

# Power Electronics Index Outperforms S&P in Q4 2009

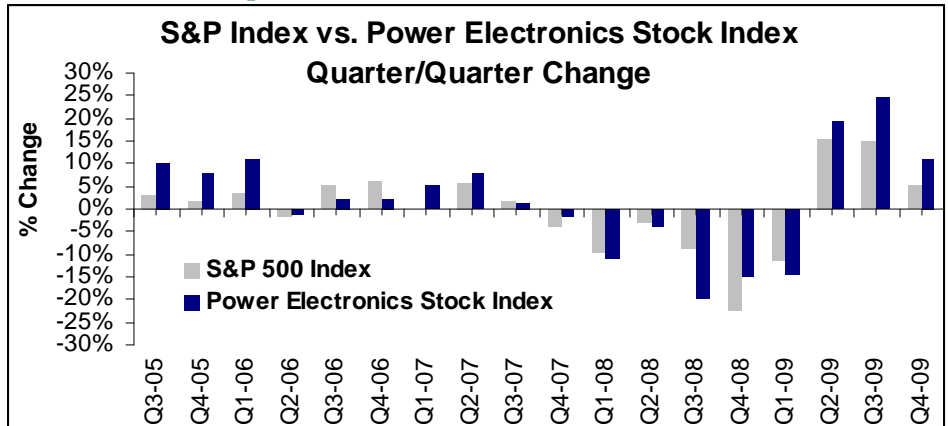
## Winner's Circle\*

Company	% Change	Tier
Schneider Electric S.A.	18%	I
Power-One Inc.	123%	II
PECO II Inc.	54%	III

## Worst Performers\*

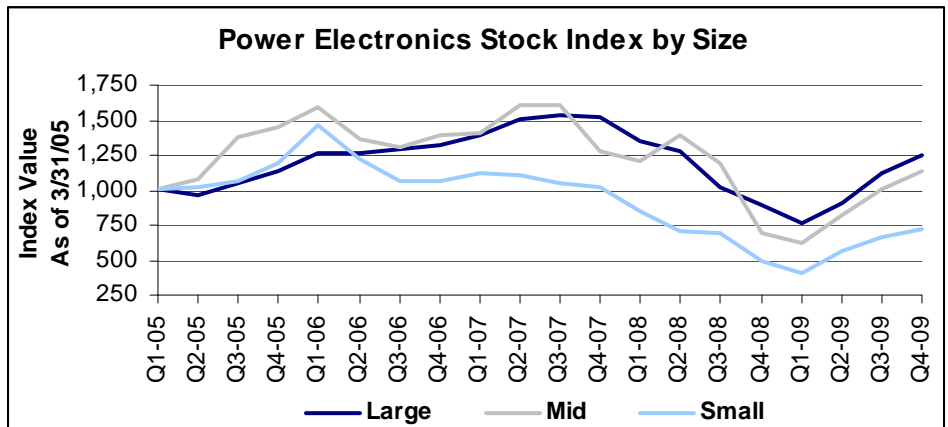
Company	% Change	Tier
Sanken Electric	(15%)	I
Shindengen Electric	(21%)	II
Cosel Co. Ltd.	(6%)	III

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



## Power Electronics Highlights

- Overall Index value increased 11.1% from last quarter
- Large Index value increased 11.0% from last quarter
- Mid Index value increased 12.4% from last quarter
- Small Index value increased 7.7% from last quarter



