

RIDGECREST
CAPITAL PARTNERS

Mobile & Wireless Newsletter

May 2015

Monthly Commentary:

Analyzing the Amdocs/Comverse Transaction

Recent M&A and Financing Activity

Public Company Analysis

Analyzing Amdocs' Comverse BSS Acquisition

On April 29, 2015, Amdocs announced the \$272 million acquisition of Comverse's BSS Assets. While Amdocs is the 800 pound gorilla in the CES (Customer Experience Systems) market, the company is seeing challenges from larger players such as Ericsson, Oracle and others that are incorporating CES solutions into larger network infrastructure product sets. The industry is also seeing slowing CSP revenue growth as the market is seeing challenges from device OEMs and OTT (over-the-top) providers, and transformative deals from CSPs are far and few between. Ultimately, we see this as a solid market consolidation play by Amdocs, which should lead to earnings leverage. That said, we also expect Amdocs to remain focused on incremental market solutions that present better growth opportunities including analytics, NFV/SDN, cloud billing, IoT, mobile banking and emerging markets.

amdocs

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COMVERSE 

"As a result of this acquisition Amdocs, with its more than 30-year industry experience, will be able to bring additional value and innovation to Comverse's customers,"

Eli Gelman, President and CEO, Amdocs

"Amdocs is a leader in customer experience solutions for the communications industry. With Amdocs' broad range of products and services, this agreement will only serve to benefit existing Comverse BSS customers,"

Philippe Tartavull, President and CEO, Comverse

About Comverse BSS

Comverse's BSS (Business Support Systems) unit provides converged, prepaid and postpaid billing and active customer management systems for wireless, wireline, cable and multi-play CSPs. Comverse offers these systems to 200+ CSPs and supports 750M+ subscribers. Key customers include Vodafone, Vimplecom, O2, Telus, Telstra, Cablevision and many others. Historically, Comverse has significant strength in the IN (In Network) or prepaid billing with 100+ CSP customers. With the acquisition of the Kenan billing unit from CSG Systems for \$251 million in October 2005, Comverse strengthened its postpaid billing capabilities. Over time, Comverse merged the two technologies into its Comverse ONE platform, which was a real-time converged billing platform.

Analyzing Amdocs' Comverse BSS Acquisition

Financial Analysis

For FY15, ending January 31, 2015, Comverse reported revenue of \$251 million and segment profit of \$53.4 million for its BSS unit. Using the \$272 million acquisition price, Amdocs paid 1.1x revenue and 5.1x segment profit. Overall, we believe these are very attractive multiples for Amdocs. However, given Comverse saw a 16% decline in BSS revenue in FY15 and lower bookings due to delayed deals and customer issues, the revenue multiple appears more appropriate. Furthermore, Comverse had \$89.5 million in unallocated expenses, which includes significant shared G&A and other shared expenses between Comverse's BSS and Digital Services units. Taking a rough split of these expenses based on revenue contribution by the BSS unit, then we arrive at \$6.4 million in segment profit, which would be a 42.7x multiple. Ultimately, we believe the segment profit that Amdocs is acquiring resides somewhat in the middle of the \$6.4 and \$53.4 million segment profit numbers presented. According to Amdocs the impact of the acquisition on diluted non-GAAP earnings per share is expected to be neutral in the first year after closing, and accretive thereafter.

Comverse BSS Analysis

(\$ millions)	(ending 1/31)		
	FY13	FY14	FY15
BSS Customer Solutions	\$157.5	\$171.5	\$132.6
BSS Maintenance	\$138.2	\$128.0	\$118.1
BSS Total Revenue	\$295.8	\$299.6	\$250.7
<i>% Growth</i>		1.3%	-16.3%
Segment Profit	\$39.3	\$47.6	\$53.4
<i>% Growth</i>		21.1%	12.2%
Segment Margin	13.3%	15.9%	21.3%
Share of Unallocated Expenses	-\$60.0	-\$54.2	-\$47.0
Adjusted Segment Profit	-\$20.7	-\$6.6	\$6.4
<i>% Growth</i>		-68.0%	N/A
Adjusted Segment Margin	-7.0%	-2.2%	2.5%

Acquisition Multiples:

Price/Sales	1.1x
Price/Segment Profit	5.1x
Price/Adjusted Segment Profit	42.7x

Analyzing Amdocs' Comverse BSS Acquisition

Amdocs Takeaways

For Amdocs, this acquisition furthers the companies leadership in Customer Experience Systems. Amdocs currently supports CSPs in over 80 countries with 2B+ subscribers. We see the Comverse BSS unit bringing several benefits from a reasonable acquisition price including:

- Improved customer diversification with AT&T representing 33% of Amdocs' revenue in 2014
- Improved regional diversification with key customers in EMEA and Asia-Pacific
- Additional strength in real-time billing from Comverse's prepaid heritage
- Regional employee office location synergies in Israel and United States
- Increased scale to compete with larger software (e.g. Oracle, SAP) and network equipment (e.g. Ericsson, Huawei) vendors, in addition to traditional BSS vendors (e.g. CSG, Redknee, NEC, AsialInfo)
- Ability to add Amdocs' managed services expertise to Comverse's vast customer base, resulting in good revenue synergies

While this is a consolidation play, we believe Amdocs remains focused on adding capabilities in key growth markets including NFV/SDN, analytics, cloud-billing, and mobile banking. In addition, Amdocs is pursuing growth in developing markets.

Comverse Takeaways

With the sale of its BSS unit, Comverse will be primarily left with its Digital Services unit, which is focused on helping CSPs evolve to become Digital Service Providers. This unit primarily builds on Comverse's foundation of providing VAS solutions, including voicemail, visual voicemail, call completion, short messaging service (SMS), and multimedia picture and video messaging (MMS), and digital lifestyle services and IP-based rich communication services (RCS). With other restructuring endeavors in this unit, including Comverse's Master Services Agreement with Tech Mahindra on April 14, 2015 where Comverse expects to realize gross savings in excess of \$70 million over the term of the MSA, Comverse expects this unit to be profitable. With \$460+ million of NOLs, Comverse should be able to realize profits from its Digital Services unit in a tax-efficient manner. Ultimately, we see a few benefits also to Comverse including:

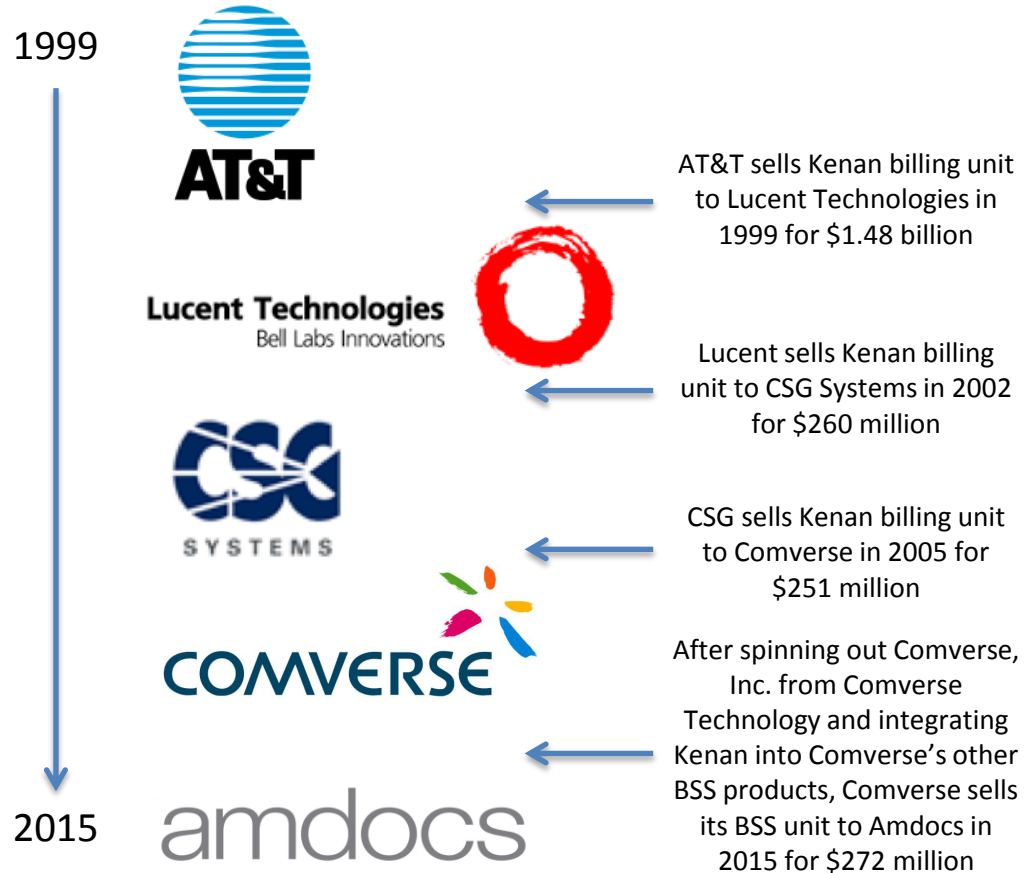
- Improved focus on its Digital Services unit, which operates in a competitive and challenging market with direct and OTT competitive offerings
- Improved financial flexibility with \$158 million of cash and equivalents plus the \$272 million in cash from this transaction
- Confidence Amdocs will effectively serve overlapping Digital Services and BSS customers
- More attractive pure-play profile of the Digital Services unit could potentially attract suitors, if so desired

Ultimately, this divestiture leaves Comverse as a more nimble, pure-play competitor in the digital services / messaging market to CSPs, as well as some other select enterprise offerings. While many originally expect the VAS unit to be sold, this is likely a welcome next step after the separation of Ulticom and Verint, and collapse of the holding company. It has been a long road Comverse has taken from its options scandal and multiple management changes and restructurings, that have resulting in well over a billion in expenses to the company. The story may not be over yet, but it's turning more positive.

Analyzing Amdocs' Comverse BSS Acquisition

Kenan – What a Long Strange Trip It's Been

No report on this transaction should lose sight of the nomadic life of the Kenan billing unit over the past 16 years. In 1999, the original AT&T (versus SBC) sold its Kenan billing unit to Lucent Technologies for \$1.48 billion as a further result of the AT&T monopoly breakup and realizations that carriers would be hard-pressed to run their own billing systems. In 2002, Lucent sold Kenan at a significant discount of \$260 million to CSG Systems. In 2005 after realizing challenges of integrating software-based Kenan with its outsourced broadband billing service, CSG sold Kenan to Comverse for \$251 million, essentially a wash outside any internal investments/gains CSG experienced (CSG subsequently acquired Intec in 2010). Finally, after integrating Kenan with its prepaid, PCRF, and other billing assets, Comverse sold the resulting BSS unit to Amdocs for \$272 million. While this was a modest gain for what it paid for Kenan, this unit included meaningful legacy BSS assets from Comverse. To bring all this strangeness to an end, it is important to point out that AT&T (formerly SBC before it acquired AT&T and took on the AT&T name) accounts for 33% of Amdocs' revenue.



Ridgecrest's Take on M&A Activity in CES (Customer Experience Systems)

We continue to see significant activity in the CES market in terms of both consolidation plays and acquisitions of new growth categories. In terms of consolidation we have seen several deals including Amdocs/Comverse BSS, Redknee/NSN BSS, CSG/Intec, AsiaInfo/Linkage, Oracle/Portal, and others. However, with several CES giants being created, we expect most of the attention to be focused on incremental opportunities. Historically, consolidation occurred in the BSS, OSS, and CRM markets, then PCRF and real-time billing. Looking forward, we see areas such as analytics, cloud-billing, NFV/SDN, mobile banking, and other growth markets tangential to the CES opportunity experiencing solid activity.

**Recent M&A and Financing Activity
Public Company Analysis**

April 2015

Summary Market Data – April 30, 2015

Segment	Price Performance		Valuation		
	April	YTD	EV/LTM Rev	EV/LTM EBITDA	LTM P/E
S&P 500	1.3%	1.3%	2.1x	10.6x	21.0x
NASDAQ	1.3%	4.3%	2.6x	13.0x	28.1x
Communications Solutions Providers					
<i>Mid/Large Cap</i>	4.8%	13.3%	2.8x	13.5x	19.1x
<i>Small Cap (<\$1.0 billion mcap)</i>	6.4%	2.8%	1.4x	18.1x	23.1x
Wireless Equipment and Devices					
<i>Mid/Large Cap</i>	-1.3%	9.0%	1.7x	10.0x	16.1x
<i>Small Cap (<\$1.0 billion mcap)</i>	1.4%	-13.1%	0.6x	7.4x	25.1x
Location Related Technologies	0.3%	-5.8%	1.9x	9.5x	27.9x
Mobile Content	6.6%	2.4%	2.0x	23.1x	17.3x
Mobile Resource Management/M2M	-2.5%	-9.4%	2.1x	17.8x	29.7x

Price Performance market cap weighted. Valuation multiples for major market indices market cap weighted. Valuation for wireless companies based on median for each sector. See pages 11-14 for details.

