

# M&A MARKET MONITOR

TMT

January 2021

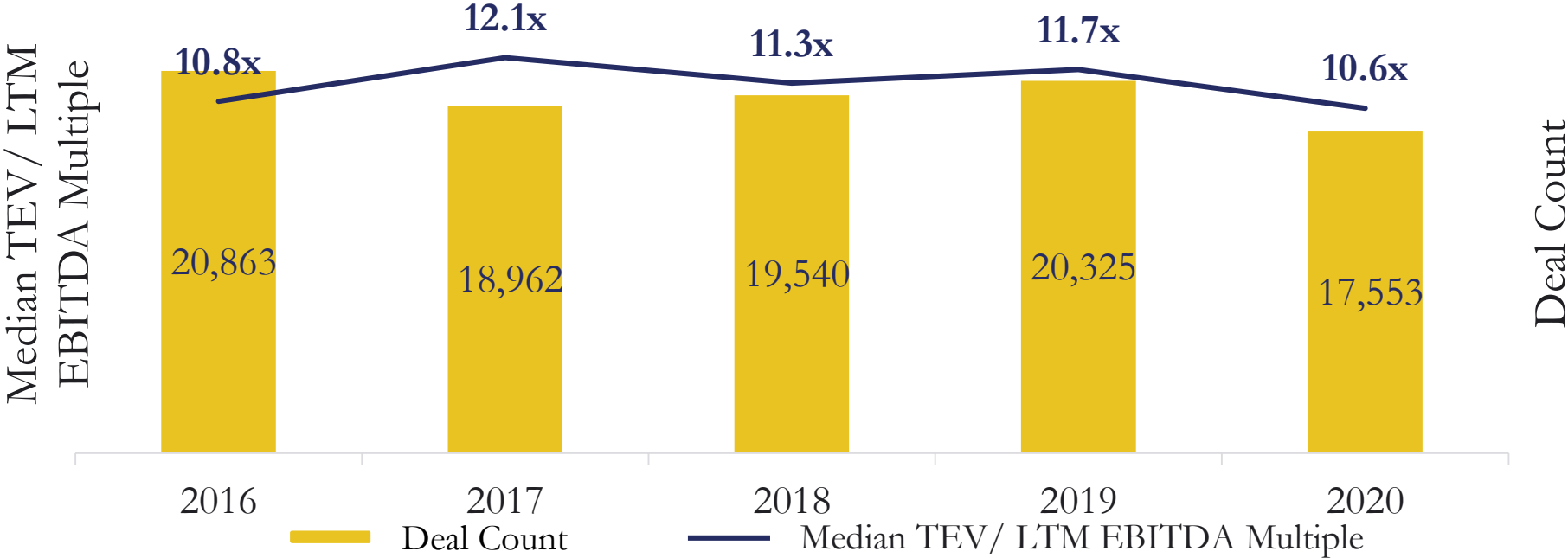
# U.S. & Canada M&A Market Overview



## Overall Market Transactions

### Quick Highlights

- Although the pandemic affected the U.S. & Canada M&A market, volume and multiples ended the year at approximately 90% of recent historical averages
  - 2020 deal count was 88% of the previous 4-year (2016-2019) average
  - 2020 median TEV/LTM EBITDA multiple was 92% of the previous 4-year (2016-2019) average



Source: S&P Capital IQ; ArkMalibu; Other publicly available sources, As of 12/31/2020

### About the Data

The information presented in this report is an analysis of deals in the United States or Canada. A deal is described as any closed or announced M&A transaction where the target is headquartered in the United States or Canada, financial terms of the transaction have been disclosed, and the target has an industry classification that falls into the subject industry group and as such may not be representative of your company's market valuation. Past performance is not indicative of future results. Certain adjustments have been made to the information to exclude transactions which are not specific to the industry or incorporate relevant transactions for which an industry classification was omitted.

