



Mobile Technology Sector

Quoted Company Analysis

First Quarter 2015

Sector Valuation Metrics

	Share Price Local	Market Cap	Net Debt	Enterprise	Revenue	EV/Revenue	EV/Revs	EV/EBITDA	Revenue Growth	EBITDA Margin	% Revs				
Company	31-Mar-15	(\$m) ⁽¹⁾	(\$m) ⁽²⁾	Value (\$m)	CY15E (\$m)	CY2014	CY2015E	Recurring	CY2014	CY2015E	CY2014	CY2015E	CY2014	CY2015E	Recurring ⁽³⁾
Selected Large Cap															
Gemalto	74.17	7,082	(597)	6,485	3,275	2.0x	2.0x	NA	12.2x	12.4x	3.2%	-0.2%	16.7%	16.0%	NA
DeNa	23.51	2,956	(632)	2,324	1,350	1.2x	1.7x	1.8x	3.3x	6.4x	-26.1%	-33.9%	36.0%	27.1%	93%
Average						1.6x	1.9x		7.8x	9.4x			26.4%	21.5%	93.2%
Total (Large Cap)		10,038	(1,229)	8,809											
Selected Mid Cap															
PayPoint	8.20	828	(69)	759	225	2.3x	3.4x	4.0x	9.8x	9.3x	2.3%	-44.3%	23.0%	36.3%	84%
Glu Mobile	5.01	540	(71)	469	223	4.4x	2.1x	2.4x	NM	47.6x	111.3%	19.3%	-13.7%	4.4%	88%
Myriad Mobile	4.30	448	(15)	433	40	10.0x	10.8x	NA	NM	33.9x	-6.9%	NA	-16.2%	31.8%	NA
Monitise	0.13	415	(225)	190	148	1.4x	1.3x	2.4x	NM	NM	35.4%	-9.1%	-38.8%	-48.8%	54%
Telit Communications	2.14	363	5	368	294	1.5x	1.3x	35.8x	14.6x	12.0x	20.9%	19.2%	10.4%	10.4%	4%
Globo	0.51	280	(59)	221	117	2.3x	1.9x	23.7x	4.6x	4.1x	60.6%	22.8%	50.3%	45.8%	8%
Average						3.7x	3.4x		9.7x	21.4x			2.5%	13.3%	47.6%
Total (Mid Cap)		2,874	(435)	2,440											
Selected Small Cap															
NetQin Mobile	3.73	231	(97)	134	332	0.7x	0.4x	0.7x	91.7x	NM	68.9%	33.3%	0.7%	-20.1%	54%
Millennial Media	1.45	202	(49)	152	296	0.6x	0.5x	NA	NM	NM	14.3%	9.1%	-3.5%	-44.6%	NA
InternetQ	3.35	198	1	199	176	1.4x	1.1x	7.1x	10.4x	6.0x	26.8%	4.0%	13.8%	18.8%	16%
IMImobile	121.50	107	(5)	102	68	1.7x	1.5x	1.7x	10.5x	8.3x	-11.3%	23.0%	16.0%	17.9%	90%
Hi Media	2.20	107	(56)	51	220	0.2x	0.2x	0.4x	4.0x	NM	-10.0%	-15.1%	5.2%	-2.0%	55%
Net Mobile	6.90	92	(153)	(61)	NA	NM	NA	NA	NM	NA	8.0%	NA	2.8%	NA	NA
Bango	1.11	85	(9)	76	8	5.6x	9.1x	11.1x	NM	NM	-39.0%	NA	-39.8%	-80.0%	82%
Seamless Distribution	15.70	76	(13)	63	25	2.5x	2.5x	11.4x	NM	NM	0.8%	NA	-51.9%	-86.3%	22%
eServGlobal	0.31	63	(1)	62	29	2.1x	2.2x	5.4x	NM	NM	-6.8%	6.3%	-2.4%	1.4%	40%
Artium Group	0.06	20	(1)	19	NA	1.3x	NA	NA	22.2x	NA	-5.3%	NA	6.1%	NA	100%
Cliq Digital	2.88	19	14	33	54	0.5x	0.6x	NA	3.8x	2.5x	-19.2%	-21.7%	12.5%	24.3%	NA
Zamano	0.09	13	(6)	8	26	0.4x	0.3x	NA	2.2x	2.1x	23.9%	NA	15.9%	13.4%	NA
Vipera	0.04	12	(1)	11	NA	5.1x	NA	NA	NM	NA	44.4%	NA	-3.2%	NA	93%
Crimson Tide	0.01	10	(0)	9	2	4.6x	4.6x	6.2x	20.2x	17.0x	0.5%	2.6%	23.0%	27.2%	75%
Voltari Corp	1.01	9	(6)	3	12	0.3x	0.2x	NA	NM	NM	39.2%	NA	-228.2%	-195.6%	NA
Yoc	2.77	8	8	16	11	0.6x	1.5x	3.9x	NM	NM	-9.6%	-57.4%	-13.1%	-12.3%	39%
Mobile Tornado Group	0.03	8	5	14	2	3.4x	6.2x	11.5x	NM	NM	-45.3%	100.9%	-68.7%	-93.8%	54%
Mobile Streams	0.09	5	(5)	(0)	67	NM	NM	0.0x	NM	NM	-6.6%	-30.8%	5.4%	1.3%	100%
Velti	0.01	1	(8)	(7)	150	NM	NM	-0.1x	0.2x	NM	42.9%	-45.3%	-29.4%	0.6%	84%
Augme Technologies	0.00	0	(1)	(1)	30	NM	NM	0.0x	0.0x	0.1x	1.8%	15.8%	-54.8%	-24.0%	95%
Average						1.9x	2.2x		16.5x	6.0x			-19.7%	-26.7%	66.6%
Total (Small Cap)		1,266	(384)	882											
Sector Total		14,179	(2,047)	12,132											

