

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) cooled off significantly this past three months but still managed to turn in a positive return of 2.2%. This lagged both the 12.6% gain in the S&P 500 and the 6.8% gain in the NASDAQ by fairly wide margins. The sector is still up a hefty 48.4% over the past year, which puts its performance roughly in the middle of the 43.6% gain in the S&P 500 and the 57.1% gain in the NASDAQ over the corresponding time frame. Sector multiples are also significantly higher than they were a year ago. The sector revenue multiple jumped from 4.0x to 6.3x, while the sector EBITDA multiple increased from 16.0x to 24.6x.

Enterprise Networking

The Enterprise Networking sub sector followed up its strong performance in our winter report with another double-digit gain this spring. In fact, the sub sector's 10.7% increase over the past three months was good enough to make it the best performing sub sector in the EFTTI this period. Aerohive Networks more than doubled, while Extreme Networks was up 40.7%. Cisco was also a strong performer with a three-month gain of 14.2%. The sub sector is also up 21.0% over the past 12 months, with once again Aerohive Networks and Extreme Networks serving as the top two performers. Sub sector multiples closed out the period at 4.2x revenue and 14.1x EBITDA. Both of these compare favorably to year-ago multiples of 3.3x revenue and 11.1x EBITDA.

Industrial and M2M

After a stellar performance in our winter report, the Industrial and M2M sub sector reversed course and plummeted 18.3% this period. Losses were broad-based with all but two companies in the index (CalAmp and Lantronix) in negative territory for the period. This included a more than 50% drop at Inseego as well as an 18.2% drop at Sierra Wireless. Even with this period's losses, the sub sector is still up slightly more than 25% for the full year. Sub sector multiples are also trending upwards. The revenue multiple increased from 1.3x a year ago to 1.7x currently, while the EBITDA multiple increased from 12.1x to 20.2x over the same time period.

Network Management

For the second straight reporting period the Network Management sub sector was in the red, dropping 2.8% in this past three months. This was entirely due to a 10.4% decline at NetScout, partially counterbalanced by a slight increase at SolarWinds. Over the past year, the sub sector delivered a slightly negative return of 0.8%. Sub sector multiples are largely unchanged from a year ago. The sub sector revenue multiple dipped slightly from 4.9x to 4.8x, while the sub sector EBITDA multiple ticked up from 21.7x to 22.5x.

Network Security

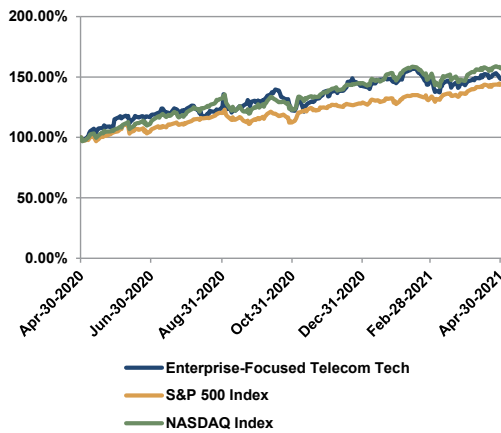
After experiencing big swings in each of our last two reports, things were relatively quiet for the Network Security sub sector over the past three months with a relatively modest gain of 1.2%. Strong gains at Fortinet and Proofpoint were largely counterbalanced by declines at companies like Ping Identity, Qualys and Tenable. With a year-over-year gain of more than 70%, the Network Security sub sector remains one of the top performing sub sectors in the EFTTI over the past 12 months. These gains were broad-based, with 13 of the 16 companies in the index trading higher than they were a year ago. Sub sector multiples closed out the period at 10.7x revenue and 62.4x EBITDA. While these metrics are significantly higher than they were a year ago, both represent slight decreases from where we saw sub sector multiples in our winter report.

Unified Communications and the Contact Center

The Unified Communications and the Contact Center sub sector had a second straight period with a double-digit loss as it fell 11.6% in our spring reporting period. Avaya and Five9 were bright spots with gains of 29.4% and 13.1%, respectively. However, this was not enough to overcome double digit losses at ClearOne, eGain, Liveperson, Verint and Zoom. Even with its recent challenges, the Unified Communications and the Contact Center sub sector is still the EFTTI's top performing sub sector over the past year with a gain of 121.7%. This includes five stocks (Avaya, Five9, Liveperson, Sangoma Technologies and Zoom) that more than doubled in price. Sub sector multiples remain high at 14.2x revenue and 70.6x EBITDA. Both of these are higher than year-ago sub sector multiples of 9.0x revenue and 65.7x EBITDA.

