

# FOUNDERS ADVISORS

## Digital Supply Chain

Market Update  
Q3 2022

## I. Market Summary

## II. Market Data & Transaction Activity

## III. About Founders Advisors

## Key Themes

- M&A activity has remained strong within the Digital Supply Chain vertical, with an uptick in private equity activity during the first three quarters of 2022.
- As organizations worldwide continue to face widespread inflation, supply chain disruptions, and increased uncertainty, technological advancements within the supply chain will become necessary for the continued success of many businesses.
- Industry players have continued to look at M&A as the opportunity to solve supply chain disruptions by acquiring established technology to better serve their customers.
- The future of the industry will be driven by technological advancement helping to continue an increase in visibility and agility among complex supply chain systems.
- Public Comp valuations have continued to decline from market highs in 2021; valuations have trended towards 2019 levels for the majority of Digital Supply Chain software platforms that we track.

## What We Are Reading

*Forbes*

- [The Future of Supply Chain Tech: Drivers, Trends and Opportunities](#)

*Gartner*

- [Gartner Predicts the Future of Supply Chain Technology](#)

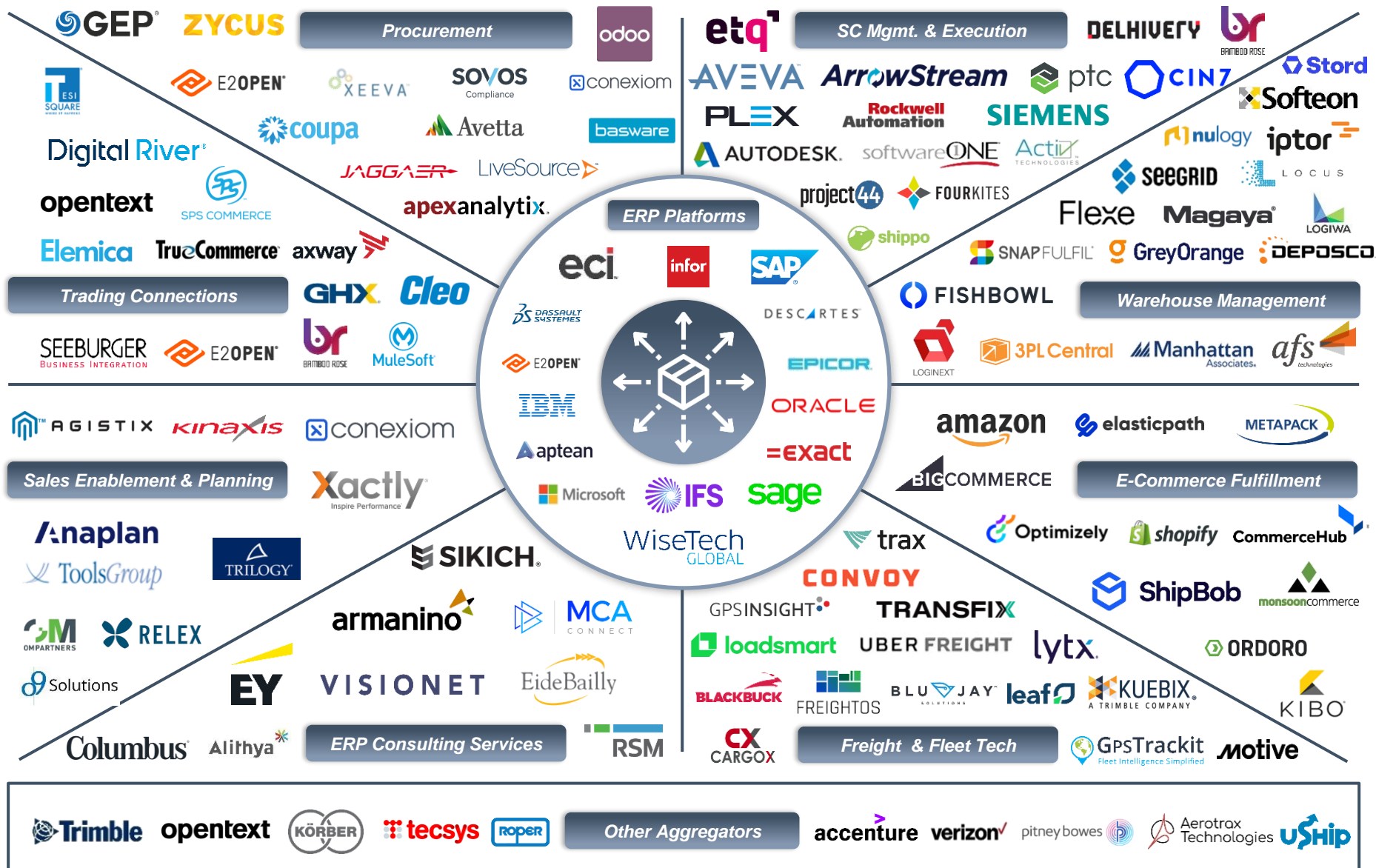
*Data Driven  
Investor*

- [Supply Chain Technology Trends to Watch in 2022](#)

*Supply Chain  
Digital*

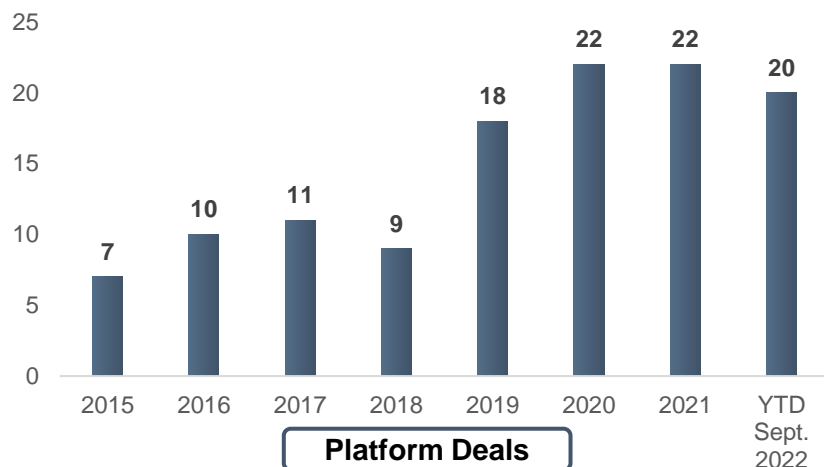
- [Retail Seeking Supply Chain Agility in Omnichannel World](#)

