

CLEAR SIGHT MONITOR

Big Data – Q2 2018

Market Perspective

Sector Spotlight

M&A and Capital Raising Activity

Public Market Performance



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Co-Founder &
Managing Director

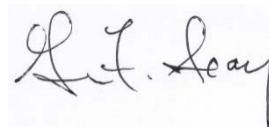
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What an exhilarating 2018 thus far! Global and U.S. M&A activity BOTH hit all-time highs during the first half of 2018. The value of global M&A rose 64% over the first half of 2017, but the actual number of deals fell by nearly 10%. The U.S. saw a similar split, with deal value up 79% but the number of deals down by 13%. The only region with rising deal value and deal volume was Asia-Pacific.

Research and Markets recently published a report on the ongoing impact big data analytics will have on healthcare and found that although North America has been the largest healthcare big data analytics market thus far, the fastest growth between now and 2023 is actually expected from Asia-Pacific. The primary drivers of this trend include increasing adoption of big data analytics services by healthcare providers in the region and initiatives undertaken by many APAC governments to integrate big data into the healthcare industry.

Clearsight has worked with many U.S.-based big data / data analytics businesses primarily serving clients also based in the U.S. However, the sophistication and proliferation of data in APAC is pulling a lot of the U.S.'s top talent into cutting-edge challenges faced by healthcare (and financial services, primarily) enterprises in the region. Clearsight witnessed this growing APAC opportunity directly as we worked alongside Kogentix, an AI / big data services and software business we sold to Accenture in July (congrats again Kogentix Team!).

As we begin the second half of 2018, we expect an even greater interest in cutting-edge AI / big data companies (e.g., Kogentix) from all the obvious U.S. strategics, but also more and more from APAC acquirers trying to keep pace with their global competitors, as well as PE firms who continue to sit on a record amount of dry powder.



Upcoming Conferences

September 5 - 7

Put AI To Work

San Francisco, CA

September 11 - 13

Strata Data Conference

New York, NY

September 17 - 21

Predictive Analytics World

Washington, D.C.



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M&A Activity Highlights Desire for Specialized Data Software Platforms

Accenture's acquisition of Kogentix and Medidata's acquisition of SHYFT Analytics display the growing attraction of enterprise companies to unique tech-enabled service providers. Modern analytics and big data technologies equip enterprises with the capability to discover inefficiencies and areas for growth, and deliver more holistic solutions to customers around the world.

Accenture Acquires Kogentix, Strengthens Data Engineering Business

Transaction Summary

Target

On July 12, Accenture announced the acquisition of Kogentix, a privately held provider of open source big data and AI services and solutions.

KOGENTIX

Kogentix focuses on providing modern data analytics solutions that enable companies to make smarter and more efficient decisions with their data. Kogentix is an expert in transitioning legacy analytics and data applications to newer, more efficient technologies. The Kogentix Automated Machine Learning Platform (AMP) delivers an end-to-end data integration solution that builds machine learning models and operationalizes AI applications to generate viable business results.

Buyer

accenture

Deal Analysis

- ClearSight Perspective: ClearSight served as the exclusive strategic and financial advisor to Kogentix. The acquisition bolsters Accenture's growing data engineering practice of their Applied Intelligence division. Continued expansion of Accenture's Applied Intelligence division underlines the company's desire to streamline their data solutions as customers demand faster, smarter technology. As enterprise companies look to utilize data and analytics solutions to support growth and reduce costs across their firm, opportunities arise for growing analytics and data-driven firms to scale through acquisition.

Transaction Information

Announced Date	07/12/2018
Deal Type	Acquisition

Target Information

Year Founded	2015
Target HQ	Schaumburg, IL

Deal Commentary

"With Kogentix's assets and highly skilled team of big data and AI professionals, we are even better positioned to help clients realize the value of open source analytics platforms and embed new intelligence at the core of their businesses."

