

ANALYTICS FRONTIERS CONFERENCE 2018

BROUGHT TO YOU BY:



Introduction: Doug Ellis

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MARCH 21, CHARLOTTE

MANAGING PARTNER, DECISIONPOINT

Doug Ellis was co-founder of DecisionPoint in 1998 and has served as a Managing Partner since that time. His operational career was in the technology sector, prior to providing M&A advisory for the last 20 years. Ellis has been personally involved in successfully closing 50+ transactions in the software, telecommunications, and IT services sectors.

Prior to founding DecisionPoint, Ellis was head of global M&A for Stanford Keene, a boutique M&A advisory firm for technology companies. Before that, he served in various management roles with AT&T and Lucent Technologies, in the division that is now Avaya. Prior to that, Ellis was Director of Alliances for AMSCO Engineering Services, a healthcare BPO company that outsources biomedical engineering departments in hospitals.

Ellis received a BS in Business/Finance from Wake Forest University and his Cybersecurity Certification from Wake Forest's MBA School. He is a regular speaker on assorted M&A topics at industry conferences. Ellis has been an undergraduate and graduate guest lecturer at the University of North Carolina – Chapel Hill, Wake Forest University, the University of North Carolina at Charlotte, and Winthrop University. He served on the Board of NC IDEA for six years, a not-for-profit organization which serves as a catalyst for young, high-growth, technology companies in the state of North Carolina. Ellis sits on the Advisory Board of Cydecor, a professional services firm that provides program and project management support to government and commercial clients. He also serves on the Finance Committee for New Charlotte Church. Doug is deeply involved in youth sports in the Charlotte area, which has given him the opportunity to have great times with his three great kids!

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704.916.9070



"His contacts...were invaluable in moving discussions forward with firms like AT&T, Cisco, Ericsson, and IBM."

RICHARD TIMMONS
CEO
SAGUS SECURITY

Introduction: DecisionPoint

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1 M&A Concentration

We focus on M&A only which develops deeper relationships with strategic buyers

2 Focus on Tech Companies

Our firm's operational experience in the technology industry is unparalleled

3 Middle Market Proficiency

We provide unique transaction insight for privately held clients while matching them with the best strategic buyer

4 Senior Level Execution

Our officer led process delivers senior executive advice developed over 160 transactions throughout the entire process

5 Global Proficiency

Our search for an optimal fit that maximizes value will span across the globe

Introduction: DecisionPoint

Select Analytics Deals

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VERTICAL ANALYTICS



BI PLATFORMS



MACHINE LEARNING



SEARCH



SOCIAL ANALYTICS



DATA ANALYST PLATFORMS



DATA SERVICES



DATA SCIENCE PLATFORMS



WEB / MOBILE / COMMERCE ANALYTICS



STATISTICAL COMPUTING



VISUALIZATION



SPEECH & NLP



HORIZONTAL AI



LOG ANALYTICS



The Market & Key Segments

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Predictive Analytics / Other

Vendors are finding growth through providing in-database processing options to simplify the user interaction without losing functionality

BI and Reporting

As traditional capabilities become more common, vendors look for growth through integration to enterprise applications and expansion of data handling capabilities

\$138.6bn

Market size by 2021

11.5%

CAGR between 2016-2021

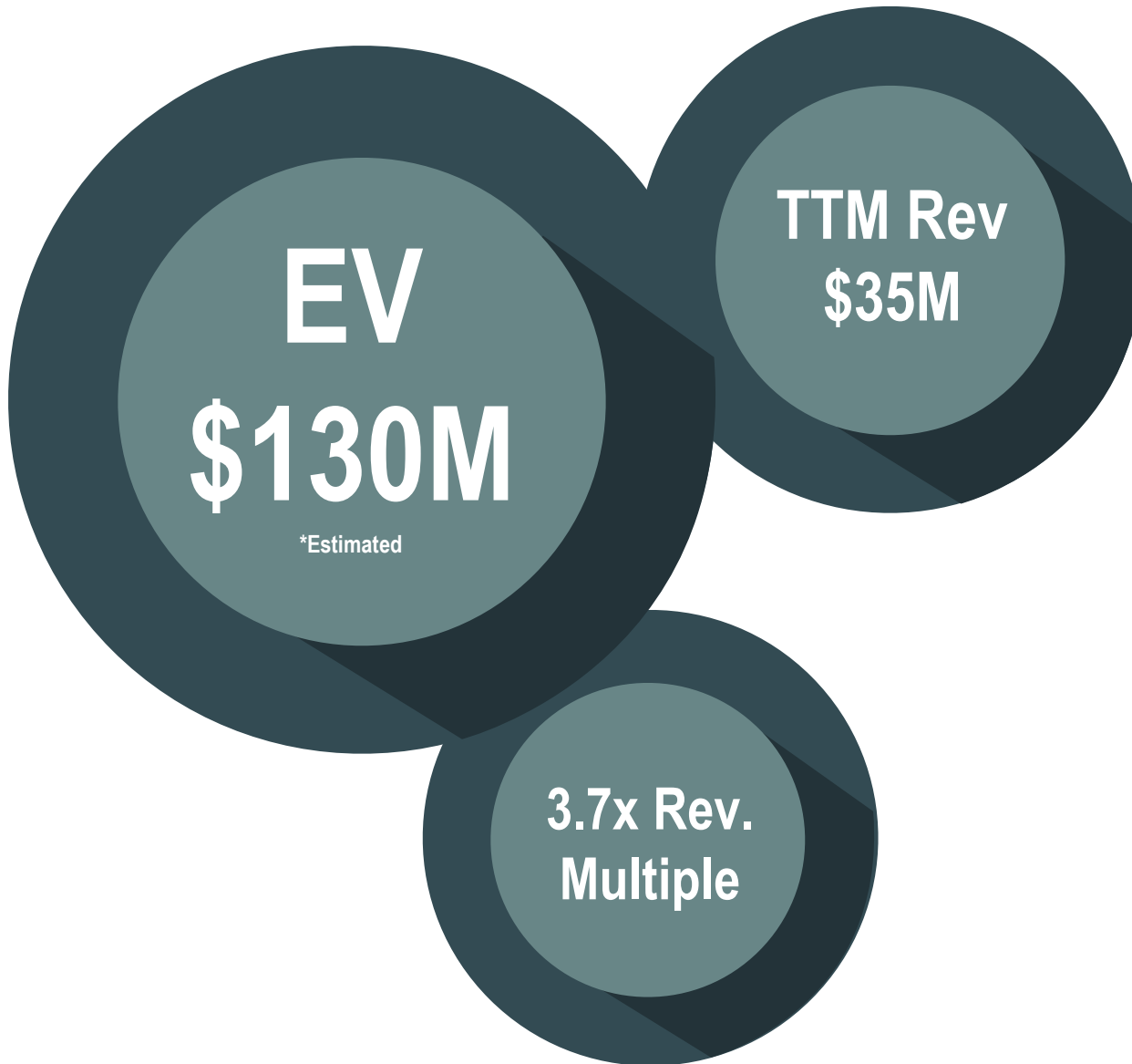
Machine Learning

As ML algorithms prove to no longer be enough, vendors seek to deliver capabilities to aid with the full data science lifecycle from development to deployment

Performance Management

Integration continues to be a key for growth as vendors will struggle to convince customers to completely migrate from traditional applications

Highlighted Transaction 1



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October 26 2017



HAS ACQUIRED

Logi 
ANALYTICS

The logo for Logi Analytics features the word 'Logi' in a large, bold, sans-serif font, followed by a graphic of three horizontal green bars of increasing length. Below this, the word 'ANALYTICS' is written in a smaller, spaced-out, sans-serif font.

