

7 Mile Advisors



Sectorwatch:

Supply Chain Tech & Software

September 2020



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.

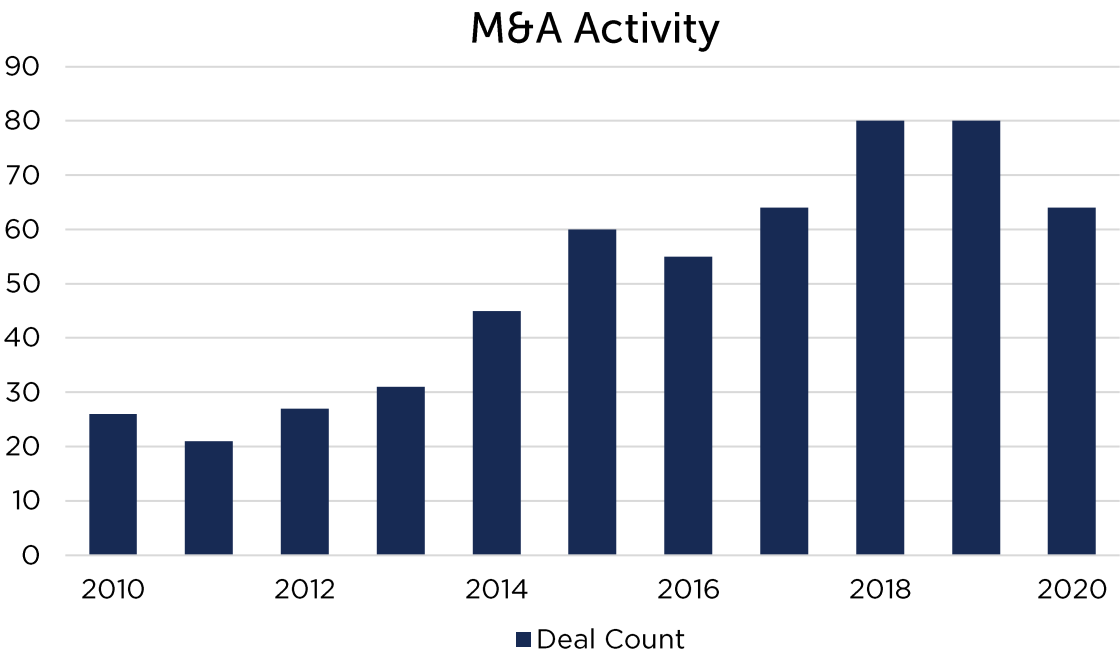
RECENT DEALS

- The most recently announced deals in the sector

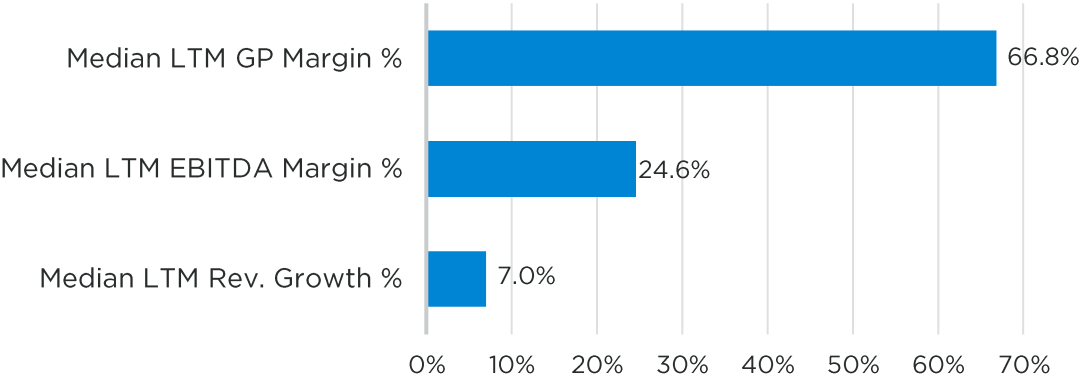
Dashboard

REVENUE GROWTH MOMENTUM ↑ 2.2%

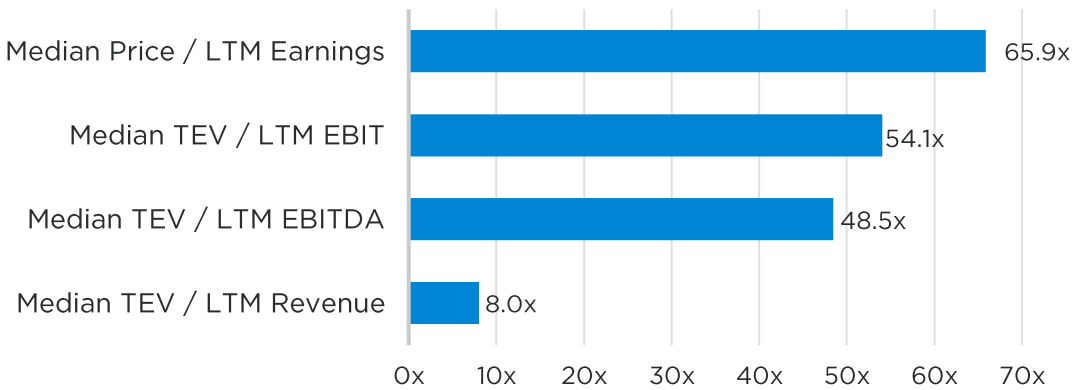
1 - year revenue growth compared to revenue growth average for last 3 years - Current revenue growth rate exceeds the average of the last 3 years by this amount, indicating that market momentum is increasing



