

Big Data Analytics

capitalizing on the noise

March 2014

Big Data Remains Undefined





Source: MergerTech, Tagxedo

During 2003, approximately five exabytes of data were created.

Today, five exabytes of data are created every 12 hours.

Digital Universe Growth Driving Monetization



23% of all data within the digital universe is useful if tagged & analyzed...

However, < 1% is actually analyzed



$$\leftarrow \frac{2005}{0.1 \text{ ZB}}$$

Source: Cisco, IDC

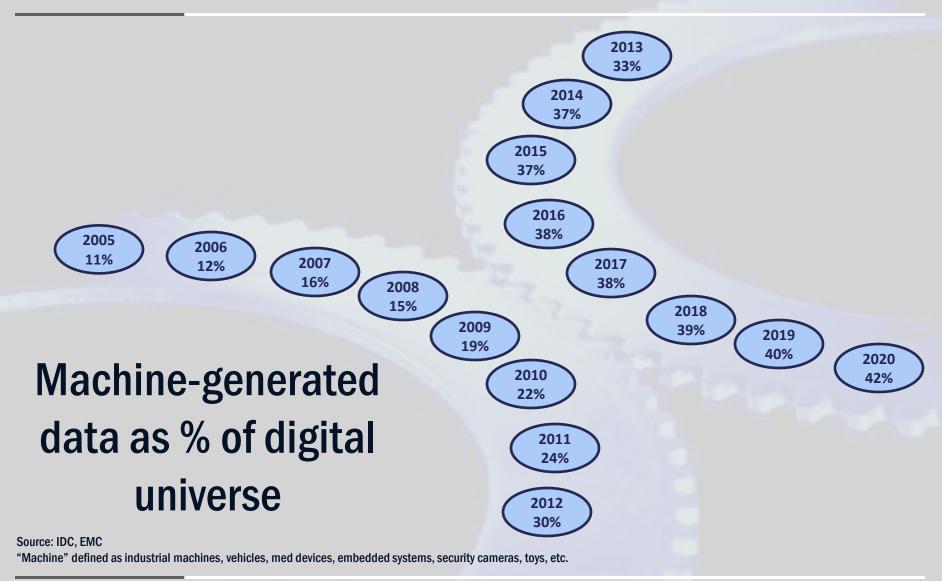




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Big Data's Catalyst: Rise of the Machines

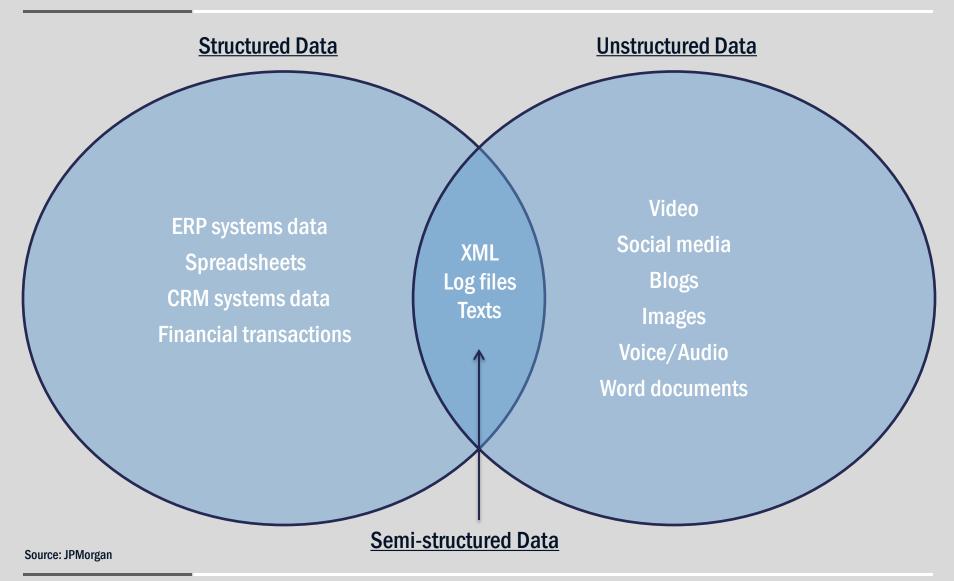




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Big Data: A Usage Trend, Not a Type of Data





