



# TECHNOLOGY

## In This Issue:

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

© Mirus Capital Advisors, Inc. 2020

# IoT

## Industry News

### Trending Predictions of IoT in 2020

IoT For All [Full Article](#)

The ecosystem of the internet is not just limited to computers and mobile devices. The inception of technology like the Internet of Things (IoT), has made devices more efficient and smart. In short, IoT can be explained as a system of interrelated devices that can transfer data over a network without requiring any human effort.

It's been a while now that IoT has been transforming the way businesses operate. However, with the constant evolution in the technological world, there will be more breakthroughs to come.

### Sprint Expands IoT Platform to Europe With Swisscom & Telia

Nasdaq [Full Article](#)

Sprint Corp has teamed up with Swisscom and Telia Company in a bid to expand its Curiosity IoT platform to Europe. The Overland Park, KS-based company's solution has been designed to optimize the burgeoning global IoT environment by bringing the network to the data. Sprint's Curiosity simplifies business operations through centralized management of IoT devices.

The communications service provider's platform gives customers complete control over device profiles and configurations with a single point of contact. With in-country access using a local profile currently available in eight countries, Sprint is helping customers to transform the way they connect and manage IoT applications worldwide.

### Consumer IoT Devices are Flooding Corporate Networks

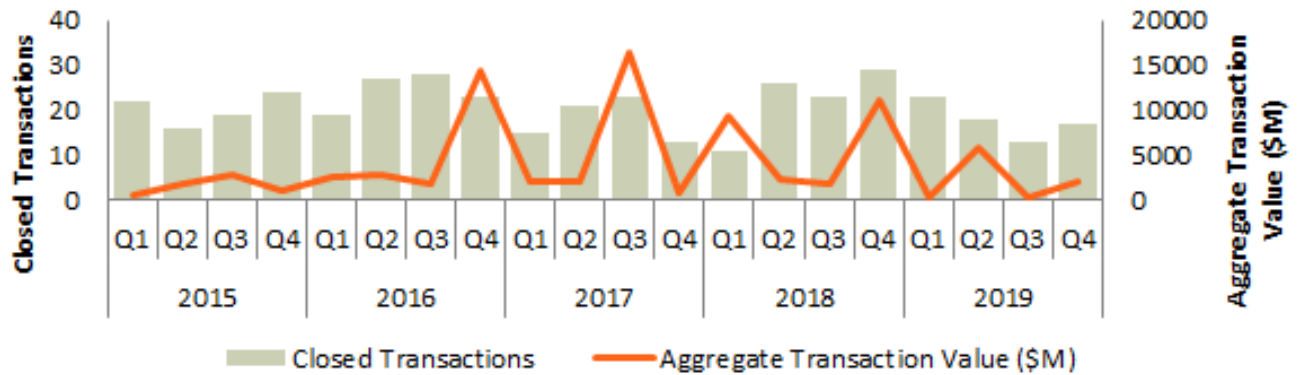
Computer Business Review [Full Article](#)

Half of all the IoT devices interacting with business networks are actually consumer devices, many of which have incredibly inadequate security.

The figure is from cybersecurity firm Zscaler whose own software was at one point last year blocking more than 2,000 pieces of IoT-based malware. Now that number has skyrocketed to 14,000 malware attempts every month.

