



COMMERCIAL & CONSUMER TECHNOLOGY

M&A Soundcheck – H2'22

Testing... Testing... Is Anyone There? – Deal Activity Slows Dramatically as Investors Look to 2023 for Clarity on Economic Outlook

Mergers & Acquisitions | Capital Advisory

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Testing... Testing... Is Anyone There? – Deal Activity Slows Dramatically as Investors Look to 2023 for Clarity on Economic Outlook

Historically, annual M&A activity peaks at year-end as buyers and sellers rush to close before the end of the tax year. However, in 2022, the market took an extended intermission late in the year as deal volumes compressed and investment bankers took (and enjoyed!) vacations over the holidays for the first time in a decade. Investor hesitancy was particularly centered on “consumer discretionary” companies as concerns over the demand outlook, sustained inflation, and the cumulative impact of higher rates cast doubts on company projections, leading to valuation gaps between buyers and sellers. While some transactions withstood repricings and made it to the finish line, many went on hold or were kicked to 2023 in anticipation of more clarity and / or improvement in the economic outlook.

Despite these market pressures, deal activity continued as strategic buyers enhanced their market share or capabilities with strategic acquisitions during the second half of 2022. AVI-SPL, a provider of professional audio and communications technologies backed by private equity firm Marlin Equity, continued its acquisition streak with the announced purchase of Multimedia, an integrator of audio / visual and IT equipment, to expand its foothold in Latin America. Sennheiser acquired Merging Technologies, a developer of digital audio workstations and other recording solutions. Most notably for Intrepid, in October, electronic instrument and technology leader Roland Corporation (TSE: 7944) acquired our client Drum Workshop, the leader in acoustic percussion, in a landmark sale that is expected to transform the industry and player experience as we know it.

As we look to 2023, keeping a tight pulse on the market and understanding key drivers and detractors of value are more pertinent than ever. If you are interested in learning more about what’s happening in consumer electronics, music products, professional A/V, residential technology, or commercial technology, or about potential M&A or capital raising options for your business, please do not hesitate to reach out.

Also, if you happen to be attending The NAMM Show in April, please join us for the inaugural Capital Summit panel session where we will engage in a dialogue with notable industry leaders. More information can be found here: <https://ww1.namm.org/playback/career-business/capital-summit-be-held-2023-namm-show>.

Thanks for reading!

A handwritten signature in black ink that reads "Gary Rabishaw".

Gary Rabishaw

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Pro Audio / Visual

Sennheiser Acquires Merging Technologies - July 2022

Sennheiser, a leading developer, manufacturer, and seller of professional audio products, acquired Merging Technologies, a provider of digital audio workstations and other recording systems based in Switzerland. The transaction is Sennheiser's first since completing the sale of its consumer audio brand to Sonova Holding (SWX: SOON) in March 2022. Acquiring Merging Technologies builds on Sennheiser's broader growth strategy in professional audio and will strengthen its digital workstream offerings.



CSD Group Acquires Omnicoustics - September 2022

CSD Group, a national provider of professional audio / visual, lighting, and acoustic design-build solutions, acquired Omnicoustics, a provider of professional audio / visual and lighting design-build services primarily focused on houses of worship and universities. The acquisition broadens CSD Group's geographic and end-market reach through Omnicoustics' network of integrators and strategic partners. This is CSD Group's first acquisition since it was acquired by SOLV Holdings, a private investment management company, in May 2022.



Britannia Row Productions Acquires Skan - September 2022

Britannia Row Productions, a provider of professional audio equipment and consulting services to the entertainment industry, acquired Skan, a provider of sound reinforcement services for concerts, events, and festivals. The acquisition is expected to unlock meaningful cost synergies, such as freight expenses, as both companies are based in the United Kingdom and serve similar clients. Skan will retain its brand going forward and will become part of the Clair Global family, which has been the parent company of Britannia Row Productions since May 2017.



