Goldenhill
International M&A Advisors

Mobile Technology Sector

Quoted Company Analysis

Fourth Quarter 2014

Sector Valuation Metrics

Goldenhill International M&A Advisors

Company	Share Price Local 31-Dec-14	Market Cap ($m)[1]	Net Debt ($m)[2]	Enterprise Value ($m)	Revenue CY14E ($m)	EV/Revenue CY2013	EV/Revenue CY2014E	EV/Revs Recurring	EV/EBITDA CY2013	EV/EBITDA CY2014E	Revenue Growth CY2013	Revenue Growth CY2014E	EBITDA Margin CY2013	EBITDA Margin CY2014E	% Revs Recurring[3]
Selected Large Cap															
Gemalto	67.93	7,234	(620)	6,615	3,079	2.1x	2.1x	11.3x	12.5x	12.0x	9.9%	-3.0%	16.7%	17.9%	19%
DeNa	14.46	1,825	(632)	1,194	1,342	0.6x	0.9x	1.0x	1.7x	3.3x	-26.1%	-34.5%	36.0%	26.8%	93%
Average						**1.3x**	**1.5x**		**7.1x**	**7.7x**			**26.4%**	**22.3%**	**56.1%**
Total (Large Cap)		**9,060**	**(1,251)**	**7,808**											
Selected Mid Cap															
PayPoint	9.00	954	(69)	885	228	2.6x	3.9x	4.6x	11.5x	10.7x	2.3%	-43.3%	23.0%	36.4%	84%
Monitise	0.25	839	(225)	614	172	4.6x	3.6x	6.6x	NM	NM	35.4%	22.4%	-38.8%	-34.9%	54%
Telit Communications	2.41	427	12	439	306	1.8x	1.4x	41.0x	17.4x	11.5x	17.3%	25.8%	10.4%	12.5%	4%
Myriad Mobile	4.27	436	(0)	435	NA	10.1x	NA	NA	NM	NA	-23.3%	NA	-16.2%	NA	NA
Glu Mobile	3.90	417	(28)	389	229	3.7x	1.7x	2.3x	NM	14.9x	-2.4%	117.1%	-13.7%	11.4%	75%
Average						**4.6x**	**2.6x**		**14.4x**	**12.4x**			**-7.1%**	**6.4%**	**54.2%**
Total (Mid Cap)		**3,072**	**(311)**	**2,761**											
Selected Small Cap															
Globo	0.40	233	(59)	174	123	1.8x	1.4x	17.7x	3.6x	3.0x	60.6%	29.6%	50.3%	47.4%	8%
InternetQ	2.58	160	(6)	154	171	1.1x	0.9x	5.6x	8.0x	5.5x	46.9%	23.3%	13.8%	16.3%	16%
Hi Media	2.50	137	16	153	209	0.6x	0.7x	1.4x	10.9x	29.1x	-1.7%	-15.0%	5.7%	2.5%	53%
IMImobile	147.50	136	(5)	131	74	2.0x	1.8x	2.0x	12.2x	9.9x	13.3%	9.3%	16.1%	18.0%	90%
NetQin Mobile	3.91	242	(111)	131	326	0.7x	0.4x	0.5x	89.9x	6.5x	114.3%	65.7%	0.7%	6.2%	74%
Millennial Media	1.60	222	(99)	123	283	0.5x	0.4x	NA	NM	NM	45.9%	9.2%	-3.5%	-8.3%	NA
eServGlobal	0.56	121	(2)	119	30	3.9x	4.0x	7.9x	NM	19.8x	-6.8%	20.4%	1.2%	20.4%	51%
Bango	1.17	94	(8)	87	NA	6.3x	NA	NA	NM	NA	-44.7%	NA	-39.8%	NA	80%
Mobile Tornado Group	0.08	29	5	34	3	8.2x	12.1x	39.1x	NM	NM	80.3%	-32.0%	-68.8%	-133.3%	31%
Cliq Digital	1.95	14	14	28	58	0.4x	0.5x	NA	3.2x	2.0x	-19.2%	-15.4%	12.5%	24.0%	NA
Artilium Group	0.07	25	2	26	NA	1.8x	NA	NA	18.0x	NA	-5.3%	NA	10.3%	NA	100%
Vipera	0.05	16	(1)	15	NA	6.7x	NA	NA	NM	NA	44.4%	NA	-3.2%	NA	93%
Seamless Distribution	11.45	62	(47)	15	NA	0.6x	NA	NA	NM	NA	24.8%	NA	-51.9%	NA	25%
Yoc	1.96	7	8	15	NA	0.6x	NA	NA	NM	NA	-9.6%	NA	-13.1%	NA	39%
Crimson Tide	0.02	11	0	11	2	5.5x	5.8x	6.3x	24.2x	23.4x	2.1%	-4.9%	23.0%	25.0%	92%
Zamano	0.08	12	(3)	9	NA	0.4x	NA	NA	2.7x	NA	-13.8%	NA	15.9%	NA	NA
Mobile Streams	0.13	7	(3)	5	69	0.1x	0.1x	0.1x	1.0x	4.3x	-6.6%	-24.7%	5.6%	1.6%	100%
Augme Technologies	0.03	5	(1)	4	30	0.2x	0.1x	0.2x	NM	NM	1.8%	15.8%	-54.8%	-24.0%	95%
Velti	0.02	1	(8)	(7)	150	NM	NM	-0.1x	0.2x	NM	42.9%	-45.3%	-29.4%	0.6%	84%
Voltari Corp	0.66	3	(25)	(22)	NA	NM	NA	NA	1.1x	NA	-88.6%	NA	-186.1%	NA	NA
Net Mobile	6.60	100	(153)	(53)	NA	NM	NA	NA	NM	NA	8.0%	NA	2.8%	NA	NA
Average						**2.3x**	**2.4x**		**14.6x**	**11.5x**			**-13.9%**	**-0.3%**	**64.5%**
Total (Small Cap)		**1,637**	**(486)**	**1,152**											
Sector Total		**13,770**	**(2,048)**	**11,721**											

