



TECHNOLOGY

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Spotlight

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Infrastructure Software

Industry News

COVID-19 Impact on the Infrastructure Software Industry

Network World [Full Article](#)

"The situations created by COVID-19 have had a significant impact on the world," Gartner IT research Vice President Jeffrey Hewitt said. "This impact is having an influence on almost all of the trends that infrastructure and operations leaders will be facing going forward." One significant change is remote IT staff. Gartner is forecasting that by the end of 2023, more than 90% of I&O organizations will have most of their staff working remotely, Hewitt said. The remote I&O workforce is being driven not only by the pandemic but also by changes to infrastructure and the move to edge and distributed cloud networking.

HelpSystems Acquires GlobalSCAPE, Inc. (NYSE: GSB)

PR Newswire [Full Article](#)

HelpSystems today announced the successful completion of its cash tender offer for all of the outstanding shares of common stock of managed file transfer solutions provider GlobalSCAPE, Inc. (NYSE American: GSB). GlobalSCAPE is a leader in the secure managed file transfer software industry, helping organizations secure movement, automation, and integration of data no matter where it resides. This acquisition augments HelpSystems' data security business that includes data loss prevention and data classification software. "We are excited to bring the secure file transfer solutions and expertise of GlobalSCAPE together with our robust suite of data loss protection and data classification technology," said Kate Bolseth, CEO, HelpSystems.

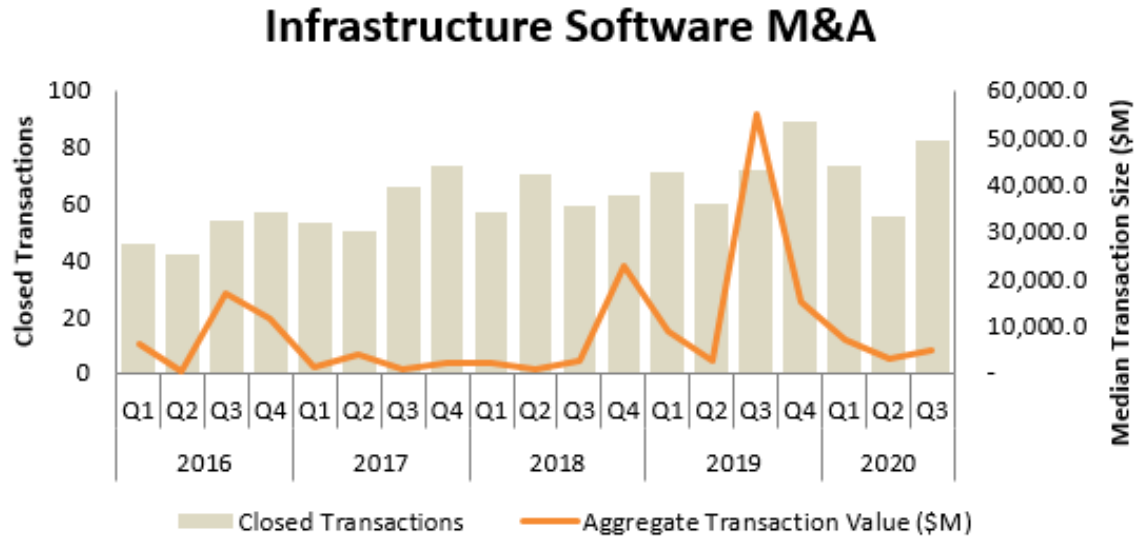
Datadog Acquires Undefined Labs to Provide Visibility into CI/CD Workflows

Business Wire [Full Article](#)

Datadog, Inc. (NASDAQ: DDOG), the monitoring and security platform for cloud applications, today announced that it has acquired Undefined Labs, a testing and observability company for developer workflows. This acquisition extends Datadog's existing platform into development environments and will provide organizations with better tooling and monitoring in continuous integration and deployment (CI/CD) workflows. "Undefined Labs will form a solid basis for making observability a key part of every development cycle by diagnosing, catching, and avoiding performance challenges long before they hit production," said Ilan Rabinovitch, Vice President, Product and Community at Datadog.