Narendra Mulani
Chief Analytics Officer, Accenture

SHYFT Analytics and Medidata Join Forces, Overhaul Life Sciences Industry

Transaction Summary

Target

On June 12, Medidata announced the signing of an agreement to acquire SHYFT Analytics, a privately held cloud data analytics platform for life sciences firms around the globe.

SHYFT
a Medidata company

Buyer

SHYFT Analytics is a cloud data analytics provider with a platform constructed uniquely for the biotech, pharmaceutical, and medical devices industries. SHYFT's analytics platform provides commercial and real-world data analytics with insights on over 45 billion patient records and 2 million providers around the world. Unifying SHYFT's leading data analytics platform with Medidata's leading clinical development platform will enable the seamless delivery of market-leading applications, services, and data science capabilities. The deal terms include total consideration of \$195 million, all cash, funded with existing cash on Medidata's balance sheet.

medidata

Deal Analysis

- ClearSight Perspective: The acquisition of SHYFT Analytics significantly enhances Medidata's offerings by adding a commercial and real-world data analytics platform tailored specifically to Medidata's end market. The marriage of the two companies' platforms equips Medidata to deliver streamlined data capabilities and provides an edge against groups like Oracle Health Sciences InForm. This deal could be a precursor to additional M&A activity in the space as larger, narrow-focused companies attempt to augment their capabilities with compatible data analytics platforms.

Transaction Information

Announced Date	06/12/2018
Deal Type	Acquisition
Deal Size	~\$195 mm

Target Information

Year Founded	2002
Target HQ	Waltham, MA

Deal Commentary

"Together, Medidata and SHYFT are powering customers' digital transformation with artificial intelligence and real-world analytics to reduce risk, optimize revenue, and ultimately help patients."

Tarek Sherif
Chairman and CEO, Medidata

Source: Public Filings, Capital IQ, and Company Websites

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FEATURED TRANSACTIONS







Q2 2018 Select Big Data / Data Analytics Software M&A Transactions

Announced	Target	Buyer	Target Description / Deal Rationale
6/21/2018	 simility	 PayPal	<ul style="list-style-type: none"> Simility provides a cloud-based fraud detection platform to protect small and medium enterprises from fraud The acquisition allows PayPal to offer small online merchants the same capabilities of bigger e-commerce providers
6/14/2018	 global software	 Insight	<ul style="list-style-type: none"> Global Software provides Microsoft Excel based automation and reporting software solutions for improving business intelligence (BI), enterprise resource planning (ERP), and other operational platforms worldwide The acquisition creates a market leading platform for ERP reporting and corporate performance management
6/12/2018	 CRIF <i>Together to the next level</i>	 THOMA BRAVO	<ul style="list-style-type: none"> CRIF provides loan origination software solutions, outsourced loan processing solutions, business processing solutions, and analytics services The transaction allows the combined organization to improve management capabilities and invest in product functionality for existing customers
5/29/2018	 bmc	 KKR	<ul style="list-style-type: none"> BMC Software develops software that provides system and service management solutions for enterprises in the United States and internationally The transaction will act as a platform for KKR to make further acquisitions in the technology sector
5/21/2018	 IPREO	 markit	<ul style="list-style-type: none"> Ipreo develops and provides market intelligence, data, and technology solutions to participants in the global capital markets that include sell-side banks, publicly traded companies, and buy-side institutions The transaction will allow Markit to expand its financial services and customer business
5/14/2018	 CASK	 Alphabet	<ul style="list-style-type: none"> Cask Data develops technologies that enable customers to overcome their big data challenges Acquiring Cask Data will strengthen Alphabet's cloud appeal to different enterprises
5/7/2018	 spacetime	 NOKIA	<ul style="list-style-type: none"> Space Time Insight provides situational intelligence and visual analytics applications that correlate, analyze, and visualize business, operational, and external data across space, time, and nodes in a network Through the acquisition, Nokia will expand its IoT software portfolio and broaden its ability to provide new, advanced applications for key vertical markets
4/30/2018	 bizible	 Marketo	<ul style="list-style-type: none"> Bizible develops and offers marketing attribution and planning software for business-to-business companies enabling them to connect their efforts directly to revenue The acquisition strengthens Marketo's initiative to help users plan, engage, and measure data
4/24/2018	 grapeshot	 ORACLE	<ul style="list-style-type: none"> Grapeshot develops software products for marketers and advertising agencies. Grapeshot provides Grapeshot Live, a cloud application that transforms data into actionable insights The acquisition expands Oracle's digital marketing and advertising solutions business
4/24/2018	 PeopleFluent	 ltg learning technologies group	<ul style="list-style-type: none"> PeopleFluent provides Software-as-a-Service talent management solutions. The company offers PeopleFluent Mirror Suite which integrates video and social technologies into various talent applications The acquisition will allow LTG to expand its product line with PeopleFluent's offerings
4/23/2018	 ALLOCATE	 VISTA PRIVATE EQUITY	<ul style="list-style-type: none"> Allocate Software provides software products and services that enable people-based organizations to deploy and manage their resources and people in the healthcare, defense, maritime, and other commercial sectors The investment will allow Allocate to enter the next phase in development product innovation and global innovation