(1) Excludes treasury shares

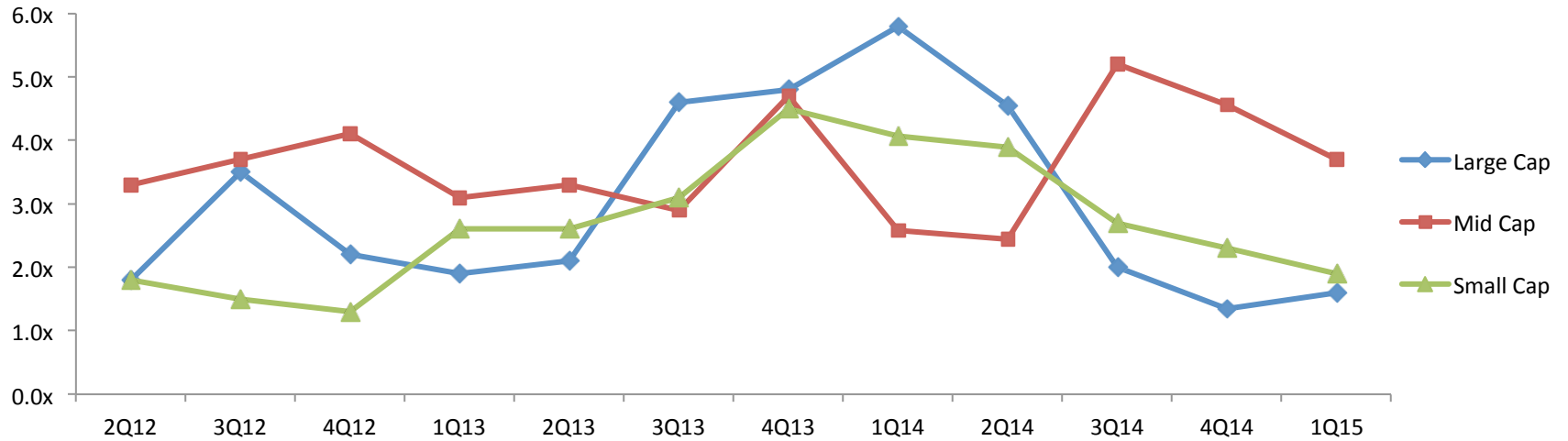
(2) Net financial debt minus marketable securities and collaterals.

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

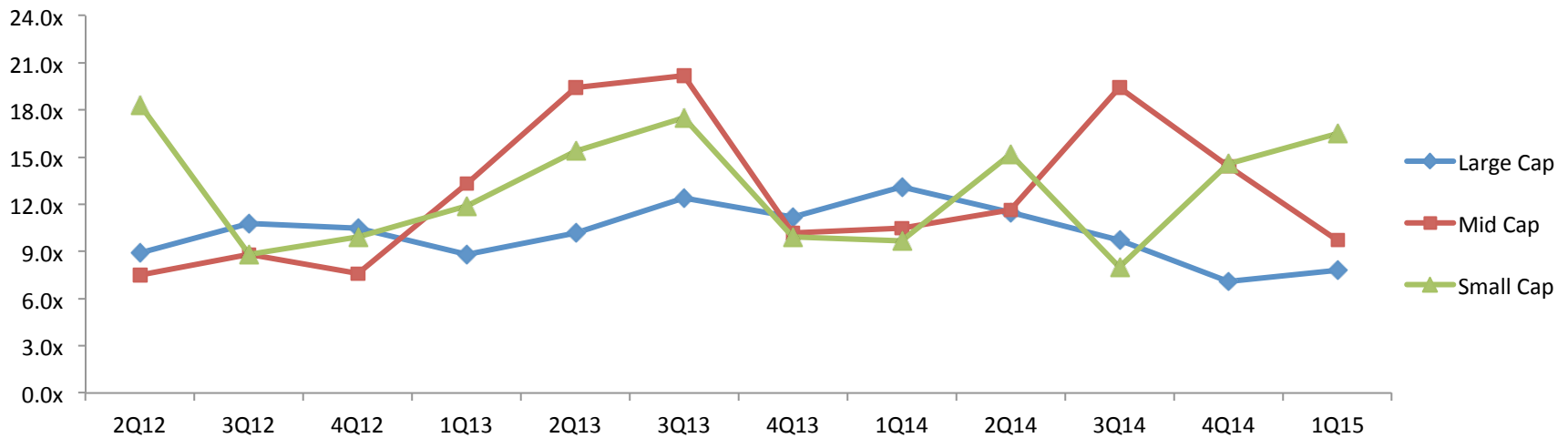
(4) For companies having financial year end as February and March, FY12 and FY13E correspond to FY13/12 and FY14/13 respectively

