

| BUY | | | | HOLD | | | SELL | | | | | | RATING SINCE | 01/03/2019 | | | |
|----------------------------|---|----|----|-----------------------------|----|----|--------------|----|----|--|----|----|----------------------------------|------------|---|----------------------------------|---|
| A+ | A | A- | B+ | B | B- | C+ | C | C- | D+ | D | D- | E+ | | | E | E- | F |
| Annual Dividend Rate NA | | | | Annual Dividend Yield NA | | | Beta 1.88 | | | Market Capitalization \$486.5 Million | | | 52-Week Range \$10.91-\$25.41 | | | Price as of 2/14/2019 \$14.20 | |

 Sector: **Technology** | Sub-Industry: **Communications Equipment** | Source: **S&P**

CAMP BUSINESS DESCRIPTION

CalAmp Corp. provides in telematics systems, and software and subscription services worldwide.

STOCK PERFORMANCE (%)

| | 3 Mo. | 1 Yr. | 3 Yr (Ann) |
|--------------|--------|--------|------------|
| Price Change | -25.23 | -40.62 | -5.22 |

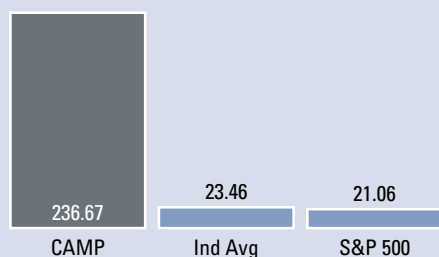
GROWTH (%)

| | Last Qtr | 12 Mo. | 3 Yr CAGR |
|------------|----------|--------|-----------|
| Revenues | -5.53 | 4.52 | 10.23 |
| Net Income | -104.42 | -86.19 | -49.10 |
| EPS | -106.06 | -87.24 | -50.68 |

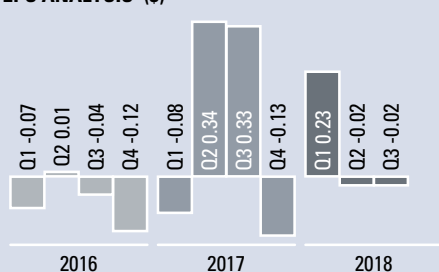
RETURN ON EQUITY (%)

| | CAMP | Ind Avg | S&P 500 |
|---------|------|---------|---------|
| Q3 2018 | 1.17 | 32.36 | 15.66 |
| Q3 2017 | 8.52 | 8.19 | 13.23 |
| Q3 2016 | 1.09 | 14.99 | 12.00 |

P/E COMPARISON

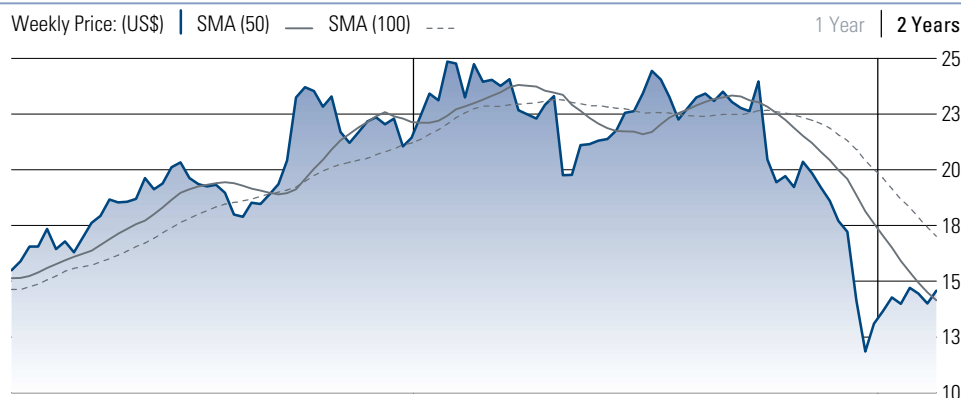


EPS ANALYSIS' (\$)



NA = not available NM = not meaningful

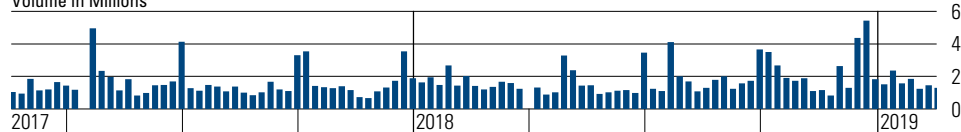
1 CompuStat fiscal year convention is used for all fundamental data items.



