

SECTORWATCH:

# Enterprise Mobility

February 2018

**7** MILE   
ADVISORS

SECTORWATCH:  
**Enterprise Mobility**  
February 2018

- Sector Dashboard
- Public Basket Performance
- Operational Metrics
- Valuation Comparison
- Recent Deals
- Appendix



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# OVERVIEW



## Dashboard

summary metrics on the sector, with commentary on market momentum by comparing the most recent 12-month performance against the last 3-year averages



## Public Basket Performance

summary valuation and operating metrics for a basket of comparable public companies



## Valuation Comparison

a more graphical, detailed comparison of valuation multiples for the public basket



## Recent Deals

the most recently announced sector deals

## About Us

7MA provides Investment Banking & Advisory Services to the Business Services and Technology Industries globally.

We advise on M&A and private capital transactions, and provide market assessments and benchmarking. As a close knit team with a long history together and a laser focus on our target markets, we help our clients sell their companies, raise capital, grow through acquisitions, and evaluate new markets.

## Sectorwatch

We publish sectorwatch, a review of M&A and operational trends in the industries we focus.

## Let us know if we can help

Contact us if there are ways we can assist your M&A or financing strategy.

# DASHBOARD

## Revenue Growth Momentum

**↑5.3%** 1 - year revenue growth compared to revenue growth average for last 3 years  
Current revenue growth rate exceeds the average of the last 3 years by this amount, indicating that market momentum is increasing

## Pricing / Gross Margin Momentum

**↓-0.7%** 1 - year gross profit % compared to gross profit % average for last 3 years  
Current gross profit margin is less than the average of the last 3 years gross profit margins, indicating customer pricing power

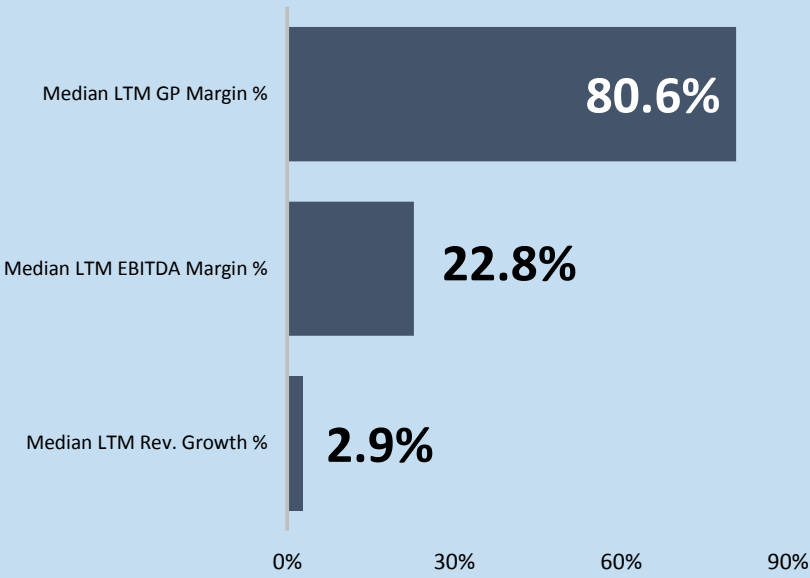
## Profitability Momentum

**↑1.3%** 1 - year EBITDA % compared to EBITDA % average for last 3 years  
Current EBITDA margin exceeds the average of the last 3 years EBITDA margin by this amount, a condition that may attract new entrants

