

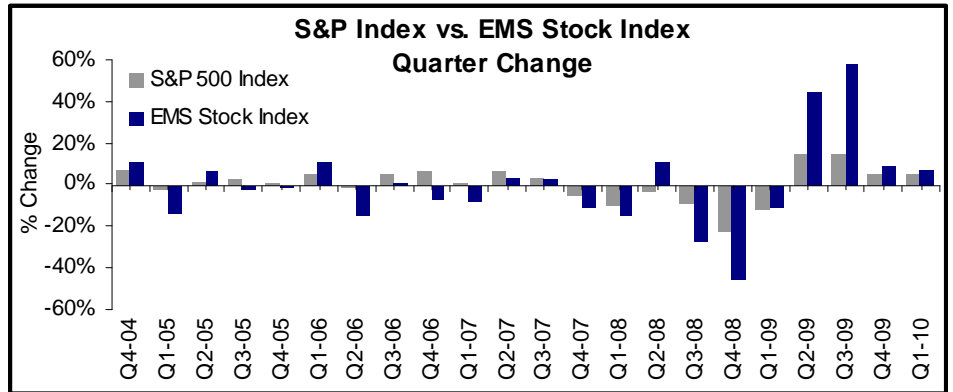
# EMS Index Outperforms S&P in Q1 2010

Winner's Circle*		Tier
Elcoteq SE	87%	I
Plexus Corp.	27%	II
SMTC Corp.	217%	III
Winland Electronics Inc.	23%	IV

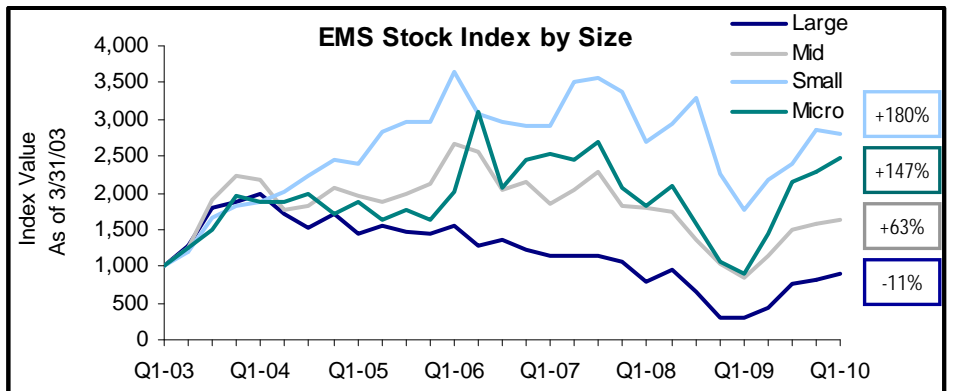
  

Worst Performers*		Tier
Jabil Circuit Inc.	(7%)	I
Nam Tai Electronics Inc.	(4%)	II
Raven Industries Inc.	(8%)	III
IEC Electronics Corp.	2%	IV

\* Based on quarter-over-quarter share price performance



- ### EMS Stock Highlights
- Large Index has increased 8.0% from last quarter
  - Mid Index has increased 3.8% from last quarter
  - Small Index has decreased 1.8% from last quarter
  - Micro Index has increased 7.9% from last quarter



### Valuations

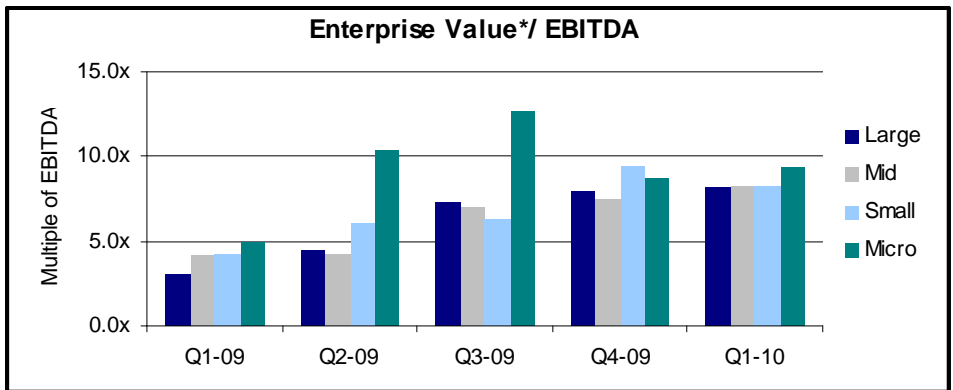
From last quarter:

Multiples for Large tier EMS companies increased due to an increase in equity values.

Mid tier EMS company multiples increased due to higher equity values.

