



# Mobile Technology Sector

## Quoted Company Analysis

**Second Quarter 2013**



Exclusive Sell Side Advisor To  
Atlas Interactive Germany

With offices in London, San Diego and Buenos Aires, Goldenhill's business is representing and advising our technology focused clients in M&A engagements. Our engagements include providing services to Sellers or Buyers in M&A projects in the UK, USA, Europe, Latin America, Canada, Australia and beyond. We have extensive experience and a specific emphasis in technology businesses and many of our engagements result in cross-border transactions. Please visit our web site at <http://www.gtallp.com>.

# 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-Jun-13	(\$m) <sup>(1)</sup>	(\$m) <sup>(2)</sup>	Value (\$m)	CY13E (\$m)	CY2012	CY2013E	Recurring	CY2012	CY2013E	FY2012 <sup>(4)</sup>	FY2013E <sup>(4)</sup>	CY2012	CY2013E	Recurring <sup>(3)</sup>	
<b>Selected Large Cap</b>																
Gemalto	69.56	7,962	(460)	7,502	3,147	2.6x	2.4x	13.6x	17.0x	14.5x	2.9%	9.0%	15.3%	16.5%	18%	
DeNa	1948.00	2,958	(634)	2,324	2,281	1.0x	1.0x	na	2.4x	2.7x	32.0%	-9.2%	41.4%	37.5%	na	
PayPoint	10.55	1,087	(71)	1,017	337	3.1x	3.0x	na	14.2x	13.3x	3.2%	2.9%	21.9%	22.7%	na	
<b>Average</b>						<b>2.2x</b>	<b>2.1x</b>		<b>11.2x</b>	<b>10.2x</b>			<b>26.2%</b>	<b>25.5%</b>	<b>17.5%</b>	
<b>Total (Large Cap)</b>		<b>12,007</b>	<b>(1,164)</b>	<b>10,843</b>												
<b>Selected Mid Cap</b>																
Monitise	0.35	819	(15)	803	141	9.6x	5.7x	9.9x	nm	nm	135.2%	93.4%	-31.8%	-10.8%	57%	
Millennial Media	8.71	693	(137)	555	275	3.1x	2.0x	na	nm	31.9x	71.4%	54.6%	-1.2%	6.3%	na	
NetQin Mobile	8.08	420	(26)	394	181	4.3x	2.2x	2.9x	nm	7.0x	125.6%	97.0%	4.2%	31.3%	74%	
<b>Average</b>						<b>5.7x</b>	<b>3.3x</b>		<b>nm</b>	<b>19.4x</b>			<b>-9.6%</b>	<b>8.9%</b>	<b>65.7%</b>	
<b>Total (Mid Cap)</b>		<b>1,932</b>	<b>(179)</b>	<b>1,752</b>												
<b>Selected Small Cap</b>																
Globo	0.38	197	(19)	179	89	3.0x	2.0x	25.2x	5.2x	3.5x	-6.2%	49.7%	57.6%	57.9%	8%	
InternetQ	3.25	174	(9)	165	127	1.7x	1.3x	8.1x	11.2x	7.7x	35.4%	34.3%	15.6%	16.9%	16%	
Myriad Mobile	2.38	154	3	156	na	2.8x	na	na	nm	na	-7.8%	na	-24.5%	na	47%	
Telit Communications	0.79	125	13	138	237	0.7x	0.6x	na	9.5x	5.7x	16.9%	14.3%	7.0%	10.2%	na	
Net Mobile	8.20	133	4	137	na	0.9x	na	na	11.1x	na	8.0%	na	7.7%	na	na	
Hi Media	1.67	99	34	133	272	0.5x	0.5x	na	7.4x	5.9x	-21.8%	8.6%	7.2%	8.2%	na	
Glu Mobile	2.21	151	(22)	129	85	1.5x	1.5x	na	nm	nm	32.2%	-2.6%	-10.3%	-6.1%	na	
Bango	1.85	128	(3)	125	na	na	na	na	na	na	-17.2%	na	na	na	90%	
Velti	1.40	115	(8)	107	235	0.4x	0.5x	0.5x	21.2x	52.1x	42.9%	-13.0%	1.9%	0.9%	84%	
Seamless Distribution	19.00	93	(2)	91	na	4.6x	na	na	nm	na	114.6%	na	-20.7%	na	na	
eServGlobal	0.36	81	4	84	31	2.9x	2.7x	5.7x	nm	26.8x	-31.8%	5.5%	-14.6%	10.0%	47%	
Mobile Tornado Group	0.24	68	5	74	4	32.0x	20.2x	30.5x	nm	nm	-29.8%	58.7%	-93.7%	-50.0%	66%	
Emblaze	0.50	83	(10)	73	na	34.0x	na	na	nm	na	78.0%	na	-163.7%	na	na	
Cliq Digital	4.12	21	24	45	94	0.5x	0.5x	0.6x	3.1x	3.2x	74.4%	10.2%	16.7%	15.1%	84%	
Augme Technologies	0.40	52	(11)	40	33	1.7x	1.2x	1.3x	nm	nm	119.2%	30.2%	-219.3%	-41.7%	95%	
Trunkbow International	0.88	32	0	33	na	0.9x	na	na	2.2x	na	19.6%	na	42.6%	na	12%	
Mobile Streams	0.62	34	(3)	31	na	na	na	na	na	na	110.1%	na	na	na	48%	
Aspiro	0.85	43	(15)	28	55	0.7x	0.5x	0.7x	nm	nm	15.3%	33.5%	-30.1%	-25.4%	77%	
Artidium Group	0.08	25	2	27	14	2.9x	1.9x	3.7x	nm	27.7x	40.6%	191.2%	-19.9%	6.9%	53%	
Probability	0.52	26	(3)	23	18	1.8x	1.3x	na	nm	6.7x	36.9%	16.7%	-0.6%	19.8%	na	
Yoc	4.40	16	5	21	67	0.5x	0.3x	0.8x	nm	14.5x	-11.1%	62.3%	-10.2%	2.2%	39%	
Zamano	0.08	11	(0)	11	na	0.5x	na	na	2.8x	na	18.2%	na	16.2%	na	na	
Crimson Tide	0.01	9	(0)	9	2	4.4x	3.6x	4.0x	28.2x	na	-0.1%	19.9%	15.5%	na	92%	
Vipera	0.03	6	(1)	6	na	3.6x	na	na	nm	na	45.8%	na	-50.5%	na	11%	
Zergo Group	0.03	3	(1)	2	na	na	na	na	na	na	-18.8%	na	na	na	na	
Voltari	3.56	17	(29)	(12)	na	nm	na	na	nm	na	-7.9%	na	15.2%	na	na	
<b>Average</b>						<b>4.7x</b>	<b>2.6x</b>		<b>10.2x</b>	<b>15.4x</b>			<b>-19.8%</b>	<b>1.8%</b>	<b>54.3%</b>	
<b>Total (Small Cap)</b>		<b>1,898</b>	<b>(43)</b>	<b>1,855</b>												
<b>Sector Total</b>		<b>15,837</b>	<b>(1,387)</b>	<b>14,450</b>												

