INDUSTRY REPORT

# MANUFACTURING AUTOMATION Q1, 2019


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# Manufacturing Automation

## Industry News

### Argosim Acquired by Dassault Systèmes

Dassault Systèmes Full Article

Argosim, headquartered in Grenoble, France, enriches Dassault Systèmes' 3DEXPERIENCE (platform and industry solution) experiences such as "Smart, Safe and Connected" that are used by the transportation and mobility, aerospace and defense, and high-tech industries in their development of complex autonomous systems such as those in smart cars, homes and cities. Argosim's software solution STIMULUS enables system architects to add the "Play" concept at the requirement specification phase to formally ensure its consistency and completeness.

"Simulation and modeling fusion is at the heart of our cognitive augmented design strategy, and Argosim strengthens our foothold in software and embedded systems architecture modeling and simulation solutions," said Philippe Laufer, CEO, CATIA, Dassault Systèmes.

### Autodesk, Inc. Acquires BuildingConnected

Geospacial World Full Article

Autodesk, Inc. has completed the acquisition of BuildingConnected, a leading preconstruction platform, for $275 million net of cash acquired. BuildingConnected is the largest and most active digital network in the construction industry with 700,000 construction professionals using the platform. It centralizes the bid management process and simplifies communication to make finding, qualifying and selecting the right subcontractors or responding to the right project opportunities fast and easy.

"With the acquisition of BuildingConnected, we now have a strong portfolio for empowering the technological transformation of the construction industry," said Andrew Anagnost, Autodesk CEO. "At this phase, we will transition from acquiring leading construction technology companies to integrating these solutions and bringing them to our current and future customers."

### Casco Development LLC Acquired by CAI Software LLC

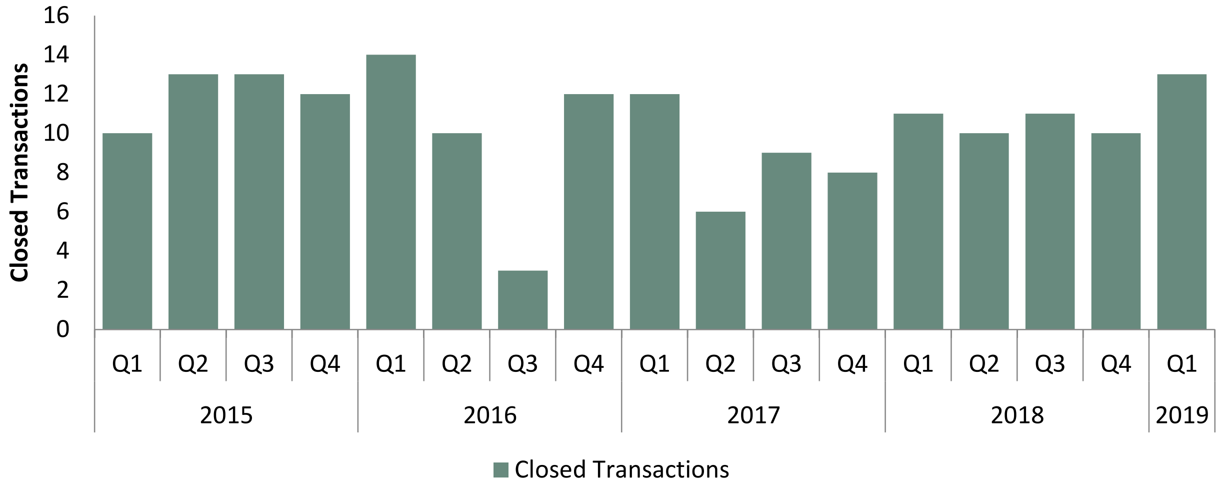
Mirus Full Article

CAI Software LLC has acquired Portland, Maine-based Casco Development LLC, adding 22 employees to the company, the two companies announced Monday evening.

The acquisition brings CAI ranks to 97, 64 of whom work in Rhode Island. Casco is the developer of a manufacturing execution system called ShopVue. Casco will maintain its Portland offices, retaining its entire staff, the companies said. CAI also plans to expand the Portland office to hire more workers in consulting, engineering, marketing, sales and account management.

