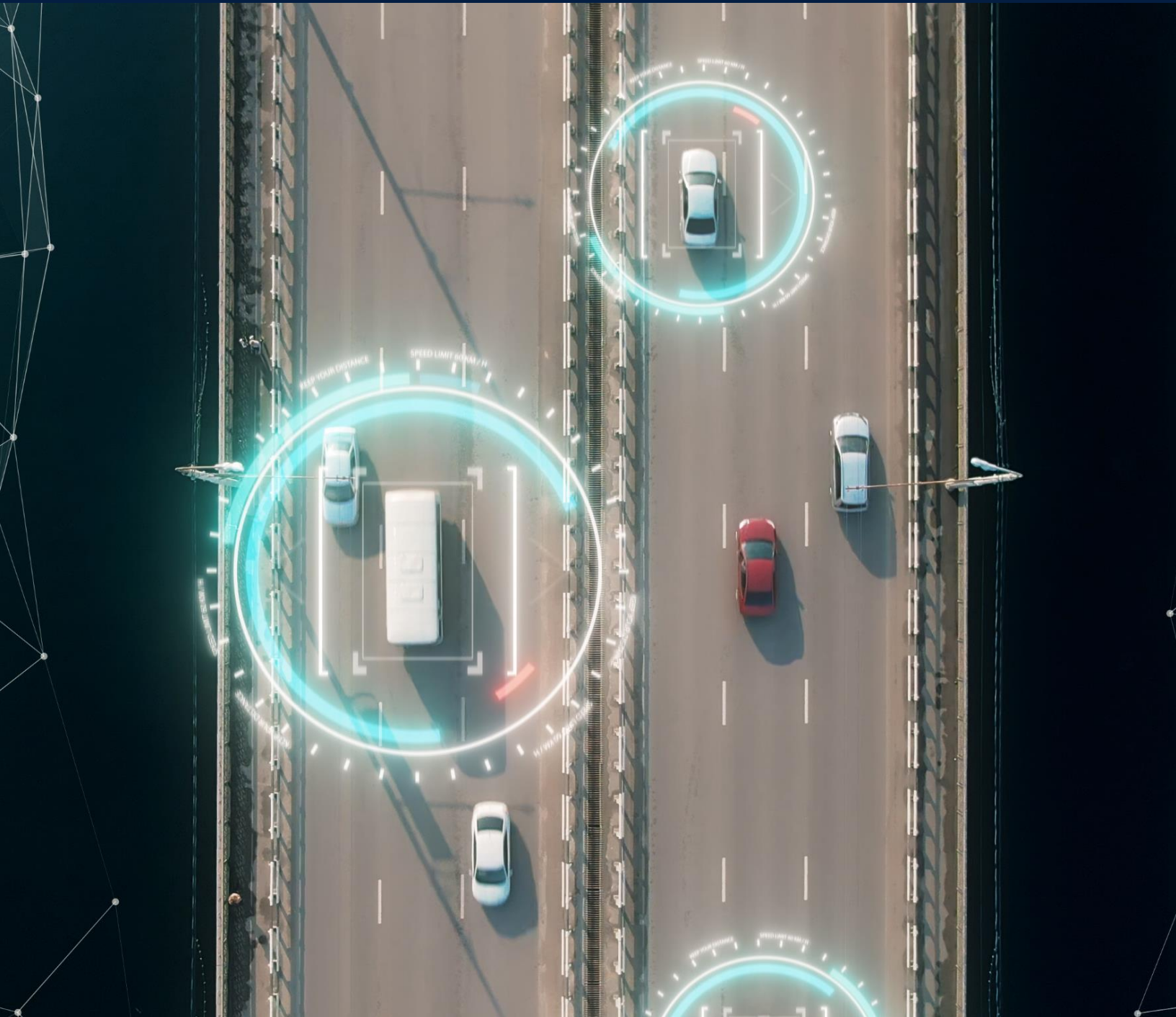


AUTOTECH & TRANSPORTATION SOFTWARE M&A RETURNS TO HISTORICAL LEVELS

AUTOTECH & TRANSPORTATION SOFTWARE SECTOR UPDATE | JULY 2024



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AutoTech & Transportation Software

M&A Returns to Historical Levels

KEY SECTOR TAKEAWAYS

Capstone Partners' [Technology, Media & Telecom \(TMT\) Group](#) is pleased to share its Automotive Technology (AutoTech) & Transportation Software report. Through our ongoing conversations with active sector players and thorough analysis of merger and acquisition (M&A) activity and valuation trends, we have identified several key takeaways below, followed by an in-depth overview of M&A activity, most active strategic and private equity buyers, and valuation trends.

1. M&A transaction volume in the AutoTech & Transportation Software space has returned to historical norms of 350–370 transactions per annum, after reaching a record 536 transactions in 2021. Deal activity in the Autonomous segment has remained above pre-peak levels. The Transportation Management and Supply Chain segments have experienced post-COVID supply chain headwinds, but deal activity has remained within historical levels. Deal activity in the Ride Sharing & Delivery space has declined dramatically.
2. Notable transactions completed since the beginning of 2023 include three billion-dollar deals, two transactions between \$500 million and \$1 billion, and ten transactions between \$200 million and \$500 million in enterprise value.
3. Revenue multiples paid for M&A targets have decreased considerably from their 2021 peak as market conditions normalized and are now consistent with 2018 levels. The Autonomous, Navigation & Connected Car and Dealer Listings & Aftermarket Software subsegments have commanded the highest multiples due to higher growth and pure-play software business models.
4. Strategic buyers have accounted for 88% of transactions over the last twelve months. While financial buyers have accounted for only 12%, they drove 60% of the activity with the inclusion of private equity-backed strategics making add-on acquisitions. Capstone expects financial buyer activity to increase in 2025 as valuation expectations normalize and private equity funds push to put more money to work.
5. Some of the most active strategic acquirors over the last 24 months include Accenture (NYSE:ACN), Constellation Software (TSX:CSU), The Descartes Systems (TSX:DSG), JD Power, Panasonic (TSE:6752), Portside, Valsoft, and WiseTech (ASX:WTC).
6. Private equity deal activity has returned to historical levels of approximately 110 deals per annum after peaking in 2021 at 191 transactions. The most active private equity firms in the sector include Accel-KKR, Alpine, Arcadea, Battery Ventures, Castik Capital, Francisco Partners, Insight Partners, Main Capital Partners, PSG, TA Associates, Thoma Bravo, True Wind, and Vista Equity Partners.

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To learn more about Capstone's wide range of advisory services and AutoTech & Transportation Software sector knowledge, please [contact us](#).

NOTABLE TRANSACTIONS – 2023 & Q1 2024

Since the beginning of 2023, three billion-dollar deals, two transactions between \$500 million and \$1 billion, and ten transactions between \$200 million and \$500 million in enterprise value have been completed. Notable transaction activity has occurred across several market segments with multiple notable deals in the Transportation Management Software (TMS) and Supply Chain segments.

Ann. Date	Buyer	Target	Segment	Target Description	Enterprise Value	LTM Revenue Multiple
11/21/23	Blackstone 	 Adevinta	Listings	Operates online classifieds and e-commerce sites in the Automotive market in Europe.	\$14.6B	7.5x
04/02/24	 IEQT	 Avetta	Supply Chain	Develops a supply chain risk management platform intended to serve the Oil & Gas, Pharmaceutical, Chemical, Manufacturing, and other industries.	\$3.0B	(24x EBITDA)
04/03/23	 Trimble	 TRANSPOREON <small>A Trimble Company</small>	TMS - Diversified	Develops a cloud-based logistics platform designed to facilitate intelligent transport logistics.	\$2.0B	13.6x
03/29/24	 Panasonic Blueyonder	 One Network Enterprises™	Supply Chain	Provides leading, global intelligent control towers and the Digital Supply Chain Network™.	\$839M	6.6x ⁽¹⁾
04/10/23	 etisalat and	 Careem Super-app	Food Delivery	Offers consumer centric digital services such as food delivery, bike rentals, digital payments, and courier services.	\$800M	NA
08/27/23	 XPENG	 DiDi Smart EV	Ride Sharing	Provides mobility and transportation SaaS for ride-hailing, taxi-hailing, bike and e-bike sharing, intra-city freight, food delivery, and payments.	\$483M	NA
02/16/23	 wisetech global	 BLUME global	Supply Chain	Designs and develops a cloud-based digital platform that connects global supply chains into one ecosystem.	\$414M	6.1x ⁽²⁾
05/14/24	 KKR	 IQGeo	GIS	Delivers geospatial software solutions for telecoms and utility network operators.	\$377M	6.7x
12/06/23	 GUARDCAP	 Q-FREE	Traffic Management	Operates in the global Intelligent Transportation Systems (ITS) market, with a strong focus on traffic management and tolling.	\$291M	2.7x
02/09/23	Urgent.ly Inc. (SPAC)	 OTONOMO	Fleet Management	Provides a software platform that powers roadside assistance solutions for leading brands across automotive OEM, fleet, and rental.	\$282M	NA
01/19/23	 seedz	 gaivota	Mapping	Develops cloud-based farm mapping software designed to connect and optimize the Agribusiness ecosystem.	\$235M	NA
01/24/23	 wisetech global	 ENVASE	TMS - Diversified	Develops cloud-based transportation management software and mobile applications for the Transportation industry.	\$234M	6.7x ⁽³⁾
02/14/23	DESCARTES	 GROUND CLOUD	TMS - Diversified	Designs and develops SaaS-based software platform for transportation, logistics, supply chain, and storage.	\$218M	NA
03/12/24	 CAMP	 avinode group	Aviation	Operates an air charter sourcing platform for buying and selling air charters and a portfolio of aviation FBO software.	\$200M	NA

