

## Medical Recordkeeping

### INDUSTRY SUMMARY

COGENT VALUATION identified **Medical Recordkeeping** publicly traded companies, IPOs, and recent M&A transactions within the Medical Recordkeeping 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, 2017, the median 52-week share price return of the Medical Recordkeeping industry was -1.4%. Between March 31, 2016 and March 31, 2018, the median EV/EBITDA multiple increased from 19.4 to 20.0. Furthermore, the median price-to-earnings multiple increased from 47.7 to 48.6 over the same period. The median revenue growth and EBITDA margins for the industry for the quarter were 0.7% and 13.1%, respectively.

### Public Company Key Statistics

Median 52-Week  
Return

-1.4%

Median 3-Year CAGR  
Return

-5.1%

Median EV/Revenue  
Multiple

2.0x

Median EV/EBITDA  
Multiple

20x

Median Price/Earnings  
Multiple

48.6x

Median EV/Gross CF  
Multiple

31.2x

## Comparable Public Company Market Price Returns as of March 31, 2018

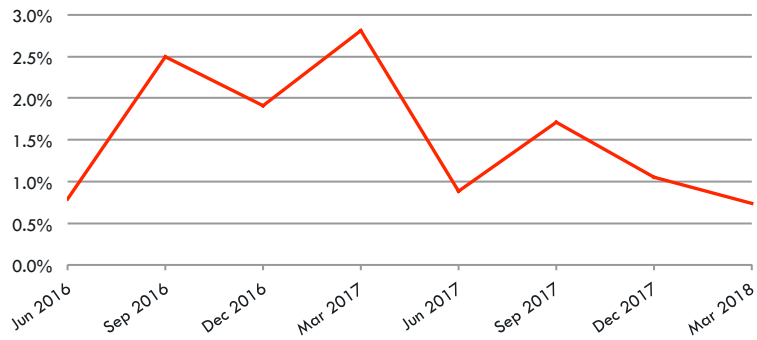
	YTD	3 Month	1 Year	2 Year	2017	2016	2015	2014
<b>Allscripts Healthcare Solutions, Inc.</b>	<b>-15.1%</b>	-15.1%	42.5%	-2.7%	42.5%	-33.6%	20.4%	-17.4%
<b>athenahealth, Inc.</b>	7.5%	7.5%	26.5%	-9.1%	26.5%	-34.7%	10.5%	8.3%
<b>Cerner Corporation</b>	-13.9%	-13.9%	42.3%	5.8%	42.3%	-21.3%	-6.9%	16.0%
<b>Computer Programs and Systems</b>	-2.8%	-2.8%	27.3%	-22.3%	27.3%	-52.6%	-18.1%	-1.7%
<b>Nuance Communications, Inc.</b>	-3.7%	-3.7%	9.7%	-9.3%	9.7%	-25.1%	39.4%	-6.1%
<b>Quality Systems, Inc.</b>	0.5%	0.5%	3.3%	-8.2%	3.3%	-18.4%	3.4%	-26.0%
<b>Streamline Health Solutions, Inc.</b>	<b>8.9%</b>	8.9%	35.2%	9.5%	35.2%	-11.3%	-67.4%	-38.0%
<b>Median of Industry Public Companies</b>	<b>-2.8%</b>	<b>-2.8%</b>	<b>27.3%</b>	<b>-8.2%</b>	<b>27.3%</b>	<b>-25.1%</b>	<b>3.4%</b>	<b>-6.1%</b>

Multiple year periods are calculated as the average annual return.

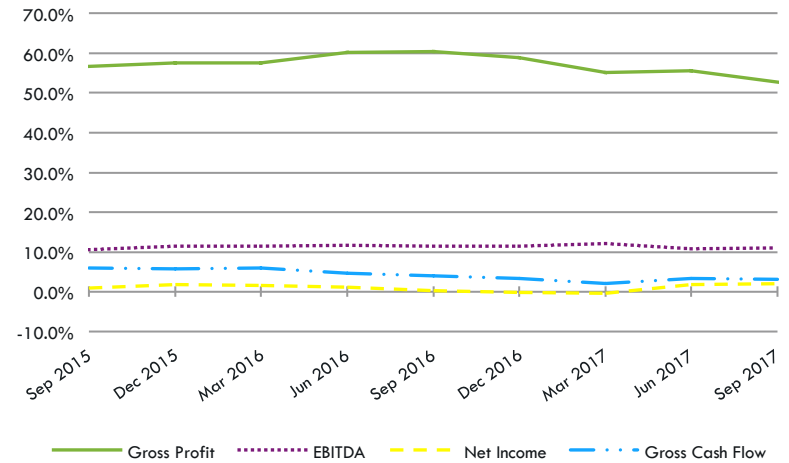
■ Highest Return    
 ■ Lowest Return    
 ■ Median Return

