



Venture Capital in AI & Data Technologies

Mid Year Review 2020



GLOBAL TECH INVESTMENT BANKING

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DataTech Overview



GLOBAL TECH INVESTMENT BANKING

ICON's DataTech Compass

Identify Strategic Opportunities. Leverage Competitive Dynamics. Achieve Execution Advantage.

Data-driven advice for a data-driven industry – ICON's DataTech Compass is a curated, proprietary data platform utilized to achieve optimal results.

Company & Transaction Database



> 3,900 M&A Transactions By
> 2,500 Acquirers



> 2,100 VC Financings From
> 1,900 Investors



> 1,350 Companies In
> 140 Sectors

Proactive & Proprietary Analysis

VC, CVC & PE Trends

- Firm-specific Investment Analysis
- Breakdown By Size & Valuation

Acquirer Appetite Analyses

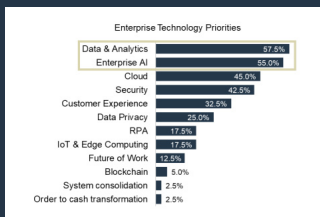
- Product Gap Analysis
- Strategic Opportunity Review

Hyperdetailed Categorization

- Identifies Competitive Dynamics
- Vendor Financial Sizing



Key Insights



Source: Sierra Ventures CXO Survey

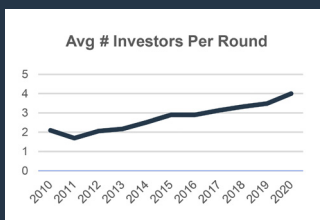
Datatech Investment Remains Strong

Survey after survey continue to show insatiable customer demand for data-driven tools. Venture investors continue to fund this trend. The average round size for DataTech companies hit an all time high in the first half of 2020.



The AI Age Is Upon Us

Having an AI angle has become nearly a prerequisite for DataTech companies seeking venture capital—that means either incorporating or enabling AI & ML. Specialized financial and strategic investment funds have formed or maneuvered in recent years specifically to target AI opportunities.



Source: ICON research, Capital IQ

It's A Marathon

Raising venture capital has always been time consuming, but with current global challenges presenting once-in-a-lifetime barriers, startup CEOs should prepare for a marathon, not a sprint. Market knowledge, messaging, relationships, and again, process management, are critical to closing financing in an efficient manner.

DataTech Stack



Data Apps

Industry Apps
Functional Apps



Analytics

AI & Advanced Analytics
Marketing Analytics
Reporting & Visualization



Governance

Data Management
Data Security
Data Providers



Infrastructure

Databases
Performance & Optimization
Query Engines

Detailed Market Segmentation



DATA APPS

INDUSTRY APPS

Accounting
Advertising
Agriculture
Aquaculture
Automotive
Autonomous Driving
Cities
Civic
Commercial Real Estate
Construction

CPG
Credit
Defense
eCommerce
Education
Energy
Farming
Finance
Food
Forestry

Gaming
Geopolitical
Government
Healthcare
Hospitality
Industrial
Insurance
IT
Legal
Logistics

Manufacturing
Materials
Mining
Oil & Gas
Pharma
Public Safety
Railroad
Real Estate
Regulatory
Research

Retail
Shipping
Sports
Supply Chain
Telecom
Traffic
Transportation
Utilities

FUNCTIONAL APPS

Contact Center
Customer Support
Drone Data
Economics
Fraud
HR
IT
Loss Prevention
Marketing

Networking
Pricing Analytics
Product
Risk
Sales
Security
Smart Buildings
Supply Chain
Translation



ANALYTICS

AI & ADVANCED ANALYTICS

AI
Computer Vision
ML
AutoML

Model Ops
Collaborative Analytics
Platforms
Predictive

Real-Time
Programming Languages
Log Analytics
Geo Analytics

Content Analytics
Semantic Analytics
Sound Recognition
Optimization/Solvers

MARKETING ANALYTICS

Behavioral Analytics
Churn Analytics
Customer Data Platform
Journey Analytics
CX Analytics

