



Financial Technology Sector

Quoted Company Analysis

Third Quarter 2013



Buy Side Advisor
To Confluence

With offices in London, San Diego and Buenos Aires, Goldenhill's business is to advise our clients in M&A engagements. Our engagements include providing services to Sellers or Buyers in M&A projects in the UK, USA, Europe, Latin America, Canada, and Australia. We have extensive experience and a specific emphasis in technology businesses and many of our engagements result in cross-border transactions. Please visit our web site at <http://www.gtallp.com>

Sector Valuation Metrics

Company	Share Price Local	Market Cap	Net Debt	Enterprise	Revenue		EV/Revenue		EV/Revs	EV/EBITDA		Revenue Growth		EBITDA Margin		% Revs		
	30-Sep-13	(\$m) ⁽¹⁾	(\$m) ⁽²⁾	Value (\$m)	CY13E (\$m)	CY2012	CY2013E	Recurring	CY2012	CY2013E	CY2012	CY2013E	CY2012	CY2013E	Recurring ⁽³⁾			
Selected Large Cap																		
Thomson Reuters	35.01	29,050	5,930	34,980	12,699	2.6x	2.8x	3.2x	9.9x	10.2x	-3.8%	-4.4%	26.5%	26.9%	86%			
Fidelity National Information Services	46.44	13,565	4,040	17,606	6,070	3.0x	2.9x	3.6x	10.1x	9.5x	3.2%	4.5%	30.0%	30.4%	80%			
Fiserv	101.05	13,146	2,872	16,018	4,804	3.6x	3.3x	3.5x	11.4x	10.1x	3.3%	7.2%	31.5%	33.0%	95%			
Computershare	9.92	5,152	1,256	6,408	2,014	3.4x	3.2x	4.5x	15.1x	13.1x	11.8%	-0.2%	22.2%	24.3%	70%			
FactSet	109.10	4,724	(209)	4,515	877	5.5x	5.1x	5.4x	14.7x	14.0x	6.5%	6.6%	37.2%	36.7%	95%			
Jack Henry & Associates	51.66	4,449	(113)	4,336	1,177	4.0x	3.7x	4.6x	12.4x	11.3x	10.0%	8.4%	32.3%	32.7%	80%			
Solera	52.87	3,638	683	4,321	878	5.3x	4.9x	na	12.7x	12.2x	6.1%	9.5%	41.8%	40.4%	na			
SS&C	38.10	3,105	926	4,031	720	7.3x	5.6x	6.2x	18.9x	13.8x	48.8%	30.4%	38.7%	40.5%	91%			
DST Systems	75.41	3,245	524	3,769	1,962	1.5x	1.9x	na	10.1x	8.5x	7.9%	-23.9%	14.5%	22.6%	na			
Morningstar	79.26	3,655	(321)	3,333	704	5.1x	4.7x	7.0x	17.2x	15.1x	4.3%	6.9%	29.4%	31.4%	68%			
Guidewire Software	47.11	2,730	(157)	2,573	316	9.9x	8.1x	16.3x	105.0x	98.7x	29.6%	12.0%	9.4%	8.3%	50%			
ACI Worldwide	54.06	2,138	298	2,436	868	3.7x	2.8x	3.4x	15.6x	10.3x	43.3%	30.2%	23.5%	27.3%	83%			
FICO	55.28	1,946	405	2,351	779	3.4x	3.0x	4.4x	12.3x	na	9.2%	12.8%	27.5%	na	69%			
Temenos	22.25	1,772	98	1,870	474	4.2x	3.9x	5.4x	17.3x	13.4x	-4.9%	5.3%	24.0%	29.3%	73%			
Advent Software	31.75	1,659	(136)	1,523	379	4.2x	4.0x	4.4x	19.4x	16.3x	10.0%	5.6%	21.9%	24.7%	91%			
SimCorp	185.50	1,464	(78)	1,386	312	5.2x	4.4x	9.4x	21.3x	17.7x	-0.8%	16.1%	24.2%	25.2%	47%			
IRESS Market Technology	9.09	1,346	(58)	1,288	227	6.0x	5.7x	6.9x	16.6x	17.2x	1.6%	5.5%	36.1%	33.1%	82%			
Fidessa	19.88	1,213	(117)	1,096	450	2.5x	2.4x	2.9x	8.9x	10.2x	-1.0%	1.9%	27.9%	23.9%	84%			
Envestnet	31.00	1,036	(30)	1,006	235	6.4x	4.3x	22.5x	64.6x	27.0x	27.7%	49.7%	9.9%	15.8%	19%			
Average									4.6x	4.0x			21.8x	18.3x		26.8%	28.1%	74.2%
Total (Large Cap)		99,031	15,814	114,845														
Selected Mid Cap																		
Bottomline Technologies	27.88	1,061	(154)	906	276	3.8x	3.3x	3.7x	37.6x	23.8x	13.6%	16.4%	10.1%	13.8%	89%			
Innovation Group	0.29	467	(42)	425	343	1.4x	1.2x	na	11.2x	8.9x	8.1%	9.4%	12.2%	13.9%	na			
Ebix	9.94	377	44	422	207	2.1x	2.0x	2.5x	4.9x	5.2x	18.0%	3.8%	43.2%	39.3%	80%			
Linedata Services	21.78	231	42	273	217	1.5x	1.3x	1.7x	6.2x	5.0x	-3.1%	17.4%	23.7%	25.1%	74%			
First Derivatives	7.98	243	34	276	104	3.2x	2.7x	3.0x	17.9x	13.9x	21.6%	19.0%	17.7%	19.2%	89%			
Average									2.4x	2.1x			15.6x	11.4x		21.4%	22.3%	83.0%
Total (Mid Cap)		2,379	(77)	2,302														
Selected Small Cap																		
Bravura Solutions	0.28	158	24	183	na	1.4x	na	na	7.6x	7.9x	-2.2%	na	18.7%	na	53%			
Polaris Software	129.10	205	(49)	156	416	0.4x	0.4x	0.7x	3.0x	2.8x	-3.2%	0.1%	12.4%	13.3%	51%			
Microgen	1.27	169	(52)	117	48	2.3x	2.4x	4.0x	7.2x	7.4x	-17.6%	-5.6%	31.5%	32.5%	61%			
Sword Group	14.10	177	(63)	114	144	0.8x	0.8x	na	5.1x	5.5x	-30.3%	-4.7%	14.6%	14.4%	na			
vwd	2.72	95	(3)	92	na	0.8x	na	na	12.2x	na	-0.6%	na	6.7%	na	na			
StatPro	0.82	90	(6)	84	49	1.6x	1.7x	1.9x	5.4x	10.6x	-0.3%	-3.7%	30.5%	16.2%	92%			
COR&FJA	0.85	49	22	71	178	0.4x	0.4x	2.1x	-6.1x	21.6x	-6.6%	1.1%	-6.7%	1.9%	19%			
Brady	0.64	83	(13)	70	49	1.6x	1.4x	2.8x	8.0x	11.5x	45.2%	9.2%	19.7%	12.6%	51%			
Dion Global	20.70	11	26	36	na	0.8x	na	na	9.5x	na	23.0%	na	na	na	na			
Financial Technologies India	141.15	104	(88)	16	na	0.1x	na	na	0.5x	na	31.7%	na	22.6%	na	58%			
Average									1.0x	1.2x			5.3x	9.6x		16.7%	15.1%	55.0%
Total (Small Cap)		1,141	(201)	940														
Sector Total		102,551	15,536	118,087														

