



KPMG

Communication Systems and Technology Group

Q1 2018 M&A NEWSLETTER

KPMG Corporate Finance LLC

Communications Systems and Technologies M&A Overview

Total global deal volume in Q1'18
66



The Communications Systems and Technology sector saw **66** deals announced in Q1'18 up from **56** deals in Q1'17

\$9.8bn
Aggregate deal value in Q1'18



The aggregate deal value in Q1'18 was **\$9.8bn**, down from **\$16.8bn** in Q1'17, driven by Intel's acquisition of Mobileye for \$15.3bn

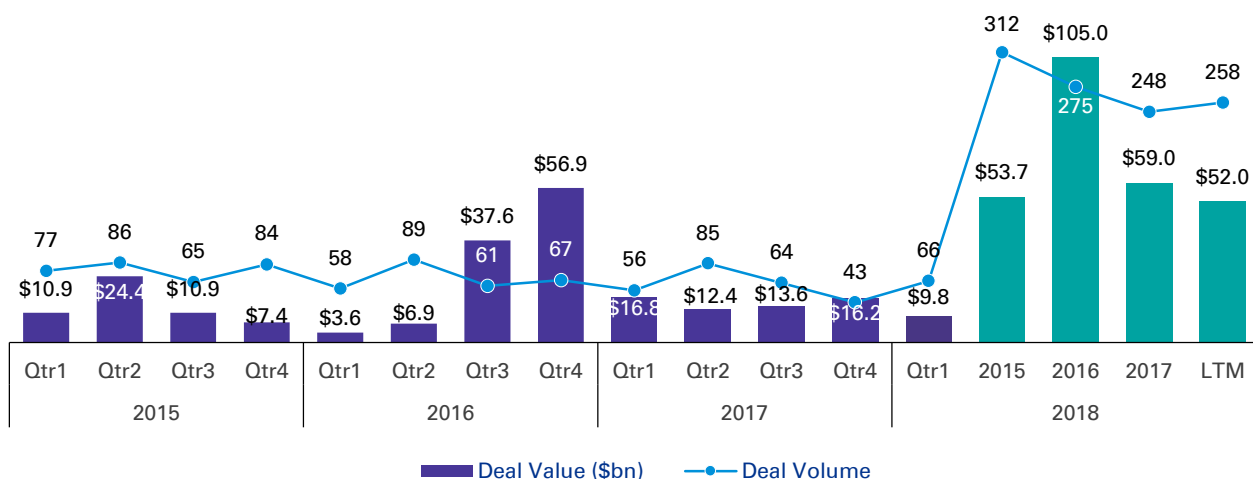


North America had the highest share of Global M&A volume in Q1'18

| | | |
|---------------|--------------|--------------|
| North America | EMEA | Asia-Pacific |
| 71.2% | 25.8% | 3.0% |

North America continued to have the lion's share in global M&A activity with **71.2%** of the deal volume in this quarter, followed by EMEA and Asia-Pacific regions with 25.8% and 3.0% of the deal volume respectively

CST deal value and volume



Sub-sector M&A overview

Network Infrastructure

Deal Volume **↑** The network infrastructure sector saw **18** deals announced in Q1'18, up from **12** deals announced in Q1'17.
67%

Mobile

Deal Volume **↓** The quarter witnessed **8** mobile sector deals, which was a decline of ~27% when compared to the **11** deals announced in the same period last year.
27%

UCaaS

Deal Volume **↑** The UCaaS subsector saw **21** deals in this quarter as compared to **16** deals in Q1'17, an increase of ~31%.
31%

IoT

Deal Volume **↑** The IoT sub-sector had **24** deal announcements in Q1'18, which was an increase of ~4% when compared to the **23** deals announced in Q1'17.
4%

Note: M&A analysis is based on the deals announced during the respective periods. Deal value represents aggregate deal value for disclosed transactions for the time period noted.

Sources: 451Research, Capital IQ and KPMG research



Location Driving Connected Solutions

As the Internet of Things (“IoT”) continues to gain momentum, driven by increased awareness around the benefits of IoT solutions, reduced costs and technology advances, one of the key applications on the forefront of actual IoT deployments is asset tracking.





Within asset tracking, there is a myriad of applications based on differing technologies. Certain considerations include indoor vs. outdoor location, high accuracy (down to the millimeter) vs. lower accuracy (within meters), applications that are merely providing visibility on assets or applications that are actually using that location data to drive decision making and other analytics.