Solutionz Acquires Spinitar - November 2022

Solutionz, a national integrator of professional audio / visual systems, acquired Spinitar, a regional integrator of audio / visual systems based in California. The transaction increases Solutionz's presence in the Western US and strengthens the company's offerings in work and education settings. Moreover, this marked Solutionz's second acquisition of 2022, further supporting the company's stated strategy of pursuing growth through acquisitions.



Legrand (XPAR:LR) Acquires Encelium Advanced Lighting Management (EALM) - December 2022

Legrand (XPAR:LR), a global provider of networking, electrical, and digital building infrastructure solutions, acquired EALM, a provider of lighting controls for buildings and facilities based in Canada. As a result of the acquisition, EALM, which generated over \$20 million in revenue in 2022, will become part of Legrand's Building Control Systems division. The transaction is part of Legrand's broader strategy to gain expertise and market share in the commercial lighting space.



AVI-SPL to Acquire Multimedia - December 2022

AVI-SPL, a global provider of audio / visual and communications technologies, announced that it will acquire Multimedia, an integrator of audio / visual and IT equipment for commercial and residential applications based in Mexico. The acquisition will enhance AVI-SPL's capabilities in Mexico and will augment its business presence in Latin America more broadly. Both companies had previously worked together on projects for blue-chip clients including Dell, Google, and Walmart. Following the transaction, Multimedia will conduct business under the AVI-SPL brand.



Pro Audio / Visual (Cont'd)

LumenRadio Completes Initial Public Offering - December 2022

LumenRadio, a Swedish provider of wireless product-to-product connection solutions, listed its shares on the NASDAQ Stockholm exchange under the ticker OM: LUMEN on December 8th, 2022. The IPO raised approximately \$25 million for the company, with the majority of proceeds going to existing shareholders. LumenRadio has around 60 employees and operates sales offices in Frankfurt, Germany and Boston, Massachusetts.



David Sheriff Acquires Parasound - December 2022

David Sheriff, an entrepreneur with substantial experience in manufacturing and distribution, acquired Parasound, a manufacturer of amplifiers and preamplifiers based in California. The deal comes as Richard Schram, who founded Parasound in 1981, announced his retirement. Schram chose Sheriff as his successor due to his growth strategy and his aversion to selling Parasound to a conglomerate in the space. Going forward, Sheriff plans to improve the company's processes and grow its sales channels.



AVI Systems to Acquire Neurilink - December 2022

AVI Systems, a global provider of audio / visual, digital media, and collaboration systems integration and related services for businesses, announced that it will acquire Neurilink, a designer and integrator of audio / visual systems serving workplaces in the Northwestern US. The acquisition provides AVI Systems with 28 additional offices across the US to help support the company's customers and operations nationwide.



Music Technology

ACT Entertainment Acquires Ultimate Support Systems - September 2022

ACT Entertainment, a manufacturer and distributor of live performance equipment, acquired Ultimate Support Systems, a provider of stands and accessories for musical instruments and live performances. The acquisition expands ACT's product offerings by bringing in a popular brand to be offered alongside other products from the company's third-party relationships. In addition, ACT's platform and resources will further enhance Ultimate Support Systems' product pipeline and development capabilities.



Pulse-Eight Group Acquires Gallo Acoustics - September 2022

Pulse-Eight Group, a developer and manufacturer of audio control and distribution systems, acquired Gallo Acoustics, a manufacturer of loudspeakers for home, commercial, and professional use based in the United Kingdom. The acquisition brings the first speaker brand to Pulse-Eight and strengthens the company's engineering capabilities. Gallo Acoustics' brand will also benefit from the reach of Pulse-Eight's global platform. Gallo Acoustics is known for mitigating sound distortion by designing its loudspeakers with proprietary spherical features.



