

Technology, Media and Telecom

INDUSTRY REPORT

Spring | 2022

CREATING
M&A STRATEGIES
FOR BUSINESS OWNERS
SINCE 1956





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Market Observations

Market Summary

Technology, Media and Telecom

The Technology, Media, and Telecommunications (TMT) industry helped in maintaining the productivity, efficiency, and connectivity for businesses and individuals during the pandemic. The global Information Technology market was valued at \$8,384 billion in 2021, and is expected to reach \$9,326 billion in 2022, growing at a CAGR of 11.2%, during the period 2021-22, as per research published by The Business Research Company. The technology industry has thrived over the last few years. It is expected that technology companies would continue to strengthen their efforts to improve transparency, adaptability, and digital innovation to fuel the next wave of growth. The global media market was valued at \$1,990 billion in 2021, and is expected to reach \$2,233 billion in 2022, growing at a CAGR of 12.2% during the period 2021-22, as per research published by The Business Research Company. The demand for streaming services, social media, gaming, and other forms of online entertainment grew significantly during the pandemic, which increased the valuations of media companies. The global telecommunications market size is projected to reach \$1,930 billion by 2027, growing at a CAGR of 1.5% during 2021-2027, as per research published by The Expresswire. Investment in advanced telecommunication technologies and market competitiveness are some of the factors driving the growth of telecommunications industry.

Public Company Valuations

The CFAW Select Technology Index was up by 0.8% in the first quarter of 2022, and the 12 months return on the Index was 25.4%. Our index for each of the subsector of Technology decreased in the first quarter of 2022, except for Software Publishers Index and Semiconductor & Other Electronic Component Manufacturing Index, which was up by 3.4% and 2.2%, respectively. Software Publishers had the highest median revenue and EBITDA multiple with 9.6x and 42.8x, respectively. Electronics and Appliance Stores had median revenue and EBITDA multiples of 0.9x and 8.8x, while Professional and Commercial Equipment and Supplies Merchant Wholesalers had median revenue and EBITDA multiples of 0.5x and 11.1x, respectively. Computer Systems Design and Related Services, Data Processing, Hosting, and Related Services, Other Telecommunications, and Semiconductor and Other Electronic Component Manufacturing had median revenue multiples of 2.5x, 4.4x, 3.1x, 5.4x and median EBITDA multiples of 15.2x, 13.8x, 18.7x, 16.9x respectively.



The public technology market remained relatively flat in the first quarter of 2022...

Mergers and Acquisitions

The M&A activity is expected to remain vibrant in 2022, with PE firms increasing their investment in technology companies or in acquiring divested technological non-core assets. The M&A landscape is expected to be driven by digital transformation and the growing scope and advancement of technology. TMT companies are expected to pursue their digital transformation initiatives through acquisitions and investments in tech-enabled assets. The ESG metric is also expected to be a significant factor to focus on M&A transactions in 2022 and beyond. The regulatory environment poses a risk, since large M&A transactions are expected to be scrutinized even more in the future. However, M&A deals in TMT industry have ultimately benefitted the end users of technology. Hence, it is expected that M&A activity will remain strong in 2022.

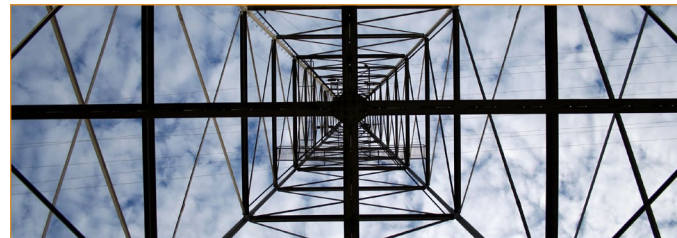
Industry Trends

Hyper-automation

Hyper-automation refers to the use of a variety of innovative technologies to automate a business process from beginning to end. Hyper-automation has the capacity to transform enterprises. Technologies such as Robotics, Artificial Intelligence (AI), and Machine Learning (ML) have driven companies in every industry to the verge of digital transformation. Some of the benefits of hyper-automation includes real-time project updates, acceleration of complex work and increase in business productivity. Innovative technologies such as Robotic Process Automation (RPA), Artificial Intelligence (AI), Machine Learning (ML), and Intelligent Business Process Management (IBPM) are frequently combined to enable Hyper-automation. Hyper-automation takes advantage of the synergetic capabilities provided by these technologies. It is expected to alter everyday job activities, including those of company decision-makers, employees, and even customers.

Distributed Enterprises

A distributed enterprise is an extension of the traditional location-centric corporation, in which both workers and customers are geographically separated due to remote work and travel constraints. A distributed enterprise usually has a central office with local information technology (IT) workers and networking capabilities. The adoption of a distributed enterprise strategy requires investments in both technology and personnel. Enterprise-grade security, SD-WAN (software-defined wide area network), and cloud computing are some of the examples of technological investments. The transition to a distributed enterprise model is a form of adapting to the pandemic's uncertainty. Some of the benefits such as lower operational costs, international talent involvement and improvement in non-financial reporting can be reaped by organisation by deployment of distributed enterprise model.



Real-time Convergent Charging

A Convergent Charging system enables real-time service control and balance management. Convergent Charging is a technique used by the telecommunications industry to properly manage revenue by merging all service costs into a single invoice to a client. Real-time Convergent Charging is predicted to be an exclusive feature for telecommunications operators in the 5G era. Some of the common service types using Real-time Convergent Charging include account handling for voice and data, cable TV, Internet, and telephones. Real-time charging enables providers to offer bundled family-friendly, multiuser service packages that combines pre- and postpaid services. A Convergent Charging system is beneficial to the users, primarily due to its real-time billing capabilities. It can notify the users when the account balance threshold determined by the operator is depleted.

Significant News

E.U. Takes Aim at Big Tech's Power With Landmark Digital Act

The New York Times, March 24, 2022

"The European Union agreed to one of the world's most far-reaching laws to address the power of the biggest tech companies, potentially reshaping app stores, online advertising, e-commerce, messaging services and other everyday digital tools. The law, called the Digital Markets Act, is the most sweeping piece of digital policy since the bloc put the world's toughest rules to protect people's online data into effect in 2018. The legislation is aimed at stopping the largest tech platforms from using their interlocking services and considerable resources to box in users and squash emerging rivals, creating room for new entrants and fostering more competition."

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Walmart launches AI-powered virtual clothing try-on technology for online shoppers

TechCrunch, March 2, 2022

"Last May, Walmart announced its acquisition of the virtual clothing try-on startup Zeekit, which leveraged a combination of real-time image processing, computer vision, deep learning and other AI technologies to show shoppers how they would look in an item by way of a simulation that takes into account body dimensions, fit, size and even the fabric of the garment itself. Today, Walmart says it's bringing that technology to Walmart.com and its Walmart mobile app."

