

Artificial Intelligence Market Monitor



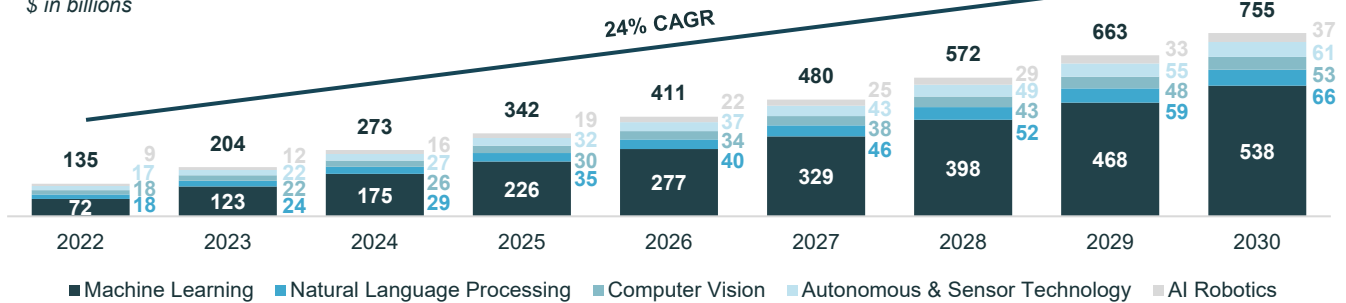
ARTIFICIAL INTELLIGENCE SECTOR RECAP

AI became a household name following the launch of ChatGPT in November 2022. This was followed by a surge of AI enterprise adoption in 2023, as companies began to explore its potential. Now with the foundation laid, 2024 is shaping up to be another landmark year for AI as users begin to unlock and understand the true potential of AI, its broad set of applications, and actively integrate its capabilities in practical and transformative ways. The global market for AI boomed in 2023, reaching a value of \$204B. This represents a significant 51% YoY growth and the market is expected to continue to expand rapidly at a CAGR of 24% through 2030.

Explosive AI Market Growth Driven By Increasing Adoption and Growing Use Cases

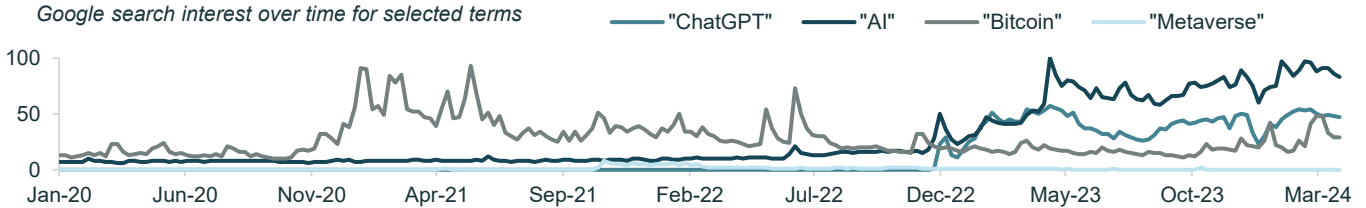
EXPLOSIVE GLOBAL AI MARKET SIZE GROWTH...

\$ in billions

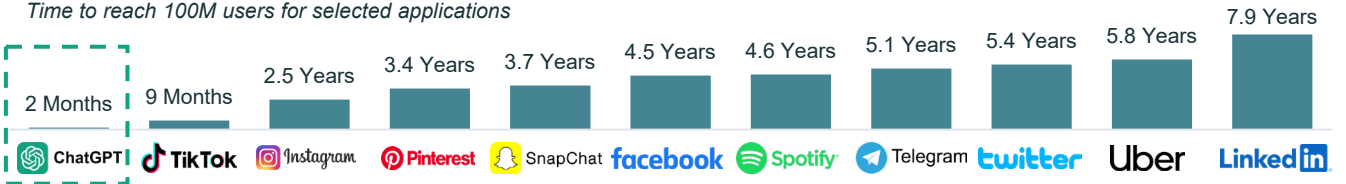


...DRIVEN BY INCREASING INTEREST IN AND ADOPTION OF AI...

Google search interest over time for selected terms



Time to reach 100M users for selected applications



...AND A GROWING NUMBER OF AI TECHNOLOGY SUPPORTED USE CASES



Machine Learning

Applications and systems that use algorithms to help machines understand, learn, and improve from data to make predictions.



