

7 Mile Advisors



Sectorwatch: Supply Chain Tech & Software

January 2021



7MA

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

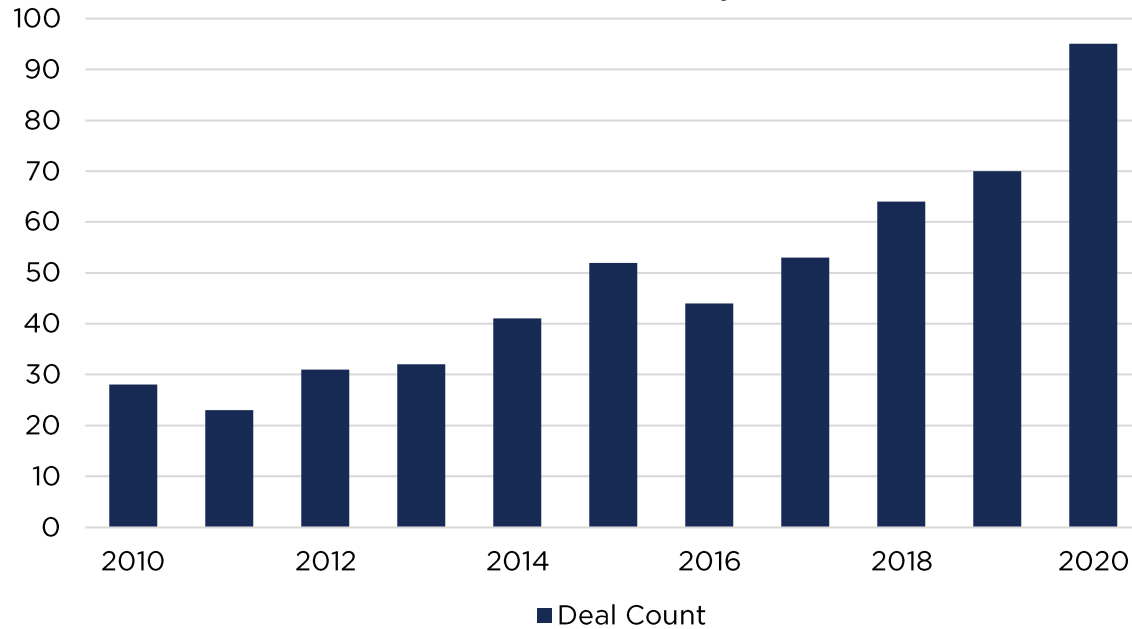
- The most recently announced deals in the sector

