

FOCUS

Investment Banking

Telecom Technology and Services Group

Enterprise-Focused Telecom Technology Quarterly



Investment Banking and Advisory Services

FOCUS Investment Banking LLC is a leading investment bank with specialized telecom technology and services expertise, concentrating on providing highly tailored services to emerging middle market and larger organizations in this sector:

- Mergers & Acquisition Advisory
- Corporate Development Consulting
- Strategic Partnering & Alliances
- Capital Financing, Debt & Equity
- Corporate Valuations

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Enterprise-Focused Telecom Technology Quarterly

By Richard Pierce, FOCUS Managing Director and Telecom Technology and Services Team Leader

FOCUS believes that the Enterprise-Focused Telecom Technology sector is one of the most exciting in Telecom. Businesses today have an unprecedented opportunity to enhance operating efficiency and reduce costs by converging separate voice and data networks, empowering remote and mobile workers, extending communications to harsh outdoor and industrial environments, enhancing customer service and moving applications to a hosted or “cloud” environment. However, to achieve these benefits organizations must overcome a host of non-trivial challenges including bandwidth management, quality of service prioritization and monitoring, device proliferation and network security. While many of the largest players in the communications equipment industry are indeed helping to meet these challenges, we believe there is significant innovation among middle market technology providers and ample opportunities for them to create meaningful value for their shareholders. FOCUS is proud of its commitment to the Enterprise-Focused Telecom Technology sector and we are excited about the prospects for middle market companies in this space.

The FOCUS Telecom Technology and Services group consists of two professionals with a combined 30+ years of transaction experience across a wide variety of telecommunications-related companies. The FOCUS Telecom team is uniquely qualified to help middle market clients reach their strategic objectives because the group:

- Devotes significant senior level resources to executing transactions for lower middle market clients,
- Has a breadth of knowledge that covers most segments of the telecom industry,

- Has seasoned bankers with decades of telecom industry experience,
- Has a proven transaction methodology for delivering results,
- Is equally comfortable with buy side and sell side M&A,
- Leverages an experienced team of research professionals,
- Has a national presence with coverage of both East and West coasts.

Sub Sector Definitions

Enterprise Networking: Enterprise-grade switches and routers (wireline and wireless), enterprise CPE and application and bandwidth management tools such as WAN optimization and application acceleration

Industrial Networking and M2M: Ruggedized equipment designed for communications in harsh environments as well as equipment utilized for machine-to-machine communications

Network Management: Software used by enterprises to manage and monitor their voice communications and data networks

Network Security: Software applications designed to identify and protect against a wide variety of network security-related threats

Unified Communications and Contact Center: PBXs, videoconferencing-related products and software products designed to enhance the efficiency of contact center networks.

Summary Comments

Public Markets

The FOCUS Enterprise-Focused Telecom Technology Index (EFTTI) dipped sharply into the red this reporting period with a three-month loss of 11.0%. While the broader market indices were down as well, the EFTTI still underperformed both the S&P 500 (down 2.0% for the period) and the NASDAQ (down 8.1% for the period). The sector still managed to remain in positive territory for the full year period with a modest gain of 4.1%. However, this once again underperformed both the 21.6% gain in the S&P 500 and the 9.0% gain in the NASDAQ over the corresponding time frame. Sector multiples closed out the period at 6.0x revenue and 23.5x EBITDA. Both of these represent slight declines from year-ago multiples of 6.3x revenue and 24.1x EBITDA.

Enterprise Networking

The Enterprise Networking sub sector was the only sub sector in the EFTTI that managed to turn in a positive return this period with a three-month increase of 2.1%. Extreme Networks was the top performer with a gain of 29.1%, while Arista Networks also performed very well with a gain of 21.4%. Finally, Citrix was up 7.6% in the wake of the announcement that the company had entered into an agreement to be acquired by TIBCO Software. Sub sector performance looks even better for the full year with a gain of 23.3%. Arista Networks and Extreme Networks were also top performers over this time period, as was A10 Networks with a gain of 49.0%. The sub sector revenue multiple increased from 3.8x a year ago to 4.5x currently, while the sub sector EBITDA multiple increased from 12.6x to 15.2x.

Industrial and M2M

The Industrial and M2M sub sector reversed course and dropped 11.6% this period. Five of the six stocks in the index delivered negative returns, with the steepest declines coming from CalAmp (down 38.3%), Inseego (down 26.5%) and Lantronix (down 25.5%). The sub sector is also down 18.9% year-over-year, although at least Belden and Lantronix both delivered strong returns over this past 12 months. The sub sector revenue multiple fell from 2.0x a year ago to 1.6x currently, while the EBITDA multiple dropped from 25.7x to 15.9x.

Network Management

The Network Management sub sector was in negative territory for the third straight reporting period. On the bright side, the decline was relatively modest at only 1.4%. NetScout was up 16.6%, but SolarWinds continued to decline with a 15.5% drop. The sub sector is also down 40.0% over the last 12 months. Over this time period SolarWinds was down nearly 60% while NetScout was up 7.9%. Sub sector multiples ended the period at 3.0x revenue (down from 4.9x a year ago) and 14.7x EBITDA (down from 21.3x a year ago).

