January 2024

Houlihan Lokey

Data Infrastructure and Analytics Software

2023 Review and Perspectives Around the Impact of Generative AI on the Data Management Software Landscape

The Houlihan Lokey Team Focusing on Data Infrastructure and Analytics Software

Houlihan Lokey is a preeminent advisor in data infrastructure and analytics software, with deep knowledge in the field and extensive experience advising on M&A and capital-raising transactions.

Core Coverage Team

Vikram Pandit
Managing Director
Head of Infrastructure Software

Daniel Liu
Associate
Technology Group

Ali Vandebunt
Financial Analyst
Technology Group

Cybersecurity Coverage Team

Keith Skirbe
Managing Director
Co-Head of U.S. Cyber

Bobby Wolfe
Director
Co-Head of U.S. Cyber

Software Global Leadership

Todd Carter
Managing Director
Chairman of Global Technology

Sascha Pfeiffer
Managing Director
Head of European Technology

Financial Sponsors Coverage

Kevin Salmini
Managing Director
Head of Private Equity Coverage

Andrew Morrow
Managing Director

Regional Coverage

Ido Zakai
Managing Director

Raymond Fröjd
Managing Director

Tombstones included herein represent transactions closed from 2013 forward.
**Selected transactions were executed by Houlihan Lokey professionals while at other firms acquired by Houlihan Lokey or by professionals from a Houlihan Lokey joint venture company.*

Houlihan Lokey Is the Preeminent Technology M&A Advisor Globally

2022 M&A Advisory Rankings
All Global Technology Transactions

	Advisor	Deals
1	**Houlihan Lokey**	**116**
2	Goldman Sachs	106
3	Morgan Stanley	79
4	Rothschild	76
5	JP Morgan	75

Source: Refinitiv. Excludes accounting firms and brokers.

2022 M&A Advisory Rankings
U.S. Technology Transactions
Under $1 Billion

	Advisor	Deals
1	**Houlihan Lokey**	**49**
2	Canaccord Genuity Grp	37
3	Lincoln International	37
4	William Blair	33
5	Moelis	32

Source: Refinitiv. Excludes accounting firms and brokers.

No. 1 TECH M&A ADVISOR*

15 LOCATIONS WORLDWIDE

170+ TECHNOLOGY FINANCIAL PROFESSIONALS

30+ MANAGING DIRECTORS

116 TECHNOLOGY DEALS IN CY '22

AMERICAS
Atlanta
Boston
Baltimore
Charlotte
Chicago
Dallas
Houston
Los Angeles
Miami
Minneapolis
New York
San Francisco
São Paulo
Washington, D.C.

EUROPE AND MIDDLE EAST
Benelux
Dubai
Frankfurt
London
Madrid
Manchester
Milan
Munich
Paris
Stockholm
Tel Aviv
Zurich

ASIA-PACIFIC
Beijing
Fukuoka
Gurugram
Hong Kong SAR
Mumbai
Nagoya
Shanghai
Singapore
Sydney
Tokyo

Local Technology Team

**According to data provided by Refinitiv.*

Houlihan Lokey Is the Trusted Advisor to More Top Decision-Makers Than Any Other Independent Global Investment Bank

CORPORATE FINANCE

2022 M&A Advisory Rankings
Global Transactions Under $1 Billion

	Advisor	Deals
1	**Houlihan Lokey**	**381**
2	Rothschild & Co	369
3	JP Morgan	217
4	Lazard	206
5	Goldman Sachs & Co	203

Source: Refinitiv. Excludes accounting firms and brokers.

No. 1
Global M&A Advisor Under $1 Billion

Leading
Capital Markets Advisor

FINANCIAL RESTRUCTURING

2022 Global Distressed Debt &
Bankruptcy Restructuring Rankings

	Advisor	Deals
1	**Houlihan Lokey**	**58**
2	PJT Partners Inc	30
3	Lazard	29
4	Rothschild & Co	25
5	Moelis & Co	21

Source: Refinitiv.

No. 1
Global Restructuring Advisor

1,500+
Transactions Completed Valued at
More Than $3.0 Trillion Collectively

FINANCIAL AND VALUATION ADVISORY

1998–2022 Global M&A
Fairness Advisory Rankings

	Advisor	Deals
1	**Houlihan Lokey**	**1,232**
2	JP Morgan	1,030
3	Duff & Phelps, A Kroll Business	938
4	Morgan Stanley	725
5	BofA Securities Inc	710

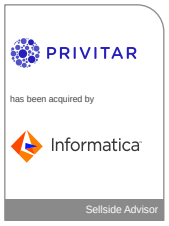
Source: Refinitiv. Announced or completed transactions.

No. 1
Global M&A Fairness Opinion
Advisor Over the Past 25 Years

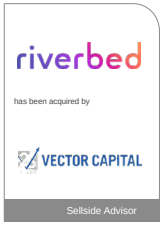
1,000+
Annual Valuation Engagements

Market Leader in Data Infrastructure and Analytics Software: M&A and Capital Raising

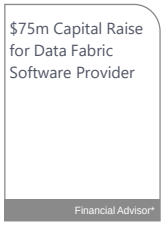
We have unmatched transaction experience in data infrastructure and analytics software.



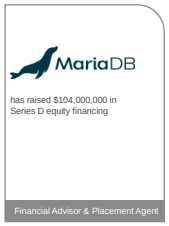
Data Privacy Software



Data Observability



Data Fabric Software



Relational Database Management Software

Enterprise Data Management Software

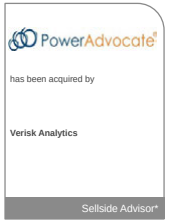
BI/Analytics Software

Master Data Management Software

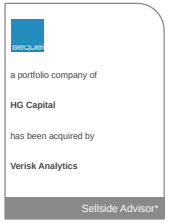
Real-Time Analytics

Retail Analytics

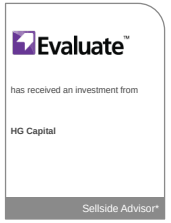
Digital Marketing and E-Commerce Analytics



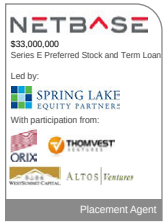
Market and Cost Analytics



Broking Analysis and Claims Management

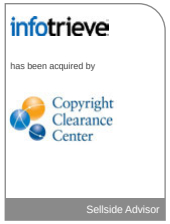


Life Science Intelligence

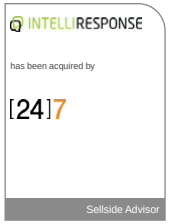


CEM Analytics

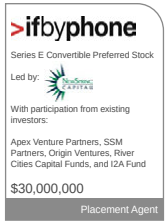
Digital Marketing and E-Commerce Analytics



License and Content Analytics

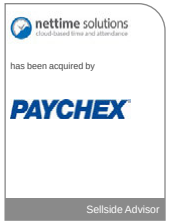


Customer Analytics

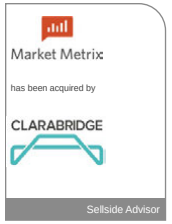


Marketing and Call Analytics

Public Sector Case Management

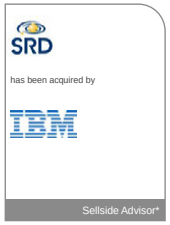


Time and Attendance Analytics

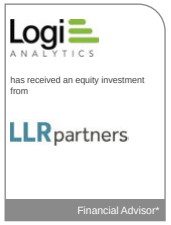


CEM Analytics

Talent Analytics

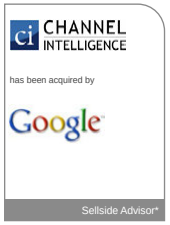


Government Analytics



Web-Based BI

CEM Analytics



E-Commerce Analytics

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Houlihan Lokey Advises Clearlake Capital Group and Insight Partners on Their Acquisition of Alteryx

Transaction Overview

- On December 18, 2023, Alteryx (NYSE:AYX) entered into a definitive agreement to be acquired by Clearlake Capital Group and Insight Partners in a transaction valued at $4.4B billion, including debt.
- Under the terms of the transaction, Alteryx stockholders will receive $48.25 per share in cash, representing a 59% premium to Alteryx's unaffected closing stock price on September 5, 2023, the last full day prior to media reports discussing a potential sale.
- The transaction is expected to close in the first half of 2024, subject to customary closing conditions and approvals.
- Houlihan Lokey served as a financial advisor to Clearlake Capital and Insight Partners alongside Goldman Sachs, J.P. Morgan, and Morgan Stanley.