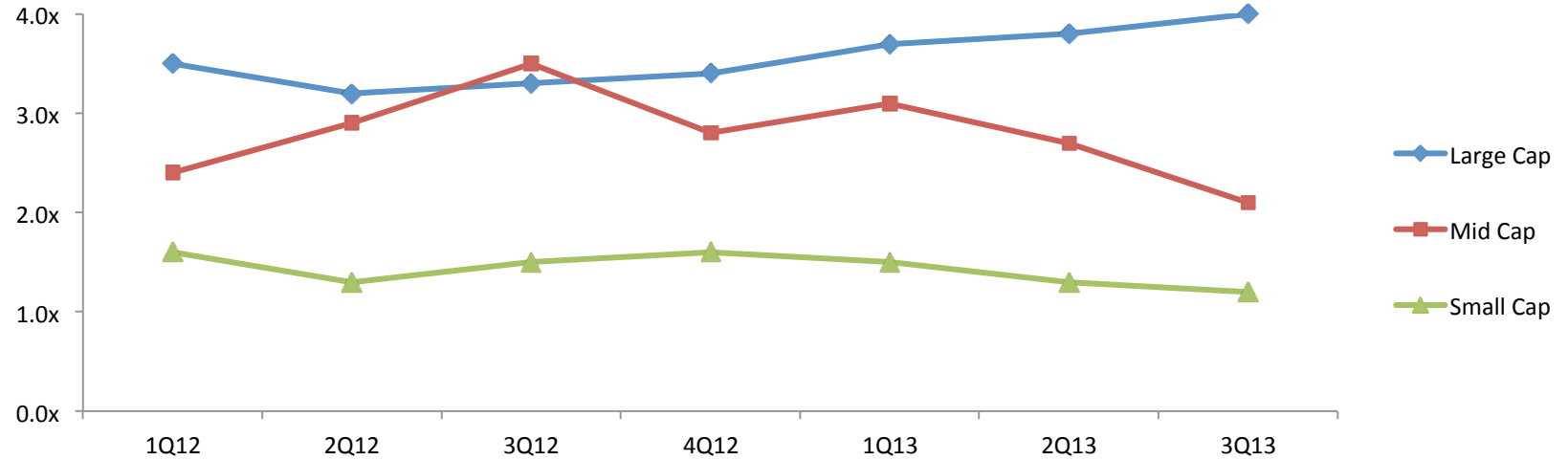
(1) Excludes treasury shares

(2) Net financial debt minus marketable securities and collaterals.

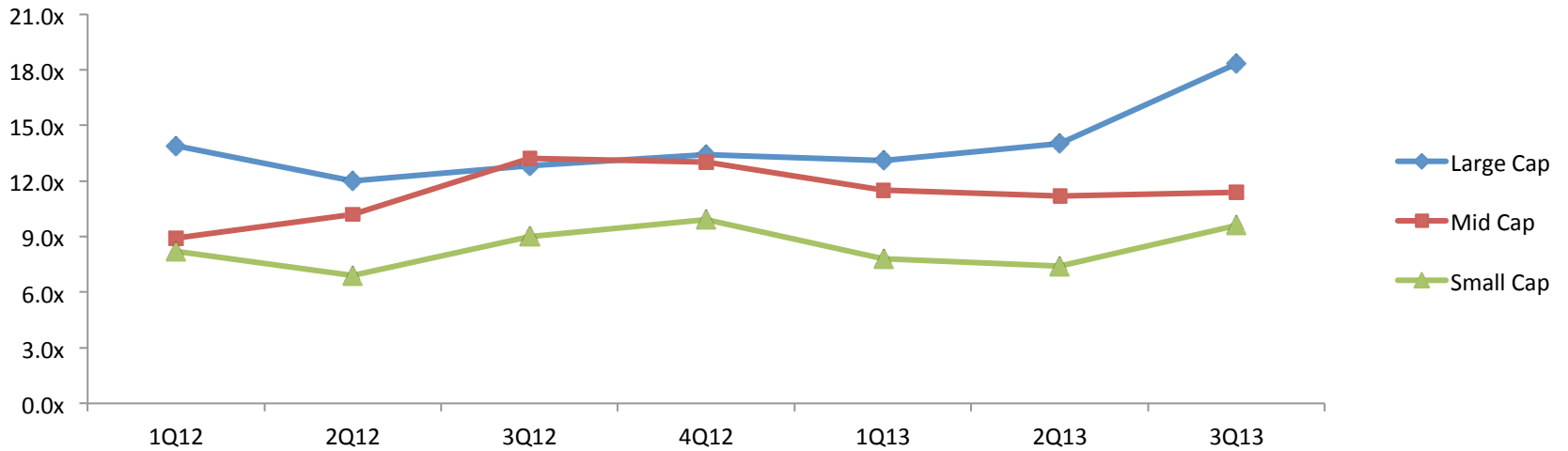
(3) Recurring revenues (renewing licences, maintenance, subscriptions, SaaS etc) where reported for last full year

