



# Technology

## In This Issue:

Industry News  
Transactions  
State of the Industry  
About Mirus  
Mirus Technology Spotlight

# IoT Industry News

## Ford Acquires Autonomic and TransLoc as It Evolves Its Mobility Business

### Tech Crunch [Full Article](#)

In late January 2018, Ford announced that it will acquire Autonomic and TransLoc, two of its partners, in deals that will help its new mobility business take shape. These acquisitions build technology to support Ford's forthcoming Transportation Mobility Cloud, an open platform for cities and transportation providers.

## PE-Backed IoT Security Company ForeScout Goes Public

### PE World [Full Article](#)

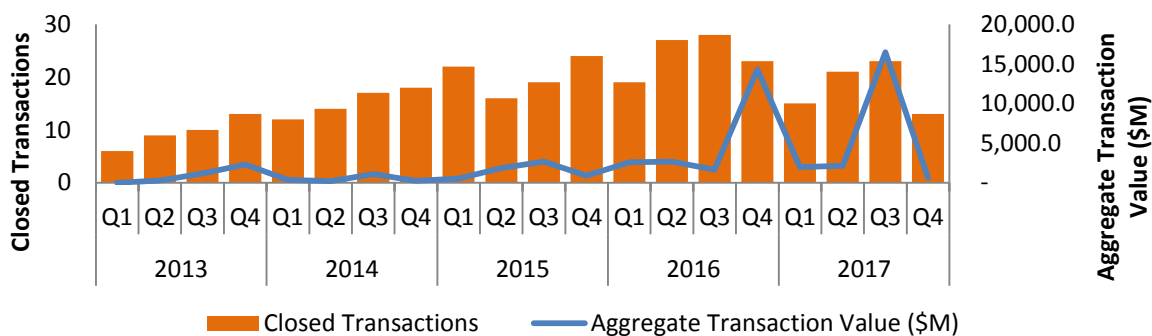
ForeScout Technologies, Inc. (NASDAQ: FSCT), a leading Internet of Things (IoT) security company went public on October 27, 2017. It's initial public offering of 5,280,000 common shares was priced at \$22 per share, and had risen to more than \$30 per share by the end of 2017. ForeScout's backers include Wellington Management, Amadeus Capital Partners and Meritech Capital Partners.

## Google buys Xively to improve its IoT platform

### Business Insider [Full Article](#)

As of February 2018, Google intends to acquire IoT platform Xively from software company LogMeIn for \$50 million. Google has been expanding its capabilities in the IoT management space over the past few years, and sees the Xively acquisition as a continuation of this initiative. The acquisition announcement comes just one week after Google hired Samsung's CTO, Injong Rhee, to lead its IoT ventures.