# IoT

## IoT M&A Environment

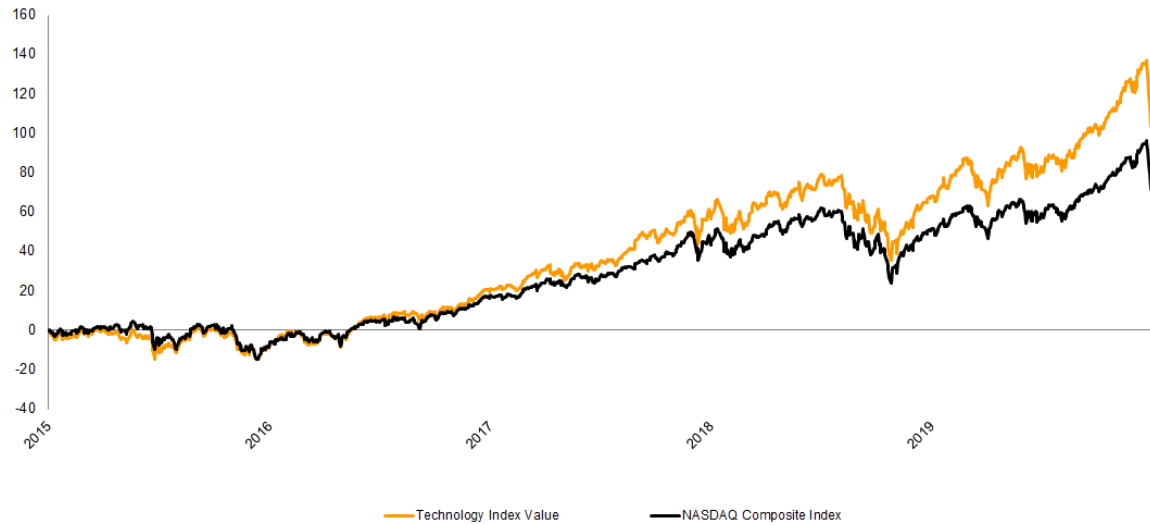


## Selected Q4 2019 IoT Transactions

Date Closed	Target	Buyers/Investors	Sector	Enterprise Value (\$M)	EV / LTM Revenue	EBITDA
10/1/2019	DeepScale	Tesla	Software	-	-	-
10/1/2019	Matricis Informatique	Alithya (Paul Raymond)	IT Services	7.2	-	-
10/1/2019	MESTECH Services	Rockwell Automation (Matthew Fordenwalt)	IT Services	-	-	-
10/3/2019	Pwnie Express	Outpost24 (Martin Henricson)	Software	4	-	-
10/10/2019	DeepMagic	Standard Cognition (Jordan Fisher)	Software	-	-	-
10/11/2019	Sankalp Semiconductor	HCL Technologies (GH Rao)	Semiconductors	25.27	-	1.26
10/17/2019	I-View Now	ADT Security Services (James DeVries)	Software	-	-	-
10/17/2019	Nextagenda	Konica Minolta (Lars Wörzner)	Commercial Services	-	-	-
10/25/2019	Helios Wire	EchoStar (Anders Johnson)	Computer Hardware	-	-	-
11/6/2019	Dojo-Labs (Israel)	ForeScout	Software	-	-	-
11/14/2019	Cymplify	Check Point Software Technologies (Dorit Dor)	Software	-	-	-
11/20/2019	Brava Home	Middleby (Timothy Fitzgerald)	Consumer Durables	-	-	-
11/25/2019	LocusLabs	Acuity Brands (Audwin Cash)	Software	-	-	-
12/2/2019	Elovent	Instalco (Robin Boheman)	Commercial Services	-	-	-
12/6/2019	Marvell Technology Group (Wireless Chip Business)	NXP Semiconductors (Richard Clemmer)	Computer Hardware	1760	-	5.87
12/13/2019	Opengear	Digi International (Ronald Konezny)	Communications and Networki	155	8.48	2.77
12/20/2019	UP2 Technology	Strypes Bulgaria	Software	-	-	-

# Technology

Largely mirroring the fluctuations of the NASDAQ Composite Index, the Technology sector has outperformed the overall market. Key drivers of growth in the sector in 2020 include the cloud based computing, edge computing, and artificial intelligence.



