

## 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 September 30, 2016, the median 52-week share price return of the Consumer Electronics industry was -6.5%. Between September 30, 2015 and September 30, 2017, the median EV/EBITDA multiple increased from 9.8 to 18.0. Furthermore, the median price-to-earnings multiple increased from 24.1 to 36.7 over the same period. The median revenue growth and EBITDA margins for the industry for the quarter were 2.3% and 4.6%, respectively.

### Public Company Key Statistics

Median 52-Week  
Return

-6.5%

Median 3-Year CAGR  
Return

0.2%

Median EV/Revenue  
Multiple

1.3x

Median EV/EBITDA  
Multiple

18x

Median Price/Earnings  
Multiple

36.7x

Median EV/Gross CF  
Multiple

22.9x

## Comparable Public Company Market Price Returns as of September 30, 2017

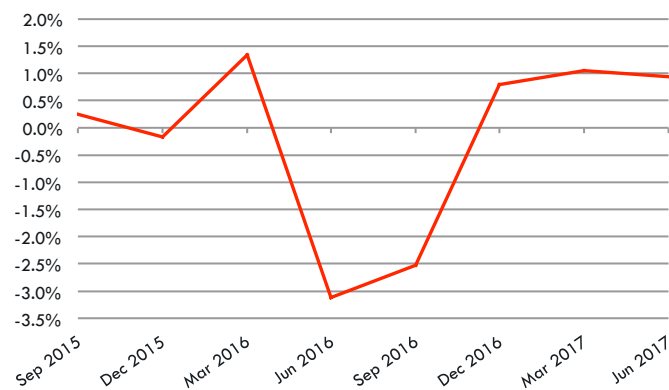
	YTD	3 Month	1 Year	2 Year	3 Year	2016	2015	2014
<b>Control4 Corporation</b>	188.8%	50.2%	50.2%	90.0%	31.6%	40.3%	-52.7%	-13.2%
<b>Eastman Kodak Company</b>	-52.6%	-19.2%	-19.2%	-31.4%	-30.6%	23.6%	-42.2%	-37.5%
<b>Emerson Radio Corp.</b>	27.6%	-3.6%	-3.6%	4.8%	-12.2%	6.1%	-5.7%	-44.7%
<b>Fitbit, Inc.</b>	-4.9%	31.1%	31.1%	-57.0%	N/A	-75.3%	N/A	N/A
<b>GoPro, Inc.</b>	26.4%	35.4%	35.4%	-40.6%	-51.0%	-51.6%	-71.5%	N/A
<b>hhgregg, Inc.</b>	-98.9%	23.1%	23.1%	-94.3%	-86.4%	-60.9%	-51.7%	-45.8%
<b>InfoSonics Corporation</b>	1.6%	-17.9%	-17.9%	-44.4%	-42.0%	-75.9%	45.0%	-28.8%
<b>iRobot Corporation</b>	31.8%	-8.4%	-8.4%	62.6%	36.3%	65.1%	2.0%	-0.1%
<b>Logitech International S.A.</b>	47.2%	-0.5%	-0.5%	66.8%	41.7%	64.4%	12.2%	-1.9%
<b>TiVo Corporation</b>	-5.0%	6.4%	6.4%	37.6%	0.2%	25.5%	-26.3%	14.7%
<b>Universal Electronics Inc.</b>	-1.8%	-5.2%	-5.2%	22.8%	8.7%	25.7%	-21.0%	70.6%
<b>VOXX International Corporation</b>	81.9%	4.3%	4.3%	7.3%	-2.8%	-10.6%	-40.0%	-47.5%
<b>Vuzix Corporation</b>	-19.9%	-16.8%	-16.8%	7.9%	22.0%	-10.4%	74.1%	11.5%
<b>ZAGG Inc</b>	121.8%	82.1%	82.1%	52.3%	41.3%	-35.1%	61.1%	56.1%
<b>Median of Industry Public Companies</b>	14.0%	0.8%	1.9%	7.6%	0.2%	-2.2%	-21.0%	-7.5%

Multiple year periods are calculated as the average annual return.

