Evolve
Capital Partners

QUARTERLY DEALS & MARKET ROUNDUP

Data & Analytics / IoT

May 2018

- *Analytics Software Solutions*
- *Outsourced Analytics Solutions*
- *Consumer IoT*
- *Industrial IoT*

Highlights

This quarter's Data & Analytics / IoT roundup discusses the following key developments:

Big data and IoT are helping Financial Services firms proactively boost customer engagement
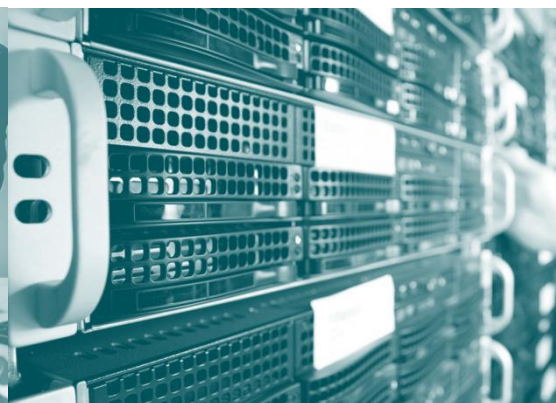
Big data needs are causing banks to turn to Infrastructure-as-a-Service (IaaS) platforms for data storage

Machine learning, blockchain, AI, IoT, and big data collectively are helping firms realize cost and operational efficiencies

Incumbents are relentlessly acquiring new-age Fintechs

Overview of Evolve Capital Partners

ABOUT ECP

- Evolve Capital Partners (ECP) is a specialized investment bank focused on businesses serving industries at the intersection of finance and technology.

- We are dedicated investment bankers focused on evolving industries, and we support sustainable growth through transformational M&A / financing transactions.

- ECP is a dedicated, creative, and fully independent investment bank that advises private and public companies on merger, divestiture and acquisition transactions, and capital raising through private placements.

- We also provide structured financial advisory services — our investment banking practice provides a comprehensive suite of solutions to businesses.

- With over 30 engagements executed by its leaders, Evolve Capital Partners has served as a proud partner, bringing renewed value to companies at the intersection of finance and technology.

- We were founded in 2012 and are based in New York, NY.

HIGH-TOUCH INVESTMENT BANKING

Few investment banks have transaction experience across both corporate and asset finance.

Our Clients

- Corporations
- Management Teams
- VC & PE Backed Companies
- Independent Directors / Boards

Investment Banking Advisory

- M&A
- Strategic Alliances
- Capital Raises and Asset Finance
- Financial Restructuring

Industry Focus

Finance and Technology Firms

BPO	*Specialty Finance*	*Payments*	*Securities*
IoT	*Enterprise Software*	*Lending*	*Financial Services*
B2B	*Analytics*	*InsuranceTech*	*Financial Management*

We Focus Exclusively on Finance and Technology Related Firms

Financial Management Solutions
ADP · WageWorks everyone benefits · Ultimate SOFTWARE People first · PAYCHEX · intuit · WEX

Payments
DELUXE · green dot · Square · PayPal · vantiv

Bank Technology Solutions
carelogic · FIDELITY NATIONAL FINANCIAL · r3. · Q2 Grow Beyond · FIS · REDFIN

BPO
GENPACT · accenture · SUTHERLAND GLOBAL SERVICES · nelnet · WIPRO Applying Thought

Specialty Finance / Alternative Lending
LendingClub · ondeck · synchrony FINANCIAL · Elevate · Goldman Sachs

Evolve Capital Partners

Capabilities

M&A Advisory

Sales / Recaps

Acquisitions

Divestiture

Strategic Advisory

Financing

Private Placements

Debt Capital

Restructuring

Healthcare Tech
athenahealth · Cerner · aetna · Cotiviti · Craneware

Securities
J.P.Morgan · Broadridge · E*TRADE · charles SCHWAB · SS&C · First Derivatives Plc · DEUTSCHE BÖRSE GROUP

Data & Analytics / IoT
nielsen · LexisNexis · dun & bradstreet · cloudera · tableau SOFTWARE

Insurance
EQUIFAX · verisk Analytics · TransUnion · GUIDEWIRE · TRAVELERS · Gartner

Contents

Market Summary

Last 12 Months

Payments
Healthcare Tech
Financial Management Solutions
Bank Technology Solutions
BPO
Securities
Data & Analytics / IoT
Specialty Finance / Alternative Lending
Insurance

Last 3 Years
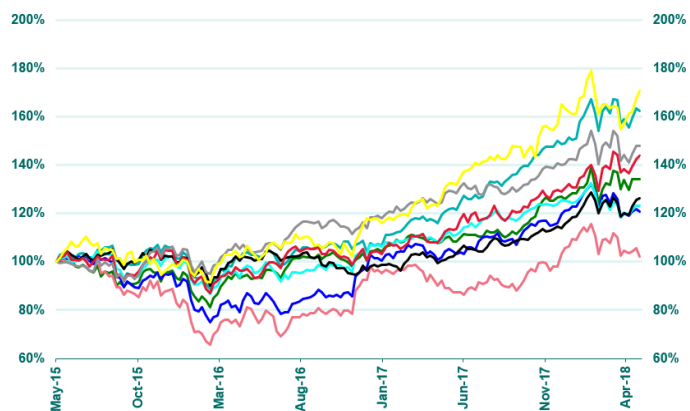
Healthcare Tech
Payments
Data & Analytics / IoT
Financial Management Solutions
Bank Technology Solutions
BPO
Insurance
Securities
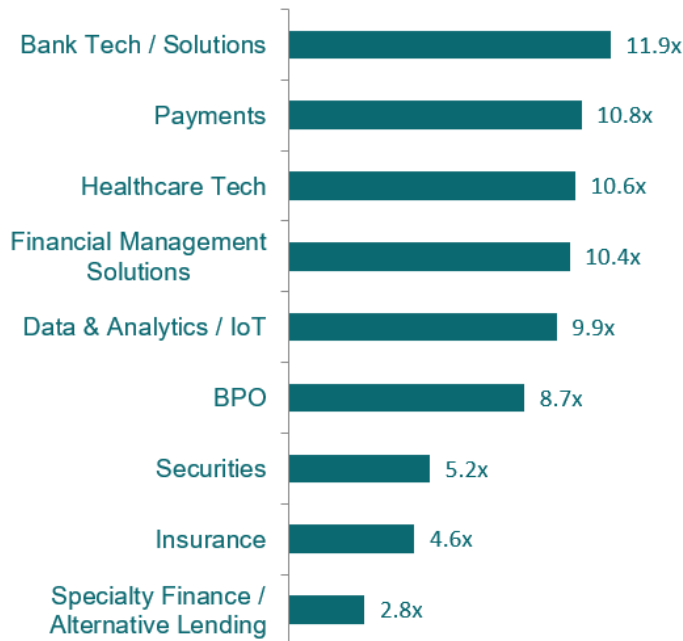**Specialty Finance / Alternative Lending**

Indexed Price Performance

Sector	3 Months	1 Year	3 Years
Payments	7.5%	34.6%	62.5%
Bank Tech / Solutions	4.6%	22.1%	34.1%
Specialty Finance / Alternative Lending	(6.4%)	14.8%	2.2%
Securities	(1.5%)	16.1%	20.8%
Healthcare Tech	(1.2%)	10.9%	70.6%
BPO	6.3%	25.3%	26.3%
Financial Management Solutions	10.1%	27.8%	43.9%
Data & Analytics / IoT	4.2%	15.5%	48.1%
Insurance	5.8%	30.5%	23.2%

