

Medical Recordkeeping

INDUSTRY SUMMARY

COGENT VALUATION identified **Medical Recordkeeping** publicly traded companies, IPOs, and recent M&A transactions within the Medical Recordkeeping 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, 2016, the median 52-week share price return of the Medical Recordkeeping industry was 8.4%. Between September 30, 2015 and September 30, 2017, the median EV/EBITDA multiple decreased from 19.1 to 18.0. However, the median price-to-earnings multiple increased from 26.4 to 43.8 over the same period. The median revenue growth and EBITDA margins for the industry for the quarter were 1.1% and 11.1%, respectively.

Public Company Key Statistics

Median 52-Week
Return

8.4%

Median 3-Year CAGR
Return

0.7%

Median EV/Revenue
Multiple

2.3x

Median EV/EBITDA
Multiple

18.0x

Median Price/Earnings
Multiple

43.8x

Median EV/Gross CF
Multiple

45.1x

Comparable Public Company Market Price Returns as of September 30, 2017

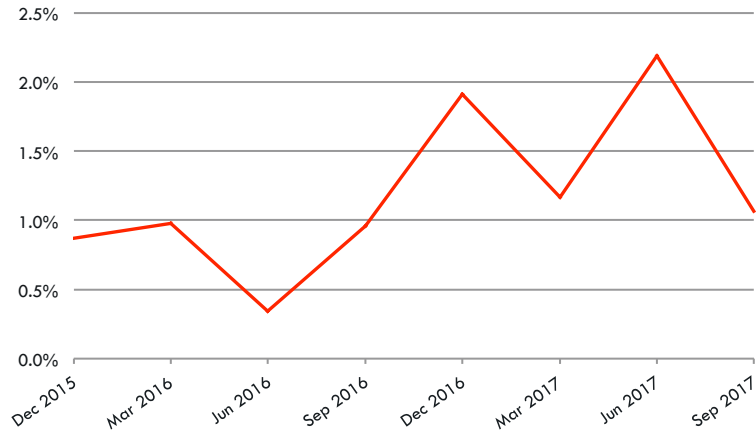
	YTD	3 Month	1 Year	2 Year	3 Year	2016	2015	2014
Allscripts Healthcare Solutions, Inc.	39.4%	11.5%	8.0%	7.1%	2.0%	-33.6%	20.4%	-17.4%
athenahealth, Inc.	18.2%	-11.5%	-1.4%	-3.4%	-1.9%	-34.7%	10.5%	8.3%
Cerner Corporation	50.6%	7.3%	15.5%	9.1%	6.2%	-21.3%	-6.9%	16.0%
Computer Programs and Systems	25.2%	-9.9%	13.4%	-16.3%	-19.9%	-52.6%	-18.1%	-1.7%
Nuance Communications, Inc.	5.5%	-9.7%	8.4%	-2.0%	0.7%	-25.1%	39.4%	-6.1%
Quality Systems, Inc.	19.6%	-8.6%	39.0%	12.3%	4.5%	-18.4%	3.4%	-26.0%
Streamline Health Solutions, Inc.	17.6%	37.4%	-20.1%	-19.9%	-31.8%	-11.3%	-67.4%	-38.0%
Median of Industry Public Companies	19.6%	-8.6%	8.4%	-2.0%	0.7%	-25.1%	3.4%	-6.1%

Multiple year periods are calculated as the average annual return.

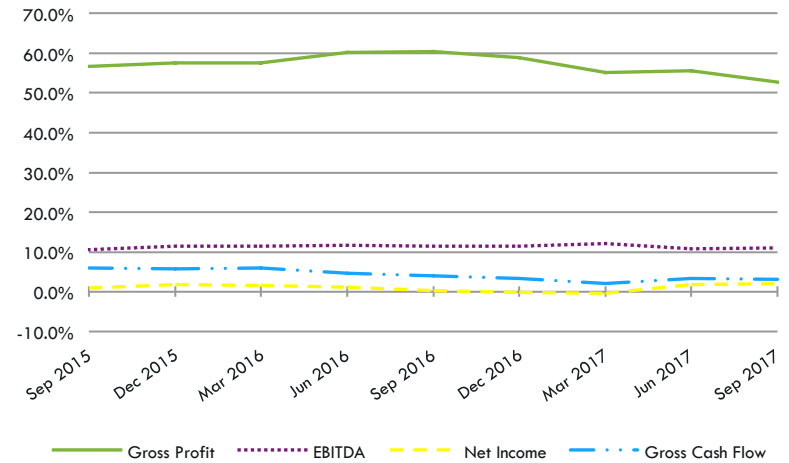
■ Highest Return
 ■ Lowest Return
 ■ Median Return