Source: Public filings as of 30-Jun-2018, Capital IQ

FEATURED TRANSACTIONS

Q2 2018 Select Big Data / Data Analytics Software M&A Transactions (Cont.)

Announced	Target	Buyer	Target Description / Deal Rationale
4/8/2018			<ul style="list-style-type: none"> PluralSoft develops a data analytics, clinical insights, and business intelligence platform for the healthcare sector The transaction strengthens ProKarma's position as a market-leading analytics solutions provider
4/5/2018			<ul style="list-style-type: none"> Mobilethink offers mobile operator software solutions for device management, device analytics, customer engagement, and smartphone support in order to boost data uptake, drive customer value, and reduce customer care costs The acquisition will allow Enghouse Systems to expand its services in IoT and business intelligence capabilities
4/3/2018			<ul style="list-style-type: none"> XS provides Software-as-a-Service based solutions to improve workplace efficiency, evaluate industry standings, optimize marketing efforts, and maximize client relationships for end-users, retailers, distributors, and manufacturers The acquisition will allow Technikes to be better positioned to provide clients with better technologies and data capabilities

Q2 2018 Select Big Data / Data Analytics Software Capital Raise Transactions

Announced	Target	Investor	Target Description / Deal Rationale
6/26/2018			<ul style="list-style-type: none"> Celonis develops intelligent big data technology designed to analyze and visualize every process in a company The company raised \$50 million of Series B venture funding from Accel and 83North
6/26/2018			<ul style="list-style-type: none"> Noodle.ai provides enterprise artificial intelligence technologies intended to manage complex business operations The company raised \$35 million of Series B venture funding in a deal led by Dell Technologies Capital and TPG Growth
6/21/2018			<ul style="list-style-type: none"> CrowdStrike provides a cloud-based cybersecurity platform designed to prevent, detect, and respond to cyber attacks in real-time The company raised \$200 million of Series E venture funding in a deal led by General Atlantic, IVP, and Accel
5/24/2018			<ul style="list-style-type: none"> Reltio provides a data-driven application designed to manage modern data management thorough Platform-as-a-Service The company raised \$45 million of Series D venture funding in a deal led by New Enterprise Associates
5/01/2018			<ul style="list-style-type: none"> SpeakIn develops a voiceprint identification and identity security artificial intelligence technology The company raised CNY 100 million of Series B venture funding in a deal led by IDG Capital
4/19/2018			<ul style="list-style-type: none"> BenevolentAI develops artificial intelligence technology intended to develop medicines for the hard to treat diseases The company received \$115 million of development capital from Lansdowne Partners, Lundbeck, Nortrust Nominees, Upsher-Smith, and Woodford Investment Management
4/18/2018			<ul style="list-style-type: none"> Lucidworks develops of search and discovery applications designed to build smart search-based applications The company raised \$50 million through a combination of debt and Series E venture funding in a deal led by Top Tier Capital Partners
4/17/2018			<ul style="list-style-type: none"> Drift provides a conversational marketing and sales platform designed to automatically turn website traffic into qualified sales meetings The company raised \$60 million of Series C venture funding in a deal led by Sequoia Capital
4/05/2018			<ul style="list-style-type: none"> Welltok provides a consumer health enterprise platform designed to drive audience engagement in healthy activities The company raised \$117 million of Series E2 venture funding from Emergence Capital Partners, Everyday Health, and Flare Capital Partners
4/05/2018			<ul style="list-style-type: none"> WorkFusion provides an intelligent automation platform designed to digitize enterprise operations The company raised \$50 million of Series E venture funding in a deal led by Declaration Partners and Hawk Equity