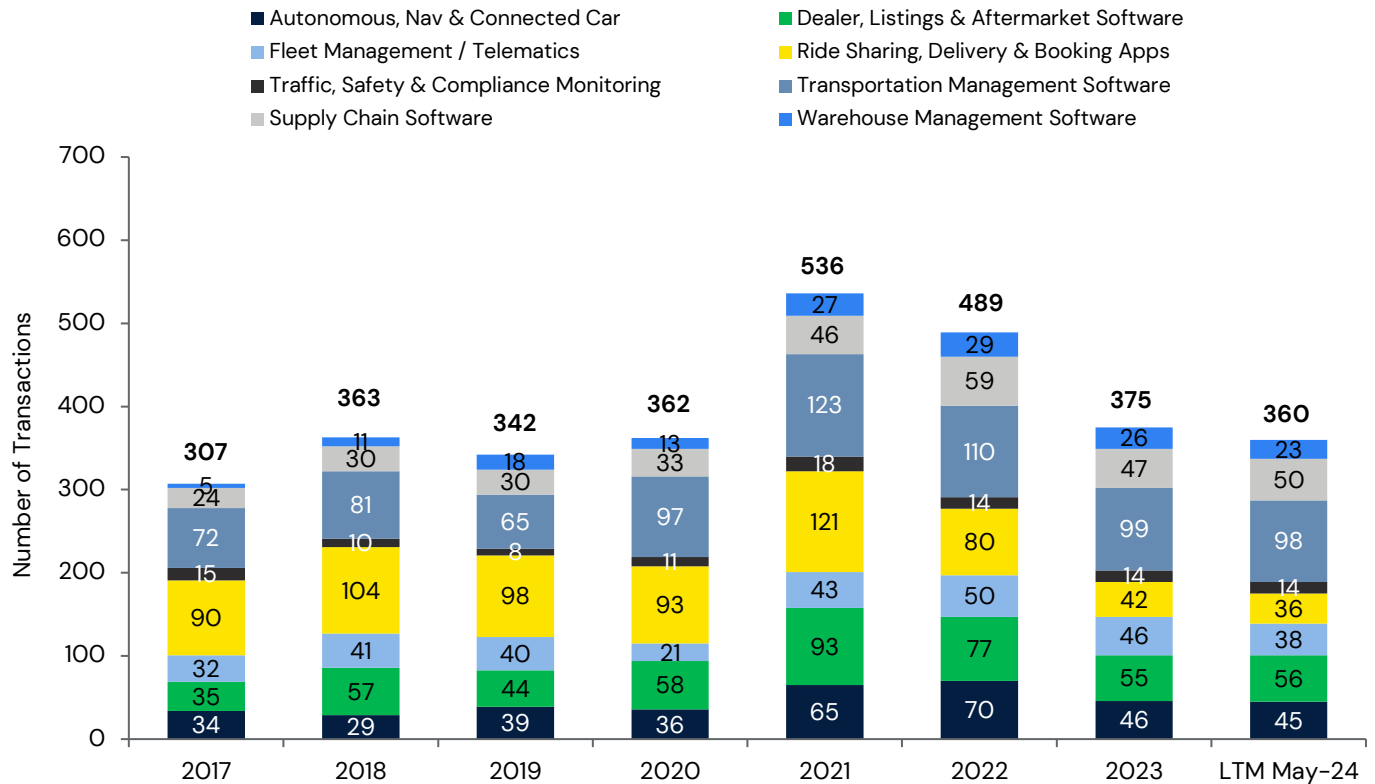
- (1) Revenue estimate for One Network Enterprises was from multiple third-party databases but could not be verified by Capstone
- (2) Revenue estimate for fiscal year ending June 2024
- (3) Revenue estimate for calendar year 2023

LTM = Last Twelve Months
SPAC = Special Purpose Acquisition Company
Source: Capital IQ, Pitchbook, 451, and Capstone Partners

M&A ACTIVITY BY SEGMENT

M&A transaction volume in the AutoTech & Transportation Software space has returned to historical norms of 350–370 transactions per annum after reaching a record 536 transactions in 2021. This return to historical levels of M&A activity is consistent with the broader Software market as the 2021 surge fueled by a COVID deal hangover and concerns about a potential increase in capital gains tax rates has faded, market conditions have become more challenging, and higher interest rates have negatively impacted private equity returns.

M&A Transaction Count by Segment



LTM = Last Twelve Months
Source: Capital IQ, Pitchbook, 451, and Capstone Partners

M&A Trends by Segment

- Deal volume in the Autonomous, Navigation, & Connected Car segment has remained above pre-peak levels as original equipment manufacturers (OEMs), suppliers, and ride sharing companies have continued the march towards a fully autonomous future; geographic information system (GIS) and mapping companies have continued to digitize the globe; and electric vehicle (EV) charging companies have continued to build out charging stations.
- Consolidation in the Dealer, Listings, & Aftermarket segment of AutoTech has remained above the 2017–2020 average of 49 deals per annum as several private equity firms have continued to roll-up the Dealer Management Systems and Repair & Aftermarket segments and several public companies have continued to consolidate the Finance & Insurance (F&I) Software space.
- Transaction volume in the Fleet Management/Telematics software space has also remained above the 2017–2020 average of 34 deals per year as public acquirors such as Constellation Software, Descartes, and WiseTech remain very active as well as private equity-backed platforms such as Aptean, MercuryGate, and Valsoft.

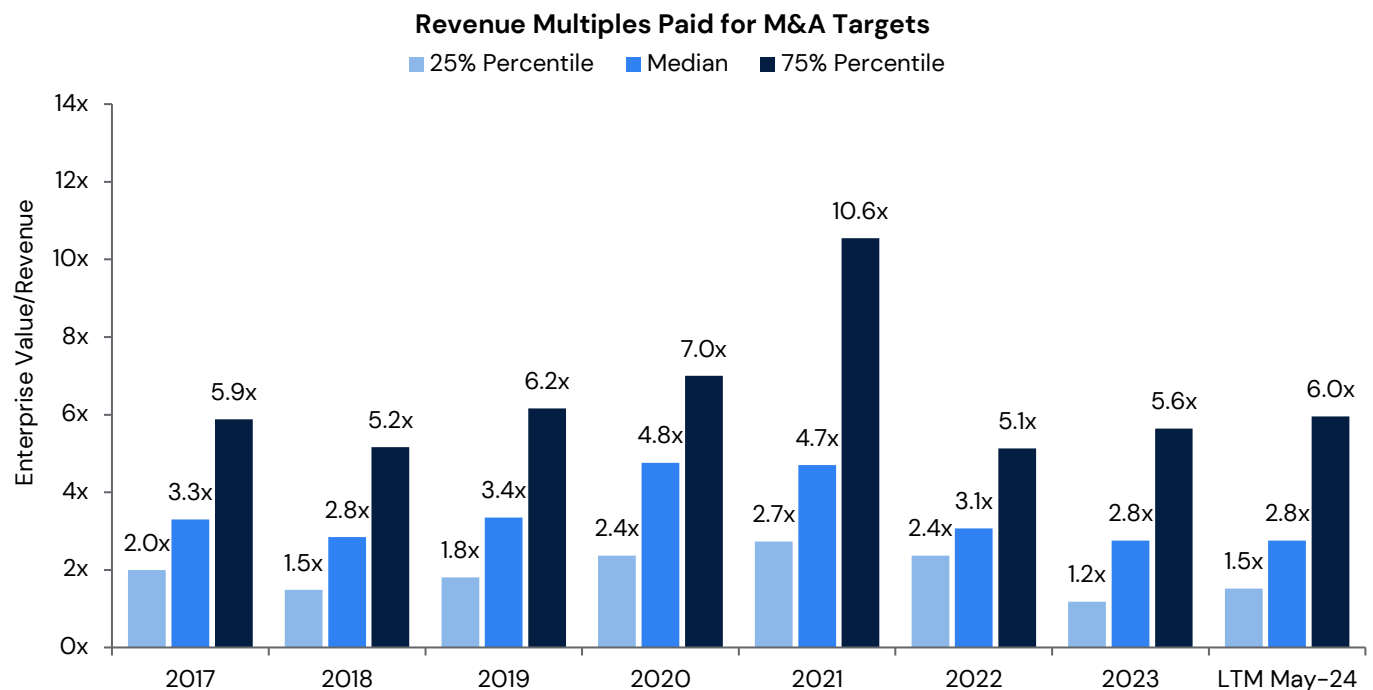
M&A Trends by Segment (Continued)

- The Ride Sharing, Delivery, & Booking Application segment has seen the biggest pull back in deal volume to less than 50% of the pre-peak average as strategic buyers such as Delivery Hero (XTRA:DHGR), Just Eat (ENXTAM:TKWY), and Uber (NYSE:UBER) have curtailed acquisitions because their valuations have come down dramatically following the market correction.
- Deal volume in the Traffic, Safety & Compliance Monitoring segment has remained above pre-peak levels as traffic management system vendors continue to acquire software that brings artificial intelligence (AI) capabilities and bolsters the intelligence of their solutions.
- Transaction volume in the TMS space has also remained above the 2017–2020 average of 79 deals per annum as public acquirors such as Constellation Software, Descartes, and WiseTech; and private equity-backed platforms such as Aptean, MercuryGate, and Valsoft remain active.
- Supply Chain Software and Warehouse Management Software (WMS) deal volume has remained remarkably buoyant with a broad range of public and private-equity buyers making acquisitions including Panasonic, SPS Commerce (Nasdaq:SPSC), KKR (NYSE:KKR), GTCR, and Rubicon.

