



Action Report

PROFESSIONAL AUDIOVISUAL INDUSTRY ACTIVITY REPORT

January 2022



**SOLOMON
PARTNERS**




















January 2022

SPECIAL HIGHLIGHTS IN THIS ISSUE

- AV Industry Rebounding from COVID Challenges
 - AV Powering New Hybrid Workplaces
 - AV Recent Earnings Summary & Commentary
 - AV Industry Experiencing Consolidation
 - AV Industry Trading and Valuation Update
-

Recent Solomon Partners Transactions

<p>PENDING \$3,500,000,000</p> <p> DIGITAL REALTY</p> <p>Acquisition of a majority stake in</p> <p> TERACO DATA ENVIRONMENTS</p> <p>Serving as financial advisor to Digital Realty</p>	<p>PENDING \$705,000,000</p> <p> ARIES</p> <p>Serving as financial and capital markets advisor to Aries I Acquisition Corporation on its merger with Infinite Assets</p>	<p>PENDING \$4,800,000,000</p> <p> CC NEUBERGER PRINCIPAL HOLDINGS II</p> <p>Combined with</p> <p> gettyimages</p> <p>Serving as a financial advisor providing a fairness opinion to the Board of CC Neuberger</p>
<p>DECEMBER 2021</p> <p> KÖRBER</p> <p>Sold a significant minority stake of its supply chain business to</p> <p> KKR</p> <p>Served as financial advisor to Korber</p>	<p>DECEMBER 2021</p> <p> save a lot</p> <p>Sale of 33 stores to</p> <p> ASCEND GROCERY LLC</p> <p>Served as financial advisor to Save A Lot</p>	<p>DECEMBER 2021</p> <p> BOXED</p> <p>Merger with</p> <p> SEVEN OAKS ACQUISITION CORP</p> <p>Served as financial advisor to Boxed</p>
<p>DECEMBER 2021</p> <p> Propex GEOSOLUTIONS</p> <p>Sale to</p> <p> SOLMAX</p> <p>Served as financial advisor to Propex</p>	<p>NOVEMBER 2021</p> <p> toolsgroup Be ready for anything</p> <p>Received an investment from</p> <p> AKKR ACQUISITION</p> <p>Served as financial advisor to ToolsGroup</p>	<p>NOVEMBER 2021</p> <p> adams</p> <p>Strategic Investment by</p> <p> SEARCHLIGHT BCI</p> <p>Served as financial advisor to Adams Outdoor</p>

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AV Industry Experiencing Meaningful Recovery

Continued rebound from the pandemic

FUTURE GROWTH

- Despite an initial decline in the overall market in 2020, the AV industry has bounced back well in 2021
 - AV revenues expected to grow by 8.5% in 2021
- Strong 5-year outlook as trends accelerated by the pandemic, such as hybrid work environments and adoption of touchless digital solutions, are poised to serve as important industry tailwinds

OPPORTUNITIES IN COVID WORLD

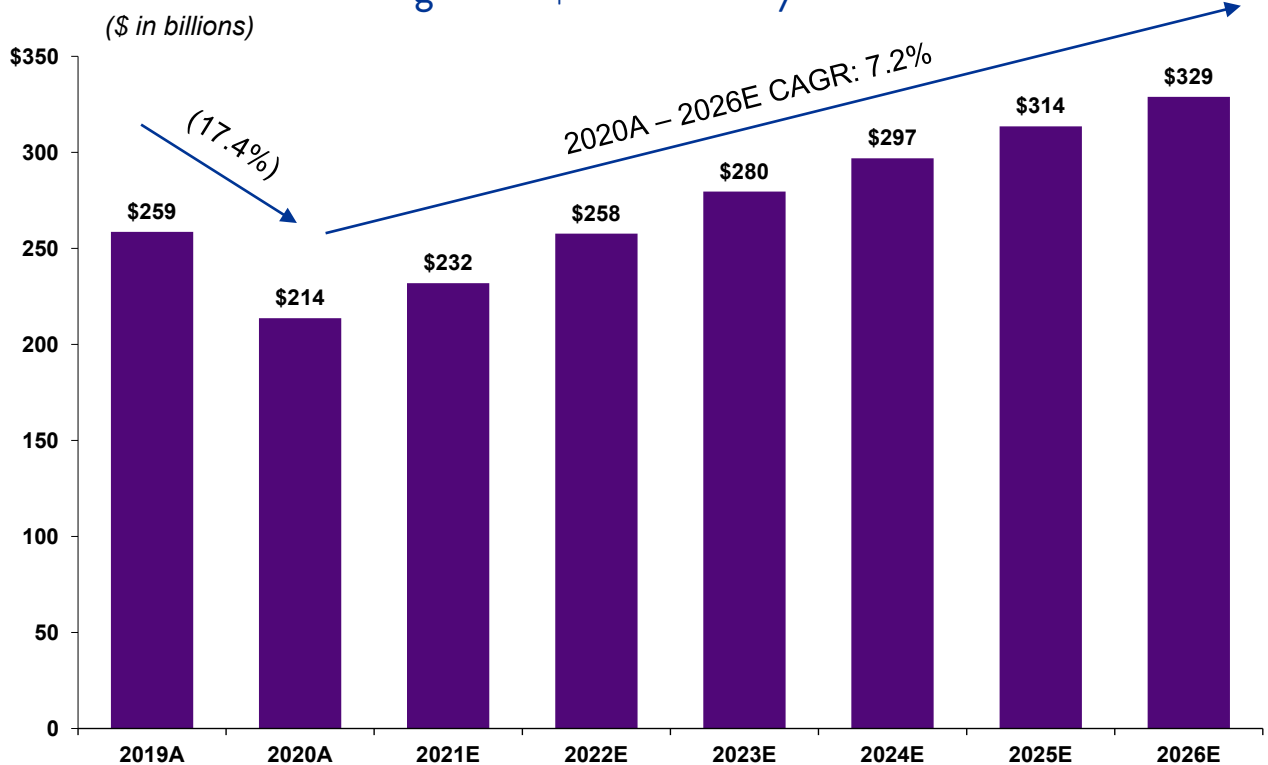
- Shift to hybrid in and out of office work environments has required companies to invest in solutions that balance collaboration and safety
- AV professionals have found themselves in a position to offer services and technology as one way to mitigate challenges
- Education and public event spaces will also need new AV offerings

PROLIFERATION OF AV TECHNOLOGY IN RETAIL

- Companies are placing an increasing emphasis on the value of AV technology to drive revenue
 - Retail businesses are using AV technology as a differentiator to stand out from the competition and drive traffic
- Adoption primed to accelerate as AV technology becomes more flexible, user friendly and interactive

Professional AV Industry Expected To Recover By 2022

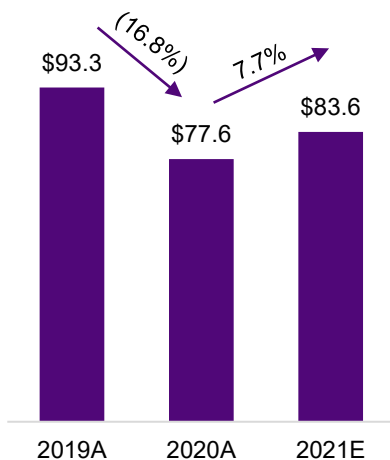
Industry expected to return to 2019 market size by 2022
and grow to \$329 billion by 2026^(a)



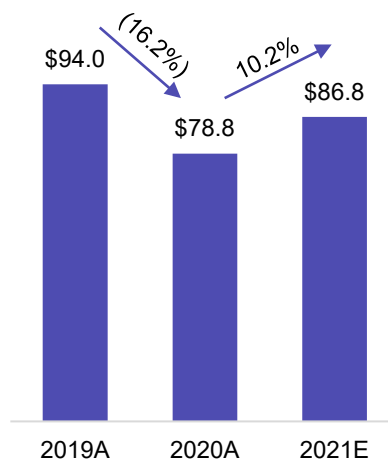
But the rate of recovery is uneven across regions

- 1 EMEA was the hardest hit due to a more challenged economy going into COVID
- 2 Americas was bolstered by a strong first quarter in 2020 and has recovered well in 2021
- 3 APAC's decline is projected to be less severe than initial expectations with China having taken early and effective preemptive measures for COVID

