



COMMERCIAL & CONSUMER TECHNOLOGY

M&A Soundcheck – Q3'16

Strategics Continue Their Acquisition Spree in Q3'16

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COMMERCIAL & CONSUMER TECHNOLOGY

Strategic Buyers Continue to Build Out Solutions with Robust Activity in Q3'16

The third quarter saw a flurry of deals with strategic buyers leading the charge across the pro audio/visual technologies, digital signage, and residential and consumer technology sectors. Moreover, our Commercial & Consumer Technology team has had a busy past few months. Recently, we announced **the sale of VXi Corporation**, a leading provider of headset communications solutions, to GN Audio (Jabra), a Denmark-based leader in intelligent audio solutions. We also **advised Amped Wireless**, a developer and marketer of premium WiFi networking solutions, on its sale to Digital Products International, a leading producer of consumer electronics selling products under the Memorex, Zeki, iLive, GPX, WeatherX, Culinar and Oster brands.

Facing pressure to grow, strategics have turned to M&A as they build out their product portfolios, adding brands and technological capabilities. Many of the deals were driven by the opportunity to rationalize costs and consolidate operations. While we have seen several years of attractive growth, the limited visibility of President-elect Donald Trump's policies on trade and taxes coupled with economic uncertainty has increased the focus on core operational strength, cost efficiencies, and profitability ahead of a potentially challenging future. We expect continued strong activity heading into the final months of 2016.

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,

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Consumer Technology

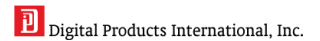
Jabra Acquires VXI Corporation

Intrepid advised VXI Corporation, a manufacturer of communications headsets under the VXI and BlueParrott brands, on its sale to GN Audio, the owner of Jabra, a leading global brand in intelligent audio solutions. VXI has grown its revenue at double-digit rates while delivering strong double-digit EBITDA margins. In 2015, VXI reported revenue of \$32 million and EBITDA of \$4 million. The acquisition will strengthen GN Audio's presence and market share in the important North American market.



DPI Acquires Amped Wireless

Intrepid advised Amped Wireless, a leading provider of long-range and high-powered WiFi networking equipment, on its sale to Digital Products International (DPI). DPI is a leading provider of consumer electronics and accessories to a broad universe of retail partners. Amped Wireless expands DPI's vast product array into the fast growing home and business wireless networking arena.



Samsung Acquires Viv

Samsung Electronics acquired Viv Labs, an artificial intelligence (AI) assistance platform. Viv developed an open AI platform that gives third-party developers the power to use and build conversational assistants and integrate a natural language-based interface into renowned applications and services. This is a key step in Samsung's game plan to compete with Siri (Apple) and Alexa (Amazon).



Skullcandy Taken Private After Bidding War

Skullcandy, a headphones manufacturer and lifestyle brand, was taken private by Mill Road Capital Management, an activist investor. Mill Road entered into a bidding war with Incipio, pushing the transaction value to \$197 million, or a 0.6x TEV/revenue multiple and 11.7x TEV/EBITDA. Skullcandy picked the superior offer and paid Incipio a termination fee of \$6.6 million.



Incipio Group Acquires Griffin Technology

Incipio, a global consumer technology accessories platform, acquired Griffin Technology. Griffin has a 25-year history of designing, manufacturing, and distributing mobile accessories. As a part of Incipio, Griffin will strengthen product development and manufacturing capabilities and also complement its existing product lines of rugged cases, power, and connectivity. Griffin is likely to continue as a standalone brand and retain its headquarters in Nashville, Tenn.



Residential Technology

Ecobee Racks Up \$35 Million

Ecobee, a smart thermostat company, raised \$35 million from the Amazon Alexa Fund, Thomvest, and Relay Ventures to fuel its future growth and development. Since its launch in 2007, Ecobee has been experiencing more than 100% year-over-year growth. Through its smart ecobee3 WiFi thermostat, the company is able to deliver an average savings of 23% on household heating and cooling bills for its customers.