Dashboard

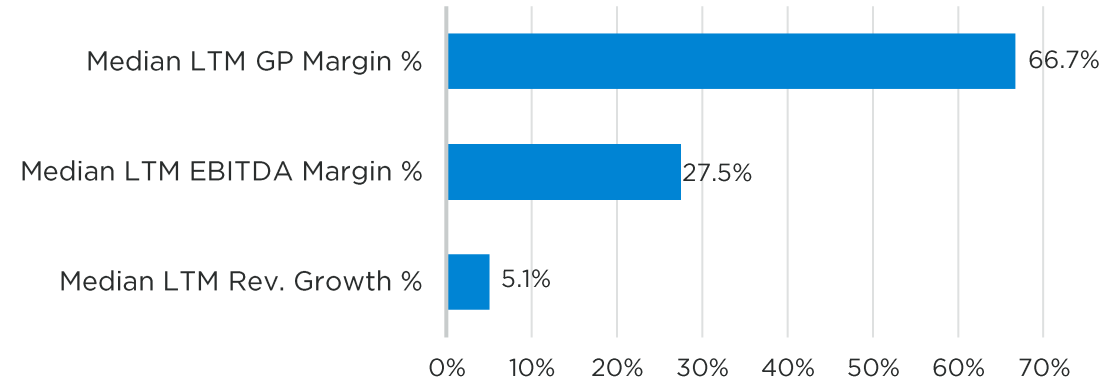
REVENUE GROWTH MOMENTUM ↑ 0.7%

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

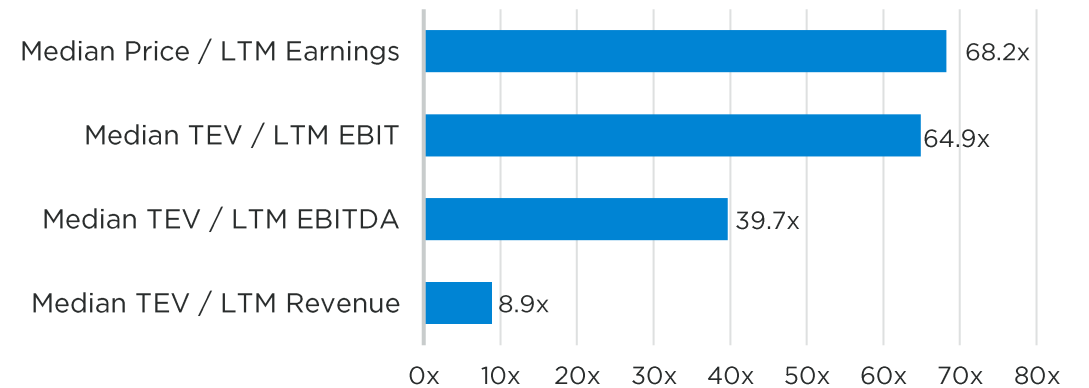
M&A Activity



Operating Metrics



Valuation



Public Basket Overview

Supply Chain Tech & Software

United States



Canada



Finland



Germany

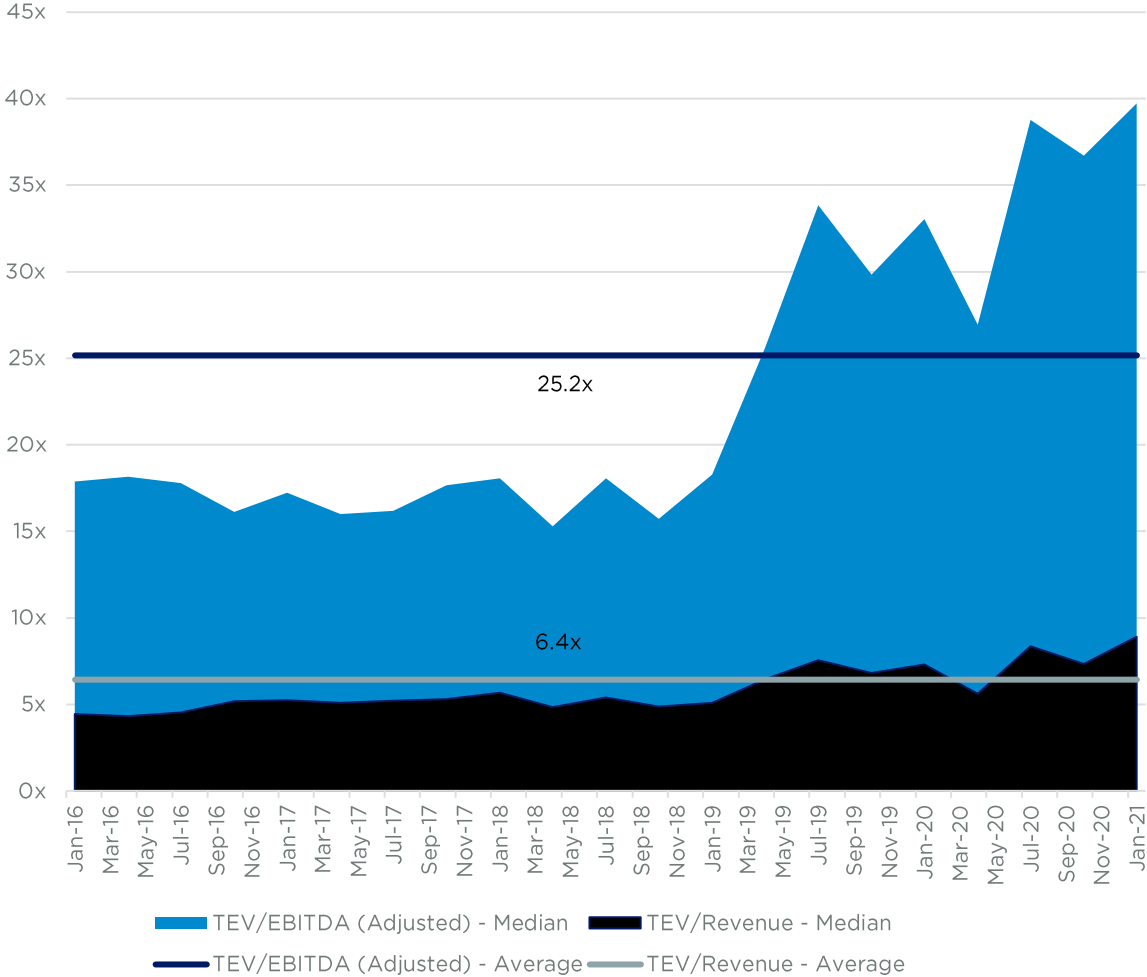


Public Basket

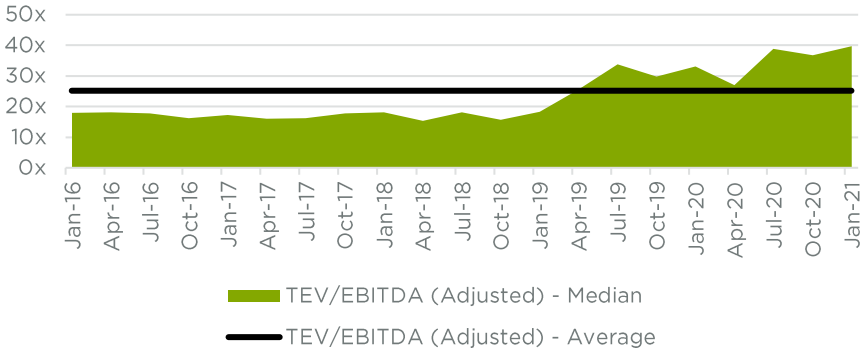
Company	TEV \$m	LTM EBITDA \$m	LTM Rev \$m	Rev Growth YoY	GP %	EBITDA %	TEV / Rev X	TEV / EBITDA X	# FTEs	Rev / FTE \$k
Oracle	217,037	19,415	39,402	-0.5%	80.3%	49.3%	5.5x	11.2x	135,000	292
SAP	171,176	11,260	31,160	3.3%	70.7%	36.1%	5.5x	15.2x	101,379	307
Manhattan Associates	7,287	153	592	-2.8%	53.6%	25.8%	12.3x	47.7x	3,500	169
Coupa	21,549	75	490	38.6%	62.8%	15.4%	44.0x	285.6x	1,693	289
Descartes Systems Group	5,210	130	339	8.6%	73.7%	38.2%	15.3x	40.2x	1,500	226
Kinaxis	3,627	66	226	30.0%	71.2%	29.2%	16.1x	55.1x	662	341
Basware	762	19	170	4.5%	55.4%	11.4%	4.5x	39.3x	1,323	129
American Software	557	15	115	5.7%	54.3%	13.0%	4.8x	37.1x	437	263
Average	53,401	3,892	9,062	10.9%	65.2%	27.3%	13.5x	66.4x	30,687	252
Median	6,248	103	415	5.1%	66.7%	27.5%	8.9x	39.7x	1,597	276

