

Market sizing: US data backup and recovery software's TAM estimated at ~\$5.7B; currently served market is ~\$4.3B, implying ~75% penetration of TAM

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MARKET SIZING

/ DIRECTIONAL

	Company size (by FTE)					Commentary
	100-1K	1k-5k	5k+	Top 100	Total	
Total Companies (k)	106.6	8.4	2.2	0.1	117.3	<ul style="list-style-type: none"> US census data of total US companies segmented by industry vertical and FTE size
Addressability by size	75%	100%	100%	100%	77%	<ul style="list-style-type: none"> Companies with <100 FTE are considered unaddressable to enterprise B&R providers at simpler backup tools (or no formal backup) may be sufficient (e.g., Company 1, Company 2) Portion of companies with 100-1,000 FTE considered unaddressable as companies in certain industries (e.g., restaurants, hospitality) may generate less data and have limited need for enterprise solutions
Total addressable companies (k)	80.0	8.4	2.2	0.1	90.4	<ul style="list-style-type: none"> Total US addressable companies for a B&R software solution
Average B&R solution spend (\$k)	~\$40k	~\$225k	~\$530k	~\$2.2m	~\$65k	<ul style="list-style-type: none"> Average spend on B&R solutions based on customer feedback and Cube ARR data; spend escalates with company size as larger companies tend to store more data and have more complex IT stacks
Theoretical total addressable market (\$B tTAM)	3.7	1.9	1.1	0.2	6.9	<ul style="list-style-type: none"> Value of theoretical addressable enterprise B&R market, assuming full B&R penetration across all environments
Realistic addressability ceiling by environment	~75%	~85%	~95%	~95%	~80%	<ul style="list-style-type: none"> Addressability ceiling for environments is based on potential penetration of 3P B&R solutions with each environment (assuming not all workloads may be addressable for backup)
Realistic addressable market (\$B rTAM)	2.8	1.6	1.1	0.2	5.7	<ul style="list-style-type: none"> Value of full potential enterprise B&R market, account for realistic penetration ceilings by environment
Realistic addressable market (\$B rTAM)	~65%	~80%	~90%	~100%	~75%	<ul style="list-style-type: none"> Applies estimated penetration by company size segment and workload environment to determine actual realized spend in market today
Served addressable market (\$B SAM)	1.8	1.3	1.0	0.2	4.3	<ul style="list-style-type: none"> Value of currently served enterprise B&R software

Note: Some figures may not be sum due to rounding
Source: Bain analysis market participants interviews, US Census data

Potential disruptors in the IIoT software space

DISRUPTION ASSESSMENT

/ PRELIMINARY

Company (HQ, founded)	Key investors	Total funding in last 5 years (last funding date)	Description	Recent developments
Company 1 (U.S., 2017)	D4 Investments	~\$12M (2020)	<ul style="list-style-type: none"> Provides cloud based IoT solutions for customers across the machine manufacturing, construction, oil & gas, agriculture, utilities and fleet management industries Key features: Provides solutions for asset tracking, asset management, predictive maintenance and ERP 	<ul style="list-style-type: none"> Jan 2022: Announced <solution>, an asset tracking solution that delivers geolocation, in-service time, geofencing, track and trace & conditional maintenance
Company 2 (U.S., 2013)	OGCI Climate Investments	~\$17M (2021)	<ul style="list-style-type: none"> Provides IIoT powered remote-field monitoring and communications technologies for the oil and gas industry Key features: Provides solutions for object detection, flare monitoring, thermal tank telemetry and fleet connectivity solutions 	<ul style="list-style-type: none"> Apr 2021: Secured \$15M Series A funding led by <investor>
Company 3 (U.S., 1995)	Accel	~\$100M (2020)	<ul style="list-style-type: none"> Provides smart manufacturing solutions that connects, automates, tracks and analyzes manufacturing operations for Automotive, F&B, Aerospace, Plastic & Rubber industries. Started as a client/server manufacturing software provider Key features: Delivers a Smart Manufacturing Platform that offers fully-integrated *MES, ERP, and SCM in one solution 	<ul style="list-style-type: none"> Nov 2021: Announced the launch of <solution>, a new quick-start solution that helps manufacturers gain visibility into real-time plant floor data
Company 4 (China, 2017)	Sequoia Capital	~\$69M (2021)	<ul style="list-style-type: none"> Provider of big data storage and management solutions which offers an innovative solution to collect, store, compute and analyze time-series data. Its platform is designed and optimized for IoT, Connected Vehicles, and Industrial IoT Key features: Offers <feature>, an open-source big data platform that provides caching, stream computing, message queuing to reduce the complexity and costs of development 	<ul style="list-style-type: none"> Dec 2021: Launched <feature>, a companion tool that provides an easy-to-use and efficient way to ingest data from data collecting agents directly May 2021: Raised \$47M in Series B funding led by <investor>, to be used for technology development and market expansion

