



# Mobile Technology Sector

## Quoted Company Analysis

**Third Quarter 2015**

# 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-15	(\$m) <sup>(1)</sup>	(\$m) <sup>(2)</sup>	Value (\$m)	CY15E (\$m)	CY2014	CY2015E	Recurring	CY2014	CY2015E	CY2014	CY2015E	CY2014	CY2015E	Recurring <sup>(3)</sup>		
<b>Selected Large Cap</b>																	
MSCI	59.46	6,520	291	6,812	997	7.5x	6.8x	8.5x	16.2x	16.5x	9.1%	8.3%	46.1%	41.3%	80%		
Gemalto	58.01	5,774	(597)	5,177	3,275	1.6x	1.6x	NA	9.8x	9.9x	3.2%	8.2%	16.6%	16.0%	NA		
DeNa	22.19	2,796	(563)	2,234	1,481	1.5x	1.5x	1.6x	5.8x	5.7x	-28.1%	-1.7%	26.3%	26.5%	95%		
PayPoint	10.22	1,053	(65)	988	197	5.0x	5.0x	5.7x	10.6x	10.6x	4.5%	-45.0%	47.1%	47.2%	88%		
<b>Average</b>						<b>3.9x</b>	<b>3.7x</b>		<b>10.6x</b>	<b>10.7x</b>			<b>34.0%</b>	<b>32.8%</b>	<b>87.9%</b>		
<b>Total (Large Cap)</b>		<b>16,143</b>	<b>(934)</b>	<b>15,210</b>													
<b>Selected Mid Cap</b>																	
Telit Communications	3.38	589	5	593	294	2.4x	2.0x	57.7x	23.5x	19.6x	20.9%	19.0%	10.4%	10.3%	4%		
Glu Mobile	4.37	571	(71)	500	223	4.7x	2.2x	2.7x	NM	50.7x	111.3%	23.7%	-13.7%	4.4%	82%		
Myriad Mobile	3.18	360	(15)	344	40	8.0x	8.6x	15.7x	NM	27.7x	-6.9%	NA	-70.3%	30.9%	55%		
NetQin Mobile	3.31	287	(97)	190	332	1.0x	0.6x	0.9x	NM	NM	68.9%	36.0%	0.7%	-20.1%	67%		
<b>Average</b>						<b>4.0x</b>	<b>3.4x</b>		<b>23.5x</b>	<b>32.7x</b>			<b>-18.2%</b>	<b>6.4%</b>	<b>51.6%</b>		
<b>Total (Mid Cap)</b>		<b>1,806</b>	<b>(178)</b>	<b>1,628</b>													
<b>Selected Small Cap</b>																	
Millennial Media	1.75	248	(49)	198	296	0.8x	0.7x	1.1x	NM	NM	14.3%	-8.2%	-3.5%	-44.6%	60%		
Globo	0.40	226	(49)	177	141	1.9x	1.3x	15.7x	3.7x	2.6x	48.8%	9.7%	50.3%	47.8%	8%		
IMImobile	147.00	132	(22)	110	98	1.1x	1.1x	1.3x	6.2x	6.2x	14.2%	15.4%	18.3%	18.3%	89%		
InternetQ	2.17	130	1	131	176	0.9x	0.7x	4.7x	4.7x	3.2x	26.8%	7.3%	19.9%	23.1%	16%		
Net Mobile	7.31	102	9	110	183	0.7x	0.6x	NA	72.3x	9.3x	13.7%	NA	0.9%	6.5%	NA		
Monitise	0.03	90	(123)	(34)	188	NM	NM	-0.5x	NM	NM	-8.6%	9.6%	4.6%	7.4%	37%		
Bango	0.86	68	(9)	59	8	4.3x	7.0x	51.3x	NM	NM	-39.0%	NA	-39.8%	-80.0%	14%		
Voltari Corp	7.10	64	(6)	58	12	6.6x	4.7x	NA	NM	NM	39.2%	NA	-228.2%	-195.6%	NA		
Seamless Distribution	7.90	39	(13)	26	25	1.0x	1.0x	4.7x	NM	NM	0.8%	NA	-51.9%	-86.3%	22%		
eServGlobal	0.18	34	(1)	33	27	1.1x	1.2x	3.0x	8.0x	1.4x	-6.8%	-23.0%	13.6%	87.9%	40%		
Artillum Group	0.06	26	(1)	25	11	1.8x	2.3x	2.3x	29.4x	61.6x	-5.3%	-39.5%	6.1%	3.7%	100%		
Mobile Tornado Group	0.06	22	10	32	3	7.8x	11.2x	20.7x	NM	NM	-30.7%	37.9%	-68.8%	-143.4%	54%		
Zamano	0.12	18	(6)	12	26	0.6x	0.5x	NA	3.6x	3.4x	23.9%	NA	15.9%	13.4%	NA		
Vipera	0.04	16	(1)	15	8	6.6x	1.9x	37.6x	NM	NM	252.7%	NA	-3.2%	-12.3%	5%		
Cliq Digital	2.24	15	18	34	63	0.5x	0.5x	NA	4.0x	2.2x	-8.6%	6.4%	12.5%	24.3%	NA		
Hi Media	4.30	14	(56)	(42)	220	NM	NM	-0.3x	NM	9.8x	-10.0%	-57.5%	5.2%	-2.0%	55%		
Crimson Tide	0.02	12	(0)	11	2	5.7x	5.7x	6.4x	24.9x	20.9x	0.5%	5.0%	23.0%	27.2%	89%		
Yoc	1.80	6	1	8	12	0.5x	0.6x	NA	NM	NM	-21.4%	-11.4%	-16.7%	-6.1%	NA		
Mobile Streams	0.04	2	(5)	(3)	NA	NM	NA	NA	NM	NA	-6.6%	NA	5.4%	NA	100%		
Velti	0.00	0	(8)	(8)	150	NM	NM	-0.1x	0.2x	NM	42.9%	-45.3%	-29.4%	0.6%	84%		
<b>Average</b>						<b>2.6x</b>	<b>2.6x</b>		<b>15.7x</b>	<b>12.1x</b>			<b>-13.3%</b>	<b>-16.3%</b>	<b>51.5%</b>		
<b>Total (Small Cap)</b>		<b>1,265</b>	<b>(311)</b>	<b>955</b>													
<b>Sector Total</b>		<b>19,215</b>	<b>(1,423)</b>	<b>17,792</b>													

