Goldenhill
International M&A Advisors

Mobile Technology Sector

Quoted Company Analysis

First Quarter 2014

Sector Valuation Metrics

Goldenhill International M&A Advisors

Company	Share Price Local 31-Mar-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	84.54	10,248	(620)	9,628	3,587	3.0x	2.7x	14.1x	18.2x	14.8x	9.9%	13.0%	16.7%	18.1%	19%
Monitise	0.71	2,183	(129)	2,054	211	13.9x	9.8x	16.4x	NM	NM	99.8%	58.0%	-26.9%	-14.6%	60%
DeNa	1864.00	2,727	(724)	2,003	1,748	1.0x	1.1x	NA	2.9x	3.7x	32.0%	-27.1%	35.5%	30.6%	NA
PayPoint	11.45	1,297	(71)	1,226	201	5.4x	6.1x	7.2x	15.0x	13.8x	3.2%	-42.3%	36.2%	44.2%	84%
NetQin Mobile	17.61	1,088	(26)	1,062	294	5.5x	3.6x	4.9x	16.4x	11.1x	125.6%	109.0%	33.9%	32.4%	74%
Average						**5.8x**	**4.7x**		**13.1x**	**10.9x**			**19.1%**	**22.2%**	**59.2%**
Total (Large Cap)		**17,543**	**(1,570)**	**15,973**											
Selected Mid Cap															
Millennial Media	6.92	738	(99)	638	411	2.5x	1.6x	NA	NM	33.6x	45.9%	58.5%	-3.5%	4.6%	NA
Telit Communications	2.30	422	9	431	301	1.8x	1.4x	40.9x	16.0x	12.0x	17.3%	23.8%	11.1%	11.9%	4%
Glu Mobile	4.74	382	(28)	353	147	3.3x	2.4x	3.2x	NM	67.9x	20.7%	39.5%	-15.9%	3.5%	75%
Globo	0.45	282	(19)	264	134	2.7x	2.0x	24.6x	4.9x	3.3x	-6.2%	63.0%	55.7%	59.1%	8%
Average						**2.6x**	**1.8x**		**10.5x**	**29.2x**			**11.8%**	**19.8%**	**28.8%**
Total (Mid Cap)		**1,823**	**(137)**	**1,686**											
Selected Small Cap															
InternetQ	3.70	240	(9)	231	191	1.7x	1.2x	7.6x	11.8x	7.6x	46.9%	37.7%	14.1%	16.0%	16%
eServGlobal	0.94	220	(2)	218	36	7.3x	6.0x	11.8x	35.1x	56.4x	10.4%	23.9%	20.8%	10.7%	51%
Seamless Distribution	31.90	206	(2)	204	65	8.2x	3.1x	12.5x	NM	NM	24.8%	163.7%	-51.9%	-6.6%	25%
Hi Media	2.33	145	16	160	268	0.7x	0.6x	NA	11.5x	8.4x	-1.7%	8.9%	5.7%	7.1%	NA
Myriad Mobile	1.42	148	3	150	NA	3.5x	NA	NA	NM	NA	-23.3%	NA	-6.7%	NA	NA
Net Mobile	7.23	124	4	128	NA	NA	NA	NA	NA	NA	8.0%	NA	NA	NA	NA
Bango	1.40	106	(3)	103	NA	7.3x	NA	NA	NM	NA	19.5%	NA	-39.8%	NA	80%
Mobile Tornado Group	0.19	69	5	75	7	17.9x	11.2x	16.9x	NM	NM	-29.8%	81.6%	-68.0%	-20.0%	66%
Trunkbow International	1.41	52	0	52	NA	NA	NA	NA	NA	NA	19.6%	NA	NA	NA	12%
Cliq Digital	3.07	19	24	42	55	0.6x	0.8x	NA	4.5x	7.7x	74.4%	-17.8%	13.3%	10.0%	NA
Augme Technologies	0.26	40	(11)	29	33	1.1x	0.9x	0.9x	NM	NM	119.2%	1.5%	-66.6%	-12.6%	95%
Artilium Group	0.07	24	2	26	20	1.6x	1.3x	2.4x	12.4x	9.1x	212.3%	28.1%	12.5%	13.9%	53%
Probability	0.48	27	(5)	22	16	1.6x	1.4x	NA	NM	NM	19.1%	-2.1%	-15.9%	0.0%	NA
Vipera	0.07	22	(1)	21	NA	NA	NA	NA	NA	NA	45.8%	NA	NA	NA	93%
Yoc	2.82	11	10	21	NA	NA	NA	NA	NA	NA	5.1%	NA	NA	NA	39%
Zamano	0.06	9	6	15	NA	0.7x	NA	NA	3.9x	NA	-13.8%	NA	18.3%	NA	NA
Mobile Streams	0.24	15	(3)	12	83	0.1x	0.1x	0.3x	2.2x	4.0x	142.3%	-2.3%	6.6%	3.7%	48%
Crimson Tide	0.01	10	(0)	10	NA	5.1x	NA	NA	21.5x	NA	2.1%	NA	23.7%	NA	92%
2ergo Group	0.01	7	(1)	7	NA	NA	NA	NA	NA	NA	-58.2%	NA	NA	NA	NA
Velti	0.03	3	(8)	(5)	150	NM	NM	0.0x	0.1x	NM	42.9%	-45.3%	-29.4%	0.6%	84%
Voltari Corp	3.58	17	(29)	(12)	NA	NA	NA	NA	NA	NA	-7.9%	NA	NA	NA	NA
Average						**4.1x**	**2.7x**		**11.4x**	**15.5x**			**-10.9%**	**2.1%**	**58.0%**
Total (Small Cap)		**1,515**	**(5)**	**1,510**											
Sector Total		**20,881**	**(1,713)**	**19,168**											

