



Industrials

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Telecom & Communications

Industry News

Straight Path Communications Announces Completion of Merger with Verizon

BusinessWire [Full Article](#)

On February 28th, Straight Path Communications announced that it had completed its merger with Verizon, and will continue operations as a direct, wholly-owned subsidiary of Verizon. Straight Path holds an extensive portfolio of 39 GHz and 28 GHz wireless spectrum licenses, and is developing next generation wireless technology through Straight Path Ventures.

Digi International Acquires Accelerated Concepts, Inc.

Digi International [Full Article](#)

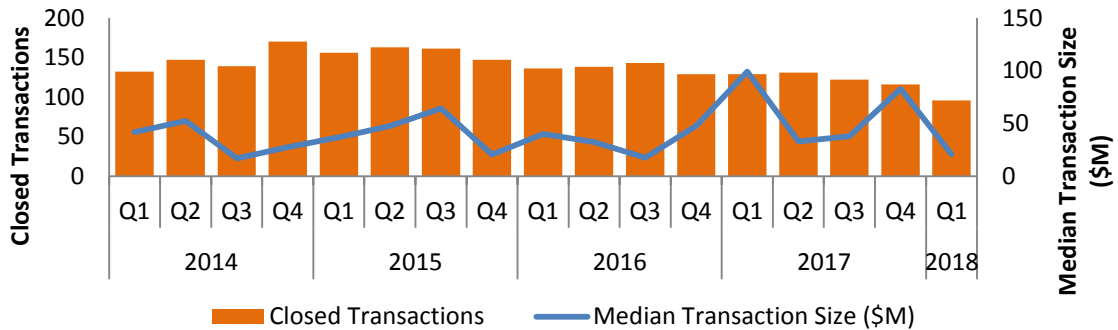
On January 22nd, Digi, a leading global provider of Internet of Things (IoT) connectivity products, acquired Accelerated Concepts, a provider of secure, enterprise-grade, cellular (LTE) networking equipment for primary and backup connectivity applications. The acquisition of Accelerated significantly enhances Digi's existing cellular product lines and immediately extends the company's market reach with a line of commercial routers and network appliance products.

McAfee Acquires VPN Company TunnelBear

TechCrunch [Full Article](#)

On March 8th, security giant McAfee acquired TunnelBear, a Canadian VPN service provider with desktop and mobile applications. McAfee plans to integrate TunnelBear's technologies into its own VPN product, SafeConnect. This marks McAfee's second acquisition since being spun out of Intel in early 2017.

Telecom & Communications M&A Environment



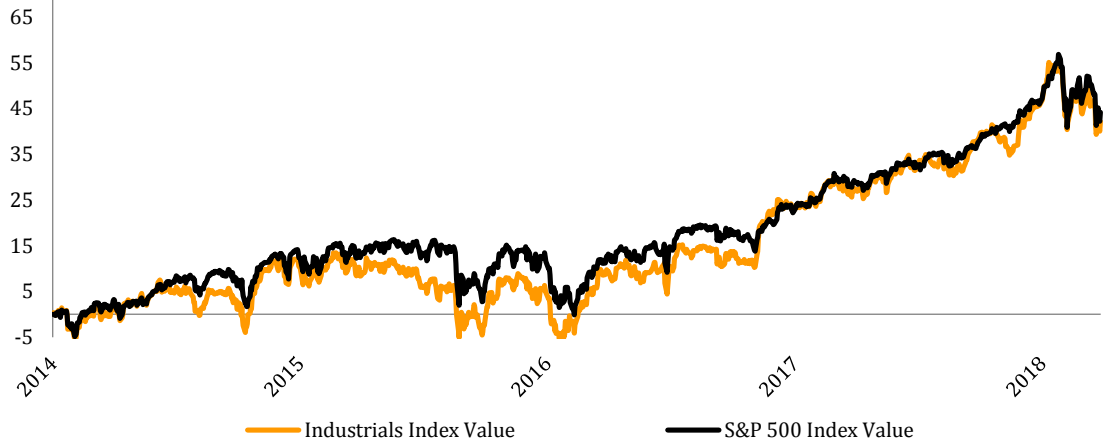
*For the purposes of compiling data, we define constituents in the Telecom & Communications sector as companies that provide telecommunications services along with companies that manufacture related communications equipment.

