

Notable Consumer Electronics M&A Transactions

August 20, 2018: Smartbox, a provider of assistive technology products for disabled people, reached a definitive agreement to be acquired by Tobii Dynavox for an undisclosed amount. The acquisition brings together the industry leading communication software Grid from the company with the acquirer's industry-leading touch and eye-tracking solutions for assistive communication.

August 18, 2018: Flipkart is an e-commerce shopping portal intended to offer a wide range of consumer products across India. Alphabet (NASDAQ: GOOG) is reportedly in talks to buy an estimated 15% stake for \$3 billion, valuing the business at \$20.8 billion or 4.52x revenue. Earlier, the company was acquired by Walmart (NYS: WMT) for \$16 billion. The investment capital also includes \$2 billion in new equity funding which will be used for growth while the transaction was structured so that Flipkart itself can still go public.

August 16, 2018: Lumo Bodytech, a developer of wearables biomechanics platform designed to optimize human potential and improve health, was acquired by Seismic (Powered Clothing) for an undisclosed amount.

August 15, 2018: GreatCall, a provider of mobile based applications and devices for aging consumers, reached a definitive agreement to be acquired by Best Buy (NYS: BBY) for \$800 million. Previously, the company was acquired by GTCR through an LBO in 2017. GTCR expects to commit additional equity capital to fund future acquisitions and organic growth initiatives. Jefferies Finance provided debt financing in the form of a \$15 million revolving line of credit, a \$150 million first lien term loan and a \$75 million second lien term loan.

August 14, 2018: Xplore Technologies, a developer of wireless tablet PC, was acquired by Zebra Technologies (NASDAQ: ZBRA) for \$90 million, or 1.04x revenue or 36.01x EBITDA. The acquisition of Xplore will enhance the acquirer's product lineup and gives them a complete rugged tablet portfolio that enables their customers to gain a performance.

August 14, 2018: The Kudelski Group (SmarDTV's Conditional Access Module and Set-Top Box businesses), a manufacturer of electronics devices for the pay-television industries, reached a definitive agreement to be acquired by NEOTION, a subsidiary of General Satellite for \$20 million. The terms of the agreement include the potential for additional earn-out payments that are primarily based on CAM and set-top box sales volumes in the period up to the end of 2021. The acquisition is part of the Kudelski Group's strategy to focus on core activities in which it has or will reach critical mass and profitability to fund on-going growth initiatives.

August 13, 2018: Nio (NYS: NIO), a manufacturer of electric cars designed to shape the future of mobility in the hopes of establishing a sustainable future, filed to go public on the New York Stock Exchange. The expected offering amount is \$1.8 billion. Previously, the company received \$189.9 million of debt financing in the form of a loan from undisclosed lenders and its investors.

August 13, 2018: LittleBits, a manufacturer of easy-to-use electronic building blocks platform created to empower children to invent anything, raised \$7.78 million of venture funding from undisclosed investors.

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CONTACT

Jon Taylor
Managing Partner
jon@stantonparkllc.com
(781) 228-3523
www.stantonparkllc.com

Consumer Electronics Insights

Analysis of M&A, Financing, and Market Trends

Public Consumer Electronics Company Statistics as of August 22, 2018 (\$ in 000s)

