

Q1  
24

Technology Industry

# Mirus

## Telecom & Communications

# REPORT

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

# Telecom & Communications

## 2024 Telecommunications Industry Outlook

Deloitte [Full Article](#)

The telecommunications landscape presents both challenges and opportunities for Communications Service Providers (CSPs). While there is increased shift towards more distributed organizational structures and competition from nontraditional players, CSPs are exploring the potential of generative AI to streamline operations. The emergence of new connectivity options and the ongoing transition to 5G technology also pose both financial challenges and opportunities for growth.

Despite the uncertainties, CSPs could redefine their role in the connectivity ecosystem and strengthen their position through strategic investments and adaptation to emerging trends. The changes highlight the need for CSPs to optimize their strategies, partnerships, and utilization of government infrastructure funding.

## M&A in Telecommunications: Making the Right Selective Bets in a Tough Environment

Bain & Company [Full Article](#)

Despite macroeconomic challenges and regulatory uncertainties, scale deals remained resilient in 2023. In 2024, telecom M&A activity is expected to concentrate on fiber networks, enterprise services, and data centers. Fiber network consolidation is anticipated in mature markets, while enterprise services and data centers present opportunities for targeted acquisitions, particularly by private equity firms.

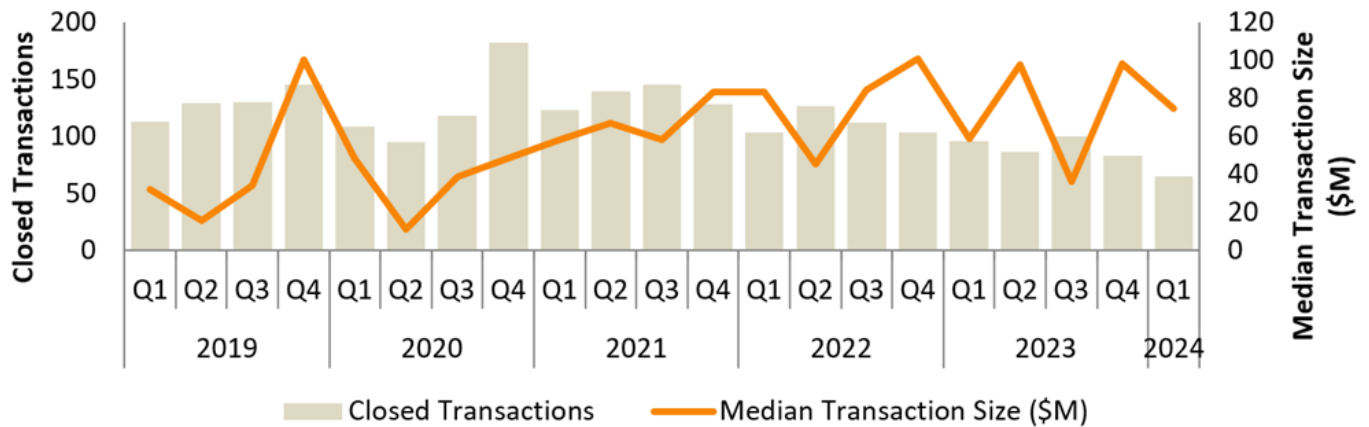
Regulatory scrutiny remains uncertain, though some executives perceive it as easing. Economic forecasts hint at a cautiously optimistic outlook in 2024, yet challenges such as buyer-seller valuation gap and debt costs will influence activity. Proactive scanning for opportunities, strategic asset shedding, and bold moves in adjacent sectors will be crucial for telecoms to maintain a competitive edge in the evolving landscape.

## Italy's Government Clears Telecom Italia Network Sale to KKR

Reuters [Full Article](#)

The Italian government approved Telecom Italia's (TIM) planned sale of its fixed-line network to KKR, valued at up to 22 billion euros. The approval, granted under Italy's "golden power" rule, which allows the government to scrutinize acquisitions in strategic sectors like telecommunications, includes commitments ensuring protection of strategic interests such as national security and defense oversight. While the deal, aimed at reducing TIM's debt and staff, is supported by the government, which plans to take a 20% stake in the network company, it is being challenged by top TIM investor Vivendi. TIM expects to finalize the deal by mid-year 2024.

