

Energy Storage

INDUSTRY SUMMARY

COGENT VALUATION identified Energy Storage 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. Over the last year since September 30, 2016, the median 52-week share price return of the Energy Storage industry was 0.0%. Between September 30, 2015 and September 30, 2017, the median EV/EBITDA multiple decreased from 10.7 to 10.0. However, the median price-to-earnings multiple increased from 11.3 to 18.3 over the same period. The median revenue growth and EBITDA margins for the industry for the quarter were 1.5% and 8.6%, respectively.

Public Company Key Statistics

Median 52-Week
Return

21.8%

Median 3-Year CAGR
Return

-8.6%

Median EV/Revenue
Multiple

1.2x

Median EV/EBITDA
Multiple

10.8x

Median Price/Earnings
Multiple

17.6x

Median EV/Gross CF
Multiple

14.9x

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

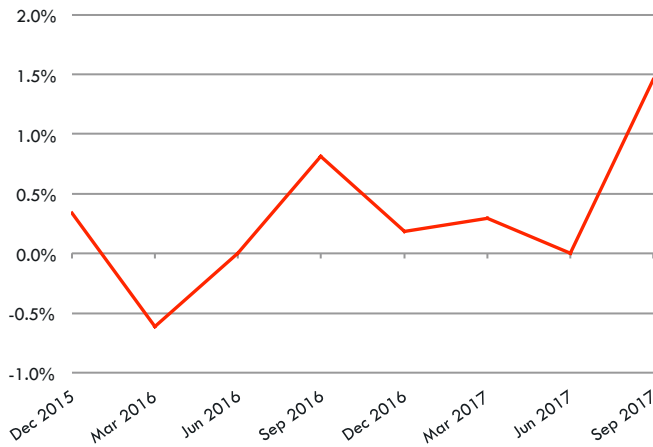
	YTD	3 Month	1 Year	2 Year	3 Year	2016	2015	2014
CBAK Energy Technology, Inc.	-4.1%	0.4%	-48.1%	-35.5%	-16.9%	-49.9%	51.9%	-16.7%
EnerSys	-7.2%	-8.2%	21.8%	1.5%	1.7%	39.6%	-9.4%	-11.9%
Highpower International, Inc.	55.3%	-7.6%	90.1%	-2.6%	-8.6%	-21.7%	-39.6%	94.1%
Ultralife Corporation	45.5%	32.1%	43.7%	31.1%	23.3%	-23.4%	106.4%	-11.8%
Universal Power Group, Inc.	2.5%	11.6%	-13.2%	-17.4%	-8.8%	-17.0%	-26.5%	47.1%
Median of Industry Public Companies	2.5%	0.4%	21.8%	-2.6%	-8.6%	-21.7%	-9.4%	-11.8%

Multiple year periods are calculated as the average annual return.

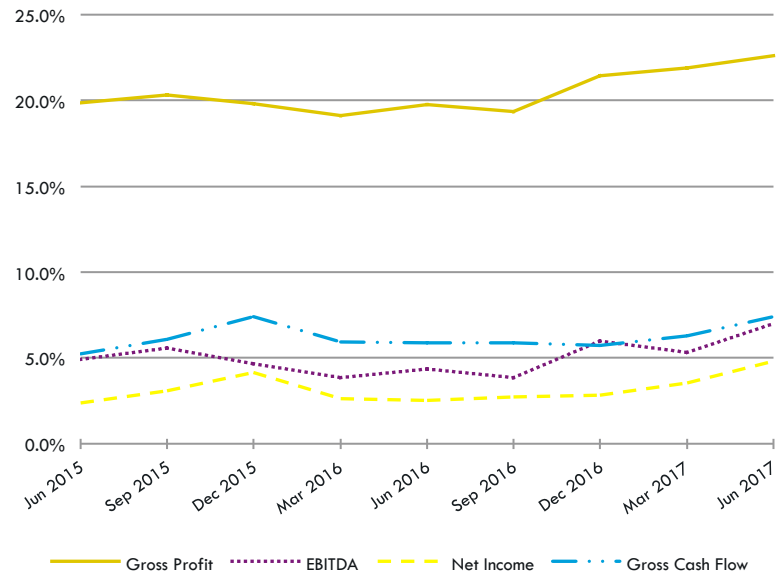
■ Highest Return
 ■ Lowest Return
 ■ Median Return

