



Industry Insights Network Security





Public Sector – Network Security

As of April 30, 2017

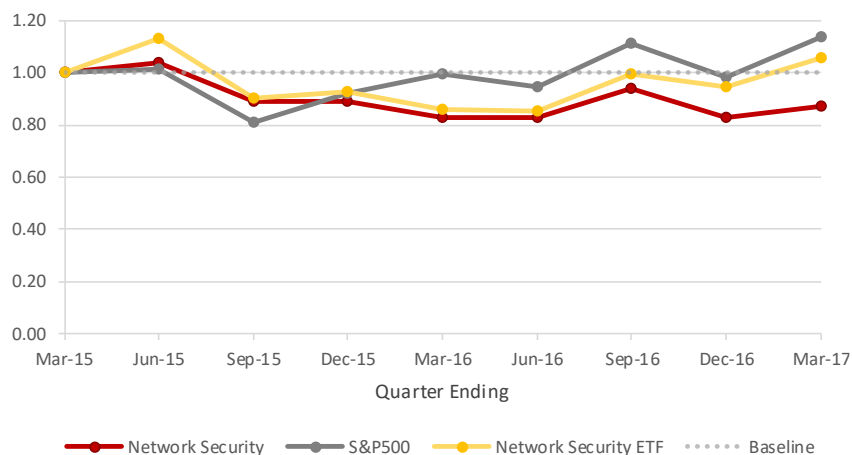
www.fairvalueadvisors.com

FairValue Advisors is an independent business valuation and litigation advisory firm that provides value-based consulting.

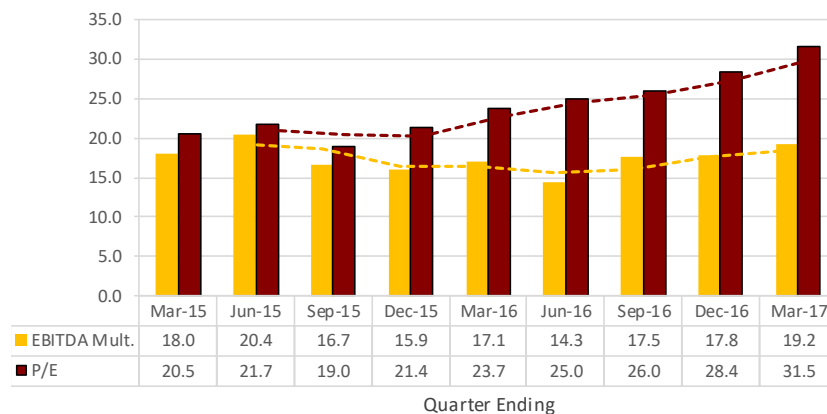
This industry includes companies that use physical and software preventative measures to protect the underlying networking infrastructure from unauthorized access, misuse, malfunction, modification, destruction, or improper disclosure, thereby creating a secure platform for computers, users and programs to perform their permitted critical functions within a secure environment.

- Business & Intangible Asset Valuation
- Financial Forensics & Damages
- Advisory Services

Price Trend



TEV/EBITDA (ttm) & Forward P/E (ntm) (w 2-pd moving average)



Total Enterprise Value (TEV) the market value of equity + interest bearing debt & capitalized lease obligations - cash.

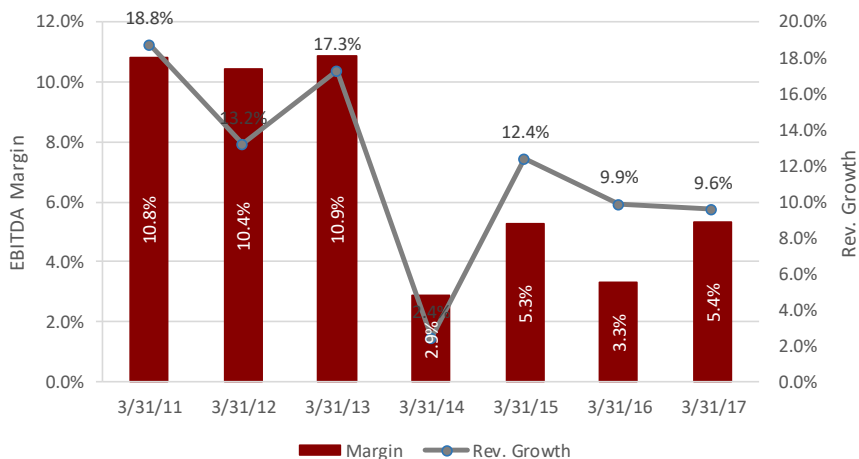
EBITDA is defined as Earnings before Interest, Taxes, Depreciation & Amortization.

Leverage Ratio is based on DuPont analysis, Equity / Assets. This is a measure of financial leverage.