VALUATION TRENDS – M&A TARGETS

M&A Valuation Trends Over Time

Revenue multiples paid for M&A targets in the AutoTech & Transportation Software space have decreased considerably as valuations have returned to more sustainable levels and distressed transactions have become a larger part of the mix. The correction in the AutoTech & Transportation Software sector has been consistent with the valuation trends in the broader Software market. The Software M&A market has become bifurcated where Rule of 40-plus companies with strong customer retention continue to command premium multiples while lower growth companies with weaker retention and higher burn rates are trading at significantly lower multiples compared to the 2021 peak.



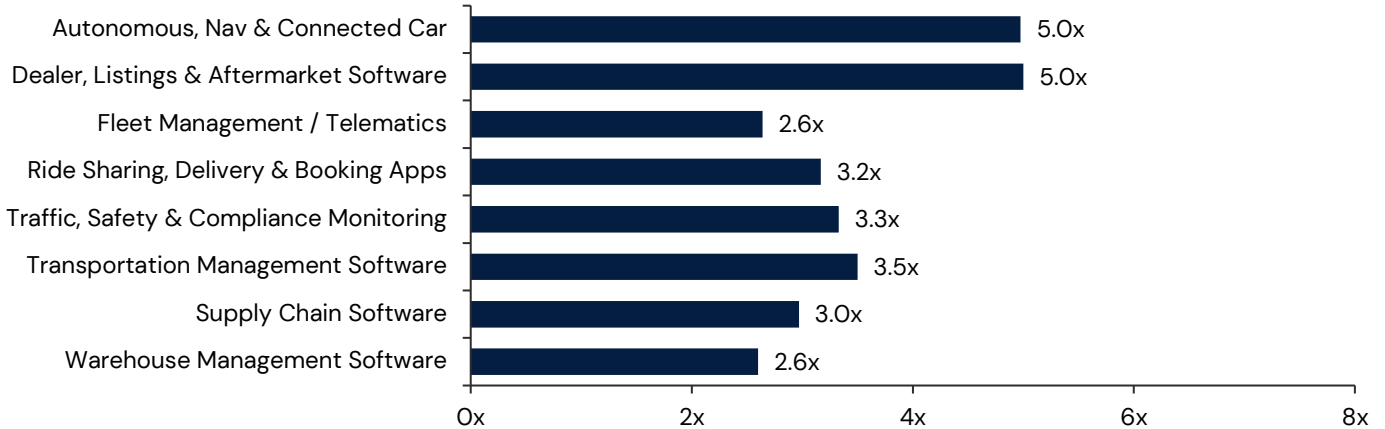
LTM = Last Twelve Months
Source: Capital IQ, Pitchbook, 451, and Capstone Partners

M&A Valuation Trends by Segment

Valuations paid for M&A targets in the AutoTech & Transportation Software space have varied broadly based on differences in market growth rates, business models, and margin profiles. M&A targets in the higher multiple segments are often growing rapidly and have attractive, pure-play Software-as-a-Service (SaaS) margin profiles. M&A targets in lower multiple segments are often lower growth companies in mature market segments with lower margin business models.

Median Revenue Multiple Paid for M&A Targets by Segment

(January 2017 – May 2024)



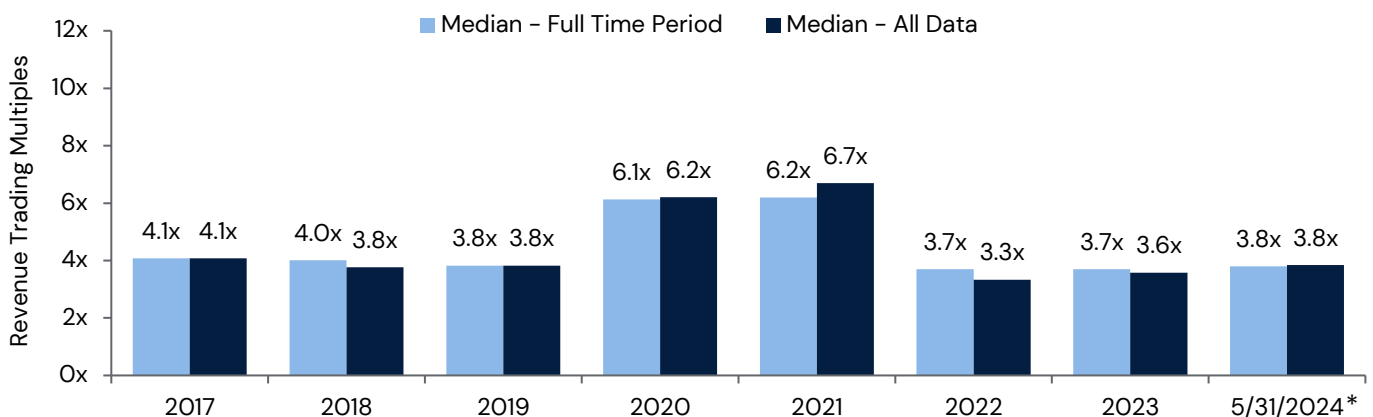
Source: Capital IQ, Pitchbook, 451, and Capstone Partners

The Autonomous Navigation & Connected Car and Dealer Listings & Aftermarket Software subsegments have commanded premium multiples based on strong growth rates and higher, pure-play SaaS margins. M&A targets in the Fleet Management/Telematics segment typically receive lower multiples because their business models often include a hardware component that negatively impacts the overall margin profile. More mature segments like Warehouse Management and Supply Chain Software tend to trade at lower multiples as well, although data points are very limited and therefore it is more challenging to draw meaningful conclusions.

VALUATION TRENDS – PUBLIC COMPANIES

Public Company Valuation Trends Over Time

Median Revenue Multiples of Public Companies



*Last-twelve-months ending May 31, 2024.

Note: "Full Time Period" refers to the subset of public companies that remained public over the entire time period shown whereas "All Data" includes to all of the public companies in a given period

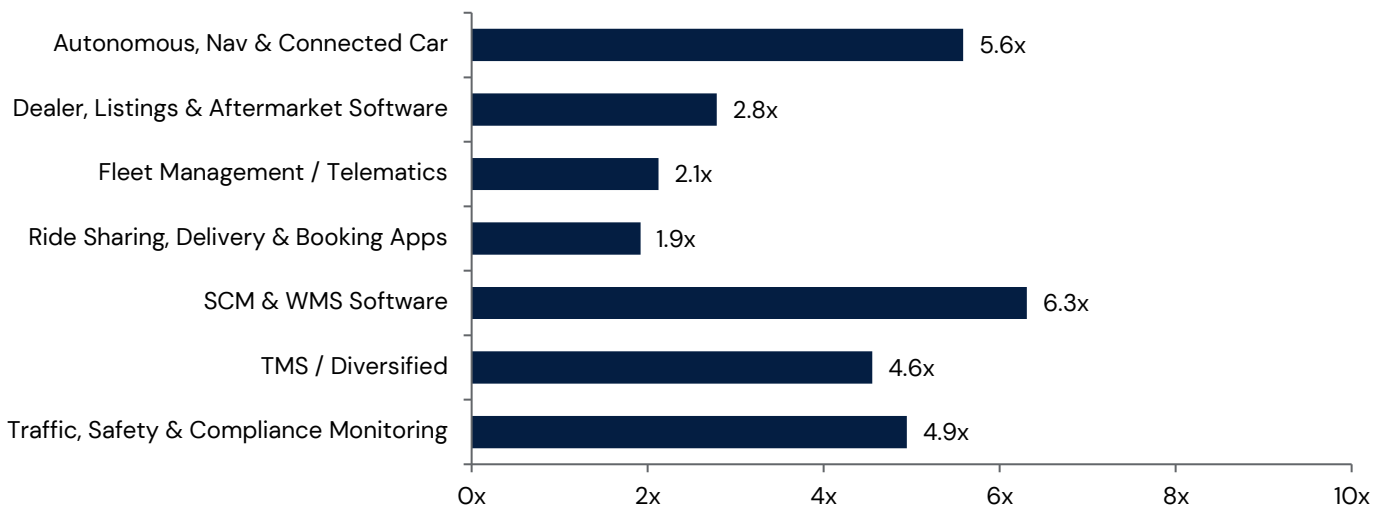
Source: Capital IQ, Pitchbook, and Capstone Partners

Public company valuation multiples in the AutoTech & Transportation Software sector reached a peak in 2021 and then returned closer to 2018 levels following the 2022 market correction. While the median revenue multiples for AutoTech & Transportation Software appear to be low compared to the broader public company Software market, it is important to note that companies in certain segments do not have pure-play software business models. For example, fleet management companies often have a hardware component and online automotive listings companies typically have a transaction-based model with lower margins.

