

7 Mile Advisors



Sectorwatch: Enterprise Mobility

August 2020



Enterprise Mobility

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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.

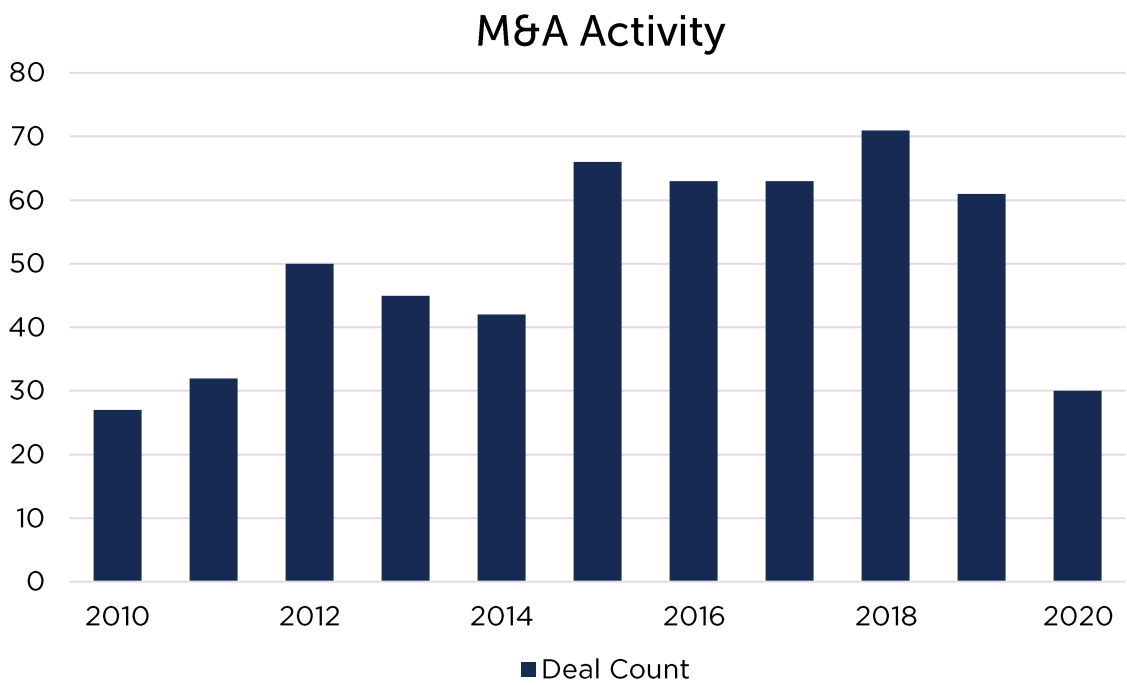
RECENT DEALS

- The most recently announced deals in the sector

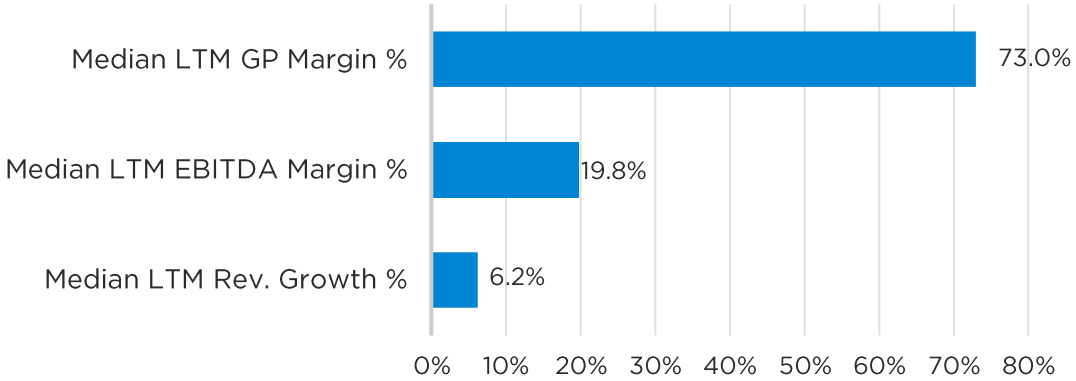
Dashboard

REVENUE GROWTH MOMENTUM ↑ 0.5%

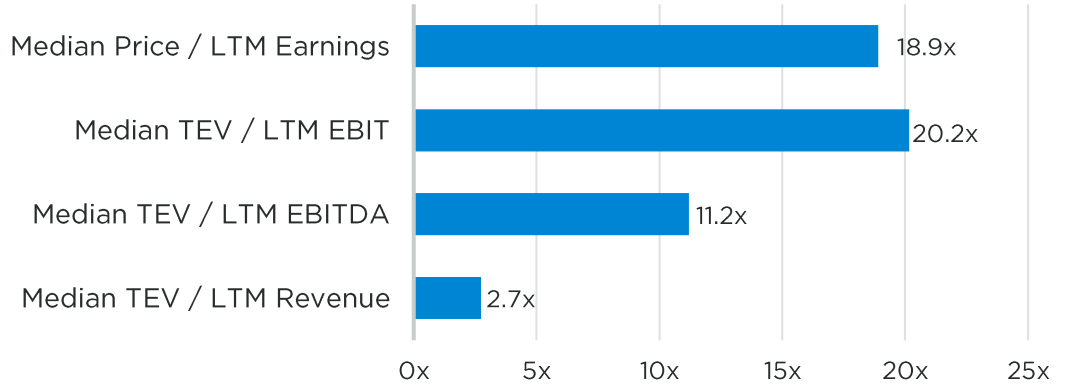
1 - year revenue growth compared to revenue growth average for last 3 years - Current revenue growth rate exceeds the average of the last 3 years by this amount, indicating that market momentum is increasing



Operating Metrics



Valuation



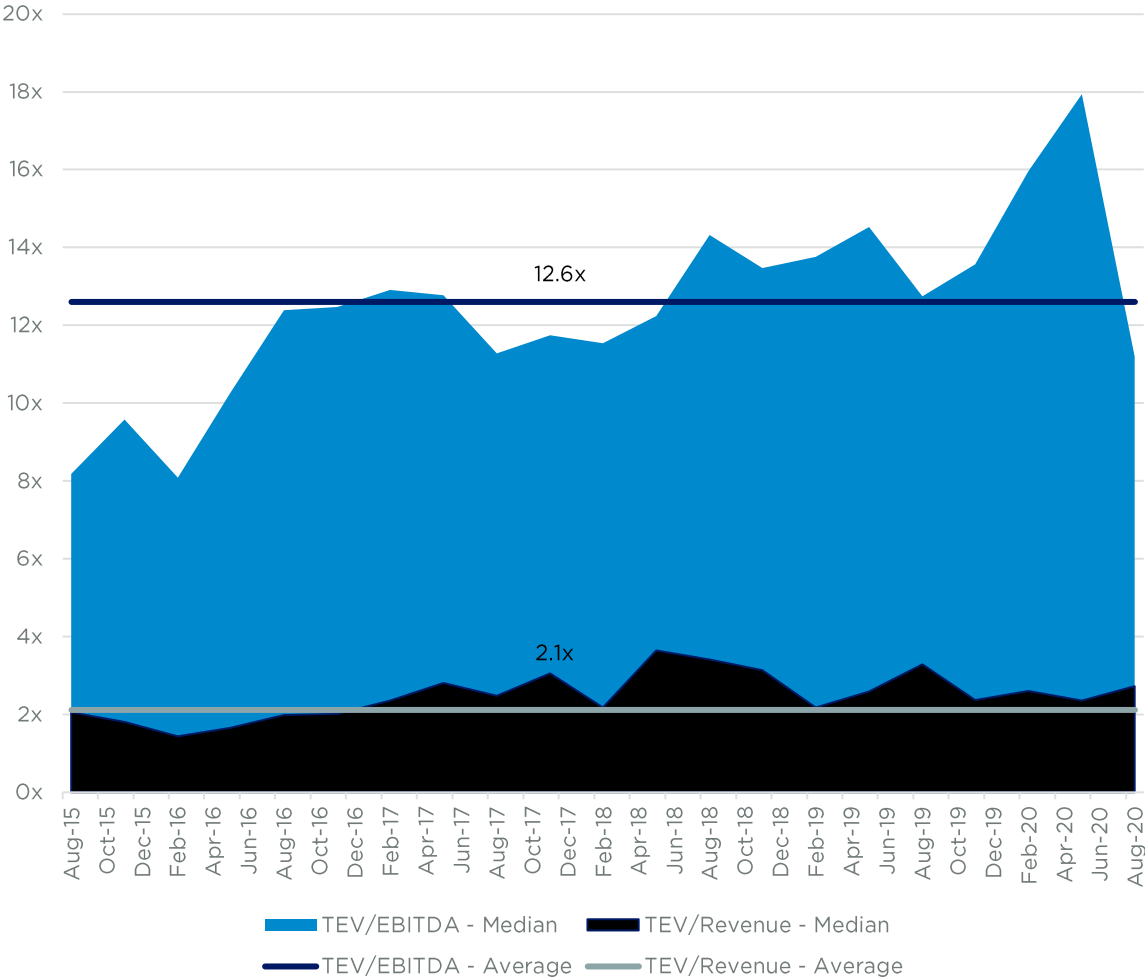
Public Basket

Company	TEV \$m	LTM EBITDA \$m	LTM Rev \$m	Rev Growth YoY	GP %	EBITDA %	TEV / Rev X	TEV / EBITDA X	# FTEs	Rev / FTE \$k
MobileIron	590	-32	215	6.2%	79.2%	-14.8%	2.7x	-	870	247
Arteria Networks	1,289	155	473	4.6%	33.2%	32.8%	2.7x	8.3x	721	657
Atea	1,394	142	4,012	5.0%	8.7%	3.5%	0.3x	9.8x	7,222	555
Blackberry	2,547	-551	999	6.5%	73.0%	-55.2%	2.6x	-	3,668	272
Citrix Systems	18,498	751	3,203	6.7%	84.9%	23.5%	5.8x	24.6x	8,400	381
VMware	62,206	2,349	11,279	12.2%	82.9%	20.8%	5.5x	26.2x	31,000	364
International Business Machines	167,085	14,919	75,498	-3.0%	47.8%	19.8%	2.2x	11.2x	381,100	198