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Residential Technology (Cont'd)

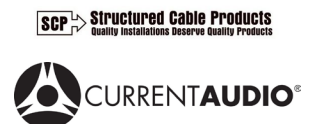
LeEco Acquires TV Manufacturer Vizio for \$2 Billion

LeEco, a Chinese electronics firm, acquired Vizio, a maker of flat-screen TVs, for \$2 billion. Vizio's hardware and software business will be operated as a wholly-owned subsidiary of LeEco, while its data business, Inscape Data Services, will be spun off and operate as a separate, privately-owned company. LeEco will own ~49% stake in Inscape, while the Founder and CEO of Vizio will own the balance.



Structured Cable Products Acquires Current Audio

Structured Cable Products (SCP), a low-voltage cables and accessories manufacturer and supplier, acquired Current Audio, a designer and manufacturer of in-ceiling speakers, in-wall speakers, outdoor speakers and accessories. SCP's production, market distribution and financial support will allow Current Audio to improve its support of its dealers and drive growth.



Pro Audio/Video

Cambridge Sound Management Acquires DynaSound

Cambridge Sound Management, the global leader in sound masking and speech privacy solutions, announced the acquisition of DynaSound, a commercial sound masking manufacturer. Cambridge's acquisition is fueling their next stage of growth by integrating DynaSound's award-winning products, dedicated partners and industry experts into their proven sound masking business model. The combined companies have retained the name Cambridge Sound Management.



STRATACACHE Buys Super-Majority Control of Scala

STRATACACHE, a provider of digital signage, media distribution, and enterprise video technologies, acquired majority control of Scala, a provider of digital signage software and solutions for digital signs, kiosks, mobile devices, Websites and Internet-connected devices. STRATACACHE's large-scale operations are likely to enhance Scala's competitive edge, while Scala's global channels and reseller and partner network will assist STRATACACHE in growing its business outside the U.S.



Vitec Group Acquires Wooden Camera

Vitec Group acquired Wooden Camera, a provider of camera accessories for the broadcast and professional markets, for upfront consideration of £15.3 million, plus the potential for an additional £11.5 million in earn-out payments. At closing, the deal represents about an 8x EBITDA multiple. Post-acquisition, Wooden Camera will become part of Vitec's Broadcast division. Wooden Camera generated an unaudited adjusted EBITDA of £1.9 million in 2015.



Five Crowns Capital Acquires Verrex

Private equity investor Five Crowns Capital acquired Verrex, a provider of AV systems integration, support and solutions. Debt and equity investors include Diamond State Ventures, Aavin Private Equity, MidStates Capital, and Enterprise Bank. Verrex was No. 26 on the *SCN Top 50 List* with an estimated \$41 million of revenue. A key component of the transaction was to enable a transition from retiring family shareholders. The transaction will provide additional working capital and growth expertise for the expansion of Verrex's managed services capabilities and suite of collaboration products.





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Pro Audio/Video (Cont'd)

Viad Acquires ON Event Services

Viad Corp. acquired ON Event Services, a provider of audio-visual production services in the U.S. ON Event supports approximately 1,000 live events annually and is the preferred in-house provider of audio-visual services for 36 venues. The acquisition is expected to contribute revenue of \$20 million to \$25 million and adjusted EBITDA of \$3.5 million to \$5 million during the remainder of 2016.



QSC Acquires Ultra-Stereo Labs

Costa Mesa, Calif.-based QSC acquired Ultra-Stereo Labs, combining two leading brands in the cinema equipment industry. QSC develops audio, video, and control solutions and supplies full audio systems for the live sound, systems integration, and cinema industries. The acquisition will allow QSC to offer an industry-leading portfolio of audio-visual processing and test/measurement solutions under the QSC and USL brands for the cinema industry.



Tessera Technologies Acquires DTS

Tessera Technologies, a developer of imaging and semiconductor technologies, acquired DTS, an iconic audio solutions provider for the mobile, home and automotive markets, at a transaction value of \$850 million, or a revenue multiple of 5.8x and an EBITDA multiple of 28.1x. The acquisition adds significant scale and diversifies revenue across end-markets and customers. The combined company is forecasted to achieve pro forma 2016 revenue of ~\$450 million and expected to realize \$15 million in annualized cost synergies within the first 12 to 18 months.



