JAMES BREHM & ASSOCIATES

Second Quarter Performance Analysis of Companies Working in IoT

Q2 Results

By Matt Champion

The results of Q2 2018 are finally in. What follows is a broad summary of how various companies performed in the second quarter of 2018. James Brehm & Associates has the financials, KPIs, and news to keep you informed on what's happening in the world of IoT.

verizon

Verizon's Iot and Verizon Connect revenue rose 13%, with Verizon Connect earning $241 million this Q2. In June Verizon's CEO, Lowell McAdam, announced plans to retire at the end of this year. His successor will be Hans Vestberg, the current CTO, executive vice president, and president of Global Networks. The company announced on June 15 that they had negotiated with the mayor of San Jose, CA, a tentative deal that would enable the company to deploy new network infrastructure. The deal will also help San Jose with projects/operations such as smart parking to traffic management.

AT&T

AT&T, having closed Q2 with 44.7 million connected devices-strong, displayed healthy growth this Q2 with 3 million new connections added. In May, the company announced a collaboration with Honeywell. Working in tandem, AT&T and Honeywell will deliver IoT technology to aircraft and freight solutions in countries around the world. On July 10, AT&T announced plans to acquire AlienVault, a privately held cybersecurity company based in San Jose, CA. As of this time, the acquisition is still pending.

Cal/Amp

CalAmp posted revenues of $94.88 million in their fiscal 1st quarter, a 7.7% increase year-over-year. In April, CalAmp announced that its subsidiary Lojack Italia, had been chosen by Quadro Vehicles S.A. to equip their vehicles registered in Italy and France with Lojack's Connect technology. (Quadro Vehicles S.A. is a Swiss 3 and 4 wheeled vehicle manufacturer.) In July, CalAmp announced the integration of their Crashboxx services with Carmine, a fleet management software provider with over 30,000 users in US and Europe.
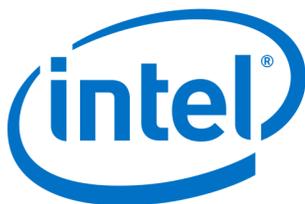
Intel's IoT group posted $880 million in revenue for Q2 2018, a 4.8% sequential increase. In June, CEO and Board member, Brian Krzanich announced his resignation. Currrent CFO, Robert Swan, was named Interim CEO in his stead.

Digi International posted $62.7 million in total revenue this Q2, a 14.5% sequential growth. Digi's SmartSense Solution was chosen by HCA Healthcare of Tennessee to meet compliance for temperature monitoring of prescription drugs and vaccines. The deal will equip 700 pharmacies across the US and should be completed by Digi's 4th fiscal quarter.

Sprint experienced a decrease of connections during their fiscal quarter and closed it with 13.39 million connections, which represents a 105,000 sequential loss. In May, the company announced the launch of Sprint IoT Factory, an on-line marketplace that offers developers turnkey IoT solutions and platforms that they can readily tailor to their own business-specific needs. According to Sprint, about 550,000 developers are using IoT Factory already. The possibility of a Sprint-T-Mobile merger is still under review at this time.

Sierra Wireless experienced an 8% sequential growth this Q2 and posted $201.9 million in revenue. In May, Sierra Wireless was chosen by Atlas Coco, a provider of sustainable productivity solutions, to transform their industrial compressor business using Sierra Wireless' device-to-cloud IoT Solution. On May 31, the company announced that CEO/President, Jason Cohenour, was retiring and stepping down as director. Kent Thexton has been named interim CEO while the board searches for a new CEO.

Control4

Control4's Q2 revenue displayed 17.1% sequential growth, totaling $69.2 million. In August, Control4 appointed Charlie Kindel as Senior Vice President of Products & Services. Control4 has also recently gained an integration partnership with Roxy, creator of the speech-enabled device built for hotels. The Control4 integration will bring room automation to guests by allowing them to use their voice to adjust the controls in the room.

vodafone

Vodafone posted €197 million in IoT revenue, a 3% sequential decrease, for their 1st fiscal quarter. In May, Vodafone NZ acquired the remaining 30% company stakes in Farmside (BayCity Communications Limited). It had already owned 70% since June 2017. In June, Vodafone announced a collaboration with Sanku (Project Healthy Children) to equip 3,000 small-scale flour mills in Africa with IoT services over the next four years. It's expected that the connected mills will provide fortified flour to millions of people in Africa.

SEQUANS
COMMUNICATIONS

Sequans closed Q2 with $12.6 million in revenue, which represents a 12.7% sequential growth over the previous quarter's revenue. In July, the company announced a partnership with NTT Docomo to accelerate development of NB-IoT applications and devices in Japan on NTT Docomo's network. This will be accomplished using Sequan's Monarch LTE and Monarch N platforms, both of which are capable of NB-IoT connectivity.

ptc

PTC reported $32 million in IoT revenues for their fiscal 3rd quarter, a growth of 10.3%, sequentially. In June, PTC announced their partnership with Rockwell Automation, a large Milwaukee based company focused on industrial automation and information products. The partnership will combine both companies' specialties: PTC's IoT and augmented reality solutions and Rockwell Automation's industrial automation and information offerings. Rockwell Automation plans to invest $1 billion in PTC for the 2018 fiscal year. PTC intends to use the equity investment to repurchase stock. PTC also announced in July that it had been chosen by Chennai Metro Rail, located In southern India, to deploy PTC's Nexala rail asset management solutions.

