# TERN PLC

## SOFTWARE AND COMPUTER SERVICES

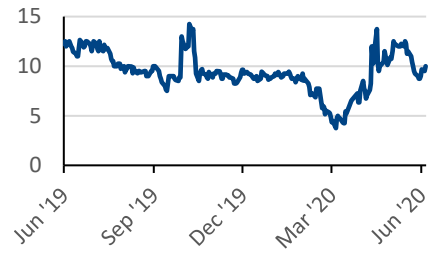
**24 June 2020**

**TERN.L**

10p

Market Cap: £28.3m

### SHARE PRICE (p)




12m high/low 14.3p/3.8p

*Source: LSE Data*

### KEY DATA

| | |
|---|---|
| Net (Debt)/Cash | £1.0m *(at 31/12/19)* |
| Enterprise value | £27.3m |
| Index/market | AIM |
| Next news | Interim results |
| Shares in Issue (m) | 283.4 |
| Chairman | Ian Ritchie |
| Chief Executive | Albert E Sisto |
| Finance Director | Sarah Payne |

### COMPANY DESCRIPTION

Tern predominantly invests in software companies, with proven technology, based in the UK but with global ambition.

**www.ternplc.com**

**TERN PLC IS A RESEARCH CLIENT OF PROGRESSIVE**

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## "Any colour you like, as long as it's Azure"

**Yesterday saw two unrelated announcements regarding Microsoft's Azure platform and the Internet of Things (IoT). Tern's Device Authority investee has unveiled that its KeyScaler product will be available through the Microsoft-curated Azure Marketplace – a major achievement and a positive endorsement of the software. On the bigger stage, Microsoft has acquired Israeli software group CyberX for a reported $165m, bolstering its presence in the IoT arena. Microsoft clearly continues to propel its Azure cloud platform, and this note looks briefly at both Device Authority's new opportunity and the CyberX deal.**

- **Device Authority's KeyScaler on the Azure Marketplace** Yesterday saw the announcement that Device Authority's IoT platform, KeyScaler, has been included in the Microsoft Azure Marketplace. In a similar way to Apple's App store, Microsoft offers users of Azure a focussed list of available platforms and solutions. Following significant effort to integrate the platform with Azure to allow seamless IoT device deployment and management, KeyScaler can now be procured by end users and reseller/integrator partners directly within the Azure infrastructure.

- **Microsoft / CyberX deal** This week, Microsoft also announced the acquisition of Israeli IoT software business CyberX for a sum apparently around $165m. CyberX is in some ways similar to Device Authority – both groups help enterprise customers manage large IoT deployments. CyberX has its roots in "network discovery" – allowing organisations to locate, understand and control devices ALREADY ON the network. Device Authority, on the other hand, is more focussed on helping corporations effectively manage roll-outs of NEW devices in industrial settings. We therefore do not see the Microsoft/CyberX deal as a threat to Device Authority – CyberX was already a major and active player, but in a different segment of the Industrial IoT landscape. The deal does, however, demonstrate that Microsoft sees a material end exciting future for the software market as it relates to Industrial IoT.

**Both announcements demonstrate the relevance and rapid evolution of the Industrial IoT opportunity. Microsoft's actions, both in the CyberX acquisition and, closer to home, including KeyScaler on the Azure Marketplace, prove its intent and direction – the Azure platform is Microsoft's answer to the challenges of scale and security, and Device Authority seems well placed to continue to benefit.**

### INVESTEE COMPANIES

DEVICE AUTHORITY · FUNDAMENTALVR · Wyld Networks · InVMA · PUSH TECHNOLOGY · Seal


*This publication should not be seen as an inducement under MiFID II regulations.*

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## Microsoft Azure Marketplace

The screenshot below was taken from the Microsoft Azure Marketplace yesterday – it shows the DA KeyScaler product and allows Microsoft's sales team and other third-party resellers to promote and sell the KeyScaler product directly "within" the Azure platform. This level of enhanced availability and publicity, alongside DA's existing relationship with the Microsoft ecosystem, should allow the business to continue to build its deal pipeline, and benefit from the Azure-based opportunities that arise as both the platform and IoT more generally continue to evolve, mature and grow.

**KEYSCALER ON THE MICROSOFT AZURE MARKETPLACE**

*Source: Progressive Equity Research*

Progressive EQUITY RESEARCH

24 June 2020

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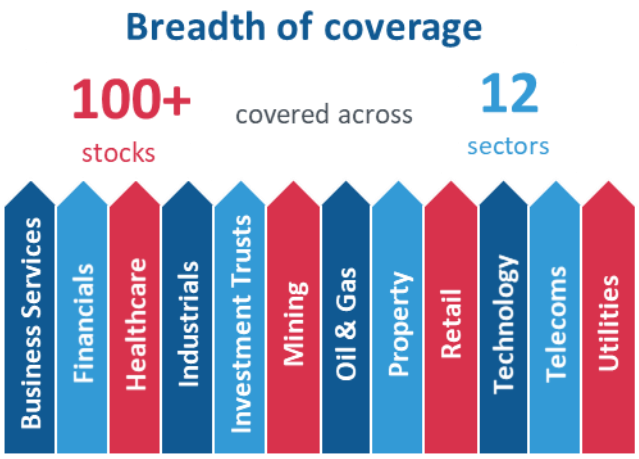


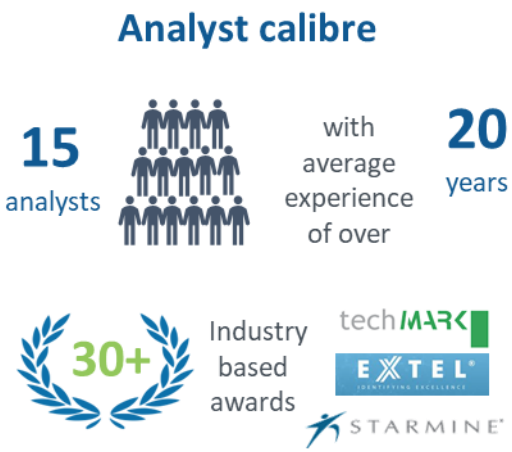


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