

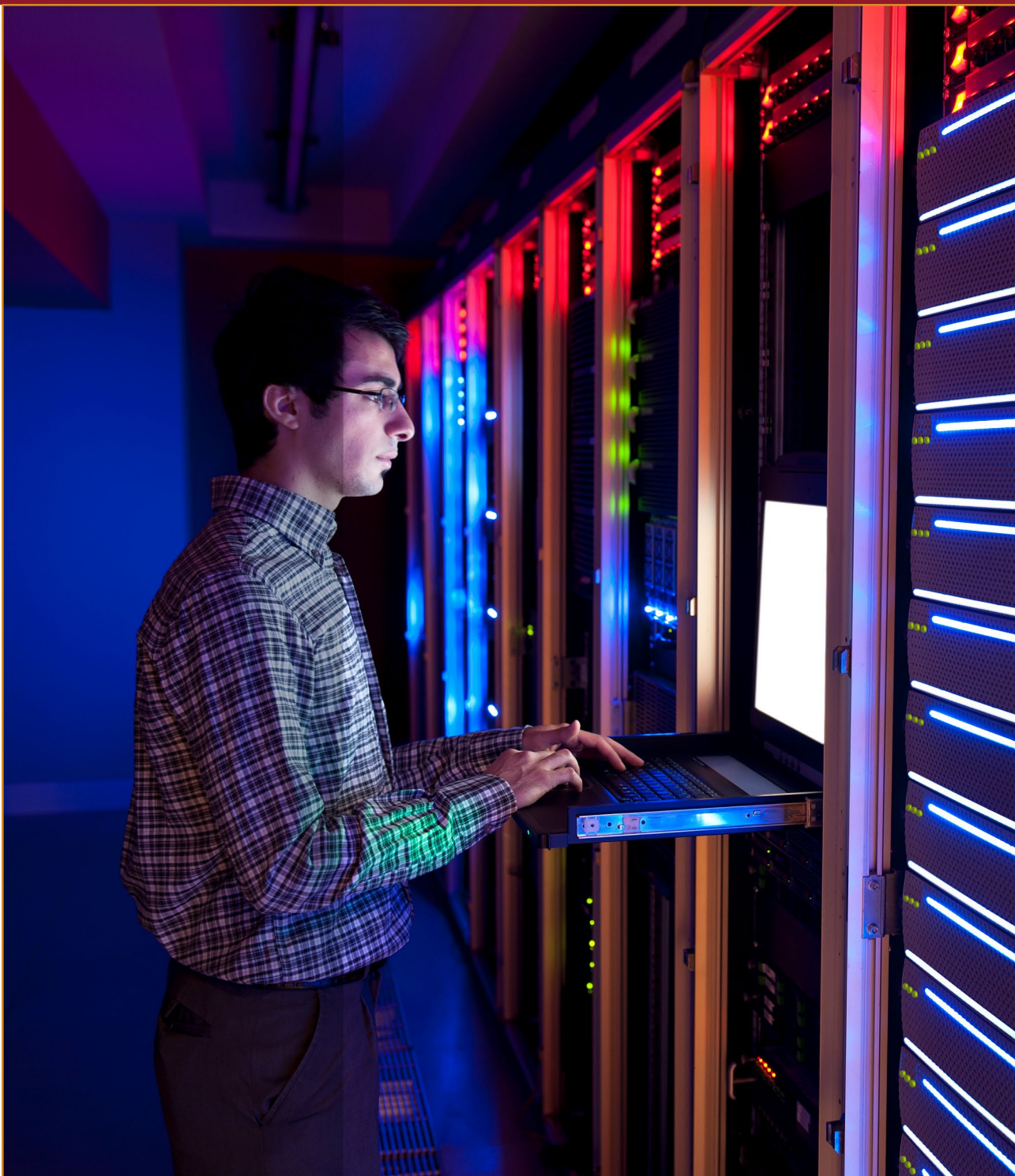
Technology, Media and Telecom

INDUSTRY REPORT

Spring | 2023

CREATING
M&A STRATEGIES
FOR BUSINESS OWNERS

SINCE 1956



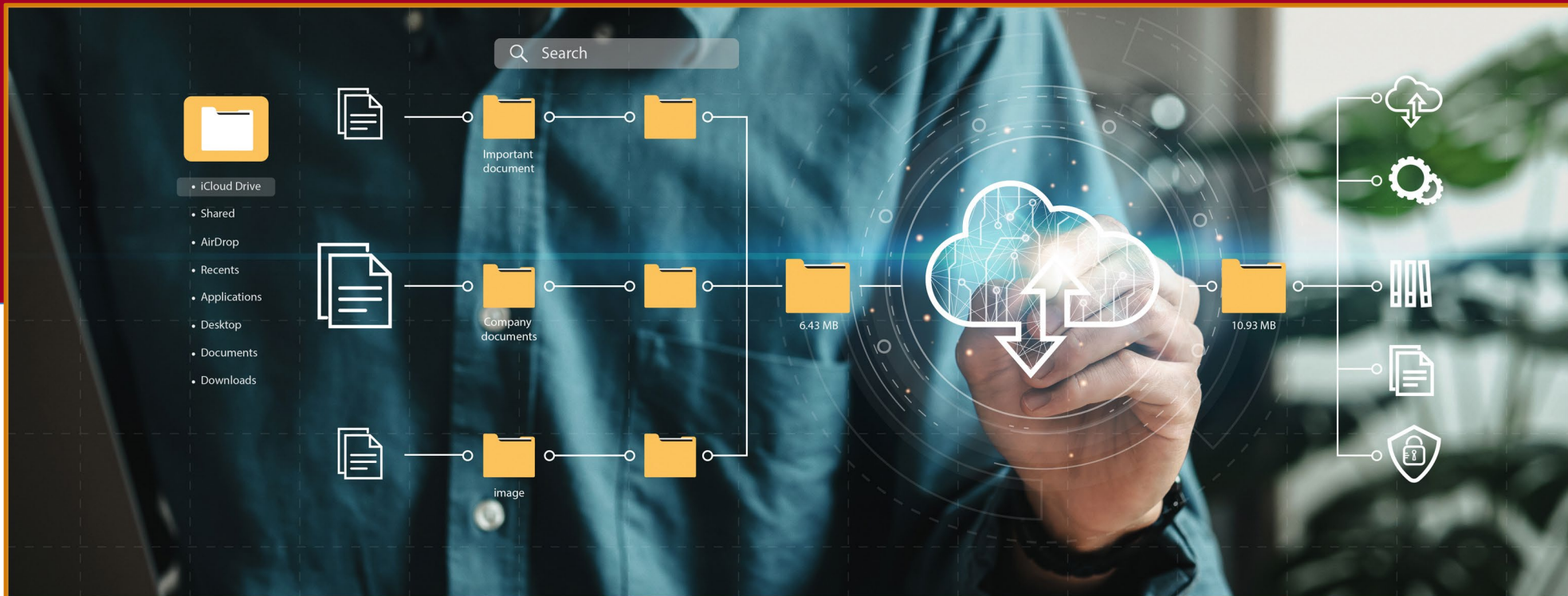


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Market Observations

Market Summary

Technology, Media and Telecom

Public- and private-market valuations of companies in the Technology, Media, and Telecommunications (TMT) industry witnessed an upsurge during the pandemic. However, in 2022 the industry faced a range of headwinds which led to an overall decrease in company valuations. Increased layoffs in the Technology sector due to rising interest rates, declining consumer demand and the collapse of the Silicon Valley Bank (SVB) whose client base largely included technology companies, were some of the major factors that impacted the growth of the TMT industry. Although growth in the demand for AI-powered technologies and sports rights among streamers, higher advertising revenues for video-on-demand companies, and higher investments in enterprise edge computing and virtual reality technologies are expected to fuel the growth of this industry in the coming quarters, notable headwinds such as stubborn inflation, rising interest rates, and geopolitical unrest are likely to continue.