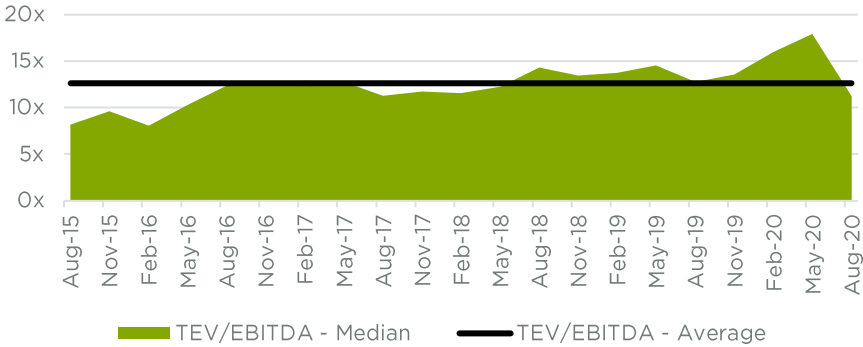
Average	36,230	2,533	13,668	5.4%	58.5%	4.3%	3.1x	16.0x	61,854	382
Median	2,547	155	3,203	6.2%	73.0%	19.8%	2.7x	11.2x	7,222	364

share price as of 10Aug20

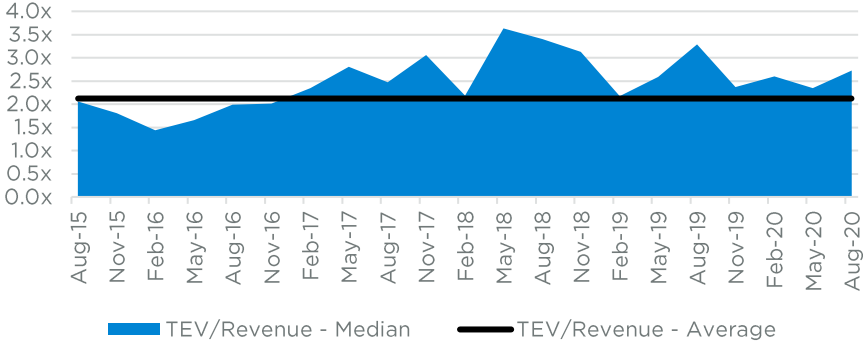
Public Basket



Public EBITDA Multiples over Time

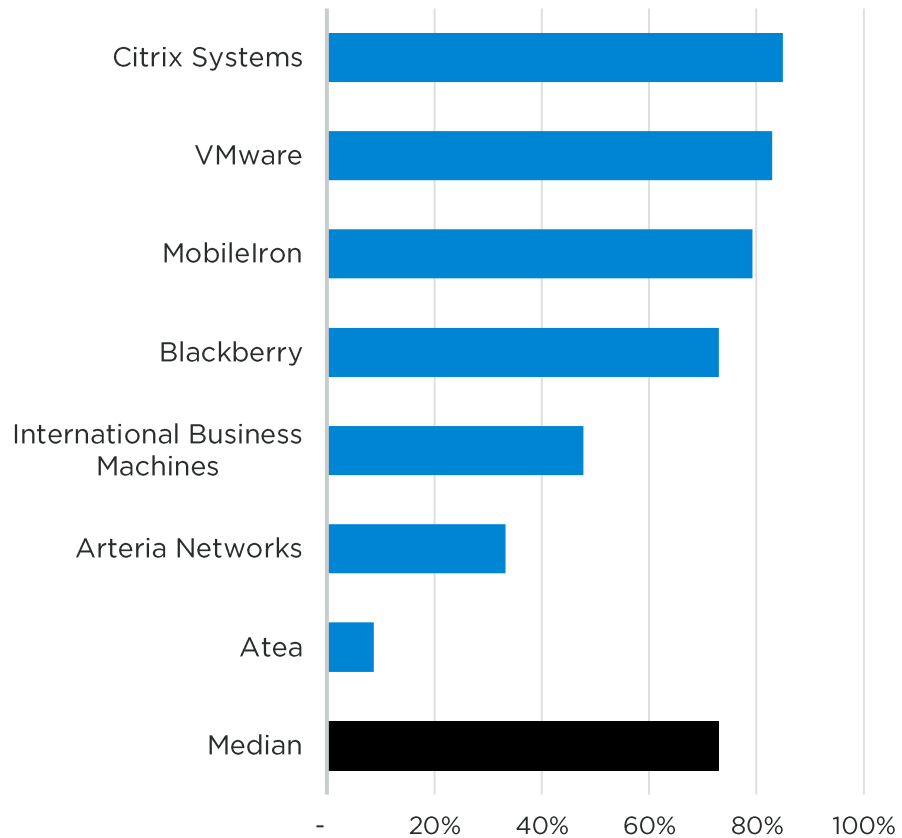


Public Revenue Multiples over Time

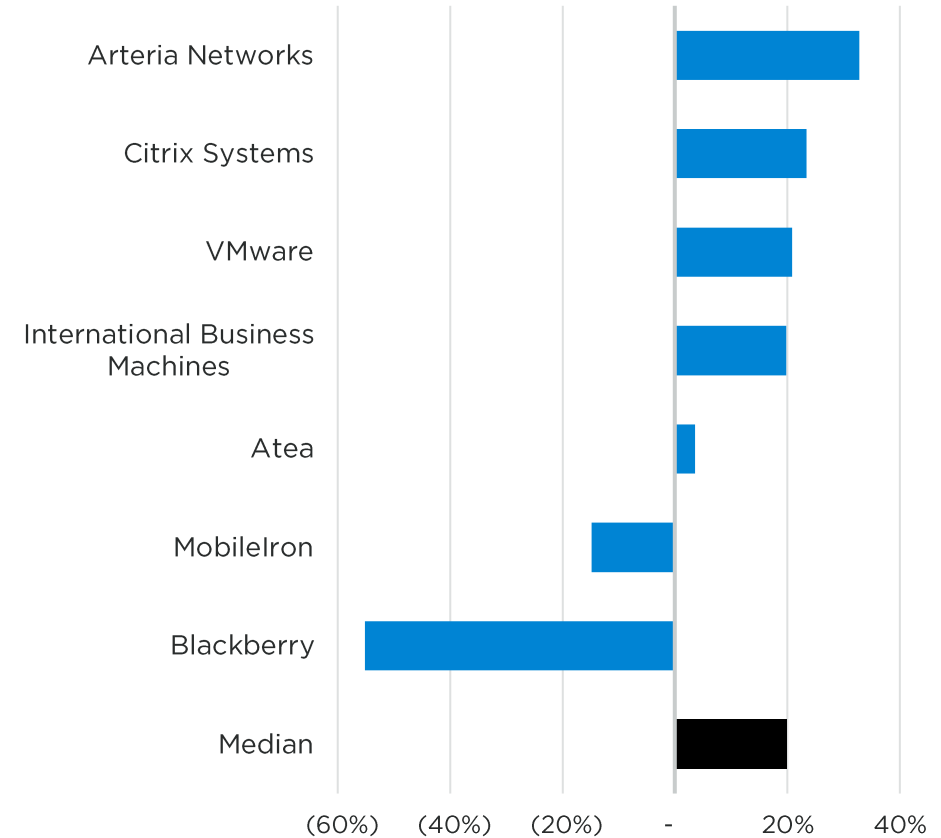


Operational Metrics

LTM Gross Profit Margin %

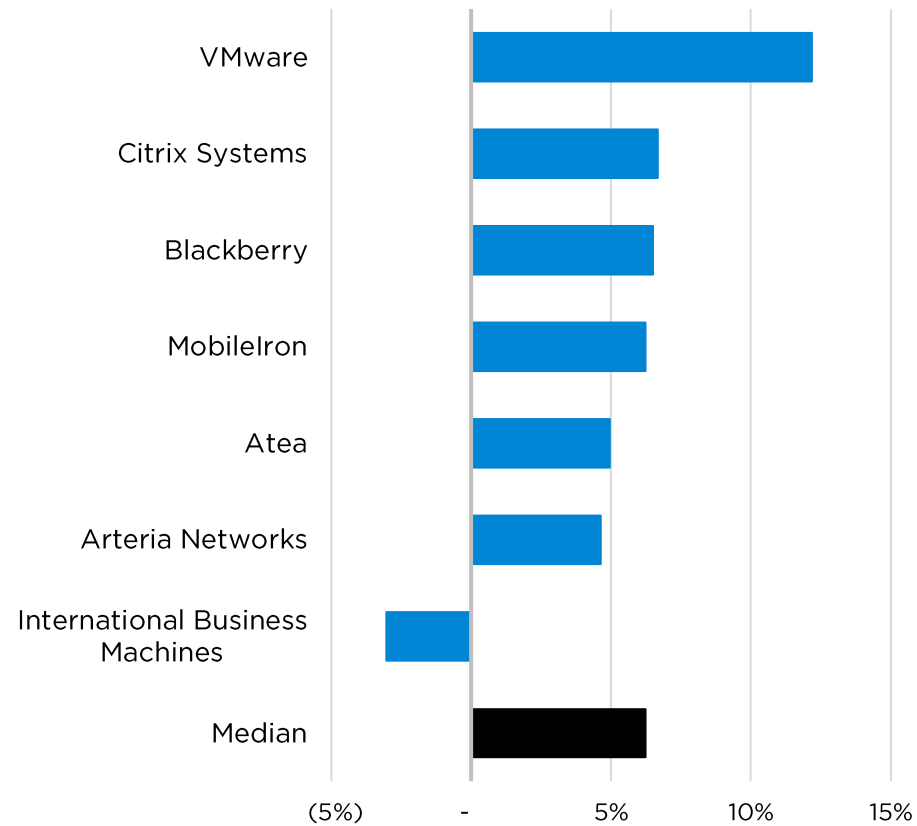


LTM EBITDA %

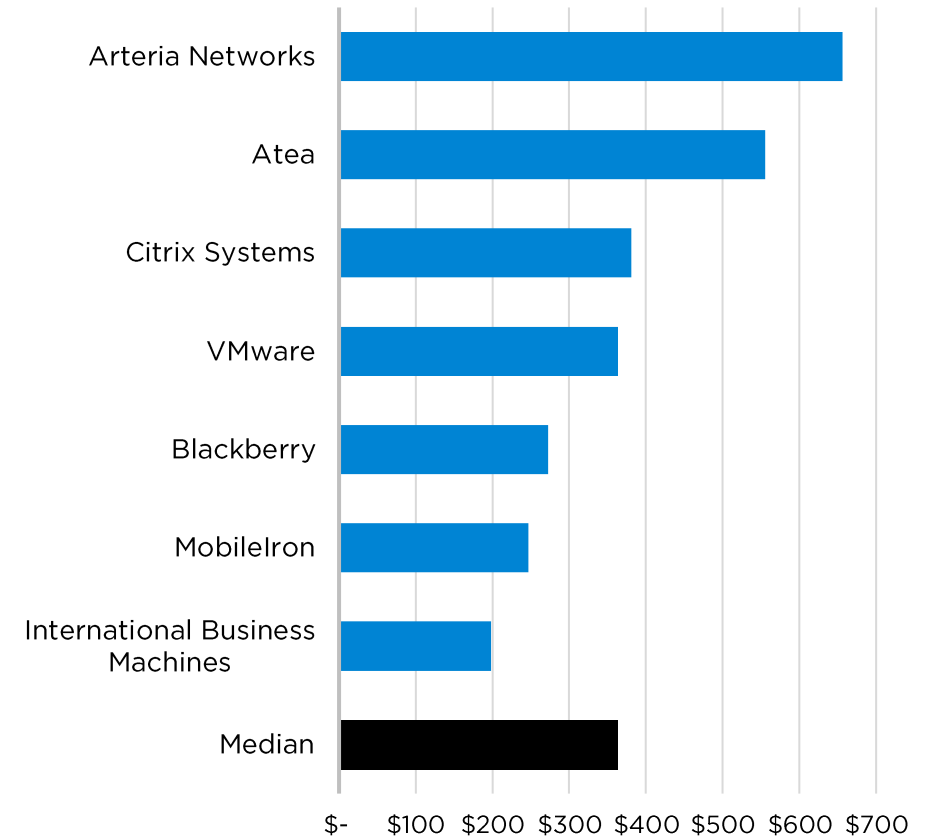


Operational Metrics

LTM Revenue Growth %

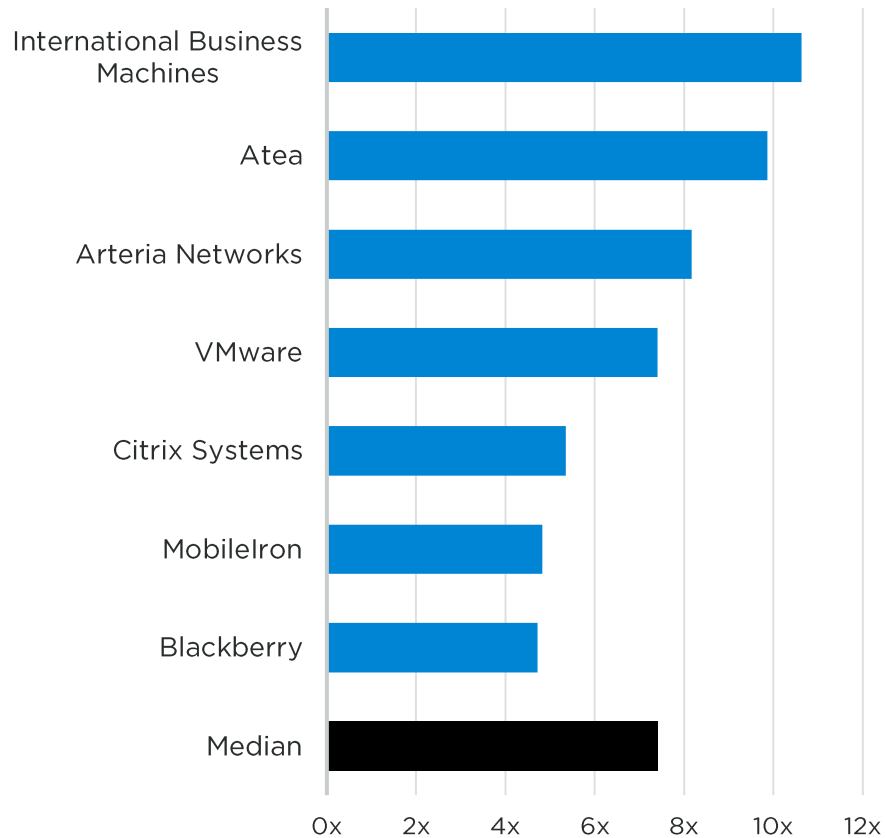


LTM Revenue per Full Time Employee x 000's

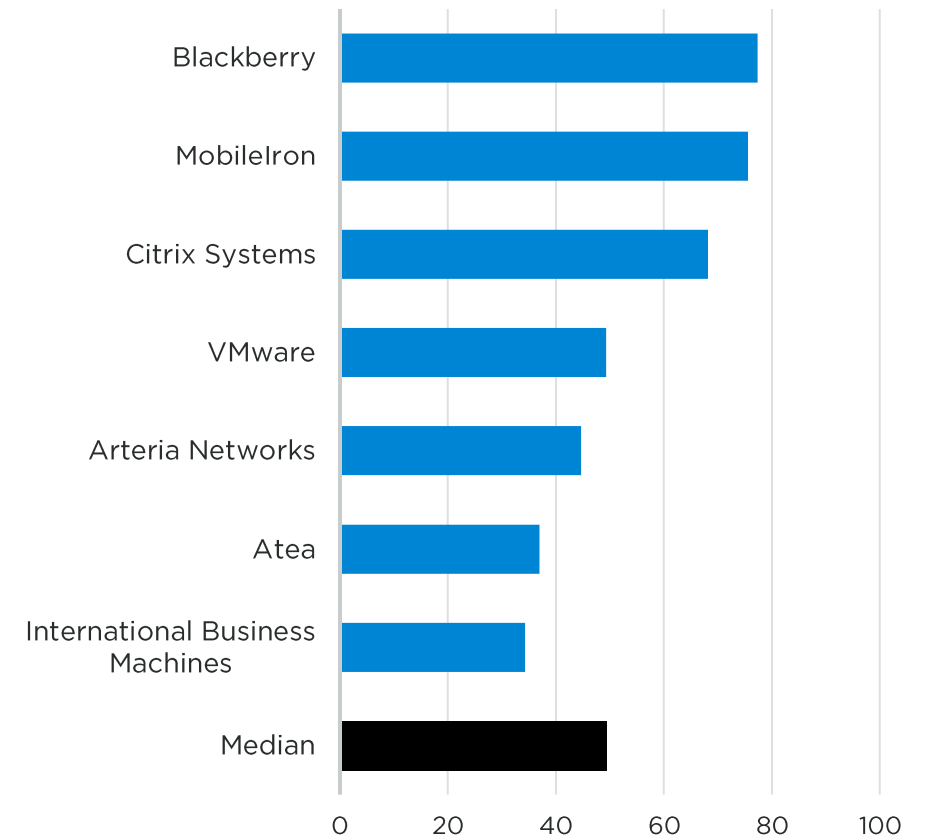


Operational Metrics