Rating History



Volume in Millions



COMPUSTAT for Price and Volume, TheStreet Ratings, Inc. for Rating History

RECOMMENDATION

We rate CALAMP CORP (CAMP) a SELL. This is driven by several weaknesses, which we believe should have a greater impact than any strengths, and could make it more difficult for investors to achieve positive results compared to most of the stocks we cover. The company's weaknesses can be seen in multiple areas, such as its generally disappointing historical performance in the stock itself, deteriorating net income, disappointing return on equity, weak operating cash flow and generally high debt management risk.

HIGHLIGHTS

Despite any intermediate fluctuations, we have only bad news to report on this stock's performance over the last year: it has tumbled by 40.62%, worse than the S&P 500's performance. Consistent with the plunge in the stock price, the company's earnings per share are down 106.06% compared to the year-earlier quarter. Although its share price is down sharply from a year ago, do not assume that it can now be tagged as cheap and attractive. The reality is that, based on its current price in relation to its earnings, CAMP is still more expensive than most of the other companies in its industry.

The company, on the basis of change in net income from the same quarter one year ago, has significantly underperformed when compared to that of the S&P 500 and the Communications Equipment industry. The net income has significantly decreased by 104.4% when compared to the same quarter one year ago, falling from \$11.81 million to -\$0.52 million.

Current return on equity is lower than its ROE from the same quarter one year prior. This is a clear sign of weakness within the company. Compared to other companies in the Communications Equipment industry and the overall market, CALAMP CORP's return on equity significantly trails that of both the industry average and the S&P 500.

Net operating cash flow has significantly decreased to \$11.26 million or 50.44% when compared to the same quarter last year. In addition, when comparing the cash generation rate to the industry average, the firm's growth is significantly lower.

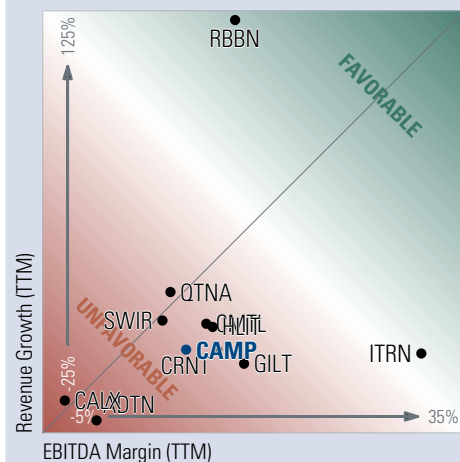
The debt-to-equity ratio of 1.35 is relatively high when compared with the industry average, suggesting a need for better debt level management. Despite the company's weak debt-to-equity ratio, the company has managed to keep a very strong quick ratio of 3.82, which shows the ability to cover short-term cash needs.

Sector: Technology | Communications Equipment | Source: S&P

| | | | | | |
|-----------------------------------|------------------------------------|---------------------|---|---|---|
| Annual Dividend Rate NA | Annual Dividend Yield NA | Beta 1.88 | Market Capitalization \$486.5 Million | 52-Week Range \$10.91-\$25.41 | Price as of 2/14/2019 \$14.20 |
|-----------------------------------|------------------------------------|---------------------|---|---|---|