# Digital Supply Chain Landscape

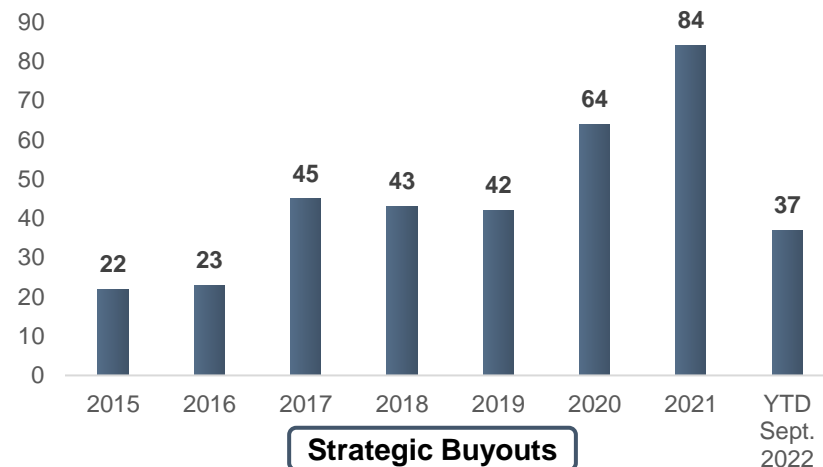


# Key Vertical Trends

## Continued Investment from Private Equity\*



## Strategic M&A Activity By Year\*



## Notable “Take Private” Supply Chain Technology Acquisitions

**Anaplan**

**THOMABRAVO**

Anaplan, Inc., a provider of a leading cloud-native platform for orchestrating business performance, has been acquired by Thoma Bravo, a leading software investment firm, in an all-cash transaction valued at approximately \$10.4 billion. ““Anaplan’s cloud native enterprise planning solution is the best product in a large, important, high growth market, “The future of Anaplan is very bright, and we are excited to partner with the Anaplan team to continue advancing the Company’s vision and drive sustainable value for all stakeholders.” – Holden Spaht, Managing Partner, Thoma Bravo

