



# Action Report

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## PROFESSIONAL AUDIOVISUAL INDUSTRY ACTIVITY REPORT


June 2024

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SOLOMON  
PARTNERS

# RECENT SOLOMON PARTNERS TRANSACTIONS

PENDING  
\$28,000,000,000  
**SiriusXM**  
Merger with  
Liberty  
**SiriusXM**  
Following its redemptive split-off from  
  
Serving as financial advisor to the Special Committee of SiriusXM's Board of Directors

June 2024  
C\$410,000,000  
**OUTFRONT**  
Has agreed to sell its Canadian business to  
**BellMedia**  
Served as financial advisor to OUTFRONT Media

MAY 2024  
  
Has received minority equity and debt financing from  
**MID OCEAN Partners** **BMO**  
Served as financial advisor to GridHawk Holdings LLC

MAY 2024  
  
Sold to  
**CUBE**  
A portfolio company of  
**Hg**  
Served as financial advisor to Reg-Room

MAY 2024  
\$640,000,000  
  
A NYSE-listed SPAC sponsored by  
**StratCap**  
Announces business combination with  
**SCHMID**  
Served as financial advisor to Pegasus and StratCap

APRIL 2024  
**rag & bone**  
NEW YORK  
Sale to  
**GUESS** and **WHP GLOBAL**  
Served as financial advisor to Rag & Bone

MARCH 2024  
  
Strategic alliance with and minority investment in  
**Capital Rx**  
Served as financial advisor to Prime Therapeutics

MARCH 2024  
  
Sale of Somerset facility to  
**PERSPECTIVE THERAPEUTICS**  
Served as financial advisor to Lantheus

MARCH 2024  
  
Has provided a senior secured credit facility to an out-of-home media business  
Served as financial advisor to Ares

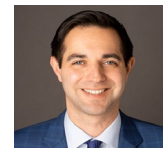
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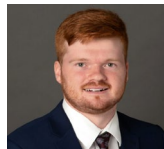
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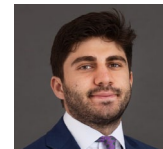
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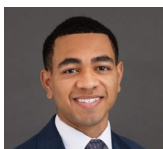
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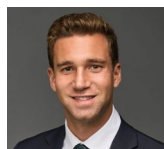
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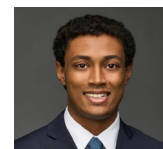
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June 2024

# SPECIAL HIGHLIGHTS IN THIS ISSUE

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- Pro AV Industry Outlook
  - Digital Signage
  - Retail Media Trends
  - ISE and InfoComm 2024 Event Recap
  - Recent Earnings Summary & Commentary
  - Pro AV Industry Consolidation
  - Trading and Valuation Update
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# AV Industry Continues Strong Growth in Current Environment

After a moderate start to the year, the AV industry is picking up momentum

## INDUSTRY OUTLOOK

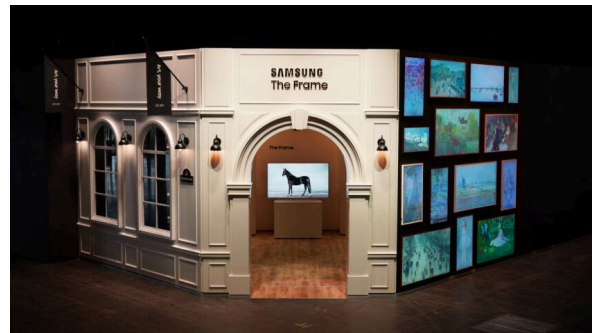
- The AV Sales Index increased materially from the low experienced in February, with May yielding 59.9, up 6.5% from February 2024 close of 53.4
  - The gap between North America and the rest of the world narrowed to 1.2% in the May outlook, fueling expectations of a closing gap
- With news of labor market weakness in Q1 2024, momentum is gaining for the FED to shift interest rates lower to support economic expansion

## GROWTH OPPORTUNITIES

- AR is having an outsized impact on the AV industry with the integration into live events and immersive experiences
  - AR enhances audience engagement by overlaying digital content onto the real world, offering elements such as live polls, 3D visualization, product demos and gamification
  - Challenges to adoption include the requirement of robust infrastructure, powerful computing resources and integration with existing AV systems
- Increased emphasis on AI is driving new opportunities in automation, production and content delivery across the AV industry
  - AI-powered AV systems are automating tasks such as scene analysis, audio adjustment and content creation, which has led to more efficient workflows and tailored content for audiences
  - AI analytical tools can derive valuable insights from collecting data such as audience engagement metrics, content performance and usage patterns, helping organizations make data-driven decisions

# Digital Signage Integration of Software and Subscriptions

Large electronics companies focusing on providing complete digital signage solutions across displays



*Samsung The Frame Lounge at Art Basel*

As margins on consumer TVs are historically low, combining digital signage displays and software solutions are an opportunity for higher profits

- Samsung showcased The Frame, a premium display with a matte screen and wooden bezel, integrated with the Samsung Art Store
  - Offering content subscription service, a revenue stream beyond hardware, to gain access to library of contemporary art
- Samsung launched new B2B platform VXT, which includes content management system, remote device management and ad module
  - Software and subscription services are becoming a relevant revenue source for display manufacturers to grow beyond hardware
- LG launched new platform LG Business Cloud, which offers multiple digital signage solutions under single point of access
  - Offerings include content management system, CTV distribution platform and monitoring service for network of displays

*“Software and services are the winners in the value chain – every second digital signage euro is invested outside of hardware”*

*– Florian Rotberg and Stefan Schieker,  
Principals of Digital Signage Consultancy, invidis*

