



# Sectorwatch: Interactive Kiosk & Digital Signage

May 2018

# Interactive Kiosk & Digital Signage

May 2018

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# Overview

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7MA provides Investment Banking & Advisory Services to the Business Services and Technology Industries globally. We advise on M&A and private capital transactions, and provide market assessments and benchmarking. As a close knit team with a long history together and a laser focus on our target markets, we help our clients sell their companies, raise capital, grow through acquisitions, and evaluate new markets. We publish our sectorwatch, a review of M&A and operational trends in the industries we focus.

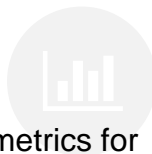
## Dashboard

- Summary metrics on the sector
- Commentary on market momentum by comparing the most recent 12-month performance against the last 3-year averages.



## Public Basket Performance

- Summary valuation and operating metrics for a basket of comparable public companies



## Valuation Comparison

- Graphical, detailed comparison of valuation multiples for the public basket



## Recent Deals

- The most recently announced deals in the sector



# Dashboard



## Revenue Growth Momentum

**↑ 0.06**

1 - year revenue growth compared to revenue growth average for last 3 years

Current revenue growth rate exceeds the average of the last 3 years by this amount, indicating that market momentum is increasing

## Pricing / Gross Margin Momentum

**↓ -0.4%**

1 - year gross profit % compared to gross profit % average for last 3 years

Current gross profit margin is less than the average of the last 3 years gross profit margins, indicating customer pricing power

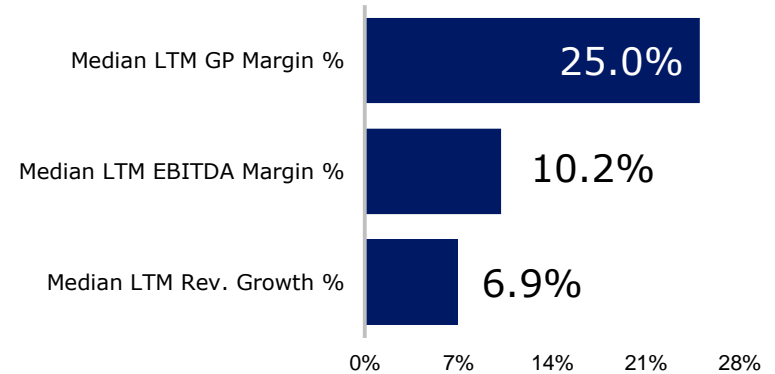
## Profitability Momentum

**↑ 0.9%**

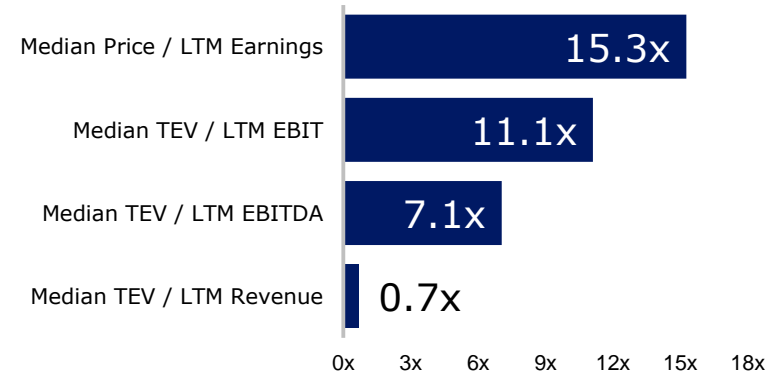
1 - year EBITDA % compared to EBITDA % average for last 3 years

Current EBITDA margin exceeds the average of the last 3 years EBITDA margin by this amount, a condition that may attract new entrants

## Operating Metrics



## Valuation



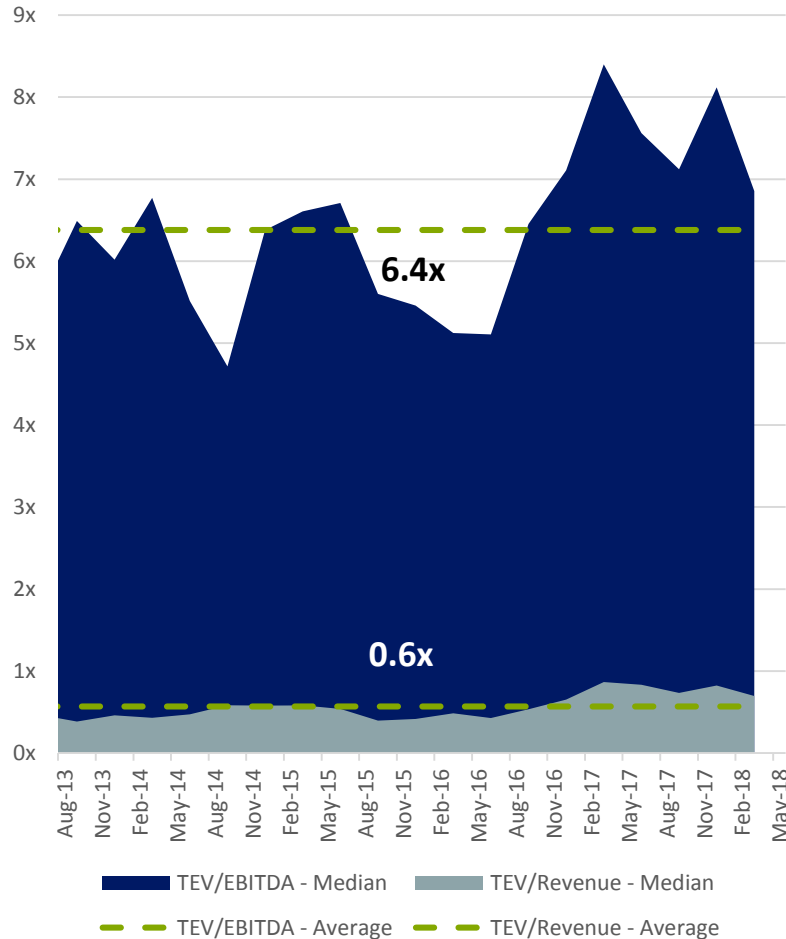
# Public Basket



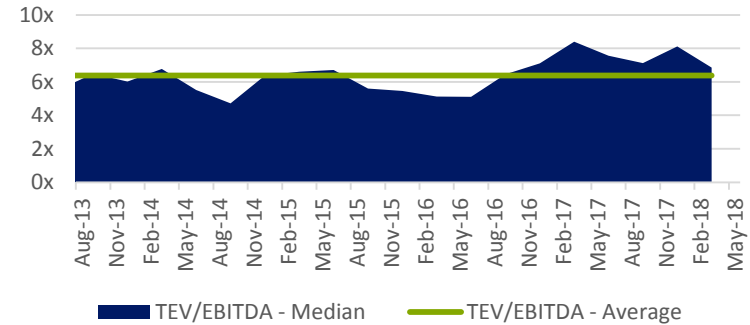
Company	TEV \$m	LTM Rev \$m	Rev Growth YoY	GP %	EBITDA %	TEV / Rev X	TEV / EBITDA X	# FTEs	Rev / FTE \$k
Diebold Nixdorf, Incorporated	2,928	4,571	17%	23%	7%	0.6	9.0	23,000	199
NCR Corporation	6,864	6,555	0%	29%	14%	1.1	7.5	34,000	193
Flex Ltd.	8,697	25,441	7%	7%	4%	0.3	7.9	200,000	127
LG Display Co., Ltd.	10,455	24,873	-4%	16%	16%	0.4	2.7	-	NA
Sharp Corporation	16,174	22,855	0%	17%	7%	0.7	10.8	-	NA
Panasonic Corporation	35,680	69,548	7%	30%	8%	0.5	6.5	257,533	270
Sony Corporation	66,177	80,448	12%	27%	13%	0.9	6.6	-	NA
Samsung Electronics Co., Ltd.	262,005	235,123	23%	47%	33%	1.1	3.4	-	NA
<b>Average</b>	51,123	58,677	8%	24%	13%	0.7	6.8	64,317	197
<b>Median</b>	13,315	25,157	7%	25%	10%	0.7	7.1	11,500	196

