

LONDON ○ SAN DIEGO ○ BUENOS AIRES

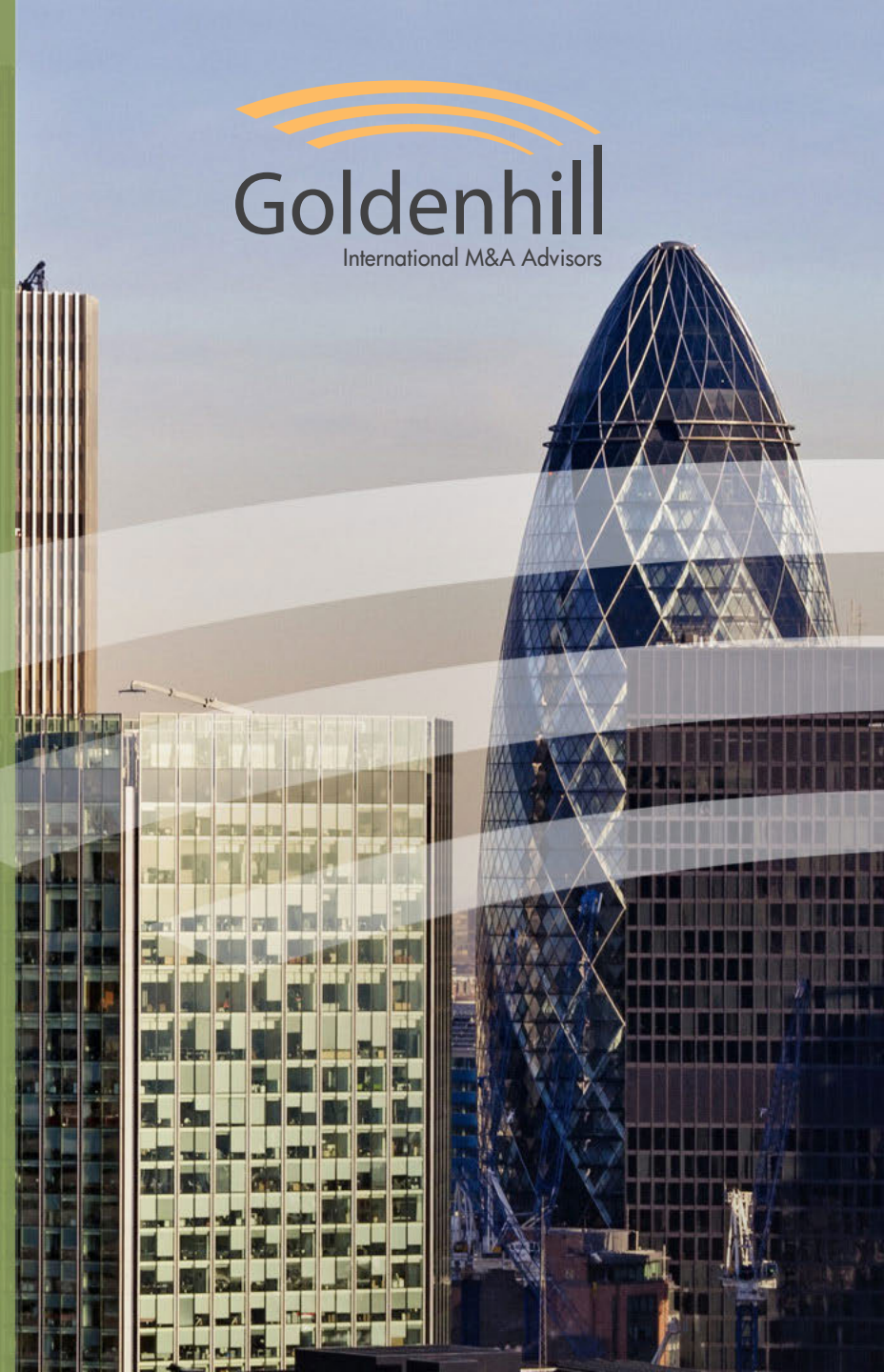
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# Financial Technology Sector

M&A Review

Q1 2021



## M&A Overview

This quarter saw 150 M&A transactions in the FinTech sector, of which we are highlighting 63 in this report. The overall volume of deals has continued its steady increase and has now recovered back to pre-Covid 19 levels, highlighting increased confidence in the ability to do deals during a pandemic and the hope that vaccines will bring back “normality” in the near future. Valuations were strong with revenue multiples averaging at 6.2x and going up to around 15x revenue.

With the COVID-19 pandemic still very much a reality and the pre-dominance of remote working, digital banking, digital wealth management and online payments, FinTech software firms offering (components of) solutions for digitalization have been and continue to be of significant interest to acquirers in the current market.

There were a number of significant transactions this quarter – including the acquisition of Itiviti by Broadridge for a total consideration of \$2.5bn, and the number of large M&A deals is expected to continue to rise in the next few months, as recovery continues to fuel deals flow.

In terms of deal types, 59% of the identified transactions were cross-border, the remaining 41% taking place domestically – the majority of which were in the US (nearly 80%).

The most active regions in terms of M&A in the FinTech space continue to be the US and Europe (predominantly the UK, France and Germany), followed by Asia-Pacific.

## Public Companies Overview

Q1 2021 saw a fall in average revenue multiples from Q4 2020 across our sample of quoted companies. As of 31 March 2021, the average forward revenue multiple overall was 6.9x, going up to 8.5x for Large Cap companies.

Revenue growth continues to be one of the most important drivers for higher valuations. The companies exhibiting the highest expected revenue growth this year are Coupa, IRESS and Q2 Holdings.

Now more than ever, a strong recurring revenue base is key for FinTech firms to survive the cashflow challenges of the current environment. Recurring revenue as a proportion of total revenues continues to average at almost 80%, with Large Cap companies averaging at 81%.

