

7 Mile Advisors



Sectorwatch: Advanced Analytics

January 2022



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

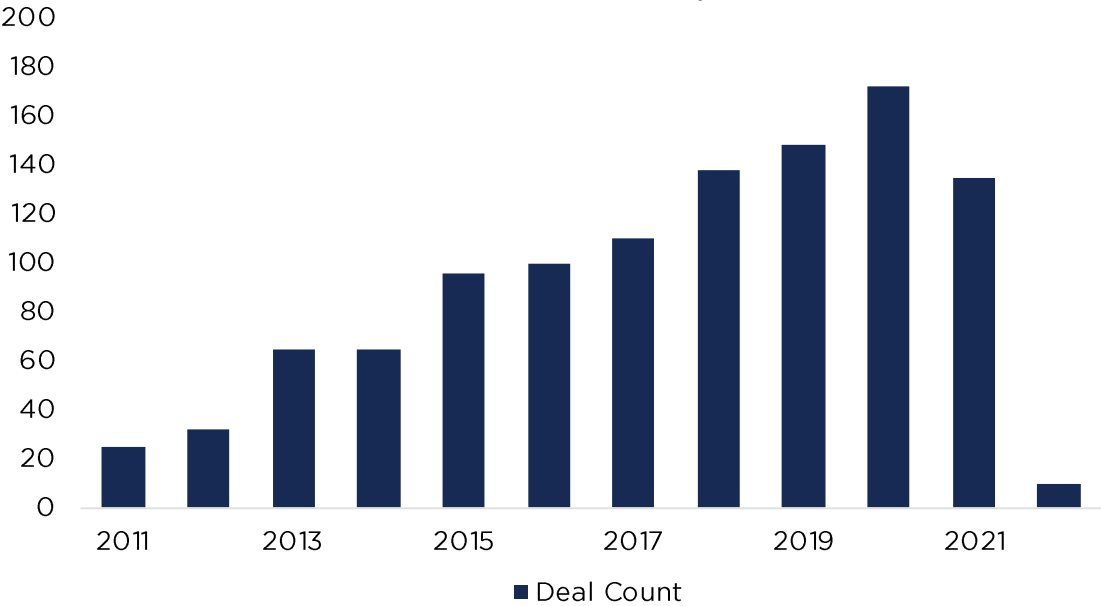
- The most recently announced deals in the sector

Dashboard

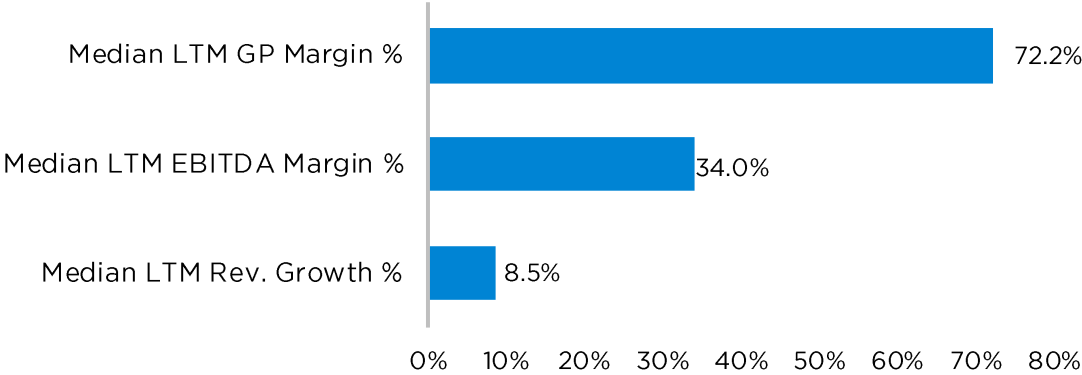
REVENUE GROWTH MOMENTUM ↓ -6.8%

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

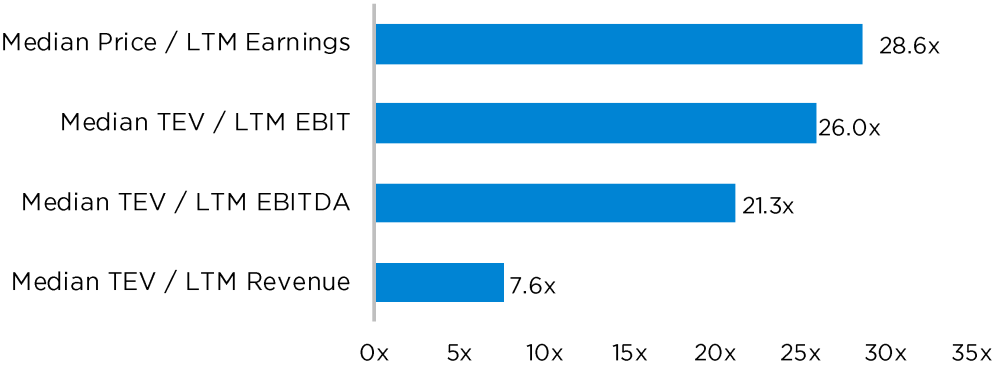
M&A Activity



Operating Metrics



Valuation



Public Basket Overview



TMT



Big Data



CloudTech & DevOps



Marketing Tech

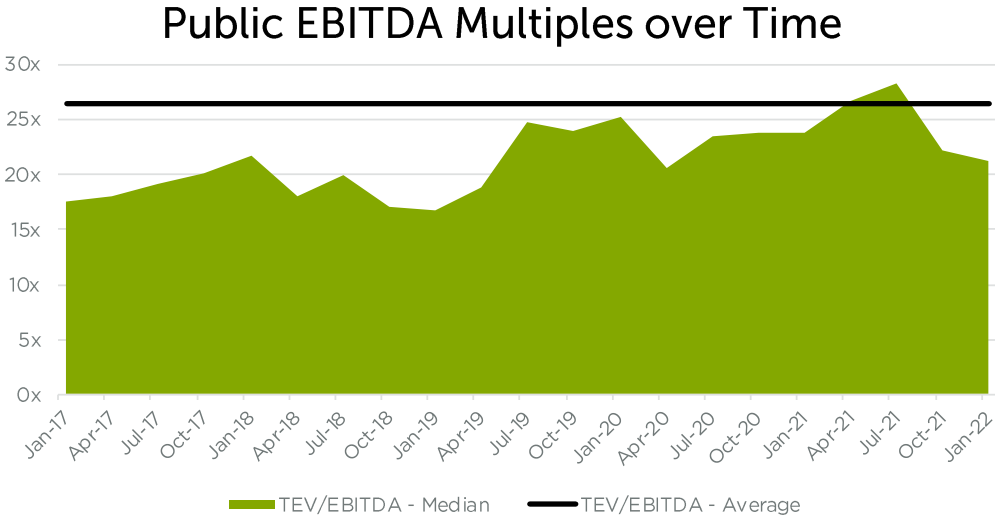
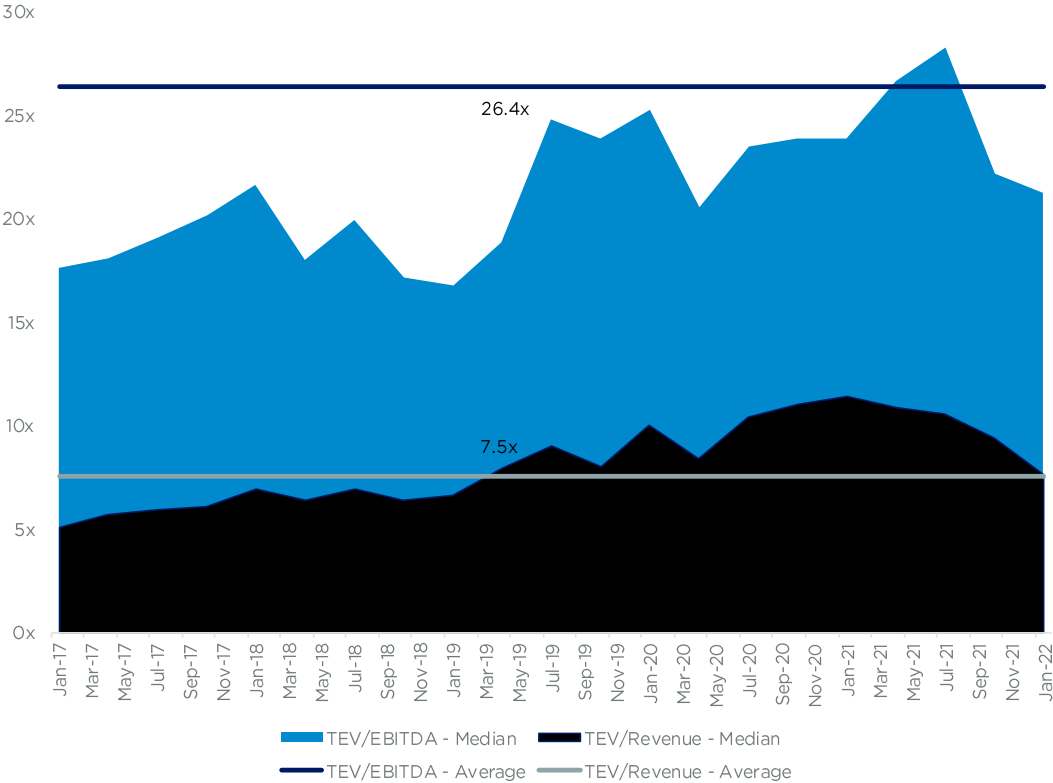


