



Mobile Technology Sector

Quoted Company Analysis

Third Quarter 2014

Sector Valuation Metrics

Company	Share Price Local	Market Cap	Net Debt	Enterprise	Revenue		EV/Revenue		EV/Revs		EV/EBITDA		Revenue Growth		EBITDA Margin		% Revs
	30-Sep-14	(\$m) ⁽¹⁾	(\$m) ⁽²⁾	Value (\$m)	CY14E (\$m)	CY2013	CY2014E	Recurring	CY2013	CY2014E	CY2013	CY2014E	CY2013	CY2014E	CY2013	CY2014E	Recurring ⁽³⁾
Selected Large Cap																	
Gemalto	72.68	8,079	(620)	7,459	3,211	2.4x	2.3x	12.2x	14.1x	13.0x	9.9%	1.2%	16.7%	17.9%			19%
DeNa	13.95	1,918	(632)	1,287	1,423	0.7x	0.9x	1.0x	1.8x	3.3x	-26.1%	-28.6%	36.0%	27.3%			93%
PayPoint	9.84	1,085	(69)	1,016	233	3.0x	4.4x	5.2x	13.2x	11.9x	2.3%	-41.3%	23.0%	36.6%			84%
Average						2.0x	2.5x		9.7x	9.4x			25.3%	27.3%			65.5%
Total (Large Cap)		11,083	(1,321)	9,762													
Selected Mid Cap																	
Monitise	0.30	963	(225)	739	178	5.5x	4.1x	7.0x	NM	NM	35.4%	30.3%	-40.2%	-33.4%			60%
Glu Mobile	5.17	553	(28)	524	229	5.0x	2.3x	3.0x	NM	22.0x	-2.4%	117.2%	-13.7%	10.4%			75%
Telit Communications	2.59	477	12	489	306	2.0x	1.6x	45.7x	19.4x	12.8x	17.3%	25.8%	10.4%	12.5%			4%
Myriad Mobile	4.60	488	(0)	488	NA	11.3x	NA	NA	NM	NA	-23.3%	NA	-16.2%	NA			NA
NetQin Mobile	6.97	431	(4)	426	325	2.2x	1.3x	1.8x	NM	4.6x	114.3%	65.0%	0.7%	28.6%			74%
Average						5.2x	2.3x		19.4x	13.2x			-11.8%	4.5%			53.0%
Total (Mid Cap)		2,912	(246)	2,666													
Selected Small Cap																	
Globo	0.45	271	(59)	212	126	2.2x	1.7x	21.1x	4.4x	3.6x	60.6%	32.1%	50.3%	47.4%			8%
Hi Media	2.60	149	16	164	238	0.7x	0.7x	1.3x	11.8x	19.9x	-1.7%	-3.5%	5.7%	3.5%			53%
InternetQ	2.30	148	(6)	142	180	1.0x	0.8x	5.0x	7.4x	5.0x	46.9%	29.6%	13.8%	15.7%			16%
eServGlobal	0.56	125	(2)	123	34	4.0x	3.7x	7.2x	NM	37.6x	6.0%	7.3%	-0.6%	9.7%			51%
Seamless Distribution	25.60	149	(47)	102	37	4.1x	2.7x	10.9x	NM	NM	24.8%	50.3%	-51.9%	-52.3%			25%
Millennial Media	1.86	200	(99)	101	296	0.4x	0.3x	NA	NM	NM	45.9%	14.1%	-3.5%	-7.0%			NA
IMImobile	137.50	105	(5)	100	76	1.5x	1.3x	1.5x	8.9x	7.7x	13.3%	13.2%	16.8%	17.3%			90%
Bango	0.96	72	(8)	64	NA	4.7x	NA	NA	NM	NA	-44.7%	NA	-39.8%	NA			80%
Mobile Tornado Group	0.12	43	5	49	5	11.7x	10.5x	33.9x	16.0x	NM	80.3%	11.3%	73.2%	-51.9%			31%
Artium Group	0.06	23	2	24	18	1.7x	1.3x	1.3x	14.9x	10.1x	212.3%	-2.3%	11.3%	13.2%			100%
Cliq Digital	1.81	10	14	24	55	0.3x	0.4x	NA	2.8x	5.7x	-19.2%	-19.7%	12.5%	7.6%			NA
Zamano	0.09	13	6	19	NA	0.9x	NA	NA	5.5x	NA	-13.8%	NA	16.2%	NA			NA
Vipera	0.05	16	(1)	15	NA	6.8x	NA	NA	NM	NA	44.4%	NA	-3.2%	NA			93%
Yoc	2.02	7	8	15	NA	0.6x	NA	NA	NM	NA	-9.6%	NA	-13.1%	NA			39%
Crimson Tide	0.02	11	(0)	11	NA	5.4x	NA	NA	21.8x	NA	2.1%	NA	24.5%	NA			92%
Augme Technologies	0.06	10	(1)	9	31	0.3x	0.3x	0.3x	NM	NM	1.8%	20.6%	-54.8%	-24.5%			95%
Mobile Streams	0.16	10	(3)	7	69	0.1x	0.1x	0.2x	1.5x	6.0x	-6.6%	-24.7%	5.7%	1.7%			48%
Velti	0.02	2	(8)	(7)	150	NM	NM	-0.1x	0.2x	NM	42.9%	-45.3%	-29.4%	0.6%			84%
Voltari Corp	1.51	7	(25)	(18)	NA	NM	NA	NA	0.9x	NA	-88.6%	NA	-186.1%	NA			NA
Net Mobile	7.03	110	(153)	(42)	NA	NM	NA	NA	NM	NA	8.0%	NA	2.8%	NA			NA
Average						2.7x	2.0x		8.0x	11.9x			-7.5%	-1.5%			60.4%
Total (Small Cap)		1,482	(367)	1,115													
Sector Total		15,476	(1,934)	13,543													