share price as of 03May18

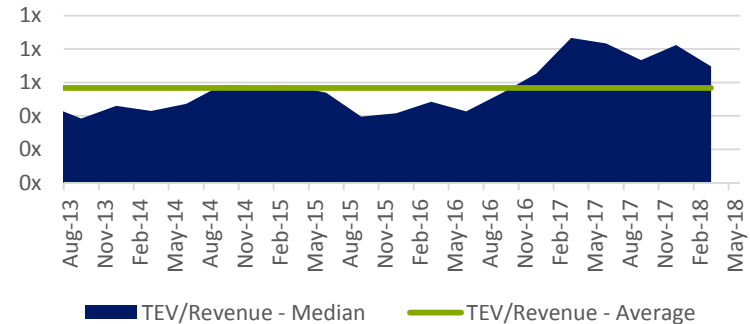
# Public Basket Valuation Trends



## Public EBITDA Multiples over Time



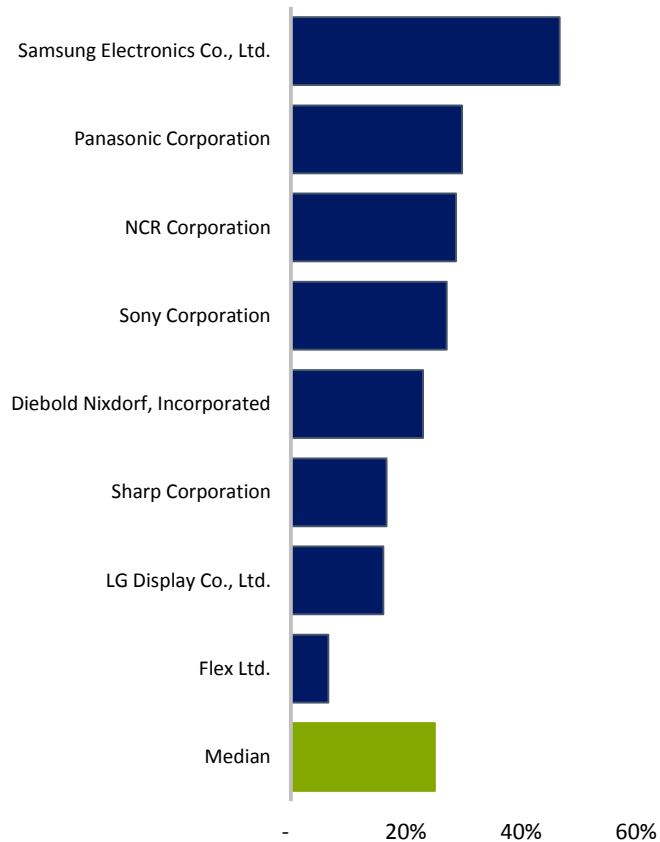
## Public Revenue Multiples over Time



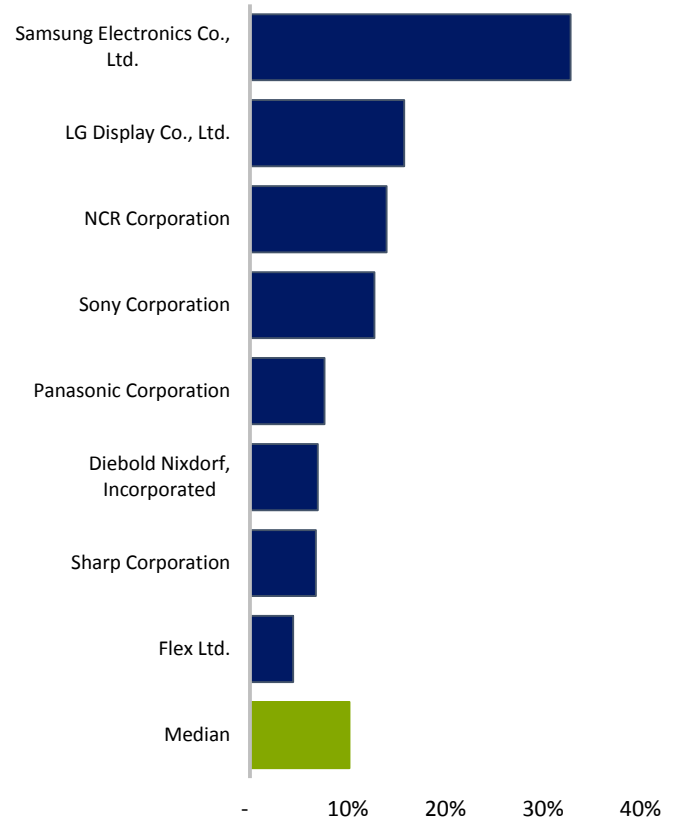
# Operational Metrics



LTM Gross Profit Margin %



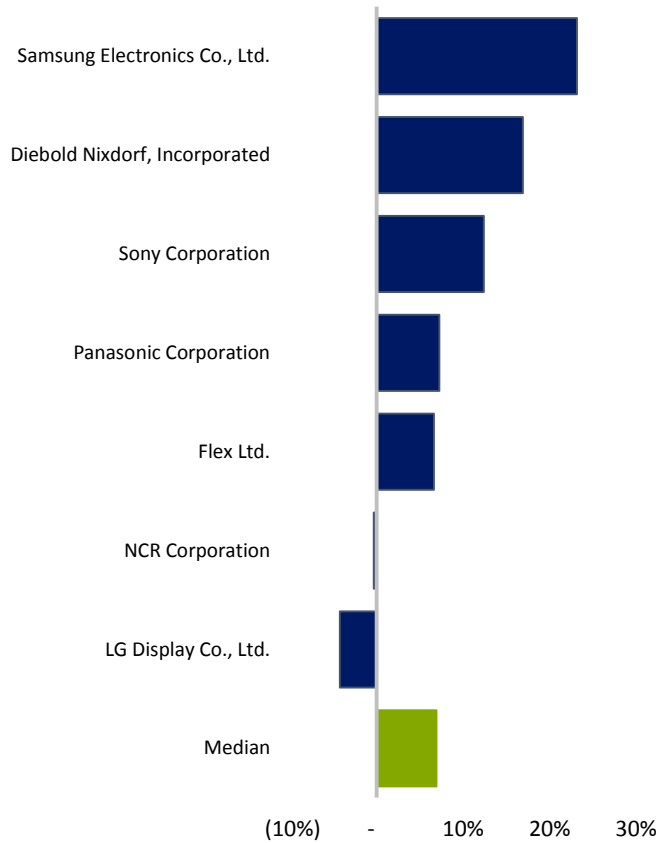
LTM EBITDA %



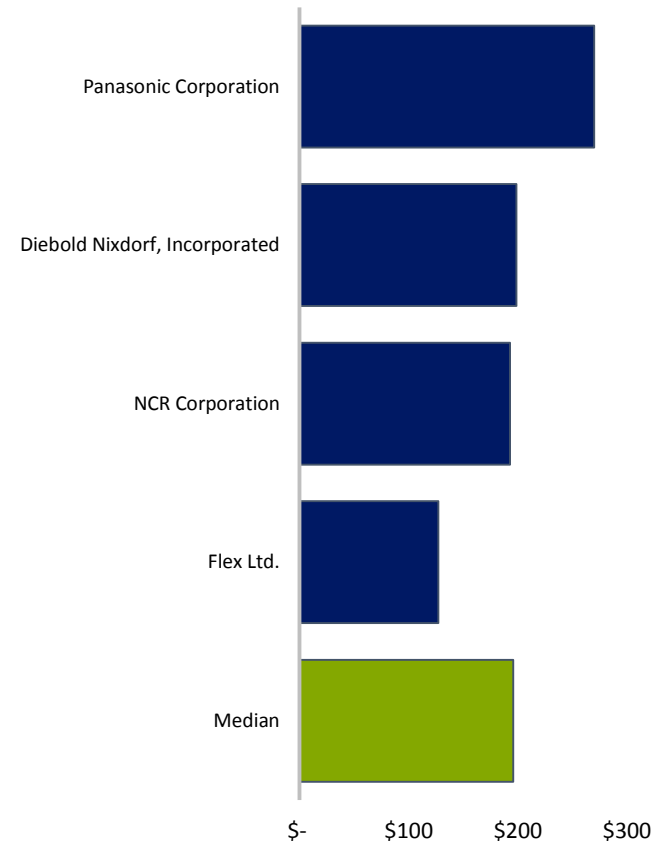
# Operational Metrics



LTM Revenue Growth %



LTM Revenue per Full Time Employee x 000's

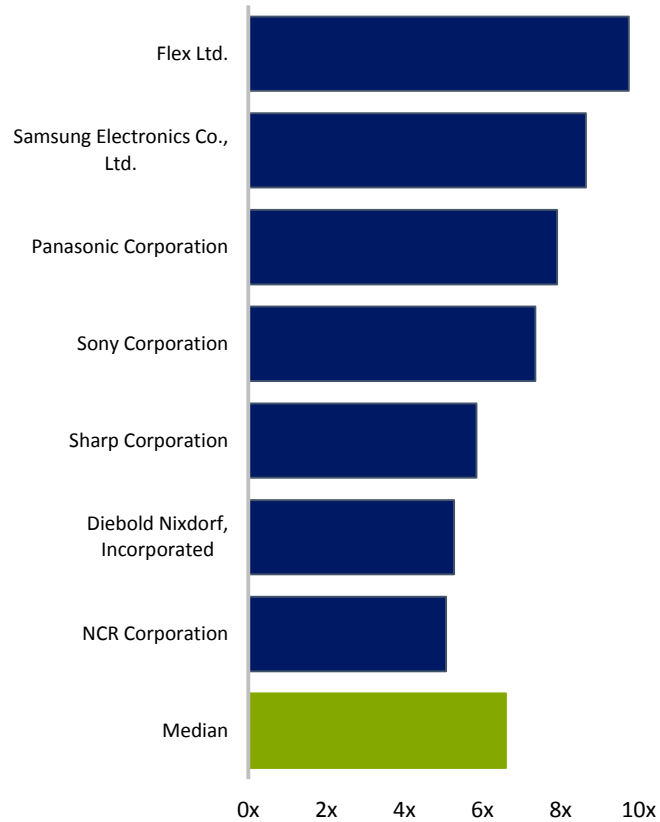




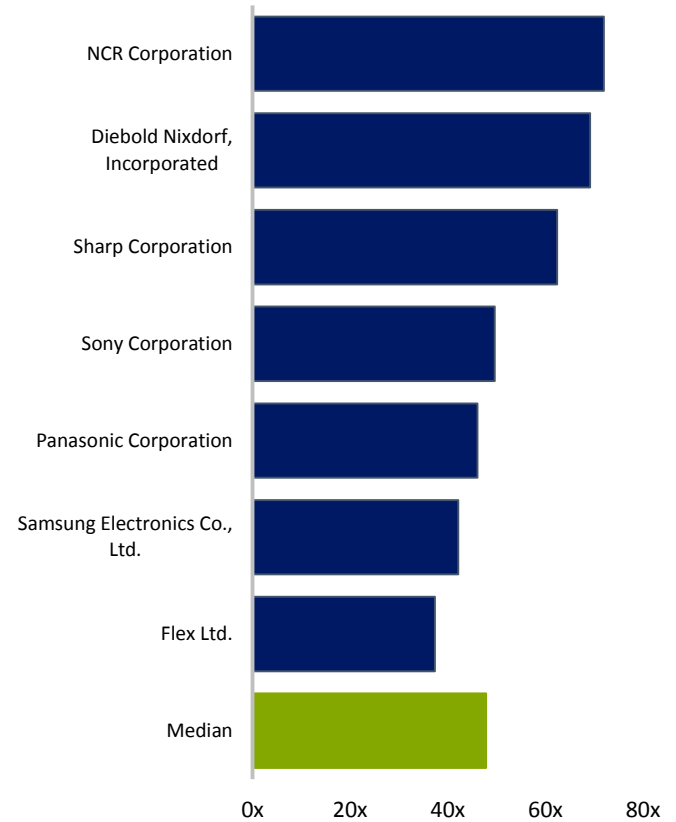
# Operational Metrics



## Accounts Receivable Turnover



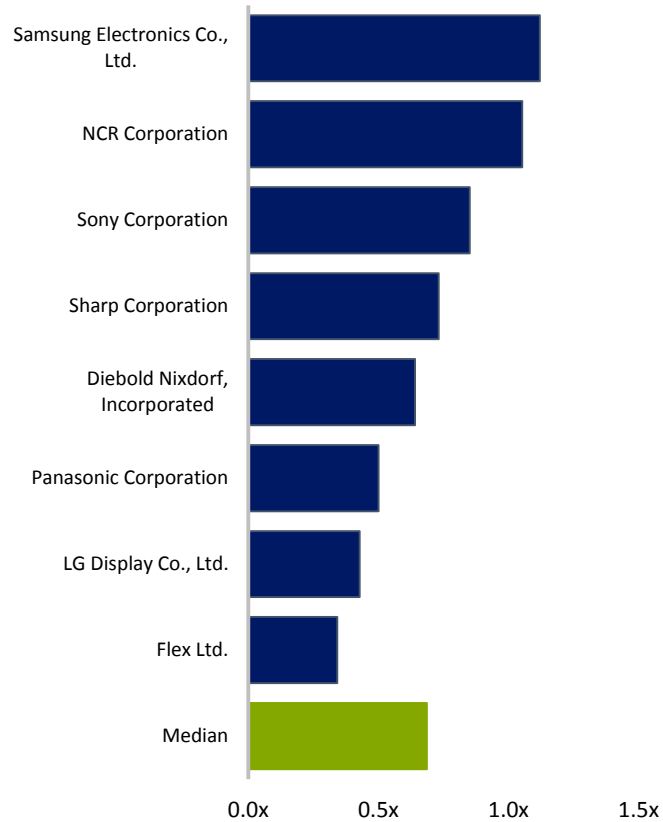
## Average Days Sales Outstanding



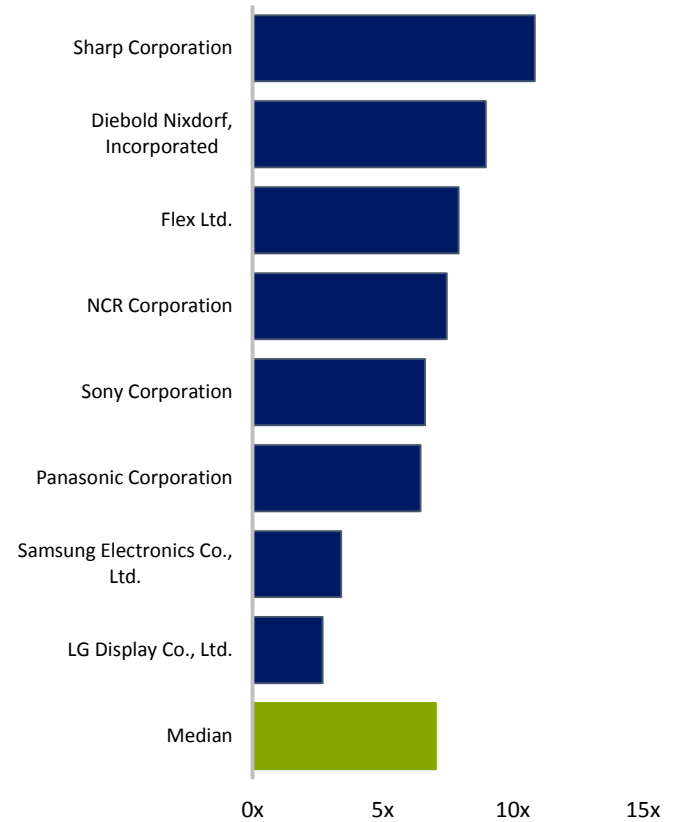
# Valuation



TEV / LTM Revenue



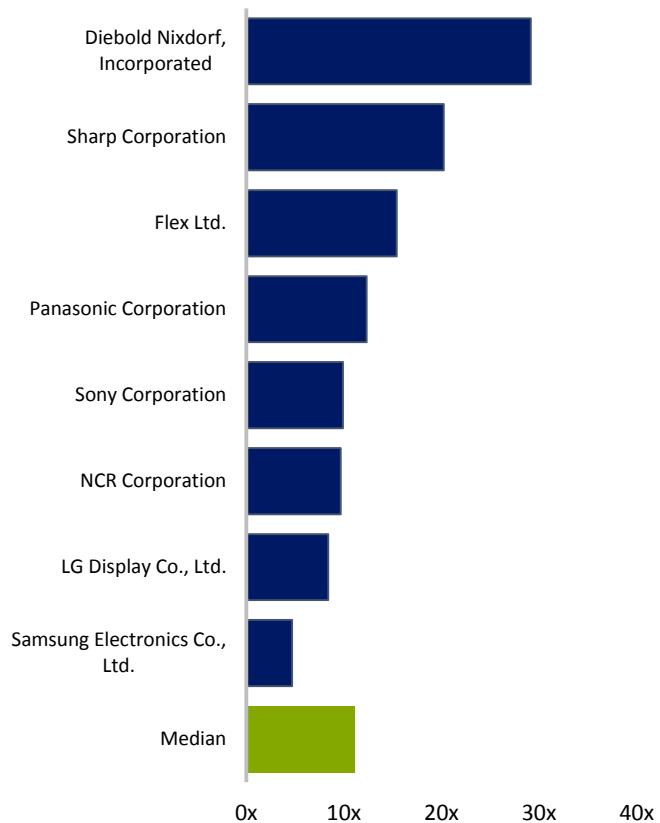
TEV / LTM EBITDA



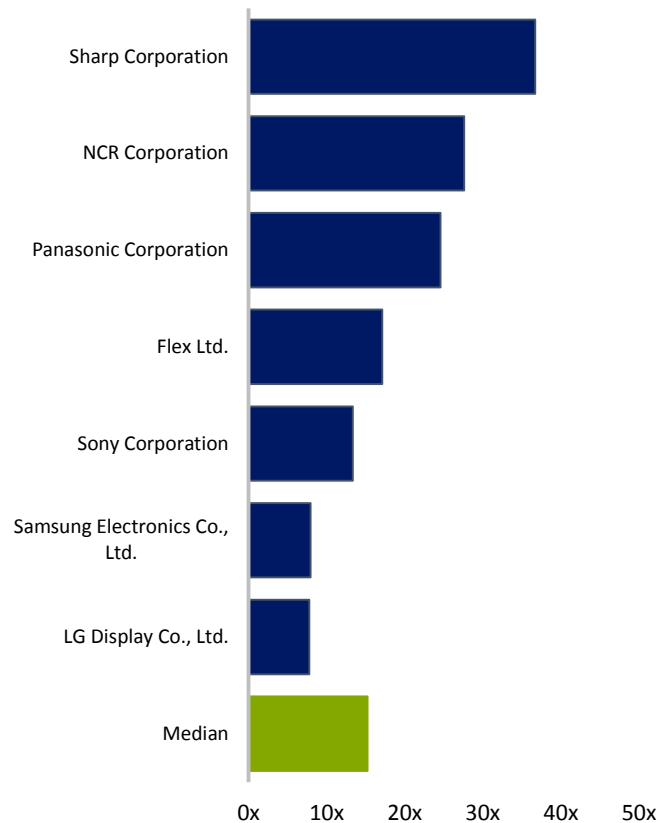
# Valuation



TEV / LTM EBIT



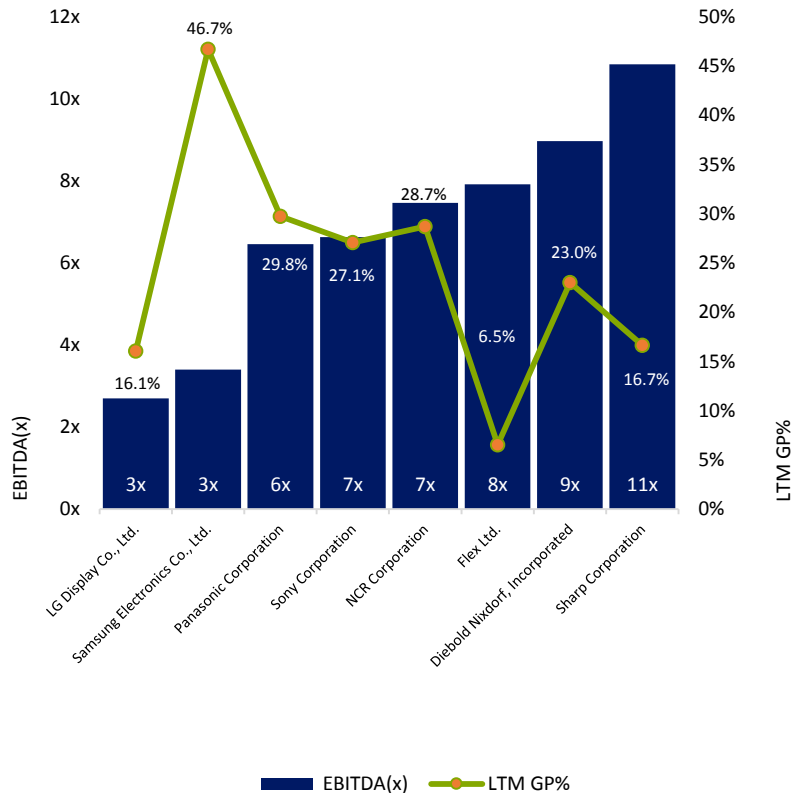
Price / LTM Earnings



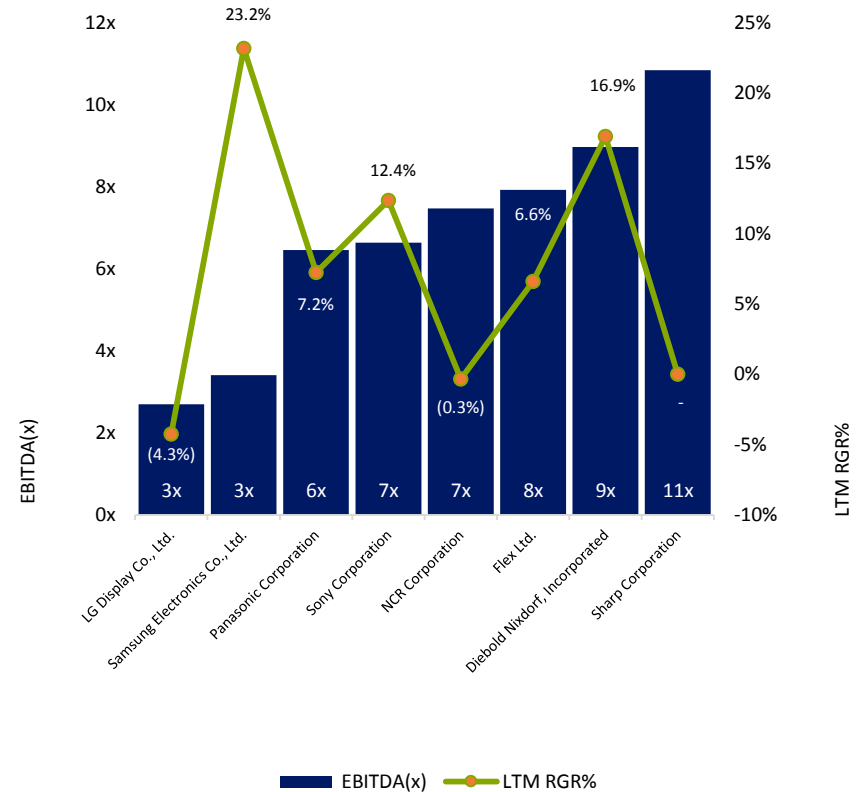
# Valuation



## Historical Valuation Multiples versus Gross Profit



## Historical Valuation Multiples versus Revenue Growth Rate



# Recent Transactions



Date	Target	Buyer / Investor	Total Transaction Value	Target Revenue	TEV / Revenue	TEV / EBITDA
12Feb18	Scala, Inc.	Stratacache, Inc.	-	-	-	-
