



The Pulse on Auto Tech

Q1 2018 M&A NEWSLETTER

KPMG Corporate Finance LLC

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Automotive Technology M&A Overview

Total global deal volume in Q1'18

17



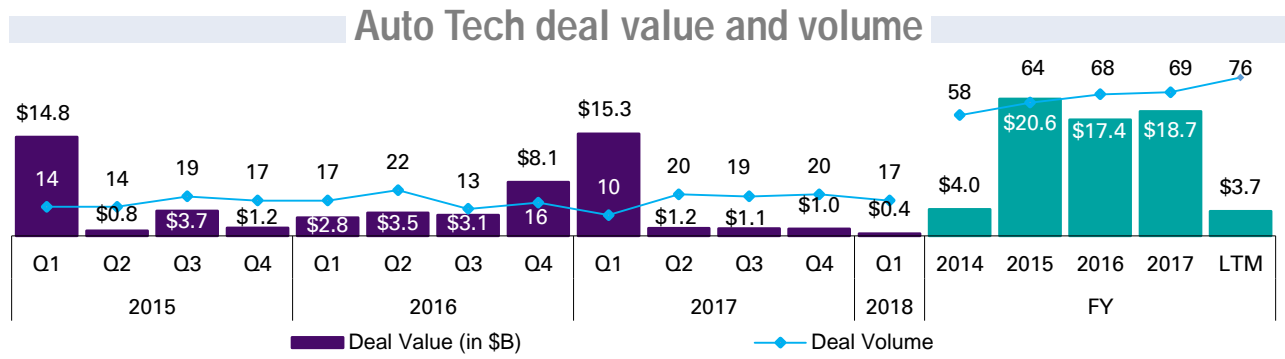
The Automotive Technology (Auto Tech) sector saw **17** deal announcements in Q1'18, up from **10** deals in Q1'17. On a sequential basis, Q1'2018 volume was down from the 20 transactions announced in Q4'17.

\$0.4Bn

Aggregate deal value in Q1'18



The aggregate Auto Tech deal value in Q1'18 was **\$0.4bn**, compared to **\$15.3bn** in Q1'17, impacted by a single deal, Mobileye's acquisition by Intel for over \$15bn. Q1'18 did not have any mega deal announcement.



Note: Auto Tech is defined to includes automotive related software, automotive and fleet telematics as well as connected and autonomous automotive technology

Transactions in Focus

Analog Devices, Inc. (ADI) announced the acquisition of Symeo, a Germany-based provider of real-time position detection and distance measurement radar and radio frequency systems

Announced Date: March 8, 2018 **Deal Value:** NA **EV/Revenue:** NA **EV/EBITDA:** NA

ADI acquired Symeo, a Germany-based provider of RADAR hardware and software for emerging autonomous automotive and industrial applications. The company's technology enables system integrators and OEMs to offer high precision RADAR solutions in rough industrial environments, and complements ADI's expanding portfolio of market solutions in this space. The Symeo team will join ADI's Autonomous Transportation and Safety (ATS) business unit.

Vitruvian Partners announced the acquisition of Easy Park AS, a Norway-based developer of mobile parking and related communication and payment solutions

Announced Date: March 8, 2018 **Deal Value:** \$350mm **EV/Revenue:** 4.7x **EV/EBITDA:** 14.0x

Vitruvian Partners LLP, the UK-based private equity firm, has acquired Easy Park AS from Verdane Capital and Ledstiernan AB. The transaction will enable Easy Park to expand its footprints in the international market as well as provide better offerings to its customers.

BMW AG announced the acquisition of Parkmobile, a US-based provider of on-demand and prepaid mobile payment solutions for on-street and off-street parking

Announced Date: January 16, 2018 **Deal Value:** NA **EV/Revenue:** NA **EV/EBITDA:** NA








BMW has acquired a majority stake in Parkmobile, LLC, the US-based company that enables users to pay for parking with their cell phones using its native mobile applications. The transaction will help BMW to better address parking solutions, an essential element of urban mobility.

