

7 Mile Advisors



Sectorwatch: Supply Chain Tech & Software

July 2021



Supply Chain Tech & Software

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Overview

7MA provides Investment Banking & Advisory Services to the Business Services and Technology Industries globally.

We advise on M&A and private capital transactions and provide market assessments and benchmarking. As a close-knit team with a long history together and a laser focus on our target markets, we help our clients sell their companies, raise capital, grow through acquisitions, and evaluate new markets.

We publish our sectorwatch, a review of M&A and operational trends in the industries we focus.

DASHBOARD

- Summary metrics on the sector
- Commentary on market momentum by comparing the most recent 12-month performance against the last 3-year averages.

PUBLIC BASKET PERFORMANCE

- Summary valuation and operating metrics for a basket of comparable public companies.

VALUATION COMPARISON

- Graphical, detailed comparison of valuation multiples for the public basket.

RECENT DEALS

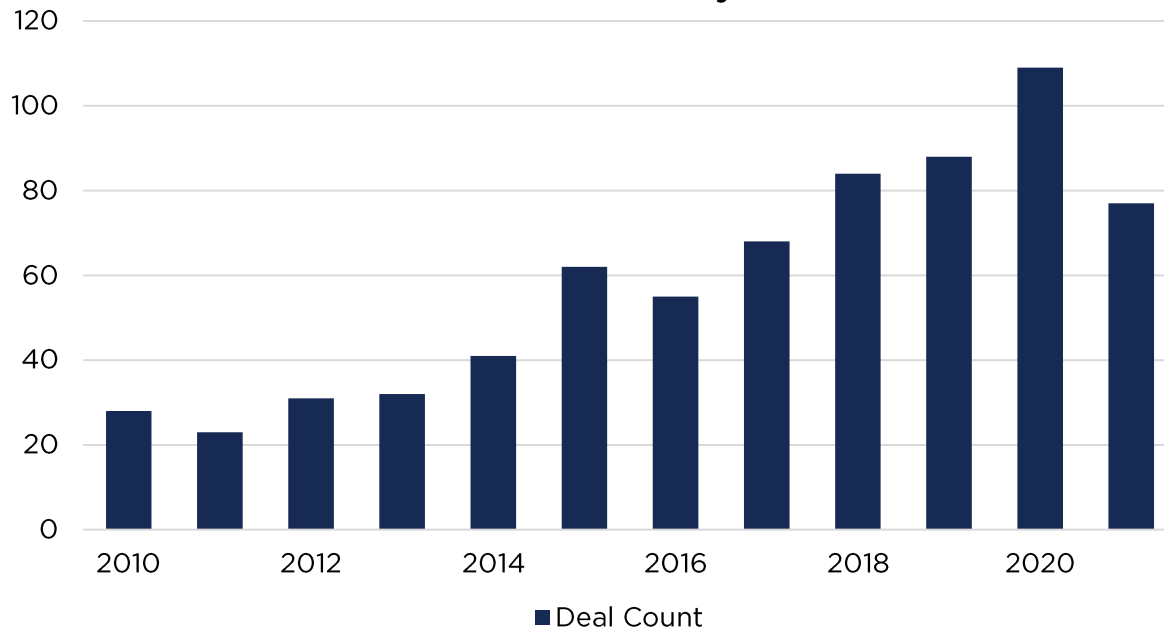
- The most recently announced deals in the sector

Dashboard

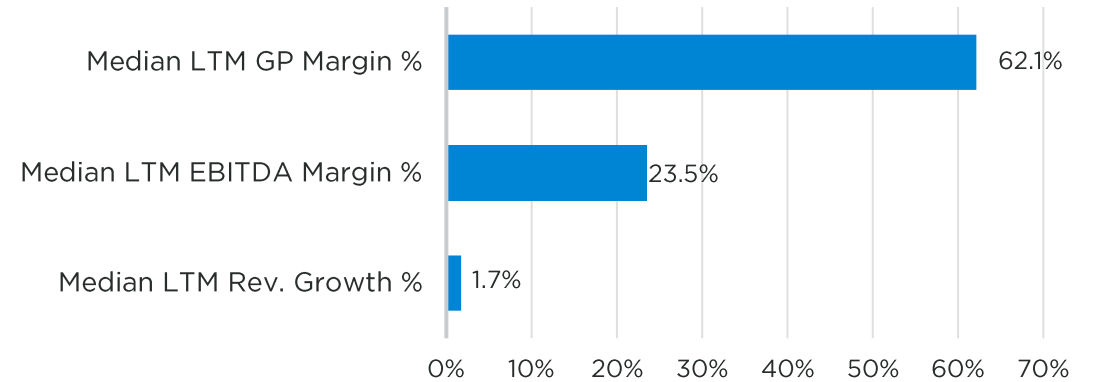
REVENUE GROWTH MOMENTUM ↓ -1.2%

1 - year revenue growth compared to revenue growth average for last 3 years - Current revenue growth rate is less than the average of the last 3 years, indicating that the market may be flattening or declining