Enterprise IT Priorities

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Voice of the Enterprise Digital Pulse: Top IT priorities

DIGITAL PULSE:
BUDGETS AND OUTLOOK 2017

Technology Priorities vs. Usage

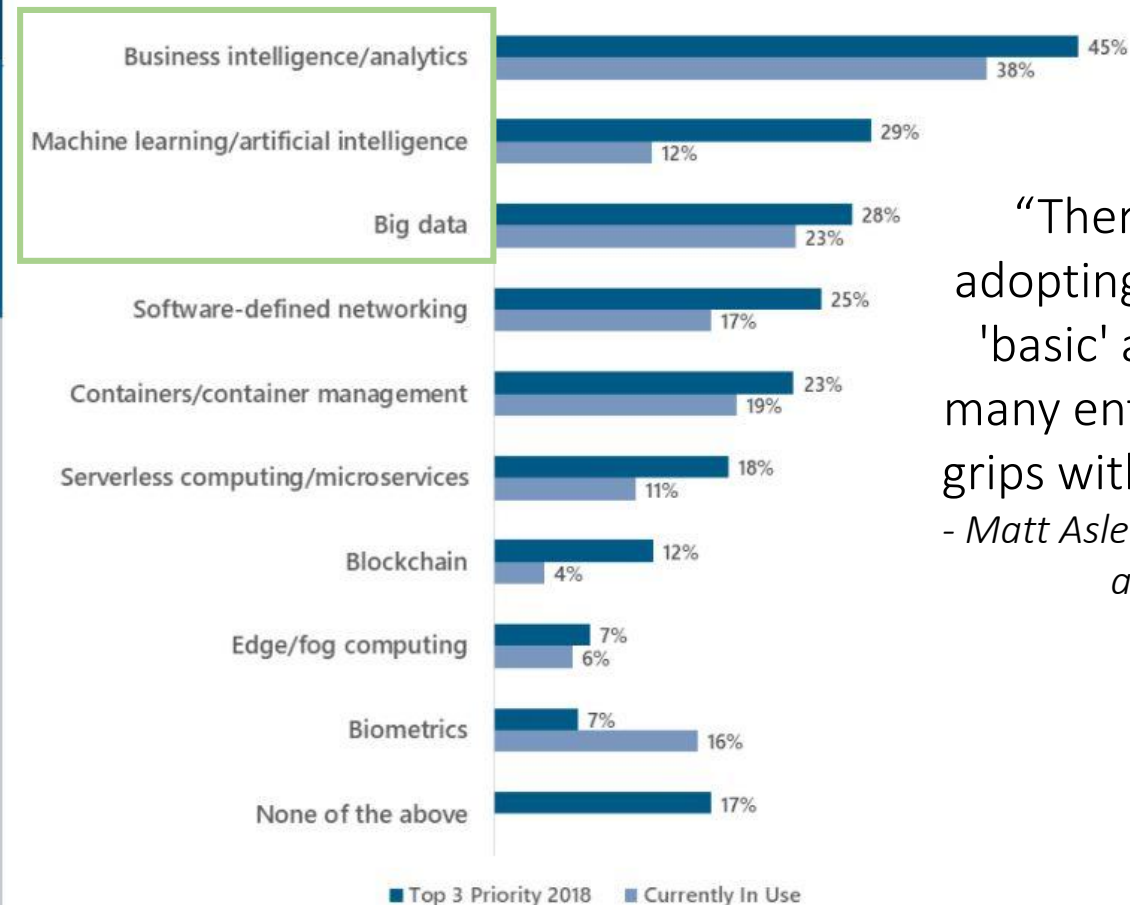
All respondents (n=857)

Q. Are any of the following items top IT priorities for your organization in 2018? Please select up to 3.

Q. Please describe the level of usage within your organization for each of the following technologies.

Source: 451 Research, Voice of the Enterprise: Digital Pulse, Budgets and Outlook 2017

451 Research | Voice of the Enterprise

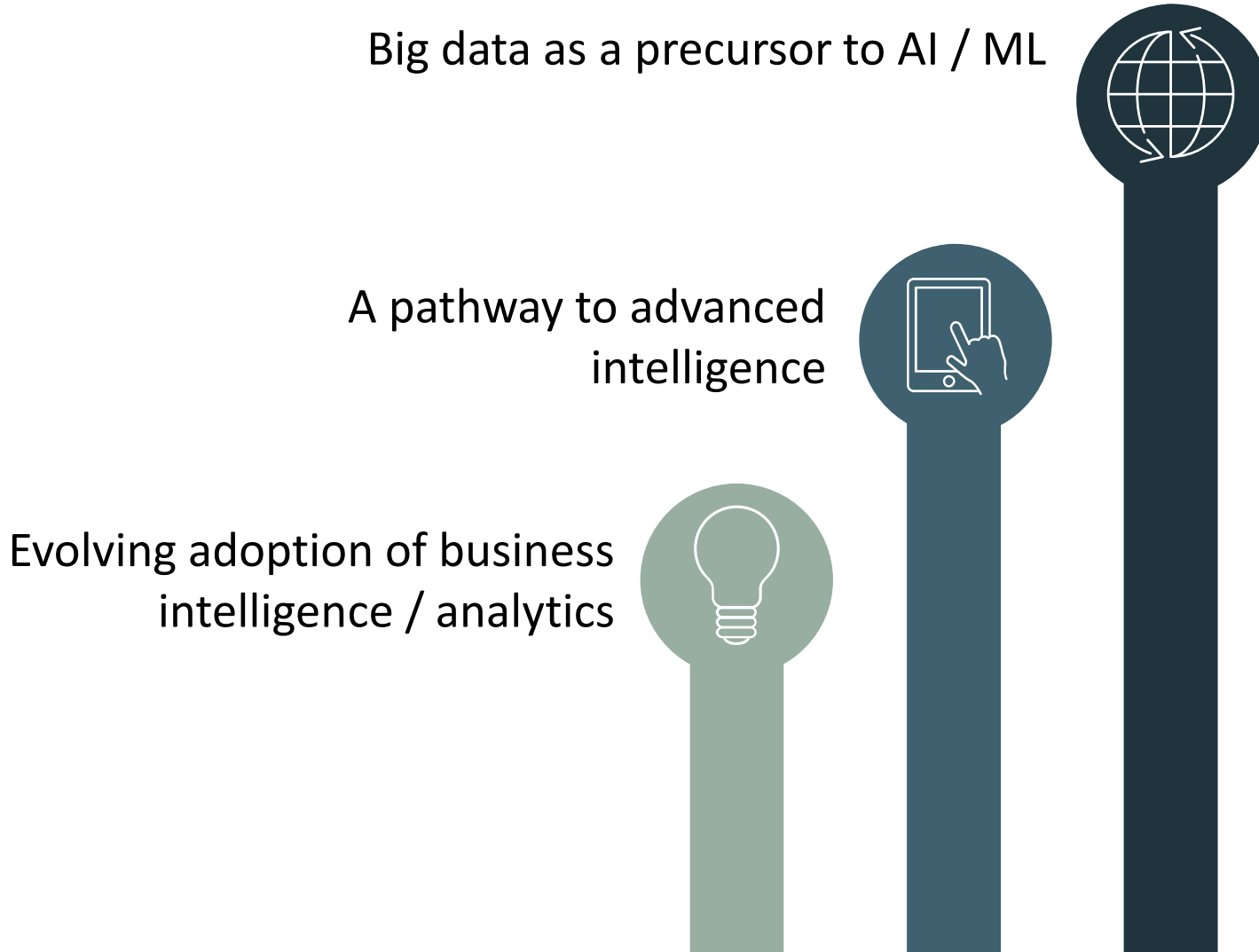


“There is still work to be done in adopting and refining the use of more 'basic' analytics functionality before many enterprises can begin to come to grips with more advanced capabilities.”