(1) Excludes treasury shares

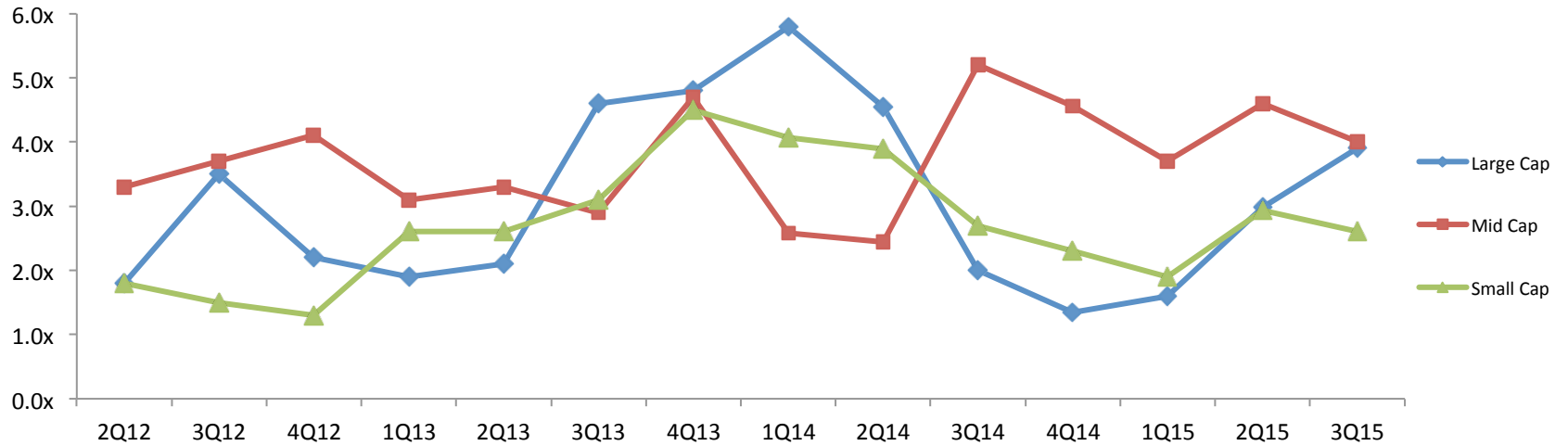
(2) Net financial debt minus marketable securities and collaterals.

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

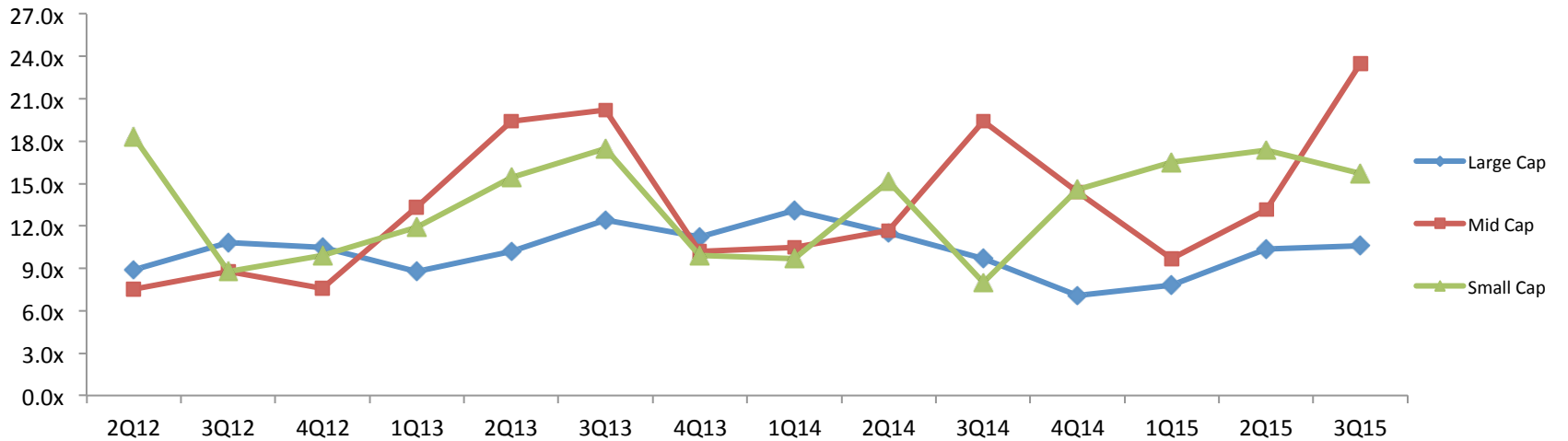
(4) For companies having financial year end as February and March, FY12 and FY13E correspond to FY13/12 and FY14/13 respectively

