



FINANCIAL TECHNOLOGY AND INFORMATION INDUSTRY

FULL YEAR 2013 :: Mergers and Acquisitions Trend Report

2013 KEY HIGHLIGHTS

- Six of the industry's top ten highest value deals during 2013 occurred in the Banking segment.
- The Insurance segment's two largest deals were both completed by private equity firms. This consisted of Hellman & Friedman's acquisition of Applied Systems for \$1.8 billion and Kohlberg Kravis Roberts & Co.'s acquisition of Mitchell International for \$1 billion.
- There were 62 financially sponsored transactions with an aggregate value of \$12.01 billion, representing 18 percent of the total volume and 40 percent of the total value, respectively.

2013 KEY TRENDS

- Total transaction volume in 2013 increased by ten percent over 2012, from 309 to 341.
- Total transaction value in 2013 decreased by eight percent over 2012, from \$32.49 billion to \$30.03 billion.
- The median revenue multiple declined from 2.9x in 2012 to 2.2x in 2013. The median EBITDA multiple remained nearly constant at 11.7x.
- The segment with the largest increase in volume in 2013 over 2012 was Capital Markets with a 19 percent increase, from 99 to 118 transactions.

M&A MARKET OVERVIEW

Berkery Noyes tracked 936 Financial Technology and Information transactions between 2011 and 2013, of which 314 disclosed financial terms, and calculated the aggregate value to be \$67.31 billion. Based on known transaction values, we project values of 622 undisclosed transactions to be \$16.13 billion, totaling \$83.44 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 2.6x revenue and 11.5x EBITDA.

The largest deal tracked by Berkery Noyes between 2011 and 2013 was IntercontinentalExchange's acquisition of NYSE Euronext for \$10.18 billion in 2012.

M&A Market Dynamics



Figure 1. 2011-2013 value and volume comparison.

Median Enterprise Value Multiples



Figure 2. 2011-2013 median value, revenue, EBITDA comparison.

Transaction Analysis :: January 1, 2013 – December 31, 2013

Bell Curve - Histogram

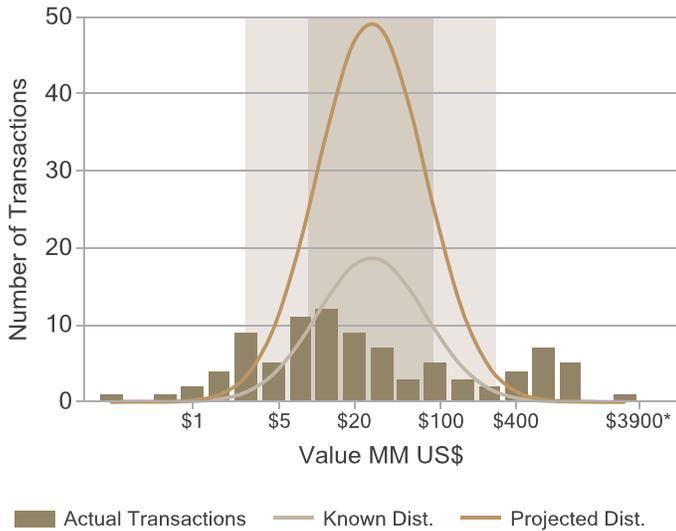


Figure 3. Shows distribution of transactions among the Financial Technology & Information Industry transactions based on publicly available information and Berkery Noyes estimates. Using a logarithmic scale, we determined that nearly one-third of companies purchased had transaction values of \$7.4 million to \$54.6 million. Based on this data, we estimate the total transaction value of deals done from Jan. 1 to Dec. 31, 2013 at \$30.0 billion.

* Indicates largest transaction in the industry from Jan. 1, 2013 to Dec. 31, 2013.

Distribution Table

Value in MM US\$	Known Number	Projected Number	Total Number	%	Cumulative %
\$0.2	1	0	1	1 %	1 %
\$0.4	0	0	0	0 %	1 %
\$0.6	1	0	1	1 %	2 %
\$1.0	2	0	2	2 %	4 %
\$1.6	4	1	4	4 %	9 %
\$2.7	9	3	12	10 %	18 %
\$4.5	5	9	14	5 %	23 %
\$7.4	11	21	31	12 %	35 %
\$12.2	12	35	47	13 %	48 %
\$20.1	9	47	55	10 %	57 %
\$33.1	7	48	55	7 %	65 %
\$54.6	3	39	41	3 %	68 %
\$90.0	5	24	29	5 %	73 %
\$148.4	3	12	14	3 %	77 %
\$244.7	2	5	6	2 %	79 %
\$403.4	4	1	5	4 %	83 %
\$665.1	7	0	7	7 %	90 %
\$1,096.6	5	0	5	5 %	96 %
\$1,808.0	0	0	0	0 %	96 %
\$2,981.0	1	0	1	1 %	97 %
Total #	94	247	341		
Total \$ Value	\$23,234	\$6,799	\$30,033		
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