Mobile Analytics
Social Analytics
VoC
Web Analytics

REPORTING & VISUALIZATION

BI
BI Platform
Embedded Analytics
CPM
Interactive Visualisation



GOVERNANCE

DATA MANAGEMENT

Archiving & Recovery
Data Catalog
Data Quality

DataOps
Data Integration
Master Data Mgmt

Metadata Mgmt
Data Prep
Search

Data Sharing
Training Data
Platforms

DATA SECURITY

Data Loss Prevention
Data Discovery & Privacy
Data Encryption

DATA PROVIDERS

Data as a Service
Data Exchange

Data Extraction
Web Scraping



INFRASTRUCTURE

DATABASES

Edge Computing
Graph

In Memory
NoSQL & NewSQL

SQL/SQL-on-Hadoop
Time Series

PERFORMANCE & OPTIMISATION

Performance
IMDG

QUERY ENGINES

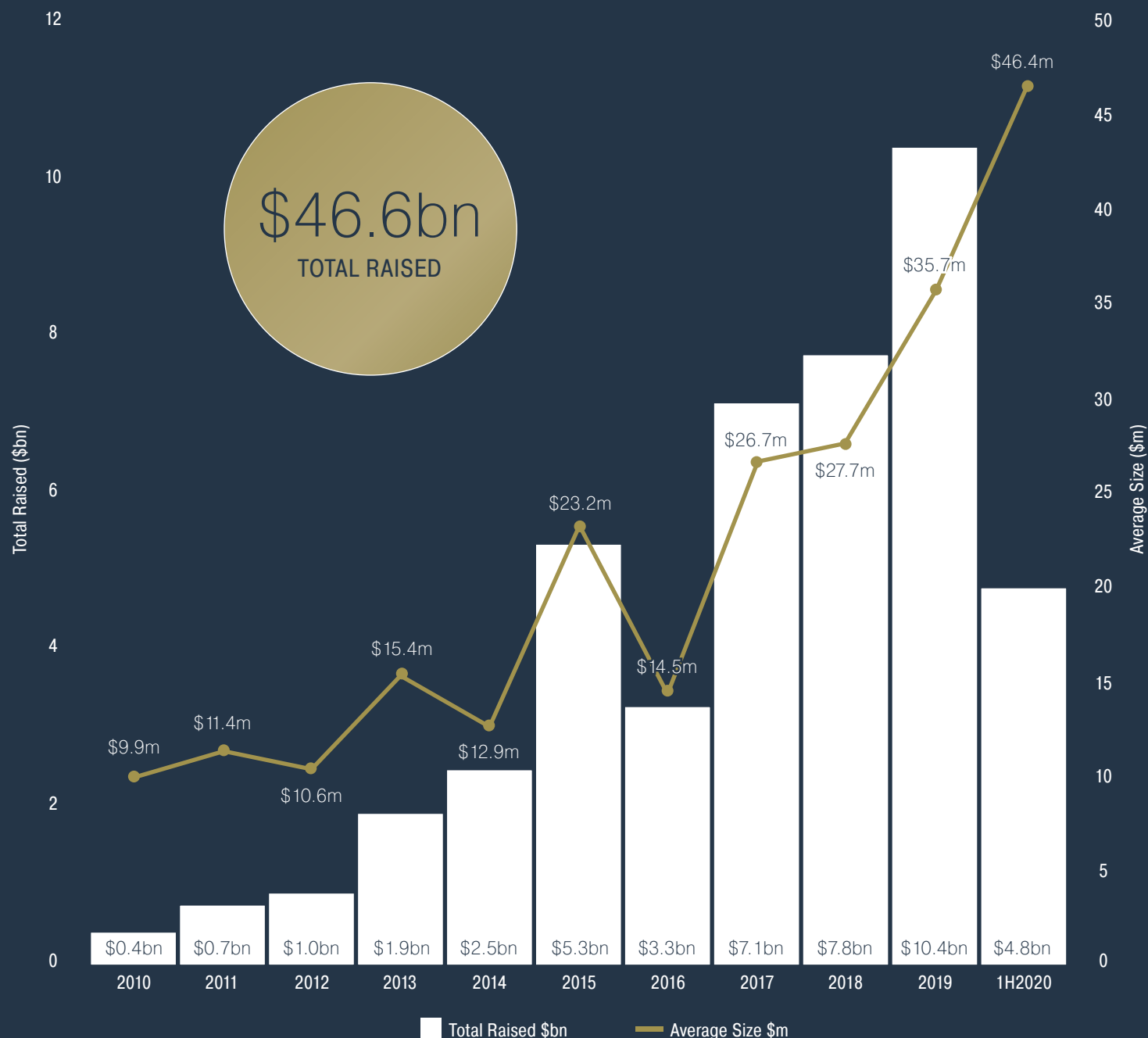
Access