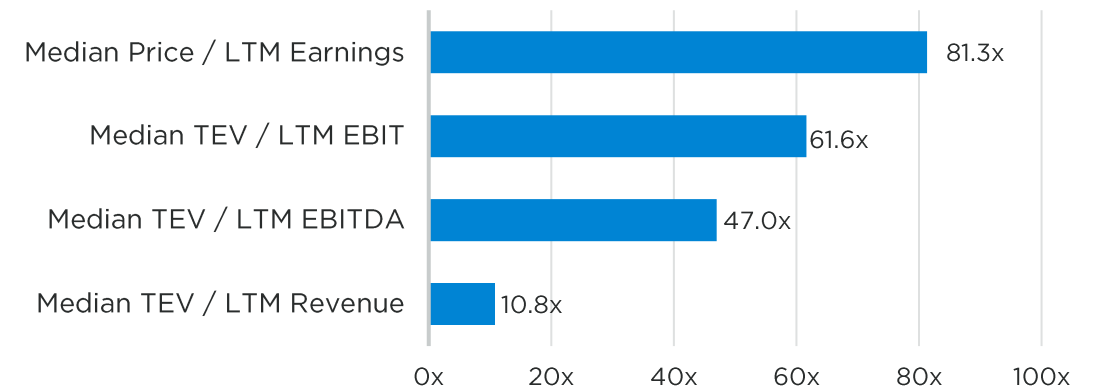
M&A Activity



Operating Metrics



Valuation



Public Basket Overview

Supply Chain Tech & Software

United States



Canada



Finland



Germany

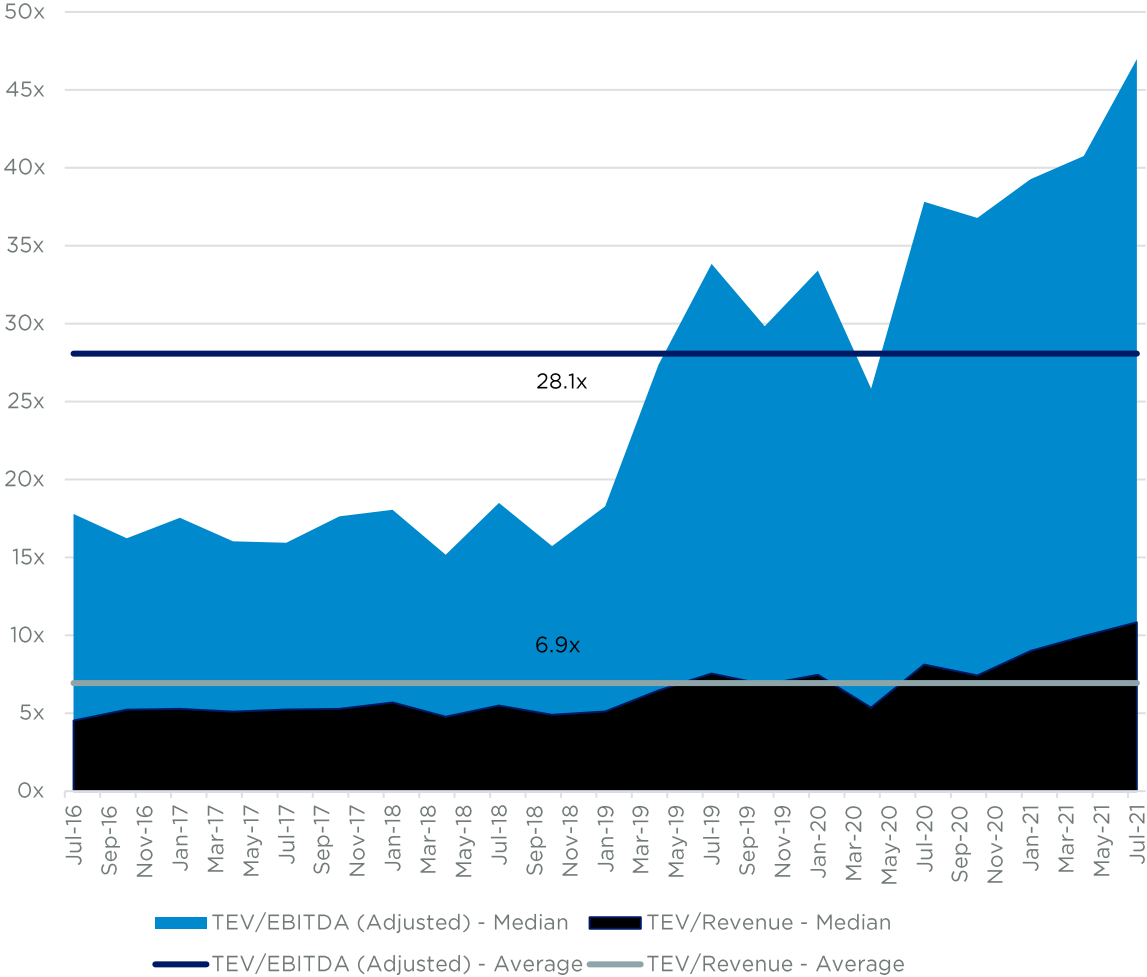


Public Basket

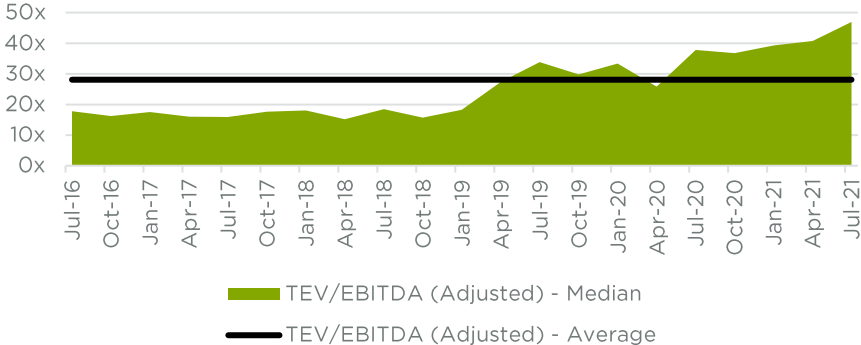
Company	TEV \$m	LTM EBITDA \$m	LTM Rev \$m	Rev Growth YoY	GP %	EBITDA %	TEV / Rev X	TEV / EBITDA X	# FTEs	Rev / FTE \$k
Oracle	283,235	20,715	40,479	3.6%	80.6%	51.2%	7.0x	13.7x	135,000	300
SAP	173,679	12,197	32,295	-3.6%	71.9%	37.8%	5.4x	14.2x	101,379	319
Manhattan Associates	9,318	160	589	-5.5%	54.3%	27.1%	15.8x	58.4x	3,500	168
Coupa	17,542	14	589	37.8%	56.1%	2.4%	29.8x	1,237.0x	1,693	348
Descartes Systems Group	5,894	97	364	9.7%	74.7%	26.6%	16.2x	60.9x	1,500	243
Kinaxis	3,358	47	229	15.4%	67.4%	20.4%	14.7x	71.9x	662	346
Basware	686	31	181	-0.1%	56.9%	17.2%	3.8x	22.1x	1,323	137
American Software	590	17	111	-3.5%	54.7%	14.9%	5.3x	35.5x	437	255
Average	61,788	4,160	9,355	6.7%	64.6%	24.7%	12.2x	189.2x	30,687	264
Median	7,606	72	477	1.7%	62.1%	23.5%	10.8x	47.0x	1,597	277

