

Deal of the Week: Intel to Buy Mobileye for \$15.3B

Announcement Date	<ul style="list-style-type: none"> March 13, 2017 	
Acquirer	<ul style="list-style-type: none"> Intel Corporation (NASDAQ: INTC) 	
Acquirer Description	<ul style="list-style-type: none"> Designs, manufactures, and sells computer, networking, and communications platforms worldwide Founded in 1968 and headquartered in Santa Clara, California 	
Acquirer Financial Statistics	<ul style="list-style-type: none"> Mkt Cap: \$166.2 billion EV: \$178.0 billion LTM Revenue: \$59.4 billion 	<ul style="list-style-type: none"> LTM EBITDA: \$22.9 billion LTM EV / Revenue: 3.0x LTM EV / EBITDA: 7.8x
Target Company	<ul style="list-style-type: none"> Mobileye N.V. (NYSE: MBLY) 	
Target Description	<ul style="list-style-type: none"> Develops computer vision and machine learning-based sensing products, mapping and driving policy technology solutions for advanced driver assistance systems, and autonomous driving technologies Founded in 1999 and headquartered in Jerusalem, Israel 	
Target Financial Statistics	<ul style="list-style-type: none"> Mkt Cap: \$13.4 billion EV: \$10.1 billion LTM Revenue: \$358.2 million 	<ul style="list-style-type: none"> LTM EBITDA: \$125.0 million LTM EV / Revenue: 28.2x LTM EV / EBITDA: 80.6x
Acquirer Advisors	<ul style="list-style-type: none"> Citigroup and Rothschild 	
Target Advisor	<ul style="list-style-type: none"> Raymond James 	
Price / Consideration	<ul style="list-style-type: none"> \$15.3 billion 	<ul style="list-style-type: none"> Cash
Rationale	<ul style="list-style-type: none"> Faced with an existential threat to its legacy computer business, Intel, alongside competitors like Qualcomm, has focused on autonomous cars as a new and potentially lucrative market. Many of these driverless vehicles, experts say, will require immense computing power, including the latest microchips able to crunch reams of data in seconds to keep the cars safe, and on the road “Scale is going to win in this market,” Brian Krzanich, Intel’s chief executive, told investors on Monday. “I don’t believe that every carmaker can invest to do independent development into autonomous cars.” “This deal makes Intel a Tier 1 partner for the automotive industry,” said Martin Birkner, an automotive analyst at Gartner, a technology research company in Munich. “As the industry moves toward autonomous driving, new types of digital suppliers like Intel are developing quickly.” Intel said it expected the transaction to immediately boost its non-GAAP earnings per share, as well as its free cash flow 	
Deal Points	<ul style="list-style-type: none"> Intel said it would buy Mobileye’s outstanding shares at \$63.54 a share, a 34% premium to Mobileye’s closing price on Friday 	
Of Note	<ul style="list-style-type: none"> The autonomous cars sector is estimated to be worth \$25 billion annually by 2025, according to Bain & Company 	