

Quarterly Industry Update

As of June 30, 2015

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 June 30, 2014, the median 52-week share price return of the Medical Recordkeeping industry has decreased by -7.6%. In the last quarter, the median price-to-earnings multiple decreased from 30.4x to 28.5x.

Comparable Public Company Key Statistics

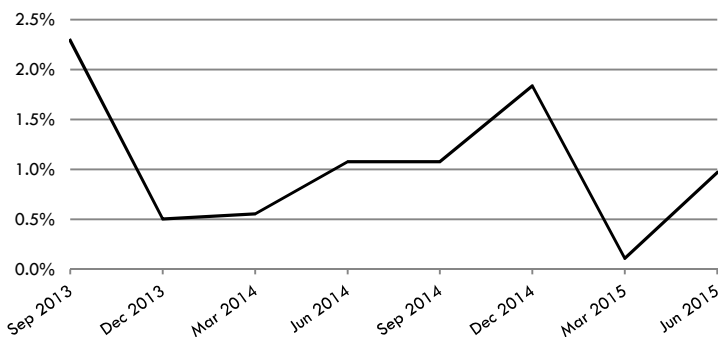
Median 52-Week Return	-7.6%	Median EV/Revenue Multiple	3.0x	Median Price/Earnings Multiple	28.5x
Median 3-Year CAGR Return	2.8%	Median EV/EBITDA Multiple	20.9x	Median EV/Gross CF Multiple	25.6x

Comparable Public Company Market Price Returns (As of June 30, 2015)

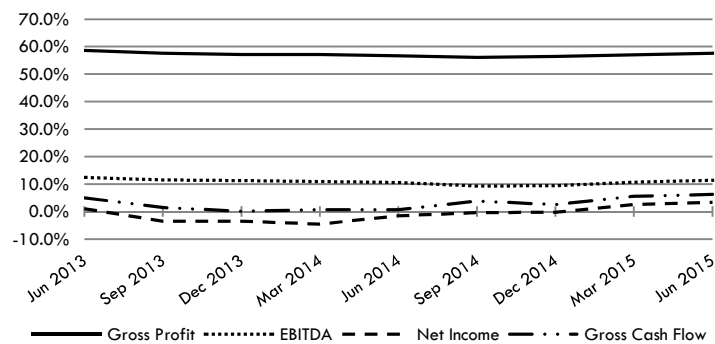
	YTD	3 Month	1 Year	2 Year	3 Year	5 Year	2014	2013	2012	2011	2010
Cerner Corporation	6.8%	-5.7%	33.9%	19.9%	18.7%	29.5%	16.0%	43.8%	26.5%	29.3%	14.9%
Allscripts Healthcare Solutions, Inc.	7.1%	14.4%	-14.8%	2.8%	7.8%	-3.2%	-17.4%	64.1%	-50.3%	-1.7%	-4.7%
athenahealth, Inc.	-21.4%	-4.0%	-8.4%	16.3%	13.1%	34.4%	8.3%	83.5%	49.2%	19.9%	-9.4%
Quality Systems Inc.	6.3%	3.7%	3.2%	-5.9%	-15.5%	-10.6%	-26.0%	21.3%	-53.1%	6.0%	11.2%
Computer Programs & Systems Inc.	-12.1%	-1.5%	-16.0%	4.3%	-2.3%	5.5%	-1.7%	22.8%	-1.5%	9.1%	1.7%
Merge Healthcare Incorporated	34.8%	7.4%	111.5%	15.5%	18.8%	10.4%	53.4%	-6.1%	-49.1%	30.0%	11.0%
Nuance Communications, Inc.	22.7%	22.0%	-6.7%	-2.4%	-9.7%	3.2%	-6.1%	-31.9%	-11.3%	38.4%	17.1%
Streamline Health Solutions, Inc.	-35.3%	-21.1%	-41.7%	-34.7%	-8.9%	13.8%	-38.0%	22.7%	231.2%	4.8%	-29.6%
Median of Industry Public Companies	6.5%	1.1%	-7.6%	3.5%	2.8%	7.9%	-3.9%	22.7%	-6.4%	14.5%	6.4%

(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:	6/30/2013	9/30/2013	12/31/2013	3/31/2014	6/30/2014	9/30/2014	12/31/2014	3/31/2015	6/30/2015
EV/Revenues Multiple	3.3x	3.6x	3.4x	3.3x	3.3x	3.2x	3.2x	3.0x	3.0x
EV/EBITDA Multiple	22.7x	21.3x	16.9x	17.3x	16.8x	17.0x	21.9x	21.8x	20.9x
Price/Earnings Multiple	27.8x	37.8x	34.6x	47.4x	31.2x	32.1x	43.1x	30.4x	28.5x
EV/Gross Cash Flows Multiple	20.8x	29.1x	34.5x	33.4x	41.0x	34.8x	26.5x	28.5x	25.6x

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The disclosures and limitations of this research on page two are an integral part of this report.

