

Strategy Briefing of Blue Yonder

May 10, 2023

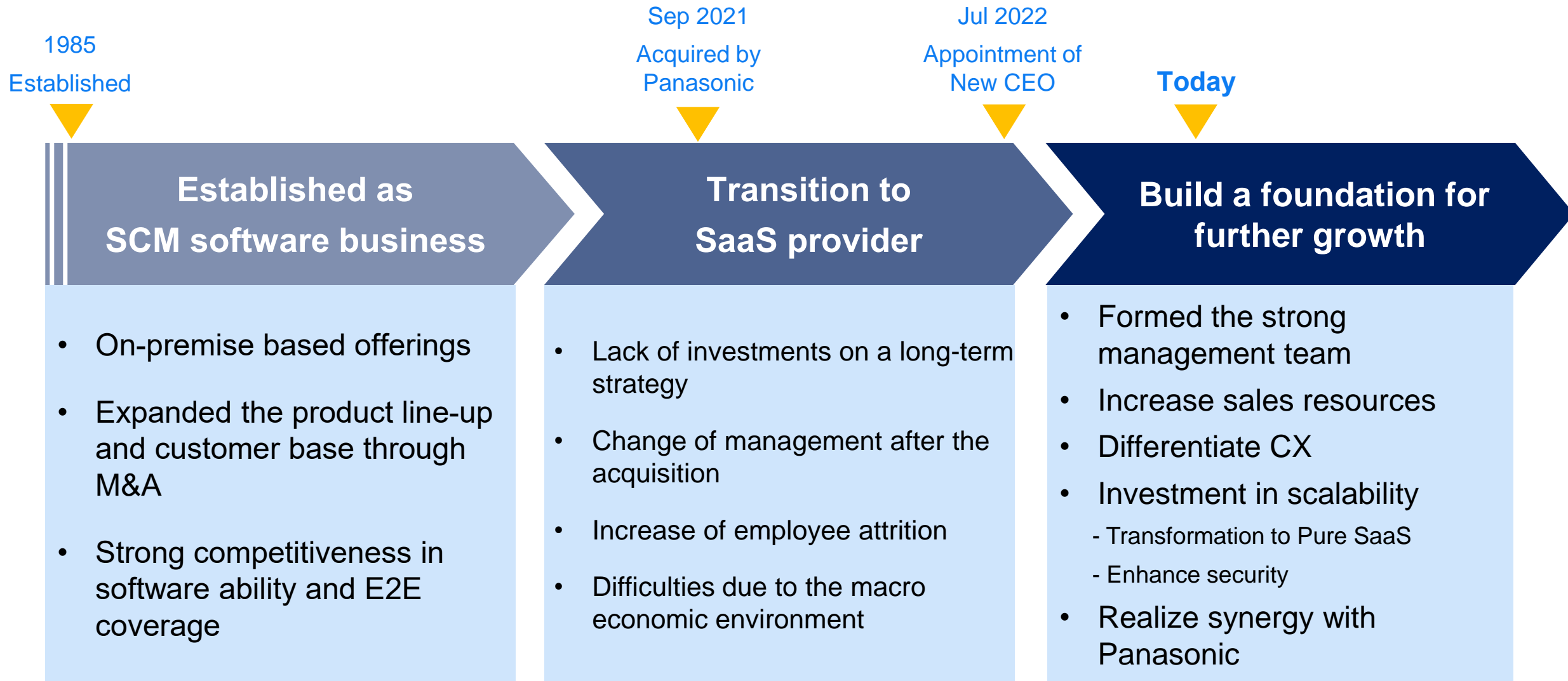
Panasonic Connect Co., Ltd.