Public Company Valuation Trends by Segment

Valuations of public companies in the AutoTech & Transportation Software space tend to vary broadly based on differences in growth rates, business models, margin profiles, and competitive positioning. The median revenue multiple for public companies in the Autonomous Navigation & Connected Car and Traffic, Safety & Compliance subsegments trade at a premium due primarily to high expected growth rates and lofty valuations for AI-based businesses. The median revenue multiples are also on the higher end of the range for the Transportation Software and Supply Chain Management (SCM) Software & WMS subsegments as these companies tend to have both double-digit expected growth rates and very attractive margin profiles. Conversely, public companies in the Fleet Management/Telematics and Dealer, Listings & Aftermarket Software subsegments typically trade at lower revenue multiples because their business models often include lower margin revenue streams. The Ride Sharing & Booking Apps median multiple has been weighed down by several companies trading below 2x revenue such as Lyft (Nasdaq:LYFT), Delivery Hero, and Bird Global (OTCPK:BRDS), who are struggling to reach profitability, and Just Eat whose growth has stalled post the COVID-19 pandemic.

Median Public Company Revenue Multiple by Segment,
(Last-Twelve-Months Ending May 31, 2024)



Source: Capital IQ, Pitchbook, and Capstone Partners



David Michaels,
Head of Technology, Media & Telecom

“Valuations for public companies in the AutoTech & Transportation Software space continues to be defined by business models, margin profiles, growth rates, and competitive positioning. Valuations for Supply Chain Management & Warehouse Management Software companies have benefited from impressive growth rates and attractive margin profiles leading to premium revenue multiple compared to other segments.”

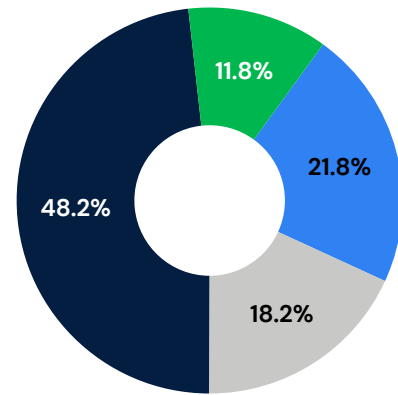
DEAL ACTIVITY BY BUYER TYPE

The buyer mix within the AutoTech & Transportation Software market over the last twelve months has been dominated by strategic buyers with approximately 90% of the mix while financial buyers have accounted for 10% of the transactions. However, with the inclusion of private equity-backed strategics making add-on acquisitions, financial buyers have driven 27% of the mix.

Publicly-held strategics have accounted for 22% of the mix while strategics with venture capital (VC) backing or no institutional backing have accounted for 51%. From a deal size perspective, public strategics, private equity firms, and private equity-backed strategics have comprised the lion's share of the larger transactions while strategics with VC backing or no institutional backing have tended to make smaller acquisitions. In fact, public acquirors have accounted for 42% of the deals with purchase prices of \$100 million or more and private equity firms have comprised 33% of deals valued at \$100 million or more.

AutoTech & Transportation Software Buyer Type (LTM Ending May 2024)

- Strategic - Public
- Strategic - PE Backed
- Strategic - VC/No Backing
- Financial Buyer



LTM = Last Twelve Months
PE = Private Equity; VC = Venture Capital
Source: Capital IQ, Pitchbook, 451, and Capstone Partners



STRATEGIC BUYER UNIVERSE – AUTOTECH

The strategic buyer universe within the AutoTech segment includes technology titans, automotive OEMs and suppliers, several billion-dollar public companies, and a wide range of private equity-backed platform companies. The combination of large public companies that are acquisitive and billions of dollars of private equity being invested into the space has resulted in a very active M&A market.

In addition to the buyers listed in the table, Alphabet (Nasdaq:GOOGL), Aptiv (NYSE:APTIV), Aurora (Nasdaq:AUR), Continental (XTRA:CON), FLEETCOR (NYSE:FLT), Ford (NYSE:F), General Motors (NYSE:GM), NV5 Global (Nasdaq:NVEE), Meta (Nasdaq:META), Siemens (XTRA:SIE), Snap (NYSE:SNAP), and Trimble (Nasdaq:TRMB) have been active in the Autonomous Driving, Navigation & Connected Car subsegment. The Ride Sharing, Delivery & Booking Applications subsegment has also been a target area for Bird, Block (NYSE:SQ), Expedia (Nasdaq:EXPE), Groupon (Nasdaq:GRPN), lastminute (SWX:LMN), Reliance (NSEI:RELIANCE), and Waitr (Nasdaq:WTRH). Quorum (TSXV:QIS), CitNOW, which is backed by Livingbridge and Tenzing, and LeadVenture, which is backed by TA Associates and Truwind, have also been active in the Dealer, Listings & Aftermarket Software subsegment.

Buyer ⁽¹⁾	Autonomous Driving, Nav & Connected Car	Ride Sharing, Delivery & Booking Apps	Dealer, Listings & Aftermarket Software	Total ⁽²⁾
 Delivery Hero	0	20	0	20
 JUST EAT	0	17	0	17
 DOORDASH	2	3	9	14
 CONSTELLATION SOFTWARE INC.	0	1	12	13
 nextlane PSG	0	11	0	11
 easypark	1	10	0	11
 Uber	0	7	2	9
 Yandex	0	0	8	8
 ●●● CDKGlobal	1	0	7	8
 J.D. POWER Thoma Bravo	0	0	8	8
 SoTera Vista	0	0	8	8
 KAR GLOBAL	0	0	7	7
 COX AUTOMOTIVE*	0	0	7	7
 keyloop Francisco	0	0	7	7
 Reynolds & Reynolds.	6	0	6	6
 Bentley	0	0	6	6
 VALSOFT Valsef	3	2	1	6
 VOLKSWAGEN	1	0	5	6
 VONTIER	2	3	0	5
 TOYOTA	2	2	1	5

(1) For private equity-backed buyers, the name of the private equity firm is displayed below the buyer logo;

(2) M&A transactions completed in each market segment from January 2017–March 2024; Source: Capital IQ, Pitchbook, 451, and Capstone Partners

STRATEGIC BUYER UNIVERSE – TRANSPORTATION SOFTWARE

The strategic buyer universe within the Transportation Software segment may have fewer household names, but it does include several billion-dollar public companies and a number of private equity-backed platform companies. Companies like Descartes, E2Open (NYSE:ETWO), Constellation Software, and WiseTech have been prolific acquirors within the space.

In addition to the buyers listed in the table, CalAmp (Nasdaq:CAMP), FleetComplete (backed by OTPP), GPS Trackit (backed by Inverness), Michelin (ENXTPA:ML), Orbcomm, and Transit Technologies (GSV & PSG) have also been active in the Fleet Management subsegment. The Traffic, Safety & Compliance Monitoring subsegment has also been a target area for Bentley (Nasdaq:BSY), Bestpass, Miovision, Quarterhill (TSX:QTRH), SambaSafety (Stone Point), Transoft, and Volkswagen (XTRA:VOW3). Cargotec (HLSE:CGCBV), Envase (Firmament), Ford, Korber, Magaya (LLR), MercuryGate (Summit), project44 (Warburg), PSI Software (XTRA:PSAN), and Siemens have also been active in the Transportation Management Software subsegment.

Buyer ⁽¹⁾	Fleet Management/ Telematics	Traffic, Safety & Compliance Monitoring	Transportation Management Software	Total ⁽²⁾
 wisetech global	1	0	30	31
 CONSTELLATION SOFTWARE INC.	9	2	18	29
DESCARTES	2	0	19	21
 VALSOFT Valsef	3	0	11	14
 E2OPEN [®] BLU JAY	0	0	11	11
ADDiSECURE Castik	8	0	0	8
 BAMA	8	0	0	8
 Solera Vista	6	1	0	7
 Trimble	1	0	5	6
 aptean TA, Vista	0	0	5	5
PORTSIDE	0	0	5	5
POWERFLEET [®]	4	0	1	5
 radius Inflexion	5	0	0	5
SIEMENS	1	1	3	5
TRANSPOREON HgCapital	0	0	5	5
 Ford	1	0	3	4
GPSINSIGHT [®] AKKR	4	0	0	4
 microlise	3	1	0	4
moving > intelligence	4	0	0	4
Uber Freight TRANSPPLACE	0	0	4	4














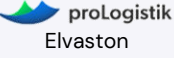


(1) For private equity-backed buyers, the name of the private equity firm is displayed below the buyer logo;

(2) M&A transactions completed in each market segment from January 2017–March 2024; Source: Capital IQ, Pitchbook, 451, and Capstone Partners

STRATEGIC BUYER UNIVERSE – SUPPLY CHAIN & WMS SOFTWARE

The strategic buyer universe within the Supply Chain & WMS segment includes eight billion-dollar public companies and more than ten private equity-backed platform companies. Constellation Software, Aptean, Accenture, E2Open, Valsoft, and Wiestech have been the most acquisitive within the segment.