(1) Excludes treasury shares

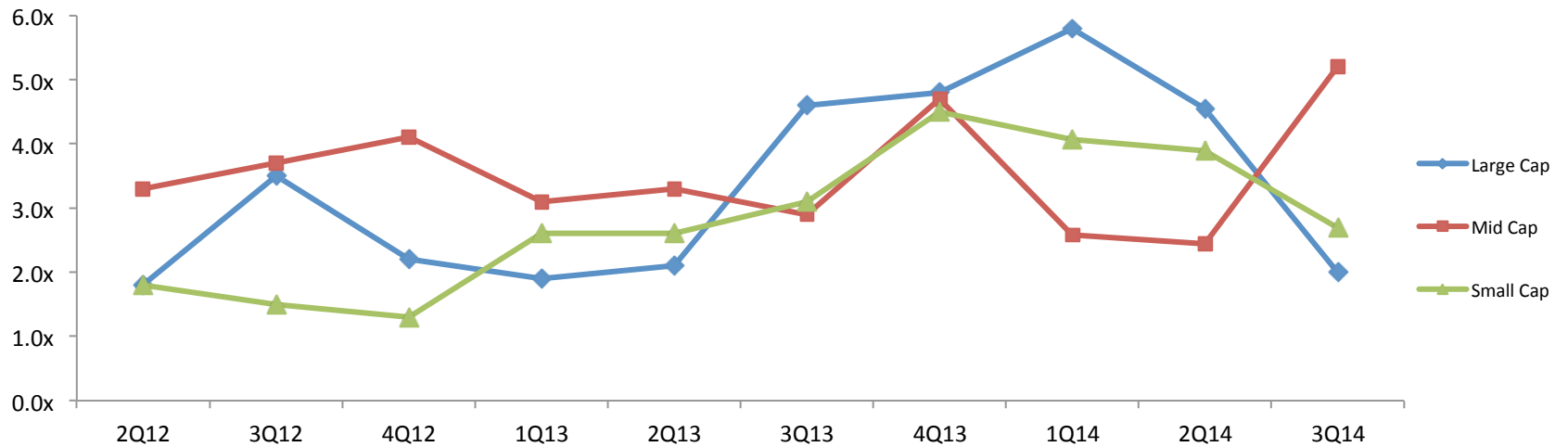
(2) Net financial debt minus marketable securities and collaterals.

(3) Recurring revenues (maintenance, subscriptions, SaaS etc) where reported for last full year

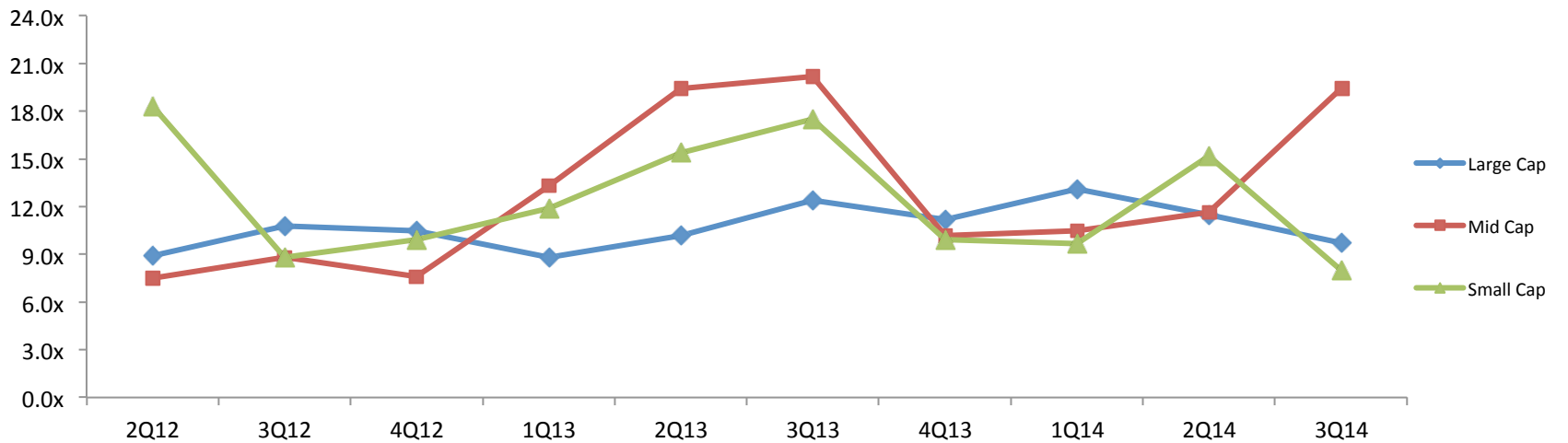
(4) For companies having financial year end as February and March, FY12 and FY13E correspond to FY13/12 and FY14/13 respectively

