

Q2
24

Technology Industry

Mirus

Manufacturing Automation

REPORT

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- Mirus Technology Spotlight

Manufacturing Automation

Taking AI to the Next Level in Manufacturing

MIT Technology Review [Full Article](#)

AI is considered integral to the creation of hyper-automated intelligent factories. AI development ambitions are stronger in the manufacturing industry than in most other sectors due to AI's utility, which provides enhancements in product and process innovation, reduces cycle times, and improves security and efficiency.

According to this MIT Technology survey, 58% of engineering & design and 43% of factory operations executives plan to increase AI spending by more than 10% in the next two years. Limiting factors for scaling AI implementations include talent and skills, followed closely by inadequate data quality, and insufficient access to cloud-based compute power.

Cadence Acquired BETA CAE for \$1.24B

Yahoo Finance [Full Article](#)

Cadence Design Systems (Nasdaq: CDNS), a leader in electronic system design offering computational software, hardware, and IP, recently closed the acquisition of BETA CAE, a Swiss simulation solutions company with over three decades of experience in Computer Aided Engineering (CAE).

BETA CAE is well-known for its innovative, high-performance simulation software and best-in-class services. The acquisition will enhance Cadence's Intelligent System Design strategy and allow them to enter the structural analysis vertical. BETA CAE is expected to contribute approximately \$40 million to Cadence's 2024 revenues.

Reimagining the Manufacturing Process

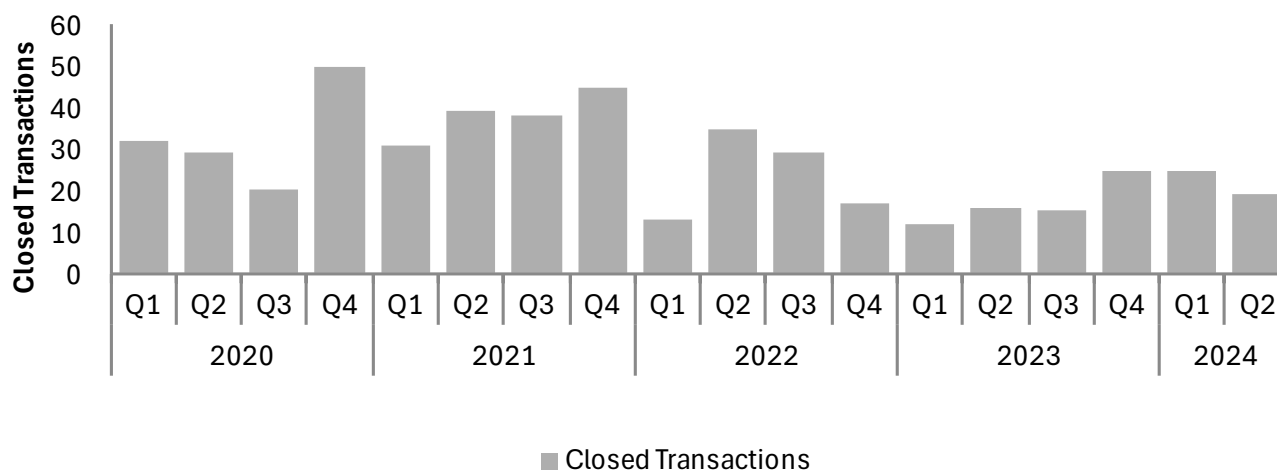
Accenture [Full Article](#)

Leveraging advanced technologies to refine and automate manufacturing production processes is essential for enhancing efficiency, minimizing waste, and expediting the development timeline.

Digitization of manufacturing workflows is crucial for sustaining disruption and fostering adaptability. Additionally, incorporating these methodologies grants a competitive edge in the face of evolving market conditions.

Cutting-edge tools like augmented and virtual reality, cloud computing, data analytics, and artificial intelligence have revolutionized the creation of products, services, and infrastructure projects. Notable advantages of integrating digital manufacturing include the reduction of human errors, the facilitation of data-informed decision-making, and the acceleration of design modifications, among others.