Enterprise-Focused Telecom Technology: Public Market Summary

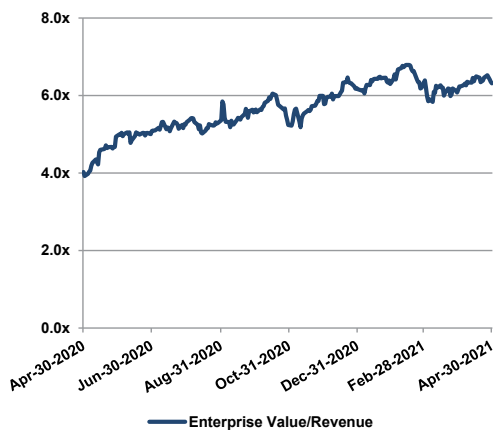
Twelve Month Index Returns



Sector and Sub Sector Returns

	12 Month	3 Month
Enterprise-Focused Telecom Tech	48.4%	2.2%
Enterprise Networking	21.0%	10.7%
Industrial and M2M	25.5%	-18.3%
Network Management	-0.8%	-2.8%
Network Security	72.4%	1.2%
Unified Comms & Contact Center	121.7%	-11.6%
S&P 500	43.6%	12.6%
NASDAQ	57.1%	6.8%

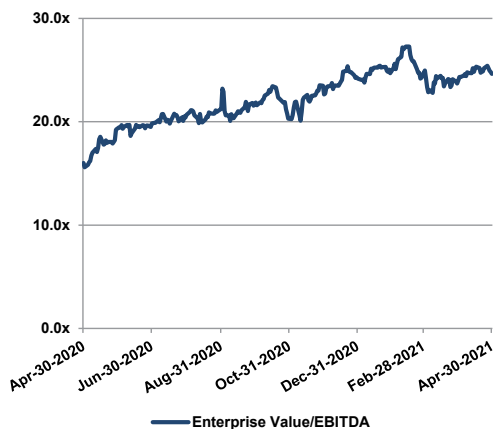
Revenue Multiple Trends



Sector and Sub Sector Revenue Multiples

	4/30/2021	4/30/2020
Enterprise-Focused Telecom Tech	6.3x	4.0x
Enterprise Networking	4.2x	3.3x
Industrial and M2M	1.7x	1.3x
Network Management	4.8x	4.9x
Network Security	10.7x	5.3x
Unified Comms & Contact Center	14.2x	9.0x

EBITDA Multiple Trends



Sector and Sub Sector EBITDA Multiples

	4/30/2021	4/30/2020
Enterprise-Focused Telecom Tech	24.6x	16.0x
Enterprise Networking	14.1x	11.1x
Industrial and M2M	20.2x	12.1x
Network Management	22.5x	21.7x
Network Security	62.4x	35.6x
Unified Comms & Contact Center	70.6x	65.7x

Source: Capital IQ

M&A Summary Comments

M&A

The pace of M&A activity in the Enterprise-Focused Telecom Technology sector remained red hot with 57 transactions this period. Total announced transaction dollar volume was also extremely high at approximately \$24.2 billion in the last three months. Thus far in 2021 we count a total of 70 transactions with a total announced transaction dollar volume of \$25.1 billion. This puts the year well on its way to having the highest level of M&A activity of any year in the last five both in terms of the number of deals and their total announced value.

Enterprise Networking

The Enterprise Networking sub sector had only a single transaction this period. This was the D.H.G. acquisition of router vendor Mogu Technologies.

Industrial and M2M

The Industrial and M2M sub sector had its most active period in recent memory with six total transactions. Wireless IoT vendors Sierra Wireless and Digi International were both active with acquisitions of M2M One and Haxiot, respectively. We also noted that Communications Systems divested its industrial networking business to Lantronix for \$25.0 million. The remaining three targets this period were AvaLAN Wireless Systems (acquired by Dover Corporation), Rvision (acquired by COMSovereign) and Webdyn (acquired by Matrix Electrónica).

Network Management

M&A activity in the Network Management sub sector was relatively anemic with only four transactions for the period. HP Enterprise was active with its purchase of virtualization infrastructure company CloudPhysics, while Ntredo acquired application performance monitoring company Stackify. We also noted a new private equity-backed platform company in the space with the Corten Advisors' acquisition of Matrix42. In the sub sector's final transaction this period, Logic Monitor acquired Airbrake Technologies.

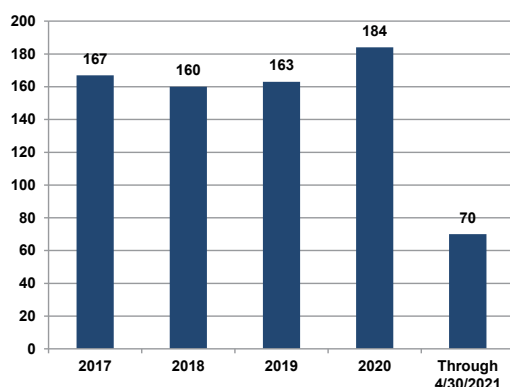
Network Security

This period had a whopping 41 total transactions in the Network Security sub sector, which is the highest total in recent memory. This included the \$11.1 billion take-private transaction for Proofpoint engineered by Thoma Bravo. In another large deal in the sub sector, McAfee divested its enterprise business division to Symphony Technology Group for \$4.0 billion. Publicly traded security companies also drove a significant amount of deal volume this period as CrowdStrike, Fortinet, NortonLifeLock, Rapid7 (two acquisitions this period), Palo Alto Networks, Tenable and Zscaler all inked deals.

