

Q4: Quarterly Industry Update

AS OF December 31, 2018

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 December 31, 2017, the median 52-week share price return of the Consumer Electronics industry was -23.0%. Between December 31, 2016 and December 31, 2018, the median EV/EBITDA multiple decreased from 16.2 to 12.5. Furthermore, the median price-to-earnings multiple decreased from 31.1 to 23.9 over the same period. The median revenue growth and EBITDA margins for the industry for the quarter were -0.6% and 5.4%, respectively.

Public Company Key Statistics

Median 52-Week
Return

-23%

Median 3-Year CAGR
Return

14.1%

Median EV/Revenue
Multiple

1

Median EV/EBITDA
Multiple

12.5x

Median Price/Earnings
Multiple

23.9x

Median EV/Gross CF
Multiple

16.2x

Comparable Public Company Market Price Returns as of December 31, 2018

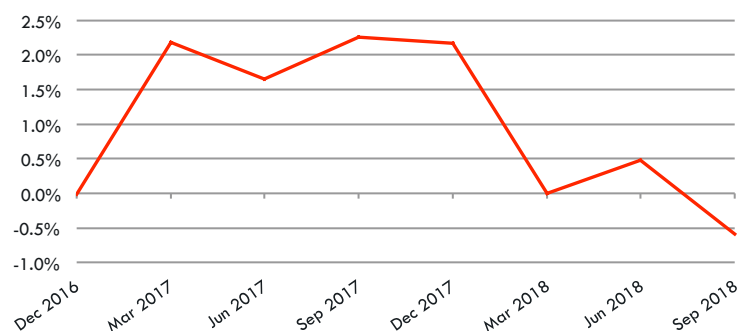
	YTD	3 Month	1 Year	2 Year	3 Year	2016	2015	2014
Control4 Corporation	-40.9%	-27.8%	50.2%	90.0%	31.6%	40.3%	-52.7%	-13.2%
Eastman Kodak Company	-17.7%	72.6%	-19.2%	-31.4%	-30.6%	23.6%	-42.2%	-37.5%
Emerson Radio Corp.	-1.4%	0.0%	-3.6%	4.8%	-12.2%	6.1%	-5.7%	-44.7%
Fitbit, Inc.	-13.0%	-10.7%	31.1%	-57.0%	N/A	-75.3%	N/A	N/A
GoPro, Inc.	-44.0%	-36.7%	35.4%	-40.6%	-51.0%	-51.6%	-71.5%	N/A
hhgregg, Inc.	15.2%	-24.2%	23.1%	-94.3%	-86.4%	-60.9%	-51.7%	-45.8%
iRobot Corporation	9.2%	-16.3%	-17.9%	-44.4%	-42.0%	-75.9%	45.0%	-28.8%
Logitech International S.A.	-7.0%	9.2%	-8.4%	62.6%	36.3%	65.1%	2.0%	-0.1%
TiVo Corporation	-39.7%	-13.1%	-0.5%	66.8%	41.7%	64.4%	12.2%	-1.9%
Universal Electronics Inc.	-46.5%	10.2%	6.4%	37.6%	0.2%	25.5%	-26.3%	14.7%
VOXX International Corporation	-29.3%	-11.6%	-5.2%	22.8%	8.7%	25.7%	-21.0%	70.6%
Vuzix Corporation	-23.0%	-12.0%	4.3%	7.3%	-2.8%	-10.6%	-40.0%	-47.5%
ZAGG Inc	-47.0%	-33.9%	-16.8%	7.9%	22.0%	-10.4%	74.1%	11.5%
Median of Industry Public Companies	-23.0%	-12.0%	1.9%	7.6%	0.2%	-2.2%	-21.0%	-7.5%

Multiple year periods are calculated as the average annual return.

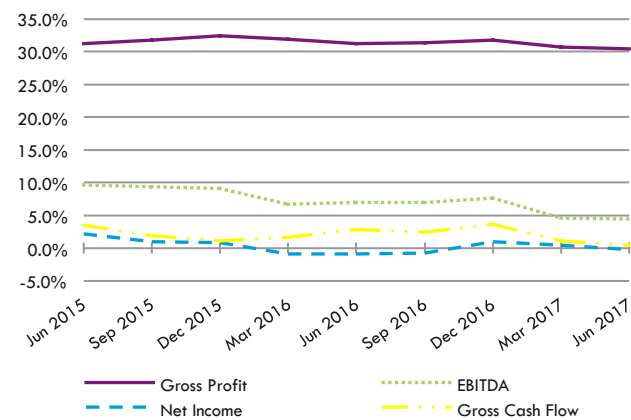
■ Highest Return
 ■ Lowest Return
 ■ Median Return

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.