Individual Results May Vary



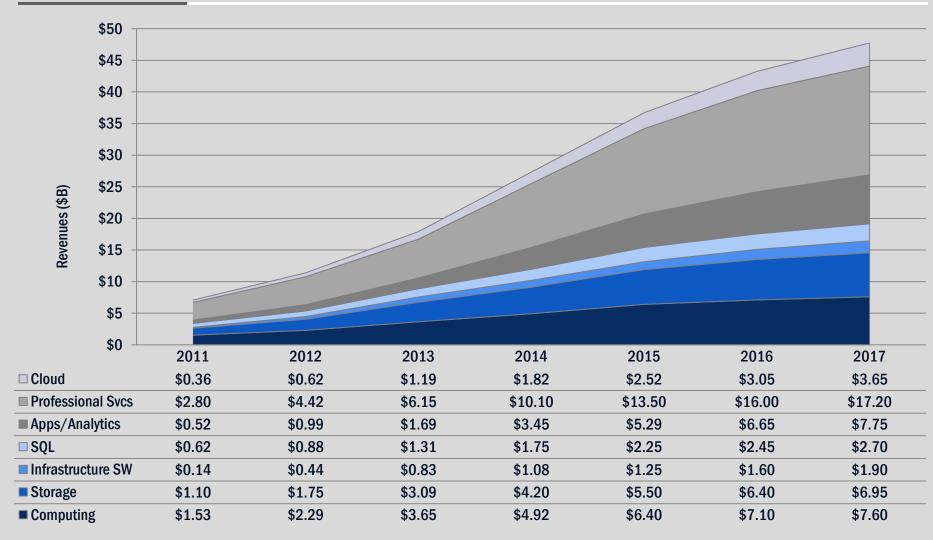
Without dissemination...

Vertical	Sample Use of Big Data
Consumer	Digital marketing with online retail and social media
Financial	Improve fraud detection
Manufacturing	Use weather data to identify optimal locations
Retail	Score customers based on behavior – online/offline
Telecommunications	Improve predictability of customer churn

...collection is useless

Big Data Market Forecast, by sub type





Source: Wikibon (2014)

Big Data Landscape: Ripe for Further M&A

















Structured Databases







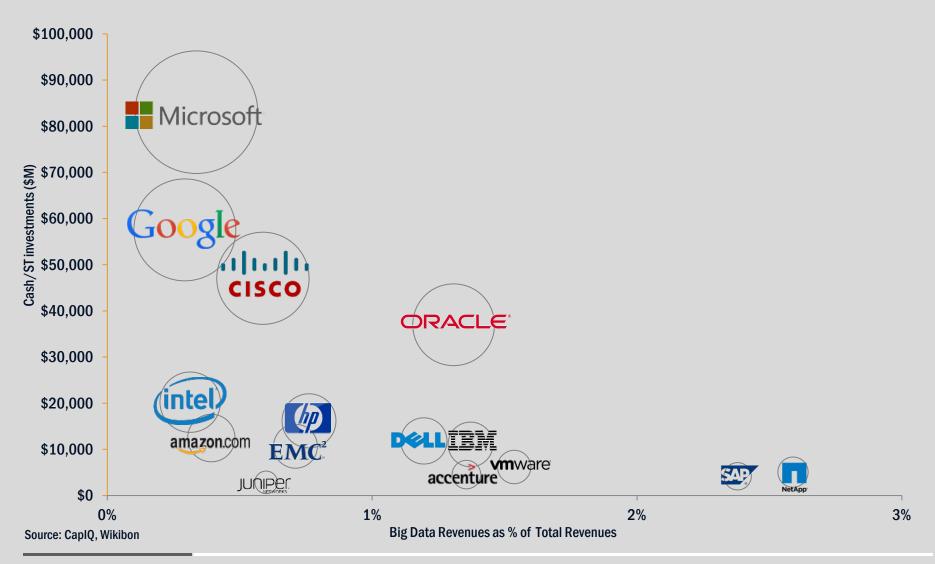






Flush with Cash, Incumbents Lack Big Data Traction





88%

Tech M&A transactions in last five years valued at less than \$100M (CapIQ)

