

## 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, 2017, the median 52-week share price return of the Consumer Electronics industry was -11.3%. Between March 31, 2016 and March 31, 2018, the median EV/EBITDA multiple increased from 14.8 to 15.5. However, the median price-to-earnings multiple decreased from 22.5 to 20.6 over the same period. The median revenue growth and EBITDA margins for the industry for the quarter were 0.0% and 7.6%, respectively.

### Public Company Key Statistics

Median 52-Week  
Return

**-11.3%**

Median 3-Year CAGR  
Return

**-1.6%**

Median EV/Revenue  
Multiple

**1.2x**

Median EV/EBITDA  
Multiple

**15.5x**

Median Price/Earnings  
Multiple

**20.6x**

Median EV/Gross CF  
Multiple

**15.5x**

## Comparable Public Company Market Price Returns as of March 31, 2018

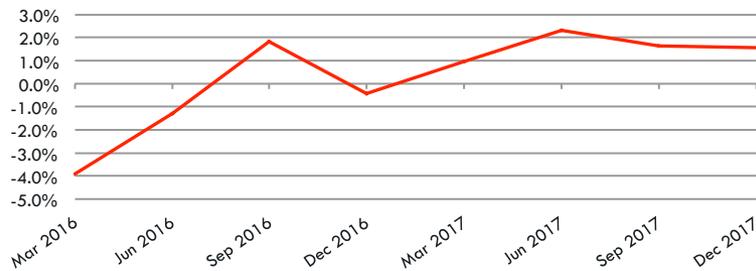
	YTD	3 Month	1 Year	2 Year	3 Year	2016	2015	2014
<b>Control4 Corporation</b>	110.6%	-27.8%	50.2%	90.0%	31.6%	40.3%	-52.7%	-13.2%
<b>Eastman Kodak Company</b>	-65.5%	72.6%	-19.2%	-31.4%	-30.6%	23.6%	-42.2%	-37.5%
<b>Emerson Radio Corp.</b>	39.0%	0.0%	-3.6%	4.8%	-12.2%	6.1%	-5.7%	-44.7%
<b>Fitbit, Inc.</b>	-30.3%	-10.7%	31.1%	-57.0%	N/A	-75.3%	N/A	N/A
<b>GoPro, Inc.</b>	-45.0%	-36.7%	35.4%	-40.6%	-51.0%	-51.6%	-71.5%	N/A
<b>hhgregg, Inc.</b>	-99.8%	-24.2%	23.1%	-94.3%	-86.4%	-60.9%	-51.7%	-45.8%
<b>InfoSonics Corporation</b>	9.8%	-16.3%	-17.9%	-44.4%	-42.0%	-75.9%	45.0%	-28.8%
<b>iRobot Corporation</b>	48.3%	9.2%	-8.4%	62.6%	36.3%	65.1%	2.0%	-0.1%
<b>Logitech International S.A.</b>	-35.2%	-13.1%	-0.5%	66.8%	41.7%	64.4%	12.2%	-1.9%
<b>TiVo Corporation</b>	-19.4%	10.2%	6.4%	37.6%	0.2%	25.5%	-26.3%	14.7%
<b>Universal Electronics Inc.</b>	5.3%	-11.6%	-5.2%	22.8%	8.7%	25.7%	-21.0%	70.6%
<b>VOXX International Corporation</b>	-19.1%	-12.0%	4.3%	7.3%	-2.8%	-10.6%	-40.0%	-47.5%
<b>Vuzix Corporation</b>	71.8%	-33.9%	-16.8%	7.9%	22.0%	-10.4%	74.1%	11.5%
<b>Median of Industry Public Companies</b>	-19.1%	-12.0%	1.9%	7.6%	0.2%	-2.2%	-21.0%	-7.5%

Multiple year periods are calculated as the average annual return.

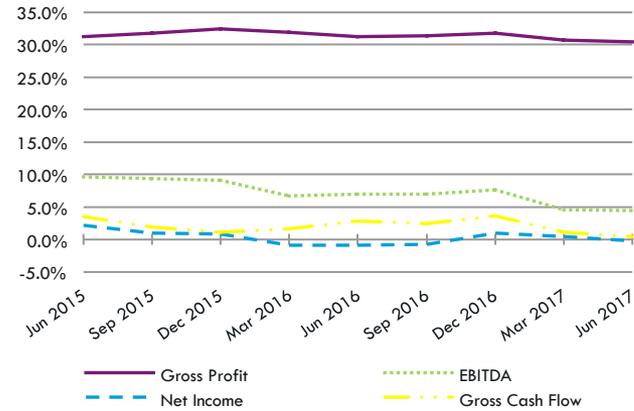
■ Highest Return
 ■ Lowest Return
 ■ Median Return

# 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**



## Median Public Companies

The chart below illustrates Public Company Multiples.

