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Telecom & Communications

Industry News

Five Ways the Coronavirus will Affect the Connectivity and Tech Industry in 2020

Business Insider [Full Article](#)

The initial outbreak of the coronavirus in China disrupted global supply chains, but as the outbreak has grown into a global pandemic, the consequences have become even more far-reaching and less predictable.

Mobile World Congress, a seminal conference in the telecommunications industry, was among the first in a string of industry conferences and keynotes to be canceled as part of containment efforts. And as more employees are being asked to work remotely, the industry faces the prospect of delayed initiatives and missed partnership opportunities.

Telecom Industry, Broadband Advocates Push for Internet Subsidies in Next Stimulus

Morning Consult [Full Article](#)

With few funds dedicated to expanding at-home internet access in the \$2.2 trillion “phase three” economic stimulus package, broadband advocates and the telecommunications industry are starting to push for the Federal Communications Commission and Congress to ensure that the government prioritizes expanding and funding existing subsidy programs in the next relief legislation to bring more Americans online as the coronavirus continues to spread.

Comtech Secures Order for Satellite Ground Station Equipment

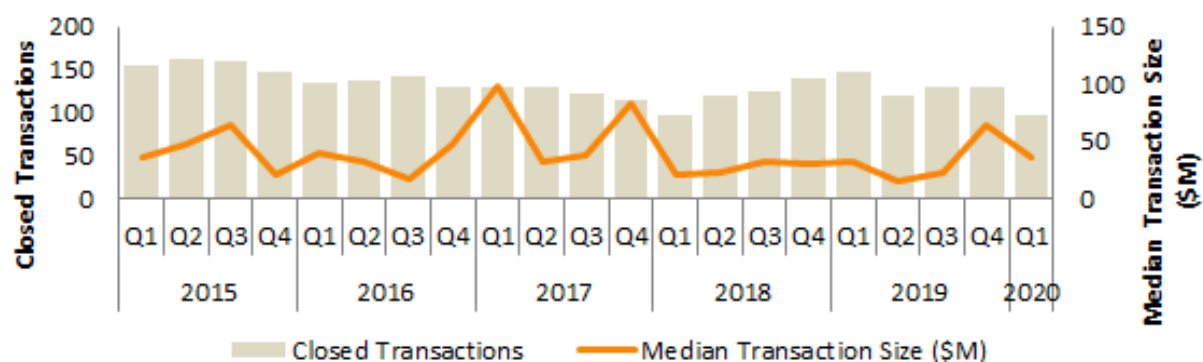
Yahoo Finance [Full Article](#)

Comtech Telecommunications Corp.’s CMTL subsidiary, Comtech EF Data Corp., recently clinched a \$1.6-million deal to reinforce its position in the market. Notably, the contract, which deals with the supply of avant-garde satellite ground station technologies, was awarded by a premier mobile network operator in China.

Per the terms of the deal, Comtech EF Data Corp., which is part of its Commercial Solutions segment, will provide its much-acclaimed Heights Networking Platform to elevate the mobile backhaul solutions with unparalleled horsepower, intelligence and efficiency. Equipped with the highest throughput capacity and powerful traffic analytics, the solution leverages a single user interface that enables operators to seamlessly design, implement, monitor and optimize the networking infrastructure.