Mobile & Wireless Transaction Summary

Transaction Type	Monthly					Year-to-Date		
	April Amount	Vs. Prior 3 Month Avg Amount	% Change	Vs. LTM Avg Amount	% Change	YTD Amount	Vs. Prior Year Amount	% Change
Announced M&A								
Number of Transactions	62	61.0	1.6%	60.2	3.0%	245	215	14.0%
Disclosed Value	\$15,539	\$2,688	478.1%	\$3,138	395.2%	\$23,602	\$34,479	(31.5%)
Private Financings								
Number of Transactions	72	65.7	9.6%	71.8	0.3%	269	259.0	3.9%
Disclosed Value	\$1,457	\$1,397	4.3%	\$1,420	2.6%	\$5,647	\$2,620	115.5%
Initial Public Offerings								
Number of Transactions	2	0.3	500.0%	1.7	20%	3	8	(62.5%)
Disclosed Value	\$162	\$4	4256.7%	\$196	(17%)	\$174	\$1,715	(89.9%)

(\$ in millions)

Selected Key Transactions

Mergers and Acquisitions

Date Announced	Acquirer	Target	Business Description	Enterprise Value	EV/Rev
4/15/15	Nokia Corporation	Alcatel-Lucent	Teleco infrastructure systems, software and integration services	\$14,706.7	0.9x
4/8/15	Infinera Corporation	Transmode	Provides packet-optical networking solutions for network operators	\$312.2	2.9x
4/21/15	Francisco Partners	Procera Networks	Designs and sells subscriber experience assurance solutions	\$130.4	1.6x
4/21/15	BlackBerry	WatchDox	Secure enterprise file-sync-and-share, mobile file sharing SaaS	\$90.0	7.5x

Private Financings

Date Announced	Target	Business Description	Lead Investors	Amount Raised	Raised To Date
4/10/15	Spotify	Digital music-streaming service giving on-demand access to songs	Goldman Sachs, Merchant Banking	\$400.0	\$911.6
4/15/15	AliphCom	Designs, distributes consumer mobile and wearable devices	BlackRock	\$300.0	\$586.5
4/30/15	Dmall	Designs and develops mobile application for delivery of goods	NA	\$100.0	\$100.0
4/22/15	SK Telesys	Supplies telecommunication network equipment in Korea	SKC Co.	\$81.7	\$781.0
4/8/15	Shyp	Provides a mobile application for shipping needs in San Francisco	KPCB; Homebrew; Sherpa	\$50.7	\$63.4

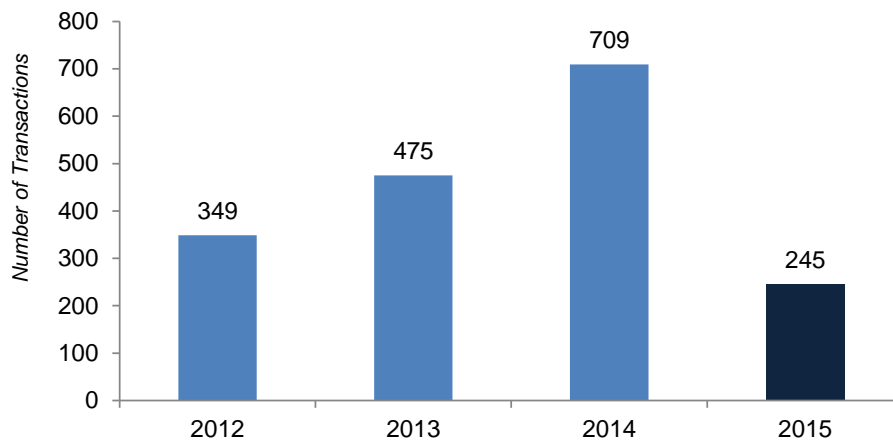
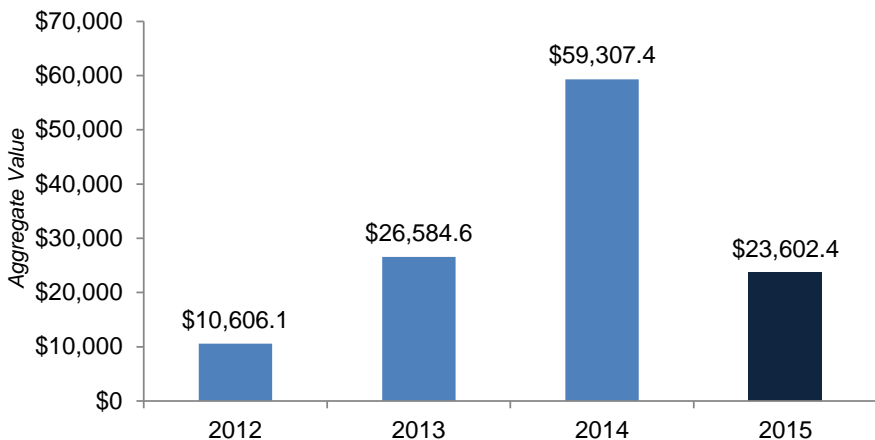
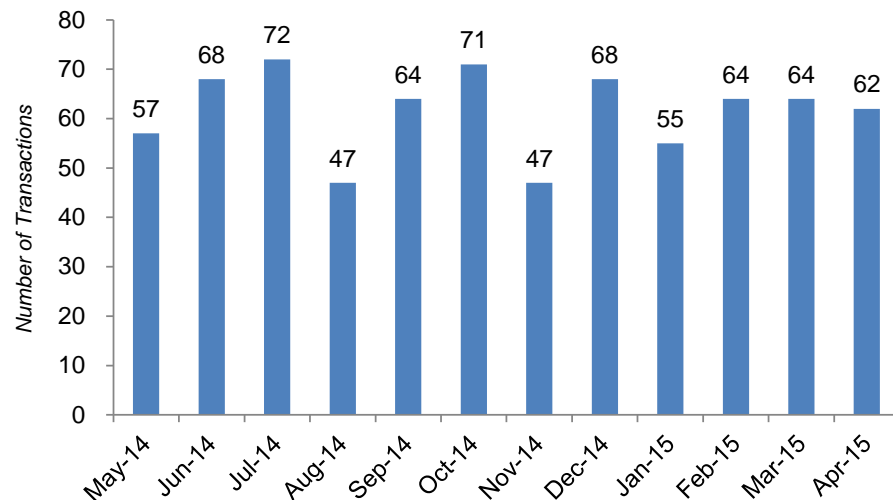
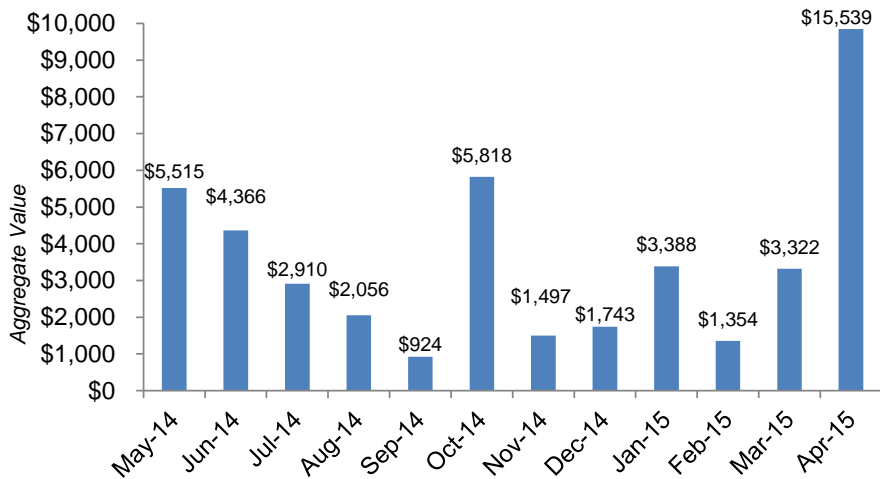
Public Offerings

