

Q3  
24

Technology Industry

# Mirus Infrastructure Software REPORT

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- Mirus Technology Spotlight

# Infrastructure Software

## IBM to Acquire HashiCorp, Inc.

IBM.com [Full Article](#)

IBM (NYSE: IBM) announced a \$6.4 billion acquisition of HashiCorp Inc. (Nasdaq: HCP), a multi-cloud infrastructure automation company. HashiCorp's suite of products is focused on hybrid and multi-cloud lifecycle management for infrastructure and security, and offers significant synergies across areas of strategic growth for IBM including Red Hat, watsonx, data security, IT automation, and Consulting.

"Our strategy at its core is about enabling companies to innovate in the cloud, while providing a consistent approach to managing cloud at scale," said Armon Dadgar, HashiCorp co-founder and chief technology officer. "The need for effective management and automation is critical with the rise of multi-cloud and hybrid cloud, which is being accelerated by today's AI revolution."

## Progress Completes Acquisition of ShareFile

Progress.com [Full Article](#)

Progress (Nasdaq: PRGS) has completed its acquisition of ShareFile, a business unit of Cloud Software Group, Inc., for \$875 million. ShareFile provides a SaaS-native, AI-powered, document-centric collaboration platform focused on the business and professional services, financial services, industrial, and healthcare industries.

"This acquisition marks the latest major milestone in Progress' Total Growth Strategy, which is built on three pillars: Invest and Innovate, Acquire and Integrate and Drive Customer Success," said Yogesh Gupta, CEO of Progress. "The addition of ShareFile significantly enhances our product capabilities, benefiting our customers and meaningfully expanding the customer base we serve."

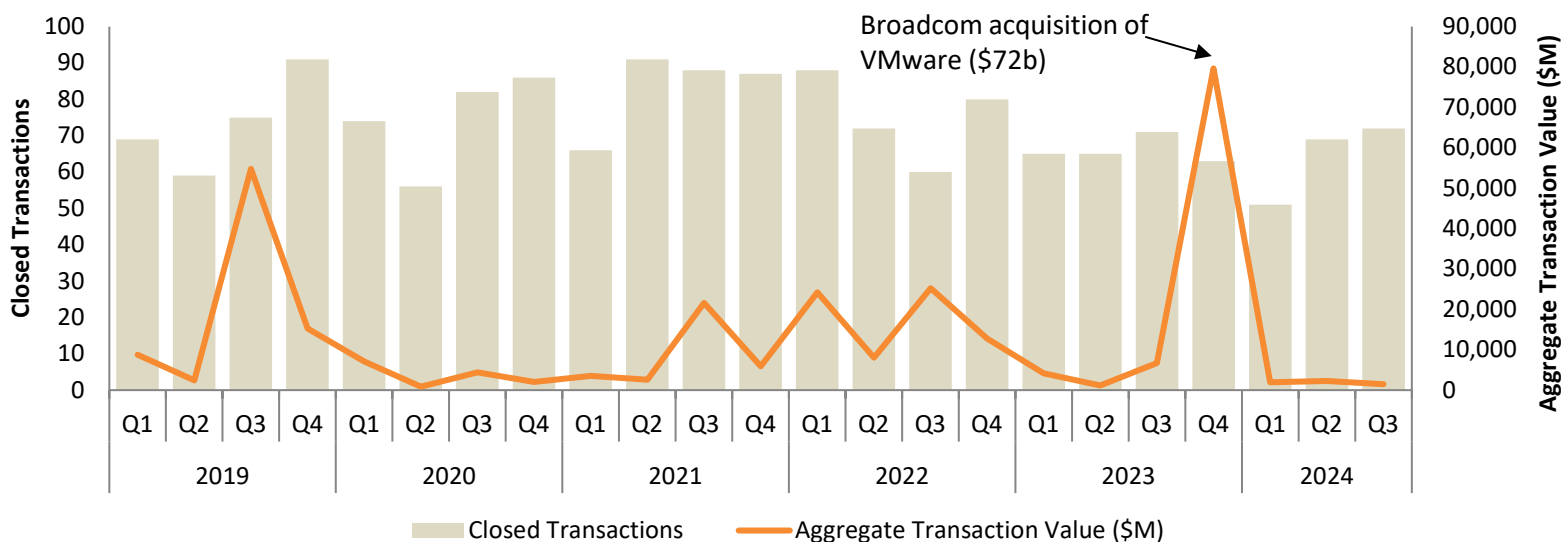
## Smartsheet to be Acquired by Blackstone and Vista Equity Partners