Source: Capital IQ and market data as of April 27, 2018

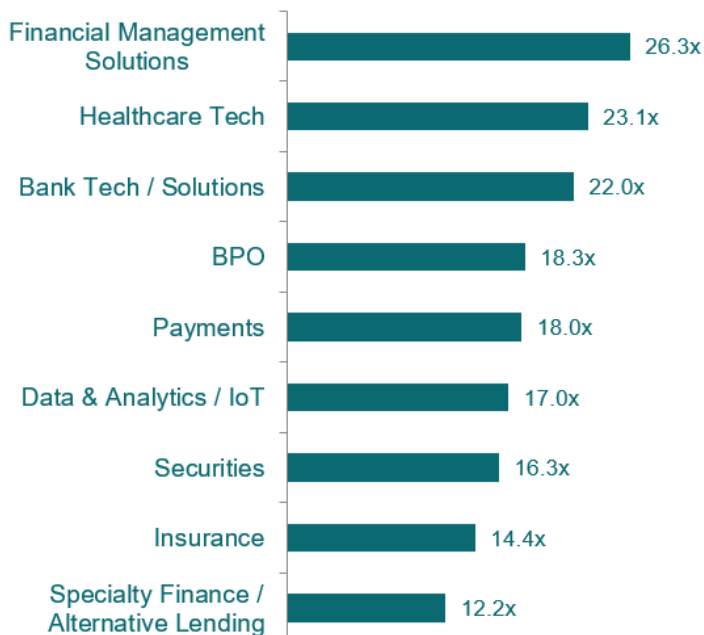# Multiples & Margins – All Sectors

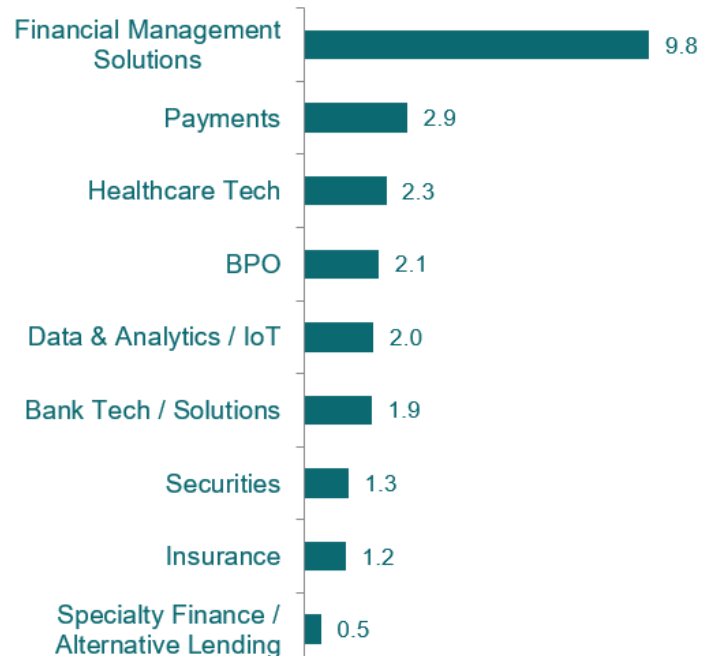*Industry-wide Multiples and Margins*

2018E EBITDA Multiples

Sector	Multiple
Bank Tech / Solutions	11.9x
Payments	10.8x
Healthcare Tech	10.6x
Financial Management Solutions	10.4x
Data & Analytics / IoT	9.9x
BPO	8.7x
Securities	5.2x
Insurance	4.6x
Specialty Finance / Alternative Lending	2.8x

LTM EBITDA Margins

Sector	Margin
Securities	35.0%
Payments	20.7%
Bank Tech / Solutions	18.8%
Data & Analytics / IoT	16.5%
Specialty Finance / Alternative Lending	14.5%
BPO	14.0%
Insurance	13.0%
Healthcare Tech	10.1%
Financial Management Solutions	9.2%

2018E Price / Earnings Multiples

Sector	Multiple
Financial Management Solutions	26.3x
Healthcare Tech	23.1x
Bank Tech / Solutions	22.0x
BPO	18.3x
Payments	18.0x
Data & Analytics / IoT	17.0x
Securities	16.3x
Insurance	14.4x
Specialty Finance / Alternative Lending	12.2x

2018E PEG Ratio

Sector	Ratio
Financial Management Solutions	9.8
Payments	2.9
Healthcare Tech	2.3
BPO	2.1
Data & Analytics / IoT	2.0
Bank Tech / Solutions	1.9
Securities	1.3
Insurance	1.2
Specialty Finance / Alternative Lending	0.5

Multiples & Margins – Data & Analytics / IoT

Sub-sector Multiples and Margins
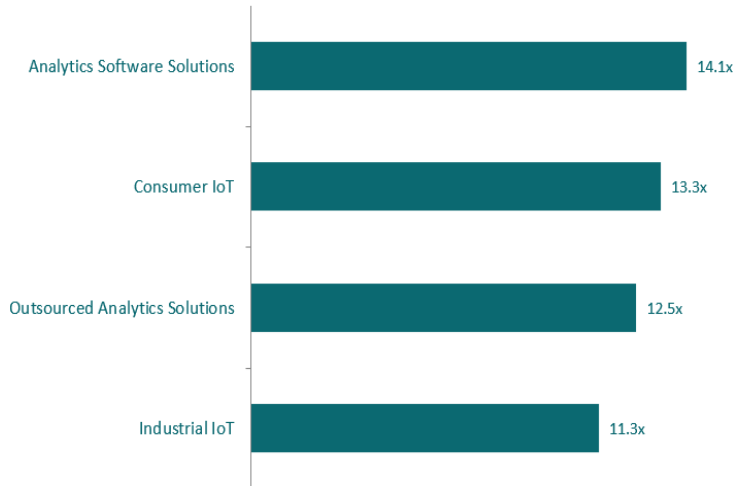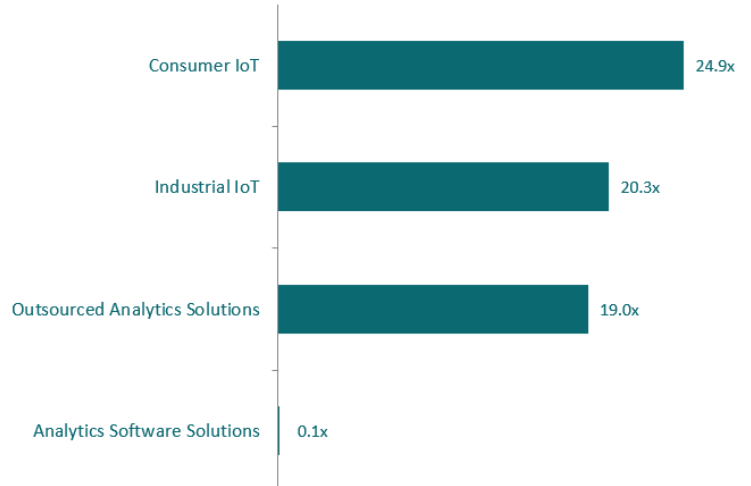
2018E EBITDA Multiples

Sub-sector	Multiple
Analytics Software Solutions	14.1x
Consumer IoT	13.3x
Outsourced Analytics Solutions	12.5x
Industrial IoT	11.3x

LTM EBITDA Margins

Sub-sector	Margin
Consumer IoT	24.9x
Industrial IoT	20.3x
Outsourced Analytics Solutions	19.0x
Analytics Software Solutions	0.1x

2018E Price / Earnings Multiples

Sub-sector	Multiple
Consumer IoT	25.6x
Analytics Software Solutions	24.8x
Outsourced Analytics Solutions	21.0x
Industrial IoT	19.1x