Selected Q1 2018 Telecom & Communications Transactions

Date Closed	Target	Buyers/Investors	Sector	Enterprise Value (\$M)	EV / LTM Revenue	EBITDA
3/30/2018	White Business Initiative Co.	Forval Telecom, Inc. (TSE:9445)	Communications Equipment	0	-	-
3/29/2018	JAR Technologies Ltd.	Calnex Solutions Limited	Communications Equipment	-	-	-
3/29/2018	Yota Devices Ltd.	China Baoli Technologies Services Limited	Communications Equipment	161	-	-
3/22/2018	Reeves Lund and Company Limited	Arrow Business Communications Ltd.	Telecommunication Services	-	-	-
3/20/2018	Geocell LLC	Silknet JSC	Telecommunication Services	153	-	4.5x
3/19/2018	Ubiquoss Inc. (KOSDAQ:A264450)	Ubiquoss Holdings Inc. (KOSDAQ:A078070)	Communications Equipment	63	0.7x	3.7x
3/16/2018	globalmatrix AG	Softing AG (XTRA:SYT)	Telecommunication Services	16	-	-
3/8/2018	Plixer International, Inc.	Battery Ventures	Communications Equipment	-	-	-
3/8/2018	Symeo GmbH	Analog Devices, Inc. (NasdaqGS:ADI)	Communications Equipment	-	-	-
3/8/2018	TunnelBear Inc.	McAfee LLC	Telecommunication Services	-	-	-
3/7/2018	PTI Communications	Centric Telecom, Inc.	Telecommunication Services	-	-	-
3/7/2018	RDC Communications Ltd	Fidelity Group Limited	Telecommunication Services	-	-	-
3/5/2018	Azertel Telekomünikasyon Yatırım ve Dis Ticaret A.S.	AzinTelecom LLC	Telecommunication Services	534	-	-
2/28/2018	Spread Networks, LLC	Zayo Group Holdings, Inc. (NYSE:ZAYO)	Telecommunication Services	127	-	-
2/28/2018	Straight Path Communications Inc.	Verizon Communications Inc. (NYSE:VZ)	Telecommunication Services	2,326	-	-
2/27/2018	Astellia S.A.	EXFO Inc (TSX:EXF)	Communications Equipment	40	0.8x	-
2/27/2018	TPHCom GmbH	einsAmobile GmbH	Telecommunication Services	59	-	-
2/21/2018	TDC A/S (CPSE:TDC)	UBS Group AG (SWX:UBSG)	Telecommunication Services	-	-	-
2/20/2018	Outdoor Powered Cabinet Product Portfolio of Calix, Inc.	Clearfield, Inc. (NasdaqGM:CLFD)	Communications Equipment	10	-	-
2/9/2018	FiberTower Corporation	AT&T Mobility Spectrum LLC	Telecommunication Services	207	-	-
2/7/2018	Paratus Telecommunications (Pty) Ltd	Nimbus Infrastructure Ltd. (NMSE:NUSP)	Telecommunication Services	30	0.3x	-
2/2/2018	People & Telecommunication Inc. (KOSDAQ:A054340)	C & K Loan Co., Ltd.	Communications Equipment	54	2.7x	-
1/31/2018	Cyberinc	KPMG LLP	Communications Equipment	34	1.3x	-
1/22/2018	Altiosar Networks, Inc.	Tech Mahindra (Americas), Inc.	Communications Equipment	86	-	-
1/22/2018	Accelerated Concepts, Inc.	Digi International Inc. (NasdaqGS:DGII)	Communications Equipment	17	-	-
1/10/2018	Public Joint-Stock Company Mobile TeleSystems (NYSE:MBT)	Stream Digital, LLC	Telecommunication Services	13,196	1.7x	4.2x
1/5/2018	Luma Home Inc.	First Alert, Inc.	Communications Equipment	-	-	-
1/3/2018	Wireless Infrastructure Group Ltd.	3i Infrastructure plc (LSE:3IN)	Telecommunication Services	453	-	-

Industrials

While largely mirroring the S&P 500, the Industrials market has been steady from an M&A and valuation perspective. Despite the February 2018 market correction, industry valuations remain near all time highs. Although M&A is off to a slower start in 2018 than in recent years, a robust deal pipeline buoyed by recent tax reforms suggests that 2018 will be another strong year for M&A.