ChyronHego Acquires Sound & Video Creations

ChyronHego acquired Sound & Video Creations, a developer of digital content management and delivery solutions for sports stadium presentations and broadcasts. Sound & Video Creations is well-known for its Click Effects family of products for live A/V entertainment production, including CrossFire, Blaze, BackDraft, and ProAudio. This is the fifth acquisition by ChyronHego since being taken private by Vector Capital in early 2015. Earlier acquisitions included Newsroom Solutions (September 2015), Vidigo (September 2015), WeatherOne (April 2015) and ZXY Sport Tracking (April 2015).



RealD Acquires Tessive

RealD acquired the technology and assets of Tessive, a motion image processing company. RealD will leverage Tessive's proprietary software to launch RealD TrueMotion, a production tool to correct imperfections in motion capture. In addition to RealD TrueMotion, the company will introduce the Ultimate Screen™ to the market, which improves the quality of presentation and the movie-going experience in both 2D and 3D.



Blackmagic Design Acquires Fairlight

Blackmagic Design announced its acquisition of Fairlight, a provider of digital audio products as well as immersive 3D audio mixing and finishing. Fairlight creates immersive 3D audio workstations to deliver 3D sound in formats such as 5.1, DTS MDA, Dolby Atmos and NHK's 22.2. The acquisition will add high-end professional audio technology to Blackmagic Design's video products.



Pro Audio/Video (Cont'd)

Extreme Networks Acquires Zebra Technologies' Wireless LAN Business

Extreme Networks, a provider of software-driven networking solutions, announced the acquisition of Zebra's wireless LAN business for \$55 million. The acquisition will extend Extreme Networks' reach to new verticals such as retail, transportation and logistics, and hospitality. The combined WLAN business is expected to be the third largest provider in target markets and the fourth largest by market share. Extreme Networks expects to generate more than \$115 million in annualized revenue from the acquired WLAN assets, while Zebra will be using the net proceeds from the sale to pay down debt.



Musical Instruments

Roland Acquires 70% Stake in V-Moda

Japanese instrument manufacturer, Roland, acquired a 70% stake in Hollywood, Calif.-based headphones company V-Moda, leaving 30% ownership with V-Moda Founder Val Kolton. Post-merger, both brands will remain independent, allowing V-Moda to hold onto its strong reputation with audiophiles. One of the first new products set to come from the combined Roland/V-Moda will be a Bluetooth speaker called the V-Moda Remix, priced at around \$300.



ROLI Raises \$27 Million in Series B Funding

The London-based music technology company ROLI raised \$27 million in Series B funding. The fundraising will help ROLI expand to meet its growing demand, expand in new markets, and intensively build out its product, engineering and marketing teams in North America and Europe. London-based BGF Ventures and San Francisco, Calif.-based Founders Fund joined the round alongside all the investors who participated in ROLI's \$12.8 million Series A funding. The funding was followed by ROLI's acquisition of FXpansion, a maker of software instruments. The move will bring FXpansion's staff and 15 years of expertise in the audio software development field into the ROLI fold.



Rolling Stone LLC to Sell 49% Stake to BandLab Singapore

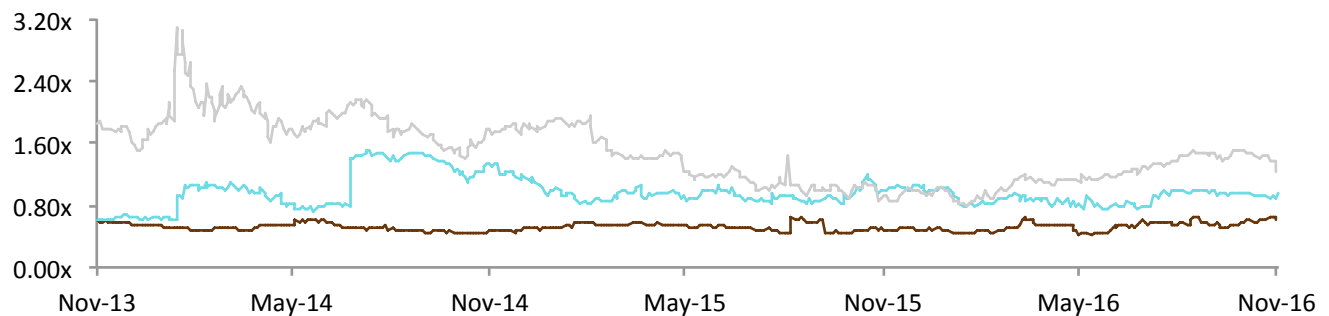
BandLab, a Singapore start-up, has bought a 49% stake in *Rolling Stone Magazine*. BandLab is the first-ever outside investor in the 49 year-old magazine and the deal's objective is to popularize the legendary music and pop culture brand in Asia and other new markets. BandLab also acquired MONO Creators, an American designer of instrument cases, straps and accessories for gigging musicians and bands such as Red Hot Chili Peppers, Metallica and The Rolling Stones. Both companies will execute an integrated marketing and product development strategy that focuses on the mobile musician market.