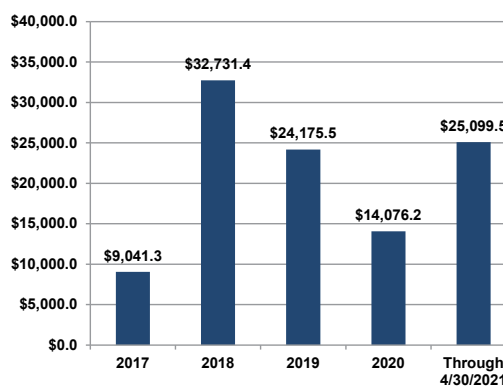
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Enterprise-Focused Telecom Technology: M&A Summary

M&A Activity: Number of Transactions



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



Unified Communications and the Contact Center

M&A activity in the Unified Communications and the Contact Center sub sector was relatively subdued with only five transactions this period. Private equity firm Thoma Bravo was active in this space as well with its pickup of contact center software company Calabrio. Genesys also notched another acquisition with its purchase of the Bold360 division from LogMeIn. The remaining acquisitions in the sub sector were the Infinity Tracking purchase of ResponseTap, the Pindrop Security acquisition of Next Caller and the Gamma Communications pickup of Mission Labs.

Transactions with Announced Multiples

This period had three transactions with announced multiples. Not surprisingly, the most impressive of these belonged to the sector's largest deal this period; the Thoma Bravo acquisition of Proofpoint. This deal had a multiple of 10.5x revenue despite being roughly breakeven in terms of EBITDA. The other large transaction in the Network Security sub sector, the acquisition of the McAfee Enterprise division by Symphony Technology Group, was done at a much more modest revenue multiple of 3.0x. Finally, in the Industrial and M2M sub sector, the Lantronix acquisition of the industrial business of Communications Systems had a relatively low revenue multiple of 0.7x but a fairly high EBITDA multiple of 19.2x.

M&A Announced Transactions (2/1/21 – 4/30 /21)

Acquiror	Target	Sector	Date Announced	Purchase Price	Description
Lantronix	Communications Systems (Transition Networks and Net2Edge Businesses)	Industrial and M2M	4/29/21	\$25.0	IoT connectivity products including switching, power over Ethernet and media conversion and adapter products.
Corten Advisors	Matrix42	Network Management	4/28/21	NA	Application installation, patch, network, license, intrusion detection and prevention security and remote maintenance software.
Thoma Bravo	Proofpoint	Security	4/26/21	\$11,072.2	Email security, threat detection and data loss prevention SaaS for businesses.
BoxPhish	Purplephish	Security	4/21/21	NA	Phishing security and awareness software.
Rapid7	Velociraptor	Security	4/21/21	NA	Open-source endpoint security monitoring, digital forensics and incident response software for businesses.
Altron TMT	LAW Trusted Third Party Services	Security	4/20/21	\$17.2	Online security and data transfer applications including e-mail messaging solutions and digital identification certificates.
Atos	cryptovision	Security	4/20/21	NA	Public key infrastructure software that enables digital identity security, secure token integration and encryption capabilities.
Netreo	Stackify	Network Management	4/20/21	NA	Application performance monitoring and management SaaS and software for businesses.
WhiteSource	Diffender Technologies	Security	4/20/21	NA	Open source malware security and threat detection software for businesses.
Dover Corporation	AvaLAN Wireless Systems	Industrial and M2M	4/19/21	NA	Manufacturers long range industrial wireless radios and wired ethernet equipment, routers and switches.
Keyfactor	PrimeKey Solutions	Security	4/15/21	NA	Public key infrastructure security software and hardware solutions.
Zscaler	Trustdome	Security	4/15/21	NA	Software enables secure governance over who and what has access to data, applications and services in cloud environments.
Cofense	Cyberfish	Security	4/6/21	NA	Next-generation phishing protection powered by computer vision and advanced machine learning technology.
COMSovereign	Rvision	Industrial and M2M	3/31/21	\$5.6	Environmentally hardened video and communications products and physical security solutions.
Logically	Cerdant	Security	3/30/21	NA	Virtual private networks software solutions for multi-unit retail, education and business networks.
Digi International	Haxiot	Industrial and M2M	3/29/21	NA	Low power wide area wireless IoT systems for businesses.
Hornetsecurity	Zerospam	Security	3/25/21	NA	Email and web security SaaS that provides anti-spam, cloud filtering, ransomware and phishing protection.
Matrix Electrónica	Webdyn	Industrial and M2M	3/23/21	NA	Ethernet power line carrier G3 router that transfers IP packets between an Ethernet network and a LoRaWAN technology platform.
Thoma Bravo	Calabrio	Unified Comms & Contact Center	3/23/21	NA	Call center workforce management, scheduling and analytics SaaS for businesses.
Infinity Tracking	ResponseTap	Unified Comms & Contact Center	3/22/21	NA	Call tracking software solutions for marketing, call center, customer relationship management, agencies and affiliate networks.
RingCentral	Kindite	Security	3/22/21	NA	Provides cryptographic runtime and key encryption software for businesses.
Fortinet	ShieldX Networks	Security	3/20/21	NA	Network and cloud security software that protects data centers, cloud infrastructure, applications and data.
Vmware	Mesh7	Security	3/19/21	NA	Cloud-native API security mesh firewall and gateway software that enables threat protection with automated discovery.
Pindrop Security	Next Caller	Unified Comms & Contact Center	3/18/21	NA	Call center software for businesses with features for call verification, fraud detection, voice security and authentication.
Golden Gate Capital	Securly	Security	3/17/21	NA	Anti-malware web browsing SaaS that enables educators and parents to filter students' online activity.
Cloud Nine Web3 Technologies	Victory Square Technologies	Security	3/16/21	\$4.8	Virtual private network services for businesses.
Genesys	LogMeIn (Bold360 Division)	Unified Comms & Contact Center	3/16/21	NA	AI-enabled contact center SaaS that enables multi-channel digital customer service automation and engagement capabilities.
LGL Systems	IronNet Cybersecurity	Security	3/15/21	\$927.0	IT infrastructure cybersecurity software with network detection and response capabilities.