As of 3/31/2018

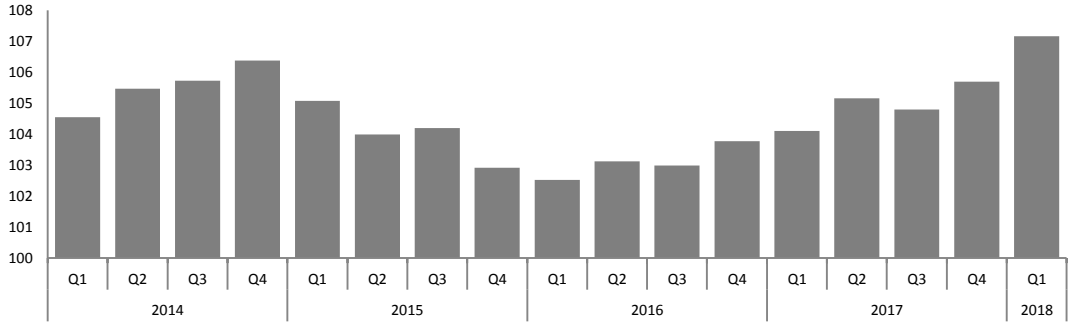
Company Name	Ticker	Enterprise Value	LTM Financials			Valuation Metrics			LTM Margins	
			Revenue	Gross Profit	EBITDA	EV / Revenue	EV / Gross Profit	EV / EBITDA	Gross Margin	EBITDA Margin
3M Company	NYSE:MMM	\$140,489	\$31,657	\$15,742	\$8,877	4.4x	8.9x	15.8x	49.7%	28.0%
Alaska Air Group	NYSE:ALK	\$8,601	\$7,933	\$2,770	\$1,743	1.1x	3.1x	4.9x	34.9%	22.0%
American Airlines Group	NasdaqGS:AAL	\$44,583	\$42,207	\$12,755	\$6,787	1.1x	3.5x	6.6x	30.2%	16.1%
Arconic	NYSE:ARNC	\$15,887	\$12,960	\$2,603	\$1,781	1.2x	6.1x	8.9x	20.1%	13.7%
Boeing Company	NYSE:BA	\$193,721	\$93,392	\$17,326	\$12,122	2.1x	11.2x	16.0x	18.6%	13.0%
C. H. Robinson Worldwide	NasdaqGS:CHRW	\$14,227	\$14,869	\$1,189	\$854	1.0x	12.0x	16.7x	8.0%	5.7%
Caterpillar	NYSE:CAT	\$115,646	\$45,462	\$12,035	\$8,453	2.5x	9.6x	13.7x	26.5%	18.6%
CSX	NasdaqGS:CSX	\$60,834	\$11,408	\$5,386	\$5,186	5.3x	11.7x	11.7x	45.5%	45.5%
Cummins	NYSE:CMI	\$28,020	\$20,428	\$5,090	\$2,577	1.4x	5.5x	10.9x	24.9%	12.6%
Deere & Co.	NYSE:DE	\$88,424	\$30,419	\$7,090	\$5,093	2.9x	12.5x	17.4x	23.3%	16.7%
Delta Air Lines	NYSE:DAL	\$45,865	\$41,244	\$12,126	\$7,901	1.1x	3.8x	5.8x	29.4%	19.2%
Dover	NYSE:DOV	\$17,996	\$7,830	\$2,913	\$1,388	2.3x	6.2x	13.0x	37.2%	17.7%
Eaton Corporation	NYSE:ETN	\$41,718	\$20,404	\$6,648	\$3,417	2.0x	6.3x	12.2x	32.6%	16.7%
Emerson Electric Company	NYSE:EMR	\$45,770	\$15,864	\$6,744	\$3,358	2.9x	6.8x	13.6x	42.5%	21.2%
Expeditors International	NasdaqGS:EXPD	\$10,126	\$6,921	\$932	\$746	1.5x	10.9x	13.6x	13.5%	10.8%
FedEx Corporation	NYSE:FDX	\$78,952	\$63,864	\$17,377	\$8,388	1.2x	4.5x	9.4x	27.2%	13.1%
Fluor	NYSE:FLR	\$7,810	\$19,521	\$618	\$672	0.4x	12.6x	11.6x	3.2%	3.4%
Fortive	NYSE:FTV	\$30,091	\$6,656	\$3,301	\$1,548	4.5x	9.1x	19.4x	49.6%	23.3%
General Dynamics	NYSE:GD	\$66,844	\$30,973	\$6,187	\$4,618	2.2x	10.8x	14.5x	20.0%	14.9%
General Electric	NYSE:GE	\$254,562	\$121,252	\$14,874	\$5,134	2.1x	17.1x	49.6x	12.3%	4.2%
Grainger (W.W.)	NYSE:GWW	\$17,976	\$10,425	\$4,111	\$1,429	1.7x	4.4x	12.6x	39.4%	13.7%
Honeywell Int'l	NYSE:HON	\$115,382	\$40,534	\$12,959	\$8,266	2.8x	8.9x	14.0x	32.0%	20.4%
Illinois Tool Works	NYSE:ITW	\$58,380	\$14,314	\$6,005	\$3,861	4.1x	9.7x	15.1x	42.0%	27.0%
Ingersoll-Rand	NYSE:IR	\$23,949	\$14,198	\$4,433	\$2,052	1.7x	5.4x	11.7x	31.2%	14.5%