(1) Excludes treasury shares

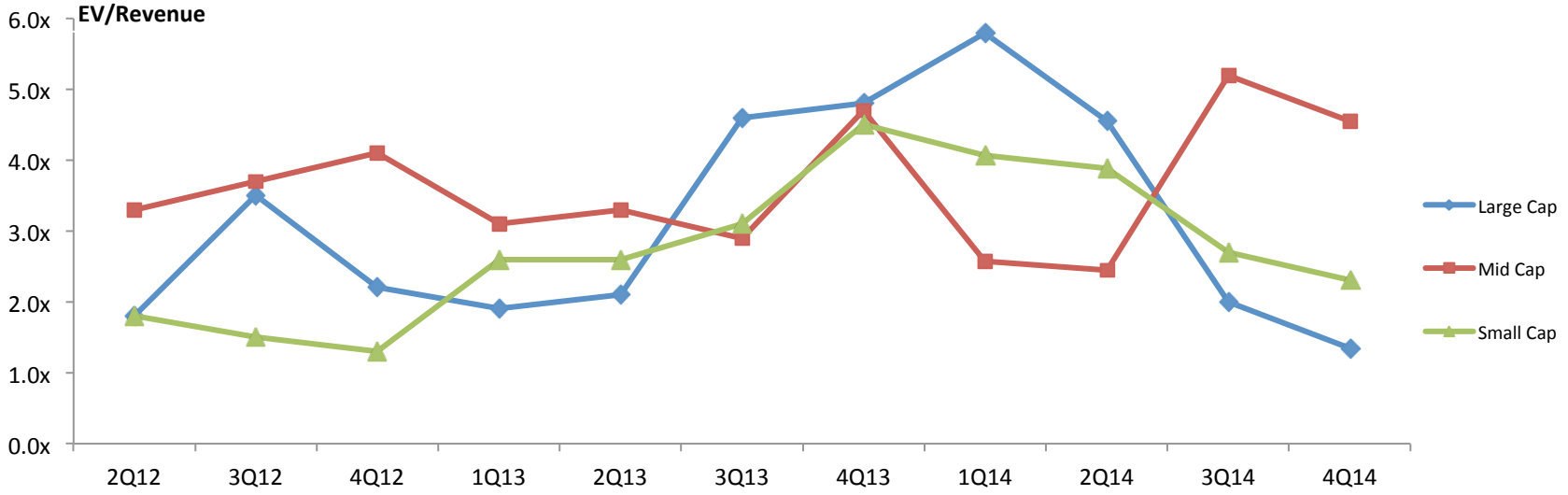
(2) Net financial debt minus marketable securities and collaterals.

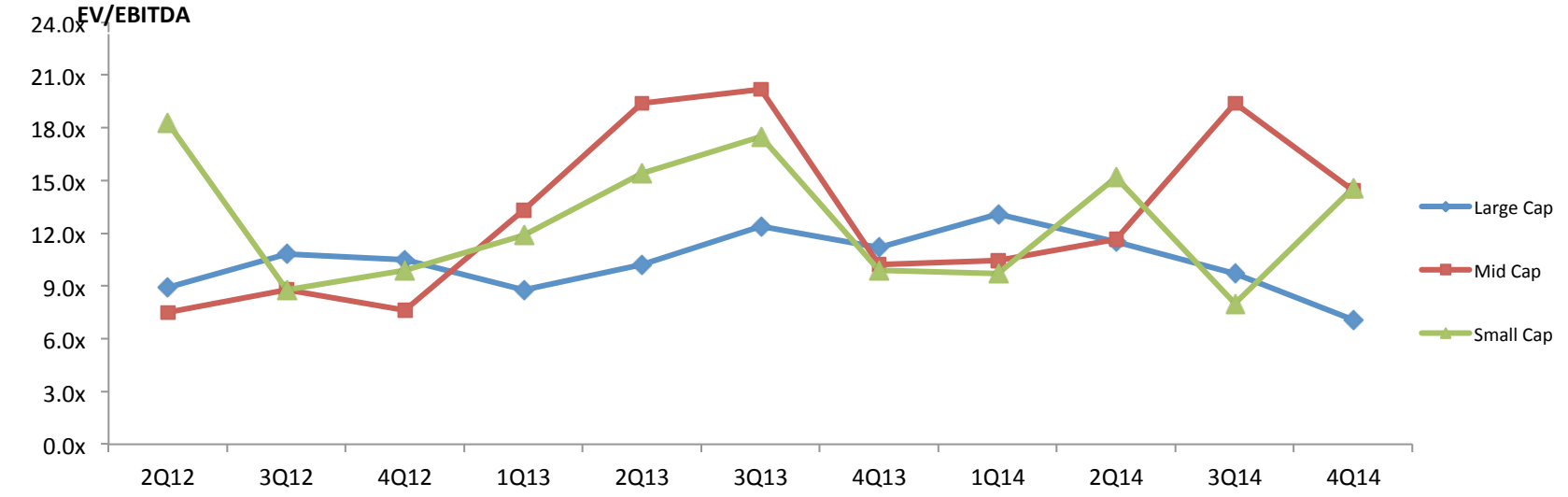
(3) Recurring revenues (maintenance, subscriptions, SaaS etc) where reported for last full year