6Feb18	ComQi Holdings Limited	AU Optronics Corp.	28.00	-	-	-
20Jul17	Pixel Inspiration Holdings Limited	Bunzl plc	-	9.10	-	-
5Jul17	Pursuant Health, Inc.	-	-	-	-	-
4Jul17	Télécom Santé SAS	Unexo; Generis Capital Partners; Télécom Technologies Transfert, SAS, SCR; Kreizig Invest; Breizh Up SAS; Crédit Agricole Ille et Vilaine Expansion	9.08	-	-	-
30Jun17	Medip inc.	FreeBit Co., Ltd.	0.09	0.31	0.3x	-
9Jun17	Seasam Digital Oy	ZetaDisplay AB	5.05	3.88	1.3x	-
9Jun17	CITECH Co., Ltd.	Gemini Investment Corporation	2.62	17.18	-	-
19Apr17	Smart RX Systems, Inc.	-	1.00	0.18	-	-
13Apr17	Mood Media Corporation	Apollo Global Management, LLC; GSO Capital Partners LP; Arbitr Partners Capital Management, LLC	646.58	464.18	1.3x	8.0x
11Apr17	ENOVAX Pte. Ltd.	PUC Founder (MSC) Berhad (nka:PUC Berhad)	1.43	-	-	-
6Apr17	Blendle B.V.	Nikkei Inc.; INKEF Capital	-	-	-	-
5Apr17	Caldera	Dover Corporation	37.32	11.73	3.2x	-
24Mar17	Nelito Systems Limited	DTS Corporation	1.30	11.18	0.5x	-
9Mar17	Partner Tech Corp	Qisda Corporation	42.56	64.99	1.3x	20.5x
3Feb17	Revel Systems, Inc.	Welsh, Carson, Anderson & Stowe	-	-	-	-
3Feb17	Phoenix Kiosk Inc. and Digital On-Demand, Inc.	Slabb, Inc.	-	-	-	-
9Jan17	Real Digital Media, LLC	Stratacache, Inc.	-	-	-	-
22Dec16	SignOnSite Pty Ltd.	Proto Investment Partners Pty Ltd; Sydney Angels Sidecar Fund	0.43	-	-	-