Infrastructure Software

Infrastructure Software M&A Environment

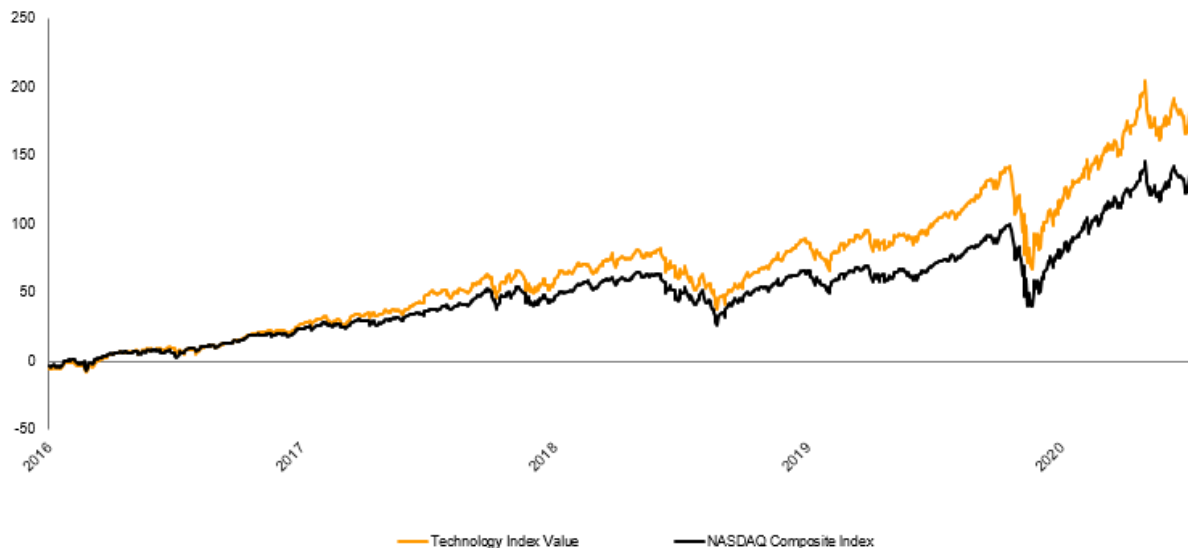


Selected Q3 2020 Infrastructure Software Transactions

Date Closed	Target	Buyers/Investors	Enterprise		EV / LTM	
			Value (\$M)	Revenue	EBITDA	
09/30/2020	Preempt Security, Inc.	CrowdStrike Holdings, Inc. (NasdaqGS:CRWD)	96.0	-	-	-
09/22/2020	Delve Laboratories, Inc.	SecureWorks Corp. (NasdaqGS:SCWX)	15.5	-	-	-
09/09/2020	NanoSemi, Inc.	MaxLinear, Inc. (NYSE:MXL)	97	-	-	-
09/01/2020	RSA Security LLC	AlpInvest Partners B.V.; Symphony Technology Group, LLC; Ontario Teachers' Pension Plan	2075	-	-	-
08/28/2020	GlobalSCAPE, Inc.	HelpSystems, LLC	219.66	5.44	13.65	-
08/14/2020	Forescout Technologies, Inc.	Advent International Corporation; Crosspoint Capital Partners, LP	1607	5.02	-	-
08/06/2020	Undefined Labs, Inc.	Datadog, Inc. (NasdaqGS:DDOG)	-	-	-	-
07/31/2020	Solo Sciences, Inc.	Akerna Corp. (NasdaqCM:KERN)	29	276.28	-	-
07/29/2020	Yaypay Inc.	Quadient S.A. (ENXTPA:QDT)	23	-	-	-
07/29/2020	Secure Identity, LLC	United Airlines, Inc.	-	-	-	-
07/22/2020	Finjan Holdings, Inc.	Fortress Investment Group LLC	13.97	0.82	5.07	-
07/20/2020	OPAQ Networks, Inc.	Fortinet, Inc. (NasdaqGS:FTNT)	13	-	-	-
07/19/2020	WDG Solucoes Em Sistemas E Automacao De Processos LTDA	International Business Machines Corporation (NYSE:IBM)	-	-	-	-

Technology

The Technology sector continued to rebound in the third quarter of 2020, reaching pre-pandemic valuations. The NASDAQ-100 Technology Sector rose 9.7% over the quarter as tech firms have begun to prepare for the possibility that remote and streaming demand may persist following the COVID-19 pandemic.