One key segment of asset tracking is Real-Time Location Systems (“RTLS”). RTLS technologies are driving the base layer solution for IoT across several industries including industry 4.0 or smart factory, healthcare, fleet, retail and logistics due to the visibility they provide and financial efficiencies that they can drive. Location is the foundation of the IoT solution, where alerts, map visualizations, safety and security monitoring, control actions and other applications are created based on the location data.

RTLS systems are ever-simultaneously receiving, feeding, and recycling data to and from a broad array of systems in order to turn big data into smart data. RTLS Systems depend on location transmission technologies including but not limited to RFID, GPS, Wi-Fi, blue-tooth and ultra-wideband. The use case of these different technologies is largely dependent upon the environments and applications in which the technologies are being used.

KPMG CF CST team has deep industry expertise in location technologies and real-time location systems, please give us a call or send us an email if you have questions or comments.

| End-Market | Application | Company Names |
|--|---|--|
|  Supply Chain and Logistics | <ul style="list-style-type: none"> RTLS is having a broad impact on supply chain and logistics. Companies are tracking their goods and fleets from manufacturing plant to the store, ensuring drivers are taking the most expedient route, as well as driving inventory efficiencies, protecting against spoilage, and theft amongst others | <ul style="list-style-type: none"> Roambee FleetComplete Orbcomm Fleetmatics / Telogis |
|  Manufacturing Processes | <ul style="list-style-type: none"> Mass customization is driving industry 4.0 and forcing manufacturing processes to evolve. Ensuring the right tool, is in the right location, at the right time, executing the correct function is becoming critically important in order to build flexibility into manufacturing | <ul style="list-style-type: none"> Ubisense Zebra DecaWave Siemens / Agilion |
|  Retail | <ul style="list-style-type: none"> The convergence between e-commerce and in-store shopping is making retailers understanding of location ever more important. In order for retailers to satisfy customers desires to be able to buy items when and where they want to, it is necessary for them to be able to manage stores, distribution, and fulfillment centers seamlessly | <ul style="list-style-type: none"> Impinj Omniotrol Shoppertrak |
|  HealthCare | <ul style="list-style-type: none"> Gaining visibility into patterns of movement to understand workflow, as well as managing hospital equipment, patient location and inventory is crucial to ensuring efficiency within a healthcare setting | <ul style="list-style-type: none"> Aeroscout (Stanley Healthcare) Awarepoint |

Notable Transactions

| Date | Acquirer | Target | Deal Value (\$mm) | EV / Revenue | EV / EBITDA |
|-----------|--------------|-------------------------|-------------------|---------------|---------------|
| 4/11/2018 | Siemens AG | Agilion GmbH | Not Disclosed | Not Disclosed | Not Disclosed |
| 6/9/2017 | ORBCOMM Inc. | inthinc, inc. | \$60 | Not Disclosed | Not Disclosed |
| 4/8/2017 | Midmark Corp | Versus Technology, Inc. | Not Disclosed | Not Disclosed | Not Disclosed |
| 8/1/2016 | Verizon | Fleetmatics | \$2,400 | 7.5x | 32.0x |

Transactions in Focus

Plantronics, Inc. announces the acquisition of Polycom Inc., a provider of videoconferencing, voice conferencing and telepresence systems and software, as well as VoIP desk and conference phones, for businesses and government agencies globally.

Announced Date: March 28, 2018 **Deal Value:** \$1,310mm **EV/Revenue:** 1.8x **EV/EBITDA:** 21.1x

The combination of Plantronics and Polycom will broaden the breadth of solutions available to customers and partners and create a consistent end-user experience across many collaboration applications and devices. As one company, Plantronics and Polycom will make it easier for all customers to solve big-business problems through human-to-human connections.

Lumentum Holdings Inc. has announced the acquisition of Oclaro Inc. a design and manufacturer of optical components, semiconductors and sub-systems for optical network OEMs. The Company's products enable optical wavelength multiplexing, dispersion compensation, switching and routing, transmission and amplification of fiber networks.

Announced Date: March 12, 2018 **Deal Value:** \$1,800mm **EV/Revenue:** 2.5x **EV/EBITDA:** 10.5x

Lumentum's acquisition of Oclaro strengthens the Company's product portfolio, broadens the Company's revenue mix, and positions it strongly for the future needs of its customers. Oclaro brings its leading product portfolio and will drive innovation faster and accelerate the development of key products.

Amazon.com Inc. announced the acquisition of Ring Inc, a provider of home video doorbells, security cameras and systems and related accessories for consumers.

