



Data Analytics M&A and Market Update

1H 2024



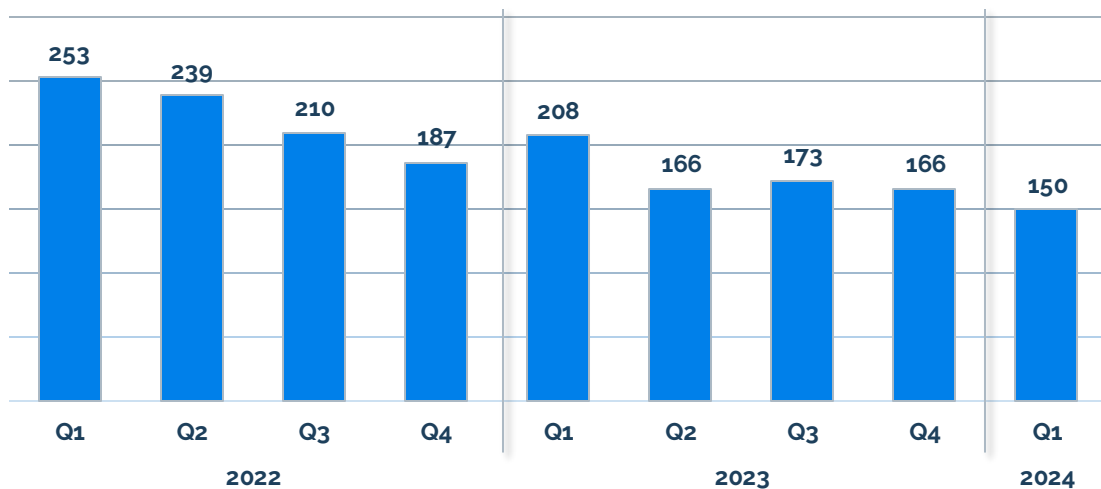
Data Analytics and Solutions

Industry Highlights

Market Commentary

- The M&A market is seeing a slight rebound in 2024, with a shift towards smaller transactions rather than large megadeals. The data analytics sector in particular anticipates an increase in M&A activity through the remainder of 2024 and into 2025, especially around emerging technologies like generative AI. In our current and recent engagements, we are seeing particular interest in firms providing services in and around Snowflake, Databricks and other ecosystems.
- Notable M&A transactions in H1 2024 include: **Accenture's** acquisition of **Impendi**, **Marlabs** acquisition of **OneBridge**, **CIVC Partners** acquisition of **datAvail**, **Snowflake's** acquisition of **TruEra**, **Databricks** acquisition of **Lilac**, and **Qlik's** acquisition of **Kyndi**.
- *Solganick & Co. has advised on the sale of 6 data analytics software and services firms.*

