

# EMS Index Outperforms S&P in Q2 2013

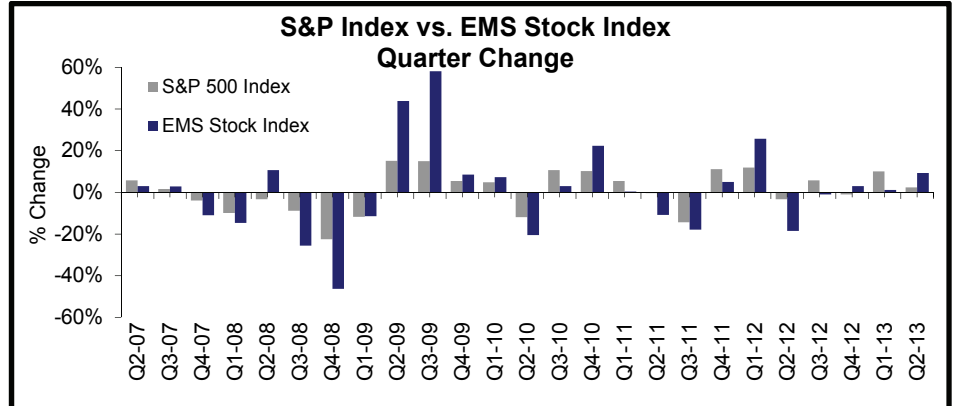
## Winner's Circle

Company	Change	Tier
Sanmina Corporation	26%	I
CTS Corporation	31%	II
Sparton Corp.	29%	III

## Worst Performers

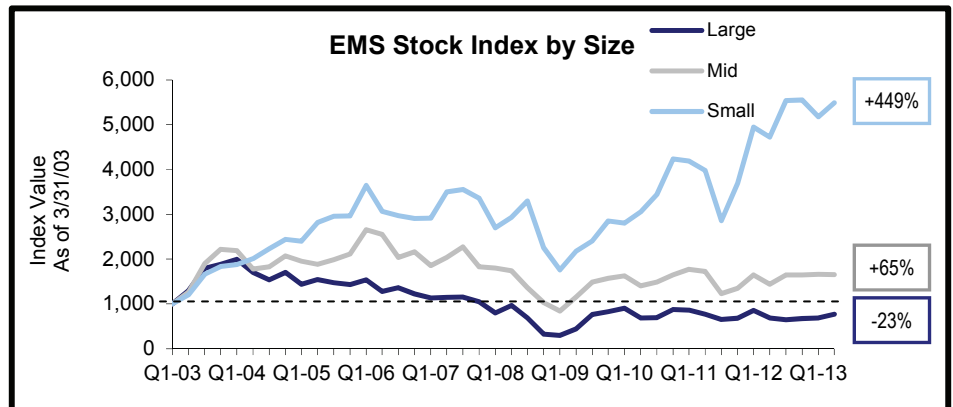
Company	Change	Tier
Jabil Circuit Inc.	10%	I
Nam Tai Electronics, Inc.	(59%)	II
IEC Electronics Corp.	(39%)	III

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



## EMS Stock Highlights

- Large Index has increased 12.1% from last quarter
- Mid Index has decreased 0.4% from last quarter
- Small Index has increased 6.0% from last quarter



## EBITDA Margins

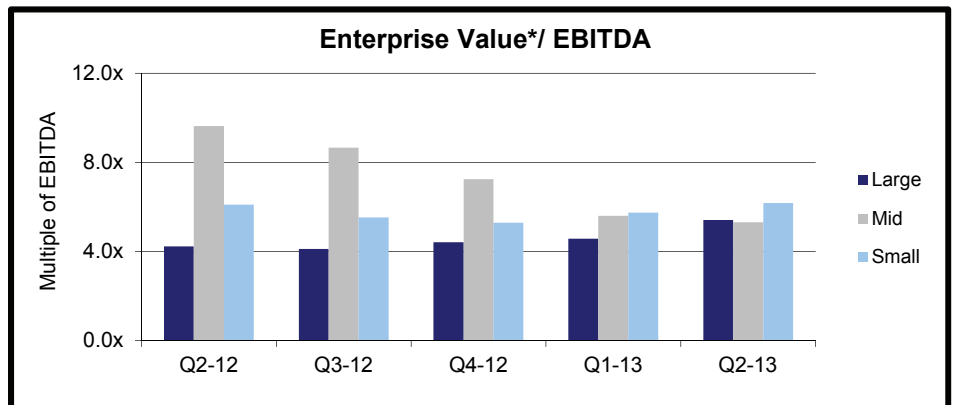
Large Tier	4.4%
Mid Tier	6.7%
Small Tier	6.1%

