



Sectorwatch: Interactive Kiosk and Digital Signage

March 2019

Interactive Kiosk and Digital Signage

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Overview

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.



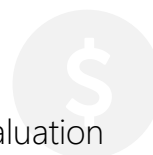
Public Basket Performance

- 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

↓ -0.8%

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

Current revenue growth rate is less than the average of the last 3 years, indicating that the market may be flattening or declining

Pricing / Gross Margin

↓ -1.0%

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

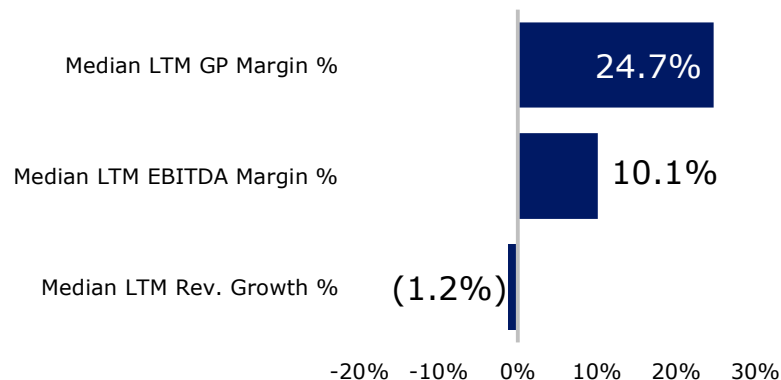
Profitability

↓ -1.82%

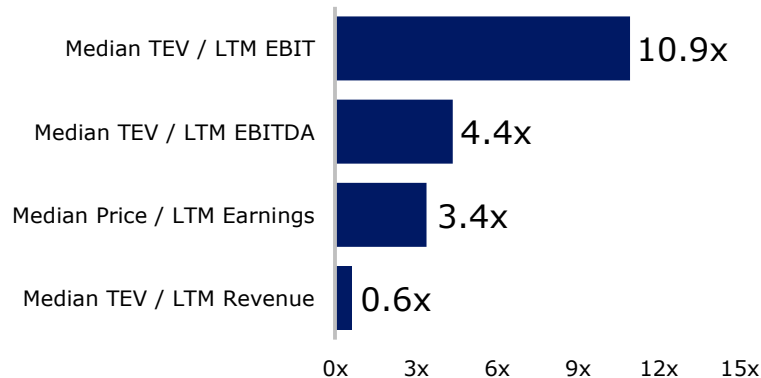
1 - year EBITDA % compared to EBITDA % average for last 3 years

Current EBITDA margin is less than the average of the last 3 years EBITDA margins, which may signal further consolidation

Operating Metrics



Valuation



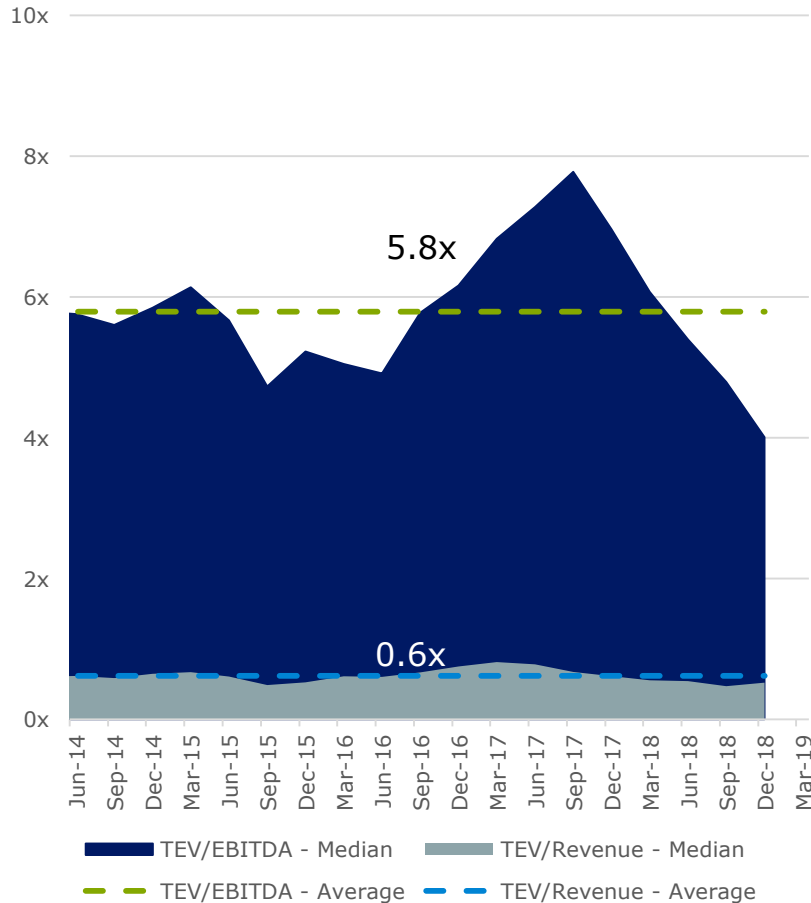
Public Basket



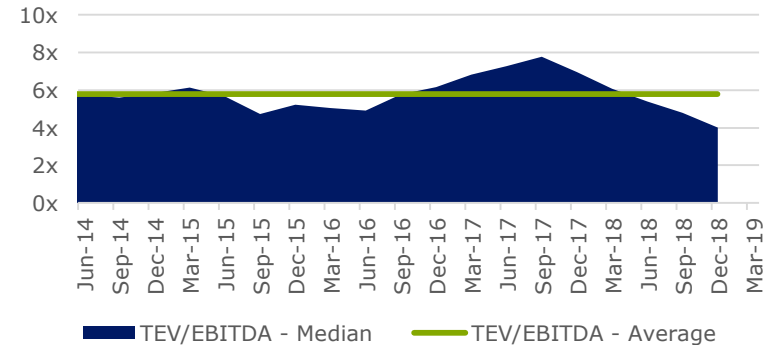
| Company | TEV \$m | LTM Rev \$m | Rev Growth YoY | GP % | EBITDA % | TEV / Rev X | TEV / EBITDA X | # FTEs | Rev / FTE \$k |
|-------------------------------|---------|-------------|----------------|------|----------|-------------|----------------|---------|---------------|
| ClearOne, Inc. | 26 | 30 | -30% | 54% | -23% | 0.9 | 0.0 | - | NA |
| Diebold Nixdorf, Incorporated | 2,715 | 4,579 | -1% | 22% | 6% | 0.6 | 10.3 | 23,000 | 199 |
| AU Optronics Corp. | 4,530 | 10,050 | -10% | 9% | 13% | 0.5 | 3.4 | - | NA |
| Flex Ltd. | 6,681 | 26,490 | 6% | 6% | 5% | 0.3 | 5.6 | 200,000 | 132 |
| NCR Corporation | 6,770 | 6,405 | -2% | 28% | 13% | 1.1 | 8.3 | 34,000 | 188 |
| LG Display Co., Ltd. | 12,993 | 21,861 | -12% | 13% | 13% | 0.6 | 4.5 | - | NA |
| Panasonic Corporation | 23,208 | 74,311 | 4% | 28% | 7% | 0.3 | 4.2 | 274,143 | 271 |
| Samsung Electronics Co., Ltd. | 186,933 | 218,973 | 2% | 46% | 35% | 0.9 | 2.5 | - | NA |
| Average | 30,482 | 45,337 | -5% | 26% | 9% | 0.6 | 4.8 | 66,393 | 198 |
| Median | 6,726 | 15,955 | -1% | 25% | 10% | 0.6 | 4.4 | 11,500 | 194 |

