

Notable Consumer Electronics M&A Transactions

August 3, 2018: Arlo Technologies (NYS: ARLO), a manufacturer and developer of security technologies and products, was spun out of **Netgear (NASDAQ: NTGR)** and raised \$163.44 million through an initial public offering on the New York Stock Exchange under the ticker symbol of ARLO on August 3, 2018. A total of 10,215,000 shares were sold at a price of \$16 per share. After the offering, there was a total of 72,715,000 outstanding shares (excluding the over-allotment option) priced at \$16 per share, valuing the company at \$1.16 billion or 2.84x revenue. The underwriters were granted an option to purchase up to an additional 1,532,250 shares from the company to cover over-allotments, if any.

August 2, 2018: Sonos (NAS: SONO), a developer of wireless multi-room music systems, raised \$208.33 million in its initial public offering on the Nasdaq stock exchange under the ticker symbol of SONO on August 2, 2018. A total of 13,888,888 shares were sold at \$15 per share. After the offering, there was a total of 98,384,619 outstanding shares (excluding the over-allotment option) priced at \$15 per share, valuing the company at \$1.47 billion or 1.34x revenue. In the offering, the company sold 5,555,555 shares and the selling shareholders sold 8,333,333 shares. The underwriters were granted an option to purchase up to an additional 2,083,333 shares from the company and selling shareholders to cover over-allotments, if any.

August 2, 2018: Xpeng, a developer of Internet cars and electric vehicles designed to offer autonomous driving technologies, raised CNY 4 billion of Series B+ venture funding in a deal led by **Primavera Capital Group, Morningside Venture Capital and Xiaopeng He** on August 2, 2018, putting the company's pre-money valuation at CNY 21 billion. K11, Eastern Bell Venture Capital and Hillhouse Capital Group also participated in the round. Previously, the company raised \$348 million of Series C venture funding in a deal co-led by Alibaba Group, Foxconn Technology Group and IDG Capital on January 29, 2018. Follow on Yunfeng Capital, China International Capital Corporation and Morning Ventures also participated in the round.

July 31, 2018: Braven, a manufacturer of speakers and accessories designed to provide portable media devices to its customers, was acquired by **Zagg (NYS: ZAGG)** on July 31, 2018 for an undisclosed amount. The acquisition enables ZAGG to extend its leadership position in accessories that empower mobile lifestyles by leveraging the company's focus and prowess in product, brand, distribution, and operational excellence.

July 30, 2018: Blue(microphones), a designer and manufacturer of professional-grade microphones, reached a definitive agreement to be acquired by **Logitech (NASDAQ: LOGI)** for \$117 million on July 30, 2018. Previously, the company was acquired by **The Riverside Company** through an LBO on July 12, 2013, for an undisclosed sum. U.S. Bancorp provided a loan for the transaction.

July 26, 2018: Zepp, a provider of wearable devices designed to help golfers to immediately improve their game, reached a definitive agreement to be acquired by **Huami (NYS: HMI)** for an undisclosed amount on July 26, 2018. This transaction is expected to significantly expand Huami's footprint in the sports training analytics field by providing new sports products market and global product development opportunities as well as deepening Huami's technological expertise in motion and activity-driven analysis. Previously, the company raised \$15 million of Series B venture funding in a deal led by GGV Capital on January 22, 2014.

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Stanton Park Capital provides capital raising, business valuation, and merger & acquisition advisory services. Our professionals have advised more than 100 businesses and raised over \$2 billion in capital.

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Consumer Electronics Insights

Analysis of M&A, Financing, and Market Trends

Public Consumer Electronics Company Statistics as of August 8, 2018 (\$ in 000s)