- Matt Aslett, Research Director – Data Platforms and Analytics – 451 Research

Enterprise IT Priorities

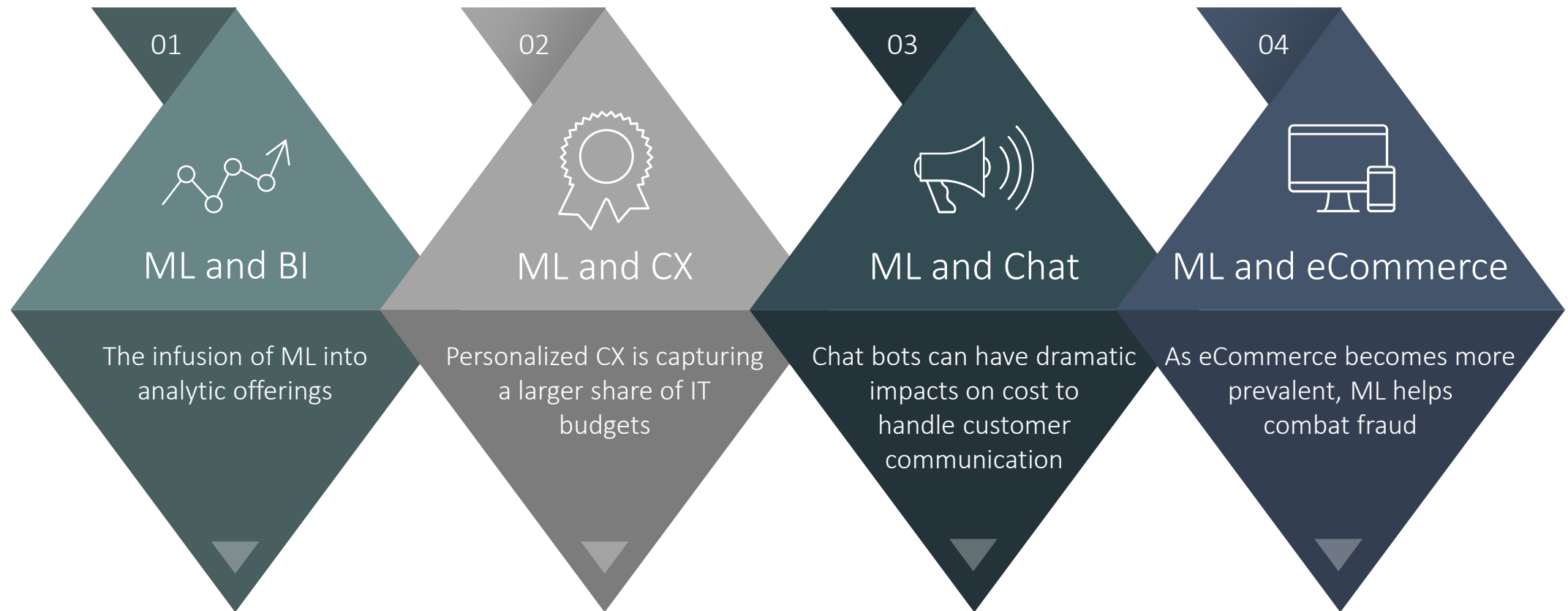
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There's been a renewal of interest in artificial intelligence, machine learning and deep learning over the past few years – largely driven by the availability, for the first time, of enough processing power to make it practical.

