

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 June 30, 2017, the median 52-week share price return of the Consumer Electronics industry was -9.9%. Between June 30, 2016 and June 30, 2018, the median EV/EBITDA multiple increased from 11.4 to 15.3. Furthermore, the median price-to-earnings multiple increased from 24.0 to 33.3 over the same period. The median revenue growth and EBITDA margins for the industry for the quarter were 0.5% and 5.3%, respectively.

Public Company Key Statistics

Median 52-Week
Return

-9.9%

Median 3-Year CAGR
Return

-5.5%

Median EV/Revenue
Multiple

.9x

Median EV/EBITDA
Multiple

15.3x

Median Price/Earnings
Multiple

33.3x

Median EV/Gross CF
Multiple

16x

Comparable Public Company Market Price Returns as of June 30, 2018

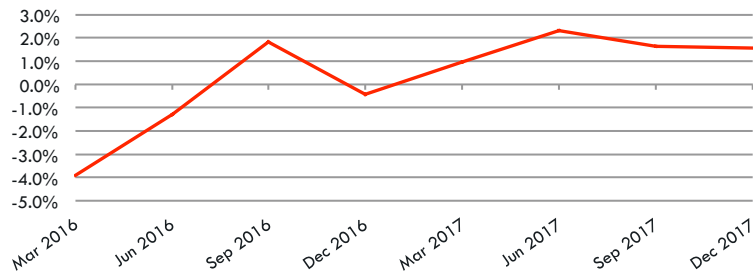
	YTD	3 Month	1 Year	2 Year	3 Year	2016	2015	2014
Control4 Corporation	138.3%	-27.8%	50.2%	90.0%	31.6%	40.3%	-52.7%	-13.2%
Eastman Kodak Company	-75.5%	72.6%	-19.2%	-31.4%	-30.6%	23.6%	-42.2%	-37.5%
Emerson Radio Corp.	39.0%	0.0%	-3.6%	4.8%	-12.2%	6.1%	-5.7%	-44.7%
Fitbit, Inc.	-10.8%	-10.7%	31.1%	-57.0%	N/A	-75.3%	N/A	N/A
GoPro, Inc.	-26.1%	-36.7%	35.4%	-40.6%	-51.0%	-51.6%	-71.5%	N/A
hhgregg, Inc.	-99.8%	-24.2%	23.1%	-94.3%	-86.4%	-60.9%	-51.7%	-45.8%
iRobot Corporation	29.6%	-16.3%	-17.9%	-44.4%	-42.0%	-75.9%	45.0%	-28.8%
Logitech International S.A.	77.2%	9.2%	-8.4%	62.6%	36.3%	65.1%	2.0%	-0.1%
TiVo Corporation	-35.6%	-13.1%	-0.5%	66.8%	41.7%	64.4%	12.2%	-1.9%
Universal Electronics Inc.	-48.8%	10.2%	6.4%	37.6%	0.2%	25.5%	-26.3%	14.7%
VOXX International Corporation	14.9%	-11.6%	-5.2%	22.8%	8.7%	25.7%	-21.0%	70.6%
Vuzix Corporation	9.6%	-12.0%	4.3%	7.3%	-2.8%	-10.6%	-40.0%	-47.5%
ZAGG Inc	143.7%	-33.9%	-16.8%	7.9%	22.0%	-10.4%	74.1%	11.5%
Median of Industry Public Companies	9.6%	-12.0%	1.9%	7.6%	0.2%	-2.2%	-21.0%	-7.5%

Multiple year periods are calculated as the average annual return.

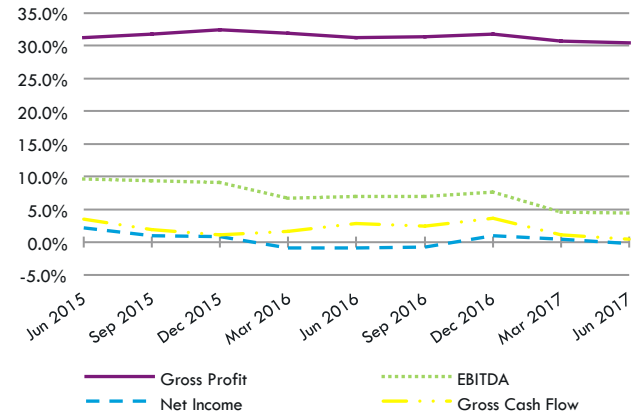
■ Highest Return
 ■ Lowest Return
 ■ Median Return

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.

