

7 Mile Advisors



Sectorwatch: Advanced Analytics

March 2022



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.

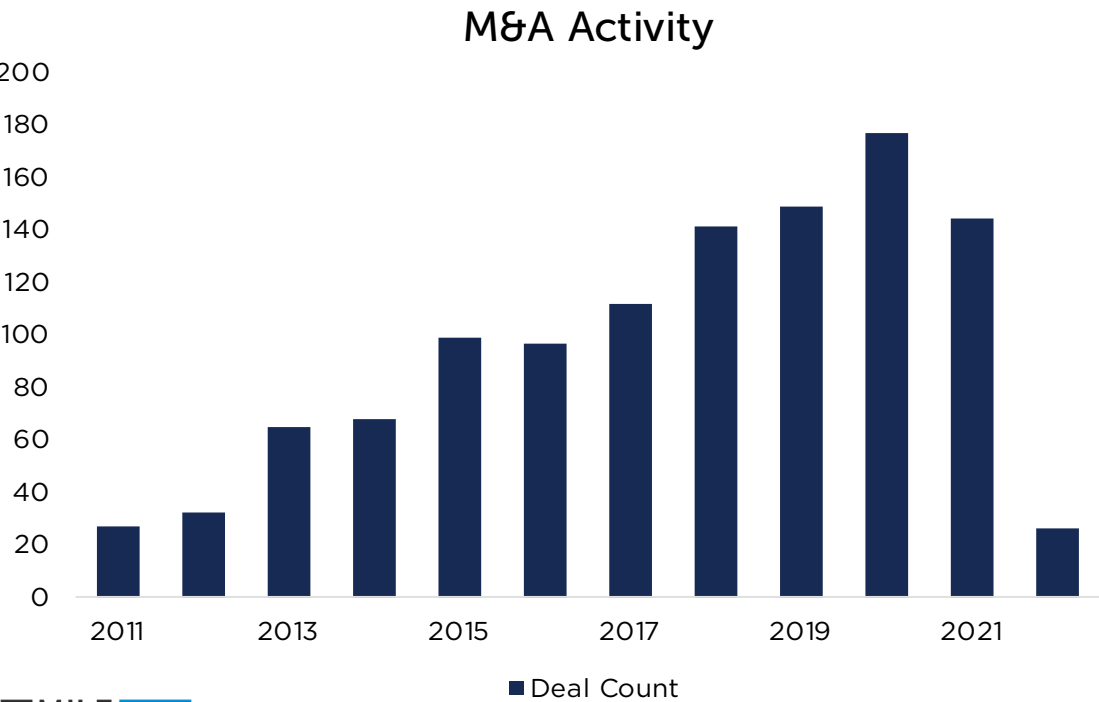
RECENT DEALS

- The most recently announced deals in the sector

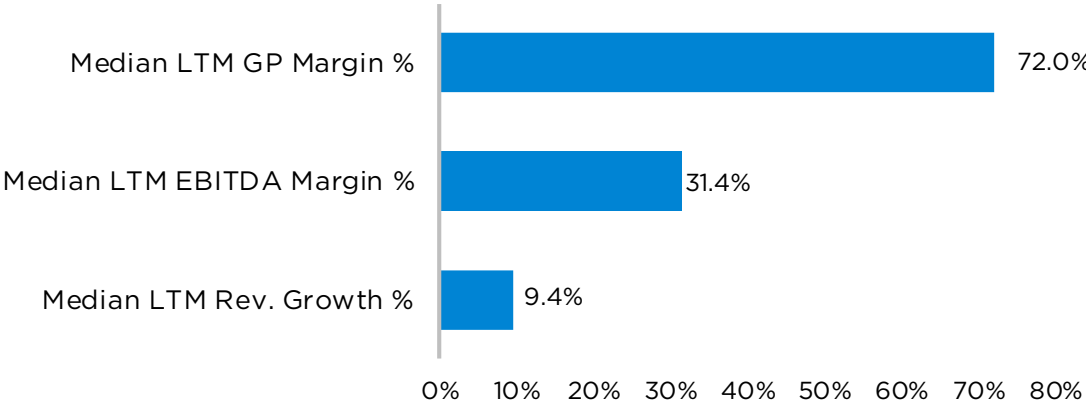
Dashboard

REVENUE GROWTH MOMENTUM 📉 -6.2%

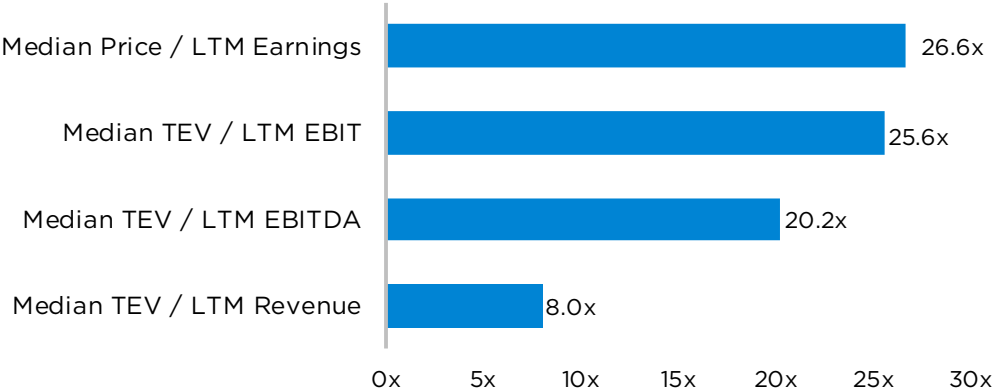
1 - year revenue growth compared to revenue growth average for last 3 years - Current revenue growth rate is less than the average of the last 3 years, indicating that the market may be flattening or declining



