

CASE STUDY

# yipitDATA x NORWEST

**2019**

INVESTMENT YEAR

**~10X**

SHAREHOLDER VALUE CREATION

**2021**

INITIAL EXIT / RECAP YEAR

**Data/Information Services**

INDUSTRY



When Norwest says “invited guest” they mean it. Always above and beyond, but never intrusive, the Norwest team gives us guidance and thought partnership at every step. Huge value-add!”

**Vin Vacanti**

CO-FOUNDER AND CEO

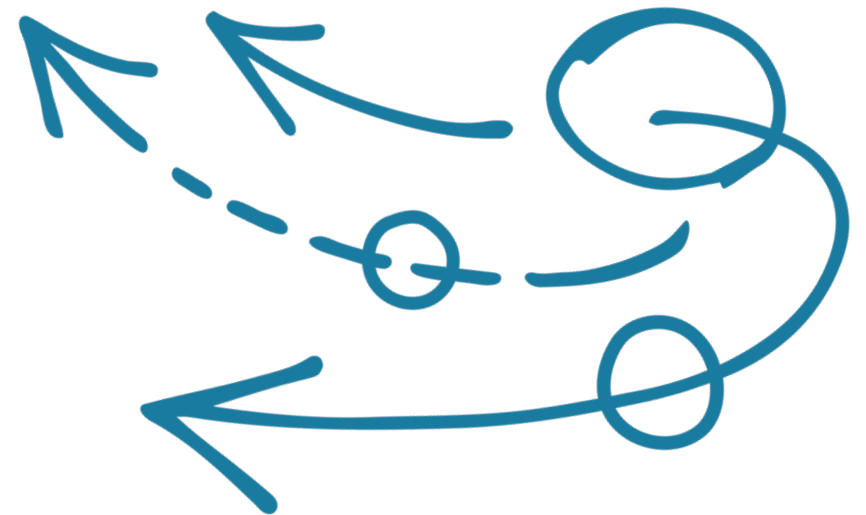
# Background

YipitData is the **leader in providing Alternative Data solutions**. YipitData uses **proprietary sources and methodologies** to analyze billions of data points to provide accurate, timely insights on 1,000+ companies.

The company was **founded in 2013** and raised venture capital at inception. By 2019, the business model had pivoted to data/information services and the existing investors (who didn't have deep experience in the new market) were open to liquidity.

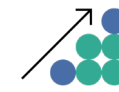
**YipitData's founders were seeking a value-added investor** who could not only provide liquidity to their investors but also **drive value** in their core market of data/information services.

**YipitData spoke with a number of investment firms and ultimately selected Norwest** due to our "Invited Guest" approach, track record of success in data/information services, and our breadth of resources to support their business across multiple facets.



# Select Value-Add Over 2.5 Years

yipitDATA x NORWEST



## INTERNAL

### BOARD

Brought on seasoned GTM executive, David Garcia, to drive accelerated S&M execution

### PRODUCT

Added financial rigor to product development; introduced frameworks that helped quantify ROI around new product investments as well as steady state profitability of individual ticker products

### COST OPTIMIZATION

Identified gross margin optimization opportunities during diligence that led to 10% margin improvement post close

### S&M OPTIMIZATION

Provided introductions and strategic guidance around increased rep activity and pricing; leading to 16% increase in gross retention and 25% increase in net retention

### IPO PREP

Norwest portfolio services team supported the company's IPO aspirations with preparation work, including information sharing and education; will continue to assist moving forward on this front



## EXTERNAL

### CAPITAL MARKETS

Norwest actively led debt financing process which allowed company to tap into cheaper cost of capital for growth; introduced company to Carlyle who ultimately led recap

### M&A / DATA PARTNERSHIPS

Actively evaluated 15-20 M&A opportunities and closing on 1 transformative acquisition in Edison (\$100M+ EV); 5-10 data partnership introductions made

### RECRUITING

Actively involved in recruiting & interviewing of key new management team members (CFO, GC, VP Corporate, VP Marketing, VP Customer Success); provided strategic guidance & benchmarking