Operating Metrics



Valuation



Public Basket Overview



United States



Canada



Finland



Germany

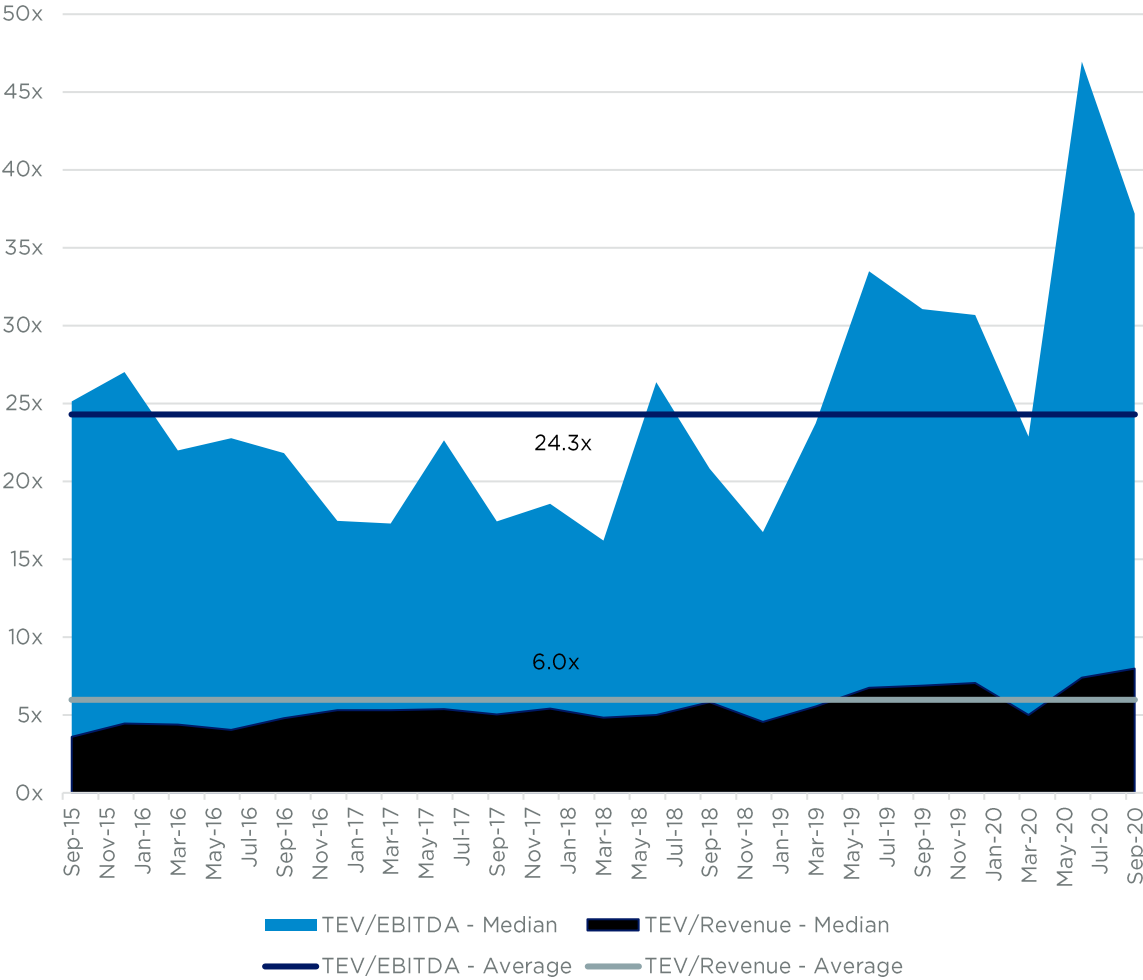


Public Basket

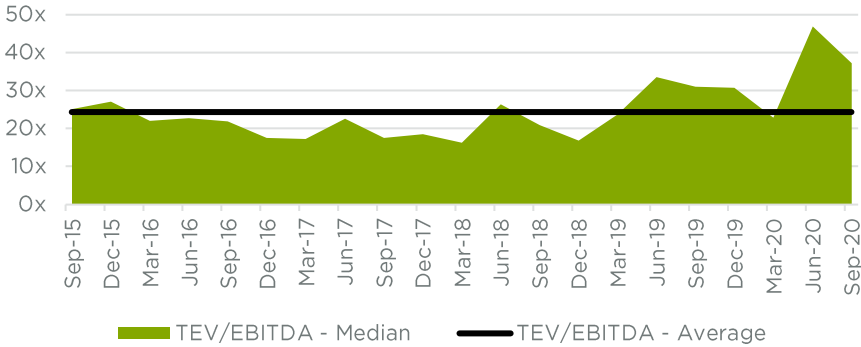
Company	TEV \$m	LTM EBITDA \$m	LTM Rev \$m	Rev Growth YoY	GP %	EBITDA %	TEV / Rev X	TEV / EBITDA X	# FTEs	Rev / FTE \$k
Oracle	209,187	16,842	39,216	-0.8%	80.0%	42.9%	5.3x	12.4x	136,000	288
SAP	193,482	8,893	31,066	7.4%	70.5%	28.6%	6.2x	21.8x	101,150	307
Manhattan Associates	5,894	122	605	2.6%	53.0%	20.1%	9.7x	48.5x	3,500	173
Coupa	18,939	23,530	458	43.8%	63.2%	-	41.3x	-	1,693	271
Descartes Systems Group	4,446	89	335	11.8%	73.4%	26.5%	13.3x	50.0x	1,547	217
Kinaxis	3,475	53	218	33.5%	72.4%	24.6%	16.0x	65.0x	662	329
Basware	677	12	168	6.6%	54.7%	7.1%	4.0x	56.3x	1,332	126
American Software	364	14	115	6.1%	54.4%	12.2%	3.2x	25.9x	428	270
Average	54,558	6,194	9,023	13.9%	65.2%	23.2%	12.4x	40.0x	30,789	248
Median	5,170	105	397	7.0%	66.8%	24.6%	8.0x	48.5x	1,620	270

share price as of 28Sep20

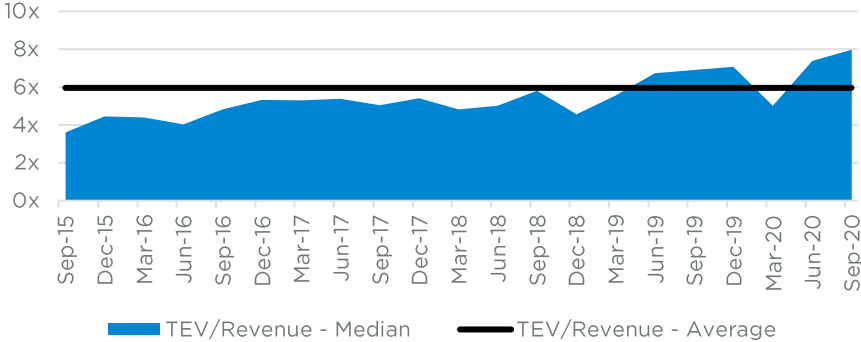
Public Basket



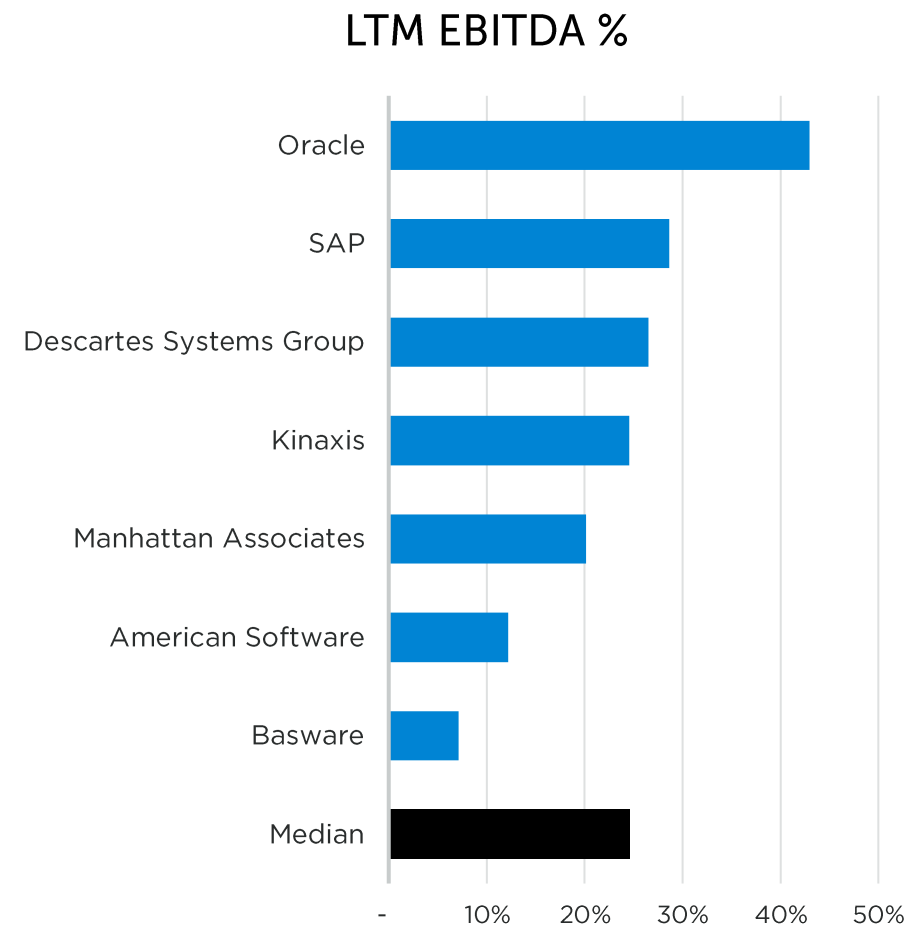
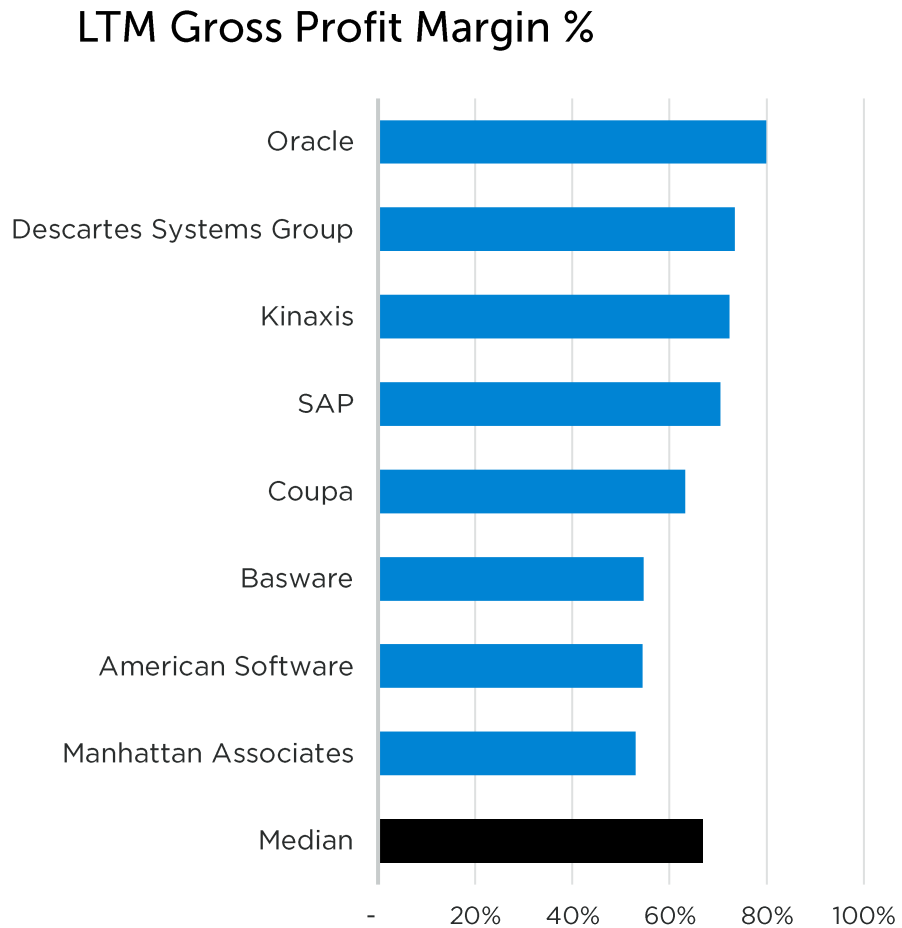
Public EBITDA Multiples over Time



