

Q3: Quarterly Industry Update

AS OF September 30, 2019



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, 2018, the median 52-week share price return of the Data Analytics industry was 27.0%. Between September 30, 2017 and September 30, 2019, 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, 2019

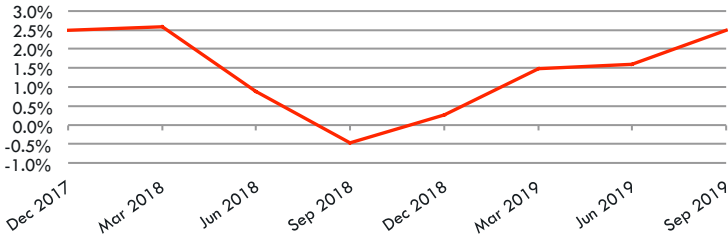
	2019	3 Month	1 Year	2 Year	3 Year	2018	2017	2016
FTI Consulting, Inc.	12.7%	12.7%	17.6%	-7.5%	0.5%	-4.7%	30.1%	-10.3%
Huron Consulting Group Inc.	-5.8%	-5.8%	-9.5%	-25.9%	-17.4%	-20.1%	-14.7%	-13.1%
Innodata Inc.	-15.4%	-15.4%	-47.7%	-19.8%	-21.1%	-44.5%	-14.0%	-2.4%
Iron Mountain Incorporated	-12.9%	-12.9%	-7.9%	12.0%	6.0%	16.2%	20.3%	-30.1%
MAXIMUS, Inc.	-6.8%	-6.8%	7.3%	4.1%	17.1%	28.3%	-0.8%	2.6%
Navigant Consulting, Inc.	-0.9%	-0.9%	-15.8%	3.1%	6.7%	-25.9%	63.0%	4.5%
Open Text Corporation	-2.4%	-2.4%	2.3%	20.1%	5.2%	15.4%	29.0%	-17.7%
Tyler Technologies, Inc.	19.2%	19.2%	36.5%	8.1%	25.4%	24.0%	-18.1%	59.3%
Median of Industry Public Companies	-4.1%	-4.1%	-2.8%	3.6%	5.6%	5.4%	9.7%	-6.3%

Multiple year periods are calculated as the average annual return.

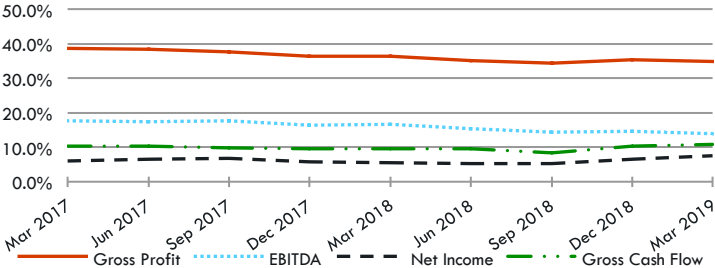
■ Highest Return
 ■ Lowest Return
 ■ Median Return

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

	9/30/19	6/30/19	3/31/19	12/31/18	9/30/18	6/30/18	3/31/18	12/31/17
EV/Revenues Multiple	1.7x	1.6x	1.6x	1.7x	1.6x	1.7x	1.7x	1.7x
EV/EBITDA Multiple	11.8x	11.6x	13.1x	11.9x	11.4x	11.7x	11.8x	10.4x
Price/Earnings Multiple	30.5x	28.2x	30.1x	31.0x	38.1x	28.2x	24.1x	21.7x
EV/Gross Cash Flows Multiple	26.7x	21.5x	22.2x	22.6x	25.0x	20.5x	20.2x	17.8x

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
8/30/19	Maestrano Group Plc	\$0.20	40.0	\$33.6	\$22.6	\$0.9	\$1.4	\$3.2	\$1.3	\$3.4
7/18/19	AYO Technology Solutions Limited	\$3.40	99.8	\$70.4	\$64.2	\$0.0	\$39.3	\$0.4	\$0.3	\$0.4
2/13/19	Pelatro Plc	\$0.84	7.4	\$74.4	\$36.0	\$9.6	\$2.8	\$1.4	\$0.5	\$2.0
9/27/18	Infront ASA	\$2.89	11.6	\$161.3	\$143.9	\$32.9	\$26.9	(\$55.5)	(\$58.9)	(\$53.7)
11/12/17	Instructure, Inc.	\$16.00	4.4	\$90.0	\$42.5	\$3.0	\$69.4	(\$8.8)	(\$11.0)	(\$7.8)
6/25/17	AppFolio, Inc.	\$12.00	6.2	\$195.1	\$211.1	\$233.3	\$53.7	(\$31.9)	(\$44.9)	(\$28.9)
6/29/17	Median of all IPOs	nm	nm	\$52	\$26.6	\$2.0	\$69.4	(\$10.1)	(\$11.8)	(\$8.6)

