

7 Mile Advisors



Sectorwatch: Advanced Analytics

November 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

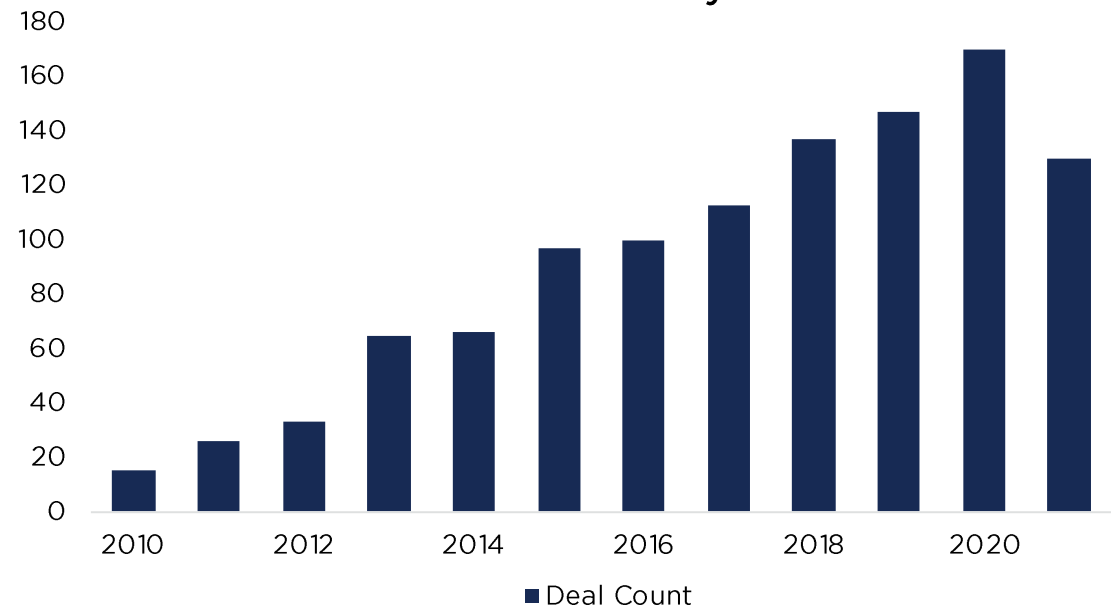
- The most recently announced deals in the sector

Dashboard

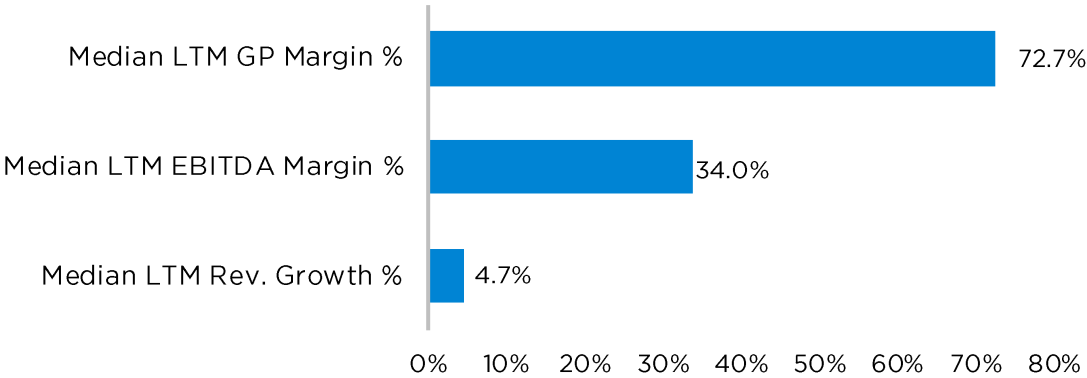
REVENUE GROWTH MOMENTUM ↓ -11.5%

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

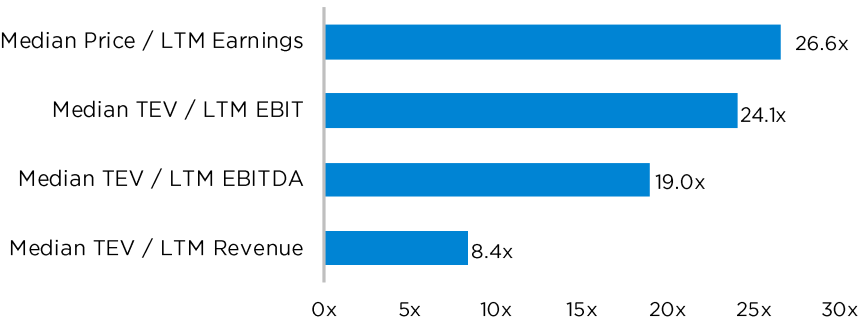
M&A Activity



Operating Metrics



Valuation



Public Basket Overview



TMT

FICO **alteryx** | The Thrill of Solving

Alphabet **IBM**

Big Data

SAP **splunk**

CloudTech & DevOps

 **Microsoft**

Marketing Tech

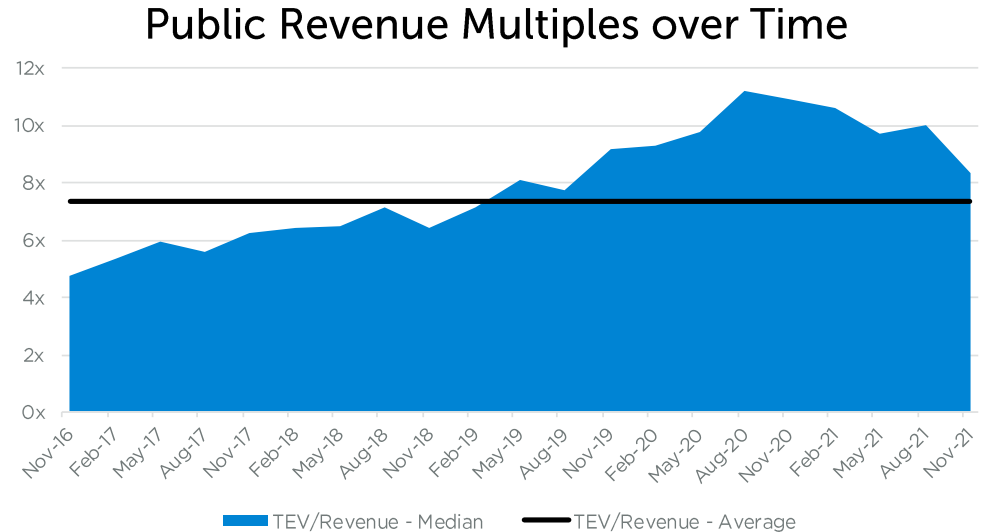
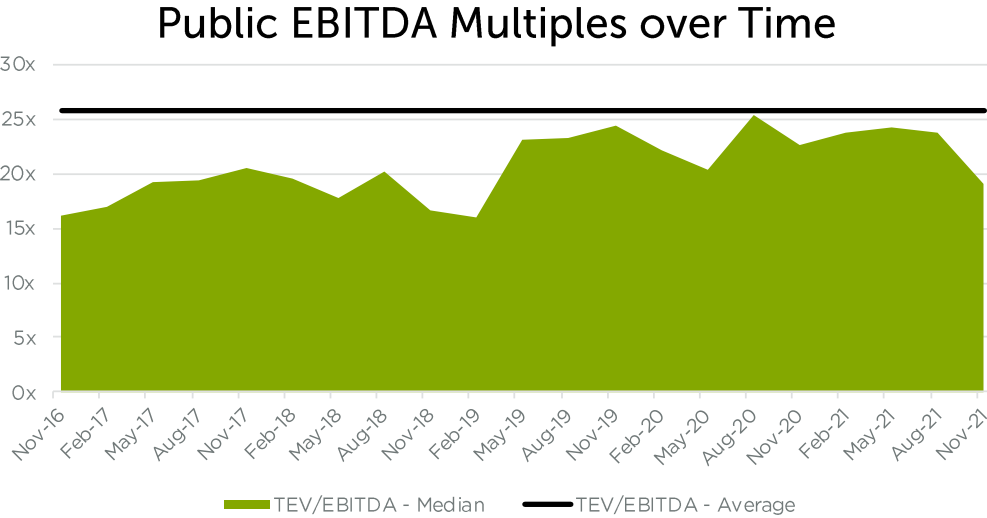
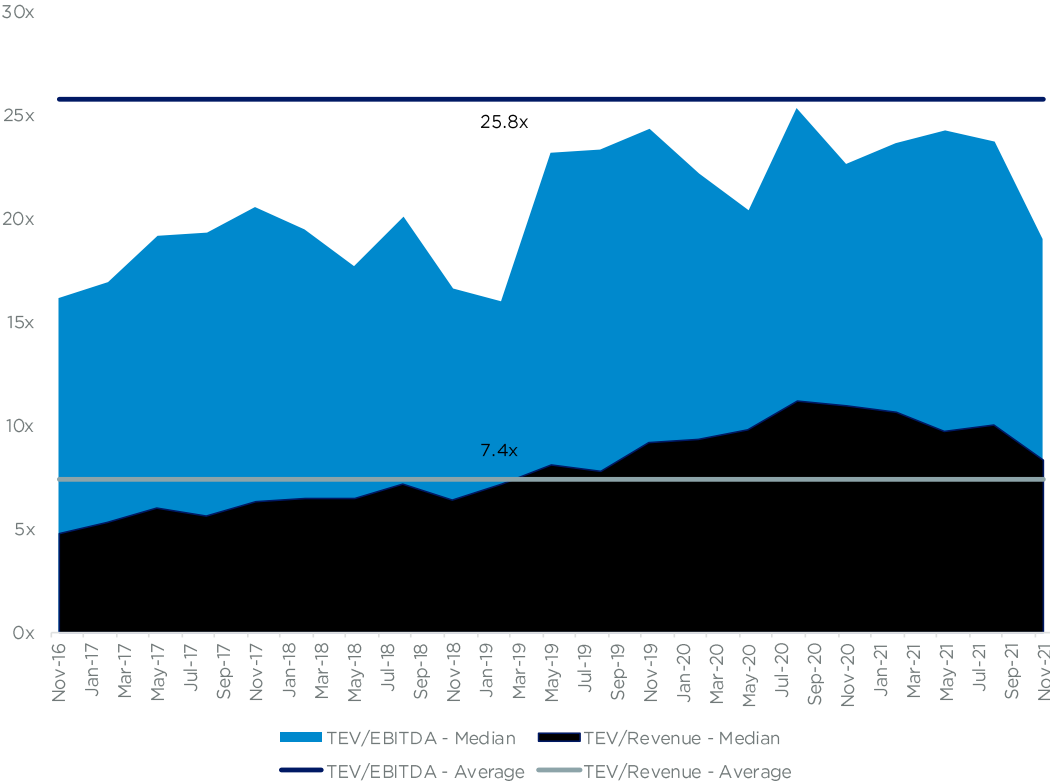
 **Adobe**

