



# TECHNOLOGY

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Spotlight

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## Industry News

### Five IoT Predictions for 2019

Forbes [Full Article](#)

Forbes Contributor, Daniel Newman, lists his top 5 predictions for IoT in 2019, including: overall growth across the board, deeper penetration in the manufacturing and healthcare industries, increased security at end points, smart common areas, and increased market penetration of connected smart cars.

### Siemens Buys Low Code Mendix, The Digital Factory Race Climbs Higher

Forbes [Full Article](#)

German industrial engineering company Siemens has bought the originally Dutch (now US located) 'low code' company Mendix for US\$ 730 million in cash. Siemens has also committed to what has been called 'a significant multi-year investment' in Mendix to accelerate its R&D and the technology platform's global footprint. The acquisition reflects moves made by other firms including General Electric (GE) to provide technologies suited to developing inside the so-called Industrial Internet of Things (IIoT) which go to make up the planet's new cloud-centric digital factory floor.

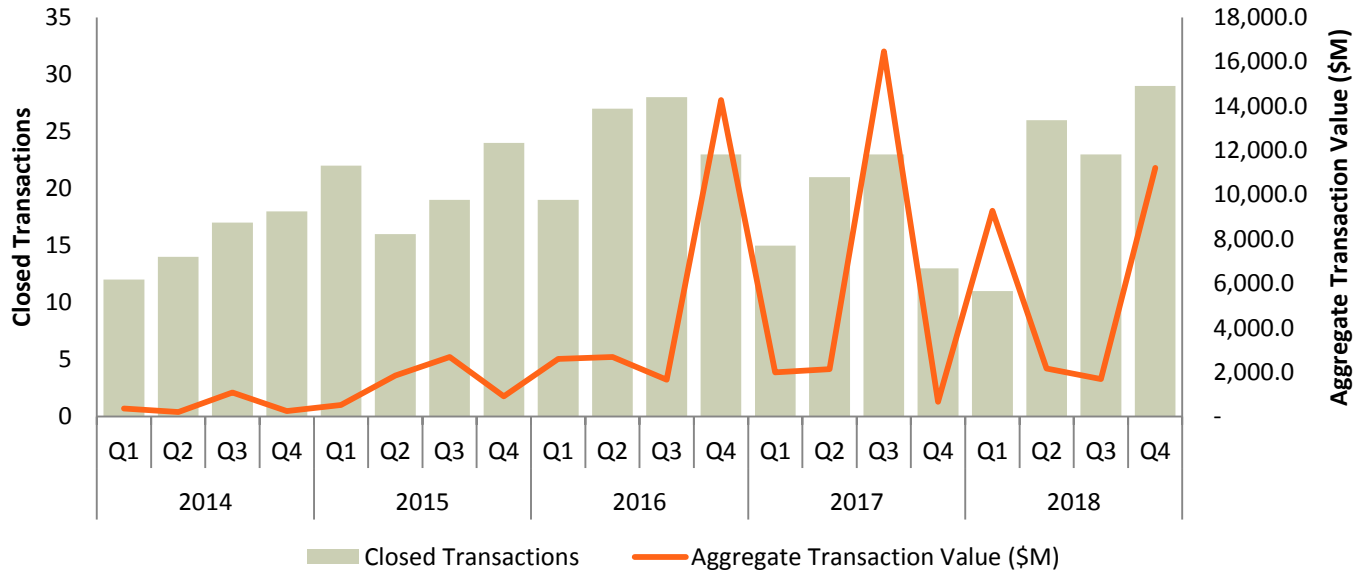
### Nokia Acquires SpaceTime Insight to Expand its IoT Software Portfolio

Nokia [Full Article](#)

Nokia has acquired SpaceTime Insight to expand its Internet of Things (IoT) portfolio and IoT analytics capabilities, and accelerate the development of new IoT applications for key vertical markets. Based in San Mateo, California, with offices in the U.S., Canada, U.K., India and Japan, SpaceTime Insight provides machine learning-powered analytics and IoT applications for some of the world's largest transportation, energy and utilities organizations, including Entergy, FedEx, NextEra Energy, Singapore Power and Union Pacific Railroad.