Operating Metrics



Valuation



Public Basket Overview



TMT

FICO **alteryx** | The Thrill
of Solving

Alphabet **IBM**

Big Data

SAP **splunk**>

CloudTech & DevOps

 **Microsoft**

Marketing Tech

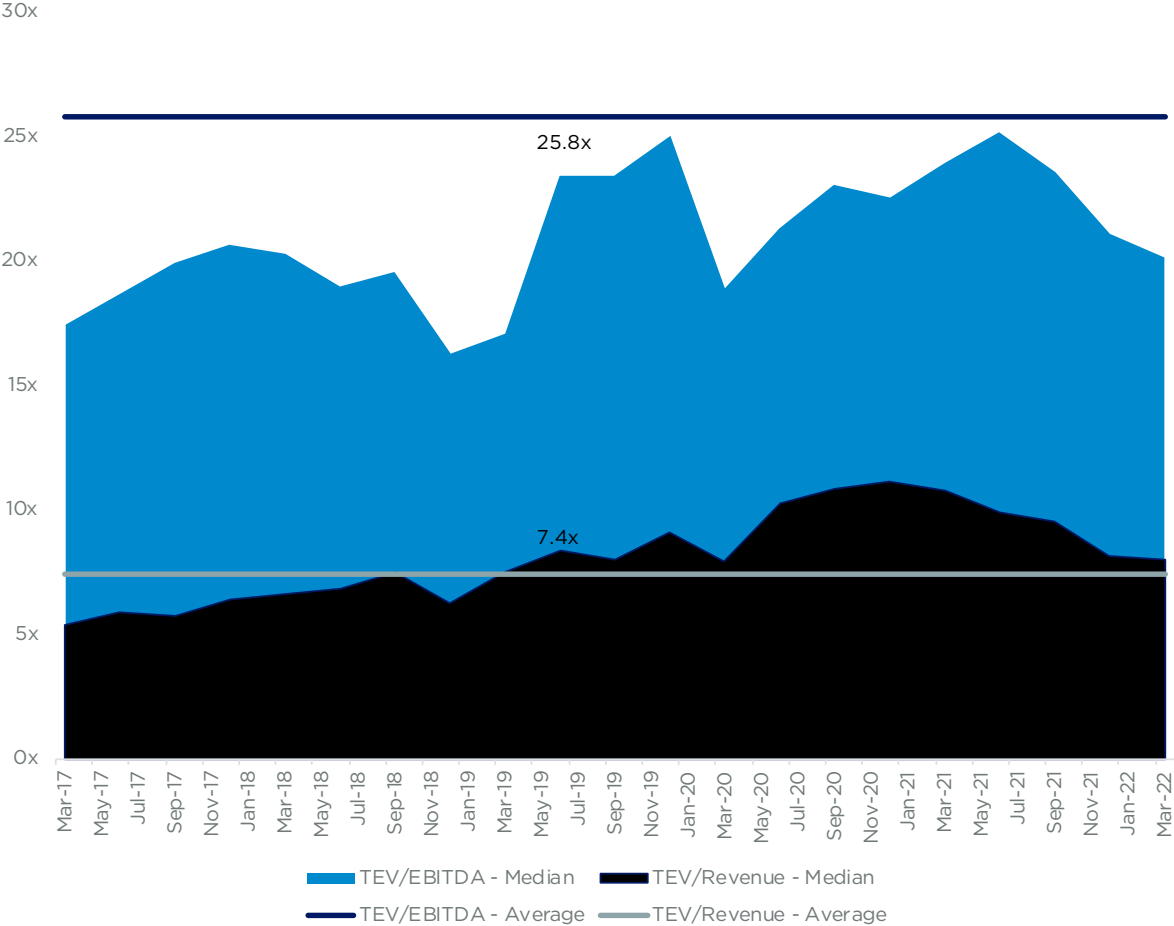
 **Adobe**

Public Basket

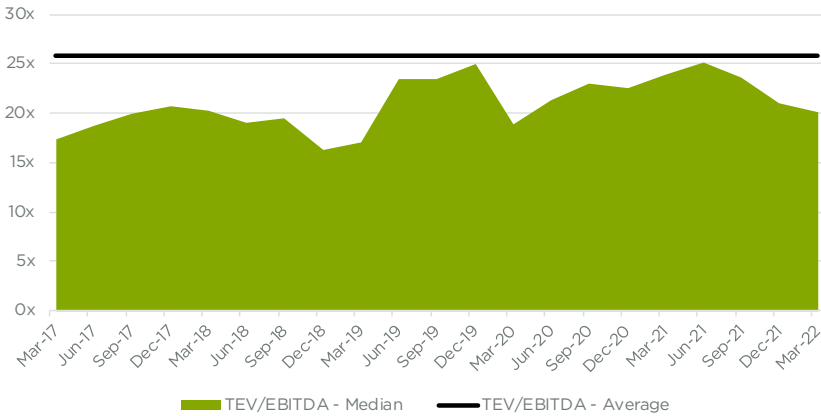
Company	TEV \$m	LTM EBITDA \$m	LTM Rev \$m	Rev Growth YoY	GP %	EBITDA %	TEV / Rev X	TEV / EBITDA X	# FTEs	Rev / FTE \$k
Alteryx	4,319	-122	536	8.2%	89.6%	-22.7%	8.1x	#N/A	2,000	268
Fair Isaac	13,694	556	1,326	1.4%	76.5%	41.9%	10.3x	24.6x	3,516	377
Splunk	21,047	-1,070	2,518	10.6%	72.5%	-42.5%	7.9x	#N/A	7,500	336
SAP	136,341	7,623	32,918	1.8%	71.5%	23.2%	4.1x	17.9x	107,415	306
International Business Machines	159,462	12,357	57,351	3.9%	54.9%	21.5%	2.8x	12.9x	307,600	186
Adobe Systems	195,552	6,362	15,785	22.7%	88.2%	40.3%	12.4x	30.7x	25,988	607
Alphabet	1,609,379	102,022	257,637	41.2%	56.9%	39.6%	6.2x	15.8x	156,500	1,646
Microsoft	2,038,331	90,791	184,903	20.6%	68.8%	49.1%	11.0x	22.5x	181,000	1,022
Average	522,266	27,315	69,122	13.8%	72.4%	18.8%	7.9x	20.7x	98,940	594
Median	147,902	6,993	24,351	9.4%	72.0%	31.4%	8.0x	20.2x	66,702	356

