

SUPPLY CHAIN & LOGISTICS TECHNOLOGY MARKET UPDATE

SEPTEMBER 2023

INTRODUCTION

IN THIS REPORT

End Market Spotlight: Omnichannel Retail

M&A and Financing Activity

Public Market Update

Solomon Partners is pleased to share its Supply Chain & Logistics (“SC&L”) Technology market update

- In this report, we focus on the deployment of technologies in the omnichannel retail end market
- As widely discussed, COVID exposed the fragility of existing supply chains and accelerated the channel shifts occurring across retail commerce
- Consumer preferences have been shaped by experiences with mega-retailers (e.g., Amazon, Walmart, Target) who have provided a seamless buy-and-return experience
 - Industry leaders leveraged their scale to heavily invest in supply chain technology, both organically and through acquisitions
- In response, small and mid-sized omnichannel retailers have turned to third-party technology companies to meet the heightened consumer expectations
- Our Q2 report highlights four areas of particular relevance to omnichannel retailers:
 - Inventory and planning tools
 - Last-mile delivery and fulfillment technologies
 - In-store experience resources
 - Solutions exploiting the growing prevalence of AI
- Our report also provides an update on M&A and financing activity; despite continued slowness in deal volumes, we are optimistic activity will start to return in the latter part of 2023 and into 2024

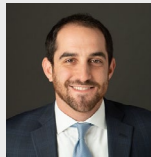
We hope you enjoy our report, and we look forward to connecting



Jeff Derman

Partner

T: +1 917.648.2176
jeff.derman@solomonpartners.com



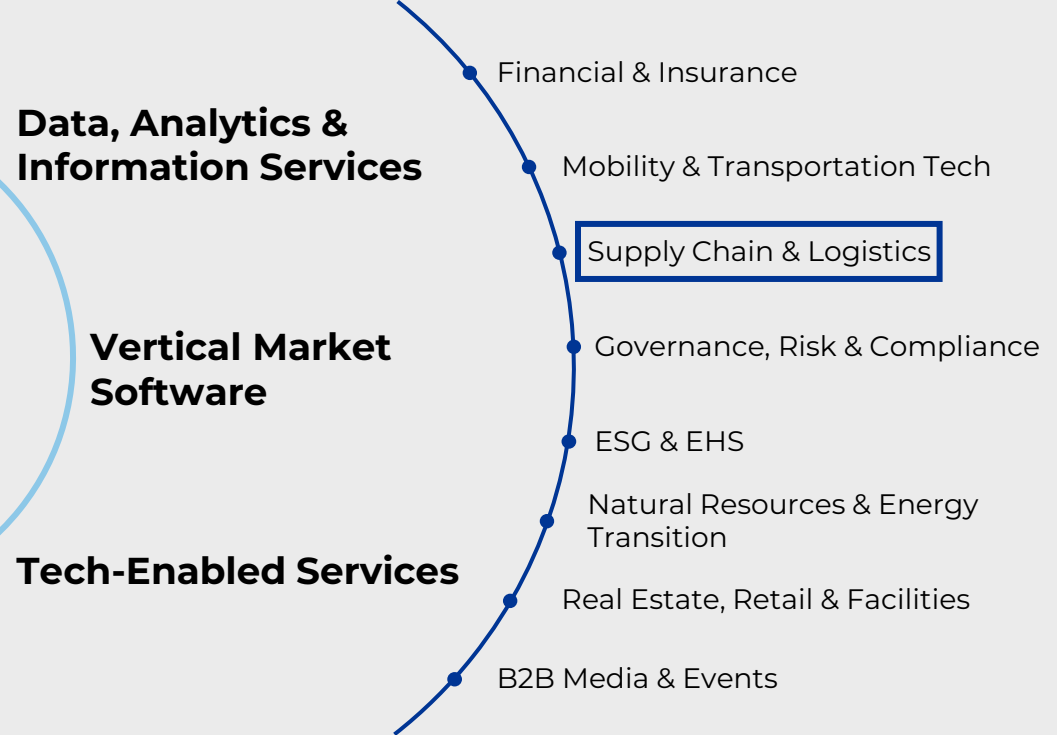
Jonathan Berger

Director

T: +1 973.464.8979
jonathan.berger@solomonpartners.com

SOLOMON PARTNERS – TECHNOLOGY GROUP

SOLOMON PARTNERS TECHNOLOGY COVERAGE (a)



Prodigio SOLUTIONS

sold to

GHX

Wilshire

launched Wilshire indexes with

FT FINANCIAL TIMES

SGX Group

ONERA

sold to

toolsgroup

KÖRBER

sold minority stake to

KKR

toolsgroup

receives growth investment from

AKKR

RUBYHAS

A ShipMonk Company

sold to

shipmonk

panalgo

sold to

MMIT Evaluate

AKKR

has sold

TrueCommerce

to

WCAS

RAND McNALLY

sold to

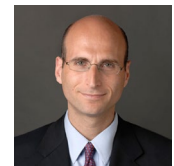
TELEO CAPITAL



Marc Cooper
CEO



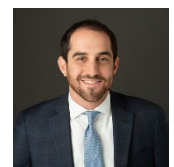
Craig Muir
Partner,
Head of Software,
Data & Analytics



Jeff Derman
Partner



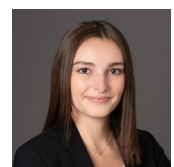
Joe Watson
Managing Director



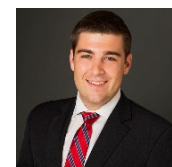
Jonathan Berger
Director



Max Schramm
Director



Anna Broadbent
Associate



Brendan Kirk
Associate

a) Solomon Partners acted as financial advisor to top company / sponsor listed on deal credentials.

MAPPING THE SUPPLY CHAIN & LOGISTICS TECH MARKET

DIVERSIFIED SUPPLY CHAIN TECHNOLOGY



Execution

Transportation	Warehouse Management	Warehouse Tools	Fleet Management
Yard / Docks	Digital Freight Solutions		

Planning

Planning Suites	Inventory / Order Management	In-Store Retail	Returns
-----------------	------------------------------	-----------------	---------

Data & Connectivity

Networks	Supplier Connectivity	Data Tools
----------	-----------------------	------------

Commerce & Fulfillment

E-Commerce Platforms	Fulfillment	Last-Mile Delivery	E-Commerce Cross-Border
	Fulfillment Networks	Delivery Experience	Multi-Carrier / Parcel Shipping

FOR FURTHER DETAILS, PLEASE CONTACT JEFF DERMAN OR JON BERGER
 JEFF.DERMAN@SOLOMONPARTNERS.COM
 JONATHAN.BERGER@SOLOMONPARTNERS.COM

END MARKET SPOTLIGHT: OMNICHANNEL RETAIL

OMNICHANNEL RETAILERS ARE INVESTING IN SUPPLY CHAIN TECH

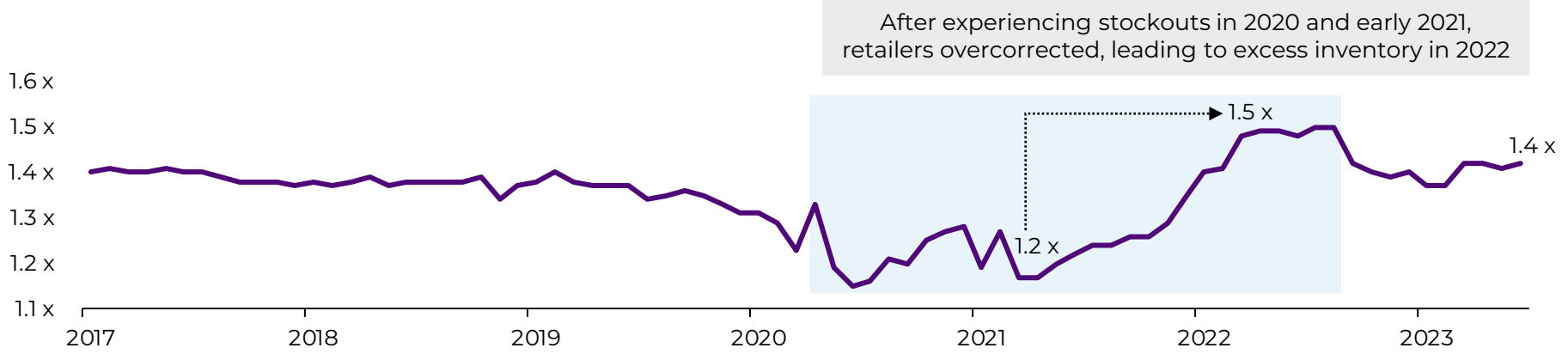
RETAILERS ARE FOCUSING ON TECHNOLOGY INVESTMENTS TO CREATE OPERATIONAL EFFICIENCIES AS THEY ADAPT TO THE “NEW NORMAL”