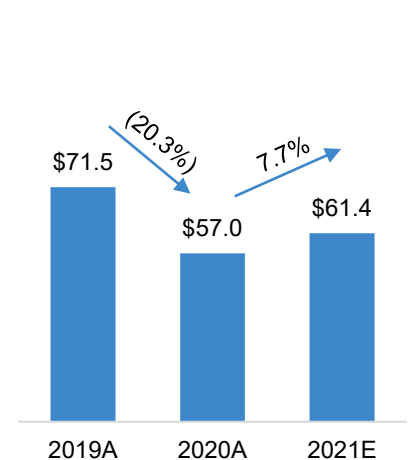
Americas



APAC



EMEA



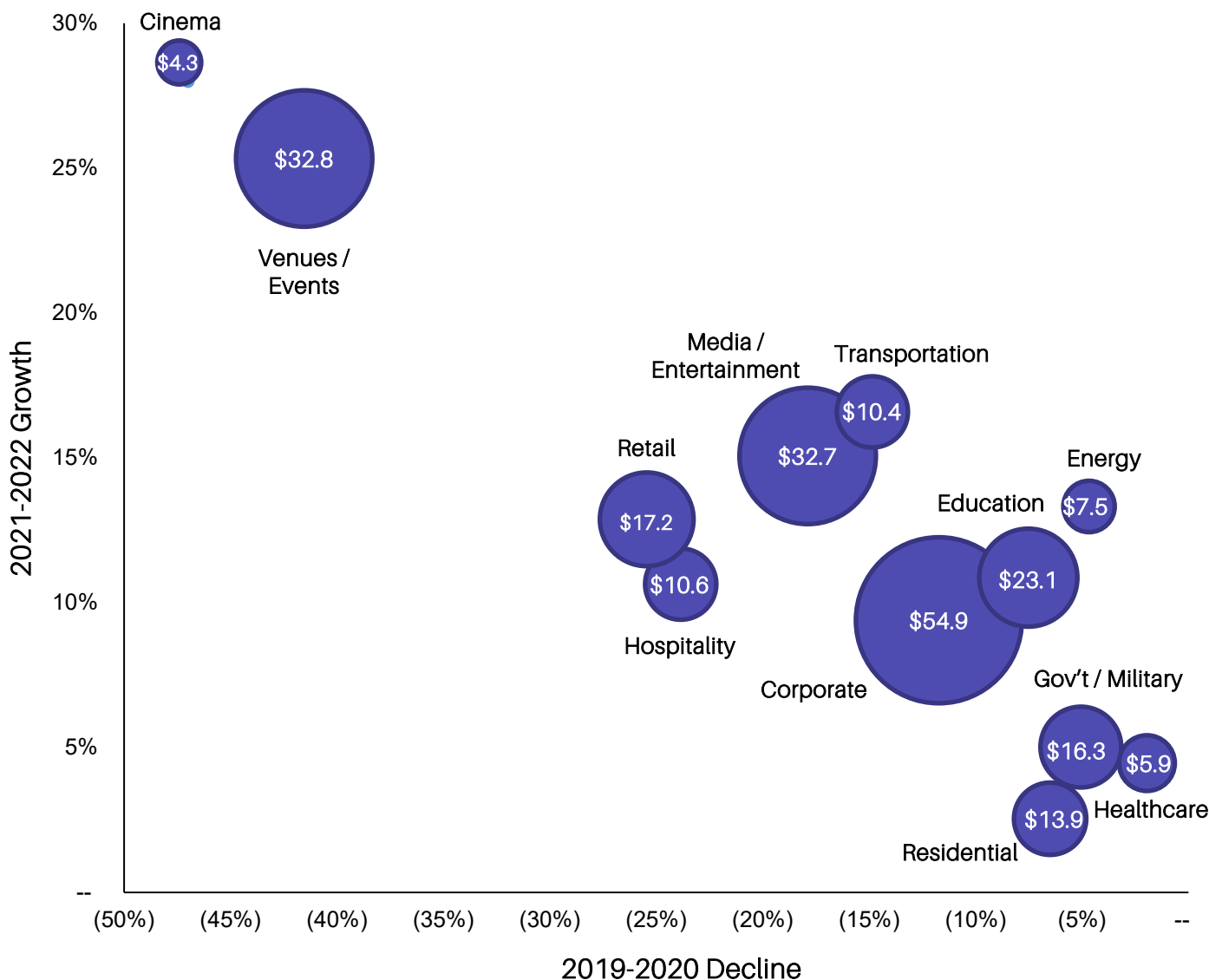
Source: AVIXA Research.

a) Represents global market figures and estimates.

AV Market Impact and Outlook by Vertical

- Industries that require large physical gatherings were hit especially hard during 2020
- Cinema and Venues / Events declined more than 40% in 2020, but are expected to grow the fastest in 2022
- All AV verticals expected to grow in 2022

(Bubble Size represents 2019 revenue in \$ billions)



Source: AVIXA Research.

Growth Across Select AV End Markets

Pandemic impact and subsequent recovery has been uneven across end-markets with some sectors being positively affected (conferencing & collaboration) and others negatively affected (live events)

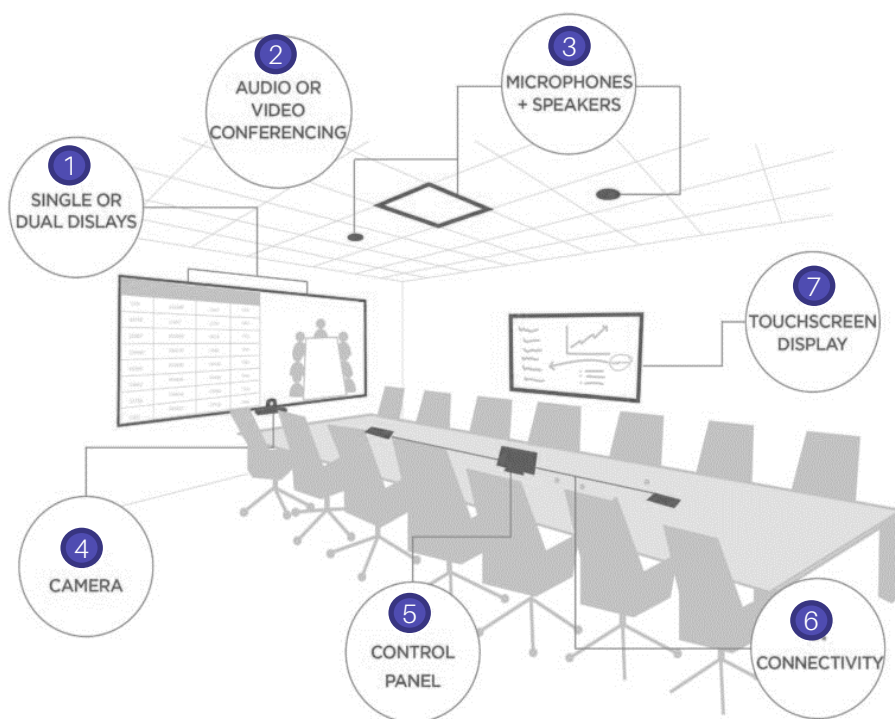
End Market	Commentary	2021E Revenue	2021E – 2026E CAGR
Conferencing & Collaboration	Generated highest revenue of any end market in 2021 driven by remote working / learning in response to COVID	\$43.5B	2.8%
Digital Signage	Signage market was strong going into the pandemic as display prices have encouraged proliferation; residual demand poised to propel the solution area	\$32.0B	6.9%
Content Management Hardware	Expected to generate strong revenue growth as demand for management solutions increases with further AV penetration	\$62.3B	10.4%
Live Events	Most impacted end market in 2020; forecasted to experience the slowest recovery to pre-pandemic levels, but expected to achieve record revenue over the next couple years	\$16.8B ^(a)	15.1% ^(a)
Performance / Entertainment Solutions	Along with live events, one of the end markets most impacted by COVID, but expected to rebound well with pent-up demand for live entertainment	\$15.3B ^(a)	14.9% ^(a)

Source: AVIXA Research.

a) Estimation based on 2020 expected decline and average CAGR from 2020 – 2026.

AV Technology Becoming Further Integrated within Workplaces

Conference rooms equipped with audiovisual technology create a seamless hybrid work environment



- 1 **Single / Dual Displays:** large, high-definition displays enable colleagues to see each other during video-calls
- 2 **Audio / Video Conferencing:** conference rooms are equipped with Zoom, Microsoft Teams, or other platforms to enable communication with remote colleagues and clients
- 3 **Microphone / Speakers:** high-quality microphone / speakers and correct installation—in ceiling, on-table, or sound bar below the display—have a significant impact on the conference room experience
- 4 **Camera:** rooms staged for video conferencing require a camera, which is typically situated under the display
- 5 **Control Panel:** functions as the control center for the audiovisual system in the room – the user interface is critical for creating a seamless experience
- 6 **Connectivity:** wireless, wired, or a combination of wired and wireless connectivity enable video conferencing, and presenting
- 7 **Touchscreen Display:** interactive whiteboards are valuable tools for collaboration

Source: Neurilink.