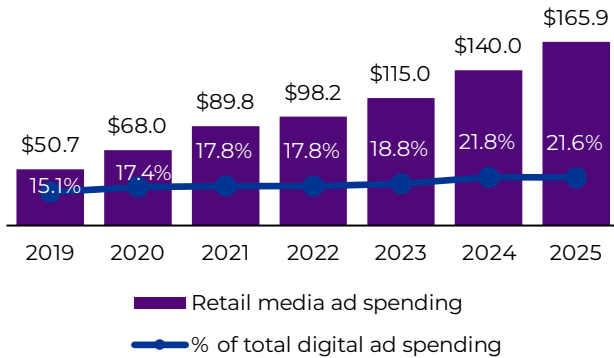
# Retail Media Is a Pro AV Tailwind and Growing Worldwide

Retail Media and Pro AV work together by leveraging assets to add necessary scale and further attribution to networks, enabling increased advertising spend

## GLOBAL RETAIL MEDIA AD SPENDING

(\$ in billions)

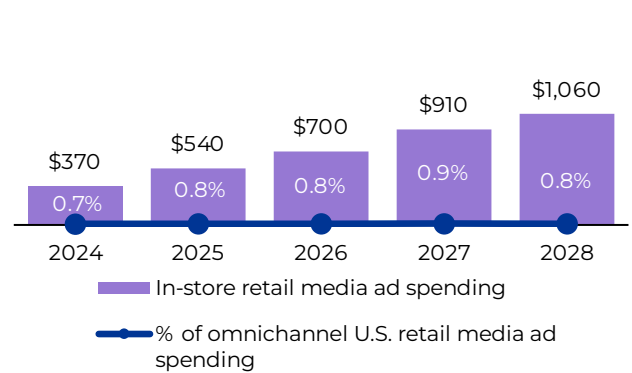
2019 – 2025 CAGR: 21.9%



## U.S. IN-STORE RETAIL MEDIA AD SPEND

(\$ in millions)

2024 – 2028 CAGR: 30.1%



## WALMART'S RETAIL MEDIA SUCCESS IN Q1 2024

Active Advertiser  
Count Growth

+19%

Walmart Connect  
Advertising Sales

+26%

Marketplace  
Seller Growth

+50%

Walmart Connect, the company's retail media network, has had outsized performance

- Consumer packaged goods brands spending more money on retail media, which is digital marketing's fastest-growing channel
- Recent acquisition of Vizio, a CTV distribution platform, is a catalyst for advertising capabilities with more avenues to leverage first-party data

Retail media will make up one-fifth of worldwide digital ad spend in 2024; U.S. in-store advertising represents <1% of total retail media spend, showcasing the massive in-store opportunity

Source: eMarketer and publicly available information.

# Scaled Networks Poised to Benefit from the Rise of Retail Media

We view and define In-Store Retail Media Networks as any DOOH or place-based network within brick-and-mortar retail stores or in retail-adjacent environments



Digital Jukeboxes  
Global: 30k+ Locations



Electronic Darts Machines<sup>(a)</sup>  
Global: 30k+ Screens



ATMOSPHERE  
TV Advertising - Various  
Global: 65k+ Locations

CAPTIVATE

Office / Residential  
Global: 54k+ Screens<sup>(b)</sup>



Clear Channel  
Outdoor  
OOH Advertising  
U.S.: 12k+ Airport Screens<sup>(c)</sup>



Cooler Screens<sup>®</sup>  
Retail - Grocery and  
Convenience  
U.S.: 10k+ Screens

Grocery TV

Retail - Grocery  
U.S.: 21k+ Screens



Gas Stations  
U.S.: 220k+ Screens



Cinema  
U.S.: 18k+ Screens

OUTFRONT<sup>™</sup>

OOH Advertising  
U.S.: 22k+ Transit Screens<sup>(d)</sup>



Retail - Various  
Global: 160k+ Screens



TV - Airports  
Global: 2k+ Screens



Movie Distribution  
U.S.: 28k+ Kiosks



Cinema  
U.S.: 14k+ Screens



Retail - Various  
U.S.: 120k+ Kiosks<sup>(e)</sup>

TouchTunes

Digital Jukeboxes  
Global: 65k+ Locations



Media - Various  
Global: 500k+ Locations



Retail Media Network  
U.S.: 170k+ Screens



Fitness Centers  
Global: 73k+ Screens

Source: Publicly available information and Solomon estimates as of April 2024, including Geopath.

Note: Not all U.S. retail media networks (i.e., Albertson's, Kroger, Target) disclose digital screen counts or location counts.

- a) Arachnid 360 was acquired by TouchTunes in February 2024.
- b) Figure includes 20,755 screens in North America, as well as 33,778 screens in EMEA that display content only.
- c) Figure represents Clear Channel Outdoor's Airports segment display count in the U.S. and the Caribbean as of December 31, 2023, per 10K filing. Clear Channel has numerous assets in and around retail; however, this data summary focuses only on its U.S. Airports segment.
- d) OUTFRONT has numerous assets in and around retail; however, this data summary focuses only on its U.S. Transit segment.
- e) Majority of Terraboost kiosks are static (non-digital).

# ISE & INFOCOMM 2024 EVENT RECAP

## ISE 2024 BY THE NUMBERS

+1,400 Exhibitors

~74,000 Attendees  
(+27% increase vs. '23)

162 Countries

## INFOCOMM 2024 BY THE NUMBERS

+800 Exhibitors

~36,900 Attendees  
(+1% increase vs. '23)

125 Countries

### TECHNOLOGY TAKEAWAYS

- Machine learning is being applied in audio integration to classify sounds in a lab setting and train algorithms to identify what constitutes a “good sound”
- Transparent signage becoming more mainstream with a push for retail display areas by companies such as LG and Samsung
  - Unique in-window shopping experience and product showcase by playing content mid-air; less obtrusive to surroundings
- ePaper displays to promote sustainability with reduced power consumption
- AI focus for digital signage and display industry, with expansion of creative messaging, art and use of data collection
  - Creative AI content featured on digital displays with the use of generative AI; promoting immersive experiences with real-time creation of unique, changing art displays

### SOLOMON EVENTS

- Solomon Partners hosted a cocktail event at the Spiral Restaurant at the Hotel Barcelona Porta Fira during ISE 2024 that was well attended by C-level executives, investors and AV industry leaders
- Solomon Partners hosted a cocktail event at the Capri Pool Bar and Restaurant during InfoComm 2024



Sources: AV Network and InfoComm.