Public Company Valuations

The CFAW Select Technology Index increased by 32.0% in the first quarter of 2023, and the 12 months return on the Index was down by 8.2%. Our index for each of the subsectors of Technology, Media, and Telecom has been volatile in the first quarter of 2023. However, Software Publishers had the highest median revenue and EBITDA multiple with 9.2x and 36.3x, respectively. Electronics and Appliance Stores had median revenue and EBITDA multiples of 0.7x and 6.8x, while Professional and Commercial Equipment and Supplies Merchant Wholesalers had median revenue and EBITDA multiples of 0.3x and 6.4x, 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 2.1x, 4.1x, 1.1x, 6.6x and median EBITDA multiples of 14.1x, 18.4x, 20.0x, 26.4x respectively.

“

The public technology market increased in the first quarter of 2023...

Mergers and Acquisitions

The TMT industry dominated M&A activity across industries in 2022. Despite significant headwinds, including rising interest rates, a sharp decline in equity valuations, the war in Ukraine and the consequent supply chain disruptions, three-fifths of global TMT CEOs interviewed by Moonshot around the world plan to pursue M&A in 2023. Although deal activity in the TMT industry is expected to remain high in 2023, most of the deals are expected to be of a small ticket size. The second half of 2023 is expected to witness increased M&A activity as investors and executives attempt to strike a balance between short-term risks and long-term corporate transformation goals. Video Game and Software are expected to be among the most vibrant M&A segments of the TMT industry in 2023.

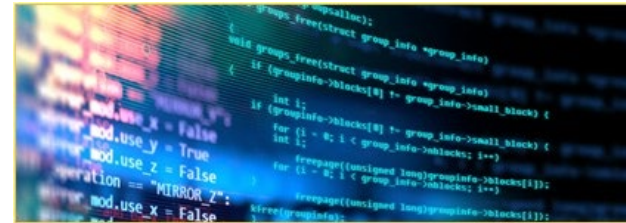
Industry Trends

AI Native Telco Networks

AI-native telco is a highly robust networking architecture that helps telecom service providers to effectively manage both centralized and decentralized resources, provide faster services, and respond to changes in network demand. Telecom companies are utilizing AI tools to assist in operations preserving core revenues and boosting margins. For example, AT&T reported growth in their 5G margins after using Azure Operator Nexus, which is an AI-enabled cloud platform for telecom companies that Microsoft launched in 2022. Telecom companies have been under constant pressure for over a decade as traditional growth drivers have faded, and economic value has transferred to tech firms. However, the adoption of telco cloud and AI technologies are enabling telecom companies to gain a competitive advantage. Telcos are aiming to reduce their carbon footprint, lower infrastructure costs, and decrease energy consumption by adopting cloud-based, virtualized networks. AI-native telcos optimize the decision making at every stage of the network life cycle, from designing and building to running and operating. AI-native telcos focus on hyper-personalizing sales and engagement, optimizing networks and service delivery.

Emergence of Exascale Supercomputers

Exascale supercomputers are an advanced version of current supercomputers with much more powerful hardware and processing power. It rapidly assesses massive amounts of data and precisely replicates multiple complicated interactions and processes. Frontier supercomputer, an exascale supercomputer developed in 2022, is the fastest supercomputer in the world and is 2.5x times powerful than Fukagu, the second fastest supercomputer, as per a report published by McKinsey & Company. Exascale supercomputers enable significant advancements in multiple fields, such as energy production, AI & machine learning, cancer research and treatment, etc. For instance, in medicine, it examined all the genetic alterations of SARS-CoV-2, the virus that causes COVID, as per a report published by Scientific American. The exascale supercomputer analyzed the various alterations of the virus's contagiousness which reduced the overall analysis duration significantly.



Alternate News Delivery

A large number of people are avoiding the main-stream media due to the overwhelming volume of news available. Although journalism often thrives during war or recession, people are turning away due to the dismal and relentless nature of the news. Social media platforms are witnessing less traffic compared to main-stream media which is also affecting the online visibility of many publications. Therefore, various broadcasters are shifting to video on-demand (VOD) and online streaming platforms. Recent AI developments are also enabling journalists to tackle channel fragmentation and information overload by delivering more personalized content and formats. Additionally, explanatory journalism and Q&A formats are serving as an effective response to news avoidance, followed by solutions-based journalism. For example, Pink News, a UK-based online newspaper, introduced Mood Control in 2022, enabling readers to customize articles and news based on their preferences.

Significant News

Verizon Public Sector wins Federal Aviation Administration Enterprise Network Services (FENS) Contract

GlobalNewswire, March 31, 2023

“Verizon Public Sector today announced a 15-year critical infrastructure contract with the Federal Aviation Administration (FAA) worth over \$2 billion to design, build, operate and maintain the FAA's next-generation communications platform. Under the terms of the Federal Aviation Administration Enterprise Network Services (FENS) contract, Verizon will build the FAA a dynamic, highly available and secure enterprise network to support all of the agency's mission critical applications across the National Airspace System (NAS).”

[Read More >](#)

Microsoft Inks Licensing Deal With Cloud Gaming Provider Boosteroid

U.S. News, March 14, 2023

“Microsoft on Tuesday signed a 10-year licensing deal to bring Activision's Call of Duty franchise to cloud gaming provider Boosteroid's platform, a move partly aimed at allaying competition concerns over its Activision acquisition. The Activision bid announced in January last year, Microsoft's biggest ever deal, aims to boost its firepower in the booming videogaming market against leaders Tencent and Sony, and lay the base for its investment in metaverse.”

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Salesforce to add ChatGPT to Slack as part of OpenAI partnership

Zawya, March 07, 2022

“Salesforce Inc said on Tuesday it was working with ChatGPT creator OpenAI to add the chatbot sensation to its collaboration software Slack, as well as bring generative artificial intelligence to its business software generally. The San Francisco-based company said technology it is calling EinsteinGPT would combine its proprietary AI with that of outside partners, including OpenAI, to help businesses generate email drafts, customer-account information and computer code.”

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M&A Metrics

Technology, Media & Telecom Industry

M&A activity in the Technology, Media & Telecom industry decreased in Q1 2023. The number of M&A transactions in the industry decreased from 1,529 in Q4 2022 to 1,448 in Q1 2023. The number of sub-\$50 million transactions decreased from 1,441 in Q4 2022 to 1,373 in Q1 2023. The number of transactions above \$100 million decreased from 63 in Q4 2022 to 61 in Q1 2023. The total number of M&A transactions decreased 33.5% year on year from 2,179 in Q1 2022 to 1,448 in Q1 2023.



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

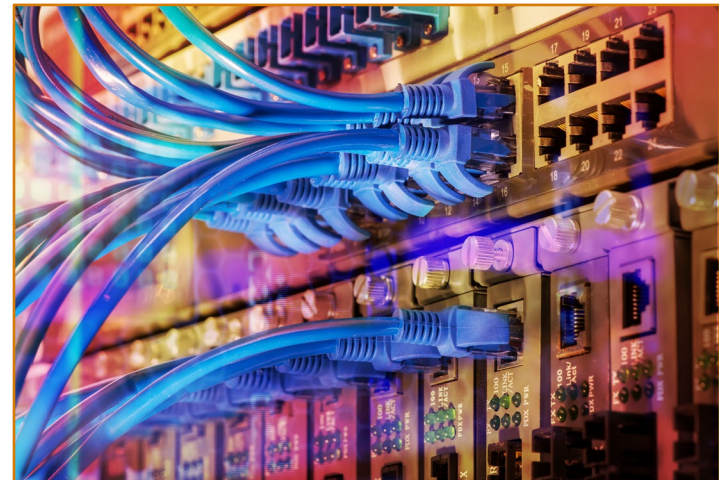
Transaction Value	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1 2023
Not Disclosed	767	1,157	1,408	1,658	1,551	1,769	1,778	1,692	1,416	1,306	1,190	1,178
Under \$10 MM	136	189	219	188	211	238	248	193	206	162	174	129
\$10 - \$25 MM	40	54	90	76	81	60	95	68	60	57	42	41
\$25 - \$50 MM	26	41	61	52	67	47	64	55	42	31	35	25
\$50 - \$100 MM	19	29	46	45	43	51	66	43	44	23	25	14
\$100 - \$500 MM	36	66	82	74	84	98	91	71	65	38	43	39
\$500 MM+	16	48	54	67	58	58	65	57	36	36	20	22
Total Transactions	1,040	1,584	1,960	2,160	2,095	2,321	2,407	2,179	1,869	1,653	1,529	1,448

Source: FactSet

M&A Metrics – Electronic Manufacturing

Electronic Manufacturing Services

The number of M&A transactions in the Electronic Manufacturing Services Industry decreased in Q1 2023. The number of M&A transactions in the industry decreased from 43 in Q4 2022 to 38 in Q1 2023. The number of sub-\$50 million transactions increased from 34 in Q4 2022 to 35 in Q1 2023. However, the number of transactions above \$100 million decreased from 5 in Q4 2022 to 3 in Q1 2023. The total number of M&A transactions decreased 43.3% year on year from 67 in Q1 2022 to 38 in Q1 2023.