(1) Excludes treasury shares

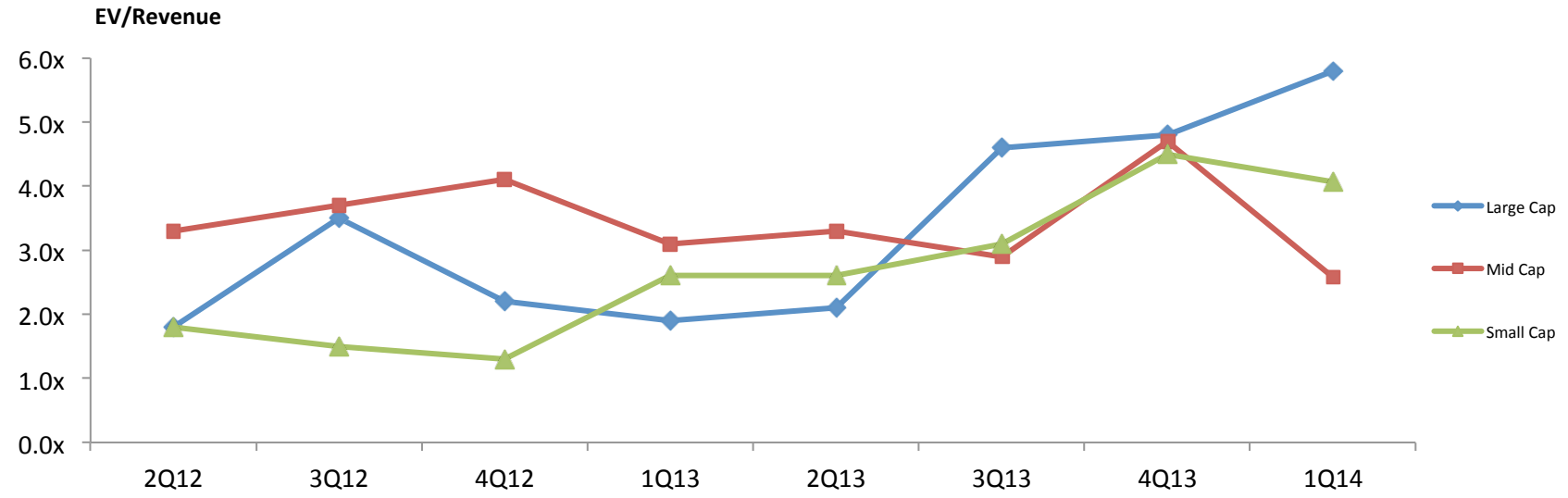
(2) Net financial debt minus marketable securities and collaterals.

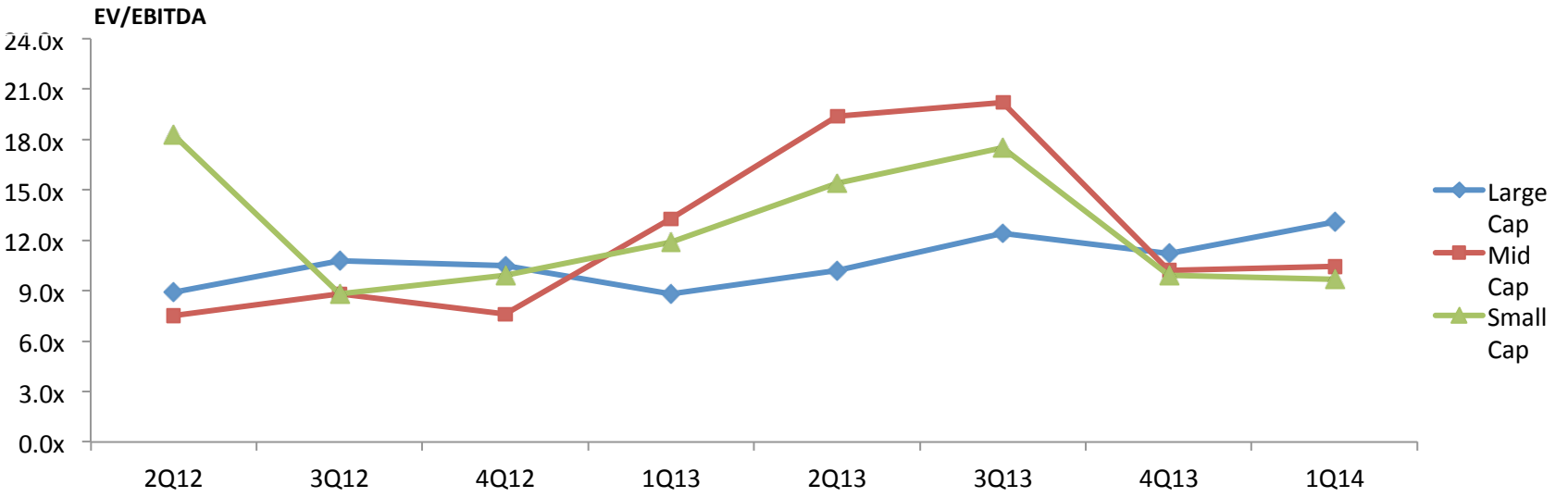
(3) Recurring revenues (maintenance, subscriptions, SaaS etc) where reported for last full year

(4) For companies having financial year end as February and March, FY13 and FY14E correspond to FY14/13 and FY15/14 respectively