	COMMENTARY	AREAS OF INVESTMENT
Optimizing Inventory Levels	<ul style="list-style-type: none">▪ The last three years have highlighted the challenges of managing inventory with legacy systems that are unable to provide real-time data to enable demand and supply planning solutions	<ul style="list-style-type: none">▪ Real-Time Forecasting▪ Inventory Positioning▪ Capacity Planning▪ Supplier Relationship Management
Driving Last-Mile Delivery Efficiencies	<ul style="list-style-type: none">▪ Continued growth of e-commerce penetration coupled with rising last-mile delivery costs has forced retailers to re-evaluate delivery and fulfillment alternatives	<ul style="list-style-type: none">▪ Last-Mile Delivery Software▪ Tech-Enabled Carrier Diversification▪ Alternative Fulfillment Solutions▪ Order Management Systems (OMS)
Enabling Brick-and-Mortar for Modern Omnichannel Retail	<ul style="list-style-type: none">▪ Pandemic lockdowns rebalanced the sales channel mix, turbocharging online sales▪ To compensate, retailers are investing in new technologies to enhance the in-store experience and modernize / broaden store functions in the new age of commerce	<ul style="list-style-type: none">▪ AR Technology▪ Product Information▪ Navigation
Rising Prominence of AI Tools	<ul style="list-style-type: none">▪ New AI use-cases across the retail supply chain are being explored, leveraging new and existing data sources to increase revenues and/or decrease costs	<ul style="list-style-type: none">▪ Warehouse Tools▪ Marketing▪ Customer Service

OPTIMIZING INVENTORY LEVELS

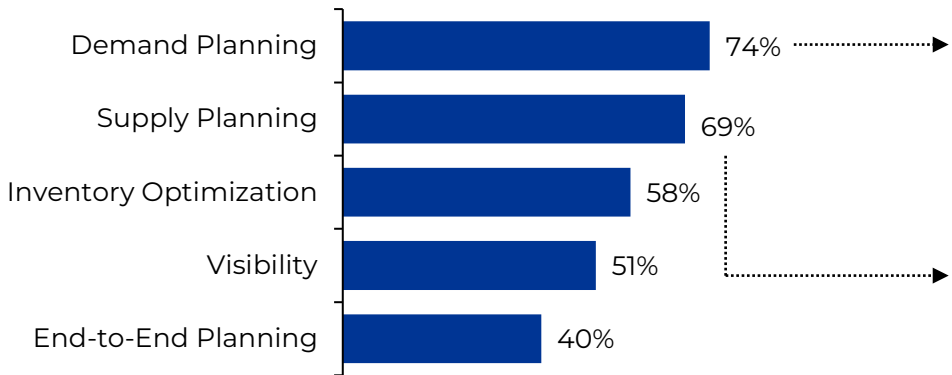
COVID-19 HIGHLIGHTED CHALLENGES RETAILERS FACE IN MANAGING INVENTORY, LEADING TO INVESTMENTS IN DEMAND AND SUPPLY PLANNING SOLUTIONS

RETAIL INVENTORIES / SALES OF GENERAL MERCHANDISERS (a)



SUPPLY CHAIN DIGITIZATION PRIORITIES (b)

Demand & supply planning are highest digitization priorities



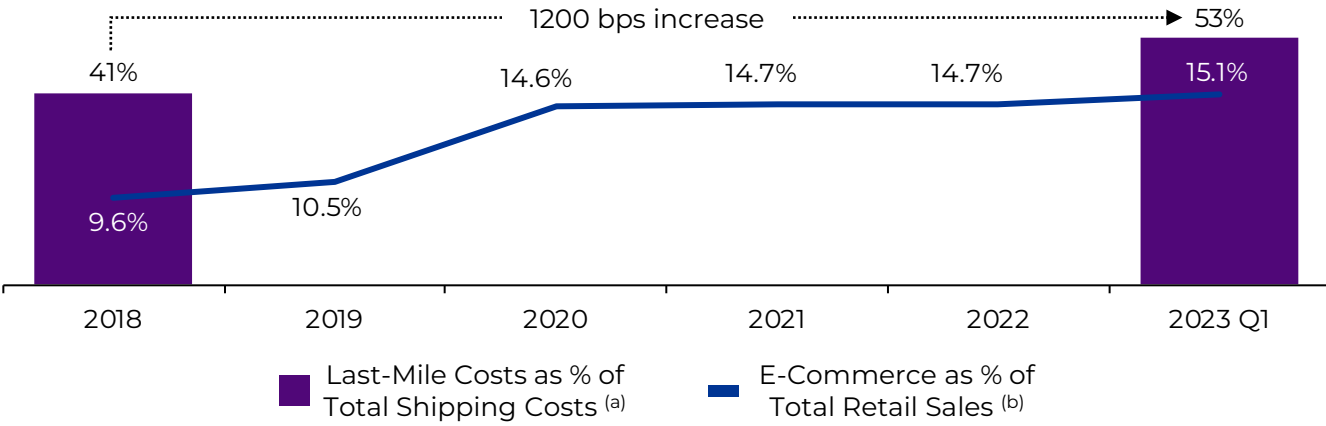
DEMAND & SUPPLY PLANNING TOOLS



DRIVING LAST-MILE DELIVERY EFFICIENCIES

LAST-MILE DELIVERY NOW ACCOUNTS FOR MORE THAN 50% OF SHIPPING COSTS, DRIVING DEMAND FOR TECHNOLOGY SOLUTIONS TO OPTIMIZE FULFILLMENT AND MINIMIZE COSTS

E-COMMERCE CONTRIBUTES TO RISING LAST-MILE COSTS



CONSUMER PREFERENCES

-  **Delivery Speed**
-  **Free Delivery**
-  **Track-and-Trace**
-  **Delivery Optionality**

TECH SOLUTIONS

Last-Mile Delivery Software

9.3%

Last-mile delivery software CAGR from 2023 to 2030 with the market projected to reach \$16B in 2030 (c)

Tech-Enabled Carrier Diversification

89%

of retailers are using carriers other than FedEx and UPS, fueled by technology that identifies the optimal carrier (d)

Alternative Fulfillment Solutions

98%

of retailers are using BOPIS and click-and-collect options to eliminate last-mile delivery (d)

Source: Company websites, filings, and other publicly available information.
 a) Source: Ryder E-Commerce.
 b) Source: U.S. Census Bureau Estimated Quarterly U.S. Retail Sales.

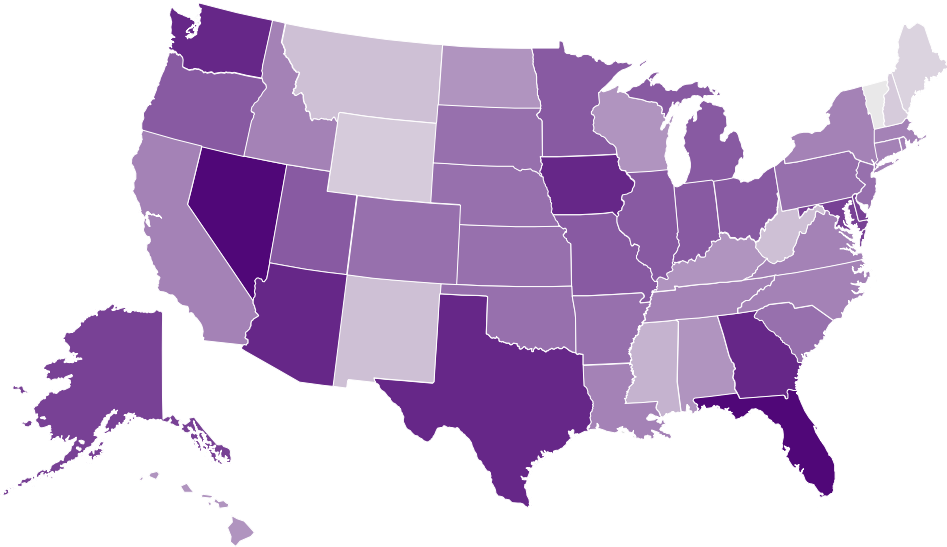
c) Source: Geographic Scope & Forecast Last Mile Delivery Market Size.
 d) Source: FreightWaves.

REINVESTING IN A BRICK-AND-MORTAR PRESENCE

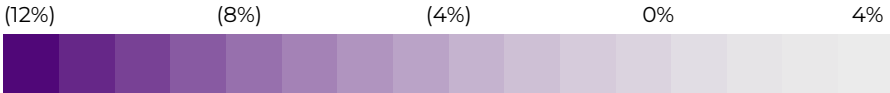
RETAILERS ARE INVESTING IN TECHNOLOGIES TO ENABLE NEW USE CASES FOR BRICK-AND-MORTAR FOOTPRINTS IN THE MODERN SUPPLY CHAIN

RETAIL STORE TRAFFIC

Retail foot traffic is **10% - 20%** lower than in 2019 ^(a)



CHANGE IN OVERALL RETAIL VISITS VS 2019 ^(b)



IN-STORE TECH ADVANCEMENTS

AR Technology

66% of individuals express interest in utilizing AR while shopping ^(c)



Smart mirrors that allow customers to virtually try on products in different sizes, colors and styles

Product Information

67% of shoppers use their phones to look for more product info while shopping in store ^(d)



QR Codes provide manufacturing details and color / size options

Navigation

42% of U.S. shoppers who used in-store navigation apps were more satisfied ^(e)



U.S.-wide app to locate products, provide navigation and view store layouts

Integrating technology into brick-and-mortar stores enables retailers to increase foot traffic and better manage supply chains, allowing for increased leverage over substantial fixed costs

Source: Company websites, filings, and other publicly available information.

a) Source: McKinsey & Company.

b) Source: Placer.ai Retail Foot Traffic Recap – March 2023.

c) Source: Google Consumer AR Survey.