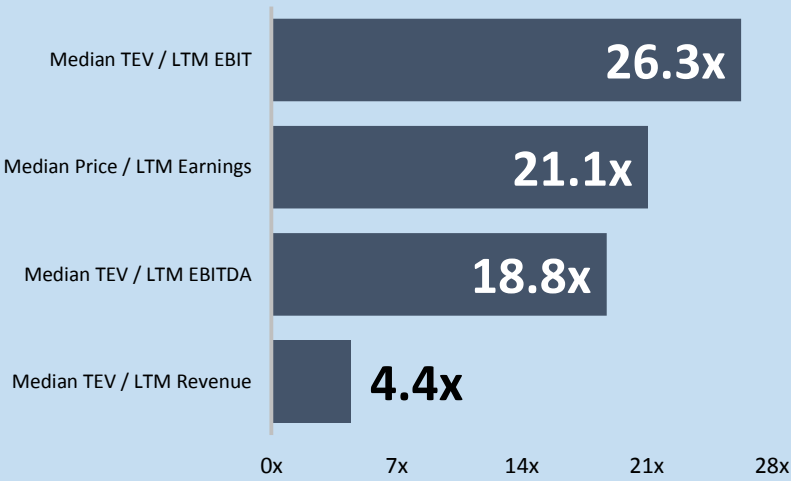
### PUBLIC BASKET CONSTITUENTS

NasdaqGS:MOBL	NasdaqGS:SYMC
TSX:BB	NYSE:VMW
NasdaqGS:CTXS	NYSE:IBM

## Operating Metrics



## Valuation

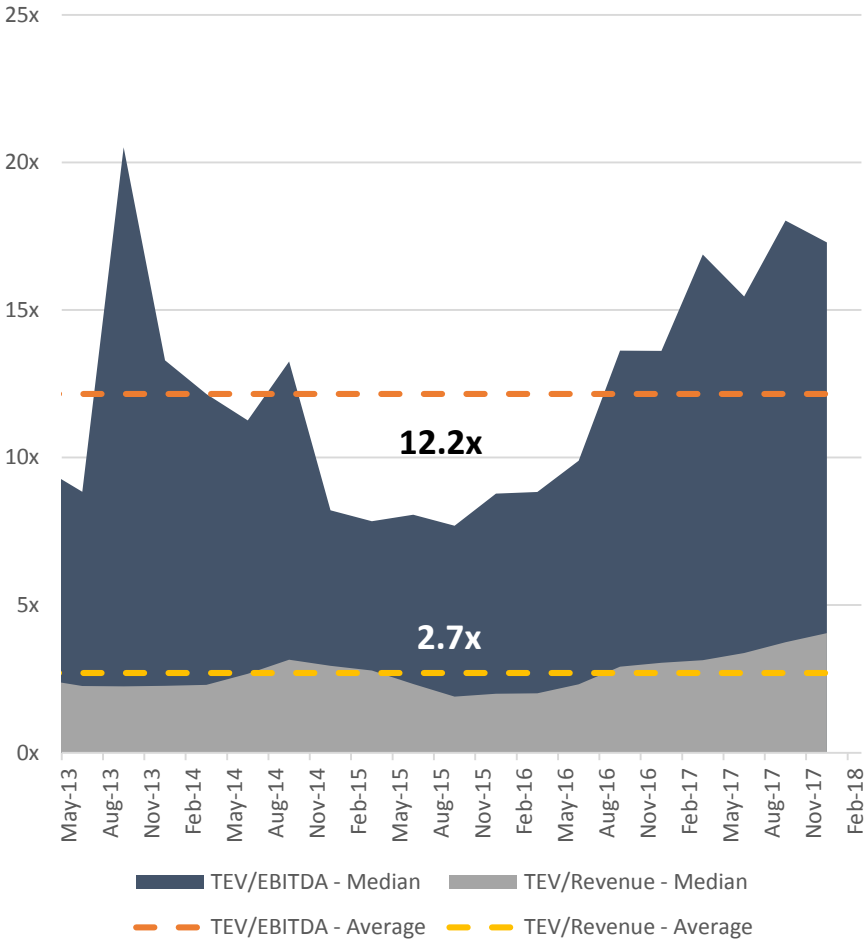


# PUBLIC BASKET PERFORMANCE

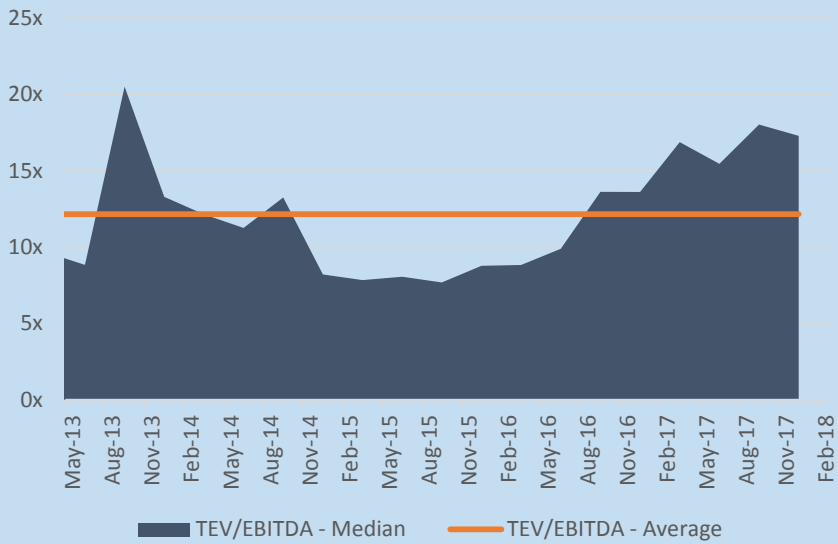
Company	TEV \$m	LTM Rev \$m	Rev Growth YoY	GP %	EBITDA %	TEV / Rev X	TEV / EBITDA X	# FTEs	Rev / FTE \$k
MobileIron, Inc.	321	173	7%	82%	-31%	1.9	0.0	854	203
BlackBerry Limited	4,746	985	-34%	69%	25%	4.7	18.8	4,044	244
Citrix Systems, Inc.	13,800	2,825	-17%	87%	30%	4.9	16.2	-	NA
Symantec Corporation	19,706	4,739	25%	79%	18%	4.2	22.9	13,000	365
VMware, Inc.	39,545	7,093	7%	85%	26%	5.6	21.4	18,905	375
International Business Machines Corporation	175,586	79,139	-1%	46%	21%	2.2	10.7	-	NA
Average	42,284	15,826	-2%	75%	15%	3.9	15.0	6,134	297
Median	16,753	3,782	3%	81%	23%	4.4	17.5	2,449	304

share price as of 06Feb18

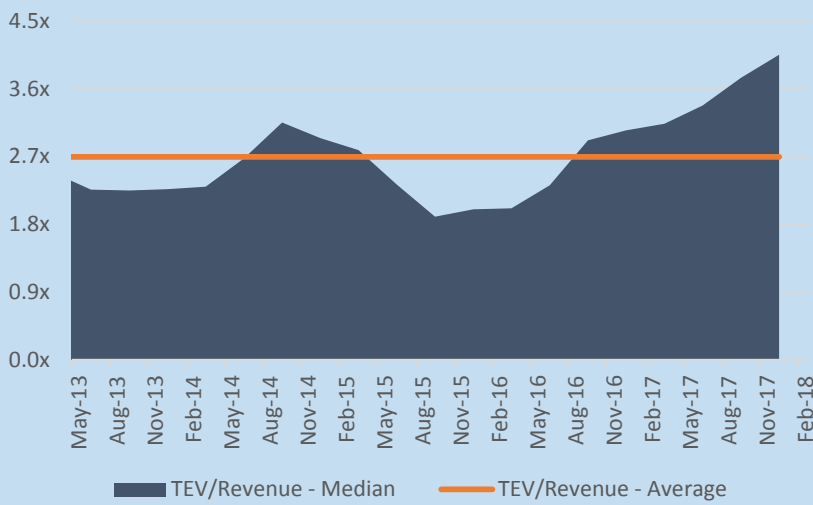
# PUBLIC BASKET VALUATION TRENDS



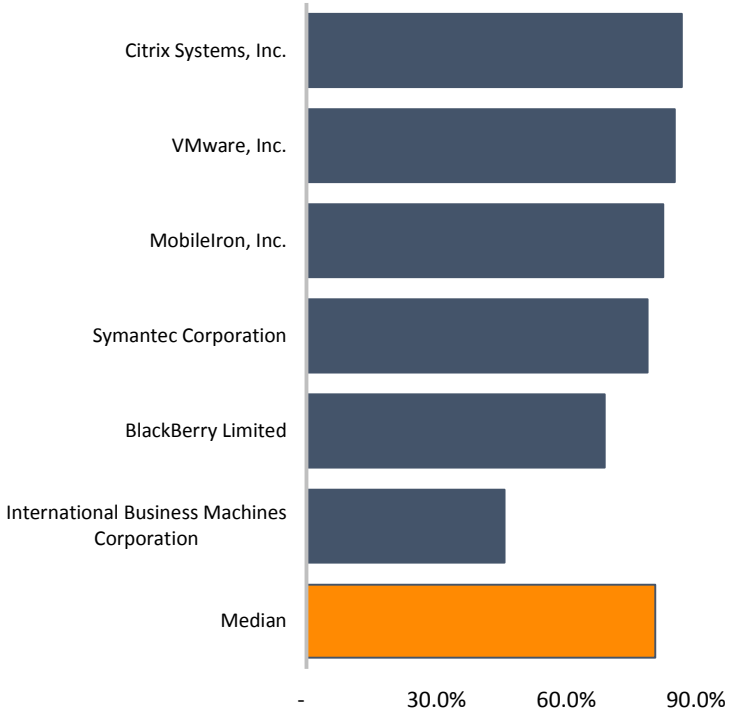
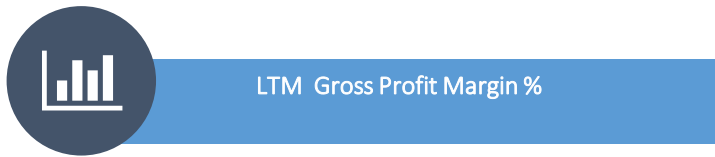
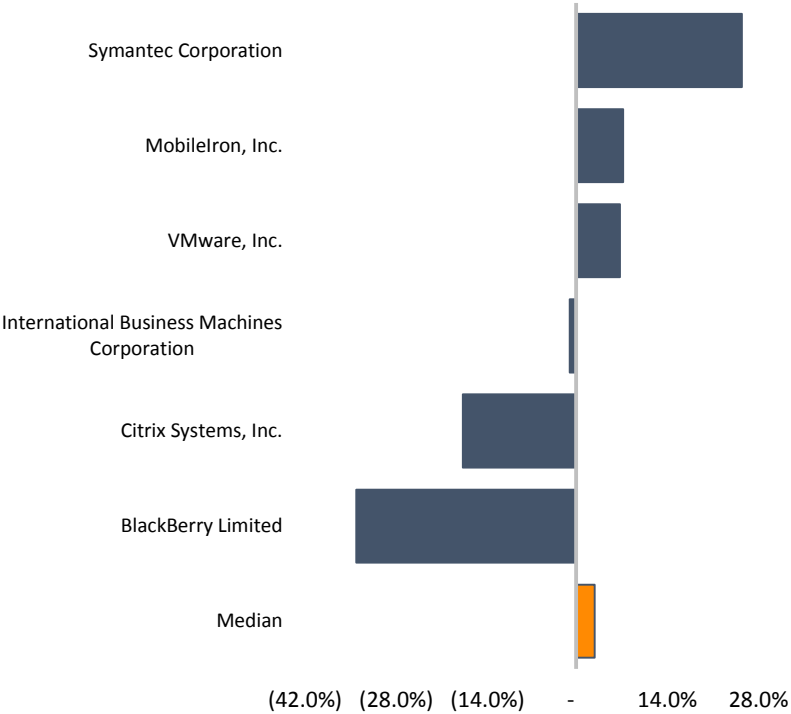
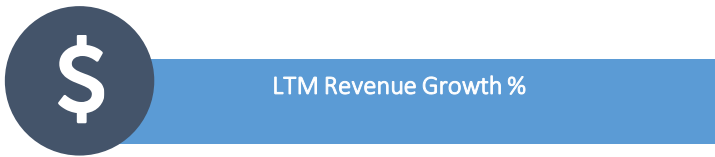
## Public EBITDA Multiples Over Time



## Public Revenue Multiples Over Time



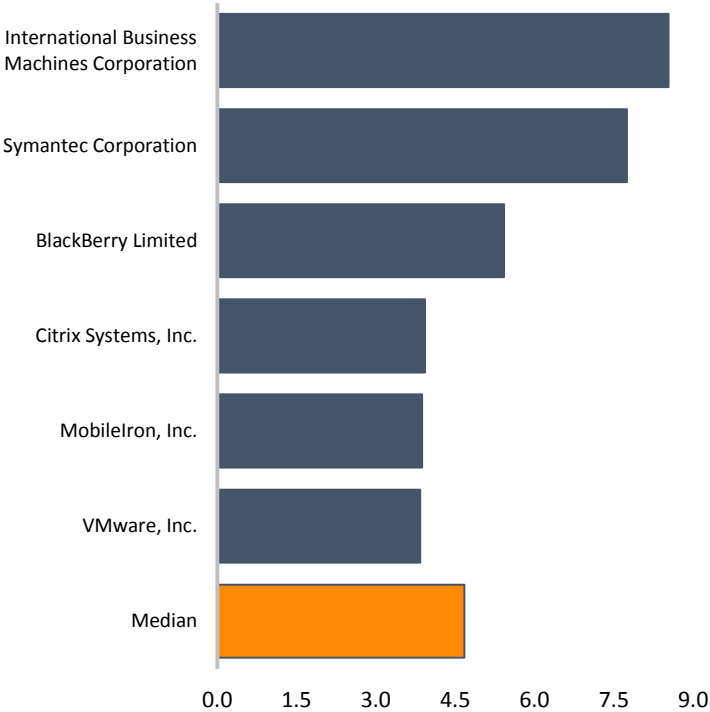
# OPERATIONAL METRICS



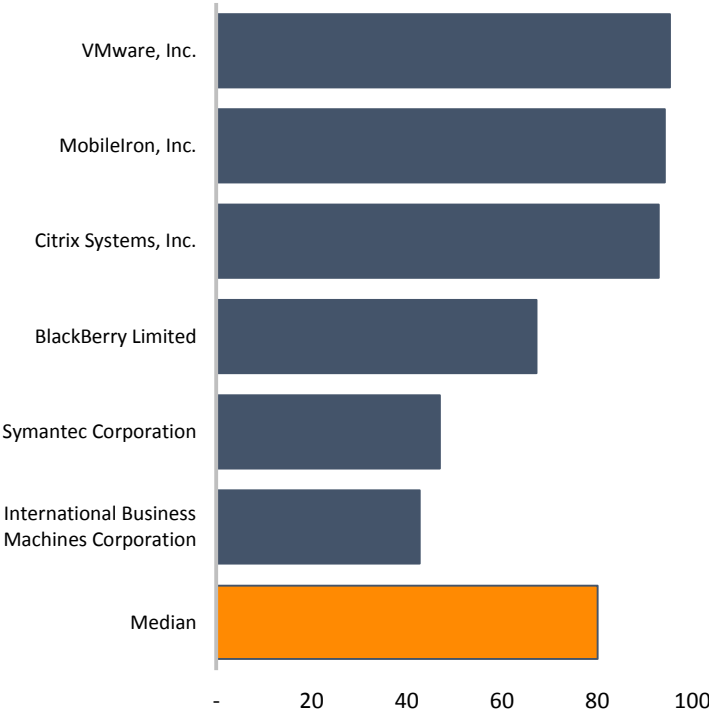
# OPERATIONAL METRICS



Accounts Receivable Turnover



Average Days Sales Outstanding

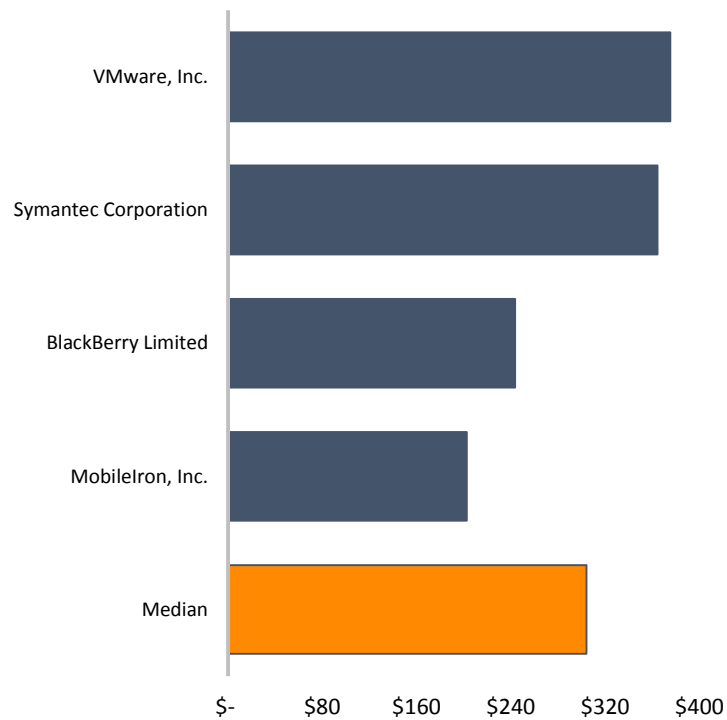




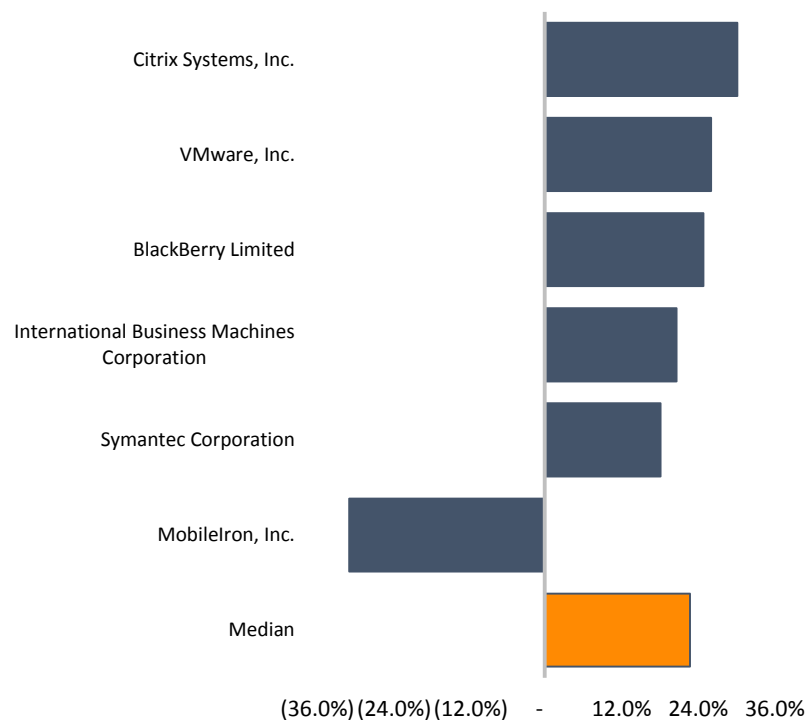
# OPERATIONAL METRICS



LTM Revenue per Full Time Employee x 000's



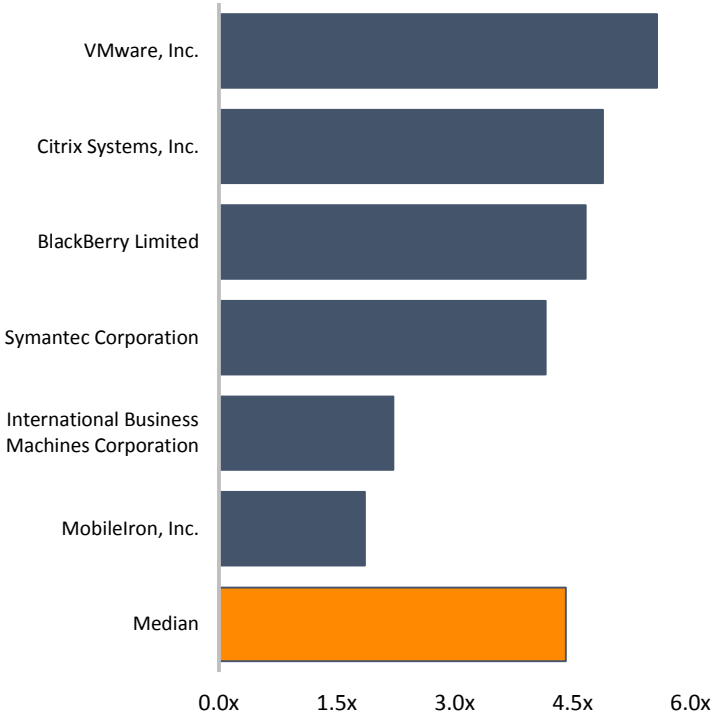
LTM EBITDA %



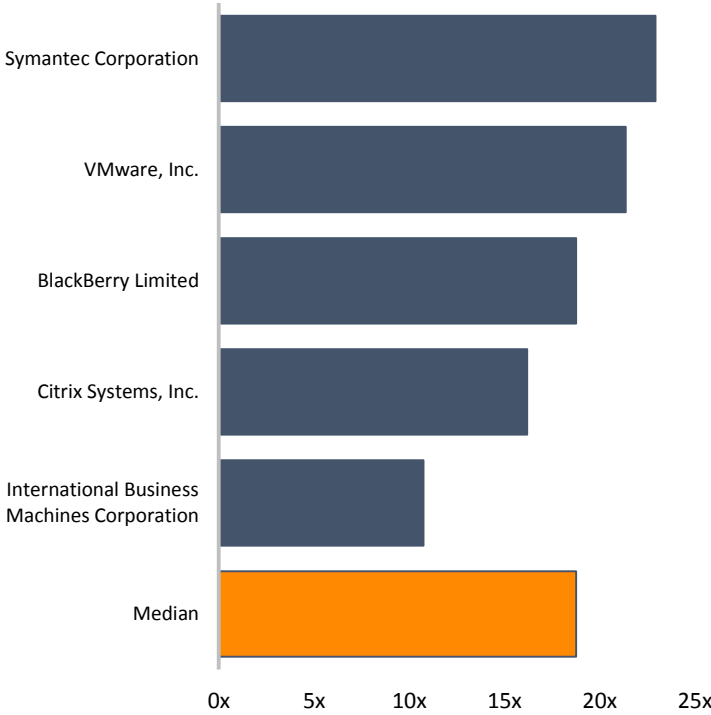
# VALUATION



TEV / LTM Revenue



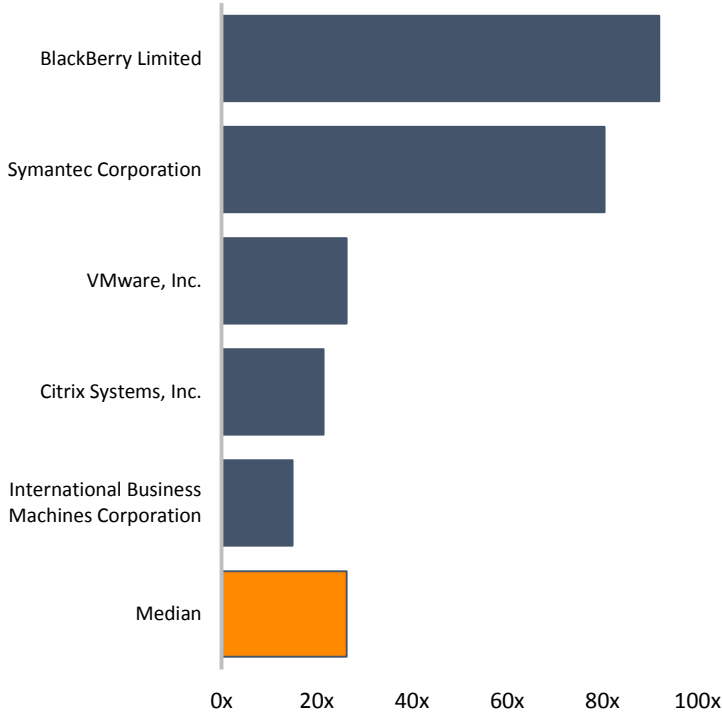
TEV / LTM EBITDA



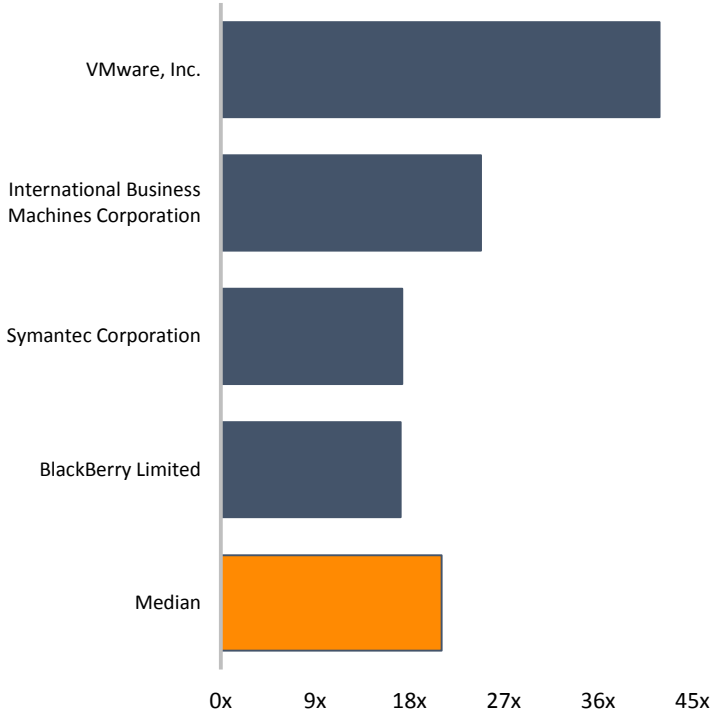
# VALUATION



TEV / LTM EBIT



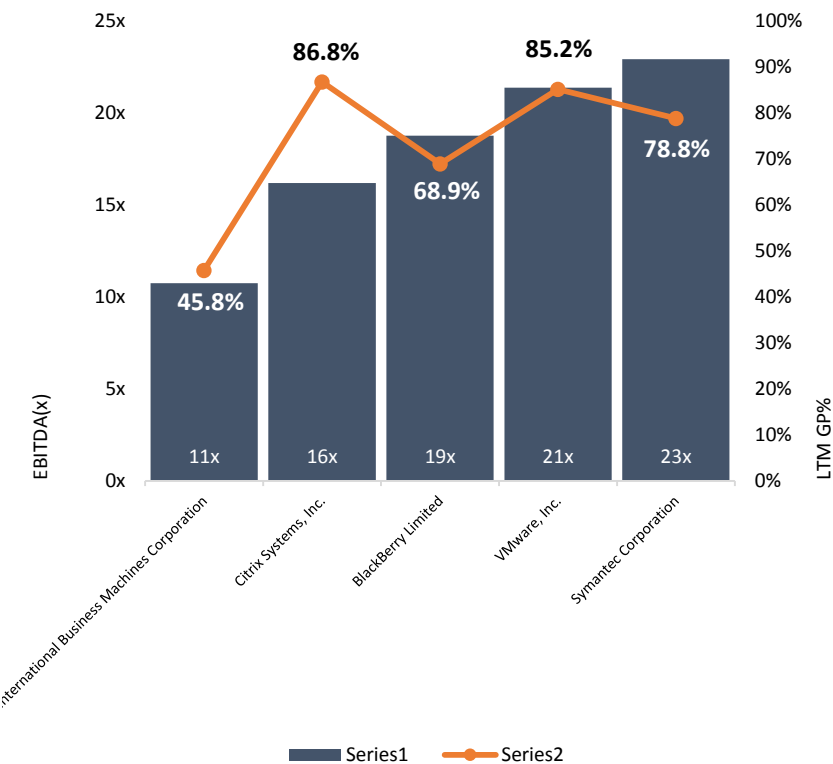
Price / LTM Earnings



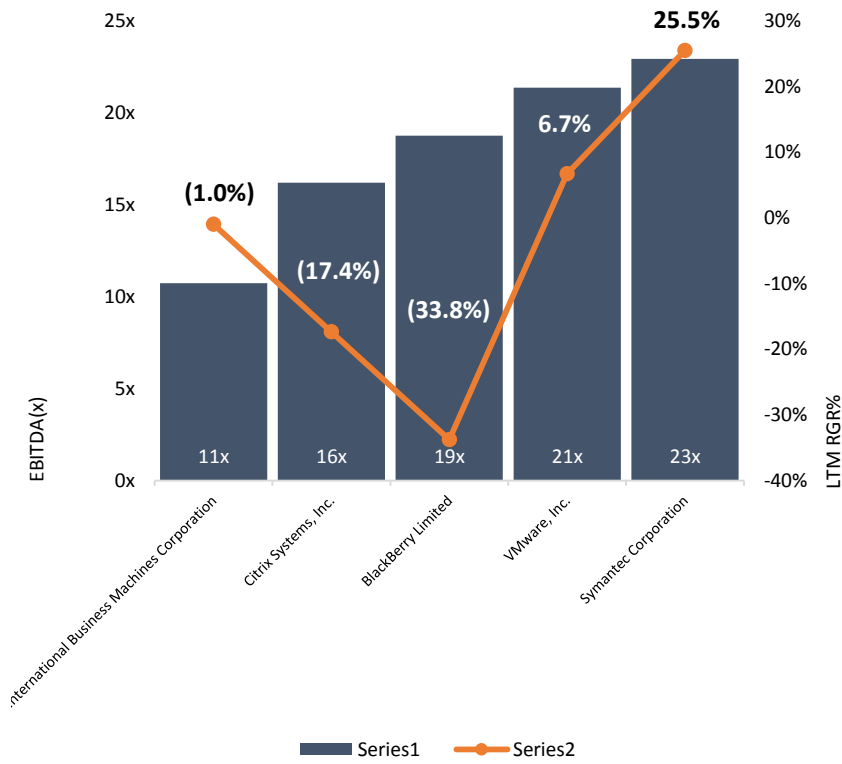
# VALUATION



Historical Valuation Multiples versus Gross Profit



Historical Valuation Multiples versus Revenue Growth Rate



# RECENT TRANSACTIONS

Date	Target	Buyer	Total Transaction Value	Target Revenue	TEV / Revenue	TEV / EBITDA
16Jan18	Converse.AI, INC	Smartsheet.com, Inc.	-	-	-	-
25Oct17	SkyGiraffe, Inc.	ServiceNow, Inc.	-	-	-	-
31Jul17	Jade Solutions Limited	Econocom UK Limited	-	16.52	-	-
20Jul17	TigerSpike Pty. Ltd.	Concentrix Corporation	-	-	-	-
28Jun17	Kinvey, Inc.	Progress Software Corporation	49.00	-	-	-
22May17	Kony, Inc.	Diebold Nixdorf, Incorporated	-	-	-	-
12Mar17	InfraAdvice Sweden AB	Techstep ASA	2.09	1.97	1.1x	-
9Nov16	Sphere Secure Workspace Ltd.	OneLogin, Inc.	-	-	-	-
27Oct16	StarMobile, Inc.	PowWow, Inc.	-	-	-	-
3Feb16	Jasper Technologies, Inc.	Cisco Systems, Inc.	1,400.00	-	-	-
13Nov15	Kreara Solutions Pvt Ltd	Innovation Incubator Inc.	-	-	-	-
26Oct15	Pomeroy IT Solutions, Inc.	Tolt Solutions, Inc.	-	-	-	-
20Oct15	eMOBUS, Inc.	Asentinel LLC	-	-	-	-
3Sep15	Sirius Computer Solutions, Inc.	Kelso & Company	-	-	-	-
2Sep15	ÄKTA	Salesforce.com, inc.	-	-	-	-
13Jul15	ITX Information Technology Solutions, Inc.	PTS Solutions, Inc.	-	-	-	-
29May15	Tempo AI, Inc.	Salesforce.com, inc.	-	-	-	-
25Apr15	iGATE Corporation	Capgemini North America, Inc.	4,600.80	1,288.06	3.5x	17.9x
2Mar15	HPE Aruba	Hewlett-Packard Company (nka:HP Inc.)	2,980.79	812.40	3.3x	33.3x
9Feb15	Agilex Technologies, Inc.	Accenture Federal Services LLC	263.79	-	-	-
22Jan15	Symphony Teleca Corporation (nka:HARMAN Connected Services Corporation)	Harman International Industries, Incorporated	780.00	370.00	2.1x	13.0x
31Oct14	MomentumSI, Inc.	VMware, Inc.	-	-	-	-
21Jan14	AirWatch, LLC	VMware, Inc.	1,545.00	-	-	-

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Appendix: Public Basket  
Constituents



