Aware Inc. (AWRE)

Beskrivelse:

*Aware, Inc. (Aware) is a provider of software and services to the biometrics industry. The Company's products are used in government and commercial biometrics systems to identify or authenticate people. Its products provide biometric functionality and are used to capture, verify, format, compress and decompress biometric images, as well as aggregate, analyze, process, match and transport those images within biometric systems. It sells a range of software products for fingerprint, facial, and iris modalities. It also offers a range of software engineering services, including project planning and management; system design; software design, development, customization, configuration, and testing, and software integration and installation. The Company sells its biometrics software products and services globally through systems integrators and original equipment manufacturers (OEMs), and directly to end-user customers.*

Headlines fra årsrapport 2014 (<http://files.shareholder.com/downloads/AWRE/536499326x0x837412/BE2E1493-BA0B-42C2-AB92-73CF37D0E9FB/Aware_10k_Annual_Report-2014.pdf>):

**Markeder:**

Goverment

Commercial markets

**Products and services:**

Både software og hardware til genkendelse af fingerprint, iris og ansigts genkendelse

**Aware om markedet:**

*We believe that government and commercial entities will continue to adopt and expand the use of biometric-enabled solutions to address the limitations and vulnerabilities of traditional identification processes. We believe the following factors, among others, will contribute to the growth of biometrics solutions: i) government-mandated implementation of identification for employees, citizens, and foreign nationals to enhance national security; ii) military implementations for the identification of terrorists and other hostile persons; iii) increasing threats to personal security encountered in areas such as transportation; iv) government and commercial efforts to detect and reduce fraud and cybercrime; and v) the emergence and adoption of international biometrics standards. The biometrics industry may be segmented into government and commercial sub-markets. While these markets are similar in many respects and share similar characteristics, other aspects of the markets are different. Important factors that differentiate the government market from the commercial market include: i) principal applications; ii) solutions; and iii) suppliers. We believe that this market-based distinction is important to an understanding of Aware’s business as the vast majority of our revenue is currently derived from government customers.*

Det jeg der fanger mig på side 7 er, at de er klar over at de er nød til at gå den kommercielle vej (sådan forstår jeg det) – de skriver følgende:

*We believe that the commercial biometrics market may be further delineated into mobile and enterprise segments although that distinction is not always clear as the two segments may overlap. Notwithstanding that limitation, this distinction serves a useful purpose in describing commercial biometrics markets as of the end of 2014.*

*Mobile segment - The mobile segment is dominated by biometrics-enabled smartphones. Many smartphones now contain fingerprint sensors and software that can: i) enroll and encode a fingerprint image, ii) store the image in a secure area on the phone, and iii) collect a live fingerprint and match it to the stored fingerprint image.*

Men det der er endnu mere interessant er, at de også skriver det her:

*The types of users that may need to be authenticated or identified in commercial applications include customers, employees, suppliers, visitors, patients, or other parties wishing to gain access to information, systems, bank accounts, credit card accounts, events, devices, buildings, or organizations.*

Jeg forstår det som om, at de er klar over at biometri (efter Apples lancering af fingerprint) bliver stort på mobile devices – men at de også tænker den videre til credit cards og endda bank accounts.

Bliver det overhovedet nødvendigt med et kort? Altså at man skal køre et kort igennem og så godkende købet med fingerprint - Måske man bare opretter sin bankkonto ved at give sit fingerprint eller iris. Når man så skal betale, så lægger man bare sin finger eller iris på og så har man betalt. Tænker måske lidt for langt, men mulighederne er enorme – Ja, kun fantasien sætter grænser.