PEER GROUP ANALYSIS

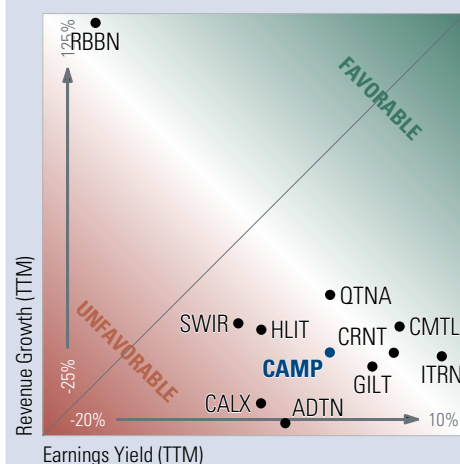
REVENUE GROWTH AND EBITDA MARGIN*



Companies with higher EBITDA margins and revenue growth rates are outperforming companies with lower EBITDA margins and revenue growth rates. Companies for this scatter plot have a market capitalization between \$378.5 Million and \$717.1 Million. Companies with NA or NM values do not appear.

*EBITDA – Earnings Before Interest, Taxes, Depreciation and Amortization.

REVENUE GROWTH AND EARNINGS YIELD



Companies that exhibit both a high earnings yield and high revenue growth are generally more attractive than companies with low revenue growth and low earnings yield. Companies for this scatter plot have revenue growth rates between -20.6% and 121.7%. Companies with NA or NM values do not appear.

INDUSTRY ANALYSIS

The US communications equipment industry is comprised of companies that manufacture communication equipments and products, including LANs, WANs, routers, telephones, switchboards and exchanges. The industry is highly competitive and characterized by rapidly changing technologies, evolving industry and government standards, changes in customer preferences, and new product introductions and enhancements

Companies compete on the basis of product performance, quality, customer service, technological innovation, delivery time and price. The industry is becoming increasingly concentrated and globalized, dominated by large players with significant financial resources and technological capabilities. Cisco Systems (CSCO), Nokia (NOK), Motorola Solutions (MSI), and Ericsson (ERIC) are large players.

Industry demand is dependent on the capital spending of cellular and broadband companies for constructing, rebuilding or upgrading their communications systems. The domestic market is evolving at a brisk pace as cable and telecom network operators expand their video, data and voice services, commonly known as the “triple play”, to expand their subscriber base. Telecom operators are expanding their broadband networks and offering advanced video and data services using IPTV and PON technologies. Cable operators are responding by bundling voice-over-IP services and expanding their broadband data service through Data Over Cable Service Interface Specifications (DOCSIS).

Companies are regulated by the United States Federal Communications Commission (FCC) and other global governmental communication regulators. The International Telecommunications Union (ITU) adopts cellular wireless access standards for cellular industry infrastructure.

The industry faces investment risks related to the introduction of new products for the transmission of telephony and high-speed data over hybrid fiber coaxial cable systems. Research and development is a complex and uncertain process, requiring high levels of innovation and an accurate understanding of market trends. The industry has witnessed consolidation in order to facilitate product breadth and improve technologies.

PEER GROUP: Communications Equipment

| Ticker | Company Name | Recent Price (\$) | Market Cap (\$M) | Price/Earnings | Net Sales TTM (\$M) | Net Income TTM (\$M) |
|-------------|------------------------------|-------------------|------------------|----------------|---------------------|----------------------|
| CAMP | CALAMP CORP | 14.20 | 486 | 236.67 | 373.82 | 2.37 |
| ITRN | ITURAN LOCATION & CONTROL | 33.60 | 717 | 11.91 | 231.57 | 59.17 |
| ADTN | ADTRAN INC | 14.61 | 696 | NM | 529.28 | -19.34 |
| QTNA | QUANTENNA COMMUNICATIONS | 17.61 | 659 | 220.13 | 220.46 | 3.08 |
| CMTL | COMTECH TELECOMMUN | 26.95 | 644 | 18.59 | 609.86 | 34.90 |
| RBBN | RIBBON COMMUNICATIONS INC | 5.67 | 604 | NM | 557.22 | -90.70 |
| GILT | GILAT SATELLITE NETWORKS LTD | 8.72 | 478 | 29.07 | 279.31 | 16.52 |
| HLIT | HARMONIC INC | 5.40 | 470 | NM | 403.56 | -21.04 |
| CALX | CALIX INC | 8.03 | 427 | NM | 441.32 | -19.30 |
| SWIR | SIERRA WIRELESS INC | 11.33 | 409 | NM | 793.60 | -24.61 |
| CRNT | CERAGON NETWORKS LTD | 4.83 | 379 | 20.13 | 344.81 | 18.66 |

The peer group comparison is based on Major Communications Equipment companies of comparable size.

