

7 Mile Advisors



Sectorwatch: Advanced Analytics

June 2021



Advanced Analytics

- 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

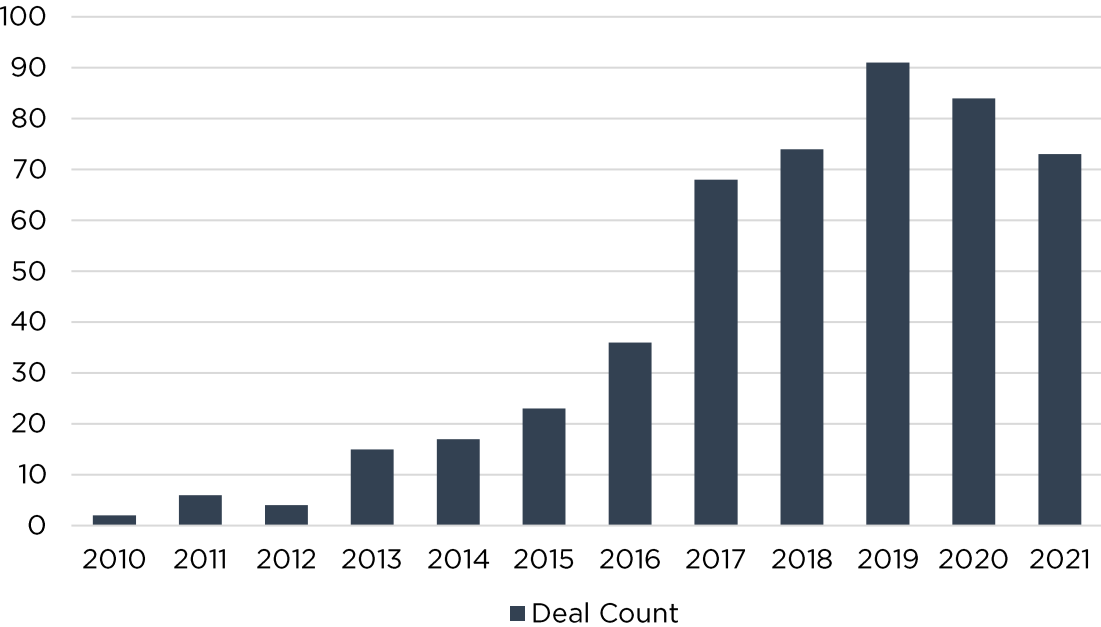
- The most recently announced deals in the sector