Company Name	Stock Price	Price % Change 52 Week	Market Cap	Total Debt (TTM)	Cash and Cash Equivalents	Enterprise Value (Daily)	Revenue % Growth (TTM)	EV / Revenue	EV / EBITDA	Gross Margin (TTM)
<u>Diversified</u>										
Apple (NAS: AAPL)	209.07	29.8%	1,004,576,309	114,600,000	31,971,000	1,048,206,309	14.2%	4.1	13.4	38.3%
Samsung Electronics (KRX: 005930)	40.70	-0.8%	290,075,216	17,606,183	28,584,133	283,033,338	21.9%	1.3	4.1	46.0%
Sony (TKS: 6758)	54.60	36.6%	69,662,072	11,939,334	13,657,513	62,521,481	8.8%	0.8	5.6	40.0%
Philips (AMS: PHIA)	43.93	16.7%	40,768,373	5,696,678	1,867,289	44,623,198	8.8%	2.1	14.3	46.8%
Hewlett-Packard (NYS: HPQ)	23.74	22.9%	37,589,365	6,111,000	4,247,000	38,370,365	12.2%	0.7	10.9	18.4%
Panasonic (TKS: 6752)	13.03	-3.5%	30,678,663	11,663,168	10,252,994	31,817,612	6.2%	0.4	5.3	29.3%
Toshiba (TKS: 6502)	3.07	16.8%	20,076,381	6,515,653	4,712,716	24,021,024	-1.7%	0.6	11.6	28.0%
Motorola Solutions (NYS: MSI)	119.22	34.7%	19,078,456	5,645,000	878,000	23,860,456	10.3%	3.5	14.2	47.7%
LG Electronics (LON: 39IB)	17.90	0.0%	11,977,888	8,843,759	3,135,489	19,039,222	13.9%	0.4	4.7	22.6%
ASUS (TAI: 2357)	8.79	0.1%	6,484,371	251,269	2,668,220	3,930,111	-1.3%	0.3	5.8	13.8%
Mean		15.3%	153,096,709	18,887,204	10,197,435	157,942,312	9.3%	1.4	9.0	33.1%
Median		16.8%	34,134,014	7,679,706	4,479,858	35,093,989	9.6%	0.8	8.4	33.8%
<u>Audio, Video & Accessories</u>										
Logitech (SWX: LOGN)	45.70	29.3%	7,622,163	0	604,116	7,018,047	16.5%	2.7	24.3	35.5%
Hisense Electric Company (SHG: 600060)	1.52	-28.4%	2,005,638	666,058	414,734	2,437,756	10.6%	0.5	13.9	13.8%
HTC (TAI: 2498)	1.81	-21.0%	1,462,472	0	1,329,509	(125,873)	-23.3%			-2.3%
GoPro (NAS: GPRO)	6.68	-34.3%	1,044,221	134,416	114,843	1,038,843	-11.3%	0.9		29.5%
Kimball Electronics (NAS: KE)	20.30	6.3%	527,219	8,337	46,428	489,128	15.2%	0.5	10.9	8.0%
JVCKenwood (TKS: 6632)	2.80	1.9%	395,529	638,431	349,694	705,833	-1.3%	0.3	3.3	27.2%
VOXX International (NAS: VOXX)	5.20	-26.8%	125,835	17,015	49,827	85,579	-4.3%	0.2	96.4	26.3%
Koss (NAS: KOSS)	2.61	54.4%	18,604	0	1,570	17,035	-10.1%	0.8		28.1%
Mean		-2.3%	1,650,210	183,032	363,840	1,458,294	-1.0%	0.8	29.8	20.8%
Median		-9.6%	785,720	12,676	232,269	597,481	-2.8%	0.5	13.9	26.8%

Public Consumer Electronics Company Statistics as of March 27, 2018 (\$ in 000s)

Company Name	Stock Price	Price % Change 52 Week	Market Cap	Total Debt (TTM)	Cash and Cash Equivalents	Enterprise Value (Daily)	Revenue % Growth (TTM)	EV / Revenue	EV / EBITDA	Gross Margin (TTM)
Home Automation										
Energizer Holdings (NYS: ENR)	64.42	55.8%	3,885,037	1,155,300	510,900	4,529,437	4.8%	2.5	14.0	46.3%
iRobot (NAS: IRBT)	84.18	-19.5%	2,272,762		88,783	2,145,428	33.2%	2.2	17.3	50.2%
Control4 (NAS: CTRL)	33.12	42.3%	826,164	0	27,229	745,618	16.7%	2.9	26.2	51.6%
Turtle Beach (NAS: HEAR)	30.35	983.9%	441,439	32,706	4,335	489,107	6.9%	2.8	22.3	36.3%
Hamilton Beach Brands (NYS: HBB)	24.70	-20.3%	341,499	105,476	1,962	445,013	1.6%	0.6	10.5	26.5%
	Mean	208.4%	1,553,380	323,371	126,642	1,670,921	12.6%	2.2	18.1	42.2%
	Median	42.3%	826,164	69,091	27,229	745,618	6.9%	2.5	17.3	46.3%
Imaging										
Canon (TKS: 7751)	32.09	-8.3%	34,870,784	4,368,103	5,768,082	35,486,030	8.8%	1.0	6.2	47.7%
Olympus (TKS: 7733)	40.50	17.7%	13,931,701	2,333,435	1,799,559	14,409,343	3.8%	2.0	11.9	64.9%
Nikon (TKS: 7731)	17.14	2.4%	6,903,102	1,179,449	3,655,201	4,330,192	-6.5%	0.7	5.5	43.6%
Eastman Kodak (NYS: KODK)	3.35	-63.6%	138,627	403,000	313,000	394,627	-5.7%	0.3	3.5	21.3%
	Mean	-13.0%	13,961,054	2,070,997	2,883,961	13,655,048	0.1%	1.0	6.8	44.4%
	Median	-3.0%	10,417,402	1,756,442	2,727,380	9,369,768	-1.0%	0.9	5.9	45.7%