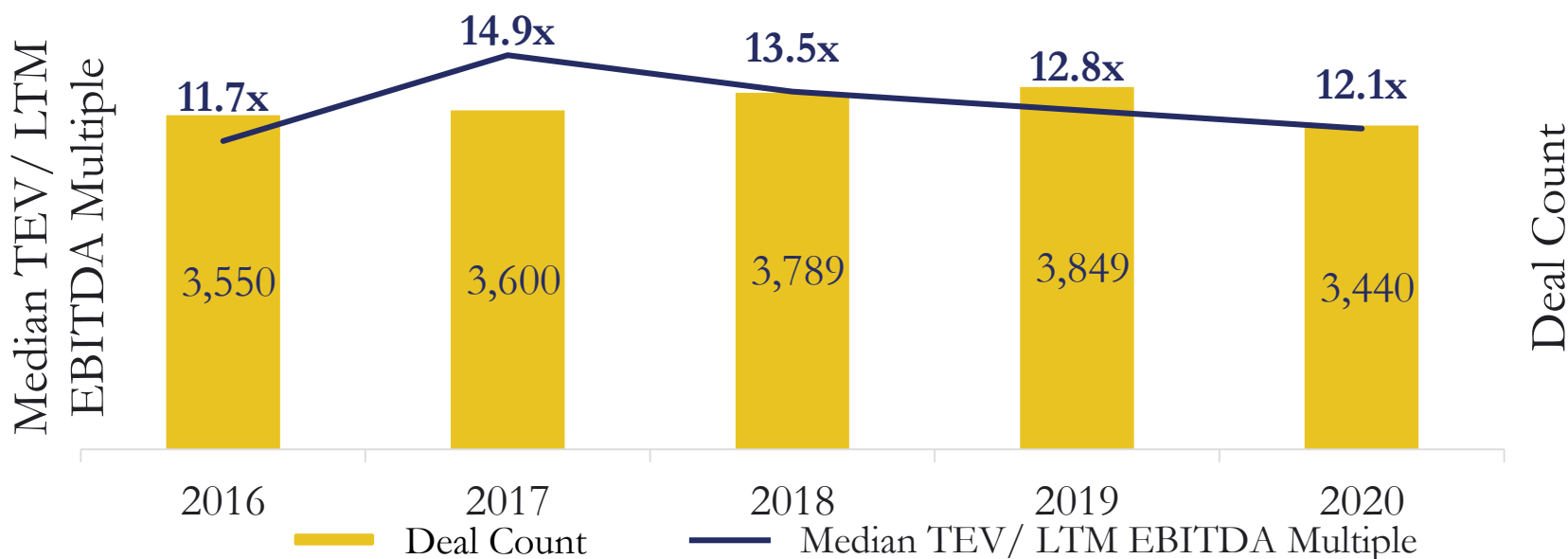
# U.S. & Canada M&A Market Overview

## TMT Transactions



### Quick Highlights

- The TMT industry 2020 deal count and multiples lagged historical averages
  - 2020 deal count was 93% of the previous 4-year (2016-2019) average
  - 2020 median TEV/LTM EBITDA multiple was 92% of the previous 4-year (2016-2019) average



Source: S&P Capital IQ; ArkMalibu; Other publicly available sources


















As of 12/31/2020

### About the Data

The information presented in this report is an analysis of deals in the United States or Canada. A deal is described as any closed or announced M&A transaction where the target is headquartered in the United States or Canada, financial terms of the transaction have been disclosed, and the target has an industry classification that falls into the subject industry group and as such may not be representative of your company's market valuation. Past performance is not indicative of future results. Certain adjustments have been made to the information to exclude transactions which are not specific to the industry or incorporate relevant transactions for which an industry classification was omitted.