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

Transaction Value	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1 2023
Not Disclosed	27	29	45	35	45	40	35	39	33	41	17	21
Under \$10 MM	7	8	14	13	6	9	10	13	11	13	11	5
\$10 - \$25 MM	9	4	8	5	6	5	6	4	5	3	4	5
\$25 - \$50 MM	0	4	1	0	4	3	4	3	5	3	2	4
\$50 - \$100 MM	3	0	3	2	4	5	7	1	3	1	4	0
\$100 - \$500 MM	3	3	6	3	4	8	5	4	4	3	5	3
\$500 MM+	1	1	0	2	3	0	0	3	1	1	0	0
Total Transactions	50	49	77	60	72	70	67	67	62	65	43	38

Source: FactSet

Industry Metrics

Industry Financial Data and Ratios

NAICs 443142 - Electronics Stores

Financial Metric	Last12 Mo	2022	2021
Current Ratio	2.83	2.98	3.23
Gross Profit Margin	38.54%	40.09%	44.75%
Net Profit Margin	3.28%	3.74%	9.12%
Accounts Receivable Days	30.82	31.81	31.13
Accounts Payable Days	56.16	56.71	44.63
Debt-to-Equity Ratio	2.52	2.53	2.88
Return on Equity	35.11%	32.05%	61.59%
Sales per Employee	--	--	--
Profit per Employee	--	--	--
Sales Growth	4.60%	8.56%	13.18%
Profit Growth	17.02%	17.60%	33.92%

NAICs 5415 - Computer Systems Design and Related Services

Financial Metric	Last12 Mo	2022	2021
Current Ratio	3.74	3.73	4.06
Gross Profit Margin	60.48%	60.58%	61.60%
Net Profit Margin	5.72%	6.14%	9.53%
Accounts Receivable Days	51.41	54.14	48.72
Accounts Payable Days	28.78	29.13	28.1
Debt-to-Equity Ratio	1.9	1.9	1.84
Return on Equity	49.23%	48.36%	63.26%
Sales per Employee	\$218,751	\$218,751	\$159,961
Profit per Employee	\$4,490	\$4,490	\$25,361
Sales Growth	19.92%	19.00%	18.29%
Profit Growth	5.05%	5.51%	27.76%

Source: Profit Cents

NAICs 423430 - Computer & Computer Peripheral Equipment & Software

Financial Metric	Last12 Mo	2022	2021
Current Ratio	1.73	2.07	2.82
Gross Profit Margin	31.66%	31.27%	33.76%
Net Profit Margin	-5.09%	-1.12%	7.93%
Accounts Receivable Days	55.16	58.18	46.79
Accounts Payable Days	64.43	62.71	49.3
Debt-to-Equity Ratio	2.98	2.83	4.01
Return on Equity	49.40%	46.14%	68.92%
Sales per Employee	--	--	--
Profit per Employee	--	--	--
Sales Growth	21.49%	14.70%	22.55%
Profit Growth	55.49%	53.48%	54.41%

NAICs 5182 - Data Processing, Hosting, and Related Services

Financial Metric	Last12 Mo	2022	2021
Current Ratio	2.34	2.53	3.43
Gross Profit Margin	71.09%	72.74%	69.29%
Net Profit Margin	4.46%	5.45%	9.37%
Accounts Receivable Days	55.45	54.5	57.98
Accounts Payable Days	38.61	46.97	50.79
Debt-to-Equity Ratio	2.98	3.29	2.35
Return on Equity	39.70%	38.32%	39.57%
Sales per Employee	--	--	\$307,201
Profit per Employee	--	--	\$95,639
Sales Growth	11.94%	12.56%	25.43%
Profit Growth	4.84%	14.97%	25.22%

Industry Metrics

Industry Financial Data and Ratios

NAICs 5179 - Other Telecommunications

Financial Metric	Last12 Mo	2022	2021
Current Ratio	2.67	2.62	3.17
Gross Profit Margin	51.49%	52.97%	53.74%
Net Profit Margin	2.63%	1.42%	5.60%
Accounts Receivable Days	48.56	47.76	46.82
Accounts Payable Days	70.37	71.13	58.54
Debt-to-Equity Ratio	3.22	3.01	2.4
Return on Equity	41.95%	37.23%	47.14%
Sales per Employee	--	--	\$175,196
Profit per Employee	--	--	\$2,677
Sales Growth	18.20%	18.20%	17.50%
Profit Growth	-13.99%	-13.99%	28.10%

NAICs 5112 - Software Publishers

Financial Metric	Last12 Mo	2022	2021
Current Ratio	4.27	3.99	2.91
Gross Profit Margin	70.58%	71.04%	71.23%
Net Profit Margin	-17.62%	-18.22%	-6.45%
Accounts Receivable Days	59.13	61.83	62.11
Accounts Payable Days	122.86	114.92	118.23
Debt-to-Equity Ratio	1.43	1.53	2.04
Return on Equity	23.95%	18.10%	27.85%
Sales per Employee	\$43,596	\$43,596	\$159,852
Profit per Employee	(\$56,682)	(\$56,682)	(\$12,450)
Sales Growth	13.45%	15.56%	17.20%
Profit Growth	13.46%	12.95%	27.68%

NAICs 3344 - Semiconductor & Other Electronic Component Manufacturing

Financial Metric	Last12 Mo	2022	2021
Current Ratio	3.3	3.39	3.95
Gross Profit Margin	31.57%	32.24%	32.75%
Net Profit Margin	6.00%	5.95%	7.18%
Accounts Receivable Days	52.62	52.65	51.93
Accounts Payable Days	44.71	46.79	41.53
Debt-to-Equity Ratio	1.57	1.65	1.29
Return on Equity	16.81%	15.68%	32.17%
Sales per Employee	\$202,455	\$202,455	\$150,056
Profit per Employee	\$27,353	\$27,353	\$29,947
Sales Growth	24.88%	24.26%	12.15%
Profit Growth	51.87%	59.65%	30.16%

Source: Profit Cents



Transaction Highlights

Notable Transactions



In March 2023, **Concentrix Corp** entered into a binding put option agreement to acquire **Webhelp SAS**, a portfolio company of the private equity arm of Groupe Bruxelles Lambert SA, for EUR2.9 billion (US\$3.2 billion) in cash, stock, debt notes, and contingent payout. The acquisition enables Concentrix Corp to expand its presence in the CX market across Europe, Latin America, and Africa. Moreover, the transaction is expected to be accretive to Concentrix Corp's non-GAAP earnings per share in the first full year. Co-founded by Olivier Duha, Webhelp SAS is located in Paris, Ile-de-France, France and provides business process and customer experience outsourcing services.



In March 2023, **Clearlake Capital Group LP** has submitted a non-binding proposal to acquire **Blackbaud Inc** for USD3.7 billion in cash. Under the terms of the transaction, Clearlake Capital Group LP will issue US\$71 per share for every share of Blackbaud Inc. Blackbaud Inc is located in Charleston, South Carolina, United States and provides software and related services for non-profit organizations.



In March 2023, **CNH Industrial NV** agreed to acquire the remaining 89.5% stake in **Augmenta SA**, a portfolio company of Pymwyc Investment Management BV, for an enterprise value of EUR110 million (US\$117.6 million) in cash, subject to customary adjustments. Under the terms of the agreement, the transaction will be funded through CNH Industrial NV's available cash on hand. The acquisition broadens the 'Sense & Act' capabilities of CNH Industrial NV. Co-founded by George Varvarelis in 2018, Augmenta SA is located in Marousi, Attica, Greece and develops electronic devices and software application for agricultural industry.