Offer Date	Issuer	Business Description	Amount Raised	Price Change Issue To 4/30	Type
4/23/15	Apigee	Develops API based software platform enabling digital connectivity	\$87.0	-13.4%	IPO
4/27/15	Gunosy	Provides advertising services through smartphones in Japan	\$75.4	-2.9%	IPO
4/27/15	A8 New Media	Provides digital entertainment services in China	\$26.9	21.7%	Follow-on Equity

(\$ in millions)

Source: CapitalIQ, The 451 Group and Ridgecrest Capital

Mobile & Wireless M&A Transaction Summary

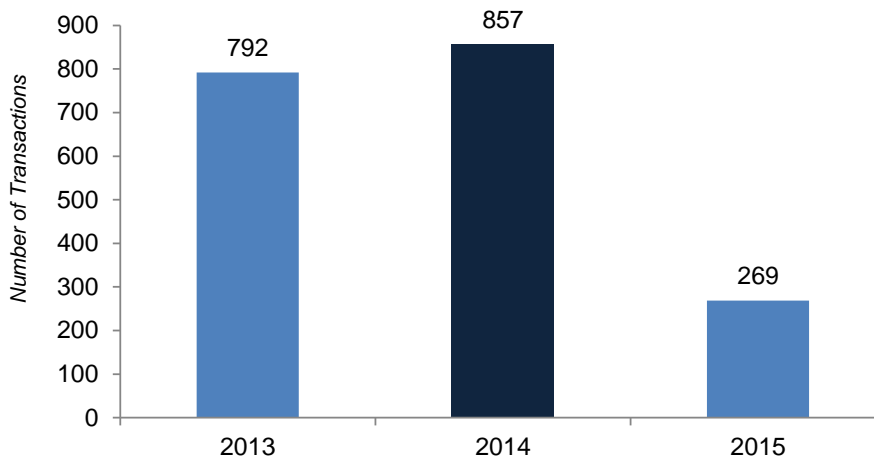
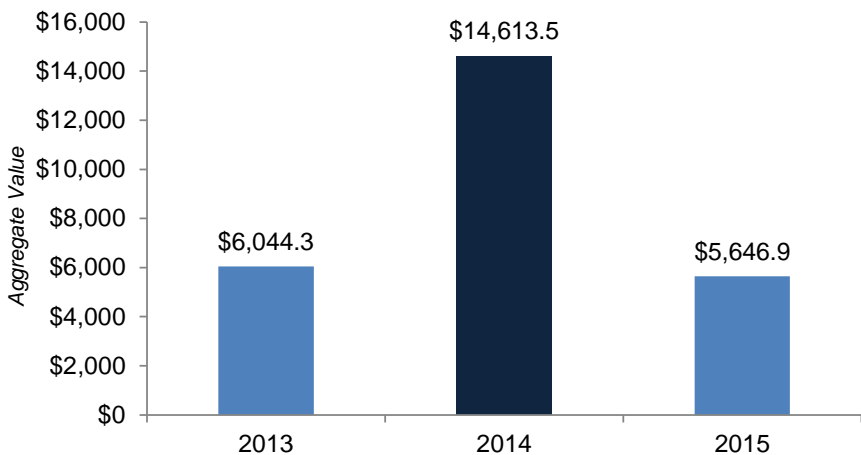
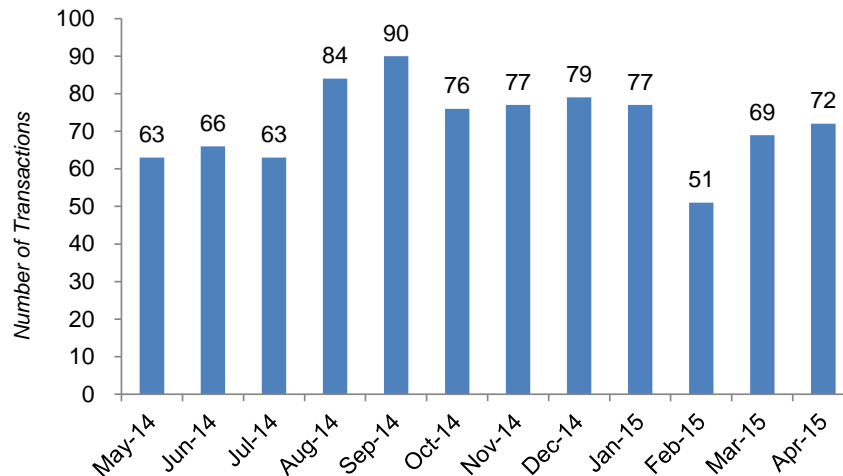
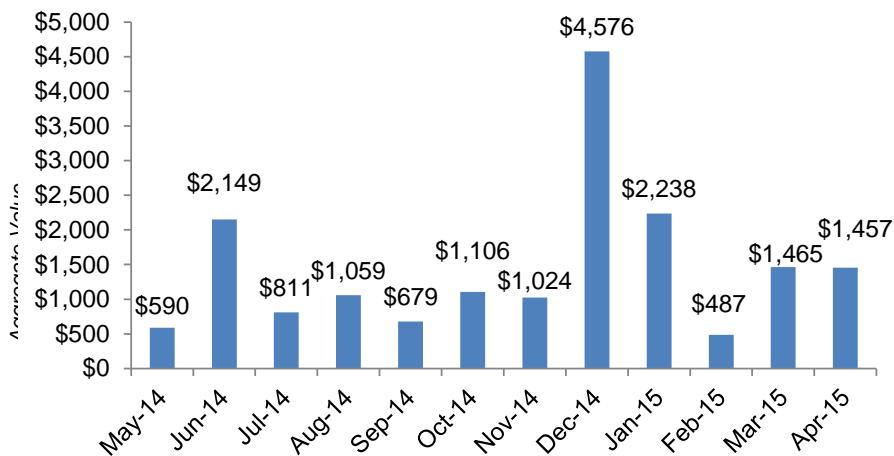


(\$ in millions)

Notes: Figures based on announced transactions. 2013 includes Microsoft's \$5 billion acquisition of Nokia's Devices and Services Business. 2014 includes Facebook's \$19 billion acquisition of WhatsApp. 2015 includes Nokia's \$14.7 billion acquisition of Alcatel-Lucent.

