

Quarterly Industry Update

As of December 31, 2015

Industry: Medical Recordkeeping



Industry Summary

Cogent Valuation identified Medical Recordkeeping 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. Over the last year since December 31, 2014, the median 52-week share price return of the Medical Recordkeeping industry was 3.4%. Between December 31, 2013 and December 31, 2015, the median EV/EBITDA multiple increased from 18.1 to 18.3. However, the median price-to-earnings multiple decreased from 36.6 to 30.6 over the same period.

Comparable Public Company Key Statistics

Median 52-Week Return	3.4%	Median EV/Revenue Multiple	2.8x	Median Price/Earnings Multiple	30.6x
Median 3-Year CAGR Return	-0.4%	Median EV/EBITDA Multiple	18.3x	Median EV/Gross CF Multiple	1.9x

Comparable Public Company Market Price Returns As of December 31, 2015

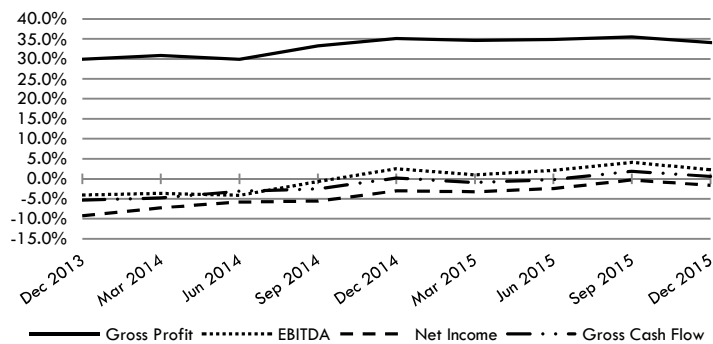
	YTD	3 Month	1 Year	2 Year	3 Year	5 Year	2015	2014	2013	2012	2011
Allscripts Healthcare Solutions, Inc.	20.4%	24.0%	20.4%	-0.3%	17.8%	-4.4%	20.4%	-17.4%	64.1%	-50.3%	-1.7%
athenahealth, Inc.	10.5%	20.7%	10.5%	9.4%	30.0%	31.5%	10.5%	8.3%	83.5%	49.2%	19.9%
Cerner Corporation	-6.9%	0.4%	-6.9%	3.9%	15.8%	20.5%	-6.9%	16.0%	43.8%	26.5%	29.3%
Computer Programs & Systems Inc.	-18.1%	18.1%	-18.1%	-10.3%	-0.4%	1.2%	-18.1%	-1.7%	22.8%	-1.5%	9.1%
Nuance Communications, Inc.	39.4%	21.5%	39.4%	14.4%	-3.8%	1.8%	39.4%	-6.1%	-31.9%	-11.3%	38.4%
Quality Systems Inc.	3.4%	29.2%	3.4%	-12.5%	-2.4%	-14.3%	3.4%	-26.0%	21.3%	-53.1%	6.0%
Streamline Health Solutions, Inc.	-67.4%	-38.4%	-67.4%	-55.1%	-37.2%	-3.0%	-67.4%	-38.0%	22.7%	231.2%	4.8%
Median of Industry Public Companies	3.4%	20.7%	3.4%	-0.3%	-0.4%	1.2%	3.4%	-6.1%	22.8%	-1.5%	9.1%

(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:	12/31/2013	3/31/2014	6/30/2014	9/30/2014	12/31/2014	3/31/2015	6/30/2015	9/30/2015	12/31/2015
EV/Revenues Multiple	3.4x	3.5x	3.3x	3.4x	3.2x	2.8x	2.8x	2.3x	2.8x
EV/EBITDA Multiple	18.1x	19.0x	17.8x	19.1x	22.0x	24.7x	23.6x	19.4x	18.3x
Price/Earnings Multiple	36.6x	35.3x	43.4x	33.4x	34.6x	44.2x	36.6x	26.4x	30.6x
EV/Gross Cash Flows Multiple	28.2x	34.9x	30.5x	33.9x	9.7x	27.3x	23.7x	16.7x	1.9x

