

Ascentage

Built Environment – Segment Spotlight Construction Workforce Management Solutions

June 2023

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Construction Workforce Management

A Compelling Case for Digital Transformation and Integration



As has been well-documented elsewhere, the **\$10 Trillion construction industry is in midst of massive change** on any number of fronts

- Continued strong demand for infrastructure and housing
- Supply chain disruptions
- Climate change, and demands for more sustainable solutions
- Poor construction productivity and skilled workforce shortages
- Historic underspending on technology

We believe that **improving construction workforce productivity with technology** is a critical aspect of this ongoing transformation

- **Skilled craft workers** and their direct supervision are the most expensive and limited resource in construction
- However, this population of deskless workers remains largely **offline and underserved** by technology and software solutions
- This is changing, and a wide array of **competitive technologies** from start-ups to established incumbents have been funded and built over the last five years; some innovations broader, others deeper
- These solutions incorporate not only **mobile** technologies but aspects of **AI** (artificial intelligence) **IoT** (internet of things) devices
- The greatest challenge that even well-funded companies face is **reaching critical scale** in a market with brutally long sales cycles, and customers that often want to charge their IT spending to a project, versus focusing on overall efficiencies gained
- Ultimately, **field construction tools** that address operational aspects – including field reporting, scheduling, site access, safety, training – need to integrate with **back office** financial solutions – time and attendance, job costing and payroll
- **Integrated operational and financial solutions to address labor productivity** is the holy grail sought by technology providers as well as their customers - owner/operators, contractors and subcontractors

*Among construction workforce management technologies,
we foresee continued consolidation but also
high rewards for those that can overcome market obstacles.*



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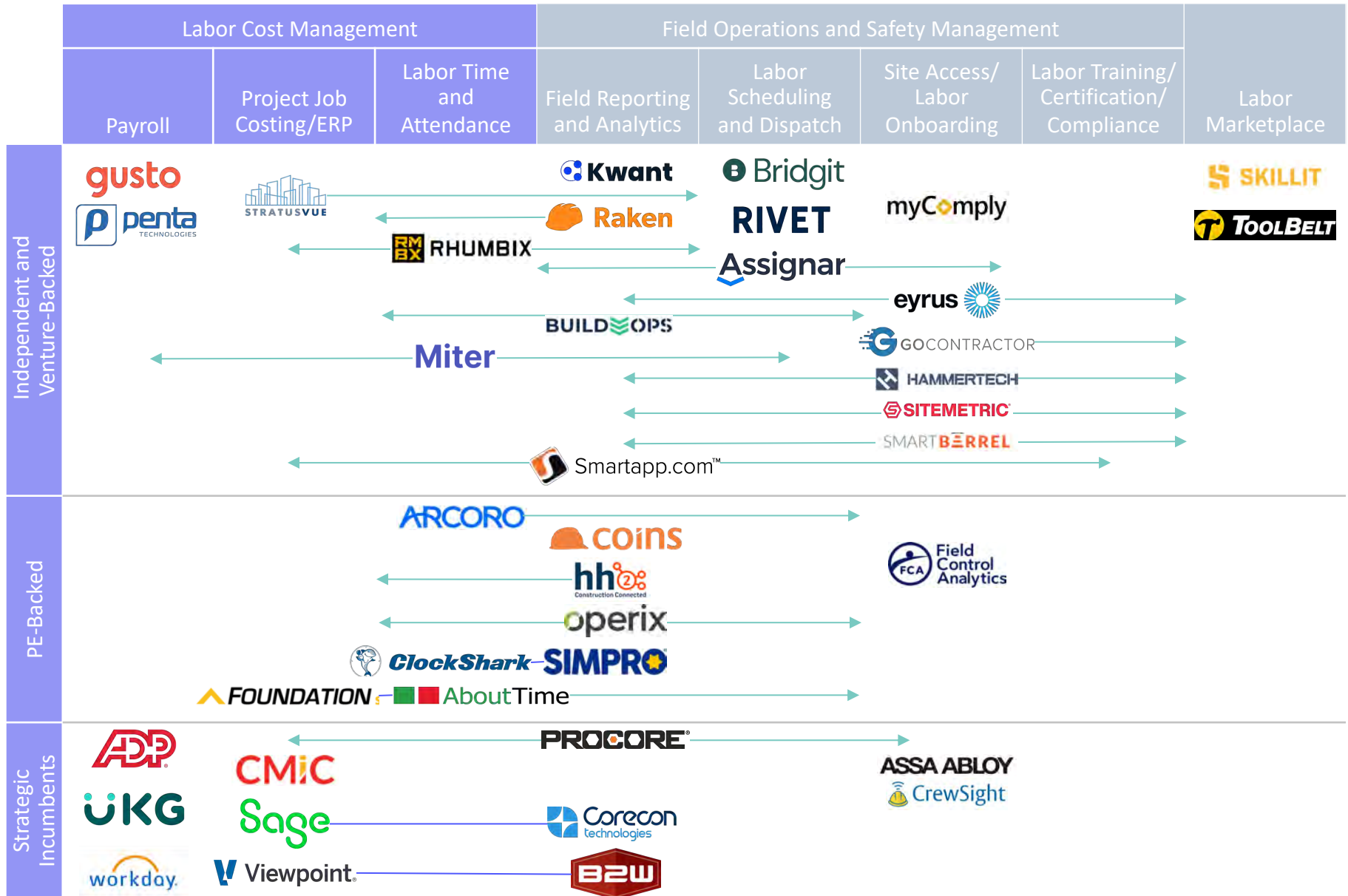