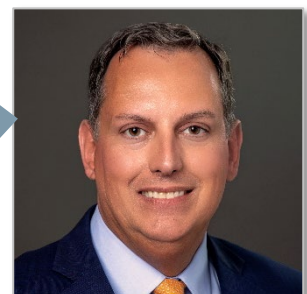
# Telecom & Communications M&A Environment



## Selected Q1 2024 Telecom & Communications Transactions

| Date Closed | Target  | Buyers/Investors                                 | Enterprise Value (\$M) |
|-------------|---|--|------------------------|
| 01/02/2024  | Go2 Communications, Inc                                   | Amplix Inc.                                      | -                      |
| 01/04/2024  | Telenor Satellite AS                                      | Space Norway AS                                  | 215.9                  |
| 01/09/2024  | Horizon Telecom B.V.                                      | Momentum Telecom, Inc.                           | -                      |
| 01/09/2024  | Home Networks business of CommScope Holding Company, Inc. | Vantiva S.A.                                     | 117.2                  |
| 01/10/2024  | All West Communications, Inc.                             | Novacap Investments, Inc.                        | -                      |
| 01/17/2024  | Telefónica Deutschland Holding AG                         | Telefónica Local Services GmbH                   | 598.1                  |
| 01/26/2024  | Wireless Social Limited                                   | Access UK Limited                                | -                      |
| 01/29/2024  | Reynolds Holdings Limited                                 | Spectrlite UK Limited                            | -                      |
| 02/05/2024  | Niagara Regional Broadband Network Ltd.                   | Cogeco Connexion Inc.                            | -                      |
| 02/14/2024  | Integrity Online, Inc.                                    | Integrity Marketing Group LLC                    | -                      |
| 02/27/2024  | Key Infrastructure Assets of SubCom LLC                   | NJFX Utility Service LLC                         | -                      |
| 03/04/2024  | Synergy Networks, Inc.                                    | Responsive Technology Partners Inc.              | -                      |
| 03/08/2024  | Datasharp Uk Limited                                      | Focus Group Limited                              | -                      |
| 03/08/2024  | SwitchRay Inc.  | NexaSwitch Global, LLC                           | -                      |
| 03/15/2024  | AtLink Services, LLC                                      | Element8 Technology Investment Group Inc.        | -                      |
| 03/25/2024  | Clearcaptions, LLC  | LSV Advisors, LLC                                | -                      |
| 03/25/2024  | Telefónica, S.A.  | Sociedad Estatal de Participaciones Industriales | 757.8                  |

“We expect M&A for companies within the telecom industry to heat up in the coming months as the market continues to seek out new and complementary equipment, services, and solutions providers focused on cybersecurity, IoT technology, data centers, connectivity, and wireless devices.”



