



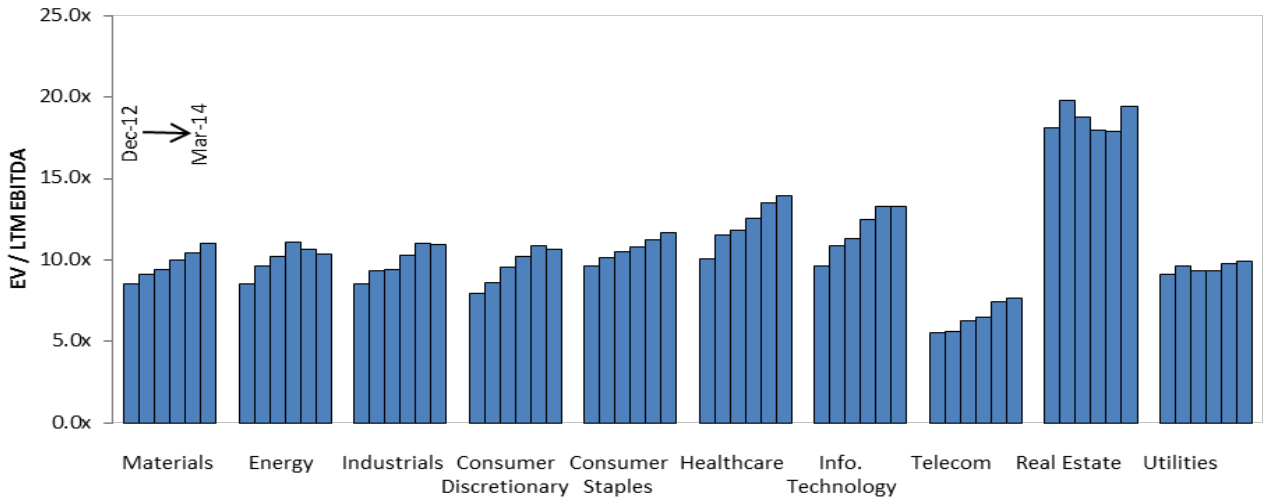
COGNIENT

INDUSTRY VALUATION MULTIPLES
MARCH 2014

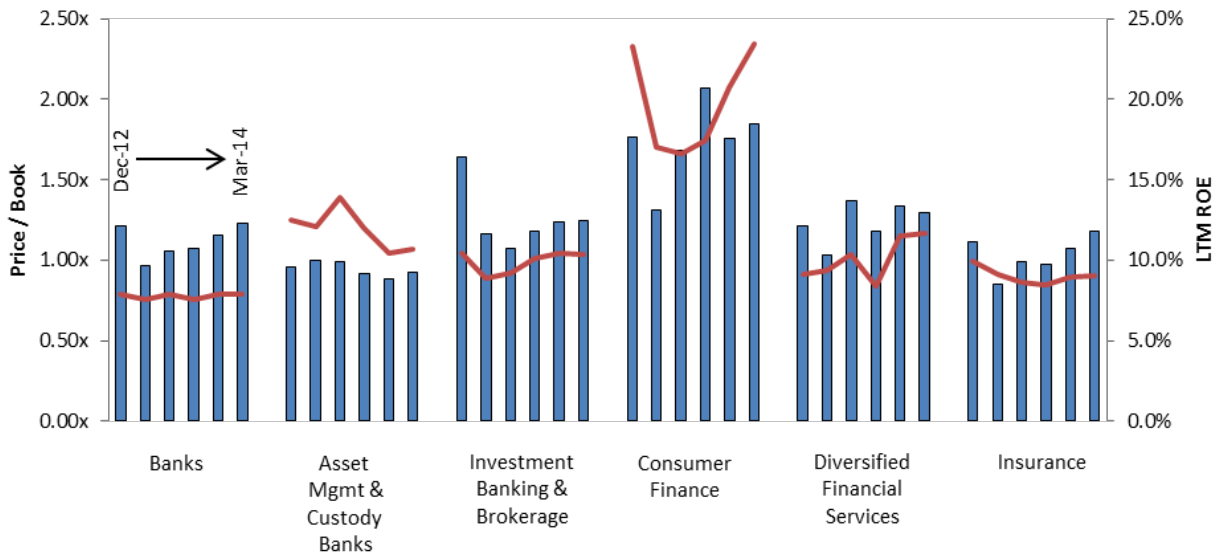
SECTOR VALUATIONS – DEC '12 through MAR '14