(1) Excludes treasury shares

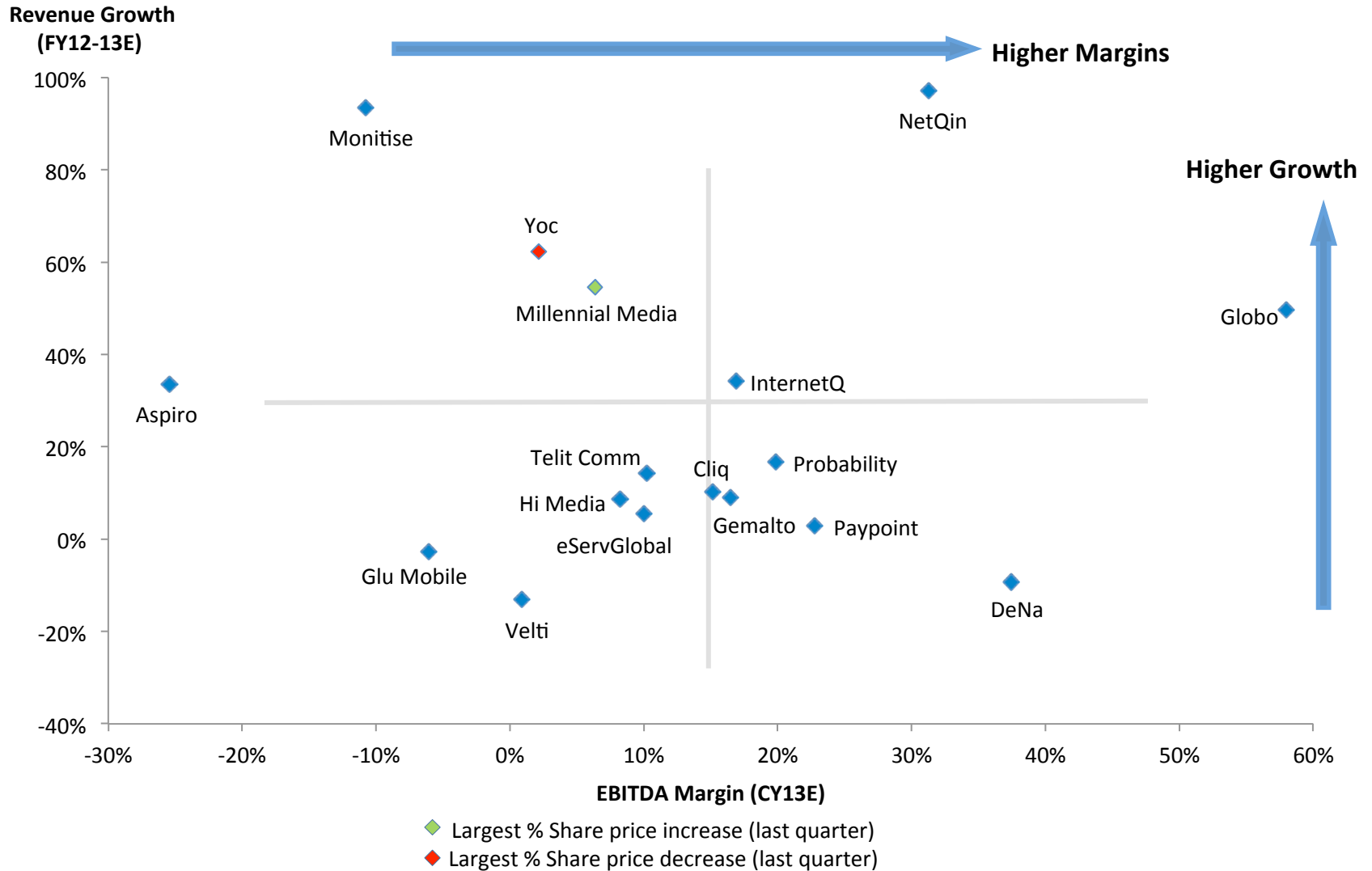
(2) Net financial debt minus marketable securities and collaterals.

