

# Technology – Media – Telecom TMT Roundup

Sector Spotlight: Workplace Technologies

**Spring 2023**



# Welcome

We are pleased to share our latest report on industry and M&A trends in the **Technology, Media, and Telecommunications (TMT) Space**, with a **Sector Spotlight on Workplace Technologies**.

For two consecutive years M&A in TMT was in a flurry, peaking in 2021, with 2022 trailing behind, yet still higher than pre-pandemic levels. Important to note that dealmaking in the lower and middle market remained steady, with both strategic buyers and financial sponsors deploying capital to acquire quality assets in the space, despite higher borrowing costs. The transaction volume decline was felt squarely with larger and mega deals. So far, 2023 is keeping steady, we continue to see transactions in the middle and lower market more frequently than larger deals.

As the landscape continues to shift, The DAK Group is partnering with stakeholders in Technology, Media, Telecom, including ProAV and IT Services companies to help them with exit planning, investment and sale processes and mergers and acquisitions. With nearly 40 years of experience, The DAK Group is well-positioned to work hand in hand with business owners, guiding them on some of the most important financial decisions of their life.

We are always happy to share our thoughts and expertise – please feel free to reach out to us at any time, with questions regarding this report, or related to your own business – please know we are truly always happy to speak with you.

Enjoy the Report!



**Ari Fuchs**  
Managing Director



## Table of Contents

	Page
Sector Spotlight: Workplace Technologies   Spring 2023.....	3
Key Workplace Technologies Trends.....	4
Interview with Paul Diesu, CEO of Forerunner Technologies.....	5
Transformative Recent Transactions.....	9
Public Company Performance & Valuations.....	10
Workplace Technologies: Case Study – Selling the Business.....	11
DAK Group's TMT Ecosystem.....	12
Market & Valuation Pointers.....	14
TMT M&A: Aggregate U.S. Activity.....	15
TMT M&A: Global Acquirer Activity and Multiples.....	16
Select Precedent Transactions: IT Services.....	17
Select Precedent Transactions: Audio Visual.....	18
Precedent Transactions Analysis: Workplace Technologies.....	19
Public Comparable Companies Analysis.....	20
The DAK Group – Information Page.....	21
DAK's TMT & Workplace Team.....	22

The **DAK** Group  
Investment Bankers to the Middle Market

Interview with



"A key aspect of being an entrepreneur is about being an expert at your business and how to deliver your products and services before you go to market. So, shouldn't you also do everything you can to become as smart as you can on what the M&A experience is like? And I've had the opportunity to learn that from my relationship with DAK. And I suggest anybody else that is looking at M&A as a growth strategy be prepared too."



**Paul A. Diesu**  
CEO  
Forerunner Technologies

Be sure to read the Interview with **Paul Diesu** on **Pg. 5**

# TMT Roundup

## Sector Spotlight: Workplace Technologies | Spring 2023

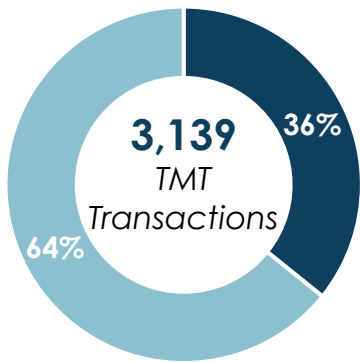
While transaction flow in the overall TMT sector dipped slightly in 2022, multiples remained consistent with 2021 even in the face of rising interest rates indicating that valuations remain strong for a smaller list of healthy companies.

M&A in workplace technologies, which is the focus of this report, was strong throughout 2022 as companies continue to adapt to a distributed office environment. Significant tailwinds are supporting greater performance and investment in 2023.

### Notable Workplace Technologies Transactions

 <b>CADDRILLION</b> has been acquired by  	 has been acquired by 	 has been acquired by 	 has been acquired by 	 has been acquired by  a portfolio company of 
--	--	--	--	---

### US TMT M&A (2022)



■ Sponsor    ■ Strategic

#### Key Points

- TMT M&A transactions declined by 21% from 2021
- The 64%/36% Strategic/Sponsor ratio was consistent to 2021
- Middle Market deals remained steady, the decline was in large & mega deals

### Articles We're Reading

[Survey: Employees Want Business Technologies to be More Collaborative](#)



[\\$2 Trillion Opportunity For Cybersecurity Technology And Service Providers](#)

McKinsey & Company

[Americans are Embracing Flexible Work – And They Want More of It](#)

McKinsey & Company

# Key Workplace Technologies Trends

Migration to the cloud, combined with the COVID-19 pandemic, has led to a significant shift towards more hybrid work models, leading to a greater emphasis on communication and collaboration technologies. The acceleration of digital transformation and evolving regulatory environment have led to greater demand for cyber security services.

The advent of artificial intelligence, most notably ChatGPT, as well as the upcoming Google DeepMind and Elon Musk's TruthGPT, is a game changer for organizations seeking operational efficiencies.



**A global pandemic and stay-at-home mandates drove companies to accelerate their digital transformation, including shifting to cloud-based applications to support remote workers and quickly rolling out new cloud services to retain customers.**

Cloud-based tools for communication, project management, video, file sharing, knowledge management and more will remain a priority for companies as they look to support employee collaboration and productivity, anywhere and anytime.



**The increasing number of cyber attacks is expected to continue to drive growth in the cyber security sector through 2023 and beyond.**

Cyber security demand will also accelerate as a result of increased regulations, such as the Stop Hacks and Improve Electronic Data Security Act (SHIELD), which requires organizations that generate at least \$5m of revenue within New York state must have a CISO or virtual CISO.



**Enterprise adoption of artificial intelligence has been steadily growing as organizations look to increase operational efficiency and drive innovation. And the cloud is helping them get the most out of their AI investments.**

Advancements, like ChatGPT, have prompted businesses to rethink how they are using technology and if they can gain efficiencies through AI.

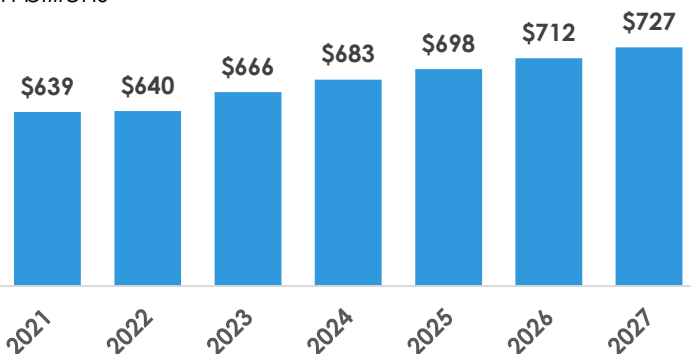


**Continued shift to hybrid work models has created a greater emphasis on communication, collaboration and connectivity technologies and solutions that enhance workforce productivity.**

Rapid advancements of audio-visual technologies is transforming the way businesses consume technology. This is generating stronger demand for managed services, while increasing the attractiveness of the AVaaS (AV as a Service) model.

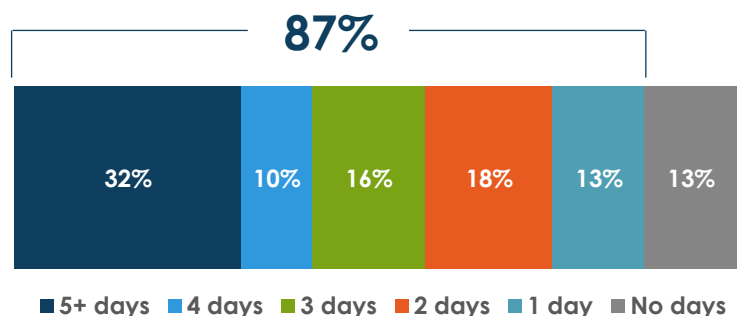
## Workplace Technologies Revenue 2021 to 2027

\$ in billions



## Rise of the Distributed Workplace

Days Worked Remotely per Week (% of US employees)





# Interview with Paul Diesu of Forerunner Technologies



**Paul A. Diesu**  
CEO  
Forerunner Technologies



**Derek Zacarias**  
Director  
The DAK Group



Forerunner's, CEO Paul Diesu sat down with DAK's Director, Derek Zacarias to talk about the Telecom Industry, Trends and his own growth strategy.

**Derek:** Paul You've had a phenomenal 40-year career in the in the Workplace Technology space. **Can you tell us how you got started in the industry?**

**Paul:** I kind of backed into the industry accidentally. I've always had a sales background and was this young entrepreneur, growing my career in real estate. Then I met an acquaintance looking to build a small business in the unified communications space. They recruited me into a sales role. I loved and embraced the opportunity to build relationships with potential clients, have great conversations about technology, but also focus on the service experience that they were having with their incumbent vendor or what they were looking for in a new service provider.

I learned so much over that first decade. How to overcome objections. How not to be too aggressive. And just understanding what it's really all about. And that is being a trusted advisor and building truly long-term relationships. And if you have a good product and a good company behind you, it goes from there.