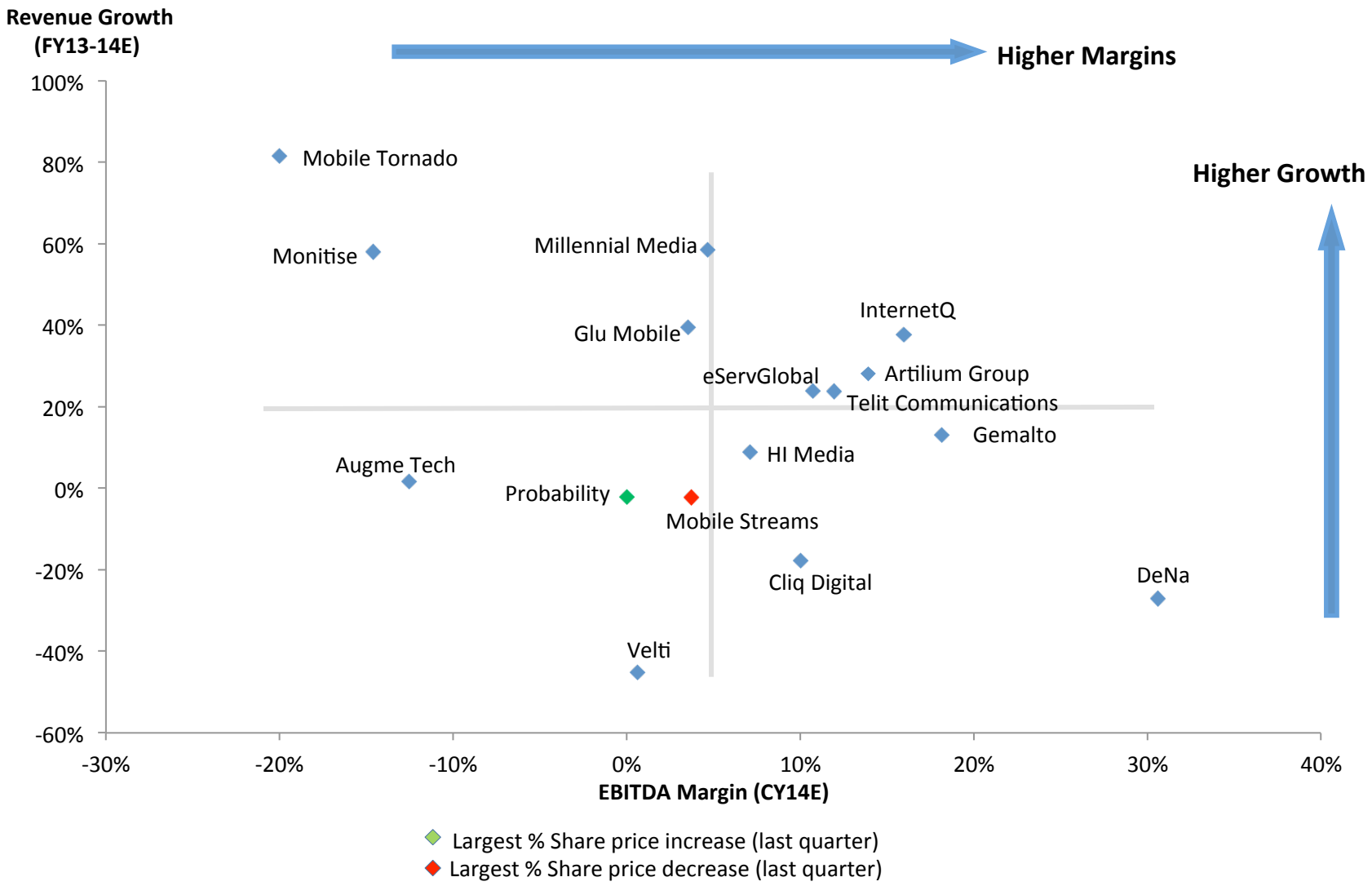
(5) NM - not meaningful and NA - not available