share price as of 08Mar19

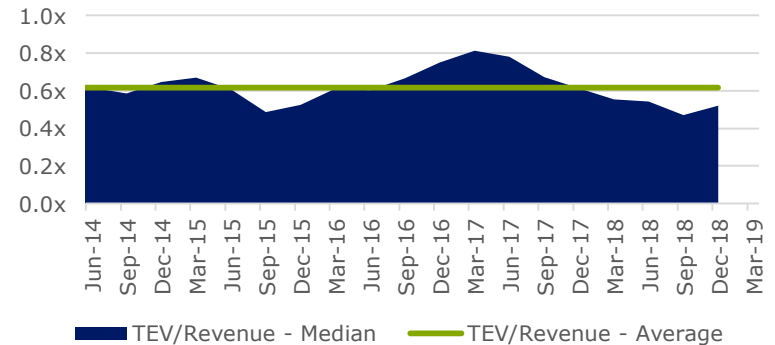
Public Basket Valuation Trends



Public EBITDA Multiples over Time



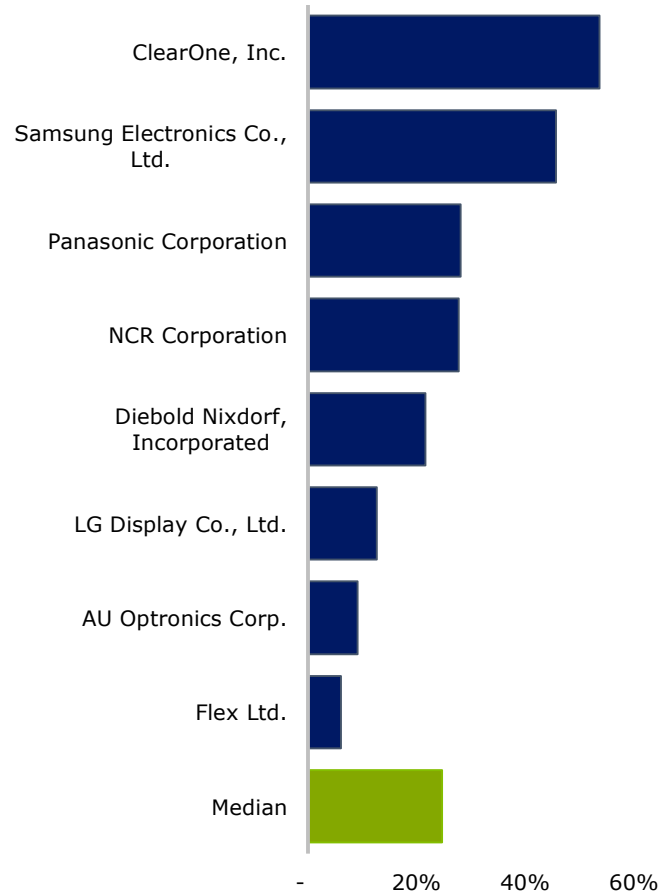
Public Revenue Multiples over Time



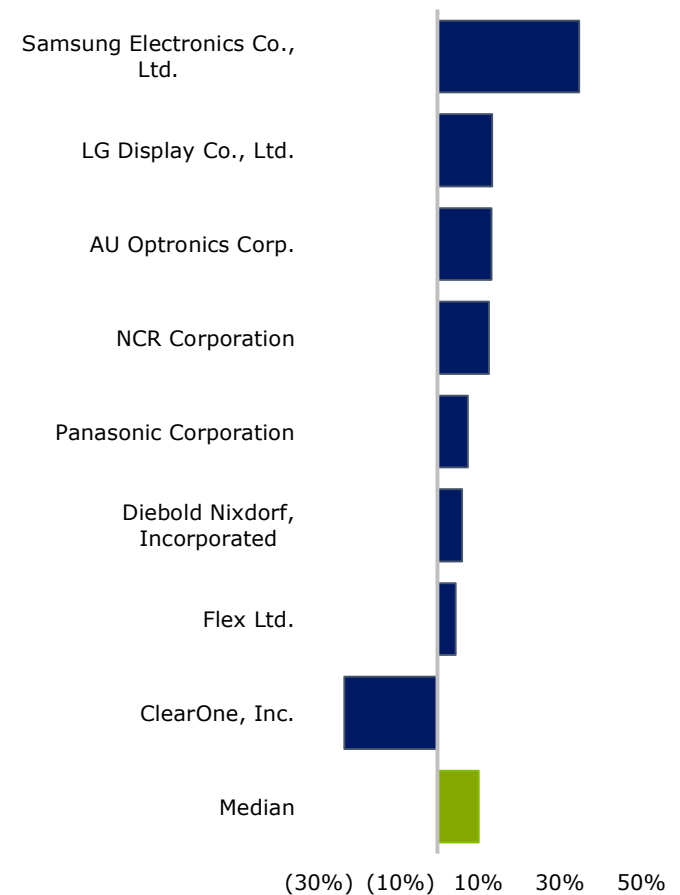
Operational Metrics



LTM Gross Profit Margin %



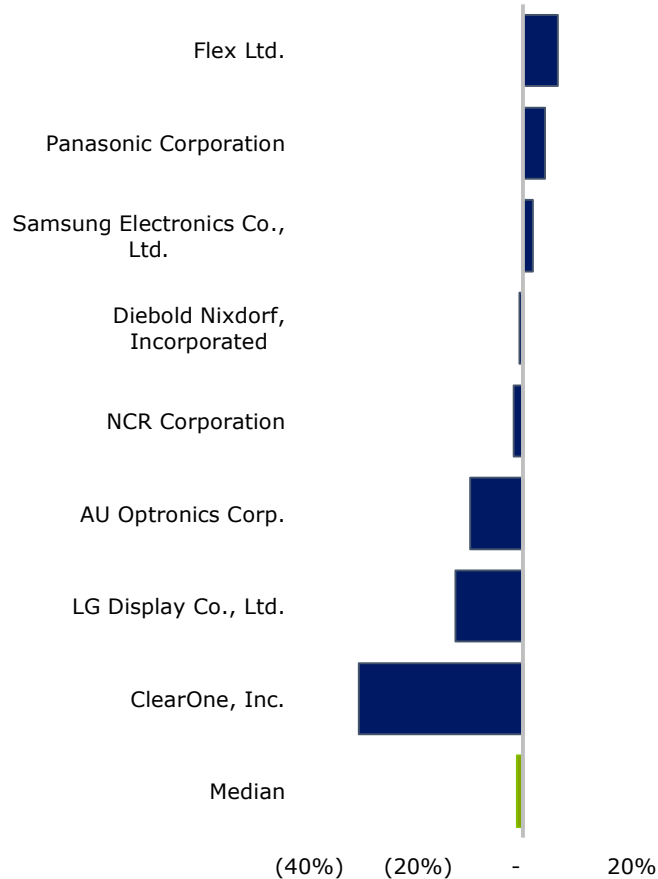
LTM EBITDA %



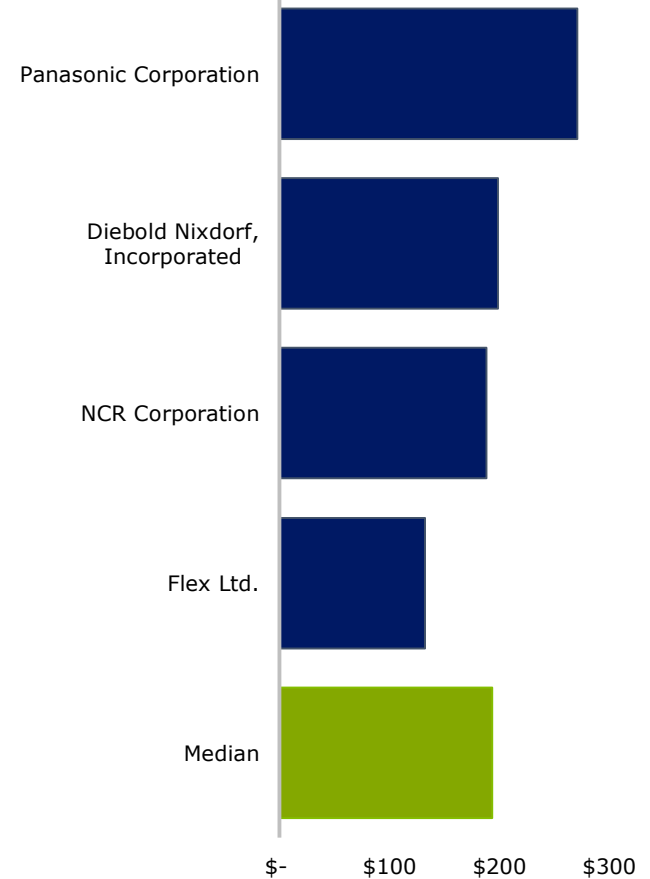
Operational Metrics



LTM Revenue Growth %



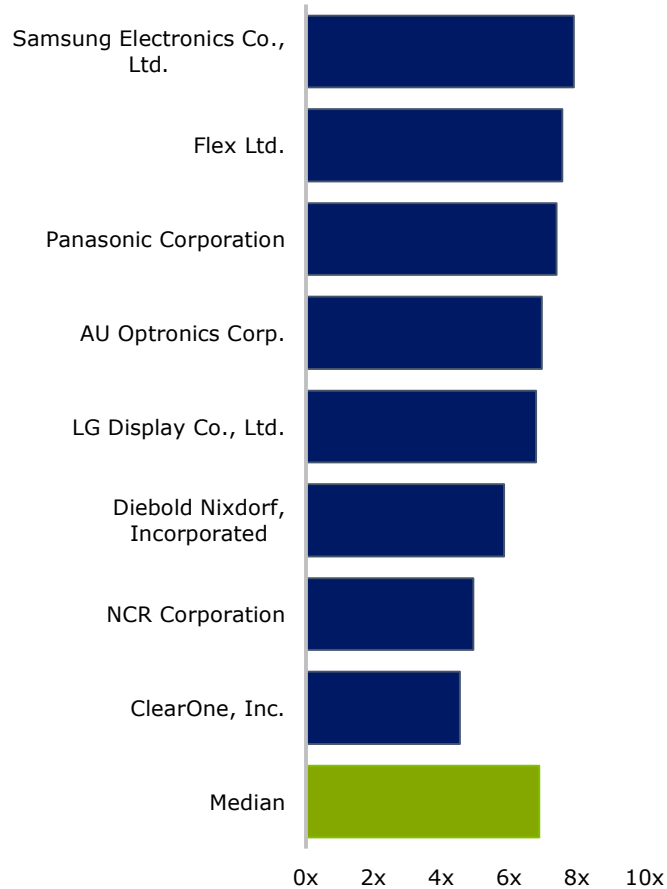
LTM Revenue per Full Time Employee x 000's



