

Quarterly Industry Update

As of September 30, 2015

Industry: Energy Storage



Industry Summary

Cogent Valuation identified Energy Storage publicly traded companies, IPOs, and recent M&A transactions within the Energy Storage industry, which provides a basis for market and transaction pricing that can be used by your firm in estimating market sentiment and its impact on your firm's value. Over the last year since September 30, 2014, the median 52-week share price return of the Energy Storage industry was -20.6%. Between September 30, 2013 and September 30, 2015, the median EV/EBITDA multiple decreased from 18.1 to 12.4. Furthermore, the median price-to-earnings multiple decreased from 48.8 to 9.4 over the same period.

Comparable Public Company Key Statistics

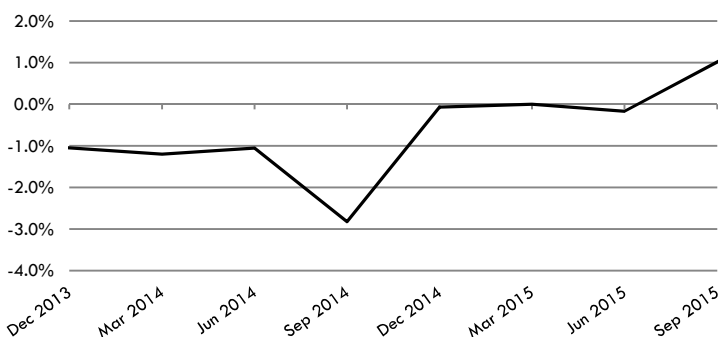
Median 52-Week Return	-20.6%	Median EV/Revenue Multiple	0.8x	Median Price/Earnings Multiple	9.4x
Median 3-Year CAGR Return	-10.9%	Median EV/EBITDA Multiple	12.4x	Median EV/Gross CF Multiple	12.9x

Comparable Public Company Market Price Returns As of September 30, 2015

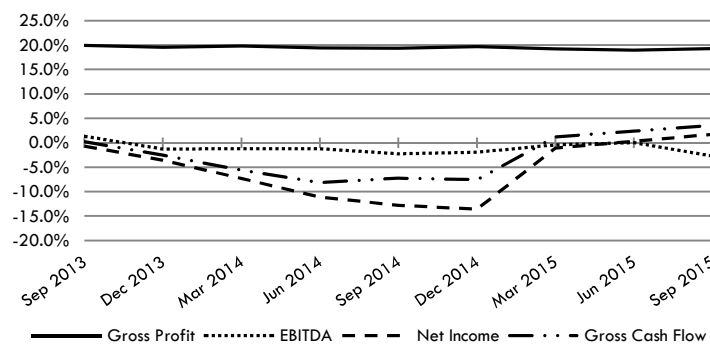
	YTD	3 Month	1 Year	2 Year	3 Year	5 Year	2014	2013	2012	2011	2010
Active Power Inc.	-45.4%	-18.9%	-18.5%	-25.2%	-25.9%	-24.5%	-45.4%	0.6%	1.5%	-73.2%	132.1%
Altair Nanotechnologies, Inc.	-71.7%	-77.8%	-66.7%	-72.1%	-64.4%	-57.8%	-71.7%	82.3%	-45.7%	-76.1%	-21.6%
China BAK Battery, Inc.	-16.7%	-28.7%	-22.7%	-0.2%	-8.8%	-24.1%	-16.7%	39.6%	-49.5%	-67.4%	-30.6%
Highpower International, Inc.	94.1%	-41.2%	-71.5%	23.2%	29.2%	-8.5%	94.1%	148.6%	5.1%	-70.2%	-57.3%
Ultralife Corp.	-11.8%	40.6%	81.8%	21.3%	23.7%	6.2%	-11.8%	9.6%	-19.4%	-39.2%	53.0%
Universal Power Group Inc.	47.1%	-20.2%	-16.6%	-10.2%	-13.0%	-15.3%	47.1%	-12.3%	-19.3%	-48.0%	19.0%
Median of Industry Public Companies	-14.2%	-24.5%	-20.6%	-5.2%	-10.9%	-19.7%	-14.2%	24.6%	-19.3%	-68.8%	-1.3%

(Multiple year periods are calculated as the average annual return.)

Median Quarterly Revenue Growth of All Energy Storage Companies



Median Gross Profit, EBITDA, Net Income and Gross Cash Flow Margins



Median Public Company Multiples of the Energy Storage Industry

Date:	9/30/2013	12/31/2013	3/31/2014	6/30/2014	9/30/2014	12/31/2014	3/31/2015	6/30/2015	9/30/2015
EV/Revenues Multiple	0.6x	0.8x	1.0x	0.8x	0.7x	0.7x	0.8x	0.8x	0.8x
EV/EBITDA Multiple	18.1x	16.0x	21.3x	26.6x	23.7x	13.5x	12.1x	12.4x	12.4x
Price/Earnings Multiple	48.8x	45.8x	51.1x	59.4x	65.4x	29.0x	17.0x	13.8x	9.4x
EV/Gross Cash Flows Multiple	25.4x	33.4x	34.9x	43.7x	32.4x	17.4x	14.2x	13.6x	12.9x

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Industry Initial Public Offerings (dollars in millions, except share prices)

