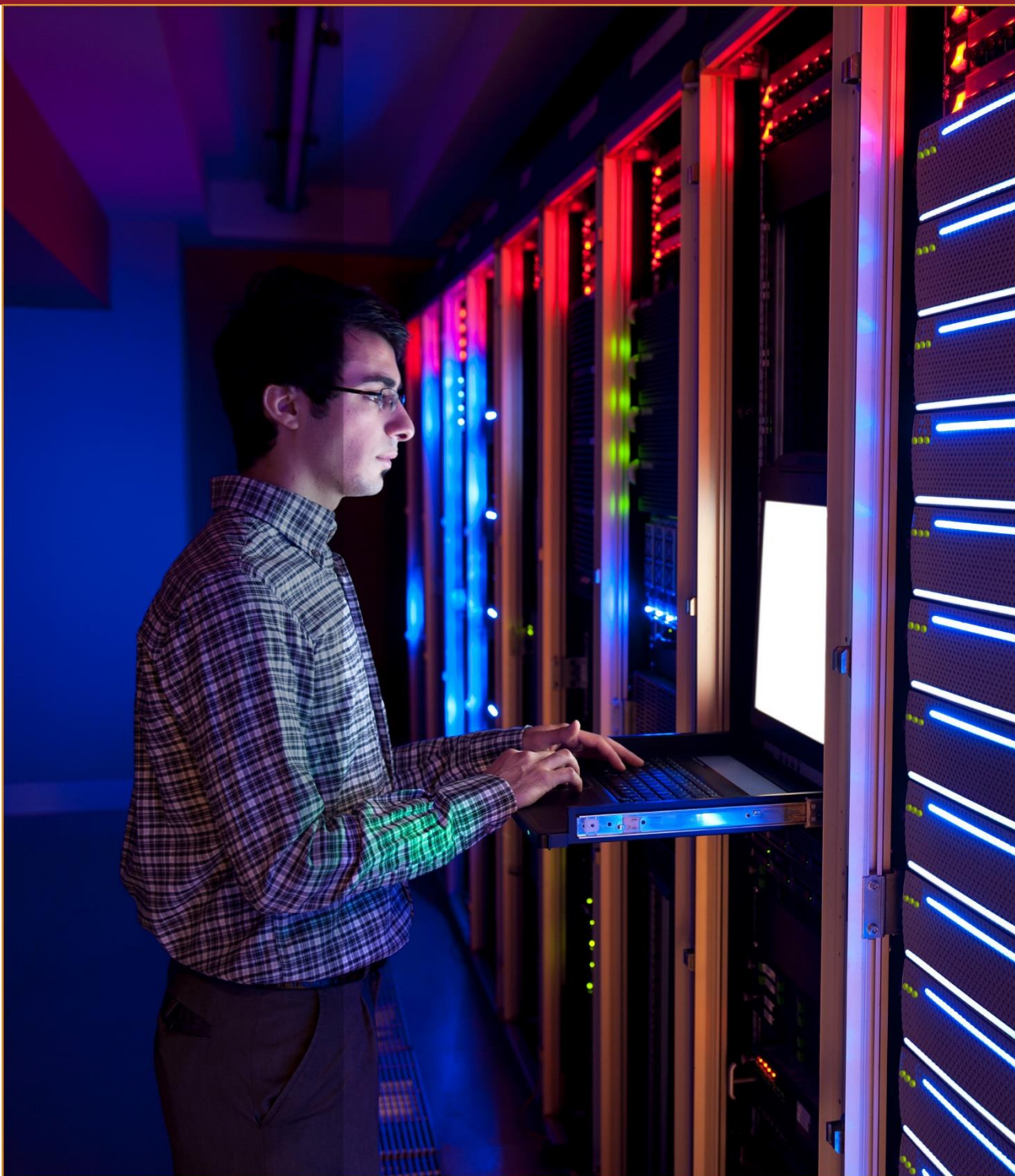


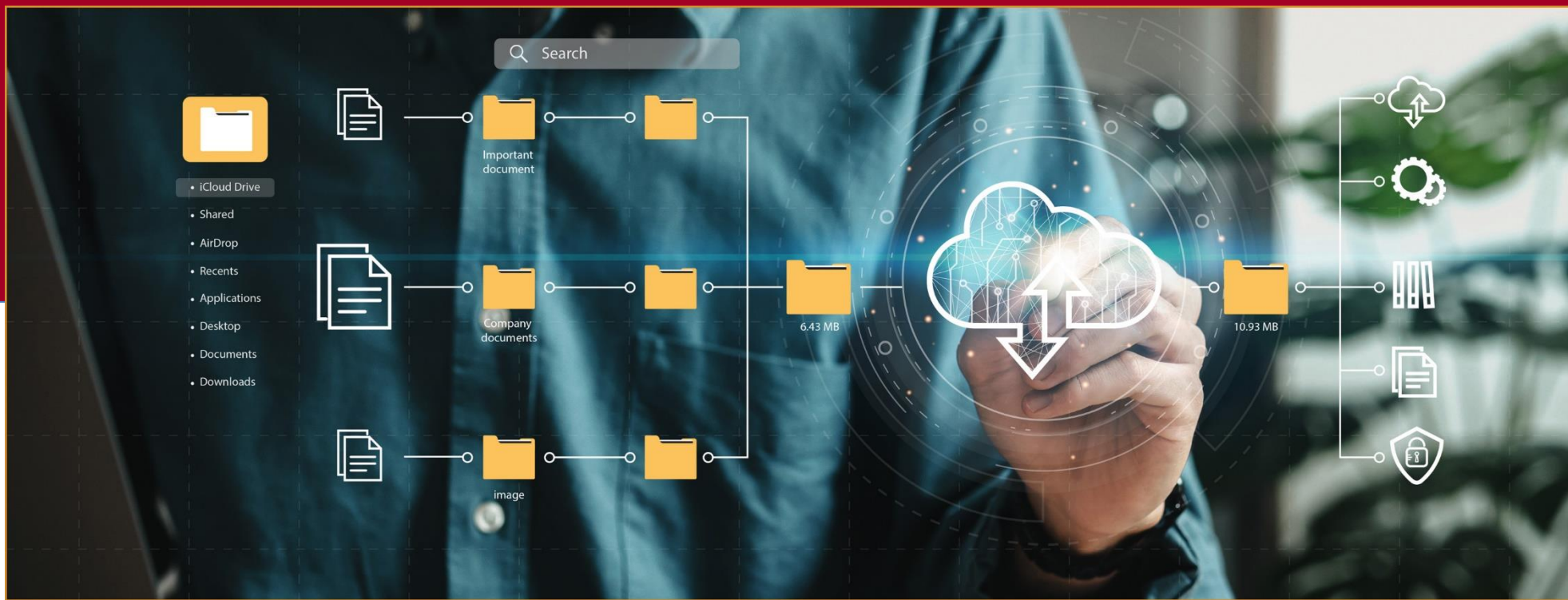
# Technology, Media and Telecom

INDUSTRY REPORT

Summer | 2023

CREATING  
M&A STRATEGIES  
FOR BUSINESS OWNERS  
SINCE 1956





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# Market Observations

# Market Summary

## Technology, Media and Telecom

Persistent economic challenges, geopolitical tensions, supply chain volatility, raw material shortages, semiconductor supply requirements, and regulatory frameworks continue to pose significant challenges for the technology industry. In response to soft consumer spending, low product demand, and declining market capitalization, tech companies are focused on increasing margins and revenues. To achieve this, they are prioritizing business process efficiency and heavily relying on intelligent automation. Cloud migration and the adoption of XaaS (Everything-as-a-Service) models are being embraced globally. According to a report by Forrester, global tech spending is projected to grow by 4.7% in 2023. Pressure from governments and shareholders to enhance transparency regarding environmental impact, tax payments, and carbon emissions reduction is driving industries to update their management software tools for real-time visibility, leading to the development of innovative technologies and new business models. Lower valuations are expected to drive increased M&A activity among tech companies, particularly in areas that leverage AI and machine learning. The enactment of the Digital Markets Law in Europe aims to promote a digital economy with fair competition, choice, innovation, and better-quality services at lower prices while curbing the power of Big Tech firms. Additionally, tech companies are striving to improve efficiency and drive innovation in other sectors like real estate, manufacturing, and retail. According to Statista, approximately \$1.4 trillion is expected to be spent on developing technology-based communication services.