M&A Announced Transactions (2/1/21 – 4/30 /21) continued

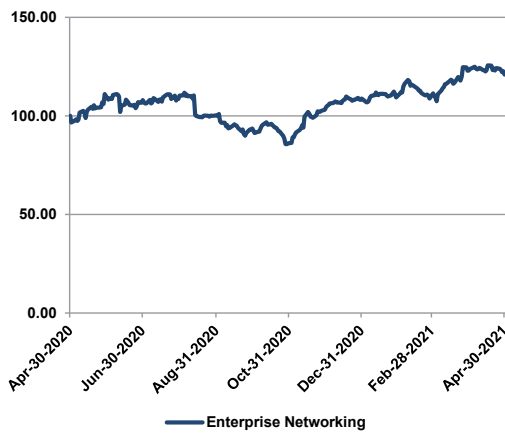
Acquiror	Target	Sector	Date Announced	Purchase Price	Description
Lookout	CipherCloud	Security	3/15/21	NA	Application data encryption software that enables data security, threat protection and compliance for cloud-based applications.
SailPoint Technologies	ERP Maestro	Security	3/12/21	NA	Cloud-based access control, security auditing and risk reporting solutions for SAP systems.
Datto	BitDam	Security	3/10/21	NA	Advanced network threat detection and remediation SaaS that monitors enterprise communications and remediates malware.
Sumo Logic	DF Labs	Security	3/10/21	NA	Security orchestration, automation and response SaaS for businesses.
Alkeon Capital Management	Axonius	Security	3/9/21	\$270.0	Cybersecurity platform to secure and manage mobile, compute and IoT connected devices.
Symphony Technology Group	McAfee (Enterprise Division)	Security	3/8/21	\$4,000.0	Network anti-malware and PC security software for enterprises globally.
Gamma Communications	Mission Labs	Unified Comms & Contact Center	3/3/21	NA	Communications and call center SaaS for businesses.
Life On Earth	SmartAxiom	Security	3/3/21	NA	Embedded IoT security software that protects devices and data with blockchain.
Okta	Auth0	Security	3/3/21	\$6,500.0	Cloud-based identity management with features for identification and authentication of users.
Centrify	Thycotic Software	Security	3/2/21	NA	Privileged account management software and SaaS, as well as enterprise password and identity management software.
Idera	PreEmptive Solutions	Security	3/2/21	NA	Desktop, mobile, cloud and IoT monitoring, protection and security software that protects applications.
JAMF Software	cmdSecurity (Technical Assets)	Security	3/1/21	NA	Suite of security and compliance tools purpose-built for macOS.
Hewlett Packard Enterprise	CloudPhysics	Network Management	2/23/21	NA	Virtualization infrastructure monitoring SaaS and software for businesses and their service providers.
Kaseya International	RocketCyber	Security	2/23/21	NA	Managed detection and response and security operations center SaaS for small and medium-sized business.
LogicMonitor	Airbrake Technologies	Network Management	2/23/21	NA	Application error, deployment and performance monitoring SaaS for businesses.
Sierra Wireless	M2M One	Industrial and M2M	2/23/21	\$3.5	Design and deployment of wireless IoT systems for the machine to machine and internet of things industries.
Proofpoint	InteliSecure	Security	2/22/21	\$62.5	Information and network security solutions to help organizations protect their critical assets.
CrowdStrike	Humio	Security	2/18/21	\$400.0	Real-time observability log management software and SaaS for businesses.
Palo Alto Networks	BridgeCrew	Security	2/16/21	\$200.0	Platform that enables developers to codify cloud-security by automating deployment and management of security workflows.
CyberLabs Group	Psafe Tecnologia	Security	2/13/21	NA	Develops Internet security software for mobile devices in Latin America.
Datadog	Sqreen	Security	2/11/21	\$216.0	Application security management platform that enables users to protect their applications, microservices and APIs.
Tenable Network Security	Alsid	Security	2/10/21	\$98.0	Microsoft Active Directory threat management, endpoint security integrity and authentication SaaS and software for businesses.
Newtown Lane Marketing	Cyxtera Cybersecurity	Security	2/9/21	\$157.5	Secure access software defined perimeter, risk-based authentication, threat protection and penetration testing systems.
SentinelOne	Scalyr	Security	2/9/21	\$155.0	Log management, analytics and server monitoring SaaS for businesses.
Westcoast	Beyond Encryption	Security	2/8/21	NA	Designs and develops secure email exchange software.
NortonLifeLock	BullGuard	Security	2/4/21	NA	Provider of Internet and mobile security solutions for individuals and homes.
Help/Systems	Digital Defense	Security	2/3/21	NA	Vulnerability assessment, penetration testing and related risk management SaaS.
D.H.G	Mogu Technologies	Enterprise Networking	2/2/21	NA	Develops smart router technology.
Rapid7	Alcide	Security	2/1/21	\$50.0	Cloud security SaaS for Kubernetes-based cloud-native applications in containers, virtual machines and serverless environments.

