

# Q1: Quarterly Industry Update

AS OF March 31, 2020



## 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 March 31, 2019, the median 52-week share price return of the Online Review Sites industry was 23.1%. Between March 31, 2019 and March 31, 2020, the median EV/EBITDA multiple decreased from 22.2 to 20.3. Furthermore, the median price-to-earnings multiple decreased from 33.1 to 24.8 over the same period. The median revenue growth and EBITDA margins for the industry for the quarter were 1.0% and 15.4%, respectively.

### Public Company Key Statistics

Median 52-Week  
Return

23.1%

Median 3-Year CAGR  
Return

3.6%

Median EV/Revenue  
Multiple

4.0x

Median EV/EBITDA  
Multiple

20.3x

Median Price/Earnings  
Multiple

24.8x

Median EV/Gross CF  
Multiple

21x

## Comparable Public Company Market Price Returns as of March 31, 2020

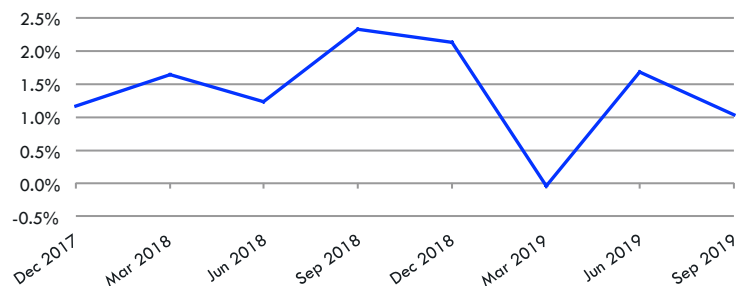
	2020	3 Month	1 Year	2 Year	3 Year	2019	2018	2017
Allscripts Healthcare Solutions, Inc.	-15.1%	-15.1%	1.1%	-3.4%	42.5%	-33.6%	20.4%	-17.4%
Autohome Inc.	32.9%	32.9%	25.0%	-5.3%	155.8%	-27.6%	-4.0%	-0.6%
Cerner Corporation	-13.9%	-13.9%	-7.5%	-1.9%	42.3%	-21.3%	-6.9%	16.0%
Liberty TripAdvisor Holdings, 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.

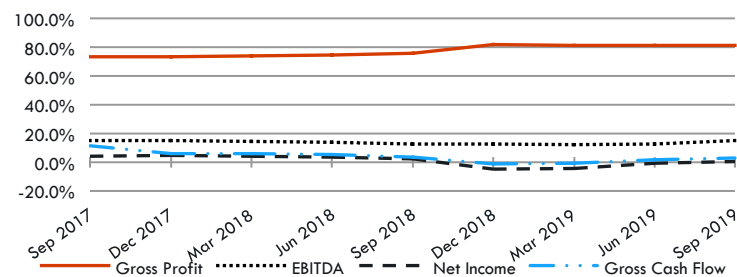
■ Highest Return
 ■ Lowest Return
 ■ Median Return

## 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

	3/31/20	12/31/19	9/30/19	6/30/19	3/31/19	12/31/18	9/30/18	6/30/18
<b>EV/Revenues Multiple</b>	4.0x	4.1x	3.5x	2.9x	3.4x	2.9x	2.6x	2.2x
<b>EV/EBITDA Multiple</b>	20.3x	28.5x	25.1x	19.3x	22.3x	20.6x	18.9x	16.1x
<b>Price/Earnings Multiple</b>	24.8x	28.5x	25.9x	25.2x	34.9x	39.6x	32.9x	39.1x
<b>EV/Gross Cash Flows Multiple</b>	21.0x	30.4x	21.0x	19.4x	29.2x	22.0x	19.8x	22.0x

