

FINANCIAL TECHNOLOGY AND INFORMATION INDUSTRY

1ST HALF 2017 :: Mergers and Acquisitions Trend Report

1ST HALF 2017 KEY HIGHLIGHTS

- The highest value deal in 1st Half 2017 was Vista Equity Partners' announced acquisition of DH Corporation, a provider of technology solutions to financial institutions, for \$3.49 billion, which Vista plans to combine with its portfolio company Misys. Misys and DH will operate under the new brand name Finastra.
- The most active acquirer during the half year period was Accenture with four industry acquisitions.
- Accenture acquired BeesPath's ClosingBridge platform, which facilitates secure communications and file exchange for real estate finance transactions; Genfour, an automation service provider that works with clients in a variety of sectors, including insurance and banking; Infusion Development Corporation, a global software engineering, design and digital strategy firm with expertise in financial services, insurance and capital markets; and InvestTech Systems Consulting, a systems integration and technology consulting company that supports asset managers and investment service providers.

1ST HALF 2017 KEY TRENDS

- Total transaction volume in 1st Half 2017 increased by 19 percent over 2nd Half 2016, from 193 to 229.
- Total transaction value in 1st Half 2017 rose by 76 percent over 2nd Half 2016, from \$10.66 billion to \$18.76 billion.
- The median revenue multiple improved from 1.9x in 2nd Half 2016 to 2.3x in 1st Half 2017.

M&A MARKET OVERVIEW

Berkery Noyes tracked 1,103 Financial Technology and Information transactions between 2015 and 1st Half 2017, of which 260 disclosed financial terms, and calculated the aggregate transaction value to be \$99.23 billion. Based on known transaction values, we project values of 843 undisclosed transactions to be \$18.79 billion, totaling \$118.01 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 during the last 30 months were 2.3x revenue and 12.5x EBITDA.

M&A Market Dynamics By Half Year

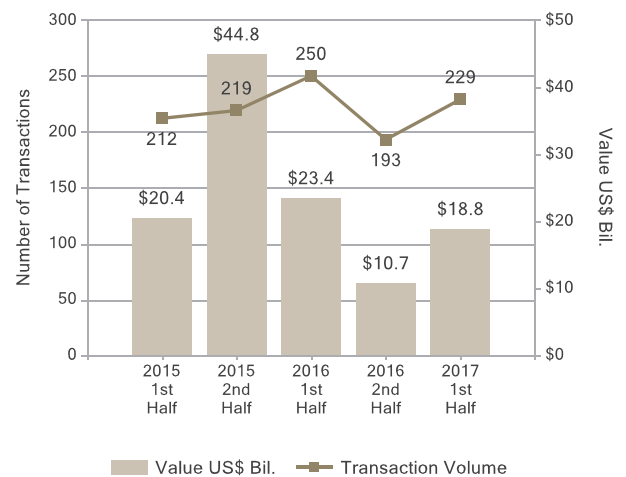


Figure 1. 2015-2017 value and volume comparison.

Median Enterprise Value Multiples By Half Year

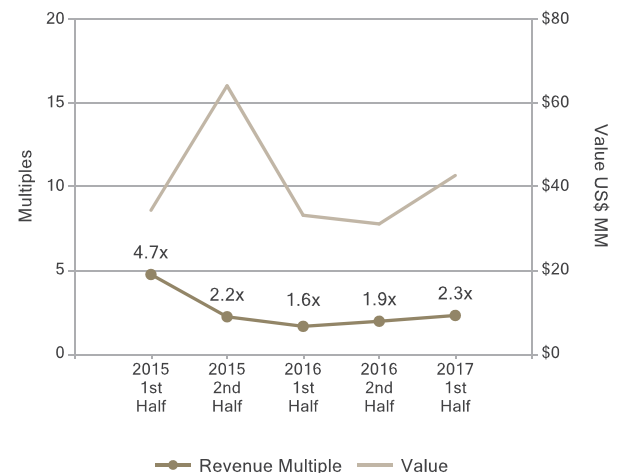


Figure 2. 2015-2017 median: value and revenue comparison.