Intrepid Advises Drum Workshop on Its Sale to Roland Corporation (TSE: 7944) - October 2022

Roland, a global provider of electronic musical instruments and technologies, acquired Drum Workshop, a leading designer, manufacturer, and distributor of drums, drum hardware, percussion instruments, and other related accessories. The acquisition unlocks compelling synergies for both companies, with Roland being the leader in digital drums and DW being the leader in acoustic percussion, and positions the platform to transform both the player experience and the industry more broadly in the coming years. [Intrepid Investment Bankers served as the exclusive financial advisor to Drum Workshop.](#)



Music Technology (Cont'd)

Coral Tree Partners Acquires AMI Entertainment Network - December 2022

Coral Tree Partners, a California-based private equity firm, acquired AMI Entertainment Network, a provider of digital jukeboxes and other entertainment solutions to venues in the digital music, video entertainment, and food services industries, from The Gores Group, a global investment firm. This marks AMI's fourth acquisition by a private equity group; first in 1998 by The Riverside Company, then in 2003 by Harbour Group, and again in 2017 by The Gores Group. Coral Tree's resources and deep knowledge across the media, entertainment, and communication sectors are expected to help accelerate AMI's growth going forward. AMI supports jukeboxes and video systems in over thirty thousand locations across North America and the United Kingdom, and the company is well known for its strong customer service.



Focusrite (AIM: TUNE) Acquires Sonnox - December 2022

Focusrite Group, a global provider of audio interfaces, synthesizers, and software, acquired Sonnox, a provider of audio processing plug-ins for professionals, for \$11 million. The transaction enhances Focusrite's music creation offerings for its customers and continues Focusrite's strategy of growth through M&A. The acquisition of Sonnox further complements Focusrite's March 2022 acquisition of Linea Research, a developer of professional audio equipment focused on amplifiers.



Consumer Technology

Amazon (NASDAQ: AMZN) to Acquire iRobot (NASDAQ: IRBT) - August 2022

Amazon, a leading online retailer and provider of web services, announced that it will acquire iRobot, maker of the robotic vacuum cleaner "Roomba" and other smart home devices, for \$1.7 billion in an all-cash transaction. The deal, which will be the fourth largest acquisition in Amazon's history, strengthens the company's hold on intelligent home solutions, which has raised concerns from regulators and the public, who are scrutinizing the transaction based on its size and consumer privacy concerns.



Hewlett-Packard (NYSE: HP) Completes Acquisition of Plantronics (NYSE: POLY) - August 2022

HP, a leading provider of diversified technology solutions, including computers, printers, and related supplies, acquired Plantronics, a provider of electronics and software solutions for workplace collaboration, for \$3.5 billion (~15.7x EBITDA). Motivated by the rise of the hybrid office and the growing need for having the highest-quality audio and video equipment, the Plantronics acquisition adds to HP's growth-oriented product portfolio and strengthens its footprint in hybrid work solutions and peripherals. HP expects to see \$500 million of revenue synergies delivered through the combination by 2025.



Embracer Group (OM: EMBRAC B) Acquires Giteck and Singtrix - August 2022

Embracer Group, a developer of videogames, board games, and other entertainment solutions offered through 850 owned franchises, announced the completion of several acquisitions, including Giteck, a UK-based provider of gaming peripherals, and Singtrix, a California-based provider of home karaoke systems. The two companies will become part of Embracer's recently established Embracer Freemode group, which provides capital and strategic support to some of Embracer's smaller gaming and entertainment companies. The announcement comes during a very acquisitive year for Embracer, months after the company acquired French board game publisher Asmodee for \$3.3 billion.



Consumer Technology (Cont'd)

Meta (NASDAQ: META) Acquires Lofelt - September 2022

Meta, a leading provider of social network and technology solutions, acquired Lofelt, a German developer of haptic technologies for virtual reality applications. The transaction continues Meta's strategy of expansion in the virtual reality space by acquiring VR studios and hardware companies. Lofelt has roughly 25 employees and is known for its wearable subwoofer haptic wristband called the Basslet.



MilDef Group (OM: MILDEF) Acquires Handheld Group - September 2022

MilDef Group, a Swedish developer, manufacturer, and seller of rugged electronics and software for military applications, acquired Handheld Group, a developer, marketer, and seller of rugged tablets and wearables for harsh environments. The acquisition strengthens MilDef's product portfolio while broadening the company's international reach, most notably in the US.



