How can the mass market be better served?
Qualcomm is today best known for chipsets and intellectual property related to wireless technologies, but its first commercial product was actually the OmniTRACS satellite mobile communications system for the North American transportation and logistics market in 1988. This was the start of the fleet management solution market and now, more than 25 years later, it would seem logical that the market would be saturated. That's definitely not the case. In some market segments and regions such as larger transportation fleets in Europe and North America the penetration is quite high. Still, Berg Insight has found that the market is full of opportunity for innovative companies.

Telematics is very much the cornerstone of efficient logistics and fleet management solutions today. High fuel prices and increased global competition coupled with technology advancements in the form of cost-effective mobile connectivity and feature-richer hardware at ever lower cost have created tremendous opportunities in this market. The industry however remains overcrowded and further mergers and acquisitions are expected in the coming years. Berg Insight anticipates a future scenario where the global fleet management market is dominated by a handful of providers with installed bases measured in millions.

Fleet management infrastructure overview
Fleet management (FM) is an ambiguous term used in reference to a wide range of solutions for different vehicle-related applications. Berg Insight’s definition of an FM solution is a
vehicle-based system that incorporates data logging, satellite positioning and data communication to a back office application. All of these components combined enable the delivery of vehicle management, transport management, driver management and mobile workforce management applications linking vehicles and enterprise IT systems.

At a high level, the infrastructure for fleet management can be divided into four segments:

- **Vehicle and asset segment** – All vehicles or assets connected to the FM solution need to have a combined satellite positioning and wireless communication unit. The unit can be of a wide range of form factors and may be connected to various devices, peripherals and data interfaces inside the vehicle.

- **GNSS segment** – The FM solution relies on public global navigation satellite systems such as GPS and Galileo for accurate positioning of the vehicles.

- **Network segment** – Wireless wide area networks are employed by the FM solution for data transmission. GPRS mobile networks are currently the most widely used, with some systems also using satellite communication.

- **Backoffice segment** – Behind a data communication gateway, a wide range of standard and third party applications may have access to data from the vehicles.

Fleet and asset management includes numerous feature sets for various on- and off-road vehicles and non-motorised assets. Typical high-level categories include vehicle and asset management, driver management, operations management, supply chain management and regulatory compliance and reporting. Each category includes different subsets of functionality, some of which are generally applicable for all types of assets while others are specific for certain operations.

### Major applications for fleet management and asset control

#### Vehicle and asset management
- Remote diagnostics
- Maintenance planning
- Security tracking

#### Driver management
- Driving registration and analysis
- Eco-driving schemes
- Insurance risk management

#### Operations management
- Routing and navigation
- Transport management
- Mobile workforce management

#### Supply chain management
- Cargo management
- Inventory management

#### Regulatory compliance and reporting
- Drivers’ working hours
- Digital tachograph data download
- Tax and toll collection

### Commercial vehicles and other assets

The fleet and asset management solutions covered in this report are used to monitor and manage assets including commercial vehicles, construction equipment, agriculture machinery, cargo containers and trailers. There is today an installed base over 330 million assets in these categories worldwide. Around 26 million of these are estimated to be equipped with active telematics solutions with back office software access, representing a total penetration of 8.0%. The active installed base will grow at a CAGR of 20.2% to reach close to 70 million units by 2018. Fleet management for commercial vehicles currently represents the lion’s share of the connected units and is expected to remain the key segment during the forecasted period. Solutions for cargo containers, trailers, construction equipment and agriculture machinery are however also anticipated to experience strong growth in telematics adoption in the medium-term.
Fleet management for commercial vehicles is a considerably larger market than tracking and monitoring solutions for cargo containers, trailers, construction equipment and agriculture machinery.

Commercial vehicles
There are more than 1 billion motor vehicles in the world, including more than 700 million light vehicles and 300 million heavy vehicles. The Americas represents the largest vehicle market with close to 400 million vehicles, followed by Europe and Asia-Pacific with around 350 and 300 million vehicles respectively. Approximately 250 million of these are commercial vehicles, out of which the majority are light commercial vehicles such as vans and pickups. Berg Insight estimates that around 23 million commercial vehicles worldwide at the end of 2013 were equipped with active fleet management systems based on satellite positioning and mobile communication. This corresponds to a penetration rate of 9.1% in the total population of non-privately owned commercial vehicles. Growing at a compound annual growth rate of 20.9%, the global fleet management market is estimated to reach 59 million active FM systems by 2018.

