

Stock Index

EMS

Q4 2017

EMS Stock Highlights

- Large Index has decreased 2.6% from last quarter
- Mid Index has decreased 4.4% from last quarter
- Small Index has increased 8.8% from last quarter
- Overall EMS Index has decreased 2.9% from last quarter

EMS Stock Index Underperforms S&P

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 on the next page.

Winner's Circle		Tier
Flex	8.6%	I
Plexus	8.3%	II
SMTC	45.4%	III

EBITDA Margins	
Large Tier	5.1%
Mid Tier	5.7%
Small Tier	2.6%

Worst Performers		Tier
Celestica	(14.9%)	I
Kimball	(15.7%)	II
IEC Electronics	(16.4%)	III

YOY LTM Revenue Growth	
Large Tier	3.7%
Mid Tier	1.4%
Small Tier	(8.0%)

Note: Based on quarter-over-quarter share price performance

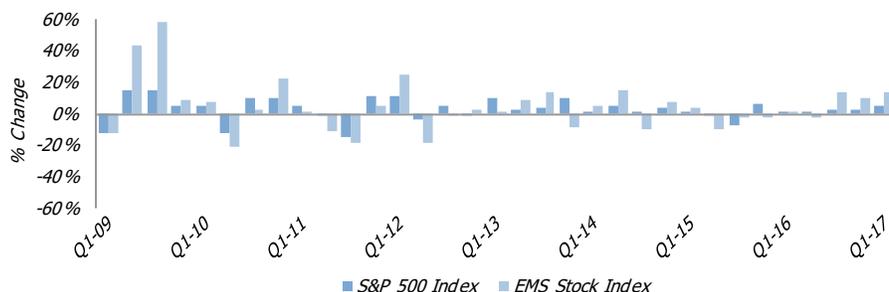
*Source: Capital IQ as of 12/31/17
Note: Average for each sector, YOY stands for year-over-year*

EMS Size Guide (Revenue Dollars)

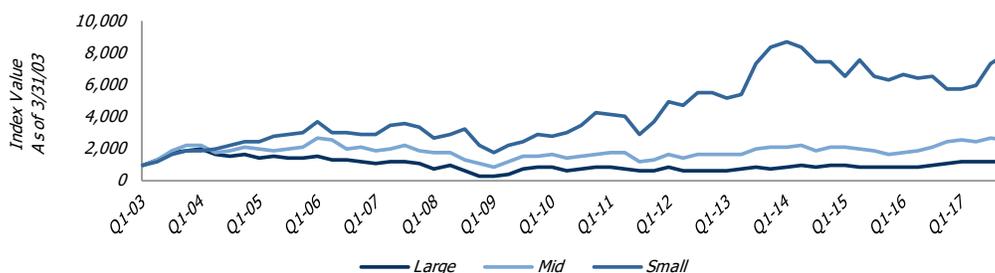
Large (Tier I)	Mid (Tier II)	Small (Tier III)
Greater than \$3 billion	\$300 million to \$3 billion	Below \$300 million

Note: Companies are included in a given tier by falling within the threshold for two consecutive quarters

S&P Index vs. EMS Stock Index Quarter Change

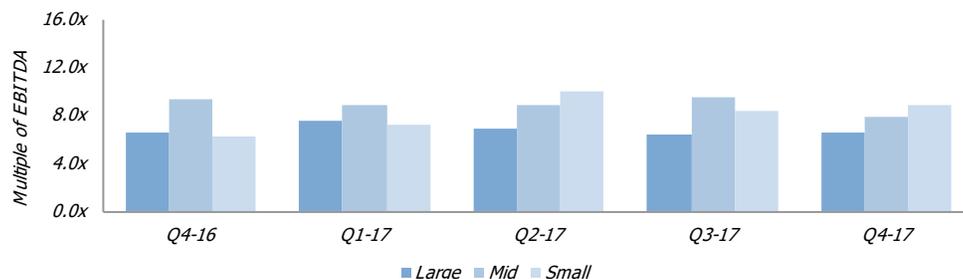


EMS Stock Index by Size



Note: See below for specific company classifications

Enterprise Value⁽¹⁾ / EBITDA



(1) Enterprise Value is calculated as market cap on December 31, 2017 plus debt, preferred equity and minority interest less cash