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

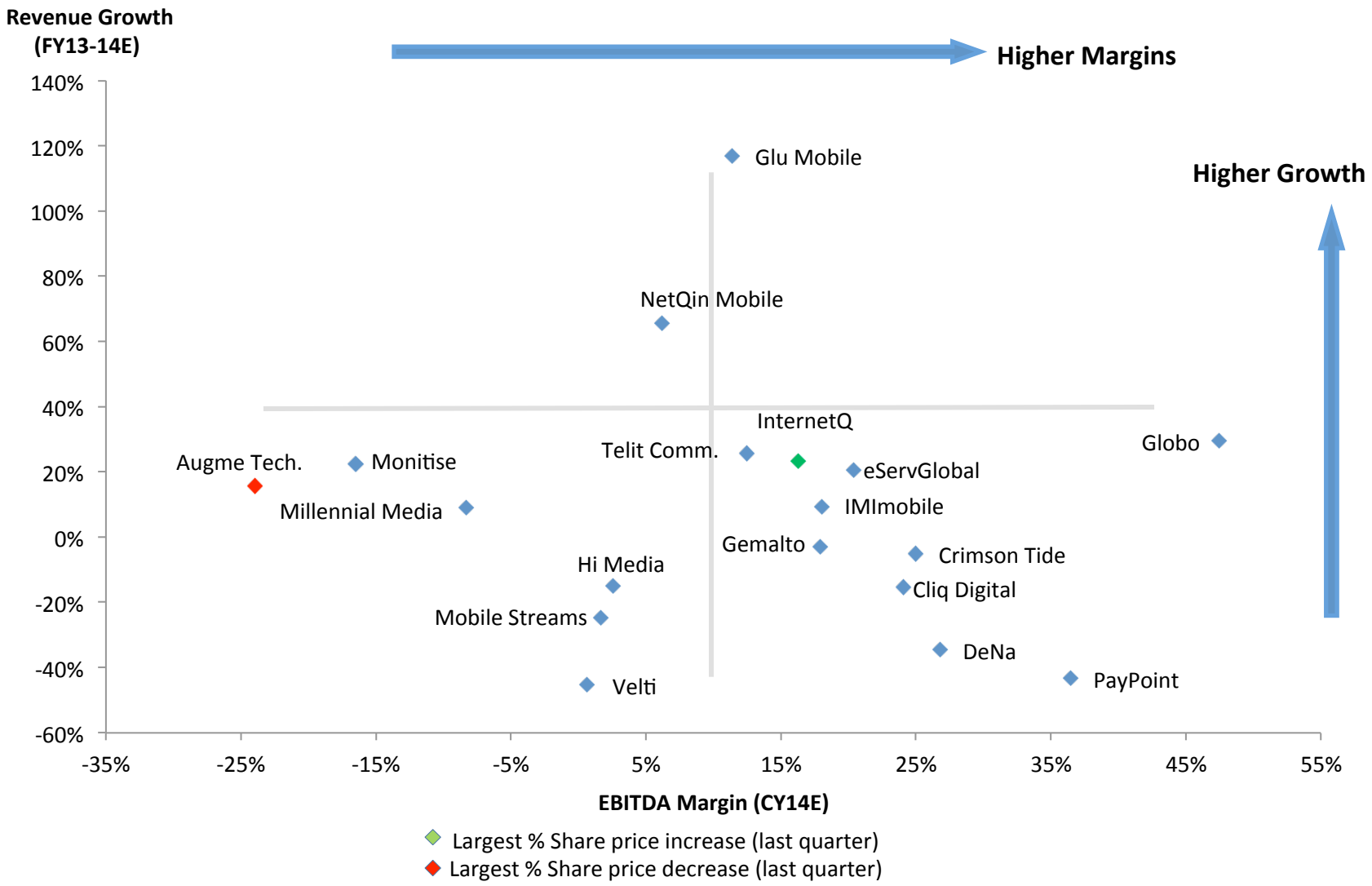
(5) NM - not meaningful and NA - not available