In March 2023, a private group led by **Canada Pension Plan Investment Board** and **Silver Lake Management Co LLC** entered into a definitive agreement to acquire the remaining 95.9% stake not already owned in **Qualtrics International Inc** from SAP SE for US\$10.5 billion in cash. The transaction is fully financed by equity commitments from Silver Lake and co-investors together with US\$1.75 billion in equity from CPP Investments and US\$1 billion in debt. Qualtrics International Inc is located in Provo, Utah, United States and engages in the development of software platforms.



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Select M&A Transactions

Date	Target Name	Acquirer Name	Enterprise Value (MM)	Revenue	EBITDA
3/29/2023	Webhelp SAS	Concentrix Corp.	4,851	NA	NA
3/27/2023	Blackbaud, Inc.	Clearlake Capital Group LP	4,658	1,058	75
3/15/2023	Ka'ena Corp	T-Mobile US, Inc.	1,350	NA	NA
3/14/2023	Cvent Holding Corp.	Blackstone Corporate Private Equity	4,255	631	56
3/13/2023	Momentive Global, Inc.	STG Partners, LLC	1,455	481	(23)
3/13/2023	Augmenta Agriculture Technologies	CNH Industrial NV	131	NA	NA
3/6/2023	Qualtrics International, Inc.	Canada Pension Plan Investment Board; Silver Lake Management Co. LLC; Qualtrics International, Inc. /Private Group/	10,553	1,459	(837)
3/6/2023	AIRO Group Holdings, Inc.	Kernel Group Holdings, Inc.	1,100	NA	NA
2/13/2023	Roadzen, Inc.	Vahanna Tech Edge Acquisition I Corp.	708	NA	NA
2/9/2023	Sumo Logic, Inc.	Francisco Partners Management LP	1,175	301	(98)
2/1/2023	Verifract LLC	QAD, Inc.; Thoma Bravo LP	1,000	NA	NA
1/30/2023	Beijing Cheche Technology Co., Ltd.	Prime Impact Acquisition I	770	NA	NA
1/20/2023	Magnet Forensics, Inc.	Thoma Bravo LP	1,097	99	8
1/17/2023	National Instruments Corp.	Emerson Electric Co.	7,366	1,635	245
1/11/2023	Compass AC Holdings, Inc.	IGP Industries LLC; APCT, Inc.	220	NA	NA
1/10/2023	Advanced Circuits, Inc.	IGP Industries LLC; APCT, Inc.	220	NA	NA
1/9/2023	Duck Creek Technologies, Inc.	Vista Equity Partners Management LLC	2,282	310	12
(\$ in millions) Source: Factset					

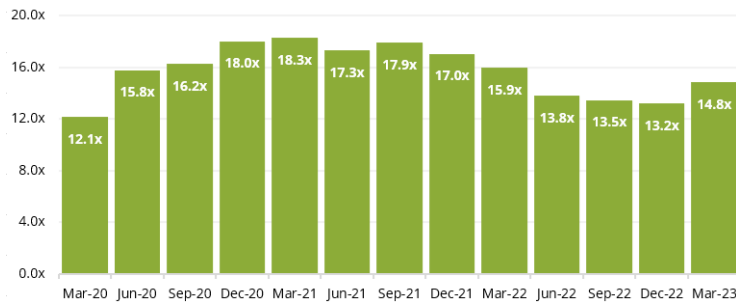


Public Companies

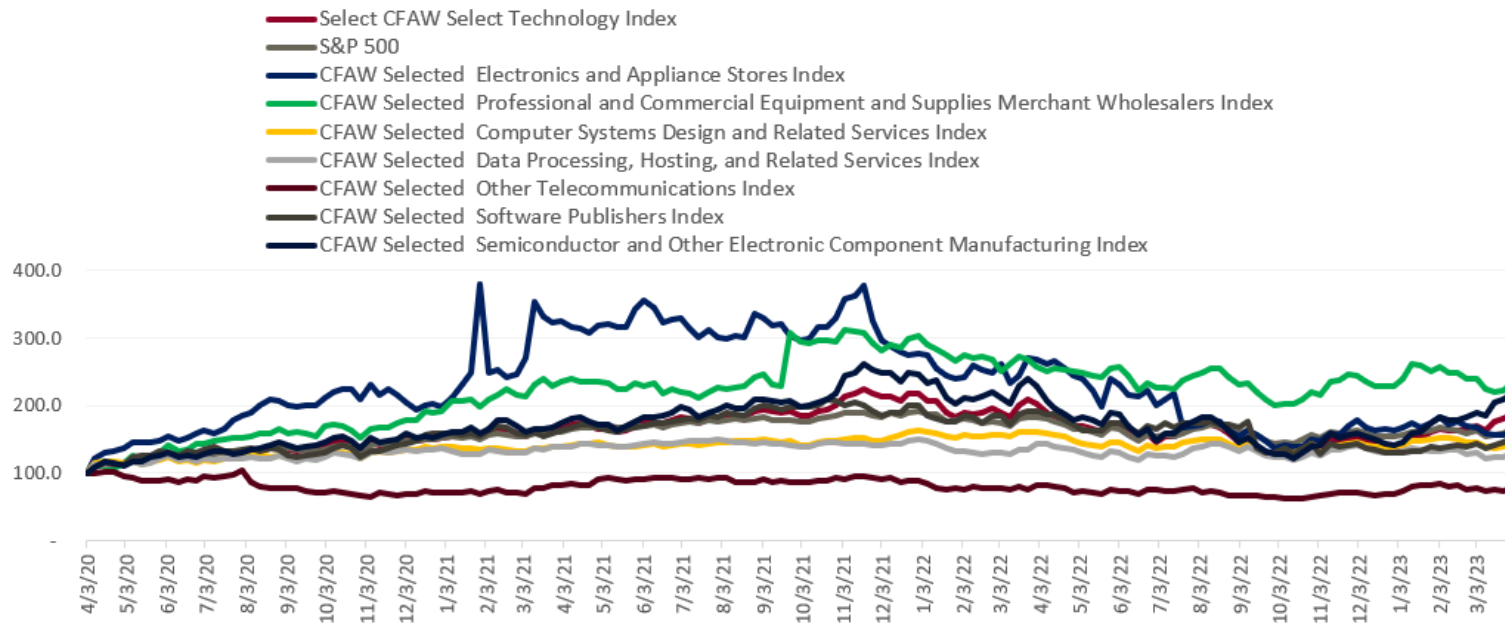
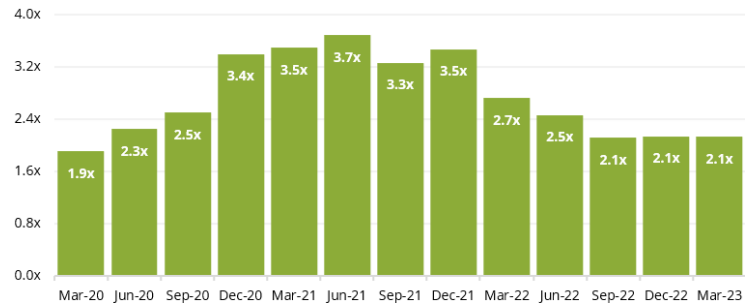
Industry Performance

CFAW Select Technology Index

CFAW Select Technology Index | Median EBITDA Multiples



CFAW Select Technology Index | Median Revenue Multiples

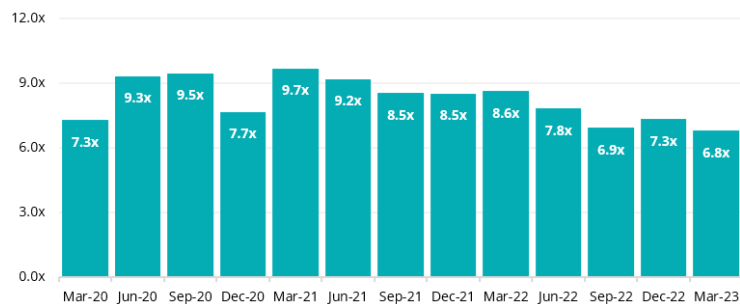


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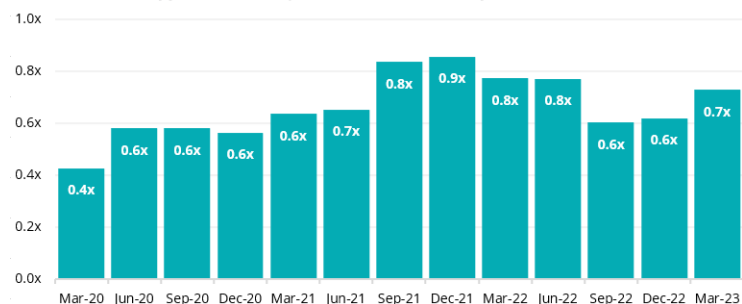
Public Comparables