Note: Profiled players include companies focused on IIoT software that received funding in the last 3-5 years and prominently feature across lit. search materials; *MES: Manufacturing Execution System
Source: Crunchbase; Pitchbook; lit. search

Target performs well across functional requirements given its highly accurate invoice processing and approvals

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FUNCTIONALITY EVALUATION

/ DIRECTIONAL

Increasing importance for enterprise customers	KPC	Target	Competitor 1	Competitor 2	Competitor 3	Competitor 4
	Quality of integration with ERP / 3P	Integration not as smooth as ERP add-ons	Integration not as smooth as ERP add-ons	Good integration with Sage accounting and Quickbooks	Featured integrations with major ERPs	Good interface with Netsuite
	Price	More expensive than other point solutions	More expensive than other solutions	More expensive vs AP automation suite competitors	Did not like the price paid for the value received	More expensive than peers
	Ease of use	User friendly for accountants	Interface is user friendly	Ability to create batch payment at ease	Provides readable scans of invoices	Interface is user friendly
	Implementation cost & complexity	High cost due to custom integrations required for ERPs	Implementation is lengthy and needs work	Mixed feedback on implementation experience	Requires a lot of attention and manual work	Requires a lot of attention and manual work
	Accuracy	~97% accuracy, including new invoices	Over 90% accuracy		Employees manually check invoice capture	
	Scalability	Ability to digest high/ fluctuating invoice volume	Ability to digest high/ fluctuating invoice volume	Scalable with increase in payments	Large solution; scalable with growth	Limited scalability; built for SMBs
	Flexibility and customizability	Relatively flexible, but will require additional implementation time	Relatively flexible, but will require additional implementation time	Limited flexibility for complex use cases	Limited flexibility	Flexibility for rules and approval flow
	Customer support	Strong customer support for implementation and after	Strong & responsive customer support	Actively reach out to customers	Not quick in responding and resolving issues	Limited customer support
	Rule-based automation	AI-driven	AI-driven	RPA based	RPA based	RPA based
	AI-based automation	Best-of-class AI functionality	AI first automation	RPA based with AI	RPA based with AI	RPA based
	Brand reputation	Still building reputation as a startup	Known for strong AI	Best in class payments	Known for strong RE use cases	Seen as industry standard
	Tax compliance	No specific modules for tax/audit compliance	Offers VAT compliance checks	Functions to prepare tax reports		
	Robust dashboards	Strong reporting and analytics	Graph viewer needs further updates	Robust analytics and reports	Shows all invoice statuses on dashboard	Easy to use dashboard
	Model training time	~6-9 mo. to train against data set working towards touchless	Goal of 50% touchless day 1; 80% touchless at ~6-9 mo.	Limited info on AI models (if any)	Limited info on AI models (if any)	Limited info on AI models (if any)
	Access and permission controls	Easy to grant permissions		Easy access to invoices across teams	Easy access to invoices across teams	Easy access to invoices across teams
	Currencies / language compatibility	AI can digest international formatting on invoices	Based in USD, has difficulty processing other currencies	Handles multiple currencies and POs	No multi-currency support	Ability to pay international vendors

Source: Project target survey (N=209); Industry participant interviews





While Target performs above benchmark on Revenue and ACV, there is scope for improvement across multiple cost metrics

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SCORECARD

/ PRELIMINARY

SaaS companies with ARR in the range \$100M-\$500M and ACV in the range of \$100K-\$500K