Consumer Electronics Insights

Analysis of M&A, Financing, and Market Trends

Company Name	Stock Price	Price % Change 52 Week	Market Cap	Total Debt (TTM)	Cash and Cash Equivalents	Enterprise Value (Daily)	Revenue % Growth (TTM)	EV / Revenue	EV / EBITDA	Gross Margin (TTM)
<u>Wearables</u>										
Garmin (NAS: GRMN)	64.55	23.5%	12,254,840	0	946,656	11,134,866	5.9%	3.4	13.8	58.2%
Fitbit (NYS: FIT)	5.45	-8.1%	1,317,451	0	328,116	736,988	-12.7%	0.5		43.5%
Huami (NYS: HMI)	9.23	-18.0%	548,577	5,398	56,112	549,679	29.7%	1.8	19.3	24.1%
Vuzix (NAS: VUZI)	6.40	9.4%	172,807	0	36,068	136,739	97.4%	23.3		-11.0%
Mean		1.7%	3,573,419	1,350	341,738	3,139,568	30.1%	7.3	16.6	28.7%
Median		0.7%	933,014	0	192,114	643,334	17.8%	2.6	16.6	33.8%
<u>Retail & Distribution</u>										
Amazon.com (NAS: AMZN)	1,847.75	88.2%	889,293,632	24,638,000	19,823,000	886,881,632	38.6%	4.3	41.5	23.8%
GameStop (NYS: GME)	14.86	-32.7%	1,512,782	818,600	247,200	2,084,182	5.0%	0.2	8.7	32.9%
Universal Electronics (NAS: UEIC)	43.00	-29.3%	626,320	141,000	40,229	727,091	5.6%	1.0	17.4	23.2%
Pioneer (TKS: 6773)	1.40	-22.8%	521,417	471,234	335,391	698,795	-7.6%	0.2	4.7	17.9%
Zagg (NAS: ZAGG)	14.90	52.8%	413,936	20,000	18,582	415,354	21.0%	0.8	5.2	33.2%
Infusonics (NAS: AWSM)	4.10	-57.9%	14,362	14,767	869	28,260	-30.9%	1.3		12.5%
Mean		-0.3%	148,730,408	4,350,600	3,410,879	148,472,552	5.3%	1.3	15.5	23.9%
Median		-26.1%	573,869	306,117	143,715	712,943	5.3%	0.9	8.7	23.5%