Data Lake

Data Virtualization
Data Warehousing

Financing Trends

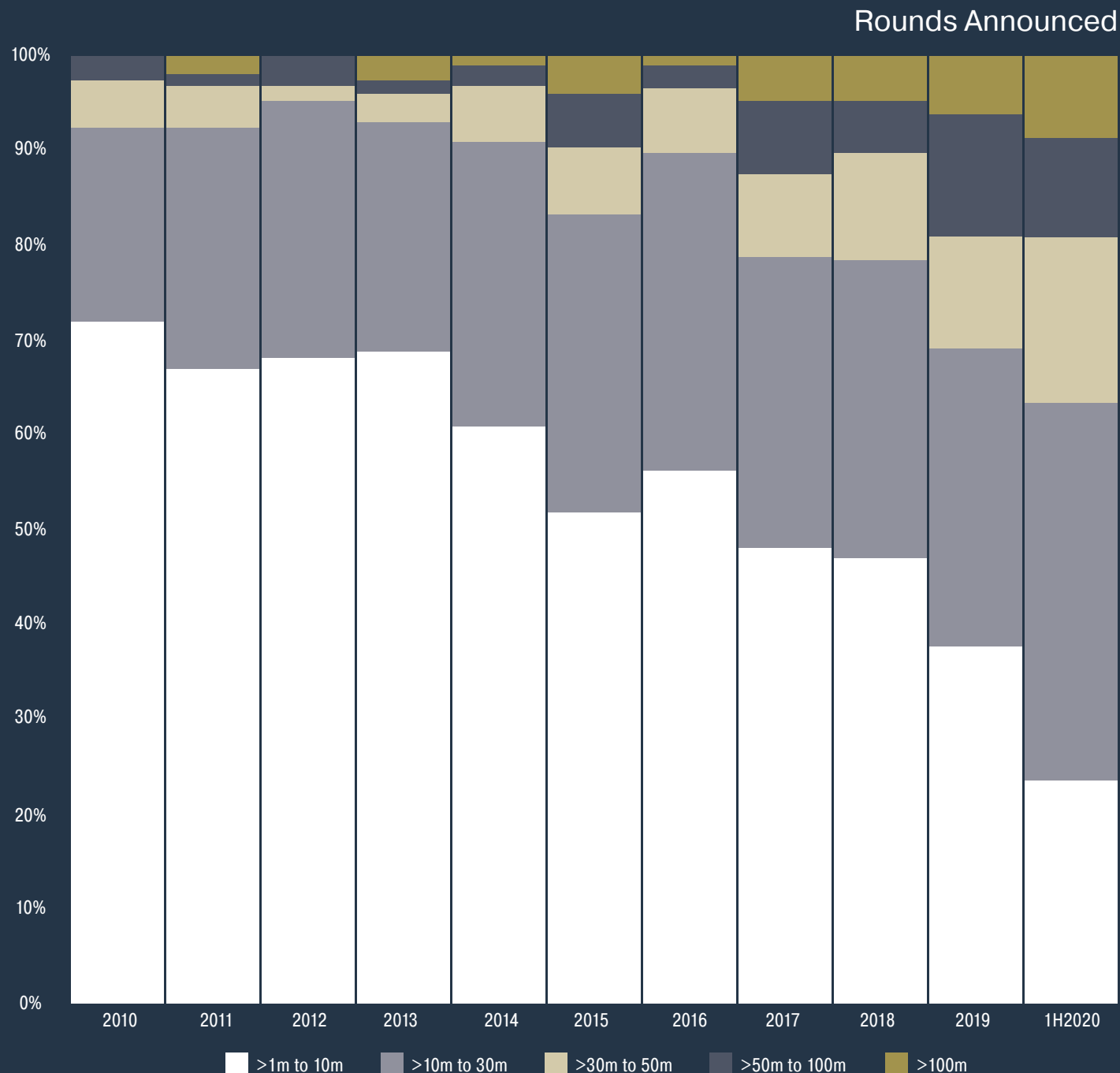
Robust Financing

- Despite global turmoil, financings for data technologies companies have remained resilient.
- In the first half of this year, DataTech companies collectively raised \$4.82bn. On an annualized basis, that's nearly the same amount as was raised last year.
- Perhaps most notable, the average round size hit an all time high of \$46.4m. In the first half of 2020, 13 companies raised rounds of \$100m or more, the same amount as did so in 1H19.
- Palantir's \$500m and Snowflake's \$479m rounds on their own accounted for one-fifth of the total amount raised in the first half of the year.