(4) Ffastfill taken-off from the list as it has been acquired.

EV/Revenue CY E



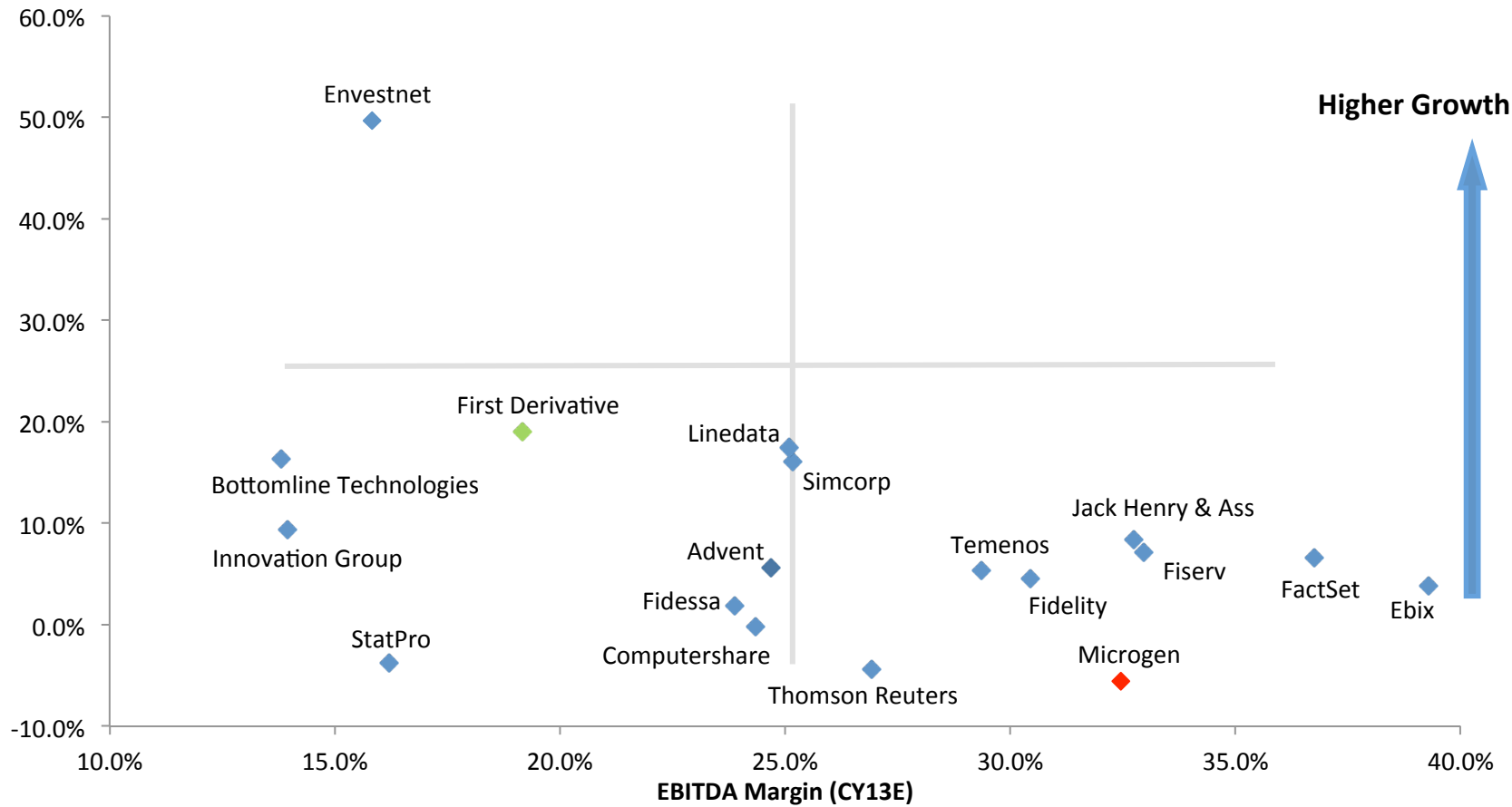
EV/EBITDA CY E



Performance Quadrants: Revenue Growth & Operating Margin