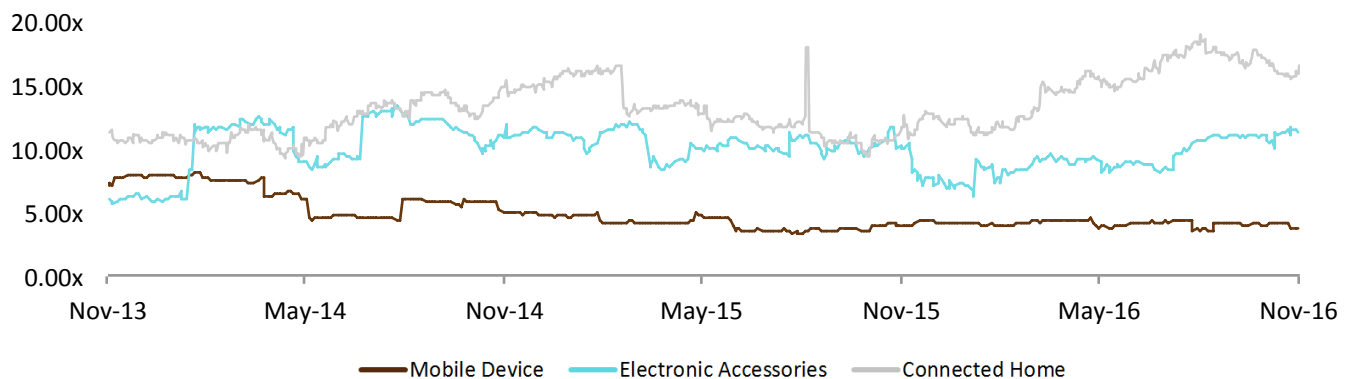
Publicly Traded Companies - Consumer (USD Millions)

Company	Enterprise Value	Market Cap	Last Twelve Months			Revenue Growth		Enterprise Value / LTM	
			Revenue	Gross Margin	EBITDA Margin	1-year	3-year	Revenue	EBITDA
Electronic Accessories									
Garmin Ltd.	\$8,348	\$9,290	\$2,939	55.2%	23.6%	3.4%	3.6%	2.8x	12.1x
GoPro, Inc.	\$1,271	\$1,569	\$1,081	35.0%	(31.6%)	(40.5%)	8.0%	1.2x	NM
Harman International Industries	\$6,701	\$5,738	\$7,040	30.6%	12.0%	10.7%	16.3%	1.0x	7.9x
Logitech International SA	\$3,553	\$3,884	\$2,096	34.8%	10.3%	4.1%	0.1%	1.7x	16.4x
Turtle Beach Corporation	\$118	\$64	\$174	24.5%	(5.7%)	3.5%	(5.9%)	0.7x	NM
VOXX International Corporation	\$204	\$98	\$677	28.8%	1.0%	(4.9%)	(6.4%)	0.3x	NM
ZAGG Inc	\$213	\$159	\$366	35.4%	11.5%	24.7%	15.1%	0.6x	5.1x
Connected Home									
Control4 Corporation	\$223	\$268	\$194	50.5%	6.2%	20.4%	16.3%	1.1x	18.5x
Universal Electronics Inc.	\$856	\$869	\$653	26.1%	9.4%	12.7%	8.5%	1.3x	14.0x
Mobile Device Manufacturing									
Apple Inc.	\$599,525	\$580,369	\$215,639	39.1%	32.7%	(7.7%)	8.1%	2.8x	8.5x
HTC Corporation	\$1,134	\$2,235	\$2,594	13.1%	(14.0%)	(43.2%)	(28.2%)	0.4x	NM
LG Electronics Inc.	\$12,220	\$7,065	\$48,239	24.9%	6.4%	(2.3%)	(1.7%)	0.3x	4.0x
Samsung Electronics Co. Ltd.	\$135,045	\$196,371	\$176,567	38.9%	22.9%	0.9%	(3.6%)	0.8x	3.3x