2018E PEG Ratio

Sub-sector	Ratio
Analytics Software Solutions	6.1
Outsourced Analytics Solutions	2.8
Consumer IoT	1.8
Industrial IoT	1.5
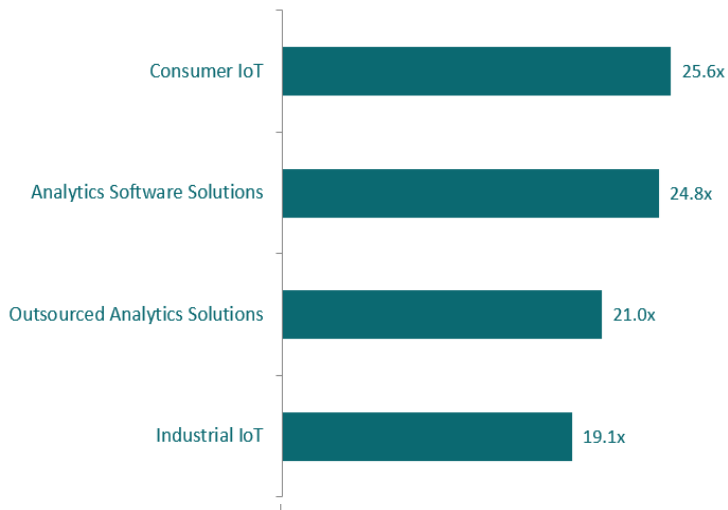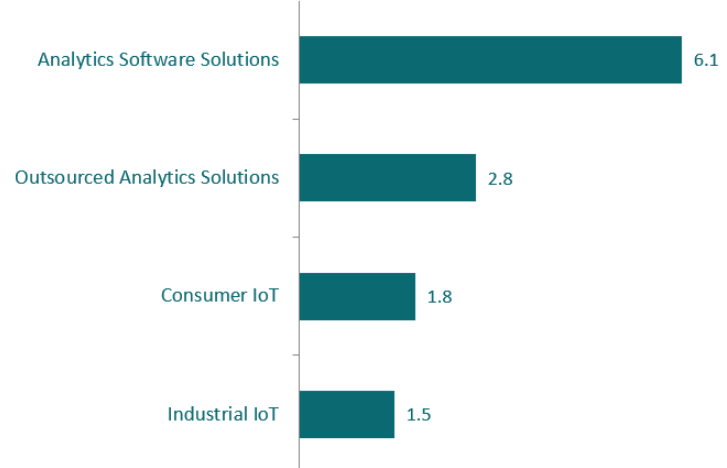
Stock Comparables – Data & Analytics / IoT

(All figures in US Dollars. Figures in millions, except per share data, as of April 27, 2018)

| Data & Analytics / IoT Sub-Sector | Aggregate | | Multiples | | | | | |
| | Market Cap | Enterprise Value | EV / Sales | | EV / EBITDA | | Price / Earnings | |
			FY18E	FY19E	FY18E	FY19E	FY18E	FY19E
Analytics Software Solutions	$532,801	$516,243	5.6x	5.4x	14.1x	13.2x	24.8x	29.2x
Consumer IoT	$3,324,884	$3,471,124	3.2x	2.9x	13.3x	11.1x	25.6x	18.6x
Industrial IoT	$1,042,624	$1,146,297	3.3x	3.2x	11.3x	9.9x	19.1x	17.7x
Outsourced Analytics Solutions	$261,749	$323,805	3.4x	3.2x	12.5x	11.4x	21.0x	18.4x
Median			**3.4x**	**3.2x**	**12.9x**	**11.3x**	**22.9x**	**18.5x**
Mean			**3.9x**	**3.7x**	**12.8x**	**11.4x**	**22.6x**	**21.0x**

| Data & Analytics / IoT Sub-Sector | Number of Companies | Growth Rates | | | EBITDA Margin | | PEG* |
| | | Revenue | | EPS | | | |
		FY 18E	FY 19E	5 Yr	FY 18E	FY 19E	FY 18E
Analytics Software Solutions	17	20.4%	19.5%	15.4	0.1%	11.6%	6.06
Consumer IoT	19	14.1%	6.7%	13.0	24.9%	28.0%	1.85
Industrial IoT	18	8.9%	5.9%	12.6	20.3%	25.9%	1.52
Outsourced Analytics Solutions	15	6.7%	4.9%	9.4	19.0%	25.9%	2.80
Median		**11.5%**	**6.3%**	**12.8**	**19.7%**	**25.9%**	**2.32**
Mean		**12.5%**	**9.2%**	**12.6**	**16.1%**	**22.8%**	**3.06**

* Price/Earnings to Growth ratio is a valuation metric for determining the relative trade-off between the price of a stock, the earnings generated per share (EPS), and the company's expected growth. In general, the P/E ratio is higher for a company with a higher growth rate.

Stock Comparables – Data & Analytics / IoT Sub-Sectors

(All figures in US Dollars. Figures in millions, except per share data, as of April 27, 2018)

Analytics Software Solutions

Company Name	Market Cap	Enterprise Value	LTM Sales	LTM EBITDA Margin	EV / Sales FY2018	EV / Sales FY2019	EV / EBITDA FY2018	EV / EBITDA FY2019	P / E FY2018	P / E FY2019	PEG FY2018
Oracle Corporation	$185,868	$176,695	$39,472	39.2%	4.6x	4.4x	9.7x	9.2x	15.2x	13.9x	1.8
SAP SE	$132,906	$132,478	$28,875	26.9%	4.7x	4.4x	13.7x	12.8x	22.1x	20.0x	2.7
salesforce.com, inc.	$88,166	$85,877	$10,480	8.6%	NA	7.3x	NA	NM	NA	59.4x	NA
VMware, Inc.	$53,924	$46,505	$7,922	26.7%	NA	5.7x	NA	16.0x	NA	23.5x	NA
Experian plc	$20,829	$24,402	$4,439	34.9%	5.3x	5.0x	15.2x	14.3x	24.2x	22.1x	2.5
Open Text Corporation	$9,444	$11,738	$2,725	28.0%	4.1x	3.9x	11.3x	10.6x	13.8x	12.5x	0.7
Splunk Inc.	$14,810	$13,720	$1,271	(17.1%)	NA	9.3x	NA	NM	NA	NM	NA
Tableau Software, Inc.	$6,856	$6,002	$923	(15.9%)	6.8x	6.0x	NM	NM	NM	NM	30.7
Fair Isaac Corporation	$5,268	$5,864	$977	22.8%	5.7x	5.3x	21.4x	18.4x	27.5x	23.6x	1.7
Median				10.2%	4.6x	5.0x	13.7x	13.1x	22.1x	22.8x	2.2
Mean				0.1%	5.6x	5.4x	14.1x	13.2x	24.8x	29.2x	6.1