## Industry Revenue Growth and Profit Margins for the Past Two Years

Median Quarterly Revenue Growth of All Medical Recordkeeping Companies



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



## Median Public Companies

The chart below illustrates Public Company Multiples.

	3/31/18	12/31/17	9/30/17	6/30/17	9/30/16	6/30/16	3/31/16	12/31/15
<b>EV/Revenues Multiple</b>	2.0x	2.2x	2.3x	2.2x	2.5x	3.2x	3.0x	2.8x
<b>EV/EBITDA Multiple</b>	20.0x	18.6x	18.4x	19.4x	15.5x	17.1x	16.3x	18.1x
<b>Price/Earnings Multiple</b>	48.6x	37.1x	37.3x	47.9x	40.4x	40.8x	31.6x	30.6x
<b>EV/Gross Cash Flows Multiple</b>	31.2x	31.0x	44.0x	50.3x	61.8x	46.4x	24.6x	24.8x

■ Highest Multiple    
 ■ Lowest Multiple    
 ■ Median Multiple

## Industry Initial Public Offerings—Industry: Medical Recordkeeping (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
5/20/15	<b>Press Ganey Holdings, Inc.</b>	\$25.00	8.9	\$222.5	\$910.1	\$416.2	\$291.1	\$92.8	\$18.3	\$112.9
9/26/13	<b>Premier, Inc.</b>	\$27.00	28.2	\$760.1	\$598.9	\$34.6	<b>\$869.3</b>	\$407.1	\$7.4	\$434.7
3/27/12	<b>Vocera Communications, Inc.</b>	\$16.00	5.9	\$93.6	\$49.8	\$8.3	<b>\$79.5</b>	\$1.2	(\$2.5)	\$2.2
2/1/12	<b>Greenway Medical Technologies, Inc.</b>	\$10.00	6.7	\$66.7	\$83.2	\$0.0	\$105.8	\$6.3	\$34.4	\$7.5
2/1/11	<b>Epocrates, Inc.</b>	\$16.00	5.4	\$85.8	\$122.2	\$0.0	N/A	N/A	N/A	N/A
4/21/10	<b>DynaVox Inc.</b>	\$15.00	9.4	\$140.6	\$128.4	\$79.2	\$111.7	\$28.1	\$13.5	\$30.7
5/20/15	<b>Median of all IPOs</b>	<b>nm</b>	<b>nm</b>	<b>\$117.1</b>	<b>\$125.3</b>	<b>\$21.5</b>	<b>\$111.7</b>	<b>\$28.1</b>	<b>\$13.5</b>	<b>\$30.7</b>

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
1/24/18	G4S Secure Data Solutions	Metrofile Holdings Limited	\$20.6	51%	N/A	N/A
12/7/16	Healthsciences International	New Silkroutes Group	\$1.6	100%	\$23.6	5.1x
10/13/16	QHR Corporation	Shoppers Drug Mart Inc.	\$130.0	100%	N/A	N/A
6/1/16	Verisk Health, Inc.	Veritas Capital	\$820.0	100%	N/A	N/A
4/19/16	Netsmart Technologies Inc.	GI Partners, LLC	\$950.0	80%	N/A	N/A
1/19/16	Capita Medical Reporting	N/A	\$27.9	100%	N/A	N/A
9/10/15	RSA Medical, LLC	Xerox Corporation	\$141.0	100%	N/A	N/A
7/29/14	HT Systems, LLC	Imprivata, Inc.	\$23.9	100%	\$2.6	0.5x
1/27/14	Curepet Corporation	Ebix Inc.	\$6.4	80%	N/A	N/A
11/4/13	Greenway Medical	Vitera Healthcare	\$643.6	100%	\$134.8	4.7x
10/9/13	WISEMAN Co.,Ltd.	NM Holdings Co., Ltd.	\$82.9	100%	\$75.3	0.8x
9/16/13	Ascribe	EMIS Group	\$88.7	100%	\$38.1	2.3x
3/12/13	Epocrates	athenahealth	\$307.2	100%	\$111.1	2.1x
9/12/12	Strand Technology	Advanced Health and Care	\$3.2	100%	\$1.6	1.9x