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.	\$78.27	218	\$17,066	\$18,613	\$46,298	\$2,848	0.4x	6.5x
Brimag Digital Age Ltd	\$3.72	10	\$38	\$117	\$161	\$17	0.7x	7.1x
Com7 Public Co. Ltd.	\$0.89	2,400	\$2,141	\$2,260	\$1,789	\$132	1.3x	17.1x
Copperwired Public Co. Ltd.	\$0.09	600	\$56	\$67	\$206	\$11	0.3x	6.1x
ePlus inc.	\$49.04	27	\$1,320	\$1,372	\$2,009	\$164	0.7x	8.4x
Frontier Developments Plc	\$5.80	39	\$229	\$199	\$151	\$57	1.3x	3.5x
GameStop Corp. Class A	\$23.02	305	\$7,014	\$6,198	\$5,927	(\$247)	1.0x	NM
PC Depot Corporation	\$2.22	53	\$117	\$100	\$235	\$19	0.4x	5.4x
Syscom Computer Engineering Co., Ltd.	\$2.24	100	\$224	\$205	\$200	\$13	1.0x	16.2x
Mean				\$3,237	\$5,726	\$302	0.8x	8.8x
Median				\$205	\$258	\$18	0.7x	6.8x

Source: FactSet

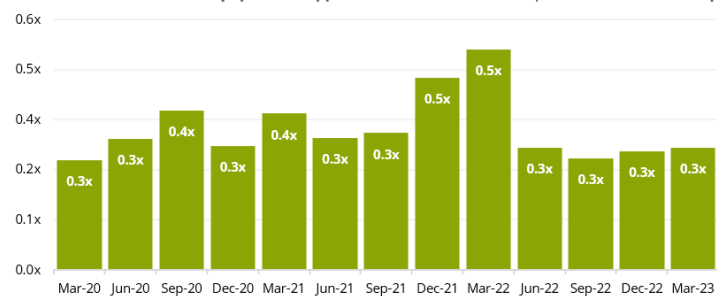
Public Comparables

Professional,Commercial Equipment, Supplies Merchant Wholesalers

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



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

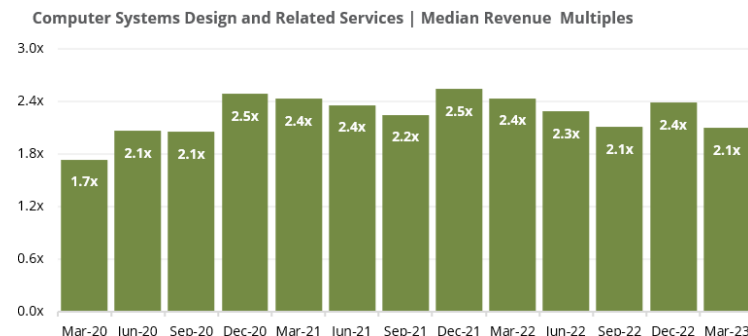
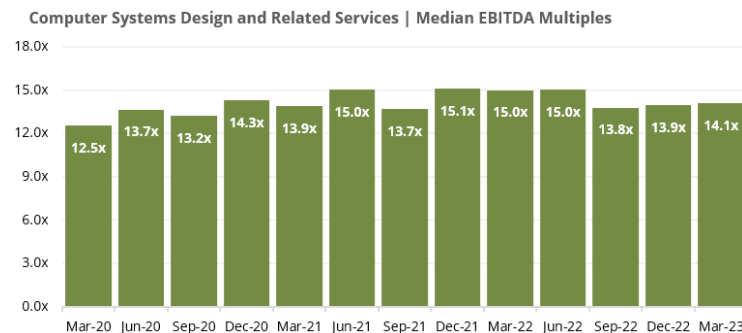


Company \$USD in Millions	Share Price	Shares O/S	Market Cap	Enterprise Value	Revenues (LTM)	EBITDA (LTM)	Enterprise Value /	
							Revenues	EBITDA
Action S.A.	\$4.16	20	\$83	\$74	\$556	\$17	0.1x	4.3x
Argo Blockchain Plc	\$0.17	478	\$83	\$181	\$93	\$51	1.9x	3.5x
D-Link Corporation	\$0.60	600	\$359	\$297	\$573	\$27	0.5x	11.2x
Digiworld Corp.	\$1.22	167	\$204	\$253	\$1,123	\$42	0.2x	6.1x
Dyntek, Inc.	\$11.00	2	\$25	NA	\$196	\$10	NM	NM
Intevac, Inc.	\$7.33	26	\$189	\$99	\$36	(\$15)	2.8x	NM
Paragon Technologies, Inc.	\$8.00	2	\$12	\$22	\$134	\$9	0.2x	2.4x
ScanSource, Inc.	\$30.44	25	\$772	\$1,103	\$3,763	\$164	0.3x	6.7x
SoftwareONE Holding Ltd.	\$14.22	159	\$2,255	\$1,831	\$1,051	\$157	1.7x	11.7x
TD SYNnex Corporation	\$96.79	94	\$9,144	\$12,910	\$62,344	\$1,698	0.2x	7.6x
Mean				\$1,863	\$6,987	\$216	0.9x	6.7x
Median				\$253	\$565	\$34	0.3x	6.4x

Source: FactSet

Public Comparables

Computer Systems Design and Related Services

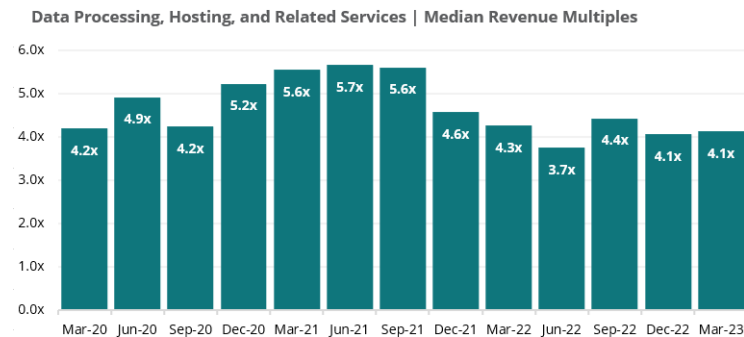
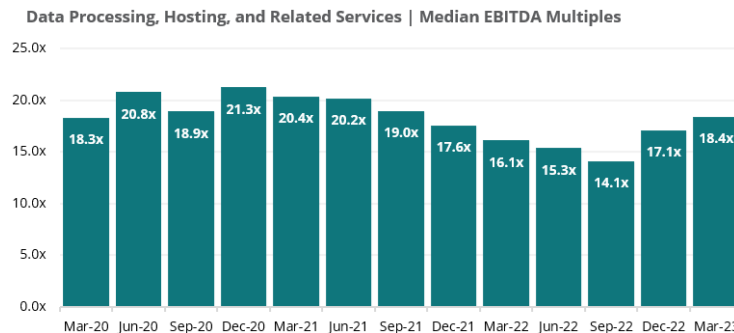


Company \$USD in Millions	Share Price	Shares O/S	Market Cap	Enterprise Value	Revenues (LTM)	EBITDA (LTM)	Enterprise Value /	
							Revenues	EBITDA
Amdocs Limited	\$96.03	121	\$11,602	\$11,718	\$4,657	\$948	2.5x	12.4x
Beyondsoft Corporation Class A	\$2.27	592	\$1,341	\$1,126	\$976	NA	1.2x	NM
CDW Corporation	\$194.89	136	\$26,425	\$32,759	\$23,749	\$2,075	1.4x	15.8x
Cognizant Technology Solutions Corporation Class A	\$60.93	509	\$31,031	\$30,077	\$19,428	\$3,551	1.5x	8.5x
Jack Henry & Associates, Inc.	\$150.72	73	\$11,001	\$11,299	\$1,995	\$646	5.7x	17.5x
NetScout Systems, Inc.	\$28.65	71	\$2,033	\$1,884	\$898	\$166	2.1x	11.3x
Perficient, Inc.	\$72.19	35	\$2,504	\$2,898	\$905	\$181	3.2x	16.0x
Science Applications International Corp.	\$107.46	54	\$5,824	\$8,267	\$7,704	\$681	1.1x	12.1x
VeriSign, Inc.	\$211.33	105	\$22,164	\$22,973	\$1,425	\$990	16.1x	23.2x
Mean				\$13,667	\$6,754	\$1,218	3.9x	14.6x
Median				\$11,299	\$3,326	\$948	2.1x	14.1x