Dashboard

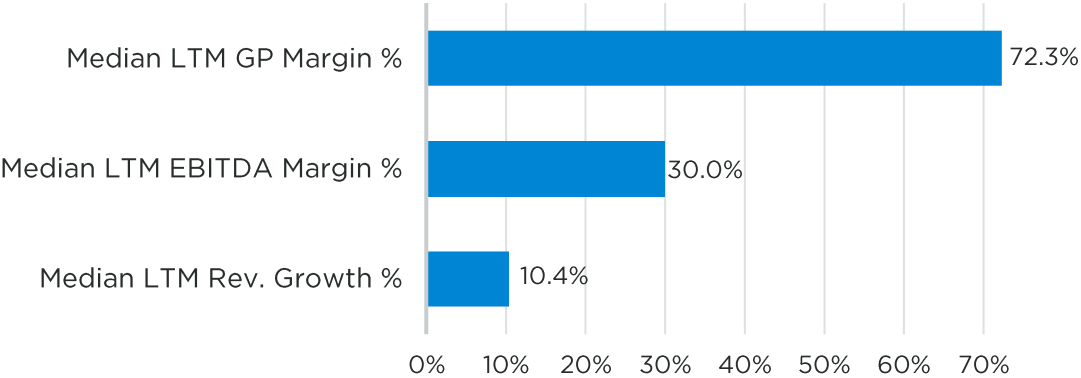
REVENUE GROWTH MOMENTUM ↓ -6.1%

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

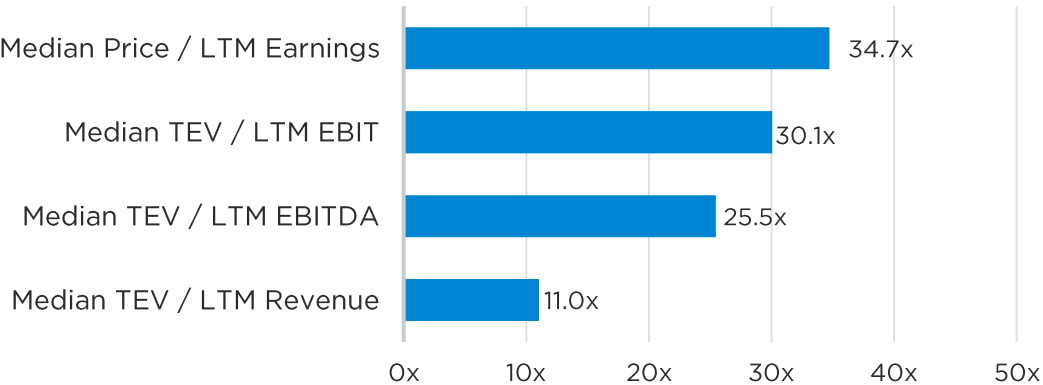
M&A Activity



Operating Metrics



Valuation



Public Basket Overview



TMT

FICO **alteryx** | The Thrill
of Solving

Alphabet **IBM**

Big Data

SAP **splunk**>

CloudTech & DevOps

 **Microsoft**

Marketing Tech

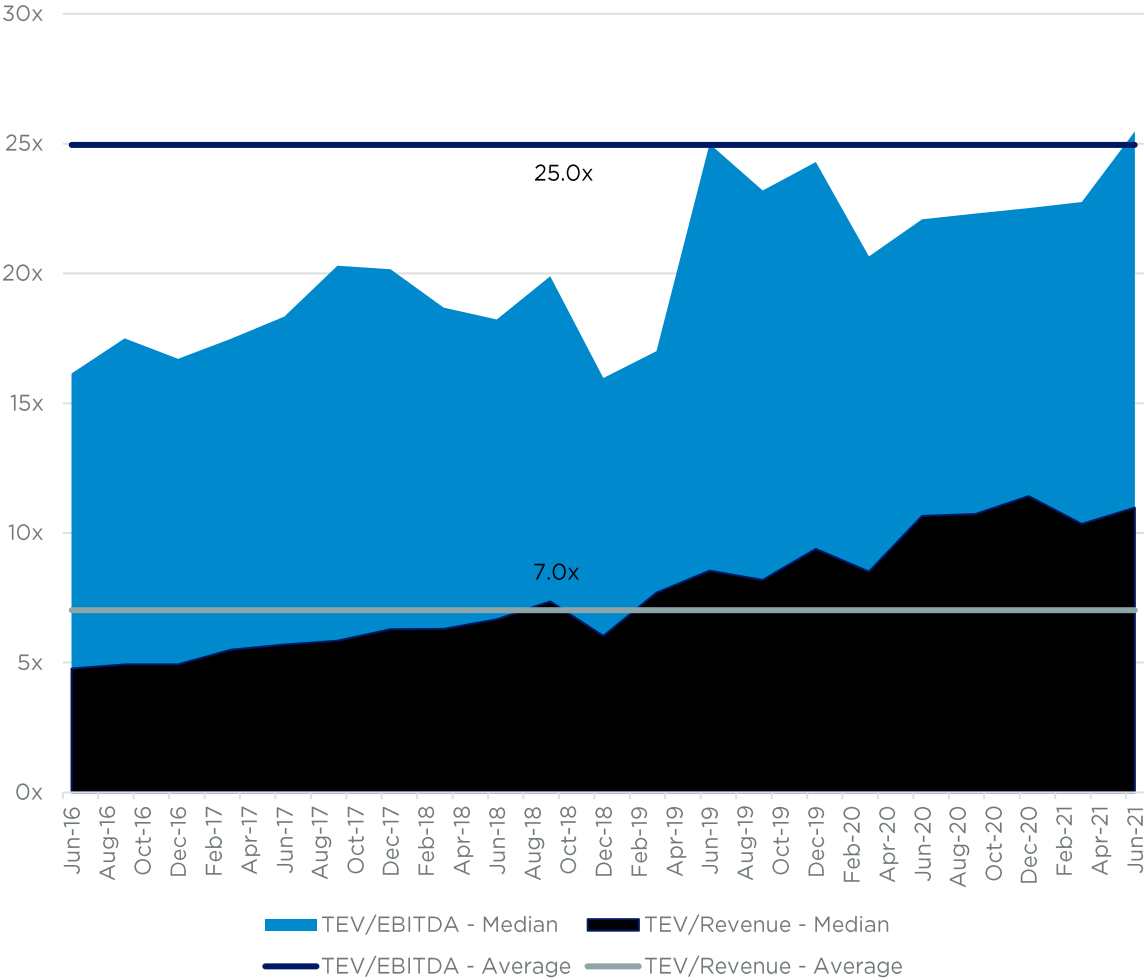
 **Adobe**

Public Basket

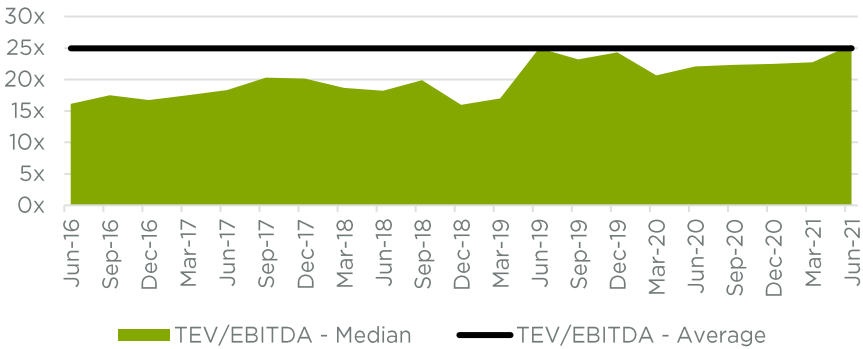
Company	TEV \$m	LTM EBITDA \$m	LTM Rev \$m	Rev Growth YoY	GP %	EBITDA %	TEV / Rev X	TEV / EBITDA X	# FTEs	Rev / FTE \$k
Alteryx	5,725	16	505	12.1%	91.8%	3.2%	11.3x	357.8x	1,498	337
Fair Isaac	15,292	402	1,332	8.6%	73.0%	30.2%	11.5x	38.1x	3,953	337
Splunk	24,389	-840	2,297	-3.0%	74.3%	-36.6%	10.6x	NA	7,573	303
International Business Machines	181,095	13,501	73,781	-3.6%	48.6%	18.3%	2.5x	13.4x	375,300	197
SAP	174,436	9,445	31,648	-2.9%	71.6%	29.8%	5.5x	18.5x	103,142	307
Adobe Systems	277,924	5,735	14,389	19.5%	87.9%	39.9%	19.3x	48.5x	22,516	639
Alphabet	1,549,333	73,516	196,682	18.0%	54.3%	37.4%	7.9x	21.1x	139,995	1,405
Microsoft	1,982,227	79,895	159,969	15.3%	68.4%	49.9%	12.4x	25.5x	163,000	981
Average	526,303	22,709	60,075	8.0%	71.2%	21.5%	10.1x	74.7x	102,122	563
Median	177,765	7,590	23,018	10.4%	72.3%	30.0%	11.0x	25.5x	62,829	337

