

Technology, Media and Telecom

INDUSTRY REPORT

Spring | 2021

CREATING
M&A STRATEGIES
FOR BUSINESS OWNERS
SINCE 1956





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Market Observations

Market Summary

Technology, Media and Telecom Market

The pandemic has ushered in a new reliance on tech, connectivity, and e-commerce. While many industries have been severely affected by the crisis, for the Technology, Media and Telecom sector (TMT) the economic impact has been largely neutral, or even positive for some industry segments. With surges in online gaming, video streaming, mobile data consumption, remote working models, voice traffic, and residential broadband; the industry saw companies make several operational improvements in network infrastructures to cope with increased technological demands. The pandemic has shifted the spending toward resources that support digital methods of workforce collaboration, sales and customer experience delivery. The big data technology and rising number of connected devices across enterprises are increasing the demand for IT service management and information security management platform.

Public Company Valuations

The Select CFAW Technology Index was up 6.8% in the first quarter of 2021, and the 12 months return on the Index was 60.1%. Our index for each of the subsector of Technology increased in the first quarter of 2021 except Software Publishers Index which was down by -0.1%. Electronics and Appliance Stores Index outperformed all other indices with 62.4% increase in the first quarter of 2021. Software Publishers had the highest mean revenue and EBITDA multiple with 12.4x and 57.1x, respectively. Electronics and Appliance Stores had revenue and EBITDA multiples of 2.2x and 15.5x, while Professional and Commercial Equipment and Supplies Merchant Wholesalers had revenue and EBITDA multiples of 6.2x and 30.9x, respectively. Computer Systems Design and Related Services, Data Processing, Hosting, and Related Services, Other Telecommunications, Semiconductor and Other Electronic Component Manufacturing had revenue multiples of 4.3x, 5.3x, 2.8x, 8.3x with EBITDA multiples of 16.0x, 31.1x, 17.6x, 30.6x, respectively.



The public technology market continued its growth in the first quarter of 2021...

Mergers and Acquisitions

M&A activity in the technology, media and telecommunications (TMT) space accelerated in the second half of 2020 after a slowdown in the first half. After the initial uncertainty created by the pandemic, a return in confidence saw M&A activity pick up sharply. Many major TMT incumbents have resumed M&A activities to meet demand and fuel growth, despite the risk of regulatory and geopolitical scrutiny. However, entertainment subsectors such as cinema, theatre and live events continue to experience significant operational challenges. The resulting distress within these subsectors may drive M&A activity across the TMT landscape as many companies look to restructure in 2021.

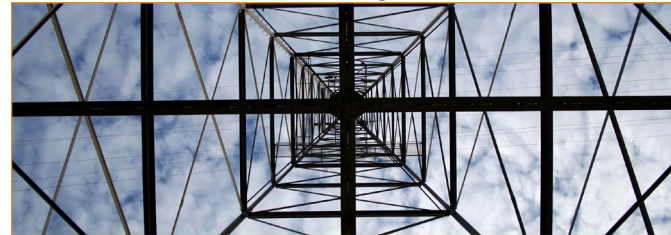
Industry Trends

COVID Impact

The segmental impact of the pandemic has been mixed for the Technology, Media and Telecommunications (TMT) sector. The TMT sector which was most severely affected due to the pandemic was traditional Media & Entertainment, with cinemas, theatres, and concert venues closed due to the pandemic. On the other hand, the digital media & entertainment market segment has seen a strong growth in the past few months, with many consumers switching to video on demand platforms, while the gaming sector has seen a strong growth in downloads. The telecom operators' activities have grown, due to an increase in data traffic, while technology companies have seen a mixed impact, with companies with B2B tech products being more negatively affected by the crisis, than B2C companies. The movement to the cloud, to video visits for medicine, and to the intelligent edge were already underway, but they have been accelerated by years or even decades because of the pandemic.

The emergence of artificial intelligence in the telecommunication industry

The demand for reliable and fast speed internet has never been higher. This trend will continue with the emergence of 5G, the Internet of Things and the growing number of organizations shifting their data processing toward edge computing solutions. Consumers now have more options than ever and in order to remain competitive, organizations are investing heavily to proactively address the needs and challenges that lie ahead. As per IDC's prediction, 63.5% of telecommunications companies are making new investments in artificial intelligence systems. The focus of these investments continues to be on robotic process automation and end-to-end automation solutions to help streamline back-office operations, save costs and free up employee time to focus on more value-added tasks. Additionally, artificial intelligence through the use of autonomous drones, low-cost sensors and predictive analytics is improving infrastructure maintenance and field service operations including tower maintenance tasks.



Need for Strengthening Cybersecurity

The fast-tracked implementation of digital changes across industries has made cybersecurity extremely critical for businesses. With remote working expected to continue in the post pandemic era, companies are working to build a robust cybersecurity infrastructure. The struggles with piracy, leaked content, ransomware threats while ensuring secure and flexible delivery options for subscribers have been a major concern for the streaming and on-demand media industry. Cybersecurity is considered an important element in the telecom industry as hackers can easily commit cybercrimes, stealing confidential private data from corporations and their customers.

Significant News

Deloitte predicts major changes in tech, media and telecoms for 2021

IDG Communications, March 16, 2021

“The post-pandemic world has accelerated change in the technology, media and telecommunications landscape, with telehealth, women’s sport and immersive tech leading the charge in 2021 and beyond. Deloitte Australia’s Technology, Media & Telecommunications (TMT) Prediction’s report, highlights how worldwide trends in TMT may affect businesses and consumers worldwide.”

[Read More >](#)

Pandemic sees Europe's defensive TMT sector accessing more, but cheaper, debt

S&P Global, October 29, 2020

“Technology, media and telecom companies in Europe are unsurprisingly taking out more debt this year than last, although investor returns from the sector’s borrowing remain below the average, according to data from LCD, an offering of S&P Global Market Intelligence. Almost a quarter of total leveraged loan issuance through September went to TMT companies, the data shows. This is in line with previous years, except 2019, which saw the sector make up only 11.4% of the total.”

[Read More >](#)

Sector overview: TMT and healthcare top the charts

Law Business Research, January 29, 2021

“Businesses, students and consumers have relied heavily on technology to work, study and shop through the pandemic, and this has meant not only record performance for companies in the sector but an active M&A market for TMT. The sector delivered US\$406.3 billion worth of deals in 2020, surpassing the US\$294.5 billion figure for 2019—making it one of the few sectors to see an annual increase in total value. Deal volume in the sector came in at 1,419 transactions, down 6 percent from 2019.”

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M&A Metrics

Technology Industry

M&A activity rebounded strongly after a slowdown in the first half of 2020. The number of transactions increased from 881 in Q2 2020 to 1,426, 1,725 and 1,913 in Q3 2020, Q4 2020 and Q1 2021, respectively. The number of transactions above \$100 million increased from 115 in Q4 2020 to 127 in Q1 2021. The number of sub-\$50 million transactions increased from 1,572 in Q4 2020 to 1,750 in Q1 2021. The total number of M&A transactions year on year increased at a growth rate of 78.5% from 1,072 in Q1 2020 to 1,913 in Q1 2021. Q1 2021 was the best quarter in terms of deal volume in the last three years.



M&A Deal Summary Table | Count by Deal Size over Time

Transaction Value	Q2 2018	Q3 2018	Q4 2018	Q1 2019	Q2 2019	Q3 2019	Q4 2019	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021
Not Disclosed	747	669	748	773	765	851	877	813	656	1,061	1,251	1,484
Under \$10 MM	150	146	140	129	134	138	146	116	110	163	186	157
\$10 - \$25 MM	53	54	57	40	50	25	55	39	32	49	81	66
\$25 - \$50 MM	31	41	36	28	29	34	36	34	22	30	54	41
\$50 - \$100 MM	26	26	31	22	19	28	27	20	15	25	38	38
\$100 - \$500 MM	42	32	38	52	40	32	40	35	32	56	71	62
\$500 MM+	24	25	29	20	21	23	24	15	14	42	44	65
Total Transactions	1,073	993	1,079	1,064	1,058	1,131	1,205	1,072	881	1,426	1,725	1,913

Source: FactSet

M&A Metrics

SaaS Industry

After a slump in the first half of 2020, the M&A activity picked up pace in the second half. The number of transactions increased from 99 in Q2 2020 to 247, 319 and 336 in Q3 2020, Q4 2020 and Q1 2021, respectively. The number of transactions above \$100 million decreased from 27 in Q4 2020 to 24 in Q1 2021. The number of sub-\$50 million transactions increased from 290 in Q4 2020 to 308 in Q1 2021. The total number of M&A transactions year on year increased at a growth rate of 261.3% from 93 in Q1 2020 to 336 in Q1 2021. Q1 2021 was the best quarter in terms of deal volume in the last three years.