Sector M&A Deal Count by Quarter

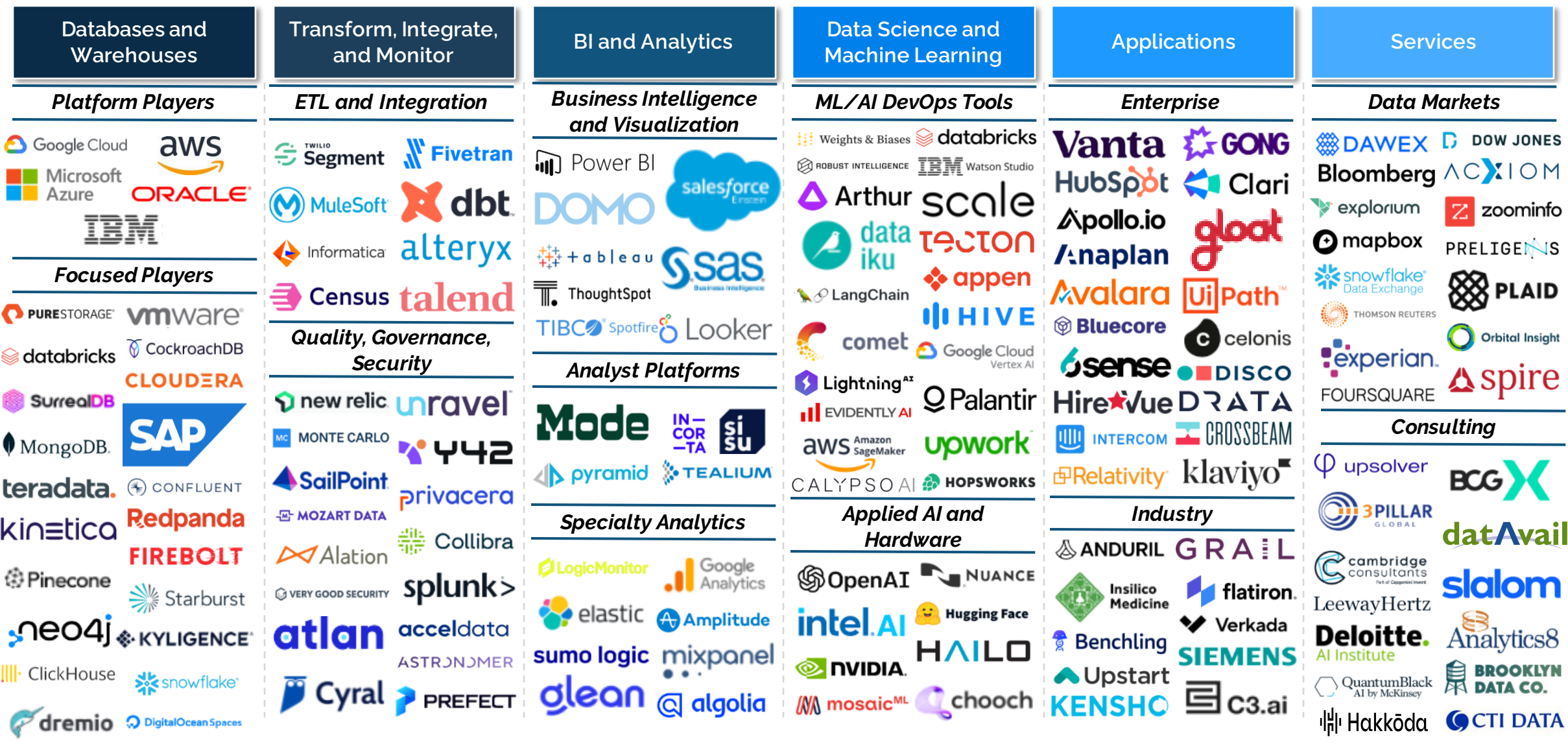


Source: S&P Capital IQ

Key Trends

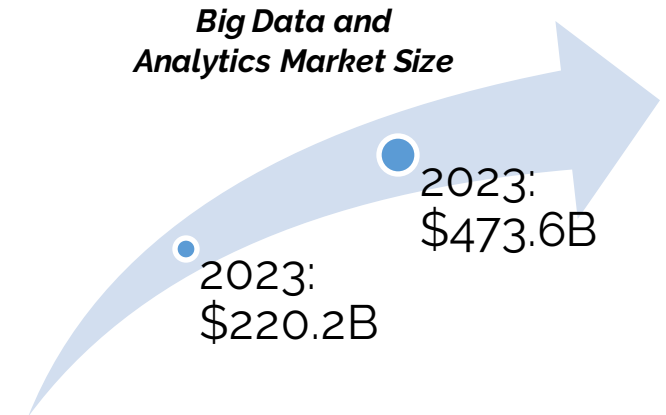
Rise of Augmented Analytics & AI/ML Integration	AI and machine learning are being increasingly integrated into data analytics platforms, automating tasks like data preparation, analysis, and insight generation. This is making data analytics more accessible to non-technical users and accelerates time-to-value
Data Democratization	Making data accessible to a broader range of users within an organization, enabling seamless access and integration of data across disparate sources. This unified approach breaks down data silos and provides a holistic view of information
Data Quality, Integration and Interoperability	Seamless integration of disparate data types and sources; Emphasis on improving data quality and accuracy
Edge Computing	Processing data closer to the source (at the edge) rather than in a centralized data center, reducing latency, improved performance, and real-time analytics capabilities
Data Privacy and Security	Heightened focus on data privacy and regulatory compliance. Increased investment in data governance, encryption, and secure data handling practices
Vertical-Specific Analytics Solution	Development of analytics, often real-time solutions tailored to specific industries such as health care or supply chain

