CLEARSIGHT
MONITOR

Big Data – Q2 2017

Market Perspective

Sector Spotlight

M&A and Capital Raising Activity

Public Market Performance

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In the last six months, demand for enterprise level Artificial Intelligence ("AI") solutions has accelerated. Gartner projects that, "by 2020, 40% of new enterprise applications implemented by service providers will include AI." Both strategic and financial acquirers have taken note and stepped up their pace of investment. The demand initially stemmed from financial services and healthcare verticals with firms looking to leverage AI – primarily for use cases such as fraud detection, customer behavior, and patient diagnosis solutions. However, other verticals such as retail and manufacturing are also rapidly deploying enterprise AI solutions.

We observed similar sector maturity trends a few years ago as enterprises began to adopt Big Data solutions – market hype, scarce skill sets and an early consolidation wave. Buyers have already determined that growing organically will leave them behind in the AI race – 22 large corporates, such as Google, Apple, Facebook, Microsoft, and Intel accounted for 35 deals alone, some having acquired two or more AI businesses since 2012. Even companies such as Ford and GE have aggressively gobbled up AI startups in the past year, a testament to the diversity of potential AI applications.
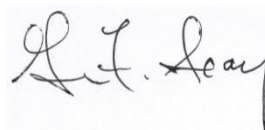
We are in the next era of Big Data solutions – AI for the enterprise and elegant solutions that allow enterprises to incorporate AI into virtually any type of project. AI will open a whole new world for digital business.

Philo Tran
Director

Email Philo

Upcoming Conferences

September 15
The Machine Learning Conference
Atlanta, GA

September 17-20
O'Reilly Artificial Intelligence Conference
San Francisco, CA

September 25-28
Strata Data Conference
New York, NY

October 29-November 2
Predictive Analytics World
New York, NY

Teradata Enhances Cloud Deployment Capabilities with Acquisition of StackIQ

Transaction Summary

On July 13, 2017, Teradata (NYSE: TDC), a leading data and analytics company, announced its acquisition of StackIQ, a developer of bare metal software provisioning platforms. As a result of the acquisition, Teradata will now own StackIQ's technology and IP, and StackIQ's engineers will join Teradata's R&D team. Financial terms of the transaction were not disclosed.

TARGET **StackIQ**

StackIQ is a developer of bare metal software provisioning platforms. Its platforms have a variety of use cases including Big Data, container deployment, building appliances, data center automation, and private cloud automation.

BUYER **Teradata**

Teradata is a provider of analytic data solutions and related services. The Company offers analytics solutions, ecosystem architecture consulting, and hybrid cloud solutions. Based in Dayton, OH, the Company employs over 10,000 people.

Deal Overview	
Announced Date	13-Jul-2017
Deal Type	Acquisition
# of Employees	13+
Year Founded	2010
Target Headquarters	Solana Beach, CA
# of Offices	1

Deal Analysis

With Teradata's market capitalization hovering around ~$4 billion, its evident that acquiring StackIQ, a start up with fewer than 20 employees, will not be a major needle mover for the firm financially. However, StackIQ's strong IP and deep domain expertise will be highly valuable to Teradata as it works to strengthen its position as a leader in the Big Data space.

By acquiring StackIQ, Teradata strengthens the capabilities of its Teradata Everywhere platform. The platform enables Teradata's Massively Parallel Processing analytic database to be deployed across public cloud, managed cloud, and private cloud environments. StackIQ's capabilities in large cluster provisioning across bare metal environments will allow clients to automate the deployment of Teradata Everywhere for private servers, dramatically increasing the speed with which the platform can be implemented while reducing the cost of adoption.

This transaction highlights a growing trend in the Big Data landscape of large strategic buyers aggressively pursuing niche players in order to rapidly build their capabilities in emerging technologies. In the second quarter of 2017 alone, Apple (Lattice), Dentsu (Outfox Intelligence), and Alteryx (Yhat), among others, have acquired smaller players with cutting edge capabilities.

As Big Data technologies continue to evolve at a rapid clip, Clearsight Advisors doesn't expect strategic buyers' interest in acquiring niche players to slow down any time soon. Both professional services firms and technology providers alike are looking to acquire capabilities in AI, machine learning, public cloud, and other emerging areas in order to provide their clients with a comprehensive suite of Big Data solutions. With the growing pace of innovation and scarcity of capabilities, we're confident that Big Data M&A activity in the second half of 2017 will be just as active as the first.