M&A Deal Summary Table | Count by Deal Size over Time

Transaction Value	Q2 2018	Q3 2018	Q4 2018	Q1 2019	Q2 2019	Q3 2019	Q4 2019	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021
Not Disclosed	85	65	57	69	54	69	79	71	71	185	233	257
Under \$10 MM	15	14	10	11	15	9	12	5	12	26	38	29
\$10 - \$25 MM	7	3	4	4	2	1	2	4	4	6	11	14
\$25 - \$50 MM	5	7	3	5	3	3	2	6	1	9	8	8
\$50 - \$100 MM	5	3	2	3	4	1	3	3	3	3	2	4
\$100 - \$500 MM	11	6	4	7	5	5	4	4	7	10	20	12
\$500 MM+	4	2	3	2	3	3	5	0	1	8	7	12
Total Transactions	132	100	83	101	86	91	107	93	99	247	319	336

Source: FactSet

Industry Metrics

Industry Financial Data and Ratios

NAICs 443142 - Electronics Stores

Financial Metric	Last12 Mo	2020	2019
Current Ratio	2.66	2.74	3.63
Gross Profit Margin	48.20%	45.85%	46.42%
Net Profit Margin	6.20%	5.45%	5.52%
Accounts Receivable Days	35.15	33.71	29.08
Accounts Payable Days	59.66	58.86	60.69
Debt-to-Equity Ratio	2.19	2.16	1.96
Return on Equity	11.63	10.3	7.92
Sales per Employee	45.57%	45.08%	51.86%
Profit per Employee	--	--	\$258,206
Sales Growth	--	--	\$7,622
Profit Growth	8.57%	7.38%	5.00%
	59.35%	52.52%	33.36%

NAICs 5415 - Computer Systems Design and Related Services

Financial Metric	Last12 Mo	2020	2019
Current Ratio	3.56	3.48	3.33
Gross Profit Margin	63.74%	63.49%	61.76%
Net Profit Margin	8.50%	9.00%	6.78%
Accounts Receivable Days	55.83	53.68	50.88
Accounts Payable Days	37.28	36.49	27.97
Debt-to-Equity Ratio	2.06	2.16	2.18
Return on Equity	61.19%	60.05%	53.91%
Sales per Employee	\$155,227	\$155,227	\$181,406
Profit per Employee	\$24,107	\$24,107	\$30,156
Sales Growth	6.34%	8.92%	14.44%
Profit Growth	24.63%	27.55%	22.07%

Source: Profit Cents

NAICs 423430 - Computer & Computer Peripheral Equipment & Software

Financial Metric	Last12 Mo	2020	2019
Current Ratio	2.79	2.59	3.18
Gross Profit Margin	39.15%	38.78%	38.38%
Net Profit Margin	7.66%	6.46%	4.16%
Accounts Receivable Days	54.09	56.67	50.4
Accounts Payable Days	59.75	58.47	45.96
Debt-to-Equity Ratio	3.8	3.45	1.81
Return on Equity	56.95%	48.63%	32.93%
Sales per Employee	--	--	--
Profit per Employee	--	--	--
Sales Growth	8.10%	5.85%	-5.47%
Profit Growth	40.67%	25.64%	-15.48%

NAICs 5182 - Data Processing, Hosting, and Related Services

Financial Metric	Last12 Mo	2020	2019
Current Ratio	3.67	3.15	2.74
Gross Profit Margin	67.06%	66.81%	66.92%
Net Profit Margin	6.59%	4.16%	1.72%
Accounts Receivable Days	56.81	57.3	55.24
Accounts Payable Days	44.83	41.52	41.48
Debt-to-Equity Ratio	2.22	1.94	2.59
Return on Equity	52.81%	38.71%	30.50%
Sales per Employee	--	--	--
Profit per Employee	--	--	--
Sales Growth	8.83%	8.80%	14.45%
Profit Growth	43.97%	38.29%	22.52%

Industry Metrics

Industry Financial Data and Ratios

NAICs 5179 - Other Telecommunications

Financial Metric	Last12 Mo	2020	2019
Current Ratio	2.67	2.9	1.99
Gross Profit Margin	52.73%	54.42%	56.44%
Net Profit Margin	7.15%	7.99%	1.93%
Accounts Receivable Days	50.32	49.54	45.76
Accounts Payable Days	47.5	51.3	57.26
Debt-to-Equity Ratio	2.6	2.51	2.38
Return on Equity	53.84%	54.51%	36.60%
Sales per Employee	--	--	\$238,146
Profit per Employee	--	--	\$12,270
Sales Growth	1.67%	1.54%	14.33%
Profit Growth	25.19%	39.01%	25.17%

NAICs 5112 - Software Publishers

Financial Metric	Last12 Mo	2020	2019
Current Ratio	3.46	3.55	2.39
Gross Profit Margin	69.80%	72.97%	76.76%
Net Profit Margin	2.67%	0.14%	-3.26%
Accounts Receivable Days	57.48	61.87	68.13
Accounts Payable Days	94.25	97.05	109.87
Debt-to-Equity Ratio	1.73	1.69	2.26
Return on Equity	12.97%	11.88%	24.13%
Sales per Employee	--	--	\$284,257
Profit per Employee	--	--	\$52,775
Sales Growth	15.58%	17.31%	18.28%
Profit Growth	11.67%	22.11%	19.42%

NAICs 3344 - Semiconductor & Other Electronic Component Manufacturing

Financial Metric	Last12 Mo	2020	2019
Current Ratio	3.59	3.62	3.31
Gross Profit Margin	39.57%	38.49%	36.79%
Net Profit Margin	7.04%	5.24%	4.85%
Accounts Receivable Days	51.29	53.01	53.56
Accounts Payable Days	40.14	40.3	39.86
Debt-to-Equity Ratio	1.38	1.32	1.34
Return on Equity	30.28%	26.47%	26.56%
Sales per Employee	\$138,279	\$138,279	\$141,805
Profit per Employee	\$43,108	\$43,108	\$38,233
Sales Growth	2.57%	3.90%	7.99%
Profit Growth	35.92%	30.96%	12.22%

Source: Profit Cents



Transaction Highlights

Notable Transactions



In March 2021, **FinTech Acquisition Corp V** has entered into a definitive agreement to acquire **eToro USA LLC** for US\$10.4 billion in cash and stock, via reverse takeover. FinTech Acquisition Corp V will pay US\$300 million in cash and will issue 941,424,600 shares to eToro USA LLC. The transaction will be funded through the internal cash resources and PIPE investment of FinTech Acquisition Corp V. Founded in 2007, eToro USA LLC is located in Saddle River, New Jersey, United States and develops online forex trading software.



In March 2021, a private group led by **STG Partners LLC**, doing business as Symphony Technology Group, entered into a contribution and equity purchase agreement to acquire the business and assets of Enterprise business from **McAfee Corp**, for US\$4 billion in cash and undisclosed amount in assumed liabilities. The transaction is funded through a combination of equity and debt financing. The transaction will allow McAfee Corp to focus on delivering leading solutions. The asset to be acquired is located in United States and provides device-to-cloud cyber security solutions.



In March 2021, **Hitachi Ltd** agreed to acquire **GlobalLogic Inc** from Canada Pension Plan Investment Board Private Investments (45%), Partners Group (45%) and other individual sellers (10%) for US\$8.5 billion in cash and US\$1.1 billion in assumed liabilities. In addition, transaction costs including advisory fee and other expenses are expected to be approximately US\$50 million. The acquisition, which will be financed with cash on hand and bank borrowings, aims to accelerate the digital transformation of the social infrastructures of Hitachi and align GlobalLogic's advanced digital engineering with Hitachi's Lumida portfolio. Founded in 2000, GlobalLogic Inc is located in San Jose, California, United States and provides software solutions and development services. It has over 20,000 employees in 14 countries. The company posted US\$771.1 million in revenues and US\$179.5 million in EBITDA in fiscal year ending in March 2020.



In January 2021, **OptumInsight Inc**, a subsidiary of UnitedHealth Group Inc, entered into a definitive agreement to acquire **Change Healthcare Inc** for US\$7.9 billion in cash. Change Healthcare Inc will receive US\$25.75 in cash for each share issued and outstanding. The transaction will accelerate innovations and efficiencies of both companies to adapt a simpler, more intelligent and adaptive health system. The transaction is expected to be accretive to the earnings per share of UnitedHealth Group Inc. Change Healthcare Inc is located in Nashville, Tennessee, United States and operates as a holding company through its subsidiaries that develop healthcare technology platform that provide data and analytics-driven solutions.



