



FINANCIAL TECHNOLOGY AND INFORMATION INDUSTRY

1ST HALF 2019 :: Mergers and Acquisitions Trend Report

1ST HALF 2019 KEY HIGHLIGHTS

- The largest deal in 1st Half 2019 was FIS' announced merger with Worldpay Group for \$42.9 billion. This was the highest value transaction ever recorded by Berkery Noyes in the Financial Technology and Information Industry.
- Five of the top ten deals year-to-date occurred in the Payments segment. This included the three largest acquisitions during the half year period. These five transactions, with a combined value of \$92.43 billion, accounted for 83 percent of the industry's aggregate value in 1st Half 2019.

1ST HALF 2019 KEY TRENDS

- Total transaction volume in 1st Half 2019 increased by eight percent over 2nd Half 2018, from 264 to 284.
- Total transaction value in 1st Half 2019 rose more than fivefold over 2nd Half 2018, from \$16.71 billion to \$111.11 billion. Of note, there were no deals above the \$20 billion threshold in all of 2018, compared to three such transactions in 1st Half 2019.
- The median revenue multiple, after rising from 1.8x in 1st Half 2018 to 4.2x in 2nd Half 2018, declined to 3.8x in 1st Half 2019.

M&A MARKET OVERVIEW

Berkery Noyes tracked 1,242 Financial Technology and Information transactions between 2017 and 1st Half 2019, of which 288 disclosed financial terms, and calculated the aggregate transaction value to be \$185.31 billion. Based on known transaction values, we project values of 954 undisclosed transactions to be \$17.64 billion, totaling \$202.94 billion worth of transactions tracked over the past two and a half years.

Transactions from 1st Half 2017 to 1st Half 2019 with enterprise values above \$80 million received a median revenue multiple of 4.7x, whereas those in the \$20-\$80 million range garnered a median revenue multiple of 2.3x and those in the \$10-\$20 million range had a median revenue multiple of 1.1x.

Disclosed median enterprise value multiples for all segments combined in this report during the last 30 months were 3.0x revenue and 14.7x EBITDA.

M&A Market Dynamics By Half Year

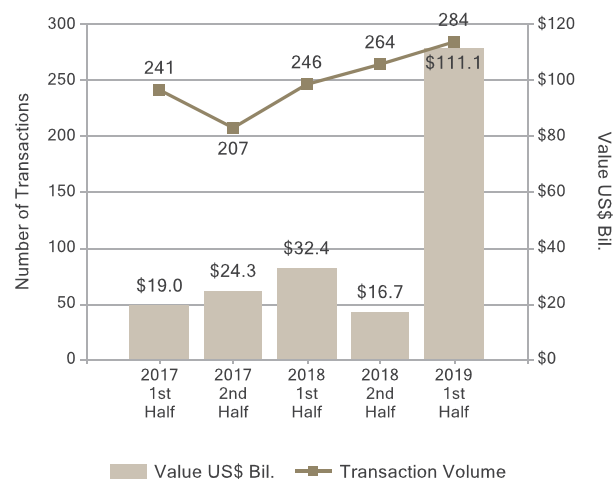


Figure 1. 2017-2019 value and volume comparison.

Median Enterprise Value Multiples By Half Year

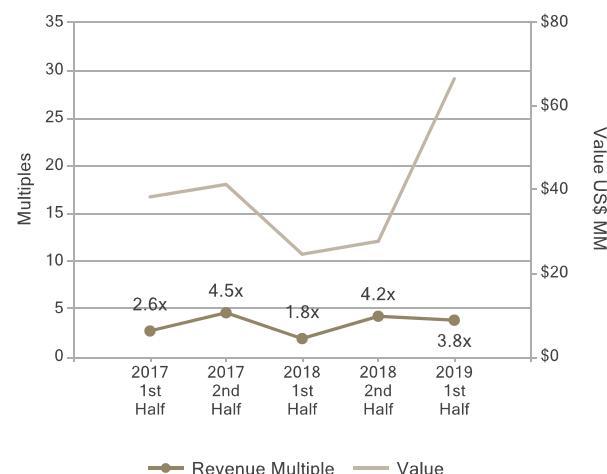


Figure 2. 2017-2019 median: value and revenue comparison.