Announced Date: February 27, 2018 **Deal Value:** ~\$1,000mm **EV/Revenue:** NA **EV/EBITDA:** NA

Amazon's acquisition of Ring furthers the Company's goal to reduce crime in neighborhoods and keep packages from Amazon on your porch and out of thieves hands. Together the Companies will accelerate the mission to dramatically reduce crime by connecting more neighbors and making security devices and systems more affordable and accessible.

GTT Communications Inc. has announced the acquisition of Interoute Communications Ltd., a provider of network infrastructure and hosted services, including fiber, datacenter colocation, broadband internet, hosted VoIP, managed video conferencing, managed security and storage, infrastructure management and application hosting services.

Announced Date: February 26, 2018 **Deal Value:** \$2,300mm **EV/Revenue:** 2.7x **EV/EBITDA:** NA

The combination of GTT and Interoute creates a disruptive market leader with substantial scale, unique network assets and award-winning product capabilities to fulfill clients' growing demand for distributed cloud networking in Europe, the U.S. and across the globe.

Google Inc. has announced the acquisition of Xively, a provider of IoT product management platform as a service to businesses building connected products. The Company's software provides features for IoT product development, data management, secure identity access and management, and product lifecycle optimization.

Announced Date: February 15, 2018 **Deal Value:** \$50mm **EV/Revenue:** 16.7x **EV/EBITDA:** NA

Google's acquisition will complement the Company's Cloud effort to provide a fully managed IoT service that easily and securely connects, manages, and ingests data from globally dispersed devices. With the addition of Xively's robust, enterprise-ready IoT platform, Google can accelerate its customers' timeline from IoT vision to product, as they look to build their connected business.

Logmein Inc. has announced the acquisition of Jive Communications Inc. a provider of hosted VoIP and unified communications services for small businesses, enterprises, government agencies and educational institutions.

Announced Date: February 8, 2018 **Deal Value:** \$342mm **EV/Revenue:** 4.3x **EV/EBITDA:** NA

The deal will accelerate LogMeIn's overall Unified Communications and Collaboration (UCC) strategy and bolster LogMeIn's popular collaboration portfolio, bringing together LogMeIn's market-leading offerings like GoToMeeting, GoToWebinar, OpenVoice, and join.me with Jive's innovative and award-winning UC products.

Sources: 451Research, Capital IQ, Mergermarket and KPMG research



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Selected Recent M&A Transactions (1/4)

| Announced | Target | Acquirer | Sub-Sector | Deal Value (\$mm) | EV / Revenue | EV / EBITDA |
|------------|--|--|------------------------|-------------------|--------------|-------------|
| 03/28/2018 | Polycom Inc. [Siris Capital Group] | Plantronics, Inc. | UcaaS | \$1,310.0 | 1.8x | - |
| 03/28/2018 | MASS Communications | Windstream Corp. | UcaaS | \$37.5 | - | - |
| 03/27/2018 | RedBear | Particle | IoT | - | - | - |
| 03/22/2018 | OPTIS SAS | ANSYS Inc. | IoT | - | - | - |
| 03/22/2018 | Unwire Communication | CLX Communications AB | Mobility | \$24.4 | - | - |
| 03/22/2018 | Reeves Lund Ltd. | Arrow Business Communications Ltd. | UcaaS | - | - | - |
| 03/21/2018 | Secure Thingz Inc. | IAR Systems | IoT | \$28.0 | 56.0x | - |
| 03/16/2018 | LifeScan Inc. [Johnson & Johnson Services Inc] | Platinum Equity LLC | Mobility | \$2,100.0 | 1.4x | - |
| 03/15/2018 | Mdex AG | Wireless Logic [CVC Capital Partners] | IoT | - | - | - |
| 03/14/2018 | Level 3 Communications (Albuquerque, New Mexico metro network assets) | UPN | Network Infrastructure | - | - | - |
| 03/13/2018 | Spensa Technologies Inc. | DTN LLC [Telvent] | IoT | - | - | - |
| 03/13/2018 | Ocean Intelligent Communications Ltd. | CANCOM SE | UcaaS | - | - | - |
| 03/12/2018 | Everstream Solutions [M/C Partners] | AMP Capital Investors Limited | Network Infrastructure | - | - | - |
| 03/12/2018 | Oclaro Inc. | Lumentum Holdings Inc. | Network Infrastructure | \$1,800.0 | 2.5x | 10.5x |
| 03/06/2018 | Gulf Bridge International Inc. (India operations) | Bharti Airtel Limited | Network Infrastructure | - | - | - |
| 03/06/2018 | Appia Communications | CallTower Inc. | UcaaS | - | - | - |
| 03/05/2018 | Voxter Communications [MetroBridge Networks] | Ooma Inc. | UcaaS | \$3.6 | - | - |