Company Name	Price % Change 52 Week	Market Cap	Total Debt (TTM)	Cash & Equivalents (TTM)	Enterprise Value (Daily)	Total Revenue (TTM)	Revenue % Growth (TTM)	Normalized EBITDA (TTM)	EV / Revenue	EV / EBITDA	Gross Margin (TTM)
<u>Diversified</u>											
Apple (NAS: AAPL)	35.0%	1,040,655,856	114,600,000	31,971,000	1,084,285,856	255,274,000	14.2%	78,327,000	4.2	13.8	38.3%
Samsung Electronics (KRX: 005930)	-5.0%	286,892,381	17,606,183	28,584,133	279,850,503	211,270,940	21.9%	69,516,859	1.3	4.1	46.0%
Sony (TKS: 6758)	41.9%	68,857,378	11,939,334	13,657,513	61,716,787	78,283,630	8.8%	10,034,984	0.8	5.6	27.5%
Philips (AMS: PHIA)	12.6%	39,865,687	5,696,678	1,867,289	43,720,512	21,087,900	8.8%	2,984,272	2.1	14.0	46.8%
Hewlett-Packard (NYS: HPQ)	26.2%	39,521,980	6,111,000	4,247,000	40,302,980	55,507,000	12.2%	3,934,000	0.7	11.5	18.4%
Panasonic (TKS: 6752)	-9.3%	28,531,085	11,616,237	9,559,239	29,882,786	73,626,695	8.1%	6,216,361	0.4	4.8	28.9%
Motorola Solutions (NYS: MSI)	43.9%	20,281,727	5,645,000	878,000	25,063,727	6,829,000	10.3%	1,724,000	3.7	14.9	47.7%
Toshiba (TKS: 6502)	-0.3%	19,106,114	5,275,823	18,073,798	8,392,615	40,012,270	0.1%	3,250,752	0.2	2.6	30.3%
LG Electronics (LON: 39IB)	0.0%	11,346,521	8,843,759	3,135,489	18,488,268	54,142,671	13.9%	4,153,054	0.3	4.6	22.6%
ASUS (TAI: 2357)	5.1%	6,075,660	248,401	2,489,423	3,641,686	13,977,928	-2.7%	674,729	0.3	5.4	14.1%
	15.0%	156,113,439	18,758,242	11,446,288	159,534,572	81,001,203	9.6%	18,081,601	1.4	8.1	32.1%
	8.9%	34,026,533	7,477,380	6,903,120	35,092,883	54,824,836	9.6%	4,043,527	0.8	5.5	29.6%
<u>Audio, Video & Accessories</u>											
Logitech (SWX: LOGN)	37.9%	7,854,641	0	604,116	7,250,525	2,645,397	16.5%	288,533	2.7	25.1	35.5%
Hisense Electric Company (SHG: 600060)	-29.1%	2,000,913	666,058	414,734	2,433,031	5,149,642	10.6%	185,229	0.5	13.8	13.8%
GoPro (NAS: GPRO)	-28.1%	953,751	134,416	114,843	948,373	1,149,624	-11.3%	(120,018)	0.8		29.5%
Kimball Electronics (NAS: KE)	8.4%	535,228	8,337	46,428	497,137	1,072,061	15.2%	44,775	0.5	11.1	8.0%
JVCケンウッド (TKS: 6632)	3.5%	395,653	625,896	314,379	722,972	2,757,713	-0.1%	216,043	0.3	3.2	27.4%
VOXX International (NAS: VOXX)	-28.4%	133,095	17,015	49,827	92,839	493,124	-4.3%	(28,204)	0.2	104.5	26.3%
Koss (NAS: KOSS)	149.0%	22,517	0		22,517	23,515	-2.2%	(338)	1.0		28.0%
	16.2%	1,699,400	207,389	257,388	1,709,628	1,898,725	3.5%	83,717	0.9	31.5	24.1%
	3.5%	535,228	17,015	214,611	722,972	1,149,624	-0.1%	44,775	0.5	13.8	27.4%



Consumer Electronics Insights

Analysis of M&A, Financing, and Market Trends

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Home Automation											
Energizer Holdings (NYS: ENR)	47.4%	3,850,968	1,155,300	510,900	4,495,368	1,805,600	4.8%	324,400	2.5	13.9	46.3%
iRobot (NAS: IRBT)	12.4%	2,666,608		88,783	2,539,274	975,681	33.2%	124,083	2.6	20.5	50.2%
Control4 (NAS: CTRL)	48.5%	850,979	0	27,229	770,433	261,458	16.7%	28,429	2.9	27.1	51.6%
Turtle Beach (NAS: HEAR)	1,071.3%	386,151	30,858	9,108	407,901	217,362	41.1%	34,342	1.9	11.9	35.8%
Hamilton Beach Brands (NYS: HBB)	-18.1%	343,144	105,476	1,962	446,658	752,065	1.6%	42,508	0.6	10.5	26.5%
	232.3%	1,619,570	322,909	127,596	1,731,927	802,433	19.5%	110,752	2.1	16.8	42.1%
	47.4%	850,979	68,167	27,229	770,433	752,065	16.7%	42,508	2.5	13.9	46.3%
Imaging											
Canon (TKS: 7751)	-8.7%	34,207,170	4,368,103	5,768,082	34,822,416	36,986,474	8.8%	5,838,734	0.9	6.1	47.7%
Olympus (TKS: 7733)	17.7%	13,949,054	2,259,324	1,715,023	14,447,708	7,205,393	5.7%	1,008,187	2.0	14.3	64.9%
Nikon (TKS: 7731)	11.0%	7,203,121	1,140,336	3,680,411	4,577,630	6,466,510	-6.0%	867,405	0.7	5.3	44.4%
Eastman Kodak (NYS: KODK)	-57.9%	130,149	401,000	275,000	424,149	1,522,000	-3.7%	115,000	0.3	4.0	19.4%
	-9.5%	13,872,374	2,042,191	2,859,629	13,567,976	13,045,094	1.2%	1,957,332	1.0	7.4	44.1%
	1.2%	10,576,088	1,699,830	2,697,717	9,512,669	6,835,952	1.0%	937,796	0.8	5.7	46.1%