Alteryx Overview

Headquarters	Irvine, California
Founded	1997
Description	Provider of self-service data analytics software sold to enterprises as subscription-based software. The company delivers an analytics cloud platform that offers end-to-end automation of data engineering, analytics, reporting, machine learning, and data science processes.
Selected Customers	

Platform Overview

Designer Cloud	Collaboratively profile, prepare, and pipeline data on all major cloud platforms with drag-and-drop building blocks directly in browsers.
Designer	The leading solution for data prep, blending, and analytics with drag-and-drop capabilities that speed up every step of analytics.
Server	Scale, secure, share, and administer automated analytics from a centralized console.
Machine Learning	Build machine learning models without coding and uncover new insights and hidden stories in data.
Auto Insights	AI-powered analytics assistant that detects, explains, and presents the most meaningful patterns in data—in minutes.

Selected Deal Commentary

> In addition to delivering significant and certain cash value to our stockholders, this transaction will provide increased working capital and industry expertise, and flexibility as a private company. Together, we will make investments that matter most to our customers and accelerate our mission of harnessing the power of analytics to enable customers to transform data into a breakthrough.
> **—Mark Anderson,** CEO of Alteryx

> Alteryx's success stands as a testament to their visionary founder's exceptional ability in shaping the future of software and technology… We're looking forward to opening this new chapter with Alteryx as they advance into the next phase of their growth journey, focusing on cloud and AI/ML to create winning products.
>
> **—Deven Parekh and Ryan Hinkle,** Managing Directors at Insight Partners

Sources: PitchBook, company website, and press releases.

Houlihan Lokey Advises on Privitar's Sale to Informatica

Privitar Overview

- Privitar is a leading data security and privacy software platform used by organizations globally.
- Privitar's platform streamlines and scales the management of data access and data protection through the use of no-code policies that maximize returns while removing risk and ensuring compliance.
- The platform is used by data owners, guardians, and consumers and facilitates data asset registration, policy definition in line with regulations, data discovery through a first-party data exchange, and policy enforcement across the modern architecture stack.
- Founded in 2014 with c.75 employees, headquartered in London, and operations in the U.S., Europe, the Middle East, and Asia.
- Acquired Kormoon, a data compliance software platform, in July 2022, meaningfully expanding Privitar's solution offering to include policy automation through codified regulatory intelligence.

Selected Customers

ACCOR

AGORAI

Discovery

Eastern AHSN

HSBC

NHS Digital

Transaction Rationale

- Data access management has emerged as a critical solution to help users create, enforce, and monitor data policies as hybrid and multi-cloud environments proliferate. A comprehensive data access management solution allows for the automation of secure, auditable, and regulatory-compliant access to data assets, unlocking the power of data democratization.
- Privitar brings advanced access controls and remediation for data privacy and security to Informatica's AI-powered Intelligent Data Management Cloud (IDMC) platform.
- Adding Privitar's data access management and privacy solution to Informatica's IDMC platform supports critical, high-growth use cases around cloud analytics, governance, data mesh, and data marketplace.

Selected Transaction Commentary

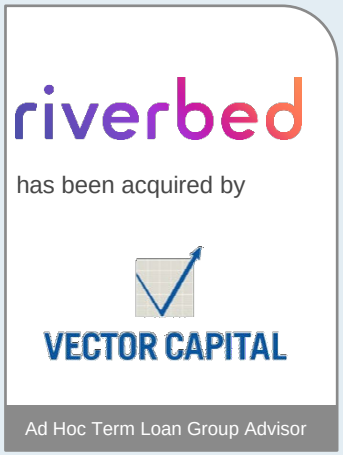
Jason Du Preez, CEO at Privitar

"We are thrilled about the opportunity to join Informatica and integrate our solution into their market-leading data management cloud. Together, we will further our mission of empowering organizations to unlock the full potential of their data by providing a unified, secure, and scalable solution for data access and privacy. Joining Informatica will enable us to better serve our customers with an integrated data management stack, delivering a complete data governance solution with security and privacy intrinsic to the platform. As part of Informatica, we can accelerate our innovation, enhance our capabilities, and expand our reach."

Amit Walia, CEO at Informatica

"Data governance and responsible use of data is a growing priority for large businesses, but too often requires trading off agility and self-service. With Privitar's data access management and privacy capabilities integrated into IDMC, customers can deliver best-in-class data governance, access, policies, and compliance, empowering better data-driven decision-making and business outcomes. I'm excited to welcome the Privitar team to Informatica."

Houlihan Lokey Advises on the Sale of Riverbed Technology to Vector Capital



June 2023

Company Profile

Riverbed Technology, Inc. (Riverbed) is a leading provider of software that delivers secure digital experiences to global corporations. Riverbed offers two industry-leading solutions: Alluvio by Riverbed, a Unified Observability portfolio that unifies data, insights, and actions across IT so customers can deliver seamless digital experiences, and Riverbed Acceleration, providing agile, secure acceleration of any app over any network to users. Riverbed's solutions are used for network performance monitoring, application performance management, digital experience management, and Wide Area Network (WAN) optimization. Ninety-five percent of Fortune 100 Companies are Riverbed customers.

Timeline

- In December 2014, Thoma Bravo completed a take-private of Riverbed at a $3.6 billion transaction value.
- In December 2021, Riverbed completed a recapitalization, reducing debt by more than $1 billion and bringing in $100 million of new cash.
- In late 2022, Riverbed launched a limited sale process in response to receiving inbound interest.
- In May 2023, Riverbed announced the sale of its business to Vector Capital (Vector), and the transaction closed in June 2023.

Our Role

Houlihan Lokey advised an ad hoc group of Riverbed's lenders in the structuring and negotiation of a sale of the entire business to Vector, a technology-focused private equity firm. Houlihan Lokey was deeply involved throughout the sale process, leveraging the expertise of its Software M&A team to broaden the bidder universe, which led to incremental bids and a more competitive process. As part of the transaction, Houlihan Lokey assisted the lender group in structuring lender-provided staple financing, which helped facilitate the transaction close.

Houlihan Lokey Advises on the Sale of Riverbed Technology to Vector Capital

Houlihan Lokey's Expertise in Orchestrating the M&A Process:

Collaboration and Expansion of the Buyer Universe:

- The company originally ran a limited sale process, reaching out to a small number of financial and strategic parties.
- Houlihan Lokey used its industry expertise to collaborate with the company and launch an expanded Phase II sales process that incorporated a much broader universe of strategic buyers (primarily large enterprise software companies) and private equity firms in order to further explore a sale of the company as a whole or in parts.

Distinct Expertise in the Buyer Universe:

- Each one of Riverbed's business units (Aternity, Network Performance Management, and WAN Optimization segments) is distinct with a unique set of buyers.
- Houlihan Lokey was integral in ensuring the company marketed each business segment to the appropriate buyer universe.

Competitive Tension:

- Orchestrating the Phase II sales process helped drive increased competitive tension among buyer parties.
- Houlihan Lokey also developed a stand-alone lender-led recapitalization alternative as a contingency measure.

Process Management:

- Houlihan Lokey helped structure and negotiate lender forbearance agreements in order to provide a sufficient operating runway to execute the M&A transaction.

