

Quarterly Industry Update

As of March 31, 2017

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, 2016, the median 52-week share price return of the Consumer Electronics industry was 10.5%. Between March 31, 2015 and March 31, 2017, the median EV/EBITDA multiple increased from 10.8 to 19.9. Furthermore, the median price-to-earnings multiple increased from 24.9 to 32.5 over the same period.

Comparable Public Company Key Statistics

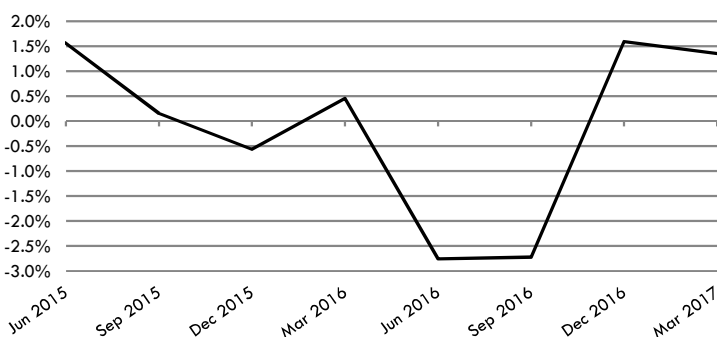
Median 52-Week Return	10.5%	Median EV/Revenue Multiple	1.5x	Median Price/Earnings Multiple	32.5x
Median 3-Year CAGR Return	-6.3%	Median EV/EBITDA Multiple	19.9x	Median EV/Gross CF Multiple	21.9x

Comparable Public Company Market Price Returns As of March 31, 2017

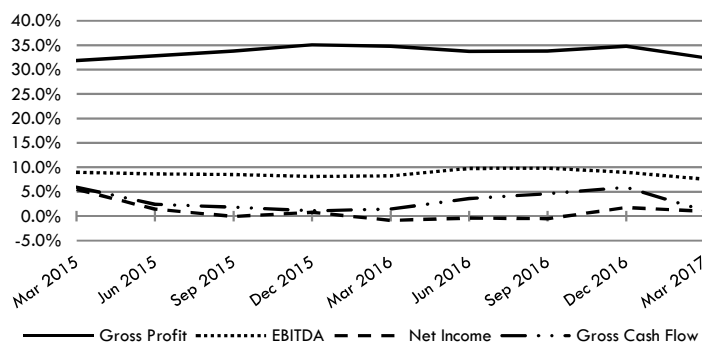
	YTD	3 Month	1 Year	2 Year	3 Year	5 Year	2016	2015	2014	2013	2012
Control4 Corporation	54.8%	54.8%	98.4%	14.8%	-9.4%	N/A	40.3%	-52.7%	-13.2%	N/A	N/A
Eastman Kodak Company	-25.8%	-25.8%	6.0%	-22.2%	-29.9%	N/A	23.6%	-42.2%	-37.5%	N/A	N/A
Emerson Radio Corp.	29.5%	29.5%	61.9%	1.5%	-13.2%	-7.5%	6.1%	-5.7%	-44.7%	9.8%	8.8%
Fitbit, Inc.	-19.1%	-19.1%	-60.9%	N/A	N/A	N/A	-75.3%	N/A	N/A	N/A	N/A
GoPro, Inc.	-0.1%	-0.1%	-27.3%	-55.2%	N/A	N/A	-51.6%	-71.5%	N/A	N/A	N/A
hhgregg, Inc.	-91.3%	-91.3%	-94.1%	-85.7%	-76.5%	-59.4%	-60.9%	-51.7%	-45.8%	99.0%	-51.4%
InfoSonics Corporation	42.1%	42.1%	-41.9%	-52.1%	-46.4%	-8.0%	-75.9%	45.0%	-28.8%	135.4%	4.8%
iRobot Corporation	13.2%	13.2%	87.4%	42.4%	17.2%	19.4%	65.1%	2.0%	-0.1%	85.5%	-37.2%
Logitech International SA	27.3%	27.3%	99.5%	55.1%	28.7%	32.5%	62.6%	13.6%	-1.6%	81.7%	-3.5%
Logitech International SA	28.7%	28.7%	100.3%	55.7%	28.9%	32.5%	64.4%	12.2%	-1.9%	81.6%	-3.1%
TiVo Corporation	-10.3%	-10.3%	-8.6%	1.5%	-6.3%	-10.4%	25.5%	-26.3%	14.7%	27.6%	-37.2%
Universal Electronics Inc.	6.1%	6.1%	10.5%	10.2%	21.3%	27.9%	25.7%	-21.0%	70.6%	97.0%	14.7%
VOXX International Corporation	10.6%	10.6%	16.3%	-24.7%	-27.6%	-17.4%	-10.6%	-40.0%	-47.5%	148.1%	-20.4%
Vuzix Corporation	-8.8%	-8.8%	16.3%	5.4%	24.9%	3.4%	-10.4%	74.1%	11.5%	4.3%	2.0%
ZAGG Inc	1.4%	1.4%	-20.1%	-8.9%	15.9%	-7.5%	-35.1%	61.1%	56.1%	-40.9%	4.1%
(Invalid Identifier)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Median of Industry Public Companies	6.1%	6.1%	10.5%	1.5%	-6.3%	-7.5%	6.1%	-13.4%	-1.9%	81.7%	-3.1%