Smartsheet.com [Full Article](#)

Blackstone and Vista Equity Partners have announced an all-cash acquisition of Smartsheet (NYSE:SMAR), an enterprise software platform for collaborative work management, for approximately \$8.4 billion. This transaction is expected to close by January 2025.

Martin Brand, Head of North America Private Equity and Global Co-Head of Technology Investing at Blackstone, and Sachin Bavishi, a Senior Managing Director at Blackstone, said, "Across increasingly distributed, cross-functional and global workforces, Smartsheet's innovative and market-leading solutions are mission-critical in helping teams collaborate at scale to achieve superior results."

# Infrastructure Software M&A Environment



Source: Capital IQ

## Selected 2024 Infrastructure Software Transactions

Closed Date	Target	Buyers/Investors	Enterprise Value (\$M)
07/02/2024	Stratejm Inc.	Bell Canada, Inc.	71.8
07/08/2024	Asaphus Vision GmbH	Seeing Machines Limited	6.0
07/22/2024	Henchman BV	LexisNexis Legal & Professional Inc.	160.0
07/23/2024	MariaDB plc	K1 Investment Management, LLC	64.8
07/26/2024	DIATEAM SAS	Cy4gate S.p.A.	1.7
08/01/2024	Lacework, Inc.	Fortinet, Inc.	149.0
08/05/2024	Next DLP Limited	Fortinet, Inc.	96.0
08/16/2024	Antenna Transfer Inc.	Impact Analytics Inc.	2.0
08/27/2024	Acqueon Technologies, Inc.	Five9, Inc.	167.1
09/06/2024	Cesium GS, Inc.	Bentley Systems, Incorporated	-
09/19/2024	Night Shift Development, Inc.	Snowflake Inc.	-
09/25/2024	OctoML, Inc.	NVIDIA Corporation	-
09/27/2024	K2fly Limited	Accel-KKR LLC	25.3
10/08/2024	Evisort Inc.	Workday, Inc.	-
10/31/2024	novel labs, Inc. / ShareFile	Progress Software Corporation	875.0
Pending	Smartsheet Inc.	Vista Equity Partners/ Blackstone	7,989.6

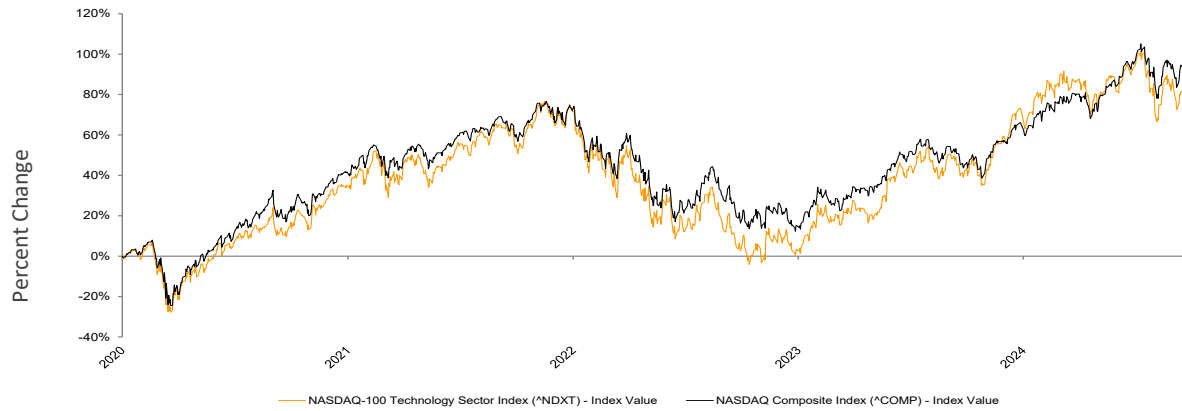
Source: Capital IQ and Mirus Capital Advisors research



# Sector Update: Technology

As tech companies across various domains are actively experimenting and finding applications that can best drive efficiency and productivity, generative AI remains at the forefront of the sector. The technology sector continued its upward momentum in Q3 2024, primarily driven by increased enterprise spending on AI, cloud computing, and cybersecurity software, all of which remain essential for continued growth in the sector.

