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# **Diamond Equity Research Initiates Coverage on Focus Universal Inc. (OTCQB: FCUV)**

NEW YORK, Oct. 11, 2018 (GLOBE NEWSWIRE) -- via NetworkWire -- Diamond Equity Research, a leading equity research firm with a focus on small capitalization public companies has initiated coverage of Focus Universal Inc. (OTCQB: FCUV). The in-depth 19-page initiation report includes detailed information on the Focus Universal's business model, services, industry, valuation, management, and risks.

The full research report is available [here](#). Highlights from the report include:

## **Large Market Opportunity**

The world is becoming more data driven with billions of sensors embedded into different instruments from various fields such as industrial operations, education, and healthcare. According to the new market research from Marketsandmarkets, the smart sensor market size is expected to grow to USD 57.7 Billion by 2022, at a Compound Annual Growth Rate (CAGR) of 18.1%. The market has enormous potential, driven by the growing adoption of the Internet of Things (IoT) and the strong demand for automation.

Focus Universal is uniquely positioned within the market as a developer of its Universal Smart Instrumentation Platform ("USIP") and patented wireless data logger Ubiquitor. There is a significant opportunity for USIP to grow, as more sensors can be embedded into different instruments, which is further fueled by the strong demand for automation and the growing adoption of IoT. With most traditional instruments serving only one narrow purpose, the market is now demanding universal instruments with compatibility between various industrial instrument types. The Ubiquitor appears positioned to cut production costs, reduce clutter, and reduce the effort required to develop a new sensor product. Therefore, universal smart devices are expected to experience growing demand to connect different sensors and smart devices to replace expensive traditional instruments with fixed functionality.

## **Unique Technology**

Focus Universal wants to change the traditional measurement industry by introducing a Universal Smart Instrumentation Platform (USIP) and an affordable, universally compatible sensor device. Unlike traditional instruments which have their own connectivity technologies and do not support connectivity and inter-operability with instruments from other brands, the company's smart device, Ubiquitor, will be more compatible, versatile, interoperable, connectable and scalable. Ubiquitor is designed to combine individual instrument functions, sensors, and probes in a single unit and is also able to interoperate with other instruments. Through Ubiquitor, the USIP can be compatible with thousands of sensors and probes and utilizes a terminal (a smartphone or a computer) to communicate with smart devices

(sensors, probes, and controllers) to monitor and control functions. The company plans to commercialize and start full-scale production of the Ubiquitor at the end of 2018.

## **Valuation**

It is challenging to value Focus Universal given its early stage and the limited number of direct comparable companies. In our comparable company analysis, we screened for small capitalization companies within the scientific instruments and IoT industry. We used a blend of these companies to arrive at a median enterprise value to revenue multiple. From our analysis, we have found the shares to be undervalued with significant upside if the company executes on the top line growth management anticipates. We also built a bottom-up model and discounted cash flow to value Focus Universal. Based on an average of the two methods, we arrive at a valuation of \$5 per share. We note Focus could become a potential acquisition target at a much higher multiple than the comparable multiples suggest once they scale production and acquire further IP. Thus, we note the \$5.00 valuation is not based on an acquisition premium.

## **About Focus Universal Inc.**

Focus Universal, Inc. is a universal smart device developer and manufacturer with the goal of reducing the need for expensive, limited technology instruments with an inexpensive, singular device which can communicate seamlessly. The company has designed a Universal Smart Instrumentation Platform (USIP), a wireless sensor device that combines measuring tools with smartphone technology to deliver sensor node data on desktop and mobile phone screens. The company also provides traditional handheld meter and filter products. The company was founded in 2012 and is headquartered in Los Angeles, California.

For more information, visit <http://focusuniversal.com>.

## **About Diamond Equity Research**

Diamond Equity Research provides institutional, quality research to emerging growth companies that are undercovered. Diamond Equity Research is an approved sell-side provider on premier institutional investor platforms including Factset, Morningstar, and Thomson One. The founder, Hunter Diamond, CFA, brings extensive experience working as a research analyst and investment banker focused on emerging growth companies. Hunter Diamond, CFA holds his Bachelor of Science and Master of Business Administration from Cornell University. The firm is headquartered in midtown Manhattan.

For more information, visit [www.diamondequityresearch.com](http://www.diamondequityresearch.com).

## **Disclosures:**

Full disclosures pertaining to this report can be found in the report at <https://diamondequityresearch.com/disclosure>. Focus Universal Inc. has paid for this report as company sponsored research, which is meant to subsidize the high cost of creating the report and monitoring the security, however the views in the report reflect that of Diamond Equity Research. Diamond Equity Research LLC is being compensated by Focus Universal Inc. for producing research materials regarding Focus Universal Inc. and its securities. All payments are received upfront and are billed for an annual or semi-annual

research engagement. As of 10/11/2018 the issuer had paid us \$19,500 for our services, with services commencing on 08/13/2018. Additional fees may have accrued since then.

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