

Q3: Quarterly Industry Update

AS OF September 30, 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 September 30, 2018, the median 52-week share price return of the Consumer Electronics industry was -23.1%. Between September 30, 2017 and September 30, 2019, the median EV/EBITDA multiple increased from 15.0 to 21.4. Furthermore, the median price-to-earnings multiple increased from 32.1 to 39.6 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

-23.1%

Median 3-Year CAGR
Return

5.9%

Median EV/Revenue
Multiple

.9x

Median EV/EBITDA
Multiple

21.4x

Median Price/Earnings
Multiple

39.6x

Median EV/Gross CF
Multiple

25.3x

Comparable Public Company Market Price Returns as of September 30, 2019

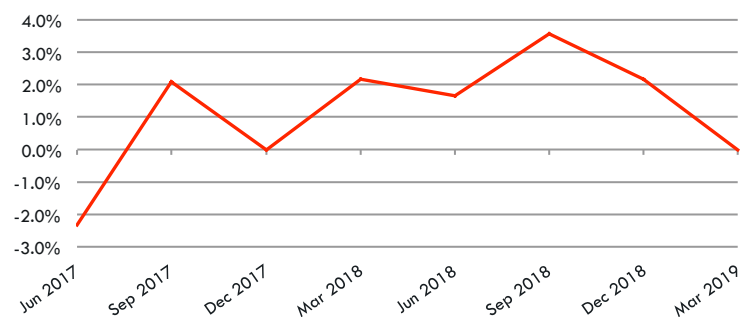
	2019	3 Month	1 Year	2 Year	3 Year	2018	2017	2016
Control4 Corporation	110.6%	-27.8%	50.2%	90.0%	31.6%	23.6%	-52.7%	-13.2%
Eastman Kodak Company	-65.5%	72.6%	-19.2%	-31.4%	-30.6%	6.1%	-42.2%	-37.5%
Emerson Radio Corp.	39.0%	0.0%	-3.6%	4.8%	-12.2%	-75.3%	-5.7%	-44.7%
Fitbit, Inc.	-30.3%	-10.7%	31.1%	-57.0%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

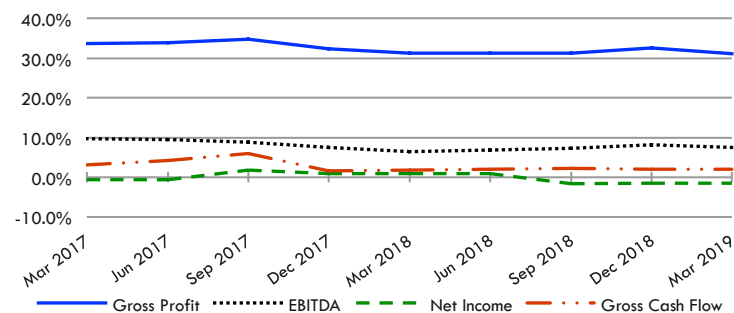
■ Highest Return
 ■ Lowest Return
 ■ Median Return

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

	9/30/19	6/30/19	3/31/19	12/31/18	9/30/18	6/30/18	3/31/18	12/31/17
EV/Revenues Multiple	0.9x	0.9x	1.2x	1.0x	1.2x	1.2x	1.2x	0.9x
EV/EBITDA Multiple	21.4x	15.3x	15.5x	15.6x	19.5x	19.3x	17.7x	14.9x
Price/Earnings Multiple	39.6x	33.3x	20.6x	30.1x	35.8x	38.6x	35.7x	40.9x
EV/Gross Cash Flows Multiple	25.3x	16.0x	21.6x	20.5x	23.6x	27.2x	28.1x	22.9x

