

Quarterly Industry Update

As of December 31, 2016

Industry: Digital Marketing



Industry Summary

Cogent Valuation identified Digital Marketing publicly traded companies, IPOs, and recent M&A transactions within the Digital Marketing 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, 2015, the median 52-week share price return of the Digital Marketing industry was 0.6%. Between December 31, 2014 and December 31, 2016, the median EV/EBITDA multiple decreased from 18.9 to 14.0. Furthermore, the median price-to-earnings multiple decreased from 30.7 to 19.4 over the same period.

Comparable Public Company Key Statistics

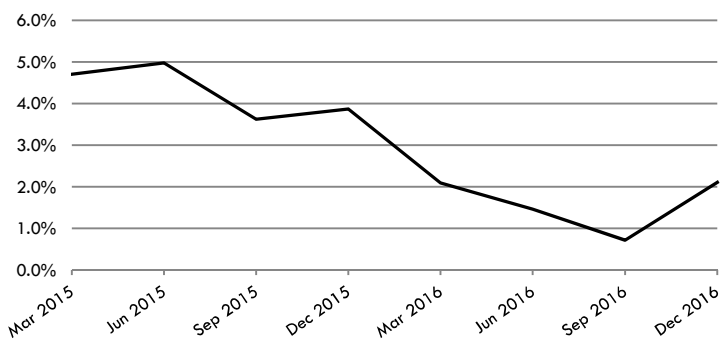
| | | | | | |
|---------------------------|--------|----------------------------|-------|--------------------------------|-------|
| Median 52-Week Return | 0.6% | Median EV/Revenue Multiple | 1.7x | Median Price/Earnings Multiple | 19.4x |
| Median 3-Year CAGR Return | -13.9% | Median EV/EBITDA Multiple | 14.0x | Median EV/Gross CF Multiple | 29.5x |

Comparable Public Company Market Price Returns As of December 31, 2016

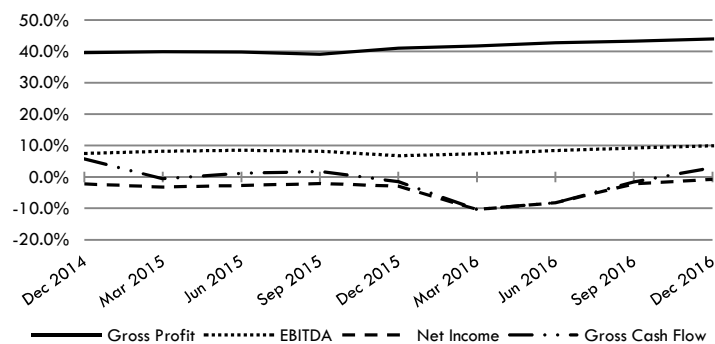
| | YTD | 3 Month | 1 Year | 2 Year | 3 Year | 5 Year | 2015 | 2014 | 2013 | 2012 | 2011 |
|--|-------------|-------------|-------------|--------------|---------------|-------------|--------------|--------------|--------------|--------------|---------------|
| Axiom Corporation | 28.1% | 0.6% | 28.1% | 15.0% | -10.2% | 17.0% | 3.2% | -45.2% | 111.8% | 43.0% | -28.8% |
| Alliance Data Systems Corporation | -17.4% | 6.5% | -17.4% | -10.6% | -4.6% | 17.1% | -3.3% | 8.8% | 81.6% | 39.4% | 46.2% |
| Bitauto Holdings Limited | -33.0% | -34.9% | -33.0% | -48.1% | -16.0% | 36.5% | -59.8% | 120.3% | 337.8% | 82.5% | -54.8% |
| Bridgeline Digital, Inc. | -40.0% | -18.7% | -40.0% | -46.9% | -50.5% | -26.5% | -53.0% | -57.1% | -26.9% | 141.7% | -58.3% |
| CDK Global, Inc. | 25.7% | 4.1% | 25.7% | 21.0% | N/A | N/A | 16.5% | N/A | N/A | N/A | N/A |
| ChannelAdvisor Corporation | 3.6% | 11.0% | 3.6% | -18.5% | -29.9% | N/A | -35.8% | -48.3% | N/A | N/A | N/A |
| Criteo SA | 3.7% | 17.0% | 3.7% | 0.8% | 6.3% | N/A | -2.0% | 18.2% | N/A | N/A | N/A |
| GoDaddy Inc. | 9.0% | 1.2% | 9.0% | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| Harte Hanks, Inc. | -53.4% | -6.8% | -53.4% | -55.8% | -42.2% | -30.2% | -58.1% | -1.0% | 32.5% | -35.1% | -28.8% |
| HubSpot, Inc. | -16.5% | -18.4% | -16.5% | 18.3% | N/A | N/A | 67.5% | N/A | N/A | N/A | N/A |
| Marin Software Incorporated | -34.4% | -6.7% | -34.4% | -47.3% | -38.8% | N/A | -57.7% | -17.4% | N/A | N/A | N/A |
| MDC Partners Inc. | -69.8% | -38.9% | -69.8% | -46.3% | -36.4% | -6.2% | -4.4% | -10.9% | 238.6% | -16.4% | -21.7% |
| Omnicom Group Inc. | 12.5% | 0.1% | 12.5% | 4.8% | 4.6% | 13.8% | -2.3% | 4.2% | 48.9% | 12.1% | -2.7% |
| Rocket Fuel Inc. | -51.0% | -35.2% | -51.0% | -67.4% | -69.7% | N/A | -78.3% | -73.8% | N/A | N/A | N/A |
| SharpSpring, Inc. | 66.8% | 2.3% | 66.8% | -6.9% | 54.5% | -0.9% | -48.0% | 325.2% | -79.6% | 27.3% | N/A |
| SITO Mobile, Ltd. | 77.4% | -16.1% | 77.4% | 34.2% | -11.8% | -0.1% | 1.6% | -61.9% | -17.3% | 75.7% | -50.0% |
| The Interpublic Group of Companies, Inc. | 0.6% | 4.7% | 0.6% | 6.2% | 9.8% | 19.2% | 12.1% | 17.3% | 60.6% | 13.3% | -8.4% |
| Median of Industry Public Companies | 0.6% | 0.1% | 0.6% | -8.8% | -13.9% | 6.9% | -3.9% | -6.0% | 54.7% | 33.3% | -28.8% |