Source: Public Filings as of 13-Jul-2017, CapitalIQ, PR Newswire, Reuters, Wikibon, Xconomy.

FEATURED TRANSACTIONS

Q2 2017 Select Big Data / Data Analytics Software M&A Transactions

Announced	Target	Buyer	Target Description / Deal Rationale
6/28/2017	C-Radar BUSINESS GROWTH ENGINE	SIDETRADE	• C-Radar provides a B2B predictive marketing platform that offers data services such as data on demand, data augmentation, and customized dashboards • The acquisition strengthens Sidetrade's positioning within AI for the customer life cycle through the addition of C-Radar's proprietary technology
6/19/2017	KLARITY	meltwater group	• Klarity provides social media monitoring and analytics solutions in Asia • The acquisition bolsters Meltwater's presence in Asia, and adds a sophisticated social media analytics solution to its existing technology platform
6/6/2017	ŷhat	alteryx	• Yhat provides a data science platform for developing, deploying, and managing real-time decision APIs • The acquisition will further enhance Alteryx's data analytics platform and build on its strategy to help empower users to rapidly deploy and manage advanced analytic models
6/5/2017	Placed	(Snapchat)	• Placed monitors mobile device information to provide location-driven insights and mobile advertising intelligence solutions • Placed's analytics will help companies better quantify exactly how much revenue is generated from advertisements placed on Snap's social media platform
5/25/2017	nutonian	DataRobot	• Nutonian develops Eureqa, a data mining software package that uncovers intrinsic relationships hidden within complex data • With its AI-powered modeling software, Nutonian will help DataRobot achieve its goal of bringing machine learning to the public
5/15/2017	STATISTICA	TIBCO®	• Statistica offers a software platform for analytics, streaming visualization, and industrial strength analysis • The acquisition will augment TIBCO's analytics product offerings, adding new capabilities aimed at making it easier to unlock the power of machine learning
5/13/2017	LATTICE	(Apple)	• Lattice provides an AI-enabled inference engine to take unstructured data and turn it into structured and usable information • The acquisition will strengthen Apple's machine learning capabilities, helping it develop better voice-based assistance technology
5/11/2017	MindMeld	CISCO	• MindMeld develops a platform that adds voice interfaces, including question-answering and language-understanding capabilities, to applications and devices • The addition of MindMeld's AI capabilities will help Cisco build better conversational interfaces across its software portfolio
5/4/2017	SAGGEZZA	CISCO	• Saggezza develops software solutions that enable businesses to collect, analyze, and interrogate vast amounts of information • The acquisition will enhance Cisco's capabilities in data analytics, bolstering its cloud and SaaS offerings
4/28/2017	guavus	THALES	• Guavus develops and provides Big Data analytics applications for planning, operations, customer experience management, and the Internet of Things ("IoT") • The $215 million acquisition will strengthen Thales's ability to process and analyze Big Data, an essential capability for digital transformation
4/25/2017	birst	infor	• Birst develops cloud-based business intelligence and analytics solutions for organizations, software vendors, and OEMs in the United States and internationally • The acquisition will give Infor access to Birst's state-of-the-art business intelligence platform and analytics capabilities

Source: Public filings as of 30-Jun-2017, CapitalIQ, Pitchbook

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Q2 2017 Select Big Data / Data Analytics Software M&A Transactions (Cont.)

Announced	Target	Buyer	Target Description / Deal Rationale
4/18/2017	MOAT	ORACLE	▪ Moat develops SaaS analytics solutions for the brand advertising and publishing industries ▪ The acquisition allows Oracle to offer brands and publishers a full suite of targeting and measurement solutions to improve campaign outcomes
4/13/2017	SKYTREE THE MACHINE LEARNING COMPANY	Infosys	▪ Skytree builds general-purpose industrial-scale machine learning software solutions for organizations to solve their mission-critical data analysis problems ▪ The acquisition adds deep machine learning expertise as Infosys works to improve its AI platform, Infosys Nia
4/4/2017	turnstyle	yelp	▪ Turnstyle Solutions provides location-based marketing solutions and consumer analytics for brick and mortar retail stores ▪ The acquisition will help Yelp expand the types of marketing services it offers to include customer retention and loyalty solutions