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Selected Recent M&A Transactions (2/4)

| Announced | Target | Acquirer | Sub-Sector | Deal Value (\$mm) | EV / Revenue | EV / EBITDA |
|------------|---|--|-------------------------------|-------------------|--------------|-------------|
| 03/01/2018 | U.S. TelePacific Corp. (assets) | Uniti Group Inc. | Network Infrastructure; Ucaas | \$95.0 | - | - |
| 02/27/2018 | Ring Inc. | Amazon.com Inc. | IoT | \$1,000.0 | - | - |
| 02/27/2018 | 5D Robotics Inc. | Humatics Corporation | IoT | - | - | - |
| 02/27/2018 | Openwave Mobility [Marlin Equity Partners] | Enea AB | Network Infrastructure | \$90.0 | 3.3x | - |
| 02/26/2018 | Interoute Communications Ltd. | GTT Communications Inc. | Network Infrastructure | \$2,300.0 | 2.7x | - |
| 02/25/2018 | Unium Inc. | Nokia Corporation | Mobility | - | - | - |
| 02/21/2018 | FitMetrix | MINDBODY Inc. | IoT | \$15.5 | - | - |
| 02/21/2018 | TVC Albany Inc. [Oak Hill Capital Partners] | Antin Infrastructure Partners SAS | Network Infrastructure | - | - | - |
| 02/20/2018 | Trigent AB | Garmin Ltd. | IoT | - | - | - |
| 02/15/2018 | Xively | Google Inc. [Alphabet Inc.] | IoT | \$50.0 | 16.7x | - |
| 02/15/2018 | Arrow Electronics Inc. (systems integration business) | ConvergeOne LLC [Clearlake Capital Group] | Ucaas | \$36.0 | - | - |
| 02/14/2018 | FarmShots Inc. | Syngenta AG | IoT | - | - | - |
| 02/14/2018 | Placecast | Ericsson Inc. | Network Infrastructure | \$60.0 | 6.0x | - |
| 02/13/2018 | ECS BAZ Ltd. | Magal Security Systems Ltd | IoT | - | - | - |
| 02/12/2018 | Lucid Design Group Inc. | Acuity Brands Inc. | IoT | - | - | - |
| 02/12/2018 | Digicel Group Ltd. (French West Indies towers) | Phoenix Tower International [Blackstone Group] | Network Infrastructure | - | - | - |
| 02/12/2018 | Avtex Inc. [LaSalle Capital] | Norwest Equity Partners | Ucaas | - | - | - |
| 02/09/2018 | Cheerz | CeWe Color Holding AG | Mobility | \$44.4 | - | - |

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Selected Recent M&A Transactions (3/4)

| Announced | Target | Acquirer | Sub-Sector | Deal Value (\$mm) | EV / Revenue | EV / EBITDA |
|------------|--|--|-----------------------------|-------------------|--------------|-------------|
| 02/08/2018 | ARRIS Group Inc. (Taiwan manufacturing facility) | Pegatron Corporation | Network Infrastructure | - | - | - |
| 02/08/2018 | Jive Communications Inc. | LogMeIn Inc. | UcaaS | \$342.0 | 4.3x | - |
| 02/07/2018 | Sigma Designs Inc. (wired connectivity business) | Integrated Silicon Solution Inc. [Summitview Capital/Consortium investors] | IoT | \$24.0 | - | - |
| 02/07/2018 | Sarokal Test Systems Oy | Siemens AG | Network Infrastructure | - | - | - |
| 02/05/2018 | Argyle Data Inc. | Mavenir Systems [Siris Capital] | IoT | - | - | - |
| 02/01/2018 | FileWave | Armira Partners GmbH & Co. KG | Mobility | - | - | - |
| 01/29/2018 | Neutral Path Communications LLC | Zayo Group Holdings Inc. | Network Infrastructure | \$31.5 | - | - |
| 01/29/2018 | Intellisist Inc. | Avaya Holdings Corp. | UcaaS | - | - | - |
| 01/29/2018 | CoolHarbour Limited | Connect Managed Services Ltd. | UcaaS | - | - | - |
| 01/29/2018 | UVN (assets) | Connect Managed Services Ltd. | UcaaS | - | - | - |
| 01/25/2018 | Autonomic Inc. | Ford Motor Company | IoT | - | - | - |
| 01/25/2018 | TransLoc Inc. | Ford Motor Company | IoT | - | - | - |
| 01/25/2018 | IQMax Inc. | Fusion Telecommunications International Inc. | UcaaS | \$1.1 | - | - |
| 01/23/2018 | Otono Networks Inc. | IDEMIA Identity and Security France SAS | IoT; Network Infrastructure | - | - | - |
| 01/23/2018 | Aware Software | SageNet LLC | IoT; Mobility | - | - | - |
| 01/22/2018 | Accelerated Concepts Inc. | Digi International Inc. | IoT | \$17.0 | - | - |
| 01/19/2018 | Optic Zoo Networks Ltd. | Zayo Group Holdings Inc. | Network Infrastructure | \$24.9 | - | - |