## FinTech Subsectors

### Asset and Wealth Management Software

Systems developed for institutional asset and private wealth managers

### Banking Software

Software that facilitates or enhances banking practices

### Data and Terminals

Companies providing data and specialised terminals to financial industry players

### Financial Services Consulting

Companies that provide consulting within financial services

### InsureTech

Innovations in the insurance industry through technology

### Life and Pensions Administration Software

Advancing and facilitating the administration of life insurance & pensions

### Payments

Innovative solutions to make faster and more efficient payments

### RegTech

The use of technology to facilitate the delivery of regulatory requirements

### Research Management Software

Tools to enhance and simplify financial research

### Retail Investment Technology

Technology aimed at furthering retail investing

### Trading and Risk Management Software

Software designed for trading and risk management activities

### Other

All other company types within the financial technology spectrum

# M&A HIGHLIGHTS Q1 2021

**\$10.7bn**

Aggregate Deal Value<sup>1</sup>

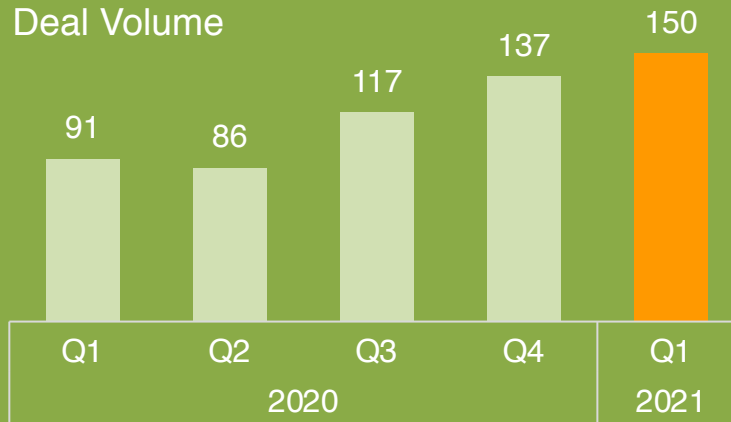
**\$71m**

Average Deal Size<sup>2</sup>

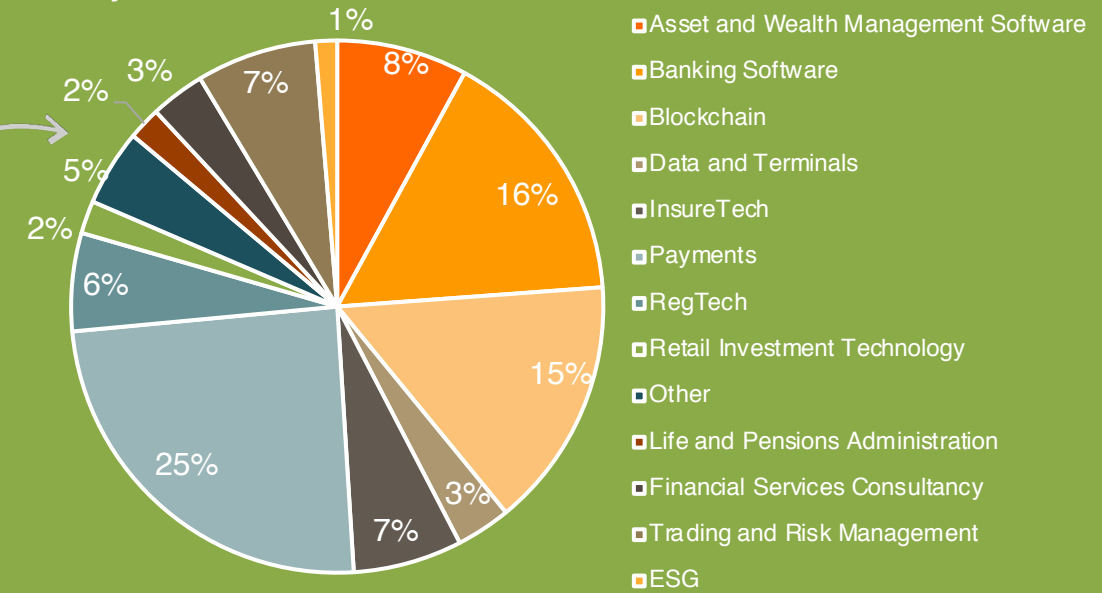
**6.2x**

Average Revenue Multiple

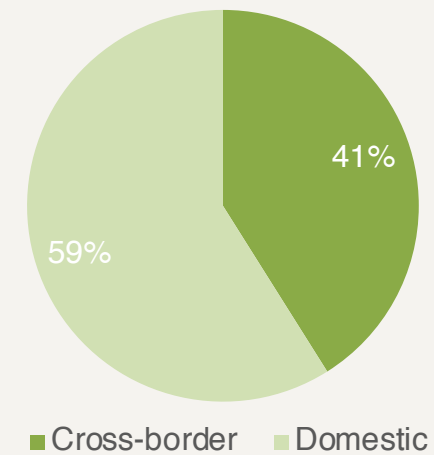
## Deal Volume



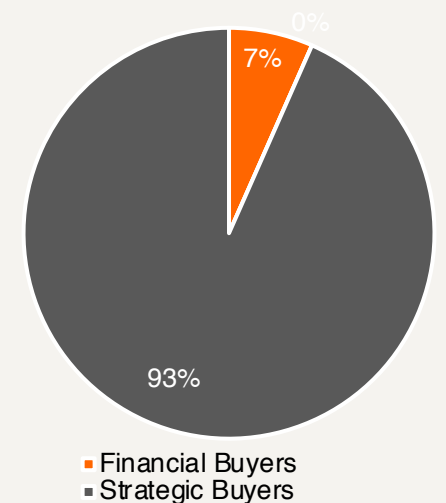
## Deals by Sub-Sector



## Deals by Type



## Deals by Buyer Type



1. Including very large acquisitions in the \$1bn+ range 2. Excluding the Ion/Cedacri deal worth \$1.8bn, the Broadridge/ Itiviti deal worth \$2.5bn and the Thoma Bravo/ Calypso deal worth \$3.75bn

# DEAL SNAPSHOTS



ITIVITI

THOMABRAVO



**\$2.50bn**

**\$250m**

**10x**

Transaction Value

Target Revenue

EV/ Revenue

**\$3.75bn**

**\$300m**

**13x**

Transaction Value

Target Revenue

EV/ Revenue

- Broadridge (NYSE:BR) has acquired Itiviti Holding AB for all cash consideration of \$2.5bn from Nordic Capital
- Itiviti is a leading global capital markets technology service provider offering highly scalable solutions that financial institutions use to consolidate their trading infrastructure, driving significant cost savings. With offices in 16 countries, Itiviti serves 24 of the top 25 global investment banks and over 2,000 leading brokers, trading firms and asset managers across 50 countries.
- Itiviti's suite of Trading and Connect solutions offer comprehensive tools to support both connectivity and adaptivity to changing market dynamics and regulatory demands. The solutions and services offered provide financial institutions the flexibility and functionality to serve any trading style across asset classes
- Itiviti CEO Rob Mackay stated, "Joining Broadridge represents an exciting next chapter for our business and team by creating a leading front-to-back capital markets technology and operations provider. The combination of our technology, solutions and people will unlock significant value for our clients and drive long-term growth for our combined business."
- In addition, Itiviti's strong presence in APAC and EMEA will significantly expand Broadridge's revenues outside of North America and enhance Broadridge's international footprint in key markets. Itiviti's blue-chip client base should also provide significant cross-sell opportunities across Broadridge's product portfolio

- Thoma Bravo, a leading private equity investment firm focused on the software and technology-enabled services sectors has reached an agreement to acquire Calypso Technology, Inc. ("Calypso") from international private equity group Bridgepoint and global growth investor Summit Partners
- Founded in 1997 and headquartered in San Francisco with offices around the world, Calypso is a cloud-enabled provider of cross-asset, front-to-back solutions for financial markets with over 35,000 users in 60+ countries. Its award-winning software improves reliability, adaptability, and scalability across several verticals, including capital markets, investment management, central banking, clearing, treasury, liquidity, and collateral.
- Calypso CEO Didier Bouillard stated, "We are thrilled to begin the next chapter of our story alongside Thoma Bravo and are grateful to Bridgepoint and Summit Partners for their support and partnership. Our acquisition by Thoma Bravo is further validation of the unique value Calypso creates for its customers, employees, and investors and a direct reflection of the hard work, collaboration, and strong results the team has achieved,"
- Alongside a range of operational initiatives, the transition of the business to a cloud model combined with best-in-class client service is undoubtedly key in accelerating growth