**Ryder®**  
*Ever better.™*

**HG VORA**  
CAPITAL MANAGEMENT

HG Vora Capital Management, an activist investor, is eyeing the buy out of fleet management and supply chain operator Ryder Systems. HG Vora currently owns a 9.9% stake in the company, and the \$4.4 billion offer would take Ryder private. In a regulatory filing, HG Vora said it wanted to buy the rest of the company’s outstanding shares at \$86 per share. Ryder said in a statement it was planning to review the interest from HG Vora and would decide on its next steps based on the best solution for shareholders. HG Vora said it would fund the acquisition with its own funds along with lender commitments.

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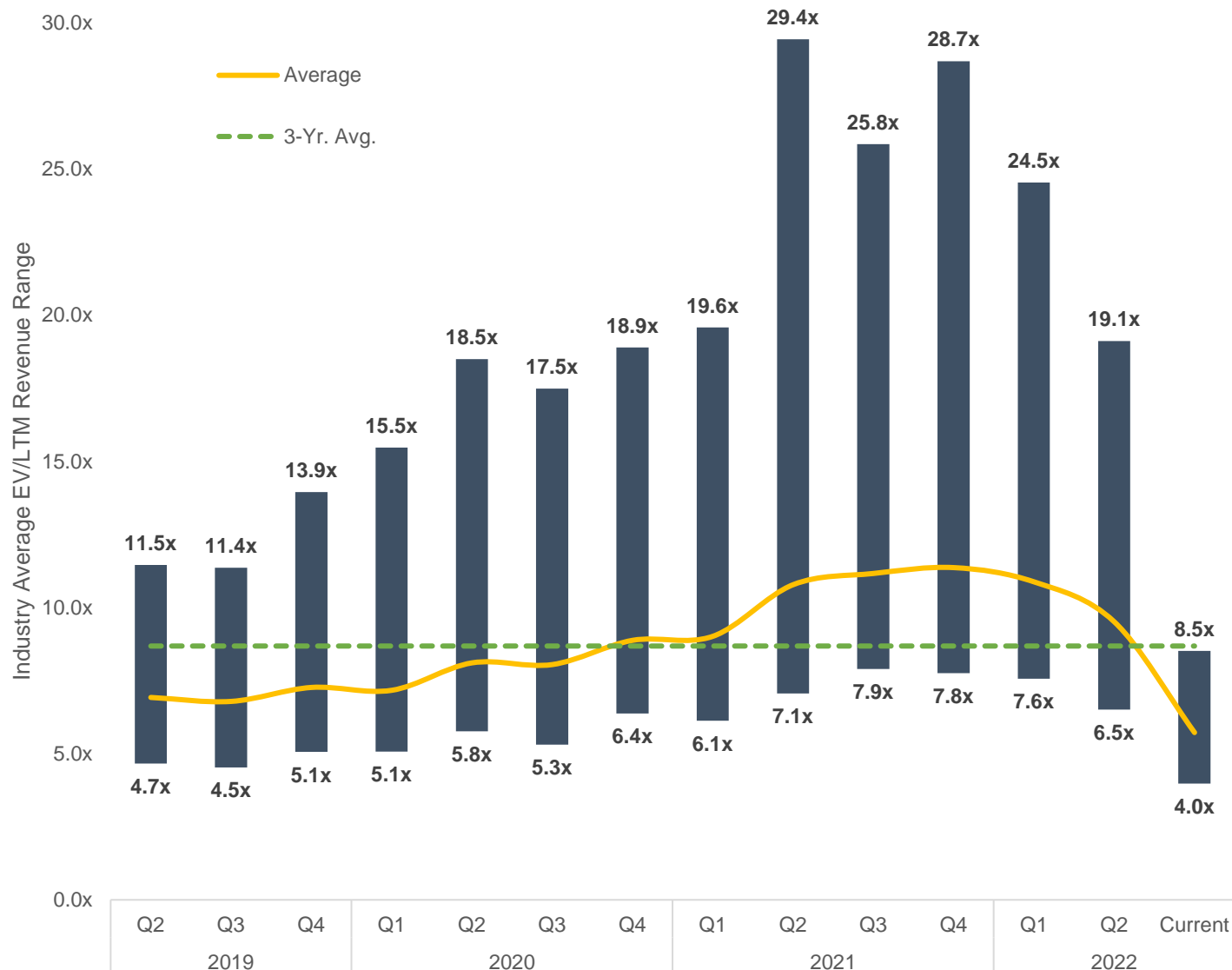
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# Digital Supply Chain Index – Recent Performance