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

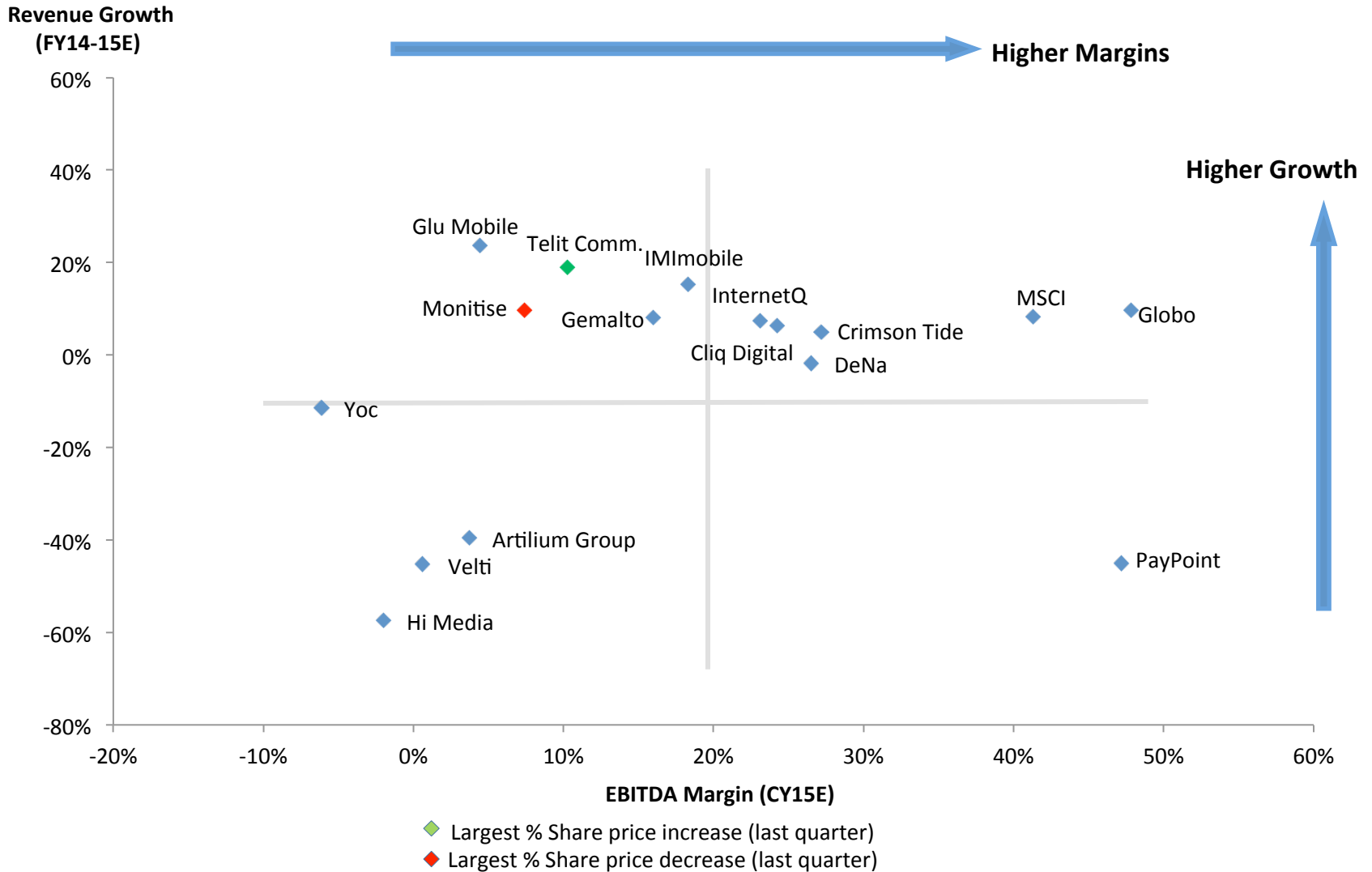
**EV/Revenue**



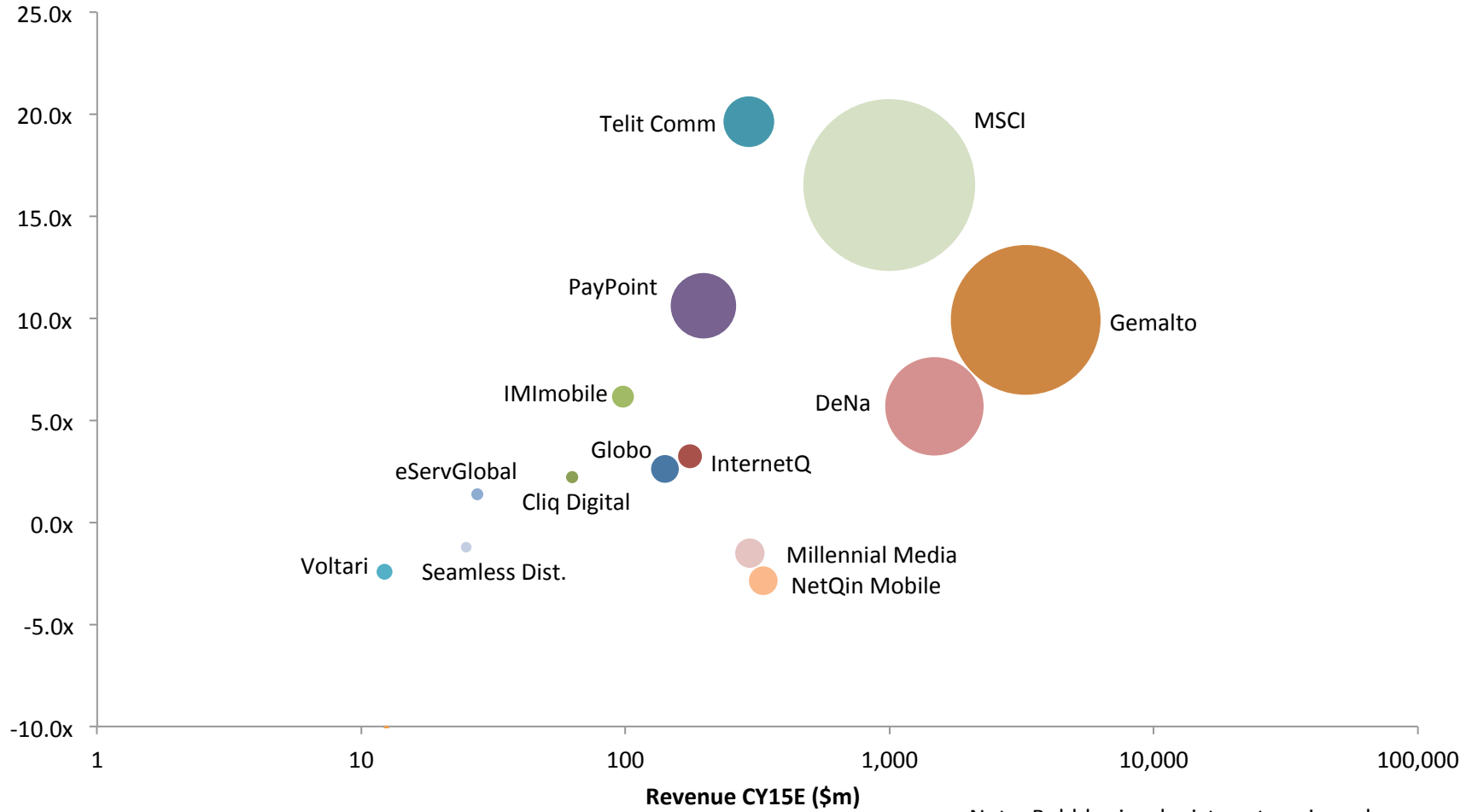
**EV/EBITDA**



# Performance Quadrants: Revenue Growth & Operating Margin

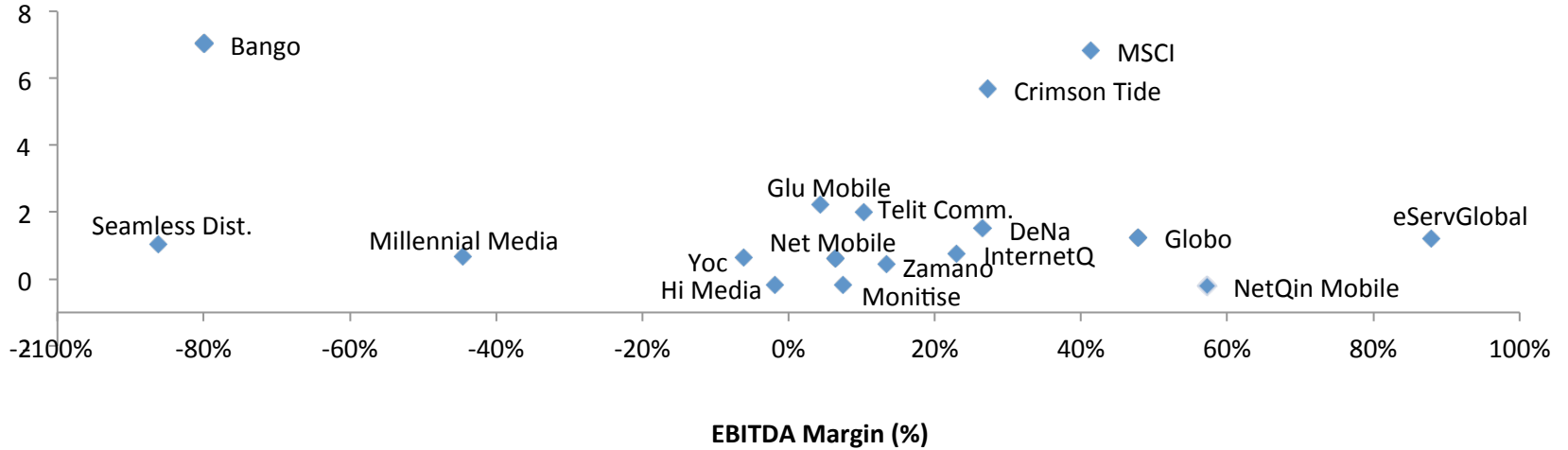


## EV/EBITDA CY15E



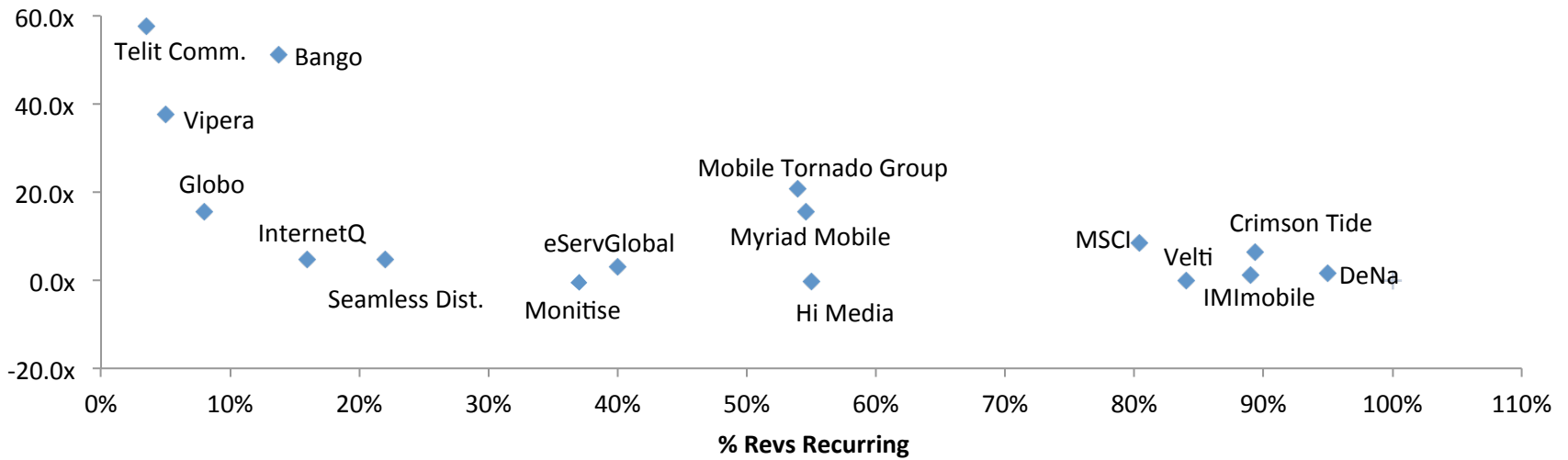
## Revenue Multiples

EV/Revenue CY15E



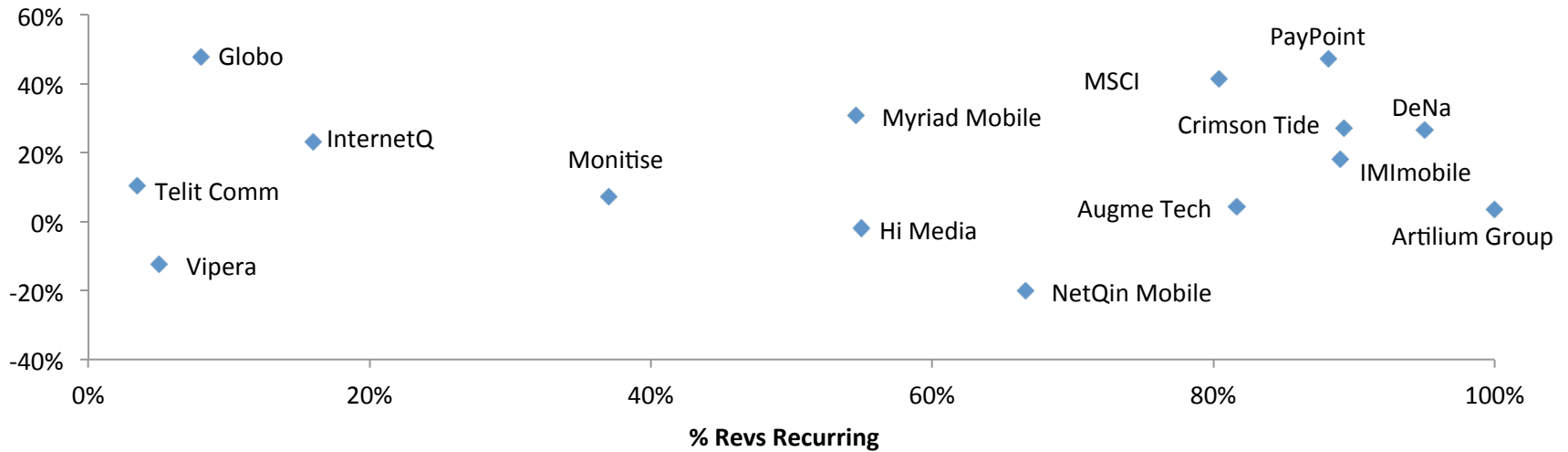
## Recurring Revenue Multiples

EV/Recurring Rev



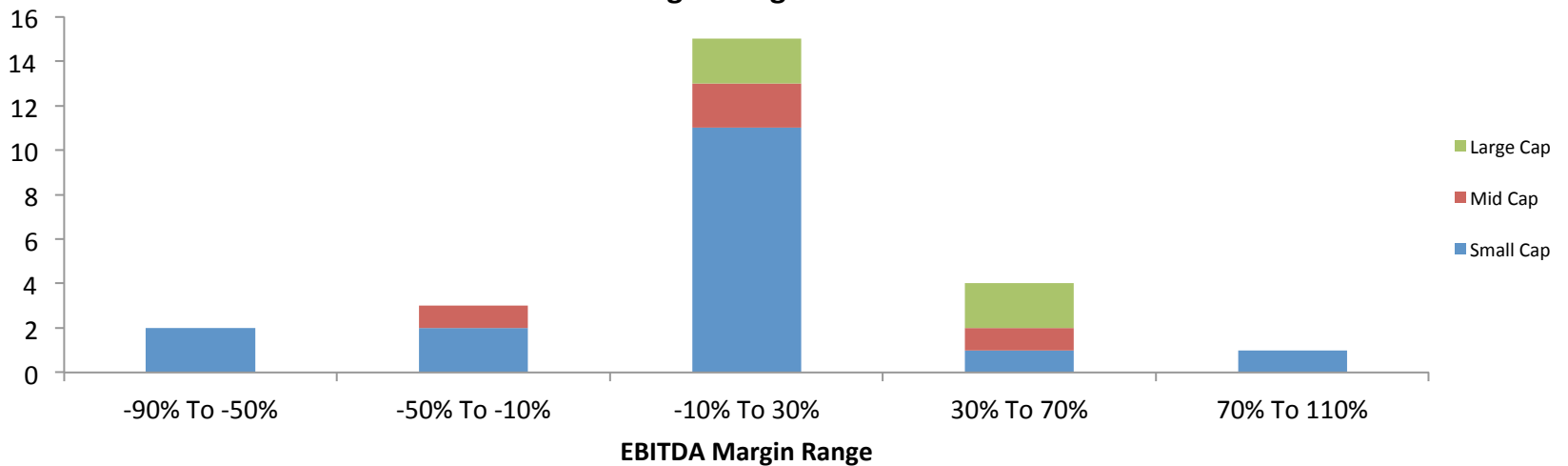
EBITDA Margin CY15E

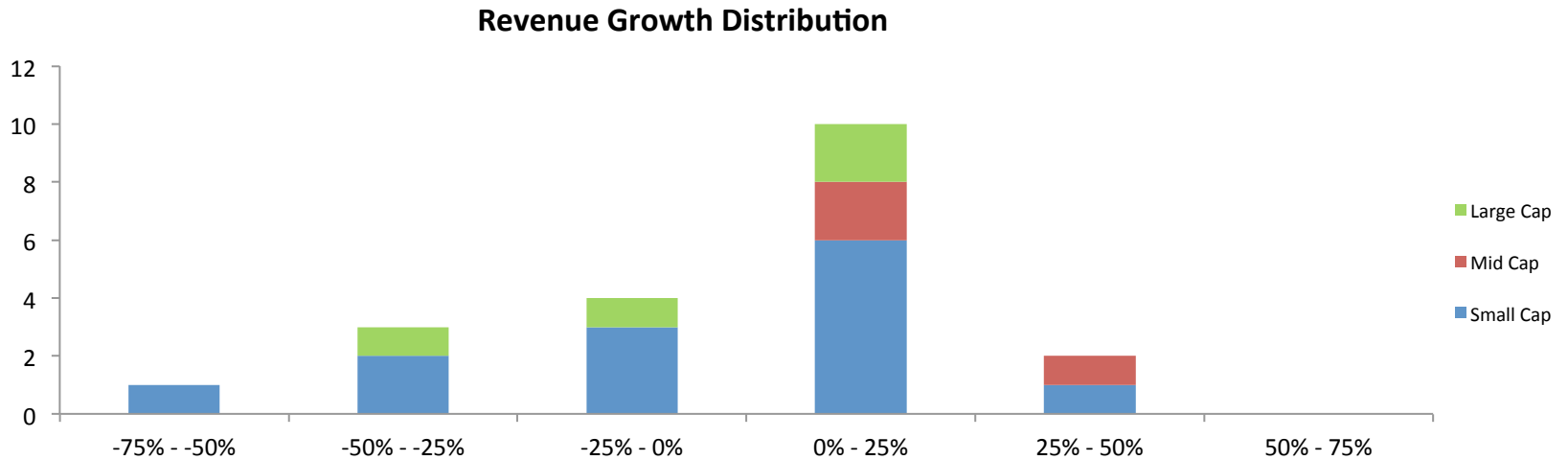
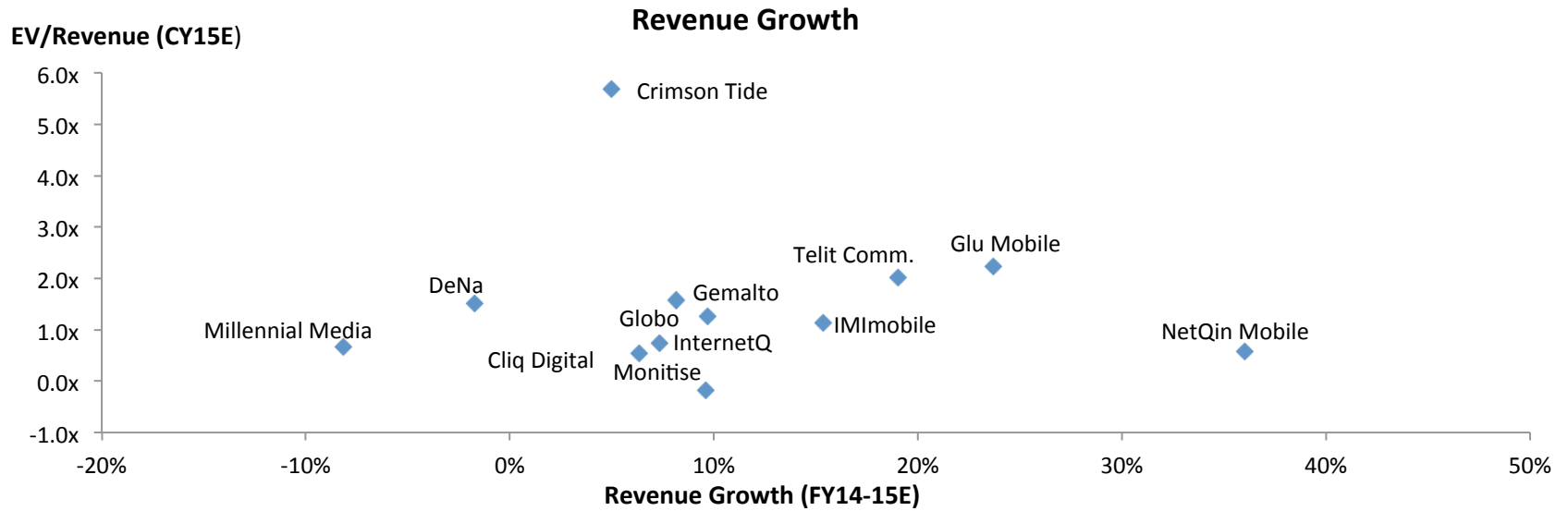
Recurring Revenue as a Driver of Operating Margins



Number of Companies

EBITDA Margin Range Distribution







# Selected Mobiletech Deals – Third Quarter 2015

Date Announced	Buyer	Seller	Seller Description	Deal Size	Seller Revenue/ Profit	Revenue Multiple	Target Sector	Commentary
30/09/2015	Genpact Limited (USA)	Endeavour Software Technologies Pvt. Ltd. (USA)	Provides mobile application development services with a focus on ERP and BI analytics for middle and back office operations, as well as mobile app testing and cloud and mobile apps systems integration services, for small- to medium-sized enterprises (SMEs) globally.	Not disclosed	n/a	n/a	Mobile application development	The acquisition of Endeavour adds to Genpact's capabilities in mobile consulting, architecture and design, implementation, and testing.