Accounts Receivable Turnover

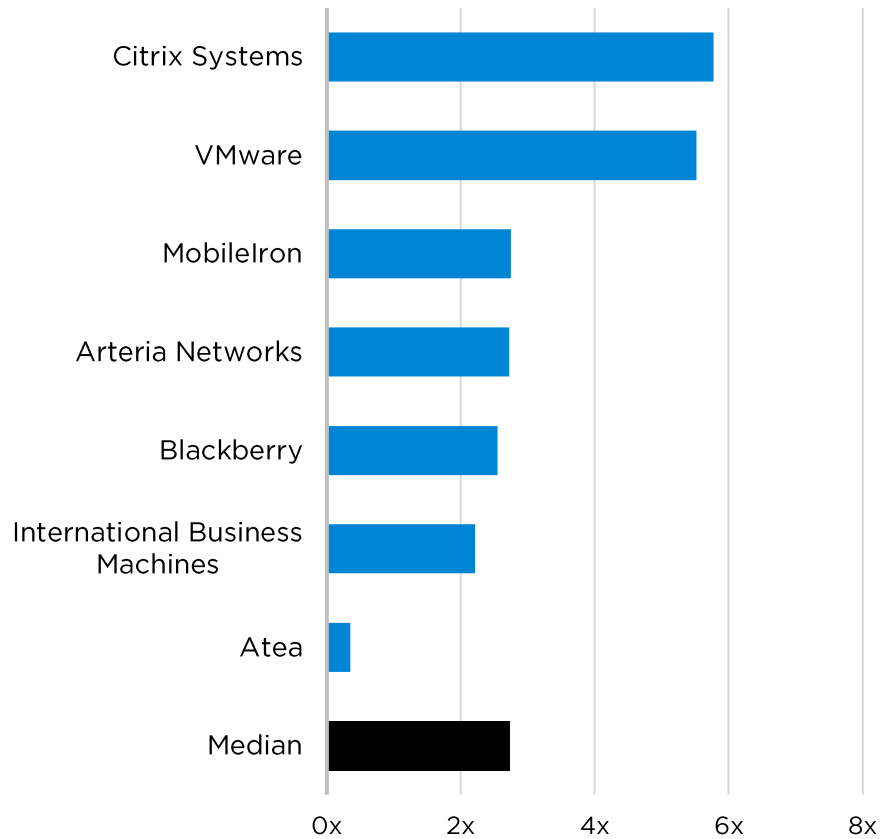


Average Days Sales Outstanding

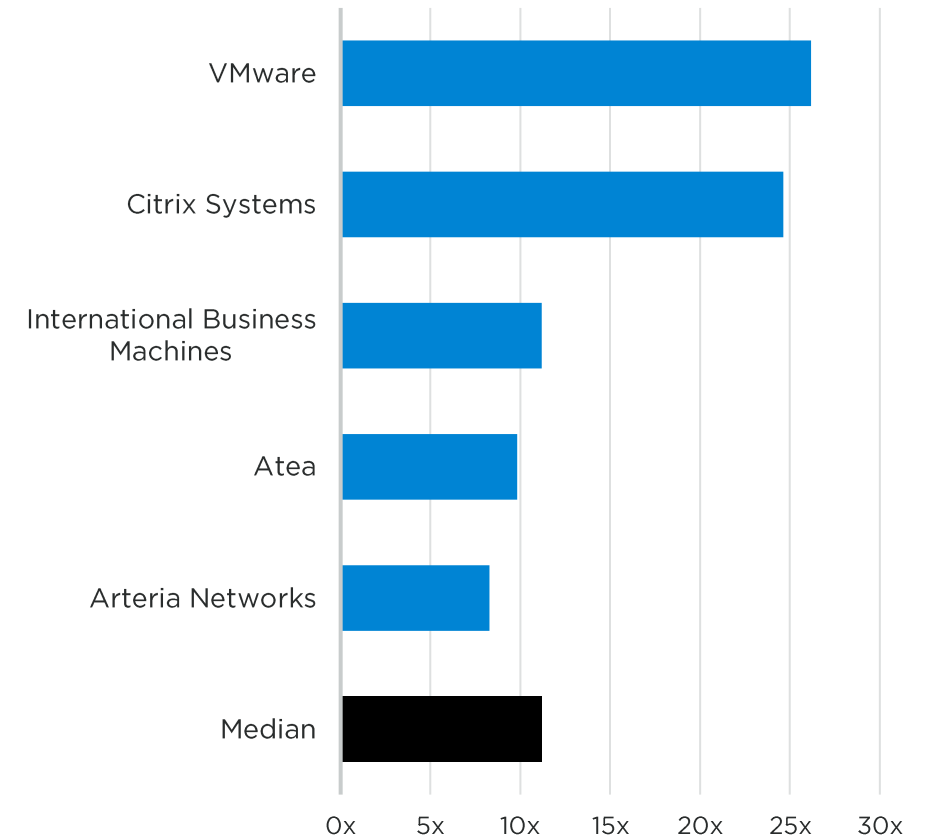


Valuation

TEV / LTM Revenue

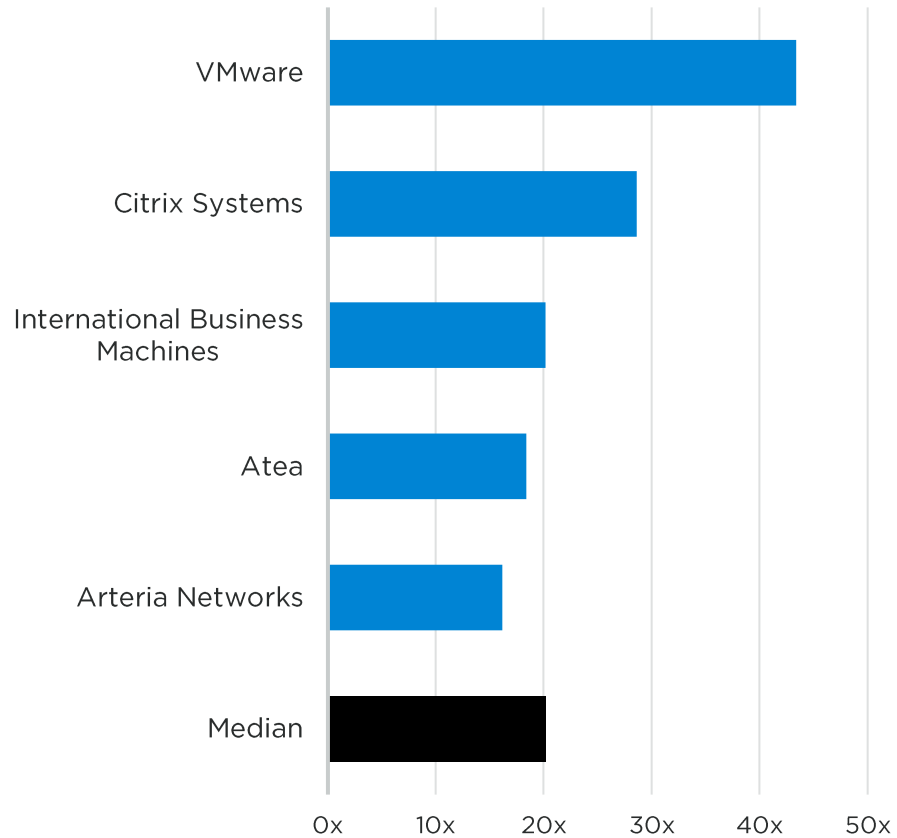


TEV / LTM EBITDA

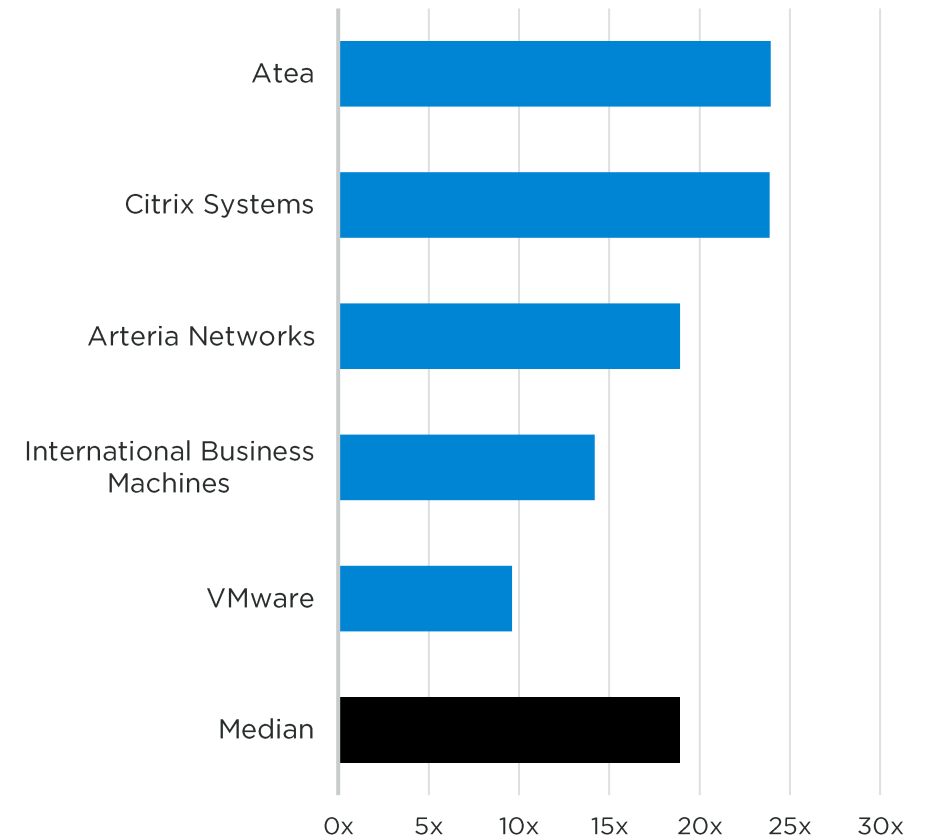


Valuation

TEV / LTM EBIT

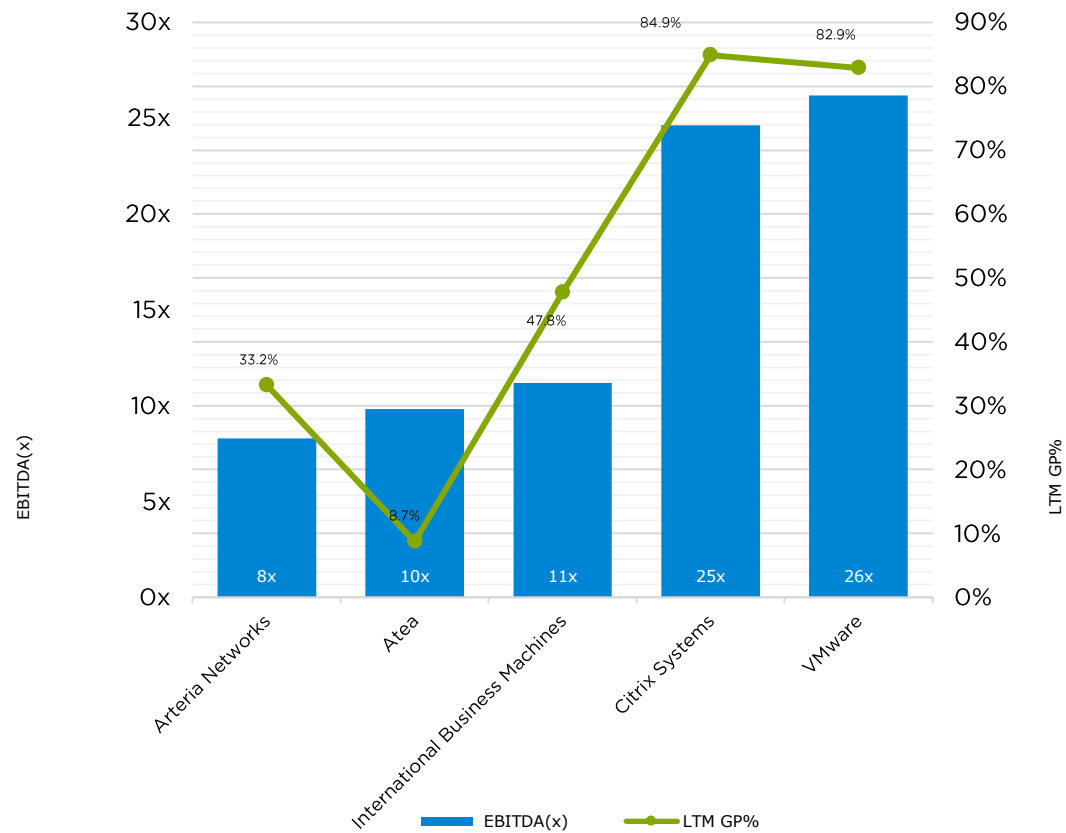


Price / LTM Earnings

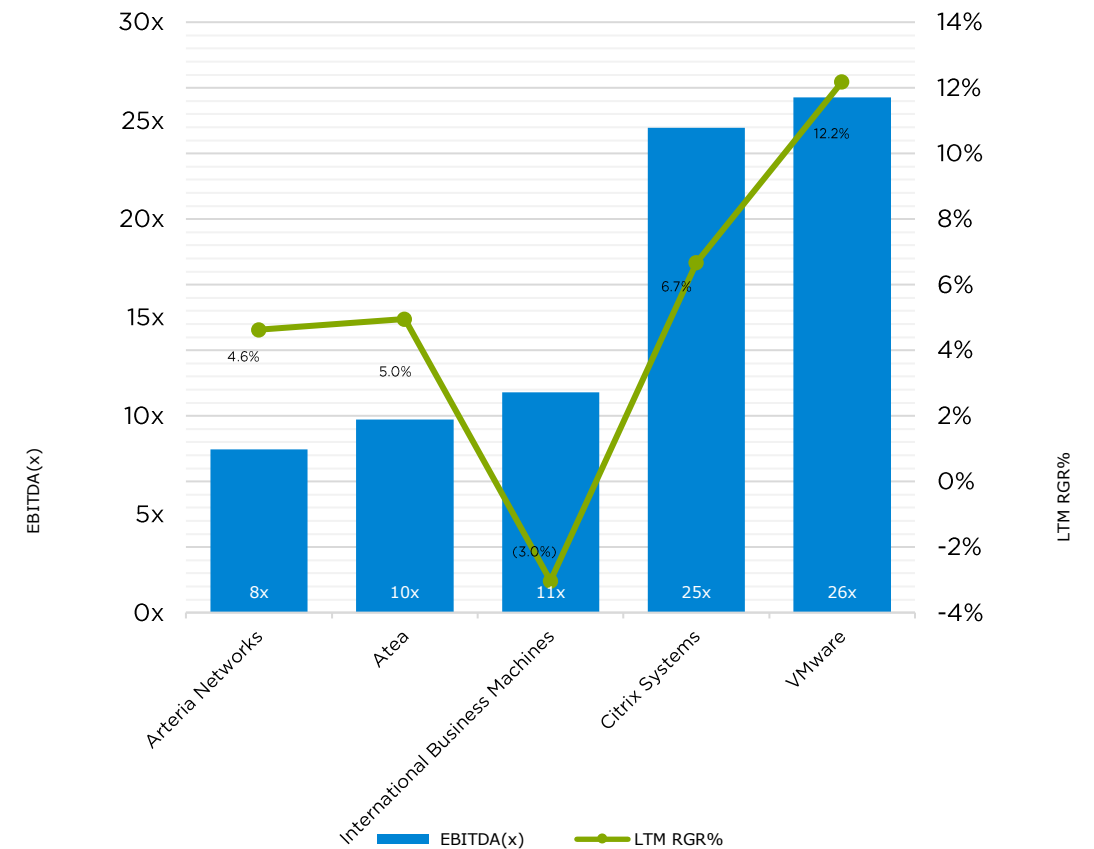


Valuation

Historical Valuation Multiples versus Gross Profit



Historical Valuation Multiples versus Revenue Growth Rate



Recent Transactions

Date	Target	Buyer / Investor	Total Transaction Value	Target Revenue	TEV / Revenue	TEV / EBITDA
10-Aug-20	Oomnitza	Shasta Ventures	12.50	-	-	-
01-Jul-20	Futura Mobility	Renovus Capital Partners	13.50	-	-	-