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

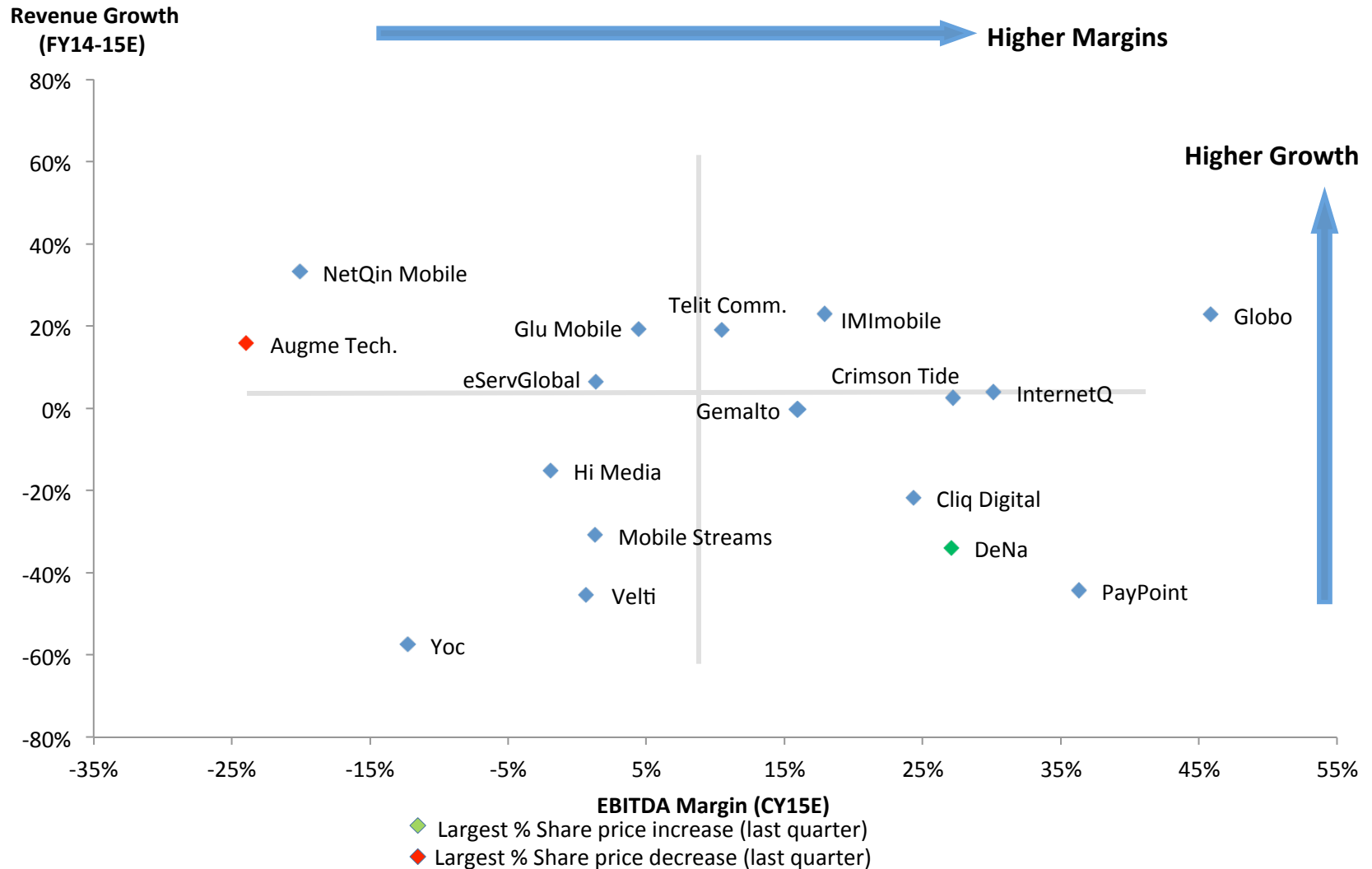
EV/Revenue



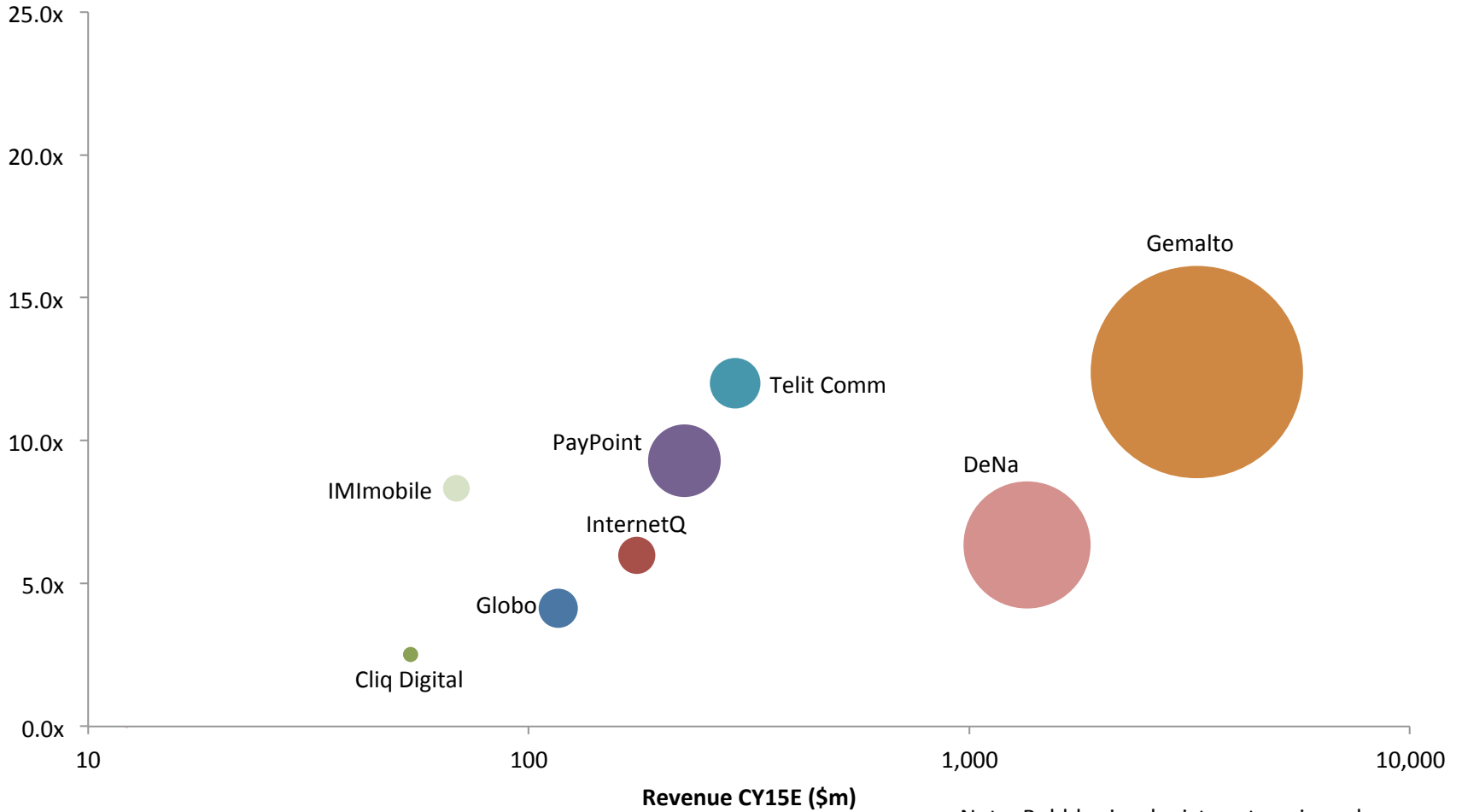