Precedent Transactions



Announced Date	Acquirer	Target	Target Description	TEV (\$M)	LTM Rev. (\$M)	TEV/LTM Rev
1/22/2014	Source Service	scout. (a) analytics	Scout Analytics, Inc. provides cloud-based recurring revenue management solutions that enable information services, media publishing, and Software-as-a-Service companies to understand how customers engage with their online content.	\$ 32.5	\$ 5.4	6.0x
11/20/2013	o ideagen	Pentana Production for the control	Pentana Limited develops governance, risk, and compliance software.	3.1	2.4	1.3
10/29/2013	XIXIA	Net Optics®	Net Optics, Inc. provides application and network visibility solutions that deliver real-time network intelligence in network monitoring and security.	190.0	49.0	3.9
8/22/2013	∮ software [№]	JACK BE.	JackBe Corporation develops enterprise software solutions.	40.0	10.0	4.0
8/6/2013	CSC	infochimps	Provides Hadoop-based data management platform as a service (PaaS) for developers and businesses globally to develop and deploy big data applications. In 2012, Infochimps pivoted from being a data marketplace provider to providing Hadoop-based data management PaaS.	25.0	2.0	12.5
7/23/2013	cisco.	SOURCE fire	Sourcefire, Inc. provides intelligent cybersecurity technologies worldwide.	2,193.6	247.4	8.9
6/17/2013	D DATAWATCH	Panopticon Real-Time Visual Data Analysis	Panopticon Software AB provides visual data monitoring and analysis software tools for monitoring and analysis of real-time data.	48.1	5.0	9.6
3/19/2013	bsmwireless	AUTOVISION WIRELESS	Autovision Wireless Inc. operates as a telematics company in North America and internationally.	14.1	8.1	1.7
3/1/2013	KOFAX	altosoft	altosoft corporation designs and develops business intelligence solutions.	13.5	3.4	4.0
1/28/2013	PETERSON PARTNERS	Angoss Predict. Act. Perform.	Angoss Software Corporation provides predictive analytics software and solutions primarily to financial services, insurance, retail, health care, and information communication and technology organizations.	8.0	7.0	1.1
10/22/2012	ACTUATE.	QUITERIAN Analytics to action	Quiterian S.L. provides business analytics solutions.	8.2	5.2	1.6

Precedent Transactions



Target Description	TEV (\$M)	LTM Rev. (\$M)	TEV/LTM Rev
Provides enterprise security information management (ESIM) and analysis services for businesses, government agencies and telecom service providers.	24.0	12.1	2.0
Pervasive Software Inc. delivers software to manage, integrate, and analyze data in the cloud or on-premises throughout the data lifecycle.	228.0	51.0	4.5
Versant Corp. develops and delivers database management software for complex and mission-critical applications that help companies to handle complex information.	16.0	15.0	1.1
Provides video surveillance analytics software for use with video surveillance systems for businesses globally. Software provides features for counting and tracking humans. Also provides related video server hardware.	8.0	1.0	8.0
Quest Software, Inc. designs, develops, markets, distributes, and supports enterprise systems management software products.	2,432.0	894.0	2.7
Provides data warehousing and analytics software and systems for businesses globally. Software is used to analyze relational and non-relational data.	259.0	21.0	12.3
Provides data warehousing and analytics software and software as a service (SaaS) for businesses.	275.0	25.0	11.0
Provides marketing automation software and software as a service (SaaS) for businesses. Software provides features for online and offline marketing campaign management, email and social media marketing, lead management and marketing campaign analysis.	500.0	79.0	6.3
Provides data warehousing and analysis appliances for businesses globally. Appliances enable analysis of large volumes of data and consist of software housed in hardware.	1,593.0	223.0	7.1
Provides data warehousing and business intelligence (BI) analytics software for businesses	400.0	29.0	13.8
	\$ 395.8 40.0 309.3	\$86.4 13.6 34.8	5.9x 4.5 5.7
		\$ 395.8 40.0	\$395.8 \$86.4 40.0 13.6