share price as of 26Jul21

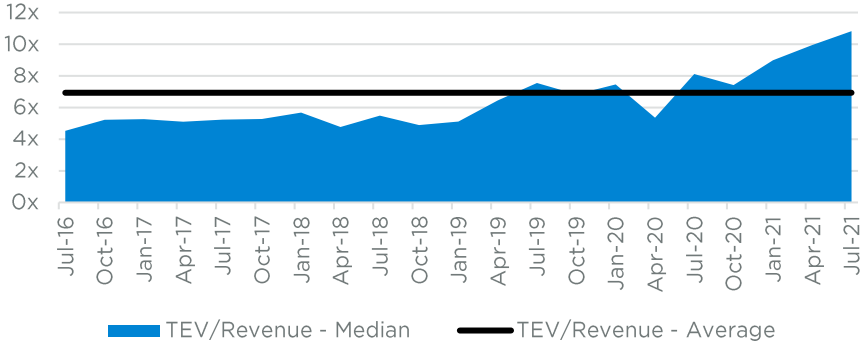
Public Basket



Public EBITDA Multiples over Time

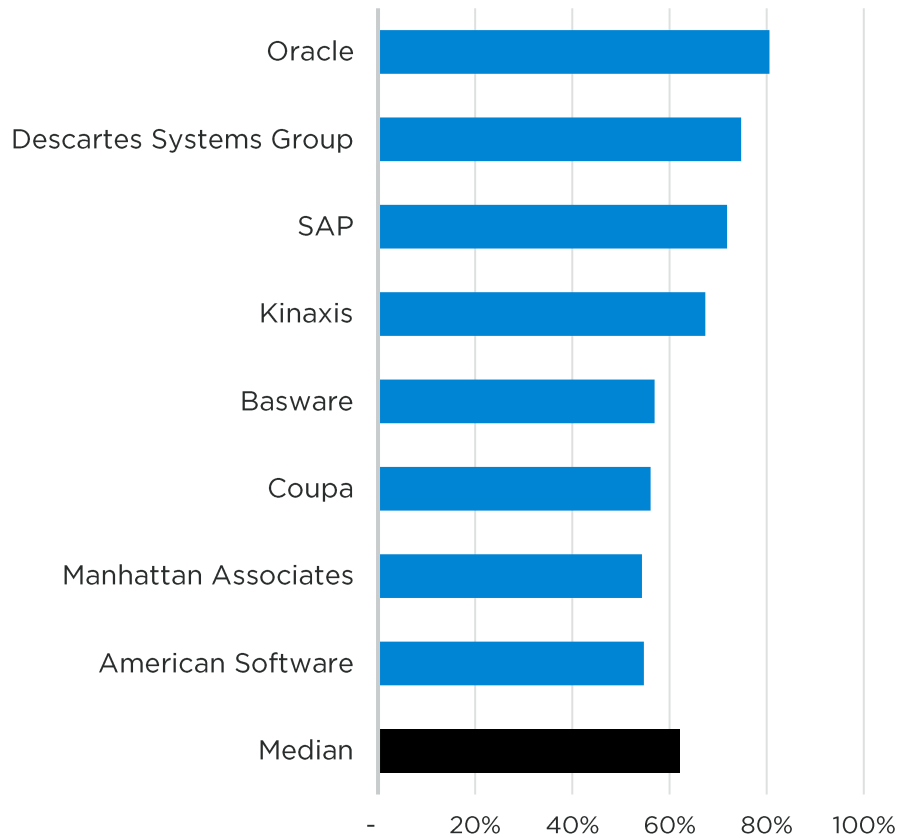


Public Revenue Multiples over Time

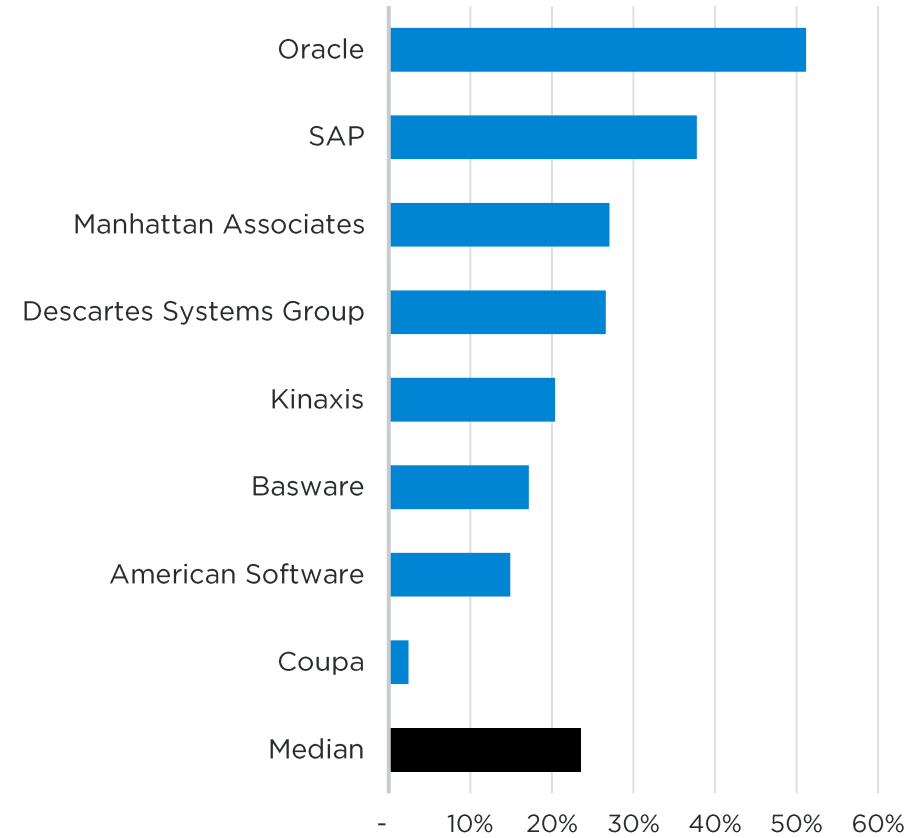


Operational Metrics

LTM Gross Profit Margin %

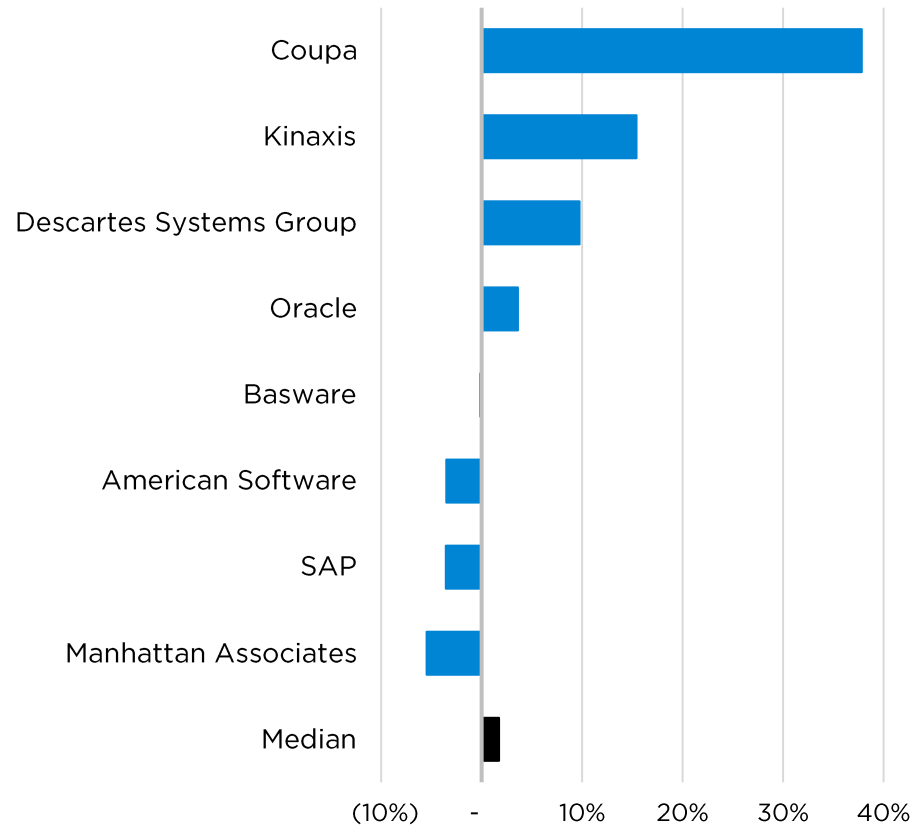


LTM EBITDA %

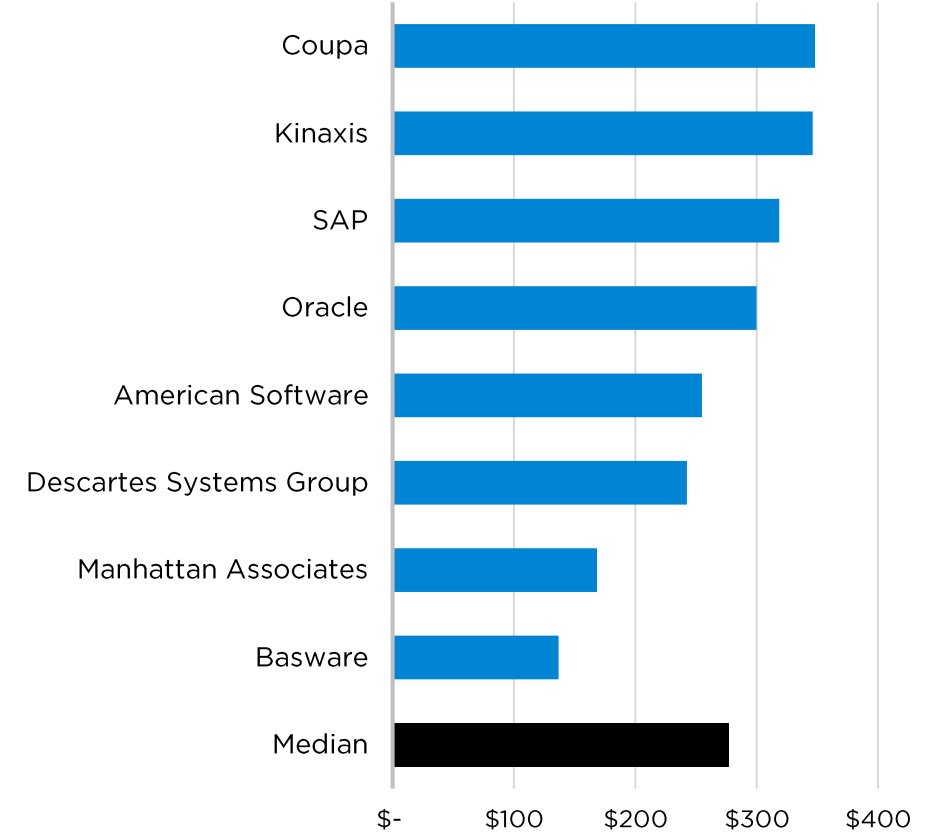


Operational Metrics

LTM Revenue Growth %

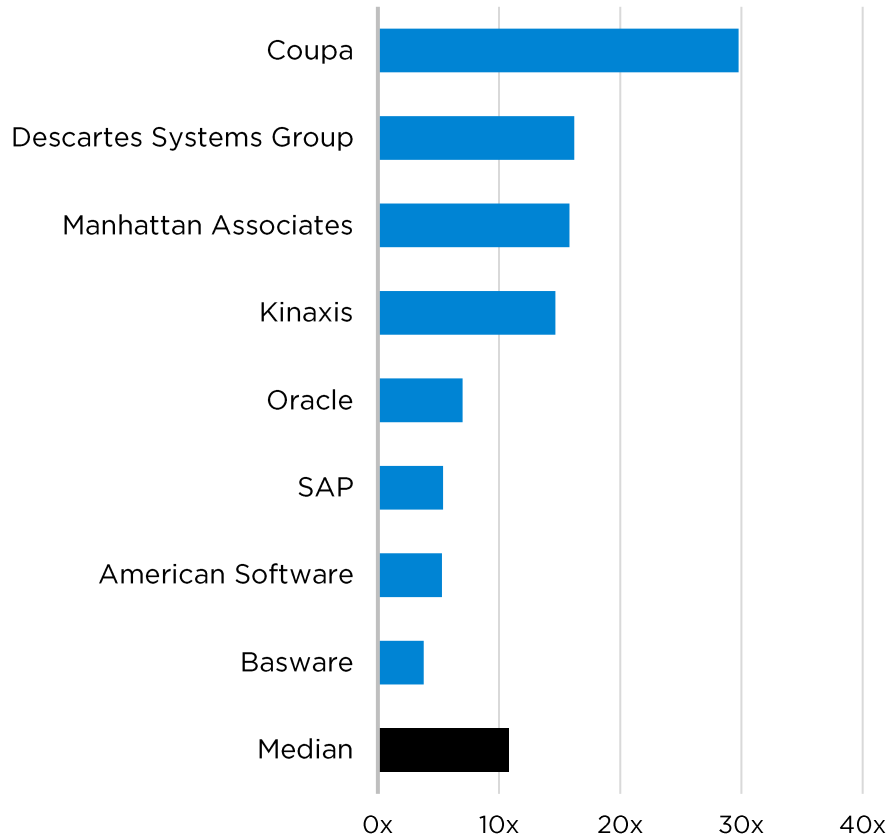


LTM Revenue per Full Time Employee x 000's

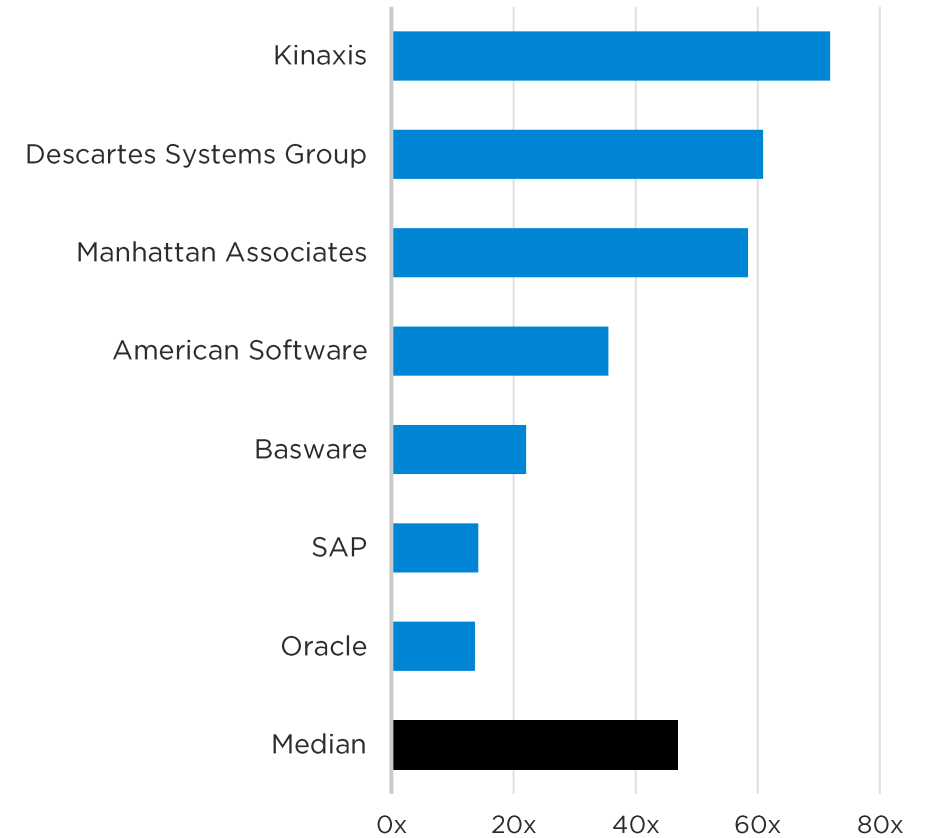


Valuation

TEV / LTM Revenue

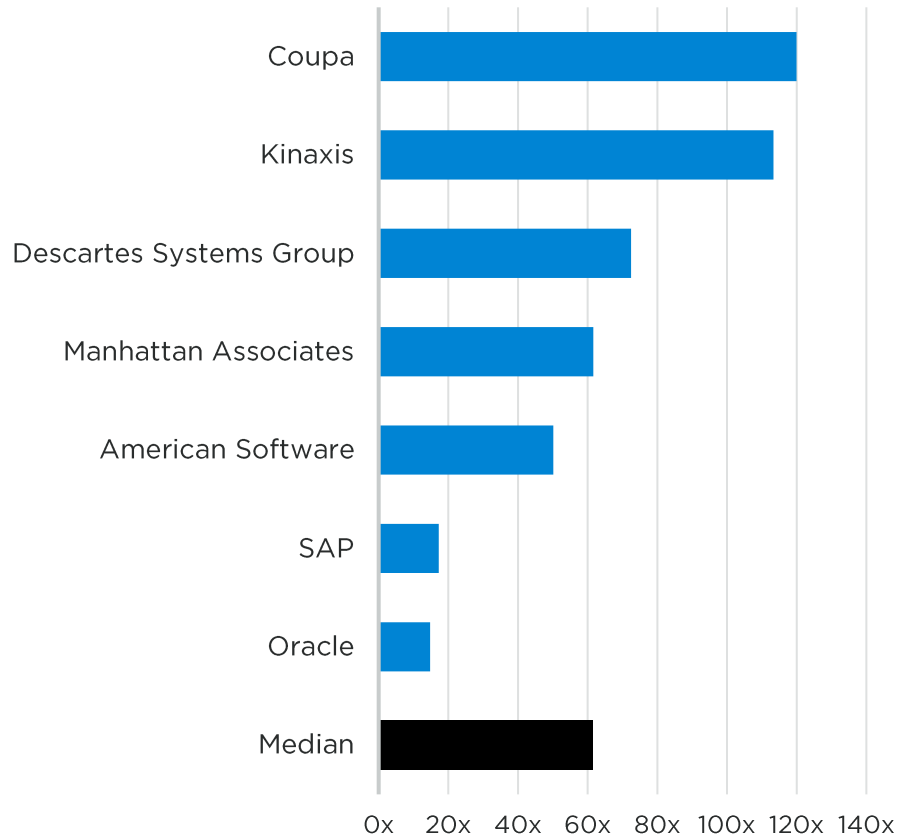


TEV / LTM EBITDA

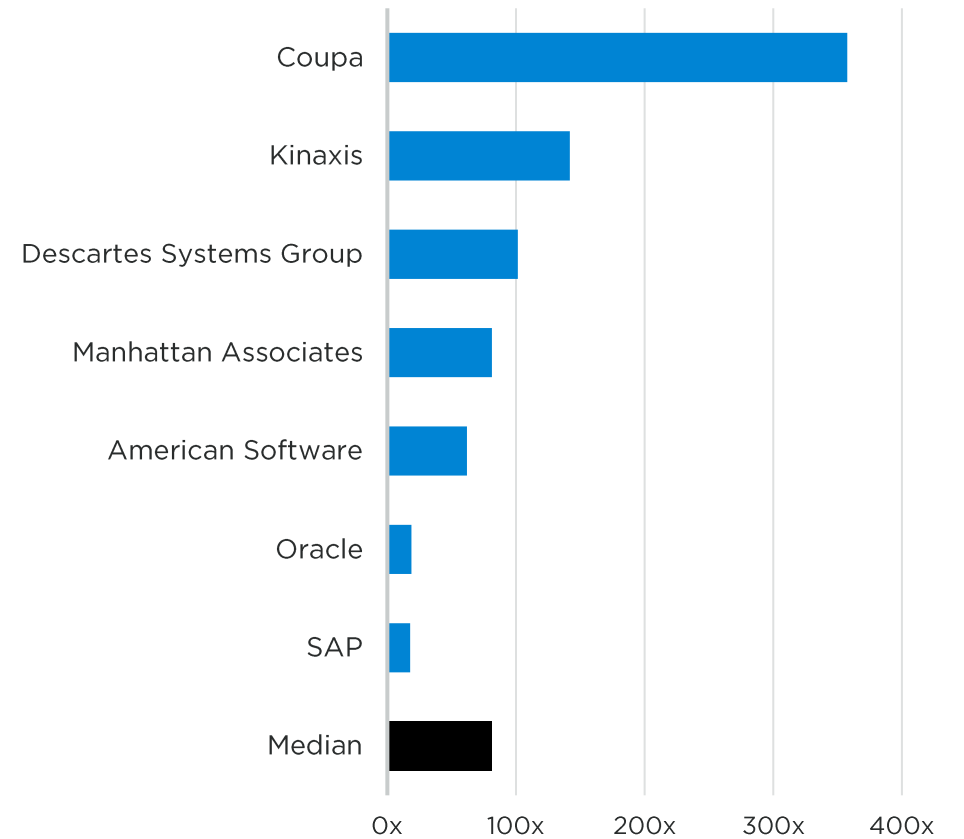


Valuation

TEV / LTM EBIT

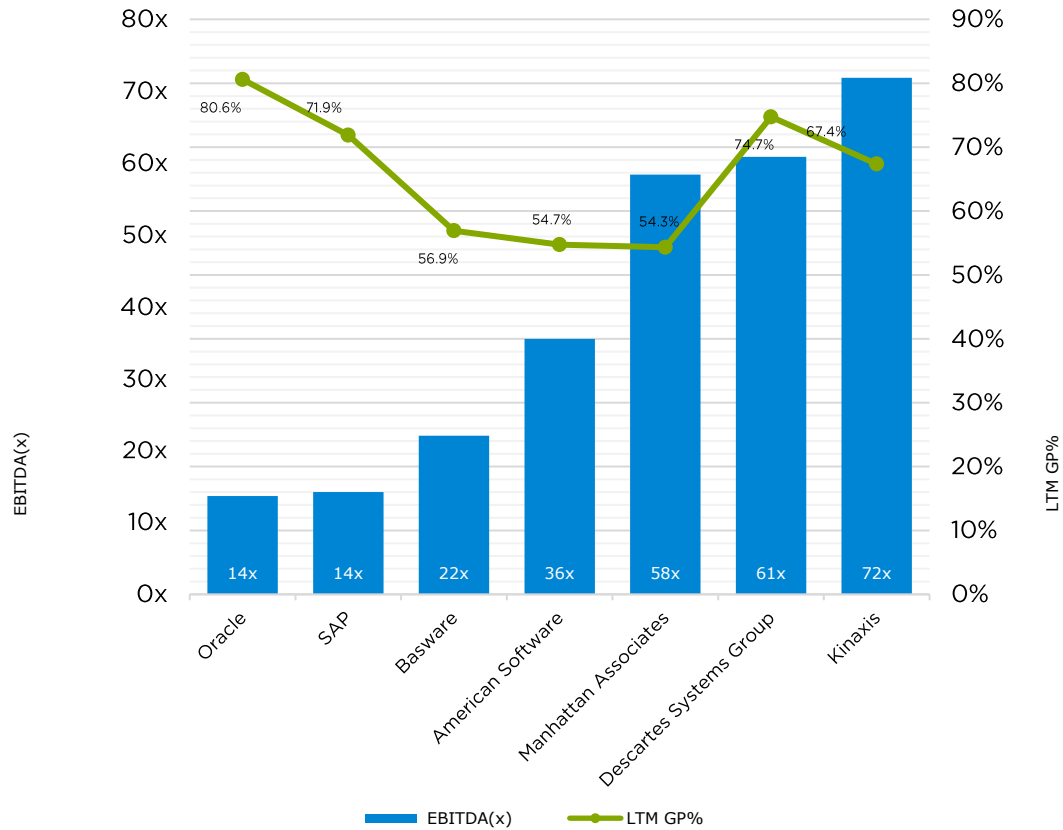


Price / LTM Earnings

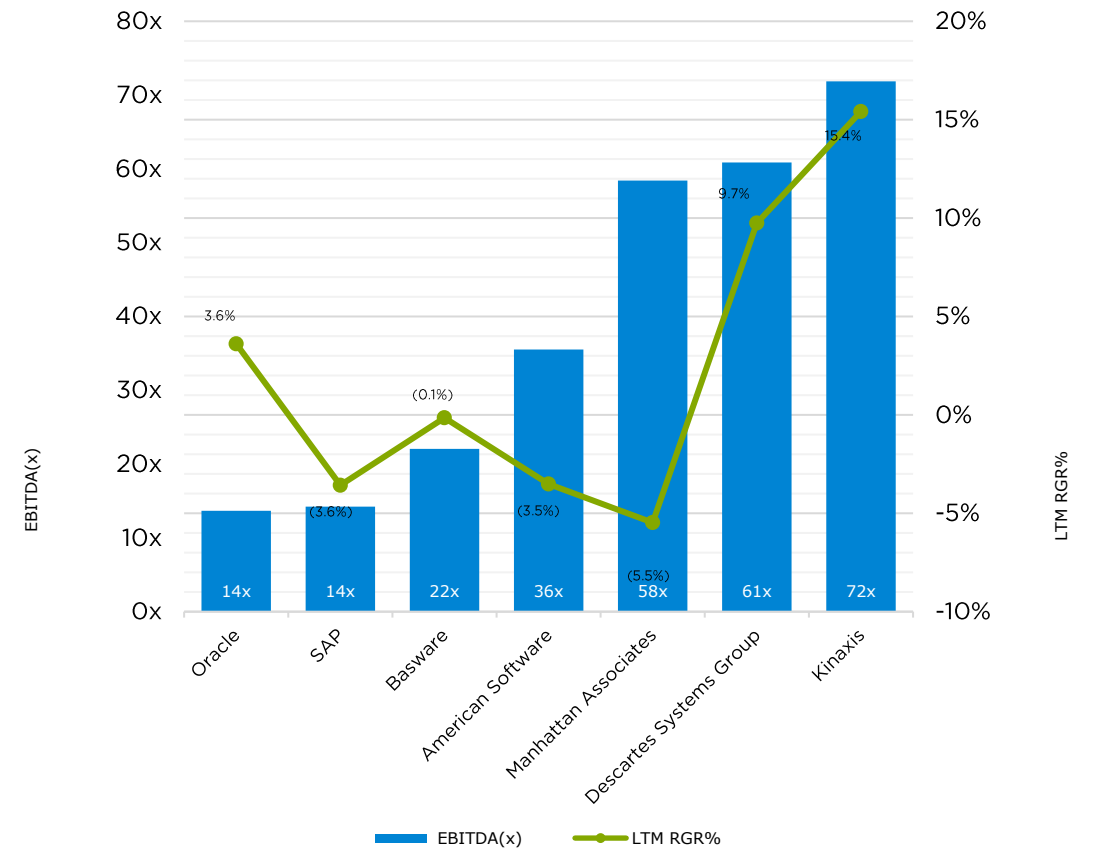


Valuation

Historical Valuation Multiples versus Gross Profit



Historical Valuation Multiples versus Revenue Growth Rate



Recent Transactions

Date	Target	Buyer / Investor	Total Transaction Value	Target Revenue	TEV / Revenue	TEV / EBITDA
20-Jul-21	SkyLab Solutions	VisionTrack	-	-	-	-
14-Jul-21	Smart Trak Technologies	Crown Capital Investments	-	-	-	-
13-Jul-21	Dolly	Fidelity International	-	-	-	-
13-Jul-21	Ollie Order	Next Glass	-	-	-	-
13-Jul-21	SphereWMS	FOG Software Group	-	-	-	-
12-Jul-21	blueworld	Auctus Capital Partners	-	-	-	-