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Construction Workforce Management

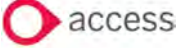




















Industry Faces a Wide Array of Competitive Solutions for

Measuring and Managing the Most Valuable Input to Any Construction Project



Strategic and PE-Backed Incumbent Activity

Serial Acquisitions and Investments in Construction Workforce Management and Related Solutions Over Last Five Years

Principal	Target	Date	Target Description	Comments and Observations
		Dec 22	<ul style="list-style-type: none"> Construction project management solution 	<ul style="list-style-type: none"> Acquisition of UK construction specialist solution by acquisition-driven PE-backed UK business management software platform
		June 18	<ul style="list-style-type: none"> Construction workforce management platform 	<ul style="list-style-type: none"> PSG and Next Level Ventures-funded vehicle – combined InfinityHR, BirdDogHR and Exaktime through 3 transactions in 2018
		Feb 23	<ul style="list-style-type: none"> Jobsite access control and construction workforce management 	<ul style="list-style-type: none"> Acquisition follows 2020 acquisition of Biosite. Note that CrewSight acquired from Trimble
		Feb 22	<ul style="list-style-type: none"> Construction workforce management and safety solution 	<ul style="list-style-type: none"> Participant in later stage venture round
		July 20	<ul style="list-style-type: none"> Construction workforce planning solution 	<ul style="list-style-type: none"> Participant in later stage venture round
		June 19	<ul style="list-style-type: none"> Construction time and attendance solution 	<ul style="list-style-type: none"> Participant in early stage venture round
		May 23	<ul style="list-style-type: none"> Construction time and attendance solution 	<ul style="list-style-type: none"> Acquisition of long-standing time and attendance player by construction ERP solution financed by Thoma Bravo
		Oct 21	<ul style="list-style-type: none"> Construction workforce management solution 	<ul style="list-style-type: none"> \$76M acquisition (1 of 2) post Procore's IPO in May 2021
		May 23	<ul style="list-style-type: none"> Construction management solution, including workforce management 	<ul style="list-style-type: none"> Forward integration by construction ERP market leader into operational software
		Nov 21	<ul style="list-style-type: none"> Construction time and attendance solution 	<ul style="list-style-type: none"> Acquisition of time-tracking specialist by PE-backed field service management platform
		Jan 23	<ul style="list-style-type: none"> Software integration and connector solutions, including links between ERP solutions and workforce management 	<ul style="list-style-type: none"> Provides Trimble Construction One customers with access to integration, data mapping and automation options
		Sept 22	<ul style="list-style-type: none"> Heavy construction management platform, including operations and employee time tracking 	<ul style="list-style-type: none"> Expands Trimble portfolio in civil/infrastructure vertical
		July 18	<ul style="list-style-type: none"> Construction project management and ERP solution 	<ul style="list-style-type: none"> \$1.2B acquisition following acquisition of e-Builder (capital program management suite) earlier that year