Transaction Analysis :: January 1, 2019 – June 30, 2019

Bell Curve - Histogram - 1st Half

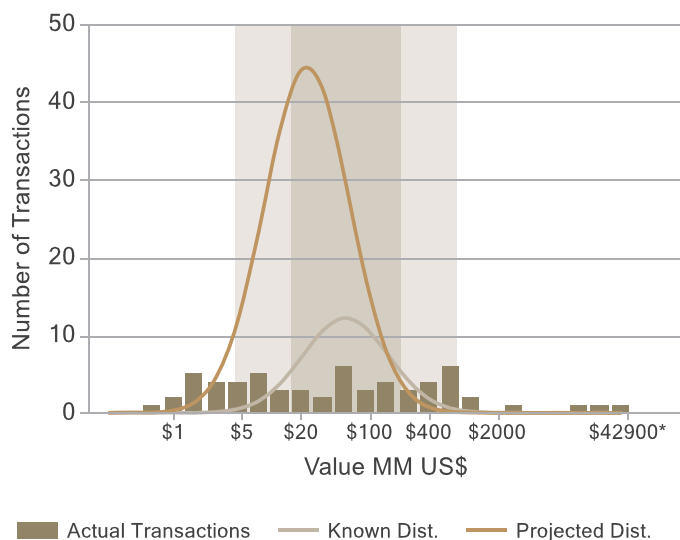


Figure 3. Shows distribution of transactions among the Financial Technology & Information Industry transactions based on publicly available information and Berkery Noyes estimates. Using a logarithmic scale, we determined that nearly one-third of companies purchased had transaction values of \$7.4 million to \$148.4 million. Based on this data, we estimate the total transaction value of deals done in 1st Half 2019 at \$111.1 billion.

* Indicates largest transaction in the industry from Jan. 1, 2019 to June 30, 2019.

Distribution Table

Value in MM US\$	Known Number	Projected Number	Total Number	%	Cumulative %
\$0.2	0	0	0	0 %	0 %
\$0.4	0	0	0	0 %	0 %
\$0.6	1	0	1	2 %	2 %
\$1.0	2	0	2	3 %	5 %
\$1.6	5	1	6	8 %	13 %
\$2.7	4	4	8	7 %	20 %
\$4.5	4	12	15	7 %	26 %
\$7.4	5	23	28	8 %	34 %
\$12.2	3	36	39	5 %	39 %
\$20.1	3	44	47	5 %	44 %
\$33.1	2	42	43	3 %	48 %
\$54.6	6	31	36	10 %	57 %
\$90.0	3	18	20	5 %	62 %
\$148.4	4	8	11	7 %	69 %
\$244.7	3	3	5	5 %	74 %
\$403.4	4	1	4	7 %	80 %
\$665.1	6	0	6	10 %	90 %
\$1,096.6	2	0	2	3 %	93 %
\$1,808.0	0	0	0	0 %	93 %
\$2,981.0	1	0	1	2 %	95 %
\$4,914.8	0	0	0	0 %	95 %
\$8,103.1	0	0	0	0 %	95 %
\$13,359.7	1	0	1	2 %	97 %
\$22,026.5	1	0	1	2 %	98 %
\$36,315.5	1	0	1	2 %	100 %
Total #	61	223	284		
Total \$ Value	\$105,941	\$5,171	\$111,112		
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