# AV Recent Earnings Summary & Commentary

<p><b>Q3 '24 RESULTS<sup>(A)</sup></b></p>	<ul style="list-style-type: none"> <li>• Q3 '24<sup>(a)</sup> Sales: \$170.3M             <ul style="list-style-type: none"> <li>• 7.9% YoY Decline</li> </ul> </li> <li>• Q3 '24 Adjusted Operating Income: \$8.0M</li> </ul>
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<p><b>COMMENTARY</b></p>	<ul style="list-style-type: none"> <li>• "Gross margin as a percentage of net sales increased to 24.5% for the third quarter of fiscal 2024 as compared to 22.6% in the third quarter of fiscal 2023. The 190 basis point increase in gross profit percentage is attributable to strategic pricing actions and stability in our diversified supply chains"</li> <li>• "Live Events in the Commercial business unit orders strengthened in the quarter and all domestic markets saw growth. Third quarter orders grew 29% more than last year's third quarter, bringing year-to-date order growth to 6.6% for the year"</li> <li>• "Backlog continues to decrease from last year's built-up levels as we recognize the anniversary of the resolution of supply chain challenges and utilized our capacity to deliver customer orders at market-expected lead times"</li> </ul>
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<p><b>FY '24 RESULTS<sup>(B)</sup></b></p>	<ul style="list-style-type: none"> <li>• FY '24<sup>(b)</sup> Sales: £19,859M             <ul style="list-style-type: none"> <li>• 10.6% YoY Decline</li> </ul> </li> <li>• FY '24 Adjusted Operating Profit: £682.8M             <ul style="list-style-type: none"> <li>• 4.1% YoY Improvement</li> </ul> </li> </ul>
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<p><b>COMMENTARY</b></p>	<ul style="list-style-type: none"> <li>• "The Board proposes to increase the dividend for the year by 5% to GBP 196.57 per share. This will be DCC's 13th consecutive year of dividend growth"</li> <li>• "Group adjusted operating profit increased by 5.3% on a constant currency basis to GBP 682.8 million, driven by the very strong growth in DCC Energy. We delivered excellent cash generation with free cash flow of 100%"</li> <li>• "Since... May 2023, DCC has committed approximately GBP 490 million to new acquisitions predominantly in DCC Energy. We significantly strengthened our scale and capabilities in energy management services and... gas business in Germany and in the U.S."</li> </ul>
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<p><b>Q1 '24 RESULTS<sup>(C) 1</sup></b></p>	<ul style="list-style-type: none"> <li>• Q1 '24<sup>(c)</sup> Sales: \$12.3M             <ul style="list-style-type: none"> <li>• 24.0% YoY Improvement</li> </ul> </li> <li>• Q1 '24 Adjusted EBITDA: \$0.8M</li> </ul>
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<p><b>COMMENTARY</b></p>	<ul style="list-style-type: none"> <li>• "Revenue rose more than 20% year-over-year in the first quarter, to \$12.3 million, even as the first quarter is typically light due to seasonality and budget cycles"</li> <li>• "While our consolidated gross margin was lower than the 2023 first quarter, on a percentage basis, this was primarily due to the significant 45% growth in service revenue that included a higher percentage of installations"</li> <li>• "We would trend back towards a higher mix on the hardware side as more deployments are pre-purchased or purchased in 2Q and 3Q for deployment later in the year. It shouldn't have any impact negatively on our projection for EBITDA margin"</li> </ul>
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a) Daktronics Q3 '24 ended January 27, 2024.  
 b) DCC FY '24 ended March 31, 2024.  
 c) Creative Realities Q1 '24 ended March 31, 2024.

# Midwich Performing Well in Mixed AV Market

Record sales, adjusted profit and gross margin in FY 2023



## FY 2023 REVENUE AND GROSS MARGIN

Global Revenue	£1.3B	Organic Growth	+1%	Mainstream Products	-7%
Total Growth	+7%	Gross Margin	16.8%	Technical Products	+18%

## STRONG PROFIT GROWTH AND CASH GENERATION

Adj. Operating Profit	+17%	Adj. EPS	+4%	Leverage	1.1x
Adj. Operating Margin	4.6%	Operating Cash Conversion	114%	Total Dividend	+10%

## COMMENTARY

- Midwich reached record financial performance in CY 2023 despite challenges in the wider economy, interest rates and the impact of labor disputes
- Technical product category growth of +18% is attributed to higher demand in entertainment and events and company's strategy of increasing share of business from higher-margin technical sales vs. mainstream products
- Acquisitions contributed 6.8% to total growth; Midwich acquired seven companies in 2023, which is more than double the average two to three a year since the Company's IPO in 2016
- Healthy balance sheet and cash generation providing capacity for further acquisitions

Source: Publicly available information.

Note: Midwich FY '23 ended December 31, 2023.

