While the Big Data headlines continue to be dominated by topics such as artificial intelligence (“AI”), machine learning, and blockchain, Gartner’s 2018 CIO Survey recently concluded some surprising phenomenon. For example, the #1 “top differentiating technology” for companies surveyed is still Business Intelligence (and has been for over a decade now), while AI came in at #7. Additionally, 451 Research recently forecasted the total data market would surpass $146 billion by 2022, representing a 10%+ CAGR (3x the growth rate expected for overall global IT spending through 2020) from the 2017 figure of $89 billion.

While AI, machine learning, and other next-generation analytics applications are certainly becoming more and more important, there are many large organizations globally that just haven’t gotten to the point in their digital transformation journey where they can focus on those types of cutting-edge applications. Instead, a much larger focus for CIOs today is centered around cloud adoption and governance. However, only 20% of CIOs are looking to the cloud as a replacement strategy, while 80% of enterprises are managing heterogenous data portfolios that combine traditional data warehousing (e.g., IBM) with contemporary platforms like Hadoop combined with cloud services from Amazon / Google / Microsoft.

As the role of the CIO continues to evolve into being more focused on revenue generation and innovation, Clearsight expects increasing investment and M&A for digital leaders. Through the first four months of 2018, public companies alone have spent over $120 billion on technology acquisitions, which is more than any start to a year since 2006 (besides 2015).
Q1 2018 – Salesforce Signs Definitive Agreement to Acquire MuleSoft

Transaction Summary
Salesforce (NYSE: CRM) and MuleSoft (NYSE: MULE), the provider of one of the leading platforms for building application networks, have entered into a definitive agreement under which Salesforce will acquire MuleSoft for an enterprise value of approximately $6.5 billion. MuleSoft will power the new Salesforce Integration Cloud, which will enable enterprises to uncover data to drive deep and intelligent customer experiences.

TARGET MuleSoft
MuleSoft is a developer of a cloud-based application integration platform designed to connect organizational applications, data, and devices. The company’s platform offers an integration software suite for connecting any application, data source, or device using APIs.

BUYER Salesforce
Salesforce is a provider of customer relationship management software. The company offers a platform for customers and developers to build and run business applications. Based in San Francisco, the Company employs over 29,000 people.

Deal Overview
Announced Date 20-Mar-2018
Deal Size $6.5 bn
% of Cash 80%
% of Stock 20%
EV / TTM Revenue 21.9 x

Salesforce Share Price (2/1 – 4/1)

Deal Analysis
Salesforce's purchase of MuleSoft places the Company at the heart of digital transformation. The acquisition of MuleSoft will accelerate customers’ digital transformations, enabling them to unlock data across legacy systems, cloud apps, and devices to make smarter, faster decisions, and create highly differentiated, connected customer experiences.

While some companies have already made inroads shifting to the cloud and digitizing business processes, many remain lagging due to the difficulty in integrating legacy infrastructure, automating processes, and managing data growth. Together, Salesforce and MuleSoft can play a large role for businesses that still have not formalized digital transformation strategies.

This transaction highlights a growing trend in the Big Data landscape of large strategic buyers aggressively pursuing next generation platforms in order to rapidly build their capabilities in emerging technologies.

With relatively low free cash flow compared to competitors, Salesforce will likely experience difficulty in future competitive acquisition opportunities. This has hurt Salesforce in the past, specifically during the bidding process of LinkedIn where Microsoft ultimately won out. Looking forward, Salesforce will have to become a picky buyer about large, transformational deals such as the MuleSoft transaction. Improving margins and cash flow will be a critical item not only for the Company’s M&A strategy, but also for the sustainability of its high growth trajectory.

Source: Public Filings as of 31-Mar-2018, CapitalIQ, 451Research

CLEARSIHG MONITOR | Big Data Industry | Q1 2018
### Q1 2018 Select Big Data / Data Analytics Software M&A Transactions