NON-FINANCIALS – TRENDING SIX QUARTERS



FINANCIALS – TRENDING SIX QUARTERS



SECTOR VALUATIONS – As of MARCH 31, 2014

Economic Statistics

3/31/2014

Industry	# of Companies	Median EV / LTM		Median Equity Multiples				LTM ROE	Net Debt/ LTM EBITDA	Aggregate Cash/Mkt Cap
		Revenue	EBITDA	LTM P/E	Cash-Free	Fwd P/E	PEG			
Materials	207	1.56x	11.0x	21.5x	19.2x	19.4x	1.7x	14.0%	1.6x	8.5%
Chemicals	90	1.77x	11.1x	22.2x	19.8x	19.1x	1.6x	17.5%	1.1x	8.2%
Construction Materials	17	2.70x	17.7x	48.8x	48.5x	36.5x	2.8x	11.5%	2.5x	3.8%
Containers & Packaging	19	1.17x	8.8x	19.5x	18.5x	16.0x	1.4x	13.7%	2.7x	5.8%
Metals & Mining	65	1.46x	12.2x	21.3x	19.1x	21.6x	2.3x	7.9%	1.5x	10.8%
Paper & Forest Products	16	1.20x	9.6x	17.7x	16.0x	15.3x	1.3x	12.8%	2.0x	11.6%
Energy	331	3.43x	10.3x	22.4x	20.0x	18.9x	1.4x	11.6%	2.4x	4.9%
Oil & Gas Drilling, Equipment, Services	61	2.03x	8.7x	24.1x	22.9x	17.5x	1.1x	10.1%	1.0x	7.5%
Coal	21	1.78x	7.4x	13.7x	13.4x	14.3x	5.3x	12.7%	2.9x	14.7%
Integrated Oil & Gas	9	2.21x	5.8x	13.1x	12.2x	12.4x	2.3x	14.6%	0.6x	3.9%
Exploration & Production	136	5.60x	8.9x	17.9x	17.3x	17.2x	1.2x	12.7%	2.2x	5.1%
Refining & Marketing	31	0.46x	8.0x	13.4x	11.4x	10.4x	1.0x	15.2%	0.6x	12.9%
Storage & Transportation	73	5.72x	19.7x	28.0x	27.7x	27.0x	2.2x	10.4%	4.9x	1.5%
Industrials	524	1.30x	11.0x	22.4x	20.1x	18.9x	1.5x	12.5%	1.0x	7.8%
Aerospace and Defense	57	1.33x	10.6x	19.8x	17.6x	18.1x	1.6x	13.5%	1.2x	9.8%
Building Products	26	1.17x	13.9x	28.5x	26.6x	24.6x	1.5x	12.5%	1.0x	8.7%
Construction and Engineering	32	0.70x	9.7x	19.9x	18.0x	17.7x	1.3x	10.8%	0.5x	12.8%
Electrical Equipment	64	1.49x	12.4x	23.7x	21.6x	20.2x	1.5x	12.7%	0.3x	7.2%
Industrial Conglomerates	9	1.73x	11.1x	20.9x	19.4x	18.3x	1.5x	12.5%	0.3x	5.1%
Machinery	117	1.40x	11.4x	21.3x	19.8x	18.6x	1.5x	13.0%	0.7x	8.1%
Trading Companies and Distributors	28	1.94x	12.6x	22.9x	20.6x	17.6x	1.4x	16.2%	4.3x	4.3%
Commercial & Professional Services	112	1.26x	10.3x	23.9x	21.1x	19.9x	1.5x	10.5%	1.0x	6.6%
Transportation	79	1.78x	10.2x	22.0x	20.0x	18.7x	1.3x	13.3%	2.2x	7.9%
Consumer Discretionary	587	1.25x	10.7x	21.7x	19.5x	18.7x	1.4x	13.9%	0.9x	8.7%
Automobiles and Components	41	0.80x	8.1x	19.7x	16.8x	14.7x	1.2x	15.8%	0.2x	25.4%
Consumer Durables and Apparel	128	1.25x	12.0x	20.8x	18.3x	17.7x	1.3x	13.9%	0.9x	8.6%
Consumer Services	155	1.75x	11.3x	28.9x	26.0x	22.2x	1.6x	13.0%	1.2x	6.3%
Media	97	2.32x	11.0x	22.3x	20.2x	19.4x	1.5x	12.7%	2.3x	6.8%
Retailing	166	0.69x	9.7x	19.1x	17.7x	17.9x	1.2x	14.8%	0.0x	6.8%
Consumer Staples	163	1.38x	11.7x	21.4x	19.9x	19.4x	1.9x	14.6%	1.3x	5.9%
Beverages	24	2.24x	13.7x	21.0x	20.3x	20.5x	2.5x	25.7%	2.0x	8.0%
Food and Staples Retailing	34	0.47x	9.9x	25.1x	22.6x	20.6x	1.8x	13.8%	1.0x	5.1%
