

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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IN THIS ISSUE

- 2 Introduction and Sub Sector Definitions
- 3 Summary Comments: Public Markets
- 4 Enterprise-Focused Telecom Technology: Public Market Summary
- 5 M&A Summary Comments
- 7 M&A Announced Transactions
- 10 M&A Announced Transactions with Revenue Multiples
- 11 Sub Sector Analysis: Enterprise Networking
- 12 Sub Sector Analysis: Industrial and M2M
- 13 Sub Sector Analysis: Network Management
- 14 Sub Sector Analysis: Network Security
- 16 Sub Sector Analysis: Unified Communications and the Contact Center
- 17 FOCUS Telecom Technology and Services Team

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) delivered a strong return of 12.6% over these past three months. This outperformed both the S&P 500 and the NASDAQ, each of which gained only 5.1%. For the past 12-months, the sector delivered very similar returns to the broader indices. The 34.8% year-over-year return in the EFTTI is slightly above the 34.5% gain in the S&P 500, but slightly lower than the 37.4% return of the NASDAQ. Sector multiples are up considerably compared to this same time last year. The sector revenue multiple increased from 5.3x to 7.0x, while the sector EBITDA multiple increased from 20.7x to 27.4x.

Enterprise Networking

The 8.1% gain in the Enterprise Networking sub sector in our summer reporting period was the second lowest return of any EFTTI sub sector. Gainers and losers were split evenly at six each, but Cisco's solid 8.8% increase helped significantly with pushing the sub sector into positive territory. We also noted an extremely strong gain of 47.1% at A10 Networks, as well as a 20.7% increase at Arista Networks. For the full year, the sub sector is also the second worst performing sub sector in the EFTTI with a gain of 18.6%. Far and away the best performer over the past year was Aerohive Networks with a gain of more than 600%. Extreme Networks was another sub sector company that more than doubled its price over the past year. Other companies with year-over-year gains of more than 50% were A10 Networks, F5 Networks and Unizyx Holding. Sub sector multiples closed out the period at 4.5x revenue and 15.4x EBITDA. Both of these compare favorably to year-ago multiples of 3.7x revenue and 12.2x EBITDA.

Industrial and M2M

After suffering losses in our spring reporting period, the Industrial and M2M sub sector rebounded nicely to deliver a gain of 9.4%. This included a 27.6% gain at Sierra Wireless as well as double digit gains at Belden, Digi International and Telit Communications. The sub sector is also up 27.3% in the past 12-months. Gains were broad-based over this time frame. Other than a negative return at Inseego, every single company in the sub sector was up 30% or more. Sub sector multiples are also higher than at this same time last year. The revenue multiple closed out the period at 1.8x (up from 1.4x a year ago) while the sub sector EBITDA multiple ended at 20.9x (up from 15.6x a year ago).

Network Management

The Network Management sub sector was the only CFTTI sub sector in negative territory this period with a loss of 21.9%. This marks the third straight reporting period where the sub sector delivered a negative return. SolarWinds was the culprit this period as the stock dropped 33.8% in the past three months. The sub sector is also down 26.2% year-over-year, once again entirely due to a 38.8% decline at SolarWinds. Sub sector multiples have also dropped. The sub sector revenue multiple fell from 5.1x a year ago to 3.9x currently, while the sub sector EBITDA multiple dropped from 22.8x to 18.2x over the same time frame.

Network Security

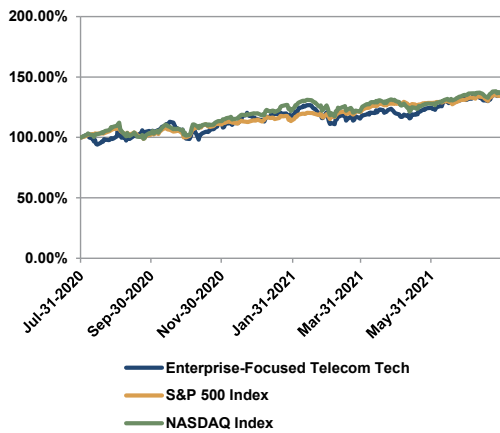
The Networking Security sub sector returned to the top of the EFTTI this period with a three-month gain of 18.5%. Of the 16 stocks in the index, 14 delivered a positive return. This included eight companies with double digit gains. The sub sector also takes top honors in the EFTTI for the full year period with an increase of 56.7%. CrowdStrike was the best performing stock in the sub sector over the past year with a gain of 124.0%, while Fortinet and Rapid7 were a strong second and third with gains of 96.8% and 91.0%, respectively. Sub sector multiples also continued to climb. The revenue multiple jumped from 8.6x to 12.4x over the course of the past 12 months, while the EBITDA multiple increased from 53.6x to 71.1x.

Unified Communications and the Contact Center

The Unified Communications and the Contact Center sub sector reversed course after a double-digit loss in our spring report to post a 14.8% increase in our summer reporting period. Zoom clearly played a big role in this increase as the company shot up 18.3%, but ClearOne, eGain and Liveperson all delivered similar high-teens returns as well. The sub sector is also up 46.5% compared to this same time last year. Zoom once again played a big role with an increase of 48.9%, but the top performing stock in the sub sector over the past year was actually Avaya with a gain of 91.3%. The sub sector revenue multiple remained unchanged compared to this time last year at 15.1x. However, the sub sector EBITDA multiple dropped steeply from 112.3x a year ago to 68.9x currently.

