INDUSTRIAL SOFTWARE INSIGHTS

MARCH 2025

Citizens

CITIZENS UPDATE

We are pleased to share our brief Industrial Software market update. Despite a continued challenging commercial environment (numerous public players cited longer close times for new deals, a trend we've also seen across our client base), the Industrial Software sector delivered revenue and earnings growth in 2024. The past year also marked the return of the mega-deal, with an acceleration in multi-billion dollars such as Synopsys/Ansys, Siemens/Altair and EQT/Avetta. As a result of these trends, we are cautiously optimistic that M&A will accelerate throughout 2025 and expect further consolidation across the Warehouse Management/Execution, Field Service Management and Architectural, Engineering & Construction Software verticals.

INDUSTRIAL SOFTWARE TEAM

Scott Rhodes
Managing Director,
Head of Software M&A
Scott.Rhodes@citizensbank.com
404.461.4621

Ron Ballschmiede
Director,
Software M&A
Ronald.R.Ballschmiede@citizensbank.com
404.460.8838

Matt Powell
Associate,
Software M&A
Matthew.C.Powell@citizensbank.com
470.604.8547

Kevin McClelland
Managing Director,
Head of Technology Banking
Kmcclelland@jmpsecurities.com

David Dunstan
Managing Director,
Head of Industrial M&A
David.Dunstan@citizensbank.com

Michael Musser
Managing Director,
Industrial Automation
Michael.Musser@citizensbank.com

The Citizens Industrial Software team provides deep industry knowledge and customized solutions to meet your financial and strategic needs. Our software and industrial automation coverage efforts span the industrial technology universe which is driving Industry 4.0 and beyond. As a growth-oriented institution, we provide a full suite of financing options and investment banking services.

- **Dedicated industry coverage experts**
- **Broad capital markets and strategic advisory capabilities**
- **Long-term relationships with blue-chip private equity firms**
- **Value-added market insights**

INDUSTRIAL SOFTWARE INSIGHTS

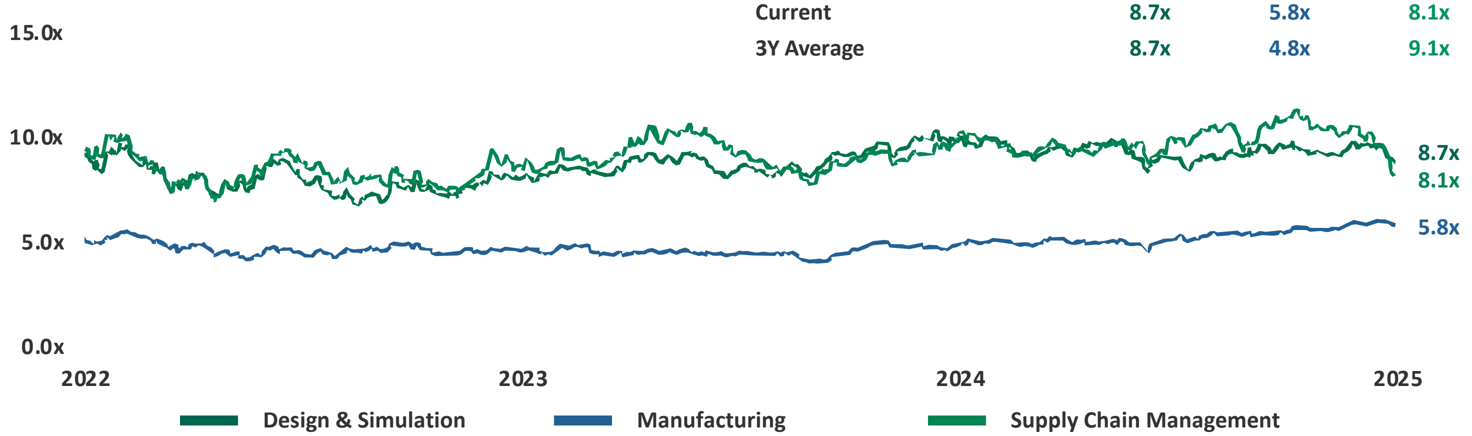
MARCH 2025

SECTOR PUBLIC MARKETS UPDATE

TRADING MULTIPLES OVER TIME (EV / NTM REVENUE)[1]