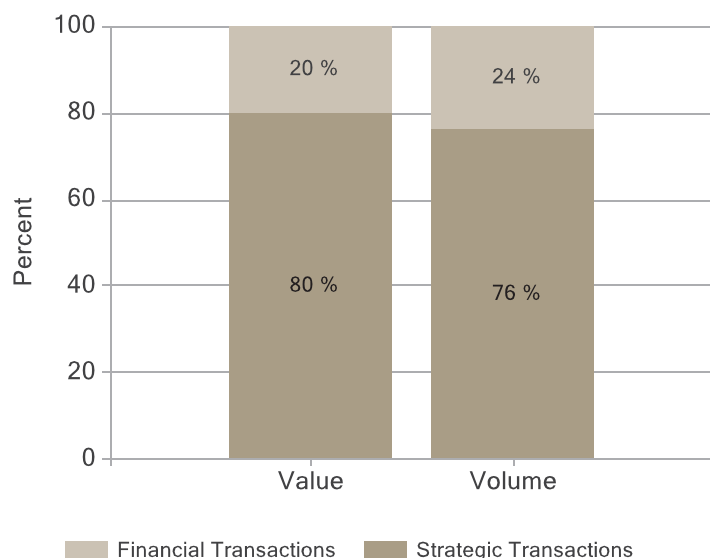


Figure 5. 2017-2019 value and volume comparison by acquirer type.

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

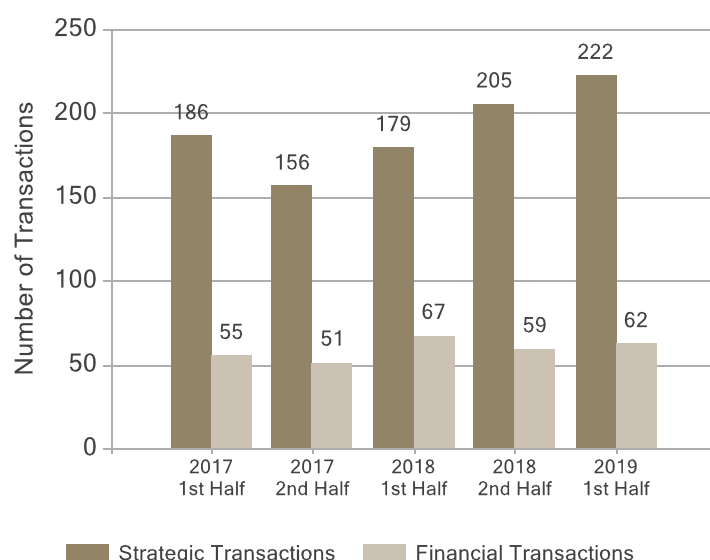


Figure 6. 2017-2019 acquirer type comparison by year.

Purchaser Analysis

Top Ten Notable Transactions - 1st Half 2019

Deal Date	Target Name	Buyer	Value MM US\$
03/18/19	Worldpay Group	FIS	\$42,869
05/28/19	TSYS	Global Payments, Inc.	\$26,061
01/16/19	First Data Corporation	Fiserv, Inc.	\$22,000
02/12/19	Ellie Mae, Inc.	Thoma Bravo, LLC	\$3,306
03/22/19	eFront	BlackRock, Inc.	\$1,300
03/31/19	TRANZACT	Willis Towers Watson	\$1,200
04/10/19	Axioma, Inc.	Deutsche Börse Group	\$850
02/11/19	Solium Capital Inc.	Morgan Stanley	\$767
05/09/19	Speedpay, Inc.	ACI Worldwide	\$750
05/29/19	SafeCharge	Nuvei	\$748
2019 Aggregate Transaction Value			\$111,112
Top 10 Aggregate Transaction Value			\$99,850
Top 10 Aggregate Value as a Percentage of All Transactions			90 %

Figure 7. Lists the top ten transactions for 1st Half 2019 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