The acquisition supports Nokia's software strategy by bringing SpaceTime Insight's sales expertise and proven track record in IoT application development, machine learning and data science to the Nokia Software IoT product unit. It will strengthen Nokia's IoT software portfolio and IoT analytics capabilities, and accelerate the development of Nokia's IoT offerings to deliver high-value IoT applications and services to new and existing customers.

## IoT M&amp;A Environment

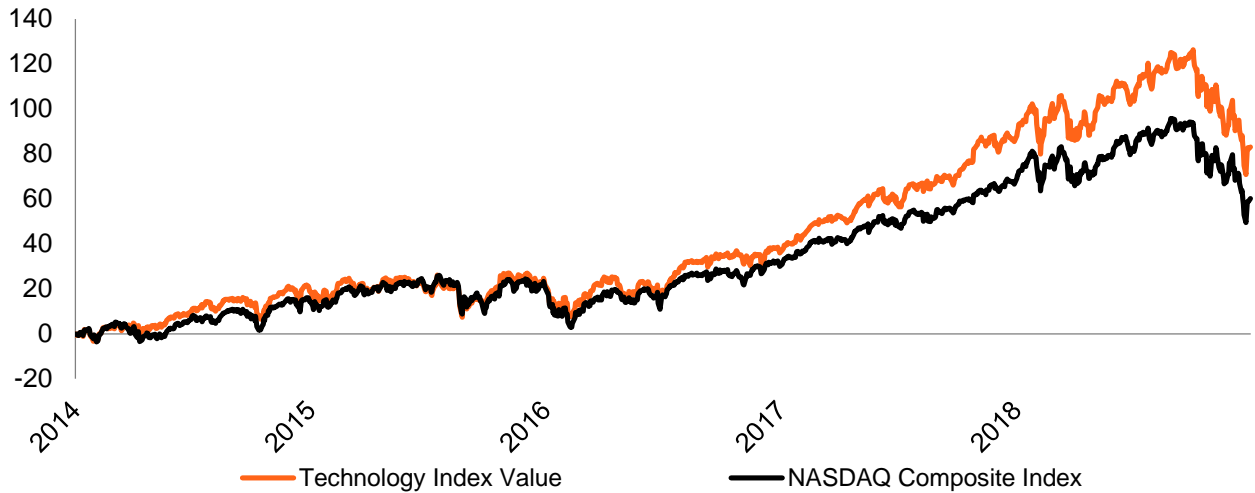


## Selected Q4 2018 IoT Transactions

Date Closed	Target	Buyers/Investors	Sector	Enterprise Value (\$M)	EV / LTM	
					Revenue	EBITDA
1/22/2018	Recast.AI	SAP France Société Anonyme	Systems Software	-	-	-
2/26/2018	CommSolid GmbH	Goodix Technology (HK) Company Limited	Semiconductors	12	-	-
6/12/2018	Stream Technologies Limited	ARM Holdings PLC	Interactive Media and Services	-	-	-
6/26/2018	Wind River Systems, Inc.	TPG Capital, L.P.	Systems Software	-	-	-
10/1/2018	Mendix Inc.	Siemens Aktiengesellschaft (DB:SIE)	Application Software	700	-	-
12/11/2018	Trackio International AG	Semtech (International) AG	Interactive Media and Services	8	-	-
12/18/2018	PlumChoice, Inc.	The Allstate Corporation (NYSE:ALL)	IT Consulting and Other Services	30	-	-
12/19/2018	Inseego Corp. (NasdaqGS:INSG)	Golden Harbor Ltd.	Communications Equipment	326	1.69	36.7x
1/18/2018	Uber Technologies, Inc.	General Atlantic Service Company, L.P. and others	Application Software	-	-	-
4/12/2018	Ring Inc.	Amazon.com, Inc. (NasdaqGS:AMZN)	Consumer Electronics	993	-	-
4/30/2018	Space Time Insight, Inc.	Nokia Corporation (HLSE:NOKIA)	Application Software	-	-	-
5/15/2018	orderTalk, Inc.	Uber Technologies, Inc.	Application Software	-	-	-
7/2/2018	Lyft Bikes	Lyft, Inc.	Specialized Consumer Services	-	-	-

# Technology

Largely mirroring the NASDAQ Composite Index, the Technology market saw increased volatility in the fourth quarter of 2018. However, analysts are bullish on 2019 as innovation and agility become key ingredients to organizations' digital transformations. In addition cloud computing is poised to expand exponentially as everything-as-a-service (XaaS) makes it cheaper and easier for companies to access the latest technologies.



