

**THE TINY COMPANY
LEADING THE 5,000%**

BIG DATA

RESEARCH/REC
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MEGA-TREND

**COURTESY OF
THE PROFIT ALERT**



Ian King is a former hedge fund manager with over two decades of experience trading and analyzing the financial markets. His market insights have been featured on *Fox Business News*, *Investopedia*, and *Seeking Alpha*. Ian's newsletter service, *Strategic Fortunes*, identifies trends or massive developments that are set to trigger a technological revolution.

market as the market's next multibillion-dollar industry, which means it'd grow an astronomical 5,000% from 2017 to 2027.

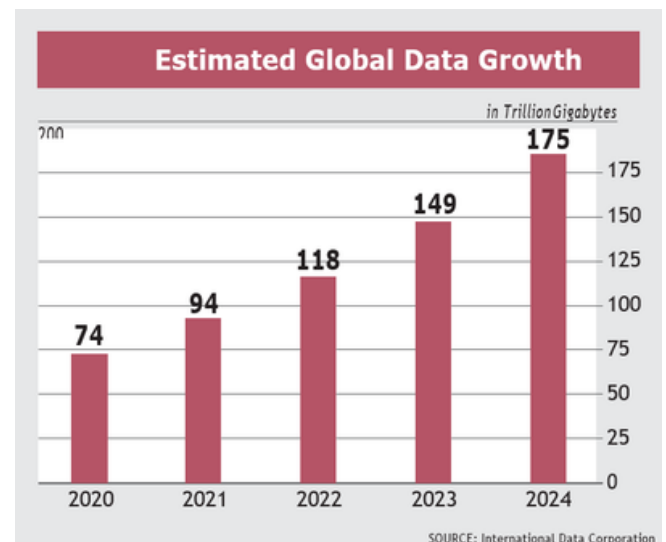
And there's no better time to invest in this trend than now.

More Data... More Money

When you consider that over 334 million new devices (such as smartphones, tablets) are connecting to the internet every month, it's not surprising to find out that 90% of all data recorded in human history has been generated in the last two years.

As you can see [below], the amount of data is expected to soar in the next five years...

In fact, in 2020, the world's data output was estimated to be 74 trillion gigabytes.



Big Data is a collection of information that a company(or app or individual) generates that needs to be analyzed and processed.

Data comes from a lot of different places. These range from social media posts to financial records down to its internal emails and audio and video files.

When used correctly, Big Data enhances a company's productivity and the quality of its products and services. Fully processed Big Data can also help a business understand market conditions by analyzing consumers' shopping habits, allowing the company to find out which products are top sellers and which are flops.

According to Markets and Markets, the revenue from the worldwide Big Data market is set to hit \$229 billion by 2025. Compared to 2020's \$139 billion estimate, that's over 10% growth every year.

What's more, even low-end estimates from industry insiders put the Big Data analytics

Until now, there's been a big problem with all this new data: The majority of it is crude and unrefined. In reality, roughly 80% of it is currently worthless.

This crude data, sitting on servers, is like having billions of barrels of crude oil just sitting around. It's useless until it's refined by analytics into what I call "digital gasoline" – information that can actually be used to generate big profits.

At *Strategic Fortunes*, we see Big Data as a tipping-point trend: It's a trend that's been building for decades and has now reached critical mass. In the next decade, Big Data will help us make decisions about everything in our lives... from the movies we watch to the food we buy to the route our self-driving vehicles take to work.

Big Data and its use with artificial intelligence could someday even be used to predict the places and blocks of time crime is likely to happen. Digitized medical records could improve doctors' diagnoses and even lead to decreased health spending by as much as 12% to 17%.

As you can see, Big Data isn't just about finding something to watch on Netflix – it's about saving lives and resources. However, to get to this point, Big Data has to be usable...

Now, remember, 80% of this new data is useless at the moment. But a new class of tech company is emerging to handle this mountain of crude data.

We call these data-converting companies "data refineries," and they're going to make a killing.

These companies will take a jumble of crude data like this...