Q2 2017 Select Big Data / Data Analytics Software Capital Raise Transactions

Announced	Target	Investor	Target Description / Deal Rationale
6/20/2017	Aera TECHNOLOGY	NEA	▪ Aera develops supply chain technology that integrates cloud, Big Data, and next-generation business intelligence solutions ▪ The company raised $50 million of funding in a round led by New Enterprise Associates
6/15/2017	CONVIVA	Australian Government Future Fund	▪ Conviva develops a Big Data processing platform that enables businesses to maximize subscriber retention and growth ▪ The company raised $40 million of Series F funding in a round led by the Australia Future Fund
6/14/2017	ELEMENT AI	Data Collective	▪ Element AI operates an online platform that helps organizations identify opportunities to use AI and machine learning in ways that impact their businesses ▪ The company raised $102 million of Series A funding in a round led by Data Collective
5/31/2017	MARKETLOGIC	GENUI PARTNERS	▪ Market Logic develops marketing information software that gives businesses access to customer insights and helps them implement innovative marketing solutions ▪ The company raised EUR 45 million of development capital in a round led by Genui Partners
5/11/2017	CROWDSTRIKE	ACCEL PARTNERS	▪ CrowdStrike develops next generation cybersecurity technology designed to detect, prevent, and respond to threats in real time ▪ The company raised $100 million of Series D funding in a round led by Accel
5/4/2017	HEAP	NEA	▪ Heap develops mobile and web analytics technology for tracking events and segmenting users ▪ The company raised $27 million of Series B funding in a round led by New Enterprise Associates
4/27/2017	zeta	GPI CAPITAL	▪ Zeta Global provides a Big Data and analytics platform designed to help businesses overcome complex marketing issues ▪ The company raised $140 million of development capital in a round led by GPI Capital
4/10/2017	LUCID	NORTH BRIDGE	▪ Lucid develops a programmatic survey marketplace that utilizes data-driven decision making to deliver market research and consumer insights ▪ The company raised $60 million of funding in a round led by North Bridge Growth Equity
4/7/2017	UPTAKE	revolution growth	▪ Uptake develops a predictive analytics platform designed to turn real data into measurable business value ▪ The company raised $90 million of Series C funding from RevolutionGrowth
4/5/2017	snowflake	ICONIQ	▪ Snowflake provides a cloud data warehousing service designed to safely and efficiently store, transform, and analyze business data ▪ The company raised $100 million of Series D funding in a round led by ICONIQ Capital

Source: Public filings as of 30-Jun-2017, CapitalIQ, Pitchbook

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Q2 2017 Select Big Data / Data Analytics Services M&A Transactions

Announced	Target	Buyer	Target Description / Deal Rationale
6/19/2017	after	EPIC Insurance Brokers & Consultants	▪ After provides data analytics and post sale marketing consulting services for the insurance industry ▪ The acquisition will strengthen and grow the capabilities of EPIC subsidiary PowerGuard Specialty Insurance Services
6/12/2017	ARTEFACT DATA MARKETING ARCHITECTS	NetBooster	▪ Artefact is a digital agency uniquely focused on developing and implementing AI solutions for marketing purposes ▪ The acquisition will enable NetBooster to form a new marketing agency that will focus on creating AI-centric digital marketing strategies for clients
6/1/2017	4i	Fractal	▪ 4i provides growth strategy and analytics consulting services to Fortune 500 companies ▪ The acquisition will bolster Fractal's existing analytics capabilities with extensive expertise in strategy consulting
5/31/2017	Outfox	dentsu AEGIS network	▪ Outfox offers consultancy services to help clients implement digital analytics and conversion optimization solutions ▪ Following the acquisition, Outfox will be integrated into Dentsu Aegis Network subsidiary iProspect, making the company the market leader in digital analysis in Sweden
5/22/2017	MAKE	Wood Mackenzie A Verisk Analytics Business	▪ MAKE Consulting is a research and advisory firm focused on the wind power sector ▪ The acquisition bolsters Wood Mackenzie's data analytics capabilities and proprietary database of information in the rapidly expanding wind power industry
5/19/2017	Business & Decision	orange	▪ Business & Decision is an international consulting and systems integration company providing business intelligence, e-business, and other digital services ▪ The acquisition will enhance Orange's business intelligence and data science capabilities with the addition of expertise in data governance and analysis
5/8/2017	LOCHBRIDGE	DMI	▪ Lochbridge offers business analytics, machine-to-machine communication, data management, and other technology services to clients ▪ The acquisition will deepen DMI's capabilities in connected devices, allowing it to drive operational efficiencies and create new revenue opportunities for clients
4/11/2017	ReeWise	exadel	▪ ReeWise provides analytics, Big Data, and business intelligence consulting services with a focus on customer and sales analytics ▪ The acquisition allows Exadel to continue to expedite the growth of its software services and development teams
4/5/2017	DIVISADERO	MERKLE	▪ Divisadero Digital Intelligence provides digital intelligence solutions, such as customer experience management and social media analytics ▪ The acquisition will expand Merkle's reach in Europe and will greatly diversify the data analytics services that Merkle provides to its clients