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	4,565	-64	523	6.4%	90.4%	-12.3%	8.7x	#N/A	1,786	293
Fair Isaac	10,573	539	1,317	1.7%	74.7%	40.9%	8.0x	19.6x	3,662	360
Splunk	20,944	-947	2,411	2.9%	73.4%	-39.3%	8.7x	#N/A	7,573	318
International Business Machines	154,910	12,915	74,460	-0.8%	48.2%	17.3%	2.1x	12.0x	375,300	198
SAP	161,147	9,091	32,743	-1.6%	71.9%	27.8%	4.9x	17.7x	105,015	312
Adobe Systems	313,548	6,062	15,099	21.4%	88.2%	40.1%	20.8x	51.4x	22,516	671
Alphabet	1,777,335	96,523	239,210	39.3%	56.5%	40.4%	7.4x	18.4x	150,028	1,594
Microsoft	2,407,985	86,617	176,251	19.8%	68.9%	49.1%	13.7x	27.8x	181,000	974
Average	606,376	26,342	67,752	11.2%	71.5%	20.5%	9.3x	24.5x	105,860	590
Median	158,028	7,577	23,921	4.7%	72.7%	34.0%	8.4x	19.0x	63,766	339

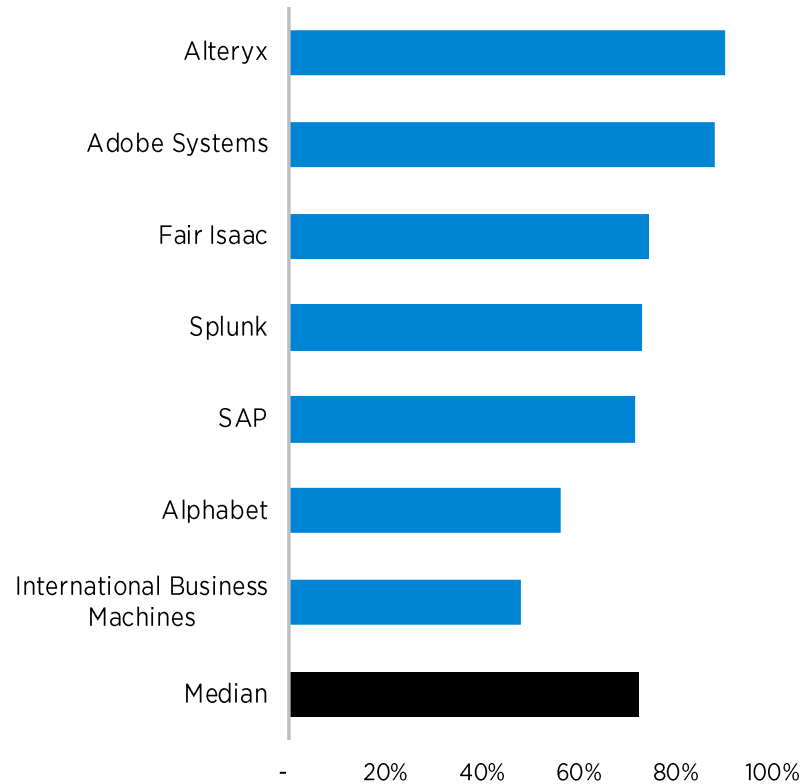
share price as of 30Nov21

Public Basket

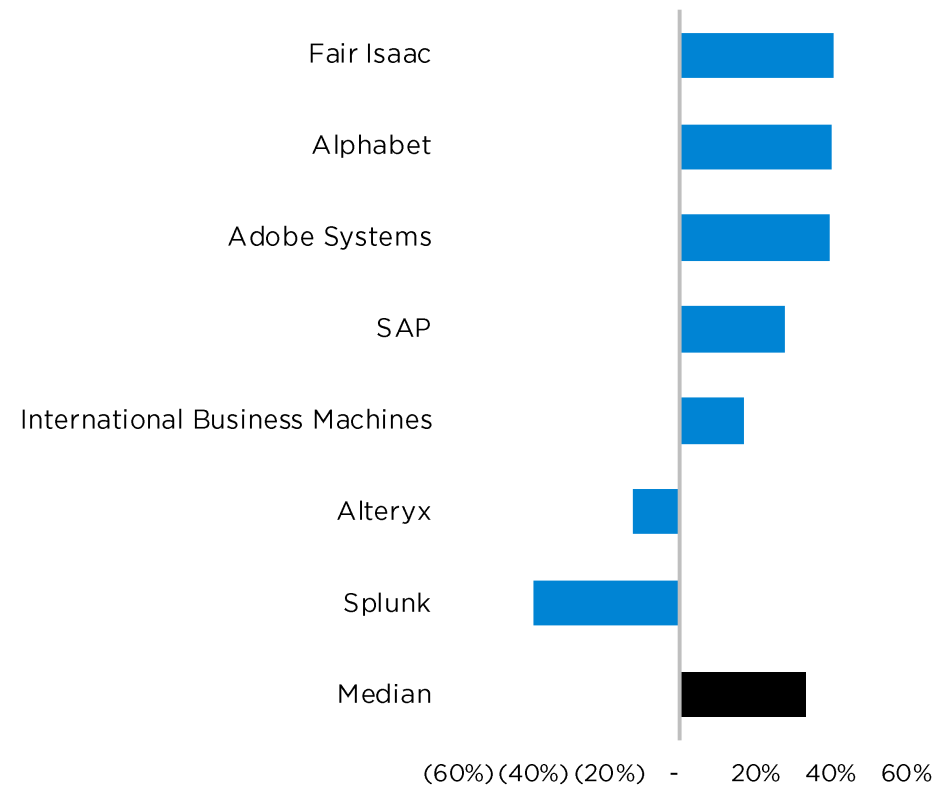


Operational Metrics

LTM Gross Profit Margin %

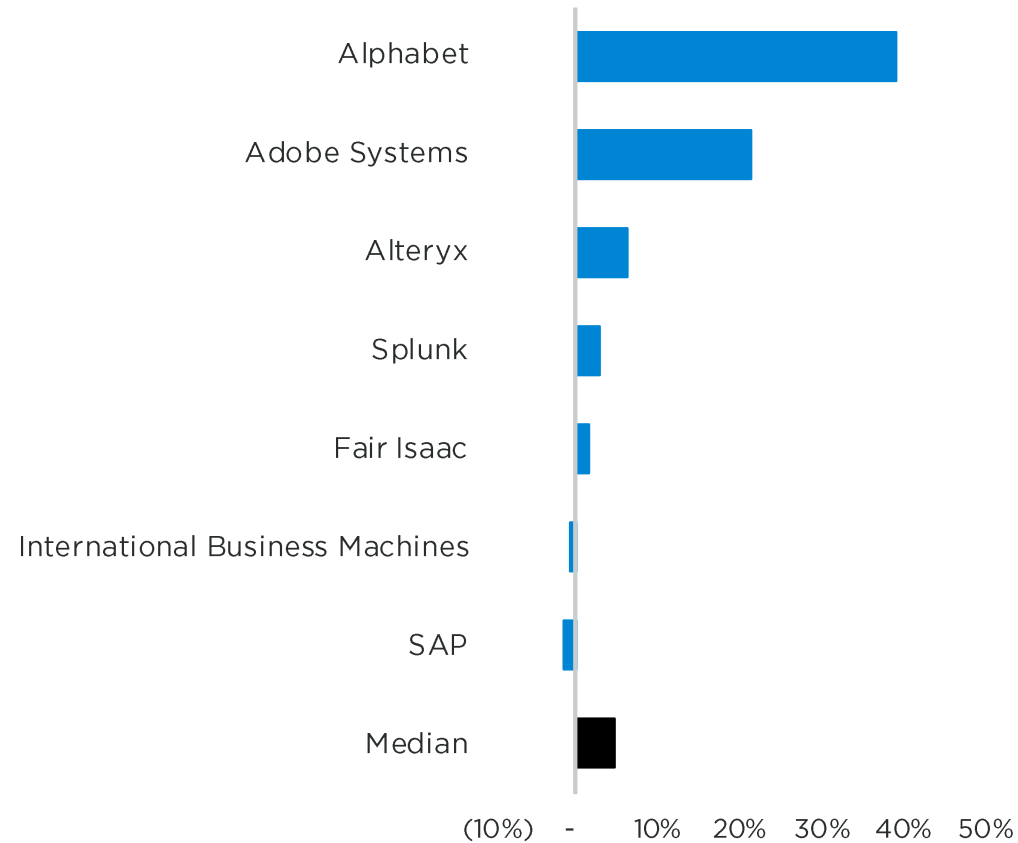


LTM EBITDA %

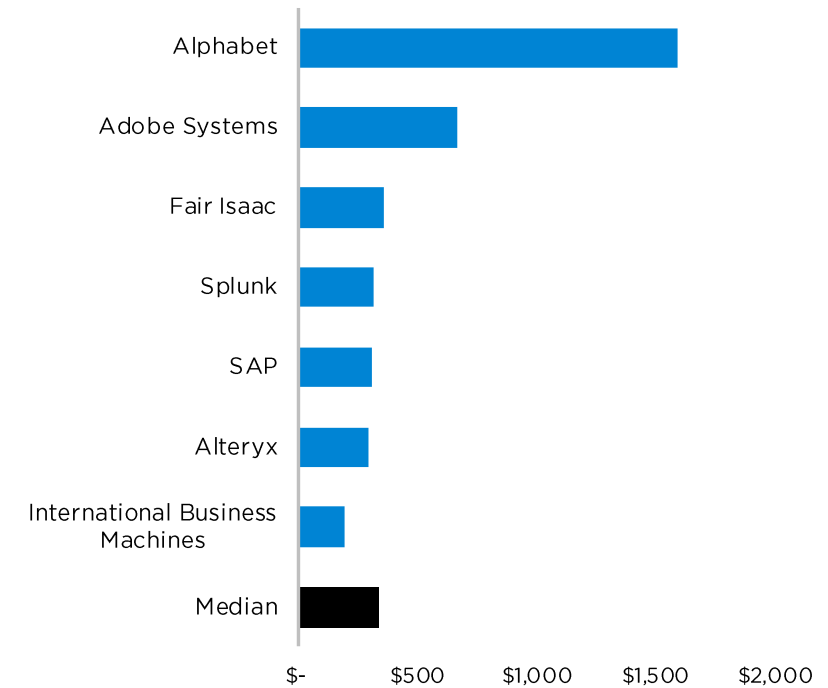


Operational Metrics

LTM Revenue Growth %

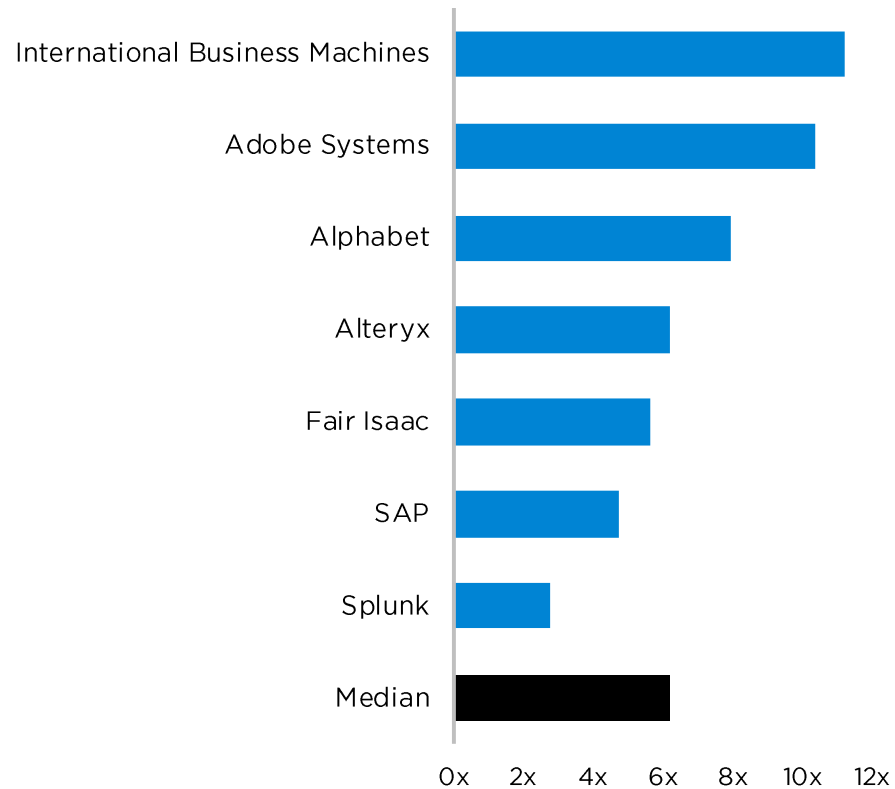


LTM Revenue per Full Time Employee x 000's

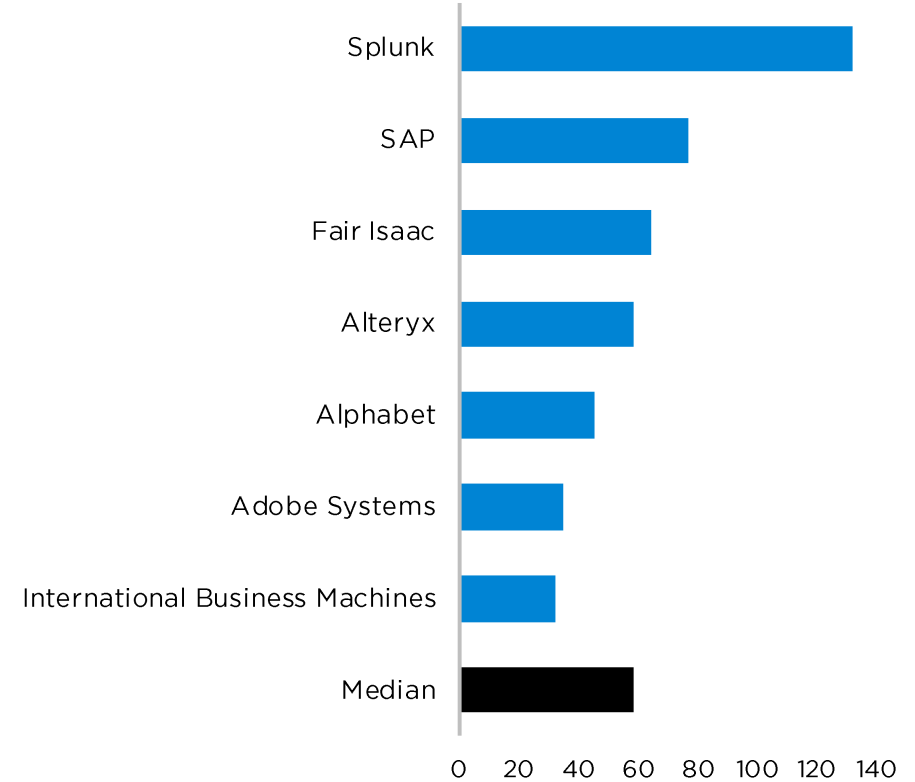


Operational Metrics

Accounts Receivable Turnover

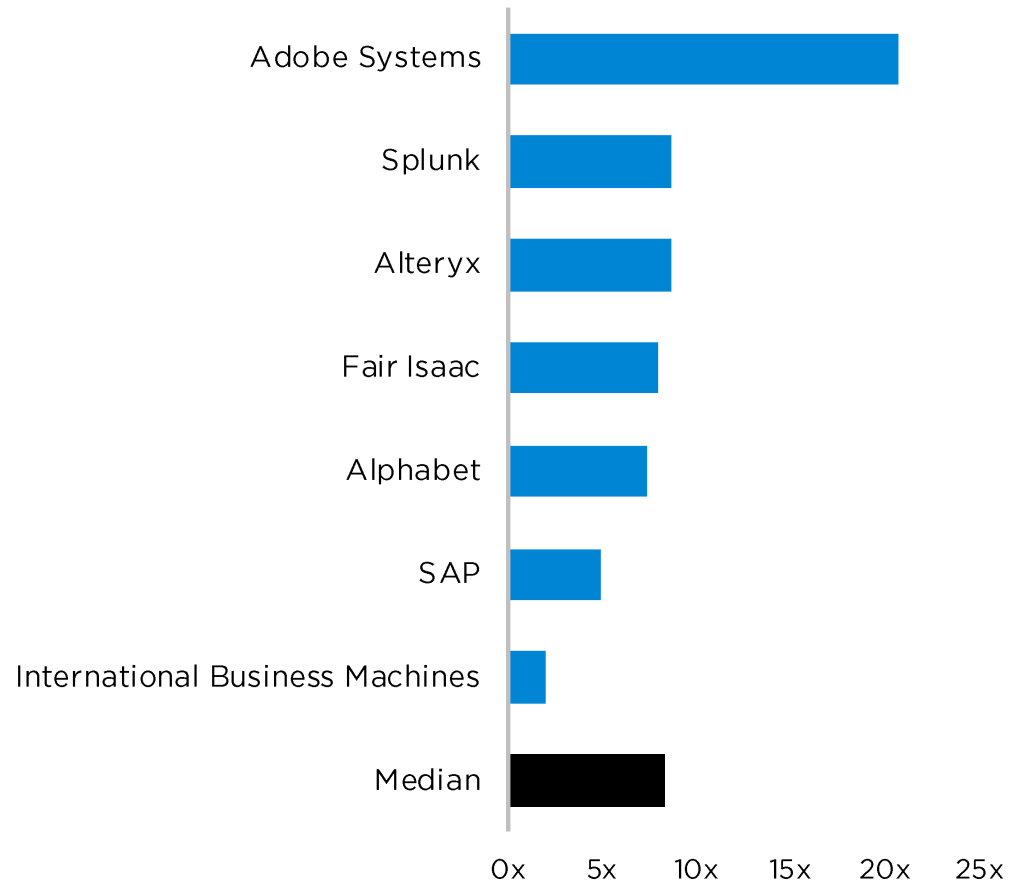


Average Days Sales Outstanding

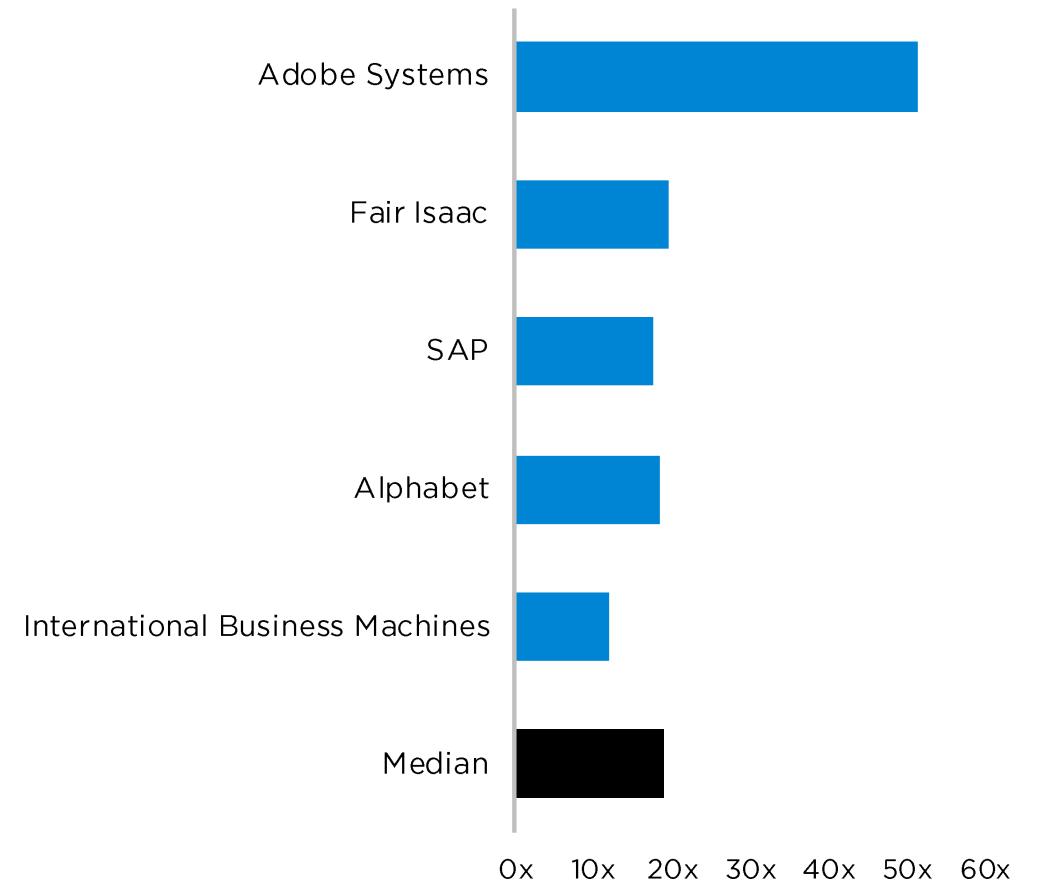


Valuation

TEV / LTM Revenue

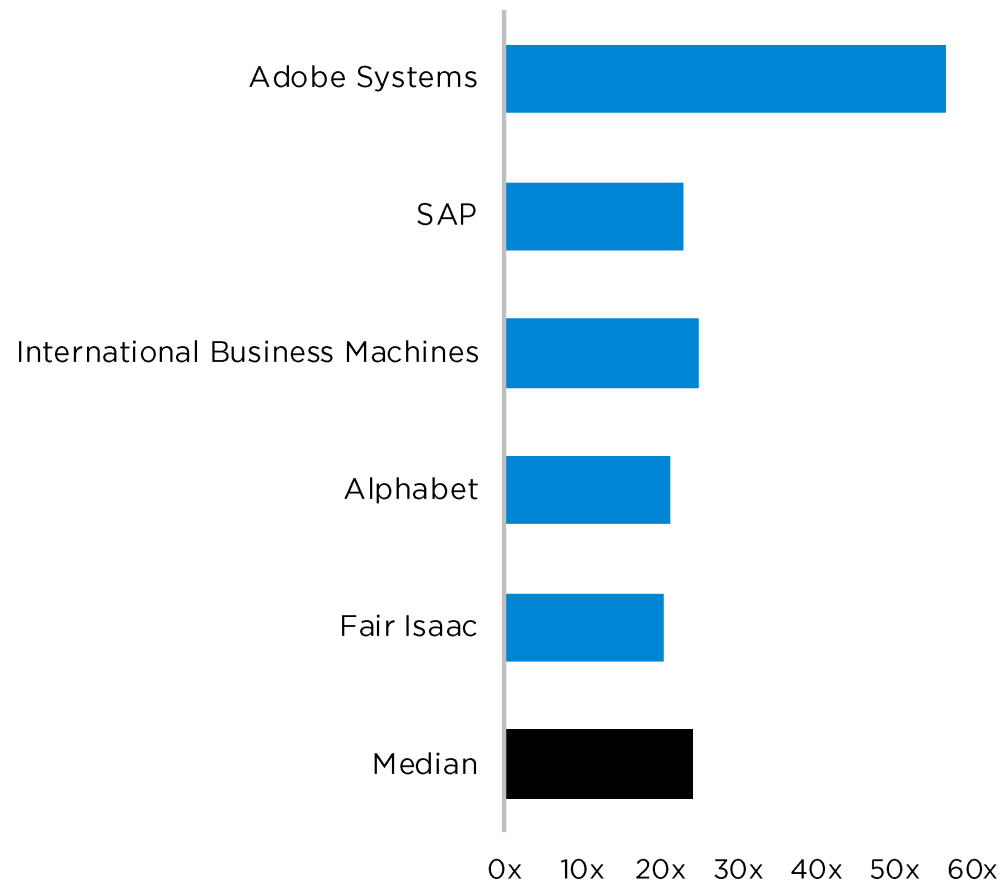


TEV / LTM EBITDA

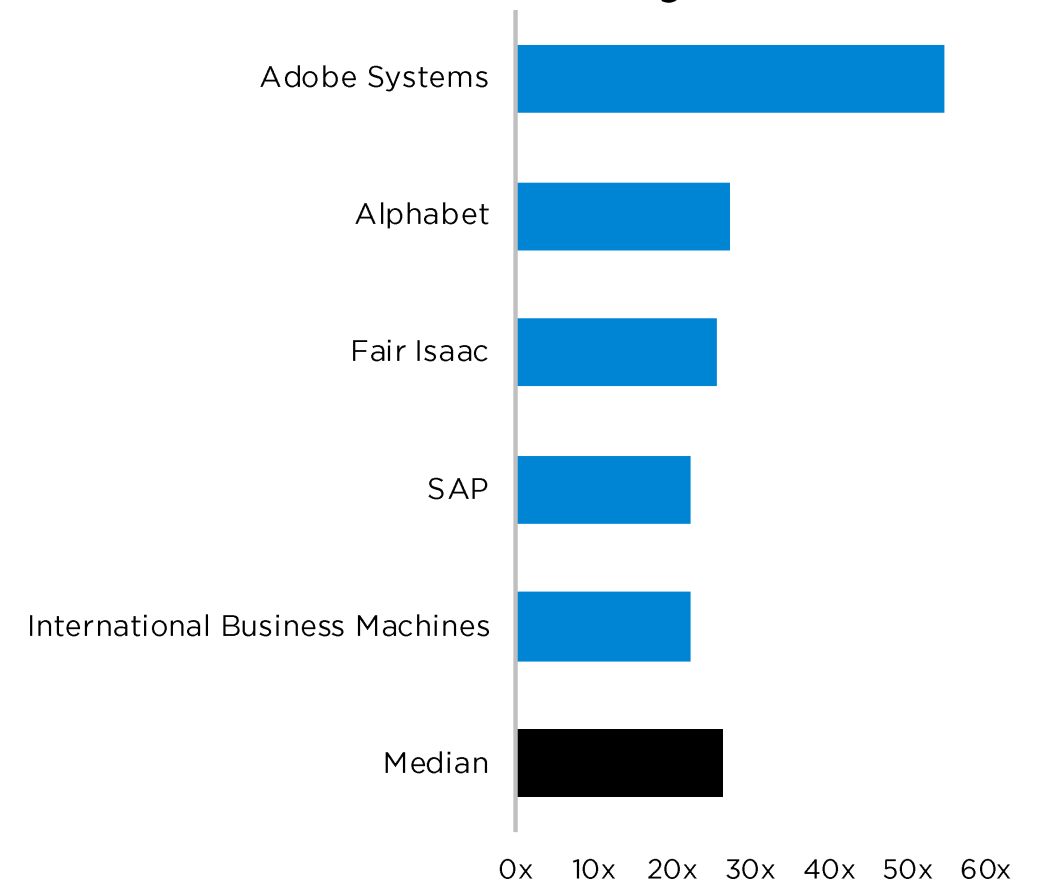


Valuation

