

FINANCIAL TECHNOLOGY AND INFORMATION INDUSTRY

FULL YEAR 2021 :: Mergers and Acquisitions Trend Report

2021 KEY HIGHLIGHTS

- The largest transaction in the Capital Markets segment in 2021 was Dye and Durham's announced acquisition of Link Group, which provides a broad suite of technology-enabled fund administration services, for \$3.62 billion.
- Eight of the industry's top ten highest value deals during the year were completed by strategic acquirers.

2021 KEY TRENDS

- Total transaction volume in 2021 saw a two percent uptick over 2020, from 500 to 512.
- Total transaction value in 2021 fell by 42 percent over 2020, from \$87.58 billion to \$51.03 billion. This was in line with its 2018 level. Value more than tripled from \$49.67 billion in 2018 to \$180 billion in 2019.
- The median revenue multiple shifted slightly from 3.0x in 2020 to 3.1x in 2021.
- The segment with the largest rise in volume in 2021 over 2020 was Insurance, which improved 12 percent, from 75 to 84 deals. Capital Markets was close behind with a nine percent gain, from 128 to 140.

M&A MARKET OVERVIEW

Berkery Noyes tracked 1,575 Financial Technology and Information transactions between 2019 and 2021, of which 324 disclosed financial terms, and calculated the aggregate value to be \$287.77 billion. Based on known transaction values, we project values of 1,251 undisclosed transactions to be \$30.59 billion, totaling \$318.36 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 3.1x revenue and 16.2x EBITDA.

Over the past three years, deals in the \$10-\$20 million range received a median enterprise value multiple of 1.7x revenue, compared to 2.6x revenue for those in the \$20-\$80 million range and 4.6x revenue for those in the \$80 million and above range.

M&A Market Dynamics

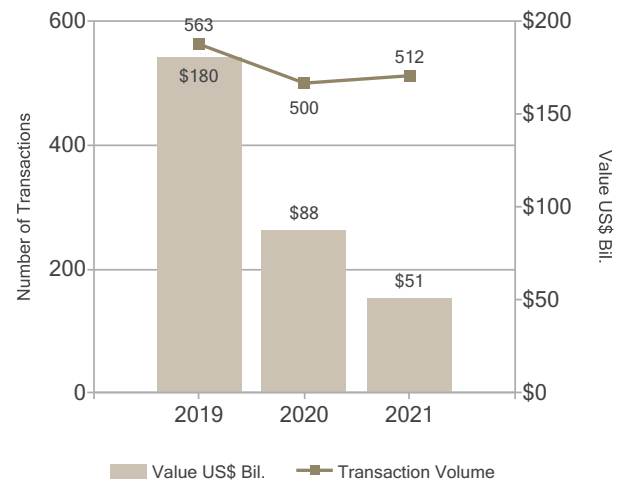


Figure 1. 2019-2021 value and volume comparison.

Median Enterprise Value Multiples

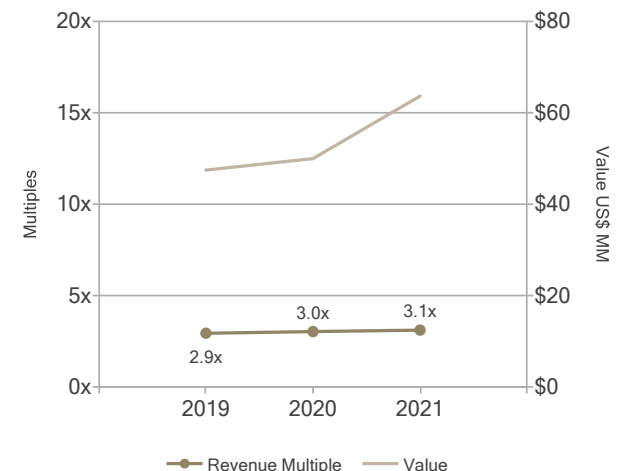


Figure 2. 2019-2021 median value and revenue comparison.

Transaction Analysis :: January 1, 2019 – December 31, 2021

Bell Curve - Histogram

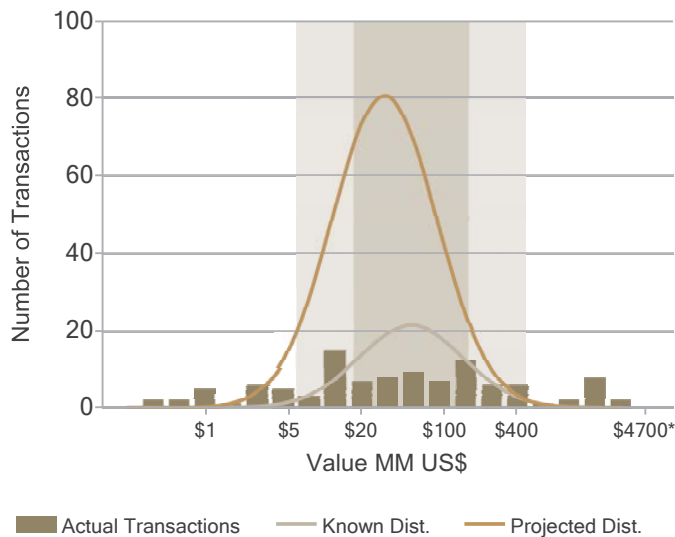


Figure 3. Shows distribution of transactions among the Financial Technology & Information Industry transactions based on publicly available information and Berkery Noyes estimates. Using a logarithmic scale, we determined that nearly one-third of companies purchased had transaction values of \$12.2 million to \$148.4 million. Based on this data, we estimate the total transaction value of deals done in 2021 at \$51.0 billion.

