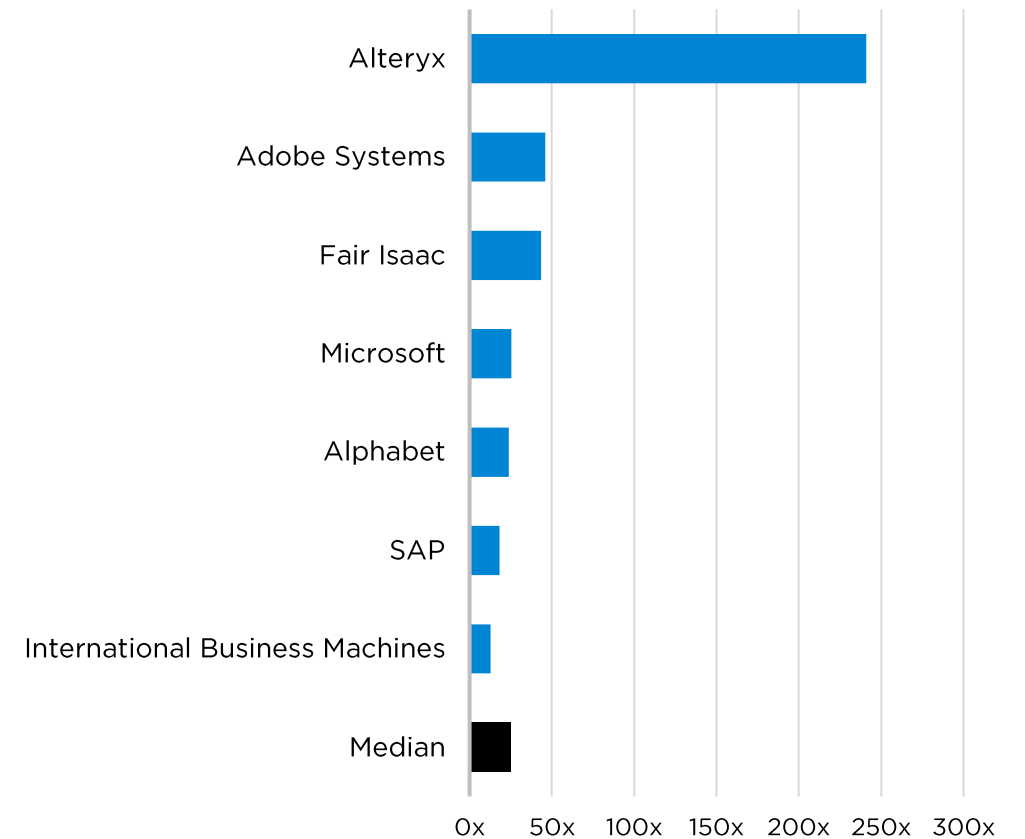


Valuation

TEV / LTM Revenue

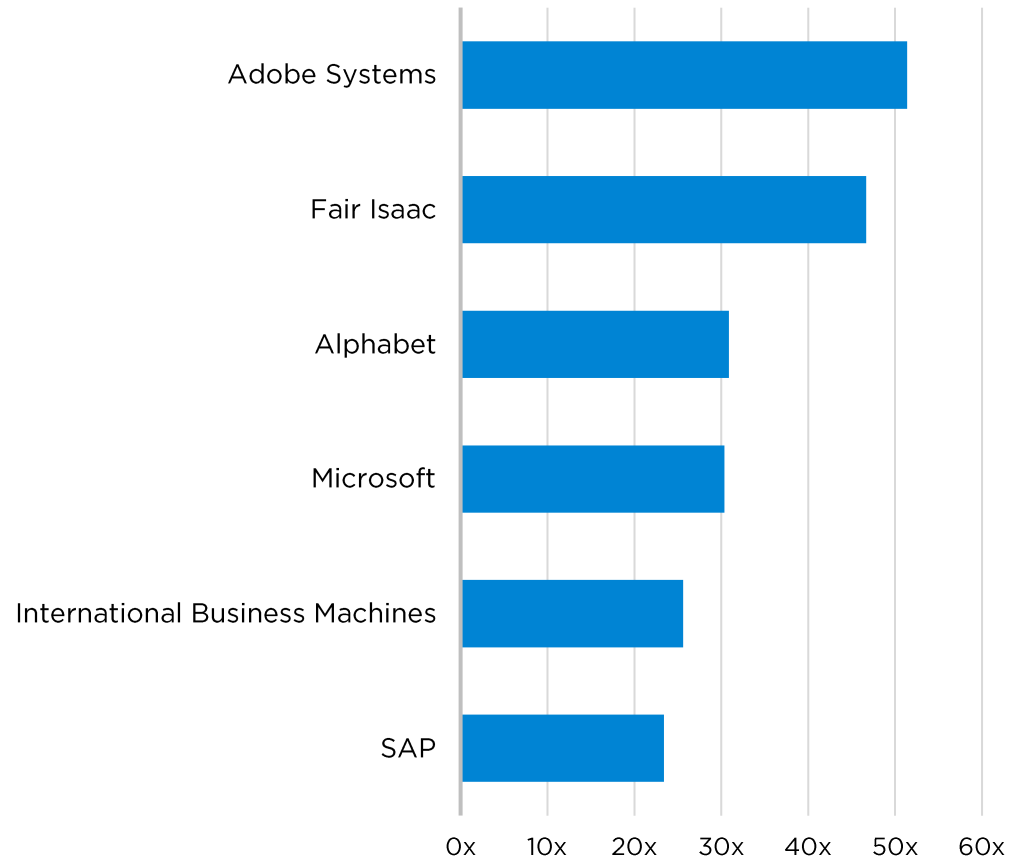


TEV / LTM EBITDA

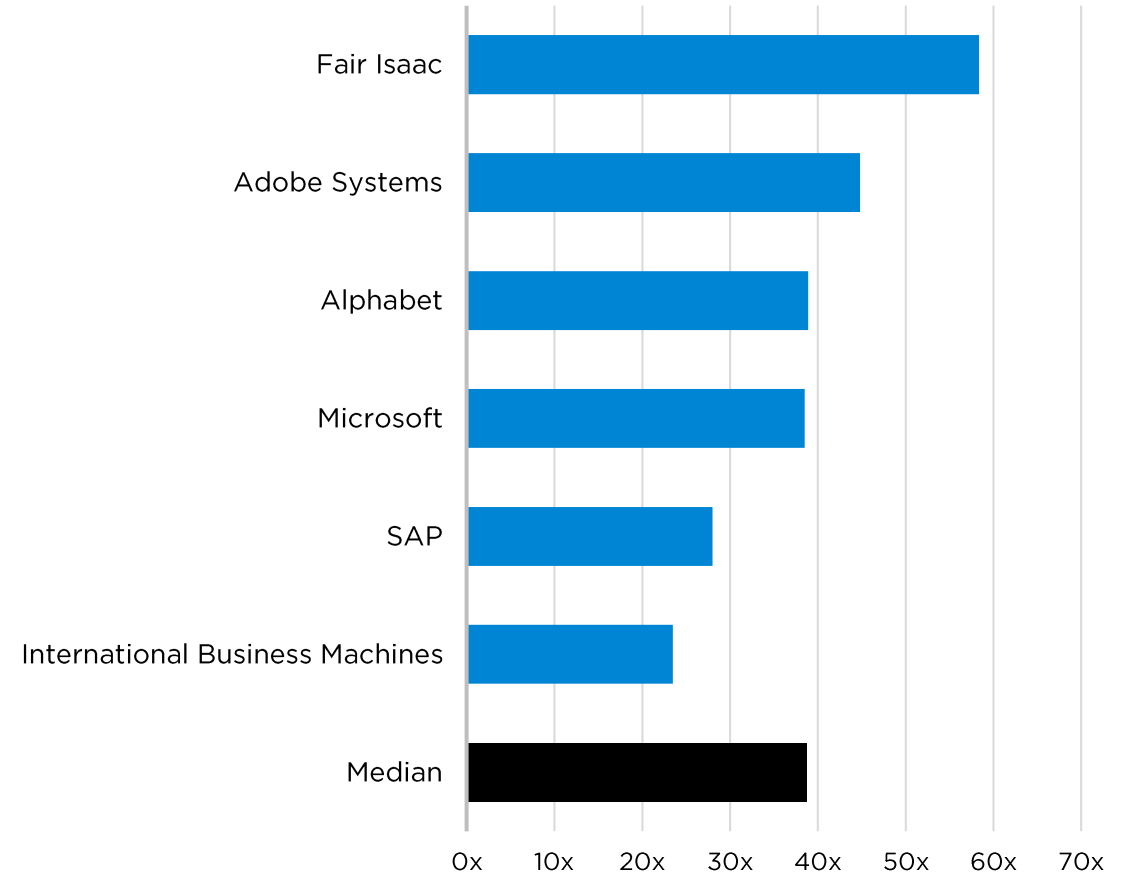


Valuation

TEV / LTM EBIT

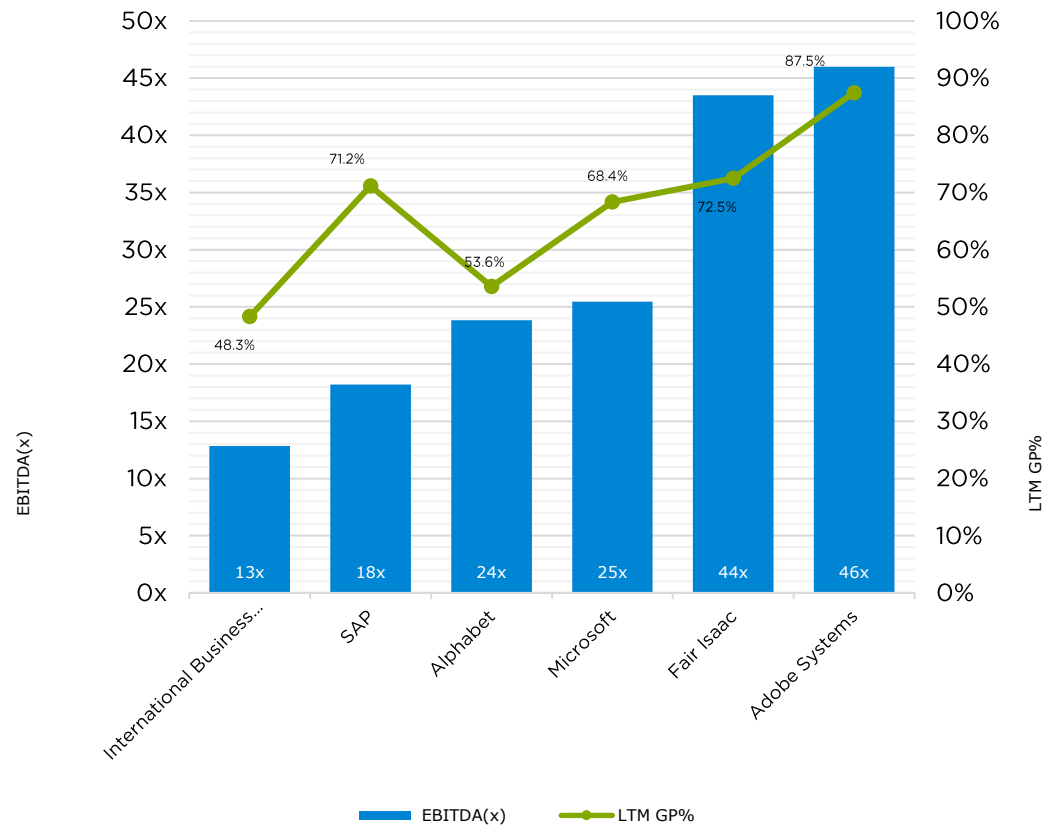


Price / LTM Earnings

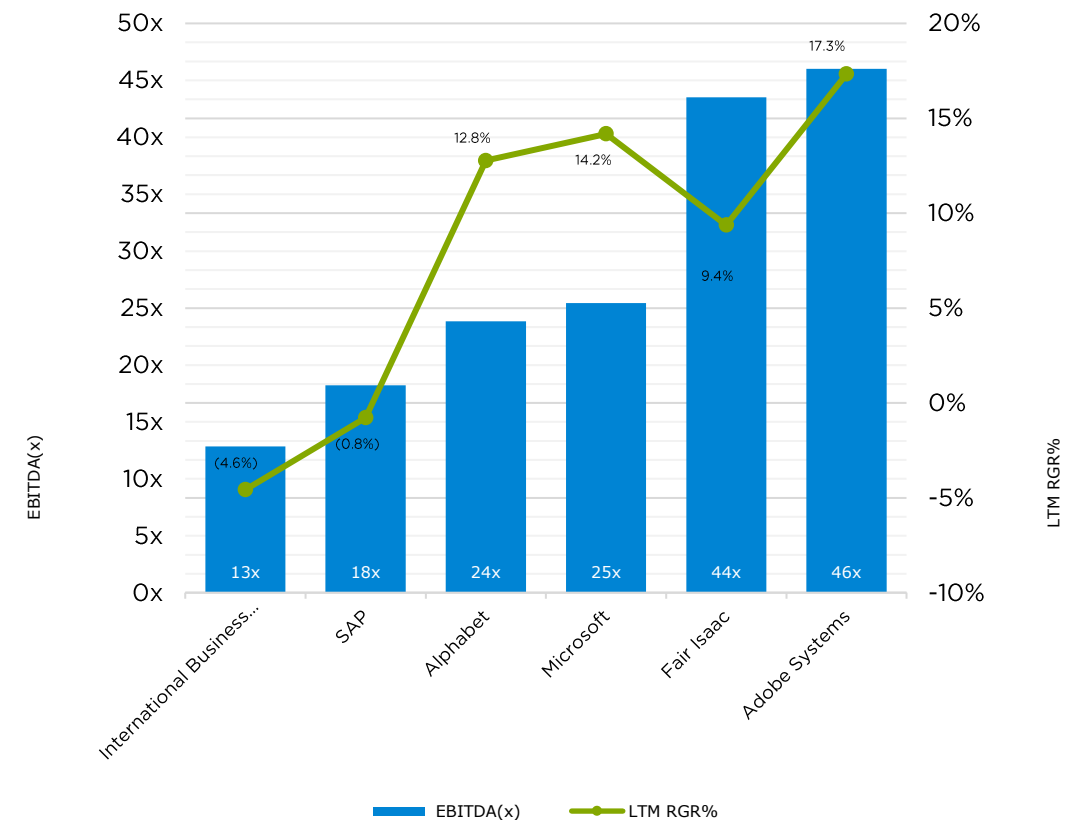


Valuation