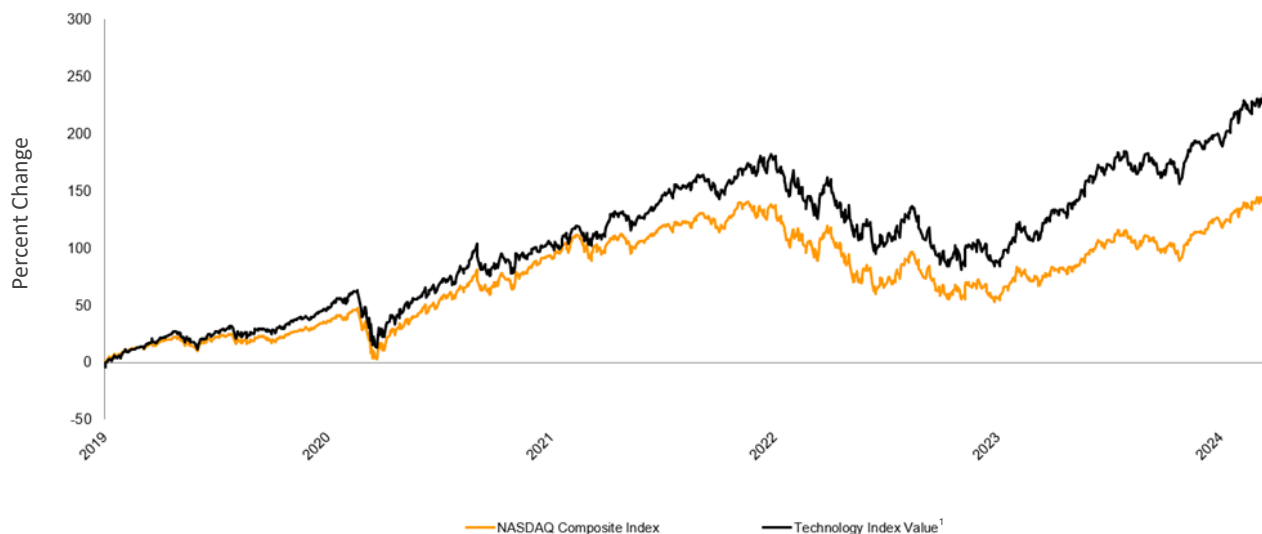
**Alan Fullerton**  
Partner



# Sector Update: Technology

Following robust performance in 2023, technology companies saw strong growth in the first quarter of 2024. Enduring trends such as cloud computing, artificial intelligence, and sustained expansion of semiconductor demand provide strong momentum and remain resilient.

## Select Technology Index v. Nasdaq



<sup>1</sup>Technology Index comprises 50 select representative public companies from the sector