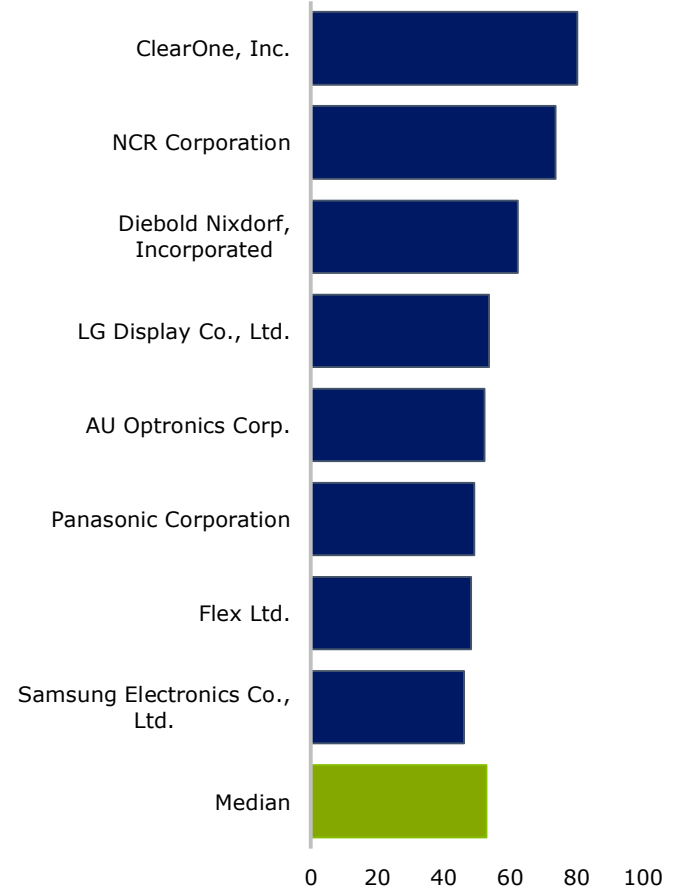
Operational Metrics



Accounts Receivable Turnover



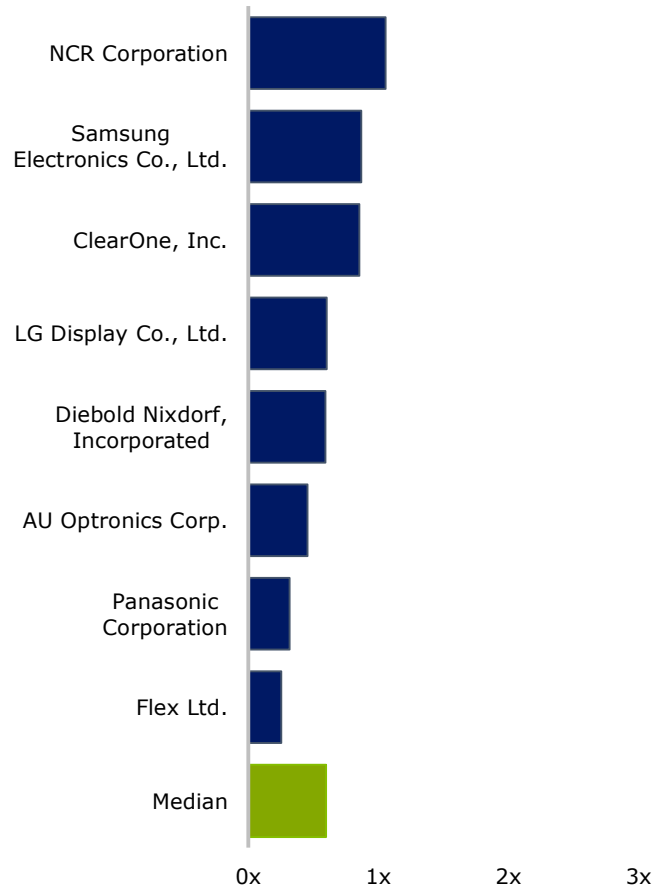
Average Days Sales Outstanding



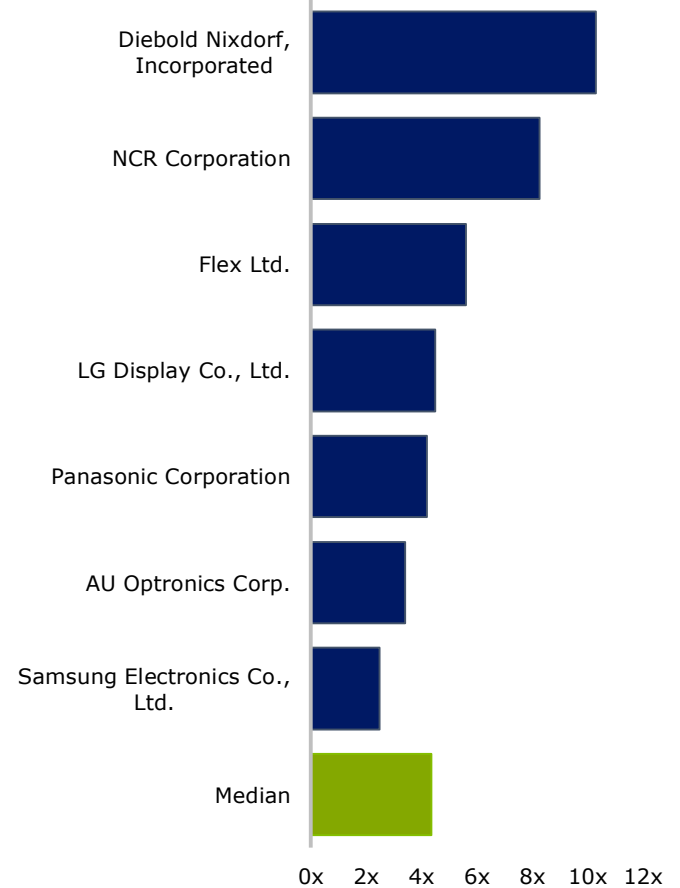
Valuation



TEV / LTM Revenue



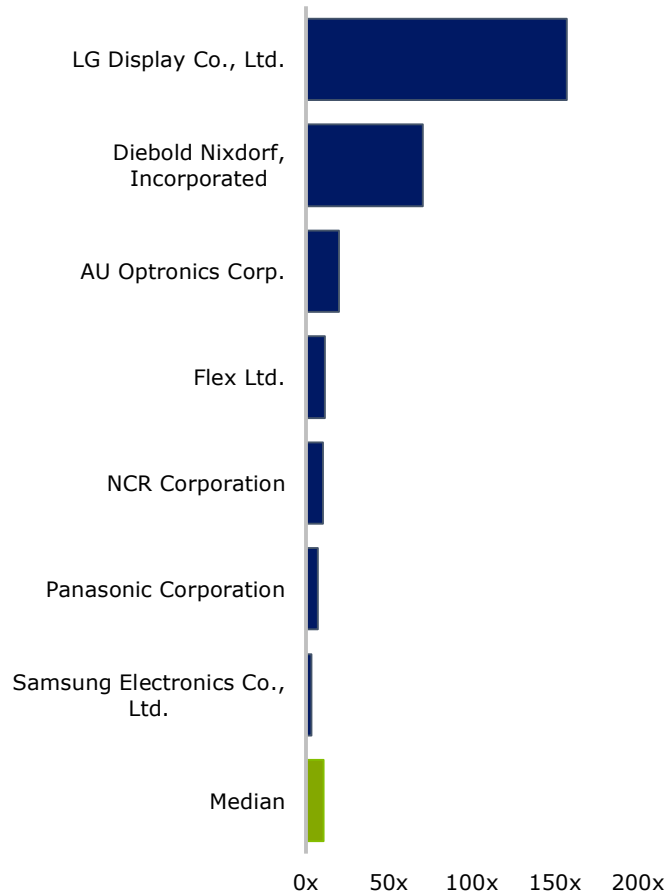
TEV / LTM EBITDA



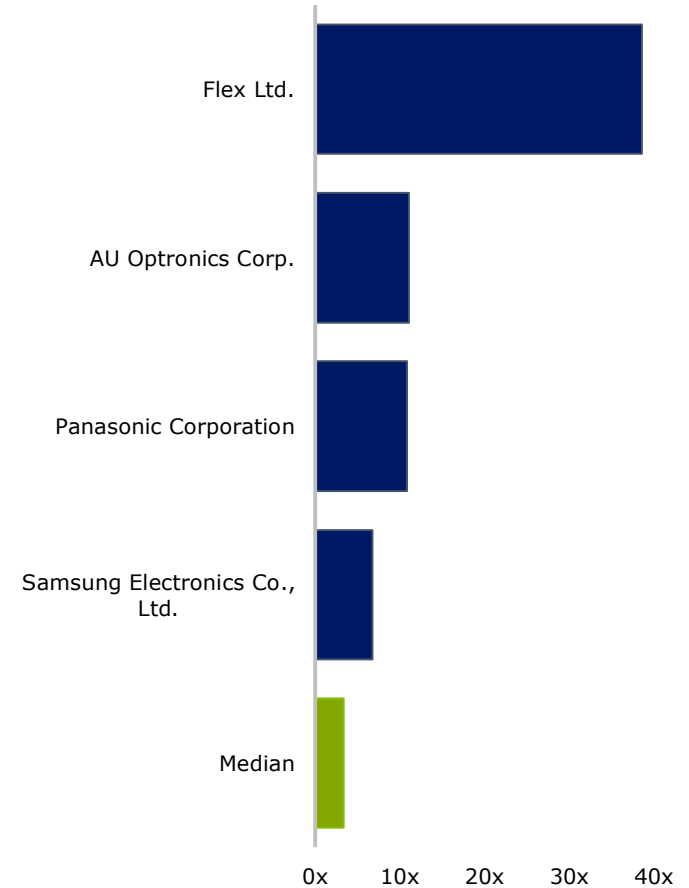
Valuation



TEV / LTM EBIT



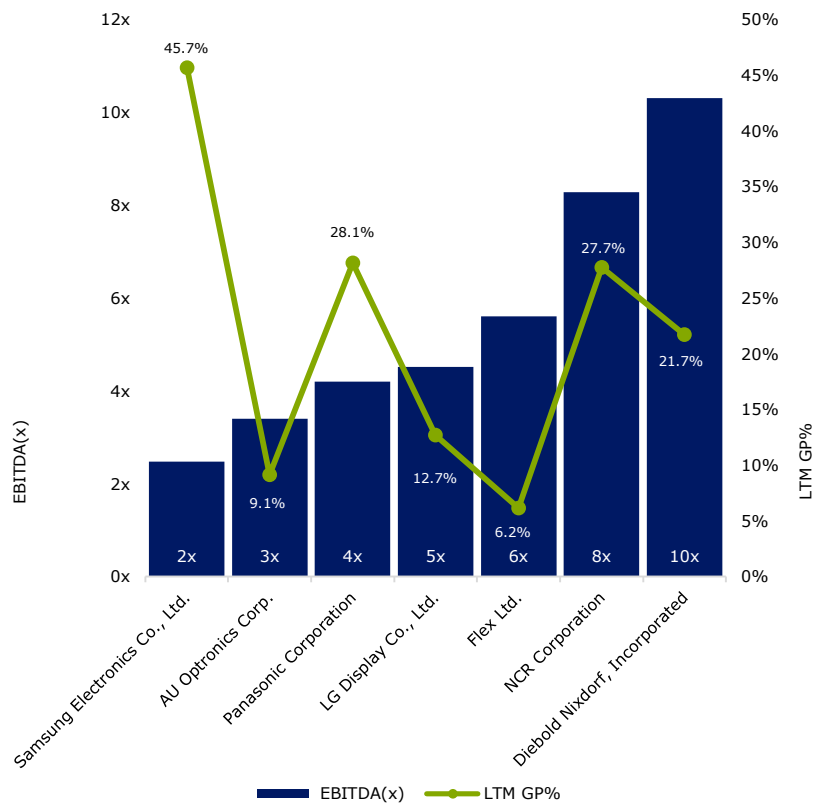
Price / LTM Earnings



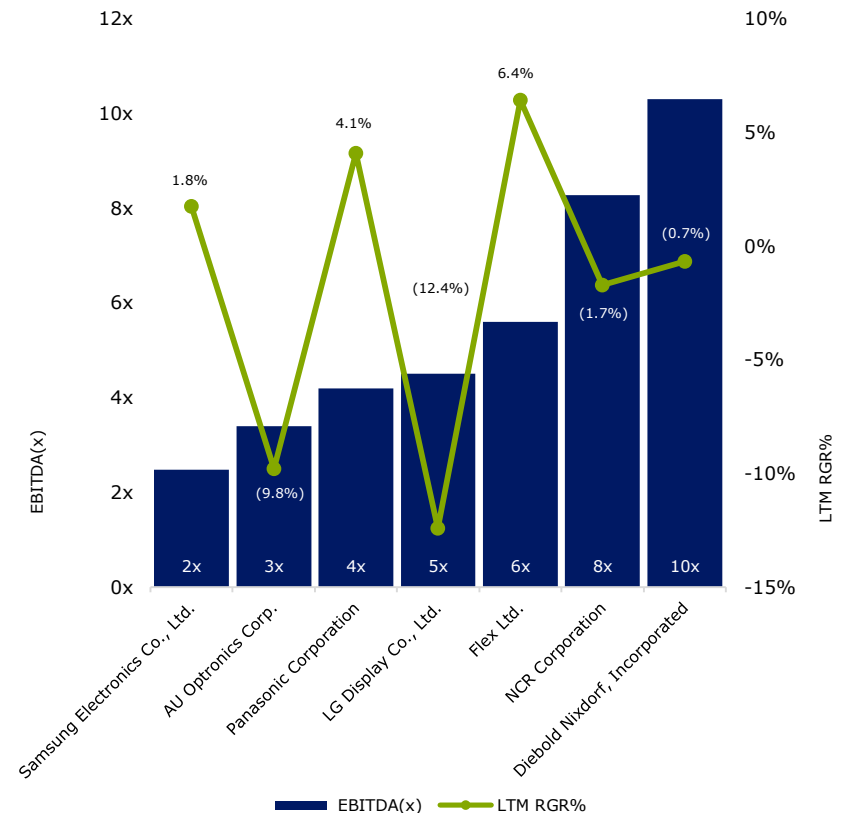
Valuation



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 |
|---------|------------------------------------|--|-------------------------|----------------|---------------|--------------|
| 7Jan19 | Hyundai Bioscience Co., Ltd. | CnPharm Co., Ltd. | 6.26 | 30.30 | - | - |
| 12Dec18 | Digital Cruise Inc. | Mizuho Capital Co. Ltd.; Mynavi Corporation; Mizuho Seicho Shien Fund 2; Nagoya TV-Ventures LLC; Free Bank Co. Ltd.; Tokyo Kanagawa Innovation Support Fund 1 | 2.65 | - | - | - |
| 23Nov18 | Evoke Creative Limited | BUSINESS GROWTH FUND LIMITED | 7.68 | - | - | - |
| 10Oct18 | Dj-Matic Nv | Stingray Digital Group Inc. (nka:Stingray Group Inc.) | 12.48 | - | - | - |
| 18Sep18 | Delphi Display Systems, Inc. | Decathlon Capital Partners | - | - | - | - |
| 17Sep18 | Vivonet Inc. | Infor, Inc. | - | - | - | - |
| 30Jul18 | Beabloo SL | - | 0.05 | - | - | - |
| 17Jul18 | Brightbox, Inc. | KwikBoost | - | - | - | - |
| 12Jun18 | Nextep Systems, Inc. | SICOM Systems, Inc. | - | - | - | - |
| 31Dec17 | Street Meet, Inc. | - | - | - | - | - |