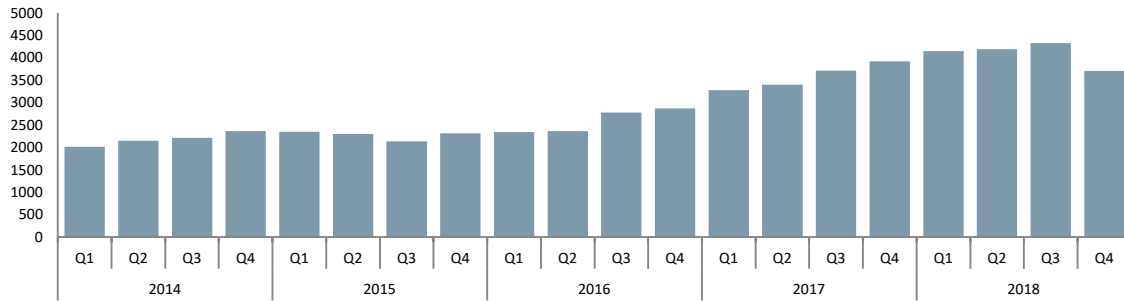
As of 12/31/2019		LTM Financials				Valuation Metrics			LTM Margins	
Company Name	Ticker	Enterprise Value	Revenue	Gross Profit	EBITDA	EV / Revenue	EV / Gross Profit	EV / EBITDA	Gross Margin	EBITDA Margin
Activision Blizzard, Inc.	NasdaqGS:ATVI	\$43,661	\$6,489	\$4,400	\$2,072	6.7x	9.9x	21.1x	67.8%	31.9%
Adobe Systems Incorporated	NasdaqGS:ADBE	\$159,042	\$11,171	\$9,499	\$3,834	14.2x	16.7x	41.5x	85.0%	34.3%
Alliance Data Systems Corporation	NYSE:ADS	\$23,204	\$5,581	\$1,027	\$1,190	4.2x	22.6x	19.5x	18.4%	21.3%
Amphenol Corporation	NYSE:APH	\$35,294	\$8,225	\$2,616	\$1,952	4.3x	13.5x	18.1x	31.8%	23.7%
Anixter International Inc.	NYSE:AXE	\$4,363	\$8,712	\$1,745	\$429	0.5x	2.5x	10.2x	20.0%	4.9%
Apple Inc.	NasdaqGS:AAPL	\$1,312,255	\$267,683	\$101,578	\$78,121	4.9x	12.9x	16.8x	37.9%	29.2%
Applied Materials, Inc.	NasdaqGS:AMAT	\$57,565	\$14,608	\$6,386	\$3,713	3.9x	9.0x	15.5x	43.7%	25.4%
Arrow Electronics, Inc.	NYSE:ARW	\$10,352	\$28,917	\$3,298	\$1,026	0.4x	3.1x	10.1x	11.4%	3.5%
Automatic Data Processing, Inc.	NasdaqGS:ADP	\$75,255	\$14,538	\$6,579	\$3,661	5.2x	11.4x	20.6x	45.3%	25.2%
Booz Allen Hamilton Holding Corporation	NYSE:BAH	\$11,666	\$7,274	\$1,730	\$728	1.6x	6.7x	16.0x	23.8%	10.0%
CDW Corporation	NasdaqGS:CDW	\$24,165	\$18,032	\$3,040	\$1,397	1.3x	7.9x	17.3x	16.9%	7.7%
Cisco Systems, Inc.	NasdaqGS:CSCO	\$195,067	\$51,991	\$32,984	\$16,207	3.8x	5.9x	12.0x	63.4%	31.2%
Cognizant Technology Solutions Corporation	NasdaqGS:CTSH	\$32,583	\$16,783	\$6,149	\$3,291	1.9x	5.3x	9.9x	36.6%	19.6%
Corning Incorporated	NYSE:GLW	\$30,857	\$11,503	\$4,035	\$2,809	2.7x	7.6x	11.0x	35.1%	24.4%
DXC Technology Company	NYSE:DXC	\$17,860	\$20,042	\$5,078	\$3,264	0.9x	3.5x	5.5x	25.3%	16.3%
eBay Inc.	NasdaqGS:EBAY	\$34,702	\$10,800	\$8,292	\$3,079	3.2x	4.2x	11.3x	76.8%	28.5%
Facebook, Inc.	NasdaqGS:FB	\$542,615	\$70,697	\$57,927	\$29,727	7.7x	9.4x	18.3x	81.9%	42.0%
Fidelity National Information Services, Inc.	NYSE:FIS	\$104,944	\$10,333	\$3,723	\$3,500	10.2x	28.2x	30.0x	36.0%	33.9%
Hewlett Packard Enterprise Company	NYSE:HPE	\$30,624	\$29,135	\$9,500	\$5,455	1.1x	3.2x	5.6x	32.6%	18.7%
HP Inc.	NYSE:HPQ	\$30,463	\$58,756	\$11,170	\$5,009	0.5x	2.7x	6.1x	19.0%	8.5%
Insight Enterprises, Inc.	NasdaqGS:NSIT	\$3,466	\$7,731	\$1,138	\$304	0.4x	3.0x	11.4x	14.7%	3.9%