2022 AV Trends

Spaces and events are increasingly being designed with an emphasis on audiovisual technology to enhance the visitor / customer experience

VIDEO WALLS / VISUAL EXPLOSIONS

- Spaces requiring video displays will increasingly opt for video walls over projection screens, as costs are similar and video walls offer more benefits, including higher resolution and better user experience
- Visual explosions, or highly eye-catching content, on video walls is a simple and effective way to capture people's attention



AUGMENTED REALITY / VIRTUAL REALITY

- AR / VR are means of engaging event audiences; visitors can hold up their phones to find superimposed, enhanced content
- Businesses are using AR / VR to enhance the customer shopping experience, allowing customers to virtually "try on clothes" or see how furniture looks in their own home before making a purchase



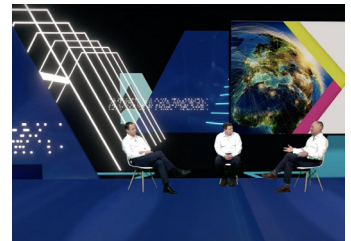
LIVE STREAMING

- Live streaming events from home has become commonplace in the wake of temporary business closures and social distancing protocols
- Businesses increasingly need equipment that supports live streaming, such as production systems, cameras, and microphones



GREEN SCREENS

- As events and conferences go virtual or hybrid, green screens are used as a backdrop for the speaker
- Green screens are a simple way to enhance the viewer experience by creating a more enticing background and a cost-effective way to insert branding and infographics



METAVEVERSE

- Audiovisual technology will be a key component of the metaverse, as high-quality sound and video are required to bring life to the virtual world
- Brands will increasingly utilize digital signage in the metaverse as new real estate on which to advertise and reach customers



Audiovisual Industry Experiencing Significant Consolidation

- COVID demonstrated to businesses and organizations the importance of a reliable, robust AV infrastructure
- Organizations value seamless AV installations, gravitating towards large providers offering end-to-end AV solutions with support at scale, while narrowly-focused providers struggle to compete
- In response to shifting customer preferences, the AV industry is experiencing significant consolidation in the form of mergers, acquisitions, and partnerships, as businesses strategically join forces to offer an increasingly robust suite of solutions

Notable Recent AV Industry Mergers & Acquisitions



- In December 2021, AVI-SPL announced the acquisition of SKC Communications (cloud voice services and UCC)
- The acquisition strengthens AVI-SPL's communication solutions portfolio, enabling the company to comprehensively empower hybrid work environments
- Enhances AVI-SPL's ability to service its growing customer base in additional geographies



- In November 2021, Creative Realities and Reflect Systems announced a digital signage and software merger
- Joint company offers comprehensive suite of solutions to address virtually any digital signage need



- In August 2021, Diversified acquired HB Communications, an AV integrator
- Offers strategic expansion of the company's footprint in the Northeast and higher education markets
- Adds ~300 employees to Diversified's global team



- Since the beginning of the pandemic, Spectrio, a provider of customer engagement technology, has grown aggressively through M&A, acquiring Enplug, Industry Weapon and Screenscape
- Acquisitions augment Spectrio's suite of digital communications solutions, which includes interactive kiosks, Wi-Fi marketing, and on-premise messaging

AV Recent Earnings Summary & Commentary



Q2 FY22 Results^(a)

- Q2 FY22^(a) Sales: \$164.5
 - 29.1% YoY Improvement
- Q2 FY22 Gross Margin: 19.6%
 - 6.6% YoY Decline
- Q2 FY22 Operating Income: \$4.4M
 - 34% YoY Decline

Commentary

- "During the first half of fiscal 2022, customer activity began increasing in varying degrees across our markets as effective vaccinations became available and utilized, allowing people to move more freely and safely."
- "High School Park and Recreation business unit growth was driven by the continued adoption of video displays used for sporting and educational use. Transportation order levels increased ... and our customers moved forward in purchasing displays using intelligent transportation systems and for mass transit venues."
- "Supply and labor shortages are creating an increase in lead times and extending the timing of converting some orders to sales in the near term. This has created a larger-than-typical backlog."

H1 FY21 Results^(b)

- H1 FY21^(b) Sales: £390.1M
 - 29.2% YoY Improvement
- H1 FY21 Gross Margin: 15.1%
 - 0.6% YoY Improvement
- H1 FY21 Adj. EBITDA : £16.7M
 - 136% YoY Improvement



Commentary

- "The higher margin live events and hospitality markets are starting to recover in a number of territories [where lockdown restrictions have been eased], although we believe there is still a considerable way to go."
- "The recovery of the corporate market has been slightly slower than expected, as corporates have in some cases deferred their return-to-office plans. There is a more significant level of enquiries and activity in this market, and we now expect that this will start to be converted into orders and revenue in early 2022."
- "Shortages of product appear to be worsening and are having a dampening effect on revenues, albeit such impacts should be temporary."

a) Daktronics Q2 FY22 ended October 30, 2021.

b) Midwich H1 FY21 ended June 30, 2021.

Case Study: DCC Technology's Acquisition of Almo Corporation



Transaction Commentary

- On December 15, 2021, DCC Technology, a leading technology distribution and services company, announced the acquisition of Almo Corporation
- Almo is a leading value-added distributor of professional AV, consumer appliances and electronics in the U.S.
 - Distributes through both B2B and consumer channels, supplying over 5,000 customers per year, many with exclusivity
- The acquisition of Almo bolsters DCC's professional AV capability in North America by increasing economies of scale in the supply chain and offering front-end specialization, which will benefit vendors and customers
 - Strong nationwide distribution footprint with nine warehouses totaling ~2.5M square feet
 - Adds 660 employees to DCC's fleet of 15,000 people
- DCC's acquisition of Almo is the largest in the company's history and signals its ambition to scale its professional AV business in North America and add depth to its portfolio of technology distribution and service capabilities

Pro Forma North America Distribution Network



Key Transaction Statistics

\$610M
Enterprise Value

8.1x
LTM EBITA

0.5x
LTM Revenue

15%
ROCE within 3 Years

\$2.3B
PF North America
Revenue

10%
EPS Accretion
in Year 1

DCC's acquisition of Almo creates the leading specialist distributor of professional AV in North America

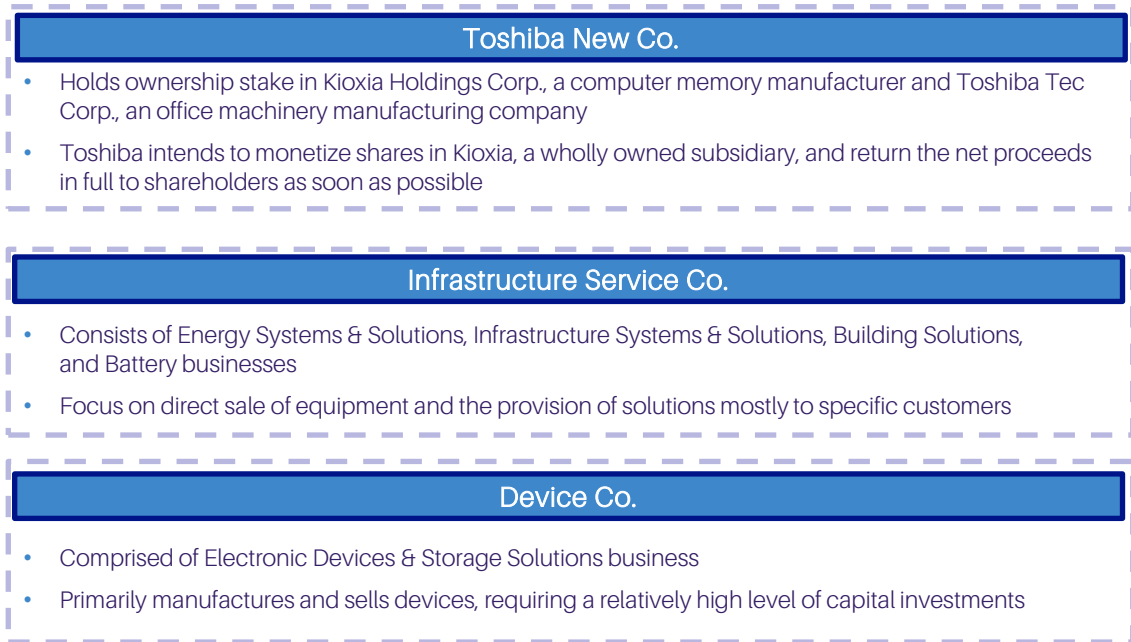
Source: DCC Investor Relations and publicly available information.

Case Study: Toshiba Reorganization

On November 12, 2021, Toshiba announced that it will undertake a strategic reorganization to create three standalone, publicly traded companies

Reorganization Structure

TOSHIBA



Rationale

- 1 Improved management and governance structures
 - Each company will have its own dedicated management team that brings deep industry knowledge and focused growth strategies
 - Separation of businesses will facilitate more agile decision-making by reducing management layers
- 2 Improved capital allocation
 - Individual companies will have more effective, efficient, and tailored capital allocations to align with their peers
- 3 Increased shareholder returns
 - Creates more focused investment opportunities that meet the preferences of different investors

Timing and Associated Costs

- Reorganization expected to be completed in the second half of FY 2023
- Expect to incur costs of 10bn yen from FY 2021^(a) onward
- Spin-off costs expected to be offset by reducing SG&A expenses in each business

Spinoff will unlock value by removing business complexity, improving management decision-making, and enhancing choices for investors

Source: Toshiba Investor Relations

a) Toshiba FY 2021 ends March 2022.

Integrators by Revenue

Company	2019 - 2021 Average Revenue ^(a) (\$M)	2019 - 2021 Average Installations	Commentary
 AVI-SPL	\$1,270 ^(b)	10,400	AVI-SPL designs, builds, manages and supports collaboration solutions to create meaningful experiences for organizations worldwide
 Diversified	\$900	25,000	Diversified is involved in a variety of industries, including media & entertainment, dynamic signage, content creation, sports fan experiences and more
 Kinly	\$295	4,926	Kinly offers solutions and services including video conferencing, audiovisual integration, cloud solutions, unified communications and managed services
 AVI	\$262	3,200	AVI Systems specializes in audiovisual systems integration and support, serving various markets, including business, education and entertainment
 ford AV	\$158	600	Ford AV provides design, engineering, project management, installation and service for various AV systems
 avidex Audio Video Integration & Design Excellence	\$155	2,906	Avidex specializes in the use of collaborative communication solutions as a national technology integrator providing design, build and support services
 SOLUTIONZ	\$153	2,066	Solutionz is a national provider of AV integration, specializing in "any-room" design, implementation and full coverage maintenance plans
 CCS Your Audio Video Experts	\$149	4,123	CCS Presentation Systems provides design, installation, training and maintenance of AV equipment
 SOLOTECH	\$135	714	Solotech provides turnkey solutions for the design, delivery and service and maintenance of AV systems
 TROX + TIERNEY	\$112	2,400	Trox + Tierney provides education technology solutions, including design, installation and integration

Source: AVNetwork.com SCN Top 50 December 2021 Report and Wall Street research.