**Derek: What has kept you in the business all these years later?**

**Paul:** What's kept me engaged is that it is absolutely a phenomenal industry. The technology continues to accelerate, adding more features and functionality. In the unified communications industry, it's faster, smarter, better and cheaper every seven to 10 years. And you really have to stay current with the relevant

manufacturers, seeing who the newcomers to the industry are, how the technology is changing, etc. And then layering that on top of the foundational long-term relationships that you continue to nurture year after year after year.

As I said before, being that trusted advisor is so important. Being able to communicate with customers about what is the right technology for their specific environment based upon their vertical market space. Communicating the proper migration strategy that wraps around their procurement process and fits with their budget.

My secondary reason that's kept me engaged is my love of business and entrepreneurship. I love educating myself on all aspects of the business, from sales, engineering and field service, financial matters. These are all important components to running a successful business. I can't be a good leader and can't be of value to my staff and to my clients if I don't build that knowledge base.

**Derek:** You have undergone some very significant growth, both personally and commercially over the years. **Could you give us a little bit of background on how Forerunner started and where you are focusing these days?**

**Paul Diesu:** Good entrepreneurial experience comes from observational learning and what I call practical intelligence – these are very important for entrepreneurs to have. For me, this was watching the prior owners sell their company and also watching a business get acquired and integrated, watching the combination of organic

## Interview with Paul Diesu of Forerunner Technologies

growth through a robust sales and marketing organization and parallel with strategic acquisitions that make sense for the growth strategies of the business. Those all fall underneath that entrepreneurial umbrella that I've embraced.

Over the years, we had observed a lot of mistakes that large public and private unified communications companies had made. And after around 2 1/2 decades of participating in the industry, we decided that it was time to strategically put together our own team and build our own brand and business.

What we found out is that it is not very complicated, it really is just about the basics. Whether you're talking about an MSP or a unified communications platform or a CCaaS offering or any of the other applications that are available to our customer base, it really is all about the client experience.

We do things focused heavily on metrics like Net Promoter Scores based on customer surveys that we monitor every week. Because of this, despite growing at an accelerated rate, our service experience continues to improve.

**Derek: *That gets back to this idea of being the trusted advisor with your clients?***

**Paul:** Absolutely. And it all comes down to culture. We have a staff of around 25 in the sales organization and on the operational side there's around 165 employees. Everybody has to be part of that culture and you have to drive that culture every day. That expectation gets set at the executive level and is driven downward on a weekly and daily basis. And then we hold ourselves accountable to maintaining this level of excellence. We have internal checkpoints and KPIs that we get to look at, everything from Sales, and number of tickets to tech utilization and customer feedback. All geared towards ensuring a high level of client experience.

**Derek: *This focus on culture, is that what you see as the secret sauce at Forerunner?***

***Is that how you've been able to differentiate yourself in what is a fairly crowded marketplace?***

**Paul:** It absolutely is the differentiator at Forerunner and I agree that it is a crowded space. But while it is a simple business model, the execution can be quite complicated. And when we look at our competitors... I'm not saying they've made it easy for us, but they've certainly given us a path for conversations, for improvement of the client experience.

When we get an opportunity to speak to new opportunities and we go through our client lists and their client experience and allow them to speak to our existing customer base to compare notes, they walk away with a good sense of the difference Forerunner has to offer.

**Derek:** You mentioned how every four to seven years the technology landscape is changing and evolving. ***What are the technological trends that are really driving your industry today?***

**Paul:** When I started out, premise based unified communications was what the industry was. It was a proprietary manufacturer with proprietary circuit boards and proprietary CPU that integrated into the cabling infrastructure with a proprietary phone on the desk. And then, as time went on, they developed more features and functionality.

Integration of voice messaging was a big push. There was a big shift around caller ID and getting information from inbound and outbound calling became more important. But the first major shift that changed everything was VoIP (Voice over Internet Protocol). This allowed other players to enter the market space and they created a perception of value for integrating unified communications into your data network and sharing of routing and switching and LAN and WAN resources. And that's become a 20-year battle.

Customers realized very quickly that VoIP was more complicated than on-premise solutions. In many cases total cost of ownership increased and

## Interview with Paul Diesu of Forerunner Technologies

many of the features didn't perform as well. There was now this intertwining between what used to be two distinct departments, IT and telecom. But, after 20 years, we have finally gotten through that, and it has become the new standard. And then of course, once we all got comfortable with this paradigm, the industry changed again with the conversion to the cloud.

The integration of VoIP into multiple data networks opened up a lot of integration opportunities to third party vendors that were also layering on the data network. It was very interesting to me that you had to kind of play in the sandbox better with all these different manufacturers and features and functionalities. And with this SaaS based business model, everything changed.

Your PBX has become a server. Your CPU became a licensing model which is renewable every year and your phone became an IP endpoint like your computer. Now the next step, of course, is that clients don't even want servers in their environment anymore.

Because we can bundle all of this together seamlessly, our clients no longer need to ask questions like: Who's providing my dial tone? Who's providing my unified communications? When do I have to upgrade my hardware? When is it going to become obsolete? How am I paying for moves, adds and changes?

**Derek: Please talk a bit about how this shift in business model has affected your clients' procurement decision making?** I assume for many this has made what was a large capex decision more of an operating expense line item.

**Paul:** When a pending event happens where a client is faced with a capital expenditure need to procure a new unified communication system, there is a really important advisory role to that customer to help guide them around the question of whether an on-premise solution or a hosted solution would best serve them. Which is the best model for them? In the SMB space, there seems to be an attractiveness to it shifting to an operating

expense, allowing business owners to conserve a large upfront cash outlay.

On the enterprise side, a bit of a cost gap starts to develop because if you have 25 phones or endpoints that's one thing. But if you have 1,000 or 10,000 or more? At \$20 per phone, the total cost of ownership starts to move in the opposite direction. So, what's happened in the enterprise space is that many have moved towards a private hybrid cloud where the on-premise base is still very important at the core. But those great cloud features such as collaboration and file sharing and interoffice text messaging are now integrated into it to your on-premise solution. This hybrid environment has become a very nice migration strategy for the enterprise customer.

**Derek:** As communications have moved towards the cloud, **how has that changed the climate on cybersecurity and your role in that environment?**

**Paul:** Cybersecurity is a booming IT application that is layered around all of the IT applications, including the voice applications and unified communications. And when you convert the client to a hosted model, it's built in. There's already cyber security and security protocols layered into the features and applications of unified communication that absolutely protect the users from cyber-attacks that are entering from toll fraud through the voice application endpoints.

But it doesn't protect those other applications that are on the IT network so other cyber security measures have to be brought in to protect those other IT applications. This trend has certainly opened the door for us to sell more cybersecurity services for other applications as well at the computer level. It's become a natural conversation for us with all of our customers.

**Derek: Can you walk us through Forerunners growth trajectory over they years and how you've used M&A to help fuel that growth?**

**Paul:** M&A has always been part of our growth

## Interview with Paul Diesu of Forerunner Technologies

strategy. Over the years we've done around a dozen acquisitions, but in the beginning, there was a lot of focus on organic growth. We build a robust operational staff, engineering staff, financial staff. We wanted to make sure the foundation was rock solid. Once that was in place, it was time to build and expand. On the organic side, it's all about the sales and marketing organization and setting clear goals and objectives. And then you have to align those goals and objectives with the services and the manufacturers that support you with those services, so everybody's on the same page. This led to strong double digit organic growth. We then looked to augment this organic growth with acquisitions that fit certain criteria. Some of our acquisitions have been to enter a new geography. By doing this, we can get instant relevancy in a new region and then build the rest of the model and expand and grow by replicating the same strategy we've honed in our initial regions. So now you're layering organic growth on top of the strategic acquisition, which is now accelerating both. And we've done that 12 times now. This has allowed us to grow from what was a single region player to having an active footprint in 44 states.

**Derek:** *For those business owners that might be thinking about pursuing an M&A strategy, either as a buyer or sell, what advice would you give to them?*

**Paul:** You know, it's very, very complicated if you're a business owner today. You're probably getting 3 to 5 emails a week from somebody who wants to loan you money. Or represent you and the sale of your business. I'm going to stick with my foundational beliefs of being a successful entrepreneur. It really is all about building the right relationships.

I think if you build a relationship with your investment banker and they educate you the way that you (DAK) educates clients, you can be better prepared. Bring the investment banker in early on in a consultative role. Have them review your or your target's financials. They'll focus in on

how you're managing percentage completion. How does the revenue mix look? What are the risks?

If you can, even 3 – 5 years before you think about bringing in partners through an M&A strategy, you should build a consultative relationship with an investment banker to better understand how you're going to be perceived in the marketplace. And, at the same time, that investment banker should be educating you on the current environment.

What does the middle-market M&A outlook look like today? How many billions of dollars are there at play? What's most attractive to buyers?

As I've said before, a key aspect of being an entrepreneur is about being an expert at your business and how to deliver your products and services before you go to market. So, shouldn't you also do everything you can to become as smart as you can on what the M&A experience is like? And I've had the opportunity to learn that from my relationship with DAK. And I suggest anybody else that is looking at M&A as a growth strategy be prepared too.