Market Dynamics

Key Trends in Data Infrastructure and Analytics Software

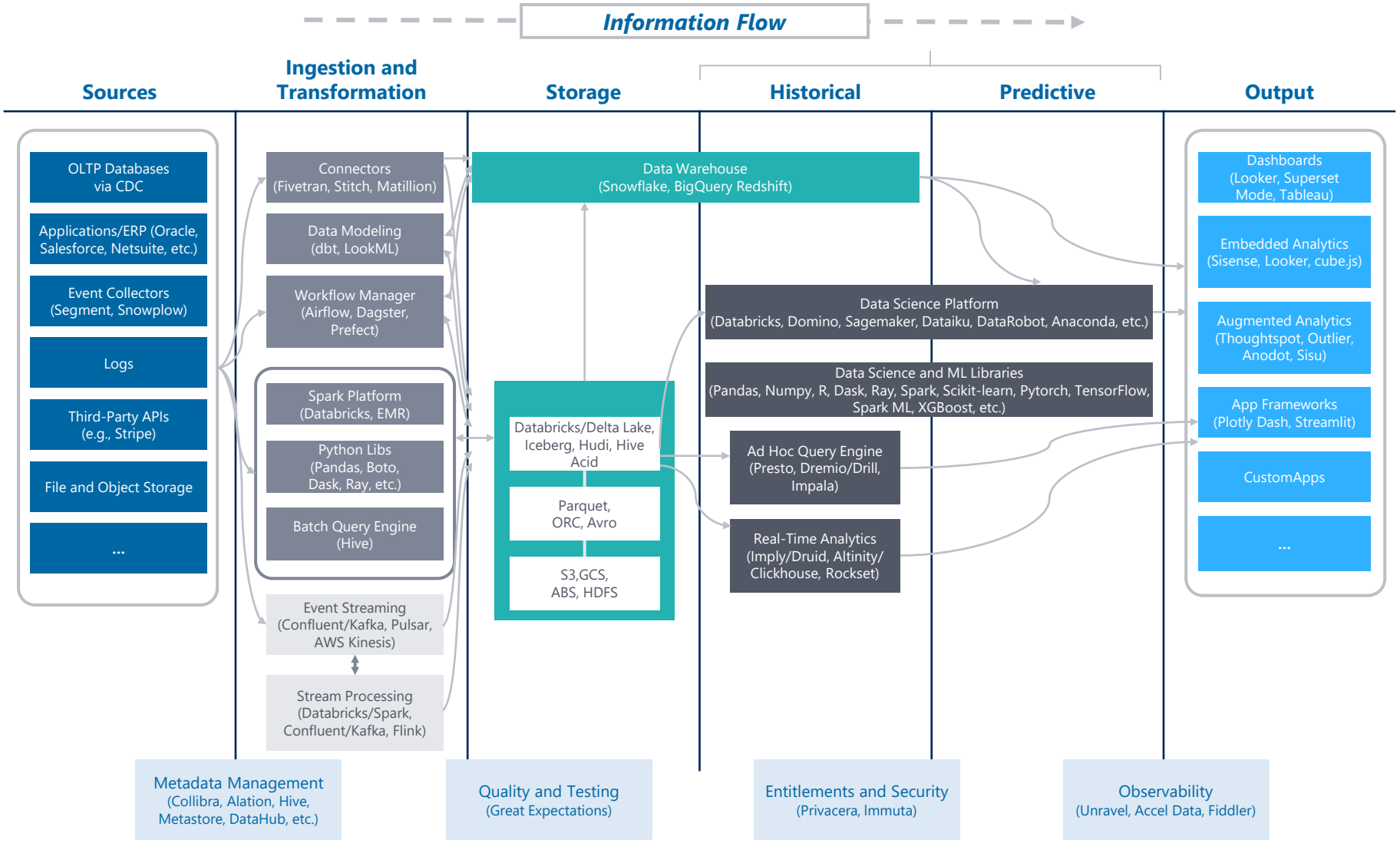
Trends	Drivers	Description	Representative Companies
The Evolution of Data Storage and Warehouses	▪ Enterprises moving away from on-premise data warehouses towards cloud-native data warehouses, data lakes, and data lakehouses.	▪ Cloud-native storage platforms built on new and emerging architectures, such as cloud data warehouses, cloud data lakes, and cloud lakehouses, provide performant and easily scalable solutions. ▪ Abundance of infinitely scalable cloud computing, serverless cloud services, and turnkey cloud-native integration tools fosters a healthy and rich ecosystem to address enterprise data management needs.	databricks, DELTA LAKE, dremio, Parquet, presto, snowflake
Need for Real-Time Data Driving, Streaming Pipelines, and Operational Analytics	▪ Software for streaming (real-time) data and operational analytics becoming critical as enterprises start focusing on real-time data.	▪ Traditional data warehouse architectures were ideal for historical data analysis. ▪ "What-is-happening-now" class of queries is becoming more important. Examples include in-app personalization, churn prediction, inventory forecasting, and fraud detection. ▪ An increasing number of companies are investing in real-time infrastructure as they go from being data-driven (making decisions based on historical data) to becoming data-led (making decisions based on real-time and historical data).	Apache hudi, CONFLUENT, ClickHouse, Materialize
The Rise of Cloud Marketplaces for Modern Data Stack Adoption	▪ Changing GTM for companies in this sector from direct/channel-based sales to product-led growth (PLG).	▪ Usage-based pricing, open source, and the affordability of software have pushed purchasing decisions to the end users. ▪ Cloud marketplaces via AWS, GCP, and Azure are emerging as the best first step as businesses evolve toward the future of digital selling. ▪ It's becoming a norm for developer tooling companies—including startups in the modern data stack—to deploy different levels of PLG motions (free/freemium/free trial version of the product).	Azure, aws, Google Cloud

Key Trends in Data Infrastructure and Analytics Software (cont.)

Trends	Drivers	Description	Representative Companies
Metadata Management and Data Catalogs	▪ Distributed architectures and domain-specific data pipelines necessitate a metadata and management and governance layer.	▪ Enterprises need master data management and catalog solutions to centrally define, access, and govern that data without running into chaos. ▪ Helps organizations discover, understand, and consume data better while serving as a single source of truth for any data item.	Alation Collibra Databand Datafold MONTE CARLO
Data Mesh Architectures Gaining Importance	▪ New philosophy of decentralizing data pipelines and data stewardship by LOB/domain/data consumer within an enterprise.	▪ Supports distributed, domain-specific data consumers and views "data-as-a-product," with each domain handling its own data pipelines. ▪ The tissue connecting these domains and their associated data assets is a universal interoperability layer that applies the same syntax and data standards.	K2 VIEW. denodo Starburst

Modern Enterprise Data Infrastructure and Analytics Ecosystem

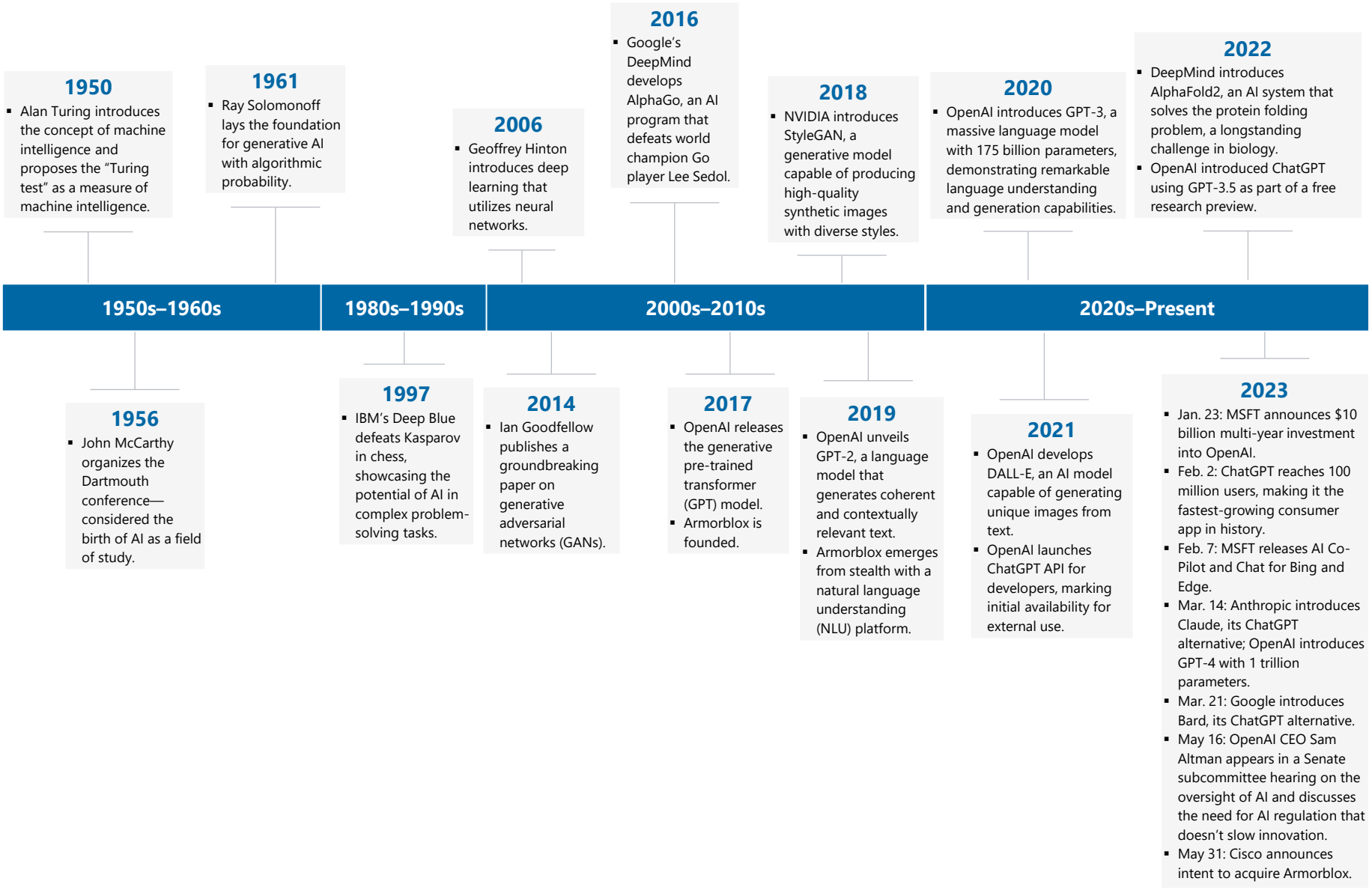
The modern enterprise data infrastructure and analytics ecosystem is significantly more complex than the traditional ecosystem—used for real-time and historical analysis, with far more complex workflows controlled by IT and lines of business owners.