Public Revenue Multiples over Time

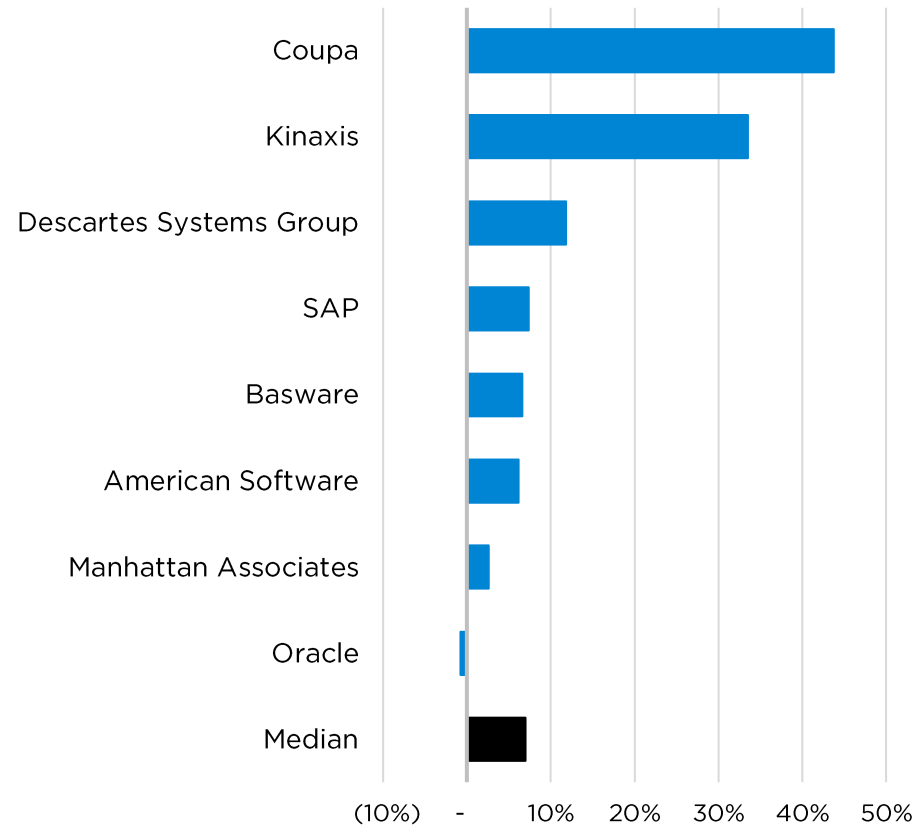


Operational Metrics

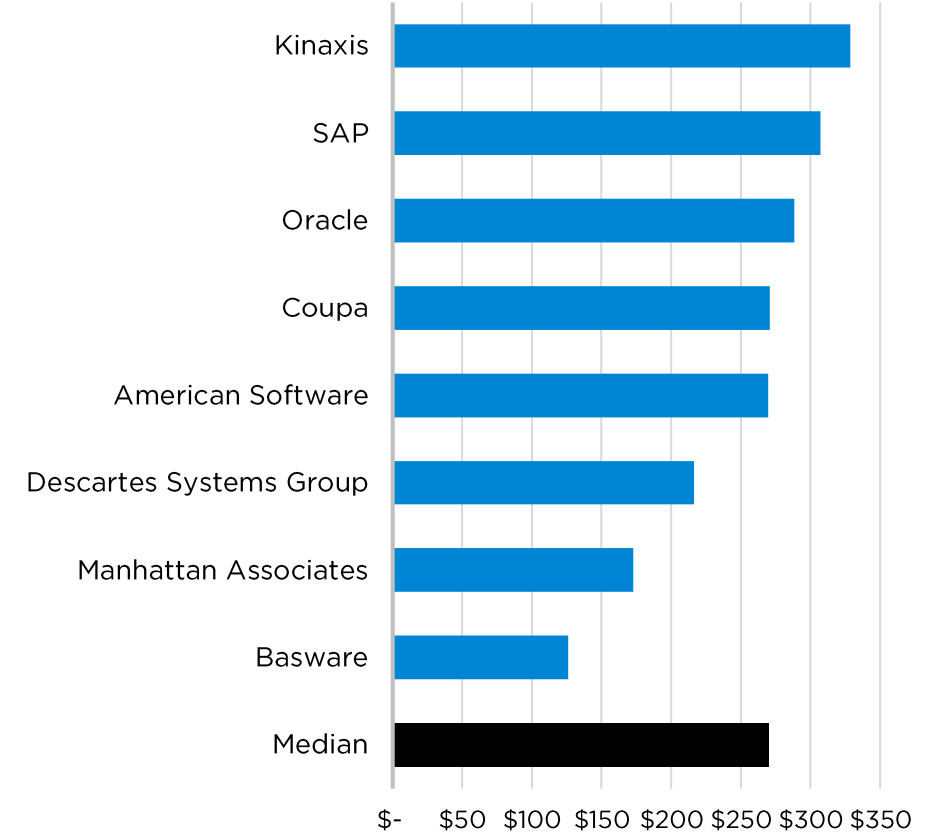


Operational Metrics

LTM Revenue Growth %

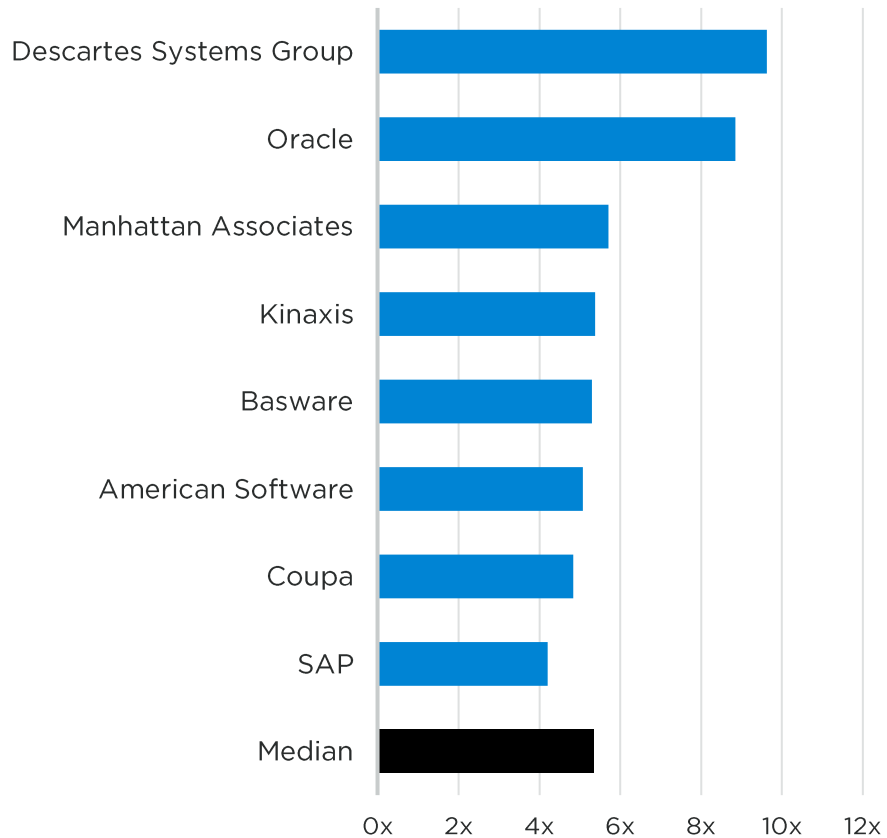


LTM Revenue per Full Time Employee x 000's

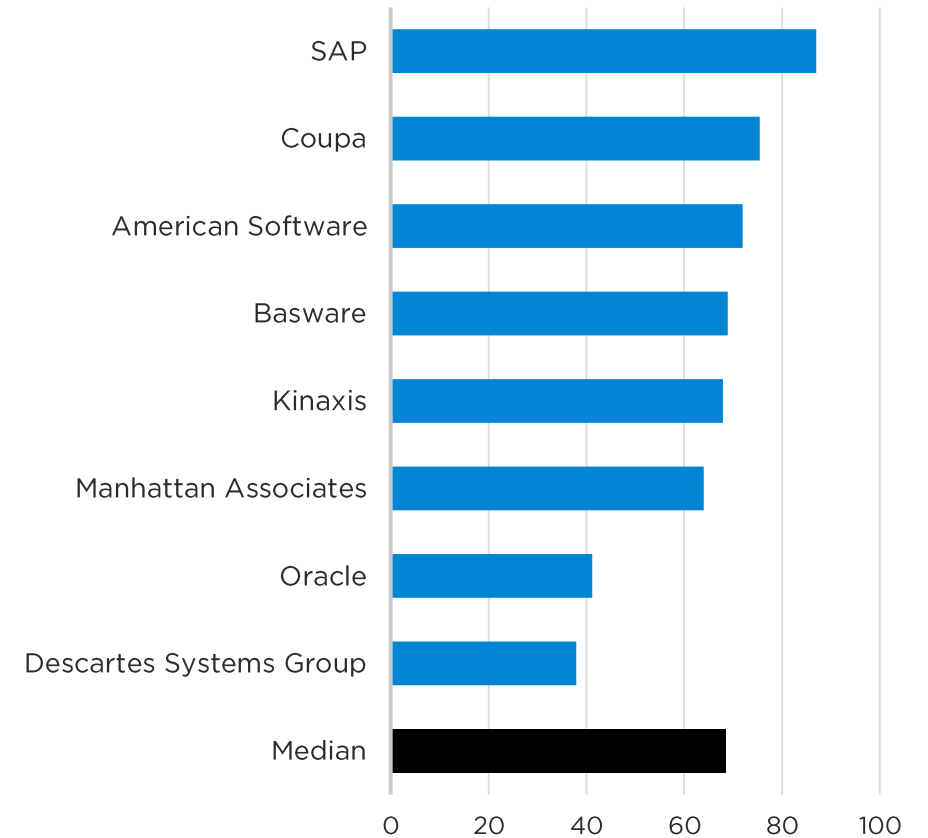


Operational Metrics

Accounts Receivable Turnover

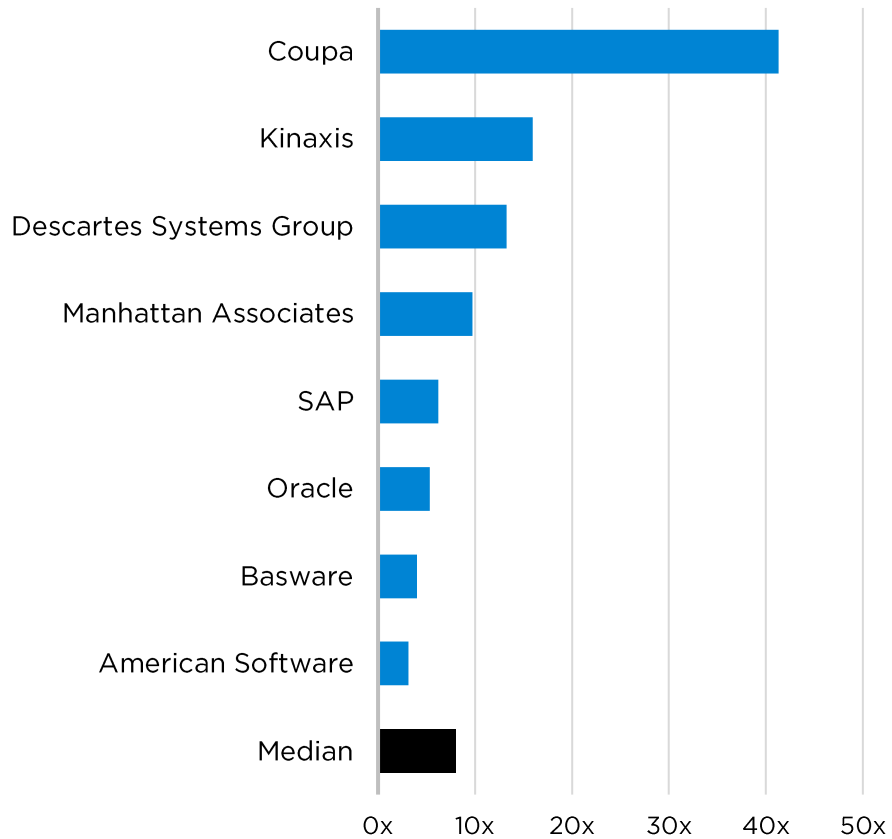


Average Days Sales Outstanding

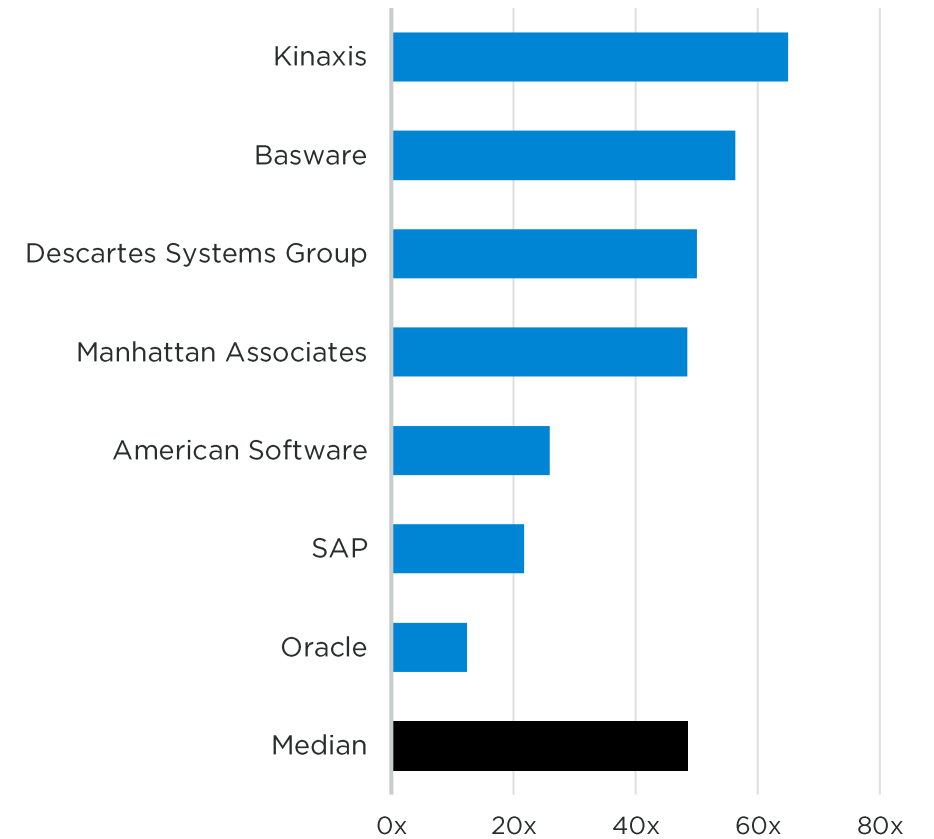


Valuation

TEV / LTM Revenue

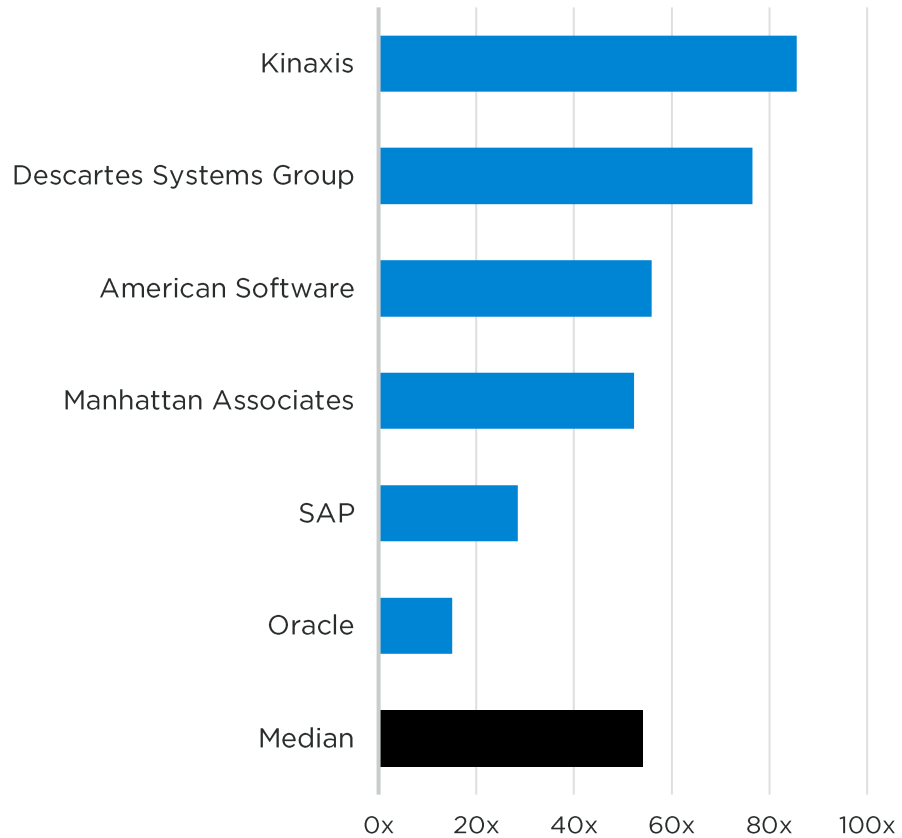


TEV / LTM EBITDA

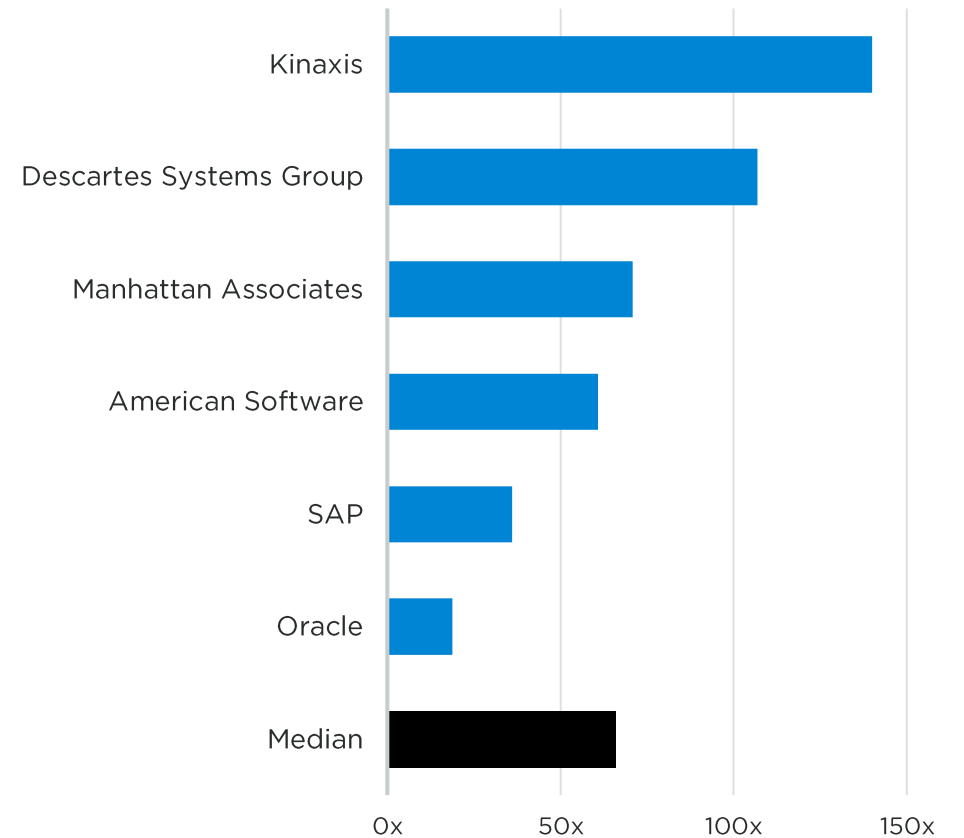


Valuation

TEV / LTM EBIT

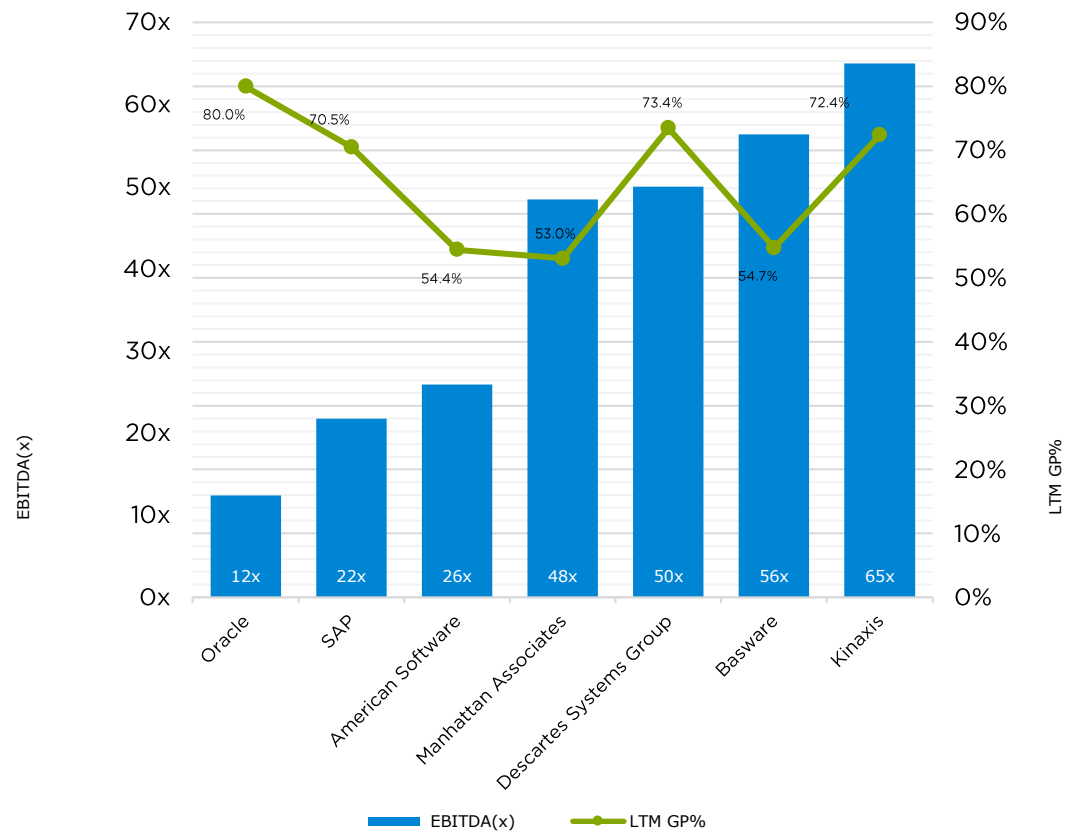


Price / LTM Earnings

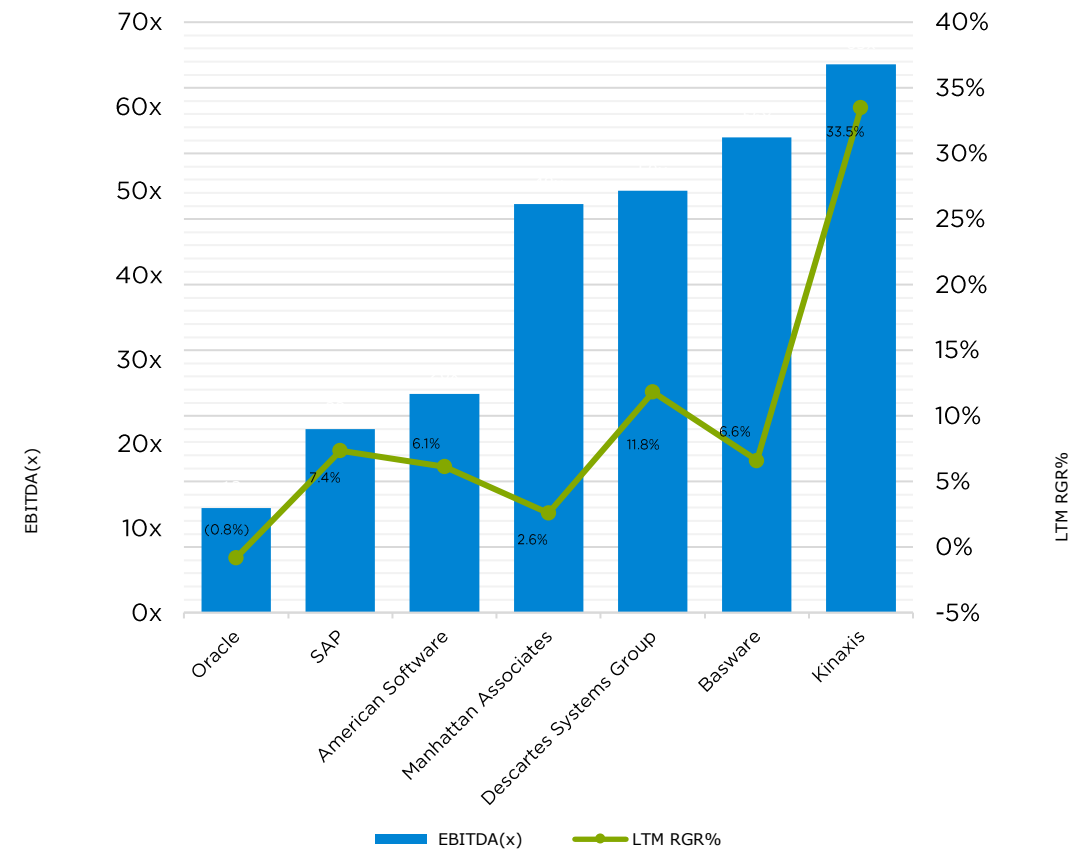