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
20-Apr-21	Impact Analytics (AI)	Onethird	-	-	-	-
13-Apr-21	Openvalue (France)	Caisse des Dépôts Group	-	-	-	-
07-Apr-21	Core Compete	Accenture	-	-	-	-
30-Mar-21	Groundswell Group	Deloitte Canada	-	-	-	-
24-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	-	-	-	-
02-Feb-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	-	-	-	-

Appendix

*Public Basket
Contact Information*

Alteryx

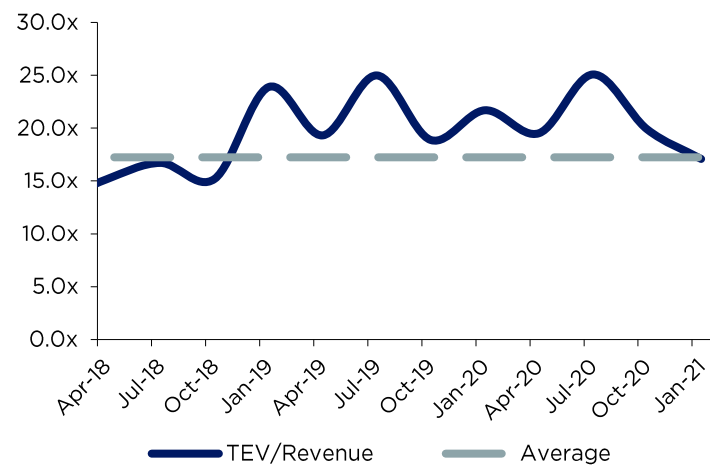
Alteryx Inc is a software company that provides self-service data analytics software.

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.