Source: Public filings as of 30-Jun-2018, Capital IQ

FEATURED TRANSACTIONS

Q2 2018 Select Big Data / Data Analytics Services M&A Transactions

Announced	Target	Buyer	Target Description / Deal Rationale
6/18/2018	 CLEAResult	 TPG	<ul style="list-style-type: none"> CLEAResult Consulting designs, plans, and implements technology-enabled energy efficiency solutions and services in North America The transaction will allow CLEAResult to expand its energy management offerings and provide innovative technologies
6/12/2018	 SHYFT <small>a Medidata company</small>	 medidata	<ul style="list-style-type: none"> SHYFT Analytics provides cloud-based data, analytics, and mobile solutions to the life sciences industry in the United States and internationally By acquiring SHYFT analytics, Medidata solutions will strengthen customers' digital transformation through artificial intelligence and real-world analytics
5/21/2018	 GlobalLogic		<ul style="list-style-type: none"> GlobalLogic provides full-lifecycle product development services to customers worldwide The transaction will allow the Canada Pension Plan Investment Board to expand its reach in India by investing in its software engineering services sector
5/17/2018	 MAASSMEDIA <small>E-MARKETING ANALYTICS</small>	 HERO_digital.	<ul style="list-style-type: none"> MaassMedia, a digital analytics marketing consulting firm, specializes in analytics strategy, analytics platform implementation, data visualization, analysis, personalization, and digital analytics training The acquisition strengthens Hero Digital's data capabilities to help meet growing demand for customer experience which is fueled by data
5/9/2018	 FUSION <small>Business & Government Solutions</small>	 QuTech	<ul style="list-style-type: none"> Fusion PPT, a cloud computing strategy and technology company, provides information technology service management and cloud computing solutions to commercial and government customers in the United States With the acquisition Quality Technology expands their services within cyber security, cloud computing, DevOps, and big data analytics as well as expands its customer base by moving into new markets
5/1/2018	 SCIO health analytics <small>Once We Understand, Change Results.</small>	 EXL	<ul style="list-style-type: none"> SCIOInspire provides healthcare analytics solutions and services. The company's health analytics services offer business services and insights in various areas from consumer engagement to payment integrity The transaction expands EXL's healthcare growth strategy by enhancing their capabilities to sell and deliver more complex clinical work, and increase their ability to scale
4/10/2018	 VALOREM CONSULTING	 REPLY	<ul style="list-style-type: none"> Valorem Consulting Group provides cloud and infrastructure, customer experience, data and analytics, customer relationship management, custom development, enterprise social, and portal and collaboration services With the deal Reply expands and strengthens its presence in the North American market
4/5/2018	 M:	 iProspect	<ul style="list-style-type: none"> Media 8 offers digital advertising services, including digital strategy, brand consulting, creative development, content creation, paid, owned, and earned media distribution, search marketing, social media, application development, and data analytics services The acquisition expands iProspect's performance marketing capabilities and talent to reach multicultural audiences in the U.S. and Latin America
4/2/2018	 southport	 PERFICIENT	<ul style="list-style-type: none"> Southport Services Group provides business intelligence and information technology (IT) consulting services The deal deepens Perficient's data solution capabilities, extends their locations, adds more professionals, and creates more strategic client relationships with Fortune 1000 customers from different industries