Valuation

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
24-Sep-20	Catapult International	LLR Partners	-	-	-	-
18-Sep-20	Trans + Plus Systems	Banyan Software	-	-	-	-
16-Sep-20	SALT Solutions	Accenture	-	70.86	-	-
15-Sep-20	Controlpay	HgCapital Trust	-	-	-	-
15-Sep-20	PC Synergy	The Cynosure Group	-	-	-	-
09-Sep-20	SmartDrive Systems	Omnitracs	450.00	-	-	-
06-Aug-20	Unifaun	Marlin Equity Partners	-	-	-	-
05-Aug-20	Revionics	Aptos	-	-	-	-
05-Aug-20	Solution Net Systems	Architect Equity	-	-	-	-
03-Aug-20	TradeGecko	Intuit	80.00	-	-	-
31-Jul-20	Consignor	Francisco Partners	159.77	-	-	-
24-Jul-20	Blueboard (Business Productivity Software)	ChannelAdvisor	-	-	-	-
24-Jul-20	FreightWaves	Kayne Anderson Capital Advisors	30.00	-	-	-
16-Jul-20	TuSimple	Navistar (US)	-	-	-	-
15-Jul-20	Ubimax	TeamViewer	153.72	-	-	-
14-Jul-20	Drivewyze	Sageview Capital	60.00	-	-	-
14-Jul-20	Unit4 Wholesale	Accel-KKR	-	-	-	-
10-Jul-20	Stitch Labs	Square	-	-	-	-
30-Jun-20	Antecipa	XP Inc	-	-	-	-
30-Jun-20	FuturMaster	Cathay Capital Private Equity	-	-	-	-
17-Jun-20	Marble Robot	Caterpillar	-	-	-	-
16-Jun-20	PINC	Accel-KKR	-	-	-	-
10-Jun-20	Fleet Complete	Telia Company	-	-	-	-
09-Jun-20	Everoad	Sennder	-	-	-	-
04-Jun-20	Easy Storage Solutions	Blue Star Innovation Partners	-	-	-	-
02-Jun-20	ScanData Systems	TPG Capital	-	-	-	-
20-May-20	MatchBack Systems	SynchroNet (Logistics)	-	-	-	-
11-May-20	IoT Labs Mx	iQSTEL	-	-	-	-
08-Apr-20	MBM Italia	Hellman & Friedman	-	-	-	-