As of 12/31/2018		LTM Financials				Valuation Metrics			LTM Margins	
Company Name	Ticker	Enterprise Value	Revenue	Gross Profit	EBITDA	EV / Revenue	EV / Gross Profit	EV / EBITDA	Gross Margin	EBITDA Margin
Activision Blizzard, Inc.	NasdaqGS:ATVI	\$34,781	\$7,500	\$4,983	\$2,507	4.6x	7.0x	13.9x	66.4%	33.4%
Adobe Systems Incorporated	NasdaqGS:ADBE	\$111,331	\$9,030	\$7,835	\$3,187	12.3x	14.2x	34.9x	86.8%	35.3%
Alliance Data Systems Corporation	NYSE:ADS	\$29,202	\$7,791	\$1,895	\$1,996	3.7x	15.4x	14.6x	24.3%	25.6%
Alphabet Inc.	NasdaqGS:GOOGL	\$621,035	\$136,819	\$77,270	\$40,421	4.5x	8.0x	15.4x	56.5%	29.5%
Amphenol Corporation	NYSE:APH	\$26,697	\$8,202	\$2,655	\$1,988	3.3x	10.1x	13.4x	32.4%	24.2%
Anixter International Inc.	NYSE:AXE	\$3,012	\$8,400	\$1,658	\$392	0.4x	1.8x	7.7x	19.7%	4.7%
Apple Inc.	NasdaqGS:AAPL	\$796,721	\$261,612	\$99,958	\$79,523	3.0x	8.0x	10.0x	38.2%	30.4%
Applied Materials, Inc.	NasdaqGS:AMAT	\$32,664	\$17,253	\$7,817	\$5,253	1.9x	4.2x	6.2x	45.3%	30.4%
ARRIS International plc	NasdaqGS:ARRS	\$6,937	\$6,743	\$1,936	\$716	1.0x	3.6x	9.7x	28.7%	10.6%
Arrow Electronics, Inc.	NYSE:ARW	\$9,097	\$29,677	\$3,701	\$1,361	0.3x	2.5x	6.7x	12.5%	4.6%
Automatic Data Processing, Inc.	NasdaqGS:ADP	\$58,233	\$13,839	\$6,119	\$3,232	4.2x	9.5x	18.0x	44.2%	23.4%
Avnet, Inc.	NasdaqGS:AVT	\$5,215	\$19,993	\$2,579	\$774	0.3x	2.0x	6.7x	12.9%	3.9%
Booz Allen Hamilton Holding Corporation	NYSE:BAH	\$7,857	\$6,559	\$1,569	\$667	1.2x	5.0x	11.8x	23.9%	10.2%
CDW Corporation	NasdaqGS:CDW	\$15,528	\$16,241	\$2,707	\$1,253	1.0x	5.7x	12.4x	16.7%	7.7%
Cisco Systems, Inc.	NasdaqGS:CSCO	\$177,862	\$50,266	\$31,272	\$15,090	3.5x	5.7x	11.8x	62.2%	30.0%
Cognizant Technology Solutions Corporation	NasdaqGS:CTSH	\$32,718	\$16,125	\$6,287	\$3,320	2.0x	5.2x	9.9x	39.0%	20.6%
Conduent Incorporated	NYSE:CNDT	\$3,379	\$5,393	\$1,211	\$635	0.6x	2.8x	5.3x	22.5%	11.8%
Corning Incorporated	NYSE:GLW	\$29,974	\$11,290	\$4,461	\$2,886	2.7x	6.7x	10.4x	39.5%	25.6%
DXC Technology Company	NYSE:DXC	\$19,478	\$23,880	\$7,056	\$5,507	0.8x	2.8x	3.5x	29.5%	23.1%
eBay Inc.	NasdaqGS:EBAY	\$31,437	\$10,746	\$8,364	\$3,004	2.9x	3.8x	10.5x	77.8%	28.0%
Facebook, Inc.	NasdaqGS:FB	\$335,589	\$55,838	\$46,483	\$29,228	6.0x	7.2x	11.5x	83.2%	52.3%
Fidelity National Information Services, Inc.	NYSE:FIS	\$42,075	\$8,423	\$2,854	\$2,382	5.0x	14.7x	17.7x	33.9%	28.3%
First Data Corporation	NYSE:FDC	\$35,876	\$8,679	\$5,674	\$2,952	4.1x	6.3x	12.2x	65.4%	34.0%
