ICON
CORPORATE FINANCE

AI & Data Technologies

2022 / 2023 Atlas

Strategic Analysis for AI & DataTech Fundraising & M&A

Contents

AI & DataTech overview

ICON's AI & DataTech expertise

Identify strategic opportunities. Leverage competitive dynamics. Achieve execution advantage.

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

Company & transaction database

>4,900 M&A transactions by
>2,900 acquirers

>4,200 VC financings from
>3,300 investors

>2,200 companies
>160 sectors

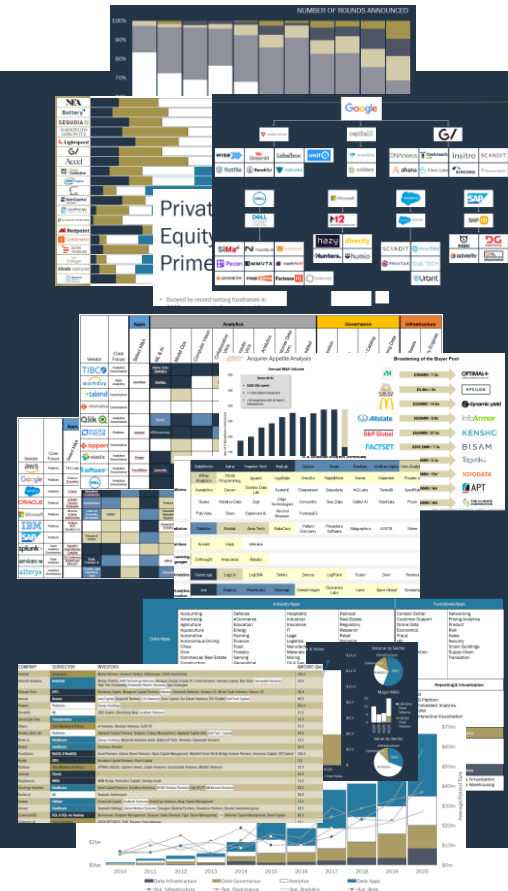### Proactive & proprietary analysis

VC, CVC & PE trends
- Firm-specific investment analysis
- Breakdown by size & valuation

Acquirer appetite analyses
- Product gap analysis
- Highlights premium acquirers

Hyperdetailed categorization
- Identifies competitive dynamics
- Vendor financial sizing

Detailed market segmentation

AI & Data Apps

VERTICAL APPS

Accounting	Construction	Farming	Industrial	Oil & Gas	Shipping	
Advertising	CPG	Finance	Insurance	Pharma	Smart Cities	
Agriculture	Credit	Food	IT	PR	Sports	
Automotive	Defense	Forestry	Law Enforcement	Public Safety	Supply Chain	
Auto. Driving	eCommerce	Gaming	Legal	Publishing	Telecom	
Batteries	Education	Geopolitical	Logistics	Railroad	Traffic	
Cities	Energy	Government	Manufacturing	Real Estate	Transportation	
Civic	Entertainment	Healthcare	Materials	Regulatory	Utilities	
Commercial RE	Environmental	Hospitality	Mining	Retail	Weather	

HORIZONTAL APPS

Asset Management	Loss Prevention	Security
Contact Center	Marketing	Smart Buildings
Customer Support	Networking	Supply Chain
Drone Data	Payroll	Translation
Economics	Pricing Analytics	
Fraud	Product	
HR	Research	
Industrial	Risk	
IT	Sales	

Analytics

ADVANCED ANALYTICS

AI	Computer Vision	Log Analytics	Predictive	Semantic Analytics
AutoML	Content Analytics	ML	Prescriptive	Social Analytics
BPM	Conversational AI	Model Ops	Prog. Languages	Sound Recognition
Collaborative Analytics	Decision Support	Optimization/Solvers	Quantum Computing	Spatial AI
Community	Geo Analytics	Platform	Real-time Analytics	

MARKETING ANALYTICS

Behavioral Analytics	Media Intelligence
Customer Churn	Mobile Analytics
CDP	Social Analytics
Customer Journey	VoC
CX Analytics	Web Analytics

REPORTING

BI
BPM
CPM
Embedded Analytics
Interactive Visual.

Data Governance

DATA MANAGEMENT

Archiving & Recovery	DataOps	Metadata Management	Search
Data Catalog	eDiscovery	Platform	Sharing
Data Lineage	Integration	Prep	Training Data
Data Quality	Master Data Management	Quality	

DATA SECURITY

Data Discovery & Privacy
Data Loss Prevention
Encryption
Platform

DATA PROVIDER

Data as a Service
Data Exchange
Document Data Extraction
Web Scraper

Data Infrastructure

DATABASES

DBaaS	GPU	IaaS	NoSQL/NewSQL	Time Series
Edge Comp.	Graph	Real-Time	SQL/on-Hadoop	

PROCESSING

Acceleration	IMDG
Computing	

QUERY ENGINE

Access	Virtualization
Data Lake	Warehousing

MANAGEMENT

|	
Administration	Deployment
Automation	Monitoring

Key insights

Valuation pullback

AI & DataTech companies have not been spared the pullback in valuations that has coincided with rising interest rates & geopolitical turmoil. However, DataTech valuations remain above the general software sector

-37%
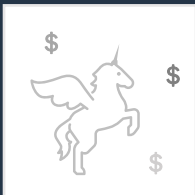
Emerging acquirers

On a deal volume basis, traditional West Coast tech incumbent acquirers have been replaced by emerging upstarts, buyout firms & reinvigorated European acquirers. The new target pool enables creativity in competitive deal marketing
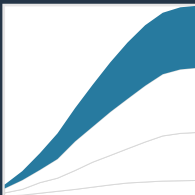
App explosion

Data-driven decision-making is becoming common practice across industry verticals & horizontal departments, leading to specialized vertical & horizontal data apps vendors accounting for a growing share of the overall DataTech market

Summing it up

Although the coronavirus pandemic is largely behind us, an almost self-fulfilling recession is looming ahead. A series of knee-jerk reactivity followed by periods of promising strength will prevail in the near- & mid-term. However, the overall trend in DataTech VC & M&A will follow the likely economic trend downward

Large, transformative deals will continue but financing & acquisition deal volume will increasingly favor innovative emerging companies, even if they haven't yet demonstrated significant commercial success

DataTech stack

AI & Data Apps
Vertical Apps
Horizontal Apps

Analytics
Advanced Analytics
Marketing Analytics
Reporting

Data Governance
Data Management
Data Security
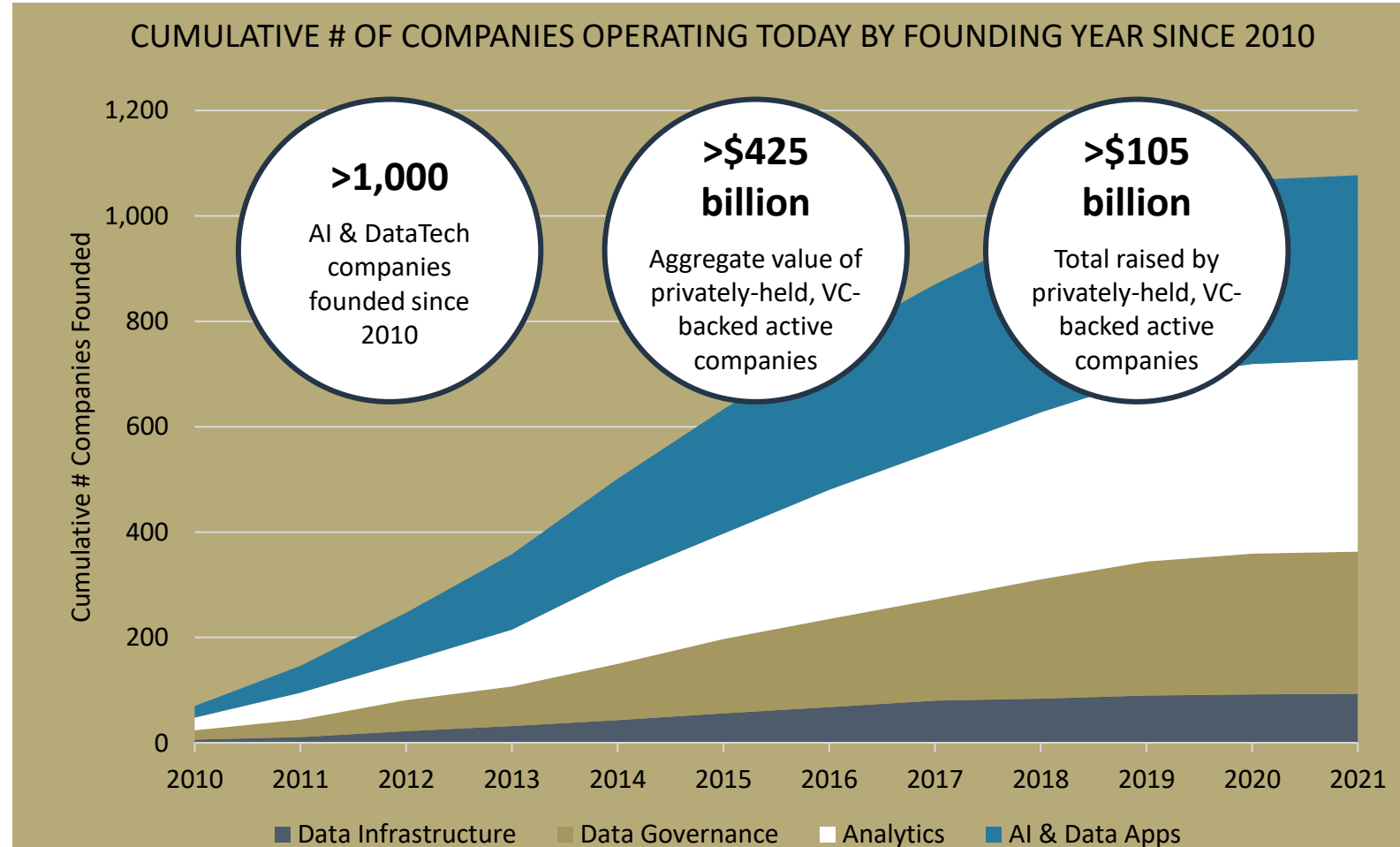Data Provider

