



Commercial &
Consumer Technology
M&A Soundcheck 2H 2023

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Stakeholders Across Commercial & Consumer Technology Sectors Display Optimism Despite a Lackluster 2023

2023 proved to be a challenging year for many companies operating in the commercial and consumer technology verticals we cover. For many businesses, 2023 was a year of operational normalization, balance sheet right-sizing, and strategic repositioning after the unprecedented volatility and disruptive conditions that surrounded the pandemic and subsequent supply chain fiasco. At the same time, market uncertainty, heightened costs of capital, and other headwinds depressed M&A volumes more broadly, though several strategic acquirors and a handful of investors remained acquisitive, particularly in high-performing verticals like professional A/V and live event technologies.

Private Equity continued to demonstrate its attraction to the pro A/V space as evidenced by a few prominent deals in 2023, including Providence Equity Partners' acquisition of d&b Group, Court Square's acquisition of Chauvet Lighting, and Francisco Partners' backing of Muse Group to acquire Hal Leonard.

Despite recent trials and tribulations, a common theme emerged through our recent conversations with industry stakeholders at CES and NAMM: **While 2023 was tough, there is much to look forward to in 2024.** Although some recessionary concerns linger, the market has adopted a more optimistic outlook, particularly as inflation has seemingly been tamed and consumer sentiments improve across the market. Moreover, many companies now find themselves better positioned for long-term, profitable growth after implementing strategic changes over the last year to drive operational efficiencies. Paired with pent-up demand for innovative, high-quality assets and robust capital availability, these trends should drive a meaningful rebound in industry M&A in 2024.

If you are interested in learning more about what's happening in consumer electronics, music technology, professional A/V, residential technology, or security technology, or about potential M&A or capital raising options for your business, please do not hesitate to reach out.

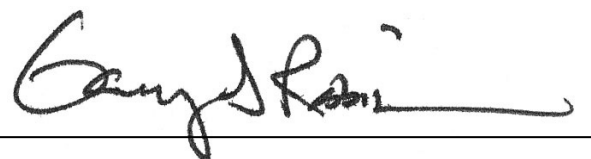
Thanks for reading!

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Consumer Technology

CORSAIR (NASDAQ: CRSR) Acquires Drop – July 2023

CORSAIR, a leading provider of gear and technology for gamers, content creators, and PC enthusiasts, acquired Drop, a provider of gaming peripherals that specializes in customizable DIY mechanical keyboards and switches. CORSAIR aims to capitalize on the growing trend of personalized keyboards within the gaming community. The company expects significant growth from the Drop brand as it integrates it into its global sales network. The Drop team will operate as a separate division within CORSAIR and will continue to sell products and provide customer support under the Drop brand.



Logitech (NASDAQ: LOGI) Acquires Loupedeck – July 2023

Logitech, a leading provider of keyboards, mice, webcams, and audio devices for consumers and businesses, acquired Loupedeck, a provider of custom consoles and software for streamers, creators, and gamers based in Finland. The acquisition will strengthen Logitech's hardware offerings by bringing on Loupedeck's popular products and enhancing them with Logitech's Streamlabs creator software.



Sony (NYSE: SONY) Acquires Audeze – August 2023

Sony Interactive Entertainment, Sony's gaming and entertainment division that oversees the PlayStation line, acquired Audeze, a provider of headphones for gaming and professional audio markets based in California. Distinguished by its use of planar magnetic drivers, Audeze's technology and expertise will strengthen the audio experience of PlayStation's ecosystem. Audeze will continue to operate independently and make products for other platforms.



Microsoft (NASDAQ: MSFT) Acquires Activision Blizzard – October 2023

Microsoft, a cloud, computing, and gaming technology company, acquired Activision Blizzard, a leading publisher of interactive entertainment for console, mobile, and PC platforms, for \$68.7 billion. The transaction overcame 20 months of regulatory battles both in the US, where the companies ultimately beat the FTC in court, and in the UK, where the deal was restructured to appease regulators. The deal makes Microsoft the third-largest gaming company in the world behind Tencent and Sony. Microsoft will welcome over 8,500 employees from Activision, and it plans to incorporate several games from Activision Blizzard into Xbox Game Pass.