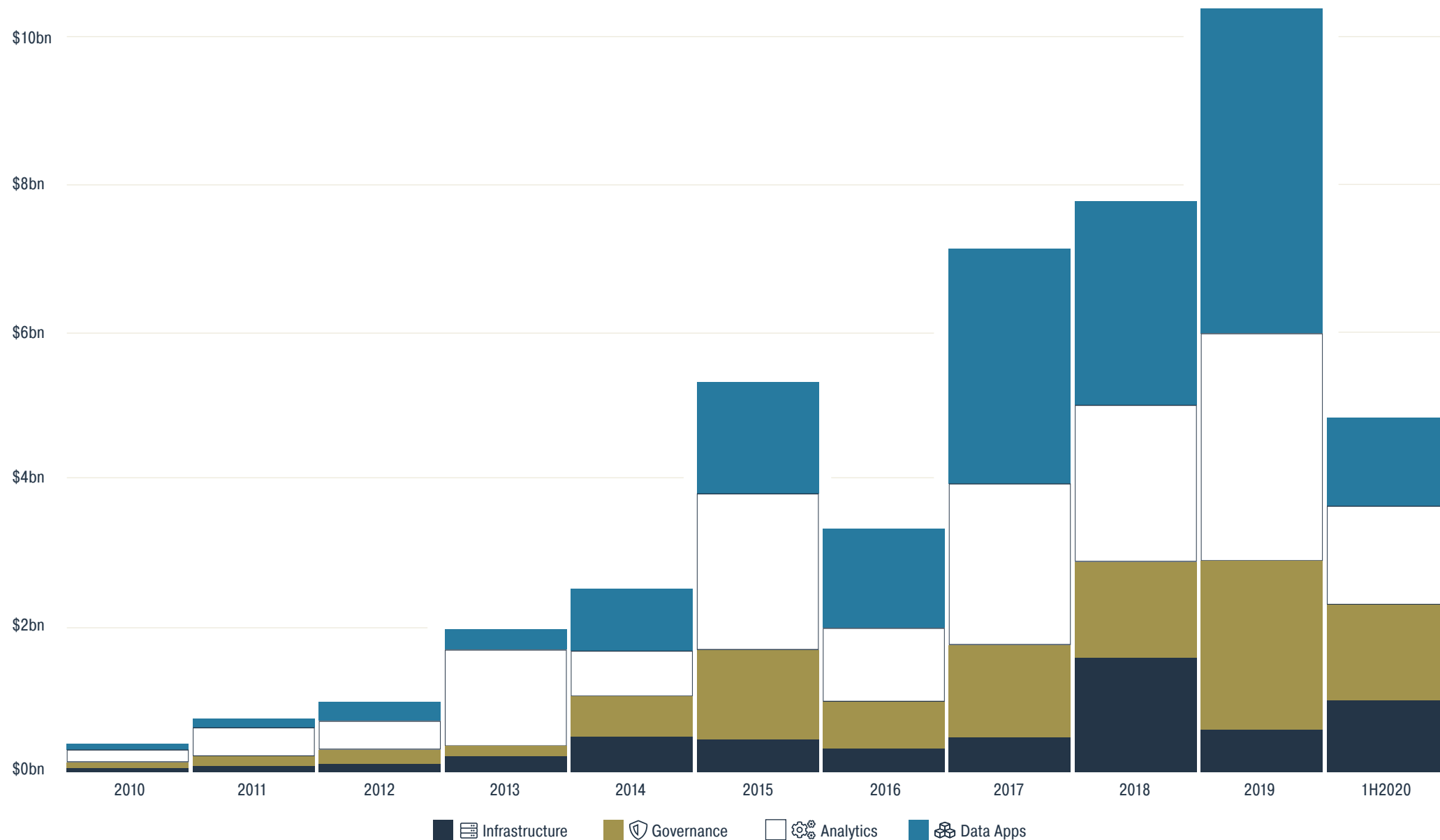


Trends In Transaction Sizes

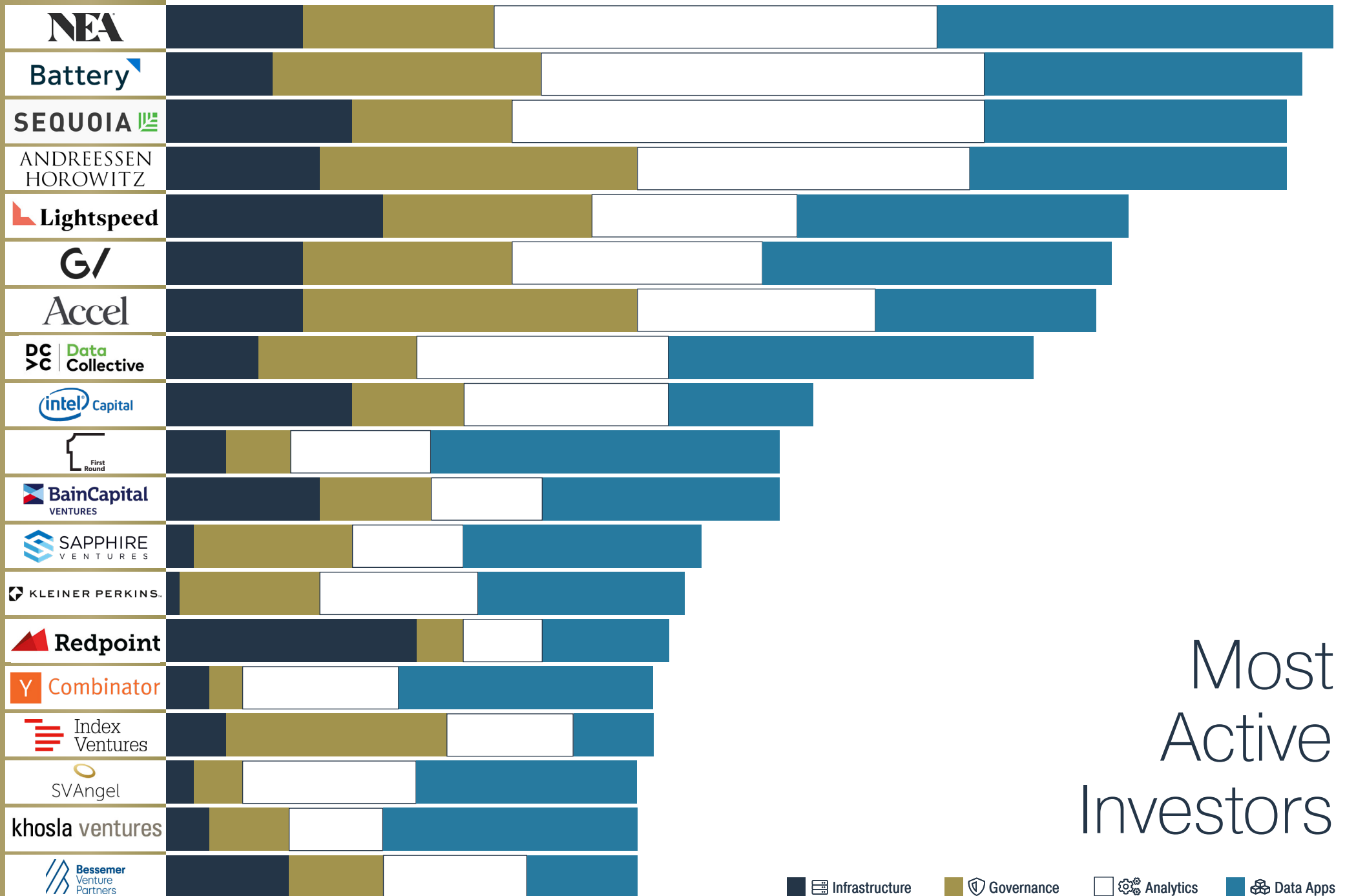
- Late stage mega rounds continued to account for a growing share of the total number of rounds announced, while the number of earlier stage investments continued to decline as a percent of total number of investments.
- Early stage financings favored analytics companies, with those vendors accounting for more than half of announced rounds up to \$10m.
- In rounds of ranging from \$10m to \$50m, analytics companies accounted for just under one-third of total financings. Data driven applications companies raised nearly half of these rounds.