## Public Company Valuations

The CFAW Select Technology Index increased by 20.2% in the first quarter of 2023, and the 12 months return on the Index was down up by 41.7%. Our index for each of the subsectors of Technology, Media, and Telecom has increased in the second quarter of 2023. However, Semiconductor and Other Electronic Component Manufacturing Index outperformed all the other index with 30.4% increase in the second quarter of 2023. Other Telecommunications had the highest median revenue and EBITDA multiple with 11.4x and 44.6x, respectively. Electronics and Appliance Stores had median revenue and EBITDA multiples of 0.7x and 8.0x, while Professional and Commercial Equipment and Supplies Merchant Wholesalers had median revenue and EBITDA multiples of 0.8x and 9.6x, respectively. Computer Systems Design and Related Services, Data Processing, Hosting, and Related Services, Software Publishers and Semiconductor and Other Electronic Component Manufacturing had median revenue multiples of 2.2x, 4.2x, 6.0x, 4.0x and median EBITDA multiples of 16.6x, 19.8x, 25.8x, 18.7x respectively.

“  
The public  
technology market  
increased  
in the second  
quarter of 2023...”

## Mergers and Acquisitions

The global technology, media and telecom industry witnessed a decline in the volume of M&A activity in the second quarter of 2023. During the first half of 2023 (H1 2023), the pace of mergers and acquisitions (M&A) experienced a slowdown, influenced by a blend of factors such as inflation, geopolitical tensions, stringent regulations, and concerns within the banking sector. Elevated interest rates and the intricacies of investments further compounded the challenges. In the face of these hurdles, prudent investors are subtly indicating the potential for a resurgence in the world of deal-making. However, key strategic areas such as Data Engineering, Digital Experience, Cloud, Artificial Intelligence/Machine Learning, and Consulting emerged as prominent themes of growth boosting the M&A deals. A strong demand for high-quality growth assets, especially with a low burn model, is anticipated to increase the M&A deals in the H2 2023.

# Industry Trends

## Generative AI

Generative AI is expected to unleash the next wave of productivity. Generative AI applications such as ChatGPT, GitHub Copilot, and Stable Diffusion have captured the imagination of people around the world. Their prime advantage is that they have the ability to perform a range of routine tasks such as reorganization & classification of data. A few recent launches in the Generative AI space include GPT-4 of OpenAI in February 2023 & Anthropic's generative AI, Claude, which was able to process 100,000 tokens of text, equal to about 75,000 words in a minute, in May 2023. It has been anticipated that generative AI has the potential to add the equivalent of \$2.6 trillion to \$4.4 trillion annually across the 63 use cases thereby increasing the impact of all artificial intelligence by 15% to 40%, a research by McKinsey stated. Current generative AI and other technologies have the potential to automate work activities that absorb 60% to 70% of employees' time today and enable labor productivity growth of 0.1% to 0.6% annually through 2040. With the increasing popularity of large language models for generating high-quality organic text content such as marketing copies, the Generative AI market is expected to increase from \$11.3 billion in 2023 to \$51.8 billion by 2028 at a CAGR of 35.6%.

## Decreasing Tech Layoff

With increasing emphasis on automation, technology industries have been persistently following the process of layoff of employees in an attempt to reduce the cost and make way for new talents. However, the intensity of the layoff has been quite decreasing. The downsizing count is estimated to be 10,524 jobs in June 2023, down 38% from the number of cuts announced in May which was 14,555. This decreasing trend can correspond with the favorable policies towards interest rate pause to cool inflation and the demand to retain qualified and skilled employees to contribute towards the development of new technological products. Economists polled by Reuters forecast 225,000 jobs added in June, fewer than the 339,000 added in May, and a drop in the unemployment rate to 3.6% from 3.7%. According to the UNCTAD, there is a booming demand for data scientists in the US. Between 2020 and 2030 there are expected to be 7,100 job openings, with annual job growth projected at 15% or higher. By 2032, US tech employment is forecast to surpass 6.1 million people, as per the figures reported by Statista.



## Everything-as-a-service (XaaS)

Everything-as-a-service has been incorporating a wide array of services relating to Platform-as-a-service, Software-as-a-service, Desktop-as-a-service, and Infrastructure-as-a-service. They are considered to have the potential to leverage cloud computing instead of on-site local software to provide the mentioned services. Due to the presence of XaaS, businesses are now able to scale their usage up or down based on their needs rather than being locked into a fixed infrastructure, providing them with the advantages of reduced cost, improved flexibility & increased agility. With an estimated migration of 33.4% of companies from legacy enterprise software to cloud-based tools in 2023, it is being expected that Cloud adoption could generate \$3 trillion in earnings before interest, taxes, depreciation, and amortization (EBITDA) by 2030. Attributed by the implementation of pay-as-you-go subscription models and integration of IoT-based systems. XaaS market is estimated to witness revenue growth at a CAGR of 20.94% from \$567.41 billion on 2022 to \$2.6 trillion in 2030.



# Significant News

## Cradlepoint Announces 5G SASE Strategy for Cellular and Hybrid WAN Security

*GlobalNewswire, July 12, 2023*

"Cradle point, the global leader in cloud-delivered LTE and 5G wireless network edge solutions, announced its phased rollout strategy for the industry's first 5G-optimised Secure Access Service Edge (SASE) solution designed for the enterprise and purpose-built for Wireless Wide Area Network (WAN) deployments featuring zero trust, cellular intelligence along with cloud and SIM-based security to address the challenges and threats faced by today's extended enterprise.

[Read More >](#)

## SAP launches Oman's first data centre for private cloud

*Zawya, June 22, 2023*

"Oman's first private cloud data centre has been launched by global technology company SAP in alignment with Oman's Ministry of Transport, Communications, and Information Technology (MTCIT). SAP's data centre will help to empower the Omani Vision 2040 strategy by accelerating innovation and cloud adoption and enabling companies across more than 25 industries to leverage the benefits of SAP's cloud solutions with secure in-country data storage."

[Read More >](#)

## Silicon Valley AI chip startup SiMa.ai hooks key investors

*Reuters, June 13, 2023*

"Silicon Valley-based AI chip startup SiMa.ai on Tuesday said it raised an additional \$13 million from investors including a key fund in Taiwan called VentureTech Alliance, which has a strong strategic partnership with Taiwan Semiconductor Manufacturing Co . SiMa.ai has so far raised a total of \$200 million."

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# M&A Metrics

## Technology, Media & Telecom Industry

M&A activity in the Technology, Media & Telecom industry decreased in Q2 2023. The number of M&A transactions in the industry decreased from 1,448 in Q1 2023 to 1,160 in Q2 2023. The number of sub-\$50 million transactions decreased from 1,373 in Q1 2023 to 1,134 in Q2 2023. The number of transactions above \$100 million decreased from 61 in Q1 2023 to 14 in Q2 2023. The total number of M&A transactions decreased 37.9% year on year from 1,869 in Q2 2022 to 1,160 in Q2 2023.



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

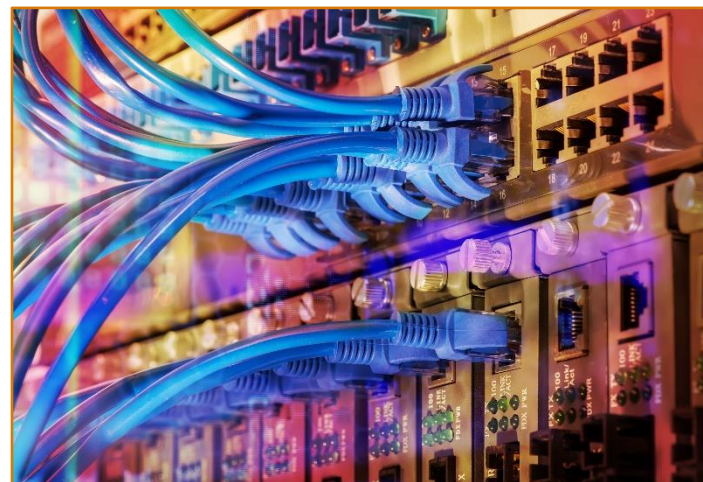
Transaction Value	Q 2020 3	Q 2020 4	Q1 2021	Q2 2021	Q 2021 3	Q 2021 4	Q 2022 1	Q 2022 2	Q 2022 3	Q 2022 4	Q 2023 1	Q 2023 2
Not Disclosed	1,157	1,408	1,658	1,551	1,769	1,778	1,692	1,416	1,306	1,190	1,178	1030
Under \$10 MM	189	219	188	211	238	248	193	206	162	174	129	67
\$10 - \$25 MM	54	90	76	81	60	95	68	60	57	42	41	21
\$25 - \$50 MM	41	61	52	67	47	64	55	42	31	35	25	16
\$50 - \$100 MM	29	46	45	43	51	66	43	44	23	25	14	12
\$100 - \$500 MM	66	82	74	84	98	91	71	65	38	43	39	11
\$500 MM+	48	54	67	58	58	65	57	36	36	20	22	3
Total Transactions	1,584	1,960	2,160	2,095	2,321	2,407	2,179	1,869	1,653	1,529	1,448	1,160

Source: FactSet

# M&A Metrics – Managed Service Providers

## Managed Service Providers

M&A activity in the Managed Service Providers industry decreased in Q2 2023. The number of M&A transactions in the industry decreased from 233 in Q1 2023 to 187 in Q2 2023. The number of sub-\$50 million transactions decreased from 214 in Q1 2023 to 182 in Q2 2023. The number of transactions above \$100 million decreased from 5 in Q1 2023 to 3 in Q2 2023. The total number of M&A transactions decreased 27.5% year on year from 258 in Q2 2022 to 187 in Q2 2023.



