

Quarterly Industry Update

As of March 31, 2014

Industry: Predictive Analytics



Industry Summary

Cogent Valuation identified publicly traded companies, IPOs, and recent M&A transactions within the Predictive 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. Since March 31, 2013, the median 52-week share price return of the Predictive Analytics industry has increased by 23.4%. In the last quarter, the median price-to-earnings multiple increased from 40.4x to 40.8x.

Comparable Public Company Key Statistics

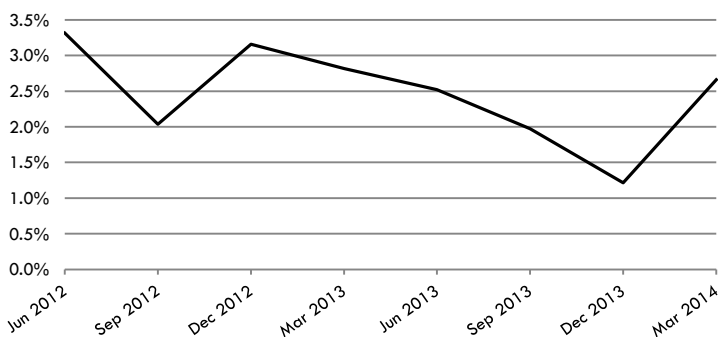
Median 52-Week Return	25.8%	Median EV/Revenue Multiple	3.0x	Median Price/Earnings Multiple	40.8x
Median 3-Year CAGR Return	10.4%	Median EV/EBITDA Multiple	15.8x	Median EV/Gross CF Multiple	30.1x

Comparable Public Company Market Price Returns (As of March 31, 2014)

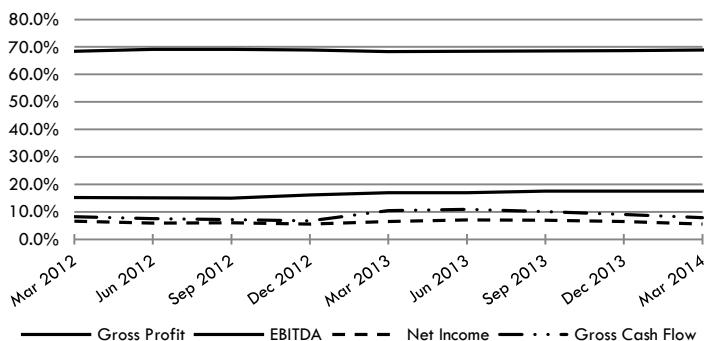
	YTD	3 Month	1 Year	2 Year	3 Year	5 Year	2012	2011	2010	2009	2008
NICE Systems Ltd.	34.3%	8.0%	20.7%	6.2%	6.2%	12.0%	-2.9%	-3.8%	13.8%	41.2%	-36.2%
MicroStrategy Inc.	23.6%	-7.1%	14.2%	-9.2%	-5.0%	27.5%	-13.8%	26.7%	-9.1%	153.2%	-61.0%
Verint Systems Inc.	59.8%	9.3%	28.4%	20.4%	9.4%	68.1%	6.6%	-13.1%	64.7%	175.0%	-64.2%
Fair Isaac Corporation	31.6%	-12.0%	21.1%	12.3%	20.5%	31.5%	17.3%	53.4%	9.7%	26.4%	-47.6%
Open Text Corporation	70.7%	3.8%	61.7%	24.9%	15.3%	22.6%	9.3%	11.0%	13.3%	34.9%	-4.2%
NetScout Systems, Inc.	44.6%	27.0%	53.0%	35.9%	11.2%	39.3%	47.7%	-23.5%	57.4%	69.6%	-32.5%
Guidance Software, Inc.	-6.8%	9.5%	1.9%	0.0%	9.7%	22.1%	83.2%	-9.9%	37.2%	28.4%	-70.8%
PROS Holdings, Inc.	72.3%	-21.0%	16.0%	29.8%	29.3%	46.6%	22.9%	30.6%	10.0%	80.0%	-70.7%
Pegasystems Inc.	55.7%	-28.2%	25.8%	-3.8%	-2.4%	13.7%	-22.9%	-19.7%	7.7%	175.1%	3.6%
IHS Inc.	26.6%	1.5%	16.0%	13.9%	11.0%	24.2%	11.4%	7.2%	46.7%	46.5%	-38.2%
Axiom Corporation	97.0%	-7.0%	68.6%	53.1%	33.8%	36.0%	43.0%	-28.8%	27.7%	65.6%	-30.9%
comScore, Inc.	138.0%	14.6%	95.4%	23.8%	3.6%	22.1%	-35.0%	-5.1%	27.3%	37.6%	-60.9%
Median of Industry Public Companies	50.2%	2.6%	23.4%	17.1%	10.4%	25.9%	10.4%	-4.4%	20.5%	56.0%	-42.9%

(Multiple year periods are calculated as the average annual return.)

Median Quarterly Revenue Growth of All Predictive Analytics Companies



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



Median Public Company Multiples of the Predictive Analytics Industry

Date:	3/31/2012	6/30/2012	9/30/2012	12/31/2012	3/31/2013	6/30/2013	9/30/2013	12/31/2013	3/31/2014
EV/Revenues Multiple	2.8x	2.3x	2.3x	2.3x	2.1x	2.3x	2.7x	3.3x	3.0x
EV/EBITDA Multiple	20.6x	20.6x	17.0x	13.6x	13.6x	14.1x	14.6x	16.3x	15.8x
Price/Earnings Multiple	34.1x	25.7x	29.0x	27.7x	27.2x	26.9x	35.3x	40.4x	40.8x
EV/Gross Cash Flows Multiple	35.0x	25.2x	28.3x	22.7x	23.0x	23.7x	25.1x	30.7x	30.1x

This industry research is provided at no charge to Cogent Valuation's clients. Research or detailed information not covered in this report can be obtained for a fee. Contact Steven Kam at 415-392-0888 for additional information or questions in connection with this research report.