Music Technology

B&C Speakers (MIL: BEC) Acquires Eminence Speaker – September 2023

B&C Speakers, an Italian manufacturer of loudspeakers, acquired Eminence Speaker, a manufacturer of professional audio and guitar amplification loudspeakers based in Kentucky. The deal bolsters B&C's product portfolio and strengthens its position in the United States, where the company is relatively underpenetrated in the musical instrument space. The transaction includes Eminence's manufacturing facilities in Dongguan, China.



STG Acquires Avid Technology – November 2023

Symphony Technology Group, a private equity firm based in California, acquired Avid Technology, a provider of audio and video editing software for the media and entertainment industries, for \$1.4 billion in an all-cash transaction. The take-private transaction partners Avid with an experienced technology investor following decades of being publicly traded. Avid debuted on the NASDAQ exchange in 1993.



Harman Acquires Roon & Flux – November & December 2023

In November, Harman, a subsidiary of Samsung Electronics that provides audio electronics for automotive, consumer, and enterprise markets, acquired Roon, a music management, discovery, and streaming platform for enthusiasts. Then, in December, Harman Professional acquired Flux, a provider of immersive audio production and plug-in solutions. The Roon transaction enhances Harman's ability to create audio experiences for consumers by integrating the Roon platform and engineering team into the company, while the Flux transaction augments the company's suite of professional offerings.



Francisco Partners Backs Muse Group to Acquire Hal Leonard – December 2023

Muse Group, a leading provider of music creation tools and software, acquired Hal Leonard, a leading publisher of sheet music and educational content, in a transaction backed by private equity firm Francisco Partners. The acquisition brings together two industry giants: Hal Leonard, which holds exclusive licensing agreements with renowned artists such as Taylor Swift and The Beatles, and Muse Group, which maintains a user base of over 40 million accounts on its platform. This deal marks yet another music industry investment by Francisco Partners, who is also the backer of the Soundwide platform (formerly Native Instruments and iZotope).



Pro Audio/Visual

Providence Equity Partners Acquires d&b Group – July 2023

Providence Equity Partners, a private equity firm based in Rhode Island, acquired d&b Group, a provider of professional audio systems for venues and live events, from Ardian, a French private equity firm. The transaction partners d&b with another financial backer possessing deep expertise in music, events, and entertainment. In addition to its investment in the music and audio industry titan Sweetwater, Providence has current investments in TAIT, a provider of engineering and technology solutions to the live entertainment industry, Superstruct Entertainment, an operator of festivals and music events globally, and Clarion, an operator of events and media brands across several verticals.



AVPro Global Acquires AudioControl's Home Audio Division – August 2023

AVPro Global, a provider of professional audio/visual solutions for residential, commercial, and entertainment markets, acquired the Home Audio division of AudioControl, a provider of audio/visual amplifiers, processors, receivers, and signal extenders. The division was sold by AAMP Global, a manufacturer of vehicle aftermarket technology, who acquired AudioControl in 2022. The transaction bolsters AVPro's equipment offerings and unlocks near-term synergies between the two businesses' production, technical support, and customer service teams.



Garmin (NYSE: GRMN) Acquires JL Audio – September 2023

Garmin, a provider of GPS navigation and wearable technologies spanning automotive, marine, outdoors, and sports applications, acquired JL Audio, a manufacturer of speakers, amplifiers, and subwoofers for marine, automotive, and consumer applications. The acquisition provides Garmin with a premium audio brand that the company can leverage across the markets it serves. JL Audio will retain its brand and continue to operate out of its headquarters in Miramar, Florida.



DiGiCo Acquires Fourier Audio – October 2023

DiGiCo, a British manufacturer of digital mixing consoles within the private equity-backed Audiotonix platform, acquired Fourier Audio, a live sound software developer and manufacturer based in the UK. The acquisition reinforces DiGiCo's commitment to live sound innovation following the company's acquisition of KLANG:technologies in 2018. DiGiCo will be able to provide users with a larger portfolio of audio plug-ins and access to new avenues for collaboration. The deal is DiGiCo's second transaction in 2023, having acquired sonible, a developer of AI-based assistive mixing plugins and related hardware, in June.



