Alarm.com Holdings, Inc.
Form 10-K
March 16, 2017

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

(Mark One)
 x ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2016
OR
¨TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF
  1934
For the transition period from   to
Commission File Number: 001-37461

ALARM.COM HOLDINGS, INC.
(Exact name of registrant as specified in its charter)

Delaware	26-4247032
(State or other jurisdiction of	(I.R.S. Employer
incorporation or organization)	Identification Number)
8281 Greensboro Drive, Suite 100, Tysons, Virginia	22102
(Address of principal executive offices)	(zip code)

Tel: (877) 389-4033
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Name of each exchange on which registered
Common Stock, $0.01 par value per share	The NASDAQ Stock Market LLC

Securities registered pursuant to section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.
¨ Yes þ   No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the
Act. ¨ Yes þ No
Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the
Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was
required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. þ Yes ¨ No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). þ Yes ¨ No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§ 229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ¨

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.
Large Accelerated Filer ¨ Accelerated Filer þ Non-accelerated Filer ¨ Smaller Reporting Company ¨

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). ¨
Yes þ No
The aggregate market value of the voting and non-voting common equity held by non-affiliates of the registrant, based on a closing price of $25.63 per share of the registrant's common stock as reported on The Nasdaq Global Select Market on June 30, 2016 was $250.2 million. For purposes of this computation, all officers, directors, and 10% beneficial owners of the registrant are deemed to be affiliates. Such determination should not be deemed to be an admission that such officers, directors or 10% beneficial owners are, in fact, affiliates of the registrant.
As of February 20, 2017, there were 46,232,338 outstanding shares of the registrant's common stock, $0.01 par value per share.

DOCUMENTS INCORPORATED BY REFERENCE
Portions of the registrant's proxy statement to be filed with the Securities and Exchange Commission pursuant to Regulation 14A in connection with the registrant's 2017 Annual Meeting of Stockholders, which will be filed subsequent to the date hereof, are incorporated by reference into Part III of this Form 10-K. Such proxy statement will be filed with the Securities and Exchange Commission not later than 120 days following the end of the registrant's fiscal year ended December 31, 2016.

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ALARM.COM HOLDINGS, INC.
ANNUAL REPORT ON FORM 10-K
For the Fiscal Year Ended December 31, 2016

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SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Annual Report on Form 10-K, or this Annual Report, contains "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, or the Securities Act, and Section 21E of the Securities Exchange Act of 1934, as amended, or the Exchange Act, that reflect our current expectations regarding future events, our strategy, future operations, future financial position, future revenues, projected costs, prospects, plans and objectives of management. The forward-looking statements are contained principally in Part I, Item 1. "Business," Part I, Item 1A. "Risk Factors," and Part II, Item 7. "Management's Discussion and Analysis of Financial Condition and Results of Operations," but are also contained elsewhere in this Annual Report. Forward-looking statements include any statement that does not directly relate to a current or historical fact. In some cases, you can identify forward-looking statements by the words "anticipate," "believe," "continue," "could," "estimate," "expect," "intend," "may," " "objective," "ongoing," "plan," "predict," "project," "potential," "should," "will," or "would," or the negative of these terms, o comparable terminology intended to identify statements about the future. These statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, levels of activity, performance or achievements to be materially different from the information expressed or implied by these forward-looking statements. Although we believe that we have a reasonable basis for each forward-looking statement contained in this prospectus, we caution you that these statements are based on a combination of facts and factors currently known by us and our expectations of the future, about which we cannot be certain. Forward-looking statements include statements about:

- our ability to continue to increase revenue, maintain existing subscribers and sell new services to new and existing subscribers;
- our ability to add new service provider partners, maintain existing service provider partner relationships and increase the productivity of our service provider partners;
- the effects of increased competition as well as innovations by new and existing competitors in our market;
- our ability to adapt to technological change and effectively enhance, innovate and scale our solution;
- our ability to integrate and manage the Connect and Piper business units we acquired from Icontrol Networks, Inc., including managing Connect's relationship with ADT LLC, and realize the benefits we expected from such acquisition;
- our ability to effectively manage or sustain our growth;
- potential acquisitions and integration of complementary business and technologies;
- our ability to maintain, or strengthen awareness of, our brand;
- perceived or actual security, integrity, reliability, quality or compatibility problems with our solutions, including related to security breaches in our subscribers' systems, unscheduled downtime, or outages;
- statements regarding future revenue, hiring plans, expenses, capital expenditures, capital requirements and stock performance;
- our ability to attract and retain qualified employees and key personnel and further expand our overall headcount;
- our ability to develop relationships with service provider partners in order to expand internationally;
- our ability to stay abreast of new or modified laws and regulations that currently apply or become applicable to our business both in the United States and internationally;
- our ability to maintain, protect and enhance our intellectual property;
- costs associated with defending intellectual property infringement and other claims; and
- other risks detailed below in Item 1A. "Risk Factors."

You should refer to Item 1A. "Risk Factors" section of this Annual Report for a discussion of important factors that may cause our actual results to differ materially from those expressed or implied by our forward-looking statements. As a result of these factors, we cannot assure you that the forward-looking statements in this Annual Report will prove to be accurate. Furthermore, if our forward-looking statements prove to be inaccurate, the inaccuracy may be material. In light of the significant uncertainties in these forward-looking statements, you should not regard these statements as a representation or warranty by us or any other person that we will achieve our objectives and plans in any specified

time frame or at all. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law. You should, therefore, not rely on these forward-looking statements as representing our views as of any date subsequent to the date of this Annual Report.

Except as otherwise indicated herein or as the context otherwise requires, references in this Annual Report to "Alarm.com," the "company," "we," "us," "our" and similar references refer to Alarm.com Holdings, Inc. and, where appropriate, our consolidated subsidiaries.

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PART I.

ITEM 1. BUSINESS

Overview

Alarm.com is the leading platform for the intelligently connected property. We offer a comprehensive suite of cloud-based solutions for the smart home and business, including interactive security, video monitoring, intelligent automation and energy management. Millions of property owners rely on our technology to secure, monitor and manage their homes and businesses. In the last year alone, our platform processed more than 30 billion data points generated by over 35 million connected devices. We believe that this scale of subscribers, connected devices and data operations makes us the leader in the connected property market.

Our solutions are delivered through an established network of over 6,000 trusted service providers, who are experts at selling, installing and supporting our solutions. We primarily generate Software-as-a-Service, or SaaS, and license revenue through our service provider partners, who resell these services and pay us monthly fees. Our service provider partners have indicated that they typically have three to five-year service contracts with home or business owners, whom we call subscribers. We believe that the length of these contracts, combined with our robust SaaS platform and over a decade of operating experience, contribute to a compelling business model. We also generate hardware and other revenue, primarily from our service provider partners and distributors. Our hardware sales include gateway modules and other connected devices that enable our services, such as video cameras and smart thermostats.

We have experienced significant growth since our company's inception in 2000. We generated total revenue of $261.1 million, $208.9 million and $167.3 million in 2016, 2015 and 2014. Our SaaS and license revenue was $173.5 million, $140.9 million and $111.5 million in 2016, 2015 and 2014, representing a compound annual growth rate of 25%. We also generated net income of $10.2 million, $11.8 million and $13.5 million in 2016, 2015 and 2014, as well as Adjusted EBITDA, a non-GAAP metric, of $49.0 million, $34.4 million and $28.3 million in 2016, 2015 and 2014. See footnote 4 to the table contained in the section of this Annual Report titled "Selected Financial Data" for a reconciliation of Adjusted EBITDA to net income, the most directly comparable financial measures calculated and presented in accordance with GAAP.

As of December 31, 2016, we had a total of 320 employees engaged in research and development functions. For the years ended December 31, 2016, 2015 and 2014, our total research and development expenses were $44.3 million, $40.0 million and $23.2 million, respectively.