# Manufacturing Automation

## Manufacturing Automation M&A Environment

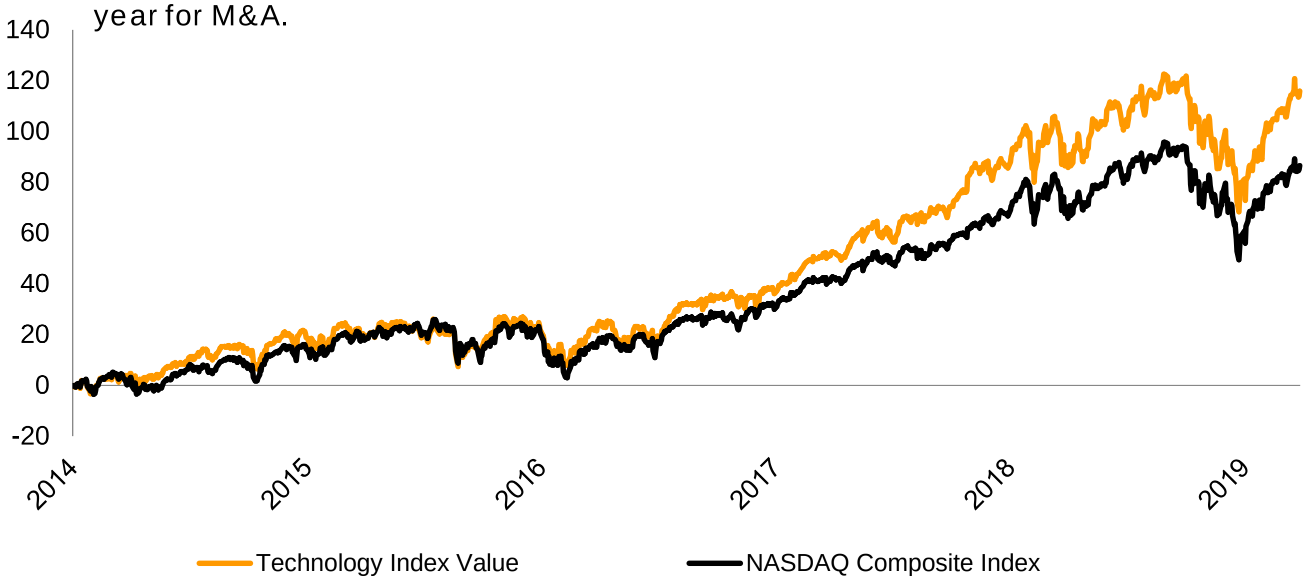



## Selected Manufacturing Automation Transactions

| Date Closed | Target | Buyers/Investors | Enterprise Value ($M) | *EV / LTM* Revenue | EBITDA |
|---|---|---|---|---|---|
| 3/15/2019 | Ruletronics Limited/Ruletronics Systems Inc/Ruletronics Systems Private Limited (India) | Larsen & Toubro Infotech Limited (NSEI:LTI); Larsen & Toubro Infotech GmbH | 7 | 2.2x | - |
| 3/4/2019 | Nielsen+Partner Unternehmensberater GmbH | Larsen & Toubro Infotech GmbH | 32 | 2.8x | - |
| 3/4/2019 | Russelectric, A Siemens Business | Siemens Corporation | - | - | - |
| 2/27/2019 | Helic, Inc. | ANSYS, Inc. (NasdaqGS:ANSS) | 59 | - | - |
| 2/15/2019 | Service Business of EG A/S | DXC Technology Company (NYSE:DXC) | - | - | - |
| 2/14/2019 | Orbium AG | Accenture plc (NYSE:ACN) | - | - | - |
| 2/12/2019 | Edi Customs Brokers Inc and certain assets of MSR | The Descartes Systems Group Inc (TSX:DSG) | 249 | 8.3x | - |
| 2/7/2019 | Professional Services Assets of Zafin Labs Technologies Ltd. | Accenture plc (NYSE:ACN) | - | - | - |
| 2/1/2019 | Granta Design Limited | ANSYS, Inc. (NasdaqGS:ANSS) | 257 | - | - |
| 1/31/2019 | Argosim SA | Dassault Systèmes SE (ENXTPA:DSY) | - | - | - |
| 1/23/2019 | BuildingConnected, Inc. | Autodesk, Inc. (NasdaqGS:ADSK) | 275 | - | - |
| 1/23/2019 | Qualtrics International Inc. | SAP America, Inc. | - | - | - |
| 1/17/2019 | Knowledgent Group Inc. | Accenture plc (NYSE:ACN) | - | - | - |
| 1/8/2019 | IQMS Inc. | Dassault Systèmes SE (ENXTPA:DSY) | 425 | 7.6x | - |

# Technology

Both the S&P 500 and Industrials are off to a great start from an M&A and valuation perspective, rebounding close to previous valuations . Despite the December 2018 market downturn, technology valuations remain near all time highs. Compared to the past year, M&A is off to a quick start, and a robust deal pipeline buoyed by recent tax reforms suggests that 2019 will be another strong year for M&A.