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Amazon opens first Whole Foods equipped with cashierless technology

The Verge, March 1, 2022

"Amazon has brought its cashierless Just Walk Out technology to a Whole Foods store for the first time, allowing customers to shop and leave the store with their items without having to interact with any kind of cashier. The revamped store opened on February 23rd in Washington, DC's Glover Park neighborhood, where there's been a Whole Foods store for over 20 years. Although Amazon has been operating cashierless grocery stores in increasingly large Amazon Go and Amazon Fresh-branded stores, this is the first time it's bringing the technology to a Whole Foods store. Amazon bought the grocery chain for \$13.7 billion in 2017, but until now the brand's integration with Amazon has been more minimal, consisting of discounts and free delivery for Prime subscribers."

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M&A Metrics

Technology Industry

M&A activity in the Technology industry decreased in Q1 2022. The number of M&A transactions in the industry decreased from 2,074 in Q4 2021 to 1,688 in Q1 2022. The number of sub-\$50 million transactions decreased from 1,861 in Q4 2021 to 1,547 in Q1 2022. The number of transactions above \$100 million decreased from 158 in Q4 2021 to 98 in Q1 2022. The total number of M&A transactions decreased 10.2% year on year from 1,879 in Q1 2021 to 1,688 in Q1 2022.



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

Transaction Value	Q2 2019	Q3 2019	Q4 2019	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q1 2022
Not Disclosed	851	947	909	871	706	1,015	1,172	1,427	1,329	1,512	1,503	1,276
Under \$10 MM	155	166	169	140	126	168	197	171	183	210	229	169
\$10 - \$25 MM	68	27	61	48	49	52	86	69	81	66	80	59
\$25 - \$50 MM	33	36	41	35	28	37	61	44	62	44	49	43
\$50 - \$100 MM	19	31	33	25	14	25	49	43	43	46	55	43
\$100 - \$500 MM	48	38	51	41	34	52	68	64	83	83	92	58
\$500 MM+	32	28	24	14	11	40	48	61	49	56	66	40
Total Transactions	1,206	1,273	1,288	1,174	968	1,389	1,681	1,879	1,830	2,017	2,074	1,688

Source: FactSet

M&A Metrics – Data Services

Data Services

The number of M&A transactions in the Data Services decreased from 145 in Q4 2021 to 96 in Q1 2022. The number of sub-\$50 million transactions decreased from 132 in Q4 2021 to 86 in Q1 2022. The number of transactions above \$100 million decreased from 10 in Q4 2021 to 6 in Q1 2022. The total number of M&A transactions decreased 28.9% year on year from 135 in Q1 2021 to 96 in Q1 2022.



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

Transaction Value	Q2 2019	Q3 2019	Q4 2019	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q1 2022
Not Disclosed	62	58	57	44	45	75	87	110	90	110	107	69
Under \$10 MM	6	14	13	9	7	10	7	10	14	13	18	9
\$10 - \$25 MM	3	1	5	2	1	4	6	2	8	2	6	6
\$25 - \$50 MM	4	3	3	0	0	0	6	2	2	2	1	2
\$50 - \$100 MM	0	4	3	0	0	1	2	3	2	1	3	4
\$100 - \$500 MM	4	4	2	2	2	0	2	4	6	8	6	4
\$500 MM+	1	2	3	0	1	2	6	4	1	5	4	2
Total Transactions	80	86	86	57	56	92	116	135	123	141	145	96

Source: FactSet

Industry Metrics

Industry Financial Data and Ratios

NAICs 443142 - Electronics Stores

Financial Metric	Last12 Mo	2021	2020
Current Ratio	2.15	2.47	2.97
Gross Profit Margin	34.54%	41.01%	46.64%
Net Profit Margin	10.69%	11.00%	6.04%
Accounts Receivable Days	25.77	25.64	31.69
Accounts Payable Days	40.33	48.37	49.14
Debt-to-Equity Ratio	2.3	2.65	2.32
Return on Equity	45.95%	40.26%	52.86%
Sales per Employee	--	--	--
Profit per Employee	--	--	--
Sales Growth	19.37%	16.09%	3.14%
Profit Growth	122.60%	97.00%	56.17%

NAICs 423430 - Computer & Computer Peripheral Equipment & Software

Financial Metric	Last12 Mo	2021	2020
Current Ratio	4.95	4.33	2.51
Gross Profit Margin	35.88%	33.61%	39.11%
Net Profit Margin	10.12%	8.94%	6.85%
Accounts Receivable Days	50.42	52.25	53.53
Accounts Payable Days	44.73	53.95	55.63
Debt-to-Equity Ratio	1.54	2.82	3.23
Return on Equity	50.83%	60.62%	49.37%
Sales per Employee	--	--	--
Profit per Employee	--	--	--
Sales Growth	--	45.16%	11.34%
Profit Growth	--	81.53%	55.39%

NAICs 5415 - Computer Systems Design and Related Services

Financial Metric	Last12 Mo	2021	2020
Current Ratio	4.5	4.17	3.37
Gross Profit Margin	58.04%	58.15%	61.96%
Net Profit Margin	11.86%	10.93%	8.92%
Accounts Receivable Days	50.57	58.69	48.85
Accounts Payable Days	29.73	30.21	32.59
Debt-to-Equity Ratio	1.62	1.94	2.13
Return on Equity	66.49%	65.48%	57.04%
Sales per Employee	\$200,308	\$200,308	\$196,114
Profit per Employee	\$37,007	\$37,007	\$21,890
Sales Growth	14.36%	11.03%	8.85%
Profit Growth	25.04%	20.92%	27.60%

NAICs 5182 - Data Processing, Hosting, and Related Services

Financial Metric	Last12 Mo	2021	2020
Current Ratio	5.3	4.11	3.23
Gross Profit Margin	67.11%	70.47%	66.46%
Net Profit Margin	19.04%	15.07%	4.97%
Accounts Receivable Days	40.95	54.01	56.93
Accounts Payable Days	26.57	38.74	43.3
Debt-to-Equity Ratio	1.56	2.08	2.04
Return on Equity	81.21%	65.95%	40.79%
Sales per Employee	--	--	\$176,707
Profit per Employee	\$234,860	\$234,860	\$45,933
Sales Growth	26.45%	24.16%	10.55%
Profit Growth	17.52%	13.40%	37.06%

Source: Profit Cents

Industry Metrics

Industry Financial Data and Ratios

NAICs 5179 - Other Telecommunications

Financial Metric	Last12 Mo	2021	2020
Current Ratio	2.34	1.98	2.8
Gross Profit Margin	52.99%	50.70%	56.58%
Net Profit Margin	15.28%	11.85%	8.14%
Accounts Receivable Days	39.27	38.2	47.35
Accounts Payable Days	84.48	73.85	53.27
Debt-to-Equity Ratio	0.92	1.34	2.33
Return on Equity	61.52%	52.70%	57.86%
Sales per Employee	--	--	\$136,616
Profit per Employee	--	--	(\$3,184)
Sales Growth	12.66%	12.66%	1.08%
Profit Growth	53.39%	53.39%	26.04%