29Nov16	CDE Software LLC	QubicaAMF Worldwide, LLC	-	-	-	-
14Nov16	Medium (UK) Ltd.	DCC Technology Limited	10.33	39.84	0.3x	-
31Oct16	SD Concept GmbH	Betterspace GmbH	-	-	-	-
26Oct16	iSIGN Media Solutions Inc.	-	0.17	0.08	-	-
5Oct16	Coadunatio Limited	Virtual Jukebox Ltd.	-	-	-	-
2Sep16	Télécom Santé SAS	-	4.46	-	-	-
3Aug16	365 Retail Markets, LLC	McCarthy Partners Management, LLC; Mccarthy Capital Fund VI, L.P.	-	-	-	-
24Aug16	Accushield LLC	-	1.40	-	-	-
22Aug16	ProntoTV AS	ZetaDisplay AB	12.15	6.16	2.0x	8.6x
15Aug16	Scala, Inc.	Stratacache, Inc.	-	-	-	-
3Aug16	Hyundai IBT Co., Ltd.	IBK Capital Corporation; NH Investment & Securities Co., Ltd., Investment Arm; Hyundai Savings Bank Co., Ltd.; Golden Bridge Investment & Securities Co., Ltd, Investment Arm; LIG Investment & Securities Co., Ltd., Investment Arm	7.19	29.31	-	-
29Jul16	Shenzhen Protruly Electronics Co., Ltd.	Jiangsu Protruly Vision Technology Group Co., Ltd.	238.67	-	-	-
25Jul16	Zignage LLC	-	0.19	-	-	-
21Jul16	Anode, Inc., FireSign	Industry Weapon, Inc.	-	-	-	-
4Jul16	Merac Ltd	K3 Business Technology Group plc	1.93	1.65	1.2x	-

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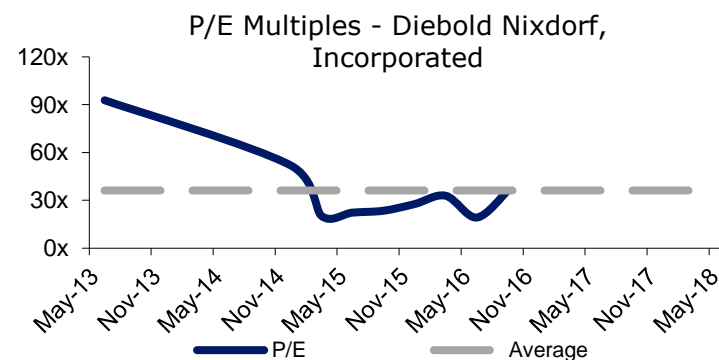
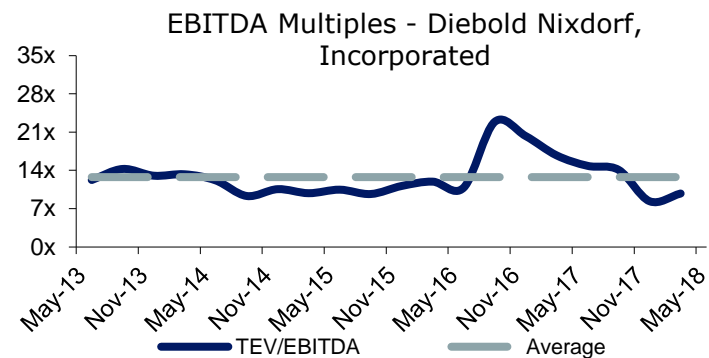
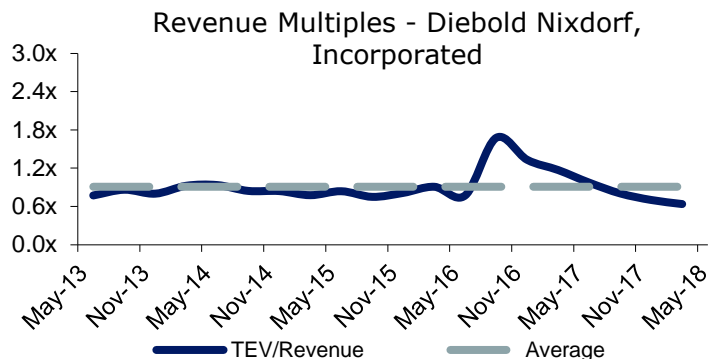
APPENDIX:  
Public Basket  
Constituents

# Public Basket



## Diebold Nixdorf, Incorporated

Diebold Nixdorf, Incorporated provides connected commerce solutions to financial institutions and retailers in North America, the Asia Pacific, Europe, the Middle East, Africa, and Latin America. The company operates in three segments: Services, Software, and Systems. The Services segment provides product-related services, such as first and second line maintenance, preventive maintenance, and on-demand services; and managed and outsourcing services, including store lifecycle management, self-service fleet management, branch lifecycle management, automated teller machine (ATM) as-a-service, and managed mobility services, as well as cash management services. This segment offers services to ATMs, point of sale (POS) terminals, self-checkout systems (SCO), and other distributed assets. The Software segment provides front-end applications for consumer connection points; and back-end platforms that manage channel transactions, operations, and integration. Its products include Vynamic Engage, a cloud-based software-as-a-service solution that enables a 360-degree view of customer behavior at various touchpoints; Diebold Nixdorf, Incorporated was founded in 1859 and is based in North Canton, Ohio.



Date	Key Development Headline
6/28/17	Cennox Plc acquired legacy Diebold U.K. and Ireland business from Diebold Nixdorf, Incorporated (NYSE:DBD).