Q2 2018 Select Big Data / Data Analytics Services Capital Raise Transactions

Announced	Target	Investor	Target Description / Deal Rationale
5/15/2018	 MyriadMobile	<i>Undisclosed</i>	<ul style="list-style-type: none"> Myriad Mobile provides mobile application development and integrated software development services The company raised \$7 million of angel funding from undisclosed investors
5/2/2018	 DevOpsGroup		<ul style="list-style-type: none"> DevOps Group provides information technology and software development services The company received GBP 3 million of development capital from Business Growth Fund

Source: Public filings as of 30-Jun-2018, Capital IQ

Big Data Comparable Companies Analysis

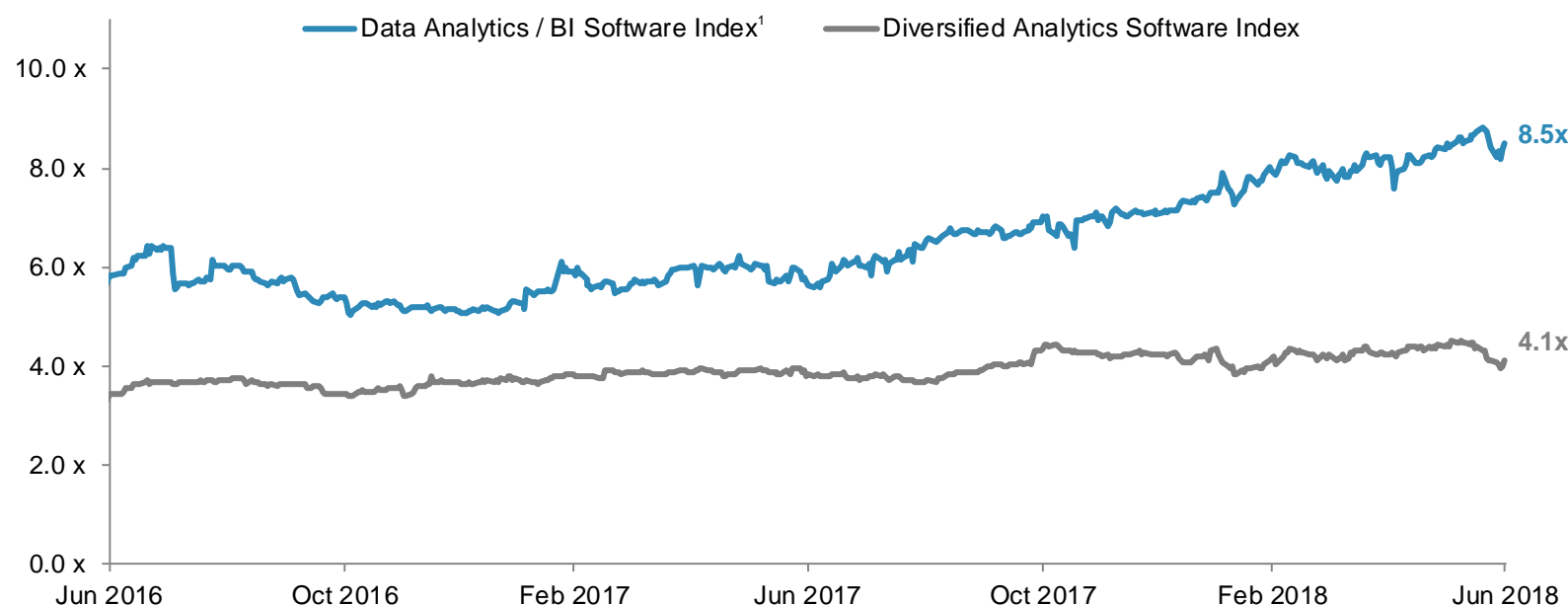
Data Analytics / BI Software Index

Company	Closing Price 30-Jun-2018	% of 52 Week High	Equity Market Cap	Enterprise Value	EV / Revenue Multiples			EV / EBITDA Multiples			LTM EBITDA Margin	2018E Revenue Growth
					LTM	2018	2019	LTM	2018	2019		
Alteryx	\$ 38.16	92.0 %	\$ 2,472	\$ 2,293	15.7 x	12.3 x	9.3 x	NMF	NMF	NMF	(9.3)%	41.1 %
Cloudera	13.64	60.8	2,464	2,034	5.2	4.6	3.9	NMF	NMF	NMF	(53.1)	21.7
Hortonworks	18.22	82.8	1,691	1,602	5.6	4.8	3.9	NMF	NMF	NMF	(61.9)	26.2
MicroStrategy	127.75	65.1	1,462	767	1.5	1.5	1.5	12.9	16.5	13.5	11.8	1.1
Splunk	99.11	81.5	15,516	14,566	10.7	8.8	7.1	NMF	NMF	NMF	(16.9)	29.6
Tableau	97.75	92.4	8,936	8,071	9.6	8.2	7.2	NMF	NMF	NMF	(16.9)	11.7