# Public Companies' Trading Metrics | Tech, Media, and Telecom

As of: 12/31/2020

Category / Company	Valuation Statistics				Multiples Data				
	Last Price	Equity Value	Enterprise Value	EBITDA Margin	EV / Revenue (x)		EV / EBITDA (x)		
					LTM	NTM	LTM	NTM	
USD in millions except per share price									
<b>Application Software / SaaS</b>									
Adobe Inc.	\$500.12	\$239,917	\$238,633	37.4%	18.5	15.7	46.7		31.7
Autodesk, Inc.	\$305.34	\$67,141	\$67,624	18.9%	18.5	16.3	84.3		45.4
Cerner Corporation	\$78.48	\$24,061	\$24,671	22.5%	4.4	4.4	19.2		13.5
Check Point Software Technologies Ltd.	\$132.91	\$18,634	\$14,738	45.1%	7.2	7.0	15.8		13.7
DocuSign, Inc.	\$222.30	\$41,472	\$41,559	-10.1%	32.0	23.4	NM		164.8
Dropbox, Inc.	\$22.19	\$9,178	\$9,074	12.1%	4.9	4.4	28.2		14.2
Fiserv, Inc.	\$113.86	\$76,336	\$97,655	32.1%	6.5	6.2	20.1		15.9
Intuit Inc.	\$379.85	\$104,856	\$101,697	32.7%	13.0	10.9	38.8		30.6
Microsoft Corporation	\$222.42	\$1,681,606	\$1,626,873	46.3%	11.1	10.0	23.2		22.3
Oracle Corporation	\$64.69	\$190,450	\$223,458	43.8%	5.7	5.5	12.9		11.0
salesforce.com, inc.	\$222.53	\$203,714	\$200,445	10.0%	9.9	8.3	64.7		29.3
SAP SE	\$131.60	\$156,184	\$163,964	33.3%	4.8	NM	17.7		NM
ServiceNow, Inc.	\$550.43	\$107,361	\$106,613	12.4%	25.3	20.2	176.7		65.6
Smartsheet Inc.	\$69.29	\$8,471	\$8,120	-29.5%	22.9	17.8	NM		NM
VMware, Inc.	\$140.26	\$58,878	\$61,033	20.4%	5.3	4.9	23.9		13.8
Workday, Inc.	\$239.61	\$57,703	\$56,985	1.2%	13.7	11.9	NM		49.7
<b>Median</b>	<b>\$181.28</b>	<b>\$71,739</b>	<b>\$82,640</b>	<b>21.4%</b>	<b>10.5</b>	<b>10.0</b>	<b>23.9</b>		25.8

Source: S&P Capital IQ; ArkMalibu

EV = enterprise value; LTM = last twelve months; NTM = next twelve months; NM = not meaningful

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Category / Company	Valuation Statistics				Multiples Data			
	Last Price	Equity Value	Enterprise Value	EBITDA Margin	EV / Revenue (x)		EV / EBITDA (x)	
					LTM	NTM	LTM	NTM
USD in millions except per share price								
<b>Internet and Digital Media</b>								
Alibaba Group Holding Limited	\$232.73	\$629,683	\$607,429	24.3%	7.1	4.9	26.0	16.8
Alphabet Inc.	\$1,752.64	\$1,185,281	\$1,079,780	28.0%	6.3	5.3	21.2	15.0
Amazon.com, Inc.	\$3,256.93	\$1,634,168	\$1,662,580	12.6%	4.8	3.9	33.7	26.0
Baidu, Inc.	\$216.24	\$73,754	\$64,841	21.6%	4.2	3.6	21.1	14.4
eBay Inc.	\$50.25	\$34,639	\$39,117	31.3%	3.3	3.7	9.9	10.2
Facebook, Inc.	\$273.16	\$778,040	\$733,564	38.3%	9.3	7.4	23.1	14.7
iQIYI, Inc.	\$17.48	\$12,996	\$14,840	35.3%	3.4	3.0	9.1	NM
Netflix, Inc.	\$540.73	\$238,892	\$248,637	17.6%	10.4	8.7	57.9	41.8
Roku, Inc.	\$332.02	\$42,144	\$41,535	-3.5%	27.0	19.2	NM	NM
Snap Inc.	\$50.07	\$74,603	\$73,857	-38.7%	34.3	22.9	NM	214.3
Spotify Technology S.A.	\$314.66	\$59,655	\$58,367	-3.4%	6.6	5.2	NM	NM
Tencent Holdings Limited	\$72.74	\$692,741	\$708,368	36.1%	10.6	8.2	28.6	22.7
Twitter, Inc.	\$54.15	\$42,960	\$39,627	8.6%	11.5	9.4	79.1	31.1
Yelp Inc.	\$32.67	\$2,417	\$2,036	-0.6%	2.2	2.2	47.4	12.0
<b>Median</b>	<b>\$224.49</b>	<b>\$74,179</b>	<b>\$69,349</b>	<b>19.6%</b>	<b>6.8</b>	<b>5.2</b>	<b>26.0</b>	<b>16.8</b>
<b>IT Services</b>								
Accenture plc	\$261.21	\$165,669	\$160,940	16.6%	3.6	3.3	19.3	17.5
Automatic Data Processing, Inc.	\$176.20	\$75,557	\$76,361	26.2%	5.2	5.2	19.2	21.2
Capgemini SE	\$155.11	\$26,141	\$35,121	12.6%	2.0	1.7	13.5	11.0
Cognizant Technology Solutions Corporation	\$81.95	\$43,814	\$42,722	18.7%	2.6	2.5	12.7	13.2
DXC Technology Company	\$25.75	\$6,551	\$15,143	14.5%	0.8	0.9	4.4	6.2
HCL Technologies Limited	\$12.96	\$35,159	\$34,531	26.5%	3.4	3.2	12.9	12.1
Infosys Limited	\$17.20	\$72,960	\$70,078	26.4%	5.4	5.0	20.7	18.5
Tata Consultancy Services Limited	\$39.20	\$147,101	\$141,833	27.3%	6.5	6.1	23.9	22.8
Wipro Limited	\$5.29	\$30,114	\$25,781	21.1%	3.1	3.0	14.7	13.4
<b>Median</b>	<b>\$39.20</b>	<b>\$43,814</b>	<b>\$42,722</b>	<b>21.1%</b>	<b>3.4</b>	<b>3.2</b>	<b>14.7</b>	<b>13.4</b>