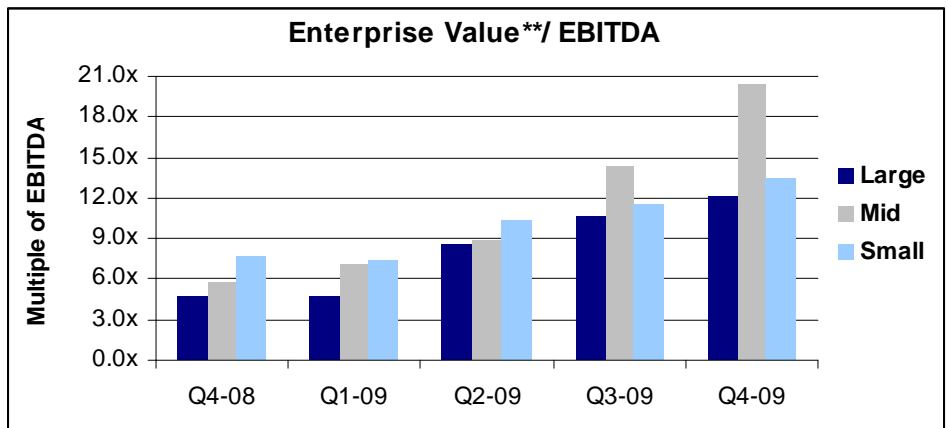
## Valuations

From last quarter:

Multiples for large power electronics companies increased due to an increase in equity values and lower EBITDA results.

Mid size power electronics company multiples increased due to an increase in equity values and lower EBITDA results.

Small tier power electronics company multiples increased due to an increase in equity values and a decrease in EBITDA results.



\*\* Enterprise Value is calculated as Market Cap on December 31, 2009 plus debt, preferred equity and minority interest less cash

## Power Electronics Size Guide

(Sales Dollars)

### Large (Tier I)

Greater than \$1 billion

### Mid (Tier II)

\$250 million to \$1 billion

### Small (Tier III)

Below \$250 million

## About the Power Electronics Stock Index

Similar to the S&P 500 Index, the Power Electronics Stock Index is a market cap weighted composite index. The index is prepared by first selecting a base period, in this case, Q1 2005, 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.

# Power Electronics Stock Index Data

Company	Exchange	Stock		Diluted		Ave. Cash Conversion Current		EV/		Market Cap	Net Debt
		Price	LTM Sales	EPS	Cycle	Ratio	EV/ EBITDA	Sales			
			(\$M)		(days)					(\$M)	(\$M)
<b>Large</b>											
Delta Electronics Inc.	Taiwan	\$ 3.14	\$ 3,795	\$ 0.15	30.3	1.88	13.7x	1.7x	\$ 7,070	\$ (1,148)	
Eaton Corporation	New York	63.62	12,229	2.00	84.5	1.52	12.3x	1.1x	10,548	3,118	
Emerson Electric Co.	New York	42.60	20,915	2.27	63.2	1.54	9.0x	1.7x	32,047	3,015	
Lite-On Technology Corp.	Taiwan	1.51	5,404	0.07	4.4	1.45	5.7x	0.6x	3,323	(630)	
Murata Manufacturing Co. Ltd.	Osaka	49.70	5,103	(0.54)	155.0	5.64	20.4x	1.7x	10,667	(2,006)	
Sanken Electric Co. Ltd.	Tokyo	2.82	1,284	(3.22)	164.8	1.35	NM	0.7x	342	547	
Schneider Electric S.A.	Euronext	117.85	24,494	7.04	82.6	1.78	9.1x	1.5x	30,868	5,861	
TDK Corp.	Tokyo	61.04	7,744	(6.19)	90.9	2.18	15.1x	1.2x	7,874	1,011	
<b>Average - Large</b>			<b>10,121</b>		<b>84.5</b>	<b>2.17</b>	<b>12.2x</b>	<b>1.3x</b>	<b>12,843</b>	<b>1,221</b>	
<b>Mid</b>											
Acbel Polytech Inc.	Taiwan	\$ 0.90	\$ 548	\$ 0.06	37.6	1.66	NM	0.7x	\$ 448	\$ (65)	
Advanced Energy Industries, Inc.	Nasdaq	15.08	187	(2.94)	172.6	7.62	NM	2.4x	634	(177)	
Bel Fuse Inc.	Nasdaq	21.49	192	(2.83)	119.0	7.27	NM	0.6x	250	(127)	
FRIWO AG	Frankfurt	6.28	116	0.21	43.1	1.77	13.7x	0.4x	48	(0)	
Chloride Group plc	London	2.88	524	0.14	37.6	1.70	11.3x	1.6x	754	57	
Eltek ASA	Oslo	0.57	1,076	(0.51)	43.7	1.56	8.0x	0.3x	205	101	
Microsemi Corp.	Nasdaq	17.76	453	(0.34)	181.9	4.51	24.0x	2.7x	1,455	(213)	
Power-One Inc.	Nasdaq	4.35	420	(0.79)	100.0	2.24	43.7x	1.0x	384	12	
Powerwave Technologies Inc.	Nasdaq	1.26	605	(2.42)	81.6	2.43	35.9x	0.7x	167	236	
Shindengen Electric Mfg. Co. Ltd.	Tokyo	2.23	756	(1.91)	115.4	2.00	NM	0.6x	229	253	
FSP Technology Inc.	Taiwan	1.31	468	0.11	12.0	1.64	6.4x	0.5x	286	(84)	
<b>Average - Mid</b>			<b>486</b>		<b>85.9</b>	<b>3.13</b>	<b>20.4x</b>	<b>1.1x</b>	<b>442</b>	<b>(1)</b>	
<b>Small</b>											
Cosel Co. Ltd.	Tokyo	\$ 12.01	\$ 149	\$ 0.28	170.8	6.85	16.3x	2.6x	\$ 466	\$ (81)	
Magnetek Inc.	New York	1.54	90	0.02	84.9	3.35	6.5x	0.4x	48	(16)	
PECO II Inc.	Nasdaq	4.87	40	(1.91)	100.3	2.47	NM	0.2x	14	(4)	
SL Industries Inc.	American	8.38	153	0.18	100.4	2.33	6.2x	0.3x	50	(5)	
Vicor Corp.	Nasdaq	9.30	200	(0.07)	104.8	4.87	25.1x	1.8x	387	(37)	
XP Power Ltd.	London	7.08	108	0.56	111.7	1.64	13.6x	1.6x	134	40	
<b>Average - Small</b>			<b>123</b>		<b>112.1</b>	<b>3.59</b>	<b>13.5x</b>	<b>1.1x</b>	<b>183</b>	<b>(17)</b>	
<b>Power Electronics Average</b>			<b>3,482</b>		<b>91.7</b>	<b>2.93</b>	<b>15.6x</b>	<b>1.1x</b>	<b>4,348</b>	<b>386</b>	