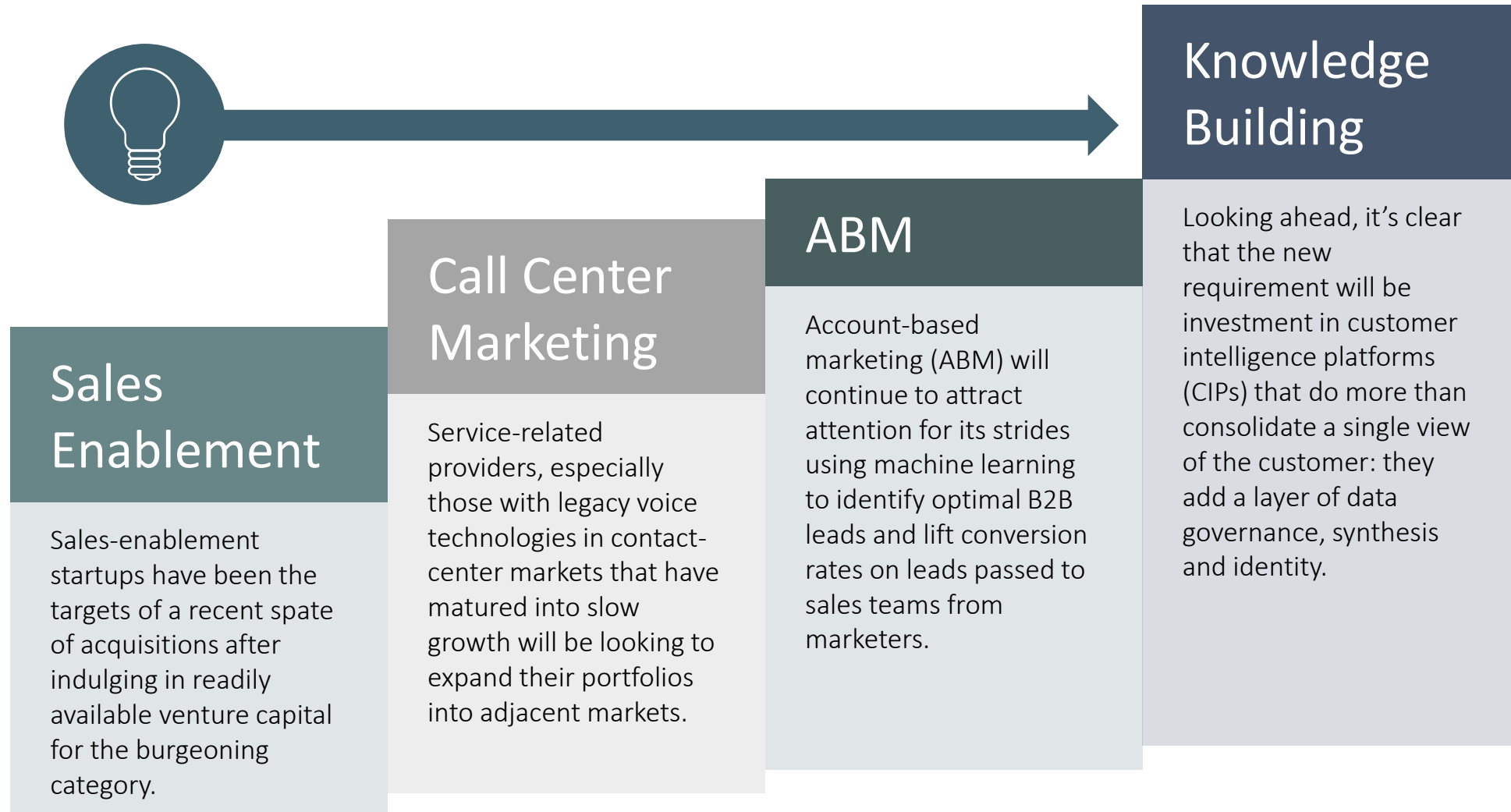
Examples of ML's Widespread Adoption

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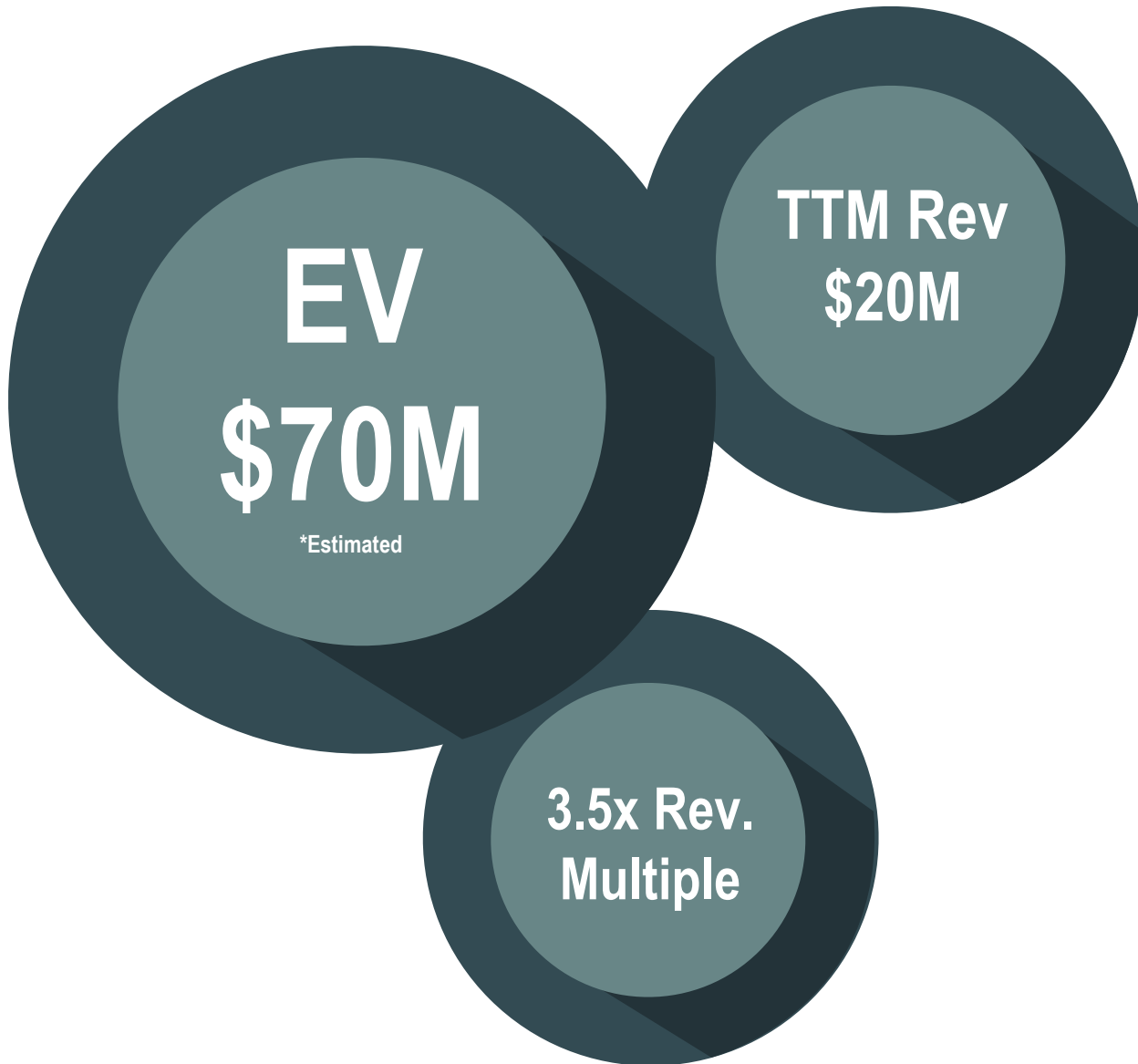


Commerce / Marketing

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Highlighted Transaction 2



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January 27 2017

symphony
TECHNOLOGY GROUP

HAS ACQUIRED

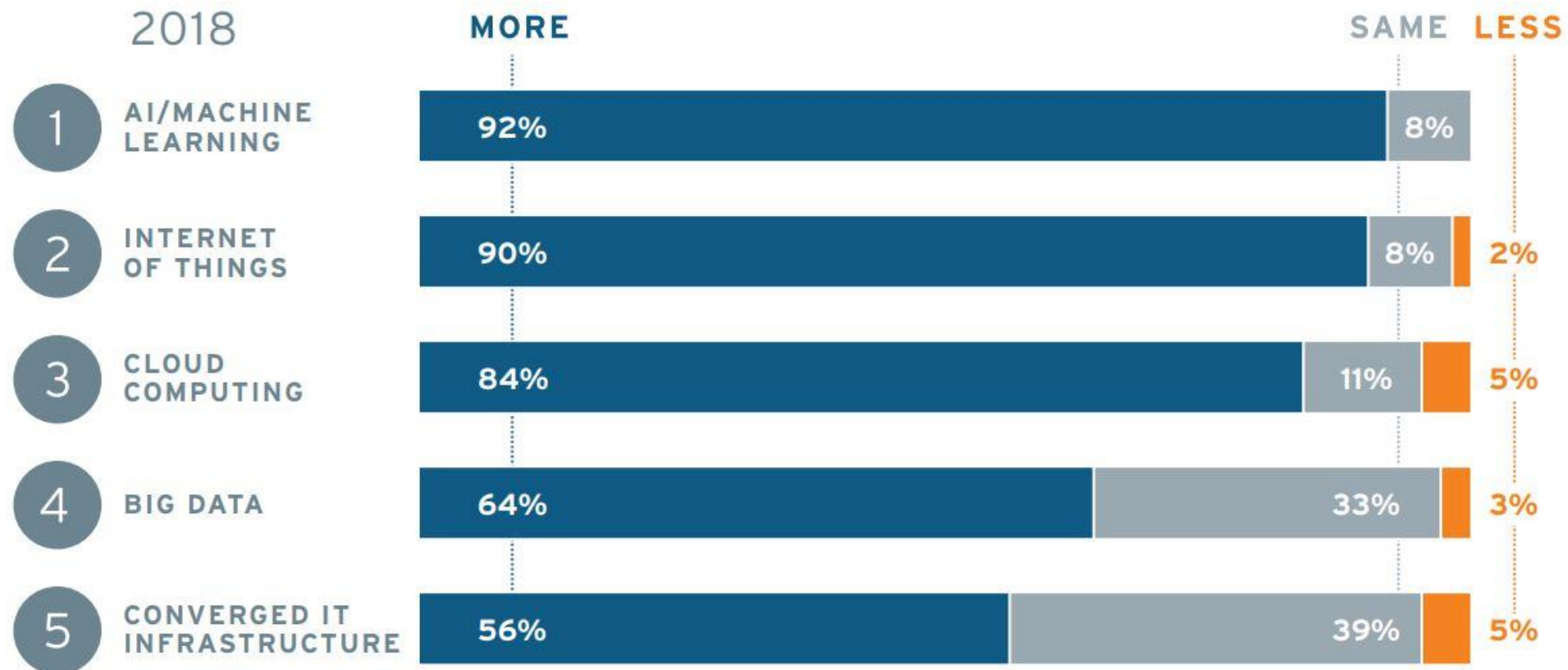
fishbowl®

2018 Predicted Technology Acquisition Themes

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Top-ranked themes for driving acquisition activity in coming year