NAICs 5112 - Software Publishers

Financial Metric	Last12 Mo	2021	2020
Current Ratio	3.5	2.81	3.68
Gross Profit Margin	78.38%	75.75%	75.60%
Net Profit Margin	9.68%	9.19%	-0.46%
Accounts Receivable Days	59.4	62.39	62.11
Accounts Payable Days	81.01	62.73	95.3
Debt-to-Equity Ratio	0.64	0.89	1.86
Return on Equity	30.58%	37.62%	17.14%
Sales per Employee	\$195,801	\$196,039	--
Profit per Employee	\$36,353	\$29,800	--
Sales Growth	10.82%	12.74%	18.50%
Profit Growth	98.22%	62.36%	25.70%

NAICs 3344 - Semiconductor & Other Electronic Component Manufacturing

Financial Metric	Last12 Mo	2021	2020
Current Ratio	4.43	4.53	3.42
Gross Profit Margin	32.86%	32.31%	37.26%
Net Profit Margin	5.07%	1.26%	5.09%
Accounts Receivable Days	48.63	48.98	51.71
Accounts Payable Days	34.18	37.37	41.25
Debt-to-Equity Ratio	1.51	1.42	1.32
Return on Equity	24.44%	26.65%	24.40%
Sales per Employee	\$105,183	\$105,183	\$102,154
Profit per Employee	\$8,194	\$8,194	\$9,923
Sales Growth	4.04%	-2.02%	1.13%
Profit Growth	42.47%	33.80%	23.60%

Source: Profit Cents



Transaction Highlights

Notable Transactions



In March 2022, **Mount Rainier Acquisition Corp** entered into a definitive business combination agreement to acquire **Hub Cyber Security (Israel) Ltd** for ILS4.6 billion (US\$1.4 billion) in stock and contingent payout, via reverse takeover. Following the transaction, the combined company will operate under the "HUB Security" name and is expected to be listed on Nasdaq, under the new ticker symbol "HUBC", also, the shareholders of Hub Cyber Security (Israel) Ltd will retain their 100% existing shares and are expected to own approximately 81.3% stake in the combined company. Hub Cyber Security (Israel) Ltd is located in Or Yehuda, Tel Aviv, Israel and develops software's and provides consulting services.



In March 2022, **Google LLC**, a subsidiary of Alphabet Inc, entered into a definitive agreement to acquire **Mandiant Inc** for US\$5.4 billion in cash. The transaction will be funded through cash on hand. The acquisition strengthens cloud technologies of Google LLC. Following the transaction, Mandiant will join Google Cloud. Founded in 2004, Mandiant Inc is located in Reston, Virginia, United States and develops virtual machine-based security platform that provides real-time threat protection from cyber attacks.



In March 2022, **Partners Group** agreed to acquire **Forterro Inc**, a portfolio company of Battery Ventures for US\$1.1 billion in cash. The transaction is in line with growth strategy of Partners Group. Founded in 2012, Forterro Inc is located in Austin, Texas, United States and provides software solutions. It has over 1,200 employees..



In March 2022, **Limelight Networks Inc** entered into a definitive agreement to acquire **EdgeCast Networks Inc** from Verizon Communications Inc for US\$319.2 million in stock and contingent payout, subject to customary closing adjustments. The acquisition expands and strengthens Limelight Networks Inc's platform. Upon closing of the transaction, Limelight Networks Inc will own 68.1% and Yahoo will own 31.9% in the combined company. Following the transaction, Limelight Networks Inc will be rebranded as Edgio. EdgeCast Networks Inc is located in Santa Monica, California, United States and provides content delivery services for media companies.



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Select M&A Transactions

Date	Target Name	Acquirer Name	Enterprise Value (MM)	Revenue	EBITDA
3/23/2022	Hub Cyber Security (Israel) Ltd.	Mount Rainier Acquisition Corp.	1,407	17	-3
3/8/2022	Mandiant, Inc.	Google LLC	4,679	483	-249
3/7/2022	EdgeCast Networks, Inc.	Limelight Networks, Inc.	319	NM	NM
3/1/2022	Forterro, Inc.	Partners Group (Private Equity)	1,123	NM	NM
2/10/2022	Informa Business Intelligence, Inc. /P I Division/	Warburg Pincus LLC; Mubadala Investment Co. PJSC; Informa Business Intelligence, Inc. /P I Division/ /Prvt Grp/	2,709	NM	NM
2/1/2022	MariaDB Corp. Ab	Angel Pond Holdings Corp.	625	NM	NM
1/31/2022	Citrix Systems, Inc.	Vista Equity Partners Management LLC; Evergreen Coast Capital Corp.; Citrix Systems, Inc. /Private Group/	16,117	3,217	703
1/31/2022	Bungie, Inc.	Sony Interactive Entertainment LLC	3,600	NM	NM
1/19/2022	GFI Informatique SA	Bain Capital Private Equity LP; NB Renaissance Partners; Gfi Informatique SA /Private Group 1/	2,391	NM	NM
1/19/2022	Cyrusone, Inc. /4 Data Centers/	DataBank Ltd.	670	NM	NM
1/18/2022	Activision Blizzard, Inc.	Microsoft Corp.	67,482	8,803	NM
1/18/2022	ProKidney LLC	Social Capital Suvretta Holdings Corp. III	1,889	NM	NM
1/11/2022	Wind River Systems, Inc.	Aptiv Plc	4,300	400	NM
1/10/2022	Zynga, Inc.	Take-Two Interactive Software, Inc.	11,359	2,801	477
1/10/2022	CloudMed LLC	R1 RCM, Inc.	4,089	NM	NM
1/6/2022	Trifacta, Inc.	Alteryx, Inc.	400	NM	NM
1/3/2022	Teraco Data Environments Pty Ltd.	Digital Titan Pty Ltd.	3,091	NM	NM