Note: Integrators ranked by Revenue from Commercial AV Systems.

(a) Represents average revenue from commercial AV systems installations.

(b) Pro forma for December 2021 acquisition of SKC Communications.

Sector News

Audio / Visual

- 12/30: Jabra**
 announced the Jabra Elite 4 Active, the latest model in its lineup of wireless earbuds, which offers active noise cancellation, better water resistance and improved battery life
- 12/22: AVI-SPL and Primeview Global**
 announced partnership for the deployment of Primeview Global's Training Center LED solution displays in classrooms across the US
- 12/13: d&b audiotechnik**
 unveiled the addition of d&b Soudscape, a state-of-the-art immersive sound system, to the dvLED tunnel at the Rocket Mortgage Fieldhouse, home of the Cleveland Cavaliers
- 12/13: FOR-A**
 demonstrated new Envivo Ribbon system at the SVG Summit; the system offers sports stadiums a new way to display and control real-time video and graphic display on LED screens
- 12/9: Extron**
 introduced the SF 8CT SUB, an in-ceiling subwoofer that complements Extron's range of ceiling speakers by extending the low-frequency response in music and high-performance audio applications
- 12/8: d&b audiotechnik**
 announced the acquisition White Light, a UK-based Audio Visual, Lighting and Media Company; transaction is expected to close in January 2022
- 12/6: AVI-SPL**
 announced the acquisition of SKC Communications, an expert in cloud voice services and UCC; the acquisition strengthens AVI-SPL's communication solutions portfolio enables the company to better empower hybrid work environments
- 11/17: BluOS**
 announced a new firmware update that enables access to Dolby Atmos, providing Movie, Music, and Late Night virtual surround-sound listening modes; update also includes access to Tunify, which provides commercially-licensed music options for business owners
- 11/17: Sonos**
 announced latest update which adds DTS Digital Surround content to its home theater speakers, enabling users to benefit from surround sound across more sources

Digital Signage

- 12/31: Tiger Party**
 manages its 12th New Year's ball drop in NYC, handling screen management and synchronizing Times Square's largest billboards
- 12/13: Firefly**
 announced closing of an asset purchase of Taxi Ads Las Vegas
- 12/10: BrightSign and FWI**
 announced partnership to update Ferguson's nationwide, 1,000 endpoint digital signage network; Ferguson is a wholesale supplier of commercial and residential plumbing supplies
- 12/9: Ocean Outdoor and Admix**
 announced partnership to create a series of activations that couple DOOH with virtual worlds, "sending brands to the metaverse"; Ocean will launch three DOOH ad spots as NFT billboards, which will synchronize with the ads displayed on their real-world counterparts
- 12/9: Exterity and Neurilink**
 installed Exterity's IPTV system in the Overlake Medical Center, providing a streamlined, easy to use system for managing content
- 12/6: Daktronics**
 manufactured and installed new LED video display—the seventh-largest in college football—at Capital One Field, home of the University of Maryland Terrapins
- 12/2: Lamar Advertising Company**
 launched new Overhead Digital Network, including four LED displays, at the Indianapolis International Airport as part of its planned upgrade of digital displays
- 12/2: Uber OOH**
 announced a deal enabling its inventory—network of two-sided digital car-top screens on drivers' vehicles—to be purchased programmatically on Vistar Media's exchange
- 11/16: BrightSign and Global Display Solutions**
 announced partnership to install BrightSign media players in GDS's full range of outdoor displays
- 11/12: Creative Realities**
 announced the acquisition of Reflect Systems; the joint company will offer a comprehensive set of digital signage and media solutions

Source: Press releases, company filings and Wall Street research.

Sector News

Augmented Reality & Event Production

- **12/27: Vuzix**
announced agreement with Verizon to deliver AR experience for sports and gaming, powered by Verizon's 5G service and edge computing and Vuzix Shield smart glasses
- **12/21: Solotech**
acquired XR Studios, a full-service agency specializing in extended reality, to propel Solotech's new Media and Entertainment Technology Division
- **12/15: Meta**
announced it will be distributing its "Spark AR Go" mobile application, which enables content creators to develop immersive experiences for Meta's social platforms, as a beta version for Android and iOS smartphones
- **12/14: Spatial**
formerly an AR/VR collaboration platform, announced its plan to become the metaverse for cultural events such as brand experiences, conferences, and NFT exhibitions; also announced \$25 million in new funding
- **12/14: Ozobot**
launched MetaBot, a free AR robot designed to help children build coding literacy and develop skills in designing and working with robots
- **12/2: Arvizio**
announced new "Arvizio Instructor," which leverages AR to provide remote assistance for workers through task-oriented workflows
- **12/1: Samsung**
announced Dreamground, a playground that combines physical structures with AR technology, in which consumers can use their smartphones to explore physical structures enhanced by AR visuals and contribute with their own temporary art by drawing midair
- **11/15: Snapchat**
announced partnership with Sony Music Entertainment to include Sony's artists' music in Snapchat's Sounds library and new "Sound Lenses" feature that transforms pictures of anyone to appear as if they are singing a song

Diversified AV

- **12/21: Microsoft**
announced agreement to acquire Xandr, a data-enabled technology platform, from AT&T, to accelerate delivery of digital advertising and retail media solutions
- **12/17: Samsung**
signed multi-year deal with the New York Mets to become the ballpark's official display and technology solutions partner; will completely transform Citi Field stadium's display systems to create MLB's most technologically advanced stadium
- **12/15: DCC Technology**
announced the acquisition of Almo, a value-added distributor of professional AV, consumer appliances and electronics in the US
- **12/14: Apple**
announced it is rolling out Apple TV to Sky Glass and Sky Q TV devices; joins other video streaming services such as Netflix, Amazon Prime Video, and Disney+ which are already integrated into Sky's platform
- **11/12: Toshiba**
announced that it will undertake a strategic reorganization to create three standalone, publicly traded companies—Toshiba Co., Infrastructure Service Co. and Device Co.
- **11/17: Panasonic**
announced the launch of its next-gen solar energy battery storage system, the EverVolt 2.0, which offers enhanced customization and allows homeowners to monitor their systems from a mobile app
- **12/6: WhatsApp**
launched a new feature that offers more flexibility for users in choosing when they want messages to disappear from their text thread, with the option to set disappearing messages as the default
- **11/29: LG**
announced the LG One:Quick series of conferencing and collaboration solutions—a video conferencing display, a touch display, and a wireless presentation system—designed to create a seamless hybrid work environment

Source: Press releases, company filings and Wall Street research.

Audio / Visual M&A

Recent deals in the Audio / Visual market

(\$ in millions)

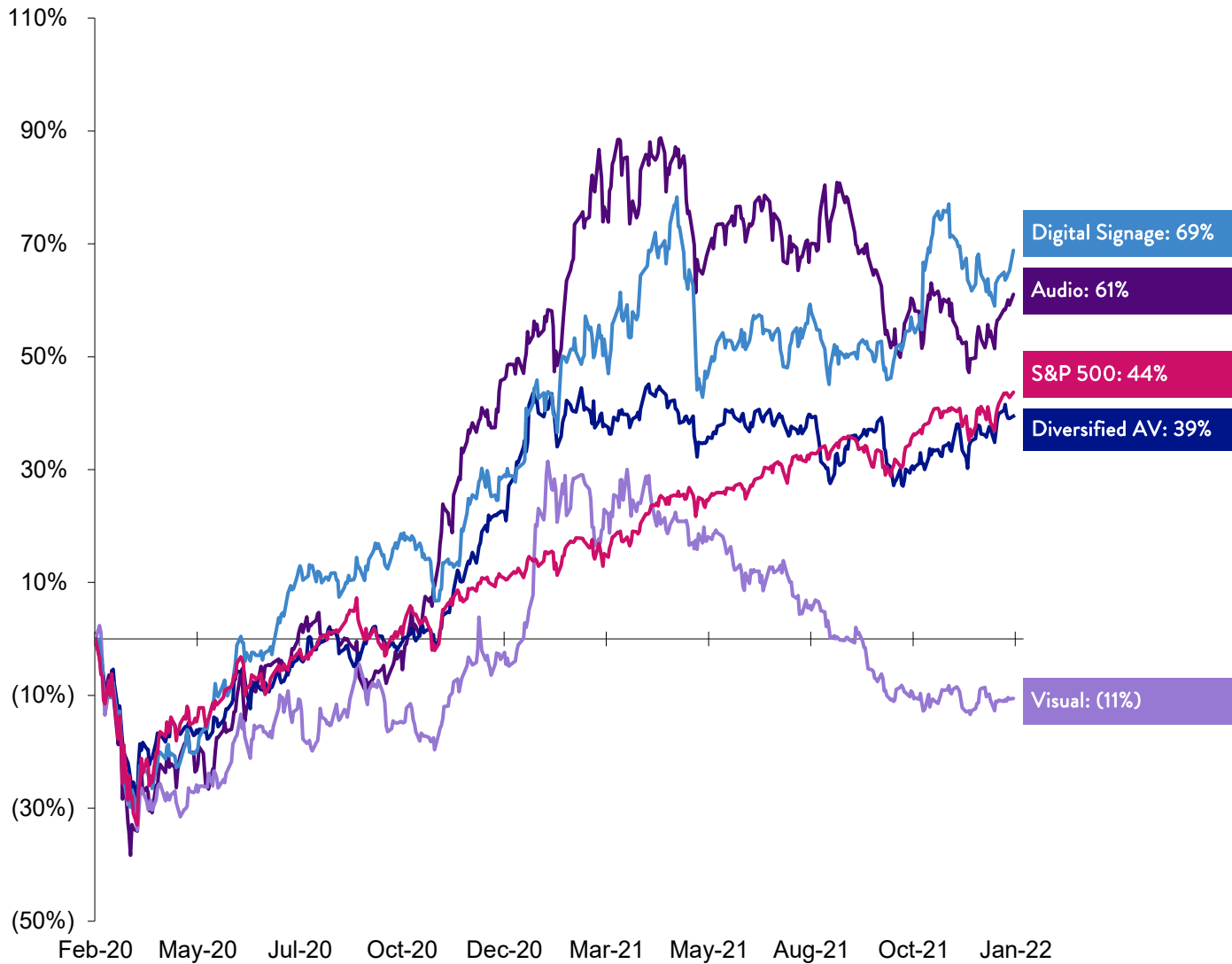
EV as a Multiple of:

Date Announced	Acquiror	Target	Enterprise Value	LTM Sales	LTM EBITDA
Dec-21	Solotech	XR Studios	NA	NA	NA
Dec-21	DCC Technology	Almo	\$610	0.5 x	8.1 x
Dec-21	AVI-SPL	SKC Communications	NA	NA	NA
Nov-21	Paladin Technologies	Videotronix	NA	NA	NA
Nov-21	Creative Realities	Reflect Systems	~23	2.2	NA
Nov-21	Boxlight	FrontRow	34	1.4	5.7
Nov-21	Emerald	AV-iQ	NA	NA	NA
Nov-21	Paladin Technologies	Spectra Audio Design Group	NA	NA	NA
Oct-21	Graham Partners	BrightSign	NA	NA	NA
Sep-21	Mood Media	PlayNetwork	NA	NA	NA
Sep-21	Sound Concepts	Bravas Little Rock	NA	NA	NA
Aug-21	Origin Acoustics	Ambisonic	NA	NA	NA
Aug-21	Telestream	Sherpa Digital Media	NA	NA	NA
Aug-21	Echo Systems	Dallas Light and Sound	NA	NA	NA
Aug-21	Diversified	HB Communications	NA	NA	NA
Jun-21	One Rock Capital Partners	ArchKey Solutions	NA	NA	NA
Jun-21	Corbett Technology Solutions (CTSI)	Collaborative Technology Solutions	NA	NA	NA
Jun-21	Paladin Technologies	Commercial Security Integration	NA	NA	NA
May-21	Corbett Technology Solutions (CTSI)	DavEd Fire Systems	NA	NA	NA
May-21	Solotech	CBCI Telecom Canada	NA	NA	NA
May-21	Sonova	Sennheiser (Consumer Division)	241	NA	NA
May-21	SnapAV	Access Networks	NA	NA	NA
Jun-21	VOXX (77%) / Sharp (23%)	Onkyo Home Entertain. (Home AV Business)	NA	NA	NA
Apr-21	Trox	Tierney	NA	NA	NA
Apr-21	VITEC	Exterity	NA	NA	NA
Apr-21	Questex	Digital Signage Expo	NA	NA	NA
Apr-21	AVI Systems	Magenium Solutions	NA	NA	NA
Mar-21	Spectrio	Enplug	ND	ND	ND
Mar-21	Questex	Digital Signage Expo	ND	ND	ND
Mar-21	Altamont Capital Partners	WAVE Electronics	ND	ND	ND
Mar-21	Four Winds Interactive	Poppulo	ND	ND	ND
Feb-21	Solotech	Morris Light & Sound	ND	ND	ND
Feb-21	Uniguest	Janus Displays	ND	ND	ND
Feb-21	Fortissimo Capital Fund	Kramer Electronics	ND	ND	ND
Feb-21	Appspace	The Marlin Company	ND	ND	ND
Feb-21	SageNet	Convergent Media Systems	23	ND	ND
Jan-21	Spectrio	ScreenScape	ND	ND	ND

Source: Press releases and company filings.

COVID-19 Recovery

Market values of various AV-related industries have rebounded significantly since February 2020, with most industries outpacing pre-pandemic market performance



Source: Capital IQ as of January 3, 2022.

Note: Represents changes in total sector market capitalizations.

Audio includes: Dolby Laboratories, Plantronics, Sonos, Bang & Olufsen, and VOXX International.

Visual includes: TCL Technology Group, Sharp Corporation, Barco, Konka, Japan Display, Technicolor, and ClearOne.

Diversified AV includes: Samsung, Sony, Koninklijk Philips, Hitachi, Panasonic, Toshiba, LG Electronics, Logitech, Midwich Group and Hisense Visual Technology.

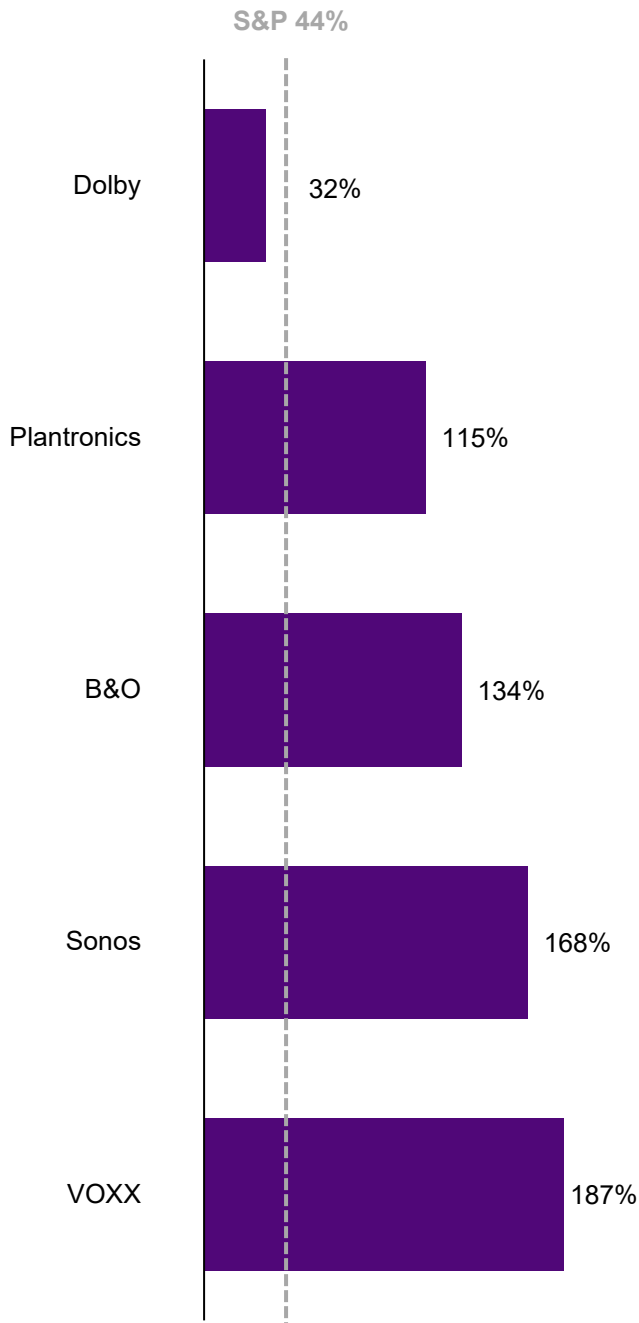
Digital Signage includes: NEC Corporation, Wolfspeed (previously Cree), Acuity Brands, AU Optronics, Leyard, Unilumin, ENNOSTAR, Everlight, Daktronics, Dialight and LSI Industries.

