

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 December 31, 2017, the median 52-week share price return of the Medical Recordkeeping industry was -22.2%. Between December 31, 2016 and December 31, 2018, the median EV/EBITDA multiple increased from 14.1 to 14.5. However, the median price-to-earnings multiple decreased from 41.9 to 20.7 over the same period. The median revenue growth and EBITDA margins for the industry for the quarter were 0.8% and 12.1%, respectively.

Public Company Key Statistics

Median 52-Week
Return

-22.2%

Median 3-Year CAGR
Return

-14.4%

Median EV/Revenue
Multiple

1.7x

Median EV/EBITDA
Multiple

14.5x

Median Price/Earnings
Multiple

20.7x

Median EV/Gross CF
Multiple

29.3x

Comparable Public Company Market Price Returns as of December 31, 2018

| | YTD | 3 Month | 1 Year | 2 Year | 2017 | 2016 | 2015 | 2014 |
|--|---------------|--------------|--------------|--------------|--------------|---------------|-------------|--------------|
| Allscripts Healthcare Solutions, Inc. | -2.1% | -15.1% | 42.5% | -2.7% | 42.5% | -33.6% | 20.4% | -17.4% |
| athenahealth, Inc. | 0.4% | 7.5% | 26.5% | -9.1% | 26.5% | -34.7% | 10.5% | 8.3% |
| Cerner Corporation | -4.4% | -13.9% | 42.3% | 5.8% | 42.3% | -21.3% | -6.9% | 16.0% |
| Computer Programs and Systems | -10.6% | -2.8% | 27.3% | -22.3% | 27.3% | -52.6% | -18.1% | -1.7% |
| Nuance Communications, Inc. | 5.9% | -3.7% | 9.7% | -9.3% | 9.7% | -25.1% | 39.4% | -6.1% |
| Quality Systems, Inc. | -30.2% | 0.5% | 3.3% | -8.2% | 3.3% | -18.4% | 3.4% | -26.0% |
| Streamline Health Solutions, Inc. | -16.6% | 8.9% | 35.2% | 9.5% | 35.2% | -11.3% | -67.4% | -38.0% |
| Median of Industry Public Companies | -22.2% | -2.8% | 27.3% | -8.2% | 27.3% | -25.1% | 3.4% | -6.1% |

Multiple year periods are calculated as the average annual return.

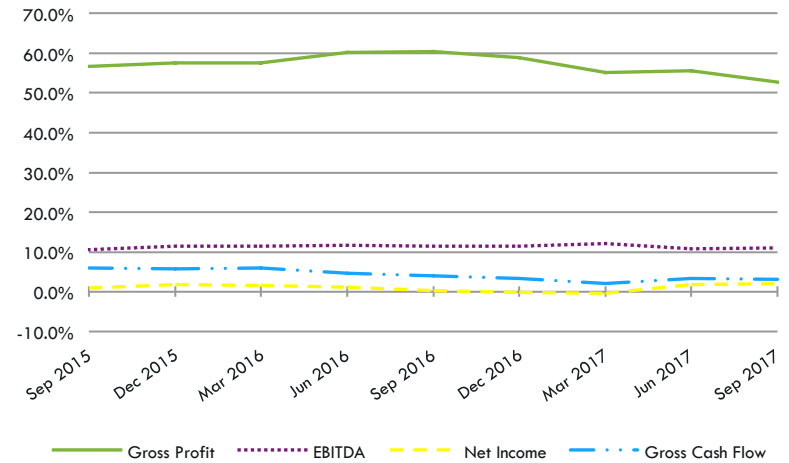
■ Highest Return
 ■ Lowest Return
 ■ Median Return

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



Median Public Companies

The chart below illustrates Public Company Multiples.

| | 12/31/18 | 9/30/18 | 6/30/18 | 3/31/18 | 12/31/17 | 9/30/17 | 3/31/17 | 12/31/16 |
|-------------------------------------|----------|---------|---------|---------|----------|---------|---------|----------|
| EV/Revenues Multiple | 1.7x | 2.0x | 2.3x | 2.2x | 2.5x | 3.2x | 3.0x | 2.8x |
| EV/EBITDA Multiple | 14.5x | 20.9x | 18.4x | 19.4x | 15.5x | 17.1x | 16.3x | 18.1x |
| Price/Earnings Multiple | 20.7x | 45.0x | 37.3x | 47.9x | 40.4x | 40.8x | 31.6x | 30.6x |
| EV/Gross Cash Flows Multiple | 29.3x | 41.3x | 44.0x | 50.3x | 61.8x | 46.4x | 24.6x | 24.8x |