Consumer IoT

Company Name	Market Cap	Enterprise Value	LTM Sales	LTM EBITDA Margin	EV / Sales FY2018	EV / Sales FY2019	EV / EBITDA FY2018	EV / EBITDA FY2019	P / E FY2018	P / E FY2019	PEG FY2018
Alphabet Inc.	$715,904	$618,321	$117,251	31.3%	4.9x	4.2x	13.3x	11.3x	25.6x	23.1x	1.2
Microsoft Corporation	$736,204	$692,552	$99,259	35.3%	6.5x	5.9x	NA	14.0x	NA	24.3x	2.1
Amazon.com, Inc.	$763,078	$782,602	$193,194	8.9%	3.4x	2.7x	NA	20.3x	NA	NM	3.0
Samsung Electronics Co., Ltd.	$327,756	$262,005	$235,123	32.8%	1.0x	1.0x	NA	2.8x	NA	6.7x	1.2
AT&T Inc.	$203,130	$318,460	$159,219	28.3%	2.0x	2.0x	NA	6.2x	NA	9.3x	1.5
Comcast Corporation	$146,870	$210,139	$86,730	32.3%	2.4x	2.3x	NA	6.9x	NA	11.6x	0.8
Verizon Communications Inc.	$213,087	$331,785	$127,992	37.5%	2.5x	2.5x	NA	6.6x	NA	10.4x	2.4
QUALCOMM Incorporated	$75,777	$59,300	$22,605	28.9%	3.1x	3.0x	NA	7.6x	NA	14.9x	1.7
T-Mobile US, Inc.	$54,778	$84,468	$41,166	26.7%	1.8x	1.7x	NA	6.1x	NA	14.2x	1.7
Nokia Corporation	$33,467	$28,229	$27,957	12.5%	1.1x	1.1x	NA	7.5x	NA	16.5x	3.4
Sprint Corporation	$26,020	$58,338	$32,406	34.9%	NA	1.6x	NA	4.5x	NA	NM	NA
Garmin Ltd.	$11,172	$10,119	$3,156	24.8%	3.1x	3.1x	NA	12.4x	NA	18.2x	2.6
LogMeIn, Inc.	$5,989	$5,624	$1,082	28.4%	4.5x	4.1x	NA	11.0x	NA	18.5x	1.2
Silicon Laboratories Inc.	$4,049	$3,633	$795	17.3%	4.6x	4.2x	NA	18.1x	NA	24.8x	1.7
InterDigital, Inc.	$2,604	$1,793	$526	67.4%	6.8x	6.5x	NA	13.2x	NA	25.9x	1.6
Ambarella, Inc.	$1,557	$1,122	$295	8.9%	NA	4.4x	NA	23.6x	NA	36.9x	NA
Globant S.A.	$1,612	$1,557	$444	13.6%	3.5x	2.9x	NA	17.0x	NA	25.8x	NA
Fitbit, Inc.	$1,277	$598	$1,564	(7.0%)	0.4x	0.4x	NA	NM	NA	NM	NM
Control4 Corporation	$554	$480	$254	10.5%	2.0x	1.8x	NA	11.2x	NA	16.9x	1.6
Median				28.3%	3.1x	2.7x	13.3x	11.1x	25.6x	17.5x	1.7
Mean				24.9%	3.2x	2.9x	13.3x	11.1x	25.6x	18.6x	1.8

Stock Comparables – Data & Analytics / IoT Sub-Sectors

(All figures in US Dollars. Figures in millions, except per share data, as of April 27, 2018)

Industrial IoT

Company Name	Market Cap	Enterprise Value	LTM Sales	LTM EBITDA Margin	EV / Sales FY2018	EV / Sales FY2019	EV / EBITDA FY2018	EV / EBITDA FY2019	P / E FY2018	P / E FY2019	PEG FY2018
General Electric Company	$124,869	$202,569	$123,031	4.5%	2.2x	2.1x	16.5x	14.0x	15.7x	14.1x	2.6
Intel Corporation	$245,722	$258,137	$64,031	43.0%	4.0x	3.9x	9.4x	8.7x	14.3x	13.6x	1.5
Cisco Systems, Inc.	$215,391	$181,100	$48,096	30.1%	3.8x	3.7x	10.8x	10.5x	17.7x	15.9x	2.6
Siemens Aktiengesellschaft	$106,713	$123,965	$103,074	11.3%	1.3x	1.3x	10.4x	9.2x	14.9x	13.9x	2.1
Honeywell International Inc.	$109,746	$117,937	$41,434	20.4%	2.7x	2.7x	12.6x	12.0x	18.3x	16.9x	1.9
Texas Instruments Incorporated	$100,636	$100,635	$15,348	47.2%	6.8x	6.5x	14.4x	13.8x	19.9x	18.0x	1.5
Hitachi, Ltd.	$35,481	$46,599	$88,213	11.5%	NA	0.6x	NA	5.1x	NA	10.0x	NA
Hewlett Packard Enterprise Company	$26,948	$33,548	$29,643	10.9%	1.1x	1.1x	6.5x	6.1x	12.4x	11.7x	1.4
Skyworks Solutions, Inc.	$15,863	$14,181	$3,851	41.2%	4.2x	3.9x	9.5x	8.9x	13.9x	12.7x	0.8
Red Hat, Inc.	$29,016	$27,746	$2,920	19.6%	NA	8.1x	NA	NM	NA	48.1x	NA
Arrow Electronics, Inc.	$6,579	$9,187	$27,951	4.4%	0.3x	0.3x	7.2x	7.0x	8.7x	8.3x	1.0
PTC Inc.	$9,655	$9,943	$1,212	10.9%	8.2x	7.5x	NM	NM	62.2x	42.5x	1.5
Zebra Technologies Corporation	$7,211	$9,391	$3,834	18.4%	2.6x	2.5x	12.7x	12.3x	15.6x	14.8x	1.1
Cypress Semiconductor Corporation	$5,418	$6,233	$2,378	17.8%	2.7x	2.5x	10.5x	9.9x	13.1x	11.4x	0.7
Iridium Communications Inc.	$1,341	$2,944	$463	49.0%	5.9x	5.4x	10.1x	9.1x	NM	NM	NM
Sierra Wireless, Inc.	$628	$562	$718	5.5%	0.7x	0.7x	10.6x	8.0x	21.1x	14.6x	1.0
ORBCOMM Inc.	$704	$917	$270	10.6%	3.2x	2.9x	16.7x	11.7x	NM	NM	NM
CalAmp Corp.	$704	$702	$366	9.4%	NA	1.9x	NA	12.6x	NA	16.2x	NA
Median				**14.7%**	**2.7x**	**2.6x**	**10.5x**	**9.5x**	**15.6x**	**14.4x**	**1.5**
Mean				**20.3%**	**3.3x**	**3.2x**	**11.3x**	**9.9x**	**19.1x**	**17.7x**	**1.5**

Outsourced Analytics Solutions

Company Name	Market Cap	Enterprise Value	LTM Sales	LTM EBITDA Margin	EV / Sales FY2018	EV / Sales FY2019	EV / EBITDA FY2018	EV / EBITDA FY2019	P / E FY2018	P / E FY2019	PEG FY2018
International Business Machines Corporatio	$134,464	$168,211	$80,056	20.8%	2.1x	2.1x	8.9x	8.5x	10.4x	10.2x	NM
RELX PLC	$42,356	$48,969	$9,941	30.4%	4.8x	4.6x	13.8x	13.2x	19.0x	17.8x	2.5
Equifax Inc.	$13,746	$16,187	$3,396	30.9%	4.6x	4.4x	13.7x	12.5x	19.1x	17.7x	2.4
Nielsen Holdings plc	$11,417	$19,801	$6,656	25.5%	2.8x	2.7x	9.4x	8.7x	11.7x	10.2x	2.0
Verisk Analytics, Inc.	$17,689	$20,552	$2,224	45.5%	8.4x	7.8x	17.7x	16.3x	25.7x	23.6x	2.2
Gartner, Inc.	$11,032	$13,772	$3,650	11.4%	3.8x	3.4x	20.4x	18.0x	36.0x	30.1x	1.9
TransUnion	$11,921	$14,264	$2,016	36.5%	6.9x	6.3x	17.7x	16.0x	28.6x	25.4x	2.3
The Dun & Bradstreet Corporation	$4,307	$5,559	$1,779	28.2%	3.2x	3.1x	10.7x	10.3x	14.3x	13.8x	1.8
Teradata Corporation	$4,949	$4,638	$2,171	6.2%	1.9x	1.9x	11.3x	10.1x	26.9x	22.2x	9.7
CoreLogic, Inc.	$4,070	$5,655	$1,856	21.6%	3.1x	3.0x	11.7x	11.0x	18.8x	16.8x	1.7
Verint Systems Inc.	$2,662	$3,104	$1,135	9.8%	NA	2.5x	NA	10.0x	NA	13.4x	NA
Acxiom Corporation	$2,060	$2,111	$897	9.1%	2.4x	2.3x	12.0x	11.4x	31.1x	26.7x	2.4
Forrester Research, Inc.	$740	$606	$338	8.8%	1.7x	1.6x	13.5x	11.7x	29.5x	26.2x	2.0
Aimia Inc.	$248	$265	$1,262	8.7%	0.2x	0.2x	1.5x	1.5x	2.5x	2.8x	NA
Mattersight Corporation	$88	$111	$49	(7.9%)	2.0x	1.8x	NM	NM	NM	NM	NM
Median				**20.8%**	**3.0x**	**2.7x**	**12.0x**	**11.2x**	**19.1x**	**17.7x**	**2.2**
Mean				**19.0%**	**3.4x**	**3.2x**	**12.5x**	**11.4x**	**21.0x**	**18.4x**	**2.8**