share price as of 27Jan21

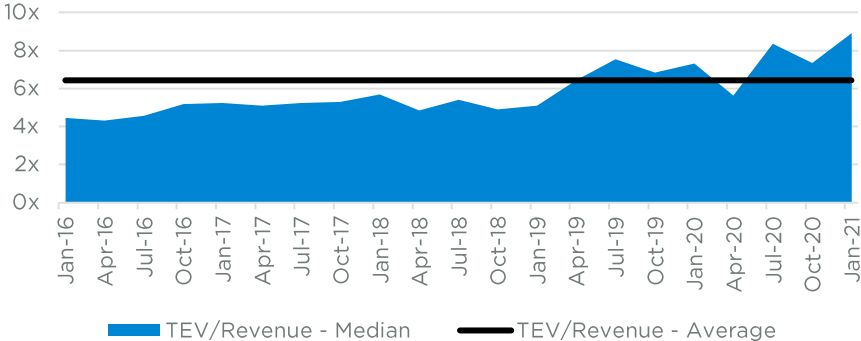
Public Basket



Public EBITDA Multiples over Time

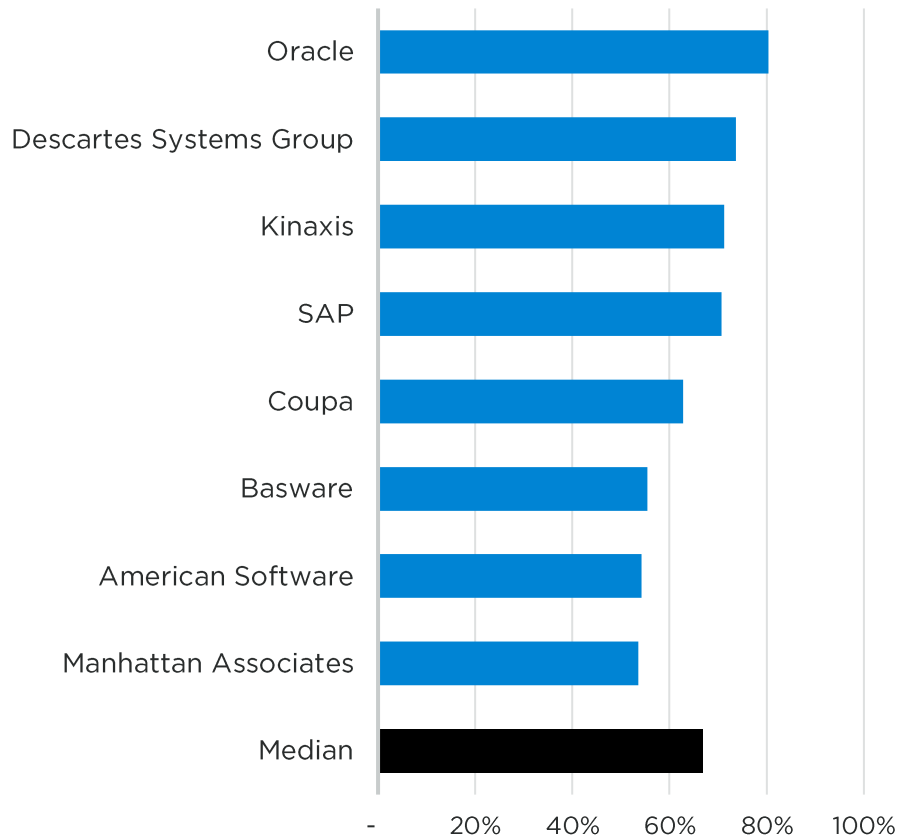


Public Revenue Multiples over Time

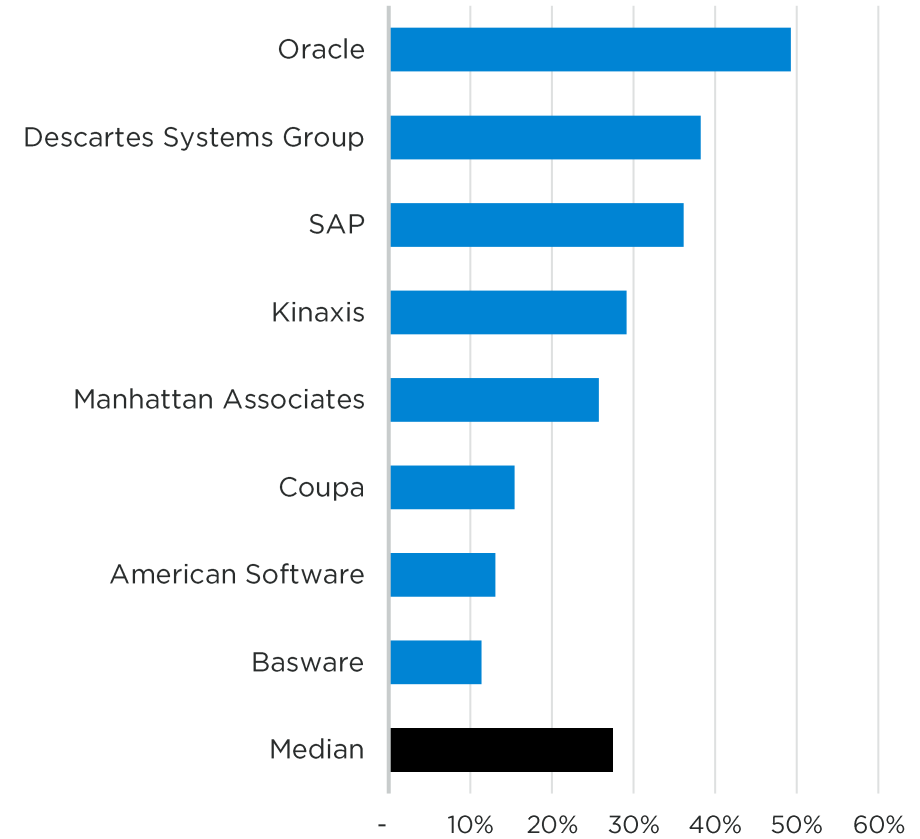


Operational Metrics

LTM Gross Profit Margin %

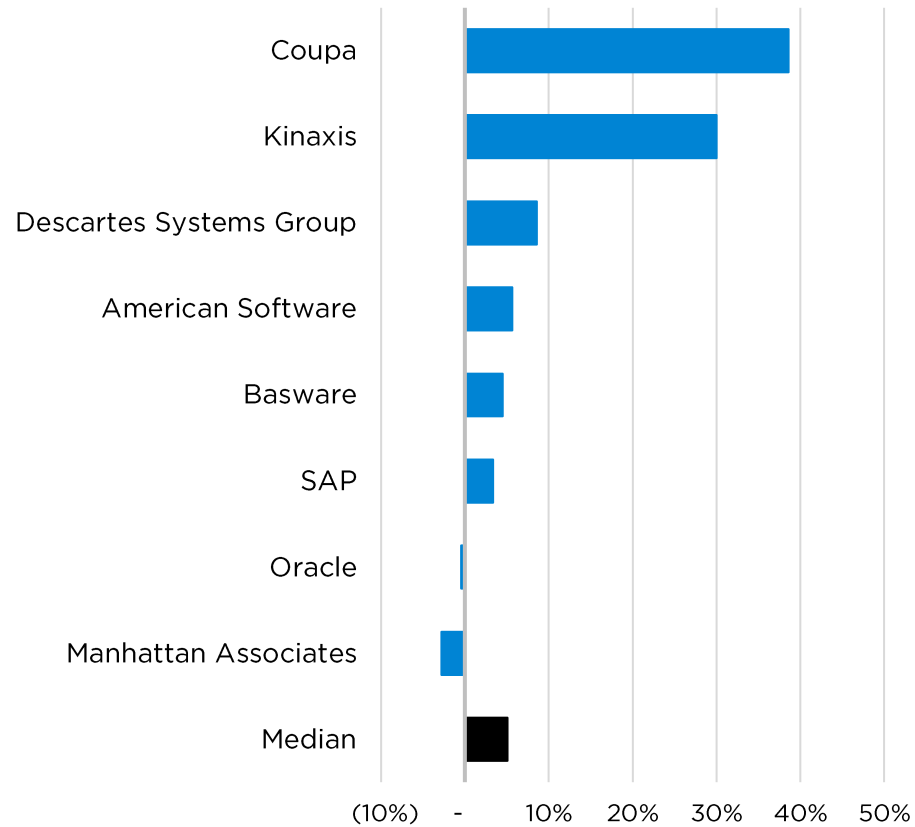


LTM EBITDA %

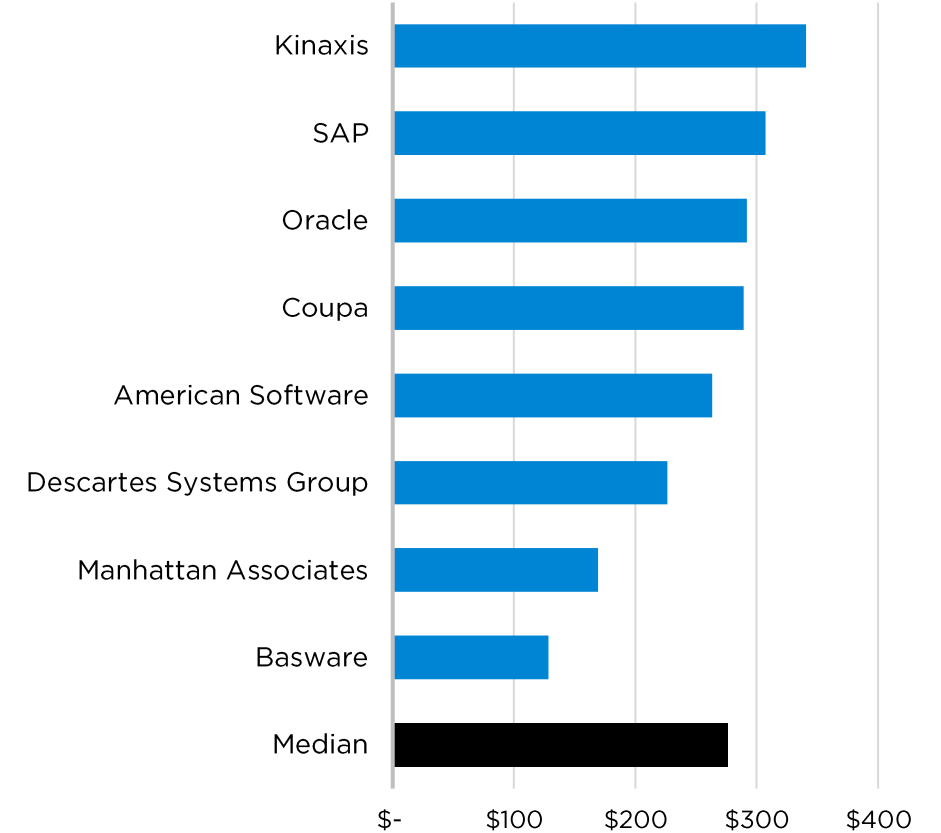


Operational Metrics

LTM Revenue Growth %

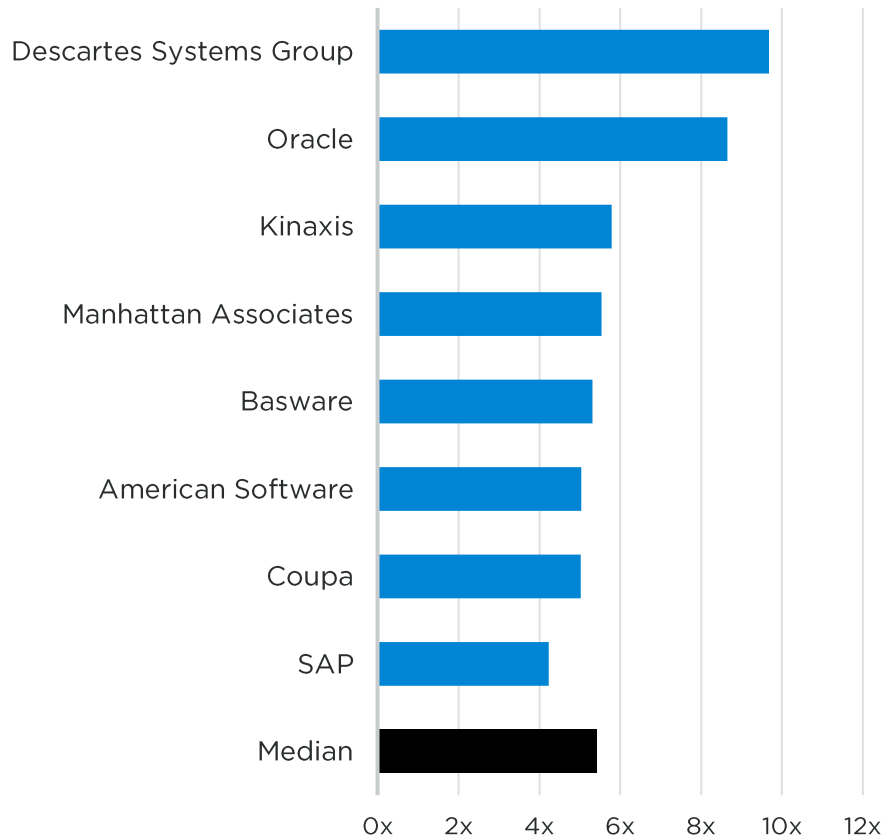


LTM Revenue per Full Time Employee x 000's

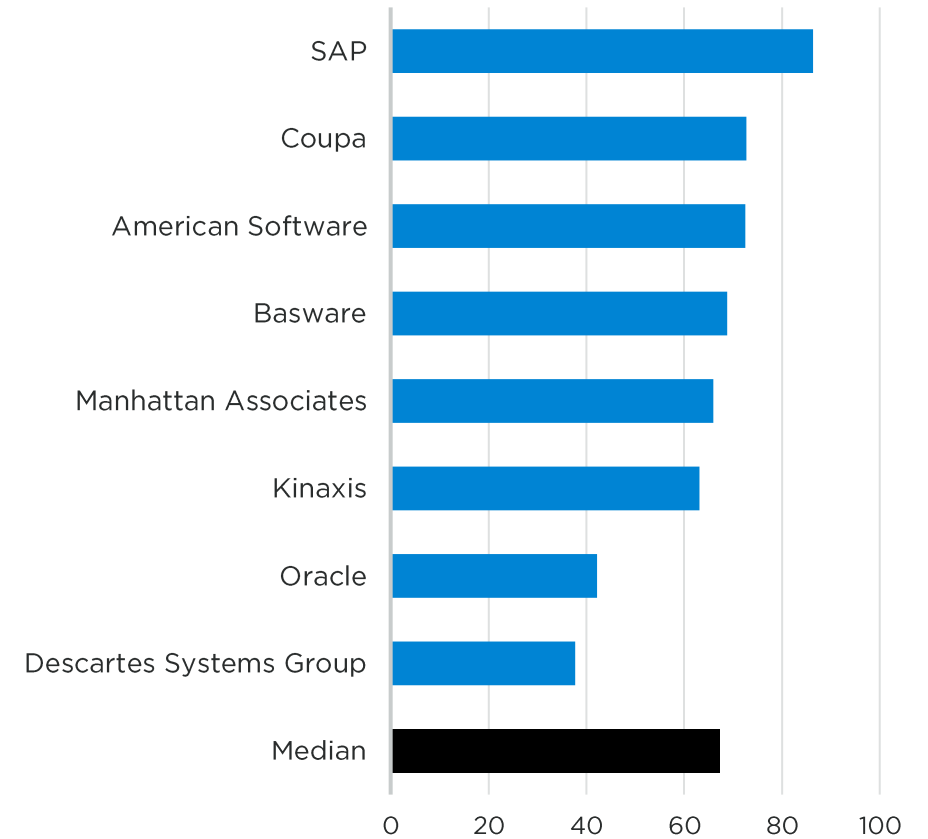


Operational Metrics

Accounts Receivable Turnover

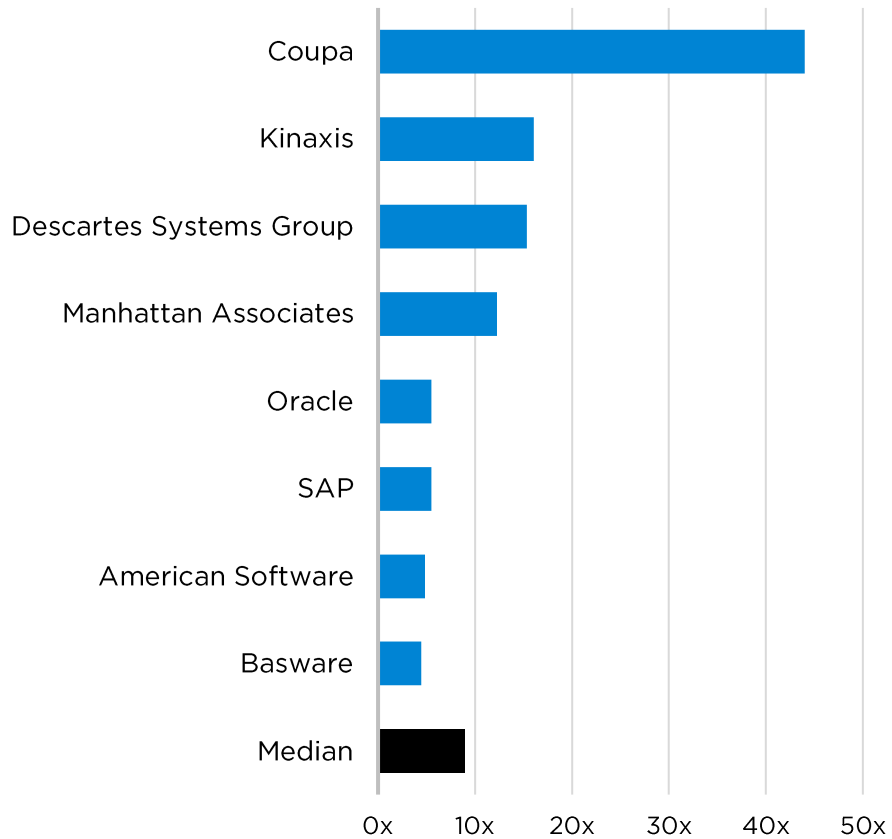


Average Days Sales Outstanding

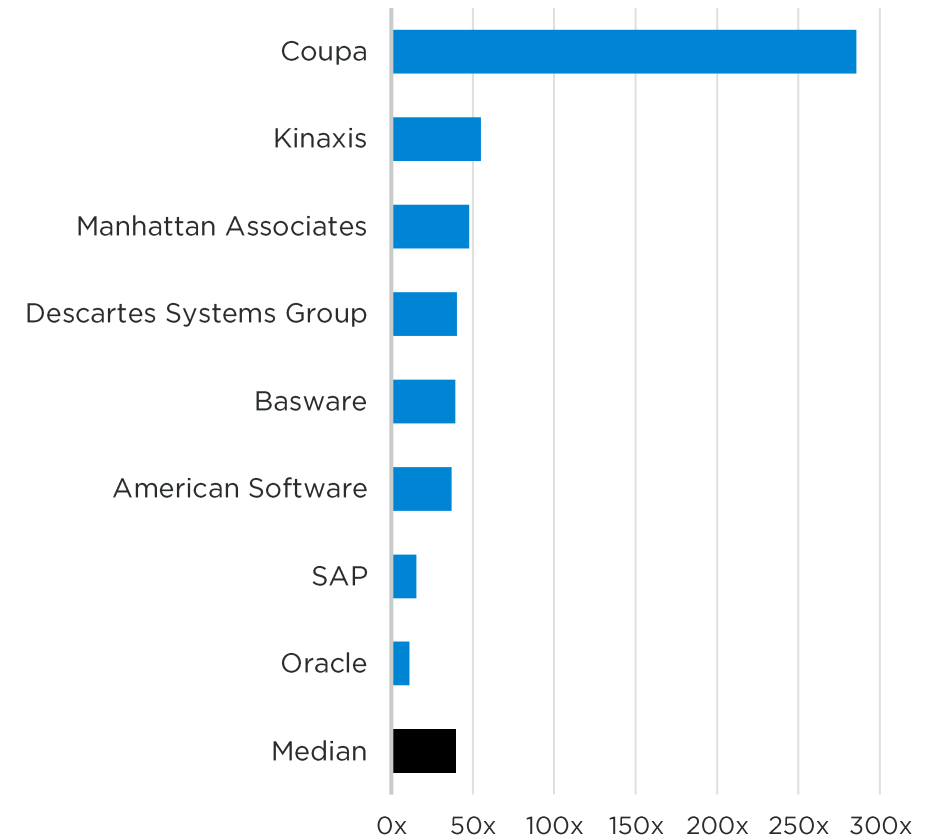


Valuation

TEV / LTM Revenue

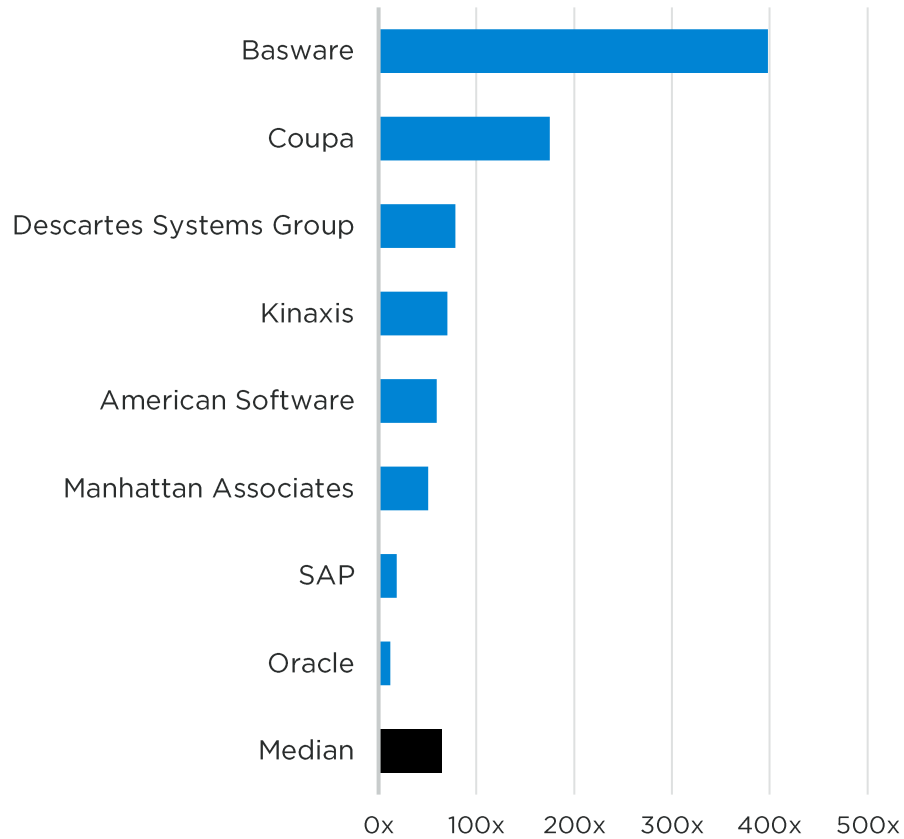


TEV / LTM EBITDA

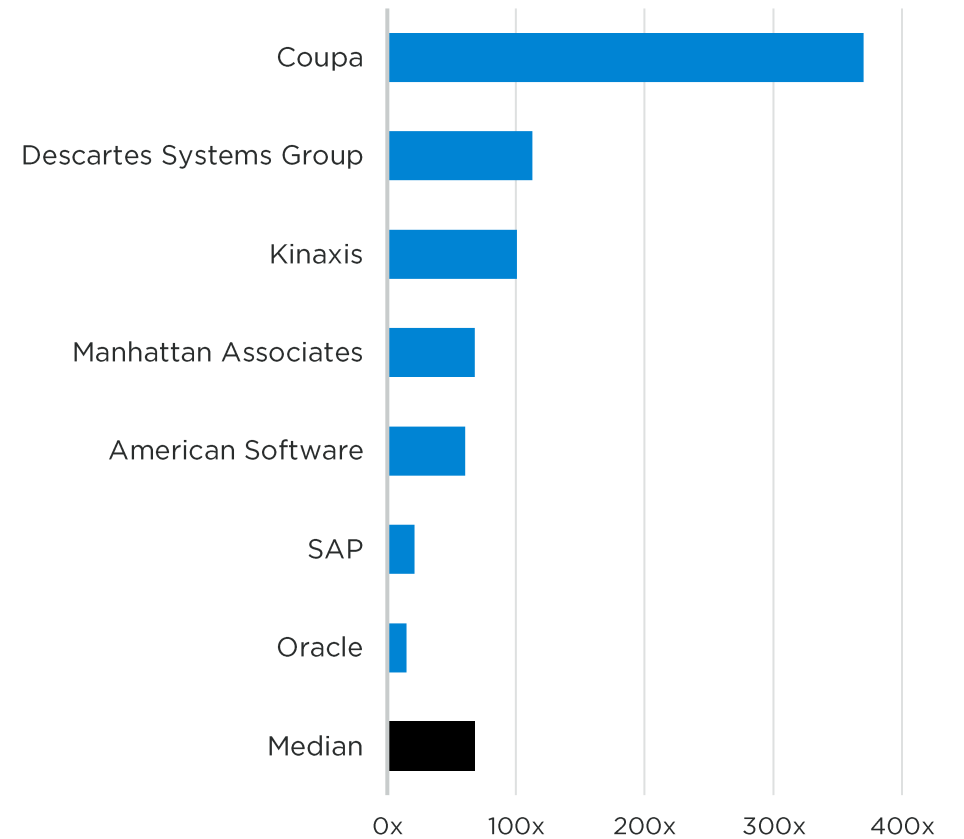


Valuation

TEV / LTM EBIT

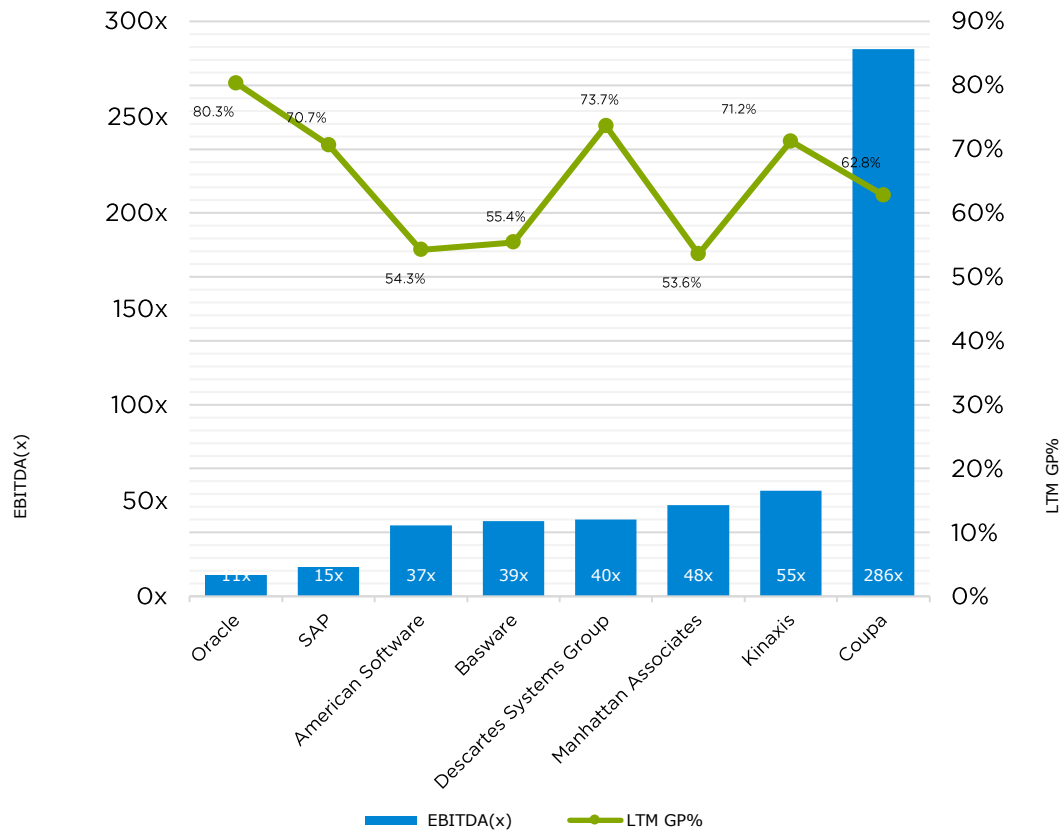


Price / LTM Earnings

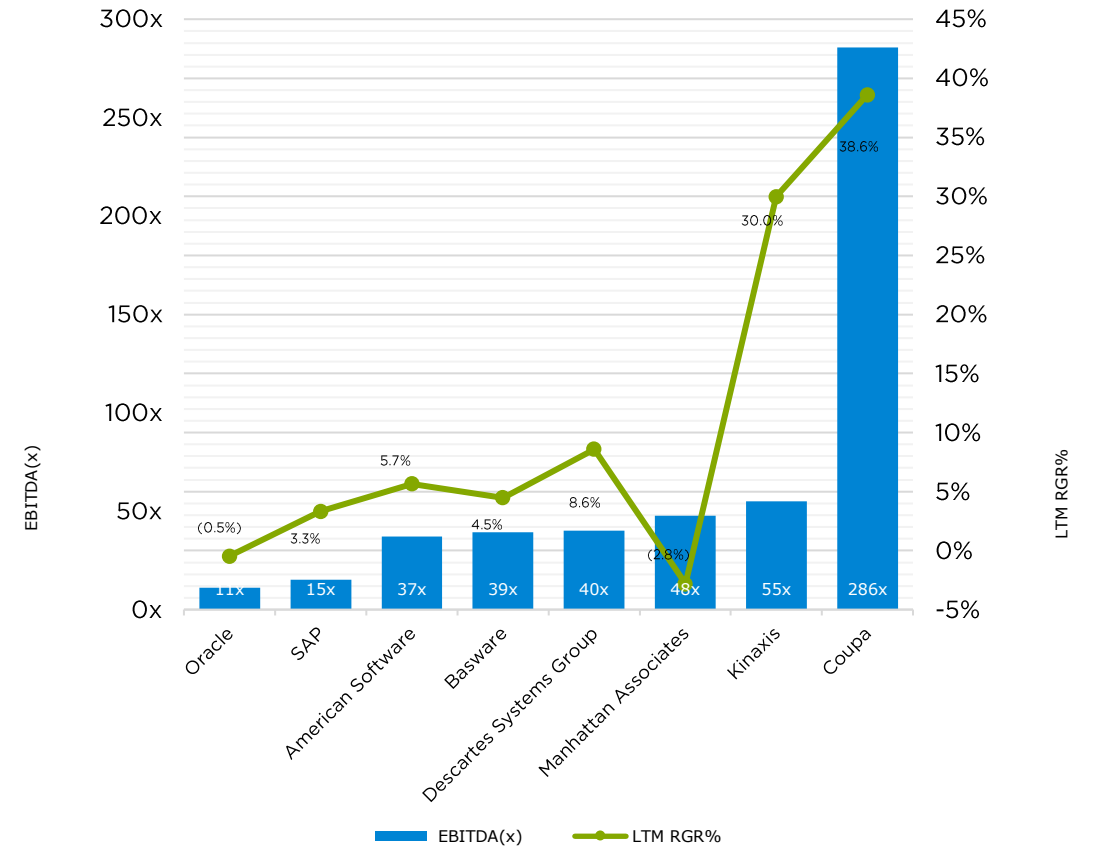


Valuation

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