As you know, my relationship with DAK and Alan Scharfstein goes back a very long time. He really taught me all this stuff. When we began Forerunner, even when we were twelve people, DAK was there from day one looking at our goals and strategies helping us with acquisitions to get accelerated growth on that side. And then, every six months the DAK team would come in and look at the P&L and look at the strategy and give us advice and guidance. And here we are, all these years later, and that relationship is still maintained. Everybody should be so lucky. That's how I feel about it.

***Forerunner Technologies is a premier national communications partner for Enterprise & SMB clients, with over 30 years of success. The owners of Forerunner partnered with The DAK Group for over two decades to assist in building and executing on a strategic growth strategy.***



## Transformative Recent Transactions

**exertis** | ALMO

Has  
acquired



**December 2022: Exertis Almo**, a distributor of audio-visual equipment to integrators, resellers, and consultants, has acquired **Caddrillion**, a provider of engineering, drafting, and programming services to AV integrators. This acquisition will enable Exertis Almo to offer higher-margin, value-add ancillary AV services to its customer base while creating stickier customer relationships.

**Frontenac**  
**Integris.**

Has  
acquired



**September 2022: Integris**, a provider of various IT solutions backed by **Frontenac**, has acquired **Security7 Networks**, a provider of cybersecurity and managed security services. Security7 Networks brings new and expanded cybersecurity practices, allowing Integris to add more Chief Information Security Officers, vCISO services and to provide improved compliance and regulatory consulting.

**RICOH**

Has  
acquired



**September 2022: Ricoh**, a provider of various workplace services and products, has acquired **Cenero**, a provider of AV, UC, and IT solutions and integration services. This acquisition will expand Ricoh's global integrated digital services portfolio with hybrid workplace solutions that enable secure, effective, and collaborative meeting experiences for on-premises and remote employees alike.



Has  
acquired



**September 2022: WESCO International**, a value-added industrial and commercial distributor, has acquired **Rahi Systems**, a provider of complex IT services and solutions to enterprise clients. The acquisition provides complementary global coverage and enhances WESCO's full suite of data center solutions for contractors, integrators and end-user customers.



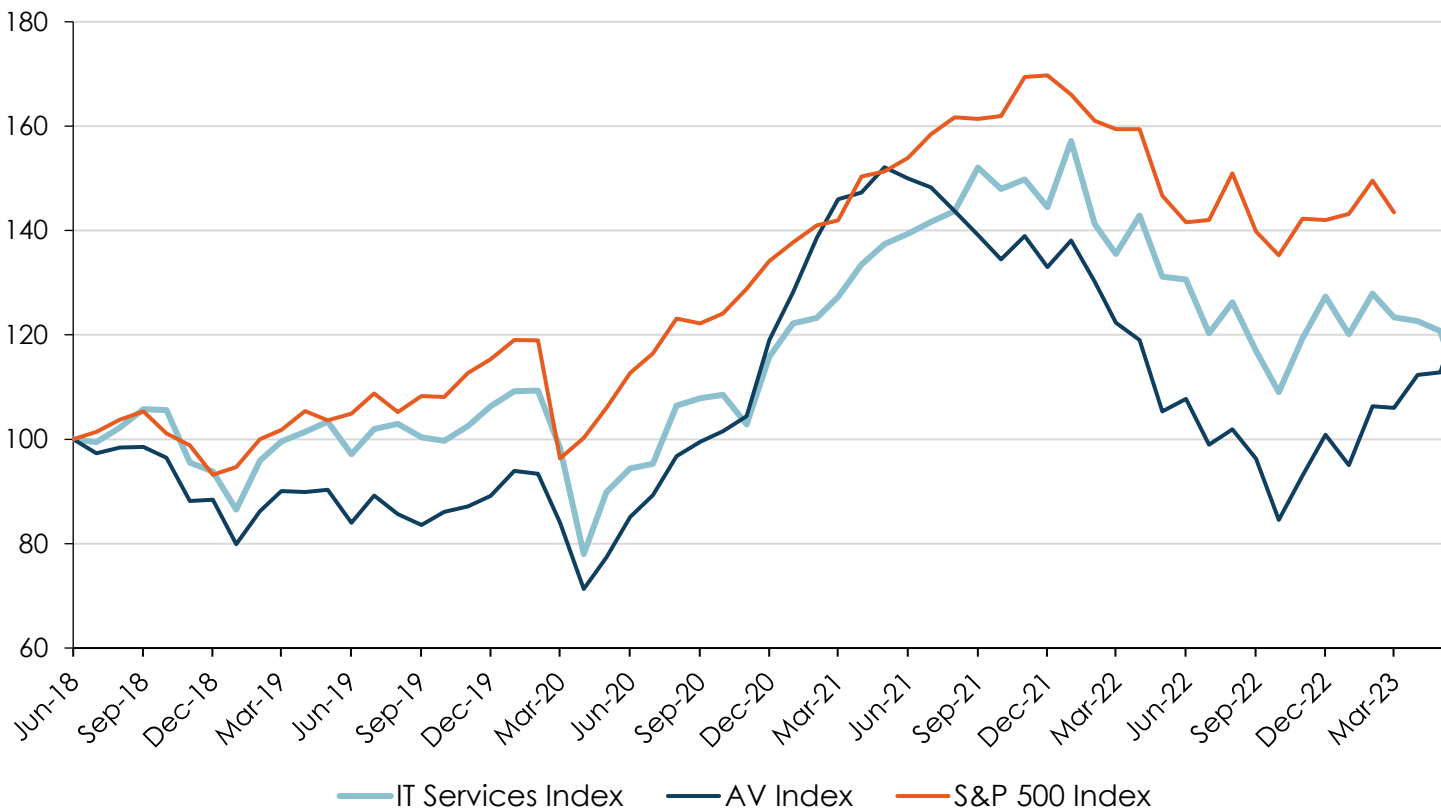
Has  
acquired



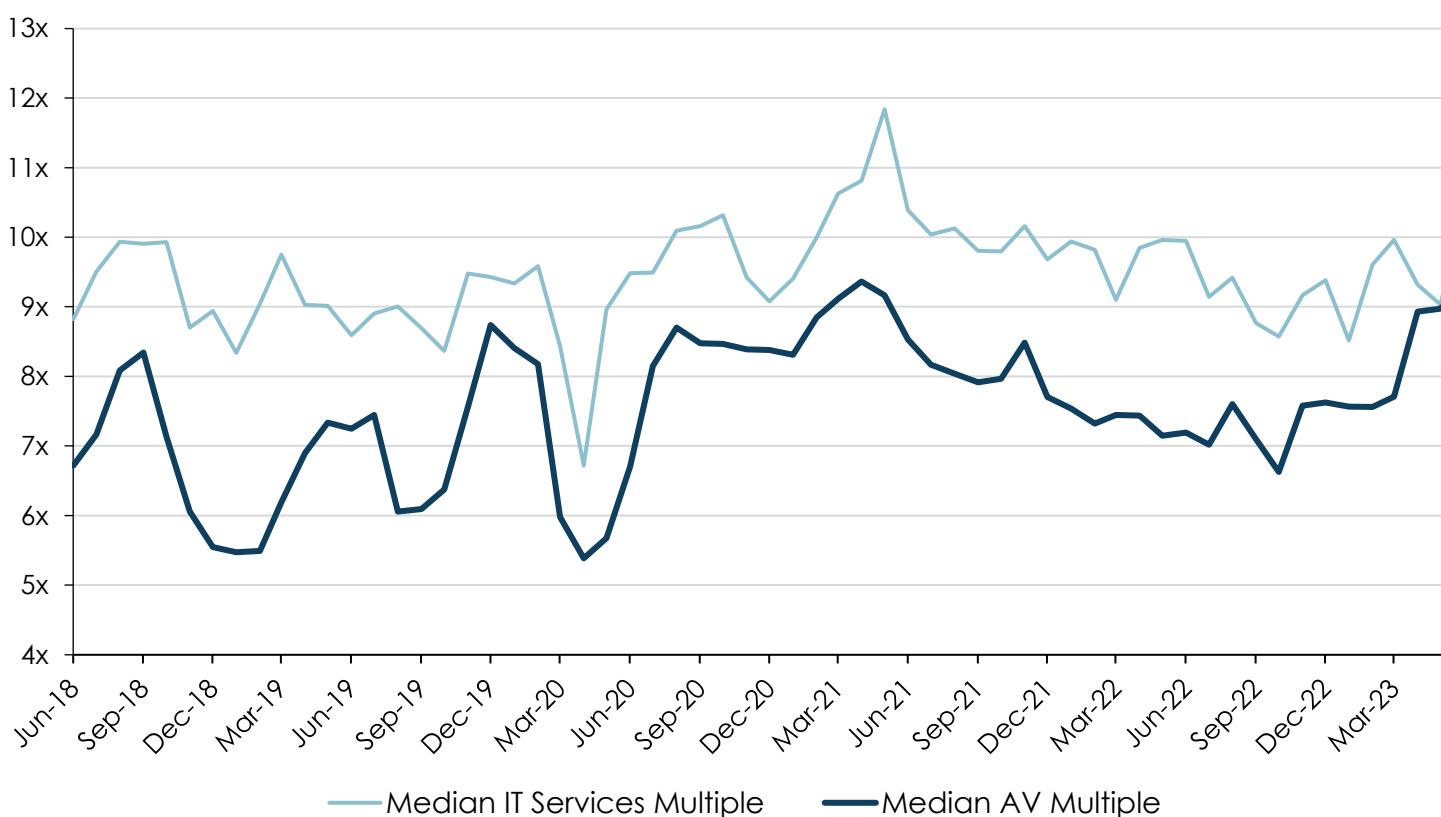
**June 2022: FFL Partners**, a private equity firm based in San Francisco, has acquired **Abacus Group**, a provider of managed IT and infrastructure solutions serving the financial services industry. The increasing focus on cybersecurity, transition to the cloud, need for enhanced data and analytics, and consistent difficulty of attracting and retaining IT talent drove FFL to make this investment.