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

Transaction Value	Q 2020 3	Q 2020 4	Q1 2021	Q2 2021	Q 2021 3	Q 2021 4	Q 2022 1	Q 2022 2	Q 2022 3	Q 2022 4	Q 2023 1	Q 2023 2
Not Disclosed	136	177	215	204	227	241	214	209	217	199	192	165
Under \$10 MM	16	27	20	20	20	20	13	27	15	19	13	11
\$10 - \$25 MM	2	9	13	9	4	7	7	8	7	4	7	1
\$25 - \$50 MM	2	6	3	7	4	6	6	4	1	1	2	5
\$50 - \$100 MM	2	6	12	3	3	7	7	6	0	1	4	2
\$100 - \$500 MM	4	3	2	7	6	8	12	3	4	4	3	2
\$500 MM+	2	5	7	3	2	4	4	1	3	0	2	1
Total Transactions	164	233	272	253	266	293	263	258	247	228	233	187

Source: FactSet



# Industry Metrics

## Industry Financial Data and Ratios

NAICs 443142 - Electronics Stores

Financial Metric	Last 12 Mo	2022	2021
Current Ratio	3.31	3.17	3.18
Gross Profit Margin	39.15%	39.95%	43.52%
Net Profit Margin	3.06%	3.32%	8.56%
Accounts Receivable Days	32.04	30.87	29.51
Accounts Payable Days	38.73	49.83	43
Debt-to-Equity Ratio	2.29	2.56	2.96
Return on Equity	40.07%	36.97%	60.12%
Sales per Employee	--	--	--
Profit per Employee	--	--	--
Sales Growth	13.47%	13.28%	12.82%
Profit Growth	-3.87%	-2.09%	31.09%

NAICs 5415 - Computer Systems Design and Related Services

Financial Metric	Last 12 Mo	2022	2021
Current Ratio	3.66	3.88	4.02
Gross Profit Margin	60.19%	60.42%	62.01%
Net Profit Margin	5.54%	5.73%	9.42%
Accounts Receivable Days	55.63	52.67	47.61
Accounts Payable Days	30.81	30.54	28.01
Debt-to-Equity Ratio	2.12	2.06	1.91
Return on Equity	45.02%	46.04%	62.41%
Sales per Employee	\$211,521	\$218,751	\$159,961
Profit per Employee	\$3,726	\$4,490	\$25,361
Sales Growth	20.17%	19.57%	18.94%
Profit Growth	4.62%	4.90%	31.11%

Source: Profit Cents

NAICs 423430 - Computer & Computer Peripheral Equipment & Software

Financial Metric	Last 12 Mo	2022	2021
Current Ratio	2.34	2.19	2.76
Gross Profit Margin	33.51%	31.99%	34.95%
Net Profit Margin	-5.85%	0.67%	7.90%
Accounts Receivable Days	53.97	58.28	45.64
Accounts Payable Days	57.86	58.28	49.11
Debt-to-Equity Ratio	2.36	2.76	3.92
Return on Equity	45.81%	49.73%	67.70%
Sales per Employee	--	--	--
Profit per Employee	--	--	--
Sales Growth	17.91%	11.42%	21.48%
Profit Growth	64.36%	61.44%	45.62%

NAICs 5182 - Data Processing, Hosting, and Related Services

Financial Metric	Last 12 Mo	2022	2021
Current Ratio	2.73	2.62	3.54
Gross Profit Margin	71.77%	72.49%	68.66%
Net Profit Margin	-0.94%	2.72%	8.55%
Accounts Receivable Days	54.07	53.8	58.35
Accounts Payable Days	41.67	48.25	50.58
Debt-to-Equity Ratio	2.97	3.36	2.25
Return on Equity	27.02%	35.04%	39.98%
Sales per Employee	--	--	\$307,201
Profit per Employee	--	--	\$95,639
Sales Growth	8.87%	10.76%	23.82%
Profit Growth	-11.20%	5.85%	22.98%

# Industry Metrics

## Industry Financial Data and Ratios

NAICs 5179 - Other Telecommunications

Financial Metric	Last12Mo	2022	2021
Current Ratio	2.51	2.59	3.25
Gross Profit Margin	54.95%	53.49%	54.47%
Net Profit Margin	2.24%	1.59%	5.66%
Accounts Receivable Days	48.46	46.85	46.52
Accounts Payable Days	76.99	66.55	58.35
Debt-to-Equity Ratio	3.51	3.06	2.52
Return on Equity	40.25%	33.91%	46.98%
Sales per Employee	--	--	\$175,196
Profit per Employee	--	--	\$2,677
Sales Growth	14.01%	16.66%	16.77%
Profit Growth	-9.99%	-15.03%	28.59%

NAICs 5112 - Software Publishers

Financial Metric	Last12Mo	2022	2021
Current Ratio	3.22	3.58	2.85
Gross Profit Margin	65.67%	69.66%	70.22%
Net Profit Margin	-11.44%	-15.07%	-5.69%
Accounts Receivable Days	58.26	62.42	61.19
Accounts Payable Days	111.84	107.39	114.84
Debt-to-Equity Ratio	1.4	1.53	1.98
Return on Equity	36.23%	21.77%	25.39%
Sales per Employee	\$43,596	\$43,596	\$159,852
Profit per Employee	(\$56,682)	(\$56,682)	(\$12,450)
Sales Growth	16.67%	17.97%	18.69%
Profit Growth	15.70%	13.80%	31.06%

NAICs 3344 - Semiconductor & Other Electronic Component Manufacturing

Financial Metric	Last12Mo	2022	2021
Current Ratio	3.44	3.41	3.93
Gross Profit Margin	32.97%	33.35%	33.12%
Net Profit Margin	6.90%	5.84%	7.13%
Accounts Receivable Days	50.94	51.29	51.27
Accounts Payable Days	44.02	46.01	42.13
Debt-to-Equity Ratio	1.47	1.61	1.31
Return on Equity	26.01%	19.26%	32.68%
Sales per Employee	\$176,728	\$202,455	\$150,056
Profit per Employee	\$56,646	\$27,353	\$29,947
Sales Growth	19.70%	18.65%	12.59%
Profit Growth	29.98%	37.74%	23.24%

Source: Profit Cents



# Transaction Highlights



# Notable Transactions



SILVERLAKE

In July 2023, **Silver Lake**, an American global private equity firm focused on investments in technology, technology-enabled and related industries, acquired **Software AG**, a German maker of tools for managing IoT data, APIs, and legacy mainframe apps, securing a 63% stake in the company, valuing it at \$2.4 billion, after a bidding war that pitted it against mainframe modernization firm Rocket Software.



software AG



IBM

In June 2023, **IBM** entered into a definitive agreement with Vista Equity Partners to purchase **Apptio Inc.**, a leader in financial and operational IT management and optimization (FinOps) software, for \$4.6 billion. The acquisition of Apptio will accelerate the advancement of IBM's IT automation capabilities and enable enterprise leaders to deliver enhanced business value across technology investments.



APPTIO



databricks

In June 2023, **Databricks**, the Data and AI company, announced it has entered into a definitive agreement to acquire **MosaicML**, a leading generative AI platform. The transaction is valued at approximately \$1.3 billion, inclusive of retention packages. Together, Databricks and MosaicML will make generative AI accessible for every organization, enabling them to build, own and secure generative AI models with their own data.