Trimble closed Q2 with $785.5 million in revenue, resulting in a 5.8% sequential growth for the quarter. In July, Trimble announced its completion of the previously announced Viewpoint-acquistion, a $1.2 billion all-cash deal.

Orbcomm posted $70,788 in revenue for the 2nd quarter, a 4.1% increase over the 1st quarter. In April, Orbcomm announced that the Canadian federal government had extended their contract with Maerospace. Maerospace is Orbcomm's Canadian partner and a global supplier of advanced analytics and maritime domain awareness solutions. Through Skywave (their Canadian subsidiary) and through their partnership with Maerospace, Orbcomm supplies the Canadian government with satellite Automatic Identification Systems (AIS) data that is used for ship tracking, navigation, and safety efforts.

Alarm.com posted 12.7% sequential growth this Q2 with revenues reaching $104.5 million. In August, the company announced that the European insurance provider, Aviva, would be offering Alarm.com's cloud-based smart home security and automation services to their customers in Ireland under the name "Aviva Smart Home."

Telefonica closed Q2 with over 17.6 million total M2M connections. In April, Telefonica announced a partnership with Software AG. Together, the two companies will deliver end-to-end digital transformation and IoT Services in Spain. Through a collaboration with Software AG's Cumulocity, a telecom-grade IoT platform, 5,000 London buses will be retro-fitted by 2021 with Cumulocity's solutions and will be connected to Telefonica's network.

iridium

Iridium closed Q2 with $20.8 million in commercial M2M revenue, a 5.3% increase sequentially. The company now boasts 1,047,000 total subscribers—576,000 of which are commercial M2M. In June, the company announced that seven new service providers had joined the Iridium Certus Program. Globecomm, Network Innovations, Pivotel, MVS USA, IEC-Telecom, MetOcean, and Samsan Enterprise Company, have all agreed to use Iridium's Certus service for maritime applications. On July 25, Iridium announced they had successfully launched 10 more of their NEXT satellites. This was the seventh of eight planned launches to replace their current satellites.

I.D. Systems

ID Systems reported a sequential growth of 10.6% for this Q2 with $14.8 million in revenue. The company's strong performance this quarter was largely fueled by a previously reported deal with Avis Budget Group in which 28,000 Unified Telematics Platform units have been delivered so far.

COMCAST

Comcast closed Q2 with 1.23 million security and automation customers, a figure which represents a 5% sequential increase over the previous quarter's number of customers. In June, Comcast announced a partnership with Neptune Technology Group, a U.S. water technology company. The partnership's new solution combines Comcast's machineQ's LoRaWan network and connectivity platform with Neptune's LoRa-enabled water meters and sensors.

mX TELEMATICS

Mix Telematics posted $33.3 million in revenue for their fiscal first quarter and closed with 691,922 subscribers, a 10.6% annual increase. In May, the company was selected by C&J Energy Services to outfit over 3,500 of their light and heavy duty vehicles with Mix Telematics' solutions.

vivint.

Vivint closed this Q2 with $255 million in revenue, which represents a sequential growth of 3.3%. Vivint also picked up approximately 80 thousand new subscribers, boosting their total subscriber base to 1.39 million. In June, the company announced a collaboration with Google that would make all Vivint smart homes voice-enabled via Google Assistant. Henceforth, all future smart home customers will receive 2 Google Home Mini devices and will able to exercise voice control over their smart home functions. The company will also be adding Nest Thermostat E and Google Wifi as options to its smart home suite.

inseego

Inseego's Q2 revenue, amounting to $49 million, represents a 5% sequential growth over the previous quarter's revenue. In July, Inseego announced that they had extended their contract with Narrow Aisle, a manufacturer of very narrow aisle materials handling equipment. Narrow Aisle will continue use of Inseego's Ctrack online vehicle tracking system to monitor their fleet.

James Brehm & Associates is a consulting and marketing intelligence firm that provides project-based and retained strategic advisory services to technology companies worldwide. With a firm focus on the Internet of Things (IoT), Machine-to-Machine (M2M) Communications, and Big Data Analytics, James Brehm & Associates provides actionable insight and direction to a wide range of organizations including Communications Service Providers, Hardware Maunufacturers, Software Vendors, OEMs, Private Equity, and venture Capital Firms. Through projects on market size and share, competitive intelligence, product development, go-to-market strategy, and client-specific consulting services, we help companies reach their maximum potential. http://www.jbrehm.com

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