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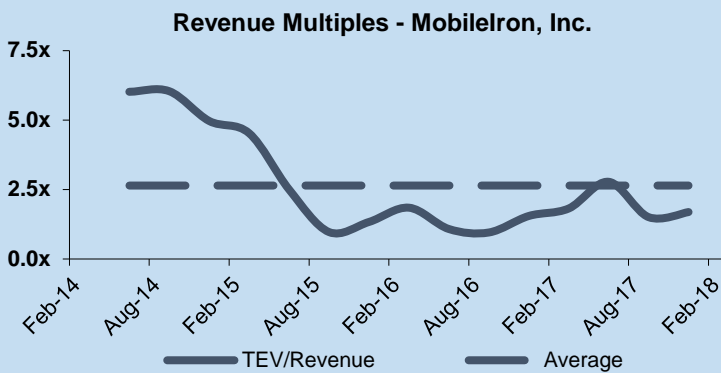


# PUBLIC BASKET CONSTITUENTS

## MobileIron, Inc.

MobileIron, Inc. provides a purpose-built mobile IT platform that enables enterprises to secure and manage mobile applications, content, and devices while providing their employees with device choice, privacy, and a native user experience. Its MobileIron platform offers enterprise mobility management (EMM) solution that configures and delivers applications to smartphones, tablets, laptops, and desktops running operating systems, such as Android, iOS, macOS, and Windows 10; and secures data-at-rest and data-in-motion on modern endpoints and across the corporate network, as well as secures access to back-end corporate networks and cloud services. The company serves financial service, government, healthcare, legal, manufacturing, professional service, retail, technology, and telecommunication industries in the United States and internationally. MobileIron, Inc. was founded in 2007 and is headquartered in Mountain View, California.

Date	Key Development Headline
8/14/17	MobileIron, Inc. to Partner with Metronome Software on DHS S&T Mobile Security Project



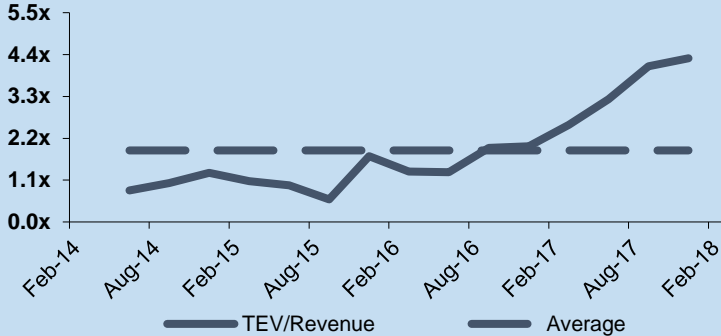
# PUBLIC BASKET CONSTITUENTS

## BlackBerry Limited

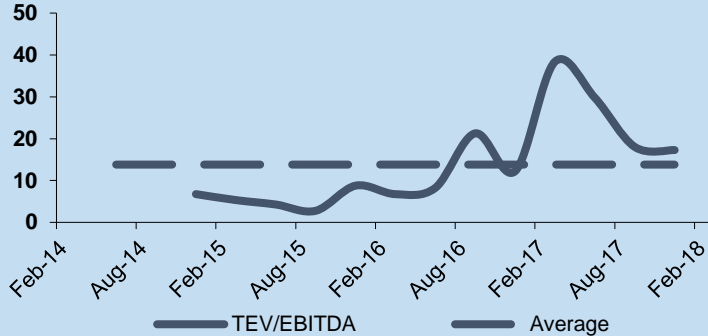
BlackBerry Limited operates as security software and services company in securing, connecting, and mobilizing enterprises worldwide. The company operates in three segments: Software & Services, Mobility Solutions, and Service Access Fees (SAF). The Software & Services segment offers enterprise software and services, including mobile-first security, productivity, collaboration, and end-point management solutions for the Enterprise of Things through the BlackBerry Secure platform; BlackBerry technology solutions, such as BlackBerry QNX, Certicom, Paratek, BlackBerry Radar, and intellectual property and licensing; AtHoc, which provides secure, networked crisis communications solutions; SecuSmart that offers secure voice and text messaging solutions with encryption and anti-eavesdropping facilities; licensing and services related to BlackBerry Messenger; and cybersecurity consulting services and tools. The Mobility Solutions segment engages in the development and licensing of secure device software and the outsourcing to partners of design, manufacturing, sales, and customer support for BlackBerry-branded handsets. BlackBerry Limited was founded in 1984 and is headquartered in Waterloo, Canada.

Date	Key Development Headline
12/7/17	BlackBerry Limited and Qualcomm Technologies, Inc. Extends Strategic Relationship to Deliver Automotive Platforms for Next Generation Vehicles
11/21/17	BlackBerry Limited Expands Embedded Software Design and Delivery with Fujisoft Incorporated and Hitachi Industry & Control Solutions, Ltd
9/26/17	BlackBerry Limited Seeks Acquisitions

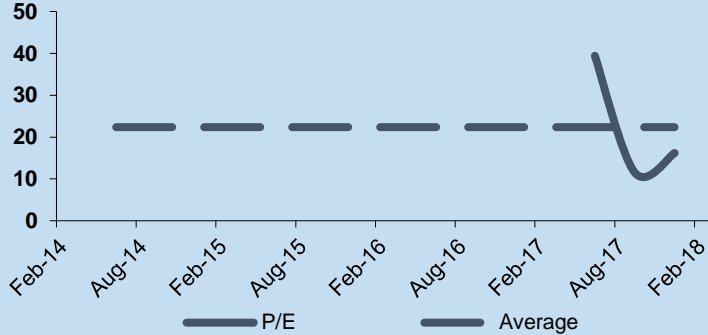
Revenue Multiples - BlackBerry Limited



EBITDA Multiples - BlackBerry Limited



P/E Multiples - BlackBerry Limited



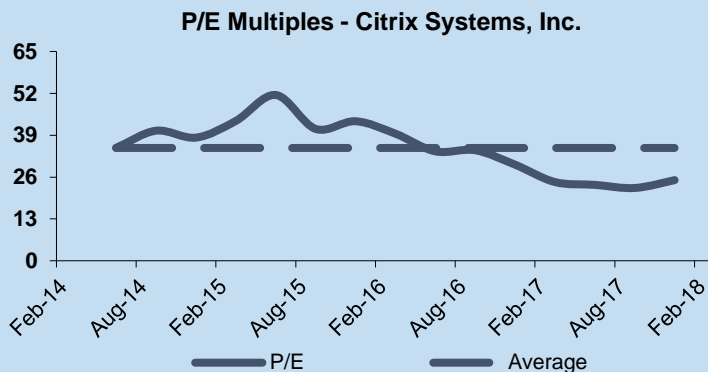
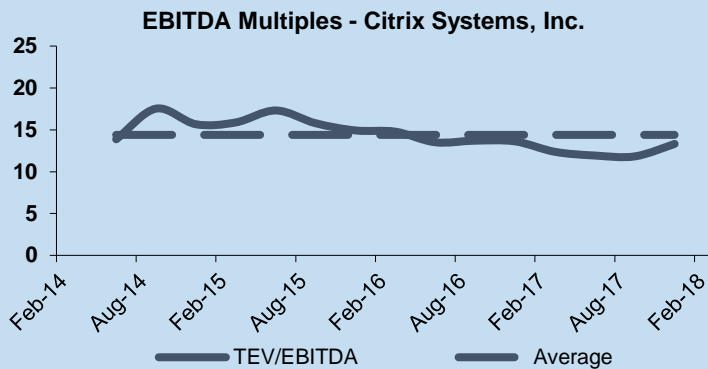
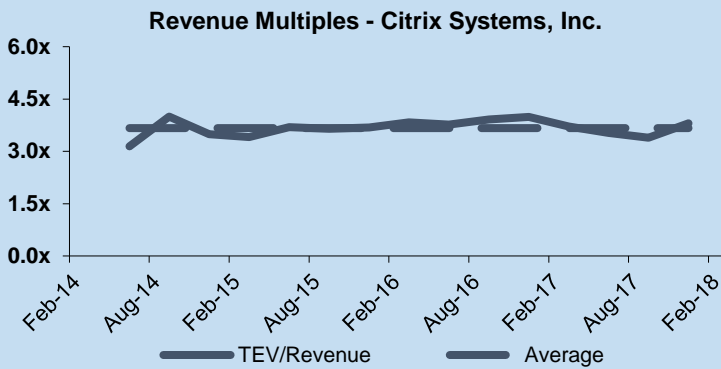


# PUBLIC BASKET CONSTITUENTS

## Citrix Systems, Inc.

Citrix Systems, Inc. provides an integrated platform for secure app and data delivery, and network functionality as a cloud-based service worldwide. The company offers workspace services, including XenDesktop, a cloud-enabled desktop virtualization solution that gives customers the flexibility to deliver desktops and applications as a service from cloud and on-premises datacenters; and XenApp that allows Windows applications to be delivered as cloud services to Android and iOS mobile devices, Macs, PCs, and thin clients. Its workspace services also comprise XenMobile enterprise mobility management solutions; and Citrix Workspace Suite, which provides apps, desktops, branch networking and WAN, enterprise mobility management, and data solutions. In addition, the company offers delivery networking products comprising NetScaler ADC, a software-defined application delivery controller and load balancer for mobile, remote, and branch users; and NetScaler SD-WAN, an integrated platform that enhances traditional enterprise applications, SaaS applications, and virtual desktops for remote users. Further, it provides Cloud Services that include ShareFile, a cloud-based file sharing and storage solution, which provides enterprise-class data services on various corporate and personal mobile devices for businesses; and Citrix Cloud that delivers its XenApp, XenDesktop, XenMobile, ShareFile, and NetScaler Gateway services virtually through the cloud. Citrix Systems, Inc. was founded in 1989 and is headquartered in Fort Lauderdale, Florida.

Date	Key Development Headline
11/14/17	Citrix Systems Seeks Acquisitions

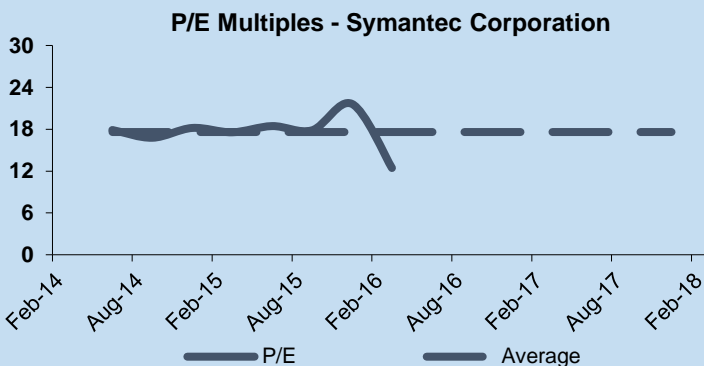
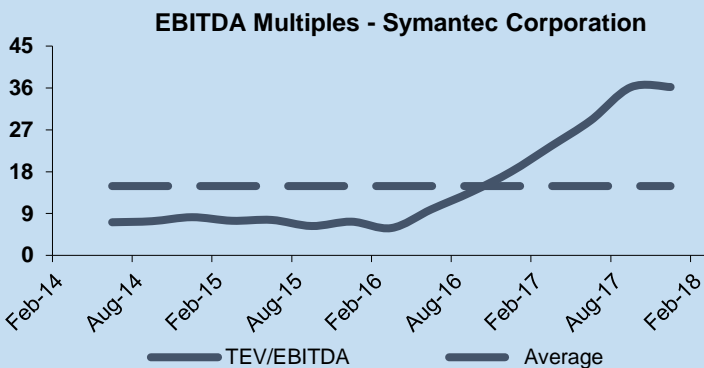
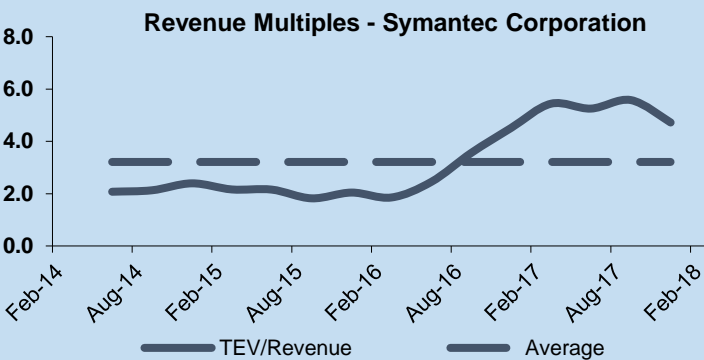


# PUBLIC BASKET CONSTITUENTS

## Symantec Corporation

Symantec Corporation, together with its subsidiaries, provides cybersecurity solutions worldwide. It operates through two segments, Consumer Digital Safety and Enterprise Security. The Consumer Digital Safety segment provides Norton-branded services that provide multi-layer security services across desktop and mobile operating systems, public Wi-Fi connections, and home networks to defend against online threats to individuals, families, and small businesses. This segment also offers LifeLock-branded identity protection services, such as identifying and notifying users of identity-related and other events, and assisting users in remediating their impact; and digital safety platform designed to protect information across devices, customer identities, and the connected homes and families. The Enterprise Security segment provides endpoint protection products, endpoint management, messaging protection products, information protection products, cyber security services, Website security, and advanced Web and cloud security offerings. Symantec Corporation was founded in 1982 and is headquartered in Mountain View, California.

Date	Key Development Headline
11/5/17	Symantec Corporation (NasdaqGS:SYMC) acquired SurfEasy, Inc. from Opera Software ASA (OB:OPERA) for an enterprise value of \$38.5 million.
10/30/17	DigiCert, Inc. completed the acquisition of website security and related PKI solutions business of Symantec Corporation (NasdaqGS:SYMC).
10/5/17	Symantec May Seek Acquisitions
10/1/17	Honeywell International Seeks Acquisitions
8/1/17	DigiCert, Inc. entered in an agreement to acquire website security and related PKI solutions business of Symantec Corporation (NasdaqGS:SYMC).

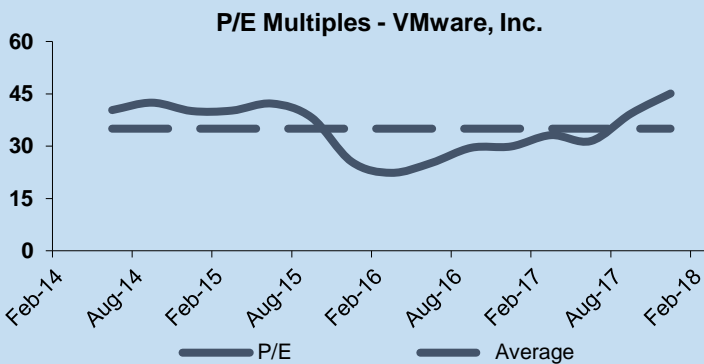
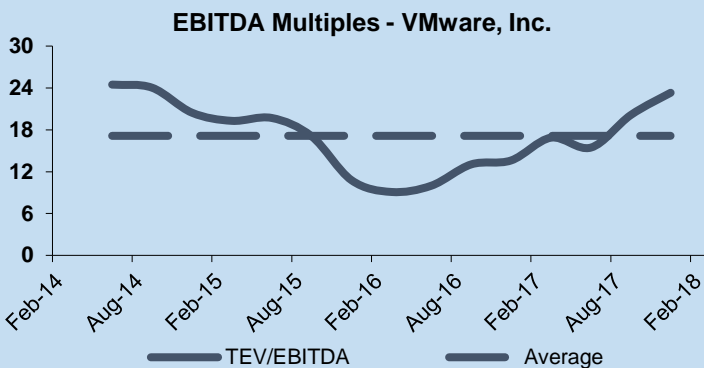
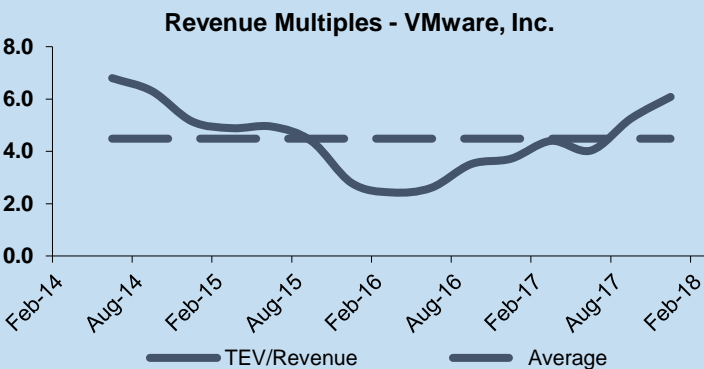


# PUBLIC BASKET CONSTITUENTS

## VMware, Inc.

VMware, Inc. provides virtualization and cloud infrastructure solutions in the United States and internationally. Its virtualization infrastructure solutions includes a suite of products and services designed to deliver a software-defined data center(SDDC), run on industry-standard desktop computers, servers, and mobile devices; and supports a range of operating system and application environments, as well as networking and storage infrastructures. The company offers VMware vSphere, a data center platform, which enables users to deploy hypervisor, a layer of software that resides between the operating system and system hardware to enable compute virtualization; storage and availability products that provide data storage and protection options; network and security products; and management and automation products to manage and automate overarching IT processes involved in provisioning IT services and resources to users from initial infrastructure deployment to retirement. It also provides SDDC suites, including VMware vCloud suite, vSphere with Operations Management, and VMware vRealize suite for building and managing a cloud infrastructure for use with the vSphere platform.. VMware, Inc. is a subsidiary of Dell Technologies Inc.

Date	Key Development Headline
2/1/18	Apptio, Inc. (NasdaqGM:APTI) acquired Digital Fuel SV, LLC from Skyview Capital LLC.
11/8/17	VMwar Reportedly Mulls Acquisitions
11/1/17	VMware, Inc. (NYSE:VMW) signed a definitive agreement to acquire VeloCloud Networks, Inc.
10/9/17	VMware, Inc. Teams Up with SAP to Accelerate and Streamline Enterprise IoT Initiatives
8/14/17	VMware Seeks Acquisitions

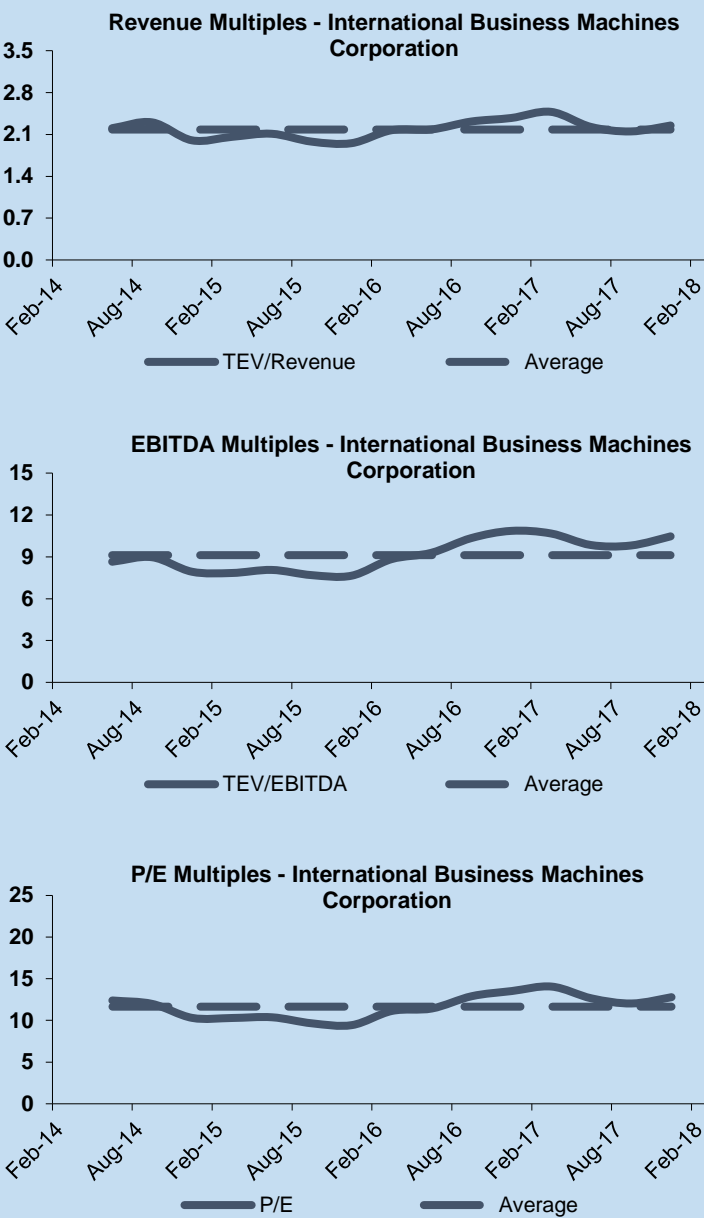


# PUBLIC BASKET CONSTITUENTS

## International Business Machines Corporation

International Business Machines Corporation provides information technology (IT) products and services worldwide. Its Cognitive Solutions segment includes Watson, a cognitive computing platform that interacts in natural language, processes big data, and learns from interactions with people and computers. The company's Cognitive Solutions segment also offers data and analytics solutions, including analytics and data management platforms, cloud data services, enterprise social software, talent management solutions, and solutions tailored by industry; and transaction processing software that runs mission-critical systems in banking, airlines, and retail industries. The company's Global Business Services segment offers business consulting services; delivers system integration, application management, maintenance, and support services for packaged software applications; and business process outsourcing services. The company was founded in 1911 and is headquartered in Armonk, New York.

Date	Key Development Headline
1/19/18	IBM and Salesforce Announces an Expansion of Their Strategic Partnership
1/16/18	Maersk and IBM to Form Joint Venture Applying Blockchain to Improve Global Trade and Digitize Supply Chains; Appoints Michael J. White as CEO of the New Company
10/4/17	Forensic Logic, Inc. acquired COPLINK Suite of Products from International Business Machines Corporation (NYSE:IBM).
9/28/17	IBM and University of California San Diego Collaborate to Advance the Use of Artificial Intelligence for Healthy Living
9/13/17	IBM, ZF, UBS to Develop Open Automotive Transaction Platform



# CONTACT INFORMATION

7MA provides Investment Banking & Advisory Services to the Business Services and Technology Industries globally. We advise on M&A and private capital transactions, and provide market assessments and benchmarking. As a close-knit team with a long history together and a laser focus on our target markets, we help our clients sell their companies, raise capital, grow through acquisitions, and evaluate new markets. Securities offered through 7M Securities LLC.

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