

Quarterly Industry Update

As of June 30, 2015

Industry: Predictive Analytics



Industry Summary

Cogent Valuation identified publicly traded companies, IPOs, and recent M&A transactions within the Predictive Analytics 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 Predictive Analytics industry has decreased by -5.2%. In the last quarter, the median price-to-earnings multiple decreased from 31.2x to 29.8x.

Comparable Public Company Key Statistics

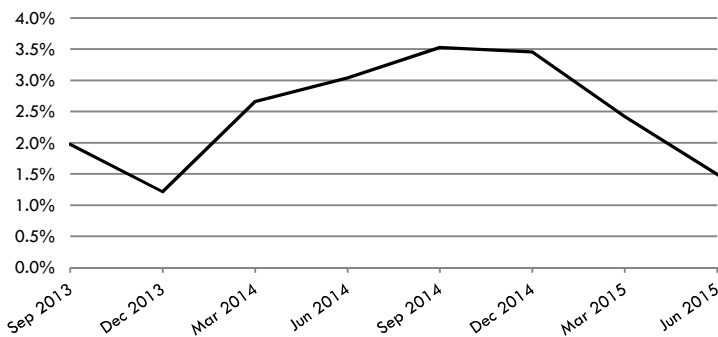
Median 52-Week Return	-5.2%	Median EV/Revenue Multiple	3.1x	Median Price/Earnings Multiple	29.8x
Median 3-Year CAGR Return	11.6%	Median EV/EBITDA Multiple	17.0x	Median EV/Gross CF Multiple	22.8x

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

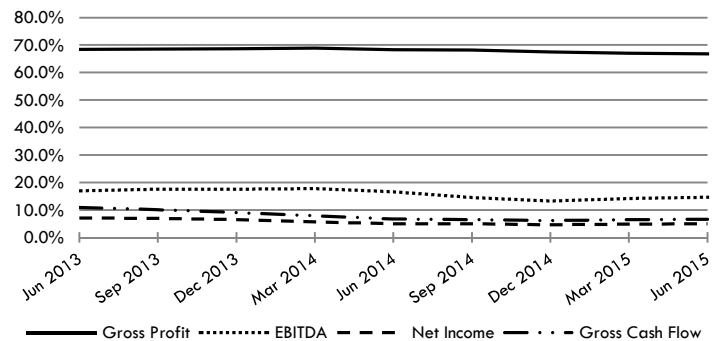
	YTD	3 Month	1 Year	2 Year	3 Year	5 Year	2014	2013	2012	2011	2010
NICE Systems Ltd.	25.7%	3.7%	55.6%	31.4%	20.6%	20.5%	23.4%	24.4%	-2.9%	-3.8%	13.8%
MicroStrategy Inc.	4.7%	0.5%	21.0%	39.9%	9.4%	17.8%	30.7%	33.0%	-13.8%	26.7%	-9.1%
Verint Systems Inc.	4.2%	-1.9%	23.8%	30.9%	27.2%	21.4%	35.7%	46.3%	6.6%	-13.1%	64.7%
Fair Isaac Corporation	25.6%	2.3%	42.4%	40.7%	29.0%	33.0%	15.1%	49.5%	17.3%	53.4%	9.7%
Open Text Corporation	-30.4%	-23.4%	-15.5%	8.8%	17.6%	16.6%	26.7%	64.5%	9.3%	11.0%	13.3%
NetScout Systems, Inc.	0.4%	-16.4%	-17.3%	25.3%	19.3%	20.9%	23.5%	13.9%	47.7%	-23.5%	57.4%
Guidance Software, Inc.	16.8%	56.6%	-7.1%	-1.6%	-3.8%	10.2%	-28.2%	-14.9%	83.2%	-9.9%	37.2%
PROS Holdings, Inc.	-23.2%	-14.6%	-20.2%	-16.0%	7.9%	26.6%	-31.1%	118.2%	22.9%	30.6%	10.0%
Pegasystems Inc.	10.2%	5.2%	8.4%	17.6%	11.6%	7.4%	-15.5%	116.8%	-22.9%	-19.7%	7.7%
IHS Inc.	13.0%	13.1%	-5.2%	11.0%	6.1%	17.1%	-4.9%	24.7%	11.4%	7.2%	46.7%
Axiom Corporation	-13.3%	-4.9%	-18.9%	-12.0%	5.2%	3.7%	-45.2%	111.8%	43.0%	-28.8%	27.7%
comScore, Inc.	14.7%	4.0%	50.1%	47.8%	47.9%	26.5%	62.3%	107.6%	-35.0%	-5.1%	27.3%
Brightcove Inc.	-11.8%	-6.4%	-34.9%	-11.5%	-23.5%	N/A	-45.0%	56.4%	N/A	N/A	N/A
Median of Industry Public Companies	4.7%	0.5%	-5.2%	17.6%	11.6%	19.1%	15.1%	49.5%	10.4%	-4.4%	20.5%

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

Median Quarterly Revenue Growth of All Predictive Analytics Companies



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



Median Public Company Multiples of the Predictive Analytics 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	2.3x	2.7x	3.3x	3.0x	3.3x	2.8x	2.9x	3.5x	3.1x
EV/EBITDA Multiple	14.1x	14.6x	16.3x	15.7x	16.4x	15.9x	15.2x	17.8x	17.0x
Price/Earnings Multiple	26.9x	35.3x	40.4x	40.8x	39.1x	33.3x	29.1x	31.2x	29.8x
EV/Gross Cash Flows Multiple	23.7x	25.1x	30.7x	30.2x	32.2x	26.4x	32.1x	29.9x	22.8x

