

Quarterly Industry Update

As of September 30, 2016

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 September 30, 2015, the median 52-week share price return of the Medical Recordkeeping industry was -9.3%. Between September 30, 2014 and September 30, 2016, the median EV/EBITDA multiple decreased from 19.1 to 16.4. However, the median price-to-earnings multiple increased from 33.2 to 40.4 over the same period.

Comparable Public Company Key Statistics

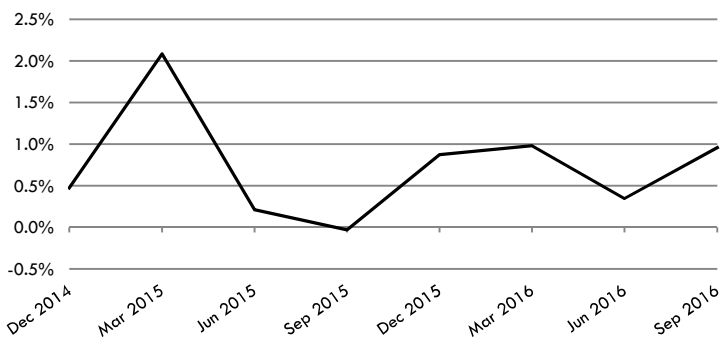
Median 52-Week Return	-9.3%	Median EV/Revenue Multiple	2.5x	Median Price/Earnings Multiple	40.4x
Median 3-Year CAGR Return	-8.1%	Median EV/EBITDA Multiple	16.4x	Median EV/Gross CF Multiple	61.8x

Comparable Public Company Market Price Returns As of September 30, 2016

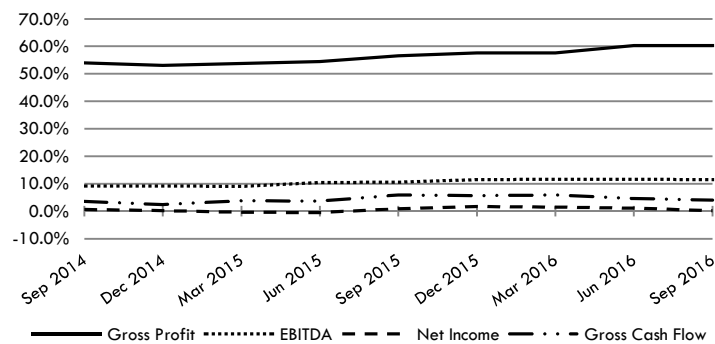
	YTD	3 Month	1 Year	2 Year	3 Year	5 Year	2015	2014	2013	2012	2011
Allscripts Healthcare Solutions, Inc.	-14.4%	3.7%	6.2%	-0.9%	-4.0%	-6.1%	20.4%	-17.4%	64.1%	-50.3%	-1.7%
athenahealth, Inc.	-21.6%	-8.6%	-5.4%	-2.1%	5.1%	16.2%	10.5%	8.3%	83.5%	49.2%	19.9%
Cerner Corporation	2.6%	5.4%	3.0%	1.8%	5.5%	12.5%	-6.9%	16.0%	43.8%	26.5%	29.3%
Computer Programs & Systems Inc.	-47.6%	-34.7%	-38.1%	-32.7%	-23.6%	-17.0%	-18.1%	-1.7%	22.8%	-1.5%	9.1%
Nuance Communications, Inc.	-27.1%	-7.2%	-11.4%	-3.0%	-8.1%	-6.5%	39.4%	-6.1%	-31.9%	-11.3%	38.4%
Quality Systems Inc.	-29.8%	-5.0%	-9.3%	-9.3%	-19.5%	-25.2%	3.4%	-26.0%	21.3%	-53.1%	6.0%
Streamline Health Solutions, Inc.	30.5%	53.3%	-19.7%	-37.0%	-37.7%	2.1%	-67.4%	-38.0%	22.7%	231.2%	4.8%
Median of Industry Public Companies	-21.6%	-5.0%	-9.3%	-3.0%	-8.1%	-6.1%	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:	9/30/2014	12/31/2014	3/31/2015	6/30/2015	9/30/2015	12/31/2015	3/31/2016	6/30/2016	9/30/2016
EV/Revenues Multiple	3.4x	3.2x	2.8x	2.8x	2.2x	2.8x	3.0x	3.2x	2.5x
EV/EBITDA Multiple	19.1x	22.0x	24.7x	23.6x	19.4x	18.3x	16.3x	18.8x	16.4x
Price/Earnings Multiple	33.2x	34.5x	44.2x	36.6x	26.4x	30.6x	31.6x	40.8x	40.4x
EV/Gross Cash Flows Multiple	33.9x	35.1x	27.3x	23.7x	16.7x	24.8x	24.6x	46.4x	61.8x

This industry research is provided at no charge to Cogent Valuation's clients. Research or detailed information not covered in this report can be obtained for a fee. Contact [Steven Kam](#) at 415-392-0888 for additional information or questions in connection with this research report. Copyright © 2016 Cogent Valuation. All Rights Reserved.