Natural Language Processing

Applications that enable computers to interpret, manipulate, comprehend, and generate human language.



Computer Vision

Applications that enable computers to interpret and derive information from images, videos, and other inputs.



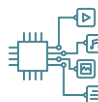
Autonomous & Sensor Technology

Systems and machines that operate independently by using sensors, AI, and machine learning to monitor and respond to changes in their environment in real-time.



AI Robotics

The combination of AI, machine learning, and engineering to create intelligent machines that can process information, make decisions, and perform tasks autonomously.



Generative AI

AI that leverages algorithms and deep-learning models to generate text, images, code, simulations, audio, videos, and other content based on the data it was trained with.

SELECTED NOTABLE ARTIFICIAL INTELLIGENCE SECTOR M&A ACTIVITY
Highlighted AI Infrastructure M&A Transaction

**Hewlett Packard
Enterprise**


Hewlett Packard Enterprise Acquires Juniper Networks

Jan 2024

EV
\$14.5B

EV/Revenue
2.6x

Target Description: Juniper Networks provides networking solutions, services, and software that helps organizations securely and efficiently access the mission-critical cloud infrastructure that serves as the foundation of digital and AI strategies.

Investment Rationale: Combining HPE and Juniper's complementary portfolios supercharges HPE's edge-to-cloud strategy with an ability to lead in an AI-native environment based on a foundational cloud-native architecture.

Highlighted Generative AI M&A Transaction

databricks


Databricks Acquires MosaicML

Jul 2023

EV
\$1.3B

EV/Revenue
NA

Target Description: MosaicML is an AI development platform designed for creating, training, customizing, and deploying large generative AI models.

Investment Rationale: The acquisition bolsters Databricks' vision to power the next wave of enterprise data applications with generative AI, and together with MosaicML, the Company further establishes itself as the market leading platform for training, customizing, and deploying generative AI applications.

Highlighted Enterprise AI Software M&A Transaction



Microsoft Acquires Nuance Communications

Mar 2022

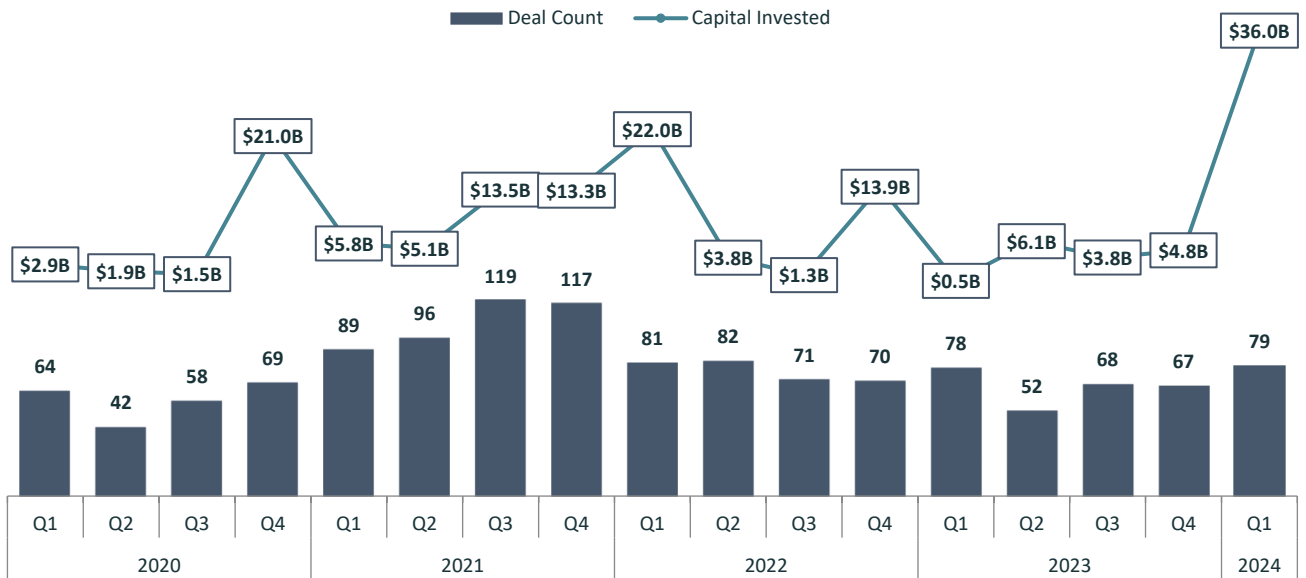
EV
\$19.3B

EV/Revenue
14.4x

Target Description: Nuance Communications is a leader in conversational AI and ambient intelligence across industries including healthcare, financial services, retail and telecommunications.

