

FINANCIAL TECHNOLOGY AND INFORMATION INDUSTRY

FULL YEAR 2019 :: Mergers and Acquisitions Trend Report

2019 KEY HIGHLIGHTS

- The most active acquirer in 2019 was Broadridge Financial Solutions with seven industry deals: ClearStructure Financial Technology, Appatura, Fi360, Shadow Financial Services Corporation, Financial Database Services, RPM Technologies, and Rockall Technologies.

2019 KEY TRENDS

- Total transaction volume in 2019 increased by ten percent over 2018, from 513 to 564.
- Strategic volume in 2019 improved by 14 percent over 2018, from 386 to 440. Private equity backed volume declined by two percent during this timeframe, from 127 to 124.
- Total transaction value in 2019 more than tripled over 2018, from \$49.32 billion to \$180.86 billion. Of note, there were five deals with disclosed values above \$20 billion in 2019, compared to none in 2018.
- The median revenue multiple shifted slightly from 3.0x in 2018 to 2.9x in 2019.
- The segment with the largest rise in volume in 2019 over 2018 was Payments, which improved 18 percent, from 133 to 157 transactions.

M&A MARKET OVERVIEW

Berkery Noyes tracked 1,525 Financial Technology and Information transactions between 2017 and 2019, of which 345 disclosed financial terms, and calculated the aggregate value to be \$250.62 billion. Based on known transaction values, we project values of 1,180 undisclosed transactions to be \$22.26 billion, totaling \$272.88 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 3.0x revenue and 14.8x EBITDA.

The largest Financial Technology deal tracked by Berkery Noyes between 2017 and 2019 was FIS' merger with Worldpay Group for \$42.87 billion. This was also the highest value transaction ever recorded in the industry by Berkery Noyes.

M&A Market Dynamics

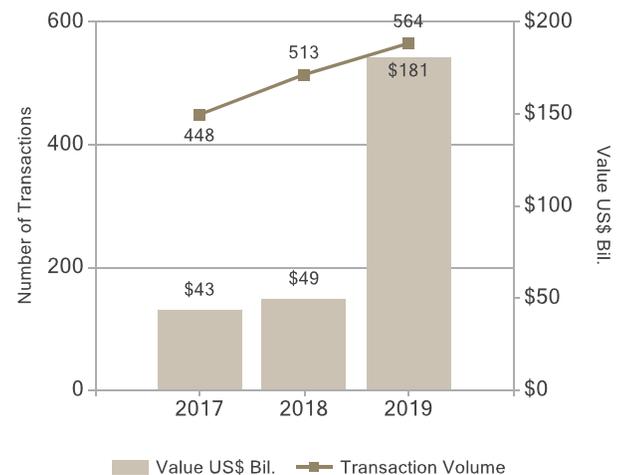


Figure 1. 2017-2019 value and volume comparison.

Median Enterprise Value Multiples

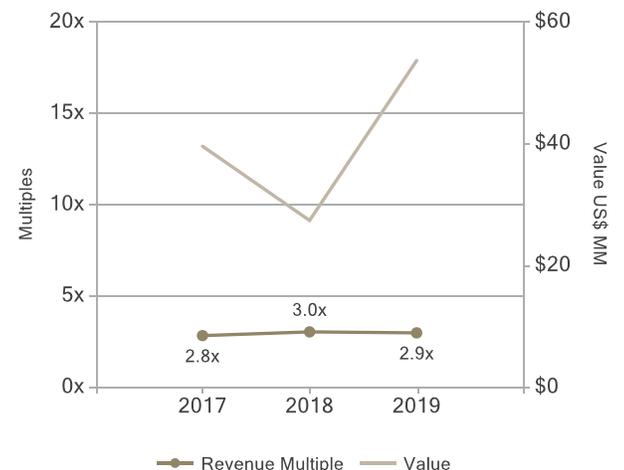


Figure 2. 2017-2019 median value and revenue comparison.

