

# Quarterly Industry Update

As of December 31, 2016

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 December 31, 2015, the median 52-week share price return of the Social Media industry was 1.9%. Between December 31, 2014 and December 31, 2016, the median EV/EBITDA multiple decreased from 28.8 to 21.0. Furthermore, the median price-to-earnings multiple decreased from 33.1 to 28.6 over the same period.

## Comparable Public Company Key Statistics

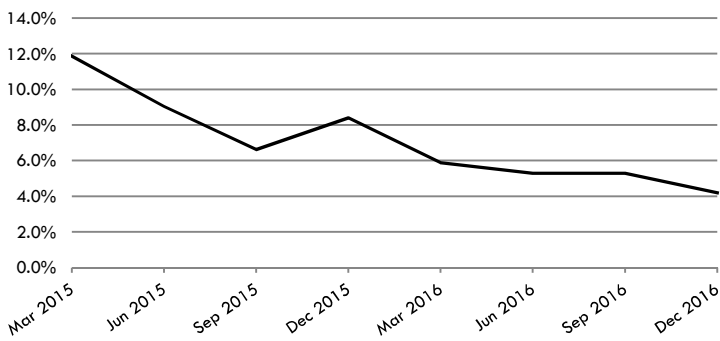
Median 52-Week Return	1.9%	Median EV/Revenue Multiple	4.8x	Median Price/Earnings Multiple	28.6x
Median 3-Year CAGR Return	-2.6%	Median EV/EBITDA Multiple	21.0x	Median EV/Gross CF Multiple	19.4x

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

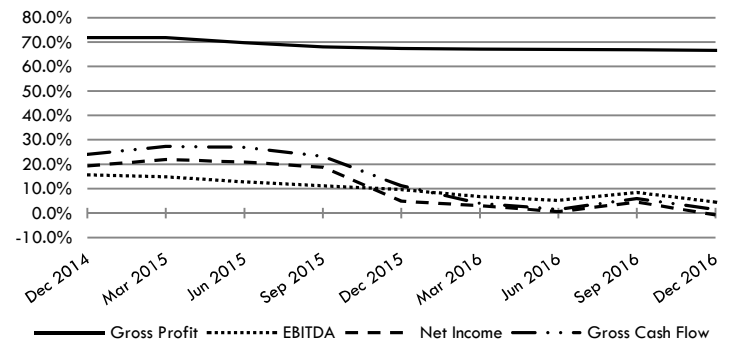
	YTD	3 Month	1 Year	2 Year	3 Year	5 Year	2015	2014	2013	2012	2011
Alphabet Inc.	1.9%	-1.4%	1.9%	22.2%	12.2%	19.7%	46.6%	-5.3%	58.4%	9.5%	8.7%
Angie's List, Inc.	-12.0%	-17.0%	-12.0%	14.9%	-18.4%	-12.6%	50.1%	-58.9%	26.4%	-25.5%	N/A
Baidu, Inc.	-13.0%	-9.7%	-13.0%	-15.1%	-2.6%	7.1%	-17.1%	28.2%	77.4%	-13.9%	20.7%
Facebook, Inc.	9.9%	-10.3%	9.9%	21.4%	28.2%	N/A	34.1%	42.8%	105.3%	N/A	N/A
Twitter, Inc.	-29.6%	-29.3%	-29.6%	-32.6%	-36.5%	N/A	-35.5%	-43.6%	N/A	N/A	N/A
Yahoo! Inc.	16.3%	-10.3%	16.3%	-12.5%	-1.5%	19.1%	-34.2%	24.9%	103.2%	23.4%	-3.0%
Yelp Inc.	32.4%	-8.6%	32.4%	-16.5%	-17.9%	N/A	-47.4%	-20.6%	265.8%	N/A	N/A
<b>Median of Industry Public Companies</b>	<b>1.9%</b>	<b>-10.3%</b>	<b>1.9%</b>	<b>-12.5%</b>	<b>-2.6%</b>	<b>13.1%</b>	<b>-17.1%</b>	<b>-5.3%</b>	<b>90.3%</b>	<b>-2.2%</b>	<b>8.7%</b>

(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:	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	8.5x	7.5x	6.9x	4.6x	5.8x	5.1x	4.5x	5.6x	4.8x
EV/EBITDA Multiple	28.8x	25.2x	23.8x	28.0x	25.7x	26.6x	25.1x	21.1x	21.0x
Price/Earnings Multiple	33.1x	34.4x	33.1x	38.5x	41.1x	39.1x	28.4x	34.7x	28.6x
EV/Gross Cash Flows Multiple	27.7x	27.4x	25.9x	22.8x	41.4x	28.8x	35.2x	25.0x	19.4x

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 © 2017 Cogent Valuation. All Rights Reserved.