TEV / LTM EBIT

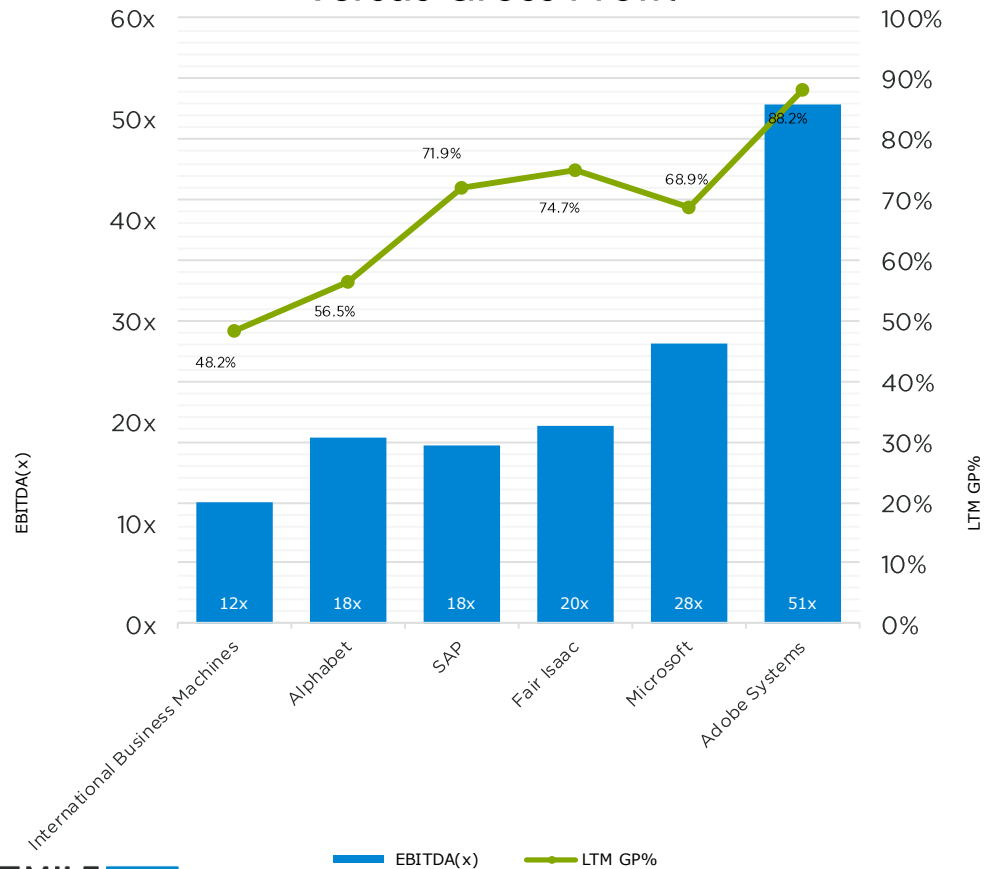


Price / LTM Earnings

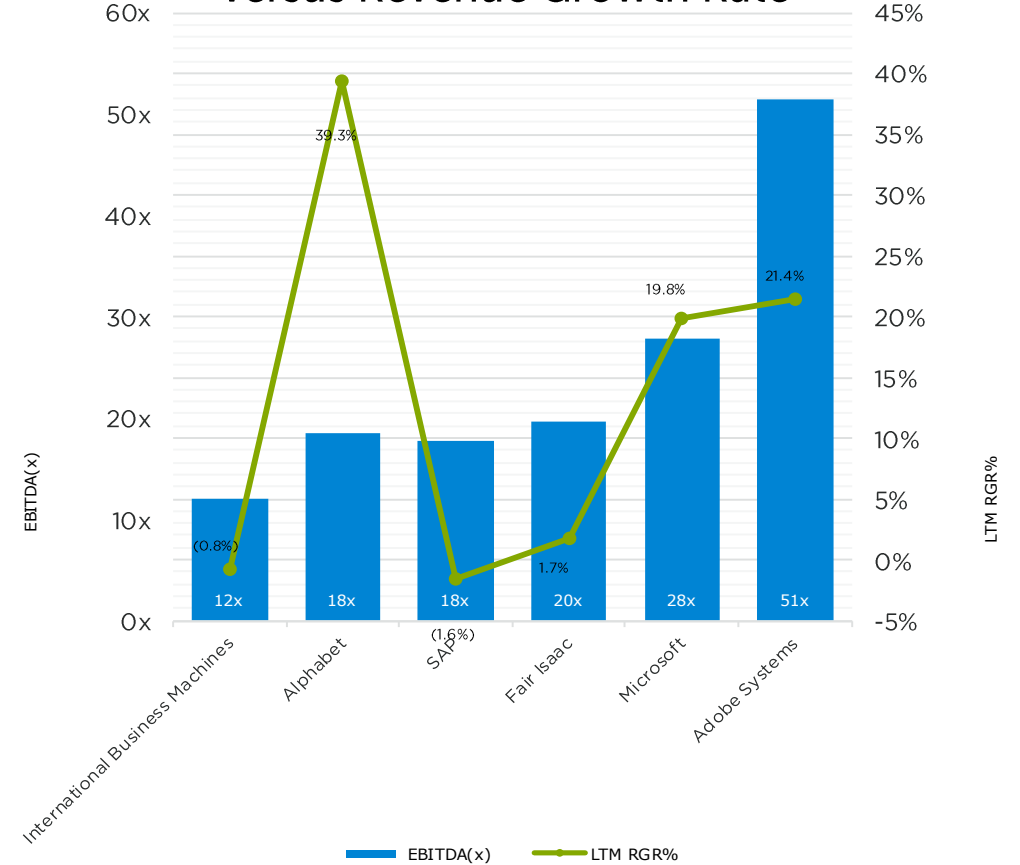


Valuation

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
10-Nov-21	Standav	Bain Capital	-	-	-	-
03-Nov-21	R.R. Donnelley & Sons	Atlas Holdings	2,100.00	4,935.10	0.00	5.41
26-Oct-21	Geocent	DFW Capital Partners	-	-	-	-
07-Oct-21	HealthReveal	Accolade	-	-	-	-
06-Oct-21	RxDataScience	Syneos Health	-	-	-	-
06-Oct-21	Systems Planning and Analysis	Arlington Capital Partners	-	-	-	-
14-Sep-21	Exom Group	Clinscience	15.56	-	0.00	-
08-Sep-21	Champion Gaming	Prime City One Capital	-	-	-	-
24-Aug-21	Trusted Concepts	The Carlyle Group	-	-	-	-
24-Nov-21	Inovalon Holdings	22C Capital	7,300.00	749.59	0.00	33.83
19-Aug-21	Novetta	Accenture	1,000.00	-	0.00	-
03-Aug-21	Figure Technologies	HomeBridge Financial Services	-	-	-	-
02-Aug-21	Kio Networks	I Squared Capital	-	-	-	-
20-Jul-21	Arch Sciences Group	Bridgepoint Advisers	-	-	-	-
13-Jul-21	Volant Associates	Arlington Capital Partners	30.00	-	0.00	-
30-Jun-21	Nudge Digital	TPXimpact Holdings	7.01	-	0.00	-
30-Jun-21	Protagen Protein Services	Ampersand Capital Partners	-	-	-	-
16-Jun-21	BMIND Sales Maker Company	Ardian	-	-	-	-
14-Jun-21	i2O Water	Mueller Water Products	19.70	-	-	-
14-Jun-21	Verovis	DPE Deutsche Private Equity	-	-	-	-
07-Jun-21	Icario	CVC Capital Partners	-	-	-	-
04-Jun-21	NuWave Solutions	GigCapital4	330.00	-	-	-
01-Jun-21	Infogix	Centerbridge Partners	-	-	-	-
11-May-21	Just-BI	EPAM Systems	-	-	-	-
03-May-21	MineRP	Epiroc	68.70	-	-	-