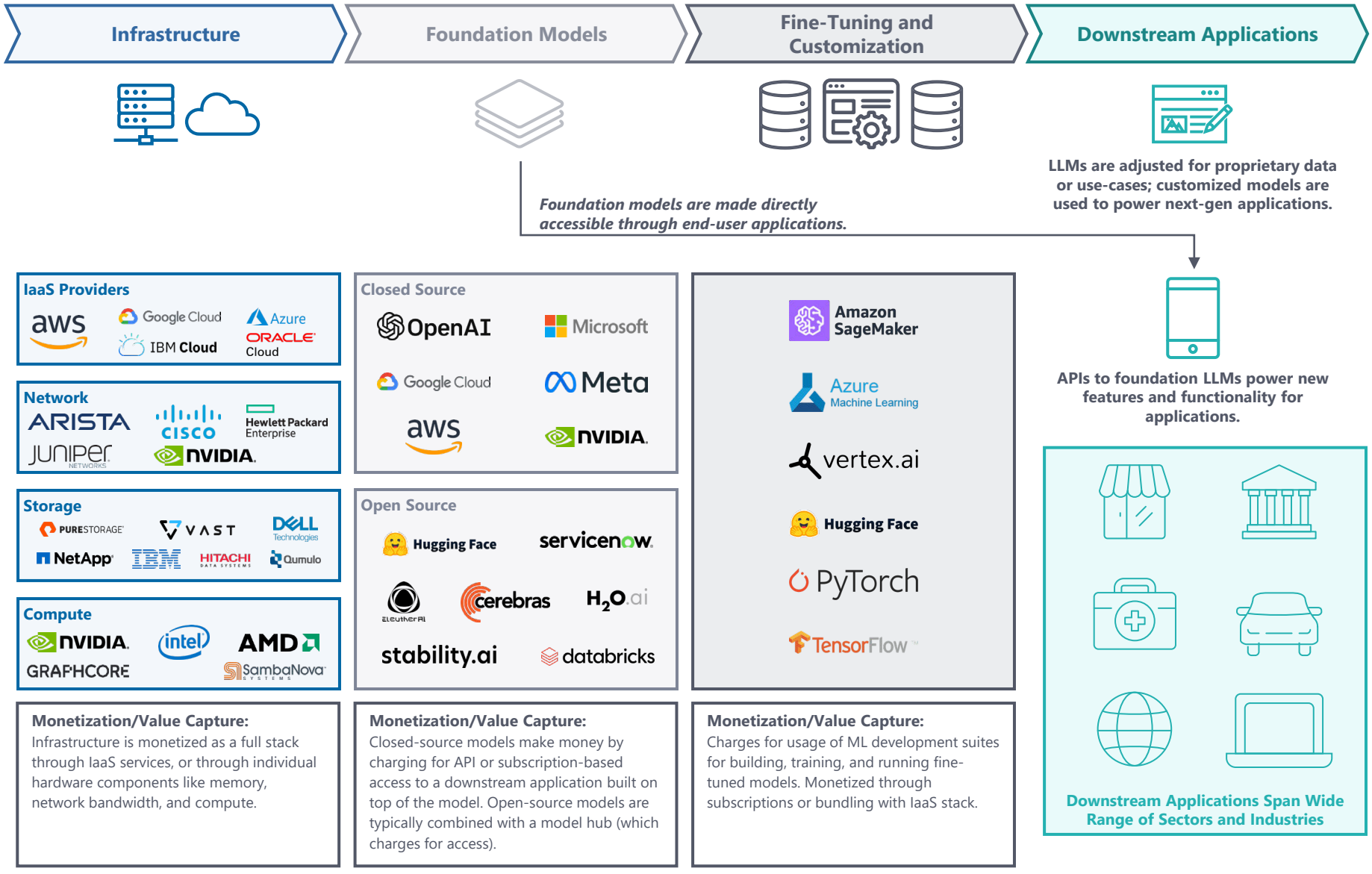
Source: Industry research, including Andreessen Horowitz and Wall Street reports.

Perspectives Around the Impact of Generative AI on the Data Infrastructure Stack

A Brief History of AI: From Machine Learning to Large Language Models



Generative AI Value Chain: The New Frontier of Automation

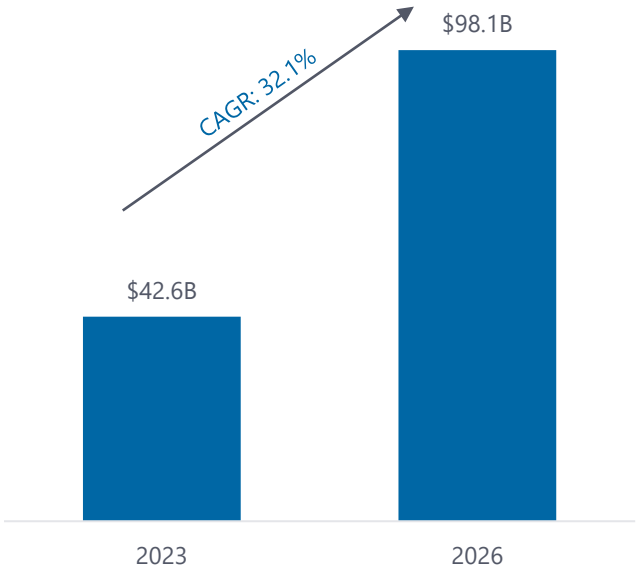


Large and Rapidly Growing Market Driving Significant VC Investment

Generative AI Represents Massive Potential

- Already a large market opportunity, the generative AI market is expected to grow at a 32.1% CAGR between 2023 and 2026 based on current enterprise use cases.
- Generative AI-relevant use cases already present a significant enterprise opportunity—estimated to reach $42.6 billion in 2023—with natural language interfaces offering the largest market due to customer service and sales automation use cases.
- The potential of generative AI to expand the total addressable market of AI software to consumers and new user personas in the enterprise represents an additional upside to current forecasts.

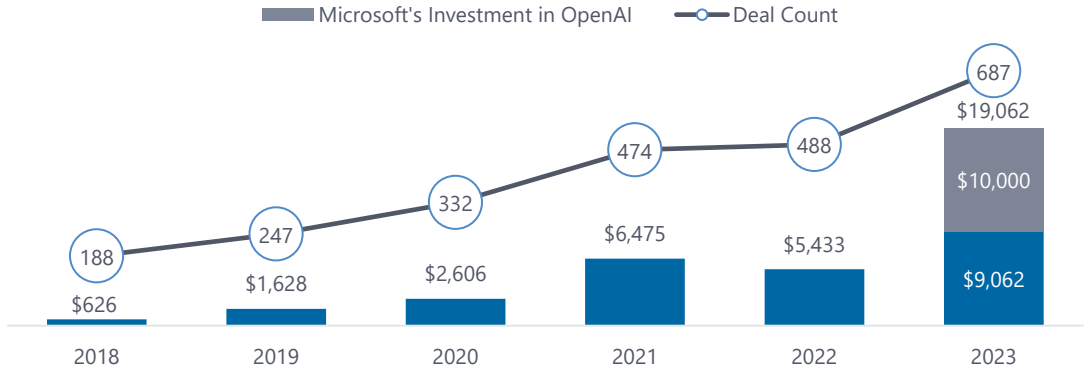
GENERATIVE AI MARKET SIZE*



VC Funding of Generative AI Remains Robust Despite Macroenvironment

- VC investment activity in generative AI startups continues at a frenzied pace despite an otherwise challenging environment for early-stage investment firms as an emphasis on efficient growth has emerged.
- The immense potential for generative AI and wide-ranging applications create a highly attractive secular opportunity for VC investors.
- With relatively low barriers to entry and plentiful funding, the space is becoming increasingly competitive as nascent startups seek to capitalize on the enthusiasm for the sector and tackle new and existing problems.
- The highly technical nature of generative AI, the rapidly evolving landscape, and a plethora of startups entering the market are driving investors to put significant weight on underwriting the knowledge and vision of founders when considering which companies to back.