(\$ in millions) Source: Factset

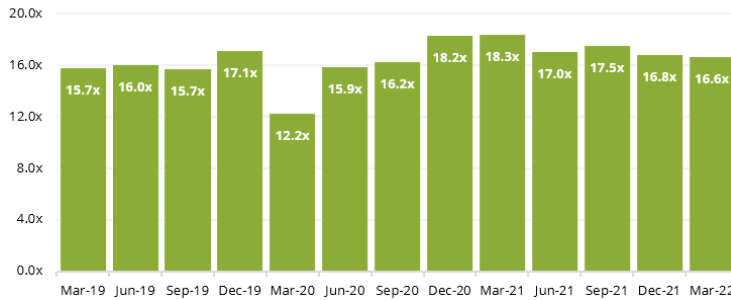


Public Companies

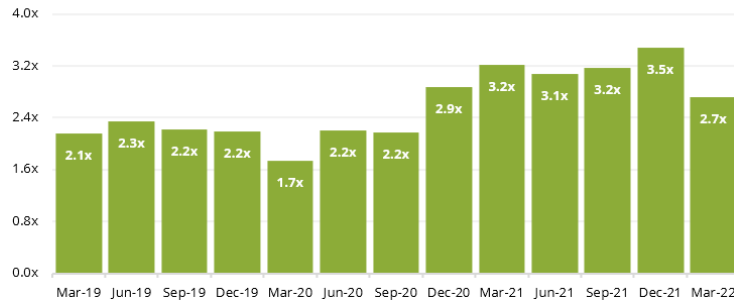
Industry Performance

CFAW Select Technology Index

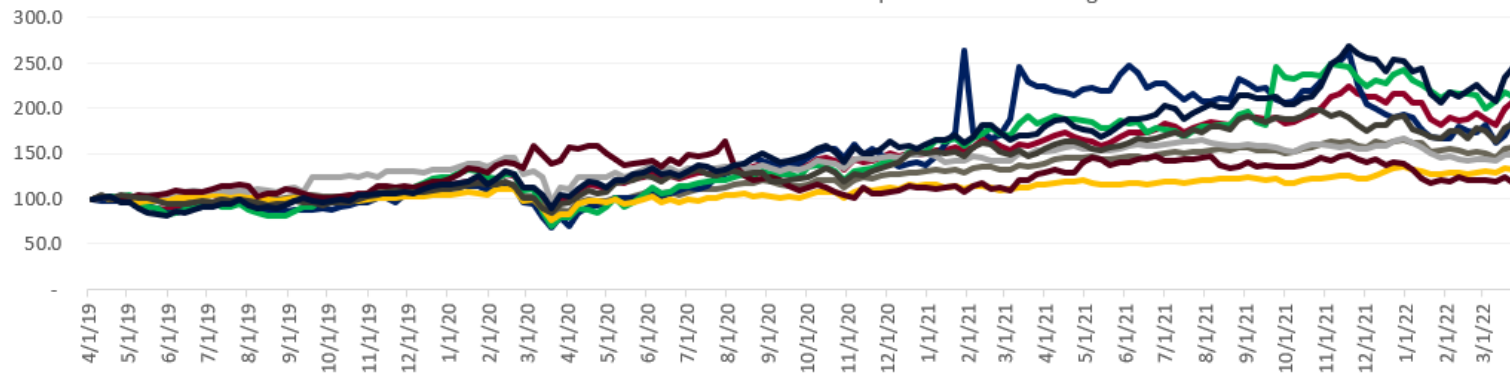
CFAW Select Technology Index | Median EBITDA Multiples



CFAW Select Technology Index | Median Revenue Multiples



- 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

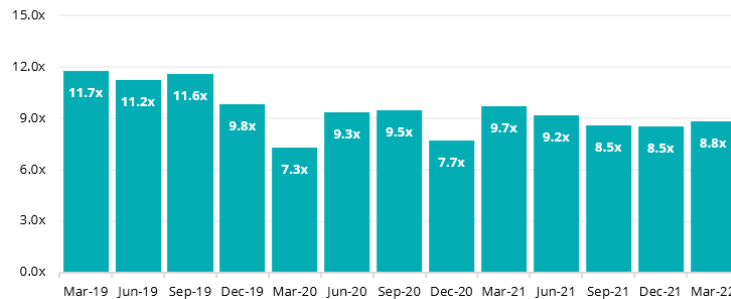


Source: FactSet

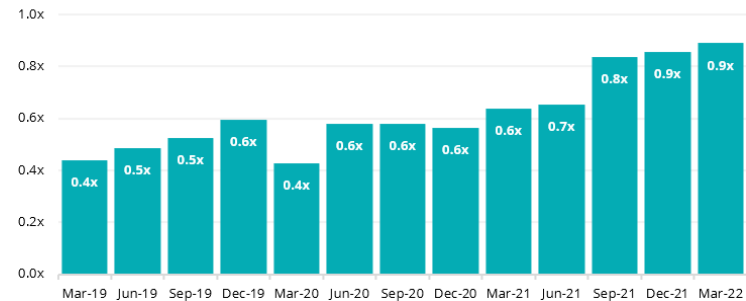
Public Comparables

Electronics and Appliance Stores

Electronics and Appliance Stores | Median EBITDA Multiples



Electronics and Appliance Stores | Median Revenue Multiples



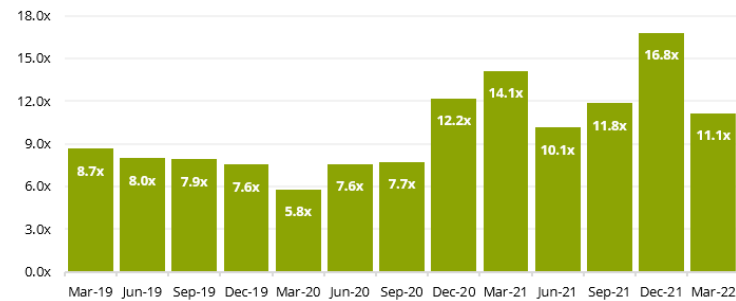
Company \$USD in Millions	Share Price	Shares O/S	Market Cap	Enterprise Value	Revenues (LTM)	EBITDA (LTM)	Enterprise Value /	
							Revenues	EBITDA
Best Buy Co., Inc.	\$90.90	225	\$20,473	\$21,206	\$51,761	\$3,866	0.4x	5.5x
Brimag Digital Age Ltd	\$12.84	10	\$130	\$174	\$160	\$25	1.1x	7.0x
Com7 Public Co. Ltd.	\$1.29	2,400	\$3,104	\$3,183	\$1,470	\$108	2.2x	29.5x
Copperwired Public Co. Ltd.	\$0.16	600	\$95	\$94	\$128	\$7	0.7x	13.4x
ePlus inc.	\$56.06	27	\$1,507	\$1,512	\$1,702	\$143	0.9x	10.5x
Frontier Developments Plc	\$16.43	39	\$648	\$627	\$142	\$50	4.4x	12.7x
GameStop Corp. Class A	\$166.58	76	\$12,717	\$12,061	\$6,011	(\$281)	2.0x	NM
PC Depot Corporation	\$2.50	53	\$131	\$95	\$314	\$25	0.3x	3.8x
Syscom Computer Engineering Co., Ltd.	\$1.01	100	\$101	\$76	\$210	\$13	0.4x	5.8x
Paltek Corporation	NM	NM	NM	NM	\$282	\$4	NM	NM
Mean				\$4,337	\$6,218	\$396	1.4x	11.0x
Median				\$627	\$298	\$25	0.9x	8.8x