Public Basket

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	3,823	-64	523	6.4%	90.4%	-12.3%	7.3x	#N/A	1,786	293
Fair Isaac	12,800	539	1,317	1.7%	74.7%	40.9%	9.7x	23.8x	3,662	360
Splunk	19,999	-1,070	2,518	10.6%	72.5%	-42.5%	7.9x	#N/A	7,573	332
International Business Machines	167,053	12,915	74,460	-0.8%	48.2%	17.3%	2.2x	12.9x	375,300	198
SAP	170,632	9,091	32,743	-1.6%	71.9%	27.8%	5.2x	18.8x	107,415	305
Adobe Systems	236,732	6,362	15,785	22.7%	88.2%	40.3%	15.0x	37.2x	22,516	701
Alphabet	1,614,661	96,523	239,210	39.3%	56.5%	40.4%	6.7x	16.7x	150,028	1,594
Microsoft	2,155,341	86,617	176,251	19.8%	68.9%	49.1%	12.2x	24.9x	181,000	974
Average	547,630	26,364	67,851	12.3%	71.4%	20.1%	8.3x	22.4x	106,160	595
Median	168,843	7,727	24,264	8.5%	72.2%	34.0%	7.6x	21.3x	64,966	346

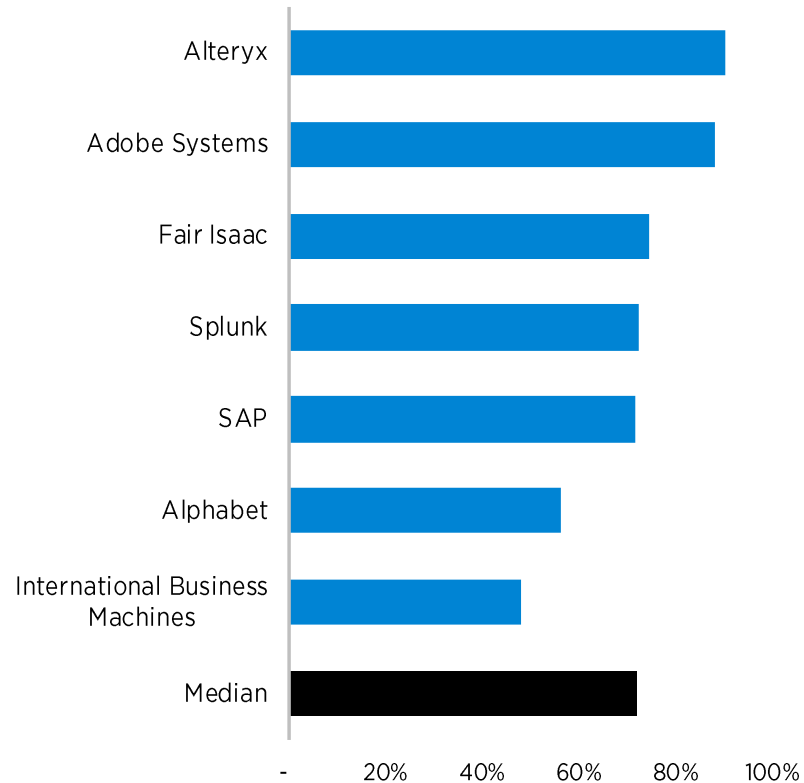