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Select M&A Transactions

Date	Target Name	Acquirer Name	Enterprise Value (MM)	Revenue	EBITDA
3/31/2021	GlobalLogic, Inc.	Hitachi Ltd.	9,600	771	180
3/24/2021	Gamesys Group Plc	Bally's Corp.	3,063	933	265
3/22/2021	Calypso Technology, Inc.	Thoma Bravo LLC	3,750	100	-
3/21/2021	ironSource Ltd.	Thoma Bravo Advantage	10,723	332	104
3/16/2021	eToro USA LLC	FinTech Acquisition Corp. V	10,383	-	-
3/8/2021	McAfee Crop /Enterprise Business/	STG Partners, LLC; McAfee Crop /Enterprise Business/ /Private Group/	4,000	-	-
3/3/2021	Auth0, Inc.	Okta, Inc.	6,500	-	-
3/3/2021	Syncsort, Inc.	TA Associates Management LP; Clearlake Capital Group LP; Precisely Holdings LLC /Private Group/	3,500	-	-
3/2/2021	States Title, Inc.	Capitol Investment Corp. V	3,152	-	-
2/12/2021	Sharecare, Inc.	Falcon Capital Acquisition Corp.	3,463	330	29
2/4/2021	CoreLogic, Inc.	Insight Venture Management LLC; Stone Point Capital LLC; Corelogic, Inc. /Private Group II/	7,705	1,642	523
2/3/2021	CCC Information Services Group, Inc.	Dragoneer Growth Opportunities Corp.	8,436	570	170
1/27/2021	Perspecta, Inc.	Veritas Capital Fund Management LLC; Peraton Corp.	7,049	4,483	656
1/25/2021	Alight, Inc.	Foley Trasimene Acquisition Corp.	5,955	2,656	564
1/11/2021	Bakkt Holdings LLC	VPC Impact Acquisition Holdings	3,431	-	-
1/6/2021	Change Healthcare, Inc.	OptumInsight, Inc.	12,685	2,432	504

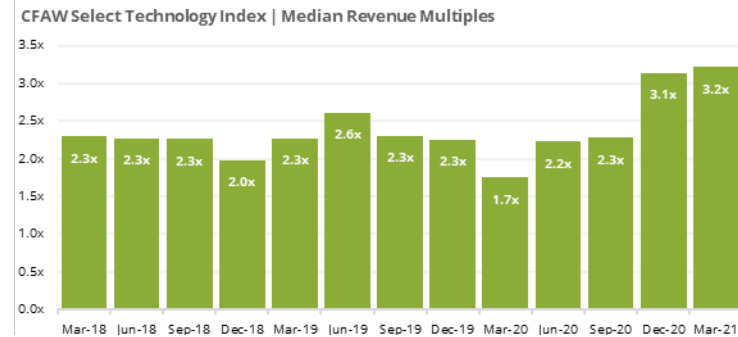
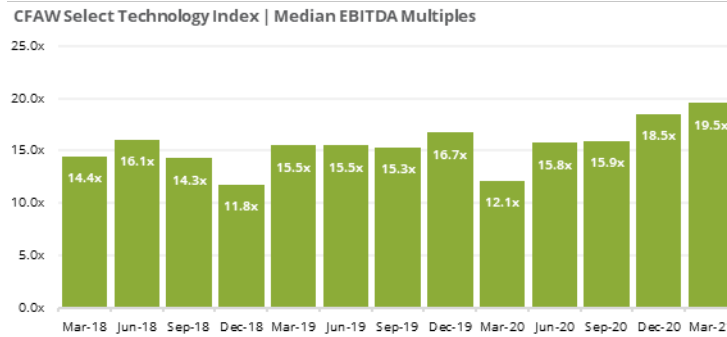
(\$ in millions) Source: Factset



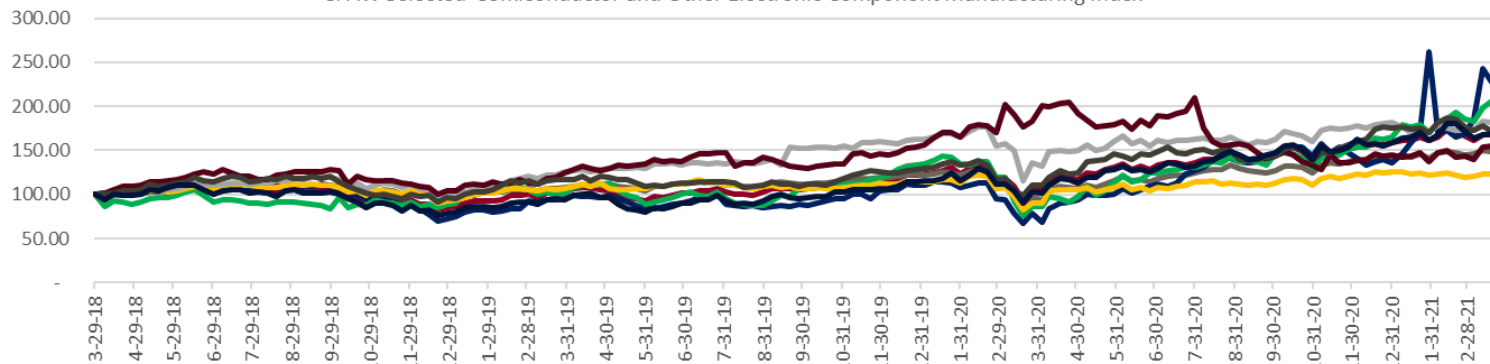
Public Companies

Industry Performance

CFAW Select Technology Index



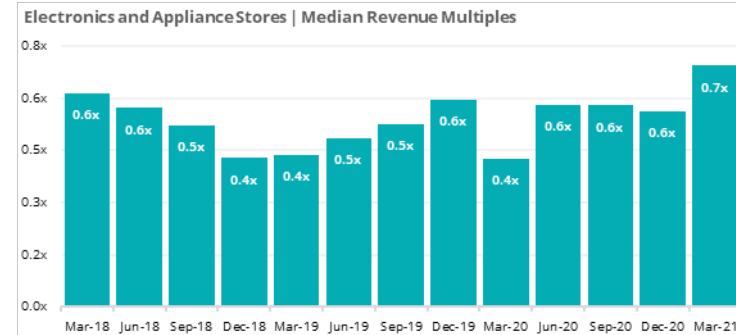
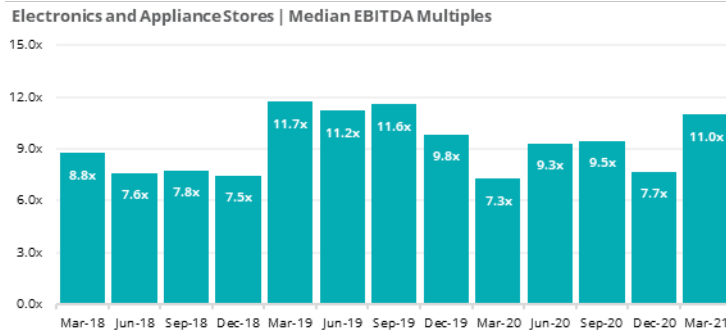
- Select CFAW Select Technology Index
- S&P 500
- CFAW Selected Electronics and Appliance Stores Index
- CFAW Selected Professional and Commercial Equipment and Supplies Merchant Wholesalers Index
- CFAW Selected Computer Systems Design and Related Services Index
- CFAW Selected Data Processing, Hosting, and Related Services Index
- CFAW Selected Other Telecommunications Index
- CFAW Selected Software Publishers Index
- CFAW Selected Semiconductor and Other Electronic Component Manufacturing Index



Source: FactSet

Public Comparables

Electronics and Appliance Stores

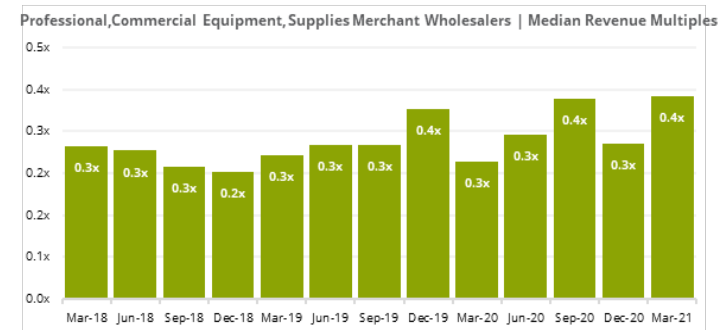
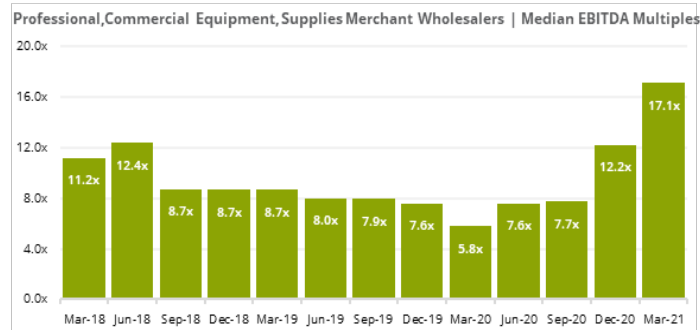


