



## FINANCIAL TECHNOLOGY AND INFORMATION INDUSTRY

### 1ST HALF 2014 :: Mergers and Acquisitions Trend Report

#### 1ST HALF 2014 KEY HIGHLIGHTS

- The most active acquirers in 1st Half 2014 were MasterCard Incorporated, Rubik Financial Limited, and Charge Payment, LLC with three transactions each.
- The highest value transaction year-to-date was Bain Capital, Advent International, and ATP Private Equity Partners' acquisition of Nets Holding A/S, a provider of payments, information, and digital identity solutions, for \$3.14 billion. Advent International was also involved in the industry's second largest deal through its backing of Vantiv, which acquired Mercury Payment Systems for \$1.65 billion.
- The industry's most active market segment in 1st Half 2014 was Payments with 56 deals.

#### 1ST HALF 2014 KEY TRENDS

- Total transaction volume in 1st Half 2014 decreased by 11 percent over 2nd Half 2013, from 187 to 166.
- Total transaction value in 1st Half 2014 fell by 27 percent over 2nd Half 2013, from \$15.15 billion to \$11.07 billion.
- The median revenue multiple increased from 2.5x in 2nd Half 2013 to 3.5x in 1st Half 2014. The median EBITDA multiple remained nearly constant at 15.5x.

#### M&A MARKET OVERVIEW

Berkery Noyes tracked 819 Financial Technology and Information transactions between 2012 and 1st Half 2014, of which 239 disclosed financial terms, and calculated the aggregate transaction value to be \$60.76 billion. Based on known transaction values, we project values of 580 undisclosed transactions to be \$6.29 billion, totaling \$67.04 billion worth of transactions tracked over the past two and a half years.

Disclosed median enterprise value multiples for all segments combined in this report between 2012 and 1st Half 2014 were 2.9x revenue and 12.0x EBITDA.

The most active acquirer in the Banking segment over the last 30 months was NCR Corporation with four transactions.

#### M&A Market Dynamics By Half Year

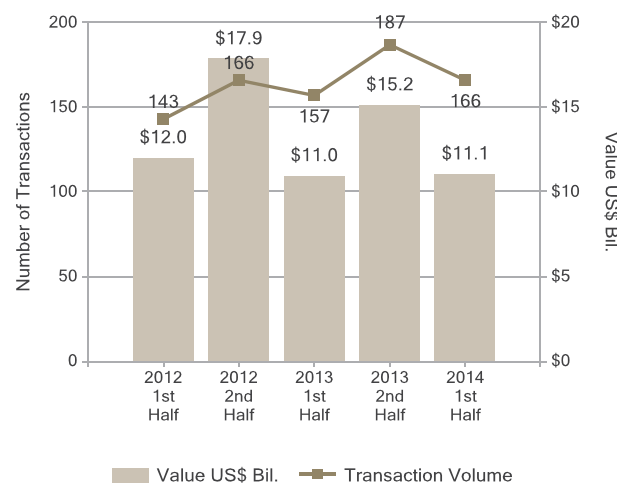


Figure 1. 2012-2014 value and volume comparison.