	6/30/18	3/31/18	12/31/17	3/31/17	12/31/16	9/30/16	6/30/16	3/31/16
EV/Revenues Multiple	0.9x	1.2x	1.0x	1.2x	0.9x	1.4x	0.9x	1.0x
EV/EBITDA Multiple	15.3x	15.5x	15.6x	17.7x	15.0x	15.2x	11.4x	14.9x
Price/Earnings Multiple	33.3x	20.6x	30.1x	35.7x	40.9x	32.1x	24.0x	22.5x
EV/Gross Cash Flows Multiple	16.0x	21.6x	20.5x	27.6x	22.9x	20.6x	14.2x	14.7x

■ Highest Multiple
 ■ Lowest Multiple
 ■ Median Multiple

Industry Initial Public Offerings—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	Greenfield Appliances Private	Unieuro S.p.A.	\$1.1	100%	N/A	N/A
1/25/18	Kinpo Electronics	South Pearl Ventures	\$99.9	100%	\$195.5	N/A
7/12/17	Radiancy (HK) Limited	TDK U.S.A. Corporation	\$9.5	59%	\$340.0	0.5x
6/9/17	Monclick S.r.l.	N/A	\$10.6	100%	\$18.2	3.4x
6/5/17	PINE Technology Hldg.	Tabcorp Holdings Limited	\$76.3	58%	\$39.8	2.4x
5/18/17	InvenSense, Inc.	Tessera Holding Corp.	\$1,425.0	100%	\$163.7	2.1x
2/8/17	United Pacific Industries	Mill Road Capital	\$48.9	100%	\$266.9	5.8x
8/31/16	Skullcandy, Inc.	Exact Solution Management	\$95.3	90%	N/A	0.6x
7/7/16	WoW Technologies	Loyal Valley Innovation	\$2.4	100%	N/A	N/A
5/16/16	Knowles Corporation	N/A	\$45.0	100%	N/A	N/A

■ USA
 ■ International
 ■ Highest
 ■ Lowest
 ■ Median

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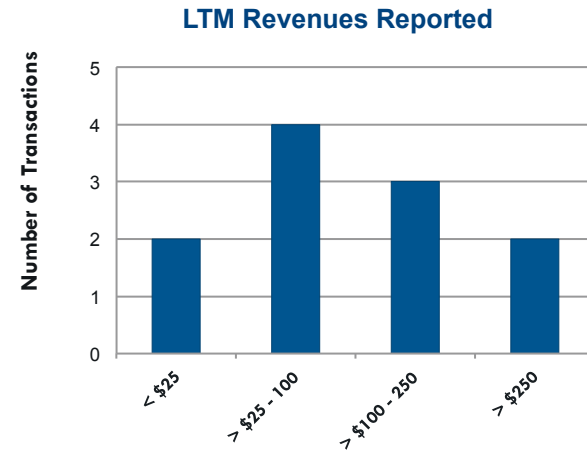
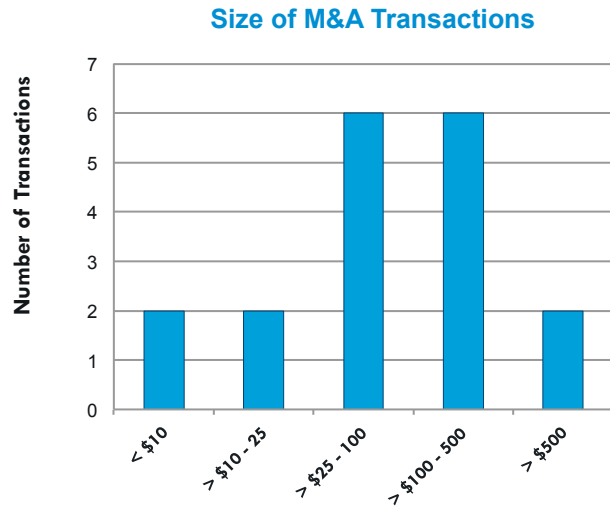
Recent Merger and Acquisition Transactions for a Majority Stake (dollars in millions)

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

USA
 International
 Highest
 Lowest
 Median

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