07-Jul-21	Ingram Micro	Platinum Equity	7200.0	-	-	-
30-Jun-21	Active Logistics	Elvaston Capital Management	-	-	-	-
30-Jun-21	Praxio	NSTech	-	-	-	-
29-Jun-21	ShipHawk	Autotech Ventures	17.0	-	-	-
24-Jun-21	ShipHero	Riverwood Capital	50.4	-	-	-
21-Jun-21	Boston Dynamics	Hyundai Motor	880.0	-	-	-
15-Jun-21	Xelog	Elvaston Capital Management	-	-	-	-
10-Jun-21	TNX	HgCapital Trust	-	-	-	-
10-Jun-21	Zenoti	TPG	80.0	-	-	-
08-Jun-21	Modum	Roambee	-	-	-	-
06-Jun-21	Trucker Tools	Alpine Investors	65.0	-	-	-
02-Jun-21	Century Distribution Systems	Sun Capital Partners	-	-	-	-
02-Jun-21	FreightWaves	8VC	16.1	-	-	-
01-Jun-21	Royal Alliances	Vegvisir Capital	-	-	-	-
27-May-21	ClearMetal	Project44	-	-	-	-
02-Jun-21	FreightWaves	8VC	16.05	-	-	-
19-May-21	GPS Insight	Accel-KKR	-	-	-	-
17-May-21	Achieve IT Solutions	VistaVu Solutions	-	-	-	-
13-May-21	Happy Returns	PayPal Holdings	-	-	-	-
10-May-21	Portrix Logistics Software	Descartes Systems Group	26.5	-	-	-
10-May-21	Quifers	Sitics	-	-	-	-
04-May-21	Chorus Logistics	W Energy Software	-	-	-	-
04-May-21	NextShift Robotics	JASCI	-	-	-	-

Appendix

*Public Basket
Contact Information*



Oracle

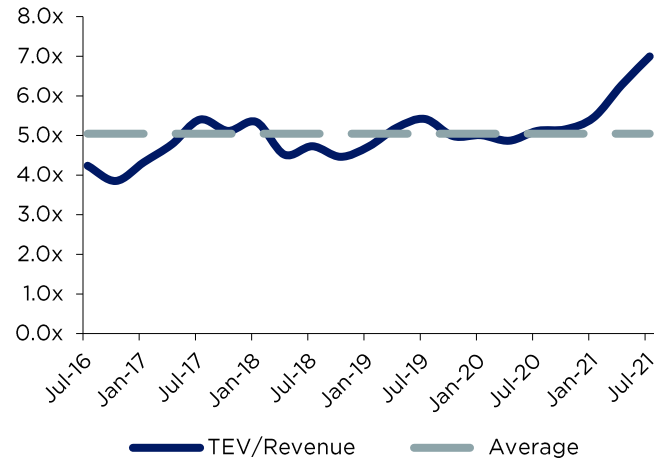
Oracle provides database technology and enterprise resource planning, or ERP, software to enterprises around the world.

Founded in 1977, Oracle pioneered the first commercial SQL-based relational database management system. Today, Oracle has 430,000 customers in 175 countries, supported by its base of 136,000 employees.