Industry Revenue Growth and Profit Margins for the Past Two Years

Median Quarterly Revenue Growth of All Medical Recordkeeping Companies



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



Public Company Median Multiples by Quarter

	9/30/17	6/30/17	3/31/17	12/31/16	9/30/16	6/30/16	3/31/16	12/31/15
EV/Revenues Multiple	2.3x	2.2x	2.3x	2.1x	2.5x	3.2x	3.0x	2.8x
EV/EBITDA Multiple	18.0x	17.9x	16.6x	15.1x	15.5x	17.1x	16.3x	18.1x
Price/Earnings Multiple	43.8x	58.9x	62.8x	41.9x	40.4x	40.8x	31.6x	30.6x
EV/Gross Cash Flows Multiple	45.1x	51.9x	66.2x	55.9x	61.8x	46.4x	24.6x	24.8x

■ Highest Multiple
 ■ Lowest Multiple
 ■ Median Multiple

Industry Initial Public Offerings—Industry: Medical Recordkeeping (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
5/20/15	Press Ganey Holdings, Inc.	\$25.00	8.9	\$222.5	\$910.1	\$416.2	\$291.1	\$92.8	\$18.3	\$112.9
9/26/13	Premier, Inc.	\$27.00	28.2	\$760.1	\$598.9	\$34.6	\$869.3	\$407.1	\$7.4	\$434.7
3/27/12	Vocera Communications, Inc.	\$16.00	5.9	\$93.6	\$49.8	\$8.3	\$79.5	\$1.2	(\$2.5)	\$2.2
2/1/12	Greenway Medical Technologies, Inc.	\$10.00	6.7	\$66.7	\$83.2	\$0.0	\$99.0	\$6.3	\$34.4	\$7.5
2/1/11	Epocrates, Inc.	\$16.00	5.4	\$85.8	\$122.2	\$0.0	N/A	N/A	N/A	N/A
4/21/10	DynaVox Inc.	\$15.00	9.4	\$140.6	\$128.4	\$79.2	\$105.2	\$28.1	\$13.5	\$30.7
5/20/15	Median of all IPOs	nm	nm	\$117.1	\$125.3	\$21.5	\$105.2	\$28.1	\$13.5	\$30.7

Multiple year periods are calculated as the average annual return.

■ Highest Return
 ■ Lowest Return
 ■ Median Return

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

Transaction Date	Target	Acquirer	Transaction Size	% Bought	LTM Revenues	EV/ Revenues
12/7/16	Healthsciences International	New Silkroutes Group	\$1.6	51%	N/A	N/A
10/13/16	QHR Corporation	Shoppers Drug Mart Inc.	\$130.0	100%	\$23.6	5.1x
6/1/16	Verisk Health, Inc.	Veritas Capital	\$820.0	100%	N/A	N/A
4/19/16	Netsmart Technologies Inc.	GI Partners, LLC	\$950.0	100%	N/A	N/A
1/19/16	Capita Medical Reporting	N/A	\$27.9	80%	N/A	N/A
9/10/15	RSA Medical, LLC	Xerox Corporation	\$141.0	100%	N/A	N/A
4/30/15	HT Systems, LLC	Imprivata, Inc.	\$23.9	100%	N/A	N/A
7/29/14	Schreiber, Yonley	Trinity Consultants, Inc.	\$1.3	100%	\$2.6	0.5x
1/27/14	Curepet Corporation	Ebix Inc.	\$6.4	80%	N/A	N/A
11/4/13	Greenway Medical	Vitera Healthcare	\$643.6	100%	\$134.8	4.7x
10/9/13	WISEMAN Co.,Ltd.	NM Holdings Co., Ltd.	\$82.9	100%	\$75.3	0.8x
9/16/13	Ascribe	EMIS Group	\$88.7	100%	\$38.1	2.3x
3/12/13	Epocrates	athenahealth	\$307.2	100%	\$111.1	2.1x
9/12/12	Strand Technology	Advanced Health and Care	\$3.2	100%	\$1.6	1.9x