Sources: 451Research, Capital IQ, Mergermarket and KPMG research



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Selected Recent M&A Transactions (4/4)

| Announced | Target | Acquirer | Sub-Sector | Deal Value (\$mm) | EV / Revenue | EV / EBITDA |
|------------|---|---|-------------------------------|-------------------|--------------|-------------|
| 01/17/2018 | Broadplex LLC | Conterra Broadband Services [MBO] | Network Infrastructure | - | - | - |
| 01/17/2018 | Venture Media Inc [BlackFriday.com] | j2 Global Inc. | UcaaS | - | - | - |
| 01/16/2018 | Netonomy Ltd. | Allot Communications Ltd. | IoT | \$3.2 | - | - |
| 01/16/2018 | Swyx Solutions AG | Waterland Private Equity Investments | UcaaS | - | - | - |
| 01/15/2018 | SICAP Schweiz AG | Volaris Group Inc. [Constellation Software] | IoT; Mobility | - | - | - |
| 01/12/2018 | X15 Software Inc. | FireEye Inc. | IoT | \$20.0 | - | - |
| 01/11/2018 | A&B Groep | Calero Software LLC [Riverside Partners] | Network Infrastructure; Ucaas | - | - | - |
| 01/09/2018 | Safe Fleet | Oak Hill Capital Partners | Mobility | - | - | - |
| 01/09/2018 | Dialogic Inc (Converged Communication Division) | Sangoma Technologies Corporation | Network Infrastructure | - | - | - |
| 01/04/2018 | Provista UK | PCM Technology Solutions UK Ltd. | UcaaS | - | - | - |
| 01/03/2018 | Comview Corporation (assets) | Calero Software LLC [Riverside Partners] | UcaaS | - | - | - |
| 01/03/2018 | Blueface Ltd | Star2Star Communications LLC | UcaaS | - | - | - |
| 01/03/2018 | PhoneTree | West Corporation [Apollo Global Management] | UcaaS | - | - | - |
| 01/02/2018 | eInfochips Inc. | Arrow Electronics Inc. | IoT | \$318.0 | - | - |

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Representative Sector Companies (1/3)