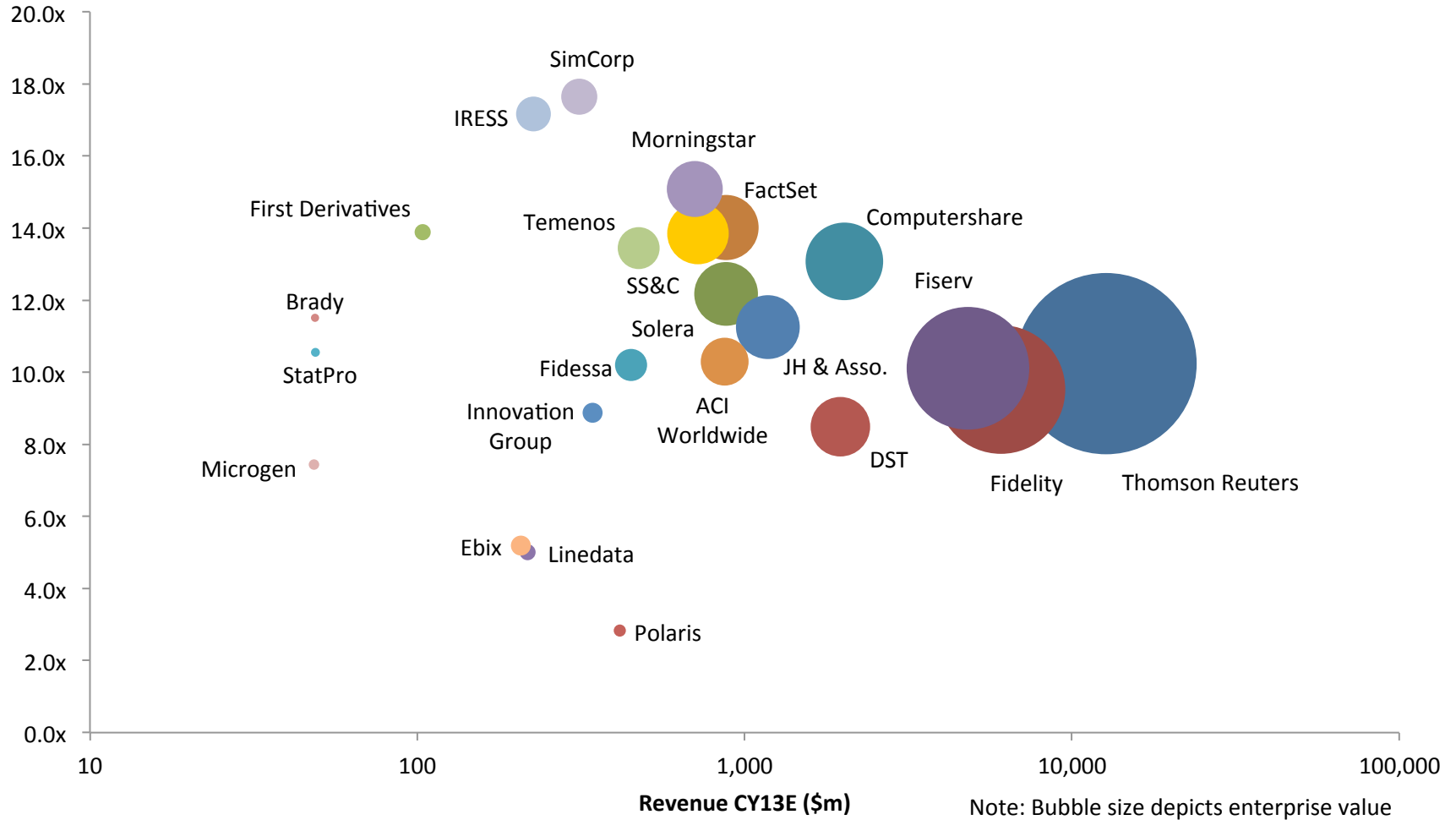
Revenue Growth
(FY12-13E)

Higher Margins

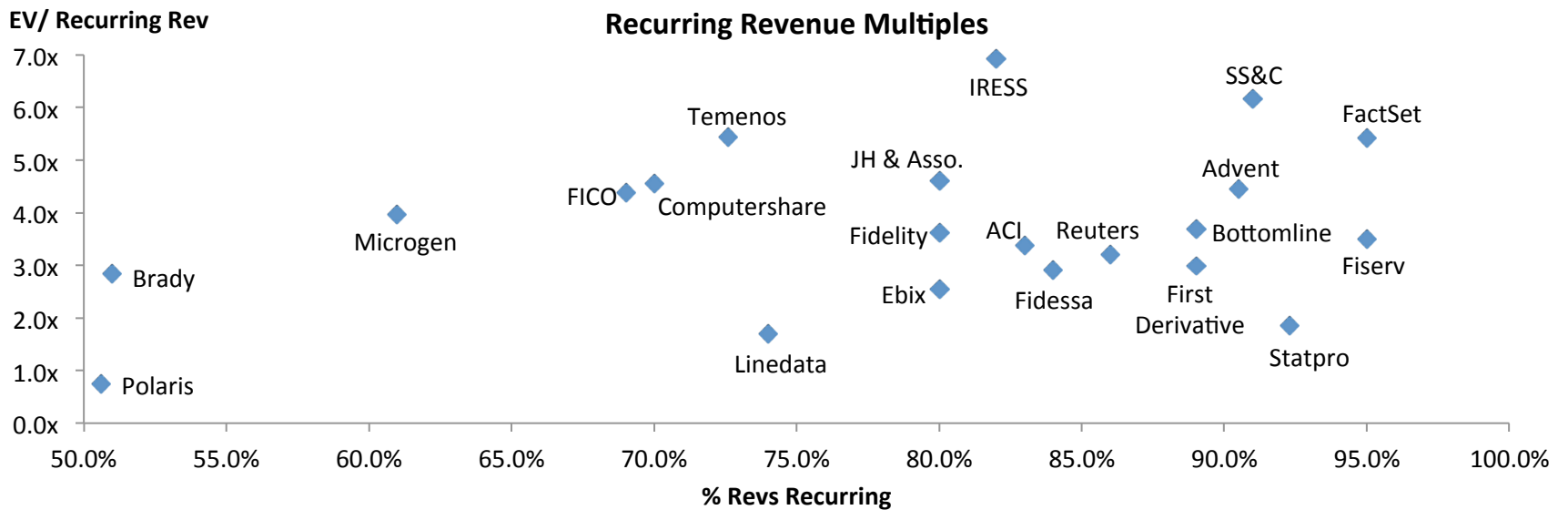
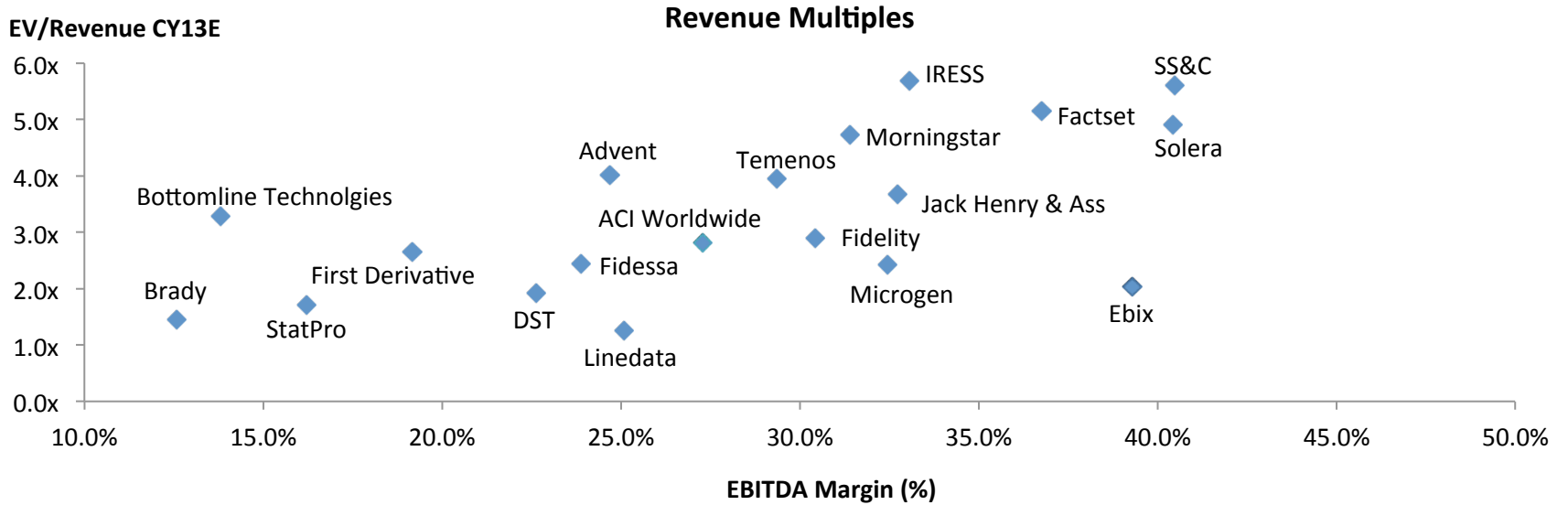