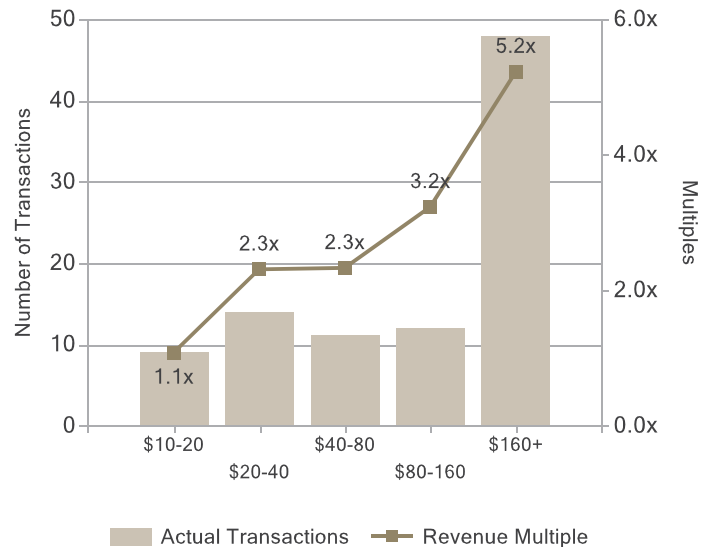


Figure 8. Presents the median enterprise value/revenue multiples paid for companies in the Financial Technology & Information Industry from January 1, 2017 to June 30, 2019 based on publicly available sales price and revenue data.

Transaction Volume by Segment :: January 1, 2017 – June 30, 2019

Transactions By Market Segment By Half Year

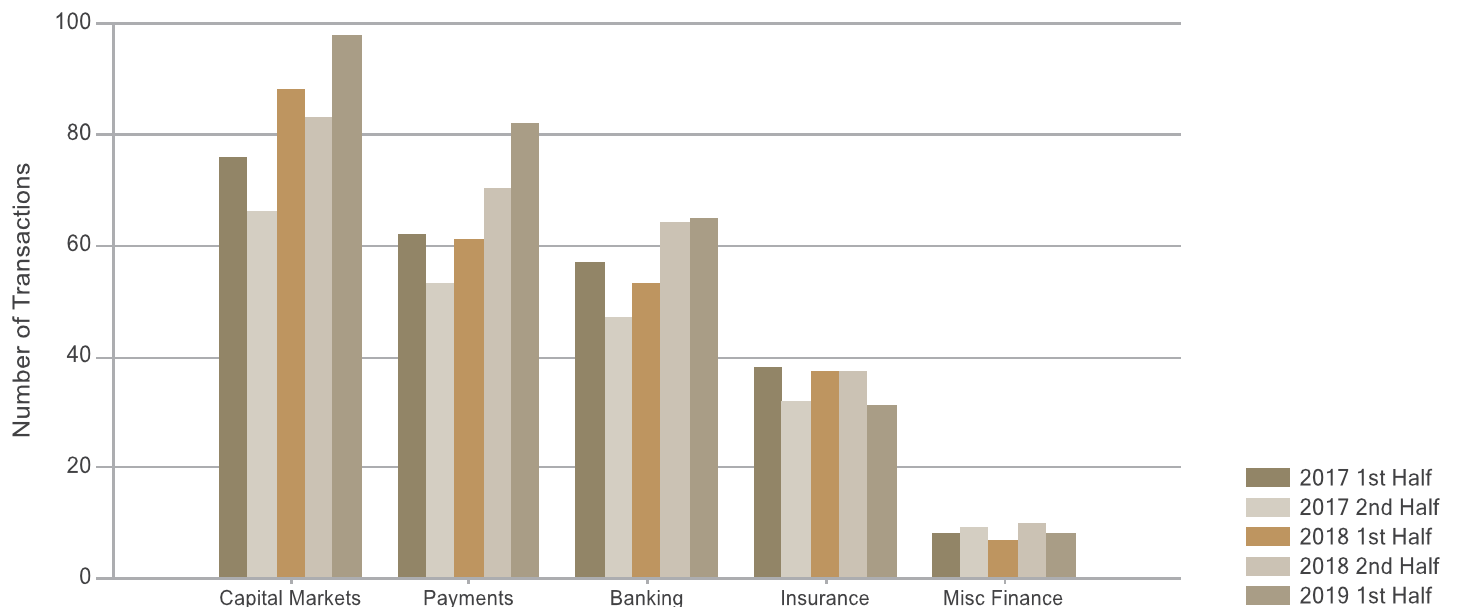


Figure 9. Presents the transaction volume by market segment within the Financial Technology & Information Industry from January 1, 2017 through June 30, 2019.

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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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