

# 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
- 9 M&A Announced Transactions with Revenue Multiples
- 10 Sub Sector Analysis: Enterprise Networking
- 11 Sub Sector Analysis: Industrial and M2M
- 12 Sub Sector Analysis: Network Management
- 13 Sub Sector Analysis: Network Security
- 15 Sub Sector Analysis: Unified Communications and the Contact Center
- 16 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

Continuing its downward slide, the FOCUS Enterprise-Focused Telecom Technology Index (EFTTI) shed 6.2% of its value over the past three months. This compared unfavorably to the broader indices as the S&P 500 was flat and the NASDAQ lost only 0.5% over the corresponding time period. The EFTTI also underperformed the broader indices over the past 12 months. The EFTTI fell 22.3% in the past year, while the S&P 500 and NASDAQ only dropped 6.0% and 15.6%, respectively. Sector multiples were also down by meaningful margins compared to the year-ago period. The revenue multiple fell from 7.0x to 5.0x, and the EBITDA multiple declined from 26.8x to 20.3x.

## Enterprise Networking

The Enterprise Networking sub sector was one of three EFTTI sub sectors in negative territory for the period. The majority of companies in the sub sector actually delivered a positive return, but declines at Aerohive Networks, Cisco Systems and Radware were enough to drag the sub sector into the red. The sub sector was also down 13.4% for the full year. These losses were more broad-based, as seven of the twelve stocks in the sub sector traded lower than they were a year ago. Sub sector multiples fell from 4.5x revenue and 15.4x EBITDA a year ago to 3.7x revenue and 12.5x EBITDA currently.

## Industrial and M2M

After suffering significant losses in our last two reporting periods, the Industrial and M2M sub sector bounced back strongly with a three month gain of 29.2%. This made it the best performing sub sector in the EFTTI this period. Four of the six companies in the index boasted returns of 25% or higher, and two of these (Digi International and Sierra Wireless) increased by more than 50%. This period's gains were strong enough to push the sub sector into positive territory for the full year with a gain of 6.0%. Despite the year-over-year increase in the index, sub sector multiples are lower than at this same time last year. The sub sector revenue multiple fell from 1.9x to 1.7x, while the sub sector EBITDA multiple declined from 21.5x to 14.7x.

## Network Management

The Network Management sub sector turned in its first positive reporting period in more than a year with a three-month gain of 2.0%. NetScout traded up sharply with a gain of 15.5%, while SolarWinds continued to perform poorly with a loss of 13.4%. For the full year, a 23.7% gain at NetScout was more than counterbalanced by a 52.4% decline at SolarWinds, with the net result a 23.8% drop in the index. Multiples closed out the period at 3.3x revenue and 18.1x EBITDA. Both of these are lower than year-ago multiples of 3.9x revenue and 18.2x EBITDA.

## Network Security

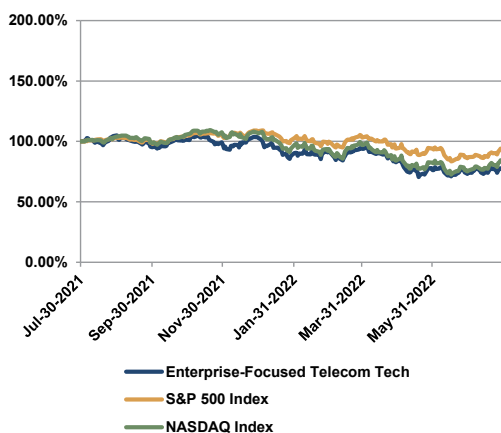
The Network Security sub sector was the worst performing sub sector in the EFTTI this reporting period with a drop of 8.8%. Losses were broad-based as only two of the 14 stocks in the sub sector managed to turn in a positive return. This period's losses also pushed the sub sector into negative territory for the full year with a decline of 7.4%. Sub sector multiple performance was mixed. The revenue multiple dropped from 13.1x a year ago to 10.1x currently, but the EBITDA multiple increased from 65.4x to 66.8x over the same time period.

## Unified Communications and the Contact Center

The good news is that the Unified Communications and the Contact Center sub sector relinquished its title as the EFTTI's worst performing sub sector this period. The bad news is that it still continued its downward trend with a drop of 2.6%. Only one company in the sub sector (Zoom) turned in a positive return; the other nine were in the red. The sub sector continues to be far and away the worst performing sub sector in the EFTTI for the full year period with a loss of 68.3%. Sub sector multiples have dropped steeply over the past year. The revenue multiple plummeted from 15.1x a year ago to 4.3x currently, while the EBITDA multiple suffered an equally precipitous drop from 69.2x to 25.5x.