- ◆ Largest % Share price increase (last quarter)
- ◆ Largest % Share price decrease (last quarter)

EV/EBITDA CY13E

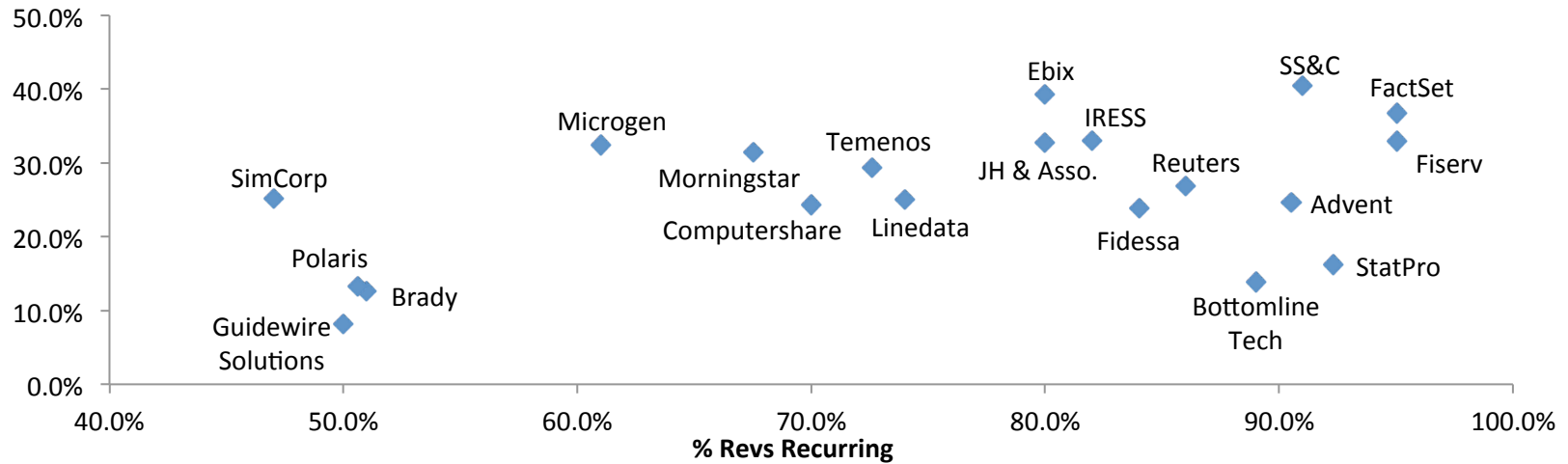


Operating Efficiency and Recurring Revenue as Value Drivers



EBITDA Margin CY13E

Recurring Revenue as a Driver of Operating Margins

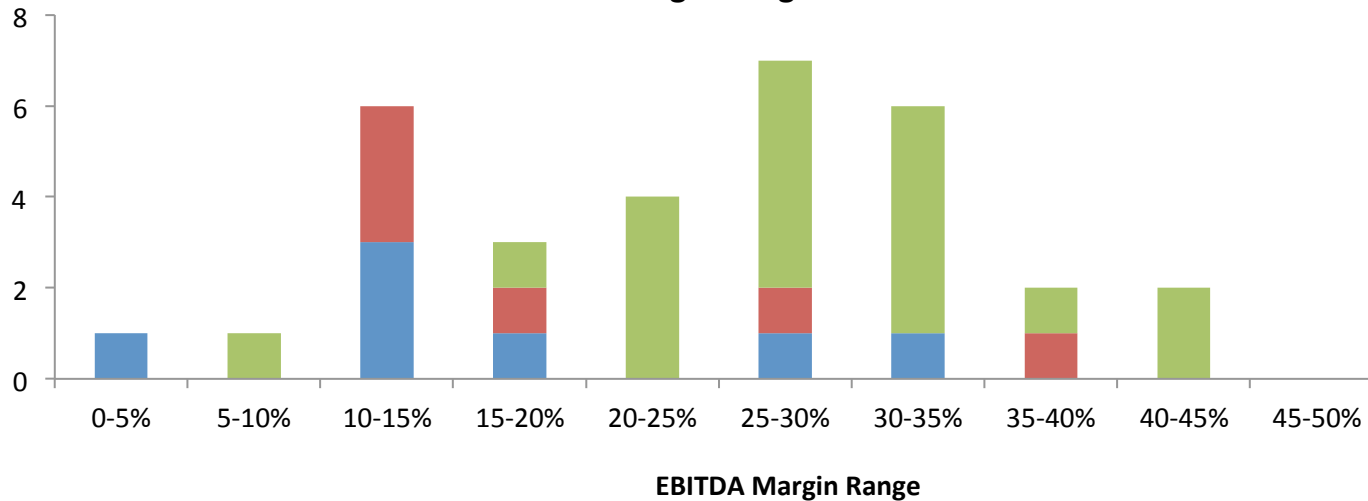


Number of Companies

EBITDA Margin Range Distribution

Larger players operating at higher margins

- Large Cap
- Mid Cap
- Small Cap



Financial Technology Deals – Third Quarter 2013

Date Announced	Buyer	Seller	Seller Description	Deal Size	Seller Revenue/ Profit	Revenue Multiple	Target Sector	Commentary
30/09/2013	Bull	FastConnect	Service-oriented architectures, big data and cloud migration integration, software development and IT consulting services for French businesses with an emphasis on the finance vertical	Not disclosed			Services	The acquisition is based on a shared interest in innovation and reaffirms Bull's ambition to speed up its development in Cloud and Big Data. 120 staff.
26/09/2013	PayPal (eBay)	Braintree Payment Solutions	Online and mobile payment APIs for software developers and businesses to integrate payments functionality into websites. Software includes payment gateways and credit card information storage features	\$800M in cash		c7.4x - 9.5x	Payments	Braintree will bring technology and its team to PayPal, enabling both companies to accelerate their capabilities and resources.
23/09/2013	ACI Worldwide	Official Payments [fka Tier Technologies]	Online and interactive voice response and call centre payment processing SaaS and services for government, education, utilities, charities and other businesses	\$149.3M	\$140.8M / \$5.0M	1.1x	Payments	The acquisition enables both companies to further develop new capabilities in the EBPP space.
23/09/2013	FXCM	Faros Trading	Online foreign exchange market research content and macro economic market analysis for investors and hedge fund managers at www.farotrading.com	Not disclosed 50.1% stake			Content	Faros will expand FXCM's international business and market research, delivering a compelling suite of services to FX traders.
23/09/2013	Third Financial Software	Temenos SA [ActiveBank business]	ActiveBank business of Temenos which provides EDI, risk management, business intelligence and reporting software and SaaS for the financial sector globally. The ActiveBank business was part of Financial Objects, which was acquired by Temenos in 2008	Not disclosed			Banking	ActiveBank will complement Third Financial's growth strategy and increases its client base internationally. The IPR of ActiveBank will also be added to ThirdFinancial's product range.
19/09/2013	Scivantage	Portfolio Director (Scotttrade Financial Services)	Web-based or desktop-based portfolio management software for investment advisers and individual investors	Not disclosed			Asset management	The deal adds to Scivantage's core expertise of providing brokerages, banks and mutual funds with automated solutions to grow their business, and enables the company to enhance its performance reporting capabilities for both investment advisers and individual retail investors.
