

# Q3: Quarterly Industry Update

AS OF September 30, 2018



## Data Analytics

### INDUSTRY SUMMARY

COGENT VALUATION identified **Data Analytics** publicly traded companies, IPOs, and recent M&A transactions within the Data 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, 2017, the median 52-week share price return of the Data Analytics industry was 27.0%. Between September 30, 2016 and September 30, 2018, the median EV/EBITDA multiple increased from 11.1 to 11.8. Furthermore, the median price-to-earnings multiple increased from 20.7 to 30.5 over the same period. The median revenue growth and EBITDA margins for the industry for the quarter were 2.5% and 13.9%, respectively.

### Public Company Key Statistics

Median 52-Week  
Return

27%

Median 3-Year CAGR  
Return

8.4%

Median EV/Revenue  
Multiple

1.7x

Median EV/EBITDA  
Multiple

11.8x

Median Price/Earnings  
Multiple

30.5x

Median EV/Gross CF  
Multiple

26.7x

## Comparable Public Company Market Price Returns as of September 30, 2018

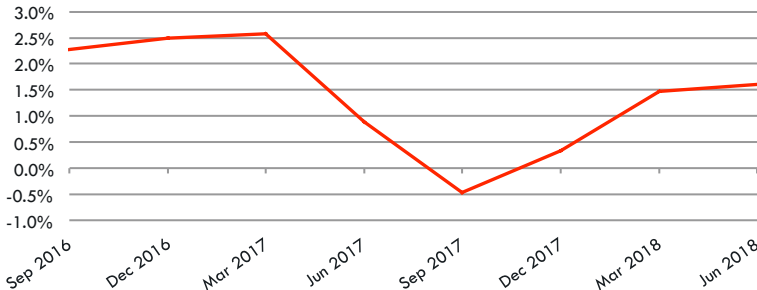
	YTD	3 Month	1 Year	2 Year	3 Year	2016	2015	2014
<b>FTI Consulting, Inc.</b>	70.4%	21.0%	-20.4%	-7.5%	0.5%	30.1%	-10.3%	-6.1%
<b>Huron Consulting Group Inc.</b>	22.1%	20.8%	-42.6%	-25.9%	-17.4%	-14.7%	-13.1%	9.1%
<b>Innodata Inc.</b>	8.1%	47.0%	-39.5%	-19.8%	-21.1%	-14.0%	-2.4%	19.2%
<b>Iron Mountain Incorporated</b>	-8.5%	-1.4%	3.7%	12.0%	6.0%	20.3%	-30.1%	27.4%
<b>MAXIMUS, Inc.</b>	-9.1%	4.7%	14.0%	4.1%	17.1%	-0.8%	2.6%	24.7%
<b>Navigant Consulting, Inc.</b>	18.8%	4.2%	-16.3%	3.1%	6.7%	63.0%	4.5%	-19.9%
<b>Open Text Corporation</b>	6.6%	8.1%	-0.4%	20.1%	5.2%	29.0%	-17.7%	26.7%
<b>Tyler Technologies, Inc.</b>	38.4%	10.3%	1.8%	8.1%	25.4%	-18.1%	59.3%	7.2%
<b>Median of Industry Public Companies</b>	13.4%	5.9%	-8.4%	3.6%	5.6%	9.7%	-6.3%	14.2%

Multiple year periods are calculated as the average annual return.

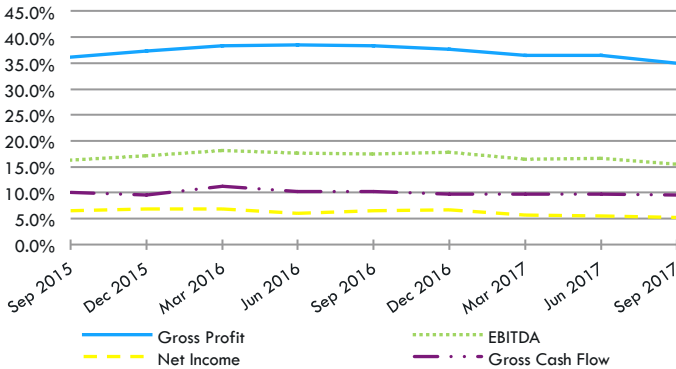
■ Highest Return
 ■ Lowest Return
 ■ Median Return

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

**Median Quarterly Revenue Growth of All Data Analytics Companies**



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



## Public Company Median Multiples by Quarter

	9/30/18	6/30/18	12/31/17	6/30/17	9/30/16	6/30/16	3/31/16	12/31/15
<b>EV/Revenues Multiple</b>	1.7x	1.6x	1.7x	1.7x	1.9x	1.9x	1.9x	2.0x
<b>EV/EBITDA Multiple</b>	11.8x	11.6x	11.9x	11.7x	13.7x	13.2x	12.4x	11.3x
<b>Price/Earnings Multiple</b>	30.5x	28.2x	31.0x	28.2x	23.0x	23.6x	24.0x	25.2x
<b>EV/Gross Cash Flows Multiple</b>	26.7x	21.5x	22.6x	20.5x	20.7x	22.6x	19.9x	23.6x