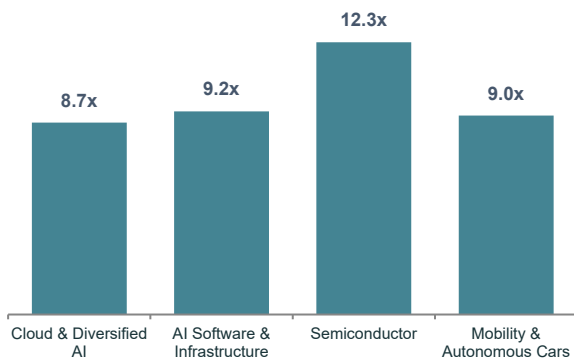
Investment Rationale: Driven by a shared vision to build outcomes-based AI, Microsoft and Nuance will enable organizations across industries to accelerate their business goals with security-focused, cloud-based solutions infused with powerful, vertically optimized AI.

ARTIFICIAL INTELLIGENCE SECTOR U.S. M&A ACTIVITY

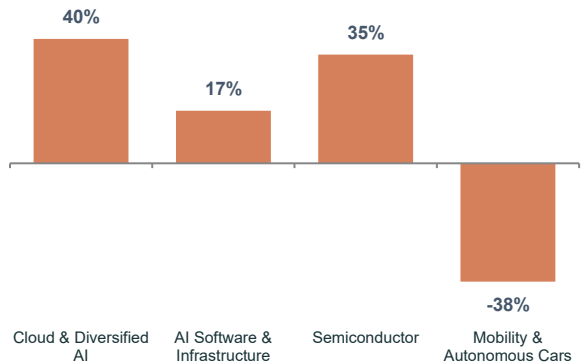


ARTIFICIAL INTELLIGENCE SECTOR PUBLIC VALUATION MULTIPLES AND METRICS

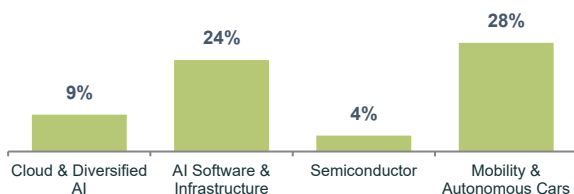
EV / Revenue FY2024E



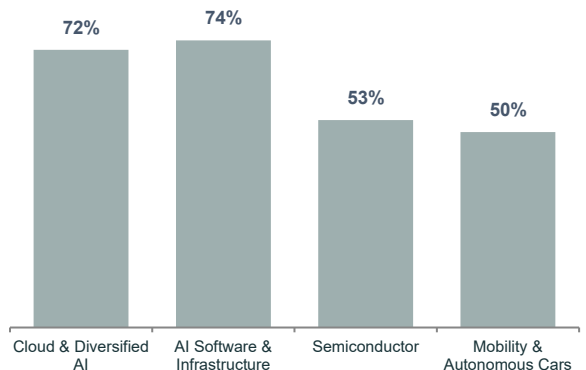
EBITDA Margin FY2024E



TTM Revenue Growth



TTM Gross Margin



SELECT ARTIFICIAL INTELLIGENCE SECTOR U.S. M&A TRANSACTIONS

Deal Date	Company	Investor(s)	Description	EV (\$ in M)	EV/Revenue	
Mar-24	One Network Enterprises	Blue Yonder	Provider of an AI powered supply chain management platform	nd	nd	
Mar-24	Zapata AI	Andretti Acquisition	Provider of industrial generative AI software solutions	nd	nd	
Mar-24	Alteryx	Clearlake Capital Group, Insight Partners	Provider of a data analytics platform with AI capabilities	\$6,561	6.8x	
Mar-24	Data.AI	Sensor Tower (Riverwood Capital)	Provider of AI powered solutions for measuring and analyzing mobile application performance	nd	nd	
Jan-24	Juniper Networks	Hewlett Packard Enterprise	Provider of networking products, services, and an AI powered native networking platform	\$14,492	2.6x	
Dec-23	Blaize	BurTech Acquisition	Provider of AI edge computing solutions, hardware, and software	nd	nd	
Dec-23	LiveVox	NICE	Provider of a contact-center-as-a-service (or CCaaS) platform with preintegrated AI capabilities	\$372	2.6x	
Dec-23	Imbio	4DMedical	Provider of AI medical imaging solutions	\$25	8.3x	
Dec-23	Ghost Robotics	LIG Nex1	Provider of legged robots powered by AI and rapid data analytics intended to be used for military and industrial applications	\$240	6.9x	
Nov-23	GamePlanner	Airbnb	Provider of AI technology, with a focus around design and community	\$200	nd	
Oct-23	Ponder	Snowflake	Provider of data science technology designed to maintain scalable, enterprise-ready, and useable machine learning and analytics tools	\$46	nd	
Oct-23	RhythmX AI	SAIGroup	Provider of an AI powered precision care platform designed for physicians	\$50	nd	
Sep-23	BlueWillow AI	LimeWire	Provider of a generative AI image-creation platform	nd	nd	
Sep-23	Roadzen	Vahanna Tech Edge Acquisition I	Provider of a next generation auto insurance platform powered by AI	nd	nd	
Sep-23	ArtsAI	Clariat (AJI Capital, Indian Hill Group, The Carlyle Group)	Provider of AI technology designed for the automation of digital marketing	nd	nd	
Aug-23	Casetext	Thomson Reuters	Provider of an AI powered legal research platform	\$650	nd	
Aug-23	Embark Trucks	Applied Intuition	Provider of self-driving trucks and related software and services	nd	nd	
Jul-23	Berkshire Grey	SoftBank Group	Provider of integrated AI and robotic solutions for e-commerce	\$345	5.2x	