<table>
<thead>
<tr>
<th>Announced</th>
<th>Target</th>
<th>Buyer</th>
<th>Target Description / Deal Rationale</th>
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</thead>
<tbody>
<tr>
<td>3/27/2018</td>
<td>fluidOps Veritas</td>
<td></td>
<td>fluid Operations offers an open platform allowing for the semantic integration of structured and unstructured data across business and IT stacks. The acquisition enhances Veritas' 360 Data Management strategy and brings additional capabilities to its portfolio in the areas of artificial intelligence and machine learning.</td>
</tr>
<tr>
<td>3/23/2018</td>
<td>Lavastorm Analytics Infogix</td>
<td></td>
<td>Lavastorm Analytics operates as an agile data management and analytics software company. The acquisition provides Infogix a deeper set of capabilities across data preparation and data analytics to help businesses gain a competitive advantage by swiftly unlocking the potential of their data.</td>
</tr>
<tr>
<td>3/22/2018</td>
<td>Zodiac Nike</td>
<td></td>
<td>Zodiac provides a predictive analytics solution that accurately forecasts individualized customer lifetime value based on real-time sales data. The acquisition helps Nike accelerate its &quot;Consumer Direct Offense&quot; strategy to serve customers faster and more personally at scale.</td>
</tr>
<tr>
<td>3/8/2018</td>
<td>plixer BV</td>
<td></td>
<td>plixer International develops and markets network traffic monitoring and analysis tools worldwide. Battery Ventures is a global, technology-focused investment firm with over $7.3 billion of capital under management.</td>
</tr>
<tr>
<td>3/6/2018</td>
<td>Kensho S&amp;P Global</td>
<td></td>
<td>Kensho Technologies provides analytics, artificial intelligence, machine learning, and data visualization systems to global banks and investment institutions. The acquisition will strengthen S&amp;P Global's emerging technology capabilities, enhance its ability to deliver essential, actionable insights, and accelerate efforts to improve efficiency and effectiveness of its core internal operations.</td>
</tr>
<tr>
<td>2/20/2018</td>
<td>panjiva S&amp;P Global</td>
<td></td>
<td>Through its Global Trade Intelligence Platform, Panjiva offers business intelligence and big data analytics of global supply chain activity and relationships. The transaction will enhance S&amp;P Global Market Intelligence's robust data and analytical offerings.</td>
</tr>
<tr>
<td>2/14/2018</td>
<td>Placecast Emodo</td>
<td></td>
<td>1020 owns and operates Placecast, a location intelligence platform for data management, data analytics, and advertising services on mobile devices. The combined company creates a market-leading, data-driven business which specializes in monetizing mobile operator data to empower both advertisers and publishers.</td>
</tr>
<tr>
<td>2/5/2018</td>
<td>Argyle MAVENIR</td>
<td></td>
<td>Argyle Data offers a real-time big data analytics platform for the processing and analysis of time-critical data. The acquisition enhances Mavenir's existing 5G, security, and signaling machine learning suite to offer next generation revenue protection for mobile network operators and their subscribers.</td>
</tr>
<tr>
<td>1/31/2018</td>
<td>Performance Matters PeopleAdmin</td>
<td></td>
<td>Performance Matters provides data warehousing and business intelligence solutions for various organizations. With Performance Matters' award-winning tools and analytics, the integrated company will be the first organization to directly link educator and student performance.</td>
</tr>
<tr>
<td>1/30/2018</td>
<td>Angoss Datawatch</td>
<td></td>
<td>Angoss Software provides predictive analytics software and solutions to a variety of industries. The acquisition will augment Datwatch's Monarch data intelligence offering with expanded capabilities that enable data scientists to perform predictive and prescriptive analytics in a wide variety of enterprise applications.</td>
</tr>
<tr>
<td>1/29/2018</td>
<td>CallidusCloud SAP</td>
<td></td>
<td>CallidusCloud provides cloud-based sales, marketing, learning, and customer experience solutions worldwide. CallidusCloud is a synergistic addition to SAP's portfolio and significantly strengthens SAP's position in the customer relationship management space.</td>
</tr>
</tbody>
</table>

Source: Public filings as of 31-Mar-2018, CapitalIQ
### FEATURED TRANSACTIONS

#### Q1 2018 Select Big Data / Data Analytics Software M&A Transactions (Cont.)

<table>
<thead>
<tr>
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<th>Target</th>
<th>Buyer</th>
<th>Target Description / Deal Rationale</th>
</tr>
</thead>
<tbody>
<tr>
<td>1/23/2018</td>
<td>Sqrrl Data</td>
<td>amazon web services</td>
<td>Sqrrl Data, a threat hunting company, enables organizations to target, hunt, and disrupt advanced cyber threats. The acquisition will expand AWS’ services in providing advanced threat hunting capabilities.</td>
</tr>
<tr>
<td>1/12/2018</td>
<td>X15 Software</td>
<td>FireEye</td>
<td>X15 Software develops a machine and log data management platform, which combines search and analytic query capabilities. The transaction will add significant data management capabilities and provide customers with an open platform for integrating machine-generated data that can easily incorporate new security technologies and big data sources.</td>
</tr>
<tr>
<td>1/3/2018</td>
<td>Avere Systems</td>
<td>Microsoft</td>
<td>Avere Systems provides cloud file storage infrastructure products. Avere’s storage expertise with the power of Microsoft’s cloud will benefit customers from industry-leading innovations that enable the largest, most complex high-performance workloads to run in Microsoft Azure.</td>
</tr>
</tbody>
</table>