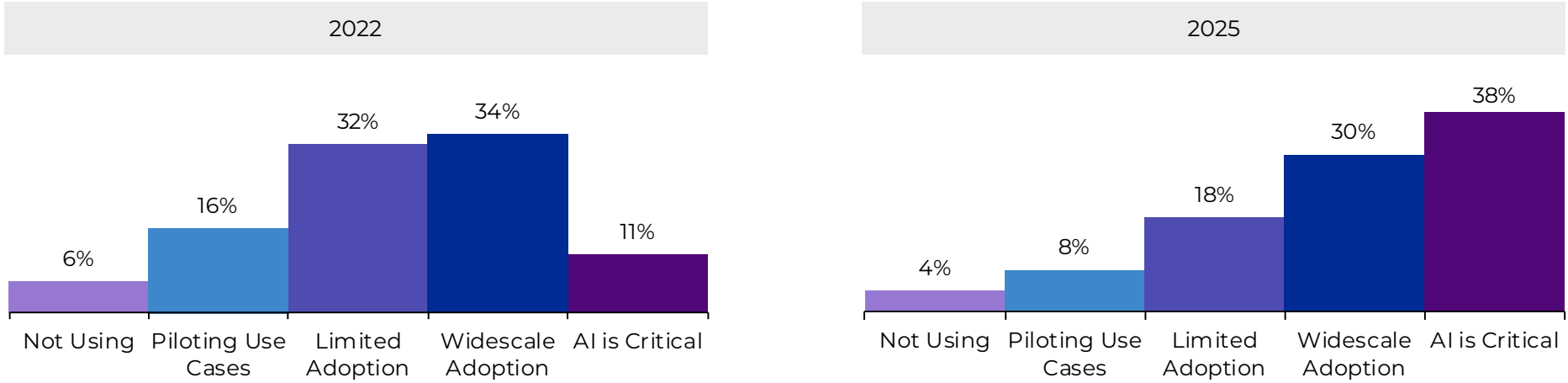
d) Source: Bazaarvoice.

e) Source: PYMNTS.

RISING PROMINENCE OF AI SOLUTIONS

RAPID ADOPTION OF AI HIGHLIGHTS USE CASES FOR THE SUPPLY CHAIN END-MARKET

GLOBAL SUPPLY CHAIN AND MANUFACTURING BUSINESS AI ADOPTION RATE (a)



EXAMPLE AI USE CASES IN OMNICHANNEL RETAIL

Damage Control

Amazon has installed AI-driven “damage identifiers” to screen for damaged items before they are shipped to customers

3x

More effective than warehouse workers (b)

Customer Segmentation

AI-enabled segmentation utilizes data-driven algorithms to group customers based on defined attributes, loyalty or value

100x

Faster than humans (c)

Customer Service

Fully integrated AI customer service platforms can resolve the majority of interactions

95%

Success rate (d)

Source: Company websites, filings and other publicly available information.

a) Source: Appinventiv. Represents % of respondents.

b) Source: Wall Street Journal.

c) Source: Aspiration Marketing.

d) Source: McKinsey & Company.

CASE STUDIES: RETAILERS INVESTING IN SUPPLY CHAIN TECH

TARGET AND WALMART ARE PRIORITIZING INVESTMENTS IN TECHNOLOGY TO IMPROVE SUPPLY CHAIN EFFICIENCIES



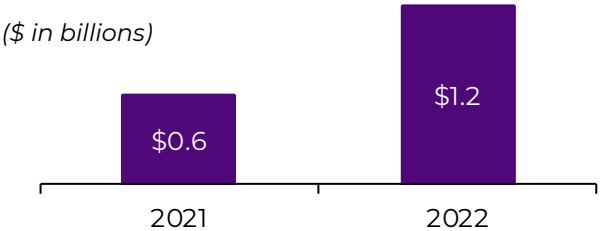
Supply Chain Tech Investments

August 2017 Same Day	December 2017 \$550M Last-Mile	June 2018 Inspections
------------------------------------	---	-------------------------------------

- Target has leveraged its footprint to develop its “stores as fulfillment hubs” model
- In addition to supply chain investments, Target’s new-store model emphasizes omnichannel services, including same-day pickup, digital fulfillment and 5x larger backrooms designed to fulfill 95% of digital orders
- Plans to grow sortation network from 9 centers to 15+ by 2026

SUPPLY CHAIN INVESTMENT

Target doubled its investment in its supply chain in 2022, to 22% of total capex, up from 17% in 2021



- Walmart has augmented its supply chain capabilities via recent investments and acquisitions (e.g., Volt, Symbotic), partnerships (e.g., Packsize) and organic initiatives

June 2021 (M&A)	AI-Enabled Distribution Center Tech Logistics <ul style="list-style-type: none"> End-to-end robotics platform allowing for quicker and more accurate fulfillment
August 2021 Walmart GoLocal	Same-Day Delivery Service Transportation Management <ul style="list-style-type: none"> White-label delivery platform to create delivery-as-a-service for third parties
August 2022 (M&A)	End-to-End Visibility Software Inventory Planning <ul style="list-style-type: none"> Platform provides supplier visibility into inventory needs on a store basis
March 2023 ON DEMAND PACKAGING	Packaging Technology Partnership E-commerce Fulfillment <ul style="list-style-type: none"> Development of sustainable, right-sized box machine built exclusively for Walmart
2025 	4 New “Next-Gen” Fulfillment Centers Fulfillment <ul style="list-style-type: none"> Will provide next- or two-day shipping to 75% of the U.S. population

Walmart estimates that by 2026, 55% of fulfillment center volume will operate through automated facilities, and unit cost averages will improve by ~20%

CASE STUDIES: RETAILERS INVESTING IN SUPPLY CHAIN TECH

IKEA AND GAP HAVE PLACED A RENEWED EMPHASIS ON THEIR SUPPLY CHAIN CAPABILITIES



- Ingka Holding (IKEA's parent) acquired Made4net in May 2023 to power IKEA's worldwide fulfillment centers and store operations across 482 locations in more than 31 countries
- Made4net is a supply chain software company operating the SCExpert platform
- Through Made4net's SCExpert platform, IKEA can speed up its deliveries, accurately fulfill orders, increase supply chain visibility and better manage the whole supply chain



Ingka Holding is IKEA's parent company which operates IKEA retail stores (IKEA Retail) and shopping centers (Ingka Centres) while also managing an investment arm with €26B in assets



Made4net solutions include warehouse management, last-mile delivery, route optimization, omnichannel fulfillment and yard management

"We're excited to expand [our supply chain] capabilities for all of our customers through the increased backing of Ingka and also look forward to transforming the future of unified commerce by helping IKEA's global retail network deliver on its omnichannel fulfillment vision."

Made4net CEO, Duff Davidson



- In August 2022, GAP launched GPS Platform Services, making its supply chain a revenue generator
 - Provides omnichannel fulfillment capabilities and reverse logistics services through a nationwide distribution network
- GAP also formed a partnership with UPS's Ware2Go in 2023 to open its supply chain to small to medium-sized businesses

"For the first time, we are making Gap Inc.'s fast, flexible, and highly automated logistics and fulfillment network available to brands of all sizes."