Ultimaker Merges with MakerBot - September 2022

Ultimaker, a developer of 3D printers and software for commercial applications, merged with MakerBot, a developer of 3D printers and software for offices, classrooms, and homes. The merger bolsters the two companies' product portfolios and combines their R&D efforts to enhance new product development. The newly formed company will operate under the Ultimaker brand. MakerBot's CEO, Nadav Goshen, will lead the combined company, while Ultimaker's CEO, Jürgen von Hollen, will stay on for a transition period.



B. Riley Financial (NASDAQ: RILY) Acquires Targus - October 2022

B. Riley Financial, a provider of diversified financial services, acquired Targus, a designer and manufacturer of accessories for laptops, tablets, and other consumer electronics, for approximately \$250 million. The transaction continues B. Riley's strategy of leveraging excess capital to acquire companies with strong cash flows through an accretive acquisition that complements the company's other investments and offerings in the space. Targus sells its products in over 100 countries and has more than 24 offices globally.



Francisco Partners Invests in Glorious - November 2022

Francisco Partners, a California-based private equity firm, provided growth capital to Glorious, a developer of PC hardware and related peripherals. The capital will help Glorious continue developing its gaming peripherals portfolio, enter new product categories, and expand to new geographies. This investment is the first time Glorious has taken outside capital since its founding in 2014. Pat Wachendorf, former CEO of SteelSeries, will replace Glorious' Founder and CEO Shazim Mohammad, who will remain a significant shareholder of the company.



Newtech Holdings Acquires Craig Electronics - November 2022

Newtech Holdings, a private holding company that operates consumer products businesses, acquired Craig Electronics, a provider of consumer audio electronics including boomboxes, headphones, speakers, tablets, and DVD players. Newtech's management previously operated Craig Electronics before exiting the company in 2019. Craig Electronics sells its own branded products, as well as other licensed and private-label products.



eEducation Albert (OM: ALBERT) to Acquire Strawbees - December 2022

eEducation Albert, a provider of subscription-based digital learning services for children, announced that it will acquire Strawbees, a developer of children's educational products and software focused on programming and engineering skills. The transaction is expected to create meaningful cross-selling opportunities and operational efficiencies between Strawbees and eEducation Albert's Sumdog subsidiary, which was acquired in March 2022.



Residential Technology

Wipliance Acquires Huppin's - July 2022

Wipliance, a leading provider of smart home and commercial automation solutions specializing in audio / visual, theater, lighting, and shading applications, acquired Huppin's, a 114-year-old family-owned business providing full-service residential and commercial technology custom integration solutions including consultations, system and lighting design, and monitoring. The acquisition combines the resources of two of the most prominent custom installation companies in the Northwestern US. Huppin's online division, OneCall, was not included in the transaction and will continue to be led by Murray Huppin.



Resideo (NYSE: REZI) Acquires Electronic Custom Distributors - July 2022

Resideo, a leading developer, manufacturer, distributor, and seller of home comfort, commercial and residential security, and audio / visual products, acquired Electronic Custom Distributors, a distributor of residential audio, video, automation, security, and telecommunications products. Electronic Custom Distributors has four branches serving audio / visual contractors across Texas, Oklahoma, Louisiana, and Arkansas. The deal marks the fifth acquisition for Resideo's distribution business since 2020 and will further bolster the company's customer and supplier relationships while expanding its product portfolio.



JLL (NYSE: JLL) Acquires Envio Systems - July 2022

JLL, a provider of real estate and investment management services, acquired Envio Systems, a provider of IoT building control systems that support more efficient and sustainable operations. Envio Systems utilizes data to provide predictive analytics and improve building automation. These capabilities will enhance and be integrated with JLL's recent investments in technology-enabled service delivery, including Dynamic Occupancy Management and Dynamic Cleaning.