#### Q1 2018 Select Big Data / Data Analytics Software Capital Raise Transactions

<table>
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<tr>
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<th>Investor</th>
<th>Target Description / Deal Rationale</th>
</tr>
</thead>
<tbody>
<tr>
<td>3/23/2018</td>
<td>T.RowePrice</td>
<td>Tempus offers a health care data analytics platform designed to improve patient outcomes, starting with cancer. The company raised $80 million of Series D venture funding in a deal led by T. Rowe Price Associates.</td>
</tr>
<tr>
<td>3/21/2018</td>
<td>BNP PARIBAS</td>
<td>Digital Reasoning offers an artificial intelligence cognitive computing platform. The company received $30 million of Series D-1 and Series D-2 development capital from lead investor BNP Paribas.</td>
</tr>
<tr>
<td>3/15/2018</td>
<td>Walden International</td>
<td>SambaNova Systems provides a computing platform designed to power machine learning and data analytics. The company raised $57 million of Series A venture funding in a deal led by Walden International and GV.</td>
</tr>
<tr>
<td>2/28/2018</td>
<td>KPCB</td>
<td>Mist Systems offers a wireless technology platform designed to automate enterprise IT operations. The company raised $46 million of Series C funding in a deal led by Kleiner Perkins Caufield &amp; Byers.</td>
</tr>
<tr>
<td>1/31/2018</td>
<td>Accel, DB1 Ventures and Ericsson Ventures</td>
<td>Trifacta offers a platform created to radically improve the efficiency of wrangling data. The company raised $48 million of Series D venture funding from Accel, DB1 Ventures and Ericsson Ventures.</td>
</tr>
<tr>
<td>1/29/2018</td>
<td>Insight Venture Partners and Eight Roads Ventures</td>
<td>Duco provides a cloud-based data engineering platform designed to make managing data easy. The company raised $28 million of venture funding in a deal led by Insight Venture Partners and Eight Roads Ventures.</td>
</tr>
<tr>
<td>1/25/2018</td>
<td>Altimeter, ICONIQ Capital and Sequoia Capital</td>
<td>Snowflake provides a SaaS-based cloud data warehousing platform designed to safely and efficiently store, transform, and analyze business data. The company raised $263 million of Series E venture funding in a deal led by Altimeter, ICONIQ Capital and Sequoia Capital.</td>
</tr>
<tr>
<td>1/23/2018</td>
<td>Norwest Venture Partners</td>
<td>Dremio offers a self-service data analytics platform designed to create a new approach to data analytics that prioritizes users experience, simplicity, and scalability. The company raised $25 million of Series B venture funding in a deal led by Norwest Venture Partners.</td>
</tr>
<tr>
<td>1/17/2018</td>
<td>TPG Growth, Sutter Hill and Breyer Capital</td>
<td>C3 IoT provides a next-generation, cloud-based enterprise Platform as a Service designed to rapidly deploy big data, AI, and IoT applications. The company raised $106 million of Series F and Class A venture funding from TPG Growth, Sutter Hill and Breyer Capital.</td>
</tr>
<tr>
<td>1/11/2018</td>
<td>Scale Venture Partners</td>
<td>Unbabel offers an artificial intelligence powered human translation platform created to build multilingual understanding between companies and their customers. The company raised $23 million of Series B venture funding in a deal led by Scale Venture Partners.</td>
</tr>
</tbody>
</table>

Source: Public filings as of 31-Mar-2018, CapitalIQ
### Q1 2018 Select Big Data / Data Analytics Services M&A Transactions