As of 09/30/2020

Company Name	Ticker	LTM Financials				Valuation Metrics			LTM Margins	
		Enterprise Value	Revenue	Gross Profit	EBITDA	EV / Revenue	EV / Gross Profit	EV / EBITDA	Gross Margin	EBITDA Margin
Activision Blizzard, Inc.	NasdaqGS:ATVI	\$58,700	\$7,660	\$5,565	\$2,899	7.7x	10.5x	20.2x	72.7%	37.8%
Adobe Systems Incorporated	NasdaqGS:ADBE	\$234,731	\$12,436	\$10,691	\$4,559	18.9x	22.0x	51.5x	86.0%	36.7%
Alliance Data Systems Corporation	NYSE:ADS	\$16,775	\$4,873	\$755	\$706	3.4x	22.2x	23.8x	15.5%	14.5%
Amphenol Corporation	NYSE:APH	\$34,819	\$8,324	\$2,577	\$1,870	4.2x	13.5x	18.6x	31.0%	22.5%
Apple Inc.	NasdaqGS:AAPL	\$1,909,214	\$274,515	\$104,956	\$77,344	7.0x	18.2x	24.7x	38.2%	28.2%
Applied Materials, Inc.	NasdaqGS:AMAT	\$55,245	\$16,268	\$7,219	\$4,382	3.4x	7.7x	12.6x	44.4%	26.9%
Arrow Electronics, Inc.	NYSE:ARW	\$8,301	\$27,557	\$3,067	\$954	0.3x	2.7x	8.7x	11.1%	3.5%
Automatic Data Processing, Inc.	NasdaqGS:ADP	\$60,509	\$14,565	\$6,512	\$3,809	4.2x	9.3x	15.9x	44.7%	26.2%
Booz Allen Hamilton Holding Corporation	NYSE:BAH	\$13,250	\$7,795	\$1,849	\$796	1.7x	7.2x	16.6x	23.7%	10.2%
CDW Corporation	NasdaqGS:CDW	\$20,612	\$18,048	\$3,107	\$1,558	1.1x	6.6x	13.2x	17.2%	8.6%
Cisco Systems, Inc.	NasdaqGS:CSCO	\$152,915	\$49,301	\$31,683	\$15,822	3.1x	4.8x	9.7x	64.3%	32.1%
Cognizant Technology Solutions Corporation	NasdaqGS:CTSH	\$36,527	\$16,752	\$6,056	\$3,133	2.2x	6.0x	11.7x	36.2%	18.7%
Corning Incorporated	NYSE:GLW	\$33,414	\$10,770	\$3,343	\$2,248	3.1x	10.0x	14.9x	31.0%	20.9%
DXC Technology Company	NYSE:DXC	\$13,089	\$18,892	\$4,100	\$2,743	0.7x	3.2x	4.8x	21.7%	14.5%
eBay Inc.	NasdaqGS:EBAY	\$40,252	\$11,803	\$9,144	\$3,694	3.4x	4.4x	10.9x	77.5%	31.3%
Facebook, Inc.	NasdaqGS:FB	\$698,869	\$78,975	\$64,002	\$30,221	8.8x	10.9x	23.1x	81.0%	38.3%
Fidelity National Information Services, Inc.	NYSE:FIS	\$110,087	\$12,578	\$4,353	\$4,451	8.8x	25.3x	24.7x	34.6%	35.4%
Hewlett Packard Enterprise Company	NYSE:HPE	\$24,185	\$26,989	\$8,663	\$4,686	0.9x	2.8x	5.2x	32.1%	17.4%
HP Inc.	NYSE:HPQ	\$28,822	\$56,788	\$10,682	\$4,892	0.5x	2.7x	5.9x	18.8%	8.6%
Insight Enterprises, Inc.	NasdaqGS:INSIT	\$2,621	\$8,346	\$1,295	\$340	0.3x	2.0x	7.7x	15.5%	4.1%
