



COMMERCIAL & CONSUMER TECHNOLOGY

*M&A Soundcheck – H2'21*

## **Record M&A in 2021 Providing Strong Momentum for 2022 Despite Ongoing Pandemic and Supply Chain Challenges**



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## Record M&A in 2021 Providing Strong Momentum for 2022 Despite Ongoing Pandemic and Supply Chain Challenges

M&A reached a record pace by the end of 2021 and has yet to show signs of slowing. A variety of factors drove heightened deal volume in 2021, including aggressive M&A strategies by financial and strategic buyers, record levels of private equity dry powder available in the market, strong sales and earnings performance by many companies, and persistent threats of capital gains tax increases (which turned out not to materialize). Leveraging these tailwinds, Intrepid closed 2021 with a record \$4.5 billion in aggregate transaction value across 34 deals.

Within the industries our Commercial & Consumer Technology (CCT) team follows, the themes from 2021 continue into 2022. Consumer demand remains robust, yet companies continue to struggle (or have to invest more capital) to meet demand due to supply chain disruptions, rising freight and input costs, and challenges securing adequate labor. As a result, companies are reporting inflated order backlogs, higher working capital balances, and lower gross margins. Many are also rethinking their supply chain processes and go-to-market strategies to adapt to current conditions and better position themselves in the market.

As we look ahead into 2022, our M&A pipeline across the sectors we cover remains robust and acquirers remain hungry for new opportunities. If you are interested in learning more about what is going on in the markets, potential M&A, or capital raising options for your business, please do not hesitate to reach out.

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## Residential Technology

### Origin Acoustics Acquires Ambisonic Systems - August 2021

Origin Acoustics, a leading manufacturer of architectural audio products, acquired Ambisonic Systems, a manufacturer of performance luxury professional and residential loudspeaker systems. Before the acquisition, Origin had been a worldwide distributor of Ambisonic Systems. The acquisition further broadens Origin's professional home audio and visual offerings.



### Premium Audio Company and Sharp Electronics Acquire Onkyo's Home Entertainment Corporation - September 2021

Premium Audio Company, a wholly owned subsidiary of VOXX International, and Sharp Corporation, acquired Onkyo's home audio/video business, which includes the Onkyo and Integra brands. Following the transaction, Premium Audio Company will own approximately 75% of the newly created joint venture and will manage (along with sister company Klipsch) all product development, engineering, sales, marketing, and distribution of Onkyo's home entertainment business, while Sharp will be responsible for manufacturing products.

**SHARP****ONKYO****Integra**

### AE Industrial Partners Acquires HealthWay - September 2021

AE Industrial Partners, a private equity firm specializing in aerospace, defense, government services, space, power generation, and specialty industrial markets, acquired HealthWay, a global leader in air purification solutions for both commercial and residential settings. HealthWay will serve as a platform for AE Industrial Partners as the firm plans to seek accretive add-on acquisitions across the indoor air quality solutions space. Over the past two years, the importance of air purity has become extremely prevalent leading to increased investments in the space.



### Nice Acquires Nortek Security & Control - October 2021

Nice, a global manufacturer of smart home, security, and home building automation solutions, acquired Nortek Security & Control, a developer, manufacturer, and distributor of wired and wireless security and control systems for residential and commercial security markets. The acquisition expands Nice's product offerings with Nortek's broad portfolio of brands that includes 2GIG, ELAN, Linear, MightyMule, Proficient, SpeakerCraft, Gefen, Xantech, Panamax, Furman, Numera, and IntelliVision, and builds on Nice's goal of providing a full suite of integrated solutions to residential, commercial, industrial, and government customers.



### Aqara Raises \$156M in Series C Funding - October 2021

Aqara, a producer of smart home devices based in China, raised \$156 million in Series C funding from a collection of investors including Shenzhen Capital Group, Joy Capital, China Telecom, Greenwood Asset, Zhongyuan Capital, and Unicom CICC. Aqara plans to use the new capital to invest in product R&D, sales and marketing initiatives, and new hires to further build out the brand and its capabilities. Since 2014, the company has completed six rounds of funding and now has a valuation that exceeds \$1.0 billion.