J. B. Hunt Transport Services	NasdaqGS:JBHT	\$13,930	\$7,190	\$1,302	\$1,010	1.9x	10.7x	13.8x	18.1%	14.1%
Jacobs Engineering Group	NYSE:JEC	\$10,006	\$10,221	\$1,845	\$662	1.0x	5.4x	15.1x	18.1%	6.5%
Johnson Controls International	NYSE:JCI	\$45,776	\$30,521	\$9,282	\$4,593	1.5x	4.9x	10.0x	30.4%	15.0%
L-3 Communications Holdings	NYSE:LLL	\$19,035	\$9,573	\$1,109	\$1,334	2.0x	17.2x	14.3x	11.6%	13.9%
Lockheed Martin	NYSE:LMT	\$108,065	\$51,048	\$5,548	\$6,588	2.1x	19.5x	16.4x	10.9%	12.9%
Masco	NYSE:MAS	\$14,693	\$7,644	\$2,611	\$1,296	1.9x	5.6x	11.3x	34.2%	17.0%
Nielsen Holdings	NYSE:NLSN	\$19,321	\$6,572	\$3,807	\$1,701	2.9x	5.1x	11.4x	57.9%	25.9%
Norfolk Southern	NYSE:NSC	\$47,893	\$10,551	\$4,641	\$4,645	4.5x	10.3x	10.3x	44.0%	44.0%
Northrop Grumman	NYSE:NOC	\$64,818	\$25,803	\$5,954	\$3,774	2.5x	10.9x	17.2x	23.1%	14.6%
PACCAR	NasdaqGS:PCAR	\$28,653	\$19,456	\$2,858	\$2,664	1.5x	10.0x	10.8x	14.7%	13.7%
Parker-Hannifin	NYSE:PH	\$27,675	\$13,351	\$3,254	\$2,118	2.1x	8.5x	13.1x	24.4%	15.9%
Quanta Services	NYSE:PWV	\$5,836	\$9,466	\$1,242	\$657	0.6x	4.7x	8.9x	13.1%	6.9%
Raytheon	NYSE:RTN	\$64,427	\$25,348	\$6,272	\$3,797	2.5x	10.3x	17.0x	24.7%	15.0%
Republic Services	NYSE:RSG	\$29,939	\$10,042	\$3,827	\$2,770	3.0x	7.8x	10.8x	38.1%	27.6%
Robert Half International	NYSE:RHI	\$6,778	\$5,267	\$2,164	\$581	1.3x	3.1x	11.7x	41.1%	11.0%
Rockwell Automation	NYSE:ROK	\$21,692	\$6,408	\$2,679	\$1,236	3.4x	8.1x	17.6x	41.8%	19.3%
Rockwell Collins	NYSE:COL	\$28,908	\$7,640	\$2,125	\$1,638	3.8x	13.6x	17.6x	27.8%	21.4%
Ryder System	NYSE:R	\$9,198	\$7,330	\$1,464	\$1,732	1.3x	6.3x	5.3x	20.0%	23.6%
Southwest Airlines	NYSE:LUV	\$34,095	\$21,177	\$7,265	\$4,484	1.6x	4.7x	7.6x	34.3%	21.2%
Textron	NYSE:TXT	\$18,126	\$14,198	\$2,374	\$1,484	1.3x	7.6x	12.2x	16.7%	10.5%
Union Pacific	NYSE:UNP	\$119,840	\$21,240	\$11,200	\$10,252	5.6x	10.7x	11.7x	52.7%	48.3%
United Continental Holdings	NYSE:UAL	\$30,372	\$37,736	\$12,829	\$5,706	0.8x	2.4x	5.3x	34.0%	15.1%
United Parcel Service	NYSE:UPS	\$110,433	\$65,872	\$14,850	\$9,811	1.7x	7.4x	11.3x	22.5%	14.9%
United Rentals	NYSE:URI	\$23,625	\$6,641	\$2,851	\$1,948	3.6x	8.3x	12.1x	42.9%	29.3%
United Technologies	NYSE:UTX	\$121,109	\$59,837	\$16,003	\$10,043	2.0x	7.6x	12.1x	26.7%	16.8%
Waste Management	NYSE:WM	\$45,864	\$14,485	\$5,464	\$3,996	3.2x	8.4x	11.5x	37.7%	27.6%