GAP Head of Supply Chain, Kevin Kuntz

PLATFORM OFFERINGS



Omnichannel E-commerce and B2B Fulfillment



Storage and Warehousing



Returns Processing



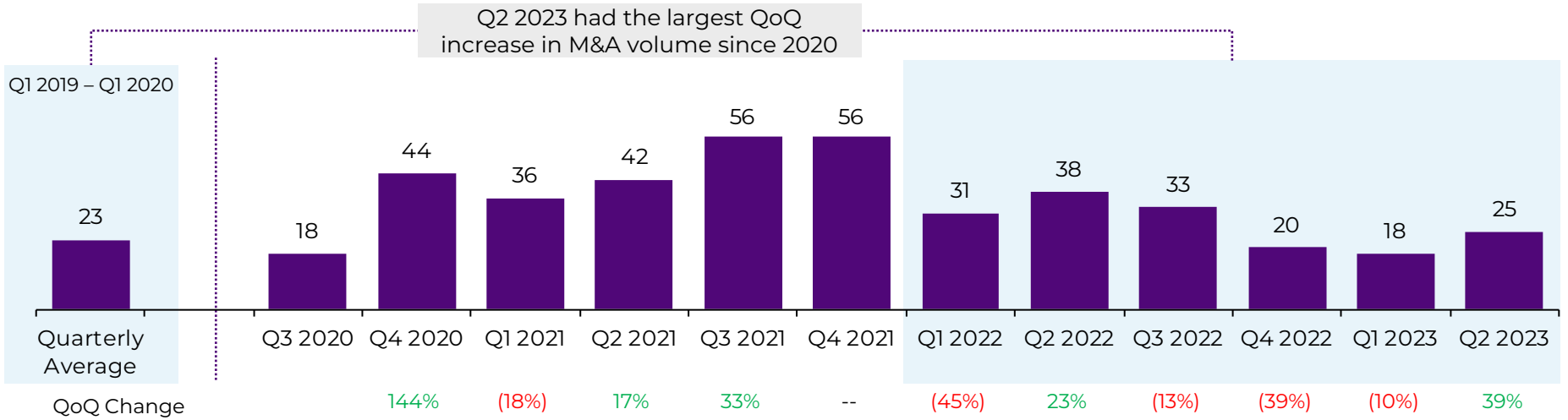
Parcel Shipping

M&A AND FINANCING ACTIVITY

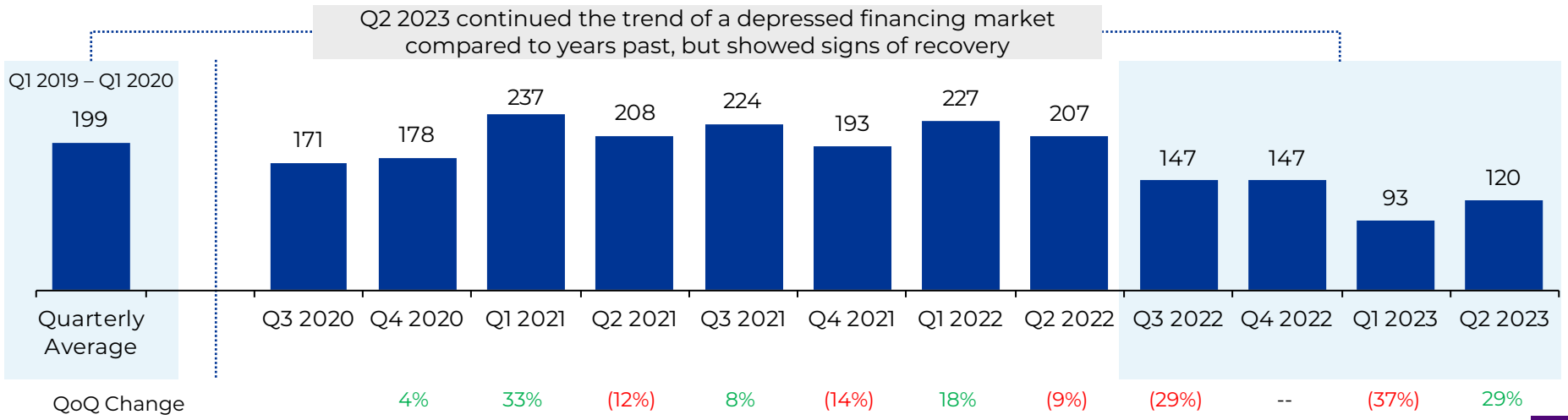
SUPPLY CHAIN & LOGISTICS TECH M&A AND FINANCING ACTIVITY

SC&L TECH M&A INCREASED IN Q2 2023 WHILE FINANCINGS ARE STARTING TO REBOUND FROM THEIR QUARTERLY LOW IN Q1 2023

M&A DEAL ACTIVITY



FINANCING DEAL ACTIVITY



GTCR ACQUIRES ONCE FOR ALL



SUPPLY CHAIN COMPLIANCE PLATFORM FOR THE CONSTRUCTION INDUSTRY

TRANSACTION OVERVIEW

- On July 24, 2023, GTCR announced its acquisition of Once For All, a compliance and supply chain management software provider, from Warburg Pincus for an undisclosed amount
- Once For All has a network of over 150,000 construction and facilities management companies that use the platform to manage their supply chains of sub-contractors and ensure regulation and compliance
- Also includes a marketplace that connects contractors with property owners with qualified suppliers

ONCE FOR ALL SERVICES

- Supplier Source:** supplier search tool with over 175,000 subcontractors available
- Managing Compliance:** tools and systems to set and monitor supply chain policies around compliance
- Risk Management:** monitors financial health of subcontractors to minimize supply chain risk exposure
- Project Source:** connects suppliers, subcontractors, or smaller companies to potential projects
- Demonstrate Compliance:** allows contractors to deposit and share compliance documents in one source

DEAL COMMENTARY

“We will look to accelerate the Company's growth and scale through product innovation and the addition of capabilities through M&A. GTCR has a long investment history and experience in vertical software with compliance solutions which we will leverage in helping develop strategies that drive further growth for the business and value for our customers.”

Mark Anderson
GTCR

“The Company pursued a strategy prioritizing technology and product investment, enabling the launch of innovative compliance and business development solutions for the construction industry. A UK-only business when Warburg Pincus invested, Once For All also internationalized, bringing its unique product suite to Continental Europe.”

Adarsh Sarma and David Reis
Warburg Pincus

CORPORATE TIMELINE

- Carveout 2018** | Platform established with carveout of Constructionline from Capita for £160m, initially named “Fortius”
- UK M&A 2020** | Acquired Altius and Builder's Profile, two software providers specializing in supplier onboarding and sub-contractor information collection, respectively
- French Expansion 2021** | Acquired Once for All (Attestation Légale), the leader in the French market for construction compliance
- Rebrand** | Moves headquarters to Paris and rebrands as Once For All Group

GATHER AI ACQUIRES WARE



MERGER OF DRONE-ENABLED INVENTORY MANAGEMENT PLATFORMS

TRANSACTION OVERVIEW

- On June 26, 2023, Gather AI, a drone-based inventory management platform, acquired its competitor Ware, which will be integrated into the Gather AI platform
- The merger will help address the global warehouse industry's growth, which is being accelerated by the transition to online commerce
- The combined company will be a market leader in the space, with a varied customer base including businesses in the 3PL, manufacturing, retail, and food and beverage industries

DEAL COMMENTARY

"Acquiring Ware's business accelerates our growth further, bringing our proven solution to more warehouses, and enabling our customers to leverage data insights from across our growing network."

Sankalp Arora
GatherAI CEO

"After assessing the proven technology and witnessing the tangible benefits experienced by Gather AI customers, we enthusiastically agreed to implement their solution in three of our warehouses."

Jeff Keene
Former Ware Customer and
DPI Specialty Foods COO

GATHER AI TECHNOLOGY



Gather AI enables drones to fly autonomously through warehouses to photograph inventory in pallets

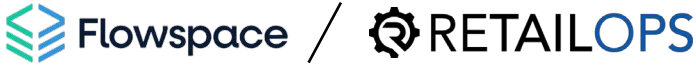


Uses AI technology to scan print labels and read text to match it with the information in a client's warehouse management system



Gather AI's software is drone agnostic and can work with any off-the-shelf drone

FLOWSPACE ACQUIRES RETAILOPS



ACQUISITION HELPS FLOWSPACE CAPITALIZE ON THE OMNICHANNEL RETAIL TREND

TRANSACTION OVERVIEW

- On June 14, 2023, Flowspace, an omnichannel fulfillment platform, acquired RetailOps, a supply chain optimization platform that integrates purchase, order and warehouse management solutions, for an undisclosed amount
- Integration of RetailOps will accelerate product development and improve Flowspace’s ability to meet omnichannel retailers’ needs through centralized visibility and reporting
- All of RetailOps’ employees, including founders Sam Moses and Daniel Norman, will join Flowspace

DEAL COMMENTARY

“With Flowspace, we bring cutting-edge fulfillment software and services to brands in every category with an intimate understanding of optimal business and data process flows.”

Sam Moses
RetailOps Founder

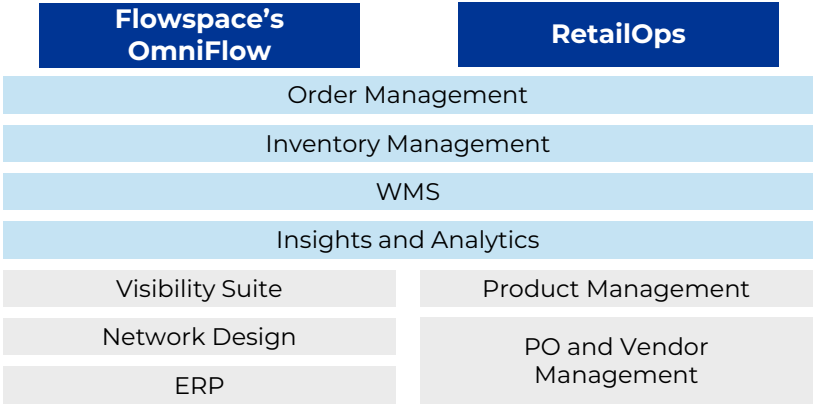
“The acquisition of RetailOps’ sophisticated technology and talented team further accelerates Flowspace’s ability to deliver best-in-class software and service to our customers.”

Ben Eachus
Flowspace CEO

RATIONALE

- Flowspace intends to integrate RetailOps technology into its flagship fulfillment management solution, OmniFlow
- The acquisition adds technical capabilities to the OmniFlow platform and includes over 500 brands served by RetailOps
- RetailOps’ software will be integrated in Flowspace’s network of over 150 warehouses, providing more efficient micro-fulfillment for brands relying on Flowspace’s 3PL

COMBINED OFFERINGS



AUCTANE ACQUIRES RETURN RABBIT



RETURN RABBIT WILL BOLSTER AUCTANE'S POST-PURCHASE EXPERIENCE SOLUTION

TRANSACTION OVERVIEW

- On June 12, 2023, Auctane, a global delivery experience and logistics company, acquired Return Rabbit, a returns management platform that helps clients retain revenue via exchanges, for an undisclosed amount
- Return Rabbit, launched in 2021, was backed by Supply Chain Ventures and Multiverse Solutions, aiming to transform the return process into a positive experience for consumers
- Return Rabbit allows Shopify businesses to understand why consumers return items and improve their post-purchase experience

RETURN RABBIT SERVICES

- Return Rabbit offers full-catalog exchanges, custom return reasons and deep reporting functionality

“We see returns as a chance to get to know our customers. If the product they purchased isn't right for them, we want to know why — and we want to give them suggestions for something that might work better. With Return Rabbit, those efforts yielded millions in retained revenue last year and a 112% increase in upsells for our business.”