Source: S&P Capital IQ; ArkMalibu

EV = enterprise value; LTM = last twelve months; NTM = next twelve months; NM = not meaningful

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As of: 12/31/2020

Category / Company	Valuation Statistics				Multiples Data			
	Last Price	Equity Value	Enterprise Value	EBITDA Margin	EV / Revenue (x)		EV / EBITDA (x)	
					LTM	NTM	LTM	NTM
USD in millions except per share price								
<b>Hardware</b>								
Amphenol Corporation	\$130.77	\$39,120	\$41,544	22.5%	5.0	4.7	22.2	19.8
Apple Inc.	\$132.69	\$2,255,969	\$2,186,417	28.2%	8.0	6.9	24.8	24.1
Applied Materials, Inc.	\$86.30	\$78,908	\$78,877	28.2%	4.6	4.1	16.1	14.0
Canon Inc.	\$19.17	\$20,043	\$23,890	10.3%	0.8	0.8	6.5	7.5
Hewlett Packard Enterprise Company	\$11.85	\$15,328	\$28,171	15.9%	1.0	1.0	6.2	5.5
Hitachi, Ltd.	\$39.39	\$38,081	\$58,624	13.4%	0.7	0.7	5.4	6.3
Intel Corporation	\$49.82	\$204,162	\$221,991	47.4%	2.8	3.2	6.0	7.2
International Business Machines Corporation	\$125.88	\$112,166	\$167,084	20.9%	2.2	2.2	9.3	9.9
Juniper Networks, Inc.	\$22.51	\$7,422	\$7,448	15.5%	1.7	1.7	9.9	8.0
Lenovo Group Limited	\$0.94	\$11,369	\$14,576	4.5%	0.3	0.3	5.9	5.4
Murata Manufacturing Co., Ltd.	\$90.30	\$57,778	\$56,395	26.6%	3.8	3.6	14.4	12.8
NXP Semiconductors N.V.	\$159.01	\$44,483	\$50,717	26.8%	6.0	5.3	21.9	14.9
NVIDIA Corporation	\$522.20	\$323,242	\$320,784	34.6%	21.7	16.6	61.1	54.3
QUALCOMM Incorporated	\$152.34	\$172,297	\$177,409	32.4%	7.5	5.9	22.8	15.9
Samsung Electronics Co., Ltd.	\$74.43	\$499,984	\$416,622	27.7%	1.9	1.8	6.9	6.5
Taiwan Semiconductor Manufacturing Company	\$18.87	\$489,200	\$477,040	64.1%	10.3	9.3	16.0	13.6
Texas Instruments Incorporated	\$164.13	\$150,662	\$151,941	46.4%	11.1	10.2	23.8	20.7
Xerox Holdings Corporation	\$23.19	\$4,601	\$6,990	13.2%	0.9	1.0	5.9	6.9
<b>Median</b>	<b>\$80.37</b>	<b>\$68,343</b>	<b>\$68,750</b>	<b>26.7%</b>	<b>3.3</b>	<b>3.4</b>	<b>12.2</b>	<b>11.3</b>