Sector: Technology | Communications Equipment | Source: S&P

| | | | | | |
|-----------------------------------|------------------------------------|---------------------|---|---|---|
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|-----------------------------------|------------------------------------|---------------------|---|---|---|

COMPANY DESCRIPTION

CalAmp Corp. provides in telematics systems, and software and subscription services worldwide. The company provides mobile resource management telematics devices for the Internet of Things market, which enable customers to optimize their operations by collecting, monitoring, and reporting business-critical information and desired intelligence from remote and mobile assets. It also offers a portfolio of wireless networking products, including asset tracking units, mobile telematics devices, and fixed and mobile wireless gateways and routers; telematics cloud platform applications; and software as a service applications. The company sells its products and services to customers in the transportation, government, construction, and automotive markets through direct sales organization, a network of licensees, and sales representatives, as well as through Websites and digital presence. CalAmp Corp. was founded in 1981 and is headquartered in Irvine, California.

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STOCK-AT-A-GLANCE

Below is a summary of the major fundamental and technical factors we consider when determining our overall recommendation of CAMP shares. It is provided in order to give you a deeper understanding of our rating methodology as well as to paint a more complete picture of a stock's strengths and weaknesses. It is important to note, however, that these factors only tell part of the story. To gain an even more comprehensive understanding of our stance on the stock, these factors must be assessed in combination with the stock's valuation. Please refer to our Valuation section on page 5 for further information.

| FACTOR | SCORE | | | | | |
|---|---------------------------|------|---|---|---|--------|
| Growth | 1.0 out of 5 stars | ★ | ☆ | ☆ | ☆ | ☆ |
| Measures the growth of both the company's income statement and cash flow. On this factor, CAMP has a growth score better than 10% of the stocks we rate. | | weak | | | | strong |
| Total Return | 1.0 out of 5 stars | ★ | ☆ | ☆ | ☆ | ☆ |
| Measures the historical price movement of the stock. The stock performance of this company has beaten 10% of the companies we cover. | | weak | | | | strong |
| Efficiency | 2.0 out of 5 stars | ★ | ★ | ☆ | ☆ | ☆ |
| Measures the strength and historic growth of a company's return on invested capital. The company has generated more income per dollar of capital than 30% of the companies we review. | | weak | | | | strong |
| Price volatility | 1.0 out of 5 stars | ★ | ☆ | ☆ | ☆ | ☆ |
| Measures the volatility of the company's stock price historically. The stock is less volatile than 10% of the stocks we monitor. | | weak | | | | strong |
| Solvency | 2.5 out of 5 stars | ★ | ★ | ★ | ☆ | ☆ |
| Measures the solvency of the company based on several ratios. The company is more solvent than 40% of the companies we analyze. | | weak | | | | strong |
| Income | 0.5 out of 5 stars | ☆ | ☆ | ☆ | ☆ | ☆ |
| Measures dividend yield and payouts to shareholders. This company pays no dividends. | | weak | | | | strong |

THE STREET RATINGS RESEARCH METHODOLOGY

TheStreet Ratings' stock model projects a stock's total return potential over a 12-month period including both price appreciation and dividends. Our Buy, Hold or Sell ratings designate how we expect these stocks to perform against a general benchmark of the equities market and interest rates. While our model is quantitative, it utilizes both subjective and objective elements. For instance, subjective elements include expected equities market returns, future interest rates, implied industry outlook and forecasted company earnings. Objective elements include volatility of past operating revenues, financial strength, and company cash flows.