Talend	62.28	96.5	1,929	1,834	11.3	9.0	7.0	NMF	NMF	NMF	(18.0)	37.2
Verisk	107.64	97.6	18,285	21,064	9.5	8.8	8.3	20.8	18.6	17.2	45.5	11.1
High		97.6 %	\$ 18,285	\$ 21,064	15.7 x	12.3 x	9.3 x	20.8 x	18.6 x	17.2 x	45.5 %	41.1 %
Median		87.4	2,468	2,163	9.5	8.5	7.1	16.8	17.6	15.4	(16.9)	24.0
Mean		83.6	6,594	6,529	8.6	7.3	6.0	16.8	17.6	15.4	(13.7)	22.5
Low		60.8	1,462	767	1.5	1.5	1.5	12.9	16.5	13.5	(61.9)	1.1

Diversified Analytics Software Index

Company	Closing Price 30-Jun-2018	% of 52 Week High	Equity Market Cap	Enterprise Value	EV / Revenue Multiples			EV / EBITDA Multiples			LTM EBITDA Margin	2018E Revenue Growth
					LTM	2018	2019	LTM	2018	2019		
IBM	\$ 139.70	81.6 %	\$ 129,889	\$ 163,558	2.0 x	2.0 x	2.0 x	9.8 x	8.7 x	8.3 x	20.8 %	2.1 %
Intel	49.71	86.3	237,450	260,128	4.1	3.8	3.7	9.5	8.9	8.4	43.0	8.8
Microsoft	98.61	96.0	759,277	701,617	7.1	6.1	5.6	20.0	14.6	13.0	35.3	20.5
Oracle	44.06	82.4	183,759	177,615	4.5	4.4	4.2	10.9	9.4	9.1	41.0	3.4
SAP	115.48	94.1	133,764	136,907	4.7	4.8	4.5	17.6	14.5	13.3	26.9	0.8
Teradata	40.15	90.7	5,053	4,638	2.1	2.1	2.1	34.6	12.5	11.2	6.2	0.8
High		96.0 %	\$ 759,277	\$ 701,617	7.1 x	6.1 x	5.6 x	34.6 x	14.6 x	13.3 x	43.0 %	20.5 %
Median		88.5	158,762	170,587	4.3	4.1	4.0	14.2	11.0	10.1	31.1	2.8
Mean		88.5	241,532	240,744	4.1	3.9	3.7	17.1	11.5	10.6	28.9	6.1
Low		81.6	5,053	4,638	2.0	2.0	2.0	9.5	8.7	8.3	6.2	0.8