Note: precedent transactions with disclosed target revenues

Public Universe Trading Multiples



(\$ in millions, except share prices)		Share Price at	% of 52 Week	Market	Total Enterprise	TEV Revenu	•	TE\ EBITD		2-year Growth
Company	Ticker	3/21/14	High	Value [a]	Value	2013	2014E	2013	2014E	Ests [c]
Actuate Corporation	BIRT	\$ 6.18	75.1 %	\$ 291	\$ 212	1.5x	1.7x	7.9x	8.7x	(3.5) %
Datawatch Corporation	DWCH	30.59	79.0	315	311	9.6	7.5	nm	nm	27.4
Guidance Software, Inc.	GUID	11.48	100.0	332	313	2.8	2.7	nm	31.1	6.5
MicroStrategy Inc.	MSTR	124.35	91.5	1,405	1,048	1.8	1.7	24.3	15.8	7.2
Pegasystems Inc.	PEGA	37.35	72.5	1,426	1,269	2.5	2.2	14.1	14.5	11.4
Micro Cap - Small Cap (\$2B)										
Mean						3.7x	3.2x	15.4x	17.5x	9.8 %
Median						2.5	2.2	14.1	15.2	7.2
Mean excl High and Low						2.4	2.2	14.1	15.2	8.4
Informatica Corporation	INFA	\$ 39.38	89.9 %	\$ 4,301	\$ 3,619	3.8x	3.4x	14.6x	12.5x	11.6 %
Qlik Technologies, Inc.	QLIK	28.33	75.4	2,525	2,297	4.9	4.2	nm	nm	16.9
Splunk, Inc.	SPLK	84.78	79.9	9,563	8,665	nm	21.4	nm	nm	33.8
Tableau Software, Inc.	DATA	83.29	81.4	5,251	4,998	22.9	15.3	nm	nm	38.0
Teradata Corporation	TDC	47.79	72.5	7,625	7,204	2.7	2.5	9.8	9.2	4.8
TIBCO Software Inc.	TIBX	21.16	77.9	3,424	3,208	3.0	2.8	11.9	9.9	8.0
Mid Cap (+\$2B)										
Mean						7.5x	8.3x	12.1x	10.5x	18.9 %
Median						3.8	3.8	11.9	9.9	14.2
Mean excl High and Low						3.9	6.4	11.9	9.9	17.6
Mean						5.6x	5.1x	14.4x	15.8x	13.2 %
Median						2.9	2.7	14.1	14.9	9.1
Mean excl High and Low						3.9	4.7	12.6	12.4	14.2
[a] Based on primary shares outsta	nding	[c] Represents	the forward 2-yea	r rev estimates						
[b] Projections per Capital IQ		nm: not meani	ngful							

Source: CapIQ

Public Universe Operating Metrics



(\$ in millions)		Last Twelve Months				Margins (as % of Revenue)							Balance Sheet Data				
Company	Ticker		Revenue		EBITDA [a]	N.I. [a][b]	(Gross		EBITDA		N.I.			Cash		Debt
Actuate Corporation	BIRT	\$	135	\$	14	\$ 7		85.6	%	10.2	%	5.1	%	\$	80	\$	1_
Datawatch Corporation	DWCH		32		(5)	(10)		82.2		nm		nm			8		4
Guidance Software, Inc.	GUID		111		(14)	(22)		66.1		nm		nm			20		0
Informatica Corporation	INFA		948		164	86		83.2		17.3		9.1			682		-
MicroStrategy Inc.	MSTR		576		40	83		75.9		7.0		14.5			357		-
Pegasystems Inc.	PEGA		509		81	38		69.1		15.9		7.5			157		-
Qlik Technologies, Inc.	QLIK		470		12	(10)		86.9		2.5		nm			228		-
Splunk, Inc.	SPLK		303		(69)	(79)		88.9		nm		nm			897		-
Tableau Software, Inc.	DATA		232		11	7		92.0		4.5		3.0			253		-
Teradata Corporation	TDC		2,692		622	377		54.7		23.1		14.0			695		274
TIBCO Software Inc.	TIBX		1,085		201	87		71.3		18.6		8.0			760		544
Mean								77.8	%	12.4 9	%	8.7	%	\$	376	\$	75
Median								82.2		13.1		8.0			253		0
Mean excl High and Low				,				78.8		12.3		8.7			359		31

[[]a] Financials adjusted to exclude non-recurring items, impairments, and goodwill amortization

Source: CapIQ

[[]b] Excludes discontinued operations; taxes calculated as a percentage of earnings before taxes nm: not meaningful

Why MergerTech?



MergerTech has relationships and maintains regular contact with highly acquisitive, bestof-breed buyers

We've completed over 100 transactions with leading technology, Fortune 500 companies and Private Equity firms globally



100+ **Previous Engagements** 1000+ **Tech & Financial Sector Relationships**





















Selected MergerTech Transaction Experience











IT Systems Integration



Platform-as-a-Service



Acquired by

Softtek



SAP Consulting

mergertech

Business Intelligence Services

Acquired by

April 2012

Big Data

Mobile Application Development

Contact Us



If you're thinking about selling or buying a technology company, we are ready to talk to you.

MergerTech is headquartered in the Bay Area and has additional offices in Portland and Southern California.



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