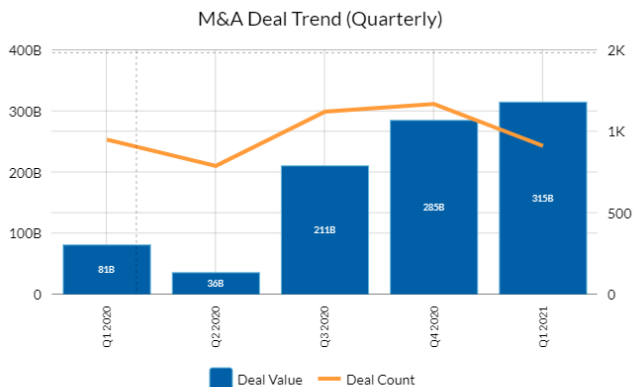




Cloud, Data & Analytics Market Monitor

Spring is here in North America and as the weather warms up, the deal markets remain hot at levels we could have scarcely imagined one year ago. At this time in 2020, the market was effectively on hold as both buyers and sellers waited on the fallout from an abrupt and unprecedented shutdown to global commerce. Since late summer 2020, pent-up demand returned to the markets and bullish expectations continue to drive activity.



First quarter 2021 picked up where 2020 left off as volumes and valuations remain high, expectations of continued growth, cheap debt and an accelerated market tailwind across virtually all segments of technology.

We are observing strong market conditions for our clients in cloud, data and analytics services. Both strategic and financial buyers have been aggressive over the past three months, playing in and out of processes to secure next-gen analytical capabilities. Our sources suggest strategics are seeing an insatiable level of demand from their clients in modernizing data and analytical capabilities.

The pandemic has reinforced the imperative of digital transformation: all companies must prepare as if digital channels are the only channels available to interact with customers and stakeholders. Digital-first models demand the sort of agility enabled by modern analytics capabilities at all levels of the organization.

What does that mean for our clients? For those evaluating strategic financial options, it means all options are on the table. Strategic sales, private equity recaps, and growth capital raises – we are helping clients navigate them all. Let's chat if you are curious about market opportunities.

[Email Alex](#)

[Email Gretchen](#)

Q1 2021

Market Overview

Sector Spotlight

Public Market Performance

M&A Activity

Sector Leadership



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Sector Spotlight

Themes of Interest



DataOps+

Higher end managed services for data analytics

Managed IT services have long been associated with outsourcing cost center activities such as help desk and support. But with more organizations driving critical business value from a complex portfolio of data assets, operationalizing data for reliability and continuous improvement is creating demand for outsourced data management. The premium offering known as DataOps takes cues from DevOps prioritizing agility and continuous improvement. Further up the stack, AIOps and MLOps correspond to the management of advanced analytical models. As enterprises implement more sophisticated capability, managed services is the next opportunity.



Emerging Tech



Companies creating buzz as challengers to watch

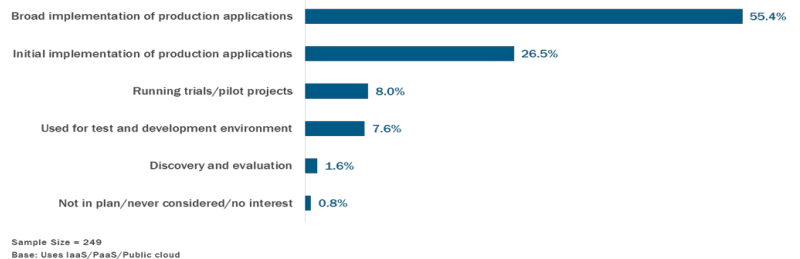
Teradata spinout Starburst is making a name for itself in data abstraction and analytics acceleration. It recently announced plans to deliver a managed cloud offering, Starburst Galaxy, aimed at data lakes and databases across multiple clouds and on-premise. Down the stack, Yellowbrick offers flash-based, high-performance data warehousing that has been popular as an on-premise appliance for mission-critical use cases involving real time analytics. The company is now seeing traction in the cloud (both public and private) as vendors reposition from cost to performance.

