

Quarterly Industry Update

As of September 30, 2015

Industry: Social Media



Industry Summary

Cogent Valuation identified Social Media publicly traded companies, IPOs, and recent M&A transactions within the Social Media 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. Over the last year since September 30, 2014, the median 52-week share price return of the Social Media industry was -25.0%. Between September 30, 2013 and September 30, 2015, the median EV/EBITDA multiple increased from 24.5 to 28.0. Furthermore, the median price-to-earnings multiple increased from 25.1 to 38.5 over the same period.

Comparable Public Company Key Statistics

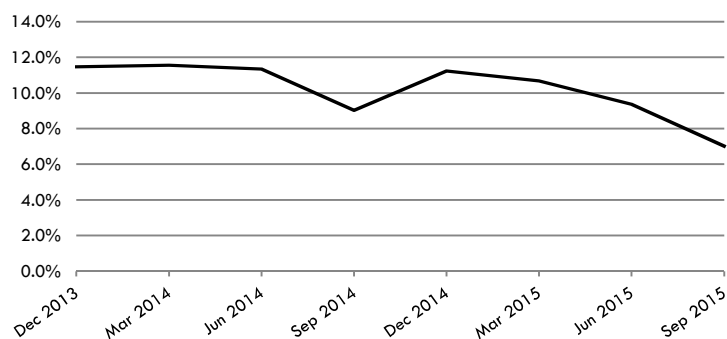
Median 52-Week Return	-25.0%	Median EV/Revenue Multiple	4.6x	Median Price/Earnings Multiple	38.5x
Median 3-Year CAGR Return	16.5%	Median EV/EBITDA Multiple	28.0x	Median EV/Gross CF Multiple	22.8x

Comparable Public Company Market Price Returns As of September 30, 2015

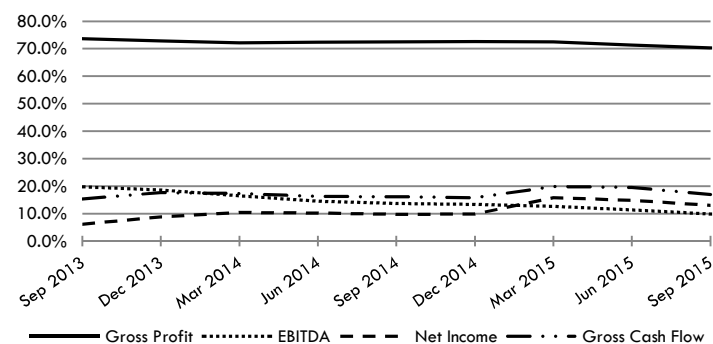
	YTD	3 Month	1 Year	2 Year	3 Year	5 Year	2014	2013	2012	2011	2010
Alphabet Inc.	-5.3%	18.2%	8.5%	20.7%	19.2%	19.4%	-5.3%	58.4%	9.5%	8.7%	-4.2%
Angie's List, Inc.	-58.9%	-18.2%	-20.9%	-52.7%	-21.9%	N/A	-58.9%	26.4%	-25.5%	N/A	N/A
Baidu, Inc.	28.2%	-31.0%	-37.0%	-5.9%	5.5%	6.0%	28.2%	77.4%	-13.9%	20.7%	134.7%
Facebook, Inc.	42.8%	4.8%	13.7%	33.8%	60.7%	N/A	42.8%	105.3%	N/A	N/A	N/A
LinkedIn Corporation	5.9%	-8.0%	-8.5%	-12.1%	16.5%	N/A	5.9%	88.8%	82.2%	N/A	N/A
Twitter, Inc.	-43.6%	-25.6%	-47.8%	N/A	N/A	N/A	-43.6%	N/A	N/A	N/A	N/A
Yahoo! Inc.	24.9%	-26.4%	-29.1%	-6.6%	21.9%	15.3%	24.9%	103.2%	23.4%	-3.0%	-0.9%
Yelp Inc.	-20.6%	-49.7%	-68.3%	-42.8%	-7.1%	N/A	-20.6%	265.8%	N/A	N/A	N/A
Median of Industry Public Companies	0.3%	-21.9%	-25.0%	-6.6%	16.5%	15.3%	0.3%	88.8%	9.5%	8.7%	-0.9%