## Select Technology Index v. Nasdaq



## Select Infrastructure Software Public Companies

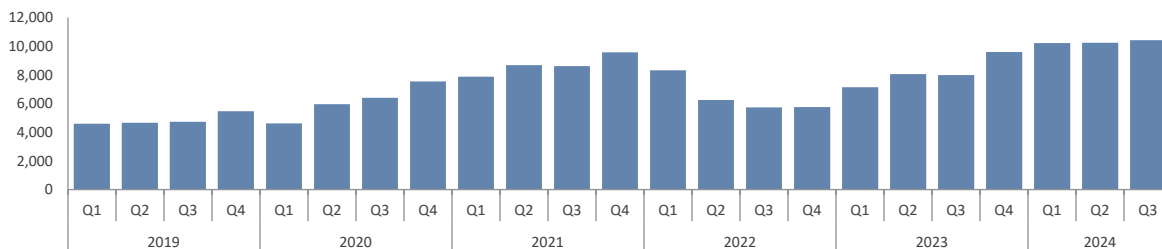
As of 9/30/2024

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
<b>Cloud Infrastructure</b>										
Cloudflare, Inc.	NYSE:NET	\$27,322	\$1,572	\$1,219	-\$43	17.4x	22.4x	NM	77.5%	-2.8%
Okta, Inc.	NasdaqGS:OKTA	\$11,490	\$2,452	\$1,859	-\$145	4.7x	6.2x	NM	75.8%	-5.9%
Nutanix, Inc.	NasdaqGS:NTNX	\$15,415	\$2,149	\$1,825	\$96	7.2x	8.4x	NM	84.9%	4.5%
Confluent, Inc.	NasdaqGS:CFLT	\$5,759	\$916	\$670	-\$355	6.3x	8.6x	NM	73.2%	-38.7%
Qualys, Inc.	NasdaqGS:QLYS	\$4,224	\$593	\$483	\$200	7.1x	8.7x	21.2x	81.5%	33.6%
HashiCorp, Inc.	Nasdaq:HCP	\$5,570	\$628	\$515	-\$203	8.9x	10.8x	NM	82.1%	-32.4%
					Median	7.1x	8.7x	21.2x	79.5%	-4.3%
					Mean	8.6x	10.9x	21.2x	79.2%	-6.9%
<b>Data Management and Analytics</b>										
Oracle Corporation	NYSE:ORCL	\$546,246	\$53,815	\$38,376	\$21,803	10.2x	14.2x	25.1x	71.3%	40.5%
Snowflake Inc.	NYSE:SNOW	\$34,895	\$3,206	\$2,175	-\$1,130	10.9x	16.0x	NM	67.8%	-35.2%
Cognizant Technology Solutions Corporation	NasdaqGS:CTSH	\$37,287	\$19,412	\$6,670	\$3,470	1.9x	5.6x	10.7x	34.4%	17.9%
Palantir Technologies Inc.	NasdaqGS:PLTR	\$79,655	\$2,646	\$2,146	\$398	30.1x	37.1x	NM	81.1%	15.0%
MongoDB, Inc.	NasdaqGM: MDB	\$18,931	\$1,820	\$1,347	-\$264	10.4x	14.1x	NM	74.0%	-14.5%
Elastic N.V.	NYSE:ESTC	\$7,330	\$1,321	\$978	-\$104	5.5x	7.5x	NM	74.0%	-7.9%
Informatica Inc.	NYSE:INFA	\$8,401	\$1,657	\$1,330	\$281	5.1x	6.3x	29.9x	80.3%	17.0%
Teradata Corporation	NYSE:TDC	\$3,225	\$1,798	\$1,096	\$315	1.8x	2.9x	10.2x	61.0%	17.5%
					Median	7.8x	10.8x	17.9x	72.7%	16.0%
					Mean	9.5x	13.0x	19.0x	68.0%	6.3%
<b>Communication Infrastructure</b>										
Akamai Technologies, Inc.	NasdaqGS:AKAM	\$17,998	\$3,966	\$2,367	\$1,118	4.5x	7.6x	16.1x	59.7%	28.2%
Zoom Communications Inc.	NasdaqGS:ZM	\$14,009	\$4,587	\$3,481	\$853	3.1x	4.0x	16.4x	75.9%	18.6%
Amdocs Limited	NasdaqGS:DOX	\$10,329	\$5,005	\$1,752	\$950	2.1x	5.9x	10.9x	35.0%	19.0%
Twilio Inc.	NYSE:TWLO	\$8,503	\$4,339	\$2,210	\$118	2.0x	3.8x	NM	50.9%	2.7%
Five9, Inc.	NasdaqGM:FIVN	\$2,249	\$1,002	\$537	-\$4	2.2x	4.2x	NM	53.6%	-0.4%
RingCentral, Inc.	NYSE:RNG	\$4,490	\$2,357	\$1,660	\$190	1.9x	2.7x	23.6x	70.4%	8.1%
Sprout Social, Inc.	NasdaqCM:SPT	\$1,623	\$392	\$303	-\$55	4.1x	5.4x	NM	77.3%	-14.0%