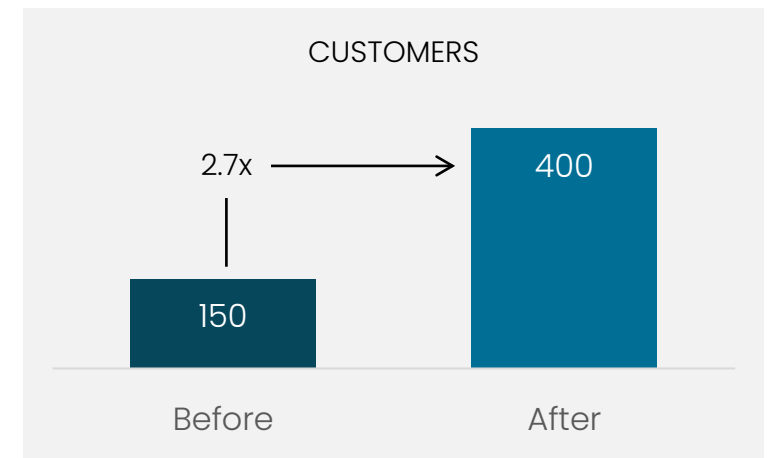
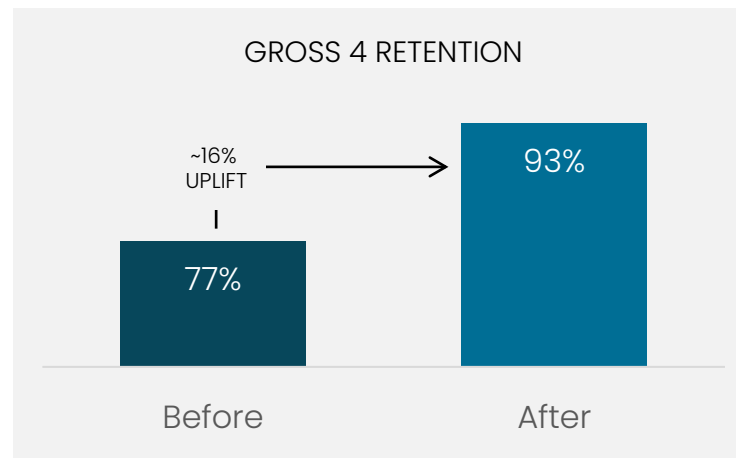
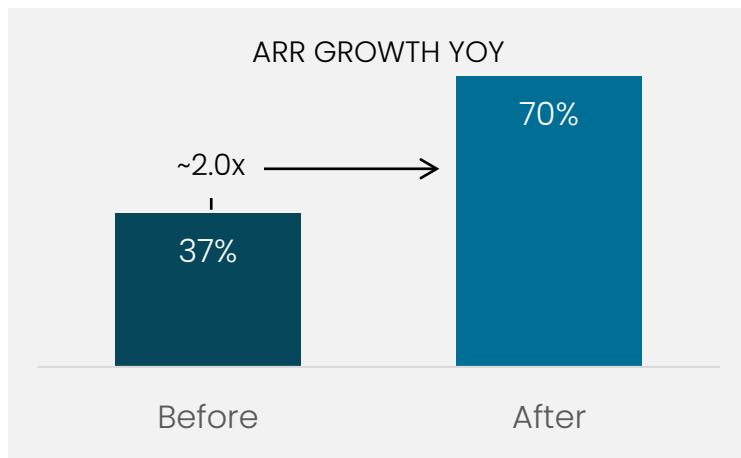
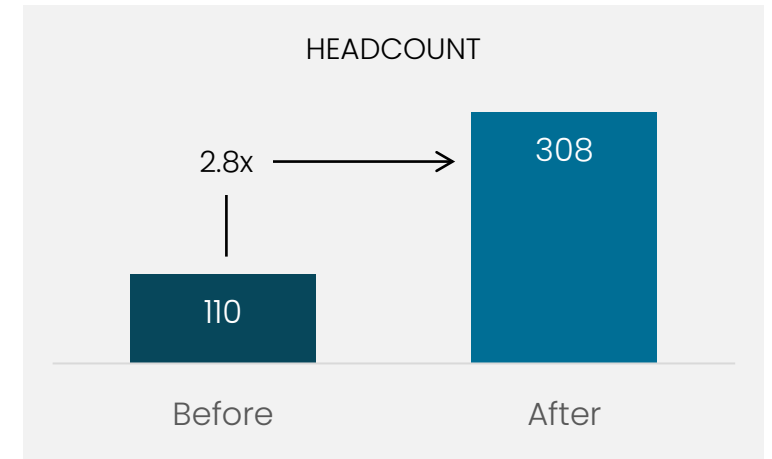
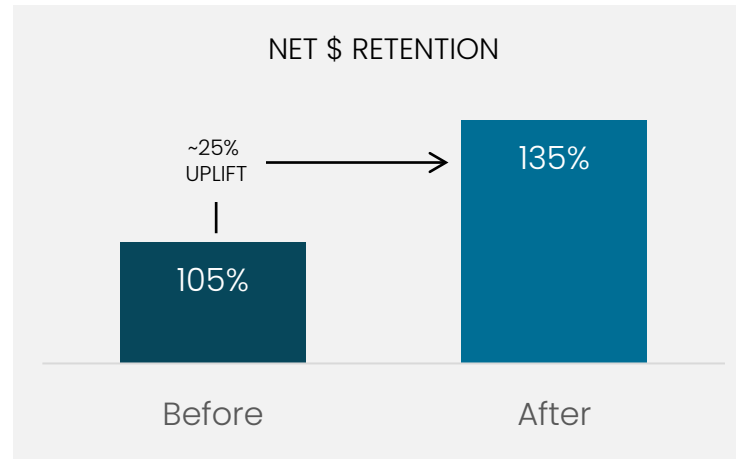
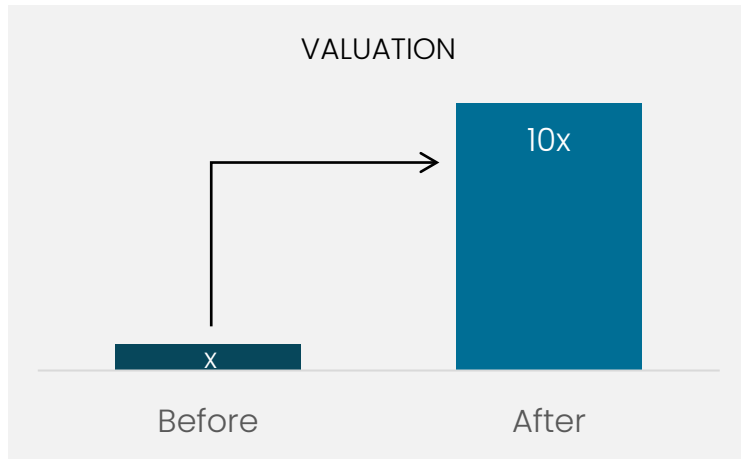
### TAM / INTERNATIONAL EXPANSION