Data Infrastructure
Databases
Processing
Query Engine
Management

Identifying opportunities

Needle in a haystack

AI & DataTech companies have generated higher returns than the overall software industry. However, finding & understanding specific investment & acquisition opportunities is becoming increasingly difficult due to the rapid pace of innovation & company formation. Value creation challenges persist for startups, investors & acquirers

- Creation & competition: of all still-active AI & DataTech companies that ICON is tracking today, **nearly half were founded within the past 12 years**

- **75% of the $425 billion aggregated value of all DataTech companies is held by just 10% of the companies in ICON's dataset**. Less expensive DataTech investment opportunities exist, but quality deals are like finding a needle in a haystack

- Are we reaching a peak? The sector has generated hundreds of billions in returns, but **nearly a half-trillion dollars of shareholder value has yet to be realized – the equivalent of roughly 10 Snowflakes or 25 Tableau acquisitions**

- Startups seeking investment or an acquisition are oftentimes just as challenged in standing out from the crowd as investors & acquirers are challenged in finding them

CUMULATIVE # OF COMPANIES OPERATING TODAY BY FOUNDING YEAR SINCE 2010

>1,000
AI & DataTech companies founded since 2010

>$425 billion
Aggregate value of privately-held, VC-backed active companies

>$105 billion
Total raised by privately-held, VC-backed active companies

Cumulative # Companies Founded

Legend: Data Infrastructure · Data Governance · Analytics · AI & Data Apps

Source: ICON research; CapitalIQ; Pitchbook

$425 billion aggregate value number excludes public companies & companies that have been acquired or recapitalized by PE

Uncovering opportunities: Snowflake's hints

Snowflake represents an emerging opportunity for startups & their investors: both for investment & for acquisition. The company launched a corporate venture capital (CVC) arm in November 2020 & its two largest acquisitions were both announced in 2022

- Snowflake has proven itself as one of the most successful DataTech vendors of all time, however, that success is largely built on its data infrastructure origins

- As it continues to expand, the company offers hints at where it may make its next moves…

SELECT ICON ANALYSIS OF SNOWFLAKE'S 2022 ANNOUNCEMENTS

Application development
Snowflake is placing significant emphasis on its application development framework, which was bolstered by the $800m acquisition of Python-powered startup Streamlit. Opportunities exist for developer & data science communities & emerging analytics tools

Data collaboration
As it seeks to become the global manager & analyzer of actionable data, Snowflake is increasingly enabling data collaboration among its customers. Data security, authenticated user access, workflow orchestration & industry-specific opportunities exist

Ecosystem development
Snowflake is expanding its partnership development efforts, including with large companies like Salesforce Tableau, Dell & Pure Storage, but also with early-stage startups with as little as 5 employees or less. There are try-before-buy opportunities to first partner with Snowflake before a closer relationship later

New product launches
Snowflake's motto could be "move fast & launch things" – the majority of its press releases mentioned new or recently launched products. Its ambitions to expand quickly could open the opportunity for accelerated growth via more M&A

All things Python
Many of its new products are supported by Python. Meanwhile, Snowflake's largest acquisition to-date – Streamlit – was driven in part by the target's Python community & many of its strategic investments have Python underpinnings (such as Bodo.ai & Anaconda)

Snowflake's past points toward its future

In addition to organic development, Snowflake is increasingly acquiring & investing in complementary businesses. Its strategic transactions suggests future opportunities exist in data collaboration, Python tools & communities, as well as vertical- and functional-specific use cases

SNOWFLAKE CORPORATE DEVELOPMENT ACTIVITY

24 — # disclosed investments

8 — # disclosed & reported acquisitions

$4 billion — liquid buying Power

	Q1-19	Q1-20	Q2-20	Q3-20	Q4-20	Q1-21	Q2-21	Q3-21	Q4-21	Q1-22	Q2-22	Q3-22

HEX
Streamlit
dbt Labs

knoema · bodo.ai · securonix

LACEWORK · ThoughtSpot · OVERLAY · ANACONDA · panther · Datoops

Snowflake Ventures Launched · Polidea · Alation · ROBLING · sigma · PRAGMATISTS (acq-hire) · MATILLION · Applica

Numeracy · 2 Undisclosed Acquisitions · Hunters. · cryptonumerics · DataRobot · QUANTIFIND · dataiku · DOMINO · habu · Collibra · IMMUTA · tecton

IPO

Event: Acquisition | Investment | Corporate

Primary Sector: Services | Data Infrastructure | Data Governance | Analytics | AI & Data Apps

Source: ICON research; Company reports; SEC; CapitalIQ
Time periods are for calendar quarters, not SNOW fiscal quarters (SNOW FYE is Jan 31). Only initial investments are captured; follow-on rounds are excluded
Liquid Buying Power = Cash + STI as of July 31, 2022

Snowflake's major M&A

Although the majority of Snowflake's corporate development transactions have been strategic investments, its largest disclosed deals have been acquisitions. So far, Snowflake has taken a neutral approach to M&A, instead preferring to partner. However, as it continues expanding its TAM & as targets become more attractive, we expect the company will break its neutrality & become more acquisitive, even acquiring in sectors where it currently partners

Sector

- AI & Data Apps
- Analytics
- Data Governance
- Data Infrastructure
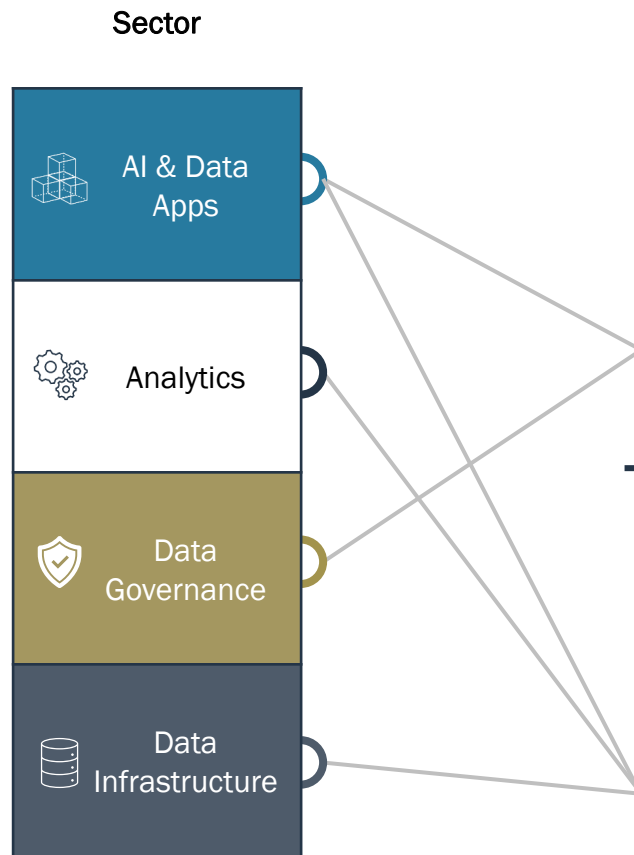
Applica

Unstructured Data AI
Acquired for $175m
August 2022

Snowflake's acquisition of Applica follows its earlier investments in Poland—it previously acquired software development services provider Polidea and acq-hired Pragmatists. Applica's software extracts & understands unstructured text data & the acquisition bolsters Snowflake's positioning in this area. The deal comes 4 months after SNOW announced support for unstructured data

Streamlit

Python-powered AI PaaS
Acquired for $800m
March 2022
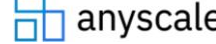
Continuing its support for the Python community, Snowflake acquired Streamlit, which provides a cloud-based platform for users to build & launch AI & data applications. The deal is Snowflake's largest to date but likely among its financially smallest assets—Streamlit had less than $100,000 in revenue. But the value is in the potential, as the startup's platform had been used to build 1.5 million apps

Emerging sectors & vendors

Logo = Acquired

Despite sector chaos & confusion, opportunities exist for investors & acquirers: ICON is tracking >2,300 still-active vendors across >160 subsectors

- Companies in our proprietary database span from pre-revenue early-stage startups to fast-growth heavily funded unicorns up to large, publicly traded companies

- Rapid innovation is occurring throughout the DataTech stack, with many companies developing new markets & rethinking established sectors

- Given the quick pace of change, some strategic acquirers & VCs may be challenged by keeping up with promising new & emerging startups. For example, ICON is tracking more than 100 data integration companies serving various use cases

- This analysis gives a sampling of privately held companies defining each emerging subsector, though note that some companies may fit in many subsectors

Sector	Select Subsectors	Sampling Of Privately Held Vendors
AI & Data Apps	FinTech (Vertical Apps)	EZOPS · Fathom Global · mosaic SMART DATA
	Cybersecurity (Horizontal Apps)	NETENRICH · ORPHEUS · Query.ai
	eCommerce (Vertical Apps)	CommerceIQ · Profitero · wiser
Analytics	AIops & Model Ops	ForePaaS · ModelOp · UbiOps by Dutch Analytics
	Semantic Analytics	bitext · CLARABRIDGE · Relative INSIGHT
	Computer Vision	alwaysAI · clarifai · VILYNX
Data Governance	Data Catalogs	Alation · Collibra · Solidatus
	Streaming & Real-Time Data Integration	equalum · HVR · StreamSets
	DataOps	DataKitchen · Keboola · Saagie
Data Infrastructure	Data Processing	anyscale · bodo.ai · Coiled
	Graph Databases	neo4j · ontotext · TigerGraph
	Cloud Data Platforms	Airtable · aiven · FIREBOLT