Total Raised By Sector By Year



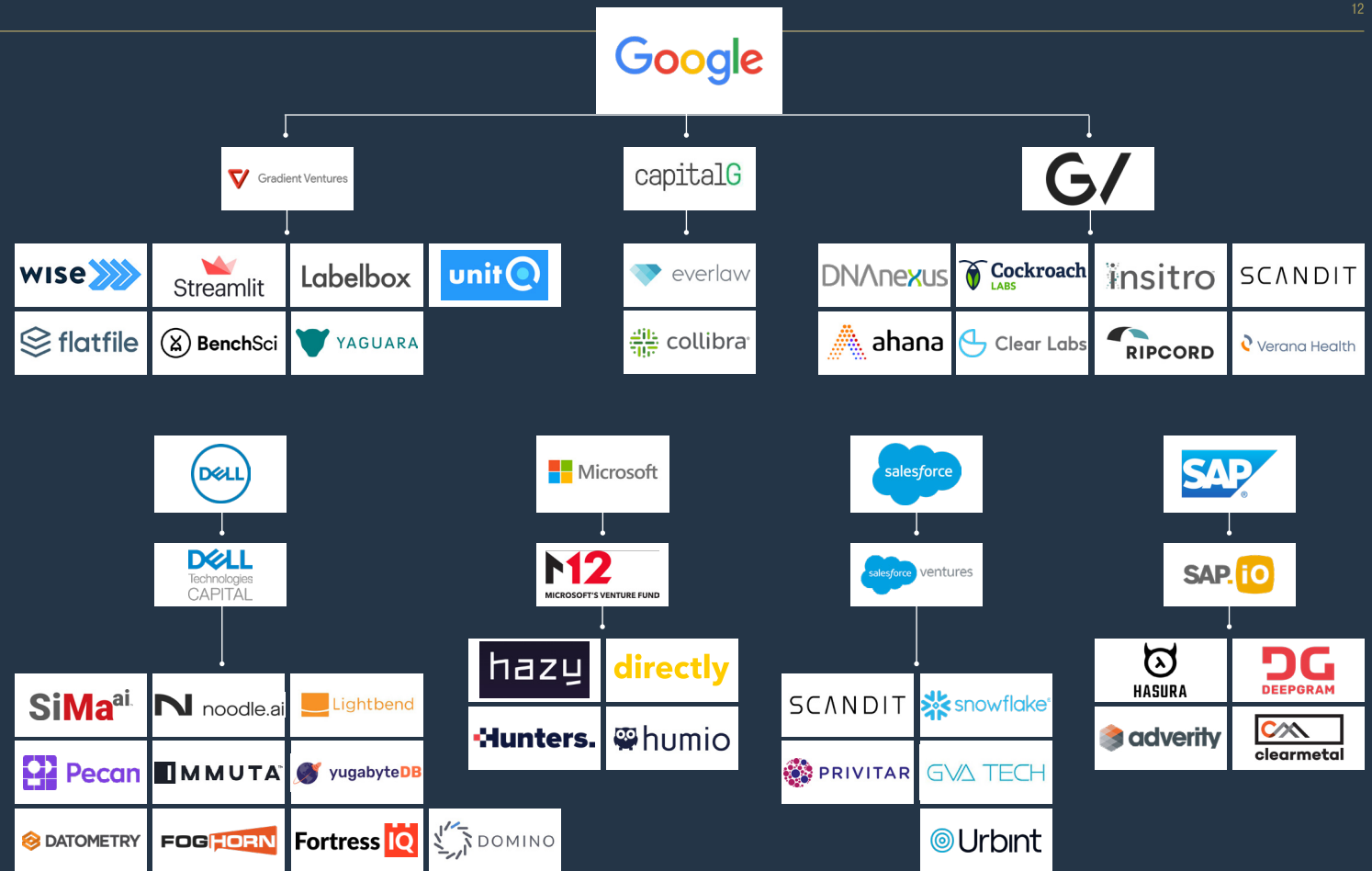
Investor Review



Most Active Investors

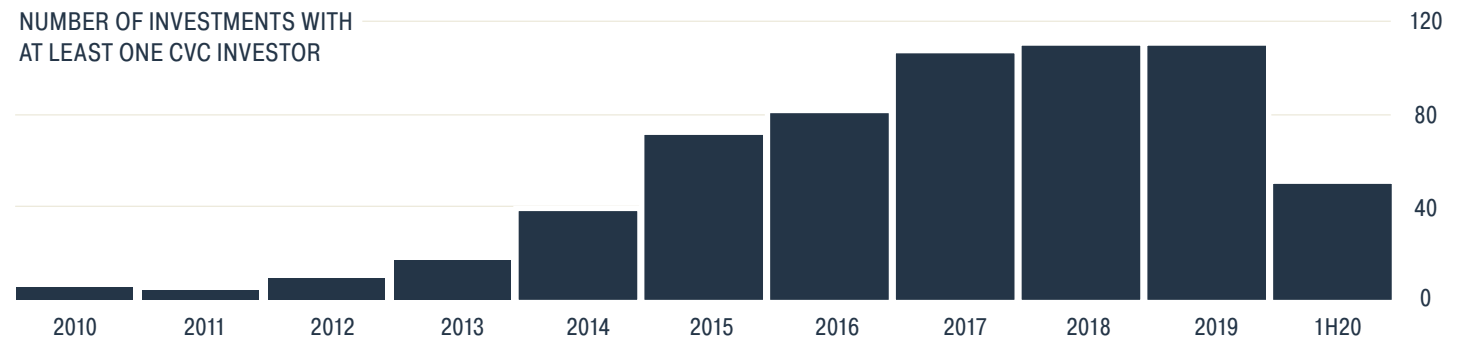
Select CVC Activity— 1H20

- A perfect recipe of strong balance sheets, digital transformation trends, and the technology industry's continued growth has led many large companies to launch corporate venture capital (CVC) groups.
- The tech and finance industries are among the most active CVC investors, though corporates from myriad industries, such as industrials, telecom, and pharma, invested in DataTech.
- All time, more than 140 strategic investors have made at least one investment in a data technologies company. In the first half of 2020, more than 30 strategic investors made at least one DataTech investment.
- Google, through its various venture arms, was the most prolific strategic investor.



Includes only select investments announced in the first half of 2020. Source: ICON research, Capital IQ, Company reports

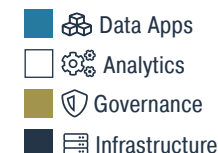
NUMBER OF INVESTMENTS WITH
AT LEAST ONE CVC INVESTOR



As of June 30, 2020. Excludes rounds of ≤ \$1m & undisclosed values; excludes public companies taken private. Source: ICON research, Capital IQ, Company reports

Select Recent Financings

Select Recent Financings



ANNOUNCED	COMPANY	SUBSECTOR	INVESTORS	AMOUNT (\$m)	POST \$ VALUATION
6/30/20	Fivetran	Integration	Matrix Partners; General Catalyst; Andreessen; CEAS Investments	100.0	1,200.0
6/25/20	Element Analytics	Industrial	Kleiner Perkins; ABB Technology Ventures; Kerogen Capital; Evonik VC; Forté Ventures; Activate Capital; Blue Bear; Honeywell Ventures; High Tide Foundation; Schneider Electric Ventures; Ajax Strategies	18.0	–
6/24/20	SQream Tech.	GPU	Blumberg Capital; Mangrove Capital Partners; Alibaba; Silvertch Ventures; Sistema VC; World Trade Ventures; Hanaco VC	39.4	–
6/23/20	Immuta	Access	Intel Capital; Greycroft Partners; Citi Ventures; Drive Capital; Ten Eleven Ventures; DFJ Growth; Dell Tech Capital	40.0	–
6/18/20	Palantir	Platforms	Sompo Holdings	500.0	–
6/16/20	Streamlit	ML	GGV Capital; Bloomberg Beta; Gradient Ventures	21.0	–
6/11/20	StreetLight Data	Transportation	–	15.0	–
6/11/20	Ethica	Data Masking & Privacy	IA Ventures; Abstract Ventures; SciFi VC	13.5	–
6/10/20	Domino Data Lab	Platforms	Highland Capital Partners; Sequoia; Coatue Management; Highland Capital (UK); Dell Tech. Capital	43.0	–