# Enterprise-Focused Telecom Technology: Public Market Summary

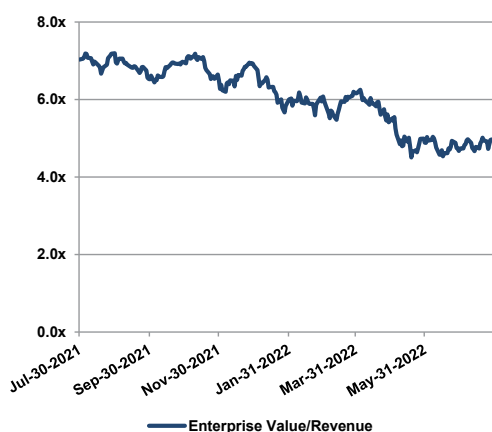
## Twelve Month Index Returns



## Sector and Sub Sector Returns

	12 Month	3 Month
Enterprise-Focused Telecom Tech	-22.3%	-6.2%
Enterprise Networking	-13.4%	-5.1%
Industrial and M2M	6.0%	29.2%
Network Management	-23.8%	2.0%
Network Security	-7.4%	-8.8%
Unified Comms & Contact Center	-68.3%	-2.6%
S&P 500	-6.0%	0.0%
NASDAQ	-15.6%	0.5%

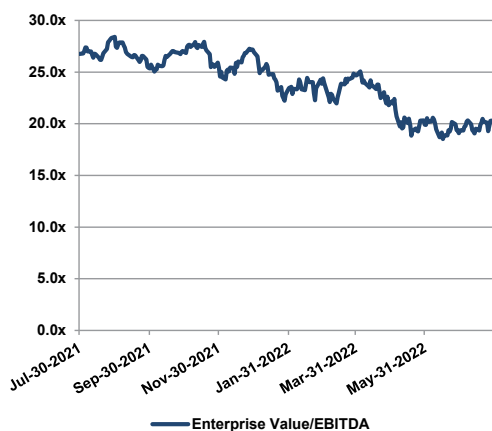
## Revenue Multiple Trends



## Sector and Sub Sector Revenue Multiples

	7/31/2022	7/31/2021
Enterprise-Focused Telecom Tech	5.0x	7.0x
Enterprise Networking	3.7x	4.5x
Industrial and M2M	1.7x	1.9x
Network Management	3.3x	3.9x
Network Security	10.1x	13.1x
Unified Comms & Contact Center	4.3x	15.1x

## EBITDA Multiple Trends



## Sector and Sub Sector EBITDA Multiples

	7/31/2022	7/31/2021
Enterprise-Focused Telecom Tech	20.3x	26.8x
Enterprise Networking	12.5x	15.4x
Industrial and M2M	14.7x	21.5x
Network Management	18.1x	18.2x
Network Security	66.8x	65.4x
Unified Comms & Contact Center	25.5x	69.2x

Source: Capital IQ

# M&A Summary Comments

## M&A

The turmoil in the overall market finally caught up with the Enterprise-Focused Telecom Technology sector as activity in the space slowed dramatically. We counted 30 transactions in the sector, down from more than 50 in our spring report. Even worse, the total announced dollar volume of transactions came in at a paltry \$272 million. Even with the lack of activity this period, the year-to-date figures still look strong. While running behind last year's torrid level of activity, the sector is still on pace to record higher levels of transactions and announced dollar volumes than any year in the last five with the exception of 2022. However, this could change quickly if the current M&A drought continues in the back half of the year.

## Enterprise Networking

In the Enterprise Networking sub sector, Sigma Defense Systems acquired Sub U Systems. Sub U Systems makes routers, switches and other networking equipment for the public sector.

## Industrial and M2M

The Industrial and M2M sub sector was relatively active with three transactions in the past three months. Telit acquired the IoT systems division of Thales, while HMS Networks acquired Global M2M. In the sub sector's final transaction, Komatsu acquired Mine Site Technologies, a provider of communications systems for mines and tunnels.

## Network Management

There were no transactions in the Network Management sub sector this period.

