

MITCHELL 1 RECEIVES THE 2023 TECHNOLOGY INNOVATION LEADERSHIP AWARD

*Identified as best in class in the North American
medium/heavy truck aftermarket industry*

Best Practices Criteria for World-Class Performance

Frost & Sullivan applies a rigorous analytical process to evaluate multiple nominees for each Award category before determining the final Award recipient. The process involves a detailed evaluation of best practices criteria across two dimensions for each nominated company. Mitchell 1 excels in many of the criteria in the medium/heavy truck aftermarket space.

AWARD CRITERIA	
<i>Technology Leverage</i>	<i>Business Impact</i>
Commitment to Innovation	Financial Performance
Commitment to Creativity	Customer Acquisition
Stage Gate Efficiency	Operational Efficiency
Commercialization Success	Growth Potential
Application Diversity	Human Capital

Commitment to Innovation

Mitchell 1 is North America's top diagnostic and repair software supplier for automotive service shops.

"Mitchell 1 employs dedicated content editors who continuously upload information about new repairs into TruckSeries and its other software solutions. Its employees are enthusiastic about the latest advancements. It has in-house experts that can quickly address complex repair questions for all truck types. Other software companies or truck manufacturers cannot provide this degree of information across all vehicle platforms to service professionals in the aftermarket."

**- Stephen Spivey,
Program Manager**

TruckSeries is its leading repair information solution for large truck fleets and repair shops. In 2021 and 2022, the company made significant enhancements to TruckSeries. Frost & Sullivan notes that the rapid pace of technological change, including telematics, predictive maintenance, and electric trucks, requires aftermarket medium and heavy truck repairers to make investments to meet industry needs. Mitchell 1 recently expanded its TruckSeries repair solution to include calibration information for

advanced driver assistance systems (ADAS), a growing and lucrative source of revenue for independent repair shops. The company plans to announce new TruckSeries features in Q1 2023.

Frost & Sullivan analysts observe how Mitchell 1's other competitors are pushing forth innovation, but their software offerings are only for the trucks they manufacture. On the other hand, Mitchell 1 supplies

detailed data to fleets and maintenance/repair shops for all medium and heavy truck brands serviced in the aftermarket, making it the preferred solution provider.

Commercialization Success

Mitchell 1's TruckSeries repair solution has provided diagnostics to large fleets and repair shops since 2013, covering all makes and models of medium and heavy trucks (GVWR Class 4 to 8). In addition to its updated ADAS repairs, TruckSeries features new wiring diagrams that help independent service providers compete with dealers on complex repairs.

Dependence on TruckSeries increased in 2022 after 2 years of business closures, driver shortages, and

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supply chain disruptions, showcasing its importance in the medium and heavy truck aftermarket industry, particularly for fleet owners and independent service providers. The independent aftermarket sector, representing almost 60% of industry revenue with Mitchell 1 as its leading software supplier, is poised for high growth during the short to medium term as aging fleets migrate to low-priced parts and service channels.

Besides truck manufacturers, Mitchell 1's TruckSeries competes with smaller software solutions that lack the amount of data and expertise it contains.

Application Diversity

Frost & Sullivan notes that application diversity is a key success factor in the medium and heavy truck aftermarket. The average truck age is approximately 15 years and rising, creating additional part and service opportunities. Developing coverage of all makes and models will give suppliers a strategic advantage against competitors that only develop software supporting specific nameplates and truck applications.

Mitchell 1 outperforms its OEM sector competitors that develop software support only for the trucks they manufacture. Frost & Sullivan points out that other software companies simply cannot match the technical expertise of Mitchell 1 content developers gained by supporting different aftermarket industry customers.

Customer Acquisition

The independent repairer role in fleet maintenance is expanding, and Mitchell 1 is acquiring new users faster than other software companies serving the medium and heavy truck aftermarket. According to Frost & Sullivan's own research, the industry's independent aftermarket (IAM), which services all makes and models, will take market share from higher-priced truck dealers in the competing original equipment supplier (OES) sector. As truck dealers in the OES channel rarely service vehicles they did not sell, revenue

growth rates for Mitchell 1's customer base from 2021 to 2026 will be higher than the combined industry average.

With inflation causing prices to rise throughout the economy, fleet managers and service providers will be more sensitive to truck maintenance and repair costs. Mitchell 1's aftermarket industry focus and superior customer service will support the company, as it increases TruckSeries users faster than competing software solutions. More and more fleets will migrate to the IAM sector, where Mitchell 1 is the leader.