Source: FactSet

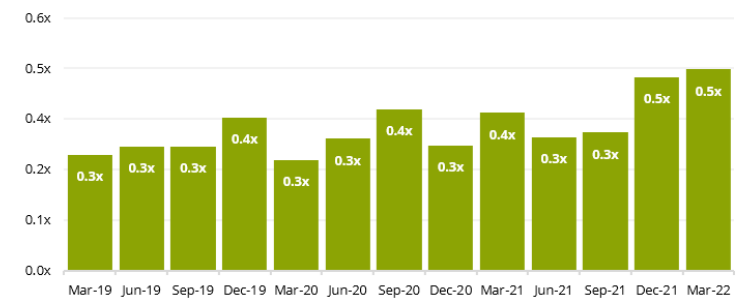
Public Comparables

Professional, Commercial Equipment, Supplies Merchant Wholesalers

Professional, Commercial Equipment, Supplies Merchant Wholesalers | Median EBITDA Multiples



Professional, Commercial Equipment, Supplies Merchant Wholesalers | Median Revenue Multiples



Company \$USD in Millions	Share Price	Shares O/S	Market Cap	Enterprise Value	Revenues (LTM)	EBITDA (LTM)	Enterprise Value /	
							Revenues	EBITDA
Action S.A.	\$3.36	20	\$67	\$57	\$593	\$26	0.1x	2.2x
Argo Blockchain Plc	\$0.95	468	\$443	\$410	\$52	\$33	7.8x	12.4x
D-Link Corporation	\$0.59	600	\$353	\$262	\$547	\$16	0.5x	16.7x
Digiworld Corp.	\$6.22	88	\$550	\$533	\$741	\$19	0.7x	28.6x
Dyntek, Inc.	NM	2	NM	NM	\$196	\$10	NM	NM
Intevac, Inc.	\$5.35	25	\$133	\$27	\$39	(\$19)	0.7x	NM
Paragon Technologies, Inc.	\$6.41	2	\$10	\$16	\$142	\$8	0.1x	2.0x
ScanSource, Inc.	\$34.79	26	\$891	\$1,074	\$3,304	\$137	0.3x	7.8x
SoftwareONE Holding Ltd.	\$14.19	159	\$2,251	\$1,627	\$1,055	\$165	1.5x	9.9x
TD SYNEX Corporation	\$103.21	95	\$9,854	\$14,390	\$31,614	\$867	0.5x	16.6x
Mean				\$2,044	\$3,828	\$126	1.4x	12.0x
Median				\$410	\$570	\$22	0.5x	11.1x

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



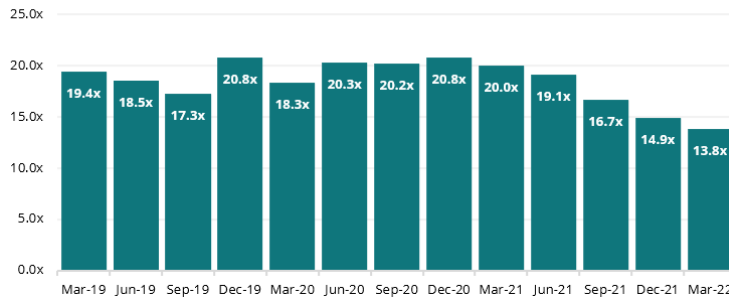
Company \$USD in Millions	Share Price	Shares O/S	Market Cap	Enterprise Value	Revenues (LTM)	EBITDA (LTM)	Enterprise Value /	
							Revenues	EBITDA
Amdocs Limited	\$82.21	125	\$10,245	\$10,194	\$4,307	\$800	2.4x	12.7x
Beyondsoft Corporation Class A	\$2.09	577	\$1,208	\$957	\$851	\$97	1.1x	9.8x
CDW Corp.	\$178.89	135	\$24,140	\$31,405	\$20,821	\$1,664	1.5x	18.9x
Cerner Corporation	\$93.56	294	\$27,492	\$28,581	\$5,765	\$1,711	5.0x	16.7x
Cognizant Technology Solutions Corporation Class A	\$89.67	525	\$47,035	\$45,971	\$18,507	\$3,337	2.5x	13.8x
Jack Henry & Associates, Inc.	\$197.05	73	\$14,350	\$14,618	\$1,866	\$751	7.8x	19.5x
NetScout Systems, Inc.	\$32.08	74	\$2,368	\$2,232	\$878	\$179	2.5x	12.4x
Perficient, Inc.	\$110.09	35	\$3,806	\$4,143	\$761	\$140	5.4x	29.6x
Science Applications International Corp.	\$92.17	56	\$5,166	\$7,827	\$7,394	\$673	1.1x	11.6x
VeriSign, Inc.	\$222.46	110	\$24,508	\$25,090	\$1,328	\$915	18.9x	27.4x
Mean				\$17,102	\$6,248	\$1,027	4.8x	17.3x
Median				\$12,406	\$3,087	\$775	2.5x	15.2x

Source: FactSet

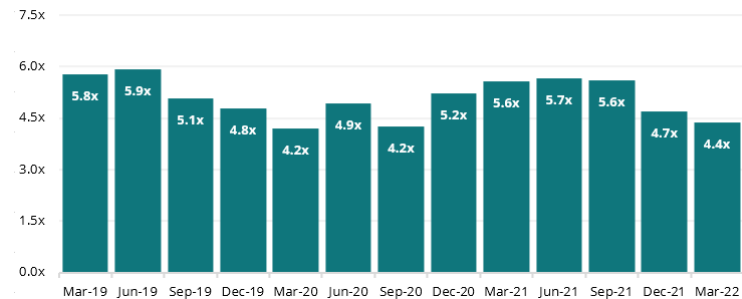
Public Comparables

Data Processing, Hosting, and Related Services

Data Processing, Hosting, and Related Services | Median EBITDA Multiples



Data Processing, Hosting, and Related Services | Median Revenue Multiples



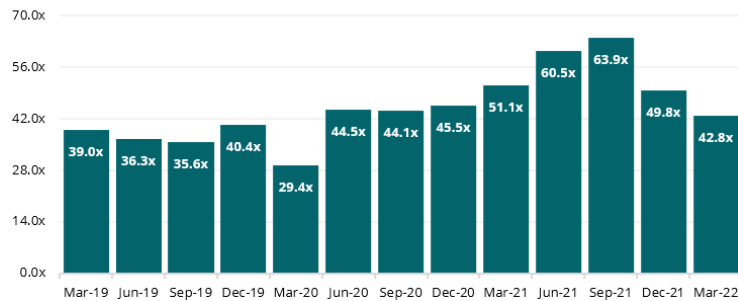
Company \$USD in Millions	Share Price	Shares O/S	Market Cap	Enterprise Value	Revenues (LTM)	EBITDA (LTM)	Enterprise Value /	
							Revenues	EBITDA
Bread Financial Holdings, Inc.	\$56.15	50	\$2,805	\$9,256	NM	NM	NM	NM
Automatic Data Processing, Inc.	\$227.54	420	\$95,577	\$97,262	\$15,697	\$4,053	6.2x	24.0x
Blucora, Inc.	\$19.55	48	\$940	\$1,398	\$885	\$107	1.6x	13.1x
Computer Services, Inc.	\$49.50	28	\$1,374	\$1,304	\$299	\$94	4.4x	13.8x
Dropbox, Inc. Class A	\$23.25	288	\$6,700	\$9,276	\$2,158	\$458	4.3x	20.2x
Equinix, Inc.	\$741.62	91	\$67,281	\$80,607	\$6,638	\$3,768	12.1x	21.4x
FactSet Research Systems Inc.	\$434.15	38	\$16,410	\$16,441	\$1,628	\$598	10.1x	27.5x
Global Payments Inc.	\$136.84	282	\$38,546	\$49,296	\$8,524	\$3,651	5.8x	13.5x
IDE Group Holdings Plc	\$0.02	497	\$9	\$30	\$34	\$3	0.9x	11.8x
Rackspace Technology, Inc.	\$11.16	212	\$2,366	\$6,122	\$3,010	\$546	2.0x	11.2x
Mean				\$27,099	\$4,319	\$1,475	5.3x	17.4x
Median				\$9,266	\$2,158	\$546	4.4x	13.8x