Source: S&P Capital IQ; ArkMalibu

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Category / Company	Valuation Statistics				Multiples Data				
	Last Price	Equity Value	Enterprise Value	EBITDA Margin	EV / Revenue (x)		EV / EBITDA (x)		
					LTM	NTM	LTM	NTM	
USD in millions except per share price									
<b>Traditional Media</b>									
Discovery, Inc.	\$30.09	\$19,082	\$34,369	40.2%	3.2	3.0	8.1		8.8
Fuji Media Holdings, Inc.	\$10.66	\$2,413	\$3,468	5.3%	0.6	0.6	10.4		8.8
Hakuhodo DY Holdings Inc	\$13.71	\$5,121	\$5,002	3.9%	0.4	0.4	9.9		10.3
Lagardère SCA	\$25.05	\$3,236	\$9,004	2.4%	1.2	1.6	10.8		40.4
Meredith Corporation	\$19.20	\$981	\$4,261	19.9%	1.5	1.5	6.9		8.3
News Corporation	\$17.97	\$10,578	\$12,430	9.5%	1.4	1.5	11.9		11.9
Omnicom Group Inc.	\$62.37	\$13,408	\$17,757	15.4%	1.3	1.3	7.4		8.4
Pearson plc	\$9.29	\$6,966	\$8,675	12.3%	1.8	1.8	11.9		10.9
Publicis Groupe S.A.	\$49.86	\$12,237	\$18,752	17.1%	1.3	1.5	6.5		7.3
Sirius XM Holdings Inc.	\$6.37	\$27,069	\$35,346	28.9%	4.5	4.3	15.0		14.0
The Interpublic Group of Companies, Inc.	\$23.52	\$9,174	\$13,436	15.8%	1.6	1.6	8.3		10.0
The New York Times Company	\$51.77	\$8,657	\$7,859	12.5%	4.5	4.1	34.7		26.5
The Walt Disney Company	\$181.18	\$328,024	\$386,362	14.8%	5.9	5.5	32.9		38.2
Thomson Reuters Corporation	\$81.76	\$40,645	\$43,089	24.2%	6.9	7.0	38.6		21.7
Fox Corporation	\$29.12	\$17,275	\$21,022	25.0%	1.7	1.7	6.5		9.5
ViacomCBS Inc.	\$37.26	\$23,028	\$42,317	17.1%	1.6	1.5	9.4		8.5
Vivendi SA	\$32.27	\$38,204	\$44,686	12.4%	2.3	2.2	15.6		15.1
Wolters Kluwer N.V.	\$84.48	\$22,170	\$24,928	29.6%	4.3	4.4	13.9		14.7
WPP plc	\$10.92	\$13,283	\$20,710	-11.9%	1.2	1.5	NM		9.0
<b>Median</b>	<b>\$29.12</b>	<b>\$13,283</b>	<b>\$18,752</b>	<b>15.4%</b>	<b>1.6</b>	<b>1.6</b>	<b>10.6</b>		10.3