* Indicates largest transaction in the industry from Jan. 1, 2021 to Dec. 31, 2021.

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	5	0	5	5 %	8 %
\$1.6	1	1	2	1 %	9 %
\$2.7	6	4	10	6 %	15 %
\$4.5	5	12	17	5 %	20 %
\$7.4	3	29	31	3 %	22 %
\$12.2	15	52	66	14 %	36 %
\$20.1	7	73	80	7 %	43 %
\$33.1	8	81	88	7 %	50 %
\$54.6	9	69	78	8 %	59 %
\$90.0	7	46	53	7 %	65 %
\$148.4	12	24	35	11 %	77 %
\$244.7	6	10	15	6 %	82 %
\$403.4	6	3	9	6 %	88 %
\$665.1	1	1	1	1 %	89 %
\$1,096.6	2	0	2	2 %	91 %
\$1,808.0	8	0	8	7 %	98 %
\$2,981.0	2	0	2	2 %	100 %
Total #	107	405	512		
Total \$ Value	\$38,382	\$12,652	\$51,034		
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

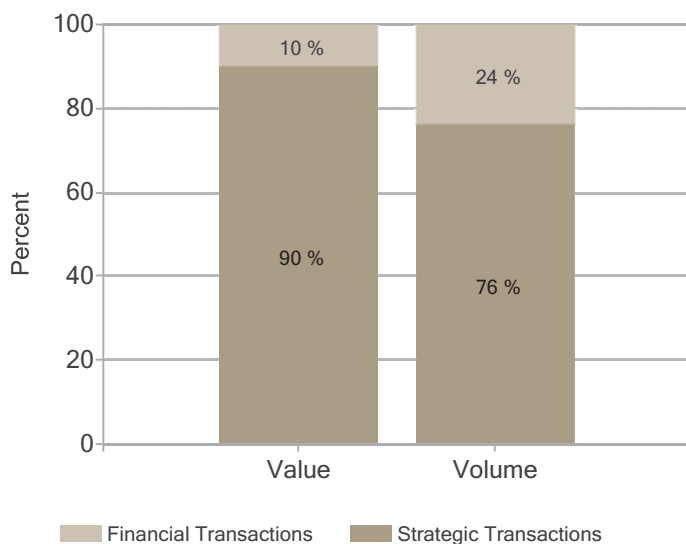


Figure 5. 2019-2021 value and volume comparison by acquirer type.

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

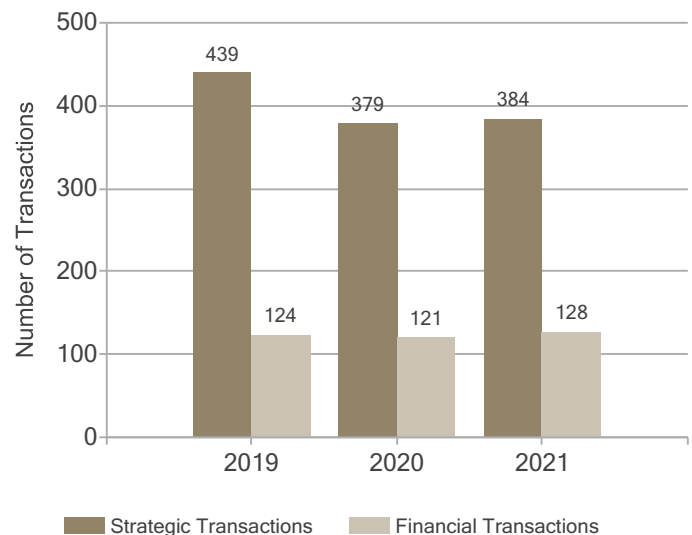


Figure 6. 2019-2021 acquirer type comparison by year.