Company \$USD in Millions	Share Price	Shares O/S	Market Cap	Enterprise Value	Revenues (LTM)	EBITDA (LTM)	Enterprise Value /	
							Revenues	EBITDA
Best Buy Co., Inc.	\$114.81	250	\$28,708	\$27,100	\$47,262	\$3,410	0.6x	7.9x
Brimag Digital Age Ltd	\$7.84	10	\$79	\$112	\$147	\$20	0.8x	5.7x
Com7 Public Co. Ltd.	\$2.05	1,200	\$2,458	\$2,504	\$1,192	\$75	2.1x	33.3x
Copperwired Public Co. Ltd.	\$0.11	600	\$64	\$67	\$106	\$6	0.6x	11.0x
ePlus inc.	\$99.64	14	\$1,345	\$1,337	\$1,567	\$102	0.9x	13.1x
Frontier Developments Plc	\$37.53	39	\$1,476	\$1,440	\$104	\$46	13.9x	31.4x
GameStop Corp. Class A	\$189.82	71	\$13,434	\$12,824	\$5,090	(\$173)	2.5x	NM
PC Depot Corporation	\$4.48	53	\$236	\$167	\$365	\$36	0.5x	4.7x
Syscom Computer Engineering Co., Ltd.	\$0.86	100	\$86	\$62	\$196	\$10	0.3x	6.2x
Paltek Corporation	\$4.74	12	\$56	\$57	\$277	\$2	0.2x	26.1x
Mean				\$4,567	\$5,631	\$353	2.2x	15.5x
Median				\$752	\$321	\$28	0.7x	11.0x

Source: FactSet

Public Comparables

Professional, Commercial Equipment, Supplies Merchant Wholesalers



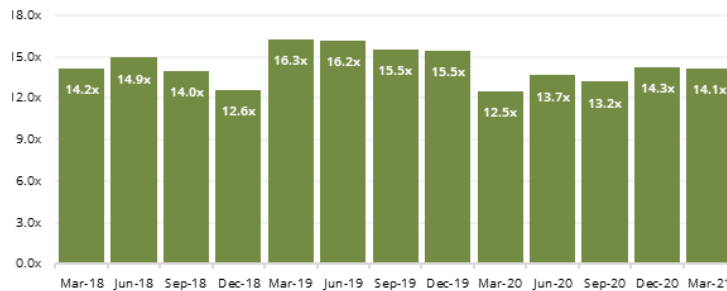
Company \$USD in Millions	Share Price	Shares O/S	Market Cap	Enterprise Value	Revenues (LTM)	EBITDA (LTM)	Enterprise Value /	
							Revenues	EBITDA
Action S.A.	\$2.38	20	\$48	\$20	\$529	\$7	0.0x	2.9x
Argo Blockchain Plc	\$3.33	382	\$1,269	\$1,270	\$24	\$7	52.3x	170.1x
D-Link Corporation	\$0.86	652	\$558	\$363	\$516	\$13	0.7x	27.8x
Digiworld Corp.	\$5.11	43	\$220	\$209	\$539	\$12	0.4x	17.1x
Dyntek, Inc.	\$25.00	2	\$57	NM	\$196	\$10	NM	NM
Intevac, Inc.	\$7.15	24	\$172	\$136	\$98	\$6	1.4x	24.2x
Paragon Technologies, Inc.	\$5.25	2	\$8	\$17	\$108	\$6	0.2x	2.9x
ScanSource, Inc.	\$29.95	25	\$762	\$870	\$2,620	\$87	0.3x	10.0x
SoftwareONE Holding Ltd.	\$25.93	159	\$4,111	\$3,411	\$8,423	\$193	0.4x	17.7x
SYNNEX Corporation	\$114.84	52	\$5,955	\$6,133	\$24,350	\$1,193	0.3x	5.1x
Mean				\$1,381	\$3,740	\$153	6.2x	30.9x
Median				\$363	\$522	\$11	0.4x	17.1x

Source: FactSet

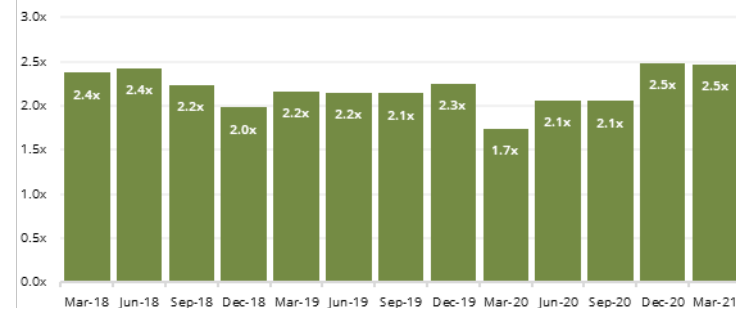
Public Comparables

Computer Systems Design and Related Services

Computer Systems Design and Related Services | Median EBITDA Multiples



Computer Systems Design and Related Services | Median Revenue Multiples

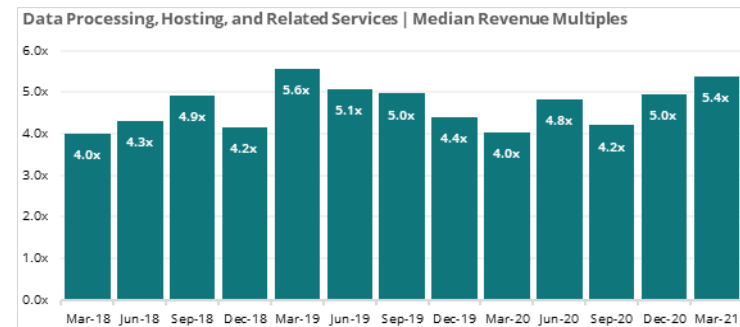
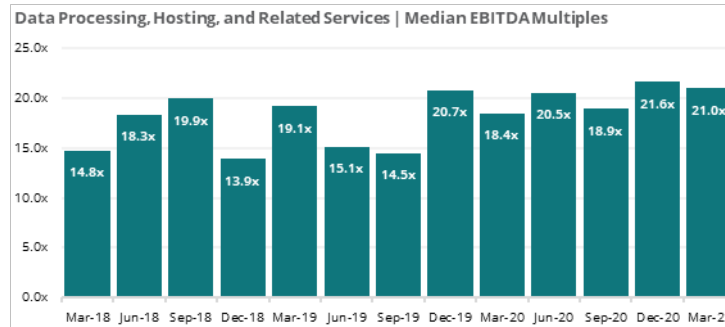


Company \$USD in Millions	Share Price	Shares O/S	Market Cap	Enterprise Value	Revenues (LTM)	EBITDA (LTM)	Enterprise Value /	
							Revenues	EBITDA
Amdocs Limited	\$70.15	131	\$9,197	\$8,729	\$4,213	\$770	2.1x	11.3x
Beyondsoft Corporation Class A	\$1.56	532	\$830	\$634	\$665	NM	1.0x	NM
CDW Corp.	\$165.75	141	\$23,292	\$26,949	\$18,468	\$1,613	1.5x	16.7x
Cerner Corporation	\$71.88	302	\$21,726	\$22,383	\$5,506	\$1,586	4.1x	14.1x
Cognizant Technology Solutions Corporation Class A	\$78.12	529	\$41,289	\$40,804	\$16,652	\$2,885	2.5x	14.1x
Jack Henry & Associates, Inc.	\$151.72	76	\$11,542	\$11,743	\$1,714	\$681	6.9x	17.2x
NetScout Systems, Inc.	\$28.16	73	\$2,068	\$2,102	\$847	\$161	2.5x	13.0x
Perficient, Inc.	\$58.72	33	\$1,941	\$2,040	\$636	\$107	3.2x	19.1x
Science Applications International Corp.	\$83.59	58	\$4,846	\$7,451	\$7,056	\$614	1.1x	12.1x
VeriSign, Inc.	\$198.76	113	\$22,384	\$23,023	\$1,276	\$875	18.0x	26.3x
Mean				\$14,586	\$5,703	\$1,032	4.3x	16.0x
Median				\$10,236	\$2,963	\$770	2.5x	14.1x