Source: CapitalIQ, The 451 Group and Ridgecrest Capital

Mobile & Wireless Private Financings Transaction Summary



(\$ in millions)

Source: CapitalIQ, The 451 Group and Ridgecrest Capital

Note: 2013 excludes Microsoft's \$2.0 billion investment in Nokia, November 2013 excludes \$1.0 billion investment in BlackBerry. December 2014 includes investments in Uber (\$1.8B), Xiaomi (\$1.1B), and Hangzhou Kuaizhi (\$600M)

Merger & Acquisition Transactions

Date Announced	Acquirer	Target	Business Description	Enterprise Value	EV/Rev
4/30/15	BioNovelus	Firstin Wireless	Provides international long distance and roaming services	NA	NA
4/30/15	Payex Holding	4T Sverige	Provides mobile payments services	NA	NA
4/29/15	Fortunis Resources	Livelynk	Online and mobile marketing solutions for advertisers	\$2.4	NA
4/29/15	Knowles Corporation	Audience	Provides voice and audio solutions for mobile devices	\$75.6	0.7x
4/28/15	gamigo	GameSpree	Publishes browser-based and mobile games for players worldwide	NA	NA
4/24/15	Rhapsody	Reveal Chat	Develops a mobile application for anonymous chatting	NA	NA
4/23/15	California Eastern Laboratories	Eagle Mountain (assets)	Assets which develops embedded wireless device software for OEMs	NA	NA
4/23/15	Publishers Clearing House	LiveToWin	Daily sweepstakes and free-to-play prize gaming mobile apps	NA	NA
4/23/15	Staples	Makr	Provides an iOS mobile design application for consumers and small businesses	NA	NA
4/22/15	Photobucket Corporation	Milyoni	Provides online and mobile social video-on-demand (VOD) live streaming software	NA	NA
4/22/15	Trimble Navigation	HarvestMark	Provides food tracking and logistics, and freshness optimization SaaS	NA	NA
4/22/15	Zomato Media	NexTable	Dining reservation and table management iPad app and Web-based SaaS	NA	NA
4/21/15	BlackBerry	WatchDox	Secure enterprise file-sync-and-share, mobile file sharing and collaboration SaaS	\$90.0	7.5x
4/21/15	Digital Shelf Space	Intregen (assets)	Assets which provide a SIM card-based international call forwarding mobile app	\$0.3	NA
4/21/15	iHookup Social	friendable (assets)	Mobile app enabling users to find other users nearby for dating and friendship	NA	NA
4/21/15	MakeMyTrip	Mygola	Mobile apps enabling users to select and customize travel itineraries	NA	NA
4/21/15	Francisco Partners	Procera Networks	Designs and sells subscriber experience assurance solutions	\$130.4	1.6x
4/20/15	CalAmp	Crashboxx	GPS-based telematics systems and SaaS to track, measure vehicle crashes	\$1.5	NA
4/17/15	Snapchat	Vergence Labs	Designs smart eyewear with bioelectric human computer interfaces	\$15.0	NA
4/17/15	Whoop Wireless	Zone Access Technologies	Develops in-building access systems to solve in-building mobile coverage problem	NA	NA
4/16/15	ARM	Sunrise Micro Devices	RF-enabled power management firmware for use in wireless mobile devices	NA	NA
4/16/15	ARM	Wicentric	Software for wireless mobile devices enabling Bluetooth communication	NA	NA
4/16/15	Carzonrent India	RidingO	Ride-sharing service for car owners and passengers in India	NA	NA
4/16/15	Kapsch TrafficCom	Streetline	Parking management and related analytics and reporting SaaS	NA	NA
4/16/15	Orange Business Services	Ocean	Provides vehicle tracking, fleet and workforce management SaaS	NA	NA
4/16/15	Rocket Internet	Volo Logistics	Provides an online takeout food ordering mobile application and delivery service	NA	NA
4/16/15	Xplore Technologies	Motion Computing (assets)	Designs rugged tablet computers for use primarily by field personnel	\$16.0	0.2x
4/16/15	Acuity Brands	ByteLight	Provides indoor location solutions for smartphone devices	NA	NA
4/15/15	Dude Solutions	Mobile311	Provides GIS and mobile mapping SaaS and mobile applications	NA	NA
4/15/15	Nokia Corporation	Alcatel-Lucent	Telecommunications infrastructure systems, software and integration services	\$14,706.7	0.9x
4/15/15	WPP	Medialets	Buy-side mobile advertising return-on-investment ad serving SaaS	\$22.0	3.1x
4/14/15	BlaBlaCar	AutoHop	Mobile ride-sharing service for drivers and passengers to connect and share rides	NA	NA
4/14/15	BlaBlaCar	Carpooling.com	Mobile and online ride-sharing service app for drivers and passengers in Europe	NA	NA
4/14/15	Localytics	Splitforce	A/B testing and related analytics SaaS for iOS, Android and Unity mobile apps	NA	NA
4/14/15	Microsoft	Datazen Software	Mobile BI analytics, mobile enterprise data management and data visualization	NA	NA
4/14/15	Securus Technologies	JPay	Mobile, Web-based and kiosk-based electronic payments apps	NA	NA
4/14/15	Zomato Media	MaplePOS	Mobile device-based restaurant POS SaaS, systems and related mobile apps	NA	NA

(\$ in millions)

Source: CapitalIQ, The 451 Group and Ridgcrest Capital

Merger & Acquisition Transactions

Date Announced	Acquirer	Target	Business Description	Enterprise Value	EV/Rev
4/14/15	Avaya	KnoahSoft	Provides workforce optimization solutions	NA	NA
4/10/15	Grofers	Mygreenbox Retail	Android app enabling consumers to browse and buy groceries via mobile devices	NA	NA
4/10/15	RR Media	Eastern Space Systems	Digital broadcasting, mobile communications and broadband satellite systems	NA	NA
4/10/15	Send For Help	Bluechip Technologies	Provides lone worker personal safety applications for various mobile OS	NA	NA
4/10/15	TabTale	Sunstorm Interactive	Develops a range of youth-oriented mobile simulation and puzzle videogames	NA	NA
4/9/15	Matrimony.com	Matchify	Mobile women-focused dating application for singles in India	NA	NA
4/9/15	TripAdvisor	BestTables	Online restaurant reservation service for consumers in Brazil and Portugal	NA	NA
4/8/15	Knetik Media	Row Sham Bow	Mobile app performance testing and analytics SaaS for software developers	NA	NA
4/8/15	Infinera Corporation	Transmode	Provides packet-optical networking solutions for network operators	\$312.2	2.9x
4/7/15	Early Warning Services	Authenticate	Telephone-based and mobile identity and access management (IAM)	NA	NA
4/7/15	Reserve Media	HAIL	Restaurant payments app enabling diners to split the tab	NA	NA
4/7/15	Reserve Media	K41	Provides online and mobile restaurant reservation services for consumers and	NA	NA
4/7/15	Investissements TSPL	Zippler	Develops geographic location and social networking based mobile applications	NA	NA
4/7/15	Media-Saturn-Holding	txtr	Develops and markets an eReading solution for OEMs, retailers, and operators	NA	NA
4/6/15	Akamai Technologies	Octoshape	Hosted content delivery network to enable OTT IPTV video streaming for carriers	NA	NA
4/6/15	IHS	RootMetrics	Mobile experience and mobile network performance data and analysis	NA	NA
4/6/15	VeriFone	DoubleBeam	Mobile payment apps and transaction processing services for retailers	NA	NA
4/6/15	Youzu Interactive	Guangzhou Network Tech	Provides big data services in mobile internet field	\$86.8	NA
4/3/15	Pinterest	Hike Labs	Develops and offers a mobile blogging and publishing application	NA	NA
4/2/15	Check Point Software	Lacoon Mobile Security	Mobile threat management software for businesses	\$80.0	80.0x
4/2/15	NEXON Korea	Boolean Games	Develops mobile games	NA	NA
4/1/15	Corning	iBwave Solutions	Provides in-building wireless network design and management software	NA	NA
4/1/15	salesforce.com	Toopher	Authentication SaaS to enable secure login using mobile authentication	NA	NA
4/1/15	Adventure	AppAge	Develops mobile applications for iPhone	NA	NA
4/1/15	Hunan Tianrun Enterprises	ddianle.com	Researches, develops, and operates mobile phone games	NA	NA