Manufacturing Automation M&A Environment



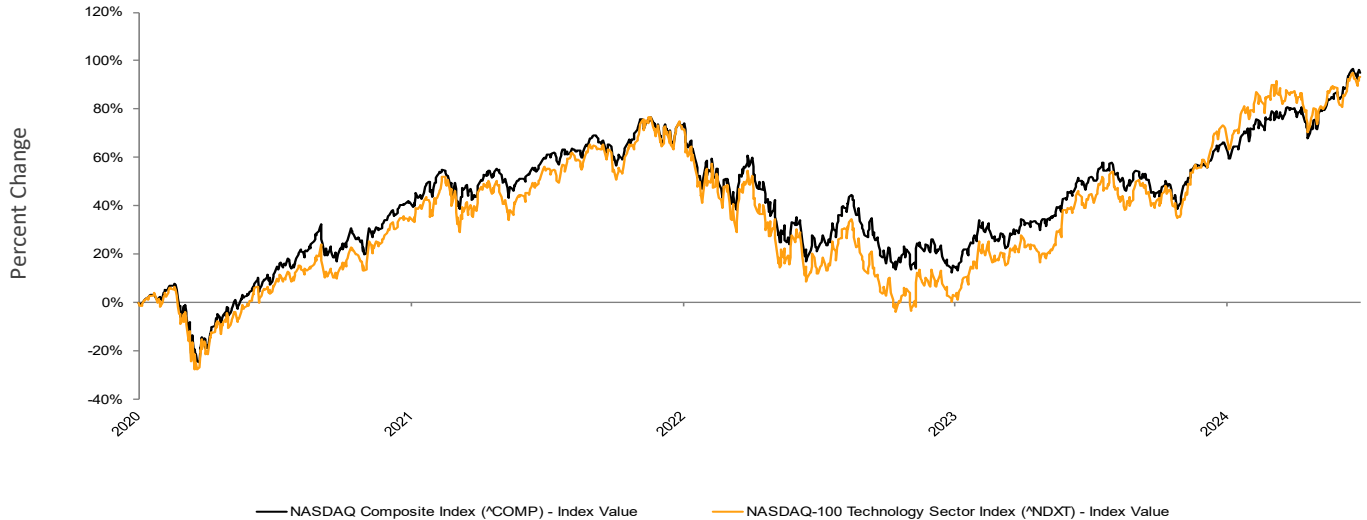
Selected Q2 2024 Manufacturing Automation Transactions

Date Closed	Target	Buyers/Investors	Enterprise Value (\$M)
6/24/2024	Datum360 Limited	Autodesk, Inc. (NasdaqGS:ADSK)	
06/11/2024	Boxtop Technologies Limited	The Descartes Systems Group Inc. (TSX:DSG)	13.0
06/03/2024	Beta Cae Systems International Ag	Cadence Design Systems, Inc. (NasdaqGS:CDNS)	1240.0
05/21/2024	Aether Media, Inc.	Autodesk, Inc. (NasdaqGS:ADSK)	131.0
05/10/2024	InSemi Technologies Pvt Ltd.	Infosys Limited (NSEI:INFY)	33.7
05/09/2024	Traverse Systems LLC	SPS Commerce, Inc. (NasdaqGS:SPSC)	29.3
04/19/2024	Aerospace Software Developments Ltd.	The Descartes Systems Group Inc. (TSX:DSG)	60.7

Sector Update: Technology

Despite supply chain volatility and ongoing chip shortages, the technology sector continued its upward momentum in Q2 2024. Increased enterprise spending on AI, cloud computing, and cybersecurity software was responsible for much of the tech market's H1 2024 growth. Tech companies across various domains are actively experimenting and finding applications that can drive efficiency and productivity.