## Select Telecom & Communications Public Companies

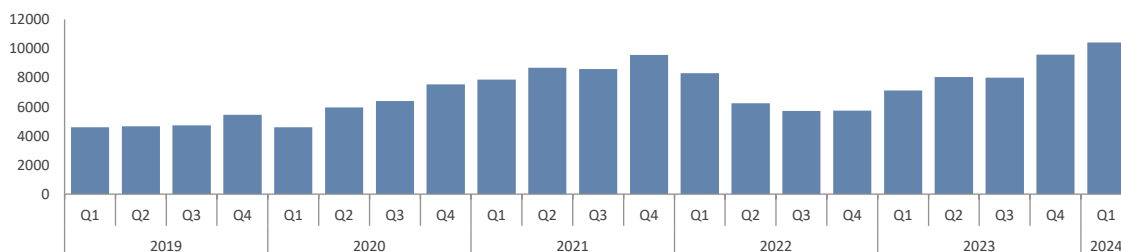
As of 3/31/2024

| Company Name                                       | CIQ | Ticker         | LTM Financials   |           |              |          | Valuation Metrics |                   |             | LTM Margins  |               |
|--|-----|----------------|------------------|-----------|--------------|----------|-------------------|-------------------|-------------|--------------|---------------|
|  |     |                | Enterprise Value | Revenue   | Gross Profit | EBITDA   | EV / Revenue      | EV / Gross Profit | EV / EBITDA | Gross Margin | EBITDA Margin |
| 8x8, Inc.  |     | NasdaqGS:EGHT  | \$707            | \$729     | \$505        | \$13     | 1.0x              | 1.4x              | 53.6x       | 69.3%        | 1.8%          |
| Advanced Micro Devices, Inc.                       |     | NASDAQ:AMD     | \$289,033        | \$22,800  | \$11,528     | \$3,837  | 12.7x             | 25.1x             | 75.3x       | 50.6%        | 16.8%         |
| Altice USA Inc.                                    |     | NYSE:ATUS      | \$26,263         | \$9,194   | \$6,192      | \$3,523  | 2.9x              | 4.2x              | 7.5x        | 67.3%        | 38.3%         |
| America Movil                                      |     | NYSE: AMX      | \$94,450         | \$48,904  | \$20,670     | \$19,157 | 1.9x              | 4.6x              | 4.9x        | 42.3%        | 39.2%         |
| Analog Devices, Inc.                               |     | NASDAQ:ADI     | \$103,810        | \$11,569  | \$7,227      | \$5,681  | 9.0x              | 14.4x             | 18.3x       | 62.5%        | 49.1%         |
| Applied Materials, Inc.                            |     | NasdaqGS:AMAT  | \$169,853        | \$26,485  | \$12,443     | \$8,137  | 6.4x              | 13.7x             | 20.9x       | 47.0%        | 30.7%         |
| Arrow Electronics, Inc.                            |     | NYSE:ARW       | \$10,934         | \$31,295  | \$3,893      | \$1,568  | 0.3x              | 2.8x              | 7.0x        | 12.4%        | 5.0%          |
| ASML Holding N.V.                                  |     | NASDAQ:ASML    | \$376,191        | \$28,161  | \$14,478     | \$9,633  | 13.4x             | 26.0x             | 39.1x       | 51.4%        | 34.2%         |
| AT&T Inc.  |     | NYSE:T         | \$296,461        | \$122,317 | \$72,571     | \$42,146 | 2.4x              | 4.1x              | 7.0x        | 59.3%        | 34.5%         |
| Broadcom Inc.                                      |     | NASDAQ:AVGO    | \$678,260        | \$38,865  | \$28,853     | \$20,404 | 17.5x             | 23.5x             | 33.2x       | 74.2%        | 52.5%         |
| Cable One, Inc.                                    |     | NYSE:CABO      | \$5,831          | \$1,660   | \$1,225      | \$868    | 3.5x              | 4.8x              | 6.7x        | 73.8%        | 52.3%         |
| CDW Corporation                                    |     | NasdaqGS:CDW   | \$40,015         | \$21,146  | \$4,626      | \$2,005  | 1.9x              | 8.6x              | 20.0x       | 21.9%        | 9.5%          |
| Charter Communications, Inc.                       |     | NASDAQ:CHTR    | \$144,081        | \$54,633  | \$21,343     | \$21,126 | 2.6x              | 6.8x              | 6.8x        | 39.1%        | 38.7%         |
| Cisco Systems, Inc.                                |     | NasdaqGS:CSCO  | \$188,517        | \$57,233  | \$36,754     | \$17,671 | 3.3x              | 5.1x              | 10.7x       | 64.2%        | 30.9%         |