Network Security

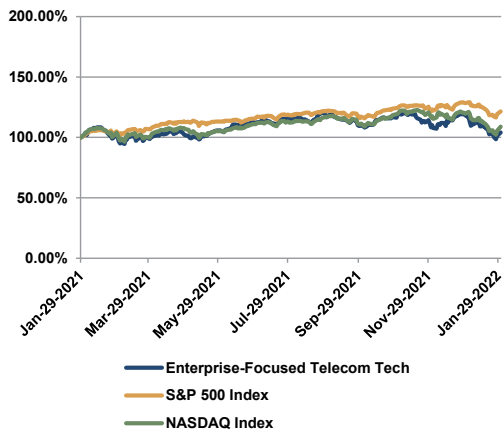
After two straight reporting periods as the EFTTI's top performing sub sector, the Network Security sub sector plummeted 15.2% in the past three months. This made it the worst performing sub sector in the EFTTI for our winter reporting period. 10 of the 14 stocks in the index had a negative return, including eight that suffered a double-digit decline. Even with its poor performance this period, the sub sector is still up slightly more than 20% compared to this same time last year. Over the full year time period winners and losers were relatively equally split, but strong gains at companies like Fortinet, Palo Alto Networks and Zscaler pushed the sub sector firmly into positive territory. Sub sector multiples are higher than they were a year ago, but only by a fairly small amount. The sub sector revenue multiple went from 11.8x to 12.2x, and the sub sector EBITDA multiple went from 61.1x to 69.8x.

Unified Communications and the Contact Center

In keeping with the old expression "what comes up, must come down", the Unified Communications and the Contact Center sub sector fell nearly 40% this period. This included a 43.8% drop at Zoom, the darling of the early pandemic period. Other stocks suffering significant losses of 20% or more included ClearOne, Five9, LivePerson and Sangoma Technologies. Year-over-year, the sub sector is now down 53.1%. This makes it the worst performing sub sector in the EFTTI over this time period. Sub sector multiples have dropped dramatically over the past year. The sub sector revenue multiple went from 17.9x a year ago to 6.3x currently. The trend in EBITDA multiple was similar, as the sub sector EBITDA multiple dropped from 101.0 a year ago to its current value of 30.5x.

Enterprise-Focused Telecom Technology: Public Market Summary

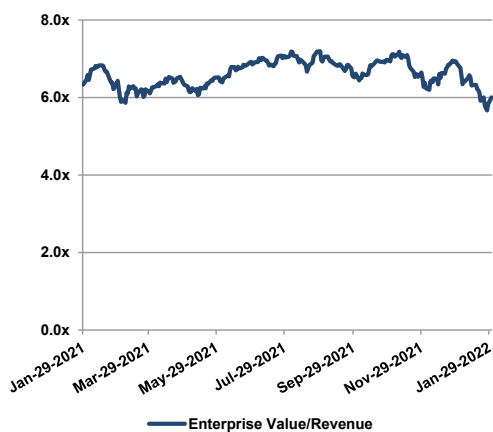
Twelve Month Index Returns



Sector and Sub Sector Returns

	12 Month	3 Month
Enterprise-Focused Telecom Tech	4.1%	-11.0%
Enterprise Networking	23.3%	2.1%
Industrial and M2M	-18.9%	-11.6%
Network Management	-40.0%	-1.4%
Network Security	20.3%	-15.2%
Unified Comms & Contact Center	-53.1%	-38.3%
S&P 500	21.6%	-2.0%
NASDAQ	9.0%	-8.1%

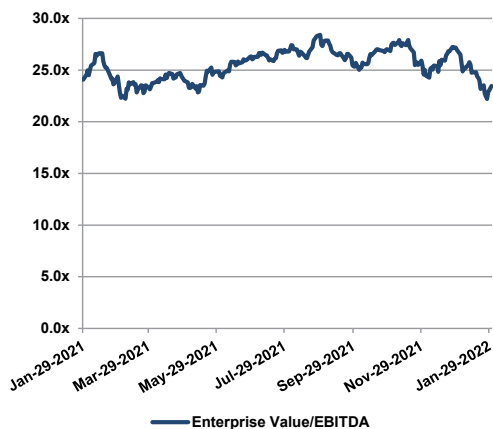
Revenue Multiple Trends



Sector and Sub Sector Revenue Multiples

	1/31/2022	1/31/2021
Enterprise-Focused Telecom Tech	6.0x	6.3x
Enterprise Networking	4.5x	3.8x
Industrial and M2M	1.6x	2.0x
Network Management	3.0x	4.9x
Network Security	12.2x	11.8x
Unified Comms & Contact Center	6.3x	17.9x

EBITDA Multiple Trends



Sector and Sub Sector EBITDA Multiples

	1/31/2022	1/31/2021
Enterprise-Focused Telecom Tech	23.5x	24.1x
Enterprise Networking	15.2x	12.6x
Industrial and M2M	15.9x	25.7x
Network Management	14.7x	21.3x
Network Security	69.8x	61.1x
Unified Comms & Contact Center	30.5x	101.0x

Source: Capital IQ

M&A Summary Comments

M&A

The number of M&A transactions this period continued its downward trend with 41 total transactions. This marks a significant slowdown from the pace of activity that we saw in much of 2021. However, the total announced transaction dollar volume for the period was a whopping \$48 billion. To put this in perspective, this amount is higher than any full year in the last five. Now that we have closed the books on 2021, it is clear that it was a white-hot M&A market in the Enterprise-Focused Telecom Technology sector. Both the 233 total announced transactions and the \$73.5 billion in total announced transaction dollar volume far exceed any year in the last five.

