

Quarterly Industry Update

As of March 31, 2017

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 March 31, 2016, the median 52-week share price return of the Social Media industry was 11.1%. Between March 31, 2015 and March 31, 2017, the median EV/EBITDA multiple decreased from 25.2 to 20.5. However, the median price-to-earnings multiple increased from 34.4 to 35.8 over the same period.

Comparable Public Company Key Statistics

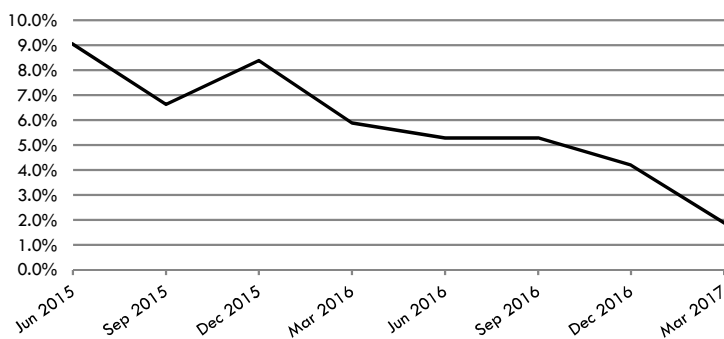
Median 52-Week Return	11.1%	Median EV/Revenue Multiple	5.3x	Median Price/Earnings Multiple	35.8x
Median 3-Year CAGR Return	4.2%	Median EV/EBITDA Multiple	20.5x	Median EV/Gross CF Multiple	25.0x

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

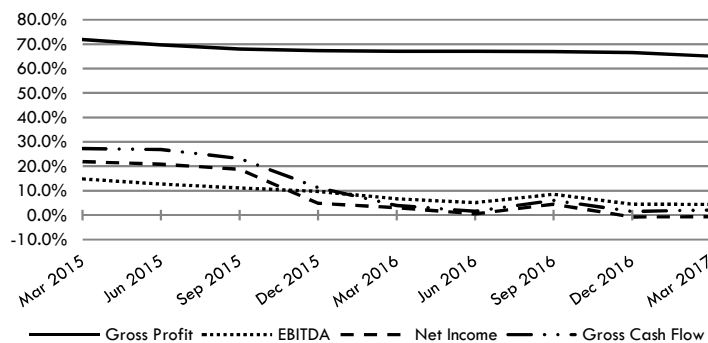
	YTD	3 Month	1 Year	2 Year	3 Year	5 Year	2016	2015	2014	2013	2012
Alphabet Inc.	7.0%	7.0%	11.1%	23.6%	15.0%	21.5%	1.9%	46.6%	-5.3%	58.4%	9.5%
Angie's List, Inc.	-30.7%	-30.7%	-29.4%	-1.5%	-22.4%	-21.3%	-12.0%	50.1%	-58.9%	26.4%	-25.5%
Baidu, Inc.	4.9%	4.9%	-9.6%	-9.0%	4.2%	3.4%	-13.0%	-17.1%	28.2%	77.4%	-13.9%
Facebook, Inc.	23.5%	23.5%	24.5%	31.4%	33.1%	N/A	9.9%	34.1%	42.8%	105.3%	N/A
Twitter, Inc.	-8.3%	-8.3%	-9.7%	-45.4%	-31.6%	N/A	-29.6%	-35.5%	-43.6%	N/A	N/A
Yahoo! Inc.	20.0%	20.0%	26.1%	2.2%	8.9%	25.0%	16.3%	-34.2%	24.9%	103.2%	23.4%
Yelp Inc.	-14.1%	-14.1%	64.7%	-16.8%	-24.8%	4.0%	32.4%	-47.4%	-20.6%	265.8%	N/A
Median of Industry Public Companies	4.9%	4.9%	11.1%	-1.5%	4.2%	4.0%	1.9%	-17.1%	-5.3%	90.3%	-2.2%

(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:	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	7.5x	6.9x	4.6x	5.8x	5.1x	4.5x	5.6x	4.8x	5.3x
EV/EBITDA Multiple	25.2x	23.8x	28.0x	25.7x	26.6x	25.1x	21.1x	21.0x	20.5x
Price/Earnings Multiple	34.4x	33.1x	38.5x	41.1x	39.1x	28.4x	34.7x	28.6x	35.8x
EV/Gross Cash Flows Multiple	27.4x	25.9x	22.8x	41.4x	28.8x	35.2x	25.0x	19.4x	25.0x

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](mailto:Steven.Kam@CogentValuation.com) at 415-392-0888 for additional information or questions in connection with this research report. Copyright © 2017 Cogent Valuation. All Rights Reserved.

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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)
Median of All IPOs		nm	nm	\$114.3	\$192.3	\$71.3	\$155.9	(\$7.1)	(\$18.2)	\$6.6

nm: not meaningful, N/A: not applicable

Recent Merger and Acquisition Transactions for a Majority Stake

Transaction Date	Target	Acquirer	Transaction Size		Active Users	
			(millions)	% Bought	(millions) [1]	Value Per User
2/1/2017	Sonar News Ltd	Audioboom Group plc	\$2.4	100%	0.0	\$0.00
1/16/2017	Review Rank S.A.	Shiji (Hong Kong) Limited	\$21.5	63%	0.0	\$0.00
12/8/2016	LinkedIn Corporation	Microsoft Corporation	\$29,309.9	100%	467.0	\$62.76
3/31/2016	TigerLogic Corporation	Sprinklr Inc.	\$2.4	100%	N/A	N/A
3/9/2016	Yodlee, 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.	MaPowered 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.	\$20,117.0	100%	600.0	\$33.53
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	CoverLive 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
Median of the 18 M&A Transaction Targets			\$25.1	100%	45.0	\$18.71

[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

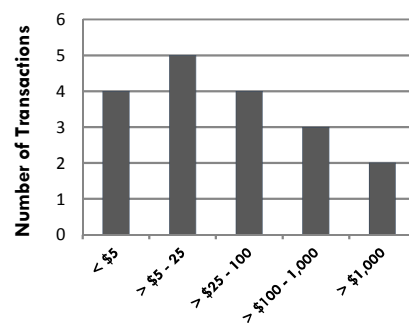
Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA): Profitability metric sometimes also referred to as operating profit or operating earnings.

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.

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Size of M&A Transactions



Reported Active Users (millions)