Telecom & Communications

Telecom & Communications M&A Environment

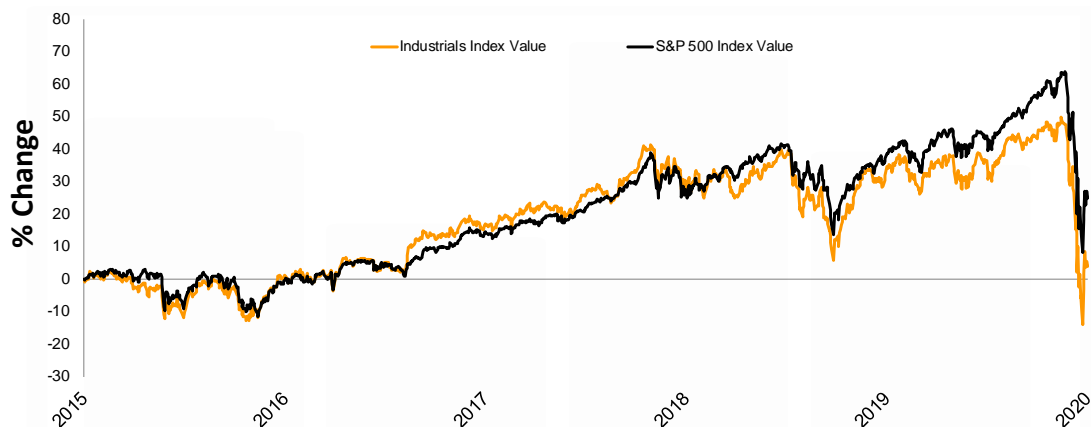


Selected Q1 2020 Telecom & Communications Transactions

Date Closed	Target	Buyers/Investors	Sector	Value (\$M)	Revenue	EBITDA
3/24/2020	S.A. Moldcell	CG Cell Technologies	Wireless Telecommunication Services	31.5		
3/23/2020	Doorport	PointCentral, LLC	Communications Equipment			
3/22/2020	Fiber1	Viken Fiber	Alternative Carriers			
3/20/2020	Wireless Solution Sweden Sales AB	LumenRadio AB	Communications Equipment			
3/19/2020	one2many B.V.	Everbridge, Inc. (NasdaqGM:EVBG)	Wireless Telecommunication Services	11.81		
3/18/2020	Moscow Radio Plant	MR Group CJSC	Communications Equipment	29.1		
3/17/2020	R Squared Technologies, Inc.	Han Tang Technology, Inc.	Communications Equipment			
3/10/2020	Fibaire Communications, LLC	Boston Omaha Corporation (NasdaqCM:BOMN)	Wireless Telecommunication Services			
3/10/2020	LifeSize Communications Inc.	Serenova, LLC	Communications Equipment			
2/25/2020	Blue Cube Networks Limited	Calteq Limited	Communications Equipment			
2/12/2020	Tele2 Russia Telecom	Public Joint Stock Company Rostelecom (MISX:RTKM)	Wireless Telecommunication Services			
2/10/2020	Mobile antenna business of The English Court	Cellnex Telecom, S.A. (BME:CLNX)	Alternative Carriers			
1/7/2020	PLDT Inc. (PSE:TEL)	JG Summit Holdings, Inc. (PSE:JGS)	Wireless Telecommunication Services	4,260.43	4.94	9.78
1/7/2020	Sitco Internet	Watch Communications	Alternative Carriers			

Industrials

In the first quarter of 2020, the Industrials sector declined significantly due to the global impact of COVID-19. The Industrials index decreased in value more than several other sectors that comprise the S&P 500, as auto manufacturing and construction markets suffer. In March, Industrial Production fell 5.4% according to the Federal Reserve as factories suspended operations.

