

Third Quarter Performance Analysis of Companies Working in IoT

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Q3 Results

By: James Brehm

The results of Q3 2018 are finally in. What follows is a broad summary of how various companies performed in the third 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^v

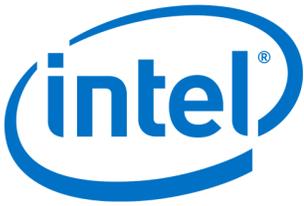
Verizon Connect for Q3 announced revenue earnings of \$241.5 million, a 12% growth year-over-year for Verizon's IoT and Verizon Connect. In September, Verizon announced Paypal CEO Daniel H. Schulman had been elected to the the company's board of directors, and in October, the company announced their partnership with Mutualink, a software service that removes hardware dependencies and enables connections between smartphones, video cameras, land mobile radios (LMRs), etc. The goal of the partnership is to allow first responders and related entities to securely connect networks in order to communicate and share real time video and critical information.

AT&T

AT&T continued to build its network in Q3 by adding 3.46 million connected devices. That brought AT&T's total count of connected devices to 48.18 million. AT&T displayed a solid sequential growth rate of 7.7% in Q3. In August, AT&T announced Kia Motors had selected them for their MyKia+, an app that uses IoT connectivity to locate the vehicle. The service will be available on 2019 Kia Fortes. In August, the company completed their previously announced acquisition of AlienVault. AlienVault's CEO Barmak Meftah will become president of AT&T's Cybersecurity Solutions and remain CEO of AlienVault.

Cal/Amp

CalAmp posted revenues of \$96.03 million in their fiscal 2nd quarter, a 1.2% sequential growth. In August, CalAmp announced they had been chosen by Salinas Valley Ford Lincoln Dealership to deliver consumer telematics solutions. The services will include the LoJack SureDrive connected car app featuring CrashBoxx. CalAmp announced in October that Savagewood Brewing Company is using the company's telematics devices to monitor glycol temperature and ensure beverage quality and freshness.



Intel's IoT group reported \$919 million in revenue for Q3 2018, a 4.4% sequential increase. In October, it was announced that Intel was a founding member of Arizona's Institute for Automated Mobility. The focus of this public-private consortium will be on liability, regulatory and safety implications of automated vehicles and will work to develop standards and practices for the industry to follow.



Digi closed their fiscal 4th quarter with \$65.7 million in total revenue, a growth of 4.7% sequentially. In October, Digi's SmartSense division partnered with Trimble to integrate SmartSense's real-time temperature monitoring data with Trimble's data aggregation and supply chain analytics platform.



Sprint grew 31,000 connections this quarter, closing with 13.42 million connection. In September, Sprint announced a partnership with Ericsson to build a distributed and virtualized core network dedicated specifically to IoT. The goal is set for the future of IoT, designed and created for optimal flow of device data, enabling immediate, actionable intelligence at the network edge for enterprises and end users. In September, Sprint unveiled their Curiosity IoT platform, a new standard for how IoT will be managed and secured. Leveraging Softbank's strengths, Sprint's plan is to bring the network to the data, not the data to the network.



Sierra Wireless revenue growth remained relatively flat at the close of Q3 with a total revenue of \$203.42 million. In October, Sierra Wireless announced Kent Thexton had been appointed President & CEO of the company. Mr. Thexton had been serving as interim President & CEO since May 31st, 2018 and took on the permanent role on November 1, 2018. In November, Sierra Wireless was chosen by Security Alarms & Co., a Swiss developer of smart home security solutions, to provide Sierra Wireless's IoT Services to enable cellular connectivity for Security Alarms & CO's AR-HUB home security smart hub.

Control4™

Control4's closed the third quarter with \$71.6 million in total revenue, a 3.4% sequential growth. In September, Control4 announced their new KNX solution, a new support and product line to enable dealers to deliver superior experiences within smart homes in Australia, China, Germany, Singapore, and the UK.



vodafone

Vodafone maintained an IoT revenue of €195 million for the second quarter of 2018, showing a 1% decrease sequentially. In September Vodafone announced their plan to double the number of European cell sites supporting 5G NB-IoT in their network footprint by the end of 2019. In October Vodafone Spain announced their NB-IoT network now covers all localities with more than 25,000 inhabitants. The telecom company has achieved substantial deployment in rural areas and has a number of pilots with partners in different sectors including; specialists in water, waste management, agriculture, electricity, retail and smart city services.



Sequans experienced a sequential reduction of -18.7% in Q3, with \$10.3 million in revenue. In September, Sequans announced an agreement with Sprint to make available a new LTE Cat 1 module designed for Sprint's LTE network. Also in September, Sequans and Orion Labs, a communication technology company dedicated to connecting people through voice, partnered in creating the first LTE-enabled Orion smart walkie-talkie, named "Orion Sync."