Enterprise Value Analysis

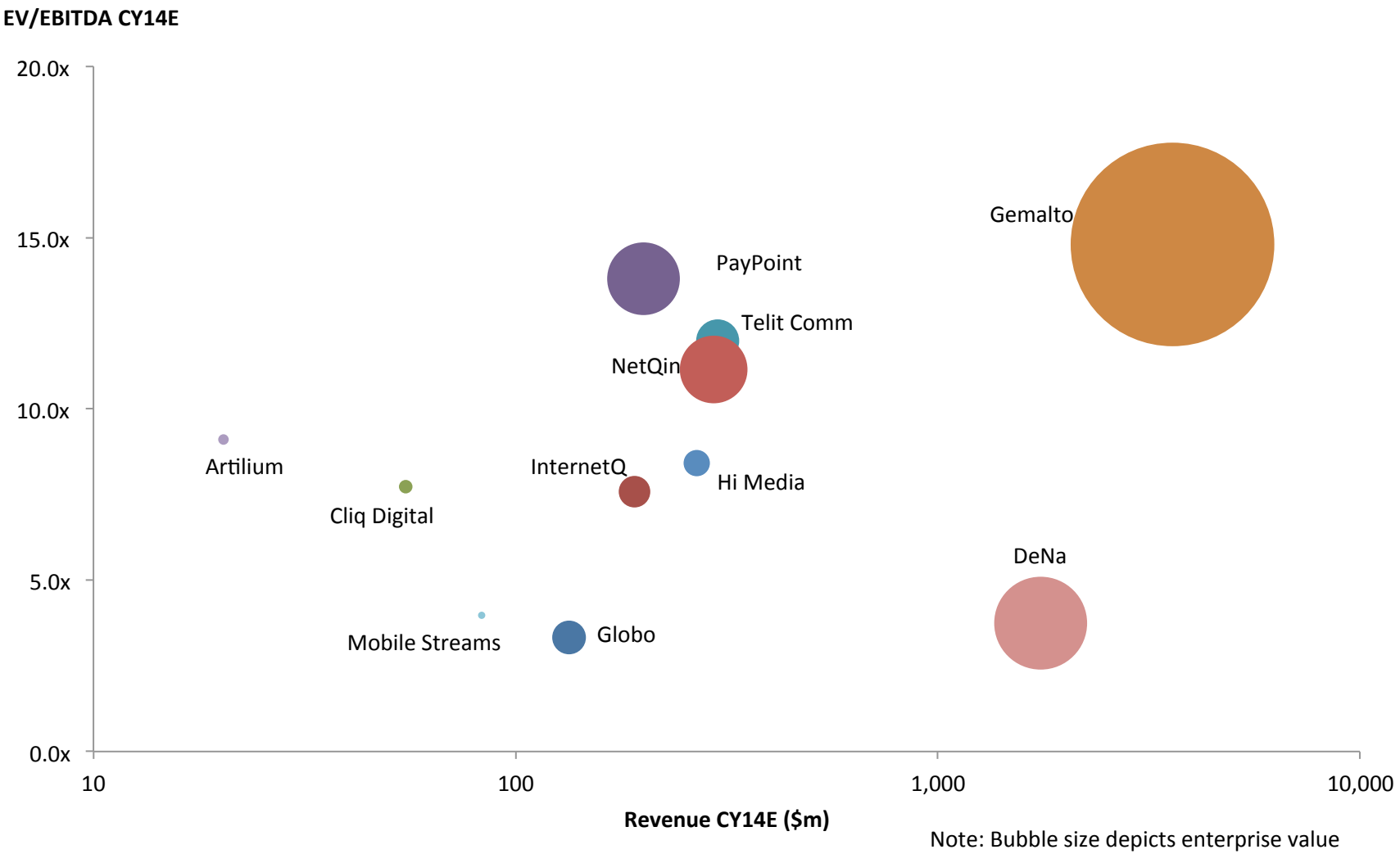




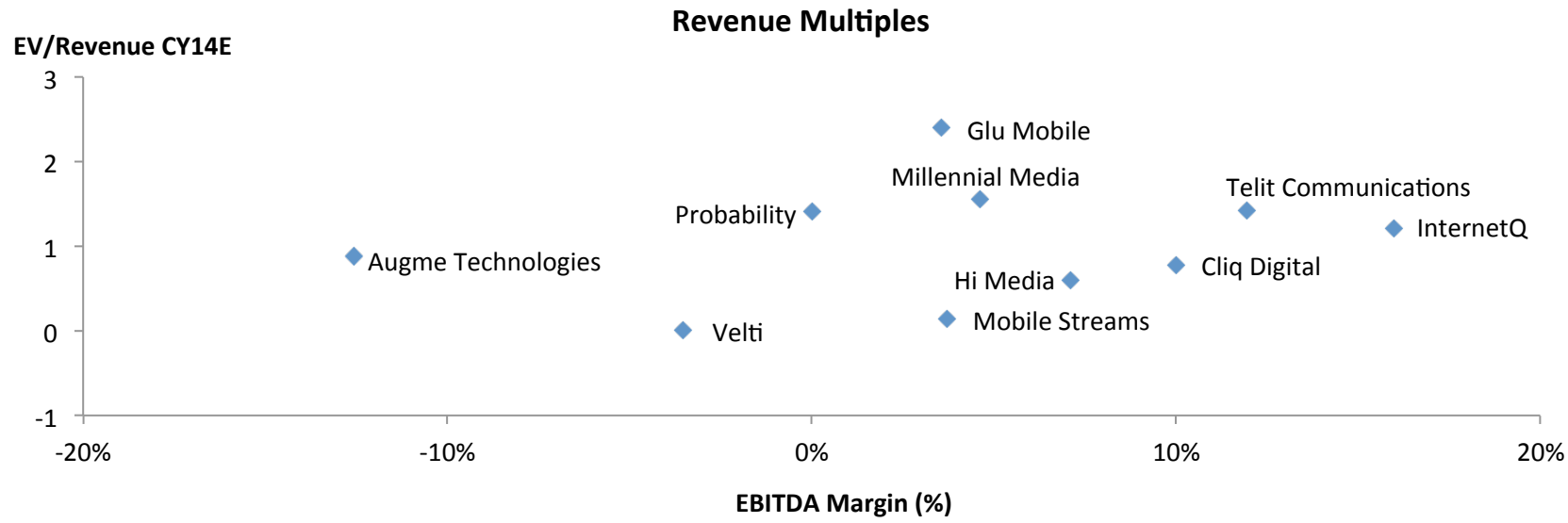
Performance Quadrants: Revenue Growth & Operating Margin