Guitar Center Business Solutions Acquires Cutting Edge Systems - August 2022

The Business Solutions division of Guitar Center, a leading retailer of musical instruments and integrator of audio / visual systems, acquired Cutting Edge Systems, an integrator of commercial and residential audio / visual systems based in New England. Cutting Edge Systems will be brought under the umbrella of Audio Visual Design Group (AVDG), a commercial and residential audio / visual systems integrator that has operated under Guitar Center since 2017. The transaction is the second major expansion in the Northeastern US for AVDG, following the acquisition of Maverick Integration Corp. in February 2020.



Snap One (NASDAQ: SNPO) Acquires Clare Controls - August 2022

Snap One, a provider of audio / visual, control, security, and networking products for professional integrators, acquired Clare Controls, the developer of ClareOne, a smart home and security system that was built to bridge the gap between security and smart living. Snap One has had an exclusive distribution partnership with Clare Controls since 2019. Through the acquisition, Snap One has made the ClareOne offering a permanent part of its product catalog to ensure it can continue providing quality solutions to its partners for every type of job or project.



ASSA ABLOY (OM: ASSA B) Acquires Bird Home Automation - October 2022

ASSA ABLOY, a Swedish conglomerate specializing in access essentials including mechanical and digital locks, cylinders, keys, tags, security doors, and automated entrances, acquired Bird Home Automation, developer of the video door intercom DoorBird. The acquisition of DoorBird reinforces ASSA ABLOY's door intercom offerings and provides complementary growth opportunities for both entities.



Residential Technology (Cont'd)

NRG Energy (NYSE: NRG) to Acquire Vivint Smart Home - December 2022

NRG Energy, one of the nation's largest independent power producers, announced that it will acquire Vivint Smart Home, a leading provider of smart home products and services, for \$2.8 billion in an all-cash transaction (~6.3x run-rate EBITDA). The transaction accelerates NRG's strategy of diversifying away from its core electricity generation business to focus on retail consumers and is expected to close in the first quarter of 2023.



Security

Securitas (OM: SECU B) Acquires Stanley Security - July 2022

Securitas, a Swedish provider of diverse security services ranging from remote video solutions to manned guards, acquired Stanley Security, a provider of tech-enabled security services. The \$3.2 billion acquisition will enhance Securitas' electronic security services and reduce its reliance on staff-intensive guarding. The combined company will now generate approximately 50% of its profit from sales of higher-margin technology solutions.



The Carlyle Group (NASDAQ: CG) Acquires Mantech - September 2022

The Carlyle Group, a leading global investment firm, acquired Mantech, a provider of technology solutions and services focused on cybersecurity, cloud computing, data analytics, software development, managed services, and intelligence analysis for clients in the government and commercial sectors, in an all-cash transaction representing a total enterprise value of \$4.2 billion. The Carlyle Group will utilize its extensive resources and deep sector expertise to help accelerate Mantech's growth in the coming years.



Tech Systems Merges with Securitronics - September 2022

Tech Systems, a leading integrator of security systems, merged with Securitronics, a provider of a full range of residential and commercial security solutions including burglar alarms, intrusion detection, video surveillance, and other related offerings. In 2015, Tech Systems became a 100% employee-owned company, which was an appealing model for Securitronics. Following the merger, Tech Systems will bring the Securitronics team into the employee ownership program based on employees' tenures, and the combined company will continue to operate under the Tech Systems name.



Thoma Bravo Completes Take-Private of Ping Identity (NYSE: PING) - October 2022

Thoma Bravo, a leading software investment firm, acquired publicly-traded Ping Identity, a provider of identity verification and risk management technologies, in an all-cash transaction valued at approximately \$2.8 billion. Thoma Bravo's investment will help accelerate Ping Identity's growth to better serve global enterprises with their digital transformation processes.



Knightscope (NASDAQ: KSCP) Acquires CASE Emergency Systems - October 2022

Knightscope, a developer of autonomous security robots, acquired CASE Emergency Systems, a manufacturer and seller of blue light emergency phones and wireless emergency communication technologies. The acquisition will provide Knightscope with a strategic entry into a nationwide market through CASE's client base, which includes airports, law enforcement agencies, universities, and the US federal government, among others. CASE's CEO will join Knightscope as Senior Vice President of Public Safety Infrastructure Development as part of the deal.



