

# 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) experienced another disappointing reporting period with a three-month drop of 2.4%. This loss was in stark contrast to the broader indices as the S&P 500 and NASDAQ were up 5.3% and 5.4%, respectively. The EFTTI is also trading 19.0% below the levels of a year ago. This significantly underperformed the 9.7% loss in the S&P 500 but was roughly in line with the 18.7% decline in the NASDAQ. Sector multiples closed out the period at 4.6x revenue and 19.5x EBITDA. Both of these are lower than the corresponding multiples of a year ago of 6.1x revenue and 23.4x EBITDA.

## Enterprise Networking

While other sub sectors of the EFTTI had their challenges, the Enterprise Networking sub sector turned in a strong return of 6.4% for our winter reporting period. This made it the best performing sub sector in the EFTTI over this time frame. All but two of the companies in the sub sector traded in positive territory, including double digit gains at Aerohive Networks, D-Link and Unizyx Holding. The situation is completely different for the 12-month period. The sub sector is down 11.3% for the year, and the significant majority of companies in the sub sector posted losses. The sub sector revenue multiple fell from 4.5x a year ago to 3.7x currently. The sub sector EBITDA multiple also declined from 14.9x to 12.8x.

## Industrial and M2M

The Industrial and M2M sub sector was the only other EFTTI sub sector in positive territory this period with an increase of 3.7% in the past three months. Belden and CalAmp led the way with gains of 16.5% and 21.8%, respectively. Conversely, Digi International and Inseego both suffered steep declines. The sub sector is also up 24.8% year-over-year, making it the only sub sector in the EFTTI to deliver a positive annual return. The sub sector revenue multiple remained unchanged compared to last year at 1.7x, while the EBITDA multiple dipped from 13.3x a year ago to 12.3x currently.

## Network Management

The Network Management sub sector suffered yet another loss this reporting period, this time of 3.4%. On the bright side, long suffering SolarWinds turned in a solid gain of 8.9% over these past three months. However, this was not enough to overcome a 10.6% decline at NetScout. The sub sector is also down 11.3% year-over-year. This loss is entirely attributable to a 25.3% loss at SolarWinds. Multiple performance over the past year was mixed. The sub sector revenue multiple ticked up slightly from 3.0x a year ago to 3.1x currently. On the other hand, the sub sector EBITDA multiple dropped from 14.7x to 13.6x over the same time period.

## Network Security

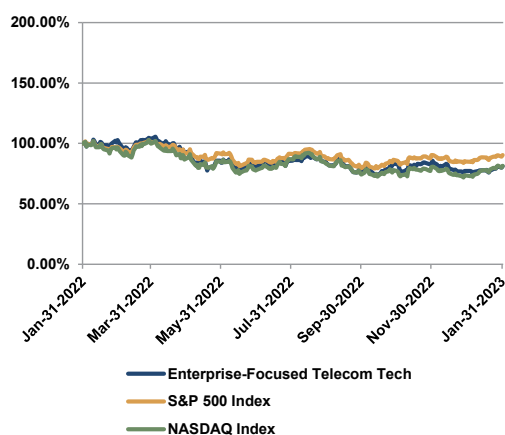
The Network Security sub sector was the worst performing sub sector in the EFTTI this period with a loss of 12.6% over the past three months. Of the 13 companies in the index, 12 were in the red, including six that lost 10% or more. The sub sector is also down 21.7% over the last year with all but three companies trading lower over this time frame. Multiples are also significantly lower than at this time last year. The sub sector revenue multiple is now 8.3x (down from 12.3x a year ago) and the sub sector EBITDA multiple is 58.2x (down from 68.6x a year ago).

## Unified Communications and the Contact Center

While the Unified Communications and the Contact Center sub sector still dropped 1.6% this period, at least the sub sector managed to arrest the free fall it has experienced over the last several periods. Avaya was understandably a big loser as it announced that it would once again undergo a restructuring. In addition, Sangoma Technologies and Zoom also suffered double digit declines. However, there were also bright spots as well with companies like eGain, Five9 and Liveperson posting strong gains. The sub sector still remains down nearly 50% for the full year period, making it far and away the worst performing sub sector in the EFTTI over the past 12 months. During that time period, ClearOne was the only company in the sub sector to deliver a positive return. The sub sector revenue multiple is down sharply compared to last year, falling from 6.3x to 3.2x. The sub sector EBITDA multiple is also down, but with a much more modest drop from 30.7x to 28.1x.