## Network Security

M&A activity in the Network Security sub sector finally came back to earth with "only" 22 transactions this period. This included the two largest announced dollar volume transactions; the \$101.8 million acquisition of OneWelcome by Thales Group and the \$160 million acquisition of Digital Shadows by Reliaquest. Pathlock was the only acquirer this period to ink multiple acquisitions as it acquired both akqinet enterprise solutions and Apsian. IBM also returned to the deal table with its acquisition of AI-based attack surface management company Randon. Finally, we noted that we saw virtually no activity from the pure play, publicly traded security companies over this past three months. Typically, these companies play a meaningful role in sub sector M&A, but they were silent this period.

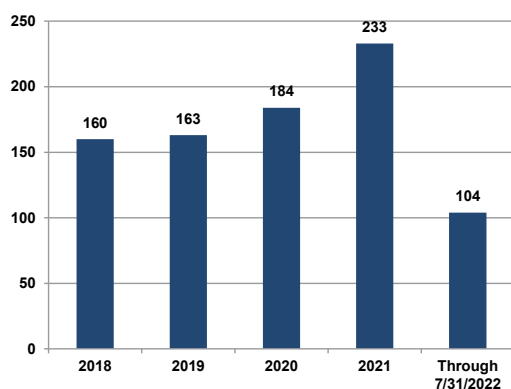
## Unified Communications and the Contact Center

Activity in the Unified Communications and the Contact Center sub sector also fell off significantly with only four transactions for the period. Enghouse Systems accounted for two of these as it acquired contact center technology

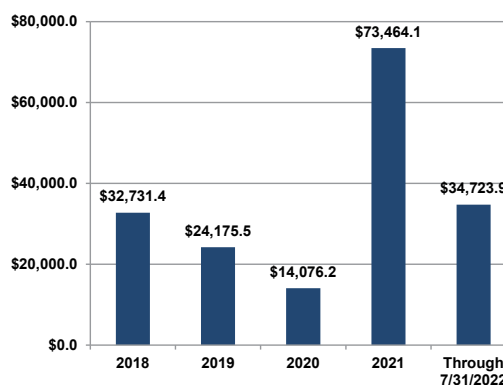
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## Enterprise-Focused Telecom Technology: M&A Summary

M&A Activity: Number of Transactions



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



companies NTW Software and Competella. In the period's third contact center software transaction, Medallia acquired Virtual Hold Technology. Finally, private equity investor Queen's Park Equity acquired TelcoSwitch, a provider of a unified communications as a service platform as well as routing and compliance services for Microsoft Teams.

### Transactions with Announced Multiples

There were no transactions with announced multiples this period.