Select Technology Index v. Nasdaq



Select Technology Public Companies

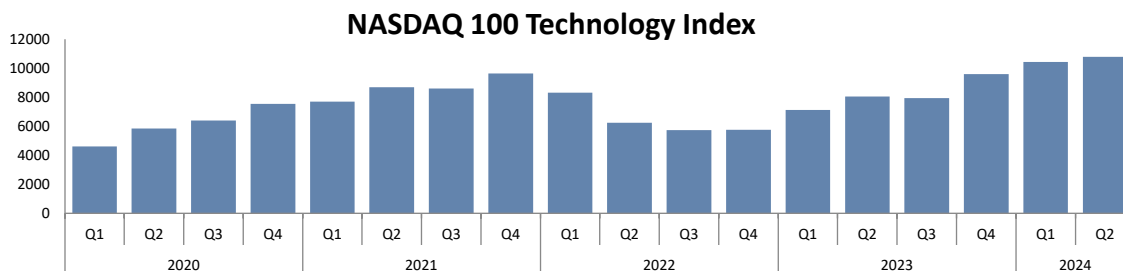
As of 6/30/2024

Company Name	Ticker	Enterprise Value (\$M)	LTM Financials (\$M)				Valuation Metrics			LTM Margins	
			Revenue	Gross Profit	EBITDA	EV / Revenue	EV / Gross Profit	EV / EBITDA	Gross Margin	EBITDA Margin	
Adobe Systems Incorporated	NasdaqGS:ADBE	\$244,351	\$20,429	\$18,027	\$7,844	12.0x	13.6x	31.2x	88.2%	38.4%	
Amphenol Corporation	NYSE:APH	\$83,354	\$12,837	\$4,230	\$3,095	6.5x	19.7x	26.9x	32.9%	24.1%	
Apple Inc.	NasdaqGS:AAPL	\$3,171,917	\$381,623	\$173,966	\$129,629	8.3x	18.2x	24.5x	45.6%	34.0%	
Applied Materials, Inc.	NasdaqGS:AMAT	\$193,835	\$26,501	\$12,502	\$8,105	7.3x	15.5x	23.9x	47.2%	30.6%	
Arrow Electronics, Inc.	NYSE:ARW	\$9,833	\$31,295	\$3,893	\$1,568	0.3x	2.5x	6.3x	12.4%	5.0%	
Automatic Data Processing, Inc.	NasdaqGS:ADP	\$97,797	\$18,912	\$9,056	\$5,487	5.2x	10.8x	17.8x	47.9%	29.0%	
Booz Allen Hamilton Holding Corporation	NYSE:BAH	\$22,998	\$10,662	\$2,459	\$1,200	2.2x	9.4x	19.2x	23.1%	11.3%	
CDW Corporation	NasdaqGS:CDW	\$35,464	\$21,146	\$4,626	\$2,005	1.7x	7.7x	17.7x	21.9%	9.5%	
Cisco Systems, Inc.	NasdaqGS:CSCO	\$205,103	\$55,364	\$35,795	\$16,684	3.7x	5.7x	12.3x	64.7%	30.1%	
Cognizant Technology Solutions Corporation	NasdaqGS:CTSH	\$32,844	\$19,301	\$6,634	\$3,422	1.7x	5.0x	9.6x	34.4%	17.7%	
Corning Incorporated	NYSE:GLW	\$40,539	\$12,385	\$4,204	\$2,650	3.3x	9.6x	15.3x	33.9%	21.4%	
DXC Technology Company	NYSE:DXC	\$7,340	\$13,667	\$3,100	\$1,396	0.5x	2.4x	5.3x	22.7%	10.2%	
eBay Inc.	NasdaqGS:EBAY	\$27,301	\$10,158	\$7,325	\$2,584	2.7x	3.7x	10.6x	72.1%	25.4%	
Meta, Inc.	NasdaqGS:META	\$1,258,484	\$142,712	\$116,304	\$68,447	8.8x	10.8x	18.4x	81.5%	48.0%	
Fidelity National Information Services, Inc.	NYSE:FIS	\$9,891	\$9,891	\$3,763	\$3,395	5.0x	13.3x	14.7x	38.0%	34.3%	
Hewlett Packard Enterprise Company	NYSE:HPE	\$36,820	\$28,312	\$9,902	\$4,893	1.3x	3.7x	7.5x	35.0%	17.3%	
HP Inc.	NYSE:HPQ	\$42,580	\$52,998	\$11,718	\$5,131	0.8x	3.6x	8.3x	22.1%	9.7%	
Insight Enterprises, Inc.	NasdaqGS:NSIT	\$7,187	\$9,231	\$1,719	\$525	0.8x	4.2x	13.7x	18.6%	5.7%	
Intel Corporation	NasdaqGS:INTC	\$166,286	\$55,237	\$22,920	\$10,501	3.0x	7.3x	15.8x	41.5%	19.0%	
International Business Machines Corporation	NYSE:IBM	\$202,700	\$62,069	\$34,532	\$14,380	3.3x	5.9x	14.1x	55.6%	23.2%	
Jabil Inc.	NYSE:JBL	\$13,923	\$30,377	\$2,779	\$2,262	0.5x	1.0x	6.2x	9.1%	7.4%	
Lam Research Corporation	NasdaqGS:LRCX	\$138,531	\$14,241	\$6,720	\$4,423	9.7x	20.6x	31.3x	47.2%	31.1%	
Leidos Holdings, Inc.	NYSE:LDOS	\$24,321	\$15,714	\$2,387	\$1,770	1.5x	10.2x	13.7x	15.2%	11.3%	
Mastercard Incorporated	NYSE:MA	\$417,634	\$25,698	\$25,698	\$15,753	16.3x	16.3x	26.5x	100.0%	61.3%	
Micron Technology, Inc.	NasdaqGS:MU	\$150,627	\$21,371	\$2,441	\$5,989	7.0x	61.7x	25.2x	11.4%	28.0%	
Microsoft Corporation	NasdaqGS:MSFT	\$3,348,085	\$236,584	\$165,359	\$125,982	14.2x	20.2x	26.6x	69.9%	53.3%	
Motorola Solutions, Inc.	NYSE:MSI	\$69,768	\$10,196	\$5,120	\$2,937	6.8x	13.6x	23.8x	50.2%	28.8%	
NCR Voyix Corporation	NYSE:VYX	\$4,751	\$3,776	\$992	\$476	1.3x	4.8x	10.0x	26.3%	12.6%	
NetApp, Inc.	NasdaqGS:NTAP	\$25,901	\$6,268	\$4,433	\$1,489	4.1x	5.8x	17.4x	70.7%	23.8%	
NVIDIA Corporation	NasdaqGS:NVDA	\$3,015,837	\$79,774	\$60,059	\$49,275	37.8x	50.2x	61.2x	75.3%	61.8%	
Oracle Corporation	NYSE:ORCL	\$473,415	\$52,961	\$37,818	\$21,227	8.9x	12.5x	22.3x	71.4%	40.1%	
PayPal Holdings, Inc.	NasdaqGS:PYPL	\$58,042	\$30,430	\$11,965	\$5,659	1.9x	4.9x	10.3x	39.3%	18.6%	
QUALCOMM Incorporated	NasdaqGS:QCOM	\$223,891	\$36,407	\$20,317	\$10,837	6.1x	11.0x	20.7x	55.8%	29.8%	
Salesforce.com, inc.	NYSE:CRM	\$244,852	\$35,743	\$27,165	\$9,202	6.9x	9.0x	26.6x	76.0%	25.7%	
Sanmina Corporation	NasdaqGS:SANM	\$3,574	\$7,969	\$672	\$502	0.4x	5.3x	7.1x	8.4%	6.3%	
SYNNEX Corporation	NYSE:SNX	\$13,192	\$56,291	\$3,972	\$1,699	0.2x	3.3x	7.8x	7.1%	3.0%	
Texas Instruments Incorporated	NasdaqGS:TXN	\$180,912	\$16,801	\$10,251	\$7,800	10.8x	17.6x	23.2x	61.0%	46.4%	
Visa Inc.	NYSE:V	\$529,704	\$34,141	\$33,392	\$23,942	15.5x	15.9x	22.1x	97.8%	70.1%	
Western Digital Corporation	NasdaqGS:WDC	\$31,920	\$11,911	\$1,647	NM	2.7x	19.4x	NM	13.8%	NM	