Total Transactions	62	
Total with Disclosed Value	13	
Aggregate Disclosed Value	\$15,539.0	
Median	\$75.6	2.3x
Mean	\$1,195.3	12.1x

(\$ in millions)

Source: CapitalIQ, The 451 Group and Ridgecrest Capital

Private Financings

Date Announced	Target	Business Description	Investors	Amount Raised
4/30/15	Dmall	Designs and develops mobile application for delivery of goods	NA	\$100.0
4/30/15	Just Push Pay	Provides a mobile and online banking and payments platform	Grotech Ventures; Scale Finance LLC; Route 66	\$4.2
4/30/15	Mobile Action	App store optimization, mobile user acquisition, and advertising network	Felicis Ventures; 500 Startups; CrunchFund	\$2.0
4/29/15	Shenzhen INVENO	Develops a news aggregation mobile application	Beijing Enlight Media Co., Ltd. (SZSE:300251); China	\$32.3
4/28/15	Digitaleo SAS	Provides digital marketing solutions	Go Capital SAS; Isai Gestion, SAS	\$4.4
4/28/15	Jukely	App allowing users to get information about the latest music concerts	NA	\$8.0
4/28/15	MeeDoc	Mobile app and service that lets patients connect with their doctor via video	XL Health AG	\$3.8
4/28/15	Motivation Science	Develops and delivers a platform to collect mobile health data	Kaiser Permanente Ventures	\$12.5
4/27/15	LAMID Studios	Mobile shopping app and support social and political value businesses	NA	NA
4/27/15	Scanadu	Technology that integrates health diagnostics into smartphones	iGlobe Part.; CBC Capital; Redmile Group; Relay	\$35.0
4/27/15	Uest	Communication bracelet that connects elderly with their relatives	IMEC International; Alychlo NV	\$4.9
4/26/15	Beijing Xiaomi Technology	Manufactures and markets smart phones under brand name Millet	NA	NA
4/24/15	Beijing Caihong Lexiang IT	Mobile app for on-demand massage services and health care consultations	Banyan Capital; 58Daojia	\$5.0
4/24/15	Sumoware	Provides cloud based creative applications and games	Vendep Oy	NA
4/24/15	Triple W Japan	Develops and operates So Sick, a social application	Nissay Capital; iStyle Capital	NA
4/23/15	Entefy	Provides communication and digital interaction solutions	NA	\$8.0
4/23/15	General Specific	Mobile video company, operates a mobile video platform to share video clips	Upfront Ventures	\$2.0
4/23/15	HomeSlice	Provides a mobile and Web-based application	Matchfire	NA
4/23/15	Waygum	Designs and develops an industrial level mobile development platform	HSB Group	NA
4/22/15	RadPad	Offers an online mobile app that enables renters to find rental housing	Goldcrest Investments; Altpoint Ventures	\$9.0
4/22/15	SK Telesys	Develops and supplies telecommunication network equipment in Korea	SKC Co.	\$81.7
4/22/15	Study Quizz	Develops educational smartphone applications	NA	NA
4/22/15	SureCash	Provides mobile banking and payment solutions	Osiris Group	\$7.0
4/21/15	Bring! Labs	Designs and develops a grocery shopping mobile application	NA	NA
4/21/15	Shots Mobile	Develops a social media mobile app for iPhone	Upfront Ventures; WI Harper Group; 500 Startups	\$8.5
4/20/15	Lilomi	Provides push notification solutions for mobile and Web applications	Y Combinator; Rakuten Ventures	\$2.0
4/20/15	Onfleet	Delivery management solutions to businesses around the world	StartX; CrunchFund; Winklevoss Capital	\$2.0
4/17/15	Accela	Provides romance-themed mobile social contents and Web-based services	Voyage Ventures	NA
4/17/15	DoorMint	Mobile based platform for on-demand home based consumer utility services	Powai Lake Ventures	NA
4/17/15	Hallofo	Manufactures smart watches for kids	NA	NA
4/17/15	Shenzhen Mesada Tech	Develops navigation solutions for car systems	Zhejiang Yongtai Technology Co	\$32.8
4/17/15	Yello Mobile	Provides mobile media platforms for the shopping portal	NA	\$7.5
4/16/15	Brainbow Limited	Builds technology and games on mobile phones and tablets	DN Capital; QUALCOMM Ventures; Creandum AB	\$7.2
4/16/15	Robosoft Technologies	Develops mobile apps and games for various OS platforms	Kalaari Capital; Ascent Capital	\$12.0
4/16/15	Vlocity	Develops and markets cloud and mobile solutions in California	Accenture; Salesforce Ventures	\$42.8
4/15/15	AliphCom	Designs, develops, and distributes consumer mobile and wearable devices	BlackRock	\$300.0
4/15/15	Goldrun Corporation	Photo driven ad-platform with shareable GPS-linked virtual photobooths	NA	\$6.5

(\$ in millions)