## M&A Announced Transactions (5/1/22 – 7/31/22)

Acquiror	Target	Sector	Date Announced	Purchase Price	Description
Telit	Thales (Cellular IoT Products Division)	Industrial and M2M	7/29/22	NA	Cellular IoT systems and embedded electronic devices including IoT modules, gateways and modem cards.
Human Security	PerimeterX	Security	7/27/22	NA	Security solutions for the prevention of automated attacks by detecting malicious web-behavior.
Agileblue Security	Crowe (Managed Detection and Response Platform)	Security	7/21/22	NA	Managed Detection and Response (MDR) platform for cybersecurity.
Crosslake Technologies	Vantagepoint Security	Security	7/14/22	NA	Automated solution that tests against a security baseline, monitors threats, scans for vulnerabilities and sends proactive alerts.
Vitruvian Partners	Outpost24	Security	7/13/22	NA	Network security and compliance, web application security, cloud and container security and wireless security.
Thales Group	OneWelcome	Security	7/12/22	\$101.8	Customer identity and access management SaaS, APIs and mobile SDKs and related mobile applications.
Medallia	Virtual Hold Technology	Unified Comms & Contact Center	7/11/22	NA	Contact center, IVR and callback automation SaaS with features for call scheduling, channel transition and SMS notifications.
Recorded Future	Hatching International	Security	7/8/22	NA	Cybersecurity sandboxing SaaS, on premise and mobile software and related APIs.
Die Schweizerische Post	Hacknowledge	Security	7/6/22	NA	Cybersecurity monitoring and response SaaS and managed detection and response (MDR) services.
Enghouse Systems	NTW Software	Unified Comms & Contact Center	7/6/22	NA	Call center communications SaaS and related systems integration and custom software development services.
HMS Networks	Global M2M	Industrial and M2M	7/1/22	NA	Provides industrial communication products.
XM Cyber	CyberObserver	Security	6/27/22	NA	Continuous controls monitoring solution and related cyber security architecture management tools.
Enghouse Systems	Competella	Unified Comms & Contact Center	6/23/22	NA	Software with features for contact center enterprise, contact center workgroup, attendant console, office user add-ons and IVR.
Johnson Controls	Tempered Networks	Security	6/23/22	NA	Self-defense system for buildings that enables secure network access across diverse groups of endpoint devices.
Charter and Comcast	LEVL Technologies	Security	6/20/22	NA	Privacy-friendly device identity management and network security SaaS and related APIs.
Miss Group	PrivateVPN	Security	6/17/22	NA	Subscription-based VPN software and related integration services.
Komatsu	Mine Site Technologies	Industrial and M2M	6/15/22	NA	Mine and tunnel communication and position tracking systems and related software.
Content Services Group	Cyren (Secure Email Gateway Business)	Security	6/7/22	\$10.0	Email security gateway that provides protection against phishing emails, spam and ransomware.
Framatome	Cyberwatch	Security	6/7/22	NA	Vulnerability management and compliance control SaaS and APIs.
Queen's Park Equity	TelcoSwitch	Unified Comms & Contact Center	6/7/22	NA	Unified communications as a service platform as well as direct routing and compliance services for Microsoft Teams.
ForeScout Technologies	Cysiv	Security	6/6/22	NA	Security and threat management SaaS with features for detection and response, managed SIEM and network access control.
IBM Corporation	Randori	Security	6/6/22	NA	AI-based attack surface management SaaS, on-premise software and related APIs for businesses.
Acumera	Netsurion (Secure Edge Networking Business)	Security	6/1/22	NA	Provides edge security and visibility to multi-location network environments.
Lookout	SaferPass	Security	6/1/22	NA	Identity and password management SaaS and related mobile applications for businesses.
Netskope	Wootcloud	Security	6/1/22	NA	AI-based IoT cybersecurity SaaS and APIs with features including device classification and visibility, device risk and access control.
ReliaQuest	Digital Shadows	Security	6/1/22	\$160.0	Digital risk and threat intelligence SaaS and services for businesses.
Pathlock	akquinet enterprise solutions	Security	5/17/22	NA	SAP security and authorization SaaS, APIs and services.

## M&A Announced Transactions (5/1/22 – 7/31/22) continued

Acquiror	Target	Sector	Date Announced	Purchase Price	Description
Pathlock	Appian	Security	5/17/22	NA	User experience and security platform for enterprises to secure their applications against malicious and inadvertent breaches.
Sigma Defense Systems	Sub U Systems	Enterprise Networking	5/17/22	NA	Software and hardware-based IP routers, switches, servers, computers and other products for the public sector.
Oribi Software	SmartAIM	Security	5/6/22	NA	Identity and access management SaaS with features such as authorization management and role-based access control.

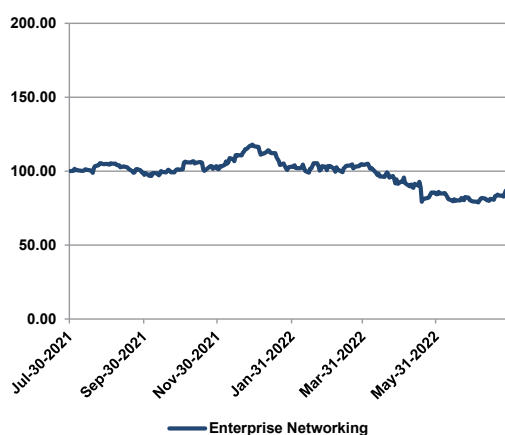


## M&A Announced Transactions with Revenue Multiples (8/1/21 – 7/31/22)

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.