Food Products	68	1.56x	12.5x	24.2x	22.8x	20.1x	2.1x	13.2%	1.6x	7.4%
Household Products	12	2.20x	11.5x	20.2x	19.7x	19.1x	2.1x	16.4%	1.1x	3.6%
Personal Products	25	1.35x	10.1x	17.4x	15.8x	15.0x	1.1x	15.9%	-0.1x	11.9%
Tobacco	7	4.36x	9.6x	16.8x	15.8x	15.6x	2.0x	33.0%	1.3x	3.7%
Healthcare	547	3.88x	14.0x	27.8x	24.4x	20.4x	1.6x	12.8%	0.4x	11.0%
Biotechnology	195	25.05x	23.6x	31.9x	30.0x	27.5x	1.2x	25.2%	-1.2x	9.1%
Health Care Technology	18	3.60x	26.5x	52.3x	51.2x	31.7x	1.9x	7.3%	1.3x	4.7%
Healthcare Equipment and Supplies	130	3.10x	14.0x	27.1x	24.2x	22.4x	1.7x	11.6%	-0.2x	10.8%
Healthcare Providers and Services	90	1.11x	10.7x	20.9x	19.6x	18.7x	1.5x	12.3%	1.5x	14.0%
Life Sciences Tools and Services	41	2.98x	15.1x	33.0x	29.4x	25.0x	1.7x	12.3%	-0.1x	11.0%
Pharmaceuticals	73	4.76x	16.3x	28.7x	26.6x	18.6x	1.7x	16.9%	-0.3x	10.8%
Information Technology	575	1.82x	13.3x	25.8x	22.1x	21.0x	1.4x	11.7%	-1.2x	15.5%
Communications Equipment	83	1.35x	14.0x	30.8x	23.3x	21.6x	1.4x	6.9%	-2.0x	23.6%
Computers and Peripherals	50	1.40x	11.3x	19.2x	13.0x	15.4x	1.4x	14.5%	-0.7x	12.6%
Electronic Equipment, Instruments and Compor	124	1.02x	11.6x	24.0x	19.1x	19.6x	1.3x	9.8%	-1.0x	13.3%
Internet Software and Services	124	2.91x	18.4x	34.7x	27.7x	33.2x	1.4x	11.0%	-1.8x	23.4%
IT Services	84	1.91x	11.9x	24.3x	22.2x	17.9x	1.3x	16.8%	-0.3x	6.7%
Office Electronics	2	2.00x	12.3x	19.3x	16.9x	15.2x	1.6x	12.3%	0.2x	12.9%
Software	108	2.83x	15.7x	31.9x	29.7x	22.5x	1.6x	11.9%	-1.4x	18.6%
Telecommunications	52	2.20x	7.7x	25.6x	22.9x	23.6x	2.6x	13.3%	2.8x	14.3%
Broadband Telecommunications Services	8	3.78x	11.8x	32.8x	29.8x	51.3x	2.8x	8.4%	2.3x	9.9%
Integrated Telecommunication Services	26	2.11x	6.7x	22.4x	21.4x	23.1x	2.7x	16.0%	2.9x	14.7%
Satellite Communication Services	1	3.54x	7.3x	10.5x	5.7x	9.4x	0.8x	6.9%	4.2x	45.6%
Wireless Telecommunication Services	17	1.74x	8.6x	24.9x	22.0x	19.1x	2.2x	13.3%	2.8x	13.2%
Real Estate	222	11.48x	19.4x	32.1x	30.3x	31.0x	5.6x	5.8%	6.9x	5.6%
Real Estate Investment Trusts (REITs)	188	12.04x	19.6x	32.5x	30.8x	31.1x	5.9x	5.8%	6.9x	5.2%
Real Estate Management and Development	34	6.17x	15.4x	23.4x	22.3x	22.0x	2.8x	6.0%	5.8x	10.7%
Utilities	115	2.77x	9.9x	19.6x	19.0x	17.3x	3.3x	9.4%	3.8x	5.6%
Electric Utilities	41	2.91x	9.5x	18.2x	16.7x	15.6x	3.2x	9.3%	3.7x	6.2%
Gas Utilities	23	1.94x	9.7x	20.2x	20.1x	18.1x	3.5x	10.0%	3.6x	2.2%
Independent Power Producers	13	4.25x	11.8x	37.3x	24.6x	22.6x	1.6x	8.4%	4.9x	14.5%
Muti-Utilities	24	2.73x	10.3x	18.9x	18.9x	17.2x	3.3x	9.6%	3.8x	5.9%
Water Utilities	14	4.52x	11.2x	22.0x	21.6x	20.4x	3.5x	8.8%	3.7x	4.0%
Non-Financial Universe (Major U.S. Exchanges)	3323	2.03x	11.7x	22.8x	20.9x	19.5x	1.6x	11.7%	1.2x	9.2%

