



# Digital Ally (NASDAQ: DGLY)

April 17, 2019  
Recent Price: \$4.23

## Market Data

Fiscal Year	December
Industry	Technology
Market Cap	\$46.8M
Price/Sales (ttm)	4.1x
Shares Outstanding	11.0M
Equity Float	8.8M
Avg. Volume	169,590

As of April 17, 2019

## Income Statement Snapshot

	(TTM)
Revenue	\$11.2M
Net Loss	(\$15.4M)

## Balance Sheet Snapshot

	MRQ
Cash	\$3.6M
Debt	\$9.1M

## Company Website

<https://www.digitalallyinc.com/>

## Company Overview

Digital Ally, Inc. (NASDAQ: DGLY) develops, manufactures, and markets advanced technology products for law enforcement, homeland security, and commercial applications. The Company's primary focus is digital-video imaging and storage. The Company is headquartered in Lenexa, Kansas. For more information, see [www.digitalallyinc.com](http://www.digitalallyinc.com) or follow DGLY on Twitter (@digitalallyinc) and Facebook ([www.facebook.com/DigitalAllyInc](http://www.facebook.com/DigitalAllyInc)).

## Value Proposition

DGLY's patented VuLink® auto-activation technology is the first product on the market to fully integrate in-car cameras and body-worn video. The Company has deployed more than 93,000 units worldwide in more than 40 countries. More than 8,000 law-enforcement officers in the United States use DGLY products. The Company generated \$2.8 million in revenue for 3Q18.

DGLY's litigation against Axon Enterprises, Inc. (NASDAQ: AAXN; formerly known as TASER) and WatchGuard is advancing. The Company can claim monetary damages from Axon and WatchGuard if the Company has a favorable outcome to its patent-infringement suit. In a recent press release, the Company announced that the Company had beaten AAXN's last-minute attempt to add a new invalidity theory to the case, and on January 23, 2019, the U.S. District Court for the District of Kansas issued the pretrial order in Digital Ally's litigation against Axon.

The pretrial order further notes that Digital Ally is seeking reasonable royalty damages of \$68,456,524 as a result of TASER's infringement of the '452 Patent from February 2, 2016 through August 17, 2018 and that prior to trial in this matter, Digital Ally will supplement its calculations of damages.

With competitors dominated by smaller non-public entities and small divisions of large public companies, DGLY provides investors an opportunity to invest in a pure-play in a fast-growing market. A Wall Street analyst has a buy rating on DGLY with a target price of \$5.00.

## Investment Highlights

- **Digital Ally beats Axon's last-minute attempt to add a new theory of invalidity to the patent infringement case**
  - Pretrial order further notes that Digital Ally is seeking reasonable royalty damages of \$68,456,524 as a result of TASER's infringement of the '452 Patent from February 2, 2016 through August 17, 2018
- **Company's patented VuLink® auto-activation technology is the first product on the market to fully integrate in-car cameras and body-worn video**
  - Enables auto-activation of in-car cameras, wireless microphones, and body-worn video cameras
- **NASCAR and Digital Ally in multi-year partnership**
- **DGLY has deployed 93,500 units worldwide (30 countries); 40+ international distributors**
  - More than 8,000 law-enforcement officers in the U.S. use DGLY products