Recent Updates

Big data and IoT are helping Financial Services firms proactively boost customer engagement

Big data has enabled financial services firms to garner vast amounts of data from customer activity. Financial institutions are in a race to quickly process this data and derive actionable insights from the customer's spending habits, lifestyle, and behavior.

These insights allow firms to devise personalized messages for their clients. Using IoT, the firms can direct updates to their clients as soon as they enter a store. The messages can also be used to help clients better manage their expenses or to sell them usage-based insurance products. For example, Alfa Bank Sense is a mobile banking application that predicts customer financial behavior in real-time. These predictions are used to offer personalized products and services to the customer at the right time and place.

IoT has the potential to transform the customer dialogue into cognitive engagement with the customer. Also, insights from connected devices are expected to trigger preemptive services. The provision of such proactive services will allow banks and other financial institutions to distinguish themselves in the near-term.

Big data needs are causing banks to turn to Infrastructure-as-a-Service (IaaS) platforms for data storage

Increasing stockpiles of data generated by financial institutions raise several questions surrounding storage and processing. A private cloud infrastructure has long been deemed by banks as the safer approach to store customer-sensitive data. However, a public cloud infrastructure has seen increased interest and adoption among incumbent banks.

The public cloud offers several advantages - lower costs, fewer contracts, shared hardware, and lesser need for ongoing management. Although there were concerns about data security with the use of a public cloud infrastructure, it is actually emerging as the preferred choice for data storage needs among banks.

This trend can partly be attributed to the adoption of Amazon's public cloud infrastructure, Amazon Web Services, by regulatory authorities such as FINRA and other bodies in the US. The development led to several incumbent banks outsourcing their data storage, and processing needs to public cloud vendors.

Machine learning, blockchain, AI, IoT, and big data collectively are helping firms realize cost and operational efficiencies

The combination of emergent technologies in bank processes is expected to change customer experience radically in the coming years. Machine learning (ML) will enable users to ask questions about their data and receive contextual insights in real-time. This trend is expected to enhance organizational efficiency as the contextual insights will aid customer churn analysis, workforce planning, and sales forecasting, among other business functions.

Financial institutions will be able to leverage end-to-end cloud analytics to aid decision-making. Firms that have limited technological capabilities could also benefit from Insights-as-a-Service, i.e., gain insights from third-party providers of data the firms don't own. The combined advances in ML and Artificial Intelligence (AI) could allow users to process larger data sets to derive meaningful insights.

IoT could provide the relevant data required to unlock business growth opportunities and spur digital innovation. The increased pace and scope of data processing will create highly efficient, automated enterprises that provide a seamless customer experience.

Key Initiatives by Leading Data & Analytics / IoT Companies

Moody's Analytics launches the RiskIntegrit Insight Solution

Moody's Analytics has launched a data analytics tool targeted at financial services firms. Insurance firms may be the primary users of the tool as it allows firms to project financial and risk metrics in possible future scenarios. The analysis of such situations would aid decision-making and help management visualize the business' sensitivity to a variety of risk factors.

The tool's dashboard offers a holistic view of multiple financial statements and is easily used by management to perform comparative analyses and construct financial forecasts for the business. The solution leverages Moody's AXIS actuarial system and Economic Scenario Generator modeling tool.

FactSet and Quantopian combine to announce plans to launch Quantopian Enterprise Solution

FactSet and Quantopian recently announced plans to launch a data analysis solution that will allow clients to simulate investment performance in the real world. This product is the second instance of collaboration between the two firms, the first being the launch of the Open:FactSet marketplace.

The Quantopian Enterprise solution is expected to help quantitative analysts test their investment strategies while leveraging the computing resources and financial data of Quantopian and FactSet. The solution is also targeted at Quantopian's 195,000 community members, who will benefit from greater access to FactSet's data. The strategic partnership between the two companies furthers their ambitions in the open data solutions segment.

Stanbic Bank Zambia brings on UK-based BankBI to automate regulatory reporting

Stanbic bank Zambia has selected BankBI, a business intelligence and data analytics solutions company, for its regulatory reporting requirements. BankBI's business intelligence tools are expected to boost productivity and decrease operational costs for Stanbic Bank. The regtech solution provided by BankBI will be developed in line with the bank's core banking system – Infosys' Finacle.

Mwindwa Siakalima, CFO of Stanbic Bank Zambia, says the vendor showcased "a clear understanding of the bank's reporting needs." Siakalima also highlights the company's "proven capabilities." The contract enlarges BankBI's already widespread client network of global credit unions and microfinance institutions.

Equifax uses data analytics to enhance small business risk prediction

Equifax has combined commercial and consumer data to launch the Commercial Insight™ Delinquency Score. The solution predicts the likelihood of bankruptcy or delinquency, over a 12-month period, based on a score generated by the tool. Equifax leveraged data from the Equifax Commercial Financial Network alongside consumer data to devise the solution.

Scott Spencer, Senior Vice President and General Manager for US Commercial Services at Equifax, says, "Providing our customers with the option of combining consumer data and small business data with the innovative, machine-learning based technology present in the Commercial Insight™ Delinquency Score will redefine the US Commercial Risk Management market."

Deal Activity

Highlighted M&A Transactions

Date	Target	Acquirer	Sector	Implied EV ($mm)
5/8/18	spacetime	NOKIA	Industrial IoT	NA
5/2/18	HEDERA	Cognizant	Outsourced Analytics Solutions	NA
4/18/18	Socrata	tyler technologies	Analytics Software Solutions	$150
3/15/18	ClearScore	experian.	Analytics Software Solutions	$375

Highlighted Financing Transactions

Date	Company	Key Investor	Type	Amount ($mm)
4/9/18	armis	REdDOT CAPITAL PARTNERS	Series B	$30
3/27/18	MiDiGATOR	LLR	Growth	$30

- *M&A activity in the Data Analytics & IoT segment remained robust this quarter.*

- *Target firms, with their large client networks, appealed to incumbents.*

- *Private equity firms drove most of the fund flow this quarter.*

- *There is a strong belief in the yet untapped potential of big data analytics and IoT.*

- *Outlook for the segment seems bright as deal activity shows no signs of slowing down in the foreseeable future.*

Incumbents relentlessly pursuing acquisition of new-age Fintechs

M&A activity in the Data Analytics & IoT segment was characteristically heightened this quarter. Young technological solutions providers leveraging AI, machine learning, big data and IoT were the natural targets for large technology solutions providers with readily available cash.