# SELECTED ASSET AND WEALTH MANAGEMENT TRANSACTIONS

DATE	BUYER	TARGET	DESCRIPTION	DEAL SIZE (\$'m)	TARGET REVENUE (\$'m)	REVENUE MULTIPLE (x)	TRANSACTION RATIONALE
Jan-21	IntegraFin Holdings (UK)	Time For Advice (UK)	Develops software platform for financial planning and wealth management firms	n/a	n/a	n/a	The acquisition is part of IntegraFin's strategy to provide platform and associated services to clients and their advisers as it enables its unit, Transact Ltd., to improve platform and adviser back office processes
Jan-21	Investment Metrics (US)	Style Analytics (UK)	Develops cloud-based portfolio analysis solutions for the investment community	n/a	n/a	n/a	The addition of Style Analytics is the latest investment by Investment Metrics to extend its global footprint with objective, transparent, and intuitive portfolio analytics solutions to better serve its global base of investment consultants, asset managers, and asset owners
Feb-21	Clearlake Capital Group, L.P. and Motive Partners (US)	InvestCloud (US)	Specializes in SaaS and BPaaS solutions for the financial industry	1,000	n/a	n/a	Motive and Clearlake, working with InvestCloud, identified that Tegra118 would be a complementary fit as the base for future product innovations, and Finantix would be the ideal partner for private banking capabilities. In addition, Finantix's focus on private banking in Europe and Asia provides a strong base for InvestCloud's international expansion. The combination of the three companies will have over 900 employees and revenue of \$285m
Feb-21	Hundsun Technologies (China)	Shenzhen Ysstech Info-Tech (China)	Provides system solutions for the financial industry in the China	60	107	7	The transaction will combine the offerings of two leaders in financial technology, including a strong focus on software and value-added services for integrated information development of asset management and asset custody businesses. Hundsun Technologies is backed by Alibaba Groups's Jack Ma.
Feb-21	Spectrum Equity Management (US)	Quantile Technologies (UK)	Designs and develops portfolio risk optimization software for financial market	16	n/a	n/a	The investment places Spectrum's managing director, Mike Farrell, onto the Quartile board of directors. The latter says the money is funding "the next phase of growth".
Feb-21	Portfolio BI (US)	Hentsu (UK)	Designs and develops cloud based online solution for the hedge fund and asset management companies	n/a	n/a	n/a	The acquisition is a natural pairing of the two firms' complementary services and solutions. It provides immediate opportunities for Portfolio BI clients to explore several alternatives in managed cloud, security, and digital workplace solutions, with a strong emphasis on Microsoft Office 365, SharePoint, and Teams.

# SELECTED ASSET AND WEALTH MANAGEMENT TRANSACTIONS

DATE	BUYER	TARGET	DESCRIPTION	DEAL SIZE (\$'m)	TARGET REVENUE (\$'m)	REVENUE MULTIPLE (x)	TRANSACTION RATIONALE
Mar-21	Niiio finance group (Germany)	CORYX Software (Germany)	Develops investment management software solutions for professional asset and wealth management	n/a	n/a	n/a	niiio finance group AG, a specialist for cloud banking software with a focus on wealth management, today signed a letter of intent with CORYX Software GmbH (CORYX). The aim is to acquire a majority of the business' shares in return for new shares in niiio finance group AG, which would be issued as part of a corresponding capital increase in return for a contribution in kind
Mar-21	Profile Systems & Software (Greece)	Centevo (Sweden)	Centevo AB develops financial software for private banking and asset management	n/a	7	n/a	Centevo's solutions cover the areas of Asset Management, Fund Management, Trust Management and Family Office, whilst offering powerful API connection gateways to large local Banks. These are complementary solutions to Profile's portfolio while new sales opportunities are created both in terms of territories and product enhancements.
Mar-21	SEI Investments Company (US)	Investment Grade Technologies (US)	Db. Oranj, provides wealth management software that streamlines client management and business development	n/a	n/a	n/a	For advisors working with Independent Advisor Solutions by SEI, the acquisition is expected to unlock new opportunities for tech-forward client engagement, including a client portal that delivers the financial insights investors have come to expect in a digital-first world.

# SELECTED BANKING SOFTWARE TRANSACTIONS

DATE	BUYER	TARGET	DESCRIPTION	DEAL SIZE (\$'m)	TARGET REVENUE (\$'m)	REVENUE MULTIPLE (x)	TRANSACTION RATIONALE
Jan-21	Sopra Banking Software (Sopra Steria) (France)	Fidor Solutions (Germany)	Software subsidiary and digital banking specialist of next-generation bank Fidor Bank	n/a	n/a	n/a	This acquisition would significantly accelerate the pace of development and marketing of Sopra Banking Software's digital solutions, in particular by augmenting the user features offered to banks through its Digital Banking Engagement Platform (DBEP) solutions
Jan-21	Aryza Group (Ireland)	Anchor Computer Systems (UK)	Develops loan and lease management systems	n/a	n/a	n/a	The transaction will support Aryza's mission to be the leading provider of software solutions for the lending and insolvency industries. The group will deliver innovative software to a broad customer base across the credit value chain including introducers, lenders, insolvency practitioners and accountants.
Jan-21	Alten (France)	ITSector - Sistemas de Informacao (Portugal)	Develops omni channel banking software solutions	n/a	n/a	n/a	The strategic acquisition, which was completed at the end of last month, reinforces the presence of the Alten Group in the field of Information Technologies, further increasing competences and specialization in the financial sector
Feb-21	SumUp Payments (UK)	Paysolut (UK)	Develops and offers mobile banking software for businesses	n/a	n/a	n/a	Paysolut will operate as an independently managed organisation. The company will gain access to the additional strength of SumUp's three million customers across 32 global markets. With the acquisition, the companies are expected to work together to build strong tech-based banking solutions and have an enhanced impact on the future of fintech.
Feb-21	Bottomline Technologies (US)	TreasuryXpress (US)	Provides on-demand treasury management solutions and cash forecasting solution	35	n/a	n/a	The acquisition will strengthen Bottomline's integrated Payments and Cash Lifecycle Platform. The platform empowers financial managers to optimize cash, liquidity and working capital with a unified solution combining payables, receivables, and treasury management, delivering greater visibility and control throughout the end-to-end cash lifecycle.
Feb-21	NCR Corporation (US)	Terafina (US)	Provides banks and credit unions with solutions for customer account opening and onboarding customers	n/a	n/a	n/a	Terafina expands NCR sales and marketing capabilities in its industry-leading Digital First Banking platform to drive revenue growth across consumer and business market segments. Integrating the customer onboarding experience into the NCR Digital First platform will drive higher customer satisfaction and increase the number of products which a customer will open