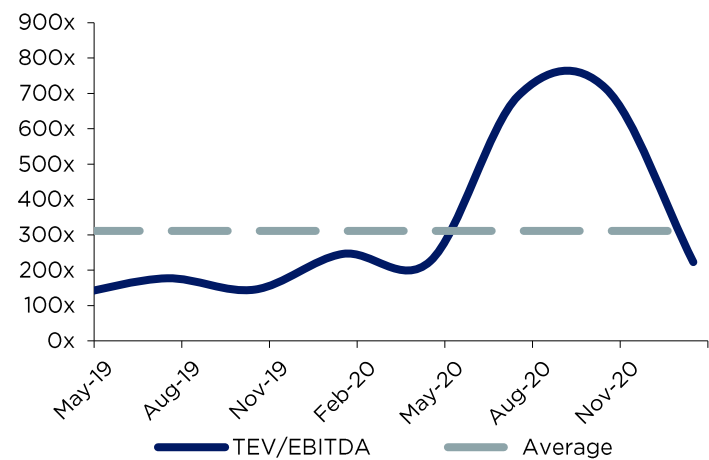
Public Basket

Alteryx

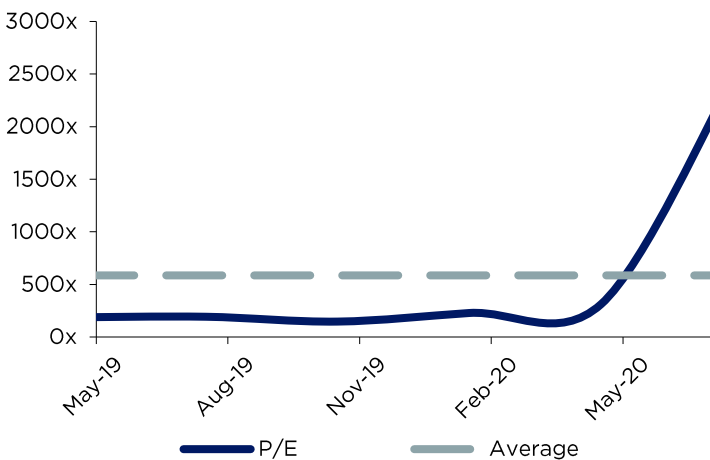
Revenue Multiples - Alteryx



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

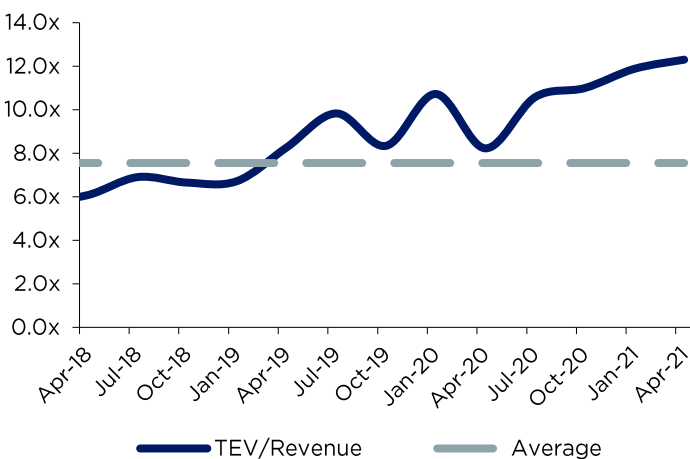
Fair Isaac Corp is a provider of business performance management solutions that allow corporations to automate and improve key decisions.

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.