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

Median Quarterly Revenue Growth of All Digital Marketing Companies



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



Median Public Company Multiples of the Digital Marketing Industry

| Date: | 12/31/2014 | 3/31/2015 | 6/30/2015 | 9/30/2015 | 12/31/2015 | 3/31/2016 | 6/30/2016 | 9/30/2016 | 12/31/2016 |
|------------------------------|------------|-----------|-----------|-----------|------------|-----------|-----------|-----------|------------|
| EV/Revenues Multiple | 2.4x | 1.7x | 2.1x | 1.6x | 1.6x | 1.6x | 1.8x | 1.7x | 1.7x |
| EV/EBITDA Multiple | 18.9x | 14.0x | 15.3x | 14.2x | 12.3x | 10.8x | 16.2x | 14.8x | 14.0x |
| Price/Earnings Multiple | 30.7x | 27.3x | 34.1x | 30.4x | 34.5x | 22.5x | 20.1x | 19.5x | 19.4x |
| EV/Gross Cash Flows Multiple | 28.5x | 27.3x | 24.1x | 24.7x | 30.1x | 22.8x | 28.7x | 25.5x | 29.5x |

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Quarterly Industry Update

As of December 31, 2016

Industry: Digital Marketing



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

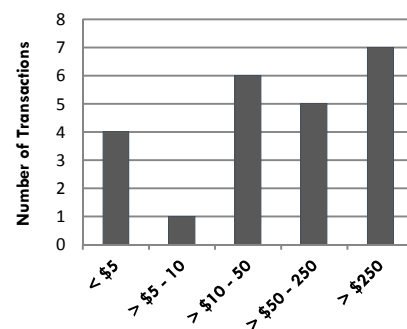
| Offer Date | Company Name | Offer Price | Shares Offered | Amount Raised | Total Assets | Debt | LTM Revenues | LTM EBITDA | LTM Net Income | LTM Cash Flows |
|---------------------------|----------------------------|-------------|----------------|----------------|----------------|---------------|----------------|--------------|-----------------|----------------|
| 6/2/2016 | The Marketing Group Plc | \$1.12 | 1.3 | \$1.4 | N/A | N/A | N/A | N/A | N/A | N/A |
| 3/31/2015 | GoDaddy Inc. | \$20.00 | 20.5 | \$460.0 | \$3,264.8 | \$1,437.6 | \$1,387.3 | \$85.8 | (\$143.3) | \$141.4 |
| 10/8/2014 | HubSpot, Inc. | \$25.00 | 5.0 | \$125.0 | \$52.1 | \$5.2 | \$93.8 | (\$33.5) | (\$35.7) | (\$31.5) |
| 7/23/2014 | Townsquare Media, Inc. | \$11.00 | 8.3 | \$91.7 | \$941.9 | \$653.5 | \$294.3 | \$66.9 | \$8.4 | \$81.1 |
| 3/27/2014 | Everyday Health, Inc. | \$14.00 | 7.2 | \$100.1 | \$192.3 | \$71.3 | \$155.9 | \$10.6 | (\$18.2) | \$17.2 |
| 10/29/2013 | Criteo SA | \$31.00 | 8.1 | \$250.6 | \$217.6 | \$17.7 | \$458.9 | \$10.5 | (\$10.1) | \$19.1 |
| 9/19/2013 | Rocket Fuel Inc. | \$29.00 | 4.0 | \$116.0 | \$99.8 | \$21.9 | \$159.6 | (\$12.4) | (\$19.8) | (\$10.2) |
| 5/22/2013 | ChannelAdvisor Corporation | \$14.00 | 5.8 | \$80.5 | \$48.7 | \$13.0 | \$56.3 | (\$2.1) | (\$6.8) | \$0.2 |
| 5/16/2013 | Marketo, Inc. | \$13.00 | 6.1 | \$78.8 | \$75.9 | \$3.6 | \$65.9 | (\$35.1) | (\$37.3) | (\$33.4) |
| Median of All IPOs | | nm | nm | \$100.1 | \$146.0 | \$19.8 | \$157.7 | \$4.2 | (\$19.0) | \$8.7 |