share price as of 15Mar22

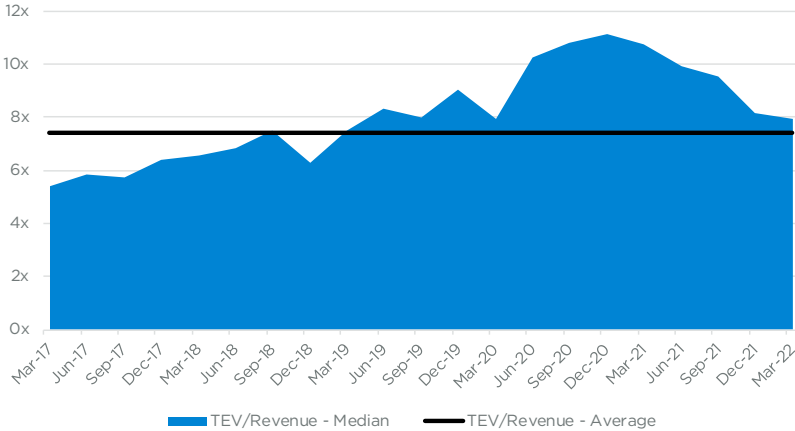
Public Basket



Public EBITDA Multiples over Time

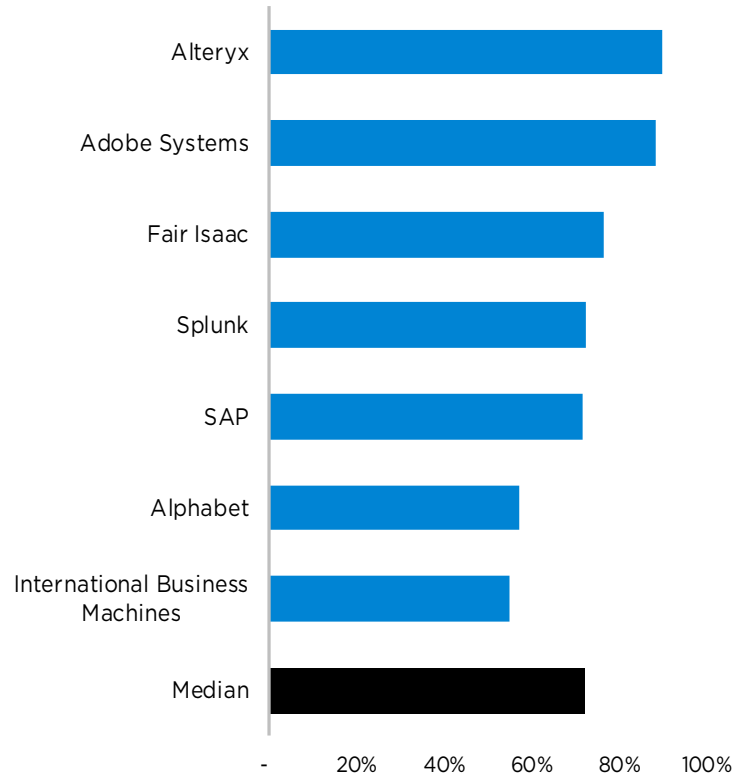


Public Revenue Multiples over Time

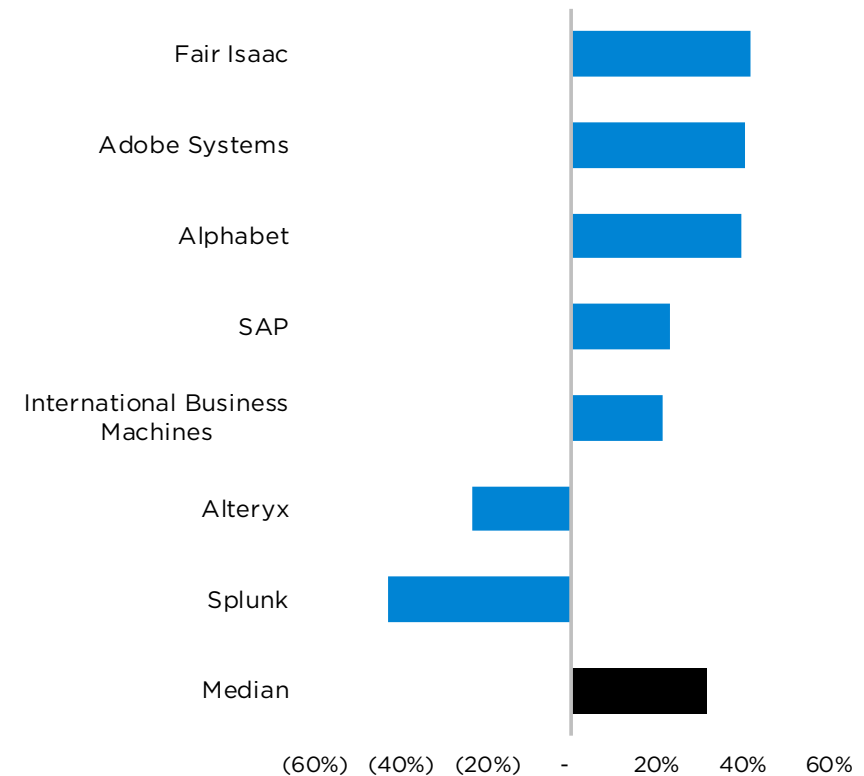


Operational Metrics

LTM Gross Profit Margin %

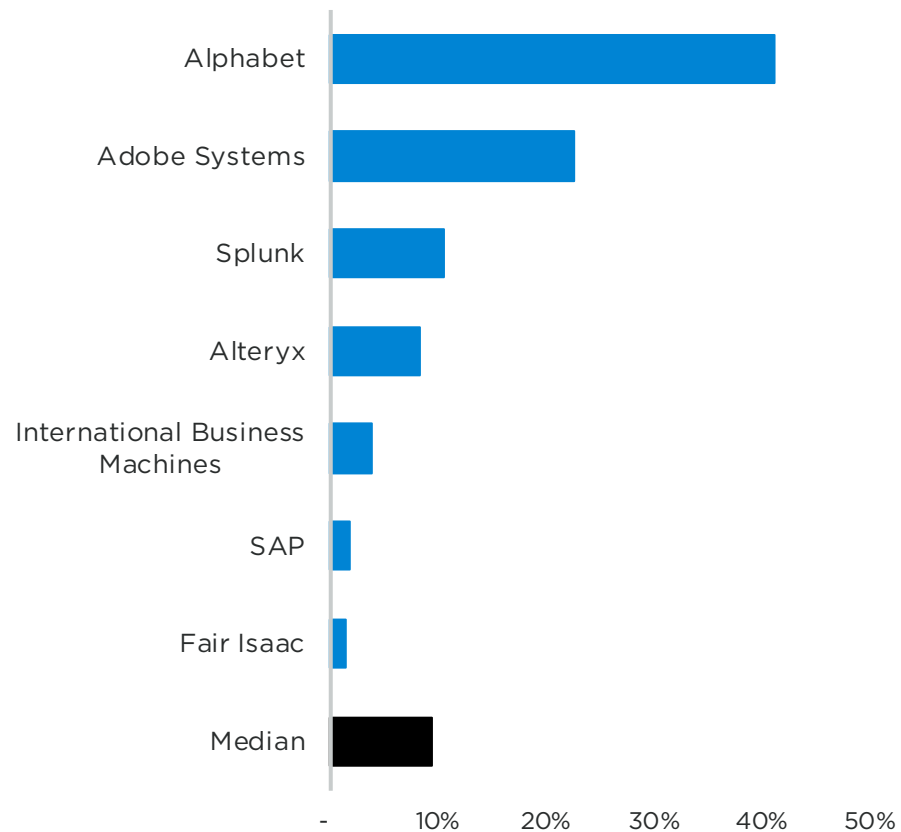


LTM EBITDA %