■ Highest Multiple   
 ■ Lowest Multiple   
 ■ Median Multiple

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

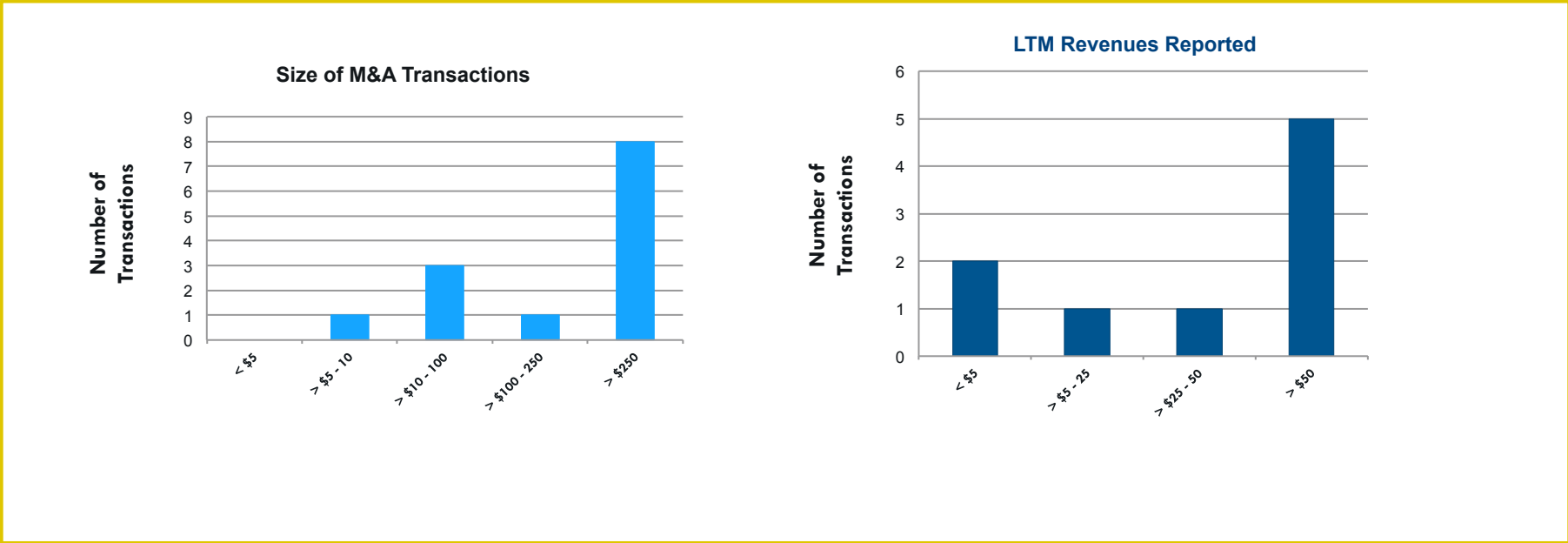
Offer Date	Company Name	Offer Price	Shares Offered	Amount Raised	Total Assets	Debt	LTM Revenues	LTM EBITDA	LTM Net Income	LTM Cash Flows
2/24/20	<b>GameWith Inc.</b>	\$17.08	0.7	\$12.5	\$10.9	\$0.0	\$9.0	\$0.0	\$2.0	\$0.0
1/9/20	<b>Time Out Group plc</b>	\$2.17	60.0	\$130.3	\$83.3	\$33.1	\$33.4	(\$7.4)	(\$15.6)	(\$7.1)
12/18/18	<b>Globalway, Inc.</b>	\$27.20	0.1	\$3.5	\$3.6	\$0.0	\$7.9	\$0.0	\$0.4	\$0.0
5/20/18	<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

## 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
2/28/20	Main Street Hub, Inc.	GoDaddy Inc.	\$177.0	100%	N/A	N/A
1/6/20	BestReviews LLC	Tribune Publishing Company	\$64.6	100%	N/A	N/A
12/1/19	Bazaarvoice, Inc.	Marlin Equity Partners	\$521.2	100%	N/A	5.9x
10/16/18	Shanghai AutoKol Network	Lecron Internet Media Industry	\$97.4	100%	\$312.6	2.0x
10/12/18	hungryhouse.com Ltd.	Just Eat plc	\$297.9	100%	N/A	N/A
9/23/17	LinkedIn Corporation	HomeAdvisor, Inc.	\$628.9	73%	\$3,213	N/A
8/18/15	Diligent Corporation	Just Eat plc	\$82.1	100%	\$198.3	12.6x
10/1/14	Yodle, Inc.	Baton Holding, LLC	\$29,039.8	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 13 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 March 31, 2020



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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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