

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 September 30, 2016, the median 52-week share price return of the Predictive Analytics industry was 6.7%. Between September 30, 2015 and September 30, 2017, the median EV/EBITDA multiple increased from 15.0 to 21.6. Furthermore, the median price-to-earnings multiple increased from 27.2 to 35.9 over the same period. The median revenue growth and EBITDA margins for the industry for the quarter were 1.5% and 10.1%, respectively.

Public Company Key Statistics

Median 52-Week
Return

6.7%

Median 3-Year CAGR
Return

5.2%

Median EV/Revenue
Multiple

2.8x

Median EV/EBITDA
Multiple

21.6x

Median Price/Earnings
Multiple

35.9x

Median EV/Gross CF
Multiple

40.9x

Comparable Public Company Market Price Returns as of September 30, 2017

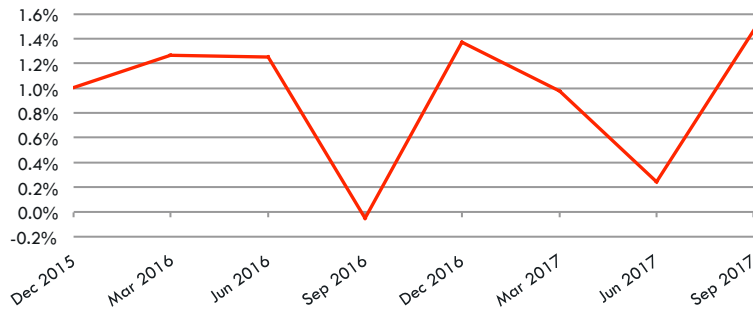
	YTD	3 Month	1 Year	2 Year	3 Year	2016	2015	2014
Acxiom Corporation	-3.1%	-8.7%	18.1%	21.6%	6.2%	28.1%	3.2%	-45.2%
Brightcove Inc.	-23.0%	-30.3%	-29.5%	-4.9%	-16.2%	29.8%	-20.3%	-45.0%
comScore, Inc.	-16.9%	21.6%	9.9%	-29.8%	-9.6%	-23.3%	-11.4%	62.3%
Fair Isaac Corporation	16.9%	8.1%	23.4%	23.9%	29.8%	26.6%	30.3%	15.1%
MicroStrategy Incorporated	-2.9%	2.1%	9.5%	6.2%	10.9%	10.1%	10.4%	30.7%
NetScout Systems, Inc.	9.2%	-9.4%	54.6%	-3.1%	-8.1%	2.6%	-16.0%	23.5%
NICE Ltd.	17.5%	19.6%	28.8%	12.3%	25.2%	18.4%	13.9%	23.4%
Open Text Corporation	2.1%	-7.3%	6.6%	24.8%	9.6%	29.0%	-17.7%	26.7%
Pegasystems, Inc.	62.1%	33.1%	116.5%	59.7%	40.3%	30.9%	32.4%	-15.5%
PROS Holdings, Inc.	27.3%	13.2%	57.1%	13.9%	1.2%	-6.6%	-16.2%	-31.1%
Verint Systems Inc.	15.5%	-6.2%	22.8%	-18.1%	-6.0%	-13.1%	-30.4%	35.7%
Median of Industry Public Companies	9.2%	2.1%	22.8%	12.3%	-3.3%	18.4%	-11.4%	23.4%

Multiple year periods are calculated as the average annual return.