Acquisition of Connect and Piper Business Units from Icontrol Networks

On March 8, 2017, we completed our previously announced acquisition of two business units, Connect and Piper, from Icontrol Networks, Inc. The Connect and Piper business models both differ from ours. Connect provides a custom, on-premise interactive security and home automation platform for ADT Pulse® and several other service providers. Although Connect charges a monthly per subscriber fee for these services, Connect's software is deployed and operated by the service provider in its own network operations center. This typically requires the service provider using the Connect platform to purchase its own server capacity, network operations bandwidth and cellular services, and to directly manage more elements of support and other business management services, in contrast to a fully turn-key cloud-based platform solution. Piper designs, produces and sells an all-in-one video and home automation hub. Piper currently operates both a retail do-it-yourself product business and a channel oriented business that has grown internationally. The addition of new technology infrastructure, talent, key relationships and hardware devices is expected to help accelerate our development of intelligent, data-driven smart home and business services.

Our Solutions and Integrated Platform

Our technology platform is designed to make connected properties safer, smarter and more efficient. Our solutions are used in both smart homes and businesses, which we refer to as the connected property market and we have designed our technology platform for all market participants. This includes not only the home and business owners who subscribe to our services, but also the hardware partners who manufacture devices that integrate with our platform and the service provider partners who install and maintain our solutions.

Our service provider partners can deploy our interactive security, video monitoring, intelligent automation and energy management solutions as standalone offerings or as combined solutions to address the needs of a broad range of customers. Our technology enables subscribers to seamlessly connect to their property through our family of mobile

apps, websites, and new engagement platforms like voice control through Amazon Echo, wearable devices like the Apple Watch, and TV platforms such as Apple TV and Amazon Fire TV.

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Subscriber Solutions

Interactive Security

Interactive security is the entry point for most of our smart home and smart business consumers. Our dedicated, two-way cellular connection between the property and our platform is designed to be tamper resistant and to meet the high reliability standards of life safety services. Our solution integrates 24x7 monitoring with emergency response through trusted and integrated central monitoring stations. Subscribers can use our services to control and monitor their security systems, as well as connected security devices including door locks, garage doors and video cameras. The capabilities associated with this solution include:

Alarm Transmission. We transmit alarm signals from monitored properties through our platform to over 1,000 third-party central monitoring stations staffed 24/7 with live operators ready to initiate emergency police/fire response.

Always-On Monitoring. Whether the security system is armed or disarmed, sensors continuously monitor activity at the property so customers can be made aware of system events in all kinds of situations.

Insights Engine. Our proprietary machine learning algorithms help safeguard connected properties by learning the unique activity patterns at the property and automatically notifying the subscriber of unexpected activity.

Real-Time Alerts. Notifications for any type of system event are delivered through push notifications, SMS or email.

Managed Access and Enterprise Control. Subscribers can manage their property through permission-based access, including individualized user codes and rules based on time and day. Property managers and business owners can utilize our Enterprise Control service to remotely manage employees' access to the security system, door locks and property partitions across multiple locations.

Wellness. Our technology can learn daily living patterns of an ill or aging family member through monitoring of activity data from security and specialized sensors and identify anomalies in real-time that may indicate a problem. Alerts can be sent to notify family members and caregivers when there are critical changes in patterns or an emergency is detected.

Video Monitoring

Our high definition video monitoring solution can provide a direct view into the property, capture footage of critical events and provide visual peace of mind. We integrate with various third-party camera manufacturers to offer indoor and outdoor solutions for homes and businesses at varying price points. We also provide a doorbell video camera solution that supports two-way audio with guests at the door.

The capabilities associated with our video monitoring solution include:

Live Streaming. Subscribers can securely access live video feeds through the web and mobile apps.

Smart Clip Capture. Our video solutions can automatically record clips based on motion detection or system events, like an alarm, a door opening or someone disarming the security panel.

Secure Cloud Storage. Video clips are uploaded to our cloud-based storage system for secure storage and remote viewing.