Appendix

*Public Basket
Contact Information*



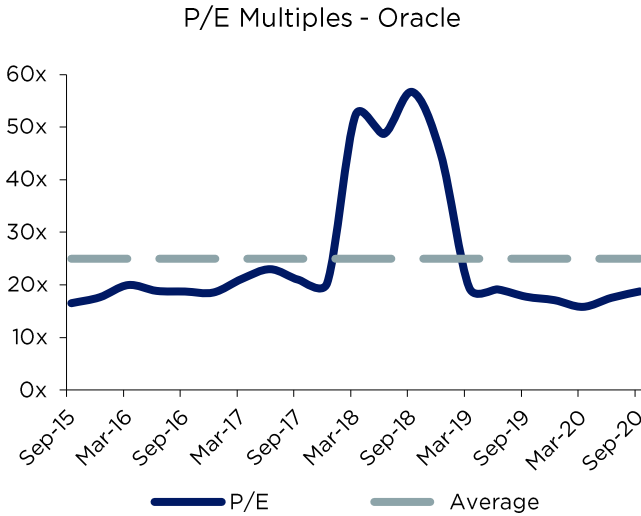
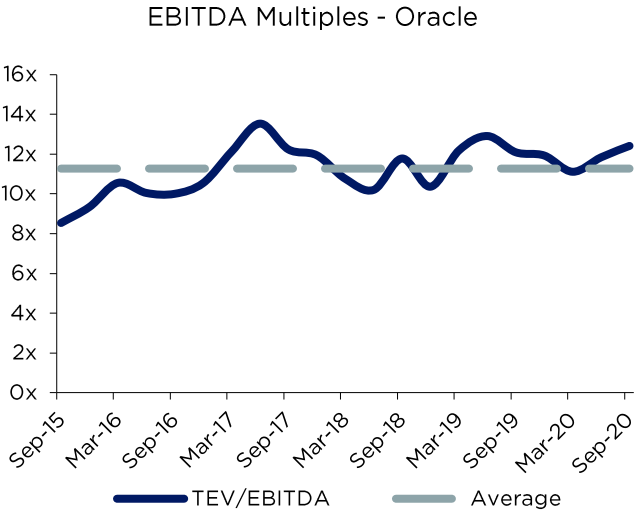
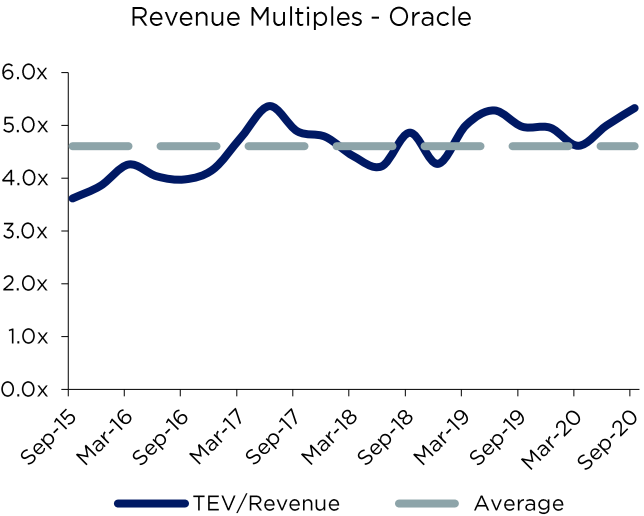
Oracle

Oracle sells a wide range of enterprise IT solutions, including databases, middleware, applications, and hardware.

While software licenses, support, and maintenance continue to represent roughly 70% of revenue, the firm is undergoing a mix shift toward cloud-based subscriptions that should necessitate continued heavy investment in the business model transition. Oracle offers software-as-a-service, platform-as-a-service, and infrastructure-as-a-service offerings. Legacy offerings include Oracle Database software and Oracle Fusion Middleware.

Public Basket

Oracle



Company Name	Date	Deal Synopsis
Sauce Video	27-Apr-20	The company was acquired by Oracle (NYS: ORCL) for an undisclosed amount on April 27, 2020. The acquisition helps Oracle to enhance its portfolio with advanced video capabilities and to provide customers with a comprehensive set of content creation and management tools in order to create exceptional customer, employee and supplier experiences.
LiveData Utilities	31-Mar-20	Oracle entered into a definitive agreement to acquire the company, a subsidiary of LiveData for an undisclosed amount on March 31, 2020. This acquisition extends Oracle Utilities' Network Management System (NMS) by adding a long-standing partner that provides leading operational technology (OT) middleware solutions and SCADA capabilities to monitor and control utility equipment while reducing the complexity of real-time systems.

SAP

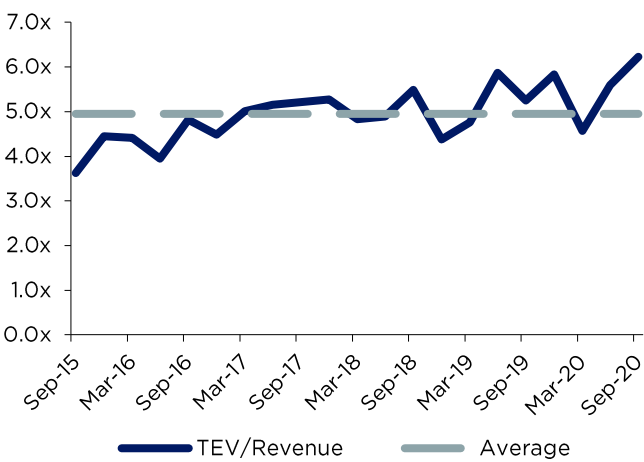
SAP is a global software vendor providing solutions for enterprise resource planning, database management, business intelligence, and vertical-specific software.

Its flagship software products run on SAP's HANA database technology. In fiscal 2017, the company generated roughly 44% of revenue from Europe, the Middle East, and Africa, 40% from the Americas, and 16% from Asia.

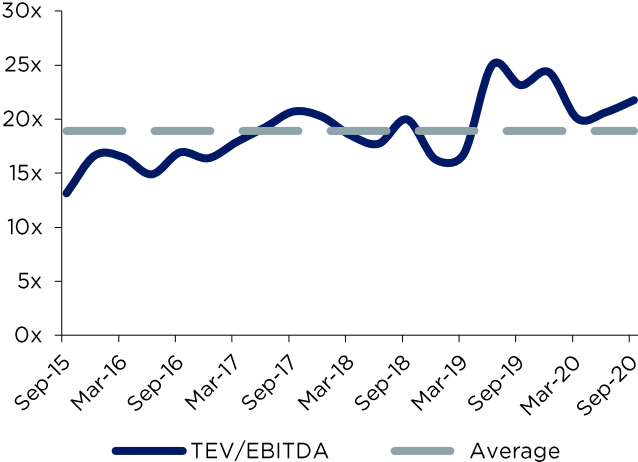
Public Basket

SAP

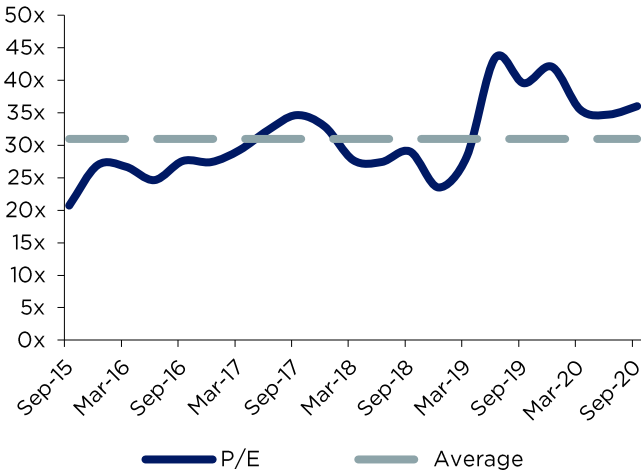
Revenue Multiples - SAP



EBITDA Multiples - SAP



P/E Multiples - SAP



Company Name	Date	Deal Synopsis
Dasha.AI	20-Feb-20	Transaction details were not disclosed.
PlainID	03-Feb-20	The company received an undisclosed amount of funding from SAP on February 3, 2020. The funding will be used to bring the company's solution to a wider audience.

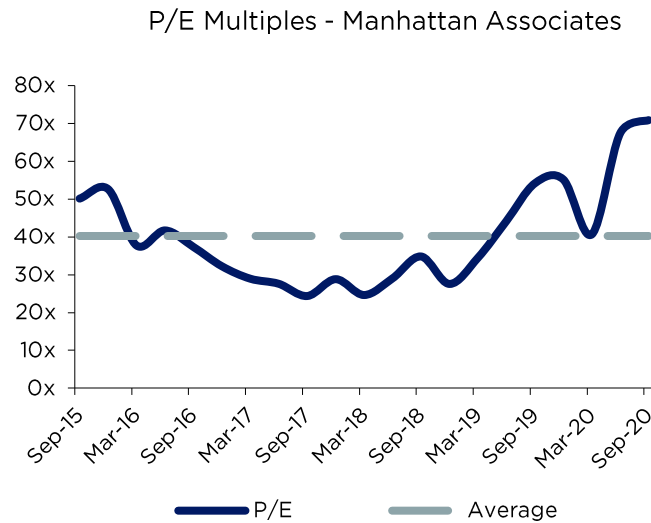
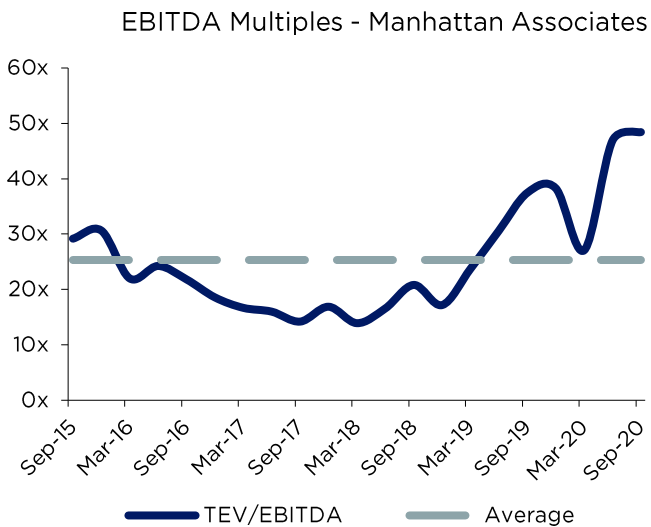
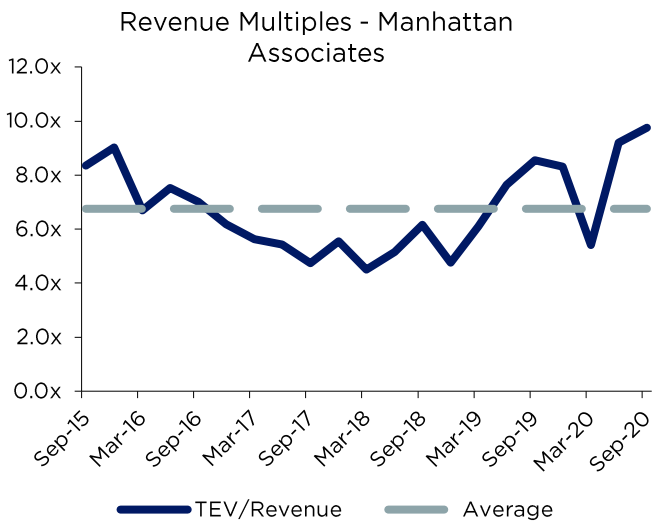
Manhattan Associates