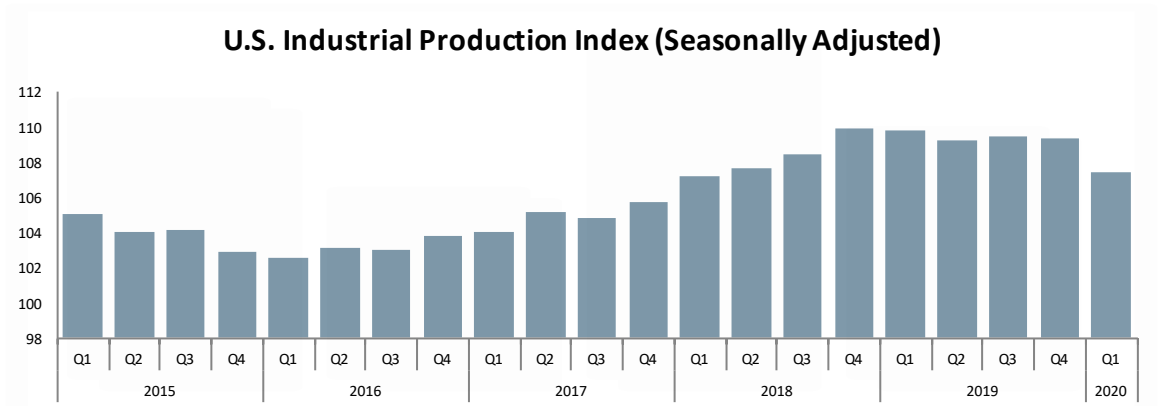


As of 3/31/2019		LTM Financials				Valuation Metrics			LTM Margins	
Company Name	Ticker	Enterprise Value	Revenue	Gross Profit	EBITDA	EV / Revenue	EV / Gross Profit	EV / EBITDA	Gross Margin	EBITDA Margin
3M Company	NYSE:MMM	\$97,440	\$32,136	\$15,400	\$8,729	3.0x	6.3x	11.2x	47.9%	27.2%
Alaska Air Group	NYSE:ALK	\$5,185	\$8,781	\$2,491	\$1,494	0.6x	2.1x	3.5x	28.4%	17.0%
American Airlines Group	NasdaqGS:AAL	\$34,812	\$45,768	\$12,560	\$6,207	0.8x	2.8x	5.6x	27.4%	13.6%
Arconic	NYSE:ARNC	\$0	\$7,277	\$1,007	\$609	0.0x	0.0x	0.0x	13.8%	8.4%
Boeing Company	NYSE:BA	\$102,968	\$76,559	\$4,759	\$169	1.3x	21.6x	609.3x	6.2%	0.2%
C. H. Robinson Worldwide	NasdaqGS:CHRW	\$9,803	\$15,310	\$1,288	\$873	0.6x	7.6x	11.2x	8.4%	5.7%
Caterpillar	NYSE:CAT	\$94,890	\$53,800	\$14,462	\$10,610	1.8x	6.6x	8.9x	26.9%	19.7%
CSX	NasdaqGS:CSX	\$59,011	\$11,937	\$6,288	\$6,288	4.9x	9.4x	9.4x	52.7%	52.7%
Cummins	NYSE:CMI	\$22,400	\$23,571	\$5,980	\$3,253	1.0x	3.7x	6.9x	25.4%	13.8%
Deere & Co.	NYSE:DE	\$85,359	\$39,233	\$9,178	\$6,179	2.2x	9.3x	13.8x	23.4%	15.7%
Delta Air Lines	NYSE:DAL	\$33,289	\$47,007	\$12,916	\$8,913	0.7x	2.6x	3.7x	27.5%	19.0%
Dover	NYSE:DOV	\$14,941	\$7,136	\$2,630	\$1,330	2.1x	5.7x	11.2x	36.9%	18.6%
Eaton Corporation	NYSE:ETN	\$40,270	\$21,390	\$7,052	\$3,735	1.9x	5.7x	10.8x	33.0%	17.5%
Emerson Electric Company	NYSE:EMR	\$34,075	\$18,376	\$7,813	\$3,709	1.9x	4.4x	9.2x	42.5%	20.2%
Expeditors International	NasdaqGS:EXPD	\$10,372	\$8,175	\$1,048	\$818	1.3x	9.9x	12.7x	12.8%	10.0%
FedEx Corporation	NYSE:FDX	\$63,355	\$69,189	\$14,637	\$4,456	0.9x	4.3x	14.2x	21.2%	6.4%
Fluor	NYSE:FLR	\$1,201	\$18,520	-\$194	-\$119	0.1x	-6.2x	-10.1x	-1.0%	-0.6%
Fortive	NYSE:FTV	\$23,917	\$7,320	\$3,696	\$1,586	3.3x	6.5x	15.1x	50.5%	21.7%
General Dynamics	NYSE:GD	\$51,196	\$39,350	\$7,059	\$5,493	1.3x	7.3x	9.3x	17.9%	14.0%
General Electric	NYSE:GE	\$150,488	\$95,214	\$18,813	\$11,932	1.6x	8.0x	12.6x	19.8%	12.5%
Grainger (W.W.)	NYSE:GWV	\$15,627	\$11,486	\$4,397	\$1,636	1.4x	3.6x	9.6x	38.3%	14.2%
Honeywell Int'l	NYSE:HON	\$101,138	\$36,709	\$12,370	\$8,592	2.8x	8.2x	11.8x	33.7%	23.4%
Illinois Tool Works	NYSE:ITW	\$51,086	\$14,109	\$5,922	\$3,852	3.6x	8.6x	13.3x	42.0%	27.3%
Ingersoll-Rand	NYSE:IR	\$6,266	\$2,452	\$912	\$527	2.6x	6.9x	11.9x	37.2%	21.5%
J. B. Hunt Transport Services	NasdaqGS:JBHT	\$11,186	\$9,165	\$1,637	\$1,256	1.2x	6.8x	8.9x	17.9%	13.7%
Jacobs Engineering Group	TSXV:JEC	\$22	\$12	\$7	\$8	1.8x	3.0x	2.9x	61.9%	63.7%
Johnson Controls International	NYSE:JCI	\$27,901	\$24,080	\$7,771	\$2,736	1.2x	3.6x	10.2x	32.3%	11.4%
Lockheed Martin	NYSE:LMT	\$107,776	\$59,812	\$8,367	\$8,776	1.8x	12.9x	12.3x	14.0%	14.7%
Masco	NYSE:MAS	\$11,573	\$6,707	\$2,371	\$1,235	1.7x	4.9x	9.4x	35.4%	18.4%
Nielsen Holdings	NYSE:NLSN	\$13,020	\$6,498	\$3,676	\$1,209	2.0x	3.5x	10.8x	56.6%	18.6%
Norfolk Southern	NYSE:NSC	\$49,971	\$11,296	\$5,190	\$5,191	4.4x	9.6x	9.6x	45.9%	46.0%
Northrop Grumman	NYSE:NOC	\$63,922	\$33,841	\$7,259	\$3,987	1.9x	8.8x	16.0x	21.5%	11.8%
PACCAR	NasdaqGS:PCAR	\$27,298	\$25,600	\$3,863	\$3,506	1.1x	7.1x	7.8x	15.1%	13.7%
Parker-Hannifin	NYSE:PH	\$25,472	\$14,201	\$3,602	\$2,532	1.8x	7.1x	10.1x	25.4%	17.8%
Quanta Services	NYSE:PWR	\$6,018	\$12,112	\$1,600	\$862	0.5x	3.8x	7.0x	13.2%	7.1%
Raytheon	LSE:RTN	\$622	\$1,405	\$184	\$175	0.4x	3.4x	3.6x	13.1%	12.5%
Republic Services	NYSE:RSG	\$32,898	\$10,299	\$4,081	\$2,865	3.2x	8.1x	11.5x	39.6%	27.8%
Robert Half International	NYSE:RHI	\$4,282	\$6,074	\$2,531	\$686	0.7x	1.7x	6.2x	41.7%	11.3%
Rockwell Automation	NYSE:ROK	\$19,548	\$6,737	\$2,864	\$1,456	2.9x	6.8x	13.4x	42.5%	21.6%
Ryder System	NYSE:R	\$9,456	\$8,926	\$1,594	\$2,171	1.1x	5.9x	4.4x	17.9%	24.3%
Southwest Airlines	NYSE:LUV	\$18,351	\$22,428	\$7,020	\$3,990	0.8x	2.6x	4.6x	31.3%	17.8%
Textron	NYSE:TXT	\$8,981	\$13,345	\$2,248	\$1,644	0.7x	4.0x	5.5x	16.8%	12.3%
Union Pacific	NYSE:UNP	\$123,496	\$21,708	\$11,891	\$10,831	5.7x	10.4x	11.4x	54.8%	49.9%
United Parcel Service	NYSE:UPS	\$102,650	\$74,094	\$13,637	\$7,896	1.4x	7.5x	13.0x	18.4%	10.7%
United Rentals	NYSE:URI	\$19,710	\$9,351	\$3,745	\$2,653	2.1x	5.3x	7.4x	40.0%	28.4%
United Technologies	BOIN:UTX	\$0	\$13,118	\$3,826	\$2,088	0.0x	0.0x	0.0x	29.2%	15.9%
Waste Management	NYSE:WM	\$49,595	\$15,455	\$5,975	\$4,344	3.2x	8.3x	11.4x	38.7%	28.1%

