

# Q2: Quarterly Industry Update

AS OF June 30, 2019



## Online Review Sites

### INDUSTRY SUMMARY

COGENT VALUATION identified **Online Review Sites** publicly traded companies, IPOs, and recent M&A transactions within the Online Review Sites 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 June 30, 2018, the median 52-week share price return of the Online Review Sites industry was 42.3%. Between June 30, 2017 and June 30, 2019, the median EV/EBITDA multiple increased from 21.4 to 28.5. However, the median price-to-earnings multiple decreased from 34.2 to 28.5 over the same period. The median revenue growth and EBITDA margins for the industry for the quarter were 1.7% and 12.5%, respectively.

### Public Company Key Statistics

Median 52-Week  
Return

42.3%

Median 3-Year CAGR  
Return

-4.5%

Median EV/Revenue  
Multiple

4.1x

Median EV/EBITDA  
Multiple

28.5x

Median Price/Earnings  
Multiple

28.5x

Median EV/Gross CF  
Multiple

30.4x

## Comparable Public Company Market Price Returns as of June 30, 2019

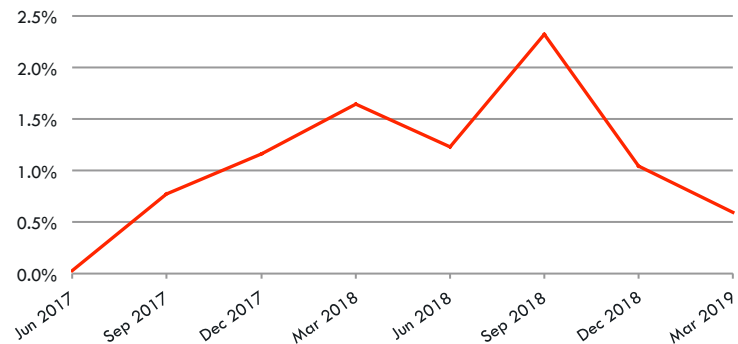
	2019	3 Month	1 Year	2 Year	2018	2017	2016	2015
Allscripts Healthcare Solutions, Inc.	-15.1%	-15.1%	1.1%	-3.4%	42.5%	-33.6%	20.4%	-17.4%
Autohome Inc.	32.9%	32.9%	25.0%	-5.3%	155.8%	-27.6%	-4.0%	-0.6%
Cerner Corporation	-13.9%	-13.9%	-7.5%	-1.9%	42.3%	-21.3%	-6.9%	16.0%
Liberty TripAdvisor Holdings, Inc.	14.1%	14.1%	-30.3%	-40.0%	-37.4%	-50.4%	12.8%	N/A
LivePerson, Inc.	42.2%	42.2%	16.9%	5.9%	52.3%	11.9%	-52.1%	-4.9%
TripAdvisor, Inc.	18.7%	18.7%	-21.1%	-33.8%	-25.7%	-45.6%	14.2%	-9.9%
<b>Median of Industry Public Companies</b>	<b>16.4%</b>	<b>16.4%</b>	<b>-3.2%</b>	<b>-5.3%</b>	<b>42.4%</b>	<b>-30.6%</b>	<b>4.4%</b>	<b>-4.9%</b>

Multiple year periods are calculated as the average annual return.

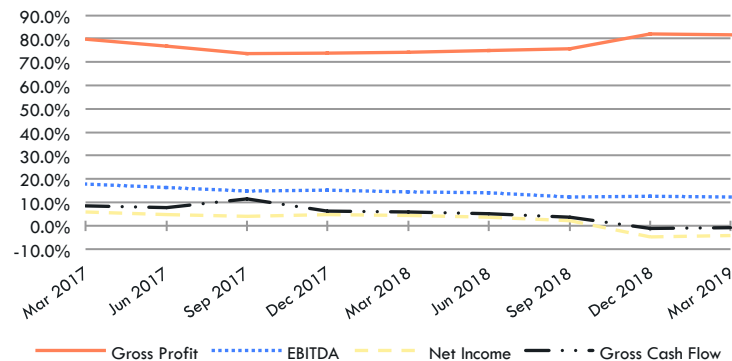
■ Highest Return
 ■ Lowest Return
 ■ Median Return

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

Median Quarterly Revenue Growth of All Online Review Sites Companies



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



## Public Company Median Multiples by Quarter

	6/30/19	3/31/19	12/31/18	9/30/18	6/30/18	3/31/18	12/31/17	9/30/17
<b>EV/Revenues Multiple</b>	4.1x	3.5x	2.9x	3.4x	2.9x	2.6x	2.2x	2.6x
<b>EV/EBITDA Multiple</b>	28.5x	25.1x	19.3x	22.3x	20.6x	18.9x	16.1x	22.2x
<b>Price/Earnings Multiple</b>	28.5x	25.9x	25.2x	34.9x	39.6x	32.9x	39.1x	33.1x
<b>EV/Gross Cash Flows Multiple</b>	30.4x	21.0x	19.4x	30.8x	22.0x	19.8x	22.0x	24.0x