	12/31/18	9/30/18	6/30/18	12/31/17	3/31/17	12/31/16	9/30/18	3/31/16
EV/Revenues Multiple	1.0x	0.9x	1.0x	1.2x	0.9x	1.4x	0.9x	1.0x
EV/EBITDA Multiple	12.5x	15.3x	15.6x	17.7x	15.0x	15.2x	11.4x	14.9x
Price/Earnings Multiple	23.9x	33.3x	30.1x	35.7x	40.9x	32.1x	24.0x	22.5x
EV/Gross Cash Flows Multiple	16.2x	16.0x	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
8/24/18	Powerful Technologies Limited	\$0.73	2.7	\$261.2	\$395.1	\$81.0	\$9.6	\$43.2	\$13.5	\$56.7
1/14/18	Xiamen Intretech Inc.	\$3.48	75.0	\$74.8	\$657.0	N/A	\$502.1	N/A	N/A	N/A
3/31/17	Unieuro S.p.A.	\$11.76	6.4	\$6.7	\$2.0	\$5.2	\$1,766.4	\$0.0	(\$7.5)	\$0.0
11/2/16	Crunchfish AB (publ)	\$1.69	4.0	\$9.1	\$5.9	\$159.6	\$1.2	\$244.6	\$170.9	\$253.2
7/7/16	Monster Digital, Inc.	\$4.50	2.0	\$731.5	\$669.3	\$3.8	\$7.8	\$6.5	(\$2.5)	\$8.3
6/17/15	Fitbit, Inc.	\$20.00	36.6	\$64.0	\$55.3	\$33.4	\$973.4	\$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
12/28/18	Shenzhen Sunvalley E-Commerce Co., Ltd.	FIT Hon Teng Limited	\$238.0	100%	N/A	N/A
9/20/18	Belkin International, Inc.	Proficient Engineering	\$850.0	100%	\$195.5	N/A
2/27/18	Greenfield Appliances Private	Cal-Comp Technology	\$1.1	59%	\$340.0	0.5x
1/25/18	Kinpo Electronics	Unieuro S.p.A.	\$99.9	100%	\$18.2	3.4x
6/9/17	Monclick S.r.l.	South Pearl Ventures	\$10.6	58%	\$39.8	2.4x
6/5/17	PINE Technology Hldg.	TDK U.S.A. Corporation	\$76.3	100%	\$163.7	2.1x
5/18/17	InvenSense, Inc.	N/A	\$1,425.0	100%	\$266.9	5.8x
2/8/17	Skullcandy, Inc.	Tabcorp Holdings Limited	\$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	Cybox 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
1/20/13	Cybox International Inc.	FLIR Systems	\$48.7	100%	\$77.3	0.6x
Median of the M&A Transaction Targets			\$97.6	100%	\$77.3	1.3x

■ USA

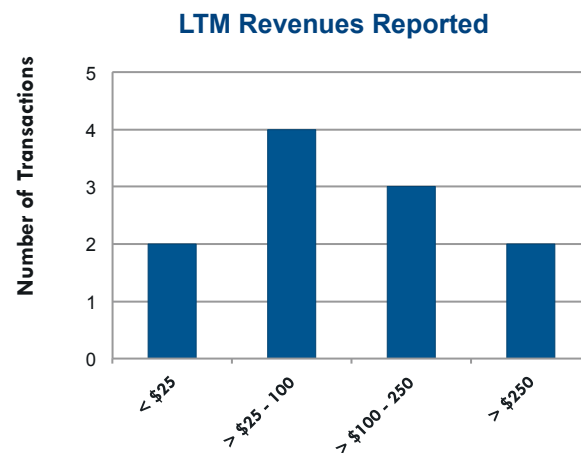
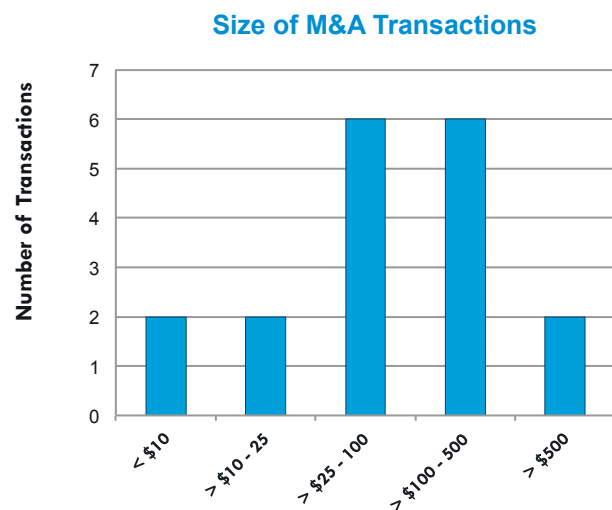
■ International

■ Highest

■ Lowest

■ Median

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