Target firms provide incumbents access to client networks in diverse markets, besides providing larger IT companies with core capabilities in modern technologies. The diversification benefits and domain-specific expertise offered by young firms proved to be a huge consideration for acquirers. S&P Global's acquisition of Kensho Technologies, a provider of next-generation analytics, artificial intelligence, machine learning, and data visualization systems to banks and investment institutions is a case in point.

Experian's acquisition of ClearScore gives Experian added credit-reporting capabilities and access to ClearScore's 300,000 South African users. IBM and Cognizant were also active acquirers this quarter.

Private equity fueled several financing deals in the quarter. Venture capital and private equity firms' heightened interest in analytics software and industrial IoT solutions providers is indicative of the transformational strength of this segment. As such, several venture capital funds and private equity firms accommodated analytics software firms such as Plaid Inc. and industrial IoT firms such as Konux. The outlook for the segment seems bright as deal activity shows no signs of slowing down in the foreseeable future.

Providers of services leveraging AI, machine learning, big data and IoT were the natural targets for larger players with readily available cash.

M&A Transaction Activity Summary

Date	Target	Acquirer(s)	Sector	Implied EV ($mm)
5/8/18 Transaction Profiled	spacetime	NOKIA	Industrial IoT	NA
5/3/18	ARMANTA an IBM Company	IBM	Analytics Software Solutions	NA
5/2/18 Transaction Profiled	HEDERA PASSION FOR GROWTH	Cognizant	Outsourced Analytics Solutions	NA
4/30/18	leadspace	RADIUS	Analytics Software Solutions	NA
4/20/18	ClickPay	REALPAGE Outperform	Analytics Software Solutions	NA
4/18/18 Transaction Profiled	Socrata	tyler technologies	Analytics Software Solutions	$150
4/12/18	a la mode	CoreLogic	Analytics Software Solutions	NA
4/12/18	actian activate your data	HCL / SEP SUMERU EQUITY PARTNERS	Analytics Software Solutions	$330
4/3/18	erado Now part of zix	zix	Industrial IoT	$16
3/23/18	Lavastorm	infogix	Analytics Software Solutions	NA
3/15/18 Transaction Profiled	ClearScore	experian.	Analytics Software Solutions	$375
3/6/18	KENSHO	S&P Global	Analytics Software Solutions	$550
2/20/18	panjiva	S&P Global	Analytics Software Solutions	NA

Source: Capital IQ, Pitchbook, and Media Reports

Key M&A Deal Profiles

Nokia acquires Space Time Insight for an undisclosed amount

Target Company Overview

Space Time Insight, Inc. 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. It serves asset-intensive industries, including utility, transportation and logistics, government, and oil and gas markets worldwide. Space Time Insight, Inc. was incorporated in 2003 and is headquartered in San Mateo, California.

Acquisition Details

Nokia Corporation acquired Space Time Insight, Inc. on May 7, 2018. Post-acquisition, Space Time Insight will join Internet of Things product unit within the Nokia Software business group. Rob Schilling, Chief Executive Officer of Space Time Insight will also join Internet of Things product unit.

Solutions Offered

The Company offers asset intelligence, non-asset intelligence, smart meter and demand intelligence, and multi-INT data fusion solutions. The company provides solutions for various applications ranging from planning to real-time operations and crisis condition handling needs; and generation, transmission, and distribution of energy to logistics and supply chain applications.

Transaction Rationale

The acquisition is the latest attempt by Nokia to expand beyond its telecommunications business. It is in line with the Nokia's strategy to build a standalone software business with high-profit margins. Nokia will benefit from Space Time Insight's extensive client network which consists of several Fortune 500 companies.

Cognizant Technologies acquires Hedera Consulting for an undisclosed amount

Target Company Overview

Hedera Consulting BVBA provides consulting and analytics services in growth strategy, innovation, marketing, sales, and customer service. The company was founded in 2009 and is based in Kontich, Belgium.

Acquisition Details

Cognizant Technology Solutions Corporation acquired Hedera Consulting BVBA on May 2, 2018. Hedera Consulting is now part of the Cognizant Consulting business unit.

Solutions Offered

Hedera's Solutions encompass three phases:
- Identifying Opportunities - Growth strategy, customer segmentation and market sizing.
- Capturing Opportunities - Lead and demand generation, omni-channel management, and digital transformation.
- Sustainable Growth - Project management, operational excellence, and customer service optimization.

Transaction Rationale

The acquisition is expected to enhance Cognizant's intellectual capital and domain expertise. Hedera Consulting will give Cognizant access to its distinguished clientele in the Belgian and Dutch markets. Cognizant will also benefit from Hedera's technological expertise.

Key M&A Deal Profiles (Cont'd.)

Tyler Technologies acquires Socrata for $150 million

Target Company Overview

Socrata, Inc. provides cloud-based software solutions for federal, state, and local governments to transform data into actionable insights for public and government. The company was founded in 2007 and is based in Seattle, Washington.

Solutions Offered

Some of the Company's solutions are shown below:
- Open Data – Cloud-based solutions for government employees.
- Open Performance – A performance management solution for governments.
- CrimeReports - An interactive crime map that helps law enforcement agencies.

Other solutions offered include Open Budget, Open Expenditures, and Open Payroll.

Acquisition Details

Tyler Technologies, Inc. agreed to acquire Socrata, Inc. on April 18, 2018. Socrata's senior leadership team is expected to join Tyler's team, along with almost all of its employees. Tyler will continue to maintain Socrata's Seattle office, as well as Tyler's Renton, Washington, office.

Transaction Rationale

Tyler's clients will benefit significantly from the acquisition as they will be able to make their data discoverable, usable and actionable, while potentially including data from other jurisdictions to make analytics even more powerful and meaningful. The data-as-a-service solutions will help governments identify procedural bottlenecks and enhance their predictive capabilities.

Experian acquires ClearScore Technologies for $375 million

Target Company Overview

ClearScore Technology Ltd. provides credit reports and scores. The company was incorporated in 2014 and is based in London, United Kingdom.

Solutions Offered

The Company's credit report and score cover various financial accounts, such as credit cards, loans, and mortgages. It primarily caters to customers based in the UK and South Africa.

Acquisition Details

Experian plc agreed to acquire ClearScore Technology Ltd. for approximately $375 million on March 15, 2018. On completion, Clear Score will be included within UK Consumer Services, and both of the combined brands will be retained.

Transaction Rationale

Although the core services offered by both companies are similar in nature, the acquisition provides Experian with a digitally-savvy start-up that caters to millennials. Experian will also benefit from ClearScore's six million strong clientele based in the UK and South Africa.