# Enterprise-Focused Telecom Technology: Public Market Summary

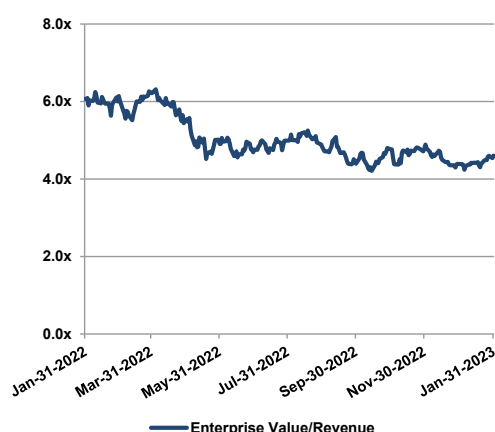
## Twelve Month Index Returns



## Sector and Sub Sector Returns

	12 Month	3 Month
Enterprise-Focused Telecom Tech	-19.0%	-2.4%
Enterprise Networking	-11.3%	6.4%
Industrial and M2M	24.8%	3.7%
Network Management	-11.3%	-3.4%
Network Security	-21.7%	-12.6%
Unified Comms & Contact Center	-48.1%	-1.6%
S&P 500	-9.7%	5.3%
NASDAQ	-18.7%	5.4%

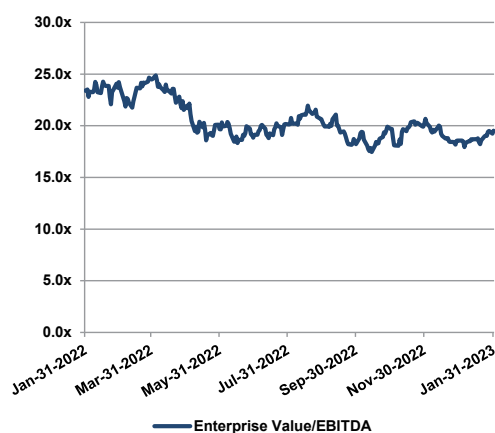
## Revenue Multiple Trends



## Sector and Sub Sector Revenue Multiples

	1/31/2023	1/31/2022
Enterprise-Focused Telecom Tech	4.6x	6.1x
Enterprise Networking	3.7x	4.5x
Industrial and M2M	1.7x	1.7x
Network Management	3.1x	3.0x
Network Security	8.3x	12.3x
Unified Comms & Contact Center	3.2x	6.3x

## EBITDA Multiple Trends



## Sector and Sub Sector EBITDA Multiples

	1/31/2023	1/31/2022
Enterprise-Focused Telecom Tech	19.5x	23.4x
Enterprise Networking	12.8x	14.9x
Industrial and M2M	12.3x	13.3x
Network Management	13.6x	14.7x
Network Security	58.2x	68.6x
Unified Comms & Contact Center	28.1x	30.7x

Source: Capital IQ

# M&A Summary Comments

## M&A

M&A activity was light in our winter reporting period, both in terms of the number of deals and their total announced transaction dollar value. Over the past three months we counted 33 total deals with a total announced transaction dollar value of just over \$250 million. Both of these are significantly below normal run rates. Now that full year 2022 is in the books, it is clear that with only 160 transactions for the year, the pace of M&A activity slowed dramatically from the high-water mark that we saw in 2021. Even though the number of deals was low, the year still had more than \$45 billion in total announced transaction dollar volume. While this significantly lagged the \$73 billion in total announced transaction dollar value for 2021, it was still very high by historical standards.

## Enterprise Networking

There was only a single transaction in the Enterprise Networking sub sector this period. This was the acquisition of switching and routing vendor New H3C Technologies by Unisplendour.

## Industrial and M2M

The Industrial and M2M sub sector was relatively active with three transactions for the period. HMS Networks made another acquisition in the space, this time of wireless platform vendor Owasys Advanced Wireless Devices. Also in the industrial wireless arena, Fibocom Wireless

purchased Rolling Wireless, a supplier of cellular network access devices. Finally, Phoenix Contact picked up industrial Ethernet company iS5 Communications.

## Network Management

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

## Network Security

The Network Security sub sector had 23 transactions this period, which is relatively light by recent historical standards. Amongst the publicly traded companies, only Palo Alto Networks notched an acquisition with its purchase of Cider Security. The Cider Security transaction was also the largest announced transaction dollar value of any deal this period at \$195.0 million. While publicly traded companies were not particularly active this period, companies that were recently taken private were. These were Imprivata (acquired OGiTix Software), Proofpoint (acquired Illusive) and SailPoint technologies (acquired SecZetta).