■ Highest Multiple    
 ■ Lowest Multiple    
 ■ Median Multiple

## Industry Initial Public Offerings—Data 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
5/30/18	<b>Maestrano Group Plc</b>	\$0.20	40.0	\$33.6	\$22.6	\$0.9	\$1.5	\$1.4	\$0.5	\$2.0
12/18/17	<b>Ayo Technology Solutions Limited</b>	\$3.40	99.8	\$70.4	\$64.2	\$0.0	\$39.3	(\$55.5)	(\$58.9)	(\$53.7)
12/13/17	<b>Pelatro Plc</b>	\$0.84	7.4	\$74.4	\$36.0	\$9.6	<b>\$1.2</b>	(\$8.2)	(\$11.0)	(\$7.2)
9/27/17	<b>Infront ASA</b>	\$2.89	11.6	\$161.3	\$143.9	\$32.9	\$26.9	(\$34.0)	(\$44.9)	(\$31.0)
11/12/15	<b>Instructure, Inc.</b>	\$16.00	4.4	\$90.0	\$42.5	\$3.0	\$65.1	(\$10.1)	(\$11.8)	(\$8.6)
6/25/15	<b>AppFolio, Inc.</b>	\$12.00	6.2	\$195.1	\$211.1	\$233.3	<b>\$53.7</b>	\$31.5	(\$47.0)	\$34.3
6/29/17	<b>Median of all IPOs</b>	<b>nm</b>	<b>nm</b>	<b>\$52</b>	<b>\$26.6</b>	<b>\$2.0</b>	<b>\$33.1</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</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
9/14/18	Veritas Farm Management Inc.	Deveron UAS Corp.	\$0.7	100%	N/A	N/A
9/7/18	FinTalk	Seven Stars Cloud Group, Inc. (nka:Ideanomics, Inc.)	\$7.0	100%	\$20.0	N/A
8/20/18	Datorama Inc.	salesforce.com, inc.	\$757.9	100%	\$10.2	N/A
6/29/18	Evolve Analytics Limited	Gentrack Group Limited	\$29.7	100%	\$1.4	0.5x
4/8/18	Kensho Technologies, Inc.	S&P Global Inc.	\$550.0	100%	N/A	N/A
1/30/18	Angoss Software Corp.	Datawatch Corporation	\$32.7	100%	\$30.0	1.9x
12/22/17	RecoBell Co., Ltd.	Futurestream Networks	\$12.8	100%	\$200.3	N/A
8/28/17	RedOwl Analytics, Inc.	Forcepoint LLC	\$1.8	100%	N/A	N/A
7/15/16	NCI, Inc.	H.I.G. Capital, LLC	\$72.5	100%	\$300.0	6.0x

■ USA
 ■ International
 ■ Highest
 ■ Lowest
 ■ Median

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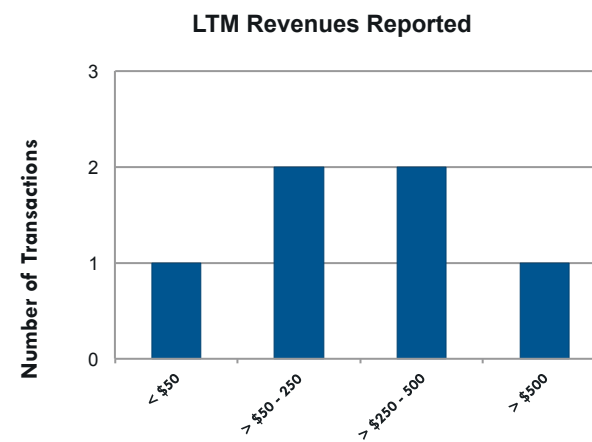
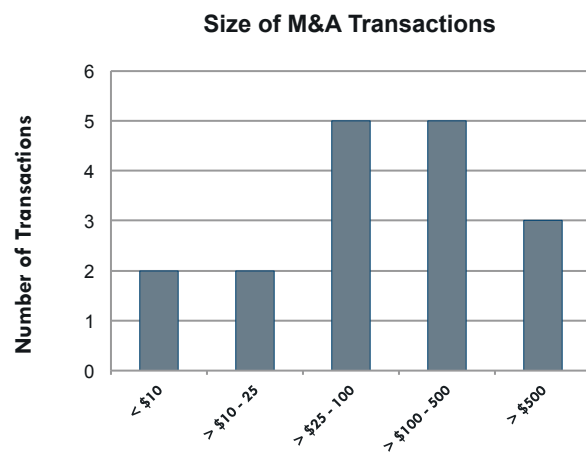
## Recent Merger and Acquisition Transactions for a Majority Stake (dollars in millions)

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Transaction Date	Target	Acquirer	Transaction Size	% Bought	LTM Revenues	EV/ Revenues
8/28/17	<b>NCI, Inc.</b>	Thales S.A.	\$215.0	100%	\$30.0	7.2x
8/15/17	<b>Lattice Data, Inc.</b>	Pharmaceutical Research Association	\$530.0	100%	N/A	N/A
5/13/17	<b>Turn Inc.</b>	Forcepoint LLC	\$289.2	70%	N/A	N/A
4/10/17	<b>MKS Data Analytics</b>	H.I.G. Capital, LLC	\$200.0	100%	\$325.4	0.9x
4/3/17	<b>Dun &amp; Bradstreet, Benelux</b>	Apple Inc.	\$310.0	100%	N/A	N/A
8/28/17	<b>NCI, Inc.</b>	Amobee, Inc.	\$72.5	100%	N/A	N/A
4/3/17	<b>L-3 National Security</b>	Sartorius Stedim Biotech	\$28.0	100%	N/A	N/A
12/19/16	<b>Global Data</b>	Altares - D&B SAS	\$28.0	100%	\$59.0	0.5x
Median of the 17 M&A Transaction Targets			<b>\$18.8</b>	<b>100%</b>	N/A	N/A

USA
  International
  Highest
  Lowest
  Median

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