Video Alerts. Smart clips can be automatically sent via SMS, push notifications or email as soon as they are recorded.

Continuous HD Recording. 24x7 onsite recording is enabled through our Stream Video Recorder, or SVR, and can be played back securely, from anywhere, through the web and mobile apps.

Commercial Video Surveillance. Tailored for small and medium sized businesses, our commercial video surveillance offering integrates leading commercial-grade network cameras to support a wide range of business needs, enabling multi-camera installations with continuous recording, cloud based storage and mobile access.

Intelligent Automation and Energy Management

Our solution provides enhanced monitoring and control for a large ecosystem of connected devices, including thermostats, lights, locks, power meters, shades and other devices. Increasing awareness of energy usage and providing intelligent control over connected devices enables subscribers to create personalized automation rules and schedules. We believe our solutions can reduce energy waste as well as increase comfort and convenience for our subscribers. The capabilities associated with this solution include:

Smart Thermostat Schedules. Machine learning algorithms analyze system activity patterns to recommend thermostat schedules that increase energy efficiency when the property is not likely to be occupied.

Responsive Savings. Smart thermostats connected to our platform can automatically respond to sensors and other devices in the property to conserve energy. For example, when the security system is armed away, an arming state used when the property is not occupied, the thermostat can automatically adjust to save energy.

Precision Comfort. Remote temperature sensors enable a subscriber to manage comfort in a specific region within their property. For example, a home owner can set a desired set point for a child's nursery to improve the child's comfort. Subscribers can easily customize detailed schedules and rules to have the right temperature in the right location at the right time.

Energy Usage Monitoring. Real-time and historical energy usage data for the entire property and individual devices can give users greater insight into the property's energy consumption profile, which could encourage more efficient use of energy-consuming devices.

Environmental Monitoring. Subscribers can utilize environmental sensors with our platform to monitor and control their property. For example, a leak detected by a basement water sensor can automatically shut off a water line or a property owner can be alerted to a sump-pump failure and react accordingly.

Geo-Services. Geo-Services use a phone's geo-location to determine when to notify a subscriber of specific system conditions or automatically adjust system settings. Subscribers who have enabled Geo-Services can be notified if they leave home and forgot to lock a door, close the garage door, arm their security system or close a window. Additionally, smart thermostats and lights can be automatically adjusted based on the subscriber's location. Subscribers can create multiple geo-fences and customize the opt-in feature to meet their specific needs.

Demand Response Programs. Utilities can reduce or shift power consumption during peak demand periods by accessing connected thermostats and other connected appliances that participate in the utility's program. Managed at scale, these voluntary programs can significantly reduce costs for utilities. In addition to enabling subscribers to participate in these programs through our energy management solution, our EnergyHub subsidiary aggregates a diverse set of smart thermostats, enabling utilities to leverage these devices to operate demand response programs and improve the results of certain demand response events through our SaaS platform.

Service Provider Solutions

In addition to our subscriber solutions, we also offer a comprehensive suite of enterprise-grade business management solutions for our service provider partners. We are committed to helping our service provider partners grow their businesses, efficiently manage their customer bases and maximize the value of their Alarm.com accounts. We believe these services strengthen our partnerships with service providers as they build their businesses on our platform.

Service Provider Portal. Our permission-based online portal provides account management, sales, marketing, training and support tools. Through this portal, our service provider partners can activate and manage their Alarm.com customer accounts, order equipment, access invoices and billing, remotely program customer systems, obtain sales and marketing services and engage in training.

Installation and Support. The ease of installation and cost of supporting connected property solutions are critical considerations for our service provider partners. We support the end-to-end process for deploying and managing our solutions with tools that make installation and support more efficient.

- MobileTech Application. Our installation mobile app, designed for service provider technicians, facilitates the successful installation and programming of equipment while on-site at subscribers' properties.

- AirFX Remote Programming. This collection of remote system management tools is available through our service provider website. AirFX remote programming enables programming changes to a subscriber's system without sending a service technician to the property. This saves subscribers and service providers time and money while the speed and ease of the support experience greatly increases subscriber satisfaction.