Median	2.0x	8.2x	12.2x	28.6%	16.0%
Mean	2.3x	8.4x	13.1x	29.1%	18.3%

Industrials

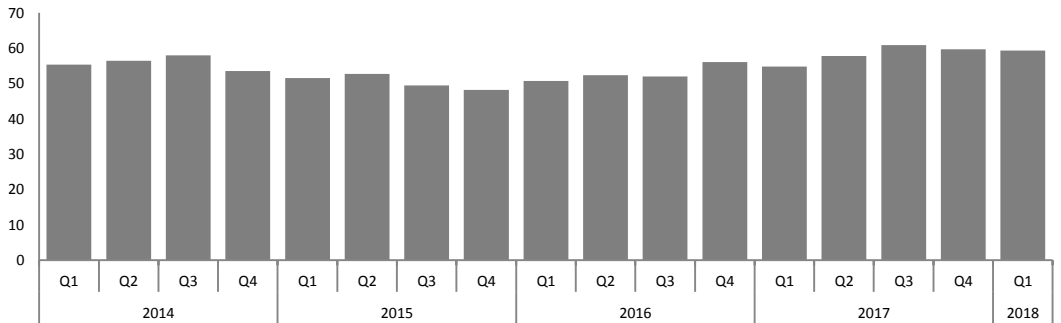
State of the Industry

U.S. Industrial Production Index (Seasonally Adjusted)