Lena Song, Head of Operations at Honeylove and Return Rabbit Customer

DEAL COMMENTARY

“The analytics and exchange-focused approach that Return Rabbit brings to the conversation empowers merchants to make smart decisions about this critical part of the delivery experience.”

Albert Ko
Auctane CEO

“By joining Auctane, we will gain access to a broader set of global resources and capabilities to apply our expertise and solutions to a global client base.”

Gagandeep Singh Suri
Return Rabbit Founder and CEO

AUCTANE BRAND PORTFOLIO



INSIGHT PARTNERS INVESTS IN BESTPASS



INVESTMENT HIGHLIGHTS THE IMPORTANCE OF USING TECH TO OPTIMIZE COMMERCIAL FLEETS

TRANSACTION OVERVIEW

- On June 6, 2023, Insight Partners completed a minority investment in Bestpass, a provider of back-office automation and toll management for commercial fleets
- Susquehanna Growth Equity, which initially invested in Bestpass in 2018, remains an active investor
- The investment will help deepen and expand Bestpass' offerings for commercial fleets and owner operators
- Anika Agarwal and Adam Berger, Managing Directors at Insight Partners, will both join the Bestpass board

DEAL COMMENTARY

"Despite significant growth in recent years, we believe Bestpass is just scratching the surface of its potential. We're thrilled to partner with the company's strong leadership team and Susquehanna Growth Equity as they continue to scale and extend Bestpass' position as a market leader."

Anika Agarwal
Insight Partners

"Our mission is to provide solutions for our customers that simplify back-office management, saving time and money and enabling fleets and drivers to focus on their core business. This investment is an endorsement of the Bestpass vision and allows us to continue to innovate, expand our reach, and delight our customers."

Tom Fogarty
Bestpass CEO

BESTPASS SERVICES

- Offerings include toll management, tax services, citation management and payment products
- Partnered with Drivewyze in January 2023, operator of the largest public-private weight station bypass network in North America, to create a GPS-based toll trip record service
- Covers 100% of major toll roads in the U.S., serves over 30,000 customers and processes more than \$1.5B in toll transactions annually

BESTPASS M&A GROWTH HISTORY



November 2022

ExpressTruckTax
Tax Services Capability

- Acquired ExpressTruckTax from SPAN Enterprises, adding Heavy Vehicle Usage Tax (HVUT) e-filing tax services to its product portfolio




















March 2021

MTA Toll Management Program
Customer Acquisition

- Acquired toll management program that was formerly a part of the Maryland Motor Truck Association, adding over 400 commercial fleet customers to its base

ADDITIONAL SELECT RECENT FINANCING TRANSACTIONS

(Amounts in Millions)

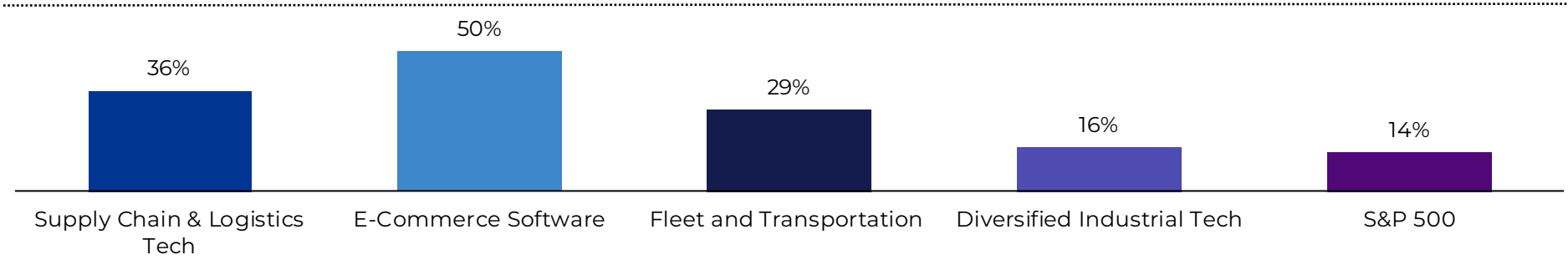
DATE	INVESTOR	TARGET	TARGET DESCRIPTION	CAPITAL RAISED
Aug 2023	 WELLINGTON MANAGEMENT®	TROV&	Platform powering trade-in and resale	\$30
Aug 2023	 HSBC	Tradeshift®	B2B payments, supply chain procurement and B2B marketplace services platform	\$70
Jul 2023	  PROLOGIS®	 TERMINAL	AI platform for digitizing yards, giving operators visibility over transportation assets	\$17
Jul 2023	 KKR		AI platform for supply chain planning and decision-making	\$116
Jun 2023		nuvo cargo	Digital cross-border shipping platform across the Americas	\$37
Jun 2023	atomico®	DEXORY	AI software and autonomous robot-enabled inventory management platform for warehouses	\$19
Jun 2023	SCALE	 roserocket	Transportation management software for trucking companies and 3PLs	\$38
Jun 2023			Cartonization solution for retailers, 3PLs and carriers	\$6
Jun 2023		Sourcemap	Supply chain mapping and monitoring software	\$20
May 2023	CREANDUM	 prewave	Supply chain risk management and compliance platform	€18
May 2023	 	GOODSHIP	Transportation procurement and analytics platform for shippers	\$5
May 2023	 	UNITYSCM	SCM platform that helps companies avoid disruptions and improve visibility	\$8

PUBLIC MARKET UPDATE

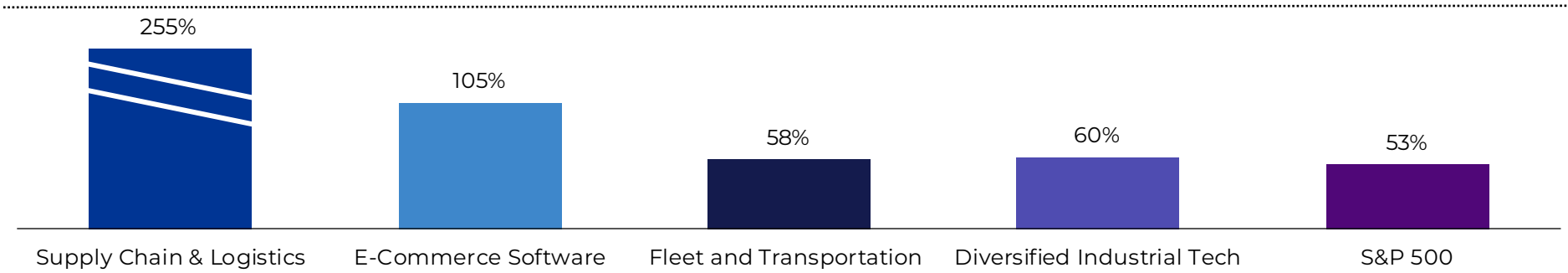
HISTORICAL SHARE PRICE PERFORMANCE

SUPPLY CHAIN & LOGISTICS TECH COMPANIES CONTINUE TO OUTPERFORM THE S&P 500

YEAR-TO-DATE



LAST 5 YEARS



PUBLIC COMPANY ECOSYSTEM

Supply Chain & Logistics Tech

- AMERICAN SOFTWARE
- DESCARTES
- e2open
- FREIGHTOS
- kinaxis
- Manhattan Associates
- tecsys
- wisetech global