EV/EBITDA



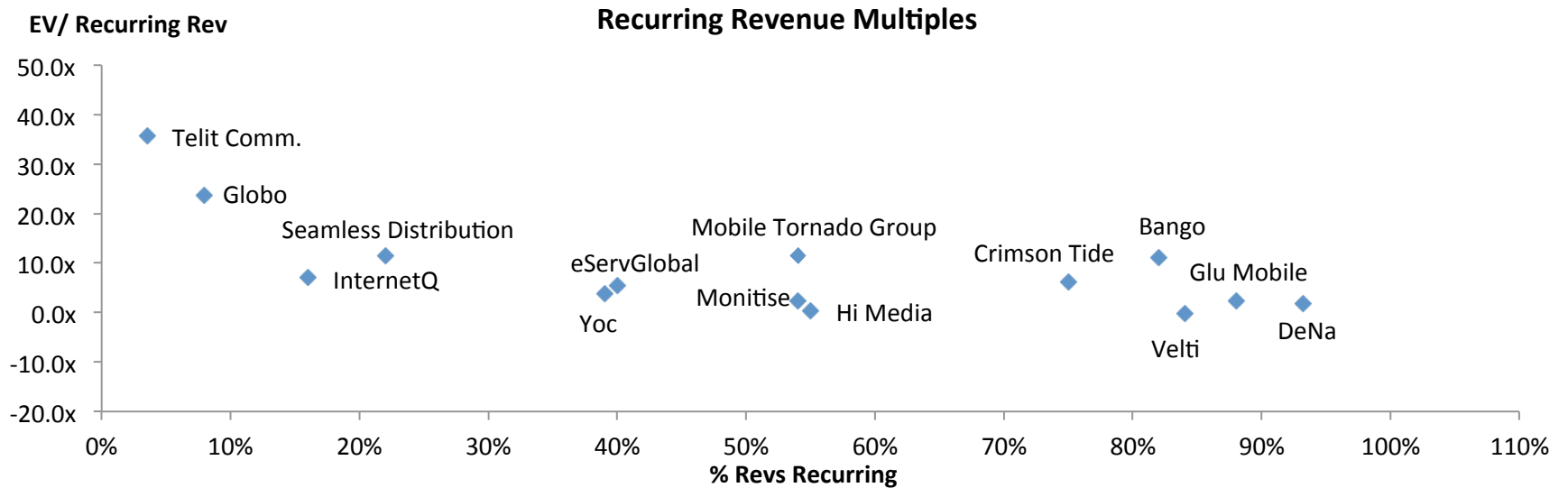
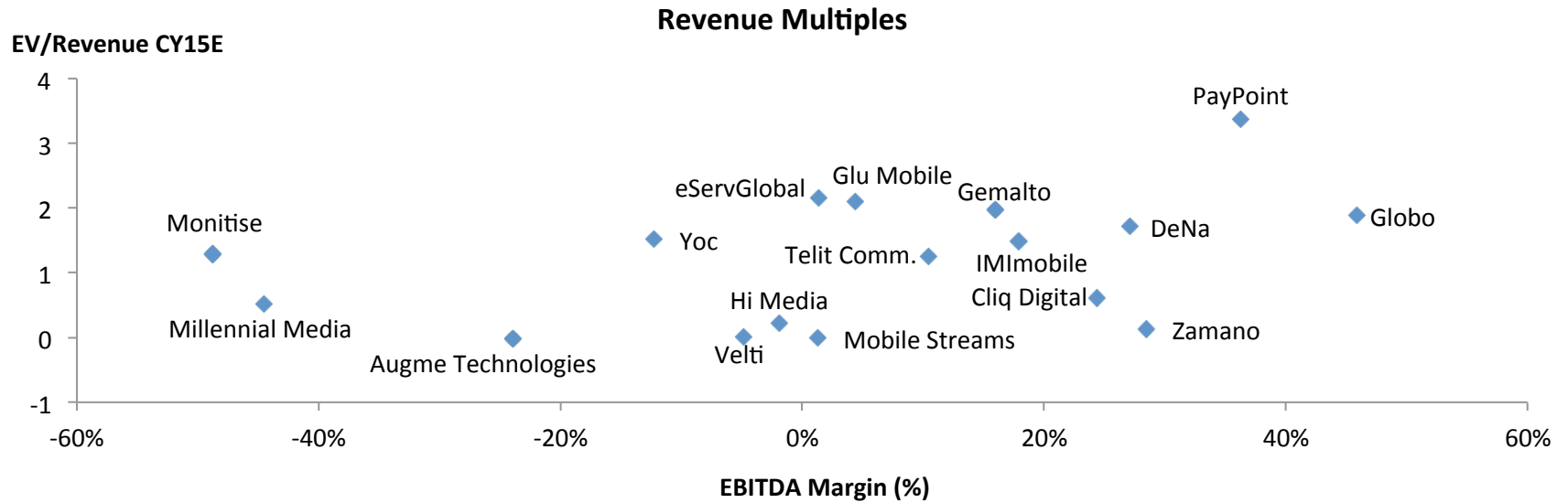
Performance Quadrants: Revenue Growth & Operating Margin