Jul-23	MosaicML	Databricks	Provider of software infrastructure and artificial intelligence training algorithms designed to improve the efficiency of neural networks	\$1,300	nd	
Jun-23	Apixio	Ardan Equity, New Mountain Capital	Provider of an AI technology platform designed to transform actionable information from healthcare data	\$300	nd	
May-23	Sumo Logic	Francisco Partners	Provider of a cloud-based machine data analytics platform	\$1,398	4.7x	
May-23	Accuris	Kohlberg Kravis Roberts	Provider of engineering data and AI powered technology workflow solutions	\$975	2.0x	
May-23	Neosec	Akamai Technologies	Provider of an AI powered API security software platform	86.7x	nd	
Apr-23	iLearningEngines	Arrowroot Acquisition	Provider of an AI and automation platform that productizes institutional knowledge by transforming it into actionable IP	nd	nd	
Mar-23	GEO Semiconductor	indie Semiconductor	Provider of video processors used in automotive cameras	\$270	5.2x	
Feb-23	Velodyne Lidar	Ouster	Provider of autonomous technology intended to focus on the safety, efficiency, and sustainability of vehicles	\$395	8.8x	
Oct-22	Zymergen	Ginkgo Bioworks	Provider machine learning, big data, and AI solutions for agricultural and industrial applications	\$196	13.9x	
Oct-22	Frase	Copysmith Artificial Intelligence (Harmony Venture Labs, PSG)	Provider of SEO content optimization and AI writing solutions	nd	nd	
Jul-22	Copymatic	Next Net Media (Abacus Finance Group, Clearview Capital, Riverside Credit Solutions)	Provider of an AI-powered content writing platform	nd	nd	
Apr-22	SoundHound AI	Archimedes Tech SPAC Partners	Provider of voice AI and speech recognition solutions	nd	nd	
Mar-22	Streamlit	Snowflake	Provider of an open-source application framework designed to help data scientists and machine learning engineers build and deploy data apps	\$651	nd	
Mar-22	Linode	Akamai Technologies	Provider of cloud hosting services enabling clients to build, deploy, and scale applications easily and cost-effectively in the cloud	\$899	9.0x	
Mar-22	Nuance Communications	Microsoft	Provider of imaging and speech technologies powered by AI	\$19,284	14.4x	
Feb-22	BA Insight	Upland Software	Provider of an AI-driven technology designed to power intranets and cognitive search services	\$34	nd	
Feb-22	MonkeyLearn	Medallia (Thoma Bravo)	Provider of an AI powered no-code text analysis platform	nd	nd	
Feb-22	Quanergy Systems	CITIC Capital Acquisition	Provider of a high-performance AI powered LIDAR platform	nd	nd	
Feb-22	Safekeep	CCC Intelligent Solutions	Provider of AI-guided engagement and workflow tools	\$33	nd	
Feb-22	Trifacta	Alteryx	Provider of a data engineering cloud platform	\$400	nd	
Jan-22	Enview	Matterport	Provider of a scalable AI platform intended to enable rapid, automated classification of 3D point clouds	\$71	nd	
				Mean	\$1,266	7.8x
				Medium	\$285	7.6x