In addition to the buyers listed in the table, 3PL Central (backed by Mainsail & Runway), American Software (Nasdaq:AMSW), FourKites, Kinaxis (TSX:KXS), Korber, Loadsmart (Blackstone, VCs), PDI, project44 (Warburg), Siemens, Trimble, TransImpact (Jordan Co.), TrueCommerce (AKKR), and Wolters Kluwer (ENXTAM:WKL) have also been active buyers in the Supply Chain & WMS segment.

Buyer ⁽¹⁾	Supply Chain	Warehouse Management	Total ⁽²⁾
 CONSTELLATION SOFTWARE INC.	4	4	8
 aptean TA, Vista	5	2	7
 accenture	4	2	6
 wiestech global	3	3	6
 E2OPEN BLU JAY	4	1	5
 GrubMarket	5	0	5
 SPS COMMERCE DIGITAL POWER	3	2	5
 VALSOFT Valsef	2	3	5
 coupa BlackRock	3	1	4
 Panasonic	4	0	4
 cegid Oakley	2	1	3
 DESCARTES	2	1	3
 Net@Work Lovell Minnick	3	0	3
 proLogistik Elvaston	1	2	3
 Sesa	2	1	3
 EPICOR CD&R	0	2	2

(1) For private equity-backed buyers, the name of the private equity firm is displayed below the buyer logo;

(2) M&A transactions completed in each market segment from January 2017–March 2024; Source: Capital IQ, Pitchbook, 451, and Capstone Partners

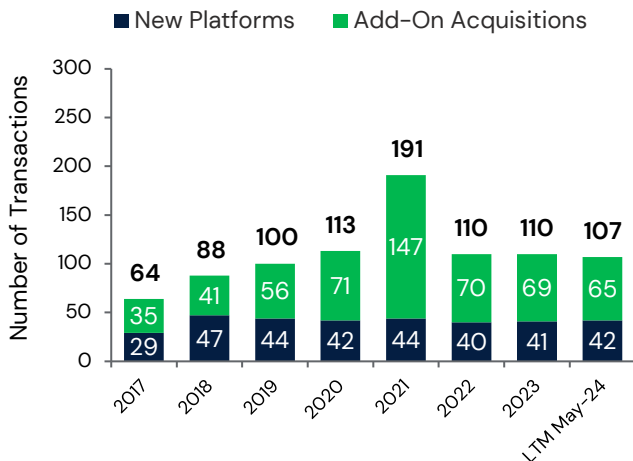
PRIVATE EQUITY ACTIVITY

Private equity firms have remained active in the AutoTech & Transportation Software space over the last several years, acquiring new platform companies and making add-on acquisitions to existing platforms. In total, more than 500 companies in the AutoTech & Transportation Software market have been acquired by private equity firms or their portfolio companies over the past five years.

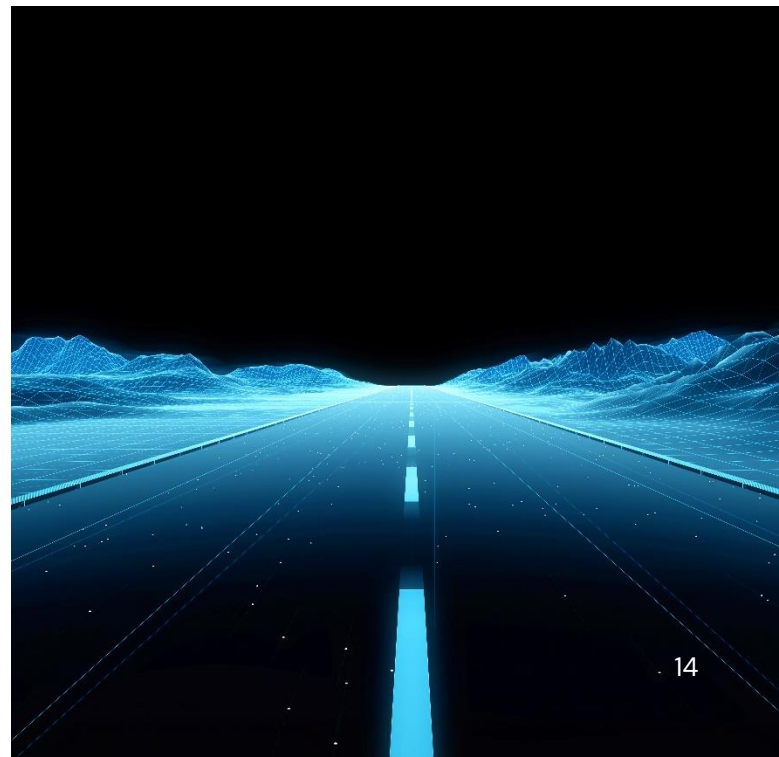
Key Takeaways

- Deal Activity Returned to Historical Levels –** Private equity deal activity has returned to the pre-peak level of 90-110 deals per annum. New platforms have represented a slightly smaller percentage of the mix as private equity investment committees have narrowed the aperture for platform investments.
- Dealership Software Led AutoTech Activity –** Private equity firms have showed the most interest in the Automotive Dealership and Repair & Aftermarket Software subsegments of the AutoTech space, investing in platform companies such as DealerSocket (backed by Vista), fusionZONE (Primus), LeadVenture (True Wind and TA), and Vehlo (GSV, PSG, HarbourVest & Lightyear). Deal activity in the Autonomous Driving, Navigation & Connected Car segment has largely been dominated by strategic buyers with the exception of GIS and Mapping subsegments which have been an increasingly active space for private equity firms with AKKR, Aquiline, Battery, and Bow River participating in recent transactions.
- TMS Software Led Transportation Software Activity –** Private equity firms have made the most acquisitions in the TMS subsegment, investing in platform companies such as MercuryGate (Summit), Magaya (Apex, LLR), Navtor (AKKR), Transporeon (HgCapital), Worldwide Express (CVC, Providence & Ridgemont), and Transplace which was backed by TPG prior to its acquisition by Uber Freight. Private equity firms have also been quite active in the Fleet Management subsegment with Battery, Volpi-backed Moving Intelligence, Resurgens, and Valsoft acquiring targets in the last 18 months.
- Private Equity Activity in Supply Chain & WMS Remains Robust –** Private equity firms have remained quite active in the Supply Chain and WMS segments with GTCR, KKR, Loadsmart (Blackstone, VCs), MercuryGate (Summit), NetatWork (Lovell Minnick), Rubicon, and Valsoft completing acquisitions in the last 18 months.

AutoTech & Transportation Software Targets Acquired by Private Equity



LTM = Last Twelve Months
 Source: Capital IQ, Pitchbook, 451, and Capstone Partners



MOST ACTIVE PRIVATE EQUITY INVESTORS

The following table sets forth a representative sampling of the most active private equity investors within the AutoTech & Transportation Software space.

PE Firm	Platform Companies	Market Segment	Status	Add-On Acquisitions
 Deal Count: 12 Platforms 43 Add-Ons	 BlaBlaCar	Ride Sharing	Active	Less, SNCF, Busfor, Ukrbuscomm
	 BRINGG	TMS – Shipping	Active	Zenkraft
	 COMPLY365	Compliance Monitoring	Active	Vistair Systems
	 E2OPEN	Supply Chain	Public	Amber Road, Averetek, Birch, Blujay, Cloud Logistics, INTRAA, Logistyx, Orchestro, Steelwidge, Terra, Zyme
	 optibus	TMS – Mass Transit	Active	Trillium
	 parcelLab	TMS – Diversified	Active	(None to-date)
	 PayCargo	TMS – Shipping	Active	(None to-date)
	 PDI	Repair & Aftermarket	Active	Adnoli, Azpiral, Blue Cow, ControlScan, CstorePro, Cybera, GasBuddy, GreenPrint, Koupon, NPCA, Orbis, Skupos, Universe Group
	 PORTSIDE	TMS – Aviation	Active	Avianis, Baldwin, Professional Flight Management, Seagil, Stellar Labs
	 project44	Supply Chain	Active	ClearMetal, Convey, GateHouse, Ocean Insights, Synfioo
	 shopware	Repair & Aftermarket	Active	(None to-date)
 SPOT HERO	Smart Parking	Active	Parking Panda, ParkPlease, Rover Parking	
 Deal Count: 7 Platforms 24 Add-Ons	 Command Alkon	Supply Chain	Exited	Libra Systems, Ruckit, Trimble Construction Logistics Business
	 J.D. POWER	Vehicle Data Services	Active	ALG, Autovista, EpiAnalytics, Inventory CC, Superior, Tail Light, Trilogy, We Predict, ZappyRide
	 motus	Fleet Management	Active	(None to-date)
	 nearmap	GIS	Active	Betterview
	 project44	Supply Chain	Active	ClearMetal, Convey, GateHouse, Ocean Insights, Synfioo
	 stamps.com	TMS – Shipping	Active	Return Rabbit, Shipsi
	 TRADER	Vehicle Listings	Active	Convertus Digital, Dealertrack Canada, LesPAC, Motoinsight

Sources: Capital IQ, Pitchbook, 451, and Capstone Partners

MOST ACTIVE PRIVATE EQUITY INVESTORS (CONTINUED)

