

Q4: Quarterly Industry Update

AS OF December 31, 2023



Artificial Intelligence Industry Summary

COGENT VALUATION identified publicly traded companies, IPOs, and recent M&A transactions within the Artificial Intelligence industry¹, 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 December 31, 2022, the median 52-week share price return of the Artificial Intelligence industry increased from 10.3% to 28.4%, and the median YTD return was 28.4%. Between December 31, 2022 and December 31, 2023, the median EV/Revenue multiple increased from 5.32 to 7.2 and the median EV/EBITDA multiple increased from 8.24 to 14.32. The median Price/Earnings multiple increased from 5.31 to 8.52 and the median EV/Gross Profit multiple increased from 8.31 to 12.12 over the same period. The median MVIC/Earnings increased from 12.4 to 13.27. The median Price/Revenue multiple increased from 7.28 to 11.9 over the same period. ¹[Click here for a discussion and primer on AI.](#)

Public Company Key Statistics

Median 52-Week Return	Median YTD Return	Median EV/Revenue Multiple	Median EV/EBITDA Multiple
28.4%	28.4%	7.2x	14.32x
Median Price/Earnings Multiple	Median EV/Gross Profit Multiple	Median MVIC/Earnings Multiple	Median Price/Revenue Multiple
8.52x	12.12x	13.27x	11.9x

Public Company Median Multiples by Quarter

	12/31/23	9/30/23	6/30/23	3/31/23	12/31/22	9/30/22	6/30/22	3/31/22
Median EV/Revenue Multiple	7.2x	3.2x	3.4x	2.7x	5.32x	3.2x	2.9x	3.0x
Median MVIC/Earnings Multiple	13.27x	11.6x	12.7x	13.7x	12.4x	12.5x	12.2x	13.2x
Median Price/ Revenue Multiple	11.9x	11.9x	8.15x	5.10x	7.67x	10.95x	14.23x	11.20x
Median EV/Gross Profit Multiple	12.12x	14.4x	5.81x	5.82x	8.31x	12.25x	12.19x	12.12x
Median Price/Earnings Multiple	8.52x	8.47x	3.76x	-5.55x	5.31	-13.30x	-5.88x	-12.45x
Median EV/EBITDA Multiple	14.32x	12.47x	8.27x	3.84x	7.34x	11.05x	14.30x	11.23x

■ Highest Multiple
 ■ Median Multiple
 ■ Lowest Multiple

Comparable Public Company Market Price Returns as of December 31, 2023

Company Name	Q4 2023	12-months 2023	Two Year ¹	Revenues	Gross Profit	Net Income	GP Margin
Endava Plc	19.2%	-16.3%	-14.2%	\$217.75	\$85.48	\$49.24	39.3%
C3.ai, Inc.	8.5%	224.3%	-23.7%	\$266.80	\$180.46	(\$268.84)	67.6%
Cerence Inc.	4.1%	65.2%	-47.7%	\$299.24	\$199.82	(\$357.64)	66.8%
Darktrace plc	22.9%	23.5%	-21.4%	\$483.87	\$433.04	(\$2.11)	89.5%
Exscientia plc	11.7%	21.0%	12.0%	\$32.18	(\$12.52)	(\$174.29)	-38.9%
Innodata Inc.	32.7%	289.0%	27.2%	\$76.65	\$27.40	(\$11.24)	35.8%
Informatica Inc.	-11.2%	9.6%	N/A	\$1,933	\$953.00	(\$101.00)	49.3%
NVIDIA Corporation	52.3%	175.3%	45.4%	\$25,878	\$14,573.00	\$4,793.00	56.3%
SentinelOne, Inc.	-7.7%	31.2%	-40.4%	\$477.32	\$317.70	(\$395.71)	66.6%
Symbotic Inc.	87.4%	258.5%	107.5%	\$893.13	\$151.55	(\$39.35)	17.0%
Genesys Cloud Services	12.9%	11.4%	-54.1%	\$9.56	(\$9.39)	(\$449.15)	-98.2%
Xiao-I Corporation	-23.1%	25.6%	14.3%	\$48.18	\$30.81	(\$5.90)	63.9%
Median of Industry Public Companies	12.30%	28.4%	-14.2%	\$283.02	\$166.01	(\$70.18)	52.8%

[1] Calculated as the average annual return.