| 6Jun18 | MedAvail Technologies Inc. | Express Scripts Holding Company; Deerfield Management Company, L.P.; Adage Capital Management, L.P.; Redmile Group, LLC; Pura Vida Investments, LLC; Lewis & Clark Venture Capital, LLC | 12.85 | - | - | - |
| 27May18 | Webpro AS | ZetaDisplay AB (publ) | 6.11 | 2.93 | 2.1x | - |
| 16May18 | Lighthouse Digital Limited | Tomizone New Zealand Limited | - | - | - | - |
| 3May18 | ONELAN Limited | Uniguest Inc. | - | - | - | - |
| 31Mar18 | Altabox S.A. | Econocom Group SE | - | 11.12 | - | - |
| 16Apr18 | FrappeCom Suisse SA | ESH Editions Suisses Holding SA | - | - | - | - |
| 2Apr18 | RMG Networks Holding Corporation | - | 17.50 | 35.07 | 0.4x | NM |
| 28Mar18 | 10 Foot Wave, LLC | Spectrio, LLC | - | - | - | - |
| 12Feb18 | Scala, Inc. | Stratacache, Inc. | - | - | - | - |
| 6Feb18 | ComQi Holdings Limited | AU Optronics Corp. | 28.00 | - | - | - |
| 30Jun17 | Pixel Inspiration Holdings Limited | Bunzl plc | - | 9.10 | - | - |
| 5Jul17 | Pursuant Health, Inc. | - | - | - | - | - |
| 4Jul17 | Télécom Santé SAS | Unexo, SCR; Caisse Régionale De Crédit Agricole Mutuel D'ille-Et-Vilaine; Banque Populaire de l'ouest; Crédit Mutuel de Bretagne; Generis Capital Partners; Télécom Technologies Transfert, SAS, SCR; Kreizig Invest; Breizh Up SAS; Crédit Agricole Ille et Vilaine Expansion | 9.08 | - | - | - |

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APPENDIX: Public Basket Constituents

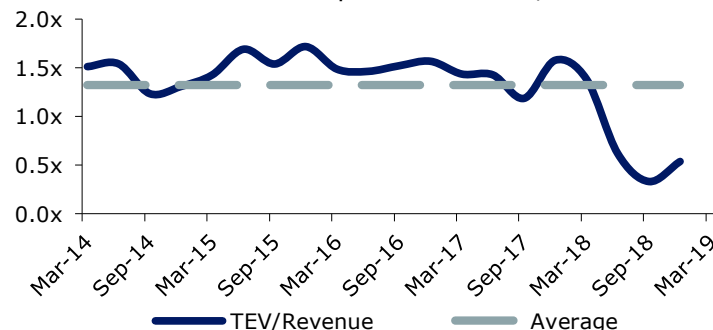
Public Basket



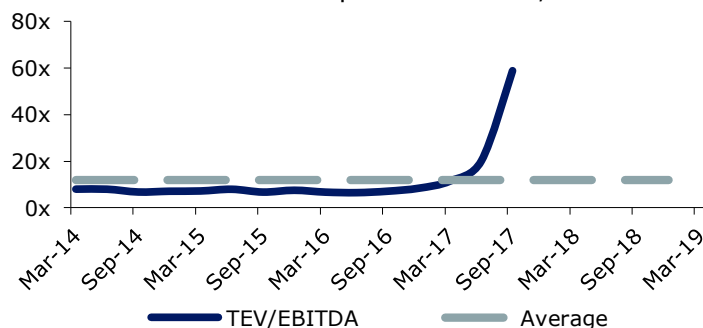
ClearOne, Inc.