451 Research

In One Chart

Organizations that use public cloud are all in

451 Research's Q1 2021 "Voice of the Enterprise" survey asked public cloud users how to characterize their adoption of IaaS/PaaS/public cloud. The response leaves no doubt:



Deal Announcements



SUMMARY

DAS42 provides cloud-based data analytics consulting services to premier Fortune 500 companies. The Company's team of data analysts, scientists, entrepreneurs and engineers relies on a "FullStack" philosophy to provide clients with data-driven business strategy consulting, tech stack integrations, application implementation and analytics training. DAS42 is a Snowflake Elite Services Partner and Looker Advanced Consulting Partner, with additional strong partnerships in the Google Cloud, AWS and Databricks ecosystems. M/C Partners' investment in DAS42 will allow The Company to scale and expand their end-to-end data consulting solutions while maintaining their premier industry partnerships.

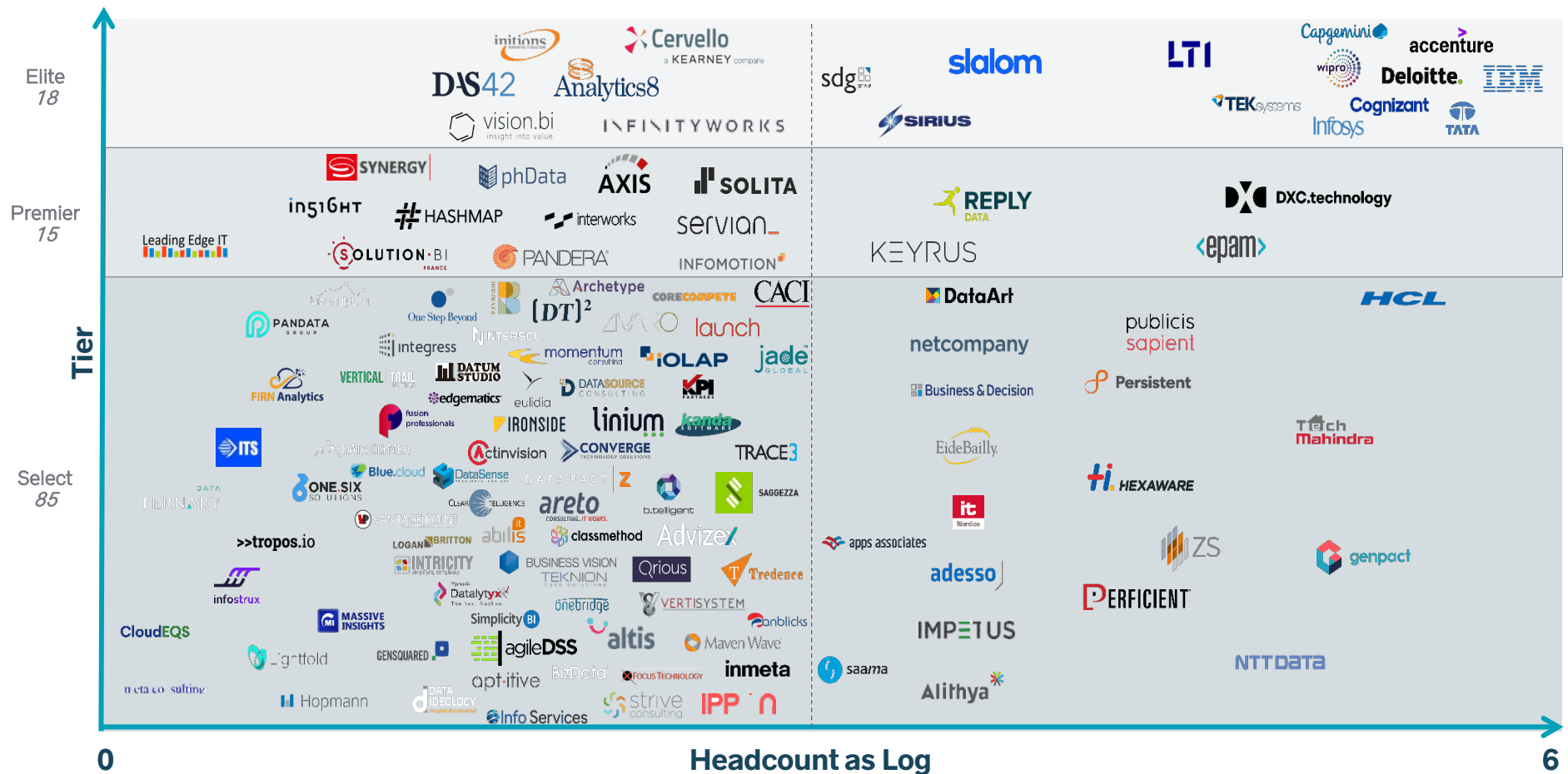
COMMENTARY

Digital transformation initiatives have accelerated in the Covid era, creating significant enterprise demand for modern analytical capabilities that promote business agility. Cloud-based innovation demands modern tools – a dynamic that favors specialists who build capability