24-Jun-20	Fleetsmith	Apple	-	-	-	-
19-May-20	Convotis	Elvaston Capital Management	-	-	-	-
15-Apr-20	Motivity Labs	Jnit Technologies Inc	-	-	-	-
09-Mar-20	Planus	VINCI Energies	-	-	-	-
28-Jan-20	Groundcontrol Solutions	Imprivata	20.00	-	-	-
16-Jan-20	Arrow Business Communications	MML Capital Partners	65.32	28.20	2.32	-
19-Dec-19	Presidio	BC Partners	2100.00	3048.20	0.68	10.13
17-Dec-19	Nasstar	GCI Telecom Group	103.55	33.59	2.91	14.56
11-Dec-19	Radio Communication Service	Mobile Communications America	-	-	-	-
12-Nov-19	Bconnected (Republic of Ireland)	DCC	-	-	-	-
28-Oct-19	Accuris Networks	ESW Capital	-	-	-	-
22-Oct-19	Mobile Solutions Services	Periscope Equity	-	-	-	-
24-Sep-19	Wireless Analytics	Motus	-	-	-	-
09-Sep-19	Aerion Solutions	Adelis Equity Partners	-	-	-	-
03-Sep-19	Orange Networks	Logicalis Group	-	-	-	-
29-Aug-19	mobilit	Mobilezone	6.26	-	-	-
30-Jun-19	International Business Machines (software business)	HCL Technologies	1800.00	-	-	-
01-May-19	CW Systems Integration	BES Management	2.92	-	-	-
23-Apr-19	Affinegy	National Information Solutions Cooperative	-	-	-	-
29-Mar-19	Lightspeed Systems	Madison Dearborn Partners	-	-	-	-
11-Mar-19	TechPilot Labs	Securly	-	-	-	-
07-Feb-19	AetherPal	VMware	45.00	-	-	-
07-Feb-19	Connected Holdings	Phillips Industries	-	-	-	-
05-Feb-19	ZuluDesk	Jamf	35.30	-	-	-

Appendix

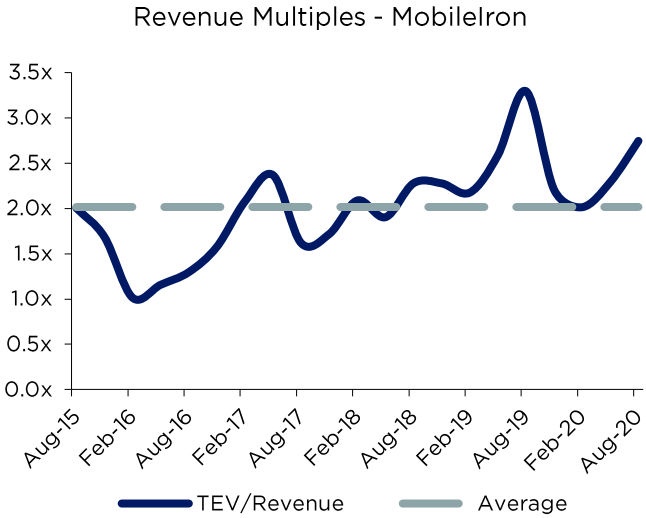
*Public Basket
Contact Information*



MobileIron

MobileIron Inc provides a purpose-built mobile IT platform.

