

# Mossberg's Investor Digest

## Best Idea Profile:

## Boingo Wireless, Inc. (NASDAQ:WIFI)

### DESCRIPTION:

Headquartered in Los Angeles, California; Boingo Wireless, Inc. provides convenient and cost effective access to the mobile Internet through high-speed, high-bandwidth Wi-Fi networks. The Company's solution includes easy-to-use software for Wi-Fi enabled devices, such as smartphones, laptops and tablet computers. Boingo's sophisticated back-end system infrastructure detects and enables one-click access its extensive global Wi-Fi network. Individuals can use Boingo's solutions to access what the company believes is the world's largest commercial Wi-Fi network. The Boingo network consists of over 400,000 Wi-Fi locations, or hotspots, in over 100 countries at venues such as airports, hotels, coffee shops, shopping malls, arenas, stadiums and quick service restaurants.

### KEY INVESTMENT CONSIDERATIONS:

**Dynamic Growth Trends in WIFI** – According to ABI Research the Wi-Fi equipment market is expected to have a growth rate in excess of 9% (CAGR) from 2011 to 2016, with the enterprise segment contributing the bulk of the growth exceeding a 21% CAGR. According to ABI Research, the consumer segment is forecast to see more than 112 million units by 2016, representing more than 63% growth over 2010.

**Industry Leader with a Global Footprint** – Boingo provides its customers and partners with access to what it believes is the largest commercial Wi-Fi network in the world. The Company has direct customer relationships with over 1.3 million users who have purchased its mobile Internet services.

**Seamless Network** – Boingo extends its coverage footprint through partnerships with over 125 network operators, such as British Telecommunications, China Telecom, KT Corp. (formerly Korea Telecom Corp.), France Telecom SA and T-Mobile USA. The combination of Boingo's software and its network size offer the Company's users a seamless usage experience.

**Larger Data Sets Drive Mobile traffic** – Data intensive activities are driving increases in mobile Internet data traffic. Mobile web traffic is expected to increase 27 times between 2010 and 2015, according to Cisco's Visual Networking Index. Boingo has a platform that can easily be leveraged to profit from this trend.

**Efficiency Drives WIFI Adoption Rate** – Wi-Fi provides higher speed and higher bandwidth per user in high density locations and is less expensive to deploy than additional cellular network capacity. Hardware manufacturers are now including Wi-Fi as a standard feature on laptops and tablet computers, and increasingly, smartphones. Boingo wholesale partners can also easily deploy Wi-Fi enabled devices and offer services such as streaming video and VoIP.

**Recent Results** – Boingo reported Q2FY2011 revenues of \$22.9 million, a 13% year-over-year increase with an adjusted (non-gaap) EBITDA increasing over 28% to \$6.4 million over the same period. The Company has a history of profitability and after its recent (May 2011) IPO has \$81 million in cash on its balance sheet.

### KEY INVESTMENT CONSIDERATIONS:

Unlike many technology IPO's Boingo has a history of profitability and a proven business model. It appears that new data sets and WIFI adoption rates may drive additional growth. The Company has significant leverage in its business model and should be able to generate a increases in both sales and profitability.

#### (Boingo Wireless Inc. : WIFI)

Investment Data (as of 10/28/11)

<b>Recent Price</b>	<b>\$8.00</b>
52-Week Range	\$6.01 - \$13.15
Fiscal Year End	Dec
Dividend	NA
Yield	NA
Shares Outstanding	33.1MM
Average Trading Volume (3 mos)	89K
Market Capitalization	\$265MM
Cash	\$81MM
Long Term Debt	NA
Enterprise Value (EV)	\$184MM
BV/ Share	\$3.73
TTM Revenue	\$86MM
P/ Revenue	3x
TTM EPS	\$0.44
P/ EPS	18x
TTM EBITDA	\$19MM
EV/ EBITDA	9.6x

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