## Public Comps



# Trading Multiples

## Public Comparables – Digital Supply Chain (\$ in Millions) (as of 09/09/2022)

Company Name	Enterprise Value	LTM Revenue	LTM EBITDA	LTM Gross Margin	LTM EBITDA Margin	LTM Revenue	LTM EBITDA
American Software	393	130	18	60%	14%	3.0x	22.4x
Coupa	6,130	787	-114	60%	-14%	7.8x	N/A
Descartes Systems Group	5,141	461	184	76%	40%	11.2x	28.0x
Domo	634	285	-118	75%	-41%	2.2x	N/A
Manhattan Associates	8,042	712	151	54%	21%	11.3x	53.4x
OpenText	10,084	3,494	1,167	70%	33%	2.9x	8.6x
Oracle	258,777	44,158	13,179	78%	30%	5.9x	19.6x
PROS Holdings	1,161	262	-72	59%	-27%	4.4x	N/A
Salesforce.com	150,422	29,320	4,111	73%	14%	5.1x	36.6x
SAP	107,500	33,130	6,974	71%	21%	3.2x	15.4x
SPS Commerce	4,064	415	85	66%	20%	9.8x	48.0x
The Sage Group	9,320	2,517	550	93%	22%	3.7x	16.9x
Trimble	15,123	3,762	873	56%	23%	4.0x	17.3x

## Statistics

Min	393	130	-118	54%	-41%	2.2x	8.6x
Median	8,042	787	184	70%	21%	4.4x	21.0x
<b>Mean</b>	<b>44,369</b>	<b>9,187</b>	<b>2,076</b>	<b>68%</b>	<b>12%</b>	<b>5.7x</b>	<b>26.6x</b>
Max	258,777	44,158	13,179	93%	40%	11.3x	53.4x

Mean Change Since January 1, 2022	(3.6x)	(9.9x)
Mean Change Since Sept. 30, 2021	(4.9x)	(11.1x)
Mean Change Since Sept. 30, 2020	(3.9x)	(3.9x)
Mean Change Since Sept. 30, 2019	(1.9x)	0.1x