share price as of 30Jun21

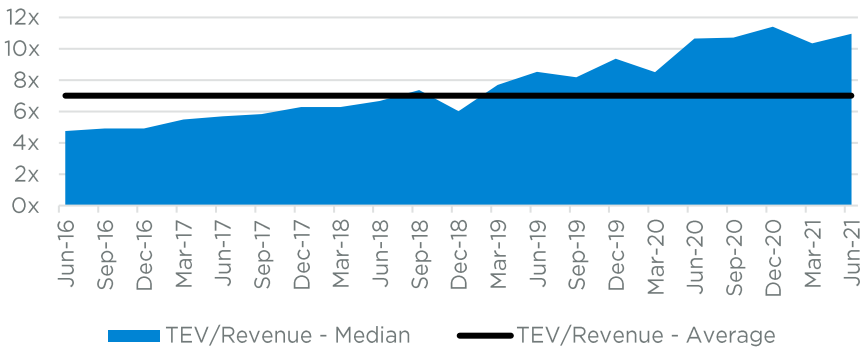
Public Basket



Public EBITDA Multiples over Time

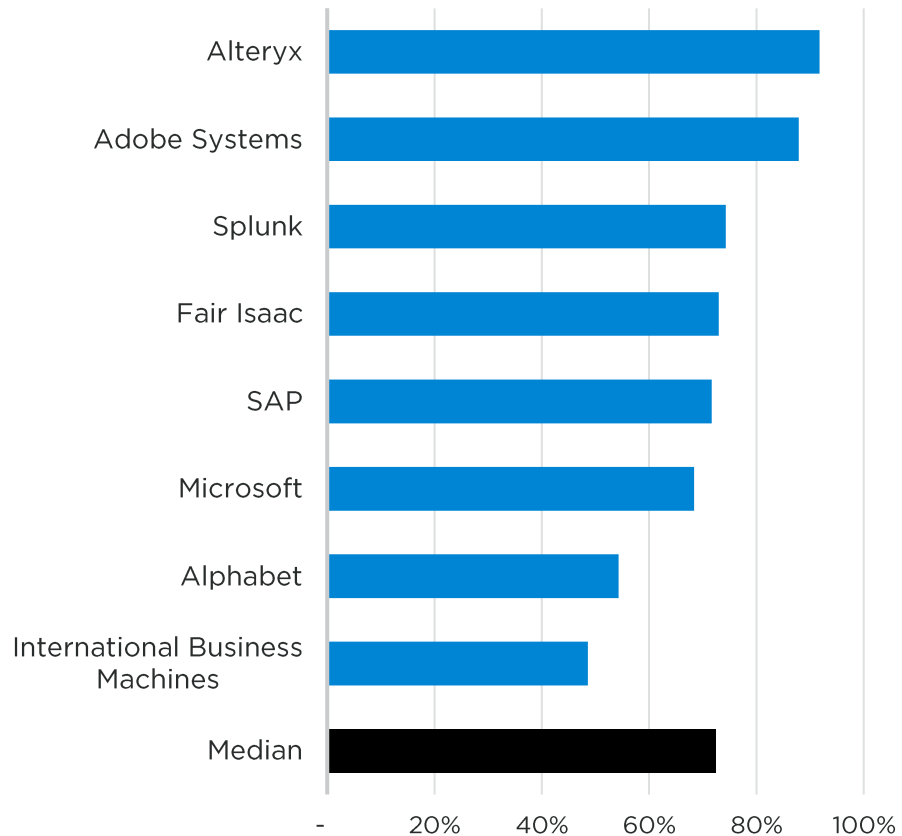


Public Revenue Multiples over Time

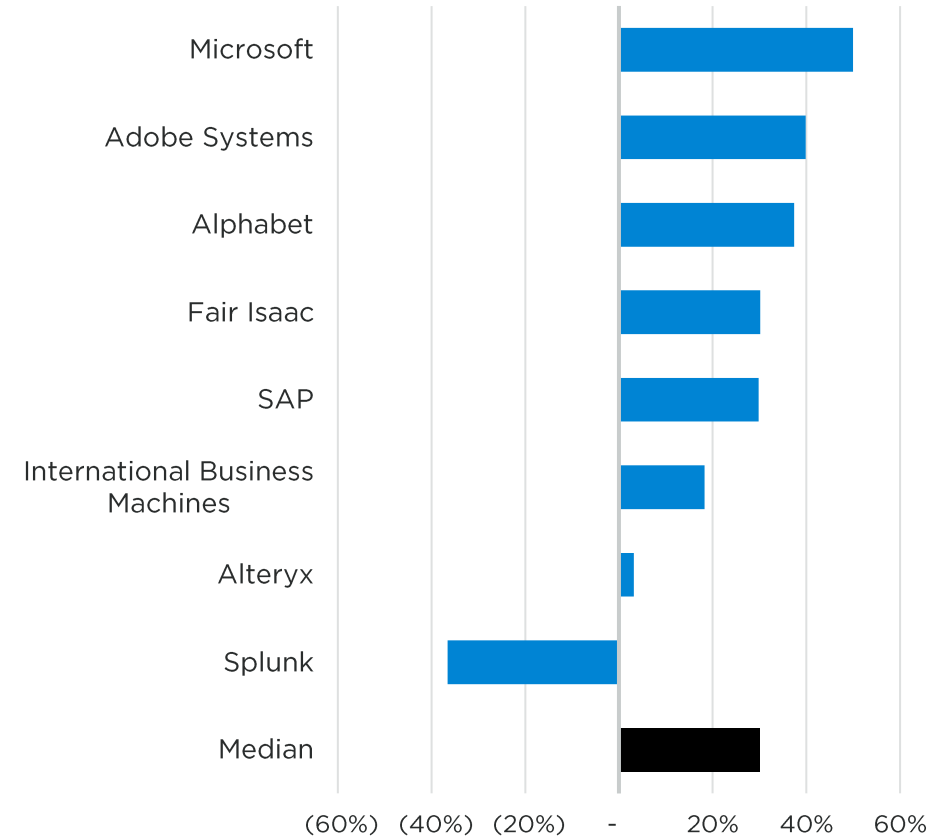


Operational Metrics

LTM Gross Profit Margin %

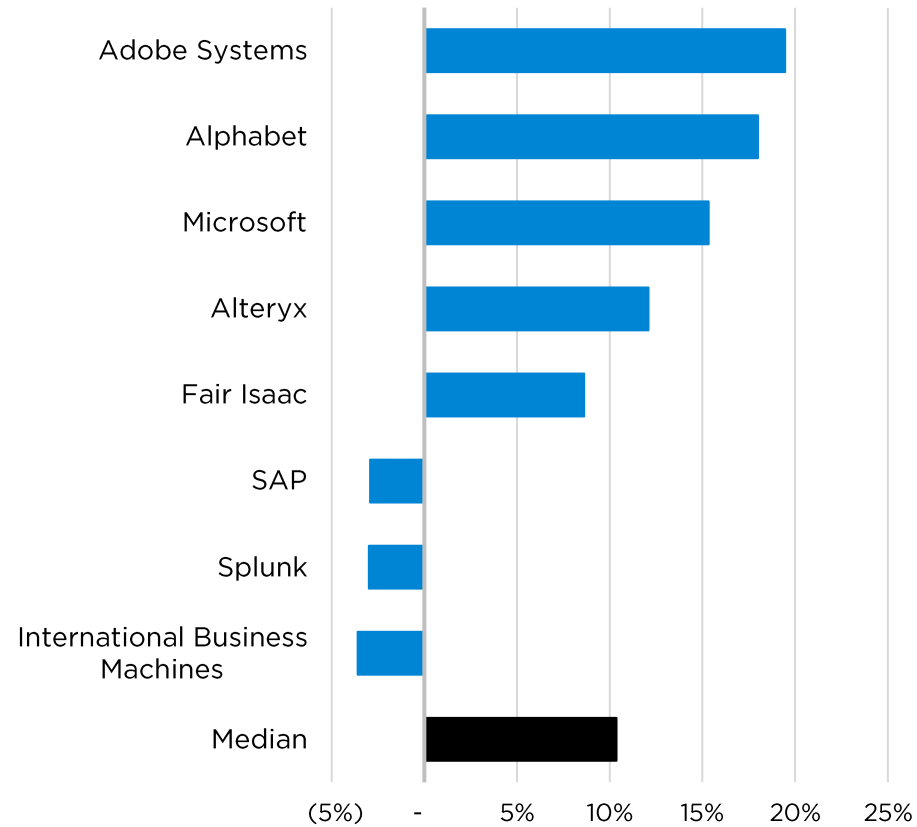


LTM EBITDA %

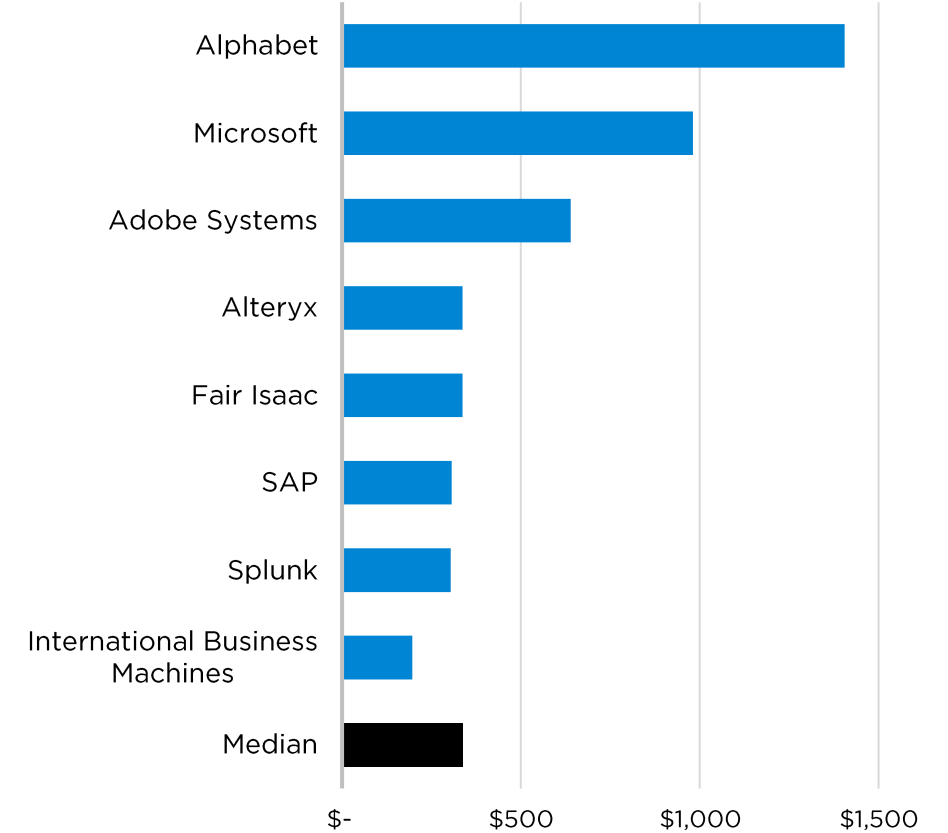


Operational Metrics

LTM Revenue Growth %

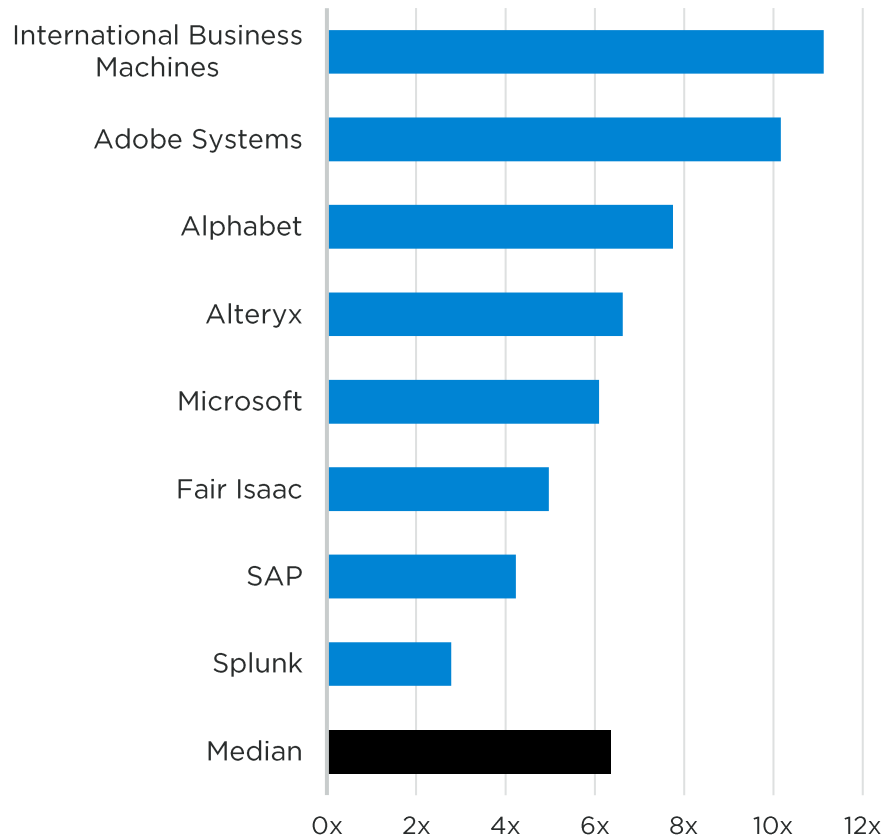


LTM Revenue per Full Time Employee x 000's

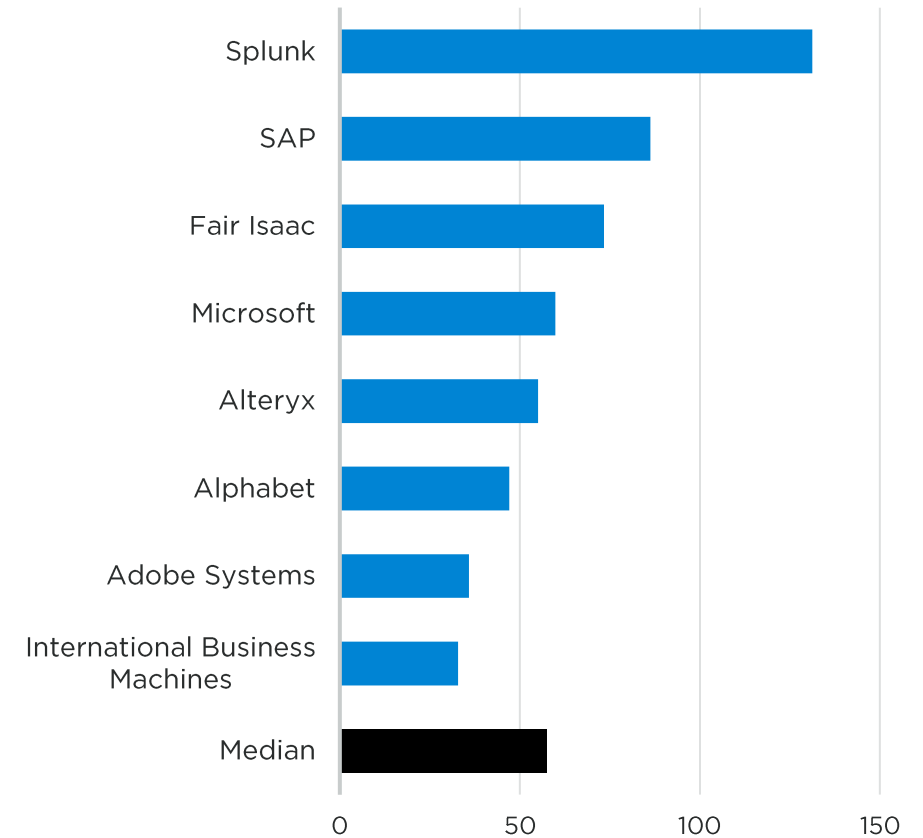


Operational Metrics

Accounts Receivable Turnover