Category	Metric (latest reported data)	Target data basis availability	Target	Benchmark	Top Quartile	Bottom Quartile	Gap vs benchmark
	Cohort Size (n)		---	29	---	---	
	Revenue						
	Recognized Revenue (\$M)		396	197	313	125	Over benchmark
	Recognized Revenue Growth Rate		14%	17%	23%	9%	3% (below benchmark)
	Average Contract Value (ACV) (\$M)		0.25 ⁽¹⁾	0.16	0.22	0.12	Over benchmark
	GAAP cost & expense						
	R&D Expense as a % of Revenue		26%	22%	25%	19%	4% (scope for improvement)
	Sales & Marketing Expense as a % of Revenue		44%	40%	51%	28%	4% (scope for improvement)
	General & Administrative Expense as a % of Revenue		20%	14%	16%	10%	6% (scope for improvement)
	Profit Metrics						
	EBITDA Margin(%)		(38%)	(3%)	11%	(15%)	
	Gross Margin Percentage on all Sales		61%	70%	76%	66%	9% (scope for improvement)
	Performance metrics						
	Magic Number of Sales & Marketing Efficiency		0.29	0.30	0.42	0.20	
	Rule of 40	Negative Rule of 40 represents cash burn to drive growth (-ive EBITDA, +ive growth)	(23.5)	17	24.3	12	Scope for improvement
	Total Sales & Marketing FTEs per \$10M in Revenue		13	13	15	9	
	Total R&D FTEs per \$10M in Revenue		15	13	16	9	
	Total G&A FTEs per \$10M in Revenue		4	4	5	3	

Note: Please refer to 'OPEXEngine: Key definition' slide for details on the above metrics; (1) ACV based on Target's 10-K filing for 2024, representing over 80% of total ACV for Target
Source: OPEXEngine

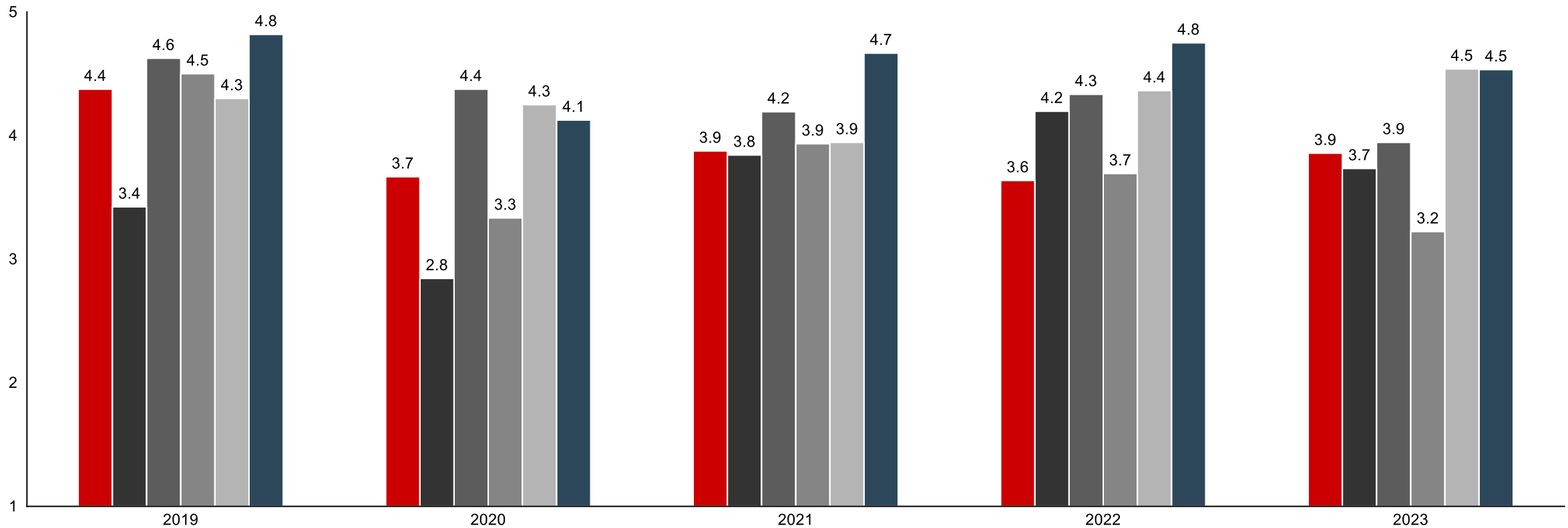
Competitor 5 leads the peer-set of Business & IT consulting with average employee satisfaction (~4.6) across L5Y; Competitor 4 is a close second

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EMPLOYEE SATISFACTION

■ Target ■ Competitor 1 ■ Competitor 2 ■ Competitor 3 ■ Competitor 4 ■ Competitor 5

