

# Quarterly Industry Update

As of June 30, 2015

Industry: Text Analytics



## Industry Summary

Cogent Valuation identified publicly traded companies, IPOs, and recent M&A transactions within the Text 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 Text Analytics industry has decreased by -4.1%. In the last quarter, the median price-to-earnings multiple increased from 25.4x to 25.9x.

## Comparable Public Company Key Statistics

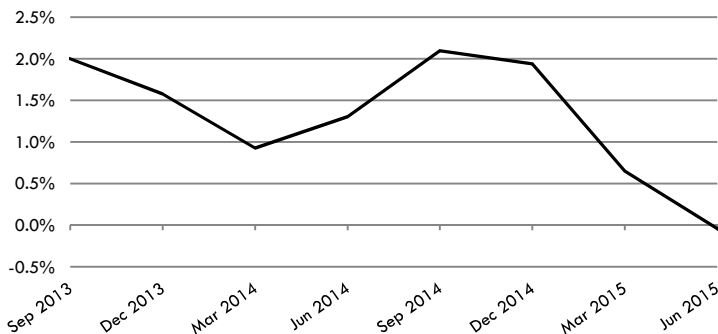
Median 52-Week Return	-4.1%	Median EV/Revenue Multiple	2.1x	Median Price/Earnings Multiple	25.9x
Median 3-Year CAGR Return	8.4%	Median EV/EBITDA Multiple	11.7x	Median EV/Gross CF Multiple	22.8x

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

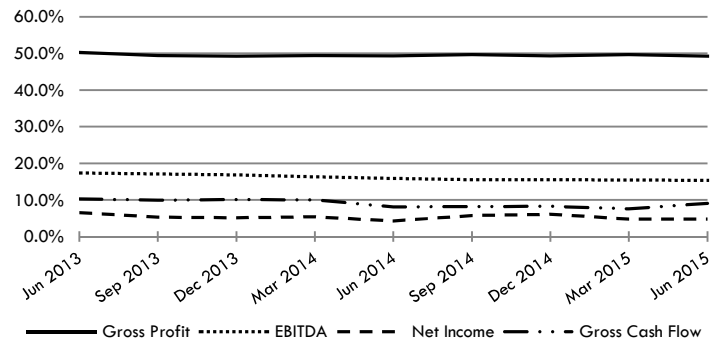
	YTD	3 Month	1 Year	2 Year	3 Year	5 Year	2014	2013	2012	2011	2010
Daegis Inc.	-7.8%	2.0%	-43.0%	-17.6%	-10.9%	-27.9%	-39.2%	13.2%	-45.6%	-32.8%	-3.3%
Guidance Software, Inc.	16.8%	56.6%	-7.1%	-1.6%	-3.8%	10.2%	-28.2%	-14.9%	83.2%	-9.9%	37.2%
Open Text Corporation	-30.4%	-23.4%	-15.5%	8.8%	17.6%	16.6%	26.7%	64.5%	9.3%	11.0%	13.3%
Epiq Systems, Inc.	-1.2%	-5.9%	20.1%	11.9%	11.3%	5.5%	5.6%	26.8%	6.1%	-12.5%	-1.9%
Navigant Consulting Inc.	-3.3%	14.7%	-14.8%	11.3%	5.6%	7.5%	-19.9%	72.0%	-2.2%	24.0%	-38.1%
FTI Consulting, Inc.	6.8%	10.1%	9.0%	12.0%	12.8%	-1.1%	-6.1%	24.7%	-22.2%	13.8%	-20.9%
Huron Consulting Group Inc.	2.5%	6.0%	-1.0%	23.1%	30.3%	29.3%	9.1%	86.0%	-13.0%	46.5%	14.8%
MAXIMUS, Inc.	19.9%	-1.5%	52.8%	32.9%	36.4%	35.4%	24.7%	39.2%	52.9%	26.1%	31.2%
Tyler Technologies, Inc.	18.2%	7.3%	41.8%	37.4%	47.5%	52.8%	7.2%	110.8%	60.9%	45.0%	4.3%
Innodata Inc.	-9.9%	0.4%	-18.3%	-9.3%	-27.3%	0.5%	19.2%	-35.2%	-4.1%	37.8%	-48.4%
Iron Mountain Inc.	-19.8%	-15.0%	-12.6%	7.9%	-2.0%	6.7%	27.4%	-2.3%	0.8%	23.2%	9.9%
NeuStar, Inc.	5.1%	18.6%	12.3%	-22.5%	-4.4%	7.2%	-44.2%	18.9%	22.7%	31.2%	13.1%
<b>Median of Industry Public Companies</b>	<b>0.7%</b>	<b>4.0%</b>	<b>-4.1%</b>	<b>10.1%</b>	<b>8.4%</b>	<b>7.3%</b>	<b>6.4%</b>	<b>25.7%</b>	<b>3.4%</b>	<b>23.6%</b>	<b>7.1%</b>

