

Q1: Quarterly Industry Update

AS OF March 31, 2018

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, 2017, the median 52-week share price return of the Social Media industry was 28.4%. Between March 31, 2016 and March 31, 2018, the median EV/EBITDA multiple decreased from 21.5 to 16.7. Furthermore, the median price-to-earnings multiple decreased from 30.7 to 22.6 over the same period. The median revenue growth and EBITDA margins for the industry for the quarter were 6.0% and 18.1%, respectively.

Public Company Key Statistics

Median 52-Week
Return

28.4%

Median 3-Year CAGR
Return

10.4%

Median EV/Revenue
Multiple

6.4x

Median EV/EBITDA
Multiple

16.7x

Median Price/Earnings
Multiple

22.6x

Median EV/Gross CF
Multiple

19.5x

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

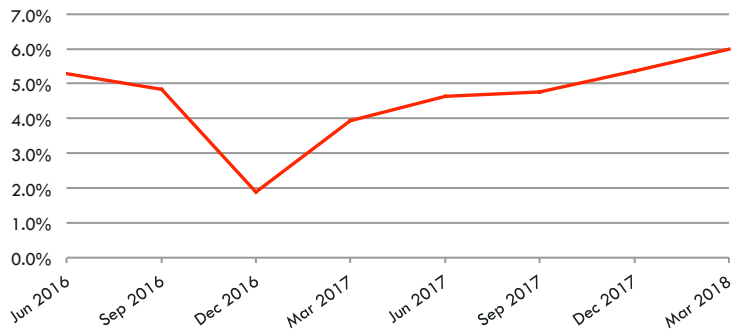
	YTD	3 Month	1 Year	2 Year	3 Year	2016	2015	2014
Alphabet Inc.	-1.5%	-1.5%	22.3%	16.6%	16.7%	1.9%	46.6%	-5.3%
Altaba Inc.	6.0%	6.0%	59.5%	41.8%	15.7%	16.3%	-34.2%	24.9%
Baidu, Inc.	-4.7%	-4.7%	29.4%	8.1%	-1.4%	-13.0%	-17.1%	28.2%
Facebook, Inc.	-9.4%	-9.4%	12.5%	18.3%	30.9%	9.9%	34.1%	42.8%
Twitter, Inc.	22.2%	22.2%	N/A	N/A	-24.2%	-29.6%	-35.5%	-43.6%
Yelp Inc.	20.8%	20.8%	94.0%	32.4%	-26.8%	32.4%	-47.4%	-20.6%
Median of Industry Public Companies	-0.5%	-0.5%	27.5%	44.9%	7.2%	5.9%	-25.6%	9.8%

Multiple year periods are calculated as the average annual return.

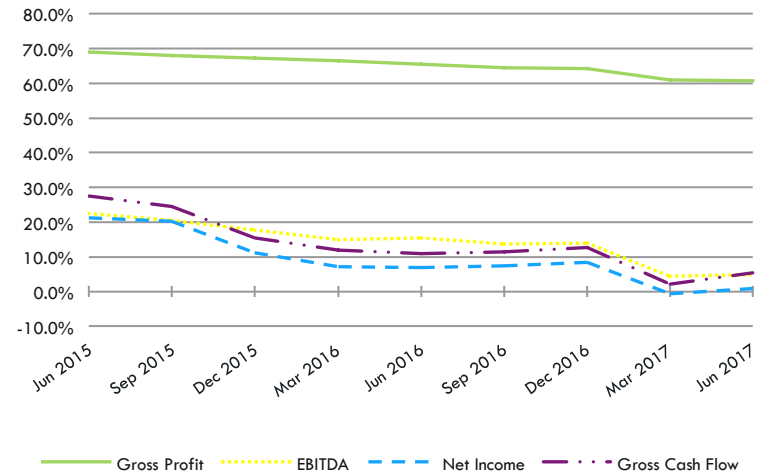
■ Highest Return
 ■ Lowest Return
 ■ Median Return

Industry Revenue Growth and Profit Margins for the Past Two Years

Median Quarterly Revenue Growth of All Social Media 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	3/31/17	9/30/16	3/31/16	12/31/15	9/30/15
EV/Revenues Multiple	6.4x	6.0x	5.5x	5.2x	4.8x	6.0x	6.2x	4.6x
EV/EBITDA Multiple	16.7x	19.0x	22.1x	19.6x	18.7x	25.4x	23.9x	37.3x
Price/Earnings Multiple	22.6x	29.0x	31.8x	35.6x	28.4x	32.1x	34.1x	28.8x
EV/Gross Cash Flows Multiple	19.5x	20.6x	26.4x	26.7x	19.5x	22.5x	46.2x	19.9x