Yasuyuki Higuchi



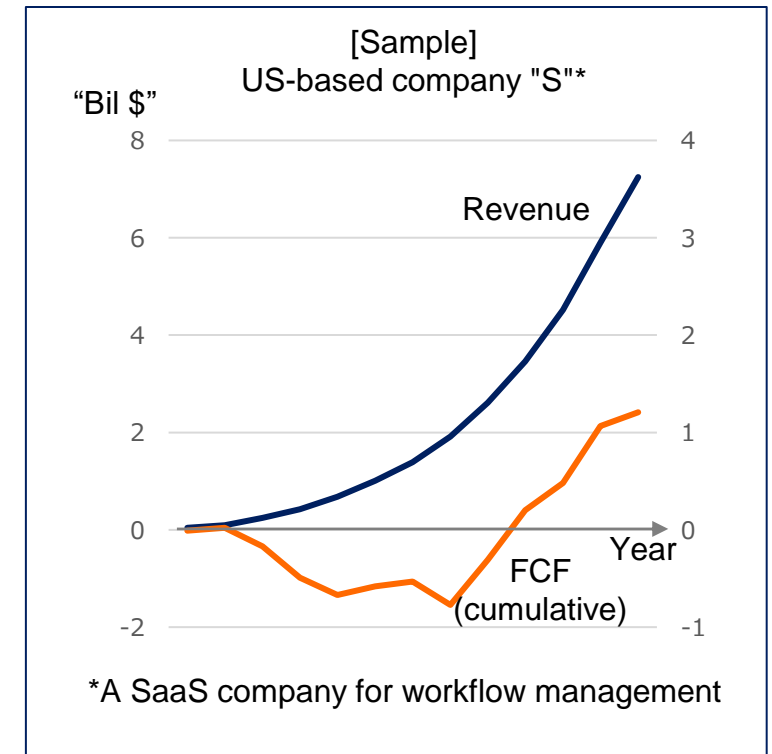
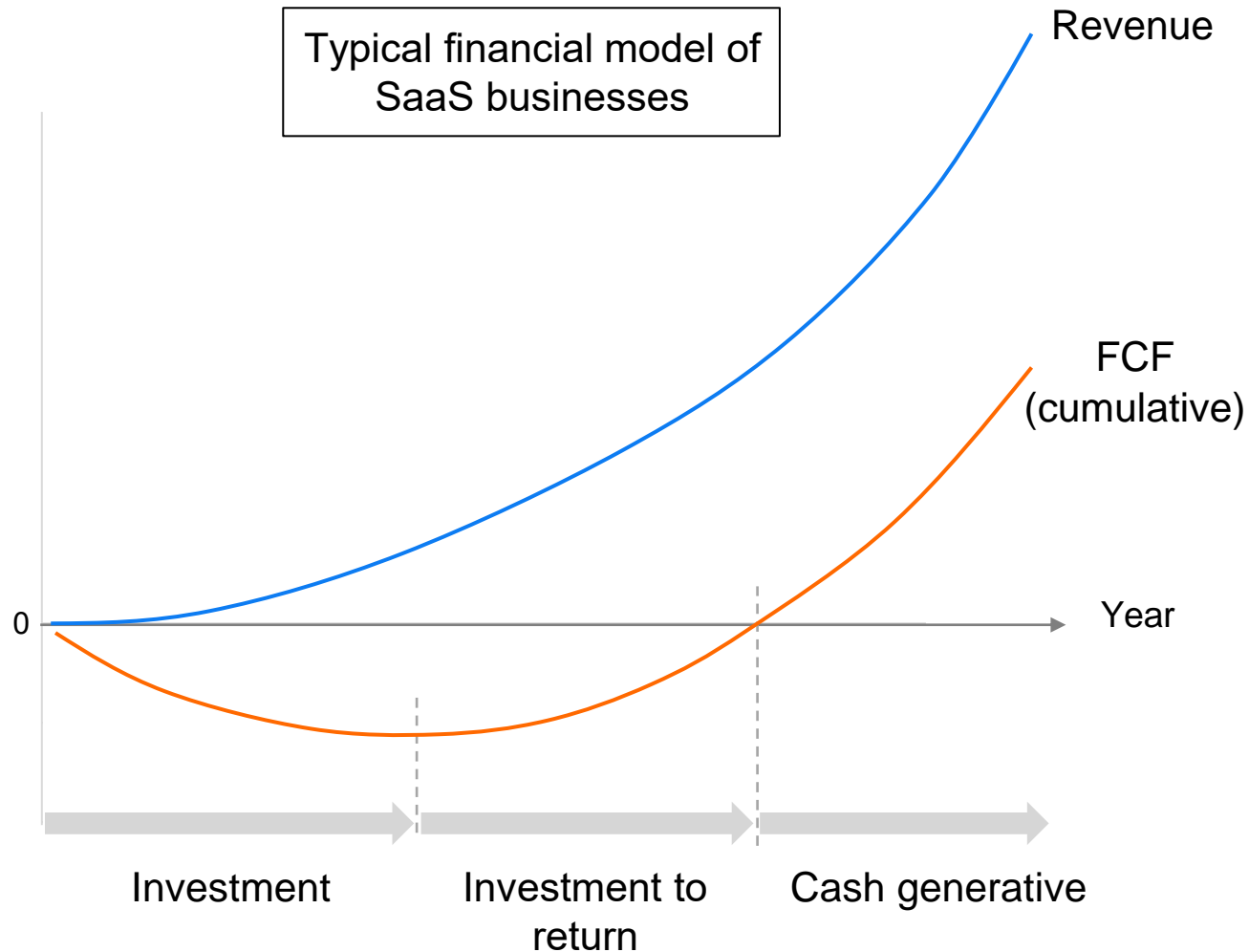
Business Transition of Blue Yonder