Enterprise-Focused Telecom Technology: Public Market Summary

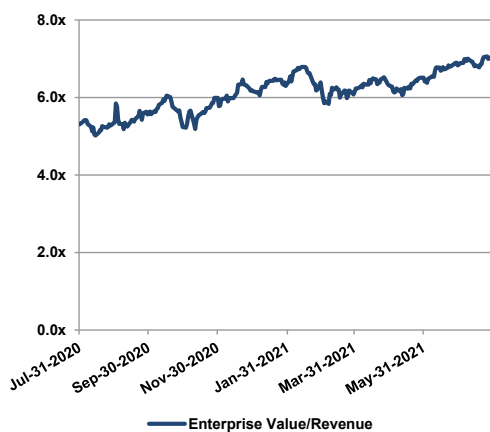
Twelve Month Index Returns



Sector and Sub Sector Returns

	12 Month	3 Month
Enterprise-Focused Telecom Tech	34.8%	12.6%
Enterprise Networking	18.6%	8.1%
Industrial and M2M	27.3%	9.4%
Network Management	-26.2%	-21.9%
Network Security	56.7%	18.5%
Unified Comms & Contact Center	46.5%	14.8%
S&P 500	34.5%	5.1%
NASDAQ	37.4%	5.1%

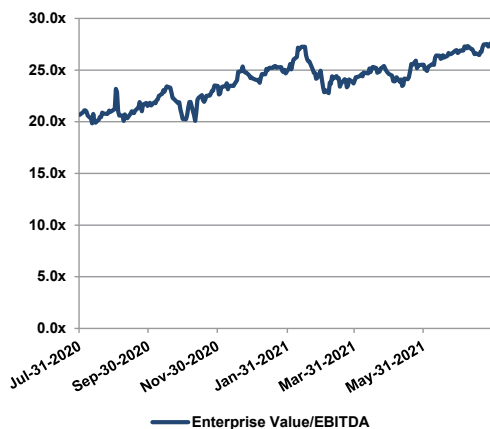
Revenue Multiple Trends



Sector and Sub Sector Revenue Multiples

	7/31/2021	7/31/2020
Enterprise-Focused Telecom Tech	7.0x	5.3x
Enterprise Networking	4.5x	3.7x
Industrial and M2M	1.8x	1.4x
Network Management	3.9x	5.1x
Network Security	12.4x	8.6x
Unified Comms & Contact Center	15.1x	15.1x

EBITDA Multiple Trends



Sector and Sub Sector EBITDA Multiples

	7/31/2021	7/31/2020
Enterprise-Focused Telecom Tech	27.4x	20.7x
Enterprise Networking	15.4x	12.2x
Industrial and M2M	20.9x	15.6x
Network Management	18.2x	22.8x
Network Security	71.1x	53.6x
Unified Comms & Contact Center	68.9x	112.3x

Source: Capital IQ

M&A Summary Comments

M&A

Simply put, this was the most active period for M&A in the Enterprise-Focused Telecom Technology sector in the 10+ years that we have been preparing this report. The sector had 80 total transactions, which is roughly double what we typically see in a three-month period. Total announced transaction dollar volume of \$21.2 billion was also extremely impressive and exceeded the total announced dollar volume for all of 2020. Not surprisingly, 2021 is on pace to be a record year for the sector in terms of M&A activity. Only seven months into the year we are already at 151 total transactions, which puts us on pace to have well over 200 transactions for the year. This would far exceed the next highest total that we have on record (184 transactions in 2020). Dollar volume is also trending at record levels with a year-to-date total of \$46.3 billion. This already makes the total announced transaction dollar volume in 2021 higher than any of the totals that we have seen in the last five years.

Enterprise Networking

We counted three transactions in the Enterprise Networking sub sector this period. SnapAV picked up enterprise-grade wireless routing vendor Access Networks. In another transaction in the routing space, Densan acquired Micro Research. Finally, View acquired the IoT-focused software-defined networking vendor IoTium.

Industrial and M2M

M&A activity in the Industrial and M2M sub sector continued at a high level with five total transactions this period. The most noteworthy of these was the take private transaction of Telit Communications by DBAY Advisors for \$364 million. Two other frequent acquirers in the space, Digi International and HMS Networks, were also active with acquisitions of Ctek and Owaysys Advanced Wireless Devices, respectively. Finally, Caterpillar acquired Wi-Max and Wi-Fi communications vendor Minetec, while Planon acquired IoT connection monitoring and control company Axonize.

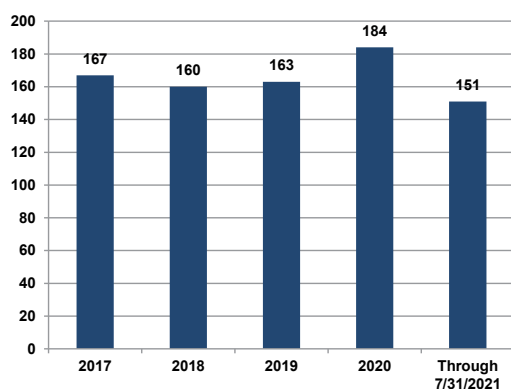
Network Management

While still solid by historical standards, the six total transactions in the Network Management sub sector made it the one Enterprise-Focused Telecom Technology sub sector that did not see unusually high levels of activity this period. That being said, the sub sector did see two private equity platform acquisitions as Great Hill Partners acquired Auvik Networks and The Carlyle Group acquired 1E. In addition, LogicMonitor acquired AI-enabled fault management company Dexda. The remaining three transactions for Opsview (acquired by ITRS), OnApp (acquired by Virtuozzo) and Ayehu (acquired by Resolve Systems) were all in the cloud infrastructure management space.