The company's platform enables enterprises to manage and secure mobile applications, content, and devices while providing their employees with device choice, privacy, and native user experience. It serves to midsize and large enterprises across industries like financial services, government, healthcare, legal, manufacturing, professional services, retail, technology, and telecommunications. Geographically, it operates in California North America, Europe, the Middle East, Asia, and Australia.



Company Name	Date	Deal Synopsis
Incapptic Connect	30-Apr-20	The company was acquired by MobileIron (NAS: MOBL) for \$6 million on April 30, 2020.
Averail	01-Apr-14	The company was acquired by MobileIron for an undisclosed amount on April 2014.

Arteria Networks

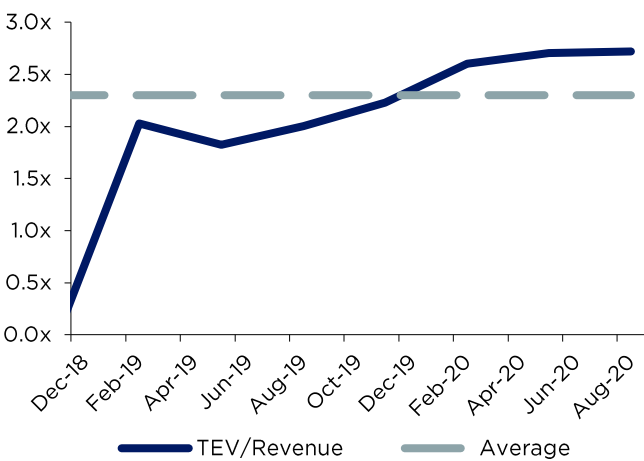
Arteria Networks Corp is a Japan-based company providing internet connection service by an optical fiber.

The company mainly serves corporate customers, apartments and individuals. Services offered by the company include leased line, internet connection, cloud, data center, security, mobile device management, and monitoring solutions.

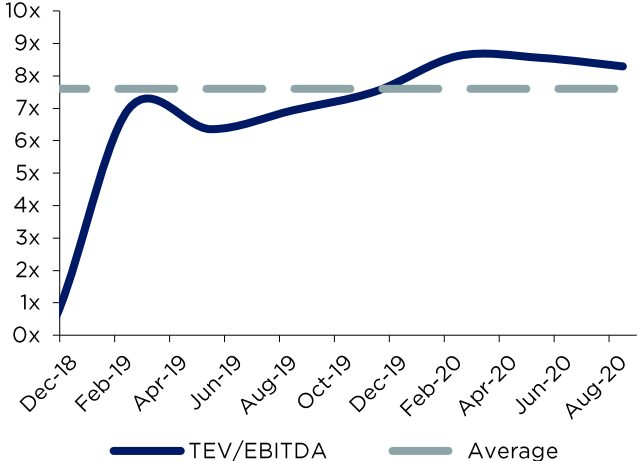
Public Basket

Arteria Networks

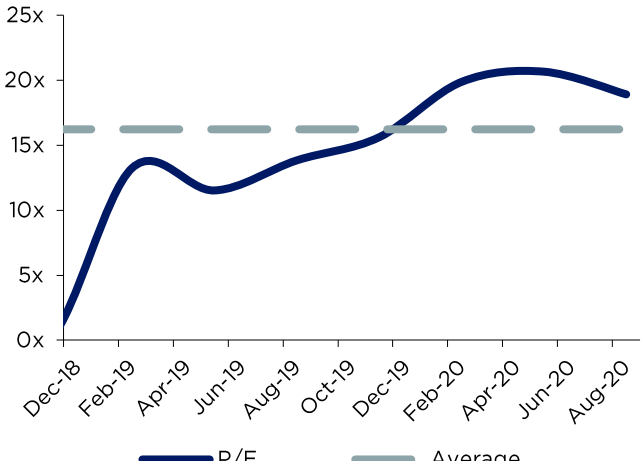
Revenue Multiples - Arteria Networks



EBITDA Multiples - Arteria Networks



P/E Multiples - Arteria Networks



Company Name	Date	Deal Synopsis
Orange Armenia	20-Aug-15	The company was acquired by UCom for an undisclosed amount on August 20, 2015. This acquisition will enable the acquirer to offer its customers a broad range of fixed and mobile services.
Uganda Telecom	01-Jun-00	The company, a subsidiary of Governments of Uganda, was acquired by Arteria Networks, formerly known as UCOM, for an undisclosed amount in June 2000.

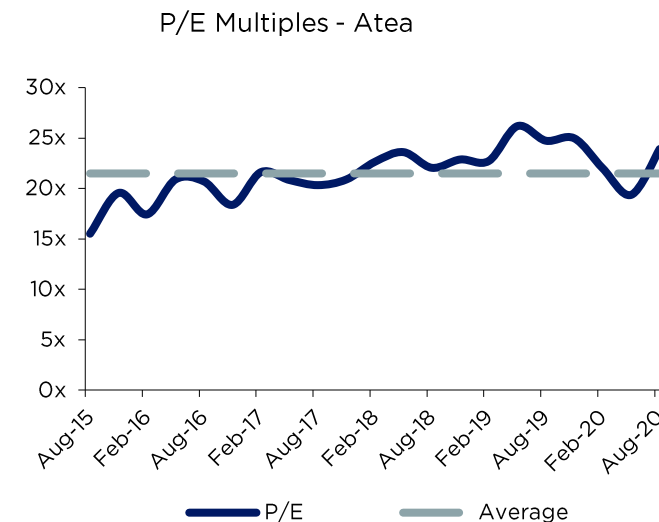
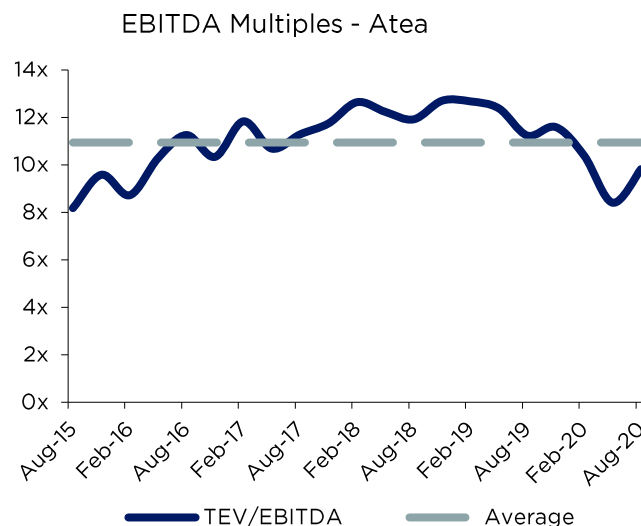
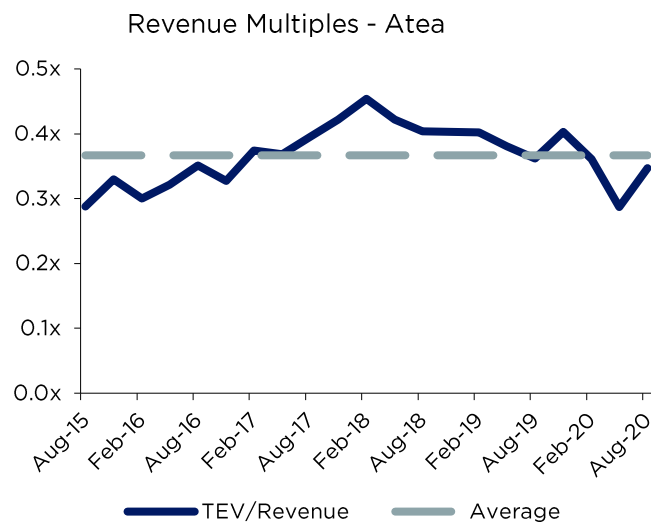
Atea

Atea ASA is a Norway-based IT infrastructure company that provides communication and collaboration solutions to technology manufacturers.

The firm's business is organized in three segments: hardware, which sells third-party hardware; software, which includes third-party cloud, mobile device management and security software; and services, including maintenance and operation of IT infrastructure. The firm generates the majority of its revenue in Sweden, with the rest coming from Norway, Denmark, Finland, and the Baltics.

Public Basket

Atea



Company Name	Date	Deal Synopsis
DatabaseForum	25-Sep-19	The company was acquired by Atea (OSL: ATEA) for NOK 24.8 million on September 25, 2019. The acquisition will strengthen Atea's position within business intelligence and data analytics in Norway.
Sherpa Consulting	07-Sep-18	The company was acquired by Atea (OSL: ATEA), a subsidiary of Ementor Norge, for an undisclosed amount on September 7, 2018. The acquisition expands the acquirer's team to better serve their customers' growing needs for consulting and support in business intelligence and data analytics.