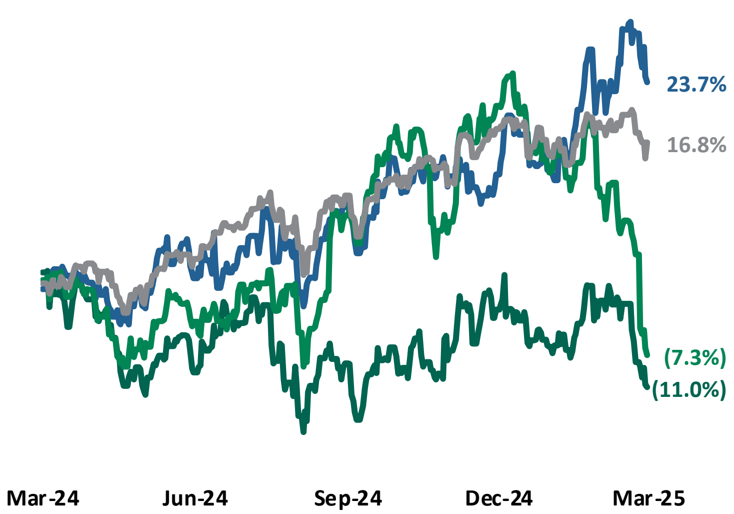
- Manufacturing valuation levels above historical averages due to investor optimism in AI-driven increases in efficiency, productivity,and cost savings; YTD supply chain stock price performance has been impacted by tariff uncertainty and muted 2025 growth expectations
- Notable recent developments:
  - In March, Hexagon officially announced its intention to spin-off its Asset Lifecycle Intelligence and Safety, Infrastructure & Geospatial divisions on a U.S. listed exchange as a pure-play SaaS company
  - Autodesk announced a 9% cost restructuring, amidst a slightly softer growth outlook (8-9% versus mid-term guidance of 10-15%)
  - Numerous other players, including E2Open and PTC, noted a sluggish software demand environment with new customer deals taking longer to close

Average EV / NTM Revenue	D&S	MFG	SCM
Current	8.7x	5.8x	8.1x
3Y Average	8.7x	4.8x	9.1x

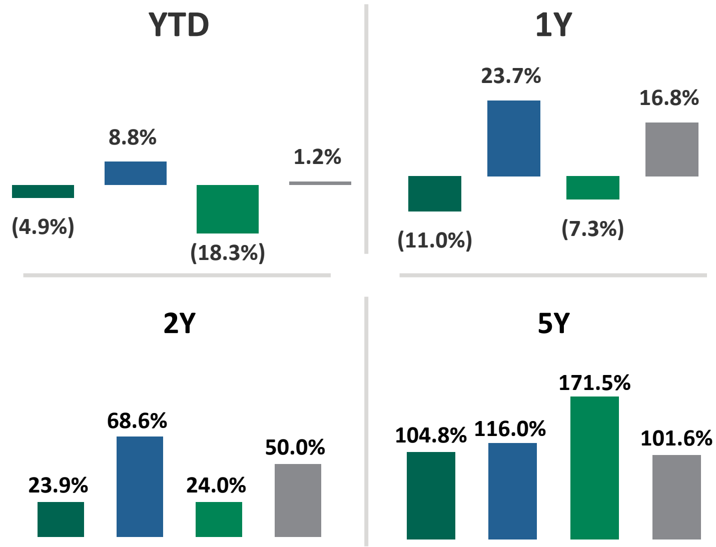


RELATIVE INDUSTRIAL SOFTWARE PUBLIC MARKET PERFORMANCE[2]