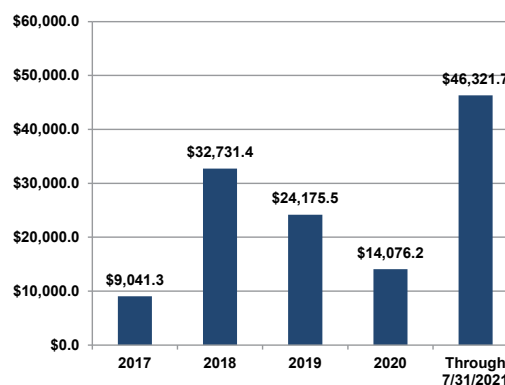
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Enterprise-Focused Telecom Technology: M&A Summary

M&A Activity: Number of Transactions



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



Network Security

The Network Security sub sector had 51 total transactions this period, easily making this the sub sector's most active three-month period for M&A since we began producing these reports. The two largest transactions were the Symphony Technology Group's acquisition of the products division of FireEye for \$1.2 billion and the Accenture purchase of Novetta Solutions for \$1.0 billion. Deloitte and Touche was another consulting firm that was active in the sub sector as it acquired TransientX, Terbium Labs and CloudQuest. Other publicly-traded acquirers that were active this period included Imperva, Imprivata, Microsoft, Rapid7, Sophos, Splunk and Zscaler. Private equity interest in the sub sector also remained high as Audax Group, Bain Capital, The Carlyle Group and The Riverside Company all invested in new platform companies.

Unified Communications and the Contact Center

The Unified Communications and the Contact Center sub sector was another sub sector that had a record level of activity this period with 15 total transactions. This

included the largest deal in the sector this year, which was the \$14.3 billion acquisition of contact center software company Five9 by Zoom Video Communication. In other notable transactions in the contact center software space, ABRY Partners acquired Noble Systems and Alvaria acquired Aspect Software. The text messaging space was also active with the \$850 million acquisition of Zipwhip by Twilio and the purchase of MessageMedia by Sinch. Finally, we noted that Destiny made two acquisitions in the unified communications space as the company announced deals with both Soluno and Telepo.

Transactions with Announced Multiples

This period had four transactions with announced multiples. The period's largest transaction also had the highest multiple as Zoom paid just shy of 30x revenue for Five9. The Rapid7 acquisition of IntSights Cyber Intelligence was also done at an extremely high multiple of 12.4x revenue. The final two transactions with announced multiples were also in the security space but had much lower multiples. Enea acquired Adaptive Mobile Security for 2.9x revenue and Safe-T Group acquired CyberKick for 3.0x revenue.

M&A Announced Transactions (5/1/21 – 7/31/21)

Acquiror	Target	Sector	Date Announced	Purchase Price	Description
ITRS Group	Opsview	Network Management	7/30/21	NA	Open source cloud infrastructure monitoring and management SaaS and related mobile applications for businesses.
Uniphore Technologies	Jacada	Unified Comms & Contact Center	7/27/21	NA	AI-based contact center automation SaaS with features for streamlining customer interactions and automating task workflows.
Deloitte & Touche	TransientX	Security	7/26/21	NA	Zero trust network access, device and network performance management SaaS.
Broadvoice	GoContact	Unified Comms & Contact Center	7/22/21	NA	Cloud native Contact Center as a Service (CCaaS) solution that includes integrated omnichannel and artificial intelligence solutions.
Sophos	Braintrace	Security	7/22/21	NA	Provides network detection and response SaaS and managed security services for enterprises.
Audax Group	Flashpoint	Security	7/21/21	NA	Risk and threat intelligence software APIs, SaaS and services that detect fraud, identify threats and mitigate security risks.
Microsoft Corporation	CloudKnox	Security	7/21/21	NA	Cloud infrastructure entitlement management SaaS with features that include identity risk discovery and assessment.
Cybereason	Empow Cyber Security	Security	7/20/21	NA	Security platform that creates cross-product solutions specific to ongoing threats identified by the platform.
Sysdig	Apolicy	Security	7/20/21	NA	Cloud security SaaS for Kubernetes-based cloud-native applications in containers, virtual machines and serverless environments.
Virtuozzo	OnApp	Network Management	7/20/21	NA	Cloud management software solutions for the hosting industry.
OPSWAT	Bayshore Networks	Security	7/19/21	NA	Industrial IoT cybersecurity systems and related SaaS for network security, intrusion prevention and physical security.
Rapid7	IntSights Cyber Intelligence	Security	7/19/21	\$335.0	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	Cloud-based contact center software that provides contact center as a service solutions.
Enea	Adaptive Mobile Security	Security	7/15/21	\$53.2	Mobile safeguard and security solutions to protect services on fixed and mobile networks through in-network and cloud solutions.
Great Hill Partners	Auvik Networks	Network Management	7/15/21	NA	Provides automated enterprise grade network management and monitoring SaaS and support services for businesses.
ID Technologies	Attila Security	Security	7/15/21	NA	Network and cybersecurity management SaaS with features for VPN management, network management and server management.
Outpost24	Blueliv	Security	7/13/21	NA	Cyberthreat intelligence SaaS that provides features for threat detection, monitoring and data breach protection.
Microsoft Corporation	RiskIQ	Security	7/12/21	NA	Provides threat intelligence and attack surface management SaaS for businesses.
Densan	Micro Research	Enterprise Networking	7/9/21	\$9.7	Communications products such as broadband routers, wireless network products and broadband and analog modems.
Imprivata	Xton Technologies	Security	7/8/21	NA	Access management software and SaaS that includes a password vault, a job task engine and a session manager.
Kaleyra	Bandyer	Unified Comms & Contact Center	7/8/21	NA	Provides enterprise videoconferencing and collaboration SaaS that enables B2B chat, audio and video interaction.
View	IoTium	Enterprise Networking	7/8/21	NA	Software-defined converged infrastructure that connects directly to plants, buildings and devices for IoT instrumentation and control.
Sophos	Capsule8	Security	7/7/21	NA	Cloud and endpoint security software and SaaS for enterprises.
Digi International	Ctek	Industrial and M2M	7/6/21	NA	Solutions for remote monitoring and industrial controls in irrigation, water/waste-water management, agriculture and more.
Zimperium	Whitecrypton	Security	7/6/21	NA	Mobile application and desktop applications security SaaS with features for endpoint security and theft management.
Barracuda Networks	Skout Cybersecurity	Security	7/1/21	NA	Detection and response services that provide real-time continuous security monitoring for managed service providers.