Transaction Analysis :: January 1, 2017 – June 30, 2017

Bell Curve - Histogram - 1st Half

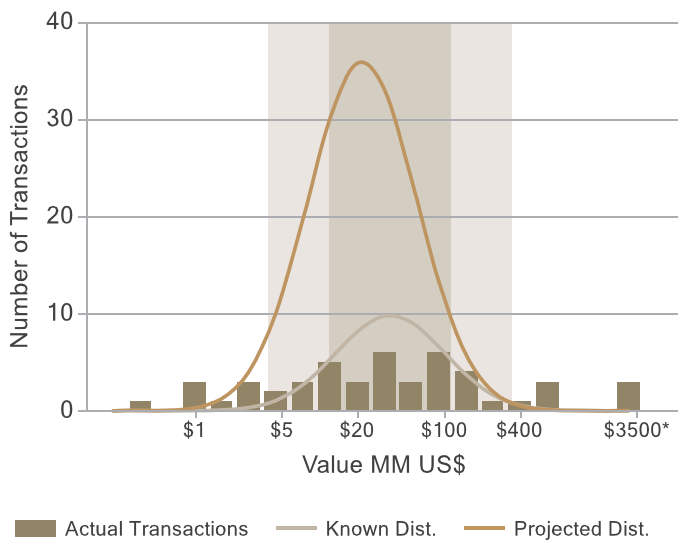


Figure 3. Shows distribution of transactions among the Financial Technology & Information Industry transactions based on publicly available information and Berkery Noyes estimates. Using a logarithmic scale, we determined that nearly one-third of companies purchased had transaction values of \$12.2 million to \$90 million. Based on this data, we estimate the total transaction value of deals done in 1st Half 2017 at \$18.8 billion.

* Indicates largest transaction in the industry from Jan. 1, 2017 to June 30, 2017.

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	2 %	2 %
\$0.6	0	0	0	0 %	2 %
\$1.0	3	0	3	6 %	8 %
\$1.6	1	1	2	2 %	10 %
\$2.7	3	4	6	6 %	16 %
\$4.5	2	10	12	4 %	20 %
\$7.4	3	20	22	6 %	27 %
\$12.2	5	30	35	10 %	37 %
\$20.1	3	36	38	6 %	43 %
\$33.1	6	33	39	12 %	55 %
\$54.6	3	24	26	6 %	61 %
\$90.0	6	13	19	12 %	73 %
\$148.4	4	6	9	8 %	82 %
\$244.7	1	2	2	2 %	84 %
\$403.4	1	1	1	2 %	86 %
\$665.1	3	0	3	6 %	92 %
\$1,096.6	0	0	0	0 %	92 %
\$1,808.0	0	0	0	0 %	92 %
\$2,981.0	3	0	3	6 %	98 %
Total #	49	180	229		
Total \$ Value	\$14,774	\$3,981	\$18,755		
Middle 3rd of Industry		Middle 2/3rds of Industry			

Figure 4. Presents the data depicted in the bell curve histogram.

Strategic vs. Financial Comparison

M&A Dynamics By Transaction Type - 1st Half

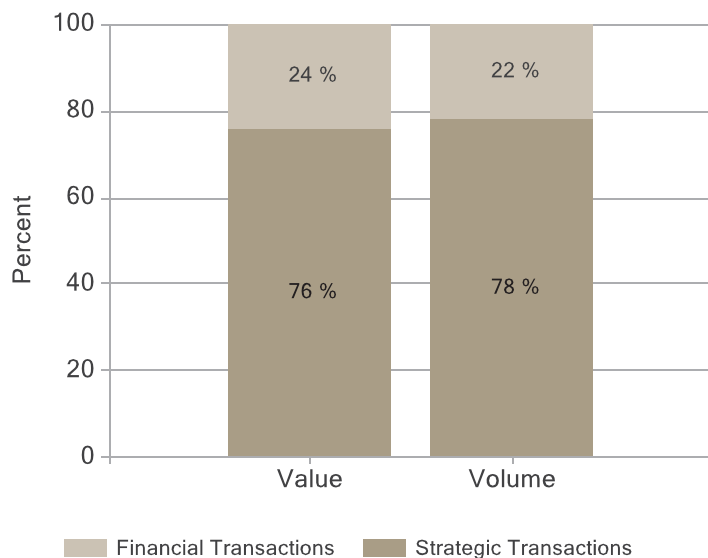


Figure 5. 2015-2017 value and volume comparison by acquirer type.