Mosaic



STG SYMPHONY TECHNOLOGY GROUP

In May 2023, **Symphony Technology Group**, an American private equity firm, acquired **Momentive Global**, an experience management company that offers cloud-based software in brand insights, market insights, product experience, employee experience for \$1.5 billion.



MOMENTIVE

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# Select M&A Transactions

Date	Target Name	Acquirer Name	Enterprise Value (MM)	Revenue	EBITDA
06/29/23	Preflight HQ, Inc.	Thoma Bravo LP; Applitools, Inc.	15.00	NA	NA
06/27/23	Berbix, Inc.	Socure, Inc.	70.00	NA	NA
06/08/23	Bluegrass Vascular Technologies, Inc. /Assets/	Merit Medical Systems, Inc.	32.50	NA	NA
06/01/23	D3 Technical Services, LLC	Symetri Ltd.	59.00	120.00	NA
05/24/23	Youappi, Inc.	Affle International Pte. Ltd.	45.00	32.83	NA
05/23/23	Giphy, Inc.	Shutterstock, Inc.	53.00	NA	NA
05/16/23	AgaMatrix, Inc.	i-SENS, Inc.	27.02	NA	NA
05/09/23	Benefits Science LLC	MultiPlan Corp.	223.69	NA	NA
05/04/23	Phase 3 Technologies, Inc.	NCAB Group AB	23.50	NA	NA
05/04/23	FX Innovation	The Bell Telephone Company of Canada	122.54	NA	NA
05/03/23	Micro-Mode Products, Inc.	ITT, Inc.	80.00	26.00	NA
04/28/23	Smith Global Ltd.	Hyatt Hotels Corp.	66.08	NA	NA
04/26/23	Lookout, Inc. /Mobile Security Business/	F-Secure Oyj	222.07	39.41	14.99
04/24/23	Arroyo Consulting LLC	BGSF, Inc.	NA	16.20	NA
04/17/23	LookingGlass Cyber Solutions, Inc.	ZeroFox Holdings, Inc.	25.52	NA	NA
04/17/23	Charah Solutions, Inc.	SER Capital Partners LLC	275.50	298.03	263.14
04/03/23	PFH Technology Group Ltd.	Ricoh Europe Plc	NA	190.45	NA
(\$ in millions) Source: Factset					