Appendix

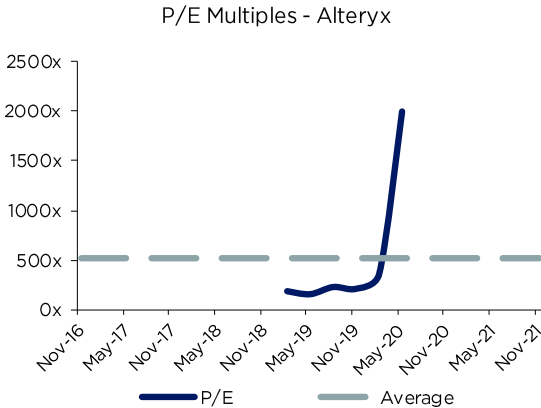
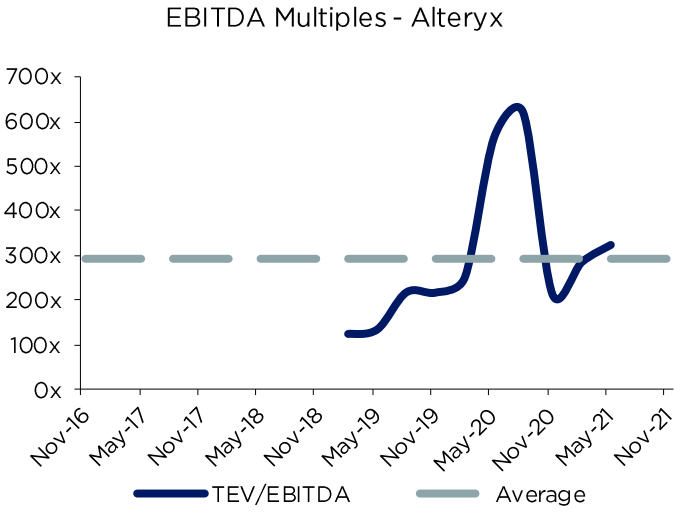
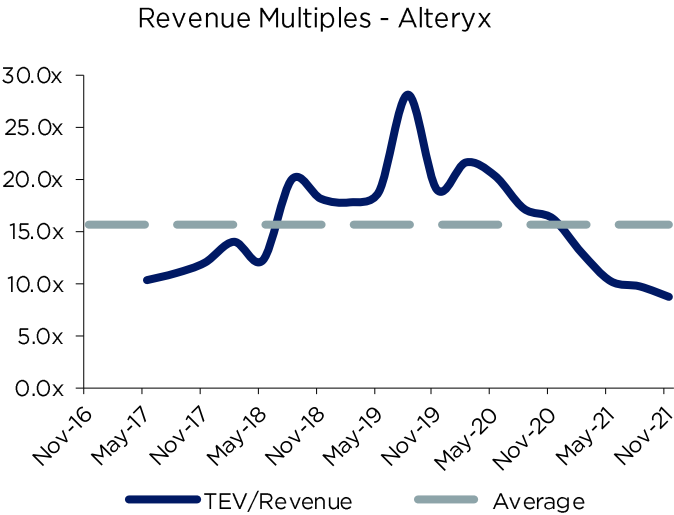
*Public Basket
Contact Information*

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



Company Name	Date	Deal Synopsis
Lore IO	22-Oct-21	The company was acquired by Alteryx (NYS: AYX) for an undisclosed amount on October 22, 2021.
Hyper Anna	07-Oct-21	The company was acquired by Alteryx (NYS: AYX) for an undisclosed amount on October 7, 2021.

Fair Isaac

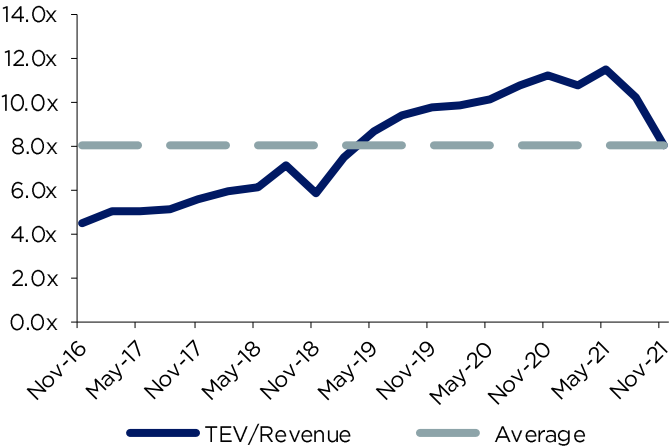
Fair Isaac Corp is an applied analytics company.

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.

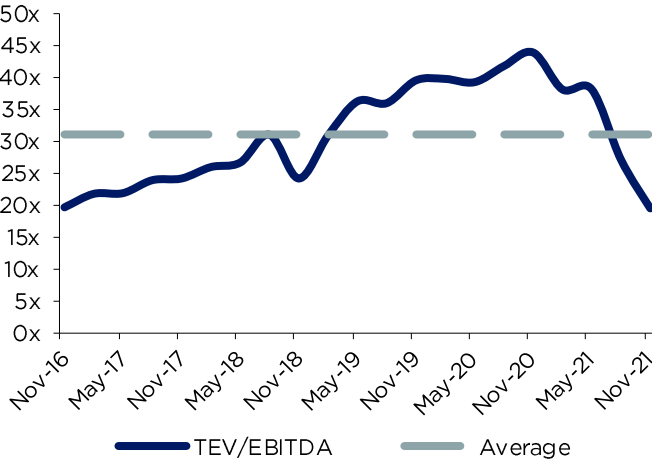
Public Basket

Fair Isaac

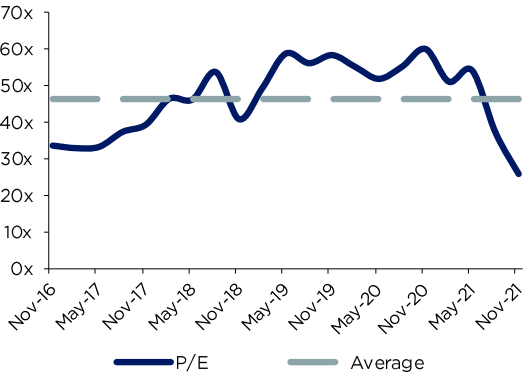
Revenue Multiples - Fair Isaac



EBITDA Multiples - Fair Isaac



P/E Multiples - Fair Isaac

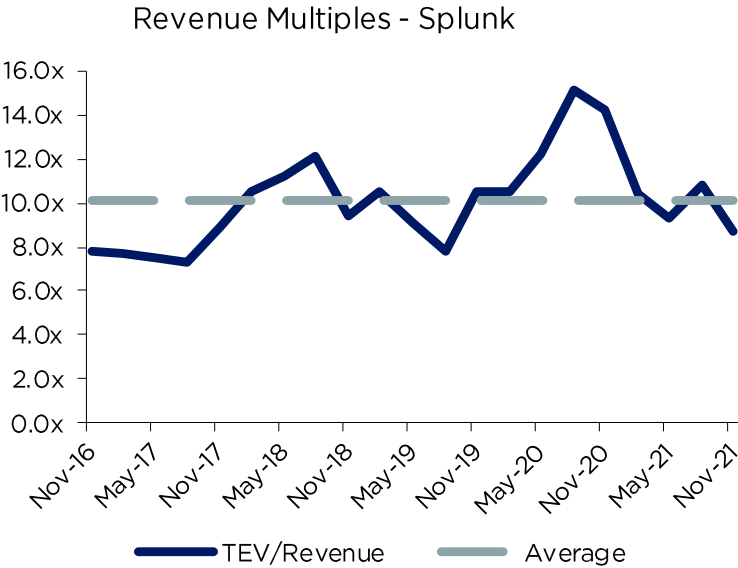


Company Name	Date	Deal Synopsis
GoOn	12-Dec-18	The company was acquired by Fair Isaac (NYS: FICO) for an undisclosed amount on December 12, 2018. The acquisition will enable the acquirer to grow in areas of Brazil and Latin America.
QuadMetrics	14-Jun-16	The company was acquired by FICO for \$5.7 million 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
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. Stripes, Adams Street Partners, Redpoint Ventures, Harmony Partners, GGV Capital, Silicon Valley CISO Investments, ICONIQ Capital, Lone Pine Capital, Temasek Holdings, and Willoughby Capital 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.