RELATIVE LTM INDEXED PERFORMANCE



INDEXED GAINS BY HOLDING PERIOD



Design & Simulation | Manufacturing | Supply Chain Management | S&P 500

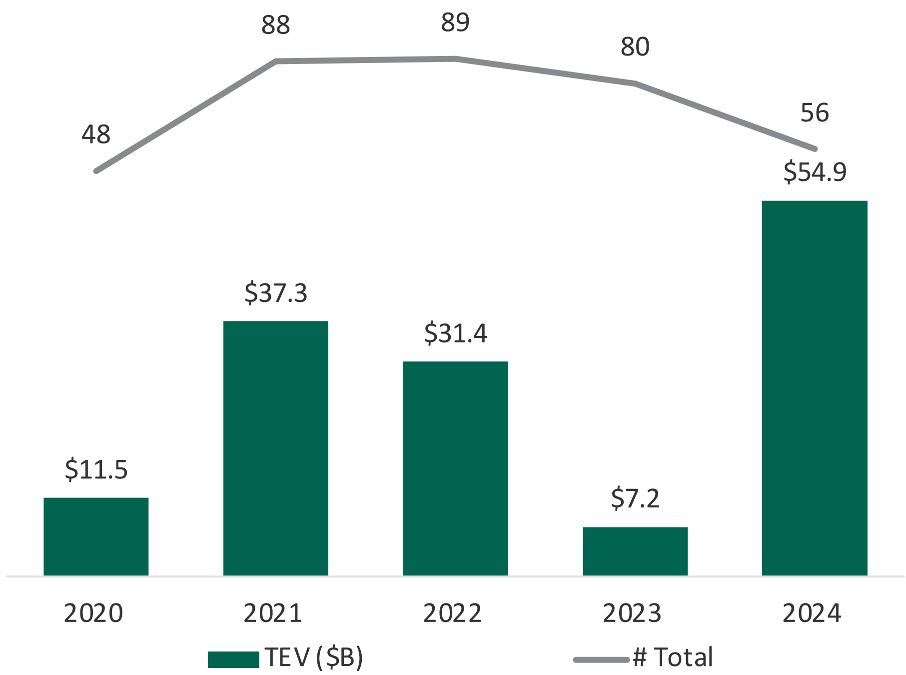
1) Market data as of 2/28/2025. See page 4 for companies included in each index
2) Market cap weighted
Source: S&P Capital IQ

SECTOR M&A UPDATE

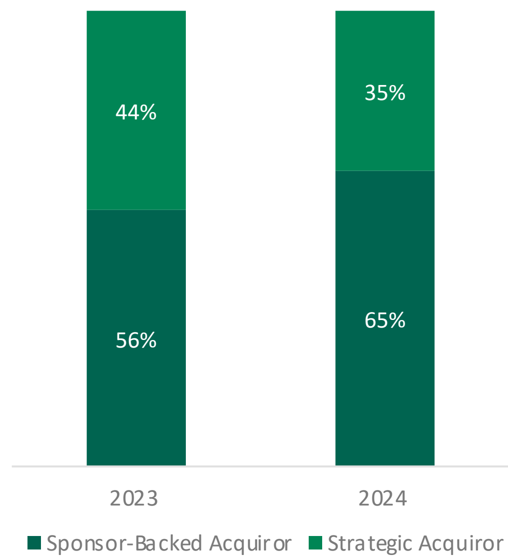
INDUSTRIAL SOFTWARE M&A DEAL VOLUME

TRANSACTION VALUES AND COUNTS

(Closed / Pending M&A Transactions per Period)



% INVOLVEMENT IN TRANSACTIONS



NOTABLE M&A TRENDS

PUBLIC-TO-PUBLIC	aspentech / EMERSON JAN 2025 ($16.8B)	ALTAIR / SIEMENS OCT 2024 ($10.6B)	Ansys / SYNOPSYS JAN 2024 ($35.0B)
CONNECTED WORKER	ACADIA / EPICOR OCT 2024	PARSABLE / cai SEP 2024	SwipeGuide. / Leading2Lean SEP 2024
FIELD SERVICE MANAGEMENT	JobNimbus / Sumeru NOV 2024	BigChange / SIMPRO OCT 2024	lmn / SingleOps OCT 2024
RESELLER CONSOLIDATION	INDUSTRIAL SOFTWARE SOLUTIONS / wesco FEB 2025	FASTECH / SANDVIK JAN 2025	cadmicro / goengineer JAN 2025

Note: Target / Acquiror for all transaction shown
Sources: PitchBook, S&P Capital IQ, publicly available company press releases, market data as of 2/28/2025