M&A Announced Transactions (5/1/21 – 7/31/21) continued

Acquiror	Target	Sector	Date Announced	Purchase Price	Description
HMS Networks	Owasys Advanced Wireless Devices	Industrial and M2M	7/1/21	NA	IoT-based embedded wireless communication systems and related accessories for controlling and monitoring industrial machines.
Safe-T Group	CyberKick	Security	7/1/21	\$12.7	Software that avoids security and data threats and provides online cyber security and online privacy protection services.
LogicMonitor	Dexda	Network Management	6/30/21	NA	AI-enabled predictive physical asset fault management SaaS for businesses in the transportation, utility and other sectors.
The Carlyle Group	Two Six Labs	Security	6/30/21	NA	Cyber threat intelligence and data visualization solutions.
Nomadix	Angie Hospitality	Unified Comms & Contact Center	6/29/21	NA	AI-enabled speech and touch-enabled devices, on-site analog PBX and related mobile applications for the hospitality industry.
OpenMail	Protected.net Group	Security	6/28/21	NA	Develops security and privacy subscription products for cyber security threats.
The Riverside Company	Cryptomathic	Security	6/24/21	NA	E-security solutions to secure applications from fraud and identity and data theft for public and private enterprises.
FYEO	Intelliagg	Security	6/23/21	NA	Machine learning-based cybersecurity and threat identification SaaS with features for monitoring public, private and darknet sources.
Lookingglass Cyber Solutions	AlphaWave	Security	6/22/21	NA	Cybersecurity continuous visibility and inventory management SaaS that secures risk management across the cloud and containers.
Pointsharp	SecMaker	Security	6/22/21	NA	Certificate-based multi-factor authentication and security SaaS and related iOS and Android mobile applications.
Destiny	Soluno	Unified Comms & Contact Center	6/21/21	NA	Business PBX cloud communication SaaS and related APIs and omnichannel contact center management SaaS.
Destiny	Telepo	Unified Comms & Contact Center	6/21/21	NA	Cloud software that offers unified communications-as-a-service and fixed mobile convergence solutions for service providers.
Netwrix	New Net Technologies	Security	6/16/21	NA	SaaS with features for IT security, file integrity monitoring, file whitelisting, identifying cyber threats and breach detection.
Deloitte & Touche	Terbium Labs	Security	6/15/21	NA	Data-leakage threat detection and response SaaS that provides alerts when data or intellectual property appears on the web.
Forcepoint	Deep Secure	Security	6/15/21	NA	Anti-malware and threat removal software and SaaS that protects emails, web, networks and file transfers.
Berenson Capital	Interactive Digital Solutions	Unified Comms & Contact Center	6/14/21	NA	Cloud-based video communications solutions for enterprises, healthcare systems and government entities.
SS8 Networks	Bivio Networks	Security	6/11/21	NA	Open source network intelligence and cyber defense, deep packet inspection hardware and software and related support.
Resolve Systems	Ayehu	Network Management	6/10/21	NA	Automation and orchestration platform purpose-built for IT operations and ITSM organizations.
Sinch	MessageMedia	Unified Comms & Contact Center	6/9/21	\$1,300.0	Permission-based inbound and outbound SMS messaging, marketing and CRM SaaS for small and medium-sized businesses.
The Carlyle Group	1E	Network Management	6/9/21	NA	Systems management and endpoint user experience management software that enables employee self service and help desk functions.
Bain Capital and Crosspoint Capital	ExtraHop Networks	Security	6/8/21	\$900.0	Cloud and on-premise network security detection and response analytics and operations management SaaS.
RealTyme	Adeya	Security	6/8/21	NA	Secure communication, secure collaboration, secure container, secure workflow and secure business connection products.
Synopsys	Code Dx	Security	6/8/21	NA	Automated software vulnerability detection, prioritization, remediation and reporting software for DevOps and QA teams.
Deloitte & Touche	CloudQuest	Security	6/7/21	NA	Cloud security posture management SaaS that enables cloud security orchestration, automation and response.
Planon	Axonize	Industrial and M2M	6/7/21	NA	IoT connection, monitoring and control management SaaS that enables no-code connections for devices, sensors and IoT systems.
Tata Group	AccessBell (Video Conferencing Assets)	Unified Comms & Contact Center	6/7/21	NA	Low-bandwidth, frictionless videoconferencing SaaS for use by businesses, educational institutions and healthcare providers.
Unisys Corporation	Unify Square	Security	6/3/21	\$152.5	Unified communications and collaboration security SaaS and related managed services.
Caterpillar	Minetec	Industrial and M2M	6/2/21	\$14.0	Wi-Fi and Wi-MAX wireless communication solutions to underground, above ground, coal mining and oil and gas industries.