Industry Revenue Growth and Profit Margins for the Past Two Years

Median Quarterly Revenue Growth of All Biofuel Companies



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



Median Public Companies

The chart below illustrates Public Company Multiples.

	9/30/17	6/30/17	3/31/17	12/31/16	6/30/16	3/31/16	12/31/15	9/30/15
EV/Revenues Multiple	1.1x	1.2x	0.9x	0.9x	1.0x	0.8x	1.1x	1.0x
EV/EBITDA Multiple	10.0x	10.8x	11.0x	11.3x	11.3x	11.3x	13.1x	10.7x
Price/Earnings Multiple	18.3x	17.0x	18.4x	19.3x	15.2x	13.8x	12.7x	11.3x
EV/Gross Cash Flows Multiple	13.4x	14.9x	16.3x	17.2x	15.1x	13.0x	13.3x	11.3x

■ Highest Multiple
 ■ Lowest Multiple
 ■ Median Multiple

Industry Initial Public Offerings—Industry: Energy Storage (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
9/22/17	Highpower International, Inc.	\$3.25	0.5	\$1.7	\$51.9	\$15.7	\$79.6	\$6.4	\$2.9	\$7.0
9/15/17	Polypore International, LP	\$19.00	15.0	\$285.0	\$1,410.5	\$1,057.1	\$491.9	\$142.0	(\$26.1)	\$182.0
6/19/08	Universal Power Group, Inc.	\$7.00	3.0	\$21.0	\$32.0	\$11.7	\$89.3	\$3.3	\$1.4	\$3.4
6/27/07	EnSync, Inc.	\$0.39	12.0	\$4.6	\$8.1	\$4.2	\$0.2	(\$3.5)	(\$4.0)	(\$3.3)
12/20/06	Hydrogenics Corporation	\$12.00	7.0	\$84.0	\$6.7	\$4.1	N/A	N/A	N/A	N/A
3/23/05	P10 Industries, Inc.	\$17.00	8.0	\$136.0	\$23.3	\$0.0	\$3.4	(\$15.4)	(\$18.8)	(\$14.7)
10/26/00	Power-One Inc.	\$14.00	5.0	\$70.0	\$78.3	\$39.5	\$82.1	\$15.7	\$5.3	\$18.0
Median of all IPOs		nm	nm	\$70.0	\$32.0	\$11.7	\$80.8	\$4.8	(\$1.3)	\$5.2

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
6/2/17	Novonix Battery Testing	Graphitecorp Limited	\$5.3	100%
4/13/17	Ebonex IPR Limited	Aqua Metals, Inc.	\$2.3	100%
1/24/17	Mitsumi Electric Co., Ltd.	Minebea Co., Ltd.	\$651.5	100%
1/23/17	Fiamm Batterie S.r.l.	Hitachi Chemical Co.	\$92.2	51%
12/15/16	Prudent Energy Inc.	VanSpar Mining Inc.	\$3.3	100%
8/15/16	Saft Groupe S.A.	TOTAL S.A.	\$1,368.3	100%
6/8/16	Lepidico Limited	Platypus Minerals Ltd (nka:Lepidico Ltd)	\$11.2	100%
6/1/16	Creasefield Ltd	Solid State plc	\$2.2	100%
4/8/16	T&t Ener techno Co., Ltd.	Shenzhen Selen Science	\$86.4	100%
6/30/15	Leclanché SA	Oakridge Global Energy Solutions, Inc.	\$46.1	45%
5/5/15	Magna Steyr Battery	Samsung SDI Co. Ltd.	\$120.0	100%