ClearOne, Inc., together with its subsidiaries, designs, develops, and sells conferencing, collaboration, streaming, and digital signage solutions for voice and visual communications in the United States and internationally. The company offers various professional audio communication products, including professional conferencing and sound-reinforcement products for use in enterprise, healthcare, education and distance learning, government, legal, and finance organizations; mid-tier premium conferencing products for smaller rooms, and small and medium businesses, which interface with video and Web conferencing systems; and professional microphones for use in various applications. It also provides unified communications audio end points comprising traditional tabletop conferencing phones used in conference rooms and offices; and personal conferencing products that could be used with PCs, laptops, tablets, smartphones, and other portable devices. The company's audio communication products and unified communications audio end points enhance communication during a conference call by eliminating echo and background noise. In addition, it offers visual communication products, such as video conferencing products; streaming products, which deliver the Internet protocol (IP) A/V experience by streaming time sensitive high definition audio and video and control over TCP/IP networks; and digital signage systems. ClearOne, Inc. was founded in 1983 and is headquartered in Salt Lake City, Utah.

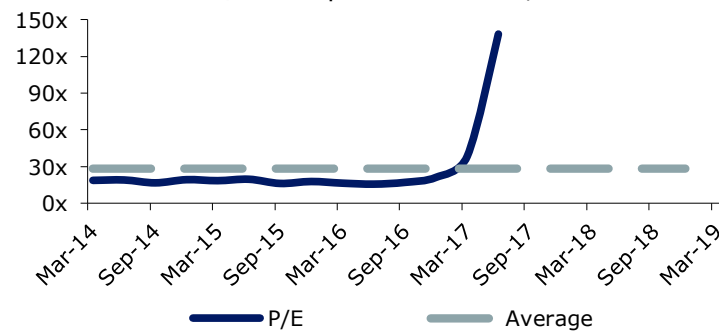
Revenue Multiples - ClearOne, Inc.



EBITDA Multiples - ClearOne, Inc.



P/E Multiples - ClearOne, Inc.