around compelling use cases earlier in the maturity cycle. DAS42 earned top tier recognition as a first mover within the Looker and Snowflake partner ecosystems, two cloud-native tools increasingly found in modern analytical technology stacks. The large, rapidly growing and time-sensitive market opportunity led management to seek capital for growth acceleration. The company chose M/C Partners for its sterling reputation, experience with technology services and shared vision for DAS42 as a burgeoning leader in enterprise cloud analytics consulting.

Sector Spotlight

Cross-sectional View of Snowflake Services Partners Ecosystem

Success in operationalizing data at scale requires a modern technology stack built on cloud-based software. Many enterprises are choosing cloud-native platform Snowflake for use cases such as data warehousing and data engineering. While global SIs predictably dominate the highest tier of services partners, specialized providers are attracting attention as competitors and acquisition targets. **Many of the smaller Elite and Premier partners have recently transacted, fueling intense M&A demand for the remaining independents**



(10 employees = 1, 1000 employees = 3, etc.)

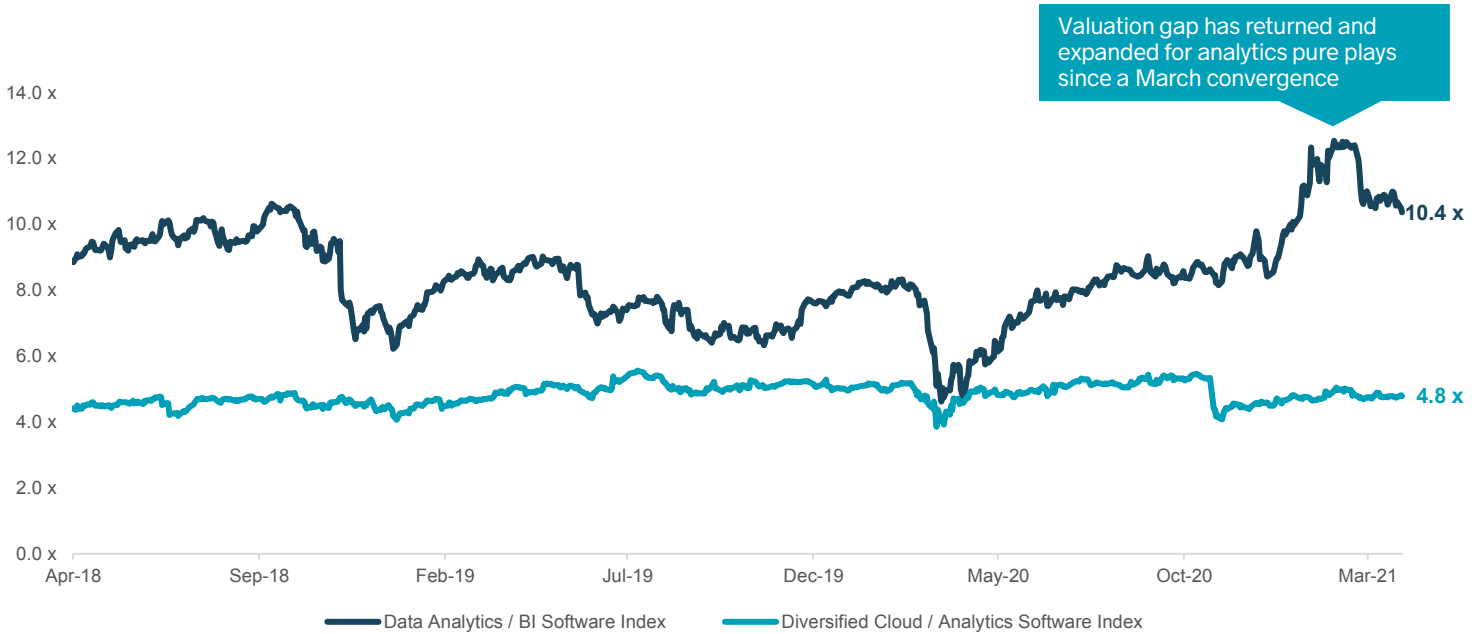
Source: Public filings, Capital IQ, and company websites



