

Quarterly Industry Update

As of March 31, 2017

Industry: Cloud Computing



Industry Summary

Cogent Valuation identified Cloud Computing publicly traded companies, IPOs, and recent M&A transactions within the Cloud Computing 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 March 31, 2016, the median 52-week share price return of the Cloud Computing industry was 11.7%. Between March 31, 2015 and March 31, 2017, the median EV/EBITDA multiple increased from 7.4 to 9.6. Furthermore, the median price-to-earnings multiple increased from 21.3 to 21.7 over the same period.

Comparable Public Company Key Statistics

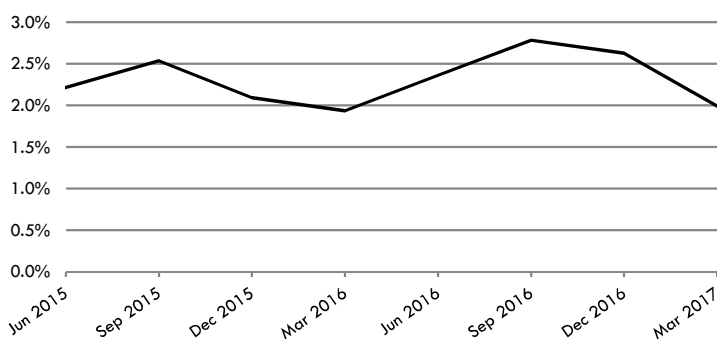
Median 52-Week Return	11.7%	Median EV/Revenue Multiple	2.0x	Median Price/Earnings Multiple	21.7x
Median 3-Year CAGR Return	2.5%	Median EV/EBITDA Multiple	9.6x	Median EV/Gross CF Multiple	15.8x

Comparable Public Company Market Price Returns As of March 31, 2017

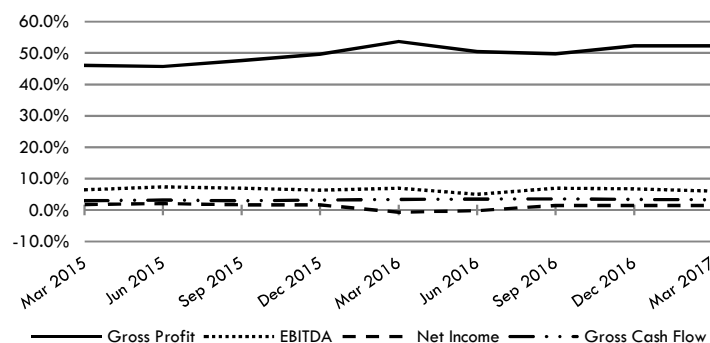
	YTD	3 Month	1 Year	2 Year	3 Year	5 Year	2016	2015	2014	2013	2012
CA, Inc.	-0.2%	-0.2%	3.0%	-1.4%	0.8%	2.9%	11.2%	-6.2%	-9.5%	53.1%	8.7%
Carbonite, Inc.	23.8%	23.8%	154.7%	19.1%	25.8%	13.0%	67.3%	-31.3%	20.6%	27.9%	-16.7%
CDW Corporation	10.8%	10.8%	39.1%	24.5%	28.1%	N/A	23.9%	19.5%	50.6%	N/A	N/A
Fusion Telecommunications International, Inc.	5.3%	5.3%	-11.7%	-38.2%	-31.9%	-27.2%	-54.0%	3.5%	-49.6%	60.1%	-5.5%
GigaMedia Limited	5.1%	5.1%	13.3%	-10.7%	-24.0%	-14.3%	-3.6%	-35.4%	-6.0%	3.9%	15.7%
Imperva, Inc.	6.9%	6.9%	-18.7%	-2.0%	-9.7%	1.0%	-39.3%	28.1%	2.7%	52.6%	-9.4%
NCI, Inc.	7.9%	7.9%	7.4%	20.7%	12.3%	18.7%	2.2%	33.7%	54.2%	41.2%	-59.7%
NetApp, Inc.	18.7%	18.7%	53.4%	8.6%	4.3%	-1.3%	32.9%	-36.0%	0.8%	22.6%	-7.5%
Red Hat, Inc.	24.1%	24.1%	16.1%	6.9%	17.8%	7.6%	-15.8%	19.8%	23.4%	5.8%	28.3%
Salesforce.com, inc.	20.5%	20.5%	11.7%	11.1%	13.1%	16.4%	-12.7%	32.2%	7.5%	31.3%	65.7%
Unisys Corporation	-6.7%	-6.7%	81.2%	-22.5%	-22.9%	-6.7%	35.3%	-62.5%	-12.2%	94.0%	-12.2%
Wayside Technology Group, Inc.	0.5%	0.5%	9.9%	3.3%	-1.8%	5.8%	2.0%	6.6%	27.2%	22.0%	-9.1%
Xunlei Limited	4.9%	4.9%	-33.7%	-20.3%	N/A	N/A	-48.9%	3.6%	N/A	N/A	N/A
Median of Industry Public Companies	6.9%	6.9%	11.7%	3.3%	2.5%	2.9%	2.0%	3.6%	5.1%	31.3%	-7.5%