M&A Announced Transactions (5/1/21 – 7/31/21) continued

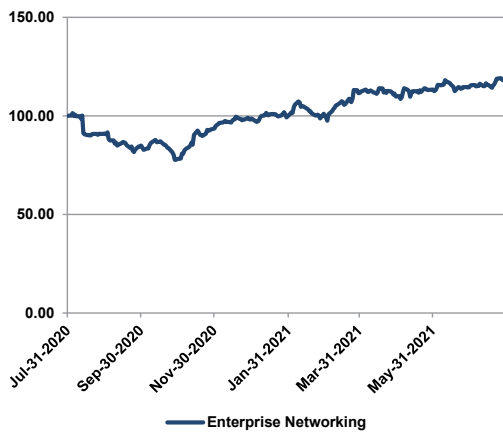
Acquiror	Target	Sector	Date Announced	Purchase Price	Description
Signicat	Encap	Security	6/2/21	NA	Two-factor authentication and legally binding digital signatures for secure applications.
Symphony Technology Group	FireEye (Products Business)	Security	6/2/21	\$1,200.0	Network, email, endpoint and cloud security products as well as a related security management and orchestration platform.
Accenture	Novetta Solutions	Security	6/1/21	\$1,000.0	Analytics software and solutions that detect threat and fraud and protect high value networks.
Coalfire Systems	Denim Group	Security	6/1/21	NA	Security software that provides the ability to understand the security of applications and conduct remediation.
Microsoft Corporation	ReFirm Labs	Security	6/1/21	NA	Develops platforms to discover domestic and foreign cyber threats inside the firmware of connected devices.
DBAY Advisors	Telit Communications	Industrial and M2M	5/25/21	\$364.3	Cellular, global navigation satellite system modules, short range wireless modules, IoT connectivity and IoT platform services.
Dura Software	DVSAalytics	Unified Comms & Contact Center	5/25/21	NA	Workforce optimization software solutions for enterprises and contact centers including call and screen recording and training.
Zscaler	Smokescreen Technologies	Security	5/25/21	NA	Provider of an active defense and deception technology.
Splunk	TruSTAR Technology	Security	5/18/21	NA	Cloud-native cybersecurity core detection, orchestration and response BI management SaaS for businesses.
Twilio	Ionic Security	Security	5/17/21	NA	Distributed data protection SaaS that enables access control, data encryption, insider threat detection and security policy management.
Twilio	Zipwhip	Unified Comms & Contact Center	5/17/21	\$850.0	Text messaging SaaS for businesses to communicate with customers and prospects.
Enreach	Beneman	Unified Comms & Contact Center	5/16/21	NA	Call center and unified communication SaaS and related mobile applications for businesses in Finland, Sweden and Poland.
Cisco Systems	Kenna Security	Security	5/14/21	NA	Provides risk-based vulnerability assessment, management and remediation SaaS and related threat intelligence.
Fidelis Cybersecurity Solutions	CloudPassage	Security	5/14/21	NA	Server protection, event logging, software vulnerability assessment and server access management SaaS.
Help/Systems	Agari Data	Security	5/13/21	NA	AI-enabled anti-phishing email security SaaS that protects against email compromise, supply chain fraud and spear phishing.
Absolute Software Corporation	NetMotion Software	Security	5/11/21	\$340.0	Cloud and premise-based mobile VPN, zero trust network access, device and network performance management software.
Help/Systems	Beyond Security	Security	5/11/21	NA	Automated network vulnerability assessment and management SaaS.
JAMF Software	Wandera	Security	5/11/21	\$400.0	Zero trust cloud security and access for mobile devices.
ABRY Partners	Noble Systems	Unified Comms & Contact Center	5/10/21	NA	Call-center software with features for call management, interactive voice response, call recording and speech analytics.
Alvaria	Aspect Software	Unified Comms & Contact Center	5/10/21	NA	Unified communications-based customer service management software and SaaS and related workforce management software.
Forcepoint	Cyberinc	Security	5/6/21	NA	Enterprise remote browser anti-malware isolation SaaS that enables administrators to minimize browser-borne cybersecurity risks.
SnapAV	Access Networks	Enterprise Networking	5/6/21	NA	Enterprise-grade residential networking systems including Wi-Fi routers, wireless routers, VLAN, controllers and live monitoring.
Aryaka Networks	Secucloud Network	Security	5/4/21	NA	Secure access service edge SaaS that enables cloud-based firewall-as-a-service and secure web gateway threat protection capabilities.
LiveAction	Counterflow AI	Security	5/4/21	NA	AI-based network forensics SaaS for cybersecurity operations teams to identify and respond to cybersecurity threats in real time.
Sectigo	SiteLock	Security	5/4/21	NA	Cloud-based website security SaaS with features for malware detection and infection remediation.
Imperva	CloudVector	Security	5/3/21	NA	AI-based advanced API threat detection and remediation software that automates the network anomaly detection process.

M&A Announced Transactions with Revenue Multiples (8/1/20 – 7/31/21)

Acquiror	Target	Sector	Date Announced	Purchase Price	Revenue Multiple	EBITDA Multiple	Description
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.
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.

Sub Sector Analysis: Enterprise Networking

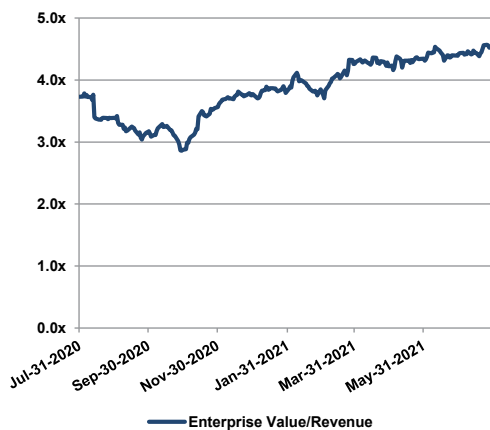
Twelve Month Index Returns



Company Returns

	12 Month	3 Month
Enterprise Networking Index	18.6%	8.1%
A10 Networks	58.0%	47.1%
Accton	49.3%	2.3%
Aerohive Networks	619.7%	-32.1%
Arista Networks	46.4%	20.7%
Cisco	17.6%	8.8%
Citrix	-29.4%	-18.7%
D-Link	15.9%	-15.5%
Extreme Networks	142.0%	-3.3%
F5 Networks	52.0%	10.6%
NetGear	11.4%	-8.0%
Radware	26.1%	16.3%
Unizyx Holding (Zyxel)	68.5%	-29.2%