<table>
<thead>
<tr>
<th>Announced</th>
<th>Target</th>
<th>Buyer</th>
<th>Target Description / Deal Rationale</th>
</tr>
</thead>
</table>
| 3/22/2018 | Cartesian | Blackstreet |▫ Cartesian provides consulting services and managed solutions to communications, digital media, and technology sectors  
▪ Blackstreet Capital Management is a private equity firm based in Chevy Chase, MD |
| 3/13/2018 | Hedgehog Analytics | Glantus |▫ Hedgehog Analytics provides data science analytics and consultancy services to financial services, pharmaceuticals, marketing, and advertising sectors  
▪ The deal provides Glantus with a significant footprint in the United States and presents an unique opportunity to scale in the coming years |
| 2/7/2018 | Mettle Consulting | Reputation Institute |▫ Mettle Consulting provides big data analytics and social media consulting services  
▪ The acquisition will bring digital data science to Reputation Institute’s RepTrak reputation measurement methodology |
| 2/5/2018 | LiquidHub | Capgemini |▫ LiquidHub, a digital customer engagement firm, specializes in developing and delivering compelling customer experiences  
▪ The acquisition reinforces Capgemini’s Digital Consulting capabilities in North America and accelerates its portfolio shift in the region |
| 1/30/2018 | THOMSON REUTERS | Blackstone |▫ AF&R Business of Thomson Reuters Corporation comprises business segment supplying news, data, and analytics to banks and investment houses  
▪ Blackstone is a multinational private equity firm with ~$450 billion of capital under management |
| 1/10/2018 | Northwest Cadence | 10th Magnitude |▫ Northwest Cadence offers cloud integration and data analytics services to software delivery teams  
▪ The acquisition will accelerate and deepen 10th Magnitude’s complete managed platform of transformed and automated infrastructure, applications, and data |
| 1/10/2018 | CBIG Consulting | Trianz |▫ CBIG Consulting provides business intelligence and big data analytics solutions  
▪ The acquisition is part of Trianz’ ongoing strategy to scale its digital transformation services portfolio comprising of Cloud, Analytics, Digitalization, Infrastructure, and Security services |
| 1/9/2018 | GCR | HKW |▫ GCR provides consulting services and technology solutions to corporations, governments, airports, utilities, and organizations worldwide  
▪ Hammond, Kennedy, Whitney & Company is a middle market private equity firm with over $500 million of capital under management |
| 1/2/2018 | Xcellence doing business as Xact Data Discovery | JLL Partners |▫ Xcellence doing business as Xact Data Discovery, operates as a discovery and data management company in the United States and internationally  
▪ JLL Partners is a private equity firm with over $5 billion of capital under management |

### Q1 2018 Select Big Data / Data Analytics Services Capital Raise Transactions

<table>
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<th>Investor</th>
<th>Target Description / Deal Rationale</th>
</tr>
</thead>
</table>
| 1/9/2018  | Cloud Technology Solutions | NorthEdge Capital |▫ Cloud Technology Solutions provides cloud transformation services and software products that help design, build, and manage a scalable and secure cloud infrastructure  
▪ The company received an undisclosed sum of development capital from NorthEdge Capital |
| 1/16/2018 | Pillar | NewSpring |▫ Pillar is a high-tech consulting company that combines strategy, technology, innovation, digital experience, and marketing to develop software that drives innovative IoT and connected products  
▪ The company received an undisclosed amount of development capital from NewSpring Capital |

Source: Public filings as of 31-Mar-2018, CapitalIQ
Big Data Comparable Companies Analysis

Data Analytics / BI Software Index

**Closing Price** | **% of 52 Week High** | **Enterprise Value** | **LTM EV / Revenue Multiples** | **LTM EV / EBITDA Multiples** | **2018E Revenue Margin** | **Growth**
--- | --- | --- | --- | --- | --- | ---
Alteryx | 34.14 | 87.8% | 2,163 | 15.1 x | 11.1 x | 8.4 x | NMF | NMF | NMF | (10.9)% | 35.7%
Cloudera | 21.58 | 92.4% | 3,769 | 10.0 | 7.3 | 6.0 | NMF | NMF | NMF | (110.4)% | 28.2%
Hortonworks | 20.37 | 92.6% | 1,901 | 7.0 | 5.6 | 4.6 | NMF | NMF | NMF | (72.6)% | 25.2%
MicroStrategy | 128.96 | 65.7% | 801 | 1.8 | 1.6 | 1.6 | 9.9 | 12.5 | 11.0 | 16.0 | 6.4%
MuleSoft | 43.98 | 98.7% | 6,682 | 21.8 | 15.7 | 11.9 | NMF | NMF | NMF | (25.6)% | 38.7%
Tableau | 98.39 | 97.3% | 15,144 | 11.0 | 8.2 | 6.9 | NMF | NMF | NMF | (17.1)% | 28.2%
Talend | 48.12 | 92.4% | 1,481 | 9.4 | 6.9 | 5.4 | NMF | NMF | NMF | (18.0)% | 35.6%
Verisk | 164.00 | 98.0% | 17,677 | 9.6 | 8.8 | 8.2 | 20.9 | 16.0 | 16.7 | 46.0 | 10.1%