(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:	3/31/2015	6/30/2015	9/30/2015	12/31/2015	3/31/2016	6/30/2016	9/30/2016	12/31/2016	3/31/2017
EV/Revenues Multiple	0.9x	1.0x	0.8x	1.0x	0.9x	0.9x	1.6x	1.0x	1.5x
EV/EBITDA Multiple	10.8x	11.4x	9.7x	12.4x	11.9x	11.7x	14.9x	16.5x	19.9x
Price/Earnings Multiple	24.9x	33.1x	24.1x	35.5x	23.3x	22.1x	29.2x	29.1x	32.5x
EV/Gross Cash Flows Multiple	16.8x	35.7x	24.6x	26.5x	18.7x	13.7x	19.8x	20.5x	21.9x

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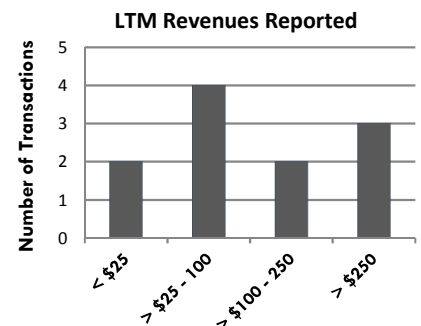
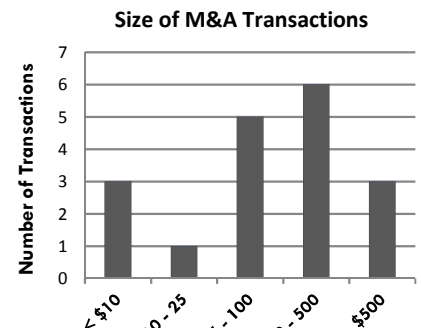
Industry Initial Public Offerings (dollars in millions, except share prices)

Offer Date	Company Name	Offer Price	Shares Offered	Amount Raised	Total Assets	Debt	LTM Revenues	LTM EBITDA	LTM Net Income	LTM Cash Flows
11/2/2016	Crunchfish AB (publ)	\$1.69	4.0	\$6.7	N/A	N/A	N/A	N/A	N/A	N/A
7/7/2016	Monster Digital, Inc.	\$4.50	2.0	\$9.1	\$4.3	\$4.7	\$7.4	\$0.0	(\$7.5)	\$0.0
6/17/2015	Fitbit, Inc.	\$20.00	36.6	\$731.5	\$669.3	\$159.6	\$973.4	\$244.5	\$170.9	\$253.1
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
Median of All IPOs		nm	nm	\$69.5	\$102.3	\$4.7	\$113.5	\$18.2	\$0.9	\$26.1

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
5/18/2017	InvenSense, Inc.	TDK U.S.A. Corporation	\$1,425.0	100%	\$340.0	3.4x
2/8/2017	United Pacific Industries	N/A	\$48.9	58%	\$18.2	2.4x
12/16/2016	Intecq Limited	Tabcorp Holdings Limited	\$95.3	100%	\$39.8	2.1x
12/1/2016	DTS, Inc.	Tessera Holding Corp.	\$989.6	100%	\$163.7	5.8x
9/29/2016	Skullcandy, Inc.	Mill Road Capital	\$176.0	90%	\$266.9	0.6x
8/31/2016	WoW Technologies	Exact Solution Management	\$2.4	100%	N/A	N/A
7/7/2016	Knowles Corporation	Loyal Valley Innovation	\$45.0	100%	N/A	N/A
5/16/2016	Audion Innovation Pty Ltd.	N/A	\$1.5	100%	N/A	N/A
1/20/2016	Cybox International Inc.	Brunswick Corporation	\$195.0	100%	\$169.0	1.2x
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
Median of the 18 M&A Transaction Targets			\$102.1	100%	\$77.3	1.9x



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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