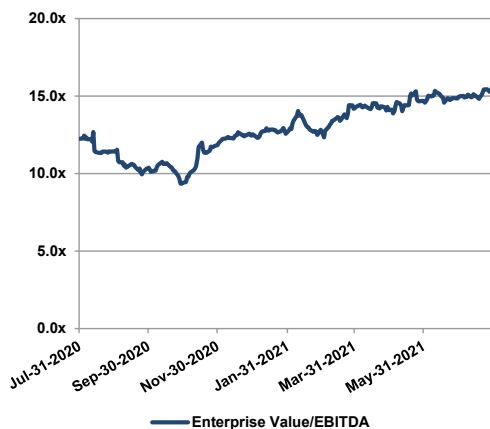
Revenue Multiple Trends



Company Revenue Multiples

	7/31/2021	7/31/2020
Enterprise Networking Index	4.5x	3.7x
A10 Networks	3.6x	2.4x
Accton	3.1x	2.2x
Aerohive Networks	25.9x	4.6x
Arista Networks	9.9x	7.5x
Cisco	4.6x	3.8x
Citrix	4.9x	5.8x
D-Link	0.5x	0.6x
Extreme Networks	1.5x	0.9x
F5 Networks	4.9x	3.4x
NetGear	0.5x	0.7x
Radware	4.2x	3.6x
Unizyx Holding (Zyxel)	0.4x	0.3x

EBITDA Multiple Trends



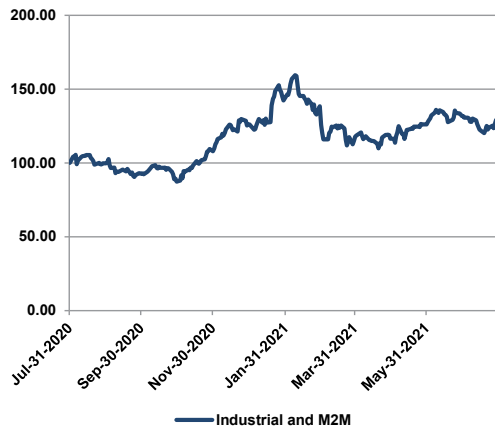
Company EBITDA Multiples

	7/31/2021	7/31/2020
Enterprise Networking Index	15.4x	12.2x
A10 Networks	23.8x	29.3x
Accton	25.1x	18.6x
Aerohive Networks	28.4x	NM
Arista Networks	30.5x	22.3x
Cisco	14.6x	11.8x
Citrix	25.2x	23.6x
D-Link	23.7x	NM
Extreme Networks	16.3x	32.0x
F5 Networks	23.4x	15.0x
NetGear	5.5x	16.2x
Radware	47.0x	39.2x
Unizyx Holding (Zyxel)	5.6x	31.7x

Source: Capital IQ

Sub Sector Analysis: Industrial and M2M

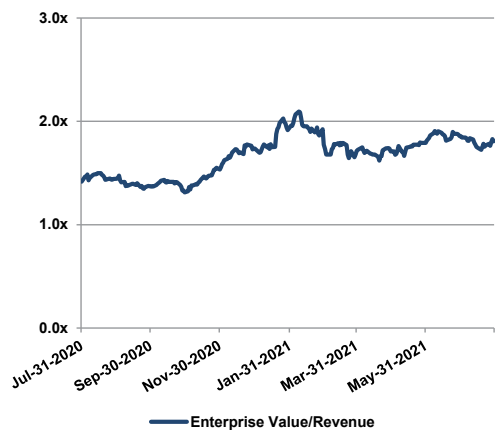
Twelve Month Index Returns



Company Returns

	12 Month	3 Month
Industrial and M2M Index	27.3%	9.4%
Belden	55.1%	13.2%
CalAmp	53.9%	-11.8%
Digi International	70.6%	15.7%
Inseego	-35.5%	-2.1%
Lantronix	31.5%	-3.7%
Sierra Wireless	45.2%	27.6%
Telit Communications	76.0%	13.1%

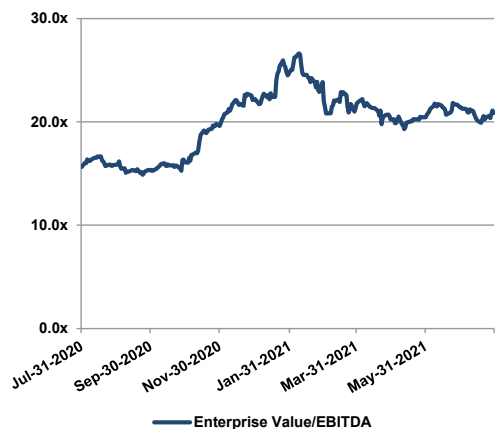
Revenue Multiple Trends



Company Revenue Multiples

	7/31/2021	7/31/2020
Industrial and M2M Index	1.8x	1.4x
Belden	1.6x	1.3x
CalAmp	1.7x	1.3x
Digi International	2.1x	1.5x
Inseego	3.4x	5.4x
Lantronix	2.2x	1.9x
Sierra Wireless	1.4x	0.7x
Telit Communications	1.1x	0.5x