TEV / Revenue Multiples



TEV / EBITDA Multiples

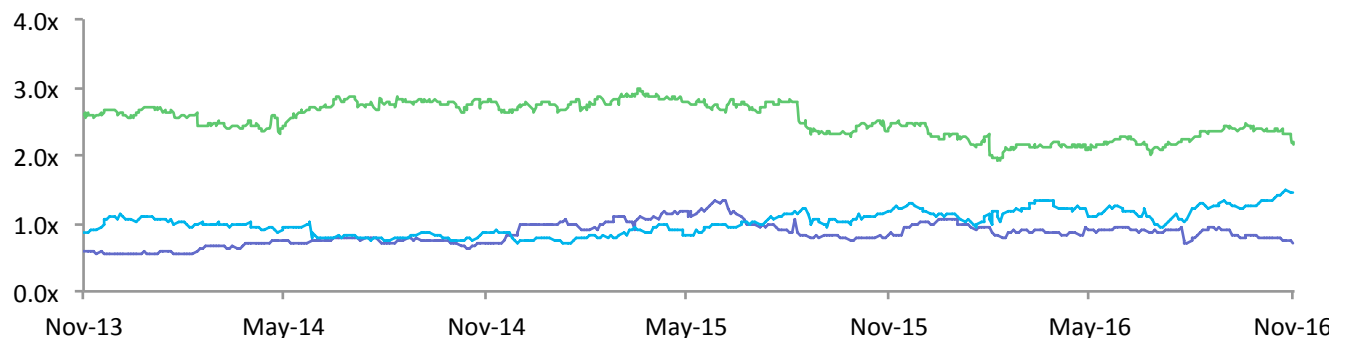


Source: S&P Capital IQ as of 11/04/2016. Indices calculated on an equally-weighted basis and adjusted for outliers. Historical Trading Multiples reflect one-month trailing averages. "NM" stands for "Not Meaningful."

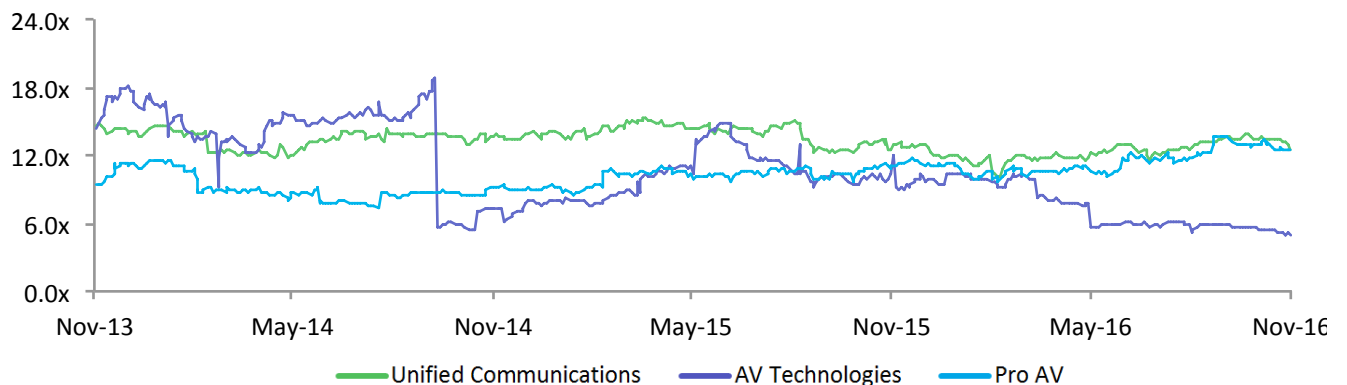
Publicly Traded Companies – Commercial (USD Millions)