Quarterly Industry Update

As of September 30, 2016

Industry: Medical Recordkeeping



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

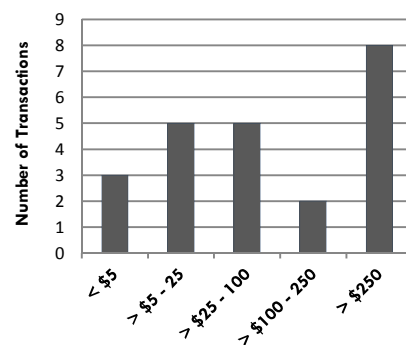
Offer Date	Company Name	Offer Price	Shares Offered	Amount Raised	Total Assets	Debt	LTM Revenues	LTM EBITDA	LTM Net Income	LTM Cash Flows
5/20/2015	Press Ganey Holdings, Inc.	\$25.00	8.9	\$222.5	\$910.1	\$416.2	\$291.1	\$92.8	\$18.3	\$112.9
9/26/2013	Premier, Inc.	\$27.00	28.2	\$760.1	\$598.9	\$34.6	\$869.3	\$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

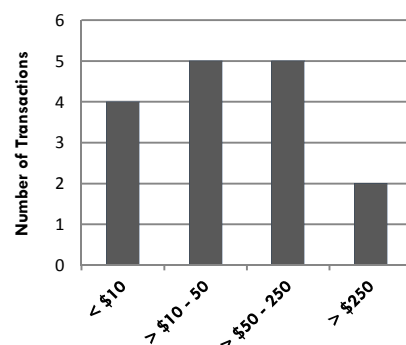
Recent Merger and Acquisition Transactions for a Majority Stake (dollars in millions)

Transaction Date	Target	Acquirer	Transaction Size	% Bought	LTM Revenues	EV/Revenues
6/1/2016	Verisk Health, Inc.	Veritas Capital	\$820.0	100%	N/A	N/A
4/19/2016	Netsmart Technologies Inc.	GI Partners, LLC	\$950.0	100%	N/A	N/A
1/19/2016	Capita Medical Reporting	N/A	\$29.3	80%	N/A	N/A
9/10/2015	RSA Medical, LLC	Xerox Corporation	\$141.0	100%	N/A	N/A
4/30/2015	HT Systems, LLC	Imprivata, Inc.	\$23.9	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
Median of the 23 M&A Transaction Targets			\$82.9	100%	\$41.8	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.

Disclosures and Limitations: This research report is for informational and discussion purposes only. Information presented herein is not investment advice of any kind to any person and does not constitute a recommendation as to the purchase or sale of any interests or as to any other course of action. General, financial, and statistical information concerning the details of this report and related industry are from sources Cogent Valuation believes to be reliable. Cogent Valuation has accurately reflected such information in this research report; however, Cogent Valuation makes no representation as to the sources' accuracy or completeness and has accepted this information without further verification. Neither all nor any part of the content of this report may be conveyed to the public through advertising, public relations, news, sales, mail, direct transmittal, or other media without the prior written consent of Cogent Valuation. Cogent Valuation's research is as of the date reported herein. Cogent Valuation has no affiliation with any of the companies comprising the industry used as a basis for research in this report, nor does Cogent Valuation hold any investments in the companies listed herein. The content of this report may be used, in part, as a basis for any work that Cogent Valuation performs for you in the future at the sole discretion of Cogent Valuation. THIS REPORT IS NOT TO BE USED OR CONSIDERED UNDER ANY CIRCUMSTANCE BY ANYONE AS INVESTMENT ADVICE. This industry research is provided at no charge to Cogent Valuation's clients. Research or detailed information not covered in this report can be obtained for a fee. Contact [Steven Kam](#) at 415-392-0888 for additional information or questions in connection with this research report. Copyright © 2016 Cogent Valuation. All Rights Reserved.