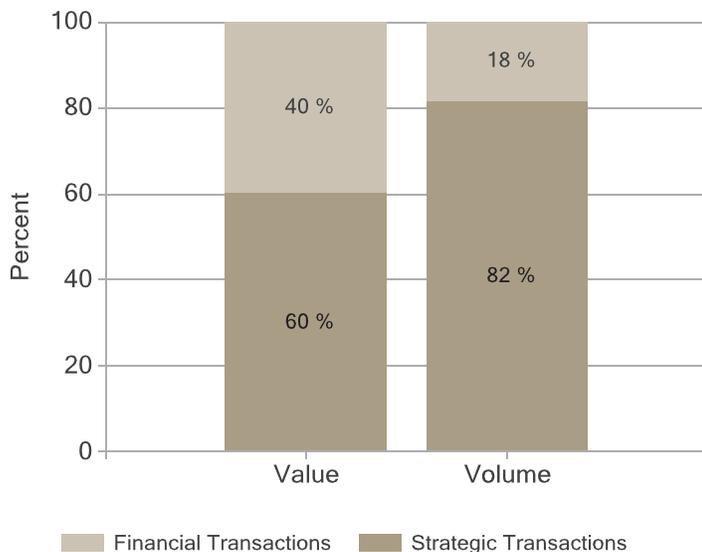


Figure 5. 2013 value and volume comparison by acquirer type.

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. 2011-2013 acquirer type comparison by year.

Purchaser Analysis

Top Ten Notable Transactions 2013

Deal Date	Target Name	Buyer	Value MM US\$
05/28/13	Lender Processing Services	Fidelity National Financial	\$3,881
11/26/13	Applied Systems Inc.	Hellman & Friedman LLC	\$1,800
12/02/13	Digital Insight	NCR Corporation	\$1,645
07/24/13	Harland Financial Solutions	Davis + Henderson Corporation	\$1,629
02/18/13	Cerved Group SpA	CVC Capital Partners	\$1,491
02/19/13	NetSpend	TSYS	\$1,273
07/01/13	Intuit Financial Services	Thoma Bravo, LLC	\$1,025
01/14/13	Open Solutions Inc.	Fiserv, Inc.	\$1,015
09/05/13	Mitchell International, Inc.	Kohlberg Kravis Roberts & Co.	\$1,000
07/13/13	Triple Point Technology, Inc.	ION Trading	\$900
2013 Aggregate Transaction Value			\$30,033
Top 10 Aggregate Transaction Value			\$15,658
Top 10 Aggregate Value as a Percentage of All Transactions			52 %

Figure 7. Lists the top ten transactions for 2013 and calculates their aggregate transaction value as a percentage of the 2013 total aggregate transaction value as shown in 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

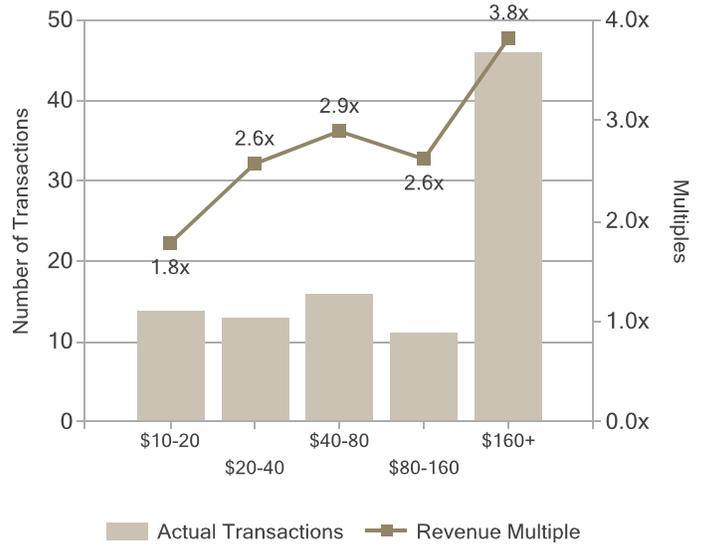


Figure 8. Presents the median enterprise value/revenue multiples paid for companies in the Financial Technology & Information Industry from Jan. 1, 2011 to Dec. 31, 2013 based on publicly available sales price and revenue data.

