

FINANCIAL TECHNOLOGY AND INFORMATION INDUSTRY

FULL YEAR 2015 :: Mergers and Acquisitions Trend Report

2015 KEY HIGHLIGHTS

- The most active acquirer in 2015, either directly or through an affiliated business, was Vista Equity Partners with six transactions: International Document Services, Inc., Coretrac, Inc., Solera Holdings, Inc., Eagleview Technology Corporation, AutoStar Solutions and Cougar Software. The largest of these was the announced acquisition of Solera Holdings in the property and casualty (P&C) sector for \$6.25 billion.
- There were 83 financially sponsored transactions with an aggregate value of \$11.79 billion, representing 19 percent of the total volume and 18 percent of the total value, respectively.

2015 KEY TRENDS

- Total transaction volume in 2015 increased by 14 percent over 2014, from 376 to 427.
- Total transaction value in 2015 more than doubled over 2014, from \$27.81 billion to \$63.78 billion.
- There were seven transactions above the \$2 billion threshold in 2015, compared to two in 2014.
- The median revenue multiple saw an uptick from 3.0x in 2014 to 3.2x in 2015. The median EBITDA multiple declined from 13.3x in 2014 to 10.5x in 2015.
- The segment with the largest rise in volume in 2015 over 2014 was Capital Markets with a 42 percent increase, from 106 to 150 transactions. The Banking segment was close behind with a 39 percent gain, from 62 to 86 transactions.

M&A MARKET OVERVIEW

Berkery Noyes tracked 1,149 Financial Technology and Information transactions between 2013 and 2015, of which 300 disclosed financial terms, and calculated the aggregate value to be \$98.93 billion. Based on known transaction values, we project values of 849 undisclosed transactions to be \$19.16 billion, totaling \$118.09 billion worth of transactions tracked over the past three years.

Disclosed median enterprise value multiples for all segments combined in this report during the last 36 months were 3.0x revenue and 11.9x EBITDA.

M&A Market Dynamics

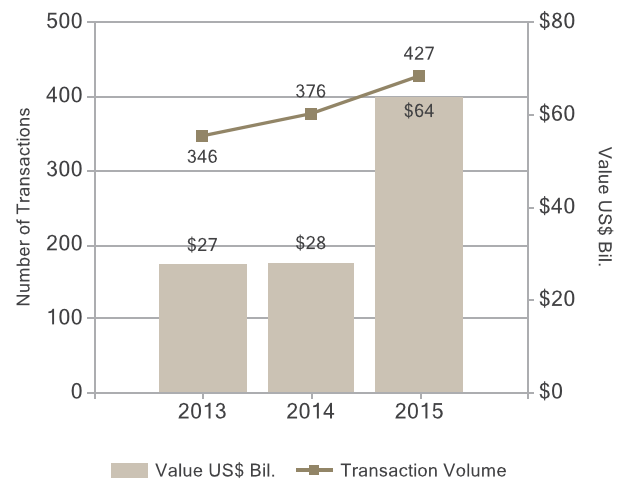


Figure 1. 2013-2015 value and volume comparison.

Median Enterprise Value Multiples

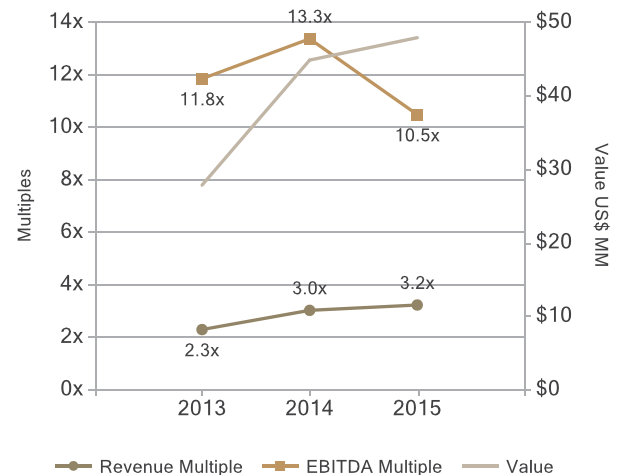


Figure 2. 2013-2015 median value, revenue, EBITDA comparison.