EBITDA Multiple Trends



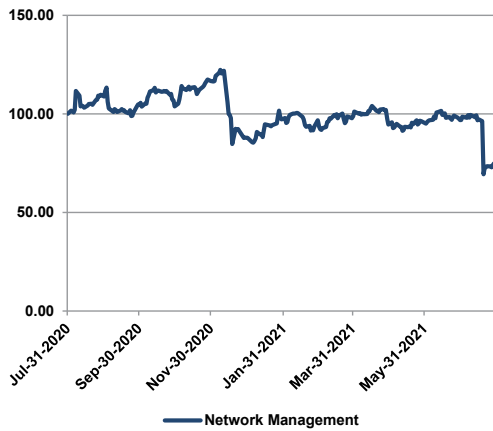
Company EBITDA Multiples

	7/31/2021	7/31/2020
Industrial and M2M Index	20.9x	15.6x
Belden	11.0x	9.5x
CalAmp	25.5x	15.2x
Digi International	17.7x	14.7x
Inseego	NM	NM
Lantronix	127.5x	NM
Sierra Wireless	NM	NM
Telit Communications	15.9x	8.5x

Source: Capital IQ

Sub Sector Analysis: Network Management

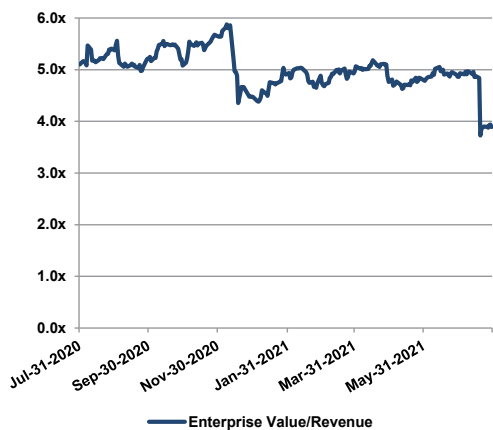
Twelve Month Index Returns



Company Returns

	12 Month	3 Month
Network Management Index	-26.2%	-21.9%
NetScout	13.0%	8.6%
SolarWinds	-38.8%	-33.8%

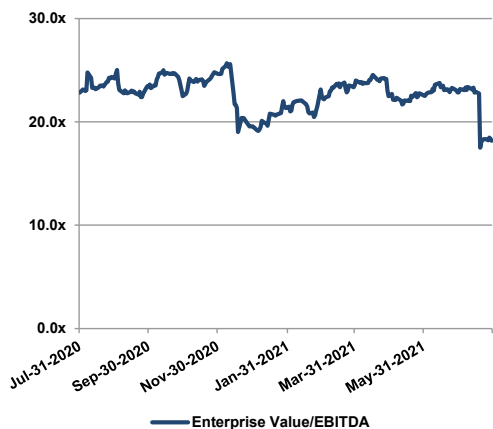
Revenue Multiple Trends



Company Revenue Multiples

	7/31/2021	7/31/2020
Network Management Index	3.9x	5.1x
NetScout	2.5x	2.2x
SolarWinds	5.0x	7.7x

EBITDA Multiple Trends



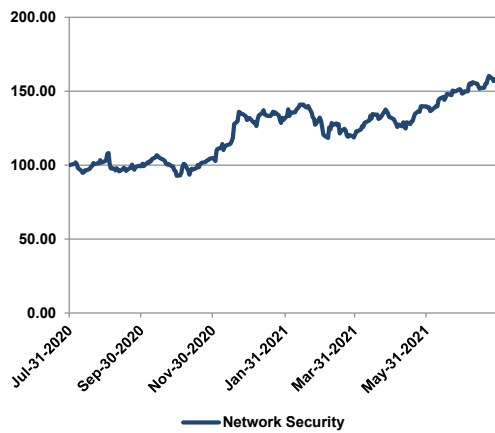
Company EBITDA Multiples

	7/31/2021	7/31/2020
Network Management Index	18.2x	22.8x
NetScout	14.2x	13.7x
SolarWinds	28.5x	32.7x

Source: Capital IQ

Sub Sector Analysis: Network Security

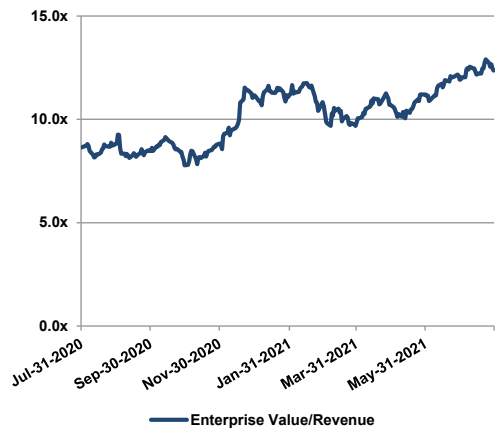
Twelve Month Index Returns



Company Returns

	12 Month	3 Month
Network Security Index	56.7%	18.5%
Checkpoint	1.4%	8.8%
Cheetah Mobile	-18.1%	-6.0%
CrowdStrike	124.0%	21.6%
CyberArk	20.5%	1.1%
FireEye	33.8%	1.6%
Fortinet	96.8%	33.3%
NortonLifeLock	15.7%	14.9%
Palo Alto Networks	55.9%	12.9%
Ping Identity	-35.8%	-9.1%
Proofpoint	51.0%	1.5%
Qualys	-17.8%	0.2%
Rapid7	91.0%	40.0%
SecureWorks	67.7%	54.2%
Tenable	26.1%	14.1%
Trend Micro	-10.9%	9.0%
Zscaler	81.7%	25.7%