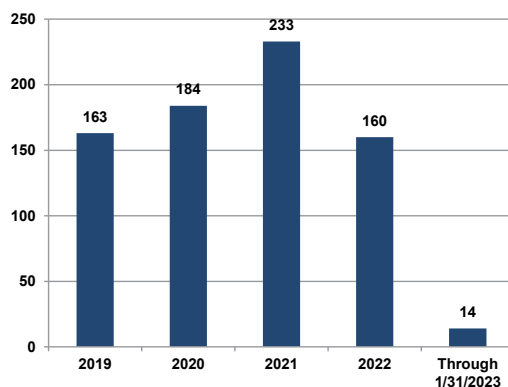
## Unified Communications and the Contact Center

Activity in the Unified Communications and the Contact Center sub sector picked up a bit with six transactions over these past three months. The deal that grabbed the biggest headlines was the Mitel Networks acquisition of

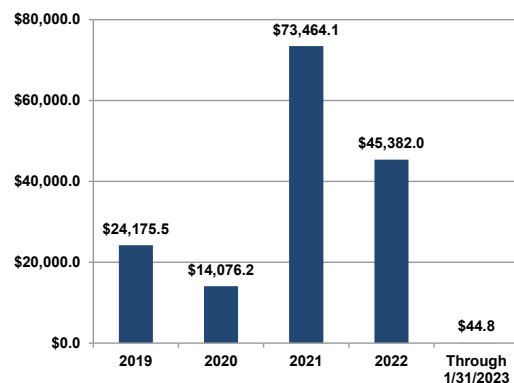
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## Enterprise-Focused Telecom Technology: M&A Summary

M&A Activity: Number of Transactions



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



Unify. This further consolidates the traditional legacy PBX vendor space. We also noted a new private equity platform company in the sub sector with the acquisition of contact center software company SharpenCX by TELEO Capital Management. In the final transaction that we will note, Enghouse Systems purchased enterprise video technology company Qumu for \$12.7 million.

### Transactions with Announced Multiples

Our winter reporting period had two transactions with announced multiples. The first of these was the acquisition of security company Dragonfly Eye by FiscalNote Holdings. This transaction was done at 4.4x revenue. The period's other transaction was at a significantly lower multiple. This was the Enghouse Systems acquisition of Qumu, which had a multiple of only 0.6x revenue. The EBITDA multiple for this transaction was not meaningful because Qumu was significantly EBITDA negative.