Source: FactSet

Public Comparables

Data Processing, Hosting, and Related Services

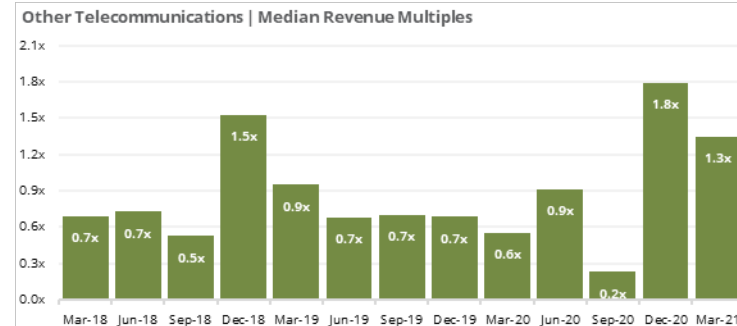
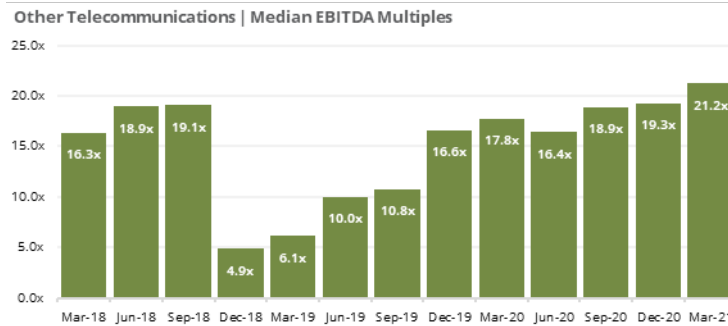


Company \$USD in Millions	Share Price	Shares O/S	Market Cap	Enterprise Value	Revenues (LTM)	EBITDA (LTM)	Enterprise Value /	
							Revenues	EBITDA
Alliance Data Systems Corporation	\$112.09	50	\$5,574	\$9,626	\$4,521	\$1,132	2.1x	8.5x
Automatic Data Processing, Inc.	\$188.47	426	\$80,197	\$80,838	\$14,645	\$3,687	5.5x	21.9x
Blucora, Inc.	\$16.64	48	\$803	\$1,245	\$755	\$72	1.6x	17.2x
Computer Services, Inc.	\$59.00	28	\$1,638	\$1,560	\$296	\$108	5.3x	14.5x
Dropbox, Inc. Class A	\$26.66	320	\$8,523	\$10,817	\$1,914	\$280	5.7x	38.6x
Equinix, Inc.	\$679.59	90	\$60,878	\$73,713	\$6,161	\$2,506	12.0x	29.4x
FactSet Research Systems Inc.	\$308.59	38	\$11,681	\$11,942	\$1,538	\$597	7.8x	20.0x
Global Payments Inc.	\$201.58	295	\$59,510	\$67,897	\$7,424	\$3,005	9.1x	22.6x
IDE Group Holdings Plc	\$0.02	401	\$9	\$30	\$33	\$0	0.9x	123.4x
Rackspace Technology, Inc.	\$23.78	206	\$4,903	\$8,718	\$2,707	\$570	3.2x	15.3x
Mean				\$26,639	\$3,999	\$1,196	5.3x	31.1x
Median				\$10,222	\$2,311	\$584	5.4x	21.0x

Source: FactSet

Public Comparables

Other Telecommunications

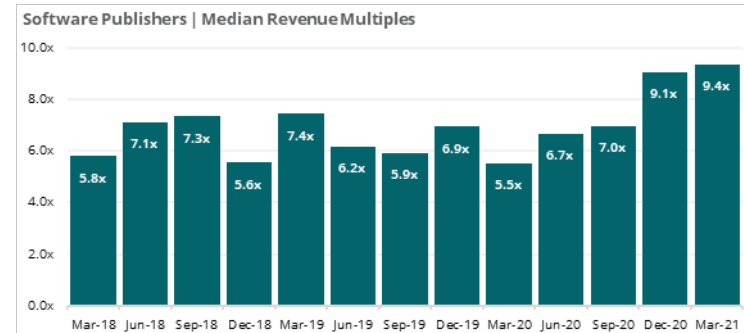
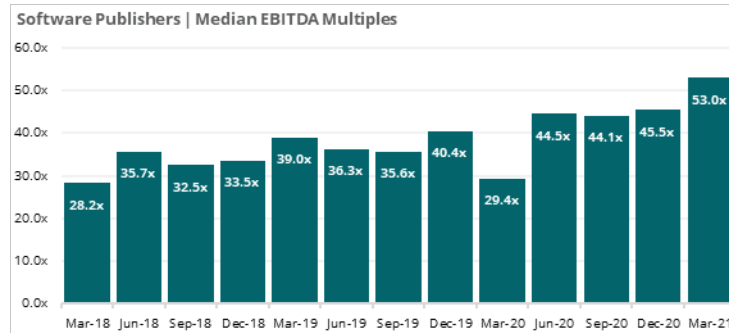


Company \$USD in Millions	Share Price	Shares O/S	Market Cap	Enterprise Value	Revenues (LTM)	EBITDA (LTM)	Enterprise Value /	
							Revenues	EBITDA
Alliance Creative Group, Inc.	\$0.44	1	\$0	\$2	\$9	\$0	0.2x	5.6x
Cogent Communications Holdings Inc	\$68.76	48	\$3,269	\$4,109	\$574	\$193	7.2x	21.2x
KonaTel, Inc.	\$0.32	41	\$13	\$13	\$9	\$0	1.3x	26.4x
Liberated Syndication Inc.	\$4.90	26	\$129	\$124	\$25	\$5	4.9x	24.3x
LiveWorld, Inc.	\$0.14	46	\$6	\$5	\$9	\$0	0.6x	10.7x
Mean				\$850	\$125	\$40	2.8x	17.6x
Median				\$13	\$9	\$0	1.3x	21.2x

Source: FactSet

Public Comparables

Software Publishers



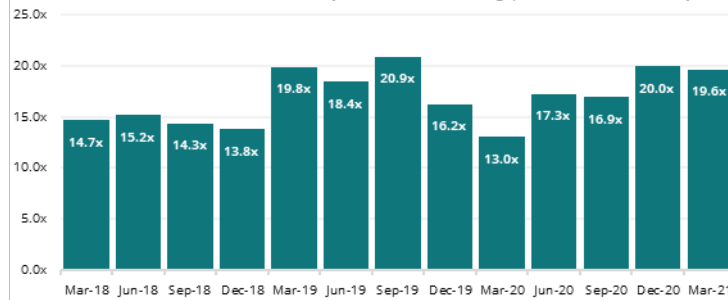
Company \$USD in Millions	Share Price	Shares O/S	Market Cap	Enterprise Value	Revenues (LTM)	EBITDA (LTM)	Enterprise Value /	
							Revenues	EBITDA
Bentley Systems, Incorporated Class B	\$46.93	264	\$12,384	\$12,945	\$802	\$219	16.1x	59.1x
Citrix Systems, Inc.	\$140.36	124	\$17,428	\$20,368	\$3,237	\$829	6.3x	24.6x
Digital Turbine, Inc.	\$80.36	89	\$7,185	\$7,161	\$258	\$52	27.8x	137.4x
Electronic Arts Inc.	\$135.37	288	\$38,936	\$33,309	\$5,668	\$1,437	5.9x	23.2x
Fortinet, Inc.	\$184.42	163	\$30,119	\$28,222	\$2,728	\$602	10.3x	46.9x
McAfee Corp. Class A	\$22.74	162	\$3,693	\$18,439	\$2,906	\$738	6.3x	25.0x
Palo Alto Networks, Inc.	\$322.06	97	\$31,318	\$31,777	\$3,783	\$354	8.4x	89.8x
Paycom Software, Inc.	\$370.06	60	\$22,272	\$19,031	\$841	\$239	22.6x	79.5x
Tyler Technologies, Inc.	\$424.53	41	\$17,285	\$16,604	\$1,117	\$255	14.9x	65.2x
VMware, Inc. Class A	\$150.45	112	\$16,816	\$64,355	\$11,767	\$3,218	5.5x	20.0x
Mean				\$25,221	\$3,311	\$794	12.4x	57.1x
Median				\$19,699	\$2,817	\$478	9.4x	53.0x

