

# Quarterly Industry Update

As of March 31, 2016

Industry: Consumer Electronics

## Industry Summary

Cogent Valuation identified Consumer Electronics publicly traded companies, IPOs, and recent M&A transactions within the Consumer Electronics 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. Over the last year since March 31, 2015, the median 52-week share price return of the Consumer Electronics industry was -9.8%. Between March 31, 2014 and March 31, 2016, the median EV/EBITDA multiple decreased from 22.5 to 6.7. Furthermore, the median price-to-earnings multiple decreased from 60.1 to 40.6 over the same period.

## Comparable Public Company Key Statistics

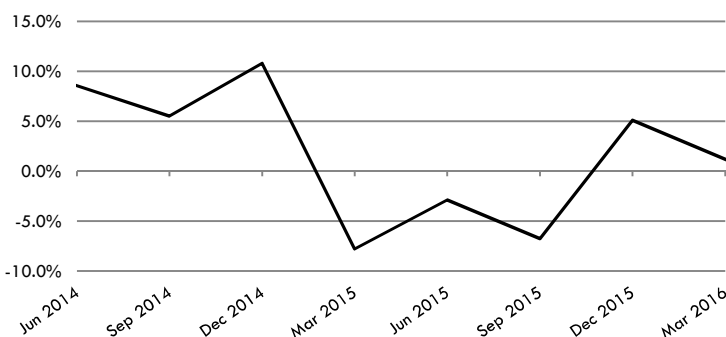
Median 52-Week Return	-9.8%	Median EV/Revenue Multiple	1.4x	Median Price/Earnings Multiple	40.6x
Median 3-Year CAGR Return	5.6%	Median EV/EBITDA Multiple	6.7x	Median EV/Gross CF Multiple	22.0x

## Comparable Public Company Market Price Returns As of March 31, 2016

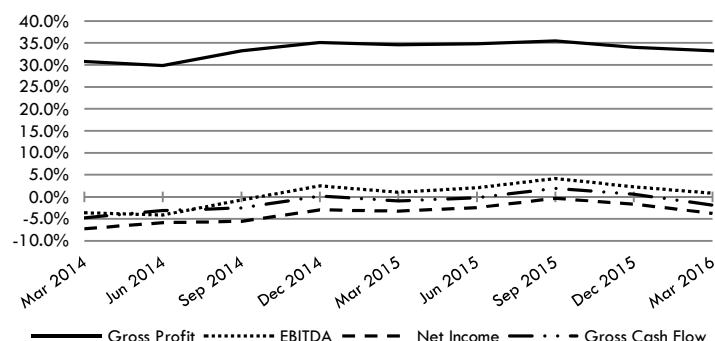
	YTD	3 Month	1 Year	2 Year	3 Year	5 Year	2015	2014	2013	2012	2011
Fleetmatics Group PLC	-19.8%	-19.8%	-9.2%	10.3%	18.8%	N/A	43.1%	-17.9%	71.9%	N/A	N/A
InvenSense, Inc.	-17.9%	-17.9%	-44.8%	-40.4%	-7.7%	N/A	-37.1%	-21.8%	87.0%	11.5%	N/A
Logitech International SA	3.8%	3.8%	20.6%	3.4%	33.1%	-2.4%	13.6%	-1.6%	81.7%	-3.5%	-58.8%
TiVo Inc.	10.2%	10.2%	-10.4%	-15.2%	-8.4%	1.7%	-27.1%	-9.8%	6.6%	37.2%	3.9%
Fitbit Inc.	-48.8%	-48.8%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>Median of Industry Public Companies</b>	<b>-17.9%</b>	<b>-17.9%</b>	<b>-9.8%</b>	<b>-5.9%</b>	<b>5.6%</b>	<b>-0.4%</b>	<b>-6.8%</b>	<b>-13.8%</b>	<b>76.8%</b>	<b>11.5%</b>	<b>-27.4%</b>

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

## Median Quarterly Revenue Growth of All Consumer Electronics Companies



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



## Median Public Company Multiples of the Consumer Electronics Industry

Date:	3/31/2014	6/30/2014	9/30/2014	12/31/2014	3/31/2015	6/30/2015	9/30/2015	12/31/2015	3/31/2016
EV/Revenues Multiple	4.1x	3.9x	3.5x	3.4x	2.7x	3.5x	1.8x	1.9x	1.4x
EV/EBITDA Multiple	22.5x	17.2x	12.7x	10.1x	8.7x	18.1x	23.8x	17.4x	6.7x
Price/Earnings Multiple	60.1x	28.0x	39.9x	42.7x	33.1x	40.8x	44.8x	45.8x	40.6x
EV/Gross Cash Flows Multiple	27.7x	13.8x	22.5x	9.7x	17.3x	32.7x	39.5x	1.9x	22.0x

