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.
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.

Deal Overview

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

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 Analysis

With Teradata’s market capitalization hovering around ~$4 billion, it’s 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.

<table>
<thead>
<tr>
<th>Announced</th>
<th>Target Description / Deal Rationale</th>
<th>Target</th>
<th>Buyer</th>
</tr>
</thead>
</table>
| 6/28/2017 | - 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 | C-Radar          | SIDETRADE      |
| 6/19/2017 | - 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 | KLARITY          | meltwater      |
| 6/6/2017  | - 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 | yhat             | alteryx        |
| 6/5/2017  | - 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 | Placed           | Snapchat       |
| 5/25/2017 | - 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 | Nutonian         | DataRobot      |
| 5/15/2017 | - 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 | Statistica       | TIBCO          |
| 5/13/2017 | - 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 | Lattice          | Apple          |
| 5/11/2017 | - 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 | MindMeld         | Cisco          |
| 5/4/2017  | - 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 | Saggezza         | Cisco          |
| 4/28/2017 | - 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 | Guavus           | Thales         |
| 4/25/2017 | - 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 | Birst            | Infor           |

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

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

<table>
<thead>
<tr>
<th>Announced</th>
<th>Target</th>
<th>Buyer</th>
<th>Target Description / Deal Rationale</th>
</tr>
</thead>
</table>
| 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 | 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

<table>
<thead>
<tr>
<th>Announced</th>
<th>Target</th>
<th>Investor</th>
<th>Target Description / Deal Rationale</th>
</tr>
</thead>
</table>
| 6/20/2017 | Aera   | 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| Australia 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 AI-powered 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 Revolution Growth |
| 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
### Q2 2017 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>
| 6/19/2017| after | EPIC | ▪ 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 | 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 | iFractal | 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 Consulting | Wood Mackenzie | ▪ 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

<table>
<thead>
<tr>
<th>Announced</th>
<th>Target</th>
<th>Investor</th>
<th>Target Description / Deal Rationale</th>
</tr>
</thead>
</table>
| 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*
## Big Data Comparable Companies Analysis

### Data Analytics / BI Software Index

<table>
<thead>
<tr>
<th>Company</th>
<th>Closing Price</th>
<th>% of 52 High</th>
<th>Equity Market Cap</th>
<th>Enterprise Value (LTM)</th>
<th>EV / Revenue Multiples (2017)</th>
<th>EV / EBITDA Multiples (2017)</th>
<th>LTM EV / Revenue Multiple Trend – 3 Years</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>30-Jun-2017</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Verisign</td>
<td>$ 84.37</td>
<td>96.5%</td>
<td>$ 14,282</td>
<td>$ 16,411</td>
<td>8.3 x</td>
<td>17.6 x</td>
<td></td>
</tr>
<tr>
<td>Splunk</td>
<td>56.25</td>
<td>82.2%</td>
<td>6,700</td>
<td>7,613</td>
<td>7.2</td>
<td>8.3</td>
<td></td>
</tr>
<tr>
<td>Tableau</td>
<td>161.93</td>
<td>91.3%</td>
<td>5,490</td>
<td>6,478</td>
<td>13.7</td>
<td>10.3</td>
<td></td>
</tr>
<tr>
<td>MuleSoft</td>
<td>24.94</td>
<td>80.0%</td>
<td>2,612</td>
<td>3,272</td>
<td>13.7</td>
<td>10.6</td>
<td></td>
</tr>
<tr>
<td>Cloudera</td>
<td>16.02</td>
<td>68.6%</td>
<td>2,727</td>
<td>3,163</td>
<td>11.1</td>
<td>9.1</td>
<td></td>
</tr>
<tr>
<td>MicroStrategy</td>
<td>191.67</td>
<td>92.5%</td>
<td>2,212</td>
<td>1,593</td>
<td>3.1</td>
<td>3.1</td>
<td></td>
</tr>
<tr>
<td>Allerx</td>
<td>19.52</td>
<td>95.2%</td>
<td>1,086</td>
<td>8.9</td>
<td>9.1</td>
<td>10.6</td>
<td></td>
</tr>
<tr>
<td>Talend</td>
<td>34.78</td>
<td>93.2%</td>
<td>1,041</td>
<td>946</td>
<td>8.1</td>
<td>6.5</td>
<td></td>
</tr>
<tr>
<td>Hortonworks</td>
<td>12.98</td>
<td>91.5%</td>
<td>850</td>
<td>767</td>
<td>3.9</td>
<td>3.2</td>
<td></td>
</tr>
<tr>
<td>High</td>
<td>96.5%</td>
<td>$ 14,282</td>
<td>$ 16,411</td>
<td>13.7 x</td>
<td>10.5 x</td>
<td>7.8 x</td>
<td></td>
</tr>
<tr>
<td>Median</td>
<td>91.5%</td>
<td>2,722</td>
<td>2,672</td>
<td>8.1</td>
<td>6.5</td>
<td>5.1</td>
<td></td>
</tr>
<tr>
<td>Low</td>
<td>89.8%</td>
<td>850</td>
<td>767</td>
<td>3.1</td>
<td>3.1</td>
<td>2.5</td>
<td></td>
</tr>
</tbody>
</table>