Company	Enterprise Value	Market Cap	Last Twelve Months			Revenue Growth		Enterprise Value / LTM	
			Revenue	Gross Margin	EBITDA Margin	1-year	3-year	Revenue	EBITDA
Pro A/V									
Barco NV	\$770	\$937	\$1,161	36.3%	4.5%	7.3%	(4.9%)	0.7x	14.9x
ClearOne, Inc.	\$78	\$95	\$55	65.0%	21.4%	(6.0%)	5.1%	1.4x	6.6x
Daktronics Inc.	\$314	\$364	\$577	21.6%	3.8%	(3.7%)	3.3%	0.5x	14.3x
Evertz Technologies Limited	\$812	\$903	\$286	57.2%	27.3%	9.5%	10.5%	2.8x	10.4x
Yamaha Corporation	\$6,041	\$6,696	\$4,097	40.4%	15.3%	(2.2%)	4.6%	1.5x	9.6x
A/V Technologies									
Avid Technology, Inc.	\$380	\$238	\$554	66.0%	15.9%	10.8%	(2.0%)	0.7x	4.3x
Dolby Laboratories, Inc.	\$4,064	\$4,693	\$1,026	89.4%	31.0%	5.7%	4.1%	4.0x	12.8x
Technicolor SA	\$3,190	\$2,298	\$4,914	20.0%	12.1%	29.1%	8.1%	0.6x	5.4x
Unified Communications									
GN Store Nord A/S	\$3,379	\$2,929	\$1,345	61.2%	18.5%	19.2%	10.6%	2.5x	13.6x
Plantronics, Inc.	\$1,589	\$1,521	\$875	50.3%	16.4%	2.4%	3.1%	1.8x	11.1x