(5) NM - not meaningful and NA - not available

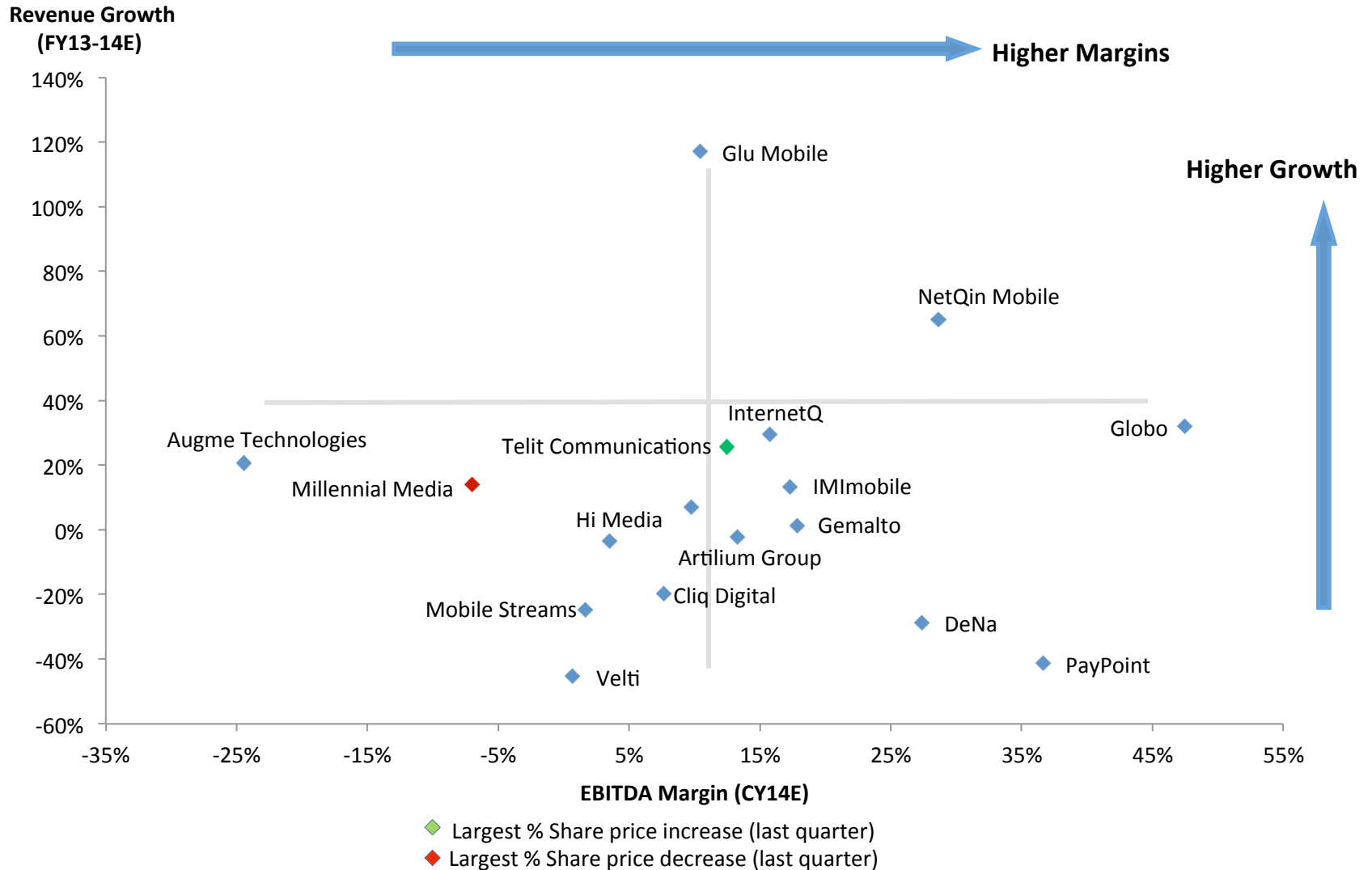
EV/Revenue



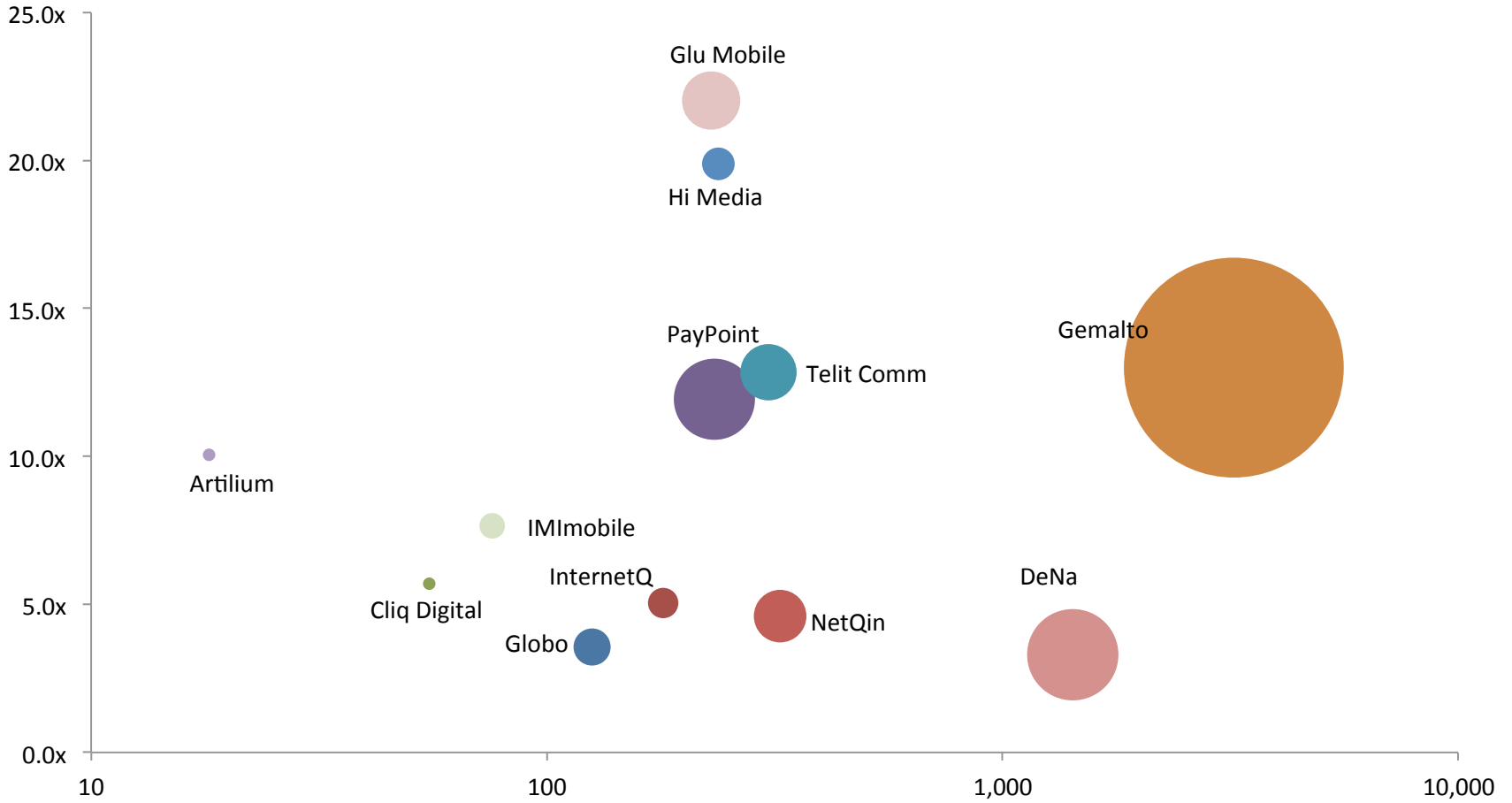
EV/EBITDA