share price as of 24Jan22

Public Basket

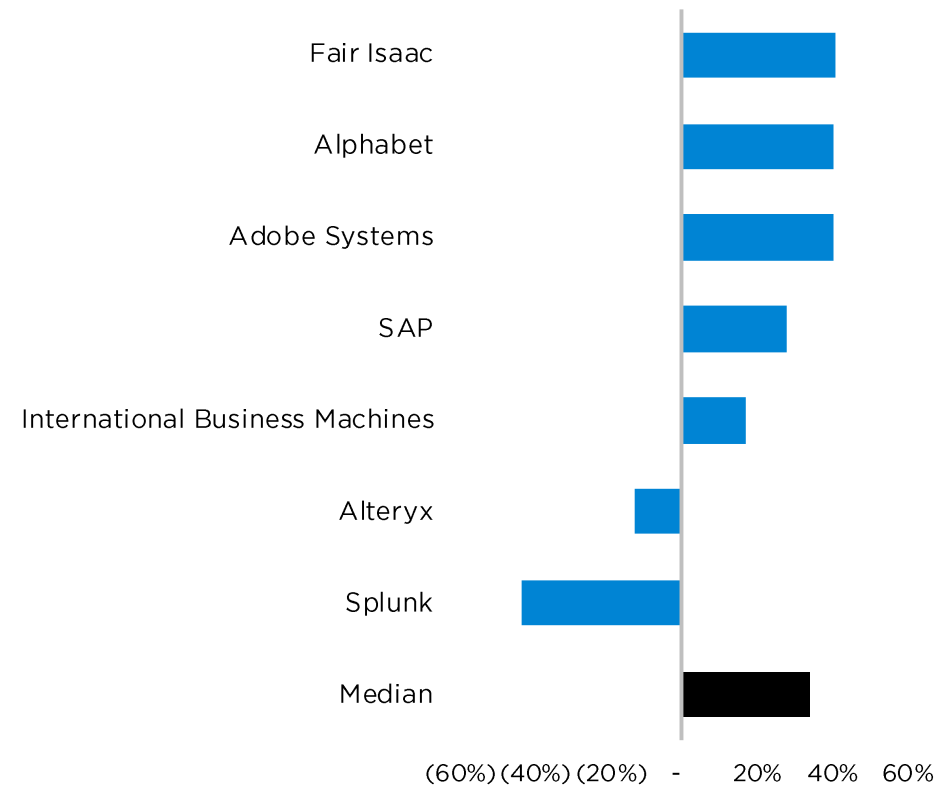


Operational Metrics

LTM Gross Profit Margin %

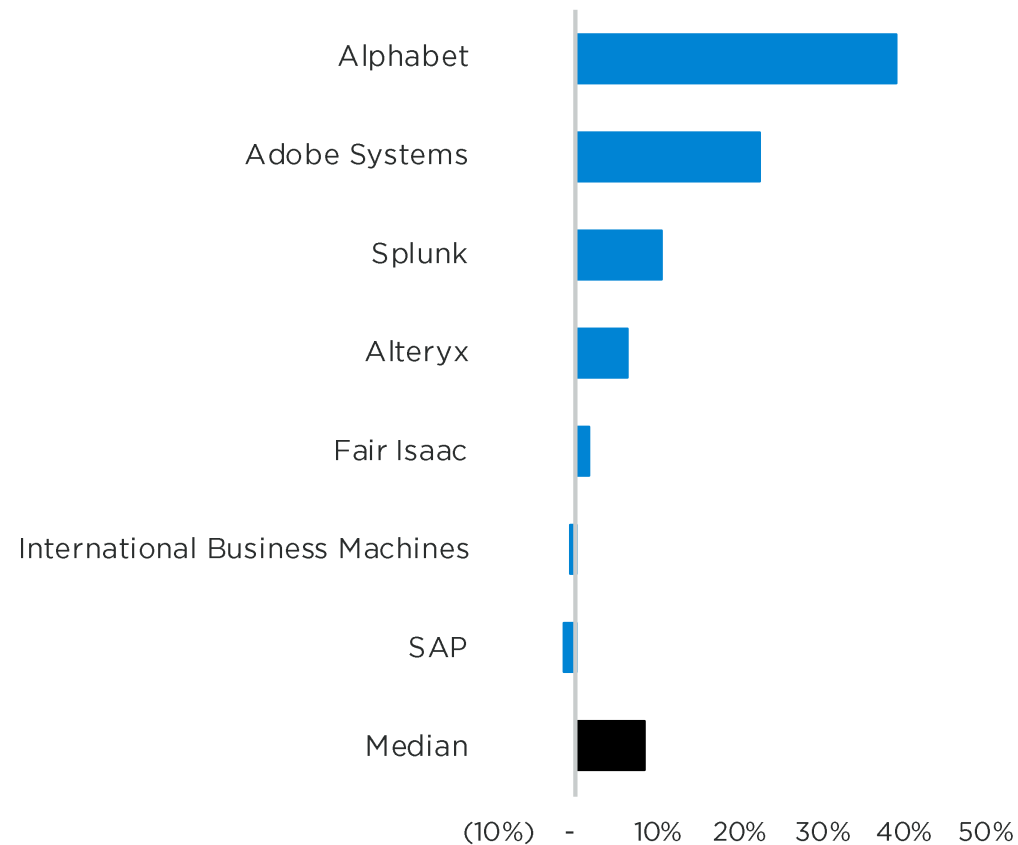


LTM EBITDA %

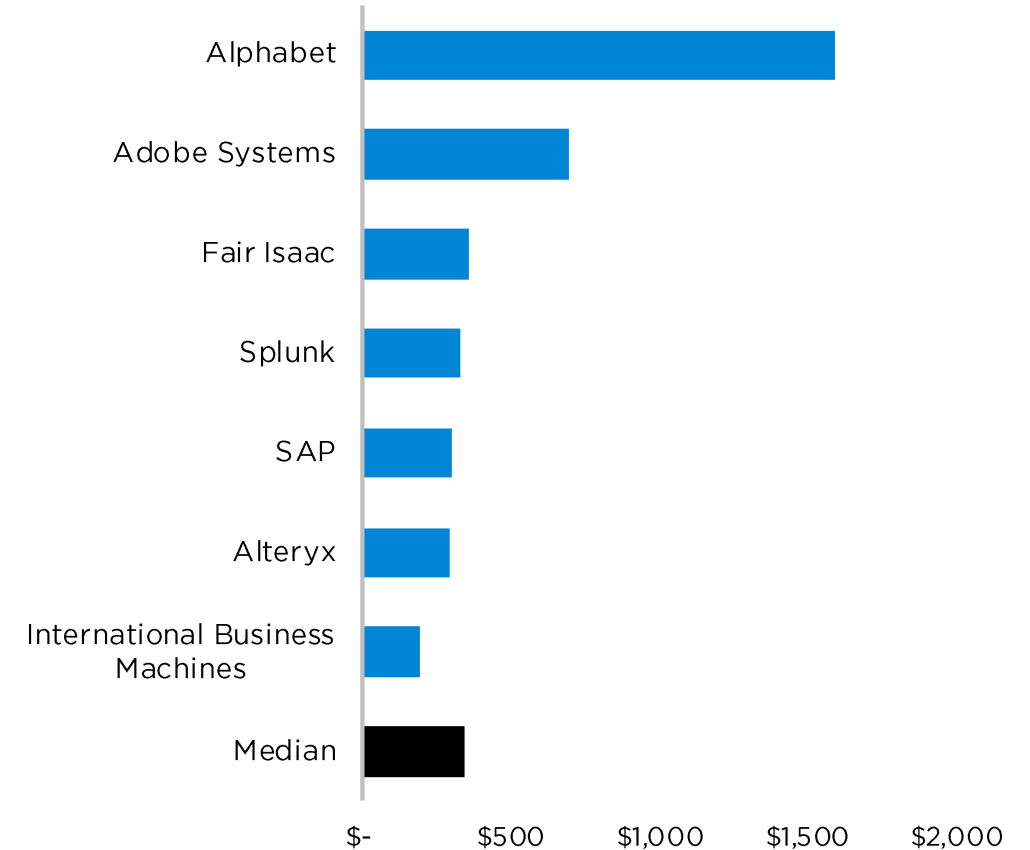


Operational Metrics

LTM Revenue Growth %

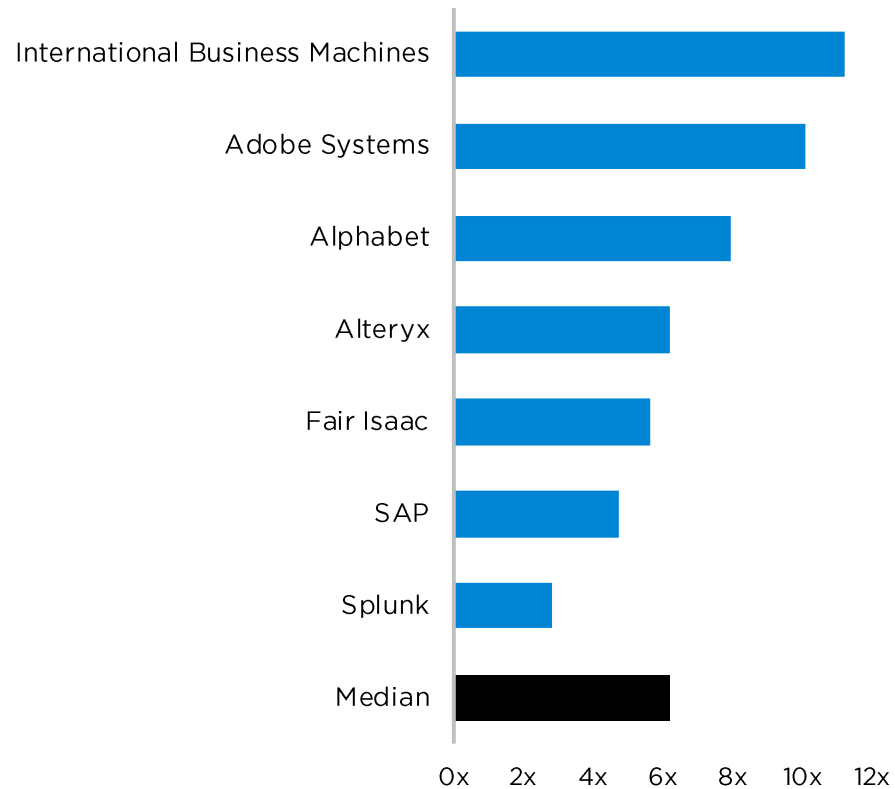


LTM Revenue per Full Time Employee x 000's

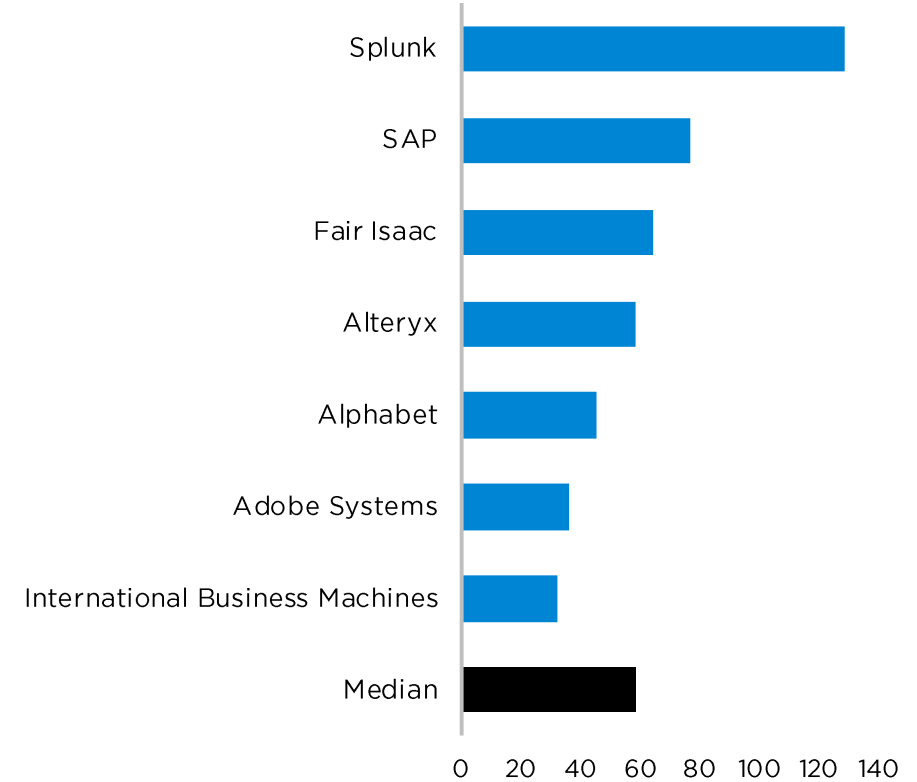


Operational Metrics

Accounts Receivable Turnover

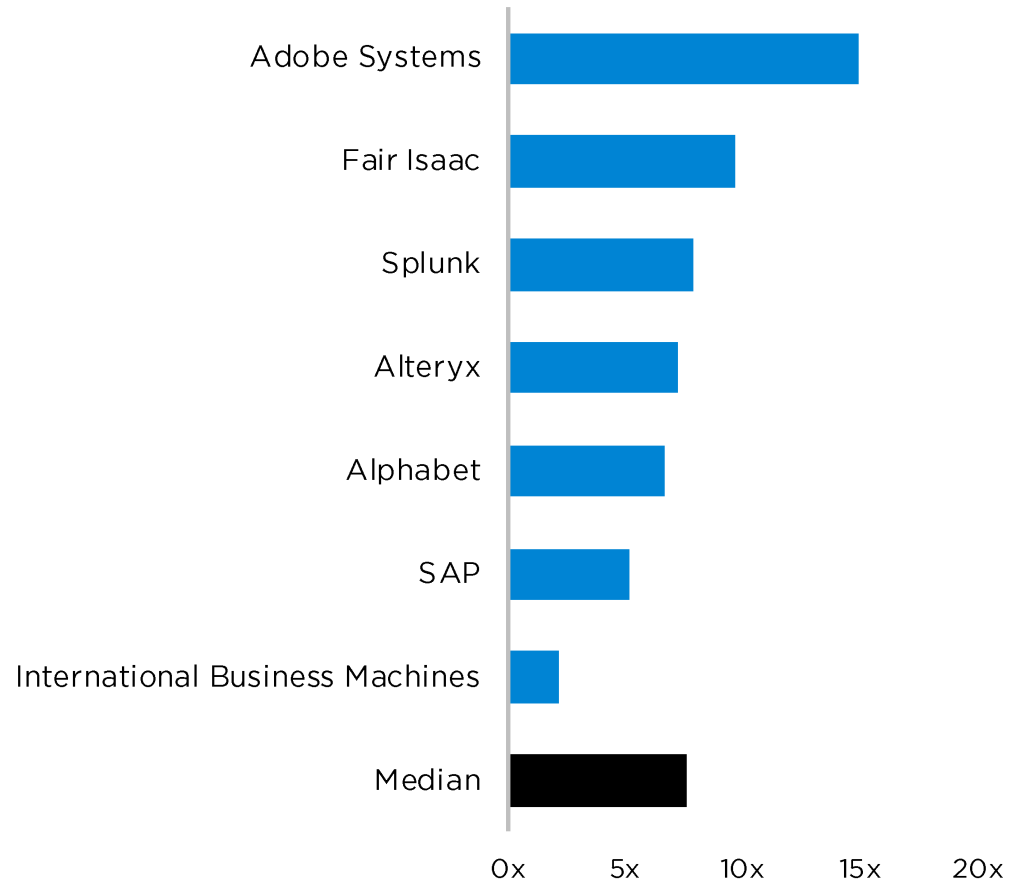


Average Days Sales Outstanding

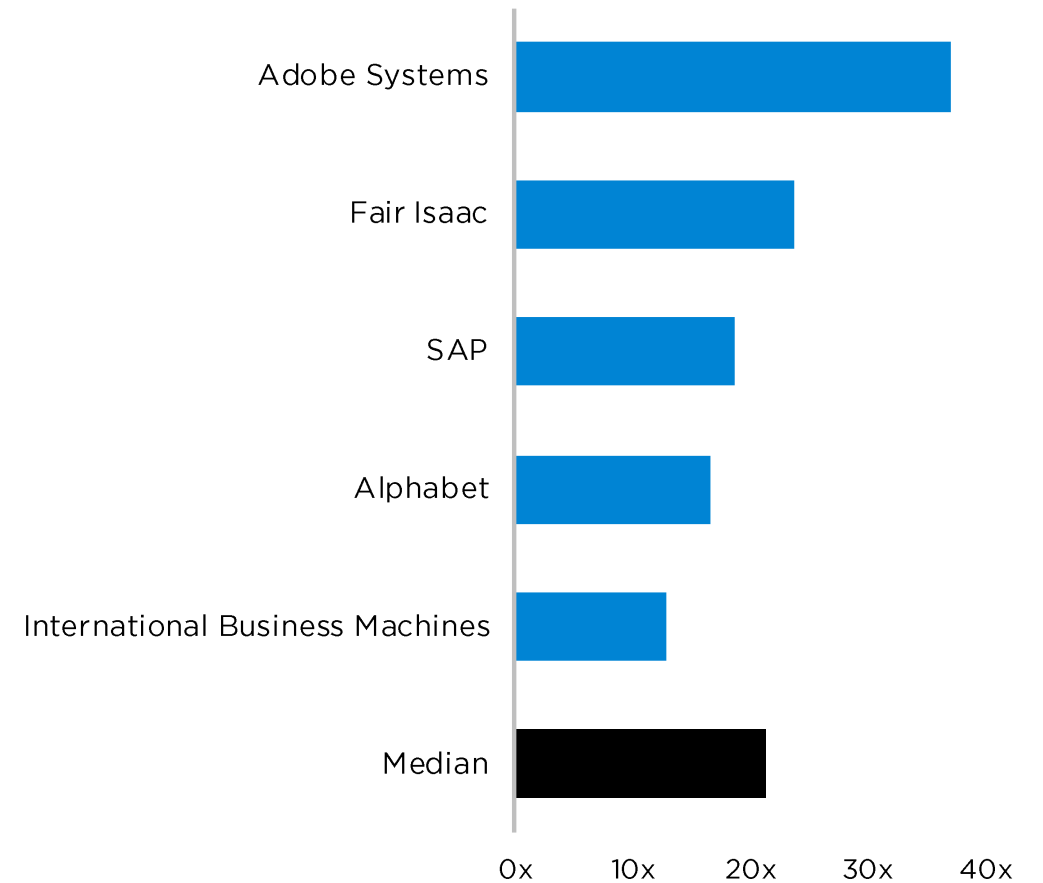


Valuation

TEV / LTM Revenue

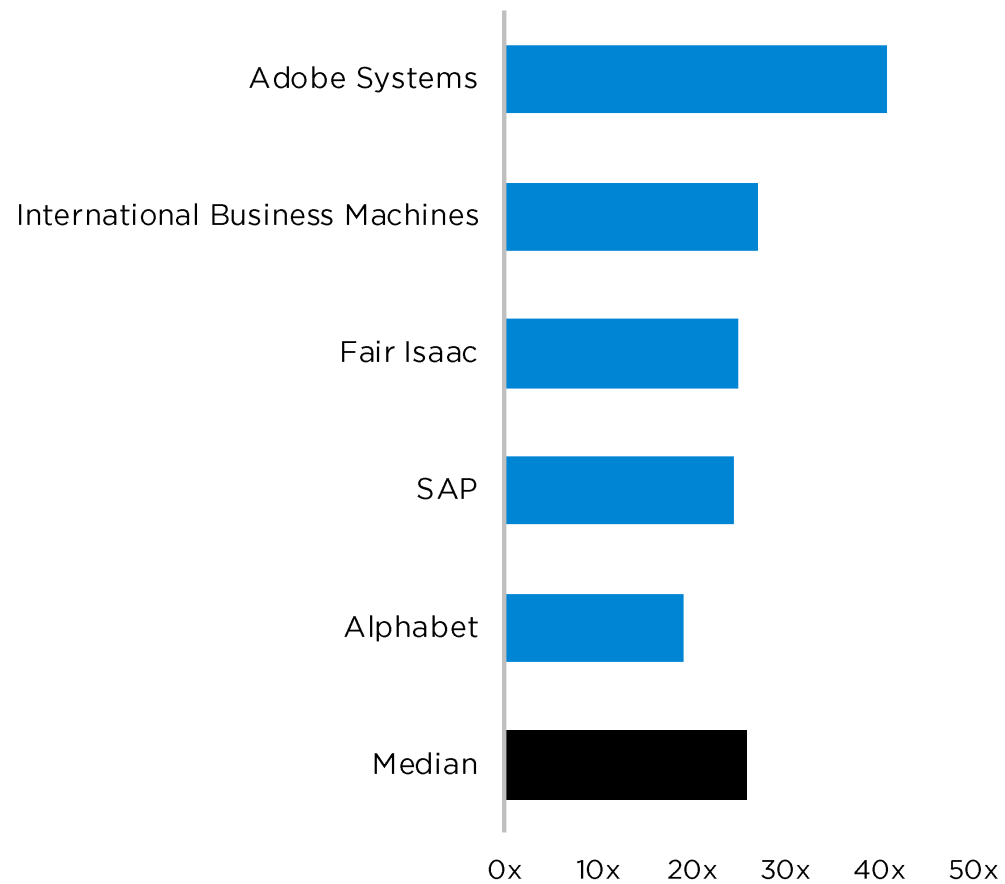


TEV / LTM EBITDA

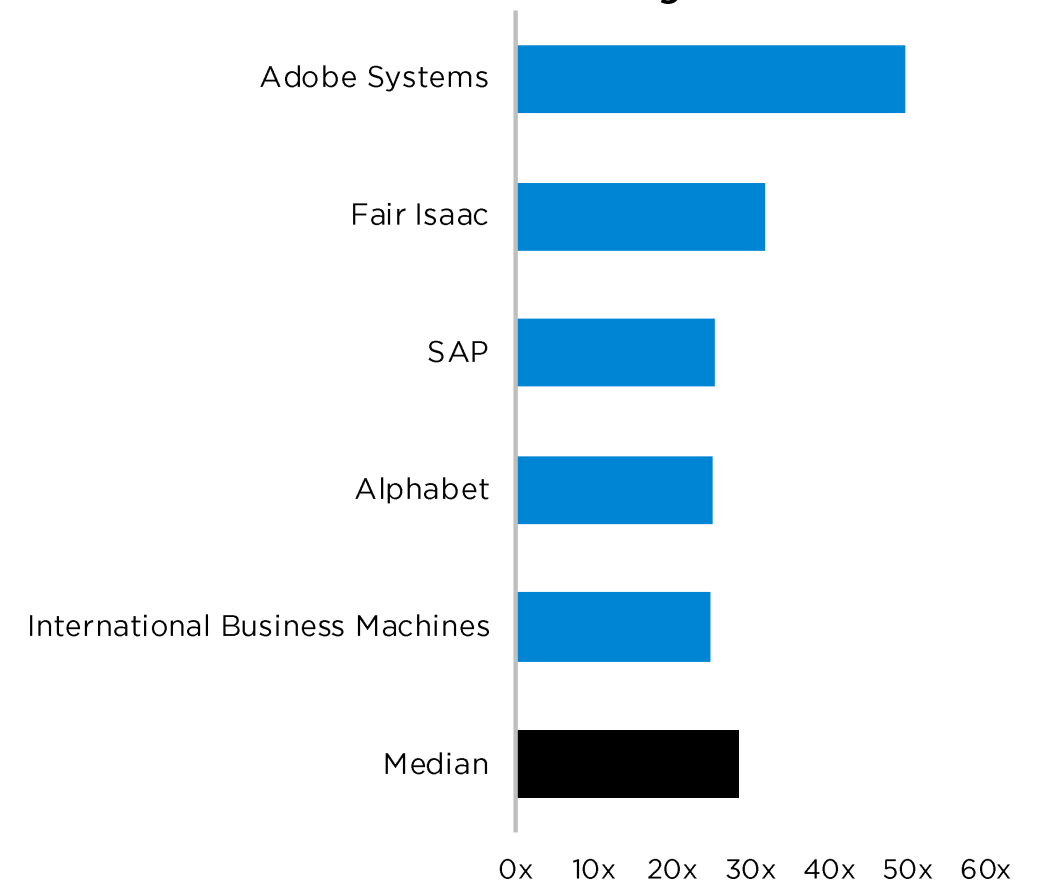


Valuation

TEV / LTM EBIT

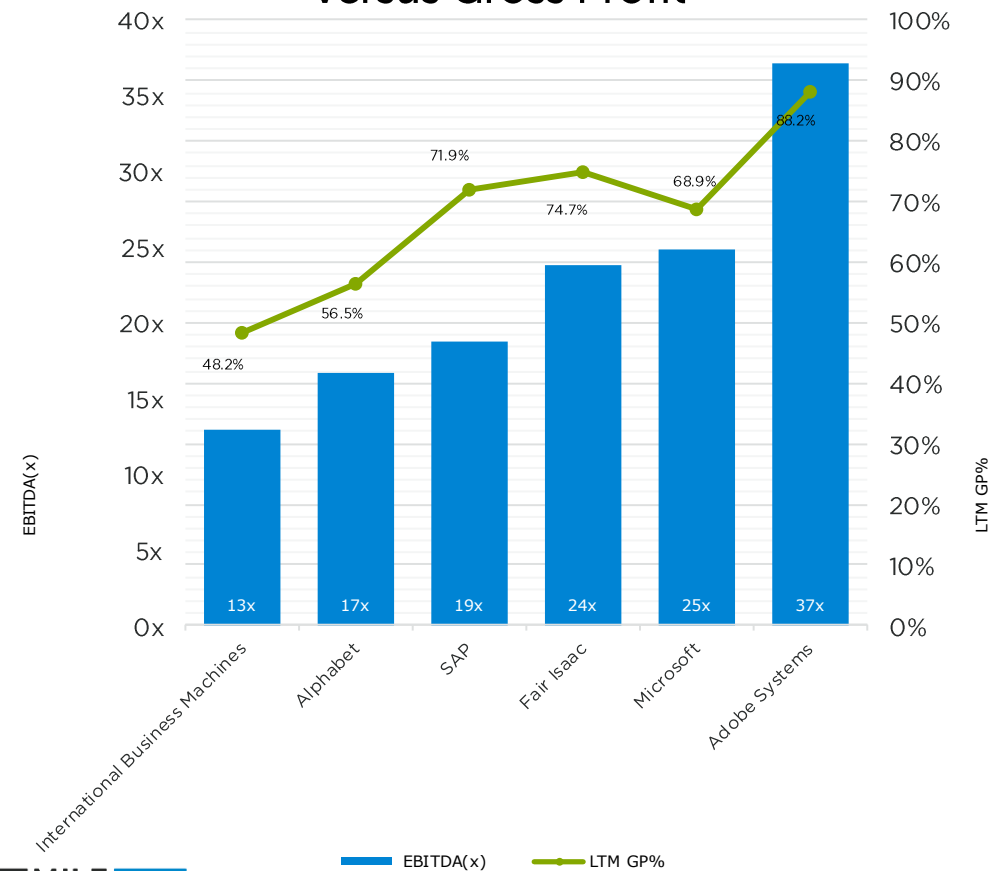


Price / LTM Earnings

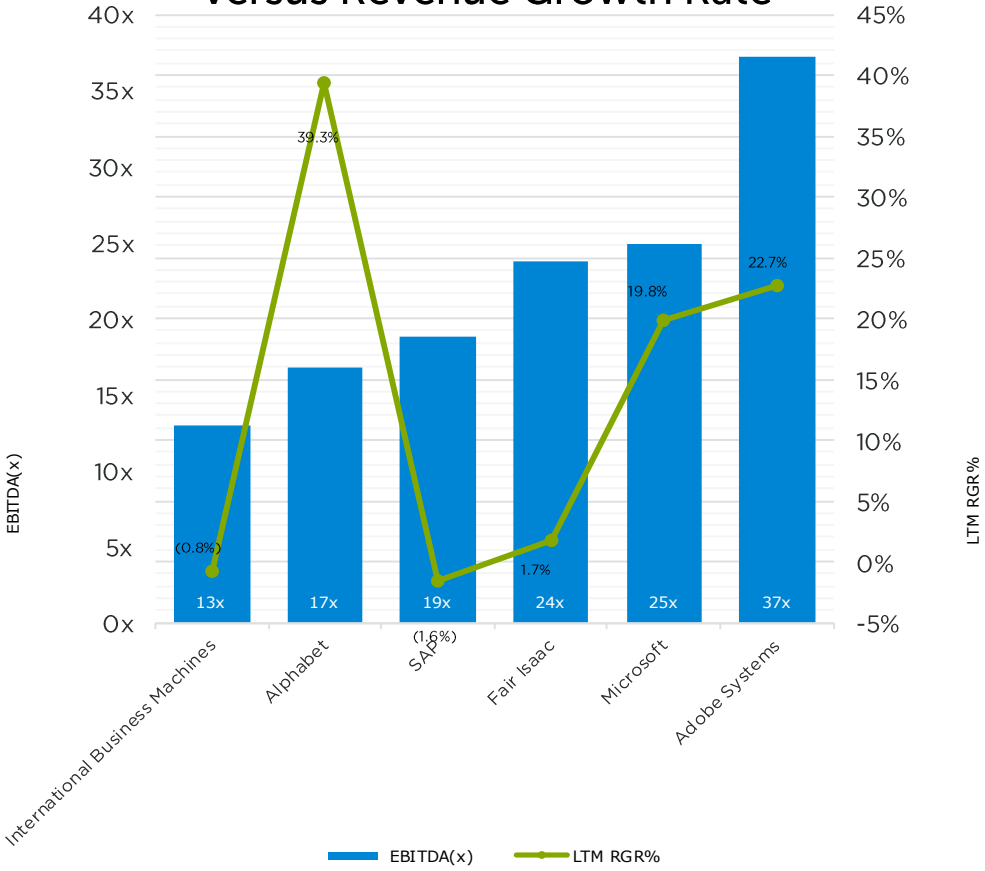