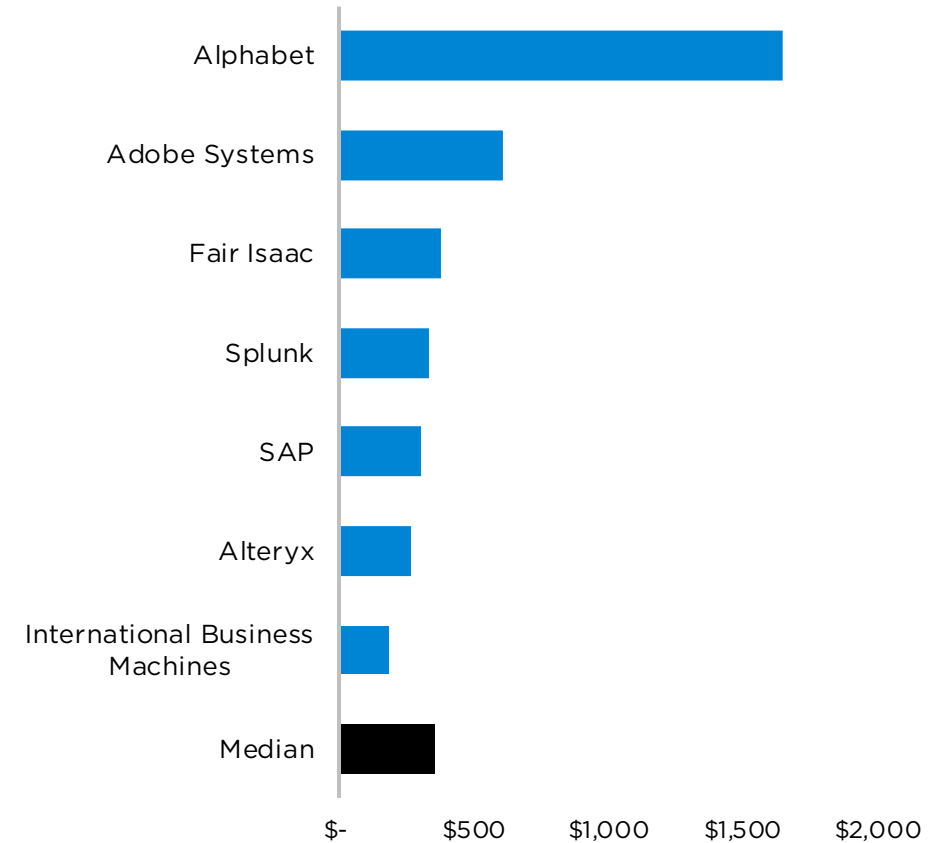


Operational Metrics

LTM Revenue Growth %

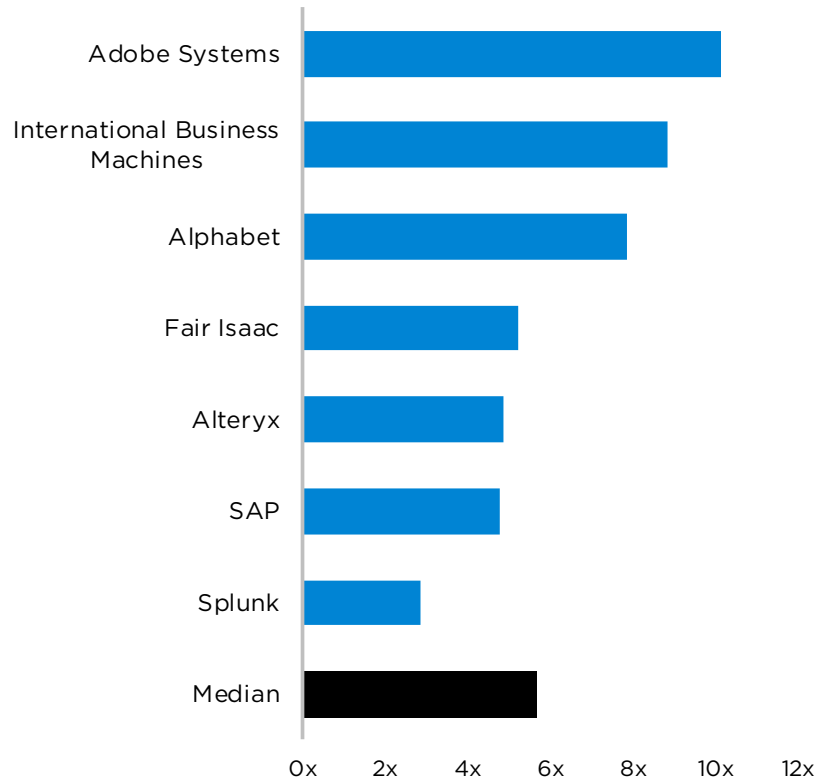


LTM Revenue per Full Time Employee x 000's

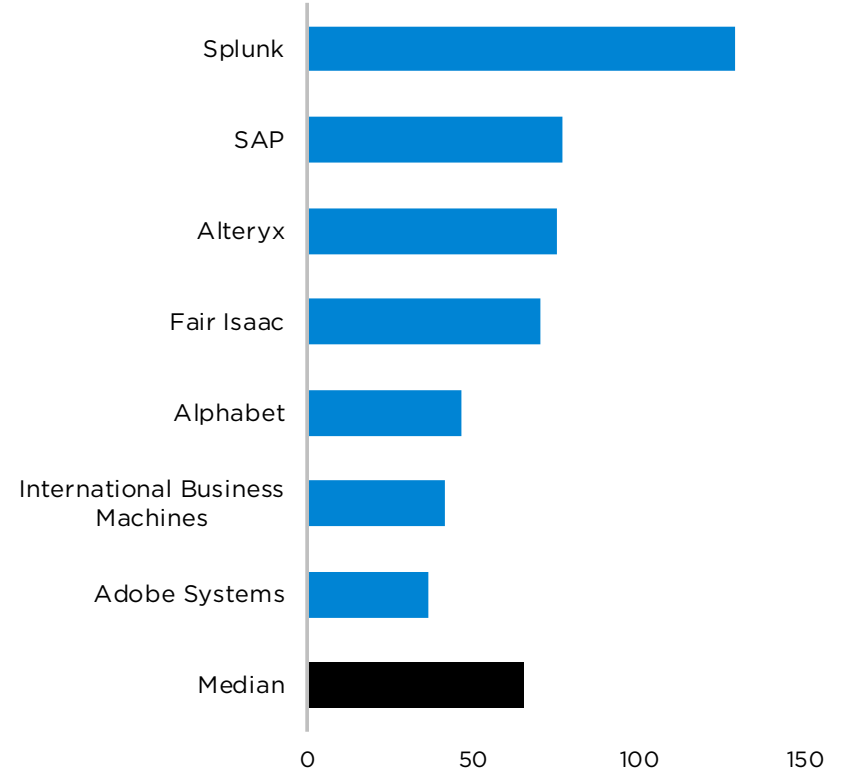


Operational Metrics

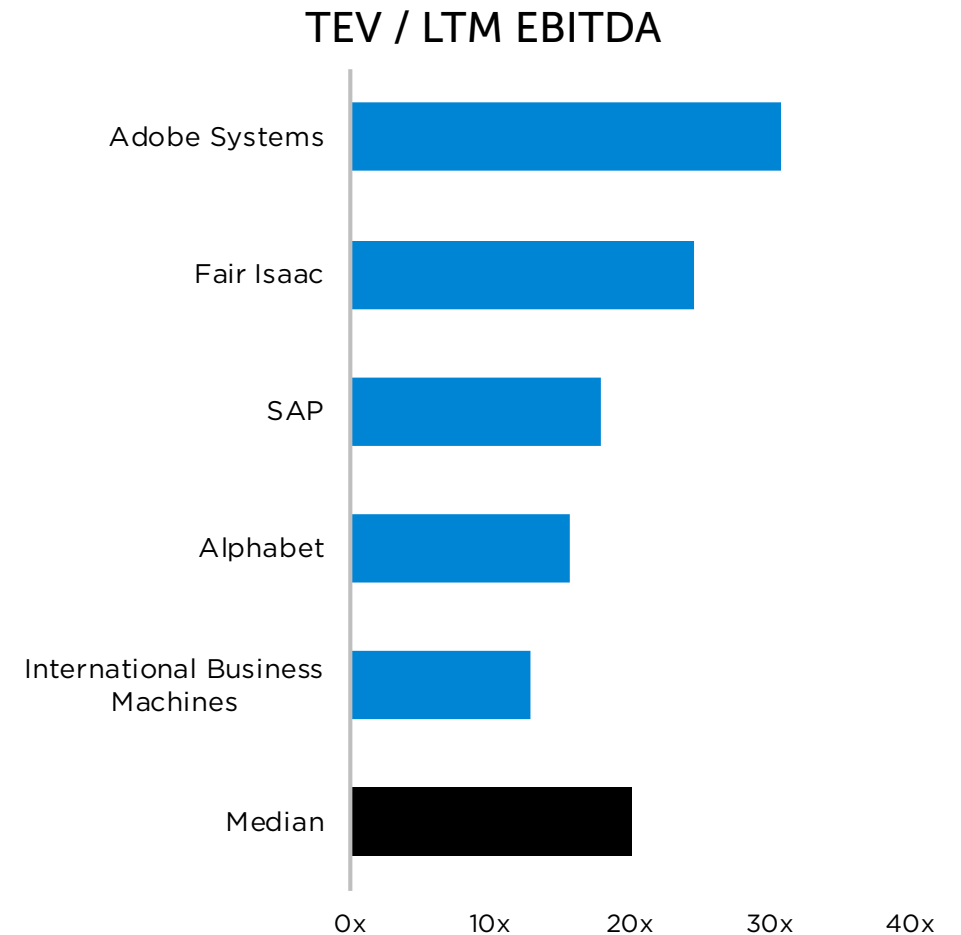
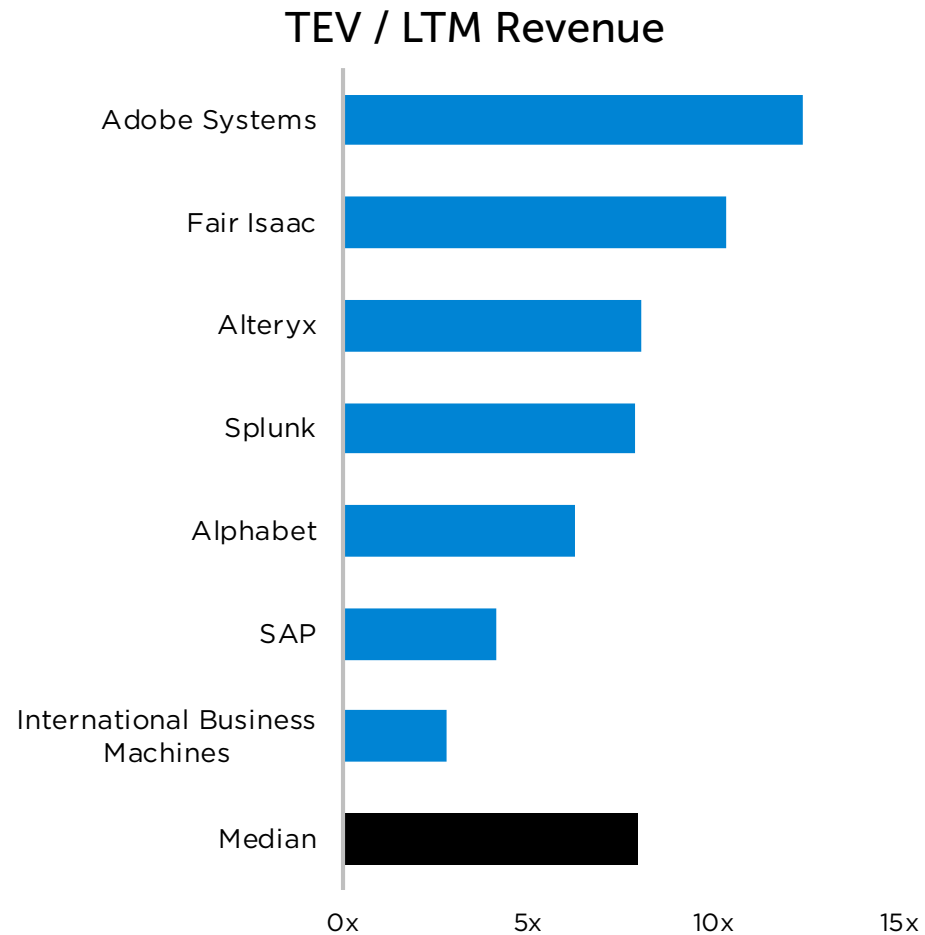
Accounts Receivable Turnover