Performance Quadrants: Revenue Growth & Operating Margin



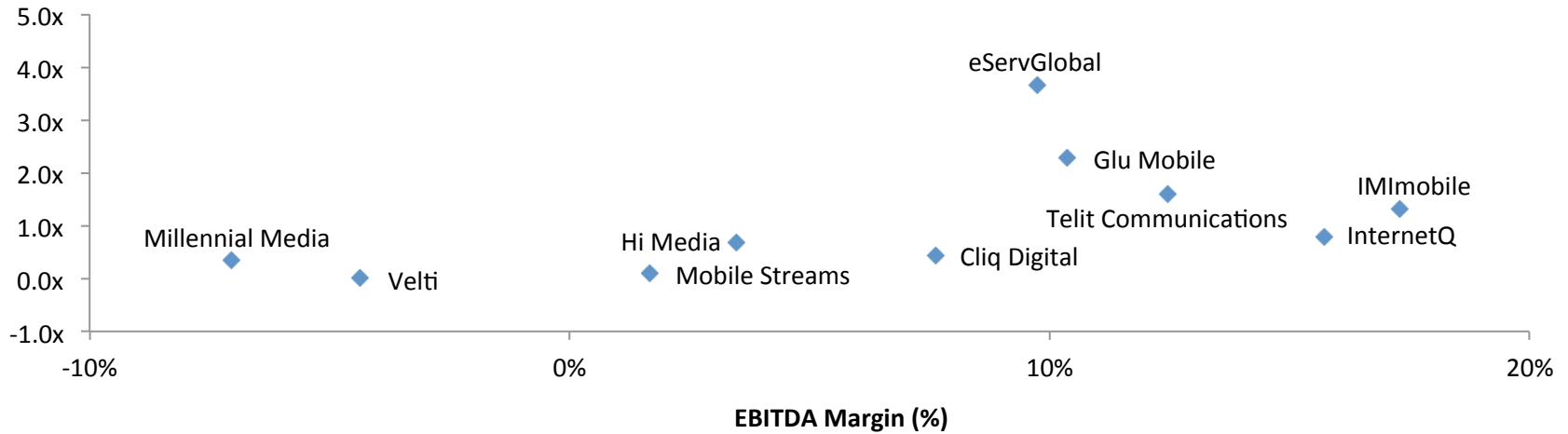
EV/EBITDA CY14E



Note: Bubble size depicts enterprise value

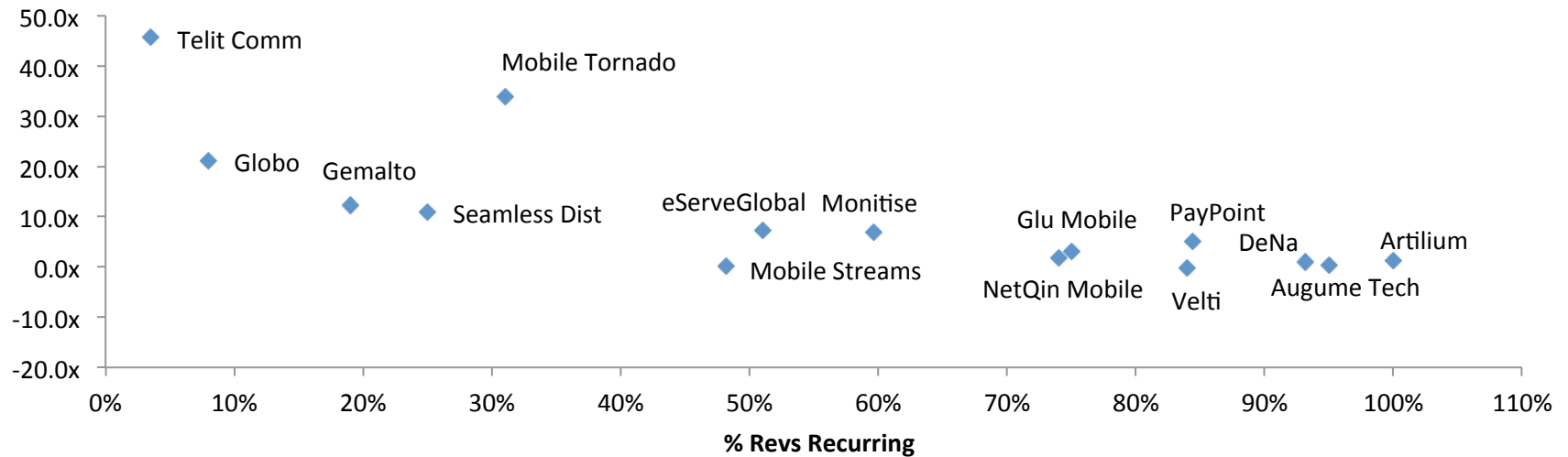