18/09/2013	Earthport	Baydonhill	Provides foreign exchange services	£6.4M in cash	- / £(1.3)M		Trading	The deal forms part of Earthport's strategic expansion plans. It included a deferred consideration and earn-out options for shareholders

Financial Technology Deals – Third Quarter 2013

Date Announced	Buyer	Seller	Seller Description	Deal Size	Seller Revenue/ Profit	Revenue Multiple	Target Sector	Commentary
17/09/2013	GFI Informatique	Addstones Consulting	IT consulting and systems integration services for businesses in the corporate finance, investment banking and asset management sectors in France		c€13M /		Asset management	The combination will result in a workforce of c.250 people, enabling the companies to respond to the growing demand for centralisation, industrialisation and innovation in a fast changing market segment. 136 staff.
17/09/2013	Holliday Group	Finzsoft Solutions	Operates a New Zealand-based IT company, engaged in the development, sales, and support of sovereign finance and banking software	NZ\$3.5M	NZ\$8.8M / NZ\$0.4M	0.4x	Services	The takeover is a step in Finzsoft's strategy of becoming the leading supplier of scalable banking and finance software solutions in the APAC & Asean regions.
16/09/2013	Cannex Financial Exchanges	The QWeMA Group [aka Quantitative Wealth Management Analytics Group]	Financial analysis data sets and software for wealth management, risk management and retirement planning advisors and firms	Not disclosed			Content	QWeMA will bring unparalleled research and tools that will help CANNEX to augment the data-driven services that are currently offered to clients.
16/09/2013	LexisNexis Risk Solutions	Mapflow	Geographic risk management and data management SaaS for commercial and residential insurance and underwriting businesses	Not disclosed			Insurance	The acquisition enables LexisNexis to offer a more comprehensive risk assessment and underwriting solution for insurers.
12/09/2013	Confluence Technologies	Data Agent	Regulatory reporting and data integration, management and analytics software & SaaS for investment managers	Not disclosed			Investment	Data Agent brings experience and expertise to position Confluence to provide a data management and automated solution that can solve the complex regulatory reporting demands of the Alternative Investment Management Fund Directive.
11/09/2013	Tradeweb Markets	BondDesk Group	Provides a complete online retail fixed income software solution, servicing both traditional and online broker dealers	up to \$200M			Trading	The deal allows Tradeweb to drive greater efficiency and overall liquidity in the retail marketplace and reflects the overall converging size of orders in the retail and institutional fixed-income markets.
05/09/2013	FactSet Research Systems	Revere Data [fka Sectorbase.com]	Online industry analysis, mapping and taxonomy databases for professional investors and businesses in the investing industry, mapping relationships between businesses. Also provides access to a database of supply chain relationships between companies and geographical economic data	Not disclosed			Content	The addition of Revere's speciality data to FactSet will enable both companies to deliver innovative products that offer clients actionable insights.

