

## FINANCIAL TECHNOLOGY AND INFORMATION INDUSTRY

### FULL YEAR 2020 :: Mergers and Acquisitions Trend Report

#### 2020 KEY HIGHLIGHTS

- The most active acquirer in the Capital Markets segment during the year was Cboe Global Markets with five transactions: BIDS Trading, the operator of the BIDS Alternative Trading System (ATS); Trade Alert, a real-time alerts and order flow analysis company; MatchNow, broker-neutral dark pool that facilitates liquidity for buyers and sellers seeking anonymity for their transactions; Hanweck Associates, which offers real-time risk analytics on global derivatives markets; and FT Options, a portfolio management platform provider.
- Six of the top ten largest deals in 2020 occurred in the Banking segment. These six transactions, with a combined value of \$36.22 billion, accounted for 40 percent of the industry's total value.

#### 2020 KEY TRENDS

- Total transaction volume in 2020 declined by 12 percent over 2019, from 562 to 497. On a half year basis, M&A activity remained about constant in 2nd Half 2020 over 1st Half 2020, from 250 to 247.
- Total transaction value in 2020 fell by 50 percent over 2019, from \$180.06 billion to \$90.20 billion. However, this was still 84 percent higher than its 2018 level. On a half year basis, M&A value increased 22 percent in 2nd Half 2020 over 1st Half 2020, from \$40.63 billion to \$49.57 billion.
- The median revenue multiple moved upward from 2.9x in 2019 to 3.1x in 2020.
- The segment with the largest rise in volume in 2020 over 2019 was Insurance, which improved 12 percent, from 67 to 75 deals.

#### M&A MARKET OVERVIEW

Berkery Noyes tracked 1,572 Financial Technology and Information transactions between 2018 and 2020, of which 337 disclosed financial terms, and calculated the aggregate value to be \$295.62 billion. Based on known transaction values, we project values of 1,235 undisclosed transactions to be \$23.14 billion, totaling \$318.77 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 14.1x EBITDA.

**M&A Market Dynamics**

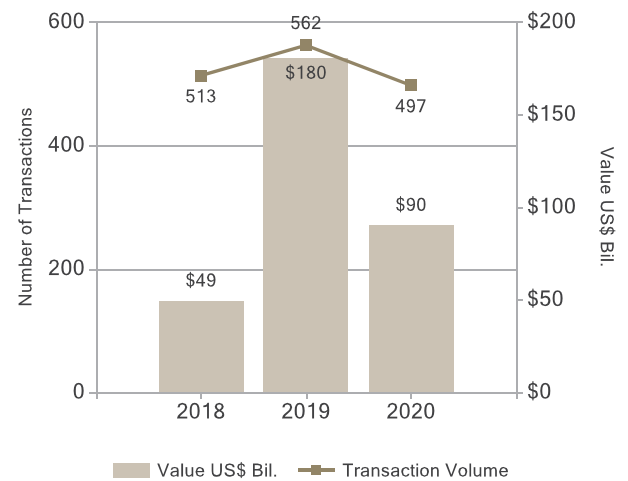


Figure 1. 2018-2020 value and volume comparison.