# SELECTED BANKING SOFTWARE TRANSACTIONS

DATE	BUYER	TARGET	DESCRIPTION	DEAL SIZE (\$'m)	TARGET REVENUE (\$'m)	REVENUE MULTIPLE (x)	TRANSACTION RATIONALE
Feb-21	International Decision Systems (US)	William Stucky & Associates (US)	Develops software solutions for factoring and asset-based lending (ABL)	n/a	n/a	n/a	The combination of the two companies creates a powerful, cloud-based technology platform providing industry-leading secured finance solutions to our customers and financial firms globally.
Feb-21	Ohm Mobility Private (India)	CloudNBFC (India)	Develops loan management software for financiers	n/a	n/a	n/a	Ohm believes that vehicle lending in emerging markets is going to get dramatically more efficient and digital, especially with the onset of connected vehicles and EVs. Ohm is building a tech platform that will enable this shift.
Feb-21	Foundation Group (US)	ODX (US)	Develops a Software-as-a-Service platform that delivers automated end-to-end business lending and digital account opening solutions	n/a	n/a	n/a	The two businesses will combine to become Linear Financial Technologies ("Linear"), the market leader in digital account origination technology and insights for financial institutions, B2B vendors and SMB service providers.
Mar-21	ION Investment Group (Ireland)	Cedacri (Italy)	Provides outsourcing services to banks, financial institutions, industrial companies, and utility companies in Italy	1,787	477	4	Dublin-based ION, led by Italian businessman Andrea Pignataro, has been on an acquisition spree in recent years, and has now prevailed in an auction process which was launched last year and is now negotiating the final terms of its offer which will be financed through a bridge loan, one of the sources said, speaking on condition of anonymity.
Mar-21	Astorg (Luxembourg)	Xceptor (UK)	Global leader in the end-to-end, no-code process automation market catering to banks, financial institutions and insurance companies	n/a	n/a	n/a	Astorg's investment, alongside a material reinvestment by the current management team, will enable the Company to continue to invest in product innovation and accelerate on their strong historical 35% annual growth, while further building out their broad international presence and leading customer base.
Mar-21	Technisys. (Argentina)	Kona (Canada)	Designs and develops artificial intelligence powered chatbots for banking industry	n/a	n/a	n/a	The acquisition accelerates Technisys's plan to expand the capabilities of its next-gen digital and core banking platform and further redefines the customer experience. With Kona's conversational AI capabilities, Technisys will continue to empower financial institutions to deliver differentiation via tailored product offerings that address the unique needs of each and every customer, dynamically, in whatever channel the customer chooses.



# SELECTED BANKING SOFTWARE TRANSACTIONS

DATE	BUYER	TARGET	DESCRIPTION	DEAL SIZE (\$'m)	TARGET REVENUE (\$'m)	REVENUE MULTIPLE (x)	TRANSACTION RATIONALE
Mar-21	Main Capital Partners (Netherlands)	FOCONIS (Germany)	Develops system-supported risk control software solutions for the banking and financial sector	n/a	n/a	n/a	Main Capital Partners BV purchased a majority interest in German banking software company Foconis AG. The private equity firm will support the company's expansion into adjacent segments, alongside growth initiatives and add-on acquisitions.
Mar-21	Cegid Group (France)	Artaud, Courthéoux & Associés (ACA) (France)	Develops, and sells software tools for insurance, banking, press, industry, public, and services sectors	n/a	n/a	n/a	With the acquisition of ACA, Cegid completes its solutions of cash management for the financial departments of mid- and large-sized companies. Cegid thus confirms its expansion in the field of financial flows.

# SELECTED BLOCKCHAIN TRANSACTIONS

DATE	BUYER	TARGET	DESCRIPTION	DEAL SIZE (\$'m)	TARGET REVENUE (\$'m)	REVENUE MULTIPLE (x)	TRANSACTION RATIONALE
Feb-21	TEN31 Bank (Germany)	DexTech (Switzerland)	Develops software solutions for trading cryptocurrencies at trading venues	n/a	n/a	n/a	DexTech AG develops software solutions for trading cryptocurrencies at trading venues, in particular for the decentralized exchange eFIN. Through the participation and acquisition, the bank ensures direct access to decisions in the next development phases of eFIN. In return, DexTech AG benefits from the bank's regulated environment.
Mar-21	TechX Technologies (Canada)	CryptoBuddy Technologies (Canada)	Operates as a crypto signals provider that allows traders to navigate cryptocurrency market conditions and cut through the market noise with AI-generated future price forecasts and trade signals	n/a	n/a	n/a	With more and more retail investors turning their attention towards bitcoin trading, easy-to-navigate solutions that offer predictive, accurate analytics are essential. According to TechX, CryptoBuddy has the potential to provide crypto traders with a competitive edge, while bringing in a recurring revenue stream that will increase along with the market's appetite for crypto
Mar-21	PayPal Holdings (US)	Curv (Israel)	Develops a cloud-based wallet for storing and protecting digital assets using cryptography	n/a	n/a	n/a	PayPal has announced that it has agreed to acquire Curv to accelerate and expand its initiatives to support cryptocurrencies and digital assets. To drive sustained growth and innovation in this area, the company recently created a business unit focused on blockchain, crypto and digital currencies. Curv will join the newly formed group, with its strong team of technologists adding technical expertise to PayPal.

# SELECTED DATA AND TERMINALS TRANSACTIONS

DATE	BUYER	TARGET	DESCRIPTION	DEAL SIZE (\$'m)	TARGET REVENUE (\$'m)	REVENUE MULTIPLE (x)	TRANSACTION RATIONALE
Jan-21	Fitch Group (US)	CreditSights (US)	Leading provider of independent credit research to the global financial community	n/a	n/a	n/a	CreditSights will become part of Fitch Group's Fitch Solutions division, as it further expands its research coverage of investment grade, leveraged and distressed debt markets
Feb-21	Moody's Corporation (US)	Cortera (US)	Develops and provides business-to-business analytics and cloud based risk management solutions	n/a	n/a	n/a	The acquisition of Cortera will augment Moody's extensive Orbis database of private company information and enhance its know-your-customer (KYC), commercial lending, and supply chain solutions.
Feb-21	Incapital (US)	280 CapMarkets (US)	Connects wealth advisors to capital markets with cloud-based technology to enable them to buy, sell, and manage bonds	n/a	n/a	n/a	Incapital and 280 CapMarkets are creating a new company InspereX. The new company will become a unique fintech firm with a mission of improving fixed income distribution and trading for all market participants
Feb-21	NN Group (Netherlands)	Invers (Netherlands)	Provides financial data analysis and converts raw consumer and business bank transactions into usable information	n/a	n/a	n/a	The acquisition by NN Group, a leading insurance and asset management company in the Netherlands, will allow the company to integrate Invers' data and technology into their own offering
Mar-21	TRG Screen (US)	Market Data Reporting Business of Jordan and Jordan (US)	Provides reporting and related services to ensure compliance with licensing, provisioning, distribution and reporting policies	n/a	n/a	n/a	TRG Screen has acquired the Market Data Reporting (MDR) data compliance and reporting tool—plus its clients and associated staff members—from data and management consultancy Jordan & Jordan. A “handful” of J&J staff have already begun working directly for TRG, and the vendors' technical staff are already working on integrating MDR with TRG's existing Axon Declaration