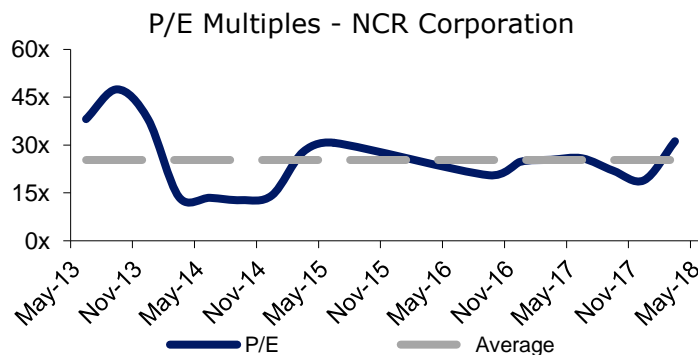
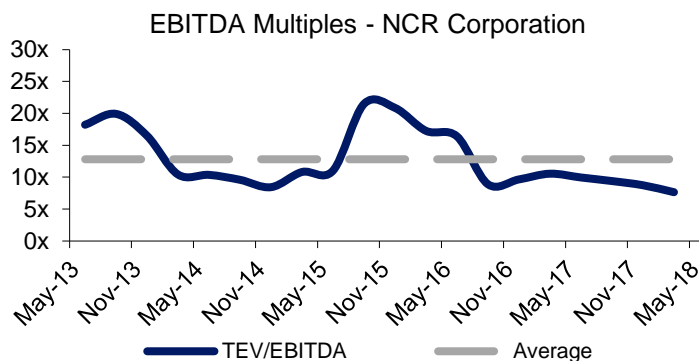
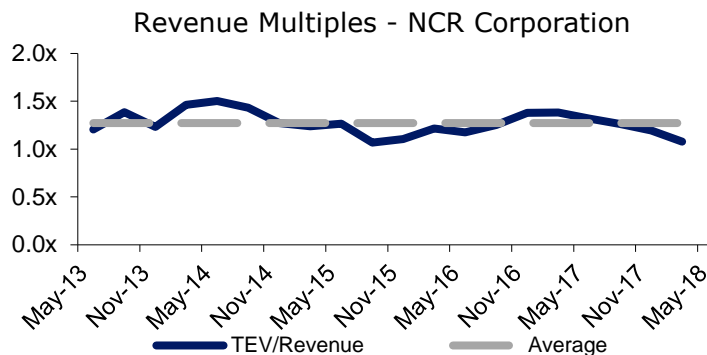
# Public Basket



## NCR Corporation

NCR Corporation provides omni-channel technology solutions that enable businesses connect, interact, and transact with their customers worldwide. The company's Software segment offers industry-based software platforms and applications and application suites for the financial services, retail, hospitality, and small business industries; and cash management software, video banking software, fraud and loss prevention applications, check and document imaging, remote-deposit capture, and customer-facing mobile and digital banking applications for the financial services industry. It also provides electronic and mobile payment solutions, sector-specific point of sale (POS) software applications, and back-office inventory, and store and restaurant management applications for the retail and hospitality industries; and software support and maintenance, and consulting and implementation services for its software solutions. The company was founded in 1884 and is headquartered in Atlanta, Georgia.

Date	Key Development Headline
12/20/17	Turbon AG (DB:TUR), in conjunction with two former long term NCR Executives, Shankar Ganapathi and Simon McCouaig, acquired Middle East and Africa operation of Interactive Printer Solutions division of NCR Corporation (NYSE:NCR).
11/15/17	NCR Corporation Announces a Strategic Integration with Monkey
5/22/17	NCR Corporation Seeks Acquisitions



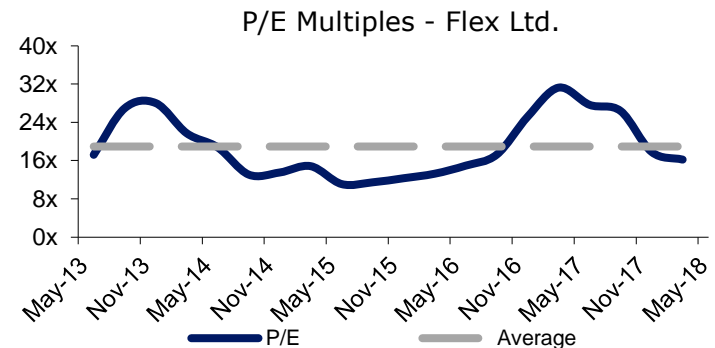
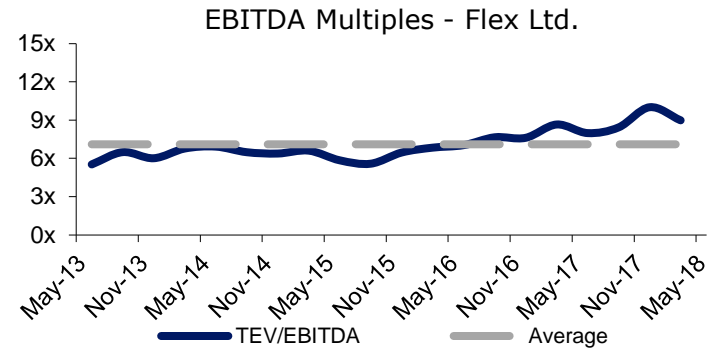
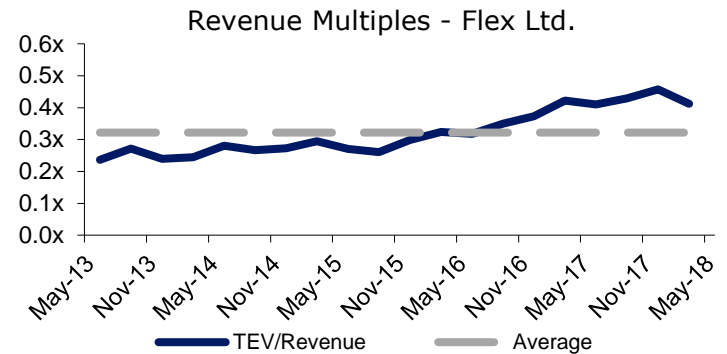


# Public Basket



## Flex Ltd.

Flex Ltd. provides design, engineering, manufacturing, and supply chain services and solutions to original equipment manufacturers worldwide. It offers innovation services, such as innovations labs for supporting customer design and product development services from early concept stages; collective innovation platform, an ecosystem of technology solutions; Lab IX, a startup accelerator program; centers of excellence solutions in critical areas; interconnect technology center for printed circuits; and CloudLabs that enables customers to accelerate a spectrum of cloud, converged infrastructure, and datacenter strategies. The company also provides design and engineering services, including contract design and joint development manufacturing services, which cover various technical competencies, such as system architecture, user interface and industrial design, mechanical engineering, technology, enclosure systems, thermal and tooling design, electronic system design, reliability and failure analysis, and component level development engineering; and systems assembly and manufacturing services. Flex Ltd. was founded in 1990 and is based in Singapore.



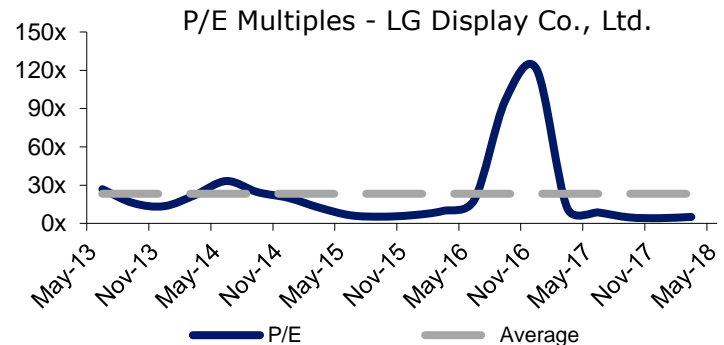
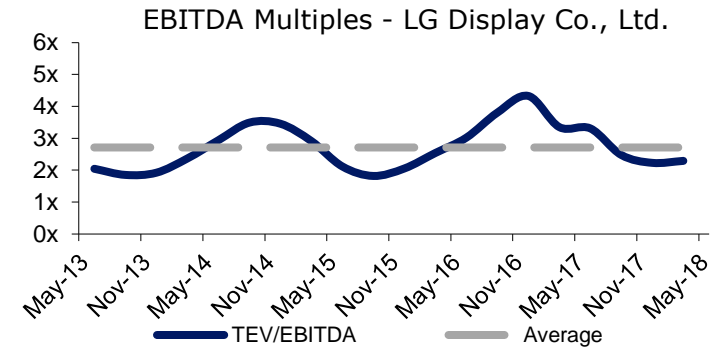
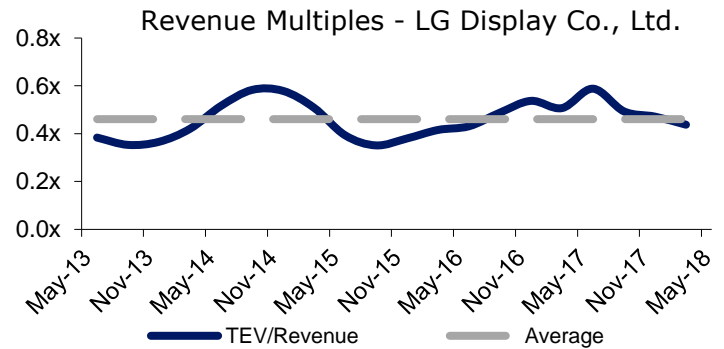
Date	Key Development Headline
7/27/17	i.am.plus electronics, inc. acquired Wink, Inc. from Flex Ltd. (NasdaqGS:FLEX).
5/16/17	Flex Enters into Joint Development and Licensing Agreement with Caruma Technologies, Inc

# Public Basket



## LG Display Co., Ltd.

LG Display Co., Ltd. manufactures and sells thin-film transistor liquid crystal display and organic light-emitting diode (OLED) technology-based display panels in the Republic of Korea, China, Europe, rest of Asia, the United States, and internationally. It offers various display panels primarily for use in televisions, notebook computers, desktop monitors, tablet computers, and mobile devices. The company also provides panels for industrial and other applications, including entertainment systems, automotive displays, portable navigation devices, and medical diagnostic equipment. It serves end-brand customers and their system integrators. The company was formerly known as LG.Philips LCD Co., Ltd. and changed its name to LG Display Co., Ltd. in February 2008. LG Display Co., Ltd. was founded in 1985 and is headquartered in Seoul, South Korea.