NOTE: Some vendors fit in multiple subsectors. This categorization is purposely simplified & meant to represent a variety of vendors in each subsector. More detailed analysis is available via briefing with Ben Kolada, ICON's Head of AI & DataTech Investment Banking

Fundraising trends

VC valuations continue their climb…

Valuations for still-active VC-backed startups **more than tripled in 2021** & just barely eked out a new record so far in 2022

MEDIAN PRE-MONEY VALUATIONS FOR CURRENTLY OPERATING VC-BACKED COMPANIES
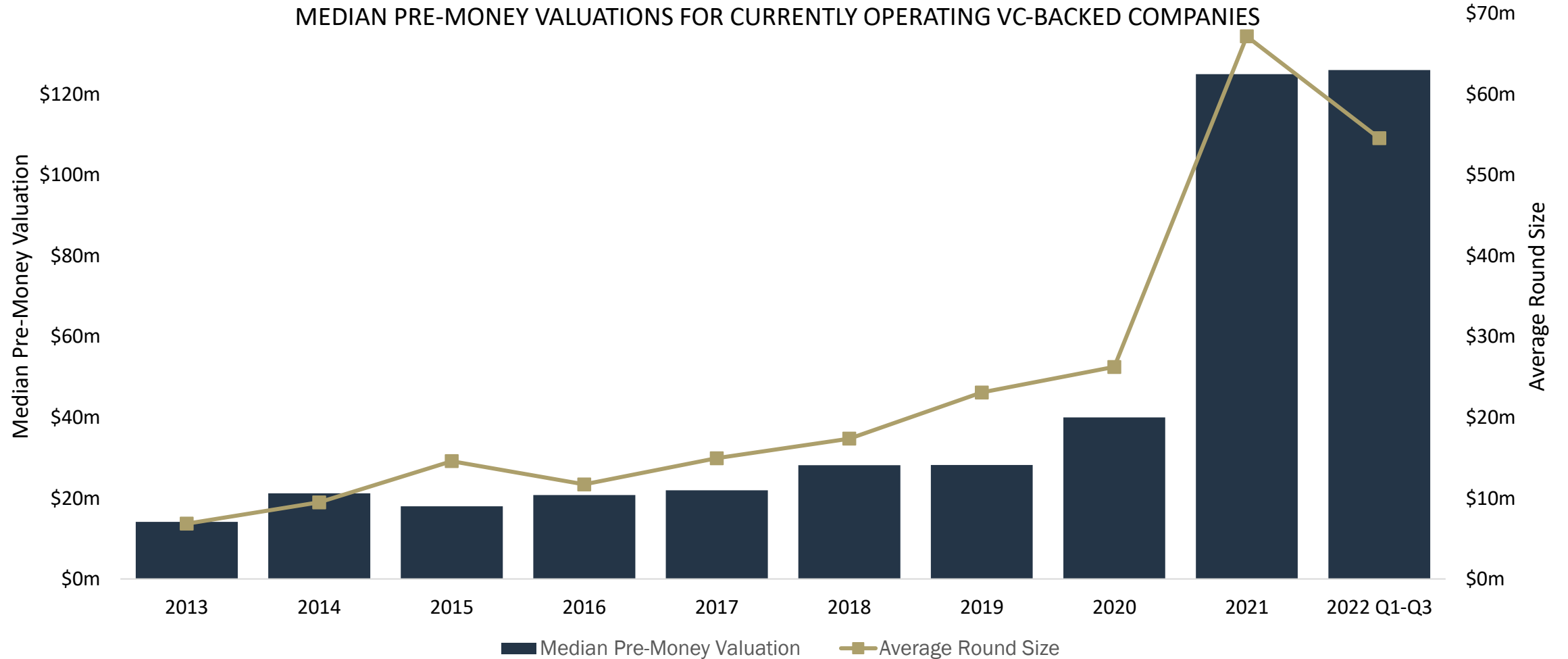
…while VC volume hits the breaks

- While fundraising valuations rose, the number of rounds & total amount raised is declining

- **Last year accounts for more than one-third of the all-time total VC raised** by still-active, privately held companies

- 2021 saw **104 rounds of $100m or more raised**, including 3 rounds of $1bn or more

- However, tides began turning earlier this year

- Annualizing 2022 data shows **only about half of 2021's total dollar amount will be raised this year**, with the **number of financings coming in 33% lower**

- Overall, fewer companies are raising capital, but their valuation demands are still being met

FUNDRAISING TRENDS FOR STILL-ACTIVE, PRIVATELY HELD VC-BACKED COMPANIES

$96.4bn
TOTAL RAISED
ALL TIME

Year	Total Raised	Total # Of Rounds
2013	$0.9bn	126
2014	$1.9bn	197
2015	$3.8bn	257
2016	$3.5bn	298
2017	$5.2bn	347
2018	$7.2bn	413
2019	$11.3bn	487
2020	$12.3bn	469
2021	$34.7bn	516
2022 Q1-Q3	$14.1bn	259

Legend: Total Raised · Total # Of Rounds · Total Raised Annualized · Total # Of Rounds Annualized

Excludes rounds of <$1m, undisclosed rounds, acquired companies & companies that went public
Source: ICON research; Company reports; Pitchbook

Trends in transaction sizes

- Through to 2021, the number of announced rounds of all sizes continued climbing

- Early-stage activity remained healthy in 2021, but the highlight of the year was the $100m+ round size category. However, that stage of investment is shrinking in 2022

- Annualized 2022 numbers show declines across almost all ranges of rounds, though rounds in the $30m to $50m range have remained steady

- Part of the slowdown in earlier stage investments is a pullback from investors who more commonly invest in later stages, such as Tiger Global. The firm reportedly began slowing earlier stage activity in mid-2022

OF ROUNDS ANNOUNCED BY ROUND SIZE

Legend: ■ >1m to 10m ■ >10m to 30m ■ >30m to 50m ☐ >50m to 100m ■ >100m

2022 Annualized

ICON CORPORATE FINANCE | AI & DataTech – 2022/23 Atlas
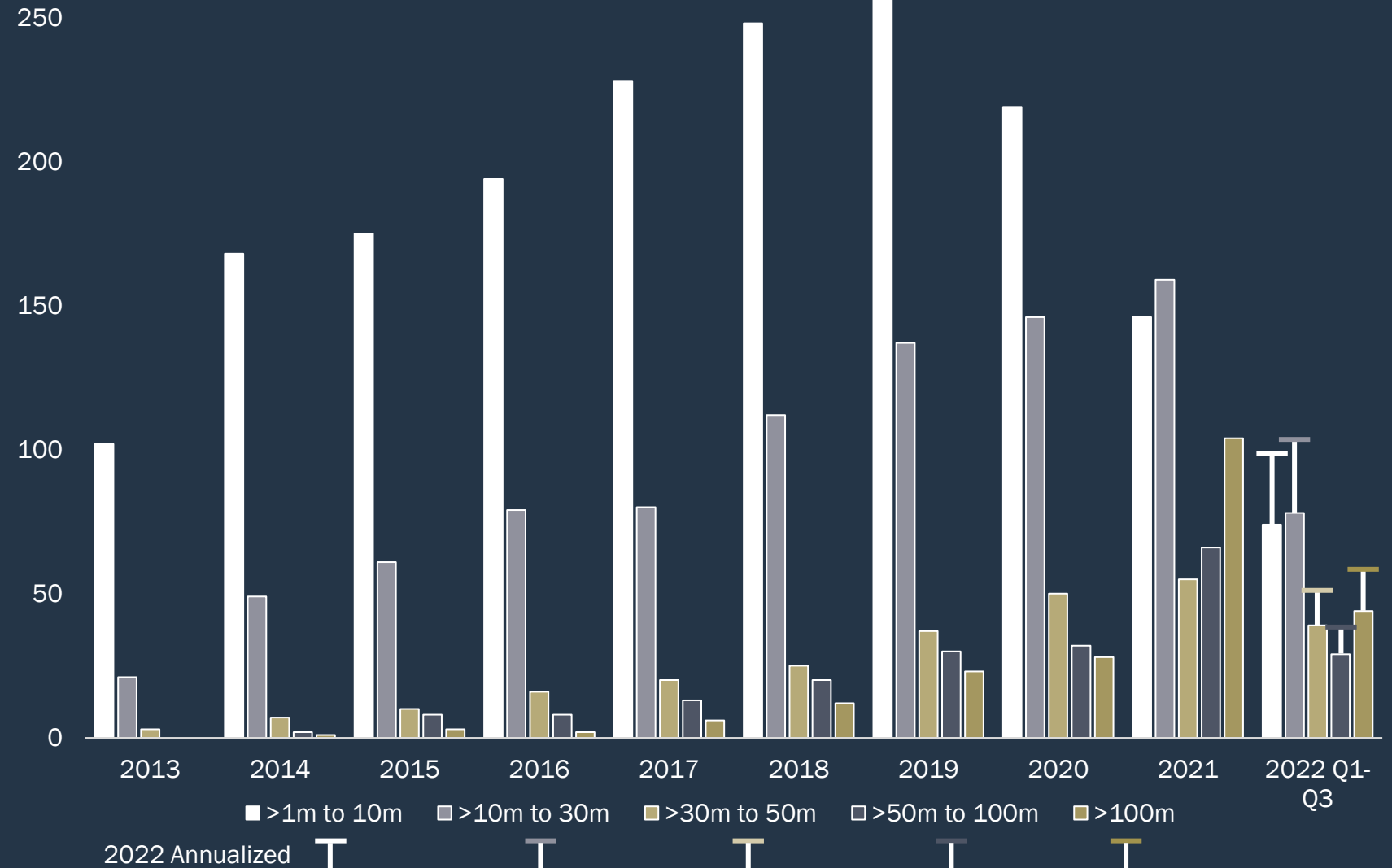
Financing frequency & valuations