Note: Data in table above is sourced from press releases, Capital IQ and Bloomberg as of December 31, 2009 or latest available.

Stock price adjusted for dividends and splits.

## 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:

Jack Calderon, Managing Director  
jcalderon@lincolninternational.com

Iván Marina, Managing Director (Madrid)  
i.marina@lincolninternational.es

Tetsuya Fujii, Managing Director and President (Tokyo)  
tfujii@lincolninternational.com

Géraud Estrangin, Director (Paris)  
g.estrangin@lincolninternational.fr

Matthias Norweg, Director (Frankfurt)  
m.norweg@lincolninternational.de

Hideyuki Fujisawa, Director (Tokyo)  
hfujisawa@lincolninternational.com

## About Lincoln International

Lincoln International specializes in merger and acquisition services, debt advisory services, UK pension advisory services and providing fairness opinions and valuations for leading organizations involved in mid-market transactions. With offices in Chicago, Frankfurt, London, Los Angeles, Madrid, New York, Paris, Tokyo and Vienna, and strategic partnerships with China Everbright in China and ICICI Securities, Inc. in 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).

Lincoln International LLC

500 West Madison, Suite 3900  
Chicago, IL 60661  
(312) 580-8339



CHICAGO | FRANKFURT | LONDON | LOS ANGELES  
MADRID | NEW YORK | PARIS | TOKYO | VIENNA

### Contributors

Chaim Lubin, Associate: [clubin@lincolninternational.com](mailto:clubin@lincolninternational.com)  
Cynthia Goulet, Analyst: [cgoulet@lincolninternational.com](mailto:cgoulet@lincolninternational.com)  
Michael Son, Analyst: [mson@lincolninternational.com](mailto:mson@lincolninternational.com)