# Public Company Performance & Valuations

## DAK Workplace Technologies Index Performance vs. S&P 500



## Fully Diluted EV to NTM EBITDA Multiples



1. For full detail behind DAK's AV Index and IT Services Index, please see page 21.

# Workplace Technologies: Case Study – Selling the Business

## **Situation:**

Adtech Systems is a New England-based provider of IT-centric workplace technology solutions that empower Fortune 500 enterprise, education and government customers to communicate and collaborate on a nationwide and global basis.

Adtech's reputation of delivering mission-critical solutions to today's most pressing workplace technology challenges is supported by a combination of experienced business strategists, solutions architects, integration specialists and IT experts as well as extensive infrastructure focused on driving exceptional customer experiences through operational excellence.

Having successfully established an enterprise program management initiative with several high-profile customers, the business found itself at an inflection point – continue growing at a modest pace or identify a partner with the capacity to rapidly accelerate growth by expanding Adtech's service-first strategy into new end-markets and geographies.

## **Solution:**

DAK ran a spirited, competitive sell-side process, leveraging its deep sector knowledge and relationships within the pro AV community, while leaning on its knowledge of adjacent industries (e.g., IT services, low voltage) that touch the workplace technology ecosystem.

Having identified a number of interested, high-quality financial and strategic acquirers, AVI-SPL, backed by Marlin Equity Partners, emerged as the ideal partner to join forces with. AVI-SPL provided greater access to a wider range of AV solutions and services to guide both new and existing clients in their digital transformation efforts while providing the infrastructure to scale services to meet a broader audience.

Ari Fuchs, Managing Director at the DAK Group said "Adtech Systems' services-centric approach and enterprise client base is a natural fit for AVI-SPL. As a leader in the New England market, the combination of Adtech's focus on operational excellence and trusted reputation will continue to drive impressive performance and results. We are excited to watch the continued growth and success of the business under AVI-SPL ownership."



has been acquired by



**Dustin Campbell**  
CEO



**Erik Waters**  
CFO/COO



**Philip Muscatello**  
VP, Marketing

# DAK Group's TMT Ecosystem



## Workplace Technologies (Report Focus)

Providers of solutions and services that improve and enhance the workplace technology environment including communication and collaboration solutions, IT services and managed service providers (MSPs), cloud and cybersecurity solutions as well as the hardware manufacturers and distributors that support the broader ecosystem.

*IT Services    MSPs    A/V  
Collaboration    Unified  
Communications    Cybersecurity  
Cloud    HC IT*

### Key Trends

- Continued adoption of hybrid work models is expected to drive growth of new and immersive communication and collaboration technologies to enhance the productivity of remote workforces
- As businesses continue their digital transformation and rely more on distributed workforces, cloud computing, and IoT devices, the potential attack surface expands, underscoring the urgent need to invest in and reinforce cybersecurity measures.
- As remote work becomes more common and cyber attacks continue to rise, businesses are turning to AI and big data analytics to handle the growing complexity of their IT environments.

### Select Market Participants



## Marketing Solutions

Digital and traditional marketing and advertising solutions across all channels and devices for businesses and consumers including web, social media, email, mobile, text, video, Convergent TV (Digital, OTT, Linear), out-of-home, and legacy print media.

*Agencies and  
Consultancies    Marketing Data and  
Technology    Advertising  
Technology*

### Key Trends

- 2023 will see broad experimentation with and further investment into cookie-less tech and platforms as the move away from third party-data continues.
- Shift to first-party and zero-party data will also lead to a rise in contextual targeting (\$335.1B est. by 2026)
- The CTV ad market will maintain a double-digit growth rate in 2023 of 14.4% compared to the 5.9% projected growth of overall ad spending.
- AI will begin to power marketing at scale by hyper-accelerating consumer insight delivery to Ad Tech and Mar Tech platforms.

### Select Market Participants





# DAK Group's TMT Ecosystem



## Media Entertainment

The entertainment industry continues to be redefined by new business models and changing viewing habits. Streaming platforms like podcasts and Over The Top TV are focusing on profitability which means cutting back on production budgets and other investment spending activities. M&A also slowed in recent quarters as it has in other verticals while traditional investors regroup.

### Key Trends

- Based on the current challenging economic climate, AVOD's appeal is surging as price-conscious viewers are willing to watch ads in exchange for discounted or free OTT streaming videos.
- With a shift in focus from land grab to bottom-line profitability, major OTT streamer original content spend will grow only 14% YOY 2023 v. 2022, down significantly from the 45% YOY 2022 v. 2021.
- While scripted programming remains the bedrock of content investment, the number of unscripted projects commissioned by global SVODs grew by 35% in 2022.

Video Streaming, Podcasts, CTV, Media & Production Technologies

### Select Market Participants



## Climate Technology

Climate technologies are critical to improving the effect that society and industry have on the environment. DAK's coverage focuses on renewable energy developers, the EV charging ecosystem, environmentally-friendly building products, and the upstream suppliers supporting these industries.

### Key Trends

- Over the past decade, the cost of renewable energy projects has come down by almost 90%.
- McKinsey estimates that next-generation technologies could attract \$1.5 trillion to \$2 trillion of capital investment per year by 2025.
- Innovative finance, like special projects and SPACs, have been core to climate tech's growth.
- Electric transportation, clean energy generation, mobility solutions, and battery storage solutions are expected to be key focus areas over the coming years.

EV Charging Renewable Energy  
Battery Storage Energy-Efficient  
Building Mobility Solutions