27-Jan-21	ShipMonk	Periphos Capital	65.00	-	-	-
21-Jan-21	iSAM (Germany)	Hamburger Hafen	-	-	-	-
12-Jan-21	Smartseeds	Demetra-Holding	-	-	-	-
06-Jan-21	Yellow Star Solutions	ICT Group (Netherlands)	-	-	-	-
05-Jan-21	Ike Robotics	Nuro	-	-	-	-
23-Dec-20	Moulton Logistics Management	Amware Fulfillment	-	-	-	-
23-Dec-20	RuckIt	Ares Capital	-	-	-	-
16-Dec-20	ArrowStream	Tailwind Capital	-	-	-	-
16-Dec-20	ProcessWeaver	Ares Capital	-	-	-	-
14-Dec-20	Melhor Envio	Locaweb Internet Services	15.78	-	38.00	-
04-Dec-20	DelSuper	Grupo Mox	-	-	-	-
02-Dec-20	CommerceHub	Insight Partners	-	-	-	-
02-Dec-20	ShipMonk	Summit Partners	290.00	-	-	-
26-Nov-20	IMAFS	RPM Global	0.99	-	-	-
19-Nov-20	Libra Systems	Ares Capital	-	-	-	-
19-Nov-20	UltraShipTMS	PCS Software	-	-	-	-
12-Nov-20	Unleashed Software	HgCapital Trust	-	-	-	-
06-Nov-20	ShipTrack (Canada)	Descartes Systems Group	37.91	-	-	-
05-Nov-20	Montway	AEA Investors	-	-	-	-
02-Nov-20	LLamasoft	Coupa	1500.00	-	-	-
28-Oct-20	Tailwind (Business/Productivity Software)	Envase	-	-	-	-