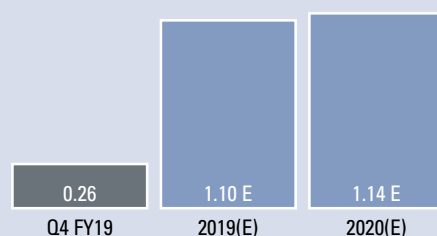
Our model gauges the relationship between risk and reward in several ways, including: the pricing drawdown as compared to potential profit volatility, i.e. how much one is willing to risk in order to earn profits; the level of acceptable volatility for highly performing stocks; the current valuation as compared to projected earnings growth; and the financial strength of the underlying company as compared to its stock's valuation as compared to projected earnings growth; and the financial strength of the underlying company as compared to its stock's performance. These and many more derived observations are then combined, ranked, weighted, and scenario-tested to create a more complete analysis. The result is a systematic and disciplined method of selecting stocks.

Sector: Technology | Communications Equipment | Source: S&P

| | | | | | |
|-----------------------------------|------------------------------------|---------------------|---|---|---|
| Annual Dividend Rate NA | Annual Dividend Yield NA | Beta 1.88 | Market Capitalization \$486.5 Million | 52-Week Range \$10.91-\$25.41 | Price as of 2/14/2019 \$14.20 |
|-----------------------------------|------------------------------------|---------------------|---|---|---|

Consensus EPS Estimates² (\$)

IBES consensus estimates are provided by Thomson Financial



INCOME STATEMENT

| | Q3 FY18 | Q3 FY17 |
|--------------------|---------|---------|
| Net Sales (\$mil) | 88.50 | 93.67 |
| EBITDA (\$mil) | 7.63 | 10.21 |
| EBIT (\$mil) | 2.48 | 4.53 |
| Net Income (\$mil) | -0.52 | 11.81 |

BALANCE SHEET

| | Q3 FY18 | Q3 FY17 |
|-----------------------|---------|---------|
| Cash & Equiv. (\$mil) | 301.76 | 151.24 |
| Total Assets (\$mil) | 608.05 | 475.40 |
| Total Debt (\$mil) | 272.42 | 152.38 |
| Equity (\$mil) | 201.55 | 201.08 |

PROFITABILITY

| | Q3 FY18 | Q3 FY17 |
|---------------------|---------|---------|
| Gross Profit Margin | 43.67% | 42.87% |
| EBITDA Margin | 8.62% | 10.90% |
| Operating Margin | 2.80% | 4.84% |
| Sales Turnover | 0.61 | 0.75 |
| Return on Assets | 0.38% | 3.60% |
| Return on Equity | 1.17% | 8.52% |

DEBT

| | Q3 FY18 | Q3 FY17 |
|-------------------|---------|---------|
| Current Ratio | 4.29 | 2.76 |
| Debt/Capital | 0.57 | 0.43 |
| Interest Expense | 5.13 | 2.57 |
| Interest Coverage | 0.48 | 1.76 |

SHARE DATA

| | Q3 FY18 | Q3 FY17 |
|--------------------------|---------|---------|
| Shares outstanding (mil) | 34 | 36 |
| Div / share | 0.00 | 0.00 |
| EPS | -0.02 | 0.33 |
| Book value / share | 5.88 | 5.65 |
| Institutional Own % | NA | NA |
| Avg Daily Volume | 451,764 | 389,826 |

² Sum of quarterly figures may not match annual estimates due to use of median consensus estimates.

FINANCIAL ANALYSIS

CALAMP CORP's gross profit margin for the third quarter of its fiscal year 2018 is essentially unchanged when compared to the same period a year ago. Sales and net income have dropped, although the growth in revenues underperformed the average competitor within the industry, the net income growth did not. CALAMP CORP is extremely liquid. Currently, the Quick Ratio is 3.82 which clearly shows the ability to cover any short-term cash needs. The company's liquidity has increased from the same period last year.

During the same period, stockholders' equity ("net worth") has remained unchanged from the same quarter last year. Overall, the key liquidity measurements indicate that the company is very unlikely to face financial difficulties in the near future.

STOCKS TO BUY: TheStreet Quant Ratings has identified a handful of stocks that can potentially TRIPLE in the next 12-months. To learn more visit www.TheStreetRatings.com.