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

## Median Quarterly Revenue Growth of All Text Analytics Companies



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



## Median Public Company Multiples of the Text 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	1.8x	1.9x	2.0x	2.0x	1.9x	1.7x	1.9x	2.0x	2.1x
EV/EBITDA Multiple	10.3x	10.6x	11.5x	10.9x	10.6x	9.5x	12.5x	13.5x	11.7x
Price/Earnings Multiple	25.5x	26.9x	29.3x	27.7x	19.4x	18.4x	24.9x	25.4x	25.9x
EV/Gross Cash Flows Multiple	17.9x	20.7x	25.1x	20.2x	16.8x	23.0x	22.7x	23.7x	22.8x

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

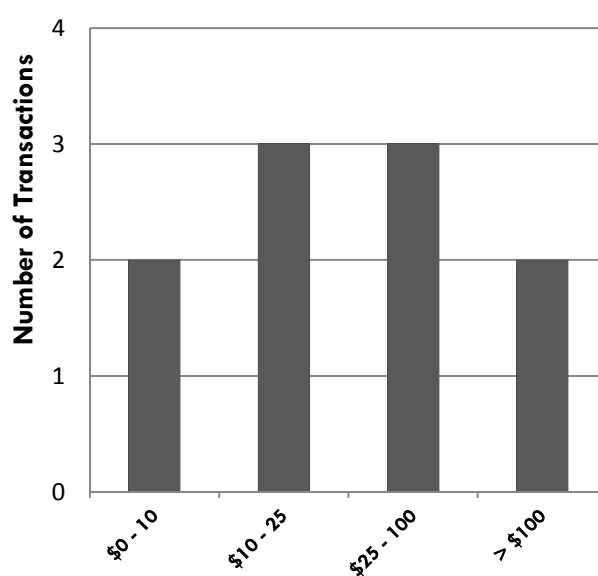
Offer Date	Company Name	Offer Price	Shares Offered	Amount Raised	Total Assets	Debt	LTM Revenues	LTM EBITDA	LTM Net Income	LTM Cash Flows
6/25/2015	AppFolio, Inc.	\$12.00	6.2	\$74.4	\$36.0	\$9.6	\$53.7	(\$8.0)	(\$11.0)	(\$7.0)
12/12/2011	Jive Software, Inc.	\$12.00	13.4	\$161.3	\$143.9	\$32.9	\$69.4	(\$31.9)	(\$44.9)	(\$28.9)
11/8/2011	Imperva Inc.	\$18.00	5.0	\$90.0	\$42.5	\$3.0	\$72.0	(\$10.1)	(\$11.8)	(\$8.6)
8/1/2007	The Dolan Company	\$14.50	13.5	\$195.1	\$213.3	\$93.2	\$133.8	\$33.5	(\$60.5)	\$36.5
12/12/2006	Guidance Software, Inc.	\$11.50	5.0	\$57.5	\$26.6	\$2.0	\$51.2	(\$0.3)	(\$1.8)	\$1.4
2/3/1997	Epiq Systems, Inc.	\$3.50	1.6	\$5.6	\$4.8	\$3.2	\$6.3	\$1.2	\$0.2	\$1.8
<b>Median of All IPOs</b>		<b>nm</b>	<b>nm</b>	<b>\$82.2</b>	<b>\$39.2</b>	<b>\$6.4</b>	<b>\$61.6</b>	<b>(\$4.1)</b>	<b>(\$11.4)</b>	<b>(\$2.8)</b>

nm: not meaningful

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

Transaction Date	Target	Acquirer	Transaction Size	% Bought
5/29/2015	Quindell Plc	Slater and Gordon	\$1,002.1	100%
2/26/2015	Prelytix, LLC	Market Resource Partners	\$20.0	100%
4/7/2014	Third Coast Holdings Inc	Wolters Kluwer	\$180.0	62%
9/13/2013	ISD Corporation	Daily Journal Corp.	\$16.0	100%
9/12/2013	Molecular Profiles Ltd.	Columbia Laboratories	\$25.4	100%
9/5/2013	KnowledgeCenter Ltd.	Charles Taylor plc	\$11.1	100%
8/28/2013	Panopticon Software AB	Datawatch Corporation	\$27.5	100%
4/25/2013	Angoss Software Corp.	Peterson Partners LP	\$8.5	100%
5/28/2012	UBIC, Inc.	Nomura Securities Co.	\$26.6	9%
5/8/2012	BPA Technologies, Inc.	ICRA Techno Analytics	\$8.0	51%
<b>Median of All Transaction Targets</b>			<b>\$22.7</b>	<b>100%</b>

## Size of Merger and Acquisition Transactions (dollars in millions)



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