**Closing % of 52 Equity LTM 2018E**

|---|---|---|---|---|---|---|---|---|---|
Alteryx | 34.14 | 87.8% | 2,163 | 15.1 x | 11.1 x | 8.4 x | NMF | NMF | NMF | (10.9)% | 35.7%
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Verisk | 164.00 | 98.0% | 17,677 | 9.6 | 8.8 | 8.2 | 20.9 | 16.0 | 16.7 | 46.0 | 10.1%

Big Data Comparable Companies Analysis

1. Excludes Alteryx, Cloudera, Hortonworks, MuleSoft, and Talend.

Source: Public filings as of 31-Mar-2018, CapitalIQ

Diversified Analytics Software Index

**Closing Price** | **% of 52 Week High** | **Enterprise Value** | **LTM EV / Revenue Multiples** | **LTM EV / EBITDA Multiples** | **2018E Revenue Margin** | **Growth**
--- | --- | --- | --- | --- | --- | ---
IBM | $ 153.43 | 87.0% | $ 143,147 | 2.2 x | 2.2 x | 2.2 x | 10.7 x | 9.1 x | 9.0 x | 21.0% | 1.3%
Intel | 52.08 | 96.8% | 248,336 | 4.3 | 4.2 | 4.0 | 10.2 | 10.0 | 9.3 | 42.2 | 3.5%
Microsoft | 91.27 | 93.9% | 702,760 | 6.8 | 5.8 | 5.3 | 19.4 | 14.3 | 12.5 | 34.8 | 16.8%
Oracle | 49.75 | 85.5% | 186,404 | 4.8 | 4.7 | 4.6 | 12.2 | 10.0 | 9.6 | 39.2 | 4.0%
SAP | 104.83 | 84.6% | 121,426 | 4.4 | 4.2 | 3.9 | 17.3 | 12.4 | 11.4 | 26.6 | 6.4%
Teradata | 39.67 | 92.6% | 5,016 | 2.1 | 2.0 | 2.0 | 33.6 | 11.7 | 11.1 | 6.2 | 1.2%

**Closing % of 52 Equity LTM 2018E**

|---|---|---|---|---|---|---|---|---|---|
IBM | $ 153.43 | 87.0% | $ 143,147 | 2.2 x | 2.2 x | 2.2 x | 10.7 x | 9.1 x | 9.0 x | 21.0% | 1.3%
Intel | 52.08 | 96.8% | 248,336 | 4.3 | 4.2 | 4.0 | 10.2 | 10.0 | 9.3 | 42.2 | 3.5%
Microsoft | 91.27 | 93.9% | 702,760 | 6.8 | 5.8 | 5.3 | 19.4 | 14.3 | 12.5 | 34.8 | 16.8%
Oracle | 49.75 | 85.5% | 186,404 | 4.8 | 4.7 | 4.6 | 12.2 | 10.0 | 9.6 | 39.2 | 4.0%
SAP | 104.83 | 84.6% | 121,426 | 4.4 | 4.2 | 3.9 | 17.3 | 12.4 | 11.4 | 26.6 | 6.4%
Teradata | 39.67 | 92.6% | 5,016 | 2.1 | 2.0 | 2.0 | 33.6 | 11.7 | 11.1 | 6.2 | 1.2%

LTM EV / Revenue Multiple Trend – 2 Years

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1. Excludes Alteryx, Cloudera, Hortonworks, MuleSoft, and Talend.

Source: Public filings as of 31-Mar-2018, CapitalIQ
Big Data Market Indices Performance – 1 Year

1. Excludes Cloudera because they went public in the LTM period.
   Source: Public filings as of 31-Mar-2018, CapitalIQ

1. Excludes Cloudera because they went public in the LTM period.
   Source: Public filings as of 31-Mar-2018, CapitalIQ

Q1 2018 Share Price Performance – 1 Quarter
ABOUT US

Clearsight Advisors is a premier, independent investment bank dedicated to providing world-class M&A and capital raising solutions exclusively to growth-oriented Technology and Business Services companies. Clearsight combines deep market insights across software, services and data. This market knowledge combined with superior strategic and financial advice allows Clearsight to act as a catalyst, enabling entrepreneurs, private equity owners and boards of directors to successfully advance their vision. Clearsight Capital Advisors, Inc., a wholly owned subsidiary, is a registered member of FINRA & SIPC. For more information, please visit www.clearsightadvisors.com

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We would like to thank all of our clients, colleagues and friends for helping to reinforce Clearsight as the leader in advising high-end consulting firms.