E-Commerce Software

- Adobe
- BIGCOMMERCE
- salesforce
- Global e
- shopify
- SQUARESPACE

Fleet and Transportation

- VERRA MOBILITY
- GARMIN
- mX | TELEMATICS
- RXO
- samsara
- TOMTOM
- Cal/Amp

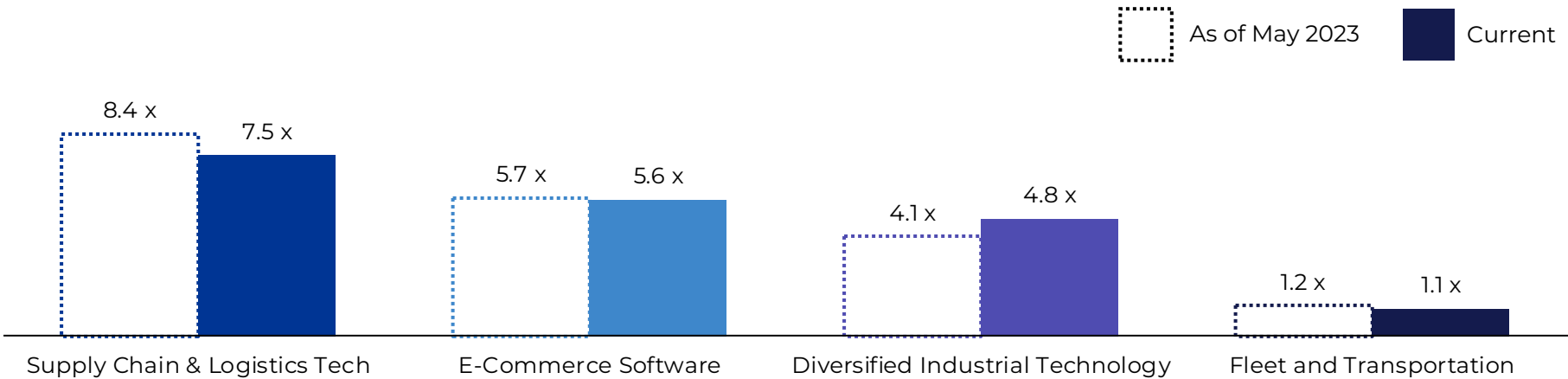
Diversified Industrial Tech

- CONSTELLATION SOFTWARE INC.
- FORTIVE
- Roper TECHNOLOGIES
- Trimble
- ZEBRA

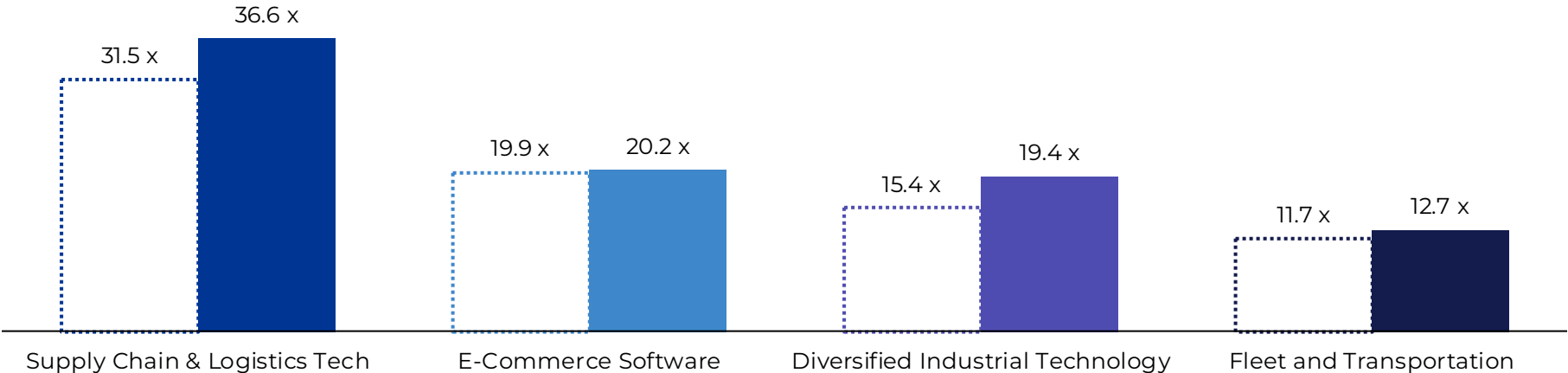
SUBSECTOR TRADING MULTIPLE UPDATE

SUPPLY CHAIN & LOGISTICS TECH SUBSECTOR CONTINUES TO TRADE AT A PREMIUM TO RELATED SUBSECTORS

EV / FY+1 REVENUE



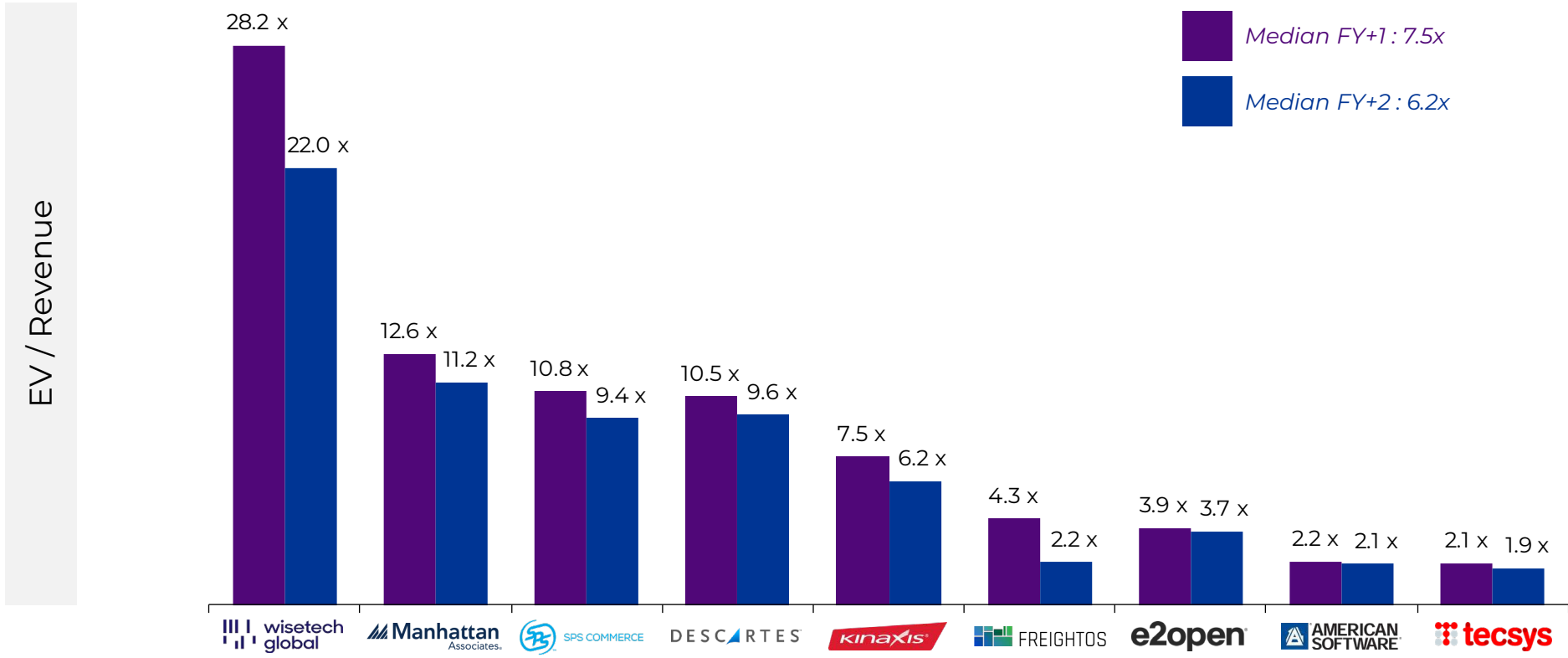
EV / FY+1 EBITDA



Note: Represents median multiple of subsector companies as of 5/11/2023 and 8/17/23, respectively.
 For current, multiples based on Wall Street consensus estimated revenue and EBITDA for 2023.
 Source: Capital IQ, company filings, and other publicly available information.

SUPPLY CHAIN & LOGISTICS TECH TRADING DETAIL

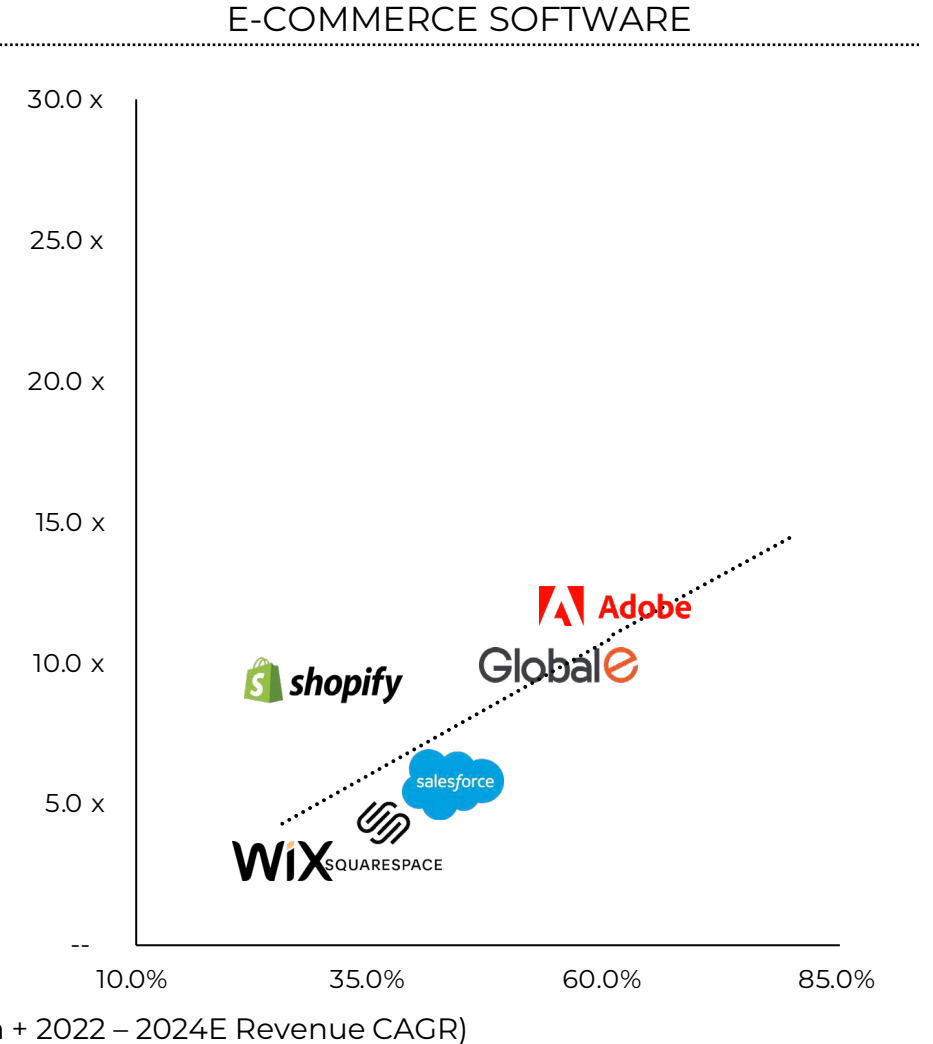
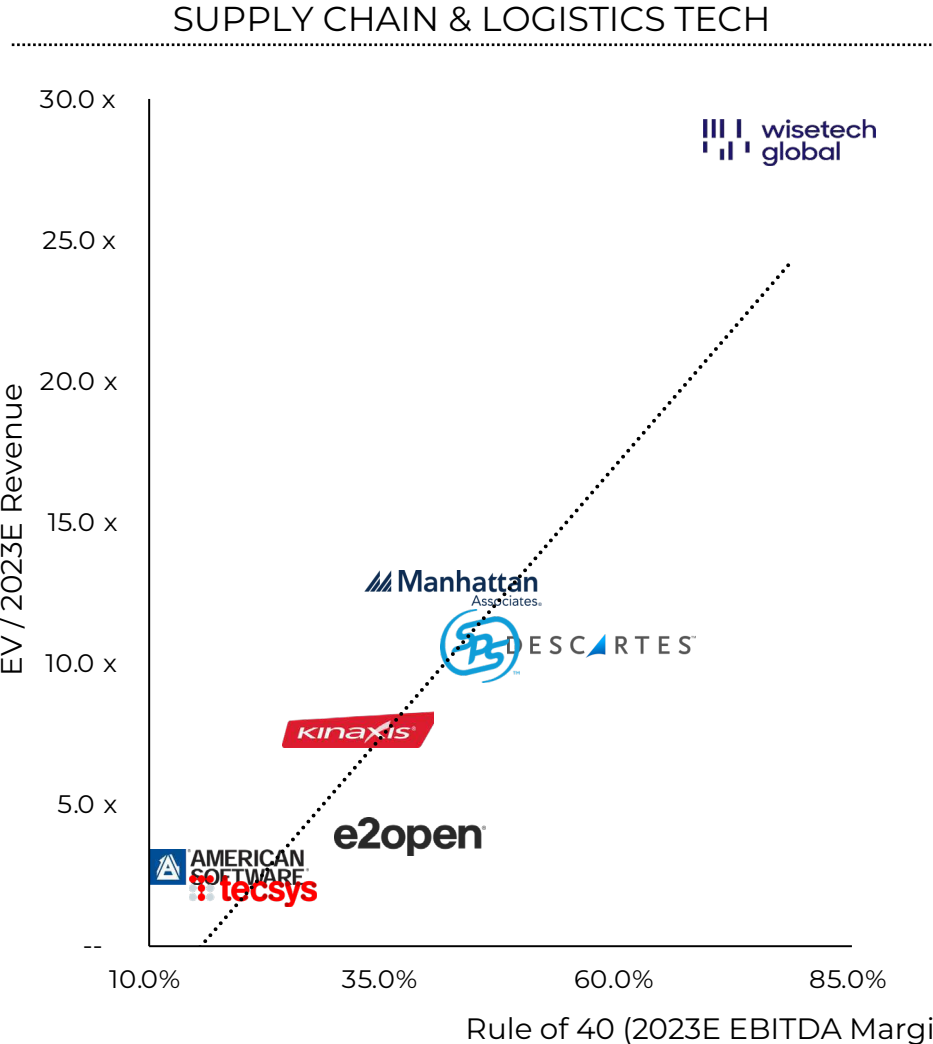
INVESTORS REMAIN FOCUSED ON PROFITABLE GROWTH