Revenue Multiples

EV/Revenue CY14E



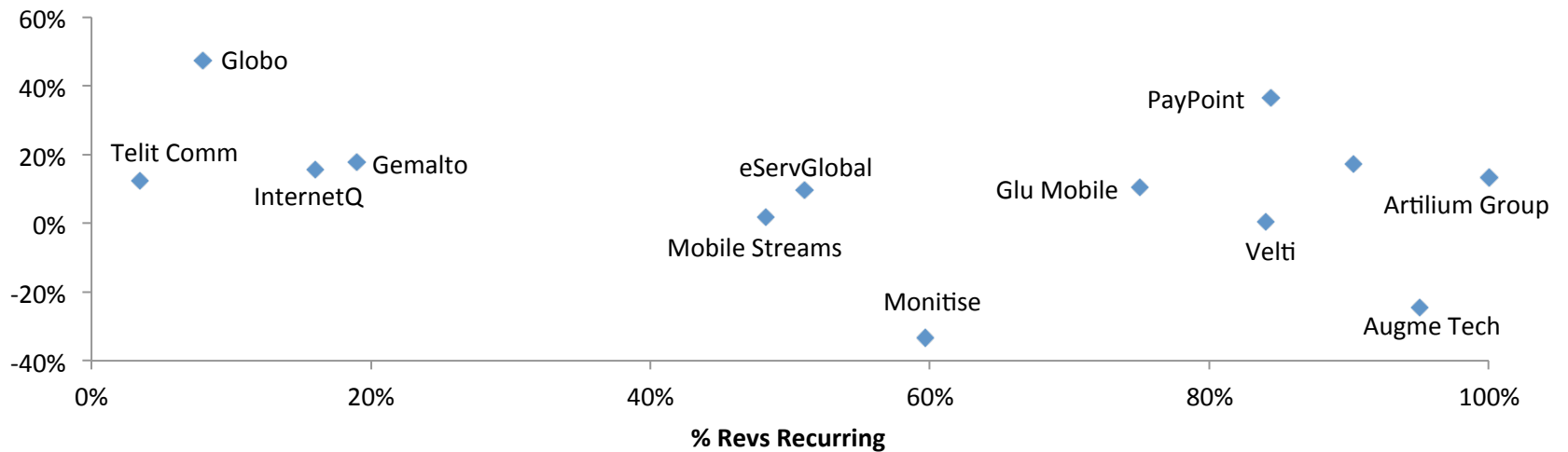
Recurring Revenue Multiples

EV/Recurring Rev



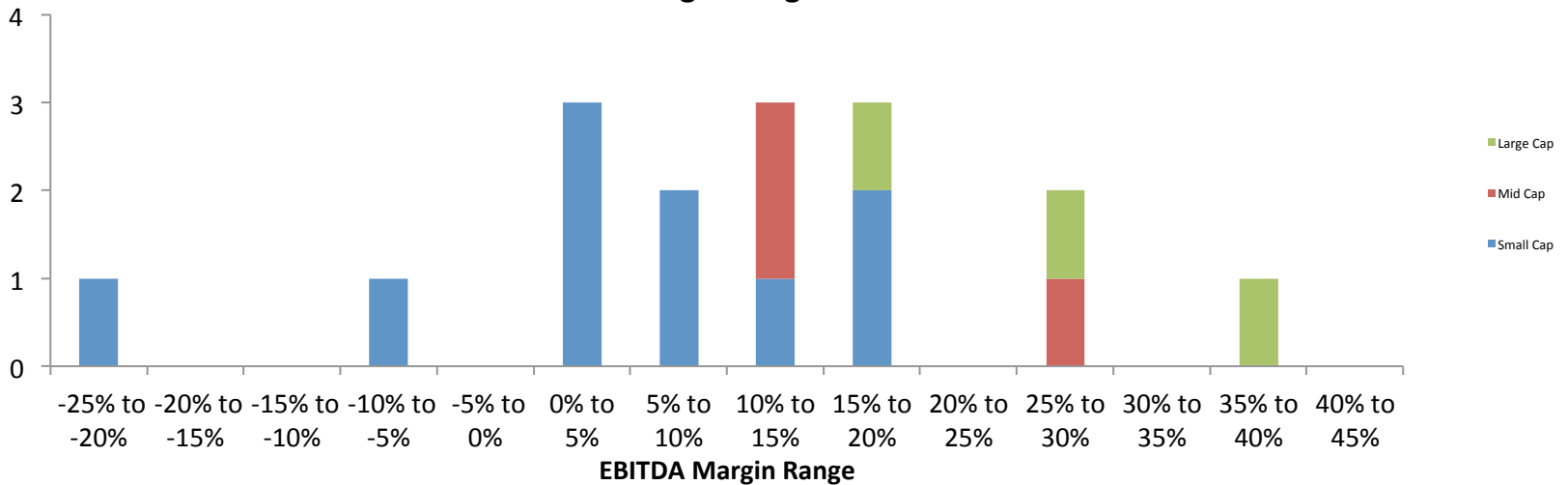