6/10/20	Binah.ai	Healthcare	Sompo Holdings; Maverick Ventures Israel; Global IoT Tech. Ventures; Esplanade Ventures	13.5	–
6/10/20	Kyruus	Healthcare	Francisco Partners	30.0	–
5/21/20	Couchbase	NoSQL & NewSQL	Accel Partners; Adams Street Partners; Glynn Capital Management; Mayfield Fund; North Bridge Venture Partners; Sorenson Capital; GPI Capital	105.0	–
5/20/20	Brytlyt	GPU	Amadeus Capital Partners; Finch Capital	3.0	–
5/13/20	Dathena	Data Masking & Privacy	SPRING SEEDS; CapHorn Invest; Jungle Ventures; CerraCapital Ventures; MS&AD Ventures	12.0	–
5/11/20	memsql	DbaaS	–	50.0	–
5/5/20	GigaSpaces	IMDG	BRM Group; Fortissimo Capital; Claridge Israel	12.0	–
4/30/20	Oncology Analytics	Healthcare	Baird Capital Partners; Sandbox Industries; BCBS Venture Partners; Oak HC/FT; McKesson Ventures	28.0	–
4/28/20	Tecton.ai	ML	Sequoia; Andreessen	20.0	–
4/28/20	Enview	Utilities	CrossLink Capital; Statkraft Ventures; BrightCap Ventures; Ahoy Capital Management	12.0	–
4/28/20	Arterys	Healthcare	Temasek Holdings; Varian Medical Systems; Emergent Medical Partners; Revelation Partners; Benslie investment group	28.0	–
4/27/20	CockroachDB	SQL & SQL-on-Hadoop	Benchmark; Redpoint Management; Sequoia; Index Ventures; Tiger Global Management; GV; Altimeter Capital Management; Bond Capital	86.6	703.4
4/23/20	Cinnamon AI	Data Extraction	GEEK PICTURES; D4V; Pegasus Tech Ventures	12.1	–
4/22/20	Comet.ml	ML	Trilogy Equity Partners; Founder's Co-op; Two Sigma Ventures	4.5	–
4/21/20	Profitero	eCommerce	Scaleworks Associates; Conviction Capital	20.0	–
4/21/20	Confluent	Integration	Sequoia; Franklin Templeton; Index Ventures; Coatue Management; Altimeter Capital Management	250.0	4,500
4/14/20	Atlas AI	Economics	Micron Technology; Airbus Ventures; Rockefeller Foundation	7.0	–
4/7/20	Node	AI	Canaan Partners; Galaxy Ventures; GingerBread Capital; NewView Capital Management	6.0	–
4/3/20	Privitar	Data Masking & Privacy	Accel Partners; Warburg Pincus; Partech Ventures; AAC Capital Partners; IQ Capital Partners; HSBC; Salesforce Ventures	87.0	–
4/2/20	Colibra	Data Catalog	Battery Ventures; Index Ventures; Dawn Capital; ICONIQ Capital; CapitalG; Durable Capital Partners	112.5	2,300
3/26/20	Pyramid Analytics	BI Platform	Jerusalem Venture Partners; Viola Growth; Sequoia; Maor Investments	25.0	–
3/20/20	OctoML	Model Ops	Madrona Venture Group; Amplify Partners	15.7	–
3/18/20	Deepgram	Sound Recognition	Y Combinator; Compound; Wing Venture Partners; GPU Ventures; SAP.iO	12.0	–