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 By Half Year

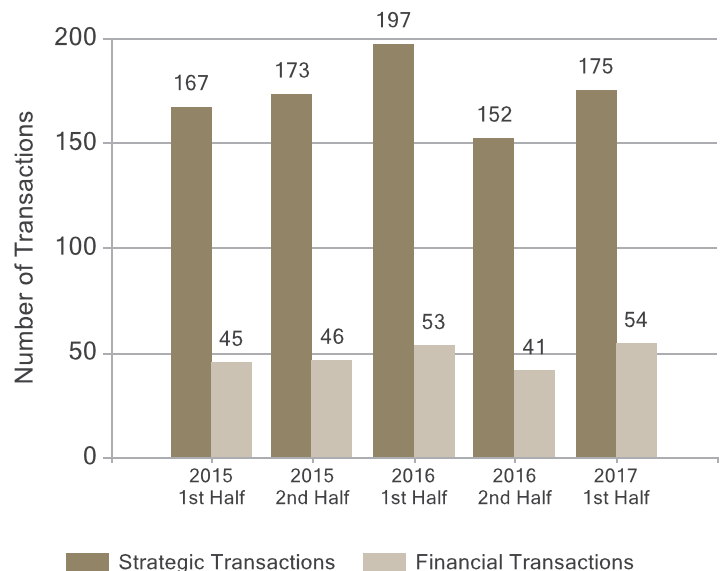


Figure 6. 2015-2017 acquirer type comparison by year.

Purchaser Analysis

Top Ten Notable Transactions - 1st Half 2017

Deal Date	Target Name	Buyer	Value MM US\$
03/15/17	DH Corporation	Misys plc	\$3,491
05/15/17	Bureau van Dijk Electronic Publishing	Moody's Corporation	\$3,270
02/27/17	CCC Information Services Inc.	Advent International	\$3,000
05/29/17	CardConnect	First Data Corporation	\$750
05/30/17	The Yield Book and Citi Fixed Income Indices from Citigroup	London Stock Exchange Group plc	\$685
05/01/17	Cambridge Global Payments	FleetCor Technologies, Inc.	\$675
05/23/17	Capco	Clayton, Dubilier & Rice, Inc.	\$477
06/02/17	Sage Payment Solutions	GTCR, LLC	\$260
02/15/17	TIO Networks	PayPal, Inc.	\$233
03/20/17	BISAM	FactSet Research Systems Inc.	\$205
2017 Aggregate Transaction Value			\$18,755
Top 10 Aggregate Transaction Value			\$13,046
Top 10 Aggregate Value as a Percentage of All Transactions			70 %

Figure 7. Lists the top ten transactions for 1st Half 2017 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