Source: CapitalIQ, The 451 Group and Ridgecrest Capital

Private Financings

Date Announced	Target	Business Description	Investors	Amount Raised
4/15/15	JustYoyo	Develops mobile shopping applications for retailers and consumers	Imperial Innovations Group	\$8.7
4/14/15	Duo Security	Provides two-factor authentication as a service to prevent account takeover	Benchmark; Redpoint; True V.; Radar Part.; Google	\$30.0
4/14/15	Tonara	Provides an interactive sheet music application for iPad	Carmel Ventures; Baidu; Lool Ventures	\$5.0
4/14/15	TouchBistro	A point of sale restaurant management application for iPads	Difference Cap.; Kensington Cap.; Relay V.	\$6.0
4/13/15	Bguestnow	Designs and develops a mobile app that connects hotels and guests	Portugal Capital Ventures	NA
4/13/15	Hifashion	Develops mobile apps including 'star wardrobe'	The Clothing Holding	\$7.5
4/13/15	Mygon	Develops and offers a discount deals mobile application in Portugal	Portugal Capital Ventures	NA
4/13/15	Traceall Global	Develops technology for tracking and monitoring equipment and assets	Maven Capital Partners	\$2.9
4/13/15	Zoomy	Develops a mobile application for taxi booking in New Zealand	NA	NA
4/10/15	Fruit Street Health	Develops a digital wellness and telemedicine platform for patients	NA	\$2.0
4/10/15	Spotify	Digital music-streaming service that gives on-demand access of songs	Goldman Sachs, Merchant Banking Division	\$400.0
4/10/15	Voalté	Software solving communication problems at the point-of-care in healthcare	NA	\$17.0
4/9/15	99Taxis	Develops an app for smartphones to book taxi with geo-location feature	QUALCOMM V.; Tiger Global; Monashees Capital	NA
4/9/15	Joya Communications	Develops mobile applications allowing video texting services	Altos Ventures; Battery Ventures	\$5.0
4/9/15	Maven Clinic	Healthcare app for booking appointments with practitioners on mobile	BoxGroup; Great Oaks VC; Female Founders Fund	\$2.2
4/9/15	ORIGAMI	Designs and develops mobile applications in Japan	SoftBank; Credit Saison	\$13.3
4/9/15	Smule	Music apps that enable users to create, discover, love, and enjoy musi	Bessemer; Adams Street; Shasta Ventures	\$30.0
4/8/15	Shyp	Provides a mobile application for shipping needs in San Francisco	KPCB; Homebrew; Sherpa Ventures	\$50.7
4/7/15	Bit Kitchen	Develops an online video uploading and sharing platform	Upfront; First Round; Launchpad; SV Angel	\$3.2
4/7/15	Livongo Health	Develops a consumer digital health platform for people with diabetes	DFJ; KPCB; General Catalyst	\$20.0
4/7/15	Lomark	Develops a mobile advertising solutions platform	Guangdong Advertising	\$18.2
4/7/15	One Mobikwik Systems	Provides a platform for online mobile recharge and paying bills online	Sequoia; Cisco; Tree Line Advisors; AmEx Vent.	\$25.0
4/7/15	Sell Shed New Zealand	Develops a mobile app matching buyers and sellers in their communities	NA	NA
4/6/15	CARDFREE	Platform solutions for merchants from mobile and online through POS	NA	\$4.0
4/6/15	Fukurou Labo	Develops and operates marketing platforms for mobile applications	B Dash Ventures	NA
4/6/15	Little Labs	Develops smartwatch applications	NA	\$3.0
4/6/15	Mojix	Designs signal processing technology for deep space communications	Oak Investment Part.; Mercury Part.; OMERS Vent.	\$14.0
4/6/15	PacketZoom	Content delivery network that offers faster cloud access for mobile apps	First Round; Baseline; Founder Collective	NA
4/6/15	ScoreStream	Develops mobile phone applications	NEA; Avalon Ventures; Sagamore Ventures	\$2.0
4/3/15	Magency Digital	Develops mobile apps for training, events, and audience engagement sector	Alliance Entreprendre SAS; Bpifrance Investissement;	\$3.3
4/2/15	APPINIO	Provides online market research services via mobile application	NA	NA
4/2/15	BlueLine Grid	Mobile tech allowing emergency responders to communicate & collaborate	In-Q-Tel	\$4.6
4/2/15	Boombotix	Manufactures loud portable speakers	NA	\$10.8
4/2/15	Tapingo	Mobile shopping app that helps to find favorite places and products	DCM; Carmel; QUALCOMM; Khosla; Kinzon Cap.	\$22.0
4/2/15	ZappRx	Develops an application for prescription management	Atlas Venture; SR One	\$5.6

Total Transactions	72
Total with Disclosed Value	53
Aggregate Disclosed Value	\$1,457.0
Median	\$7.5
Mean	\$27.5

(\$ in millions)

Source: CapitalIQ, The 451 Group and Ridgecrest Capital

Public Company Valuations

Company	04/30/15 Price (\$)	52 week		% of 52 Week High	Market Value (\$)		EV / Revenue			EV / EBITDA			P/E		
		High (\$)	Low (\$)		Equity	Enterprise	LTM	CY14	CY15	LTM	CY14	CY15	LTM	CY14	CY15

Wireless Equipment & Devices

Large/Mid Cap

Apple Inc.	\$125.15	\$134.54	\$82.90	93.0%	\$720,993	\$731,439	3.4x	3.8x	3.1x	10.0x	11.4x	9.1x	15.6x	18.0x	13.7x
Ericsson	10.95	14.37	9.28	76.2%	35,523	31,055	1.1x	1.1x	1.1x	8.5x	9.0x	8.4x	28.7x	17.4x	16.3x
Nokia Corporation	6.77	8.81	5.80	76.8%	24,524	19,398	1.4x	1.3x	1.2x	10.5x	8.8x	8.9x	20.1x	20.6x	20.6x
Alcatel-Lucent	3.53	5.12	1.99	68.9%	9,821	10,499	0.7x	0.7x	0.7x	9.5x	7.0x	5.7x	nm	nm	17.3x
Harris Corporation	80.24	82.79	60.78	96.9%	8,355	9,470	1.9x	1.9x	2.0x	8.9x	9.0x	8.7x	16.1x	16.3x	16.2x
BlackBerry Limited	10.12	12.47	6.39	81.1%	5,351	4,167	1.2x	1.1x	1.5x	6.2x	8.2x	6.5x	nm	nm	nm
Aruba Networks, Inc.	24.61	24.97	15.65	98.6%	2,701	2,410	3.0x	3.0x	2.6x	29.8x	12.9x	10.8x	nm	25.5x	20.0x
Ubiquiti Networks, Inc.	28.57	50.00	25.67	57.1%	2,510	2,194	3.6x	3.6x	3.5x	10.6x	10.6x	10.3x	14.4x	14.2x	14.3x
Sierra Wireless Inc.	35.00	47.02	15.26	74.4%	1,125	918	1.7x	1.7x	1.4x	36.8x	25.3x	15.3x	nm	nm	31.5x
Median				76.8%	\$8,355	\$9,470	1.7x	1.7x	1.5x	10.0x	9.0x	8.9x	16.1x	17.7x	16.8x
Mean				80.4%	\$90,100	\$90,172	2.0x	2.0x	1.9x	14.6x	11.4x	9.3x	19.0x	18.7x	18.7x

Small Cap (<\$1bn mcap)

Comtech Telecommunications	\$28.90	\$40.69	\$26.30	71.0%	\$470	\$335	1.0x	1.0x	1.0x	6.2x	5.8x	6.0x	18.5x	20.5x	19.5x
Novatel Wireless Inc.	6.06	6.89	1.51	88.0%	278	266	1.4x	1.5x	1.1x	nm	nm	24.1x	nm	nm	nm
PCTEL, Inc.	7.90	8.94	6.87	88.4%	148	88	0.8x	0.8x	0.7x	8.6x	6.5x	5.9x	31.6x	16.3x	13.9x
Aviat Networks, Inc.	1.14	1.95	0.99	58.5%	71	41	0.1x	0.1x	0.1x	nm	nm	5.3x	nm	nm	nm
DragonWave Inc.	0.74	2.27	0.54	32.7%	56	54	0.4x	0.4x	0.3x	nm	nm	nm	nm	nm	nm
Meru Networks, Inc.	1.29	4.50	1.20	28.7%	31	22	0.2x	0.2x	0.3x	nm	na	na	nm	nm	nm
Median				64.7%	\$109	\$71	0.6x	0.6x	0.5x	7.4x	6.2x	5.9x	25.1x	18.4x	16.7x
Mean				61.2%	\$176	\$134	0.7x	0.7x	0.6x	7.4x	6.2x	10.3x	25.1x	18.4x	16.7x

Source: CapitalIQ, The 451 Group and Ridgcrest Capital. LTM values based on the company's latest published quarterly results.

