

# Quarterly Industry Update

As of December 31, 2014

Industry: Law Enforcement Gear

## Industry Summary

Cogent Valuation identified publicly traded companies, IPOs, and recent M&A transactions within the Law Enforcement Gear industry, which provides a basis for market and transaction pricing that can be used by your firm in estimating market sentiment and its impact on your firm's value. Since December 31, 2013, the median 52-week share price return of the Law Enforcement Gear industry has increased by 0.5%. In the last quarter, the median price-to-earnings multiple increased from 23.0x to 23.8x.

## Comparable Public Company Key Statistics

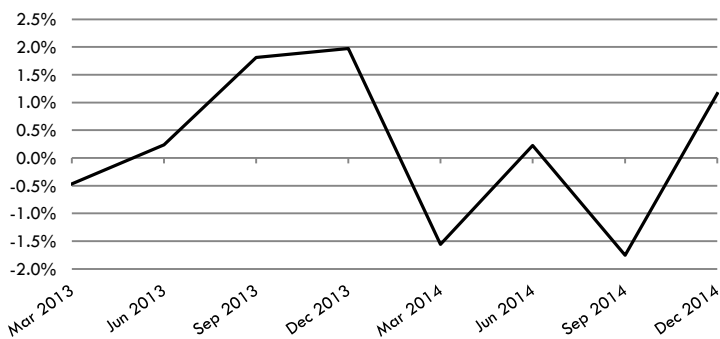
Median 52-Week Return	0.5%	Median EV/Revenue Multiple	1.8x	Median Price/Earnings Multiple	23.8x
Median 3-Year CAGR Return	11.3%	Median EV/EBITDA Multiple	14.0x	Median EV/Gross CF Multiple	20.0x

## Comparable Public Company Market Price Returns (As of December 31, 2014)

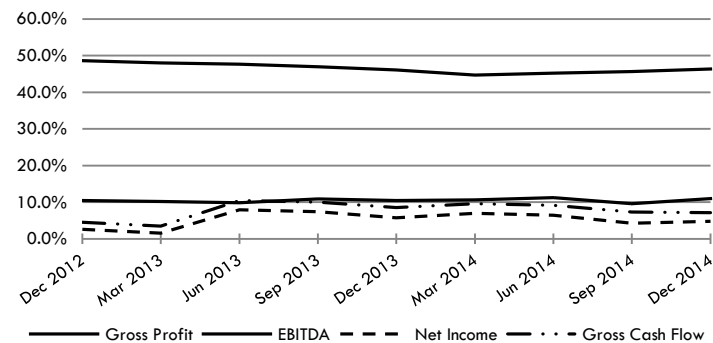
	YTD	3 Month	1 Year	2 Year	3 Year	5 Year	2014	2013	2012	2011	2010
American Science & Engineering Inc.	-27.8%	-6.3%	-27.8%	-10.8%	-8.7%	-7.3%	-27.8%	10.3%	-4.3%	-20.1%	12.4%
Analogic Corporation	-4.5%	32.3%	-4.5%	6.7%	13.9%	17.0%	-4.5%	19.2%	29.6%	15.8%	28.6%
API Technologies Corp.	-37.5%	-9.4%	-37.5%	-14.9%	-12.5%	-15.7%	-37.5%	16.0%	-7.5%	-26.9%	-13.0%
Digital Ally Inc.	66.7%	-4.4%	66.7%	109.8%	47.2%	-1.4%	66.7%	164.1%	-27.5%	-65.7%	-14.6%
Federal Signal Corp.	5.4%	16.6%	5.4%	42.4%	55.0%	20.7%	5.4%	92.5%	83.4%	-39.5%	14.0%
FLIR Systems, Inc.	7.3%	3.1%	7.3%	20.3%	8.8%	-0.3%	7.3%	34.9%	-11.0%	-15.7%	-9.1%
Image Sensing Systems, Inc.	-46.3%	-24.9%	-46.3%	-26.8%	-25.8%	-25.3%	-46.3%	-0.4%	-23.7%	-49.9%	14.1%
SuperCom Ltd.	121.0%	-17.3%	121.0%	314.2%	201.1%	64.4%	121.0%	676.5%	59.1%	25.7%	-65.0%
TASER International Inc.	66.8%	71.5%	66.8%	72.1%	72.9%	43.3%	66.8%	77.6%	74.6%	8.9%	7.3%
Vicon Industries, Inc.	-40.3%	-11.1%	-40.3%	-20.1%	-17.7%	-19.0%	-40.3%	6.9%	-12.7%	-26.5%	-14.8%
<b>Median of Industry Public Companies</b>	<b>0.5%</b>	<b>-5.3%</b>	<b>0.5%</b>	<b>13.5%</b>	<b>11.3%</b>	<b>-0.8%</b>	<b>0.5%</b>	<b>27.0%</b>	<b>-5.9%</b>	<b>-23.3%</b>	<b>-0.9%</b>

(Multiple year periods are calculated as the average annual return.)