GENERATIVE AI VC FUNDING ACTIVITY



SELECTED DATA INFRASTRUCTURE M&A ACTIVITY

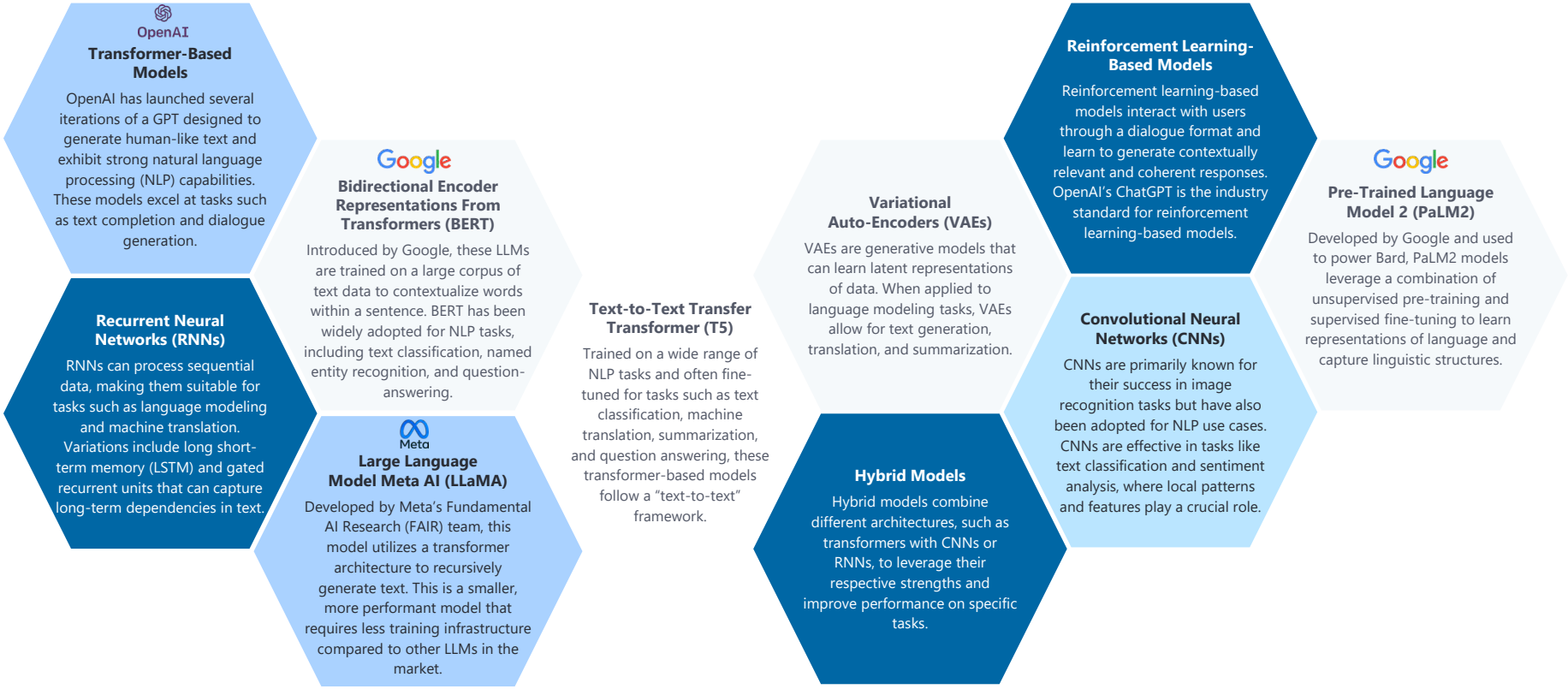
(Date and Enterprise Value)

mosaicML	rubicon	Mode
Has been acquired by	*Has been acquired by*	*Has been acquired by*
databricks	databricks	ThoughtSpot
June '23: $1.3B	June '23: Undisclosed	June '23: $200M

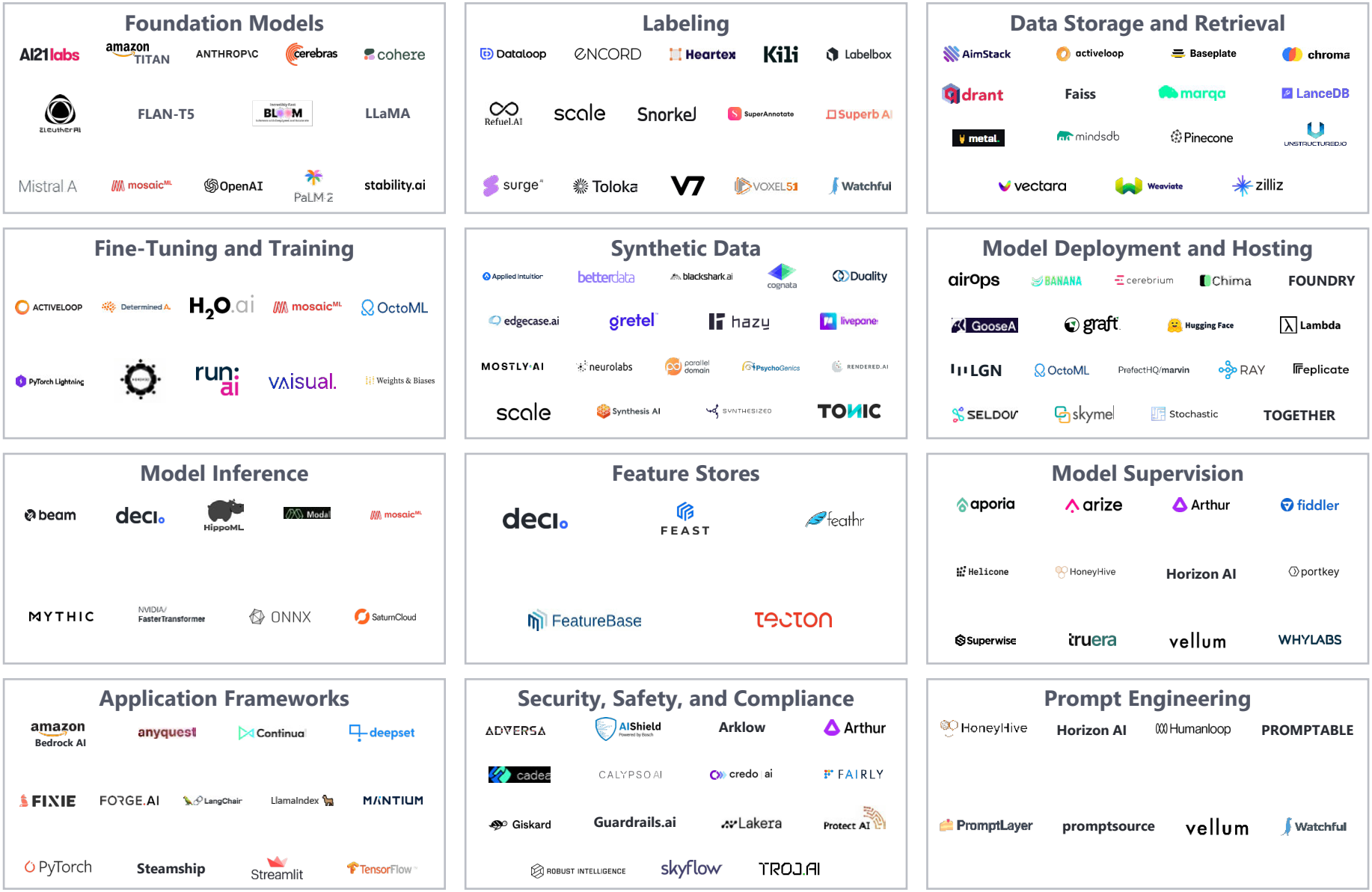
Source: PitchBook.
**Based on market consensus estimates.*

Rapid Proliferation of Large Language Models (LLMs) in the Enterprise

With the pace of innovation in AI (significantly outperforming Moore's Law), enterprises are rapidly integrating AI into their solutions by implementing "public" LLMs or developing their own LLMs. Securing these models and the underlying data is imperative, and while the regulatory environment is evolving, enterprises must take a proactive approach to ensure AI governance.