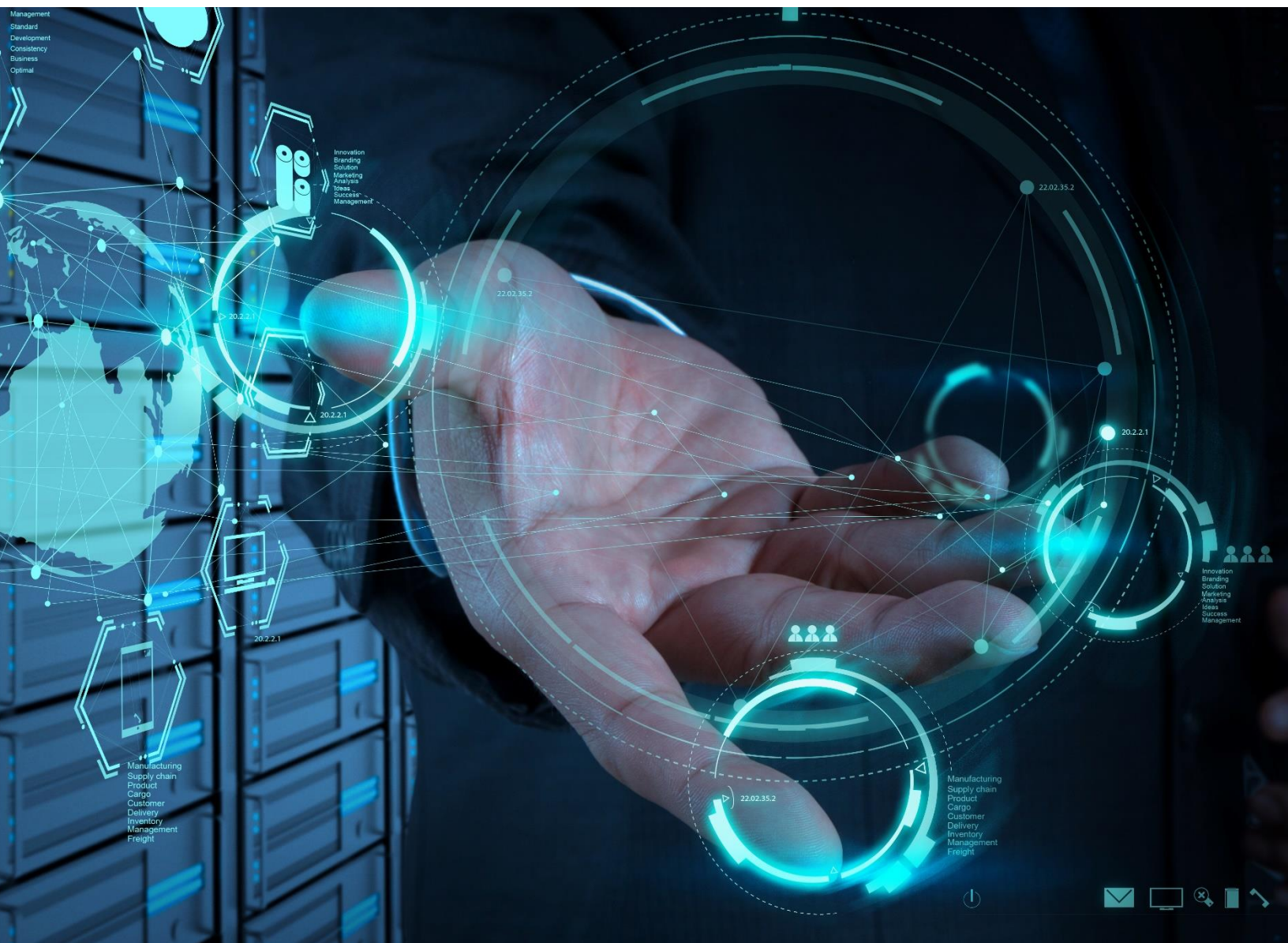
### Select Market Participants



# Technology – Media - Telecom TMT Roundup

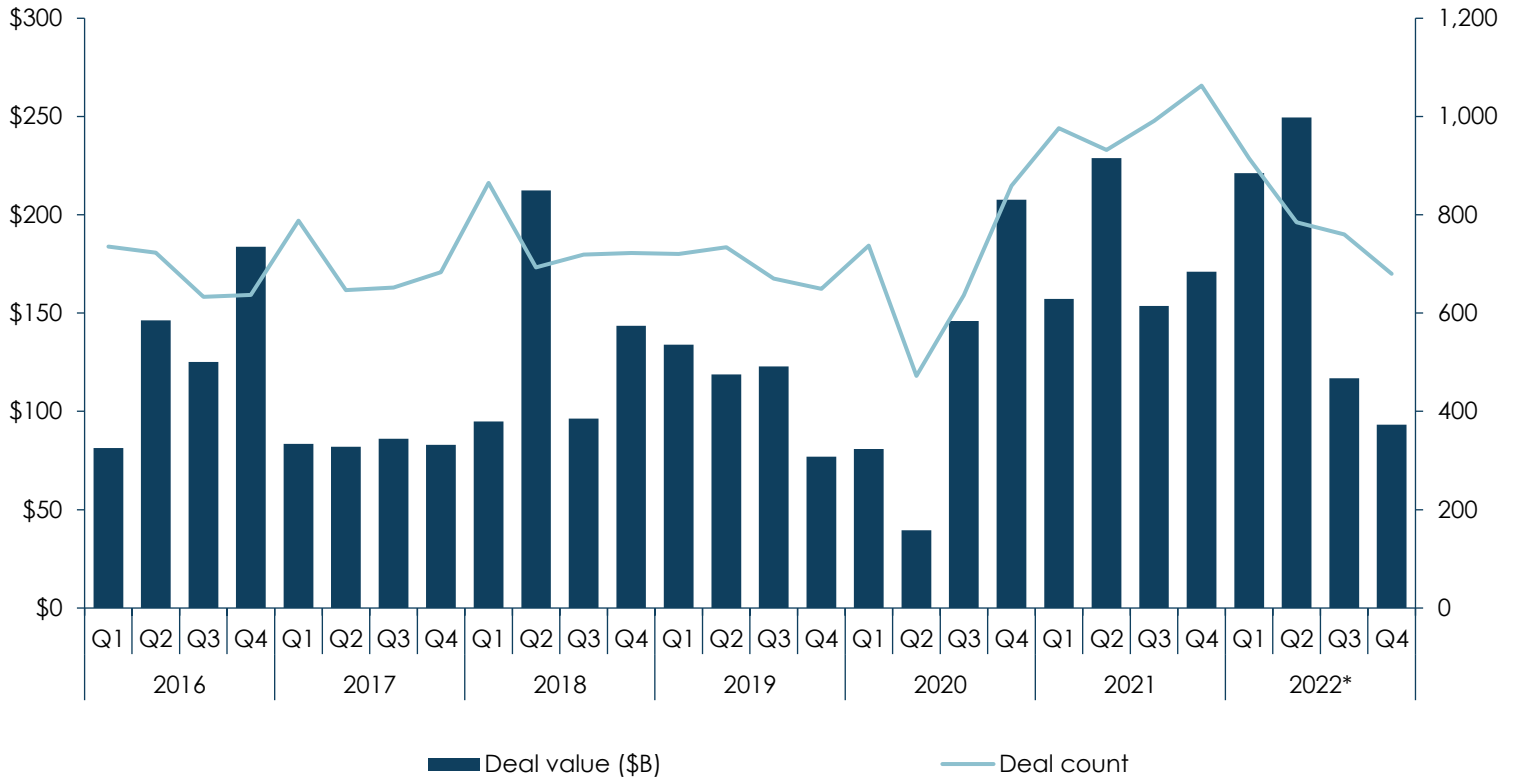
Sector Spotlight:  
Workplace Technologies