Intel Corporation	NasdaqGS:INTC	\$277,803	\$71,965	\$42,140	\$32,130	3.9x	6.6x	8.6x	58.6%	44.6%
International Business Machines Corporation	NYSE:IBM	\$179,517	\$77,147	\$36,488	\$16,602	2.3x	4.9x	10.8x	47.3%	21.5%
Jabil Inc.	NYSE:JBL	\$8,554	\$26,282	\$1,948	\$1,550	0.3x	4.4x	5.5x	7.4%	5.9%
Lam Research Corporation	NasdaqGS:LRCX	\$41,372	\$9,549	\$4,317	\$2,684	4.3x	9.6x	15.4x	45.2%	28.1%
Leidos Holdings, Inc.	NYSE:LIDOS	\$16,767	\$10,787	\$1,490	\$1,063	1.6x	11.3x	15.8x	13.8%	9.9%
Mastercard Incorporated	NYSE:MA	\$303,704	\$16,883	\$16,883	\$10,189	18.0x	18.0x	29.8x	100.0%	60.4%
Micron Technology, Inc.	NasdaqGS:MU	\$58,453	\$20,637	\$7,453	\$9,497	2.8x	7.8x	6.2x	36.1%	46.0%
Microsoft Corporation	NasdaqGS:MSFT	\$1,152,024	\$134,249	\$90,903	\$61,265	8.6x	12.7x	18.8x	67.7%	45.6%
Motorola Solutions, Inc.	NYSE:MSI	\$32,834	\$7,887	\$3,948	\$2,122	4.2x	8.3x	15.5x	50.1%	26.9%
NCR Corporation	NYSE:NCR	\$8,625	\$6,915	\$1,921	\$944	1.2x	4.5x	9.1x	27.8%	13.7%
NetApp, Inc.	NasdaqGS:NTAP	\$13,005	\$5,762	\$3,749	\$1,165	2.3x	3.5x	11.2x	65.1%	20.2%
NVIDIA Corporation	NasdaqGS:NVDA	\$136,783	\$10,018	\$5,960	\$2,503	13.7x	23.0x	54.6x	59.5%	25.0%
Oracle Corporation	NYSE:ORCL	\$197,041	\$39,583	\$31,539	\$16,190	5.0x	6.2x	12.2x	79.7%	40.9%
PayPal Holdings, Inc.	NasdaqGS:PYPL	\$122,027	\$17,772	\$7,987	\$3,404	6.9x	15.3x	35.8x	44.9%	19.2%
QUALCOMM Incorporated	NasdaqGS:QCOM	\$104,446	\$24,508	\$15,984	\$9,800	4.3x	6.5x	10.7x	65.2%	40.0%
Salesforce.com, inc.	NYSE:CRM	\$144,226	\$15,850	\$11,889	\$2,333	9.1x	12.1x	61.8x	75.0%	14.7%
Sanmina Corporation	NasdaqGS:SANM	\$2,347	\$7,886	\$577	\$402	0.3x	4.1x	5.8x	7.3%	5.1%
SYNNEX Corporation	NYSE:SNX	\$9,645	\$23,757	\$2,898	\$1,264	0.4x	3.3x	7.6x	12.2%	5.3%
Tech Data Corporation	NasdaqGS:TECD	\$5,767	\$37,082	\$2,281	\$732	0.2x	2.5x	7.9x	6.2%	2.0%
Texas Instruments Incorporated	NasdaqGS:TXN	\$121,002	\$14,383	\$9,164	\$6,678	8.4x	13.2x	18.1x	63.7%	46.4%
Visa Inc.	NYSE:V	\$415,002	\$23,525	\$22,796	\$16,052	17.6x	18.2x	25.9x	96.9%	68.2%
VMware, Inc.	NYSE:VMW	\$65,836	\$9,752	\$8,314	\$2,479	6.8x	7.9x	26.6x	85.3%	25.4%
Western Digital Corporation	NasdaqGS:WDC	\$26,097	\$15,581	\$2,914	\$1,206	1.7x	9.0x	21.6x	18.7%	7.7%
Xerox Corporation	NYSE:XXR	\$12,456	\$9,066	\$3,650	\$1,577	1.4x	3.4x	7.9x	40.3%	17.4%