Data Supercharging the Connected Car

With all of the hype around connected and autonomous vehicles, automakers and numerous other parties are putting a lot of weight in the data they will increasingly continue to collect. For example, **the Google car generates approximately 1GB of data every second, amounting to approximately 2 petabytes of data per car per year.** As the number of cars on the road reaches approximately 1.25 billion, managing this data, including transmitting, analyzing and redistributing relevant and correct information to interested recipients is an increasingly large challenge. Additionally, another question has arisen around who owns the data, and who therefore has the right to use and sell the data. The root of this data are the hundreds of sensors that vehicles are furnished with that measure everything from how you operate the vehicle, where you operate the vehicle, how the vehicle itself is operating, and increasingly other more personal information gathered from the cars infotainment systems and new biometric sensors.



This data can be used and potentially monetized in a range of applications, with the current major categories below.

End-Market	Application of vehicle data
 UBI Insurance	<ul style="list-style-type: none">Data from vehicles allow insurance providers to design risk based premiumsVehicle data also give providers a better understanding of accident recreation. This ensures more accurate understanding of collisions and appropriate liability assignment
 Traffic / City Planning	<ul style="list-style-type: none">Data collected off vehicles regarding road traffic allows civil authorities and municipalities to design cities and roads according to real world traffic flow as well as optimizing and better managing public and emergency transitVehicle data can also feed parking applications to help mitigate the fact that up to 45% of traffic in major cities is caused by vehicles searching for parking
 Marketing	<ul style="list-style-type: none">Advertisers have a particular interest in data generated off vehicles and about drivers as what type of car you drive, where you drive it, what you listen to while you're driving and a variety of other types of data that may be integrated with the vehicle in the future (banking, e-mail, online shopping) can help them better target advertising, select sites for new retail outlets and potential provide other useful marketing related analysis
 OEM Marketing/Improvements	<ul style="list-style-type: none">Connected vehicles offer OEMs a previously unavailable view into the use of their product once that vehicle leaves the dealershipOEMs are also able to better understand vehicle performance and implement improvements in future models or address warranty issues early on and potential via. an over-the-air software update assuming the issue is software related
 Predictive Maintenance/Dealerships	<ul style="list-style-type: none">Applications are being developed to pro-actively monitor, update and respond to any vehicle issues and ideally inform the driver in advance, providing additional revenue opportunities for dealerships along with improved customer service and satisfaction
 Autonomous Vehicle Software Development	<ul style="list-style-type: none">Autonomous driving will require detailed software models around driver and vehicle behavior in a number of situationsData gathered around car performance and driver behavior will be an important source to feed these autonomous driving data models and improve them through machine learning on an ongoing basis
 Fleet Management / Logistics	<ul style="list-style-type: none">Companies operating large fleets can drive significant efficiencies in routes and driving behavior, understanding any incidents, as well as preventative maintenance to eliminate downtimeCurrently data is gathered from third party systems installed after-market, however on a connected vehicle it will be possible to acquire that data directly off the vehicle and feed it into a software system, without the need for expensive hardware

Source: Statistica; Coughlin Associates; IEEE, KPMG Research

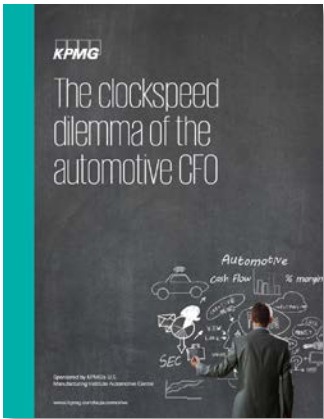
Examples of key players generating and utilizing vehicle data

Automotive OEMs	Tier 1 Automotive Suppliers	Driver safety & insurance	In Vehicle Networking and Software Providers	In-Car Application Providers	Fleet Management	Data Brokers
Tesla Toyota BMW VW GM FCA Ford VW	Magna Autoliv Bosch Denso Aptiv Continental	Octo Mojio Lytx Smart Drive	Excelfore Renovo Blackberry / QNX Veniam	Inrix Waze PitStop Harman Xevo Danlaw Panasonic	Omnitracs Spireon Verizon Orbcomm Teletrac	Otonomo