PE Firm	Platform Companies	Market Segment	Status	Add-On Acquisitions
ARCADEA GROUP Deal Count: 6 Platforms 1 Add-On	 Air Maestro	Aviation	Active	Spidertracks
	 BECOSOFT	Supply Chain	Active	(None to-date)
	 FLIGHT VECTOR	Aviation	Active	(None to-date)
	 Railroad Software	Railway	Active	(None to-date)
	 Raspberry Software	Railway	Active	(None to-date)
	 zedas	Railway	Active	(None to-date)
VISTA Deal Count: 5 Platforms 28 Add-Ons	 accelya	TMS – Aviation	Active	Farelogix
	 apptean	Supply Chain & WMS	Active	3T, Apprise, Exenta, Exerve, irms 360, Objective, Paragon, RLM, Total Logistix, V-Technologies
	 DealerSocket	Dealer Management	Exited	Auto/Mate, Autostore, Dealertrack
	 Omnitracs	Fleet Management	Exited	Blue Dot, Shaw, SmartDrive, Vistracks
	 SCLERA	F&I Software	Active	Autodata, AutoMate, Cesvi, Colimbra, DealerSocket, eDriving, Innovative, Omnitrac, RedCap, Spireon
ALPINE ASG Deal Count: 4 Platforms No Add-Ons	 Courier	TMS – Shipping	Active	(None to-date)
	 EcoInteractive	TMS – Mass Transit	Active	(None to-date)
	 Package Route	TMS – Shipping	Active	(None to-date)
	 Trucker Tools	TMS – Shipping	Active	(None to-date)
FP FRANCISCO PARTNERS Deal Count: 4 Platforms 18 Add-Ons	 BLU JAY SOLUTIONS	TMS – Diversified	Exited	Blackbay, CSF, ERA System, Expedient, Grosvenor, Raven Logistics
	 ByBox	Supply Chain	Active	Pelipod
	 keycop	Dealer Management	Active	ATG, EnquiryMAX, FISC, MotorDocs, RAPID, Serti, SilverBullet
	 nShift	TMS – Shipping	Active	Returnado, Unifaun AB, Webshipper
MAIN CAPITAL PARTNERS Deal Count: 4 Platforms 7 Add-Ons	 Fleet GO	Fleet Management	Active	Eurotracs, Wanko
	 onventis	Supply Chain	Exited	Spendency, WorkFlowWise
	 op+imizers	Supply Chain	Exited	Eezeebie, Netivity, Vendre
	 RAIL CUBE	TMS – Railway	Active	(None to-date)

Sources: Capital IQ, Pitchbook, 451, and Capstone Partners

MOST ACTIVE PRIVATE EQUITY INVESTORS (CONTINUED)

PE Firm	Platform Companies	Market Segment	Status	Add-On Acquisitions
PSG Deal Count: 4 Platforms 26 Add-Ons	 GLOBALTRANZ	TMS - Shipping	Exited	Cerasis, Circle 8, Our Freight Guy, TAKTIK
	 nextlane	Dealer Management	Active	Carswip, Custeed, Evolutive, FordonsData, i'Car, ITmotive, procar, Sennifer, Stampyt, Stieger, TMS
	 tenstreet	Driver Recruiting	Active	True Load Time, TruckMap, Venomics
	 TRANSIT TECHNOLOGIES	Fleet Management	Active	ArgoTrak, Ecolane, Faster, MJM, Passio, TripMaster, TripShot, Vestige
 Deal Count: 3 Platforms 10 Add-Ons	 GPSINSIGHT	Fleet Management	Active	FieldAware, Insight Mobile Data, Titan GPS
	 KALERIS	Supply Chain / Yard Mgmt.	Active	Navis, RailcarRX, Shipper TMS, ShipXpress
	 NAVTOR	Ship Navigation	Active	Ingenium Marine, Tres Technology, Voyager Worldwide
Battery Deal Count: 3 Platforms 11 Add-Ons	 CarNow	Dealer Marketing	Active	(None to-date)
	 SHIFTMOVE	Fleet Management	Active	Vimcar
	 VertiGIS	GIS	Active	AED SICAD, Dynamic Design, EDP, Geocom, IBR, KMS, Latitude, Mapcom, Synergis, Topo Graphics
 Deal Count: 3 Platforms 15 Add-Ons	 ADDISECURE	Telematics	Active	Connecting Solutions, Connexas, Framelogic, Groeneveld ICT, Navkonzept, Rainkine Thompson, Verilocation
	 alpega	TMS - Diversified	Active	Inet-Logistics, Road Heroes, TenderEasy, Wtransnet
	 ELEMENT LOGIC	WMS	Active	Avisomo, OmniMod, S&P Computersystems, SDI Industries
 Deal Count: 3 Platforms 27 Add-Ons	 aptean	Supply Chain & WMS	Active	3T, Apprise, Exenta, Exerve, irms 360, Objective, Paragon, RLM, Total Logistix, V-Technologies
	 LEADVENTURE	Dealer Marketing	Active	CarCareCONNECT, Dealer Car Search, Dealer Spike MonroneyLabels.com
	 PDI	Repair & Aftermarket	Active	Adnoli, Azpiral, Blue Cow, ControlScan, CstorePro Cybera, GasBuddy, GreenPrint, Koupon, NPCA, Orbis, Skupos, Universe Group
 Deal Count: 3 Platforms 6 Add-Ons	 LEADVENTURE	Dealer Marketing	Active	CarCareCONNECT, Dealer Car Search, Dealer Spike MonroneyLabels.com
	 OpenLending	F&I Software	Active	(None to-date)
	 TRANSFLO	TMS - Diversified	Active	Assured Telematics, Microdea

Sources: Capital IQ, Pitchbook, 451, and Capstone Partners

SUBSEGMENT HIGHLIGHT: TRANSPORTATION MANAGEMENT SOFTWARE

Market Introduction

The global TMS market was valued at \$13.6 billion in 2023 and is projected to grow at a compound annual growth rate (CAGR) of 17.4% to reach \$41.8 billion by 2030, according to [Grand View Research](#). TMS solutions help automate the manual tasks of supply chain planning and execution, route optimization, and shipment tracking, reducing manual errors and decreasing costs involved in managing transportation operations. Strong market growth forecasts have been driven by the expansion of the Retail and E-Commerce industries, the increasing use of AI to optimize efficiency, and the need to respond to supply chain disruptions and geopolitical risks that impact shipping routes and delivery timing.

M&A Activity

Consolidation in the TMS market has fallen approximately 20% from the 2021 peak but has remained above the 2017-2020 average of 78 deals per annum. Delivery & Shipping has been the largest subsegment, accounting for 26% of the last twelve-month (LTM) deal volume. The Maritime and Aviation subsegments have been the next largest subsegments at 23% and 20% of LTM deal volume, respectively. Deal activity in both of those subsegments has remained above 2021 levels whereas the other subsegments have declined from that peak.

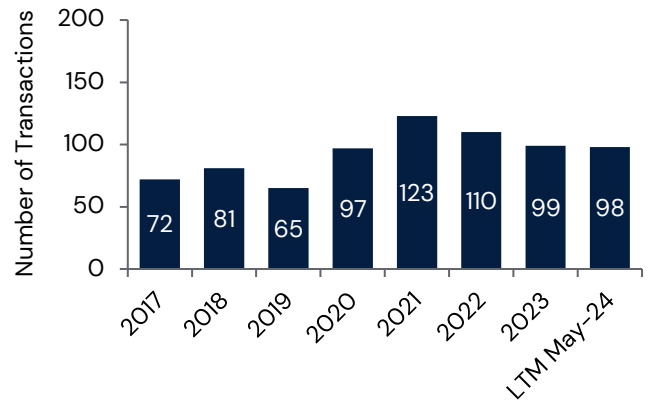
Several public and private equity-backed strategics have been quite active over the last 18 months despite the broader M&A market slowdown. Constellation Software and Insight-backed Portside have made five acquisitions while Valsoft and WiseTech have each made four acquisitions in the segment over that time period. Descartes has remained active in the sector as well with three acquisitions in the last 18 months and Kpler, which is backed by Insight and Rothschild, has also made three acquisitions over that time period, rolling up software and data services companies in the Maritime subsegment.

Valuation Trends – M&A Targets

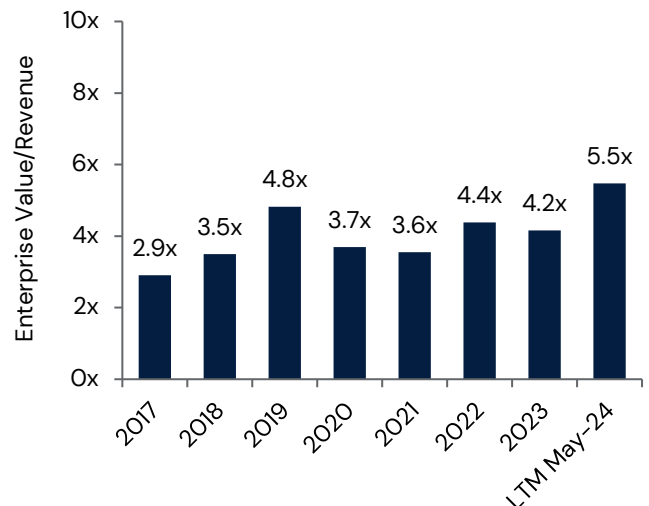
Revenue multiples paid for M&A targets in the TMS segment have remained higher than historical averages and have been hovering between 4x-5x. While multiples have come down in the broader Software market, we are still seeing double-digit revenue multiples paid for top performers in this segment. This includes Transporean (14x) and DeepSea (15x).