## Market & Valuation Pointers

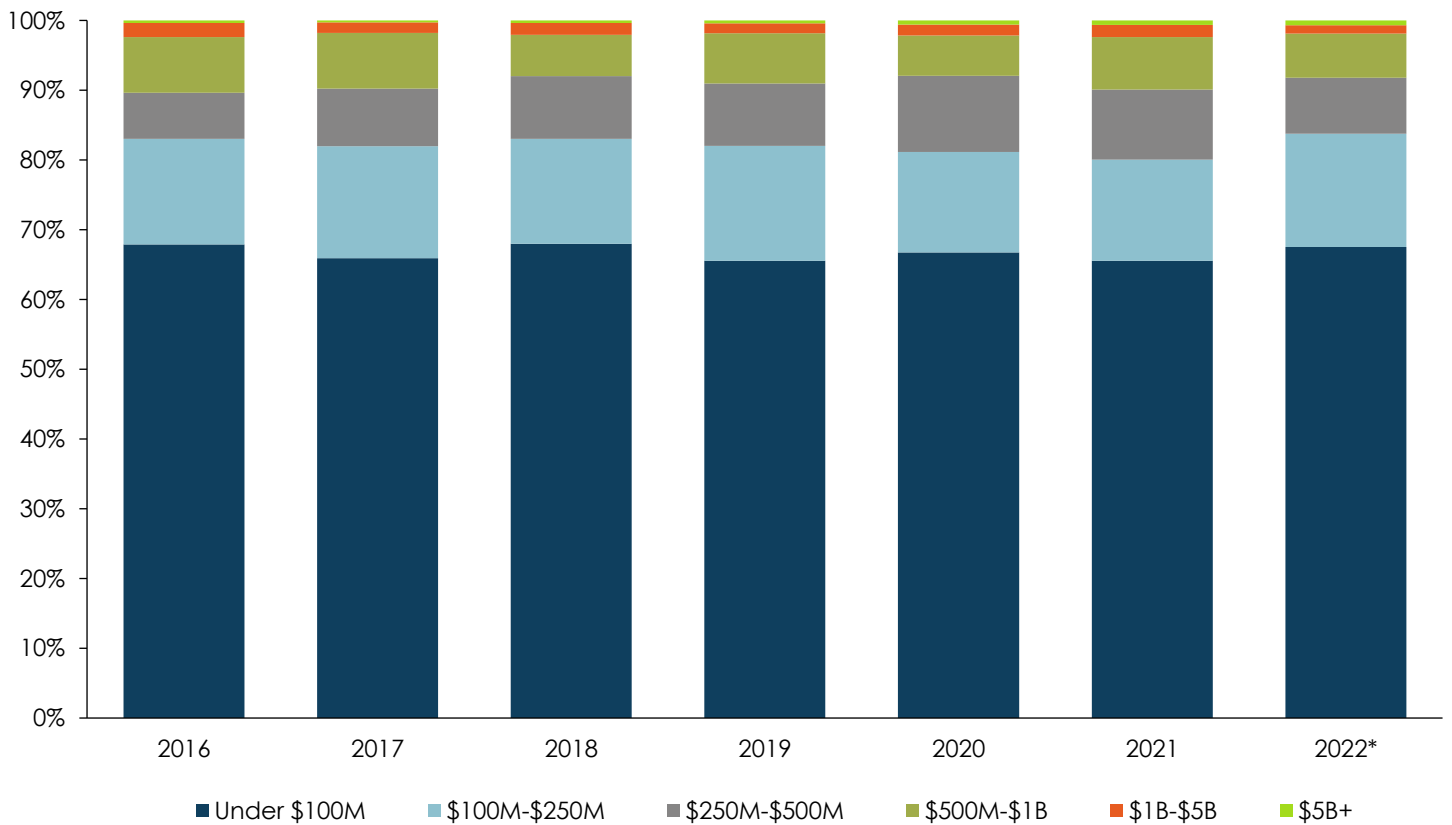


# TMT M&A: Aggregate U.S. Activity<sup>1</sup>

## U.S. TMT M&A Activity by Quarter (2016 – 2022)



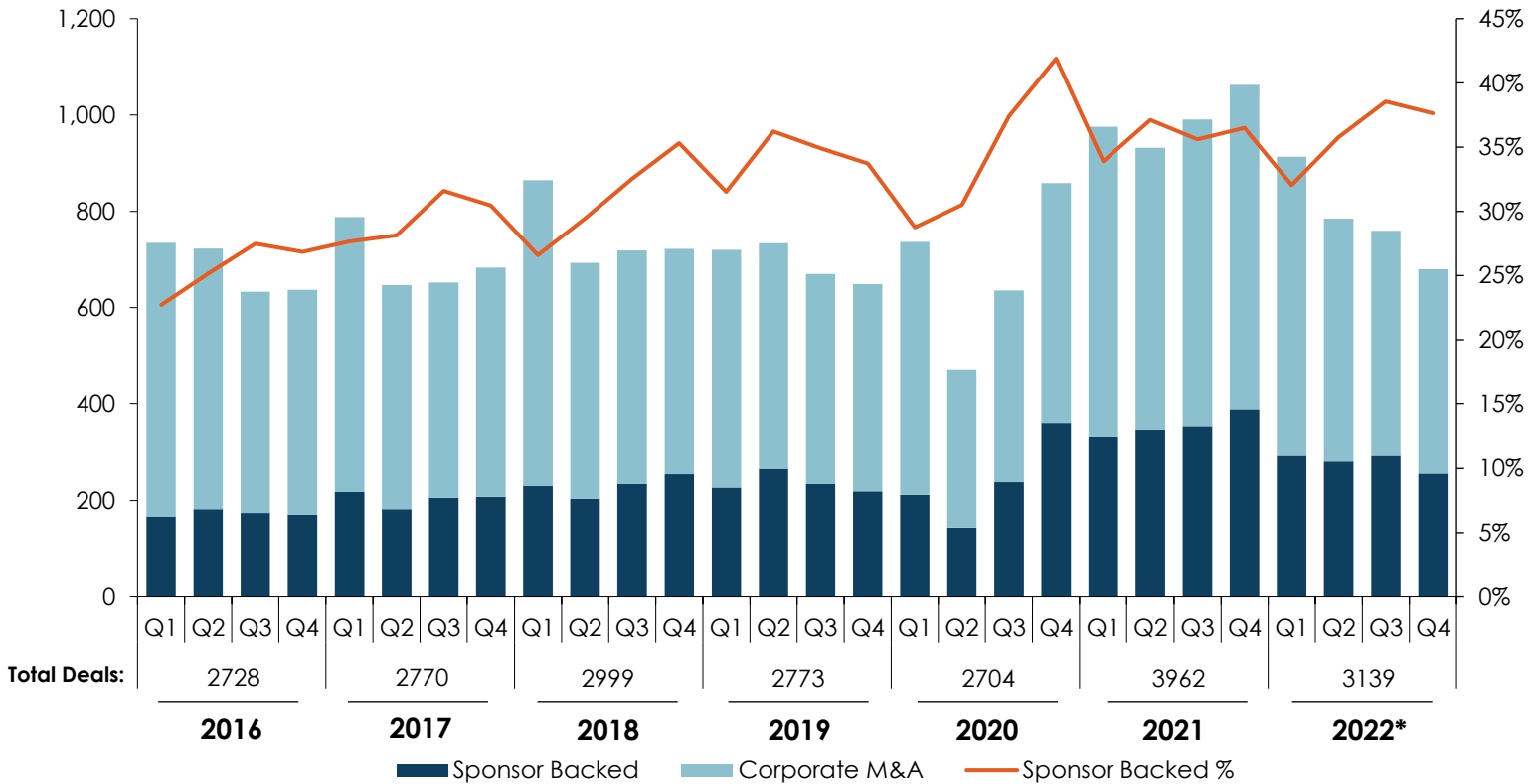
## U.S. TMT M&A Activity by Size (2016 – 2022)<sup>2</sup>



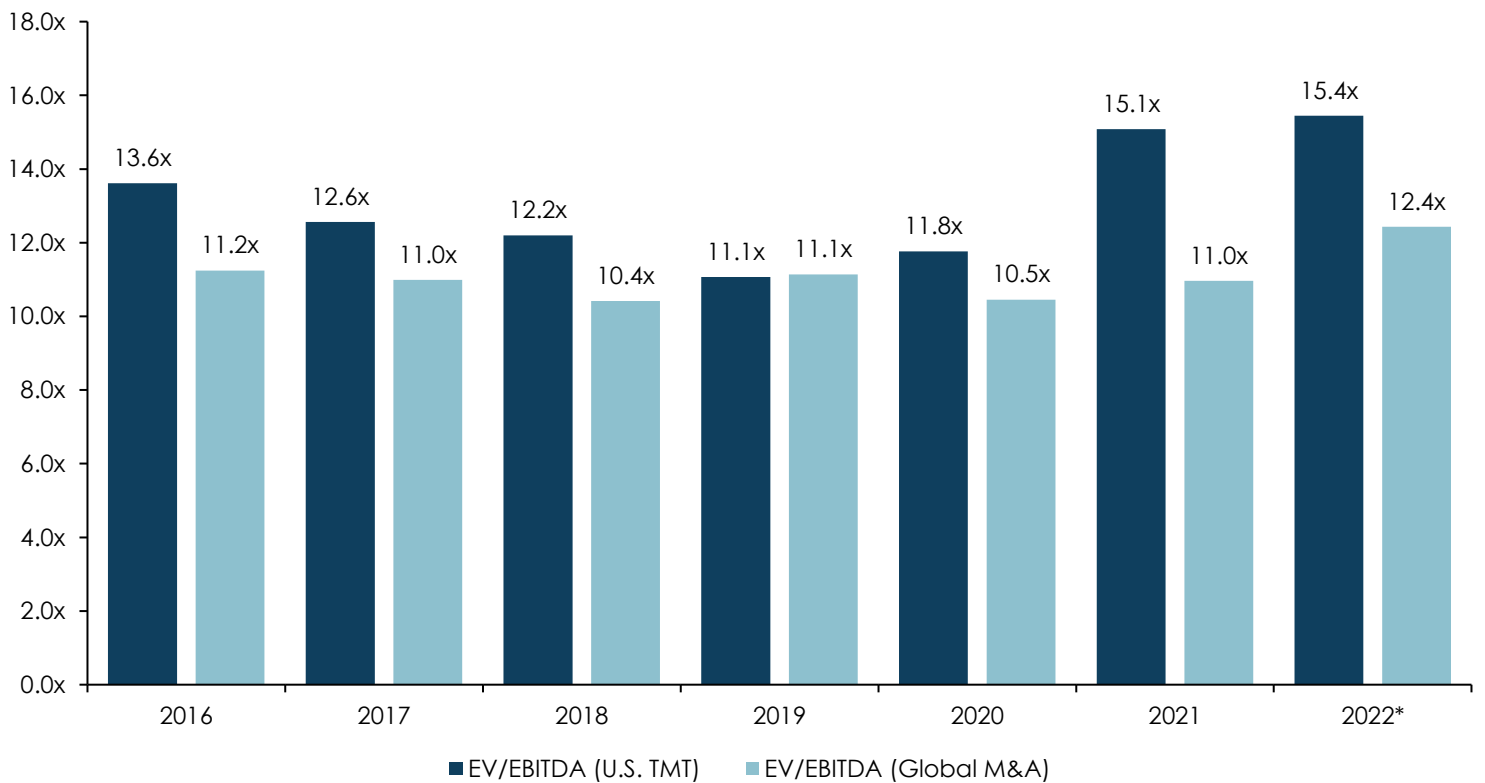
1. Source: Pitchbook  
 2. Percentage of number of transactions.