## IoT M&A Environment

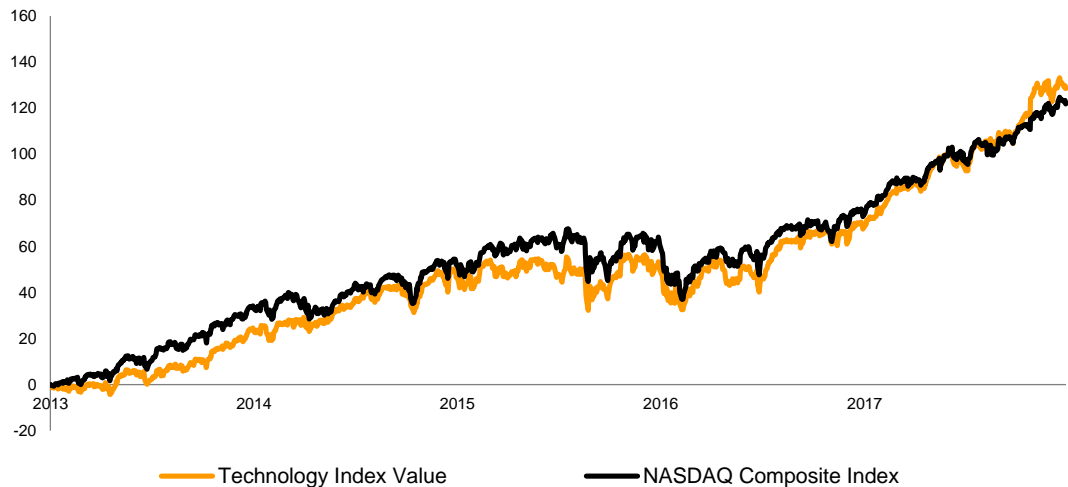


## Selected Q4 2017 IoT Transactions

| Date Closed | Target                         | Buyers/Investors                        | Sector                         | Enterprise Value (\$M) | EV / LTM Revenue | EBITDA |
|-------------|--------------------------------|---|--------------------------------|------------------------|------------------|--------|
| 10/2/2017   | Blue Tree Systems Ltd.         | ORBCOMM Technology Ireland Limited      | Applications                   | 43                     | -                | -      |
| 10/3/2017   | AltspaceVR, Inc.               | Microsoft Corporation (NasdaqGS:MSFT)   | Platform                       | -                      | -                | -      |
| 10/4/2017   | Body Labs, Inc.                | Amazon.com, Inc. (NasdaqGS:AMZN)        | Applications                   | -                      | -                | -      |
| 10/20/2017  | TempAlert, LLC                 | Digi International Inc. (NasdaqGS:DGII) | Platform                       | 45                     | -                | -      |
| 10/24/2017  | nuTonomy Inc.                  | Delphi Automotive PLC (NYSE:DLPH)       | Applications                   | 450                    | -                | -      |
| 10/25/2017  | PowerbyProxi Limited           | Apple Inc. (NasdaqGS:AAPL)              | Applications                   | -                      | -                | -      |
| 10/25/2017  | Electric Motor Werks, Inc.     | EnerNOC, Inc.                           | Applications                   | -                      | -                | -      |
| 10/25/2017  | Adbrain Ltd.                   | The Trade Desk, Inc. (NasdaqGM:TTD)     | Platform                       | -                      | -                | -      |
| 11/9/2017   | InVisage Technologies, Inc.    | Apple Inc. (NasdaqGS:AAPL)              | Sensors/Controllers/Components | -                      | -                | -      |
| 12/5/2017   | August Home Inc.               | ASSA ABLOY AB (publ) (OM:ASSA B)        | Applications                   | -                      | -                | -      |
| 12/7/2017   | Numerex                        | Sierra Wireless, Inc. (TSX:SW)          | Platform                       | 121                    | 1.9x             | -      |
| 12/8/2017   | Assets of Connected Telematics | AiriQ Inc. (TSXV:IQ)                    | Applications                   | 0                      | -                | -      |
| 12/22/2017  | BLINK                          | Amazon.com, Inc. (NasdaqGS:AMZN)        | Applications                   | -                      | -                | -      |

# Technology

While largely mirroring the NASDAQ Composite Index, the Technology market has been strong from an M&A and valuation perspective. Industry valuations are at an all time high and transaction volume is reaching new heights. An increasing number of companies are employing “buy, build, partner” models, in an attempt to gain a competitive edge in new growth areas, and to improve time to market.



