

# 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) continued its downward slide with a loss of 8.4% in the past three months. This performance was essentially in-line with the 8.5% loss in the S&P 500 but better than the 13.4% drop in the NASDAQ over the corresponding time period. The EFTTI is also in negative territory for the full year with a decline of 6.4%. This underperformed the 1.2% dip in the S&P 500 but outperformed the NASDAQ's 11.7% decline. Compared to this time last year, the sector revenue multiple dropped from 6.3x to 5.4x. The sector EBITDA multiple also declined, but at a much more modest rate as it went from 24.0x a year ago to 21.8x currently.

## Enterprise Networking

The Enterprise Networking sub sector was one of three sub sectors in the EFTTI to suffer a double-digit loss this period. Not only did the sub sector fall 11.4%, but every single stock traded lower over the past three months. For the full year, the sub sector is only down 1.2%. While most of the companies in the sub sector are in negative territory over this time period as well, A10 Networks, Arista Networks and Radware all managed to deliver a positive annual return. Sub sector multiples are lower than they were a year ago, but not dramatically so. The revenue multiple went from 4.2x to 3.9x, while the EBITDA multiple went from 14.1x to 13.4x.

## Industrial and M2M

The 11.2% decrease in the Industrial and M2M sub sector marked the sub sector's second straight reporting period with a double-digit decline. Sierra Wireless was the lone company in positive territory with a gain of 7.5%. The sub sector is also down 10.4% over the past 12 months, although at least over this time frame we count three companies (Belden, Digi International and Sierra Wireless) that are trading higher than they were a year ago. The sub sector has also suffered a steep drop in its trading multiples. It ended the period with a revenue multiple of 1.4x (down from 1.8x a year ago) and an EBITDA multiple of 13.5x (down from 21.0x a year ago).

## Network Management

The Network Management sub sector had its fourth straight period in negative territory, so a full year of negative performance. The only silver lining is that the sub sector's fall of 5.6% was actually good enough to make it the second-best performing sub sector in the EFTTI this period. Both of the companies in the sub sector delivered negative returns, but SolarWinds had the steeper drop as it shed 9.0% of its value. The sub sector is also down slightly more than 40% for the full year. Over the past 12 months the sub sector revenue multiple fell from 4.8x to 3.4x while the sub sector EBITDA multiple dropped from 22.5x to 17.6x.

## Network Security

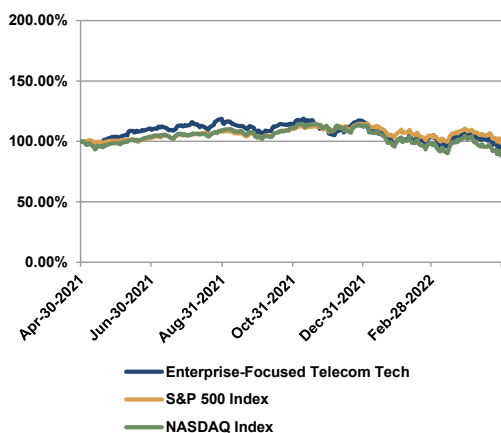
The Network Security sub sector increased 0.9% this reporting period, giving it the distinction of being the only EFTTI sub sector to deliver a positive return in our spring reporting period. Not only that, but gains were fairly broad-based with the majority of the companies in the sub sector in the black. The sub sector is also up 21.4% compared to this same time last year, making it far and away the best performing sub sector in the EFTTI over this period as well. Sub sector multiples are also higher than they were at this time last year, with the revenue multiple inching up from 11.3x to 11.7x and the EBITDA multiple jumping from 56.6x to 72.2x.

## Unified Communications and the Contact Center

At the other end of the spectrum, the Unified Communications and the Contact Center sub sector was the EFTTI's worst performing sub sector this period with a loss of nearly 30%. The 35.5% drop in Zoom made it one of the worst performing companies in the sub sector, but a number of other companies suffered steep declines of 20% or more including Avaya, ClearOne, Liveperson and LiveVox. The situation is equally bleak for the full year period as the sub sector is down a whopping 62.5% over this time frame. This includes declines of 40% or more at eight of the 10 companies in the sub sector. Not surprisingly, sub sector multiples also plummeted. The sub sector revenue multiple dropped by roughly two-thirds from 14.1x to 4.5x, while the EBITDA multiple suffered a comparable decline from 71.1x to 24.1x.