Public Basket

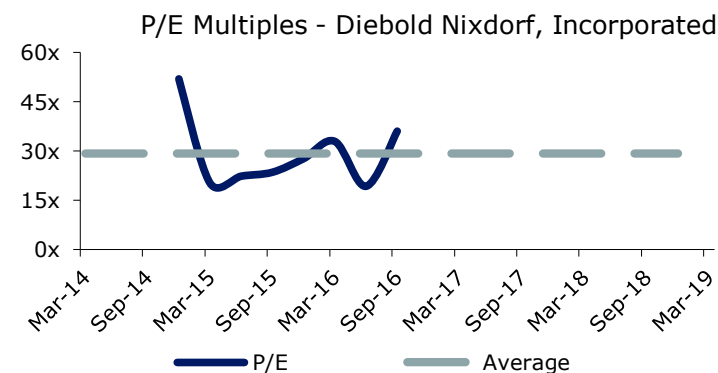
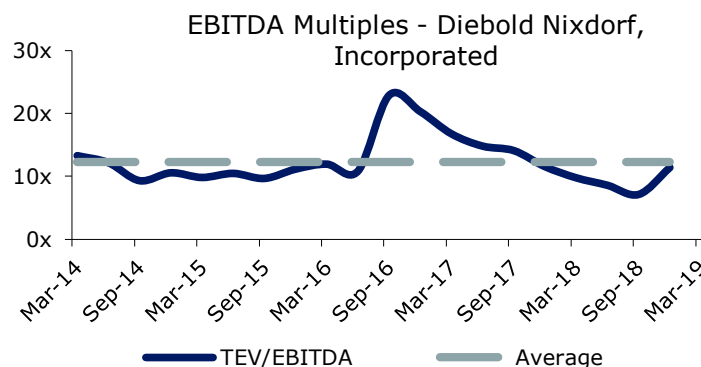
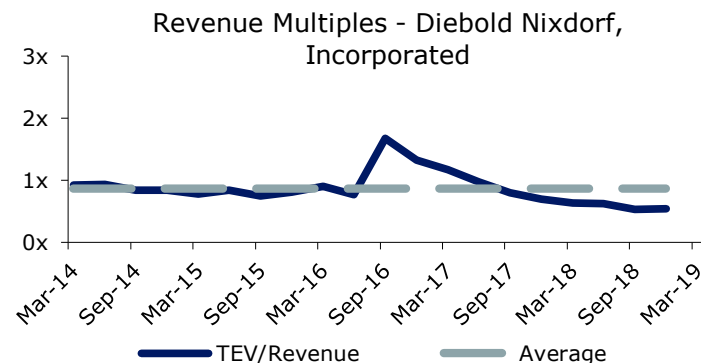


Diebold Nixdorf, Incorporated

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 through two segments, Banking and Retail. The Banking segment offers cash recyclers and dispensers, intelligent deposit terminals, teller automation tools, and kiosk technologies, as well as physical security solutions; and front-end applications for consumer connection points and back-end platforms that manage channel transactions, operations and integration and facilitate omnichannel transactions, endpoint monitoring, remote asset management, customer marketing, merchandise management, and analytics. This segment also provides banking product-related services comprising proactive monitoring and rapid resolution of incidents through remote service capabilities or an on-site visit; and first and second line maintenance, preventive maintenance and on-demand, and managed and outsourcing services. The Retail segment offers DN Vynamic software suite; mobile point of sale and self-checkout terminals; and banknote and coin processing systems, as well as retail customer's product-related services. Diebold Nixdorf, Incorporated was founded in 1859 and is headquartered in North Canton, Ohio.

Date Key Development Headline

8/30/18 Diebold Nixdorf Seeks Sale Of Non-Core Businesses



Public Basket

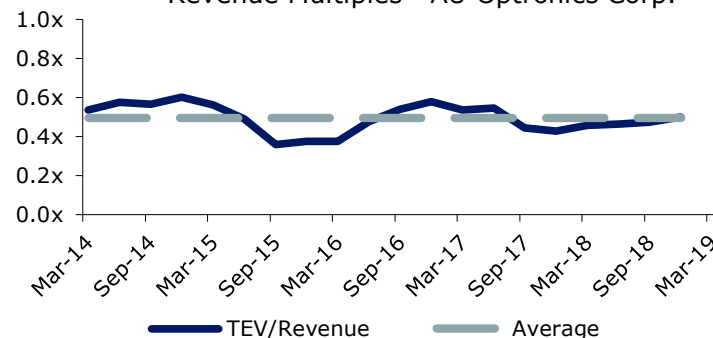


AU Optronics Corp.

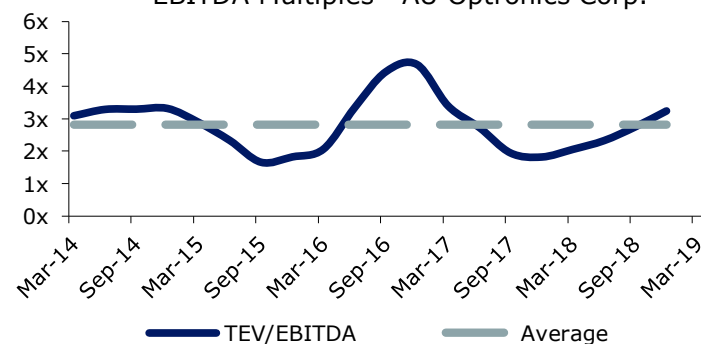
AU Optronics Corp. researches, develops, produces, and sells thin film transistor liquid crystal displays and other flat panel displays. The company operates through two segments, Display and Solar. The Display segment designs, develops, manufactures, assembles, and markets flat panel displays for use in televisions (TVs), TV sets, and other related products; desktop monitors; mobile PCs, such as notebooks and tablets; mobile phones; and commercial and other applications, including displays for automobiles, industrial PCs, automated teller machines, point of sale terminals, pachinko machines, medical equipment, and others. This segment serves original equipment manufacturing service providers; and brand companies. The Solar segment manufactures and sells solar materials, including ingots, solar wafers, and solar modules, as well as provides technical engineering and maintenance services for solar system projects. AU Optronics Corp. was founded in 1996 and is headquartered in Hsinchu, Taiwan.

| Date | Key Development Headline |
|----------|--|
| 12/17/18 | AU Optronics Corp. (TSEC:2409) enter into a share exchange agreement to acquire the remaining 3.98% stake in AUO Crystal Corp. from Konly Venture Corporation for approximately TWD 490 million. |
| 4/26/18 | AU Optronics Corp. (TSEC:2409) acquired an additional 7.56% stake in Qisda Corporation (TSEC:2352) from CDIB Capital Group for TWD 3.4 billion. |

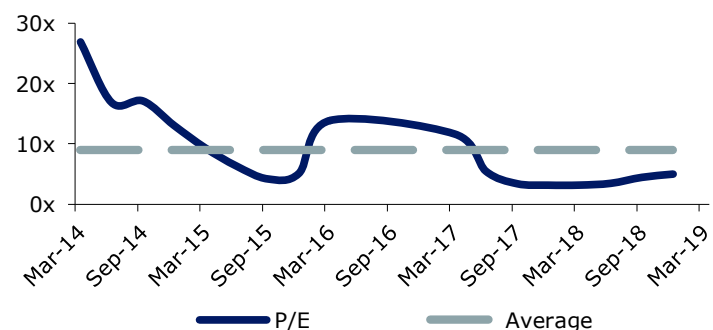
Revenue Multiples - AU Optronics Corp.



EBITDA Multiples - AU Optronics Corp.



P/E Multiples - AU Optronics Corp.



Public Basket



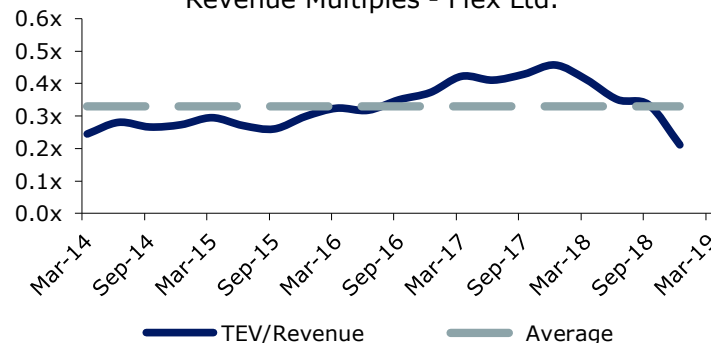
Flex Ltd.

Flex Ltd. provides design, engineering, manufacturing, and supply chain services and solutions to original equipment manufacturers worldwide. It operates through Communications & Enterprise Compute, Consumer Technologies Group, Industrial and Emerging Industries, and High Reliability Solutions segments. The company offers various services, including 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 enable customers to accelerate a spectrum of cloud, converged infrastructure, and datacenter strategies. It also provides design and engineering services, such as contract design and joint development manufacturing services, which cover various technical competencies comprising system architecture, user interface and industrial design, mechanical engineering, technology, enclosure systems, thermal and tooling design. Flex Ltd. was founded in 1990 and is based in Singapore.