## Median Quarterly Revenue Growth of All Law Enforcement Gear Companies



## Median Gross Profit, EBITDA, Net Income and Gross Cash Flow Margins



## Median Public Company Multiples of the Law Enforcement Gear Industry

Date:	12/31/2012	3/31/2013	6/30/2013	9/30/2013	12/31/2013	3/31/2014	6/30/2014	9/30/2014	12/31/2014
EV/Revenues Multiple	1.4x	1.5x	1.4x	1.7x	1.8x	1.4x	1.6x	1.7x	1.8x
EV/EBITDA Multiple	12.1x	11.5x	9.9x	12.8x	16.6x	15.1x	15.3x	13.4x	14.0x
Price/Earnings Multiple	20.9x	28.3x	20.3x	24.2x	34.9x	32.0x	30.2x	23.0x	23.8x
EV/Gross Cash Flows Multiple	13.2x	15.5x	13.8x	14.8x	21.6x	19.8x	22.6x	21.1x	20.0x

This industry research is provided at no charge to Cogent Valuation's clients. Research or detailed information not covered in this report can be obtained for a fee. Contact Contact Vanita Spaulding at 818-905-8330 for additional information or questions in connection with this research report.

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## Industry Initial Public Offerings (dollars in millions, except share prices)

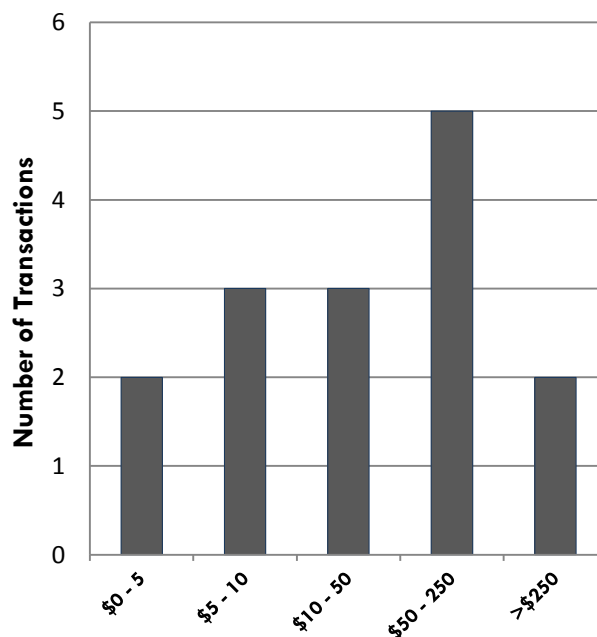
Offer Date	Company Name	Offer Price	Shares Offered	Amount Raised	Total Assets	Debt	LTM Revenues	LTM EBITDA	LTM Net Income	LTM Cash Flows
11/14/2005	Vimicro International Corp.	\$10.00	8.7	\$87.0	N/A	N/A	FALSE	\$13.9	\$12.0	N/A
10/12/2006	Leidos Holdings, Inc.	\$15.00	75.0	\$1,125.0	\$5,339.0	\$1,215.0	\$7,875.0	\$578.0	\$454.0	N/A
5/22/2002	Akers Biosciences Inc.	\$1.98	2.5	\$5.0	\$1.1	\$4.5	\$0.6	(\$5.1)	(\$5.1)	N/A
5/8/2001	TASER International Inc.	\$13.00	0.8	\$10.4	\$2.0	\$3.8	\$3.9	\$0.2	(\$0.4)	N/A
<b>Median of All IPOs</b>		<b>nm</b>	<b>nm</b>	<b>\$48.7</b>	<b>\$2.0</b>	<b>\$4.5</b>	<b>\$3.9</b>	<b>\$7.1</b>	<b>\$5.8</b>	<b>#NUM!</b>

nm: not meaningful

## Recent Merger and Acquisition Transactions for a Majority Stake (dollars in millions)

Transaction Date	Target	Acquirer	Transaction Size	% Bought
11/21/2014	ArmorWorks, Inc.	Littlejohn Capital, LLC	\$4.1	100%
11/5/2014	Raytheon Blackbird Tech.	Raytheon Company	\$420.0	100%
8/29/2014	Massif Mountain Gear	Samtech, LLC	\$15.2	100%
8/29/2014	IQinVision, Inc.	Vicon Industries, Inc.	\$15.0	100%
6/2/2014	Emerge Monitoring, Inc.	SecureAlert, Inc	\$9.5	100%
5/13/2014	Forensic Technology WAI	Ultra Electronics Holdings	\$90.6	100%
8/28/2013	Amplifier Technology Ltd.	Vislink plc	\$6.2	100%
7/12/2013	New Colt Holding Corp.	Colt Defense LLC	\$60.5	100%
6/30/2013	Datong plc	Seven Technologies Ltd.	\$10.6	100%
3/29/2013	DeltaNu, LLC	SciAps, Inc	\$1.5	100%
12/28/2012	Precision Dynamics Corp.	Brady Corp.	\$300.0	100%
9/4/2012	Federal Signal Technologies	3M Company	\$110.0	100%
8/16/2012	Lacrosse Footwear Inc.	ABC-Mart, Inc.	\$146.4	100%
6/26/2012	InfraRed Integrated Systems	Fluke Corporation	\$106.9	100%
6/6/2012	Para USA, Inc.	Freedom Group, Inc.	\$5.0	100%
<b>Median of All Transaction Targets</b>			<b>\$15.2</b>	<b>100%</b>

## Size of Merger and Acquisition Transactions (dollars in millions)



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