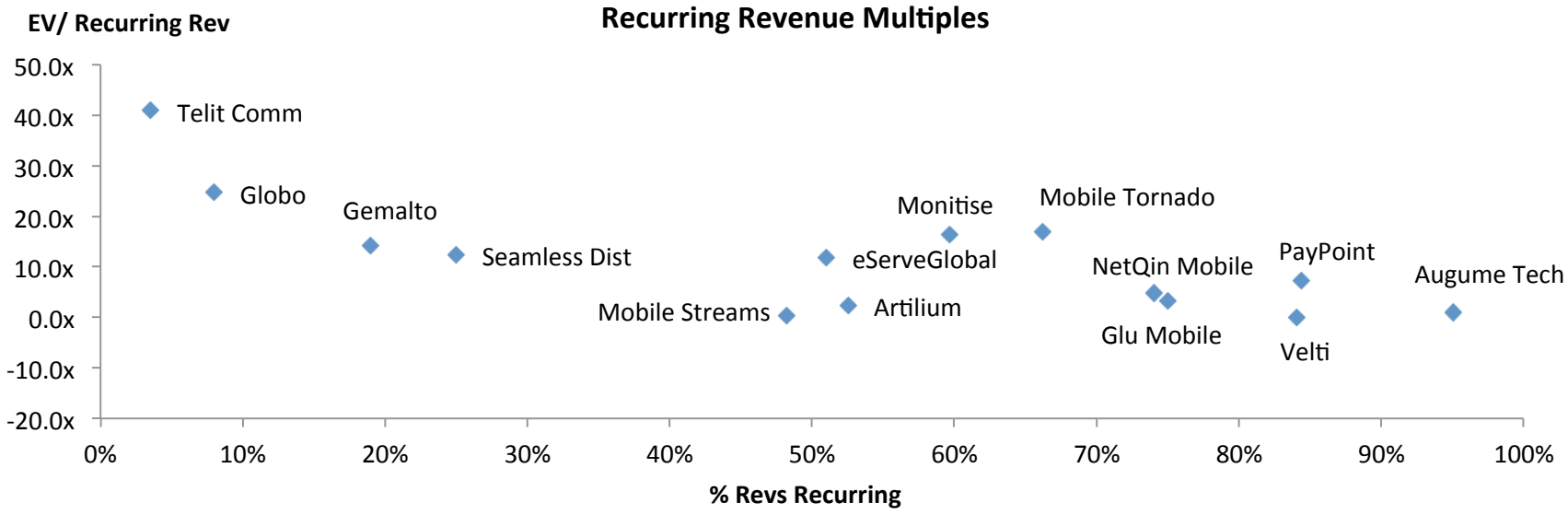


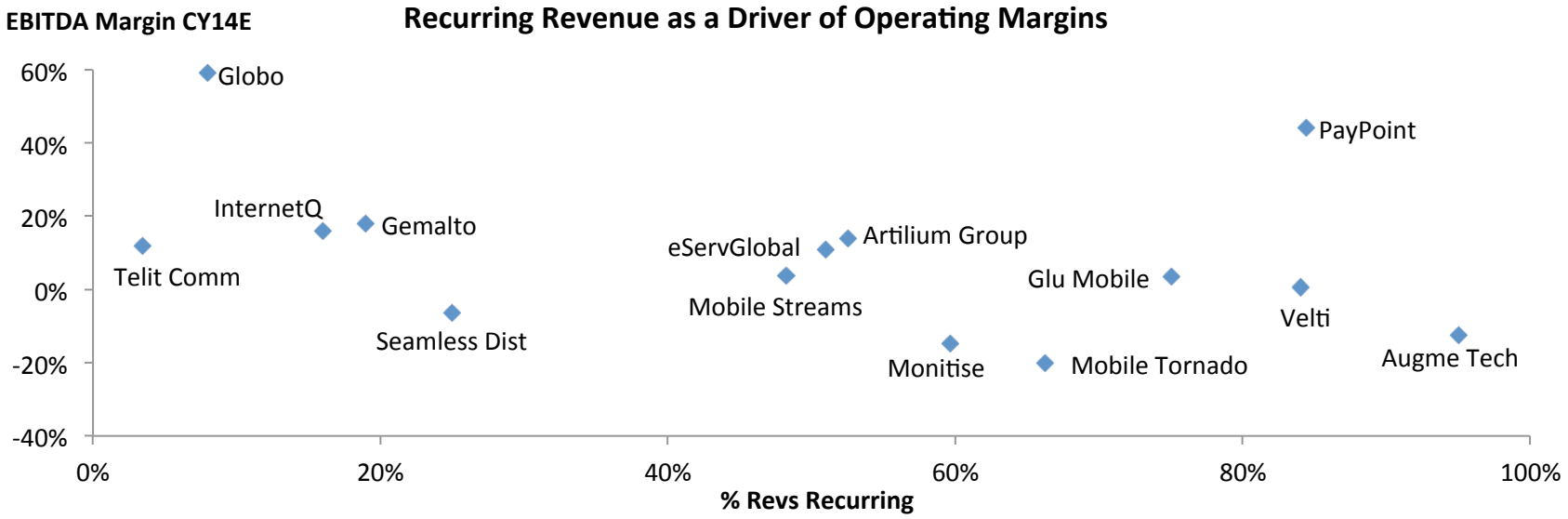
Scale as a Value Driver

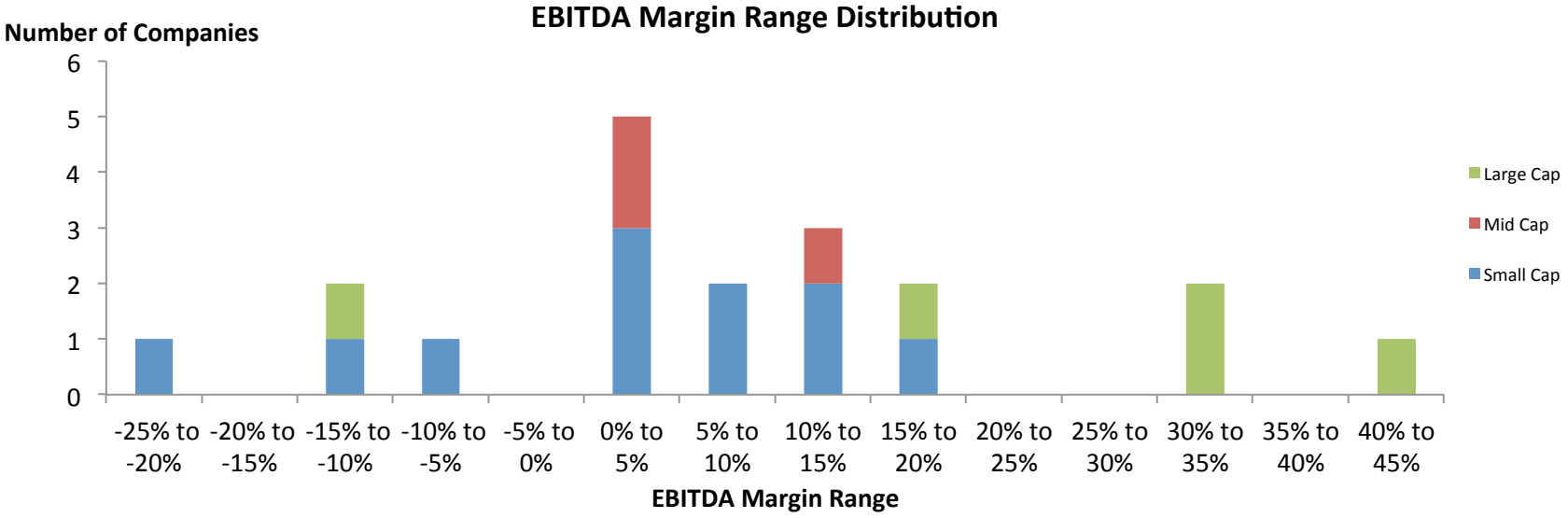


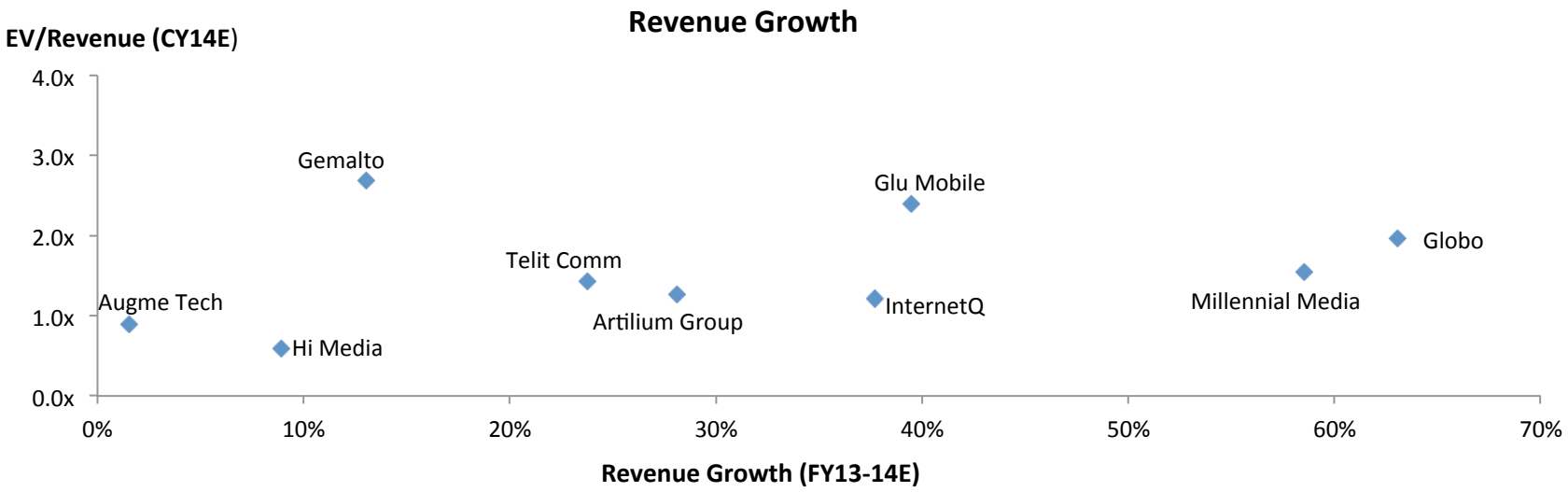
Operating Efficiency and Recurring Revenue as Value Drivers

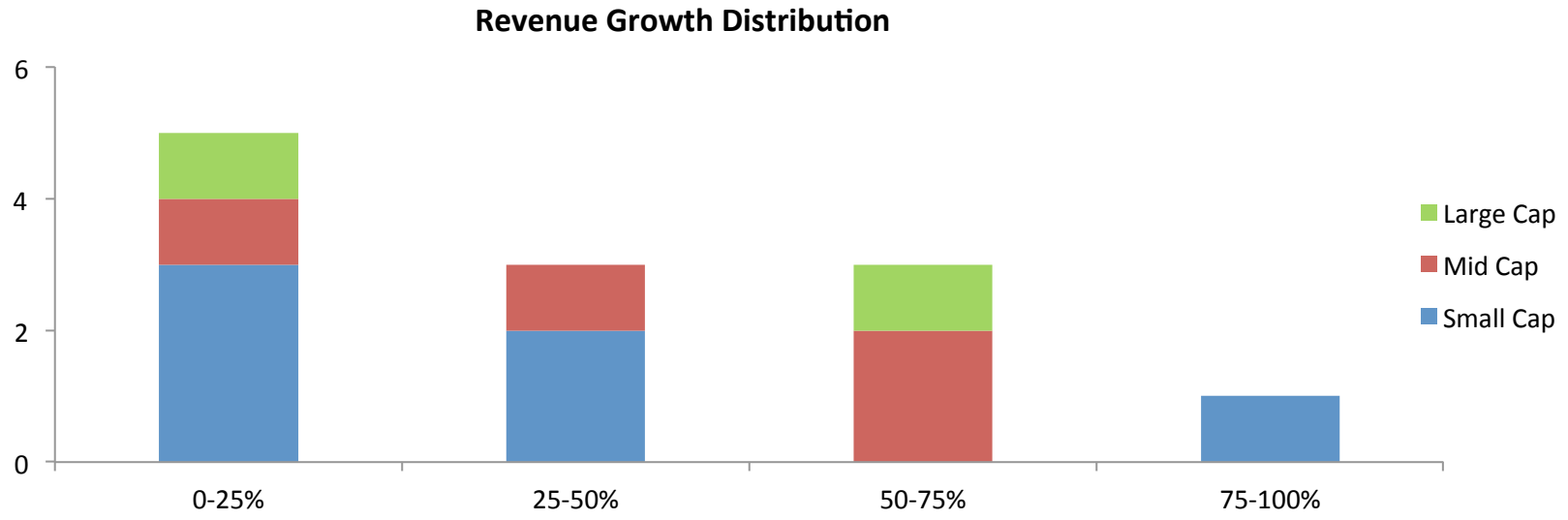





Recurring Revenue as a Driver of Operating Margins
EBITDA Margin CY14E
60%
40%
20%
0%
-20%
-40%
0%
20%
40%
60%
80%
100%
% Revs Recurring
Globo
PayPoint
InternetQ
Gemalto
Telit Comm
eServGlobal
Artilium Group
Glu Mobile
Mobile Streams
Velti
Seamless Dist
Monitise
Mobile Tornado
Augme Tech


EBITDA Margin Range Distribution
Number of Companies
6
5
4
3
2
1
0
-25% to -20%
-20% to -15%
-15% to -10%
-10% to -5%
-5% to 0%
0% to 5%
5% to 10%
10% to 15%
15% to 20%
20% to 25%
25% to 30%
30% to 35%
35% to 40%
40% to 45%
EBITDA Margin Range
Large Cap
Mid Cap
Small Cap