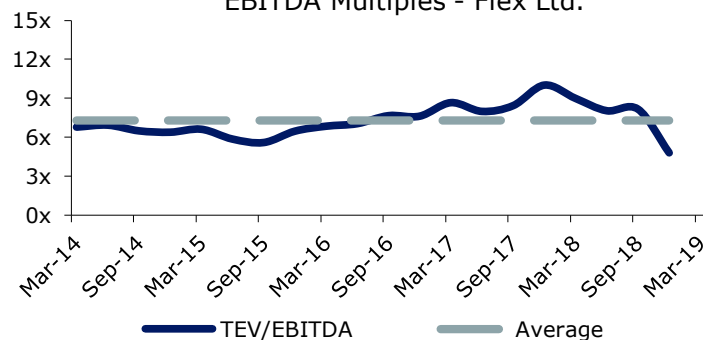
Date Key Development Headline

12/9/18 RIB Software SE (DB:RIB) agreed to acquire the remaining stake in YTWO Formative from Flex Ltd. (NasdaqGS:FLEX) for approximately \$48 million.

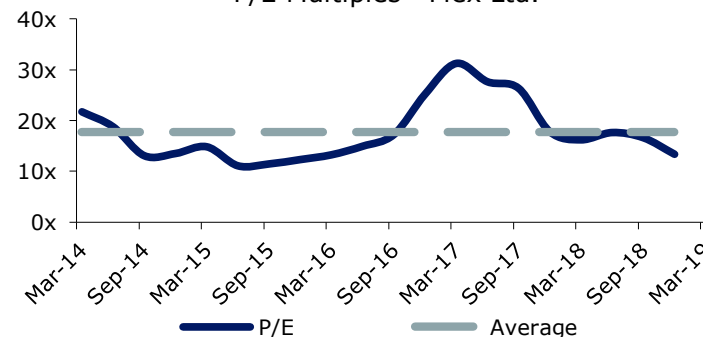
Revenue Multiples - Flex Ltd.



EBITDA Multiples - Flex Ltd.



P/E Multiples - Flex Ltd.



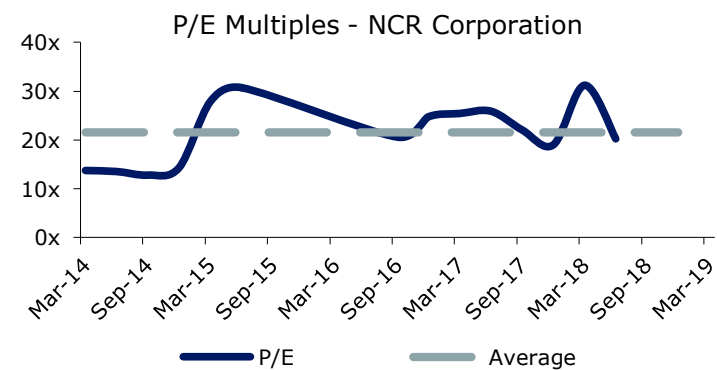
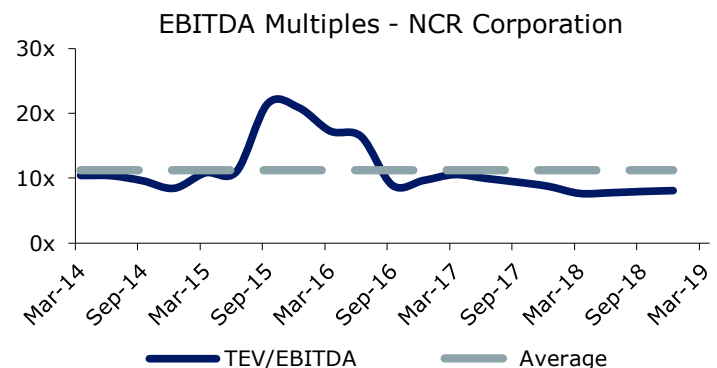
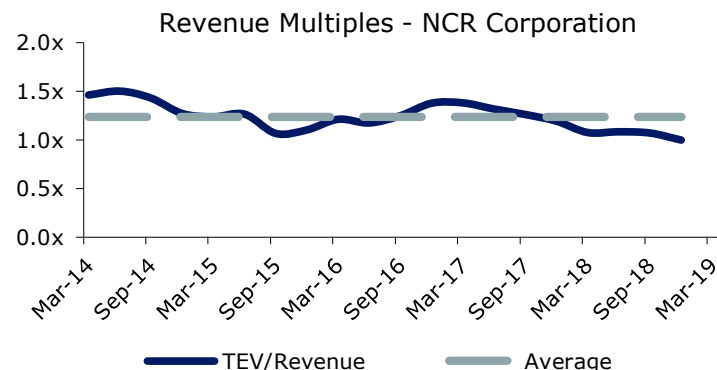
Public Basket



NCR Corporation

NCR Corporation provides software and services for the financial, retail, hospitality, telecommunications, and technology industries worldwide. The company's Software segment offers industry-based software platforms, 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, check and document imaging, remote-deposit capture, and customer-facing mobile and digital banking applications for the financial services industry. NCR Corporation was founded in 1884 and is headquartered in Atlanta, Georgia.

| Date | Key Development Headline |
|----------|---|
| 2/21/19 | NCR Corporation (NYSE:NCR) acquired Electronic Calculators, Ltd. |
| 12/5/18 | NCR Corporation (NYSE:NCR) completed the acquisition of JetPay Corporation (NASDAQ:JTPY) from Flexpoint Partners II, L.P., a fund managed by Flexpoint Ford LLC, Larry Stone and others. |
| 11/5/18 | NCR Corporation (NYSE:NCR) acquired StopLift Checkout Vision Systems. |
| 10/30/18 | NCR Corporation (NYSE:NCR) acquired Zipscene, LLC. |
| 10/21/18 | NCR Corporation (NYSE:NCR) entered into a definitive agreement to acquire JetPay Corporation (NASDAQ:JTPY) from Flexpoint Partners II, L.P., a fund managed by Flexpoint Ford LLC, Larry Stone and others for \$78 million. |

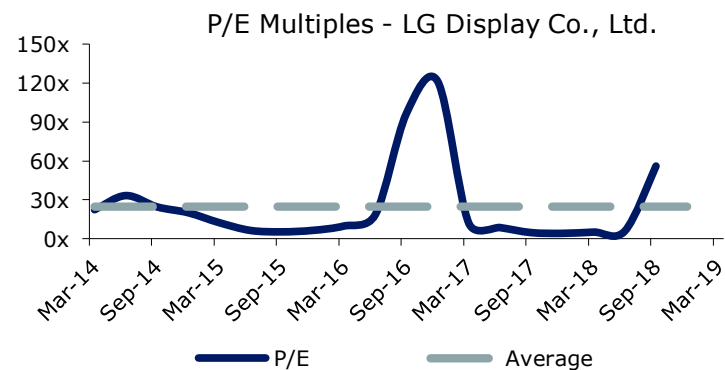
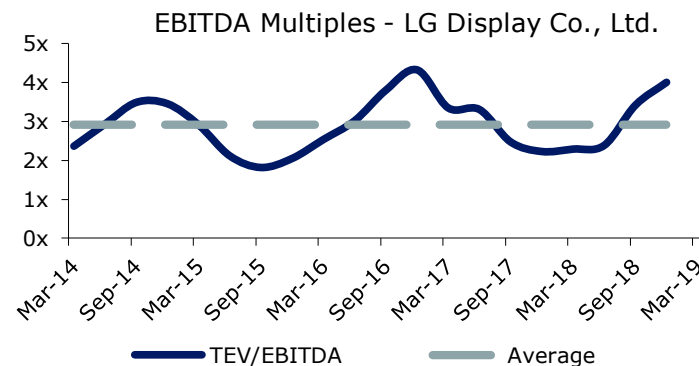
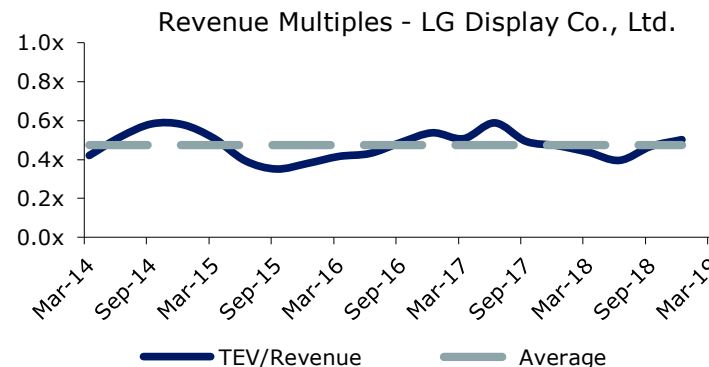


Public Basket



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.