Transaction Analysis :: January 1, 2019 – December 31, 2019

Bell Curve - Histogram

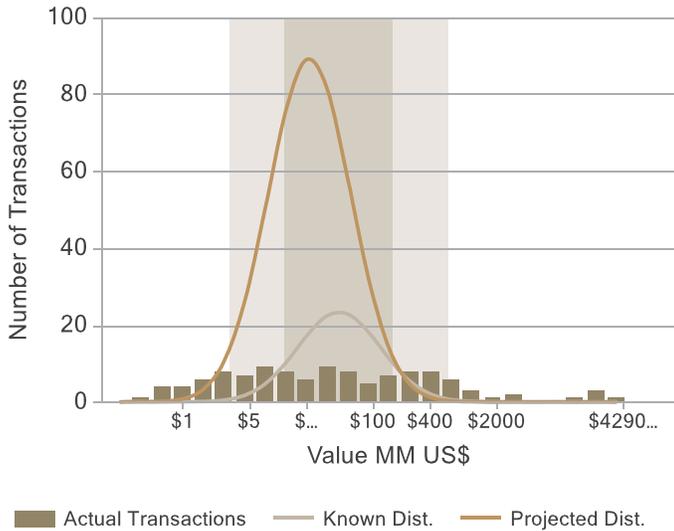


Figure 3. Shows distribution of transactions among the Financial Technology & Information Industry transactions based on publicly available information and Berkery Noyes estimates. Using a logarithmic scale, we determined that nearly one-third of companies purchased had transaction values of \$12.2 million to \$148.4 million. Based on this data, we estimate the total transaction value of deals done in 2019 at \$180.9 billion.

* Indicates largest transaction in the industry from Jan. 1, 2019 to Dec. 31, 2019.

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	1 %	1 %
\$0.6	4	0	4	3 %	4 %
\$1.0	4	1	4	3 %	8 %
\$1.6	6	3	9	5 %	13 %
\$2.7	8	10	18	7 %	20 %
\$4.5	7	26	32	6 %	26 %
\$7.4	9	50	59	8 %	33 %
\$12.2	8	76	83	7 %	40 %
\$20.1	6	89	94	5 %	45 %
\$33.1	9	81	90	8 %	53 %
\$54.6	8	58	66	7 %	60 %
\$90.0	5	32	37	4 %	64 %
\$148.4	7	14	20	6 %	70 %
\$244.7	8	5	12	7 %	77 %
\$403.4	8	1	9	7 %	84 %
\$665.1	6	0	6	5 %	89 %
\$1,096.6	3	0	3	3 %	91 %
\$1,808.0	1	0	1	1 %	92 %
\$2,981.0	2	0	2	2 %	94 %
\$4,914.8	0	0	0	0 %	94 %
\$8,103.1	0	0	0	0 %	94 %
\$13,359.7	1	0	1	1 %	95 %
\$22,026.5	3	0	3	3 %	97 %
\$36,315.5	1	0	1	1 %	98 %
Total #	117	447	564		
Total \$ Value	\$171,184	\$9,681	\$180,864		
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