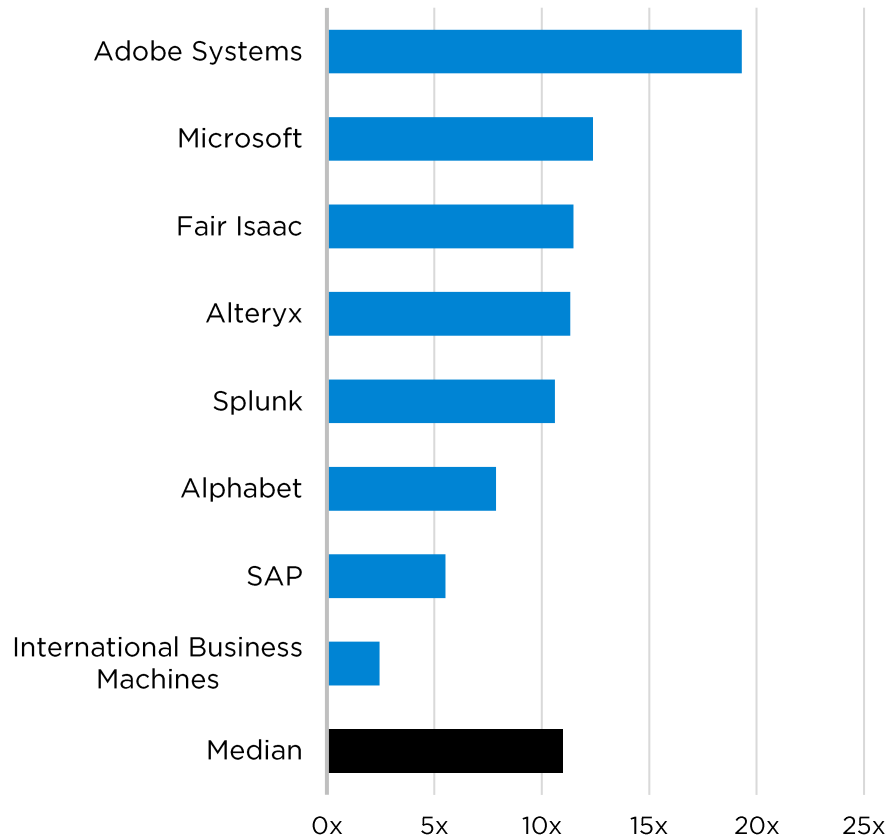


Average Days Sales Outstanding

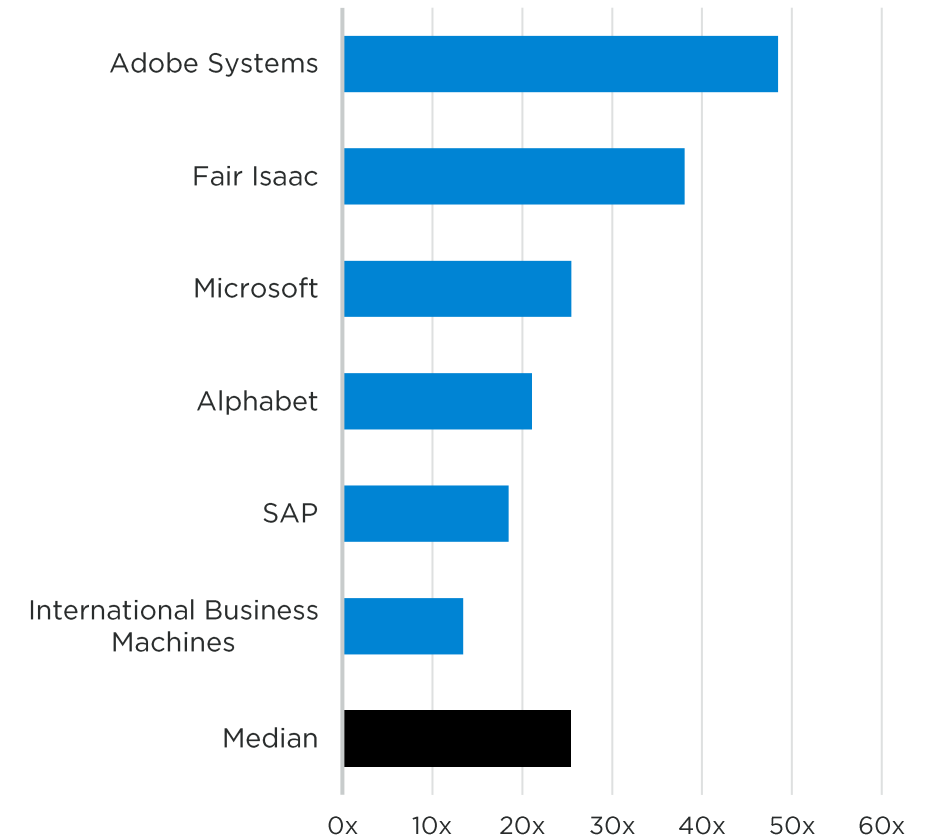


Valuation

TEV / LTM Revenue

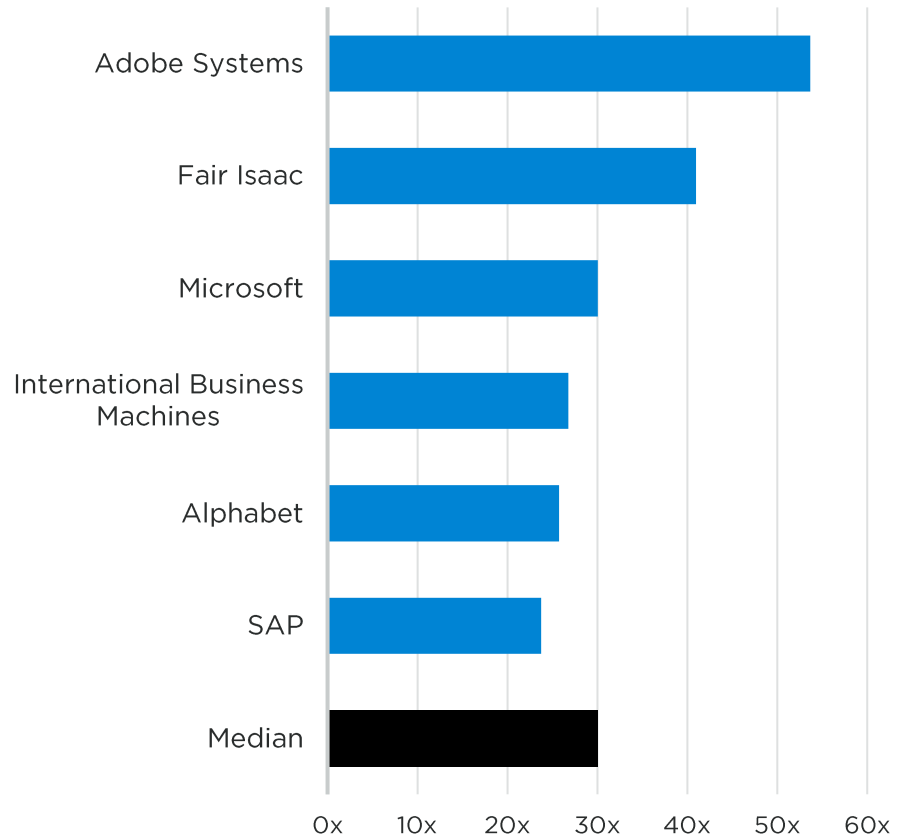


TEV / LTM EBITDA

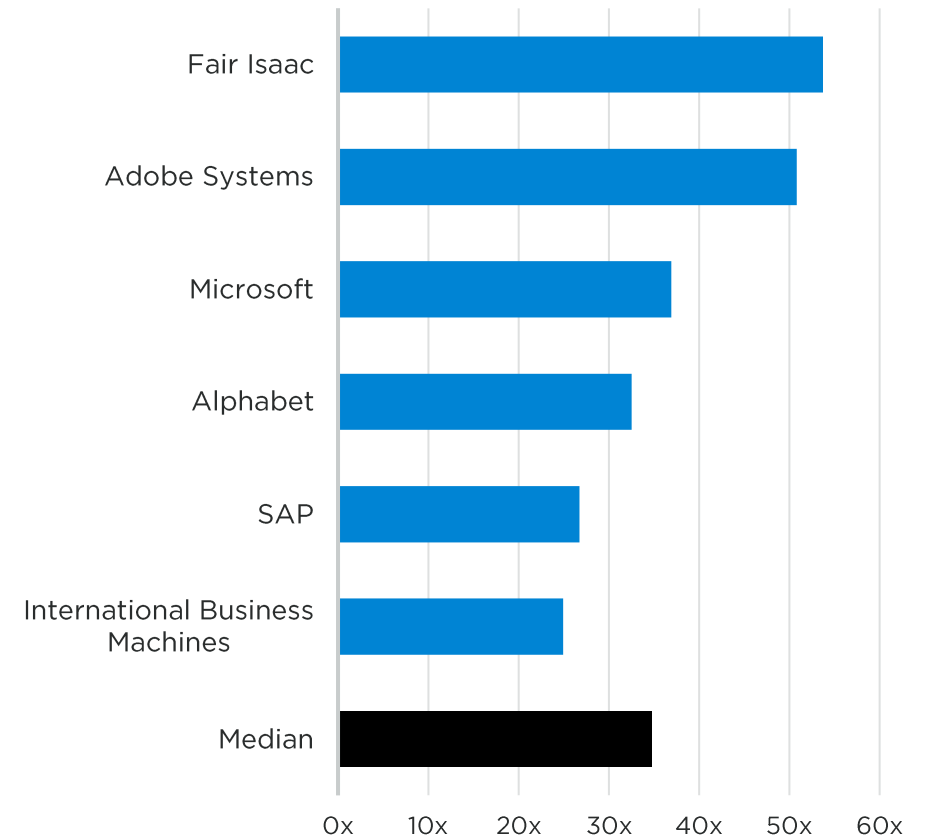


Valuation

TEV / LTM EBIT

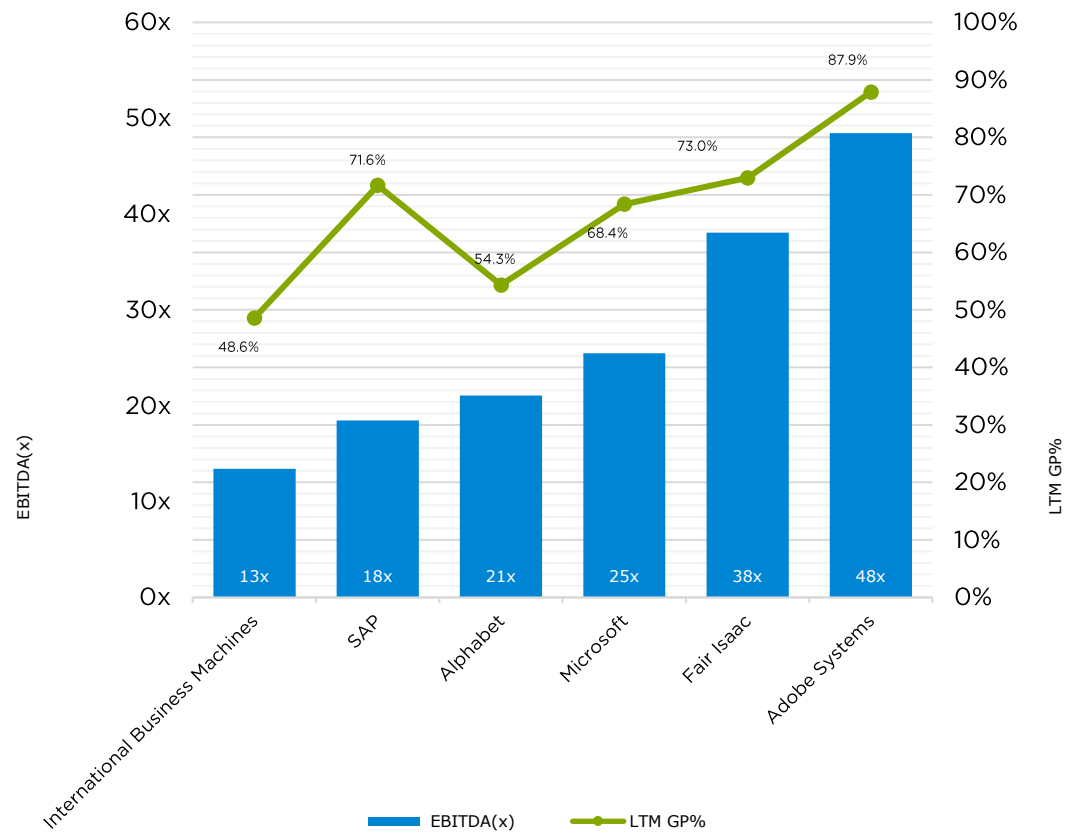


Price / LTM Earnings

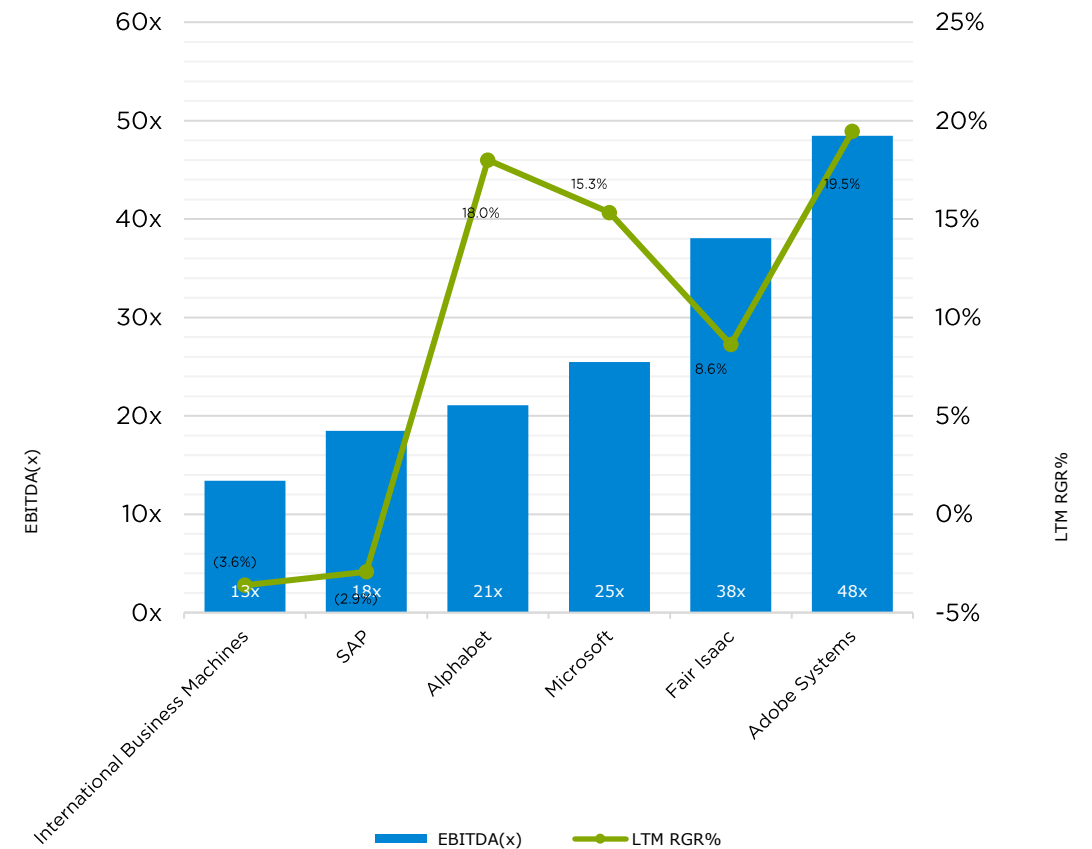


Valuation

Historical Valuation Multiples versus Gross Profit



Historical Valuation Multiples versus Revenue Growth Rate



Recent Transactions

Date	Target	Buyer / Investor	Total Transaction Value	Target Revenue	TEV / Revenue	TEV / EBITDA
08-Jun-21	ExtraHop	Bain Capital	900.00	-	9.87	-
04-Jun-21	NuWave Solutions	GigCapital4	330.00	-	-	-
02-Jun-21	Aarki	Skillz	150.00	-	-	-
01-Jun-21	Cazena	Cloudera	-	-	-	-
01-Jun-21	Cloudera	Clayton, Dubilier & Rice	5300.00	869.26	-	-
01-Jun-21	Novetta	Accenture	1000.00	-	26.82	-
24-May-21	Chesapeake Technology International	Bluestone Investment Partners	-	-	-	-
28-Apr-21	TimeSeries	Siemens Digital Industries	-	-	-	-
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	-	-	-	-
28-Dec-20	Datastrong	OceanSound Partners	-	-	-	-
11-Jan-21	Mavens Consulting Services	Komodo Health	-	-	-	-
07-Jan-21	Boemska Technology Solutions	SAS Institute	-	-	-	-