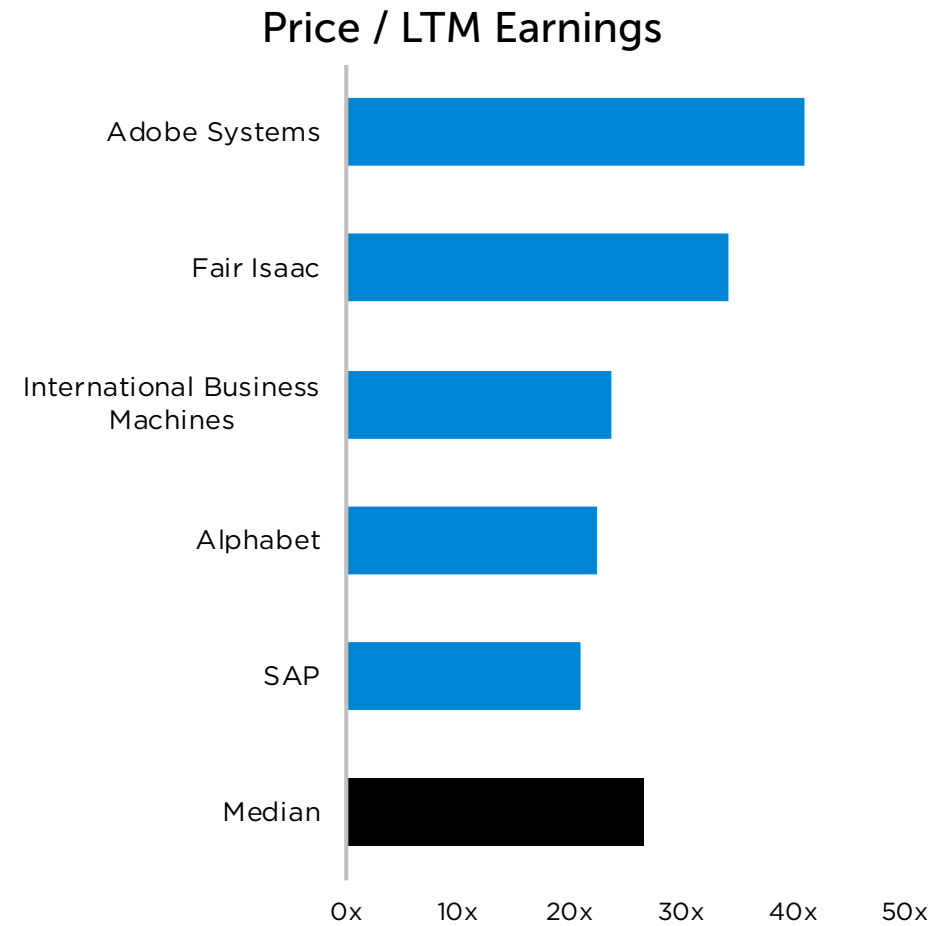
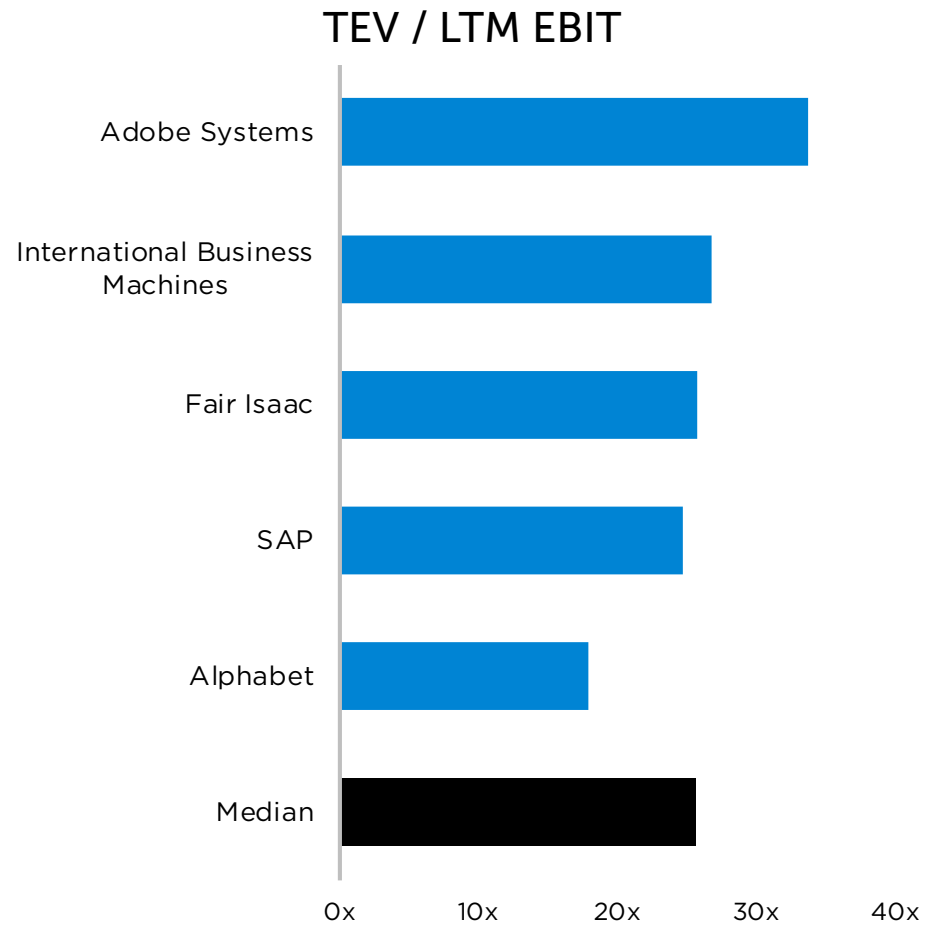
Average Days Sales Outstanding



Valuation

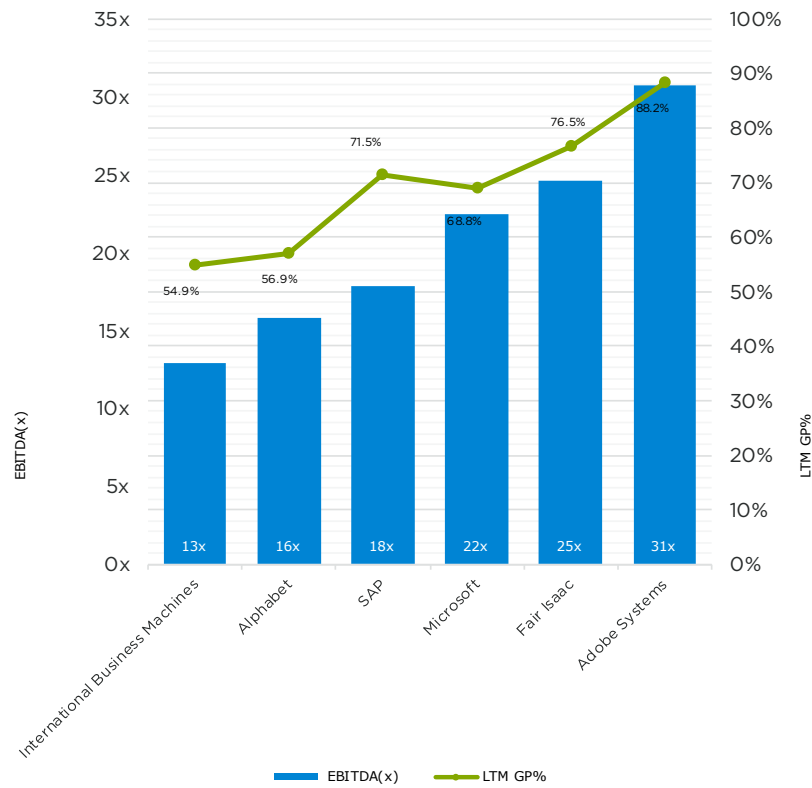


Valuation

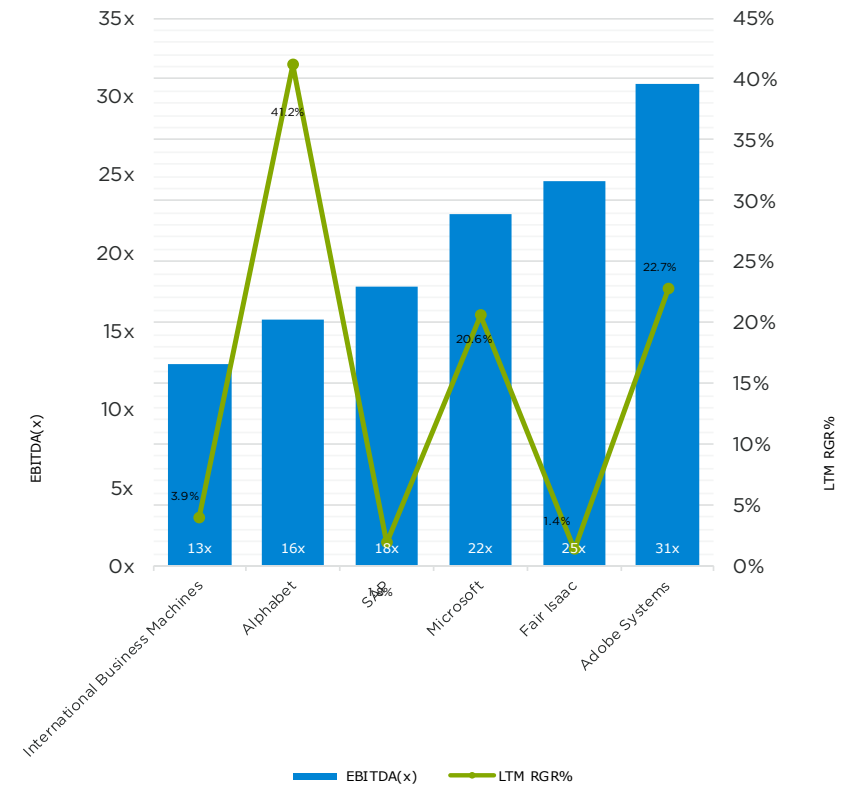


Valuation

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
23-Feb-22	R.R. Donnelley & Sons	Chatham Asset Management	1,955.23	4,935.10	0.00	6.58
22-Feb-22	Upstream Logix	SentiLink	-	-	-	-
18-Feb-22	Analytical Wizards	Advent International	65.00	-	-	-
02-Feb-22	Accentf(x) Marketing	After (Norwalk)	-	-	-	-
02-Feb-22	Spike (Chile)	Bain & Company	-	-	-	-
19-Jan-22	Cognitive Solutions and Innovation	ei3	-	-	-	-
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	-	-	-	-
22-Dec-21	Covail	GoSecure	-	-	-	-
17-Dec-21	Captivate Audio	Global Radio	10.65	-	-	-
17-Dec-21	Rebate.ai	Chicago Pacific Founders	-	-	-	-
16-Dec-21	digi.me	Innovate Me	-	-	-	-
14-Dec-21	initions	Genui Partners	-	-	-	-
13-Dec-21	AgileAssets	Trimble	237.50	-	-	-
02-Dec-21	Kio Networks	I Squared Capital	-	-	-	-
24-Nov-21	Inovalon Holdings	22C Capital	7,300.00	749.59	0.00	33.83
10-Nov-21	Standav	Bain Capital	-	-	-	-
26-Oct-21	Geocent	DFW Capital Partners	-	-	-	-
07-Oct-21	HealthReveal	Accolade	-	-	-	-
06-Oct-21	RxDataScience	Syneos Health	62.00	-	-	-
06-Oct-21	Systems Planning and Analysis	Arlington Capital Partners	-	-	-	-
14-Sep-21	Exom Group	Clinscience	15.56	-	-	-
24-Aug-21	Trusted Concepts	The Carlyle Group	-	-	-	-
19-Aug-21	Novetta	Accenture	1,000.00	-	0.00	-