EBITDA Margin CY14E

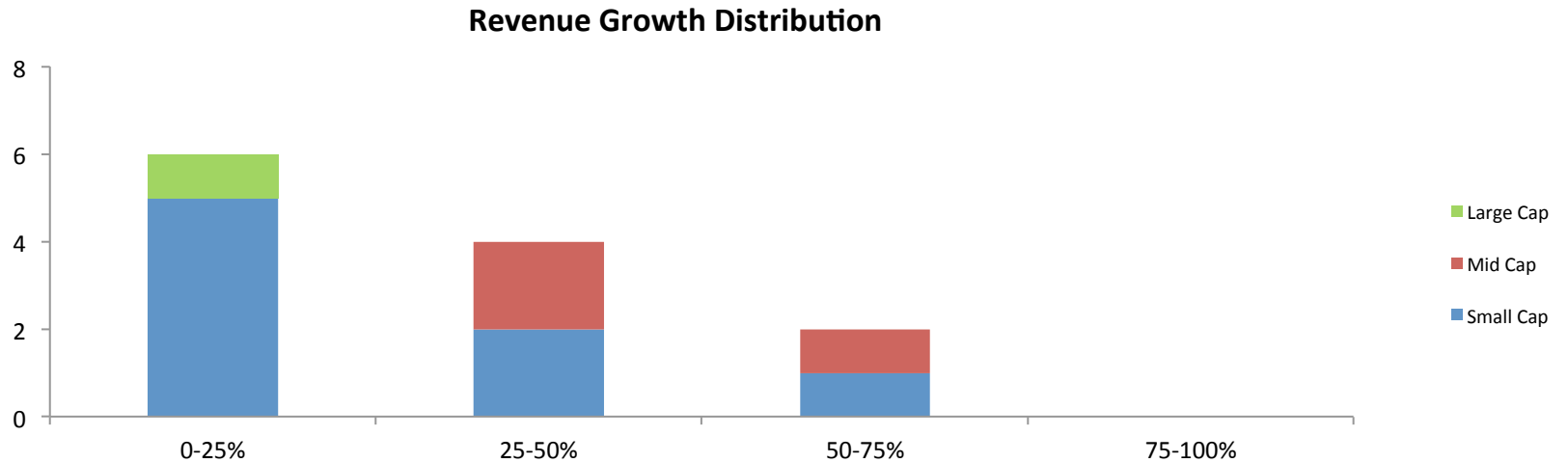
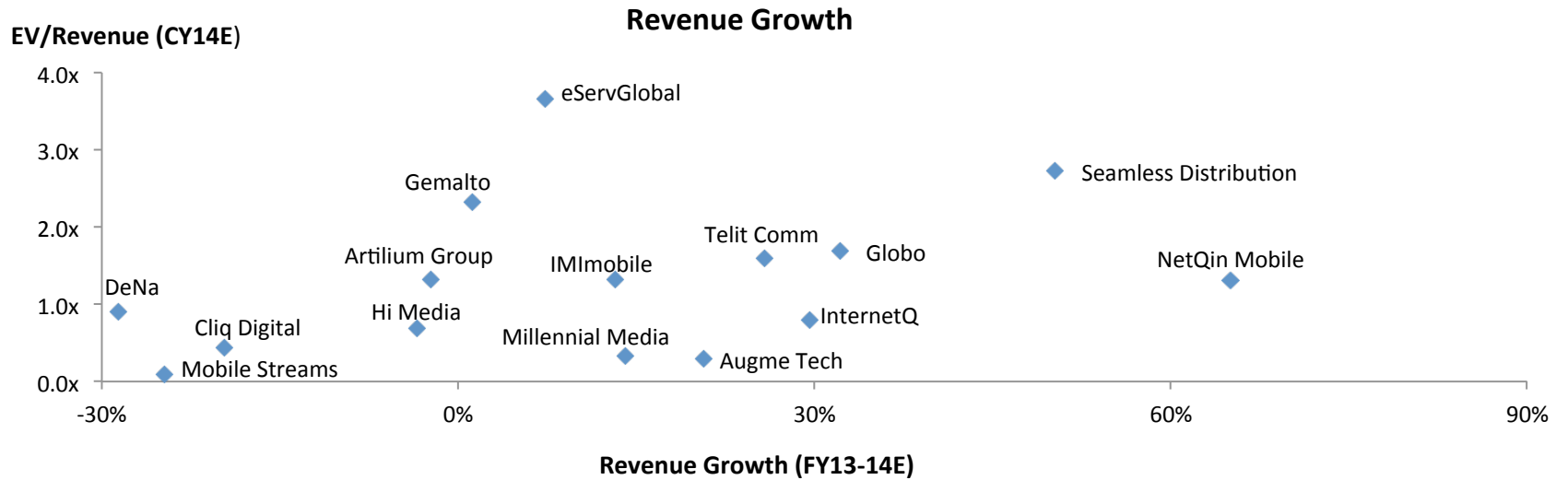
Recurring Revenue as a Driver of Operating Margins