| Cogent Communications Holdings, Inc.               |     | NASDAQ:CCOI    | \$4,913          | \$987     | \$399        | \$92     | 5.0x              | 12.3x             | 53.4x       | 40.4%        | 9.3%          |
| Comcast Corporation                                |     | NasdaqGS:CMCSA | \$270,405        | \$121,939 | \$85,358     | \$37,586 | 2.2x              | 3.2x              | 7.2x        | 70.0%        | 30.8%         |
| Deutsche Telekom AG                                |     | DTEGY          | \$306,355        | \$126,819 | \$55,012     | \$42,250 | 2.4x              | 5.6x              | 7.3x        | 43.4%        | 33.3%         |
| EchoStar Corporation                               |     | NASDAQ:SATS    | \$28,135         | \$16,643  | \$4,760      | \$1,541  | 1.7x              | 5.9x              | 18.3x       | 28.6%        | 9.3%          |
| Frontier Communications Parent, Inc.               |     | NASDAQ:FYBR    | \$15,751         | \$5,773   | \$3,668      | \$2,230  | 2.7x              | 4.3x              | 7.1x        | 63.5%        | 38.6%         |
| Hewlett Packard Enterprise Company                 |     | NYSE:HPE       | \$33,013         | \$28,081  | \$10,038     | \$4,998  | 1.2x              | 3.3x              | 6.6x        | 35.7%        | 17.8%         |
| Intel Corporation                                  |     | NasdaqGS:INTC  | \$216,456        | \$55,237  | \$22,920     | \$10,501 | 3.9x              | 9.4x              | 20.6x       | 41.5%        | 19.0%         |
| Iridium Communications Inc.                        |     | NASDAQ:IRDM    | \$4,632          | \$789     | \$568        | \$402    | 5.9x              | 8.2x              | 11.5x       | 71.9%        | 51.0%         |
| Jabil Inc.   |     | NYSE:JBL       | \$17,771         | \$32,087  | \$2,868      | \$2,356  | 0.6x              | 6.2x              | 7.5x        | 8.9%         | 7.3%          |
| KDDI Corporation                                   |     | 9433           | \$77,984         | \$38,042  | \$16,069     | \$10,836 | 2.0x              | 4.9x              | 7.2x        | 42.2%        | 28.5%         |
| KLA Corporation                                    |     | NASDAQ:KLAC    | \$97,211         | \$9,599   | \$5,718      | \$3,885  | 10.1x             | 17.0x             | 25.0x       | 59.6%        | 40.5%         |
| KORE Group Holdings Inc                            |     | NYSE:KORE      | \$473            | \$277     | \$148        | \$18     | 1.7x              | 3.2x              | 26.5x       | 53.5%        | 6.5%          |
| Lam Research Corporation                           |     | NasdaqGS:LRCX  | \$126,722        | \$14,241  | \$6,720      | \$4,423  | 8.9x              | 18.9x             | 28.6x       | 47.2%        | 31.1%         |
| Lumen Technologies Inc                             |     | NYSE:LUMN      | \$20,637         | \$14,109  | \$7,130      | \$3,746  | 1.5x              | 2.9x              | 5.5x        | 50.5%        | 26.6%         |
| Microchip Technology Incorporated                  |     | NASDAQ:MCHP    | \$53,925         | \$7,634   | \$4,996      | \$3,442  | 7.1x              | 10.8x             | 15.7x       | 65.4%        | 45.1%         |
| Micron Technology, Inc.                            |     | NasdaqGS:MU    | \$135,295        | \$18,312  | -\$59        | \$3,663  | 7.4x              | NM                | 36.9x       | -0.3%        | 20.0%         |
| Motorola Solutions, Inc.                           |     | NYSE:MSI       | \$64,002         | \$10,196  | \$5,120      | \$2,937  | 6.3x              | 12.5x             | 21.8x       | 50.2%        | 28.8%         |