# Enterprise-Focused Telecom Technology: Public Market Summary

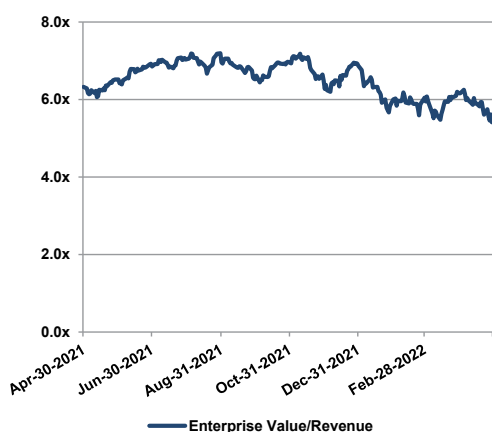
## Twelve Month Index Returns



## Sector and Sub Sector Returns

	12 Month	3 Month
Enterprise-Focused Telecom Tech	-6.4%	-8.4%
Enterprise Networking	-1.2%	-11.4%
Industrial and M2M	-10.4%	-11.2%
Network Management	-41.8%	-5.6%
Network Security	21.4%	0.9%
Unified Comms & Contact Center	-62.5%	-29.4%
S&P 500	-1.2%	-8.5%
NASDAQ	-11.7%	-13.4%

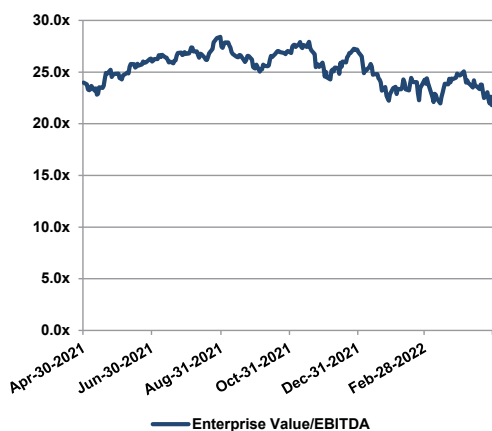
## Revenue Multiple Trends



## Sector and Sub Sector Revenue Multiples

	4/30/2022	4/30/2021
Enterprise-Focused Telecom Tech	5.4x	6.3x
Enterprise Networking	3.9x	4.2x
Industrial and M2M	1.4x	1.8x
Network Management	3.4x	4.8x
Network Security	11.7x	11.3x
Unified Comms & Contact Center	4.5x	14.1x

## EBITDA Multiple Trends



## Sector and Sub Sector EBITDA Multiples

	4/30/2022	4/30/2021
Enterprise-Focused Telecom Tech	21.8x	24.0x
Enterprise Networking	13.4x	14.1x
Industrial and M2M	13.5x	21.0x
Network Management	17.6x	22.5x
Network Security	72.2x	56.6x
Unified Comms & Contact Center	24.1x	71.1x

Source: Capital IQ

# M&A Summary Comments

## M&A

Despite the general carnage in the public markets, M&A activity in the Enterprise-Focused Telecom Technology sector actually rebounded nicely this past three months with 53 transactions for a total of \$16.8 billion in total announced transaction dollar volume. This means that at least through the first four months of the year the sector is tracking fairly closely with the extremely high level of activity that we saw in 2021, both in terms of the number of deals and the total announced dollar volume.

## Enterprise Networking

There were no transactions in the Enterprise Networking sub sector this period.

## Industrial and M2M

There were no transactions in the Industrial and M2M sub sector this period.

## Network Management

M&A activity in the Network Management sub sector picked up somewhat with five transactions this period. One of these was made by serial consolidator Constellation Software as it acquired IT management software company Sunrise Software. We also noted the acquisition of Puppet Labs by Performce Solutions. The remaining acquisitions in the space this period were made by Auvik Networks, Perception Point and Snyk.

## Network Security

M&A activity accelerated in the Network Security sub sector this period with a total of 38 transactions. This included the two largest announced dollar volume transactions for the period, both of which involved publicly traded companies. In the largest of these, Thoma Bravo took yet another public company off the markets with its \$7.0 billion acquisition of SailPoint Technologies. In addition, Google also acquired Mandiant for \$4.7 billion. While significantly smaller than either of these transactions, the Turn/River acquisition of Tufin Software Technologies for \$481.5 million and Belden's divestiture of its Tripwire division for \$350 million were also meaningfully-sized transactions.

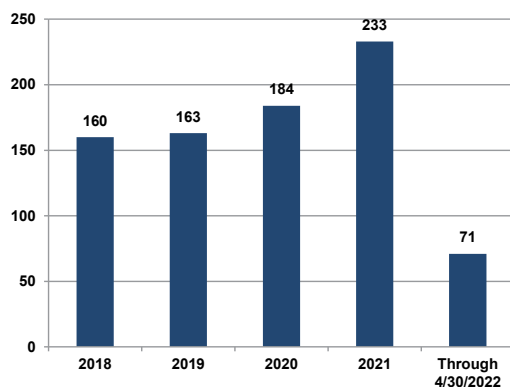
## Unified Communications and the Contact Center

The Unified Communications and the Contact Center sub sector also had a busy three months with a total of ten transactions. Certainly the sub sector transaction that jumped off the page was the \$3.3 billion acquisition of videoconferencing vendor Poly by HPE. In addition, private equity firm Invictus Growth Partners acquired unified communications platform company Revation, while Deslink also acquired a UC platform with its acquisition of

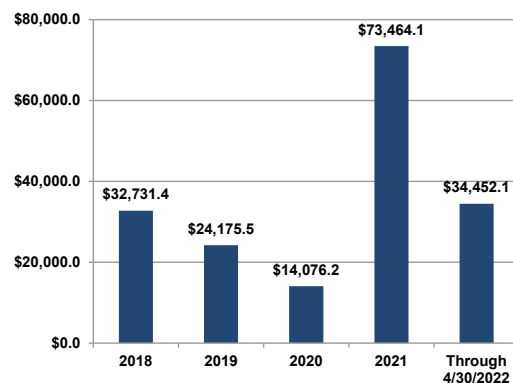
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## Enterprise-Focused Telecom Technology: M&A Summary

M&A Activity: Number of Transactions



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



Qunfi. Finally, we noted a number of deals for software companies in the contact center space. These included the acquisition of Integra by IDT Corporation as well as Gupshup's acquisition of Knowlarity.