27-Oct-20	Sifted	Summit Partners	-	-	-	-
21-Oct-20	LogicSource	Connecticut Innovations	0.49	-	-	-
14-Oct-20	NETSTOCK	Strattam Capital	-	-	-	-
02-Sep-20	Point Pickup	Brown Brothers Harriman Capital Partners	31.50	-	-	-
08-Oct-20	Retail Solutions	Information Resources	-	-	-	-
05-Oct-20	SecurSpace	Envase	-	-	-	-
01-Oct-20	SmartDrive Systems	Omnitracs	450.00	-	-	-
24-Sep-20	Catapult International	LLR Partners	-	-	-	-

Appendix

*Public Basket
Contact Information*



Oracle

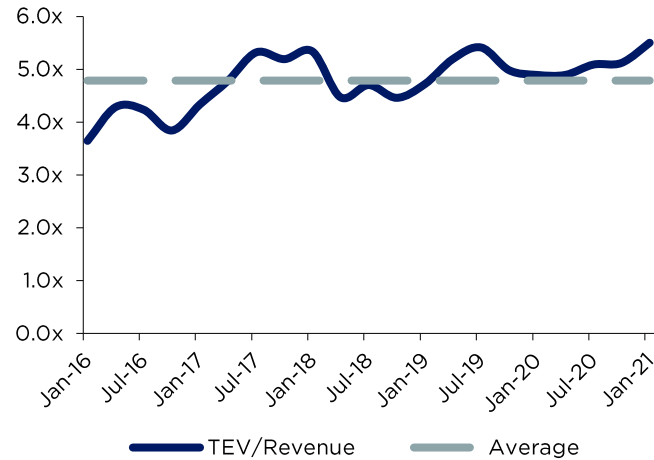
Oracle provides database technology and enterprise resource planning, or ERP, software to enterprises around the world.

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.

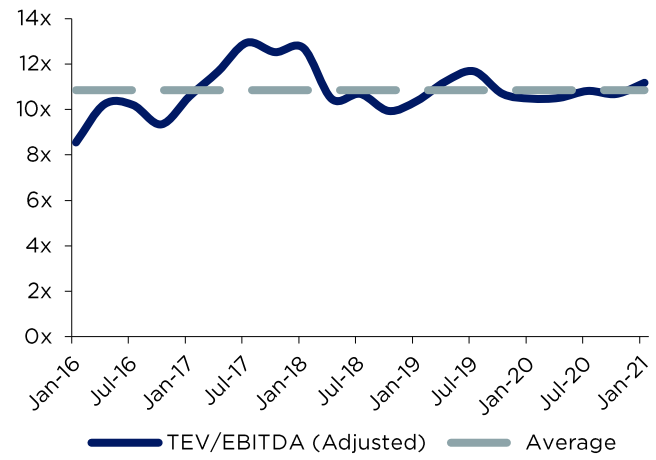
Public Basket

Oracle

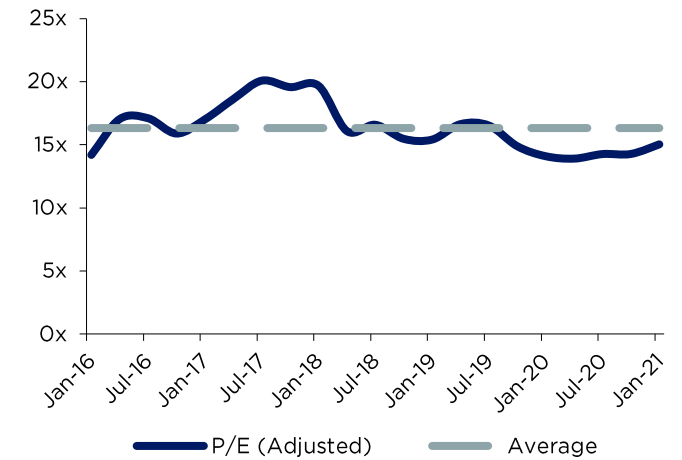
Revenue Multiples - Oracle



EBITDA Multiples - Oracle



P/E Multiples - Oracle



Company Name

Date

Deal Synopsis

Nor1

18-Nov-20

The company reached a definitive agreement to be acquired by Oracle (NYS: ORCL) for an undisclosed amount on November 18, 2020.