Q2 2017 Select Big Data / Data Analytics Services Capital Raise Transactions

Announced	Target	Investor	Target Description / Deal Rationale
06/15/2017	TRACE3	H.I.G. CAPITAL	▪ Trace3 provides consulting services that enable businesses to adopt cutting-edge technologies such as cloud, data intelligence, and DevOps ▪ The company received an undisclosed amount of development capital from HIG Capital
05/04/2017	Eagle Alpha	Rosland Kilduff	▪ Eagle Alpha provides data-mining services for the financial sector to help organizations obtain alpha from alternative data ▪ The company raised EUR 1 million of venture funding in a round led by Rosland Kilduff

Source: Public filings as of 30-Jun-2017, CapitalIQ, Pitchbook

PUBLICMARKETS

Big Data Comparable Companies Analysis

Data Analytics / BI Software Index

| Company	Closing Price 30-Jun-2017	% of 52 Week High	Equity Market Cap	Enterprise Value	EV / Revenue Multiples			EV / EBITDA Multiples			LTM EBITDA Margin	2017E Revenue Growth
					LTM	2017	2018	LTM	2017	2018		
Verisk	$ 84.37	96.5 %	$ 14,282	$ 16,411	8.2 x	7.9 x	7.4 x	17.6 x	15.9 x	14.8 x	46.6 %	4.4 %
Splunk	56.89	82.2	8,700	7,613	7.6	6.3	5.1	(26.4)	56.1	37.2	(28.7)	26.3
Tableau	61.27	91.3	5,490	4,536	5.3	5.2	4.8	(46.3)	87.0	62.4	(11.4)	6.1
MuleSoft	24.94	86.0	3,212	2,872	13.7	10.5	7.8	(60.7)	(57.1)	(51.6)	(22.6)	45.3
Cloudera	16.02	68.6	2,727	3,163	11.1	9.1	7.2	(9.5)	(25.1)	(33.5)	(117.3)	33.3
MicroStrategy	191.67	92.5	2,212	1,593	3.1	3.1	3.0	13.8	11.7	10.3	22.4	1.7
Alteryx	19.52	95.2	1,263	1,098	11.4	8.9	6.5	(54.1)	(61.3)	(70.3)	(21.2)	43.6
Talend	34.78	93.2	1,041	946	8.1	6.5	5.0	(36.9)	(37.5)	(74.9)	(22.1)	37.3
Hortonworks	12.88	91.5	850	767	3.9	3.2	2.5	(3.3)	(50.7)	11.7	(117.1)	29.6
High		96.5 %	$ 14,282	$ 16,411	13.7 x	10.5 x	7.8 x	17.6 x	87.0 x	62.4 x	46.6 %	45.3 %
Median		91.5	2,727	2,872	8.1	6.5	5.1	(26.4)	(25.1)	10.3	(22.1)	29.6
Mean		88.6	4,420	4,333	8.0	6.7	5.5	(22.9)	(6.8)	(10.4)	(30.1)	25.3
Low		68.6	850	767	3.1	3.1	2.5	(60.7)	(61.3)	(74.9)	(117.3)	1.7