Revenue Multiple Trends



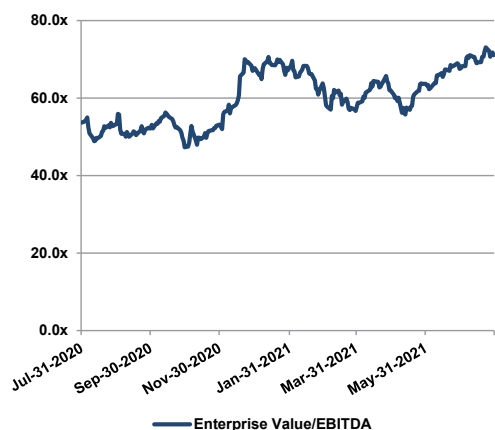
Company Revenue Multiples

	7/31/2021	7/31/2020
Network Security Index	12.4x	8.6x
Checkpoint	6.1x	6.7x
Cheetah Mobile	0.1x	0.1x
CrowdStrike	56.4x	35.9x
CyberArk	10.6x	8.6x
FireEye	5.0x	3.8x
Fortinet	14.5x	8.9x
NortonLifeLock	6.5x	6.0x
Palo Alto Networks	9.9x	7.2x
Ping Identity	6.7x	11.0x
Proofpoint	9.0x	6.7x
Qualys	9.3x	12.9x
Rapid7	14.3x	8.2x
SecureWorks	2.7x	1.5x
Tenable	9.0x	8.1x
Trend Micro	3.3x	4.2x
Zscaler	52.8x	38.5x

Source: Capital IQ

Sub Sector Analysis: Network Security (continued)

EBITDA Multiple Trends

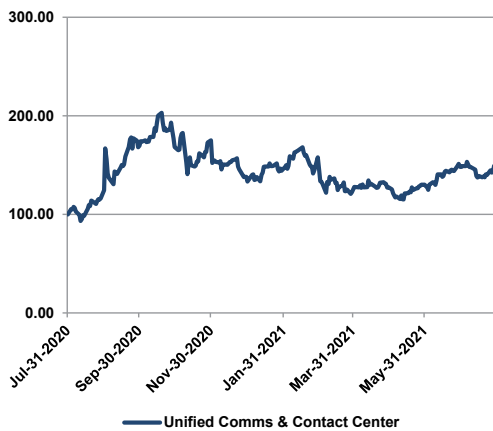


Company EBITDA Multiples

	7/31/2021	7/31/2020
Network Security Index	71.1x	53.6x
Checkpoint	13.7x	15.1x
Cheetah Mobile	NM	NM
CrowdStrike	NM	NM
CyberArk	634.4x	85.1x
FireEye	NM	NM
Fortinet	67.2x	43.2x
NortonLifeLock	13.9x	16.4x
Palo Alto Networks	NM	13626.5x
Ping Identity	NM	226.3x
Proofpoint	NM	NM
Qualys	31.8x	37.6x
Rapid7	NM	NM
SecureWorks	137.6x	136.3x
Tenable	NM	NM
Trend Micro	9.0x	12.6x
Zscaler	NM	NM

Sub Sector Analysis: Unified Communications and the Contact Center

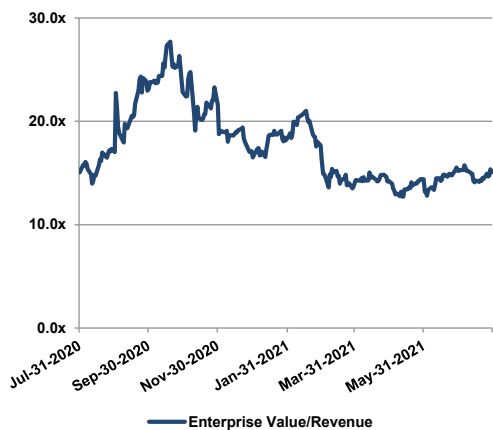
Twelve Month Index Returns



Company Returns

	12 Month	3 Month
Unified Comms & Contact Center Index	46.5%	14.8%
Avaya	91.3%	-15.8%
ClearOne	21.8%	17.8%
eGain	17.8%	18.7%
Enghouse Systems	-20.3%	-4.5%
Five9	66.6%	7.1%
Liveperson	48.2%	16.5%
LiveVox	NA	NA
Sangoma Technologies	36.5%	-24.9%
Verint	-4.9%	-12.1%
Zoom	48.9%	18.3%

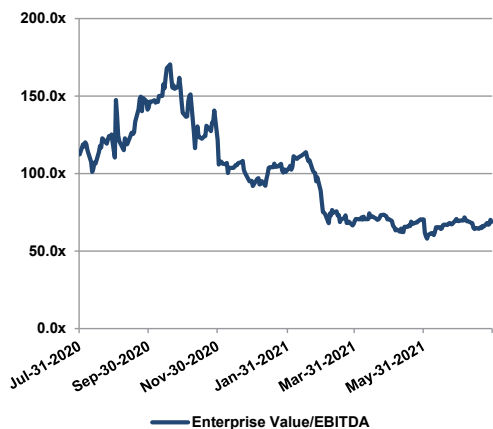
Revenue Multiple Trends



Company Revenue Multiples

	7/31/2021	7/31/2020
Unified Comms & Contact Center Index	15.1x	15.1x
Avaya	1.6x	1.3x
ClearOne	1.7x	1.5x
eGain	4.1x	3.7x
Enghouse Systems	6.0x	8.3x
Five9	26.5x	20.8x
Liveperson	10.1x	8.9x
LiveVox	7.5x	NA
Sangoma Technologies	3.5x	2.4x
Verint	2.9x	3.0x
Zoom	32.8x	52.4x

EBITDA Multiple Trends



Company EBITDA Multiples

	7/31/2021	7/31/2020
Unified Comms & Contact Center Index	68.9x	112.3x
Avaya	9.7x	9.0x
ClearOne	NM	NM
eGain	35.2x	33.5x
Enghouse Systems	19.7x	28.4x
Five9	803.8x	781.0x
Liveperson	NM	NM
LiveVox	428.1x	NA
Sangoma Technologies	24.1x	19.6x
Verint	19.9x	18.4x
Zoom	110.6x	292.4x

Source: Capital IQ

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