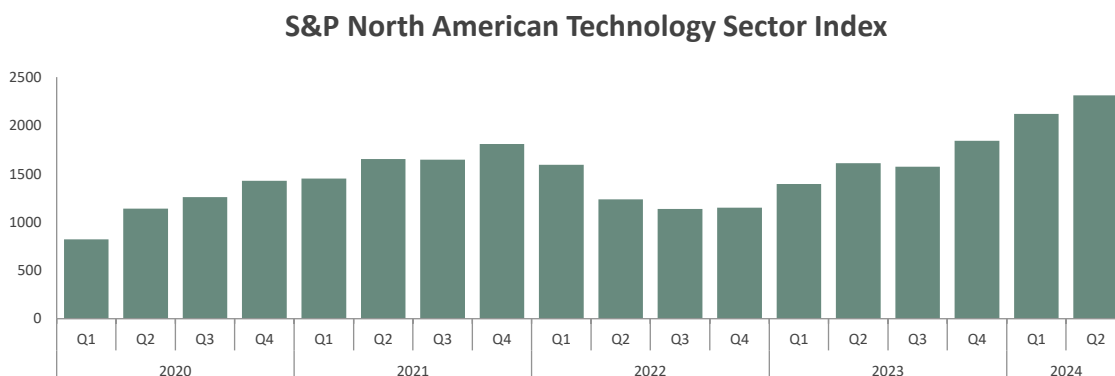
Median	3.7x	9.6x	17.5x	41%	25%
Mean	5.9x	12.3x	18.3x	45%	26%