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

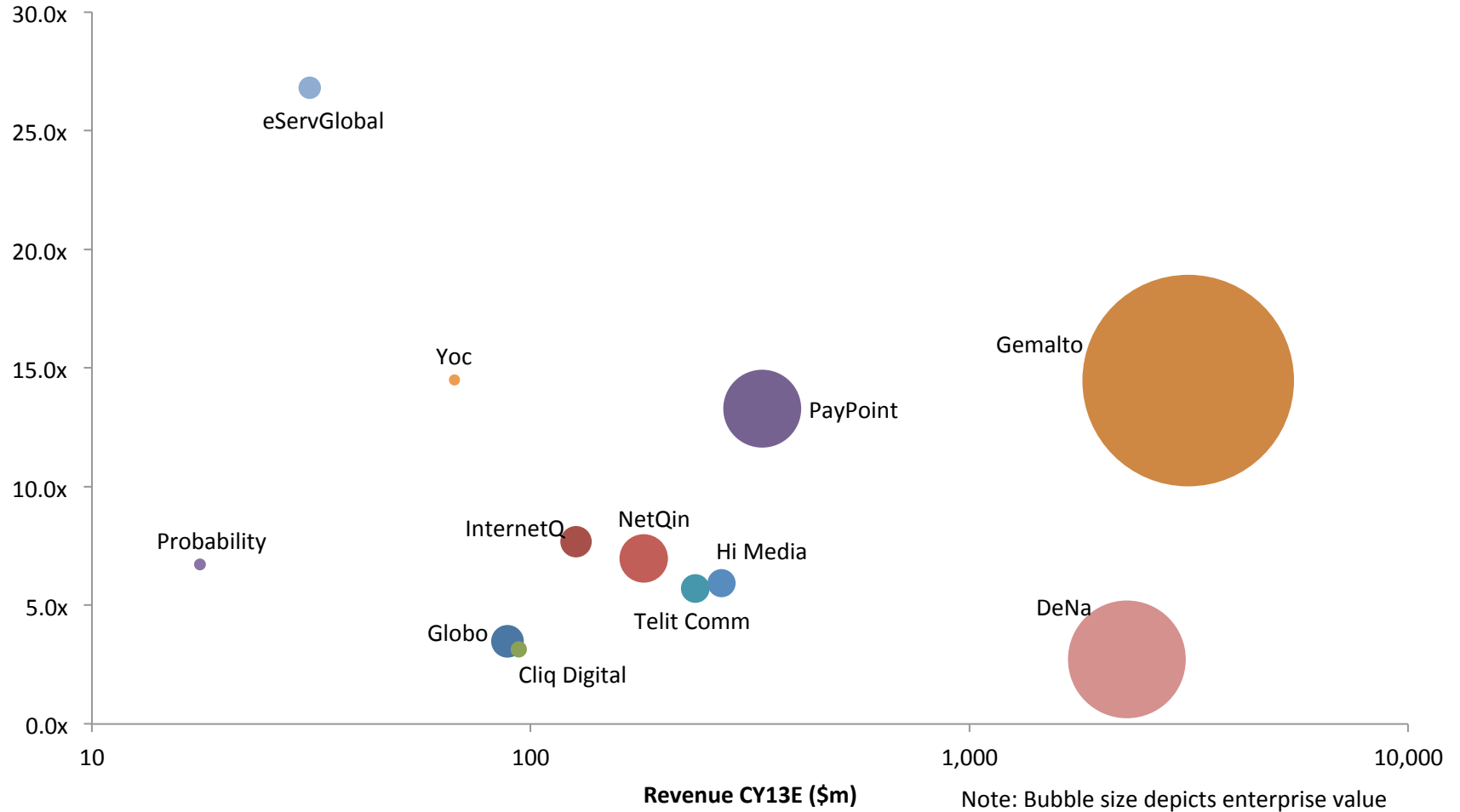
(4) For companies having financial year end as February and March, FY12 and FY13E correspond to FY13/12 and FY14/13 respectively