The largest fleet management markets are currently Europe and Asia-Pacific followed by North America. Middle East and Africa and Asia-Pacific are expected to experience the strongest growth rates in the upcoming years.

The number of fleet management systems in active use in EU 27+2 is forecasted to grow at a compound annual growth rate (CAGR) of 14.5% from 3.6 million units at the end of 2013 to 7.1 million by 2018. The penetration rate in the total population of non-privately owned commercial vehicles is estimated to increase from 12.3% in 2013 to 23.1% in 2018.

In North America, the number of fleet management systems in active use is expected to grow at a CAGR of 14.9% from 3.8 million units at the end of 2013 to 7.6 million by 2018. The penetration rate in the total population of non-privately owned commercial vehicles is during the same time estimated to increase from 13.2% to 24.1%.

The number of fleet management systems in use in the Latin American region is projected to increase from 1.8 million units in 2013, growing at a CAGR of 16.1% to reach 3.8 million by 2018. The penetration rate in the total population of non-privately owned commercial vehicles in this region is estimated to increase from 8.1% in 2013 to 16% in 2018.

Fleet management solution providers
The fleet management market is populated by hundreds of telematics players worldwide. These solution providers include both vehicle OEMs and aftermarket solution providers. Solutions developed by vehicle OEMs have so far reached limited adoption. Given that fleets most often include vehicles from multiple brands, the longer-term strategies of vehicle manufacturers are anticipated to include partnerships with established telematics providers.

The majority of the aftermarket solution providers are small local players with installed bases in the range of a few thousand units up to 50,000 units. Most FM companies are only active on their respective domestic markets and neighbouring countries. A number of major fleet telematics players have however emerged which are active regionally or internationally with significant customer bases. The top ten FM providers together have a total active installed base of close to four million units worldwide. Major players providing FM services for more than 400,000 vehicles include Trimble, Omnitracs (formerly Qualcomm Enterprise Services), Gurtam and Fleetmatics. Other providers with more than 300,000 active vehicle units include Digicore, TomTom, Masternaut and Zonar Systems.
The FMS industry continues to experience strong growth. All 10 companies on the top list have surpassed 300,000 subscribers and Trimble, Omnitraccs, Gurtam and Fleetmatics the 400,000 milestone.

A group of aftermarket solution providers have emerged as the leaders in the European fleet management market. Masternaut is ranked as the largest player overall in terms of installed base with close to 320,000 units deployed at the end of 2013, mainly in France and the UK. TomTom Business Solutions was the fastest growing vendor also in 2013 and reached 285,000 subscribers. Digicore and Trimble have also joined the exclusive group of fleet management providers in Europe having more than 100,000 active devices in the field. Transics is number one in the heavy trucks segment with an estimated 85,000 active units installed. Other significant players include European companies such as Vehco, Navman Wireless, TRACKER and Trafficmaster and international players like Trimble from the US, Astrata from Asia and the South African telematics providers DigiCore and MiX Telematics.

Berg Insight ranks Omnitraccs as the largest provider of fleet management solutions in the Americas, with an estimated total active installed base of approximately 500,000 units in the region. Omnitraccs’ solutions target heavy trucks and the company has a substantial market share within this vertical in North America, as well as a solid presence in Latin America where Brazil and Mexico are the main countries. Trimble holds the second position, having an installed base of 400,000 active fleet management units in the Americas following the acquisition of PeopleNet, which is one of Omnitraccs’ main competitors. Fleetmatics is the third largest provider with an estimated installed base of around 400,000 units in the region. Both Trimble and Fleetmatics are in the Americas focused on the US and Canada. Zonar Systems and Telogis have also reached the milestone of 300,000 active units. Telegat, Verizon Networkfleet, Geotab and Sascar have furthermore all estimated installed bases in the range of 150,000-250,000 units in the Americas. All are focused on North America except for Sascar, which is a leading provider on the Brazilian market. XRS is focused on the heavy truck segment and captures the last position among the top ten vendors in the region with 107,000 active FM systems.