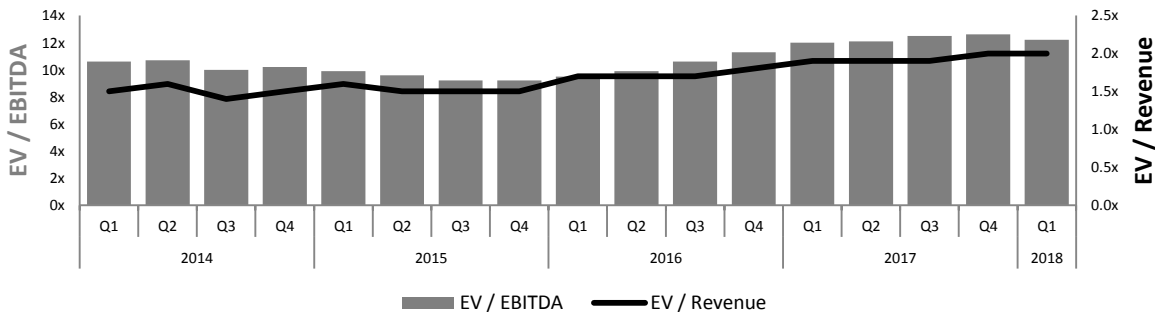
Source: Federal Reserve

Purchasing Managers Index



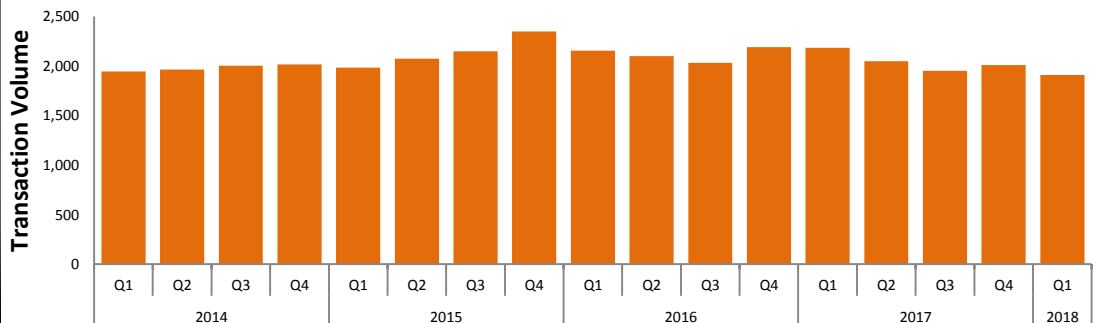
Source: Institution For Supply Management

Industry Valuations



Source: Capital IQ

Industrials Transaction Volume



Source: Capital IQ

"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.



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Mirus' Industrial team has experience working with owners of growth industrial businesses and distressed industrials, executing corporate carve-outs, strategic sales and leveraged buy-outs. Much of our work is with closely-held companies – niche leaders who have the industry leading solution in a sub \$200 million market. The companies often have strategic value to large corporations serving the broader market - acquirers who can integrate a product line into their portfolio. For larger industrial companies, Mirus has advised buyers and sellers on M&A, including leveraged buy-outs, and has executed corporate divestitures and restructurings.

Alan Fullerton and Andrew Crain are the leaders of our Industrial team. Alan and Andrew have decades of experience advising companies in the Industrial space. They have a demonstrated record of managing and closing dozens of engagements with companies in the industry. Alan has been nationally recognized by M&A Advisor as a sector finalist across multiple industries and has an MBA from Ecole des Ponts (France), an MS in Electrical Engineering from Brown University, and a BS in Mechanical Engineering from MIT. Andrew began his career as an attorney at Foley Hoag LLP and has prior experience as a fifth-generation family business owner and CEO. Andrew graduated from Williams College and the University of Michigan Law School.

Mirus Industrial Spotlight



AIC is a leading specialty chemical and ingredients distributor based in Framingham, Massachusetts. LeBaronBrown is a private investment firm with a multi-decade orientation and a strategy to bring capital and resources to company management teams to enable growth over a multi-decade period. AIC joins Charkit Chemical Company LLC, acquired in June of 2017, under the same parent company. This transaction positions AIC for long-term, continued growth, building upon the success of its dedicated team.



MagneMotion is a provider of intelligent transport systems based on patent protected linear synchronous motor (LSM) technology. Rockwell Automation Inc. (NYSE: ROK), the world's largest company dedicated to industrial automation and information, makes its customers more productive and the world more sustainable. The acquisition of MagneMotion expands Rockwell Automation's independent cart technology and complements its acquisitions of iTRAK Technology and Jacobs Automation.



FleetLogix provides outsourced labor to rental car agencies across the U.S.. The company uses a proprietary technology platform to track and analyze performance at each site, to ensure quality and efficiency in its service delivery, and to provide data and metrics to its managers and its clients. Striker Partners is a private, family-based investment firm formed to make majority equity investments in profitable and growing businesses. Striker Partners brings technology expertise to the company and represents a great cultural fit.



Newcan supplies components to the automotive and trucking industries and is a leader in manufacturing precision metal stampings and perforated components. Falls Stamping & Welding is located in Cuyahoga Falls, Ohio and operates in the metal parts industry. Falls Stamping is recognized for the breadth of manufacturing capabilities. The acquisition of Newcan expands the company's offerings.



Spire Corporation (Nasdaq: SPIR), a leading technology and equipment supplier to the solar photovoltaic (PV) industry located in Bedford, Massachusetts, sold its sun simulator business, a supplier of critical tools for both PV module production lines and testing/certification laboratories, in a cross border transaction to Eternal Sun, a company based in The Hague, the Netherlands that specializes in solar simulation technology for the purpose of product and material testing.