It is important to keep in mind that revenue multiple data is very limited, and it can therefore be challenging to draw meaningful conclusions. For example, the median multiples shown are based on only six to ten data points per year which may not be indicative of valuation multiple trends in the broader AutoTech & Transportation Software market.

M&A Transaction Count



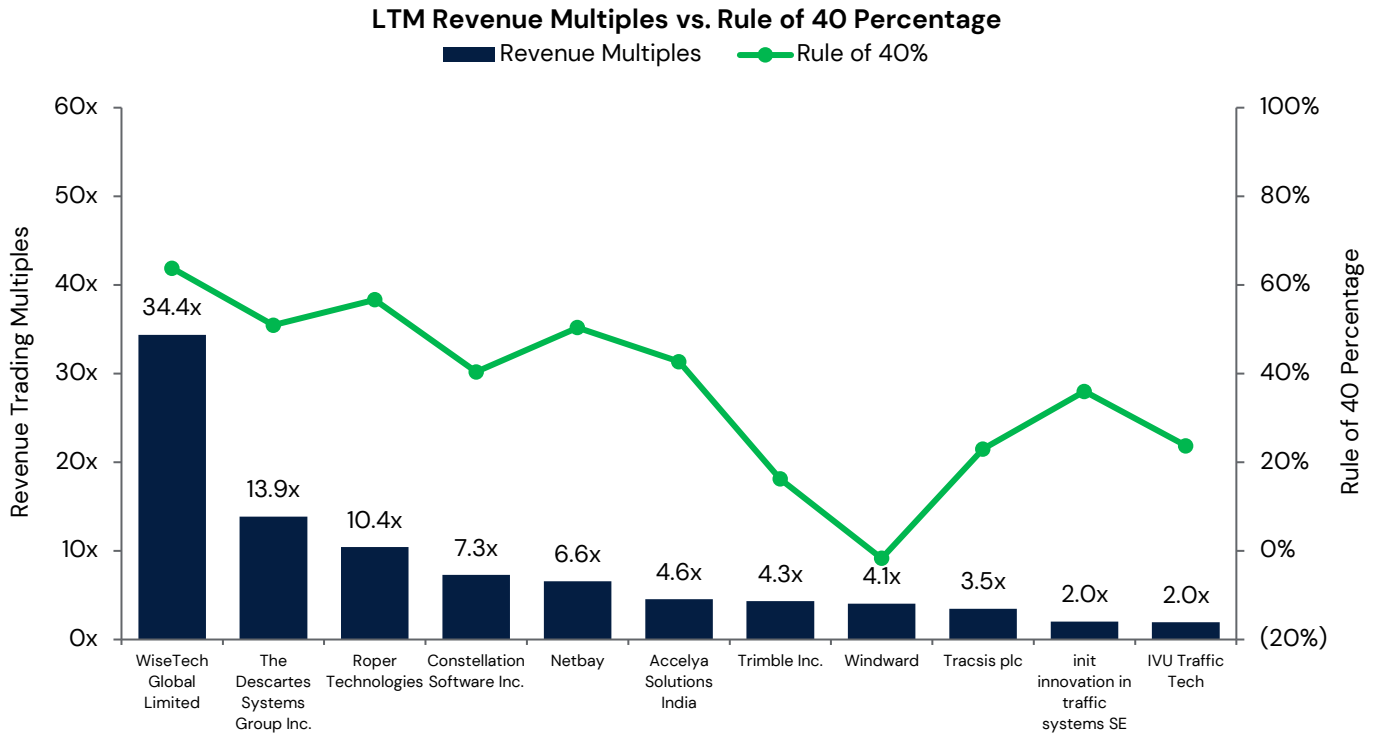
Median Revenue Purchase Multiples



LTM = Last Twelve Months
 Chart sources: Capital IQ, Pitchbook, 451, and Capstone Partners

Valuation Multiples – Public Companies

Public companies in the TMS segment trade at a wide range of revenue multiples from 34x on the high end to less than 2x on the low end. The delta in revenue multiples is largely attributable to differences in growth rates and margin profiles of the underlying businesses. Software-focused private equity firms often reference the “rule of 40” wherein they add the revenue growth rate and EBITDA margin together and focus on companies where the sum of the two is 40% or higher. When we include this same metric in the graph below for the public companies, you can see that there is a general correlation between this metric and the revenue multiples. There are some outliers including WiseTech which trades at a very frothy multiple, Windward (AIM:WNWD) which is being valued on growth potential despite continuing to burn cash, and INIT Innovation (ETR:IXX) which has a significant hardware component to its revenue mix.



LTM = Last Twelve Months; Source: Capital IQ, PitchBook, and Capstone Partners

Capstone Advises TripShot on its Sale to Transit Technologies



- [TripShot](#) was acquired by Transit Technologies, a portfolio company of Greater Sum Ventures and PSG Equity that provides expansive technology platforms serving more than 3,000 clients worldwide.
- TripShot is a leading fleet management software company known for its powerful platform in public and private commuter transportation.
- The acquisition will integrate an enhanced product set into Transit Technologies’ already impressive suite of AI-powered SaaS mobility solutions, enhancing both companies’ ability to serve, connect, and optimize both public and private transit networks for current and future clients.
- Capstone ran a highly targeted process generating interest from several private equity-backed strategic acquirors and financial sponsors.

AUTOTECH & TRANSPORTATION SOFTWARE REPORT CONTRIBUTORS



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David Michaels is a Managing Director of Capstone Partners where he is responsible for managing the firm's Technology, Media & Telecom Group. Prior to Capstone, David founded SagePoint Advisors in 2008, a boutique investment banking firm focused on providing M&A advisory services to technology and telecom companies. Prior to founding SagePoint, David was a Co-Founder, Partner and Managing Director at Montgomery & Co., a leading investment bank focused on serving emerging-growth technology companies. David co-founded Montgomery's investment banking business in 1996 and played an instrumental role in building the business to over \$50 million in revenues and 80 employees. Mr. Michaels also ran the firm's Communications and Digital Media Technology practice areas prior to his departure.

David has intimate knowledge of the strategic landscape, market dynamics and technology underpinnings of several high technology market segments including Mobile Software & Services, Consumer Internet, E-Commerce, Enterprise SaaS, Cloud & Infrastructure Software and Consumer, IT & Telecom Hardware. Prior to joining Montgomery in 1994, David worked as an investment banker at Bankers Trust and prior to that, as a structural engineer at General Dynamics.



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Teak is a Managing Director in the Technology Media & Telecom Group at Capstone Partners, where he focuses on M&A advisory and capital raising for software, Internet and tech-enabled services companies. He has spent over 20 years assisting technology companies on mergers, acquisitions, IPOs and capital raises.

His prior experience includes positions at leading technology-focus investment banks including SagePoint Advisors, Montgomery & Co., and Cowen and Co. Teak also worked as a Senior Associate with Enterprise Partners Venture Capital, a Southern California based VC firm, where he evaluated investment opportunities and worked closely with senior management and board members to successfully grow portfolio companies.



Gordon Mackay

Managing Director, Logistics & Supply Chain

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Gordon brings more than 15 years of investment banking experience to Capstone's Transportation & Logistics group. Based in New York, NY, Gordon has spent most of his investment banking career advising companies that aim to integrate the analog and digital realms, providing guidance on raising capital and strategic M&A.

Prior to Capstone, Gordon led the M&A advisory practice at BG Strategic Advisors, a leading investment bank to the Logistics and Supply Chain sectors. He began his investment banking career at JPMorgan and subsequently held positions at UBS and Citigroup. Throughout his career, Gordon has advised on more than \$30 billion of M&A and capital raising transactions. Prior to his career in investment banking, he was a corporate economist at Eaton Corporation.

AUTOTECH & TRANSPORTATION SOFTWARE REPORT CONTRIBUTORS



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Raj joined Capstone in 2021 and brings 10 years of experience in corporate finance. Previously, he was with Force10 Partners and The Busch Group. Raj has a BBA in Finance and Accounting from The University of Houston, C.T Bauer College of Business and a Master of Finance from Tulane University, A.B. Freeman School of Business.

FIRM AWARDS & ACCOLADES

Capstone Partners is consistently recognized as an elite middle market firm by multiple leading industry organizations. This has afforded our clients with immediate market credibility in the acquirer and investor communities. From 2016 to 2023, Capstone has received 21 “investment banking firm of the year” awards from organizations such as The M&A Atlas Awards, The M&A Advisor, M&A Today, and ACQ5. A sampling of Capstone’s recent awards is shown below.