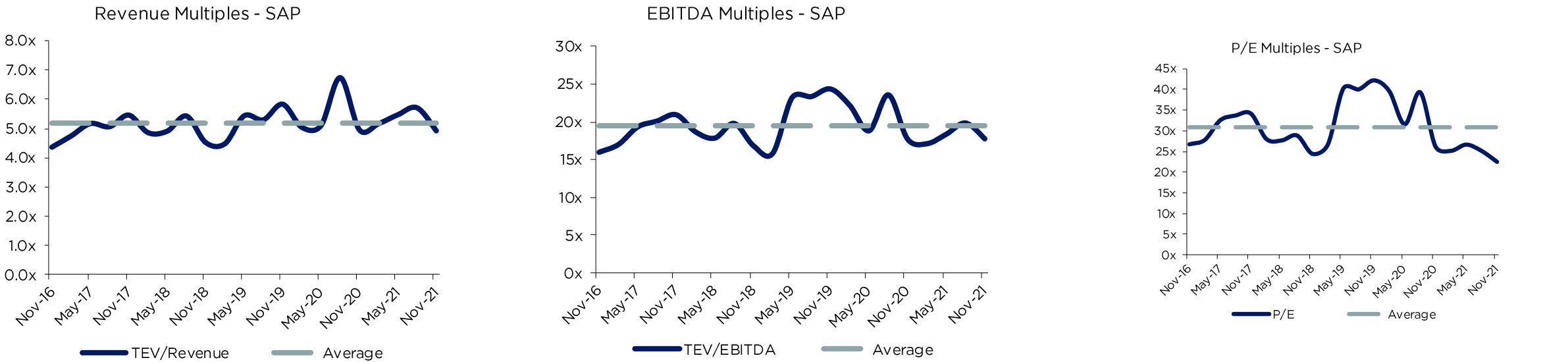
SAP

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
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.
ScaleMP	04-Jun-21	The company was acquired by SAP (ETR: SAP) for an undisclosed amount on June 4, 2021.

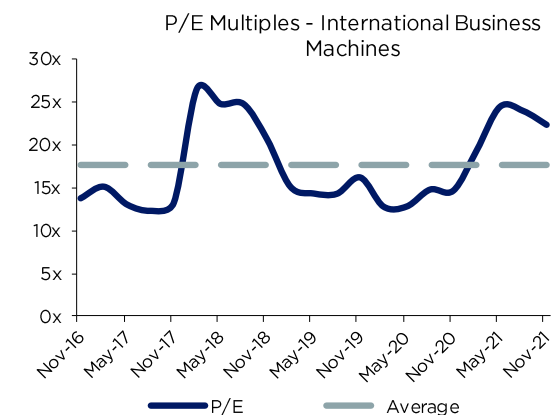
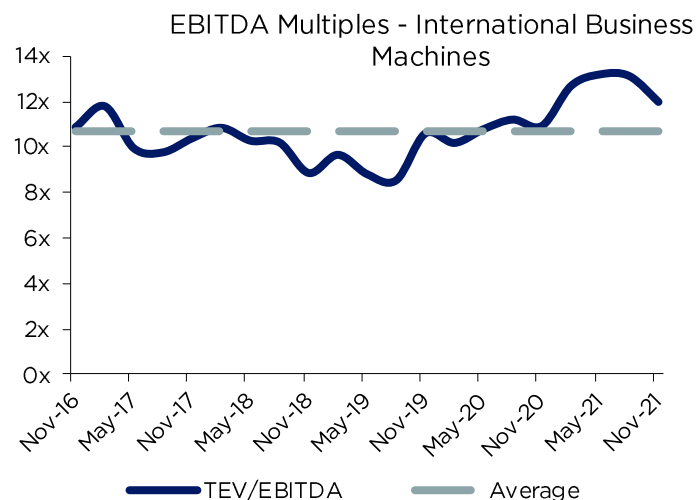
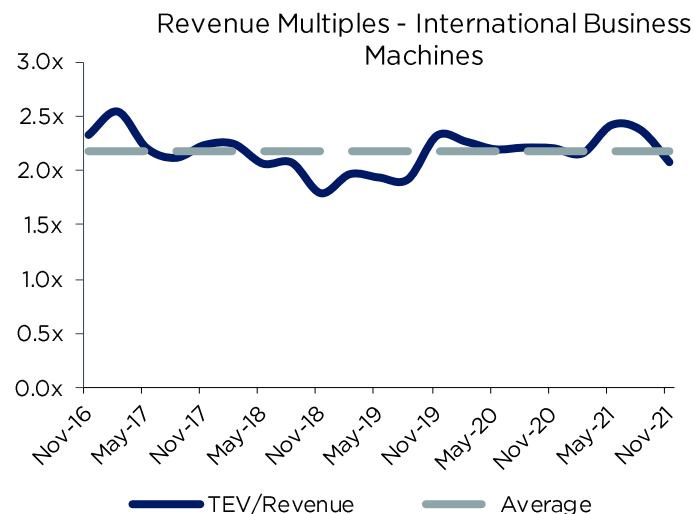
International Business Machines

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
ReaQta	02-Nov-21	The company reached a definitive agreement to be acquired by International Business Machines (NYS: IBM) for an undisclosed amount on November 2, 2021.
Apprente	28-Oct-21	The company was acquired by International Business Machines (NYS: IBM) for an undisclosed amount on October 28, 2021. This acquisition will help to further accelerate the development and deployment of McDonald's Automated Order Taking technology.

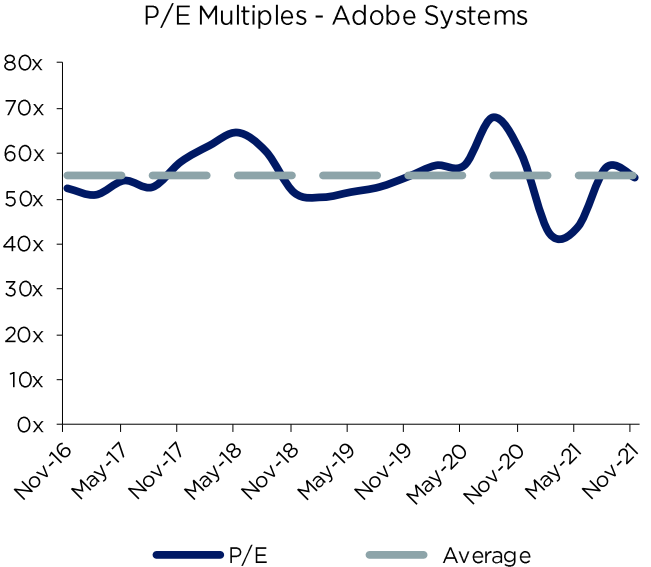
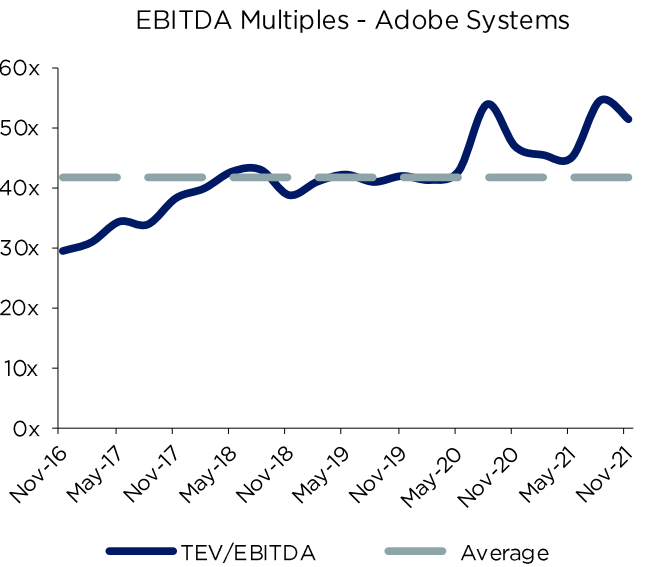
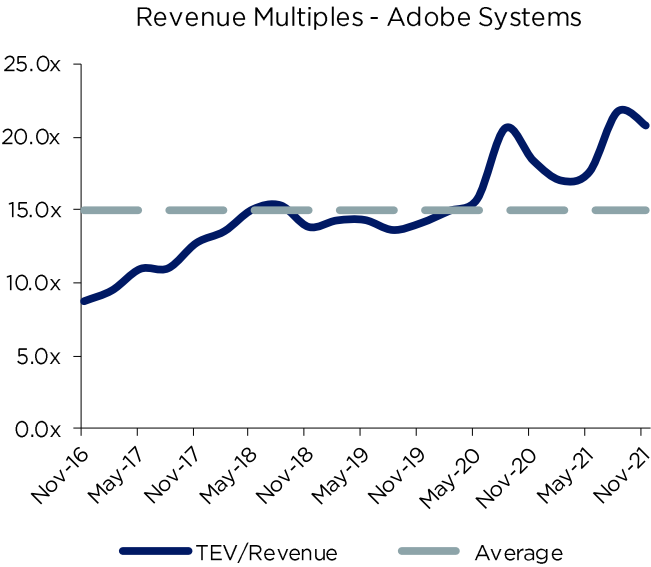
Adobe Systems

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
Frame.io	07-Oct-21	The company was acquired by Adobe Systems (NAS: ADBE) for \$1.275 billion on October 7, 2021.
Tiled	08-Sep-21	The company raised \$13.70 million through a combination of Series A 1, Series A 2 and Series A 3 venture funding in a deal led by Signal Peak Ventures on September 8, 2021, putting the company's pre-money valuation at \$35 million. Seismic (Business/Productivity Software), Adobe Systems, University Growth Fund, and BYU Cougar Capital also participated in the round.