- Despite all the hype around $100m+ rounds, earlier stage financings of $30m or less were the most common rounds throughout the DataTech stack

- Valuations have climbed significantly, with each DataTech sector reporting median post-money valuations of at least $100m

- The Data Infrastructure sector stands out for its median $669m post-money valuation, however, that is mostly a factor of the quick maturing of Data Infrastructure vendors that ICON tracks – the most common round size in that sector for the first three quarters of 2022 was >$100m

DEAL DISTRIBUTION BY SECTOR AND SIZE 2022 Q1-Q3

	>1m to 10m	>10m to 30m	>30m to 50m	>50m to 100m	>100m
AI & Data Apps					
Analytics					
Data Governance					
Data Infrastructure		NA			

MEDIAN POST-$ VALUATIONS, 2022 Q1-Q3

Sector	Valuation
AI & Data Apps	$146m
Analytics	$150m
Data Governance	$152m
Data Infrastructure	$669m

Excludes rounds of <$1m, undisclosed rounds, acquired companies & companies that went public
Source: ICON research; Company reports; Pitchbook

Total raised by sector by year

2013 through to Q3 2022

Excludes rounds of <$1m, undisclosed rounds, acquired companies & companies that went public
Source: ICON research; Company reports; Pitchbook
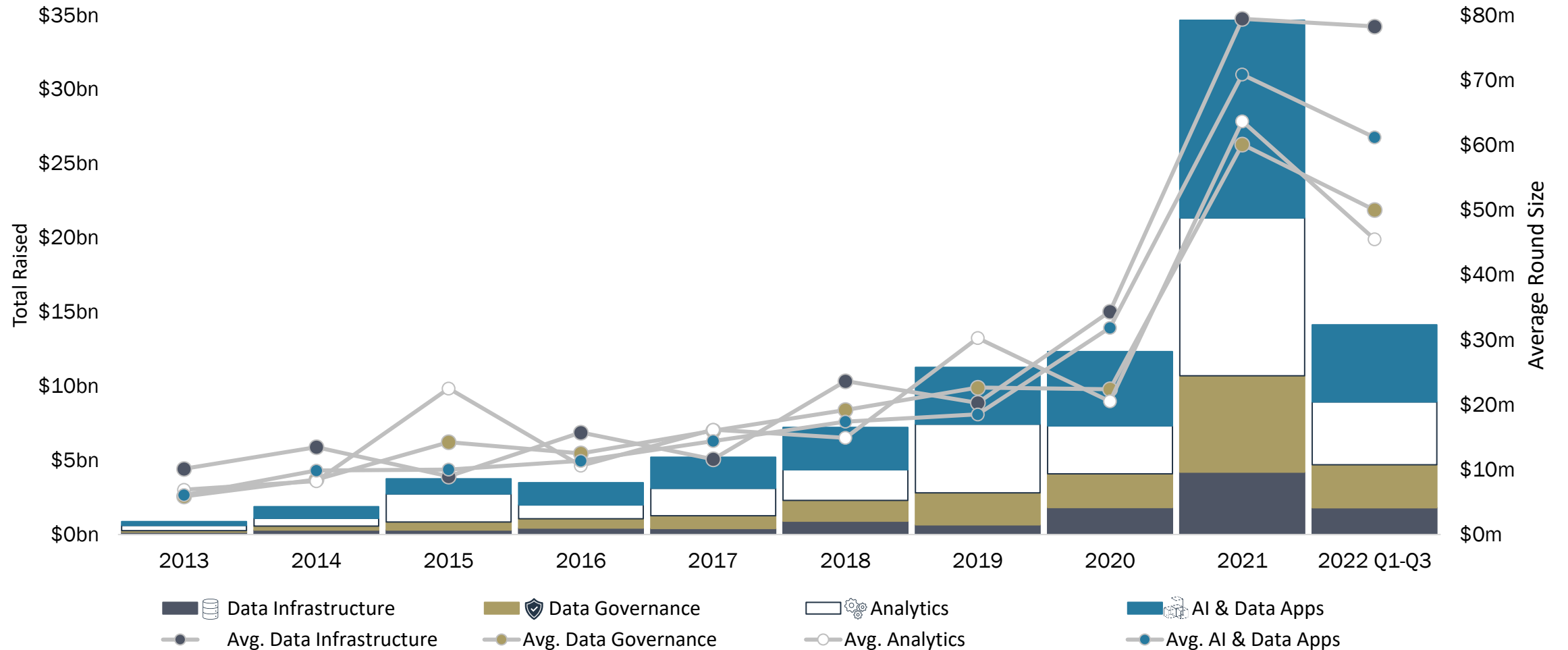
Most active investors

2013 to Q3 2022

Legend: ■ # Invested Rounds ■ # DataTech Portfolio Companies Tracked By ICON
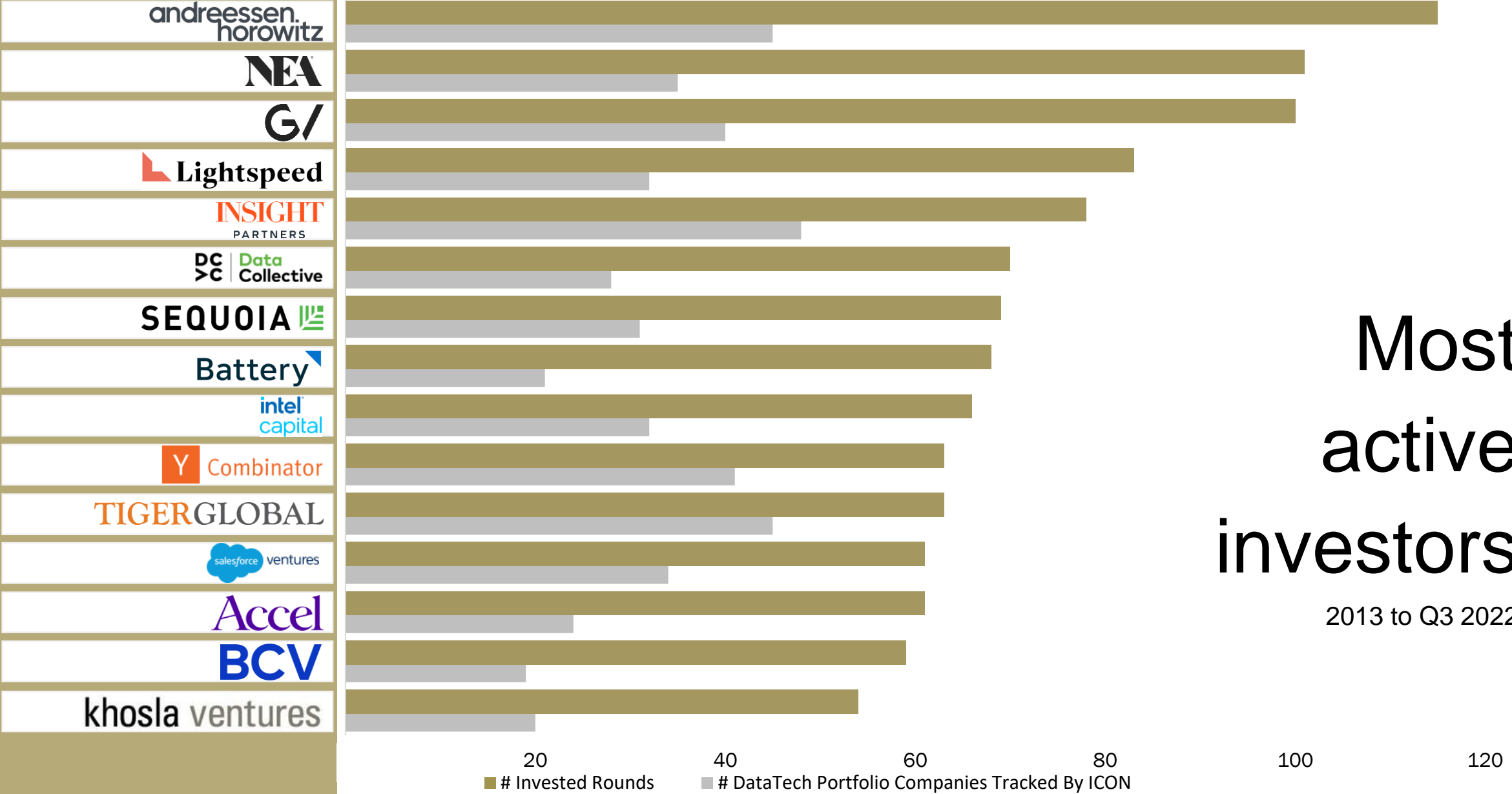
Includes rounds across all stages & all sizes >$1m; includes follow-on investments. Excludes acquired companies & companies that went public
DataTech Portfolio Companies are only companies ICON is tracking; each fund may have more
Source: ICON research; VC websites; Pitchbook

M&A activity

Soft landing

- This year, corporate & financial acquirers were caught off guard by geopolitical events & the US Fed's aggressive stance toward tackling inflation

- **As a result, deal volume is declining**

- However, continued strong competition for deals is supporting **rising deal values**, with the **median deal size in the first three quarters of 2022 rising 32% from the year-ago period, to $40m**

- Deal volume & values will change in 2023 due in part to a shift in risk: whereas corporate & financial acquirers were comfortable with risky, cash-burning companies in 2021, **priorities trended toward cash flow & profitability (or a path to it) in 2022**