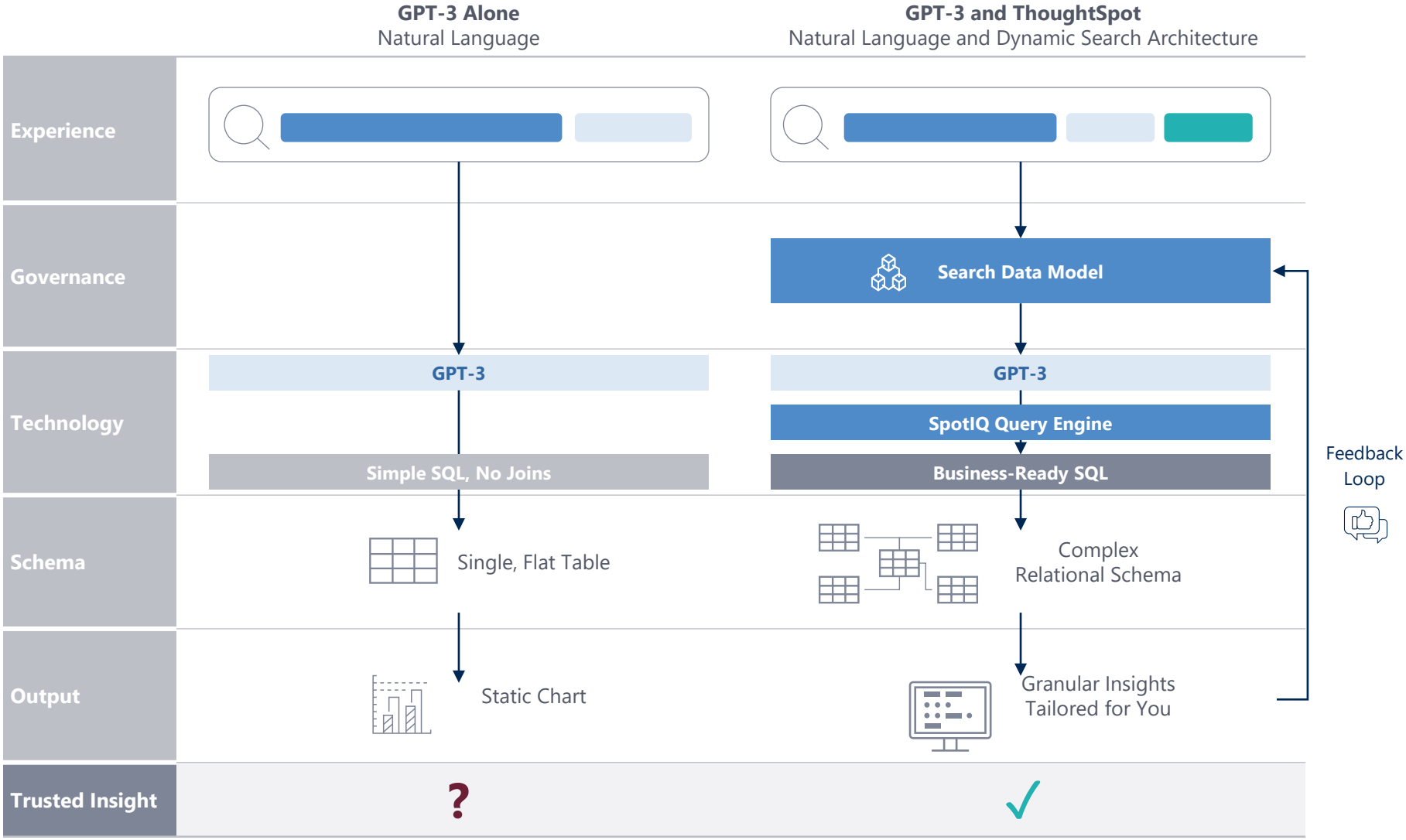


A New Infrastructure Stack for Generative AI Is Emerging



Illustrative Example Using Generative AI to Supercharge Analytic Capabilities by Answering Natural Language Questions

ThoughtSpot recently released a product that integrates its search architecture with GPT to enable users to answer and ask business questions in natural language and get AI-generated answers and visualizations.



Source: Market research.

Valuation Perspectives

Data Management Software Share Prices and Multiples Showed Signs of Recovery in 2023 After a Significant Market Pullback in 2022

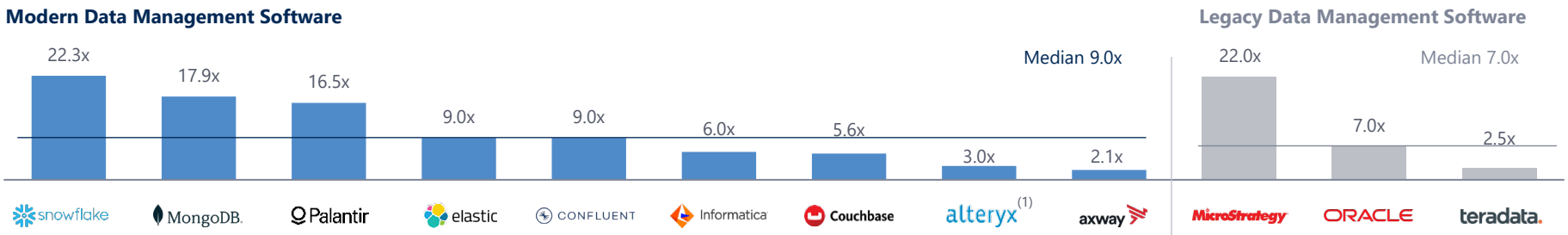
Three-Year Relative Performance

EV/NTM Revenue Multiple

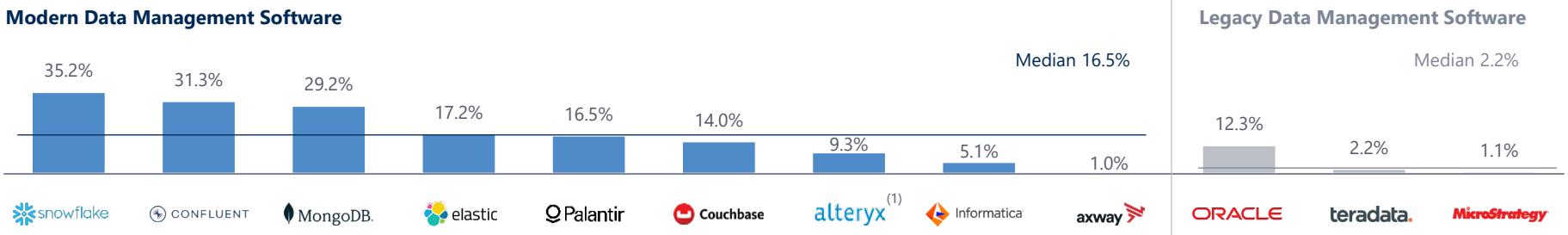
Source: S&P Capital IQ as of December 15, 2023.
Note: Data Management Software indices weighted by market capitalization.
(1) Data Management Software: SNOW, MDB, AYX, SPLK, ESTC, AXW, CFLT, PLTR, BASE, INFA, ORCL, MSTR, TDC.
(2) Enterprise Software: CRM, SHOP, WDAY, CSU, PAYC, CDAY, PCTY, ZEN, MNDY, SGE, MANH, SMAR, DSG, ZD, PLAN, WK, PYCR, SPSC, MSP, ESMT, AVDX, EXFY, TNE, BIGC, AI, ENGH, VTEX, WKME, UPLD, AMSW.A, OPRA, BNFT, SNCR, SREV, PCYG.