Alphabet

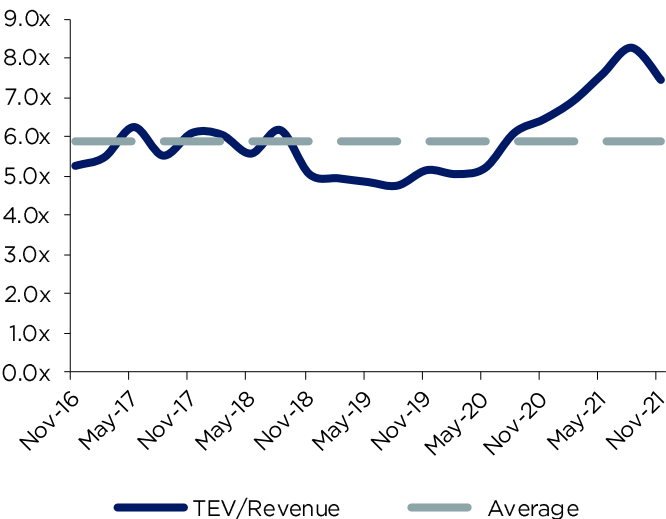
Alphabet is a holding company, with Google, the Internet media giant, as a wholly owned subsidiary.

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.

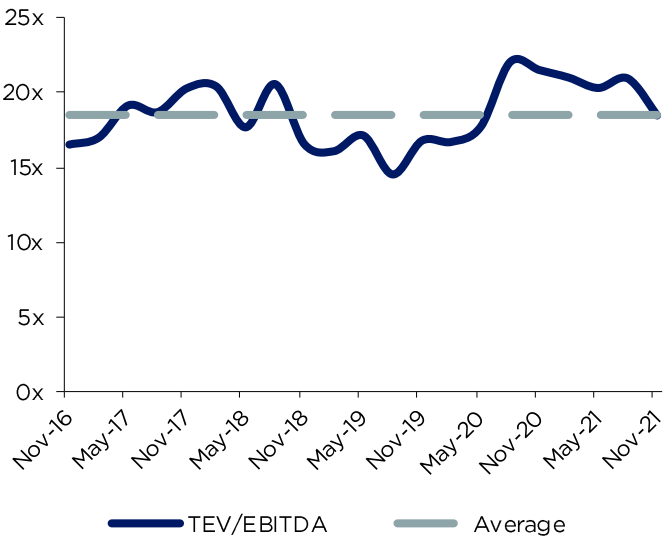
Public Basket

Alphabet

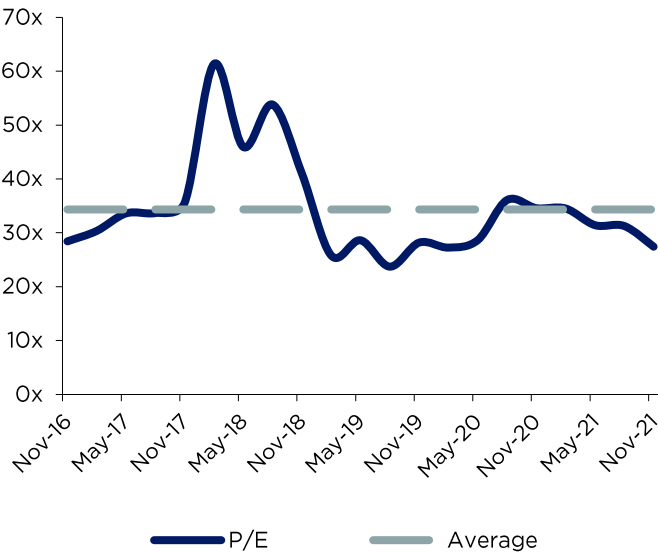
Revenue Multiples - Alphabet



EBITDA Multiples - Alphabet



P/E Multiples - Alphabet



Company Name	Date	Deal Synopsis
Mathpresso	09-Nov-21	The company raised an undisclosed amount of venture funding from Alphabet on November 09, 2021. The funds will be used in accelerating the company's global market expansion as well as technological advancement.
Nuro (Road)	02-Nov-21	The company raised \$600 million of Series D venture funding in a deal led by Tiger Global Management on November 2, 2021, putting the company's pre-money valuation at \$8 billion. Kroger, Fidelity Management & Research, Gaorong Capital, SoftBank Investment Advisers, Baillie Gifford, Alphabet and other undisclosed investors also participated in the round. The funds will be used for the development and deployment of its autonomous delivery service in communities across the country.

Microsoft

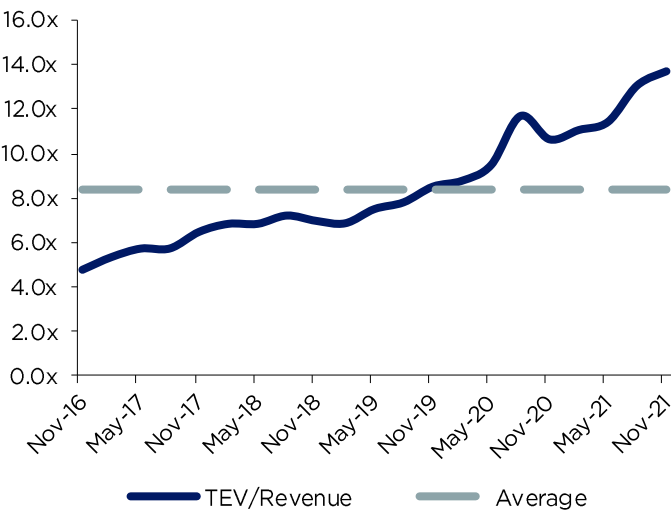
Microsoft develops and licenses consumer and enterprise software.

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).

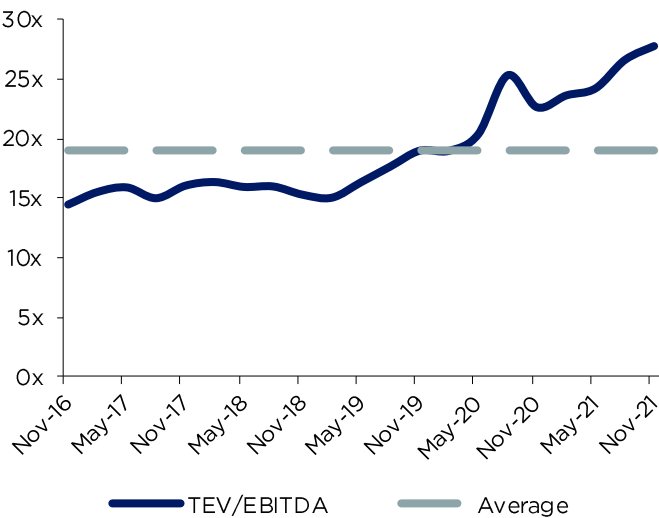
Public Basket

Microsoft

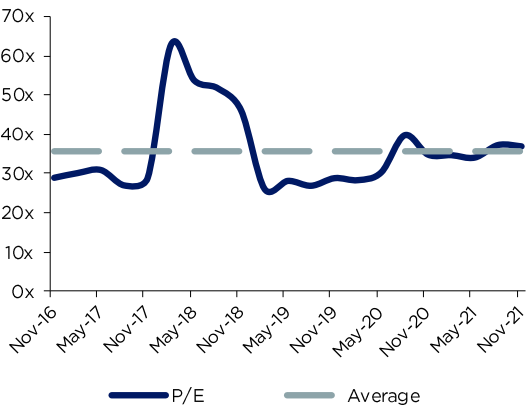
Revenue Multiples - Microsoft



EBITDA Multiples - Microsoft



P/E Multiples - Microsoft



Company Name	Date	Deal Synopsis
Wejo	18-Nov-21	The company received \$128.5 million of development capital from General Motors, Palantir Technologies, Microsoft, Sompo International and Mason Stevens on November 18, 2021 through a private placement.
Truveta	09-Nov-21	The company raised \$100 million of venture funding from Microsoft and other undisclosed investors on November 9, 2021.

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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