M&A Announced Transactions with Revenue Multiples (5/1/20 – 4/30/21)

Acquiror	Target	Sector	Date Announced	Purchase Price	Revenue Multiple	EBITDA Multiple	Description
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.
Cipherpoint	Brace168	Security	1/21/21	\$4.0	4.2 x	NA	Develops IT and cyber security solutions for medium to large-scale businesses and enterprises.
Crescent Acquisition	LiveVox	Unified Comms & Contact Center	1/14/21	\$840.0	8.2 x	NA	Provides predictive and automatic dialing, business intelligence and call recording SaaS for call center clients.
Cyber Security Cloud	Softec	Security	12/11/20	\$4.0	1.5 x	NA	Software for vulnerability management and information distribution.
Alianza	CounterPath	Unified Comms & Contact Center	12/7/20	\$27.1	2.1 x	37.1 x	VoIP communications and collaboration software that enables team messaging, video conferencing, provisioning, billing and analytics.
LeadDesk	Loxyssoft	Unified Comms & Contact Center	11/30/20	\$16.3	2.0 x	NA	Contact center management and customer service automation SaaS that integrates enterprise telephony with computer systems.
Palo Alto Networks	Expanse	Security	11/11/20	\$800.0	11.9 x	NA	Tracking and monitoring of Internet assets, vulnerability management, inventory management and network monitoring.
Francisco Partners	Raytheon (Forcepoint Security Business)	Security	10/26/20	\$1,100.0	1.7 x	NA	Provides hosted anti-data leakage, intrusion detection and access control SaaS to enterprises.
E-Guardian	JP-Secure	Security	10/12/20	\$8.4	2.9 x	NA	Develops internet security software and services.
Ivanti	MobileIron	Network Management	9/28/20	\$859.2	4.0 x	NM	Mobile IT platform that enables enterprises to manage and secure mobile applications, content and devices.
Ericsson	Cradlepoint	Enterprise Networking	9/18/20	\$1,100.0	8.6 x	NA	Cloud-managed wireless SaaS and services, as well as integrated and non-integrated networking routers and support hardware.
Help/Systems	QinetiQ	Security	6/25/20	\$37.5	3.3 x	NA	Data classification and secure messaging software for enterprises, military and government agencies.
Sinch	ACL Mobile	Unified Comms & Contact Center	6/15/20	\$70.5	1.1 x	11.1 x	Cloud communications SaaS for businesses in India and Southeast Asia.
Fortress Investment Group	Finjan	Security	6/10/20	\$25.2	1.5 x	NA	Unified threat management that enables proactive threat detection and management by identifying patterns and analyzing behavior.
BIO-key International	PistolStar	Security	6/10/20	\$2.5	1.5 x	NA	Provides authentication security and management software and services.

Sub Sector Analysis: Enterprise Networking

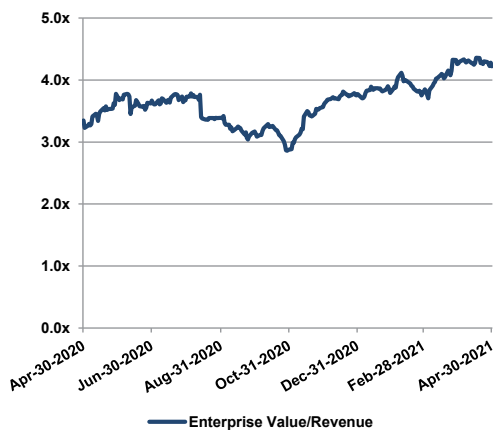
Twelve Month Index Returns



Company Returns

	12 Month	3 Month
Enterprise Networking Index	21.0%	10.7%
A10 Networks	27.1%	-12.6%
Accton	55.9%	18.5%
Aerohive Networks	1250.0%	103.6%
Arista Networks	43.7%	2.5%
Cisco	20.1%	14.2%
Citrix	-14.6%	-7.1%
D-Link	99.7%	-5.0%
Extreme Networks	234.7%	40.7%
F5 Networks	34.1%	-4.7%
NetGear	55.2%	-10.1%
Radware	17.0%	-2.3%
Unizyx Holding (Zyxel)	159.2%	8.6%

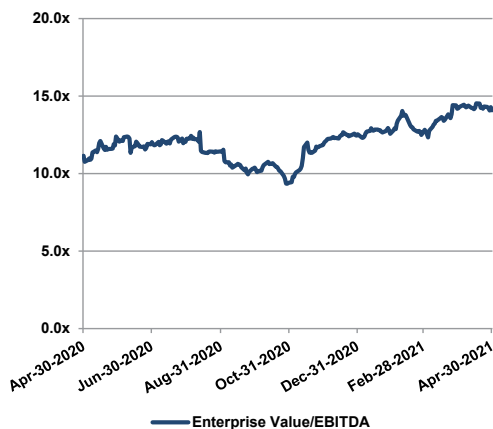
Revenue Multiple Trends



Company Revenue Multiples

	4/30/2021	4/30/2020
Enterprise Networking Index	4.2x	3.3x
A10 Networks	2.4x	2.0x
Accton	3.1x	2.0x
Aerohive Networks	37.4x	3.2x
Arista Networks	8.6x	6.0x
Cisco	4.2x	3.4x
Citrix	5.8x	6.1x
D-Link	0.6x	0.4x
Extreme Networks	1.7x	0.7x
F5 Networks	4.6x	3.6x
NetGear	0.6x	0.5x
Radware	3.6x	3.3x
Unizyx Holding (Zyxel)	0.6x	0.3x