Source: S&P Capital IQ; ArkMalibu

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	Last Price	Equity Value	Enterprise Value	EBITDA Margin	EV / Revenue (x)		EV / EBITDA (x)	
					LTM	NTM	LTM	NTM
USD in millions except per share price								
<b>Telecommunications</b>								
Altice Europe N.V.	\$6.52	\$7,915	\$53,221	29.5%	2.9	2.9	8.7	7.2
América Móvil, S.A.B. de C.V.	\$0.73	\$48,710	\$86,669	28.4%	1.7	1.7	5.5	5.0
AT&T Inc.	\$28.76	\$204,916	\$402,268	31.8%	2.3	2.3	6.6	7.2
China Mobile Limited	\$5.70	\$116,726	\$57,622	37.1%	0.5	0.5	1.2	1.3
Comcast Corporation	\$52.40	\$239,747	\$338,280	30.5%	3.2	3.1	10.9	10.6
Deutsche Telekom AG	\$18.40	\$86,765	\$289,253	31.1%	2.4	NM	6.7	NM
Konica Minolta, Inc.	\$3.82	\$1,892	\$5,224	7.6%	0.6	0.6	8.0	7.0
Liberty Global plc	\$24.22	\$13,905	\$20,642	39.8%	1.8	1.6	4.5	4.3
Motorola Solutions, Inc.	\$170.06	\$28,829	\$33,736	26.4%	4.5	4.3	15.6	14.7
Nippon Telegraph and Telephone Corporation	\$25.63	\$94,789	\$149,155	23.3%	1.3	1.3	5.6	5.0
Nokia Corporation	\$3.85	\$21,696	\$20,346	12.3%	0.7	0.8	5.6	6.1
Orange S.A.	\$11.91	\$31,651	\$75,986	30.2%	1.5	1.5	4.4	4.8
Ricoh Company, Ltd.	\$6.56	\$4,752	\$3,877	6.0%	0.2	0.2	3.7	3.5
SoftBank Group Corp.	\$78.08	\$141,701	\$234,586	32.9%	3.9	4.1	9.9	13.5
Telefónica, S.A.	\$3.97	\$21,829	\$89,767	28.6%	1.6	1.7	5.0	5.2
Verizon Communications Inc.	\$58.75	\$243,113	\$374,069	37.0%	2.9	2.8	7.2	7.7
Vodafone Group Plc	\$1.65	\$44,308	\$120,658	28.6%	2.2	2.3	5.8	6.7
<b>Median</b>	<b>\$11.91</b>	<b>\$44,308</b>	<b>\$86,669</b>	<b>29.5%</b>	<b>1.8</b>	<b>1.7</b>	<b>5.8</b>	<b>6.4</b>

Source: S&P Capital IQ; ArkMalibu

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ARKMALIBU

| UNCONFLICTED. UNORTHODOX. UNRELENTING. |

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We're not like other banks – we don't have conflicted business relationships with buyers, leaving our senior advisors and principals unhindered and unyielding in their pursuit of your goals. From the first meeting to dry ink, we are dedicated to exceeding your expectations and surpassing industry valuation benchmarks during one of life's most prodigious events. Selling a company requires both psychological intelligence and financial rigor, and that is ArkMalibu. We're a steady ship in stormy seas – here to guide you through uncharted territory with experience, integrity, and confidentiality at every turn.



## Unconflicted. Loyalty to You is our Livelihood

- We only represent sellers; we're not incentivized to encourage you to accept less than your company's true maximum value.
- We pursue the highest possible value because we're unconflicted.



## Unorthodox. Senior-Level Service is Our Standard

- All of ArkMalibu's clients receive care and attention from our senior-level advisors and principals.
- From analysts to principals, our team remains present and available throughout the process.



## Unrelenting. Our Unrivaled Strategy Sells Your Story

- Our approach: understand, capture, and communicate your company's culture – the asset that can't be duplicated – and work to identify buyers whose goals and values align with yours, negotiating tirelessly on your behalf in order to complete the deal with the best partner.
- Our proprietary Four Boxes Analysis delivers prospective buyers a compelling investment story with undeniable upside.



## We are Anchored to Increasing Your Value

- ArkMalibu is tied to your destiny; we are anchored to the goal of bringing you unparalleled value while navigating the personalities and interests of the people involved.
- Selling a business requires as much EQ as IQ; with our depth of experience and understanding of the complex human dynamics at play, we coach you through the challenges so you can enjoy your hard-earned and well-deserved prosperity.



4555 Lake Forest Drive, Suite 365  
Cincinnati, OH 45242



(513) 583-5413



[www.arkmalibu.com](http://www.arkmalibu.com)