Source: FactSet

Public Comparables

Data Processing, Hosting, and Related Services



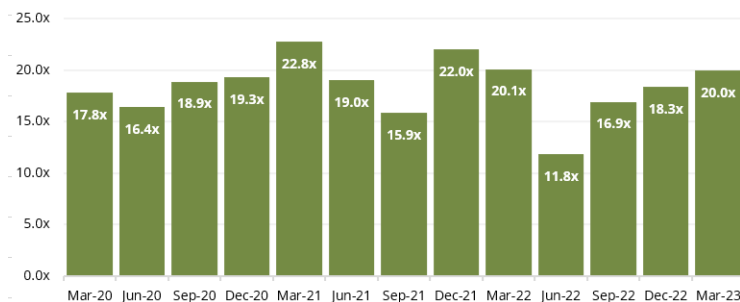
Company \$USD in Millions	Share Price	Shares O/S	Market Cap	Enterprise Value	Revenues (LTM)	EBITDA (LTM)	Enterprise Value /	
							Revenues	EBITDA
Bread Financial Holdings, Inc.	\$30.32	50	\$1,519	\$9,328	\$4,329	NA	2.2x	NM
Automatic Data Processing, Inc.	\$222.63	414	\$92,247	\$94,304	\$17,247	\$4,645	5.5x	20.3x
Avantax, Inc.	\$26.32	48	\$1,260	\$1,031	\$666	\$22	1.5x	46.4x
Dropbox, Inc. Class A	\$21.62	276	\$5,968	\$8,696	\$2,325	\$514	3.7x	16.9x
Equinix, Inc.	\$721.04	93	\$66,901	\$81,357	\$7,265	\$4,423	11.2x	18.4x
FactSet Research Systems Inc.	\$415.09	38	\$15,906	\$17,387	\$2,008	\$804	8.7x	21.6x
Global Payments Inc.	\$105.24	263	\$27,694	\$40,512	\$8,976	\$3,753	4.5x	10.8x
Rackspace Technology, Inc.	\$1.88	213	\$400	\$4,071	\$3,122	\$449	1.3x	9.1x
Mean				\$32,086	\$5,141	\$1,840	4.8x	20.5x
Median				\$13,358	\$3,122	\$659	4.1x	18.4x

Source: FactSet

Public Comparables

Other Telecommunications

Other Telecommunications | Median EBITDA Multiples



Other Telecommunications | Median Revenue Multiples



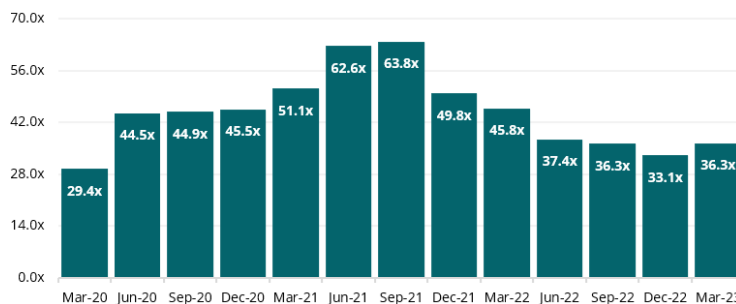
Company \$USD in Millions	Share Price	Shares O/S	Market Cap	Enterprise Value	Revenues (LTM)	EBITDA (LTM)	Enterprise Value /	
							Revenues	EBITDA
Alliance Creative Group, Inc.	\$0.32	1	\$0	\$5	\$12	\$0	0.4x	48.6x
Cogent Communications Holdings Inc	\$63.72	48	\$3,081	\$4,160	\$600	\$208	6.9x	20.0x
KonaTel, Inc.	\$0.72	42	\$30	\$32	\$19	(\$2)	1.7x	NM
LiveWorld, Inc.	\$0.20	46	\$9	\$5	\$11	\$1	0.5x	4.5x
Mean				\$1,050	\$133	\$43	2.4x	24.4x
Median				\$19	\$19	\$1	1.1x	20.0x

Source: FactSet

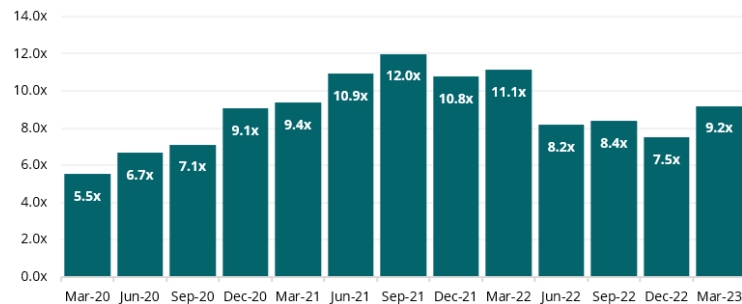
Public Comparables

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	\$42.99	277	\$11,899	\$14,177	\$1,099	\$285	12.9x	49.8x
Digital Turbine, Inc.	\$12.36	99	\$1,226	\$1,582	\$710	\$170	2.2x	9.3x
Electronic Arts Inc.	\$120.45	274	\$33,031	\$32,430	\$7,219	\$1,838	4.5x	17.6x
Fortinet, Inc.	\$66.46	784	\$52,109	\$50,984	\$4,417	\$1,069	11.5x	47.7x
Palo Alto Networks, Inc.	\$199.74	303	\$60,443	\$61,045	\$6,156	\$189	9.9x	322.5x
Paycom Software, Inc.	\$304.01	60	\$18,338	\$18,007	\$1,375	\$558	13.1x	32.3x
Tyler Technologies, Inc.	\$354.64	42	\$14,831	\$15,666	\$1,850	\$388	8.5x	40.3x
VMware, Inc. Class A	\$124.85	428	\$53,496	\$59,849	\$13,350	\$3,264	4.5x	18.3x
Mean				\$31,718	\$4,141	\$945	8.4x	67.2x
Median				\$25,219	\$2,617	\$689	9.2x	36.3x

Source: FactSet

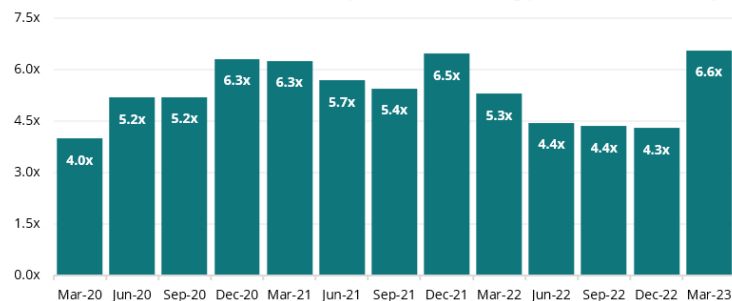
Public Comparables

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.	\$98.01	1,611	\$157,932	\$154,940	\$23,601	\$5,876	6.6x	26.4x
First Solar, Inc.	\$217.50	107	\$23,187	\$20,840	\$2,619	\$119	8.0x	175.8x
Intel Corporation	\$32.67	4,137	\$135,156	\$151,141	\$63,054	\$15,371	2.4x	9.8x
LightPath Technologies, Inc. Class A	\$1.41	37	\$52	\$62	\$33	\$0	1.9x	240.2x
Micron Technology, Inc.	\$60.34	1,094	\$66,036	\$68,161	\$23,063	\$9,688	3.0x	7.0x
Monolithic Power Systems, Inc.	\$500.54	47	\$23,678	\$22,944	\$1,794	\$572	12.8x	40.1x
NVIDIA Corporation	\$277.77	2,470	\$686,092	\$684,827	\$26,974	\$7,121	25.4x	96.2x
Semtech Corporation	\$24.14	64	\$1,542	\$2,667	\$757	\$196	3.5x	13.6x
Texas Instruments Incorporated	\$186.01	907	\$168,775	\$168,862	\$20,028	\$11,376	8.4x	14.8x
Mean				\$141,605	\$16,319	\$5,069	8.0x	69.3x
Median				\$68,161	\$11,324	\$3,224	6.6x	26.4x