# Sector M&A Activity

## Precedent Transactions – Digital Supply Chain (\$ in Millions)

Date	Target Name	Buyer Name	Employees	EV	Revenue	EBITDA	EBITDA Margin	Revenue Multiple	EBITDA Multiple
01-Sep-22	SkuVault	Linnworks	100	N/A	N/A	N/A	N/A	N/A	N/A
22-Aug-22	Granite State Software	GrubMarket	#N/A	N/A	N/A	N/A	N/A	N/A	N/A
22-Aug-22	Frantoni	GrubMarket	#N/A	N/A	N/A	N/A	N/A	N/A	N/A
18-Aug-22	Conektr	Almaya International Limited	34	N/A	N/A	N/A	N/A	N/A	N/A
12-Aug-22	42dot	Hyundai Motor	123	N/A	N/A	N/A	N/A	N/A	N/A
29-Jul-22	Rootstock Software	Gryphon Investors	116	N/A	N/A	N/A	N/A	N/A	N/A
20-Jul-22	GCommerce	SPS Commerce	45	\$45.0	N/A	N/A	N/A	N/A	N/A
08-Jul-22	Deliverr	Shopify	450	\$2,500.0	N/A	N/A	N/A	N/A	N/A
28-Jun-22	Starboard Solutions	Logility	33	N/A	N/A	N/A	N/A	N/A	N/A
21-Jun-22	Anaplan	Golub Capital BDC 3	2496	\$10,700.0	\$631.5	N/A	N/A	16.9x	N/A
10-Jun-22	Generix	Montefiore Investment	800	\$251.2	\$98.6	\$12.9	13%	2.5x	19.5x
09-Jun-22	Zethcon	Made4net	46	N/A	N/A	N/A	N/A	N/A	N/A
07-Jun-22	Onera (San Francisco)	Accel-KKR	19	N/A	N/A	N/A	N/A	N/A	N/A
01-Jun-22	Turvo	1/1 Capital	266	\$208.3	N/A	N/A	N/A	N/A	N/A
10-May-22	Mojix	Peak Rock Capital	200	N/A	N/A	N/A	N/A	N/A	N/A
10-May-22	Seebo	Augury	85	\$200.0	N/A	N/A	N/A	N/A	N/A
25-Apr-22	iContainers	Shipa Freight (Dubai)	78	N/A	N/A	N/A	N/A	N/A	N/A
15-Apr-22	Rk Logistics Group	AOI Capital	300	N/A	N/A	N/A	N/A	N/A	N/A
13-Apr-22	essDOCS	Intercontinental Exchange	44	N/A	N/A	N/A	N/A	N/A	N/A
07-Apr-22	LogicSource	FTV Capital	271	\$180.0	N/A	N/A	N/A	N/A	N/A
24-Feb-22	Syft	Global Healthcare Exchange	111	N/A	N/A	N/A	N/A	N/A	N/A
14-Feb-22	Fr8app	Hudson Capital (Beijing)	77	N/A	\$21.5	-\$6.7	-31%	N/A	N/A
28-Jan-22	Colisweb	ID Logistics Group	60	\$27.2	N/A	N/A	N/A	N/A	N/A
25-Jan-22	GAINSystems	Francisco Partners	91	N/A	N/A	N/A	N/A	N/A	N/A
17-Jan-22	Brightpearl	The Sage Group	192	\$359.2	N/A	N/A	N/A	N/A	N/A
13-Jan-22	Createch	Talan	293	N/A	N/A	N/A	N/A	N/A	N/A
03-Jan-22	Flow Commerce	Global-e	120	\$500.0	N/A	N/A	N/A	N/A	N/A
03-Jan-22	EVERYTHING	Digimarc	65	\$36.6	N/A	N/A	N/A	N/A	N/A
01-Jan-22	LifeScience Logistics	Blackstone	600	N/A	\$17.3	N/A	N/A	N/A	N/A
31-Dec-21	Leanswift Solutions	Wipro	84	\$21.0	N/A	N/A	N/A	N/A	N/A
13-Dec-21	CAI Software	STG Partners	419	N/A	N/A	N/A	N/A	N/A	N/A
03-Dec-21	Navigate	Radiant Logistics	60	\$35.0	N/A	N/A	N/A	N/A	N/A
01-Dec-21	Coretex	EROAD	160	\$132.0	N/A	N/A	N/A	N/A	N/A
29-Nov-21	Swanleap	Gryphon Investors	75	N/A	N/A	N/A	N/A	N/A	N/A
16-Nov-21	Dossier Systems	Advanced Manufacturing Control Systems	50	N/A	N/A	N/A	N/A	N/A	N/A
02-Nov-21	Skybridge Global	DatAvail	950	N/A	N/A	N/A	N/A	N/A	N/A
13-Oct-21	Syntax Systems	Ardian	1900	N/A	N/A	N/A	N/A	N/A	N/A
08-Oct-21	Cloudera	Clayton, Dubilier & Rice	3288	\$5,300.0	\$904.8	N/A	N/A	5.9x	N/A
Mean				\$1,366.4	\$334.7	\$3.1	-9%	8.4x	19.5x

