



Tequity provides merger, acquisition, and divestiture services to software and technology companies.

As former technology company owners and executives, we understand and appreciate the value of IP and how to find the right strategic fit between companies.

Past Transactions

www.tequityinc.com

416.483.9400

ACQUISITION OPPORTUNITY

Merchandise Planning Software Company

Our client code-named **TITAN** is a leading provider of merchandise forecasting, planning, open-to-buy, and analytics solutions for retailers.

The company has built a sterling reputation in the market and enjoys high customer satisfaction levels, strong customer loyalty and a highly skilled and experienced team. It has operated with minimal investment in sales or marketing activities and has the solutions, team and market opportunity for dramatic growth in the hands of a sales-focused acquirer.

Company Highlights

SOLUTION	<ul style="list-style-type: none"> • Cloud-based merchandise forecasting, planning, open-to-buy, and analytics solutions for retailers • POS (Legacy POS business that may be discontinued in the near future)
BUSINESS MODEL	<ul style="list-style-type: none"> • Software and consulting services are sold on a monthly subscription basis • Provides bottom-up planning by category by store for its clients and charges based on the number of categories planned
SERVICE DELIVERY	<ul style="list-style-type: none"> • Clients work with an analyst to review plans and make suggestions about merchandise decisions <ul style="list-style-type: none"> ◦ Pricing and markdown strategies ◦ Inventory levels and turnover ◦ Open-to-buy and order flows • Larger clients will often forego the use of an analyst resulting in a lower per category fee for the client
RETAIL VERTICALS	<ul style="list-style-type: none"> • Apparel, Shoes, College Stores, Outdoor, Golf, Jewelry, among others • System can handle demand forecasting for any retail sector and are mainly used for seasonal demand patterns
TECHNOLOGY	<ul style="list-style-type: none"> • Re-designed platform provides strong platform for customer engagement and future product/service enhancements • The system is based on modern, web-centric technologies and architectures • Utilizing a wide variety of open source tools and big-data techniques, the system is built around the fundamental concept of collecting and keeping all data relative to the planning, merchandising and analysis function • Available from any device (mobile or desktop); the system is designed to be used anytime, anywhere • The Company is continuing to develop upon its existing planning platform adding new capabilities in order to service larger clients
	<ul style="list-style-type: none"> • The Company's intellectual property consists of its planning

IP	<p>platform and forecasting algorithms</p> <ul style="list-style-type: none"> • The planning platform is unique in that it allows for automated bottom-up planning
WORKFORCE	<ul style="list-style-type: none"> • Strong and experienced team with in-depth retail expertise • 14 full-time and 1 part-time employees at headquarters handling planning, data integration, customer support, and administration • 2 full-time developers located remotely • 30 analysts in the metropolitan areas across the country
CUSTOMERS	<ul style="list-style-type: none"> • The customer base is almost entirely in the United States and Canada, although there are a small number of clients in the Caribbean • ~275 Planning and 75 POS Clients (30 POS Clients are also Planning Clients) • Largest client has 48 stores • Average life of client – 12.7 years • Longest life of client – 39.1 years • Very low churn • Excellent customer relationships and an impressive customer satisfaction level • Strong case studies and references
FINANCIALS (\$ in USD)	<ul style="list-style-type: none"> • 99% recurring revenue • No customer concentration – largest customer represents 2.3% of total revenue • Profitable and cash-flow positive • FY2016 <ul style="list-style-type: none"> ◦ Revenue: \$4.4M ◦ Gross Profit: 61% ◦ EBITDA: \$405,000 • FY2017 E <ul style="list-style-type: none"> ◦ Revenue: \$4.07M ◦ Gross Profit: 61% ◦ EBITDA: \$159,000 <p>The company is seeing improved deal activity, which should lead to increased revenue and profitability in 2018 and there are several expense items that will decline significantly from current levels</p>

STRATEGIC OPPORTUNITY

TITAN is privately held by investors interested in exploring options to accelerate the success of the company. Tequity has been retained to assist in soliciting and evaluating offers. Strongest preference is selling to a strategic buyer whose synergy, strategy, and resources will combine to take the company to higher levels of growth and success.

If this opportunity is a fit with your acquisition strategy, please contact me at asingla@tequityinc.com. Access to **TITAN's** data room will be made available to selected companies following the signing of a non-disclosure agreement and initial briefing. We anticipate that discussion and meetings with qualified buyers will take place over the coming months with expectation of offers in the January/February timeframe.

Anish Singla
Director, Client Projects
Off: (416) 483-9400 x109

TEQUITY

Strategic Mergers & Acquisitions for Technology Companies

15 Allstate Parkway 6th Floor
Markham ON Canada L3R 5B4

[Click to view this email in a browser](#)

If you no longer wish to receive these emails, please reply to this message with "Unsubscribe" in the subject line or simply click on the following link: [Unsubscribe](#)

Tequity Inc.
15 Allstate Parkway 6th Floor
Toronto, ON L3R 5B4
Canada

[Read](#) the VerticalResponse marketing policy.

**Vertical
response**
A DELUXE COMPANY
Free Email Marketing >>