Data Analytics and Solutions Industry Landscape



Big Data and Analytics Market Size and Growth Rates

- The big data market forecast reported a significant growth in recent years. In 2023, the value of the big data and business analytics market expanded to **\$220.2 billion**—with a **CAGR of 12.7% to 13.5% until 2030**.
- The main factors propelling the data analytics market's expansion are the growing adoption of machine learning and artificial intelligence to offer increased acceptance of social networking platforms, individualized consumer experiences, and the rise of online shopping.
- The daily increase in data generation is crucial for the industry's growth. In 2015, only 15.5 zettabytes were generated throughout the year. By **2024**, there has been a significant **791.94% increase, totaling 138 zettabytes**. This demonstrates the ongoing success of the data industry.
- Every day, **328.77 million terabytes of data** are created, forming an impressive daily total of 0.33 zettabytes and a substantial weekly sum of 2.31 zettabytes. This influx of data signifies the rapid pace at which information is generated in today's digital era.
- **Each year**, about **120 zettabytes of data** are created worldwide.
- The **United States** has the most data centers globally, boasting **5,375 out of 8,000 centers worldwide**.
- The **global big data** market forecast anticipates market growth of **\$473.6 billion by 2030**.



Source: Edge Delta: <https://edgedelta.com/company/blog/data-market-size-and-forecast>

Select Data Analytics M&A Transactions, YTD 2024

Date Announced	Acquired Company	Acquiring Company	Deal Value	Synopsis
5/22/2024	TruEra	Snowflake	-	LLM and ML model observability platform TruEra will enhance Snowflake's AI Data Cloud
5/15/2024	Splunk	Cisco	\$28 billion	Splunk's analytics and observability products will strengthen network giant's security offering
5/14/2024	IQGeo	KKR	\$361 million	IQGeo's digital twin network software supports utilities, telecoms, and fiberoptic companies
5/12/2024	Orbital Insight	Privateer	\$56.5 million	Satellite data analytics company add-on enhances space-tracker Privateer's offerings
5/7/2024	Sonio SAS	Samsung Medison	\$93 million	AI-based support platform for ultrasounds supplements electronics giant's healthcare portfolio
4/19/2024	Darktrace	Thomas Bravo	\$5.2 billion	AI-based cybersecurity company with proactive and adaptive approach to threat handling
4/8/2024	Data Virtuality	CData Software	-	Data virtualization platform enhances data replicator CData with a live data offering
3/28/2024	Spirent	Keysight Technologies	\$1.3 billion	Automated testing platform add makes Keysight one-stop electronic product development shop
3/19/2024	Lilac	Databricks	-	Unstructured (text) data analysis platform enhances Databricks' GenAI deployment solutions
3/8/2024	GemSeek	Accenture	-	CX analytics platform bolsters offerings of Accenture Song, consulting giant's media arm
2/27/2024	SciencelO	Veradigm	\$140 million	Veradigm to leverage healthcare AI platform on its own data to deliver private language models
2/23/2024	Data Society	Growth Catalyst Partners	-	Workforce AI training company Data Society was merged with GCP's portco The Data Lodge
2/16/2024	MariaDB	K1 Investments	\$54.4 million	Take-private of popular open-source relational database management system (RDMS)
1/27/2024	Masa Network	Anagram	\$5.4 million	Decentralized data marketplace developer bought by Web3 focused VC
1/18/2024	Habu	LiveRamp	\$200 million	Data clean room platform acquisition makes LiveRamp the secure data collaboration leader
1/17/2024	Kyndi	Qlik	-	BI platform Qlik buys natural language processing (NLP), search and GenAI experts Kyndi
1/16/2024	Impendi Analytics LLC	Accenture plc	-	Impendi is a sourcing and procurement analytics and management platform serving PE's.
1/9/2024	OneBridge	Marlabs	-	Data and AI consultancy purchased by data-focused digital solutions provider Marlabs
1/5/2024	ListenLogic, LLC	Anexinet Corp.	-	Cloud based speech analytics company acquired by technology services and solutions provider

Sources: <https://usearch.com/dataset/big-data-analytics-mergers-and-acquisitions>, Capital IQ