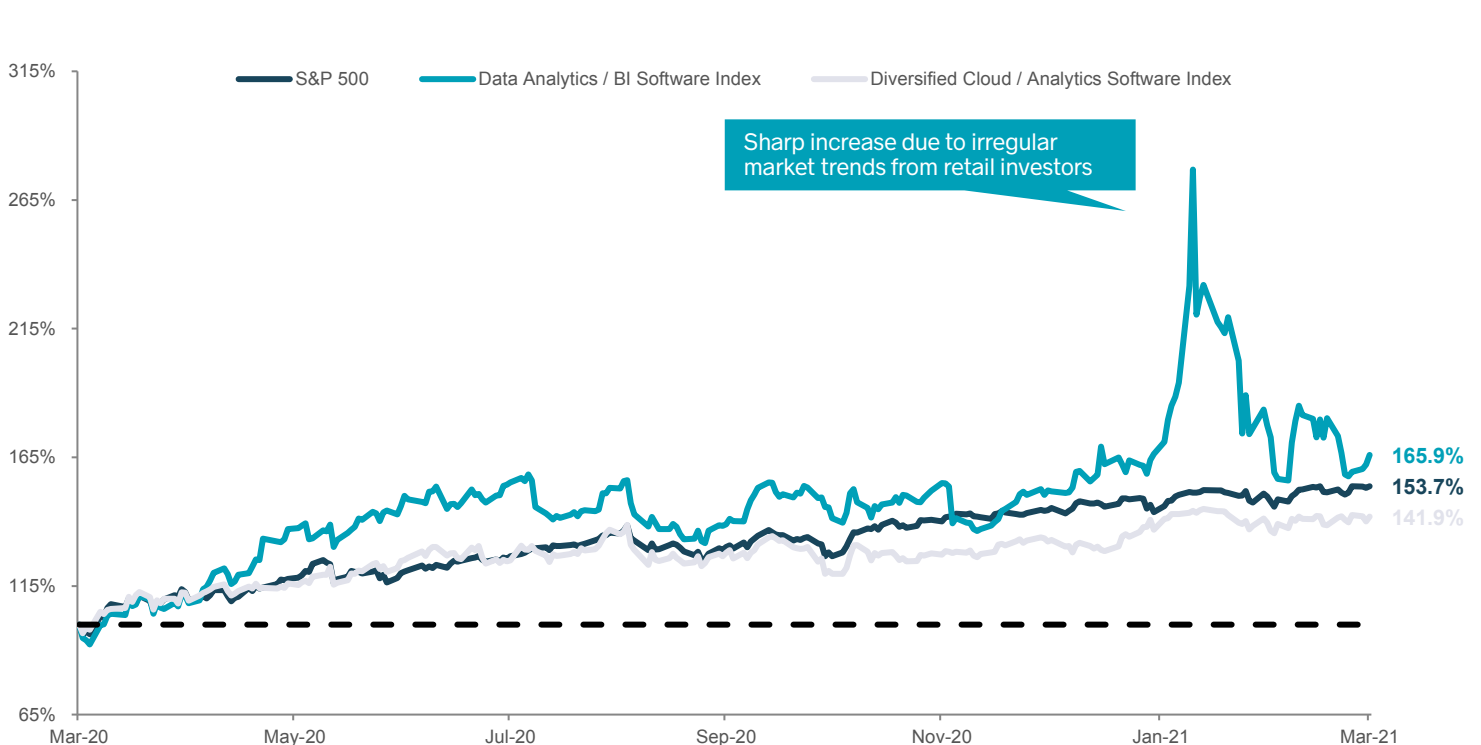
Clearsight Advisors
Investment Banking

Public Market Performance

LTM EV / Revenue Multiple Trend – 3 Years



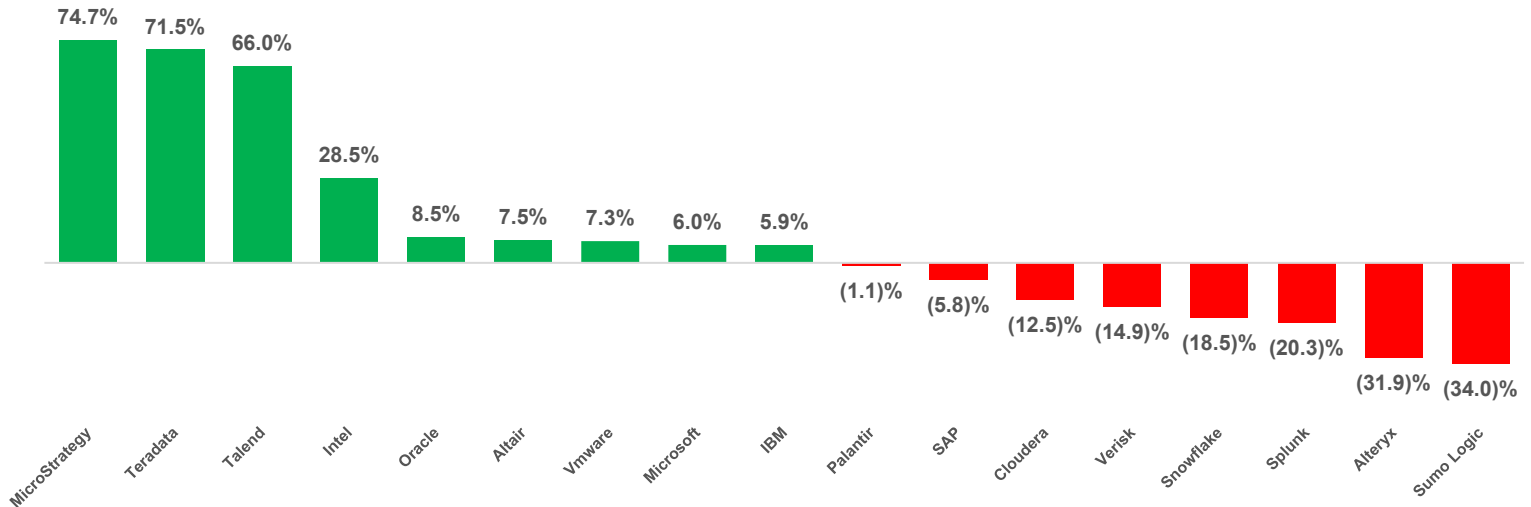
Cloud, Data & Analytics Market Indices Performance – 1 Year



Source: Public market data as of 31-Mar-2021, Capital IQ
 Note: Indices do not include PLTR, SNOW, or SUMO as they each listed during 3Q20