# Quarterly Industry Update

As of December 31, 2016

Industry: Social Media



## 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
4/18/2016	Globalway, Inc.	\$27.20	0.1	\$3.5	\$3.6	\$0.0	\$7.9	\$0.0	\$0.4	N/A
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)
<b>Median of All IPOs</b>		<b>nm</b>	<b>nm</b>	<b>\$114.3</b>	<b>\$192.3</b>	<b>\$71.3</b>	<b>\$155.9</b>	<b>(\$7.1)</b>	<b>(\$18.2)</b>	<b>\$6.6</b>

nm: not meaningful, N/A: not applicable

## Recent Merger and Acquisition Transactions for a Majority Stake

Transaction Date	Target	Acquirer	Transaction Size (millions)	% Bought	Active Users (millions) [1]	Value Per User
12/8/2016	LinkedIn Corporation	Microsoft Corporation	\$29,347.2	100%	467.0	\$62.84
3/31/2016	TigerLogic Corporation	Sprinklr Inc.	\$2.4	100%	N/A	N/A
3/9/2016	Yodle, Inc.	Web.com Group, Inc.	\$428.2	100%	N/A	N/A
11/3/2015	Socialware, Inc.	Proofpoint, Inc.	\$9.0	100%	N/A	N/A
9/30/2015	IMS Internet Media	Sony Pictures Television	\$100.0	51%	N/A	N/A
6/8/2015	Fast Web Media Ltd.	MoPowered Group	\$2.5	100%	N/A	N/A
3/5/2015	FitStar Labs, Inc.	Fitbit Inc.	\$32.8	100%	N/A	N/A
3/1/2015	MyStay, Inc.	Select-TV USA Holdings	\$2.8	100%	N/A	N/A
11/7/2014	Contact At Once!, LLC	LivePerson, Inc.	\$76.5	100%	N/A	N/A
10/6/2014	WhatsApp Inc.	Facebook, Inc.	\$19,696.7	100%	600.0	\$32.83
10/1/2014	ELEQT Ltd.	EFactor Group Corp.	\$28.7	100%	0.2	\$191.64
9/25/2014	Twitch Interactive, Inc.	Amazon.com, Inc.	\$842.0	100%	45.0	\$18.71
7/14/2014	CovertLive Inc.	Scribble Technologies Inc.	\$10.1	100%	N/A	N/A
3/26/2014	Klout, Inc.	Lithium Technologies Inc.	\$200.0	100%	620.0	\$0.32
1/16/2014	Archetypes, Inc.	CC Bridge Lender, LLC	\$7.3	100%	N/A	N/A
1/13/2014	Branch Media, Inc.	Facebook, Inc.	\$15.0	100%	N/A	N/A
7/2/2013	Qwiki, Inc.	Yahoo! Inc.	\$50.0	100%	N/A	N/A
6/20/2013	Tumblr, Inc.	Yahoo! Inc.	\$1,100.0	100%	300.0	\$3.67
<b>Median of the 18 M&amp;A Transaction Targets</b>			<b>\$41.4</b>	<b>100%</b>	<b>383.5</b>	<b>\$25.77</b>

[1] Users are measured by the target company or third party research companies. Italicized numbers indicate users as of the date of this report, not as of the date of acquisition.

### Definitions of Financial Terms Used in this Quarterly Industry Update:

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

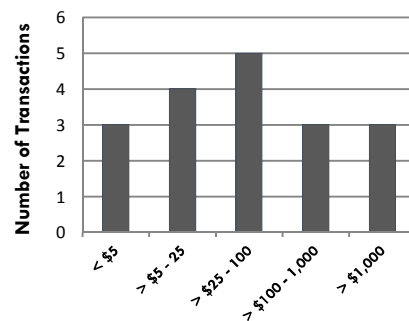
Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA): Profitability metric sometimes also referred to as operating profit or operating earnings.

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 © 2017 Cogent Valuation. All Rights Reserved.

Size of M&A Transactions



Reported Active Users (millions)