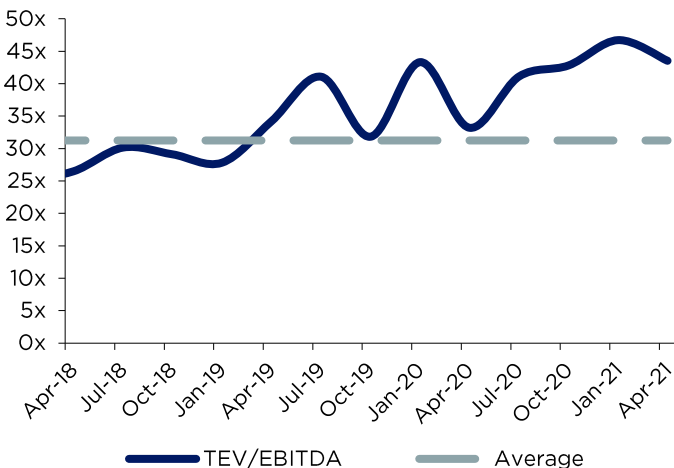
Public Basket

Fair Isaac

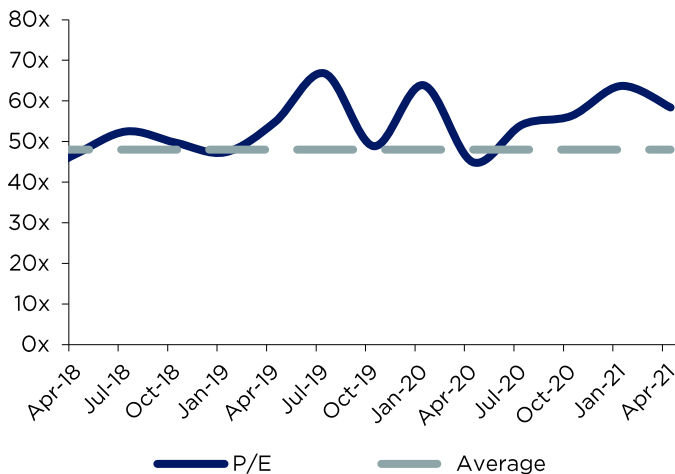
Revenue Multiples - Fair Isaac



EBITDA Multiples - Fair Isaac



P/E Multiples - Fair Isaac

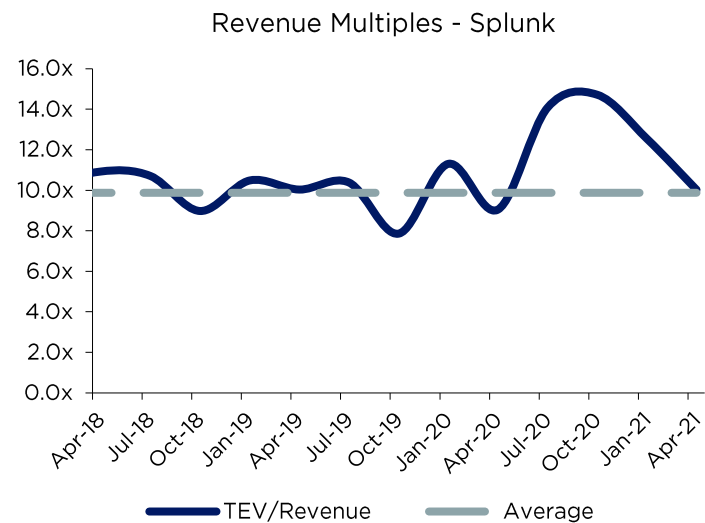


Company Name	Date	Deal Synopsis
GoOn	12-Dec-18	The company was acquired by Fair Isaac (NYS: FICO) for an undisclosed amount on December 12, 2018. The acquisition will enable the acquirer to grow in areas of Brazil and Latin America.
QuadMetrics	14-Jun-16	The company was acquired by FICO for \$5.7 million 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.



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.
Rigor	05-Nov-20	The company was acquired by Splunk (NAS: SPLK) for \$37.6 mllion on November 5, 2020. The acquisition will enable the acquirer to bring a new dimension of visibility in its observability platform.

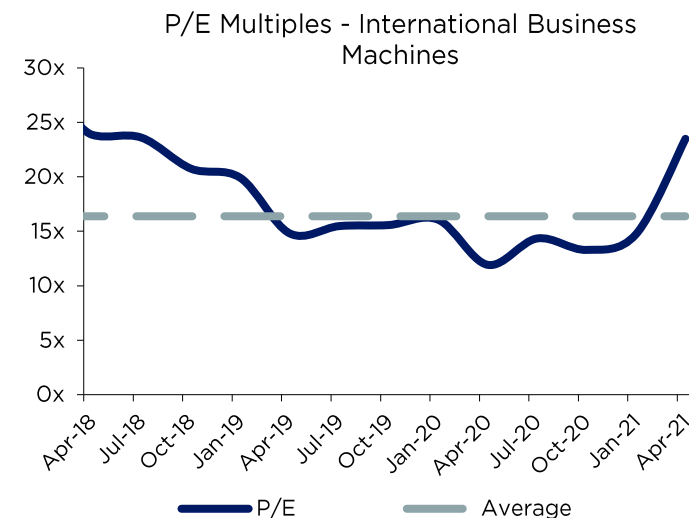
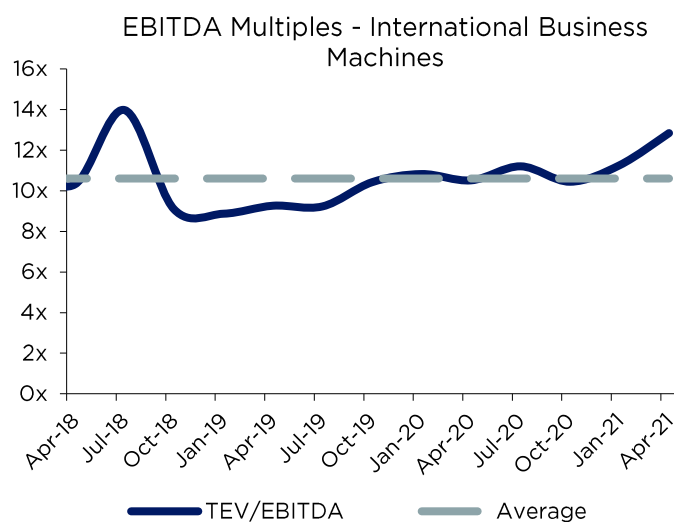
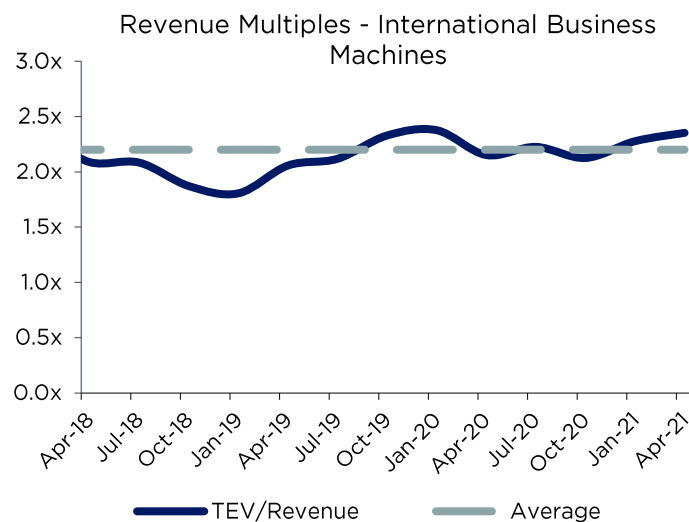
International Business Machines

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

myInvenio

15-Apr-21

The company reached a definitive agreement to be acquired by International Business Machines (NYS: IBM) for an undisclosed amount on April 15, 2021. The acquisition will help enterprises tackle streamlining backend processes across accounting, sales, and production.

Taos Mountain

11-Feb-21

The company was acquired by International Business Machines (NYS: IBM) for an undisclosed amount on February 11, 2021.

