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**MobileSolve Group, Inc.** is a boutique investment bank providing M&A, Capital Raising and Financial Advisory services to technology growth companies.\* This newsletter presents short articles on industry or transaction topics of current interest, and a summary of recent notable transactions.

We are pleased to welcome Patrick Nguyen as head of our Silicon Valley office and Business Development Practice. He will help clients penetrate new markets, develop partnership strategies, and establish strategic partnerships that are transformative and enhance valuation.

Patrick comes to MobileSolve following a successful career as head of the Corporate Transactions Practice at the Silicon Valley office of a leading global law firm, and two successful exits of VC-funded companies. You may read his background here: <https://www.linkedin.com/in/patrickpn>.

Happy New Year, and see you at CES!

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By: Steve Gaynor and Mansi Srivastava

### **M&A IN 2016 – BELOW THE HEADLINES**

This past year has been an active one for M&A across almost all sectors and geographies. From the headlines of major periodicals, they appear to be primarily driven by three trends:

- Telecom companies diversifying into media, such as AT&T/Time Warner and Verizon/Yahoo;
- The explosive growth of IOT, such as Cisco/Jasper, Qualcomm/NXP and Softbank/ARM; and
- Consolidation in cable, such as Charter/Time Warner, and Altice/Cablevision.

But looking at only the headline deals leaves a misimpression about what is actually happening in the M&A market. The big deals understandably grab the headlines, but they are not wholly informative about key trends.

A different picture emerges upon examination of growth company and middle market transactions. Other trends emerge that should be of interest to investors, entrepreneurs and their advisors, analysts, the press, and others seeking a clearer picture of what happened during 2016. "Below the headlines" data inform us:

## **Chinese Companies are on a Buying Spree**

A couple of deals made major headlines, such as Foxconn's acquisition of Sharp, but below the headlines, the volume of deals made by Chinese companies was stunning. Among the more interesting were Qihoo 360's acquisition of Opera Software for \$600M, and Yunfeng Capital's acquisition of Israeli company Playtika LTD for \$4.4B.

As an M&A advisor, MobileSolve has added a Chinese component to its engagements where appropriate, and maintains relationships with key Chinese companies.

## **It's Sunny Days for Cloud Computing**

While Rackspace's \$4.3B take-private transaction financed by Apollo Global nabbed headlines, the sheer volume of smaller deals almost went unnoticed. Nutanix acquired two firms, Pernixdata and calm.io, IBM acquired Italian firm Sanov, Oracle acquired Logfire, and there were many other transactions.

A MobileSolve cloud computing client received three acquisition offers from private equity firms, including one that was fully-valued and virtually all upfront cash, a nearly unheard-of structure.

## **Digital Marketing M&A is in a Frenzy**

Few digital marketing transactions make the headlines because the individual deal sizes are too small. But deal volume in 2016 indicates companies are still trying to refine their expertise and offerings in the area. Notable deals include IBM's acquisitions of ecx.io, Aperto and Resource Ammariti, Telenor's purchase of Tapad, and Deloitte's acquisition of Heat.

## **IOT is also Driving Growth and Middle Market Deals**

As mentioned above, there were several big IOT-driven transactions in 2016, but one gets a fuller appreciation of the raging activity in this sector by looking at deals in the growth and middle markets. GM bought Cruise, Fitbit acquired Pebble, Intel grabbed Itseez, GE took Bitstew, etc.

Representative of this trend, a MobileSolve client in an IOT-related business received six acquisition offers!

Other M&A trends not in the headlines can be identified such as:

- Messaging companies acquisitions of features that enhance messaging or make it entertaining;
- Car company acquisitions of digital businesses such as mobile payments of car-related services like parking;
- Consolidation of companies with large fiber networks; and
- Platform companies bolstering their offerings to include music, messaging and other services in one place.

As you can see, some of the year's more interesting stories are "Below the Headlines!"

*Note: This newsletter is for informational purposes only, and not for the purpose of providing legal, financial or other advice.*

*Sources: The Wall Street Journal, MobileSolve Analysis*

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## Transactions

The following are notable M&A transactions and Capital Financings announced or completed in the last month.

### Notable M&A Transactions

[ARM](#) acquires Allinea Software, a leading provider of software tools for high performance computing. [See details here ...](#)

[Glu Mobile](#) acquires Plain Vanilla, a mobile games company based in Reykjavik, Iceland, for \$1.2M. [See details here ...](#)

[MobilityWare](#) acquires Critical Hit Software, a successful casual games developer and publisher. [See details here ...](#)

[Passport](#) acquires ParkX, a mobile payment for parking provider based in Scottsdale, Arizona. [See details here](#)

[Sauce Labs](#) acquires TestObject, a real device mobile app testing platform. [See details here ...](#)

[SessionM](#) acquires LoyalTree, an industry leading rewards platform for hospitality, retail, and sports. [See details here ...](#)

[TDK](#) acquires InvenSense, provider of motion-tracking devices for consumer electronic products for \$1.1B. [See details here ...](#)

[Thundersoft](#) acquires Rightware Oy, a graphical user interface solutions for in-mobile, automotive and other embedded industries for \$68M. [See details here ...](#)

### Notable Capital Financings

[Commsignia](#), a company with smart car technology, has received an undisclosed amount of funding. [See details here ...](#)

[Novelda AS](#), the company behind XeThru technology, developer of sensors based on CMOS ultra wideband impulse radar, raises \$12M. [See details here ...](#)

[RedShield Security](#), a leading web-application protection specialist, raises \$6.2M in a Series A. The round was led by Sage Technologies. [See funding details here ...](#)

[Silexica Software Solutions](#), a software-for-multicore tool developer, raises \$8M in a Series A. The round was led by Merus Capital. [See funding details here ...](#)

[Tpaga](#), a payment gateway which helps mobile and e-commerce companies to sell online, raises \$1M. [See details here ...](#)

[Vesper Technologies](#), a developer of piezoelectric MEMS microphones, raises \$15M in a Series A. The round was led by Accomplice. [See funding details here ...](#)

**STAY CONNECTED:**

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