# SELECTED ESG TRANSACTIONS

DATE	BUYER	TARGET	DESCRIPTION	DEAL SIZE (\$'m)	TARGET REVENUE (\$'m)	REVENUE MULTIPLE (x)	TRANSACTION RATIONALE
Jan-21	FE Fundinfo (UK)	Center for Social and Sustainable Products (Liechtenstein)	Provider of market-leading ESG data and reporting	n/a	n/a	n/a	The acquisition of CSSP and its state-of-the-art ESG reporting capabilities, which use a wide set of data sources, will bring another important capability to FE fundinfo's existing range of services, which help fund managers and distributors access accurate data and fulfill their regulatory obligations
Feb-21	SIX Swiss Exchange (Switzerland)	Orenda Software Solutions (Canada)	Canadian-based AI platform specializing in ESG and alternative data sets	n/a	n/a	n/a	The acquisition marks a step that is part of the strategy of SIX to help its customers drive more insights with data, providing consumption-ready data and analytics for faster and more informed decisions.

# SELECTED FINANCIAL SERVICES CONSULTING TRANSACTIONS

DATE	BUYER	TARGET	DESCRIPTION	DEAL SIZE (\$'m)	TARGET REVENUE (\$'m)	REVENUE MULTIPLE (x)	TRANSACTION RATIONALE
Jan-21	Tech Mahindra (India)	Payments Technology Services (Hong Kong)	Provides end-to-end payments transformation services for the banking and payment needs of financial services firms	9	n/a	n/a	This move is in line with Tech Mahindra's TechMNxt charter and is aimed at strengthening their global payments capabilities, and offer clients end-to-end payments transformation services and expand this expertise to core banking and digital
Mar-21	Ocorian (UK)	Emphasys Technologies (US)	Service provider to the capital markets community, specialising in tax reporting and calculation agency services to asset-backed transactions	n/a	n/a	n/a	The acquisition of Emphasys Technologies marks Ocorian's entry into the US and will provide a foundation for the development of the Group's capital markets services suite in the country. This transaction reflects Ocorian's continued strategy to enhance its service offering to best support its clients' needs today and into the future.
Mar-21	Prove (US)	Medici Global (US)	Leading insights and advisory platform for the global regtech and fintech industry	n/a	n/a	n/a	With this transaction, Prove substantially accelerates its global capabilities in high-growth markets. MEDICI has built a global audience for its thought leadership content that will expand Prove's sales and business development activities and bolster its marketing capabilities.

# SELECTED INSURETECH TRANSACTIONS

DATE	BUYER	TARGET	DESCRIPTION	DEAL SIZE (\$'m)	TARGET REVENUE (\$'m)	REVENUE MULTIPLE (x)	TRANSACTION RATIONALE
Jan-21	Majesco (US)	ClaimVantage (US)	Develops cloud-based life, health, and absence claim management software solutions for insurance carriers, third-party administrators (TPAs), and large employers	n/a	n/a	n/a	The acquisition of ClaimVantage comes just three months after the Thoma Bravo acquisition of Majesco and strengthens Majesco's strategic vision as a premier provider of next generation insurance technology solutions that enable insurers to accelerate their digital transformation to meet tomorrow's demands today.
Jan-21	Applied Systems (US)	EZLynx (US)	Develops cloud-based software for the insurance industry	n/a	n/a	n/a	EZLynx's culture of customer loyalty and innovation will fit perfectly with Applied's next chapter of innovation and growth, who remain committed to continuing to grow both companies' product portfolios to provide greater productivity, simplicity, intelligence and value to agencies of all sizes
Jan-21	Charles Taylor InsureTech (UK)	Otak (UK)	Develops a cloud based insurance technology platform focusing on delegated authority solutions	n/a	n/a	n/a	With this acquisition, Charles Taylor moves to full ownership of Otak and its product Tide, from owning a controlling majority stake previously. Tide is cloud-based data streamlining solution that was developed by Charles Taylor and Otak.
Mar-21	Sequel Business Solutions (UK)	Whitespace Software (UK)	Develops and supports digital e-trading platform for brokers and re/insurers	n/a	n/a	n/a	Whitespace Software, a provider of digital placing technology to the re/insurance market, has signed an investment and acquisition agreement with Verisk business Sequel in an effort to accelerate growth. Sequel's investment will enable Whitespace to accelerate development and expand its capabilities. Whitespace will also benefit from the full support and access to the technology, people and capital resources that Sequel and Verisk can offer, while maintaining its own brand and operational autonomy.
Mar-21	Magnolia France (France)	Fluo (France)	Develops a mobile application for analysis and value-based comparison of insurance contracts	n/a	n/a	n/a	The acquisition of Fluo will allow Magnolia to accelerate its B2C growth through new acquisition channels, which include neo-banking and mobile technology
Mar-21	Qoala (Indonesia)	Fairdee Insurance Broker (Thailand)	Operates as an insurance technology (insuretech) startup	n/a	n/a	n/a	FairDee has been operating in Thailand since 2019, helping independent brokers go online through its platform. Qoala's acquisition of FairDee marks the former's expansion into the country, adding to its existing markets of Indonesia, Singapore, Malaysia, and Vietnam.

# SELECTED LIFE AND PENSIONS ADMINISTRATION SOFTWARE TRANSACTIONS

DATE	BUYER	TARGET	DESCRIPTION	DEAL SIZE (\$'m)	TARGET REVENUE (\$'m)	REVENUE MULTIPLE (x)	TRANSACTION RATIONALE
Jan-21	BlackRock (US)	Aquila Heywood (UK)	Market leader in pensions administration software and services	n/a	n/a	n/a	The investment in Aquila Heywood will enable the company to further grow its suite of software solutions, supporting the current and future needs of a fast-growing customer base within the pensions sector.
Jan-21	Volaris Group (Canada)	Macos Software (Switzerland)	Develops pension fund administration software for pension fund administrations, pension institutions, and collective foundations	n/a	n/a	n/a	Macos' solutions are used by some of the largest collective cooperative funds in Switzerland. (that provides pension plans to more than 130k insured persons). Macos will continue to operate independently under the leadership of existing managing director Heinrich Grob and Marcel Jürgens (Head of R&D). The Macos brand and all products and services will be continued.