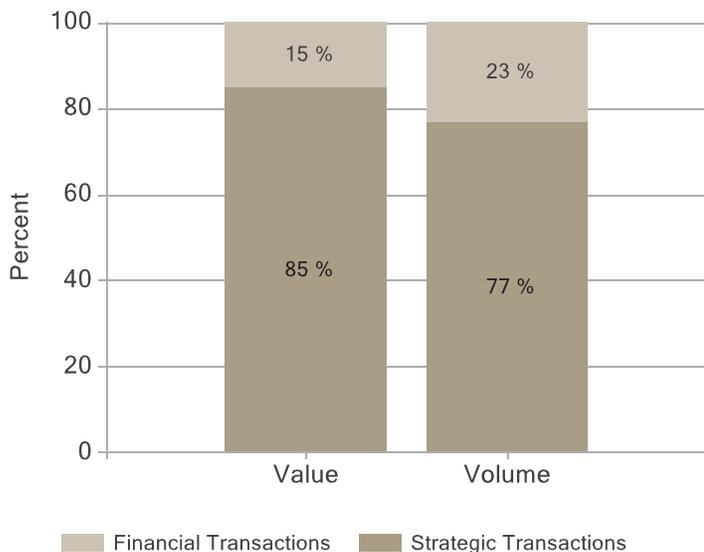


Figure 5. 2017-2019 value and volume comparison by acquirer type.

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

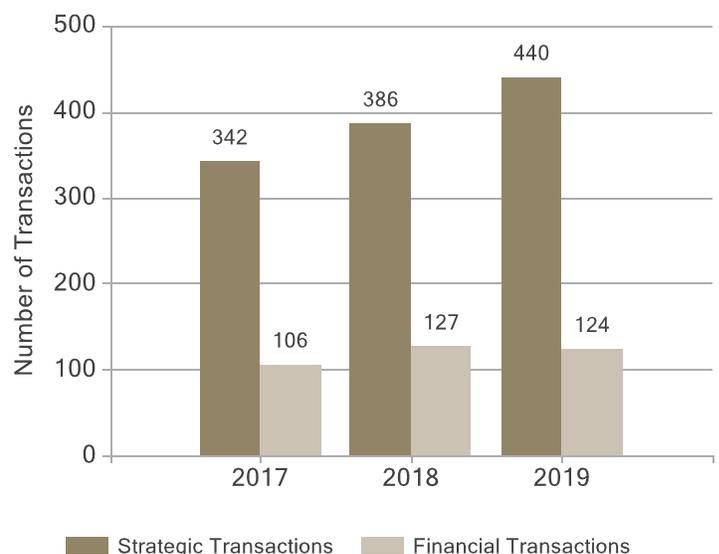


Figure 6. 2017-2019 acquirer type comparison by year.

Purchaser Analysis

Top Ten Notable Transactions 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	\$27,000
05/28/19	TSYS	Global Payments, Inc.	\$26,061
11/25/19	TD Ameritrade Holding Corporation	The Charles Schwab Corporation	\$26,000
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
2019 Aggregate Transaction Value			\$180,864
Top 10 Aggregate Transaction Value			\$155,701
Top 10 Aggregate Value as a Percentage of All Transactions			86 %

Figure 7. Lists the top ten transactions for 2019 and calculates their aggregate transaction value as a percentage of the total aggregate transaction value as shown on 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

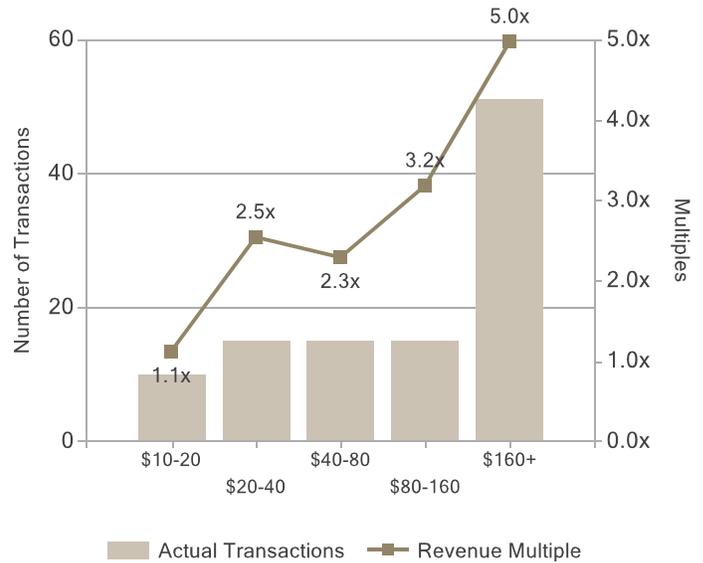


Figure 8. Presents the median enterprise value/revenue multiples paid for companies in the Financial Technology & Information Industry from Jan. 1, 2017 to Dec. 31, 2019 based on publicly available sales price and revenue data.