Valuation

Historical Valuation Multiples
versus Gross Profit



Historical Valuation Multiples
versus Revenue Growth Rate



Recent Transactions

Date	Target	Buyer / Investor	Total Transaction Amount	Target Revenue	TEV / Revenue	TEV / EBITDA
21-Jan-22	Solitwork	Brightfolk	-	-	-	-
19-Jan-22	Cognitive Solutions and Innovation	ei3	-	-	-	-
18-Jan-22	Healthaxis	Revelstoke Capital Partners	-	-	-	-
18-Jan-22	The Market Base	Techquity Digital	-	-	-	-
11-Jan-22	Actify Data Labs	Bradford Brown Capital Partners	-	-	-	-
11-Jan-22	Neal Analytics	Apax Partners	-	-	-	-
11-Jan-22	pulsops	Antler India	-	-	-	-
06-Jan-22	Analytical Wizards	-	35.00	-	-	-
05-Jan-22	Fractal Analytics	TPG	360.00	-	-	-
30-Dec-21	Infoworks	-	26.22	-	-	-
22-Dec-21	Covail	GoSecure	-	-	-	-
22-Dec-21	Quinsite	-	0.10	-	-	-
20-Dec-21	Captivate Audio	Global Radio	-	-	-	-
16-Dec-21	digi.me	Innovate Me	-	-	-	-
16-Dec-21	Workfellow	Icebreaker.vc	3.30	-	-	-
15-Dec-21	AgileAssets	Trimble	-	-	-	-
14-Dec-21	initions	Genui Partners	-	-	-	-
14-Dec-21	R.R. Donnelley & Sons	Chatham Asset Management	1,955.23	4,935.10	0.00	5.99
02-Dec-21	Kio Networks	I Squared Capital	-	-	-	-
02-Dec-21	Kueski	Altos Ventures	202.00	-	-	-
01-Dec-21	Mint Measure	-	0.20	-	-	-
01-Dec-21	Proluent Health	Health Velocity Capital	12.70	-	-	-
24-Nov-21	Inovalon Holdings	22C Capital	7,300.00	749.59	0.00	33.83
22-Nov-21	Cognitive Credit	Fitch Ventures	8.14	-	-	-
22-Nov-21	Zasti	-	1.05	-	-	-

Appendix

*Public Basket
Contact Information*

Alteryx

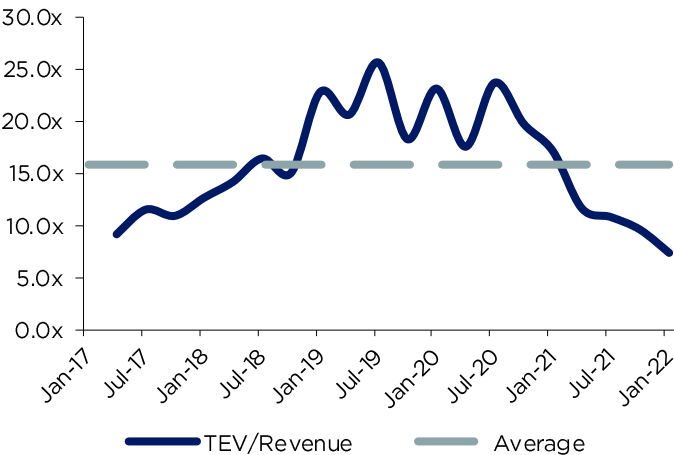
Alteryx Inc is a software company that provides self-service data analytics software.

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.