Enterprise Networking

The Enterprise Networking sub sector was able to boast the second largest transaction this period. This was the acquisition of Citrix Systems by TIBCO Software and its private equity backers. In addition, Ericsson's subsidiary Cradlepoint acquired software-defined networking company Quortus, while Fortinet acquired switching and routing vendor ALAXALA Networks

Industrial and M2M

For the second straight reporting period there were no transactions in the Industrial and M2M sub sector.

Network Management

It was a slow period in the Network management sub sector as the sub sector only had three transactions in the past three months. The only deal with an announced transaction dollar volume was the Firstwave Cloud Technology acquisition of Opmantek for \$44.3 million. In addition, Diamanti acquired IT monitoring software company GroundWork Open Source while Broadcom acquired AppNeta, an application end-user performance monitoring company.

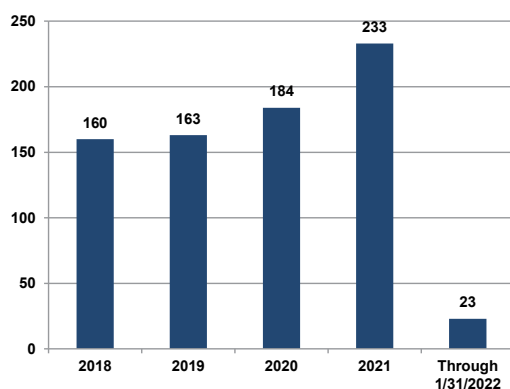
Network Security

M&A activity continued at a relatively high level in the Network Security sub sector with 29 transactions this period. The sub sector also boasted the largest single transaction this period, the \$22.7 billion acquisition of McAfee by a consortium of private equity investors. In addition, Permira also acquired Mimecast for \$5.5 billion. While in a typical period this would be the largest transaction, in this particular three months it was only good enough for a bronze medal. We also noted that both Google and IBM made acquisitions in the security space this period. Finally, we saw new platform investments made by Marlin Equity Partners (which acquired Silobreaker) and Nautic Partners (which acquired Security On-Demand).

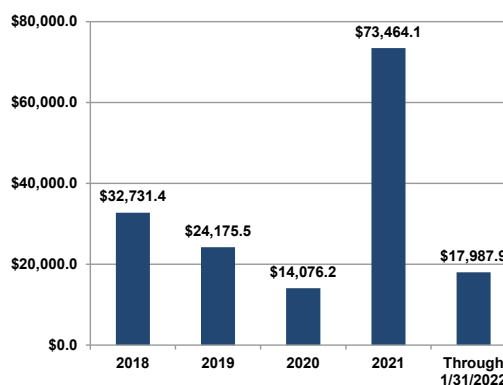
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Enterprise-Focused Telecom Technology: M&A Summary

M&A Activity: Number of Transactions



M&A Activity (\$ Value of Transactions in Millions)



Unified Communications and the Contact Center

The largest transaction in the Unified Communications and the Contact Center sub sector was RingCentral's acquisition of intellectual property rights from Mitel Networks for \$650 million. BCM One also continued to be acquisitive with its acquisition of private label cloud communications company CoreDial. The sub sector's other three transactions were all in the contact center software area. These were the Linzor Capital Partners acquisition of inConcert Group, the SaaS Labs acquisition of CallPage and the Versaterm acquisition of Komutel.

Transactions with Announced Multiples

There were five transactions with announced multiples this period, all of which went for strong valuations. Three of these were in the security sub sector. Of these three, the Permira acquisition of Mimecast had the highest revenue multiple at 10.0x revenue and 39.9x EBITDA. On the other end of the spectrum, OpenText's acquisition of Zix had the lowest revenue multiple at 3.5x revenue and 23.6x EBITDA. The McAfee deal was in between, weighing in at 7.4x revenue and 43.9x EBITDA. Of the remaining two transactions, the Citrix Systems acquisition went for a healthy 5.6x revenue and 26.1x EBITDA. Finally, the highest revenue multiple deal went to the Network Management sub sector. This was the acquisition of Opmantek by Firstwave Cloud Technology for 15.4x revenue.

M&A Announced Transactions (11/1/21 – 1/31/22)