# Notable Private Equity Investors – Software



## Portfolio Companies



### Add-ons



### Add-ons



## Portfolio Companies



### Add-ons



## Portfolio Companies



### Add-ons



## Portfolio Companies



## Portfolio Companies



## Portfolio Companies



# Notable Private Equity Investors – Services

## TRINITY HUNT PARTNERS

### Portfolio Companies



### Add-ons



## SVERICA

### Portfolio Companies



### Add-ons



## CENTURY PARK CAPITAL PARTNERS

### Portfolio Companies



### Add-ons



## HARREN EQUITY PARTNERS

### Portfolio Companies



### Add-ons



## RLH Equity Partners

### Portfolio Companies



## PAMLICO CAPITAL

### Portfolio Companies



### Add-ons



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# Founders Advisors Overview

## FIRM OVERVIEW

Founders is a mergers, acquisitions, and strategic advisory services firm that has served middle-market companies **since 2003**. With a nationwide footprint, we pride ourselves in employing a values based and highly personalized relational approach through our five industry-focused advisory teams. Today, **Founders employs over 45 professionals and has 3 offices in Birmingham, AL (headquarters); Dallas, TX; and Houston, TX.**

### Values Driven Culture

#### ORDER

Keep proper focus & do the right things at the right time

#### ACCOUNTABILITY

Define, communicate & own key results

#### GROWTH

Reflection, evaluation & planned improvement

#### SERVICE

Go the extra mile for our clients, co-workers & community

#### TRUTH

Seek the truth, speak the truth & advocate the truth

#### EXCELLENCE

All we do, we do well

### Service Capabilities



Sell-Side  
Advisory



Targeted  
Buyside



Capital  
Raises



Spin-Offs /  
Divestitures

### Founders' Niche Focus and Vast Experience Leads to Quantifiable Results for Our Clients

\$55B+

Transacted Enterprise Value

130+

Engagements Since 2013

21%

Average Increase in Deal  
Value from IOI to Closing

84%

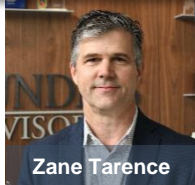
Deals that Close at or Above  
Valuation Expectations

63%

Deals with \$20M - \$100M  
Transaction Value

# Founders Technology Deal Team

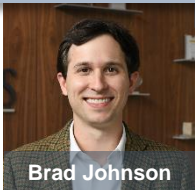
## MANAGING PARTNER



Zane Tarence

Zane Tarence, Managing Director of Founders Advisors' Technology practice, is an experienced investment banker, entrepreneur and recognized expert on the growth and monetization of software, digital media and internet technology companies. Over the past 20 years, Zane has led and completed more than 90 technology deals. Zane has over 25 years of experience as an operator, investor and dealmaker in the technology arena, and he independently created and sold two technology businesses to publicly-traded companies.

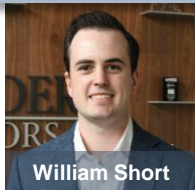
## DIRECTOR



Brad Johnson

Brad Johnson coordinates and manages the marketing process and investor negotiations and serves as deal point-person. Brad served as an intern with Founders while completing his undergraduate degree and joined the team as an analyst in 2009. Since that time, Brad has risen to become a Director and has worked on 60+ technology transactions. Brad graduated *magna cum laude* with a B.S. in Finance and Economics from the Brock School of Business at Samford University in Birmingham, Alabama.