30/09/2015	Google Inc. (USA)	Jibe Mobile (USA)	Provides Web-based rich communications services (RCS) mobile messaging SaaS, as well as RCS network Web-based gateways that enable the deployment of RCS messaging services, for mobile telecom carriers. Also provides video messaging and instant messaging mobile applications for consumers.	Not disclosed	n/a	n/a	Mobile messaging SaaS	Google looks to make RCS the new messaging standard for Android, moving away from SMS. Jibe's client base could allow Google to expand its mobile ecosystem to include MNOs. 50 staff.
24/09/2015	Prosper Funding LLC [dba Prosper Marketplace] (USA)	BillGuard Inc. [aka Crowdsport] (USA)	Provides a mobile application that enables iOS and Android device users to view financial accounts, track credit scores and spending, and uses geographic location to protect against identity fraud.	Not disclosed	n/a	n/a	Mobile identity theft application	A 'transformative' acquisition which increases Prosper Marketplace's product suite and gives them access to Israel's talent pool.
23/09/2015	System C Healthcare Ltd (UK)	Learning Clinic Ltd (UK)	Provides provider of real-time mobile clinical systems for doctors and nurses	Not disclosed	n/a	n/a	Mobile clinical systems	Combined System C and The Learning Clinic product set accelerates their support for care provision. The Learning Clinic will operate as a subsidiary of System C.
22/09/2015	Simplicity Marketing Ltd. [dba Flashtalking Inc.] [TA Associates] (UK)	Device9 GmbH (Germany)	Provides cross-device tracking, matching and analytics SaaS that uses cookie-less mobile device recognition to enable targeted ad serving across online and mobile devices, for businesses and ad publishers.	Not disclosed	n/a	n/a	Tracking SaaS	Flashtalking bolsters its mobile attribution. The company increases its ability to determine the impacts of ads and highlights their plans to grow by strengthening its data capabilities.
21/09/2015	Perk.com Inc. (USA)	AppRedeem Inc. (USA)	Provides iOS, Android and Kindle Fire applications that enables consumers to earn rewards for viewing trailers and advertisements. Also provides a means of advertising for businesses.	\$2.51m	\$3.2m	0.8x	Mobile applications	Transaction is consistent with objective to increase user base and advertising inventory. It also expands Perk.com's product suite.
17/09/2015	IMImobile PLC (UK)	Archer Inc. [dba Archer Mobile] (South Africa)	Provides mobile marketing services and mobile engagement application design services for businesses.	\$5.2m	\$8.5m	0.6x	Mobile marketing services & design	IMI mobile further enhances its footprint across Africa as well as adding customers from the banking, retail and government sectors. Archer will continue to operate under its existing name and will become a subsidiary of IMImobile. 50 staff
16/09/2015	Apple Inc. (USA)	Mapsense (USA)	Provides mobile phone-based location data aggregation, analysis and visualization SaaS.	\$25-\$30m (reported)	n/a	n/a	Application software	Mapsense team to join Apple in a further move by Apple to bolster its Maps app. The acquisition also boosts Apple's data analytics capabilities. 12 staff.
15/09/2015	Lyceum Capital Partners LLP (UK)	TotalMobile Ltd. (UK)	Provides mobile workforce management, mobile office and enterprise mobility management (EMM) SaaS, on-premise software and mobile apps that enable mobile working, data capture and workflow management, for businesses, healthcare providers and government agencies.	Not disclosed	n/a	n/a	Mobile workforce SaaS & software	Significant investment which will be used by TotalMobile to fund further product development and expand its market presence within the UK and internationally