Small tier EMS company multiples decreased due to higher EBITDA and lower equity values.

Multiples for Micro tier EMS companies increased due to higher equity value and stable EBITDA.



### EMS Size Guide

(Sales Dollars)

**Large (Tier I)**  
Greater than \$3 billion

**Mid (Tier II)**  
\$300 million to \$3 billion

**Small (Tier III)**  
\$150 million to \$300 million

**Micro (Tier IV)**  
Below \$150 million

\* Enterprise Value is calculated as Market Cap on March 31, 2010 plus debt, preferred equity and minority interest less cash  
Note: Starting in Q4 2009, Simclar was removed from the Index and SigmaTron was moved to the Micro tier

### About the EMS Stock Index

Similar to the S&P 500 Index, the EMS Stock Index is a market cap weighted composite index. The index is prepared by first selecting a base period, in this case, Q1 2003, and totaling the market caps of the companies for each tier in this period. This period and total market cap is set to a base index, in this case, 1,000. Next, for each tier, the current period's total market cap is calculated, divided by the base period's total market cap and then multiplied by the base index (1,000). The result is the index value used for plotting in the graph above.

# EMS Stock Index Data

	Stock Price	LTM Sales (\$M)	Diluted EPS	Avg. Cash Conversion Cycle (days)	Current Ratio	EV/ EBITDA	EV/ Sales	Market Cap (\$M)	Net Debt (\$M)
<b>Large</b>									
Celestica Inc.	\$ 10.91	\$ 6,092	\$ 0.24	37.8	1.67	6.9x	0.3x	\$ 2,509	\$(715)
Elcoteq SE	2.43	3,126	(1.18)	4.2	0.95	7.6x	0.1x	79	253
Flextronics International Ltd.	7.84	23,753	(0.30)	14.3	1.28	8.1x	0.3x	6,371	309
Jabil Circuit Inc.	16.19	11,508	0.16	20.0	1.39	7.9x	0.3x	3,513	402
Sanmina-SCI Corp.	16.50	5,237	(0.64)	56.3	2.22	10.4x	0.4x	1,301	564
<b>Mid</b>									
Benchmark Electronics Inc.	20.74	2,089	0.83	81.5	3.53	9.0x	0.4x	1,321	(410)
CTS Corporation	9.42	499	(1.01)	59.0	2.14	8.6x	0.6x	320	(1)
Nam Tai Electronics, Inc.	5.00	408	0.04	13.7	3.59	1.0x	0.1x	224	(195)
Plexus Corp.	36.03	1,591	1.18	77.2	2.15	14.6x	0.9x	1,433	(78)
Sypris Solutions Inc.	3.33	266	0.14	46.5	1.43	NM	0.3x	66	8
<b>Small</b>									
Key Tronic Corp.	5.15	176	0.25	78.1	2.27	8.4x	0.3x	52	(7)
LaBarge Inc.	11.05	269	0.77	109.4	2.05	7.2x	0.8x	176	33
Raven Industries Inc.	29.49	238	1.58	107.6	4.54	9.7x	2.1x	532	(44)
SMTC Corp.	2.79	180	(0.25)	61.3	1.45	8.6x	0.4x	41	25
Sparton Corp.	5.90	209	(0.50)	88.7	1.79	7.4x	0.2x	59	(9)
<b>Micro</b>									
IEC Electronics Corp.	5.39	70	0.54	80.3	2.26	12.6x	1.0x	48	22
Nortech Systems Inc.	3.46	80	(1.40)	95.2	1.71	NM	0.2x	9	10
SigmaTron International Inc.	5.96	115	0.17	139.2	2.99	6.0x	0.3x	23	14
Winland Electronics Inc.	0.95	23	(0.42)	86.3	3.13	NM	0.2x	4	1

Note: Data in table above is sourced from Capital IQ as of March 31, 2010 or latest available.

Stock price adjusted for dividends and splits.

## About Lincoln International

Lincoln International specializes in merger and acquisition advisory services, private capital raising and restructuring advice on mid-market transactions. Lincoln International also provides fairness opinions, valuations and pension advisory services on a wide range of transaction sizes. With ten offices in Asia, Europe and North America, and strategic partnerships with leading institutions in China and India, Lincoln International has strong local knowledge and contacts in the key global economies. The organization provides clients with senior-level attention, in-depth industry expertise and integrated resources. By being focused and independent, Lincoln International serves its clients without conflicts of interest. More information about Lincoln International can be obtained at [www.lincolninternational.com](http://www.lincolninternational.com).

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Lincoln International's Electronics Group is led by a former CEO of a public EMS company. The firm's Electronics team provides transactional, financial and strategic advisory services to electronics companies and private equity groups. For more information, please contact:

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