

# Quarterly Industry Update

As of March 31, 2014

Industry: Energy Storage



## Industry Summary

Cogent Valuation identified publicly traded companies, IPOs, and recent M&A transactions within the Energy Storage 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 March 31, 2013, the median 52-week share price return of the Energy Storage industry has increased by 2.6%. In the last quarter, the median price-to-earnings multiple increased from 21.1x to 40.8x.

## Comparable Public Company Key Statistics

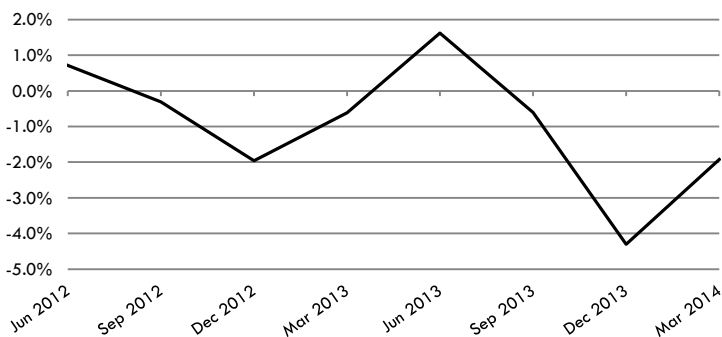
Median 52-Week Return	2.6%	Median EV/Revenue Multiple	1.3x	Median Price/Earnings Multiple	40.8x
Median 3-Year CAGR Return	-23.6%	Median EV/EBITDA Multiple	24.2x	Median EV/Gross CF Multiple	30.2x

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

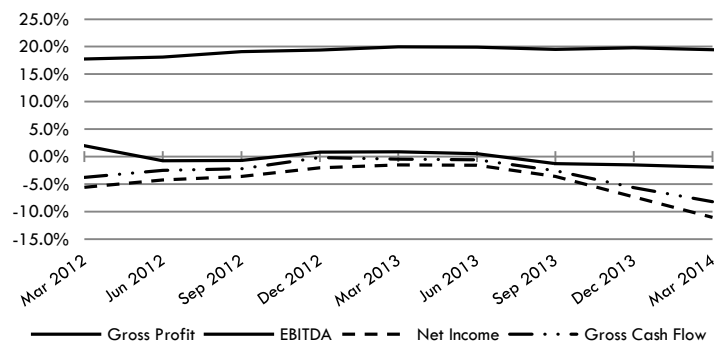
	YTD	3 Month	1 Year	2 Year	3 Year	5 Year	2012	2011	2010	2009	2008
Active Power Inc.	-1.2%	-1.8%	-27.9%	-7.9%	-39.1%	2.0%	1.5%	-73.2%	132.1%	231.3%	-85.5%
Altair Nanotechnologies, Inc.	107.9%	14.0%	59.6%	11.3%	-22.2%	-29.4%	-45.7%	-76.1%	-21.6%	-27.9%	-71.2%
China BAK Battery, Inc.	88.7%	35.1%	154.2%	-23.7%	-30.8%	-18.9%	-49.5%	-67.4%	-30.6%	71.6%	-74.1%
Energizer Holdings Inc.	26.0%	-6.9%	1.0%	16.5%	12.3%	15.2%	3.2%	6.3%	19.0%	13.2%	-51.7%
Highpower International, Inc.	415.6%	107.4%	357.8%	130.4%	20.3%	15.3%	5.1%	-70.2%	-57.3%	141.7%	N/A
Ultralife Corp.	31.2%	19.7%	-4.8%	-9.4%	-5.7%	-11.3%	-19.4%	-39.2%	53.0%	-67.8%	-33.4%
Universal Power Group Inc.	13.5%	29.4%	4.1%	-5.0%	-25.0%	5.4%	-19.3%	-48.0%	19.0%	20.2%	-36.1%
ZBB Energy Corporation	4.9%	94.4%	-19.5%	-28.7%	-33.2%	-16.5%	-53.5%	-34.3%	-8.5%	-12.6%	-31.8%
<b>Median of Industry Public Companies</b>	<b>28.6%</b>	<b>24.6%</b>	<b>2.6%</b>	<b>-6.4%</b>	<b>-23.6%</b>	<b>-4.6%</b>	<b>-19.3%</b>	<b>-57.7%</b>	<b>5.2%</b>	<b>16.7%</b>	<b>-51.7%</b>

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

## Median Quarterly Revenue Growth of All Energy Storage Companies



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



## Median Public Company Multiples of the Energy Storage Industry

Date:	3/31/2012	6/30/2012	9/30/2012	12/31/2012	3/31/2013	6/30/2013	9/30/2013	12/31/2013	3/31/2014
EV/Revenues Multiple	0.7x	0.8x	0.9x	0.9x	1.0x	0.9x	0.9x	1.1x	1.3x
EV/EBITDA Multiple	10.9x	10.8x	11.1x	11.7x	12.9x	12.5x	14.8x	17.7x	24.2x
Price/Earnings Multiple	54.8x	23.1x	11.2x	12.6x	14.9x	32.8x	25.3x	21.1x	40.8x
EV/Gross Cash Flows Multiple	33.6x	11.5x	22.1x	22.2x	19.3x	23.8x	22.6x	23.7x	30.2x

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 Steven Kam at 415-392-0888 for additional information or questions in connection with this research report.