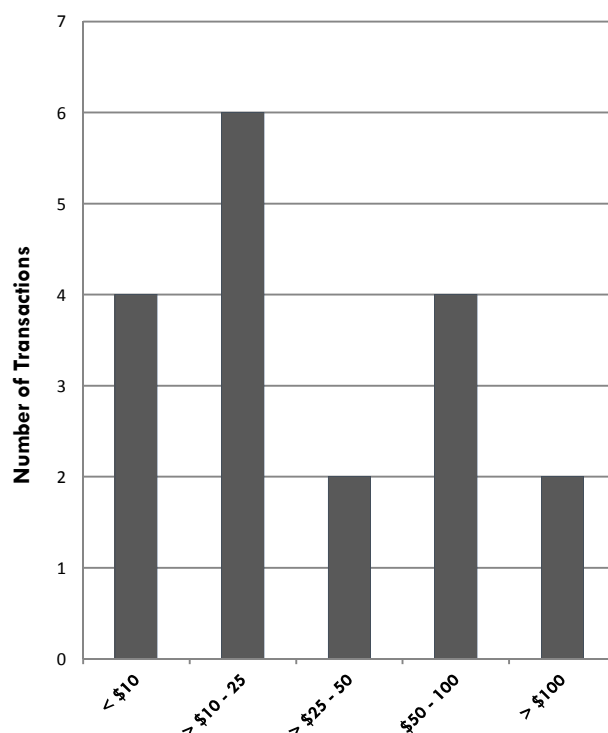
Offer Date	Company Name	Offer Price	Shares Offered	Amount Raised	Total Assets	Debt	LTM Revenues	LTM EBITDA	LTM Net Income	LTM Cash Flows
6/19/2008	Highpower International, Inc.	\$3.25	0.5	\$1.7	\$51.9	\$15.7	\$79.6	\$6.4	\$2.9	\$7.0
6/27/2007	Polypore International Inc.	\$19.00	15.0	\$285.0	\$1,410.5	\$1,057.1	\$494.2	\$141.6	(\$26.1)	\$181.6
12/20/2006	Universal Power Group Inc.	\$7.00	3.0	\$21.0	\$32.0	\$11.7	\$89.3	\$3.3	\$1.4	\$3.4
3/23/2005	EnSync, Inc.	\$0.39	12.0	\$4.6	\$9.1	\$2.9	\$0.1	(\$1.9)	(\$1.9)	(\$1.8)
10/26/2000	Hydrogenics Corporation	\$12.00	7.0	\$84.0	\$6.8	\$4.1	N/A	N/A	N/A	N/A
8/7/2000	Active Power Inc.	\$17.00	8.0	\$136.0	\$23.3	\$0.0	\$3.4	(\$13.2)	(\$16.0)	(\$12.5)
9/30/1997	Power-One Inc.	\$14.00	5.0	\$70.0	\$76.9	\$40.9	\$73.6	\$13.1	\$3.0	\$15.4
Median of All IPOs		nm	nm	\$70.0	\$32.0	\$11.7	\$76.6	\$4.8	(\$0.3)	\$5.2

nm: not meaningful

Recent Merger and Acquisition Transactions for a Majority Stake (dollars in millions)

Transaction Date	Target	Acquirer	Transaction Size	% Bought
6/30/2015	Leclanche SA	Oakridge Global Energy	\$52.6	50%
5/5/2015	Magna Steyr Battery	Samsung SDI Co. Ltd.	\$120.0	100%
12/30/2014	SK Continental E-motion	SK Innovation Co., Ltd.	\$14.9	100%
11/24/2014	Ener-tek International, Inc.	OM Group Inc.	\$24.0	100%
5/16/2014	A123 Energy Solutions	NEC Corporation	\$100.0	100%
12/27/2013	Shenzhen Eyang Energy	N/A	\$1.7	100%
11/1/2013	Quallion LLC	EnerSys	\$30.0	100%
9/30/2013	Eltek Electric Vehicles	Valeo SA	\$20.3	100%
8/23/2013	Millennium Power Solutions	Blue Earth Inc.	\$15.2	100%
1/1/2013	Johnson Controls	Saft Groupe S.A.	\$145.0	100%
10/19/2012	Axeon Holdings	Johnson Matthey	\$65.1	100%
12/31/2011	Shenzhen Nalon Battery	Scud (Fujian) Electronics	\$3.3	70%
12/15/2011	Micro Power Electronics	Electrochem Solutions	\$69.9	100%
12/9/2011	Billion Electronics	N/A	\$13.4	100%
8/31/2011	Jiangsu Youpai	Jiangxi Ganfeng Lithium	\$3.1	51%
1/6/2011	Shenzhen Zhongqiang	Harbin Zhongqiang	\$19.8	100%
12/31/2010	Gold Peak Industries	GP Batteries	\$0.9	100%
10/26/2010	Zhejiang GBS Energy	Hybrid Kinetic Group	\$25.2	100%
Median of the 18 M&A Transaction Targets			\$22.2	100%

Size of the 18 M&A Transactions (dollars in millions)



Definitions of Financial Terms Used in this Quarterly Industry Update:

Enterprise Value (EV): Market Value of Equity + Market Value of Debt - Cash

Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA): Profitability metric sometimes also referred to as operating profit or operating earnings.

Gross Cash Flows: Net Income + Depreciation and Amortization Expense

Latest Twelve Months (LTM): Financial information is as of the latest twelve months through the date of this Quarterly Industry Update.

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