

Quarterly Industry Update

As of March 31, 2017

Industry: Predictive Analytics



Industry Summary

Cogent Valuation identified Predictive Analytics publicly traded companies, IPOs, and recent M&A transactions within the Predictive Analytics 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 Predictive Analytics industry was 32.1%. Between March 31, 2015 and March 31, 2017, the median EV/EBITDA multiple increased from 17.8 to 22.0. However, the median price-to-earnings multiple decreased from 31.7 to 27.5 over the same period.

Comparable Public Company Key Statistics

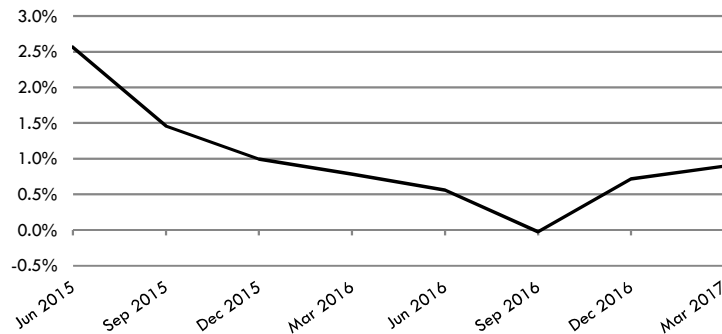
Median 52-Week Return	32.1%	Median EV/Revenue Multiple	3.0x	Median Price/Earnings Multiple	27.5x
Median 3-Year CAGR Return	-1.1%	Median EV/EBITDA Multiple	22.0x	Median EV/Gross CF Multiple	36.7x

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

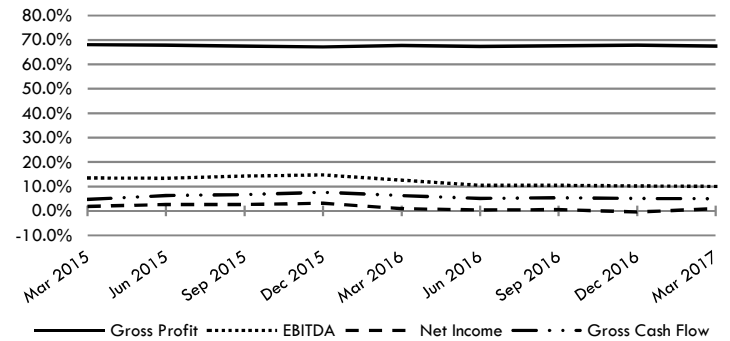
	YTD	3 Month	1 Year	2 Year	3 Year	5 Year	2016	2015	2014	2013	2012
Axiom Corporation	6.2%	6.2%	32.8%	24.1%	-6.1%	14.2%	28.1%	3.2%	-45.2%	111.8%	43.0%
Brightcove Inc.	10.6%	10.6%	42.6%	10.2%	-3.3%	-18.5%	29.8%	-20.3%	-45.0%	56.4%	N/A
comScore, Inc.	-31.6%	-31.6%	-28.1%	-35.1%	-13.0%	0.2%	-23.3%	-11.4%	62.3%	107.6%	-35.0%
Fair Isaac Corporation	8.2%	8.2%	21.5%	20.6%	32.6%	24.0%	26.6%	30.3%	15.1%	49.5%	17.3%
Guidance Software, Inc.	-16.7%	-16.7%	37.2%	4.4%	-18.9%	-11.8%	17.6%	-17.0%	-28.2%	-14.9%	83.2%
MicroStrategy Incorporated	-4.9%	-4.9%	4.5%	5.4%	17.6%	6.1%	10.1%	10.4%	30.7%	33.0%	-13.8%
NetScout Systems, Inc.	20.5%	20.5%	65.2%	-7.0%	0.3%	13.3%	2.6%	-16.0%	23.5%	13.9%	47.7%
NICE Ltd.	-1.8%	-1.8%	2.3%	4.6%	14.8%	11.3%	18.4%	13.9%	23.4%	24.4%	-2.9%
Open Text Corporation	10.0%	10.0%	31.3%	13.4%	12.5%	17.3%	29.0%	-17.7%	26.7%	64.5%	9.3%
Pegasystems, Inc.	21.8%	21.8%	72.8%	42.0%	35.4%	18.1%	30.9%	32.4%	-15.5%	116.8%	-22.9%
PROS Holdings, Inc.	12.4%	12.4%	105.2%	-1.1%	-8.4%	5.3%	-6.6%	-16.2%	-31.1%	118.2%	22.9%
Verint Systems Inc.	23.0%	23.0%	29.9%	-16.3%	-2.6%	6.0%	-13.1%	-30.4%	35.7%	46.3%	6.6%
Median of Industry Public Companies	9.1%	9.1%	32.1%	5.0%	-1.1%	8.7%	18.0%	-13.7%	19.2%	53.0%	9.3%

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

Median Quarterly Revenue Growth of All Predictive Analytics Companies



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



Median Public Company Multiples of the Predictive Analytics 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	3.5x	3.0x	2.8x	2.9x	2.6x	2.4x	2.8x	3.1x	3.0x
EV/EBITDA Multiple	17.8x	18.1x	15.0x	15.7x	17.3x	20.5x	22.4x	23.9x	22.0x
Price/Earnings Multiple	31.7x	31.9x	27.2x	30.7x	27.8x	26.7x	27.5x	27.5x	27.5x
EV/Gross Cash Flows Multiple	29.6x	26.3x	22.2x	25.4x	35.0x	34.2x	34.1x	32.9x	36.7x