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And refine it into "digital gasoline" like this:

[71% of male customers over the age of 65 prefer paper books to e-books and are willing to pay a 36% premium for it]

The analysis of all this data presents a tremendous opportunity for investors. You see, the field of Big Data analysis is expected to grow over 18,000% in the coming years.

Data is "digital oil." It's the fuel that the entire digital economy needs to function, and the need for data refiners is nearly infinite. As a result, Amazon, Alphabet and Microsoft have already spent \$32 billion to develop their data-refining power.

The bottom line is that these companies stand to make a fortune on Big Data. And by investing in the tech innovators that make data refining possible, we can make a fortune too.

The company that can transform ALL of this data into useful information stands to become one of the most valuable firms in the world... just as Exxon, Shell, and BP became global behemoths by refining crude oil into gasoline.

It's positioned to catapult to the top of the Fortune 500 list by refining data into digital gasoline.

It's harnessing the power of all the newfound data being generated by our smartphones and computers— and soon, with 5G, all the other breakthrough devices and technologies that will become part of our daily lives.

Which is why now is the perfect time to jump in...

The No. 1 Data-Analysis Company at the Forefront of 5,000% Growth

Founded in 2003 in San Francisco, **Splunk (Nasdaq: SPLK)** cracked the code to data refining. It pioneered systems to analyze data that comes from websites, apps, servers, networks and smartphones.

Splunk figured out a way to take all these trillions of gigabytes of crude data we've collected over the last few years ... and the heaps of data we will be collecting in the future ... and turn it into digital gasoline.

Basically, information comes in like unprocessed crude oil, and Splunk's software helps companies refine it into "operational intelligence."

This lets companies monitor and analyze data in real time.

It gives them a complete record of all user transactions, customer habits, machine behavior, security threats and fraudulent activity.

These are usable insights that help companies grow and run more efficiently.

Over the past 17 years, Splunk has perfected its software to make sure it analyzes data from a multitude of sources efficiently and quickly. And this software will be even more vital for growing businesses in the future, as every new machine creates more and more data.

Data that once took weeks to analyze can now be understood in minutes using easy-to-understand visuals such as bar charts, pie charts and the like.

In fact, it's already known as the "Google for IT data." It dominates the global market for IT Operations and Analytics with 41.8% market share. This sector alone is set to grow to \$4.5 billion from \$3.66 billion by 2023. That means if Splunk holds on to its market share, its ITOA revenue could grow \$400 million over the next two years.

And here's something you will really like. Splunk basically owns the data-refining field. In 2020, it secured its 600th patent. In other words, it has a near monopoly over the 5,000% growth that's coming.

Splunk's X-Factor

When I look to recommend a stock in Strategic Fortunes, I also look for a line of business for the company that the market isn't pricing in. I call this its X-factor.

And Splunk's software has an extra bonus built in... It uses machine-learning tech, which is the cornerstone of artificial intelligence. As its system finds and fixes new problems, it gets smarter and better able to handle these problems on its own.

That means Splunk's software will continue to get better with more data, identifying the causes for system failure more quickly and predict the likelihood of a future system failure before it even happens.

So not only is Splunk's software the key to massive, wide-market growth, but its dominant position means it'll stay the Big Data industry's leader.

Winning Management Leads to Profits

If you want to dominate the business of refining Big Data, you need more than a great product. You also need the leadership to show customers how your service is indispensable.