Financing Transaction Activity Summary

Date	Target	Sector	Amount ($mm)	Type	Key Investor(s)
5/2/18	Quovo	Analytics Software Solutions	$16	Growth	PORTAGE ventures
4/19/18	KONUX	Industrial IoT	$20	Series B	NEA and others
4/13/18	GitPrime	Analytics Software Solutions	$11	Series A	OPENVIEW Data Collective
4/10/18	CloudMargin	Analytics Software Solutions	$10	Venture	IHS Markit
4/9/18 Transaction Profiled	armis	Industrial IoT	$30	Series B	REdDOT CAPITAL PARTNERS and others
4/9/18	OCROLUS	Analytics Software Solutions	$4	Series A	BULLPEN CAPITAL
4/4/18	THE HOTELS NETWORK	Analytics Software Solutions	$4	Venture	Seayaventures
3/28/18	SUPLARI	Analytics Software Solutions	$10	Series A	SHASTA VENTURES
3/28/18	ArborMetrix	Analytics Software Solutions	$2	Growth	NA
3/27/18	KENNA Security	Analytics Software Solutions	$25	Series C	BESSEMER VENTURE PARTNERS
3/27/18 Transaction Profiled	MiDiGATOR	Analytics Software Solutions	$30	Growth	LLR
3/21/18	AllyO	Outsourced Analytics Solutions	$14	Series A	BainCapital VENTURES

Financing Transaction Activity Summary

Date	Target	Sector	Amount ($mm)	Type	Key Investor(s)
3/19/18	omni:us	Outsourced Analytics Solutions	NA	NA	anthemis | group
3/15/18	Airtable	Analytics Software Solutions	$52	Series B	CAFFEINATED CAPITAL
3/14/18	Digital Assets Data	Analytics Software Solutions	NA	Seed	VESTIGO VENTURES
3/12/18	VOCI	Analytics Software Solutions	$8	Series B	GROTECH VENTURES
3/8/18	Digital Reasoning	Analytics Software Solutions	$30	Series D	BNP PARIBAS and others
3/5/18	ThoughtWire	Industrial IoT	$15	Series A	YALETOWN
3/1/18	Own{backup}	Analytics Software Solutions	$16	Series C	INSIGHT VENTURE PARTNERS / vertex VENTURES
2/28/18	VIRTUALITICS	Analytics Software Solutions	$7	Series B	ENTRICUS
2/13/18	influxdata	Analytics Software Solutions	$35	Series C	SAPPHIRE VENTURES
2/9/18	edj	Analytics Software Solutions	$2	Venture	NA
2/6/18	GROW.com	Analytics Software Solutions	$16	Series B	TOBA CAPITAL

Key Financing Deal Profiles

Armis recieves $30 million from Red Dot Capital Partners

Target Company Overview

Armis is a developer of an IoT security platform for enterprises. The company's platform lets enterprises see and control compromised and unmanaged devices and rogue networks, and enables enterprises to gain visibility and control over threats created by the explosion of connected devices. The company was founded in 2015 and is based in Palo Alto, CA.

Financing Details

Armis raised $30 million of Series B venture funding in a deal led by Red Dot Capital Partners on April 9, 2018. Tenaya Capital, Sequoia Capital Israel, and Bain Capital Ventures also participated in the round. Armis has raised $47 million in total funding to date.

Services Offered

Armis offers an agentless security platform that discovers all unmanaged and rogue devices even before the devices enter an enterprise's network. These devices include laptop computers, smartphones TVs, webcams, printers, HVAC systems, and medical devices. Armis can integrate with an enterprise network in minutes.

Use of Funds

Armis intends to use the funds to meet the demand for advanced security technologies, expand sales and marketing, and further develop its device knowledge base and security platform.

Midigator receives $30 million from LLR Partners

Target Company Overview

Midigator provides a chargeback and fraud technology platform that mitigates risk and recovers lost revenue. It offers real-time merchant account monitoring and automatically fights chargebacks (i.e., without human intervention) to win revenue back. Its analytical solutions enable businesses to take preemptive action against chargebacks to keep their merchant accounts healthy and profitable. Midigator was founded in 2013 and is based in Lindon, Utah.

Financing Details

Midigator received $30 million in equity funding from new investor, LLR Partners on March 27, 2018. Atlas Technology Group served as the financial advisor to Midigator in the transaction.

Features of Platform

Midigator's platform is fully automated which allows chargebacks to be rebutted instantaneously with perfect accuracy. The platform uses analytics to display a consumer's chargeback counts and ratios in real-time. It also combines and configures unlimited merchant accounts in a single online portal.

Use of Funds

Midigator intends to use the funds to become one of the leading global players for chargeback management and fraud mitigation technology. LLR Partners intends to help Midigator expand its product capabilities and fuel sales growth with this partnership.

IPO Activity Summary

Company	IPO Date	Amount Raised ($mm)	IPO Price	Current Market Price	Total Return
VERITONE	5/12/17	$35	$15.00	$19.57	30%
cloudera	4/28/17	$1,877	$23.60	$14.19	(40%)
alteryx The Thrill of Solving	3/24/17	$117	$14.00	$30.62	119%
BLACKLINE	10/28/16	$146	$17.00	$40.97	141%
talend	7/28/16	$95	$18.00	$49.56	175%
coupa	6/10/16	$133	$18.00	$47.51	164%
blueprism	3/15/16	$30	$1.11	$19.52	1,658%
TransUnion	6/25/15	$6,648	$22.50	$64.79	188%
fitbit	6/25/15	$688	$20.00	$5.30	(74%)

Select Wall Street Research Updates and Commentary

Update from Wedbush Securities, March 2018

We've become more positive on ORCL for several reasons, including a better IT demand environment, accretion from ORCL's transition to cloud applications, and potential improvement in a generally cautious investor sentiment towards the company. ORCL's execution has been spotty, but we think some improvement in EPS is in store, as ORCL appears to be over the hump of its transition from premise to SaaS applications. In database, ORCL has more work ahead to entice customers to migrate their workloads to Oracle Cloud. Recent packaging, pricing, and technology enhancements look promising, but it will likely be several quarters until these initiatives can create a positive inflection in the PaaS/IaaS growth trend.

Update from Oppenheimer & Co. Inc., April 2018

At the end of March, MSFT announced a corporate reorganization focusing on cloud, SaaS and AI/ML. The emphasis on cloud/software has helped accelerate top-line growth to double digits from no growth in just a few years and should drive future growth. **MSFT has a large opportunity by integrating Office/Dynamics/LinkedIn/Teams/Cortana to drive customer lock-in.**

Update from Scotiabank Global Banking and Market, April 2018

EBITDA from the Oath and other segment for Verizon Communications was lower than expected, reflecting seasonality in the business. Oath and other (including telematics and IoT) reported revenue of $2.3B which was ahead of our expectations at $2.1B. However, the segment reported total EBITDA of -$300M vs. our expectation of +$180M. **We now expect -$670M EBITDA in the segment for F18 and -$589M in F19, which reflects investments in smaller projects that may not pay immediate dividends as well as a number of other moving parts in the segment.** Notably, we see increasing profitability going forward as VZ integrates and optimizes the business.

Update from Oppenheimer, March 2018

HON's long-term segment margin target of 23% denotes excellent runway from 2018 guidance for 19.3-19.6% (compared to 16.3% in 2013). HON introduced target for 1% annual fixed cost/sales productivity to help underwrite margin targets (in addition to funding growth initiatives, particularly around commercial excellence, connected enterprise, and high growth regions) in addition to ongoing variable cost productivity. **The FC/ sales productivity driver reflects enhanced visibility and understanding of productivity and capacity ranges across global asset base.**

Update from Deutsche Bank, April 2018

The Cisco ONE Subscriptions model for Campus Networking (soon to be scaled to Data Center Switching, Service Provider Routing, etc.) is seeing stronger than expected demand from Mid Market and Large Enterprise IT. This is primarily due to the "decoupling" of Software and Hardware refresh cycles, Software License Portability, and the benefit of getting ongoing updates and upgrades to "Cloud Scale", and increasingly "Cloud based", Software Analytics, Business Intelligence, Network Management and IT Automation tools, Threat Defense, etc.