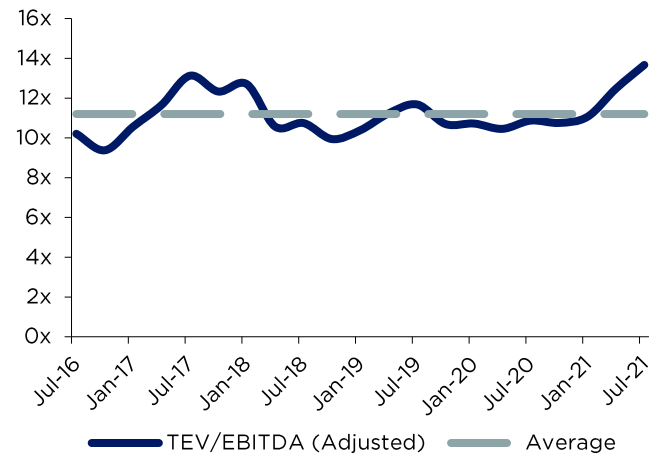
Public Basket

Oracle

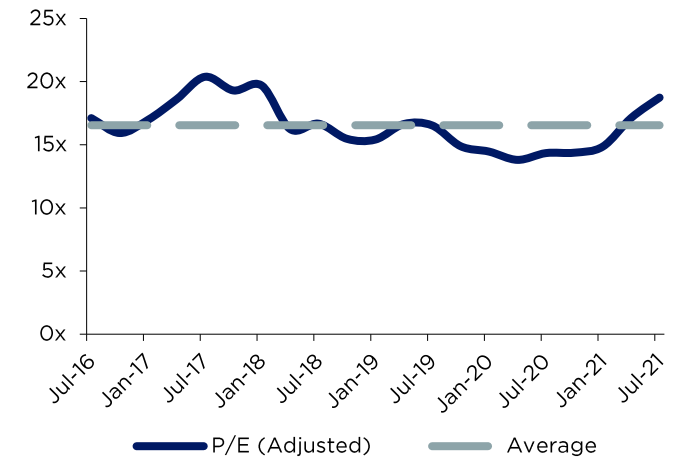
Revenue Multiples - Oracle



EBITDA Multiples - Oracle



P/E Multiples - Oracle



Company Name	Date	Deal Synopsis
GloriaFood	25-Jun-21	The company was acquired by Oracle (NYS: ORCL) for an undisclosed amount on June 25, 2021. The acquisition will allow the acquirer to expand the ecosystem of HoReCa MICROS Symphony Cloud POS orders with a global ordering and marketing system to enable restaurants of all sizes to go digital and serve customers directly via the web, mobile, and applications.
FarApp	06-Apr-21	The company was acquired by Oracle (NYS: ORCL) for an undisclosed amount on April 6, 2021. The acquisition enable Oracle a more seamless and unified experience for NetSuite customers. The FarApp team will join the Oracle NetSuite Global Business Unit organization.

SAP

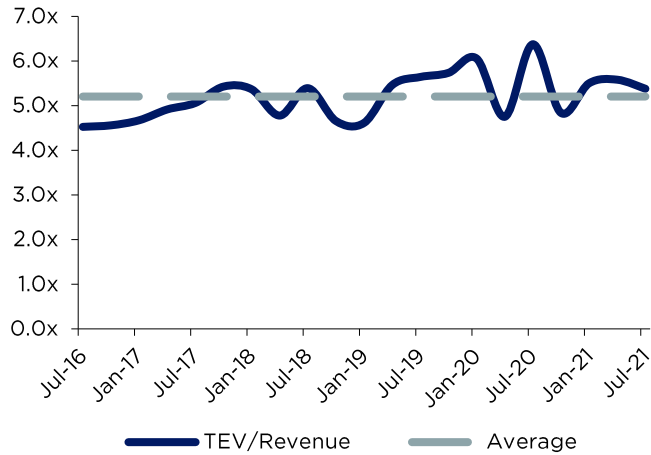
SAP is a global software vendor providing solutions for enterprise resource planning, database management, business intelligence, and vertical-specific software.

Its flagship software products run on SAP's HANA database technology. In fiscal 2019, the company generated roughly 44% of revenue from Europe, the Middle East, and Africa, 41% from the Americas, and 15% from Asia.