Public Company Valuations

Company	04/30/15 Price (\$)	52 week		% of 52 Week High	Market Value (\$)		EV / Revenue			EV / EBITDA			P/E			
		High (\$)	Low (\$)		Equity	Enterprise	LTM	CY14	CY15	LTM	CY14	CY15	LTM	CY14	CY15	
Location Related Technologies																
Garmin Ltd.	\$45.19	\$62.05	\$44.57	72.8%	\$8,651	\$7,210	2.5x	2.5x	2.5x	9.5x	9.5x	9.7x	27.9x	14.4x	14.7x	
Trimble Navigation Limited	25.43	39.55	23.68	64.3%	6,599	7,118	3.0x	3.0x	3.0x	16.4x	14.9x	14.0x	37.4x	17.5x	20.4x	
TomTom NV	8.89	9.53	5.61	93.2%	2,005	1,924	1.9x	na	na	17.8x	na	na	nm	na	na	
Ituran Location & Control Ltd.	23.00	24.39	18.90	94.3%	482	445	2.4x	2.7x	2.5x	7.7x	na	na	15.9x	18.2x	14.7x	
Telenav, Inc.	8.36	9.66	4.70	86.5%	334	202	1.3x	1.4x	1.1x	nm	nm	nm	nm	nm	nm	
TeleCommunication Systems Inc.	3.12	3.94	2.42	79.2%	192	275	0.8x	0.8x	0.7x	8.6x	7.6x	7.3x	nm	15.8x	12.8x	
LoJack Corporation	2.46	6.18	2.03	39.8%	47	40	0.3x	na	0.3x	nm	na	3.8x	nm	na	11.7x	
				Median	79.2%	\$482	\$445	1.9x	2.5x	1.8x	9.5x	9.5x	8.5x	27.9x	16.6x	14.7x
				Mean	75.7%	\$2,616	\$2,459	1.7x	2.1x	1.7x	12.0x	10.6x	8.7x	27.1x	16.5x	14.9x

Mobile Content

Pandora Media, Inc.	\$17.84	\$30.48	\$14.50	58.5%	\$3,772	\$3,390	3.5x	3.7x	2.9x	nm	nm	41.9x	nm	nm	91.0x	
Glu Mobile, Inc.	6.76	7.60	3.27	88.9%	729	663	2.7x	2.9x	2.4x	39.7x	25.4x	19.9x	nm	nm	87.2x	
GameLoft SE	5.27	8.12	3.20	65.0%	452	384	1.4x	na	na	23.1x	na	na	nm	na	na	
Kongzhong Corp.	6.90	10.61	4.88	65.0%	325	201	0.9x	na	na	4.9x	na	na	17.3x	na	na	
				Median	65.0%	\$590	\$523	2.0x	3.3x	2.6x	23.1x	nm	30.9x	17.3x	nm	89.1x
				Mean	69.4%	\$1,319	\$1,160	2.1x	3.3x	2.6x	22.6x	nm	30.9x	17.3x	nm	89.1x

Source: CapitalIQ, The 451 Group and Ridgcrest Capital. LTM values based on the company's latest published quarterly results.

Public Company Valuations

Company	04/30/15 Price (\$)	52 week		% of 52 Week High	Market Value (\$)		EV / Revenue			EV / EBITDA			P/E		
		High (\$)	Low (\$)		Equity	Enterprise	LTM	CY14	CY15	LTM	CY14	CY15	LTM	CY14	CY15
MRM/M2M															
QUALCOMM Incorporated	\$68.00	\$81.97	\$62.26	83.0%	\$110,811	\$96,347	3.5x	3.6x	3.8x	9.9x	9.1x	9.8x	16.1x	12.9x	14.4x
Garmin Ltd.	45.19	62.05	44.57	72.8%	8,651	7,210	2.5x	2.5x	2.5x	9.5x	9.5x	9.7x	27.9x	14.4x	14.7x
Trimble Navigation Limited	25.43	39.55	23.68	64.3%	6,599	7,118	3.0x	3.0x	3.0x	16.4x	14.9x	14.0x	37.4x	17.5x	20.4x
TomTom NV	8.89	9.53	5.61	93.2%	2,005	1,924	1.9x	na	na	17.8x	na	na	nm	na	na
Fleetmatics Group PLC	45.58	49.18	25.43	92.7%	1,742	1,591	6.9x	6.9x	5.5x	27.4x	22.5x	17.3x	nm	47.9x	35.4x
Sierra Wireless Inc.	35.00	47.02	15.26	74.4%	1,125	918	1.7x	1.7x	1.4x	36.8x	25.3x	15.3x	nm	nm	31.5x
CalAmp Corp.	19.71	22.36	14.74	88.1%	714	670	2.7x	2.8x	2.4x	19.5x	20.4x	14.4x	43.8x	23.7x	17.1x
Ituran Location & Control Ltd.	23.00	24.39	18.90	94.3%	482	445	2.4x	2.7x	2.5x	7.7x	na	na	15.9x	18.2x	14.7x
Digi International Inc.	10.10	10.78	6.90	93.7%	246	161	0.8x	0.8x	0.8x	25.2x	24.6x	13.2x	nm	nm	71.3x
Numerex Corp.	10.99	13.17	9.70	83.4%	209	215	2.3x	2.3x	1.9x	24.9x	18.6x	13.5x	nm	35.5x	21.5x
ID Systems Inc.	7.01	7.88	3.88	89.0%	90	81	1.8x	1.8x	1.6x	nm	nm	nm	nm	nm	nm
LoJack Corporation	2.46	6.18	2.03	39.8%	47	40	0.3x	na	0.3x	nm	na	3.8x	nm	na	11.7x
RF Industries, Ltd.	4.10	6.43	4.00	63.8%	35	24	1.0x	1.0x	0.7x	9.3x	na	5.8x	31.5x	25.2x	19.8x
Webtech Wireless Inc.	1.57	1.73	1.09	90.5%	32	12	0.5x	na	na	nm	na	na	nm	na	na
Median				85.8%	\$598	\$558	2.1x	2.5x	2.2x	17.8x	19.5x	13.4x	29.7x	21.0x	19.8x
Mean				80.2%	\$9,485	\$8,340	2.2x	2.6x	2.2x	18.6x	18.1x	11.7x	28.8x	24.4x	24.8x

Source: CapitalIQ, The 451 Group and Ridgcrest Capital. LTM values based on the company's latest published quarterly results.

Ridgecrest Capital Partners

Selected Recent Transactions

 <i>has been acquired by</i> 	 <i>Equity Financing</i>	 <i>has been acquired by</i> 	 <i>has been acquired by</i> 	 <i>has been acquired by</i> 	 <i>has been acquired by</i> <i>mandalay digital group</i>	 <i>has been acquired by</i> 
 <i>has been acquired by</i> 	 <i>has been acquired by</i> 	 <i>has been acquired by</i> 	 <i>has been acquired by</i> 	 <i>has been acquired by</i> 	 <i>has been acquired by</i> 	 <i>Financial advisory</i>
 <i>Financial advisory</i>	 <i>has been acquired by</i> 	 <i>Financial advisory</i>	 <i>Financial advisory</i>	 <i>has acquired</i> 	 <i>has been acquired by</i> 	 <i>has been acquired by</i> 

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