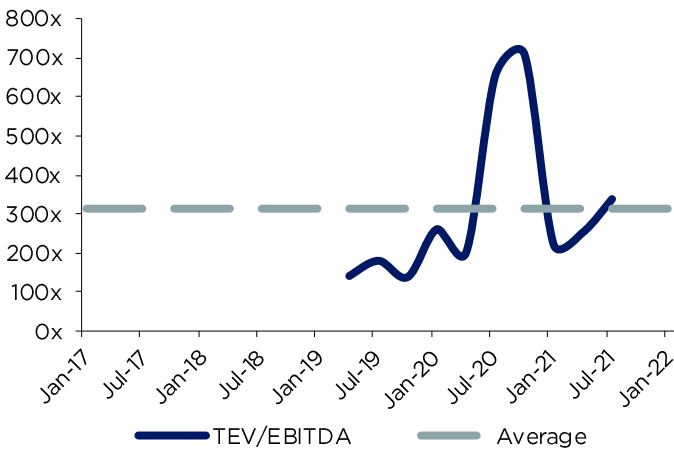
Public Basket

Alteryx

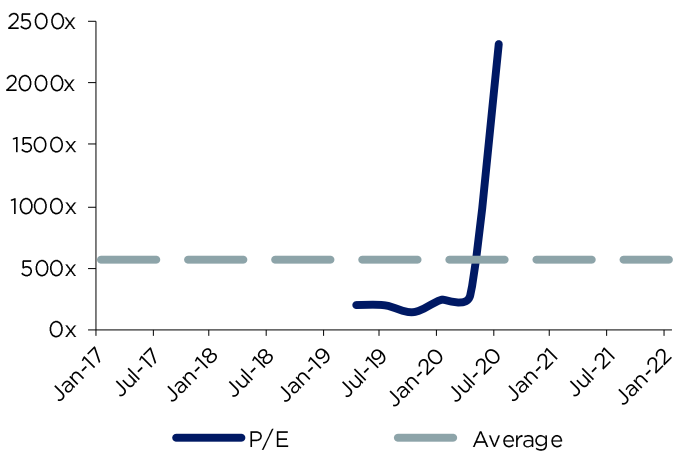
Revenue Multiples - Alteryx



EBITDA Multiples - Alteryx



P/E Multiples - Alteryx



Company Name	Date	Deal Synopsis
Trifacta	06-Jan-22	The company reached a definitive agreement to be acquired by Alteryx (NYS: AYX) for \$400 million on January 6, 2022.
Lore IO	22-Oct-21	The company was acquired by Alteryx (NYS: AYX) for an undisclosed amount on October 22, 2021.

Fair Isaac

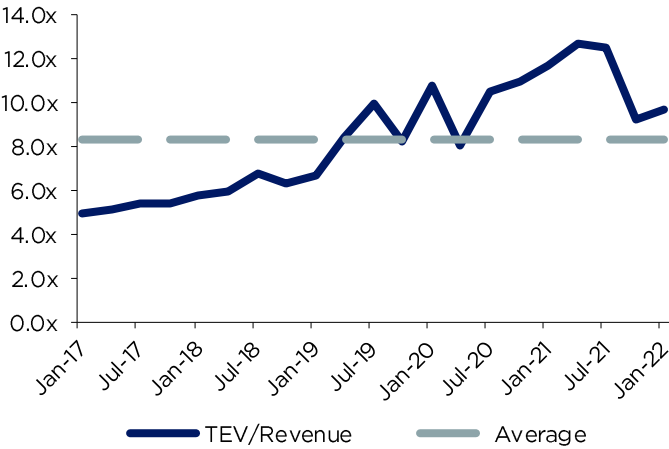
Fair Isaac Corp is an applied analytics company.

The firm operates in two segments: Software segment that includes pre-configured analytic and decision management solutions designed for a specific type of business need or process - such as account origination, customer management, customer engagement, fraud detection, financial crimes compliance, and marketing - as well as associated professional services. Scores segment includes business-to-business scoring solutions and services which give clients access to predictive credit and other scores.

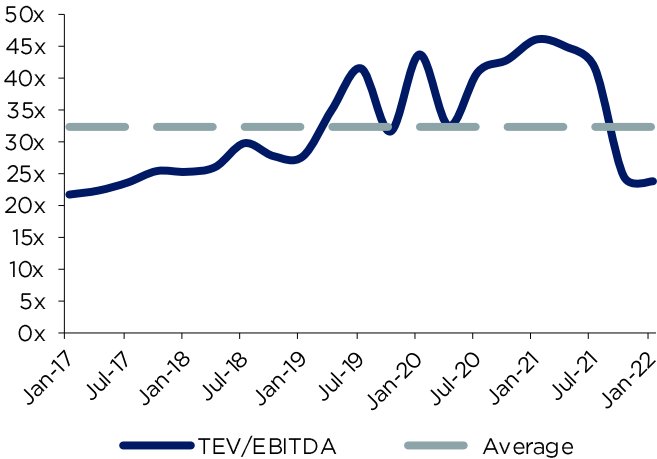
Public Basket

Fair Isaac

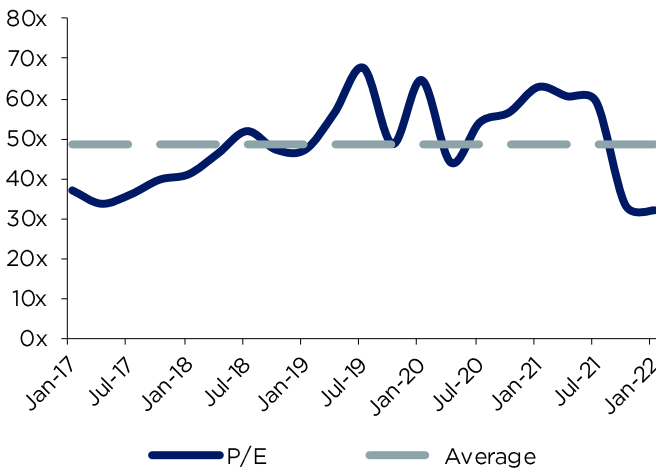
Revenue Multiples - Fair Isaac



EBITDA Multiples - Fair Isaac



P/E Multiples - Fair Isaac

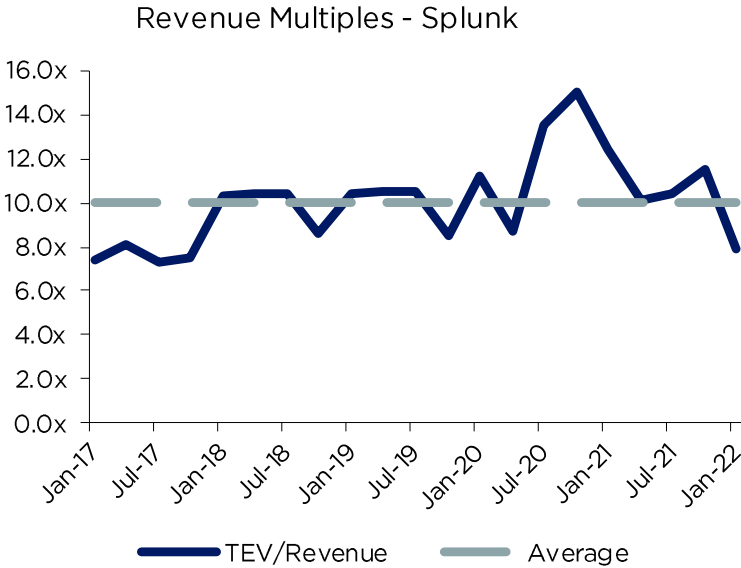


Company Name	Date	Deal Synopsis
GoOn	12-Dec-18	The company was acquired by Fair Isaac (NYS: FICO) for an undisclosed amount on December 12, 2018. The acquisition will enable the acquirer to grow in areas of Brazil and Latin America.
QuadMetrics	19-May-16	The company was acquired by FICO for \$5.7 million amount on May 19, 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 is a cloud-first software company that focuses on analyzing machine data.

The company is a major player in two markets: security and full-stack monitoring & analysis. Splunk is currently undergoing a cloud transition as the company weans its on-premises customers over to its cloud products that are delivered as software-as-a-service. The firm's top line consists of the sale of software licenses, cloud subscriptions, and maintenance and support.



Company Name	Date	Deal Synopsis
Orca Security	05-Oct-21	The company raised \$550 million of Series C venture funding from Science Applications International, Splunk and CapitalG on October 5, 2021, putting the company's pre-money valuation at \$1.25 billion. 10 other investors also participated in the round. The funding will be used by the company to continue to deliver more functionality, extend its global reach, and be on the go-to-market.
Fletch (Database Software)	01-Jul-21	The company raised an undisclosed amount of venture funding from GV, Splunk and Real Ventures on July 1, 2021. DCVC and August Capital also participated in the round.

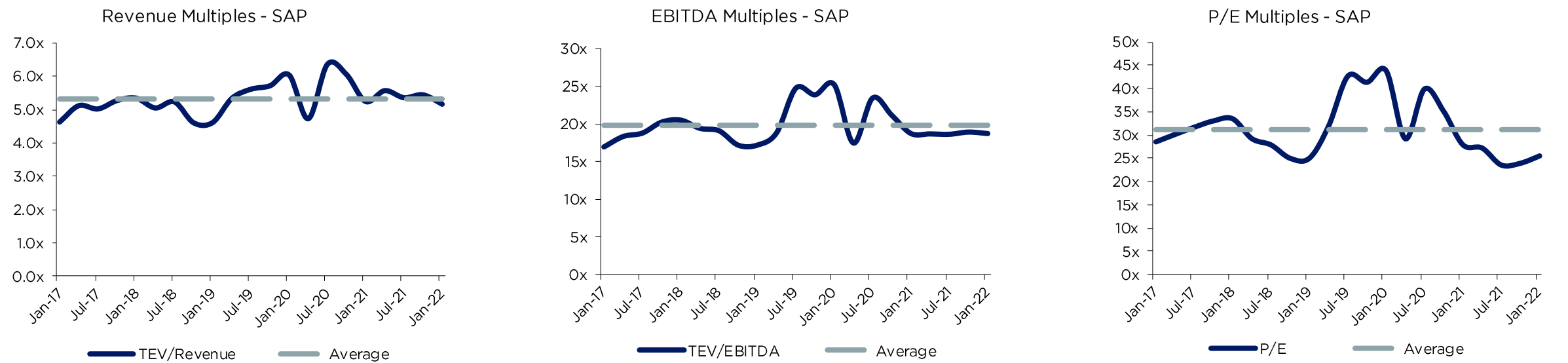
SAP

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
Simply Mystro	19-Nov-21	The company raised GBP 30 million of seed funding from SAP on November 19, 2021. The funds will be used will be used to launch a product that services enterprise size banks.
SwoopTalent	16-Aug-21	The company was acquired by SAP (NYSE: SAP) for an undisclosed amount on August 16, 2021. The acquisition of SwoopTalent will accelerate SAP's HXM vision with a powerful trained artificial intelligence (AI) model that will allow its customers to access reliable data to transform the employee experience and empower a future-ready workforce.