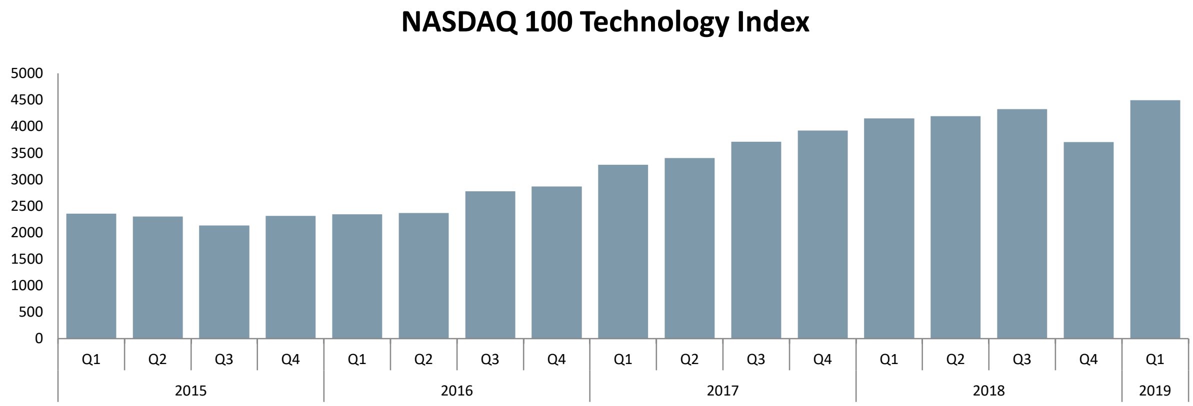



As of 3/31/2019

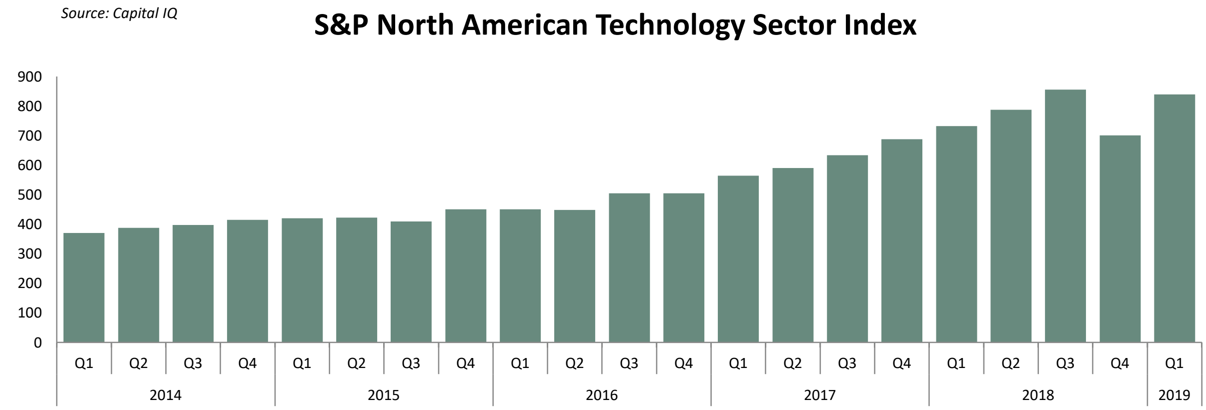
| | | | *LTM Financials* | | | | *Valuation Metrics* | | | *LTM Margins* | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **Company Name** | **Ticker** | **Enterprise Value** | **Revenue** | **Gross Profit** | **EBITDA** | **EV / Revenue** | **EV / Gross Profit** | **EV / EBITDA** | **Gross Margin** | **EBITDA Margin** |
| Activision Blizzard, Inc. | NasdaqGS:ATVI | $33,073 | $7,360 | $4,942 | $2,471 | 4.5x | 6.7x | 13.4x | 67.1% | 33.6% |
| Adobe Systems Incorporated | NasdaqGS:ADBE | $130,944 | $9,552 | $8,219 | $3,247 | 13.7x | 15.9x | 40.3x | 86.0% | 34.0% |
| Alliance Data Systems Corporation | NYSE:ADS | $30,594 | $7,744 | $2,047 | $1,836 | 4.0x | 14.9x | 16.7x | 26.4% | 23.7% |
| Amphenol Corporation | NYSE:APH | $30,478 | $8,294 | $2,676 | $2,029 | 3.7x | 11.4x | 15.0x | 32.3% | 24.5% |
| Anixter International Inc. | NYSE:AXE | $3,049 | $8,545 | $1,692 | $405 | 0.4x | 1.8x | 7.5x | 19.8% | 4.7% |
| Apple Inc. | NasdaqGS:AAPL | $923,970 | $258,490 | $98,357 | $77,345 | 3.6x | 9.4x | 11.9x | 38.1% | 29.9% |
| Applied Materials, Inc. | NasdaqGS:AMAT | $39,251 | $16,801 | $7,542 | $4,915 | 2.3x | 5.2x | 8.0x | 44.9% | 29.3% |
| Arrow Electronics, Inc. | NYSE:ARW | $9,592 | $29,957 | $3,694 | $1,361 | 0.3x | 2.6x | 7.0x | 12.3% | 4.5% |
| Automatic Data Processing, Inc. | NasdaqGS:ADP | $70,007 | $13,991 | $6,245 | $3,313 | 5.0x | 11.2x | 21.1x | 44.6% | 23.7% |
| Booz Allen Hamilton Holding Corporation | NYSE:BAH | $9,707 | $6,704 | $1,599 | $664 | 1.4x | 6.1x | 14.6x | 23.8% | 9.9% |
| CDW Corporation | NasdaqGS:CDW | $17,604 | $16,592 | $2,775 | $1,275 | 1.1x | 6.3x | 13.8x | 16.7% | 7.7% |
| Cisco Systems, Inc. | NasdaqGS:CSCO | $222,940 | $50,825 | $31,542 | $15,248 | 4.4x | 7.1x | 14.6x | 62.1% | 30.0% |
| Cognizant Technology Solutions Corporation | NasdaqGS:CTSH | $37,900 | $16,323 | $6,311 | $3,183 | 2.3x | 6.0x | 11.9x | 38.7% | 19.5% |