| Company Name                                 | Ticker         | Enterprise Value | LTM Financials |              |          | Valuation Metrics |                   |             | LTM Margins  |               |
|--|----------------|------------------|----------------|--------------|----------|-------------------|-------------------|-------------|--------------|---------------|
|  |                |                  | Revenue        | Gross Profit | EBITDA   | EV / Revenue      | EV / Gross Profit | EV / EBITDA | Gross Margin | EBITDA Margin |
| Activision Blizzard, Inc.                    | NasdaqGS:ATVI  | \$48,608         | \$7,017        | \$4,516      | \$2,227  | 6.9x              | 10.8x             | 21.8x       | 64.4%        | 31.7%         |
| Adobe Systems Incorporated                   | NasdaqGS:ADBE  | \$82,445         | \$7,302        | \$6,291      | \$2,494  | 11.3x             | 13.1x             | 33.1x       | 86.2%        | 34.2%         |
| Alliance Data Systems Corporation            | NYSE:ADS       | \$34,161         | \$7,719        | \$1,763      | \$1,861  | 4.4x              | 19.4x             | 18.4x       | 22.8%        | 24.1%         |
| Alphabet Inc.                                | NasdaqGS:GOOGL | \$633,279        | \$110,855      | \$65,272     | \$35,781 | 5.7x              | 9.7x              | 17.7x       | 58.9%        | 32.3%         |
| Amphenol Corporation                         | NYSE:APH       | \$28,922         | \$7,011        | \$2,310      | \$1,658  | 4.1x              | 12.5x             | 17.4x       | 32.9%        | 23.7%         |
| Anixter International Inc.                   | NYSE:AXE       | \$3,722          | \$7,927        | \$1,571      | \$385    | 0.5x              | 2.4x              | 9.7x        | 19.8%        | 4.9%          |
| Apple Inc.                                   | NasdaqGS:AAPL  | \$902,163        | \$239,176      | \$91,922     | \$74,174 | 3.8x              | 9.8x              | 12.2x       | 38.4%        | 31.0%         |
| Applied Materials, Inc.                      | NasdaqGS:AMAT  | \$52,028         | \$14,537       | \$6,532      | \$4,275  | 3.6x              | 8.0x              | 12.2x       | 44.9%        | 29.4%         |
| ARRIS International plc                      | NasdaqGS:ARRS  | \$5,635          | \$6,614        | \$1,675      | \$757    | 0.9x              | 3.4x              | 7.4x        | 25.3%        | 11.4%         |
| Arrow Electronics, Inc.                      | NYSE:ARW       | \$9,719          | \$26,813       | \$3,357      | \$1,180  | 0.4x              | 2.9x              | 8.2x        | 12.5%        | 4.4%          |
| Automatic Data Processing, Inc.              | NasdaqGS:ADP   | \$51,627         | \$12,790       | \$5,464      | \$2,725  | 4.0x              | 9.4x              | 18.9x       | 42.7%        | 21.3%         |
| Avnet, Inc.                                  | NYSE:AVT       | \$5,744          | \$18,231       | \$2,476      | \$698    | 0.3x              | 2.3x              | 8.2x        | 13.6%        | 3.8%          |
| Booz Allen Hamilton Holding Corporation      | NYSE:BAH       | \$7,077          | \$6,118        | \$1,423      | \$581    | 1.2x              | 5.0x              | 12.2x       | 23.3%        | 9.5%          |
| CDW Corporation                              | NasdaqGS:CDW   | \$14,510         | \$15,192       | \$2,450      | \$1,127  | 1.0x              | 5.9x              | 12.9x       | 16.1%        | 7.4%          |
| Cisco Systems, Inc.                          | NasdaqGS:CSCO  | \$153,678        | \$47,789       | \$29,920     | \$14,440 | 3.2x              | 5.1x              | 10.6x       | 62.6%        | 30.2%         |