Enterprise Value Analysis

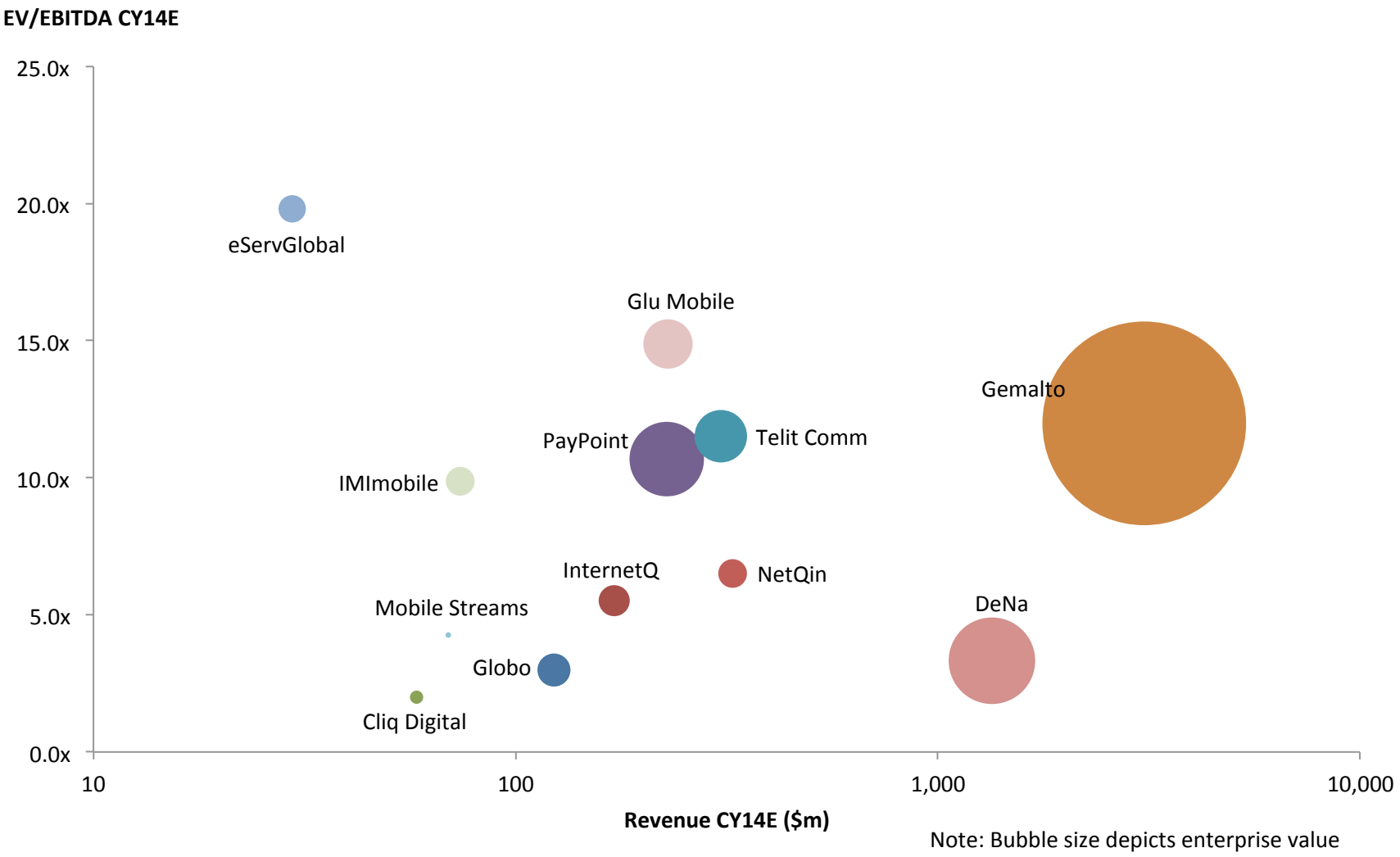




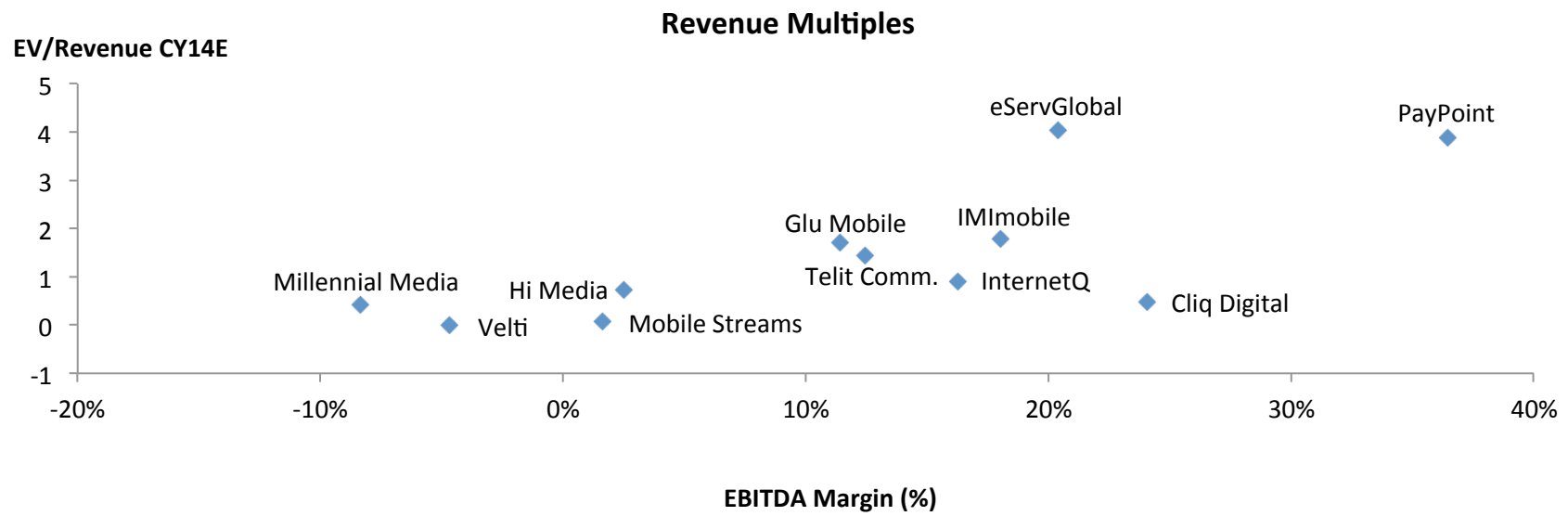
Performance Quadrants: Revenue Growth & Operating Margin

