

FINANCIAL TECHNOLOGY AND INFORMATION INDUSTRY

Q3 2017 :: Mergers and Acquisitions Trend Report

Q3 2017 KEY HIGHLIGHTS

- The largest transaction in Q3 2017 and year-to-date was U.S. based Vantiv's announced merger with U.K. based Worldpay Group for \$11.6 billion in the Payments segment.
- The most active acquirer through the 1st 3 Quarters of 2017, either directly or through an affiliated business, was Verisk Analytics with seven transactions. Three of these deals occurred in Q3 2017: Sequel Business Solutions for \$321 million in the Insurance segment; LCI for \$151 million in the Banking segment; and G2 Web Services for \$112 million in the Payments segment.

Q3 2017 KEY TRENDS

- Total transaction volume in the 1st 3 Quarters of 2017 decreased by five percent over the 1st 3 Quarters of 2016, from 347 to 330.
- Total transaction value in the 1st 3 Quarters of 2017 rose by 19 percent over the 1st 3 Quarters of 2016, from \$30.7 billion to \$36.6 billion.

MULTIPLES & VALUE TRENDS

- The median revenue multiple on a year-over-year basis increased from 1.8x to 2.6x. The median EBITDA multiple on a year-over-year basis improved from 11.4x to 14.9x.

M&A Market Dynamics

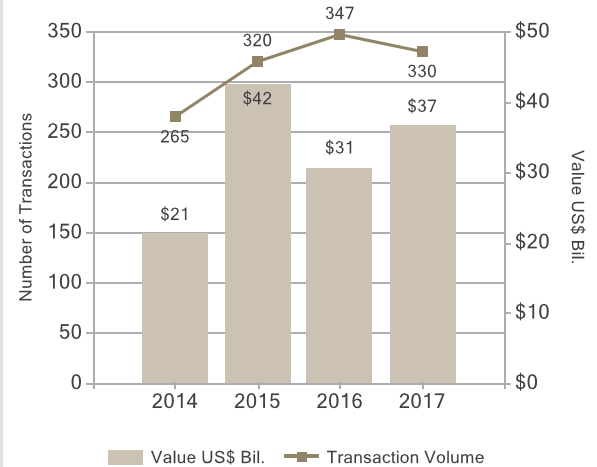


Figure 1. 1st 3 Quarters value and volume comparison from 2014 to 2017.

Median Enterprise Value Multiples

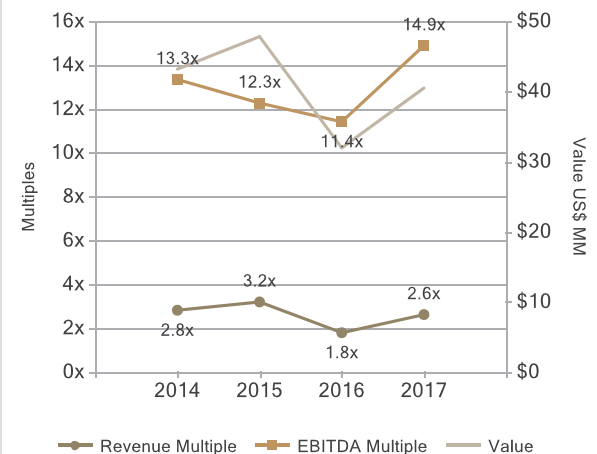


Figure 2. 1st 3 Quarters median revenue and EBITDA comparison from 2014 to 2017.

Top Ten Notable Transactions - 1st 3 Quarters 2017

Deal Date	Target Name	Buyer	Value MM US\$
08/09/17	Worldpay Group	Vantiv	\$11,579
03/15/17	DH Corporation	Misys plc	\$3,491
05/15/17	Bureau van Dijk Electronic Publishing	Moody's Analytics, Inc.	\$3,270
02/27/17	CCC Information Services Inc.	Advent International	\$3,000
07/05/17	Bankrate, Inc.	Red Ventures, LLC	\$1,435
05/29/17	CardConnect	First Data Corporation	\$750
09/07/17	Institutional Shareholder Services	Genstar Capital LLC	\$720
09/05/17	eVestment Alliance, LLC	Nasdaq, Inc.	\$705
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
2017 Aggregate Transaction Value			\$36,621
Top 10 Aggregate Transaction Value			\$26,309
Top 10 Aggregate Value as a Percentage of All Transactions			72 %

Figure 3. Lists the top ten transactions for the 1st 3 Quarters of 2017 and calculates their aggregate transaction value as a percentage of the total aggregate transaction value. **Note:** Transaction data based on **announced date**.

TOP TEN DEALS THROUGH Q3 2017

The top ten deals by value have seen four new additions since our half year report, including two in the Capital Markets segment: Genstar Capital's announced acquisition of Institutional Shareholder Services for \$720 million and Nasdaq's announced acquisition of eVestment Alliance for \$705 million.

These four transactions, with an aggregate value of \$14.4 billion, represented 39 percent of transaction value in the 1st 3 Quarters of 2017 and 81 percent of Q3 2017 transaction value.

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