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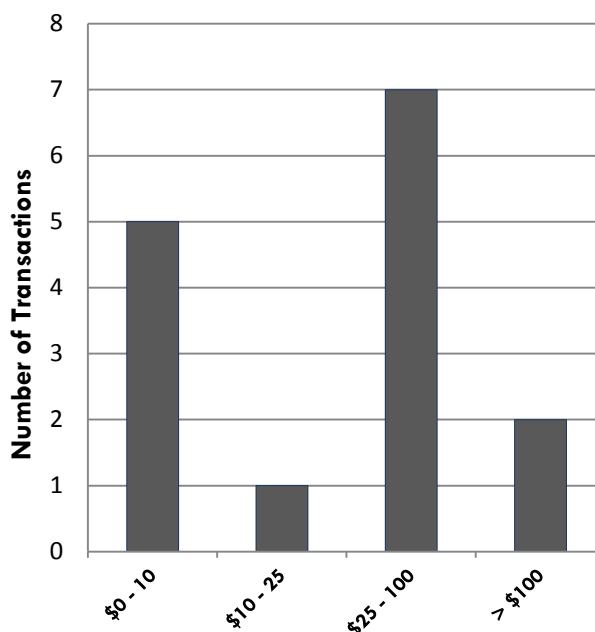
Industry Initial Public Offerings (dollars in millions, except share prices)

Offer Date	Company Name	Offer Price	Shares Offered	Amount Raised	Total Assets	Debt	LTM Revenues	LTM EBITDA	LTM Net Income	LTM Cash Flows
2/17/2012	Brightcove Inc.	\$11.00	5.0	\$55.0	\$47.3	\$7.0	\$63.6	(\$14.0)	(\$17.6)	(\$11.9)
6/27/2007	PROS Holdings, Inc.	\$11.00	6.8	\$75.1	\$25.7	\$20.0	\$49.9	\$9.5	\$8.3	\$10.7
6/26/2007	comScore, Inc.	\$16.50	5.3	\$87.5	\$45.5	\$3.3	\$70.0	\$11.4	\$7.1	\$14.4
12/12/2006	Guidance Software, Inc.	\$11.50	5.0	\$57.5	\$26.6	\$2.0	\$51.2	(\$0.3)	(\$1.8)	\$1.4
11/10/2005	IHS Inc.	\$16.00	14.5	\$232.2	\$743.0	\$0.3	\$468.5	\$63.5	\$52.4	\$73.4
5/15/2002	Verint Systems Inc.	\$16.00	4.5	\$72.0	\$119.7	\$45.9	\$133.0	\$10.4	(\$2.1)	\$14.9
3/22/2000	Blaze Advisor	\$16.00	4.0	\$64.0	\$209.2	\$0.7	\$279.0	\$62.0	\$27.9	\$78.0
8/12/1999	NetScout Systems, Inc.	\$11.00	3.0	\$33.0	\$43.7	\$0.0	\$71.4	\$18.9	\$11.3	\$21.1
7/13/1999	TIBCO Software Inc.	\$15.00	7.3	\$109.5	\$33.9	\$0.0	\$67.0	(\$17.0)	(\$18.0)	(\$15.5)
Median of All IPOs		nm	nm	\$68.0	\$45.5	\$2.6	\$68.5	\$10.0	\$4.3	\$12.6

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

Transaction Date	Target	Acquirer	Transaction Size	% Bought
2/28/2014	KnowledgeAdvisors, Inc.	Corporate Executive Board Co.	\$52.0	100%
1/14/2014	Zinnov, LLC, Talent Neuron	Corporate Executive Board Co.	\$8.0	100%
1/29/2014	Rationalwave, Inc.	Bottomline Technologies (de),	\$8.0	100%
1/22/2014	Scout Analytics, Inc.	ServiceSource International,	\$32.5	100%
12/25/2013	Dentsu Marketing Insight Inc.	Macromill, Inc.	\$4.1	51%
9/12/2013	Molecular Profiles Ltd.	Columbia Laboratories, Inc.	\$25.4	100%
8/28/2013	Panopticon Software AB	Datawatch Corporation	\$27.5	100%
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7/22/2013	Neolane SA	Adobe Systems Incorporated	\$616.5	100%
4/25/2013	Angoss Software Corp.	Peterson Partners LP	\$8.5	100%
12/27/2012	(m)PHASIZE, LLC	Sapient Corp.	\$18.2	100%
10/21/2011	Algorithmics, Inc.	OpenPages, Inc.	\$380.2	100%
7/11/2011	Kairoleaf Analytics Pvt Ltd	aurionPro Solutions Limited	\$6.1	100%
6/9/2011	smartFOCUS Group PLC	EmailVision SA (nka:SmartFocus)	\$40.3	100%
3/16/2011	Intercim, LLC	Dassault Systemes SA	\$36.5	82%
Median of All Transaction Targets			\$27.5	100%

Size of Merger and Acquisition Transactions (dollars in millions)



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