| Conduent Incorporated | NYSE:CNDT | $3,879 | $5,131 | $1,158 | $597 | 0.8x | 3.4x | 6.5x | 22.6% | 11.6% |
| Corning Incorporated | NYSE:GLW | $32,028 | $11,602 | $4,605 | $2,983 | 2.8x | 7.0x | 10.7x | 39.7% | 25.7% |
| DXC Technology Company | NYSE:DXC | $22,672 | $20,753 | $5,807 | $4,304 | 1.1x | 3.9x | 5.3x | 28.0% | 20.7% |
| eBay Inc. | NasdaqGS:EBAY | $38,305 | $10,809 | $8,385 | $3,062 | 3.5x | 4.6x | 12.5x | 77.6% | 28.3% |
| Facebook, Inc. | NasdaqGS:FB | $435,118 | $58,949 | $48,705 | $27,460 | 7.4x | 8.9x | 15.8x | 82.6% | 46.6% |
| Fidelity National Information Services, Inc. | NYSE:FIS | $44,835 | $8,414 | $2,878 | $2,408 | 5.3x | 15.6x | 18.6x | 34.2% | 28.6% |
| First Data Corporation | NYSE:FDC | $44,682 | $8,719 | $5,736 | $3,151 | 5.1x | 7.8x | 14.2x | 65.8% | 36.1% |
| Hewlett Packard Enterprise Company | NYSE:HPE | $29,954 | $30,731 | $9,469 | $4,944 | 1.0x | 3.2x | 6.1x | 30.8% | 16.1% |
| HP Inc. | NYSE:HPQ | $31,019 | $58,665 | $10,699 | $4,853 | 0.5x | 2.9x | 6.4x | 18.2% | 8.3% |
| Insight Enterprises, Inc. | NasdaqGS:NSIT | $2,313 | $7,023 | $1,002 | $280 | 0.3x | 2.3x | 8.3x | 14.3% | 4.0% |
| Intel Corporation | NasdaqGS:INTC | $256,198 | $70,843 | $43,095 | $32,462 | 3.6x | 5.9x | 7.9x | 60.8% | 45.8% |
| International Business Machines Corporation | NYSE:IBM | $159,580 | $78,701 | $36,733 | $17,119 | 2.0x | 4.3x | 9.3x | 46.7% | 21.8% |
| Jabil Inc. | NYSE:JBL | $6,034 | $23,782 | $1,815 | $1,459 | 0.3x | 3.3x | 4.1x | 7.6% | 6.1% |
| Lam Research Corporation | NasdaqGS:LRCX | $25,698 | $10,418 | $4,757 | $3,131 | 2.5x | 5.4x | 8.2x | 45.7% | 30.1% |
| Leidos Holdings, Inc. | NYSE:LDOS | $12,040 | $10,328 | $1,503 | $1,038 | 1.2x | 8.0x | 11.6x | 14.6% | 10.1% |
| Mastercard Incorporated | NYSE:MA | $239,600 | $15,259 | $15,259 | $9,141 | 15.7x | 15.7x | 26.2x | 100.0% | 59.9% |
| Micron Technology, Inc. | NasdaqGS:MU | $45,406 | $29,985 | $17,353 | $19,215 | 1.5x | 2.6x | 2.4x | 57.9% | 64.1% |
| Microsoft Corporation | NasdaqGS:MSFT | $862,671 | $122,211 | $79,971 | $51,846 | 7.1x | 10.8x | 16.6x | 65.4% | 42.4% |