Source: FactSet

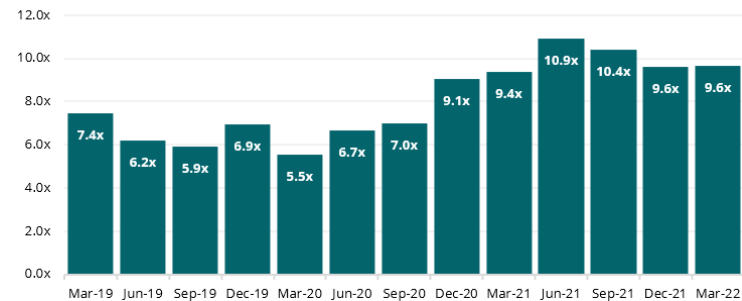
Public Comparables

Software Publishers

Software Publishers | Median EBITDA Multiples



Software Publishers | Median Revenue Multiples



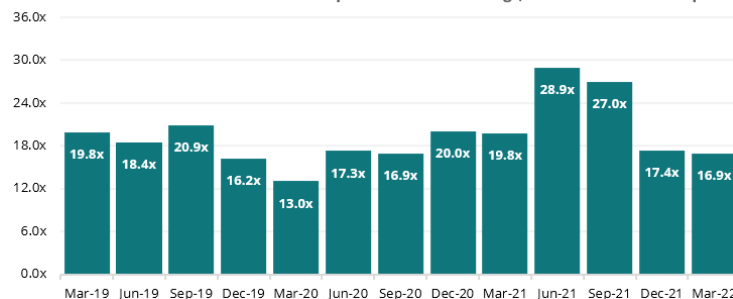
Company \$USD in Millions	Share Price	Shares O/S	Market Cap	Enterprise Value	Revenues (LTM)	EBITDA (LTM)	Enterprise Value /	
							Revenues	EBITDA
Bentley Systems, Incorporated Class B	\$44.18	272	\$12,030	\$13,697	\$965	\$160	14.2x	85.6x
Citrix Systems, Inc.	\$100.90	126	\$12,705	\$15,727	\$3,217	\$703	4.9x	22.4x
Digital Turbine, Inc.	\$43.81	97	\$4,248	\$4,506	\$993	\$124	4.5x	36.4x
Electronic Arts Inc.	\$126.51	281	\$35,577	\$34,526	\$6,557	\$1,402	5.3x	24.6x
Fortinet, Inc.	\$341.74	161	\$54,957	\$53,477	\$3,342	\$730	16.0x	73.2x
McAfee Corp. Class A	\$25.99	186	\$4,842	\$13,590	\$1,920	\$869	7.1x	15.6x
Palo Alto Networks, Inc.	\$622.51	98	\$61,308	\$61,919	\$4,858	\$35	12.7x	1754.1x
Paycom Software, Inc.	\$346.38	60	\$20,857	\$19,104	\$1,056	\$389	18.1x	49.1x
Tyler Technologies, Inc.	\$444.89	41	\$18,432	\$19,459	\$1,592	\$352	12.2x	55.3x
VMware, Inc. Class A	\$113.87	421	\$47,946	\$58,061	\$12,851	\$2,967	4.5x	19.6x
Mean				\$29,407	\$3,735	\$773	10.0x	213.6x
Median				\$19,282	\$2,569	\$546	9.6x	42.8x

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.	\$109.34	1,627	\$177,936	\$175,061	\$16,434	\$4,141	10.7x	42.3x
CMC Materials, Inc.	\$185.40	29	\$5,298	\$6,020	\$1,229	\$357	4.9x	16.9x
First Solar, Inc.	\$83.74	106	\$8,904	\$7,475	\$2,923	\$720	2.6x	10.4x
Intel Corporation	\$49.56	4,089	\$202,636	\$211,971	\$79,024	\$33,665	2.7x	6.3x
LightPath Technologies, Inc. Class A	\$1.97	27	\$53	\$63	\$37	(\$0)	1.7x	NM
Micron Technology, Inc.	\$77.89	1,120	\$87,219	\$84,628	\$31,169	\$16,976	2.7x	5.0x
Monolithic Power Systems, Inc.	\$485.68	47	\$22,588	\$21,869	\$1,208	\$297	18.1x	73.5x
NVIDIA Corporation	\$272.86	2,510	\$684,879	\$675,358	\$26,914	\$11,851	25.1x	57.0x
Semtech Corporation	\$69.34	64	\$4,445	\$4,332	\$741	\$179	5.8x	24.2x
Texas Instruments Incorporated	\$183.48	923	\$169,330	\$167,797	\$18,344	\$9,968	9.1x	16.8x
Mean				\$135,457	\$17,802	\$7,815	8.3x	28.0x
Median				\$53,249	\$9,679	\$2,430	5.4x	16.9x

