

18th January 2016

TMT

Axway Software

Price EUR22.40

Acquisition of Appcelerator

Fair Value EUR30 (+32%)

BUY

Bloomberg	AXW FP
Reuters	AXW PA
12-month High / Low (EUR)	25.7 / 14.8
Market Cap (EURm)	461
Avg. 6m daily volume (000)	11.00

	1 M	3 M	6 M	31/12/14
Absolute perf.	-10.4%	-0.9%	9.3%	35.8%
Softw.& Comp.				
SVS	-5.5%	3.8%	-1.1%	18.9%
DJ Stoxx 600	-8.3%	-8.6%	-17.5%	-3.7%

	2014	2015e	2016e	2017e
P/E	13.7x	12.6x	11.3x	10.1x
Div yield (%)	1.9%	1.9%	2.1%	2.3%

ANALYSIS

- **This morning Axway announced the acquisition of Appcelerator for an undisclosed sum.** Founded in 2006 with headquarters in San Jose (California), Appcelerator develops and sells a mobile engagement platform which help companies to create mobile apps, integrate them with existing systems using APIs, manage back-end services and optimise them with comprehensive analytic tools. It is handling 2bn mobile API calls per month and powers apps running on over 350m mobile devices.
- **This is not a big acquisition, but helps Axway's digital engagement strategy.** We understand Appcelerator is a small company, of a size similar to that of Vordel when it was acquired in 2012 (around an est. EUR10m), with an SaaS revenue model. We doubt the company is profitable given its size. The acquisition price was not disclosed but this kind of target is usually sold for several times sales. Finally, Appcelerator provides Axway with a stronger Digital Engagement strategy, by adding the mobile app development and analytical layers to the API integration layer brought by Vordel.

VALUATION

- Axway's shares are trading at est. 7.3x 2016 and 5.9x 2017 EV/EBIT multiples

NEXT CATALYSTS

- FY15 results on 24th February after trading.

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Distribution of stock ratings

BUY ratings 72%

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