

# Q1: Quarterly Industry Update

AS OF March 31, 2019



## 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, 2018, the median 52-week share price return of the Consumer Electronics industry was -11.3%. Between March 31, 2017 and March 31, 2019, the median EV/EBITDA multiple increased from 18.4 to 15.5. However, the median price-to-earnings multiple decreased from 35.7 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, 2019

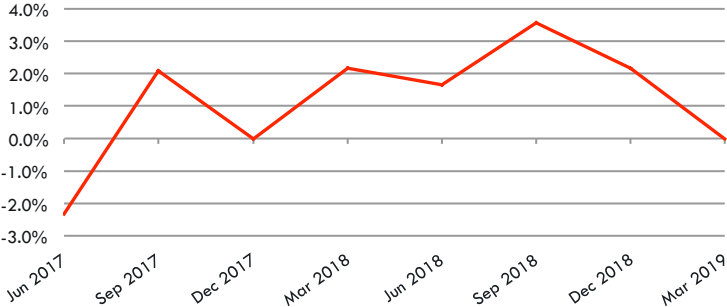
	2019	3 Month	1 Year	2 Year	3 Year	2018	2017	2016
<b>Control4 Corporation</b>	110.6%	-27.8%	50.2%	90.0%	31.6%	23.6%	-52.7%	-13.2%
<b>Eastman Kodak Company</b>	-65.5%	72.6%	-19.2%	-31.4%	-30.6%	6.1%	-42.2%	-37.5%
<b>Emerson Radio Corp.</b>	39.0%	0.0%	-3.6%	4.8%	-12.2%	-75.3%	-5.7%	-44.7%
<b>Fitbit, Inc.</b>	-30.3%	-10.7%	31.1%	-57.0%	N/A	-51.6%	N/A	N/A
<b>GoPro, Inc.</b>	-45.0%	-36.7%	35.4%	-40.6%	-51.0%	-60.9%	-71.5%	N/A
<b>hhgregg, Inc.</b>	-99.8%	-24.2%	23.1%	-94.3%	-86.4%	65.1%	-51.7%	-45.8%
<b>iRobot Corporation</b>	9.8%	-16.3%	-17.9%	-44.4%	-42.0%	64.4%	2.0%	-28.8%
<b>Logitech International S.A.</b>	48.3%	9.2%	-8.4%	62.6%	36.3%	25.5%	12.2%	-0.1%
<b>TiVo Corporation</b>	-35.2%	-13.1%	-0.5%	66.8%	41.7%	25.7%	-26.3%	-1.9%
<b>Universal Electronics Inc.</b>	-19.4%	10.2%	6.4%	37.6%	0.2%	-10.6%	-21.0%	14.7%
<b>VOXX International Corporation</b>	5.3%	-11.6%	-5.2%	22.8%	8.7%	-10.4%	-40.0%	70.6%
<b>Vuzix Corporation</b>	-19.1%	-12.0%	4.3%	7.3%	-2.8%	-35.1%	74.1%	-47.5%
<b>ZAGG Inc</b>	71.8%	-33.9%	-16.8%	7.9%	22.0%	6.1%	61.1%	11.5%
<b>Median of Industry Public Companies</b>	-19.1%	-12.0%	1.9%	7.6%	0.2%	40.3%	-23.6%	-7.5%

Multiple year periods are calculated as the average annual return.

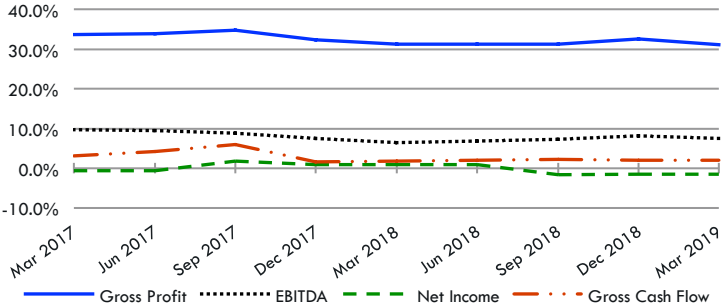
■ Highest Return
 ■ Lowest Return
 ■ Median Return

# 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

	3/31/19	12/31/18	9/30/18	6/30/18	3/31/18	12/31/17	9/30/17	6/30/17
<b>EV/Revenues Multiple</b>	1.2x	1.1x	1.2x	1.2x	1.2x	0.9x	1.4x	1.0x
<b>EV/EBITDA Multiple</b>	15.5x	18.2x	19.5x	18.6x	18.4x	14.9x	15.2x	11.4x
<b>Price/Earnings Multiple</b>	20.6x	30.1x	35.8x	38.6x	35.7x	40.9x	32.1x	24.0x
<b>EV/Gross Cash Flows Multiple</b>	15.5x	20.5x	23.6x	23.2x	28.1x	22.9x	20.6x	14.2x