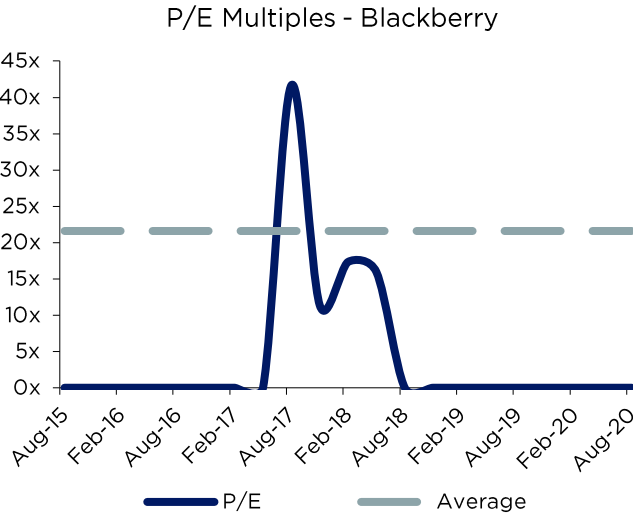
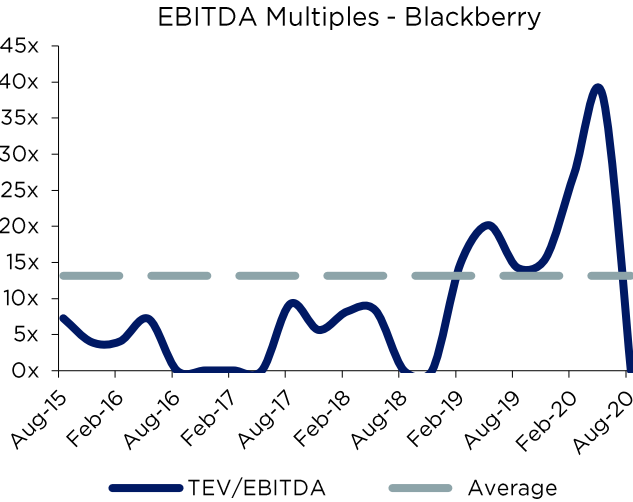
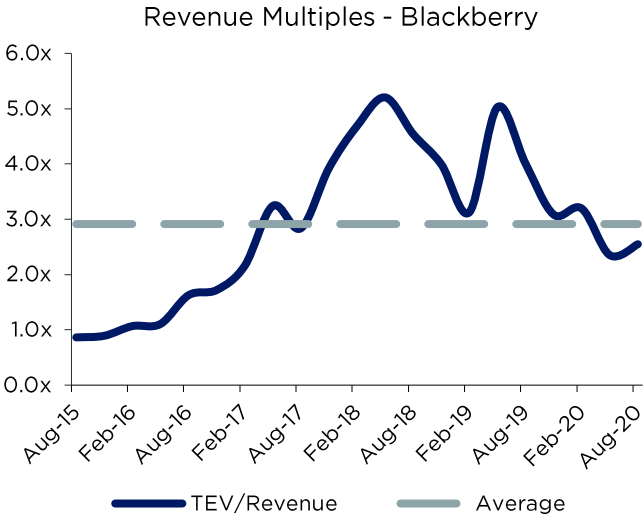
Blackberry

BlackBerry, once known for being the world's largest smartphone manufacturer, is now exclusively a software provider with a stated goal of end-to-end secure communication for enterprises.

The firm provides endpoint management and protection to enterprises and embedded software to automotive, medical and industrial OEMs and suppliers.

Public Basket

Blackberry



Company Name	Date	Deal Synopsis
Deeplite	10-Dec-19	The company joined L-SPARK and Blackberry as part of BlackBerry/L-SPARK Accelerator Program Cohort 2 on December 10, 2019.
Northstar Robotics	10-Dec-19	The company joined L-SPARK as part of L-SPARK-BlackBerry Cohort 2 on December 10, 2019. Concurrently, Blackberry invested in the company.

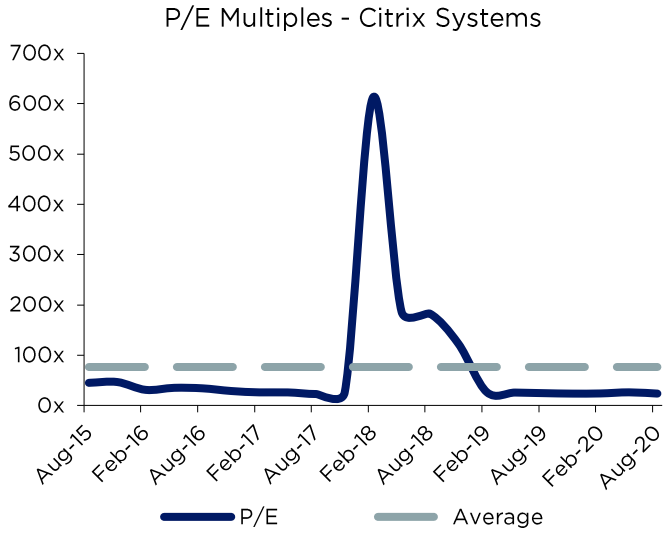
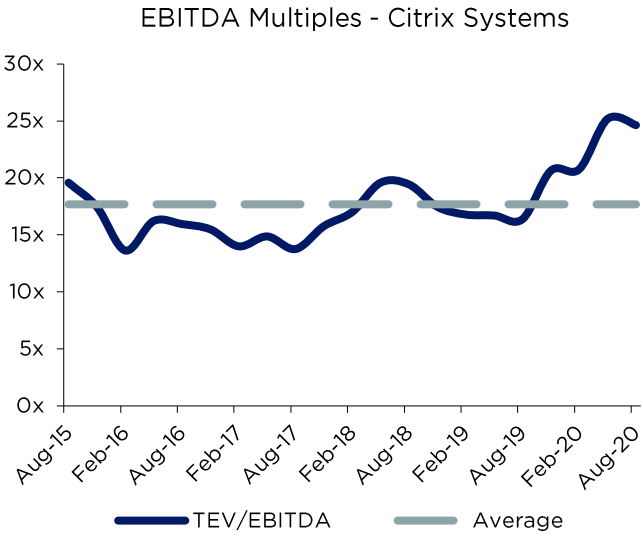
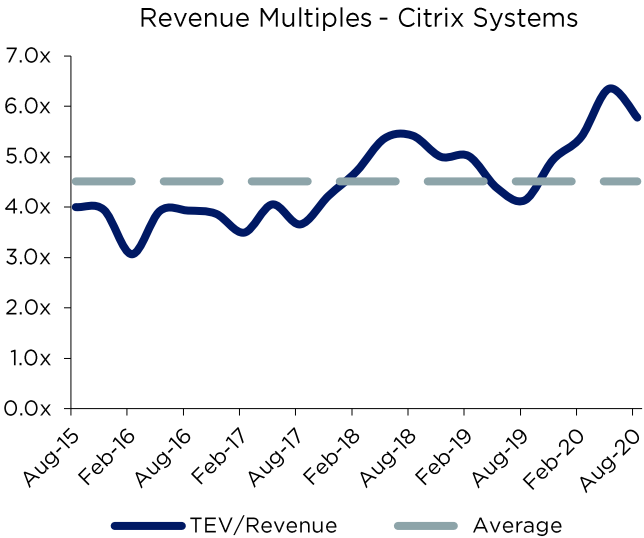
Citrix Systems

Citrix Systems provides virtualization software, including Virtual Apps and Desktops for desktop virtualization and Citrix Virtual Apps for application virtualization.

The company also provides Citrix Endpoint Management for mobile device management and Citrix ADC for application delivery and Citrix SDWAN for routing, security, and WAN monitoring.

Public Basket

Citrix Systems



Company Name	Date	Deal Synopsis
Sapho	13-Nov-18	The company was acquired by Citrix Systems (NAS: CTXS) for \$186.66 million on November 13, 2018.
Veridium (Network Management Software)	29-Jun-18	The company raised \$16.5 million of Series B venture funding in a deal led by Michael Spencer on June 29, 2018. Citrix Systems and Michael Powell also participated in the round. The funding will be used to drive innovation and accelerate development of biometric authentication technology and expand global reach.