Accelerating transformation for scalability as SaaS business



Growth model of SaaS business

SaaS businesses require investments in scalability for increasing growth



Investments in Blue Yonder

Invest for scalability and maximize the future business value of Blue Yonder

Main areas to invest in

- **Build scalable SaaS platforms**
 - SW architecture: Adopt Micro services for agility
 - Cloud environment: Single tenant to Multi tenants
 - Data structure : Adopt Snowflake Data Cloud
- **Differentiate customer experience and improve profitability**
 - Enhancement of CX functions (optimizing NPS)
 - Optimization of operations (creating “operating leverage”)
 - Migration into pure-SaaS (improve Gross margin)

BY's growth will be accomplished by the experienced management team with Panasonic!



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Duncan Angove

 **BlueYonder**
Fulfill your potential™

Blue Yonder – By the Numbers

Delivering Digital Fulfillment Solutions to Leading Manufacturers, Retailers and Logistics Providers

Blue Yonder is the world leader in digital supply chain transformations and omni-channel commerce fulfillment. Our end-to-end, cognitive business platform enables retailers, manufacturers and logistics providers to best fulfill customer demand from planning through delivery. With Blue Yonder, you'll unify your data, supply chain and retail commerce operations to unlock new business opportunities and drive automation, control and orchestration to enable more profitable, sustainable business decisions. **Blue Yonder – Fulfill your Potential™**

CY22 Financial Info

\$1.2B

Revenue

\$575m

SaaS ARR

Year founded

1985

Patents

~400

Granted and Pending

Customer Satisfaction

162

New Customers
Per Year (2022)

35

Net Promoter Score
(NPS, 2021)

97%

Customer Retention
(2022)

Workforce

~6,000

Associates

~31,500

Years of Experience Overall

Gartner

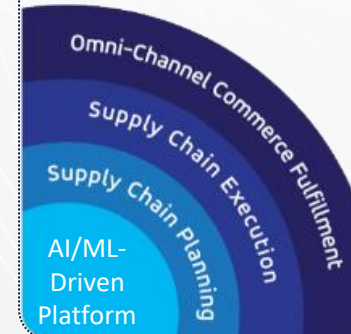
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A Leader in
Three Gartner
Magic Quadrant Reports

Customers

3,000+

Digital Fulfillment
Cloud Platform



Our Customers:

53 of the **Top 100**
Manufacturers

73 of the **Top 100**
Consumer Product
Goods

76 of the **Top 100**
Retailers

28 of the **Top 50**
Global 3PLs

Scottsdale, AZ

Global headquarters

110+

Data science experts working on AI/ML, analysis, modeling, optimization, and/or data engineering



Next Generation Supply Chain Platform Powering **Cognitive Applications**

- ▶ Single Data Cloud
- ▶ End-to-End Connectivity
- ▶ Infinite Intelligence

Our 7 Point Value Creation Plan (“VCP”)

ARR
Revenue Growth

Gross Margin
NRR



DELIVER SUPERIOR CX
build referenceability, operational resilience



BUILD A PURE SAAS OFFERING
Luminate SaaS, industry commerce clouds



MODERNIZE, STANDARDIZE & DIFFERENTIATE
next generation roadmap acceleration



ACCELERATE THE GTM ENGINE
Increase coverage of key segments, new adjacencies, flood the market

Operating Expenses
EBITDA



SIMPLIFY & OPTIMIZE THE BUSINESS
organizational effectiveness & efficiency



CULTIVATE ASSOCIATE EXPERIENCE
develop talent, build engagement



CONSOLIDATE THE MARKET
Drive economies of scale and network effects

The VCP focuses on seven pillars that will drive the Blue Yonder transformation



CY23 VCP lays the foundation for our growth

2022 Current State*

SaaS ARR
\$575M

SaaS Revenue Growth
20.5%

Total Revenue
\$1.193B

Total Revenue Growth
12%

Cloud Margins
52.6%

Adjusted EBITDA Margin
17.8%

CY23 Investments

Additional \$200m self-funding over next 3 years for our transformation, is required and is being directed to strategic priorities across the company to support the VCP.