Source: 451 Research Tech Banking Outlook Survey



Highlighted Transaction 3

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August 3 2017



HAS ACQUIRED



EV
\$55M

2.2M
In Funding

Est. Customer
Count:

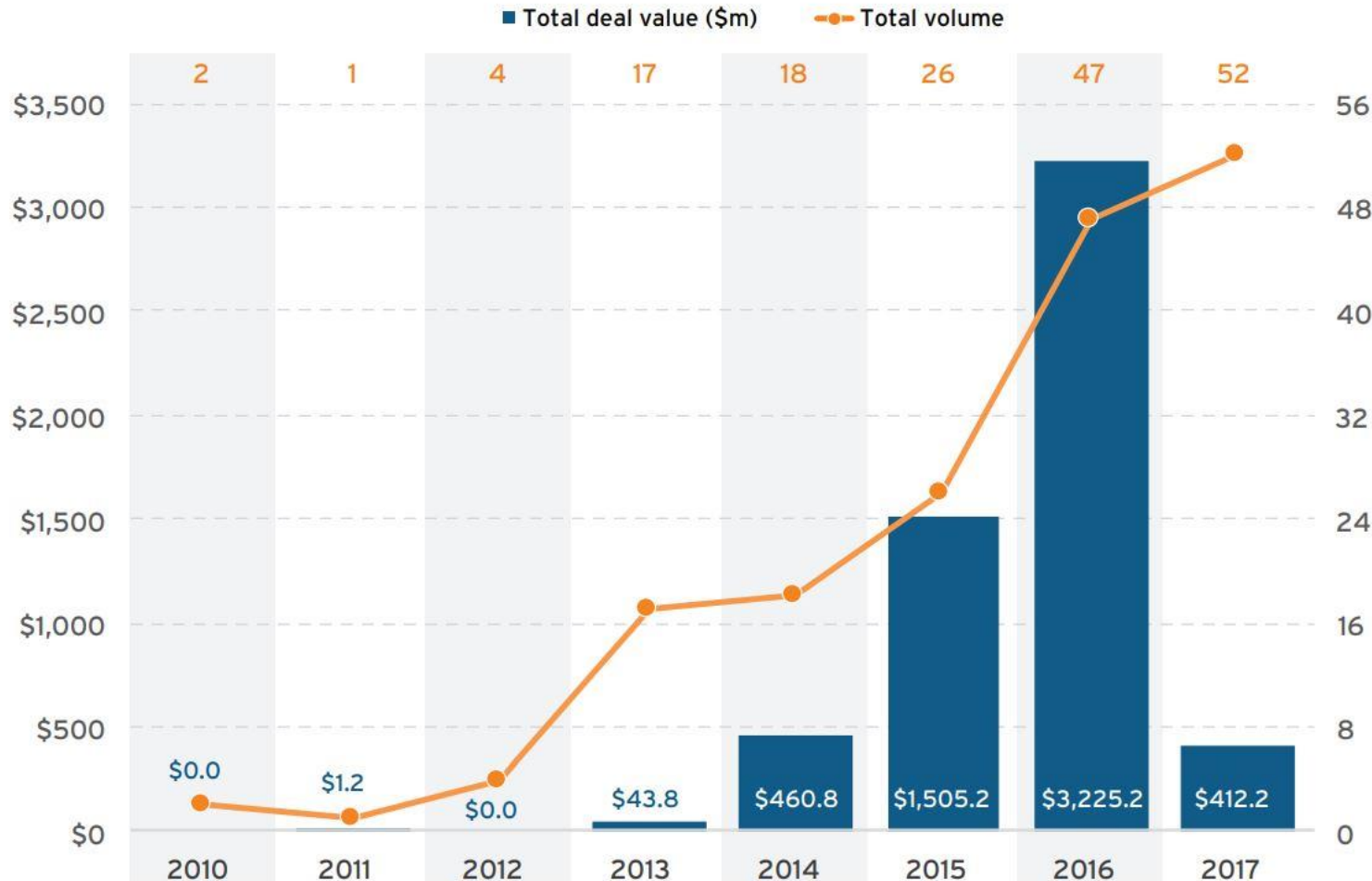
500

AI / ML Specific M&A Trends

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Software M&A: machine-learning targets

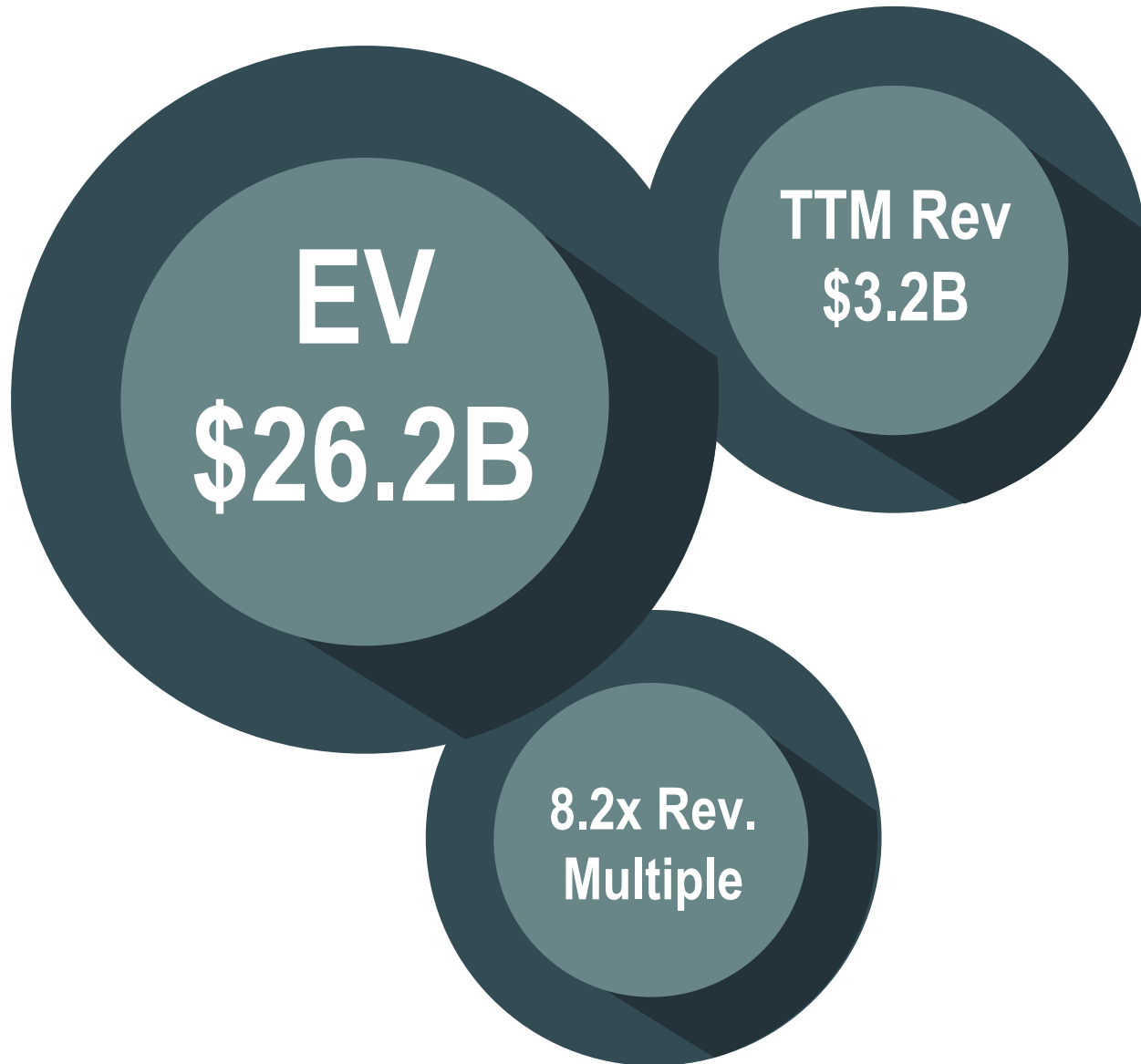
Source: 451 Research's M&A KnowledgeBase