Intel Corporation	NasdaqGS:INTC	\$253,363	\$78,098	\$44,142	\$37,046	3.2x	5.7x	6.8x	56.5%	47.4%
International Business Machines Corporation	NYSE:IBM	\$164,155	\$75,030	\$36,153	\$15,690	2.2x	4.5x	10.5x	48.2%	20.9%
Jabil Inc.	NYSE:JBL	\$6,920	\$27,266	\$1,931	\$1,531	0.3x	3.6x	4.5x	7.1%	5.6%
Lam Research Corporation	NasdaqGS:LRCX	\$47,407	\$11,056	\$5,133	\$3,374	4.3x	9.2x	14.0x	46.4%	30.5%
Leidos Holdings, Inc.	NYSE:LDOS	\$17,751	\$11,592	\$1,590	\$1,222	1.5x	11.2x	14.5x	13.7%	10.5%
Mastercard Incorporated	NYSE:MA	\$339,578	\$15,595	\$15,595	\$9,029	21.8x	21.8x	37.6x	100.0%	57.9%
Micron Technology, Inc.	NasdaqGS:MU	\$50,158	\$21,435	\$6,552	\$8,710	2.3x	7.7x	5.8x	30.6%	40.6%
Microsoft Corporation	NasdaqGS:MSFT	\$1,537,322	\$147,114	\$100,440	\$68,123	10.4x	15.3x	22.6x	68.3%	46.3%
Motorola Solutions, Inc.	NYSE:MSI	\$31,434	\$7,517	\$3,713	\$1,987	4.2x	8.5x	15.8x	49.4%	26.4%
NCR Corporation	NYSE:NCR	\$6,719	\$6,462	\$1,749	\$642	1.0x	3.8x	10.5x	27.1%	9.9%
NetApp, Inc.	NasdaqGS:NTAP	\$8,875	\$5,479	\$3,679	\$1,110	1.6x	2.4x	8.0x	67.1%	20.3%
NVIDIA Corporation	NasdaqGS:NVDA	\$331,033	\$13,065	\$8,371	\$4,440	25.3x	39.5x	74.6x	64.1%	34.0%
Oracle Corporation	NYSE:ORCL	\$208,862	\$39,217	\$31,356	\$16,789	5.3x	6.7x	12.4x	80.0%	42.8%
PayPal Holdings, Inc.	NasdaqGS:PYPL	\$227,845	\$20,299	\$9,317	\$4,030	11.2x	24.5x	56.5x	45.9%	19.9%
QUALCOMM Incorporated	NasdaqGS:QCOM	\$138,567	\$23,531	\$14,276	\$7,620	5.9x	9.7x	18.2x	60.7%	32.4%
Salesforce.com, Inc.	NYSE:CRM	\$225,606	\$19,380	\$14,461	\$2,093	11.6x	15.6x	107.8x	74.6%	10.8%
Sanmina Corporation	NasdaqGS:SANM	\$1,780	\$6,978	\$515	\$353	0.3x	3.5x	5.0x	7.4%	5.1%
SYNNEX Corporation	NYSE:SNX	\$8,614	\$23,843	\$2,874	\$1,277	0.4x	3.0x	6.7x	12.1%	5.4%
Texas Instruments Incorporated	NasdaqGS:TXN	\$132,624	\$13,735	\$8,720	\$6,376	9.7x	15.2x	20.8x	63.5%	46.4%
Visa Inc.	NYSE:V	\$435,632	\$21,846	\$21,119	\$14,859	19.9x	20.6x	29.3x	96.7%	68.0%
VMware, Inc.	NYSE:VMW	\$63,089	\$11,338	\$9,438	\$2,279	5.6x	6.7x	27.7x	83.2%	20.1%
Western Digital Corporation	NasdaqGS:WDC	\$17,962	\$16,736	\$3,781	\$1,934	1.1x	4.8x	9.3x	22.6%	11.6%
Xerox Corporation	NYSE:XRX	\$6,288	\$7,536	\$2,943	\$997	0.8x	2.1x	6.3x	39.1%	13.2%