# Case Study: Resideo to Acquire Snap One

On April 15, 2024, Resideo announced \$1.4 billion acquisition of Snap One



## RESIDEO OVERVIEW

- Resideo (NYSE: REZI) is a leading manufacturer and distributor of smart home products to over 150M homes globally



## SNAP ONE OVERVIEW

- Snap One is a leading provider of smart home products, services and software to professional integrators

## VALUATION ANALYSIS

- Resideo agreed to acquire Snap One for \$10.75 per share in cash for transaction value of \$1.4B, inclusive of forecasted net debt of \$460M
  - Using proceeds from committed debt financing, cash on hand and a \$500M perpetual convertible preferred equity investment from Clayton, Dubilier & Rice to fund the transaction
  - Hellman & Friedman holds 72% of outstanding common shares of Snap One
- This represents an 11.9x multiple on Snap One's CY 2023 Adjusted EBITDA pre-synergy and 7.4x multiple post-synergy, including Resideo's projected annual run-rate synergies of \$75M

## ACQUISITION THESIS

- **Complementary Products Across Multiple Categories**
  - Snap One's capabilities in the smart living market and innovative Control4 technology platforms are highly complementary to Resideo's ADI business with its strong position in security products distribution
  - Increased product selection of third-party products and proprietary offerings, with Snap One generating 66% of sales from proprietary products in 2023
- **Combination of E-commerce and Physical Footprint**
  - Offering true omni-channel experience for integrators, with Snap One's e-commerce expertise and ADI's 195 stocking locations
- **Attractive Financial Profile**
  - Transaction expected to be accretive to Resideo's non-GAAP EPS in the first full year of ownership, with an attractive revenue growth and margin profile
  - Transaction structured to allow Resideo to preserve financial flexibility for future acquisitions

Source: Company filings.

# Audiovisual Industry Continues to Consolidate



- In June 2024, Kramer Electronics announced acquisition of Ashton Bentley, a UK-based provider of collaboration spaces
- Complements company's offering, providing end-to-end approach to hybrid conferencing, with everything from AV-enabled meeting room furniture to display mounts



- In June 2024, Stratacache announced acquisition of MasterPoint, a German digital signage service and integration company
- Expands field service footprint in Europe, complementing previous acquisitions of Idklic in Belgium, Scala in the Netherlands, Walkbase in Finland and Sys-Teams in the UK



- In May 2024, AVI-SPL announced acquisition of ICAP Global, a LATAM and Spain-focused provider of AV, UCC, IoT and managed services
- Adds local presence in Latin America and Spain, solidifying the company's position as the largest global AV, UCC, workplace management and experience technology provider



- In April 2024, Zeta Display announced acquisition of Beyond Digital Solutions, a UK-based digital signage provider with end-to-end concepts, including content
- Further expands company's footprint in the UK market and is part of broader strategy to increase market share and service offerings across Europe



- In December 2023, Midwich Group announced acquisition of prodyTel Distribution GMBH, a distributor of professional audio and technical solutions products
- prodyTel is the latest in a string of acquisitions made by Midwich in 2023, adding to the acquisitions of SF Marketing, HHB Communications, Toolfarm, 76 Media Systems and Nimans made earlier this year



- In September 2023, Raydiant acquired Perch, retail's leading digital shopper marketing platform for in-store product engagement and sales
- Combined with Raydiant AI and its customer experience platform and integrated into the new Raydiant Shop offering, Perch's technology will analyze how customers interact with in-store products

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

# Sector News

## Audio / Visual

- **6/7/2024: d&b group**  
selected Sennheiser and Neumann for broadcast and R&D applications at The Science Museum in London to provide an immersive experience
- **6/4/2024: Crestron**  
deployed in more than 40 hotels and casinos in or near the Las Vegas Strip, including the world's largest sportsbook at Circa Resort & Casino, providing control over lighting, shading, audio and video
- **5/30/2024: L-Acoustic**  
deployed L Series speakers for Broadway debut with the company's immersive L-ISA technology for The Outsiders musical
- **5/30/2024: Epson**  
announced it will demo 4K 3-Chip 3LCD laser projectors, which is tailored for large venues and immersive experiences, at Infocomm
- **5/27/2024: Samsung**  
debuted Music Frame, a customizable speaker that provides rich sound, seamless connectivity and integrated with AI algorithms to optimize sound offering
- **5/16/2024: ArenaVision**  
unveiled the 348 LED lights exclusively designed for the ENGIE Stadium, the multi-purpose 24,000-seat venue at Sydney Showground, elevating the stadiums lighting capabilities at half the power consumption
- **5/1/2024: Audiotonix**  
announced investment from PAI Partners to expand its presence in live events, professional audio creation, commercial installation, TV and film production and broadcast markets
- **4/25/2024: Sennheiser**  
deployed 166 TCC 2 Ceiling Array Microphones in 50 spaces across Duke Kunshan University's campus for classes

## Digital Signage Hardware and Software

- **6/18/2024: LG**  
partnered with ChargePoint to develop EV charging stations, combining EV charging hardware and displays from LG with ChargePoint software
- **6/6/2024: Zoom**  
opened flagship immersive London Experience Centre, which includes a 38m ambient fabric wall, claimed to be 'the world's first curved LED screen with multi-touch interactivity' and a floor-to-ceiling 8K curved LED screen in a boardroom
- **6/6/2024: Elevision**  
has introduced digital advertising screens to elevators in residential properties for the first time in the UK as a Dubai-based company, installing in 63 buildings across London, with another 30 in the schedule
- **6/5/24: American Dream**  
shopping mall unveiled ultimate display, a 170-meter LED display wrapping around the facade of American Dream's Nickelodeon Universe theme park, processing 10.8M pixels
- **6/4/2024: Samsung**  
has been appointed St. Louis CITY SC's Official Display Partner, providing three large video walls, a 360° ribbon display and 375 TVs for the CityPark stadium
- **5/21/2024: AMERIA**  
adds touch-free interactivity to LED Studio displays, allowing users to interact with on-screen content by hovering their hand above the Airframe in a natural / intuitive way
- **5/15/2024: Looking Glass**  
introduces 16" and 32" spatial displays which showcase holographic images, videos and real-time applications in 3D, providing extended reality immersion to professionals looking for visualization tools