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.

SAP

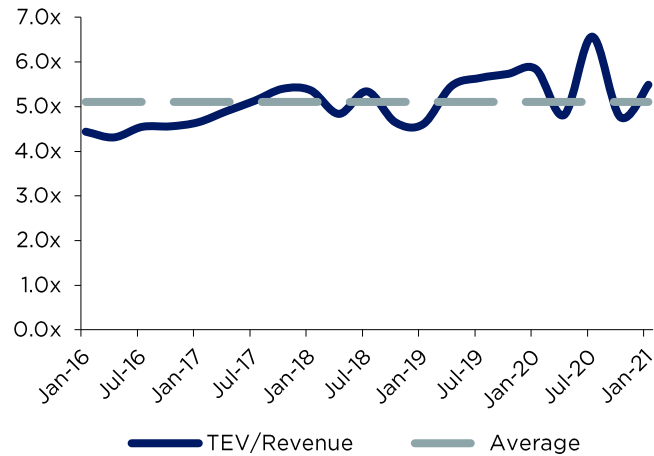
SAP is a global software vendor providing solutions for enterprise resource planning, database management, business intelligence, and vertical-specific software.

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.

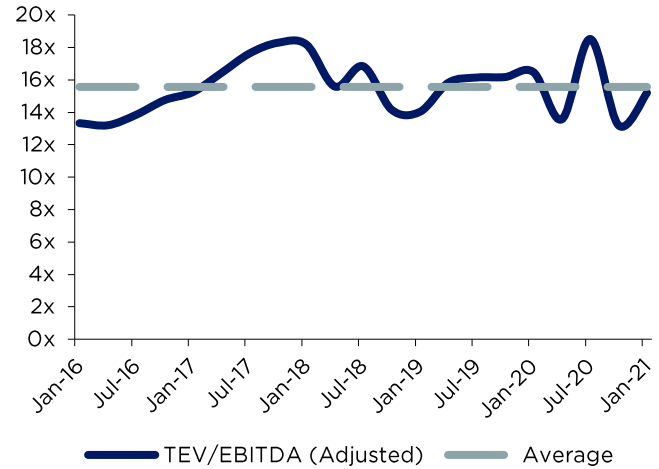
Public Basket

SAP

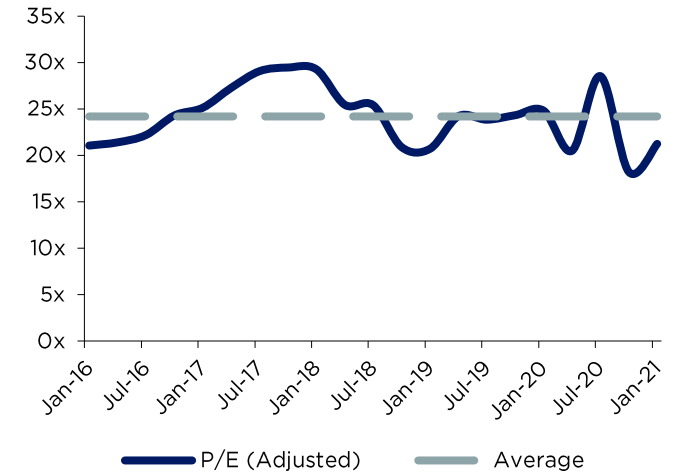
Revenue Multiples - SAP



EBITDA Multiples - SAP



P/E Multiples - SAP



Company Name

Date

Deal Synopsis

Emarsys eMarketing Systems

02-Oct-20

The company was acquired by SAP (ETR: SAP) for an undisclosed amount on October 2, 2020.

Vistex (Illinois)

04-Aug-20

The company received an undisclosed amount of financing from SAP on August 4, 2020. This investment in the company showcases SAP's commitment to developing its partner community and reflects the impact that the partner ecosystem has on its overall success.

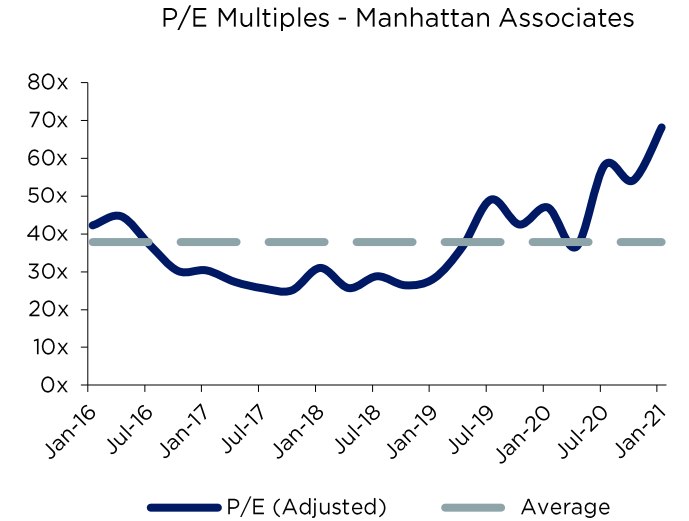
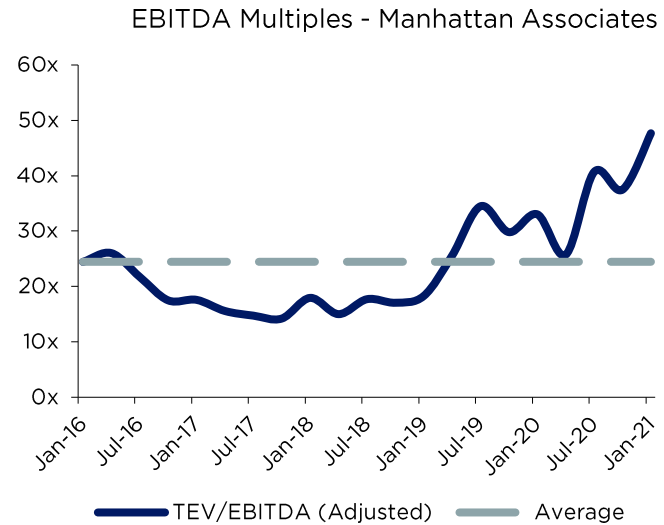
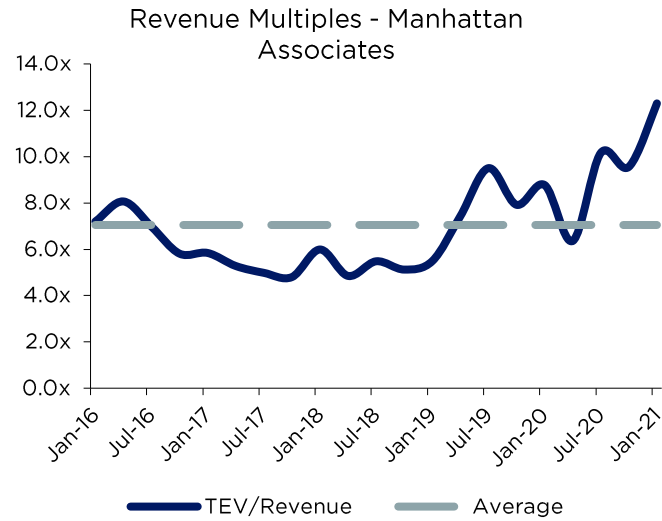
Manhattan Associates

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



<i>Company Name</i>	<i>Date</i>	<i>Deal Synopsis</i>
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.