| Cognizant Technology Solutions Corporation   | NasdaqGS:CTSH  | \$37,987         | \$14,810       | \$5,658      | \$2,961  | 2.6x              | 6.7x              | 12.8x       | 38.2%        | 20.0%         |
| Conduent Incorporated                        | NYSE:CNDT      | \$5,136          | \$6,043        | \$914        | \$464    | 0.8x              | 5.6x              | 11.1x       | 15.1%        | 7.7%          |
| Corning Incorporated                         | NYSE:GLW       | \$30,765         | \$10,116       | \$4,032      | \$2,788  | 3.0x              | 7.6x              | 11.0x       | 39.9%        | 27.6%         |
| DXC Technology Company                       | NYSE:DXC       | \$33,293         | \$20,151       | \$5,116      | \$3,164  | 1.7x              | 6.5x              | 10.5x       | 25.4%        | 15.7%         |
| eBay Inc.                                    | NasdaqGS:EBAY  | \$43,390         | \$9,567        | \$7,345      | \$2,941  | 4.5x              | 5.9x              | 14.8x       | 76.8%        | 30.7%         |
| Facebook, Inc.                               | NasdaqGS:FB    | \$474,470        | \$40,653       | \$35,199     | \$23,228 | 11.7x             | 13.5x             | 20.4x       | 86.6%        | 57.1%         |
| Fidelity National Information Services, Inc. | NYSE:FIS       | \$39,907         | \$9,123        | \$2,942      | \$2,883  | 4.4x              | 13.6x             | 13.8x       | 32.2%        | 31.6%         |
| First Data Corporation                       | NYSE:FDC       | \$36,516         | \$8,129        | \$5,007      | \$2,742  | 4.5x              | 7.3x              | 13.3x       | 61.6%        | 33.7%         |
| Hewlett Packard Enterprise Company           | NYSE:HPE       | \$27,380         | \$28,871       | \$8,694      | \$4,403  | 0.9x              | 3.1x              | 6.2x        | 30.1%        | 15.3%         |
| HP Inc.                                      | NYSE:HPQ       | \$34,251         | \$52,056       | \$9,578      | \$4,365  | 0.7x              | 3.6x              | 7.8x        | 18.4%        | 8.4%          |
| Insight Enterprises, Inc.                    | NasdaqGS:INSI  | \$1,908          | \$6,704        | \$919        | \$238    | 0.3x              | 2.1x              | 8.0x        | 13.7%        | 3.5%          |
| Intel Corporation                            | NasdaqGS:INTC  | \$230,165        | \$62,761       | \$39,124     | \$26,504 | 3.7x              | 5.9x              | 8.7x        | 62.3%        | 42.2%         |
| International Business Machines Corporation  | NYSE:IBM       | \$176,292        | \$79,139       | \$36,227     | \$16,340 | 2.2x              | 4.9x              | 10.8x       | 45.8%        | 20.6%         |
| Jabil Inc.                                   | NYSE:JBL       | \$6,032          | \$19,544       | \$1,583      | \$1,302  | 0.3x              | 3.8x              | 4.6x        | 8.1%         | 6.7%          |
| Lam Research Corporation                     | NasdaqGS:LRCX  | \$26,073         | \$9,558        | \$4,395      | \$2,901  | 2.7x              | 5.9x              | 9.0x        | 46.0%        | 30.4%         |
| Leidos Holdings, Inc.                        | NYSE:LIDOS     | \$12,601         | \$10,229       | \$1,271      | \$1,032  | 1.2x              | 9.9x              | 12.2x       | 12.4%        | 10.1%         |
| Mastercard Incorporated                      | NYSE:MA        | \$158,305        | \$12,497       | \$12,497     | \$7,074  | 12.7x             | 12.7x             | 22.4x       | 100.0%       | 56.6%         |