Key Drivers:

- Unique, proprietary data
- Data science talent
 - Enhance product development and ML talent
- Developed business models

Highlighted Transaction 4



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December 8 2016



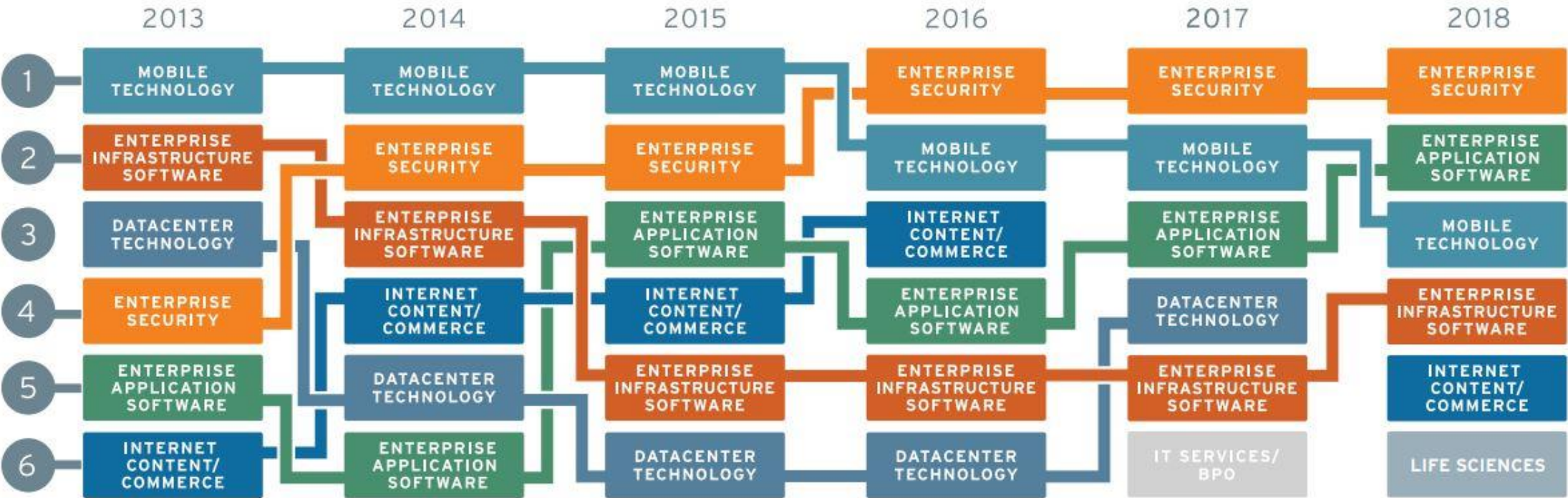
HAS ACQUIRED



Acquisition Spending Forecast

Forecast change in acquisition spending in coming year

Source: 451 Research Tech Banking Outlook Survey

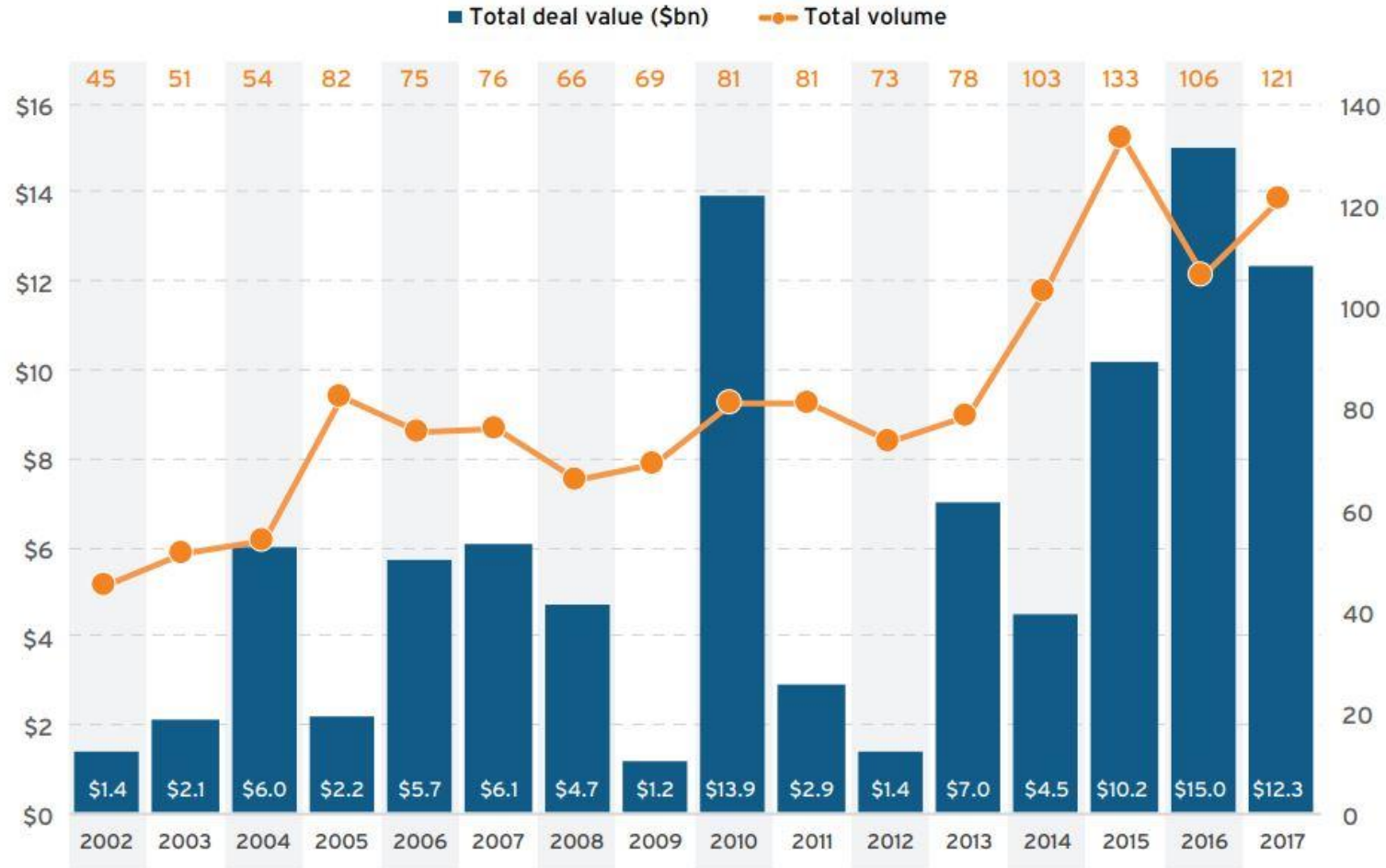


Enterprise Security M&A

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Overall enterprise security M&A activity

Source: 451 Research's M&A KnowledgeBase *Includes all disclosed and estimated deal values.