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

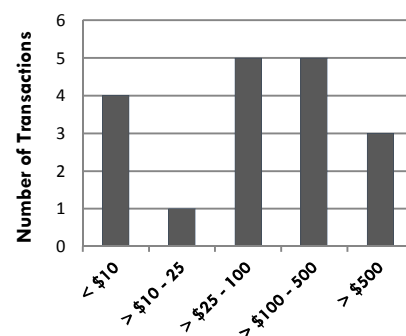
Offer Date	Company Name	Offer Price	Shares Offered	Amount Raised	Total Assets	Debt	LTM Revenues	LTM EBITDA	LTM Net Income	LTM Cash Flows
6/17/2015	Fitbit Inc.	\$20.00	36.6	\$731.5	\$669.3	\$159.6	\$973.4	\$241.6	\$170.9	\$250.2
8/1/2013	Control4 Corporation	\$16.00	4.0	\$64.0	\$49.5	\$3.4	\$113.5	\$2.6	(\$2.5)	\$4.5
10/4/2012	Fleetmatics Group PLC	\$17.00	7.8	\$132.8	\$111.8	\$24.8	\$108.1	\$18.2	\$0.9	\$26.1
11/15/2011	InvenSense, Inc.	\$7.50	10.0	\$75.0	\$102.3	\$0.0	\$129.7	\$39.7	\$27.7	\$41.6
6/30/2010	AutoNavi Holdings Limited	\$12.50	8.6	\$107.8	\$112.5	\$0.0	N/A	N/A	N/A	N/A
9/29/1999	TiVo Inc.	\$16.00	5.5	\$88.0	\$3.5	\$0.4	\$0.0	(\$9.6)	(\$9.7)	(\$9.4)
<b>Median of All IPOs</b>		<b>nm</b>	<b>nm</b>	<b>\$97.9</b>	<b>\$107.1</b>	<b>\$1.9</b>	<b>\$113.5</b>	<b>\$18.2</b>	<b>\$0.9</b>	<b>\$26.1</b>

nm: not meaningful

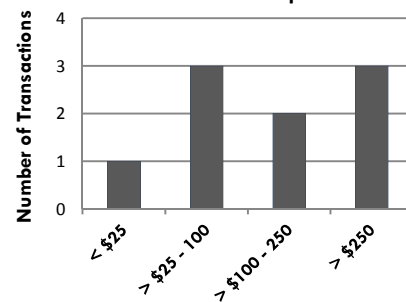
## Recent Merger and Acquisition Transactions for a Majority Stake (dollars in millions)

Transaction Date	Target	Acquirer	Transaction Size	% Bought	LTM Revenues	EV/Revenues
1/30/2015	Bluegiga Technologies	Silicon Laboratories	\$60.8	100%	N/A	N/A
12/6/2013	MapMyFitness, Inc.	Under Armour, Inc.	\$150.0	100%	N/A	N/A
9/17/2013	MEMSIC	IDG Capital Partners	\$108.8	81%	\$55.2	1.3x
5/31/2013	Hamlin Electronics	Littelfuse	\$145.0	100%	\$76.0	1.9x
5/23/2013	Ubiquisys	Cisco Systems	\$310.0	100%	N/A	N/A
4/30/2013	MakeMusic	LaunchEquity Partners	\$17.3	72%	\$17.7	1.0x
12/20/2012	LOREX Technology	FLIR Systems	\$48.7	100%	\$77.3	0.6x
8/29/2012	2-Track Global	World Capital Market	\$1.4	59%	N/A	N/A
8/2/2012	Standard Microsystems	Microchip Technology	\$909.6	100%	\$412.1	1.9x
7/2/2012	Avaak	Netgear	\$26.4	100%	N/A	N/A
5/15/2012	Comverge	Bayside Capital	\$74.5	100%	\$136.4	0.4x
1/3/2012	Navman Wireless OEM	Telit Communications	\$3.8	100%	N/A	N/A
10/1/2011	Ralink Technology	MediaTek	\$486.9	100%	\$286.5	1.0x
5/24/2011	Atheros Communications	QUALCOMM	\$3,581.4	100%	\$926.8	3.3x
2/15/2011	Movea	SMK-Link Electronics	\$5.0	100%	N/A	N/A
11/22/2010	Beco	Kier	\$4.7	100%	N/A	N/A
11/1/2010	Actel Corporation	Microsemi	\$585.0	100%	\$207.0	2.1x
10/1/2010	Mobile Communication	Brightstar Europe	\$54.0	100%	N/A	N/A
<b>Median of the 18 M&amp;A Transaction Targets</b>			<b>\$67.7</b>	<b>100%</b>	<b>\$136.4</b>	<b>1.3x</b>

Size of M&A Transactions



LTM Revenues Reported



### Definitions of Financial Terms Used in this Quarterly Industry Update:

Enterprise Value (EV): Market Value of Equity + Market Value of Debt - Cash

Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA): Profitability metric sometimes also referred to as operating profit or operating earnings.

Gross Cash Flows: Net Income + Depreciation and Amortization Expense

Latest Twelve Months (LTM): Financial information is as of the latest twelve months through the date of this Quarterly Industry Update.

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