



SOUNDVIEW
TECHNOLOGY GROUP

Security Technologies
Investor Ideas Conference
March 11, 2014

What's Going On?



Good



Good



→ Convergence!

Bad



Strong IPO Market



IPO Analysis

10-Mar-14

COMPANY	Ticker	Price	1YR CHG	3M CHG	TEV	Sales	Growth	GM	OM	TEV / Sales
FireEye	FEYE	\$80.30	na	114%	11,400	\$162	93.9%	70.4%	-74.7%	70.6
Palo Alto NW	PANW	\$78.26	40%	51%	5,358	\$483	49.2%	72.3%	-14.7%	11.1
Imperva	IMPV	\$60.07	54%	38%	1,450	\$138	32.2%	78.4%	-19.1%	10.5
Proofpoint	PFPT	\$43.36	192%	50%	1,471	\$138	29.8%	69.8%	-20.5%	10.7
KEYW Holdings	KEYW	\$21.17	51%	70%	871	\$299	22.7%	33.3%	-3.6%	2.9
Fortinet	FTNT	\$23.13	-5%	28%	3,275	\$615	15.3%	70.7%	7.2%	5.3
Qualys	QLYS	\$27.30	118%	17%	790	\$108	18.1%	77.2%	1.5%	7.3
AVG Technologies	NYSE:AVG	\$20.88	49%	27%	1,124	\$407	14.4%	83.1%	15.7%	2.8
Average			71.2%	40.2%			25.9%	69.3%	-4.8%	7.2

Not Much Love for the Old

Established IT Sec

11-Mar-14

<i>COMPANY</i>	Ticker	Price	1YR CHG	3M CHG	TEV	Sales	Growth	GM	OM	TEV / Sales
Checkpoint Systems Inc.	CKP	\$13.85	na	-5%	567	\$695	8.6%	39.2%	-3.8%	0.8
BlackBerry Limited	BBRY	\$9.67	-26%	62%	0	\$8,514	-32.3%	31.9%	-62.9%	0.0
Intel Corporation	INTC	\$24.84	15%	0%	116,954	\$52,708	-1.2%	59.8%	18.3%	2.2
Symantec Corporation	SYMC	\$20.56	-16%	-8%	12,422	\$6,799	-0.6%	84.0%	13.0%	1.8
NICE Systems Ltd.	NICE	\$41.08	5%	3%	2,332	\$949	8.0%	61.6%	5.8%	2.5
Nuance Communications, Inc.	NUAN	\$15.20	-21%	7%	6,407	\$1,863	6.3%	62.1%	-8.0%	3.4
Verint Systems Inc.	VRNT	\$47.18	32%	16%	2,798	\$881	7.0%	68.2%	7.0%	3.2
Cisco Systems, Inc.	iqGS:CSCO	\$21.69	-1%	2%	81,838	\$47,873	1.3%	61.0%	17.1%	1.7
Average			-1.8%	11.7%			-1.6%	61.2%	-1.4%	2.1

Smaller Names Diverge

Emerging Security

11-Mar-14

COMPANY	Ticker	Price	1YR CHG	3M CHG	TEV	Sales	Growth	GM	OM	TEV / Sales
LifeLock, Inc.	LOCK	\$20.06	68%	25%	1,669	\$370	33.7%	72.9%	14.2%	4.5
Nxt-ID, Inc.	NXTD	\$4.40	na	-6%	96	\$0	0.0%	0.0%	0.0%	nm
Viscount Systems Inc.	VSYS	\$0.12	26%	76%	12	\$4	14.3%	59.7%	-30.4%	3.3
SmartMetric, Inc.	SMME	\$0.19	-14%	19%	31	\$0	0.0%	0.0%	0.0%	nm
Intersections Inc.	INTX	\$6.50	-38%	-16%	99	\$324	-9.4%	69.4%	1.2%	0.3
Applied DNA Sciences Inc.	APDN	\$0.14	8%	-2%	111	\$2	39.9%	100.0%	nm	47.7
NQ Mobile Inc.	NQ	\$19.20	100%	70%	875	\$159	113.0%	72.0%	5.0%	5.5
PositiveID Corporation	PSID	\$0.11	-75%	268%	9	\$0	0.0%	0.0%	nm	nm
ImageWare Systems Inc.	IWSY	\$2.34	142%	44%	195	\$5	31.9%	69.6%	nm	36.8
Implant Sciences Corp.	IMSC	\$0.80	-26%	-6%	94	\$8	-16.8%	28.5%	nm	11.7
Identive Group, Inc.	INVE	\$0.92	-36%	70%	67	\$98	1.7%	40.6%	-34.0%	0.7
Wave Systems Corp.	WAVX	\$1.07	-68%	4%	36	\$26	-20.9%	89.4%	-114.5%	1.4
Aware, Inc.	AWRE	\$5.89	20%	-1%	61	\$19	11.9%	80.0%	19.4%	3.1
IDEX ASA	OB:IDEX	\$1.32	400%	46%	533	\$1	-24.1%	100.0%	nm	nm
Precise Biometrics AB	OM:PREC	\$0.24	-17%	-21%	68	\$5	23.6%	54.3%	-123.8%	12.5
Sky-mobi Limited	MOBI	\$9.17	341%	187%	171	\$84	-16.3%	30.3%	5.8%	2.0
Qihoo 360 Technology Co. Ltd.	QIHU	\$118.31	272%	48%	14,129	\$671	104.0%	86.9%	14.6%	21.1
Average			72.1%	50.6%			17.0%	58.6%	-25.1%	13.0

Places to Draw Positioning

Authentication (NXTD)

Biometrics
Contextual Processing
(n-Factor)
Software/SaaS

Weird Stuff

Provenance
Wearable/Embedded
IoT

Convergence (VSYS)

Cloud
Mobile Devices
Software/SaaS

Regular Still Works

Networks
Servers
Compliance/Legal
Healthcare

Thank You

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<http://soundview.co/infosec>

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