## Sub Sector Analysis: Enterprise Networking

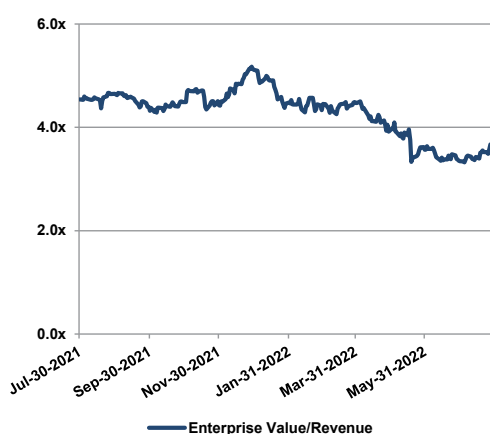
### Twelve Month Index Returns



### Company Returns

	12 Month	3 Month
Enterprise Networking Index	-13.4%	-5.1%
A10 Networks	16.8%	4.4%
Accton	-29.3%	4.3%
Aerohive Networks	-65.4%	-38.8%
Arista Networks	22.6%	0.9%
Cisco	-18.1%	-7.4%
Citrix	0.7%	1.3%
D-Link	-24.0%	-0.6%
Extreme Networks	18.8%	36.3%
F5 Networks	-19.0%	0.0%
NetGear	-24.7%	18.8%
Radware	-28.2%	-20.0%
Unizyx Holding (Zyxel)	6.0%	6.7%

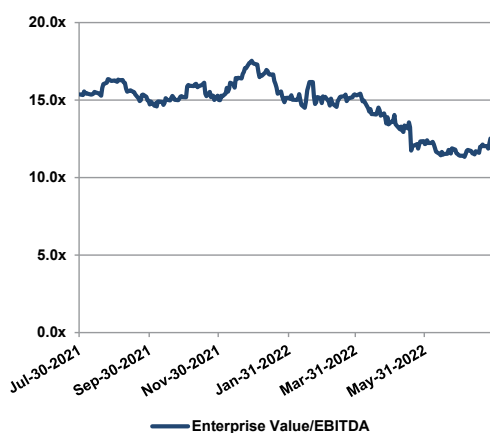
### Revenue Multiple Trends



### Company Revenue Multiples

	7/31/2022	7/31/2021
Enterprise Networking Index	3.7x	4.5x
A10 Networks	3.7x	3.6x
Accton	2.0x	3.0x
Aerohive Networks	1.9x	10.2x
Arista Networks	9.3x	9.9x
Cisco	3.5x	4.6x
Citrix	4.7x	4.9x
D-Link	0.5x	0.5x
Extreme Networks	1.7x	1.5x
F5 Networks	3.7x	4.9x
NetGear	0.5x	0.5x
Radware	2.5x	4.2x
Unizyx Holding (Zyxel)	0.5x	0.4x

### EBITDA Multiple Trends



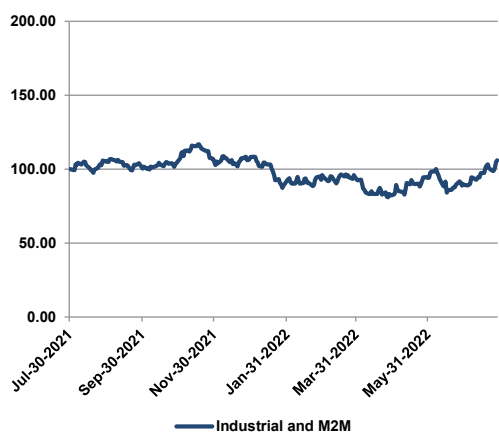
### Company EBITDA Multiples

	7/31/2022	7/31/2021
Enterprise Networking Index	12.5x	15.4x
A10 Networks	19.3x	23.8x
Accton	17.3x	25.5x
Aerohive Networks	2.7x	10.6x
Arista Networks	27.3x	30.5x
Cisco	11.1x	14.6x
Citrix	22.2x	28.3x
D-Link	153.0x	22.8x
Extreme Networks	16.3x	16.3x
F5 Networks	17.7x	23.0x
NetGear	293.6x	5.5x
Radware	26.9x	47.0x
Unizyx Holding (Zyxel)	7.4x	5.5x

Source: Capital IQ

## Sub Sector Analysis: Industrial and M2M

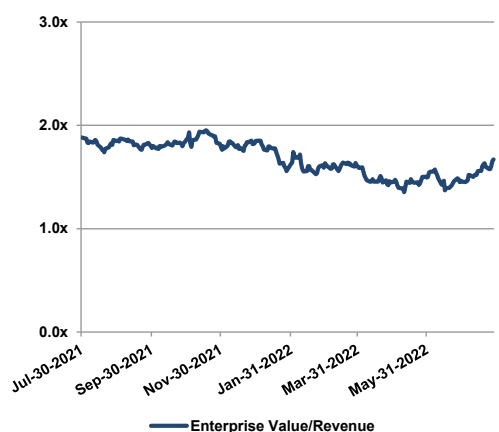
### Twelve Month Index Returns



### Company Returns

	12 Month	3 Month
Industrial and M2M Index	6.0%	29.2%
Belden	32.1%	25.4%
CalAmp	-61.2%	-13.9%
Digi International	37.8%	50.6%
Inseego	-74.3%	-21.8%
Lantronix	37.1%	37.1%
Sierra Wireless	28.8%	57.7%