| Nippon Telegraph and Telephone Corporation         |     | NPPXF          | \$169,344        | \$88,424  | \$26,113     | \$24,362 | 1.9x              | 6.5x              | 7.0x        | 29.5%        | 27.6%         |
| Nokia Oyj  |     | HLSE:NOKIA     | \$16,935         | \$22,727  | \$9,604      | \$3,262  | 0.7x              | 1.8x              | 5.2x        | 42.3%        | 14.4%         |
| NVIDIA Corporation                                 |     | NasdaqGS:NVDA  | \$2,208,914      | \$60,922  | \$44,301     | \$34,480 | 36.3x             | 49.9x             | 64.1x       | 72.7%        | 56.6%         |
| NXP Semiconductors N.V.                            |     | NYSE:NXPI      | \$71,029         | \$13,281  | \$7,582      | \$4,801  | 5.3x              | 9.4x              | 14.8x       | 57.1%        | 36.1%         |
| Orange S.A.  |     | ENXTPA:ORA     | \$70,668         | \$48,770  | \$18,434     | \$14,506 | 1.4x              | 3.8x              | 4.9x        | 37.8%        | 29.7%         |
| QUALCOMM Incorporated                              |     | NasdaqGS:QCOM  | \$192,703        | \$36,407  | \$20,317     | \$10,837 | 5.3x              | 9.5x              | 17.8x       | 55.8%        | 29.8%         |
| RingCentral, Inc.                                  |     | NYSE:RNG       | \$4,781          | \$2,253   | \$1,579      | \$97     | 2.1x              | 3.0x              | 49.3x       | 70.1%        | 4.3%          |
| Rodgers Communication Inc.                         |     | NYSE:RCI       | \$55,371         | \$15,046  | \$6,753      | \$6,457  | 3.7x              | 8.2x              | 8.6x        | 44.9%        | 42.9%         |
| SoftBank Group Corp                                |     | OTC:SFTBY      | \$197,316        | \$47,506  | \$24,220     | \$9,900  | 4.2x              | 8.1x              | 19.9x       | 51.0%        | 20.8%         |
| STMicroelectronics N.V.                            |     | NYSE:STM       | \$36,015         | \$16,504  | \$7,407      | \$5,734  | 2.2x              | 4.9x              | 6.3x        | 44.9%        | 34.7%         |
| SYNNEX Corporation                                 |     | NYSE:SNX       | \$12,743         | \$56,405  | \$3,974      | \$1,698  | 0.2x              | 3.2x              | 7.5x        | 7.0%         | 3.0%          |
| Taiwan Semiconductor Manufacturing Company Limited |     | NYSE:TSM       | \$610,646        | \$70,239  | \$37,629     | \$47,270 | 8.7x              | 16.2x             | 12.9x       | 53.6%        | 67.3%         |
| Texas Instruments Incorporated                     |     | NASDAQ:TXN     | \$161,755        | \$16,801  | \$10,251     | \$7,800  | 9.6x              | 15.8x             | 20.7x       | 61.0%        | 46.4%         |
| T-Mobile US, Inc.                                  |     | NASDAQ:TMUS    | \$302,226        | \$78,520  | \$49,583     | \$29,251 | 3.8x              | 6.1x              | 10.3x       | 63.1%        | 37.3%         |
| United States Cellular Corporation                 |     | NYSE:USM       | \$7,011          | \$3,870   | \$2,179      | \$825    | 1.8x              | 3.2x              | 8.5x        | 56.3%        | 21.3%         |
| Vodafone Group PLC                                 |     | NASDAQ:VOD     | \$84,772         | \$47,325  | \$14,994     | \$11,258 | 1.8x              | 5.7x              | 7.5x        | 31.7%        | 23.8%         |
| Median   |     |                |                  |           |              |          | 2.9x              | 6.1x              | 11.5x       | 50.6%        | 29.8%         |
| Mean   |     |                |                  |           |              |          | 5.0x              | 9.1x              | 18.5x       | 48.2%        | 28.7%         |