### Transactions with Announced Multiples

For the second straight reporting period we had five transactions with announced multiples. As seems to generally be the case, the two largest deals in the security space commanded the highest multiples. The Thoma Bravo acquisi-

tion of SailPoint Technologies was done at 16.0x revenue, while Google's Mandiant acquisition went for 9.8x revenue. The two smaller security sector transactions went for significantly lower multiples. Turn/River's purchase of Tufin Software Technologies weighed in at 4.3x revenue, while Belden's Tripwire divestiture was even lower at 3.3x revenue. Finally, the HPE acquisition of Poly went for just a shade under two turns of revenue. However, the transaction also enjoyed a fairly healthy EBITDA multiple of 15.7x.

## M&A Announced Transactions (2/1/22 – 4/30/22)

Acquiror	Target	Sector	Date Announced	Purchase Price	Description
Dx Technology Services and Investment	Radiflow	Security	4/29/22	\$45.0	Cyber security solutions for critical infrastructure networks.
Synopsys	WhiteHat Security	Security	4/27/22	NA	AI-based dynamic application security testing, attack surface management and other security-related functions.
Vector Capital	WatchGuard Technologies	Security	4/27/22	NA	Network security and intelligence, advanced endpoint protection, multi-factor authentication and secure Wi-Fi solutions.
Constellation Software	Sunrise Software	Network Management	4/26/22	NA	Software for service desk, event management, configuration management and other IT management functions.
Tenable Network Security	Bit Discovery	Security	4/26/22	\$44.5	External attack surface management SaaS and related APIs.
Sophos	SOC.OS Cyber Security	Security	4/22/22	NA	Security alert investigation and triage automation SaaS with features for log management and surface attack monitoring.
Devo Technology	Kognos	Security	4/21/22	NA	AI-based autonomous threat hunting and investigations SaaS for businesses.
Multicroissance	IMS Networks	Security	4/20/22	NA	Solutions for cyber security and maintaining network infrastructures.
Tozny	OneIDLab	Security	4/19/22	NA	Designs and develops a zero trust security platform.
Auvik Networks	MetaGeek	Network Management	4/11/22	NA	Packet analysis tools for Wi-Fi that are used by network professionals to identify, deploy and maintain wireless networks.
Perforce Software	Puppet Labs	Network Management	4/11/22	NA	Automation solutions to automate the configuration and management of machines and the software running on them.
Thoma Bravo	SailPoint Technologies	Security	4/11/22	\$7,029.2	User identity and access management on-premises and cloud-based SaaS and software.
Turn/River	Tufin Software Technologies	Security	4/6/22	\$481.5	Cloud-native network security policy management SaaS, open SDKs and related APIs.
SilverSky	Cybraics	Security	4/5/22	NA	End-to-end artificial intelligence based security analytics platform.
Perception Point	Hysolate	Network Management	3/30/22	NA	Endpoint solution for desktop management that allows enterprises to securely run multiple operating systems on a single workstation.
Liberty Strategic Capital	Zimperium	Security	3/29/22	NA	AI-based mobile device and application security, threat protection and endpoint security protection SaaS.
Destilink	Qunifi	Unified Comms & Contact Center	3/28/22	NA	Cloud-based unified communication platform that offers integrated voice, email and video services.
Guidepost Solutions	Truvariant	Security	3/28/22	NA	Designs and develops system security software.
Hewlett Packard Enterprise	Poly	Unified Comms & Contact Center	3/28/22	\$3,280.4	Mobile handsets, headsets, business and conference phones, video conferencing systems and related communications devices.
Avast Software	SecureKey	Security	3/24/22	NA	Provider of digital identity and authentication solutions.
Crestron Electronics	1 Beyond	Unified Comms & Contact Center	3/23/22	NA	Automated video conferencing recording and streaming systems for businesses.
Cyber Security Works	CYR3CON	Security	3/21/22	NA	Artificial intelligence and dark web mining capabilities to proactively identify threats based on attacker behaviors.
Mission Critical Partners	Secure HALO	Security	3/16/22	NA	Cyber risk assessment SaaS and related services for businesses.
SentinelOne	Attivo	Security	3/15/22	\$616.5	AI-based identity threat detection and response SaaS with features that include endpoint protection and active directory protection.
TA Associates	Veracode	Security	3/15/22	NA	Cloud-native automated application penetration and network vulnerability testing SaaS.
Crossword Cybersecurity	Threat Status	Security	3/14/22	\$2.0	AI-based threat and credential leak intelligence SaaS and related APIs.
Fresche Solutions	Trinity Guard	Security	3/9/22	NA	Designs and develops security software.
Help/Systems	Alert Logic	Security	3/9/22	NA	Managed detection and response software with features for intrusion detection, vulnerability assessment and security log management.
Sendinblue	MeetFox	Unified Comms & Contact Center	3/9/22	NA	Automated scheduling and video conferencing SaaS with features for secure, real-time video conferencing.
Google	Mandiant	Security	3/8/22	\$4,720.7	Software provides features for SOC capabilities-based automation, threat intelligence and security validation and alert investigation.