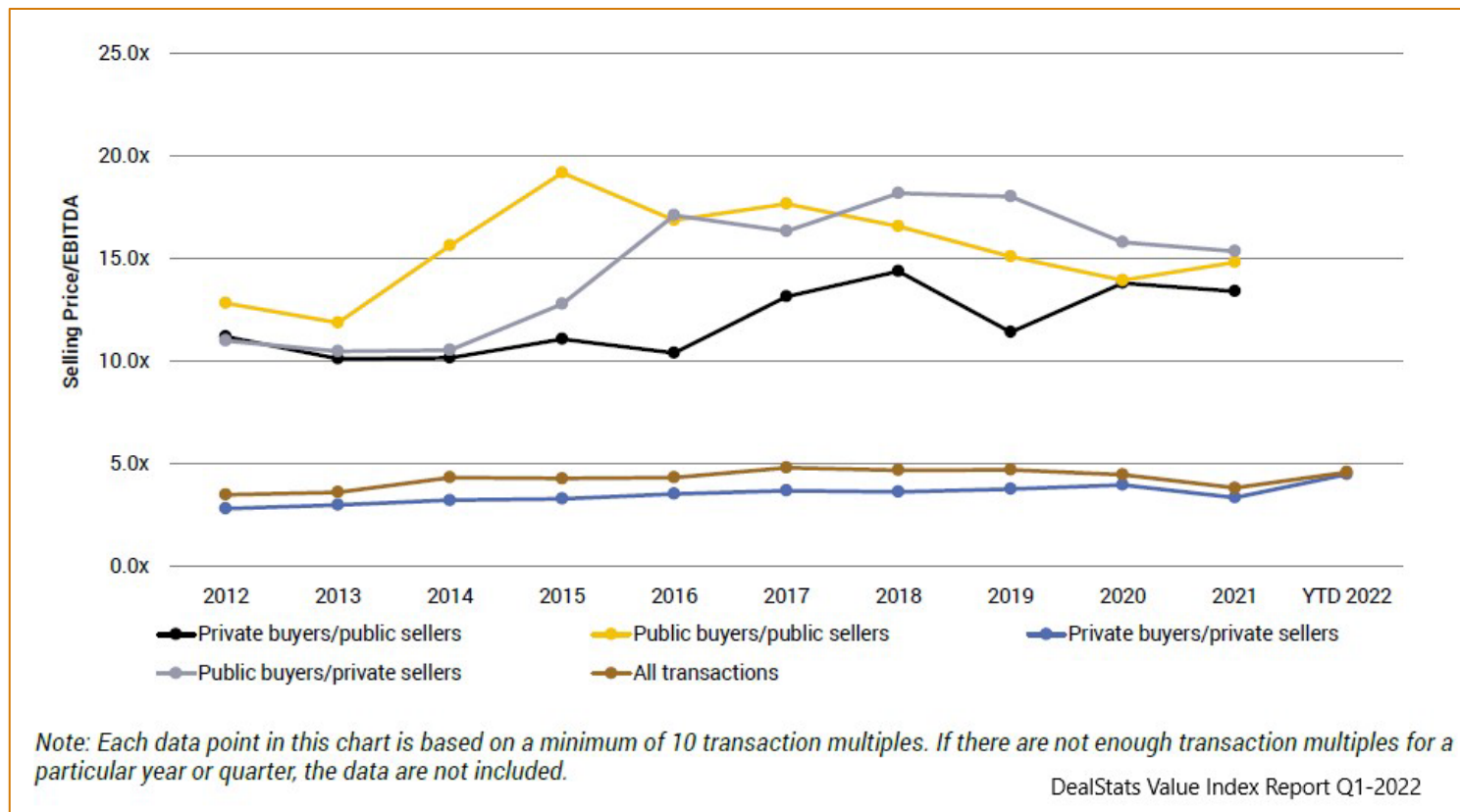
Source: FactSet

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.



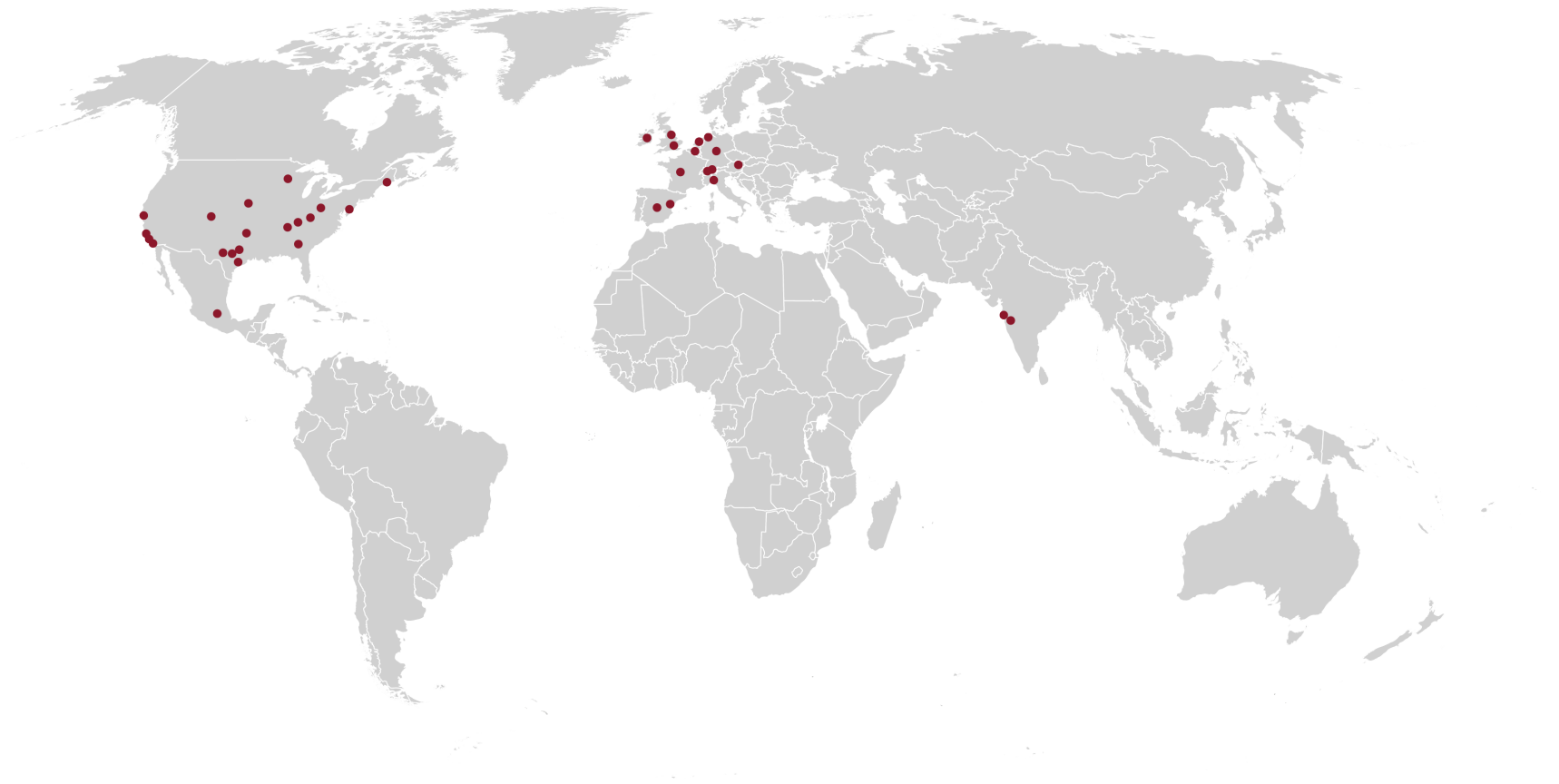
Business Valuation

"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.