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

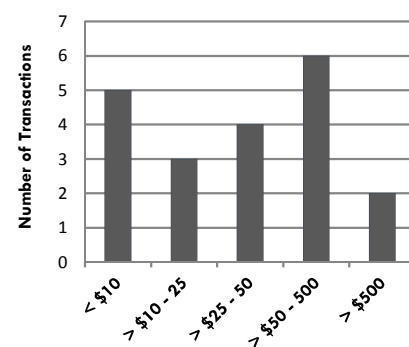
Offer Date	Company Name	Offer Price	Shares Offered	Amount Raised	Total Assets	Debt	LTM Revenues	LTM EBITDA	LTM Net Income	LTM Cash Flows
6/24/2015	TransUnion	\$22.50	29.5	\$664.8	\$4,614.3	\$2,976.4	\$1,354.4	\$398.5	(\$4.4)	\$629.0
2/17/2012	Brightcove Inc.	\$11.00	5.0	\$55.0	\$47.3	\$7.0	\$63.6	(\$14.0)	(\$17.6)	(\$11.9)
6/27/2007	PROS Holdings, Inc.	\$11.00	6.8	\$75.1	\$25.7	\$20.0	\$49.9	\$9.5	\$8.3	\$10.7
6/26/2007	comScore, Inc.	\$16.50	5.3	\$87.5	\$45.5	\$3.3	\$70.0	\$11.4	\$7.1	\$14.4
12/12/2006	Guidance Software, Inc.	\$11.50	5.0	\$57.5	\$26.6	\$2.0	\$51.7	(\$0.3)	(\$1.8)	\$1.4
11/10/2005	IHS Markit Ltd.	\$16.00	14.5	\$232.2	\$743.0	\$0.3	\$469.1	\$60.6	\$52.4	\$70.7
Median of All IPOs		nm	nm	\$81.3	\$46.4	\$5.2	\$66.8	\$10.4	\$2.7	\$12.6

nm: not meaningful, N/A: not applicable

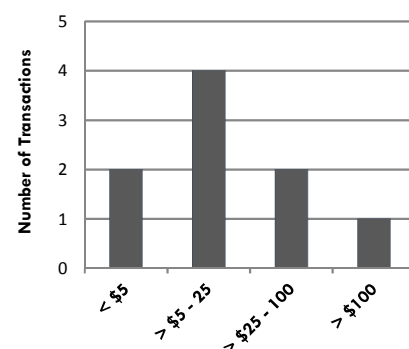
Recent Merger and Acquisition Transactions for a Majority Stake (dollars in millions)

Transaction Date	Target	Acquirer	Transaction Size	% Bought	LTM Revenues	EV/Revenues
10/16/2015	Datamyx LLC	Deluxe Corp.	\$160.0	100%	N/A	N/A
9/30/2015	Unruly Group Limited	News Corp UK & Ireland	\$176.8	100%	N/A	N/A
8/3/2015	1010data, Inc.	Advance Communication	\$500.0	100%	N/A	N/A
5/31/2015	Applied Predictive Tech.	MasterCard Inc.	\$600.0	100%	N/A	N/A
5/7/2015	ColdLight Solutions, LLC	PTC Inc.	\$103.8	100%	N/A	N/A
2/26/2015	Prelytix, LLC	Market Resource Partners	\$20.0	100%	\$2.0	10.0x
11/3/2014	Evolv, Inc.	Cornerstone OnDemand	\$45.0	100%	\$6.1	7.3x
10/31/2014	QuantiSense, Inc.	Epicor Software	\$24.0	100%	N/A	N/A
2/28/2014	KnowledgeAdvisors, Inc.	Corporate Executive Board	\$52.0	100%	N/A	N/A
1/29/2014	Rationalwave, Inc.	Bottomline Technologies	\$8.0	100%	N/A	N/A
1/22/2014	Scout Analytics, Inc.	ServiceSource International	\$32.5	100%	\$5.4	6.0x
1/14/2014	Zinnov, LLC	Corporate Executive Board	\$8.0	100%	N/A	N/A
12/25/2013	Dentsu Marketing Insight	Macromill, Inc.	\$4.1	51%	\$55.8	0.1x
9/12/2013	Molecular Profiles Ltd.	Columbia Laboratories	\$25.4	100%	\$9.0	2.8x
8/28/2013	Panopticon Software AB	Datawatch Corporation	\$27.5	100%	\$5.0	5.5x
7/22/2013	Neolane SAS	Adobe Systems	\$616.5	100%	\$58.2	10.6x
4/25/2013	Angoss Software Corp.	Peterson Partners LP	\$8.5	100%	\$7.0	1.1x
12/27/2012	(m)PHASIZE, LLC	Sapient Corp.	\$18.2	100%	N/A	N/A
10/21/2011	Algorithmics, Inc.	OpenPages, Inc.	\$380.2	100%	\$163.7	2.3x
7/11/2011	Kairoleaf Analytics Pvt Ltd	aurionPro Solutions	\$6.1	100%	N/A	N/A
Median of the 20 M&A Transaction Targets			\$32.5	100%	\$7.0	5.5x

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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