Acquiror	Target	Sector	Date Announced	Purchase Price	Description
Diamanti	GroundWork Open Source	Network Management	1/31/22	NA	IT monitoring software for physical, virtual and cloud-based infrastructures.
TIBCO Software	Citrix Systems	Enterprise Networking	1/31/22	\$17,637.9	Application, desktop and server virtualization software and SaaS for businesses and related gateways and networking hardware.
Vectra AI	Sirix Security Technologies	Security	1/25/22	NA	SaaS-based tool for managing application security risk.
Linzor Capital Partners	inConcert Group	Unified Comms & Contact Center	1/24/22	NA	Omnichannel software solutions for contact centers, marketing, sales and customer experience.
Datto	Infocyte	Security	1/20/22	NA	Endpoint detection and response solutions to detect and respond to advanced cyber threats.
Nautic Partners	Security On-Demand	Security	1/20/22	NA	AI-based unified threat management SaaS and related managed security and data analytics services.
SaaS Labs	CallPage	Unified Comms & Contact Center	1/20/22	NA	Software with features for making, receiving and recording phone calls, texts and fax.
Belden	macmon secure	Security	1/19/22	NA	Network security software that focuses on network access control.
Marlin Equity Partners	Silobreaker	Security	1/19/22	NA	Online intelligence tool for cyber security, intelligence, incident management and risk analysis.
Orca Security	RapidSec	Security	1/19/22	NA	Technology that protects web applications from client-side attacks.
DigiCert	Mocana	Security	1/13/22	NA	Enables IoT-related secure authorization, secure boot and firmware validation and prevents data leakage in cloud connectivity.
Doctolib	Tanker	Security	1/12/22	NA	End-to-end encryption platform that provides data privacy and security solutions.
Flashpoint	Risk Based Security	Security	1/12/22	NA	Provides organizations access to comprehensive asset-based security intelligence to assess and remediate vulnerabilities.
Accellion USA	Totemo	Security	1/11/22	NA	Email encryption, secure managed file transfer and secure mobile communication solutions for organizations and institutions.
Google	CyArx Technologies	Security	1/4/22	NA	Threat analysis platform for security analysts with advanced profiling algorithms.
Recorded Future	SecurityTrails	Security	1/4/22	NA	Application programming interface for security companies.
GRO Capital	Promon	Security	12/28/22	NA	Mobile and web application security SaaS and related APIs and mobile SDKs to businesses globally.
Ericsson	Quortus	Enterprise Networking	12/21/21	NA	Software defined network technology platform and products based on 3GPP 4G, 3G and 2G.
Intuit	ImVision Software Technologies	Security	12/21/21	NA	API security for enterprise-scale applications.
ZeroFOX	IDX	Security	12/20/21	NA	Digital privacy protection and identity data breach response SaaS and related services for businesses and government agencies.
Impero Solutions	ContentKeeper Technologies	Security	12/13/21	NA	Enterprise monitoring and integrated cloud-based security SaaS and mobile security applications for businesses.
Avast Software	Evernym	Security	12/9/21	NA	Self-controlled identity infrastructure SaaS for businesses that enables self-sovereign or decentralized identity management.
Broadcom	AppNeta	Network Management	12/7/21	NA	Application end-user performance monitoring and related IT network performance monitoring SaaS for businesses.
Permira	Mimecast	Security	12/7/21	\$5,540.6	Email management and security SaaS for businesses.
Firstwave Cloud Technology	Opmantek	Network Management	11/29/21	\$44.3	Open source network, inventory, charting, event handling systems and audit solutions.
OpenText	Bricata	Security	11/24/21	NA	Network traffic analysis, intrusion detection, threat response and network vulnerability assessment and remediation SaaS.
Schwarz Group	XM Cyber	Security	11/22/21	\$722.3	Software that enables cloud security orchestration, automation and response and infrastructure monitoring and risk management.
BCM One	CoreDial	Unified Comms & Contact Center	11/18/21	NA	Private-label cloud communications SaaS and services that enable unified communications and call center capabilities.

M&A Announced Transactions (11/1/21 – 1/31/22) continued

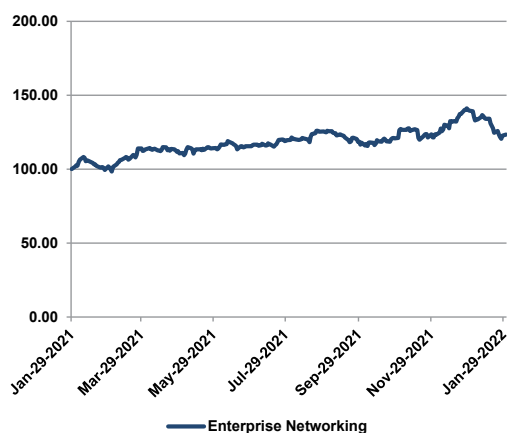
Acquiror	Target	Sector	Date Announced	Purchase Price	Description
PF SKB Kontur	Atom Security	Security	11/18/21	NA	Activity monitoring, user behavior analytics, productivity optimization and insider threat detection software.
Versaterm	Komutel	Unified Comms & Contact Center	11/17/21	NA	Call center communications SaaS for businesses and government agencies.
Team Cymru	Amplicy	Security	11/16/21	NA	Surface attack and threat intelligence management SaaS for businesses.
DomainTools	Farsight Security	Security	11/9/21	NA	DNS actionable threat intelligence and cyber security SaaS, APIs and related services.
Raintank	Amixr	Network Management	11/9/21	NA	AI-based IT incident alert management SaaS with features for monitoring systems connection, data collection and analysis.
RingCentral	Mitel Networks (Certain IP Assets)	Unified Comms & Contact Center	11/9/21	\$650.0	IP rights and patents of Mitel that enable network and call management, security and infrastructure capabilities.
OpenText	Zix	Security	11/8/21	\$860.0	Messaging security, web content filtering and email encryption SaaS and software.
Private Equity Consortium	McAfee	Security	11/8/21	\$22,676.8	Network anti-malware and PC security software for consumers worldwide.
Fortinet	ALAXALA Networks	Enterprise Networking	11/4/21	NA	Networking products including switches and routers primarily for the Japanese market.
Outpost24	Specops Software	Security	11/4/21	NA	Password management and security software solutions.
SecureAuth	Acceptto	Security	11/3/21	NA	Analyzes and verifies user identity through threat analytics and uses risk based threat identification.
IBM Corporation	ReaQta	Security	11/2/21	NA	AI-enabled automated security threat detection and prevention software and SaaS.
CrowdStrike	SecureCircle	Security	11/1/21	NA	Zero trust endpoint data security SaaS with features for source code protection and zero trust data security for SaaS applications.