Appendix

*Public Basket
Contact Information*



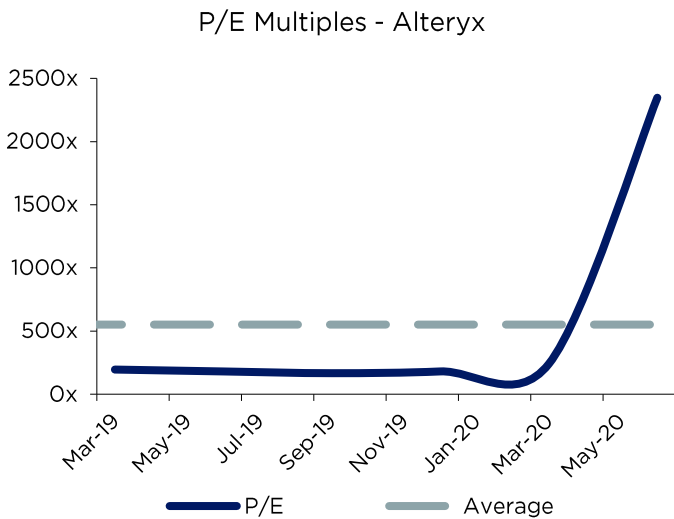
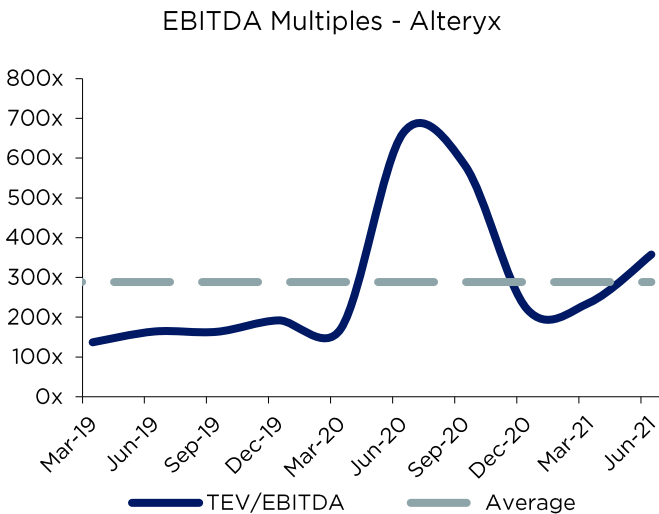
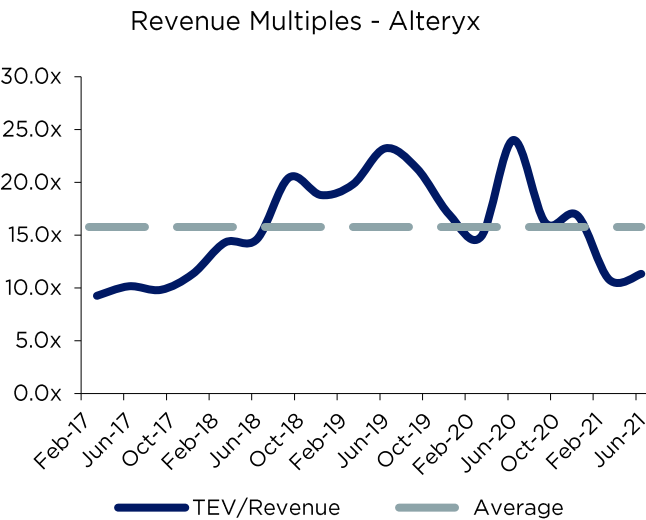
Alteryx

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



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

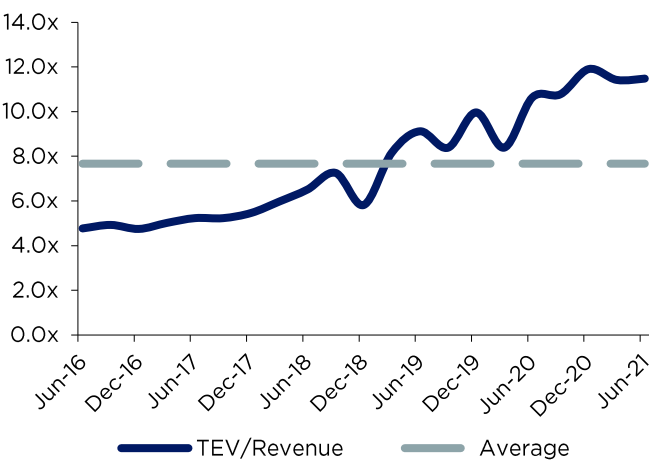
Fair Isaac Corp is a provider of business performance management solutions that allow corporations to automate and improve key decisions.

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.

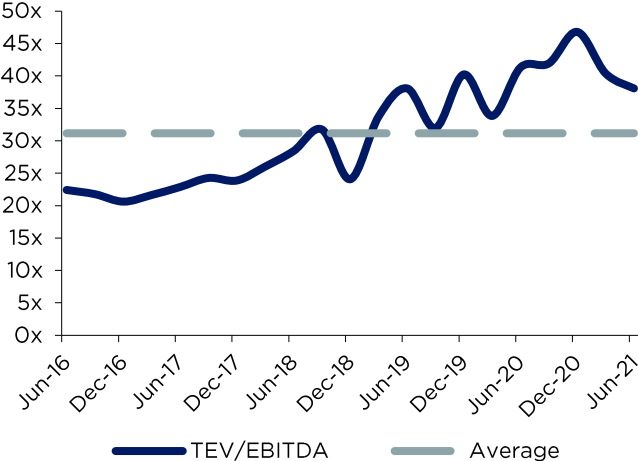
Public Basket

Fair Isaac

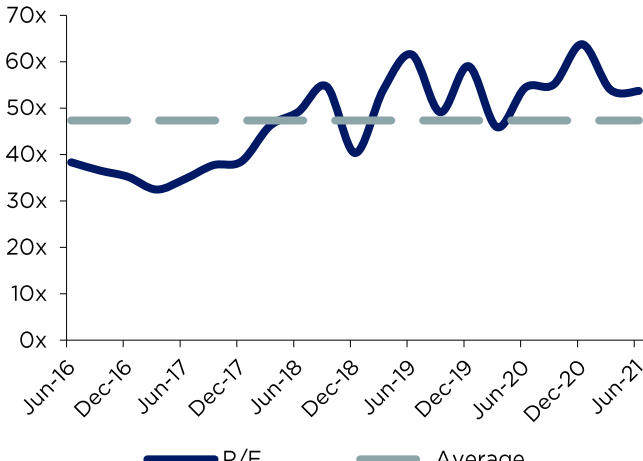
Revenue Multiples - Fair Isaac



EBITDA Multiples - Fair Isaac



P/E Multiples - Fair Isaac

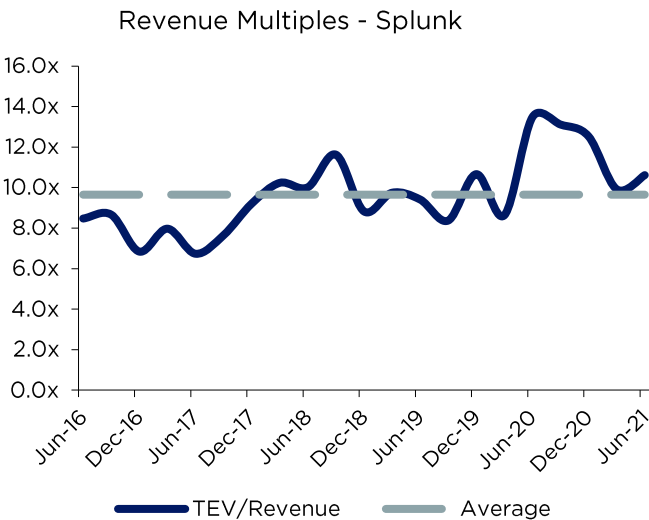


Company Name	Date	Deal Synopsis
GoOn	12-Dec-18	The company was acquired by Fair Isaac (NYS: FICO) for an undisclosed amount on December 12, 2018. The acquisition will enable the acquirer to grow in areas of Brazil and Latin America.
QuadMetrics	14-Jun-16	The company was acquired by FICO for \$5.7 million 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
TruSTAR (Network Management Software)	3/23/20	The company reached a definitive agreement to be acquired by Splunk (NAS: SPLK) for an undisclosed amount on May 18, 2021. With this acquisition, Splunk further expands its existing security capabilities, giving customers the ability to access all their data to cut through complexity, drive highly effective detection and respond to threats faster and in an autonomous fashion.
Rigor	1/6/20	The company was acquired by Splunk (NAS: SPLK) for \$37.6 million on November 5, 2020. The acquisition will enable the acquirer to bring a new dimension of visibility in its observability platform.