| Motorola Solutions, Inc. | NYSE:MSI | $27,180 | $7,532 | $3,642 | $1,940 | 3.6x | 7.5x | 14.0x | 48.4% | 25.8% |
| NCR Corporation | NYSE:NCR | $6,824 | $6,424 | $1,772 | $814 | 1.1x | 3.9x | 8.4x | 27.6% | 12.7% |
| NetApp, Inc. | NasdaqGS:NTAP | $14,777 | $6,190 | $3,938 | $1,309 | 2.4x | 3.8x | 11.3x | 63.6% | 21.1% |
| NVIDIA Corporation | NasdaqGS:NVDA | $103,379 | $11,716 | $7,171 | $4,066 | 8.8x | 14.4x | 25.4x | 61.2% | 34.7% |
| Oracle Corporation | NYSE:ORCL | $200,421 | $39,831 | $31,705 | $16,336 | 5.0x | 6.3x | 12.3x | 79.6% | 41.0% |
| PayPal Holdings, Inc. | NasdaqGS:PYPL | $114,715 | $15,894 | $7,201 | $2,815 | 7.2x | 15.9x | 40.8x | 45.3% | 17.7% |
| QUALCOMM Incorporated | NasdaqGS:QCOM | $75,095 | $21,301 | $12,035 | $6,552 | 3.5x | 6.2x | 11.5x | 56.5% | 30.8% |
| Salesforce.com, inc. | NYSE:CRM | $121,128 | $13,282 | $9,831 | $1,524 | 9.1x | 12.3x | 79.5x | 74.0% | 11.5% |
| Sanmina Corporation | NasdaqGS:SANM | $2,288 | $8,004 | $537 | $376 | 0.3x | 4.3x | 6.1x | 6.7% | 4.7% |
| SYNNEX Corporation | NYSE:SNX | $8,118 | $20,810 | $2,193 | $943 | 0.4x | 3.7x | 8.6x | 10.5% | 4.5% |
| Tech Data Corporation | NasdaqGS:TECD | $4,391 | $37,239 | $2,256 | $733 | 0.1x | 1.9x | 6.0x | 6.1% | 2.0% |
| Texas Instruments Incorporated | NasdaqGS:TXN | $100,394 | $15,589 | $10,091 | $7,385 | 6.4x | 9.9x | 13.6x | 64.7% | 47.4% |
| Visa Inc. | NYSE:V | $353,506 | $21,674 | $20,973 | $14,606 | 16.3x | 16.9x | 24.2x | 96.8% | 67.4% |
| VMware, Inc. | NYSE:VMW | $75,482 | $8,974 | $7,716 | $2,428 | 8.4x | 9.8x | 31.1x | 86.0% | 27.1% |
| Western Digital Corporation | NasdaqGS:WDC | $20,556 | $18,052 | $5,148 | $3,418 | 1.1x | 4.0x | 6.0x | 28.5% | 18.9% |
| Xerox Corporation | NYSE:XRX | $11,702 | $9,601 | $3,846 | $1,376 | 1.2x | 3.0x | 8.5x | 40.1% | 14.3% |
| | | | | | **Median** | **2.8x** | **6.2x** | **11.9x** | **44.6%** | **23.7%** |
| | | | | | **Mean** | **3.9x** | **7.3x** | **14.8x** | **45.1%** | **24.7%** |