Public Market Performance

Q1 2021 Share Price Performance – 1 Quarter



Cloud, Data & Analytics Comparable Companies Analysis

Data Analytics / BI Software Index

	Closing Price	% of 52 Week High	Equity Market Cap	Enterprise Value	EV / Revenue Multiples			EV / EBITDA Multiples			LTM EBITDA
	31-Mar-2021				LTM	2021	2022	LTM	2021	2022	Margin
	Data Analytics / BI Software										
Altair	\$62.6	91.2%	\$5,074	\$4,866	10.0x	9.6x	8.8x	NMF	NMF	NMF	8.5%
Alteryx	83.0	44.7%	5,756.7	5,720.7	11.3	10.2	8.5	NMF	NMF	NMF	0.1%
Cloudera	12.2	62.9%	3,979.2	4,058.8	4.7	4.4	4.1	NMF	NMF	NMF	(3.6%)
MicroStrategy	678.8	51.6%	7,131.7	8,795.4	17.9	NMF	NMF	NMF	NMF	NMF	16.5%
Palantir	23.3	51.8%	55,945.2	54,390.7	NMF	NMF	NMF	NMF	NMF	28.6	NMF
Snowflake	229.3	53.4%	69,797.7	66,093.3	NMF	NMF	NMF	NMF	NMF	NMF	N/A
Splunk	135.5	60.0%	23,771.3	24,546.0	11.0	9.7	7.8	NMF	NMF	NMF	(30.3%)
Sumo Logic	18.9	40.7%	2,371.9	1,967.8	9.7	8.4	7.0	NMF	NMF	NMF	NMF
Talend	63.6	96.6%	2,316.6	2,324.5	7.8	7.0	6.1	NMF	NMF	NMF	(22.6%)
Verisk	176.7	83.9%	29,272.6	32,416.8	11.5	10.9	10.2	25.3	22.2	20.6	45.5%
	High	96.6%	\$69,798	\$66,093	17.9x	10.9x	10.2x	NMF	22.2x	28.6x	45.5%
	Median	56.7	6,444	7,258	10.5	9.6	7.8	NMF	22.2	24.6	0.1%
	Mean	63.7	20,542	20,518	10.5	8.6	7.5	NMF	22.2	24.6	2.0%
	Low	40.7	2,317	1,968	4.7	4.4	4.1	NMF	22.2	20.6	(30.3%)















Diversified Cloud / Analytics Software Index

	Closing Price	% of 52 Week High	Equity Market Cap	Enterprise Value	EV / Revenue Multiples			EV / EBITDA Multiples			LTM EBITDA Margin
	31-Mar-2021				LTM	2021	2022	LTM	2021	2022	
	Diversified Analytics Software										
IBM	\$133.26	97.2%	\$122,025	\$171,227	2.3x	2.3x	2.3x	9.4x	9.4x	9.6x	24.5%
Intel	64.00	94.9	263,725	292,000	3.8	4.0	4.0	8.4	8.9	8.8	44.6
Microsoft	235.77	95.8	1,807,935	1,740,980	10.9	10.1	9.1	NMF	NMF	NMF	47.2
Oracle	70.17	95.3	214,935	249,107	6.3	6.1	6.0	14.1	12.1	11.8	44.5
SAP	122.63	72.9	153,849	160,345	5.0	5.0	4.8	18.4	14.3	14.1	27.3
Teradata	38.54	64.7	4,490	4,416	2.3	2.3	2.2	15.9	11.2	10.3	14.6
VMware	150.45	92.9	65,634	65,636	5.6	5.2	4.7	NMF	14.9	13.4	23.6
	High	97.2%	\$1,807,935	\$1,740,980	10.9x	10.1x	9.1x	18.4x	14.9x	14.1x	47.2%
	Median	94.9	153,849	171,227	5.0	5.0	4.7	14.1	11.6	11.0	27.3
	Mean	87.7	376,085	383,387	5.2	5.0	4.7	13.3	11.8	11.3	32.3
	Low	64.7	4,490	4,416	2.3	2.3	2.2	8.4	8.9	8.8	14.6

Source: Public market data as of 31-Mar-2021, Capital IQ

Note: Multiples charts may differ from Comparable Company Analysis figures due to detailed adjustments made to the Comparable Company Analysis.