(5) nm - not meaningful and na - not available

# Performance Quadrants: Revenue Growth & Operating Margin

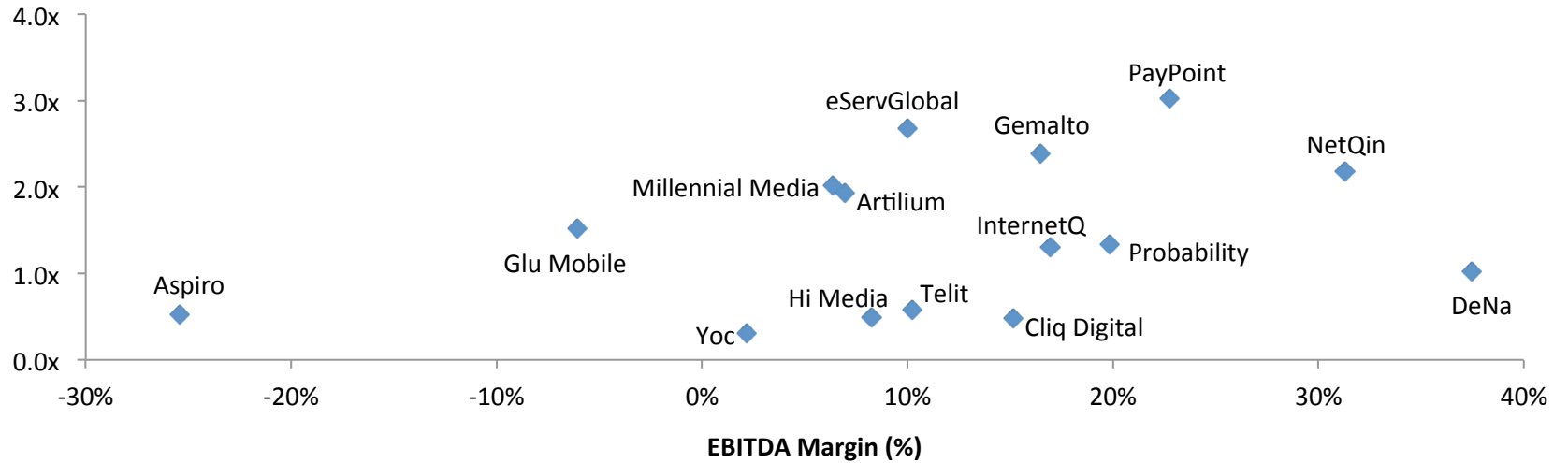


## EV/EBITDA CY13E