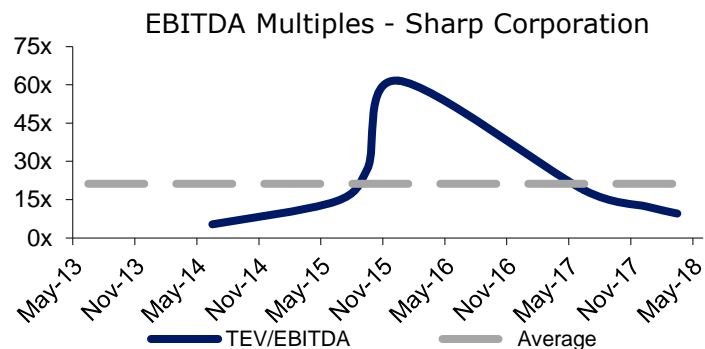
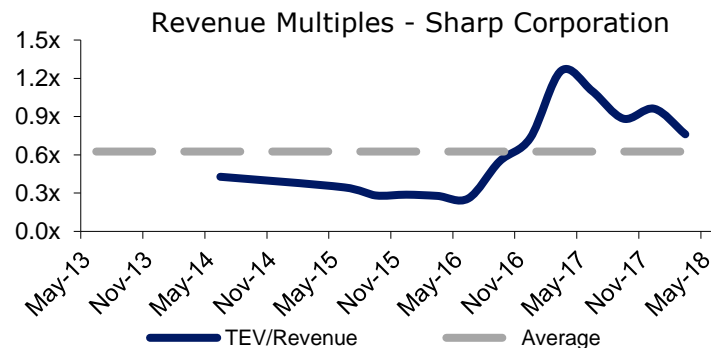
Date	Key Development Headline
8/13/17	LG Display Co., Ltd. (KOSE:A034220) sold 23% stake in Narae Nanotech Corporation.
5/14/17	An unknown buyer acquired 46% stake in New Optics Ltd. from LG Display Co., Ltd. (KOSE:A034220).

# Public Basket



## Sharp Corporation

Sharp Corporation manufactures and sells electronic communication equipment, electronic equipment, electronic application equipment, and electronic components in Japan, The Americas, Europe, China, and internationally. The company operates through five segments: Consumer Electronics, Energy Solutions, Business Solutions, Electronic Components and Devices, and Display Devices. The Consumer Electronics segment offers LCD color televisions, Blu-ray disc recorders, mobile phones, tablet devices, electronic dictionaries, calculators, facsimiles, telephones, refrigerators, superheated steam ovens, microwave ovens, small cooking appliances, air conditioners, washing machines, vacuum cleaners, air purifiers, electric fans, dehumidifiers, humidifiers, electric heaters, Plasmacluster ion generators, beauty appliances, and network controlled units. The Energy Solutions provides solar cells and storage batteries. Sharp Corporation was founded in 1912 and is headquartered in Sakai, Japan.



Date	Key Development Headline
1/14/18	An unknown buyer completed the acquisition of 0.05% stake in Sharp India Limited (BSE:523449) from Sharp Corporation (TSE:6753).
12/22/17	An unknown buyer agreed to acquire 0.05% stake in Sharp India Limited (BSE:523449) from Sharp Corporation (TSE:6753).
5/11/17	Sharp Corporation (TSE:6753) agreed to acquire 51% stake in Saigon Stec Co., Ltd. from Sharp Takaya Electronic Industry Co., Ltd., for \$3.1 million.

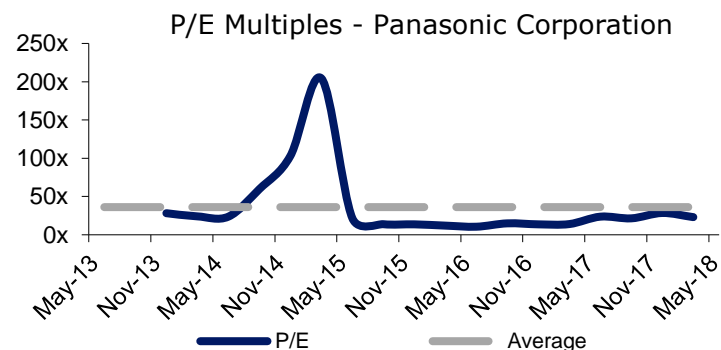
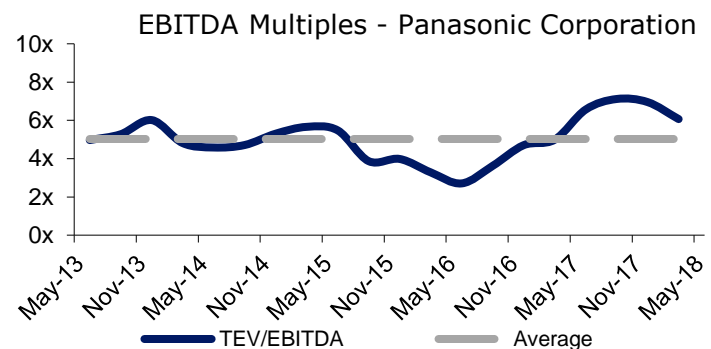
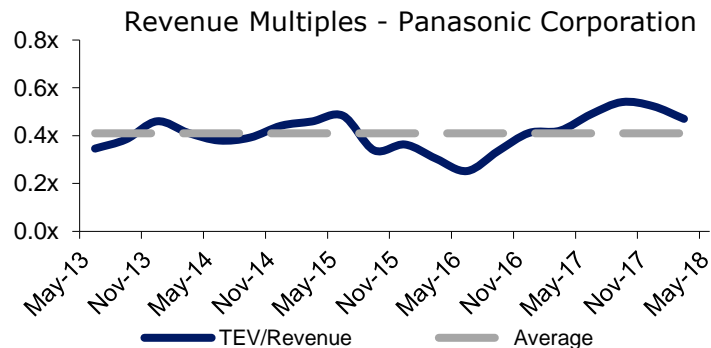
# Public Basket



## Panasonic Corporation

Panasonic Corporation, together with its subsidiaries, develops, produces, sells, and services electrical and electronic products under the Panasonic brand name worldwide. It operates through Appliances, Eco Solutions, Connected Solutions, Automotive & Industrial Systems, and Other segments. The Appliances segment offers air conditioners, TVs, refrigerators, washing machines, personal care products, microwave ovens, digital cameras, home audio equipment, video equipment, fixed-phones, vacuum cleaners, rice cookers, show cases, compressors, fuel cells, etc. The Eco Solutions segment provides lighting fixtures, lamps, wiring devices, solar photovoltaic systems, water related products, interior and exterior furnishing materials, ventilation and air conditioning equipment, air purifiers, bicycles, nursing care related products, etc. Panasonic Corporation was founded in 1918 and is headquartered in Kadoma, Japan.