■ Highest Multiple
 ■ Lowest Multiple
 ■ Median Multiple

Industry Initial Public Offerings—Industry: Social Media (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
4/20/17	Tinybeans Group Limited	\$0.75	6.5	\$4.9	\$0.7	\$2.3	\$0.6	(\$0.6)	(\$0.6)	(\$0.6)
4/18/16	Globalway, Inc.	\$27.20	0.1	\$3.5	\$653.0	\$0.0	\$1,188.0	\$217.0	\$146.0	N/A
4/17/14	Weibo Corporation	\$17.00	16.8	\$285.6	\$592.8	\$263.3	\$229.9	(\$26.7)	(\$66.3)	(\$5.2)
3/27/14	Everyday Health, Inc.	\$14.00	7.2	\$100.1	\$192.3	\$71.3	\$155.9	\$10.6	(\$18.2)	\$17.2
11/6/13	Twitter, Inc.	\$26.00	70.0	\$1,820.0	\$992.8	\$185.0	\$534.5	(\$41.4)	(\$142.6)	\$36.7
5/17/12	Facebook, Inc.	\$38.00	421.2	\$16,006.9	\$7,184.0	\$706.0	\$4,038.0	\$2,131.0	\$974.0	\$2,493.0
3/1/12	Yelp Inc.	\$15.00	7.2	\$107.3	\$43.8	\$0.0	\$83.3	(\$7.1)	(\$16.7)	(\$4.0)
4/20/17	Median	nm	nm	\$107.3	\$592.8	\$71.3	\$229.9	(\$0.6)	(\$16.7)	\$8.3


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
2/1/17	Sonr News Ltd	Audioboom Group plc	\$2.4	100%	0.0	\$0.00
1/16/17	Review Rank S.A.	Shiji (Hong Kong) Limited	\$21.5	63%	0.0	\$0.00
12/8/16	LinkedIn Corporation	Microsoft Corporation	\$29,039.8	100%	467.0	\$62.18
3/31/16	TigerLogic Corporation	Sprinklr Inc.	\$2.4	100%	N/A	N/A
3/9/16	Yodle, Inc.	Web.com Group, Inc.	\$428.2	100%	N/A	N/A
11/3/15	Socialware, Inc.	Proofpoint, Inc.	\$9.0	100%	N/A	N/A
9/30/15	IMS Internet Media	Sony Pictures Television	\$100.0	51%	N/A	N/A
6/8/15	Fast Web Media Ltd.	Select-TV USA Holdings	\$2.8	100%	N/A	N/A
3/5/15	FitStar Labs, Inc.	LivePerson, Inc.	\$76.5	100%	N/A	N/A
3/1/15	MyStay, Inc.	Facebook, Inc.	\$20,117.0	100%	600.0	\$33.53
11/7/14	Contact At Once!, LLC	EFactor Group Corp.	\$28.7	100%	0.2	\$191
2/1/17	Twitth Interactive	Amazon.com, Inc.	\$842.0	100%	45.0	\$18.71
1/16/17	Review Rank S.A.	Scribble Technologies Inc.	\$10.1	100%	N/A	N/A
3/26/14	Klout, Inc.	Lithium Technologies Inc.	\$200.0	100%	620.0	\$0.32
2/1/17	Sonr News Ltd	Audioboom Group plc	\$25.1	100%	45.0	\$18.71
Median of the 14 M&A Transaction Targets			\$2.4	100%	45.0	\$1900

 USA

 International

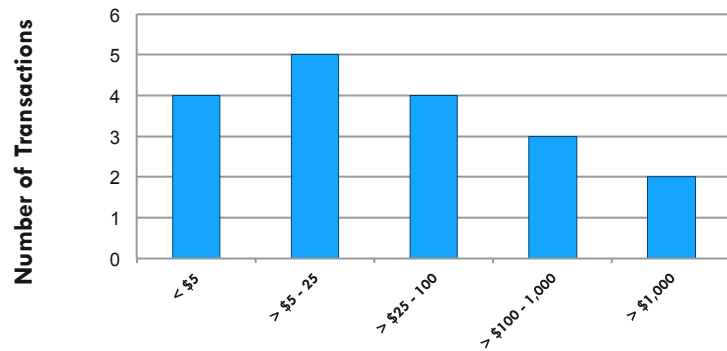
 Highest

 Lowest

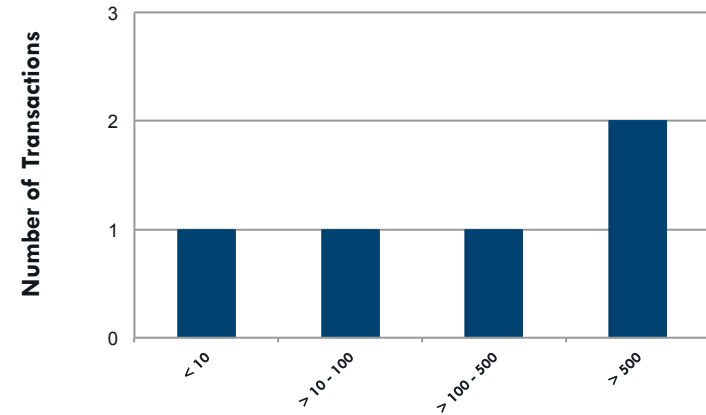
 Median

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

Size of M&A Transactions



Reported Active Users
(millions)



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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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