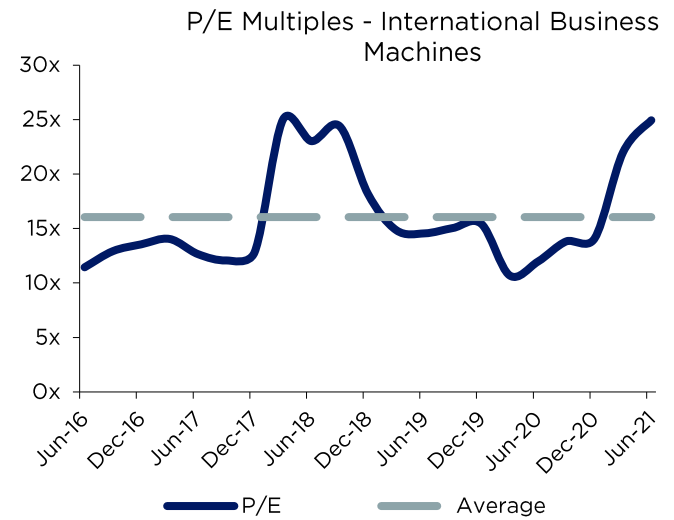
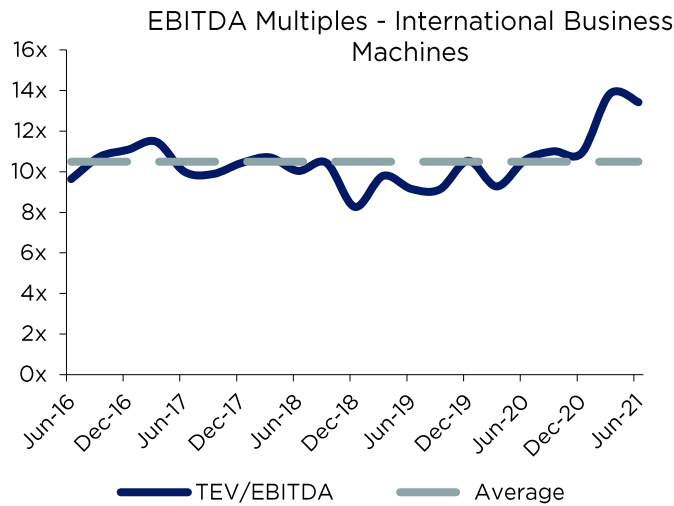
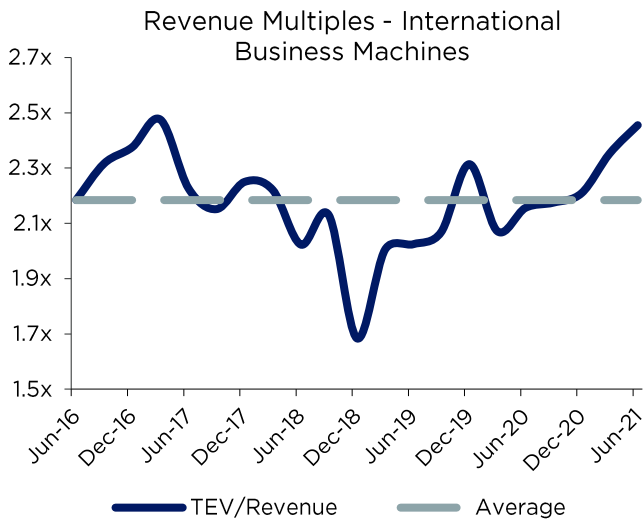
International Business Machines

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
Waeg	01-Jul-21	The company was acquired by International Business Machines (NYS: IBM) for an undisclosed amount on July 1, 2021. The acquisition strengthens global International Business Machines' Salesforce talent with consulting expertise and multicloud capabilities across Europe.
Turbonomic	17-Jun-21	The company was acquired by International Business Machines (NYS: IBM) for estimated \$1.75 billion on June 17, 2021.

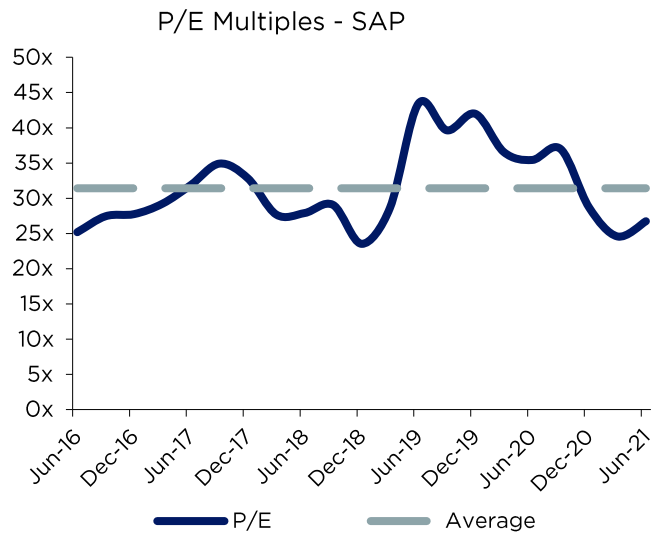
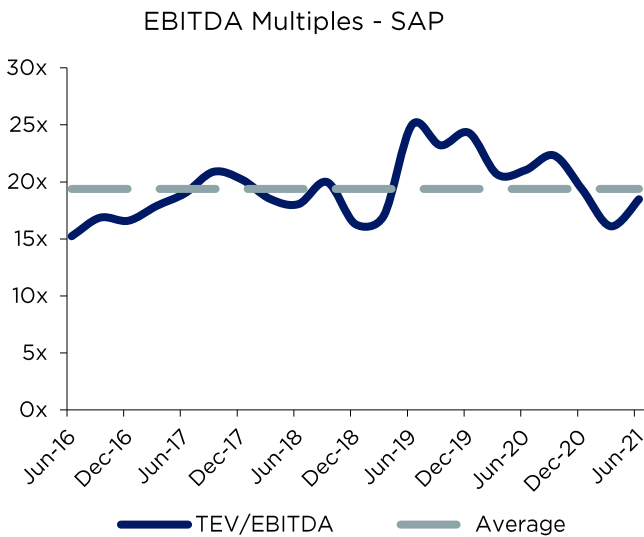
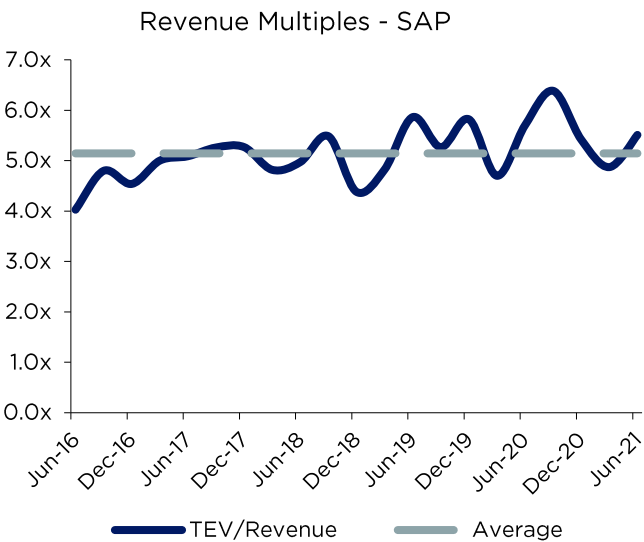
SAP

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



Company Name	Date	Deal Synopsis
SAP Pioneer	13-Apr-21	Dediq, Hasso Plattner Foundation and SAP have entered into an agreement to form a joint venture as of April 13, 2021. As result of this transaction, SAP will hold a 20% stake in the company.
Crosschq	09-Mar-21	The company raised \$13.00 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

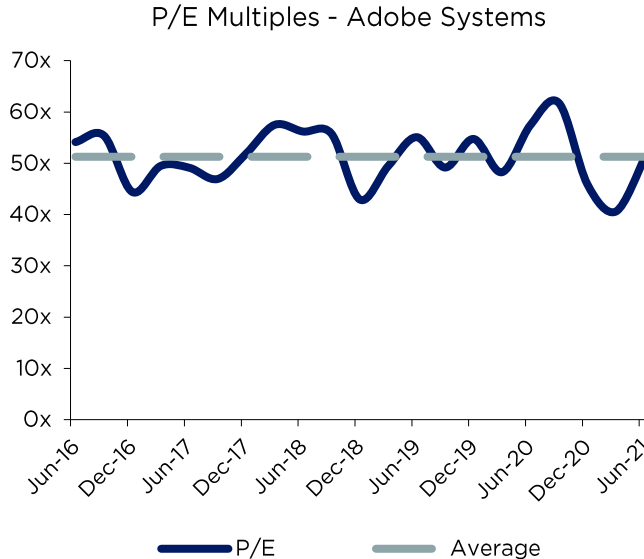
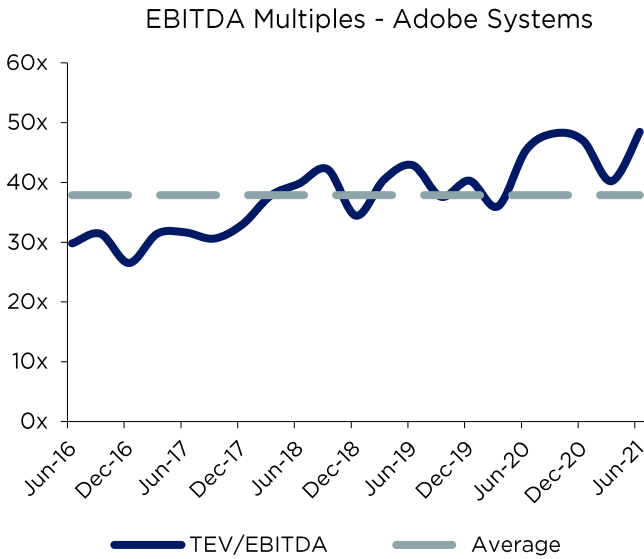
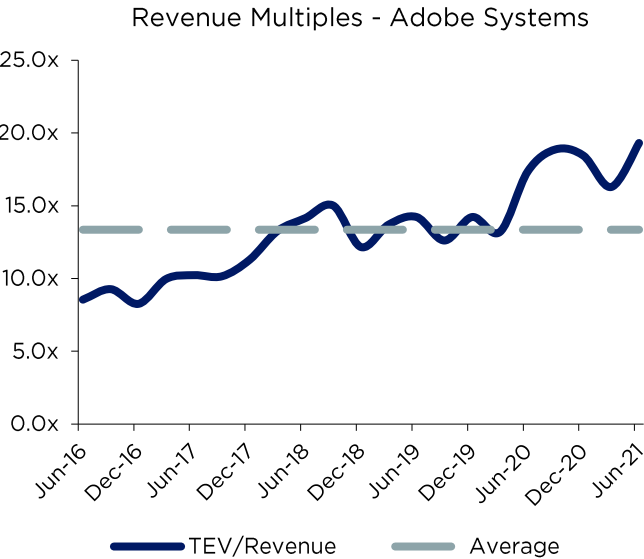
Adobe Systems