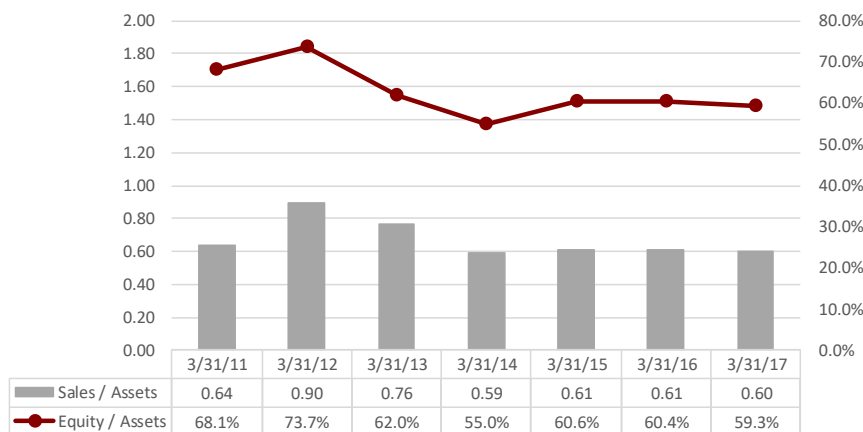
Forward P/E Ratio is the current share price over estimated earnings for the next twelve months.

Estimated revenue growth, EBITDA and earnings per share (EPS) over the next 12-month period are based on Wall Street Analysts' Consensus Estimates as reported by S&P Capital IQ.

Revenue Growth & EBITDA Margin (ttm)



Asset Utilization & Leverage



We have value related consulting experience in more than 100 industries.

Balance Sheet

| <u>ASSETS</u> | <u>12/31/15</u> | <u>12/31/16</u> | <u>3/31/17</u> |
|---|-----------------|-----------------|----------------|
| Total Current Assets | 43.0% | 43.4% | 44.3% |
| Property, Plant & Equipment (net) | 6.6% | 5.6% | 5.4% |
| Intangible Assets | 18.9% | 29.1% | 40.5% |
| Other | 31.6% | 21.9% | 9.7% |
| Total Assets | 100.0% | 100.0% | 100.0% |
| | | | |
| <u>LIABILITIES & EQUITY</u> | <u>12/31/15</u> | <u>12/31/16</u> | <u>3/31/17</u> |
| Total Current Liabilities | 28.5% | 27.3% | 27.3% |
| Long-Term Debt | 11.9% | 19.9% | 19.4% |
| Other Liabilities | 10.2% | 13.0% | 12.8% |
| Total Liabilities | 50.7% | 60.1% | 59.5% |
| Equity | 49.3% | 39.9% | 40.5% |
| Total Liabilities & Stockholders' Equity | 100.0% | 100.0% | 100.0% |

Income Statement

| | <u>12/31/15</u> | <u>12/31/16</u> | <u>3/31/17</u> |
|---------------------------------|-----------------|-----------------|----------------|
| Total Revenue | 100.0% | 100.0% | 100.0% |
| Cost of Goods Sold | 51.0% | 54.3% | 53.7% |
| Gross Profit | 49.0% | 45.7% | 46.3% |
| Selling & Admin Expenses | 28.9% | 28.9% | 29.0% |
| Other Expenses | 9.9% | 9.2% | 9.4% |
| Total Operating Expenses | 38.9% | 38.1% | 38.3% |
| Operating Income | 10.2% | 7.6% | 7.9% |
| EBITDA | 15.1% | 12.9% | 13.3% |
| Net Income | 4.0% | 8.1% | 8.6% |

| | <u>12/31/15</u> | <u>12/31/16</u> | <u>3/31/17</u> |
|--|-----------------|-----------------|----------------|
| Current Ratio | 1.51 | 1.59 | 1.62 |
| Payout Ratio (Div / Earnings) | 61.3% | 24.8% | 34.9% |
| EBITDA / Total Assets | 0.09 | 0.07 | 0.07 |
| Return on Equity (avg. Net Inc/Equity) | 5.1% | 11.4% | 11.8% |

Executive Directors

Dan Cenatempo CVA, MAFF
888-212-0495 ext. 101
dan@fairvalueadvisors.com

Kevin Couillard ASA, CFA
888-212-0495 ext. 102
kevin@fairvalueadvisors.com

Rich Goeldner ASA, CBA, CVA
888-212-0495 ext. 103
rich@fairvalueadvisors.com

Dan Gallogly CPA, CFF
888-212-0495 ext. 106
dan.gallogly@fairvalueadvisors.com

Offices In:

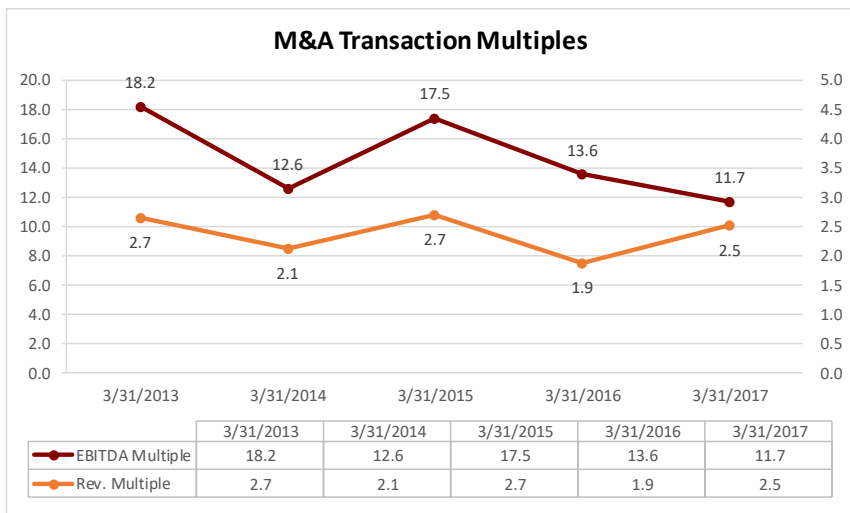
Atlanta

Jacksonville

Orlando

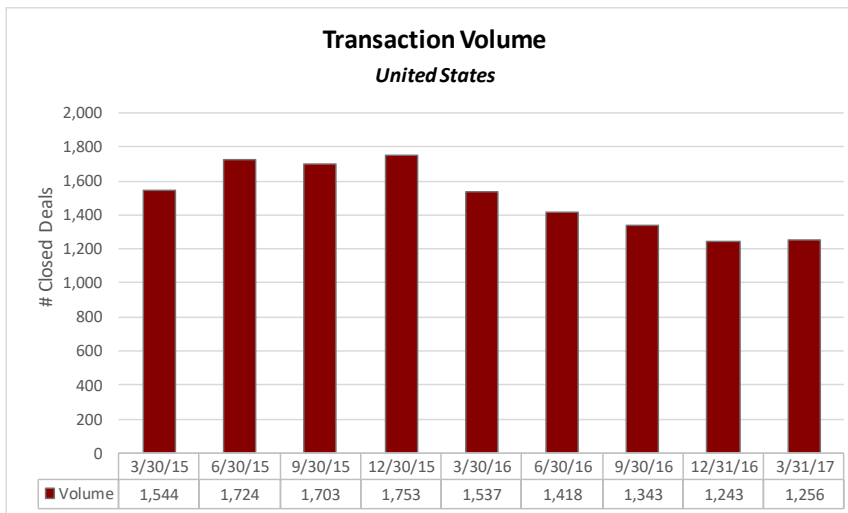
St. Simons Island

Tampa



Median data used for multiples

Data based on Capital IQ as of April 30, 2017 and FVA analyses



Based on US target companies

To subscribe to future reports:

www.fairvalueadvisors.com

The information contained in this report is the intellectual property of FairValue Advisors, LLC®, and S&P Capital IQ. All rights are reserved. Any copying, republication or redistribution of this report, or any information contained herein, without prior written consent of FairValue Advisors, LLC is expressly prohibited. This report is intended for educational purposes only and the material presented herein does not constitute accounting, tax, legal, investment or valuation advice. Any reference to a particular security is not a recommendation to buy, sell, or hold such security, nor should it be considered to be investment advice.

The financial information included in this report is based on data provided by S&P Capital IQ. FairValue Advisors has not independently verified this data nor does it guarantee its accuracy. FairValue Advisors, LLC® and S&P Capital IQ are not liable for any errors or delays in this report, or for any actions taken in reliance on any information contained herein.

Value ... Proven

Accepted methodologies, market support, attention to details — Value ... Proven; that's FairValue Advisors

FairValue Advisors, LLC® is a preferred provider of business & intangible asset valuations, and related economic consulting for business and legal clients domestically and abroad. Our clients range from small closely-held concerns to large publicly traded international companies. Clients rely on our services for:

Corporate Transactions

- Business Sales
- Acquisitions
- ESOPs
- Buy-Sell Agreements

Litigation Advisory

- Economic Damages
- Shareholder Disputes
- Marital Dissolution
- I.P. Infringement

Financial Reporting

- Purchase Allocations
- Goodwill Testing
- Impairments
- Options Expensing

Succession & Tax Planning

- Exit Planning
- Recaps
- Buyouts/Buy-Ins
- C to S Conversion
- Estate Tax & Planning
- Stock Option Issuance

Please contact us if you have any questions, or visit our website www.fairvalueadvisors.com Tel: 888.212.0495

Follow Us On:

