



Sectorwatch: Geospatial Services and Technology

March 2020

Geospatial Services and Technology

March 2020

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Overview

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

Dashboard

- Summary metrics on the sector
- Commentary on market momentum by comparing the most recent 12-month performance against the last 3-year averages.



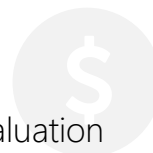
Public Basket Performance

- Summary valuation and operating metrics for a basket of comparable public companies



Valuation Comparison

- Graphical, detailed comparison of valuation multiples for the public basket



Recent Deals

- The most recently announced deals in the sector



Dashboard



Revenue Growth

↓ -0.4%

1 - year revenue growth compared to revenue growth average for last 3 years

Current revenue growth rate is less than the average of the last 3 years, indicating that the market may be flattening or declining

Pricing / Gross Margin Momentum

↑ 1.2%

1 - year gross profit % compared to gross profit % average for last 3 years

Current gross profit margin exceeds the average of the last 3 years gross profit margin by this amount, indicating supplier pricing power

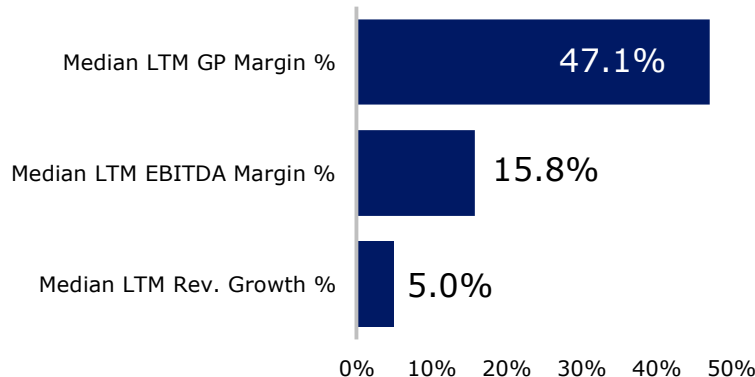
Profitability Momentum

↑ 1.8%

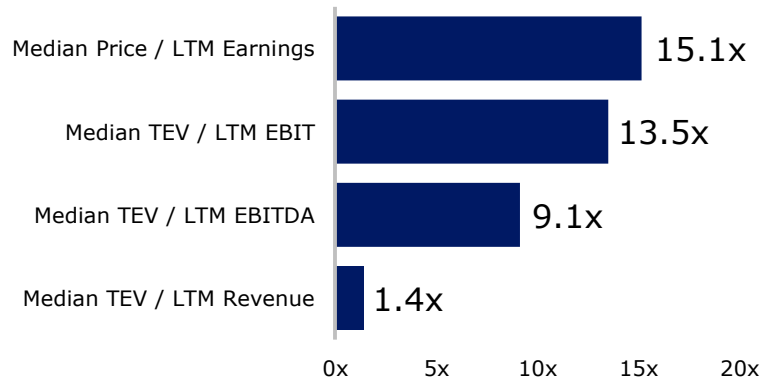
1 - year EBITDA % compared to EBITDA % average for last 3 years

Current EBITDA margin exceeds the average of the last 3 years EBITDA margin by this amount, a condition that may attract new entrants

Operating Metrics



Valuation



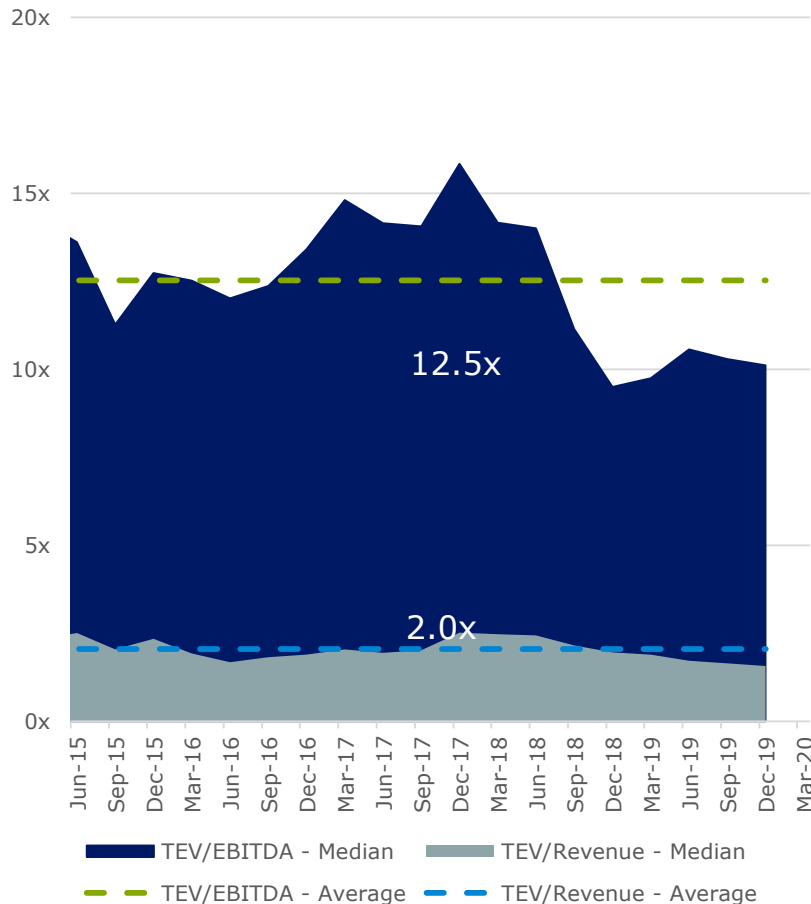
Public Basket



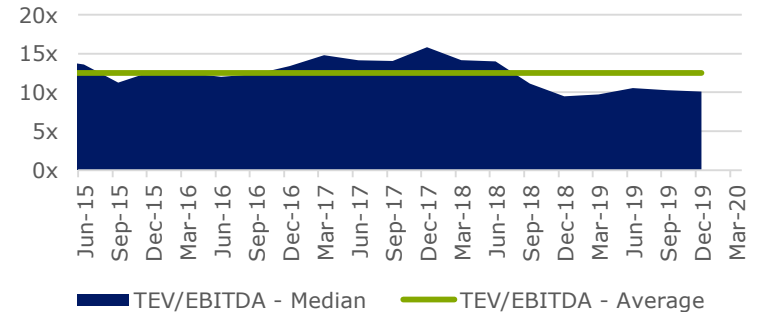
Company	TEV \$m	LTM Rev \$m	Rev Growth YoY	GP %	EBITDA %	TEV / Rev X	TEV / EBITDA X	# FTEs	Rev / FTE \$k
Genesys International Corporation Limited	30	19	38%	34%	20%	1.6	8.2	-	NA
Asia Air Survey Co., Ltd.	131	264	14%	23%	7%	0.5	6.6	1,321	200
Information Services Corporation	224	95	13%	76%	19%	2.4	11.6	368	259
Pasco Corporation	387	507	7%	26%	12%	0.8	6.4	2,693	188
TomTom N.V.	891	786	2%	74%	5%	1.1	16.4	4,516	174
Topcon Corporation	1,374	1,346	0%	53%	12%	1.0	8.2	4,932	273
Fugro N.V.	1,512	1,831	5%	25%	9%	0.8	7.4	9,652	190
Maxar Technologies Inc.	4,091	1,666	-8%	41%	22%	2.5	10.1	5,800	287
Trimble Inc.	11,753	3,264	5%	57%	19%	3.6	16.2	11,484	284
Hexagon AB (publ)	22,286	4,385	4%	63%	32%	5.1	16.0	20,532	214
Average	4,268	1,416	8%	47%	16%	1.9	10.7	6,130	230
Median	1,132	1,066	5%	47%	16%	1.4	9.1	4,724	214

share price as of 04Mar20

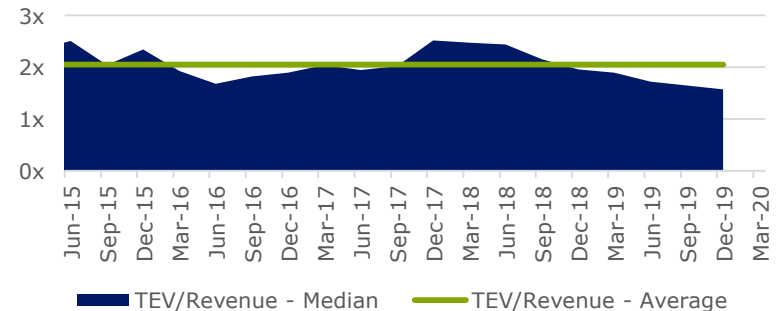
Public Basket Valuation Trends



Public EBITDA Multiples over Time



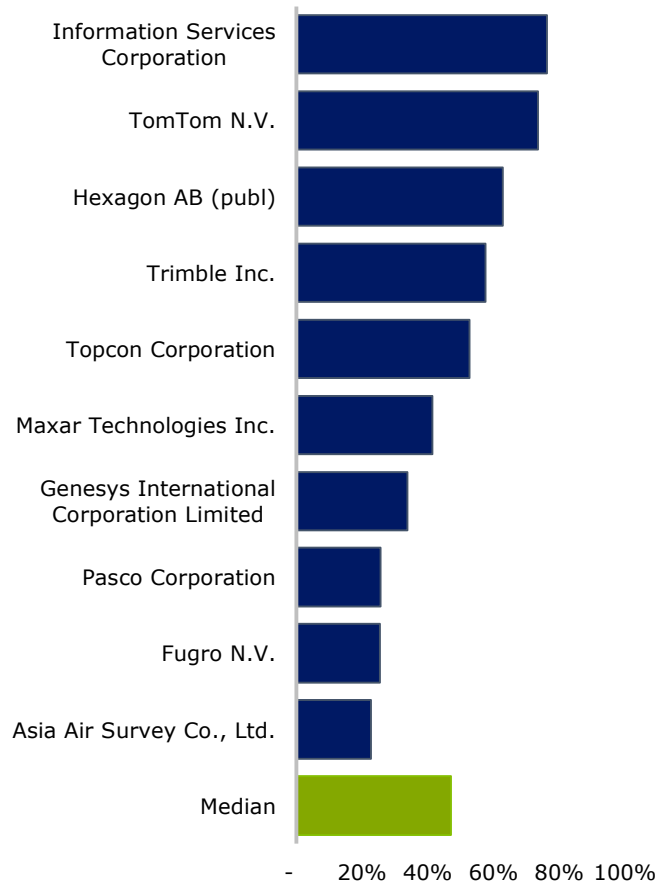
Public Revenue Multiples over Time



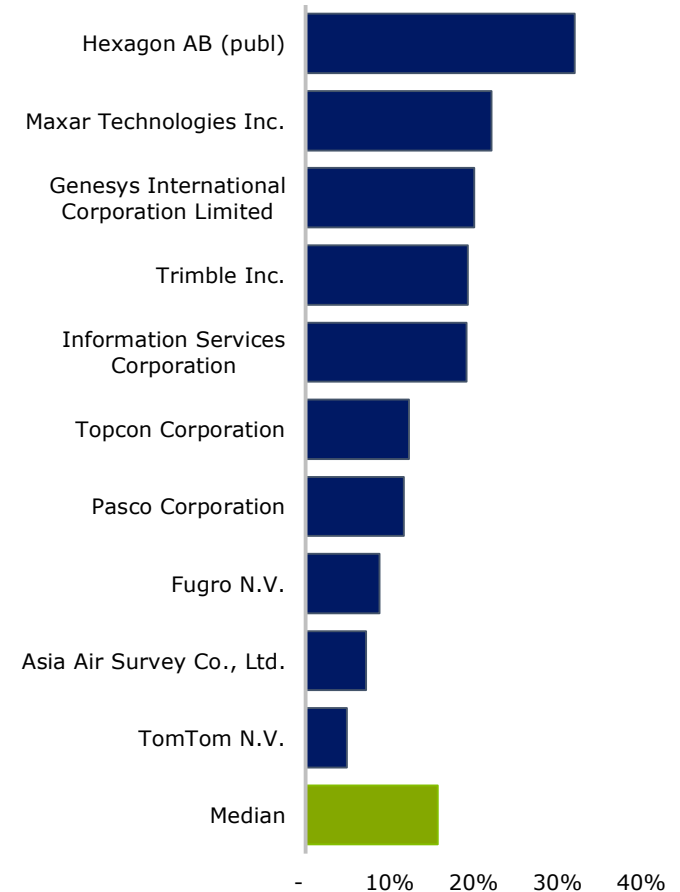
Operational Metrics



LTM Gross Profit Margin %



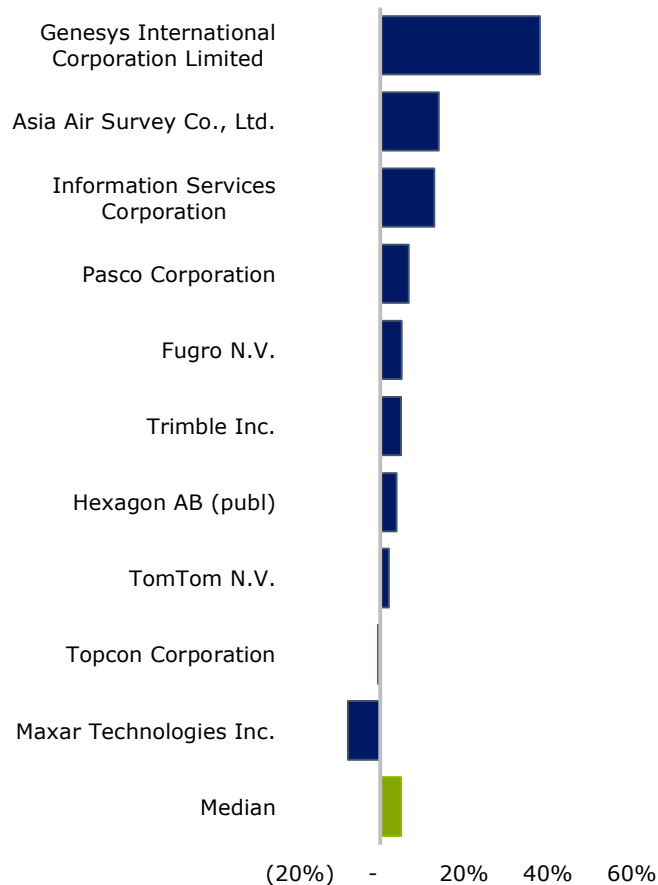
LTM EBITDA %



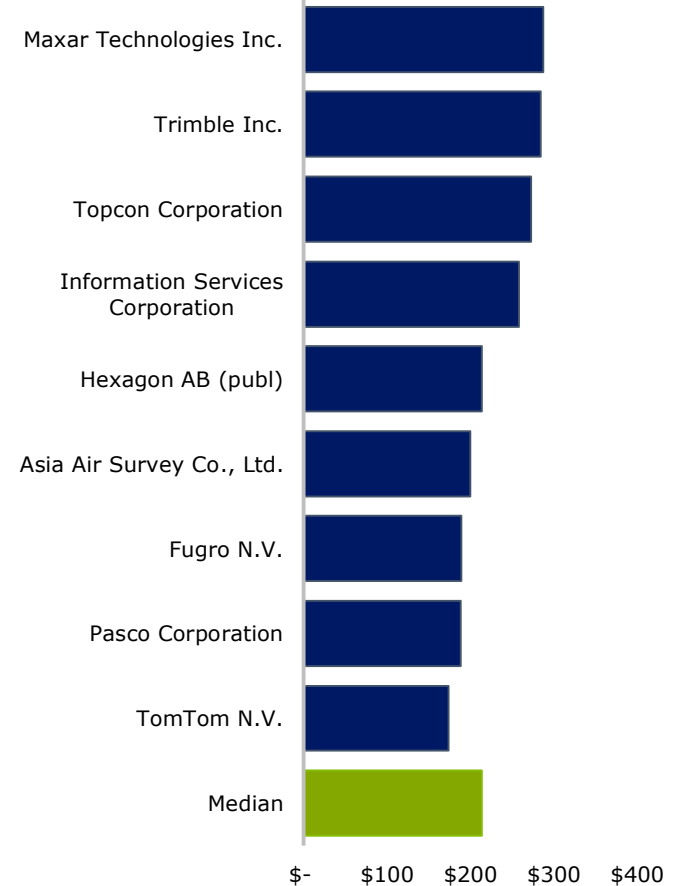
Operational Metrics



LTM Revenue Growth %



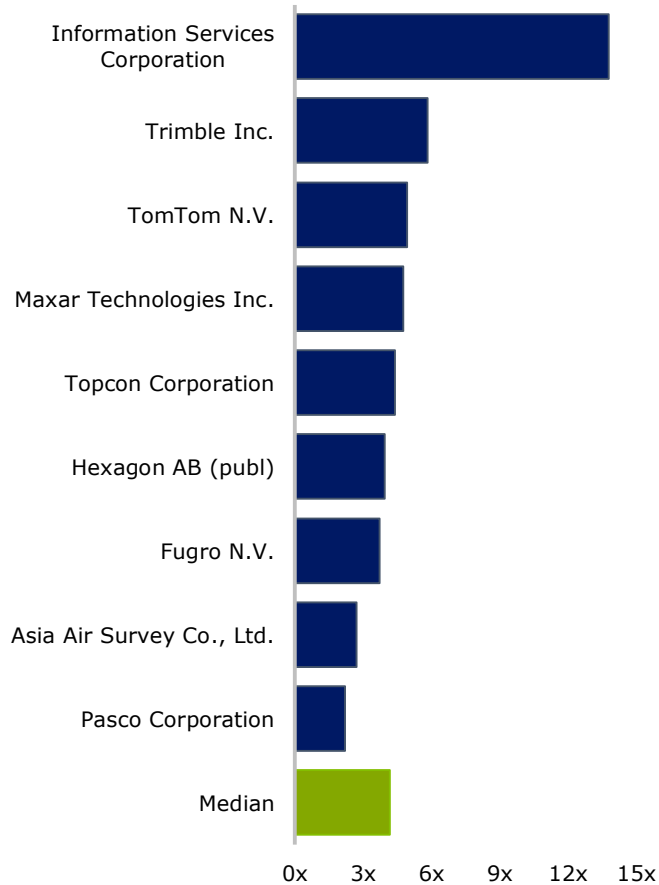
LTM Revenue per Full Time Employee x 000's



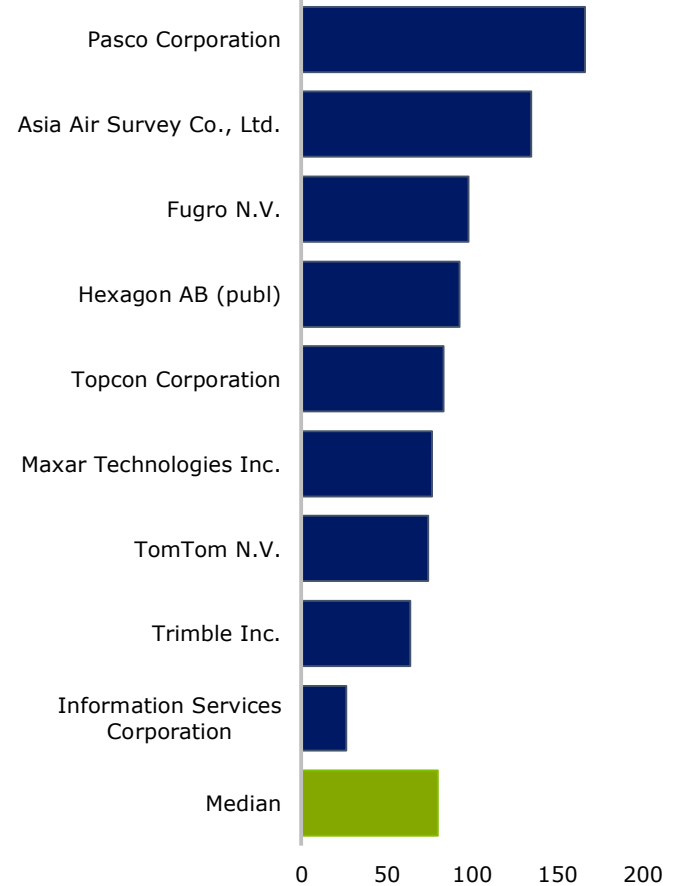
Operational Metrics



Accounts Receivable Turnover



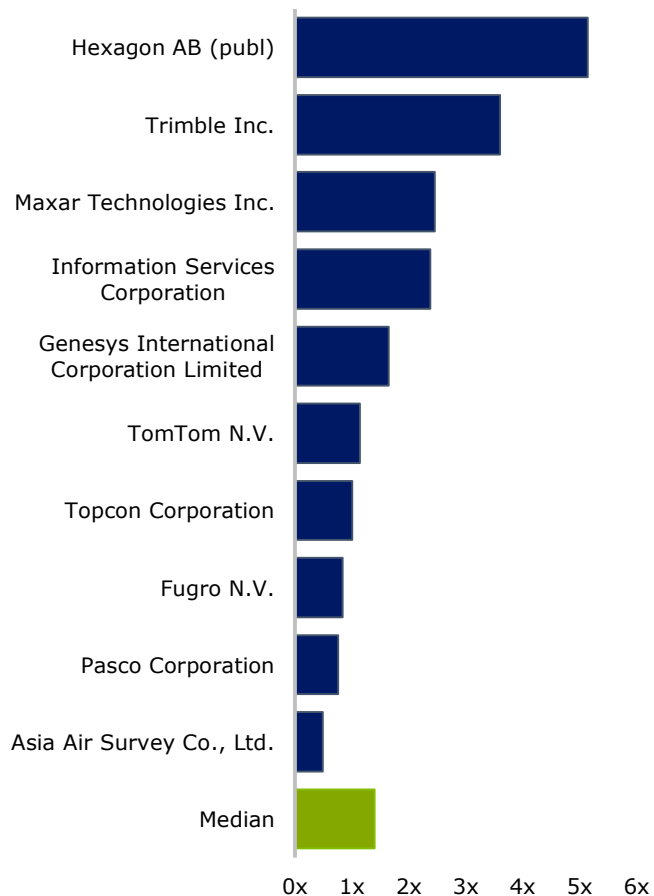
Average Days Sales Outstanding



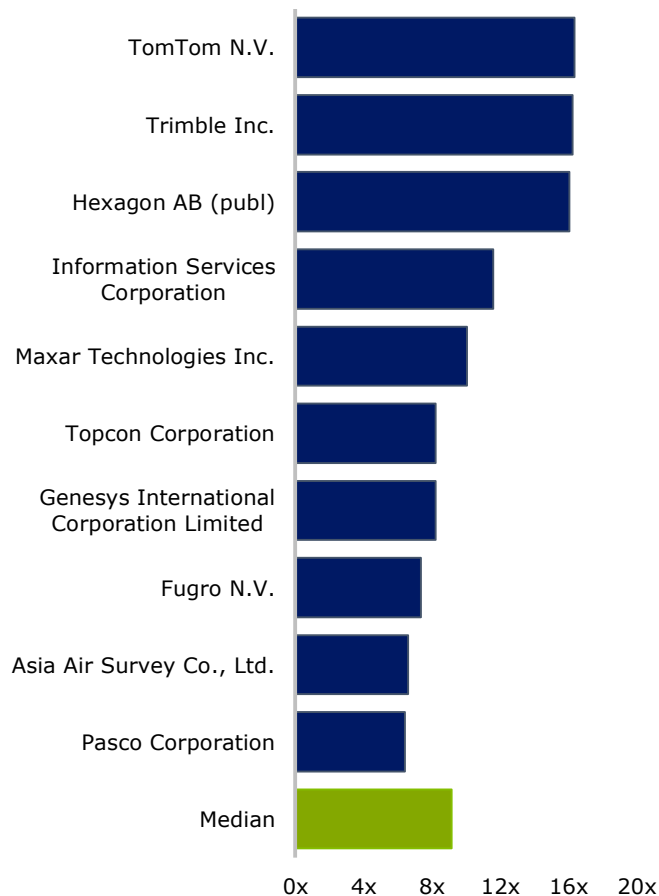
Valuation



TEV / LTM Revenue



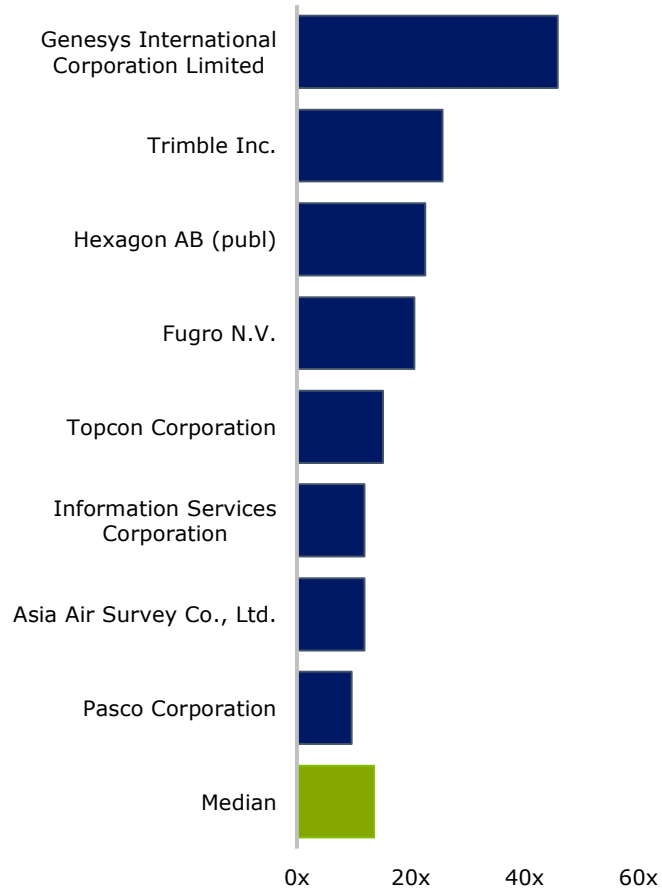
TEV / LTM EBITDA



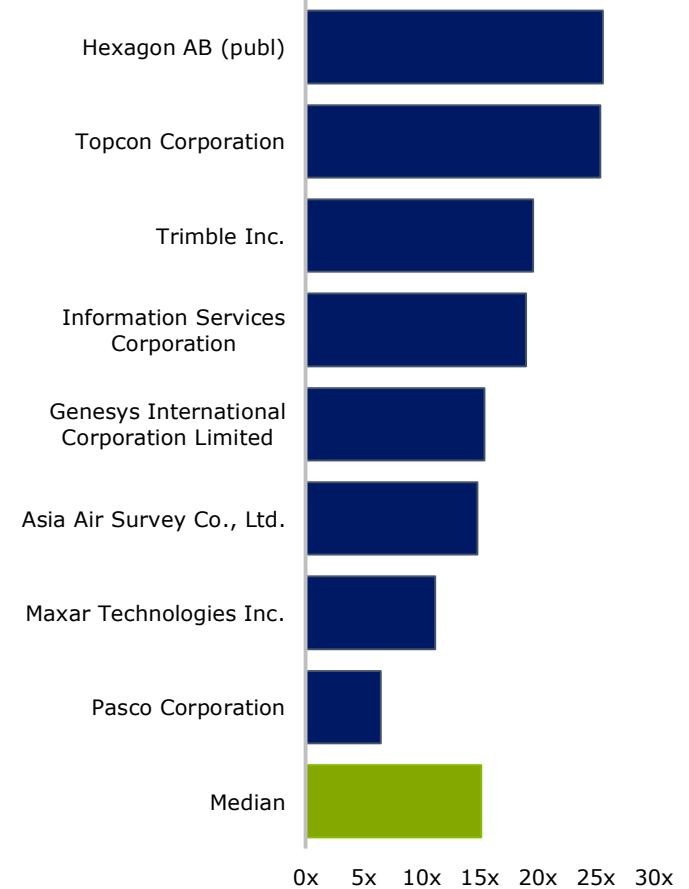
Valuation



TEV / LTM EBIT



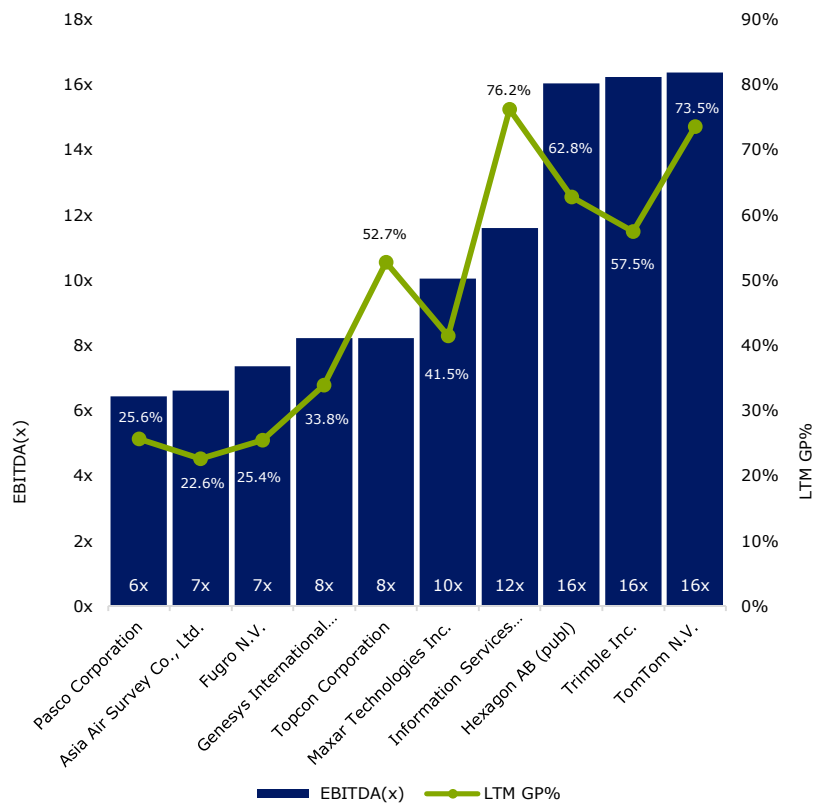
Price / LTM Earnings



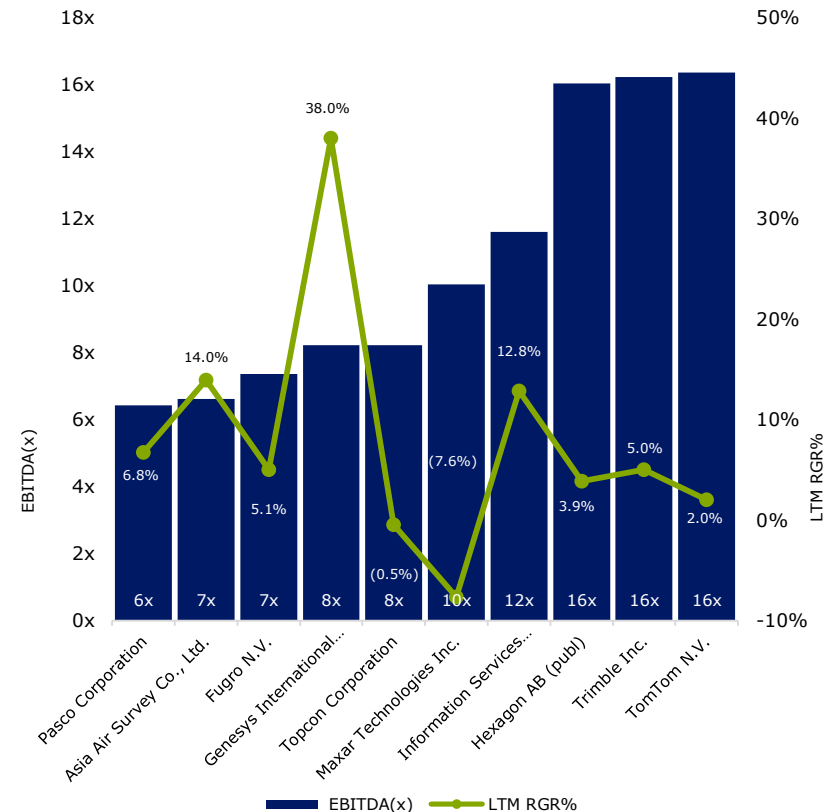
Valuation



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
29Jan20	Aerial Mapping Business Of COWI A/S	Hexagon AB (publ)	-	15.40	-	-
27Jan20	Artisense Corporation	Kudan Inc.	-	-	-	-
22Jan20	Location, Inc.	CoreLogic, Inc.	-	-	-	-
21Jan20	Imagery Sourcing Group of Geomni, Inc.	Vexcel Imaging, Inc.	-	-	-	-
21Jan20	Geomatics Business Unit of Altus Group Limited	WSP Global Inc.	-	-	-	-
15Jan20	Cape Analytics, LLC	State Farm Ventures	-	-	-	-
7Jan20	Naismith Marine Services, Inc.	T. Baker Smith, LLC	-	-	-	-
6Jan20	Landpoint, LLC	Cotton Creek Capital Management, LLC; Cotton Creek Capital Partners III, L.P.	-	-	-	-
6Jan20	Spatial Networks, Inc.	Kennet Partners Limited; Kayne Partners	42.50	-	-	-
30Dec19	Seabed Geosolutions B.V.	Fugro N.V.	35.00	-	-	-
29Dec19	Maxar Technologies ULC/MDA Systems Inc.	Northern Private Capital Ltd.	765.95	-	-	-
18Dec19	Seoul Robotics Co.,Ltd.	KB Investment Co., Ltd.; KDB Capital Corporation, Investment Arm; Artesian Capital Management (Australia) Pty Ltd; Access Ventures	5.00	-	-	-
10Dec19	Unmanned Aerial Services Inc.	Terra Drone Corporation	-	-	-	-
9Dec19	EVERMAPS	Entrepreneur Venture Gestion SA; Entrepreneur Venture Finance, FCPR	5.54	-	-	-
4Dec19	4D Ocean Limited	Xocean Limited	-	-	-	-
30Nov19	JMC Professional Surveying and Mapping, LLC	Surveying And Mapping, LLC	-	-	-	-
15Nov19	What3Words Limited	SBI Investment Co., Ltd.; SUBARU-SBI Innovation Fund	-	-	-	-
13Nov19	DroneDeploy, Inc.	Bessemer Venture Partners; Scale Venture Partners; Emergence Capital Partners; Uncork Capital; AirTree Ventures Pty. Limited; Energize Ventures Fund LP; Invenergy LLC, Investment Arm	35.00	-	-	-
12Nov19	Orbital Insight, Inc.	West Street Capital Partners; Sequoia Capital Operations LLC; Chevron Technology Ventures L.L.C.; Lux Capital Management; SKY Perfect JSAT Holdings Inc.; GV; Intellectus Partners, LLC; Geodesic Capital; Clearvision Ventures; Bunge Ventures; Invicta Growth	50.00	-	-	-
6Nov19	Quantum Spatial, Inc.	NV5 Global, Inc.	318.00	-	-	-
5Nov19	Pointerra Limited	-	1.69	0.30	-	-
22Oct19	The AEgis Technologies Group, Inc.	Arlington Management Employees, LLC	-	-	-	-
24Sep19	Viamapa, Serviços de Topografia S.A.	GEOSAT	-	-	-	-
17Sep19	Picterra SA	Omidyar Network Services LLC; Atlantic Internet GmbH; Space Angels Holdings, Inc.	3.30	-	-	-

