

# EMS Index Outperforms S&P in Q4 2014

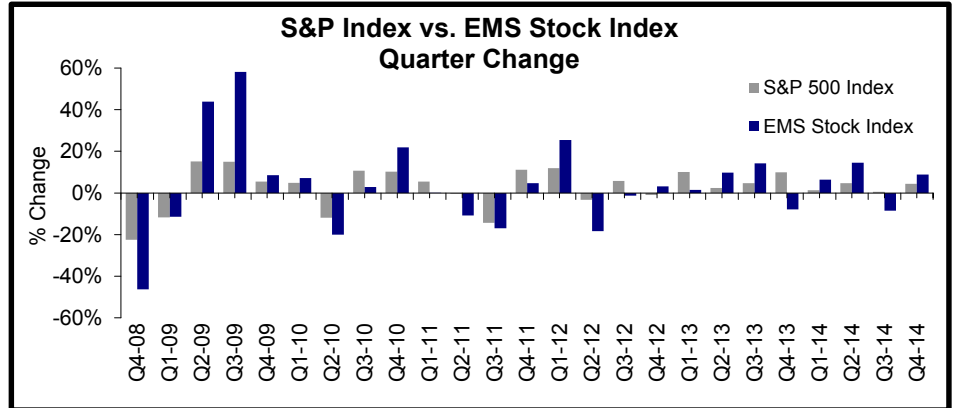
## Winner's Circle Tier

Celestica Inc.	20.3%	I
Sparton Corp.	15.0%	II
Nortech Systems Inc.	12.1%	III

## Worst Performers Tier

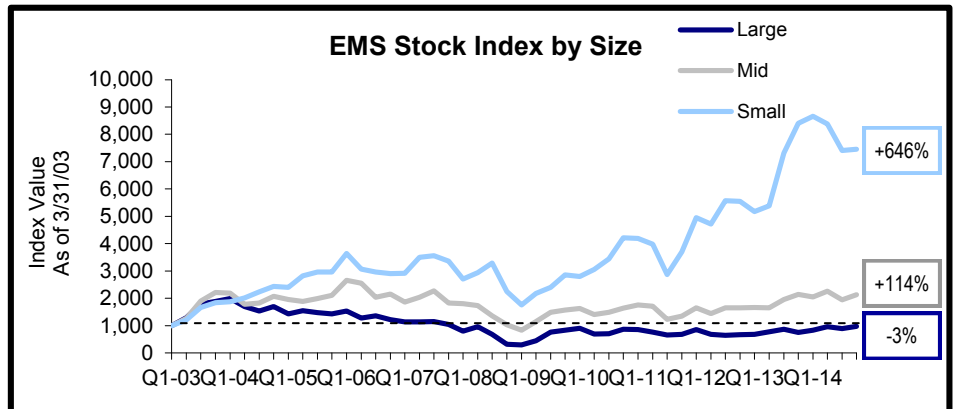
Jabil Circuit Inc.	8.2%	I
Key Tronic Corp.	(24.9%)	II
SigmaTron International	(8.1%)	III

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



## EMS Stock Highlights

- Large Index has increased 8.6% from last quarter
- Mid Index has increased 10.0% from last quarter
- Small Index has increased 0.7% from last quarter



## EBITDA Margins

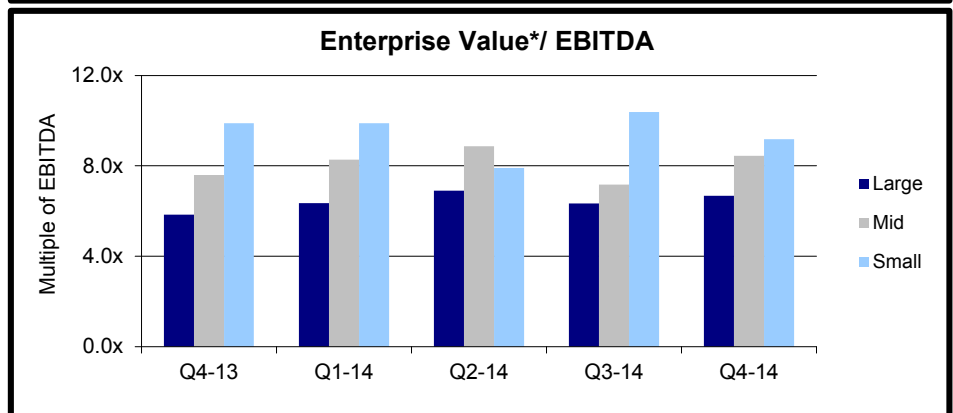
Large Tier	4.5%
Mid Tier	5.7%
Small Tier	2.9%

## YOY LTM Revenue Growth

Large Tier	0.1%
Mid Tier	7.5%
Small Tier	(1.9%)

Source: Capital IQ as of Dec. 31, 2014

Note: Average for each sector, YOY stands for year-over-year



\*Enterprise Value is calculated as Market Cap on December 31, 2014 plus debt, preferred equity and minority interest less cash

Note: See the following page for specific company classifications

## EMS Size Guide

(Revenue Dollars)

### Large (Tier I)

Greater than \$3 billion

### Mid (Tier II)

\$300 million to \$3 billion

### Small (Tier III)

Below \$300 million

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

## 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.	\$ 13.65	\$ 5,644	\$ 0.74	42.9	2.01	7.3x	0.3x	\$ 2,394	\$ (578)
Flextronics International Ltd.	11.18	27,079	0.83	22.6	1.26	6.4x	0.3x	6,473	884
Jabil Circuit Inc.	21.83	15,970	0.98	6.2	1.21	6.6x	0.3x	4,218	756
Sanmina Corporation	23.53	6,215	2.27	44.2	1.60	6.5x	0.3x	1,941	77
<b>Mid</b>									
Benchmark Electronics Inc.	25.44	2,844	2.31	75.1	3.40	6.0x	0.3x	1,351	(411)
Key Tronic Corp.	7.94	314	0.40	103.4	2.46	13.4x	0.4x	84	52
Plexus Corp.	41.21	2,378	2.52	70.0	2.25	8.2x	0.5x	1,385	(80)
Sparton Corp.	28.34	339	1.07	101.9	2.36	10.0x	0.9x	285	35
Sypris Solutions Inc.	2.66	341	0.04	37.7	1.49	4.6x	0.2x	55	6
<b>Small</b>									
IEC Electronics Corp.	4.75	136	(0.21)	84.9	1.98	12.3x	0.6x	48	29
Nortech Systems Inc.	5.68	111	0.33	90.9	2.68	7.8x	0.3x	16	13
SigmaTron International Inc.	6.68	226	0.33	79.7	2.14	7.4x	0.2x	27	29
SMTC Corporation	1.77	239	(0.57)	59.5	1.19	nmf	0.2x	29	21

Source: Capital IQ as of December 31, 2014; stock price adjusted for dividends and splits

### 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 pension advisory services on a wide range of transaction sizes. With sixteen 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](http://www.lincolninternational.com).

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