#### Median Enterprise Value Multiples By Half Year

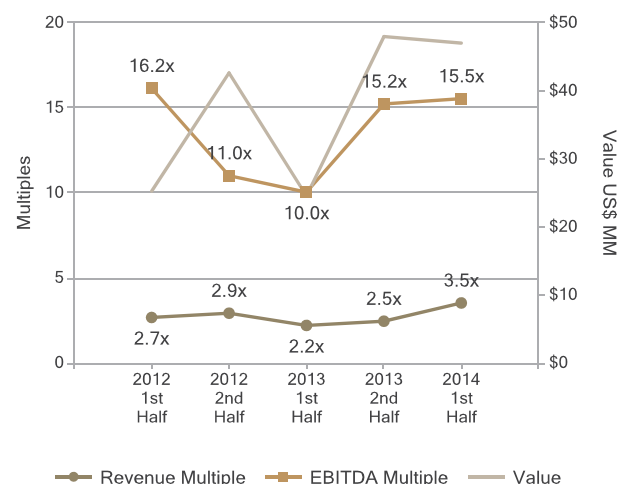
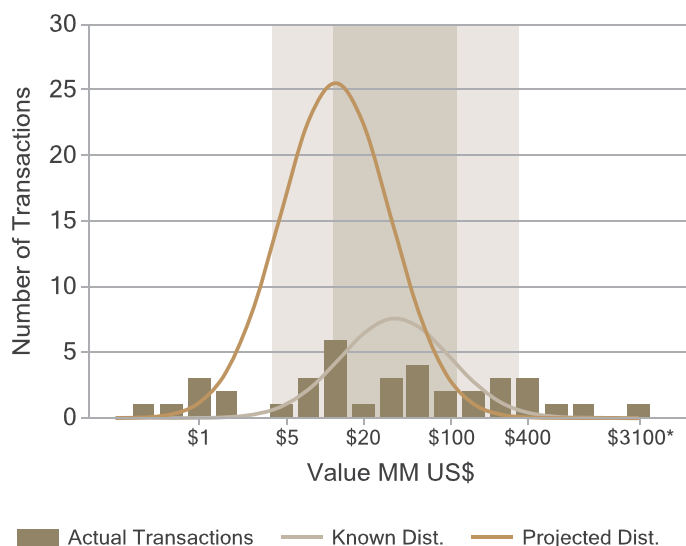


Figure 2. 2012-2014 median: value, revenue, EBITDA comparison.

# Transaction Analysis :: January 1, 2014 – June 30, 2014

## Bell Curve - Histogram - 1st Half



**Figure 3.** Shows the distribution of Financial Technology & Information transactions based on publicly available information and Berkery Noyes estimates. Using a logarithmic scale, we determined that nearly two-thirds of companies purchased had transaction values of \$12.2 to \$90.0 million. Based on this data, we estimate the total transaction value of deals done in 1st Half 2014 at \$11.1 billion.

\* Indicates largest industry transaction from Jan. 1, 2014 to June 30, 2014.

## Distribution Table

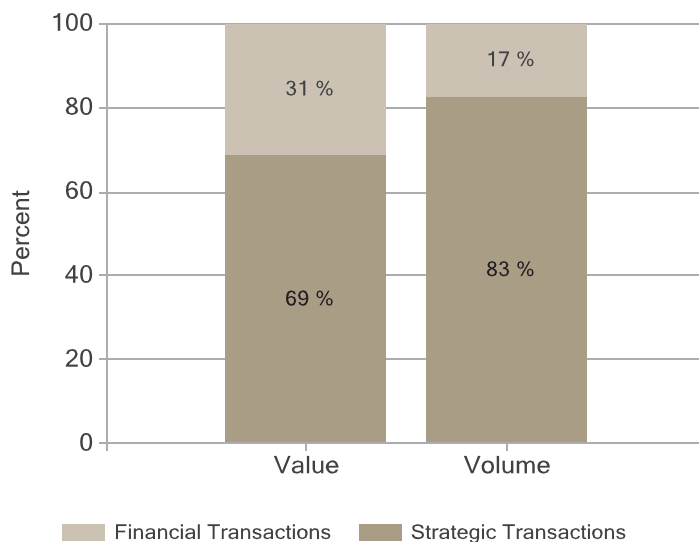
Value in MM US\$	Known Number	Projected Number	Total Number	%	Cumulative %
\$0.2	0	0	0	0 %	0 %
\$0.4	1	0	1	3 %	3 %
\$0.6	1	0	1	3 %	5 %
\$1.0	3	1	4	8 %	13 %
\$1.6	2	4	5	5 %	18 %
\$2.7	0	8	8	0 %	18 %
\$4.5	1	16	16	3 %	21 %
\$7.4	3	23	25	8 %	29 %
\$12.2	6	26	31	16 %	45 %
\$20.1	1	22	23	3 %	47 %
\$33.1	3	15	18	8 %	55 %
\$54.6	4	8	12	11 %	66 %
\$90.0	2	3	5	5 %	71 %
\$148.4	2	1	3	5 %	76 %
\$244.7	3	0	3	8 %	84 %
\$403.4	3	0	3	8 %	92 %
\$665.1	1	0	1	3 %	95 %
\$1,096.6	1	0	1	3 %	97 %
\$1,808.0	0	0	0	0 %	97 %
\$2,981.0	1	0	1	3 %	100 %
Total #	38	128	166		
Total \$ Value	\$9,529	\$1,542	\$11,072		
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 as a result of the projection and may produce insignificant errors in the total sum.