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



Company Name	Date	Deal Synopsis
Workfront	07-Dec-20	The company was acquired by Adobe Systems (NAS: ADBE) for \$1.524 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.

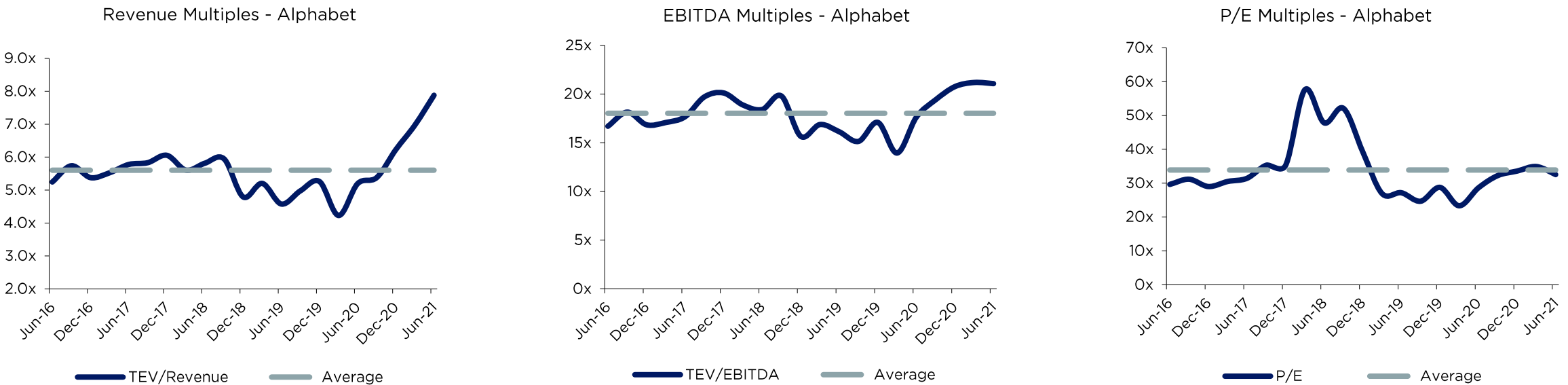
Alphabet

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



Company Name	Date	Deal Synopsis
Waymo	16-Jun-21	The company raised \$2.5 billion of venture funding from Magna International, AutoNation and Silver Lake on June 16, 2021. Perry Creek Capital, Mubadala Capital-Ventures, Andreessen Horowitz, Fidelity Management & Research, Canada Pension Plan Investment Board, Temasek Holdings, Tiger Global Management and Alphabet also participated in the round. The funds will be used to continue advancing the company's as well as continuing to grow its team.
WhereIsMyTransport	07-Jun-21	The company raised \$14.5 million of Series A venture funding in a deal led by Naspers and Lil Ventures on June 7, 2021. Toyota Tsusho, Libertad (Tokyo), Beer & Young, Nedbank, Global Brain, Goodwell Investments, Global Innovation Fund, Cathay Innovation, SBI Investment, Capria Ventures, WURI Ventures, Mission Gate and Alphabet also participated in the round. Out of the total amount, \$1.85 million was raised on January 10, 2019 and \$7.5 million was raised on February 28, 2020. The funding will be used to further capitalize on its market-leading position by extending its global reach, scaling its data-collection practice and developing new technology to translate complex data into

Microsoft

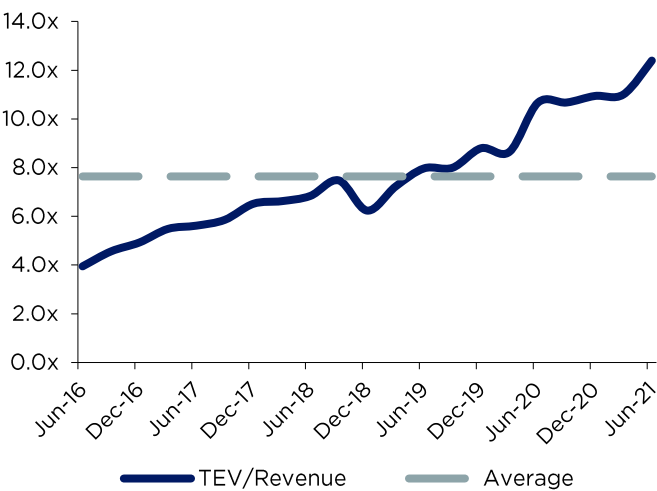
Microsoft develops and licenses consumer and enterprise software.

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).

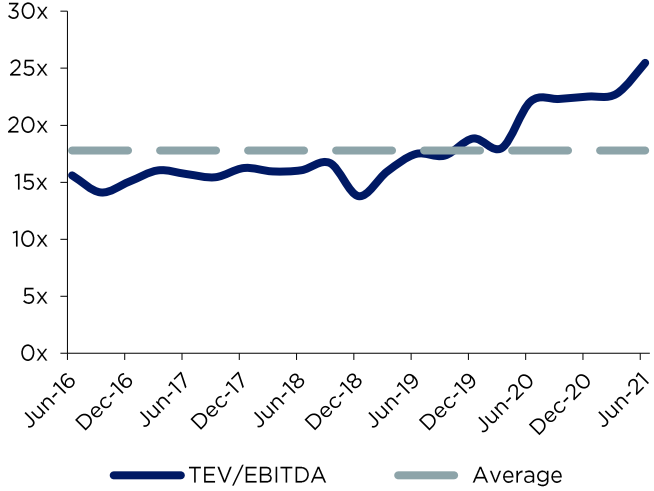
Public Basket

Microsoft

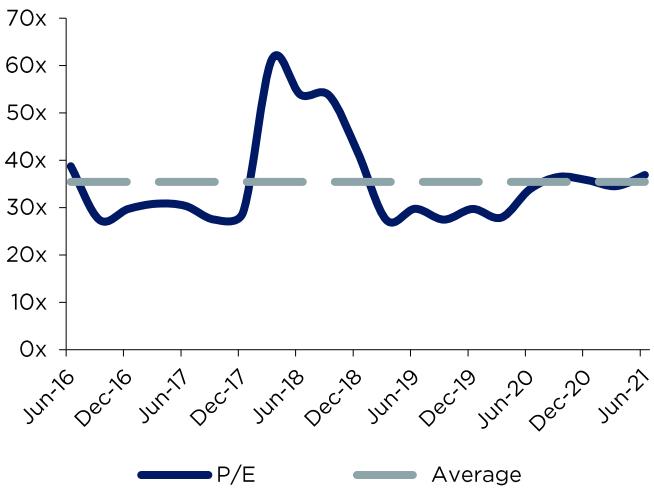
Revenue Multiples - Microsoft



EBITDA Multiples - Microsoft



P/E Multiples - Microsoft



Company Name	Date	Deal Synopsis
Louisiana Technology Park	29-Jun-21	The company received \$262,000 of grant funding from Microsoft on June 29, 2021.
ONE Store	01-Jun-21	The company raised \$15 million of venture funding from Microsoft and DTCP on June 1, 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
Horacio Yenaropulos, Managing Director	(+) 54.261.4617300	horacio@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
Sydney Scadden, Vice President	704.973.3998	sydney@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
Steve Buffington, Senior Associate	704.960.1828	steve@7mileadvisors.com
Ilia Ulianchuk, Senior Associate	704.414.8743	ilia@7mileadvisors.com
Nic Anderle, Analyst	704.826.7492	nic.anderle@7mileadvisors.com
Adam Alderfer, Analyst	704.644.1917	adam@7mileadvisors.com
Tanner Lange, Analyst	704.672.0611	tanner.lange@7mileadvisors.com
Trent McCauley, Analyst	704.644.1916	trent.mccauley@7mileadvisors.com
Kevin Postigo, Analyst	704.912.4903	Kevin.postigo@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