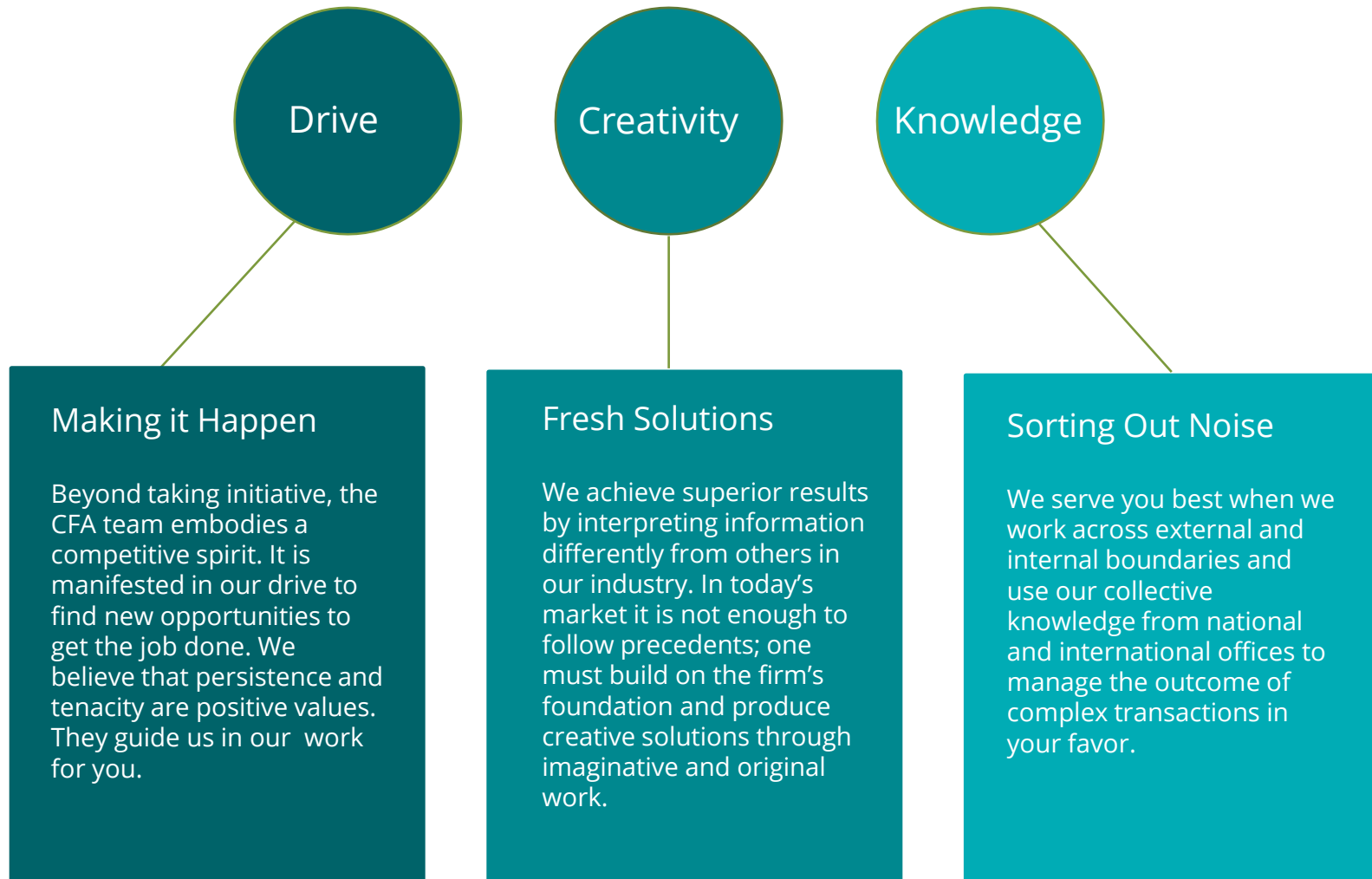
Local Service, Global Reach

Where We Are

With offices across the USA and in Mexico, India, Austria, Belgium, France, Germany, Ireland, Italy, Netherlands, 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

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

Aerospace/Defense/Government
Agriculture
Animal Health
Business Services
Commercial Real Estate
Consumer Retail
Energy
Engineering/Construction
Financial Services & FinTech
Food/Beverage
Healthcare/Life Sciences
Industrials
Metal Fabrication
Print/Packaging
Semiconductors
Technology/Media/Telecom
Transportation/Logistics/Supply Chain
Wholesale Distribution

Recent Industry Transactions

This announcement appears as a matter of record only

eGroup
together we make IT happen

*has been acquired by
The Leadership Team and*

EVOLUTE
Capital

HUNT TECHNOLOGY VENTURES, L.P.

The undersigned acted on behalf of eGroup

cfa | CORPORATE FINANCE ASSOCIATES
Securities transacted through Corporate Finance Securities, Inc.

This announcement appears as a matter of record only

HiQo
solutions

has been acquired by

LIBERTY STREET
GLOBAL MACRO INVESTMENTS

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

cfa | CORPORATE FINANCE ASSOCIATES
Securities transacted through Corporate Finance Securities, Inc.

This announcement appears as a matter of record only

3D-P
Technology is Connected

has been acquired by

Epiroc

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

cfa | CORPORATE FINANCE ASSOCIATES
Securities transacted through Corporate Finance Securities, Inc.

This announcement appears as a matter of record only

Educator
by
Vanenburg
software

has been acquired by

greens network

Equity Backed By **Capital-A** Legal Advisor **FMIS**

CFAW Amsterdam initiated and acted as advisor to the seller in the transaction

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Since 1956

This announcement appears as a matter of record only

data respons
EMBEDDED SOLUTIONS
Hovik, Norway

a subsidiary of the listed French-Belgian company AKKA Technologies SE, indirectly acquires 100% of the shares of

frobese
Hannover, Germany

CFAW Frankfurt 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

American TeleTech, Inc.
Fort Collins, Colorado

has been acquired by

Yeti Networks, Inc.
Gillette, Wyoming

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

cfa | CORPORATE FINANCE ASSOCIATES
Securities transacted through Silver Oak Securities, Inc.

This announcement appears as a matter of record only

NATIONAL
COMMUNICATIONS SERVICES INC.

has been acquired by

AFFINITECH

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

LimelightHealth

has been acquired by

FINEOS

The undersigned acted as Purchaser Representative to shareholders of Limelight Health, Inc.

cfa | CORPORATE FINANCE ASSOCIATES
Since 1956

This announcement appears as a matter of record only

Alliance of Computer Professionals

has been acquired by

DIVERSANT.
Empowered by Difference

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

cfa | CORPORATE FINANCE ASSOCIATES
Securities transacted through Corporate Finance Securities, Inc.

This announcement appears as a matter of record only

architel
CLOUD EXPERTS

has been acquired by

Centre
TECHNOLOGIES

The undersigned initiated and acted as financial advisor in the transaction

cfa | CORPORATE FINANCE ASSOCIATES
Securities transacted through Corporate Finance Securities, Inc.