COVID-19 Recovery

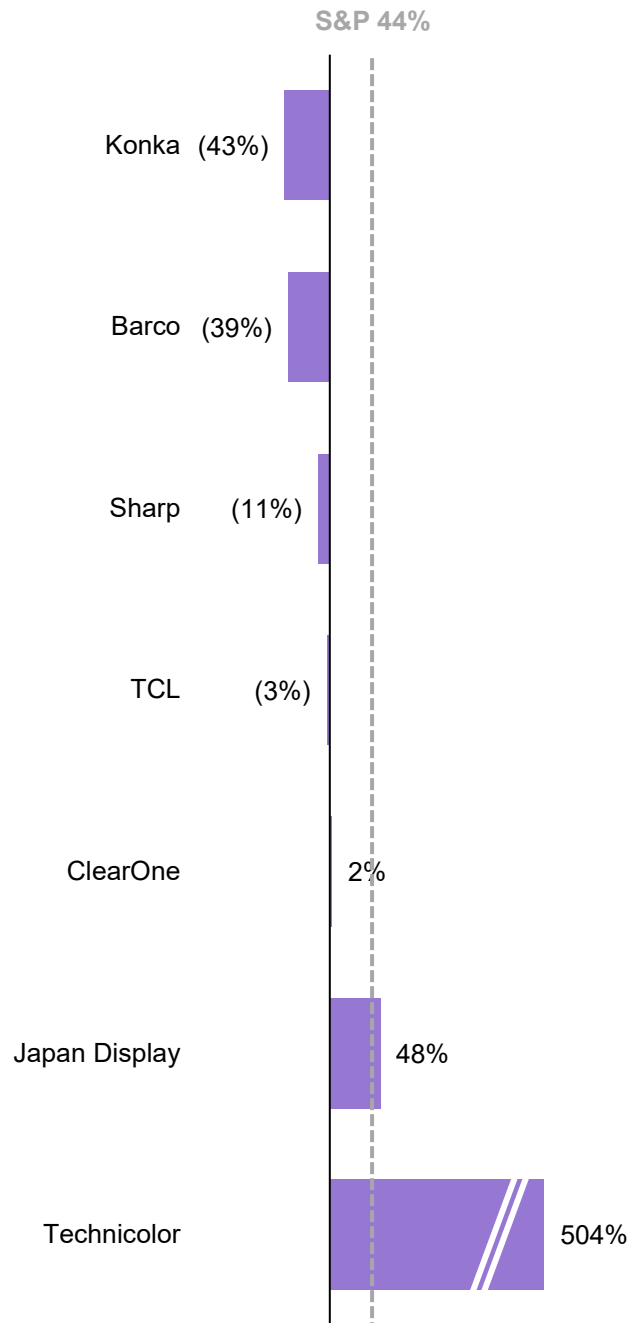
Change in Stock Price

From February 21, 2020- January 3, 2022

Audio Companies Market Capitalization Change



Visual Companies Market Capitalization Change



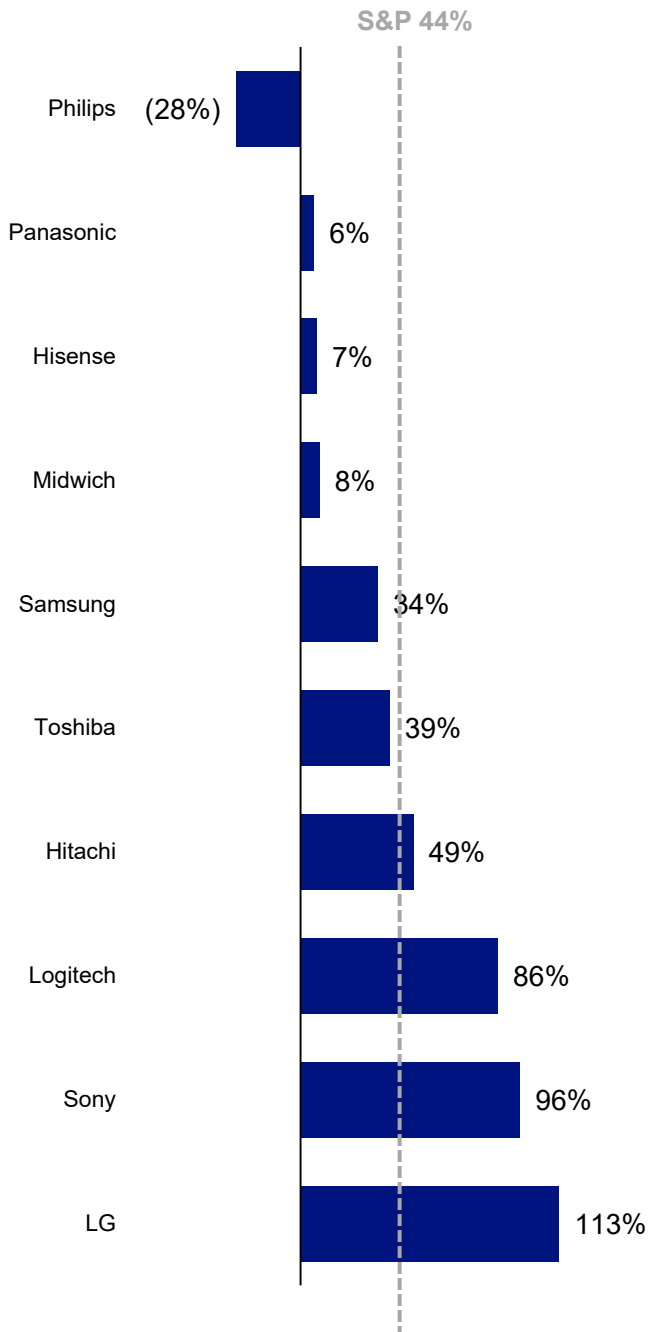
Source: Capital IQ as of January 3, 2022.

COVID-19 Recovery

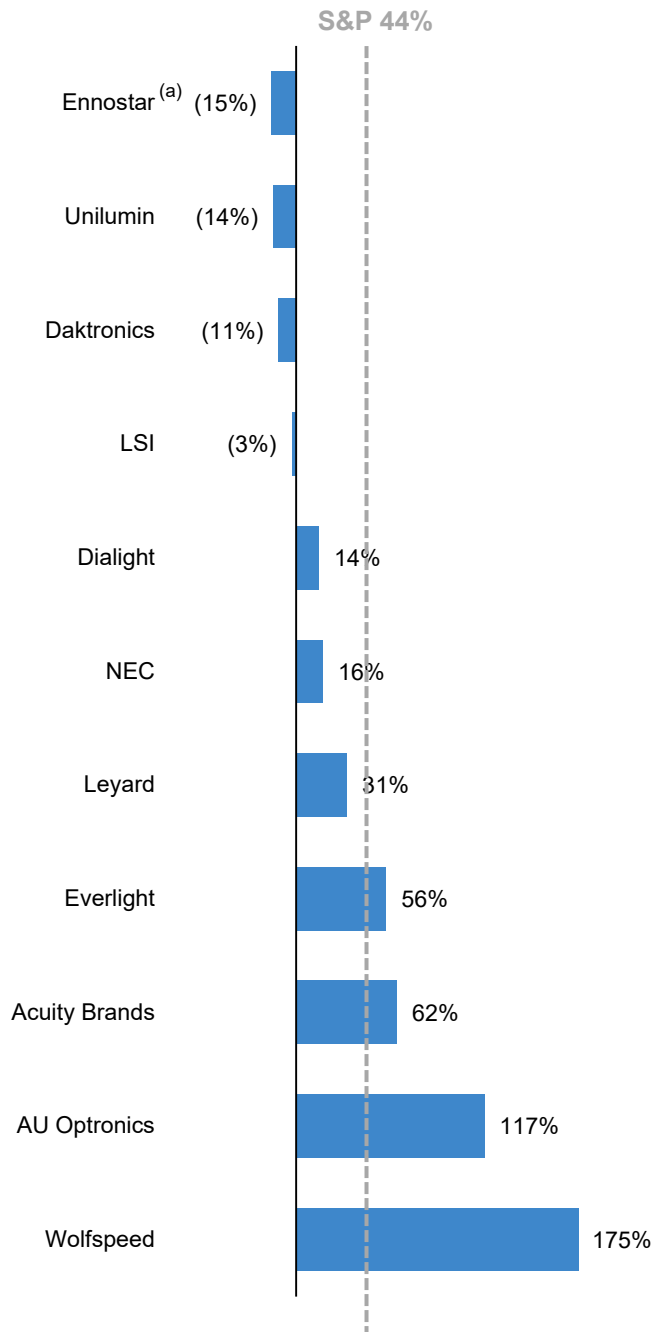
Change in Stock Price

From February 21, 2020- January 3, 2022

Diversified AV Companies Market Capitalization Change



Digital Signage Companies Market Capitalization Change



Source: Capital IQ as of January 3, 2022.

a) Ennostar range begins on IPO date of January 6, 2021.