Appendix – Coverage Universe Components

The coverage universe for various sectors is as follows:

1   Payments:

ADS, FLT, ENXTPA:EDEN, WEX, FIS, FISV, JKHY, ACIW, EPAY, V, MA, AXP, PYPL, SHOP, ENXTAM:GTO, DBD, CATM, MB, EVRI, PMTS, BOVESPA:CIEL3, FDC, GPN, TSS, VNTV, SQ, LSE:WPG, XTRA:WDI, ENXTPA:WLN, DLX, LSE:PAYS, TSE:3769, QIWI, EVTC, LSE:PAY, UEPS, NEWT, JTPY, ENXTPA:ING, NCR, SZSE:002152, PAY, SEHK:327, AIM:SCH, PAR, WU, EEFT, HAWK, GDOT, MGI, ASX:OFX, PLPM

2   Bank Technology / Solutions:

FIS, FISV, JKHY, SWX:TEMN, BSE:532466, TSE:6457, QTWO, SGX:5CP, EPAY, OTCPK:CSVI, BSE:538835, SWX:CLXN, AIM:MONI, LSE:EXPN, EFX, TRU, OM:IJ, FICO, FNF, ZG, CSGP, ELLI, CLGX, BKFS, LSE:ZPG, STC, TSX:REAL, ASPS, REIS, ENXTAM:WKL, PEGA, DNB, ENXTPA:SOP, WSE:ACP, MITK, AIM:SQS, NTWK, INTC, IBM, AXP, PYPL, FDC

3   Specialty Finance / Alternative Lending:

NAVI, NNI, PRAA, ECPG, PRGX, PFMT, ASFI, CIT, CACC, NEWS, MRLN, TSX:CHW, ASX:ZML, CPSS, COF, SYF, DFS, SLM, LSE:PFG, SC, OMF, FCFS, AAN, LSE:TCS, SGBK, WRLD, LSE:IPF, TBBK, EZPW, RM, OB:MONO-ME, ATLC, URI, AL, TSX:EFN, TGH, RCII, ASX:FXL, CAI, FLY, NSM, CASH, PHH, PFSI, OCN, WAC, LC, TREE, YRD, DB:FRU, ENVA, XRF, ELVT, ONDK, DB:MBC

4   Securities:

BGCP, LSE:NXG, LSE:IGG, IBKR, ENXTAM:FLOW, KCG, VIRT, ITG, ENXTPA:VIL, INTL, SWX:CFT, BMV:FINAMEX O, WFC, BAC, C, LSE:HSBA, ASX:CBA, TSX:RY, TSX:TD, ENXTPA:BNP, USB, AXP, LSE:LLOY, PNC, ASX:NAB, TSX:BMO, LSE:BARC, SEHK:11, LSE:RBS, SGX:D05, TSX:CM, NSEI:ICICIBANK, MTB, BIT:MB, UMBF, LSE:CBG, FII, NSEI:IIFL, XTRA:COM, CME, ICE, SEHK:388, XTRA:DB1, LSE:LSE, BOVESPA:BVMF3, NDAQ, CBOE, ASX:ASX, SGX:S68, ENXTPA:ENX, BME:BME, TSX:X, SPGI, TSX:TRI, MCO, INFO, MSCI, FDS, ENXTPA:FIM, MORN, NSEI:CRISIL, VALU, JPM, GS, MS, SWX:UBSG, DB:DBK, SWX:CSGN, ASX:MQG, TSE:8604, RJF, LAZ, SF, PJC, GHL, COWN, AMEX:LTS, AIM:NUM, JMP, BLK, BK, BEN, NTRS, AMP, TROW, IVZ, LSE:HL., LSE:INVP, JHG, AB, CNS, WDR, APAM, WETF, VRTS, SCHW, AMTD, ETFC, MKTX, TSE:8628, AIM:PLUS, TSE:8698, YIN, LSE:CMCX, SWX:SQN, GCAP, GLBR, STT, BR, SEIC, ASX:CPU, DST, LPLA, LSE:TCAP, FNGN, ENV, LSE:SNN, ASX:BVS, ENXTAM:KA, SSNC, CPSE:SIM, LSE:ALFA, ASX:IRE, LSE:FDSA, AIM:FDP, ENXTPA:LIN, AIM:SOG

5   Insurance:

LSE:REL, VRSK, DNB, ACXM, MMC, AON, WLTW, AJG, BRO, LSE:JLT, MET, PRU, CI, TSX:MFC, AFL, LSE:AV., TSX:GWO, TSX:SLF, LSE:LGEN, PFG, LNC, SWX:SLHN, LSE:SL., ENXTAM:AGN, TMK, PRI, ANAT, LSE:HSD, DB:ALV, ENXTPA:CS, AIG, SWX:ZURN, ALL, AFG, GNW, LSE:MONY, RATE, EHTH, ASX:ISU, QNST, CB, TRV, PGR, HIG, CINF, LSE:RSA, THG, MCY, SIGI, EIG, STFC, MKL, WRB, AIZ, AWH, PRA, AFSI, RLI, AGII, OB, NAVG, AMSF, GBLI, GWRE, EBIX, SPNS, CRD.B, AMEX:MJCO, TSXV:SY, PN, FNF, ORI, FAF, STC

6   BPO:

ENXTPA:RCF, CVG, TTEC, SYKE, SRT, ESRX, ATHN, HQY, BOVESPA:QUAL3, MDRX, HMSY, QSII, CSLT, CPSI, RCM, ADP, PAYX, ULTI, WAGE, TNET, CSOD, NSP, BNFT, ACN, NSEI:TCS, CTSH, NSEI:INFY, DXC, BSE:507685, NSEI:HCLTECH, ENXTPA:CAP, ENXTPA:ATO, DOX, OTEX, NSEI:TECHM, CACI, EXLS, WNS, CALD, SYNT, BSE:532819, NSEI:HEXAWARE, VRTU, UIS, VDSI, LSE:MCGN, BIT:BET, TSX:GIB.A, LSE:CPI, G, BSE:526299, CSGS, BSE:532809, AIM:IBPO, PRGX

7   Financial Management Solutions:

INTU, LSE:SGE, BL, COUP, ASX:RKN, TYL, PEGA, ASX:TNE, QADA, AMSW.A, LSE:MCGN, NSEI:RAMCOSYS, ADP, PAYX, WDAY, ULTI, HRB, PAYC, WAGE, PCTY, CSOD, NSP, LSE:HRG

8   Analytics / IoT:

ORCL, DB:SAP, CRM, VMW, LSE:EXPN, OTEX, SPLK, DATA, FICO, XTRA:SOW, RP, NEWR, MSTR, CLDR, AYX, HDP, VERI, DWCH, GOOGL, MSFT, AMZN, KOSE:A005930, T, CMCS.A, VZ, QCOM, TMUS, HLSE:NOKIA, S, GRMN, LOGM, SLAB, IDCC, AMBA, GLOB, FIT, CTRL, GE, INTC, CSCO, DB:SIE, HON, TXN, TSE:6501, HPE, SWKS, RHT, ARW, PTC, ZBRA, CY, IRDM, TSX:SW, ORBC, CAMP, SSNI, IBM, LSE:REL, EFX, NLSN, VRSK, IT, TRU, DNB, TDC, CLGX, VRNT, ACXM, FORR, TSX:AIM, MATR

9   Healthcare Tech:

INOV, OMCL, VCRA, TRHC, STRM, CERN, DB:COP, MDRX, EVH, QSII, HSTM, AIM:EMIS, CPSI, COTV, HMSY, ATHN, AIM:CRW, RCM, SREV, UNH, AET, ANTM, HUM, CNC, WCG, NUAN, MMS, MOH, MGLN, GTS, HIIQ

DISCLAIMER

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Mr. Koles has over 14 years of financial advisory experience including advising middle-market and multinational firms on merger and acquisition strategies and execution, restructurings and capital raises. Prior to founding Evolve Capital Partners, he worked at a number of leading investment banks in leadership roles focused on restructuring transactions. He started his career at Merrill Lynch as an investment banker in the corporate finance group.

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