Transaction Analysis :: January 1, 2015 – December 31, 2015

Bell Curve - Histogram

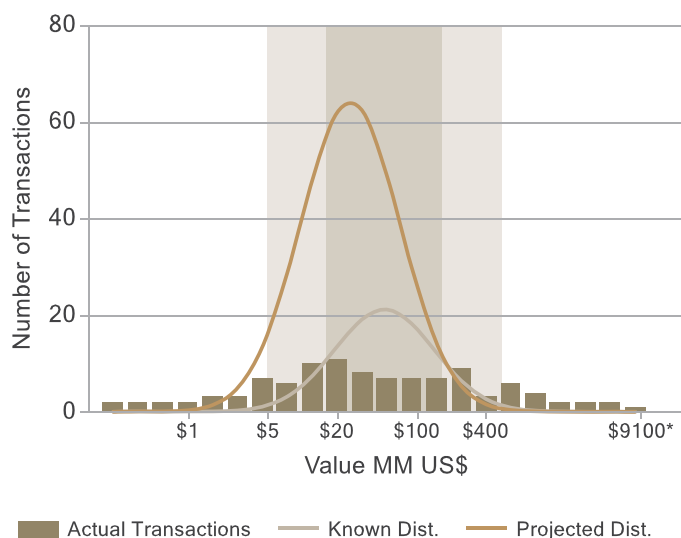


Figure 3. Shows distribution of transactions among the Financial Technology & Information Industry transactions based on publicly available information and Berkery Noyes estimates. Using a logarithmic scale, we determined that nearly one-third of companies purchased had transaction values of \$12.2 million to \$148.4 million. Based on this data, we estimate the total transaction value of deals done in 2015 at \$63.8 billion.

* Indicates largest transaction in the industry from Jan. 1, 2015 to Dec. 31, 2015.

Distribution Table

Value in MM US\$	Known Number	Projected Number	Total Number	%	Cumulative %
\$0.2	2	0	2	2 %	2 %
\$0.4	2	0	2	2 %	4 %
\$0.6	2	0	2	2 %	6 %
\$1.0	2	0	2	2 %	8 %
\$1.6	3	1	4	3 %	10 %
\$2.7	3	5	7	3 %	13 %
\$4.5	7	13	20	7 %	20 %
\$7.4	6	29	34	6 %	25 %
\$12.2	10	48	57	9 %	35 %
\$20.1	11	62	72	10 %	45 %
\$33.1	8	62	70	8 %	53 %
\$54.6	7	49	56	7 %	59 %
\$90.0	7	30	37	7 %	66 %
\$148.4	7	14	21	7 %	73 %
\$244.7	9	5	14	8 %	81 %
\$403.4	3	2	4	3 %	84 %
\$665.1	6	0	6	6 %	90 %
\$1,096.6	4	0	4	4 %	93 %
\$1,808.0	2	0	2	2 %	95 %
\$2,981.0	2	0	2	2 %	97 %
\$4,914.8	2	0	2	2 %	99 %
\$8,103.1	1	0	1	1 %	100 %
Total #	106	321	427		
Total \$ Value	\$55,336	\$8,441	\$63,776		
Middle 3rd of Industry		Middle 2/3rds of Industry			

Figure 4. Presents the data depicted in the bell curve histogram. **Note:** The projected number column is rounded and may produce insignificant errors in the total sum.

Strategic vs. Financial Comparison

M&A Dynamics By Transaction Type

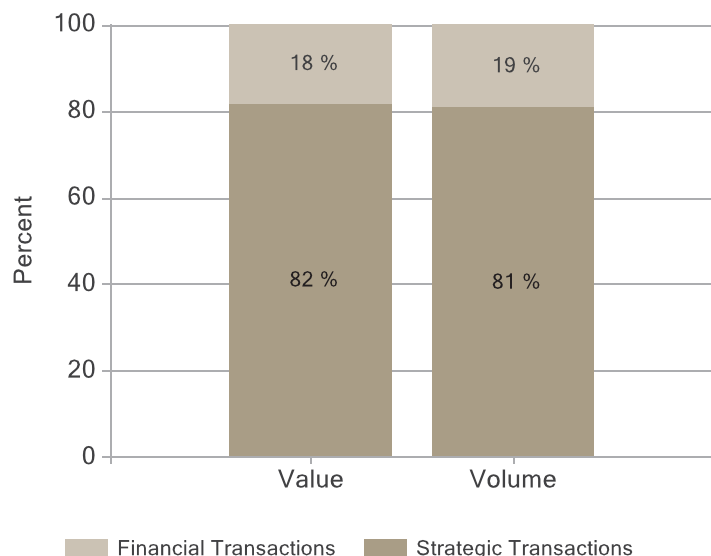


Figure 5. 2015 value and volume comparison by acquirer type.