SAP

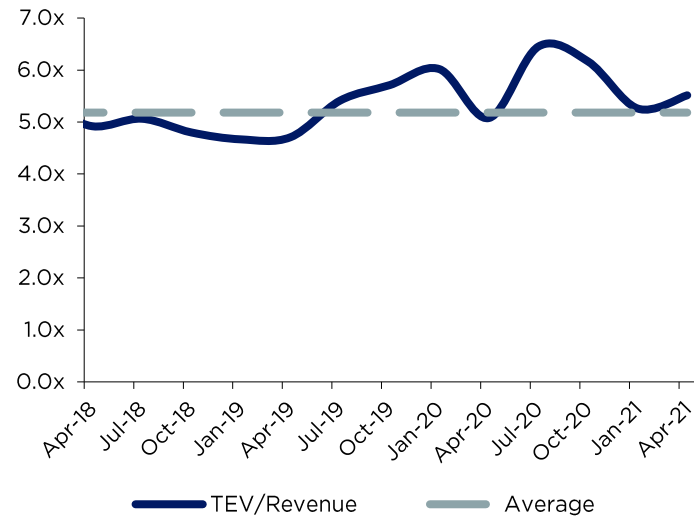
Founded in 1972 by former IBM employees, SAP provides database technology and enterprise resource planning software to enterprises around the world.

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

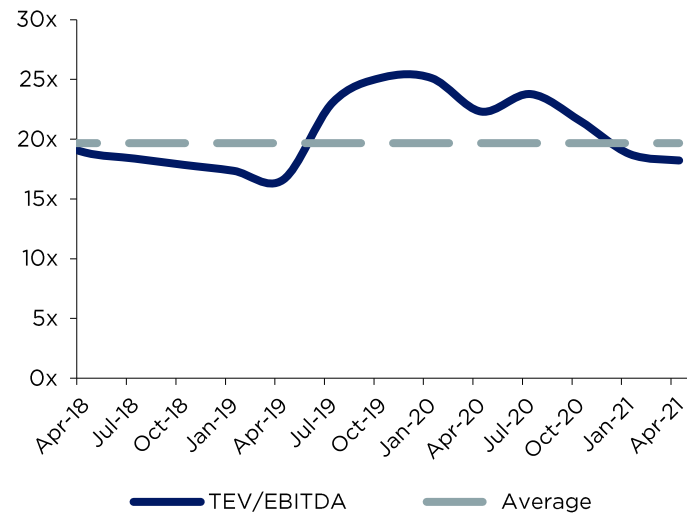
Public Basket

SAP

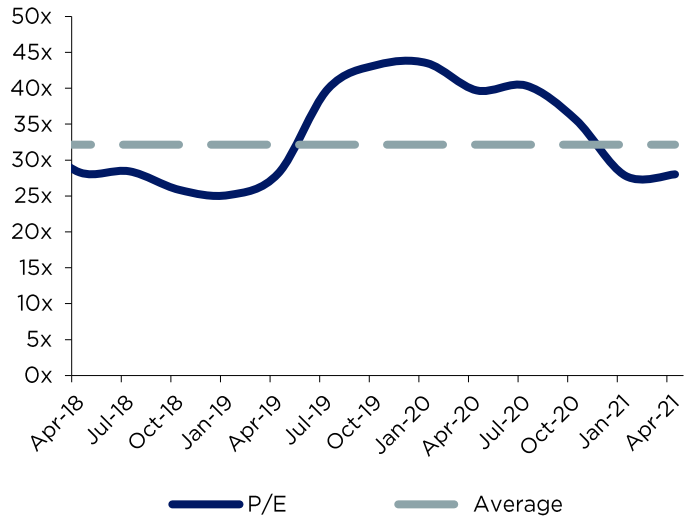
Revenue Multiples - SAP



EBITDA Multiples - SAP



P/E Multiples - SAP



Company Name	Date	Deal Synopsis
Crosschq	09-Mar-21	The company raised \$15.00 million of Series A venture funding in a deal led by Tiger Global Management on March 9, 2021, putting the company's pre-money valuation at \$50 million. Intersect Capital, Slack Fund, SAP, Rocketship, Bessemer Venture Partners, GGV Capital, Klay Thompson, Aaron Gordon, Isaiah Thomas, Khris Middleton, Nolan Arenado, and DK Metcalf also participated in the round. The funds will be used to enhance the company's data analytics that enables companies to track and measure the quality of hire and also use the financing to grow its ML/AI, Go-To-Market and Development teams, expand partnerships and continue its focus on driving diversity in hiring practices across companies of all sizes and industries.
Signavio	05-Mar-21	The company was acquired by SAP (ETR: SAP) for EUR 1 billion on March 5, 2021.

Adobe Systems

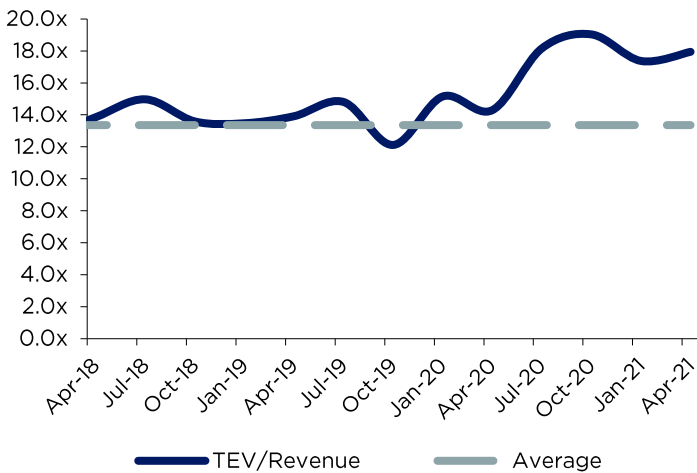
Adobe provides content creation, document management, and digital marketing and advertising software and services to creative professionals and marketers for creating, managing, delivering, measuring, optimizing and engaging with compelling content multiple operating systems, devices and media.