| Network Infrastructure | | | | | | | | |
|------------------------|---------------------------------|-------------------|----------------------------------|--|--------------------|----------------------------------|-----------------|----------------|
| Company | Share price ⁽¹⁾ (\$) | % of 52 Week High | Market Cap ⁽¹⁾ (\$mm) | Enterprise Value ⁽²⁾ (\$mm) | LTM Revenue (\$mm) | LTM EBITDA ⁽³⁾ (\$mm) | EV/ LTM Revenue | EV/ LTM EBITDA |
| Large Cap. | | | | | | | | |
| Cisco Systems | \$42.89 | 92.9% | 206,623.3 | 172,332.3 | 48,096.0 | 14,469.0 | 3.6x | 11.9x |
| Qualcomm | 55.41 | 80.0% | 82,026.9 | 69,469.9 | 22,360.0 | 6,144.0 | 3.1x | 11.3x |
| Cognizant Technology | 80.50 | 94.6% | 47,338.1 | 43,155.1 | 14,810.0 | 3,032.0 | 2.9x | 14.2x |
| HP Inc. | 21.92 | 88.6% | 35,978.9 | 37,158.9 | 53,889.0 | 4,521.0 | 0.7x | 8.2x |
| Nokia | 5.53 | 75.3% | 30,937.0 | 25,484.2 | 27,794.2 | 4,477.8 | 0.9x | 5.7x |
| Ericsson | \$6.34 | 81.5% | 20,913.9 | 19,873.6 | 24,592.3 | (749.0) | 0.8x | NM |
| ZTE Corp. | 4.81 | 72.8% | 18,978.7 | 18,432.0 | 16,723.6 | 700.0 | 1.1x | 26.3x |
| Arista Networks | 255.30 | 81.9% | 18,860.4 | 17,362.5 | 1,646.2 | 490.9 | 10.5x | 35.4x |
| Palo Alto Networks | 181.52 | 94.8% | 16,672.3 | 15,574.0 | 1,988.8 | (51.0) | 7.8x | NM |
| Mid Cap. | | | | | | | | |
| Amdocs | \$66.72 | 93.0% | 9,569.2 | 8,641.4 | 3,890.1 | 724.5 | 2.2x | 11.9x |
| F5 Networks | 144.61 | 94.0% | 8,943.3 | 7,938.8 | 2,097.3 | 634.2 | 3.8x | 12.5x |
| Juniper Networks | 24.33 | 78.6% | 8,363.6 | 7,546.8 | 5,027.2 | 1,149.1 | 1.5x | 6.6x |
| CommScope | 39.97 | 93.5% | 7,670.1 | 11,585.5 | 4,560.6 | 899.4 | 2.5x | 12.9x |
| Ubiquiti Networks | 68.80 | 83.6% | 5,344.9 | 4,988.8 | 943.7 | 305.6 | 5.3x | 16.3x |
| Lumentum Holdings | 63.80 | 85.8% | 3,993.0 | 3,781.7 | 1,126.3 | 188.7 | 3.4x | 20.0x |
| Ciena Corporation | 25.90 | 92.6% | 3,718.9 | 3,732.6 | 2,826.3 | 340.3 | 1.3x | 11.0x |
| Viavi Solutions | 9.72 | 81.7% | 2,196.0 | 1,817.1 | 791.1 | 97.8 | 2.3x | 18.6x |
| Small Cap. | | | | | | | | |
| Netgear Inc. | \$57.20 | 80.1% | 1,795.0 | 1,465.2 | 1,406.9 | 112.9 | 1.0x | 13.0x |
| Infinera Corporation | 10.86 | 87.7% | 1,625.1 | 1,506.1 | 740.7 | (83.3) | 2.0x | NM |
| Extreme Networks | 11.07 | 71.2% | 1,276.0 | 1,330.9 | 762.0 | 58.3 | 1.7x | 22.8x |
| ADTRAN, Inc. | 15.55 | 62.0% | 753.0 | 676.0 | 666.9 | 53.4 | 1.0x | 12.7x |
| Calix | 6.85 | 92.8% | 354.2 | 344.4 | 510.4 | (66.3) | 0.7x | NM |
| Mean | | | | | | | 2.7x | 15.1x |
| Median | | | | | | | 2.1x | 12.8x |

(1) Market Data including Market Capitalization amounts are based on closing share prices as of March 31, 2018.

(2) Enterprise Value (EV) equals Market Capitalization plus Debt, Preferred Equity, and Minority Interest, minus Cash and Cash Equivalents.

(3) EBITDA equals Earnings before Interest, Taxes, Depreciation, and Amortization.

Sources: 451Research, Capital IQ and KPMG research



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Representative Sector Companies (2/3)

| Mobile | | | | | | | | |
|---------------------------------|---------------------------------|-------------------|----------------------------------|--|--------------------|----------------------------------|-----------------|----------------|
| Company | Share price ⁽¹⁾ (\$) | % of 52 Week High | Market Cap ⁽¹⁾ (\$mm) | Enterprise Value ⁽²⁾ (\$mm) | LTM Revenue (\$mm) | LTM EBITDA ⁽³⁾ (\$mm) | EV/ LTM Revenue | EV/ LTM EBITDA |
| Mobile Operating Systems | | | | | | | | |
| Apple Inc. | \$167.78 | 91.4% | 851,317.9 | 896,564.9 | 239,176.0 | 74,174.0 | 3.7x | 12.1x |
| Alphabet Inc. | 1037.14 | 86.6% | 719,249.2 | 621,347.2 | 110,855.0 | 35,781.0 | 5.6x | 17.4x |
| Microsoft | 91.27 | 93.9% | 702,760.1 | 664,396.1 | 95,652.0 | 33,252.0 | 6.9x | 20.0x |
| BlackBerry | 11.48 | 81.7% | 6,164.2 | 4,696.9 | 932.0 | 90.0 | 5.0x | NM |