## M&A Announced Transactions (2/1/22 – 4/30/22) continued

Acquiror	Target	Sector	Date Announced	Purchase Price	Description
ICARO Media Group	Assac Networks	Security	3/8/22	NA	Network forensic and security products and solutions for mobile phones.
IDT Corporation	Integra	Unified Comms & Contact Center	3/3/22	NA	AI-based omnichannel contact center SaaS with features for chat-bot communications, workflow management and text interactions.
Invictus Growth Partners	Revation	Unified Comms & Contact Center	3/2/22	NA	AI-enabled unified communications, contact center as a service and collaboration SaaS.
JumpCloud	myki	Security	2/24/22	NA	Offers password and online identity manager solutions
CloudFlare	Area 1	Security	2/23/22	\$162.0	Email, web and network anti-phishing and anti-malware SaaS to enable businesses to identify targeted malware campaigns.
Darktrace	Cybersprint	Security	2/23/22	\$54.0	AI-based network vulnerability assessment SaaS with features for asset detection and inventory, vulnerability and risk assessment.
Imprivata	SecureLink	Security	2/23/22	NA	Critical security access, authorization management and monitoring SaaS and related support services.
Radware	SecurityDam	Security	2/17/22	NA	Cloud-enabled distributed denial of service protection SaaS.
Snyk	Fugue	Network Management	2/17/22	NA	Cloud infrastructure automation and security software designed to identify and eliminate cloud risks.
Aizan Technologies	CallQX	Unified Comms & Contact Center	2/15/22	NA	Call center SaaS with features for music and messaging customization, marketing messages and reporting and analytics
Eneas Group	Comm Servicios Telecomunicaciones	Unified Comms & Contact Center	2/15/22	\$28.4	Develops and sells desktop phones and accessories.
Main Capital Partners	InnoValor Software	Security	2/15/22	NA	NFC-based identity verification SaaS and related mobile applications for businesses.
SIMBA Chain	StrongSalt	Security	2/15/22	NA	Encryption software that enables infrastructure privacy, decentralized keyless management, data privacy and auditing.
Juniper Networks	WiteSand	Security	2/14/22	NA	Pioneer of cloud-native zero trust network access control solutions.
CloudFlare	Vectrix Security	Security	2/11/22	NA	SaaS for monitoring, detecting and mitigating threats to cloud infrastructure.
Help/Systems	Belden (Tripwire Business)	Security	2/9/22	\$350.0	Diverse portfolio of software solutions to find, monitor and mitigate risks to organizations' digital infrastructure.
Keeper Security	Glyptodon	Security	2/3/22	NA	Remote access gateway SaaS that enables businesses and consumers to access remote PCs and Mac computers.
Foresite MSP	Cyber Lantern	Security	2/2/22	NA	Big data and AI-based cybersecurity detection, management, assessment and monitoring SaaS.
Gupshup	Knowlarity	Unified Comms & Contact Center	2/2/22	NA	AI-based contact center automation, voice assistants and speech analytics SaaS as well as managed VoIP-based call center services.
Nordsec	SurfShark	Security	2/2/22	NA	Security solutions software such as VPN, password management, encrypted cloud storage and network access security.
ForeScout Technologies	CyberMDX Technologies	Security	2/1/22	NA	Connected medical device cybersecurity software and SaaS for manufacturers in the medical device industry.
Kramer Electronics	UC Workspace	Unified Comms & Contact Center	2/1/22	NA	Unified communications and collaboration SaaS and related services that enable engagement across multiple UCC platforms.
Tenable Network Security	Cymptom Labs	Security	2/1/22	NA	Continuous monitoring and measurement of cybersecurity risk management with agentless deployment.