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

# Sector News

## Augmented Reality & Event Production

- **6/5/2024: Screen Innovations**  
will unveil the CarbonBlack Holographic screen, which offers twin-sided viewing with potential applications including levitating signage, branding and “architectural visualization of medical imaging”
- **6/5/2024: AeroAVA**  
partnered with Audience & Brands to launch a concept to incorporate mixed-reality into drone performances; this will also allow the company to live track, generate and overlay digital content in real-time
- **6/5/2024: Sobha Realty**  
launched “industry-first” mixed reality / holographic display to provide an immersive experience of real estate property, with an illusion of volumetric objects on a flat surface that appear 3D
- **6/4/2024: LOTCHI**  
produced Luminescence, an illustrative show illuminating the second-largest church in Paris, which has been extended by 10 weeks due to its popularity
- **5/31/2024: Sightful**  
introduced Spacetop, a “world’s first” AR laptop that is mobile and can project a 100” screen through the glasses, which feature two OLED screens and two open-ear speakers
- **5/10/2024: THE LUME**  
in Melbourne, the world’s largest multisensory gallery has opened, featuring “Leonardo da Vinci – 500 Years of Genius” to experience the life and work of the artist
- **3/27/2024: Snap**  
launched sponsored AR filters, enabling brands to place advertisements in the post-capture filter options

## Diversified AV

- **6/6/2024: Owl Labs**  
launched fourth-gen center-of-table 360° camera, which is an AI-powered, all-in-one, 360-degree videoconferencing camera
- **6/5/2024: Zoom**  
announced plans to feature an AI-powered “digital twin” to go into meetings, make decisions and help people work shorter weeks
- **6/4/2024: Synergy SKY Connect**  
now enabled users of Cisco, Poly or any other SIP video device to join meetings on Apple FaceTime as well as Teams, Zoom and Google Meet
- **6/3/2024: Disguise**  
partnered with MARS Volume to launch an Accelerator course for students to learn about virtual production, from real-time fundamentals in Unreal Engine to capturing scenes
- **5/28/2024: Panasonic**  
planning to exit its projector business to focus on its digital supply chain systems, with an estimated sale price of 80B Yen
- **5/23/2024: Oasis Enterprises**  
announced creation of Robotics and AI division to maximize opportunity in AI, VR, AR and hologram technology in the pro-AV market
- **4/15/2024: Panasonic**  
announced plans to supply AV solutions, including professional displays, broadcast production equipment and projection systems for the Olympic Games Paris 2024

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	Acquirer	Target	Enterprise Value	LTM Sales	LTM EBITDA
Jun-24	Kramer Electronics	Ashton Bentley	NA	NA	NA
Jun-24	Stratacache	MasterPoint	NA	NA	NA
May-24	AVI-SPL	ICAP Global	NA	NA	NA
Apr-24	Residio	SnapOne	\$1,400	1.3 x	11.9 x
Apr-24	ZetaDisplay	Beyond Digital Solutions	NA	NA	NA
Jan-24	LiveRamp	Habu	\$200	NA	NA
Jan-24	Informa	TechTarget	\$614	2.7 x	8.8 x
Dec-23	Midwich Group	prodyTel Distribution GMBH	\$21	1.0 x	NA
Oct-23	VSBLTY	Shelf Nine	NA	NA	NA
Oct-23	Uniguest	pCare	NA	NA	NA
Sep-23	Raydiant	Perch	NA	NA	NA
Sep-23	AVFX	AV Matters	NA	NA	NA
Aug-23	Midwich Group	Pulse Cinemas	NA	NA	NA
Aug-23	AVPro Global	AudioControl Home Division	NA	NA	NA
Jul-23	Midwich Group	HHB Communications	~\$18	NA	NA
Jul-23	Midwich Group	Toolfarm and 76 Media Systems	NA	NA	NA
Jul-23	Spectrio	InReality	NA	NA	NA
Jul-23	Providence Equity Partners	d&b Group	NA	NA	NA
Jun-23	Q-SYS	Seervision	NA	NA	NA
Jun-23	Midwich Group	SF Marketing	CAD 44	0.5 x	7.2 x
May-23	Samsung	eMagin	\$218	~7.3 x	NM
May-23	Uniguest	Eversound	NA	NA	NA
May-23	Uniguest	Bunch	NA	NA	NA
Apr-23	Providence / Searchlight	Hyve	£524	NA	NA
Apr-23	Transom Capital	Bose Professional	NA	NA	NA
Feb-23	Midwich Group	Nimans	\$30	0.2 x	9.3 x
Feb-23	Dancker	DBE Systems	NA	NA	NA
Jan-23	Key Code Media	Access AV	NA	NA	NA
Jan-23	C10 Media	ANC	NA	NA	NA
Jan-23	AVI-SPL	Adtech Systems	NA	NA	NA
Dec-22	AVI Systems	Neurilink	NA	NA	NA
Dec-22	AVI-SPL	Multimedia	NA	NA	NA
Nov-22	Uniguest	MediaStar Systems	NA	NA	NA
Nov-22	Solutionz	Spinitar	NA	NA	NA
Oct-22	Groove Technology Solutions	Ekho Comm	NA	NA	NA
Sep-22	ACT Entertainment	Ultimate Support Systems	NA	NA	NA
Jul-22	Livewire	Avico	NA	NA	NA

Source: Press releases and company filings.

# Market Indicators

## Share Price Performance

	Stock Price 6/7/24	1-Week % Change	1-Month % Change	LTM % Change
<b>Audio</b>				
B&O	\$1.50	(1%)	3%	(4%)
Dolby	\$79.35	(2%)	(4%)	(4%)
Sonos	\$15.67	(1%)	(11%)	(1%)
VOXX	\$3.60	(2%)	(36%)	(69%)

	Stock Price 6/7/24	1-Week % Change	1-Month % Change	LTM % Change
<b>Visual</b>				
Barco	\$12.89	(8%)	(10%)	(51%)
Japan Display	\$0.09	(6%)	(31%)	(69%)
Konka	\$0.33	(11%)	(23%)	(52%)
Sharp	\$5.88	(5%)	6%	(0%)
TCL	\$0.62	4%	(3%)	14%