Appendix

*Public Basket
Contact Information*



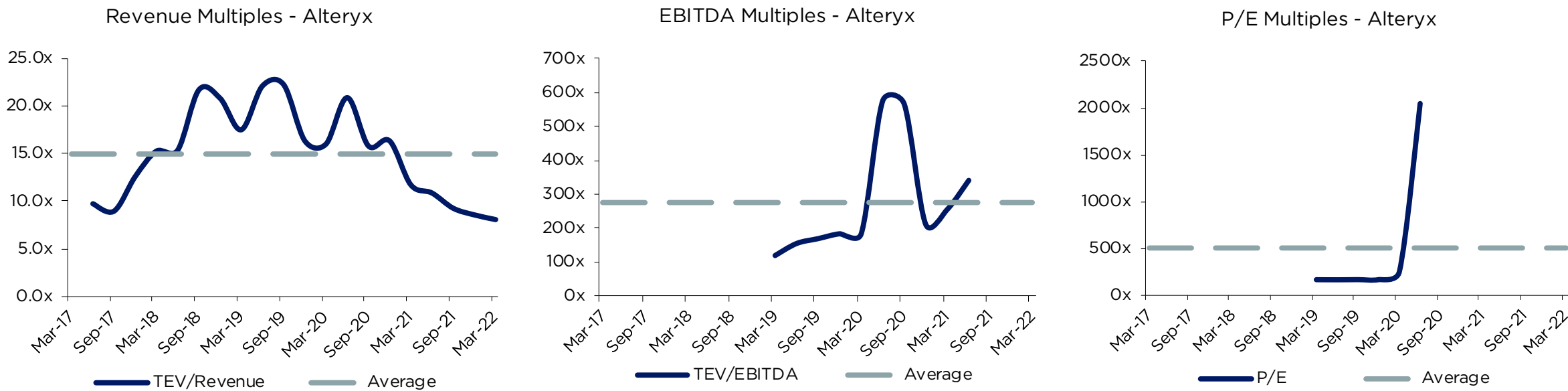
Alteryx

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, 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
Trifacta	07-Feb-22	The company was acquired by Alteryx (NYS: AYX) for \$400 million on February 7, 2022.
Lore IO	22-Oct-21	The company was acquired by Alteryx (NYS: AYX) for an undisclosed amount on October 22, 2021.

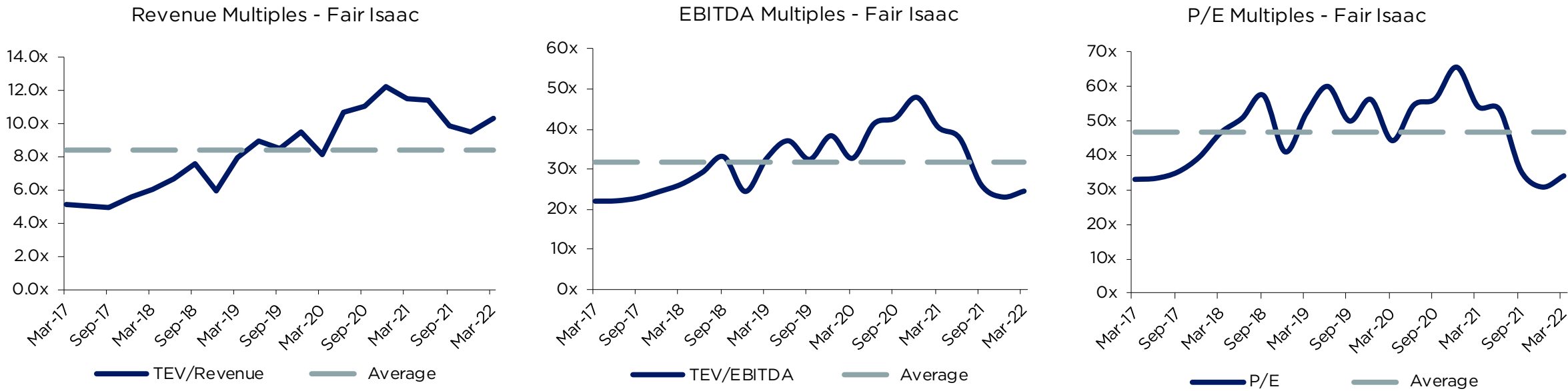
Fair Isaac

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

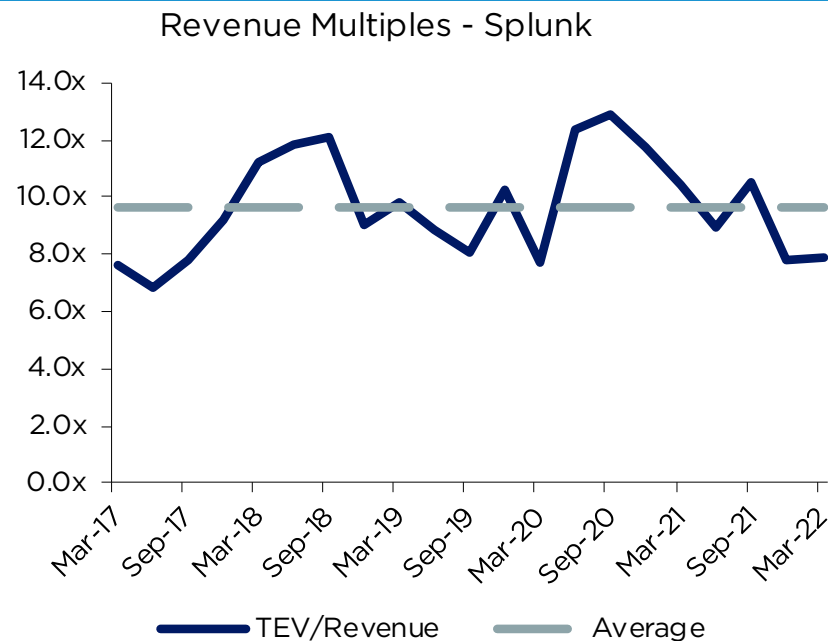


Company Name	Date	Deal Synopsis
GoOn	12-Dec-18	The company was acquired by Fair Isaac (NYS: FICO) for an undisclosed amount on December 12, 2018. The acquisition will enable the acquirer to grow in areas of Brazil and Latin America.
QuadMetrics	19-May-16	The company was acquired by FICO for \$5.7 million 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, HardYaka and Real Ventures on July 1, 2021. DCVC and August Capital also participated in the round.