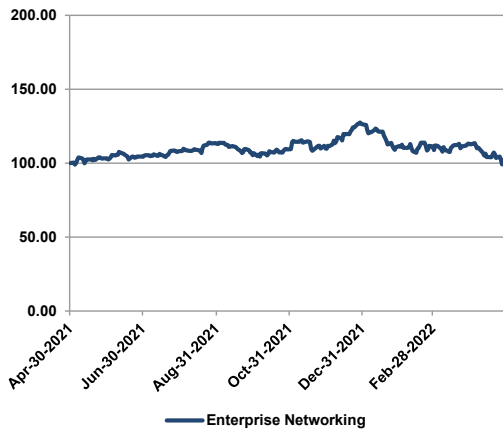


## M&A Announced Transactions with Revenue Multiples (5/1/21 – 4/30/22)

Acquiror	Target	Sector	Date Announced	Purchase Price	Revenue Multiple	EBITDA Multiple	Description
Thoma Bravo	SailPoint Technologies	Security	4/11/22	\$7,029.2	16.0 x	NM	User identity and access management on-premises and cloud-based SaaS and software.
Turn/River	Tufin Software Technologies	Security	4/6/22	\$481.5	4.3 x	NM	Cloud-native network security policy management SaaS, open SDKs and related APIs.
Hewlett Packard Enterprise	Poly	Unified Comms & Contact Center	3/28/22	\$3,280.4	1.9 x	15.7 x	Mobile handsets, headsets, business and conference phones, video conferencing systems and related communications devices.
Google	Mandiant	Security	3/8/22	\$4,720.7	9.8 x	NM	Software provides features for SOC capabilities-based automation, threat intelligence and security validation and alert investigation.
Help/Systems	Belden (Tripwire Business)	Security	2/9/22	\$350.0	3.3 x	NA	Diverse portfolio of software solutions to find, monitor and mitigate risks to organizations' digital infrastructure.
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.

# Sub Sector Analysis: Enterprise Networking

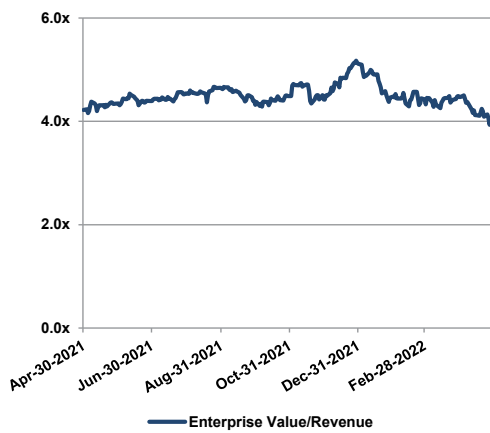
## Twelve Month Index Returns



## Company Returns

	12 Month	3 Month
Enterprise Networking Index	-1.2%	-11.4%
A10 Networks	64.5%	-3.5%
Accton	-30.6%	-17.1%
Aerohive Networks	-61.6%	-24.9%
Arista Networks	46.7%	-7.0%
Cisco	-3.8%	-12.0%
Citrix	-19.2%	-1.8%
D-Link	-35.4%	-2.9%
Extreme Networks	-15.6%	-24.3%
F5 Networks	-10.4%	-19.4%
NetGear	-41.7%	-21.6%
Radware	4.3%	-14.0%
Unizyx Holding (Zyxel)	-29.7%	-8.5%

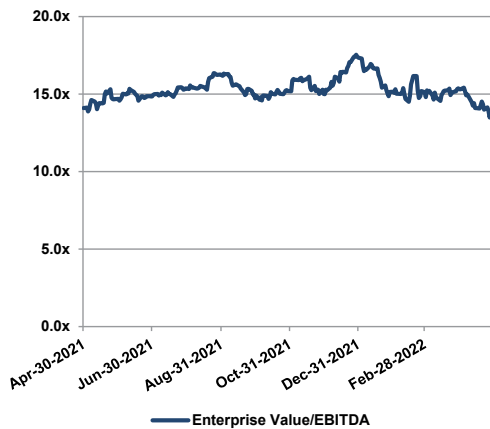
## Revenue Multiple Trends



## Company Revenue Multiples

	4/30/2022	4/30/2021
Enterprise Networking Index	3.9x	4.2x
A10 Networks	3.6x	2.4x
Accton	2.0x	3.1x
Aerohive Networks	2.9x	21.6x
Arista Networks	10.2x	8.6x
Cisco	3.8x	4.2x
Citrix	4.8x	5.9x
D-Link	0.5x	0.6x
Extreme Networks	1.3x	1.7x
F5 Networks	3.7x	4.6x
NetGear	0.4x	0.6x
Radware	3.2x	3.6x
Unizyx Holding (Zyxel)	0.4x	0.6x

## EBITDA Multiple Trends



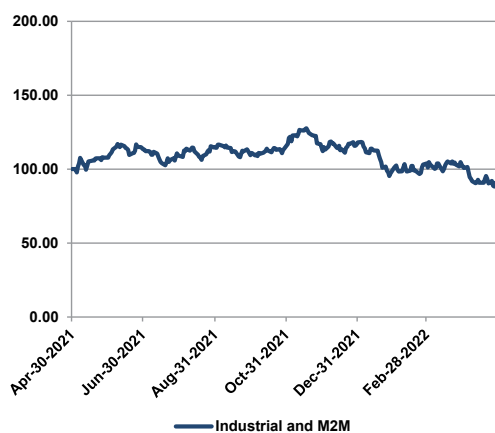
## Company EBITDA Multiples

	4/30/2022	4/30/2021
Enterprise Networking Index	13.4x	14.1x
A10 Networks	20.3x	16.6x
Accton	19.7x	24.7x
Aerohive Networks	2.8x	19.3x
Arista Networks	30.8x	26.6x
Cisco	12.2x	13.1x
Citrix	26.1x	28.8x
D-Link	149.8x	23.4x
Extreme Networks	11.7x	21.1x
F5 Networks	17.8x	21.8x
NetGear	13.0x	6.3x
Radware	31.3x	48.9x
Unizyx Holding (Zyxel)	6.1x	8.3x