ARTIFICIAL INTELLIGENCE SECTOR PUBLIC VALUATIONS

(\$ in millions)		1-Apr-24	Enterprise	YoY Revenue	EBITDA	FY 2024E	FY 2024E	EV /	EV /
Company Name	Ticker	Share Price	Value	Growth	Margin	Revenue	EBITDA	FY 2024E Rev	FY2024E EBITDA
Cloud & Diversified AI									
Microsoft	MSFT	\$421	\$3,148,067	12%	56%	\$211,548	\$103,381	14.9x	NM
Alphabet	GOOGL	\$151	\$1,837,719	9%	38%	\$306,237	\$122,556	6.0x	15.0x
Amazon.com	AMZN	\$180	\$1,941,378	12%	19%	\$570,873	\$105,893	3.4x	18.3x
Meta Platforms	META	\$486	\$1,248,421	16%	55%	\$133,679	\$72,950	9.3x	17.1x
Oracle	ORCL	\$126	\$431,448	9%	48%	\$49,856	\$24,024	8.7x	18.0x
Adobe	ADBE	\$505	\$228,373	11%	49%	\$19,377	\$9,595	11.8x	23.8x
SAP	SAP	\$195	\$227,274	6%	29%	\$33,823	\$9,680	6.7x	23.5x
International Business Machines	IBM	\$191	\$222,573	2%	25%	\$61,778	\$14,646	3.6x	15.2x
Altair Engineering	ALTR	\$86	\$6,815	7%	21%	\$614	\$124	11.1x	NM
Mean		\$260	\$1,032,452	9%	38%	\$154,198	\$51,428	8.4x	18.7x
Median		\$191	\$431,448	9%	38%	\$61,778	\$24,024	8.7x	18.0x

AI Software & Infrastructure									
CrowdStrike	CRWD	\$321	\$75,425	36%	25%	\$3,050	\$756	24.7x	NM
Snowflake	SNOW	\$162	\$49,447	36%	6%	\$2,794	\$289	17.7x	NM
Palantir Technologies	PLTR	\$23	\$49,431	17%	30%	\$2,219	\$642	22.3x	NM
Datadog	DDOG	\$124	\$41,616	27%	23%	\$2,108	\$496	19.7x	NM
MongoDB	MDB	\$359	\$24,721	31%	15%	\$1,663	\$255	14.9x	NM
NICE	NICE	\$260	\$16,620	9%	32%	\$2,402	\$817	6.9x	20.3x
Dynatrace	DT	\$46	\$13,097	24%	27%	\$1,425	\$406	9.2x	NM
UiPath	PATH	\$23	\$10,970	24%	20%	\$1,287	\$217	8.5x	NM
OpenText	OTEX	\$39	\$18,342	61%	33%	\$4,518	\$1,499	4.1x	12.2x
Elastic	ESTC	\$100	\$9,765	18%	13%	\$1,067	\$58	9.2x	NM
Informatica	INFA	\$35	\$10,995	6%	30%	\$1,582	\$457	6.9x	24.0x
Confluent	CFLT	\$31	\$8,391	33%	(1%)	\$769	(\$59)	10.9x	NM
SentinelOne	S	\$23	\$5,972	47%	(19%)	\$617	(\$106)	9.7x	NM
Pegasystems	PEGA	\$65	\$5,647	9%	20%	\$1,372	\$213	4.1x	26.5x
Teradata	TDC	\$39	\$4,114	2%	21%	\$1,832	\$438	2.2x	9.4x
Darktrace	DARK	\$6	\$3,299	27%	29%	\$545	\$120	6.1x	27.5x
C3.ai	AI	\$27	\$2,444	11%	(30%)	\$266	(\$66)	9.2x	NM
Appian	APPN	\$40	\$3,039	17%	(8%)	\$541	(\$59)	5.6x	NM
Veritone	VERI	\$5	\$259	(15%)	(31%)	\$127	\$3	2.0x	NM
Mean		\$91	\$18,610	22%	12%	\$1,589	\$336	10.2x	20.0x
Median		\$39	\$10,970	24%	20%	\$1,425	\$255	9.2x	22.2x