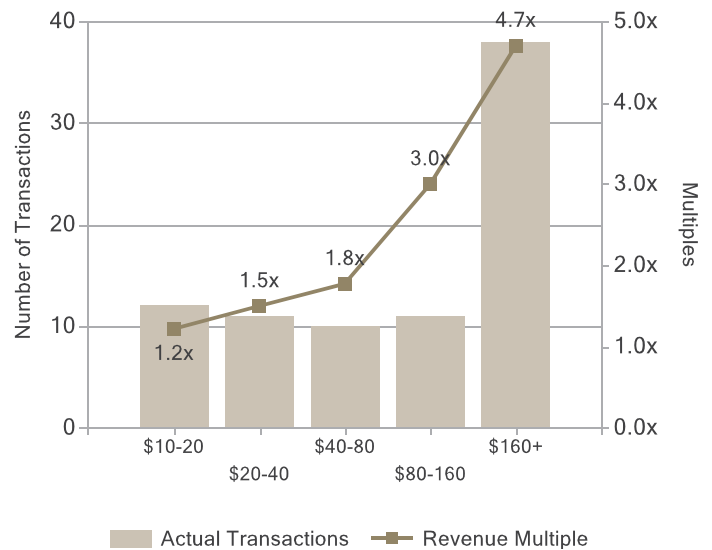


Figure 8. Presents the median enterprise value/revenue multiples paid for companies in the Financial Technology & Information Industry from January 1, 2015 to June 30, 2017 based on publicly available sales price and revenue data.

Transaction Volume by Segment :: January 1, 2015 – June 30, 2017

Transactions By Market Segment By Half Year

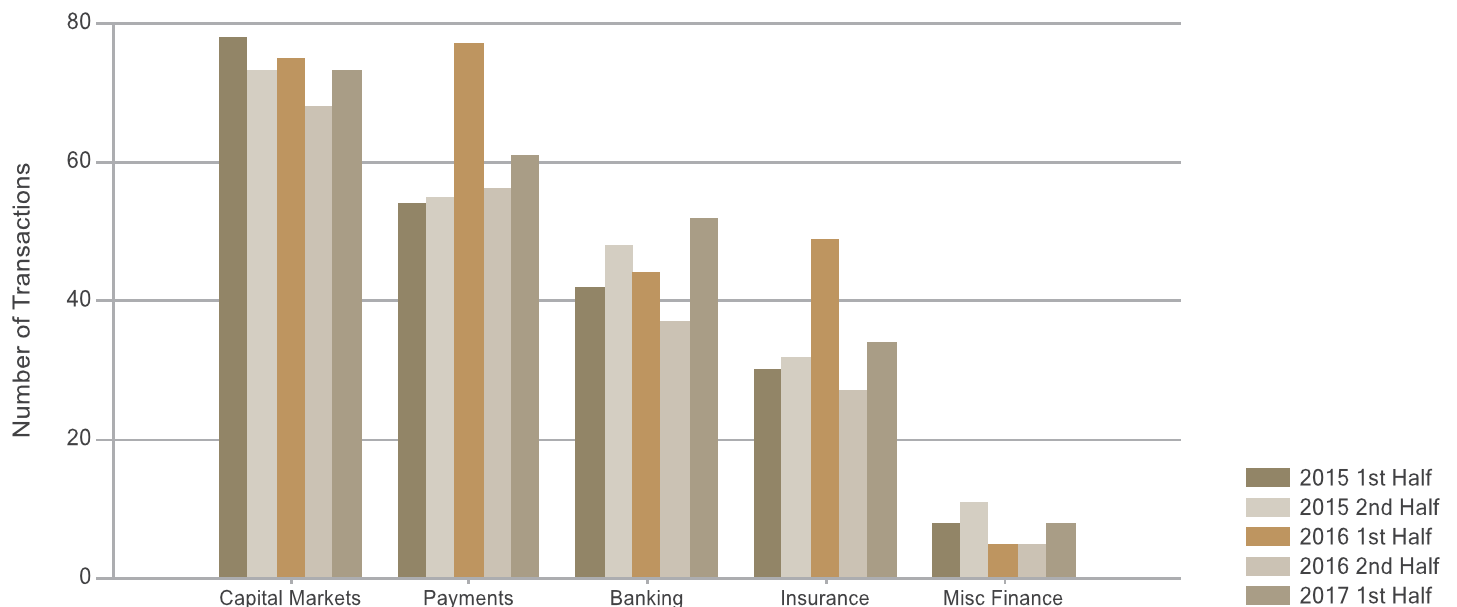


Figure 9. Presents the transaction volume by market segment within the Financial Technology & Information Industry from January 1, 2015 through June 30, 2017.

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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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