INDUSTRIAL SOFTWARE INSIGHTS

MARCH 2025

PUBLIC COMPANY LANDSCAPE

($ in Millions)	Share Price	% off 52 Week High	Market Cap	Enterprise Value	Revenue LTM	Revenue NTM	EBITDA LTM	EBITDA NTM	EV / Revenue LTM	EV / Revenue NTM	EV / EBITDA LTM	EV / EBITDA NTM
Product Design & Simulation												
Altair Engineering Inc.[1]	$111.60	(1.3%)	$9,574.7	$9,271.9	$665.8	$716.8	$60.3	$163.8	13.9x	12.9x	153.7x	56.6x
The Alumasc Group plc	4.29	(7.3%)	154.3	166.7	138.0	142.8	21.3	24.1	1.2x	1.2x	7.8x	6.9x
ANSYS, Inc.[1]	333.25	(8.2%)	29,210.0	28,578.1	2,544.8	2,788.1	860.6	1,350.0	11.2x	10.2x	33.2x	21.2x
Autodesk, Inc.	274.21	(16.0%)	58,913.3	59,319.3	6,131.0	6,934.2	1,464.0	2,656.0	9.7x	8.6x	40.5x	22.3x
Bentley Systems, Incorporated	43.90	(23.2%)	13,865.0	15,227.8	1,353.1	1,480.1	371.3	531.6	11.3x	10.3x	41.0x	28.6x
Cadence Design Systems, Inc.	250.50	(23.9%)	68,664.1	68,506.0	4,641.3	5,194.1	1,586.1	2,433.4	14.8x	13.2x	43.2x	28.2x
Dassault Systèmes SE	39.52	(12.8%)	51,862.0	50,358.6	6,433.0	6,995.1	2,004.0	2,507.5	7.8x	7.2x	25.1x	20.1x
Mensch und Maschine Software SE	50.15	(21.6%)	852.2	831.7	390.6	292.2	67.0	70.8	2.1x	2.8x	12.4x	11.7x
Nemetschek SE	116.53	(10.8%)	13,448.9	13,932.5	1,030.8	1,176.8	263.5	351.1	13.5x	11.8x	52.9x	39.7x
PTC Inc.	163.63	(19.4%)	19,688.5	21,212.1	2,313.4	2,551.2	693.0	1,121.8	9.2x	8.3x	30.6x	18.9x
Synopsys, Inc.	457.28	(26.8%)	70,704.7	67,560.4	6,071.8	7,087.7	1,445.2	3,140.7	11.1x	9.5x	46.7x	21.5x
MEAN									**9.6x**	**8.7x**	**44.3x**	**25.1x**
MEDIAN									**11.1x**	**9.5x**	**40.5x**	**21.5x**
Manufacturing Automation												
ABB Ltd	$53.57	(10.5%)	$98,317.0	$101,325.7	$32,850.0	$34,260.8	$6,148.0	$6,685.1	3.1x	3.0x	16.5x	15.2x
Aspen Technology, Inc.[1]	265.25	(4.4%)	16,792.5	16,726.0	1,140.4	1,248.7	437.4	550.8	14.7x	13.4x	38.2x	30.4x
Hexagon AB (publ)	11.41	(6.2%)	30,630.6	34,049.9	5,591.8	6,009.1	2,061.3	2,284.7	6.1x	5.7x	16.5x	14.9x
Rockwell Automation, Inc.	287.15	(7.0%)	32,468.9	36,189.9	8,093.2	8,192.2	1,574.7	1,702.0	4.5x	4.4x	23.0x	21.3x
SAP SE	276.04	(6.4%)	322,022.9	321,434.0	35,382.5	39,903.9	9,228.7	12,415.1	9.1x	8.1x	34.8x	25.9x
Schneider Electric S.E.	243.42	(14.3%)	136,551.2	147,181.7	39,499.9	43,608.0	7,655.0	9,450.9	3.7x	3.4x	19.2x	15.6x
Siemens Aktiengesellschaft	230.15	(3.1%)	180,397.8	223,464.0	79,240.1	84,715.8	12,095.5	15,505.9	2.8x	2.6x	18.5x	14.4x
MEAN									**6.3x**	**5.8x**	**23.8x**	**19.7x**
MEDIAN									**4.5x**	**4.4x**	**19.2x**	**15.6x**
Supply Chain Management Software												
Logility Supply Chain Solutions, Inc.[1]	$14.13	(0.5%)	$476.0	$396.8	$101.9	$105.5	$7.8	$16.3	3.9x	3.8x	50.8x	24.4x
C3.ai, Inc.	23.45	(48.0%)	3,026.6	2,359.2	366.9	447.0	(306.6)	(96.5)	6.4x	5.3x	NM	NM
E2open Parent Holdings, Inc.	2.29	(54.9%)	708.0	1,682.1	613.5	607.0	151.1	215.7	2.7x	2.8x	11.1x	7.8x
Kinaxis Inc.	109.27	(17.1%)	3,070.2	2,821.4	483.1	543.2	25.8	130.2	5.8x	5.2x	109.5x	21.7x
Manhattan Associates, Inc.	176.88	(43.4%)	10,811.6	10,596.7	1,042.4	1,065.9	267.9	360.9	10.2x	9.9x	39.6x	29.4x
SPS Commerce, Inc.	133.20	(39.1%)	5,071.8	4,843.3	637.8	761.3	131.1	229.7	7.6x	6.4x	36.9x	21.1x
The Descartes Systems Group Inc.	111.74	(9.4%)	9,558.5	9,390.1	631.8	711.9	255.1	316.1	14.9x	13.2x	36.8x	29.7x
Trimble Inc.	71.98	(7.5%)	17,692.1	18,467.3	3,683.3	3,433.5	712.2	971.0	5.0x	5.4x	25.9x	19.0x
WiseTech Global Limited	55.57	(36.8%)	18,429.1	18,371.6	698.7	883.6	288.3	461.8	26.3x	20.8x	63.7x	39.8x
MEAN									**9.2x**	**8.1x**	**46.8x**	**24.1x**
MEDIAN									**6.4x**	**5.4x**	**38.2x**	**23.0x**