OEM fleet telematics market developments

All major truck manufacturers on the European market offer OEM telematics solutions as a part of their product portfolio. Mercedes-Benz, Volvo and Scania launched their first products in the 1990s and were followed by MAN in 2000, Renault Trucks in 2004, DAF Trucks in 2006 and Iveco in 2008. The products all support the FMS standard and can generally be deployed in mixed fleets even if some functionality can be brand-specific. A major trend in the past years has been the announcements of standard line fitment of fleet management solutions. Since the end of 2011, Scania is rolling out the Scania Communicator as standard on all European markets and includes a four-year basic service subscription. The new generation of the Actros trucks from Mercedes-Benz contains the FleetBoard vehicle computer as standard in all EU27 countries since October 2011. Volvo is going in the same direction, offering Dynafleet as standard in Europe. Renault Trucks also started to provide telematics as a standard fit in 2011. MAN TeleMatics is, since July 2012, standard on the new truck model TGX EfficientLine including a four-month trial for the service.

Most commercial vehicle manufacturers active in the Americas also offer OEM telematics solutions – either independently or in partnership with established FM providers – with examples such as Volvo Link and Ford Crew Chief on the US market. Hino Insight was announced in 2011, as was Virtual Technician for Daimler’s Freightliner and Western Star trucks. Paccar’s TruckerLink service was also introduced during the year. Daimler’s FleetBoard and Volvo’s Dynafleet have moreover been launched in Brazil, while Scania Fleet Management is rolled out in Latin America. MAN Latin America offers the Volksnet solution and Iveco has further developed the system Fruta Fácil. FM solutions from OEMs have not yet been particularly successful in the Americas, but are expected to increase in importance in the coming years.

Off-road construction and agriculture equipment

Off-road equipment comprises self-propelled equipment designed for other purposes than road transports, such as construction and agriculture equipment. Construction equipment (CE) includes machines used for various types of construction including earth moving equipment such as excavators and loaders, material handling machinery such as cranes, off-road trucks and equipment used for road construction. Average annual sales in the construction equipment industry are estimated to be in the range of around one million units. The average life length is relatively long - 15-20 years – and the total fleet of construction equipment in use is estimated to around 15 million worldwide. Key players in this industry include Volvo CE, Caterpillar, JCB and Komatsu. Additional providers in the market are Doosan, Liebherr, Hyundai Construction Equipment, John Deere and Hitachi Construction Machinery. Most CE manufacturers have introduced...
telematics systems using wireless communication technology independently or in partnership with third-party aftermarket telematics players such as Navman Wireless and Trimble. Satellite communication has dominated in the past but recent years have seen an increasing adoption of cellular-based connectivity. Orbcomm is a major communication provider in the segment which has diversified also into end-to-end telematics solutions. Standard CE telematics applications include security features like machine location, geofencing and after-hours alerts, fuel consumption management and engine load monitoring. Remote immobilisation and driver performance reporting are additional new applications areas. Remote diagnostics and maintenance is further a key functionality as downtime is highly costly for CE fleet owners. The telematics hardware is commonly line-fitted as standard on new larger machines and backoffice service access is often included for free during the initial three to five years. Komatsu is one of the leading providers in terms of the installed base of CE telematics systems which in 2013 surpassed 300,000 units across 70 countries.

Caterpillar has reached more than 100,000 machines connected to its system, while the corresponding number for JCB exceeds 45,000. In total, the construction equipment market is estimated to have a total installed base in the range of 1.0 million telematics connections worldwide. The penetration rate is estimated to increase substantially in the upcoming five to ten years to approach 20–30%. Standardisation enabling compatibility across OEM branded systems is moreover anticipated in the medium-term due to market demands. This development favours OEMs working in collaboration with aftermarket providers that have multi-brand experience.

Agriculture equipment is also increasingly fitted with telematics devices connected to back office applications enabling monitoring of vehicle and operator behaviour. Early initiatives include Valtra’s connected tractors that automatically contacted the dealer in case of malfunctions and also enabled the driver to turn on the engine block heater remotely. Manufacturers today market a range of telematics solutions. Case New Holland, Agco and Leica offer telematics solutions for various agriculture equipment. Approximately 30 million agricultural machines such as tractors and combine harvesters are estimated to be in use worldwide. Only around 3% of these are however estimated to be equipped with active telematics systems so far. The low penetration is explained by a general low-tech profile of most smaller farming operations and the very long life lengths of agriculture machinery which often are used for several generations due to durable designs.