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Date Announced	Buyer	Seller	Seller Description	Deal Size	Seller Revenue/ Profit	Revenue Multiple	Target Sector	Commentary
10/09/2015	IBM Corporation (USA)	StrongLoop Inc. (USA)	Provides open-source and commercially licensed Node.js-based software for mobile developers. Software enables the creation of Node.js framework-based consumer and enterprise mobile applications and offers mobile backend-as-a-service (MBaaS) capability, an API server and enterprise backend system connectors for the purposes of managing the configuration, deployment and maintenance of applications in the cloud.	Not disclosed	n/a	n/a	Mobile application development	The acquisition accelerates IBM's position among the Java and Node.js communities and enhances its API lifecycle management strategy. StrongLoop to be added to IBM IoT Platform.
10/09/2015	EMG Content Services [Euro Media Group SA] (France)	Netco Sports (France)	Provides mobile VOD, live streaming and OTT second screen video application development services for sports broadcasters and professional sports leagues.	Not disclosed	n/a	n/a	Mobile video app development	Transaction accelerates Euro Media Group's digital strategy and enables them to rise up the audio visual value chain. Necto Sports will operate as fully integrated service within EMG Content Services
08/09/2015	Cloud4Wi Inc. (USA)	Hadabeen S.r.l.s. [dba isProximity] (Italy)	Provides WiFi and mobile beacon-enabled retail customer behavior analytics and marketing automation SaaS for retailers. Software uses a customer's mobile device WiFi and beacon-based signals to enable tracking and analysis of foot traffic, shop windows viewers, shop entrants and dwell time inside stores.	Not disclosed	n/a	n/a	Customer analytics & marketing SaaS	Acquisition of Hadabeen adds expert talent and experience to Cloud4Wi, as well as enhancing their platform through the use of Hadabeen's isProximity's innovative technologies.
07/09/2015	Brady plc (UK)	Enaptive Inc. (ScrapRunner assets) (USA)	The ScrapRunner assets of Enaptive, which provides mobile GPS and map-based recycling container asset tracking SaaS and mobile apps, as well as container pick-up and delivery scheduling SaaS and mobile apps, for the scrap metal recycling business sector.	\$2m	\$2m	1x	Location based applications	Brady strengthens its recycling portfolio and broadens its product offering. ScrapRunner has already proven to be a successful partner for Brady and the two companies have 14 common clients.
03/09/2015	AOL Inc. [Verizon] (USA)	Millennial Media [NYSE: MM] (USA)	Provides supply-side mobile advertising campaign management and application monetization software for businesses. Millennial Media began trading on the NYSE under the ticker symbol MM in March, 2012.	\$247.87m	\$285.3m	0.8x	Mobile advertising & monetization software	AOL enhances its mobile capabilities and adds significant mobile brand advertising scale to its offerings. It also accelerates its mobile position in international markets. Millennial Media team to join AOL.
02/09/2015	Dourado Resources Ltd. (Australia)	Zyber Secure Mobile Solutions Inc. [fka LokBox Mobile Inc.] (Canada)	Provide a secure mobile and cross-device file sharing application that enables businesses to share and collaborate on sensitive data over open mobile networks.	AUD 7.7m	n/a	n/a	Mobile applications	Combination creates an international, publicly listed company that is well financed and well positioned for future growth. Zyber shareholders benefit from expanded access to public capital and international exposure.
02/09/2015	salesforce.com Inc. [dba Salesforce] (USA)	AKTA Inc. (USA)	Provides user experience (UX) design services, mobile and Web application development services, as well as brand marketing strategy and product naming services, for businesses.	Not disclosed	n/a	n/a	UX & mobile app development	Salesforce brings user experience design in-house with this transaction. The deal is the 12th acquisition of UX design firms in 2015. AKTA team to join Salesforce.
14/08/2015	Mobikon Technologies Pvt Ltd. (India)	ASCRIBR Pte. Ltd. [aka triibe] [dba trii.be] (Singapore)	Provides a mobile restaurant, retail and hospitality industry survey application to elicit customer sentiment and reviews. Also provides customer analytics and reporting SaaS.	Not disclosed	n/a	n/a	Hospitality application	Acquisition is in line with Mobikon's vision to be a Southeast Asia player. Trii.be will help Mobikon increase revenue by upselling and enabling multiple product offerings.
13/08/2015	BOKU Inc (USA)	Mobileview Italia Srl (Italy)	Provides mobile payment solutions.	Not disclosed	n/a	n/a	Mobile carrier billing	Merger extends Boku carrier billing in Italy though direct connections with every major Italian carrier, covering more than 87m mobile subscriptions. Boku view the acquisition as a 'growth initiative' for both themselves and their merchant network.