Note: Financial transactions are those financed by private equity, venture capital, and other investment firms. This includes acquisitions by portfolio companies of the investment firms.

Transaction Type

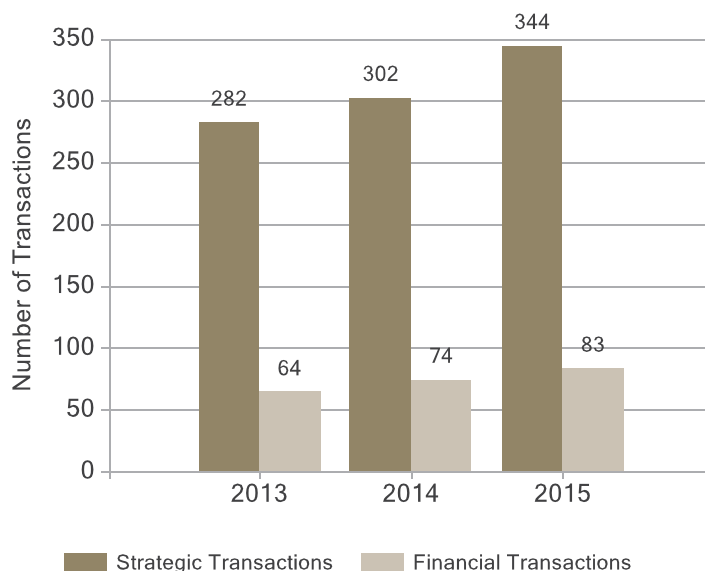


Figure 6. 2013-2015 acquirer type comparison by year.

Purchaser Analysis

Top Ten Notable Transactions 2015

Deal Date	Target Name	Buyer	Value MM US\$
08/12/15	SunGard Data Systems Inc.	FIS	\$9,100
10/26/15	Interactive Data Corporation	Intercontinental Exchange, Inc.	\$7,450
09/14/15	Solera Holdings, Inc.	Vista Equity Partners	\$6,246
06/15/15	Dealertrack Technologies	Cox Automotive, Inc.	\$4,362
12/15/15	Heartland Payment Systems	Global Payments, Inc.	\$4,312
01/28/15	Advent Software, Inc.	SS&C Technologies, Inc.	\$2,550
06/19/15	Istituto Centrale delle Banche Popolari Italiane	Bain Capital, Advent International, Clessidra SGR	\$2,495
11/23/15	Wincor Nixdorf	Diebold Incorporated	\$1,800
03/23/15	Skrill Group	Optimal Payments Plc	\$1,694
10/19/15	Electronic Funds Source	WEX Inc.	\$1,470
2015 Aggregate Transaction Value			\$63,776
Top 10 Aggregate Transaction Value			\$41,478
Top 10 Aggregate Value as a Percentage of All Transactions			65 %

Figure 7. Lists the top ten transactions for 2015 and calculates their aggregate transaction value as a percentage of the 2015 total aggregate transaction value as shown on Figure 1 & 4.

Note: Transaction data based on **announced date**. Deal value represents total consideration paid by the acquirer.