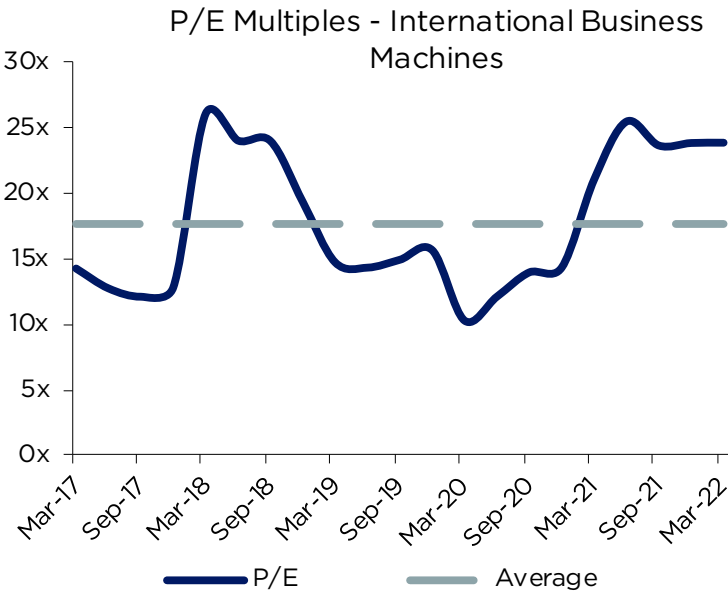
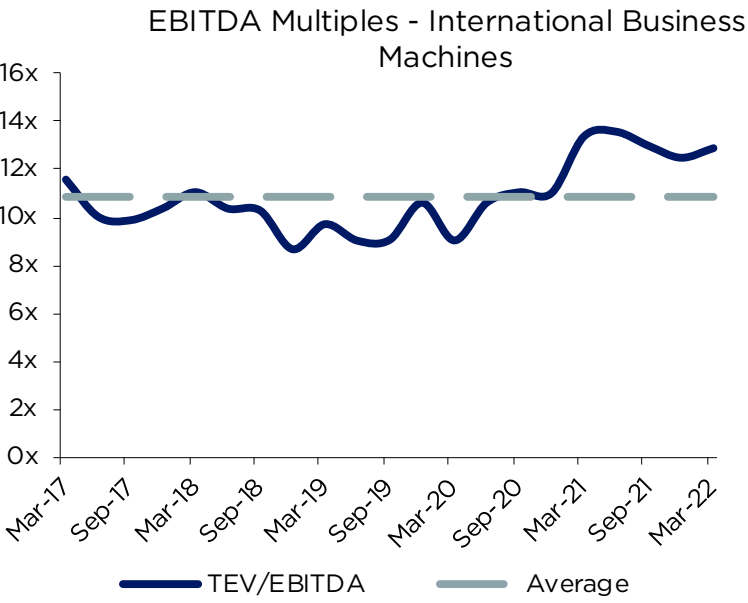
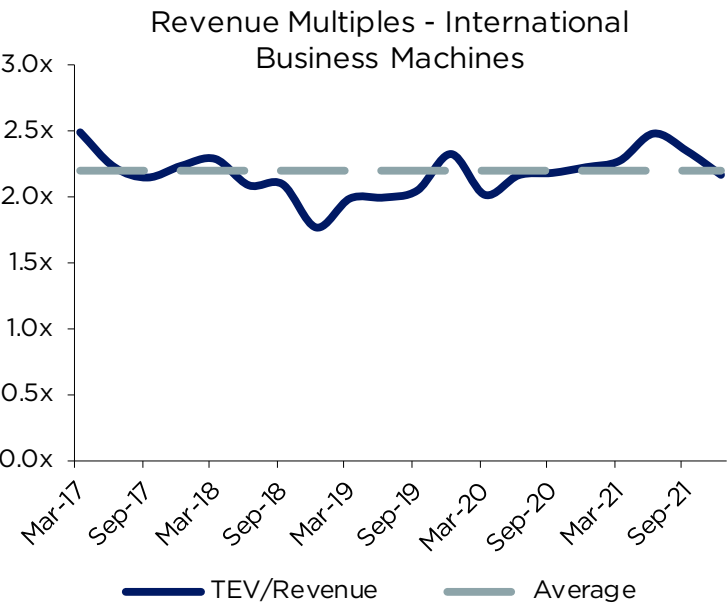
International Business Machines

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
Sentaca	31-Jan-22	The company was acquired by International Business Machines (NYS: IBM) for an undisclosed amount on January 31, 2022. The acquisition enables International Business Machines strengthen its position as a prime systems integrator for the emerging network and 5G market.
Envizi	11-Jan-22	The company was acquired by International Business Machines for an undisclosed amount on January 11, 2022.

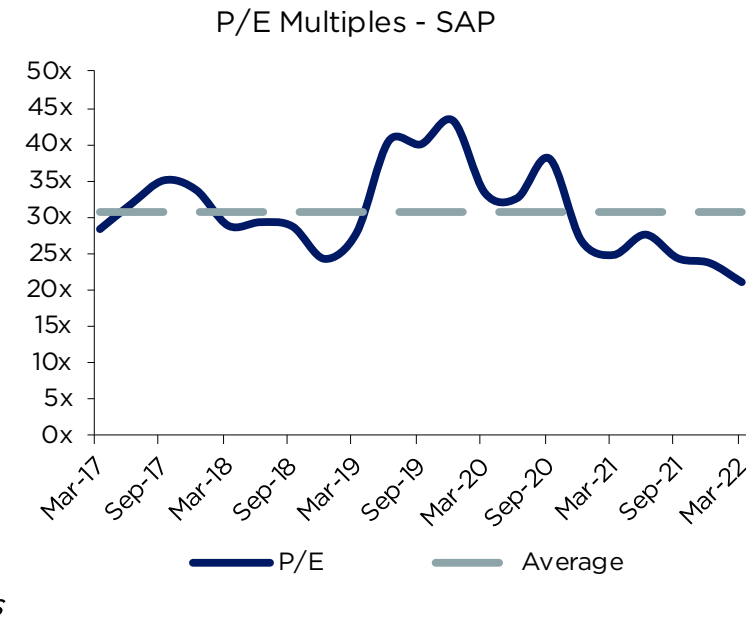
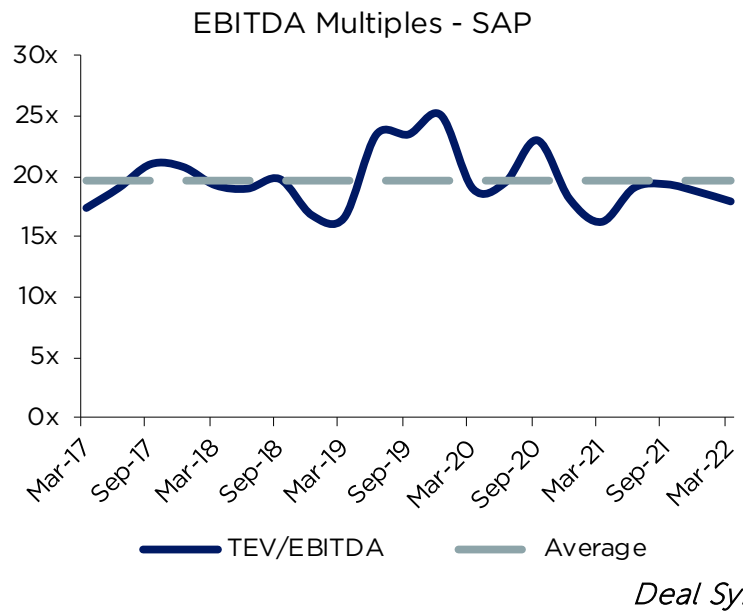
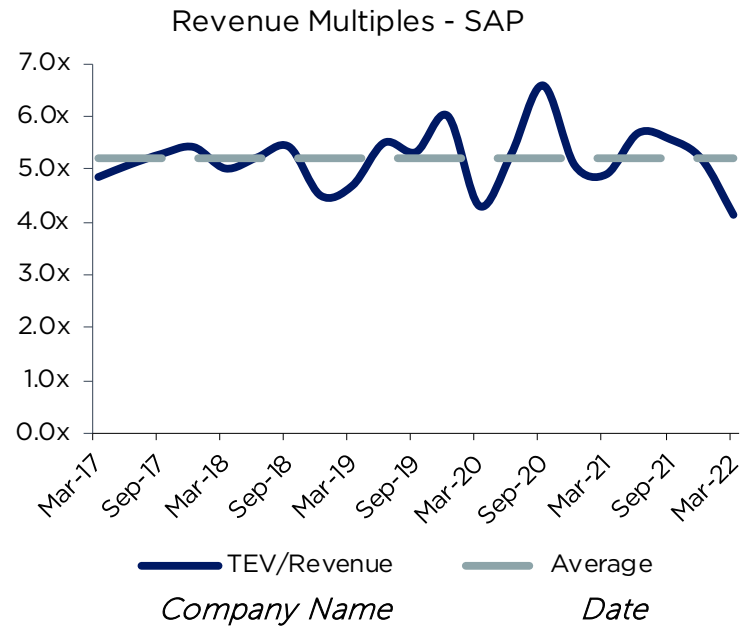
SAP

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



Icertis

04-Feb-22

The company raised \$80 million of venture funding from SAP and other undisclosed investors on February 4, 2022.

Taulia

27-Jan-22

The company reached a definitive agreement to be acquired by SAP (NYSE: SAP) on January 27, 2022.