Valuations for Modern Data Management Software Have Improved Relative to 2022

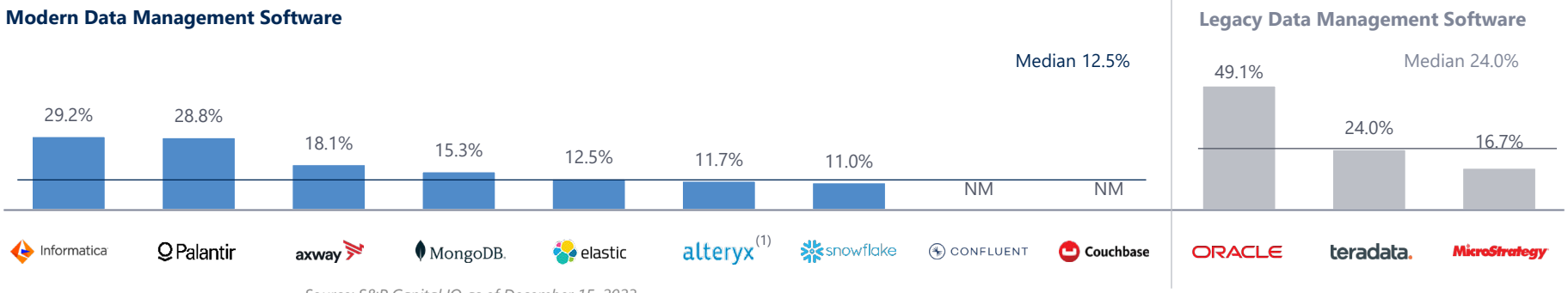
EV/2023E Revenue Multiple



2022A–2023E Revenue Growth



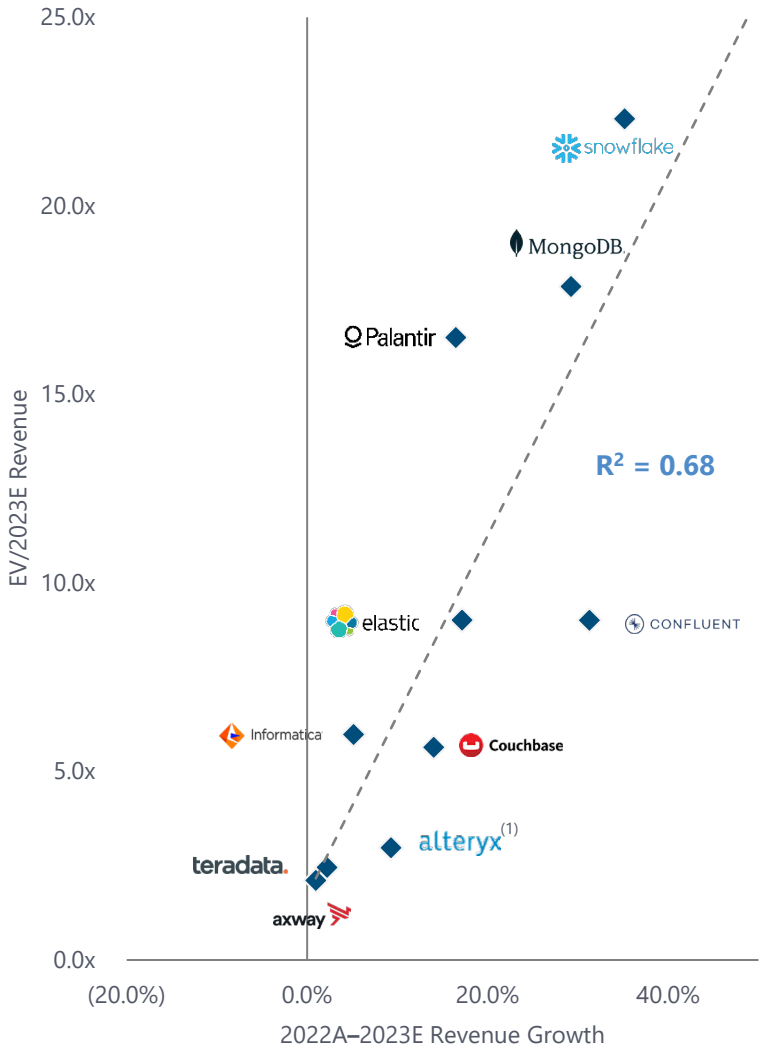
2023E EBITDA Margin



Source: S&P Capital IQ as of December 15, 2023.
Note: "NM" if margins are negative.
(1) Alteryx data shown as of September 5, 2023, the day before reports of Alteryx exploring a sale; announced acquisition by Clearlake Capital and Insight Partners on December 18, 2023.

Public Markets Value Software on Both Revenue Growth and EBITDA Margins

Revenue Growth



Revenue Growth and EBITDA Margin

Source: S&P Capital IQ as of December 15, 2023.
(1) Alteryx data shown as of September 5, 2023, the day before reports of Alteryx exploring a sale; announced acquisition by Clearlake Capital and Insight Partners on December 18, 2023.

2023 Financing Activity Saw an Increased Focus on Generative AI Deals

Key Takeaways

- The valuation backdrop of the market and investor focus on a path to profitability has dampened the pace of capital raising in the sector; however, 2023 brought many large-scale data infrastructure financings.
- Continued interest in financings for companies is empowering the generative AI revolution as well as cloud-ready data management companies built on modern tech stacks.
- Strong investor belief in the massive market for data integration and management.

Notable Transactions

($ in Millions)

Date	Target	Lead Investor(s)	Subsector	Last Round	Post Valuation
12/6/2023	VAST	FIDELITY VENTURES	Data Storage	$118	$9,100
12/1/2023	Keboola	Viking	Data Analytics	$32	NA
11/13/2023	databricks	T.RowePrice	Data Lakes	$685	$43,185
11/1/2023	vespa	BLOSSOM	Big Data Processing	$31	NA
10/10/2023	acceldata	SORENSON CAPITAL, MARCH	Data Analytics	$10(1)	$360
10/2/2023	Prophecy	INSIGHT PARTNERS	Data Transformation	$35	$135
9/20/2023	[tile]DB	AlleyCorp	Data Storage	$33	$121
9/20/2023	MotherDuck	Felicis	Data Analytics	$53	$400
9/19/2023	Tabular	ALTIMETER	Data Automation	$26	$156
9/13/2023	denodo	TPG	Data Integration	$336	NA
9/12/2023	SQREAM	WORLD TRADE	Data Analytics	$45	NA
9/6/2023	DC	*People's Capital*	Data Analytics	$41	NA
8/8/2023	mindsdb	BENCHMARK	Data Analytics	$47	$162
6/22/2023	Acryl Data	8VC	Data Management	$21	$81
6/12/2023	gensyn	andreessen horowitz	Data Analytics	$43	NA
5/24/2023	elementl	Georgian	Data Orchestration	$33	$133
4/27/2023	Pinecone	andreessen horowitz	Database Management	$100	$750
4/19/2023	ditto	Acrew	Database Software	$45	$150
2/8/2023	influxdata	citi VENTURES, PRINCEVILLE CAPITAL	Database Management	$81(2)	NA
2/8/2023	acceldata	MARCH	Data Analytics	$50	$350
2/2/2023	ONEHOUSE	ADDITION, greylock	Data Management	$25	NA
1/19/2023	=nil; Foundation	POLYCHAIN CAPITAL	Database Software	$22	NA

Source: PitchBook.
Note: "NA" indicates not publicly available.
(1) Financing is a follow-up to the initial Series C round.
(2) Includes $51 million of equity and a $30 million loan from Silicon Valley Bank.

Transaction in Focus: Pinecone's Series B Capital Raise

Transaction Overview

Pinecone

Series B
Led by

andreessen. horowitz

$100M Equity Raised

- On April 27, 2023, Pinecone announced its $100 million Series B funding led by Andreessen Horowitz, with participation from ICONIQ Growth, Menlo Ventures, and Wing Venture Capital.
- The company intends to use the funds for research and development, hiring key personnel, and scaling up the business to further enhance its capabilities in providing long-term memory for AI.
- This latest funding round values the company at $750 million.

Pinecone Overview

Headquarters	New York, New York
Founded	2019
Description	Developer of a vector database platform intended to deploy complex machine learning applications at scale. The company offers high-performance AI applications for deep learning, enabling developers to transform, search, and rank billions of high-dimensional vectors in milliseconds.
Selected Current Investors	andreessen. horowitz; ICONIQ GROWTH; MENLO VENTURES; TIGERGLOBAL; wing

Platform Overview

Selected Deal Commentary

> We're thrilled to have Andreessen Horowitz lead this round and to have the continued support of our existing investors… With this funding, we will capitalize on our hypergrowth amid the AI revolution, transforming every line of business and even creating new ones, from AI search to AI chatbots to AI agents and beyond.
>
> **—Bob Wiederhold,** President of Pinecone

> The rise of AI is driving a fundamental shift in the way companies approach data management. In a very short amount of time, Pinecone has become a standard and critical component of the modern AI stack… We're thrilled to be partnering with the team at Pinecone to support their vision of becoming the memory layer for AI applications.
>
> **—Peter Levine,** General Partner at Andreessen Horowitz

Sources: PitchBook and press releases.

Transaction in Focus: Acceldata's Series C Capital Raise

Transaction Overview

acceldata

Series C
Led by

MARCH CAPITAL

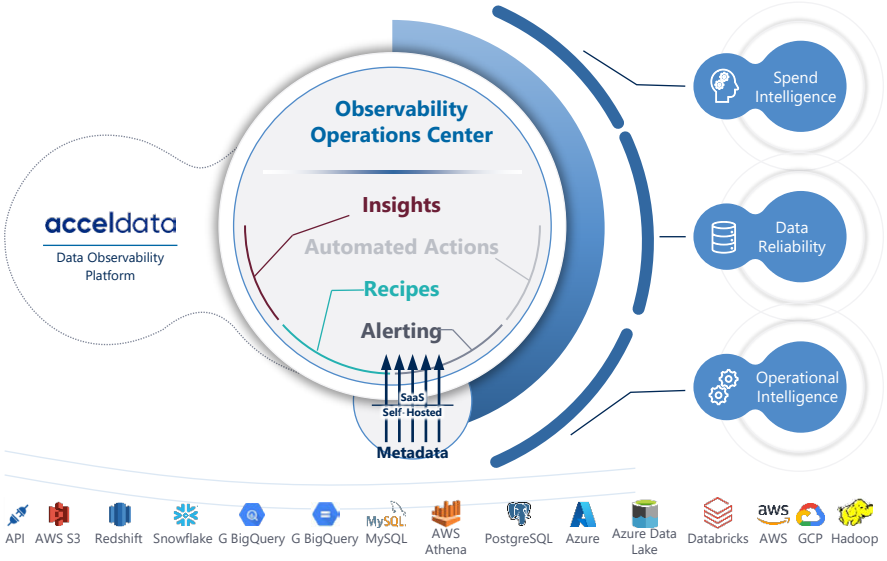
$60M Equity Raised

- On February 8, 2023, Acceldata announced its $50 million Series C funding round led by March Capital, with participation from Insight Partners, Industry Ventures, Sanabil Investments, and other undisclosed investors.
- On October 10, 2023, there was a follow-on investment by Sorenson and March Capital for $10 million.
- The company intends to use the funds to expand leadership and product innovation within the data observability space.
- The Series C rounds (initial and follow-on) value the company at $360 million.