- This trend will inhibit prospective acquisition targets who do not meet this new acquisition criteria

ANNUAL AI & DATATECH DEAL VOLUME & VALUE

Legend: Deal Volume; Total Deal Value; Annualized Deal Volume; Annualized Total Deal Value

ICON CORPORATE FINANCE

AI & DataTech – 2022/23 Atlas
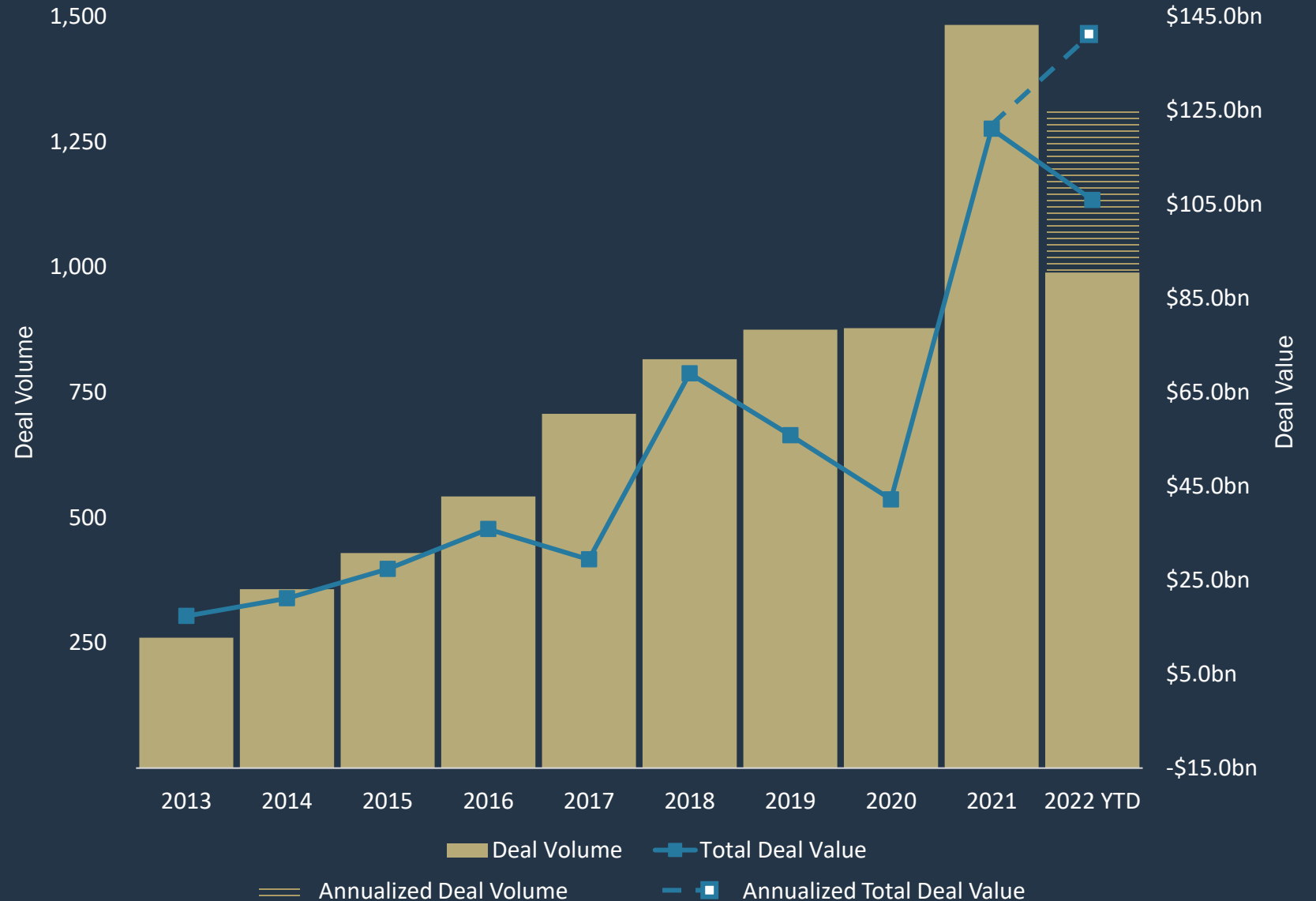
DataTech deal volume is down but not out

DataTech deal volume is declining alongside the overall software industry, however, DataTech M&A dealmaking remains robust & trends suggest sector strength will continue

Declining Volume	**DataTech Resilience**	**Growth Trends**
After an unprecedented surge in 2021, deal volume is declining across the board, for both general software transactions & DataTech deals	However, annualized DataTech volume is showing resilience compared to general software deals, declining 17% compared to 27% for all software	Adoption of data-driven decision-making is resulting in DataTech transactions accounting for a growing share of total software M&A
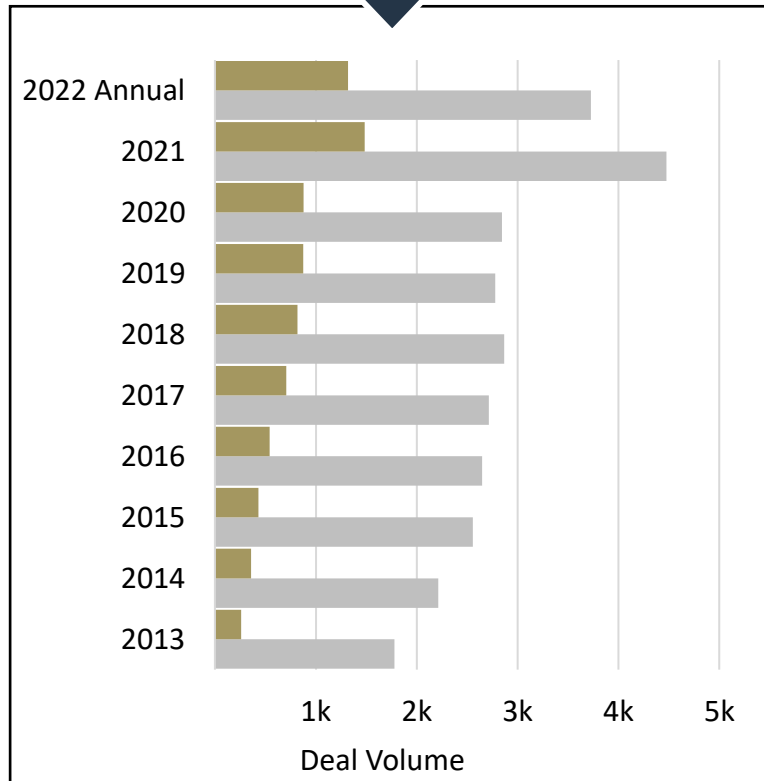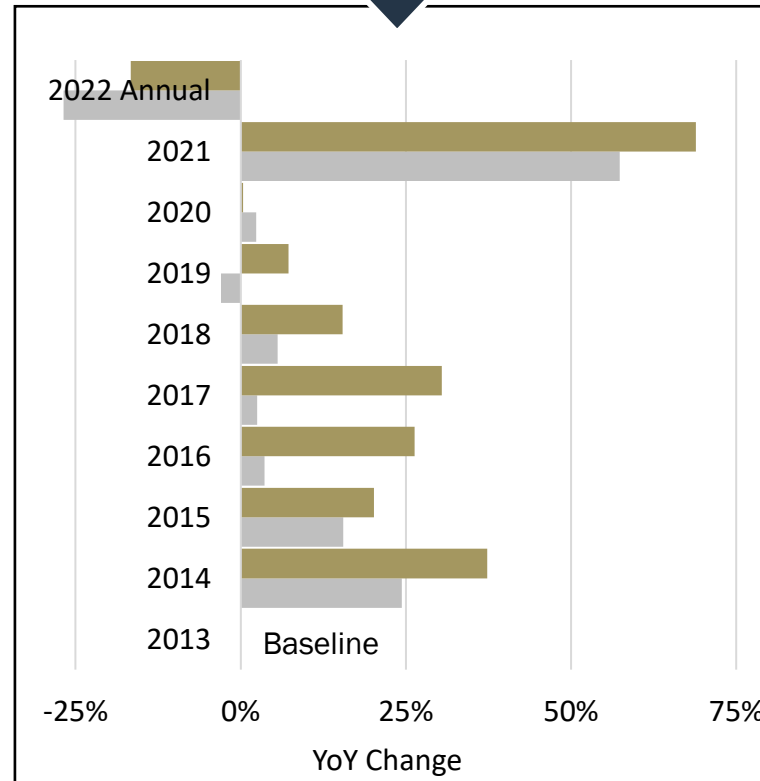
■ DataTech Deal Volume
■ All Software Deal Volume, Excluding DataTech
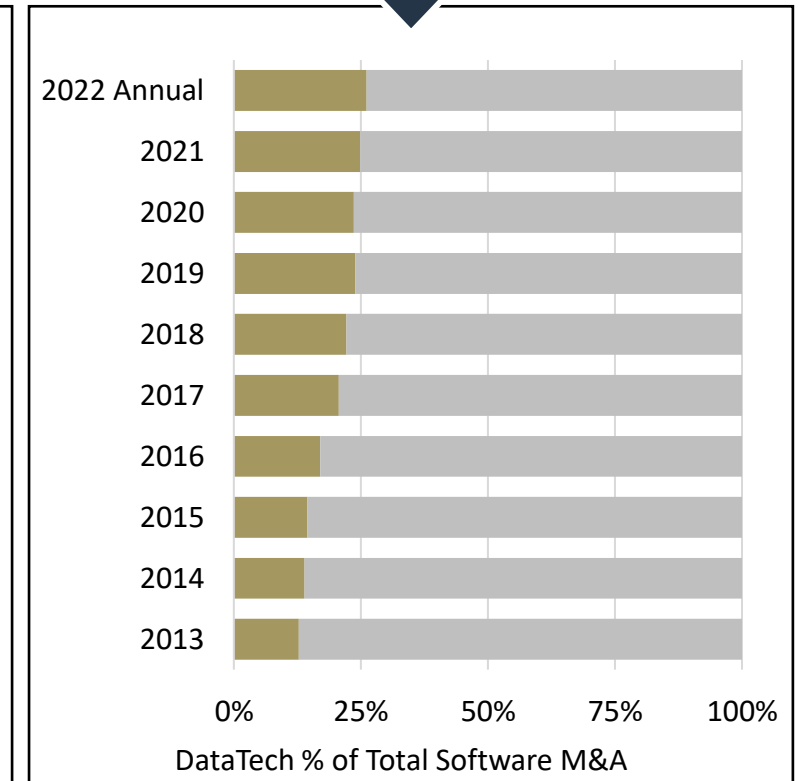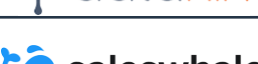
Emerging acquirers >> unicorn platforming