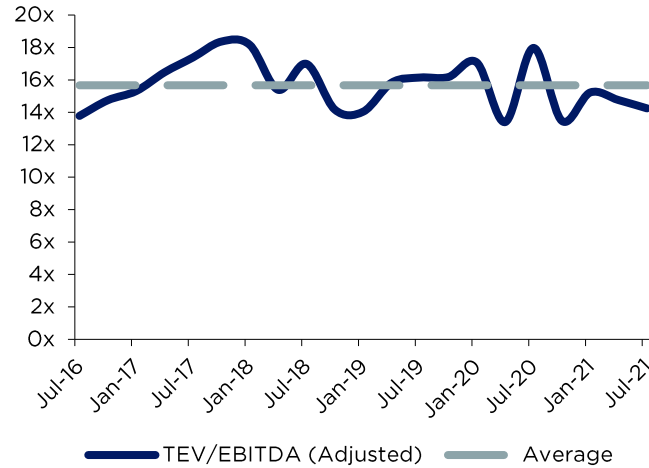
Public Basket

SAP

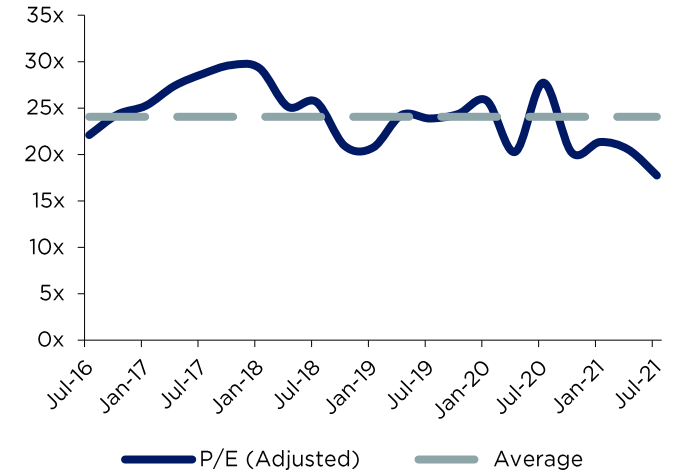
Revenue Multiples - SAP



EBITDA Multiples - SAP



P/E Multiples - SAP



Company Name

Date

Deal Synopsis

SAP Pioneer

13-Apr-21

Dediq, Hasso Plattner Foundation and SAP have entered into an agreement to form a joint venture as of April 13, 2021. As result of this transaction, SAP will hold a 20% stake in the company.

Crosschq

09-Mar-21

The company raised \$13.00 million of Series A venture funding in a deal led by Tiger Global Management on March 9, 2021, putting the company's pre-money valuation at \$50 million. Intersect Capital, Slack Fund, SAP, Rocketship, Bessemer Venture Partners, GGV Capital, Klay Thompson, Aaron Gordon, Isaiah Thomas, Khris Middleton, Nolan Arenado, and DK Metcalf also participated in the round. The funds will be used to enhance the company's data analytics that enables companies to track and measure the quality of hire and also use the financing to grow its ML/AI, Go-To-Market and Development teams, expand partnerships and continue its focus on driving diversity in hiring practices

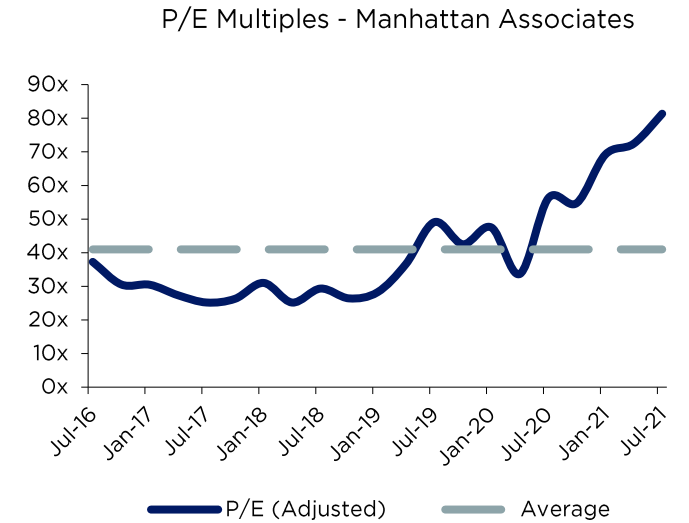
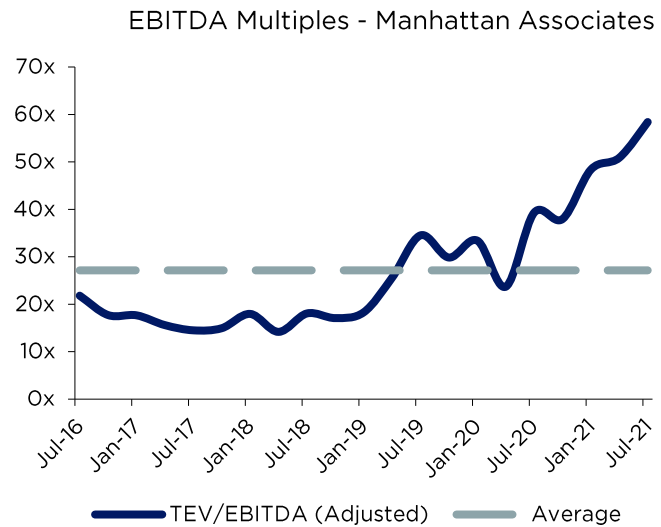
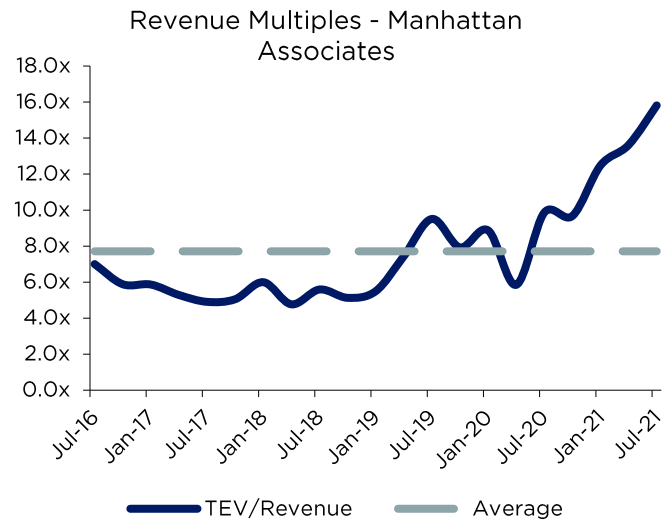
Manhattan Associates

Manhattan Associates provides software that helps users manage their supply chains, inventory, and omnichannel operations.

Customers are generally retailers, wholesalers, manufacturers, and logistics providers. The company was founded in 1990 and serves more than 1,200 customers around the world.

Public Basket

Manhattan Associates



Company Name	Date	Deal Synopsis
Global Bay Mobile Technologies	11-Aug-14	The company was acquired by Manhattan Associates (NASDAQ: MANH) for \$2.8 million on August 11, 2014.
Evant	31-Aug-05	The company was acquired by Manhattan Associates (NAS: MANH) for \$48.35 million on August 31, 2005.

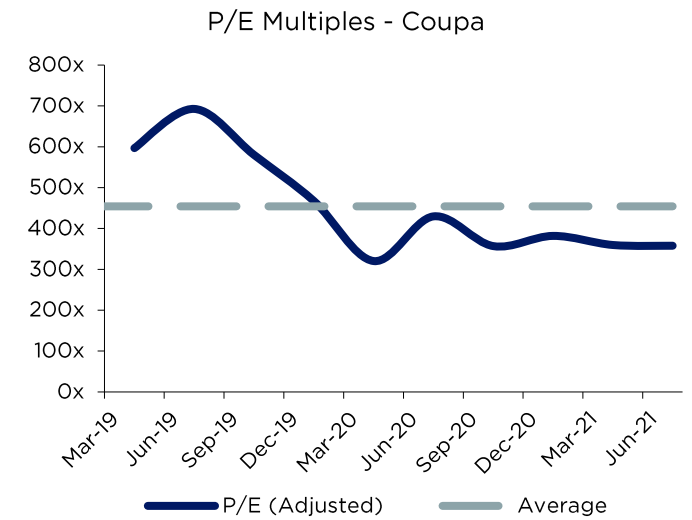
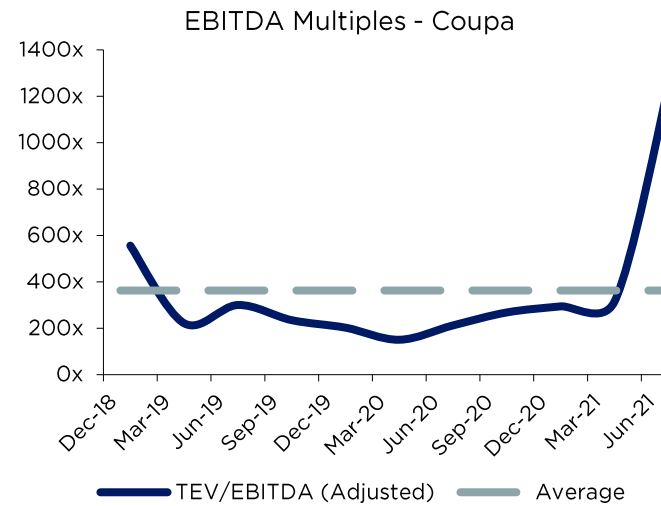
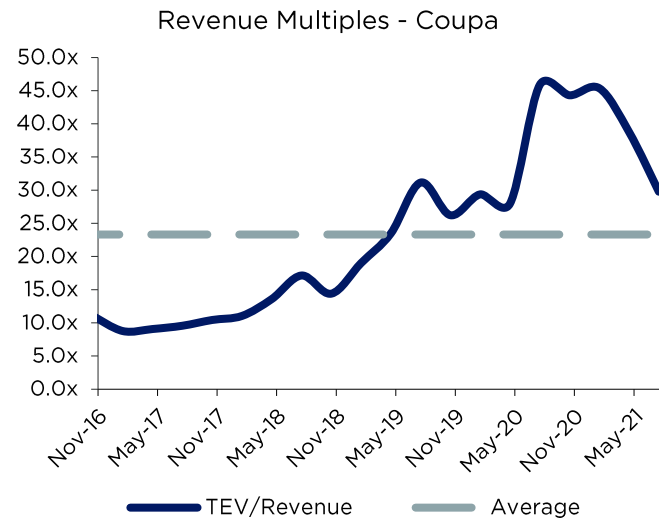
Coupa

Coupa Software is a cloud-based, business spending management platform that provides companies with more control and visibility into how they spend money.