■ USA
 ■ International
 ■ Highest
 ■ Lowest
 ■ Median

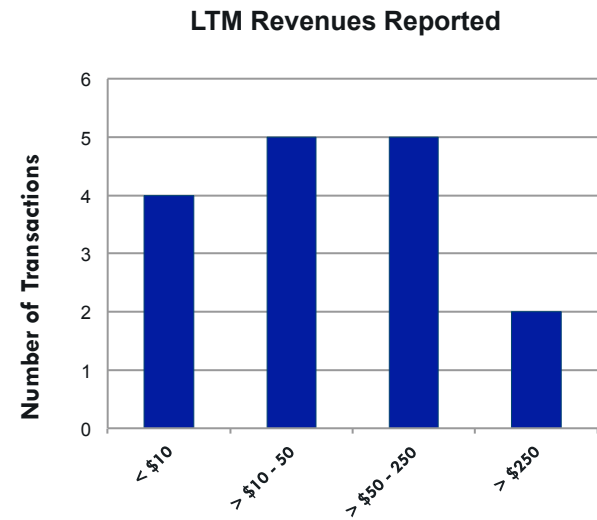
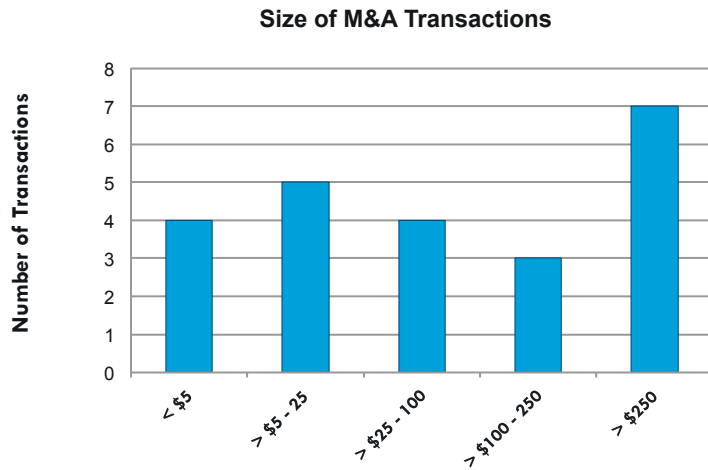
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## Recent Merger and Acquisition Transactions for a Majority Stake (dollars in millions)

Transaction Date	Target	Acquirer	Transaction Size	% Bought	LTM Revenues	EV/ Revenues
3/30/12	<b>Medrium</b>	<b>athenahealth</b>	\$307.2	100%	\$111.1	2.1x
12/19/11	<b>Sage Software Healthcare</b>	<b>Advanced Health and Care</b>	\$3.2	100%	\$1.6	1.9x
11/10/11	<b>Healthscreen Solutions</b>	<b>Verisk Analytics</b>	\$314.7	100%	\$45.5	7.5x
10/11/11	<b>iSOFT Group</b>	<b>Nightingale Informatix</b>	\$5.8	100%	\$2.3	0.8x
7/19/11	<b>HealthPort</b>	<b>Vista Equity Partners</b>	\$433.6	100%	\$241.0	1.3x
1/3/11	<b>PHNS</b>	<b>Optimed Software</b>	\$18.0	100%	\$8.9	0.7x
8/31/10	<b>American Healthcare</b>	<b>CSC Computer Sciences</b>	\$250.0	100%	\$386.3	1.0x
8/24/10	<b>Eclipsys</b>	<b>CompuGROUP Holding</b>	\$65.0	100%	\$28.0	0.6x
<b>Median of the 22 Targets</b>			<b>\$88.7</b>	<b>100%</b>	<b>\$28.0</b>	<b>2.3x</b>

USA
  International
  Highest
  Lowest
  Median

## Recent Merger and Acquisition Transactions for a Majority Stake (dollars in millions) as of March 31, 2018





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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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