## M&A Announced Transactions (11/1/22 – 1/31/23)

Acquiror	Target	Sector	Date Announced	Purchase Price	Description
FiscalNote Holdings	Dragonfly Eye	Security	1/27/23	\$32.8	SaaS-based proprietary security intelligence and analysis service subscription platform and API.
RealDefense	SUPERAntiSpyware	Security	1/26/23	NA	AI-based anti-spyware software and SaaS for consumers and businesses.
Mitel Networks	Unify	Unified Comms & Contact Center	1/24/23	NA	Unified communications and collaboration, contact center, IT performance management and IP address management SaaS.
Ai Software	Textel CX	Unified Comms & Contact Center	1/19/23	NA	Cloud business texting platform for contact centers that includes landline texting, API integrations and text-to-find services.
Bitwarden	Passwordless.dev	Security	1/18/23	NA	Open source passkeys, web authentication, password management SaaS and related APIs and SDKs.
Forter	Immune Cyber Technologies	Security	1/18/23	NA	Bot detection and analytics SaaS for businesses in the e-commerce, travel, financial services and cryptocurrency industries.
Regal Investments	Wall Street VPN	Security	1/12/23	\$12.0	AI-based, trading-focused virtual private network SaaS for businesses.
SailPoint Technologies	SecZetta	Security	1/12/23	NA	Identity and access management SaaS and related APIs for businesses.
NetSPI	nVisium	Security	1/10/23	NA	Cloud-native enterprise vulnerability management SaaS for businesses.
Zelnick Media Corporation	PathMaker	Security	1/10/23	NA	AI-based identity and access management SaaS and related APIs for businesses.
HMS Networks	Owasys Advanced Wireless Devices	Industrial and M2M	1/4/23	NA	Wireless communication platforms for industrial environments including remote monitoring and control and fixed wireless terminals.
Unisplendour	New H3C Technologies	Enterprise Networking	1/3/23	NA	Designs and develops products including routers, switches, network management, SDN and NFV.
Voys	Devhouse Spindle	Unified Comms & Contact Center	1/3/23	NA	Provides open source-based enterprise VoIP and telephony SaaS and related mobile applications for businesses.
Netwrix	Remediant	Security	12/27/22	NA	Security management SaaS for businesses with features for risk management, attack prevention and access management.
Enghouse Systems	Qumu	Unified Comms & Contact Center	12/19/22	\$12.7	Provider of cloud-based enterprise video technology.
Phoenix Contact	iS5 Communications	Industrial and M2M	12/14/22	NA	Industrial Ethernet products including switches, routers, media converters, Wi-Fi products and video surveillance systems.
TELEO Capital Management	SharpenCX	Unified Comms & Contact Center	12/13/22	NA	Unified contact center software that serves as an all-in-one, configurable platform for agents.
Proofpoint	Illusive	Security	12/12/22	NA	Identity threat detection and response solution that provides proactive risk discovery and remediation and post-breach defense.
Veracode	Crashtest Security	Security	12/12/22	NA	Cyber security company that offers digital companies protection against cybercrime through automated vulnerability assessments.
AlgoSec	Prevasio	Security	12/6/22	NA	Cloud-native application protection SaaS with features including cloud security configuration management and static analysis.
Imprivata	OGiTiX Software	Security	12/1/22	NA	Low-code identity and access management SaaS for businesses.
Voztelecom Oigaa360	Neotel 2000	Unified Comms & Contact Center	12/1/22	NA	Call center, CRM and virtual PBX SaaS software solutions.
Dropbox	Boxcryptor	Security	11/29/22	NA	File storage and document encryption SaaS, APIs and related mobile applications for businesses and individuals.
Constellation Software	AZURSOFT	Security	11/22/22	NA	Open source based enterprise security management SaaS for businesses.
Palo Alto Networks	Cider Security	Security	11/17/22	\$195.0	Application and software supply chain security management SaaS and related APIs.
Fibocom Wireless	Rolling Wireless	Industrial and M2M	11/15/22	NA	Supplier of cellular network access devices to the automotive industry.
ThreatLocker	RMM Plus	Security	11/14/22	NA	Develops cybersecurity plug-in software for managed service providers.
New Relic	K2 Cyber Security	Security	11/9/22	NA	Security software for enterprise hybrid cloud infrastructure.
BOXX Insurance	Templarbit	Security	11/8/22	NA	AI-based cyber threat intelligence SaaS and related APIs with features for configuration, subdomain discovery and SSL monitoring.

## M&A Announced Transactions (11/1/22 – 1/31/23) continued

Acquiror	Target	Sector	Date Announced	Purchase Price	Description
Eyo	Blockthrough	Security	11/8/22	NA	Anti-malware analysis and detection SaaS for businesses.
Splunk	TwinWave Security	Security	11/8/22	NA	Cyber threat analysis SaaS with features for detection, automation, reinjection, routing and normalization.
Password1	Passage Identity	Security	11/3/22	NA	Passwordless authentication management SaaS, APIs, mobile SDKs and related mobile applications.
Intel 471	SM7 Software	Security	11/2/22	NA	Open source cyberthreat intelligence SaaS for businesses with features for asset discovery and attack surface monitoring.