CSG Systems International, Inc.	NasdaqGS:CSGS	\$1,856	\$1,178	\$562	\$167	1.6x	3.3x	11.1x	47.7%	14.2%
8x8, Inc.	NasdaqGS:EGHT	\$609	\$720	\$491	\$22	0.8x	1.2x	28.2x	68.3%	3.0%
					Median	2.1x	4.0x	16.3x	59.7%	8.1%
					Mean	2.5x	4.2x	17.7x	59.9%	8.8%
<b>Application Infrastructure</b>										
Atlassian Corporation	NasdaqGS:TEAM	\$40,205	\$4,569	\$3,726	-\$44	8.8x	10.8x	NM	81.5%	-1.0%
Zscaler, Inc.	NasdaqGS:ZS	\$24,899	\$2,168	\$1,693	-\$90	11.5x	14.7x	NM	78.1%	-4.2%
Dynatrace, Inc.	NYSE:DT	\$14,998	\$1,563	\$1,288	\$191	9.6x	11.6x	NM	82.4%	12.2%
GitLab Inc.	NasdaqGS:GTLB	\$7,231	\$665	\$594	-\$163	10.9x	12.2x	NM	89.3%	-24.5%
SentinelOne, Inc.	NYSE:IS	\$6,900	\$724	\$530	-\$284	9.5x	13.0x	NM	73.2%	-39.2%
Progress Software Corporation	NasdaqGS:PRGS	\$3,462	\$715	\$617	\$243	4.8x	5.6x	14.3x	86.3%	33.9%
BlackBerry Limited	NYSE:BB	\$1,596	\$637	\$446	\$3	2.5x	3.6x	NM	70.0%	0.5%
JFrog Ltd.	Nasdaq:FROG	\$2,633	\$410	\$319	-\$58	6.4x	8.2x	NM	78.0%	-14.2%
					Median	9.2x	11.2x	14.3x	79.8%	-2.6%
					Mean	8.0x	10.0x	14.3x	79.9%	-4.5%
<b>Process Automation</b>										
Adobe Inc.	NasdaqGS:ADBE	\$226,490	\$20,947	\$18,571	\$8,134	10.8x	12.2x	27.8x	88.7%	38.8%
ServiceNow, Inc.	NYSE:NOW	\$177,486	\$10,464	\$8,292	\$1,824	17.0x	21.4x	NM	79.2%	17.4%
Workday, Inc.	NasdaqGS:WDAY	\$60,492	\$7,863	\$5,958	\$636	7.7x	10.2x	NM	75.8%	8.1%
Open Text Corporation	NasdaqGS:OTEX	\$14,192	\$5,613	\$4,297	\$1,559	2.5x	3.3x	9.1x	76.6%	27.8%
Samsara Inc.	NYSE:IOT	\$25,979	\$1,095	\$822	-\$216	23.7x	31.6x	NM	75.1%	-19.7%
NICE Ltd.	NasdaqGS:NICE	\$10,037	\$2,637	\$1,759	\$710	3.8x	5.7x	14.1x	66.7%	26.9%
monday.com Ltd.	NasdaqGS:MMNDY	\$12,616	\$907	\$811	-\$23	13.9x	15.6x	NM	89.5%	-2.6%
SmartSheet Inc.	NYSE:SMAR	\$7,040	\$1,042	\$851	-\$53	6.8x	8.1x	NM	81.6%	-5.1%
Pegasystems Inc.	NasdaqGS:PEGA	\$6,164	\$1,481	\$1,102	\$190	4.2x	5.6x	NM	74.4%	12.8%
Applan Corporation	NasdaqGM:APPN	\$2,643	\$596	\$448	-\$65	4.4x	5.9x	NM	75.3%	-10.9%
Sprinklr, Inc.	NYSE:CXM	\$1,542	\$774	\$574	\$43	2.0x	2.7x	NM	74.2%	5.6%
PROS Holdings, Inc.	NYSE:PRO	\$1,036	\$323	\$208	-\$19	3.2x	5.0x	NM	64.5%	-6.0%
Zuora, Inc.	NYSE:ZUO	\$1,168	\$446	\$311	-\$12	2.6x	3.8x	NM	69.8%	-2.6%
Upland Software, Inc.	NasdaqGM:UPLD	\$434	\$279	\$194	\$37	1.6x	2.2x	11.8x	69.6%	13.2%
					Median	4.3x	5.8x	12.9x	75.2%	6.9%
					Mean	7.4x	9.5x	15.7x	75.8%	7.4%
					Median	5.1x	7.5x	15.2x	75.1%	3.0%
					Mean	7.1x	9.3x	17.5x	72.4%	3.5%