Industry Initial Public Offerings – Artificial Intelligence

(dollars in millions, except share prices)

Effective Date	Company Name	Offer Price	Shares Offered	Amount Raised	Total Assets ¹	Debt ¹	LTM Revenue ¹	LTM EBITDA ¹	LTM Net Income ¹	LTM Cash Flows ¹
12/13/23	nCino, Inc.	\$7.35	63.66	\$67.43	\$8.47	\$33.04	\$93.30	\$31.47	\$32.04	\$75.00
11/9/23	iSoftStone Information Technology Co., Ltd.	\$14.55	49.00	\$644.00	\$66.6	\$588	\$134	\$232.45	\$11.39	\$42.21
9/22/23	Aidemy Inc.	\$9.76	0.45	\$3.31	\$4.25	\$0.7	\$8.99	\$0.0	(\$0.06)	(\$0.06)
8/19/23	OBZEN Inc.	\$0.08	0.23	\$11.29	\$0.01	\$0.0	N/A	\$8.4	N/A	N/A
2/28/23	Kitalive Inc.	\$19.25	0.31	\$3.06	\$7.2	\$0.1	\$5.01	\$2.1	\$0.67	\$0.67
9/2/22	Scope Carbon Corp.	\$16.54	10.50	\$0.80	\$186.8	\$0.01	\$65.4	\$4.5	\$11.8	\$1.1
7/7/22	Konan Technology Inc.	\$19.25	0.30	\$23.10	\$3.91	\$4.8	\$0.0	\$883.0	\$7.5	\$8.7
3/3/22	Moadata Co., Ltd.	\$16.54	0.60	\$13.23	\$10.87	\$350.8	\$24.2	\$15.4	(\$0.2)	\$2.3
2/17/22	EDGE Technology Inc.	\$3.04	2.71	\$8.25	\$4.42	\$0.99	\$13.41	\$45.4	\$7.8	\$0.21
12/9/21	Aiforia Technologies	\$5.65	5.39	\$30.49	N/A	\$1.8	N/A	\$290.7	\$62.1	N/A
12/3/21	Datrix S.p.A.	\$4.63	3.66	\$16.93	\$15.80	\$3.04	\$13.30	(\$1.47)	\$2.4	(\$2.00)

[1] As of the effective date of the IPO

(Continued on next page)

Industry Initial Public Offerings – Artificial Intelligence

(dollars in millions, except share prices)

Effective Date	Company Name	Offer Price	Shares Offered	Amount Raised	Total Assets ¹	Debt ¹	LTM Revenue ¹	LTM EBITDA ¹	LTM Net Income ¹	LTM Cash Flows ¹
10/26/21	Coveo Solutions Inc.	\$11.84	12.72	\$169.80	\$176.49	\$216.50	\$71.93	(\$24.26)	(\$475.24)	(\$471.32)
10/26/21	Informatica Inc.	\$29.00	6.3	\$128.0	\$354.8	\$0.0	\$0.0	(\$42.5)	(\$7.0)	(\$10.2)
10/26/21	Almawave	\$5.05	6.42	\$32.45	\$53.24	\$18.29	\$30.25	\$7.98	\$2.11	\$2.18
10/19/21	CINC Corp.	\$26.96	0.83	\$22.44	\$7.22	\$0.3	\$24.2	\$2.1	(\$0.2)	\$2.3
7/20/21	Cyngn Inc.	\$7.50	3.50	\$26.25	\$4.03	\$1.60	\$0.00	(\$7.50)	(\$7.67)	(\$7.51)
6/10/21	CS Disco, Inc.	\$32.00	7.00	\$224.00	\$76.19	\$1.84	\$73.91	(\$11.99)	(\$14.57)	(\$12.90)
6/8/21	TaskUs, Inc.	\$23.00	13.20	\$303.60	\$731.65	\$243.55	\$528.49	\$129.04	\$49.53	\$71.18
5/3/21	NetraMark Holdings	\$0.74	8.89	\$6.62	\$1.66	\$39.4	N/A	N/A	(\$0.99)	(\$0.99)
4/20/21	Alfi, Inc.	\$4.15	3.73	\$15.49	\$7.45	\$5.56	N/A	(\$3.18)	(\$3.56)	(\$3.54)
3/30/21	UiPath Inc.	\$56.00	23.89	\$1,337.88	\$866.46	\$20.08	\$607.64	(\$99.33)	(\$92.39)	(\$84.01)
3/9/21	Appier Group, Inc.	\$14.51	18.63	\$270.37	\$120.08	\$24.66	\$86.91	N/A	(\$14.08)	(\$14.08)

[1] As of the effective date of the IPO

(Continued on next page)

Industry Initial Public Offerings – Artificial Intelligence (dollars in millions, except share prices)

