

FINANCIAL TECHNOLOGY AND INFORMATION INDUSTRY

Q3 2019 :: Mergers and Acquisitions Trend Report

Q3 2019 KEY HIGHLIGHTS

- The largest transaction during Q3 2019 was London Stock Exchange Group's announced acquisition of Refinitiv, a financial data analytics provider, for \$27 billion.
- The most active acquirer year-to-date was MasterCard with five acquisitions, two of which occurred in Q3 2019: the Corporate Services business of Nets Holding A/S for \$3.2 billion; and Transactis, a digital bill-pay platform.

Q3 2019 KEY TRENDS

- Total transaction volume in the 1st 3 Quarters of 2019 improved by 14 percent over the 1st 3 Quarters of 2018, from 384 to 436.
- Total transaction value in the 1st 3 Quarters of 2019 more than tripled over the 1st 3 Quarters of 2018, from \$42.5 billion to \$151.3 billion. Of note, there have been four deals with disclosed values above \$20 billion year-to-date, compared to none in 2018.
- The segment with the largest rise in volume in the 1st 3 Quarters of 2019 over the 1st 3 Quarters of 2018 was Banking with a 33 percent gain, from 30 to 40 transactions.

MULTIPLES & VALUE TRENDS

- The median revenue multiple on a year-over-year basis increased from 2.9x to 3.4x.

Top Ten Notable Transactions - 1st 3 Quarters 2019

Deal Date	Target Name	Buyer	Value MM US\$
03/18/19	Worldpay Group	FIS	\$42,869
07/27/19	Refinitiv	London Stock Exchange Group plc	\$27,000
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
08/06/19	Corporate Services Businesses from Nets Holding A/S	MasterCard Incorporated	\$3,190
09/05/19	Assurance IQ	Prudential Financial, Inc.	\$2,350
08/08/19	iPipeline, Inc.	Roper Technologies, Inc.	\$1,625
03/22/19	eFront	BlackRock, Inc.	\$1,300
03/31/19	TRANZACT	Willis Towers Watson	\$1,200

2019 Aggregate Transaction Value \$151,233

Top 10 Aggregate Transaction Value \$130,901

Top 10 Aggregate Value as a Percentage of All Transactions 87 %

Figure 3. Lists the top ten transactions for the 1st 3 Quarters of 2019 and calculates their aggregate transaction value as a percentage of the total aggregate transaction value.

Note: Transaction data based on **announced date**.

M&A Market Dynamics

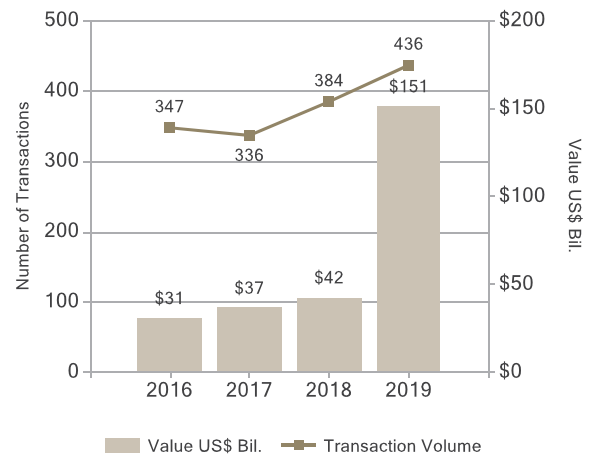


Figure 1. 1st 3 Quarters value and volume comparison from 2016 to 2019.

Median Enterprise Value Multiples

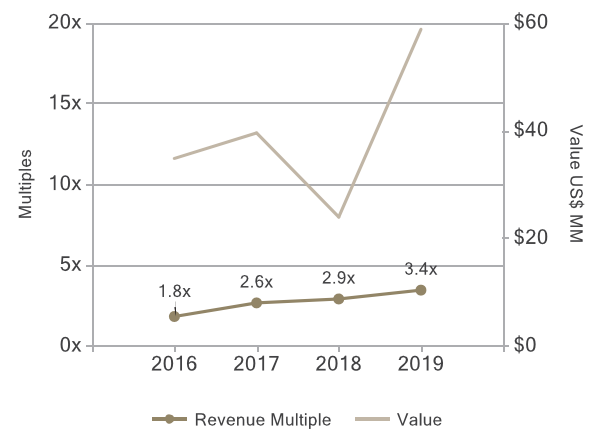


Figure 2. 1st 3 Quarters median revenue and value comparison from 2016 to 2019.

TOP TEN DEALS THROUGH Q3 2019

The top ten deals by value have seen four new additions since our half year report, including two in the Insurance segment: Prudential Financial's announced acquisition of Assurance IQ for \$2.4 billion, plus an additional earnout of up to \$1.2 billion in cash and equity; and Roper Technologies' announced acquisition of iPipeline for \$1.6 billion.

These four transactions, with an aggregate value of \$34.2 billion, represented 23 percent of transaction value in the 1st 3 Quarters of 2019 and 85 percent of Q3 2019 transaction value.

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