EBITDA Multiple Trends



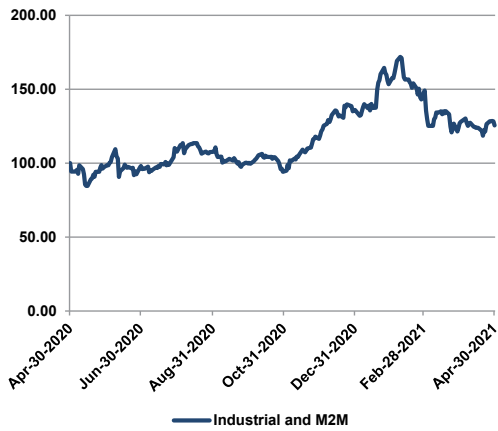
Company EBITDA Multiples

	4/30/2021	4/30/2020
Enterprise Networking Index	14.1x	11.1x
A10 Networks	16.6x	62.2x
Accton	24.8x	17.2x
Aerohive Networks	41.0x	35.5x
Arista Networks	26.6x	17.3x
Cisco	13.1x	10.5x
Citrix	28.7x	24.9x
D-Link	26.0x	NM
Extreme Networks	21.1x	40.5x
F5 Networks	21.8x	15.6x
NetGear	6.4x	15.5x
Radware	48.9x	31.1x
Unizyx Holding (Zyxel)	8.4x	75.9x

Source: Capital IQ

Sub Sector Analysis: Industrial and M2M

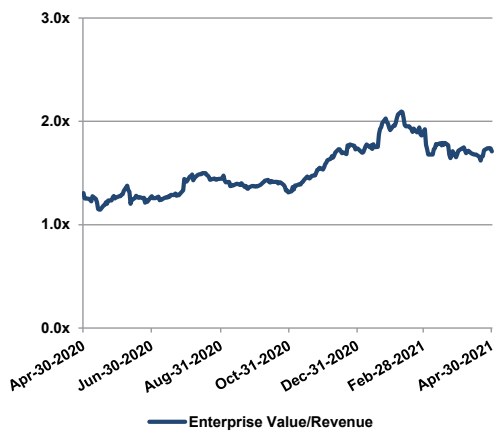
Twelve Month Index Returns



Company Returns

	12 Month	3 Month
Industrial and M2M Index	25.5%	-18.3%
Belden	26.6%	-8.4%
CalAmp	104.6%	37.4%
Digi International	57.4%	-3.2%
Inseego	-25.7%	-51.6%
Lantronix	72.8%	21.3%
Sierra Wireless	61.0%	-18.2%
Telit Communications	88.2%	-0.5%

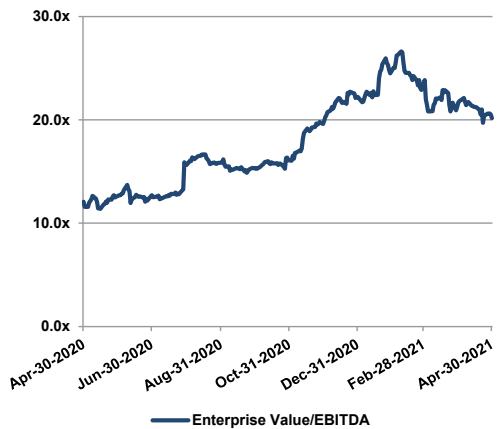
Revenue Multiple Trends



Company Revenue Multiples

	4/30/2021	4/30/2020
Industrial and M2M Index	1.7x	1.3x
Belden	1.6x	1.3x
CalAmp	1.9x	1.1x
Digi International	2.1x	1.5x
Inseego	3.3x	5.7x
Lantronix	2.3x	1.6x
Sierra Wireless	0.9x	0.4x
Telit Communications	0.9x	0.4x

EBITDA Multiple Trends



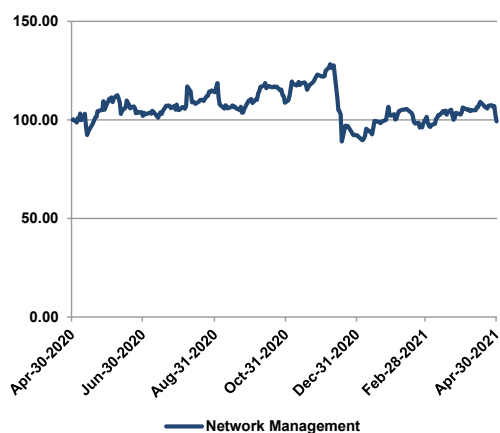
Company EBITDA Multiples

	4/30/2021	4/30/2020
Industrial and M2M Index	20.2x	12.1x
Belden	11.7x	8.4x
CalAmp	27.0x	13.9x
Digi International	17.3x	16.2x
Inseego	NM	NM
Lantronix	131.8x	NM
Sierra Wireless	NM	NM
Telit Communications	11.5x	7.2x