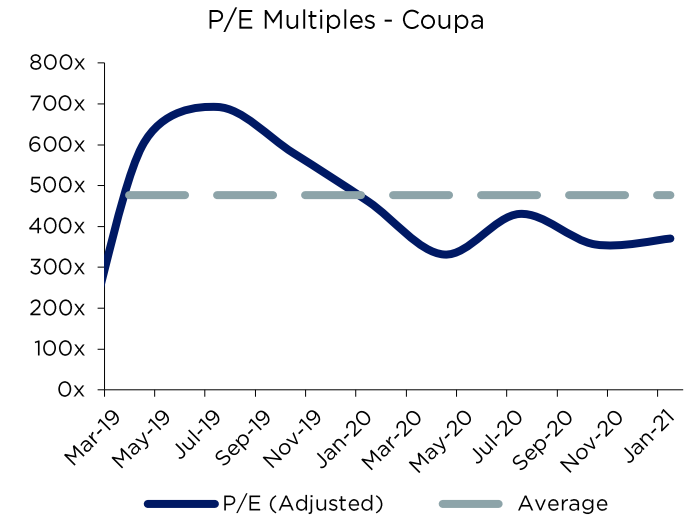
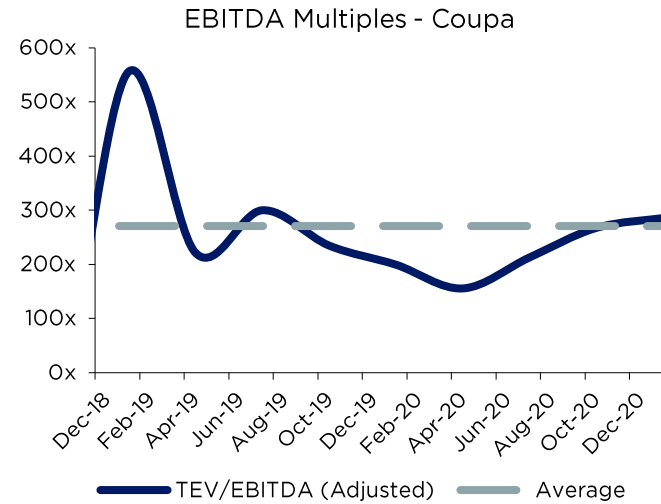
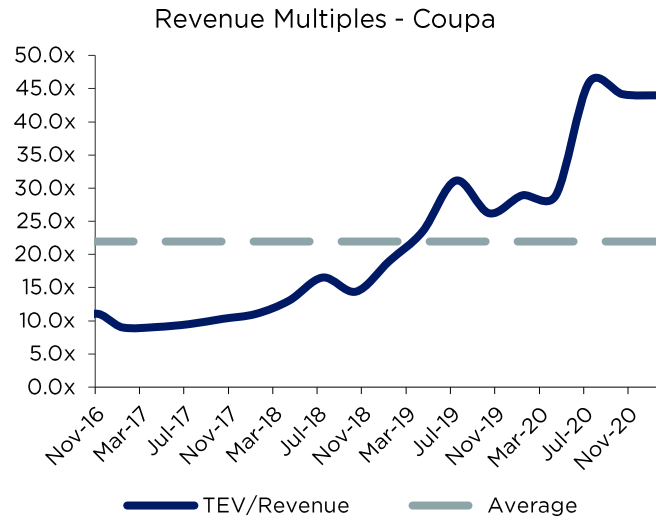
Coupa

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.

Public Basket

Coupa



Company Name	Date	Deal Synopsis
LLamasoft	02-Nov-20	The company was acquired by Coupa (NAS: COUP) for an estimated \$1.5 billion on November 2, 2020.
BELLIN Treasury International	09-Jun-20	The company was acquired by Coupa (NAS: COUP) for \$121.7 million on June 9, 2020. The purchase consideration comprised of \$79.9 million in cash (of which \$8.0 million is being held in escrow for eighteen months after the transaction closing date) and 186,300 shares of the Coupa's common stock with a fair value of approximately \$41.8 million as of the transaction close date. The acquisition will extend Coupa's value within treasury, payments, and working capital processes, strengthening Coupa's position as a comprehensive and indispensable platform for managing business spend.

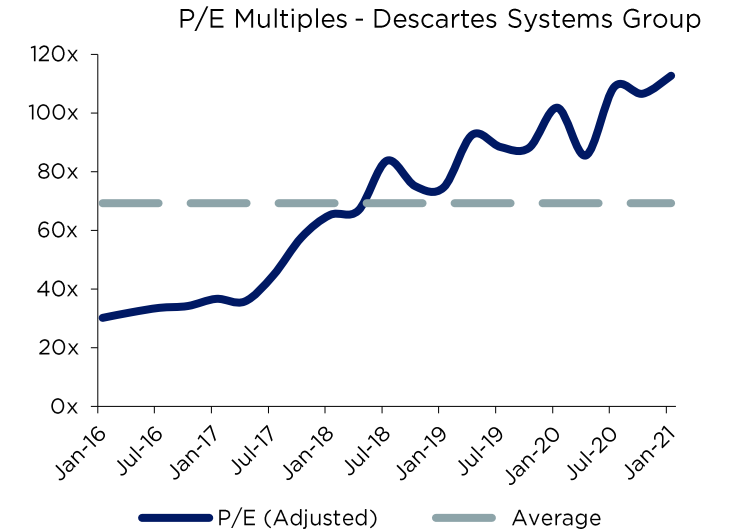
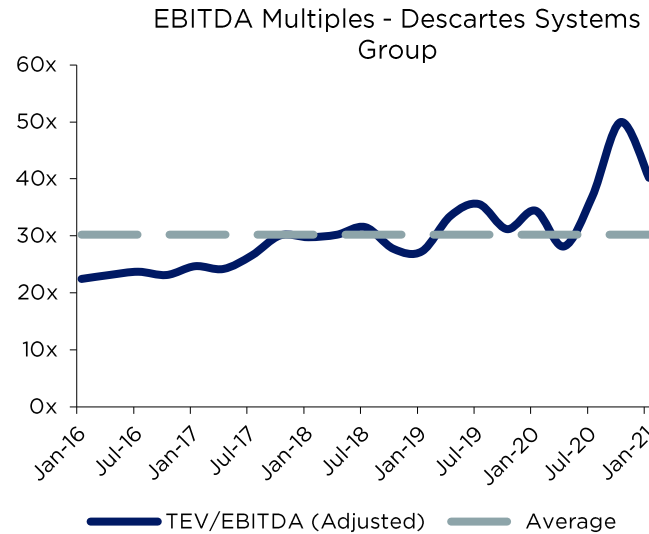
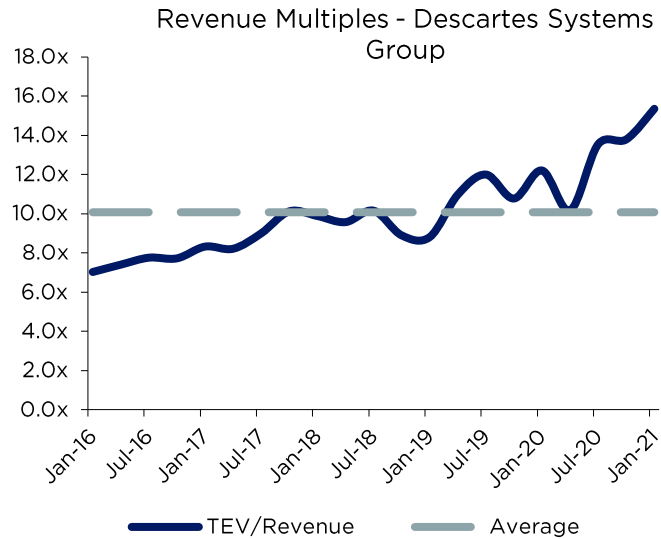
Descartes Systems Group

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

ShipTrack (Canada)

06-Nov-20

The company was acquired by Descartes Systems Group (TSE: DSG) for an estimated CAD 50 million on November 6, 2020. The company will receive a maximum contingent payout of CAD 25 million based on achieving revenue-based targets over the first two years post-acquisition. The acquisition compliments Descartes strategy to fill the gap in the market with its advanced Routing, Mobile and Telematics suite of solutions and also will allow ShipTrack an opportunity to create a differentiated product that combines its advanced final-mile solutions with Descartes route optimization and reservations capabilities.

Kontainers

10-Jun-20

The company was acquired by Descartes Systems Group (TSE: DSG) for \$11.4 million on June 10, 2020. The company will receive a contingent payout of \$6 million upon the completion of certain revenue performance targets in the two years following the acquisition.

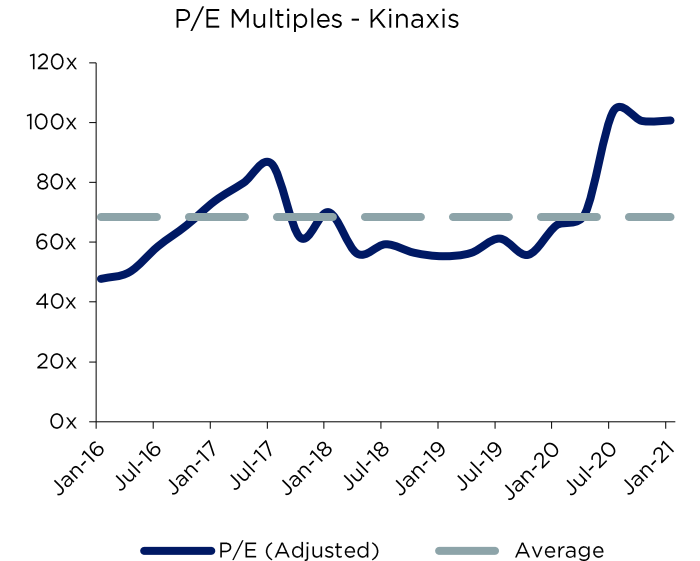
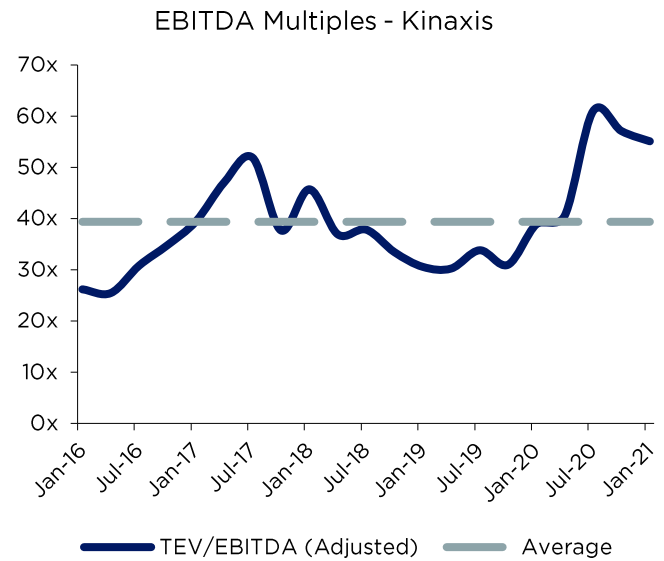
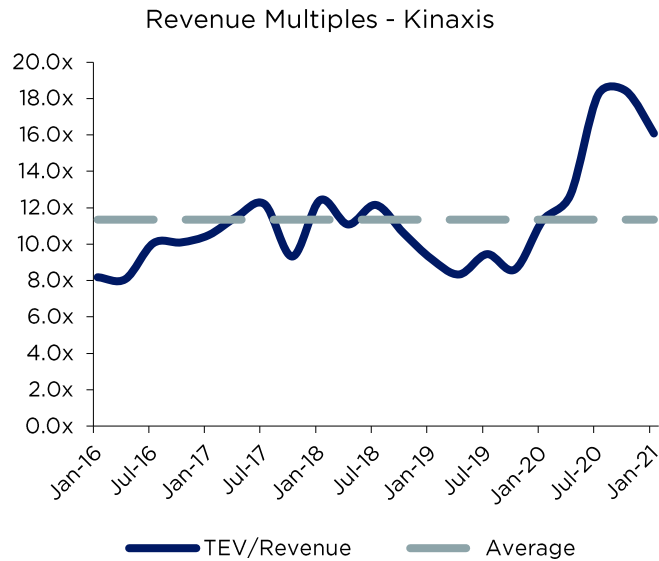
Kinaxis