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

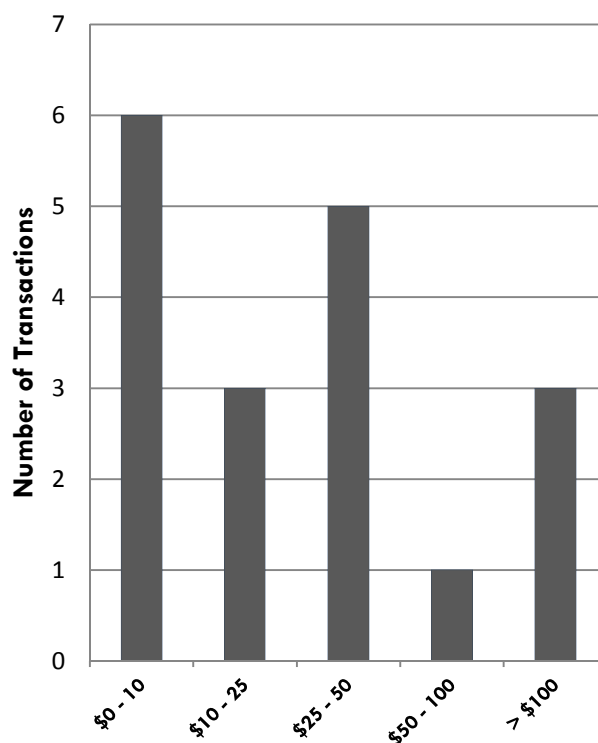
Offer Date	Company Name	Offer Price	Shares Offered	Amount Raised	Total Assets	Debt	LTM Revenues	LTM EBITDA	LTM Net Income	LTM Cash Flows
6/24/2015	TransUnion	\$22.50	29.5	\$664.8	\$4,614.3	\$2,976.4	\$1,354.4	\$398.5	(\$4.4)	\$629.0
2/17/2012	Brightcove Inc.	\$11.00	5.0	\$55.0	\$47.3	\$7.0	\$63.6	(\$14.0)	(\$17.6)	(\$11.9)
6/27/2007	PROS Holdings, Inc.	\$11.00	6.8	\$75.1	\$25.7	\$20.0	\$49.9	\$9.5	\$8.3	\$10.7
6/26/2007	comScore, Inc.	\$16.50	5.3	\$87.5	\$45.5	\$3.3	\$70.0	\$11.4	\$7.1	\$14.4
12/12/2006	Guidance Software, Inc.	\$11.50	5.0	\$57.5	\$26.6	\$2.0	\$51.2	(\$0.3)	(\$1.8)	\$1.4
11/10/2005	IHS Inc.	\$16.00	14.5	\$232.2	\$743.0	\$0.3	\$468.5	\$63.5	\$52.4	\$73.4
5/15/2002	Verint Systems Inc.	\$16.00	4.5	\$72.0	\$119.7	\$45.9	\$133.0	\$10.4	(\$2.1)	\$14.9
3/22/2000	Blaze Advisor	\$16.00	4.0	\$64.0	\$23.9	\$3.1	\$14.8	(\$14.3)	(\$13.9)	(\$13.6)
8/12/1999	NetScout Systems, Inc.	\$11.00	3.0	\$33.0	\$43.7	\$0.0	\$71.4	\$18.9	\$11.3	\$21.1
7/13/1999	TIBCO Software Inc.	\$15.00	7.3	\$109.5	\$33.9	\$0.0	\$67.0	(\$17.0)	(\$18.0)	(\$15.5)
Median of All IPOs		nm	nm	\$73.5	\$44.6	\$3.2	\$68.5	\$10.0	(\$1.9)	\$12.6

nm: not meaningful

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

Transaction Date	Target	Acquirer	Transaction Size	% Bought
5/31/2015	Applied Predictive Tech.	MasterCard Inc.	\$600.0	100%
5/7/2015	ColdLight Solutions, LLC	PTC Inc.	\$8.0	100%
2/26/2015	Prelytix, LLC	Market Resource Partners	\$20.0	100%
11/3/2014	Evolv, Inc.	Cornerstone OnDemand	\$45.0	100%
10/31/2014	QuantiSense, Inc.	Epicor Software	\$15.9	100%
2/28/2014	KnowledgeAdvisors, Inc.	Corporate Executive Board	\$52.0	100%
1/29/2014	Rationalwave, Inc.	Bottomline Technologies	\$8.0	100%
1/22/2014	Scout Analytics, Inc.	ServiceSource International	\$32.5	100%
1/14/2014	Zinnov, LLC	Corporate Executive Board	\$8.0	100%
12/25/2013	Dentsu Marketing Insight	Macromill, Inc.	\$4.1	51%
9/12/2013	Molecular Profiles Ltd.	Columbia Laboratories	\$25.4	100%
8/28/2013	Panopticon Software AB	Datawatch Corporation	\$27.5	100%
7/22/2013	Neolane SAS	Adobe Systems	\$616.5	100%
4/25/2013	Angoss Software Corp.	Peterson Partners LP	\$8.5	100%
12/27/2012	(m)PHASIZE, LLC	Sapient Corp.	\$18.2	100%
10/21/2011	Algorithmics, Inc.	OpenPages, Inc.	\$380.2	100%
7/11/2011	Kairoleaf Analytics Pvt Ltd	aurionPro Solutions	\$6.1	100%
6/9/2011	smartFOCUS Group PLC	EmailVision SA	\$40.3	100%
Median of All Transaction Targets			\$22.7	100%

Size of Merger and Acquisition Transactions (dollars in millions)



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