# SELECTED PAYMENTS TRANSACTIONS

DATE	BUYER	TARGET	DESCRIPTION	DEAL SIZE (\$'m)	TARGET REVENUE (\$'m)	REVENUE MULTIPLE (x)	TRANSACTION RATIONALE
Jan-21	GreenBox POS (US)	Charge Savvy (US)	Develops payment processing and POS software	52	30	2	The Company believes that ChargeSavvy's high-margin, state-of-the-art point of sale system and back-end technology perfectly complements GreenBox's payment solutions, while also bringing a complete agent management portal for streamlined underwriting, onboarding and monitoring of retail and ecommerce merchants.
Jan-21	FLEETCOR Technologies (US)	Roger.ai (Denmark)	Develops an application for paying bills in Denmark	n/a	n/a	n/a	The acquisition provides FLEETCOR with a proven, modern automation platform for B2B online bill payment. The platform helps SMBs gather and scan invoices and receipts, eliminate manual data entry using machine learning technology, approve and execute payments, setup automated workflows, and sync to accounting systems like QuickBooks Online, Sage Intacct, Xero, and others in real time
Feb-21	CORE Business Technologies (US)	Secure Instant Payments/ eGov Strategies (US)	Provides multiple software services and solutions within payments	n/a	n/a	n/a	Combined, the purchase will bring together leading technologies that expand and deliver greater constituent-friendly, digital experiences to better serve the needs of government clients.
Feb-21	Tyro Payments (Australia)	Axis IP (Australia)	Develops and provides payments software	3	n/a	n/a	Tyro Payments Limited is an Australian financial "fintech" institution (neobank) specialising in merchant credit, debit and EFTPOS acquiring. The acquisition will strengthen its product offering and expand its client base.
Mar-21	CM.Com (Netherlands)	Payplaza (Netherlands)	Develops payment processing software for the financial and payment industry in Europe and internationally	12	5	3	The acquisition forms a next step for CM.com to offer omnichannel communications and payments solutions from one single platform. Upon closing, the acquisition will be immediately accretive to EBITDA
Mar-21	Doxim (US)	Level One (US)	Provides customer communications, e-billing, and payments solutions	n/a	n/a	n/a	Through the acquisition of Level One, Doxim will extend its deep domain expertise in e-billing, payments, customer communication, preference management, data analytics, and reporting,



# SELECTED REGTECH TRANSACTIONS

DATE	BUYER	TARGET	DESCRIPTION	DEAL SIZE (\$'m)	TARGET REVENUE (\$'m)	REVENUE MULTIPLE (x)	TRANSACTION RATIONALE
Jan-21	Ncontracts (US)	QuestSoft Corporation (US)	Develops and provides automated compliance software and services to mortgage, banking, and credit union industries in the United States	n/a	n/a	n/a	Together, Ncontracts and QuestSoft will help financial institutions and mortgage companies to meet increasing needs and complexities of today's regulatory environment and help prepare them for the future. This is Ncontract's second deal in the last six months.
Jan-21	IHS Markit (UK)	Cappitech Regulation (Israel)	Owns and operates a regulation technology service platform	125	n/a	n/a	IHS Markit utilises Cappitech's platform as a key component of its SFTR (Securities Financing Transactions Regulation) solution, which is now relied upon by some of the largest financial institutions in the world. The acquisition will deliver unified solutions to the market and solidify IHS Markit's continued commitment to providing industry leading regulatory reporting solutions
Feb-21	VGR Technology Partners (US)	Protominds (US)	Offers software solutions, such as Regulation-as-a-Service software framework platform to automate regulatory data requirements for enterprises and financial institutions	n/a	n/a	n/a	The move will allow Protominds to strengthen its position globally and to expand its business footprint and market presence as a leading fintech provider of cloud-based regulatory services
Feb-21	LexisNexis Risk Solutions (US)	Accuity (US)	Provides risk and compliance, payments, and know your customer solutions to banks and businesses in the United States and internationally	n/a	n/a	n/a	Both businesses are RELX companies and leaders in their respective focus areas in the global financial crime compliance sector with complementary solutions. Accuity is part of the LexisNexis Risk Solutions group of companies (LexisNexis Risk Solutions Group). The companies operate in more than 100 countries.
Mar-21	AML RightSource (US)	Passcon (Germany)	Offers managed services, advisory, and technology solutions across the anti-financial crime ("AFC") spectrum	n/a	n/a	n/a	The acquisition will further expand AML's footprint and enhance its international delivery capabilities. Following their recent acquisition of Arachnys, this combination will allow them to provide a broader range of cost-effective, tech-enabled services, cementing AML RightSource as the leading provider of financial crimes compliance solutions around the globe.

# SELECTED RETAIL INVESTMENT TECHNOLOGY TRANSACTIONS

DATE	BUYER	TARGET	DESCRIPTION	DEAL SIZE (\$'m)	TARGET REVENUE (\$'m)	REVENUE MULTIPLE (x)	TRANSACTION RATIONALE
Mar-21	Mogo (Canada)	Moka Financial Technologies (Canada)	Develops an application that automatically rounds up every purchase that users make and invests the spare change	54	5	10	The acquisition will increase Mogo's user base by 40 percent and accelerate the planned launch of the company's free stock trading solution later this year. The transaction, which remains subject to regulatory approval and other customary closing conditions, is expected to close in Q2 2021

# SELECTED TRADING AND RISK MANAGEMENT SOFTWARE TRANSACTIONS

DATE	BUYER	TARGET	DESCRIPTION	DEAL SIZE (\$'m)	TARGET REVENUE (\$'m)	REVENUE MULTIPLE (x)	TRANSACTION RATIONALE
Feb-21	AcadiaSoft (US)	Quaternion Risk Management (Ireland)	Provides specialized and advanced risk analytics solutions for the financial services industry	n/a	n/a	n/a	The transaction will bolster AcadiaSoft's risk mitigation offerings and is a response to the industry demand for more standardized risk services. The coming together of the two firms comes at a crucial time for the derivatives industry.
Feb-21	United Fintech (UK)	TTMzero (Germany)	Develops a real-time valuation technology to meet the future challenges	n/a	n/a	n/a	United Fintech has entered the Market Data & RegTech space with the acquisition of German fintech, TTMzero. United Fintech has taken a 25% stake in the market leading firm, with the intention of increasing to 80% over the next three years.
Feb-21	ION Investment Group (Ireland)	Dash Financial Technologies (US)	Offers customisable routing and order management solutions to financial institutions as well as complete order routing transparency featuring real-time visualisation	n/a	n/a	n/a	Under ION's ownership, Dash will continue to invest in product innovation that drives value for its clients while also benefiting from ION's global reach and established network of relationships
Mar-21	QOMPLX (US)	RPC Tyche (UK)	Develops and offers software, which provides capital modelling, pricing, cashflow modelling, reporting, and risk management solutions	n/a	n/a	n/a	Tyche bolsters QOMPLX's insurance analytics offerings, and the combined business will offer more comprehensive insurance underwriting, pricing, risk modeling, capital modeling, and reserving functionality
Mar-21	Thoma Bravo (US)	Calypso Technology (US)	Develops financial market software solutions including a cross-asset front-to-back platform for trading, processing, risk management, and accounting to manage derivatives markets	3,750	300	13	Featured in this quarter's deal snapshot, please see for more detailed description of the deal
Mar-21	Broadridge Financial Solutions (US)	Itiviti (Sweden)	Provides application based trading infrastructure and solutions for the capital markets industry	2,521	247	10	Featured in this quarter's deal snapshot, please see for more detailed description of the deal