Diversified Analytics Software Index

Company	Closing Price 30-Jun-2017	% of 52 Week High	Equity Market Cap	Enterprise Value	EV / Revenue Multiples			EV / EBITDA Multiples			LTM EBITDA Margin	2017E Revenue Growth
					LTM	2017	2018	LTM	2017	2018		
Microsoft	$ 68.93	94.6 %	$ 532,175	$ 484,339	5.4 x	4.8 x	4.5 x	15.4 x	12.2 x	11.1 x	34.9 %	16.7 %
Oracle	50.14	96.7	218,164	210,381	5.6	5.4	5.2	14.3	11.8	11.1	38.9	4.0
Intel	33.74	87.8	162,417	179,387	2.9	3.0	2.9	7.5	7.2	6.8	39.1	2.2
IBM	153.83	84.2	146,340	179,843	2.3	2.3	2.3	10.0	9.7	9.5	22.9	(2.0)
SAP	104.78	95.3	125,588	127,900	4.8	4.7	4.4	19.3	13.6	12.6	25.0	17.0
Teradata	29.49	88.5	3,932	3,329	1.5	1.6	1.6	9.9	9.0	8.9	14.9	(9.7)
High		96.7 %	$ 532,175	$ 484,339	5.6 x	5.4 x	5.2 x	19.3 x	13.6 x	12.6 x	39.1 %	17.0 %
Median		91.5	154,378	179,615	3.9	3.8	3.6	12.2	10.8	10.3	30.0	3.1
Mean		91.2	198,103	197,530	3.8	3.6	3.5	12.7	10.6	10.0	29.3	4.7
Low		84.2	3,932	3,329	1.5	1.6	1.6	7.5	7.2	6.8	14.9	(9.7)

LTM EV / Revenue Multiple Trend – 3 Years
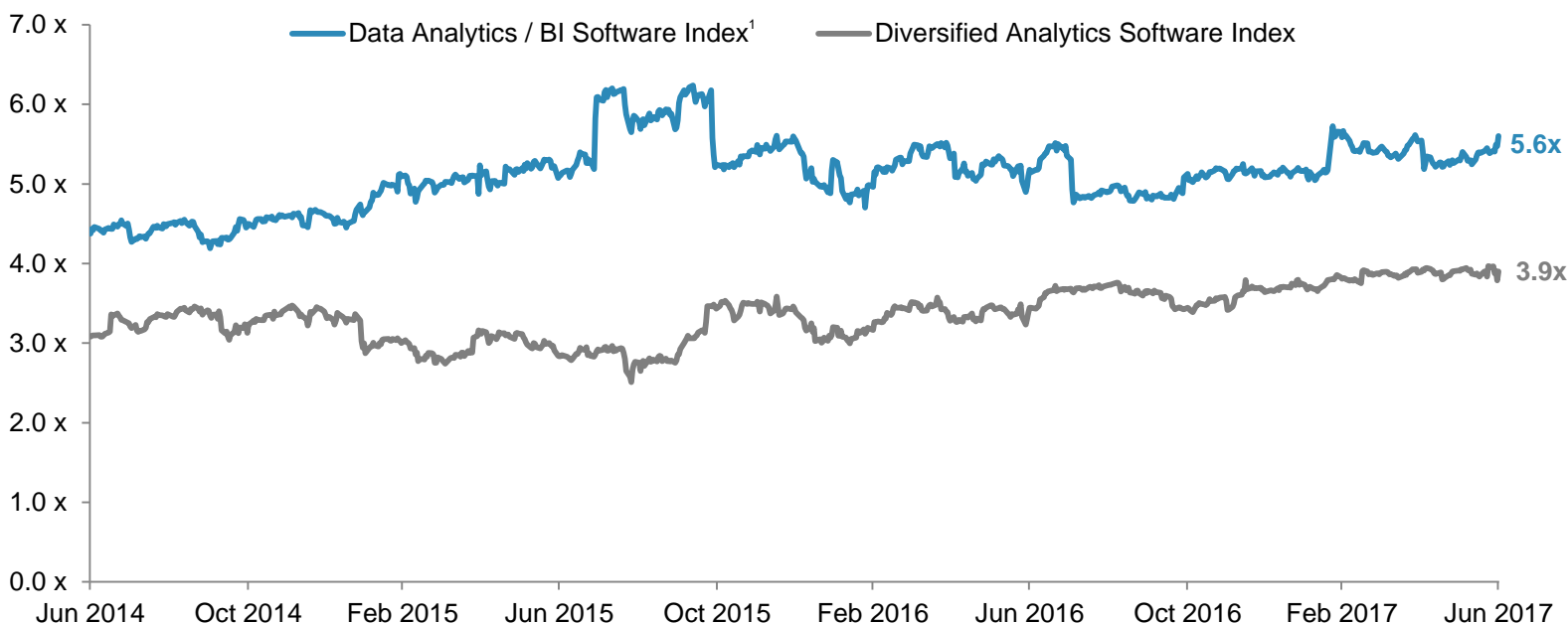
Note: Cloudera went public in April of 2017.
1. *Excludes Alteryx, Cloudera, Hortonworks, MuleSoft, Splunk, Tableau, and Talend.*
Source: Public filings as of 30-Jun-2017, CapitalIQ