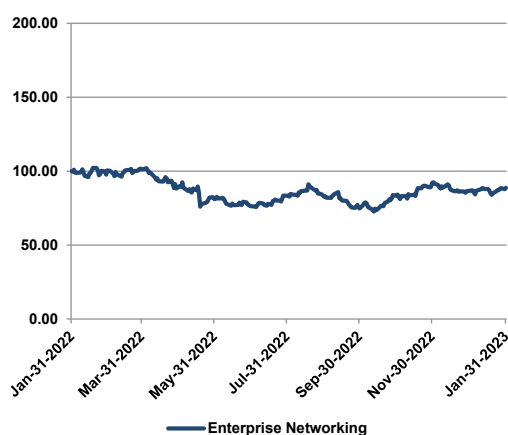


## M&A Announced Transactions with Revenue Multiples (2/1/22 – 1/31/23)

Acquiror	Target	Sector	Date Announced	Purchase Price	Revenue Multiple	EBITDA Multiple	Description
FiscalNote Holdings	Dragonfly Eye	Security	1/27/23	\$32.8	4.4 x	NA	SaaS-based proprietary security intelligence and analysis service subscription platform and API.
Enghouse Systems	Qumu	Unified Comms & Contact Center	12/19/22	\$12.7	0.6 x	NM	Provider of cloud-based enterprise video technology.
Vista Equity Partners	KnowBe4	Security	10/12/22	\$4,380.4	15.1 x	210.3 x	Cybersecurity awareness and simulated phishing SaaS for businesses.
Thoma Bravo	ForgeRock	Security	10/11/22	\$2,004.6	10.7 x	NM	Software for identity orchestration, dynamic access controls, breach protection, authentication and fraud and risk management.
Lantronix	Uplix	Network Management	9/12/22	\$8.0	0.9 x	NA	Out-of-band network management software for monitoring devices and administration, maintenance and recovery tasks.
Thoma Bravo	Ping Identity	Security	8/3/22	\$2,792.9	9.1 x	NM	Identity management and authentication SaaS that enables secure access of cloud, mobile, SaaS and on-premises applications.
Semtech	Sierra Wireless	Industrial and M2M	8/2/22	\$1,261.7	2.3 x	NM	IoT solutions provider that provides modules, gateways, 5G and cloud services.
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.

## Sub Sector Analysis: Enterprise Networking

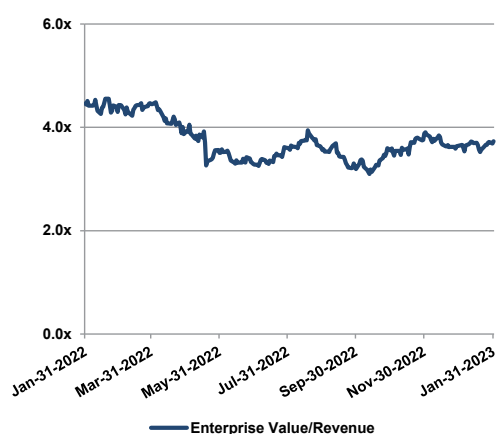
### Twelve Month Index Returns



### Company Returns

	12 Month	3 Month
Enterprise Networking Index	-11.3%	6.4%
A10 Networks	4.6%	-7.9%
Accton	-15.1%	7.6%
Aerohive Networks	-65.0%	10.2%
Arista Networks	1.4%	4.3%
Cisco	-12.6%	7.1%
D-Link	-13.8%	13.3%
Extreme Networks	42.1%	0.5%
F5 Networks	-28.9%	3.3%
NetGear	-27.8%	1.6%
Radware	-36.7%	-7.5%
Unizyx Holding (Zyxel)	4.0%	54.1%

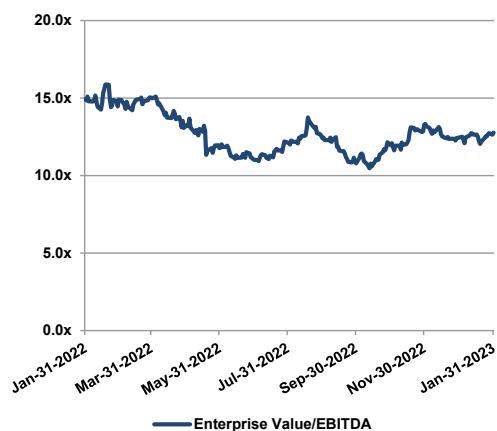
### Revenue Multiple Trends



### Company Revenue Multiples

	1/31/2023	1/31/2022
Enterprise Networking Index	3.7x	4.5x
A10 Networks	3.7x	3.9x
Accton	1.9x	2.4x
Aerohive Networks	1.6x	4.0x
Arista Networks	8.1x	11.8x
Cisco	3.6x	4.3x
D-Link	0.5x	0.5x
Extreme Networks	2.1x	1.7x
F5 Networks	3.1x	4.7x
NetGear	0.4x	0.5x
Radware	2.2x	4.2x
Unizyx Holding (Zyxel)	0.5x	0.5x

### EBITDA Multiple Trends



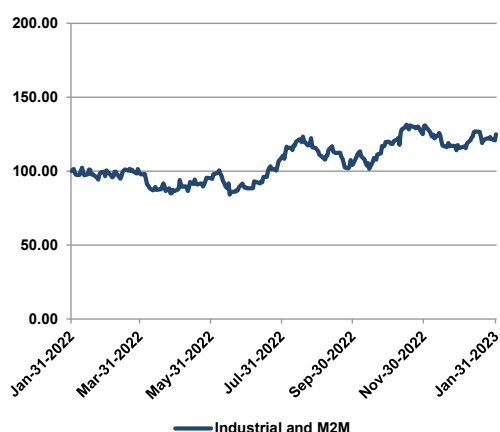
### Company EBITDA Multiples

	1/31/2023	1/31/2022
Enterprise Networking Index	12.8x	14.9x
A10 Networks	17.1x	23.3x
Accton	15.1x	24.1x
Aerohive Networks	10.2x	4.6x
Arista Networks	22.4x	35.8x
Cisco	12.0x	13.9x
D-Link	24.6x	26.9x
Extreme Networks	21.9x	15.5x
F5 Networks	16.9x	21.9x
NetGear	NM	6.7x
Radware	61.5x	42.8x
Unizyx Holding (Zyxel)	8.1x	6.7x