| Micron Technology, Inc.                      | NasdaqGS:MU    | \$51,304         | \$23,155       | \$11,279     | \$12,902 | 2.2x              | 4.5x              | 4.0x        | 48.7%        | 55.7%         |
| Microsoft Corporation                        | NasdaqGS:MSFT  | \$615,246        | \$95,652       | \$59,794     | \$33,252 | 6.4x              | 10.3x             | 18.5x       | 62.5%        | 34.8%         |
| Motorola Solutions, Inc.                     | NYSE:MSI       | \$18,485         | \$6,380        | \$3,033      | \$1,678  | 2.9x              | 6.1x              | 11.0x       | 47.5%        | 26.3%         |
| NCR Corporation                              | NYSE:NCR       | \$7,805          | \$6,516        | \$1,875      | \$1,064  | 1.2x              | 4.2x              | 7.3x        | 28.8%        | 16.3%         |
| NetApp, Inc.                                 | NasdaqGS:NTAP  | \$11,925         | \$5,632        | \$3,500      | \$1,017  | 2.1x              | 3.4x              | 11.7x       | 62.1%        | 18.1%         |
| NVIDIA Corporation                           | NasdaqGS:NVDA  | \$112,955        | \$8,976        | \$5,334      | \$3,072  | 12.6x             | 21.2x             | 36.8x       | 59.4%        | 34.2%         |
| Oracle Corporation                           | NYSE:ORCL      | \$185,248        | \$38,907       | \$22,720     | \$15,143 | 4.8x              | 8.2x              | 12.2x       | 58.4%        | 38.9%         |
| PayPal Holdings, Inc.                        | NasdaqGS:PYPL  | \$77,879         | \$13,094       | \$6,017      | \$2,427  | 5.9x              | 12.9x             | 32.1x       | 46.0%        | 18.5%         |
| QUALCOMM Incorporated                        | NasdaqGS:QCOM  | \$79,378         | \$22,360       | \$12,807     | \$6,144  | 3.6x              | 6.2x              | 12.9x       | 57.3%        | 27.5%         |
| Salesforce.com, Inc.                         | NYSE:CRM       | \$72,800         | \$9,923        | \$7,261      | \$553    | 7.3x              | 10.0x             | 131.5x      | 73.2%        | 5.6%          |
| Sanmina Corporation                          | NasdaqGS:SANM  | \$2,450          | \$6,893        | \$497        | \$328    | 0.4x              | 4.9x              | 7.5x        | 7.2%         | 4.8%          |
| SYNNEX Corporation                           | NYSE:SNX       | \$6,245          | \$17,046       | \$1,551      | \$674    | 0.4x              | 4.0x              | 9.3x        | 9.1%         | 4.0%          |
| Tech Data Corporation                        | NasdaqGS:TECD  | \$5,095          | \$33,110       | \$1,870      | \$562    | 0.2x              | 2.7x              | 9.1x        | 5.6%         | 1.7%          |
| Texas Instruments Incorporated               | NasdaqGS:TXN   | \$103,071        | \$14,961       | \$9,614      | \$6,951  | 6.9x              | 10.7x             | 14.8x       | 64.3%        | 46.5%         |
| Visa Inc.                                    | NYSE:V         | \$268,847        | \$18,759       | \$18,124     | \$12,837 | 14.3x             | 14.8x             | 20.9x       | 96.6%        | 68.4%         |
| VMware, Inc.                                 | NYSE:VMW       | \$43,141         | \$7,093        | \$6,400      | \$1,850  | 6.1x              | 7.1x              | 23.3x       | 85.2%        | 26.1%         |
| Western Digital Corporation                  | NasdaqGS:WDC   | \$29,734         | \$20,008       | \$7,108      | \$5,400  | 1.5x              | 4.2x              | 5.5x        | 35.5%        | 27.0%         |
| Xerox Corporation                            | NYSE:XRX       | \$11,886         | \$10,265       | \$4,061      | \$1,458  | 1.2x              | 2.9x              | 8.2x        | 39.6%        | 14.2%         |