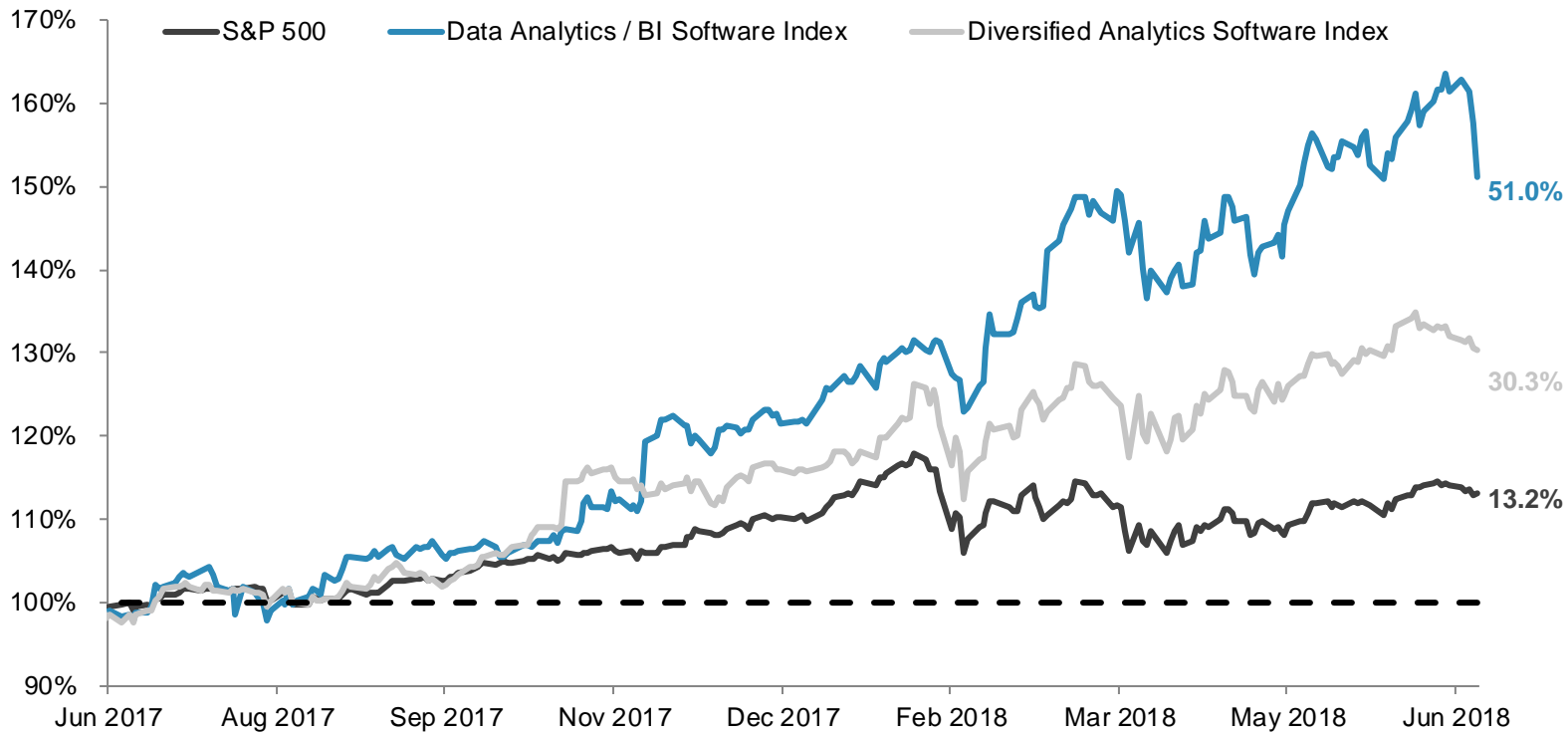
LTM EV / Revenue Multiple Trend – 2 Years