Source: Capital IQ

## Sub Sector Analysis: Industrial and M2M

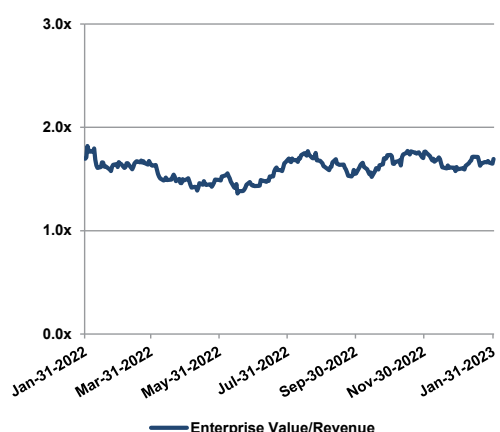
### Twelve Month Index Returns



### Company Returns

	12 Month	3 Month
Industrial and M2M Index	24.8%	3.7%
Belden	44.9%	16.5%
CalAmp	-22.1%	21.8%
Digi International	52.1%	-15.7%
Inseego	-74.6%	-48.7%
Lantronix	-30.2%	0.0%

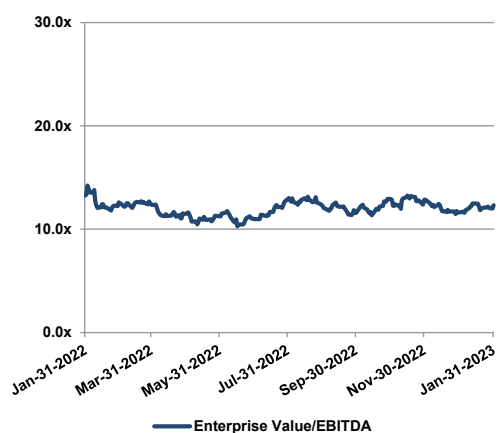
### Revenue Multiple Trends



### Company Revenue Multiples

	1/31/2023	1/31/2022
Industrial and M2M Index	1.7x	1.7x
Belden	1.6x	1.5x
CalAmp	1.3x	1.1x
Digi International	3.5x	2.2x
Inseego	1.0x	2.2x
Lantronix	1.6x	2.8x

### EBITDA Multiple Trends



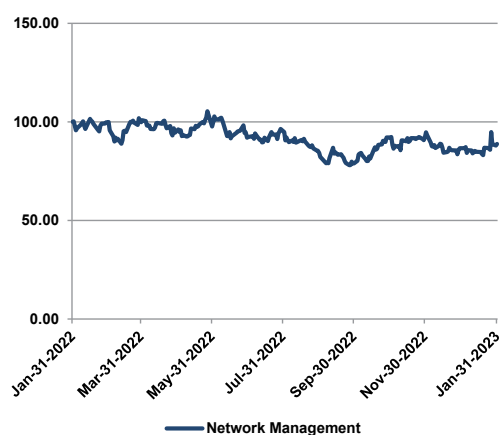
### Company EBITDA Multiples

	1/31/2023	1/31/2022
Industrial and M2M Index	12.3x	13.3x
Belden	9.2x	9.7x
CalAmp	324.2x	22.5x
Digi International	17.7x	14.7x
Inseego	NM	NM
Lantronix	86.2x	76.9x