**Median Enterprise Value Multiples**

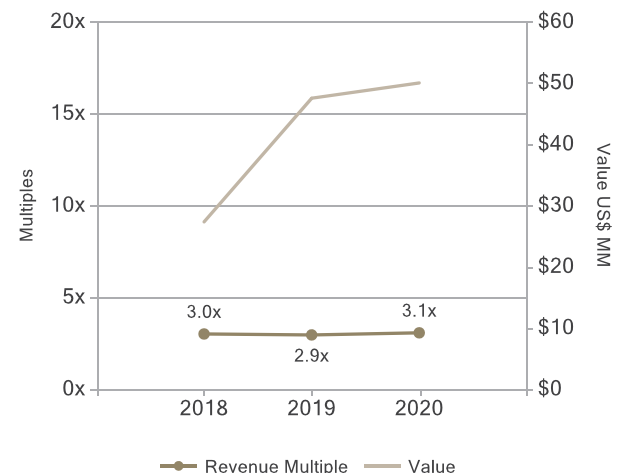
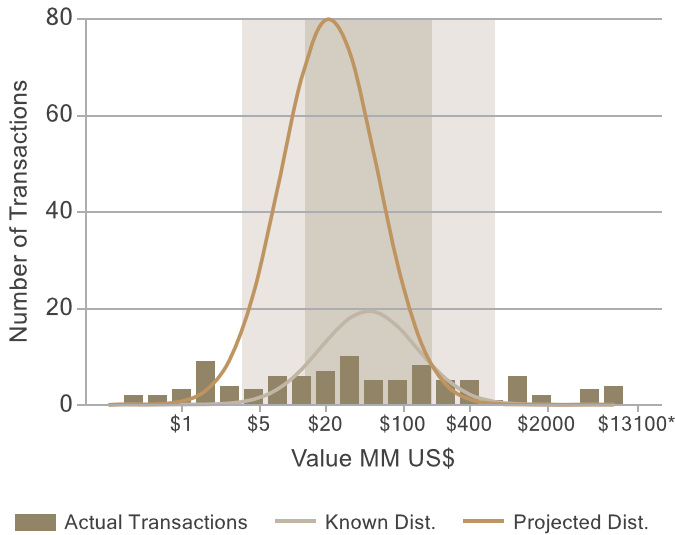


Figure 2. 2018-2020 median value and revenue comparison.

# Transaction Analysis :: January 1, 2020 – December 31, 2020

## 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 2020 at 90.2 billion.

\* Indicates largest transaction in the industry from Jan. 1, 2020 to Dec. 31, 2020.

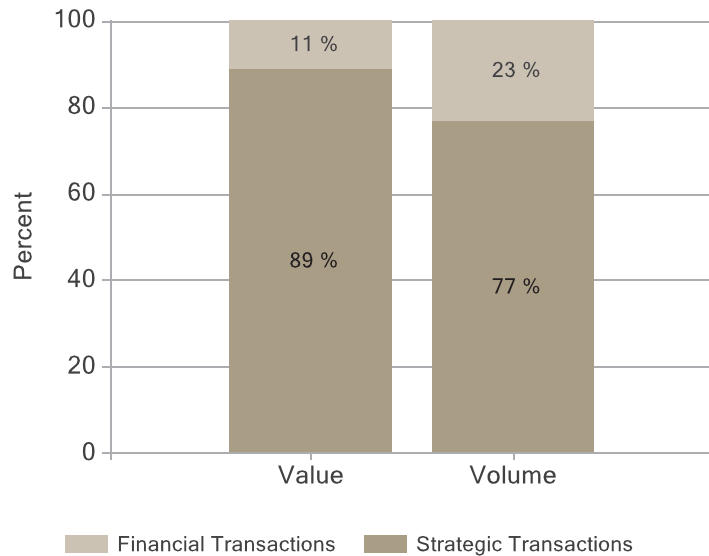
## Distribution Table

Value in MM US\$	Known Number	Projected Number	Total Number	%	Cumulative %
\$0.2	0	0	0	0 %	0 %
\$0.4	2	0	2	2 %	2 %
\$0.6	2	0	2	2 %	4 %
\$1.0	3	1	3	3 %	7 %
\$1.6	9	3	11	9 %	16 %
\$2.7	4	9	13	4 %	21 %
\$4.5	3	23	25	3 %	24 %
\$7.4	6	45	50	6 %	30 %
\$12.2	6	67	73	6 %	36 %
\$20.1	7	80	86	7 %	43 %
\$33.1	10	73	83	10 %	54 %
\$54.6	5	52	57	5 %	59 %
\$90.0	5	29	34	5 %	64 %
\$148.4	8	13	20	8 %	72 %
\$244.7	5	4	9	5 %	77 %
\$403.4	5	1	6	5 %	82 %
\$665.1	1	0	1	1 %	84 %
\$1,096.6	6	0	6	6 %	90 %
\$1,808.0	2	0	2	2 %	92 %
\$2,981.0	0	0	0	0 %	92 %
\$4,914.8	3	0	3	3 %	95 %
\$8,103.1	4	0	4	4 %	99 %
Total #	97	400	497		
Total \$ Value	\$81,498	\$8,707	\$90,204		
Middle 3rd of Industry		Middle 2/3rds of Industry			