### Generac (NYSE: GNRC) Acquires Ecobee for \$770M - November 2021

Generac, a leading designer, manufacturer, and seller of energy technology solutions and other power products, acquired Ecobee, a smart home thermostat startup based in Toronto, for \$770 million. Founded in 2007, Ecobee is one of Google Nest's main competitors in the smart thermostat space. Its primary product, a tech-enabled thermostat, has gained significant traction in a market that is highly saturated with tech behemoths like Google. Following the acquisition, Generac will be able to integrate Ecobee's product line into its existing residential energy technology offerings to create a home energy ecosystem.





## Residential Technology (Cont'd)

### **iRobot (NASDAQ: IRBT) Acquires Aeris Cleantec AG - November 2021**

iRobot, a leading provider of consumer electronics and home robotics solutions, acquired Aeris Cleantec, a fast-growing provider of tech-enabled air purifiers based in Switzerland. The addition of Aeris Cleantec's air purifiers strengthens iRobot's market position in the fast-growing residential technology market. According to GVR, the global air purifier market was \$3.4 billion in 2020 and is expected to reach \$6.7 billion by 2027.



### **Halio Raises \$100M in Series D Funding - December 2021**

Halio, a developer and manufacturer of highly differentiated tech-enabled windows, raised \$100 million in Series D funding in a round led by previous investors SK and Capricorn Investment Group. Halio's primary product is an electrochromic smart windowpane that senses light and responds accordingly by tinting automatically. The additional funding will enable Halio to increase its production capabilities and invest in research and development initiatives.



### **Howard's Acquires Taylor's Appliance - December 2021**

Howard's, a leading independent retailer of appliances in Southern California, acquired Taylor's Appliance, a brick-and-mortar retailer of household appliances based in Riverside, California. The acquisition comes months after Howard's acquisition of another home appliance retailer, Midway Home Solutions, in June 2021 and will enable Howard's to grow its retail footprint in Southern California. Following the acquisition, Taylor's Appliance stores will be rebranded under Howard's brand name.



## Pro Audio/Visual

### **Echo Systems Acquires Dallas Sight and Sound - August 2021**

Echo Systems, a powerhouse integrator based in Omaha and Kansas City, acquired Dallas Sight and Sound, a leading integrator that has continuously served the Dallas/Fort Worth, North Texas, Arkansas, and Louisiana markets for over 37 years. The acquisition of Dallas Sight and Sound enables Echo Systems to broaden its geographic reach and depth of resources.



### **Tech Data and Synnex Merge to Form TD Synnex (NYSE: SNX) - September 2021**

Tech Data, a leading technology distributor that is the largest company headquartered in the Tampa-St. Pete area, completed an \$8.3 billion merger with Synnex Corporation. The acquisition was originally announced in March 2021 at a valuation of \$7.2 billion. The combined entity will now be known as TD Synnex and is expected to generate approximately \$57 billion in annual revenue.



### **Sound Concepts Acquires Bravas Little Rock - September 2021**

Sound Concepts, the largest custom integrator in Arkansas, acquired Bravas Little Rock. Bravas Little Rock was formed in 2019 as part of a private equity-backed entity that merged 15 leading integrators from across the US. The sale of the Little Rock division represents the first spinoff by Bravas, which also has divisions in Denver, San Francisco, Philadelphia, and Dallas/Fort Worth.



## Pro Audio/Visual (Cont'd)

### **BrightSign Receives a Minority Investment from Graham Partners - October 2021**

BrightSign, a developer of digital signage media players and accessories for the commercial digital signage market, received a minority investment from Graham Partners, a Pennsylvania-based private equity group specializing in advanced manufacturing and industrial technology. BrightSign plans to leverage Graham Partners' industry knowledge and capital to accelerate growth and expand into new markets.

**BrightSign®**

### **PTZOptics Acquires Tally-Lights - November 2021**

PTZOptics, a leading manufacturer of affordable broadcast-quality robotic cameras, acquired Tally-Lights, a provider of flexible, affordable tally lighting systems that can be incorporated into nearly any studio configuration. Tally lights are an essential component of professional multi-camera video production, and the deal will help customers of PTZOptics create better production environments and professional-quality content.