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).

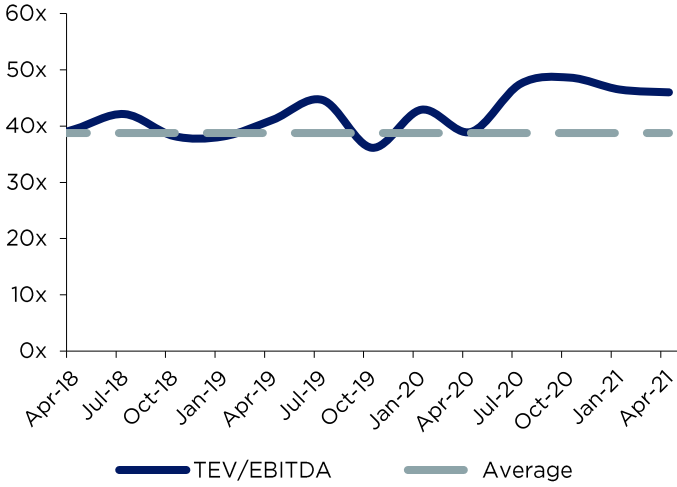
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Adobe Systems

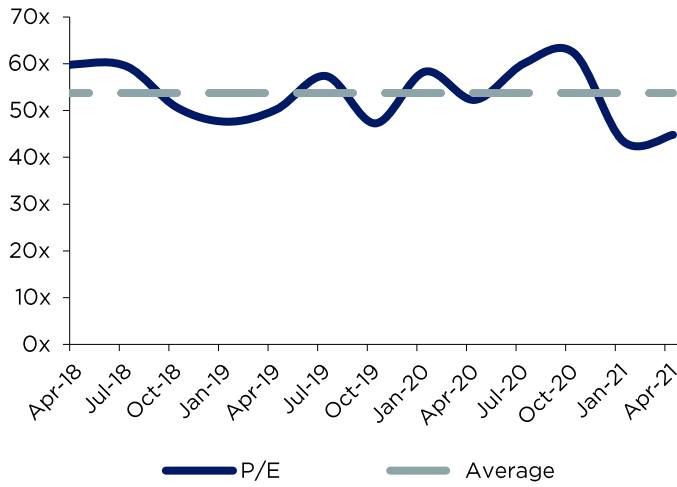
Revenue Multiples - Adobe Systems



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

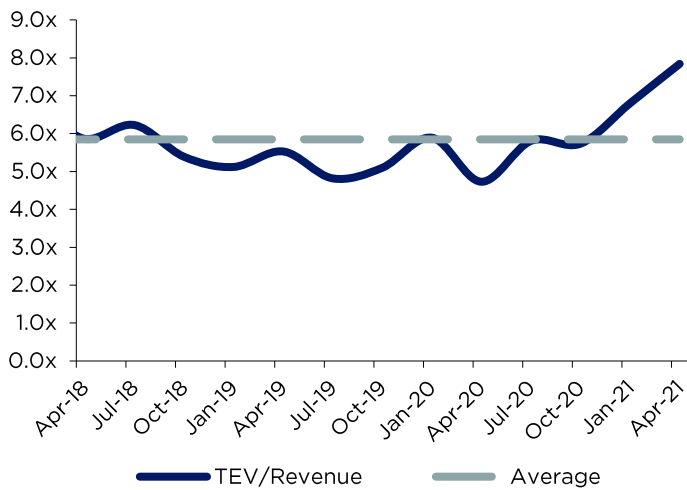
Alphabet is a holding company, with Google, the Internet media giant, as a wholly owned subsidiary.

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.

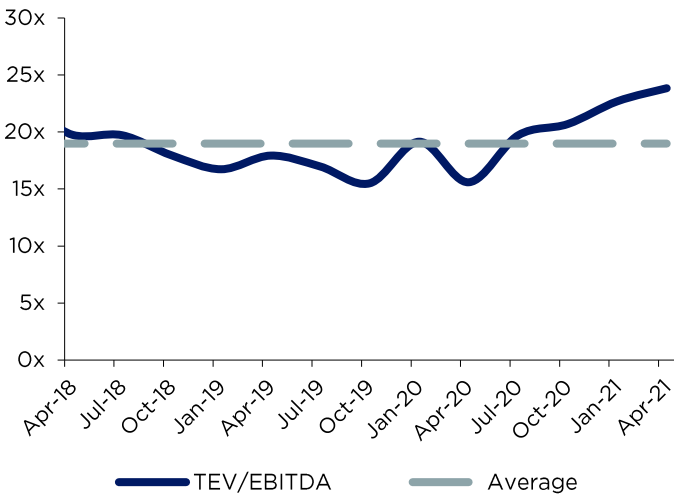
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Alphabet