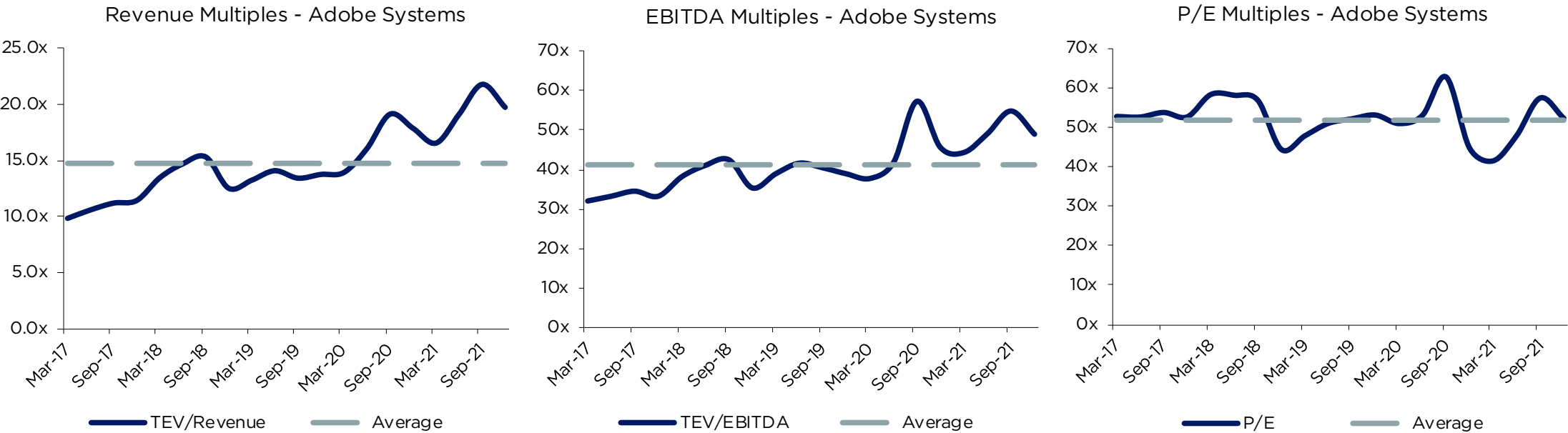
Adobe Systems

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.

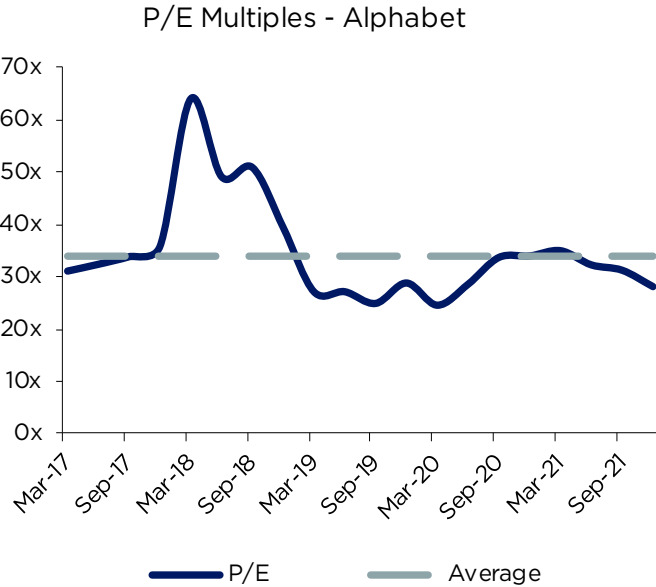
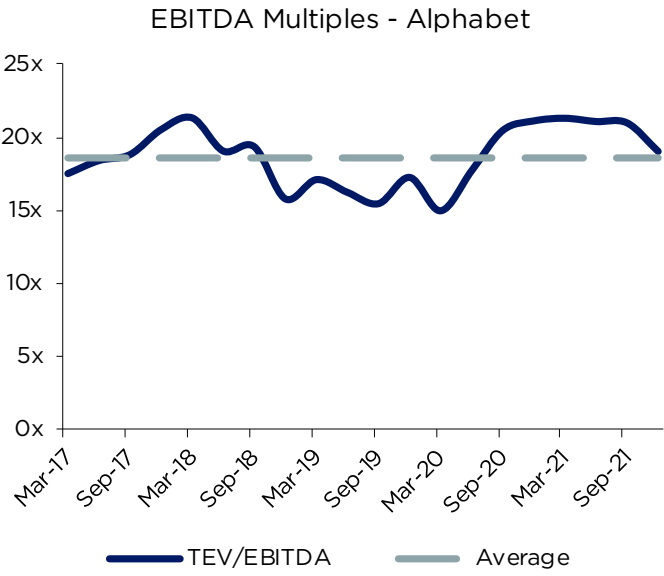
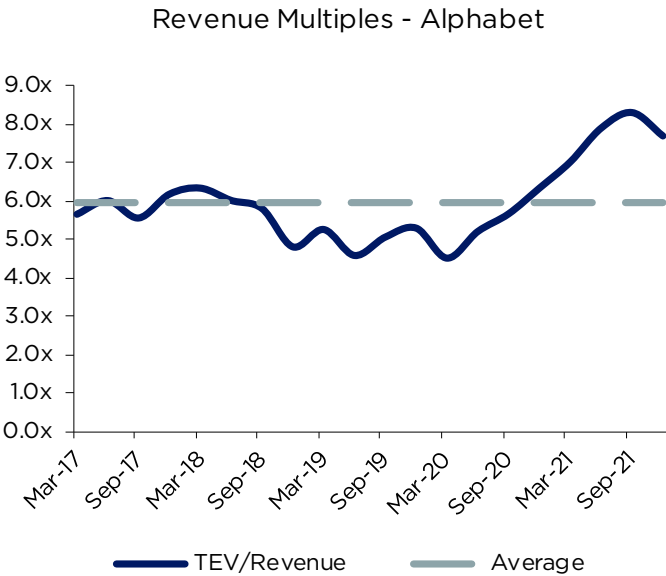
Alphabet

Alphabet Inc 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
Mandiant	08-Mar-22	The company reached a definitive agreement to be acquired by Alphabet (NAS: GOOGL) for \$5.4 billion on March 8, 2022. The acquisition of Mandiant will complement Google Cloud's existing strengths in security.
Cash Flow Portal	10-Feb-22	The company raised \$3.5 million of seed funding from Coinbase, Lyft, and Alphabet on February 10, 2022. Other undisclosed investors also participated in this round.

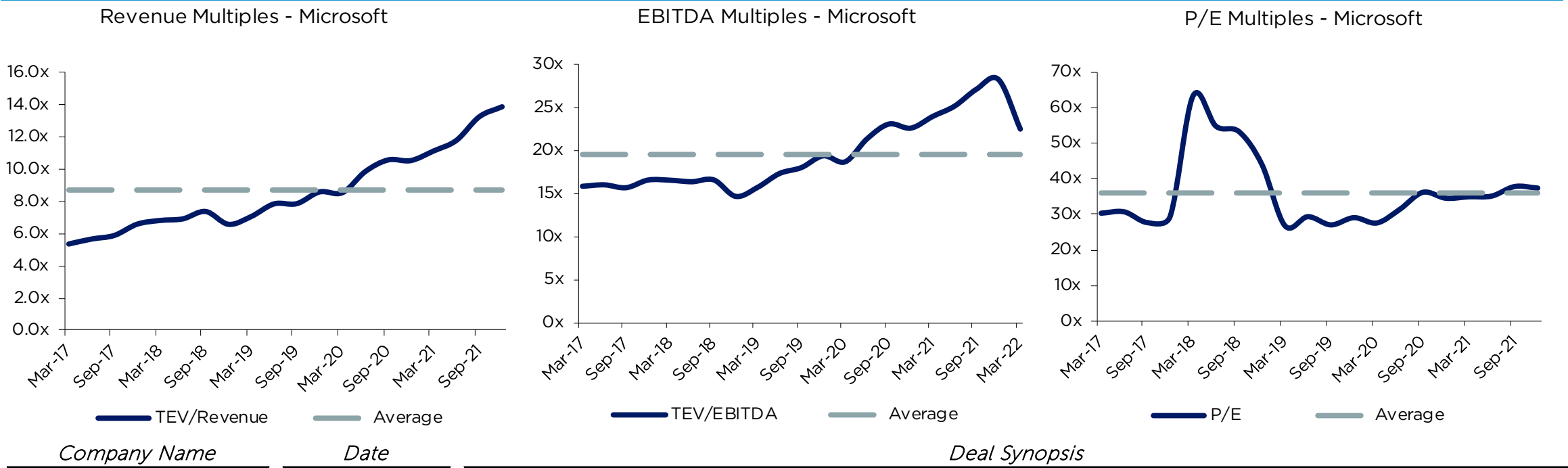
Microsoft

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



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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