Date	Key Development Headline
4/1/18	Panasonic Corporation (TSE:6752) acquired Shiftall Inc. from Cerevo Inc.
2/28/18	Panasonic Corporation and Scrum Ventures Announce a Joint Venture to Foster Innovation
2/13/18	Panasonic and Trend Micro Partner to Develop Cyber Security Solution
1/7/18	Cetus Technologies, Inc. acquired patent portfolio of Panasonic Corporation (TSE:6752).
10/22/17	Panasonic Corporation (TSE:6752) acquired Arimo Inc.

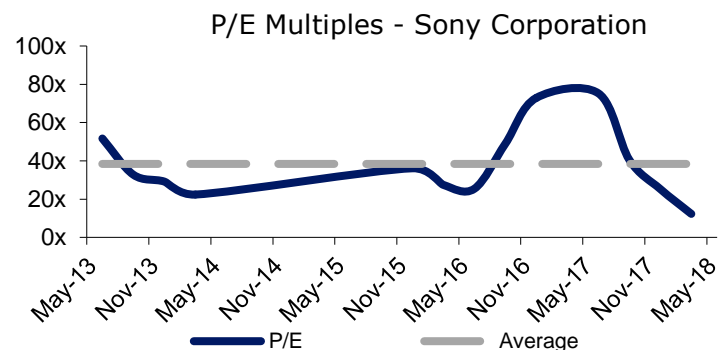
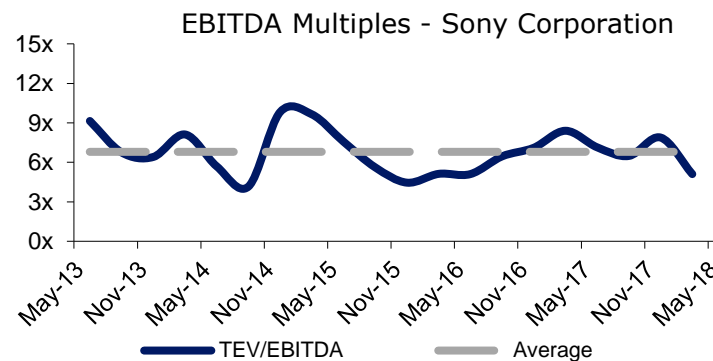
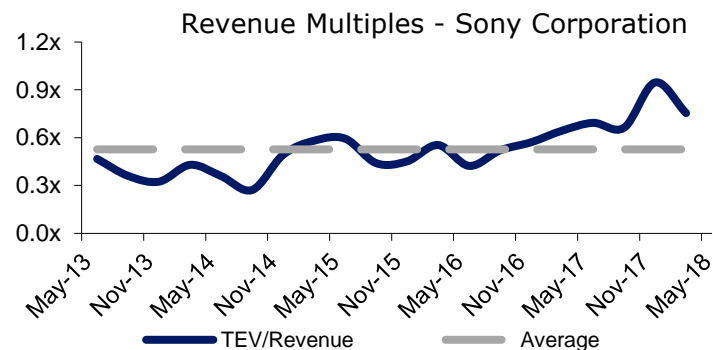


# Public Basket



## Sony Corporation

Sony Corporation designs, develops, manufactures, and sells electronic equipment, instruments, and devices for consumer, professional, and industrial markets worldwide. It offers LCD televisions, optical pickups, mobile phones, tablets, audio equipment and video conference systems, batteries, broadcast and professional-use video equipment, and DVD-players/recorders; and Blu-ray Disc players and recorders, ROMs, CDs, DVDs, and UMDs. The company also provides Internet broadband network services to subscribers, as well as creates and distributes content through its portal services to various electronics product platforms, such as PCs and mobile phones; and interchangeable lens cameras, compact digital cameras, and consumer and professional video cameras, as well as display products comprising projectors and medical equipment. Sony Corporation was founded in 1946 and is headquartered in Tokyo, Japan.



Date	Key Development Headline
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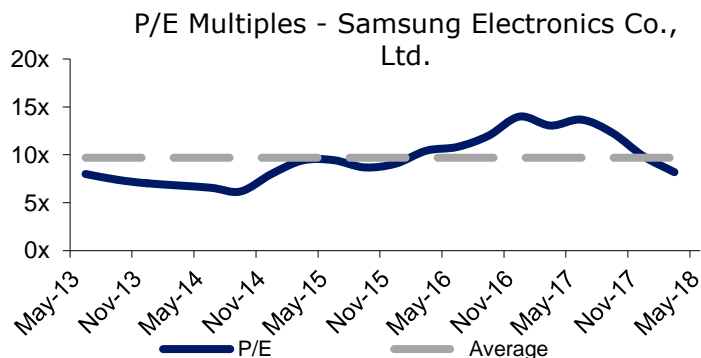
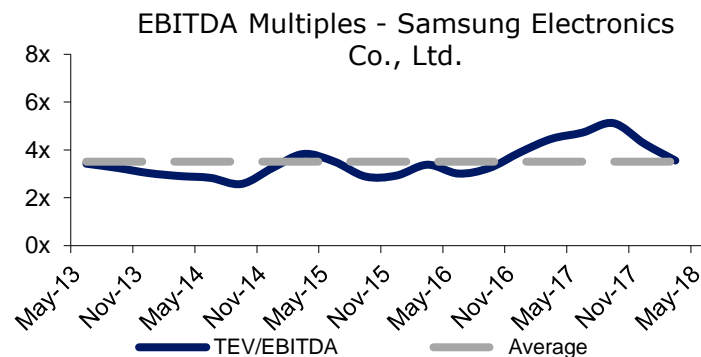
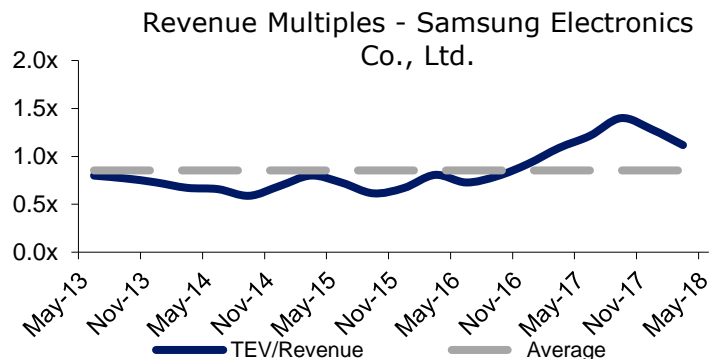
- |          |  |
|----------|--|
| 10/14/17 | Murata Manufacturing Co., Ltd. (TSE:6981) agreed to acquire a plant in Nomi Ishikawa from Sony Corporation (TSE:6758).                         |
| 8/31/17  | Murata Manufacturing Co., Ltd. (TSE:6981) completed the acquisition of Tohoku Murata Manufacturing Co., Ltd. from Sony Corporation (TSE:6758). |

# Public Basket



## Samsung Electronics Co., Ltd.

Samsung Electronics Co., Ltd., together with its subsidiaries, engages in the consumer electronics, information technology and mobile communications, and device solutions businesses worldwide. It offers digital TVs, monitors, and printers; mobile phones, smartphones, tablets, wearables, other phones, accessories, communication systems, and computers; memory and system LSI products; LCD and OLED panels; audio equipment, such as home entertainment systems, soundbars, sound towers, digital components, Blu-Ray and DVD players, and multimedia speakers; and solid state drives (SSD), portable SSDs, and memory cards. Samsung Electronics Co., Ltd. was founded in 1938 and is based in Suwon, South Korea.



Date	Key Development Headline
3/8/18	Royal Philips and Samsung Electronics Co. Ltd. Announces Strategic Partnership to Connected Health Ecosystem
2/20/18	National Instruments Corporation Announces Plans to Collaborate with Samsung Electronics Co., Ltd. to Develop 5G Test UEs for 5G New Radio
12/12/17	Renovo and Samsung Electronics Co., Ltd. to Develop Highly Automated Vehicle Technology
12/1/17	Samsung Electronics Co., Ltd. (KOSE : A005930) Seeks Acquisitions
11/27/17	Samsung Electronics Co., Ltd. (KOSE:A005930) acquired Fluenty Inc.

# Contact Information

7MA provides Investment Banking & Advisory Services to the Business Services and Technology Industries globally. We advise on M&A and private capital transactions, and provide market assessments and benchmarking. As a close-knit team with a long history together and a laser focus on our target markets, we help our clients sell their companies, raise capital, grow through acquisitions, and evaluate new markets. Securities offered through 7M Securities LLC.

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