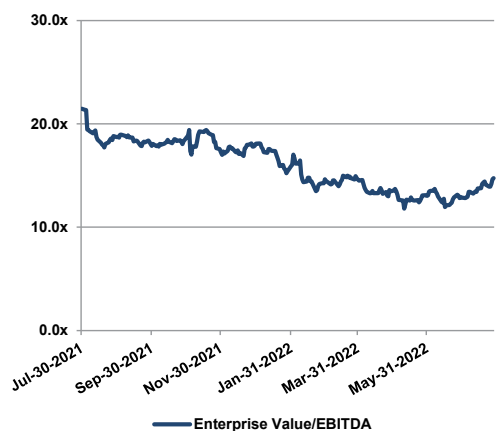
### Revenue Multiple Trends



### Company Revenue Multiples

	7/31/2022	7/31/2021
Industrial and M2M Index	1.7x	1.9x
Belden	1.4x	1.7x
CalAmp	1.3x	1.7x
Digi International	3.5x	2.1x
Inseego	1.4x	3.4x
Lantronix	2.2x	2.1x
Sierra Wireless	1.6x	1.3x

### EBITDA Multiple Trends



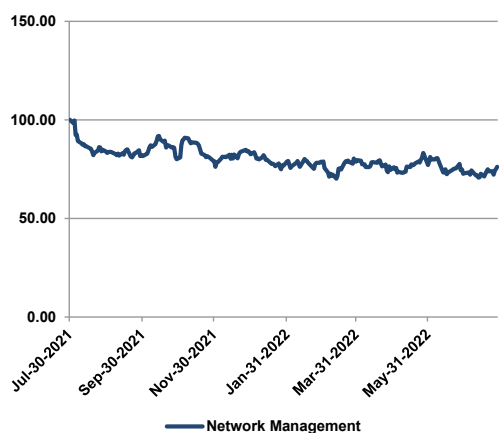
### Company EBITDA Multiples

	7/31/2022	7/31/2021
Industrial and M2M Index	14.7x	21.5x
Belden	8.7x	11.2x
CalAmp	187.4x	30.8x
Digi International	18.8x	17.7x
Inseego	NM	NM
Lantronix	59.7x	77.8x
Sierra Wireless	91.0x	NM

Source: Capital IQ

## Sub Sector Analysis: Network Management

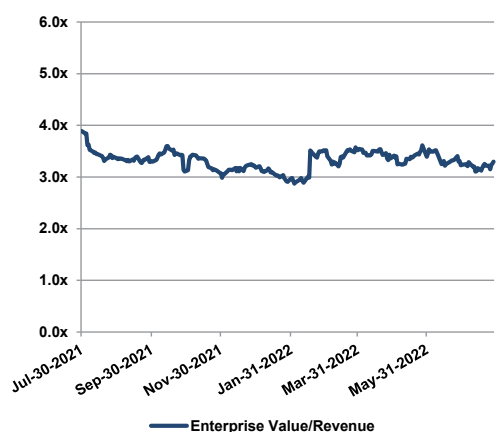
### Twelve Month Index Returns



### Company Returns

	12 Month	3 Month
Network Management Index	-23.8%	2.0%
NetScout	23.7%	15.5%
SolarWinds	-52.4%	-13.4%

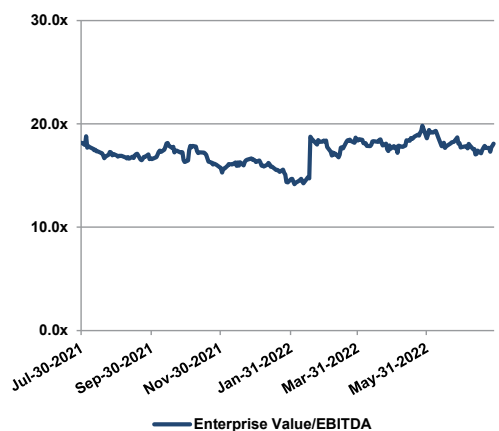
### Revenue Multiple Trends



### Company Revenue Multiples

	7/31/2022	7/31/2021
Network Management Index	3.3x	3.9x
NetScout	2.6x	2.5x
SolarWinds	4.1x	7.2x