Select Recent Financings—CVC Highlights

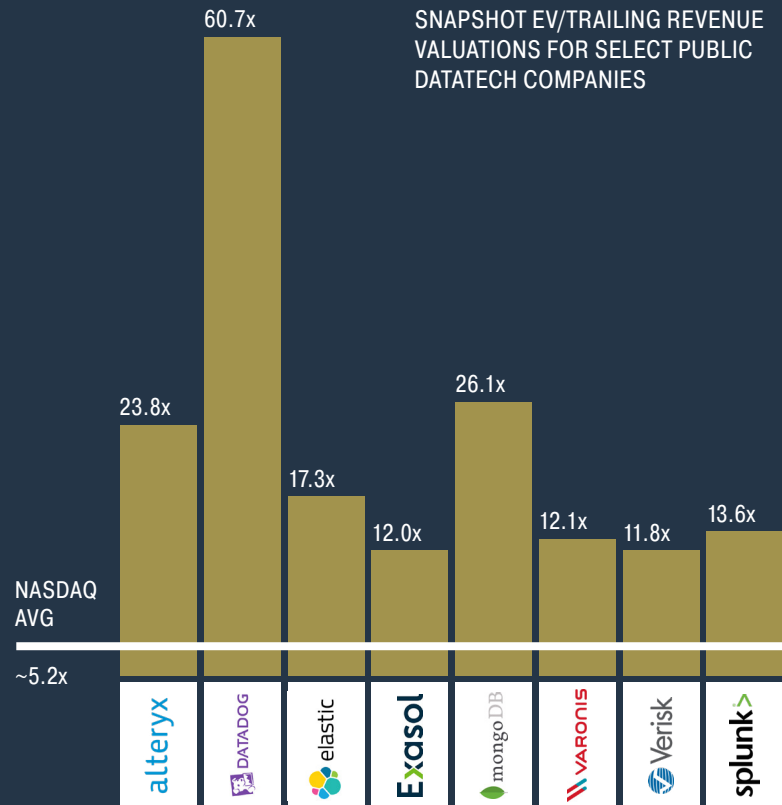


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Valuation Analysis

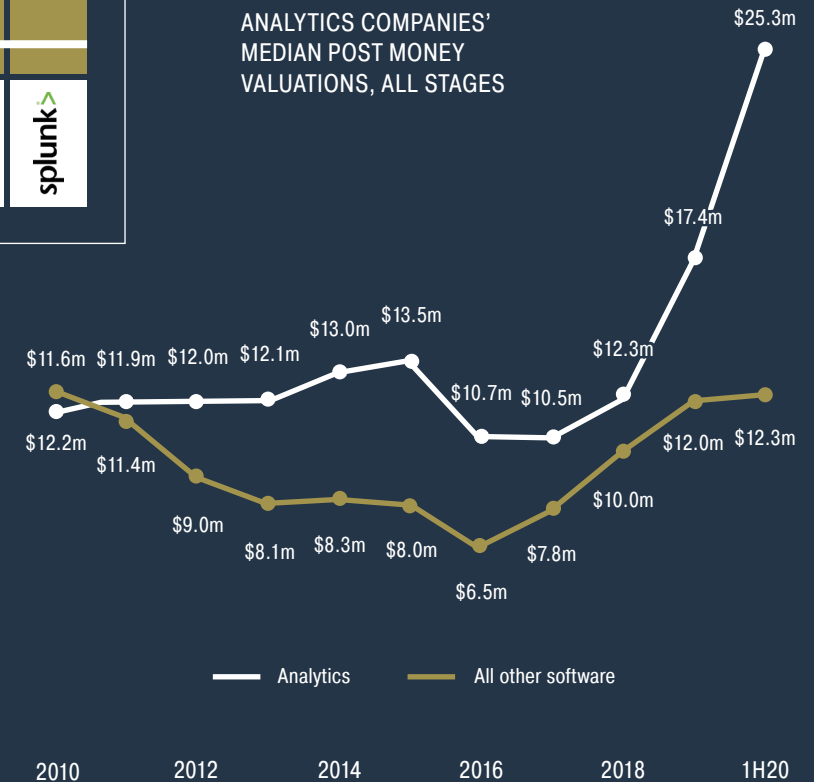
Stellar Valuations

- When looking at publicly traded technology companies, pure DataTech companies generally receive higher valuations than their non-DataTech counterparts.
- IT analytics company DataDog was valued at more than 60x trailing sales at the time of this analysis. Many other vendors were valued at greater than 10x, or more than twice the average valuation for companies in the Nasdaq index.
- Valuations for privately held venture-backed DataTech companies continued to rise. The median valuation for all stages of analytics companies, for example, hit a record in the first half of 2020.