Growth Potential

The North American medium and heavy truck aftermarket will grow at a 7.2% CAGR from 2021 to 2026, where the IAM sector will show higher growth (8.9%) than OES (4.4%). In addition to growing cost concerns, the rising average truck age is driving this growth trend, as fleets keep their vehicles on the road longer before replacement; and fewer trucks are new enough to be covered for repairs under manufacturer warranty.

Frost & Sullivan analysis concludes that the growth potential for Mitchell 1 is significantly higher than OEM software suppliers. Even if new truck sales lag, demand for fleet maintenance will grow steadily, and Mitchell 1 will be the trusted source for most independent repairers. Other software suppliers serving the independent aftermarket lack the expertise to capitalize on new opportunities. Mitchell 1 is the only major competitor with heritage in the heavy truck aftermarket.

Human Capital

Mitchell 1's automotive industry expertise is the source of its competitive advantage. The company was founded more than 100 years ago as a book publishing enterprise that provided the first specifications and diagrams of vehicle electrical systems to automotive technicians.

Mitchell 1 employs dedicated content editors who continuously upload information about new repairs into TruckSeries and its other software solutions. Its employees are quite enthusiastic about the latest advancements. It has in-house experts that can quickly address complex repair questions for all truck types. Software companies or truck manufacturers simply cannot provide this degree of information across all vehicle platforms to service professionals in the aftermarket.

Conclusion

Mitchell 1 is the technology leader for repair professionals in the medium/heavy truck aftermarket. More fleet and vehicle technicians rely on TruckSeries software than any other program, as it offers excellent application coverage and more frequent updates than competing software solutions. Mitchell 1's TruckSeries developers and product managers are also automotive and truck enthusiasts, and work directly with customers to continually improve the product. This allows them to provide superior customer service compared to other aftermarket software solutions.

With its strong overall performance, Mitchell 1 earns the 2023 Frost & Sullivan Technology Innovation Leadership Award in the medium/heavy truck aftermarket space.

What You Need to Know about the Technology Innovation Leadership Recognition

Frost & Sullivan's Technology Innovation Leadership Award recognizes the company that has introduced the best underlying technology for achieving remarkable product and customer success while driving future business value.

Best Practices Award Analysis

For the Technology Innovation Leadership Award, Frost & Sullivan analysts independently evaluated the criteria listed below.

Technology Leverage

Commitment to Innovation: Continuous emerging technology adoption and creation enables new product development and enhances product performance

Commitment to Creativity: Company leverages technology advancements to push the limits of form and function in the pursuit of white space innovation

Stage Gate Efficiency: Technology adoption enhances the stage gate process for launching new products and solutions

Commercialization Success: Company displays a proven track record of taking new technologies to market with a high success rate

Application Diversity: Company develops and/or integrates technology that serves multiple applications and multiple environments

Business Impact

Financial Performance: Strong overall financial performance is achieved in terms of revenues, revenue growth, operating margin, and other key financial metrics

Customer Acquisition: Customer-facing processes support efficient and consistent new customer acquisition while enhancing customer retention

Operational Efficiency: Company staff performs assigned tasks productively, quickly, and to a high-quality standard

Growth Potential: Growth is fostered by a strong customer focus that strengthens the brand and reinforces customer loyalty

Human Capital: Commitment to quality and to customers characterize the company culture, which in turn enhances employee morale and retention

About Frost & Sullivan

Frost & Sullivan is the Growth Pipeline Company™. We power our clients to a future shaped by growth. Our Growth Pipeline as a Service™ provides the CEO and the CEO's growth team with a continuous and rigorous platform of growth opportunities, ensuring long-term success. To achieve positive outcomes, our team leverages over 60 years of experience, coaching organizations of all types and sizes across 6 continents with our proven best practices. To power your Growth Pipeline future, visit Frost & Sullivan at <http://www.frost.com>.

The Growth Pipeline Engine™

Frost & Sullivan's proprietary model to systematically create ongoing growth opportunities and strategies for our clients is fuelled by the Innovation Generator™.

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Key Impacts:

- **Growth Pipeline:** Continuous Flow of Growth Opportunities
- **Growth Strategies:** Proven Best Practices
- **Innovation Culture:** Optimized Customer Experience
- **ROI & Margin:** Implementation Excellence
- **Transformational Growth:** Industry Leadership



The Innovation Generator™

Our 6 analytical perspectives are crucial in capturing the broadest range of innovative growth opportunities, most of which occur at the points of these perspectives.

Analytical Perspectives:

- **Mega Trend (MT)**
- **Business Model (BM)**
- **Technology (TE)**
- **Industries (IN)**
- **Customer (CU)**
- **Geographies (GE)**