Trailers, swap bodies and cargo containers

There will be a strong focus on cargo container transport security and increased supply chain visibility in the coming years. Tracking of trailers, swap bodies and intermodal containers is increasingly common. Furthermore, technology advancements allow for smaller and smaller logistics units such as air freight unit load devices and even individual pallets or cargo boxes to be tracked at reasonable cost. Acceptance of remote tracking solutions will first be established in specific usage scenarios such as high value, time critical or refrigerated goods. Tracking solutions can help transportation chain stakeholders to comply with regulations and security programmes as well as increase the transportation efficiency and decrease the carbon footprint in all parts of the logistics chain.

Berg Insight estimates that the installed base of remote tracking systems with GPRS or satellite communication capabilities for trailers and cargo containers will grow at a compound annual growth rate of 22.3% from 1.5 million units at the end of 2013 to 4.1 million units worldwide by 2018. The trailers and swap bodies accounted for 80% of the total installed base of tracking units on trailers and cargo containers at the end of 2013. Growing at a compound annual growth rate of 14.7%, trailers and swap bodies will remain the largest segment at the end of the forecast period with an installed base of 2.4 million telematics devices.

North America is the most developed region for trailer telematics. The major actors include Skybitz and Omnitracs with over 200,000 units installed each across the US, Canada and Mexico. ID Systems is also an important player in this market segment with 150,000 installed units. In Europe, Idem Telematics, Mecomo, Schmitz Cargobull and Novacom Europe are major trailer telematics solution providers with over 20,000 units installed each. The new constellation WABCO/Transics is also active in this market. The most important vendors offering solutions especially developed for tracking and monitoring of intermodal containers include Orbcomm, Envitech, Savi Technology, Honeywell Global Tracking, Pointer Telocation and Zenatech which all have achieved installed bases of over 10,000 units each. OnAsset Intelligence and Moog Crossbow are examples of actors which have developed specialised solutions targeting the adjacent area of real-time tracking of air freight unit load devices.
Market drivers and barriers
There are numerous drivers, as well as barriers, which influence the developments on the market for fleet management and asset control solutions. Macroeconomic factors such as the general economic climate and fuel prices have a major impact on the market. The competitive and regulatory environments are changing in many industries. The level of competition in industries where vehicle and other asset fleets have a central role in day-to-day operations is also influencing the demand. At the one hand intense competition creates a pressure to constantly improve efficiency but on the other hand ultra-competitive industries tend to be undercapitalised with players lacking resources to make profitable investments. Technology development is a fourth factor influencing market developments.

FM solutions enable companies to proactively reduce costs, improve fleet safety and increase productivity by using applications such as driving style and driver behaviour monitoring which reduce fuel costs and increase the safety of mobile workforces. Compliance-related features enabling enterprises to comply with regulations and internal company policies such as working hours’ logging, environmental CO2 emission policies and e-tolling can also encourage adoption. The fact that handset-based solutions are getting increasingly competent can moreover increase adoption among the most cost-conscious clients such as small fleets, LCV fleets and owner-operators. Barriers to adoption are often related to a general low awareness of associated benefits of FM especially among smaller fleet-owning companies. Privacy concerns are furthermore still hindering certain types of companies that are reluctant to track its workers due to privacy regulations and unions that strive to hinder fleet management adoption.

Go-to-market strategy and pricing model evolution
Many of the leading providers of fleet management solutions in Europe are vertically integrated companies with activities spanning hardware design, software development, marketing, sales, project implementation and system operation. Direct sales is still the principal distribution model especially for the high-end solutions, although many players are investing in the development of indirect channels – particularly when expanding into foreign markets.

The revenue model is usually a combination of hardware sales and monthly service charges per vehicle. Hardware pricing ranges from a few hundred euros for basic tracking devices up to several thousand euros for high-end truck on-board computers. End-customers are generally offered a complete solution that includes data storage, application hosting and SIM-cards and mobile data communication. Sometimes hardware rental or leasing plans are offered in order to minimise the initial cost for the customer. Project management, integration support and other consultancy services are other complementary revenue sources. There is now a gradual shift towards solution-as-a-service offerings where everything is included in a monthly fee. In the future we could even anticipate profit sharing models where the pricing is based on the performance of the fleet management system.