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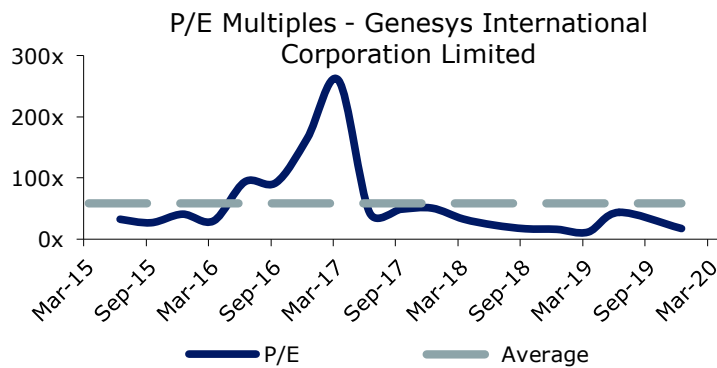
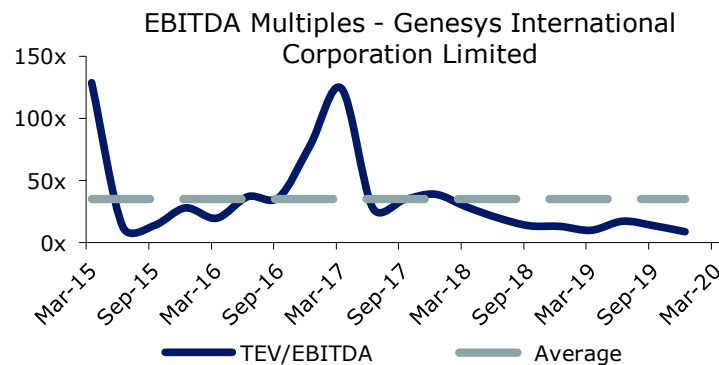
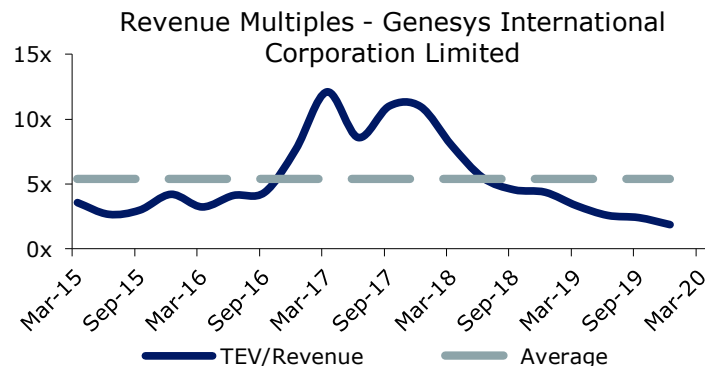
APPENDIX:
Public Basket
Constituents

Public Basket



Genesys International Corporation Limited

Genesys International Corporation Limited provides mapping, survey, and geospatial services for enterprises, government agencies, and consumers worldwide. The company offers geographical information systems (GIS) consulting services, including mapping/GIS needs assessments, QA/QC analysis, and project design; spatial data conversion and migration services; and photogrammetric services, such as planning and collection of aerial imagery acquisition, photogrammetric film scanning, aerial triangulation and adjustment, 3D building and structure modelling, stereo-compilation, orthorectification, training and capacity building, and DEM/DTM contouring and cross-sections, as well as 3D data migration and GIS ready formats. It also provides light detection and ranging (LiDAR) engineering services comprising corridor survey and mapping, asset mapping, infringement analysis, as-built drawings, walk throughs and 3D visualizations, and 3D modeling and simulation for mobile LiDAR survey and mapping; terrestrial LiDAR survey and mapping services that include 2D/3D topographic feature maps, contour maps, 3D data sets, engineering drawings, and 3D animation/fly through services; and aerial LiDAR scanning and mapping services, such as aerial LiDAR acquisition, classification of bare earth and above ground features, power line classification, hydro enforcement, 3D feature extraction and modeling, and contour generation, as well as DSM, DEM, and intensity images. The company was founded in 1983 and is headquartered in Mumbai, India.

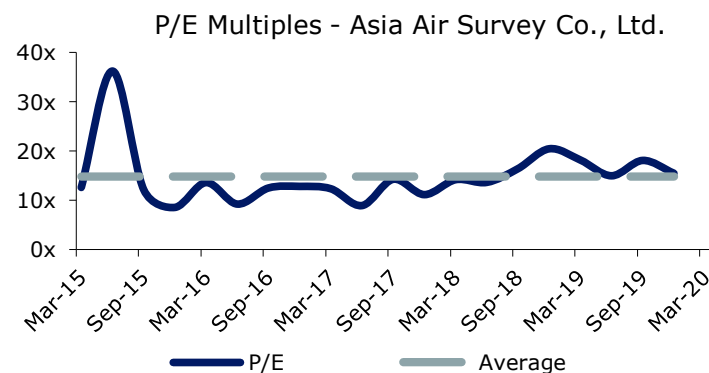
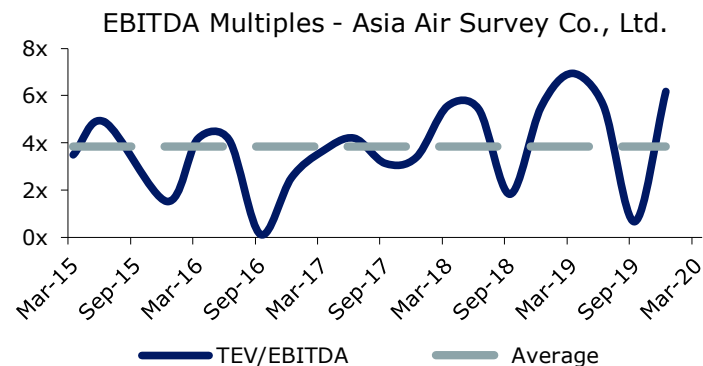
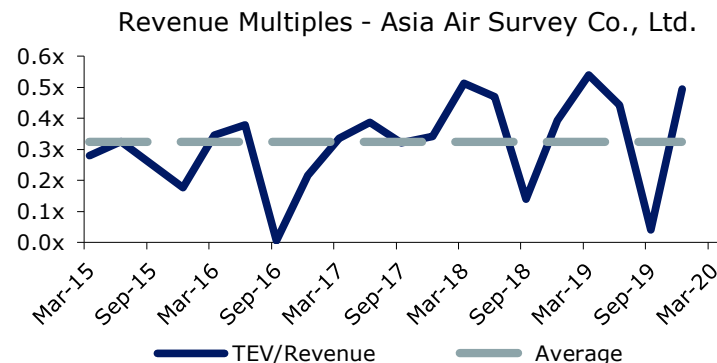


Public Basket



Asia Air Survey Co., Ltd.

Asia Air Survey Co., Ltd., a construction consulting company, provides aerial surveying services and products in Japan and internationally. The company offers geospatial survey services, including space-borne remote sensing, aerial photography, airborne and mobile LiDAR surveying, UAV aerial surveying services, etc. It also engages in map-making, GIS data preparation, 3D model creation and visualization, LiDAR data analysis and visualization, administration-support GIS, and mapping system and 3DViewer system development activities, as well as the provision of red relief image maps. In addition, the company provides disaster management services, including erosion control, volcanic disaster prevention, and river disaster prevention consulting, as well as regional planning for disaster prevention; and environmental management services, such as biodiversity conservation, environmental assessment, forest resources management, soil contamination investigation, support for environmental rehabilitation, and renewable energy development. Further, it offers infrastructure asset management services, including urban and regional planning; planning and designing of public facilities comprising roads, ports, bridges, rivers, and lifeline facilities; maintenance engineering services, such as investigation, diagnosis, analysis, monitoring, and reinforcement; and system and database for facility management. Asia Air Survey Co., Ltd. was founded in 1949 and is headquartered in Kawasaki, Japan.



Public Basket

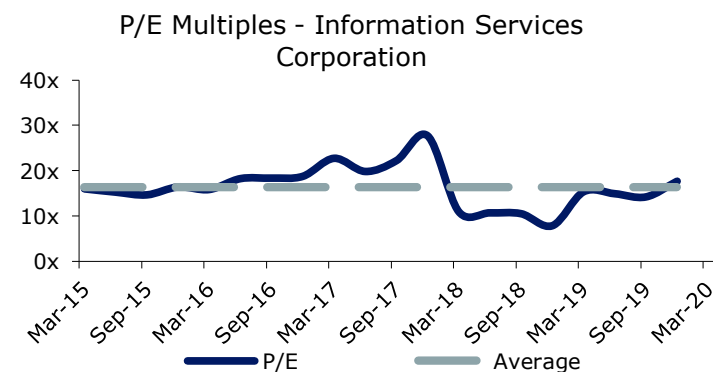
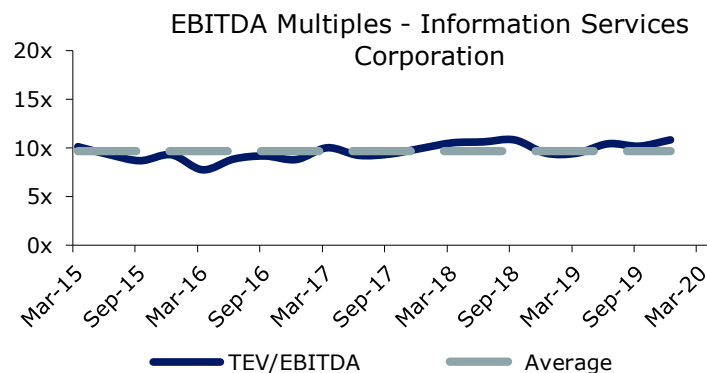
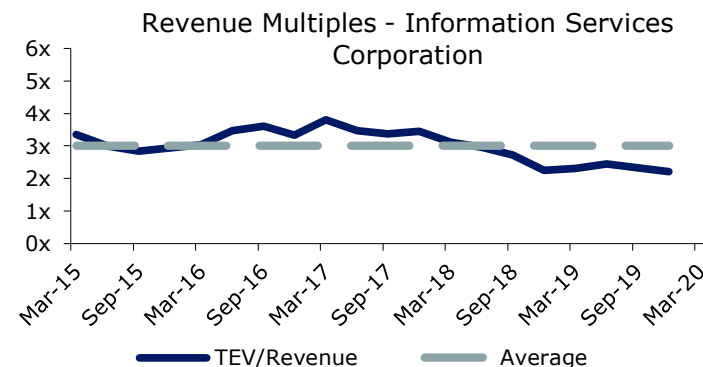