Select Data Analytics Capital Raises, YTD 2024

Data Analytics Capital Raises

<u>Date</u>	<u>Company</u>	<u>Amount</u>	<u>Participating Investors</u>	<u>Target Description</u>
May 2024	Atlan	\$105 million	GIC, Meritech Capital	Helps companies get data 'AI ready'; operates an eponymous data stack that brings together diverse data from internal and external sources to one interface.
May 2024	Unstructured	\$40 million	Menlo Ventures, Databricks Ventures, IBM Ventures and NVIDIA	Leading provider of LLM data preprocessing solutions, empowering organizations to transform their internal unstructured data into formats compatible with large language models
April 2024	Datavalo	\$21 million	General Catalyst with participation from Citi Ventures, Human Capital, MVP Ventures	transform how generative AI models access unstructured data
Apr 2024	Coalesce	\$50 million	Industry Ventures, Emergence Capital, with participation of 11.2 Capital, DNX Ventures, GreatPoint Ventures, Hyperlink Ventures, Next Legacy Partners, Snowflake Ventures and Telestra Ventures.	Data transformation; integrates with Snowflake Inc.'s cloud data warehouse, and is designed to accelerate those data transformation processes
Apr 2024	Ripcord	\$32 million	Kleiner Perkins, Google Ventures, Icon Ventures, Lux Capital	Robotic digitization, document intelligence, and generative AI
Apr 2024	Fortified Insight	Seed	N/A	Database monitoring and management software and database assessments for MSPs and business IT teams for data optimization and transparency.
Mar 2024	Dymium	\$7 million	Two Bear Capital	A session-aware data security platform that can deliver data to any user or application in real time in the desired format.
Mar 2024	Superlinked	\$9.5 million	Index Ventures, Theory Ventures	Turning complex data into vector embeddings
Mar 2024	Cure51	EUR 15 million	Sofinnova Partners, Hitachi Ventures GmbH, Life Extension Ventures	Cancer survival data platform analysis

Data Analytics

Public Market Comps Data

Company Name	Valuation Data					Growth Data			
	EV/ARR		EV/Revenue			Revenue			
	Current	LTM	FY 22A	FY 23E	FY 24E	Current Quarter	FY 22A	FY 23E	FY 24E
Alteryx	4.2x	4.1x	4.7x	4.2x	3.7x	17%	60%	15%	12%
Tableau (acquired by Salesforce)	N/A	11.2x	6.0x	5.2x	4.5x	14%		17%	14%
Domo	1.1x	1.0x	1.0x	1.0x	1.0x	1%	20%	5%	3%
Elastic N.V.	7.8x	8.0x	9.4x	8.1x	6.9x	19%	28%	19%	18%
MongoDB	13.2x	14.0x	18.3x	14.5x	11.8x	27%	47%	33%	22%
Palantir	16.9x	18.4x	22.5x	19.3x	16.1x	21%	24%	17%	20%
LiveRamp Holdings	3.6x	2.6x	2.9x	2.7x	2.5x	16%	16%	8%	7%
Snowflake	14.2x	15.6x	22.7x	17.2x	13.2x	33%	69%	38%	30%
Splunk	7.4x	7.4x	8.5x	7.9x	7.2x	19%	37%	16%	11%
SPS Commerce	11.4x	12.2x	15.2x	12.8x	11.0x	19%	17%	19%	16%
Sumo Logic	3.7x	3.9x	3.9x	3.4x	2.9x	19%	24%	16%	20%
Talend S.A.	7.0x	6.9x				19%			
Verisk Analytics		14.0x	13.1x	14.2x	13.3x	8%	-3%	-7%	7%
Median	7.6x	8.0x	9.0x	8.0x	7.0x	19%	24%	16%	15%
Mean	8.23	9.2x	10.7x	9.2x	7.8x	18%	31%	16%	15%

Who We Are

Formed in 2009, Solganick & Co. is a data-driven **investment bank** and **mergers and acquisitions (M&A) advisory firm** focused exclusively on the **Software** and **IT Services** sectors.

We advise buyers and sellers of companies on M&A strategies and execution to maximize shareholder value.

Our M&A transactions have the following characteristics:



Deal Size Range:
\$25M to \$250M+



Revenues:
\$10M to \$250M+



Client Ownership:
75%+ founder-led;
Private. 25% PE
backed




















EBITDA:
\$2M to \$20M+

Offices located in **Dallas** and **Los Angeles**

Solganick & Co.