Private Equity and Venture Capital Investor Activity

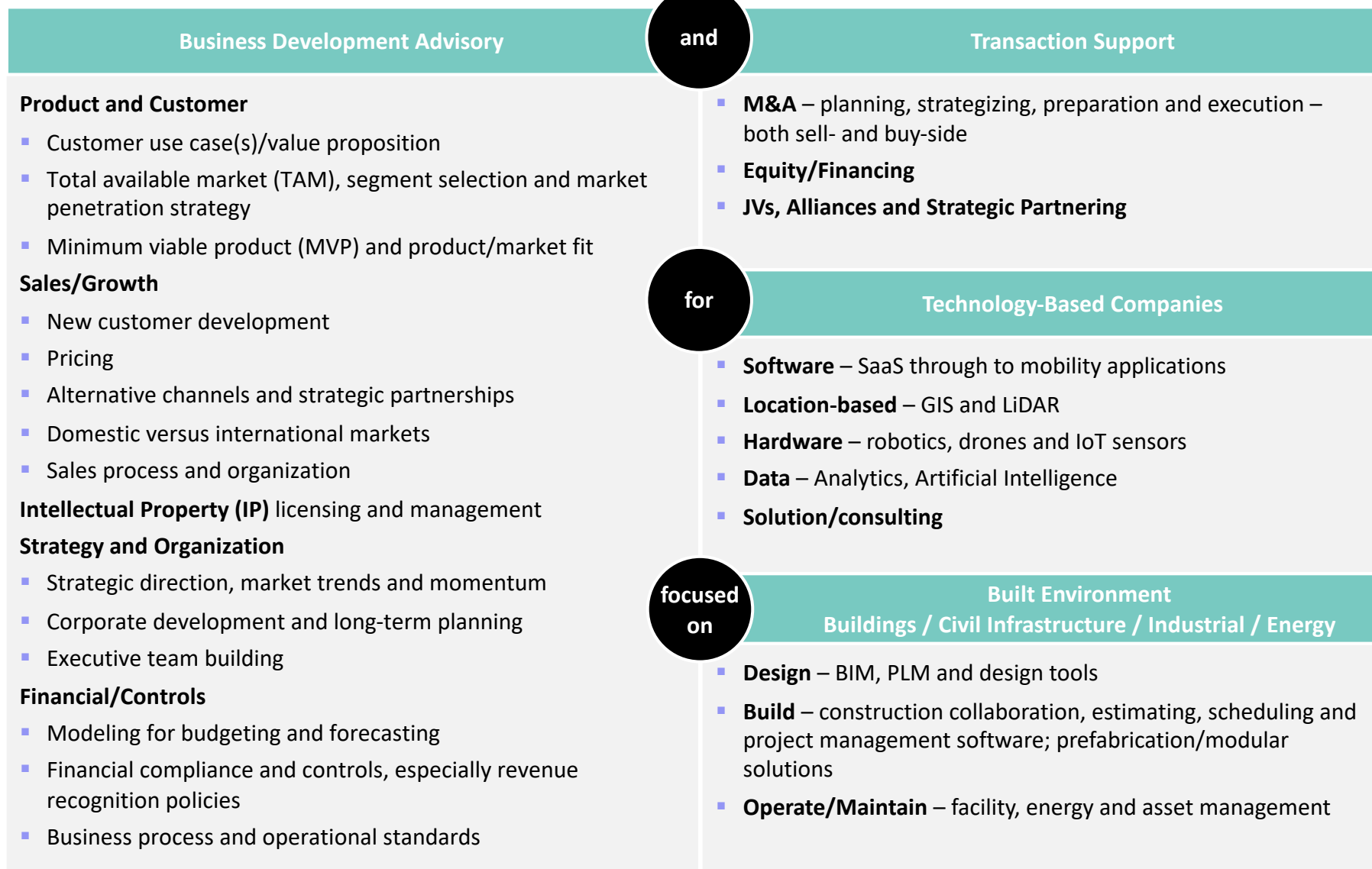
History of Strong Interest in Field Solutions, Including Workforce Management