 USA

 International

 Highest

 Lowest

 Median

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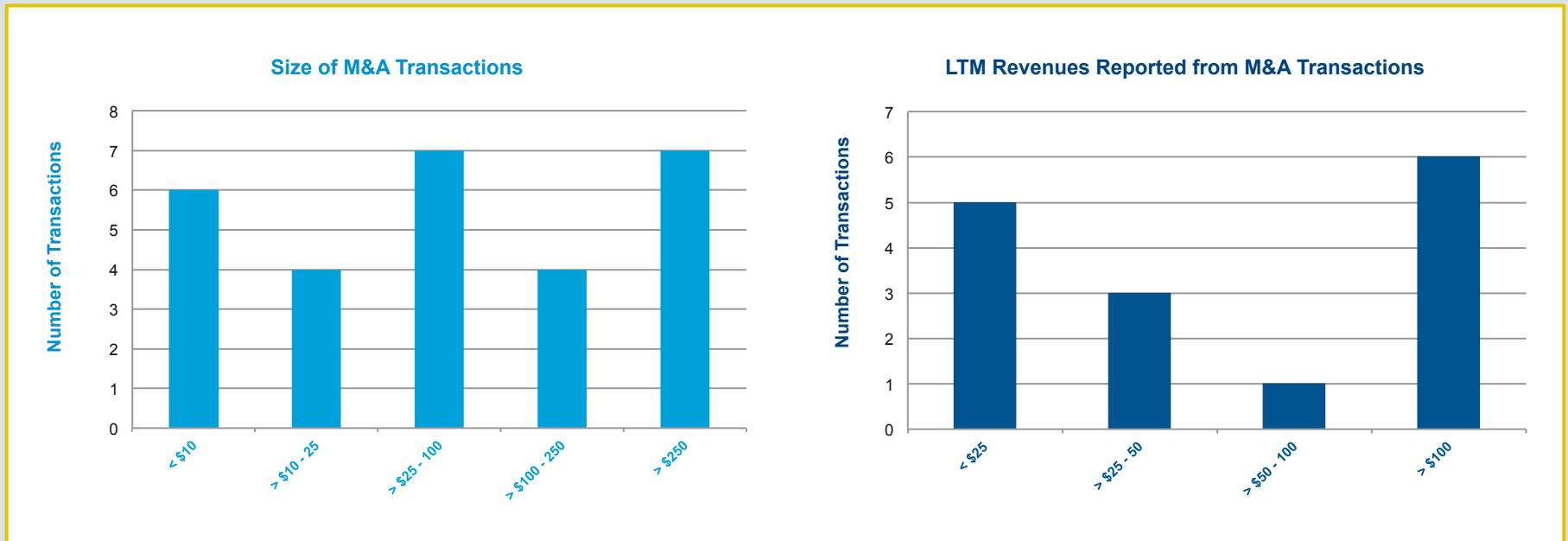
Recent Merger and Acquisition Transactions for a Majority Stake (dollars in millions)

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Transaction Date	Target	Acquirer	Transaction Size	% Bought
12/30/14	SK Continental E-motion	SK Innovation Co., Ltd.	\$14.9	100%
11/24/14	Ener-tek International, Inc.	OM Group Inc.	\$24.0	100%
5/16/14	A123 Energy Solutions	NEC Corporation	\$100.0	100%
12/27/13	Shenzhen Eyang Energy	N/A	\$1.7	100%
11/1/13	Quallion LLC	EnerSys	\$30.0	100%
9/30/13	Eltek Electric Vehicles	Valeo SA	\$20.3	100%
8/23/13	Millennium Power Solutions	Blue Earth Inc.	\$15.2	100%
Median of the 28 M&A Transaction Targets			\$14.9	100%

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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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.

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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