Source: FactSet

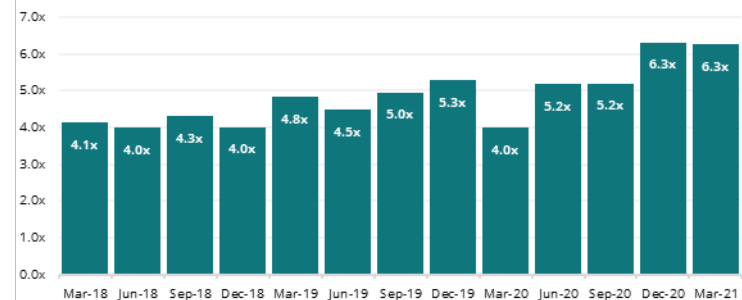
Public Comparables

Semiconductor and Other Electronic Component Manufacturing

Semiconductor and Other Electronic Component Manufacturing | Median EBITDA Multiples



Semiconductor and Other Electronic Component Manufacturing | Median Revenue Multiples



Company \$USD in Millions	Share Price	Shares O/S	Market Cap	Enterprise Value	Revenues (LTM)	EBITDA (LTM)	Enterprise Value /	
							Revenues	EBITDA
Advanced Micro Devices, Inc.	\$78.50	1,215	\$95,379	\$92,813	\$11,422	\$2,233	8.1x	41.6x
CMC Materials, Inc.	\$176.79	29	\$5,156	\$5,757	\$1,121	\$352	5.1x	16.4x
First Solar, Inc.	\$87.30	106	\$9,281	\$8,197	\$2,983	\$711	2.7x	11.5x
Intel Corporation	\$64.00	4,038	\$2,58,432	\$2,71,919	\$77,712	\$34,465	3.5x	7.9x
LightPath Technologies, Inc. Class A	\$3.10	27	\$82	\$84	\$37	\$6	2.3x	14.5x
Micron Technology, Inc.	\$88.21	1,121	\$98,920	\$98,848	\$23,503	\$9,799	4.2x	10.1x
Monolithic Power Systems, Inc.	\$353.21	46	\$16,155	\$15,397	\$844	\$186	18.2x	82.8x
NVIDIA Corporation	\$533.93	622	\$3,32,309	\$3,27,194	\$16,675	\$5,714	19.6x	57.3x
Semtech Corporation	\$69.00	65	\$4,482	\$4,398	\$595	\$107	7.4x	41.3x
Texas Instruments Incorporated	\$188.99	924	\$1,74,537	\$1,74,048	\$15,421	\$7,593	11.3x	22.9x
Mean				\$99,865	\$15,031	\$6,116	8.3x	30.6x
Median				\$54,105	\$7,202	\$1,472	6.3x	19.6x

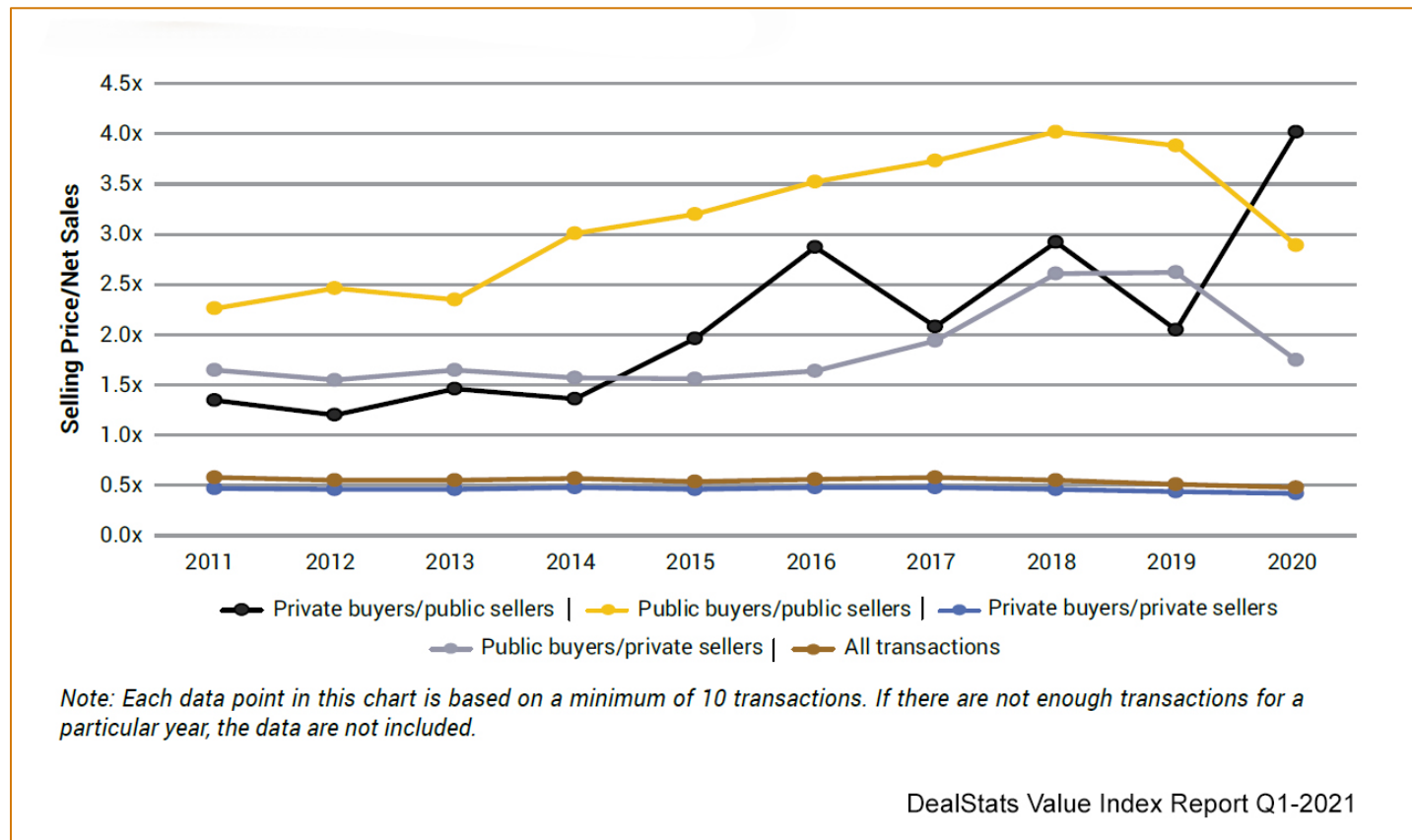
Source: FactSet

Public Vs. Private Comparables

Valuation Premiums Can Be Considerable

Regardless of industry, publicly traded companies often trade at premium valuations to privately held companies. This is reflected in M&A transactions and can lead to unrealistic value expectations for some business owners. The chart below illustrates this variance and shows that the variance has been both long term and growing.

Transactions between private buyer and private seller tend to be small by comparison and thus do not benefit from a “size” premium that is associated with transactions in general. While this chart does not breakout private equity transactions, our analysis indicates those transactions usually fall between public and private and move closer to public as size increases.





CFA Overview

About CFA

Who We Are / What We Do

Corporate Finance Associates (CFA) is an independent international investment banking firm serving middle-market businesses. For over 60 years Corporate Finance Associates has been advocating on behalf of business owners who are restructuring a company, either through divestiture, merger, acquisition or recapitalization. Combining the knowledge and leverage of a larger bank with the customer focused detail of a boutique firm, from inception to completion, our senior principals provide hands-on expertise to clients buying, selling or recapitalizing a business.

This Technology, Media & Telecom Industry Practice Group was established to draw on the experience of CFA advisors, many of whom as former business owners and CEOs, have first-hand knowledge and have completed many transactions in this industry. Working with your local CFA representative, you can be sure that the collective wealth of knowledge is available to every CFA client.



Sell-Side Advisory

Whether as a divestiture strategy or a recapitalization strategy selling all or part of a business requires equal parts creative thinking, critical analysis, expert advice, sound planning and flawless execution. Having the right team of investment banking professionals working for you is critical to ensure success.



Capital Markets

Our commitment to remaining independent from any investment or lending affiliates ensures that we deliver unbiased guidance. It also promotes maximum competition among lending sources, helping to fully leverage value for our clients. Our role is to help you raise the type of capital that best fits your needs.



Buy-Side Advisory

Growth through acquisition is a complex process. It involves strategy, planning, critical analysis, coordination and negotiation. When you want to take advantage of the fast growth offered by a consolidation or roll-up, CFA's broad reach, sources of financing and efficient closings can help you achieve your business growth goals.



Financial Advisory

Now that you have made the decision to raise capital for your business, choosing the right investment banker is critical. Whether you are buying out a partner, financing an acquisition or seeking growth capital, CFA is the right choice to help you achieve your financing goals.



