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Quality Management System (QMS) Primer

September 2022

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Notable QMS Related Transactions

Robust Market Activity as Manufacturers Undergo Digital Transformation



Hexagon Acquires Quality Management System Platform ETQ For \$1.2 Billion

February 2022



(Previously A Portfolio Company of TCV)

Transaction Key Stats

\$75m	60%	45%	16.00x	35.6x
2022E Revenue	3-Year CAGR	Cash EBITDA Margin	EV/2022E Revenue	EV/2022E Cash EBITDA

Transaction Rational

Cloud-Based Technologies	ETQ provides SaaS-based, multi-tenant solutions for QMS, EHS and compliance management which accelerate Hexagon's cloud initiatives
Manufacturing Intelligence	Will sit in Hexagon's Manufacturing Intelligence division - drive quality data capture to reduce defects and drive autonomous feedback loops
Vertical / Geographic Expansion	Highly applicable technology across Hexagon's manufacturing and process industries – ability to cross-sell into respective geographies
Financially Accretive	Expects \$40 million in revenue synergies and immediately accretive to Hexagon's adjusted earnings at closing

Private Equity Vertical Consolidation Case Study: Greenlight Guru / JMI Equity



Select Other QMS Transactions

- \$23m Series B (Jul-21)

 - Salesforce-based QMS for the life sciences industry
 - +100% annual growth over 3 years as adoption accelerates
 - +200K users, +200 customers, +15 countries
- Strategic Sale (Jul-22)

 - QMS and MES solutions for aerospace & defense (A&D)
 - Combines Deltek's Costpoint ERP with Tip's mfg. solutions
 - Strong cross-sell opportunity & multiple common customers
- \$50m Series B (May-21)


 - Cloud-based QMS for life sciences
 - Funds to accelerate go-to-market and engineering investments
 - 260% annual revenue growth with +250 global customers
- Strategic Sale (Dec-21)

 - Dimensional QMS and on-site engineering services
 - 70 employees, 400 software customers and over 10,000 licenses
 - DCS Revenue profile: \$10m, 10% growth, 65% software



QMS Software Ecosystem


MPG's Complete Coverage and Relationships Across Key Market Segments

Strategy Assessment – Select Vendors



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With ETQ acquisition, building a quality stack from “shop floor to top floor”


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Executing on cross-over of quality in R&D, clinical and regulatory sales discussions
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Lead with cloud-based PLM solution and then bring forward QMS capabilities


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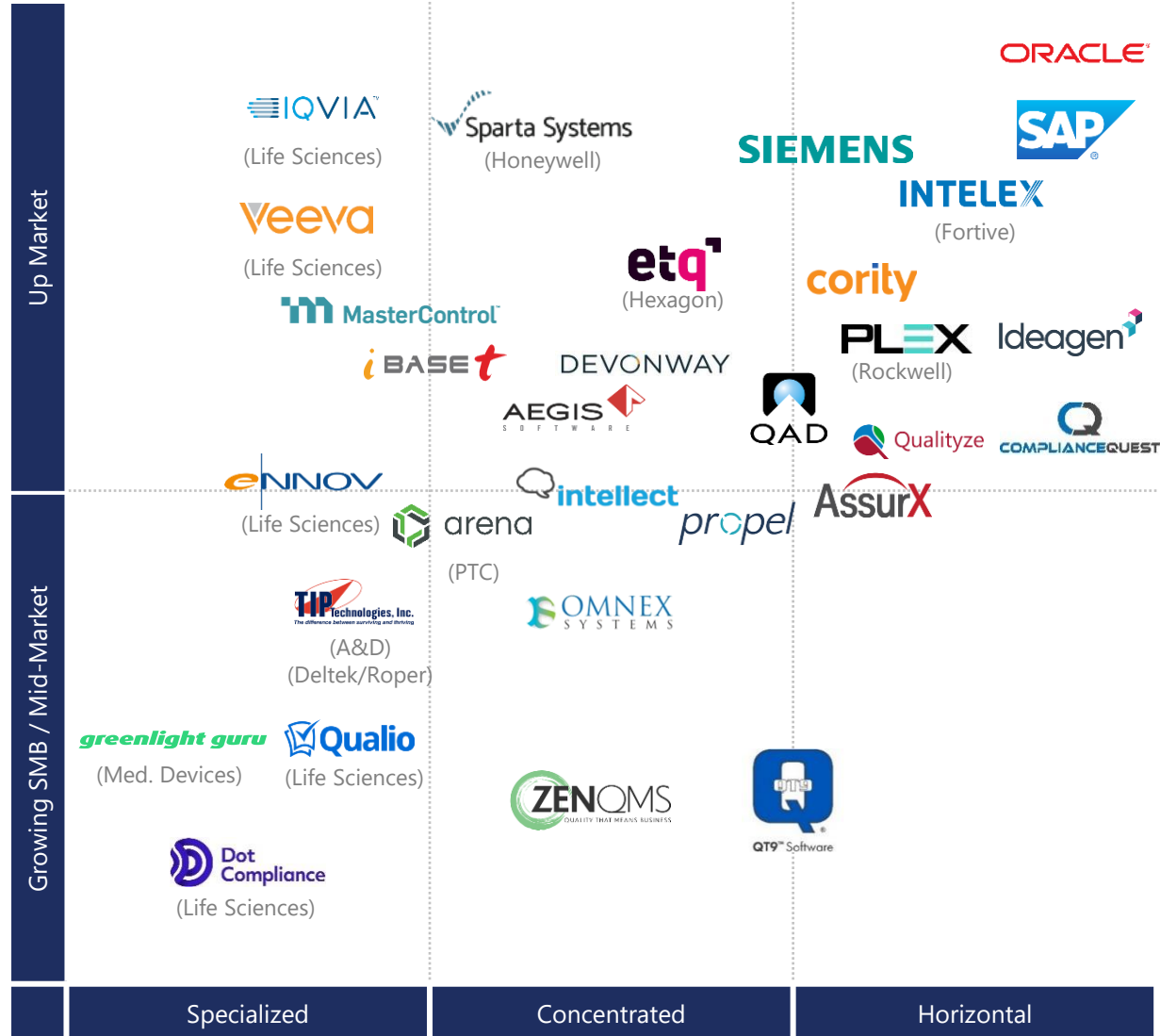
Differentiating via no-code platform and coupling core QMS with new EHS suite
- 