Effective Date	Company Name	Offer Price	Shares Offered	Amount Raised	Total Assets ¹	Debt ¹	LTM Revenue ¹	LTM EBITDA ¹	LTM Net Income ¹	LTM Cash Flows ¹
3/2/21	Harmonychain	\$0.21	61.00	\$12.91	\$36.0	\$9.6	\$53.7	(\$8.8)	(\$11.0)	(\$7.8)
2/19/21	Wacul.Inc	\$9.95	0.70	\$6.95	\$4.65	\$1.38	\$4.48	N/A	(\$1.31)	(\$1.31)
12/15/20	Alchera Inc.	\$9.15	2.00	\$18.29	\$9.36	\$0.09	\$2.81	(\$3.09)	(\$4.82)	(\$4.47)
12/8/20	C3.ai, Inc.	\$42.00	15.50	\$651.00	\$355.60	\$0.00	\$164.73	(\$55.46)	(\$55.02)	(\$51.99)
10/22/20	VAIV Company Inc.	\$24.66	0.65	\$16.03	\$42.5	\$3.0	\$72.0	(\$10.1)	(\$11.8)	(\$8.6)
10/16/20	Elliptic Laboratories	\$16.03	0.83	\$13.36	\$12.76	\$4.92	\$2.92	(\$2.37)	(\$2.13)	(\$1.93)
9/24/20	Amesite Inc.	\$5.00	3.00	\$15.00	\$5.70	\$2.03	\$0.06	(\$4.04)	(\$4.17)	(\$4.13)
11/20/18	Median of all IPOs	\$8.56	0.53	\$6.81	\$4.25	\$0.09	\$7.00	(\$3.09)	\$0.07	\$0.07

[1] As of the effective date of the IPO

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

Transaction Date	Target	Acquirer	Transaction Size	% Bought	LTM Revenues ¹	EV/ Revenues ¹
12/12/23	Drift.com, Inc.	Salesloft, Inc.	\$198.50	100%	\$167.30	22.3x
11/1/23	Data Society LLC	TDL Group	\$74.77	100%	\$262.00	9.2x
8/30/23	Waymark Tech Ltd	Ascent Technologies	\$316.10	100%	\$1.9	.1x
12/16/22	Aspen Technology	Emerson Electric Co.	\$6,339.12	55.00%	\$730.43	15.08x
5/31/22	Umanis SA	CGI France SAS	\$316.10	70.60%	\$269.27	1.43x
4/13/22	The Data Appeal Company	Almawave	\$16.45	100.00%	\$1.71	9.64x
3/4/22	Nuance Communications	Microsoft Corporation	\$19,796.03	100.00%	\$1,494.20	12.97x
12/16/21	Clairvoyant AI, Inc.	ExlService.com, LLC	\$100.10	100.00%	\$37.90	2.64x
11/15/21	Mirametrix Inc.	Lattice Semiconductor Corporation	\$68.50	100.00%	\$9.00	7.61x
11/12/21	Scryer, Inc.	ARGUS Software, Inc.	\$198.50	100.00%	\$18.30	10.85x
10/1/21	LPA Software Solutions, LLC	Converge Technology Solutions Corp.	\$12.05	100.00%	\$13.51	0.89x