nm: not meaningful, N/A: not applicable

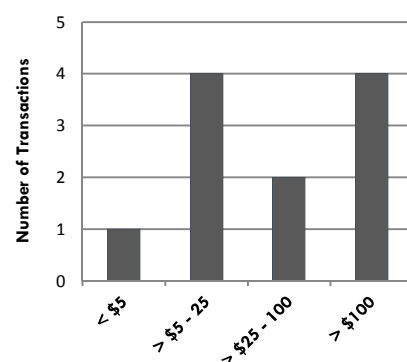
Recent Merger and Acquisition Transactions for a Majority Stake (dollars in millions)

| Transaction Date | Target | Acquirer | Transaction Size | % Bought | LTM Revenues | EV/Revenues |
|---|---------------------------|-----------------------------|------------------|-------------|---------------|-------------|
| 12/23/2016 | Creston plc | RedWhiteBlue Champion | \$65.7 | 72% | \$136.4 | 0.7x |
| 12/2/2016 | Everyday Health, Inc. | Ziff Davis, LLC | \$487.3 | 100% | \$253.9 | 1.8x |
| 11/8/2016 | Cohort Holdings Australia | Pureprofile Ltd. | \$28.3 | 100% | \$20.9 | 1.4x |
| 10/19/2016 | GovDelivery, Inc. | Vista Equity Partners III | \$153.0 | 100% | N/A | N/A |
| 9/28/2016 | TRADER Corporation | Thoma Bravo, LLC | \$1,220.0 | 100% | N/A | N/A |
| 9/1/2016 | Income Access Group | Paysafe Group Plc | \$30.6 | 100% | N/A | N/A |
| 8/16/2016 | Marketo, Inc. | Vista Equity Partners | \$1,795.1 | 100% | \$226.1 | 7.5x |
| 7/7/2016 | Massive Group Pty Ltd. | Jaywing plc | \$3.0 | 75% | \$1.2 | 2.8x |
| 5/31/2016 | Italiaonline S.p.A. | Seat Pagine Gialle | \$490.7 | 100% | N/A | N/A |
| 5/27/2016 | SFX Marketing LLC | Universal Music Group | \$1.4 | 100% | N/A | N/A |
| 5/9/2016 | Tangent Communications | Portland Asset Mgmt. | \$16.1 | 100% | \$37.5 | 0.4x |
| 4/13/2016 | ClickADV srl | Cerved Group Spa | \$15.9 | 70% | \$8.8 | 2.3x |
| 3/31/2016 | Grupo ABC Ltda. | DDB Worldwide | \$270.0 | 100% | N/A | N/A |
| 3/22/2016 | Conversion Innovations | Propel Business Services | \$11.8 | 100% | N/A | N/A |
| 3/11/2016 | Publitek Limited | Next Fifteen Communications | \$8.9 | 100% | \$8.5 | 1.1x |
| 3/9/2016 | Yodle, Inc. | Web.com Group, Inc. | \$428.2 | 100% | \$207.9 | 2.0x |
| 2/25/2016 | Marketwire, L.P. | Nasdaq, Inc. | \$108.3 | 100% | N/A | N/A |
| 1/8/2016 | Vacation Technologies | IBC Hotels LLC | \$1.0 | 100% | N/A | N/A |
| 11/12/2015 | MIAGE | Leo Group Co., Ltd. | \$249.8 | 100% | \$50.2 | 5.0x |
| 10/28/2015 | Avazu Inc. | Dalian Kemian Wood | \$333.6 | 100% | N/A | N/A |
| 10/15/2015 | Square One Advertising | Ansira, Inc. | \$55.0 | 100% | N/A | N/A |
| 9/23/2015 | DMG Events (USA) | Comexposium S.A. | \$11.7 | 100% | N/A | N/A |
| 9/18/2015 | diamond-dogs | Emakina Group SA | \$3.5 | 100% | \$7.4 | 0.5x |
| Median of the 23 M&A Transaction Targets | | | \$55.0 | 100% | \$37.5 | 1.8x |

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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