TEV / Revenue Multiples



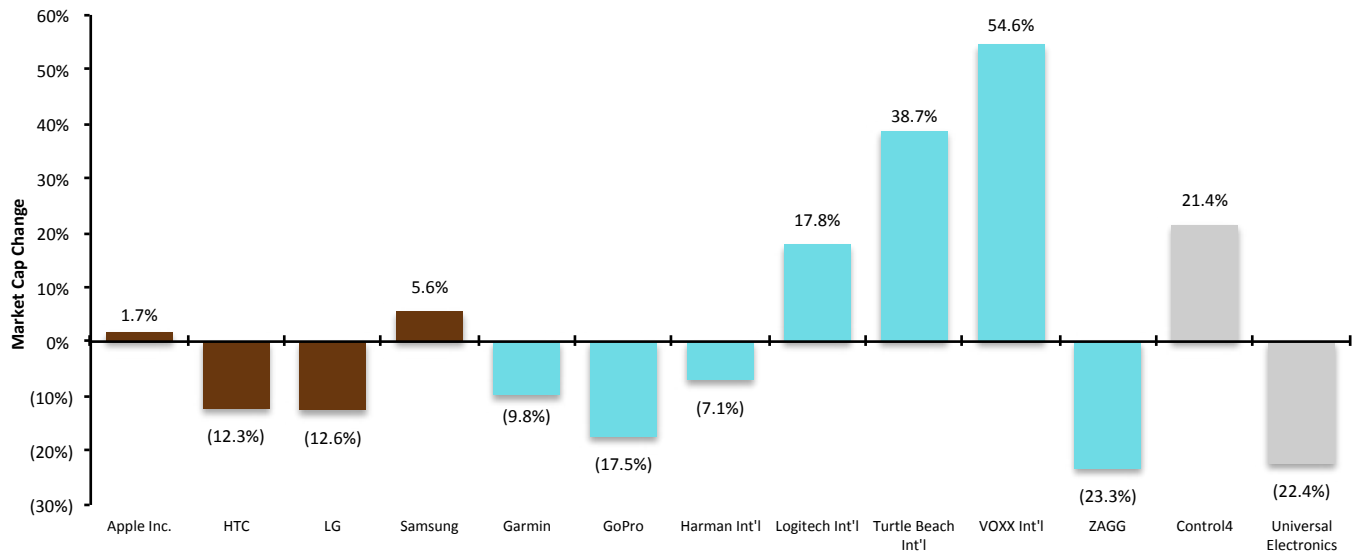
TEV / EBITDA Multiples



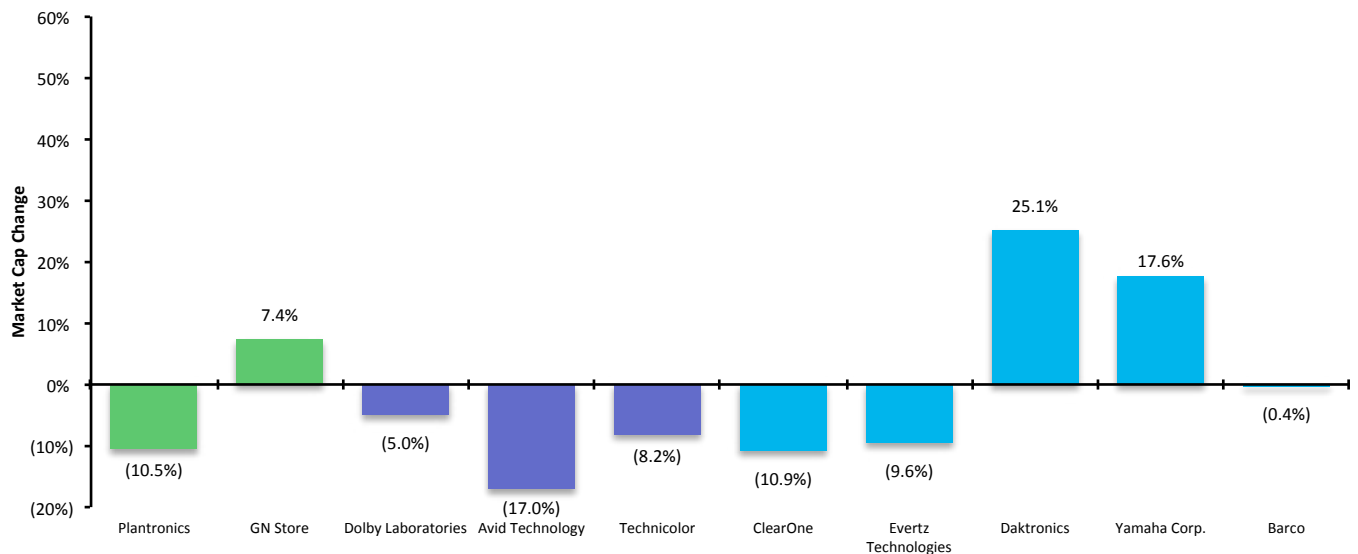
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Last Three Month Equity Performance

Consumer



Commercial



Source: S&P Capital IQ as of 11/04/2016.





COMMERCIAL & CONSUMER TECHNOLOGY

Select Intrepid Commercial & Consumer Technology Transactions


a portfolio company of

has been acquired by

Advisor to VXI Corporation





has been acquired by

Digital Products International
Advisor to Amped Wireless




a portfolio company of

has been acquired by

a portfolio company of




Advisor to SunBriteTV


a portfolio company of

has been acquired by

Advisor to Ultimate Ears, LLC*


has completed a senior and
subordinated debt financing
led by

Advisor to PreSonus


a portfolio company of
Transom Capital Group
has been acquired by

Advisor to Blue Microphones


a portfolio company of

has been acquired by
Linear Corporation,
a subsidiary of

Advisor to SpeakerCraft, Inc.*

**Represents transactions executed by principals of Intrepid while at previous securities firms.*



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Commercial & Consumer Technology Team

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



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Intrepid's Commercial & Consumer Technology team provides a unique blend of proven execution expertise, deep industry knowledge, and relationships cultivated over many years of dedicated coverage. Target sectors include: pro audio/visual technologies, digital signage, and residential and consumer technology. By focusing exclusively on these sectors, our industry bankers have a deep understanding of prevailing trends and value drivers.

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