***Competition***

*The markets for our products and services are competitive and uncertain. We compete against: i) other companies that provide biometric software solutions; and ii) fully diversified companies that provide biometric software solutions and also act as systems integrators. We can give no assurance that: i) our products and services will succeed in the market; ii) that we will be able to compete effectively; or iii) that competitive pressures will not seriously harm our business.*

*Many of our competitors are larger than us and have significantly greater financial, technological, marketing and personnel resources than we do. At the other end of the competitive spectrum, we have seen increasing competition from smaller biometrics companies in foreign countries. These smaller foreign competitors have demonstrated a willingness to sell their biometrics software products at low prices.*

*We can give no assurance that our customers will continue to purchase products from us or that we will be able to compete effectively in obtaining new customers to maintain or grow our business.*

***Patents and Intellectual Property***

*We rely on a combination of nondisclosure agreements and other contractual provisions, as well as patent, trademark, trade secret and copyright law to protect our proprietary rights. We have an active program to protect our proprietary technology through the filing of patents. As of December 31, 2014, we had approximately 40 U.S. and foreign patents and approximately 49 pending patent applications. Our patents and patent applications pertain primarily to biometrics and imaging compression.*

***Long term competitors***

*Diversified technology providers that offer integrated biometrics solutions to governments, law enforcement agencies and other organizations. This group of competitors includes companies such as Safran Morpho,*

*3M/Cogent, and NEC.*

*• Component providers that offer biometrics software and hardware components for fingerprint, facial, and*

*iris biometric identification. This group of competitors includes companies such as Cognitec; Neurotechnology; Iritech; Innovatrics; WCC; Daon; and M2Sys.*

**Tæller for:**

* De har allerede leveret løsninger som bruges af FBI.
* De har ingen gæld
* De ligger på en solid støtte i kurs 3,20
* De har ikke taget de ville kurs ridt som Fingerprint cards, Precise biometrics og Idex har, så man køber ikke på toppen.
* De har overskud, selvom de investerer mere i udvikling end i året før
* US virksomhed I forhold til fingerprint på kort (VISA, MASTERCARD, American Express)
* Markedet er enormt, kan se store muligheder i banksektoren hvor markedet i USA er enormt
* De har udviklet iris og ansigts genkendelse

**Tæller imod:**

* Marketcap på kun 76 mio $. – Markedsleder er de ikke
* Ingen gæld
* Risiko for at de ikke kan håndtere large scale (på hardware)
* Forholdsvis lav volume (25.000 i går)
* At Goverment delen tager for meget fokus, for det er der de tjener pengene i 2014.

**Konklusion:**

Jeg tør ikke satse hele butikken på den her, primært på grund af selskabets størrelse. Men omvendt så afspejler selskabets størrelse jo også, at de ikke nåede at komme med på mobile devices sektoren. Jeg frygter også, at selskabet er for lille til at kunne levere large scale – Som nævnt tidligere, så er det på hardware delen. Softwaren/algoritmen er jo ikke noget problem – den burde bare kunne skydes afsted.

Selskabet skriver selv i deres årsrapport, at grundet volumen, så kan det være svært at komme af med sine aktier – det er ikke noget der er krudt på møllen. Men husk nu, at ovenstående er alt sammen fra 2014 årsrapporten og der er sket meget på markedet i 2015.

Jeg synes at selskabet er spændende, specielt nu hvor vi kender udviklingen i Fingerprint Cards, Precise og Idex.

Det der er hovedet på sømmet for mig er, at de allerede har leveret løsninger til FBI – Aware har altså et produkt på markedet og tilsyneladende så sikkert at FBI vil bruge det. De har også udviklet både iris og ansigts genkendelse, hvilket jeg kun ser som et plus – selvom det primært er fingerprint der kører derudad lige nu.

Aware har ingen gæld, hvilket både kan være et sundhedstegn men også et tegn på at ledelsen ikke er handlingsparate – Bliver der investeret nok? vil ledelsen med på toget? Toget har forladt perronen, så selskabet skal altså til at steppe op.

Knapt 23 mio aktier i selskabet og 17% er ejet af insider. Average volumen ligger på 23k. Profit i både Q1 og Q2.

Teknisk (ikke min stærke side) ser det ud til at aktien har fundet støtte i kurs 3,2 og er vildt oversold – så forhåbentlig skal den op derfra. Man køber i hvert fald ikke på toppen her.

Jeg synes selskabet er ekstremt spændende, så jeg smider et frimærke i Aware og så vil jeg følge den mere intenst i månederne der kommer.

PS. Analysen er begrænset til selskabets årsrapport 2014 (ligger på deres hjemmeside) og en hurtig gennemgang af deres hjemmeside (<http://www.aware.com/>). Jeg har ikke haft tid til yderligere ressearch.