



Boxing clever



August Equity-backed Fargo Group's acquisition of transport management software specialist Ixolution shines a spotlight on intermodal freight logistics. Is the sector going places? Jo Russell reports

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ome areas of transport logistics management are relatively simple. The first and last miles of a logistics chain, for example, pose relatively few transport challenges – the container just needs to get from a factory to a rail terminal, then from another terminal to its destination.

The middle section, however – that ‘messy middle mile’ – can incorporate multiple transport modes, terminals and freight corridors.

Intermodal freight uses ISO-standardised shipping containers that can be transported by ships, trucks, and trains. Because the freight remains in the same container when transferred between modes of transportation, intermodal freight reduces handling costs and damage.

Whereas multimodal freight models are managed by a single operator, intermodal freight involves multiple contracts with different carriers for each transport mode. So several subcontractors might be part of the chain – each of which needs to be kept informed of any delays so further problems can be mitigated.

Intermodal logistics software gives shippers, hauliers and freight forwarders real-time data sharing, tracking and full visibility of goods across the network, so they can plan accordingly. But while road haulage has benefited from decades of software investment, efforts to improve coordination between planners in intermodal operations are at a far earlier stage – meaning there are many more benefits still to reap from introducing technology.

Joining the dots

Headquartered in Ipswich, and with another office in Exeter, Fargo Systems is the market leader in transport management system software for containerised cargo. Backed by August Equity in 2024, the company’s Tops platform is estimated to process roughly 80% of intermodal container transport coming into the UK, and then moving through the UK’s rail networks.

That level of market penetration was what originally drew August’s attention to the company. “We were attracted by the mission criticality of the software, and the vast technical knowledge Fargo has amassed over 20 years. Its flagship product, Tops, is used by transport planners day in, day out. Once we see software reaching that level of operational importance it tends to enjoy strong retention, strong pricing power and opportunities for expansion,” says Ollie Reynolds, associate director at August Equity. “Building on that strong base and established position, we saw a huge amount of potential for growth, through product investment, team investment to drive more sales, and selective acquisition.”

The company’s acquisition of Ixolution fitted neatly into that growth strategy. “Ixolution is effectively Fargo’s European twin,” says Darren Palfrey, CEO Fargo Group. “It is a Netherlands-based specialist provider of intermodal logistics software solutions, serving operators across mainland Europe. As with Fargo, it is deeply embedded in its customers’ mission-critical daily operations, having built up trust, technical capability and industry knowhow over a number of years.”

Strategically, the acquisition expands Fargo’s geographic footprint beyond the UK, enabling the

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Fargo Systems founded by Kevin Terrill, Hemant Patel and Andrew Miller, with offices in Exeter and Ipswich

2013

Netherlands-based Ixolution founded by Ton Stuit and Kornee Sterrenburg in Zwijndrecht, near Rotterdam

Oct 2024

August Equity backs the management buyout of Fargo Systems, with funding provided by Santander Growth Capital

Feb 2025

Fargo board strengthened with John Thompson as chairman and David Landau as non-executive director

June 2025

Ixolution identified by August Equity’s origination team as a potential target for Fargo and informal talks begin

Inter: the future

AI is already having a significant impact across the logistics sector. Intermodal transport planners used to rely heavily on spreadsheets for sharing information, before the advent of software solutions enabled real-time management of every container, job and fleet movement. But AI has now moved things on, recommending next steps for transport planners whenever problems arise. “It allows transport planners to be more efficient in their job and takes away some of the guesswork,” says Fargo’s Darren Palfrey. But this is just the beginning, he explains: “AI has the potential to not just identify problems and suggest actions, which it can do now, but to take it a step further and automate many of the decisions to resolve them. Over time this will alter pricing models. A lot of software in the logistics sector and beyond is on a per seat pricing model. As AI takes more of a front foot in automating the resolution of problems, the pricing frameworks will transition towards value-based pricing modules.”

‘Customers are looking for software partners who can coordinate across both sides of the Channel or North Sea’

Darren Palfrey, CEO, Fargo Group

company to support customers operating across the UK and European freight corridors. “As freight networks become increasingly interconnected, customers are looking for software partners who can coordinate across both sides of the Channel or the North Sea,” says Palfrey. Ixolution focuses on the North Sea/Benelux-German corridor but has customers across 12 countries. As well as boosting Fargo’s customer base, staff from the company’s offices in Zwijndrecht near Rotterdam, and in Nettetal, Germany, will bolster technical expertise.

Sourced code

The Ixolution deal was actually sourced by August Equity’s origination function. “One of the advantages of specialising in niche vertical sectors is that we can develop a deep understanding of an ecosystem and be more targeted in our outreach,” says Reynolds. “That makes it easier to build relationships and have conversations with targets.”

The companies started talking in June 2025, a year before the deal was completed. “In initial meetings it became very apparent that the two companies were complementary, both strategically and culturally,” he adds.