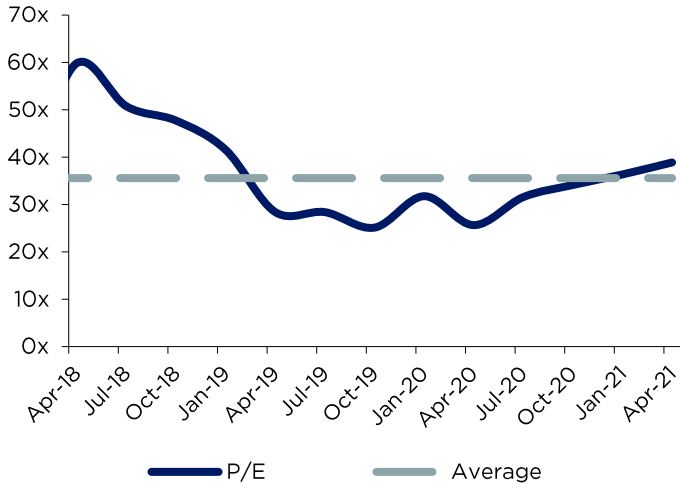
Revenue Multiples - Alphabet



EBITDA Multiples - Alphabet



P/E Multiples - Alphabet



Company Name	Date	Deal Synopsis
TAE Technologies	08-Apr-21	The company raised \$280 million of venture funding from Vulcan Capital, New Enterprise Associates and Venrock on April 8, 2021. Wellcome Trust, Alphabet, Schwab Family Office Services and other undisclosed investors also participated in the round. The funds will be used for the rapid commercialization of the company's revolutionary power management technology and also initiate the development of a demonstration facility.
UnitedMasters	31-Mar-21	The company raised \$50 million of Series B venture funding in a deal led by Apple on March 31, 2021. Andreessen Horowitz and Alphabet also participated in the round. The funds will be used to hire talent that are mission oriented to take the company global.

Microsoft

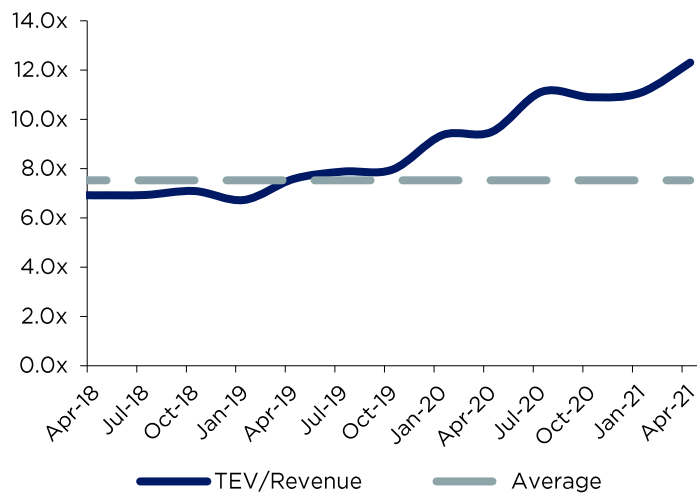
Microsoft develops and licenses consumer and enterprise software.

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).

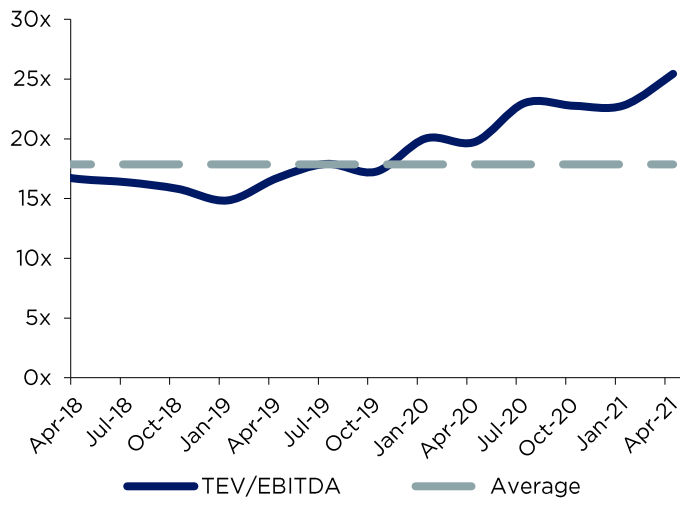
Public Basket

Microsoft

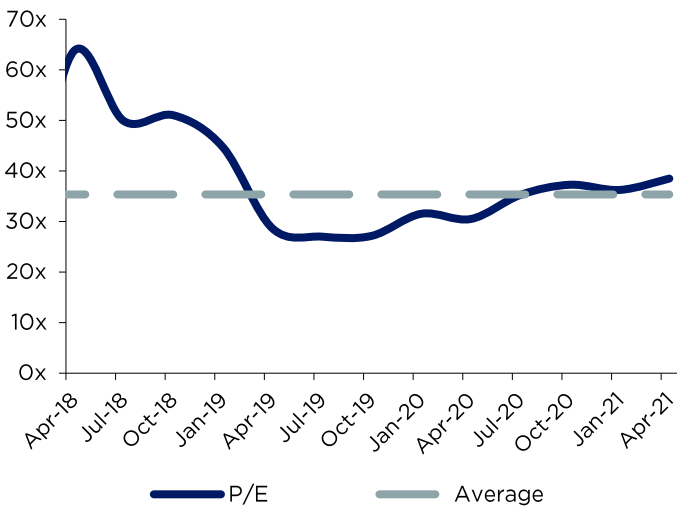
Revenue Multiples - Microsoft



EBITDA Multiples - Microsoft



P/E Multiples - Microsoft



Company Name	Date	Deal Synopsis
Bukalapak	15-Apr-21	The company raised \$234 million of venture funding in a deal led by Elang Mahkota Teknologi, Microsoft and Government of Singapore Investment Corporation (GIC) on April 15, 2021. Naver, Standard Chartered and SC Ventures also participated in the round.
Nuance Communications	12-Apr-21	The company reached a definitive agreement to be acquired by Microsoft (NAS: MSFT) for \$16 billion on April 12, 2021. The acquisition will help Microsoft to put advanced AI solutions into the hands of professionals everywhere to drive better decision-making and create more meaningful connections.

Contact Info

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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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