M&A Announced Transactions with Revenue Multiples (2/1/21 – 1/31/22)

Acquiror	Target	Sector	Date Announced	Purchase Price	Revenue Multiple	EBITDA Multiple	Description
TIBCO Software	Citrix Systems	Enterprise Networking	1/31/22	\$17,637.9	5.6 x	26.1 x	Application, desktop and server virtualization software and SaaS for businesses and related gateways and networking hardware.
Permira	Mimecast	Security	12/7/21	\$5,540.6	10.0 x	39.9 x	Email management and security SaaS for businesses.
Firstwave Cloud Technology	Opmantek	Network Management	11/29/21	\$44.3	15.4 x	NM	Open source network, inventory, charting, event handling systems and audit solutions.
OpenText	Zix	Security	11/8/21	\$860.0	3.5 x	23.6 x	Messaging security, web content filtering and email encryption SaaS and software.
Private Equity Consortium	McAfee	Security	11/8/21	\$22,676.8	7.4 x	43.9 x	Network anti-malware and PC security software for consumers worldwide.
LoopUp Group	SyncRTC	Unified Comms & Contact Center	9/29/21	\$4.5	2.2 x	9.2 x	Offers a cloud-based video collaboration platform for B2B customers.
Extreme Networks	Infovista (Ipanema Technologies Division)	Enterprise Networking	8/10/21	\$73.0	3.0 x	NA	SD-WAN optimization SaaS with features for acceleration, governance, application, traffic, workload and network management.
NortonLifeLock	Avast Software	Security	8/10/21	\$7,655.6	8.2 x	15.6 x	AI-based PC, Mac and mobile anti-virus, anti-spam and firewall SaaS and software for consumers and businesses.
Linewize Limited	Smoothwall	Security	8/6/21	\$104.7	4.6 x	19.5 x	Web filtering, safeguarding and Internet security solutions software for the public and private sectors.
Rapid7	IntSights Cyber Intelligence	Security	7/19/21	\$335.0	12.4 x	NA	Cloud-native, external and internal threat detection, intelligence, vulnerability assessment and remediation SaaS.
Zoom Video Communications	Five9	Unified Comms & Contact Center	7/18/21	\$14,290.9	29.9 x	576.2 x	Cloud-based contact center software that provides contact center as a service solutions.
Enea	Adaptive Mobile Security	Security	7/15/21	\$53.2	2.9 x	NA	Mobile safeguard and security solutions to protect services on fixed and mobile networks through in-network and cloud solutions.
Safe-T Group	CyberKick	Security	7/1/21	\$12.7	3.0 x	NA	Software that avoids security and data threats and provides online cyber security and online privacy protection services.
Lantronix	Communications Systems (Transition Networks and Net2Edge Businesses)	Industrial and M2M	4/29/21	\$25.0	0.7 x	19.2 x	IoT connectivity products including switching, power over Ethernet and media conversion and adapter products.
Thoma Bravo	Proofpoint	Security	4/26/21	\$11,072.2	10.5 x	283.8 x	Email security, threat detection and data loss prevention SaaS for businesses.
Symphony Technology Group	McAfee (Enterprise Division)	Security	3/8/21	\$4,000.0	3.0 x	NA	Network anti-malware and PC security software for enterprises globally.

Sub Sector Analysis: Enterprise Networking

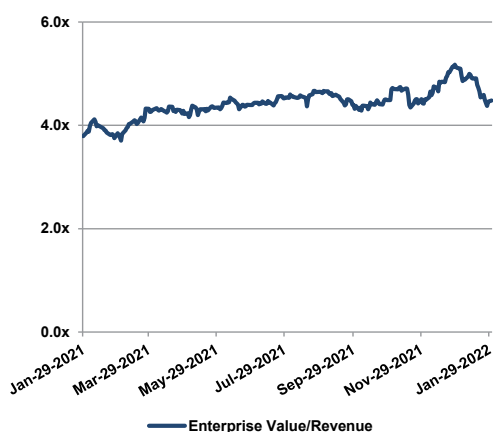
Twelve Month Index Returns



Company Returns

	12 Month	3 Month
Enterprise Networking Index	23.3%	2.1%
A10 Networks	49.0%	-20.8%
Accton	-0.8%	9.2%
Aerohive Networks	4.2%	-44.3%
Arista Networks	61.7%	21.4%
Cisco	24.9%	-0.5%
Citrix	-23.5%	7.6%
D-Link	-36.8%	-25.9%
Extreme Networks	56.9%	29.1%
F5 Networks	6.0%	-1.7%
NetGear	-33.1%	-4.0%
Radware	18.6%	-5.1%
Unizyx Holding (Zyxel)	-16.6%	-5.6%