Insurance telematics for commercial fleets
Fleet insurance costs have continuously increased in the past years. Fleet management systems can help lowering insurance premiums for fleet owners. Globally, around 6% of all fleet vehicles are involved in a collision each year according to the NHTSA. Many of these collisions could most likely be prevented by monitoring and improving driver performance. Driving style monitoring is part of many FM systems and can encourage safer driving. Motivating drivers and providing them with real-time driver feedback solutions and ongoing coaching them to drive safely is important to reduce fleet risks. Some insurance companies install their own devices to collect the driver behaviour and tracking data while others allow fleets to use already installed fleet telematics devices. Fleet insurance telematics is an application area which is yet to achieve wide-spread adoption. Lower insurance cost is today not a major selling point for FM solution providers according to a recent survey conducted by Berg Insight in 2014. It is however likely that insurance telematics will become an important driver for fleet management uptake in the next five years.

Fleet management services based on mobile app platforms
The saying ‘There’s an app for that’ is today also valid in the fleet management solution industry. New solutions based on smartphone hardware emerge and can be suitable for some market segments, but not all. A number of the traditional FM vendors have today added smartphone apps that can be connected to the backoffice software in the same way as their stand-alone hardware devices. Other initiatives are focused on smartphone apps only such as Wejo Fleet in the UK and Spedion in Germany. The Wejo app for example collects live data and a dashboard portal presents driver analytics. The price point is considerably lower than traditional fleet management solutions at about €25 per driver and year. At the same time, there are certainly situations where the smartphone cannot replace dedicated blackbox solutions, such as in the transport of dangerous goods. Larger transportation companies are also in many cases in the need for more advanced functionality than apps can offer today and smartphones are also not as rugged as specialised in-cab displays.
Big data in the fleet management sector

Big data is everywhere – it's impossible to read the news headlines or attend a conference without seeing or hearing the term. Everything is data – driver performance, tracking data, working times and maintenance history. TomTom Telematics for instance process 25 billion new data points every quarter for its fleet management clients. It can be of immense value to use the large amounts of data generated by a fleet and analyse this data in order to improve the fleet owner’s ability to better understand its drivers and assets, which allows it to make improvements that maximise performance. Fleet owners can learn new things about their daily operations by analysing everything from delivery routes to waiting times. Big data can detect driving behaviours and let employees know how they can change their driving style to save money and potentially even save lives. Big data can also be used to detect problems before they happen, allowing vehicles to be serviced when they actually need maintenance in order to minimise cost.

Mergers and acquisitions to continue in 2014/2015

The fleet management market has become more international and industry consolidation is likely to continue among the fleet management providers in the coming years. There are simply too many players on the market and the very intense competition has sometimes pushed pricing to a point where there is no room for profitability. Handling the challenges with several technology platforms after an acquisition is not an easy task, but is necessary in order to be successful. Substantial attention must be directed towards sound integration of the acquired entities in order to achieve operational stability and benefit from synergies.

As the fleet management solution market matures, the consolidation trend to create larger global operations is obvious. In North America, the operator Verizon Communications acquired Hughes Telematics which owns Networkfleet in 2012, thereby further extending its role in the telematics industry as an end-to-end solution provider. Trimble’s acquisition of PeopleNet in 2011 moreover created a major player in terms of active subscribers focusing on both service fleets and heavy trucking. The company has since then acquired GEOTrac Systems, Logicity and TMW Systems in 2012 and ALK Technologies in 2013. Telogis has been a highly active player in terms of M&As, most recently acquiring the leading connected navigation provider Maptuit and the mobile resource and fleet management solution provider Navtrak in 2012. Other significant deals in recent time include CalAmp’s acquisition of Wireless Matrix and FleetCor’s acquisition of both NexTraq from Francisco Partners and Telenav’s Enterprise division. Qualcomm announced the divestment of the Omnitracs operations in the Americas to Vista Equity Partners in August 2013. Most recently, Michelin announced in June 2014 the acquisition of Sascar, a leading Brazilian fleet management and freight security company for a total price of €520m.

A second wave of M&A activities in Europe started in 2013. Danaher Corporation acquired Navman Wireless and Trafficmaster from Prairie Capital and Vector Capital respectively. TomTom made its second acquisition in the fleet management space in August 2013 when picking up Coordina headquartered in Spain. Lyceum Capital acquired Isotrak from Saints Chamonix Private Equity in the same month. In September 2013, Oskando and Autolog merged and at the same time launched the new brand EcoFleet. In December 2013, BPW (the owner of Iden) acquired Funkwerk Eurotelematik, a provider of telematics systems for trucks. At the beginning of 2014, Qualcomm finally divested also the majority of the European arm of its fleet business to Astrata Group, a fleet management company headquartered in Singapore. Later in February, WABCO acquired Transics and the transaction valued the company at about €100 million. Lysanda acquired UK-based TRACKER Network in February and plans to establish Tantalum Corporation from the combined business. In April, TomTom also acquired the French FM provider DAMS Tracking, adding another 27,000 subscriptions to the installed base. Francisco Partners moreover divested Masternaut to Summit Partners and FleetCor in the same month. This was FleetCor’s third acquisition in the fleet management space in the past 15 months.