M&A Activity

Date	Target	Buyer/Investor	Summary
L3M Featured M&A Transactions (1 of 2)			
23-Feb-2021	 data runs deep	jellyfish	<ul style="list-style-type: none"> Data Runs Deep provides consulting, implementation, and training for data solutions This acquisition represents Jellyfish's entry into the Australian market
22-Feb-2021	 KSM CONSULTING backed by  RENOVUS CAPITAL	INVESTCORP	<ul style="list-style-type: none"> KSM Consulting is a consulting firm specializing in data analytics, technology and digital transformation Investcorp will help KSMC focus on organic growth and geographic expansion
17-Feb-2021	 DecisiveData	 calligo	<ul style="list-style-type: none"> Decisive Data is a leader in data analytics, data science, and visualization This acquisition adds capabilities and resources to Calligo's Data Insights team
16-Feb-2021	INFINITY WORKS	 accenture	<ul style="list-style-type: none"> Infinity Works is a cloud and digital transformation consultancy The acquisition expands the cloud delivery and engineering capabilities of Accenture in the UK
16-Feb-2021	 ProdOps	 Doit INTERNATIONAL backed by  Charlesbank <small>CAPITAL PARTNERS LLC</small>	<ul style="list-style-type: none"> ProdOps is a top provider of scalable software operations and infrastructure automation services The acquisition combines two engineering-focused companies to meet demand for operational agility
12-Feb-2021	 e-capacity Digital Strategy and Analytics	valtech_	<ul style="list-style-type: none"> eCapacity is an advisory agencies for data-driven digital strategies in the Nordic region This acquisition adds additional expertise in predictive analytics, AI, ML, and eCommerce
02-Feb-2021	 ADAPTIVE ANALYTICS	 T S G	<ul style="list-style-type: none"> Adaptive Analytics provides data analytics and visualization tools for the health and fitness sectors Adaptive Analytics deepens TSG's boutique fitness focus, and AA's Intelli-hub's data visualization enhances TSG's innovative software solutions
11-Jan-2021	 DATASTRONG	 Smartronix	<ul style="list-style-type: none"> Datastrong provides data architecture, design, and analytics for government and commercial clients The acquisition enhances Smartronix's position as a cloud leader and expand the company's comprehensive solutions

Source: Public filings as of 31-Mar-2021, Capital IQ, Pitchbook

M&A Activity

Date	Target	Buyer/Investor	Summary
L3M Featured M&A Transactions (2 of 2)			
11-Jan-2021			<ul style="list-style-type: none"> 7Summits is a Salesforce consultancy that delivers transformative digital experiences across industries The acquisition extends IBM's portfolio of Salesforce services and further advances IBM's hybrid cloud and AI strategy
10-Jan-2021			<ul style="list-style-type: none"> Servian is an enterprise transformation consultancy specializing in data analytics, AI, and cloud The acquisition expands Cognizant's integrated, end-to-end digital transformation capabilities in Australia and New Zealand
07-Jan-2021			<ul style="list-style-type: none"> Unico is a data strategy and technology consulting firm providing digital transformation and cloud adoption services The acquisition strengthens Huron's ability to deliver on client data needs to enable digital transformation
05-Jan-2021			<ul style="list-style-type: none"> High Availability is an integrator of data center, networking, security, and cloud strategy products and services The acquisition enables CDI to bolster its white glove managed services offering

Source: Public filings as of 31-Mar-2021, Capital IQ, Pitchbook

About ClearSight

ClearSight Advisors is an independent merchant banking firm dedicated to driving the Knowledge Economy by providing world-class M&A and capital raising solutions exclusively to growth-oriented Business Services and Technology companies. ClearSight combines deep market insights across software, services and data. ClearSight Capital Advisors, Inc., a wholly owned subsidiary, is a registered member of FINRA & SIPC. For more information about ClearSight, visit www.clearsightadvisors.com



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