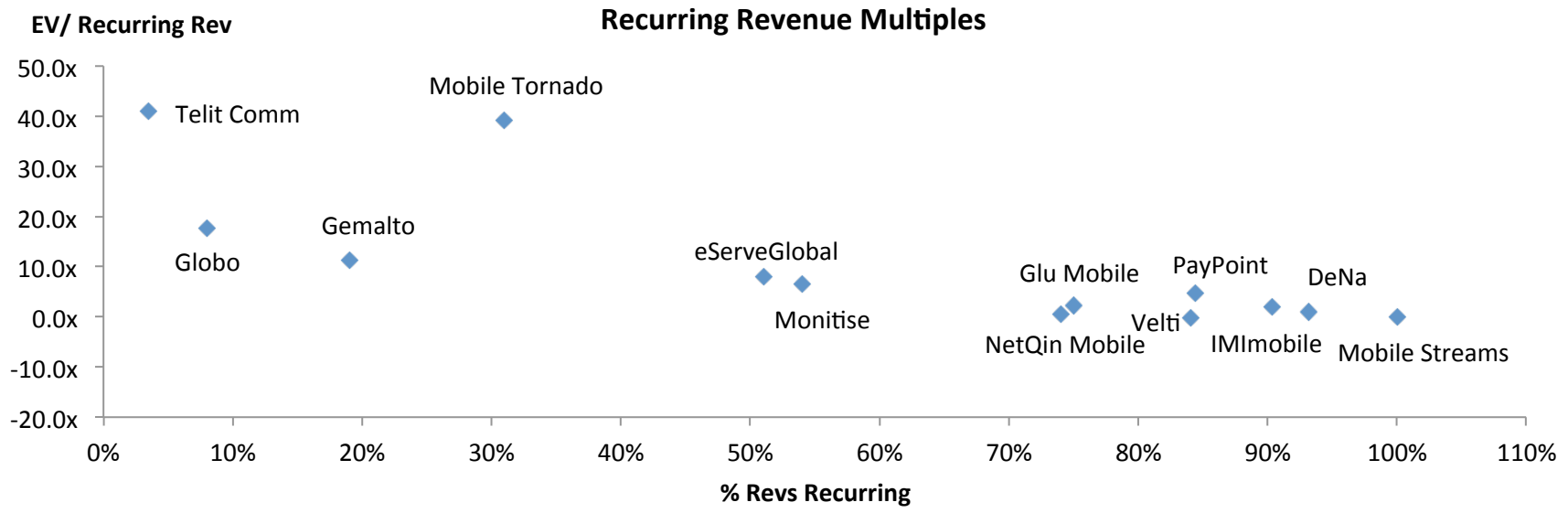


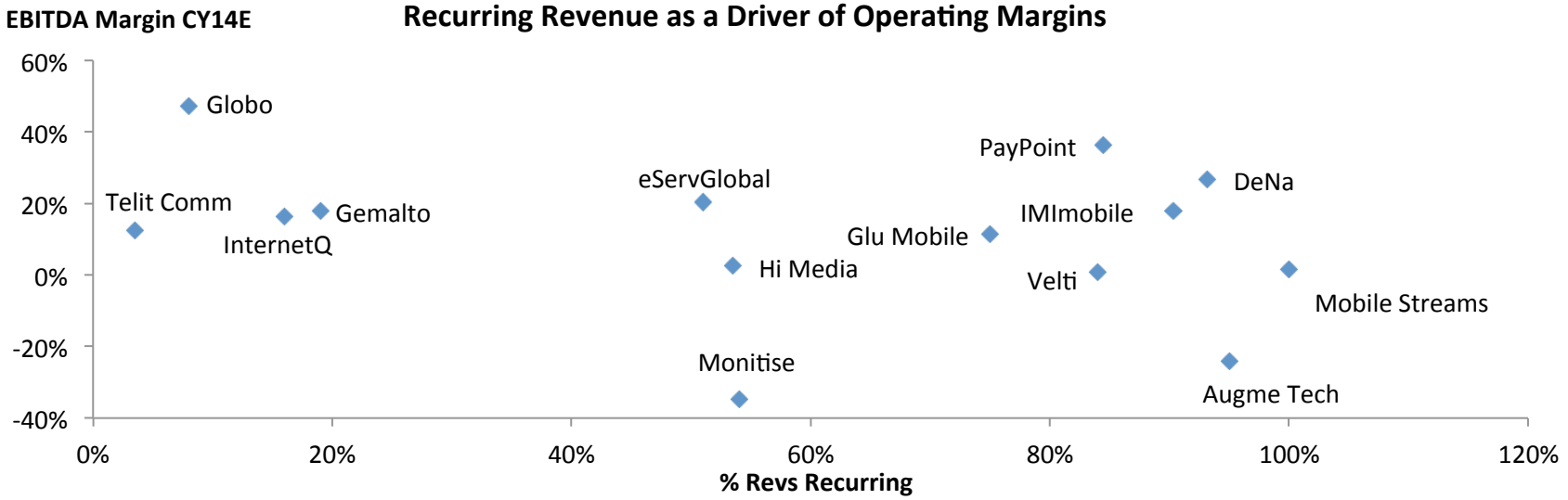
Scale as a Value Driver

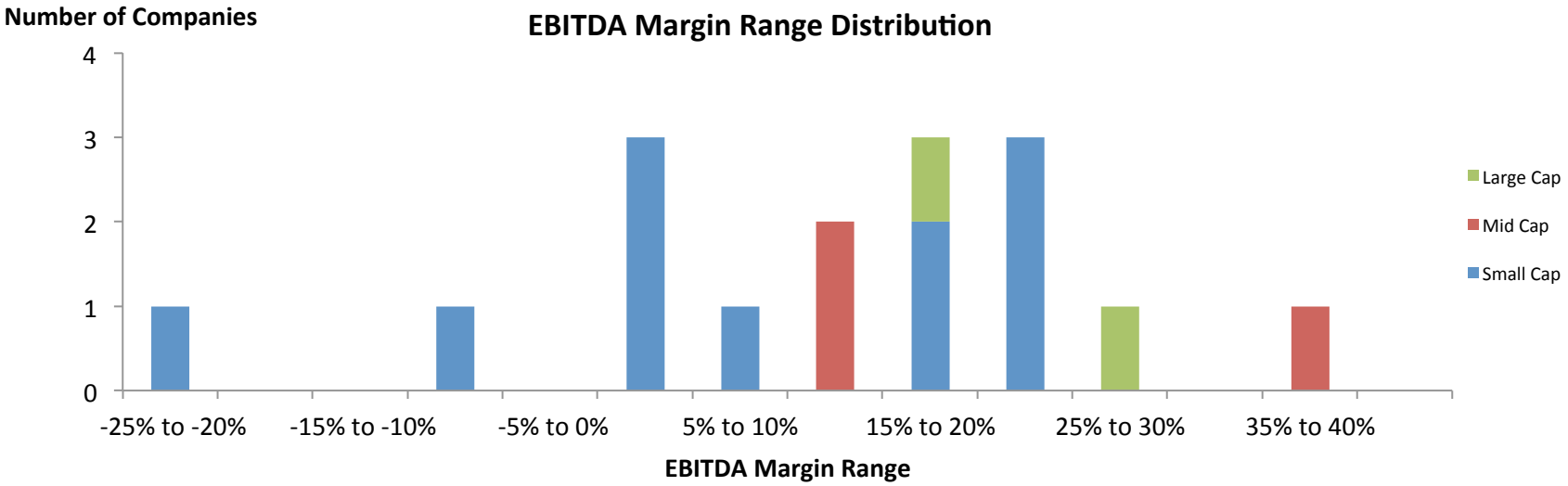


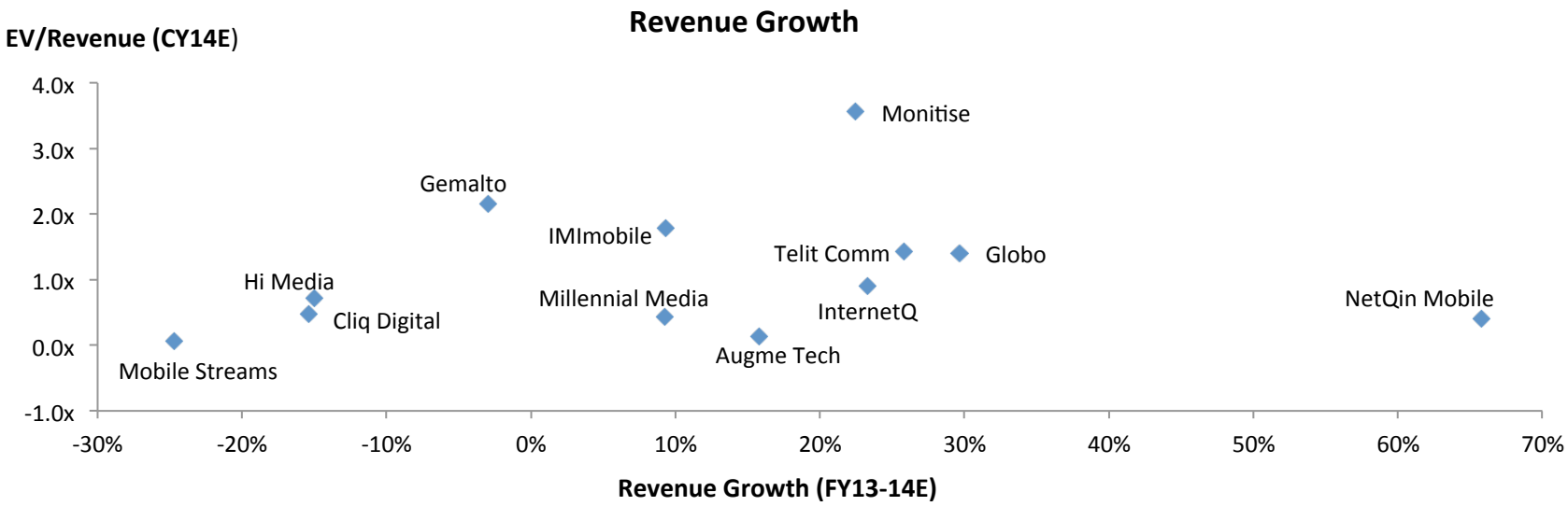
Operating Efficiency and Recurring Revenue as Value Drivers

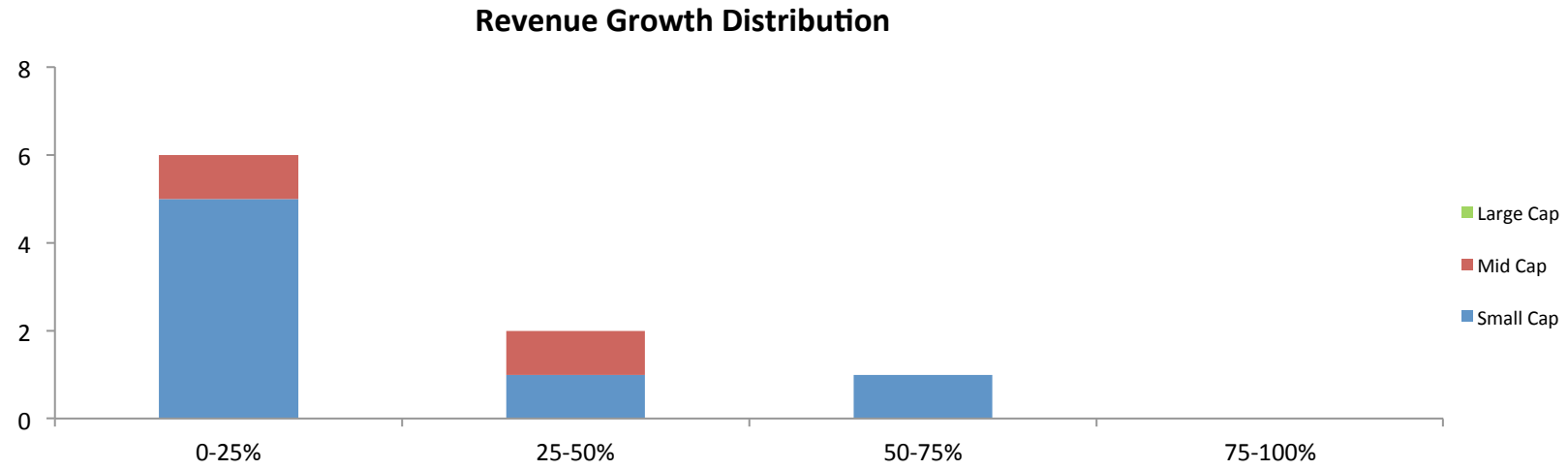





EBITDA Margin CY14E
Recurring Revenue as a Driver of Operating Margins
60%
40%
20%
0%
-20%
-40%
0%
20%
40%
60%
80%
100%
120%
% Revs Recurring
Globo
Telit Comm
Gemalto
InternetQ
eServGlobal
Hi Media
Monitise
PayPoint
DeNa
IMImobile
Glu Mobile
Velti
Mobile Streams
Augme Tech


Number of Companies
EBITDA Margin Range Distribution
4
3
2
1
0
-25% to -20%
-15% to -10%
-5% to 0%
5% to 10%
15% to 20%
25% to 30%
35% to 40%
EBITDA Margin Range
Large Cap
Mid Cap
Small Cap


Revenue Growth
EV/Revenue (CY14E)
4.0x
3.0x
2.0x
1.0x
0.0x
-1.0x
-30%
-20%
-10%
0%
10%
20%
30%
40%
50%
60%
70%
Monitise
Gemalto
IMImobile
Telit Comm
Globo
Hi Media
Millennial Media
InternetQ
NetQin Mobile
Cliq Digital
Augme Tech
Mobile Streams
Revenue Growth (FY13-14E)


Revenue Growth Distribution
8
6
4
2
0
0-25%
25-50%
50-75%
75-100%
Large Cap
Mid Cap
Small Cap