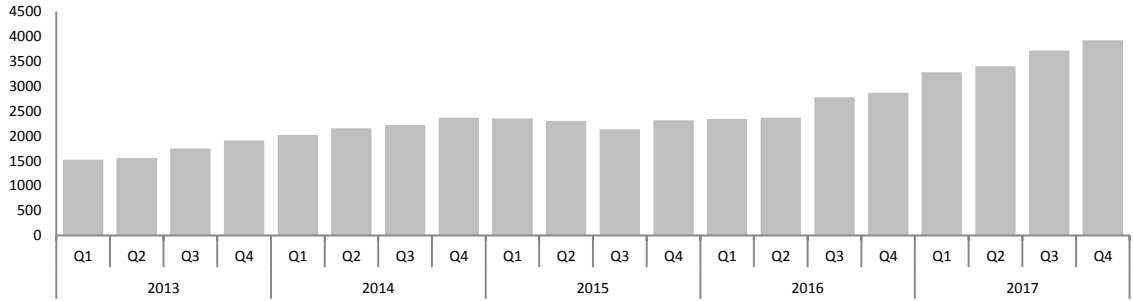
|        |      |      |       |       |       |
|--------|------|------|-------|-------|-------|
| Median | 3.0x | 6.1x | 12.2x | 41.3% | 23.9% |
| Mean   | 3.8x | 7.5x | 15.9x | 43.3% | 23.7% |