# TMT M&A: Global Acquirer Activity and Multiples<sup>1</sup>

## TMT M&A Activity by Acquirer Type (2016 – 2022)



## TMT M&A Transaction Multiples (2016 – 2022)



1. Source: Pitchbook



## Select Precedent Transactions - IT Services

Workplace Technologies: Select Precedent Transactions				
\$ in millions				
Date	Target	Target Description	Acquirer	EV
14-Feb-23	<b>VeeMost Technologies</b>	Provider of consulting and technology services catering to small-medium and large businesses, government entities as well as non-profit organizations.	Global Developments Holdings	UD
13-Feb-23	<b>Inoc</b>	Provider of network operations consulting services intended to improve the support provided to partners and clients' customers and end-users.	GenNx360 Capital Partners	UD
13-Feb-23	<b>ProVelocity</b>	Provider of managed information technology services intended to serve businesses and government agencies.	IronEdge Group	UD
08-Feb-23	<b>BreakFree Solutions</b>	Provider of information technology and digital services intended for enterprise and commercial customers in the financial services sector.	Blackstone	UD
07-Feb-23	<b>Sigmaways</b>	Operator of an IT consulting and services company intended to offer software product engineering, technology innovation and staffing systems based in Fremont, California.	HeartCore	\$0.5
30-Dec-22	<b>CMIT Solutions</b>	Provider of managed information technology (IT) services intended for accounting, construction, education, finance, insurance and healthcare industries.	HKW	UD
01-Nov-22	<b>Rahi</b>	Provider of complete IT services catering to equip enterprises	WESCO International	\$217.0
26-Sep-22	<b>AHEAD (Chicago)</b>	Provider of consulting and enterprise cloud services intended to create a platform for digital business.	Berkshire Partners	\$3,000.0
22-Sep-22	<b>Security7 Networks</b>	Provider of managed security services intended for small-to-medium-sized businesses.	Integrus	UD
24-Jun-22	<b>Abacus Group (New York)</b>	Provider of managed information technology (IT) and infrastructure services intended to serve the financial services industry.	FFL Partners	UD
16-Jun-22	<b>Edge Technology Group</b>	Operator of a managed service provider company intended to serve hedge funds, private equity, family offices and asset managers.	Thrive Operations	UD
25-May-22	<b>Intelligent Technical Solutions</b>	Provider of managed information technology services specializing in all forms of IT support and computer repairs.	Tower Arch Capital	UD
23-May-22	<b>Next I.T.</b>	Provider of IT services and solutions intended to leverage technology, increase productivity and reduce the risk for small and medium-sized businesses.	Valeo Networks	UD
13-May-22	<b>Lighthouse Technology Partners</b>	Provider of managed services catering to small- to mid-sized companies.	Coretelligent	UD
14-Apr-22	<b>Fortica Cybersecurity</b>	Provider of cloud cybersecurity services intended to diagnose existing risks and vulnerabilities.	KPMG	UD
08-Apr-22	<b>Comstar Technologies</b>	Provider of technology and telecommunications services committed to fulfilling the communication services needs of clients across Canada, Brazil, United Kingdom, Mexico, China and South Africa.	New Era Technology	UD
24-Jan-22	<b>Ntiva</b>	Provider of managed information technology services intended for government contractors, nonprofits, financial, healthcare, private equity and construction services.	PSP Partners	UD

## Select Precedent Transactions - Audio Visual

Workplace Technologies: Select Precedent Transactions				
\$ in millions				
Date	Target	Target Description	Acquirer	EV
01-Apr-23	<b>Bose Professional</b>	Manufacturer of commercial audio systems for public establishments.	Transom Capital Group	UD
09-Mar-23	<b>BTX Technologies</b>	Distributor of electronic components intended to supply data communications and broadcast equipment to customers in the United States.	Resideo Technologies	UD
01-Feb-23	<b>DBE Systems</b>	Operator of a technology solutions company intended to serve businesses.	Dancker	UD
05-Jan-23	<b>Adtech Systems</b>	Provider of audiovisual services intended to strengthen the communication infrastructure.	AVI-SPL	UD
01-Jan-23	<b>Access A/V</b>	Provider of audiovisual integration solutions and distributor of audiovisual equipment.	Key Code Media	UD
16-Dec-22	<b>Neurilink</b>	manufacturer of AV systems intended for conference rooms, auditoriums, and classrooms.	AVI Systems	UD
12-Dec-22	<b>Caddrillion Engineering &amp; Drafting</b>	Provider of engineering, drafting and programming resources intended to serve technology integrators and consultants.	Exertis Almo	UD
06-Dec-22	<b>Multimedia (San Pedro Garza Garcia)</b>	Provider of IT and audiovisual integration services intended for homes, corporate and government buildings, universities, hospitals, hotels and classrooms.	AVI-SPL	UD
01-Dec-22	<b>K2</b>	Operator of an audiovisual, acoustics and technology design firm intended to serve clients across a wide range of sectors, including corporate, government, education and the performing arts.	Caltius Structured Capital	UD
02-Nov-22	<b>Spinitar</b>	Provider of audiovisual and communication technology to create customized unified customer experience.	Solutionz Conferencing	UD
03-Oct-22	<b>AudioLogic UK</b>	Distributor of audio equipment products intended to serve schools, government buildings and retail sectors.	European AV Group	UD
12-Sep-22	<b>Cenero</b>	Provider of audiovisual, unified communications and information technology solutions intended for productive meeting experiences.	Ricoh USA	UD
18-Aug-22	<b>Alternative Video Solutions</b>	Provider of audio-visual solutions based in Minneapolis, Minnesota.	AV FOR YOU LLC	UD
01-Aug-22	<b>Cutting Edge Systems (Westford)</b>	Provider of audio-visual and automation services serving commercial and residential clients throughout New England and Greater Boston.	Audio Visual Design Group	UD
13-Jun-22	<b>ROVE (US)</b>	Provider of systems integrator and cloud services intended to serve enterprise, commercial & public sectors.	BC Partners	UD
16-May-22	<b>Visual Innovations Company</b>	Audiovisual consultant and integrator based in Austin, Texas.	Felix Media Solutions	UD
09-May-22	<b>Visavvi</b>	Provider of audiovisual consultancy services.	Specialist Computer Centres	UD
18-Jan-22	<b>Anthony James Partners</b>	Provider of audiovisual consulting services intended for sport franchise owners, higher education, venue management firms and government.	ASM Global	UD

# Precedent Transactions Analysis - Workplace Technologies

Workplace Technologies: Precedent Transaction Analysis								EV as Multiple of	
\$ in millions								Revenue	EBITDA
Date	Target	Target Description	Acquirer	EV	Revenue	EBITDA	Revenue	EBITDA	
07-Feb-23	<b>Sigmaways</b>	Operator of an IT consulting and services company intended to offer software product engineering, technology innovation and staffing systems based in Fremont, California.	HeartCore	\$0.5	\$12.9	\$0.1	0.0x	7.3x	
16-Nov-22	<b>R Systems International</b>	Provider of software consulting services intended to overcome digital barriers and create business value.	Blackstone	\$644.2	\$188.2	\$26.2	3.4x	24.6x	
26-Sep-22	<b>AHEAD (Chicago)</b>	The company integrates service management, cloud, data center, software development and security into a holistic infrastructure.	Berkshire Partners	\$3,000.0	\$2,500.0	\$230.0	1.2x	13.0x	
01-Dec-21	<b>Sirius Computer Solutions</b>	Provider of information technology infrastructure and data center-focused technology integration services intended to help the clients to respond quickly and nimbly to market changes.	CDW	\$2,400.0	UD	\$230.8	UD	10.4x	
01-Sep-21	<b>Tech Data</b>	Distributor of information technology products intended to serve value-added resellers, direct marketers, retailers and corporate resellers.	TD SYNEX	\$8,300.0	\$41,500.0	\$873.7	0.2x	9.5x	
30-Jun-20	<b>Tech Data</b>	Distributor of information technology products intended to serve value-added resellers, direct marketers, retailers and corporate resellers.	Apollo Global	\$6,000.0	\$36,767.2	\$707.2	0.2x	8.5x	
04-Aug-17	<b>Iver (Sweden)</b>	Provider of customized information technology management services intended for customers who demand high security, availability and innovation.	EQT	\$267.9	\$83.2	\$19.9	3.2x	13.5x	

**EBITDA multiple exclusion: 20.0x**

	EV as Multiple of	
	Revenue	EBITDA
<b>Median</b>	<b>0.7x</b>	<b>10.0x</b>
<b>25th Percentile</b>	0.1x	8.2x
<b>75th Percentile</b>	3.3x	13.1x
<b>Sample Size</b>	6	7

## Key Acquirers



# Public Comparable Companies Analysis

As of May 7, 2023  
(US\$ in millions)