Source: Capital IQ

Sub Sector Analysis: Network Management

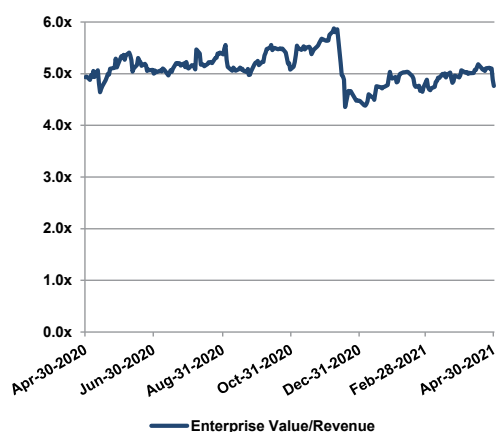
Twelve Month Index Returns



Company Returns

	12 Month	3 Month
Network Management Index	-0.8%	-2.8%
NetScout	-1.1%	-10.4%
SolarWinds	-0.7%	0.3%

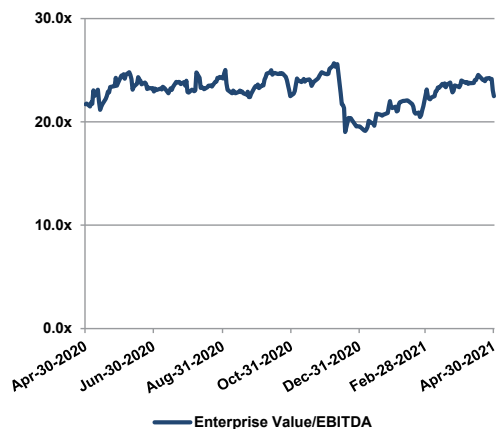
Revenue Multiple Trends



Company Revenue Multiples

	4/30/2021	4/30/2020
Network Management Index	4.8x	4.9x
NetScout	2.4x	2.4x
SolarWinds	6.8x	7.3x

EBITDA Multiple Trends



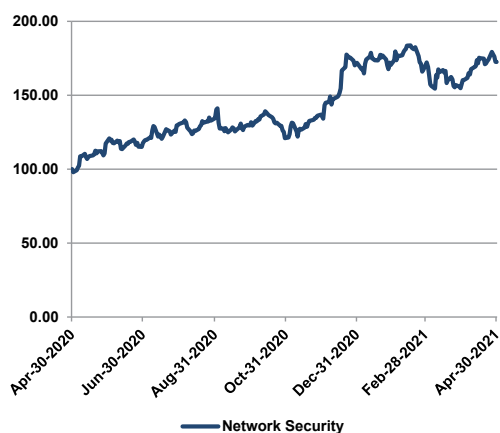
Company EBITDA Multiples

	4/30/2021	4/30/2020
Network Management Index	22.5x	21.7x
NetScout	13.6x	15.7x
SolarWinds	33.6x	31.3x

Source: Capital IQ

Sub Sector Analysis: Network Security

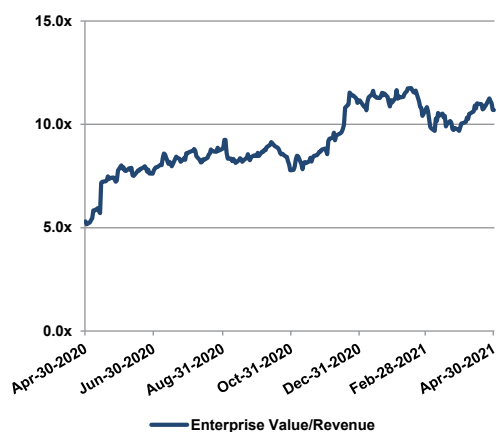
Twelve Month Index Returns



Company Returns

	12 Month	3 Month
Network Security Index	72.4%	1.2%
Checkpoint	10.5%	-8.6%
Cheetah Mobile	5.4%	1.9%
CrowdStrike	208.2%	-3.4%
CyberArk	42.3%	-12.3%
FireEye	72.7%	-5.4%
Fortinet	89.6%	41.1%
NortonLifeLock	1.6%	2.6%
Palo Alto Networks	79.8%	0.8%
Ping Identity	-2.6%	-18.8%
Proofpoint	41.4%	33.3%
Qualys	-3.9%	-26.8%
Rapid7	78.4%	-6.4%
SecureWorks	14.3%	-6.0%
Tenable	43.9%	-24.2%
Trend Micro	-6.9%	-13.2%
Zscaler	179.7%	-6.0%

Revenue Multiple Trends



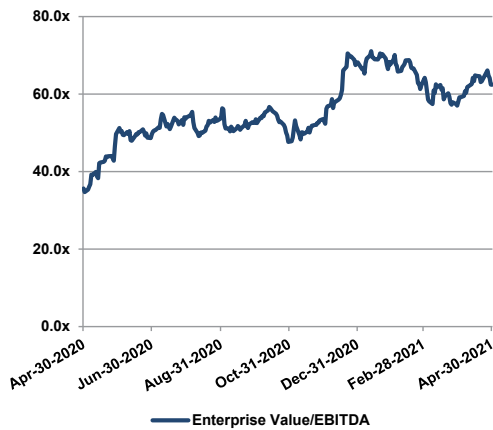
Company Revenue Multiples

	4/30/2021	4/30/2020
Network Security Index	10.7x	5.3x
Checkpoint	5.6x	5.6x
Cheetah Mobile	0.2x	NM
CrowdStrike	52.1x	24.0x
CyberArk	10.3x	7.1x
FireEye	5.0x	2.9x
Fortinet	11.5x	6.8x
NortonLifeLock	6.0x	1.8x
Palo Alto Networks	9.2x	5.6x
Ping Identity	8.0x	7.8x
Proofpoint	9.3x	7.4x
Qualys	9.6x	11.3x
Rapid7	10.6x	6.6x
SecureWorks	1.6x	1.4x
Tenable	8.0x	6.4x
Trend Micro	2.8x	3.5x
Zscaler	46.6x	21.3x