■ 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
9/22/19	Powerful Technologies Limited	\$0.73	2.7	\$261.2	\$395.1	\$81.0	\$502.1	\$187.8	\$13.5	\$56.7
8/14/19	Xiamen Intretech Inc.	\$3.48	75.0	\$74.8	\$657.0	N/A	\$1,766.4	\$43.2	N/A	N/A
3/31/19	Unieuro S.p.A.	\$11.76	6.4	\$6.7	\$2.0	\$5.2	\$1.5	(\$1.1)	(\$7.5)	\$0.0
11/2/18	Crunchfish AB (publ)	\$1.69	4.0	\$9.1	\$5.9	\$159.6	\$7.8	\$0.0	\$170.9	\$253.2
7/7/16	Monster Digital, Inc.	\$4.50	2.0	\$731.5	\$669.3	\$3.8	\$973.4	\$244.6	(\$2.5)	\$8.3
6/17/15	Fitbit, Inc.	\$20.00	36.6	\$64.0	\$55.3	\$33.4	\$118.4	\$6.5	\$0.9	\$27.0
6/29/17	Median of all IPOs	nm	nm	\$69.4	\$225.2	\$33.4	\$310.3	\$24.8	\$0.9	\$27.0

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

Transaction Date	Target	Acquirer	Transaction Size	% Bought	LTM Revenues	EV/ Revenues
9/20/19	Belkin International, Inc.	FIT Hon Teng Limited	\$850.0	100%	N/A	N/A
2/27/19	Greenfield Appliances Private	Proficient Engineering	\$1.1	100%	\$195.5	N/A
1/25/19	Kinpo Electronics	Cal-Comp Technology	\$99.9	59%	\$340.0	0.5x
8/9/18	Monclick S.r.l.	Unieuro S.p.A.	\$10.6	100%	\$18.2	3.4x
8/5/18	PINE Technology Hldg.	South Pearl Ventures	\$76.3	58%	\$39.8	2.4x
5/28/17	InvenSense, Inc.	TDK U.S.A. Corporation	\$56.3	100%	\$163.7	2.1x
5/18/17	InvenSense, Inc.	FIT Hon Teng Limited	\$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

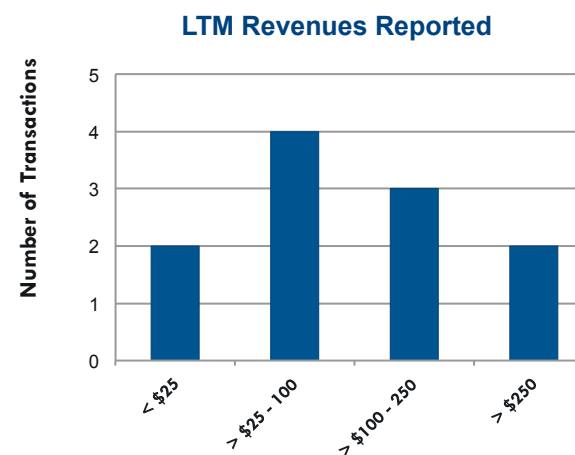
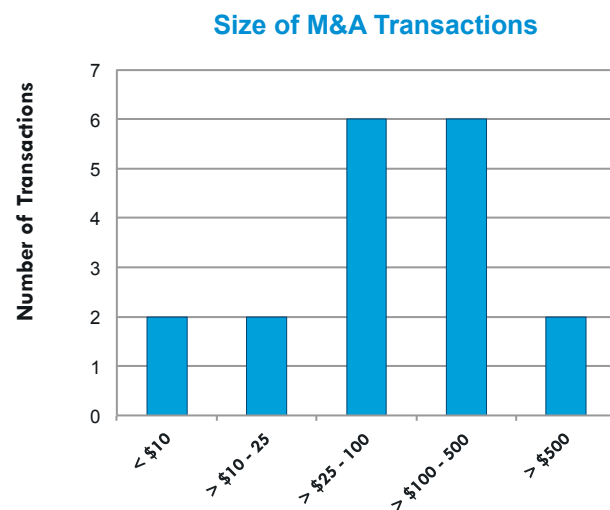
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Size of Recent Merger and Acquisition Transactions for a Majority Stake (dollars in millions)

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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 18 M&A Transaction Targets			\$97.6	100%	\$77.3	1.3x

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



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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