Median EV/Revenue Multiples By Size

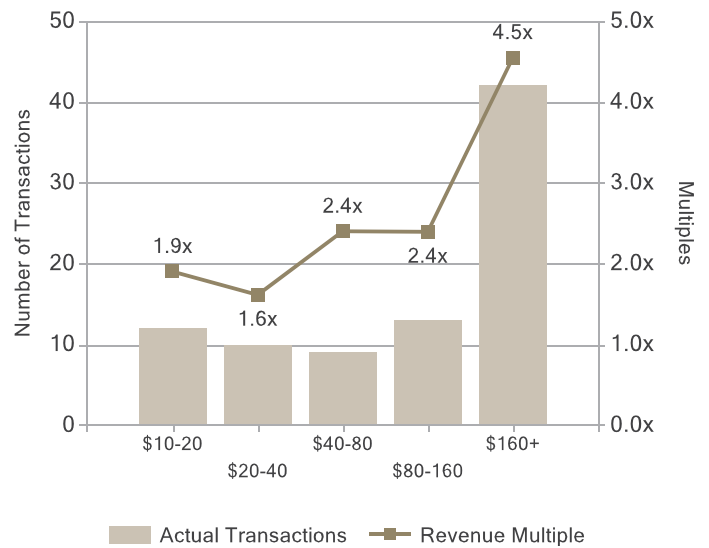


Figure 8. Presents the median enterprise value/revenue multiples paid for companies in the Financial Technology & Information Industry from Jan. 1, 2013 to Dec. 31, 2015 based on publicly available sales price and revenue data.

Transaction Volume by Segment :: January 1, 2013 – December 31, 2015

Transactions By Market Segment

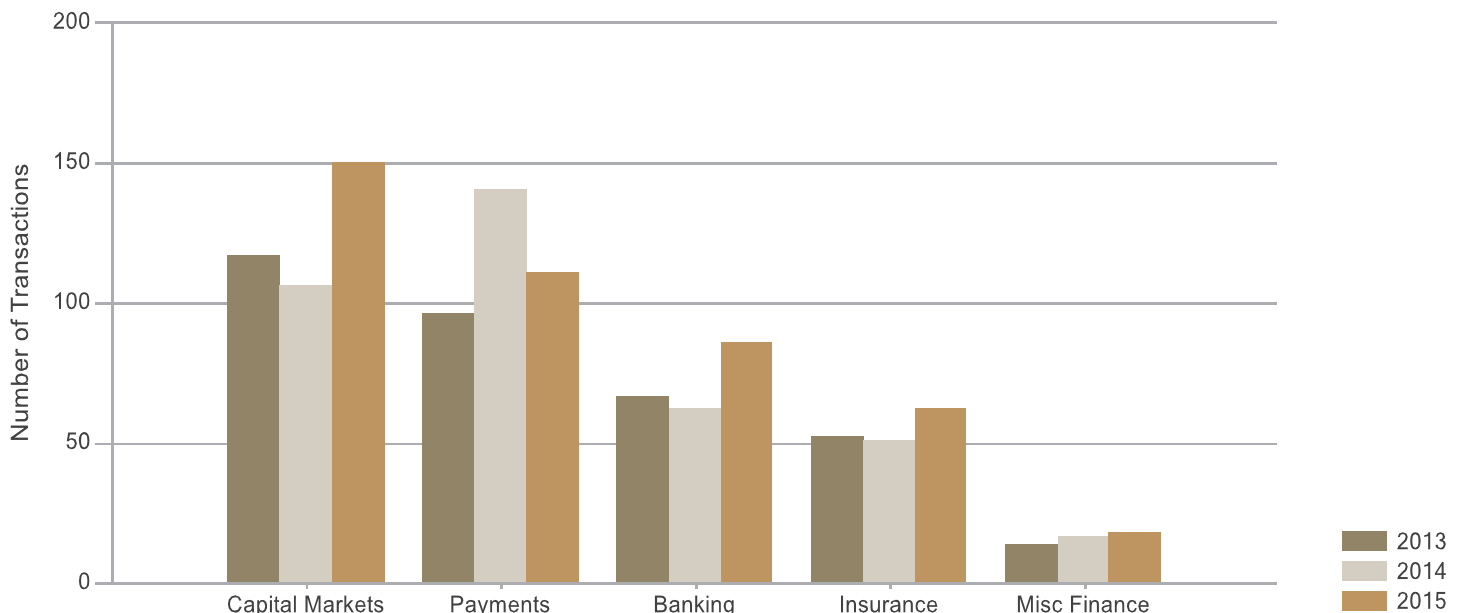


Figure 9. Presents the transaction volume by market segment within the Financial Technology & Information Industry from Jan. 1, 2013 through Dec. 31, 2015.

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All charts in this report are based on data gathered by Berkery Noyes' research department. All time period statistics are based on the transaction announcement date. The information contained herein is of a general nature and is not intended to address the circumstances of any particular company, individual, or entity. There can be no guarantee that such information is accurate.

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