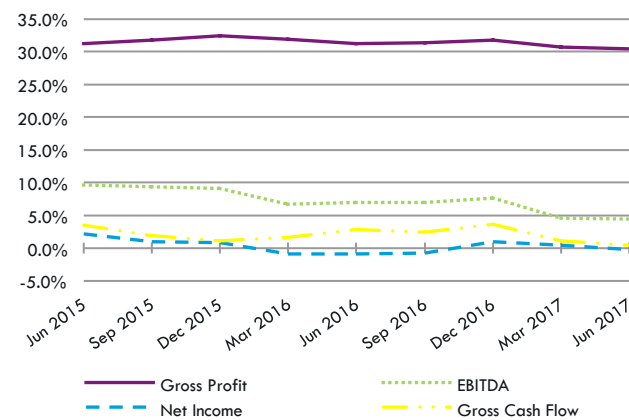
■ Highest Return
 ■ Lowest Return
 ■ Median Return

## Industry Revenue Growth and Profit Margins for the Past Two Years

**Median Quarterly Revenue Growth of All Consumer Electronics Companies**



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



## Public Company Median Multiples by Quarter

	9/30/17	6/30/17	3/31/17	12/31/16	9/30/16	6/30/16	3/31/16	12/31/15
EV/Revenues Multiple	1.3x	1.2x	1.2x	1.0x	1.5x	0.9x	0.9x	1.0x
EV/EBITDA Multiple	18.0x	19.8x	19.6x	16.2x	14.5x	12.6x	12.8x	12.3x
Price/Earnings Multiple	36.7x	43.6x	37.7x	31.1x	33.1x	21.4x	23.3x	35.5x
EV/Gross Cash Flows Multiple	22.9x	28.1x	24.3x	21.5x	19.8x	14.1x	18.4x	19.7x

■ Highest Multiple
 ■ Lowest Multiple
 ■ Median Multiple

## Industry Initial Public Offerings—Industry: Consumer Electronics (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
3/31/17	Unieuro S.p.A.	\$11.76	6.4	\$74.8	\$768.7	\$81.0	\$1,744.9	\$43.2	\$13.5	\$56.7
11/2/16	Crunchfish AB (publ)	\$1.69	4.0	\$6.7	N/A	N/A	N/A	N/A	N/A	N/A
7/7/16	Monster Digital, Inc.	\$4.50	2.0	\$9.1	\$5.9	\$5.2	\$7.8	\$0.0	(\$7.5)	\$0.0
6/17/15	Fitbit, Inc.	\$20.00	36.6	\$731.5	\$669.3	\$159.6	\$973.4	\$244.6	\$170.9	\$253.2
8/1/13	Control4 Corporation	\$16.00	4.0	\$64.0	\$55.3	\$3.8	\$118.4	\$6.5	(\$2.5)	\$8.3
10/4/12	Fleetmatics Group PLC	\$17.00	7.8	\$132.8	\$118.3	\$33.4	\$117.5	\$19.0	\$0.9	\$27.0
6/29/17	Median of all IPOs	nm	nm	\$69.4	\$118.3	\$33.4	\$118.4	\$43.2	\$0.9	\$27.0

Multiple year periods are calculated as the average annual return.

■ Highest Return
 ■ Lowest Return
 ■ Median Return

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

Transaction Date	Target	Acquirer	Transaction Size	% Bought	LTM Revenues	EV/ Revenues
6/9/17	<b>Radiancy (HK) Limited</b>	Unieuro S.p.A.	\$9.5	100%	N/A	N/A
6/5/17	<b>Monclick S.r.l.</b>	South Pearl Ventures	\$10.6	100%	\$195.5	N/A
5/18/17	<b>PINE Technology Hldg.</b>	TDK U.S.A. Corporation	<b>\$76.3</b>	<b>59%</b>	<b>\$340.0</b>	<b>0.5x</b>
2/8/17	<b>InvenSense, Inc.</b>	N/A	<b>\$1,425.0</b>	<b>100%</b>	<b>\$18.2</b>	<b>3.4x</b>
12/16/16	<b>United Pacific Industries</b>	Tabcorp Holdings Limited	\$48.9	58%	\$39.8	2.4x
12/1/16	<b>Intecq Limited</b>	Tessera Holding Corp.	\$95.3	100%	\$163.7	2.1x
9/29/16	<b>DTS, Inc.</b>	Mill Road Capital	\$989.6	100%	\$266.9	5.8x
8/31/16	<b>Skullcandy, Inc.</b>	Exact Solution Management	\$176.0	90%	N/A	0.6x
7/7/16	<b>WoW Technologies</b>	Loyal Valley Innovation	\$2.4	100%	N/A	N/A
5/16/16	<b>Knowles Corporation</b>	N/A	\$45.0	100%	N/A	N/A

