



COMMERCIAL & CONSUMER TECHNOLOGY

*M&A Soundcheck - Q1'16*

# Strategic Buyers Turn to M&A to Expand Portfolio Offerings

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COMMERCIAL & CONSUMER TECHNOLOGY

## Strategic Buyers Turn to M&A to Expand Portfolio Offerings

As we turn the calendar to 2016, we are seeing several notable M&A trends in the Professional A/V space. With “collaboration” being dubbed the future of the workplace and the shift from analog to digital signage remaining an unstoppable force, it’s not surprising that companies serving these markets have made attractive targets for strategic M&A and capital raising activity. Despite some choppiness in the broader financial markets, companies in the Professional A/V sector continue to scale and add technology through acquisitions and partnerships.

Intrepid also continued its success in the sector announcing its advisory role in the acquisition of its client, SunBrite Holding Corporation (SunBriteTV), a manufacturer of premium outdoor TV displays and digital signage solutions for residential and commercial applications, by SnapAV, a manufacturer and exclusive distributor of installation-friendly audio, video and CCTV products to residential and commercial A/V integrators.

With infoComm on the horizon, we look forward to seeing additional deals announced in the coming months. We hope that this report serves as a useful tool for your business. As you evaluate your own opportunities, please feel free to call us at 310.478.9000 for more pointed insight.

**Thank you,**

A handwritten signature in black ink, appearing to read "Gary Rabishaw".

**Gary Rabishaw**

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A handwritten signature in black ink, appearing to read "Adam Abramowitz".

**Adam Abramowitz**

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## Video Conferencing and Collaboration

### InFocus Boosts Collaboration Portfolio with Avistar

By acquiring Avistar, a provider of video conferencing software specializing in video calling from mobile and handheld devices, InFocus continues to enhance its end-to-end collaboration portfolio. This deal follows InFocus' recent acquisition of Jupiter Systems, further adding software depth and proven technology in the video conferencing space.



### Cisco Buys London-Based Acano for \$700 Million

In efforts to improve and scale their collaboration portfolio, Cisco has acquired Acano, a privately-held company based in London that provides collaboration infrastructure and conferencing software. The acquisition will accelerate Cisco's collaboration strategy to deliver video everywhere, providing the best collaboration experience across every endpoint, every screen, every workspace, and to every user.



### Rockwell Collins Acquires Matrix Series Projector Assets from Christie

Rockwell Collins has acquired the assets of the Matrix series projector product line from Christie Digital Systems. The deal will provide military and aviation customers a more comprehensive partner for all their current and future simulations and training projector needs. The projectors will continue to be manufactured by Christie with system engineering, integration and support provided by Rockwell Collins.



### Vidyo Secures \$15 Million in Financing

Vidyo, Inc., a leader in high-quality visual communications, has secured a \$15 million financing round to fund growth in the telehealth space. The company, a leading provider of enterprise HD video conferencing, has received a \$10 million strategic investment from Kaiser Permanente Ventures, the corporate venture capital arm of Kaiser Permanente, as well as \$5 million from existing shareholders. This round of funding has jettisoned the company to \$163 million in total capital raised.



## Digital Signage

### Christie Expands with Allure

The Christie Group of Companies, a leading provider of display technology solutions, has acquired Allure Global Solutions, an Atlanta-based provider of digital signage, point-of-sale and consumer engagement solutions. While both companies have shared customers, most notably in the cinema market, the acquisition provides a unique opportunity to provide a more comprehensive, digital out-of-home system to various end-markets.



### JMC Buys elevate DIGITAL

JMC Capital Partners, through its portfolio company CIVIQ Smartscares, has acquired elevate DIGITAL, a leading developer of street-level, interactive software technology, which manages and controls connective messaging, digital applications, geo-targeted services and data collection within SMART display technology. By combining industry leading hardware and software, JMC now controls one of the leading street-level advertising and media platforms in the marketplace.



### Planar and Leyard Complete Merge

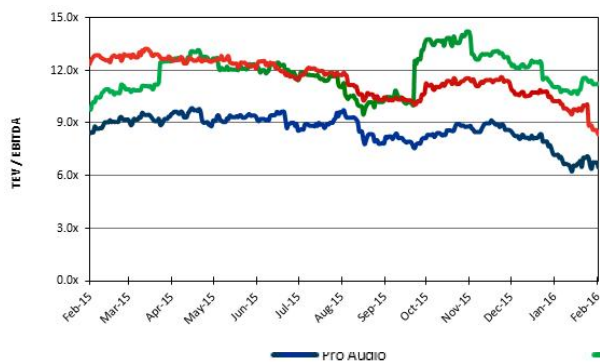
Planar Systems, a global leader in display and digital signage technology, has been sold to Leyard Optoelectronic, a designer, producer and distributor of LED display products used in various applications, including sports, advertisement, concerts, shopping malls, stadiums and other indoor and outdoor events. The deal, valued at approximately \$156 million, expands Leyard's existing range of LED display products and enables Leyard to expand its position outside the Chinese market.