PTC reported for Q3 a sequential growth of 15.6% and \$37 million in IoT revenues. The company also announced in September that they had been chosen by Sicame Group, a global provider of products related to the transport and distribution of electrical energy, to provide their ThingWorx Industrial Innovation Platform to remotely monitor and gather operational intelligence.



Trimble grew 1.2 % sequentially in Q3, posting \$795.2 million in revenue. Trimble announced in October it had acquired Veltec, a privately held company located in Brazil that provides fleet management for transportation companies to improve safety and reduce operational costs. This acquisition further expands Trimble’s global footprint and extends the company’s fleet safety and efficiency solutions new markets. No financial terms were disclosed.



Orbcomm’s total revenue remained flat sequentially, with \$71.04 million, a 2.4% growth year over year. In October, Orbcomm was selected by Associated Wholesale Grocers (AWG), a cooperative food wholesaler to independently owned supermarkets, to provide fleet wide trailer monitoring solution for AWG’s dry and refrigerated units. Also in October, Chief Express LLC, a truckload carrier based in North Carolina, chose Orbcomm to provide in-cab solutions for their trucks and trailer monitoring solutions for their dry van fleet.



Alarm.com grew 7% sequentially this Q3 with revenues reaching \$111.9 million. Earlier this month, Arizona Public Service launched a pilot project that could serve as the state’s broadest DER integration effort to date. It’s with EnergyHub, maker of a distributed energy resource management system platform that will be controlling a host of grid resources — connected thermostats, water heaters, battery energy storage, and solar inverters, specifically — to “dynamically manage its portfolio of grid-edge devices through peak demand reduction, load shifting and renewables matching, and solar inverter management and curtailment.”



Telefonica in Q3 reported a total of 18.4 million M2M connections. In November, Telefonica reached an agreement with Grupo Catalana Occidente, to sell Telefonica’s Antares, a health/life/accident insurance company to more than 200,000 individuals in Spain. The insurance company was sold for 161 million euros.



Iridium closed Q3 with \$22.6 million in commercial M2M revenue, an 8.6% sequential increase. In August, Iridium announced that Rolls Royce Marine had signed a letter of intent in support of their autonomous vessel development program. This arrangement would allow RRM and Iridium to work together to incorporate Iridium’s Certus into RRM’s Ship Intelligent solutions.



ID Systems ended Q3 with a sequential decrease of -9.6% in total revenue, generating \$13.4 million compared to \$14.8 million in Q2. In August, ID Systems completed the acquisition of Keytroller, a manufacturer and solution provider of electronic products for managing forklifts, construction vehicles, and other industrial equipment. In September, ID Systems announced they will combine operations of its existing Vehicle Management Systems division with the recently acquired Keytroller, creating a new business unit called ID Systems’ PowerFleet. The new division will focus on Industrial Truck Management.



Comcast in Q3 grew their security and automation customers by 3.3 % with 1.27 million customers. Comcast announced in October that their Xfinity Mobile MVNO unit, which launched over Verizon’s Network in April 2017, has surpassed 1 million subscribers. The company grew 228,000 new subscribers in Q3 2018, adding to their already 781,000 base at the end of Q2 2018.



Mix Telematics reported \$35.1 million in revenue in the second quarter, and closed with 714,011 subscribers, a 3.2 % sequential increase. In November Mix Telematics was chosen by a South African Agri-business to provide Mix’s light fleet solution across 600 vehicles to improve safety, efficiency, and security.

vivint.

Vivint generated \$272 million in revenue for their third fiscal quarter, up 6.8% from their previous fiscal quarter. In October, Vivint, with Vivint Smart Home Arena, and the Utah Jazz, signed a multi-year partnership. The collaboration launches “Letters to Utah” campaign, farewell messages that will appear on Jazz TV broadcasts and social media from NBA players who switch teams. Vivint will aid in advertising and marketing this campaign.

inseego

Inseego experienced a 3.2 % sequential growth in Q3 over the previous quarter’s revenue, amounting to \$50.6 million. In August, Inseego launched a new device-to-cloud management platform, “Inseego IoT Connect Solution,” a cloud solution that improves Industrial IoT (IIoT) use cases. Along with Inseego IoT Connect, the company recently launched Skyus portfolio, creating a solid all-in-one IIoT solution. In October, Inseego created a new channel partner program in North America, “Value Inseego Partner” (VIP), that will list new distributors and resellers in the Enterprise SaaS, IoT and Mobile Solutions businesses. The first to sign as distribution partners were Synnex Corporation and Novotech Canada. Later in October, Inseego opened the Cupertino Design Center in the Silicon Valley. The new facility that will provide a space for growth in 5G and IoT Device-to-Cloud Technology.

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 Manufacturers, 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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