<b>Audio Median</b>		(1%)	(8%)	(4%)
<b>Audio Mean</b>		(2%)	(12%)	(20%)

<b>Visual Median</b>		(6%)	(10%)	(51%)
<b>Visual Mean</b>		(5%)	(12%)	(32%)

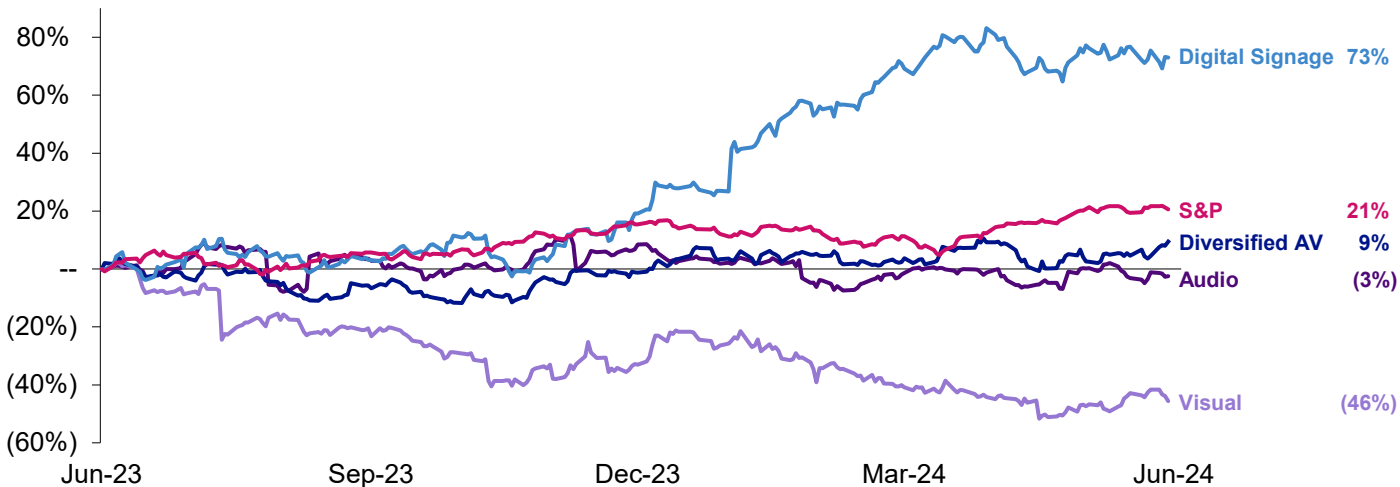
<b>Diversified AV</b>				
Creative Realities	\$3.83	17%	3%	36%
DCC	\$71.69	(1%)	(1%)	22%
Hisense	\$3.93	4%	3%	26%
Hitachi	\$104.42	2%	10%	72%
LG	\$73.08	(4%)	6%	(24%)
Logitech	\$101.47	3%	20%	61%
Midwich	\$4.66	(1%)	(14%)	(17%)
Panasonic	\$8.53	(3%)	(5%)	(26%)
Philips	\$26.35	(2%)	2%	42%
Samsung	\$56.10	6%	(6%)	3%
Sony	\$85.74	5%	4%	(12%)

<b>Digital Signage</b>				
Acuity Brands	\$251.01	(3%)	(4%)	52%
AU Optronics	\$0.56	2%	1%	(8%)
Daktronics	\$11.36	2%	8%	66%
Dialight	\$2.28	(0%)	13%	(23%)
Ennostar	\$1.39	(1%)	3%	(20%)
Everlight	\$2.23	0%	5%	36%
Leyard	\$0.63	(5%)	(9%)	(33%)
LSI	\$14.84	(7%)	(2%)	20%
NEC	\$77.28	5%	5%	57%
Unilumin	\$0.71	(5%)	(10%)	(47%)
Wolfspeed	\$27.33	6%	13%	(47%)

<b>Diversified AV Median</b>		2%	3%	22%
<b>Diversified AV Mean</b>		2%	2%	17%

<b>Digital Signage Median</b>		(0%)	3%	(8%)
<b>Digital Signage Mean</b>		(1%)	2%	5%

## LTM Indexed Market Capitalization Performance



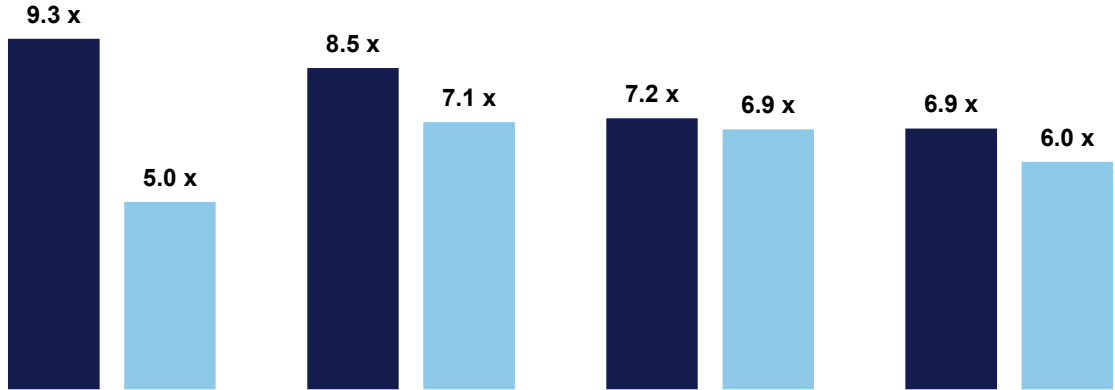
Source: Capital IQ as of June 7, 2024.



# Valuation Summary

Current market trading multiples

EV / 2024E EBITDA    EV / 2025E EBITDA



## Audio



SONOS



## Visual



KONKA

SHARP



## Diversified AV



DCC

Hisense

HITACHI



midwich

Panasonic

PHILIPS

SAMSUNG

SONY

## Digital Signage

AcuityBrands.