| Enterprise Mobility Management (EMM) | | | | | | | | |
|--------------------------------------|----------|-------|-----------|-----------|----------|---------|------|-------|
| SAP | \$104.83 | 84.6% | 125,103.9 | 127,915.3 | 28,171.2 | 7,202.2 | 4.5x | 17.8x |
| Citrix Systems | 92.80 | 95.7% | 12,634.8 | 13,014.6 | 2,824.7 | 813.4 | 4.6x | 16.0x |
| Synchronoss Technologies | 10.55 | 42.3% | 501.3 | 625.0 | 476.8 | 54.3 | 1.3x | 11.5x |
| MobileIron | 4.95 | 73.1% | 497.8 | 405.1 | 176.5 | (50.3) | 2.3x | NM |

| Location Based Services | | | | | | | | |
|-------------------------|----------|--------------|----------|----------|---------|---------|-------------|--------------|
| FleetCor Technologies | \$202.50 | 94.7% | 18,186.3 | 21,791.3 | 2,249.5 | 1,120.4 | 9.7x | 19.4x |
| Garmin Ltd. | 58.93 | 89.3% | 11,090.0 | 10,036.8 | 3,087.0 | 755.1 | 3.3x | 13.3x |
| Trimble | 35.88 | 78.5% | 8,919.5 | 9,296.0 | 2,654.2 | 450.1 | 3.5x | 20.7x |
| TomTom | 9.22 | 75.1% | 2,121.1 | 1,975.0 | 1,084.8 | 135.8 | 1.8x | 14.5x |
| Mean | | 82.2% | | | | | 4.4x | 16.3x |
| Median | | 85.6% | | | | | 4.1x | 16.7x |

| Unified Communications as a Service (UCaaS) | | | | | | | | |
|---|---------------------------------|-------------------|----------------------------------|--|--------------------|----------------------------------|-----------------|----------------|
| Company | Share price ⁽¹⁾ (\$) | % of 52 Week High | Market Cap ⁽¹⁾ (\$mm) | Enterprise Value ⁽²⁾ (\$mm) | LTM Revenue (\$mm) | LTM EBITDA ⁽³⁾ (\$mm) | EV/ LTM Revenue | EV/ LTM EBITDA |
| Citrix Systems | \$92.80 | 95.7% | 12,634.8 | 13,014.6 | 2,824.7 | 813.4 | 4.6x | 16.0x |
| RingCentral | 63.50 | 91.2% | 4,995.7 | 4,814.5 | 501.5 | (11.1) | 9.6x | NM |
| j2 Global | 78.92 | 86.3% | 3,873.9 | 4,524.9 | 1,117.8 | 410.0 | 4.0x | 11.0x |
| Vonage Holdings | 10.65 | 91.4% | 2,461.8 | 2,664.4 | 1,002.3 | 136.8 | 2.7x | 19.5x |
| 8x8, Inc. | 18.65 | 92.1% | 1,718.8 | 1,557.9 | 283.6 | (9.8) | 5.5x | NM |
| Mitel Networks | 9.28 | 94.2% | 1,116.6 | 1,702.4 | 1,059.1 | 127.6 | 1.6x | 13.3x |
| Ribbon Communications | 5.10 | 56.4% | 519.8 | 488.0 | 329.9 | (12.8) | 1.5x | NM |
| Mean | | 86.8% | | | | | 4.2x | 15.0x |
| Median | | 91.4% | | | | | 4.0x | 14.7x |

(1) Market Data including Market Capitalization amounts are based on closing share prices as of March 31, 2018.

(2) Enterprise Value (EV) equals Market Capitalization plus Debt, Preferred Equity, and Minority Interest, minus Cash and Cash Equivalents.

(3) EBITDA equals Earnings before Interest, Taxes, Depreciation, and Amortization.

Sources: 451Research, Capital IQ and KPMG research



Representative Sector Companies (3/3)