Lead Investor	Target	Date	Target Description	Deal Type	Amount Raised ⁽ⁱ⁾	Pre-Money Valuation ⁽ⁱ⁾	Amount Raised To-Date ⁽ⁱ⁾
Accellius	TOOLBELT	June 23	• Construction labor platform	Seed	\$1.7	\$20.0	\$4.9
Next47	BUILDOPS	May 23	• Field/service operations solution	Series A	\$93.0	\$207.0	\$111.0
BUILDING VENTURES	SKILLIT	Jan 23	• Construction staffing solution	Seed	\$5.1	\$10.0	\$5.1
defy.	RIVET	Jan 23	• Construction workforce management solution	Early Stage	\$5.6	n/a	\$9.6
M33 GROWTH	operix	Aug 22	• Field/service operations solution	Growth Capital	<i>Confidential⁽ⁱⁱ⁾</i>	n/a	n/a
LAB VENTURES	SMARTBERREL	May 22	• Construction workforce management solution	Seed	\$3.0	\$5.0	\$5.0
	myComply	April 22	• Construction safety management platform	Seed	\$2.9	n/a	\$3.0
FAIRSTEAD	Kwant	Mar 22	• Construction analytics solution focused on workforce management	Seed	\$3.9	\$8.0	\$4.1
capstreet	hh2 Construction Connected	Feb 22	• Construction project management solution	Buyout	n/a	n/a	n/a
FIFTH WALL	Assignar	Oct 21	• Construction operations platform, including labor scheduling solution	Later Stage	\$16.5	\$90.0	\$30.7
Arrowroot Capital	HAMMERTECH	Sept 21	• Construction operations platform	Later Stage	\$3.7	\$33.0	\$10.7
Bessemer Venture Partners	Miter	Apr 21	• Construction workforce management solution	Early Stage	\$3.2	n/a	\$3.2
BUILDING VENTURES	GOCONTRACTOR	Feb 21	• Construction workforce onboarding and management	Series A	\$5.0	\$14.6	\$12.3

Ascentage is Well Positioned

Dedicated Team Combines Growth Consulting by Seasoned Industry Executives with Tenured Investment Bankers and Stalwart Transaction Support



Trusted Advisor to the Built Environment

25+ Year History of Successful M&A Transactions

Supported by Depth of AEC Industry Knowledge



 Strategic Investment by Field Service and Construction Operations Management Solution	 Sale to Transportation Infrastructure Enterprise Asset Management Platform	 Acquisition of Learning Management System	 Sale to Automated SaaS support for Banks and Credit Unions	 Acquisition of Construction Schedule Creation and Management	 Strategic Investment by Engineering Visualization Toolkits	 Sale to Cloud BIM Construction Project Management
 Sale to 3D Modeling Automated Laser Scanning	 Sale to Collaborative Robotic Control and Simulation	 Sale to Industrial Scale-Management Software	 Spin-off to Autodesk VAR Business	 Sale to Cloud Geospatial Asset Management and Monitoring	 Sale to Cloud Right-of-Way Management Software	 Sale to Network Spatial Engineering Software
 Sale to 5D Virtual Construction BIM Software	 Sale to Cloud PLM Search Technology	 Acquisition of Cloud Submittal and Construction Administration Software	 Sale to Point-cloud Processing Software	 Sale to GIS-Based Asset Management	 Sale to Mobile Robot Software and Technology	 Sale to Engineering Consulting
 Sale to Architectural and Engineering Project and Office Management	 Sale to Converged Internet Protocol Broadband Access Platform	 Sale to Cloud Interior Design Software	 Sale to Facilities Management Software	 Sale to Water Resource CAD Solution	 Sale to Road and Rail Design Software	 Sale to PDM Software Application

Sources and Disclosures

Ascentage Advisors, LLC



Sources and Notes

Data Sources

1. Pitchbook
2. LinkedIn
3. Public company releases, filings, and earnings transcripts

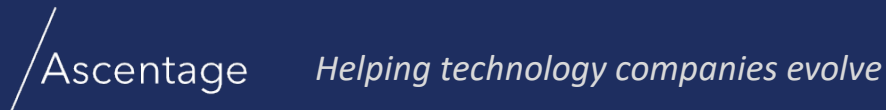
Company References

1. Miscellaneous company and press releases

Disclosures

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