Exit Planning

Every business will ultimately undergo a transfer via sale or merger, a charitable donation, a transfer to a child or relative or even bankruptcy, liquidation or death. Every ownership transfer carries with it a unique set of consequences and the best consequences usually begin with a clearly defined exit plan.



Business Valuation

"What is my business worth" is a question we often hear from business owners contemplating a business sale, merger or recapitalization. Answering this question depends on many factors, including the business valuation methods that are employed in the calculation.

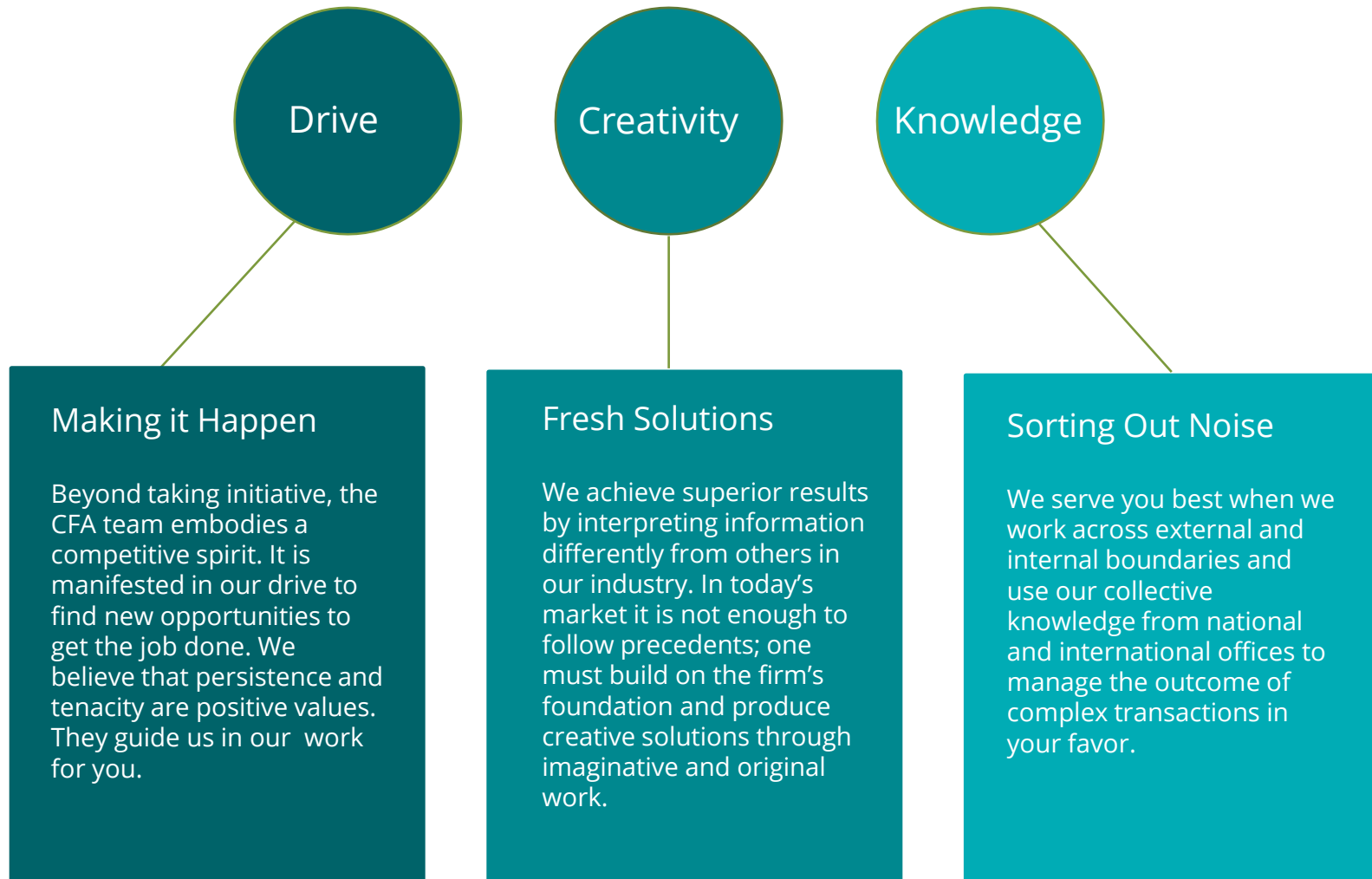
Regional Service, Global Reach

Where We Are

With offices across the USA and in Mexico, India, Austria, Belgium, Denmark, France, Germany, Ireland, Italy, Netherlands, Portugal, Spain, Switzerland and the United Kingdom providing middle-market companies with a wide range of M&A, financial advisory services and access to capital resources.



Delivering Results



Founded in 1956 • 70 Managing Directors • 37 Offices Worldwide • Billions in M&A Transactions

Worldwide Transactions

This announcement appears as a matter of record only

LAKE212
Be Smart

has been acquired by

TRANSPLEASE
The 212 Financial Company

A Portfolio Company of
GREENBRIAR
EQUITY GROUP LLC

The undersigned initiated and acted as exclusive financial advisor to the seller in the transaction

cfa CORPORATE FINANCE ASSOCIATES
Since 1956

This announcement appears as a matter of record only

Harrison Pet Products Inc.

has been acquired by

bosch
Power Tools

bosch Tiernahrung GmbH & Co. KG

The undersigned initiated and acted as financial advisor in the transaction

cfa CORPORATE FINANCE ASSOCIATES
Since 1956

This announcement appears as a matter of record only

CHARTER BUS LINES
of British Columbia

has merged with

TRAXX
COACHLINES

The undersigned initiated and acted as financial advisor in the transaction

cfa CORPORATE FINANCE ASSOCIATES
Since 1956

This announcement appears as a matter of record only

EWEN ENGINEERING
United Kingdom

has been acquired by

VELJAN
India

CFA London initiated and acted as advisor to the seller in the transaction

cfa CORPORATE FINANCE ASSOCIATES
Since 1956

This announcement appears as a matter of record only

neratec
services & consulting
Sweden

has been acquired by

WESTERMO
a division of
Beijer
TECHNICALS
Sweden

CFA Zurich initiated and acted as advisor to the seller in the transaction

cfa CORPORATE FINANCE ASSOCIATES
Since 1956

This announcement appears as a matter of record only

ONING ASSOCIATION

has been acquired by

INDEFF

The undersigned initiated and acted as advisor to the seller in the transaction

cfa CORPORATE FINANCE ASSOCIATES
Since 1956

This announcement appears as a matter of record only

FUN COMPANY
Louis
www.louis.com

has been acquired by

BERKSHIRE HATHAWAY

The undersigned acted as an advisor to the seller in the transaction

cfa CORPORATE FINANCE ASSOCIATES
Member Associated through Corporate Finance Associates, Inc.

This announcement appears as a matter of record only

CERVA
Czech Republic

has acquired

GROUP TB
TUBOS BORDO
Spain

CFA Dublin initiated and acted as advisor to the seller in the transaction

cfa CORPORATE FINANCE ASSOCIATES
Since 1956

This announcement appears as a matter of record only

South Coast Sales
division of

SASTA
Manufacturing Corporation
Ireland

has been acquired by

BASTA
Ireland

CFA Dublin initiated and acted as advisor to the seller in the transaction

cfa CORPORATE FINANCE ASSOCIATES
Since 1956

This announcement appears as a matter of record only

CyberMetric

has been acquired by

SGS
(SGSN)

The undersigned initiated and acted as financial advisor in the transaction

cfa CORPORATE FINANCE ASSOCIATES
Member Associated through Corporate Finance Associates, Inc.

This announcement appears as a matter of record only

TRIO
SUPPLY COMPANY

has been acquired by

Office DEPOT

The undersigned initiated the transaction and acted as the exclusive investment banker to the seller

cfa CORPORATE FINANCE ASSOCIATES
Member Associated through Corporate Finance Associates, Inc.