Hewlett Packard Enterprise Company	NYSE:HPE	\$25,773	\$30,852	\$9,292	\$3,706	0.8x	2.8x	7.0x	30.1%	12.0%
HP Inc.	NYSE:HPQ	\$31,917	\$58,472	\$10,669	\$4,854	0.5x	3.0x	6.6x	18.2%	8.3%
Insight Enterprises, Inc.	NasdaqGS:INSI	\$1,841	\$7,080	\$275	\$275	0.3x	1.9x	6.7x	14.0%	3.9%
Intel Corporation	NasdaqGS:INTC	\$228,877	\$70,848	\$43,737	\$32,329	3.2x	5.2x	7.1x	61.7%	45.6%
International Business Machines Corporation	NYSE:IBM	\$136,019	\$79,591	\$36,936	\$17,696	1.7x	3.7x	7.7x	46.4%	22.2%
Jabil Inc.	NYSE:JBL	\$5,639	\$23,016	\$1,757	\$1,421	0.2x	3.2x	4.0x	7.6%	6.2%
Lam Research Corporation	NasdaqGS:LRCX	\$19,897	\$10,871	\$5,013	\$3,397	1.8x	4.0x	5.9x	46.1%	31.2%
Leidos Holdings, Inc.	NYSE:LDOS	\$10,438	\$10,194	\$1,504	\$1,032	1.0x	6.9x	10.1x	14.8%	10.1%
Mastercard Incorporated	NYSE:MA	\$192,794	\$14,950	\$14,950	\$8,896	12.9x	12.9x	21.7x	100.0%	59.5%
Micron Technology, Inc.	NasdaqGS:MU	\$35,109	\$31,501	\$18,759	\$20,619	1.1x	1.9x	1.7x	59.6%	65.5%
Microsoft Corporation	NasdaqGS:MSFT	\$731,962	\$118,459	\$77,120	\$49,581	6.2x	9.5x	14.8x	65.1%	41.9%
Motorola Solutions, Inc.	NYSE:MSI	\$23,421	\$7,343	\$3,539	\$1,895	3.2x	6.6x	12.4x	48.2%	25.8%
NCR Corporation	NYSE:NCR	\$6,385	\$6,405	\$1,777	\$933	1.0x	3.6x	6.8x	27.7%	14.6%
NetApp, Inc.	NasdaqGS:NTAP	\$12,517	\$6,166	\$3,912	\$1,267	2.0x	3.2x	9.9x	63.4%	20.5%
NVIDIA Corporation	NasdaqGS:NVDA	\$75,834	\$12,422	\$7,765	\$4,821	6.1x	9.8x	15.7x	62.5%	38.8%
Oracle Corporation	NYSE:ORCL	\$171,425	\$39,893	\$31,745	\$15,899	4.3x	5.4x	10.8x	79.6%	39.9%
PayPal Holdings, Inc.	NasdaqGS:PYPL	\$91,501	\$15,451	\$7,114	\$2,733	5.9x	12.9x	33.5x	46.0%	17.7%
QUALCOMM Incorporated	NasdaqGS:QCOM	\$73,266	\$21,539	\$12,216	\$6,389	3.4x	6.0x	11.5x	56.7%	29.7%
Salesforce.com, inc.	NYSE:CRM	\$105,723	\$12,484	\$9,240	\$1,176	8.5x	11.4x	89.9x	74.0%	9.4%
Sanmina Corporation	NasdaqGS:SANM	\$1,831	\$7,553	\$499	\$335	0.2x	3.7x	5.5x	6.6%	4.4%
SYNNEX Corporation	NYSE:SNX	\$5,751	\$20,054	\$1,928	\$821	0.3x	3.0x	7.0x	9.6%	4.1%
Tech Data Corporation	NasdaqGS:TECD	\$3,818	\$39,985	\$2,224	\$683	0.1x	1.7x	5.6x	5.6%	1.7%
Texas Instruments Incorporated	NasdaqGS:TXN	\$90,725	\$15,784	\$10,277	\$7,529	5.7x	8.8x	12.1x	65.1%	47.7%
Visa Inc.	NYSE:V	\$301,214	\$21,253	\$20,554	\$14,273	14.2x	14.7x	21.1x	96.7%	67.2%
VMware, Inc.	NYSE:VMW	\$46,921	\$8,669	\$7,449	\$2,359	5.4x	6.3x	19.9x	85.9%	27.2%
Western Digital Corporation	NasdaqGS:WDC	\$17,173	\$19,391	\$6,496	\$4,740	0.9x	2.6x	3.6x	33.5%	24.4%
Xerox Corporation	NYSE:XRX	\$9,030	\$9,830	\$3,927	\$1,393	0.9x	2.3x	6.5x	39.9%	14.2%