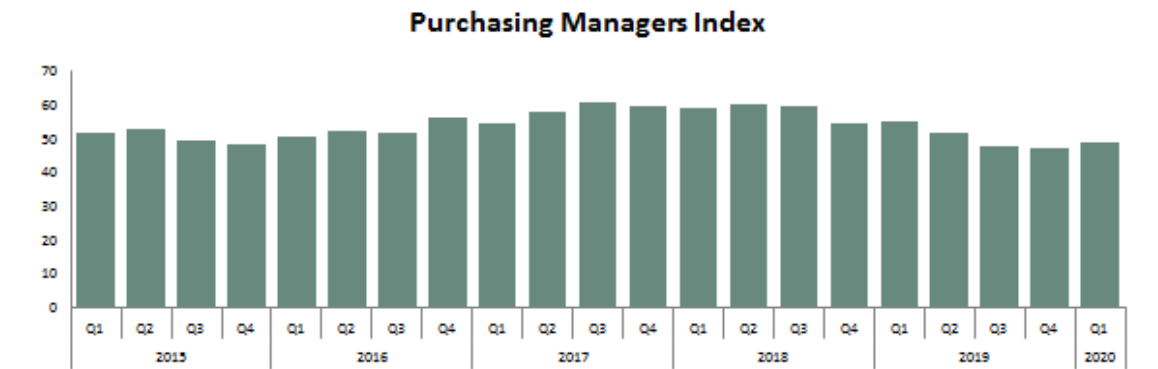
Median	1.6x	6.3x	9.6x	28.4%	17.0%
Mean	1.8x	6.0x	21.5x	29.7%	19.1%