Sales

Product

Cloud

Customer Experience

Operations

Increased upsell, increased cross-sell, increased net new wins



*CY23 Budget Rates
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Blue Yonder ICON 2023 – Major Announcements

Blue Yonder ICON 2023 is the premier conference for supply chain, commerce, and retail professionals!



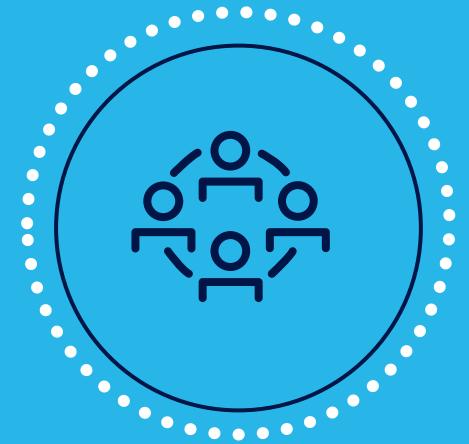
Cognitive Next
Generation Supply
Chain Planning



End to End Supply
Chain Execution
Interoperability



Re-platforming the
Supply Chain with
Snowflake



Co-Innovation
Accenture
Partnership

And...
2023 Masters
Champion,
Jon Rahm



Solidifying Panasonic / Blue Yonder Synergies

Joint Solutions



Blue Yonder Supply Chain & Store Software Solutions



Yard Visibility



Japan GTM

- Panasonic Connect Japan Solutions Business
- Increased Sales & Delivery Investment
- IBM & Accenture GTM Partnership
- Investment in Localization



Blue Yonder Japan President
Daiju Watanabe
(appointed on Jan 23, 2023)



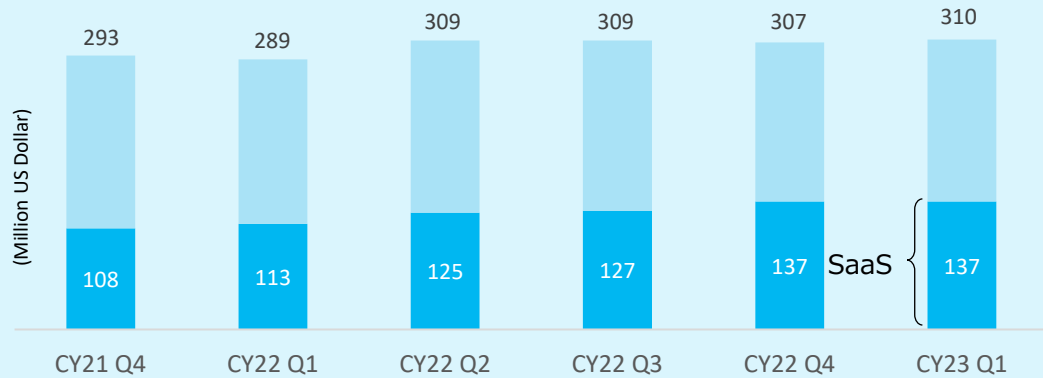
Zetes : A subsidiary of Panasonic specializing in supply chain optimization and citizen identification solutions