EV/EBITDA CY15E

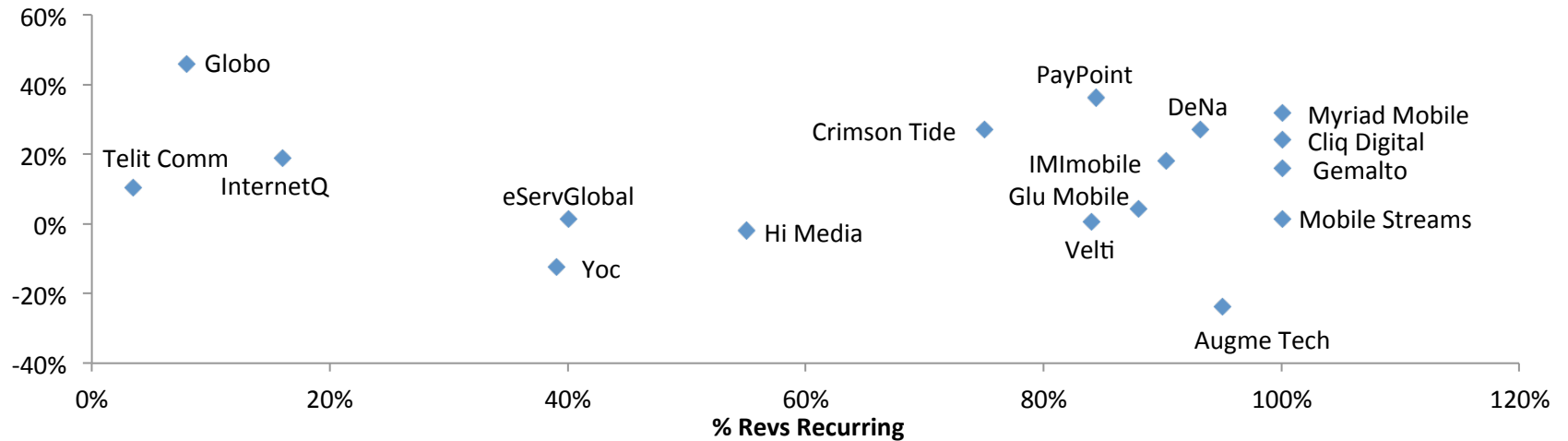


Note: Bubble size depicts enterprise value



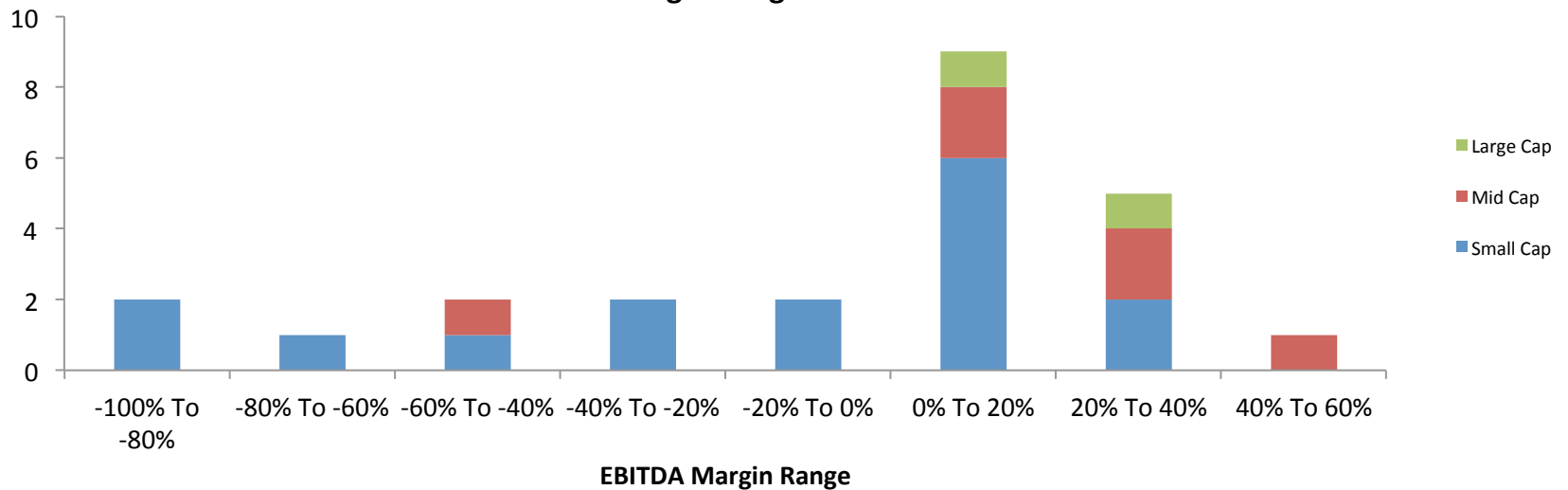