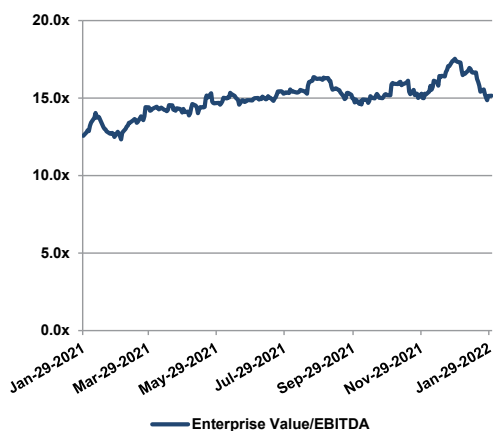
Revenue Multiple Trends



Company Revenue Multiples

	1/31/2022	1/31/2021
Enterprise Networking Index	4.5x	3.8x
A10 Networks	3.9x	2.8x
Accton	2.5x	2.7x
Aerohive Networks	4.1x	17.0x
Arista Networks	11.8x	8.8x
Cisco	4.3x	3.6x
Citrix	4.9x	5.4x
D-Link	0.5x	0.9x
Extreme Networks	1.7x	1.4x
F5 Networks	4.7x	4.7x
NetGear	0.5x	0.8x
Radware	4.2x	3.9x
Unizyx Holding (Zyxel)	0.4x	0.6x

EBITDA Multiple Trends



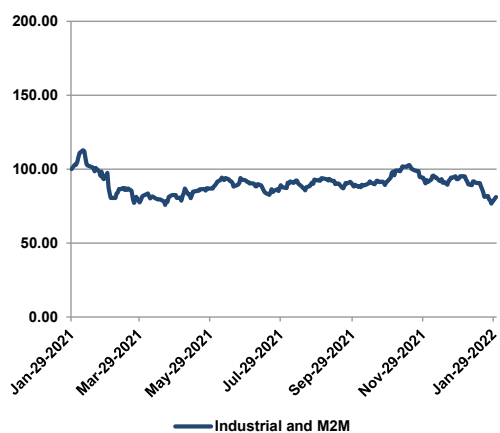
Company EBITDA Multiples

	1/31/2022	1/31/2021
Enterprise Networking Index	15.2x	12.6x
A10 Networks	22.9x	21.8x
Accton	23.8x	21.1x
Aerohive Networks	3.9x	17.8x
Arista Networks	35.8x	27.3x
Cisco	13.9x	11.4x
Citrix	27.2x	24.1x
D-Link	27.9x	67.5x
Extreme Networks	15.5x	35.8x
F5 Networks	21.9x	21.8x
NetGear	6.7x	10.5x
Radware	41.0x	58.0x
Unizyx Holding (Zyxel)	5.6x	8.9x

Source: Capital IQ

Sub Sector Analysis: Industrial and M2M

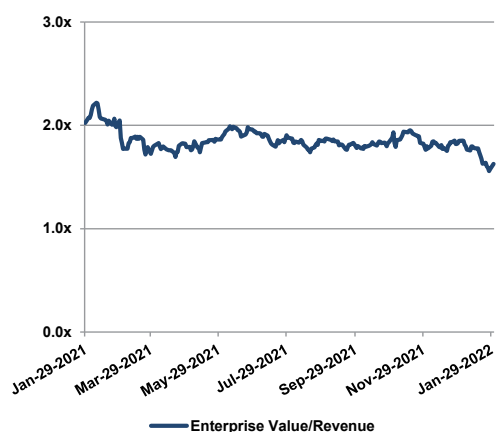
Twelve Month Index Returns



Company Returns

	12 Month	3 Month
Industrial and M2M Index	-18.9%	-11.6%
Belden	18.4%	-7.1%
CalAmp	-40.7%	-38.3%
Digi International	21.0%	3.7%
Inseego	-75.2%	-26.5%
Lantronix	60.7%	-25.5%
Sierra Wireless	-20.7%	-12.2%

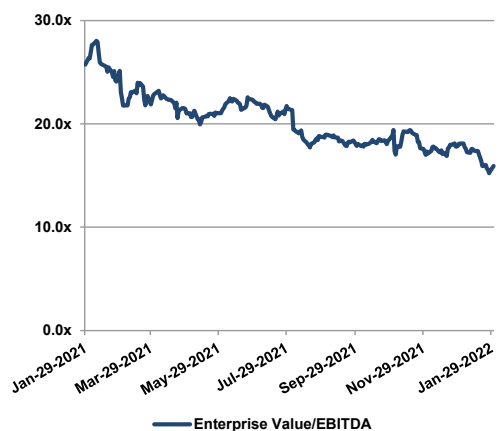
Revenue Multiple Trends



Company Revenue Multiples

	1/31/2022	1/31/2021
Industrial and M2M Index	1.6x	2.0x
Belden	1.5x	1.8x
CalAmp	1.1x	1.7x
Digi International	2.2x	2.0x
Inseego	2.1x	6.2x
Lantronix	2.8x	1.9x
Sierra Wireless	1.1x	1.5x

EBITDA Multiple Trends



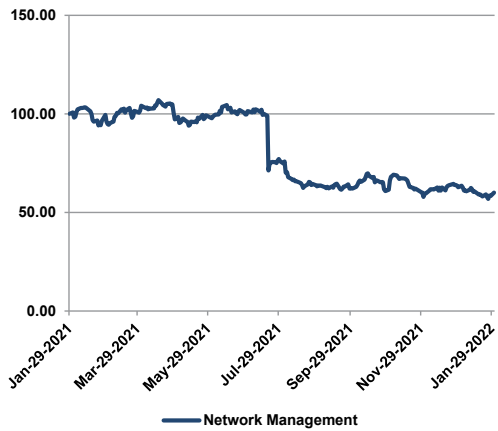
Company EBITDA Multiples

	1/31/2022	1/31/2021
Industrial and M2M Index	15.9x	25.7x
Belden	9.7x	13.5x
CalAmp	17.7x	23.6x
Digi International	15.3x	16.0x
Inseego	NM	NM
Lantronix	76.9x	1427.7x
Sierra Wireless	NM	NM