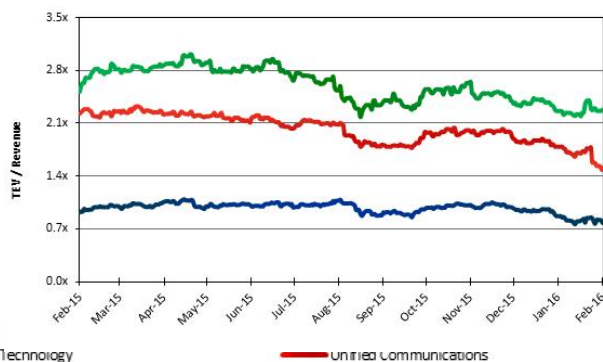
## Publicly Traded Companies (USD Millions)

Company	Enterprise Value	Market Cap	Last Twelve Months			Revenue Growth		Enterprise Value / LTM	
			Revenue	Gross Margin	EBITDA Margin	1-year	3-year	Revenue	EBITDA
<b>Pro Audio</b>									
Harman International Industries, Inc.	\$5,435	\$4,812	\$6,546	29.8%	11.8%	11.7%	15.6%	0.8x	7.1x
TOA Corporation	\$171	\$303	\$411	42.0%	10.2%	6.9%	8.9%	0.4x	4.1x
Yamaha Corporation	\$4,324	\$4,994	\$3,893	39.3%	13.2%	4.7%	0.0%	1.1x	8.4x
<b>A/V Technology</b>									
Dolby Laboratories, Inc.	\$3,162	\$3,760	\$977	89.2%	28.0%	1.5%	1.5%	3.2x	11.6x
DTS Inc.	\$301	\$371	\$134	91.6%	15.6%	(7.9%)	10.4%	2.2x	14.3x
RealD Inc.	\$489	\$535	\$170	52.7%	19.9%	(3.4%)	(8.2%)	2.9x	14.4x
Technicolor SA	\$2,989	\$2,351	\$3,868	25.2%	16.6%	(2.3%)	30.1%	0.8x	4.7x
<b>Unified Communications</b>									
Polycom, Inc.	\$805	\$1,189	\$1,267	58.3%	12.8%	(5.8%)	(3.1%)	0.6x	5.0x
Plantronics, Inc.	\$1,260	\$1,156	\$848	51.5%	17.1%	(2.9%)	4.8%	1.5x	8.7x
GN Store Nord A/S	\$2,823	\$2,484	\$1,212	61.2%	20.6%	13.9%	10.0%	2.3x	11.3x

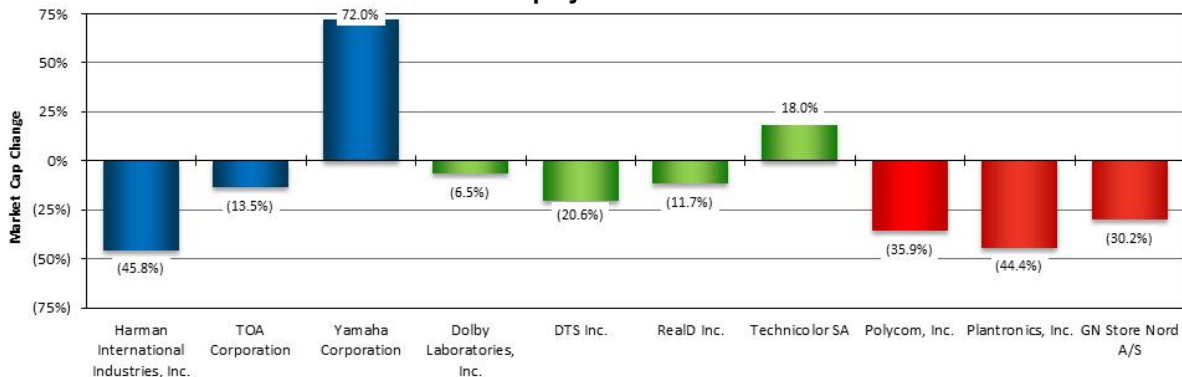
TEV / EBITDA Multiples



TEV / Revenue Multiples







One-Year Equity Price Performance



Source: SSP Capital IQ. Multiples shown represent the adjusted mean, which excludes the highest and lowest values. Indices calculated on an equally-weighted basis.

## Select Transactions

 <p>Microphones a portfolio company of Transom Capital Group has been acquired by</p>  <p>Advisor to Blue Microphones</p>	 <p>a portfolio company of innovate partners has been acquired by</p>  <p>Advisor to Ultimate Ears*</p>	<p><b>SunBriteTV</b> a portfolio company of <b>BUNKER HILL CAPITAL</b> has been acquired by</p>  <p>a portfolio company of <b>GENERAL ATLANTIC</b></p> <p>Advisor to SunBriteTV</p>	 <p>has completed a senior and subordinated debt financing led by</p>  <p>Advisor to PreSonus</p>	<p><b>SpeakerCraft</b> a portfolio company of <b>KINSMAN CAPITAL LLC</b> has been acquired by Linear Corporation, a subsidiary of <b>NORTEK</b></p> <p>Advisor to SpeakerCraft*</p>
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\*Represents transactions executed by principals of Intrepid while at previous securities firms.

## Sectors of Focus

Connected Home | Lifestyle Electronics | Audio / Video | Pro A/V & Musical Instruments



- Control
- Systems
- Lighting
- Home Automation
- Internet of Things
- Networking



- Mobile Devices
- Mobile Accessories
- Headphones
- Wearables
- Apple/iOS Ecosystem
- Cases



- Loudspeakers
- Custom Installation
- Audio Technologies
- Video Technologies



- Studio Monitor
- Microphones
- Mixing Consoles
- Digital Signage
- Installed Sound
- Sound Reinforcement
- Musical Instruments
- Live Sound





## Commercial & Consumer Technology Team

Audio / Video | Pro A/V & Musical Instruments | Lifestyle Electronics | Connected Home



### **Gary Rabishaw**

Managing Director

*Co-Head of Commercial & Consumer Technology*



### **Adam Abramowitz**

Senior Vice President

*Co-Head of Commercial & Consumer Technology*

Intrepid is one of the most active mergers and acquisitions advisors in the Commercial & Consumer Technology sector. Our team has a deep understanding of trends and value-drivers across the sector, ongoing dialogue with the acquirer and investor universe, and a proven track record of helping clients sell to global strategic acquirers and value-added private equity groups.

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