Median	3.4x	7.7x	14.0x	44.4%	20.9%
Mean	5.4x	10.2x	19.8x	45.6%	24.7%

Technology

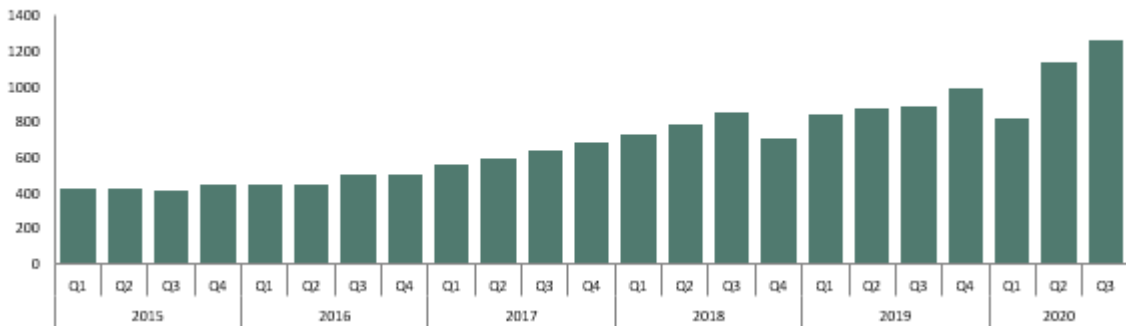
State of the Industry

NASDAQ 100 Technology Index



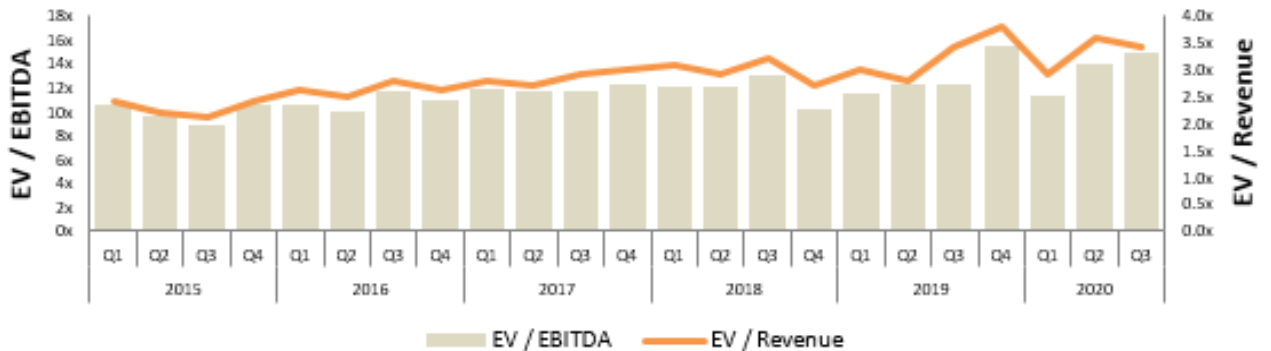
Source: Capital IQ

S&P North American Technology Sector Index



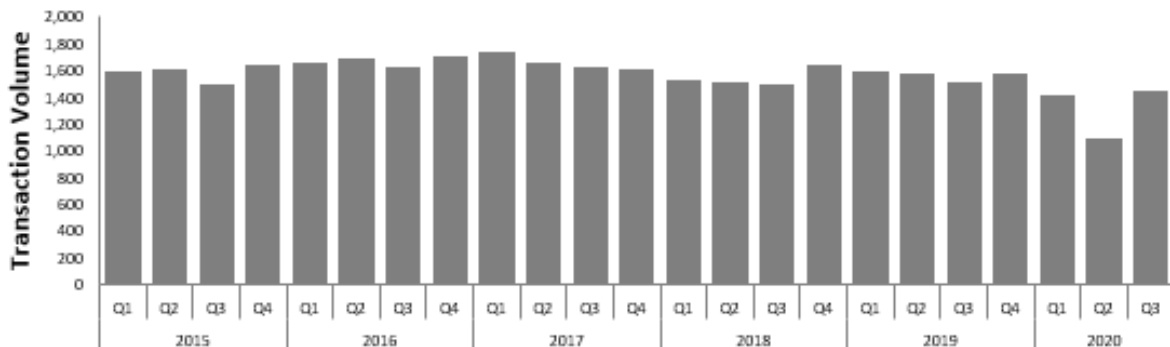
Source: Capital IQ

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

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

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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."

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



LiveData Utilities provides leading operational technology (OT) middleware solutions and SCADA capabilities to monitor and control utility equipment while reducing the complexity of real-time systems. Oracle offers a comprehensive and fully integrated stack of cloud applications and platform services. The acquisition extends Oracle Utilities' Network Management System by adding a long-standing partner that provides leading operational technology (OT) middleware solutions and SCADA capabilities to monitor and control utility equipment while reducing the complexity of real-time 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.