

Quarterly Industry Update

As of March 31, 2014

Industry: Medical Recordkeeping



Industry Summary

Cogent Valuation identified publicly traded companies, IPOs, and recent M&A transactions within the Medical Recordkeeping industry, which provides a basis for market and transaction pricing that can be used by your firm in estimating market sentiment and its impact on your firm's value. Since March 31, 2013, the median 52-week share price return of the Medical Recordkeeping industry has increased by 5.6%. In the last quarter, the median price-to-earnings multiple decreased from 34.6x to 34.4x.

Comparable Public Company Key Statistics

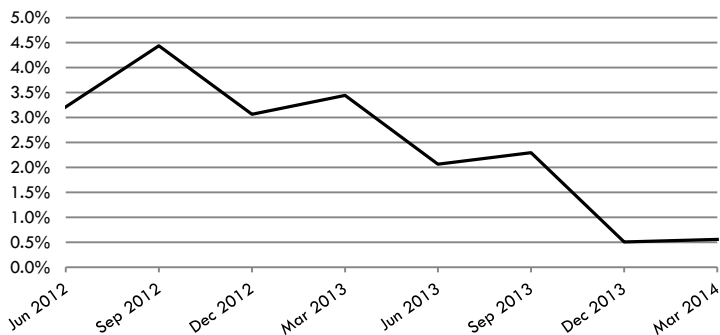
Median 52-Week Return	5.6%	Median EV/Revenue Multiple	3.3x	Median Price/Earnings Multiple	34.4x
Median 3-Year CAGR Return	-2.0%	Median EV/EBITDA Multiple	17.3x	Median EV/Gross CF Multiple	33.4x

Comparable Public Company Market Price Returns (As of March 31, 2014)

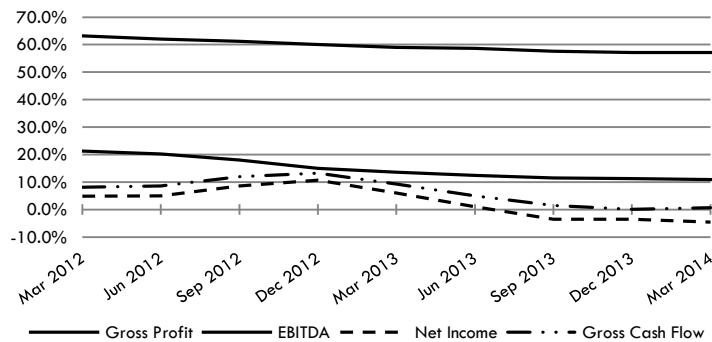
	YTD	3 Month	1 Year	2 Year	3 Year	5 Year	2012	2011	2010	2009	2008
Cerner Corporation	45.1%	0.9%	18.7%	21.5%	26.5%	38.6%	26.5%	29.3%	14.9%	114.4%	-31.8%
Allscripts Healthcare Solutions, Inc.	91.4%	16.6%	32.7%	4.2%	-4.9%	11.9%	-50.3%	-1.7%	-4.7%	103.9%	N/A
athenahealth, Inc.	118.6%	19.1%	65.1%	47.0%	52.6%	46.1%	49.2%	19.9%	-9.4%	20.3%	4.5%
Quality Systems Inc.	-2.8%	-19.8%	-7.6%	-37.9%	-26.0%	-5.7%	-53.1%	6.0%	11.2%	44.0%	43.1%
Computer Programs & Systems Inc.	28.3%	4.5%	19.4%	6.9%	0.2%	14.2%	-1.5%	9.1%	1.7%	71.8%	17.9%
Merge Healthcare Incorporated	-1.2%	5.2%	-15.6%	-35.5%	-20.6%	12.4%	-49.1%	30.0%	11.0%	162.5%	7.6%
Nuance Communications, Inc.	-23.1%	13.0%	-14.9%	-18.1%	-4.2%	9.6%	-11.3%	38.4%	17.1%	49.9%	-44.5%
Streamline Health Solutions, Inc.	-11.6%	-27.9%	-22.0%	71.5%	41.1%	28.6%	231.2%	4.8%	-29.6%	17.7%	8.8%
Median of Industry Public Companies	13.6%	4.8%	5.6%	5.6%	-2.0%	13.3%	-6.4%	14.5%	6.4%	60.9%	7.6%

(Multiple year periods are calculated as the average annual return.)

Median Quarterly Revenue Growth of All Medical Recordkeeping Companies



Median Gross Profit, EBITDA, Net Income and Gross Cash Flow Margins



Median Public Company Multiples of the Medical Recordkeeping Industry

Date:	3/31/2012	6/30/2012	9/30/2012	12/31/2012	3/31/2013	6/30/2013	9/30/2013	12/31/2013	3/31/2014
EV/Revenues Multiple	4.3x	3.4x	3.4x	3.4x	3.5x	3.3x	3.6x	3.4x	3.3x
EV/EBITDA Multiple	19.3x	14.5x	13.9x	17.7x	20.1x	22.7x	21.3x	16.9x	17.3x
Price/Earnings Multiple	36.7x	36.7x	35.2x	29.4x	32.2x	27.8x	37.8x	34.6x	34.4x
EV/Gross Cash Flows Multiple	30.3x	28.5x	36.6x	26.0x	35.3x	20.8x	29.1x	34.5x	33.4x

This industry research is provided at no charge to Cogent Valuation's clients. Research or detailed information not covered in this report can be obtained for a fee. Contact Steven Kam at 415-392-0888 for additional information or questions in connection with this research report.