Big Data Market Indices Performance – 1 Year

Legend: S&P 500 | Data Analytics / BI Software Index[1] | Diversified Analytics Software Index

24.6%
15.5%
5.0%

Q2 2017 Share Price Performance – 1 Quarter

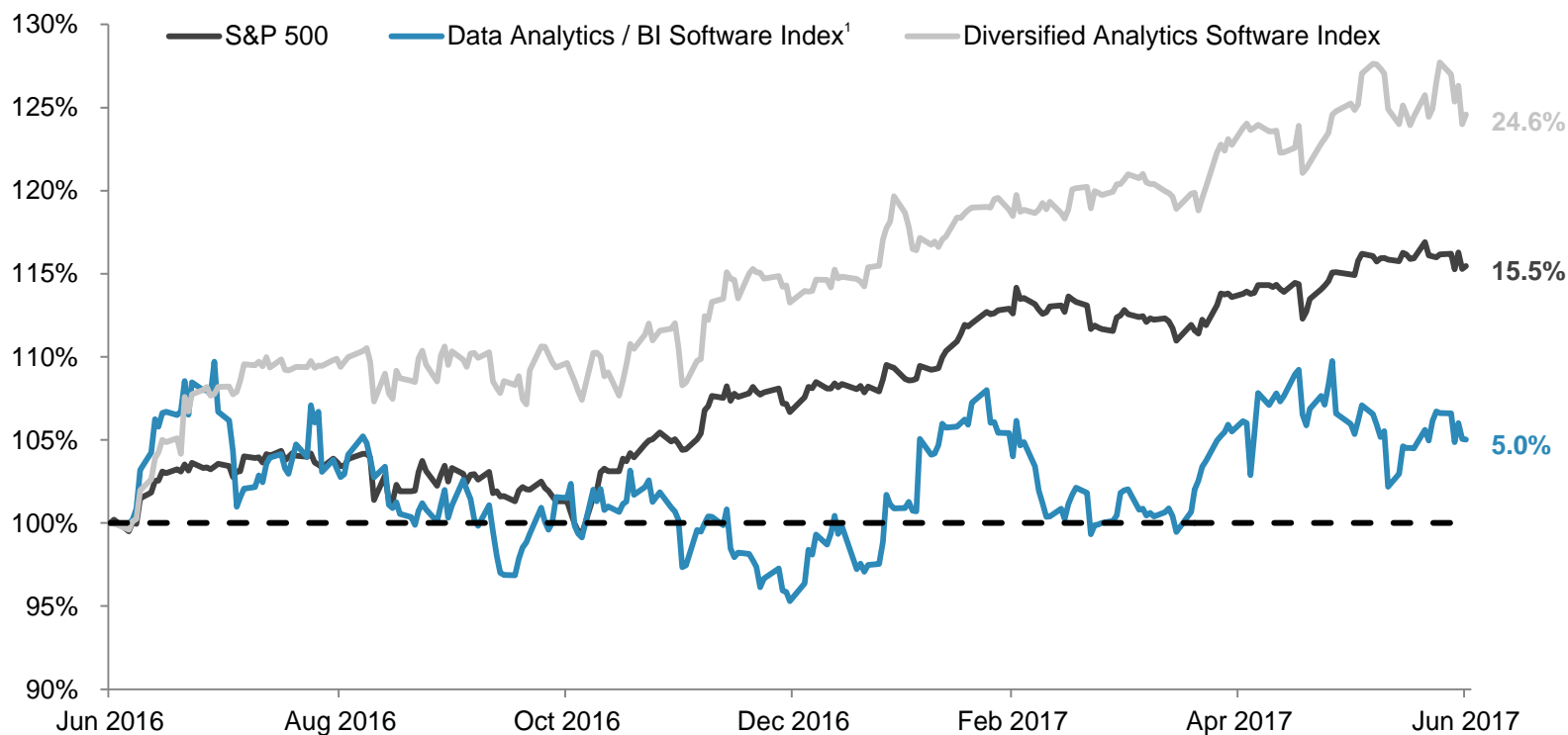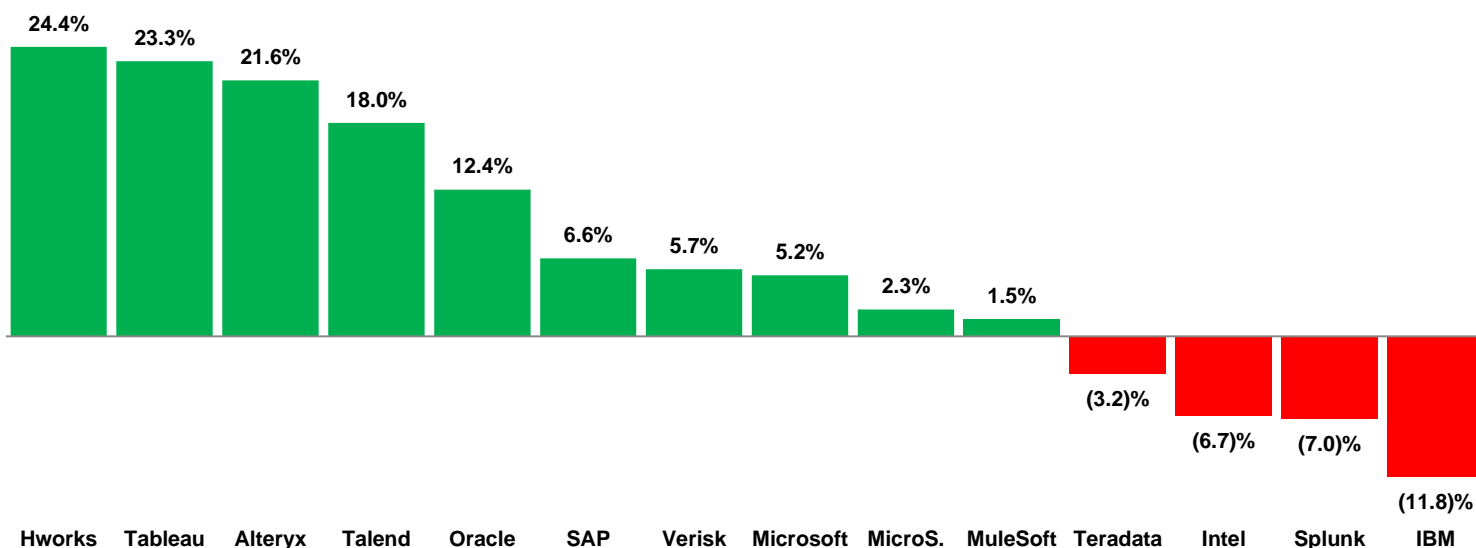| Hworks	Tableau	Alteryx	Talend	Oracle	SAP	Verisk	Microsoft	MicroS.	MuleSoft	Teradata	Intel	Splunk	IBM
24.4%	23.3%	21.6%	18.0%	12.4%	6.6%	5.7%	5.2%	2.3%	1.5%	(3.2)%	(6.7)%	(7.0)%	(11.8)%

Note: Cloudera went public in April of 2017.
1. *Excludes Alteryx, Cloudera, Hortonworks, MuleSoft, Splunk, Tableau, and Talend.*
Source: Public filings as of 30-Jun-2017, CapitalIQ

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7

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