# Technology

## State of the Industry




*Source: Capital IQ*

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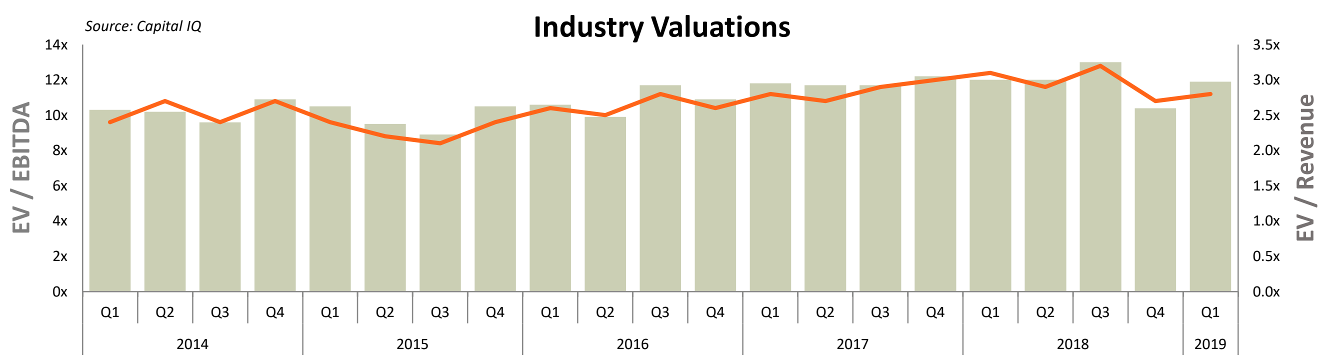


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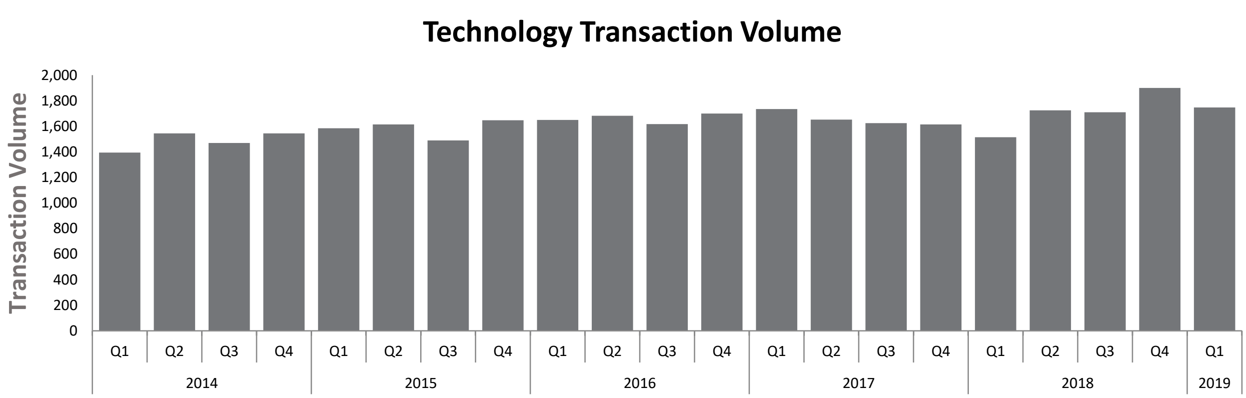


*Source: Capital IQ*

MIRUS
CAPITAL ADVISORS


## 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' 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.

### 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 thirty 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**
alternative@merger.com
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

Casco Development has been acquired by CAi Software

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.

ROC IT Solutions has been acquired by tracelink

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 verizon

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 AUTODESK

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 INSIGHT Venture Partners

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.