Guided company's expansion into corporate markets, dramatically increasing market opportunity; supported evaluation of move to China, including legal/tax implications and M&A evaluation

### PORTFOLIO AND CUSTOMER INTROS

Made numerous introductions across Norwest portfolio and external company network as potential data partners, prospects, and prospective coverage targets (e.g., IPO candidates)

# Select Outcomes After 2.5 Years



# Spotlight: M&A

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## SOURCING

- Norwest spoke with 15–20 potential acquisition targets during initial investment period, with primary emphasis on: (1) increasing ownership of proprietary data; (2) expanding market share
- Our proprietary sourcing engine allowed us to connect with numerous “hard to reach” companies, many of which became relevant revenue/data partnership opportunities
- Norwest had relationships with Edison CEO as well as existing investors, which aided in nurturing conversations to “deal” phase

## EXECUTION AND DUE DILIGENCE

- Norwest worked closely with the management team to build an investment case model and hammer out deal structure
- Deal team extended resources and network to conduct deep due diligence on acquisition target on a compressed and competitive timeline
- In parallel with M&A discussions, Norwest facilitated acquisition by running “point” on lender conversations to originate lowest cost of capital and maximum operating flexibility

## OUTCOME AND POST-CLOSE

- In partnership with YipitData, Norwest consummated the transformative acquisition of Edison, one of two proprietary data sources of email receipt data
- Within 3 months of the acquisition announcement, Edison’s competitor and only other independent proprietary data provider was acquired by another strategic buyer
- In addition to being financially accretive, YipitData’s acquisition of Edison was strategically crucial to de-risking their external vendor reliance



# Outcomes

In 2021 (2.5 years after Norwest’s investment), YipitData announced a \$475M investment by The Carlyle Group.

Norwest sold a partial stake in YipitData but we remain meaningful minority shareholders and board members.

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### Investors

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