■ USA
 ■ International
 ■ Highest
 ■ Lowest
 ■ Median

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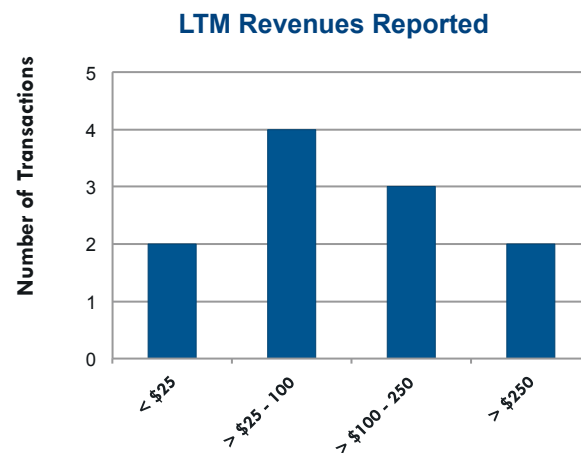
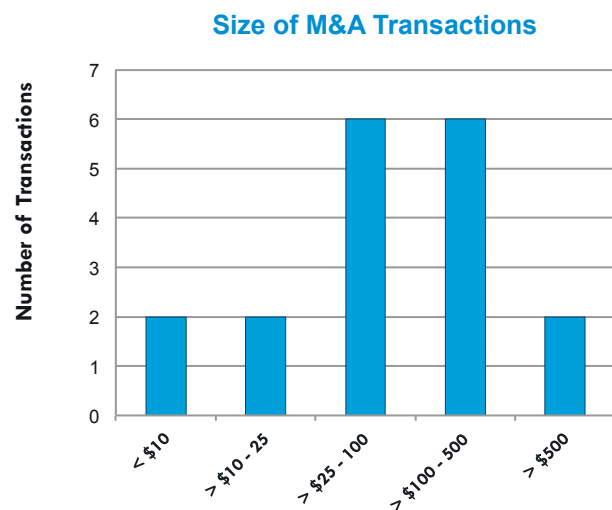
## Recent Merger and Acquisition Transactions for a Majority Stake (dollars in millions)

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Transaction Date	Target	Acquirer	Transaction Size	% Bought	LTM Revenues	EV/ Revenues
1/20/16	<b>Cybox International Inc.</b>	<b>Brunswick Corporation</b>	\$195.0	100%	\$169.0	1.2x
1/30/15	<b>Bluegiga Technologies</b>	<b>Silicon Laboratories</b>	\$60.8	100%	N/A	N/A
12/6/13	<b>MapMyFitness, Inc.</b>	<b>Under Armour, Inc.</b>	\$150.0	100%	N/A	N/A
9/17/13	<b>MEMSIC</b>	<b>IDG Capital Partners</b>	\$108.8	81%	\$55.2	1.3x
5/31/13	<b>Hamlin Electronics</b>	<b>Littelfuse</b>	\$145.0	100%	\$76.0	1.9x
5/23/13	<b>Ubiquisys</b>	<b>Cisco Systems</b>	\$310.0	100%	N/A	N/A
4/30/13	<b>MakeMusic</b>	<b>LaunchEquity Partners</b>	\$17.3	72%	\$17.7	1.0x
1/20/16	<b>Cybox International Inc.</b>	<b>FLIR Systems</b>	\$48.7	100%	\$77.3	0.6x
Median of the 18 M&A Transaction Targets			<b>\$85.8</b>	<b>100%</b>	<b>\$77.3</b>	<b>1.3x</b>

USA
  International
  Highest
  Lowest
  Median

## Recent Merger and Acquisition Transactions for a Majority Stake (dollars in millions) as of September 30, 2017





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**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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