### EBITDA Multiple Trends



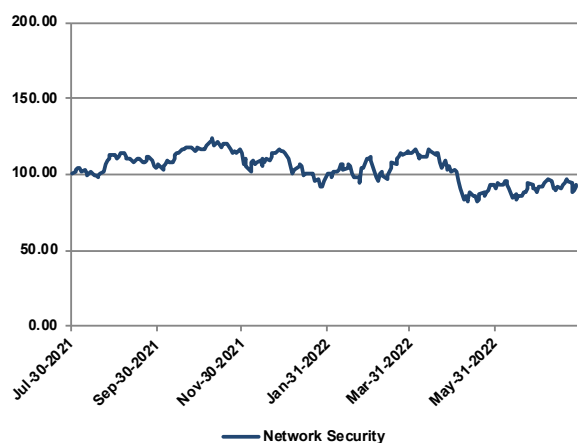
### Company EBITDA Multiples

	7/31/2022	7/31/2021
Network Management Index	18.1x	18.2x
NetScout	15.4x	13.9x
SolarWinds	24.1x	53.6x

Source: Capital IQ

## Sub Sector Analysis: Network Security

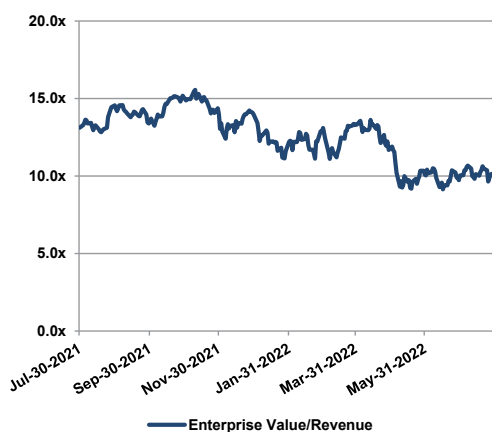
### Twelve Month Index Returns



### Company Returns

	12 Month	3 Month
Network Security Index	-7.4%	-8.8%
Checkpoint	-2.0%	-1.3%
CrowdStrike	-27.6%	-7.6%
CyberArk	-8.4%	-17.2%
ForgeRock	NA	-0.8%
Fortinet	9.6%	3.2%
NortonLifeLock	-1.2%	-2.0%
Palo Alto Networks	25.1%	-11.1%
Ping Identity	-22.3%	-34.4%
Qualys	20.4%	-10.2%
Rapid7	-43.8%	-33.0%
SecureWorks	-50.5%	-10.1%
Tenable	-9.7%	-30.0%
Trend Micro	11.5%	4.1%
Zscaler	-34.3%	-23.5%

### Revenue Multiple Trends



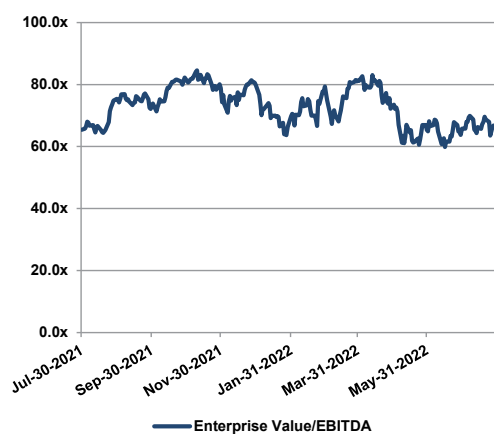
### Company Revenue Multiples

	7/31/2022	7/31/2021
Network Security Index	10.1x	13.1x
Checkpoint	5.3x	6.1x
CrowdStrike	25.2x	56.4x
CyberArk	8.6x	10.3x
ForgeRock	7.4x	NA
Fortinet	12.2x	14.5x
NortonLifeLock	5.7x	6.5x
Palo Alto Networks	9.6x	9.9x
Ping Identity	5.1x	6.7x
Qualys	9.5x	9.3x
Rapid7	7.2x	14.3x
SecureWorks	1.3x	2.8x
Tenable	6.9x	9.0x
Trend Micro	4.1x	3.2x
Zscaler	22.0x	52.8x