Since it was founded in 2006, Coupa has connected buyers with suppliers and helped buyers save money by improving procurement, expense management, and invoice processing. The company is headquartered in San Mateo, California, and went public in October 2016.

Public Basket

Coupa



Company Name	Date	Deal Synopsis
Coupa K.K.	09-Apr-21	Coupa (NAS: COUP) and Japan Cloud have entered into an agreement to form a joint venture as of April 9, 2021. The joint venture will enable Coupa to scale to support the growing number of Japanese companies looking to gain greater efficiency and agility through business spend management.
Pana	24-Feb-21	The company was acquired for an estimated \$48.5 million on February 24, 2021.

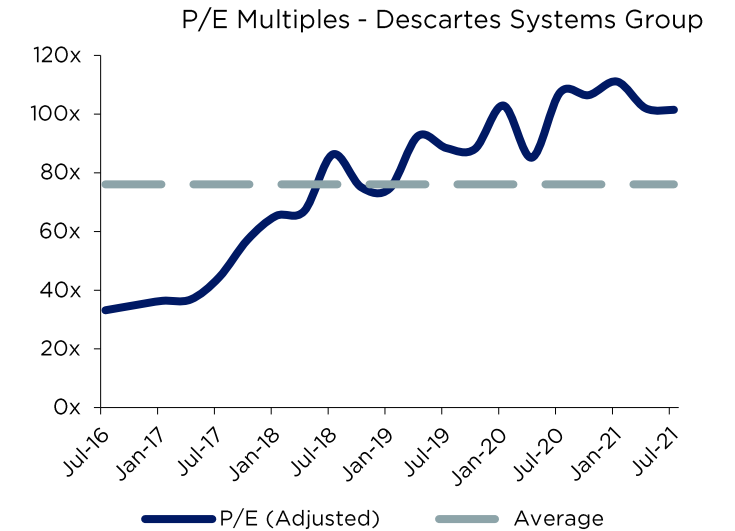
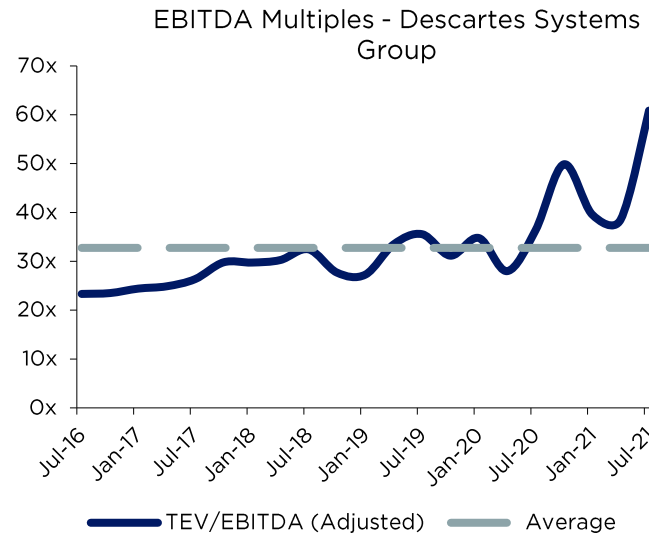
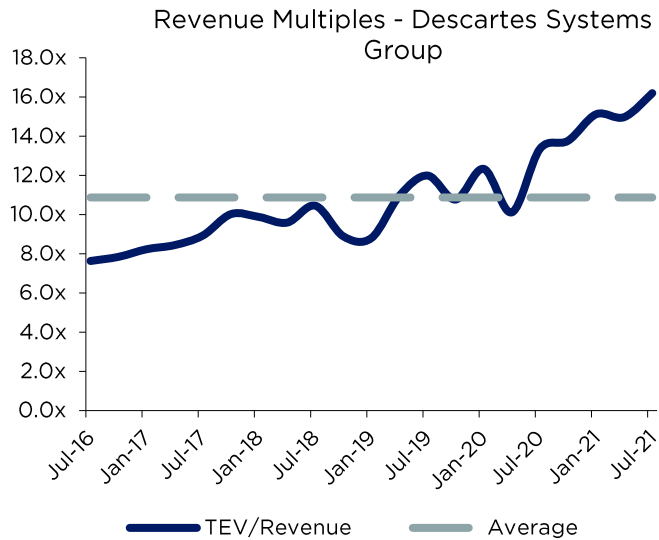
Descartes Systems Group

The Descartes Systems Group provides a software solution that allows users in the shipping industry to communicate with one another.

The core product is the Global Logistics Network, which is best understood as transaction driven. Descartes charges clients to send/receive messages, data, and documents on the GLN (the transactions). Customers typically contract for a monthly minimum over a multiyear period. The GLN platform allows for Descartes to upsell additional software modules as well, typically provided via a software-as-a-service model.

Public Basket

Descartes Systems Group



Company Name	Date	Deal Synopsis
GreenMile	08-Jul-21	The company was acquired by Descartes Systems Group (TSE: DSG) for \$40 million on July 8, 2021. The company will receive a contingent consideration of \$10 million upon achieving certain revenue-based targets over the first two years post-acquisition. The acquisition extends Descartes Group's operational footprint and presence in Latin America and strengthens their final-mile distribution capabilities.
Portrix Logistics Software	10-May-21	The company was acquired by Descartes Systems Group (TSE: DSG) for EUR 22 million on May 10, 2021. The acquisition will strengthen Descartes's rate management capabilities on the global logistics network.

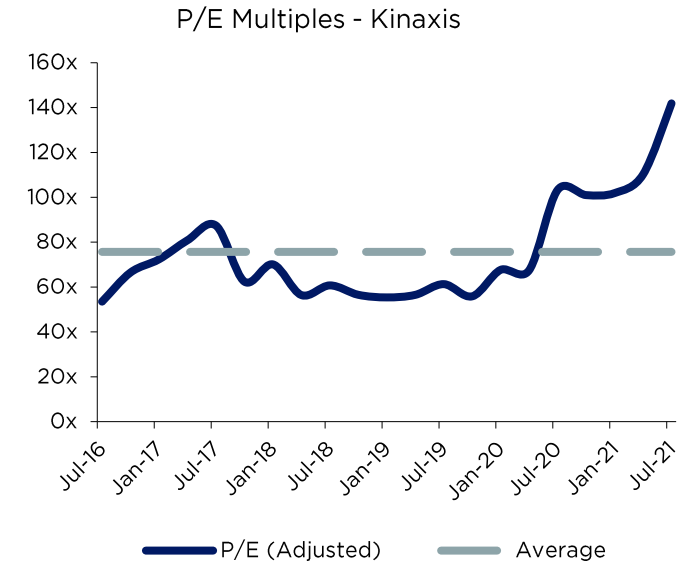
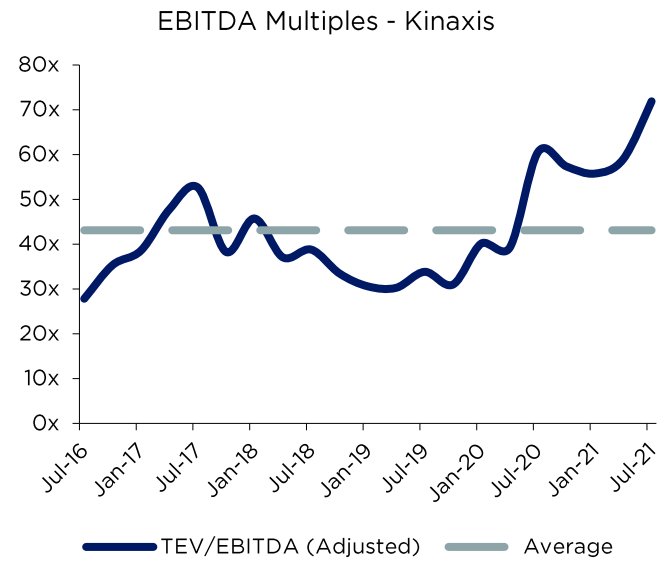
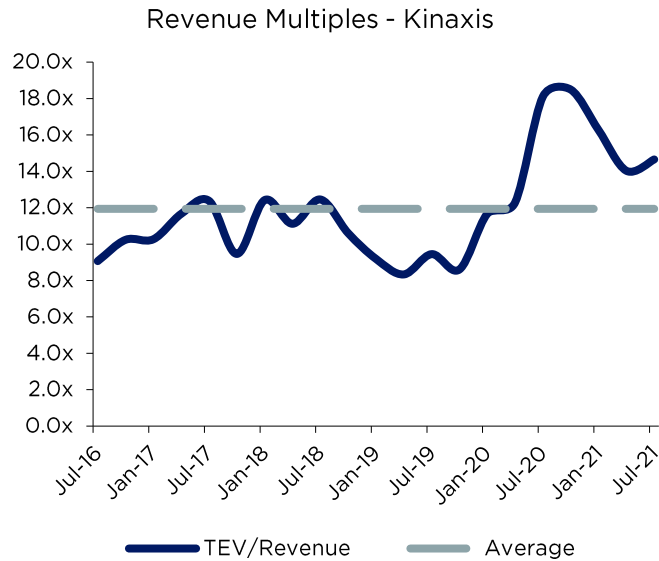
Kinaxis

Kinaxis Inc is a Canada-based provider of software solutions for sales and operations planning (S&OP) and supply chain management.