Source: Capital IQ

## Sub Sector Analysis: Industrial and M2M

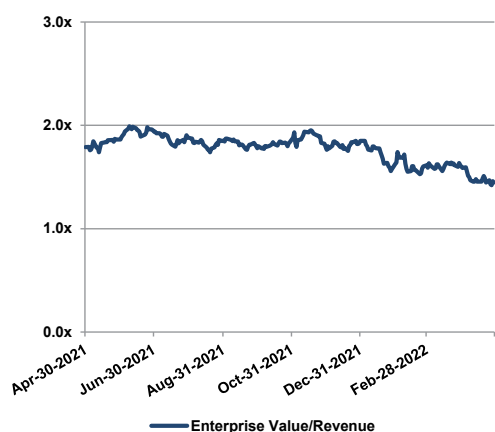
### Twelve Month Index Returns



### Company Returns

	12 Month	3 Month
Industrial and M2M Index	-10.4%	-11.2%
Belden	19.3%	-7.7%
CalAmp	-60.2%	-7.9%
Digi International	5.9%	-15.3%
Inseego	-67.9%	-37.5%
Lantronix	-3.7%	-27.2%
Sierra Wireless	4.3%	7.5%

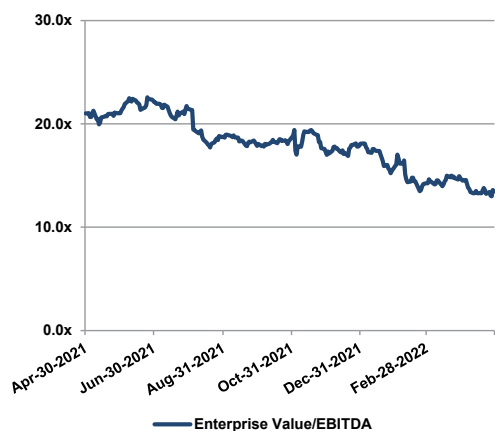
### Revenue Multiple Trends



### Company Revenue Multiples

	4/30/2022	4/30/2021
Industrial and M2M Index	1.4x	1.8x
Belden	1.3x	1.6x
CalAmp	1.1x	1.9x
Digi International	2.7x	2.1x
Inseego	1.6x	3.3x
Lantronix	1.5x	2.3x
Sierra Wireless	1.2x	0.9x

### EBITDA Multiple Trends



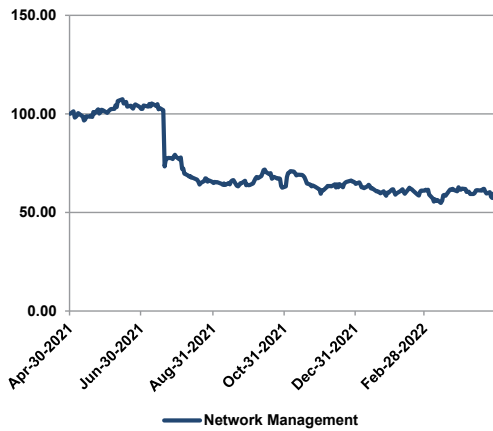
### Company EBITDA Multiples

	4/30/2022	4/30/2021
Industrial and M2M Index	13.5x	21.0x
Belden	8.1x	11.6x
CalAmp	33.1x	32.3x
Digi International	16.2x	17.3x
Inseego	NM	NM
Lantronix	41.4x	132.4x
Sierra Wireless	NM	NM

Source: Capital IQ

# Sub Sector Analysis: Network Management

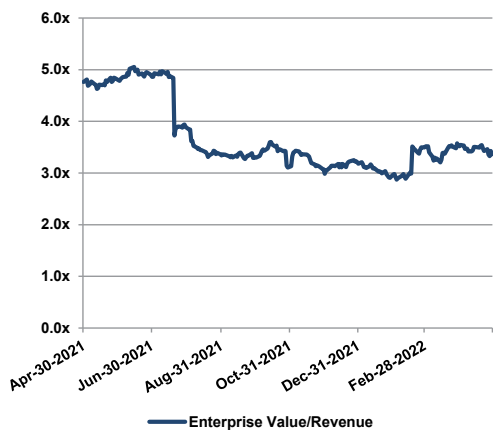
## Twelve Month Index Returns



## Company Returns

	12 Month	3 Month
Network Management Index	-41.8%	-5.6%
NetScout	17.6%	-2.4%
SolarWinds	-63.3%	-9.0%

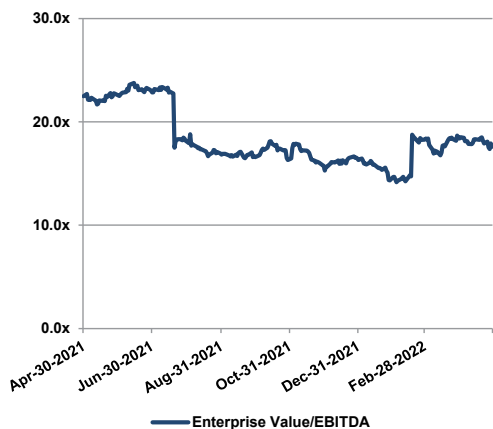
## Revenue Multiple Trends



## Company Revenue Multiples

	4/30/2022	4/30/2021
Network Management Index	3.4x	4.8x
NetScout	2.5x	2.4x
SolarWinds	4.5x	10.8x