■ Highest Multiple
 ■ Lowest Multiple
 ■ Median Multiple

Industry Initial Public Offerings—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 | \$105.8 | \$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 | \$111.7 | \$28.1 | \$13.5 | \$30.7 |
| 5/20/15 | Median of all IPOs | nm | nm | \$117.1 | \$125.3 | \$21.5 | \$111.7 | \$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 |
|------------------|-------------------------------------|----------------------------|------------------|----------|--------------|--------------|
| 9/5/18 | Target | Global Payments Inc. | \$700.0 | 51% | N/A | N/A |
| 7/6/18 | AdvancedMD, Inc. | Brightree LLC | \$126.3 | 100% | \$23.6 | 5.1x |
| 5/9/18 | HEALTHCAREfirst Inc. | Apptix ASA | \$12.7 | 100% | N/A | N/A |
| 4/6/18 | Evimeria EMR AB | Roche Holding AG | \$1,900.0 | 100% | N/A | N/A |
| 10/13/16 | Flatiron Health, Inc. | Metrofile Holdings Limited | \$20.6 | 80% | N/A | N/A |
| 6/1/16 | G4S Secure Data Solutions | New Silkroutes Group | \$1.6 | 100% | N/A | N/A |
| 4/19/16 | Healthsciences International | Shoppers Drug Mart Inc. | \$130.0 | 100% | N/A | N/A |
| 1/19/16 | QHR Corporation | Veritas Capital | \$820.0 | 100% | \$2.6 | 0.5x |
| 1/27/14 | Verisk Health, Inc. | GI Partners, LLC | \$950.0 | 80% | N/A | N/A |
| 11/4/13 | Netsmart Technologies Inc. | N/A | \$27.9 | 100% | \$134.8 | 4.7x |
| 10/9/13 | Capita Medical Reporting | Xerox Corporation | \$141.0 | 100% | \$75.3 | 0.8x |
| 9/16/13 | RSA Medical, LLC | Imprivata, Inc. | \$23.9 | 100% | \$38.1 | 2.3x |
| 3/12/13 | Epocrates | athenahealth | \$1.3 | 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

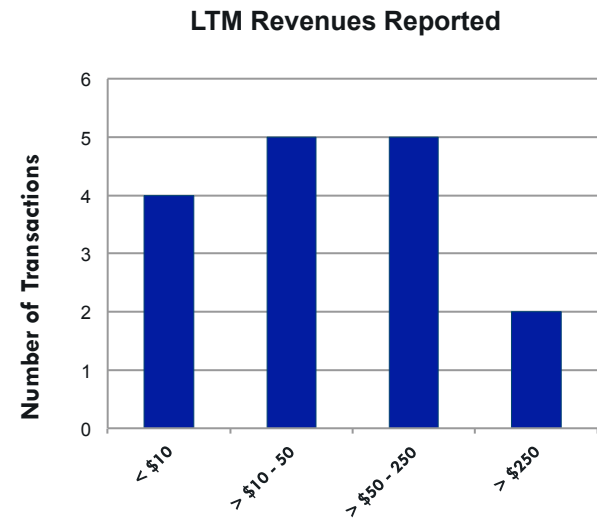
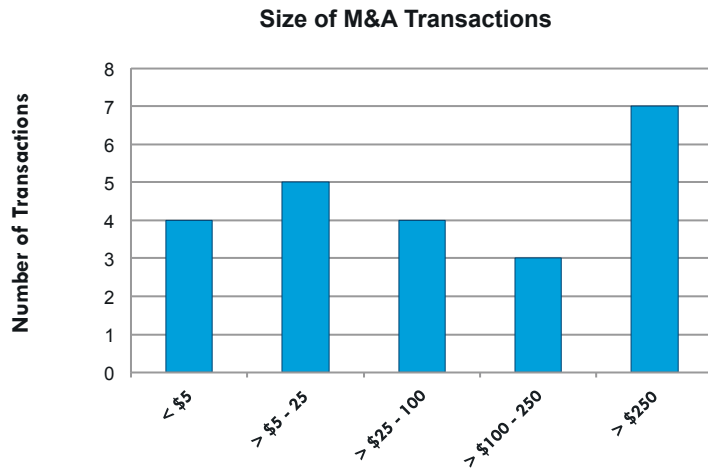
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Recent Merger and Acquisition Transactions for a Majority Stake (dollars in millions)

| 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 | \$314.7 | 100% | \$45.5 | 7.5x |
| 10/11/11 | iSOFT Group | Nightingale Informatix | \$5.8 | 100% | \$2.3 | 0.8x |
| 7/19/11 | HealthPort | Vista Equity Partners | \$433.6 | 100% | \$241.0 | 1.3x |
| 1/3/11 | PHNS | Optimed Software | \$18.0 | 100% | \$8.9 | 0.7x |
| 8/31/10 | American Healthcare | CSC Computer Sciences | \$250.0 | 100% | \$386.3 | 1.0x |
| 8/24/10 | Eclipsys | CompuGROUP Holding | \$65.0 | 100% | \$28.0 | 0.6x |
| Median of the 22 Targets | | | \$88.7 | 100% | \$28.0 | 2.3x |

USA
 International
 Highest
 Lowest
 Median

Recent Merger and Acquisition Transactions for a Majority Stake (dollars in millions) as of December 31, 2018



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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): 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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