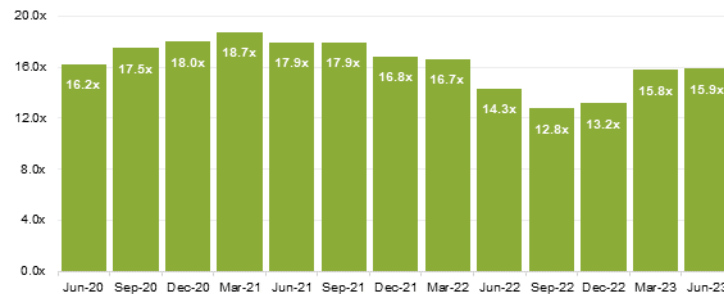
# Public Companies



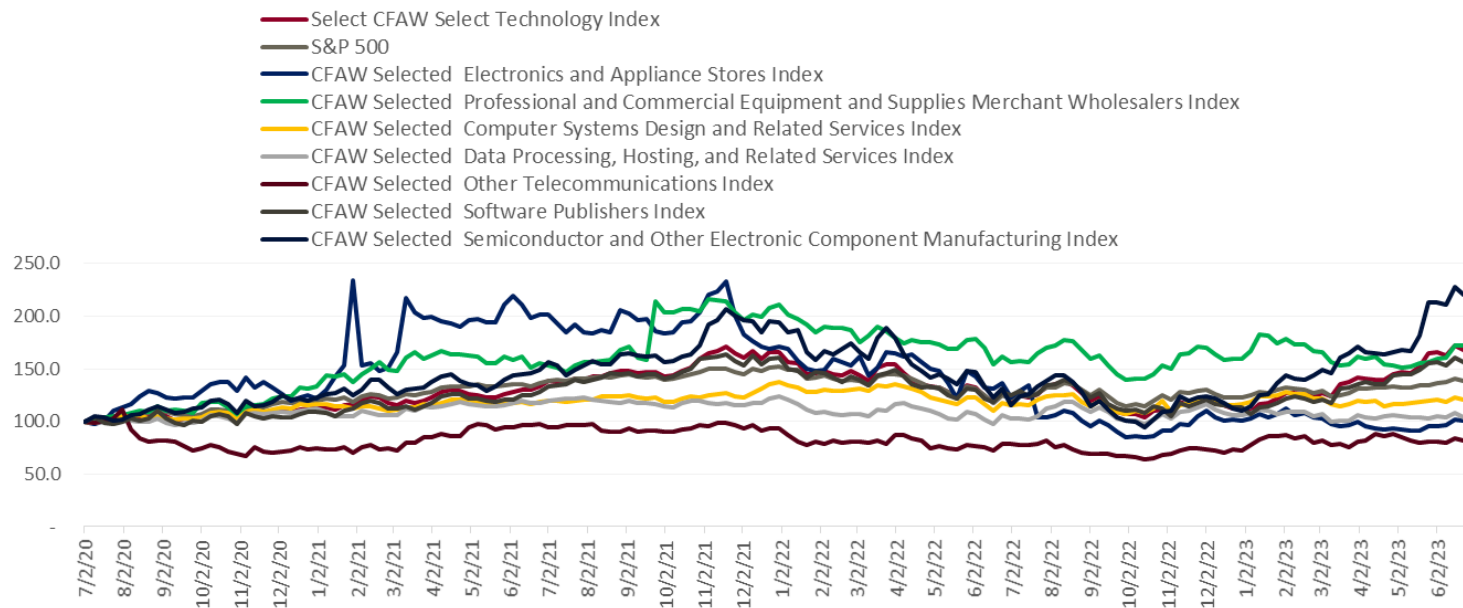
# Industry Performance

## CFAW Select Technology Index

CFAW Select Technology Index | Median EBITDA Multiples



CFAW Select Technology Index | Median Revenue Multiples

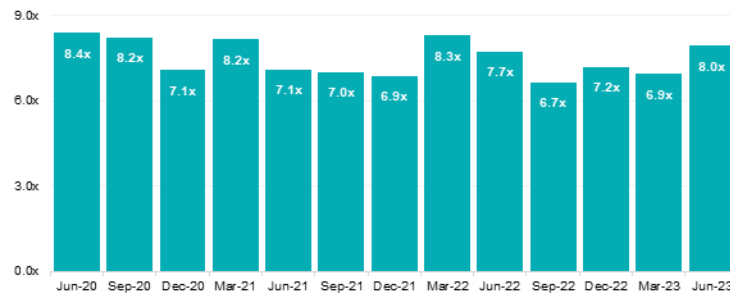


Source: FactSet

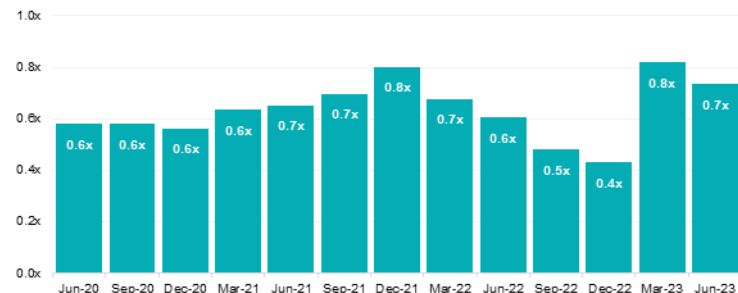
# Public Comparables

## Electronics and Appliance Stores

Electronics and Appliance Stores | Median EBITDA Multiples



Electronics and Appliance Stores | Median Revenue Multiples



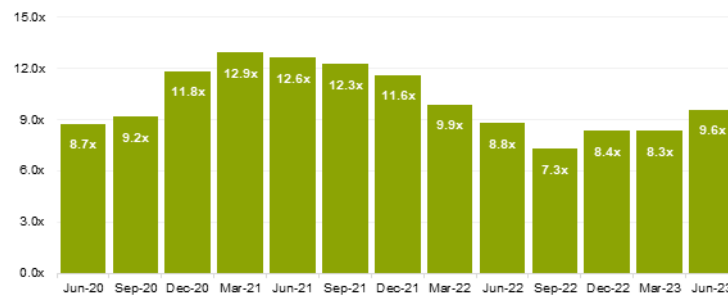
Company \$USD in Millions	Share Price	Shares O/S	Market Cap	Enterprise Value	Revenues (LTM)	EBITDA (LTM)	Enterprise Value /	
							Revenues	EBITDA
Best Buy Co., Inc.	\$81.95	218	\$17,882	\$20,173	\$45,118	\$2,683	0.4x	7.5x
Brimag Digital Age Ltd	\$4.04	10	\$40	\$115-	-	-	-	-
Com7 Public Co. Ltd.	\$0.75	2,400	\$1,794	\$2,003	\$1,895	\$140	1.1x	14.4x
Copperwired Public Co. Ltd.	\$0.08	600	\$50	\$64	\$206	\$11	0.3x	6.0x
ePlus inc.	\$56.30	27	\$1,517	\$1,496	\$2,168	\$188	0.7x	8.0x
Frontier Developments Plc	\$7.50	39	\$296	\$265	\$151	\$57	1.8x	4.7x
GameStop Corp. Class A	\$24.25	305	\$7,390	\$6,723	\$5,786	(\$182)	1.2x	NM
PC Depot Corporation	\$3.31	53	\$174	\$158	\$215	\$19	0.7x	8.1x
Syscom Computer Engineering Co., Ltd.	\$2.21	100	\$221	\$206	\$200	\$14	1.0x	14.4x
<b>Mean</b>				\$3,467	\$6,967	\$366	<b>0.9x</b>	<b>9.0x</b>
<b>Median</b>				\$265	\$1,055	\$38	<b>0.9x</b>	<b>8.0x</b>

Source: FactSet

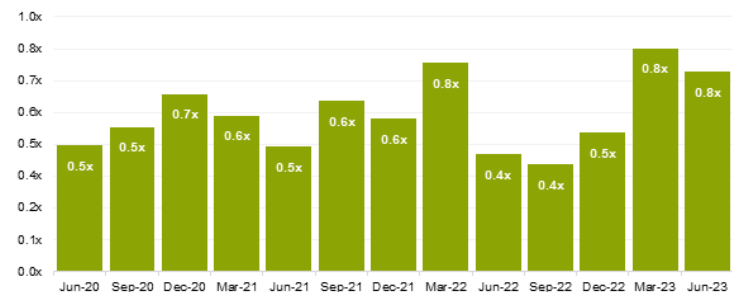
# Public Comparables

## 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.	\$4.63	19	\$87	\$74	\$157-		0.5x	
Argo Blockchain Plc	\$0.14	535	\$75	\$131	\$50	\$13	2.6x	9.9x
D-Link Corporation	\$0.70	600	\$421	\$409	\$564	\$29	0.7x	14.3x
Digiworld Corp.	\$1.76	167	\$295	\$338	\$787	\$28	0.4x	12.2x
Intevac, Inc.	\$3.75	26	\$99	\$34	\$44	(\$15)	0.8x	NM
Paragon Technologies, Inc.	\$11.00	2	\$17	\$27	\$121	\$9	0.2x	3.2x
ScanSource, Inc.	\$29.56	25	\$734	\$1,042	\$3,788	\$165	0.3x	6.3x
SoftwareOne Holding Ltd.	\$19.82	159	\$3,143	\$3,192	\$1,061	\$156	3.0x	20.4x
TD SYNnex Corporation	\$94.00	94	\$8,813	\$11,998	\$60,792	\$1,719	0.2x	7.0x
<b>Mean</b>				\$1,916	\$7,485	\$263	<b>1.0x</b>	<b>10.5x</b>
<b>Median</b>				\$338	\$564	\$28	<b>0.5x</b>	<b>9.9x</b>

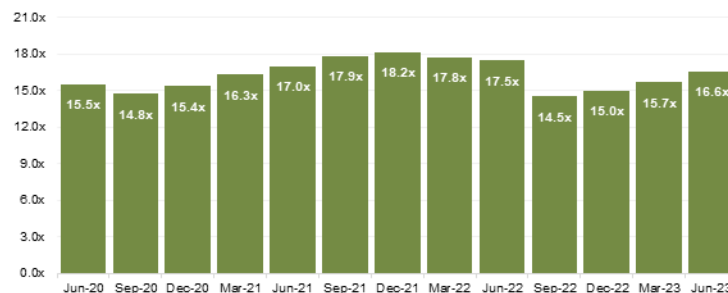
Source: FactSet



# 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

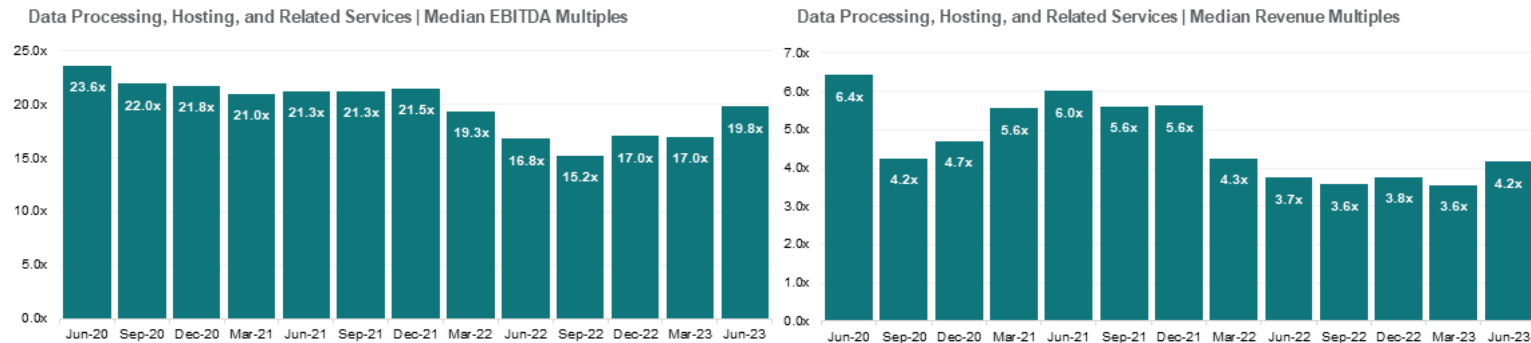


Company \$USD in Millions	Share Price	Shares O/S	Market Cap	Enterprise Value	Revenues (LTM)	EBITDA (LTM)	Enterprise Value /	
							Revenues	EBITDA
Amdocs Limited	\$98.85	121	\$11,943	\$12,034	\$4,811	\$938	2.5x	12.8x
Beyondsoft Corporation Class A	\$1.95	592	\$1,151	\$947	\$944	\$63	1.0x	15.0x
CDW Corporation	\$183.50	134	\$24,598	\$30,938	\$22,383	\$2,032	1.4x	15.2x
Cerner Corporation	-	-	-	-	\$5,807	\$1,725	-	-
Cognizant Technology Solutions Corporation Class A	\$65.28	505	\$32,969	\$32,352	\$19,394	\$3,475	1.7x	9.3x
Jack Henry & Associates, Inc.	\$167.33	73	\$12,204	\$12,510	\$2,078	\$671	6.0x	18.6x
NetScout Systems, Inc.	\$30.95	72	\$2,233	\$2,006	\$917	\$175	2.2x	11.5x
Perficient, Inc.	\$83.33	35	\$2,901	\$3,208	\$923	\$179	3.5x	17.9x
Science Applications International Corp.	\$112.48	54	\$6,038	\$8,136	\$7,736	\$694	1.1x	11.7x
VeriSign, Inc.	\$225.97	103	\$23,305	\$24,220	\$1,463	\$1,018	16.6x	23.8x
<b>Mean</b>				\$14,039	\$6,646	\$1,097	<b>4.0x</b>	<b>15.1x</b>
<b>Median</b>				\$12,034	\$3,444	\$816	<b>2.2x</b>	<b>15.0x</b>