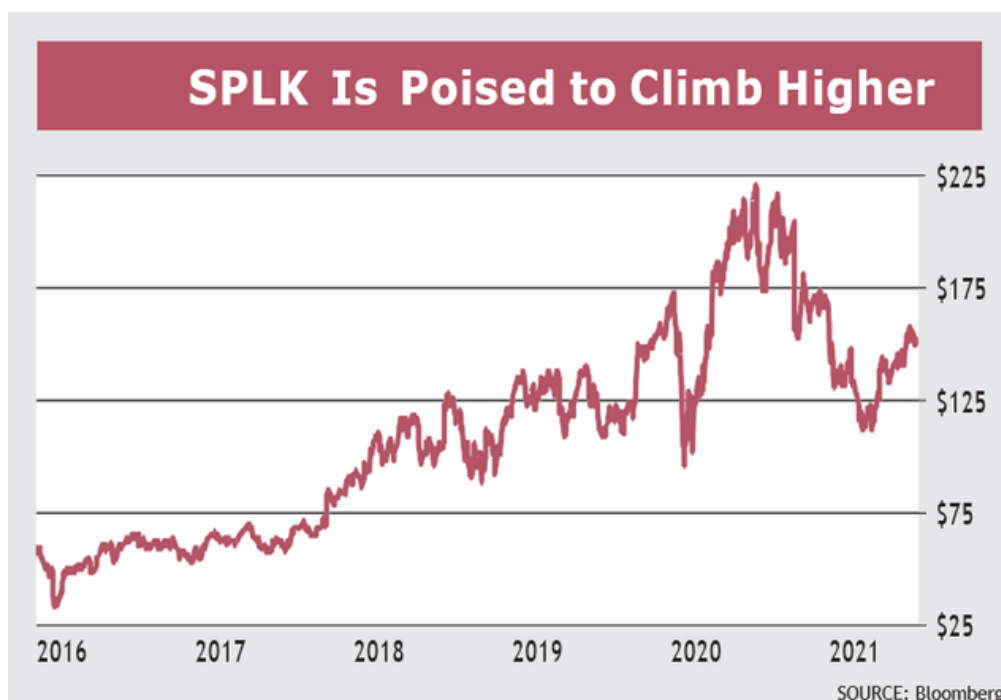
This team draws on experiences from Cisco, Dell, Apple, Autodesk, Morgan Stanley and Sun Microsystems.

And that's exactly what Splunk has done in the past few years. It's built a massive customer base, skyrocketing fivefold from around 3,700 companies when it went public in 2012 to more than 15,000 today.

Moreover, the customer base includes over 90 of the Fortune 100 companies. These are massive organizations with the resources to increase spending with the growth of their data sources. It boasts household names such as Coca-Cola, Comcast, Groupon and Nordstrom. Even the data giants— Amazon, Google and Microsoft— shell out millions of dollars to use its software.

What's amazing is that most companies' growth slows down as they get bigger ... but Splunk's growth is actually accelerating.

Wall Street has fallen in love with Splunk. As an investment analyst from InvestorPlace commented: "Its numbers are truly mind-blowing." Another said it's "a cutting-edge firm in the field of machine data."



Splunk is elevating expenses to achieve the most growth possible as it transitions its customers to the cloud. Management knows how big this industry will be in a few years, and they are ramping up spending on research and headcount to become the dominant player.

That's because digital refining is extremely profitable, and whichever company owns the lion's share of this industry stands to rake in huge profits in future years.

Consider this: Gross profit margin on license revenue registers at 99%. For cloud services and maintenance segments, Splunk registers 55% and 51% gross margin, respectively. This puts Splunk's overall gross margin at 70%, 12% higher than the 63% software industry average.

With sky-high profit margins and a rapidly growing data analytics industry, it's no wonder the company is spending as much as possible on customer acquisitions. The goal is to grow very fast now and collect profits later.

Projections show the company on track to grow the bottom line by 74% annually through 2025.

Yet Splunk is only valued at a conservative 10x revenue. This is a small fraction of the valuation of top software companies, such as Datadog (58x revenue) and Snowflake (114x revenue).

In *Strategic Fortunes*, we like to buy high and sell higher, preferring to find strong stocks at tipping-point moments and ride them to new heights.

Since 2016, Splunk has been one of the strongest stocks you can find, rising 280% to an all-time high of \$225 in 2020.

But this is only the beginning. As data continues to explode, Splunk will lead the Big Data analytics industry. It's set to blossom into a \$400 billion industry.

For this reason, I believe the stock is poised to gain 50% in the next year and converge toward the valuation of other top software companies.

Action to take: Buy Splunk (Nasdaq: SPLK) at the market.

MONTE'S TAKE

Ian's Big Data reco is already proving to be a rocket... SPLK has gained 12% since his call, with more to come.

If you like Ian's viewpoint and clear thinking as much as we do...

Consider joining his *Strategic Fortunes* newsletter.

I've arranged a 75% discount for my readers. **[Just click here to claim it.](#)**