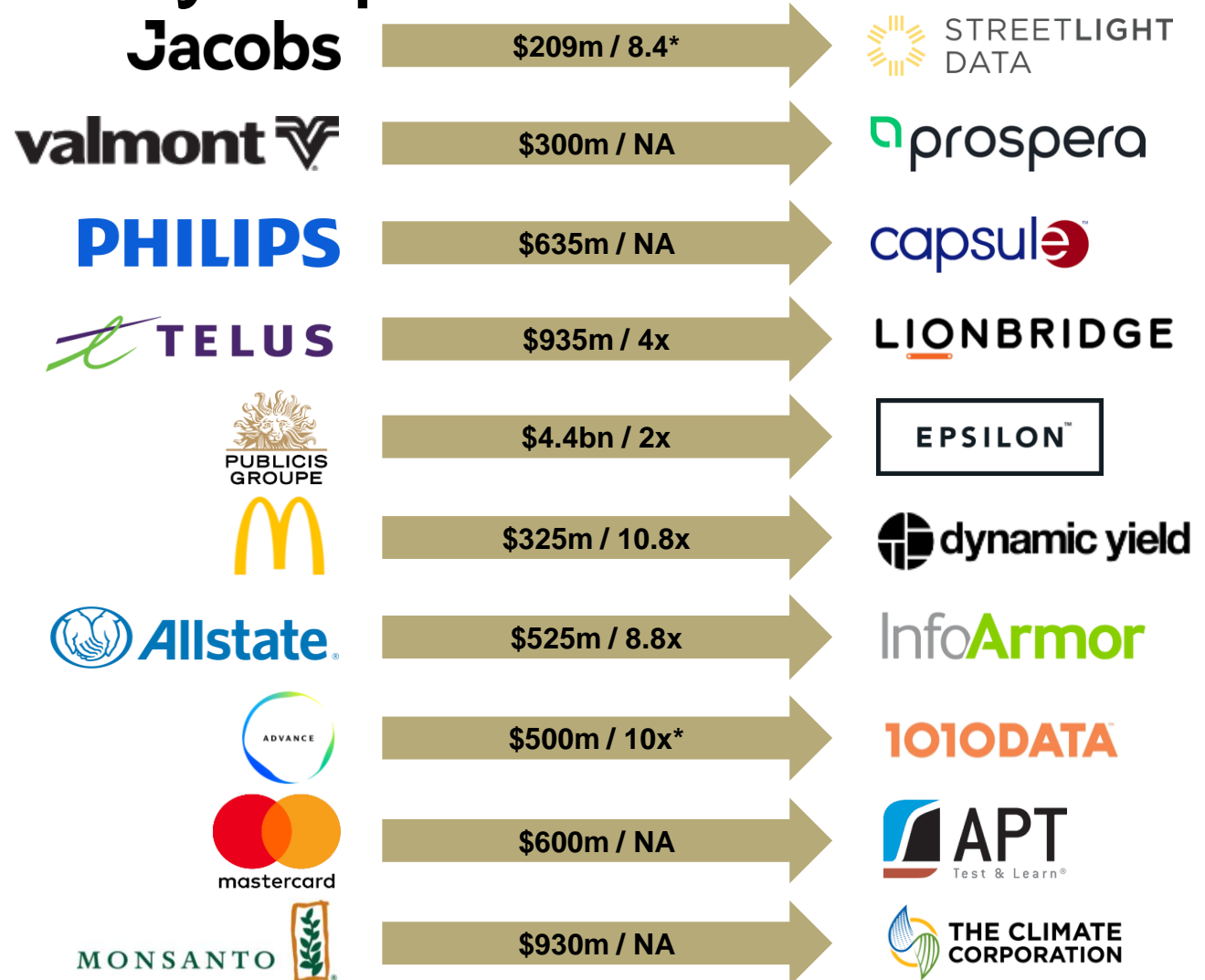Backed by record fundraises, a new class of acquirers is emerging...

- Heavily funded unicorns are becoming more active & more aggressive in their acquisition strategies

- They are oftentimes paying valuations on par with publicly traded strategic counterparts

- For example, **Paddle disclosed paying $200m for ProfitWell, Celonis paid $100m for Process Analytics Factory, Starburst reportedly paid $60m for Varada & last year, Fivetran paid $700m for HVR Software**

- Some unicorns are minting their first acquisitions, starting out with tiny tuck-ins. For example, **Aiven acquired Kafkawize in its first acquisition**; the target showed only 1 employee on LinkedIn

- Others are looking outside their core geographic territories—in its third acquisition, **San Francisco-based 6sense acquired Saleswhale, which was HQ'ed in Singapore**

SELECT UNICORN PLATFORMING ACQUISITIONS, 2022

Acquirer	Target	2022 Date	Description	Acquirer Funding & Post-$ Valuation Before/At Acquisition Date
aiven	KAFKAWIZE	Nov 29	Kafka connector platform	$210m Series D @ $3.2bn valuation
DEVO	LogicHub	Nov 20	AI-based security detection (horizontal apps)	$100m Series F @ $2bn valuation
Starburst	VARADA	June 23	Data indexing & data lake acceleration	$250m Series D @ $3.4bn valuation
Clari	wingman	June 15	Conversational AI & sales analytics	$225m Series F @ $2.7bn valuation
paddle	ProfitWell	May 23	Subscription provider operating analytics	$200m Series D equity & debt @ $1.4bn valuation
AlphaSense	Sentieo	May 10	Financial text & data discovery (vertical apps)	$225m Series D @ $1.7bn valuation (May 20)
databricks	cortex	Apr 25	Cloud infrastructure for scalable ML	$1.6bn Series H @ $38bn valuation
ASTRONOMER	datakin	Mar 22	Data lineage	$213m Series C @ $1.35bn valuation
6sense	saleswhale	Jan 22	Conversational AI & sales analytics	$200m Series E @ $5.2bn valuation

Key: Data Infrastructure | Data Governance | Analytics | AI & Data Apps

Source: ICON research; CapitalIQ; Pitchbook; Company reports

Broadening of the buyer pool

- Just as unicorns are emerging as a new acquirer class, so too are companies outside the technology industry

- **As the need to become data-driven has grown over the years, the pool of acquirers of data vendors has grown**. The diversity of the buyer pool has expanded to include agriculture, publishing & even fast-food conglomerates

- In some instances, these atypical acquirers may have overstepped their comfort zones
  - For example, McDonalds divested its Dynamic Yield and Apprente businesses in 2021; both were acquired in 2019
  - McDonalds sold Dynamic Yield to MasterCard for the same price it bought the company; IBM acquired Apprente, though terms were not disclosed.
  - These deals are exceptions to the trend

- **We expect this 'broadening' trend to continue** as VCs fund ever more data-driven applications vendors that can become data empowerment targets for digitizing industries

Acquirer	Deal	Target
Jacobs	$209m / 8.4*	STREETLIGHT DATA
valmont	$300m / NA	prospera
PHILIPS	$635m / NA	capsule
TELUS	$935m / 4x	LIONBRIDGE
PUBLICIS GROUPE	$4.4bn / 2x	EPSILON
McDonalds	$325m / 10.8x	dynamic yield
Allstate	$525m / 8.8x	InfoArmor
ADVANCE	$500m / 10x*	1010DATA
mastercard	$600m / NA	APT Test & Learn
MONSANTO	$930m / NA	THE CLIMATE CORPORATION

Private Equity primetime

- Historically, PE generally were underbidders on acquisitions that traded to strategic acquirers. That's all in the past – **they are now offering competitive valuations & should be considered in nearly every M&A or financing process**

- Their platform acquisitions essentially become deal accelerators—each with their own inorganic growth goals & oftentimes their own dedicated corporate development teams

- PE & growth equity's interest in DataTech continues to be **predominantly in the vertical & functional apps layer**, though **Data Governance interest has grown** as well

SELECT TRANSACTIONS BY SECTOR, Q1-Q3 2022

AI & Data Apps	SIGHT MACHINE — GROWTH EQUITY FROM — REALIZATION CAPITAL PARTNERS — Manufacturing Data Platform	searchspring — GROWTH EQUITY FROM — PSG — eCommerce Search	COR·e — ACQUIRED BY — KPLER — INSIGHT PARTNERS / Rothschild & Co — Power Markets Forecasting
Analytics	Descartes Labs — GROWTH EQUITY FROM — Antarctica Capital — Geospatial Analytics	Yellowfin — ACQUIRED BY — Idera, Inc. — Partners Group / TA ASSOCIATES / HGGC — Embedded Analytics	LeadsRx — ACQUIRED BY — unbounce — Crest Rock Partners — Marketing Analytics
Data Governance	TIMEXTENDER — GROWTH EQUITY FROM — MONTERRO — Data Estate Automation	PlaceIQ — ACQUIRED BY — precisely — TA ASSOCIATES / CLEARLAKE — Location Data Provider	Flywheel Software — GROWTH EQUITY FROM — TJC — Marketing Data Activation
Data Infrastructure	knack* — GROWTH EQUITY FROM — RESURGENS TECHNOLOGY PARTNERS — Cloud Database & Data PaaS	EDB — GROWTH EQUITY FROM — BainCapital — Cloud Database & Data PaaS	ontotext — GROWTH EQUITY FROM — INTEGRAL / PortfoLion member of otp group / carpathian partners — Graph Database