Median	3.8x	7.8x	15.4x	40.3%	23.7%
Mean	4.5x	9.0x	17.1x	44.4%	24.1%

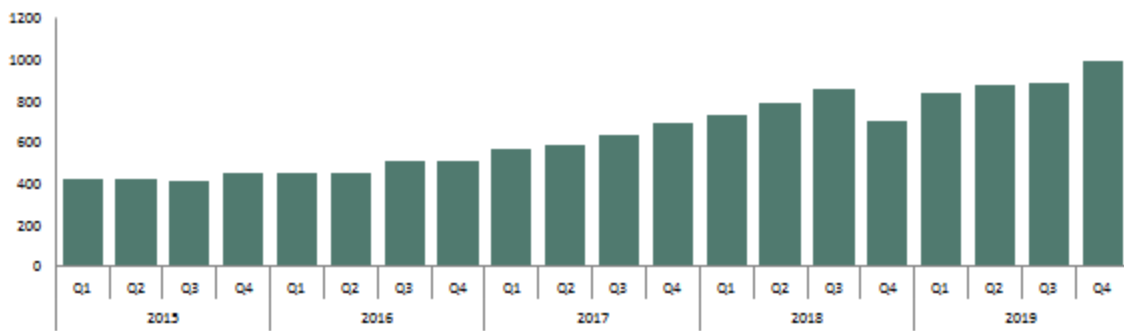
# Technology

## State of the Industry

NASDAQ 100 Technology Index

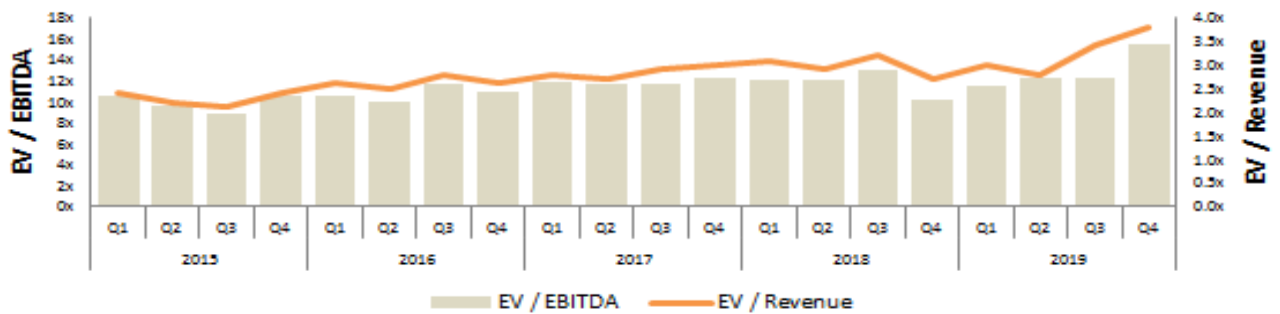


S&P North American Technology Sector Index



Source: Capital IQ

Industry Valuations



Source: Capital IQ

NASDAQ 100 Technology Index



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

As a Partner with Mirus Capital Advisors, Rudy Minar brings over 20 years of experience in investment banking and corporate finance. Prior to Mirus he was a partner at M&A tech boutique AGC Partners and worked in the technology investment banking groups of various Wall Street firms including CIBC World Markets and Oppenheimer on a broad range of financial transactions spanning large-cap public M&A, IPOs and private equity and debt financings. He has completed over 75 financial and advisory transactions aggregating over \$8 billion. Trained as an electrical engineer, Rudy brings deep domain knowledge and extensive relationships within the software and communications and networking sectors. He enjoys working with entrepreneurs, CEOs and senior management of technology companies to identify strategic growth initiatives, evaluate exit alternatives and execute transactions. He earned his Master in International Affairs from Columbia University and received his BSEE from Worcester Polytechnic Institute.



Rudy Minar

[minar@merger.com](mailto:minar@merger.com)

781-418-5965

*"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



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.



has been acquired by



a portfolio company of



MAM Software is a leading global provider of cloud-based business and on-premise management solutions for the auto parts, tire and vertical distribution industries. The company provides a portfolio of innovative software (SaaS and packaged), data (DaaS), and integration (iPaaS) services that enable businesses to intelligently manage core business processes, control costs and generate new profit opportunities. MAM's integrated platforms provide a wealth of rich functionality including: point-of-sale, inventory, purchasing, reporting, data and e-commerce. Kerridge Commercial Systems (KCS) provides specialist software, services and support to deliver fully integrated trading and business management solutions to distributive trades customers, large and small.