### **Platinum Tools Parent Company NSI Industries Acquires TechLogix Networx - November 2021**

NSI Industries, a manufacturer of electrical connectors and wire management products, acquired TechLogix Networx, a manufacturer of fiber-optic and collaboration technology. The acquisition will drive corporate and manufacturing-related synergies for both entities.



### **Motorola Solutions (NYSE: MSI) Acquires Envysion - November 2021**

Motorola Solutions, a leading provider of public safety and enterprise security solutions, acquired Envysion, a provider of enterprise video security and business analytics solutions for the quick-service restaurant and retail industries. Envysion's platform helps to identify and resolve theft and support priorities such as customer and employee safety, workplace productivity, and physical security. The acquisition will help Motorola build upon its portfolio of video security and access control solutions.

**MOTOROLA****Envysion®**

### **Vitec Imaging Solutions Acquires Savage Universal - November 2021**

Vitec Imaging Solutions, a division of The Vitec Group, acquired Savage Universal, a leading provider of backgrounds for professional-grade studio photographers, and its affiliates. Based in Phoenix, Arizona, Savage Universal provides a full suite of products for content creators and professional photographers. The acquisition will expand and diversify Vitec's existing portfolio of accessories for professional image creators.



### **DCC Technology (dba Exertis) Acquires Almo Corporation - December 2021**

DCC Technology (dba Exertis), a leading global provider of technology distribution and other diversified services, acquired the Almo Corporation, a leading North American distributor of pro-AV equipment, appliances, and consumer electronics. The acquisition signals a further expansion of DCC's efforts internationally, adding to previous North American acquisitions like Stampede, Jam Industries, The Music People, and JB&A.

**exertis**

### **USound Raises \$30M in Later-Stage VC Funding - December 2021**

USound, a global developer and manufacturer of micro-electro-mechanical systems (MEMS), raised \$30 million in venture capital funding in a round led by Austrian venture capital firm eQventure. The new capital will enable USound to enhance its product manufacturing capabilities for their MEMS loudspeakers that are used in personal devices and wearable technologies.

**U)))SOUND**

## Consumer Technology

### Armor Acquisition Acquires Incipio - August 2021

Armor Acquisition, a privately held investment group, acquired Incipio, a leading designer and manufacturer of smartphone accessories. The transaction includes Incipio's portfolio of brands consisting of Incase, Survivor, and Griffin, which will now operate under the newly formed Vinci Brands. The acquisition also provides strategic support and capital for the company's aggressive growth and acquisition plans.

#### Armor Acquisition



### ByteDance Acquires Pico Interactive - August 2021

ByteDance, parent company of the social media platform TikTok, acquired Pico Interactive, a VR-focused startup that develops virtual reality headsets for consumers and businesses. In the first quarter of 2021, Pico Interactive was the third-largest virtual reality headset maker globally, with shipments growing 44.7% year-over-year, according to IDC. The acquisition supports ByteDance's recent initiatives to expand into the VR space.



### WHOOP Raises \$200M in a Series F Funding - August 2021

WHOOP, a designer and manufacturer of health-tracking wearables, raised \$200 million in Series F funding in a round led by SoftBank, a global investment fund. Alongside its wearables, WHOOP provides a 24/7 health coaching program. WHOOP will use the new capital for several initiatives including investment in R&D, expansion into new markets, acquisitions of leading technology companies, and acceleration of its hiring efforts for top global talent.



### Dreame Technology Raises \$563M in Series C Funding - October 2021

Dreame Technology, a provider of smart home appliances, raised \$563 million in Series C funding in a round led by Huaxing Growth Capital and CPE Yuanfeng. In the past few years, Dreame Technology has become a global pioneer in high-speed motors and products called SLAM, or "simultaneous localization and mapping." The additional capital will enable Dreame to invest in R&D initiatives, hire talent, and further build out its technical teams.