Number of Companies

EBITDA Margin Range Distribution





Mobile Technology Deals – Third Quarter 2014

Date Announced	Buyer	Seller	Seller Description	Deal Size	Seller Revenue/ Profit	Revenue Multiple	Target Sector	Commentary
27/09/2014	SK planet Co Ltd. (South Korea)	shopkick Inc. [fka Cross Platform Corp] (USA)	Provides a mobile shopping application to enable retail shoppers to receive in-store coupons and other location-based shopping discounts and rewards on their smartphone.	\$200m in unspecified currency	\$26.3m	7.6x	Applications	SK Planet acquires shopkick as part of broader plans to invest between \$500m and \$1bn in US tech companies over the next four years.
23/09/2014	Millennial Media [NYSE: MM] (USA)	Nexage Inc. (USA)	Operates a mobile advertising exchange for marketers, advertisers, publishers and app and mobile game developers to buy and sell mobile advertising space through www.nexage.com. Also provides targeted marketing analytics SaaS.	\$107.5m \$22.5m in cash and \$85m in stock	\$4.2m	17.6x	Advertising	Following the acquisition Millennial Media will be in a position to enable buyers to execute deals via public and private RTB auctions and programmatic direct deals. Nexage team to join Millennial Media.
23/09/2014	Apple Inc. (USA)	Prss BV (Netherlands)	Provides an iOS mobile and iPad tablet development tools application to enable individuals to create and share digital magazine-style Web pages for consumers worldwide. Transaction was reported by TechCrunch.	Not disclosed	n/a	n/a	Mobile application development	Prss founders and employees reportedly to move to Apple's offices in California. The deal could also result in better native publishing tools for digital periodicals.
18/09/2014	Red Hat Inc. (USA)	FeedHenry Ltd (Ireland)	Provides cloud-based mobile enterprise application services	\$82.2m	n/a	n/a	Mobile development	FeedHenry expands Red Hat's broad portfolio of application development, integration, and Platform-as-a-Service (PaaS) solutions, enabling Red Hat to support mobile application development in public and private environments.
17/09/2014	Citrix Systems Inc. (USA)	Virtual [aka Virtu.al] (USA)	Provides Android and iOS mobile device virtualization SaaS to enable mobile device emulation and secure application development and testing for businesses, enterprises and mobile application developers.	Not disclosed	n/a	n/a	Infrastructure management	Virtual adds a cloud based iOS and Android virtualization product to Citrix's portfolio. Virtual team, including founder and CEO Chris Wade, are to join Citrix.
15/09/2014	SmartFocus [fka Emailvision] [Francisco Partners] (UK)	TagPoints (UK)	Provides a proximity-based marketing and loyalty application to enable businesses to deliver relevant advertising content to nearby consumers. Also provides mobile marketing campaign creation SaaS.	Not disclosed	n/a	n/a	Applications	SmartFocus acquires TagPoints and Content Savvy as part of its strategy to develop the UK's first omni-channel digital marketing system. Acquisitions enable SmartFocus to offer marketers advanced messaging and communication tools across multiple platforms.
15/09/2014	Spirent Communications plc [fka Spirent plc] (UK)	Mobilethink A/S (Denmark)	Provides cloud-based mobile device detection, management, configuration and data analytics analysis SaaS for enterprise mobile virtual network operators (MVNO).	\$20m	\$8.2m	2.4x	Mobile device management	The combination of Mobilethink and Spirent's extensive portfolio of mobile device performance and customer experience management solutions will help Spirent's growth with additional recurring revenue potential.
11/09/2014	Google Inc. (USA)	Input Factory Inc. [dba Polar] (USA)	Provides an opinion polling mobile and Web application, as well as related Web polling design integration services, for businesses.	Not disclosed	n/a	n/a	Application software	Polar team will join Google+ and the service will continue to operate until the end of 2014. Existing users will be able to download and save an archive before the service shuts down for good.
04/09/2014	JWT (USA)	Cairos Usabilidade Eireli (Brazil)	Designs and develops custom web, mobile, desktop and touch-enabled applications	Not disclosed	\$1.05m	n/a	IT services and distribution	Majority acquisition. Investment continues WPP's strategy in fast growing markets and sectors and its commitment to develop strategic networks throughout the Brazilian market.
03/09/2014	Acision (UK)	MindMatics AG (Germany)	Provides secure mobile messaging software, including mobile email, SMS text and related messaging analytics, for businesses and enterprises in Europe and the US. Also provides mobile analytics and integration services.	Not disclosed	n/a	n/a	Messaging Software	MindMatic's technology and expertise fit into Acision's drive towards cross border interconnect commercial services to mobile operators and enterprises. It follows Acision's purchase of Crocodile Technology's assets in November 2013.

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01/09/2014	XLMedia PLC (Channel Islands)	ExciteAd Digital Marketing Ltd [aka EDM] [dba DAU-UP] (Israel)	Provides social media and mobile marketing services for software developers in the gaming industry in the US and other English and German-speaking markets.	\$12m in cash plus an additional earn-out of up to \$7m based on unspecified EBITDA margins.	\$12.8m	0.9x	IT services and distribution	EDM are viewed as 'highly complementary' to XL Media's Media division. The acquisition is also in line with the Group's strategy set out in its IPO in March 2014 to expand its activities into complementary areas and act as a consolidator in a fragmented market.
28/08/2014	Craneware Plc (Scotland)	Kestros Ltd. [dba Kestros Health] (Scotland)	Provides CRM and electronic medical records (EMR) management software and related training services for hospitals, clinicians and emergency rooms. Software includes mobile applications to notify emergency rooms of patient arrival and presenting condition, as well as software to enable electronic doctor referrals and patient matching to specialists, re-operation assessment surveys and patient phone message management.	\$0.25m in cash and up to \$1.82m in stock as part of an undisclosed earn-out consideration	n/a	n/a	Application software	Craneware acquires the assets and intellectual property of Kestros as part of its commitment to expand the use of innovative technology in Healthcare.
22/08/2014	Zomato Media Pvt. Ltd. (India)	Lunchtime.cz s.r.o. (Czech Republic)	Provides an online and mobile restaurant search and menu directory for consumers in the Czech Republic through www.lunchtime.cz.	\$2.2m (Reported in unspecified consideration)	n/a	n/a	Internet content & commerce	Zomato Media acquires two central Europe based restaurant review sites- Lunchtime.cz and Obedovat s.k for a combined \$3.25m. Lunchtime team to work closely with the Zomato team following the acquisition.
21/08/2014	Host Europe Group Ltd (UK)	Sign-Up Technologies Ltd (UK)	Provides web based email-marketing and developer of an email and SMS marketing platform and application	Not disclosed	n/a	n/a	Email marketing	By joining forces, Sign-Up.to will be able to expand its business operations in the UK and Germany by taking advantage of Host Europe Group's customer reach of over one million entities.
13/08/2014	SyncDog Inc. (USA)	Little Red Wagon Technologies Inc. [dba LRW Technologies] (assets) (USA)	The Secure ActiveSync technology assets of LRW Technologies, which provides mobile business application management SaaS to enable the secure separation of personal and corporate data on mobile devices for businesses and enterprises.	Not disclosed	n/a	n/a	Mobile security	SyncDog acquires certain Secure ActiveSync agent technology. The added technology enhances SyncDog's Sentinel Secure Enterprise Mobility Suite to include application protection.
12/08/2014	Yahoo! Inc. (USA)	Zofari Inc. (USA)	Provides an application to enable Web, iOS and Android device users to receive local recommendations based on location and aggregate personal preferences.	Not disclosed	n/a	n/a	Applications	Zofari team of 4 to join Yahoo in a deal which forms part of Yahoo's ongoing acquisitions of startups.
12/08/2014	SHE Software Ltd. (UK)	Mobile Safety Solutions Ltd. (UK)	Provides health and safety compliance management SaaS used on mobile devices for auditors, safety inspectors and businesses in the UK. Software enables reports and questionnaires to be generated offline on mobile devices and tablets; reports are then uploaded and shared when an internet connection is made.	Not disclosed	n/a	n/a	Application software	Acquisition of MSS builds on SHE's status as the industry leader in online Health and Safety software. MSS offline app technology will supplement SHE Software's existing safety management solution.
08/08/2014	Rakuten Inc. (Japan)	Slice Technologies Inc. [fka ProjectSlice] (USA)	Provides a Web, iOS and Android application that searches a user's email inbox to aggregate and track e-commerce transactions. Also tracks e-receipts from offline transactions. Transaction was reported by blogs.wsj.com on August 8, 2014.	Not disclosed	n/a	n/a	Applications	The purchase gives Rakuten technology to analyze users' spending patterns and delivery choices. It forms part of Rakuten's vision to grow the business in the US.
08/08/2014	Valtech SA (France)	Neon Stingray (Australia & Sweden)	Design, develop and manage applications for the web, connected TVs, tablets, smartphones and in-flight platforms.	Not disclosed	n/a	n/a	Content management	The move bolsters Valtech's development in Asia Pacific, and creates a key hub in Australia. It also adds technology expertise and new clients to Valtech's strong presence in the Nordics. 35 staff.