Financial Technology Deals – Third Quarter 2013

Date Announced	Buyer	Seller	Seller Description	Deal Size	Seller Revenue/ Profit	Revenue Multiple	Target Sector	Commentary
05/09/2013	The Riverside Company	Corporate Training Technologies [dba BankersEdge]	Provides client-customizable regulatory compliance and financial employee training online courses for banks, mortgage lenders and credit unions in the US	Not disclosed			Compliance	BankersEdge will bring a wide selection of courses and specialized programs to OnCourse, making Oncourse an unparalleled provider of professional training and compliance solutions to the financial services market.
03/09/2013	Tieto [fka TietoEnator]	Canvisa Consulting	Systems integration, consulting and design services for businesses in the finance and insurance industries in Sweden	Not disclosed	€8.2M		Services	Canvisa strengthens Tieto's capabilities in industry consulting and supports their long-term strategy to offer full life-cycle IT services. 37 staff.
26/08/2013	BATS Global Markets	Direct Edge	Operates an electronic stock trading platform	Not disclosed			Trading	The agreement combines two organizations that have been innovative in creating a more competitive marketplace to benefit all investors.
23/08/2013	Thomson Reuters	Omnesys Technologies	Develops and deploys mission-critical software products and solutions for the Securities and financial services sector	Not disclosed			Investment	Combining Omnesys' capabilities with Thomson Reuters content, analytics, quant and event-driven trading infrastructure results in Omnesys offering Indian customers a portfolio of integrated solutions for exchange traded instruments that are tailored to their market.
20/08/2013	Bottomline Technologies	Simplex GTP [aka Simplex Consulting] (Sterci)	Financial trade processing and message transmission software and services for businesses and financial institutions globally	\$5.4M in cash			Trading	The acquisition extends Bottomline Technologies' presence in Europe and offers clients a broader suite of solutions to improve their operating efficiency and optimize their financial transactions.
20/08/2013	Bottomline Technologies	Sterci	Financial message transmission, application integration and data management SaaS for financial institutions in Europe	\$136.8M in cash			Banking	Sterci view the acquisition as a natural step, with both organizations sharing a similar culture and a strong focus on cloud-based innovation.
19/08/2013	Staffing 360 Solutions	Control Solutions International	IT risk management consulting, auditing, data management and security consultation services for businesses in the financial sector globally	£0.4M in cash and shares, and up to \$2.1M earn-out			Services	The agreement brings together CSI's significant expertise in the risk management and consulting arena and Staffing 360's strategic growth plans.
19/08/2013	Warsaw Stock Exchange	Aquis Exchange	Intends to operate a pan-European equities trading exchange, subject to regulatory approval and develops and licence exchange software	£5.0M for 30%			Trading	Warsaw Stock Exchange acquires 30% shares in an alliance which is line with their strategic interest in developing a financial hub for Central Europe in Warsaw.

Financial Technology Deals – Third Quarter 2013

Date Announced	Buyer	Seller	Seller Description	Deal Size	Seller Revenue/ Profit	Revenue Multiple	Target Sector	Commentary
14/08/2013	Applied Systems (Bain Capital Partners)	Insurecom	Software and connectivity solutions company to the insurance industry	c£2M - £15M	£5.6M / £0.8M		Insurance	Insurecom will now operate as Applied Systems UK in a deal resulting from a long standing business partnership. This will enable Applied Systems to establish company-owned operations in the UK and deliver new products to the marketplace.
06/08/2013	IRESS Market Technology	Avelo FS [fka 1st - The Exchange]	Provides practice management and CRM software for mortgage and wealth management businesses in the UK. Software includes mortgage sourcing, origination and sales features	£210.0M	£55.5M / £14.5M	3.8x	Mortgages	The acquisition arises from a long relationship between the two companies, and will provide huge scope for new products and services for clients across the wealth management, banking, mortgage and intermediary sectors.
06/08/2013	Marlin Equity Partners	Asset Control (Fidelity Ventures)	Data lifecycle management software to financial institutions worldwide and provides systems integration and training services	Not disclosed			Banking	The deal enables both companies to focus on growth in the data management and financial software industry. Marlin view Asset Control as being perfectly placed to take advantage of the cost and regulation driven demand for more effective data management in financial institutions.
25/07/2013	Capita	Euristix	Specialist analytics and risk management services including portfolio management, value realisation, diagnostics and due diligence services to debt and financial services clients	Not disclosed			Risk	The acquisition of Euristix significantly strengthens Capita's analytics capabilities. These are increasingly relevant to both their recently established debt management business and also to the customer management business
24/07/2013	The Depository Trust & Clearing Corporation (DTCC)	Omgeo (50%) (Thomson Reuters (50%))	Post-trade operations; solutions that automate trade life-cycle events	Not disclosed			Trading	The combination of DTCC and Omgeo will foster increased collaboration among the buy-side, sell-side and custodian communities. The transaction facilitates increased collaboration among investment managers, broker-deals and custodian banks.
23/07/2013	Davis + Henderson	Harland Financial Solutions (MacAndrews & Forbes)	EDI, CRM, document management and compliance software and related transaction processing and managed services for banks and businesses in the financial services sector	\$1.2BN in cash			Banking	The acquisition combines D+H's market-leading lending solutions with HFS' strong suite of lending products, resulting in a more differentiated product offering.
19/07/2013	HgCapital	Intelliflo [majority stake]	Provides software to the financial services sector	£50.0M (est)	£12.7M / £4.3M	3.9x		The investment continues HgCapital Mercury's investment strategy of partnering with management teams in vertical application software companies.