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

Median Quarterly Revenue Growth of All Cloud Computing Companies



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



Median Public Company Multiples of the Cloud Computing Industry

Date:	3/31/2015	6/30/2015	9/30/2015	12/31/2015	3/31/2016	6/30/2016	9/30/2016	12/31/2016	3/31/2017
EV/Revenues Multiple	1.2x	2.0x	1.4x	1.2x	1.1x	1.5x	2.2x	1.7x	2.0x
EV/EBITDA Multiple	7.4x	7.9x	7.8x	8.2x	10.1x	8.5x	10.1x	8.5x	9.6x
Price/Earnings Multiple	21.3x	16.2x	18.4x	16.3x	17.0x	16.4x	17.5x	18.3x	21.7x
EV/Gross Cash Flows Multiple	9.6x	12.4x	11.6x	13.6x	13.7x	12.7x	15.7x	13.9x	15.8x

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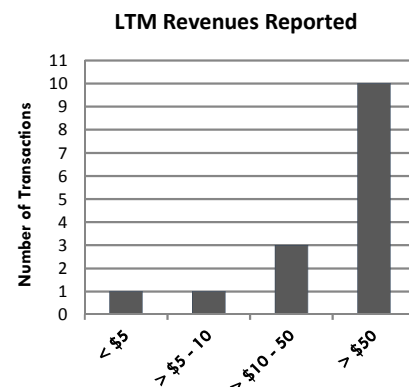
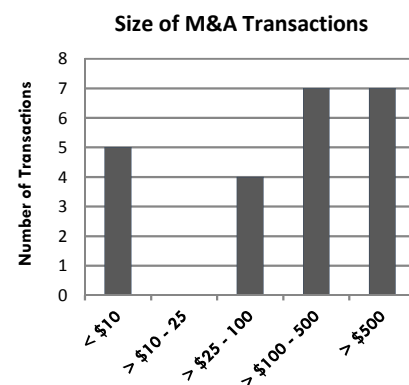
Industry Initial Public Offerings (dollars in millions, except share prices)