This announcement appears as a matter of record only

creamedix BIOLAB
Germany

has been acquired by

WESTLAK PARTNERS
China

CFA Zurich initiated and acted as advisor to the seller in the transaction

cfa CORPORATE FINANCE ASSOCIATES
Since 1956

This announcement appears as a matter of record only

CORAL SPRINGS
Animal Hospital

has been acquired by

encore
VET GROUP

The undersigned initiated the transaction and acted as the exclusive investment banker to the seller

cfa CORPORATE FINANCE ASSOCIATES
Since 1956

This announcement appears as a matter of record only

FAICHI
San Jose, California

has been acquired by

SAKSOFT
1001 East 17th Street
Parsippany, New Jersey

The undersigned initiated and acted as exclusive investment banker to the seller in the transaction

cfa CORPORATE FINANCE ASSOCIATES
Since 1956

This announcement appears as a matter of record only

Dgari
Grupo Dgari

has been acquired by

Dr.Oetker
Dr.Oetker

The undersigned initiated and acted as exclusive financial advisor to the shareholders of Grupo Dgari in the transaction

cfa CORPORATE FINANCE ASSOCIATES
Since 1956

This announcement appears as a matter of record only

tyco

Exclusive financial advisor to Earth Tech Mexico, S.A. of C.A. of Tyco's subsidiary in connection with the refinancing of any new debt with a USD100,000,000 loan from Citibank, JPMorgan Chase Bank, National Association and Wells Fargo, registered under treatment plans.

PEMEX

A member of the Financial Services Industry Practice Group was the exclusive advisor to Earth Tech Mexico S.A. in the transaction

cfa CORPORATE FINANCE ASSOCIATES
Since 1956

This announcement appears as a matter of record only

McDonald's

Restaurants Sudamerica, L.C.
exclusive operators of Burger King in Argentina and Chile

Exclusive financial advisor to ASEA in connection with the acquisition of Restoran Indonesia, L.L.C. the exclusive operator of the Burger King brand in Singapore and Chile, from Quad C Management, L.L.C. (Quad C), a leading US private equity group.

Alsea

A member of the Food & Beverage Industry Practice Group acted as exclusive financial advisor to Alsea

cfa CORPORATE FINANCE ASSOCIATES
Since 1956

This announcement appears as a matter of record only

HeadFirst

has acquired

STERIKSEN

Equity Backed By **KARTISA** Legal Advisor **HOBBIUS CLEMENT**

CFA Amsterdam initiated and acted as advisor to the buyer in the transaction

cfa CORPORATE FINANCE ASSOCIATES
Since 1956

This announcement appears as a matter of record only

MEDIA PRODUCTIONS
France

has been acquired by

Carus
Global Media

a division of
KE
Korea Service Corporation
United Kingdom/Japan

The undersigned was the exclusive advisor to the seller in the transaction

cfa CORPORATE FINANCE ASSOCIATES
Member Associated through Corporate Finance Associates, Inc.

This announcement appears as a matter of record only

MINT ARCHITECTURE
Sweden

has been acquired by

APP
architekten
ingenieurs
Austria

CFA Zurich initiated and acted as advisor to the seller in the transaction

cfa CORPORATE FINANCE ASSOCIATES
Since 1956

This announcement appears as a matter of record only

AMT
APPLIED MEDICAL TECHNOLOGY
United Kingdom

has been acquired by

CANE
Medical Technology
Italy

The undersigned initiated and acted as advisor to the seller in the transaction

cfa CORPORATE FINANCE ASSOCIATES
Since 1956

This announcement appears as a matter of record only

CERQUISA
Spain

has been acquired by

UPL
United Phosphorus Limited
United Kingdom

CFA London initiated and acted as advisor to the seller in the transaction

cfa CORPORATE FINANCE ASSOCIATES
Since 1956

This announcement appears as a matter of record only

SPEAR
Contract Logistics

has been acquired by

FM LOGISTIC

The undersigned acted as financial advisor in the transaction

cfa CORPORATE FINANCE ASSOCIATES
Since 1956

This announcement appears as a matter of record only

exult.

has been acquired by

newgen
KnowledgeWorks

The undersigned initiated and acted as advisor in the transaction

cfa CORPORATE FINANCE ASSOCIATES
Since 1956

Industry Practice Groups

Technology, Media & Telecom



Technology, Media & Telecom practice group is comprised of accomplished dealmakers with extensive experience in advising both public and private companies in the industry. These dealmakers offer expert service in acquisitions, divestitures, financing, and strategic planning to a wide range of companies operating in multiple subsectors including:

Technology

- IT Services & Business Process Outsourcing
- Servers, Equipment & Systems
- Semiconductors
- Software, including embedded applications
- Web, Mobile and Social Network Applications & Services

Media






- Broadcasting & Entertainment
- Digital Marketing & Media
- Diversified Media & Publishing

Telecommunications

- Broadband Networks
- Maritime Communications
- Satellite Communications
- Wireless & Wireline Communications
- Content Delivery Networks

Agriculture
Aerospace/Defense/Government
Business Services
Commercial Real Estate
Consumer Retail
Energy
Engineering/Construction
Equipment
Financial Services
Food/Beverage
Healthcare
Hospitality/Leisure
Industrials
Metal Fabrication
Plastics/Rubber
Print/Packaging
Semi Conductor
Technology/Media/Telecom
Transportation/Logistics/Supply Chain
Wholesale Distribution

Recent Industry Transactions

<p><i>This announcement appears as a matter of record only</i></p>  <p>Hovik, Norway</p> <p><i>a subsidiary of the listed French-Belgian company AKKA Technologies SE, indirectly acquires 100% of the shares of</i></p>  <p>Hannover, Germany</p> <hr/> <p><i>CFAW Frankfurt initiated and acted as advisor to the seller in the transaction</i></p> <hr/>  <p>CORPORATE FINANCE ASSOCIATES Since 1956</p>	<p><i>This announcement appears as a matter of record only</i></p>  <p><i>has been acquired by</i></p>  <p>A Portfolio Company of</p>  <hr/> <p><i>The undersigned initiated and acted as the exclusive investment banker to the seller in the transaction</i></p> <hr/>  <p>CORPORATE FINANCE ASSOCIATES <small>Securities transacted through Corporate Finance Securities, Inc.</small></p>	<p><i>This announcement appears as a matter of record only</i></p> <p>American TeleTech, Inc. Fort Collins, Colorado</p> <p><i>has been acquired by</i></p> <p>Yeti Networks, Inc. Gillette, Wyoming</p> <hr/> <p><i>The undersigned initiated and acted as the exclusive investment banker to the seller in the transaction</i></p> <hr/>  <p>CORPORATE FINANCE ASSOCIATES <small>Securities transacted through Silver Oak Securities, Inc.</small></p>	<p><i>This announcement appears as a matter of record only</i></p>  <p><i>has been acquired by</i></p>  <hr/> <p><i>The undersigned initiated the transaction and acted as the exclusive investment banker to the seller</i></p> <hr/>  <p>CORPORATE FINANCE ASSOCIATES Since 1956</p>	<p><i>This announcement appears as a matter of record only</i></p> <p>LimelightHealth</p> <p><i>has been acquired by</i></p>  <hr/> <p><i>The undersigned acted as Purchaser Representative to shareholders of Limelight Health, Inc.</i></p> <hr/>  <p>CORPORATE FINANCE ASSOCIATES Since 1956</p>
<p><i>This announcement appears as a matter of record only</i></p> <p>Diabrasive AG</p> <p><i>has acquired a majority stake in</i></p>  <hr/> <p><i>The undersigned initiated and acted as advisor to the sellers in the transaction</i></p> <hr/>  <p>CORPORATE FINANCE ASSOCIATES Since 1956</p>	<p><i>This announcement appears as a matter of record only</i></p> <p>SLENDERTONE®</p> <p><i>has received funding from</i></p> <p>BEECHBROOKcapital</p> <hr/> <p><i>The undersigned initiated and acted as advisor to Slendertone in the transaction</i></p> <hr/>  <p>CORPORATE FINANCE ASSOCIATES Since 1956</p>	<p><i>This announcement appears as a matter of record only</i></p> <p>Texas CEO MAGAZINE</p> <p><i>has been acquired by</i></p> <p>TheAmericanCEO <small>walking the tightrope</small></p> <hr/> <p><i>The undersigned initiated the transaction and acted as the exclusive investment banker to the seller</i></p> <hr/>  <p>CORPORATE FINANCE ASSOCIATES <small>Securities transacted through Corporate Finance Securities, Inc.</small></p>	<p><i>This announcement appears as a matter of record only</i></p>  <p><i>has been acquired by</i></p>  <hr/> <p><i>The undersigned initiated the transaction and acted as the exclusive investment banker to the seller</i></p> <hr/>  <p>CORPORATE FINANCE ASSOCIATES <small>Securities transacted through Corporate Finance Securities, Inc.</small></p>	<p><i>This announcement appears as a matter of record only</i></p> <p>architel CLOUD EXPERTS</p> <p><i>has been acquired by</i></p>  <hr/> <p><i>The undersigned initiated and acted as financial advisor in the transaction</i></p> <hr/>  <p>CORPORATE FINANCE ASSOCIATES <small>Securities transacted through Corporate Finance Securities, Inc.</small></p>