Source: FactSet

# Public Comparables

## Data Processing, Hosting, and Related Services



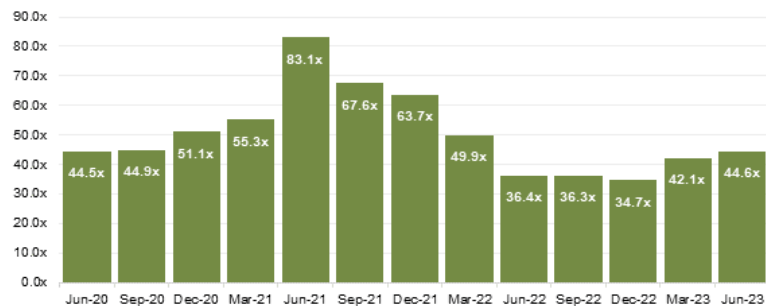
Company \$USD in Millions	Share Price	Shares O/S	Market Cap	Enterprise Value	Revenues (LTM)	EBITDA (LTM)	Enterprise Value /	
							Revenues	EBITDA
Bread Financial Holdings, Inc.	\$31.39	50	\$1,577	\$2,920	\$4,774-		0.6x	
Automatic Data Processing, Inc.	\$219.79	412	\$90,551	\$92,018	\$18,012	\$5,056	5.1x	18.2x
Avantax, Inc.	\$22.38	37	\$823-	-	-			
Dropbox, Inc. Class A	\$26.67	267	\$7,117	\$10,097	\$2,423	\$506	4.2x	20.0x
Equinix, Inc.	\$783.94	94	\$73,349	\$88,209	\$7,728	\$4,486	11.4x	19.7x
FactSet Research Systems Inc.	\$400.65	38	\$15,283	\$16,693	\$2,049	\$813	8.1x	20.5x
Global Payments Inc.	\$98.52	260	\$25,615	\$41,823	\$9,283	\$3,778	4.5x	11.1x
Rackspace Technology, Inc.	\$2.72	216	\$587	\$4,246	\$3,080	\$329	1.4x	12.9x
<b>Mean</b>				\$36,572	\$6,764	\$2,494	<b>5.0x</b>	<b>17.1x</b>
<b>Median</b>				\$16,693	\$4,774	\$2,295	<b>4.5x</b>	<b>18.9x</b>

Source: FactSet

# Public Comparables

## Other Telecommunications

Other Telecommunications | Median EBITDA Multiples



Other Telecommunications | Median Revenue Multiples



Company	Share	Shares	Market	Enterprise	Revenues	EBITDA	Enterprise Value /	
\$USD in Millions	Price	O/S	Cap	Value	(LTM)	(LTM)	Revenues	EBITDA
Alliance Creative Group, Inc.	\$0.30	1	\$0	\$5	\$10	\$0	0.5x	25.1x
Cogent Communications Holdings Inc	\$67.29	49	\$3,289	\$4,885	\$695	\$173	7.0x	28.2x
KonaTel, Inc.	\$0.83	43	\$35	\$38	\$19	(\$3)	2.0x	NM
LiveWorld, Inc.	\$0.18	46	\$8	\$3	\$12	\$1	0.3x	2.6x
<b>Mean</b>				\$1,233	\$184	\$43	<b>2.4x</b>	<b>18.6x</b>
<b>Median</b>				\$22	\$16	\$1	<b>1.2x</b>	<b>25.1x</b>

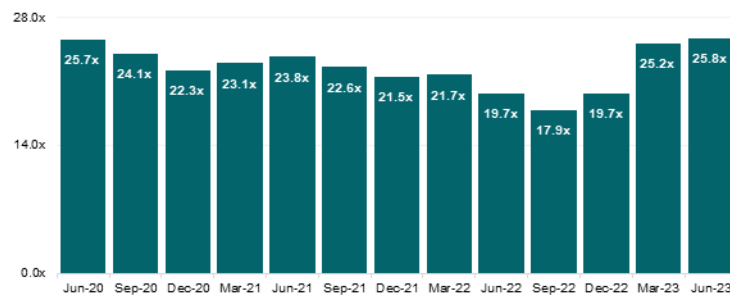
Source: FactSet



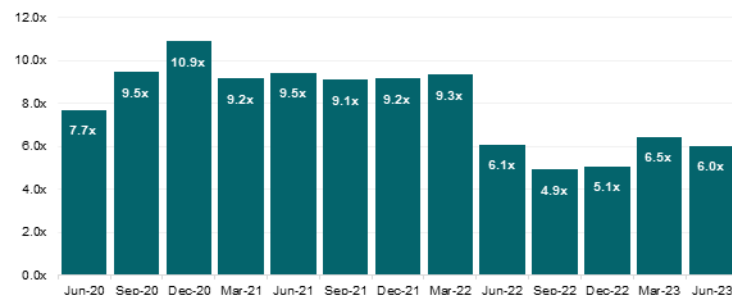
# Public Comparables

## Software Publishers

Software Publishers | Median EBITDA Multiples



Software Publishers | Median Revenue Multiples

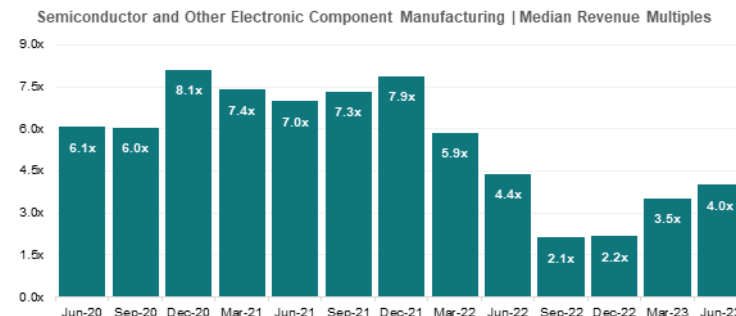
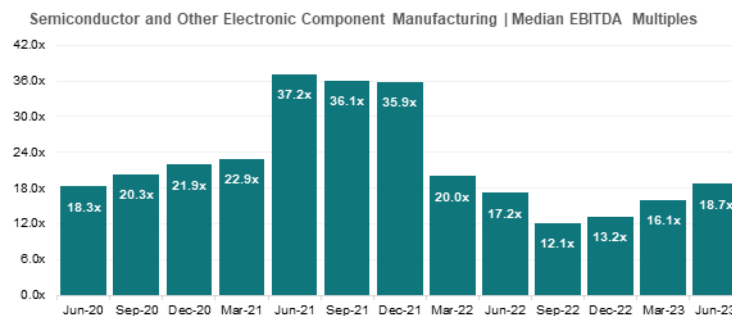


Company \$USD in Millions	Share Price	Shares O/S	Market Cap	Enterprise Value	Revenues (LTM)	EBITDA (LTM)	Enterprise Value /	
							Revenues	EBITDA
Bentley Systems, Incorporated Class B	\$54.23	283	\$15,367	\$17,582	\$1,166	\$285	15.1x	61.6x
Digital Turbine, Inc.	\$9.28	101	\$933	\$1,277	\$624	\$103	2.0x	12.4x
Electronic Arts Inc.	\$129.70	271	\$35,137	\$34,627	\$7,387	\$1,860	4.7x	18.6x
Fortinet, Inc.	\$75.59	785	\$59,364	\$57,061	\$4,988	\$1,280	11.4x	44.6x
Palo Alto Networks, Inc.	\$255.51	306	\$78,149	\$78,130	\$6,490	\$488	12.0x	160.0x
Paycom Software, Inc.	\$321.24	60	\$19,424	\$18,108	\$1,558	\$668	11.6x	27.1x
Tyler Technologies, Inc.	\$416.47	42	\$17,524	\$18,307	\$1,902	\$383	9.6x	47.8x
VMware, Inc. Class A	\$143.69	430	\$61,838	\$66,717	\$13,539	\$3,208	4.9x	20.8x
Rapid7 Inc.	\$45.28	61	\$2,761	\$3,381	\$734	(\$41)	4.6x	NM
Check Point Software Technologies Ltd.	\$125.62	121	\$15,170	\$13,585	\$2,378	\$936	5.7x	14.5x
<b>Mean</b>				\$30,877	\$4,076	\$917	<b>8.2x</b>	<b>45.3x</b>
<b>Median</b>				\$18,207	\$2,140	\$578	<b>7.7x</b>	<b>27.1x</b>

Source: FactSet

# Public Comparables

## Semiconductor and Other Electronic Component Manufacturing



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.	\$113.91	1,616	\$184,041	\$180,426	\$21,876	\$4,151	8.2x	43.5x
First Solar, Inc.	\$190.09	107	\$20,308	\$18,898	\$2,989	\$527	6.3x	35.9x
Intel Corporation	\$33.44	4,188	\$140,047	\$168,290	\$54,044	\$8,780	3.1x	19.2x
LightPath Technologies, Inc. Class A	\$1.35	37	\$50	\$53	\$32	(\$0)	1.6x	NM
Micron Technology, Inc.	\$63.11	1,095	\$69,124	\$72,682	\$18,173	\$5,180	4.0x	14.0x
Monolithic Power Systems, Inc.	\$540.23	48	\$25,811	\$24,787	\$1,848	\$569	13.4x	43.6x
NVIDIA Corporation	\$423.02	2,470	\$1,044,859	\$1,042,888	\$32,681	\$12,379	31.9x	84.2x
<b>Mean</b>				\$215,432	\$18,806	\$4,512	<b>9.8x</b>	<b>40.1x</b>
<b>Median</b>				\$72,682	\$18,173	\$4,151	<b>6.3x</b>	<b>39.7x</b>