# Technology

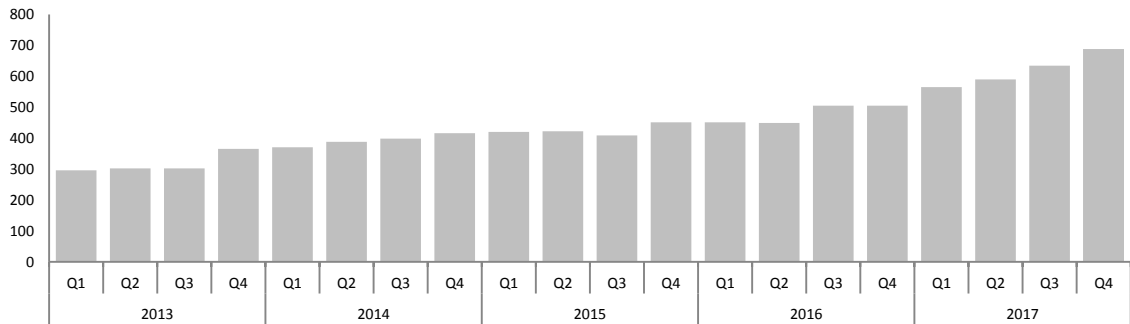
## State of the Industry

### NASDAQ 100 Technology Index



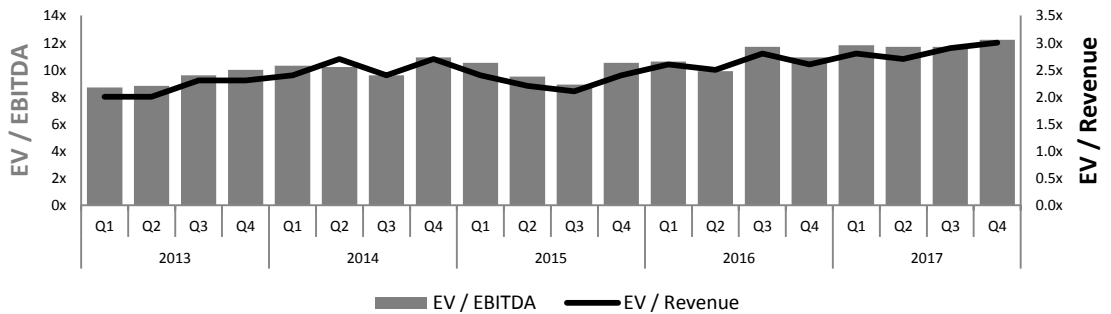
Source: Capital IQ

### S&P North American Technology Sector Index



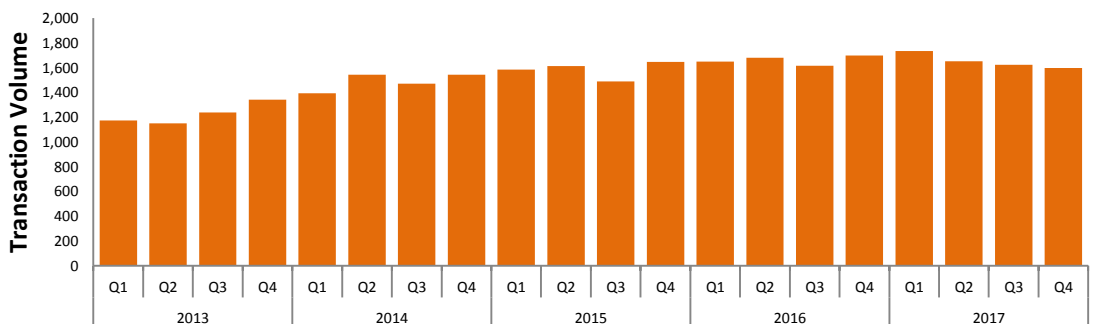
Source: Capital IQ

### Industry Valuations



Source: Capital IQ

### Technology Transaction Volume



Source: Capital IQ

# About Mirus

Mirus has been an active technology deal maker for the last 30 years. Representing professional investors and boards, as well as bootstrapped closely held businesses, Mirus has closed over 100 transactions in industry sectors including: Manufacturing Automation, Software, Hardware and Peripherals, Internet and Digital Media, Telecom and Networking.

Peter Alternative brings over 15 years of experience advising middle market, technology-based companies. He has been a financial advisor to both public and closely-held companies on divestitures, capital raising, recapitalizations, strategic acquisitions, mergers and cross-border transactions. He has managed and closed twenty-five engagements with companies in numerous segments of information technology and professional services. Peter also is a Registered Securities Representative and holds Series 7, 63 and 79 FINRA certifications. Peter received an MBA with high distinction from Bentley University's McCallum Graduate School of Business, and a BA in Political Science from Hobart College.

*"The Mirus team successfully guided us through every aspect of the transaction, from identifying prospective buyers through closing. They conducted a thorough process and we are delighted by the outcome."*

Please contact one of our partners today to answer any questions you may have to discuss the future of your business.



**Peter Alternative**  
781-418-5943  
alternative@merger.com

## Mirus Technology Spotlight

ROC IT Solutions  
has been acquired by

ROC IT Solutions, is the leader in intelligent edge data capture for serialized product inventory in the pharmaceutical supply chain. The acquisition positions Tracelink as the only end-to-end platform that enables life sciences companies to capture, process and exchange serialized product data across a digital supply chain network and also more effectively manage warehouse product inventory at the "edge" of the supply chain.

Eutecus  
has been acquired by  
  
sensity  
now a part of

Eutecus Inc., the global technical leader in embedded video analytics; providing single-chip, multi-channel video and fusion analytics solutions, has been acquired by Sensity Systems Inc., a provider of a leading Internet of Things (IoT) platform for Smart Cities, now part of Verizon. "The combined company will provide customers with leading computer vision powered solutions in a comprehensive IoT platform for Smart Cities," according to Bruce Boes and Peter Alternative, the lead bankers representing Eutecus shareholders in the sale to Sensity Systems.

MAGESTIC SYSTEMS  
INCORPORATED  
has been acquired by

Magestic Systems provides a variety of integrated manufacturing software solutions for CNC cutting applications of advanced materials such as composites and honeycomb laminates, as well non-composite materials such as heavy plate and sheet metal. Magestic Systems' solutions are used around the world by leading manufactures in the aerospace, automotive, transportation, energy, defense, industrial and construction industries. Autodesk is a leading design, engineering and entertainment software based in San Rafael, California.

ideaPoint  
an Anaqua company  
has been acquired by  
  
Anaqua  
a portfolio company of

IdeaPoint delivers the leading innovation management solution for the global enterprise. IdeaPoint provides full lifecycle management of partnering and collaboration opportunities so that companies can tactically scout, evaluate and seize a range of innovation opportunities, secure strategic partnerships, and manage critical requests, initiatives and alliances. Anaqua helps corporations and law firms turn intellectual property into competitive advantage. Nearly one million IP professionals in over 150 countries use ANAQUA to manage more than a billion dollars in intellectual assets.