www.berginsight.com
**Company Summary**

ORBCOMM is a provider of global M2M solutions for asset tracking, management and remote control. ORBCOMM offers two-way data communications throughout the globe and a flexible and cost-effective combination of satellite and cellular data service. In addition, under its ReeferTrak, GenTrak, GlobalTrak and CargoWatch brands, the company provides customers with the ability to proactively monitor, manage and remotely control their cold chain and dry transport assets. ORBCOMM had about 250 employees at the end of 2013.

**Company Credentials**

Founded in 2001, the company is headquartered in the US and revenues grew 15% to US$74.2 million in 2013. The company’s global network of 25 LEO satellites (OG1) will soon be enhanced by the more advanced ORBCOMM Generation 2 (OG2) satellite constellation scheduled to be completed in Q4 of 2014 resulting in a quicker service and better coverage. At the end of 2013, the company had 863,000 subscribers connected. Its customers include Caterpillar, Doosan Infracore America, Hitachi Construction Machinery, Hyundai Heavy Industries, I.D. Systems, Komatsu and Volvo Construction Equipment among others.

**Key Differentiation**

The company runs the only commercial satellite network 100% dedicated to M2M. ORBCOMM can offer a unique end-to-end solution including network service, hardware, customer portals for managing deployed units and web applications that take the data transmitted and make sense of it. ORBCOMM’s global M2M solutions are designed to track, monitor and control a variety of powered and unpowered assets in key vertical markets such as transportation and logistics, heavy equipment, oil and gas, maritime and government.

**Competitive Pressures**

ORBCOMM has successfully been active in the consolidation of the asset tracking industry. A string of acquisitions in the last three years include Startrak Systems, PAR Logistics Management Systems, GlobalTrak, MobileNet, Comtech’s SENS Asset Tracking Business and Euroscan. The acquisitions support the company’s growth strategy of expanding its end-to-end solutions portfolio in key vertical markets and delivering complementary products to its channel partners and resellers worldwide.

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**COMPANY PROFILES**

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**Company Summary**

Telit offers a portfolio of cellular and short-to-long range modules plus services and products from three specialised business units: m2mAIR with value-added services, connectivity and PaaS application enablement; Telit Automotive Solutions with auto-grade cellular, the ATOP on-board unit and open software platform; and Telit GNSS Solutions with ready-to-use positioning receivers. The company has 720 employees and generated revenues of US$243 million in 2013, an increase of 17.3% year-on-year. The fleet management and asset control vertical’s share of the revenues is estimated to 15%.

**Company Credentials**

Telit provides a one-stop-shop for M2M. This encompasses all relevant device technologies including GSM through LTE, CDMA though EV-DO, Wireless M-Bus, ZigBee and many more. This is supported by the m2mAIR Cloud platform (created from the acquisition of ILS Technologies) and the m2mAIR Mobile services portfolio (from the acquisitions of GlobalConnect and CrossBridge Solutions) offering mobile connectivity through arrangements with Telefonica, AT&T, Verizon, Sprint and Rogers. Telit supports customers from local offices, its distributor network, as well as its Technical Support Forum.

**Key Differentiation**

Telit provides a comprehensive product portfolio, an excellent value proposition, commercial flexibility and great technical support. It also claims unrivalled continuity of business, focusing exclusively on M2M since 2002. Since then it has never been bankrupt or changed ownership and has maintained a constant offering with commitment on products and form factors. For example, it acquired Motorola M2M three years ago and continues offering their devices.

**Competitive Pressures**

Telit sees the concept of IoE/IoT (Internet of Everything / Things) becoming much more universal, expecting steady growth rather than revolutions and killer apps. Telit sees huge opportunity in automotive concluding in March 2014 the acquisition of NXP’s Automotive Onboard Platform (ATOP) business. The company anticipates that laggards in the module industry will fall away, leaving a small number of expert firms plus the challenge from Asian vendors.