Information Services Corporation

Information Services Corporation, together with its subsidiaries, provides registry and information management services, and software solutions to governments and private sector organizations in Canada and internationally. It operates through two segments, Registries and Services. The company provides land titles registry services that issues titles to land and registers transactions affecting titles, including changes of ownership and the registration of interests in land; land surveys directory that plans and creates a representation of Saskatchewan land parcels in the cadastral parcel mapping system; and geomatics services that manages geographic data in relation to the cadastral parcel mapping system. In addition, the company provides search and registration services through online customer channel for the Ontario business information system; know-your-customer services to support customers' due diligence activities for compliance purposes and credit service solutions; and corporate supplies for companies to organize and maintain corporate legal documents. Information Services Corporation serves law firms, corporations, and financial service institutions, as well as lending, leasing, and credit issuing businesses and institutions. Information Services Corporation was founded in 2000 and is headquartered in Regina, Canada.

Date Key Development Headline

1/29/20	Information Services to Explore Acquisition Targets
3/20/19	Information Services To Seek Acquisitions



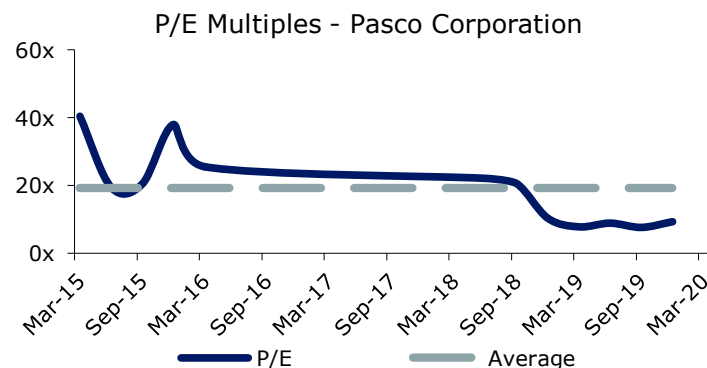
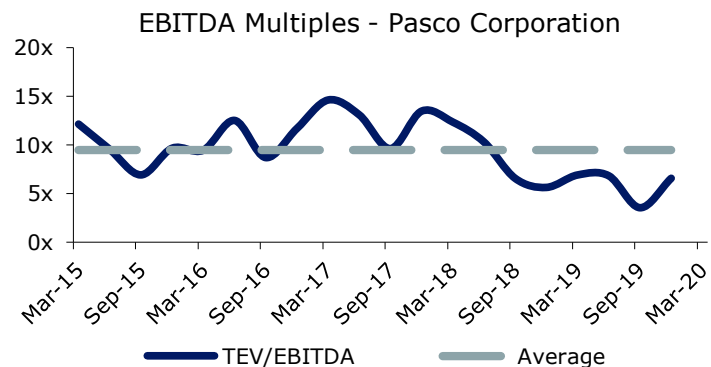
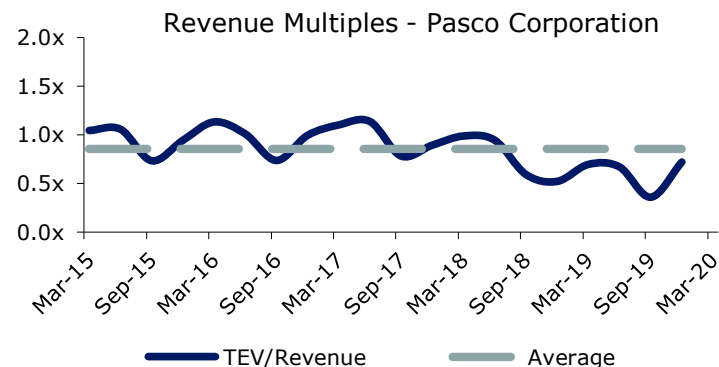
Public Basket



Pasco Corporation

Pasco Corporation engages in the acquisition, analysis, and provision of geospatial information in Japan and internationally. The company offers space borne services that handle data from the commercial earth observation satellites launched worldwide; and airborne surveying services, such as aerial photogrammetric, aerial laser, thermal sensor, and hyperspectral sensor surveying, as well as portable aerial photography and locator systems. It also provides vehicle/ground surveying services, including road condition laser, road condition, global positioning system, total station, precision, and terrestrial laser surveying, as well as ground based InSAR and Radar; water area surveying services comprising bathymetry and seabed exploration; and analysis bases for geospatial information consisting of satellite signal receiving facilities and MMS high accuracy information center. In addition, the company offers geographic information system (GIS) cloud services, such as Internet-based regional analysis and marketing, reassurance with disaster prevention systems, and services for local governments and public institutions; MarketPlanner, a GIS. Pasco Corporation is a subsidiary of Secom Co., Ltd.

Date	Key Development Headline
7/30/19	Geomni, Inc. completed the acquisition of Keystone Aerial Surveys, Inc. from Pasco Corporation (TSE:9232) for \$29.9 million.



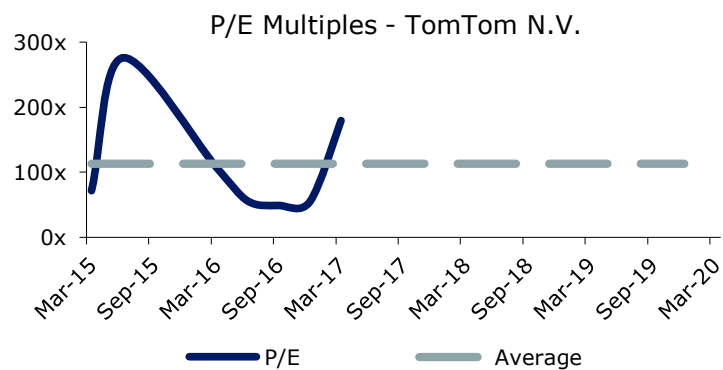
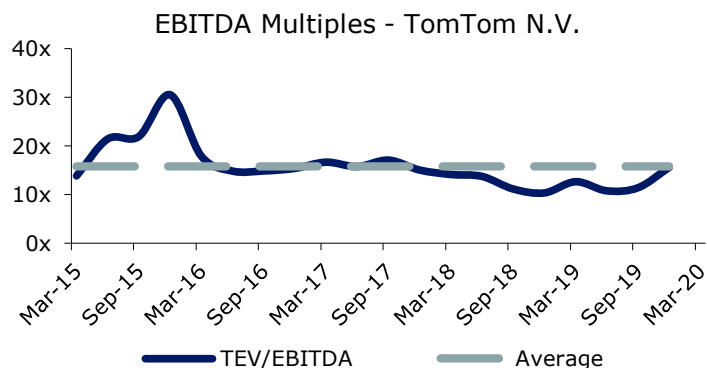
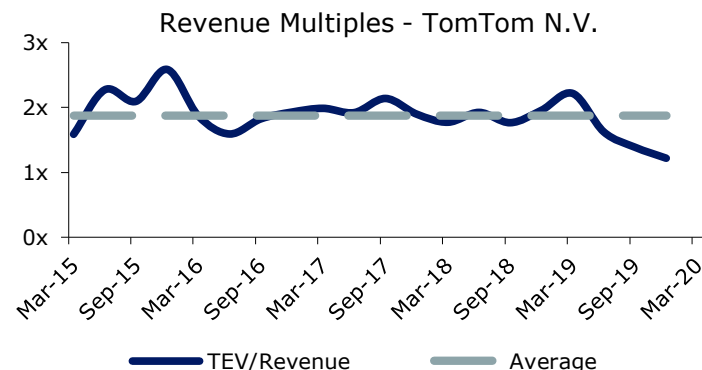
Public Basket



TomTom N.V.

TomTom N.V. develops and sells navigation and location-based products and services worldwide. It operates through three segments: Automotive, Enterprise, and Consumer. The company offers standard definition, advanced driver assistance system (ADAS), and high definition maps; map application programming interfaces and software development kits; navigation software; and traffic online services to automotive customers, including original equipment manufacturers and tier 1 head unit vendors, as well as application developers, Internet of Things experts, fleet and logistic management providers, governments, and cloud service providers. The company was founded in 1991 and is headquartered in Amsterdam, the Netherlands.