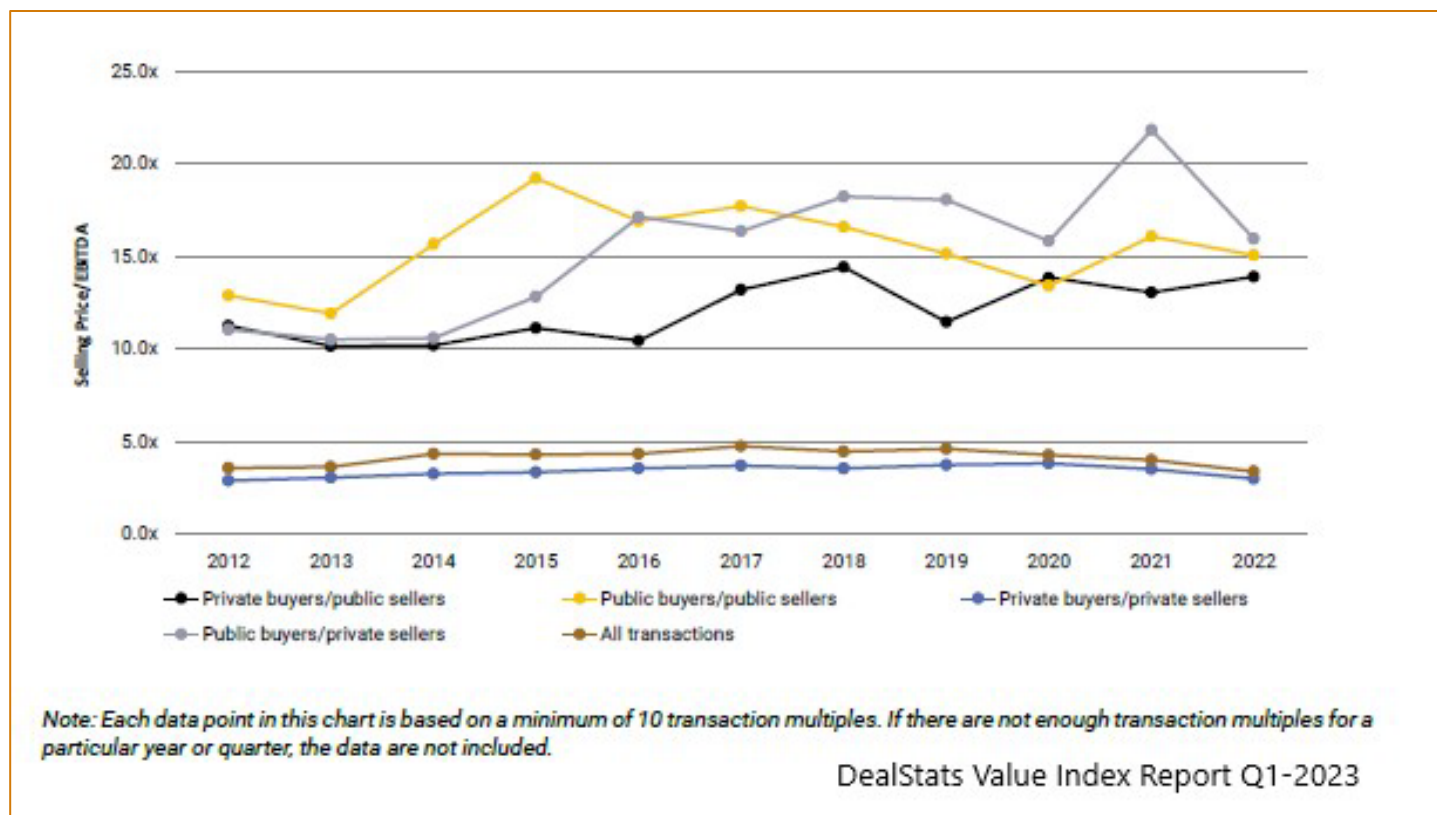
Source: FactSet

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.





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.



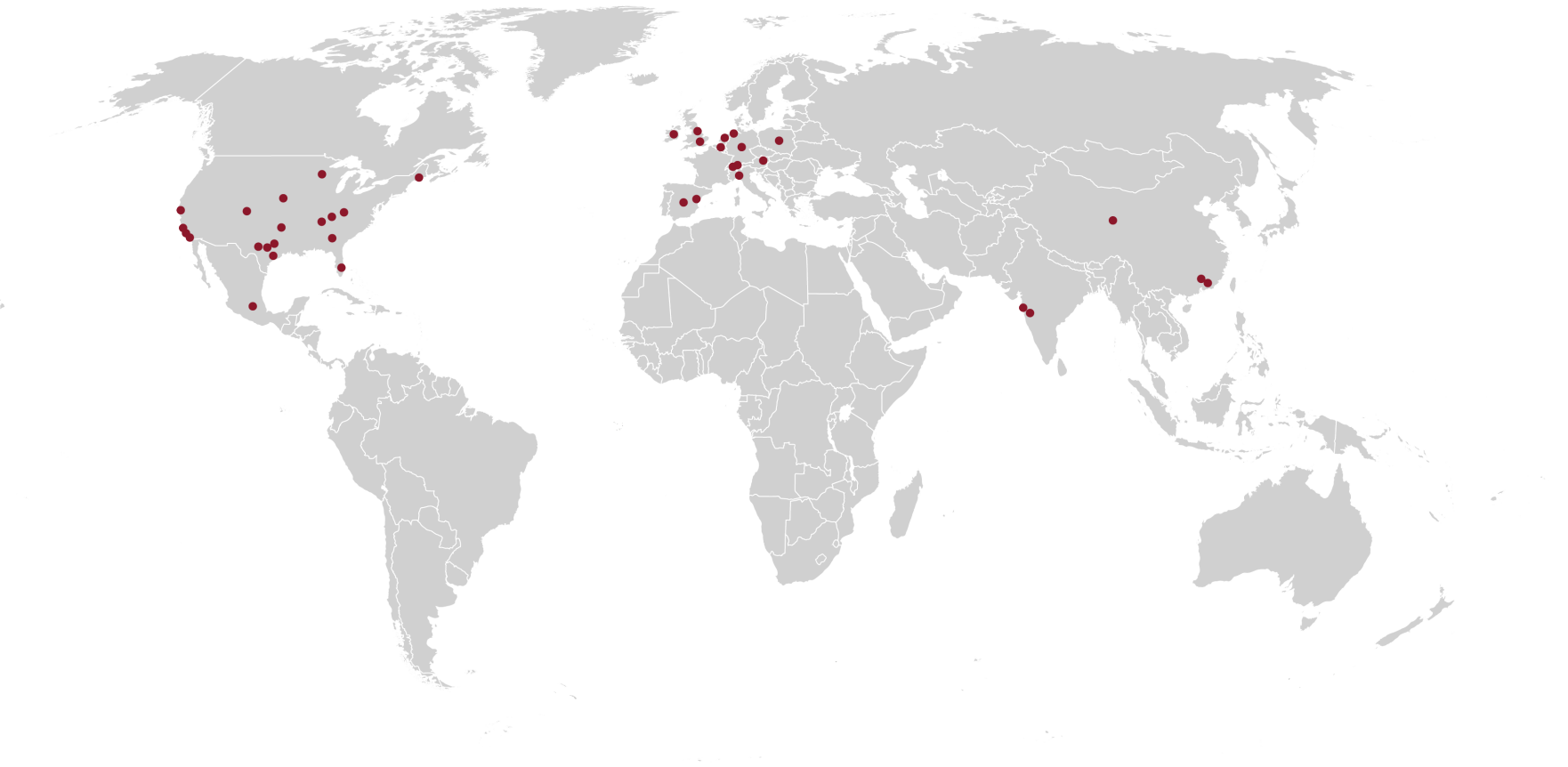
Business Valuation

"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.