## YOY LTM Revenue Growth

Large Tier	(6.3%)
Mid Tier	16.3%
Small Tier	8.3%

Source: Capital IQ as of June 30, 2013

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



\*Enterprise Value is calculated as Market Cap on June 30, 2013 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

## 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.	\$ 9.40	\$ 6,189	\$ 0.42	35.1	1.81	5.5x	0.2x	\$ 1,728	\$ (511)
Flextronics International Ltd.	7.74	23,569	0.41	25.6	1.26	5.6x	0.2x	4,822	753
Jabil Circuit Inc.	20.38	17,860	1.58	7.9	1.42	4.4x	0.2x	4,130	309
Sanmina Corporation	14.35	6,050	2.32	52.7	1.75	6.1x	0.3x	1,188	346
<b>Mid</b>									
Benchmark Electronics Inc.	20.10	2,417	1.12	79.7	3.90	5.7x	0.3x	1,093	(406)
CTS Corporation	13.64	579	0.62	69.1	2.91	10.3x	0.9x	457	56
Key Tronic Corp.	10.35	373	1.30	70.1	2.79	4.8x	0.3x	109	(3)
Nam Tai Electronics, Inc.	5.60	1,238	1.66	4.7	2.36	0.5x	0.0x	251	(194)
Plexus Corp.	29.89	2,292	1.68	75.2	2.18	6.8x	0.4x	1,019	(15)
Sypris Solutions Inc.	3.21	324	(0.48)	36.6	1.50	3.8x	0.2x	64	(1)
<b>Small</b>									
IEC Electronics Corp.	3.51	144	0.71	70.0	2.53	3.9x	0.4x	35	29
Nortech Systems Inc.	3.32	105	0.24	86.6	1.72	6.1x	0.2x	9	12
SigmaTron International Inc.	4.26	187	0.20	95.4	2.50	4.2x	0.2x	17	20
SMTC Corp.	2.01	289	0.38	72.2	1.26	5.6x	0.2x	33	31
Sparton Corp.	17.24	240	1.07	101.2	2.01	10.9x	0.8x	176	10

Source: Capital IQ as of June 30, 2013; 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 fourteen 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).

### Contact

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:

#### NORTH AMERICA

**Jack Calderon,**  
Managing Director (Chicago)  
[jcalderon@lincolninternational.com](mailto:jcalderon@lincolninternational.com)

**Matthias Norweg,**  
Director (Chicago)  
[mnorweg@lincolninternational.com](mailto:mnorweg@lincolninternational.com)

**Chaim Lubin,**  
Vice President (Chicago)  
[clubin@lincolninternational.com](mailto:clubin@lincolninternational.com)

**Cynthia Goulet,**  
Associate (Chicago)  
[cgoulet@lincolninternational.com](mailto:cgoulet@lincolninternational.com)

**Chad Lopes,**  
Associate (Chicago)  
[clopes@lincolninternational.com](mailto:clopes@lincolninternational.com)

#### EUROPE

**Mark Barrow,**  
Managing Director (UK)  
[mbarrow@lincolninternational.com](mailto:mbarrow@lincolninternational.com)

**Richard Floto,**  
Managing Director (Frankfurt)  
[r.floto@lincolninternational.de](mailto:r.floto@lincolninternational.de)

**Iván Marina,**  
Managing Director (Madrid)  
[i.marina@lincolninternational.es](mailto:i.marina@lincolninternational.es)

**Géraud Estrangin,**  
Director (Paris)  
[g.estrangin@lincolninternational.fr](mailto:g.estrangin@lincolninternational.fr)

#### ASIA

**Tetsuya Fujii,**  
Managing Director and  
President - Japan (Tokyo)  
[tfujii@lincolninternational.com](mailto:tfujii@lincolninternational.com)

**T.N. Giridhar,**  
Managing Director and  
President - India (Mumbai)  
[tngiridhar@lincolninternational.com](mailto:tngiridhar@lincolninternational.com)

**Joe Chang,**  
Managing Director and  
CEO - China (Beijing)  
[jchang@lincolninternational.com](mailto:jchang@lincolninternational.com)

#### SOUTH AMERICA

**James Sinclair,**  
Managing Director and  
President - Brazil (São Paulo)  
[jsinclair@lincolninternational.com](mailto:jsinclair@lincolninternational.com)