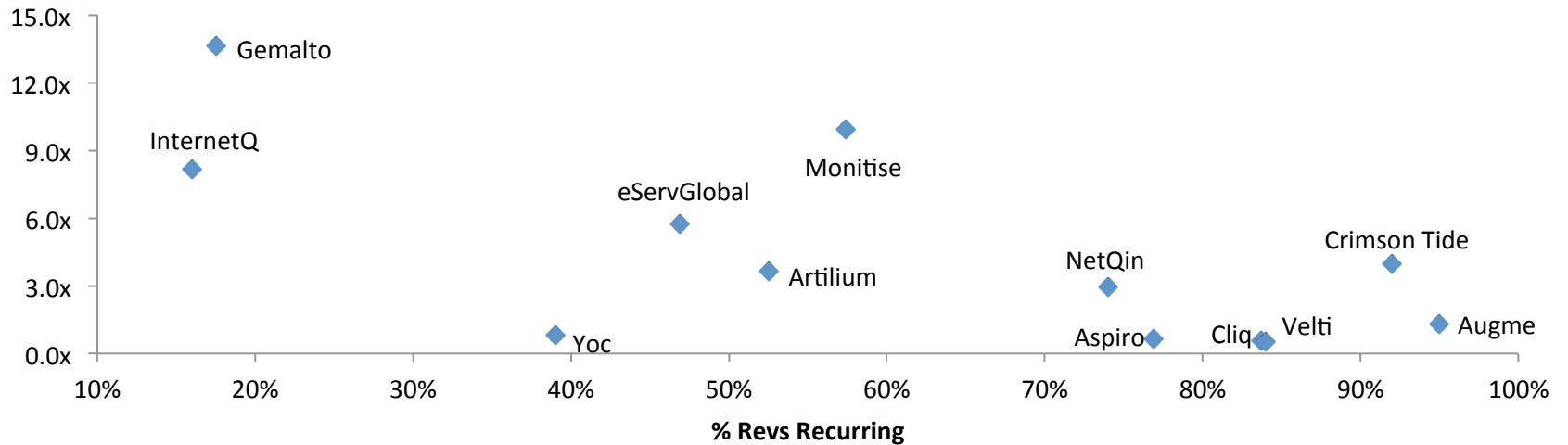
EV/Revenue CY13E

Revenue Multiples



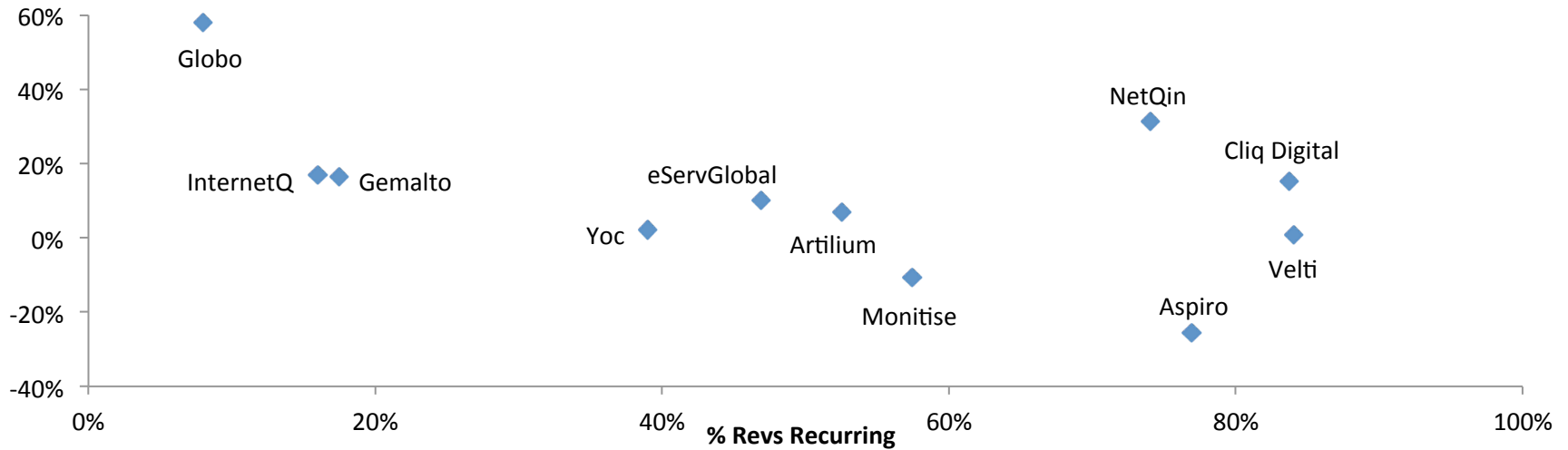
EV/Recurring Rev

Recurring Revenue Multiples



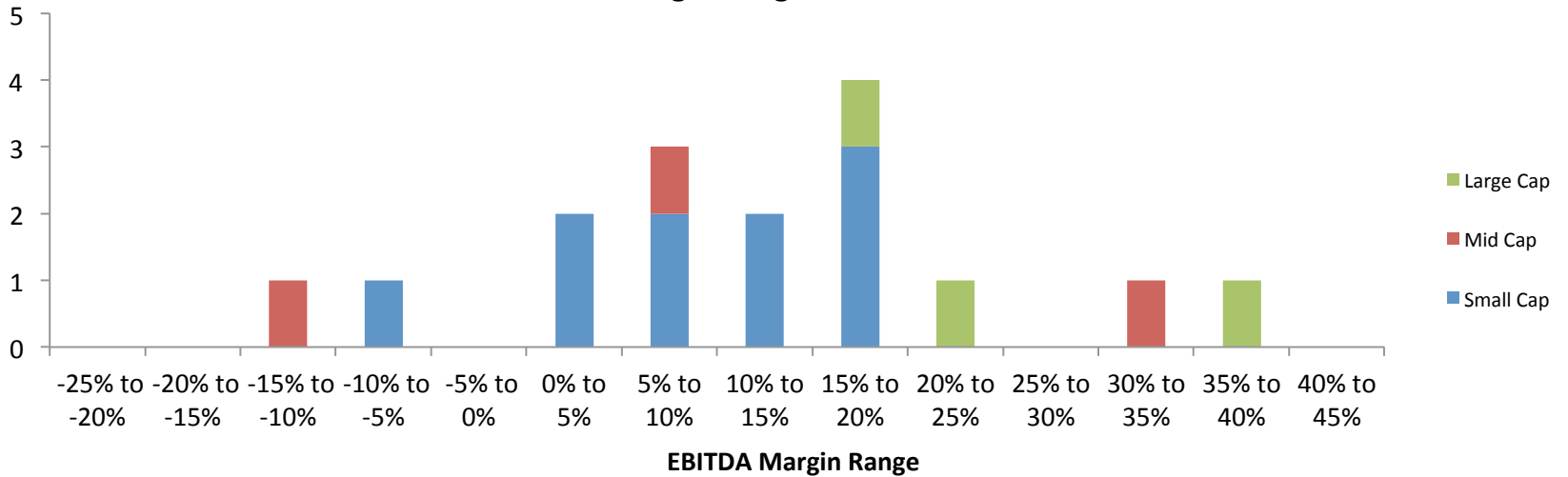