### Diversified Analytics Software Index

<table>
<thead>
<tr>
<th>Company</th>
<th>Closing Price</th>
<th>% of 52 High</th>
<th>Equity Market Cap</th>
<th>Enterprise Value (LTM)</th>
<th>EV / Revenue Multiples (2017)</th>
<th>EV / EBITDA Multiples (2017)</th>
<th>LTM EV / Revenue Multiple Trend – 3 Years</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>30-Jun-2017</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Microsoft</td>
<td>$ 68.93</td>
<td>94.6%</td>
<td>$ 532,175</td>
<td>$ 484,339</td>
<td>5.4 x</td>
<td>15.4 x</td>
<td></td>
</tr>
<tr>
<td>Oracle</td>
<td>50.14</td>
<td>96.7%</td>
<td>218,164</td>
<td>210,381</td>
<td>5.6</td>
<td>14.3</td>
<td></td>
</tr>
<tr>
<td>Intel</td>
<td>33.74</td>
<td>87.8%</td>
<td>162,417</td>
<td>179,387</td>
<td>2.9</td>
<td>7.5</td>
<td></td>
</tr>
<tr>
<td>IBM</td>
<td>153.83</td>
<td>84.2%</td>
<td>146,340</td>
<td>179,843</td>
<td>2.3</td>
<td>9.7</td>
<td></td>
</tr>
<tr>
<td>SAP</td>
<td>104.78</td>
<td>95.3%</td>
<td>125,580</td>
<td>127,900</td>
<td>4.8</td>
<td>13.6</td>
<td></td>
</tr>
<tr>
<td>Tableau</td>
<td>49.49</td>
<td>80.0%</td>
<td>2,612</td>
<td>3,272</td>
<td>1.5</td>
<td>2.5</td>
<td></td>
</tr>
<tr>
<td>High</td>
<td>96.7%</td>
<td>$ 532,175</td>
<td>$ 484,339</td>
<td>5.6 x</td>
<td>5.4 x</td>
<td>5.2 x</td>
<td></td>
</tr>
<tr>
<td>Median</td>
<td>91.5%</td>
<td>154,378</td>
<td>179,615</td>
<td>3.9</td>
<td>3.8</td>
<td>3.6</td>
<td></td>
</tr>
<tr>
<td>Low</td>
<td>89.8%</td>
<td>186,103</td>
<td>197,530</td>
<td>3.8</td>
<td>3.6</td>
<td>3.5</td>
<td></td>
</tr>
</tbody>
</table>

### Note

- **Data Analytics / BI Software Index**
  - High: 5.6x
  - Median: 3.9x
  - Low: 2.0x

- **Diversified Analytics Software Index**
  - High: 3.9x
  - Median: 2.0x
  - Low: 1.0x

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

**Note:** Cloudera went public in April of 2017.

1. Excludes Alteryx, Cloudera, Hortonworks, MuleSoft, Splunk, Tableau, and Talend.
Big Data Market Indices Performance – 1 Year

Q2 2017 Share Price Performance – 1 Quarter

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
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, & friends for helping to reinforce Clearsight as the leader in advising high-end services & technology firms