Note: See below for specific company classifications

EMS Stock Index Data

	Stock Price	LTM Sales (\$ in mm)	Diluted EPS	Avg Cash Conversion Cycle (days)	Current Ratio	EV/EBITDA	EV/Sales	Market Cap (\$ in mm)	Net Debt (\$ in mm)
Large									
Celestica	\$10.51	\$6,180	\$0.77	50.0	2.01	4.6x	0.2x	\$1,501	(\$315)
Flex	17.99	24,256	1.01	25.8	1.23	10.0x	0.5x	9,507	1,587
Jabil	26.25	19,544	0.56	2.9	0.95	4.7x	0.3x	4,642	1,374
Sanmina	33.00	6,869	1.78	44.8	1.62	7.0x	0.4x	2,377	73
Mid									
Benchmark	\$29.10	\$2,394	\$1.26	78.4	3.60	6.9x	0.4x	\$1,447	(\$516)
KeyTronicEMS	6.82	460	0.39	89.6	2.29	7.2x	0.2x	73	40
Kimball Electronics	18.25	958	1.19	61.5	1.91	7.2x	0.5x	490	(24)
Plexus	60.72	2,528	3.24	91.5	1.78	10.2x	0.7x	2,043	(256)
Small									
IEC Electronics	\$4.12	\$96	\$0.01	81.6	1.99	NM	0.7x	\$43	\$21
Nortech Systems	3.86	116	0.04	79.8	2.00	9.6x	0.2x	11	15
SigmaTron International	10.12	271	0.55	85.0	2.02	8.1x	0.3x	43	38
SMTC	1.89	140	(0.45)	56.3	1.44	NM	0.3x	32	12

Source: Capital IQ as of December 31, 2017; stock price adjusted for dividends and splits

Global Industry Groups

Business Services

Consumer

Energy, Power
& Infrastructure

Healthcare

Industrials

Technology, Media
& Telecom

Global Locations

Amsterdam

Beijing

Chicago

Dallas

Frankfurt

London

Los Angeles

Madrid

Milan

Moscow

Mumbai

Munich

New York

Paris

San Francisco

São Paulo

Tokyo

Vienna

Zurich

Advisory Services

Mergers & Acquisitions

Debt Advisory

JV & Partnering

Valuations & Opinions

Special Situations

About Lincoln International

Lincoln International specializes in merger and acquisition advisory services, debt advisory services, private capital raising and restructuring advice on mid-market transactions. Lincoln International also provides fairness opinions, valuations and joint venture and partnering advisory services on a wide range of transaction sizes. With nineteen offices in the Americas, Asia and Europe, Lincoln International has strong local knowledge and contacts in key global economies. The firm 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.

Lincoln's Global Electronics Sector

North America

Jack Calderon

Managing Director (Chicago)
+1 (312) 580-6289
jcalderon@lincolninternational.com

Chaim Lubin

Managing Director (Chicago)
+1 (312) 506-2753
clubin@lincolninternational.com

Patrick McGrath

Vice President (Chicago)
+1 (312) 506-2727
pmcgrath@lincolninternational.com

Asia

Tetsuya Fujii

Managing Director and President – Japan (Tokyo)
+813-5549-7680
tfujii@lincolninternational.com

Gaurav Marathe

Managing Director and President – India (Mumbai)
+91 (22) 4067-0310
gmarathe@lincolninternational.com

Joe Chang

Managing Director and CEO – China (Beijing)
+86 (10) 6468-6458
jchang@lincolninternational.com

South America

James Sinclair

Managing Director and President – Brazil (São Paulo)
+55 (11) 2166-8835
jsinclair@lincolninternational.com

Europe

Phillip McCreanor

Managing Director (London)
+44 (207) 632-5257
pmccreanor@lincolninternational.com

Øyvind Bjordal

Managing Director (Zurich)
+41 (79) 402-80-40
o.bjordal@lincolninternational.ch

Géraud Estrangin

Managing Director (Paris)
+33 (0) 1-53-53-18-18
g.estrangin@lincolninternational.fr

Richard Floto

Managing Director (Frankfurt)
+49 (69) 97-105-400
r.floto@lincolninternational.de

Eric Wijs

Managing Director (Amsterdam)
+31 (20) 7670-310
e.wijs@lincolninternational.nl

Rommel Franco

Director (Madrid)
+34 (91) 129-4996
r.franco@lincolninternational.es

Disclaimer

This document contains significant assumptions and has been prepared based on publicly available information, or additional information supplied by the owners and/or managers of the company(ies) described in this document, which has not been independently verified. Accuracy and completeness of the information provided has been presumed and, therefore, its content may or may not be accurate and complete. No representation or warranty, either express or implied, is provided in relation to the accuracy, completeness or reliability of the information or statements made in this document and Lincoln International, its affiliates, directors, officers, employees and representatives expressly disclaim any and all liability with regards thereto. This document has been prepared for informational purposes only, is not a research report (as such term is defined by applicable law and regulations) and is not to be relied on by any person for any purpose. In addition, it is not to be construed as an offer to buy or sell or a solicitation of an offer to buy or sell any financial instruments or to participate in any particular trading strategy. No part of this material may be copied or duplicated in any form, or redistributed, without the prior written consent of Lincoln International.