Financial Technology Deals – Third Quarter 2013

Date Announced	Buyer	Seller	Seller Description	Deal Size	Seller Revenue/ Profit	Revenue Multiple	Target Sector	Commentary
19/07/2013	Wolters Kluwer Financial Services	Svenson Regulatory Reporting Business, Austria (SmartStream Technologies)	Market regulatory reporting software suite for financial institutions under the brand Svenson platform to support automated and integrated regulatory reporting and risk management	Not disclosed			Compliance	The acquisition will enable the combined company to help banks and insurance companies in Austria meet increasingly challenging national and international regulatory requirements. The Svenson product suite complements the existing Wolters Kluwer Financial Services offering. 15 staff.
18/07/2013	Aite Group	Solution Services	Financial and IT industry information, news distribution, and consulting services for Japanese clients	Not disclosed			Content	The acquisition arises from an existing relationship between the two companies. Solution Services will give Aite Group greater direct access to clients in the Japanese markets
18/07/2013	MBO	Simply Business (Xbridge) (BRIT Insurance 37%)	Online insurance and financial software services	c£50M	£22.9M / £2.5M	c2.2x	Insurance	MBO backed by AnaCap Financial Partners.
17/07/2013	Quindell Portfolio	Himex	Delivers insurance technology solutions	£9.1M £1.8M in cash & shares for 19%			Insurance	The investment will accelerate Quindell's existing presence in the North American insurance market, and in particular in the telematics marketplace.
16/07/2013	Eka Software Solutions	Matrix Group	Develops software for use in the mining and commodities industry	c\$20.0M in cash for an undisclosed stake			Trading	Both firms' customers will benefit from increased margins through tighter controls in the commodities supply chain. MatrixGroup's long-standing customer relationships and market-leading solutions extend Eka's already deep experience in providing high-value commodity solutions.
15/07/2013	Accenture	Mortgage Cadence (Monitor Clipper Partners)	Mortgage loan origination, processing, underwriting and servicing SaaS for the financial sector in the US. Also provides related document management software	Not disclosed			Mortgages	The acquisition will create an opportunity to do more to help streamline and improve mortgage processing in the US. Through the acquisition, Mortgage Cadence software will serve as the core loan-origination platform for Accenture Credit Services.
11/07/2013	Sword Aquila (Sword Group)	Active Risk Group	Systems integration projects and enterprise risk management software	£11.7M	£8.2M / £(0.4)M	1.4x	Risk	Active Risk brings a strong product and diverse customer base to Sword Group, strengthening their governance, risk and compliance offerings.
08/07/2013	ADVFN	financemanila.net	Operates a website community aimed at investors and traders	c£0.9M £0.3M in cash, and shares			Trading	The combination will propel both companies to become the premier financial E-hub in the Philippine Stock Market portal.

Financial Technology Deals – Third Quarter 2013

Date Announced	Buyer	Seller	Seller Description	Deal Size	Seller Revenue/ Profit	Revenue Multiple	Target Sector	Commentary
01/07/2013	CameronTec Intressenter [FKA Cameron Systems] (Orc Group)	E2E infotech (aurionPro Solutions)	Value added reseller providing third party trading and data integration software and services to brokerage firms	Not disclosed			Trading	The acquisition is a natural progression from several years of collaboration between the two. E2E provides solutions and services that are fully complementary to CameronTec's current offerings and is expected to accelerate the growth of the combined company.
01/07/2013	Thoma Bravo	Intuit [IFS division]	Financial services division of Intuit, which provides online and mobile banking SaaS to financial institutions to then offer to consumers. Transaction does not include the Mint and OFX connectivity services assets	\$1.03BN in cash		c12x	Banking	The transaction creates a new company, Digital Insight, which will focus on providing an innovative digital banking platform and aggressively expand its customer base.
01/07/2013	Asseco Poland	R-Style Softlab (Eransor Finance)	Develops custom software solutions for banking sector	\$28.0M for a 70% stake			Banking	Key employees and product policies from Asseco will join R-Style Softlab to strengthen Asseco's leading position in Russia and the CIS.



Deals where Goldenhill advised the buyer or seller

Goldenhill International M&A Advisors
42 Brook Street
London
W1K 5DB
United Kingdom

Goldenhill International M&A Advisors
964 Fifth Avenue
San Diego, California
92101
United States

Goldenhill International M&A Advisors
Torre ABN Amro Victoria Ocampo 360
Puerto Madero, Buenos Aires
C1107BGA
Argentina

www.gtallp.com

© Copyright 2013 Goldenhill Technology Advisors

This communication is provided for informational purposes only, and should not be regarded as an offer or solicitation to buy or sell any financial instrument. Distribution without the express consent of the authors, Goldenhill Technology Advisors, is strictly prohibited. Goldenhill Technology Advisors accepts no liability whatsoever arising directly or indirectly from the use of this document, and offers no warranty in relation to the accuracy or completeness of the information therein.