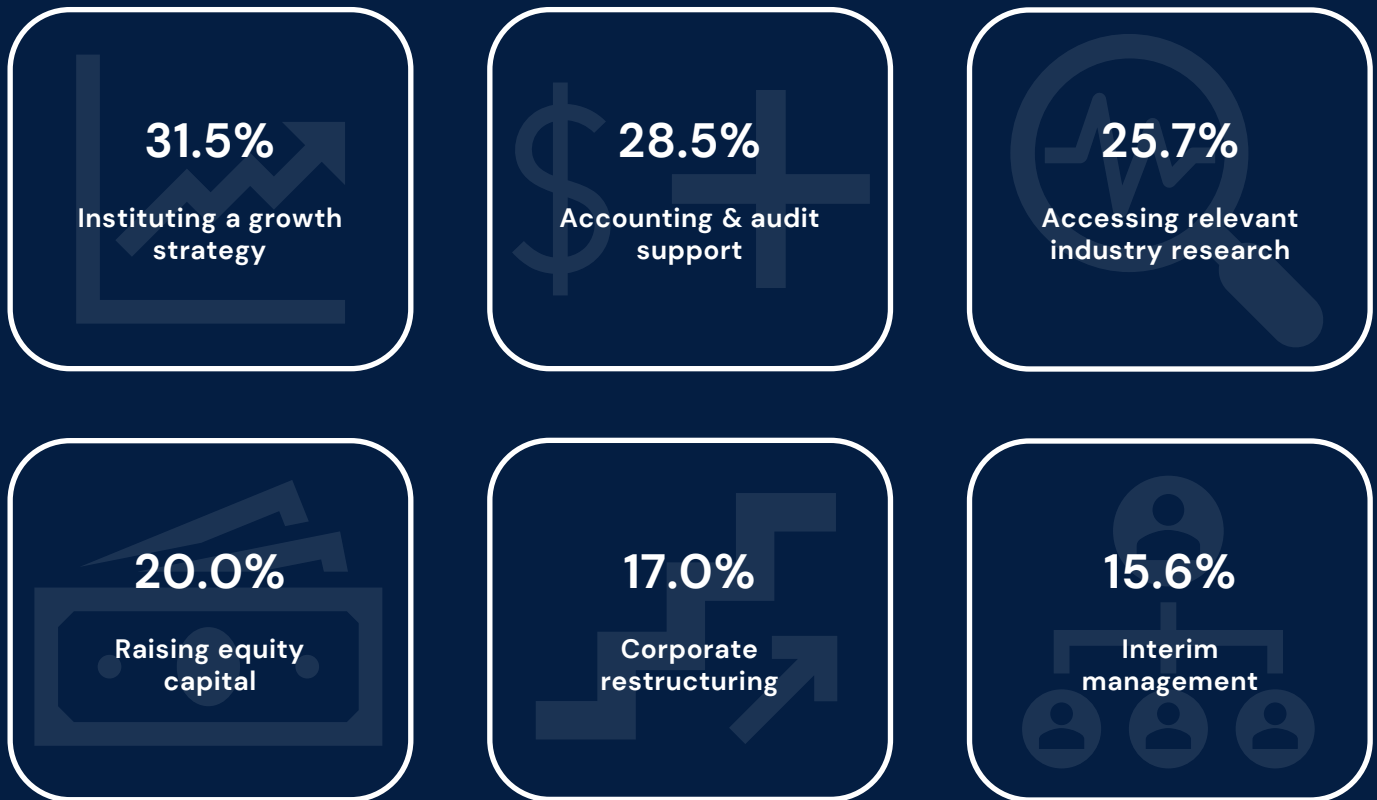


CAPSTONE'S PROPRIETARY RESEARCH REVEALS TOP SERVICES IN DEMAND

The current stage and initiatives of a business often dictates which financial services are in demand. As the majority of CEOs polled in Capstone's 2023 Middle Market Business Owners Survey indicated growth strategies are a priority for 2024, the lion's share (31.5%) of owners anticipate a need for growth strategy support services. Similarly, 28.5% of owners require accounting and audit support to shore-up cash flows and establish financial stability. In addition, more than one-fourth of CEOs demonstrated an interest in accessing relevant industry research to keep up with emerging industry trends, complete competitor analyses, and track capital markets activity in their space.

Capstone has developed a full suite of [corporate finance solutions](#) to help privately owned businesses and private equity firms through each stage of the company's lifecycle, ranging from growth to an ultimate exit transaction. In addition, we developed a specialty consulting practice to provide financial advisory services to companies experiencing distress or performance challenges. All of these capabilities are supported by 16 industry groups, an active sponsor coverage group, and a dedicated market intelligence team.

Top Financial Services Required by Business Owners in 2024



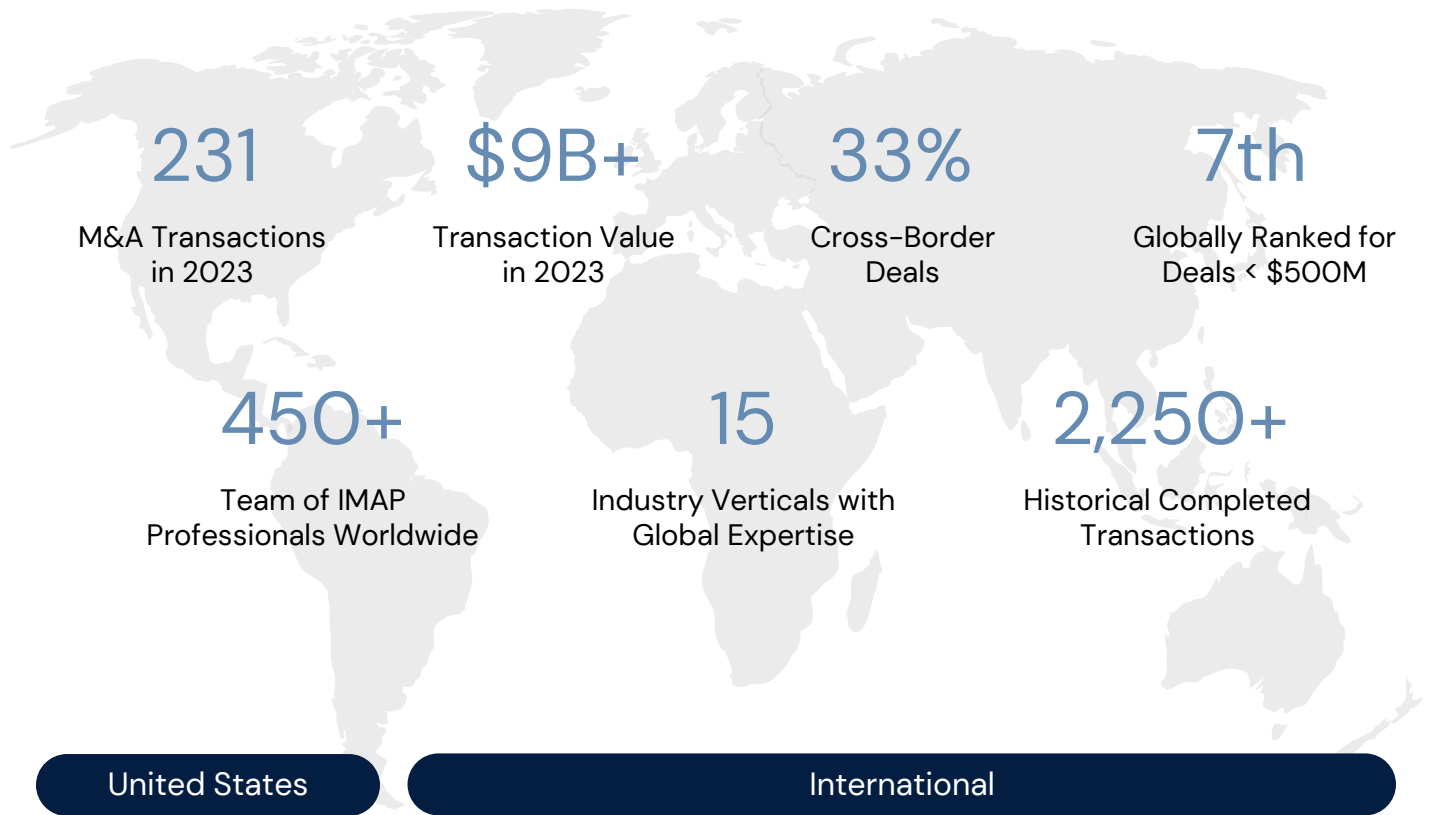
Question: Have you ever had, or do you anticipate having, a need for any of the following services?
Source: Capstone Partners' Middle Market Business Owner Survey, Total Sample Size (N): 435



CAPSTONE PARTNERS

Market Presence

With a long-established U.S. footprint, together with an international partner platform, we provide clients with broad expertise and access to key market relationships on a global basis. Our presence is backed by ~200 professionals in the U.S. with 450+ professionals across 41 countries.



United States

~200 professionals
8 offices

Boston · Denver · Chicago · Dallas
Detroit · Irvine · New York · Tampa

International

450+ professionals
60+ offices in 41 countries

Asia: China · India · Japan · Thailand
Africa: Congo · Egypt · Ghana · Mauritius · Morocco · Senegal · South Africa
Americas: Toronto · Vancouver · Argentina · Brazil · Chile · Colombia · Mexico · Paraguay · Peru
Europe: Belgium · Bosnia & Herzegovina · Croatia · Czech Republic · Finland · France · Germany
Hungary · Ireland · Italy · Netherlands · Poland · Portugal · Romania · Serbia · Slovakia · Slovenia
Spain · Sweden · United Kingdom