Source: S&P Capital IQ, market data as of 2/28/2025

Notes: "NM" – No Multiple; $USD in millions, except share prices, LTM and NTM are calculated at the end of the most recent period reported

1) Pending acquisitions (Siemens / Altair, Synopsys / Ansys, Schneider / Aspen Technology, Aptean / Logility)

CITIZENS M&A ADVISORY

Citizens M&A Advisory® supports clients across a focused set of industry sectors. Our bankers thrive on delivering keen market insights that are both strategic and thoughtful, while driving extraordinary outcomes for our clients.

Transactions
250+ transactions in the last 5 years totaling **$55B** in value

Services
Sell-side & buy-side advisory, capital raising, restructuring & bankruptcy, financial opinions

Team
100+ M&A bankers across the U.S.

Sponsor Coverage
Dedicated financial sponsor coverage team

Industry Expertise
Specialized M&A coverage teams across **9** industries

Tailored Solutions
Engagements tailored to clients' specific objectives and relevant market dynamics

APPLICATION SOFTWARE

- Climate Tech
- ERP / Office of CFO
- Human Resources
- Industrial Tech / Supply Chain
- Sales & Marketing
- Vertical SaaS

OTHER TECHNOLOGY SERVICES

- Consumer / Internet
- Financial Technology
- Healthcare IT
- Infrastructure Software & Networking
- Technology Services

CITIZENS INVESTMENT BANKING OFFICES

Atlanta
3550 Lenox Road NE
Atlanta, GA 30326

Boston
28 State Street
Boston, MA 02109

Charlotte
4250 Congress St.
Charlotte, NC 28209

Chicago
10 South Wacker Drive
Chicago, IL 60606

Cleveland
200 Public Square
Cleveland, OH 44114

Los Angeles
11755 Wilshire Blvd.
Los Angeles, CA 90025

Minneapolis
8530 Eagle Point Blvd.
Lake Elmo, MN 55402

New York
437 Madison Ave.
New York, NY 10022

New York
450 Park Avenue
New York, NY 10022

San Francisco
101 California Street
San Francisco, CA 94111