Source: Capital IQ

Sub Sector Analysis: Network Security (continued)

EBITDA Multiple Trends

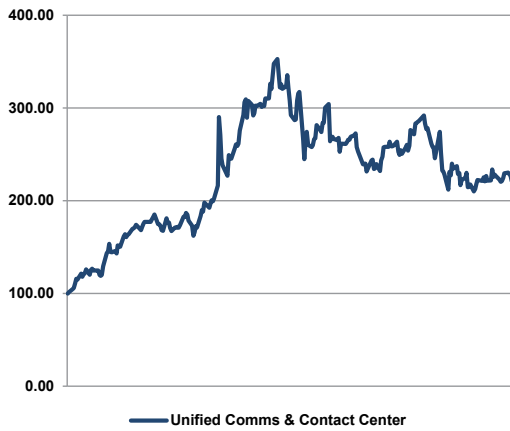


Company EBITDA Multiples

	4/30/2021	4/30/2020
Network Security Index	62.4x	35.6x
Checkpoint	12.5x	12.5x
Cheetah Mobile	NM	NM
CrowdStrike	NM	NM
CyberArk	620.7x	51.2x
FireEye	NM	NM
Fortinet	52.3x	34.6x
NortonLifeLock	12.6x	5.6x
Palo Alto Networks	1318.1x	589.3x
Ping Identity	NM	93.8x
Proofpoint	4052.7x	NM
Qualys	33.2x	34.2x
Rapid7	NM	NM
SecureWorks	101.3x	NM
Tenable	NM	NM
Trend Micro	7.8x	10.7x
Zscaler	NM	NM

Sub Sector Analysis: Unified Communications and the Contact Center

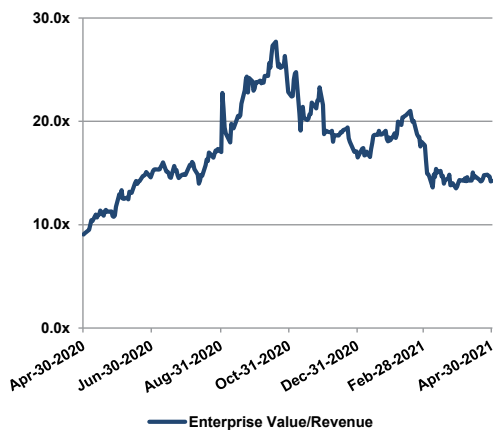
Twelve Month Index Returns



Company Returns

	12 Month	3 Month
Unified Comms & Contact Center Index	121.7%	-11.6%
Avaya	189.4%	29.4%
ClearOne	42.4%	-14.5%
eGain	18.4%	-10.6%
Enhouse Systems	25.9%	2.9%
Five9	102.8%	13.1%
Livestperson	128.3%	-13.7%
Sangoma Technologies	158.3%	7.7%
Verint	13.6%	-34.2%
Zoom	136.4%	-14.1%

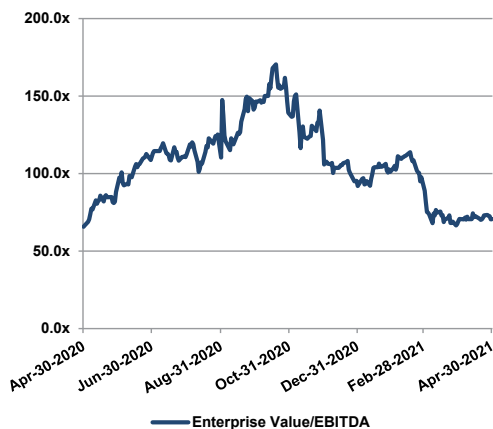
Revenue Multiple Trends



Company Revenue Multiples

	4/30/2021	4/30/2020
Unified Comms & Contact Center Index	14.2x	9.0x
Avaya	1.7x	1.2x
ClearOne	1.5x	1.0x
eGain	3.3x	3.1x
Enhouse Systems	6.2x	6.0x
Five9	26.8x	16.2x
Livestperson	9.3x	5.4x
Sangoma Technologies	3.6x	1.4x
Verint	2.8x	2.6x
Zoom	33.8x	44.6x

EBITDA Multiple Trends



Company EBITDA Multiples

	4/30/2021	4/30/2020
Unified Comms & Contact Center Index	70.6x	65.7x
Avaya	9.5x	8.9x
ClearOne	NM	NM
eGain	27.9x	34.8x
Enhouse Systems	20.5x	22.1x
Five9	730.5x	363.5x
Livestperson	NM	NM
Sangoma Technologies	25.7x	12.4x
Verint	20.2x	22.5x
Zoom	128.5x	588.2x

Source: Capital IQ

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