## EBITDA Margin CY13E

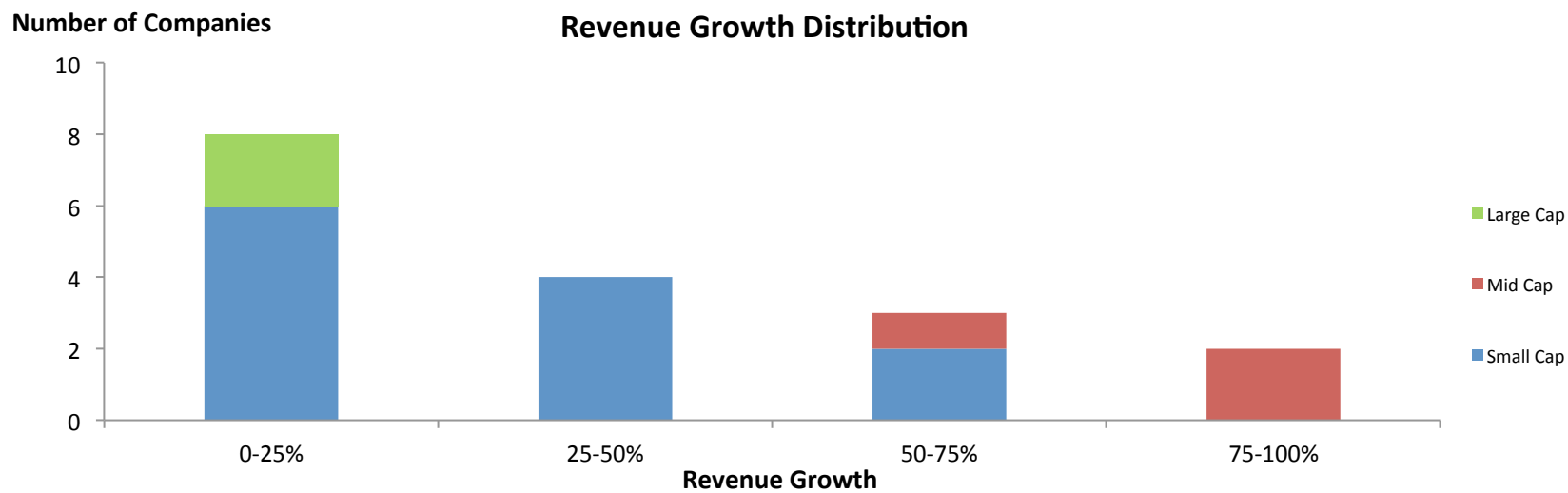
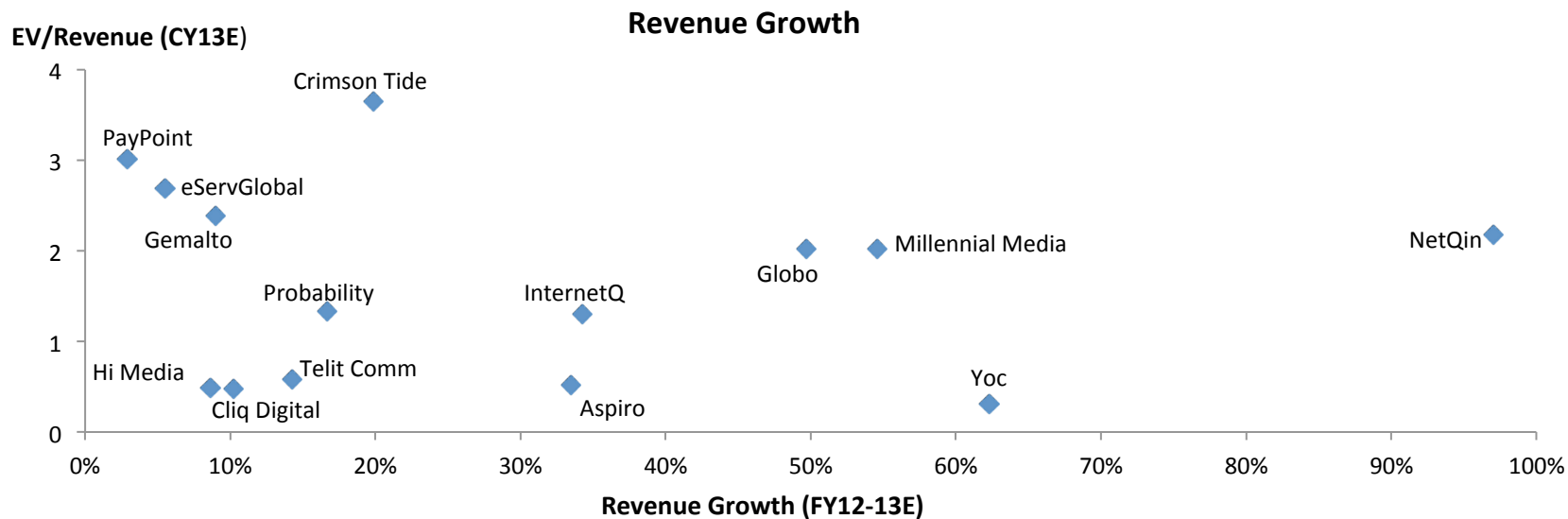
## Recurring Revenue as a Driver of Operating Margins