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


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

Mobile Technology Deals – First Quarter 2014

Goldenhill International M&A Advisors

Date Announced	Buyer	Seller	Seller Description	Deal Size	Seller Revenue/ Profit	Revenue Multiple	Target Sector	Commentary
24/03/2014	WPP Digital (Jersey)	Cognifide Ltd (UK)	Provides software specialising in Content Management and Digital Asset Management technology to create, manage and optimize measurable digital experiences across all digital channels from web to mobile for corporate customers.	Not disclosed	n/a	n/a	IT services & distribution	The acquisition forms part of WPP's strategy of strengthening the Group's capabilites in fast growing sectors and markets. Cognifide will continue to operate as its own brand within WPP and will co-operate closely across WPP, particularly with the WPP Digitial and Wunderman companies.
20/03/2014	Welltok, Inc. (USA)	Mindbloom, Inc. (USA)	Provides consumers with a range of mental and physical health improvement iOS and Android applications.	Not disclosed	n/a	n/a	Health improvement mobile applications	The acquisition will expand Welltok's capabilites to deliver engaging, interactive mobile experiences through its CafeWell Health Optimization Platform. Mindbloom's offices will serve as a base of operations for Welltok in Seattle, with the team joining Welltok. Mindbloom's most popular apps will continue to operate.
18/03/2014	Lotame Solutions, Inc. (USA)	AdMobius, Inc. (USA)	Provides mobile advertising that enables publishers and advertisers in a wide range of sectors to analyze customer data and deliver related targeted advertising.	Not disclosed	n/a	n/a	Mobile data advertising software	AdMobius brings to Lotame an experienced data science and technology team and stong partnerships across the mobile ad-tech ecosystem. AdMobius had raised a $5m Series A from Opus Capital and Storm Venture. Lotame recently raised its $15m Series D.
18/03/2014	Yandex [NASDAQ: YNDX] (Russia)	KitLocate Ltd. (Israel)	Provides SaaS that enables brands and iOS and Android mobile application developers to add location-based services to their applications for the purpose of placing location-specific advertising. Also provides mobile location-specific advertising software and related analytics and reporting software.	$7.9m in cash plus an earnout of $2.3m based on undisclosed distribution milestones	n/a	n/a	Application software	Yandex will distribute the technology on the international market and also use KitLotcate to improve its own services, including in the personalisation of mobile search and targeted advertising. Full KitLocate team joins the staff of Yandex.
14/03/2014	Artifex Software Inc. (USA)	Picsel Technologies [Management] (Smart Office Mobile Apps assets) (UK)	The Smart Office Mobile Apps assets, which provide traditional productivity applications, including word processing, spreadsheets and calenders for use on mobile phones and tablets.	$1.3m	n/a	n/a	Mobile office application division	Through acquiring the SmartOffice mobile apps, Artifex is expanding its product suite beyond page descripton language software and into productivity apps. Artifex will re-brand the former Piscel products.
13/03/2014	Wix.com, Ltd. (Israel)	Appixia Ltd. (Israel)	Provides mobile retail website development SaaS that enables businesses to create mobile websites and native mobile applications that match their fixed online retail websites.	Not disclosed	n/a	n/a	Mobile retail development SaaS	The acquisition supports Wix.com's plans to continue strengthening its technological advantage and the depth of its product offering following its IPO. It is primarily a talent and technology deal and the company does not expect the acquisition to have an impact upon its non GAAP operating results.
10/03/2014	Physicians Interactive [Skyscape] (USA)	Tomorrow Networks, LLC (USA)	Provides proprietary, location-based medical mobile advertising software and application development services for advertisers in the healthcare industry. Software enables marketers to target healthcare providers and consumers with data-enabled advertising based on the the geographic locations provided by their smartphone.	Not disclosed	n/a	n/a	Medical mobile advertising network	Tomorrow Networks is the leading provider of data-driven mobile solutions for healthcare marketers. Adding Tomorrow Networks to the Physicians Interactive portfolio will continue to build upon the growth they've experienced to date and expand on their set of media products and services that have so far been resonating well within the market.
04/03/2014	Jack Henry & Associates, Inc. (USA)	Banno, LLC [fka T8 Webware] (USA)	Provides website marketing and user monitoring SaaS for financial institutions that enables them to deliver advertisements based on customer behavior and monitor website visitors' interactions with products on Web pages. Also provides white-label mobile banking and mobile bank account aggregation applications and develops websites for banks and financial institutions.	Not disclosed	n/a	n/a	Application software	The acquisition follows JHA and Banno's collaboration in July 2013 when JHA's ProfitStars division partnered with Banno to sell its Grip mobile application. Additional operational commonalities were identified and Banno emerged as an obvious cultural fit for JHA. Operations and management teams will continue at both of Banno's Iowa locations following the acquisition.

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Date Announced	Buyer	Seller	Seller Description	Deal Size	Seller Revenue/ Profit	Revenue Multiple	Target Sector	Commentary
04/03/2014	Aegis Group plc [dba Aegis Media] [Dentsu] (UK)	Lesmobilizers (France)	Provides cross-platform mobile application and Web site design and development services, specializing in e-commerce and streaming video applications for businesses in the media, entertainment and retail industries in France.	Not disclosed	n/a	n/a	Mobility	The entire Lesmobilizers team will be fully integrated as a new department within the Isobar brand (part of the Dentsu Aegis Network) in France. The acquisition is a sign of Dentsu Aegis Network's ambition to build influence in the mobile sector.
19/02/2014	Impact Telecom (USA)	Citessentials (USA)	Provides SMS messaging software for businesses that enable direct to consumer marketing, customer notifications and alerts. Also provides SMS terminations services to mobile network operators globally.	Not disclosed	n/a	n/a	SMS marketing software	Citessentials will greatly enhance Impact's comprehensive residential, commercial and wholesale telecommunications product and services portfolio. As part of the acquisition, Impact has announced the appointment of Citessentials co-founder Steve Sherman as Senior Vice President, Messaging Services.
19/02/2014	Facebook [NASDAQ: FB] (USA)	WhatsApp Inc (USA)	Provides mobile messaging applications across Android, iOS, Windows Mobile and Blackberry operating systems. Application enables users to send and receive group messages, photos and videos and share their locations.	Total deal value of $19bn. $4bn in cash,183,865,778 shares of stock valued by the acquirers at $12bn, restricted stock units valued by the acquirer at $3bn	n/a	19x	Mobile messaging applications	Facebook's largest ever acquisition in a bid to convince investors of its stategy for mobile. The WhatsApp brand will be maintained and its headquarters will remain in their current location. WhatsApp's core messaging product and Facebook's exisiting Messenger app will continue to operate as standalone applications. 50 staff.
18/02/2014	ClickSoftware Technologies Ltd. (USA)	Xora Inc. (USA)	Provides mobile workforce management SaaS, applications and appliances for businesses to manage field personnel. Software and appliances enable GPS tracking of field personnel, vehicles and resources.	$14.7m in cash	n/a	1.0x	Mobile workforce management software	The acquisition of Xora is a strategic addition to ClickSoftware Technologies' mobile workforce management business which accelerates their cloud recurring revenues. Xora will also considerably expand their distribution channels. Xora will retain its name and operate as a wholly owned subsidiary. Anne Bonoparte, the former CEO of Xora, will continue to lead the company as President.
18/02/2014	Gtech UK Interactive Ltd (UK)	Probability Plc (UK)	Develops and operates gambling services for mobile phone users	£18m	n/a	n/a	Develops and operates gambling services for mobile phone users	The offer is at 50p per share, valuing the company at approximately GB£18m in total and representing a premium of 58.7% over the closing price of 31.5p per Probability share on 17 February 2014. It is intended that the acquisition will be implemented by way of a Court sanctioned scheme of arrangement under Part 26 of the Companies Act. Upon the scheme becoming effective, Probability will delist from the AIM market of the London Stock Exchange.
12/02/2014	Sungy Mobile Limited (China)	GetJar (USA)	Operates an online mobile app store for consumers through www.getjar.com. Beyond buying mobile applications, the store also enables consumers to download and try new applications for virtual rewards or "GetJar Gold". Store enables mobile application software developers to market, monetize and track their mobile application downloads.	$5.3m in cash, plus an earnout of up to $30.39m, through the issuance of 1,443,074 ordinary shares, based on undisclosed performance milestones (earnout not included in deal value).	n/a	n/a	Mobile applications store	The acquisition is Sungy Mobile's first international acquisition in a deal driven by Sungy's interest in improving discovery and advertising services. Getjar will provide the Sungy Mobile platform with mobile data analytics capabilities that will support their mobile advertising research and development initiatives and accelerate the product development process. The Getjar team will join Sungy Mobile.