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Wearables											
Garmin (NAS: GRMN)	24.5%	12,215,193	0	946,656	11,095,219	3,236,898	5.9%	803,131	3.4	13.7	58.2%
Plantronics (NYS: PLT)	60.6%	2,646,330	492,871	631,042	2,494,012	874,286	1.4%	149,783	2.9	16.8	51.0%
Fitbit (NYS: FIT)	7.4%	1,474,685	0	328,116	894,222	1,510,487	-12.7%	(167,637)	0.6		43.5%
Huami (NYS: HMI)	0.4%	665,662	5,398	56,112	666,764	303,183	29.7%	27,868	2.2	23.4	24.1%
Vuzix (NAS: VUZI)	1.6%	168,672	0	29,151	139,522	7,193	92.4%	(21,677)	19.4		6.3%
	18.9%	3,434,108	99,654	398,215	3,057,948	1,186,409	23.3%	158,294	5.7	18.0	36.6%
	7.4%	1,474,685	0	328,116	894,222	874,286	5.9%	27,868	2.9	16.8	43.5%
Retail & Distribution											
Amazon.com (NAS: AMZN)	97.7%	915,348,767	24,638,000	19,823,000	912,936,767	208,125,000	38.6%	21,365,000	4.4	42.7	23.8%
GameStop (NYS: GME)	-24.3%	1,614,653	818,600	247,200	2,186,053	9,112,700	5.0%	246,400	0.2	9.1	32.9%
Universal Electronics (NAS: UEIC)	-24.1%	592,651	111,000	59,433	644,218	684,025	2.3%	61,557	0.9	10.5	21.2%
Zagg (NAS: ZAGG)	44.1%	440,687	20,000	18,582	442,105	541,953	21.0%	79,620	0.8	5.6	33.2%
Infasonics (NAS: AWSM)	-64.1%	12,133	14,936	429	26,641	26,577	13.6%	(7,457)	1.0		12.0%
	5.9%	183,601,778	5,120,507	4,029,729	183,247,157	43,698,051	16.1%	4,349,024	1.5	17.0	24.6%
	-24.1%	592,651	111,000	59,433	644,218	684,025	13.6%	79,620	0.9	9.8	23.8%

Recent Consumer Electronics Merger & Acquisition Transactions

Deal Date	Company Name	Description	Implied EV	Implied EV / Revenue	Implied EV / EBITDA
20-Aug-2018	Smartbox	Provider of assistive technology products for disabled people	19.45		
20-Aug-2018	MC10	Electronics designed to improve human health through digital healthcare services.			
18-Aug-2018	Flipkart	E-commerce shopping portal intended to offer a wide range of consumer products across India.	20,779.22	4.52x	
16-Aug-2018	Lumo Bodytech	Wearables biomechanics platform designed to optimize human potential and improve health.			
16-Aug-2018	MiOS	Advanced control and monitoring systems designed to serve the home and small enterprise markets.			
16-Aug-2018	Radiant Group (Electrical Products)	Supplier of light fittings and lighting products in South Africa.	0.67		
16-Aug-2018	MediaMarkt (Russian Stores)	Operator of electronic retail store chain in Russia.			
15-Aug-2018	GreatCall	Provider of mobile based applications and devices for aging consumers.	800.00		
15-Aug-2018	CBD Med Research (TSX: CBM.H)	Distributor of medical technology devices.			
14-Aug-2018	Xplore Technologies	Developer of wireless tablet PC.	89.95	1.04x	36.01x
14-Aug-2018	8ninths	Digital development studio intended to provide story telling through creative uses of technology.			
14-Aug-2018	The Kudelski Group	Manufacturer of electronics devices for the pay-television industries.	20.00		
14-Aug-2018	Droneflyers	Provider of training services for drones.			
14-Aug-2018	Garvin Industries	Manufacturer of electrical, lighting, and low voltage products.			
13-Aug-2018	Nio (NYS: NIO)	Electric cars designed to shape the future of mobility in the hopes of establishing a sustainable future.			
10-Aug-2018	LittleBits	Easy-to-use electronic building blocks platform created to empower children to invent anything.			
09-Aug-2018	Wattio	Technology platform designed to make house a smart home through automation services.			
09-Aug-2018	LJR Security Services	Provider of security systems services.			
09-Aug-2018	Gulf West Security Network	Provider of security systems services.			
09-Aug-2018	Maverick Technology Solution	Manufacturer of electronic rosin presses.			
08-Aug-2018	Royole	Manufacturer of advanced flexible displays, flexible sensors and smart devices			
07-Aug-2018	Take It 2 The Next Level Technology	Developer of leading edge wireless audio streaming devices and music social networking software.			
07-Aug-2018	Objective Software	Developer of software for autonomous vehicles.			
06-Aug-2018	Vesper Technologies	Microphones designed to improve the reliability of the voice user interface for smartphones			
06-Aug-2018	ComfTech	Sensorized garments enable continuous non-intrusive monitoring of biomedical parameters			



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