Offer Date	Company Name	Offer Price	Shares Offered	Amount Raised	Total Assets	Debt	LTM Revenues	LTM EBITDA	LTM Net Income	LTM Cash Flows
3/23/2017	oRo Co., Ltd.	\$18.61	1.0	\$18.6	\$843.0	\$171.5	\$917.6	\$150.6	\$76.6	\$175.7
3/22/2017	CloudRepublic AB (publ)	\$3.07	0.6	\$1.7	\$843.0	\$171.5	\$917.6	\$150.6	\$76.6	\$175.7
3/9/2017	Presidio, Inc.	\$14.00	16.7	\$233.3	\$843.0	\$171.5	\$917.6	\$150.6	\$76.6	\$175.7
3/7/2017	Microware Group Limited	\$0.19	60.0	\$11.3	\$843.0	\$171.5	\$917.6	\$150.6	\$76.6	\$175.7
1/26/2017	SHANON Inc.	\$13.08	0.2	\$2.0	\$809.6	\$141.6	\$893.3	\$150.4	\$79.0	\$172.6
11/1/2016	GDS Holdings Limited	\$10.00	19.3	\$192.5	\$952.9	\$521.3	\$127.3	\$17.7	(\$30.9)	\$42.4
10/19/2016	iRhythm Technologies, Inc.	\$17.00	6.3	\$107.0	\$787.6	\$142.0	\$884.5	\$158.0	\$86.4	\$178.2
10/5/2016	Coupa Software Incorporated	\$18.00	7.4	\$133.2	\$787.6	\$142.0	\$884.5	\$158.0	\$86.4	\$178.2
Median of All IPOs		nm	nm	\$62.8	\$843.0	\$171.5	\$905.5	\$150.6	\$76.6	\$175.7

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
3/15/2017	Greenview Data, Inc.	Zix Corporation	\$8.1	100%	N/A	N/A
2/27/2017	EarthLink Holdings Corp.	Windstream Holdings, Inc.	\$1,119.6	100%	\$990.0	1.1x
2/17/2017	LUZ, Inc.	RWS Holdings plc	\$82.5	100%	\$29.2	2.8x
2/1/2017	XO Communications, LLC	Verizon Communications	\$1,800.0	100%	N/A	N/A
1/31/2017	DC74, LLC	Lumos Networks Corp.	\$29.5	100%	N/A	N/A
1/26/2017	Applied Micro Circuits	MACOM Technology	\$772.3	100%	\$165.0	4.2x
1/25/2017	CannaBuild, LLC	MassRoots, Inc.	\$2.5	100%	N/A	N/A
1/24/2017	eGov Holdings, Inc.	Booz Allen Hamilton Inc.	\$250.0	100%	N/A	N/A
1/19/2017	IntraLinks Holdings, Inc.	Synchronoss Technologies	\$903.4	100%	\$290.4	2.9x
1/19/2017	Perk Inc.	RhythmOne plc	\$42.0	100%	\$70.5	0.0x
1/15/2017	Telarus Pty Ltd	Over the Wire Holdings	\$5.7	100%	\$8.6	0.7x
1/12/2017	WOW! Lawrence	Midco	\$215.0	100%	\$45.7	4.7x
1/10/2017	ServiceMax, Inc.	GE Digital LLC	\$915.0	100%	N/A	N/A
1/6/2017	Datalink Corporation	Insight Enterprises, Inc.	\$297.9	100%	\$756.5	0.3x
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1/5/2017	Revitas Inc.	Model N, Inc.	\$60.0	100%	N/A	N/A
1/5/2017	Virtual Care Provider, Inc.	N/A	\$8.5	100%	N/A	N/A
12/29/2016	Stratiform, Inc.	PCM, Inc.	\$2.9	100%	\$4.1	0.7x
12/23/2016	Alternative Networks Plc	Daisy Intermediate	\$237.6	100%	\$169.3	1.4x
12/19/2016	Opera TV AS	Moore Frères & Company	\$114.3	100%	\$31.4	3.6x
12/19/2016	TubeMogul, Inc.	Adobe Systems Inc.	\$628.8	100%	\$212.0	2.6x
12/9/2016	BigAir Group Limited	Superloop Limited	\$174.8	100%	\$59.7	2.9x
12/1/2016	Interactive Intelligence	Genesys Telecom	\$1,567.6	100%	\$413.1	3.4x
Median of the 23 M&A Transaction Targets			\$215.0	100%	\$165.0	2.6x



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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