Industrials

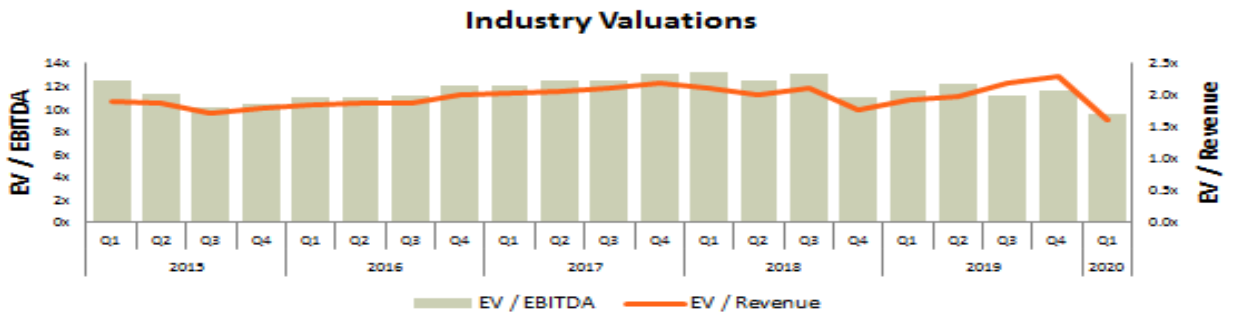
State of the Industry



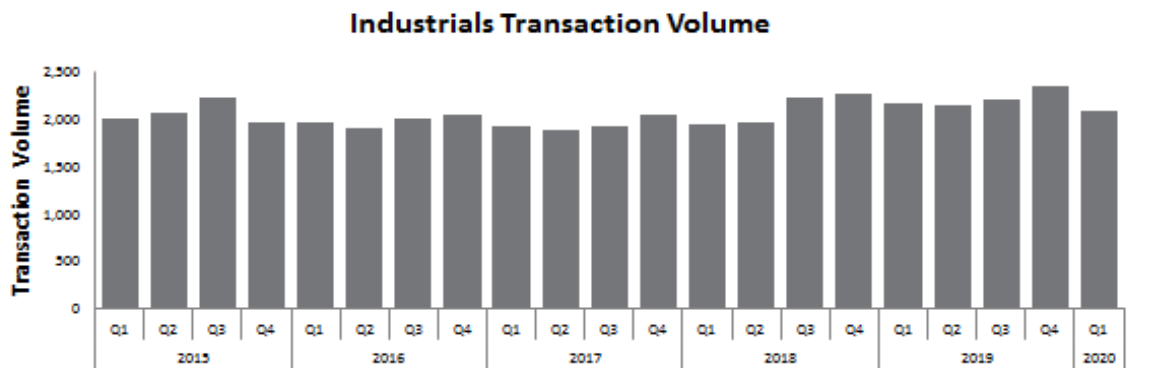
Source: Federal Reserve



Source: Institution for Supply Management



Source: Capital IQ



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' 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.

Partners Spotlight

Alan, Andrew, and Rudy 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. Rudy has over 20 years of experience in investment banking and corporate finance, advising on a broad range of M&A, IPOs, and financing transactions. Rudy earned his MIA from Columbia University and his BSEE from Worcester Polytechnic Institute.



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"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."



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Mirus Industrial Spotlight



has been acquired by



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.



has been acquired by



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.



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



Diagnosys is a developer and manufacturer of comprehensive automated test equipment (ATE) providing test, support, and repair of high value electronics, electro-mechanical, pneumatic and printed circuit boards focused on the global mass transit and defense markets. Apronics Corporation (Nasdaq: ATRO) is a leading provider of advanced technologies for the global aerospace, defense, and other mission critical industries.



has been acquired by



Amsyn is a national distributor of specialty chemicals to the coatings, lubricants, nutraceutical, pharmaceutical, and electronics industries. Amsyn's broad portfolio of specialty chemicals and intermediates is supplemented by its differentiated service offering. Maroon Group is a leading distributor of specialty chemicals and ingredients across North America. Going forward, Amsyn's wide range of technical capabilities and global supplier relationships will be additive to Maroon's existing capabilities and its targeted growth strategy.