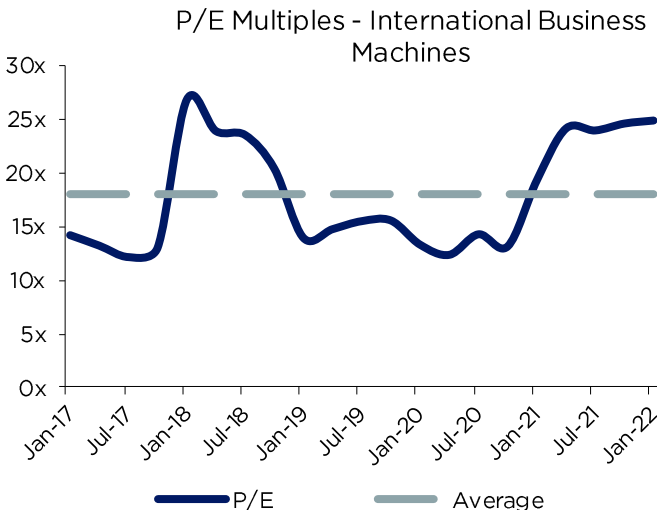
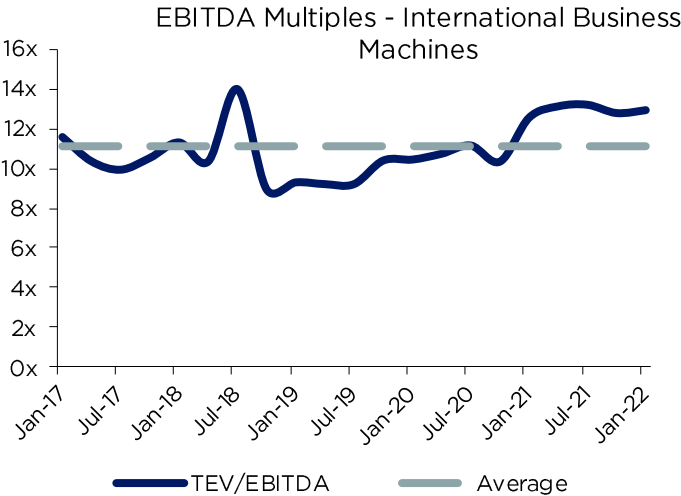
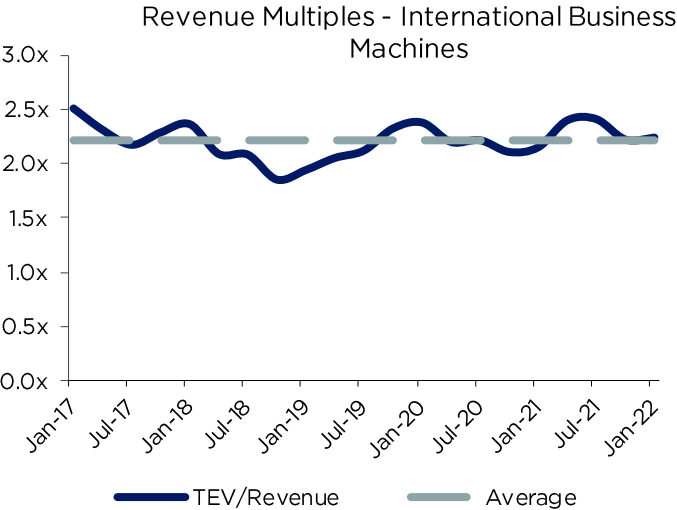
International Business Machines

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

The company primarily sells software, IT services, consulting, and hardware. 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
Envizi	11-Jan-22	The company was acquired by International Business Machines for an undisclosed amount on January 11, 2022.
Neudesic	21-Dec-21	The company was acquired by International Business Machines (NYS: IBM) for an undisclosed amount on December 21, 2021.

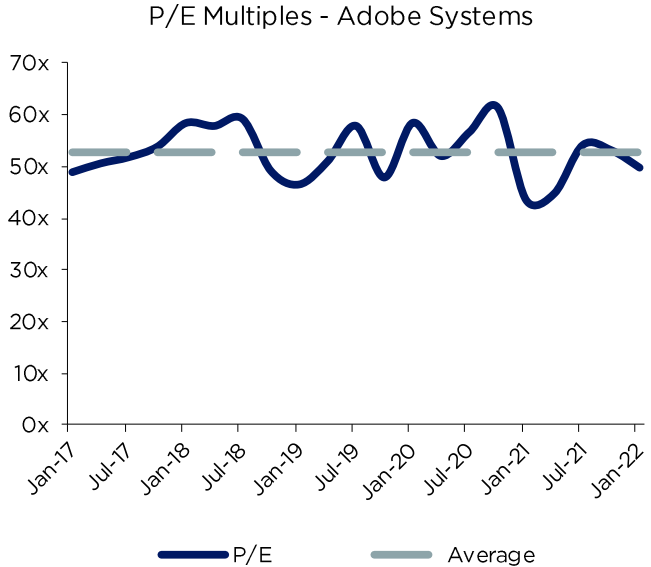
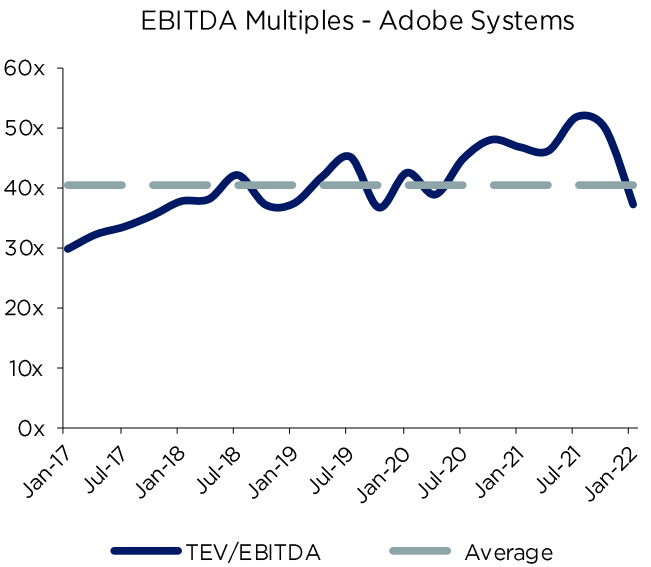
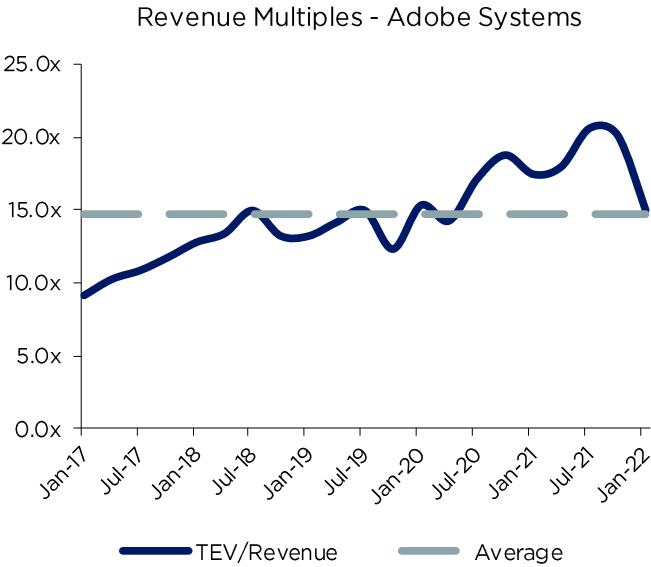
Adobe Systems

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



Company Name	Date	Deal Synopsis
ContentCal	08-Dec-21	The company reached a definitive agreement to be acquired by Adobe Systems (NAS: ADBE) for an undisclosed amount on December 8, 2021.
Frame.io	07-Oct-21	The company was acquired by Adobe Systems (NAS: ADBE) for \$1.275 billion on October 7, 2021.

Alphabet

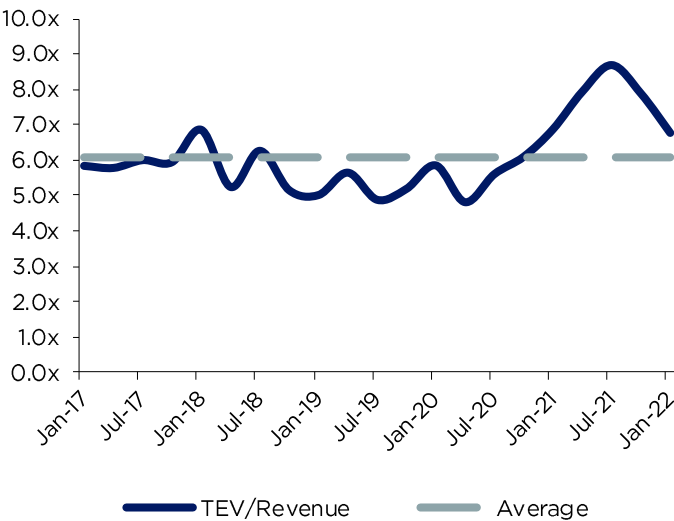
Alphabet is a holding company, with Google, the Internet media giant, as a wholly owned subsidiary.

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.