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



<i>Company Name</i>	<i>Date</i>	<i>Deal Synopsis</i>
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

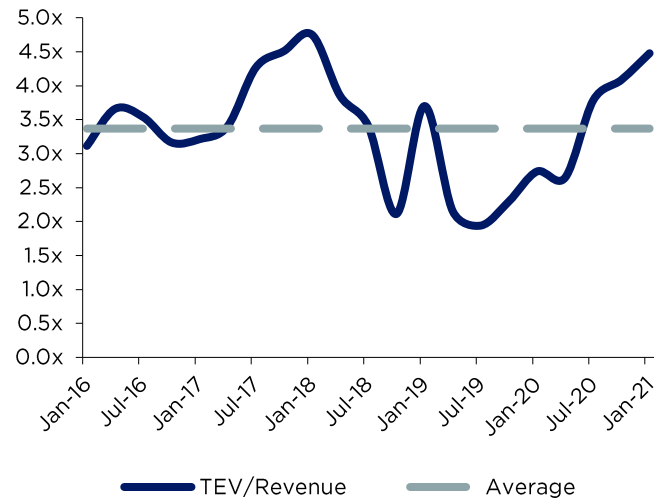
Basware Oyj is engaged in the provision of cloud-based-solutions to organizations of all sizes.

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.

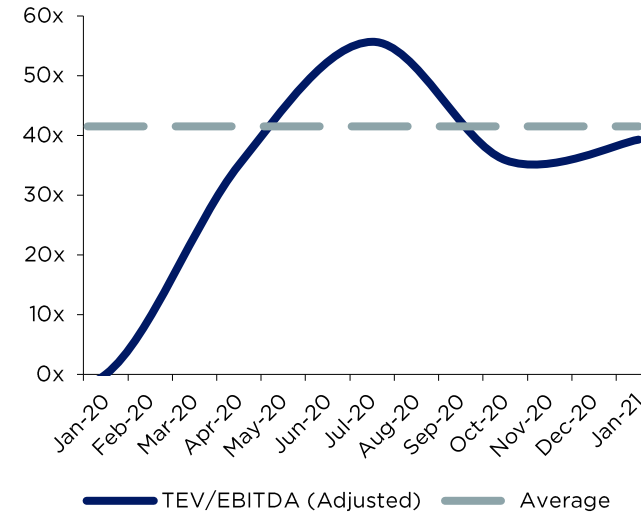
Public Basket

Basware

Revenue Multiples - Basware



EBITDA Multiples - 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 GBP 18.9 million on April 8, 2015.

American Software

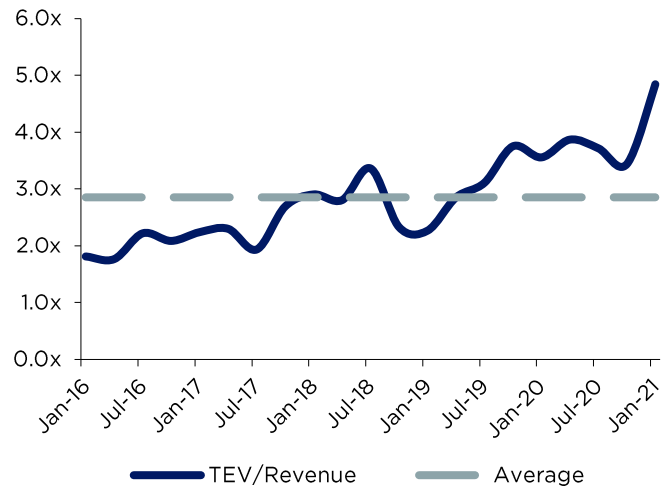
American Software Inc develops enterprise management and supply chain-related software and services.

Its software and services bring business value to companies by supporting their operations over cloud-based Internet-architected solutions. 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.

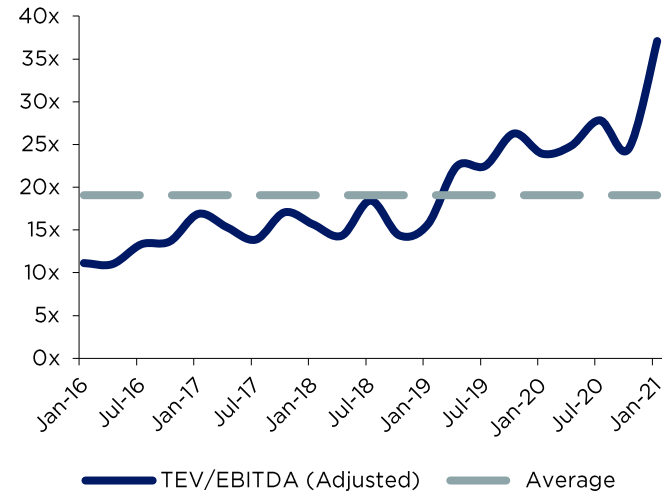
Public Basket

American Software

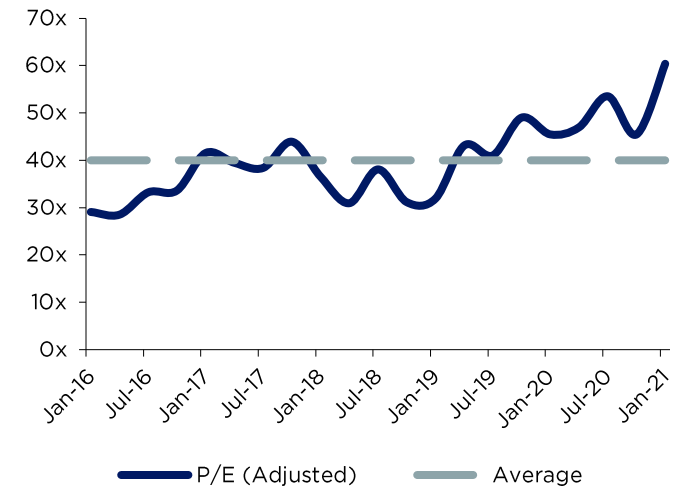
Revenue Multiples - American Software



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

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. Securities offered through 7M Securities LLC.

Leroy Davis, Partner	704.899.5962	leroy@7mileadvisors.com
Tripp Davis, Partner	704.899.5762	tripp@7mileadvisors.com
Andy Johnston, Partner	704.899.5961	andy@7mileadvisors.com
Mark Landry, Managing Director	561.972.0609	mark@7mileadvisors.com
John Cooper, Director	704.973.3996	john@7mileadvisors.com
Tim Frye, Director	704.973.3994	tim@7mileadvisors.com
Kristina Sergueeva, Director	704.899.5149	kristina@7mileadvisors.com
Ben Garber, Vice President	412.626.7898	ben.garber@7mileadvisors.com
Garth Martin, Vice President	704.973.3997	garth.martin@7mileadvisors.com
Nicholas Prendergast, Vice President	704.973.3995	nicholas@7mileadvisors.com
Ariail Barker, Director, Sales & Marketing	704.981.2908	ariail@7mileadvisors.com
Ben Bruggeworth, VP, Business Development	704.365.8859	ben.bruggeworth@7mileadvisors.com
Steve Sypek, VP, Business Development	704.414.8736	Steve.sypek@7mileadvisors.com
Emily Halstenberg, Marketing & Sales Manager	704.409.9912	emily@7mileadvisors.com
Marty Johnson, Senior Associate	704.973.3999	marty@7mileadvisors.com
Sydney Scadden, Senior Associate	704.973.3998	sydney@7mileadvisors.com
Steve Buffington, Associate	704.960.1828	steve@7mileadvisors.com
Dennis Fox, Associate	704.706.9168	dennis@7mileadvisors.com
Ilia Ulianchuk, Senior Associate	704.414.8743	ilia@7mileadvisors.com
Nic Anderle, Analyst	704.826.7492	nic.anderle@7mileadvisors.com
Robin Siegel, Analyst	704.285.8173	robin@7mileadvisors.com
Conor Smith, Analyst	704.855.2134	conor.smith@7mileadvisors.com
Luke Perda, Analyst	704.851.4013	luke.perda@7mileadvisors.com
Sawyer Willingham, Analyst	704.285.8171	sawyer.willingham@7mileadvisors.com
Alexis Papa, Marketing & Sales Coordinator	704.414.8732	lexi.papa@7mileadvisors.com