Shure Acquires Wavemark – October 2023

Shure, a manufacturer of microphones, headphones, speakers, and other professional audio products, acquired Wavemark, a provider of software solutions for theater, broadcast, and content streaming applications in Finland. The acquisition positions Shure to provide audio engineers with a comprehensive solution for managing audio sources at each phase of production. The transaction comes three years after Shure's initial investment in Wavemark in 2020.



WAVEMARK

RØDE Microphones Acquires Mackie – December 2023

RØDE, a provider of microphones, headphones, interfaces, and other professional audio products, acquired Mackie, a manufacturer of mixers and loudspeakers for home, studio, and stage use, for \$120 million. The transaction accelerates RØDE's global expansion while diversifying the company's product portfolio. Mackie will benefit from RØDE's manufacturing and technological capabilities as the company looks to accelerate its product roadmap in 2024.



Focusrite (AIM: TUNE) Acquires OutBoard – December 2023

Focusrite Group, a global leader in audio interfaces, synthesizers, and software, acquired Outboard, a manufacturer of rigging control products for live events based in the UK, for \$3 million. The acquisition continues Focusrite's strategy of growth through M&A and expands the company's product offerings and market reach. Outboard's product lines complement Focusrite's existing Audio Reproduction business, as their products are often used alongside products of Martin Audio, which Focusrite acquired in 2019.



Security Technology

SoundThinking (NASDAQ: SSTI) Acquires SafePointe – August 2023

SoundThinking, a provider of public safety technology solutions for law enforcement and community assistance groups, acquired SafePointe, a provider of weapons detection solutions for venues. SafePointe's AI-based platform is recognized for discreet weapons detection without compromising the visitor experience. The acquisition achieves several strategic goals for SoundThinking, including entering the weapons detection market, growing the company's customer base, and unlocking SaaS revenue.



Triton Partners Acquires Wavelynx – October 2023

Triton Partners, a private equity firm based in Luxembourg, acquired Wavelynx, a provider of readers, controllers, and mobile credential solutions for the access control market. Triton's investment will be used to develop new technologies, scale operations, and explore potential acquisition opportunities. The transaction partners Wavelynx with a seasoned investor in the physical security market. In 2021, Triton acquired Acre, a provider of digital and physical security solutions for enterprises.

Triton



Honeywell (NASDAQ: HON) to Acquire Carrier Global's (NYSE: CARR) Global Access Solutions Business – December 2023

Honeywell, a leading provider of industrial products and technology for diverse end-markets, including commercial buildings, announced an agreement to acquire the Global Access Solutions business of Carrier Global for \$4.95 billion in an all-cash transaction. The purchase price represents ~13x 2023 expected EBITDA, inclusive of tax benefits and run-rate cost synergies. Expected to close by the end of the third quarter of 2024, the transaction aligns Honeywell with its strategic focus on key identified megatrends around automation and digitalization.

Honeywell



Motorola Solutions (NYSE: MSI) Acquires IPVideo – December 2023

Motorola Solutions, a provider of safety technology solutions, acquired IPVideo, a provider of advanced sensors that detect health and safety threats in real-time. IPVideo's HALO Smart Sensor detects for vaping, gunshots, motion, emergency keywords, and air quality hazards. The acquisition brings non-video threat detection capabilities into Motorola's product suite, which are important for areas where cameras cannot be installed (i.e. restrooms, hotel rooms, etc.). This is in-line with the company's strategic goal of providing end-to-end physical security solutions.





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 global relationships cultivated over many years of dedicated coverage. Target sectors include professional and consumer audio/visual products and services, musical products, security, and commercial and residential technologies. By focusing on these sectors and maintaining an ongoing dialogue with relevant industry acquirors, our bankers understand prevailing trends and value drivers in these sectors, enabling us to credibly articulate our client's vision and story to buyers and investors.



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has sold its music division Westone Audio to



has acquired



a portfolio company of



has been acquired by



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