Date	Key Development Headline
1/7/20	Hitachi Automotive Systems Americas and TomTom Collaborate on a Proof of Concept for Developing Next-Gen Smart Navigation Solution
1/2/20	Tomtom N.V. Bosch and Daimler Announces Their Joint Work on Daimler™S Predictive Powertrain Control (Ppc), an Advanced Driver Assistance System (Adas)
11/14/19	University of Amsterdam and Tomtom to Open New Research Lab for Autonomous Driving
10/2/19	TomTom and Verizon Co-Innovate to Help Improve Public Safety with 5G
3/31/19	Bridgestone Europe NV/SA completed the acquisition of TomTom Telematics BV from TomTom N.V. (ENXTAM:TOM2).

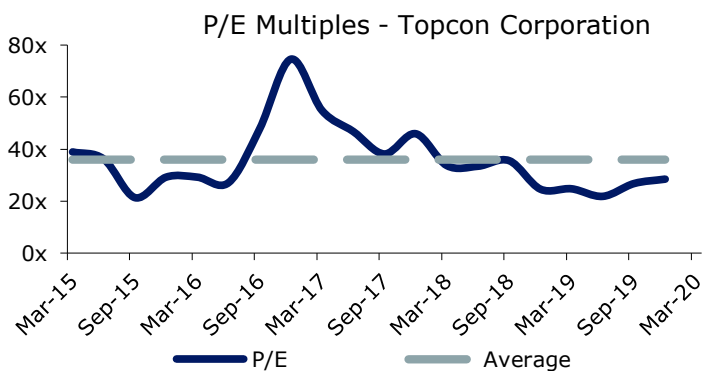
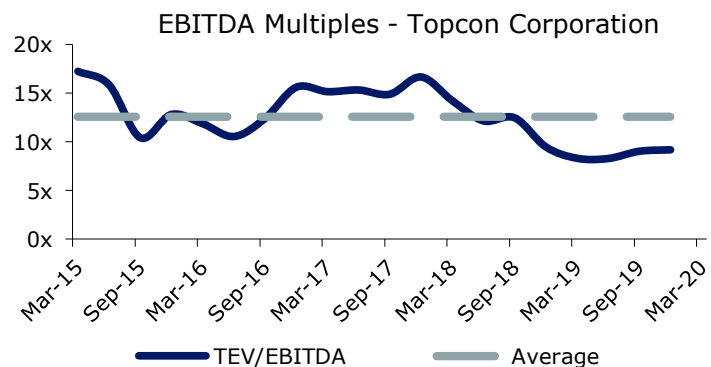
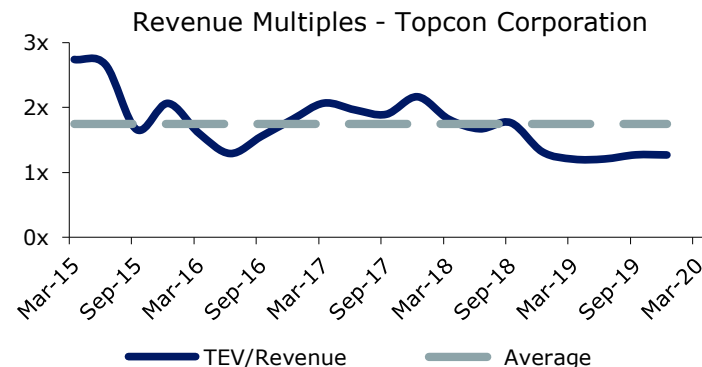


Public Basket



Topcon Corporation

Topcon Corporation, together with its subsidiaries, develops, manufactures, and sells positioning, eye care, and smart infrastructure products worldwide. Its positioning products include GNSS receivers, GIS, GPS plus reference station systems, machine control systems, precision agriculture systems, and asset management systems. The company's infrastructure products consists of total stations, layout navigators, mobile mapping systems, 3D laser scanners, field controllers, levels, theodolites, rotating lasers, and pipe lasers. Its eye care products comprise 3D optical coherence tomography systems, retinal cameras, photocoagulators, tonometers, slit lamps, operation and specular microscopes, ophthalmic data system IMAGENet, vision testers, auto refractometers, auto kerato-refractometers, lens meters, and chart projectors. In addition, it offers Topcon Harmony, a browser-based software application for on-site or cloud-hosted environments that allows diagnostic instruments to be connected in a Web-based platform. The company was formerly known as Tokyo Optical Co., Ltd. and changed its name to Topcon Corporation in 1989. Topcon Corporation was founded in 1932 and is headquartered in Tokyo, Japan.



Public Basket

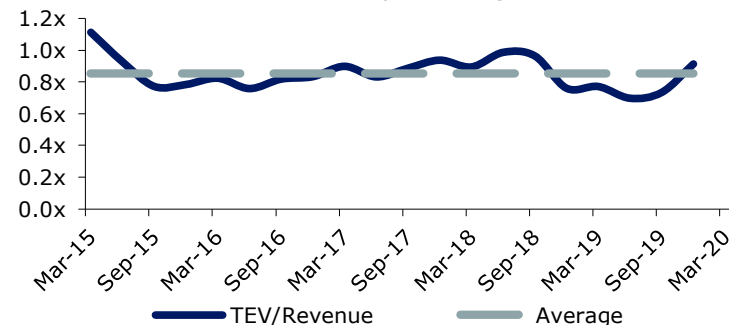


Fugro N.V.

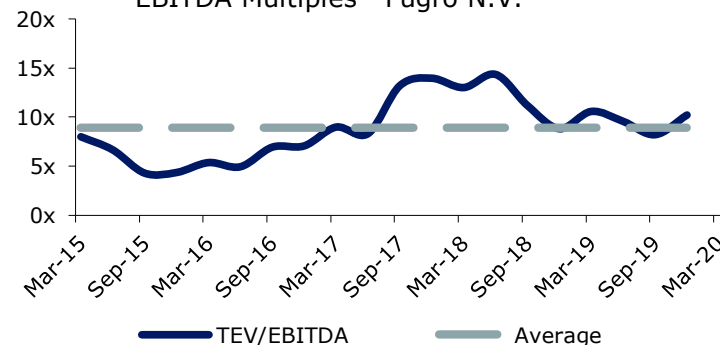
Fugro N.V. provides geo-intelligence and asset integrity solutions for constructions, infrastructure and natural resources in Europe, Africa, the Middle East, India, the Asia Pacific, and the Americas. The company operates through three segments: Marine, Land, and Geoscience. The company's Marine segment is involved in the acquisition of geotechnical drilling and related laboratory testing; and the mapping of soil characteristics using geophysical surveys, including the related interpretation and visualization, as well as in construction and installation related activities. This segment also provides geo-consulting, general purpose navigation charts and environmental, meteorological and oceanographic measurement, construction support, monitoring and forecasting, drill support, remote systems technology, and inspection, repair, and maintenance services; and positioning signaling and services. Fugro N.V. was founded in 1962 and is headquartered in Leidschendam, the Netherlands.

Date	Key Development Headline
1/30/20	The People Group Limited acquired the KLIC Software Communication Services in the Netherlands from Fugro N.V. (ENXTAM:FUR).
12/29/19	Fugro N.V. (ENXTAM:FUR) entered into an agreement to acquire remaining 40% stake in Seabed Geosolutions BV from CGG (ENXTPA:CGG) for \$35 million.

Revenue Multiples - Fugro N.V.



EBITDA Multiples - Fugro N.V.



Public Basket

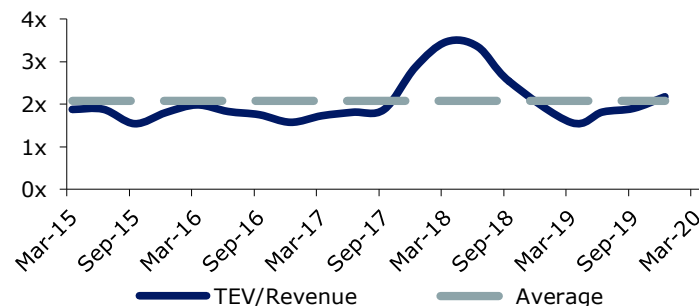


Maxar Technologies Ltd.

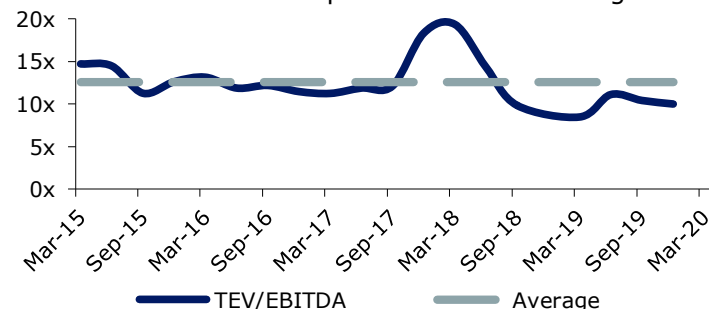
Maxar Technologies Ltd., a space and geospatial intelligence company, provides satellites, earth imagery, geospatial data, and analytics for the commercial and government customers worldwide. The company operates through three segments: Space Systems, Imagery, and Services. The Space Systems segment supplies space and ground based infrastructure and information solutions, including communication and imaging satellites, payloads and antenna subsystems, space-based and airborne surveillance solutions, and associated ground infrastructure and support services for communications and surveillance and intelligence applications. This segment also offers a range of services, such as television and radio distribution, broadband Internet, and mobile communications in the communications market; and spacecraft and subsystems for the U.S. government and other customers, as well as robotic systems for the space and terrestrial markets. Maxar Technologies Ltd. was founded in 1969 and is based in Westminster, Colorado.