AUO



Dialight

Ennostar



LEYARD.



NEC

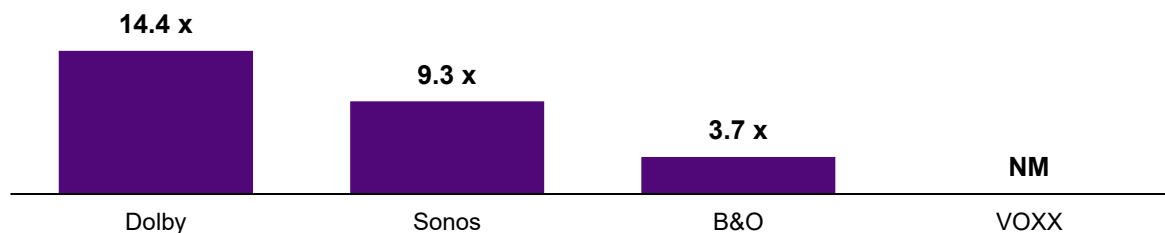
Unilumin

Wolfspeed.

# EV / 2024E EBITDA

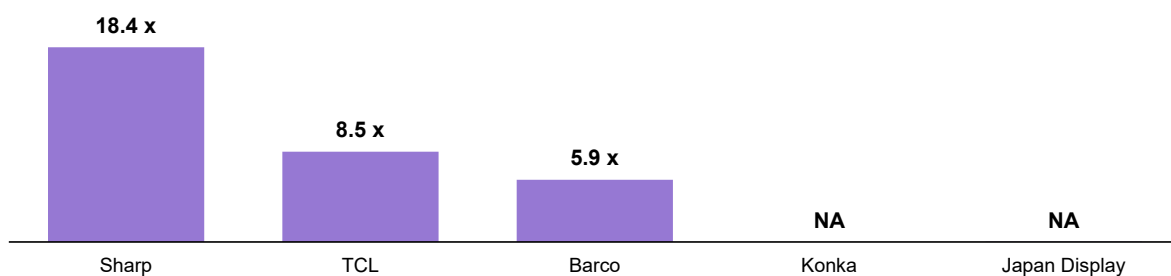
## Audio

Median: 9.3 x



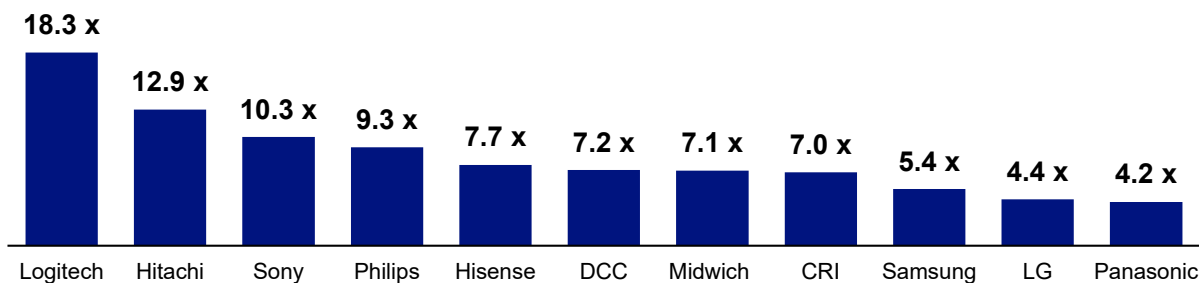
## Visual

Median: 8.5 x



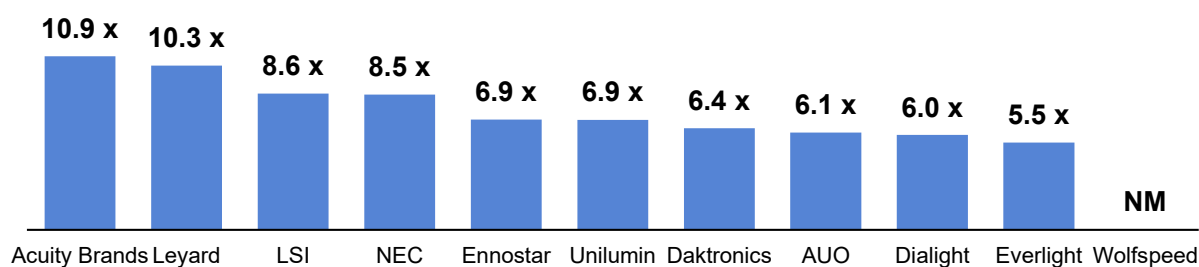
## Diversified AV

Median: 7.2 x



## Digital Signage

Median: 6.9 x



Source: Capital IQ as of June 7, 2024.

# Valuation Metrics

(\$ in Millions, Except Per Share Values)