*Huaxing Growth Capital  
CPE Yuanfeng*

### Sonos (NASDAQ: SONO) Acquires RHA Audio - October 2021

Sonos, a leading designer and manufacturer of home audio systems, acquired RHA Audio, a UK-based designer and manufacturer of headphones. The acquisition enables Sonos to begin manufacturing consumer headphones and signals a departure from Sonos' legacy home-based products focus, which could pose a significant competitive threat to current market leaders in the headphone market.



### Patrick Industries (NASDAQ: PATK) Acquires Wet Sounds - November 2021

Patrick Industries, a leading component solutions provider for the RV, marine, and manufactured housing markets, acquired Wet Sounds, a leader in the marine audio industry that designs, fabricates, engineers, and distributes marine-based audio systems and accessories. The acquisition further strengthens Patrick Industries' marine-related product offerings.





## Music Technology

### **Linktree Acquires Songlink and Launches Music Hyperlinks - August 2021**

Linktree, developer of an influencer-centric social media management tool, acquired Songlink, a provider of link integration services for professional music artists. Linktree's primary offering provides social media organizations and influencers with unique marketing tools to direct their following to additional social profiles, eCommerce stores, or other content. The acquisition of Songlink allows Linktree to strengthen its offerings to music artists around the globe. The integration of Songlink, and the subsequent launch of Music Hyperlinks, will provide Linktree's music clientele with the ability to seamlessly promote music on a global scale.



### **Gear4Music (AIM: G4M) Acquires AV Distribution - September 2021**

Gear4Music, an online retailer of musical instruments and audio equipment based in the UK, acquired AV Distribution, a retailer of audio/visual equipment for home cinemas. AV Distribution will rebrand following the acquisition. The move further expands Gear4Music's product offerings and provides significant synergies to both parties.



### **Mandolin Software Acquires NoonChorus - September 2021**

Mandolin Software, a leading digital fan engagement and concert live streaming platform, acquired NoonChorus, a provider of live streaming music services primarily directed at indie artists. The acquisition of NoonChorus further consolidates an industry that has experienced significant traction throughout the COVID-19 pandemic. NoonChorus has built a strong consortium of listeners and artists, including Angel Olsen and Japanese Breakfast. The platform has successfully hosted over 650 shows, generating approximately \$4 million in artist revenue.



### **Bandzoogle Acquires SoundJam DJ Website Platform - September 2021**

Bandzoogle, developer of an online platform where artists and musicians can build their websites and promote their music online globally, acquired SoundJam. Founded by the legendary Tom Watts and Hatty Hanna, SoundJam provides services that help music creators build websites and develop eCommerce stores. The acquisition further broadens Bandzoogle's reach in the web-development world, enabling it to reach more artists across various genres.



### **Audiotonix Group Acquires Sound Devices - October 2021**

Audiotonix, owner of a portfolio of entertainment technology brands including Allen & Heath, Calrec, DiGiCo, DiGiGrid, Group One Limited, KLANG: technologies, and Solid State Logic that is backed by private equity group Ardian, acquired Sound Devices, a designer and manufacturer of professional audio and video equipment. The acquisition will help Audiotonix continue to grow its portfolio of professional solutions for audio production environments.



### **D'Addario Acquires National Picks - October 2021**

D'Addario, a leading provider of musical instrument strings and accessories, acquired National Picks, a manufacturer of metal finger-picks that have remained the industry standard for prosumers and professional guitarists since their introduction in 1930. Following the acquisition, National Picks will be rebranded as D'Addario National Picks.



## Music Technology (Cont'd)

### **Fender Acquires PreSonus - November 2021**

Fender, a leading provider of musical instruments, acquired PreSonus, a provider of a wide range of pro audio software and hardware products including monitors, mixers, digital audio workstations, and several audio interfaces. The acquisition provides Fender with a meaningful vertical integration opportunity to create a comprehensive music ecosystem that includes both hardware and software components.



### **BandLab Acquires ReverbNation - November 2021**

BandLab, developer and operator of a social music creation platform, acquired ReverbNation, a developer of online marketing tools for musicians. BandLab has developed a groundbreaking social network centered around the creative process of music-making. Its platform provides musicians and creators with the ability to share their creative process with other musicians and fans. The acquisition of ReverbNation will further expand BandLab's ability to help artists monetize and distribute their work.