**Figure 4.** Presents the data depicted in the bell curve histogram.

## Strategic vs. Financial Comparison

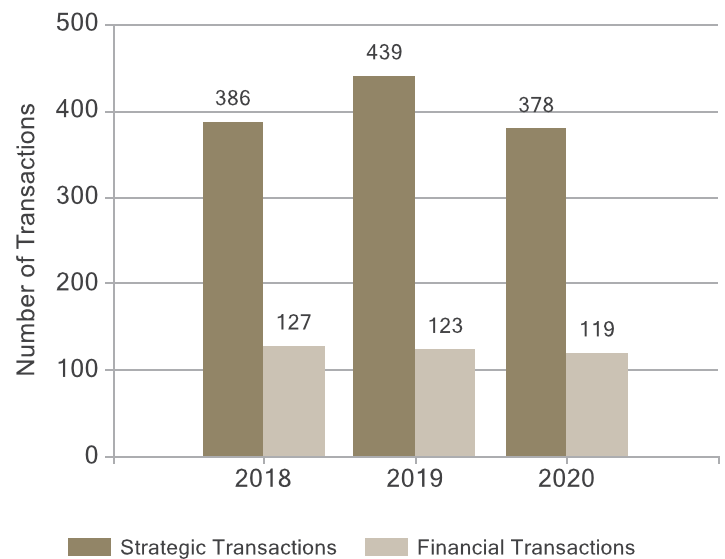
### M&A Dynamics By Transaction Type



**Figure 5.** 2018-2020 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.** 2018-2020 acquirer type comparison by year.

# Purchaser Analysis

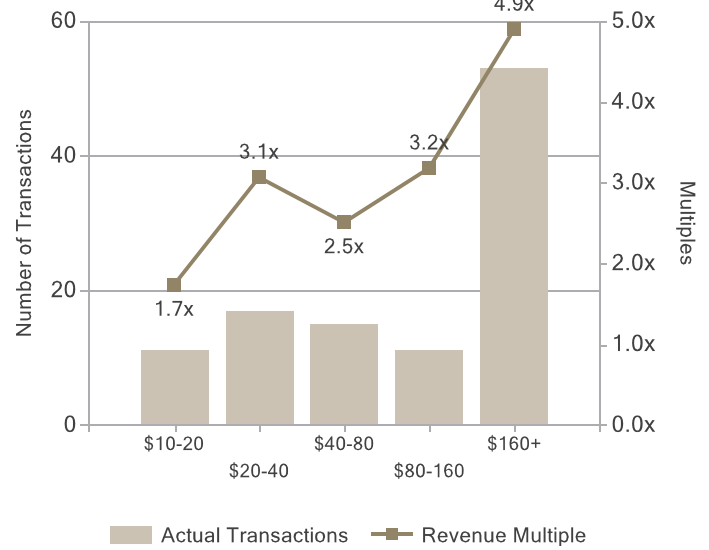
## Top Ten Notable Transactions 2020

Deal Date	Target Name	Buyer	Value MM US\$
02/20/20	E-Trade Financial Corp.	Morgan Stanley	\$13,132
08/06/20	Ellie Mae, Inc.	Intercontinental Exchange	\$11,000
02/04/20	Ingenico Group	Worldline	\$10,874
11/16/20	Nets Holding A/S	Nexi S.p.A.	\$8,336
08/13/20	Vertafore, Inc.	Roper Technologies, Inc.	\$5,350
10/05/20	SIA Group	Nexi S.p.A.	\$5,344
01/13/20	Plaid Technologies, Inc.	Visa, Inc.	\$5,300
11/19/20	Verafin Inc.	Nasdaq, Inc.	\$2,750
10/05/20	Avaloq	NEC Corp.	\$2,239
07/28/20	Optimal Blue	Compass Analytics, LLC	\$1,800
2020 Aggregate Transaction Value			\$90,204
Top 10 Aggregate Transaction Value			\$66,125
<b>Top 10 Aggregate Value as a Percentage of All Transactions</b>			<b>73 %</b>