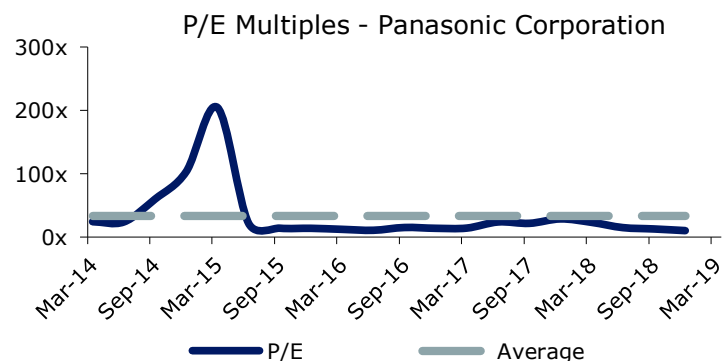
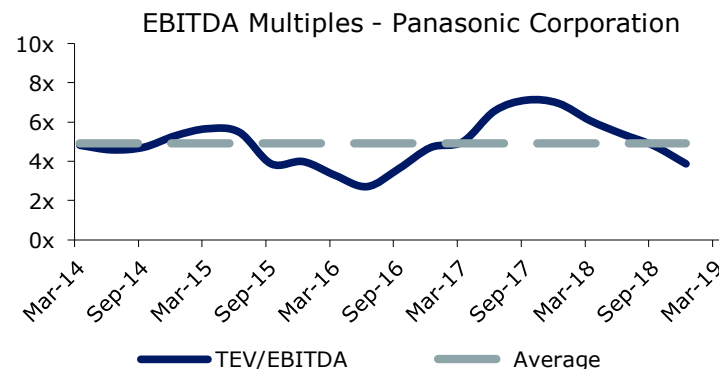
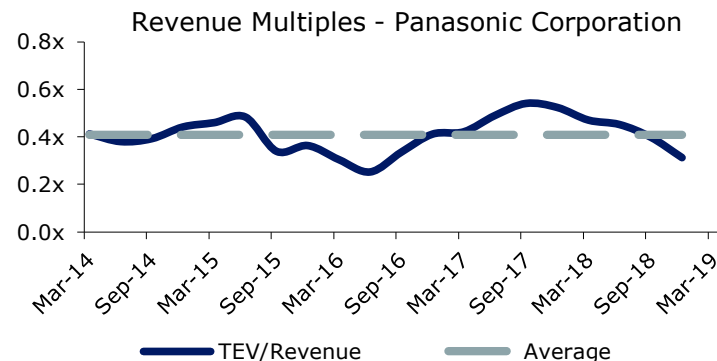
Public Basket



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. Panasonic Corporation was founded in 1918 and is headquartered in Kadoma, Japan.

| Date | Key Development Headline |
|----------|---|
| 2/26/19 | Systemair and Panasonic Unveil a Strategic Partnership to Develop Joint Integrated and Sustainable Solutions for Both Commercial and Residential Premises |
| 1/21/19 | Toyota Motor Corporation and Panasonic Corporation Plan to Launch Joint Venture in 2020 |
| 12/13/18 | Infosys Announces Joint Venture with Hitachi, Panasonic and Pasona in Japan |
| 12/13/18 | Infosys Consulting Pte Ltd, Panasonic Corporation (TSE:6752) and Pasona Group Inc. (TSE:2168) entered into a contract to acquire 85% stake in Hitachi Procurement Service Co.,Ltd. from Hitachi, Ltd. (TSE:6501). |
| 10/14/18 | AGC and Panasonic Partner to Develop Vacuum Insulated Glass |



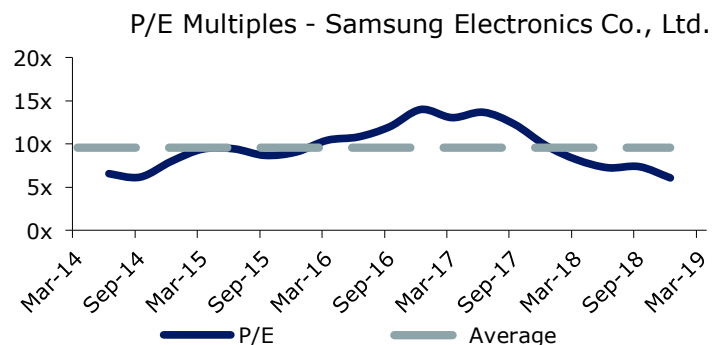
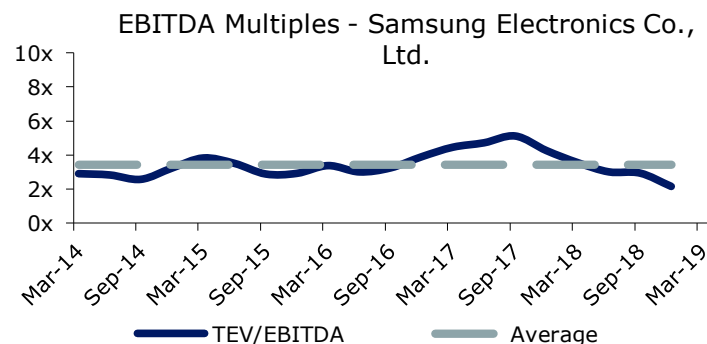
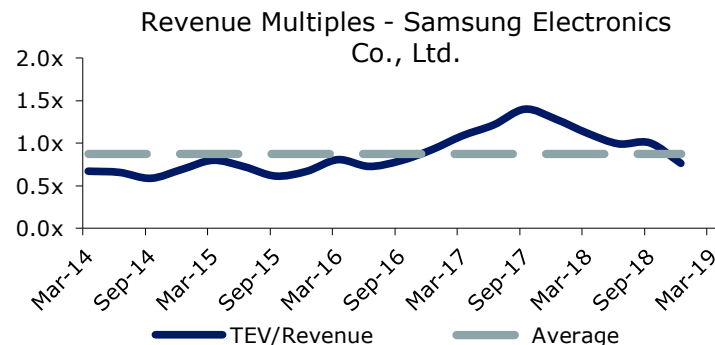
Public Basket



Samsung Electronics Co., Ltd.

Samsung Electronics Co., Ltd. engages in the consumer electronics, information technology and mobile communications, and device solutions businesses worldwide. It offers mobile phones, tablets, wearables, virtual reality, and audio products; TVs, and home theaters; LCD and OLED panels; laptops, computers, chrome books, HDM, memory and system LSI products, monitors, and printers; and home appliances, such as refrigerators, air conditioners, ovens, air purifiers, cooktops and hoods, microwaves, dishwashers, washers, dryers, vacuum cleaners, and heating products, as well as TV and home theater accessories. It also provides security and monitoring, trackers, Wi-Fi routers, hubs, sensors, outlets, and buttons. Samsung Electronics Co., Ltd. was founded in 1938 and is based in Suwon, South Korea.

| Date | Key Development Headline |
|----------|---|
| 2/25/19 | Marvell and Samsung Extend Strategic Partnership for 5G Global Infrastructure |
| 2/24/19 | Xilinx, Inc. and Samsung Electronics Co., Ltd. Jointly Enable the World's First 5G NR Commercial Deployment |
| 1/21/19 | Soitec Expands Collaboration with Samsung Foundry on FD-SOI Wafer Supply |
| 12/20/18 | IBM Expands Strategic Partnership with Samsung to Include 7nm Chip Manufacturing |
| 12/7/18 | Suning and Samsung Sign Bilateral Cooperation Agreement |



CONTACT INFO

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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