### **MIXhalo Raises \$24M in Series B Funding - November 2021**

MIXhalo, developer of a mobile audio platform that enables users to access sound at live events, raised \$24 million in Series B funding in a round led by Fortress Investment Group. MIXhalo's platform provides sports fans with the opportunity to listen to live commentary through headphones while at a game. The company's current partnerships include the Sacramento Kings, Buffalo Sabres, and LAFC. MIXhalo plans to use this growth capital to improve upon its technology suite and expand its customer base.



### **RBI Music Acquires Silvertone Brand from Samick Musical Instrument Corporation (KOSE: A002450) - December 2021**

RBI Music, a leading distributor of musical instruments and music education materials, acquired the Silvertone Brand, a century-old provider of guitars and amplifiers, from Samick Musical Instrument Corporation. Following a successful year-long exclusive distribution agreement, RBI Music decided to bring the Silvertone Brand in house. The acquisition further strengthens RBI Music's product offerings.



### **BandLab Raises \$53M in Series B Funding at a \$303M Post-Money Valuation - December 2021**

BandLab, developer and operator of a social music creation platform, raised \$53 million in Series B funding in a round led by Vulcan Capital that valued the company at \$303 million (post-money). Vulcan Capital, the multi-billion-dollar investment arm of Microsoft Co-Founder Paul Allen, was joined by Caldecott Music Group and K3 Ventures in the round. The additional capital will enable BandLab to continue developing its musicsharing platform and services.





## Gaming Technology

### 100 Thieves Acquires Higround - October 2021

100 Thieves, a competitive eSports organization, acquired Higround, a provider of branded gaming keyboards. Higround offers a wide variety of gaming-oriented keyboards and associated hardware. The acquisition enables 100 Thieves to continue diversifying its product and service offerings away from its core eSports entertainment business.



### GN Store Nord (CPSE: GN) Acquires SteelSeries for \$1.2B - October 2021

GN Store Nord, a diversified holding company offering medical and audio solutions, acquired SteelSeries, a global leader in gaming peripherals offering a variety of hardware including headsets, mice, keyboards, consoles, and other gaming accessories, in a deal valued at \$1.2 billion (1.6x revenue, 12.6x EBITDA). The acquisition will enable SteelSeries to expand and improve upon its current offerings by providing the company with additional financial resources and industry expertise.



### FaZe Clan is Going Public via a \$1.0B SPAC - October 2021

FaZe Clan, a competitive eSports and branded gamer apparel company, announced that it would go public via SPAC in early 2022. FaZe Clan agreed to complete a reverse merger with B. Riley Principal 150 Merger Corp. in a deal that valued the company at \$1.0 billion. FaZe Clan is a leading player in the eSports apparel segment and the move signifies a maturation of the gaming industry.



### Razer's Executives and CVC Capital Partners Attempt to Take Firm Private - December 2021

Razer, a leading lifestyle brand for gamers that has successfully built an integrated gamer ecosystem offering hardware, software, and services to customers around the world, is in talks to be taken private by top company executives and private equity firm CVC Capital Partners. The potential deal valued the company at \$4.5 billion (1.9x revenue, 42.0x EBITDA).



### NZXT Receives a Minority Investment from Francisco Partners - December 2021

NZXT, a provider of award-winning products that allow for a personalized approach to building PCs, received a \$100 million investment from Francisco Partners, a technology-focused private equity firm. The investment will allow NZXT to bring on more senior talent, expand its product offerings to include new hardware categories, drive its direct-to-consumer offerings in new global markets, and focus on continuing to build the NZXT brand.