Market Indicators

Share Price Performance

	Stock Price 1/3/22	1-Week % Change	1- Month % Change	LTM % Change
Audio				
Dolby	\$95.86	2%	11%	(1%)
Plantronics	\$30.49	0%	18%	13%
Sonos	\$30.06	1%	(1%)	29%
B&O	\$4.51	7%	8%	(12%)
VOXX	\$10.52	(0%)	5%	(18%)

Audio Median		1%	8%	(1%)
Audio Mean		2%	8%	2%

Diversified AV				
Samsung	\$65.74	(2%)	4%	(3%)
Sony	\$125.51	1%	5%	41%
Philips	\$37.43	3%	10%	(24%)
Hitachi	\$54.02	2%	(9%)	53%
Panasonic	\$10.97	3%	1%	6%
Toshiba	\$41.01	4%	(0%)	64%
LG	\$116.67	1%	14%	3%
Logitech	\$84.26	(1%)	9%	(10%)
Hisense	\$2.12	(1%)	2%	17%
Midwich	\$8.47	1%	(2%)	26%

Diversified AV Median		1%	3%	12%
Diversified AV Mean		1%	3%	17%

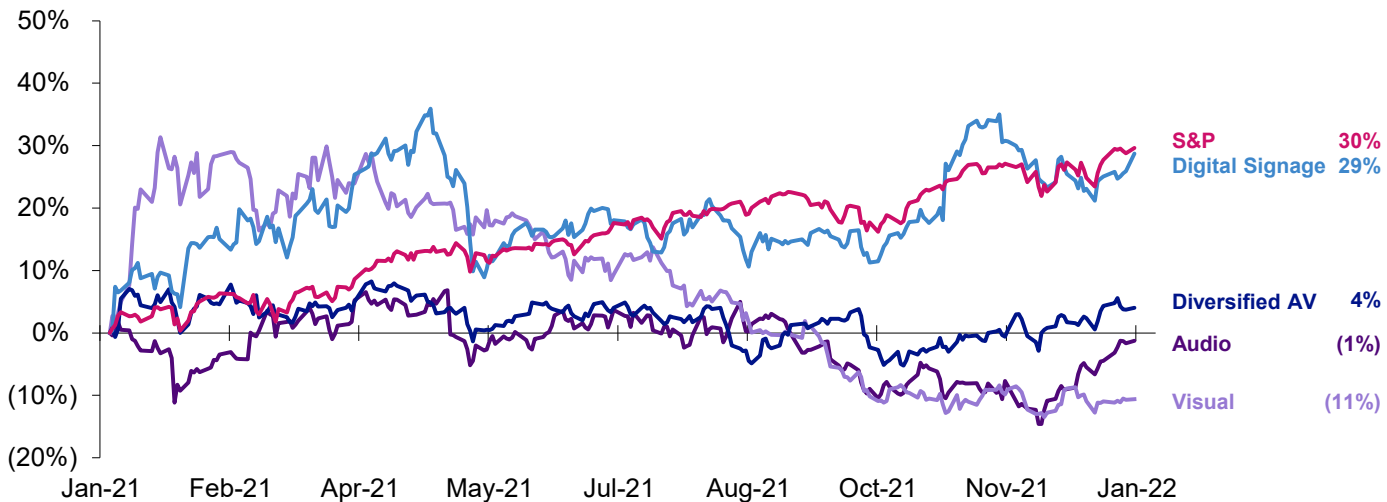
	Stock Price 1/3/22	1-Week % Change	1- Month % Change	LTM % Change
Visual				
TCL	\$0.97	(0%)	1%	(13%)
Sharp	\$11.45	1%	4%	(16%)
Barco	\$21.91	3%	9%	9%
Konka	\$1.03	1%	1%	(1%)
Japan Display	\$0.31	--	--	(20%)
Technicolor	\$3.24	4%	10%	58%
ClearOne	\$1.30	--	(2%)	(43%)

Visual Median		1%	1%	(13%)
Visual Mean		1%	3%	(4%)

Digital Signage				
NEC	\$46.04	2%	1%	(4%)
Wolfspeed	\$121.14	7%	5%	14%
Acuity Brands	\$213.09	(1%)	9%	76%
AU Optronics	\$0.82	(0%)	8%	61%
Leyard	\$1.61	(1%)	3%	61%
Unilumin	\$1.41	3%	(1%)	(5%)
Ennostar	\$2.86	2%	(1%)	(13%)
Everlight	\$1.93	2%	3%	27%
Daktronics	\$5.28	4%	16%	13%
Dialight	\$4.44	2%	5%	27%
LSI	\$6.89	(0%)	(3%)	(20%)

Digital Signage Median		2%	3%	14%
Digital Signage Mean		2%	4%	22%

LTM Indexed Market Capitalization Performance

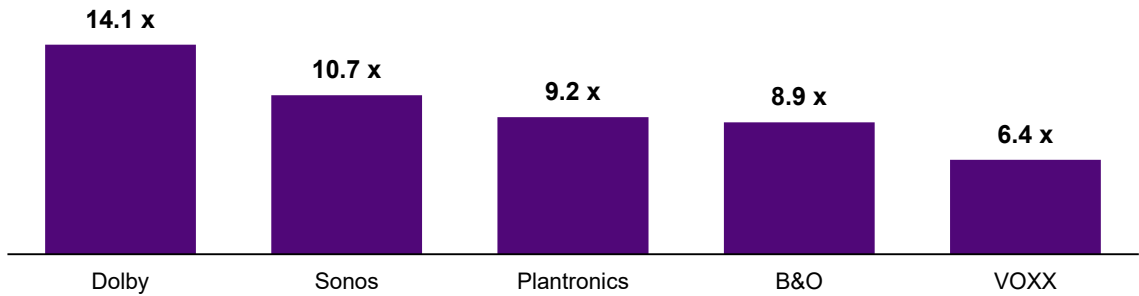


Source: Capital IQ as of January 3, 2022, Bloomberg and Wall Street Research.