Industry	# of Companies	Median EV / LTM		Median Equity Multiples			LTM ROE	
		Revenue	EBITDA	LTM P/E	P/B	Fwd P/E		
Financials	1307	8.65x	12.0x	14.3x	1.02x	15.2x	1.7x	9.5%
Banks	458	NM	NM	16.7x	1.21x	16.1x	2.1x	7.9%
Asset Management and Custody Banks	653	NM	NM	9.1x	0.96x	12.8x	1.3x	12.5%
Investment Banking and Brokerage	28	NM	NM	24.6x	1.64x	18.0x	1.2x	10.5%
Consumer Finance	21	3.08x	6.0x	10.5x	1.77x	10.7x	0.9x	23.3%
Diversified Financial Services	33	4.88x	12.8x	19.6x	1.21x	16.9x	1.3x	9.1%
Insurance	114	NM	NM	11.3x	1.12x	12.8x	1.4x	9.9%
U.S. Major Exchange Universe	4630	2.24x	11.7x	20.1x	1.89x	18.5x	1.6x	10.7%



ABOUT COGNIENT

Cognient Group consists of a group of experienced and highly regarded financial professionals dedicated to providing the highest level of financial expertise and service to corporate and institutional clients. Leveraging decades of experience across a multitude of industries, our firm includes experts in:

FAIRNESS AND SOLVENCY OPINIONS

As experts in the areas of fairness and solvency, we have advised on some of the most sophisticated and complex transactions, and have a wealth of knowledge with which to serve corporate clients, boards of directors, independent fiduciaries, and their professional advisors. We provide comprehensive analysis and unbiased opinions supported with thorough research, detailed financial analyses and the necessary documentation to make confident decisions.

MERGERS & ACQUISITIONS and CAPITAL RAISING

Our experienced team of investment banking professionals work closely with owners and management teams to clearly understand and identify the overall objectives of a transaction and ensure the ultimate result is favorable for all parties involved. Our clients are primarily middle-market-focused across a multitude of industries and include private equity portfolio companies, family-owned businesses and subsidiaries of large corporations.

BUSINESS VALUATIONS

Our industry-leading valuation professionals have worked together for over 25 years to assist clients in understanding and evaluating the going-concern value of business enterprises and non-publicly traded securities.

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