Transaction Volume by Segment :: January 1, 2017 – December 31, 2019

Transactions By Market Segment

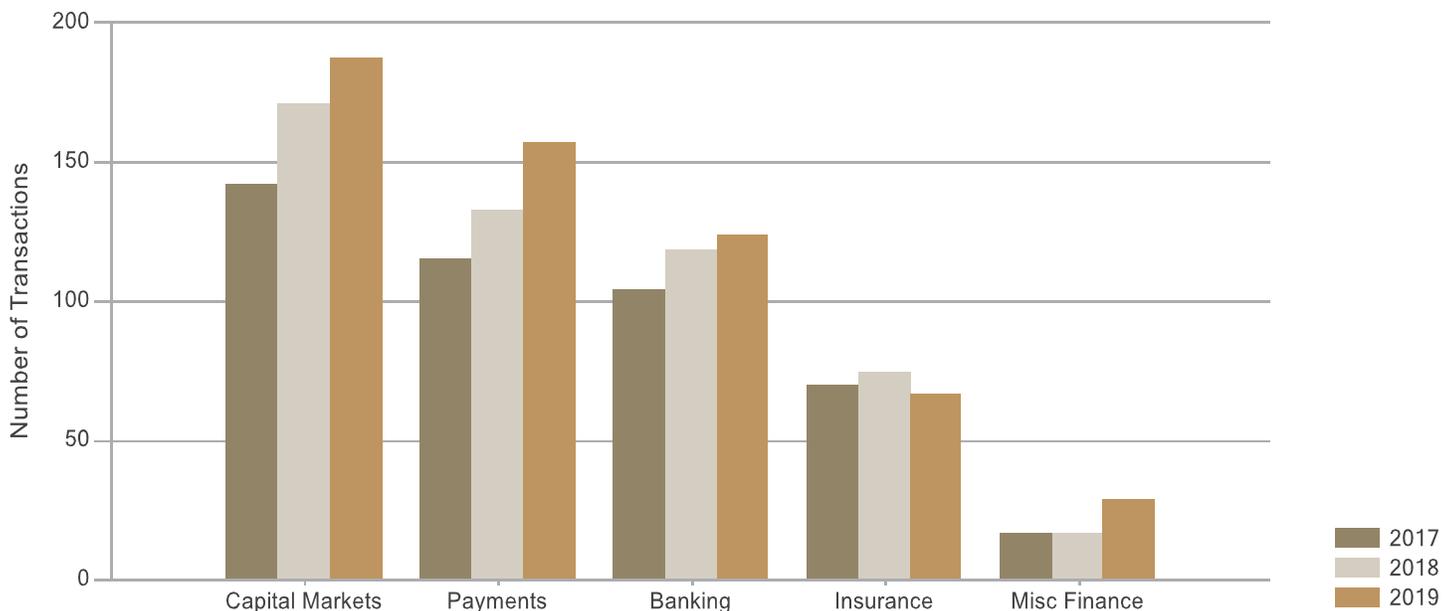


Figure 9. Presents the transaction volume by market segment within the Financial Technology & Information Industry from Jan. 1, 2017 through Dec. 31, 2019.

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Founded in 1980, Berkery Noyes is a leading independent investment bank serving the information, software, services, and technology industries. The firm has initiated, managed, and closed more than 500 merger and acquisition transactions for privately held and publicly traded companies in the healthcare, financial services, and education markets.

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RECENT FINANCIAL TECHNOLOGY TRANSACTIONS

HAS RECEIVED AN INVESTMENT FROM

HAS BEEN ACQUIRED BY

A PORTFOLIO COMPANY OF

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