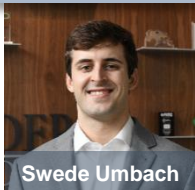
## VICE PRESIDENT



William Short

William Short is a Vice President at Founders with the primary responsibility of supporting principals in client service and execution of deals. His duties include conducting industry and company research, preparing financial analysis, and facilitating due diligence. Prior to joining Founders in 2016, William graduated *magna cum laude* from the University of Mississippi with a degree in Computer Science.

## SENIOR ANALYST



Swede Umbach

Swede Umbach is a Senior Analyst at Founders Advisors with the primary responsibility of supporting principals in the execution of deals. His duties include conducting industry and company research, preparing financial analyses, and facilitating due diligence. Prior to joining Founders, Swede worked at Ernst & Young. Swede graduated with a degree in Accountancy and a Master of Accountancy & Data Analytics from the University of Mississippi Patterson School of Accountancy. Swede is also a Certified Public Accountant (inactive).

## ANALYST



Hampton Simms

Hampton Simms is an Analyst at Founders Advisors. His primary responsibilities include supporting principals in client service and execution of deals through conducting industry and company research, preparing financial analyses, and facilitating due diligence. Hampton hails from Dallas, Texas, and graduated with Highest Distinction from the University of North Carolina at Chapel Hill with a degree in Economics.

## MANAGING DIRECTOR



Chris Weingartner

Chris Weingartner is responsible for assisting the Technology practice Managing Director Zane Tarence with prospect development, market process management and coordination of the Technology practice's deal team. Prior to joining Founders in 2014, Chris worked for Mountain Group Capital overseeing all prospective deal analysis and diligence coordination, and UnitedHealth Group's subsidiary, Optum, driving four consecutive years of nearly 50% growth. B.A. – Washington and Lee. M.B.A. – Vanderbilt University.

## DIRECTOR



Billy Pritchard

Billy Pritchard is a Director with Founders, coordinating and managing the marketing process and investor negotiations and serving as deal point-person. Prior to Founders, Billy served as Director of Corporate Development at Surgical Care Affiliates, where his team was responsible for the execution of merger and acquisition opportunities in the healthcare services space. B.S. in Finance from the University of Alabama. J.D. / M.B.A. from the University of Alabama School of Law and Manderson Graduate School of Business.

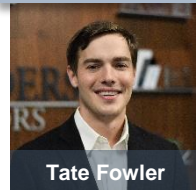
## SENIOR ASSOCIATE



Chris Jenkins

Chris Jenkins is a Senior Associate at Founders Advisors with the primary responsibility of supporting transaction principals in the execution of deals. His duties include conducting industry and company research, preparing financial analysis, and facilitating due diligence. Prior to Founders, Chris served as Manager of Corporate Development at Amedisys, where his team was responsible for the execution of merger and acquisition opportunities in the healthcare space. B.S. in Finance from the University of Alabama. M.B.A. from the College of Charleston.

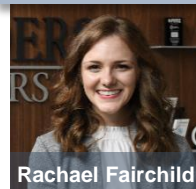
## ANALYST



Tate Fowler

Tate Fowler is an Analyst for Founders Advisors. His primary responsibilities include supporting principals in client service and execution of deals through conducting industry and company research, preparing financial analyses, and facilitating due diligence. Tate is originally from Jackson, MS, and graduated Summa Cum Laude from the University of Mississippi with a degree in Accountancy. During his time at Ole Miss, Tate completed an internship with KPMG's Deal Advisory practice in Dallas, TX.

## GROUP MANAGER



Rachael Fairchild

Rachael Fairchild, Practice Group Manager, supports the Technology practice by providing support in all phases of client service and client relationship building. She is involved in business development and overseeing specific marketing and events. Prior to joining Founders, Rachael worked in Higher Education at the University of Alabama at Birmingham. Rachael graduated *summa cum laude* from the Auburn University in Montgomery with a B.A. in Communication.

# FOUNDERS

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## ADVISORS

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