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

Median Quarterly Revenue Growth of All Social Media Companies



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



Median Public Company Multiples of the Social Media Industry

Date:	9/30/2013	12/31/2013	3/31/2014	6/30/2014	9/30/2014	12/31/2014	3/31/2015	6/30/2015	9/30/2015
EV/Revenues Multiple	6.3x	7.0x	7.3x	7.2x	8.4x	9.5x	7.9x	7.0x	4.6x
EV/EBITDA Multiple	24.5x	30.3x	27.5x	30.6x	29.5x	28.8x	25.2x	23.7x	28.0x
Price/Earnings Multiple	25.1x	31.7x	29.0x	33.6x	36.5x	33.1x	34.4x	33.1x	38.5x
EV/Gross Cash Flows Multiple	21.8x	28.3x	22.7x	25.8x	31.6x	27.7x	27.4x	25.9x	22.8x

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

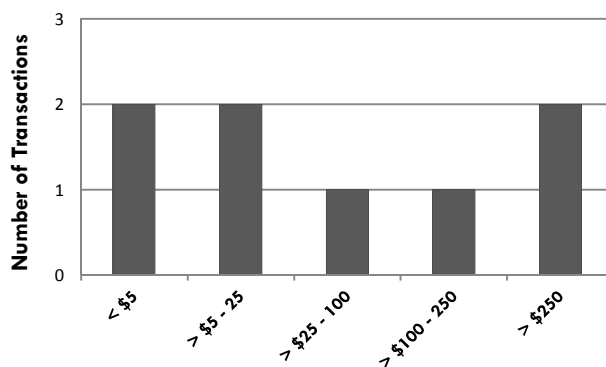
Offer Date	Company Name	Offer Price	Shares Offered	Amount Raised	Total Assets	Debt	LTM Revenues	LTM EBITDA	LTM Net Income	LTM Cash Flows
4/17/2014	Weibo Corporation	\$17.00	16.8	\$285.6	\$606.9	\$267.7	\$188.3	(\$36.4)	(\$38.1)	(\$14.8)
3/27/2014	Everyday Health, Inc.	\$14.00	7.2	\$100.1	\$192.3	\$71.3	\$155.9	\$10.6	(\$18.2)	\$17.2
11/6/2013	Twitter, Inc.	\$26.00	70.0	\$1,820.0	\$992.8	\$176.2	\$534.5	(\$56.9)	(\$142.6)	\$21.2
5/17/2012	Facebook, Inc.	\$38.00	421.2	\$16,006.9	\$6,859.0	\$706.0	\$4,038.0	\$2,131.0	\$972.0	\$2,493.0
3/1/2012	Yelp Inc.	\$15.00	7.2	\$107.3	\$43.8	\$0.0	\$83.3	(\$7.1)	(\$16.7)	(\$4.0)
11/16/2011	Angie's List, Inc.	\$13.00	8.8	\$114.3	\$32.6	\$14.8	\$78.7	(\$44.5)	(\$51.4)	(\$43.6)
5/18/2011	LinkedIn Corporation	\$45.00	7.8	\$352.8	\$265.3	\$0.0	\$292.3	\$37.4	\$15.6	\$56.1
Median of All IPOs		nm	nm	\$285.6	\$265.3	\$71.3	\$188.3	(\$7.1)	(\$18.2)	\$17.2

nm: not meaningful, N/A: not applicable

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

Transaction Date	Target	Acquirer	Transaction Size	% Bought
6/8/2015	Fast Web Media Ltd.	MoPowered Group	\$2.5	100%
3/5/2015	FitStar Labs, Inc.	Fitbit Inc.	\$32.8	100%
3/1/2015	MyStay, Inc.	Select-TV USA Holdings	\$2.8	100%
10/6/2014	WhatsApp Inc.	Facebook, Inc.	\$19,696.7	100%
7/14/2014	CovertLive Inc.	Scribble Technologies Inc.	\$10.1	100%
3/26/2014	Klout, Inc.	Lithium Technologies Inc.	\$200.0	100%
1/16/2014	Archetypes, Inc.	CC Bridge Lender, LLC	\$7.3	100%
8/31/2012	Instagram, Inc.	Facebook, Inc.	\$1,010.5	100%
Median of the 8 M&A Transaction Targets			\$21.5	100%

Size of the 8 M&A Transactions (dollars in millions)



Definitions of Financial Terms Used in this Quarterly Industry Update:

Enterprise Value (EV): Market Value of Equity + Market Value of Debt - Cash

Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA): Profitability metric sometimes also referred to as operating profit or operating earnings.

Gross Cash Flows: Net Income + Depreciation and Amortization Expense

Latest Twelve Months (LTM): Financial information is as of the latest twelve months through the date of this Quarterly Industry Update.

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