Market Cap (\$B)	\$17.8	\$11.4	\$6.0	\$6.1	\$3.4	\$0.1	\$1.4	\$0.4	\$0.3
Rev CAGR (22A - 24E)	30%	14%	16%	13%	18%	45%	4%	0%	12%
Gross Margin (2023E)	87%	56%	68%	76%	60%	62%	69%	60%	44%
EBITDA Margin (2023E)	49%	28%	29%	43%	15%	NM	34%	16%	6%

VALUATION AND THE “RULE OF 40”

SUPPLY CHAIN & LOGISTICS TECH VALUATIONS SHOW STRONG CORRELATION TO THE RULE OF 40



SOLOMON PARTNERS OVERVIEW

ABOUT US

Solomon Partners is an independently operated investment bank with proprietary access to global financing capabilities and international coverage through our parent company, Natixis

- Founded in 1989, we are a leading financial advisory firm with a legacy as one of the first independent investment banks
- We offer unmatched industry knowledge in the sectors we cover, providing comprehensive strategic solutions tailored to generate long-term shareholder value
- We offer the best of both worlds: the experience of a boutique culture with the international reach and capabilities of a global institution

**New York
Headquarters**

**Additional Offices in
Chicago and Miami**

210+
Employees

150+
Investment
Bankers

29
Partners &
Managing
Directors

9
Senior
Advisors

OUR SECTORS

Business Services

Our team brings a differentiated approach to our M&A processes and has developed a reputation for consistently delivering high-watermark valuations and results to middle-market companies across the business services landscape.

Consumer Retail

We provide strategic and financial advisory services to public and private companies in retail, apparel, beauty & personal care, health & wellness, household products & consumer durables, and automotive & powersports industries.

Financial Sponsors

Our experienced team works with all sector bankers to provide alternative investment managers with access to quality deal flow and investment ideas. We marshal firm resources to offer creative solutions to our clients, which include M&A, financing and restructuring advisory services.

Financial Services & FinTech

We partner with clients to provide differentiated financial and strategic advisory services across the financial services and FinTech ecosystems.

Grocery, Pharmacy & Restaurants

Grocery, pharmacies and restaurants are experiencing significant change, driven by a variety of emerging factors. We have advised our clients, many family-owned, on some of the largest and most significant food retail M&A transactions in the past two decades.

Healthcare

We provide advisory services to healthcare clients across the ecosystem, with core coverage including medical devices / technology, outsourced device & pharma services, healthcare tech & tech-enabled services, pharmacy & pharmacy services, and consumer health.

Industrials

We provide a full suite of advisory services, including buy-side and sell-side M&A, special committee and fairness opinions, activist and takeover defense, restructuring, and capital raising and financial advisory services.

Infrastructure, Power & Renewables

Our clients range from specialized infrastructure, power and renewables private equity funds to municipal entities, corporates, and pension funds. We support high-profile and historic projects across Europe and the Americas.

Media

We provide M&A, capital markets, restructuring and financing advisory services to private and publicly traded clients ranging from multi-billion-dollar global media companies to growth-oriented private companies and investment funds across the media, entertainment, and communications subsectors.

Technology

We cover sectors and businesses that provide vital data, analytics, software, or tech-enabled services to global markets. Within our covered sub-verticals, we differentiate ourselves by providing sector-specific advice, combining superior end-market knowledge and deep industry relationships.

Telecommunications

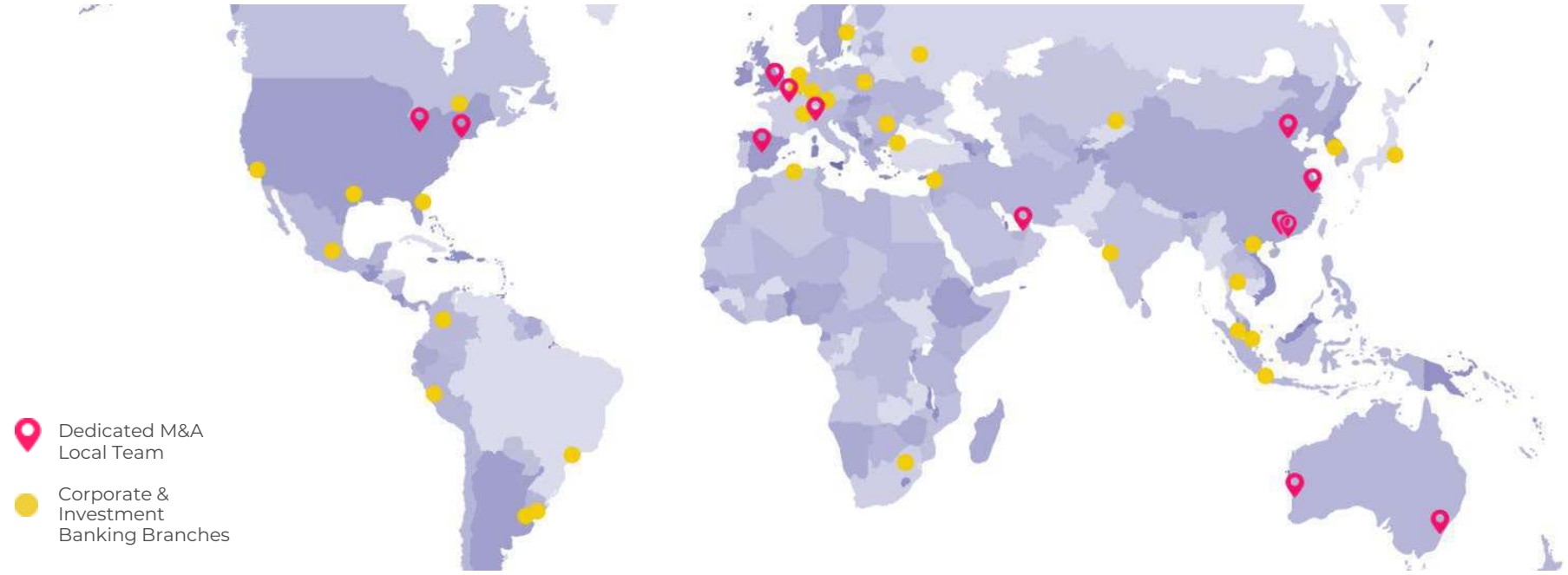
We advise corporate clients from early-stage entrepreneurs and sponsor-backed platforms to publicly traded global corporations. We deliver a differentiated domain of expertise developed through our experience in communications, real estate, infrastructure, technology, and services.