## Strategic vs. Financial Comparison

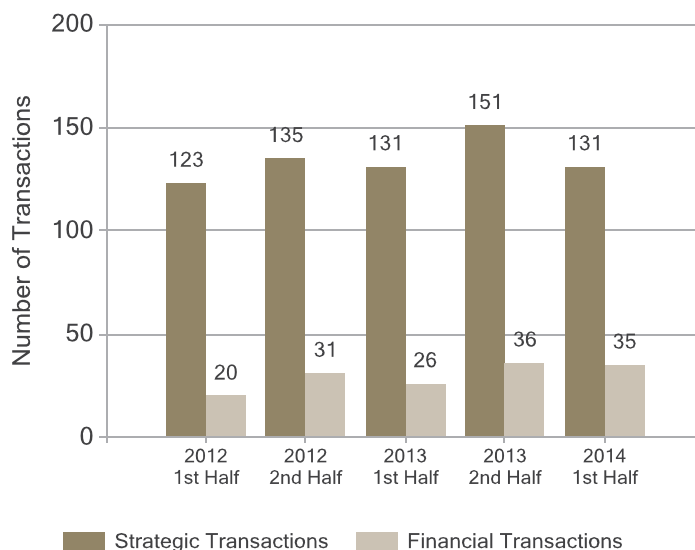
### M&A Dynamics By Transaction Type - 1st Half



**Figure 5.** 2012-2014 value and volume comparison by transaction 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 By Half Year



**Figure 6.** 2012-2014 acquirer type comparison by half year.

## Purchaser Analysis

### Top Ten Notable Transactions - 1st Half 2014

Deal Date	Target Name	Buyer	Value MM US\$
03/24/14	Nets Holding A/S	Bain Capital, Advent International, ATP Private Equity Partners	\$3,140
05/12/14	Mercury Payment Systems, Inc.	Vantiv	\$1,650
04/14/14	Ipreo Holdings LLC	Blackstone Group LP, Goldman Sachs Merchant Banking	\$975
01/15/14	EagleView Technologies, Inc.	Verisk Analytics, Inc.	\$637
06/16/14	Evolution1	WEX Inc.	\$533
01/24/14	Payment Processing, Inc.	Global Payments, Inc.	\$420
04/30/14	Institutional Shareholder Services	Vestar Capital Partners	\$367
05/27/14	Check Inc.	Intuit, Inc.	\$360
01/16/14	TDX Group	Equifax, Inc.	\$327
03/10/14	HiFX	Euronet Worldwide, Inc.	\$169
2014 Aggregate Transaction Value			\$11,072
Top 10 Aggregate Transaction Value			\$8,577
<b>Top 10 Aggregate Value as a Percentage of All Transactions</b>			<b>77 %</b>

Figure 7. Lists the top ten transactions for 1st Half 2014 and calculates their aggregate transaction value as a percentage of the total aggregate transaction value as shown in Figure 1 & 4.

Note: Transaction data based on announced date.