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Date Announced	Buyer	Seller	Seller Description	Deal Size	Seller Revenue/ Profit	Revenue Multiple	Target Sector	Commentary
10/02/2014	Integral Ad Science [fka AdSafe Media] (USA)	Simplytics (UK)	Provides ad serving software for mobile channels for content providers and advertisers. Software enables advertising delivery and measurement for mobile marketing campaigns. Also offers related analytics software.	Not disclosed	n/a	n/a	Application software	The acquisition is viewed asstrategic with Simplytics classified as 'a natural fit' by Integral Ad Science. The acquisition will position Integral as the only company to offer ad verification across all digital channels (display, mobile and video.) The entire Simplytics' team will join Integral in its expanding European headquarters in London.
03/02/2014	Monitise Plc (UK)	Pozitron Yazilim AS (Turkey)	Provides mobile banking, payments and commerce solutions to businesses in the Middle East and internationally	£24m	n/a	n/a	Mobile banking, payments and commerce	The entire issued share capital of Pozitron has been acquired via an all share deal. The acquisition comes at a time when Monitise sees an increase in demand from around the world. The Pozitron team will report into Peter Radcliffe, President International Monitise. 130 staff.
30/01/2014	Yahoo! Inc. (USA)	Incredible Labs (USA)	Provides a predictive mobile personal assistant application, Donna, for consumers. Application and service enables the coordination of schedules, calendars and appointments by predicting needs for a users daily itinerary and calculating suggested travel times, emailing directions, anticipating arrival times and auto-emailing meeting contacts with updates on delayed arrivals.	Not disclosed	n/a	n/a	Applications	Five of the seven members of Incredible Labs will join Yahoo, where they will work on Yahoo Mail. Following closing, Donna will be removed from the app store and discontinued as a service.
28/01/2014	CONJECT Holding GmbH (Germany)	Wapp6 (France)	Provides real estate inspection mobile applications and SaaS for the building, construction and real estate sectors in France. Features include construction document management, site management and financial management applications.	Not disclosed	n/a	n/a	Mobile office	The acquisition of Wapp6 continues CONJECT's expansion, bringing them into the French market and adding innovative high-end software solutions for inspection and defects management to further enhance their mobile and cloud-based portfolio. The merger creates opportunities for both companies.
21/01/2014	Yahoo! Inc. (USA)	SPARQ (USA)	Provides software that enables businesses to create URLs that link directly to their mobile applications, rather than sending consumers to their website or asking them to download the application if they already have it.	Not disclosed	n/a	n/a	Mobile application URL creation software	Sparq's technology helps users to engage with more mobile content. This fits with Yahoo who are looking to monetizie their mobile user base .The Sparq team will join Yahoo.
08/01/2014	Citrix Systems Inc. (USA)	Framehawk, Inc. (USA)	Provides on-premise and cloud-based software for businesses that makes desktop and intranet applications available on mobile devices. Software takes the image of an existing desktop or intranet application and overlays it with the UI of a native iOS or Android application. The Framehawk Platform consists of three components: a native app on the mobile device, cloud services for application delivery and a management console.	$28.2m in cash	n/a	n/a	Infrastructure management	Citrix will not offer Framehawk as a stand alone product. It will pick up the technology and engineering team with the aim of integrating it into XenApp and XenDesktop products to improve their ability to operate across subpar wireless networking conditions. Framework sees 'tremendous synergies' in combining their technology with Citrix.
07/01/2014	Facebook [NASDAQ: FB] (USA)	Little Eye Labs (India)	Provides Android application performance analysis, testing and optimization SaaS for software developers. Software enables testers and developers to monitor behavior and detect bugs in Android applications.	Reported at $10-$15m in undisclosed consideration	n/a	n/a	Android application testing application testing SaaS	Facebook's first acquisition of an Indian company. The entire Little Eye Labs team will move to Facebook's headquarters, where it will build analysis tools to help develop apps. The acquisition fits into Facebook's mobile strategy.
07/01/2014	Flash Networks (Israel)	Mobixell Networks, Inc. (USA)	Provides mobile Internet and mobile video traffic optimization software and gateways for wireless telecom service providers globally. Also provides mobile network monetization software and content creation and delivery software.	Reported at $10-20m in unspecified consideration	n/a	n/a	Mobile internet optimization software	The acquisition results in a combined market share larger than any other independent vendor, serving over one billion subscribers worldwide. It will also enable Flash Networks to meet the growing demand for data optimization, acceleration and monetization services.

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