As an off-market deal, the agreement was to keep the process streamlined and straightforward. The corporate finance work was effectively carried out in-house, with assistance from August. Dutch firm Houthoff provided legal advice, commercial due diligence was covered by a team from GCS, led by Phil Craig, and financial and tax advice came from Rupert Templeman and Dean Lake at Eight Advisory. They also took specialist technical advice from Chris Goodall and his firm, CG Consultancy.

Ixolution vendors Ton Stuit and Kornee Sterrenburg took a stake in Fargo Group as part of the all-equity transaction, which, says Reynolds, had “the usual cross-border complexities, but otherwise nothing out of the ordinary”. It completed in June 2026.

The acquisition has doubled the size of Fargo’s footprint – from a team of just over 40 to more than 80 staff across the UK and Europe, serving more than 200 customers. “We are now a scaled cross-border business, which is really exciting,” says Palfrey.

Immediate focus has been on ensuring absolutely no disruption to customers, given the mission-critical nature of the software. Over time, the aim is to invest further into the Benelux team, and into technology. “We will look to increase connectivity across platforms and share product and team capabilities and best practices wherever possible, to develop a more unified approach,” says Reynolds.

The deal isn’t Fargo’s first. In November 2025, it acquired UK-based Bankside Systems, creators of Intermodal Manager, an operating system that helps inland terminals, depots, and intermodal hubs run their container, equipment, and yard operations more efficiently. The system has been rebranded as Fargo Term and sits alongside Fargo’s existing software offerings: Fargo Tops and Fargo Yard.

And there will likely be more. “The market is very fragmented, especially across Europe. There are a number of attractive businesses serving different geographies, and different parts of the logistics

Driving change

Although international trade faces several challenges right now, demand for intermodal management systems – which can provide solutions for more complex transport problems, as well as managing and streamlining them – is resilient. Rising fuel prices make rail transport an increasingly attractive option, as does pressure on the sector to reduce its climate impact. The average European road truck emits nearly three times as much carbon as the average European freight train per tonne delivered, so combining multiple transport modes – and, in particular, reducing reliance on road haulage – can significantly improve freight transport’s carbon footprint.

This shift in emphasis is being supported by governments too. “We are seeing a huge amount of commitment in rail investment from UK and European governments, all trying to move freight off road and onto rail,” says Ollie Reynolds, associate director at August Equity.

According to Mordor Intelligence, the broader global intermodal freight transportation market – encompassing software and services – is expected to rise from \$27.5bn in 2025 to \$58.1bn by 2031. Reynolds believes this growth, combined with the fragmented nature of the sector and historical underinvestment, make intermodal logistics software businesses that already operate in this area attractive propositions. “The sector is where road haulage and many other popular private equity software sectors were 10-20 years ago. The sector has been under the radar and underinvested. Over the next 10-plus years, the opportunity will only get greater,” he says.



'A lot of the most attractive software opportunities are in specialised markets that have flown under the radar'

Ollie Reynolds, Associate director, August Equity

Nov 2025

Fargo makes its first acquisition: Bankside Systems, creators of the Intermodal Manager platform. Darren Palfrey appointed CEO of Fargo

Feb 2026

Formal acquisition talks between Fargo and Ixolution begin

June 2026

Fargo expands into Europe by acquiring Netherlands-based provider Ixolution

workflow. We'll continue to support Fargo in acquiring businesses providing additional connectivity, functionality, relationships, or market access," says Reynolds, adding that the team are in live discussions with potential targets.

Going farther?

In fact, Reynolds sees plenty more investment opportunities within the logistics and supply chain arena. "Quite a lot of the most attractive software opportunities lie in highly specialised markets that have gone under the radar for investors," he says. "The most valuable software businesses aren't necessarily those that are serving the largest, more fashionable sectors. They are often solving the most complex operational problems in industries where technology has been under-invested. There are similar dynamics across ports, customs, border processing, warehouse networks, or freight forwarding. Supply chain is an enormous industry globally, where many software companies are currently operating in geographic or functional silos."

While the opportunities for investors and management teams are clear, "the challenge lies in finding them and understanding the silos in which they operate. It's a question of predicting how the sector will evolve over time and then backing the right horses," says Reynolds.

On the platform

August Equity Fund VI invested in Fargo Systems in October 2024. It was the latest in a long line of August investments in mission-critical compliance-driven software businesses, including Polaris, Agilio, Amtivo, OneTouch and Wax Digital.

The team at August was led by Mike Biddulph, Mickey Patel and Greg Walsh with support from Sam Hardy, Bethany Shiers and Ollie Reynolds.

August Equity took legal advice from Travers Smith, finance and tax advice from PwC and tax structuring advice from Eight Advisory. Strategy& carried out commercial due diligence and Crosslake technology due diligence.

Fargo Systems took corporate finance advice from EY and Isca Ventures. Michelmores provided legal advice and CIL Management Consultants (now known as CIL Strategy Consultants) carried out commercial due diligence.

The plan for Fargo, from the start, has been to invest in its continued organic growth, supplemented with targeted M&A into adjacent service lines and geographies.