Source: Capital IQ

Sub Sector Analysis: Network Management

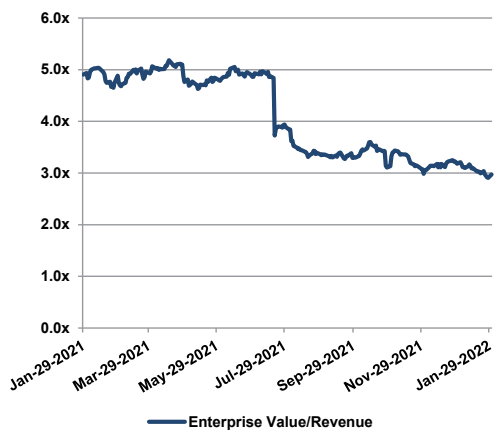
Twelve Month Index Returns



Company Returns

	12 Month	3 Month
Network Management Index	-40.0%	-1.4%
NetScout	7.9%	16.6%
SolarWinds	-59.5%	-15.5%

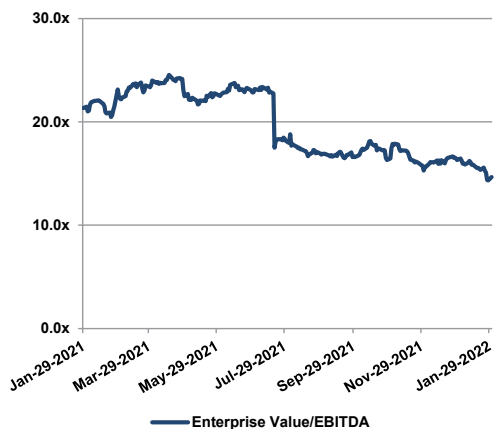
Revenue Multiple Trends



Company Revenue Multiples

	1/31/2022	1/31/2021
Network Management Index	3.0x	4.9x
NetScout	2.5x	2.6x
SolarWinds	4.8x	6.8x

EBITDA Multiple Trends



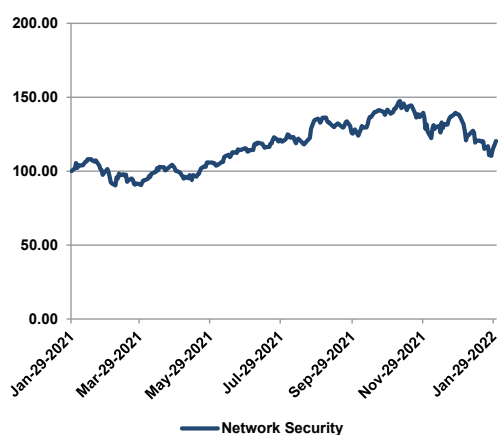
Company EBITDA Multiples

	1/31/2022	1/31/2021
Network Management Index	14.7x	21.3x
NetScout	12.8x	15.2x
SolarWinds	41.3x	33.7x

Source: Capital IQ

Sub Sector Analysis: Network Security

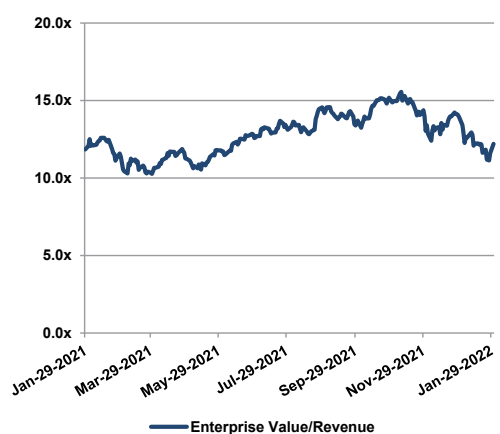
Twelve Month Index Returns



Company Returns

	12 Month	3 Month
Network Security Index	20.3%	-15.2%
Checkpoint	-5.3%	1.2%
CrowdStrike	-16.3%	-35.9%
CyberArk	-14.4%	-23.9%
ForgeRock	NA	-51.8%
Fortinet	105.3%	-11.6%
NortonLifeLock	23.4%	2.2%
Palo Alto Networks	47.5%	1.6%
Ping Identity	-33.8%	-30.1%
Qualys	-7.5%	2.9%
Rapid7	11.0%	-25.2%
SecureWorks	6.6%	-19.9%
Tenable	3.9%	-3.5%
Trend Micro	-4.1%	-6.7%
Zscaler	28.7%	-19.4%

Revenue Multiple Trends



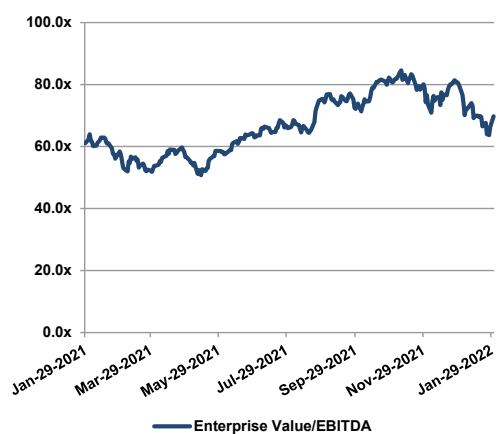
Company Revenue Multiples

	1/31/2022	1/31/2021
Network Security Index	12.2x	11.8x
Checkpoint	5.7x	6.8x
CrowdStrike	31.4x	61.4x
CyberArk	9.5x	12.0x
ForgeRock	4.9x	NA
Fortinet	13.9x	8.4x
NortonLifeLock	6.4x	6.1x
Palo Alto Networks	11.3x	9.5x
Ping Identity	6.1x	9.9x
Qualys	11.0x	13.8x
Rapid7	11.5x	11.3x
SecureWorks	1.9x	1.7x
Tenable	9.8x	11.1x
Trend Micro	3.2x	3.4x
Zscaler	46.5x	54.8x