■ USA
 ■ International
 ■ Highest
 ■ Lowest
 ■ Median

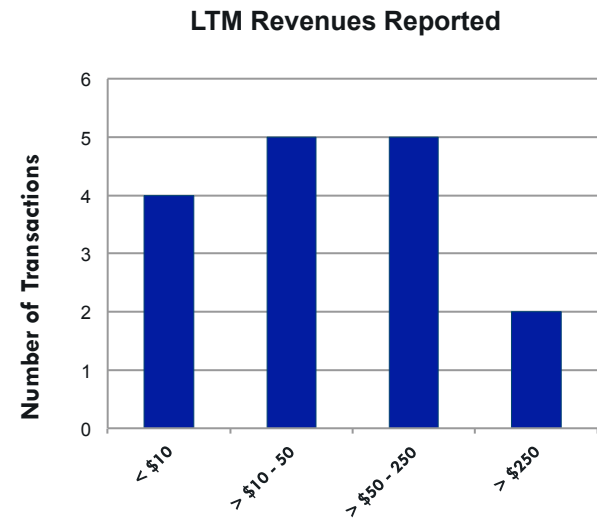
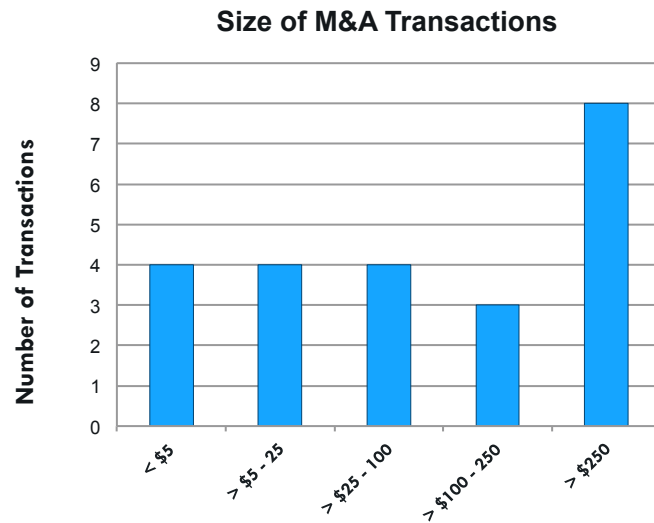
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Recent Merger and Acquisition Transactions for a Majority Stake (dollars in millions)

Transaction Date	Target	Acquirer	Transaction Size	% Bought	LTM Revenues	EV/ Revenues
3/30/12	Medrium	athenahealth	\$307.2	100%	\$111.1	2.1x
12/19/11	Sage Software Healthcare	Advanced Health and Care	\$3.2	100%	\$1.6	1.9x
11/10/11	Healthscreen Solutions	Verisk Analytics	\$354.5	100%	\$45.5	7.5x
10/11/11	iSOFT Group	Nightingale Informatix	\$1.8	100%	\$2.3	0.8x
7/19/11	HealthPort	Vista Equity Partners	\$314.7	100%	\$241.0	1.3x
1/3/11	PHNS	Optimed Software	\$5.8	100%	\$8.9	0.7x
8/31/10	American Healthcare	CSC Computer Sciences	\$433.6	100%	\$386.3	1.0x
8/24/10	Eclipsys	CompuGROUP Holding	\$18.0	100%	\$28.0	0.6x
Median of the 22 Targets			\$65.0	100%	\$28.0	2.3x

USA
 International
 Highest
 Lowest
 Median

Recent Merger and Acquisition Transactions for a Majority Stake (dollars in millions) as of September 30, 2017



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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.

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.

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