Sector Update: Technology

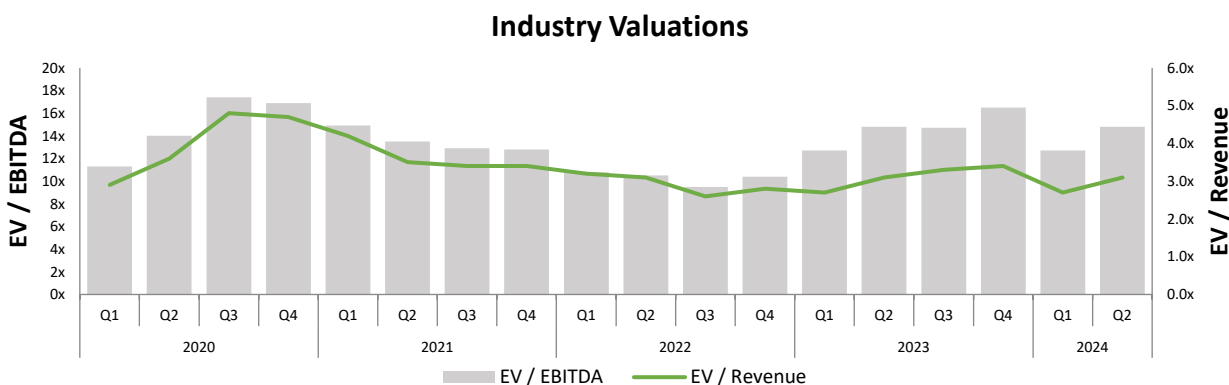
State of the Industry



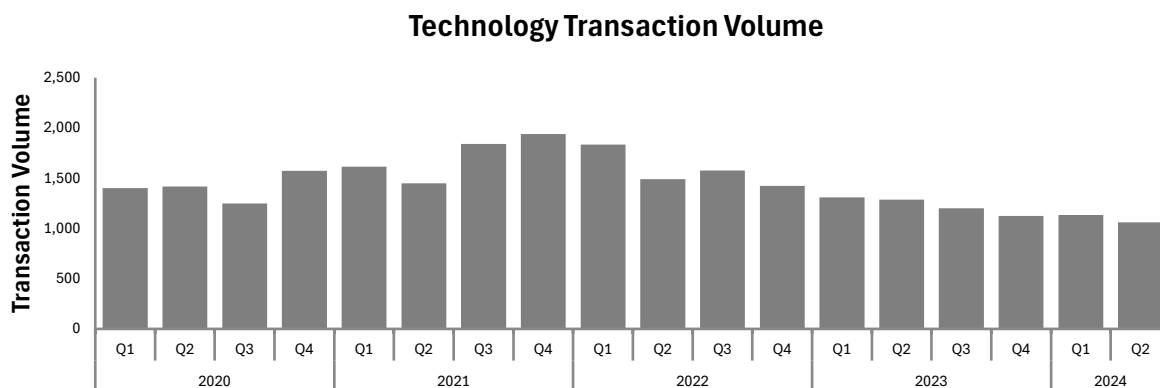
Source: Capital IQ



Source: Capital IQ



Source: Capital IQ



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

Mirus senior team members

Rudy Minar

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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 HOBO® 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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