Average employee satisfaction by year
(scale of 1= "very dissatisfied" to 5= "very satisfied")



Note: '0' ratings haven't been included since they indicate that the employee did not rate the particular criteria

Source: Glassdoor

Significant proportion of patents filed in the last five years supporting increasing innovation in the SIEM market

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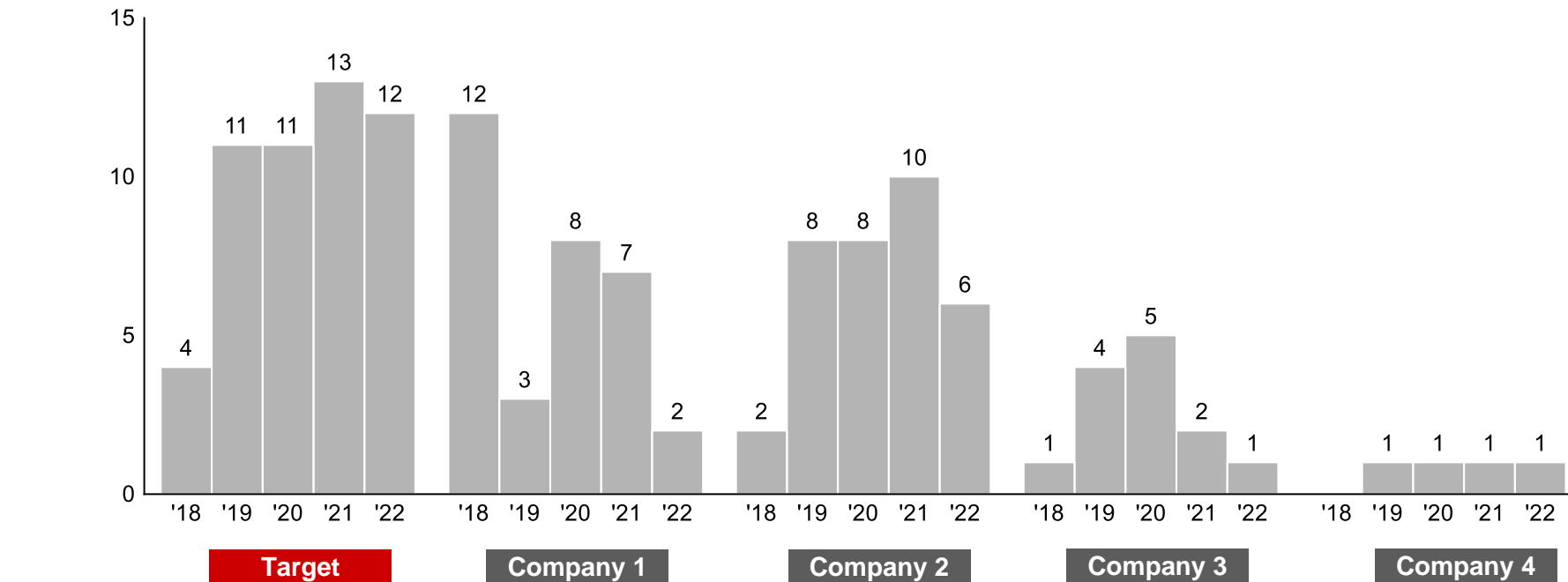
PATENT ACTIVITY OVER TIME

/ GLOBAL / DIRECTIONAL

Target filed for 51 patents followed by Company 1 (34) and Company 2 (32) in the last 5 years

Commentary

of patents applied by year (2018-22)



% of patent
granted of
total applied

50% 100% 73% 23% 0% 100% 100% 100% 86% 100% 100% 100% 100% 33% 100% 100% 80% 50% 0% - 100% 100% 100% 100%