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

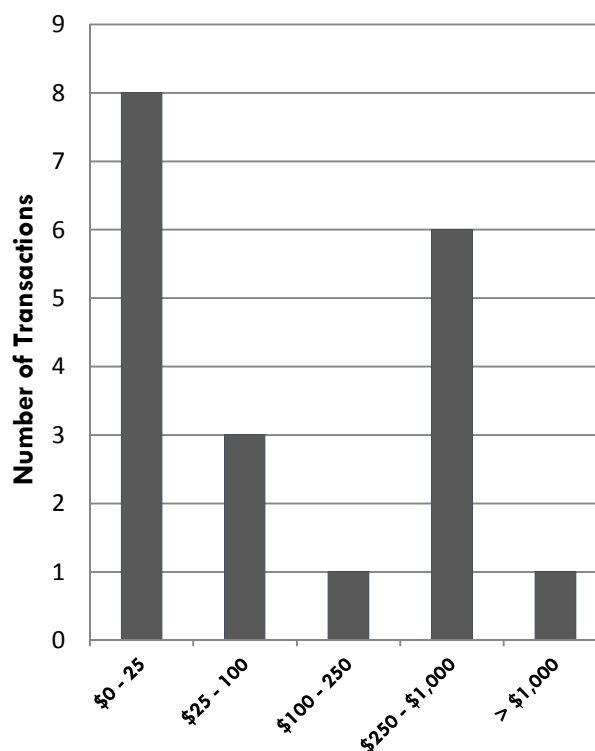
Offer Date	Company Name	Offer Price	Shares Offered	Amount Raised	Total Assets	Debt	LTM Revenues	LTM EBITDA	LTM Net Income	LTM Cash Flows
5/20/2015	Press Ganey Holdings, Inc.	\$25.00	8.9	\$222.5	\$910.1	\$416.2	\$291.1	\$93.9	\$18.3	\$114.0
9/26/2013	Premier, Inc.	\$27.00	28.2	\$760.1	\$598.9	\$34.6	\$869.3	\$407.1	\$7.4	\$434.7
3/27/2012	Vocera Communications, Inc.	\$16.00	5.9	\$93.6	\$49.8	\$8.3	\$79.5	\$1.2	(\$2.5)	\$2.2
2/1/2012	Greenway Medical Technologies, Inc.	\$10.00	6.7	\$66.7	\$85.0	\$0.0	\$105.8	\$4.9	\$32.6	\$6.2
2/1/2011	Epocrates, Inc.	\$16.00	5.4	\$85.8	\$127.2	\$0.0	\$104.0	\$16.2	\$3.8	\$17.6
4/21/2010	DynaVox Inc.	\$15.00	9.4	\$140.6	\$138.9	\$90.0	\$111.7	\$30.2	\$15.0	\$33.0
9/19/2007	athenahealth, Inc.	\$18.00	6.3	\$113.2	\$44.3	\$32.0	\$86.9	\$1.5	(\$10.8)	\$6.3
2/2/2005	MMRGlobal, Inc.	\$7.00	6.0	\$42.0	N/A	N/A	N/A	N/A	N/A	N/A
5/21/2002	Computer Programs & Systems Inc.	\$16.50	3.0	\$49.5	\$17.6	\$0.7	\$63.1	\$10.6	\$6.1	\$11.6
1/29/1998	Merge Healthcare Incorporated	\$6.00	1.9	\$11.4	\$7.6	\$2.1	\$9.7	\$1.3	(\$0.2)	\$1.6
Median of All IPOs		nm	nm	\$89.7	\$85.0	\$8.3	\$104.0	\$10.6	\$6.1	\$11.6

nm: not meaningful

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

Transaction Date	Target	Acquirer	Transaction Size	% Bought
4/30/2015	HT Systems, LLC	Imprivata, Inc.	\$24.1	100%
7/29/2014	Schreiber, Yonley	Trinity Consultants, Inc.	\$1.3	100%
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	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%
Median of All Transaction Targets			\$73.9	100%

Size of Merger and Acquisition Transactions (dollars in millions)



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