# Sector Update: Technology

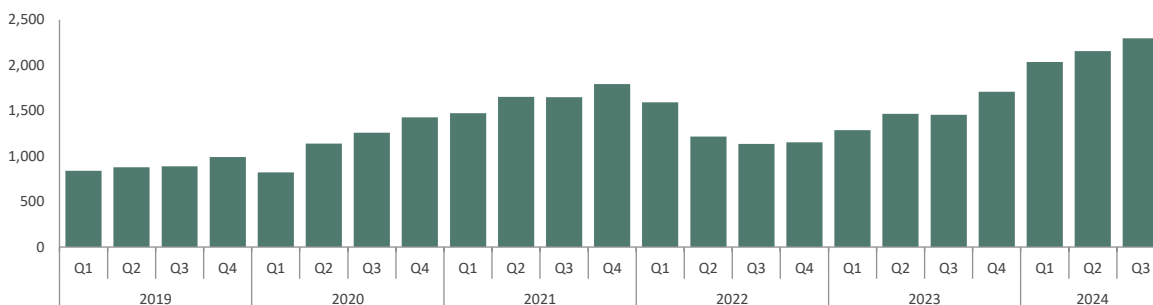
## State of the Industry

### NASDAQ 100 Technology Index



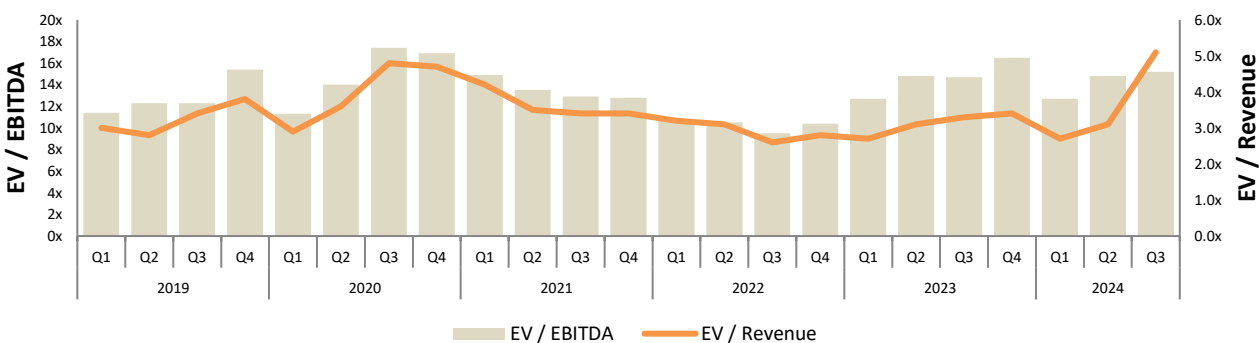
Source: Capital IQ

### S&P North American Technology Sector Index



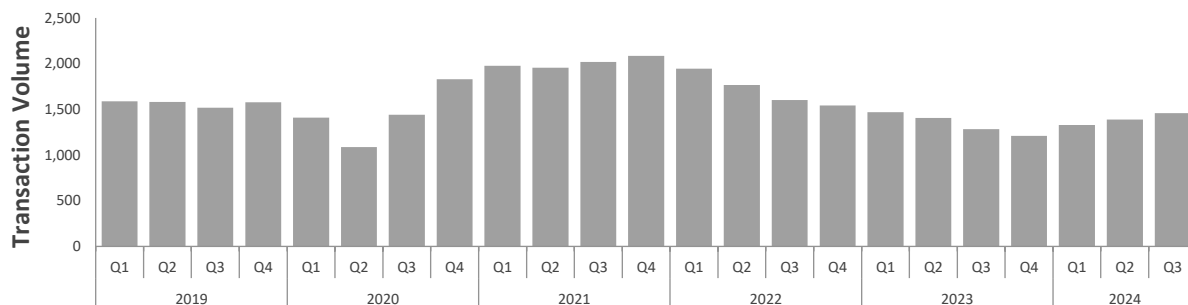
Source: Capital IQ

### Infrastructure Software 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.



# Partner Spotlight



**Rudy Minar**  
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minar@merger.com

Rudy Minar 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.



**Alan Fullerton**  
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fullerton@merger.com

Alan Fullerton 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.



**Brendan Kiernan**  
(781) 418-5926  
kiernan@merger.com

Brendan Kiernan is a Partner with Mirus Capital Advisors who joined the firm in 2004. Experienced in business valuation, corporate finance advisory and deal execution, Brendan leads Mirus' Valuation practice, as well as co-leading sell-side and buy-side M&A mandates. Brendan has made significant contributions to several dozen client transactions and engagements during his tenure with the firm. His work has focused primarily on clients in the technology, healthcare, and business services sectors.



**Andrew Crain**  
(781) 418-5950  
crain@merger.com

Andrew Crain brings to Mirus a diverse skillset of transactional, executive, international and legal acumen. Andrew is an experienced dealmaker, and his prior experience as a family business owner gives him a unique vantage point from which to successfully guide clients through the financial, operational and emotional aspects of the transaction process. An investment banker since 2005, Andrew provides merger & acquisition and corporate finance advisory services to owners of companies throughout New England and globally.

# Trusted advisors to businesses just like yours

## Notable Mirus technology transactions



has been acquired by



For more than 30 years, Mikros Technologies has developed innovative microchannel liquid cooling solutions to address complex thermal management challenges. Their proprietary microchannel cold plate designs enhance energy efficiency by effectively cooling over one kilowatt per square centimeter. Mikros's exclusive technologies and capabilities will complement Jabil's extensive portfolio of data center lifecycle solutions, semiconductor test equipment solutions, and energy and transportation solutions.



has been acquired by



a portfolio company of



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.



has been acquired by



(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.



has received a strategic investment from



a portfolio company of



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.

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