Mobile Technology Deals – Fourth Quarter 2014

Goldenhill International M&A Advisors

Date Announced	Buyer	Seller	Seller Description	Deal Size	Seller Revenue/ Profit	Revenue Multiple	Target Sector	Commentary
19/12/2014	Phunware (USA)	Odyssey Mobile Interaction (UK, Singapore)	Provides video-based mobile advertising design and creation services for corporate brands and businesses globally. Also provides mobile content distribution SaaS for mobile marketers.	Not disclosed	n/a	n/a	Mobile content distribution	The Odyssey platform complements Phunware's premium branded application portfolio. Odyssey team and offices will remain in London and Singapore to support customers and to serve as a gateway to new business opportunities in these regions.
16/12/2014	Snapchat (USA)	Scan Inc. [aka Scan.me] (USA)	Provides a barcode, QR code and NFC tag generating and scanning app to enable electronic tagging and tracking of objects in the physical world such as product inventory for consumers and businesses. Company is also developing a location-based mobile iBeacon app..	$50m (Reported) $14m in cash and $36m in stock	n/a	n/a	Mobile Applications	Snapchat reportedly acquire Scan.me. 7 in deal yet to be confirmed.
11/12/2014	Microsoft Corporation (USA)	Bit Stadium GmbH [dba HockeyApp] (Germany)	Provides mobile application development SaaS for developers. Software enables users to distribute beta versions of apps for testing, collect feedback and analyze crash reports of iOS, Android and Windows Phone applications.	Not disclosed	n/a	n/a	Mobile Application development tools	Microsoft adds crash analysis to its mobile development toolset. HockeyApp founding team set to join Microsoft.
11/12/2014	Epicor Software Corporation [Apax Partners] (USA)	ShopVisible (USA)	Provides Web-based and mobile omni-channel enterprise retail order management, e-commerce, logistics and marketing SaaS for B2B and B2B merchants and businesses.	Not disclosed	n/a	n/a	Mobile Application software	ShopVisible expands Epicor's position as a leading provider of extended omni-channel solutions for midsize and large retail chains. 40 staff.
11/12/2014	Lanyon Solutions Inc. (USA)	Genieconnect Ltd (UK)	Provides mobile applications for meetings and events	Not disclosed	n/a	n/a	Events software on Mobile	Acquisition follows existing integration between the two companies and gives Lanyon's customers an enhanced event experience with mobile innovations. It is Lanyon's third transaction of the year.
09/12/2014	Upland Software [NASDAQ:UPLD] (USA)	Mobile Commons (USA)	Provides mobile text messaging SaaS for non-profit organizations, government agencies, advertising brands, and healthcare organizations. Software enables users to create, execute, manage and track analytics of large-scale mobile text messaging information and marketing campaigns through one Web-based user interface.	$10m ($5.8m in cash and $4.2m in stock)	$6m	1.7x	SMS MMS	Transaction expected to increase Upland's current annualized revenues to approximately $75m. It brings form of digital engagement to Enterprise customers, and follows Upland's strategic acquisition policy.
04/12/2014	CallFire Inc. (USA)	FireText Communications Ltd. (UK)	Provides a mobile messaging SaaS and related mobile SMS application programming interface (API) to enable businesses to send marketing and automated CRM messages to consumers.	Not disclosed	n/a	n/a	SMS MMS	Acquisition marks a move in CallFire's expansion into the European market and allows for a continued focus on communications platforms for both small and enterprise level businesses.
01/12/2014	Microsoft Corporation (USA)	Acompli Inc. (USA)	Provides an iOS and Android mobile email management application for enterprises and consumers. Application enables users to schedule meetings and calendar events and aggregate and manage Gmail, iCloud, Yahoo, Outlook, MSN, Live, Exchange, Office 365 and Google for Work email accounts through one user interface.	$200m (Reported in unspecified consideration)	n/a	n/a	Office for Mobile	Microsoft plans to integrate Acompli with its own Office for Mobile to improve the cross-platform capabilities of Outlook and Exchange. 24 staff.
01/12/2014	Airbnb, Inc. (USA)	Pencil Labs [aka Wyth] (USA)	Provides an application to enable iOS mobile device users to message friends and schedule related events. Software analyzes messages and suggests meeting times and places.	Not disclosed	n/a	n/a	Mobile Applications	Airbnb reportedly acquires PencilLabs for undisclosed purchase price. Team to join Airbnb.
01/12/2014	Esendex Holdings Ltd (UK)	Collstream Ltd (UK)	Provides SMS, voice messaging and IVR services for business	Not disclosed	n/a	n/a	SMS MMS	Acquisition creates business with combined revenues of £25m. Collstream's team, technology base and strong customer base will be added to Esendex.