Source: Capital IQ

## Sub Sector Analysis: Network Management

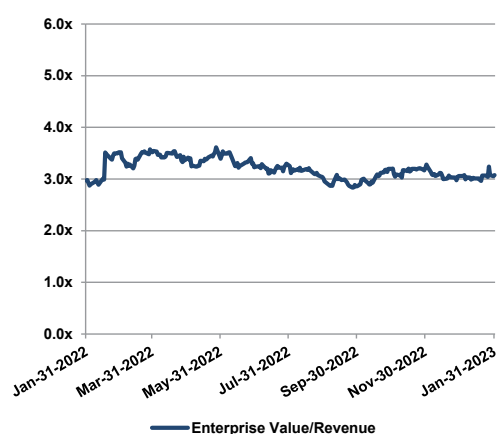
### Twelve Month Index Returns



### Company Returns

	12 Month	3 Month
Network Management Index	-11.3%	-3.4%
NetScout	1.7%	-10.6%
SolarWinds	-25.3%	8.9%

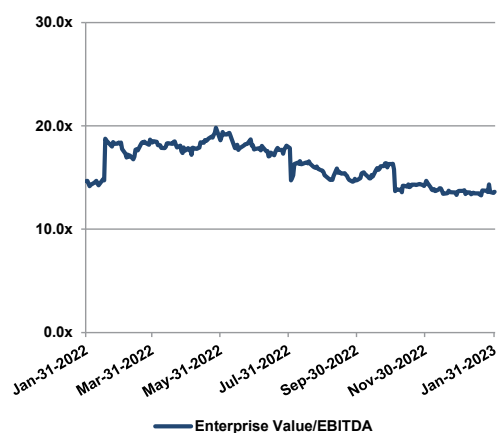
### Revenue Multiple Trends



### Company Revenue Multiples

	1/31/2023	1/31/2022
Network Management Index	3.1x	3.0x
NetScout	2.4x	2.5x
SolarWinds	3.9x	4.8x

### EBITDA Multiple Trends



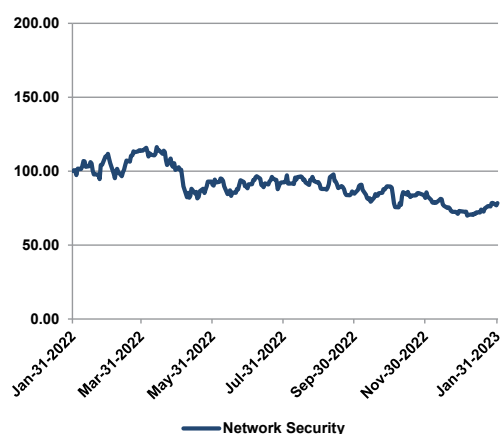
### Company EBITDA Multiples

	1/31/2023	1/31/2022
Network Management Index	13.6x	14.7x
NetScout	13.6x	12.6x
SolarWinds	16.9x	36.6x

Source: Capital IQ

## Sub Sector Analysis: Network Security

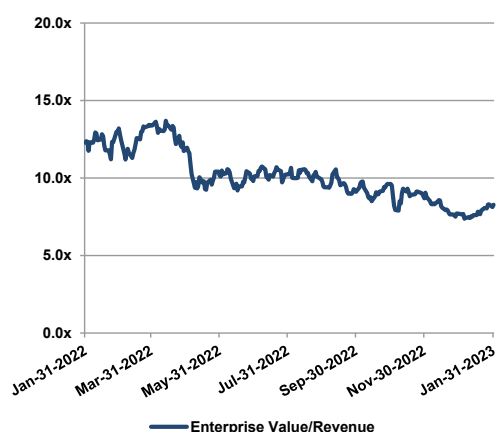
### Twelve Month Index Returns



### Company Returns

	12 Month	3 Month
Network Security Index	-21.7%	-12.6%
Checkpoint	5.1%	-1.6%
CrowdStrike	-41.4%	-34.3%
CyberArk	2.7%	-10.2%
ForgeRock	39.5%	-12.0%
Fortinet	-12.0%	-8.4%
NortonLifeLock	-12.0%	0.6%
Palo Alto Networks	-8.0%	-7.5%
Qualys	-10.0%	-19.1%
Rapid7	-58.6%	-11.9%
SecureWorks	-45.6%	-2.0%
Tenable	-21.7%	-1.0%
Trend Micro	-6.6%	-2.8%
Zscaler	-51.7%	-19.4%

### Revenue Multiple Trends



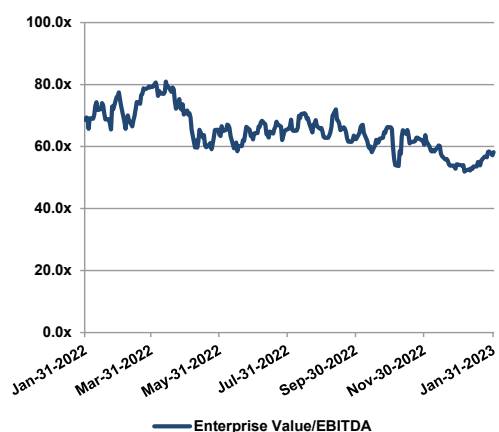
### Company Revenue Multiples

	1/31/2023	1/31/2022
Network Security Index	8.3x	12.3x
Checkpoint	5.3x	5.7x
CrowdStrike	11.4x	55.6x
CyberArk	8.6x	13.1x
ForgeRock	7.0x	15.4x
Fortinet	9.8x	16.9x
NortonLifeLock	7.8x	6.5x
Palo Alto Networks	8.3x	11.9x
Qualys	8.1x	11.2x
Rapid7	4.4x	15.1x
SecureWorks	1.2x	2.6x
Tenable	6.4x	10.8x
Trend Micro	3.3x	3.5x
Zscaler	14.2x	64.9x