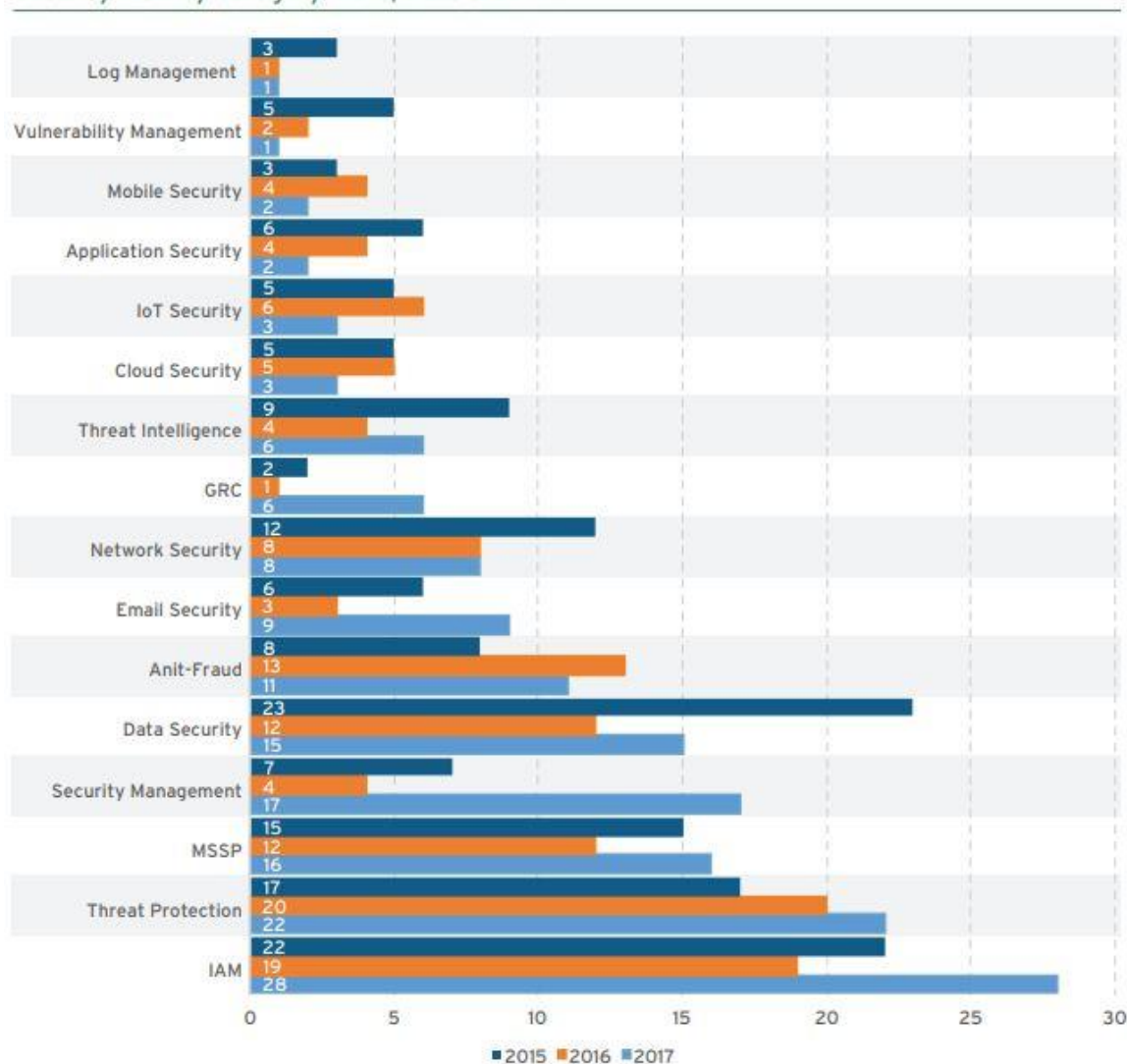


Enterprise Security

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ACQUISITIONS BY MARKET SEGMENT

Security M&A by Category: 2015, 2016 & 2017



The fact that so many analytics- and data-related fields are now appearing under this heading speaks to the trend that **analytics have become pervasive in security.**

As the deepening security investment in analytics matures, it also means that core capabilities such as machine learning (ML) will increasingly need to be focused on specific problems.

AI in Cybersecurity

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What's driving AI-based cybersecurity technology adoption? *ESG research* indicates:

- **29%** of Enterprises want to use AI-based cybersecurity technology to accelerate incident detection.
 - In many cases, this means doing a better job of curating, correlating, and enriching high-volume security alerts to piece together a cohesive incident detection story across disparate tools.
- **27%** of Enterprises want to use AI-based cybersecurity technology to accelerate incident response.
 - This means improving operations, prioritizing the right incidents, and even automating remediation tasks.
- **24%** of Enterprises want to use AI-based cybersecurity technology to help their organization better identify and communicate risk to the business.
 - In this case, AI is used to sort through mountains of software vulnerabilities, configuration errors, and threat intelligence to isolate high-risk situations that call for immediate attention.
- **22%** of Enterprises want to use AI-based cybersecurity technology to gain a better understanding of cybersecurity situational awareness.
 - In other words, CISOs want AI in the mix to give them a unified view of security status across the network.

AI related Security Vendor Releases:



Magnifier

Behavioral analytics system

Alphabet

Chronicle

Cybersecurity intelligence platform

DecisionPoint Case Study

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Acquirer Profile

TIBCO – Building an End-to-End Analytics Platform

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Background



TIBCO's mission for the past several years has been to bring BI to the estimated 75% of company employees that don't use BI tools. The vendor targets users from data scientists to folks with knowledge of their data but no data-science smarts.

Analytics For All

Strategy



In the past year alone, TIBCO has made four acquisitions to round out its Augment Intelligence portfolio.

1. Alpine Data
2. Cisco's data virtualization business
3. Nanoscale
4. Statistica

M&A

Products



- ✓ Advanced analytics
- ✓ Visualization
- ✓ Live data models
- ✓ Data virtualization
- ✓ Master data management
- ✓ Scalable analysis
- ✓ Collaboration
- ✓ And more. . .

Integration is Key

Competition



Primary rivals:

IBM, SPSS, SAS, Tableau, Qlik, SAP, Oracle

Others:

S, Python, Anaconda, SiSense, Chartio, Alteryx, RapidMiner

A Crowded Space

Acquirer Profile

TIBCO – Building an End-to-End Analytics Platform

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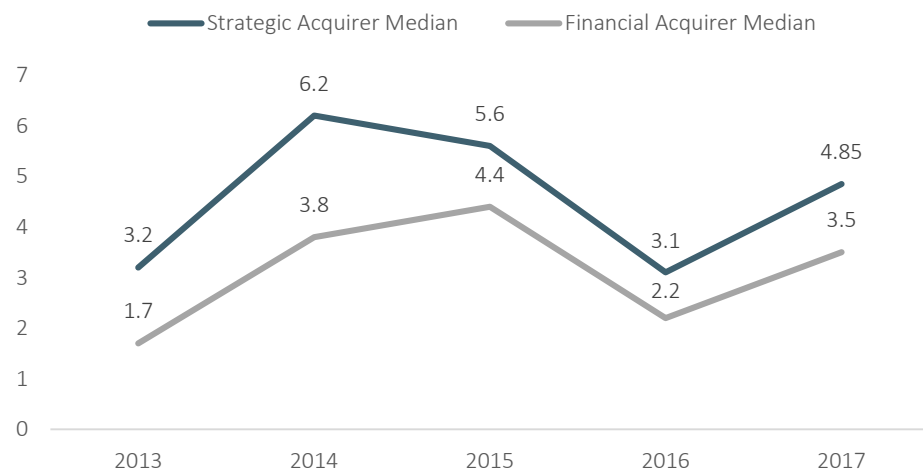
Analytics M&A