**Figure 7.** Lists the top ten transactions for 2020 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.

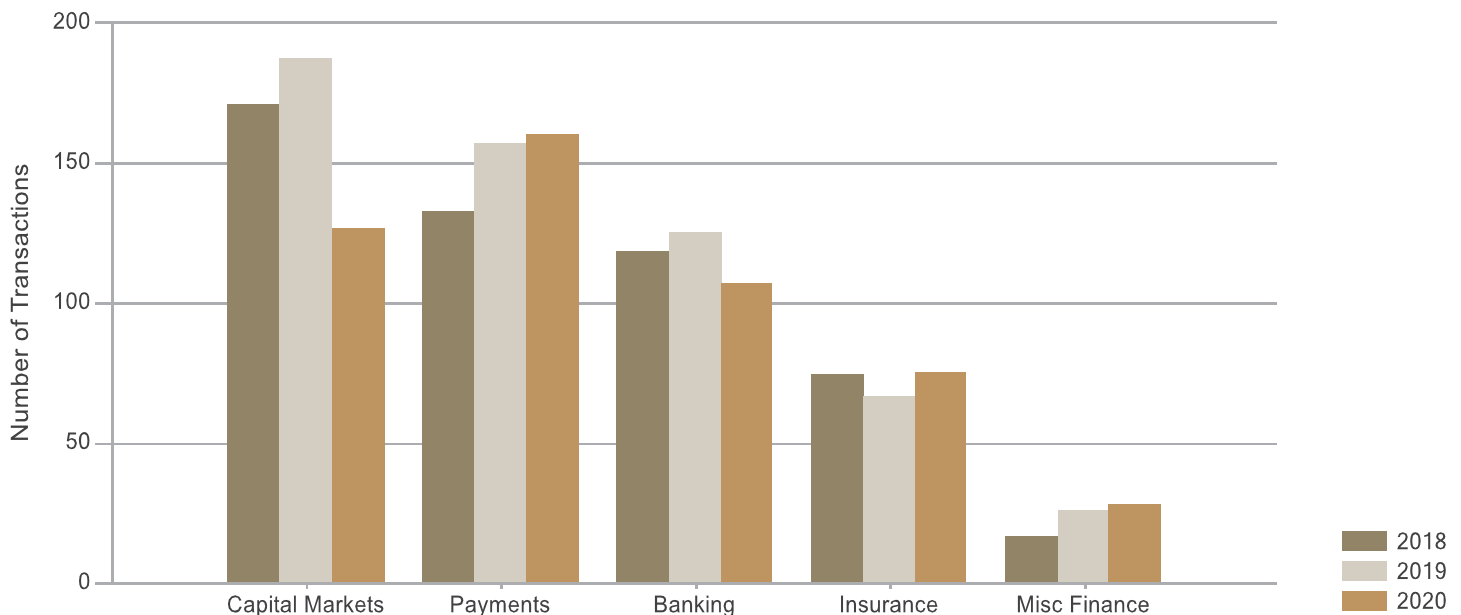
## Median EV/Revenue Multiples By Size



**Figure 8.** Presents the median enterprise value/revenue multiples paid for companies in the Financial Technology & Information Industry from Jan. 1, 2018 to Dec. 31, 2020 based on publicly available sales price and revenue data.

# Transaction Volume by Segment :: January 1, 2018 – December 31, 2020

## Transactions By Market Segment



**Figure 9.** Presents the transaction volume by market segment within the Financial Technology & Information Industry from Jan. 1, 2018 through Dec. 31, 2020.

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HAS MERGED WITH

HAS BEEN ACQUIRED BY

HAS BEEN ACQUIRED BY

A PORTFOLIO COMPANY OF

HAS BEEN ACQUIRED BY

HAS BEEN ACQUIRED BY

A PORTFOLIO COMPANY OF

HAS BEEN ACQUIRED BY

HAS RECEIVED AN INVESTMENT FROM

HAS BEEN ACQUIRED BY

A PORTFOLIO COMPANY OF

HAS BEEN ACQUIRED BY

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