

Q4: Quarterly Industry Update

AS OF December 31, 2023



Text Analytics Industry Summary

COGENT VALUATION identified **Text Analytics** publicly traded companies, IPOs, and recent M&A transactions within the Text 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 December 31, 2022, the median 52-week share price return of the Text Analytics industry decreased from 40.6% to 24.5%, and the median YTD return increased from 4.1% to 13.3%. Between December 31, 2022 and December 31, 2023, the median EV/Revenue multiple decreased from 1.8 to 1.4 and the median EV/EBITDA multiple decreased from 13.8 to 11.5. The median price-to-earnings multiple increased from 21.5 to 24.2 and the median EV/Gross profit multiple decreased from 26.7 to 22.8 over the same period. The median MVIC/Earnings multiple decreased from 2.2x to 1.9x. The median Price/Revenue multiple increased from 14.7% to 15.4x over the same period.

Public Company Key Statistics

Median 52-Week Return	Median YTD Return	Median EV/Revenue Multiple	Median EV/EBITDA Multiple
26.1%	13.1%	1.5x	14.3x
Median Price/Earnings Multiple	Median EV/Gross Profit Multiple	Median MVIC/Earnings Multiple	Median Price/Revenue Multiple
31x	27.7x	1.9x	15.4x

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	1.5x	3.2x	3.4x	2.7x	3.1x	3.2x	2.9x	3.0x
Median EV/EBITDA Multiple	14.3x	28.0x	17.6x	13.4x	14.6x	14.6x	19.4x	10.7x
Median Price/Earnings Multiple	31x	30.9x	20.3x	21.2x	20.8x	19.7x	17.9x	17.7x
Median EV/Gross Profit Multiple	27.7x	22.2x	21.3x	23.6x	24.5x	23.3x	20.4x	25.0x
Median MVIC/Earnings Multiple	1.9x	1.6x	2.7x	3.7x	5.4x	3.5x	2.2x	3.2x
Median Price/ Revenue Multiple	15.4x	3.2x	3.4x	2.7x	10.6x	2.5x	3.2x	3.2x

■ Highest Multiple
 ■ Median Multiple
 ■ Lowest Multiple

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

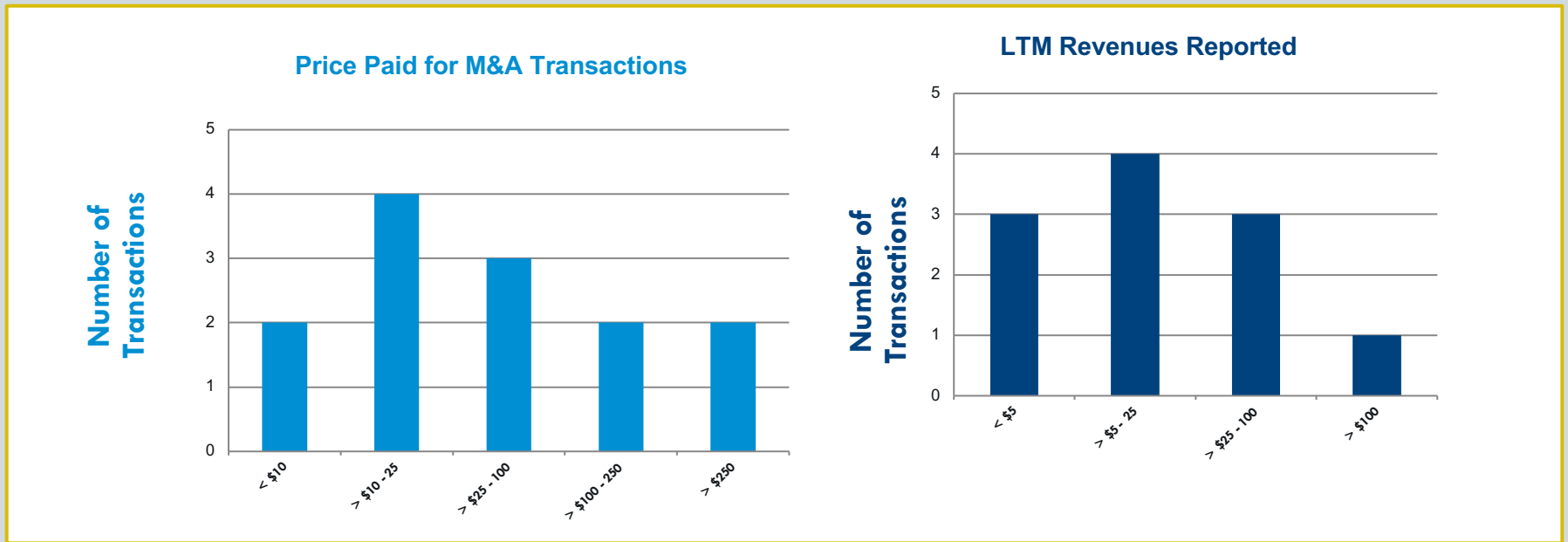
	2023	1 Year	2 Year	3 Year	2022	2021	2020
FTI Consulting, Inc.	70.4%	70.4%	28.2%	20.8%	30.1%	-10.3%	-6.1%
Innodata Inc.	22.1%	22.1%	-9.1%	-7.6%	-14.7%	-13.1%	9.1%
Iron Mountain Incorporated	8.1%	8.1%	-23.0%	-14.2%	-14.0%	-2.4%	19.2%
MAXIMUS, Inc.	-8.5%	-8.5%	-4.1%	3.6%	20.3%	-30.1%	27.4%
Navigant Consulting, Inc.	-9.1%	-9.1%	7.3%	3.0%	-0.8%	2.6%	24.7%
National Storage REIT	18.8%	18.8%	6.8%	13.2%	63.0%	4.5%	-19.9%
Open Text Corporation	0.8%	0.8%	-0.9%	4.1%	-3.6%	-5.5%	28.8%
Tyler Technologies, Inc.	6.6%	6.6%	8.3%	19.4%	29.0%	-17.7%	26.7%
Median of Industry Public Companies	13.1%	26.1%	19.6%	13.1%	-18.1%	59.3%	7.2%