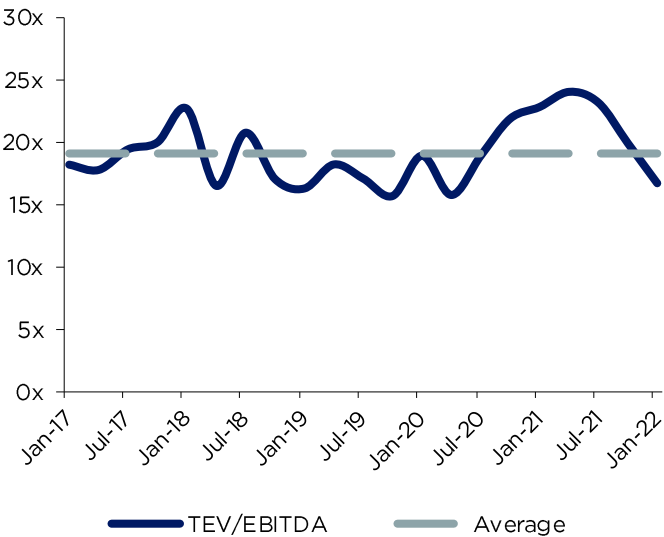
Public Basket

Alphabet

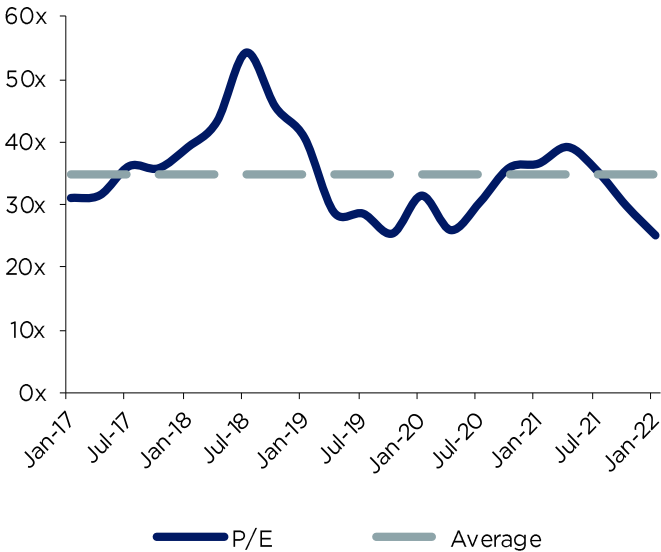
Revenue Multiples - Alphabet



EBITDA Multiples - Alphabet



P/E Multiples - Alphabet



Company Name	Date	Deal Synopsis
Lummo	19-Jan-22	The company raised \$80 million of Series C venture funding in a deal led by Sequoia Capital India and Tiger Global Management on January 19, 2022. CapitalG, Maximilian Bittner, Santiago Sosa, and Alphabet also participated in the round. Other undisclosed investors also participated in the round. The funds will be used to accelerate the business growth of MSMEs in Indonesia and the rest of Southeast Asia.
Central Saint Giles	14-Jan-22	Alphabet (NAS: GOOGL) entered into a definitive agreement to acquire the Central Saint Giles of Mitsubishi Estate London and Legal & General Investment Management for GBP 871 million on January 14, 2022. The acquisition can be seeming to be seen as a lift for Oxford Street which has seen a string of well-known retailers close their doors through the pandemic.

Microsoft

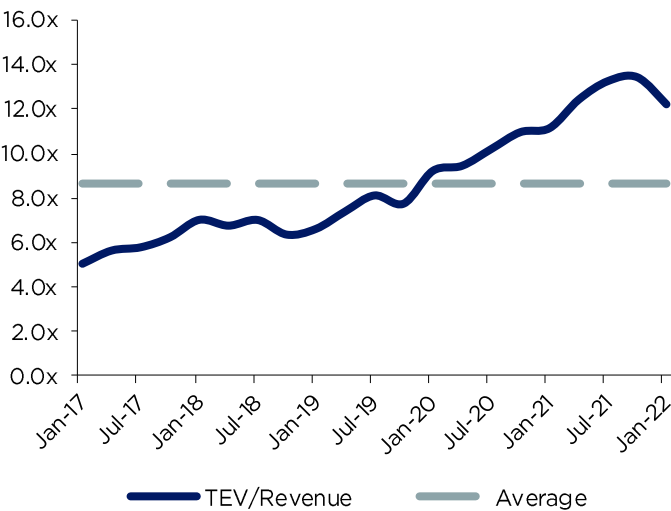
Microsoft develops and licenses consumer and enterprise software.

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).

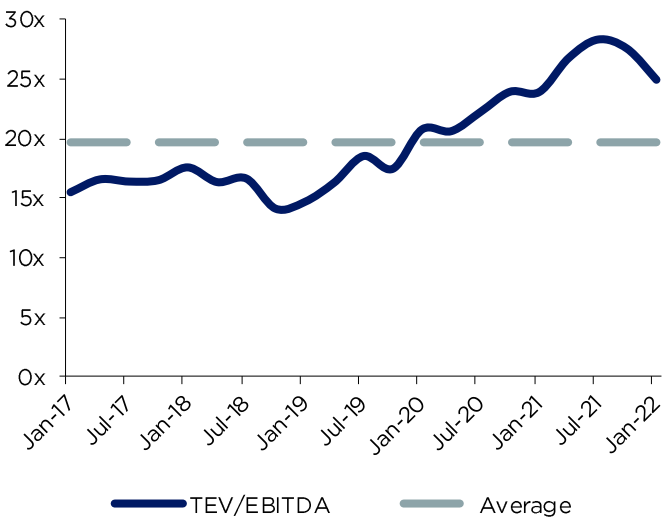
Public Basket

Microsoft

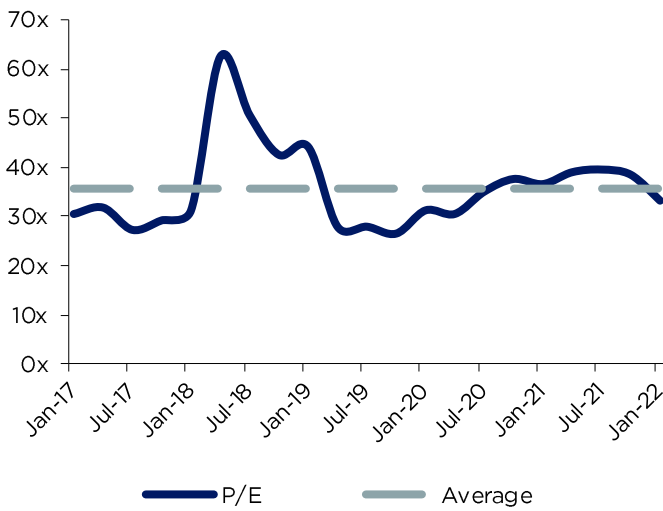
Revenue Multiples - Microsoft



EBITDA Multiples - Microsoft



P/E Multiples - Microsoft



Company Name	Date	Deal Synopsis
Activision Blizzard	18-Jan-22	The company (NASDAQ: ATVI) reached a definitive agreement to be acquired by Microsoft (NAS: MSFT) for \$68.7 billion on January 18, 2022.
Wayve	18-Jan-22	The company raised \$200 million of Series B venture funding in a deal led by Eclipse Ventures on January 18, 2022, putting the company's pre-money valuation at an estimated \$800 million. Microsoft, Linse Capital, Virgin (London), Compound, Balderton Capital, Moore Strategic Ventures, Baillie Gifford and D1 Capital Partners also participated in the round. The funds will be used to continue to grow the team, develop a Level 4+ AV prototype for passenger vehicles and delivery vans, scale its deployments on partner fleets to commence last-mile delivery pilots, and develop the data infrastructure to improve its core autonomy platform at fleet scale.

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.

Leroy Davis, Partner	704.899.5962	leroy@7mileadvisors.com
Tripp Davis, Partner	704.899.5762	tripp@7mileadvisors.com
Andy Johnston, Partner	704.899.5961	andy@7mileadvisors.com
John Cooper, Partner	704.973.3996	john@7mileadvisors.com
Mark Landry, Partner	561.972.0609	mark@7mileadvisors.com
Simon Baitler, Executive Managing Director	310.829.1635	simon.baitler@7mileadvisors.com
Tim Frye, Managing Director	704.973.3994	tim@7mileadvisors.com
Kristina Sergueeva, Managing Director	704.899.5149	kristina@7mileadvisors.com
Horacio Yenaropulos, Managing Director	(+) 54.261.4617300	horacio@7mileadvisors.com
Chris Calton, Senior Advisor	629.236.6119	chris.calton@7mileadvisors.com
Steve Buffington, Vice President	704.960.1828	steve@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
Ilia Ulianchuk, Vice President	704.414.8743	ilia@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
Nic Anderko, Analyst, Business Development	704.398.3991	nic.anderko@7mileadvisors.com
Kevin Postigo, Associate	704.912.4903	kevin.postigo@7mileadvisors.com
Conor Smith, Associate	704.855.2134	conor.smith@7mileadvisors.com
Nic Anderle, Senior Analyst	704.826.7492	nic.anderle@7mileadvisors.com
Chris McConnell, Senior Analyst	704.912.4584	chris@7mileadvisors.com
Adam Alderfer, Analyst	704.644.1917	adam@7mileadvisors.com
Lucas Cerbelli, Analyst	704.336.0118	lucas@7mileadvisors.com
Tanner Lange, Analyst	704.672.0611	tanner.lange@7mileadvisors.com
Trent McCauley, Analyst	704.644.1916	trent.mccauley@7mileadvisors.com
Tyler Ratterree, Analyst	704.706.9168	tyler@7mileadvisors.com