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

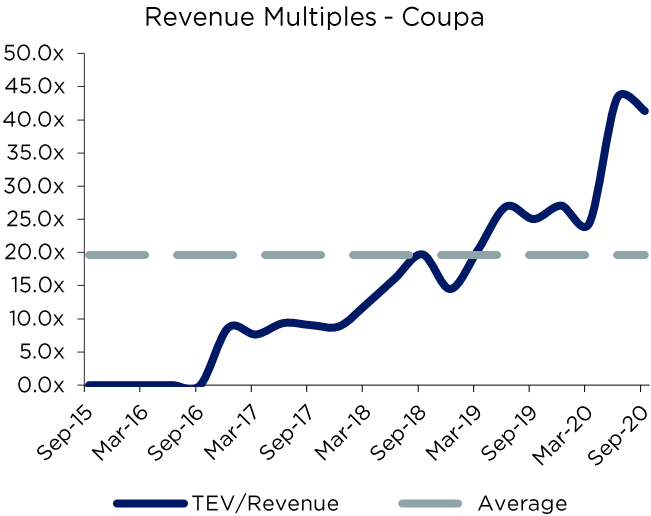


Company Name	Date	Deal Synopsis
Global Bay Mobile Technologies	11-Aug-14	The company was acquired by Manhattan Associates (NASDAQ: MANH) for \$2.8 million on August 11, 2014.
Evant	01-Sep-05	The company was acquired by Manhattan Associates (NAS: MANH) for \$50 million on September 1, 2005.

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.



Company Name	Date	Deal Synopsis
ETA Travel App	29-Apr-20	The company was acquired by Coupa (NAS: COUP) for an undisclosed amount on April 29, 2020. With the acquisition of ETA, Coupa now has the ability to do business travel booking like rival SAP Concur.
Yapta	07-Jan-20	The company was acquired by Coupa (NAS: COUP) for an undisclosed amount on January 7, 2020. The acquisition will enable Coupa to deliver more value across BSM by empowering companies to achieve greater savings in a significant spend category, Travel & Expense (T&E).

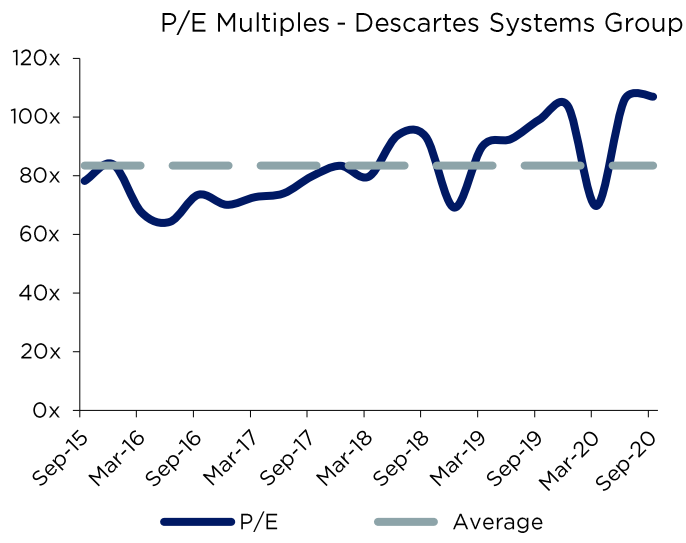
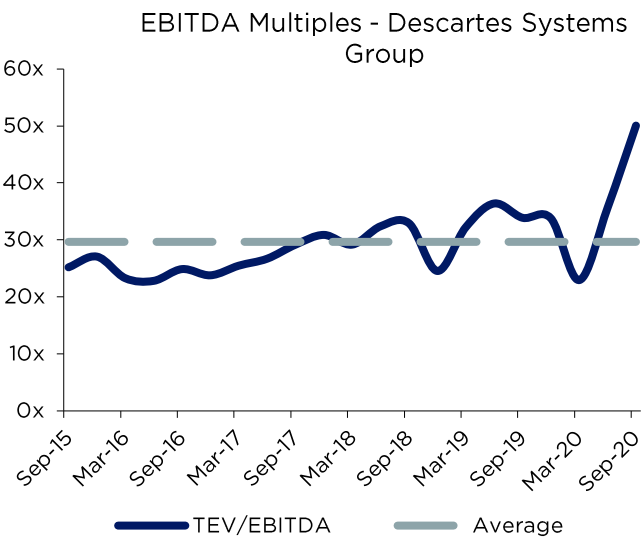
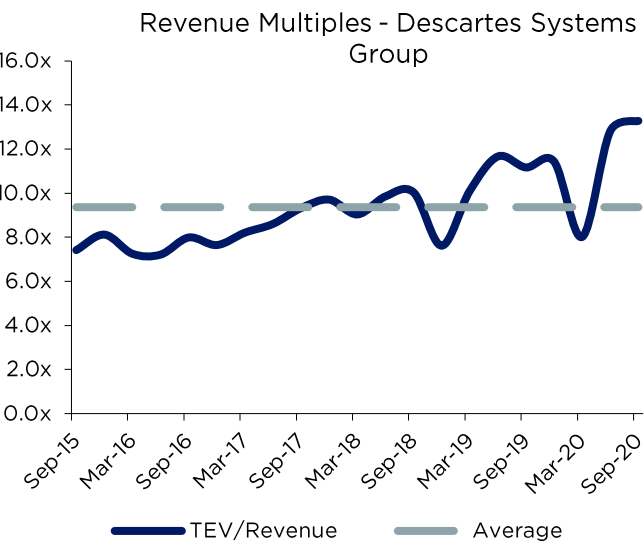
Descartes Systems Group

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
PeopleVox	24-Feb-20	The company was acquired by Descartes Systems Group (TSE: DSG) for GBP 18.9 million on February 24, 2020.
BestTransport.com	20-Aug-19	The company was acquired by Descartes Systems Group (TSE: DSG) for approximately \$11.7 million on August 20, 2019.

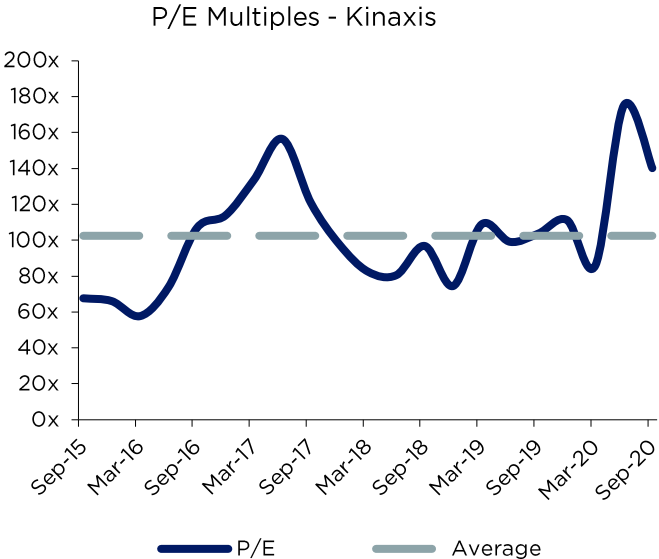
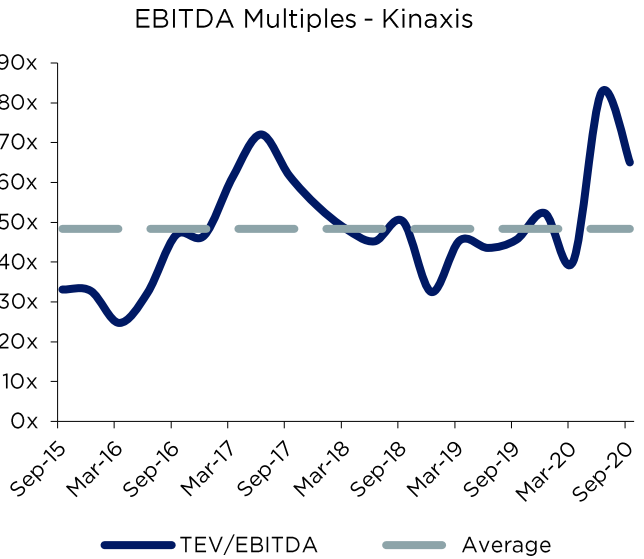
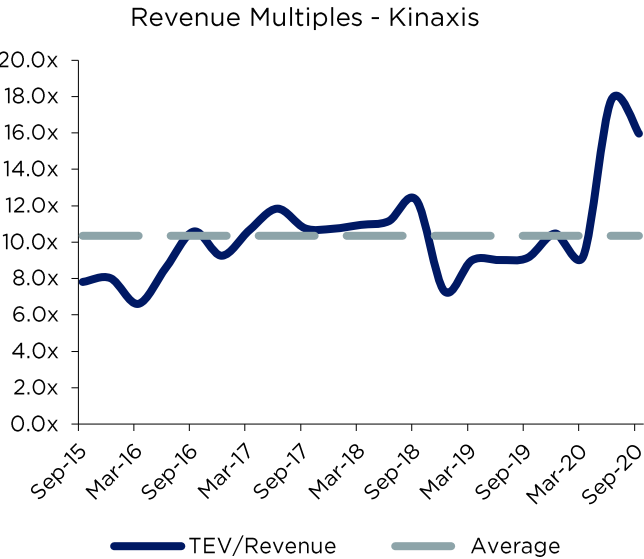
Kinaxis