# SELECTED OTHER TRANSACTIONS

DATE	BUYER	TARGET	DESCRIPTION	DEAL SIZE (\$'m)	TARGET REVENUE (\$'m)	REVENUE MULTIPLE (x)	TRANSACTION RATIONALE
Feb-21	Tradeweb Markets (US)	Nasdaq Fixed Income (NFI) (US)	U.S. Fixed Income Business of Nasdaq, Inc.	n/a	n/a	n/a	Upon completion of the transaction, Nasdaq's central limit order book (CLOB) for electronic trading in on-the-run (OTR) US treasuries will serve Tradeweb's wholesale sector via Dealerweb.

# PUBLIC COMPS HIGHLIGHTS

**6.9x**

Avg. EV/Revenue CY2020E

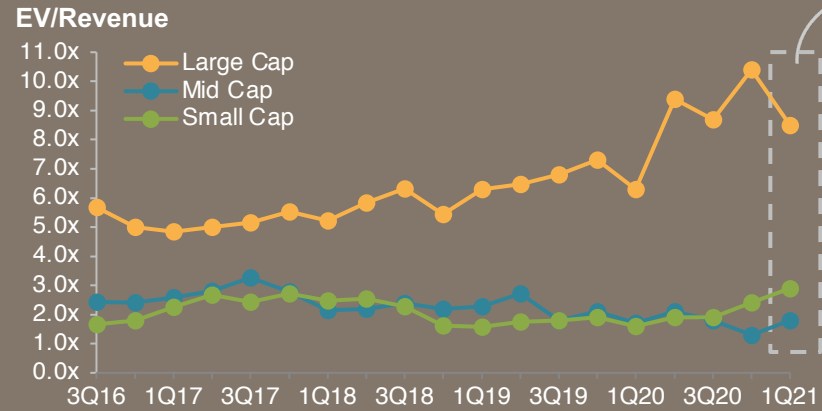
**8%**

Avg. Revenue Growth CY2019

**78%**

% Recurring Revenue

Historic Revenue Multiples



## Large Cap

**8.5x**

**10%**

**81%**

Avg. EV/Revenue