■ Highest Multiple   
 ■ Lowest Multiple   
 ■ Median Multiple

## Industry Initial Public Offerings—Online Review Sites (dollars in millions, except share prices)

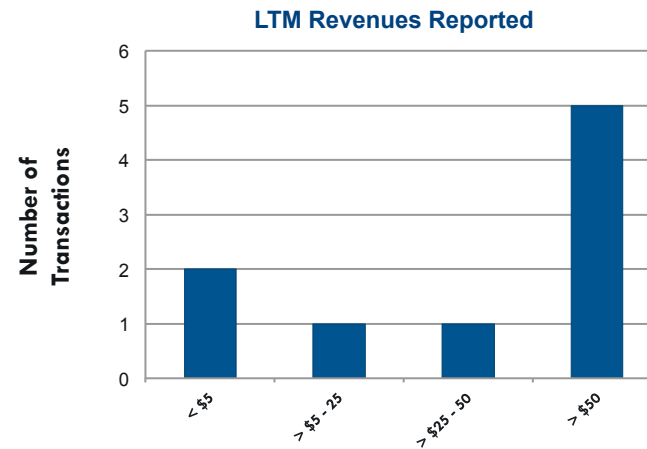
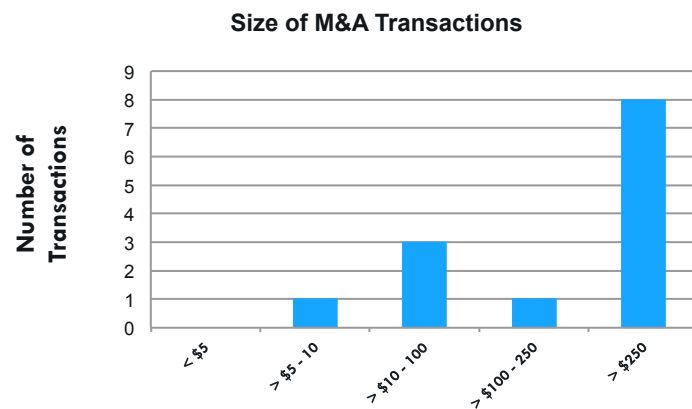
Offer Date	Company Name	Offer Price	Shares Offered	Amount Raised	Total Assets	Debt	LTM Revenues	LTM EBITDA	LTM Net Income	LTM Cash Flows
6/29/17	<b>GameWith Inc.</b>	\$17.08	0.7	\$12.5	\$10.9	\$0.0	\$9.0	\$0.0	\$2.0	\$0.0
6/9/16	<b>Time Out Group plc</b>	\$2.17	60.0	\$130.3	\$83.3	\$33.1	\$33.4	(\$7.4)	(\$15.6)	(\$7.1)
4/18/16	<b>Globalway, Inc.</b>	\$27.20	0.1	\$3.5	\$3.6	\$0.0	\$7.9	\$0.0	\$0.4	\$0.0
5/20/15	<b>Shopify Inc.</b>	\$17.00	7.7	\$130.9	\$97.3	\$0.0	\$123.6	(\$14.6)	(\$20.5)	(\$10.2)
4/15/15	<b>Etsy, Inc.</b>	\$16.00	16.7	\$266.7	\$331.4	\$5.7	\$213.6	\$3.3	(\$51.4)	\$10.9
9/26/13	<b>Covisint Corporation</b>	\$10.00	6.4	\$64.0	\$96.2	\$0.0	\$94.2	(\$7.0)	(\$10.4)	(\$5.7)
11/20/12	<b>YY Inc.</b>	\$10.50	7.8	\$81.9	\$1,028.7	\$0.0	\$666.1	\$88.3	\$60.0	\$92.1
9/19/12	<b>Trulia, Inc.</b>	\$17.00	6.0	\$102.0	\$27.6	\$10.1	N/A	N/A	N/A	N/A
5/17/12	<b>Facebook, Inc.</b>	\$38.00	421.2	\$16,006.9	\$7,184.0	\$706.0	\$4,038.0	\$2,131.0	\$974.0	\$2,493.0
3/14/12	<b>Demandware, Inc.</b>	\$16.00	5.5	\$88.0	\$42.9	\$4.0	\$56.5	\$2.1	(\$1.4)	\$5.0
3/1/12	<b>Yelp Inc.</b>	\$15.00	7.2	\$107.3	\$43.8	\$0.0	\$83.3	(\$7.1)	(\$16.7)	(\$4.0)
2/23/12	<b>Bazaarvoice, Inc.</b>	\$12.00	9.5	\$113.8	\$46.8	\$0.0	\$94.0	(\$19.5)	(\$22.6)	(\$17.5)
4/20/17	Median IPO	nm	nm	\$104.6	\$65.1	\$0.0	\$94.0	\$0.0	(\$10.4)	\$0.0

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

Transaction Date	Target	Acquirer	Transaction Size	% Bought	LTM Revenues	EV/ Revenues
1/22/19	BestReviews LLC	Tribune Publishing Company	\$64.6	100%	N/A	N/A
12/21/18	Bazaarvoice, Inc.	Marlin Equity Partners	\$521.2	100%	N/A	N/A
10/16/17	Shanghai AutoKol Network	Lecron Internet Media Industry	\$97.4	100%	N/A	5.9x
10/12/17	hungryhouse.com Ltd.	Just Eat plc	\$297.9	100%	\$312.6	2.0x
9/29/17	Angie's List, Inc.	HomeAdvisor, Inc.	\$628.9	100%	N/A	N/A
12/31/16	LinkedIn Corporation	Just Eat plc	\$82.1	73%	\$3,213	N/A
8/18/15	Diligent Corporation	Microsoft Corporation	\$652.1	100%	\$198.3	12.6x
10/1/14	Yodle, Inc.	Baton Holding, LLC	\$428.2	100%	\$0.6	168.8x
7/24/14	BestReviews LLC	Insight Venture Partners LLC	\$2,621.0	100%	\$0.1	47.9x
Median of the M&A Transaction Targets			\$177	100%	N/A	N/A

■ USA
 ■ International

## Recent Merger and Acquisition Transactions for a Majority Stake (dollars in millions) as of June 30, 2019



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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):** 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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