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
Prana Consulting	26-Feb-20	The company was acquired by Kinaxis (TSE: KXS) for an undisclosed amount on February 26, 2020. 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.

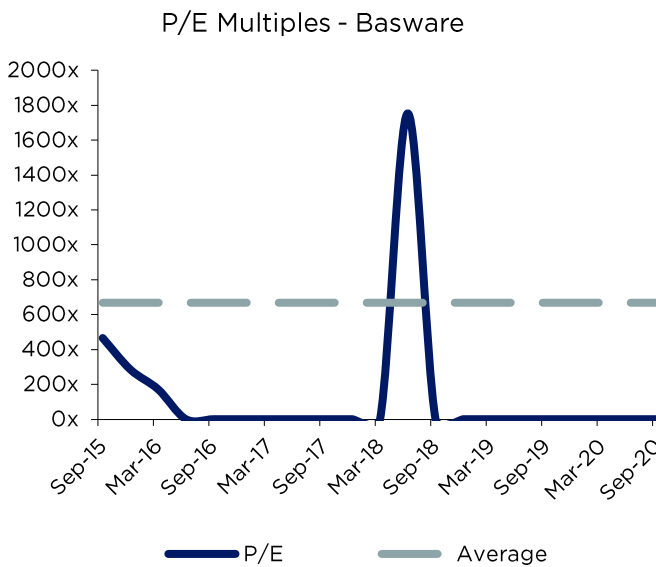
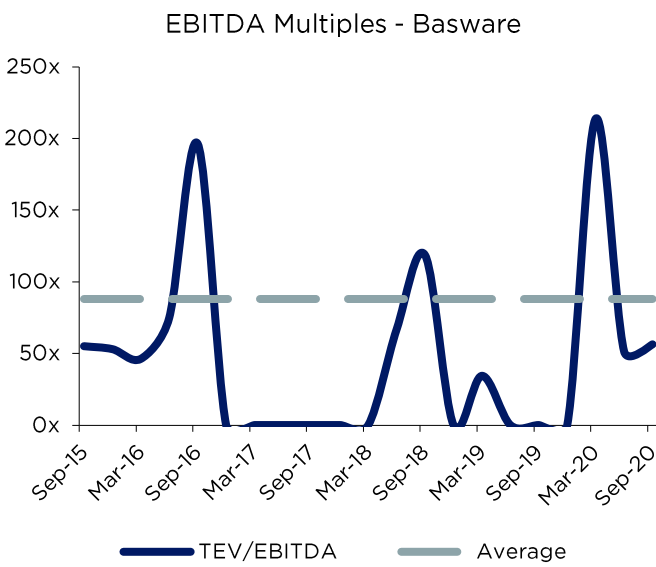
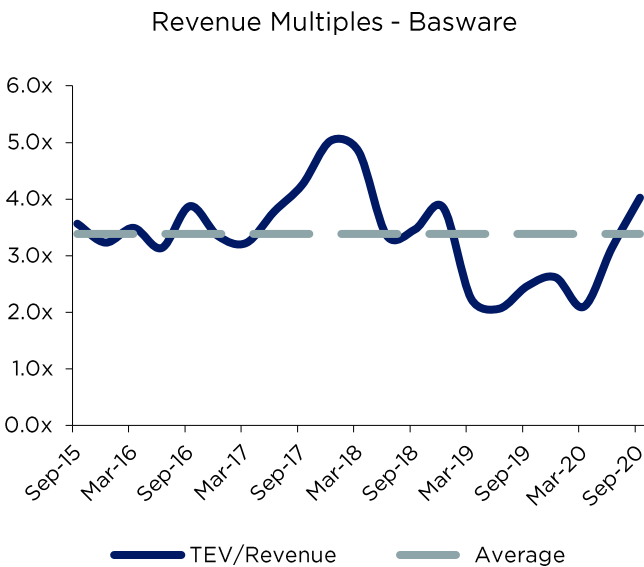
Basware

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.
Procserve Holdings	08-Apr-15	The company was acquired by Basware for an estimated GBP 18.9 million on April 8, 2015.

American Software

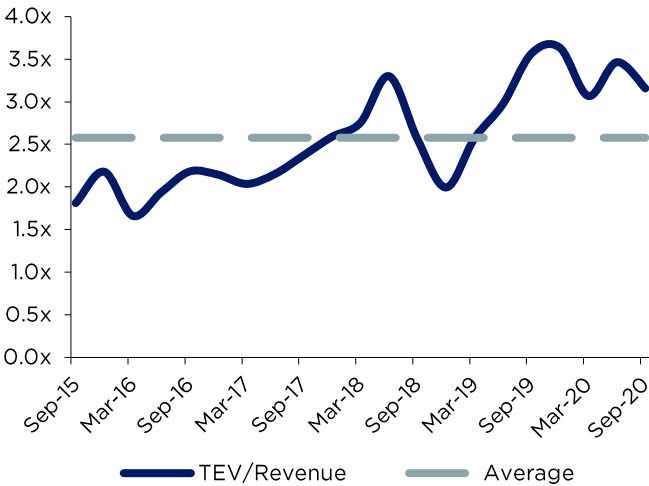
American Software Inc develops enterprise management and supply chain-related software and services.

Its software and services bring business value to companies by supporting their operations over cloud-based Internet-architected solutions. Its solutions consist of global sourcing, workflow management, customer service applications, and ERP solutions. The company's segments consist of supply chain management, enterprise resource planning, and information technology consulting. The company derives revenue from software licenses, services, and maintenance.

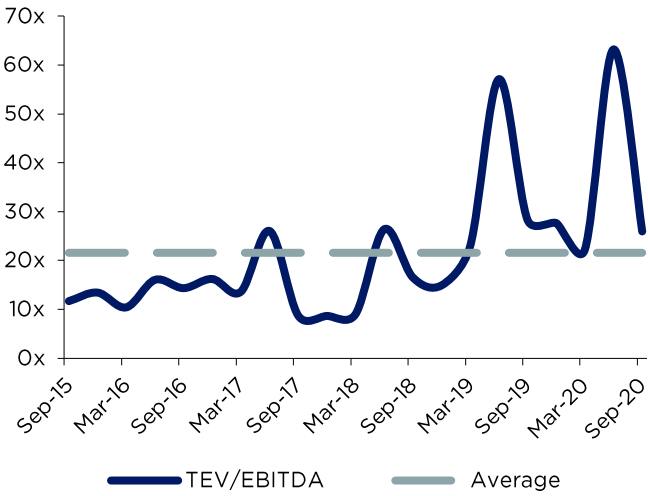
Public Basket

American Software

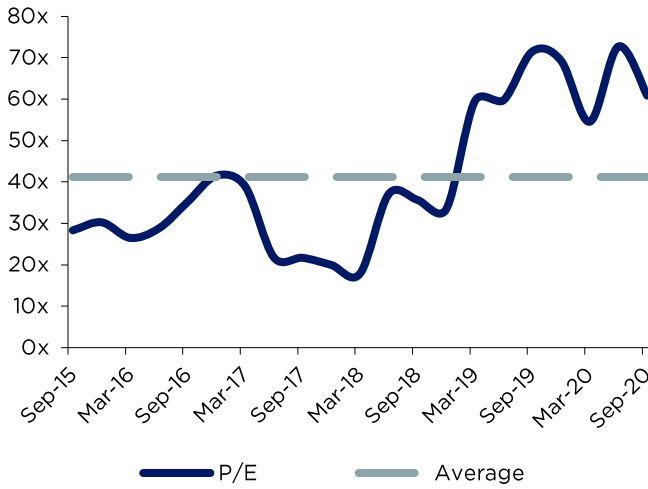
Revenue Multiples - American Software



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 an undisclosed amount on May 30, 2014.
Logility	29-Jun-09	The company was acquired by American Software (Nasdaq: AMSWA) for an undisclosed amount on June 6, 2009. As a result, the company was de-listed from the NASDAQ Global stock exchange.

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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. Securities offered through 7M Securities LLC.



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