Premium valuations for deep technology

- Financial performance is typically the greatest influencer on M&A valuations. However, in DeepTech sectors such as AI & DataTech, the value of a startup's technology & talent oftentimes rivals financial metrics

- This selection of 12 acquisitions over the past two years highlights technical value: **more than $3 billion spent for far less than $100 million of revenue**

- Noticeably absent from this updated DataTech Atlas are ServiceNow and Apple; in our last report, we highlighted three ServiceNow acquisitions & two for Apple
  - Apple overall has become less acquisitive, reportedly buying only two companies so far in 2022
  - ServiceNow was previously among the top acquirers of DataTech companies, both in terms of valuations paid & deal volume

Acquirer / Target	Date	EV ($m)	Rev. ($m)*	EV/Rev.*	Description
UiPath / Re:infer	8/1/22	44.5	<3m	>10x	Semantic analytics
IBM / Databand	7/6/22	150*	<5m	>30x	Data observability & DataOps
Starburst / VARADA	6/23/22	60*	<3m	>17x	Data indexing & data lake acceleration
OVHcloud / ForePaaS	4/21/22	NA	NA	NA	Multi-cloud AI PaaS
intel / GRANULATE	3/31/22	650*	5*	>13x	AI infrastructure & acceleration
snowflake / Streamlit	3/2/22	800	<100k	NM	Python-based AI PaaS
Matterport / ENVIEW	1/6/22	60	<3m	>67x	3D spatial data analytics
alteryx / TRIFACTA	1/6/22	400	<20m	>20x	Cloud data engineering
qualtrics.XM / SurveyVitals	12/6/27	37*	<3m	>12x	Healthcare surveys
stewart / PROPSTREAM	11/12/21	175	<10m	>20x	Residential real estate analytics
zoominfo / CHORUS	7/13/21	575	NA	>50x	Conversational AI & sales analytics
smart eye / :) Affectiva	5/25/21	73.5	5	15x	Computer vision

Public company valuations

Annual public company valuation multiples

After soaring to record heights, valuation multiples for public DataTech companies have shrunk to pre-pandemic levels

The current 4.0x multiple shows three years of valuation gains have been lost this year & represents a **37% drop from the 2021 high**

Chart legend: # Companies — TEV/TTM TR Valuation Multiple At End Of Period

Valuation multiples by year: 2013: 3.5x; 2014: 3.2x; 2015: 3.7x; 2016: 3.6x; 2017: 4.3x; 2018: 3.7x; 2019: 4.6x; 2020: 5.8x; 2021: 6.3x; 2022 Q3: 4.0x

Includes pure-play DataTech companies as well as broad software companies with large DataTech businesses
Includes only NASDAQ & NYSE-listed companies
Source: ICON research; CapitalIQ

Valuations by DataTech sector

- Much has changed since our January 2021 DataTech Atlas. At that time, Snowflake had recently gone public and was valued at 159x trailing revenue. **Nowadays, SNOW is worth one-fifth that amount**

- Similar to what we're hearing from VCs & growth equity firms, **AI & Data apps vendors in the public markets have among the highest valuations**. Industrial AI vendor Aspen Technology, for example, tops this analysis at 32x trailing revenue

- Despite its strong customer retention & NRR upside, the Data Governance layer continues to represent price-conscious buying opportunities—the sector has the lowest average EV/trailing revenue valuation of any layer of ICON's DataTech stack. In the private markets, growth equity firms in particular have taken note of this sector's potential

AI & DataTech – 2022/23 Atlas

SNAPSHOT EV/TRAILING REVENUE VALUATIONS FOR SELECT PUBLIC DATATECH COMPANIES

Layer	Company	Value
AI & Data Apps	aspentech	31.6x
	CROWDSTRIKE	20.1x
	DATADOG	19.9x
	Low Range Apps	0.4x — Average Apps: 7.6x
Analytics	SoundHound	32.4x
	sproutsocial	14.3x
	MicroStrategy	9.5x
	Low Range Analytics	0.9x — Average Analytics: 6.9x
Data Governance	zoominfo	19.1x
	CONFLUENT	12.0x
	elastic	7.1x
	Low Range Governance	0.5x — Average Governance: 5.2x
Data Infrastructure	snowflake	30.3x
	mongoDB	12.1x
	Couchbase	3.2x
	Low Range Infrastructure	1.8x — Average Infrastructure: 11.8x
Broad Play	servicenow	11.3x
	Microsoft	8.6x
	workday	6.5x
	Low Range Broad Play	0.4x — Average Broad: 4.5x

About
ICON Corporate Finance

About ICON Corporate Finance

250+
closed transactions

180+
combined years' experience

25+
countries we've transacted in

8
languages spoken

Banker backgrounds
J.P.Morgan
451 Research
KPMG
Deloitte.
OPPENHEIMER
LLOYDS BANKING GROUP
pwc
ROLLS ROYCE
MOORELAND PARTNERS

Industry specialization

AI & Data
Enterprise
Cloud
FinTech
Cybersecurity
Digital Media

1
focus: tech investment banking

Select DataTech deals

TIMEXTENDER	ForePaaS	Relative INSIGHT	360°Science	FATHOM	juriba	Paragon	mosaic SMART DATA	MATILLION
GROWTH EQUITY	ACQUIRED BY	FUNDED BY	ACQUIRED BY	STRATEGIC INVESTMENT	GROWTH EQUITY	ACQUIRED BY	STRATEGIC INVESTMENT	FUNDED BY
M. MONTERRO	OVHcloud	YFM Equity Partners	Syniti BRIDGE GROWTH PARTNERS	MOODY'S	BGF	aptean / VISTA EQUITY PARTNERS / TA ASSOCIATES	J.P.Morgan octopus ventures CommerzVentures	YFM Equity Partners
Data Automation	AI Platform	Text Analytics	Data Quality	Weather Analytics	Cloud Migration	Logistics Analytics	FinTech AI	Data Integration

ICON CORPORATE FINANCE | AI & DataTech – 2022/23 Atlas

Specialists in AI & DataTech dealmaking

Select experience across deal structures & DataTech sectors

Sell-Side M&A

ForePaaS
ACQUIRED BY
OVHcloud

AI Platform

360°Science
ACQUIRED BY
Syniti
BRIDGE GROWTH PARTNERS

Data Quality

Growth Equity

TIMEXTENDER
GROWTH EQUITY
M. MONTERRO

Data Automation

juriba
GROWTH EQUITY
BGF

Cloud Migration

Strategic Investment

FATHOM
STRATEGIC INVESTMENT FROM
Moody's

Weather Analytics

mosaic SMART DATA
STRATEGIC INVESTMENT FROM
J.P.Morgan
octopus ventures
CommerzVentures

FinTech AI

Scaleup VC

Relative INSIGHT
FUNDED BY
YFM Equity Partners

Text Analytics

MATILLION
FUNDED BY
YFM Equity Partners

Data Integration

Across geographies

ICON CORPORATE FINANCE

Backed by unrivalled analysis
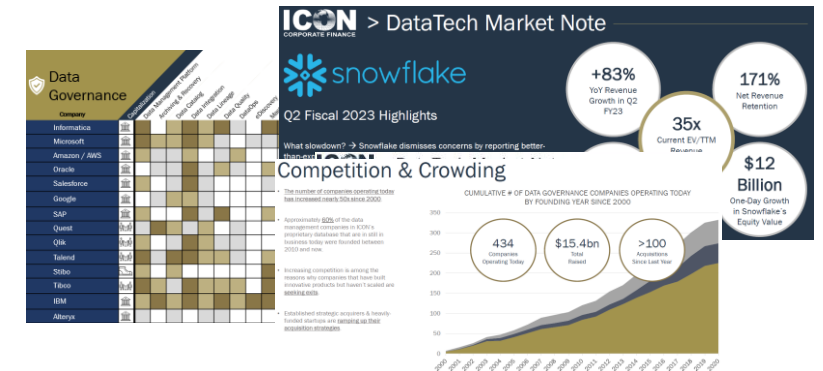
Our results