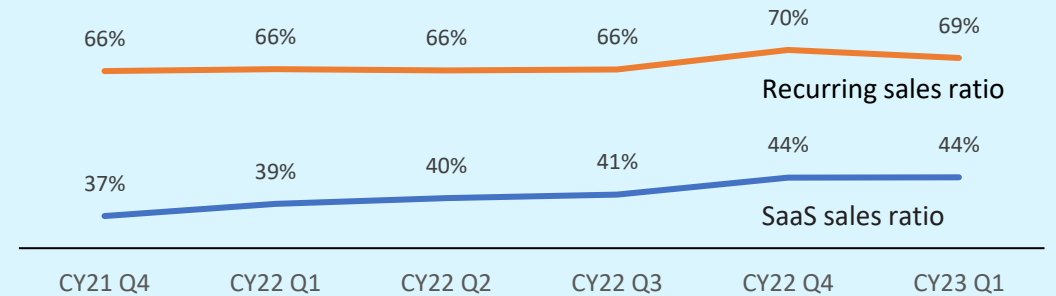
Revenue & SaaS KPI's Trends

(Reference) Blue Yonder's KPI

Sales



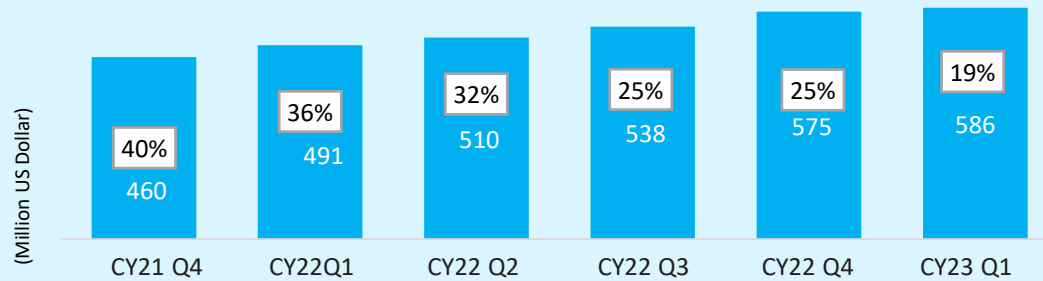
Recurring/SaaS Sales Ratio



*Recurring/SaaS sales ratio to total sales

**All figures based on FY3/24 forecast rates (US\$: ¥130 / Euro:¥130) to exclude FX effect

SaaS Annual Recurring Revenue (ARR)

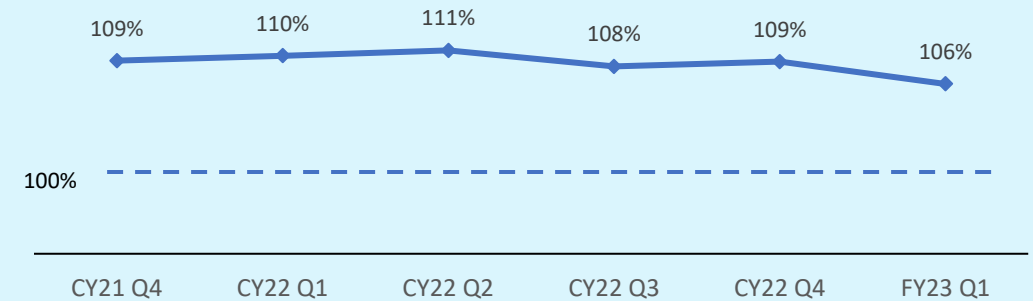


*Annual recurring revenue: Earnings determined for the year starting with next quarter

** Percentages represent Year over Year Growth

***All figures based on FY3/24 forecast rates (US\$: ¥130 / Euro:¥130) to exclude FX effect

SaaS Net Revenue Retention (NRR)



*Net Revenue Retention from existing customers

**All figures based on FY3/24 forecast rates (US\$: ¥130 / Euro:¥130) to exclude FX effect



FY2023 Forecast of Blue Yonder



FY3/24 Forecast of Blue Yonder

AOP of standalone BY in FY3/24 will increase YoY excluding additional strategic investment
KPI to be monitored are Revenue, SaaS ARR and Recurring ratio

Break downs of adjusted operating profit (yen: billions)

	FY3/24E	FY3/23 Results	YoY
Adjusted OP (stand alone) (1)-(a)-(b)	8.7	6.8	+1.9
Standalone			
(Additional strategic investment) *1 (a)	(-8.4)	(0.0)	(-8.4)
(Synergy investment) *2 (b)	(-2.8)	(-1.5)	(-1.3)
Adjusted OP (1)	-2.5	5.3	-7.8
Consolidated			
Amortization expenses related to acquisition (2)	-20.8	-18.2	-2.6
Temporary accounting treatment related to acquisition (3)	-0.3	-5.3	+5.0
Adjusted OP (1)+(2)+(3)	-23.6	-18.2	-5.4

*1 Additional strategic investment of US\$200M planned for 3 years from 2023 to 2025
 (Main items of FY3/24 Strategic investment: Product development, Enhancement of public cloud, security, etc.)

*2 Synergy investment to create synergies within Panasonic Group
 (Main items of FY3/24 Synergy investment: Japan GTM promotion, solution co-development with Zetes, Clearview, R&D, and others.)



BlueYonder

Fulfill your potential™