Select M&A Transaction Experience

Cloud, AI, Data Analytics  has been acquired by 	Cloud, Data Analytics  has merged with  backed by 	Data Analytics  has been acquired by 	IT Services  has been recapitalized by 	Cloud, IT Services  has merged with 
AI, Data Analytics  has been recapitalized by 	IT Services  has been acquired by 	IT Services  has been acquired by  backed by 	Software  has been recapitalized by 	Software  has been acquired by 
IT Services  has been acquired by  backed by 	Data Analytics  has been acquired by 	IT Services  has been acquired by  backed by 	IT Services  has been acquired by 	AI, Software  has been acquired by 

Highlighted Transaction: *Nextira*

Solganick & Co. Advises Nextira in its Sale to Accenture

- Nextira, an AWS Premier Partner headquartered in Austin, TX, uses AWS to deliver cloud-native innovation, artificial intelligence, predictive analytics, and immersive experiences for their clients.
- Because of Solganick & Co.'s deep experience within technology services, including the buyer universe, valuation drivers, and overall M&A environment, Solganick & Co. was engaged to run a highly targeted, efficient and competitive M&A process.
- The Solganick team worked closely with Nextira management to attractively position the business and ultimately receive several attractive offers exceeding initial valuation expectations.
- Solganick & Co. supported the entire M&A process, including the client's initial selection of Accenture as well as successful transaction negotiations.
- The transaction was completed in June 2023.

Cloud, AI, Data Analytics

NEXTIRA

has been acquired by

accenture

Artificial
Intelligence

Cloud
Computing

Data Analytics

Most Influential Investment Bankers and Private Equity Advisors *Los Angeles Business Journal, 2019-2023 Leaders of Influence*



Aaron Solganick
Chief Executive Officer

30+

Years in
Practice

15

Years in
Current Firm

**Software/
SaaS and
IT Services**

Specialty or
Industry Focus

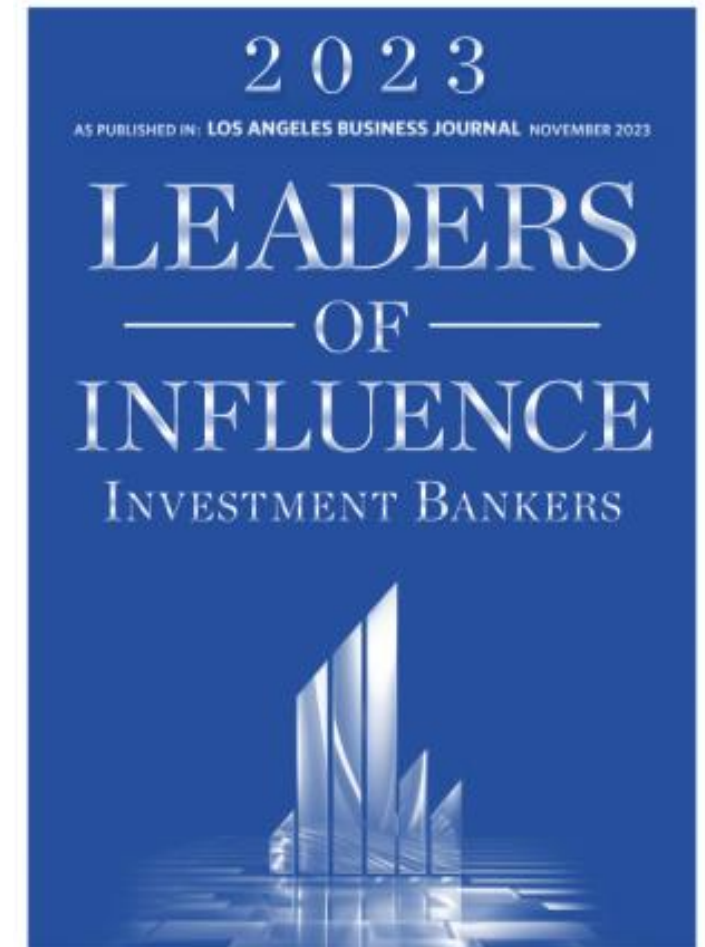
Aaron Solganick is a high energy and experienced technology investment banker with an entrepreneurial spirit. He launched the investment bank Solganick & Co. in 2009 to focus exclusively on completing mergers and acquisitions for software and technology services companies.

Previous Experience

- Senior Vice President Investment Banking, B. Riley Securities
- Vice President Investment Banking, KPMG Corporate Finance
- Corporate Development and Senior Financial Analyst, Perot Systems Corporation
- Investment Banking Associate, Southwest Securities
- Investment Banking Analyst, Bear Stearns & Co.

Education

- MBA, Southern Methodist University
- BBA/MS in Finance, University of North Texas
- Executive Education, M&A, Columbia University



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