Semiconductor									
Nvidia	NVDA	\$904	\$2,238,551	126%	62%	\$59,307	\$35,351	37.7x	NM
Taiwan Semiconductor	TAI: 2330	\$24	\$609,025	4%	68%	\$68,191	\$45,897	8.9x	13.3x
Broadcom	AVGO	\$1,325	\$642,578	13%	64%	\$35,814	\$22,937	17.9x	28.0x
ASML Holding	ASML	\$965	\$377,537	30%	36%	\$29,207	\$10,243	12.9x	NM
Advanced Micro Devices	AMD	\$180	\$290,526	(4%)	24%	\$22,669	\$6,574	12.8x	NM
Qualcomm	QCOM	\$169	\$193,889	(16%)	35%	\$35,694	\$12,455	5.4x	15.6x
Intel	INTC	\$44	\$210,288	(14%)	24%	\$53,986	\$13,000	3.9x	16.2x
ARM	ARM	\$125	\$127,394	NA	37%	\$3,177	\$1,390	40.1x	NM
Micron Technology	MU	\$118	\$134,811	(21%)	26%	\$15,479	\$2,834	8.7x	NM
Synopsys	SNPS	\$572	\$88,127	19%	37%	\$5,827	\$2,181	15.1x	NM
Marvell International	MRVL	\$71	\$64,499	(7%)	31%	\$5,502	\$1,565	11.7x	NM
indie Semiconductor	INDI	\$7	\$1,051	101%	(20%)	\$226	(\$20)	4.7x	NM
Mean		\$375	\$414,856	21%	35%	\$27,923	\$12,867	15.0x	18.3x
Median		\$147	\$202,088	4%	35%	\$25,938	\$8,409	12.3x	15.9x

Mobility & Autonomous Cars									
Mobileye	MBLY	\$32	\$24,669	11%	38%	\$2,080	\$724	11.9x	NM
Aurora	AUR	\$3	\$2,664	NA	NA	\$0	(\$673)	NM	NM
Luminar	LAZR	\$2	\$1,138	71%	(411%)	\$75	(\$286)	15.2x	NM
Cerence	CRNC	\$16	\$853	10%	26%	\$288	\$37	3.0x	23.0x
Smart Eye	SEYE	\$8	\$259	28%	(61%)	\$29	(\$11)	9.0x	NM
Innoviz Technologies	INVZ	\$1	\$86	246%	(491%)	\$17	(\$106)	5.0x	NM
Mean		\$10	\$4,945	73%	-180%	\$415	(\$52)	8.8x	23.0x
Median		\$5	\$995	28%	-61%	\$52	(\$58)	9.0x	23.0x

TECHNOLOGY PRACTICE OVERVIEW

Meridian Capital Sector Coverage

- AI, Data, & Business Analytics
- Digital Commerce
- Payments
- Cloud Technology Solutions
- Enterprise Solutions
- Fintech
- Infrastructure & Ops Software
- Healthtech / Healthcare IT
- IT Infrastructure
- Software
- SaaS – Vertical
- SaaS – Horizontal

Meridian Capital by the Numbers

275+ transactions completed

\$10B+ total transaction value

8 industry practice groups

30 countries via Global M&A Partners

Meridian Capital has served as a trusted advisor to business owners on complex merger and acquisition (M&A), corporate finance, and strategic challenges for over 25 years.

The firm differentiates itself through its deep industry insights, highly customized transaction approach, and end-to-end commitment to execution.

Meridian also offers clients unparalleled cross-border capabilities through its Global M&A Partners network.

Our Services

Sell-side Process

Strategic Sales
Minority Sales
Subsidiary Divestitures

Recapitalization

Mergers
Growth Equity
Shareholder Liquidity
Management Buyouts

Buy-side Process

Targeted Buy-side Execution
Add-on Acquisitions
Vertical and Horizontal Acquisitions

Strategic Advisory

Exit Strategy Assessment
Exit Planning and Preparations
Corporate Financing Consulting

Helping **middle market business** owners with their M&A and corporate finance goals **since 1995.**

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Growth Capital
Strategic Advisory



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High-Touch Approach
Multidisciplinary Deal Team
End-to-End Services

A leading independent middle market investment bank and M&A advisory firm, which has served as a trusted advisor to business owners on complex corporate finance, M&A, and strategic challenges for over 29 years. The firm differentiates itself through its deep industry insights, highly customized service approach, and end-to-end commitment to execution.

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