# Sector Update: Technology

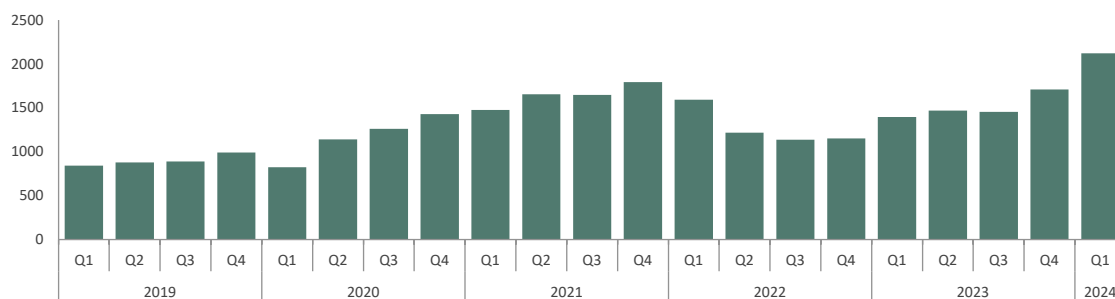
## State of the Industry

### NASDAQ 100 Technology Index



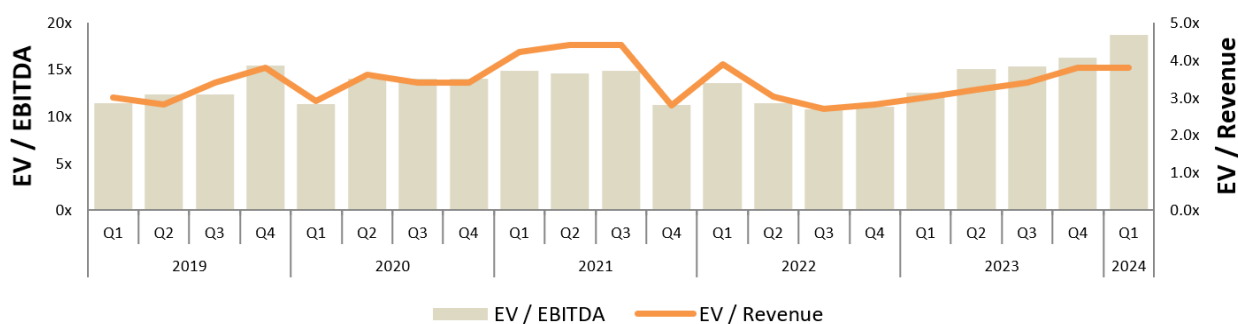
Source: Capital IQ

### S&P North American Technology Sector Index



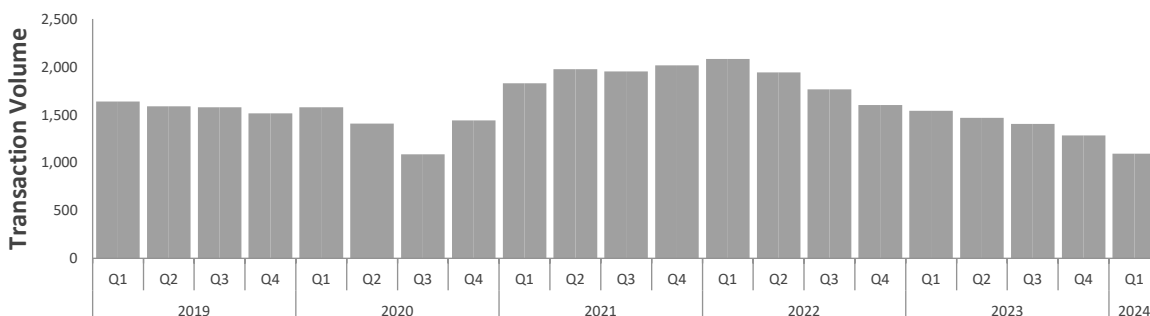
Source: Capital IQ

### Technology Industry Valuations



Source: Capital IQ

### Technology Transaction Volume



Source: Capital IQ



# 35 Years. 350 Deals.

## The Value of Accomplishment

### About Mirus

Mirus has been an active technology deal maker for the last 35 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.

### 35 Years. 350 Deals.

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.
- 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.



MIRUS  
CAPITAL ADVISORS

# Partner Spotlight

Alan Fullerton and Rudy Minar are the leaders of our Technology team. They have a demonstrated record of managing and closing dozens of engagements with companies in the industry.



**Alan Fullerton**

Alan has been a leading technology deal maker for more than 25 years, representing publicly traded companies, professional investors and boards, and closely held businesses. An advocate for his clients, Alan has led business owners and boards of directors through over forty sell side transactions, as well as multiple buy-side, equity and debt transactions. Alan holds an MBA from Ecole des Ponts (France), an MS in Electrical Engineering from Brown University, and a BS in Mechanical Engineering from MIT.

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**Rudy Minar**

Rudy has over 25 years of experience in investment banking and corporate finance, completing more than 80 financial and advisory transactions with aggregate value 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 earned his Master in International Affairs from Columbia University and received his BSEE from Worcester Polytechnic Institute.

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# Trusted advisors to businesses just like yours

## Notable Mirus technology transactions

**ONSET**

has been acquired by

**LI-COR**

a portfolio company of

**Battery**

Onset, a Massachusetts-based company founded in 1981, produces the award-winning HOB0® and InTemp® data loggers, used around the world to support experts in a broad range of monitoring applications, including agricultural and coastal research, green building performance, renewable energy systems, and temperature-controlled environments. LI-COR Environmental is the global leader in greenhouse gas measurements. With this acquisition, LI-COR, backed by global investment firm Battery Ventures, expands its greenhouse gas portfolio to include sensor networks, data acquisition, and cloud-based data monitoring.

 **applied biomath**  
REVOLUTIONIZING DRUG INVENTION

has been acquired by

**CERTARA**

(NASDAQ: CERT)

Founded in 2013, Applied BioMath's mission is to revolutionize drug invention. Applied BioMath applies biosimulation, including quantitative systems pharmacology, PKPD, bioinformatics, machine learning, clinical pharmacology, and software solutions to provide quantitative and predictive guidance to biotechnology and pharmaceutical companies to help accelerate and de-risk therapeutic research and development. Their approach employs proprietary algorithms and software to support groups worldwide in decision-making from early research through all phases of clinical trials.

 **INNO4**

has received a strategic investment from

**SERVICE POINT**

a portfolio company of

**MILL POINT CAPITAL**

Based in Boston, INNO4 designs, installs, and supports custom, mission-critical data infrastructure, audio visual, IT services, and managed services solutions for medium and large enterprises in the U.S. and Canada. INNO4's customers span a variety of sectors including e-commerce & retail, healthcare, real estate, technology, and financial services, among others. The company employs over 180 people across its five U.S. locations.

 **SYRINX**  
CONSULTING CORPORATION

has been acquired by

**DG**  
DE WINTER  
GROUP

a portfolio company of

 **NEW HERITAGE**  
CAPITAL

Syrinx is a leading provider of high-end software development and technology staffing solutions serving clients in the greater Boston area. The Company has built a strong reputation in the marketplace since its founding in 1998 through a relentless focus on sourcing high quality, hard-to-find candidates with specialized skillsets across programming languages, including .NET, Python, Java, and SQL.



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