## Number of Companies

## EBITDA Margin Range Distribution







# Mobile Technology Deals – Second Quarter 2013


Date Announced	Buyer	Seller	Seller Description	Deal Size	Seller Revenue/ Profit	Revenue Multiple	Target Sector	Commentary
12/07/2013	InternetQ plc (UK)	Atlas Interactive Deutschland (Germany)	Mobile billing & access software for businesses globally	Not disclosed	n/a	n/a	Mobile data	Enables InternetQ to consolidate its leading market position in Europe whilst also further developing its service offering.
26/06/2013	AirWatch (USA)	Motorola Solutions [MSP business] (USA)	Mobility services platform (MSP) business, which provides enterprise mobile device provisioning and management software	Not disclosed	n/a	n/a	Enterprise	Enables AirWatch to combine the depth of MSP's features with AirWatch's ease of use across multiple devices and OS types. 20 staff.
25/06/2013	Incentivated (UK)	Ad.IQ [fka TXT4] (UK)	Mobile marketing services and SaaS for businesses. Software analysis for plain-text, video, audio or picture messages and related CRM analytics and marketing automation software and mobile website optimization	Not disclosed	£2.7M / £(0.8)m	n/a	Marketing	Brings management from Ad.IQ to senior roles within Incentivated. Deal will combine expertise of Incentivated with Ad.IQ's mobile response dominance to give added scale and capability. Ad.IQ's staff to work in Incentivated's office.
24/06/2013	Affiliate of Thoma Bravo (USA)	Keynote Systems (USA)	Mobile and web application performance testing, measurement and monitoring software and SaaS for businesses globally	£395M	\$123.9M / \$4.9M	3.2x	Mobile web	The deal provides Keynote with additional flexibility and accelerates the growth of both companies. Transaction expected to be closed in Sept. 2013.
20/06/2013	Fixmo (Canada)	Perlego Systems (USA)	Mobile security, file transfer and data protection software for use by wireless carriers, businesses and consumers	Not disclosed	n/a	n/a	Security	Acquisition will result in Perlego becoming a division of Fixmo, which will provide wireless operators and mobile device retailers a suite of solutions.
19/06/2013	TripAdvisor (USA)	GateGuru (USA)	Smart phone application that enables users to coordinate day-of-travel activities and access detailed maps of airports, including amenities	Not disclosed	n/a	n/a	Application software	GateGuru complements TripAdvisor's existing flight products and the deal will add greater functionality to the TripAdvisor mobile experience.
14/06/2013	Invensys (UK)	Sarla Analytics [dba SmartGance] [assets] (USA)	Mobile device-based multi-platform database reporting software and SaaS	Not disclosed	n/a	n/a	Mobile data	The technology acquired will extend Invensys' mobile and cloud/SaaS offerings as well as strengthening their current leadership position in mobile industrial data reporting.
13/06/2013	OpenTable (USA)	JustChalo (USA)	Mobile payments software for restaurant and hospitality markets	£11M in cash and stock	n/a	n/a	Payments	The deal will bring the expertise of the JustChalo team to OpenTable to further accelerate OpenTable's growth in mobile development.
09/06/2013	Google (USA)	Waze Ltd (Israel)	GPS-based mobile application that enables device users to receive traffic and road hazard updates from other users	\$1.3BN	n/a	n/a	Application software	Will enhance existing products from both companies to allow users of the app to outsmart traffic. Waze's product development team to remain in Israel and operate separately now.
05/06/2013	Evidon (USA)	MobileScope (USA)	Mobile data security software that enables smartphone users to control the information that applications transmit. Also provides related mobile advertisement-blocking software	Not disclosed	n/a	n/a	Security	Enables Evidon to build more transparent relationships with clients across all touch points
31/05/2013	WhitePages (USA)	Mr Number (USA)	Mobile application that enables Android device users to block unwanted calls and texts, identify callers, and look up numbers	Not disclosed	n/a	n/a	Application software	Extends WhitePages' mobile offerings and provides users with robust caller ID features. Mr Number will remain as a standalone mobile app with 'potential synergies leveraged in future app development'.
30/05/2013	Hybrid [Freepoint Capital] (Canada)	Mobi724 [Majority] (Argentina)	Mobile advertising software that enables businesses to create and manage mobile coupon campaigns and deliver them via text message	\$1M	n/a	n/a	Marketing	Extends Hybrid's global footprint into Argentina whilst also enabling Hybrid's management to integrate the solutions and offer a unique value add for the region.