Transaction Volume by Segment :: January 1, 2011 – December 31, 2013

Transactions By Market Segment

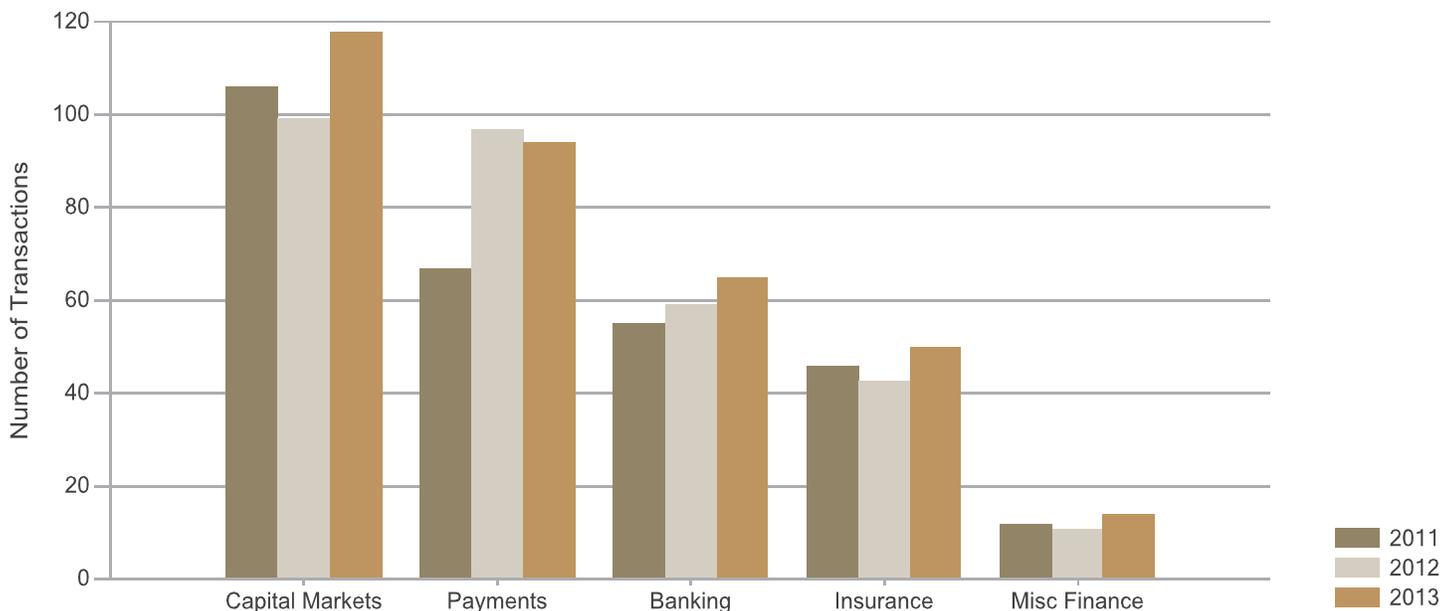


Figure 9. Presents the transaction volume by market segment within the Financial Technology & Information Industry from Jan. 1, 2011 through Dec. 31, 2013.

BERKERY NOYES

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Founded in 1980, Berkery Noyes is a leading independent investment bank serving the information, software, marketing, and technology industries. The firm has initiated, managed, and closed more than 475 merger and acquisition transactions for privately held and publicly traded companies in the healthcare, financial services, education, and entertainment markets.

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MANDASOFT

The DNA of M&A

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.

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HAS BEEN ACQUIRED BY

A PORTFOLIO COMPANY OF



A PORTFOLIO COMPANY OF

LIBERTY PARTNERS
HAS BEEN ACQUIRED BY
StoneCalibre


A PORTFOLIO COMPANY OF

LIBERTY PARTNERS
HAS SOLD ITS
Thermal Printing Business
TO

datamax-oneil
A DIVISION OF
DOVER


Venture
HAS BEEN ACQUIRED BY
Taylor

PRIMUS
HAS MADE
AN INVESTMENT IN


Sabrient
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