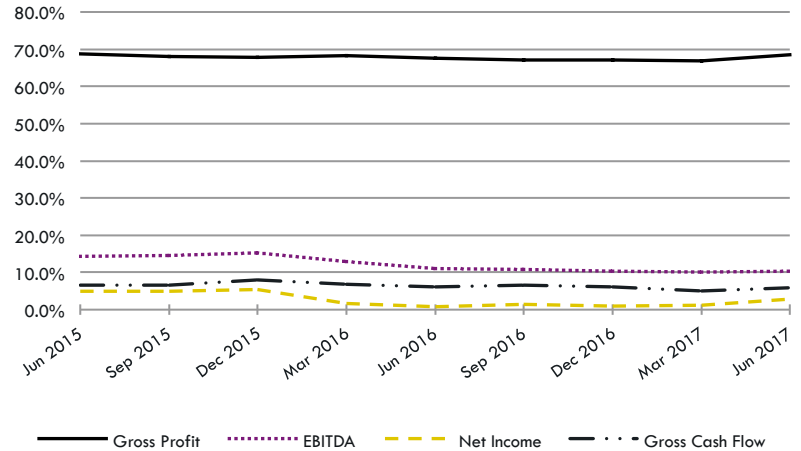
■ Highest Return
 ■ Lowest Return
 ■ Median Return

Industry Revenue Growth and Profit Margins for the Past Two Years

Median Quarterly Revenue Growth of All Predictive Analytics Companies



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



Public Company Median Multiples by Quarter

	9/30/17	6/30/17	3/31/17	9/30/16	6/30/16	3/31/16	12/31/15	9/30/15
EV/Revenues Multiple	2.8x	3.1x	3.0x	2.9x	2.6x	2.7x	3.0x	2.8x
EV/EBITDA Multiple	21.6x	22.1x	22.0x	22.4x	20.5x	17.3x	15.7x	15.0x
Price/Earnings Multiple	35.9x	33.2x	27.5x	27.5x	26.7x	27.8x	30.7x	27.2x
EV/Gross Cash Flows Multiple	40.9x	39.4x	36.7x	34.1x	34.2x	35.0x	25.4x	22.2x

 Highest Multiple

 Lowest Multiple

 Median Multiple

Industry Initial Public Offerings—Industry: Predictive Analytics (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
6/24/15	TransUnion	\$22.50	29.5	\$664.8	\$4,614.3	\$2,976.4	\$1,354.4	\$398.9	(\$4.4)	\$629.4
2/17/12	Brightcove Inc.	\$11.00	5.0	\$55.0	\$47.3	\$7.0	\$63.6	(\$14.0)	(\$17.6)	(\$11.9)
6/27/07	PROS Holdings, Inc.	\$11.00	6.8	\$75.1	\$25.7	\$20.0	\$49.9	\$9.5	\$8.3	\$10.7
6/26/07	comScore, Inc.	\$16.50	5.3	\$87.5	\$45.5	\$3.3	\$70.0	\$11.4	\$7.1	\$14.4
12/12/06	Guidance Software, Inc.	\$11.50	5.0	\$57.5	\$26.6	\$2.0	\$51.2	(\$0.3)	(\$1.8)	\$1.4
11/10/05	IHS Markit Ltd.	\$16.00	14.5	\$232.2	\$743.0	\$0.3	\$468.5	\$63.5	\$52.4	\$73.6
Median of all IPOs		nm	5.6	\$81.3	\$46.4	\$5.2	\$66.8	\$3.1	\$2.7	\$12.6

Multiple year periods are calculated as the average annual return.

■ Highest Return
 ■ Lowest Return
 ■ Median Return

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

Transaction Date	Target	Acquirer	Transaction Size	% Bought	LTM Revenues	EV/ Revenues
9/26/17	Tollgrade Communications, Inc.	Enhouse Systems Limited	\$17.3	100%	\$18.1	1.0x
8/14/17	Datamyx LLC	Deluxe Corp.	\$160.0	100%	N/A	N/A
4/12/17	Unruly Group Limited	News Corp UK & Ireland	\$176.8	100%	N/A	N/A
10/16/15	1010data, Inc.	Advance Communication	\$500.0	100%	N/A	N/A
9/30/15	Applied Predictive Tech.	MasterCard Inc.	\$600.0	100%	N/A	N/A
8/3/15	ColdLight Solutions, LLC	PTC Inc.	\$103.8	100%	N/A	N/A
2/26/15	Prelytix, LLC	Market Resource Partners	\$20.0	100%	\$2.0	10.0x
11/3/14	Evolv, Inc.	Cornerstone OnDemand	\$45.0	100%	\$6.1	7.3x
10/31/14	QuantiSense, Inc.	Epicor Software	\$24.0	100%	N/A	N/A
2/28/14	KnowledgeAdvisors, Inc.	Corporate Executive Board	\$52.0	100%	N/A	N/A
1/29/14	Rationalwave, Inc.	Bottomline Technologies	\$8.0	100%	N/A	N/A
1/22/14	Scout Analytics, Inc.	ServiceSource International	\$32.5	100%	\$5.4	6.0x