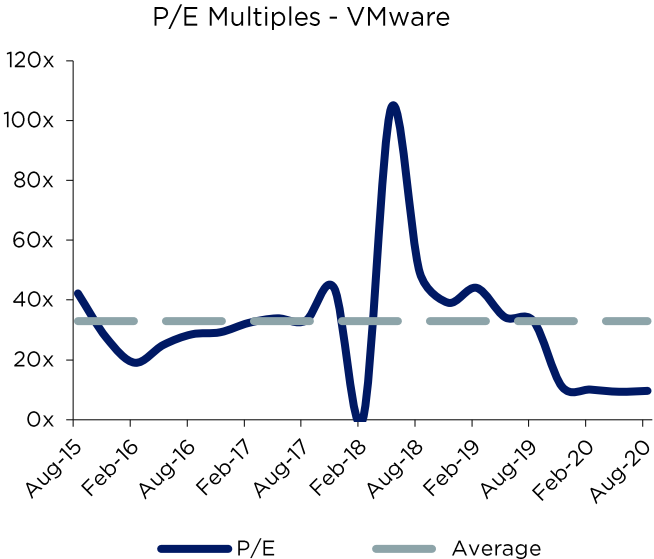
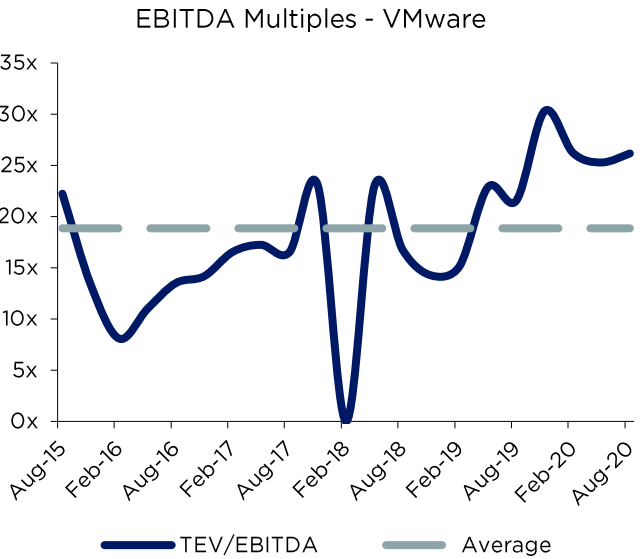
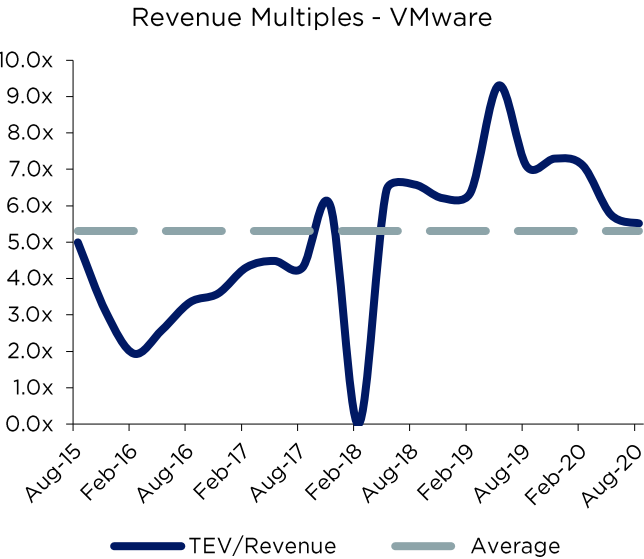
VMware

VMware, a majority-owned subsidiary of Dell, is an industry leader in virtual machines for data center servers and computer desktops.

The software provider operates in the three segments of licenses, maintenance, and professional services. Customers include enterprises utilizing data centers, end-user computing, cloud providers, and software-defined networking. The Palo Alto, California, firm operates and sells on a global scale, with about half its revenue from the United States, through direct sales, distributors, and partnerships.

Public Basket

VMware



Company Name	Date	Deal Synopsis
Blue Medora (True Visibility Suite)	07-Jul-20	The True Visibility Suite team and products of Blue Medora was acquired by VMware for \$17.6 million on July 7, 2020. The acquisition extend VMware reporting operations and automatic piloting of cloud platforms as well as strengthen its analysis and reporting tools on its cloud platforms and boost VMware hybrid cloud management capabilities.
Datrium	01-Jul-20	The company reached a definitive agreement to be acquired by VMware (NYS: VMW), a subsidiary of Dell Technologies (NYS: DELL), for an undisclosed amount on July 1, 2020.

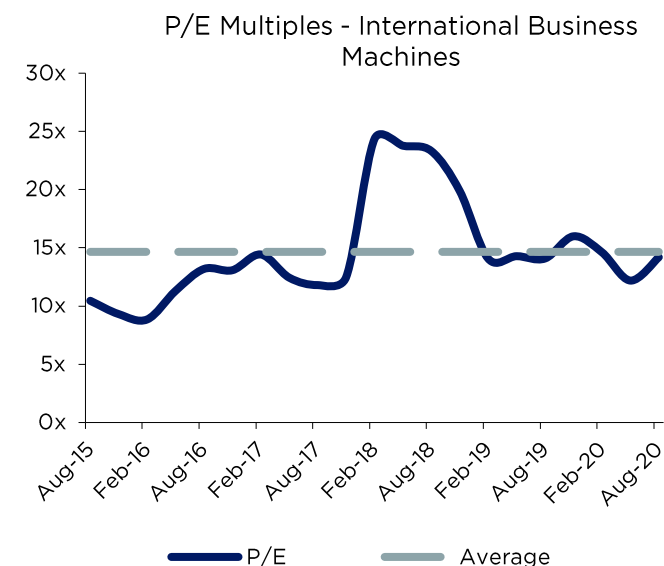
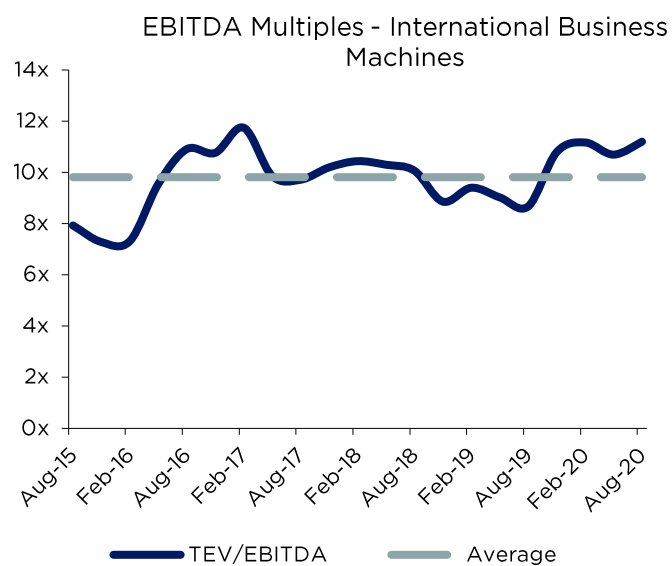
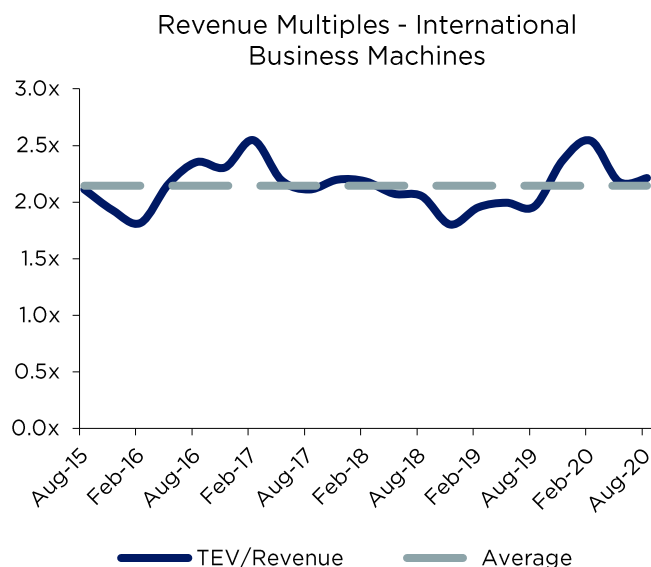
International Business Machines

IBM looks to be a part of every aspect of an enterprise's IT needs.

The company primarily sells infrastructure services (37% of revenue), software (29% of revenue), IT services (23% of revenue) and hardware (8% of revenues). IBM operates in 175 countries and employs approximately 350,000 people. The company has a robust roster of 80,000 business partners to service 5,200 clients--which includes 95% of all Fortune 500. While IBM is a B2B company, IBM's outward impact is substantial. For example, IBM manages 90% of all credit card transactions globally and is responsible for 50% of all wireless connections in the world.

Public Basket

International Business Machines



Company Name

Date

Deal Synopsis

WDG Automation

08-Jul-20

The company reached a definitive agreement to be acquired by International Business Machines (NYS: IBM) for an undisclosed amount on July 8, 2020. The acquisition further advances IBM's comprehensive AI-infused automation capabilities, spanning business processes to IT operations.

Spanugo

15-Jun-20

The company reached a definitive agreement to be acquired by International Business Machines (NYS: IBM) for an undisclosed amount on June 15, 2020.

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.



Leroy Davis, Partner	704.899.5962	leroy@7mileadvisors.com
Tripp Davis, Partner	704.899.5762	tripp@7mileadvisors.com
Andy Johnston, Partner	704.899.5961	andy@7mileadvisors.com
John Cooper, Managing Director	704.973.3996	john@7mileadvisors.com
Mark Landry, Managing Director	561.972.0609	mark@7mileadvisors.com
Ben Lunka, Managing Director	704.496.2995	ben@7mileadvisors.com
Ariail Barker, Director, Sales & Marketing	704.981.2908	ariail@7mileadvisors.com
Kristina Sergueeva, Director	704.899.5149	kristina@7mileadvisors.com
Tim Frye, Director	704.973.3994	tim@7mileadvisors.com
Ben Garber, Vice President	412.626.7898	ben.garber@7mileadvisors.com
Garth Martin, Vice President	704.973.3997	garth.martin@7mileadvisors.com
Nicholas Prendergast, Vice President	704.973.3995	nicholas@7mileadvisors.com
Ben Bruggeworth, Vice President, Business Development	704.365.8859	ben.bruggeworth@7mileadvisors.com
Emily Halstenberg, Marketing & Sales Coordinator	704.409.9912	emily@7mileadvisors.com
Marty Johnson, Senior Associate	704.973.3999	marty@7mileadvisors.com
Sydney Scadden, Senior Associate	704.973.3998	sydney@7mileadvisors.com
Steve Buffington, Associate	704.960.1828	steve@7mileadvisors.com
Dennis Fox, Associate	704.706.9168	dennis@7mileadvisors.com
Daniel Kim, Associate	704.912.4584	daniel@7mileadvisors.com
Robin Siegel, Analyst	704.285.8173	robin@7mileadvisors.com