	3/31/18	12/31/17	9/30/17	3/31/17	12/31/16	9/30/16	6/30/16	3/31/16
<b>EV/Revenues Multiple</b>	1.2x	1.1x	1.2x	1.2x	0.9x	1.4x	0.9x	1.0x
<b>EV/EBITDA Multiple</b>	15.5x	18.2x	19.5x	17.7x	15.0x	15.2x	11.4x	14.9x
<b>Price/Earnings Multiple</b>	20.6x	30.1x	35.8x	35.7x	40.9x	32.1x	24.0x	22.5x
<b>EV/Gross Cash Flows Multiple</b>	15.5x	20.5x	23.6x	27.6x	22.9x	20.6x	14.2x	14.7x

■ 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
1/14/18	Xiamen Intretech Inc.	\$3.48	75.0	\$261.2	\$395.1	\$81.0	\$1,744.9	\$43.2	\$13.5	\$56.7
3/31/17	Unieuro S.p.A.	\$11.76	6.4	\$74.8	\$657.0	N/A	N/A	N/A	N/A	N/A
11/2/16	Crunchfish AB (publ)	\$1.69	4.0	\$6.7	\$2.0	\$5.2	\$7.8	\$0.0	(\$7.5)	\$0.0
7/7/16	Monster Digital, Inc.	\$4.50	2.0	\$9.1	\$5.9	\$159.6	\$973.4	\$244.6	\$170.9	\$253.2
6/17/15	Fitbit, Inc.	\$20.00	36.6	\$731.5	\$669.3	\$3.8	\$118.4	\$6.5	(\$2.5)	\$8.3
8/1/13	Control4 Corporation	\$16.00	4.0	\$64.0	\$55.3	\$33.4	\$117.5	\$19.0	\$0.9	\$27.0
6/29/17	Median of all IPOs	nm	nm	\$69.4	\$225.2	\$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
2/27/18	<b>Greenfield Appliances Private</b>	Unieuro S.p.A.	\$1.1	100%	N/A	N/A
1/25/18	<b>Kinpo Electronics</b>	South Pearl Ventures	\$99.9	100%	\$195.5	N/A
7/12/17	<b>Radiancy (HK) Limited</b>	TDK U.S.A. Corporation	\$9.5	59%	\$340.0	0.5x
6/9/17	<b>Monclick S.r.l.</b>	N/A	\$10.6	100%	\$18.2	3.4x
6/5/17	<b>PINE Technology Hldg.</b>	Tabcorp Holdings Limited	\$76.3	58%	\$39.8	2.4x
5/18/17	<b>InvenSense, Inc.</b>	Tessera Holding Corp.	\$1,425.0	100%	\$163.7	2.1x
2/8/17	<b>United Pacific Industries</b>	Mill Road Capital	\$48.9	100%	\$266.9	5.8x
8/31/16	<b>Skullcandy, Inc.</b>	Exact Solution Management	\$95.3	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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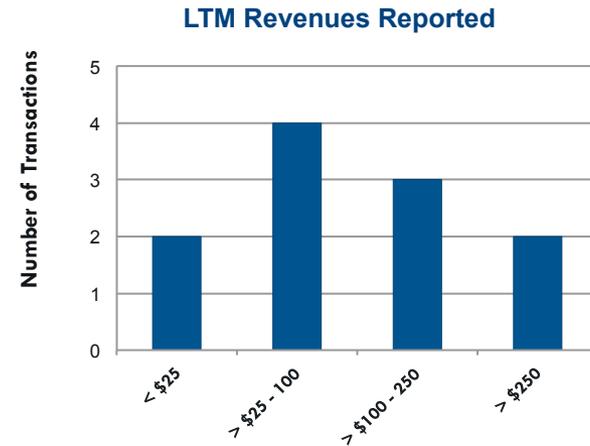
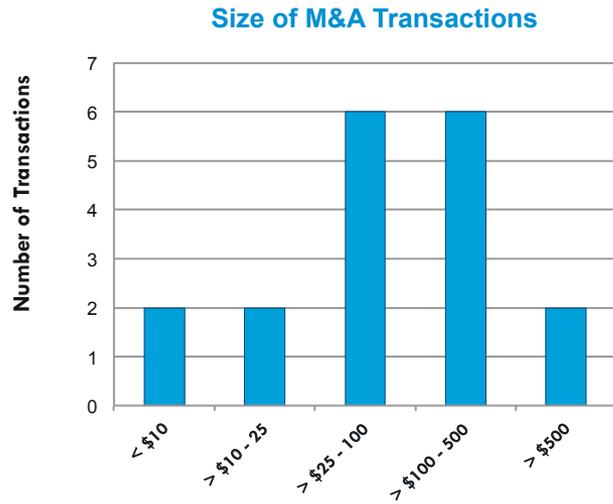
## Recent Merger and Acquisition Transactions for a Majority Stake (dollars in millions)

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Transaction Date	Target	Acquirer	Transaction Size	% Bought	LTM Revenues	EV/ Revenues
1/20/16	<b>Cybex 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>Cybex International Inc.</b>	<b>FLIR Systems</b>	\$48.7	100%	\$77.3	0.6x
<b>Median of the 18 M&amp;A Transaction Targets</b>			<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 March 31, 2018



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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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