■ USA
 ■ International
 ■ Highest
 ■ Lowest
 ■ Median

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

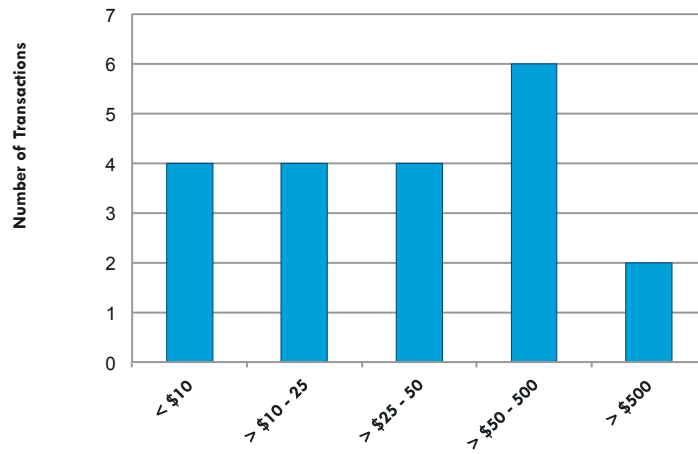
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Transaction Date	Target	Acquirer	Transaction Size	% Bought	LTM Revenues	EV/ Revenues
1/14/14	Zinnov, LLC	Corporate Executive Board	\$8.0	100%	N/A	N/A
12/25/13	Dentsu Marketing Insight	Macromill, Inc.	\$4.1	51%	\$55.8	0.1x
9/12/13	Molecular Profiles Ltd.	Columbia Laboratories	\$25.4	100%	\$9.0	2.8x
8/28/13	Panopticon Software AB	Datawatch Corporation	\$27.5	100%	\$5.0	5.5x
7/22/13	Neolane SAS	Adobe Systems	\$616.5	100%	\$58.2	10.6x
4/25/13	Angoss Software Corp.	Peterson Partners LP	\$8.5	100%	\$7.0	1.1x
12/27/12	(m)PHASIZE, LLC	Sapient Corp.	\$18.2	100%	N/A	N/A
10/21/11	Algorithmics, Inc.	OpenPages, Inc.	\$380.2	100%	\$163.7	2.3x
Median of the 20 M&A Transaction Targets			\$27.5	100%	\$7.0	5.5x

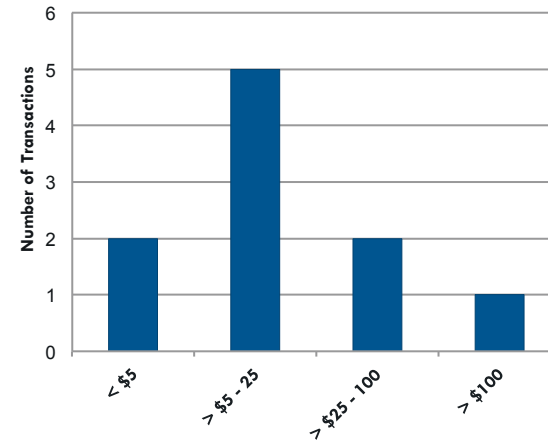
USA
 International
 Highest
 Lowest
 Median

Recent Merger and Acquisition Transactions for a Majority Stake (dollars in millions) as of September 30, 2017

Size of M&A Transactions



LTM Revenues Reported



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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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