Acceldata Overview

Headquarters	Campbell, California
Founded	2018
Description	Developer of a data and analytics platform designed to cut through the complexity of data operations. The company's platform offers information integration and data streaming services to stream, collect, and process data, build data clusters, produce actionable insights from the data, optimize workflow operations, and capitalize on opportunities identified through analytics predictions.
Selected Current Investors	Industry Ventures; Insight Partners; Lightspeed; March Capital; Sanabil Investments; Sorenson Capital

Platform Overview



Selected Deal Commentary

> Data teams are building revenue-generating, mission-critical data products but are missing purpose-built observability solutions to operate their data ecosystem… We are rapidly innovating to enable enterprises with a comprehensive data observability platform, providing visibility across the supply chain of data.
>
> —**Rohit Choudhary,** CEO and Co-Founder of Acceldata

> Enterprises face an unprecedented challenge to satisfy business demands for data at scale…. Acceldata is leading the charge for the data observability industry, giving operational control back to the data teams with meaningful insights, and we're very excited to join them along this ride.
>
> —**Rajan Mehra,** Partner at March Capital

Sources: PitchBook and press releases.

Continued M&A Activity in the Space With a Majority of 2023 Deals Executed by Strategic Buyers

Notable Transactions

($ in Millions)

Date	Target	Acquirer	Subsector	Enterprise Value	EV/LTM Revenue
12/18/2023	alteryx	INSIGHT PARTNERS	Data Analytics	$4,535	4.9x
12/14/2023	exmon	TIMEXTENDER	Data Management	NA	NA
11/21/2023	EverSQL	aiven	Database Optimization	NA	NA
10/24/2023	Splitgraph	EDB	Database Management	NA	NA
10/23/2023	arcion	databricks	Database Management	$100	NA
10/5/2023	datametica	onix	Data Analytics	NA	NA
9/21/2023	splunk>	cisco	Business Intelligence	$29,006	7.5x
9/6/2023	BOS DIGITEC	Rocket software	Data Integration	NA	NA
8/16/2023	SpringML	egen	Data Analytics	NA	NA
7/25/2023	stemma	teradata.	Data Discovery and Management	NA	NA
6/26/2023	mosaicML	databricks	Generative AI Development	$1,300	NA
6/26/2023	Mode	ThoughtSpot	Data Analytics	$200	NA
6/13/2023	rubicon	databricks	AI Data Storage	NA	NA
5/3/2023	OKĒRA	databricks	Data Analytics	NA	NA
4/12/2023	ahana	IBM	Data Integration	NA	NA
3/21/2023	SCENEBOX	Applied Intuition	Data Management	NA	NA
2/9/2023	sumo logic	FP FRANCISCO PARTNERS	Log Management	$1,400	4.7x
2/7/2023	LEAPYEAR	snowflake	Data Collection	NA	NA
1/26/2023	ProvenDB	OneSpan	Database Management	NA	NA
1/18/2023	import.io	scaleworks	Data Integration	NA	NA
1/5/2023	talend	Qlik	Data Integration	NA	NA
1/3/2023	MarkLogic	Progress	Database Management	$355	3.6x(1)

Sources: PitchBook, S&P Capital IQ, and 451 Research.
Note: "NA" indicates not publicly available.
(1) Reflects EV/2023E Revenue.

Transaction in Focus: Mode Analytics' Acquisition by ThoughtSpot

Transaction Overview

Mode

has been acquired by

ThoughtSpot

$200M Enterprise Value

- On June 26, 2023, ThoughtSpot announced its acquisition of Mode Analytics in a cash and equity deal valued at $200 million.
- Mode provides a business intelligence platform that brings data and business teams together to curate and explore data sets, charts, and models and change them into refreshable reports.
- The acquisition will create a suite of flexible data exploration tools that unite data and business teams and further empower data teams to bring generative AI to BI.

Selected Deal Commentary

> Together, we'll not only continue to help our customers accelerate the work that their data teams are already doing but also deepen its impact. By combining Mode with ThoughtSpot's natural language search and leading generative AI capabilities, data teams will become the stewards of the generative AI revolution and lead their companies' efforts to implement this powerful technology in a way that is safe, reliable, governed, and secure.
>
> **—Gaurav Rewari,** CEO of Mode Analytics

> With this acquisition, we're giving both data teams and business users the tools they need to efficiently and quickly turn data into insights and those insights into actions. Whether you want to be code-free for your business users or code-first for your analytics engineers, now is the time to rethink business intelligence if you want to maximize value from your investments in the modern data stack.
>
> **—Sudheesh Nair,** CEO of ThoughtSpot

Mode Analytics Overview

Analytical Maturity

PERSONA	DESCRIPTIVE AND DIAGNOSTIC	PREDICTIVE AND PRESCRIPTIVE
DATA SCIENTIST/QUANT *Global Sizing: ~2 Million PhDs*	OPEN-SOURCE TOOLS, LIBRARIES, AND DEV LANGUAGES: R, SAS, python	
CITIZEN DATA SCIENTIST *Global Sizing: ~54 Million*	BI AND VISUALIZATION: tableau, Power BI, Qlik, DOMO, sisense, ThoughtSpot	DATA SCIENCE AND ML PLATFORMS: H2O.ai, KNIME, RAPIDMINER, DataRobot, data iku
KNOWLEDGE WORKER *Global Sizing: ~1 Billion*		

Mode

The large base of users with personas of "Data Scientist" and "Citizen Data Engineer" continues to morph.

Mode is the ONLY analytics platform spanning BI and data science capabilities.

Sources: PitchBook and press releases.

Transaction in Focus: MosaicML's Acquisition by Databricks

Transaction Overview

mosaicML has been acquired by databricks

$1.3B Enterprise Value

- On June 26, 2023, Databricks signed a definitive agreement to acquire MosaicML.
- The combination of the two companies will create a leading generative AI platform, providing a best-in-class experience for training, customizing, and deploying applications, as well as accelerating key developments that place generative AI in the mainstream for enterprises.
- The acquisition was completed on July 19, 2023, and values the company at approximately $1.3 billion.

MosaicML Overview

Headquarters	San Francisco, California
Founded	2020
Description	Developer of software infrastructure and artificial intelligence training algorithms designed to improve the efficiency of neural networks. The company recomposes machine learning models using algorithmic techniques, enabling users to efficiently and easily train large-scale AI models in their secure environments on their proprietary data.
End Markets Served	**Startups**, **Financial Services**, **Federal**, **Life Sciences**

Platform Overview

mosaicML Training

Trains LLMs and Other Generative AI Models

- ***Pretrains*** *multi-billion parameter models across multiple clouds while maintaining complete data privacy and model ownership.*
- ***Finetunes*** *models via customizing AI with data, either via MosaicML's MPT series or pre-trained data.*

mosaicML Inference

Deploys ML Models to Applications

- ***Adds AI*** *to applications, with the option to choose any model or size in a secure environment.*
- ***Embeds*** *text into vectors that can be consumed by machine learning models and algorithms and* ***completes*** *text based on prompts.*

Selected Deal Commentary

> At MosaicML, we believe in a world where everyone is empowered to build and train their own models, imbued with their own opinions and viewpoints—and joining forces with Databricks will help us make that belief a reality.
>
> **—Naveen Rao,** CEO and Co-Founder of MosaicML

> Every organization should be able to benefit from the AI revolution with more control over how their data is used… Databricks and MosaicML's shared vision, rooted in transparency and a history of open-source contributions, will deliver value to customers as they navigate the biggest computing revolution of our time.
>
> **—Ali Ghodsi,** Co-Founder and CEO of Databricks

Sources: PitchBook and press releases.

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