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Date Announced	Buyer	Seller	Seller Description	Deal Size	Seller Revenue/ Profit	Revenue Multiple	Target Sector	Commentary
07/08/2015	Opera Software ASA (Norway)	Bemobi Ltda. [dba Apps Club] (Brazil)	Provides a subscription-based mobile application discovery and distribution service that enables mobile telecom operators and mobile OEMs to sell packages of mobile apps to consumers in Brazil and Latin America to be paid through a carrier's monthly OSS billing cycle.	\$29.5m in cash plus additional earn out of up to \$81m	n/a	n/a	Mobile app distribution	\$29.5m in cash plus earn-out of up to \$81m based on achievement of revenue and EBITDA milestones. Acquisition opens new expansion opportunities for Opera in Latin America.
06/08/2015	EvoLeads Inc. (Canada)	Mobicow (Canada)	Operates as a real time bidding (RTB) mobile advertising network and digital advertising trading desk for businesses.	Not disclosed	n/a	n/a	Mobile advertising network	Partnership cements EvoLeads as a powerhouse in web and mobile advertising, and gives Mobicow the resources to grow and handle their incoming business.
05/08/2015	Sonata Software Ltd (India)	Halosys (USA)	Provides enterprise mobile API backend-as-a-service (mBaaS) and mobile API SaaS that enables businesses to develop, deploy, manage and analyze apps. Also provides pre-built customizable apps.	Not disclosed	n/a	n/a	Mobile application development	Sonata view the acquisition as a key piece in providing an end to end mobile solution to customers, as well as a continuation of their strategy of investing in IP to drive their services growth. Halosys team to join Sonata
04/08/2015	Sandvine Incorporated (Canada)	MoMac B.V. [Truffle Venture] (Netherlands)	Provides mobile content aggregation, publishing, distribution and mobile CRM marketing automation SaaS for businesses and wireless carriers. Software enables organizations to run customer care services, premium content stores, advertising, applications, and messaging on mobile devices.	EUR 7m	n/a	n/a	Mobile content	Momac enhances Sandvine's portfolio of Revenue Generation products for its communications service provider customers, and in particular enhance its customer engagement capabilities. 26 staff.
31/07/2015	Stride Gaming Plc (UK)	InfApps Limited (Israel)	Provides social casino-style mobile games for consumers.	\$21.2m	\$13.7m	1.5x	Mobile content	Acquisition provides Stride Gaming group with an entry into the social gaming segment of online gaming as well as the chance to expand into new geographies. InfApps adds over 500,000 users worldwide to Stride Gaming.
27/07/2015	GREE Inc. (Japan)	Twitch (Australia)	Develops and distributes mobile video games for consumers globally.	Not disclosed	n/a	n/a	Mobile content	Twitch view the acquisition as a way to extend reach a wider audience. Twitch founders to join GREE, running its Melbourne office.
23/07/2015	International Business Machines Corp (USA)	Compose Inc (USA)	Provides MongoDB, Redis, Elasticsearch, PostgreSQL, and other database as a service (DBaaS) offerings targeted at web and mobile app developers.	Not disclosed	n/a	n/a	Database developer	Compose furthers IBM's commitment to accelerating developer productivity and innovation around open source and cloud data services.
22/07/2015	Accenture Ltd. (Ireland)	Chaotic Moon (USA)	Provides outsourced mobile application and video game development services for corporate brands and businesses.	Not disclosed	\$13m	n/a	Mobile application development	Chaotic Moon provides Accenture with expanded rapid prototyping and creative technology capabilities, as well as a regional foothold in the talent-rich Texas market. Acquisition is the latest move Accenture has made to scale its end-to-end digital experience.
22/07/2015	Synechron Inc. (USA)	usable (USA)	Provides application user interface and user experience (UI/UX) design, development and testing services for enterprises and software developers.	Not disclosed	n/a	n/a	Mobile application development	Usable expands Synechron's digital design and user interface/ user experience capabilities. The collective combination of skills and experience will benefit all clients on a global scale.
14/07/2015	Amazon Web Services Inc. [aka AWS] [Amazon.com Inc.] (USA)	AppThwack (USA)	Provides cloud-based mobile application and device testing SaaS and service that automatically tests Android, iOS, and Web apps on real, non-emulated phones and tablets for mobile app developers and businesses.	Not disclosed	n/a	n/a	Mobile application & device testing SaaS	Following the acquisition, AppThwack service to be shut down. A new service under the name AWS Device Farm is to be launched. AppThwack team to join Amazon Web Services.

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Date Announced	Buyer	Seller	Seller Description	Deal Size	Seller Revenue/ Profit	Revenue Multiple	Target Sector	Commentary
07/07/2015	Travelport LP [aka Travelport Worldwide Limited][NYSE: TVPT]  (UK)	Mobile Travel Technologies Ltd.  (Ireland)	Provides mobile travel and mobile Web applications for airlines, hotels, corporate travel management companies and travel agencies. Applications enable management of travel research, planning, booking, airport check-in, and destination and in-flight services.	EUR 55m	n/a	n/a	Mobile travel applications	Investment increases Travelport's mobile growth strategy and is a 'natural' extension of Travelport's strategy of redefining travel commerce. MTT also extends Travelport's reach further.

 Deal facilitated by Goldenhill

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