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24/11/2014	Datablink (USA)	BRToken (Brazil)	Provides authentication, fraud prevention and secure transaction signing mobile applications, software, smart cards and reader systems to enable payments processing security for banks and financial institutions globally.	Not disclosed	n/a	n/a	Mobile security	Merger creates company operating with HQ in Virginia and offices in Brazil. Datablink looks to build upon BRToken's success in Latin America. 60 staff.
20/11/2014	Descartes Systems Group Inc. (Canada)	Airclic (USA)	Provides mobile SCM, logistics and fleet management SaaS for businesses in the food distribution, shipping, transportation and healthcare sectors globally.	$29.7m	n/a	n/a	Mobile for SCM software	Airclic adds vertically focused mobile capabilities to strengthen Descartes' Fleet Management Platform. The two share several common customers.
14/11/2014	Capita Plc (UK)	Pageone Communications Ltd (UK)	Provides SMS messaging and paging solutions	Not disclosed	n/a	n/a	SMS MMS	Capita views PageOne as a natural fit, with a strong private and public sector base.
13/11/2014	Blackboard Inc. [Providence Equity Partners Inc.] (USA)	ParentLink (USA)	Provides a school communications mobile application and messaging SaaS to enable K-12 school districts to send timely information, event calendars, emergency notifications and surveys to parents.	$40m	$10m	4.0x	SMS MMS	Deal marks Blackboard's latest investment to increase its K-12 focus, following an acquisition strategy of focussing on investing transformative innovation.
12/11/2014	Cognizant Technology Solutions [aka Cognizant] (USA)	Odecee (Australia)	Provides outsourced mobile application development and Web-based software development services, as well as application performance testing and systems integration services, for enterprises in Australia and New Zealand. Also provides enterprise mobility management SaaS.	Not disclosed	n/a	n/a	Mobile application development	Odecee improves Cognizant's foothold in Australia and New Zealand, a location which currently generates less than 4% of its business.150 staff.
11/11/2014	Yahoo! Inc. (USA)	BrightRoll (USA)	Provides a Web, mobile and connected TV digital video advertising network and targeted analytics SaaS for Web publishers, marketers and businesses.	$640m	$250m	2.6x	Online advertising network and analytics	BrightRoll strengthens Yahoo's advertising platform, making it the largest in the US. Deal is Yahoo's 2nd largest purchase since its CEO joined in 2012.
06/11/2014	Matrix42 [Asseco Poland] (Germany)	Silverback MDM (Australia)	Provides mobile device management (MDM) and enterprise mobility management (EMM) software, as well as password, access and endpoint mobile security management software, for businesses globally.	Not disclosed	n/a	n/a	Mobile device management	Acquisition places Matrix in a position to enable organisations in Europe and Asia Pacific achieve greater simplicity in managing and using mobile IT.
06/11/2014	Dentsu Aegis Network Ltd (UK)	Fetch Media Ltd (UK)	Operates a mobile agency covering strategy, creative and analytics	£30m (Reported)	n/a	n/a	Web and email marketing	Deal recognises the potential Dentsu view in both Fetch and the wider mobile market, with the growth of their digital profile forming one of the company's five strategic priorities. 96 staff.
05/11/2014	LivePerson Inc. (USA)	Contact At Once! LLC (USA)	Provides live chat and texting CRM SaaS and software to enable real-time Web-based and mobile customer engagement primarily for the automotive, real estate and apartment leasing industries.	$65m ($43m in cash and $22m in stock)	$18m	3.6x	Mobile for CRM Application software	LivePerson's third acquisition of the year is their largest so far. Contact AtOnce increases LivePerson's presence in the automotive vertical through the addition of 13,000 auto dealership corporate customers.
30/10/2014	Accor S.A. (France)	Wipolo (France)	Provides a travel itinerary management mobile app to enable email-based real-time travel reminders for consumers and business travellers.	Not disclosed	n/a	n/a	SMS MMS-Travel	Accor plans to spend 225m euros through to 2018 to improve its digital presence. Through Wipolo it plans to improve customer access via mobile devices.
24/10/2014	LINK Mobility Group ASA (Norway)	PSWinCom AS (Norway)	Develops and supplies mobile solutions for messaging and payment	NOK85.5m ($11m)	NOK 90.7m	0.9x	SMS MMS	Link Mobility Group strengthens its position as the largest provider of mobile services in the Norwegian market and becomes a major Nordic mobile service provider. 21 staff.

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21/10/2014	Google Inc. (USA)	Firebase Inc. (USA)	Provides a mobile application that allows users to store and sync data. Back end as a service (BaaS)	Not disclosed	n/a	n/a	BaaS	Google benefits from Firebase's technology and talent, as well as introducing Firebase's 100,000 developers to its Cloud Platform. Marks Google's third major acquisition for its Cloud Platform.
13/10/2014	IMImobile PLC (UK)	Txtlocal Ltd. (UK)	Provides SMS, MMS and Web-based messaging for businesses and organizations globally. Also provides related iOS and Android applications.	$17.8m ($16.2m in cash and $1.6m in stock)	$11.44m	1.6x	SMS MMS	IMImobile expects to benefit from a number of cost synergies, with a number of opportunities to leverage their footprint to introduce TxtLocal's offering into new international markets.
07/10/2014	Sophos Plc [Apax Partners] (UK)	Mojave Networks (USA)	Provides enterprise-grade mobile security threat detection SaaS for businesses. Software enables the detection of data breaches and enables security compliance of employees using both corporate and personal mobile devices to access company data.	Not disclosed	n/a	n/a	Mobile security	Mojave adds cloud-based web security solution to Sophos' cloud managed security offering.14 staff.
07/10/2014	Boku Inc. (USA)	mopay Inc. (USA)	Provides carrier billing mobile payment software and services that enable users in over 55 countries worldwide to buy goods and services with their mobile phones or online and have charges billed through their mobile carrier billing system.	Not disclosed	n/a	n/a	Mobile payments	Mopay gives Boku an expansive network of operators and content providers, with the acquisition making Boku the largest standalone provider of carrier billing-based mobile providers in the world.
03/10/2014	To-Increase BV [Columbus IT Partner A/S] (Netherlands)	Dynamics Anywhere (Netherlands)	Provides mobile Microsoft Dynamics ERP, CRM and logistics for retail, manufacturing, field sales, services, and warehouse management businesses globally.	Not disclosed	EUR 1.5m	n/a	Mobile for Application Software	Dynamics Anywhere add to To-Increases's portfolio solutions including easy to use mobile software.
03/10/2014	Yahoo! Inc. (USA)	Littleinc Labs Inc. [dba MessageMe] (USA)	Provides a free mobile instant messaging application to enable consumers to send and receive texts, audio clips, images and photos on iOS and Android devices. Also provides a related Web-to-mobile instant messaging Web application.	Not disclosed	n/a	n/a	Messaging	The deal marks Yahoo's eighth mobile app acquisition this year, continuing its trend of small strategic investments.
01/10/2014	Pulse Secure LLC [Siris Capital] (USA)	MobileSpaces (USA)	Provides bring-your-own-device (BYOD) Android and iOS mobile device management (MDM) SaaS for businesses. Software enables a policy-managed workspace that protects mobile enterprise applications and data against loss and leakage.	$100m	$2m (Estimated)	50x	Mobile device management	Deal represents Pulse Secure's first major investment in the wider mobility market. It also reflects their strategy to create a unified user experience for remote and on campus mobility. 20 staff.
01/10/2014	LANDesk Software [Thoma Bravo LLC] (USA)	Naurtech Corporation (USA)	Provides mobile device management software to enable Windows CE platform smartphone and tablet devices access to enterprise data and applications for businesses. Also provides mobile Web browser, terminal emulation software and data barcode RFID middleware to enable warehouse and retail logistics management.	Not disclosed	n/a	n/a	Mobile device management	The deal is LANDesk's third mobility acquisition within three years. It brings LANDesk additional mobility solutions, enabling the business to expand and provides new support community to Naurtech customers.

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