Source: Capital IQ

Sub Sector Analysis: Network Security (continued)

EBITDA Multiple Trends

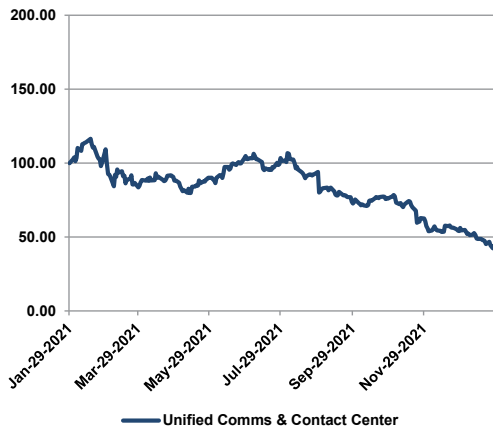


Company EBITDA Multiples

	1/31/2022	1/31/2021
Network Security Index	69.8x	61.1x
Checkpoint	13.2x	15.2x
CrowdStrike	NM	NM
CyberArk	NM	224.6x
ForgeRock	NM	NA
Fortinet	63.8x	39.1x
NortonLifeLock	13.4x	15.7x
Palo Alto Networks	NM	1480.0x
Ping Identity	NM	NM
Qualys	36.8x	38.7x
Rapid7	NM	NM
SecureWorks	NM	111.7x
Tenable	NM	NM
Trend Micro	9.4x	9.6x
Zscaler	NM	NM

Sub Sector Analysis: Unified Communications and the Contact Center

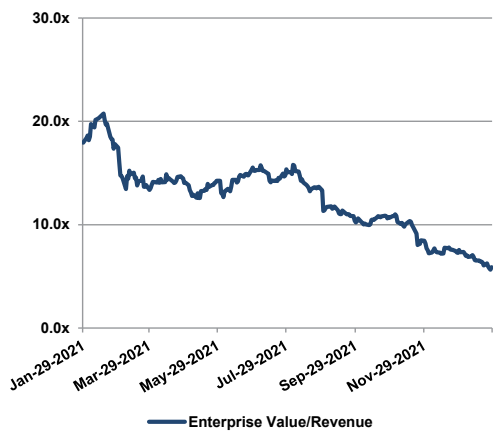
Twelve Month Index Returns



Company Returns

	12 Month	3 Month
Unified Comms & Contact Center Index	-53.1%	-38.3%
Avaya	-18.1%	-2.1%
ClearOne	-65.7%	-38.6%
eGain	-6.1%	0.1%
Enhouse Systems	-23.4%	-18.7%
Five9	-24.4%	-20.4%
Liveperson	-52.9%	-42.0%
LiveVox	-53.1%	-19.9%
Sangoma Technologies	-33.0%	-37.1%
Verint	-30.5%	10.2%
Zoom	-58.5%	-43.8%

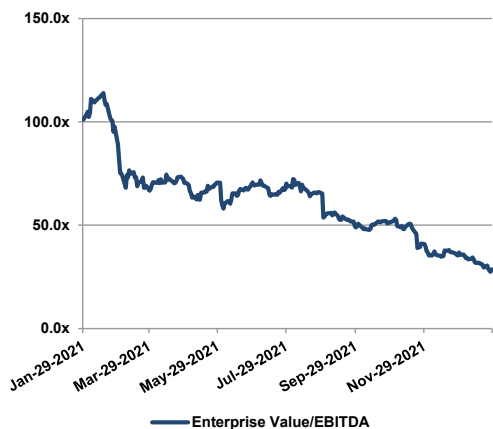
Revenue Multiple Trends



Company Revenue Multiples

	1/31/2022	1/31/2021
Unified Comms & Contact Center Index	6.3x	17.9x
Avaya	1.4x	1.5x
ClearOne	0.6x	1.7x
eGain	3.1x	3.8x
Enhouse Systems	4.8x	6.3x
Five9	15.5x	24.9x
Liveperson	4.7x	11.6x
LiveVox	3.5x	0.4x
Sangoma Technologies	1.8x	2.8x
Verint	3.0x	5.6x
Zoom	10.4x	54.6x

EBITDA Multiple Trends



Company EBITDA Multiples

	1/31/2022	1/31/2021
Unified Comms & Contact Center Index	30.5x	101.0x
Avaya	10.4x	9.1x
ClearOne	NM	NM
eGain	71.6x	31.9x
Enhouse Systems	16.8x	22.4x
Five9	885.9x	654.0x
Liveperson	NM	NM
LiveVox	NM	7.6x
Sangoma Technologies	26.4x	19.6x
Verint	21.9x	43.9x
Zoom	34.2x	243.5x

Source: Capital IQ

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