EBITDA Margin CY15E

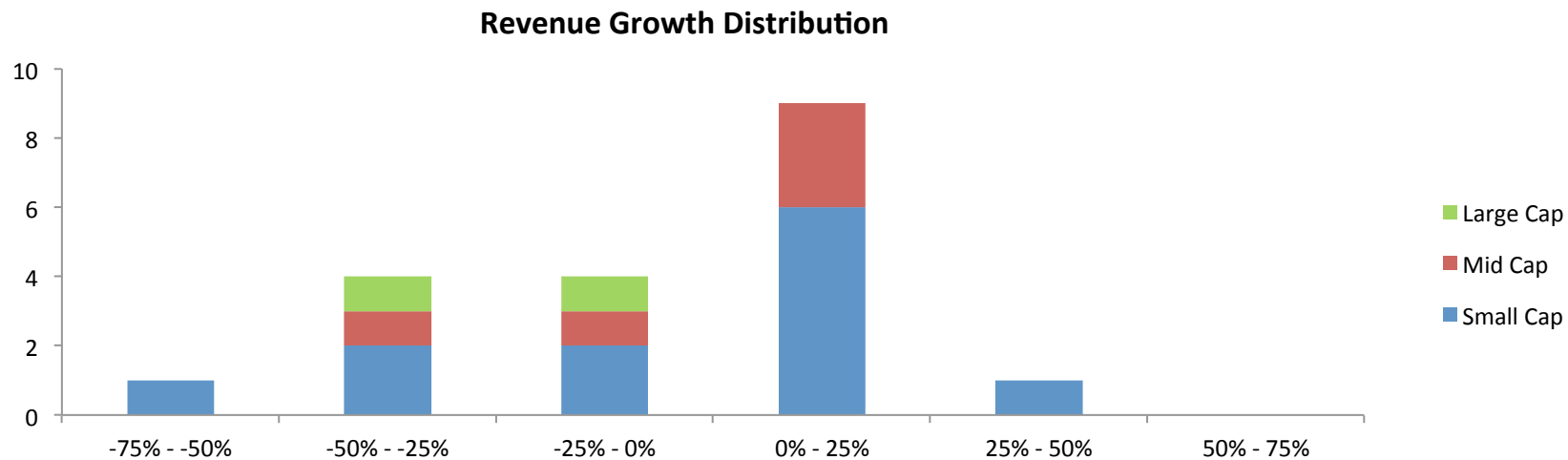
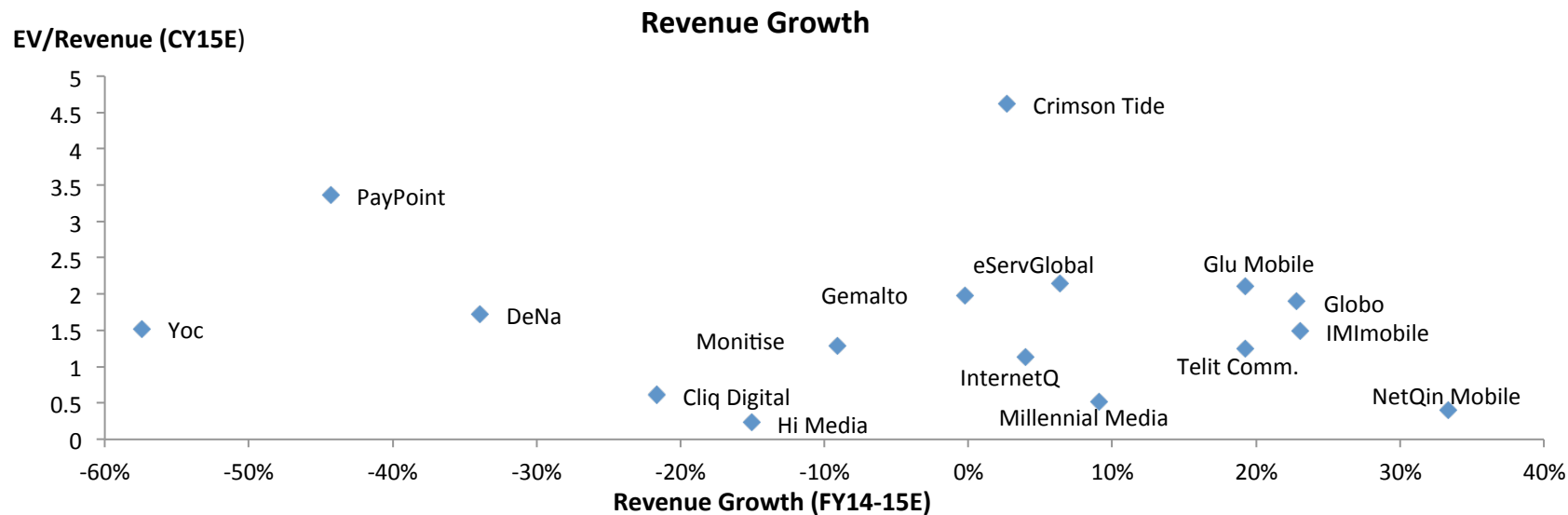
Recurring Revenue as a Driver of Operating Margins