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

Transaction Date	Target	Acquirer	Transaction Size	% Bought	LTM Revenues	EV/ Revenues
6/22/19	RecoBell Co., Ltd.	Futurestream Networks	\$12.8	100%	\$1.4	8.9x
12/30/18	Angoss Software Corp.	Datawatch Corporation	\$32.7	100%	\$10.2	2.8x
11/23/18	Beijing Anytrust	Sheng Ying Xin	\$1.8	100%	N/A	N/A
12/12/18	Guavus, Inc.	Thales S.A.	\$215.0	100%	\$30.0	7.2x
11/3/18	Symphony Health Solutions	Pharmaceutical Research Association	\$530.0	100%	\$200.3	2.6x
8/28/17	RedOwl Analytics, Inc.	Forcepoint LLC	\$54.0	100%	N/A	N/A
8/15/17	NCI, Inc.	H.I.G. Capital, LLC	\$289.2	100%	\$325.4	0.9x
5/13/17	Lattice Data, Inc.	Apple Inc.	\$200.0	100%	N/A	N/A
3/15/17	NCI, Inc.	H.I.G. Capital, LLC	\$72.5	100%	\$300.0	6.0x

■ USA
 ■ International

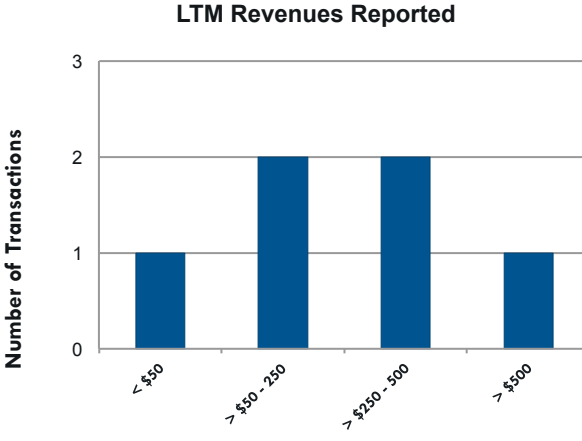
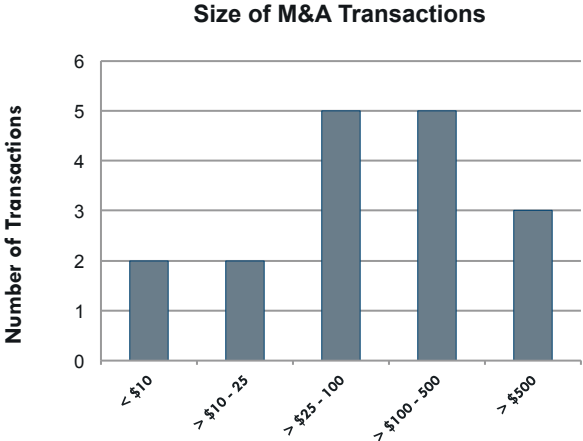
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Size of Recent Merger and Acquisition Transactions for a Majority Stake (dollars in millions)

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Transaction Date	Target	Acquirer	Transaction Size	% Bought	LTM Revenues	EV/ Revenues
2/28/17	NCI, Inc.	Thales S.A.	\$215.0	100%	\$30.0	7.2x
2/15/17	Lattice Data, Inc.	Pharmaceutical Research Association	\$530.0	100%	N/A	N/A
2/13/17	Turn Inc.	Forcepoint LLC	\$289.2	70%	N/A	N/A
1/10/17	MKS Data Analytics	H.I.G. Capital, LLC	\$200.0	100%	\$325.4	0.9x
1/3/17	Dun & Bradstreet, Benelux	Apple Inc.	\$310.0	100%	N/A	N/A
12/28/16	NCI, Inc.	Amobee, Inc.	\$72.5	100%	N/A	N/A
12/3/16	L-3 National Security	Sartorius Stedim Biotech	\$28.0	100%	N/A	N/A
12/19/16	Global Data	Altares - D&B SAS	\$28.0	100%	\$59.0	0.5x
	Median of the 17 M&A Transaction Targets		\$18.8	100%	N/A	N/A

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



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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