Business Management. Our services deeply integrate with our service provider partners' offerings and provide increased business insight into their customer base and key business health metrics.

- Web Services. Our web services allow our service provider partners to integrate their existing customer management software and tools with our platform. This creates a unified interface for our service provider partners to seamlessly perform functions like creating a new customer account or upgrading a service plan.

- Business Intelligence. Our powerful business intelligence tools provide service providers with crucial insights into the performance of their Alarm.com subscriber account base. Business Intelligence provides key operational metrics related to account plan adoption, attrition and service quality to help service provider partners grow their business and

improve customer retention.

- Customer Relationship Management (CRM): Our SecurityTrax offering enhances our platform with a cloud-based CRM and enterprise resource planning solution. Expressly developed for security dealers, SecurityTrax

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automates business processes across the entire customer lifecycle for more efficient customer management and support operations.

Sales, Marketing & Training. Our comprehensive customer lifecycle sales and marketing services are available to help our service provider partners effectively market and sell our solutions.

Marketing Portal. We provide a broad suite of marketing and sales tools and resources for our service provider partners, including co-brandable landing pages, mobile optimized websites, lead capture, social media, videos, images, collateral, direct mail and event materials.

Alarm.com Academy. We offer comprehensive in-person training programs to our service provider partners. Additionally, we offer online courses through a learning management system, enabling our service provider partners to access training on the full suite of Alarm.com solutions anytime.

Customer Connections & Upgrade Engine. We help our service provider partners maximize the value of existing accounts by offering targeted in-app messaging and e-mail communications to existing subscribers. These campaigns are designed to increase engagement.

Benefits of Our Solutions

Homes and businesses are ripe for reinvention, as most properties lack even basic automation or security monitoring. The intersection of significant technology trends, like the broad adoption of mobile devices, the emergence of the Internet of Things, or IoT, the power of big data and the extensibility of the cloud, makes the connected property now possible. Security systems, thermostats, door locks, video cameras, lights, garage doors and other devices that were once inert can now be intelligent and connected. Our intelligently connected property solutions provide a wealth of benefits to our subscribers and our service provider partners.

Benefits to Subscribers:

Single Connected Platform. Our cloud-based platform provides consumers with a single point of integrated control across a diverse ecosystem of IoT devices. Solutions are easily personalized to suit the individual subscriber's needs.

Reliable Network Communications. Our platform utilizes a highly secure, highly reliable, and dedicated cellular connection to mitigate vulnerabilities of competitors' systems that are connected via phone line or wired networks, such as power outages, cut phone lines, or broadband connectivity issues.

Intelligent and Actionable. Our platform aggregates real-time, multi-point data about property activity and system status. We have developed a highly scalable data analytics engine to deliver unique features and capabilities based on insights derived from this growing set of data. For example, learning detailed activity patterns in a property enables our platform to proactively alert the subscriber about unexpected events. Our platform continues to learn and adapt to become more personalized over time.

Broad Device Compatibility. Our platform supports a wide variety of connected devices and communications protocols, allowing seamless integration and automation of many devices, as well as the addition of new devices in the future.

Accessible and Affordable. Our platform offers an affordable alternative to expensive automation systems, legacy home control products and disparate point product solutions.

Trusted Provider of a Security Platform. We have established a reputation and brand as a trusted and reliable technology provider. We respect the privacy of our subscribers and do not sell their data. Our reputation is strengthened through our network of over 6,000 service provider partners, who have significant expertise in the delivery of our SaaS platform and suite of solutions.

Benefits to Service Provider Partners:

New Revenue Generation Opportunities. Our solutions help broaden our service provider partners' offerings beyond traditional security to also include comprehensive smart home and business solutions like intelligent automation, video monitoring and energy management. They can access new market opportunities and drive incremental recurring monthly revenue by expanding their offerings with our solutions. We offer training and other resources to help our service provider partners fully leverage the breadth and depth of our platform.