### Median EV/Revenue Multiples By Size

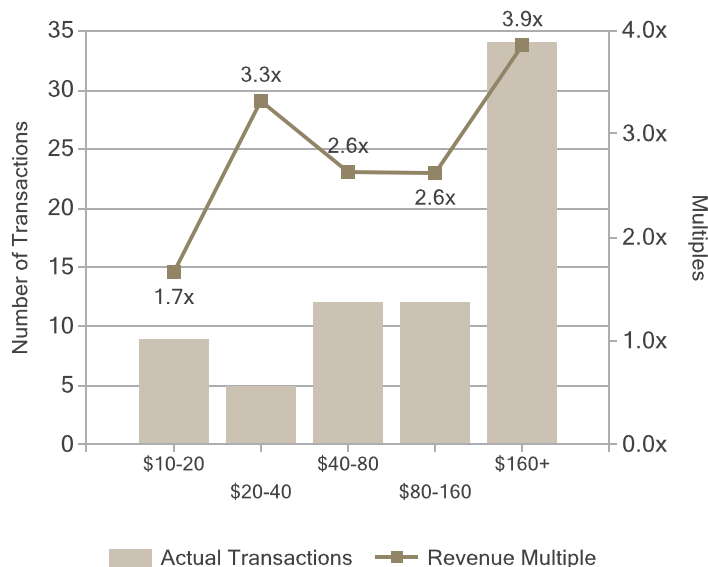


Figure 8. Presents the median enterprise value/revenue multiples paid for companies in the Financial Technology & Information Industry from January 1, 2012 to June 30, 2014 based on publicly available sales price and revenue data.

## Transaction Volume by Segment :: January 1, 2012 – June 30, 2014

### Transactions By Market Segment By Half Year

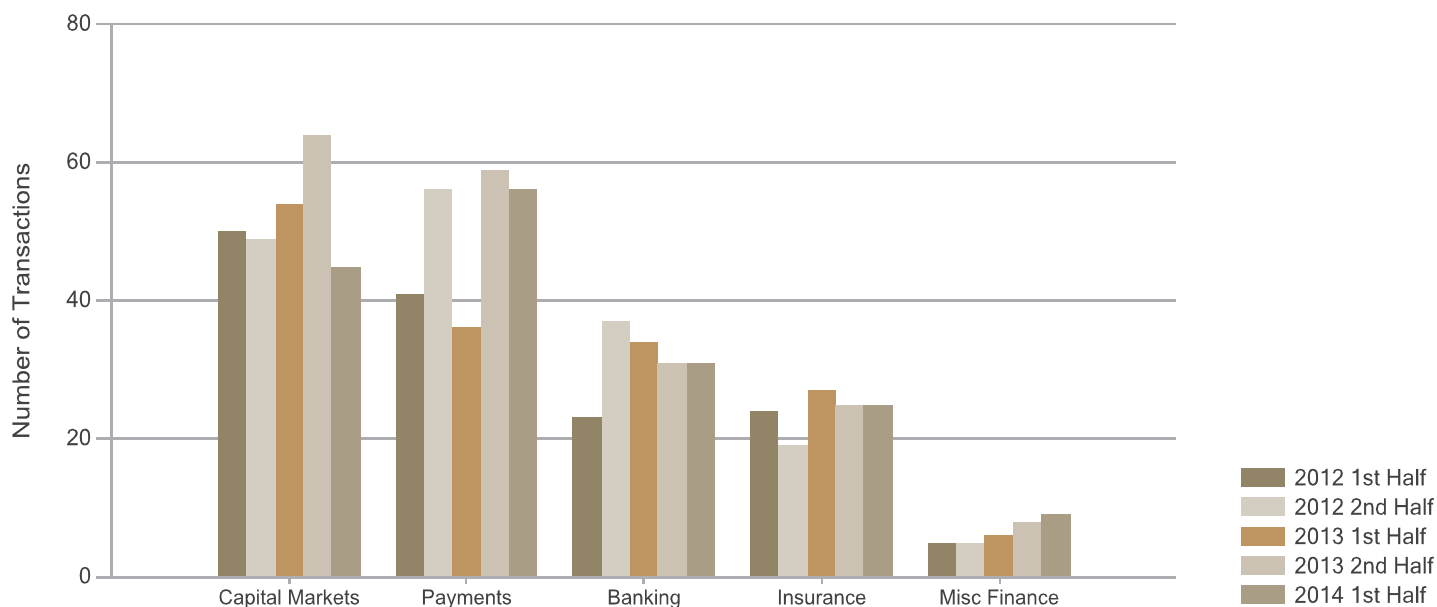


Figure 9. Presents the transaction volume by market segment within the Financial Technology & Information Industry from January 1, 2012 through June 30, 2014.

# BERKERY NOYES

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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.

For current intelligence on Mergers and Acquisitions activity in the Information Industry please visit our online service at

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## RECENT FINANCIAL TECHNOLOGY TRANSACTIONS



HAS RECEIVED A STRATEGIC  
INVESTMENT FROM



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