Embedding quality in cloud portfolio for complex discrete mfg. spanning MES/MRO/SQM
- Offering QMS as part of broader no-code suite including EAM, EHS and WFM


- 

Staying verticalized within medical device and acquiring complementary capabilities

Market Ecosystem: Vertical Strategy vs. Typical Customer Type



Intellect Receives Majority Investment from Strattam

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February 2022

In Partnership with the Founding Team



No-code QMS & EHS Compliance Software

Financial Sale



Exclusive Financial Advisor

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Contact us for more information at insights@madisonparkgrp.com

Transaction Highlights

- Intellect is a disruptive no-code industrial compliance SaaS platform spanning key regulatory frameworks including FDA, ISO, OSHA and EPA
- Highly configurable cloud-based quality management system (QMS) and environmental, health & safety (EHS) software sits on top of Intellect's dynamic no-code platform
- Intellect services the mid-market and enterprises in highly regulated industries, including manufacturing, medical device, pharma and laboratories

About the Deal

- Founder-led business seeking partner to continue organic growth momentum, product innovation and M&A
- Superior outcome and unique positioning - at the cornerstone of multiple MPG software practices, including:
 - ✓ Manufacturing
 - ✓ EHSQ
 - ✓ Engineering
 - ✓ Life Sciences
- Selected Strattam Capital as the preferred partner due to their conviction in (i) growing mid-market EHSQ compliance needs, (ii) rapid remote digitization and (iii) cultural fit

"We decided to work with Madison Park Group because of their integrity, commitment and deep knowledge and expertise in the industrial compliance and EHSQ sectors. Their strategic and tactical advice and network of close relationships with the right buyers and investors were critical in achieving this exceptional outcome for Intellect. They go the extra mile to get the right story, strategic messaging and growth opportunity while collaborating closely with management and the Board of Directors. Thanks to their dedicated effort, I truly believe Intellect has found a great partner for its next phase of continued growth."

— Romeo Elias, Co-Founder & CEO of Intellect

































Market Relevance



Madison Park Group – Select Transactions

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Right People, Right Narrative, Right Time

<p>Founder-Owned</p>  <p>Strategic Sale</p>  <p>(A Portfolio Company of)</p> 	<p>PE-Backed</p>  <p>Acquisitions Of</p>    	<p>Founder-Owned</p>  <p>Financial Sale</p> 	<p>Founder-Owned</p>  <p>Financial Sale</p> 	<p>PE-Backed</p>  <p>Financial Sale</p> 	<p>Founder-Owned</p>  <p>Strategic Sale</p> 
<p>VC-Backed</p>  <p>Strategic Sale</p>  <p>(A Portfolio Company Of)</p>   	<p>Founder-Owned</p>  <p>Merger With</p>  <p>(A Portfolio Company Of)</p> 	<p>Founder-Owned</p>  <p>Strategic Sale</p> 	<p>Founder-Owned</p>  <p>Strategic Sale</p>  <p>(A Portfolio Company Of)</p> 	<p>PE-Backed</p>  <p>Strategic Sale</p> 	<p>Founder-Owned</p>  <p>Financial Sale</p> 
<p>Founder-Owned</p>  <p>Minority Investment</p> 	<p>PE-Backed</p>  <p>Strategic Sale</p> 	<p>Founder-Owned</p>  <p>Financial Sale</p> 	<p>PE-Backed</p>  <p>Financial Sale</p> 	<p>VC-Backed</p>  <p>Strategic Sale</p> 	<p>PE-Backed</p>  <p>Financial Sale</p> 

We are the leading M&A and capital raising provider for select growth stage technology companies

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