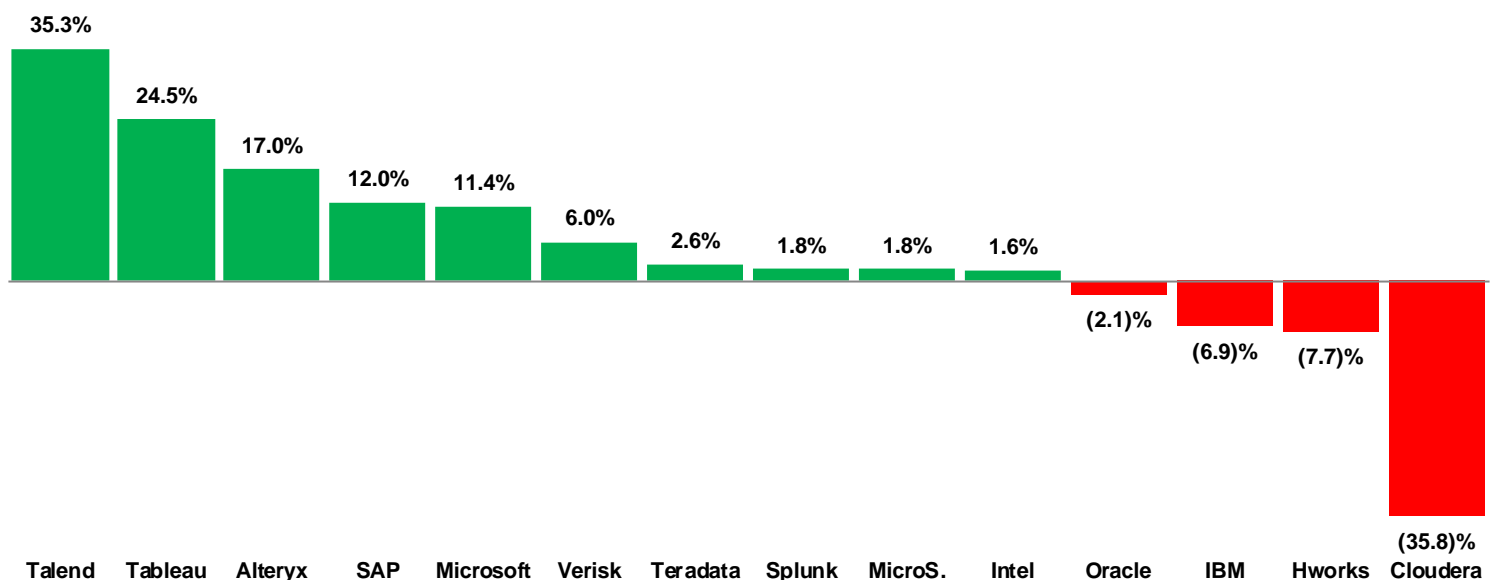
1. Excludes Alteryx, Cloudera, and Talend.

Source: Public filings as of 30-Jun-2018, Capital IQ

Big Data Market Indices Performance – 1 Year



Q2 2018 Share Price Performance – 1 Quarter



Source: Public filings as of 30-Jun-2018, Capital IQ

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CLIENT SUCCESS

KOGENTIX

has been acquired by

accenture

SELL-SIDE ADVISOR

Brand! Integrity

has been acquired by

Reward Gateway

a portfolio company of

Great Hill PARTNERS

SELL-SIDE ADVISOR

SMARTANALYST
INTELLIGENT FINANCIALS. SMART RESULTS.

a portfolio company of

ACTIVATE **edison** PARTNERS

has been acquired by

UDG Healthcare plc

SELL-SIDE ADVISOR

INSIGHT2PROFIT

has been acquired by

DFW CAPITAL PARTNERS

SELL-SIDE ADVISOR

LunaMetrics

has been acquired by

HS2

A portfolio company of

MOUNTAIN GATE CAPITAL

SELL-SIDE ADVISOR

ibb
CONSULTING GROUP

has been acquired by

accenture

SELL-SIDE ADVISOR

marketforce
INFORMATION®

has been acquired by

MAINST
CAPITAL CORPORATION

SELL-SIDE ADVISOR

vynamic

has been acquired by

UDG
Healthcare plc

SELL-SIDE ADVISOR

Tech Insights

has been acquired by

OAKLEY CAPITAL

SELL-SIDE ADVISOR

First Annapolis
Consulting | M&A Advisory Services

has been acquired by

accenture

SELL-SIDE ADVISOR

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



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