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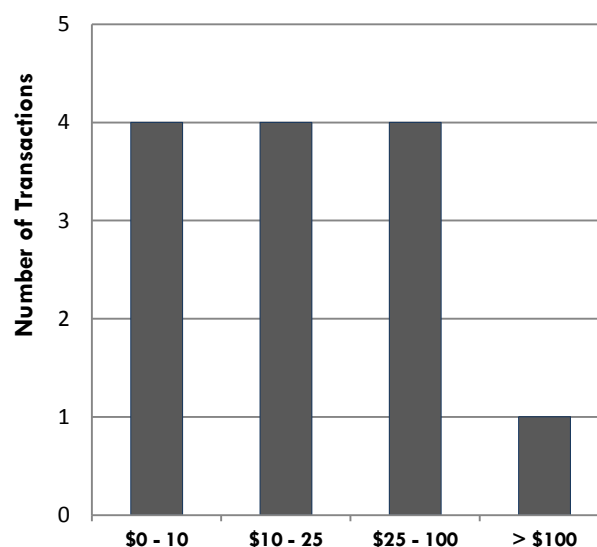
## Industry Initial Public Offerings (dollars in millions, except share prices)

Offer Date	Company Name	Offer Price	Shares Offered	Amount Raised	Total Assets	Debt	LTM Revenues	LTM EBITDA	LTM Net Income	LTM Cash Flows
6/19/2008	Highpower International, Inc.	\$3.25	0.5	\$1.7	\$51.9	\$15.7	\$79.6	\$6.4	\$2.9	\$7.0
6/27/2007	Polypore International Inc.	\$19.00	15.0	\$285.0	\$1,410.5	\$1,057.1	\$491.9	\$142.0	(\$26.1)	\$182.0
12/20/2006	Universal Power Group Inc.	\$7.00	3.0	\$21.0	\$32.0	\$11.7	\$89.3	\$3.3	\$1.4	\$3.4
3/23/2005	ZBB Energy Corporation	\$0.39	12.0	\$4.6	\$5.6	\$2.9	\$0.1	(\$2.4)	(\$2.8)	(\$2.3)
10/26/2000	Hydrogenics Corporation	\$12.00	7.0	\$84.0	\$11.2	\$0.0	\$3.6	(\$8.4)	(\$10.7)	(\$7.9)
8/7/2000	Active Power Inc.	\$17.00	8.0	\$136.0	\$23.3	\$0.0	\$3.4	(\$15.4)	(\$18.8)	(\$14.7)
9/30/1997	Power-One Inc.	\$14.00	5.0	\$70.0	N/A	N/A	N/A	N/A	N/A	N/A
<b>Median of All IPOs</b>		<b>nm</b>	<b>nm</b>	<b>\$70.0</b>	<b>\$27.6</b>	<b>\$7.3</b>	<b>\$41.6</b>	<b>\$0.4</b>	<b>(\$6.8)</b>	<b>\$0.6</b>

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

Transaction Date	Target	Acquirer	Transaction Size	% Bought
12/27/2013	Shenzhen Eyang Energy	N/A	\$1.7	100%
11/1/2013	Quallion LLC	EnerSys	\$30.0	100%
9/30/2013	Eltek Electric Vehicles	Valeo SA	\$20.3	100%
8/23/2013	Millennium Power Solutions	Blue Earth Inc.	\$15.2	100%
1/1/2013	Johnson Controls	Saft Groupe S.A.	\$145.0	100%
10/19/2012	Axeon Holdings	Johnson Matthey	\$65.1	100%
12/31/2011	Shenzhen Nalon Battery	Scud (Fujian) Electronics	\$3.3	70%
12/15/2011	Micro Power Electronics	Electrochem Solutions	\$69.9	100%
12/9/2011	Billion Electronics	N/A	\$13.4	100%
8/31/2011	Jiangsu Youpai	Jiangxi Ganfeng Lithium	\$3.1	51%
1/6/2011	Shenzhen Zhongqiang	Harbin Zhongqiang	\$19.8	100%
12/31/2010	Gold Peak Industries	GP Batteries	\$0.9	100%
10/26/2010	Zhejiang GBS Energy	Hybrid Kinetic Group	\$25.2	100%
<b>Median of All Transaction Targets</b>			<b>\$19.8</b>	<b>100%</b>

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



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