Source: Capital IQ

## Sub Sector Analysis: Network Security (continued)

### EBITDA Multiple Trends

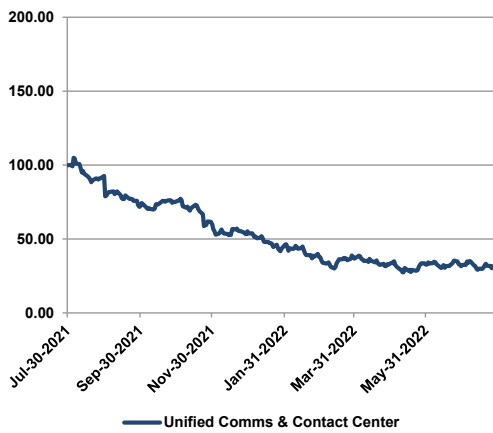


### Company EBITDA Multiples

	7/31/2022	7/31/2021
Network Security Index	66.8x	65.4x
Checkpoint	13.1x	13.7x
CrowdStrike	NM	NM
CyberArk	NM	NM
ForgeRock	NM	NA
Fortinet	56.9x	67.2x
NortonLifeLock	12.4x	14.2x
Palo Alto Networks	NM	NM
Ping Identity	NM	NM
Qualys	26.1x	25.6x
Rapid7	NM	NM
SecureWorks	NM	NM
Tenable	NM	NM
Trend Micro	13.2x	8.9x
Zscaler	NM	NM

# Sub Sector Analysis: Unified Communications and the Contact Center

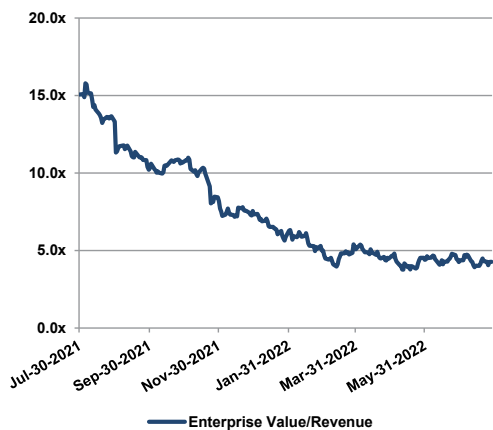
## Twelve Month Index Returns



## Company Returns

	12 Month	3 Month
Unified Comms & Contact Center Index	-68.3%	-2.6%
Avaya	-96.3%	-90.3%
ClearOne	-77.0%	-10.9%
eGain	-24.1%	-14.4%
Enhouse Systems	-43.3%	-9.2%
Five9	-46.3%	-1.8%
Livestorm	-78.6%	-39.7%
LiveVox	-78.5%	-48.8%
Sangoma Technologies	-54.5%	-33.0%
Verint	7.0%	-16.3%
Zoom	-72.5%	4.3%

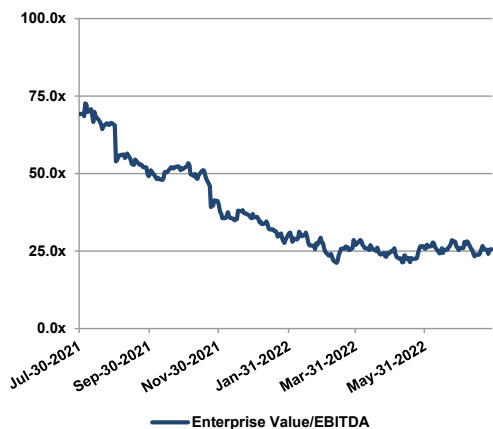
## Revenue Multiple Trends



## Company Revenue Multiples

	7/31/2022	7/31/2021
Unified Comms & Contact Center Index	4.3x	15.1x
Avaya	1.0x	1.6x
ClearOne	0.6x	1.7x
eGain	2.4x	4.0x
Enhouse Systems	3.6x	6.0x
Five9	11.2x	26.5x
Livestorm	2.5x	10.1x
LiveVox	1.0x	7.1x
Sangoma Technologies	1.3x	2.9x
Verint	4.0x	4.4x
Zoom	6.0x	32.8x

## EBITDA Multiple Trends



## Company EBITDA Multiples

	7/31/2022	7/31/2021
Unified Comms & Contact Center Index	25.5x	69.2x
Avaya	11.6x	9.6x
ClearOne	NM	NM
eGain	137.9x	40.1x
Enhouse Systems	14.4x	18.2x
Five9	NM	818.1x
Livestorm	NM	NM
LiveVox	NM	NM
Sangoma Technologies	26.7x	26.8x
Verint	31.3x	32.2x
Zoom	22.2x	120.1x

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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