The firm's flagship RapidResponse product is offered on the cloud. Its capabilities include consequence evaluation and alerting, responsibility-based collaboration, high-speed analytics, and scenario simulation. Kinaxis's S&OP solution capabilities include supply and demand planning, capacity and inventory planning, and inventory management. The firm has operations in North America, Europe, and Asia-Pacific regions.

Public Basket

Kinaxis



Company Name	Date	Deal Synopsis
Rubikloud	02-Jul-20	The company was acquired by Kinaxis (TSE: KXS) for \$60.39 million on July 2, 2020.
Prana Consulting	31-Jan-20	The company was acquired by Kinaxis (TSE: KXS) for \$4.006 million on January 31, 2020. the company will receive a contingent payout of \$80,000 upon attainment of specific revenue and team retention metrics in the year following the acquisition. The acquisition immediately adds many highly-skilled practitioners who have deep experience in RapidResponse®, and creates a hub from which Kinaxis can offer expanded services to its customers.

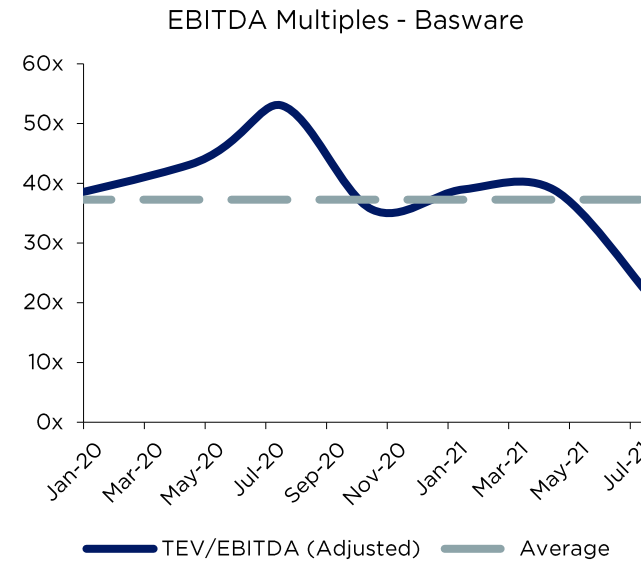
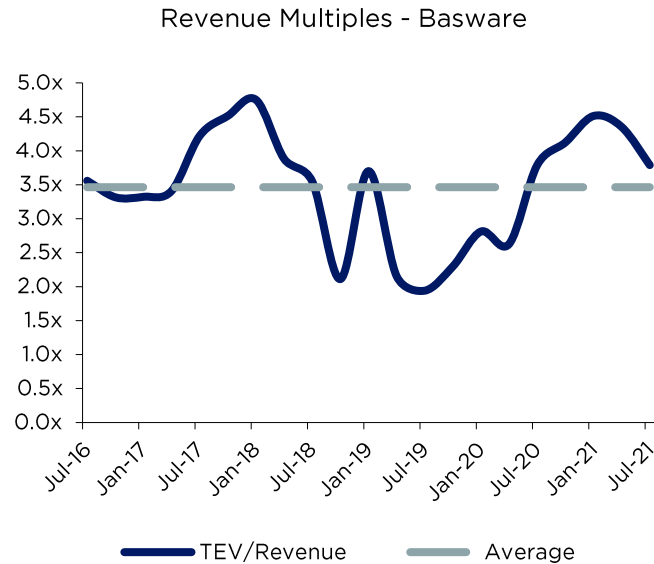
Basware

Basware Oyj is engaged in the provision of cloud-based-solutions to organizations of all sizes.

It is involved in the following business areas: Network services, Purchase to Pay, and e-invoicing Services. It provides networked purchase-to-pay solutions and e-invoicing and financing solutions to all enterprises. It offers e-invoicing services and software; accounts payable automation solutions; receiving and sending e-invoices; e-procurement, business consulting, scan and capture, and travel and expense management solutions. The firm also provides InvoiceReady, a purchase-to-pay solution; Basware Discount, a Web-based supply chain financing solution; and accounts receivable financing for suppliers. It primarily serves business process outsourcing providers and financial institutions.

Public Basket

Basware



Company Name	Date	Deal Synopsis
Verian	31-Mar-16	The company was acquired by Basware (HEL: BAS1V) for \$36 million on March 31, 2016. Basware (HEL: BAS1V) paid \$28 million in cash and issued 180,707 new shares in stock to the shareholders of Verian Technologies. The acquisition allows Basware to strengthen its market position in United States. The transaction was accretive to the earnings of Basware for the year 2017.
Proserve Holdings	08-Apr-15	The company was acquired by Basware for an estimated EUR 25.8 million on April 8, 2015.

American Software

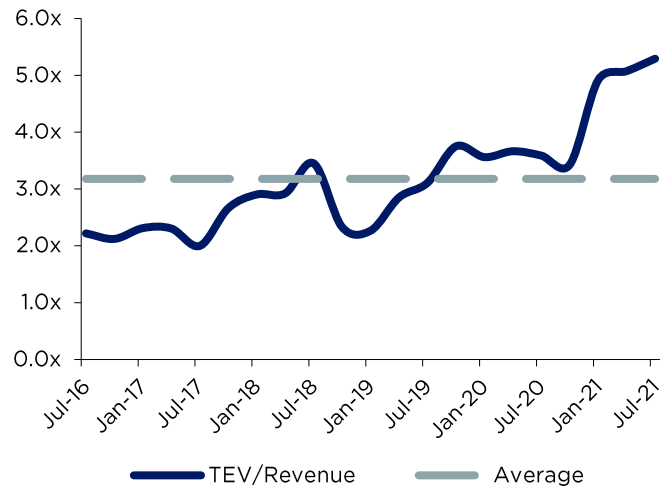
American Software Inc develops enterprise management and supply chain-related software and services.

Its software and services bring business value to companies by supporting their operations over cloud-based Internet-architected solutions. The company's operating segment include Supply Chain Management (SCM); Information Technology Consulting (IT Consulting) and Other. It generates maximum revenue from the Supply Chain Management segment. SCM segment provides collaborative supply chain solutions to streamline and optimize the production, distribution, and management of products between trading partners. Its solutions consist of global sourcing, workflow management, customer service applications, and ERP solutions.

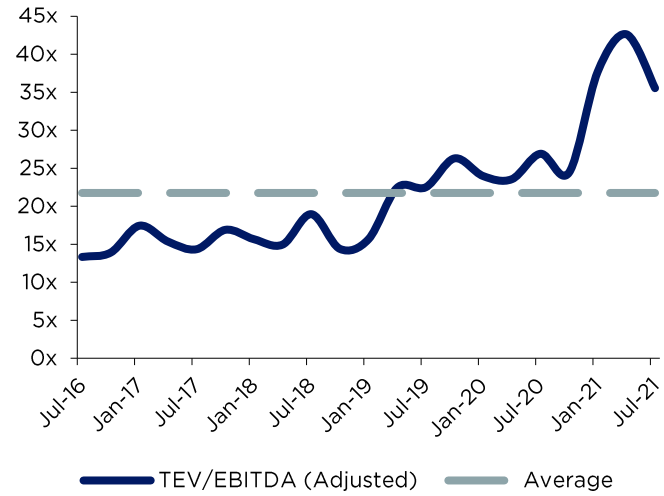
Public Basket

American Software

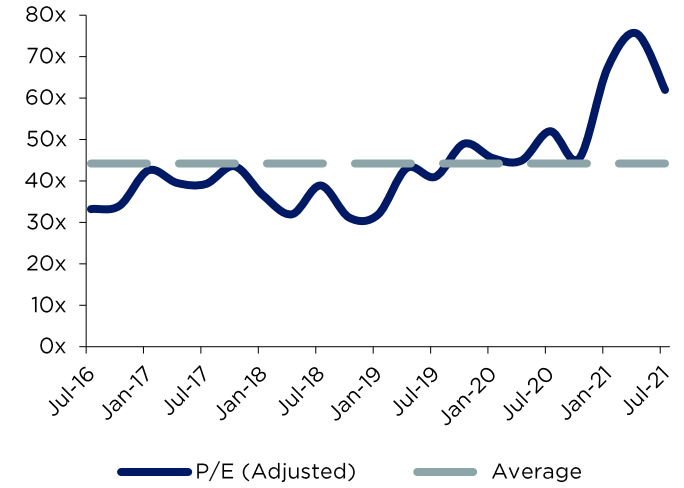
Revenue Multiples - American Software



EBITDA Multiples - American Software



P/E Multiples - American Software



Company Name

Date

Deal Synopsis

MID Retail

30-May-14

The company was acquired by Logility, a subsidiary of American Software (NASDAQ: AMSWA) for \$9185 Million on May 30, 2014.

Logility

29-Jun-09

The company was acquired by American Software (Nasdaq: AMSWA) for \$12.3 Billion on June 6, 2009. As a result, the company was delisted from the NASDAQ Global stock exchange.

Contact Info

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