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23/05/2013	Box [fka Box.net ]  (USA)	Folders  (France)	Mobile file storage, management and transfer for use on iOS devices for consumers and businesses. Application enables users to view and edit files, stream audio and video and take photos and syncs with Box, Dropbox and Google Drive services	Not disclosed	n/a	n/a	Mobile data	Acquisition is driven by Folders' technology, which will be integrated into Box's new iOS app that is currently under development.
21/05/2013	Mobivity [CommerceTel Corporation]  (USA)	Front Door Insights [assets]  (USA)	Web-based mobile marketing software that enables businesses to deliver marketing text messages to consumers	\$1.5M in cash and shares	n/a	n/a	Marketing	Combines Mobivity's combination of technology, intellectual property, national brand relationships and scale with the scope of FrontDoorInsight's customers.
16/05/2013	Aruba Networks  (USA)	Meridian Apps  (USA)	Mobile application development SaaS that enables businesses to create WiFi location-based applications which enable users to navigate indoor locations	\$15.7M in cash	n/a	n/a	Application software	The deal will address the gap in the market by creating 'indoor GPS' through combining Aruba Network's unique contextual information about users, devices and applications with Meridian's Wi-Fi based wayfinding solution for smartphones and tablets.
13/05/2013	Dyn  (USA)	Trendslide  (USA)	Mobile business intelligence analytics application for use on iOS devices for businesses. Application analyzes data from both websites and applications	Not disclosed	n/a	n/a	Enterprise	The deal is a firm sign that Dyn is moving into mobile technology. Trendslide's co-Founder Benjamin Petrin is to join Dyn as a Lead Developer, with a focus on innovative mobile experiences for Dyn customers.
11/05/2013	APPCityLife  (USA)	OnQueue Technologies  (USA)	Mobile advertising software that enables businesses to update content and campaigns in real time. OnQueue Technologies was the subject of a failed acquisition by Jemm Group in April 2012	Not disclosed	n/a	n/a	Marketing	Acquisition brings together a long standing relationship between the two companies. Open Data's team and patented technology will be bought to OnQueue Technologies. 3 staff
09/05/2013	Yahoo!  (USA)	Go Poll Go  (USA)	Mobile and online survey application that enables brands and businesses to create real-time polls and receive responses from consumers	Not disclosed	n/a	n/a	Marketing	Brings the knowledge and experience of the GoPollGo team to Yahoo! GoPollGo will be shut down immediately.
07/05/2013	Lucent Mobile  (USA)	Proxomo Software  (USA)	Mobile application development SaaS for businesses which enables developers to add geolocation, social network, messaging and event features to applications	Not disclosed	n/a	n/a	Enterprise	Both companies see the transaction as mutually beneficial and as a way to enable Proxomo's full potential. As part of the transaction Lucent Mobile Inc. will operate going forward under the Proxomo name.
25/04/2013	Facebook  (USA)	Parse  (USA)	Smart phone application development SaaS that enables businesses to develop iOS, Android and Windows Phone applications	\$85M cash and stock	n/a	n/a	Enterprise	Part of Facebook's on-going effort to achieve a leadership position in mobile commerce. IT will also enable Parse to offer an end to end mobility platform. 25 staff.
23/04/2013	Google  (USA)	wavii  (USA)	Smart phone news aggregation and reader application that delivers customized news feeds to iOS device users	c\$30M	n/a	n/a	Application software	Technology will enable Google to improve search results for news stories. Wavii will no longer offer its news summarization app but will "take its natural language research" to Google. 25 staff.
22/04/2013	International Business Machines  (USA)	UrbanCode  (USA)	Develops software to allow businesses to quickly release and update mobile, social, big data, cloud applications	Not disclosed	n/a	n/a	Enterprise	The companies see this as mutually beneficial, with UrbanCode's software a "natural extension" of IBM's DevOps strategy. 55 staff.

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17/04/2013	Google (USA)	Behavio (USA)	Mobile data recording and analysis, such as location, speed, nearby devices and networks, phone activity, noise level etc	Not disclosed	n/a	n/a	Mobile data	Behavio team will be joining Google, although this is not seen as an acquisition or an acqui-hire.
03/04/2013	OpenCoin (USA)	Simple Hone [dba simplehoney] (USA)	iOS application that enables users to make product wish lists, receive alerts when prices change and share lists with friends through social networks. Also provides a hotel search engine that returns results based on users' personality preferences	Not disclosed	n/a	n/a	Application software	Acquisition will result in the SimpleHoney team to form the core of OpenCoin's consumer engagement, making Ripple's network easier to understand. 4 staff.

 Deals where Goldenhill advised the buyer or seller

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