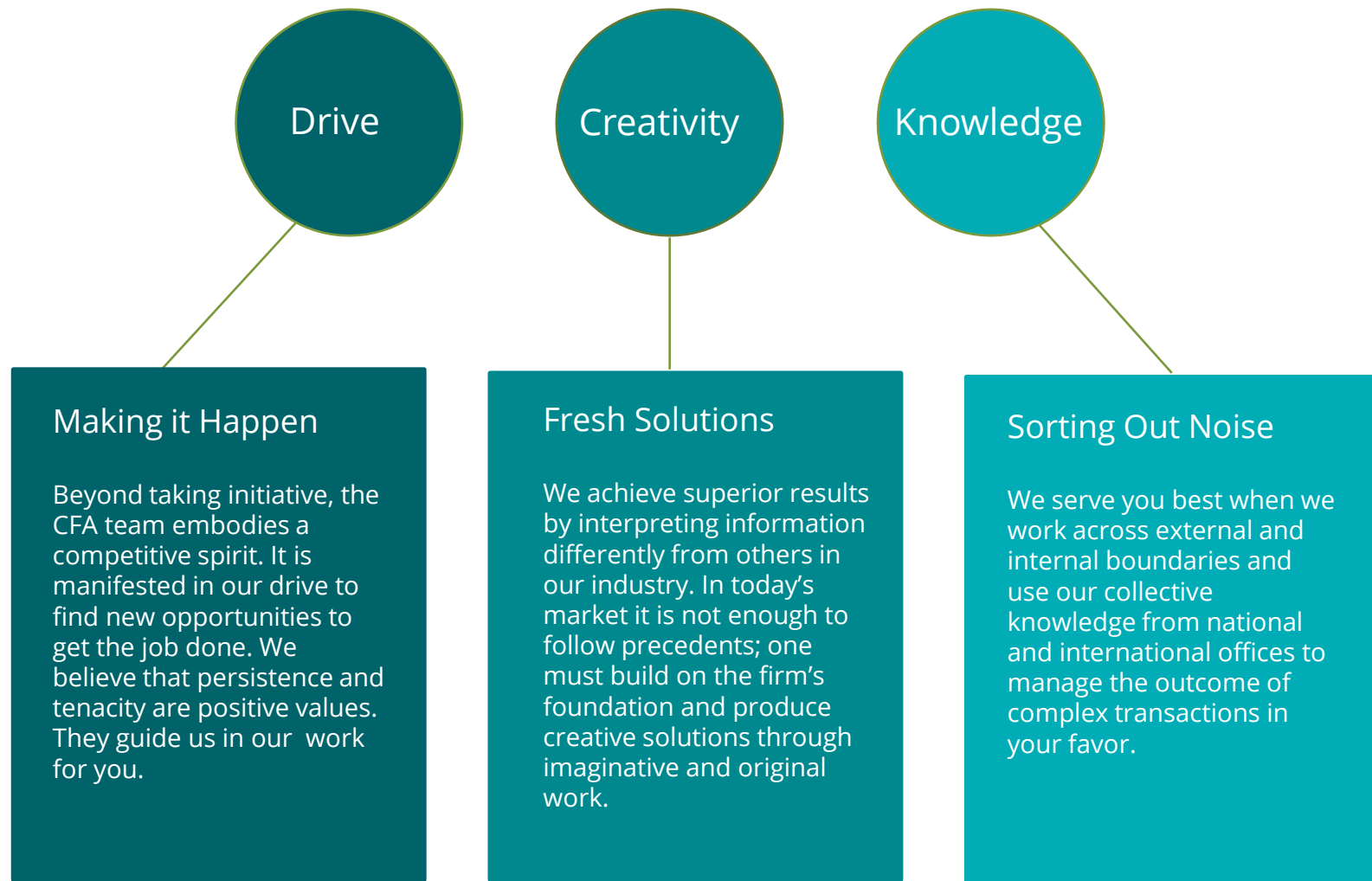
Local Service, Global Reach

Where We Are

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

[illegible]

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

cpm LIVE

has been acquired by

kidsconnect

Equity Backed By:

Five Arrows
Principal Investments

Legal Advisor
ycorporate

Auditor
STPTAX

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

cfa
WORLDWIDE

CORPORATE FINANCE ASSOCIATES

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doculayer.

has been acquired by

ProcessMaker

Equity Backed By

ALDRICH
CAPITAL PARTNERS

BENVALOR

Legal Advisors

Lexence

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

cfa
WORLDWIDE

CORPORATE FINANCE ASSOCIATES

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This announcement appears as a matter of record only

ALB

has been acquired by

SANWA HOLDINGS CORPORATION

*CFAW Zurich supported by
CFAW Hong Kong initiated and acted as advisor to the seller in the transaction*

cfa
WORLDWIDE

CORPORATE FINANCE ASSOCIATES

Since 1956

This announcement appears as a matter of record only

FutureCom
Cybersecurity Delivered.

has been acquired by

e+
Where Technology Means More®

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

cfa
WORLDWIDE

CORPORATE FINANCE ASSOCIATES

Securities transacted through Corporate Finance Securities, Inc.

This announcement appears as a matter of record only

Freework

has acquired

Technojobs

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

cfa
WORLDWIDE

CORPORATE FINANCE ASSOCIATES

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This announcement appears as a matter of record only

ACTOS / GROEP

with equity backing from

VE PARTNERS

has acquired

resultaatgroep

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

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WORLDWIDE

CORPORATE FINANCE ASSOCIATES

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Transnetyx
Serving research. Saving time.

a portfolio company of

THOMPSON STREET
CAPITAL PARTNERS

has acquired

a-tune
make IT simple
Darmstadt, Germany

DMF Group and Corporate Finance Associates jointly acted as exclusive M&A advisors to a-tune Software AG in a structured global sales process

DMF Capital

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Kenya.ai

The undersigned acted as Purchaser Representative to recipients of Enya OMX Token Interest

cfa
WORLDWIDE

CORPORATE FINANCE ASSOCIATES

Securities transacted through Corporate Finance Securities, Inc.

This announcement appears as a matter of record only

CorrectCare
INTEGRATED HEALTH

has been acquired by

Health Comp
a portfolio company of
NMC
NEW MOUNTAIN CAPITAL LLC

The undersigned initiated and acted as exclusive advisor to Correct Care in the transaction

cfa
WORLDWIDE

CORPORATE FINANCE ASSOCIATES

Securities transacted through Corporate Finance Securities, Inc.

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
WORLDWIDE

CORPORATE FINANCE ASSOCIATES

Securities transacted through Corporate Finance Securities, Inc.

Recent Industry Transactions

This announcement appears as a matter of record only

 volmex.finance

*The undersigned acted as Purchaser
Representative to recipients of
VOLX Token Interest*

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

This announcement appears as a matter of record only



has been acquired by



*The undersigned acted as Purchaser
Representative to shareholders of
Moxit, Inc.*

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

This announcement appears as a matter of record only


and
PIEMONTE

*have entered into a
joint venture to form*



a B2C e-Commerce Sales Platform for
Dental Consumer Items

*CFAW Zurich initiated the discussions between
the two joint venture partners and supported the
preparations for the joint venture*

 CORPORATE FINANCE ASSOCIATES
Since 1956

This announcement appears as a matter of record only



*The undersigned acted as Purchaser
Representative to recipients of
GFI Token Interest*

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

This announcement appears as a matter of record only



has been acquired by



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

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

This announcement appears as a matter of record only



has been acquired by



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

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

This announcement appears as a matter of record only



Hero Research, Inc.

has been acquired by



*The undersigned acted as Purchaser
Representative to shareholders of
Hero Research, Inc.*

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

This announcement appears as a matter of record only



has been acquired by


(NASDAQ: UPST)

*The undersigned acted as Purchaser
Representative to shareholders of
Prodigy Software, Inc.*

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

This announcement appears as a matter of record only


Hovik, Norway

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


Hannover, Germany

*CFAW Frankfurt initiated and acted as
advisor to the seller in the transaction*

 CORPORATE FINANCE ASSOCIATES
Since 1956

This announcement appears as a matter of record only

Educator
by
Vanenburg
software

has been acquired by



Equity Backed By
 Legal Advisor


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

 CORPORATE FINANCE ASSOCIATES
Since 1956