## EBITDA Multiple Trends



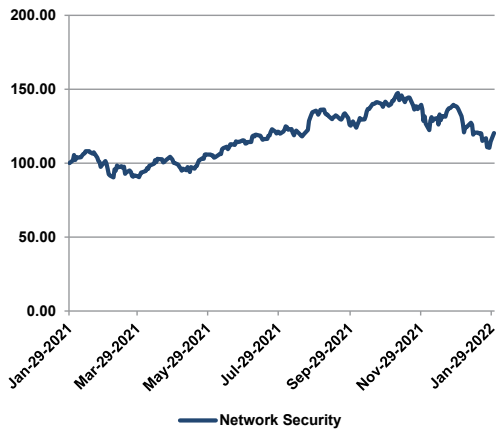
## Company EBITDA Multiples

	4/30/2022	4/30/2021
Network Management Index	17.6x	22.5x
NetScout	14.7x	13.7x
SolarWinds	32.0x	72.7x

Source: Capital IQ

# Sub Sector Analysis: Network Security

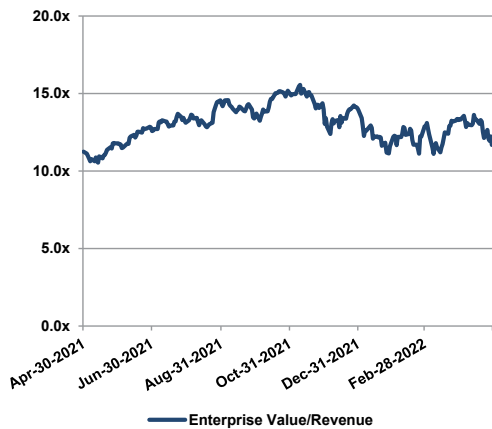
## Twelve Month Index Returns



## Company Returns

	12 Month	3 Month
Network Security Index	21.4%	0.9%
Checkpoint	8.1%	4.4%
CrowdStrike	-4.7%	10.0%
CyberArk	11.8%	14.6%
ForgeRock	NA	43.5%
Fortinet	41.5%	-2.8%
NortonLifeLock	15.9%	-3.7%
Palo Alto Networks	58.8%	8.5%
Ping Identity	7.6%	32.0%
Qualys	34.5%	6.4%
Rapid7	17.6%	-0.8%
SecureWorks	-15.1%	-25.2%
Tenable	47.3%	7.5%
Trend Micro	16.7%	5.5%
Zscaler	8.0%	-21.1%

## Revenue Multiple Trends



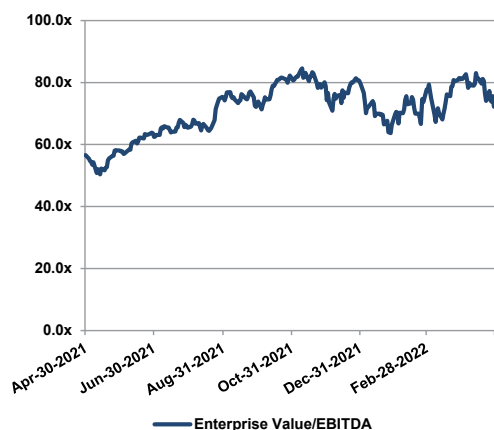
## Company Revenue Multiples

	4/30/2022	4/30/2021
Network Security Index	11.7x	11.3x
Checkpoint	5.6x	5.6x
CrowdStrike	30.8x	45.6x
CyberArk	11.2x	10.3x
ForgeRock	7.9x	NA
Fortinet	12.5x	11.5x
NortonLifeLock	6.0x	6.0x
Palo Alto Networks	11.5x	8.7x
Ping Identity	7.2x	8.0x
Qualys	11.3x	9.6x
Rapid7	10.9x	10.6x
SecureWorks	1.4x	1.6x
Tenable	10.4x	8.0x
Trend Micro	3.5x	2.9x
Zscaler	32.5x	41.5x