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

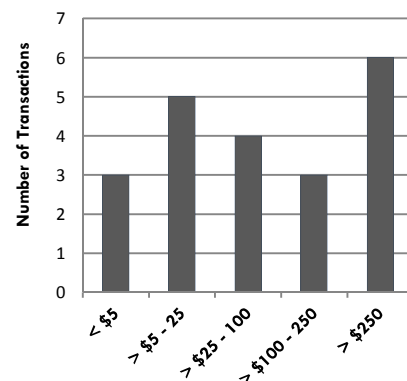
Offer Date	Company Name	Offer Price	Shares Offered	Amount Raised	Total Assets	Debt	LTM Revenues	LTM EBITDA	LTM Net Income	LTM Cash Flows
5/20/2015	Press Ganey Holdings, Inc.	\$25.00	8.9	\$222.5	\$910.1	\$416.2	\$291.1	\$93.9	\$18.3	\$114.0
9/26/2013	Premier, Inc.	\$27.00	28.2	\$760.1	\$598.9	\$34.6	\$869.3	\$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	\$83.2	\$0.0	\$99.0	\$6.5	\$34.4	\$7.8
2/1/2011	Epocrates, Inc.	\$16.00	5.4	\$85.8	\$122.2	\$0.0	N/A	N/A	N/A	N/A
4/21/2010	DynaVox Inc.	\$15.00	9.4	\$140.6	\$128.4	\$79.2	\$105.2	\$28.1	\$13.5	\$30.7
Median of All IPOs		nm	nm	\$117.1	\$125.3	\$21.5	\$105.2	\$28.1	\$13.5	\$30.7

nm: not meaningful, N/A: not applicable

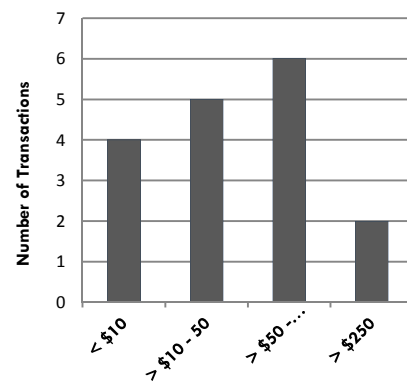
Recent Merger and Acquisition Transactions for a Majority Stake (dollars in millions)

Transaction Date	Target	Acquirer	Transaction Size	% Bought	LTM Revenues	EV/Revenues
9/10/2015	RSA Medical, LLC	Xerox Corporation	\$141.0	100%	N/A	N/A
4/30/2015	HT Systems, LLC	Imprivata, Inc.	\$24.1	100%	N/A	N/A
7/29/2014	Schreiber, Yonley	Trinity Consultants, Inc.	\$1.3	100%	\$2.6	0.5x
1/27/2014	Curepet Corporation	Ebix Inc.	\$6.4	80%	N/A	N/A
11/4/2013	Greenway Medical	Vitera Healthcare	\$643.6	100%	\$134.8	4.7x
10/9/2013	WISEMAN Co., Ltd.	NM Holdings Co., Ltd.	\$82.9	100%	\$75.3	0.8x
9/16/2013	Ascribe	EMIS Group	\$88.7	100%	\$38.1	2.3x
3/12/2013	Epocrates	athenahealth	\$307.2	100%	\$111.1	2.1x
9/12/2012	Strand Technology	Advanced Health and Care	\$3.2	100%	\$1.6	1.9x
3/30/2012	MediConnect Global	Verisk Analytics	\$354.5	100%	\$45.5	7.5x
12/19/2011	Medrium	Nightingale Informatix	\$1.8	100%	\$2.3	0.8x
11/10/2011	Sage Software Healthcare	Vista Equity Partners	\$314.7	100%	\$241.0	1.3x
10/11/2011	Healthscreen Solutions	Optimed Software	\$5.8	100%	\$8.9	0.7x
7/19/2011	iSOFT Group	CSC Computer Sciences	\$433.6	100%	\$386.3	1.0x
1/3/2011	HealthPort	CompuGROUP Holding	\$18.0	100%	\$28.0	0.6x
10/29/2010	PHNS	Actis Capital	\$250.0	100%	\$250.0	1.0x
8/31/2010	American Healthcare	CompuGROUP Holding	\$65.0	100%	\$28.0	2.3x
8/24/2010	Eclipsys	Allscripts-Misys Healthcare	\$1,288.5	100%	\$517.4	2.3x
8/19/2010	Rx Systems	EMIS Group	\$15.6	79%	\$15.6	1.2x
5/21/2010	Medfusion	Intuit	\$79.0	100%	N/A	N/A
4/23/2010	AMICAS	Merge Healthcare	\$222.4	100%	\$89.1	2.0x
Median of the 21 M&A Transaction Targets			\$82.9	100%	\$45.5	1.3x

Size of M&A Transactions



LTM Revenues Reported



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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