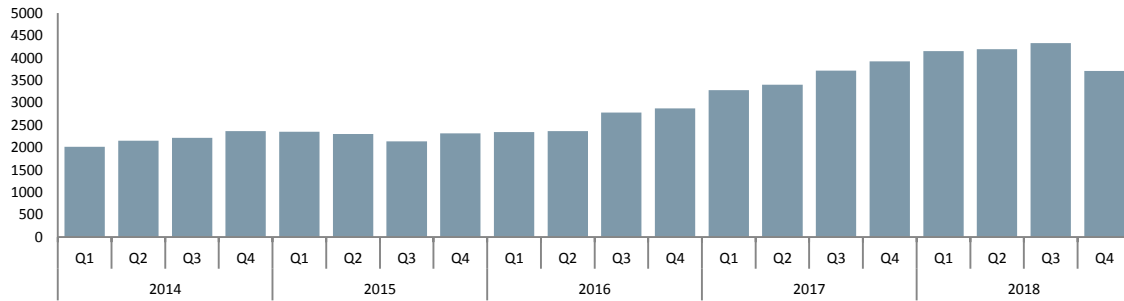
Median	2.3x	5.3x	10.3x	42.1%	24.3%
Mean	3.2x	6.2x	12.8x	44.5%	24.4%



# Technology

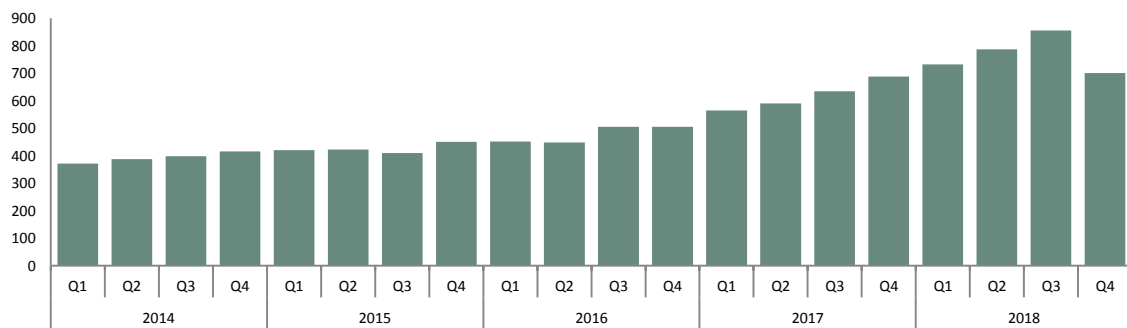
## State of the Industry

### NASDAQ 100 Technology Index



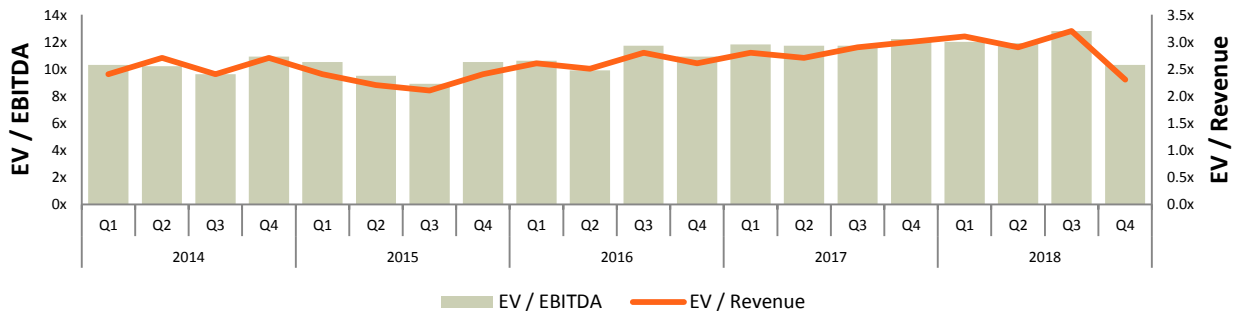
Source: Capital IQ

### S&P North American Technology Sector Index



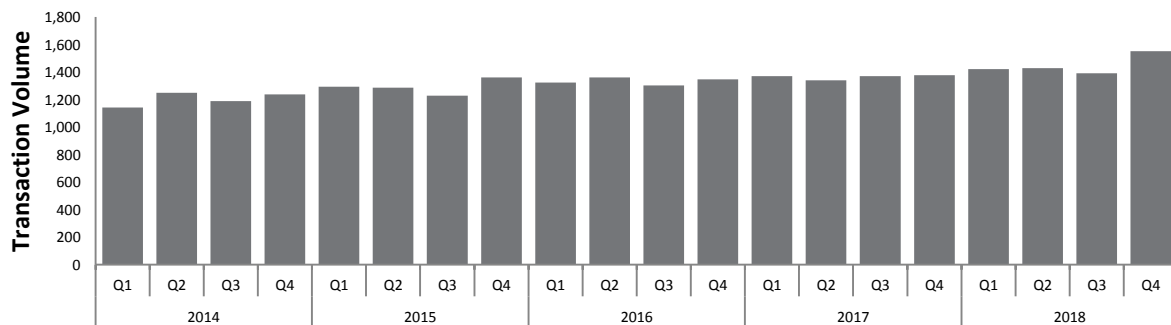
Source: Capital IQ

### Industry Valuations



Source: Capital IQ

### Technology Transaction Volume



Source: Capital IQ



## The Value of Accomplishment

The highest level of expertise and hard work is what accomplishment requires. It's what you deserve and what we do.

- We sweat the small stuff.
- Take a 3:00am call.
- Say yes.
- Say no.
- Dig deeper when things get tough.
- And celebrate with you when your efforts pay off and you can reflect on it all and say, "It's really remarkable what we've accomplished here."
- Then and only then, will we know that we've accomplished something meaningful, too.

### 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.

### Partner Spotlight

Peter Alternative brings over 20 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.



**Peter Alternative**

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781-418-5943

*"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."*

## Mirus Technology Spotlight



has been acquired by



Casco Development, Inc. is a leading provider of shop floor productivity software for mid-sized and large manufacturers. CAI Software is a business consulting, enterprise resource planning software development and IT support services company with products and services related to the lumber, seafood, wholesale food processing and distributions sectors, as well as the jewelry manufacturing and distribution, and precious metals recycling, refining and manufacturing sectors.



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.



has been acquired by



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.



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.