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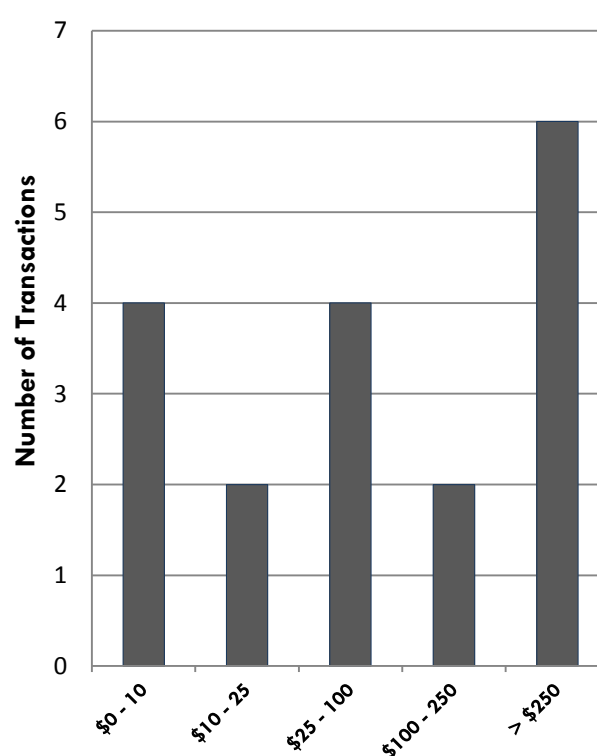
Industry Initial Public Offerings (dollars in millions, except share prices)

Offer Date	Company Name	Offer Price	Shares Offered	Amount Raised	Total Assets	Debt	LTM Revenues	LTM EBITDA	LTM Net Income	LTM Cash Flows
9/26/2013	Premier, Inc.	\$27.00	28.2	\$760.1	\$598.9	\$34.6	\$869.3	\$407.1	\$7.4	\$434.7
3/27/2012	Vocera Communications	\$16.00	5.9	\$93.6	\$49.8	\$8.3	\$79.5	\$1.2	(\$2.5)	\$2.2
2/1/2012	Greenway Medical Technologies	\$10.00	6.7	\$66.7	\$85.0	\$0.0	\$105.8	\$4.9	\$32.6	\$6.2
2/1/2011	Epocrates	\$16.00	5.4	\$85.8	\$127.2	\$0.0	\$104.0	\$16.2	(\$3.6)	N/A
4/21/2010	DynaVox	\$15.00	9.4	\$140.6	\$138.9	\$90.0	\$111.7	\$30.2	\$4.4	\$33.0
9/19/2007	athenahealth	\$18.00	6.3	\$113.2	\$44.3	\$32.0	\$86.9	\$1.5	(\$10.8)	\$6.3
2/2/2005	MMRGlobal	\$7.00	6.0	\$42.0	N/A	N/A	N/A	N/A	N/A	N/A
5/21/2002	Computer Programs & Systems	\$16.50	3.0	\$49.5	\$17.6	\$0.7	\$63.1	\$10.6	\$6.1	\$11.6
1/29/1998	Merge Healthcare	\$6.00	1.9	\$11.4	\$7.6	\$2.1	\$9.7	\$1.3	(\$0.2)	\$1.6
Median of All IPOs		nm	nm	\$85.8	\$67.4	\$5.2	\$95.5	\$7.7	\$2.1	\$6.3

Recent Merger and Acquisition Transactions for a Majority Stake (dollars in millions)

Transaction Date	Target	Acquirer	Transaction Size	% Bought
1/27/2014	Curepet Corporation	Ebix Inc.	\$6.4	80%
11/4/2013	Greenway Medical	Vitera Healthcare	\$643.6	100%
10/9/2013	WISEMAN Co., Ltd.	NM Holdings Co., Ltd.	\$82.9	100%
9/16/2013	Ascribe	EMIS Group	\$88.7	100%
3/12/2013	Epocrates	athenahealth	\$307.2	100%
9/12/2012	Strand Technology	Advanced Health and Care	\$3.2	100%
3/30/2012	MediConnect Global	Verisk Analytics	\$354.5	100%
12/19/2011	Medrium	Nightingale Informatix	\$1.8	100%
11/10/2011	Sage Software Healthcare	Vista Equity Partners	\$314.7	100%
10/11/2011	Healthscreen Solutions	Optimed Software	\$5.8	100%
7/19/2011	iSOFT Group	CSC Computer Sciences	\$433.6	100%
1/3/2011	HealthPort	CompuGROUP Holding	\$18.0	100%
10/29/2010	PHNS	Actis Capital	\$250.0	100%
8/31/2010	American Healthcare Holdings	CompuGROUP Holding	\$65.0	100%
8/24/2010	Eclipsys	Allscripts-Misys Healthcare	\$1,288.5	100%
8/19/2010	Rx Systems	EMIS Group	\$15.6	79%
5/21/2010	Medfusion	Intuit	\$79.0	100%
4/23/2010	AMICAS	Merge Healthcare	\$222.4	100%
Median of All Transaction Targets			\$85.8	100%

Size of Merger and Acquisition Transactions (dollars in millions)



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