A look at over 1,700 Analytics deals between 2013 – 2017

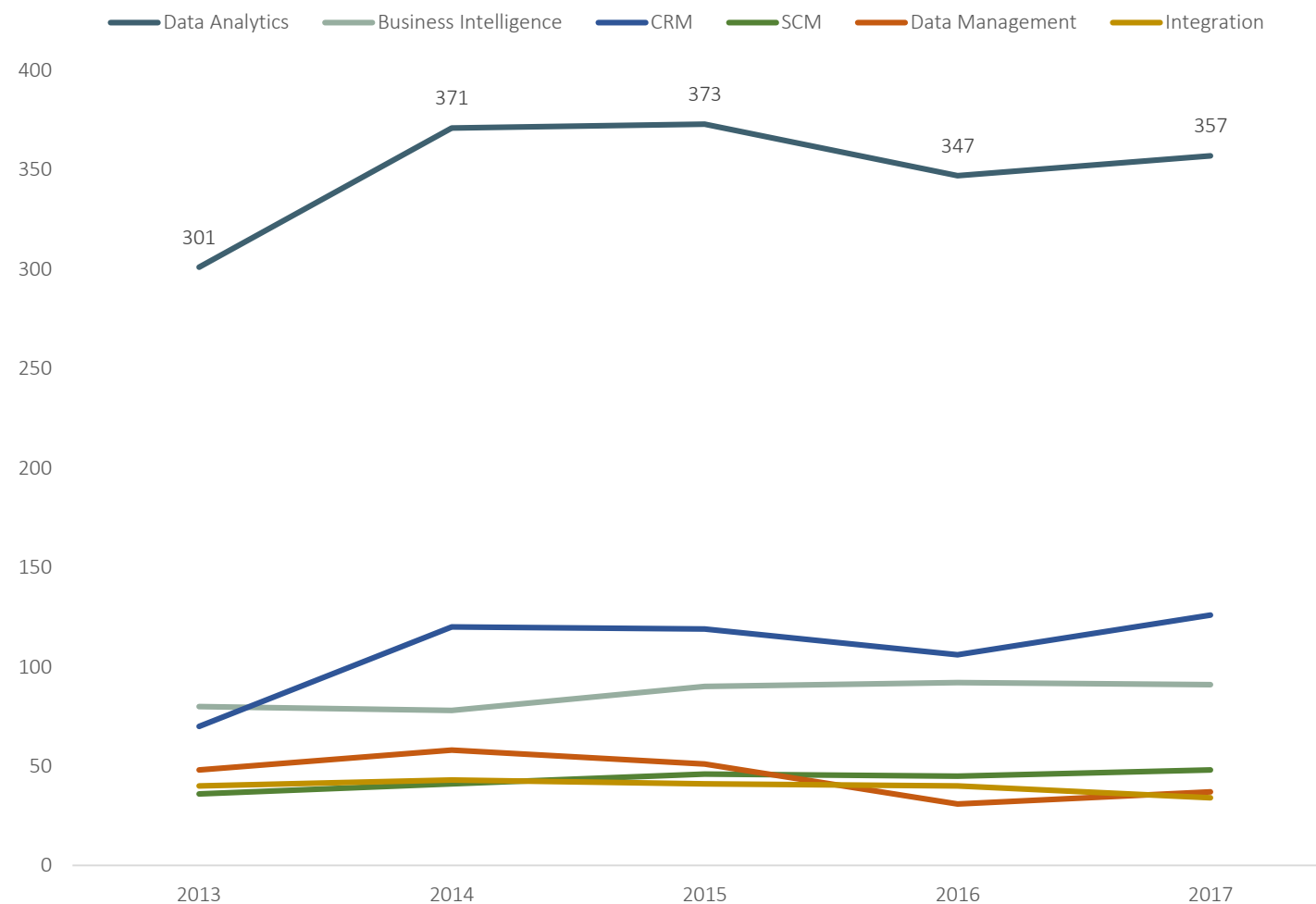
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3.27
**Median Revenue
Multiple**

Median Multiples Paid By Acquirer Type



Analytics M&A Deal Volume



Acquirers to Watch

Most Active Acquirers (Top 10 Since 2013)

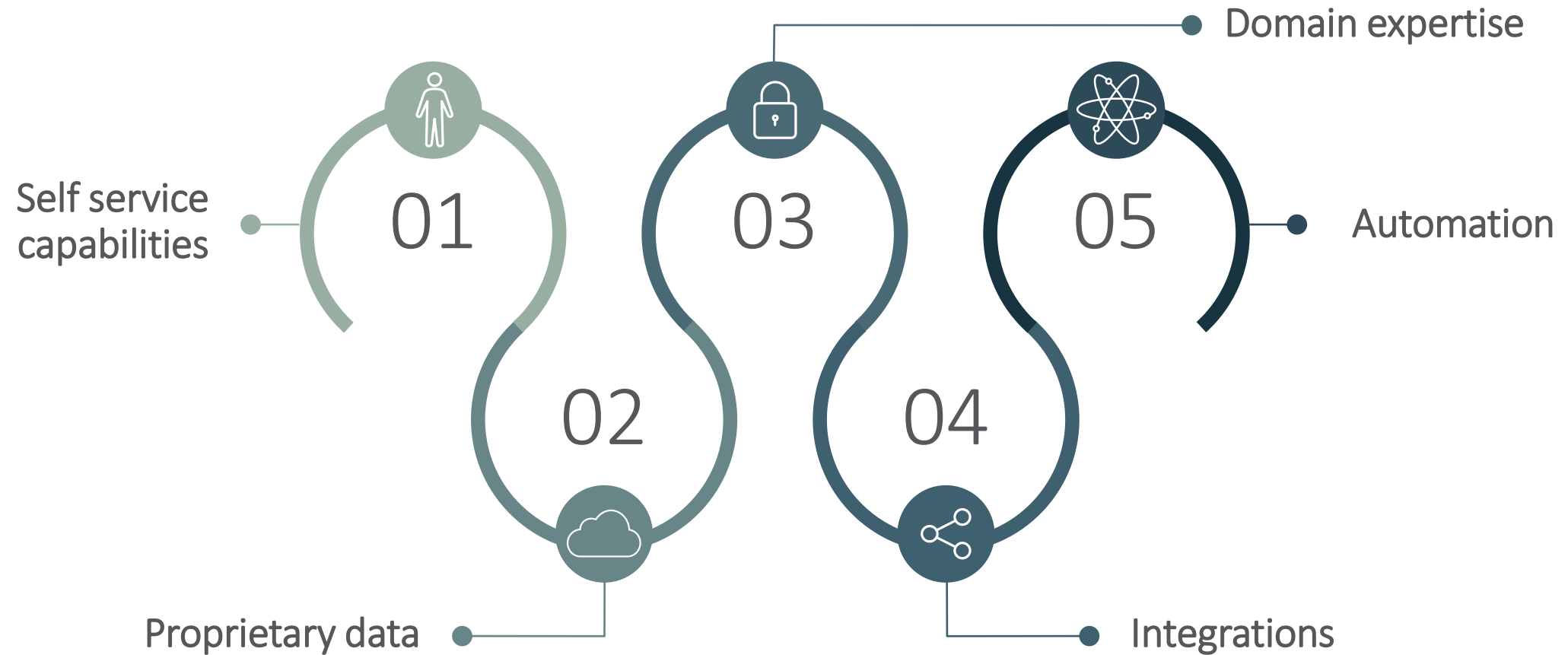


Others to Watch



Recap: Most Value to Acquirers

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Q&A / Discussion