Source: Capital IQ

## Sub Sector Analysis: Network Security (continued)

### EBITDA Multiple Trends

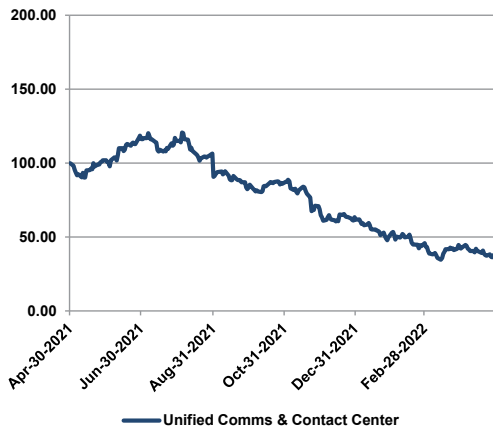


### Company EBITDA Multiples

	4/30/2022	4/30/2021
Network Security Index	72.2x	56.6x
Checkpoint	13.6x	12.5x
CrowdStrike	NM	NM
CyberArk	NM	620.7x
ForgeRock	NM	NA
Fortinet	58.4x	52.3x
NortonLifeLock	14.2x	12.6x
Palo Alto Networks	NM	NM
Ping Identity	NM	NM
Qualys	30.4x	26.5x
Rapid7	NM	NM
SecureWorks	NM	79.9x
Tenable	NM	NM
Trend Micro	10.3x	8.0x
Zscaler	NM	NM

# Sub Sector Analysis: Unified Communications and the Contact Center

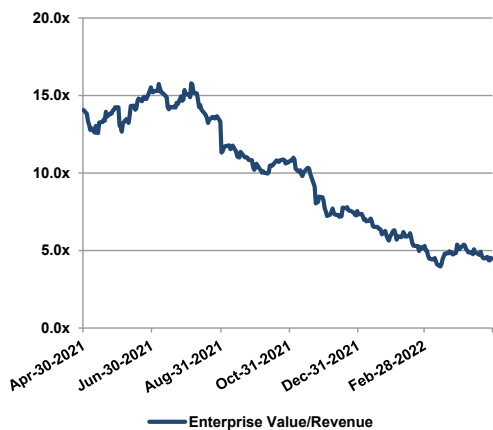
## Twelve Month Index Returns



## Company Returns

	12 Month	3 Month
Unified Comms & Contact Center Index	-62.5%	-29.4%
Avaya	-67.8%	-49.2%
ClearOne	-69.6%	-24.2%
eGain	5.3%	0.2%
Enhouse Systems	-40.3%	-19.9%
Five9	-41.4%	-12.4%
Livestperson	-58.6%	-24.3%
LiveVox	-68.1%	-34.0%
Sangoma Technologies	-48.9%	-17.9%
Verint	12.3%	6.3%
Zoom	-68.8%	-35.5%

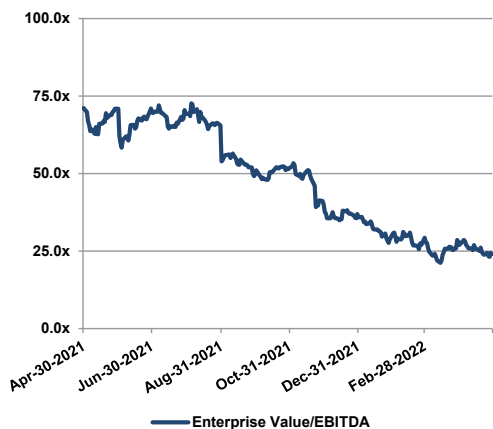
## Revenue Multiple Trends



## Company Revenue Multiples

	4/30/2022	4/30/2021
Unified Comms & Contact Center Index	4.5x	14.1x
Avaya	1.2x	1.7x
ClearOne	0.7x	1.5x
eGain	3.0x	3.3x
Enhouse Systems	3.9x	6.2x
Five9	12.0x	26.8x
Livestperson	3.6x	9.3x
LiveVox	2.2x	0.4x
Sangoma Technologies	1.6x	3.6x
Verint	4.7x	2.8x
Zoom	6.0x	27.4x

## EBITDA Multiple Trends



## Company EBITDA Multiples

	4/30/2022	4/30/2021
Unified Comms & Contact Center Index	24.1x	71.1x
Avaya	8.8x	9.7x
ClearOne	NM	NM
eGain	167.3x	28.6x
Enhouse Systems	13.5x	20.3x
Five9	NM	763.9x
Livestperson	NM	NM
LiveVox	NM	24.7x
Sangoma Technologies	23.7x	24.4x
Verint	34.7x	20.1x
Zoom	20.8x	92.2x

Source: Capital IQ

# FOCUS Telecom Technology and Services Team

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## **Richard H. Pierce**

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Rich Pierce has 20 years of investment banking experience advising middle market clients on a variety of mergers and acquisitions and capital raising transactions. During that time, Mr. Pierce's primary emphasis has been on serving clients in the telecommunications industry including providers of network related hardware and software products, wireless and wireline telecommunications service providers and network engineering and construction companies.



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David Freeland, a FOCUS Managing Director, has more than fifteen years of experience providing investment banking and management consulting services to a variety of corporate clients, ranging from the Fortune 500 to start-up businesses. He has been an investment banker since 2003, advising clients on mergers and acquisitions and capital raising transactions. Mr. Freeland has broad experience in the telecom and technology industry and has significant experience with data center companies.

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