Recent Consumer Electronics Merger & Acquisition Transactions

Deal Date	Company Name	Description	Enterprise Value	Valuation / Revenue
03-Aug-2018	Arlo Technologies (NYS: ARLO)	Manufacturer and developer of security technologies and products	1,163.44	2.84x
02-Aug-2018	Active Protective	Developer of motion sensing wearable devices designed to protect older adults	23.56	
02-Aug-2018	Sonos (NAS: SONO)	Developer of wireless multi-room music systems	1,475.77	1.34x
02-Aug-2018	Xpeng	Developer of Internet cars and electric vehicles designed to offer autonomous driving technologies.	3,871.69	
01-Aug-2018	GMobi	Provider of mobile platform designed to offer operation and mobile Internet service.		
31-Jul-2018	Felyx	Developer of an electric scooter designed to solve the urban mobility issue and travel fast across Amsterdam.		
31-Jul-2018	Braven	Manufacturer of speakers and accessories designed to provide portable media devices to its customers.		
31-Jul-2018	Anglo Office Group	Provider of print and print management, computer consumables, business machines		
31-Jul-2018	Germane Systems	Designer and developer of computer component and supplies in Chantilly, Virginia.	45.00	
30-Jul-2018	Blue(microphones)	Designer and manufacturer of professional-grade microphones.	117.00	
27-Jul-2018	Alpine Electronics (TKS: 6816)	Manufacturer of automotive audio, visual, navigation, communication, drive assist systems and other related services.		
26-Jul-2018	Scandit	Developer of computer vision applications designed to reinvent how enterprises and consumers interact with objects		
26-Jul-2018	Chainlinks Lab	Provider of blockchain, artificial intelligence and digital technology services in Canada.	3.05	
26-Jul-2018	PAI Health	Developer of heart rate monitoring and fitness tracker watches designed to track activity fitness level.		
26-Jul-2018	Improbable	Developer of an operating system designed to build virtual gaming experiences.	2,000.00	
26-Jul-2018	Zepp	Provider of wearable devices designed to help golfers to immediately improve their game.		
24-Jul-2018	Beddr	Developer of health technology to improve the lives of individuals through a digital approach to improving sleep.	15.60	
24-Jul-2018	Navya Technology (PAR: NAVYA)	Manufacturer of self-driving electric vehicles intended to offer autonomous, driverless transportation services.	221.99	6.19x
24-Jul-2018	VAF Instruments	Manufacturer of fluid measuring instruments and control systems for the processing and maritime industries.		
24-Jul-2018	Collingwood Lighting	Manufacturer and designer of LED lighting products in the UK.		
24-Jul-2018	Arkessa	Provider of machine to machine (M2M) managed services.		
24-Jul-2018	My Micro Group	Provider of spare parts for smartphones, laptops and white goods in Netherlands.		
24-Jul-2018	Ford Autonomous Vehicles	Manufacturer of autonomous vehicles. The company's products include self-driving cars and other related products.		
23-Jul-2018	HomeStay Care	Developer of internet of things platform for home care, private care, social activities, nursing and physiotherapy		
20-Jul-2018	TrackR	Developer of a Bluetooth based tracking device designed to help people find their lost items.	50.08	
20-Jul-2018	Absolut Trading	Distributor of household appliances and electronics.		
19-Jul-2018	Unisound	Developer of a voice recognition and processing technology designed for Internet of Things (IoT) devices.		
17-Jul-2018	Caseking	Online retailer of high-end gaming and PC peripherals.		
17-Jul-2018	Yunding Network Technology(Beijing)	Developer of smart lock systems.		
17-Jul-2018	Brightbox	Provider of mobile phone charging stations intended to offer charging facilities in public places.		
13-Jul-2018	Kondor	Distributes audio and mobile accessory products to retailers, retailers and mobile operators in Europe.		
13-Jul-2018	Fibar Group	Manufacturer of wireless smart home systems.	67.84	
13-Jul-2018	Stampede Presentation Products	Distributor of presentation and home theater products.		
13-Jul-2018	Tritton Technologies	Manufacturer and seller of headphones and headsets.		
12-Jul-2018	Inmotion (LON: IMMO)	Developer of VR cinema pods designed to provide virtual reality experiences.	25.98	
12-Jul-2018	Aihuishou	Provider of a second-hand electronics trading platform in China.	1,500.00	
11-Jul-2018	Mantis Vision	Developer of 3D capturing technologies designed to create 3D content for a wide range of applications and markets.		
11-Jul-2018	Inmac Wstore	Retailer of PCs, laptops, servers, peripherals, software, consumables and accessories online	116.76	
10-Jul-2018	Cue Health	Developer of self-tracking devices designed to track health information at the molecular level.	95.00	
10-Jul-2018	JUUL Labs	Developer of nicotine vaporizers created to provide an alternative to adult smokers.	15,000.00	15.96x
10-Jul-2018	Hellberg Safety	Supplier of hearing protection, face protection and communication applications.		
10-Jul-2018	BearCom	Provider of wireless voice and data communication services that boost operating efficiency and increase safety.		
09-Jul-2018	Xiaomi Technology (HKG: 01810)	Developer of smartphones and electronic devices intended to help users communicate with each other.	48,476.11	2.46x
09-Jul-2018	HandyGames	Developer and publisher of mobile, VR and wearable games.	2.92	



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