Industry Initial Public Offerings—Text Analytics (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
11/25/23	AppFolio, Inc.	\$12.00	6.2	\$74.4	\$36.0	\$9.6	\$53.7	(\$8.8)	(\$11.0)	(\$7.8)
9/12/23	Jive Software, Inc.	\$12.00	13.4	\$161.3	\$143.9	\$32.9	\$69.4	(\$31.9)	(\$44.9)	(\$28.9)
5/8/23	Imperva, Inc.	\$18.00	5.0	\$90.0	\$42.5	\$3.0	\$72.0	(\$10.1)	(\$11.8)	(\$8.6)
12/1/22	The Dolan Company	\$14.50	13.5	\$195.1	\$213.3	\$93.2	\$133.8	\$33.5	(\$60.5)	\$36.3
12/12/21	Guidance Software, Inc.	\$11.50	5.0	\$57.5	\$26.6	\$2.0	\$51.2	(\$0.3)	(\$1.8)	\$1.4
	Median of all IPOs	\$12.00	6.2	\$90.0	\$42.5	\$9.6	\$69.4	(\$8.8)	(\$11.8)	(\$7.8)

[1] As of the effective date of the IPO

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



Size of 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
12/21/23	Daegis Inc.	Open Text Corporation	\$23.3	100%	\$23.7	0.9x
11/25/23	Quindell Plc	Slater and Gordon	\$1,002.1	100%	\$954.8	1.0x
4/25/23	Agilex Technologies, Inc.	Accenture Federal Services LLC	\$263.8	100%	\$23.4	4.3x
2/20/23	Prelytix, LLC	Market Resource Partners	\$20.0	100%	\$2.0	10.0x
1/14/23	Third Coast Holdings Inc.	Wolters Kluwer	\$180.0	62%	\$57.0	5.1x
12/9/22	ISD Corporation	Daily Journal Corp.	\$16.0	100%	\$34.1	5.3x
11/8/22	Quindell Plc	Slater and Gordon	\$221.8	100%	\$23.7	0.9x
4/6/22	Agilex Technologies, Inc.	Accenture Federal Services LLC	\$20.0	100%	\$954.8	1.0x
8/22/21	Prelytix, LLC	Market Resource Partners	\$180.0	62%	N/A	N/A
5/2/21	Third Coast Holdings Inc	Wolters Kluwer	\$16.0	100%	\$2.0	10.0x
1/11/21	ISD Corporation	Daily Journal Corp.	\$25.4	100%	\$57.0	5.1x
10/31/20	Molecular Profiles Ltd.	Columbia Laboratories	\$11.1	100%	N/A	N/A
9/12/20	BPA Technologies, Inc.	Charles Taylor plc	\$27.5	100%	\$9.0	2.8x
8/20/20	De Novo Legal LLC	Datawatch Corporation	\$8.5	100%	\$4.2	2.6x
8/12/20	Molecular Profiles Ltd.	Columbia Laboratories	\$25.4	100%	\$5.0	2.8x
Median of the M&A Transaction Targets			\$25.4	100%	\$23.7	4.3x

[1] As of the close of the Transaction

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

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