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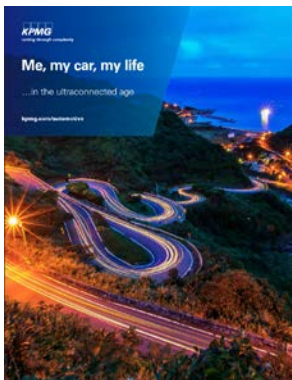
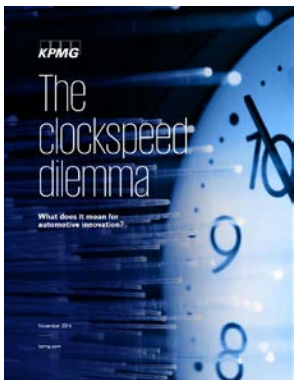
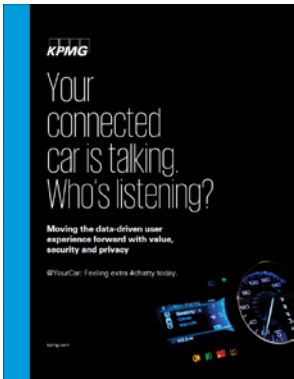
KPMG LLP Automotive Technology Thought Leadership



The Clockspeed Dilemma of the Automotive CFO

Until now, automakers and suppliers have relied heavily on a business model that worked well for making and selling automobiles, but soon revenue will result more from service businesses around those cars, which demand entirely different business models. CFOs in the industry have a critical role to play in overseeing this transformation and ensuring the future of their companies.

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Automotive Technology Credentials*

KPMG

TRS Technologies

has been acquired by

TAYCA CORPORATION

Sensor Technologies

KPMG

3M

Divested its Smart Traffic and Tolling Technologies business to:

NEOLOGY

Intelligent Transportation

KPMG

CLIFFORD THAMES

has been acquired by

OECConnection

Connected Car / IoT

KPMG

ERICSSON

Strategic Advisory related to Connected Vehicle

Connected Car

KPMG

CONTROLTEC

has been acquired by

DELPHI

Connected Car / IoT
\$145 MM

KPMG

lytx

DriveCam.

Financial advisory on Lytx for an undisclosed bidder

Fleet Management

KPMG

SiriusXM

Buyside financial advisory in a potential acquisition of

Agero

Connected Car

KPMG

WABCO

Buyside financial advisory on an undisclosed telematics company

Telematics

KPMG

Trimble

Buyside financial advisory in its acquisition of

NEXALA
A TRIMBLE COMPANY

IoT / Telematics

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KPMG Corporate Finance LLC

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Selected Recent M&A Transactions: Q1 2018

Announced	Target	Acquirer	Deal Value (\$mm)	EV / Revenue	EV / EBITDA
3/23/2018	RedCap Technologies LLC	Solera Holdings Inc. [Vista Equity Partners]	-	-	-
3/20/2018	Aimsun SL	Siemens AG	-	-	-
3/09/2018	Systems 2000 Inc.	Serent Capital	-	-	-
3/08/2018	EasyPark Group	Vitruvian Partners LLP/ Verdane Capital	\$350.0	4.7x	14.0x
3/08/2018	Symeo GmbH	Analog Devices Inc.	-	-	-
3/05/2018	DSD Testing GmbH	Humanetics Innovative Solutions [Safety Technology Holdings]	-	-	-
2/23/2018	RAMM Technologies	Jasco Electronics Holdings	-	-	-
2/07/2018	STRATIM Systems Inc.	KAR Auction Services Inc.	-	-	-
1/31/2018	Ecofleet	Fleet Complete [Madison Dearborn Partners]	-	-	-
01/25/2018	Autonomic Inc.	Ford Motor Company	-	-	-
01/25/2018	TransLoc Inc.	Ford Motor Company	-	-	-
1/24/2018	Movildata Internacional	Verizon Telematics	-	-	-
1/17/2018	Motus LLC	Thoma Bravo LLC	-	-	-
1/16/2018	Parkmobile LLC	BMW	-	-	-
1/09/2018	SwoopMe Inc.	Agero	-	-	-
1/09/2018	Safe Fleet	Oak Hill Capital Partners	-	-	-
1/08/2018	TouchStar Group	Professional Datasolutions Inc. [Genstar Capital]	-	-	-

Sources: 451Research and CapIQ



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