>10x

Average EV/ARR valuation for ICON's recent DataTech transactions

> ICON DataTech deal experience

ICON advises AI PaaS innovator ForePaaS on its acquisition by OVHcloud

ForePaaS **ACQUIRED BY** OVHcloud

Sectors: AI; PaaS; AIops; DataOps; No-Code; Multi-Cloud; Automation

European cloud computing leader OVHcloud has acquired ICON Corporate Finance client ForePaaS, which provides a unified platform specializing in data analy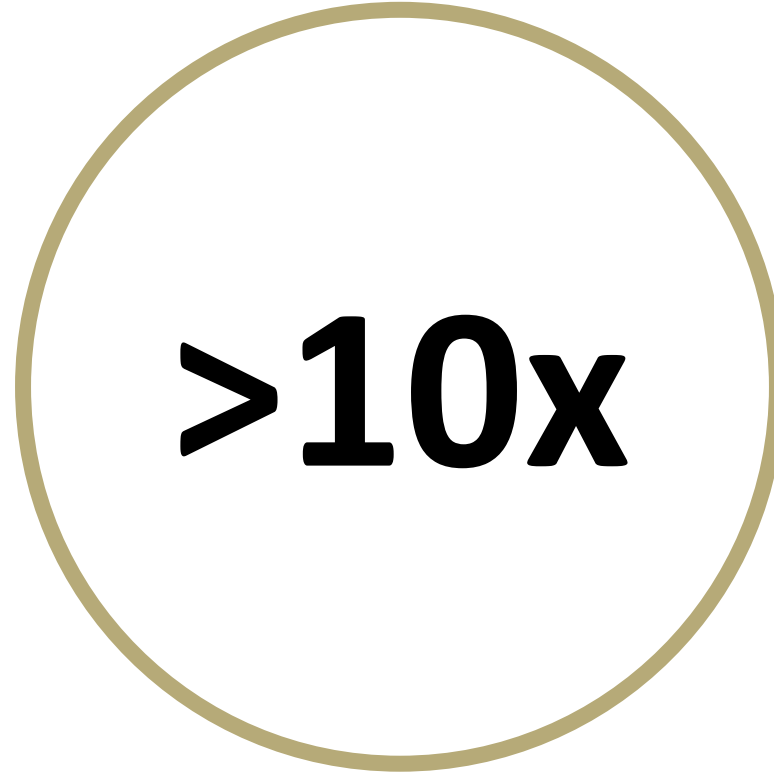tics, machine learning & AI. The acquisition will actively contribute to the deployment of OVHcloud's growth acceleration strategy by enriching its Platform as a Service (PaaS) offering

Foundational acquisition in OVH's data value chain

ForePaaS investors include:

elaia

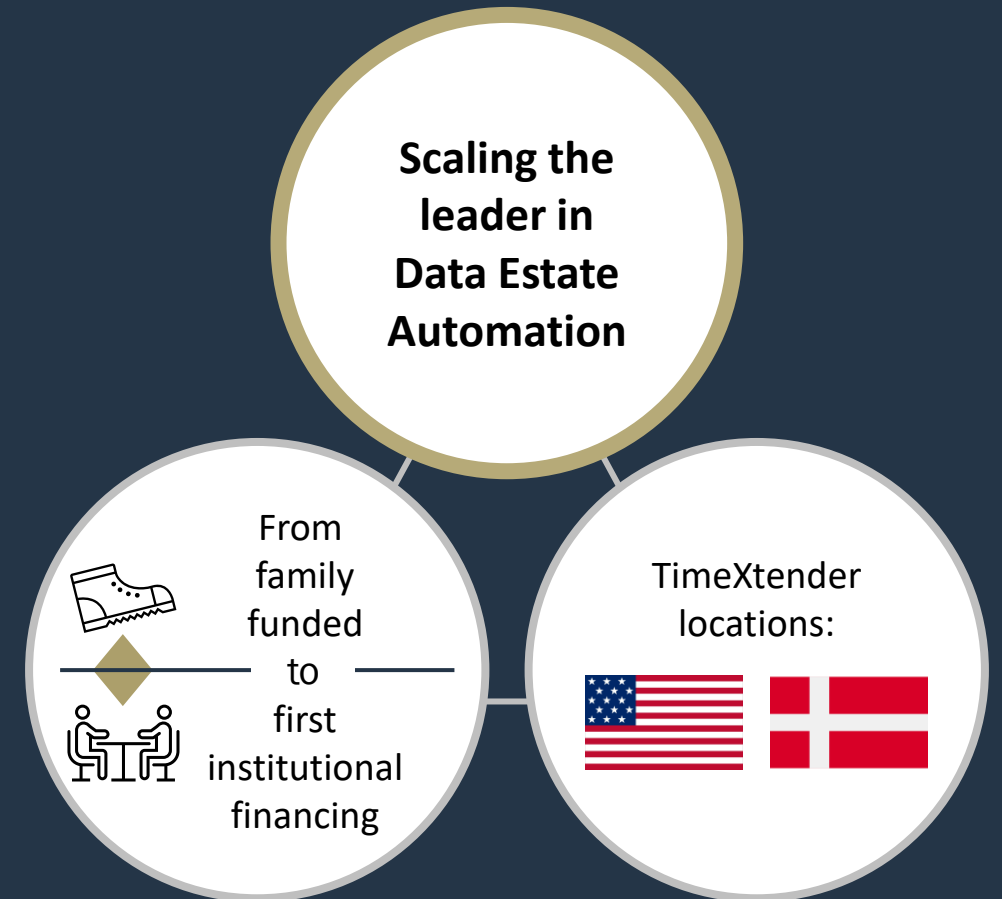HI INOV · DENTRESSANGLE

ForePaaS locations:

> ICON DataTech deal experience

ICON data orchestration client TimeXtender raises growth equity from Monterro

TIMEXTENDER GROWTH INVESTMENT FROM (M.) MONTERRO

Sectors: Data Integration; Automation; No-Code; Analytic Enablement

TimeXtender is a pioneering innovator in data management automation. Its no-code data estate builder enables business analysts to build & deploy seamless & self-healing data estates at a fraction of the time & cost required by manual solutions. The company's growth equity financing by Monterro will able TX to continue scaling its advanced data platform & its unique & exclusively partner-driven GTM business model

Scaling the leader in Data Estate Automation

From family funded to first institutional financing

TimeXtender locations:

> ICON DataTech deal experience

ICON advises flood analytics startup Fathom Global on strategic investment from risk ratings giant Moody's
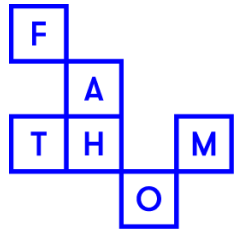
FATHOM

STRATEGIC INVESTMENT FROM

Moody's

Sectors: Data Modelling; ESG; Environmental; Vertical Data Apps

Fathom Global offers a flood risk modelling & mapping platform underpins climate risk decision making for customers & partners in (re)insurance, banking, engineering & corporate risk management, including Microsoft, Nasdaq, Aon & The World Bank. The investment from US risk ratings giant Moody's aims to develop Moody's already complex climate considerations as part of its commitment to help organizations make informed decisions.

Strategic investment with global impact

Data modelling + vertical expertise

Cross-border transaction
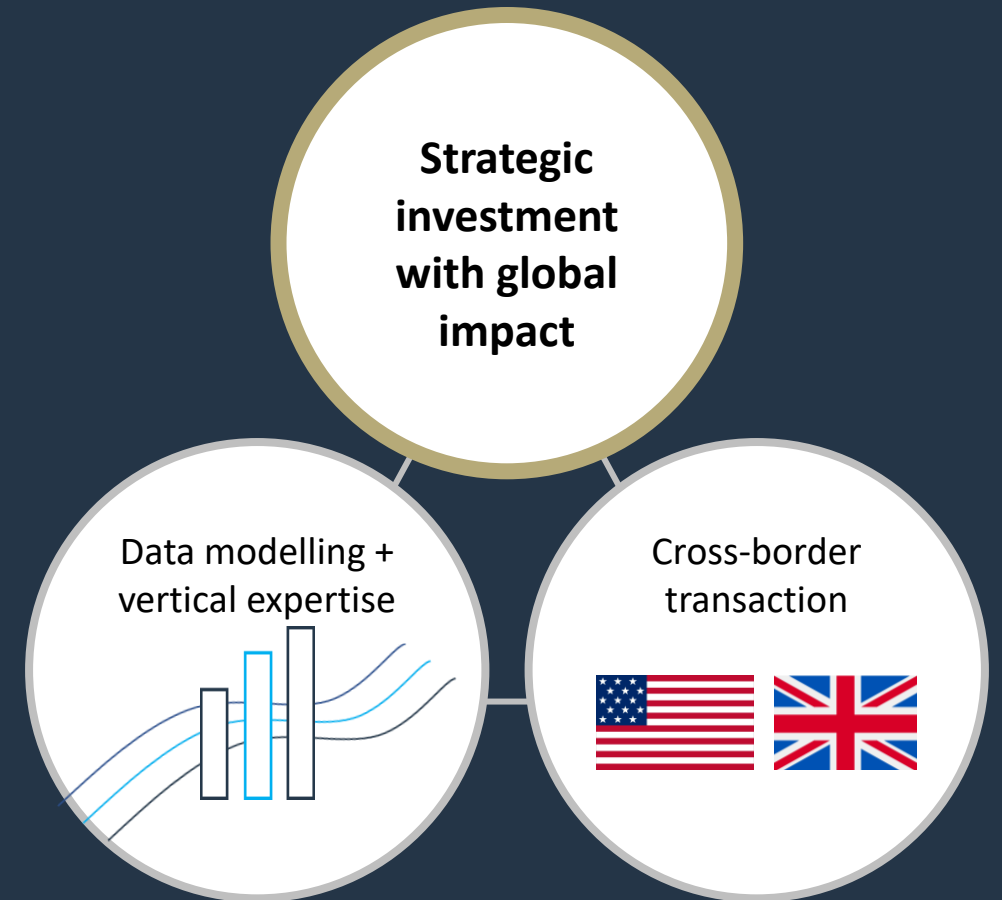
For further details, please contact:

Ben Kolada

Head of AI & DataTech
Head of ICON US

- Focus: AI, ML, DataTech, Cloud, Enterprise Software
- (415) 385-8189
- ben@iconcorpfin.com

Alan Bristow

Founder & CEO

- Focus: Enterprise Software, DataTech, Cloud, SaaS, FinTech, IoT, eCommerce, Telecoms, Cybersecurity
- alan@iconcorpfin.com

ICON
CORPORATE FINANCE

ICON Corporate Finance
- San Francisco
- London
- Bristol

www.iconcorpfin.com