EV / 2022E EBITDA

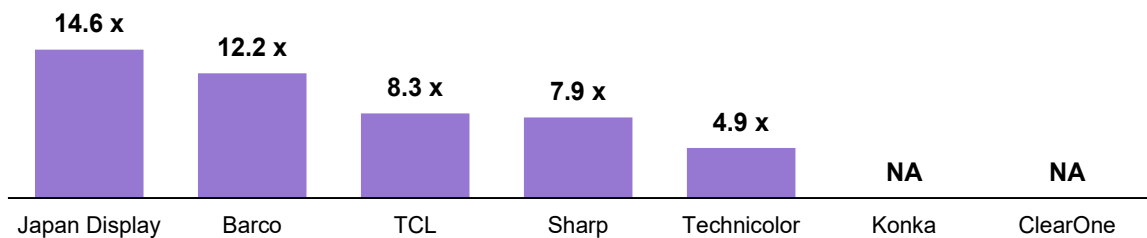
Audio

Median: 9.2 x



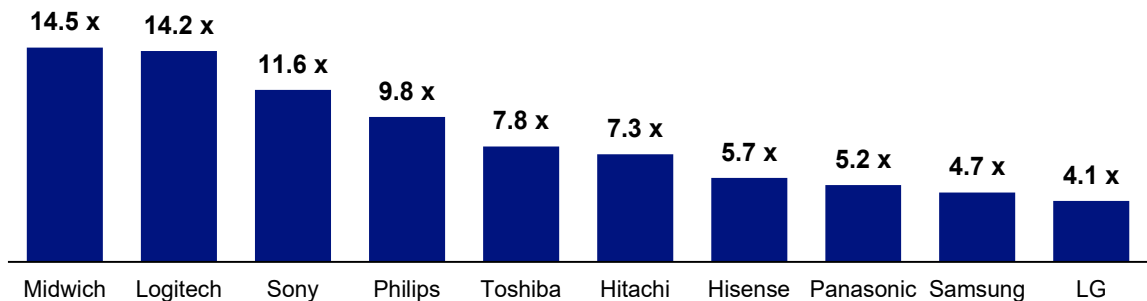
Visual

Median: 8.3 x



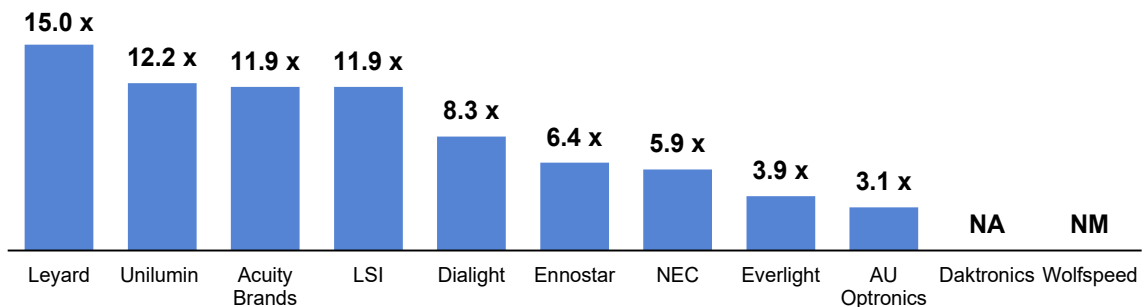
Diversified AV

Median: 7.5 x



Digital Signage

Median: 8.3 x

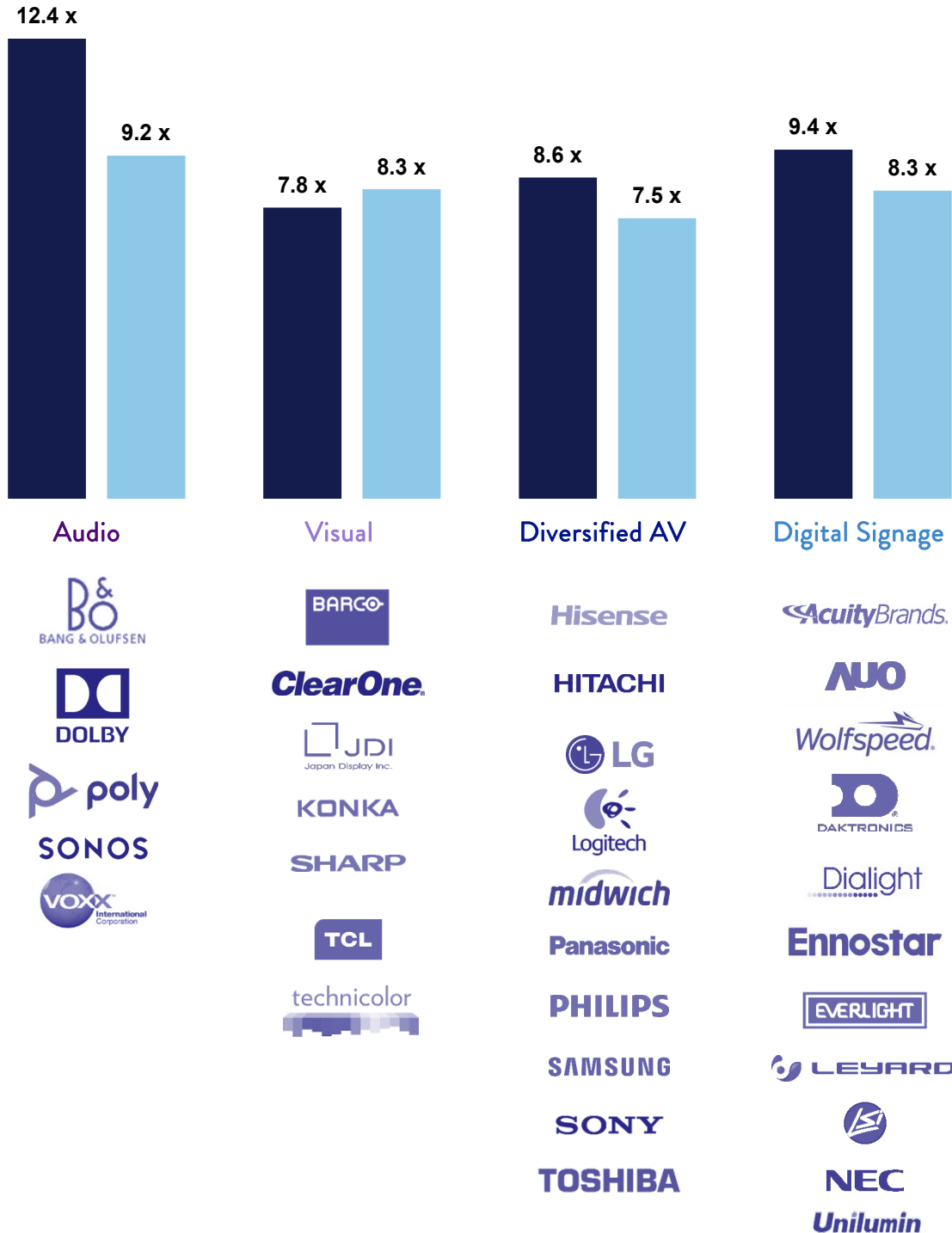


Source: Capital IQ as of January 3, 2022, Bloomberg and Wall Street Research.

Valuation Summary

Current market trading multiples

EV / 2021E EBITDA EV / 2022E EBITDA



Source: Capital IQ as of January 3, 2022.

Valuation Metrics

(\$ in Millions, Except Per Share Values)

(\$ in Millions, Except Per Share Values)						Valuation Multiples		Growth	
	Stock Price 1/3/22	52-Week Low	52-Week High	Equity Value	Enterprise Value	EV / Revenue CY 2022	EV / EBITDA CY 2022	'20A - '22E CAGR Revenue	EBITDA
Audio									
Dolby	\$95.86	\$83.40	\$103.53	\$9,685	\$8,427	6.0 x	14.1 x	6%	19%
Plantronics	30.49	23.21	44.72	1,210	2,500	1.4 x	9.2 x	4%	15%
Sonos	30.06	23.24	43.89	3,821	3,181	1.6 x	10.7 x	18%	70%
B&O	4.51	3.91	5.85	544	487	1.0 x	8.9 x	24%	NM
VOXX	10.52	9.71	27.18	251	184	0.3 x	6.4 x	18%	10%
Audio Median						1.4 x	9.2 x	18%	17%
Audio Mean						2.1 x	9.8 x	14%	28%
Visual									
TCL	\$0.97	\$0.94	\$1.61	\$13,342	\$39,293	1.5 x	8.3 x	49%	54%
Sharp	11.45	10.65	20.38	6,996	10,488	0.5 x	7.9 x	4%	10%
Barco	21.91	17.98	27.57	1,950	1,697	1.5 x	12.2 x	13%	88%
Konka	1.03	0.87	1.25	1,892	5,512	NA	NA	NA	NA
Japan Display	0.31	0.29	0.44	792	1,052	0.4 x	14.6 x	(15%)	NM
Technicolor	3.24	1.95	4.06	763	2,070	0.6 x	4.9 x	2%	NM
ClearOne	1.30	1.26	4.14	29	24	NA	NA	NA	NA
Visual Median						0.6 x	8.3 x	4%	54%
Visual Mean						0.9 x	9.6 x	11%	51%
Diversified AV									
Samsung	\$65.74	\$57.54	\$76.11	\$441,587	\$364,025	1.4 x	4.7 x	12%	19%
Sony	125.51	86.61	127.42	155,601	171,464	1.9 x	11.6 x	11%	6%
Philips	37.43	33.93	57.40	32,080	39,829	1.9 x	9.8 x	(2%)	19%
Hitachi	54.02	34.90	63.86	52,249	78,432	1.0 x	7.3 x	5%	(9%)
Panasonic	10.97	10.20	13.24	25,598	32,593	0.5 x	5.2 x	4%	24%
Toshiba	41.01	25.27	45.31	17,739	20,403	0.7 x	7.8 x	4%	NM
LG	116.67	96.60	154.73	19,941	26,197	0.4 x	4.1 x	9%	20%
Logitech	84.26	77.43	135.70	14,112	12,957	2.4 x	14.2 x	11%	(4%)
Hisense	2.12	1.61	2.75	2,721	2,142	0.3 x	5.7 x	16%	35%
Midwich	8.47	5.65	9.42	745	858	0.7 x	14.5 x	13%	61%
Diversified AV Median						1.0 x	7.5 x	9%	19%
Diversified AV Mean						1.2 x	8.5 x	8%	14%
Digital Signage									
NEC	\$46.04	43.70	58.70	12,545	16,587	0.6 x	5.9 x	2%	28%
Wolfspeed	121.14	78.36	141.87	14,079	14,074	16.8 x	NM	(3%)	NM
Acuity Brands	213.09	115.99	224.23	7,370	7,373	1.9 x	11.9 x	8%	15%
AU Optronics	0.82	0.49	1.21	7,822	7,593	0.6 x	3.1 x	12%	35%
Leyard	1.61	0.93	1.74	4,078	4,033	2.4 x	15.0 x	27%	57%
Unilumin	1.41	1.24	1.58	1,540	1,427	1.0 x	12.2 x	37%	43%
Ennostar	2.86	2.24	3.29	1,918	1,994	1.3 x	6.4 x	69%	NM
Everlight	1.93	1.39	2.46	856	640	0.6 x	3.9 x	13%	19%
Daktronics	5.28	4.56	7.22	240	180	NA	NA	NA	NA
Dialight	4.44	3.20	5.11	145	176	0.9 x	8.3 x	10%	NM
LSI	6.89	6.41	10.78	185	263	0.7 x	11.9 x	18%	23%
Digital Signage Median						0.9 x	8.3 x	12%	28%
Digital Signage Mean						2.7 x	8.7 x	19%	32%

Source: Capital IQ and Wall Street Research as of January 3, 2022.

Upcoming Events

Dates	Name	Location	Description
February 1 – 4, 2022	Integrated Systems Europe (ISE)	Barcelona, Spain	<ul style="list-style-type: none"> Integrated Systems Europe (ISE) is the world's largest professional AV and systems integration show. The annual event provides a unique showcase of technologies and solutions for commercial and residential applications
March 21 – 23, 2022	Digital Signage Expo (DSE)	Las Vegas, Nevada	<ul style="list-style-type: none"> DSE is the world's largest and longest running conference and trade show exclusively dedicated to showcasing innovative digital display and interactive technology solutions for customer and employee communications
April 26 – 28, 2022	Viscom 2022	Düsseldorf, Germany	<ul style="list-style-type: none"> Viscom is the leading trade fair for visual communication in Europe, providing a platform for producers, marketers, and distributors of services of all visual media
June 4 – 10, 2022	InfoComm 2022	Las Vegas, Nevada	<ul style="list-style-type: none"> InfoComm is the largest professional audiovisual trade show in North America, with thousands of products for audio, unified communications and collaboration, display, video, control, digital signage, home automation, security, VR and live events
July 18 – 20, 2022	2022 ANA Digital and Social Media Conference	Carlsbad, California	<ul style="list-style-type: none"> The ANA Digital & Social Media Conference will feature CMOs and leaders who will cover important topics such as AI, augmented reality, influencer marketing, voice, virtual reality, social media, chatbots, content marketing, measurement and more
August 17 -19, 2022	Integrate 2022	Sydney, Australia	<ul style="list-style-type: none"> Australia's premier annual AV and Integration trade show, providing a venue for local and global brands to showcase solutions and products to AV technicians and corporate end users and meet with buyers, integrators and distributors

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