THE NATIXIS GLOBAL NETWORK

SOLOMON PARTNERS IS AN INDEPENDENTLY OPERATED AFFILIATE OF NATIXIS, PART OF GROUPE BPCE. WE PROVIDE OUR CLIENTS ACCESS TO STRATEGIC ADVISORY SERVICES AND PROPRIETARY FINANCING CAPABILITIES THROUGHOUT EUROPE, ASIA PACIFIC AND THE AMERICAS

DEDICATED M&A TEAMS IN THE NATIXIS NETWORK

- North America**
New York Chicago
- Europe**
London Madrid Milan Munich Paris
- Middle East**
Dubai
- Asia Pacific**
Beijing Hong Kong Perth Shanghai Shenzhen Sydney



NATIXIS BY THE NUMBERS

\$1.2T
AUM ^(a)

€7.1B
Net Revenues ^(b)

35
Countries ^(b)

17,000
Employees ^(b)

a) Assets under management ("AUM") as of December 31, 2022. AUM, as reported, may include notional assets, assets serviced, gross assets, assets of minority-owned affiliated entities, and other types of non-regulatory AUM managed or serviced by firms affiliated with Natixis Investment Managers.
 b) Figures at 12/31/22.

APPENDIX

PUBLIC COMPANY TRADING DETAIL

(Amounts in Millions)

Company Name	Equity Value	Enterprise Value	% Rev Growth		EV / Revenue		EBITDA Margin		EV / EBITDA	
			CY2023	CY2024	CY2023	CY2024	CY2023	CY2024	CY2023	CY2024
Supply Chain & Logistics Tech										
WiseTech Global Limited	\$17,759	\$17,465	31.2%	28.0%	28.2 x	22.0 x	49.2%	50.3%	NM	43.8 x
Manhattan Associates	11,420	11,267	16.2%	12.5%	12.6 x	11.2 x	28.3%	29.1%	44.7 x	38.6 x
Descartes Systems Group	6,091	5,908	15.5%	10.0%	10.5 x	9.6 x	43.2%	44.7%	24.4 x	21.4 x
SPS Commerce	6,014	5,744	18.2%	14.7%	10.8 x	9.4 x	29.4%	30.1%	36.6 x	31.2 x
Kinaxis	3,436	3,201	17.0%	19.6%	7.5 x	6.2 x	15.1%	17.3%	49.6 x	36.1 x
E2open	1,431	2,556	4.6%	4.4%	3.9 x	3.7 x	33.8%	34.7%	11.5 x	10.7 x
American Software	379	265	(6.1%)	5.9%	2.2 x	2.1 x	15.8%	17.2%	13.9 x	12.1 x
Tecsys	277	252	11.2%	12.8%	2.1 x	1.9 x	5.6%	8.5%	37.5 x	22.0 x
Freightos	133	87	4.8%	99.9%	4.3 x	2.2 x	NM	NM	NM	NM
		Mean	12.5%	23.1%	9.1 x	7.6 x	27.6%	29.0%	31.1 x	27.0 x
		Median	15.5%	12.8%	7.5 x	6.2 x	28.9%	29.6%	36.6 x	26.6 x
E-Commerce Software										
Adobe	\$233,219	\$230,249	11.5%	11.9%	11.9 x	10.7 x	50.0%	49.4%	23.8 x	21.6 x
Salesforce	198,540	195,006	11.0%	11.6%	5.6 x	5.1 x	32.1%	33.4%	17.5 x	15.2 x
Shopify	68,252	64,386	24.1%	18.1%	9.3 x	7.8 x	8.7%	11.8%	NM	NM
Global-e Online Ltd.	5,989	5,765	43.1%	36.1%	9.8 x	7.2 x	15.3%	16.1%	NM	44.8 x
Wix.com	4,952	4,590	11.9%	11.9%	3.0 x	2.6 x	13.7%	16.9%	21.6 x	15.6 x
Squarespace	4,101	4,321	14.6%	11.9%	4.4 x	3.9 x	23.2%	24.6%	18.8 x	15.8 x
BigCommerce	798	840	10.0%	13.2%	2.7 x	2.4 x	NM	4.2%	NM	NM
		Mean	18.0%	16.4%	6.7 x	5.7 x	23.8%	22.3%	20.4 x	22.6 x
		Median	11.9%	11.9%	5.6 x	5.1 x	19.3%	16.9%	20.2 x	15.8 x
Fleet and Transportation										
Garmin	\$19,488	\$16,708	3.9%	7.0%	3.3 x	3.1 x	23.4%	25.3%	14.1 x	12.2 x
Samsara	12,072	11,258	33.7%	27.2%	12.9 x	10.1 x	NM	0.5%	NM	NM
Verra Mobility	3,212	4,137	8.8%	6.3%	5.1 x	4.8 x	45.8%	46.7%	11.2 x	10.3 x
RXO	2,217	2,548	(17.3%)	9.8%	0.6 x	0.6 x	3.4%	4.9%	18.7 x	12.0 x
TomTom	1,008	719	7.9%	6.5%	1.1 x	1.1 x	3.7%	6.8%	31.2 x	15.9 x
MiX Telematics	145	133	(0.8%)	5.6%	0.9 x	0.9 x	24.5%	25.9%	3.8 x	3.4 x
CalAmp	27	220	3.8%	1.3%	0.7 x	0.7 x	9.1%	13.3%	8.2 x	5.5 x
		Mean	5.7%	9.1%	3.5 x	3.0 x	18.3%	17.6%	14.5 x	9.9 x
		Median	3.9%	6.5%	1.1 x	1.1 x	16.2%	13.3%	12.7 x	11.2 x
Diversified Industrial Technology										
Roper Technologies	\$51,939	\$57,143	13.1%	6.3%	9.4 x	8.8 x	40.6%	40.6%	23.2 x	21.8 x
Constellation Software	41,500	43,561	25.6%	14.4%	5.2 x	4.6 x	25.4%	26.6%	20.6 x	17.2 x
Fortive Corporation	27,240	29,511	4.7%	4.7%	4.8 x	4.6 x	27.2%	27.9%	17.8 x	16.6 x
Zebra Technologies	13,658	15,794	(21.7%)	4.4%	3.5 x	3.3 x	18.0%	19.7%	19.4 x	17.0 x
Trimble	13,263	16,215	5.5%	5.8%	4.2 x	4.0 x	25.6%	26.6%	16.4 x	14.8 x
		Mean	5.5%	7.1%	5.4 x	5.1 x	27.4%	28.3%	19.5 x	17.5 x
		Median	5.5%	5.8%	4.8 x	4.6 x	25.6%	26.6%	19.4 x	17.0 x

DISCLAIMER

This document is a marketing presentation. It has been prepared by personnel of Solomon Partners or its affiliates and not by Natixis' research department. It is not investment research or a research recommendation and is not intended to constitute a sufficient basis upon which to make an investment decision. This material is provided for information purposes, is intended for your use only, and does not constitute an invitation or offer to subscribe for or purchase any of the products or services mentioned. Any pricing information provided is indicative only and does not represent a level at which an actual trade could be executed. Natixis may trade as principal or have proprietary positions in securities or other financial instruments that are the subject of this material. It is intended only to provide observations and views of the said personnel, which may be different from, or inconsistent with, the observations and views of Natixis analysts or other Natixis sales and/or trading personnel, or the proprietary positions of Natixis. Observations and views of the writer may change at any time without notice.

This presentation may contain forward-looking statements and comments relating to the objectives and strategy of Solomon Partners. Any such projections inherently depend on assumptions, project considerations, objectives and expectations linked to future events, transactions, products, and services, as well as on suppositions regarding future performance and synergies.

Certain information in this presentation relating to parties other than Solomon Partners or taken from external sources has not been subject to independent verification, and Solomon Partners makes no warranty as to the accuracy, fairness or completeness of the information or opinions in this presentation. Neither Solomon Partners nor its representatives shall be liable for any errors or omissions or for any harm resulting from the use of this presentation, the content of this presentation, or any document or information referred to in this presentation.

Nothing in this presentation constitutes investment, legal, accounting or tax advice, or a representation that any investment or strategy is suitable or appropriate to your individual circumstances. Each individual or entity who receives this document or participates in any future transaction shall be responsible for obtaining all such advice as it thinks appropriate on such matters and shall be responsible for making its own independent investigation and appraisal of the risks, benefits, and suitability of the transactions as to itself. Any discussions of past performance should not be taken as an indication of future results, and no representation, expressed or implied, is made regarding future results. No person shall have any liability whatsoever (in negligence or otherwise) for any loss arising from any use of this document or its contents or otherwise arising in connection with this document or any other written or oral communications transmitted to the recipient in relation hereto.

Solomon Partners and/or its affiliates, officers, directors and employees, including persons involved in the preparation or issuance of this material, may, from time to time, have long or short positions in, and buy or sell, the securities or derivatives mentioned in this material.

The information contained herein may be based in part on hypothetical assumptions and, for certain models, past performance. These assumptions have certain inherent limitations and will be affected by any changes in the structure or assets for this transaction. This material is confidential and any redistribution is prohibited. Solomon Partners is not responsible for any unauthorized redistribution.



SOLOMON
PARTNERS