July 2020. Source: Capital IQ; Yahoo Finance

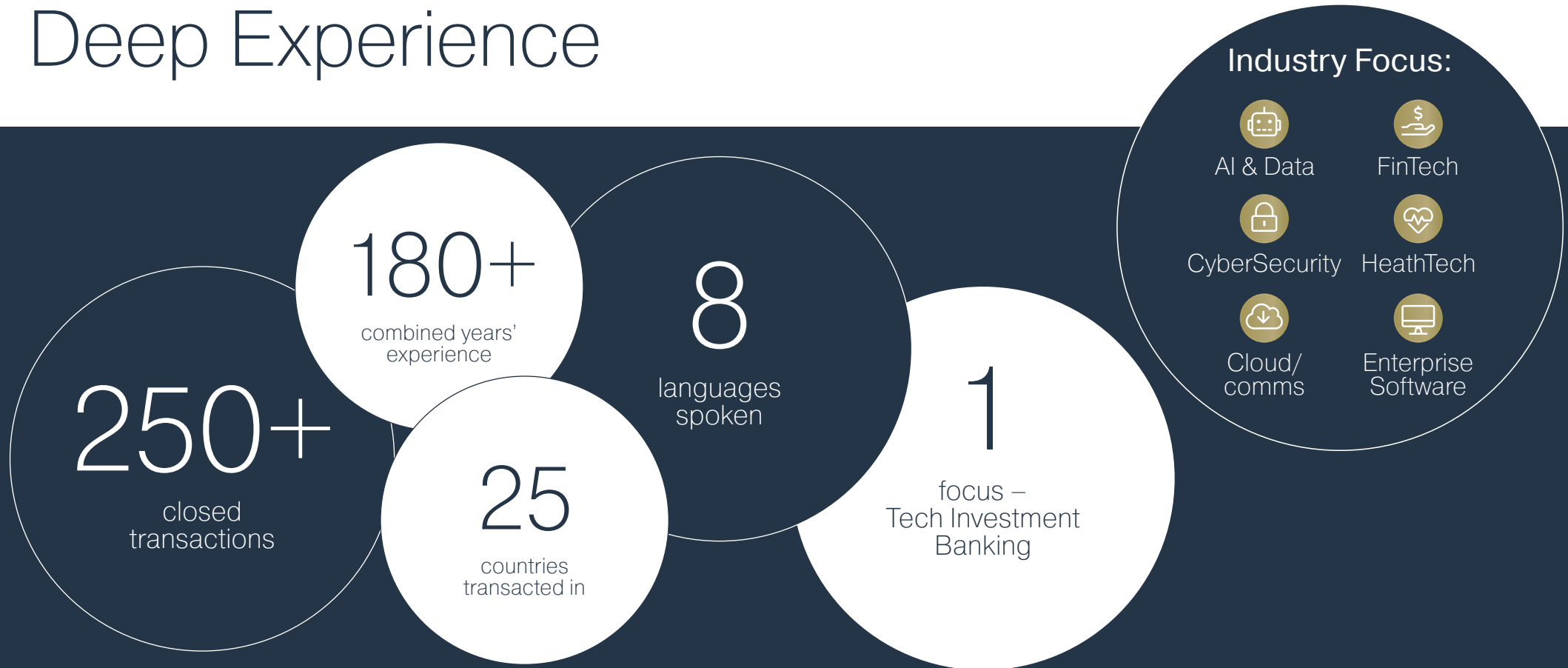
ANALYTICS COMPANIES' MEDIAN POST MONEY VALUATIONS, ALL STAGES



As of June 30, 2020. Source: Pitchbook

About ICON Corporate Finance

Deep Experience



Banker Backgrounds

OPPENHEIMER

KPMG

451 Research

pwc

Deloitte.

MOORELAND
PARTNERS

SOCIETE
GENERALE

LLOYDS
BANKING
GROUP

J.P.Morgan


ROLLS
ROYCE


Global Transaction Record




Select Transaction Experience


Capital Raising


 STRATEGIC INVESTMENT BY	 FUNDED BY	 FUNDED BY
  		 
FinTech AI	Data Integration	FinTech Analytics



 STRATEGIC INVESTMENT BY	 STRATEGIC INVESTMENT BY	 FUNDED BY
	 	
Market Intelligence	Marketing Data Management	Digital Transformation

 FUNDED BY	 MBO	 MBO
		
Unstructured Analytics	Archiving & Recovery	Digital Transformation

M&A

 ACQUIRED BY	 ACQUIRED BY
  	
Logistics Analytics	Healthcare Patient Analytics

 ACQUIRED BY	 ACQUIRED BY
	 An RWE company
Information Management	Energy Analytics

 ACQUIRED BY	 ACQUIRED BY*
	 
Streaming Integration	CPM

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