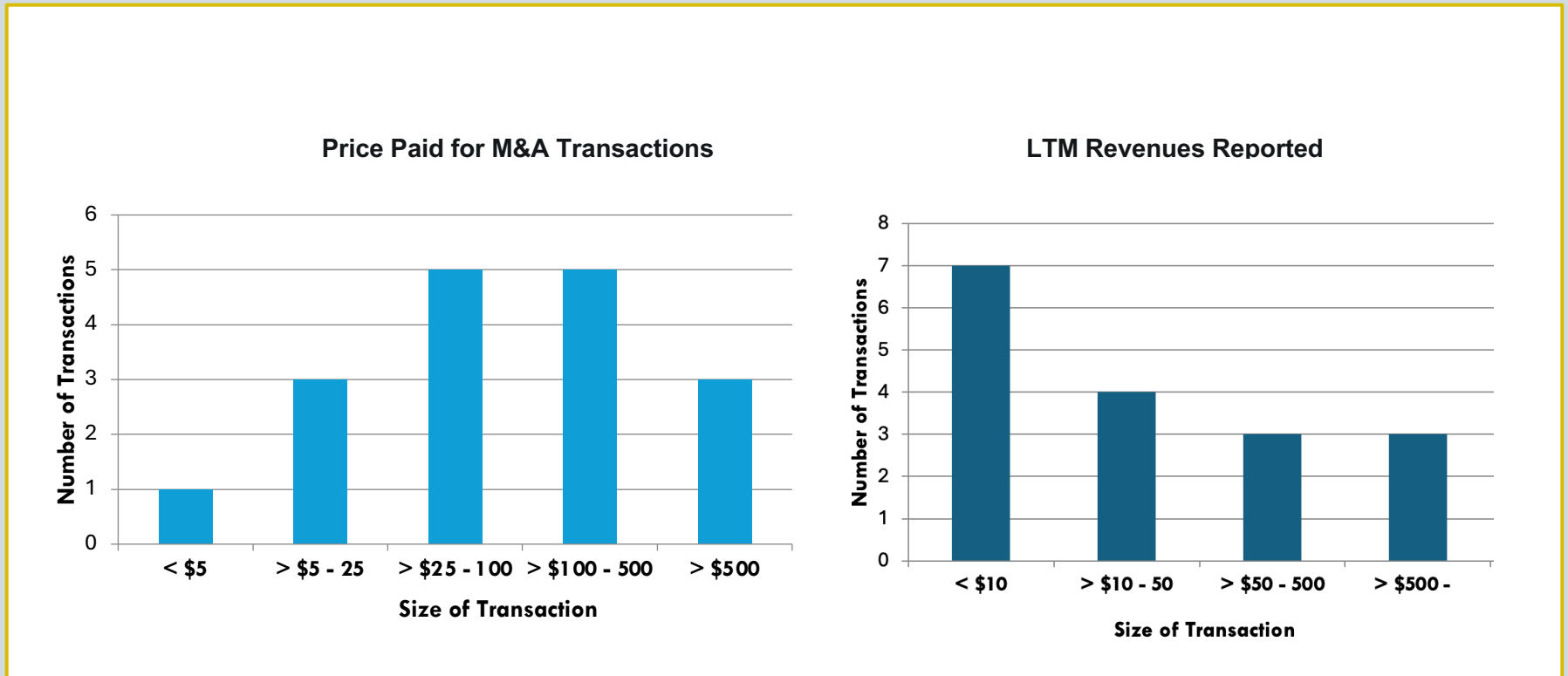
[1] As of the close of the Transaction

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

Transaction Date	Target	Acquirer	Transaction Size	% Bought	LTM Revenues ¹	EV/ Revenues ¹
6/23/21	Affectiva, Inc.	Smart Eye	\$74.77	100.00%	\$5.00	14.95x
6/4/21	HoloBuilder Inc.	FARO Technologies, Inc.	\$33.91	100.00%	\$4.00	8.48x
5/7/21	RIAKTR	Seamless Distribution Systems	\$12.38	100.00%	\$5.83	2.12x
5/5/21	Linkfluence	Meltwater B.V.	\$59.45	100.00%	\$20.21	2.94x
2/11/21	Virtusa Corporation	Baring Private Equity Asia	\$2,464.48	100.00%	\$1,294.32	1.68x
10/13/20	Oakwood Technologies	Netcall plc	\$3.52	100.00%	\$0.18	20.00x
	Median of the M&A Transaction Targets		\$74.77	100.0%	\$18.30	8.48x

[1] As of the close of the Transaction

Recent Merger and Acquisition Transactions for a Majority Stake (dollars in millions) as of December 31, 2023



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.

Market Value of Invested Capital (MVIC): Market Value of Equity + Market Value of Debt

Disclosures and Limitations: This research report is for informational and discussion purposes only. Information presented herein is not investment advice of any kind to any person and does not constitute a recommendation as to the purchase or sale of any interests or as to any other course of action. General, financial, and statistical information concerning the details of this report and related industry are from sources Cogent Valuation believes to be reliable. Cogent Valuation has accurately reflected such information in this research report; however, Cogent Valuation makes no representation as to the sources' accuracy or completeness and has accepted this information without further verification. Neither all nor any part of the content of this report may be conveyed to the public through advertising, public relations, news, sales, mail, direct transmittal, or other media without the prior written consent of Cogent Valuation. Cogent Valuation's research is as of the date reported herein. Cogent Valuation has no affiliation with any of the companies comprising the industry used as a basis for research in this report, nor does Cogent Valuation hold any investments in the companies listed herein. The content of this report may be used, in part, as a basis for any work that Cogent Valuation performs for you in the future at the sole discretion of Cogent Valuation. THIS REPORT IS NOT TO BE USED OR CONSIDERED UNDER ANY CIRCUMSTANCE BY ANYONE AS INVESTMENT ADVICE.

COGENT VALUATION is a nationally recognized full service business valuation firm that has provided independent valuation and financial advisory opinions in thousands of situations since 1991. These assignments include the valuation of companies and pass-through entities, their securities, and their intangible assets ranging in size from small, closely-held businesses and start-ups, to corporations with market values over a billion dollars, covering almost every industry and all types of transactions. With the collective backgrounds of our managing directors and professional staff, Cogent Valuation brings substantial large deal experience to bear on our middle market transaction opinions. Cogent Valuation utilizes proprietary research, intensive due diligence, and the experience and insights of its professionals to produce thoughtful, well-documented opinions that have consistently withstood the scrutiny of clients and their advisors, investors, regulators, and courts.

This industry research is provided at no charge. Further research or detailed information not covered in this report can be obtained for a fee. **Contact Steven Kam at 415-392-0888 and kam@cogentvaluation.com** for additional information or questions in connection with this research report.