## Audio Visual

Company	Ticker	Share Price	Fully Diluted Market Cap	Enterprise Value	EV / Revenue		EV / EBITDA	
					2023E	2024E	2023E	2024E
Dolby Laboratories	NYS: DLB	\$84.69	\$8,540	\$7,778	6.2x	5.9x	17.7x	16.4x
Sonos	NAS: SONO	\$21.61	\$3,096	\$2,698	1.5x	1.6x	11.9x	16.8x
Bang & Olufsen	CSE: BO	\$1.50	\$184	\$179	0.4x	0.4x	4.4x	10.5x
VOXX International	NAS: VOXX	\$12.70	\$310	\$317	0.5x	0.6x	8.1x	18.9x
Samsung Electronics	KRX: 005930	\$48.74	\$328,071	\$256,026	1.1x	1.3x	3.8x	6.7x
Sony	NYS: SONY	\$93.86	\$115,746	\$132,271	1.5x	1.5x	9.3x	9.8x
Philips	NYS: PHG	\$21.15	\$18,676	\$25,070	1.3x	1.2x	10.3x	8.9x
Hitachi	TKS: 6501	\$56.23	\$54,058	\$73,347	0.8x	1.1x	5.9x	8.1x
Panasonic	TKS: 6752	\$9.69	\$23,189	\$28,598	0.4x	0.5x	4.6x	5.1x
Toshiba (Tokyo)	TKS: 6502	\$32.10	\$14,230	\$16,558	0.6x	0.7x	5.7x	7.2x
LG Electronics	KRX: 066570	\$81.75	\$14,101	\$21,088	0.3x	0.3x	5.1x	3.8x
Logitech	SWX: LOGN	\$64.77	\$10,519	\$9,410	1.7x	2.3x	9.5x	16.9x
Hisense Electric Company	SHG: 600060	\$3.33	\$4,352	\$3,417	0.5x	0.5x	8.7x	NM
Midwich Group	LON: MIDW	\$5.69	\$589	\$755	0.5x	0.5x	10.5x	9.4x
NEC Corporation	TKS: 6701	\$43.55	\$11,899	\$16,541	0.6x	0.7x	5.8x	7.5x
Acuity Brands	NYS: AYI	\$157.98	\$5,153	\$5,399	1.3x	1.3x	8.4x	8.4x
Au Optronics	TAI: 2409	\$0.56	\$4,314	\$4,866	0.6x	0.6x	11.2x	21.3x
Leyard Optoelectronic Company	SHE: 300296	\$0.94	\$2,376	\$2,380	2.0x	1.6x	13.2x	NM
Unilumin Group Company	SHE: 300232	\$1.45	\$1,589	\$1,446	1.4x	1.2x	11.3x	NM
Ennostar	TAI: 3714	\$1.60	\$1,204	\$969	1.0x	1.2x	5.9x	12.3x
Daktronics	NAS: DAKT	\$5.04	\$232	\$245	0.4x	0.3x	13.9x	NM
Dialight	LON: DIA	\$2.76	\$95	\$136	0.6x	0.6x	9.0x	7.1x
Resideo Technologies	NYS: REZI	\$16.14	\$2,458	\$3,618	0.6x	0.6x	5.4x	5.2x
IES Holdings	NAS: IESC	\$43.75	\$883	\$992	0.5x	NM	12.4x	NM
<b>Median Average</b>					<b>0.6x</b>	<b>0.7x</b>	<b>8.8x</b>	<b>8.9x</b>
					<b>1.1x</b>	<b>1.2x</b>	<b>8.8x</b>	<b>10.5x</b>
<b>25th Percentile</b>					<b>0.5x</b>	<b>0.5x</b>	<b>5.8x</b>	<b>7.1x</b>
<b>75th Percentile</b>					<b>1.4x</b>	<b>1.3x</b>	<b>11.3x</b>	<b>14.3x</b>

## IT Services

Company	Ticker	Share Price	Fully Diluted Market Cap	Enterprise Value	EV / Revenue		EV / EBITDA	
					2023E	2024E	2023E	2024E
Atos	PAR: ATO	\$13.97	\$1,524	\$4,328	0.4x	0.4x	4.0x	3.5x
Infosys	NSE: INFY	\$15.41	\$63,924	\$62,621	3.8x	NM	14.3x	NM
Accenture	NYS: ACN	\$265.65	\$171,709	\$169,370	2.7x	2.6x	14.1x	14.1x
International Business Machines	NYS: IBM	\$123.65	\$115,365	\$159,715	2.6x	2.6x	19.6x	10.7x
NTT Data	TSE: 9613	\$13.68	\$19,665	\$37,668	1.7x	1.2x	9.8x	9.5x
Fujitsu	TKS: 6702	\$133.76	\$25,818	\$26,114	0.8x	0.9x	7.2x	6.5x
Cognizant Technology Solutions	NAS: CTSH	\$63.29	\$32,485	\$31,511	1.6x	1.6x	8.3x	9.4x
DXC Technology	NYS: DXC	\$22.69	\$5,342	\$9,310	0.6x	0.6x	2.5x	4.1x
Capgemini	PAR: CAP	\$184.57	\$31,968	\$35,704	1.5x	1.4x	9.9x	8.9x
HCL Technologies	NSE: HCLTECH	\$12.92	\$35,072	\$33,059	2.6x	NM	11.0x	NM
Ricoh Company	TKS: 7752	\$8.29	\$4,935	\$6,101	0.4x	0.4x	5.0x	4.3x
CGI Group	TSE: GIB.A	\$99.44	\$23,942	\$25,802	2.6x	2.4x	12.9x	12.2x
Softchoice	TSE: SFTC	\$12.40	\$753	\$859	0.9x	0.9x	13.6x	9.8x
Hewlett Packard Enterprise	NYS: HPE	\$14.11	\$19,017	\$29,465	1.0x	1.0x	5.5x	5.4x
Genpact	NYS: G	\$39.86	\$7,538	\$8,589	2.0x	1.8x	11.3x	9.7x
CDW	NAS: CDW	\$165.99	\$22,735	\$28,422	1.2x	1.3x	13.5x	13.4x
CACI International	NYS: CACI	\$305.69	\$7,103	\$9,078	1.5x	1.4x	14.2x	12.7x
ePlus	NAS: PLUS	\$43.72	\$1,190	\$1,397	0.8x	0.7x	8.2x	8.5x
Wipro	NYS: WIT	\$4.63	\$25,576	\$22,714	2.1x	2.0x	9.8x	10.1x
Redcentric	LON: RCN	\$1.62	\$261	\$344	2.7x	1.6x	10.6x	8.4x
iomart	LON: IOM	\$2.07	\$241	\$301	2.1x	2.0x	5.8x	6.4x
Maintel Holdings	LON: MAI	\$1.37	\$20	\$43	0.4x	0.4x	8.1x	4.9x
Rackspace Technology	NAS: RXT	\$1.35	\$313	\$3,984	1.3x	1.3x	6.8x	9.6x
<b>Median Average</b>					<b>1.5x</b>	<b>1.3x</b>	<b>9.8x</b>	<b>9.4x</b>
					<b>1.6x</b>	<b>1.4x</b>	<b>9.8x</b>	<b>8.7x</b>
<b>25th Percentile</b>					<b>0.9x</b>	<b>0.9x</b>	<b>7.0x</b>	<b>6.4x</b>
<b>75th Percentile</b>					<b>2.4x</b>	<b>1.8x</b>	<b>13.2x</b>	<b>10.1x</b>

Source: Pitchbook





## Transaction Characteristics

**Private Businesses** Closely held, entrepreneurial, family owned and multi-generational

**Financial Sponsors** Committed funds, independent sponsors, and family offices

**\$2-40 MM** EBITDA

**\$10-400 MM** enterprise value

**\$10-250 MM** average annual revenue

## Select TMT Deals

 has been acquired by <b>AVI-SPL</b> a portfolio company of <b>MARLIN EQUITY PARTNERS</b>	 has sold substantially all of its assets to a wholly owned subsidiary of <b>yorktel</b>	 has been acquired by <b>ADI</b> a REVIEWS company	 has been acquired by <b>Comstar Technologies</b>
 has received an investment from <b>TAILWIND</b>	 has been acquired by <b>BLACK BOX</b>	 has been acquired by <b>QUAD-C</b>	 has been acquired by <b>Diversified</b>
 has been acquired by <b>PADCASTER</b>	 has acquired the systems business unit of <b>EarthLink</b>	 has sold substantially all of its assets to a portfolio company of <b>LOVELL MINNICK PARTNERS</b>	 has been acquired by <b>dimension data</b>
 has acquired certain assets of <b>Insilco Technologies</b>	 has acquired the assets of <b>Exp@nets</b> from <b>AVAYA</b>	The <b>DAK</b> Group Represented Official Committee of Unsecured Creditors of <b>LILY</b>	The <b>DAK</b> Group Represented Official Committee of Unsecured Creditors of <b>violin MEMORY</b>

## Advisory Focused Investment Banking

### M&A Advisory

Buy and sell-side domestic and cross-border transactions including sales, divestitures, mergers, acquisitions, recapitalizations, LBOs and MBOs, and distressed or 363 sales

### Strategic Advisory & Valuation

Preparation of valuation, fairness opinion, market feasibility, strategic advisory & planning, business plan, and pre-transaction planning analysis

## DAK's TMT & Workplace Technologies Team



**Ari Fuchs**  
Managing Director  
[afuchs@dakgroup.com](mailto:afuchs@dakgroup.com)  
(201) 478-5260



**Benjamin Tiernan**  
Principal  
[btiernan@dakgroup.com](mailto:btiernan@dakgroup.com)  
(310) 920-8962



**Derek Zacarias**  
Director  
[dzacarias@dakgroup.com](mailto:dzacarias@dakgroup.com)  
(317) 694-9787



**Jonathan Roth**  
Director  
[jroth@dakgroup.com](mailto:jroth@dakgroup.com)  
(201) 478-5267



**Melvyn Peters**  
Director  
[mpeters@dakgroup.com](mailto:mpeters@dakgroup.com)  
(201) 478-5274



**Anup Rao**  
Senior Associate  
[arao@dakgroup.com](mailto:arao@dakgroup.com)  
(201) 478-5279



**Mark LaVilla**  
Senior Analyst  
[mlavilla@dakgroup.com](mailto:mlavilla@dakgroup.com)  
(201) 478-5271

## How We Can Help You

The DAK Group helps middle market; privately held businesses, sponsor backed companies and PE firms in the **TMT** space garner the greatest value for their companies.

As owners looking to grow, exit or just “take some chips off the table” by reducing risk, our teams provide operational advice, pre-transaction planning and expertise leading buy side and sell side transactions that create exceptional value.

The **DAK** Group

Investment Bankers to the Middle Market