Purchaser Analysis

Top Ten Notable Transactions 2021

Deal Date	Target Name	Buyer	Value MM US\$
08/31/21	BillDesk	PayU Group	\$4,700
12/21/21	Link Group	Dye & Durham Corporation	\$3,622
12/17/21	Bottomline Technologies	Thoma Bravo, LLC	\$2,616
03/30/21	Itiviti AB	Broadridge Financial Solutions	\$2,528
09/16/21	GreenSky	Goldman Sachs & Co.	\$2,509
06/24/21	Tink.com	Visa, Inc.	\$2,137
02/11/21	NIC Inc.	Tyler Technologies, Inc.	\$2,103
08/05/21	Risk Management Solutions	Moody's Analytics, Inc.	\$1,983
12/27/21	CUSIP Global Services	FactSet	\$1,925
03/06/21	Cedacri Group	Ion Group	\$1,819
2021 Aggregate Transaction Value			\$51,034
Top 10 Aggregate Transaction Value			\$25,941
Top 10 Aggregate Value as a Percentage of All Transactions			51 %

Figure 7. Lists the top ten transactions for 2021 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

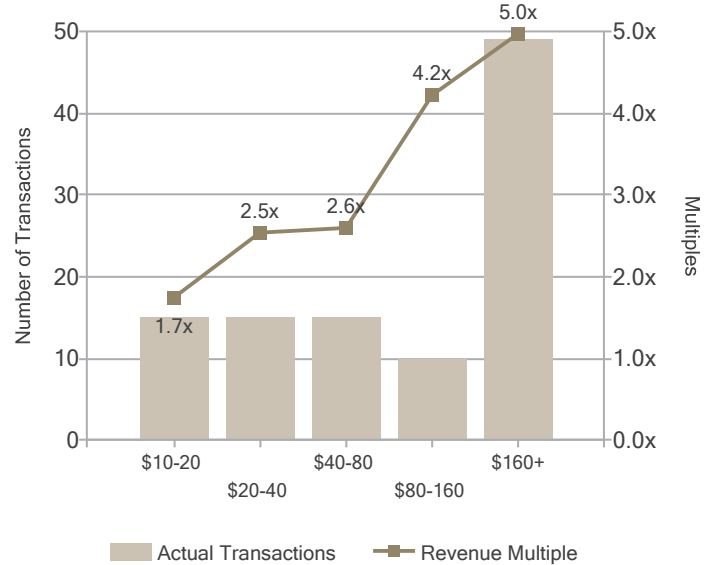


Figure 8. Presents the median enterprise value/revenue multiples paid for companies in the Financial Technology & Information Industry from Jan. 1, 2019 to Dec. 31, 2021 based on publicly available sales price and revenue data.

Transaction Volume by Segment :: January 1, 2019 – December 31, 2021

Transactions By Market Segment

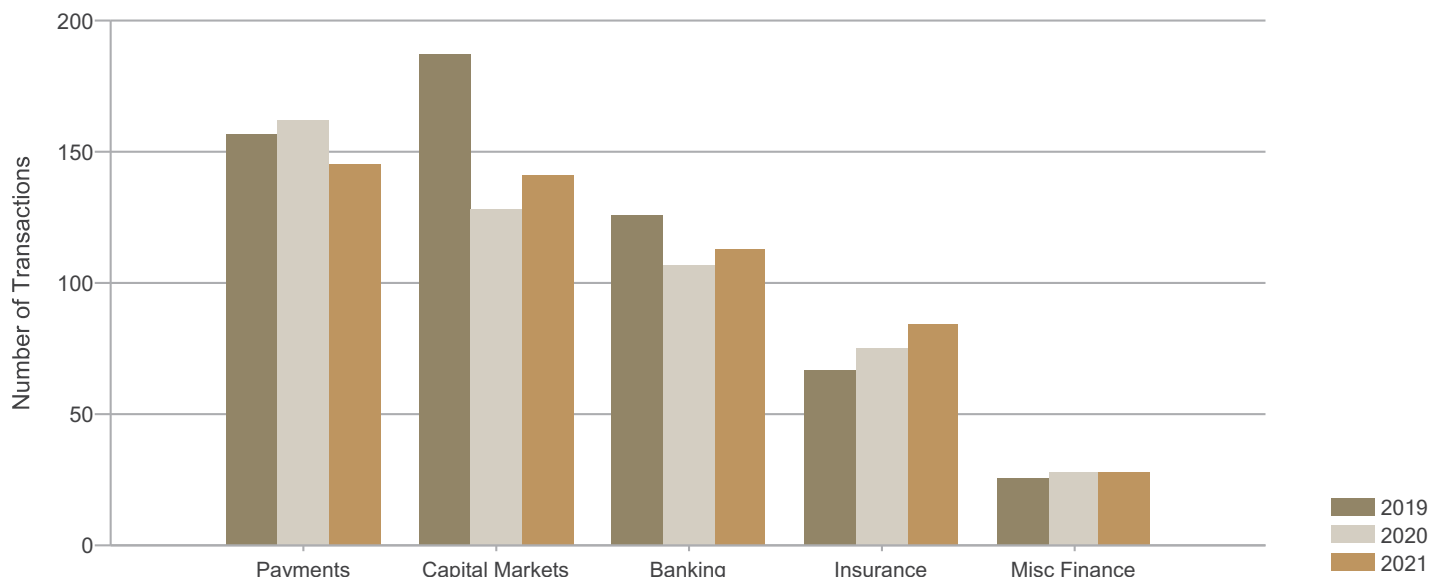


Figure 9. Presents the transaction volume by market segment within the Financial Technology & Information Industry from Jan. 1, 2019 through Dec. 31, 2021.

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