| IoT and M2M | | | | | | | | |
|-----------------------|---------------------------------|-------------------|----------------------------------|--|--------------------|----------------------------------|-----------------|----------------|
| Company | Share price ⁽¹⁾ (\$) | % of 52 Week High | Market Cap ⁽¹⁾ (\$mm) | Enterprise Value ⁽²⁾ (\$mm) | LTM Revenue (\$mm) | LTM EBITDA ⁽³⁾ (\$mm) | EV/ LTM Revenue | EV/ LTM EBITDA |
| M2M / IoT | | | | | | | | |
| PTC Inc. | \$78.01 | 95.5% | 9,071.3 | 9,502.1 | 1,184.4 | 116.7 | 8.0x | NM |
| CalAmp Corp. | 22.88 | 89.9% | 815.1 | 816.2 | 357.6 | 29.4 | 2.3x | 27.8x |
| ORBCOMM Inc. | 9.37 | 78.1% | 700.4 | 913.2 | 254.2 | 32.1 | 3.6x | 28.4x |
| Sierra Wireless | 16.48 | 49.2% | 592.8 | 527.5 | 692.1 | 43.1 | 0.8x | 12.2x |
| USA Technologies | 9.00 | 89.1% | 482.6 | 509.4 | 118.9 | 7.6 | 4.3x | NM |
| Digi International | 10.30 | 82.2% | 278.4 | 204.6 | 181.7 | 10.9 | 1.1x | 18.7x |
| Telit Communications | 2.11 | 39.6% | 274.5 | 284.5 | 381.7 | 21.9 | 0.7x | 13.0x |
| Inseego Corp. | 1.78 | 73.3% | 104.7 | 215.5 | 219.3 | (4.0) | 1.0x | NM |
| Mean | | 74.6% | | | | | 2.7x | 20.0x |
| Median | | 80.2% | | | | | 1.7x | 18.7x |
| Telematics | | | | | | | | |
| FleetCor Technologies | \$202.50 | 94.7% | 18,186.3 | 21,791.3 | 2,249.5 | 1,120.4 | 9.7x | 19.4x |
| Trimble Inc. | 35.88 | 78.5% | 8,919.5 | 9,296.0 | 2,654.2 | 450.1 | 3.5x | 20.7x |
| u-blox | 180.38 | 76.5% | 1,255.9 | 1,199.8 | 414.3 | 81.0 | 2.9x | 14.8x |
| Quartix Holdings | 4.98 | 85.5% | 237.0 | 226.8 | 33.1 | 9.2 | 6.9x | 24.7x |
| Trakm8 Holdings | 1.32 | 57.3% | 47.2 | 50.4 | 38.0 | 3.2 | 1.3x | 15.9x |
| Mean | | 78.5% | | | | | 4.9x | 19.1x |
| Median | | 78.5% | | | | | 3.5x | 19.4x |

- (1) Market Data including Market Capitalization amounts are based on closing share prices as of March 31, 2018.
(2) Enterprise Value (EV) equals Market Capitalization plus Debt, Preferred Equity, and Minority Interest, minus Cash and Cash Equivalents.
(3) EBITDA equals Earnings before Interest, Taxes, Depreciation, and Amortization.

Sources: 451Research, Capital IQ and KPMG research



CST Coverage Team*

KPMG

TRS Technologies

has been acquired by

TAYCA CORPORATION

Sensor Technologies

KPMG

3M

Smart Traffic and Tolling business has been sold to:

NEOLOGY

Intelligent Transportation

KPMG

smiths interconnect
bringing technology to life

Microwave Telecoms Business has been acquired by

INFINITO
electronics, inc.

Communication Networks
\$110 MM

KPMG

CLIFFORD THAMES

has been acquired by

OECConnection

Connected Car / IoT

KPMG

iKIOSK
Information Systems

has been acquired by

POSIFLEX

IoT and Embedded Computing
\$105 MM

KPMG

TrueNet Communications

has been acquired by

FUJITSU

Communication Networks

KPMG

ALPINE INVESTORS

has sold

Linx Technologies

to

ARGOSY CAPITAL

IoT

KPMG

CONTROLTEC
UNLOCKING THE POWER OF DATA

has been acquired by

DELPHI

Connected Car / IoT
\$145 MM

KPMG

ADVANTECH

has acquired

BB SMARTWORX

Embedded Computing Components & Systems

Global Coverage. Industry Knowledge. Middle-Market Focus.

The global Corporate Finance practices of KPMG International's network of independent member firms was ranked #1 as the top M&A middle-market adviser globally by Thomson Reuters SDC, and Mergermarket based on number of completed transactions, for 2017.

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Communication Systems and Technologies Team



Joseph Radecki
Managing Director,
Corporate Finance

E-mail: jradecki@kpmg.com
Phone: +1 303 295 8890
Mobile: +1 303 748 2554



Kristin Stants
Director,
Corporate Finance

E-mail: kristinstants@kpmg.com
Phone: +1 303 382 7483
Mobile: +1 303 877 9378



Jeremy Hein
Vice President, Corporate
Finance

E-mail: jhein@kpmg.com
Phone: +1 303 382 7428
Mobile: +1 630 699 6331



Dominick Robusto
Senior Associate, Corporate
Finance

E-mail: drobusto@kpmg.com
Phone: +1 303 382 7474
Mobile: +1 949 290 0244

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