### Select Transactions

<p><b>BCD International</b></p> <p>has received a growth investment from</p> <p> <b>HIGH STREET CAPITAL</b> <small>Founded in 1997</small></p> <p>Advisor to BCD International</p>	<p><b>newair.</b></p> <p>has completed a majority recapitalization with</p> <p> <b>GUARDIAN CAPITAL PARTNERS</b></p> <p>Advisor to Newair</p>	<p></p> <p>has been acquired by</p> <p><b>NORITSU</b></p> <p>Noritsu Koki Co., Ltd. (TSE: 7744)</p> <p>Advisor to JLab Audio</p>	<p></p> <p>has received an investment from</p> <p></p> <p>Advisor to The Inception Company</p>
<p><b>KONTROLFREEK</b> </p> <p>has been acquired by</p> <p> <b>steelseries</b></p> <p>a portfolio company of</p> <p><b>-AXCEL</b></p> <p>Advisor to KontrolFreek, LLC</p>	<p> <b>The Music People</b></p> <p>has been acquired by</p> <p><b>JAM</b></p> <p>a subsidiary of</p> <p><b>DCC</b></p> <p>Advisor to The Music People</p>	<p>Disruptive Products, Inc. parent company of</p> <p> <b>TASTEMAKERS, LLC.</b> <small>SERVING THE TREND.</small></p> <p>creator of</p> <p><b>ARCADE 1UP</b></p> <p>has received an investment from</p> <p> <b>CENTRE PARTNERS</b></p> <p>Advisor to Disruptive Products</p>	<p></p> <p>has received structured growth capital from</p> <p><b>CORBEL</b> CAPITAL PARTNERS</p> <p>Advisor to The Inception Company</p>
<p><b>Westone</b></p> <p>a portfolio company of</p> <p><b>HealthEdge</b> INVESTMENT PARTNERS</p> <p>has sold its music division Westone Audio to</p> <p> <b>Lucid</b> <small>audio</small></p> <p>Advisor to Westone</p>	<p><b>SONANCE</b></p> <p>has acquired</p> <p> <b>James</b> LOUDSPEAKER</p> <p>Advisor to Sonance</p>	<p><b>9to5</b> seating</p> <p>has been acquired by</p> <p><b>Flol:</b></p> <p>a portfolio company of</p> <p><b>Triton</b></p> <p>Advisor to D3 Inc., dba 9to5 Seating</p>	<p> <b>lowepro</b>  <b>JOBY</b></p> <p>assets of</p> <p><b>DAYMEN</b></p> <p>have been sold to</p> <p> <b>VITEC GROUP</b> (LSE:VTC)</p> <p>Advisor to DayMen Acquisition S.A.</p>

### Select Transactions

 a portfolio company of  has been acquired by <b>logitech</b> (NASDAQ: LOGI) <b>Advisor to Blue Microphones</b>	 has received an investment from  Family Office Consortium <b>Advisor to Ember</b>	 has been acquired by  <b>REGIMEN PARTNERS</b> in partnership with Mike Belitz <b>Advisor to Radial Engineering</b>	 a portfolio company of  has been acquired by  <b>Advisor to VXI Corporation</b>
 a portfolio company of <b>BUNKER HILL CAPITAL</b> has been acquired by  a portfolio company of  <b>Advisor to SunBriteTV</b>	 Microphones a portfolio company of Transom Capital Group has been acquired by  <b>Advisor to Blue Microphones</b>	 has completed a senior and subordinated debt financing led by  <b>Advisor to PreSonus</b>	 has been acquired by  Digital Products International <b>Advisor to Amped Wireless</b>
 has been acquired by  an affiliate of <b>TRIVEST</b> <b>Advisor to Polk Holding Corp.*</b>	 a portfolio company of  has been acquired by Linear Corporation, a subsidiary of <b>NORTEK</b> <b>Advisor to SpeakerCraft*</b>	 a portfolio company of  has been acquired by  <b>Advisor to Ultimate Ears, LLC.*</b>	 a portfolio company of  has been acquired by  <b>Advisor to AAMP</b>

\*Transactions executed by principals of Intrepid while at prior firms.





## Commercial & Consumer Technology Team



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### About Intrepid's Commercial & Consumer Technology Practice

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, musical products, and residential and consumer technology. By focusing exclusively on these sectors, our industry bankers have a deep understanding of prevailing trends and value drivers.

**intrepidib.com** | Mergers & Acquisitions | Capital Markets | Strategic Advisory | A subsidiary of MUFG Union Bank

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