■ 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
2/14/19	<b>Xiamen Intretech Inc.</b>	\$3.48	2.7	\$261.2	\$395.1	\$81.0	\$502.1	\$187.8	\$13.5	\$56.7
1/31/19	<b>Unieuro S.p.A.</b>	\$11.76	75.0	\$74.8	\$657.0	N/A	\$1,766.4	\$43.2	N/A	N/A
11/2/18	<b>Crunchfish AB (publ)</b>	\$1.69	6.4	\$6.7	\$2.0	\$5.2	\$1.5	(\$1.1)	(\$7.5)	\$0.0
7/7/18	<b>Monster Digital, Inc.</b>	\$4.50	4.0	\$9.1	\$5.9	\$159.6	\$7.8	\$0.0	\$170.9	\$253.2
6/17/18	<b>Fitbit, Inc.</b>	\$20.00	2.0	\$731.5	\$669.3	\$3.8	\$973.4	\$244.6	(\$2.5)	\$8.3
8/1/17	<b>Control4 Corporation</b>	\$16.00	36.6	\$64.0	\$55.3	\$33.4	\$118.4	\$6.5	\$0.9	\$27.0
6/29/17	<b>Median of all IPOs</b>	nm	nm	\$69.4	\$225.2	\$33.4	\$310.3	\$24.8	\$0.9	\$27.0

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

Transaction Date	Target	Acquirer	Transaction Size	% Bought	LTM Revenues	EV/ Revenues
2/27/19	Greenfield Appliances Private	Proficient Engineering	\$1.1	100%	N/A	N/A
1/25/19	Kinpo Electronics	Cal-Comp Technology	\$99.9	100%	\$195.5	N/A
7/12/18	Radiancy (HK) Limited	ICTV Brands Inc.	\$9.5	59%	\$340.0	0.5x
6/9/18	Kinpo Electronics	Unieuro S.p.A.	\$10.6	100%	\$18.2	3.4x
6/5/17	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

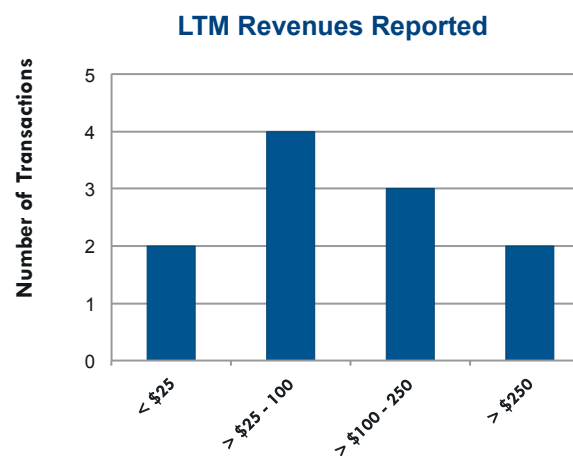
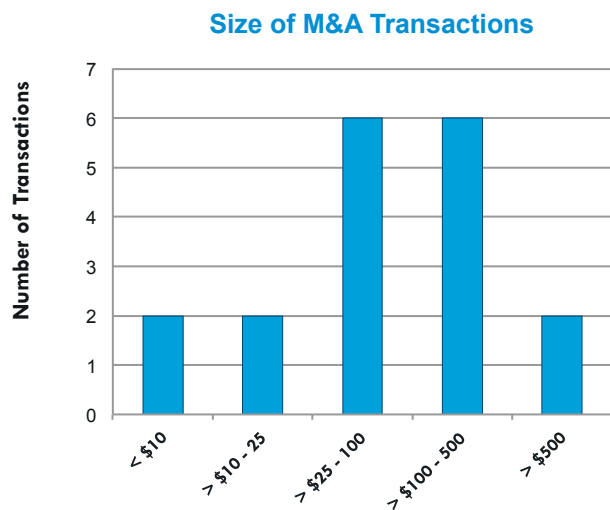
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## Recent Merger and Acquisition Transactions for a Majority Stake (dollars in millions)

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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
1/20/13	<b>Cybox International Inc.</b>	<b>FLIR Systems</b>	\$48.7	100%	\$77.3	0.6x
	<b>Median of the M&amp;A Transaction Targets</b>		<b>\$97.6</b>	<b>100%</b>	<b>\$77.3</b>	<b>1.3x</b>

## Recent Merger and Acquisition Transactions for a Majority Stake (dollars in millions) as of March 31, 2019





**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):** 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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