Number of Companies

EBITDA Margin Range Distribution





Mobile Technology Deals – First Quarter 2015

Date Announced	Buyer	Seller	Seller Description	Deal Size	Seller Revenue/ Profit	Revenue Multiple	Target Sector	Commentary
02/04/2015	Check Point Software Technologies Ltd (Israel)	Lagoon Mobile Security Ltd (Israel)	Develops software solutions that assesses mobile risks and enable enterprises to detect and eliminate mobile attacks	Mobile Security	\$80m	\$1m	80x	Lagoon brings deployment-proven and patented advanced mobile threat prevention capabilities as well as its founders and team to Check Point's operations.
16/03/2015	Cheetah Mobile Inc. (China)	MobPartner (France)	Provides mobile advertising SaaS, including banner ads, in-app advertising, re-targeting and related analytics, for businesses, retailers and mobile app publishers. Also operates a mobile ad network for publishers and provides a related mobile ads software development kit (SDK) for app developers.	Applications	\$58m (Cash and stock)	n/a	n/a	MobPartner expected to increase Cheetah Mobile's mobile revenue and decrease its reliance on China's largest Web firms. MobPartner CEO to join Cheetah Mobile as Senior Vice President.
16/03/2015	Forbes Media LLC [Integrated Whale Investments] (USA)	CameraInc. (USA)	Provides a mobile application that enables iOS and Android device users to upload, store and share photos with friends and private groups.	Applications	Not disclosed	n/a	n/a	A 'strategic acquisition' to advance Forbes Media's growth in mobile applications. CameraInc's founder to join Forbes Media as Vice President of Mobile Products.
16/03/2015	St. Ives Group [aka St. Ives plc] (UK)	Solstice Mobile (USA)	Provides emerging technology and mobile customer and employee engagement software development services for businesses globally.	Mobile Application Development	£24.7m (Cash and stock)	£16.5m	1.4x	Acquisition supports St Ives' target of increasing international footprint as well as extending their digital capabilities into mobile.
16/03/2015	Market Tech Holdings Ltd (Guernsey)	Glispa GmbH (Germany)	Provides digital and mobile marketing services	Digital Marketing Services	€25m	€45.5m	0.5x	The investment expands Glispa's geographic footprint, with Glispa complementing Market Tech's strategic portfolio of both ecommerce and technology companies.
11/03/2015	PCCW Global Ltd. [PCRD/CNC] (Hong Kong)	XinLab Inc. [dba Vuclip] (USA)	Provides a mobile video-on-demand service and related smartphone application that enables iOS, Android and BlackBerry device users worldwide to view videos on their mobile phone. Also provides mobile video content delivery and related advertisement insertion software for businesses and telecom services providers.	Mobile Content	Not disclosed	n/a	n/a	PCCW's majority investment is in line with group's strategy to address opportunities in the digital world. The deal also enables Vuclip to accelerate its global expansion.
11/03/2015	Square Inc. (USA)	Kili Technology Corporation (Canada)	Designs and distributes mobile device payments and transaction security systems, including RFID system-on-chip and near field communications (NFC) hardware, mobile payments middleware and software, POS systems and IAM security management software, for mobile and electronic device OEMs, financial institutions and payments providers. Kili Technology was founded in 2013 by SecureKey Chairman Greg Wolfond with funding from Toronto-based Blue Sky Capital for the purposes of acquiring SecureKey's hardware security token group.	Payments	Not disclosed	n/a	n/a	Acquisition expands Square's offerings in terms of merchant-side infrastructure for supporting mobile payments. The newly acquired company is to remain in Toronto and act as a second Canadian office for Square. 30 staff.
09/03/2015	Ceridian Corporation [Thomas H. Lee Partners & Fidelity National Financial] (USA)	RelatedMatters Inc. (assets) (USA)	The assets of RelatedMatters, which provides a mobile workforce management and team collaboration iOS application for businesses.	Workforce and collaboration application	Not disclosed	n/a	n/a	Ceridian acquires most of RelatedMatters' assets and expands its Human Capital Management Offering. Co-founders of RelatedMatters to join Ceridian executive management team.
09/03/2015	SugarCRM Inc. (USA)	Hothouse Labs Inc. [dba Stitch] (USA)	Provides mobile email and office SaaS via a mobile iOS and Android application to enable advertising and sales departments to communicate with customers and co-workers. Also provides related CRM SaaS.	Applications	Not disclosed	n/a	n/a	The deal, SugarCRM's second acquisition since its founding, brings mobile personal assistant application to improve its engineering offering. 14 staff.