Date	Key Development Headline
12/29/19	Northern Private Capital Ltd. entered into a definitive agreement to acquire Maxar Technologies ULC and MDA Systems Inc. from Maxar Technologies Holdings Inc. and Maxar Technologies Inc. (NYSE:MAXR) for CAD 1 billion.
4/24/19	TRI-AD, Maxar Technologies and NTT DATA Corporation to Build High-Definition Maps for Autonomous Vehicles from Space

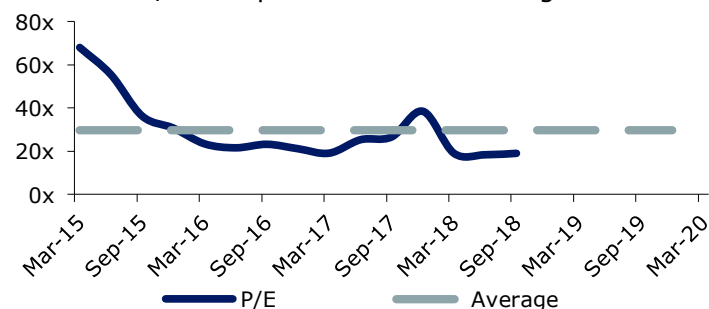
Revenue Multiples - Maxar Technologies Inc.



EBITDA Multiples - Maxar Technologies Inc.



P/E Multiples - Maxar Technologies Inc.



Public Basket

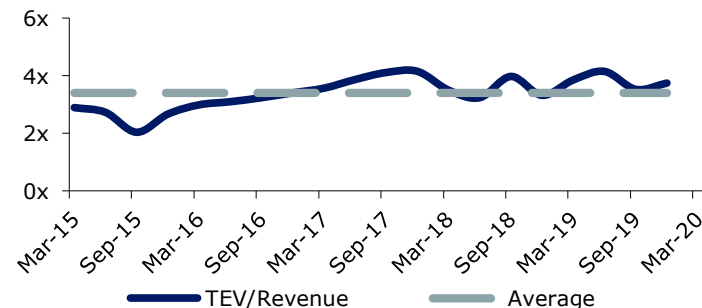


Trimble Inc.

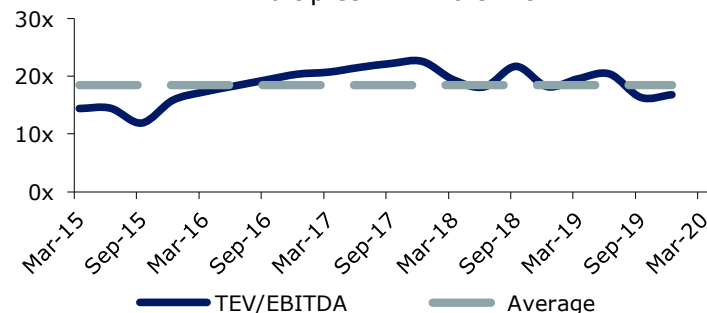
Trimble Inc. provides technology solutions that enable professionals and field mobile workers to enhance or transform their work processes worldwide. The company operates in four segments: Buildings and Infrastructure, Geospatial, Resources and Utilities, and Transportation. The Buildings and Infrastructure segment offers field and office software for route selection and design; systems to guide and control construction equipment; systems to monitor, track, and manage assets, equipment, and workers; software to share and communicate data; 3D conceptual design and modeling software; building information modeling software; integrated site layout and measurement systems; applications for sub-contractors and trades; and integrated workplace management services software. Trimble Inc. was founded in 1978 and is headquartered in Sunnyvale, California.

Date	Key Development Headline
2/10/20	Herga Group acquired an unknown majority stake in Mining Information Systems from Trimble Inc. (NasdaqGS:TRMB).
1/12/20	Trimble Inc. (NasdaqGS:TRMB) completed the acquisition of Kuebix, LLC from Pillar VC and others.
1/8/20	Trimble Inc. (NasdaqGS:TRMB) signed a definitive agreement to acquire Kuebix, LLC from Pillar VC and others.
12/2/19	Trimble Inc. (NasdaqGS:TRMB) acquired Can-Net network of Cansel Survey Equipment and iBase network of AllTerra.
11/19/19	Trimble, Hilti and Boston Dynamics Partner to Explore the Use of Autonomous Robots in Construction

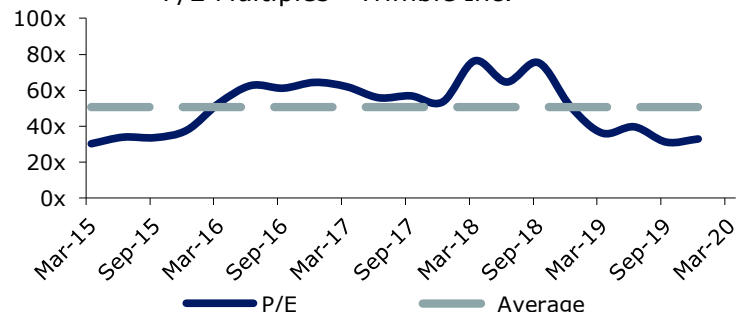
Revenue Multiples - Trimble Inc.



EBITDA Multiples - Trimble Inc.



P/E Multiples - Trimble Inc.



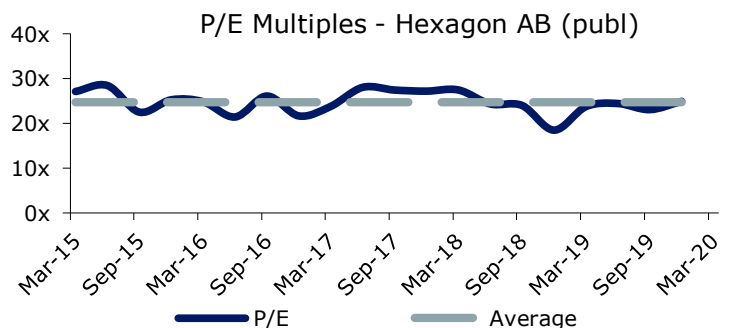
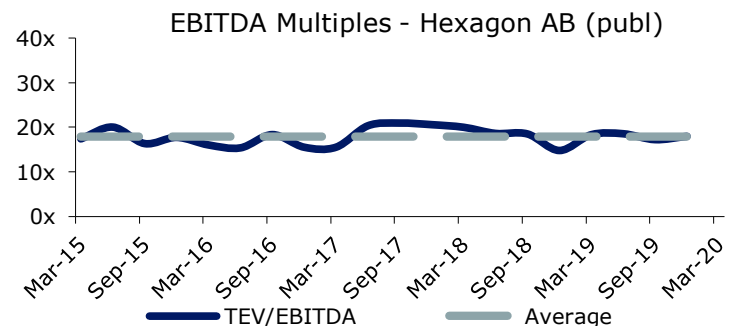
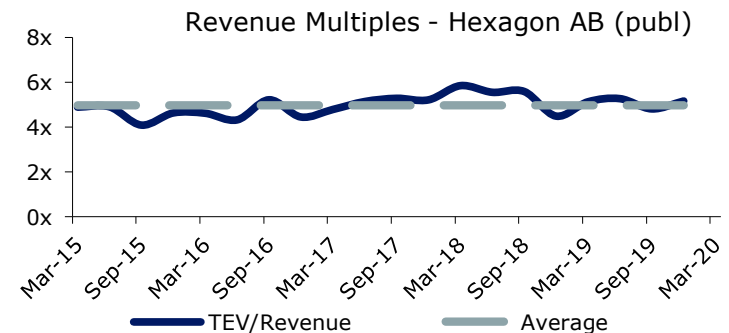
Public Basket



Hexagon AB (publ)

Hexagon AB (publ) provides information technology solutions for geospatial and industrial landscapes worldwide. The company operates through two segments, Industrial Enterprise Solutions (IES) and Geospatial Enterprise Solutions (GIS). The IES segment offers metrology systems that incorporate the in sensor technology for measurements, as well as computer-aided design, computer-aided manufacturing, and computer-aided engineering software. Its solutions include coordinate measuring machines, optical and portable scanners, industrial metrology software, and life cycle engineering software solutions. This segment's solutions are used in power and energy, electronics and manufacturing, automotive, and aerospace and defense industries. Hexagon AB (publ) was founded in 1975 and is headquartered in Stockholm, Sweden.

Date	Key Development Headline
2/27/20	Hexagon AB (publ) (OM:HEXA B) signed an agreement to acquire Romax Technology Limited.
1/28/20	Hexagon AB (publ) (OM:HEXA B) signed an agreement to acquire aerial mapping Business of COWI A/S.
1/7/20	Hexagon AB (publ) (OM:HEXA B) acquired Geopraevent AG.
1/7/20	Hexagon AB (publ) (OM:HEXA B) acquired Blast Movement Technologies Pty Ltd.
6/12/19	Aspen Technology and Hexagon Announces New Collaboration to Accelerate Digital Transformation in Process Industries



CONTACT INFO

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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