	Stock Price 6/7/24	52-Week Low	52-Week High	Equity Value	Enterprise Value	Valuation Multiples		Growth	
						EV / Revenue	EV / EBITDA	'22A - '24E CAGR	
						CY 2024	CY 2024	Revenue	EBITDA
<b>Audio</b>									
B&O	\$1.50	\$1.17	\$1.70	\$181	\$167	0.4 x	3.7 x	(4%)	NM
Dolby	79.35	76.09	90.62	7,605	6,796	5.2 x	14.4 x	3%	25%
Sonos	15.67	9.86	19.51	1,926	1,634	1.0 x	9.3 x	(2%)	48%
VOXX	3.60	3.41	12.80	81	100	0.2 x	NM	(7%)	NM
<b>Audio Median</b>						<b>0.7 x</b>	<b>9.3 x</b>	<b>(3%)</b>	<b>36%</b>
<b>Audio Mean</b>						<b>1.7 x</b>	<b>9.1 x</b>	<b>(2%)</b>	<b>36%</b>
<b>Visual</b>									
Barco	\$12.89	\$12.89	\$27.29	\$1,162	\$918	0.8 x	5.9 x	(1%)	14%
Japan Display	0.09	0.09	0.30	553	580	NA	NA	NM	NM
Konka	0.33	0.32	0.70	597	2,878	NA	NA	NM	NM
Sharp	5.88	5.10	7.62	3,819	6,226	0.4 x	18.4 x	(14%)	(34%)
TCL	0.62	0.51	0.71	11,312	41,712	1.6 x	8.5 x	5%	37%
<b>Visual Median</b>						<b>0.8 x</b>	<b>8.5 x</b>	<b>(1%)</b>	<b>14%</b>
<b>Visual Mean</b>						<b>0.9 x</b>	<b>10.9 x</b>	<b>(3%)</b>	<b>5%</b>
<b>Diversified AV</b>									
Creative Realities	\$3.83	\$1.37	\$4.28	\$40	\$50	0.8 x	7.0 x	18%	NM
DCC	71.69	52.75	76.47	7,089	8,789	0.3 x	7.2 x	1%	15%
Hisense	3.93	2.77	4.01	5,042	4,105	0.5 x	7.7 x	12%	29%
Hitachi	104.42	57.85	106.95	96,680	98,591	1.8 x	12.9 x	(18%)	(0%)
LG	73.08	65.78	99.07	12,477	23,363	0.4 x	4.4 x	(2%)	1%
Logitech	101.47	54.24	101.72	15,570	14,040	3.2 x	18.3 x	(5%)	6%
Midwich	4.66	4.28	6.10	473	635	0.4 x	7.1 x	9%	24%
Panasonic	8.53	8.41	12.45	19,910	22,829	0.4 x	4.2 x	(6%)	14%
Philips	26.35	17.68	28.13	24,696	31,019	1.5 x	9.3 x	3%	NM
Samsung	56.10	49.10	63.42	372,381	319,923	1.4 x	5.4 x	(3%)	(4%)
Sony	85.74	75.12	100.77	104,619	125,465	1.6 x	10.3 x	0%	(1%)
<b>Diversified AV Median</b>						<b>0.8 x</b>	<b>7.2 x</b>	<b>0%</b>	<b>6%</b>
<b>Diversified AV Mean</b>						<b>1.1 x</b>	<b>8.5 x</b>	<b>1%</b>	<b>9%</b>
<b>Digital Signage</b>									
Acuity Brands	\$251.01	\$156.91	\$271.89	\$7,655	\$7,572	1.9 x	10.9 x	(2%)	7%
AU Optronics	0.56	0.46	0.68	4,266	5,667	0.7 x	6.1 x	3%	NM
Daktronics	11.36	6.03	12.17	503	476	0.6 x	6.4 x	6%	77%
Dialight	2.28	1.82	2.96	91	118	0.5 x	5.5 x	5%	53%
Ennostar	1.39	1.18	1.75	1,023	765	0.9 x	6.9 x	(7%)	(13%)
Everlight	2.23	1.34	2.26	987	684	1.1 x	6.0 x	(1%)	11%
Leyard	0.63	0.56	0.99	1,605	1,523	1.3 x	10.3 x	1%	16%
LSI	14.84	11.90	16.75	417	427	0.8 x	8.6 x	2%	9%
NEC	77.28	46.55	77.28	20,591	22,062	1.0 x	8.5 x	(5%)	3%
Unilumin	0.71	0.67	1.39	778	632	0.6 x	6.9 x	4%	71%
Wolfspeed	27.33	22.18	67.94	3,440	6,563	7.5 x	NM	6%	NM
<b>Digital Signage Median</b>						<b>0.9 x</b>	<b>6.9 x</b>	<b>2%</b>	<b>11%</b>
<b>Digital Signage Mean</b>						<b>1.5 x</b>	<b>7.6 x</b>	<b>1%</b>	<b>26%</b>

Source: Capital IQ and Wall Street Research as of June 7, 2024.

# Upcoming Events

Dates	Name	Location	Description
October 2024	<b>Out of Home New York*</b>	New York, NY	<ul style="list-style-type: none"> <li>Out of Home New York, f.k.a. Digital Signage Week, is a week-long mix of conferences, showcases, cocktails, open houses, breakfast debates, tours and other ad-hoc activities</li> </ul>
December 7 – 10, 2024	<b>Digital Signage Experience*</b>	Las Vegas, NV	<ul style="list-style-type: none"> <li>Digital Signage Experience explores every aspect of digital and interactive display technology, from concept and design to content and analytics</li> <li>2024 event will be co-located with Live Design International (LDI), the official show of the Digital Signage Federation</li> </ul>
February 4 – 7, 2025	<b>Integrated Systems Europe*</b>	Barcelona, Spain	<ul style="list-style-type: none"> <li>Integrated Systems Europe (ISE) is the world's largest professional AV and systems integration show, providing a unique showcase of technologies and solutions for commercial and residential applications</li> </ul>
February 25 – 26, 2025	<b>Entertainment Experience Evolution</b>	Los Angeles, CA	<ul style="list-style-type: none"> <li>Entertainment Experience Evolution features top executives from new retail concepts, restaurateurs, entertainment venues, landlords and service providers to the retail industry</li> </ul>
April 5 – 9, 2025	<b>NAB Show*</b>	Las Vegas, NV	<ul style="list-style-type: none"> <li>NAB Show is where thousands of content professionals from all corners of the media, entertainment and technology ecosystem come together to discuss expanding content reach and creating uncommon audio and visual experiences</li> </ul>
May 5 – 7, 2025	<b>OAAA / Geopath OOH Media Conference*</b>	Boston, MA	<ul style="list-style-type: none"> <li>OAAA / Geopath OOH Media Conference brings together a line-up of brand and agency executives and industry thought leaders</li> </ul>

Stay tuned for additional Solomon Media events...

If you wish to subscribe/unsubscribe to the AV Action Report, please contact:

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\* Solomon to host cocktail/networking event



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