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Date Announced	Buyer	Seller	Seller Description	Deal Size	Seller Revenue/ Profit	Revenue Multiple	Target Sector	Commentary
06/03/2015	Capita plc (UK)	Sigma Seven Ltd. (UK)	Provides mobile geographical information systems (GIS)-based workforce management, data management, mapping and team collaboration software and mobile apps for businesses and government agencies.	Mobile GIS software	Not disclosed	n/a	n/a	Sigma Seven provide Capita with complementary products and a client base including UK utility companies. 33 staff.
03/03/2015	Box Inc. [fka Box.net Inc.] [NYSE: BOX] (USA)	Subspace (USA)	Provides laptop, desktop and mobile device security, containerized content management and collaboration SaaS to enable bring-your-own-device (BYOD) security for businesses.	Mobile Security	Not disclosed	n/a	n/a	Subspace team to join Box in move to expand security and control features of Box's content and collaboration platform. Box's second acquisition since its IPO in January. 7 staff.
27/02/2015	eResearchTechnology Inc. [dba ERT] [Genstar Capital] (USA)	PHT Corporation (USA)	Provides clinical trial patient research and surveying mobile apps, as well as patient outcomes tracking and analytics SaaS, for healthcare, pharmaceutical and clinical trial sectors.	Application Software	Not disclosed	n/a	n/a	The combined company will have an increased global footprint throughout North America, Europe and Asia, whilst serving all phases of clinical research for small and medium sized biopharma to larger pharmaceutical companies.
19/02/2015	DIMOCO [aka Direct Mobile Communications GmbH] (Austria)	Amaze S.A. (carrier billing and mobile messaging business) (Greece)	The carrier billing and mobile messaging division of Amaze, which provides mobile value added services (VAS) including carrier billing, SMS messaging, mobile marketing and mobile application development for telecommunications operators in Greece.	Mobile Payments	Not disclosed	n/a	n/a	Acquisition of the Greek business follows DIMOCO's expansion strategy in Europe. Aggregation director at Amaze to join DIMOCO Greece as Managing Director.
16/02/2015	Playtech Plc (Isle of Man)	YOYO Games Ltd (UK)	Provides a mobile driven cross-platform casual game development technology that enables developers to create games using a single programming code and then publish them to run natively across most common platforms	Mobile Application Development	\$16.4m	n/a	n/a	The acquisition of Yoyo enables Playtech to diversify its business and penetrate the casual gaming space. 30 staff.
09/02/2015	Divalto Groupe (France)	SwingMobility (France)	Provides mobile workforce management SaaS and mobile applications, as well as mobile Salesforce automation SaaS and mobile app, for businesses. Software enables GPS-based employee tracking, scheduling and Salesforce.com management.	Mobile Workforce SaaS	Not disclosed	n/a	n/a	The transaction consolidates Divalto's position within the ERP market, as well as enabling access to the German market. 30 staff.
04/02/2015	Thinking Phone Networks Inc. [dba ThinkingPhones] (USA)	Contactive [aka Klink] (USA)	Provides an Android and Google Chrome Web application that enables users to see aggregated social media information on callers. Also provides related customer analytics applications.	Mobile Applications	Not disclosed	n/a	n/a	Contactive bring 1.5m users to ThinkingPhones to further expand the company's' market growth.
04/02/2015	Under Armour Inc. (USA)	Endomondo ApS (Denmark)	Provides a mobile application to enable iOS, Android, Blackberry and Windows Phone device users to track and calculate calories and exercises. Also provides related online service.	Applications	\$85m	n/a	n/a	Under Armour strengthens its position at the forefront of the connected fitness space. Endomondo provides immediate scale and increased international presence.
20/01/2015	Dropbox Inc. (USA)	CloudOn Inc. (Israel)	Develops CloudOn, a cloud-based service that allows users to access applications from a mobile workspace	Information Management	Not disclosed	n/a	n/a	CloudOn strengthens Dropbox's mobile storage with the deal signalling Dropbox's intent to grow its footprint in Israel 9m users. 30 staff.
13/01/2015	Jedox AG (Germany)	Reboard GmbH (Germany)	Provides mobile BI and corporate performance management reporting software for medium-sized and large businesses globally.	Management Reporting Software	Not disclosed	n/a	n/a	Jedox AG reinforces and extends its mobile BI capability. The acquisition forms part of Jedox's ongoing strategic focus on mobility.

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12/01/2015	Demandware Inc. (USA)	Tomax Corporation (USA)	Provides cloud-based point-of-sale (POS) and retail management SaaS and mobile applications for merchants. Software provides turn-key transaction processing, merchandising, inventory and operations management and analytics reporting all from one integrated user interface, accessible online or on a mobile device.	Application Software	\$60m	n/a	2.5x	The deal brings Demandware into tighter competition with Oracle and SAP. Tomax team to join Demandware. 170 staff.
06/01/2015	NTT Centerstance [NTT Group] (USA)	Buzz Solutions (buzzRetail IP assets) (Canada)	The buzzRetail IP assets of Buzz Solutions, which provides a Salesforce-based retail packaged goods sales performance management subscription-based mobile application for retail and wholesale businesses.	Applications	Not disclosed	n/a	n/a	Acquisition of buzzRetail IP's assets provides NTT Group with unique differentiator in the Retail/ Consumer Goods industry vertical.

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