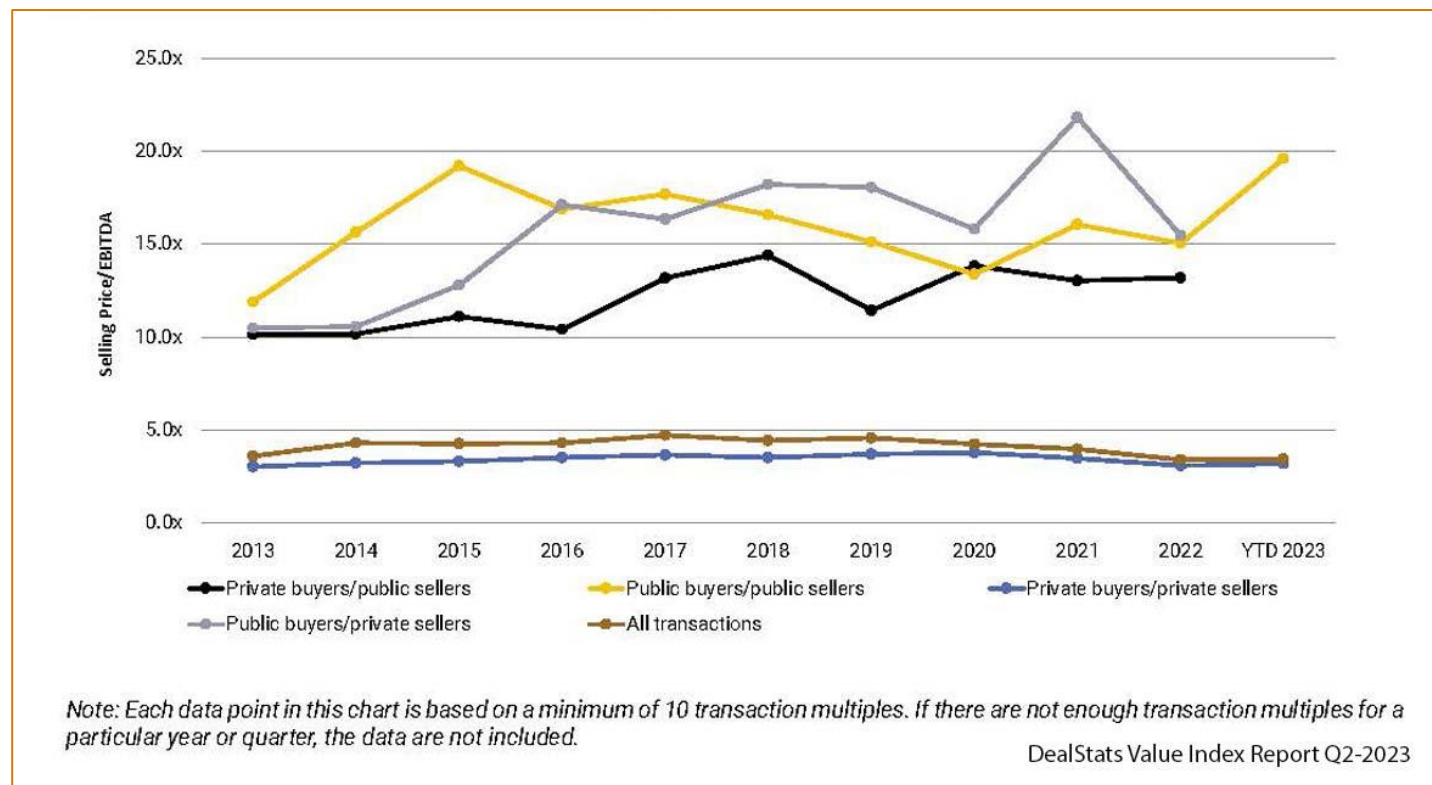
Source: FactSet

# 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.



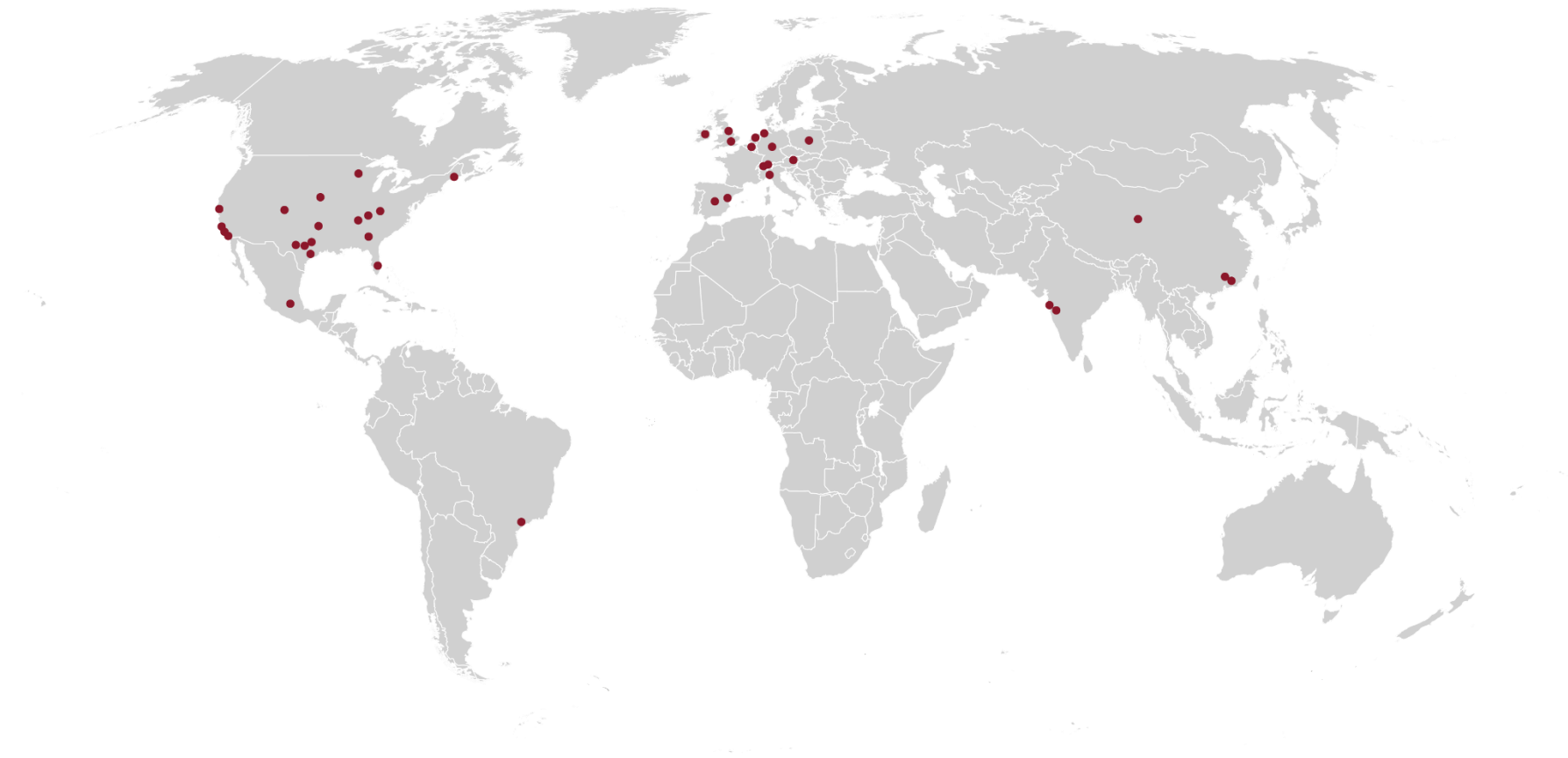
### Business Valuation

"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

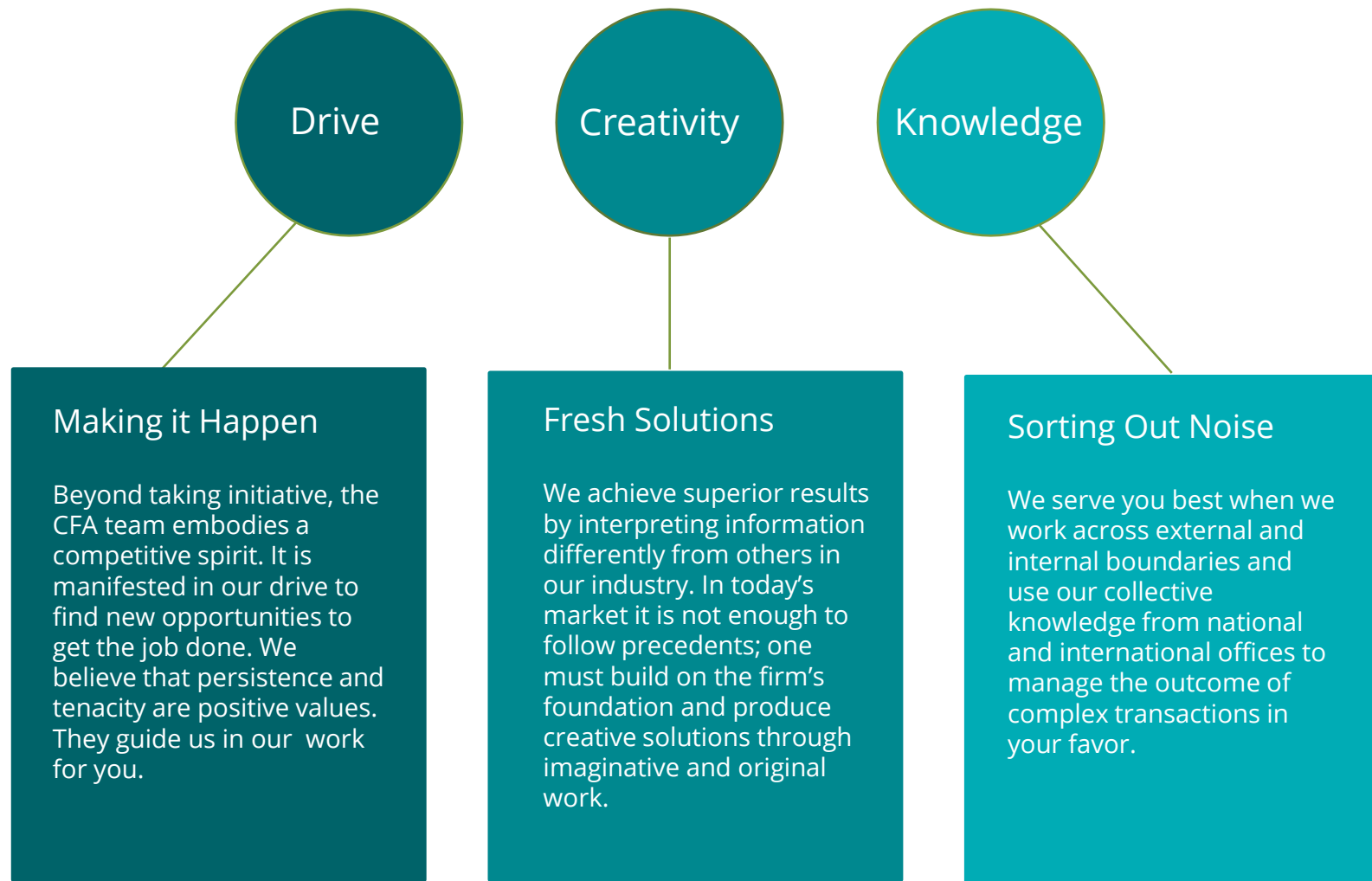
## Where We Are

With offices across the USA and in Austria, Belgium, Brazil, 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.





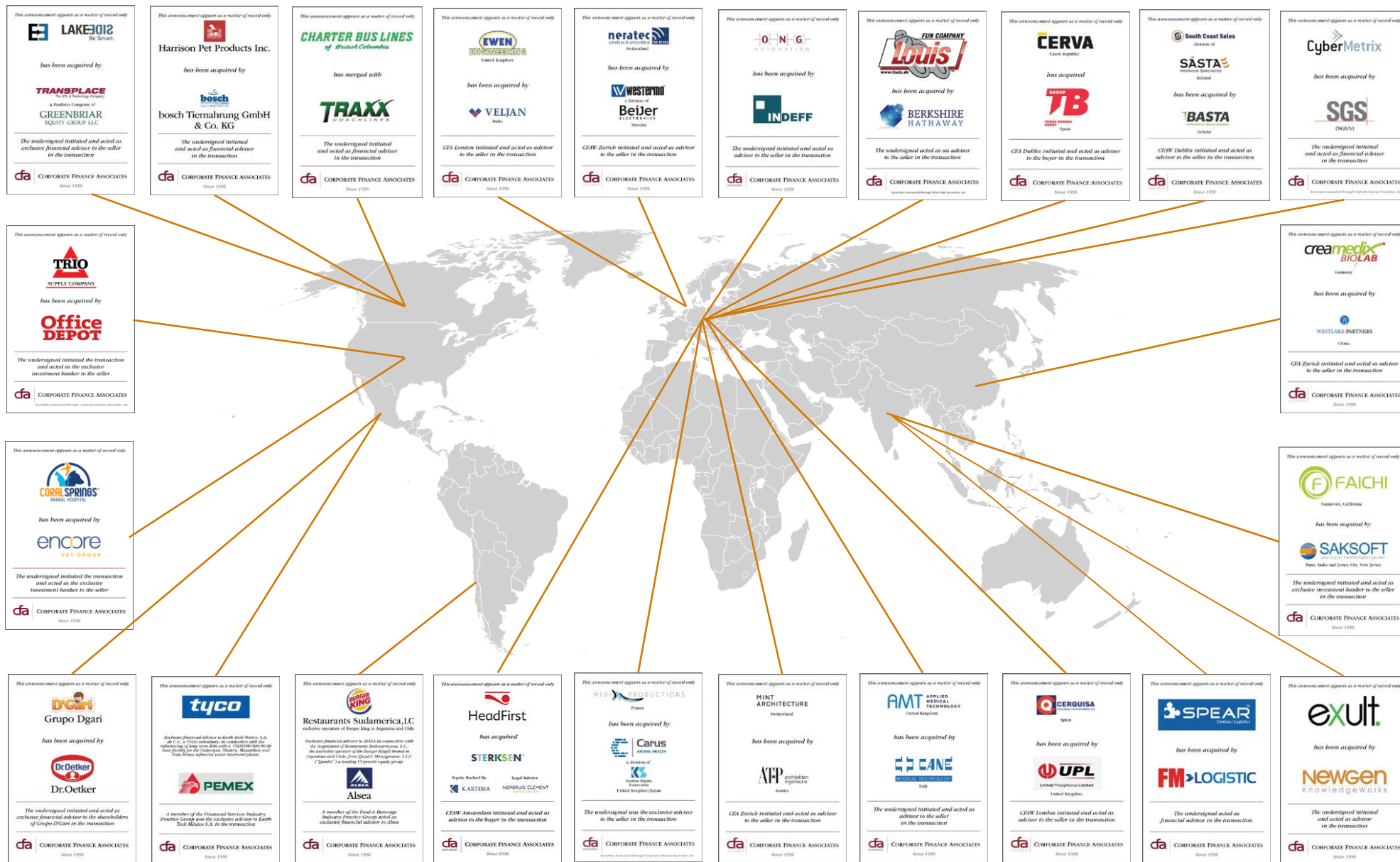
# Delivering Results



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



# Worldwide Transactions



# 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**  
Private Investments

Legal Advisor  
**ycorporate**

Auditor  
**STPTAX**

*CFAW Amsterdam 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*

**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**

*Since 1956*

*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**

*Since 1956*

*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*

**cfa**  
WORLDWIDE

**CORPORATE FINANCE ASSOCIATES**

*Since 1956*

*This announcement appears as a matter of record only*

**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**

**cfa** | **CORPORATE FINANCE ASSOCIATES**

*Since 1956*

*This announcement appears as a matter of record only*

**Kenya.ai**

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

**cfa**

**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

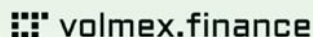
**CORPORATE FINANCE ASSOCIATES**

*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*

 SMILE

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*



*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*



*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*



*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