Security (Cont'd)

Alarm.com (NASDAQ: ALRM) Acquires Noonlight - October 2022

Alarm.com, a provider of cloud-based remote control, home automation, and monitoring services, acquired Noonlight, a developer of connected safety and event management solutions with emergency response capabilities. Noonlight, previously known as SafeTrek, was launched in 2014 as a personal safety mobile application and has since grown into a connected safety platform that has attracted over 3.5 million app users. Following the acquisition, the Noonlight management team will continue to lead the company from its current headquarters in St. Louis.



Wind Point Partners Acquires Envera Systems - November 2022

Wind Point Partners, a Chicago-based private equity firm, acquired Envera Systems, a leading provider of automated and software-enabled security, visitor management, access control, and remote video monitoring solutions for community associations. The company's solutions are used by gated communities and homeowners' associations across Florida and Texas. The acquisition will accelerate Envera Systems' growth into new geographies.



Wittenbach Acquires The Gilbertson Group - December 2022

Wittenbach, a provider of cash automation, physical security, and electronic security products, acquired The Gilbertson Group, a provider of security system integration, retail delivery, and security consulting solutions, via its financial sponsor Argosy Private Equity. The acquisition will enhance Wittenbach's product and service offerings while expanding the company's footprint across Pennsylvania, Delaware, and Maryland.



ASSA ABLOY (OM: ASSA B) Acquires Janam Technologies - December 2022

ASSA ABLOY, a Swedish conglomerate specializing in access essentials including mechanical and digital locks, cylinders, keys, tags, security doors, and automated entrances, acquired Janam Technologies, a provider of handheld mobile computers and readers used for scanning tickets using barcode technology. Janam will become a part of HID Global, ASSA ABLOY's US-based subsidiary that manufactures secure identity products. HID will leverage Janam Technologies' mobile reader technology to improve event experiences for millions of spectators around the world.



Select Transactions

 <p>has been acquired by</p>  <p>(TSE: 7944)</p>	<p>BCDInternational</p> <p>has received a growth investment from</p> 	 <p>has completed a majority recapitalization with</p> 	 <p>has been acquired by</p>  <p>Noritsu Koki Co., Ltd. (TSE: 7744)</p>
 <p>has received an investment from</p> 	 <p>has been acquired by</p>  <p>a portfolio company of</p> 	 <p>has been acquired by</p>  <p>a subsidiary of</p> 	<p>Disruptive Products, Inc. parent company of</p>  <p>creator of</p>  <p>has received an investment from</p> 
 <p>a portfolio company of</p>  <p>has sold its music division Westone Audio to</p> 	<p>SONANCE</p> <p>has acquired</p> 	 <p>a portfolio company of</p>  <p>has been acquired by</p>  <p>(NASDAQ: LOGI)</p>	 <p>assets of</p> <p>DAYMEN</p> <p>have been sold to</p>  <p>(LSE:VTC)</p>

Select Transactions

 <p>has received structured growth capital from</p> 	 <p>has been acquired by</p>  <p>a portfolio company of</p> 	 <p>has been acquired by</p>  <p>in partnership with Mike Belitz</p>	 <p>a portfolio company of</p>  <p>has been acquired by</p> 
 <p>a portfolio company of</p>  <p>has been acquired by</p>  <p>a portfolio company of</p> 	 <p>a portfolio company of</p> <p>Transom Capital Group</p> <p>has been acquired by</p> 	 <p>has completed a senior and subordinated debt financing led by</p> 	 <p>has been acquired by</p>  <p>Digital Products International</p>
 <p>has been acquired by</p>  <p>an affiliate of</p> 	 <p>a portfolio company of</p>  <p>has been acquired by</p> <p>Linear Corporation, a subsidiary of</p> 	 <p>a portfolio company of</p>  <p>has been acquired by</p> 	 <p>a portfolio company of</p>  <p>has been acquired by</p> 

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



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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.

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