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06/08/2014	YouTube, Inc. [Google] (USA)	Directr (USA)	Provides a mobile video creation and editing application to enable individuals to create and edit short videos and commercials using a mobile device for consumers and businesses.	Not disclosed	n/a	n/a	Content creation	YouTube adds another content creation service to its portfolio, following its \$1bn acquisition of Twitch a month ago. Directr to join the YouTube ads team and will become a free application.
06/08/2014	Possible Worldwide (USA)	Double Encore Inc. (USA)	Provides mobile application development services, specializing in iOS and Android applications, for businesses globally.	Not disclosed	\$8m	n/a	Mobile application development	The acquisition strengthens POSSIBLE's mobile app user experience and reflects the continued growth of the mobile app market. Double Encore will be rebranded as Possible Mobile over the next 12 months. 35 staff.
05/08/2014	Erlang Solutions Ltd. (UK)	Electronic Inaka LLC [dba Inaka] (Argentina)	Provides iOS, Android and Web application development services for businesses globally.	Not disclosed	n/a	n/a	Mobile application development	The deal forms part of Erlang Solutions' strategic expansion into the Americas with a view of strengthening their ability in providing end-to-end services to a growing customer base. 30 staff.
31/07/2014	Palantir Technologies (USA)	Propeller (USA)	Provides mobile app development and editing SaaS to enable users to create and update apps without the use of code for businesses, consumers and Web developers.	Not disclosed	n/a	n/a	Mobile application development	Acquisition follows an existing relationship between the two companies. Reportedly the deal is focused on the team instead of the technology.
31/07/2014	Oracle Corporation (USA)	TOA Technologies Inc. (USA)	Provides predictive mobile workforce management SaaS for businesses providing in-field service requests in the home healthcare, utility, telecommunications and retail sectors globally.	\$550m in cash (Estimated)	\$45m	12.2x	Applications	Oracle will add TOA to its cloud offerings to provide products more efficiently and at a lower cost.
30/07/2014	First Data Corporation [Kohlberg Kravis Roberts & Co. (KKR)] (USA)	Gyft (USA)	Provides a mobile gift card application to enable iOS and Android device users to send, exchange and receive virtual gift cards. Also provides related gift card API for developers.	Not disclosed	n/a	n/a	Applications	The combination of the two will accelerate the growth of virtual prepaid with new tools for merchants of all sizes.
30/07/2014	Qualcomm Technologies Inc. [Qualcomm] (USA)	EmpoweredU (USA)	Provides educational mobile applications to enable teachers to disseminate course materials and homework assignments to students for K-12 and college educators. Also provides a related analytics SaaS for educators to gauge their students' performance.	Not disclosed	n/a	n/a	Applications	The integration of EmpoweredU allows Qualcomm Technologies to boost its portfolio of education-related tools and software.
29/07/2014	Ciao Telecom [aka Ciao Group] (USA)	Evermobile ST Ltda. [aka EverGroup] (Brazil)	Provides mobile application development and testing services, and user interface design services, as well as licensed mobile payments software for businesses in Latin America.	\$18.75m in stock	n/a	n/a	Mobile application development	The Ciao Group strengthens its mobile offer for both consumers and businesses with this acquisition. The deal also provides the Group with an important client base.
29/07/2014	GetWellNetwork Inc. [Welsh, Carson, Anderson & Stowe] (USA)	Marbella Technologies Inc. (USA)	Provides mobile-phone patient care surveys and data analytics SaaS to enable health care providers to track patient satisfaction for hospitals, clinics and health care facilities.	Not disclosed	n/a	n/a	Application software	Marbella expands GetWellNetwork's current offering with a mobile data collection tool. Marbella's technology will also be available as a stand-alone application, allowing GetWellNetwork to make its IPC solution available to a broader segment of the health care market.
17/07/2014	EMIS Group Plc (UK)	Indigo 4 Systems Ltd (UK)	Supplies clinical and administrative messaging and order communications solutions to healthcare organisations	\$5.48m	\$3.87m	1.4x	Information management	Indigo 4 Systems brings an extensive customer base to EMIS Group, and furthers the Group's strategy of providing comprehensively connected healthcare systems.
14/07/2014	mBlox Inc. (USA)	Zoove (USA)	Provides mobile marketing SaaS for telecommunications carriers and corporate advertisers. SaaS enables mobile marketing services through mobile messaging (SMS, email) StarStar Dialing, which places codes on displays and billboards that anyone with a mobile phone can enter to get a message from the company that placed the ad.	Not disclosed	n/a	n/a	Applications	Zoove expands Mblox's services and extend their lead in A2P messaging. CEO of Zoove will join Mblox's Advisory Board Service and founder will remain as a consultant.

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