Expanded Set of Value-Added Services. We provide value-added services to our service provider partners, including training, marketing, installation and support tools and business intelligence analytics. This support helps our service provider partners more efficiently acquire, install and support their customers on our platform.

Improved Service Provider Economics. Our cloud-based platform can help reduce our service provider partners' service delivery and support costs. Our AirFX Remote Toolkit enables our service provider partners to remotely

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configure, support and upgrade their customer's hardware or software, eliminating the cost of an in-person service call. In addition, we believe our service provider partners can generate more revenue from each subscriber by providing services in addition to traditional security.

Broad Device Interoperability. We have an open platform which allows service provider partners to respond to market innovation and consumer demands for connected devices. Device hardware is deeply integrated into our platform to provide a more cohesive experience than stand-alone products. For example, we launched a smart video doorbell suite in April 2016 to help our service provider partners address growing consumer interest with a differentiated and fully integrated solution. Furthermore, our platform supports various broadly adopted communications protocols used in many automation devices, including Z-Wave, Wi-Fi and ZigBee, cellular and broadband. Our open platform and interoperability give our service provider partners a wide selection of devices to suit their customers' needs now and in the future.

Competitive Advantages

We believe the benefits we can deliver to our subscribers and our service provider partners create a significant competitive advantage in the connected property market.

Scale of Subscriber Base and Service Provider Coverage. Our platform currently supports millions of residential and business subscribers and we have over 6,000 service provider partners who market, sell and support Alarm.com solutions. In 2016, our platform processed more than 30 billion data points generated by over 35 million connected devices. We believe the combination of the size of our subscriber base, service provider network and the volume of data generated by the integrated devices on our platform creates a competitive advantage for us.

Security Grade, Cloud-Based Architecture. We built our platform with a cloud-based, multi-tenant architecture that allows for real-time updates and upgrades. Our platform was purpose-built from the ground up with life safety standards at the core.

Highly Scalable Data Analytics Engine. We processed more than 30 billion data points in 2016. As consumer preferences shift towards more proactive, intelligence-based features, we believe the scale of our data combined with proprietary analytics gives us a competitive advantage.

Trusted Brand. Given our leading position in the intelligently connected property space, we believe that we have developed a trusted brand with service providers and consumers for innovative and reliable technology. Our iOS and Android mobile apps have each been downloaded more than one million times and both apps consistently have exceptional user ratings.

Commitment to Innovation. We are a pioneer in the intelligently connected property market and we continue to make significant investments in innovative research and development. Our investment has resulted in 68 issued patents as of December 31, 2016 and numerous patent applications pending which we believe can help ensure that our technology is competitively differentiated and legally protected.

Growth Strategy

We intend to maintain our leadership position by continuing to develop and deploy innovative technologies and by expanding our ecosystem of partnerships. Our key growth strategies include:

Drive SaaS and license revenue growth and add new service providers. We will continue to focus on helping our service provider partners succeed in driving consumer adoption of our full suite of services. We offer sales and marketing resources to help our service provider partners become more effective in selling our solutions and we will continue to make significant investments to support our service provider network. In addition, we plan to continue to expand our network of service provider partners.

Upgrade traditional security customers to our solutions. We believe there is a significant opportunity for our service provider partners to expand adoption of our connected solutions within their customer base. We intend to leverage our status as a trusted provider and drive consumer interest for our offerings to enable our service provider partners to upgrade their legacy security customers to our connected property solutions.

Continue to invest in our platform. As a pioneer in connected home and business solutions, we have made significant investments in building our platform over the last 17 years. We intend to invest heavily to continue to add innovative offerings and broaden our suite of solutions. As the Internet of Things grows and more devices become connected, we are building technology and partnerships to connect these devices to our platform.

Expand international presence. We are investing in international expansion because we believe there is a significant global market opportunity for our products and services. Today, our service provider partners are actively selling our solutions in 29 markets, including Brazil, Chile, Colombia, Australia, New Zealand, South Africa and Turkey. We intend