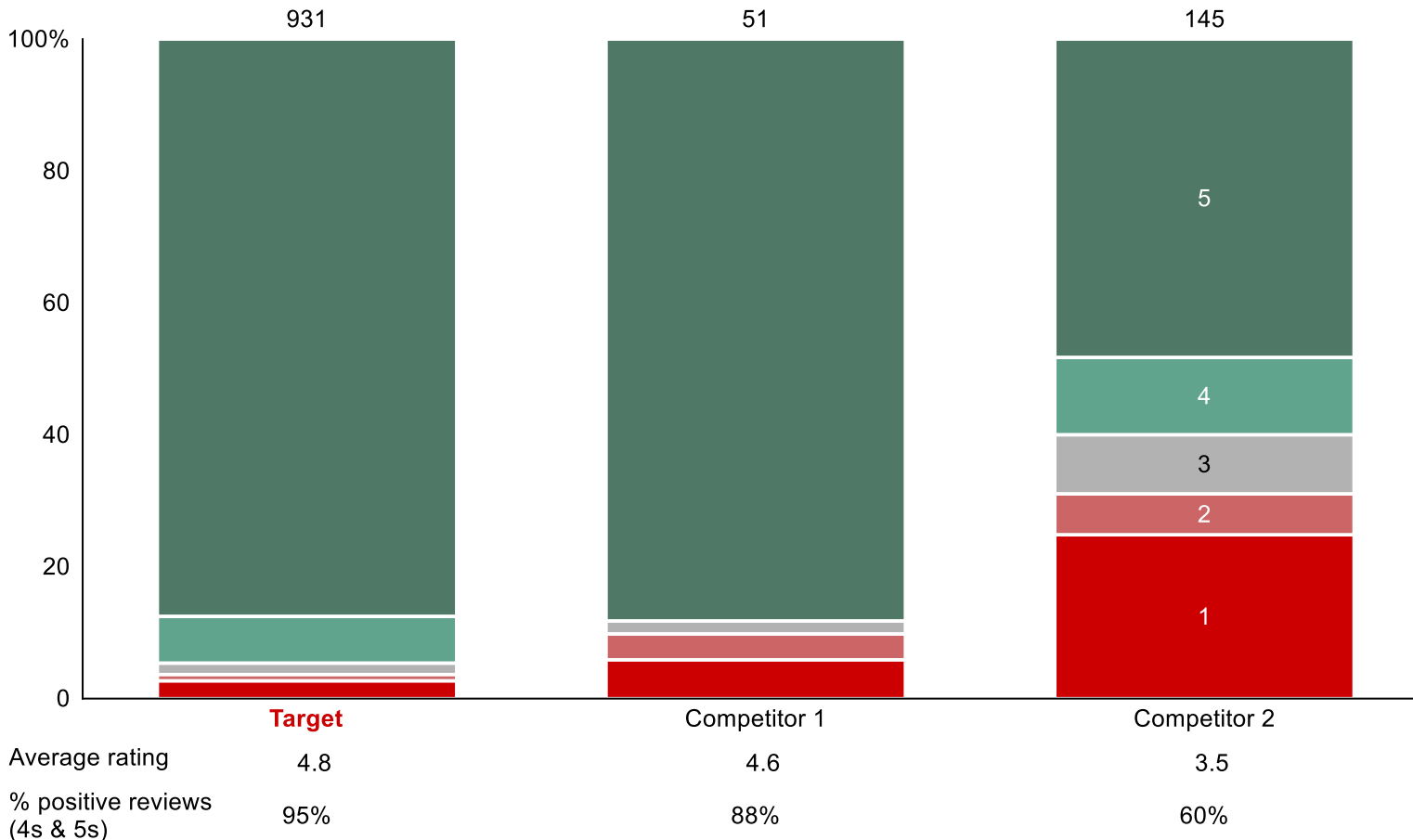
- The **fluctuations in patent filings and conversions over years** reflects the **varying degree of success of top players** such as Target, Company 1 and Company 2, over the period
- While **Target continues to hold leadership position** in terms of patents applied, **Company 1 has picked up pace, aggressively filing patents over the 2018 -22 period**

Target outperforms its peer set as 95% of its users are quite satisfied with the app and cite ease of use and convenience as key drivers (1/2)

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CUSTOMER SENTIMENT

Customer satisfaction rating (# of ratings / reviews)



Source: SensorTower

/ GOOGLE PLAY / PRELIMINARY Commentary

"I really like the **ability to communicate** with a real person to talk about any specific needs I have concerning my mobility. They were **fast to respond** to those needs and update my stretches accordingly."

"I love my <health tech> app and my coach. Lacey has stayed with me **thru thick and thin**. She's understood my needs for my bilateral needs that I've had surgery on and is **very helpful**."

"Great **convenience** being able **to get visual instruction** with necessary/ needed pt exercises at times when it's convenient to me."

"Willing to change my review, but the **sensors will not connect** and have **not been able to reach anyone** by phone to help for several days."

"**Dislike** the **new voice** and the **count downs**.."