Source: Capital IQ

## Sub Sector Analysis: Network Security (continued)

### EBITDA Multiple Trends

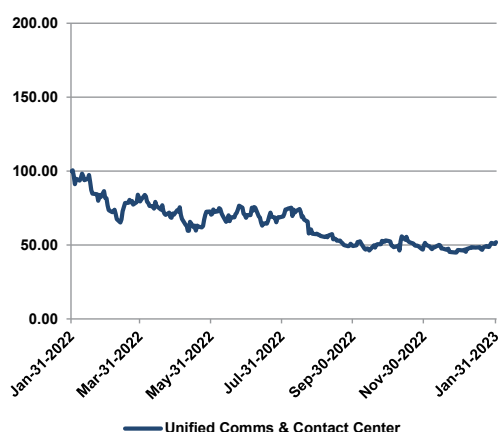


### Company EBITDA Multiples

	1/31/2023	1/31/2022
Network Security Index	58.2x	68.6x
Checkpoint	13.5x	12.9x
CrowdStrike	NM	NM
CyberArk	NM	NM
ForgeRock	NM	NM
Fortinet	43.4x	78.2x
NortonLifeLock	16.7x	14.0x
Palo Alto Networks	367.4x	NM
Qualys	24.0x	30.3x
Rapid7	NM	NM
SecureWorks	NM	NM
Tenable	NM	NM
Trend Micro	12.0x	9.7x
Zscaler	NM	NM

## Sub Sector Analysis: Unified Communications and the Contact Center

### Twelve Month Index Returns



### Company Returns

	12 Month	3 Month
Unified Comms & Contact Center Index	-48.1%	-1.6%
Avaya	-98.0%	-77.4%
ClearOne	79.4%	219.0%
eGain	-5.9%	20.7%
Enghouse Systems	-15.7%	33.4%
Five9	-37.3%	30.7%
Liveperson	-56.9%	21.9%
LiveVox	-40.4%	-6.4%
Sangoma Technologies	-67.9%	-19.4%
Verint	-26.0%	7.2%
Zoom	-51.4%	-10.1%

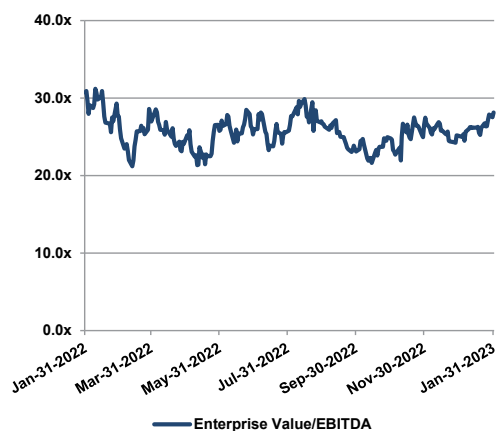
### Revenue Multiple Trends



### Company Revenue Multiples

	1/31/2023	1/31/2022
Unified Comms & Contact Center Index	3.2x	6.3x
Avaya	1.0x	1.4x
ClearOne	1.5x	0.6x
eGain	2.5x	3.1x
Enghouse Systems	4.7x	5.0x
Five9	7.7x	14.4x
Liveperson	2.6x	4.5x
LiveVox	2.0x	3.3x
Sangoma Technologies	0.9x	1.8x
Verint	3.5x	4.5x
Zoom	3.9x	9.9x

### EBITDA Multiple Trends



### Company EBITDA Multiples

	1/31/2023	1/31/2022
Unified Comms & Contact Center Index	28.1x	30.7x
Avaya	11.7x	10.4x
ClearOne	NM	NM
eGain	NM	71.6x
Enghouse Systems	18.2x	17.3x
Five9	NM	NM
Liveperson	NM	NM
LiveVox	NM	NM
Sangoma Technologies	31.8x	16.8x
Verint	31.9x	33.7x
Zoom	22.0x	34.5x

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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