Avg. Revenue Growth

% Recurring Revenue

## Mid Cap

**1.8x**

**0%**

**80%**

Avg. EV/Revenue

Avg. Revenue Growth

% Recurring Revenue

## Small Cap

**2.9x**

**8%**

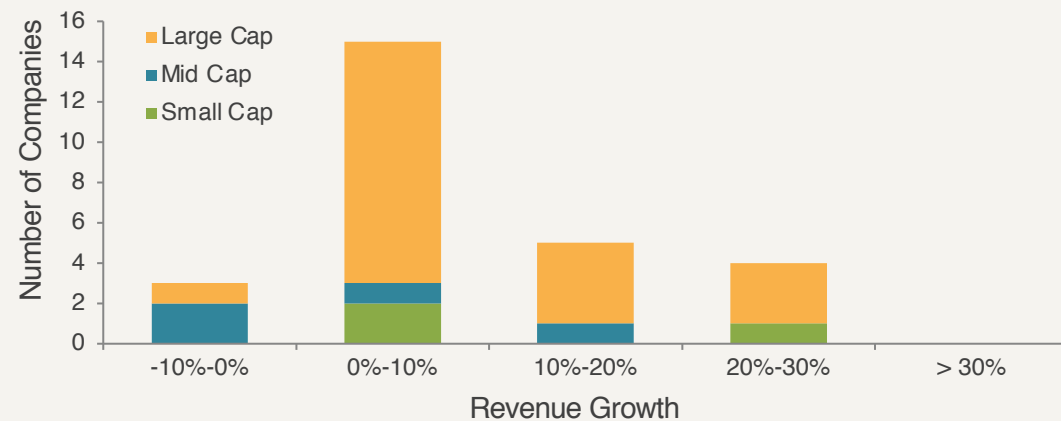
**66%**

Avg. EV/Revenue

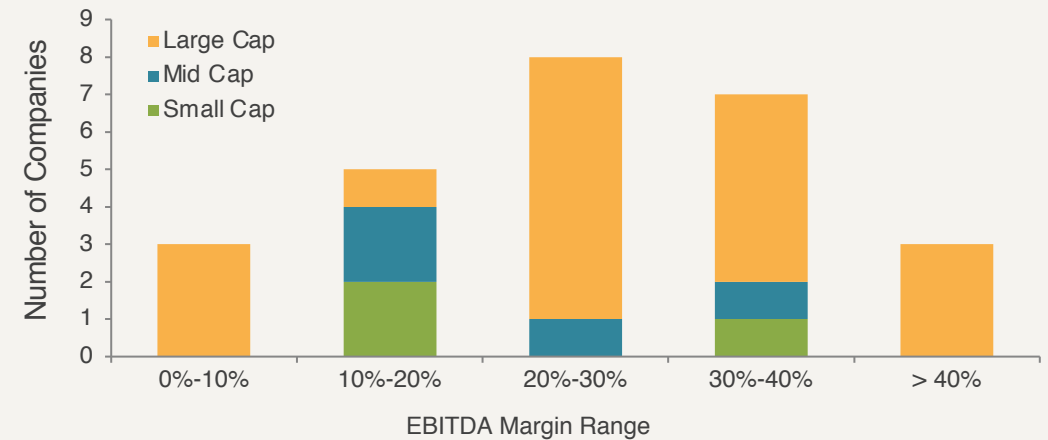
Avg. Revenue Growth

% Recurring Revenue

Revenue Growth Distribution

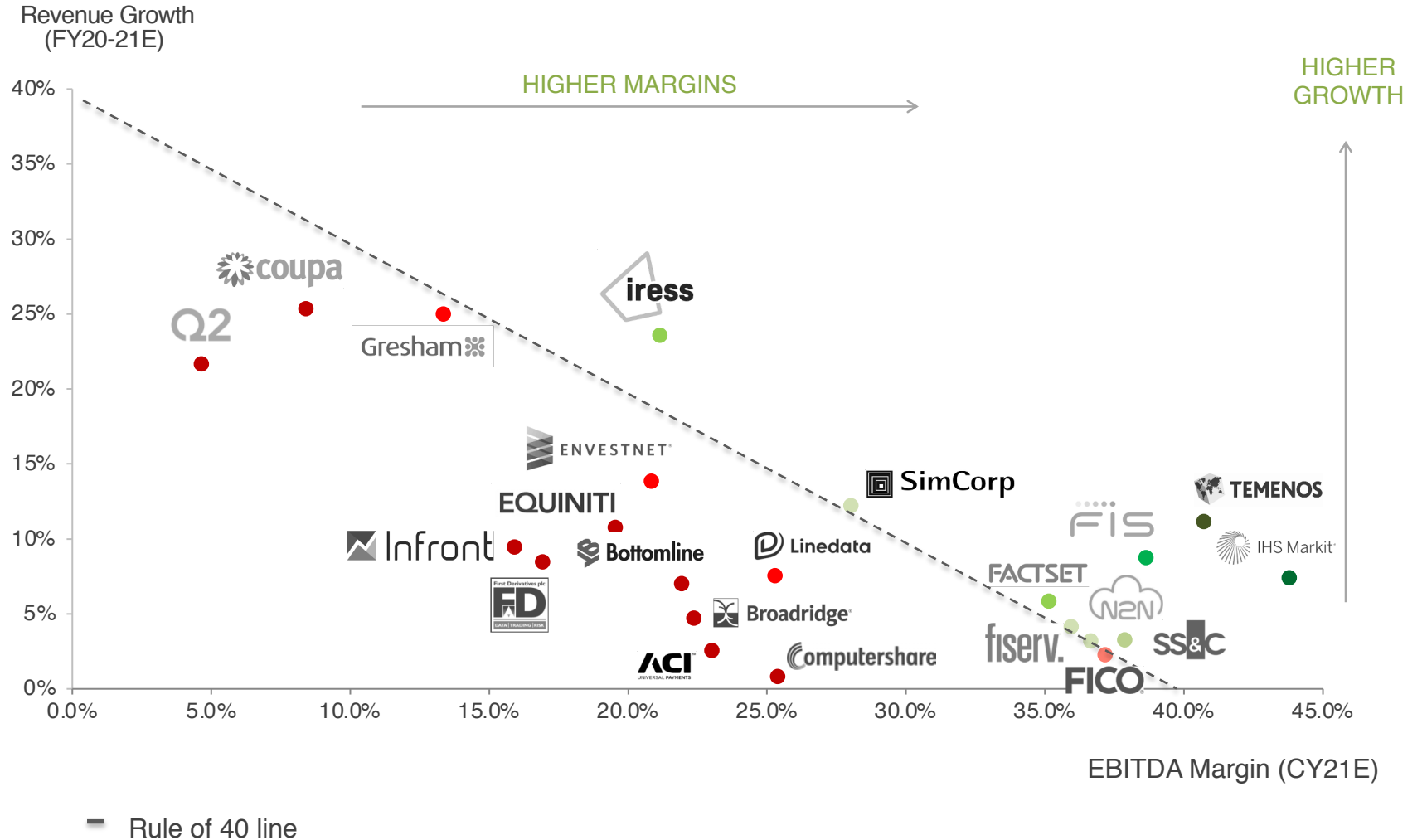


EBITDA Margin Distribution



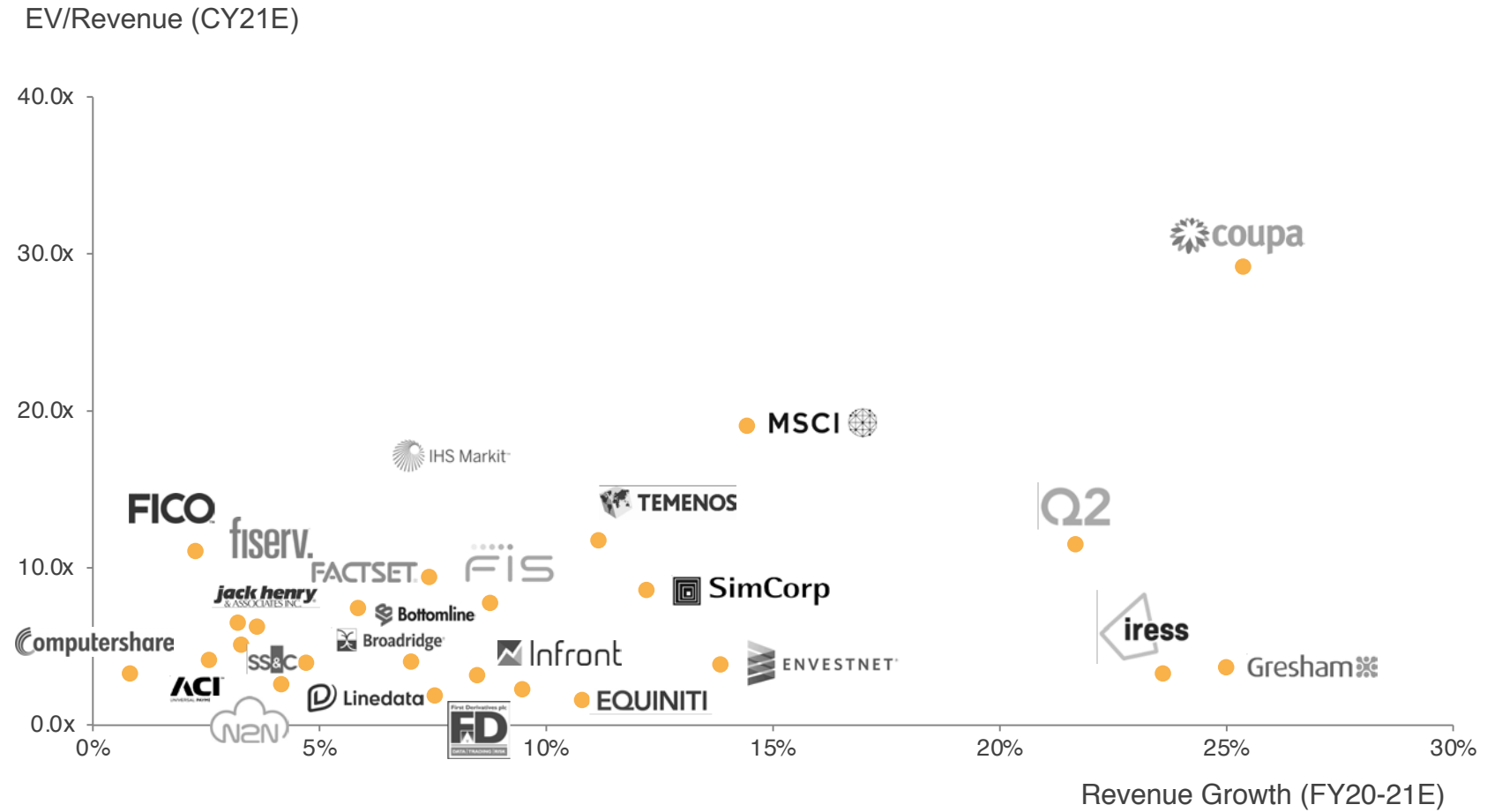
# PERFORMANCE QUADRANTS

The Rule of 40 is a recognised measure of health for SaaS companies, which states that Revenue Growth % and EBITDA Margin (profitability) should ideally add up to roughly 40%.



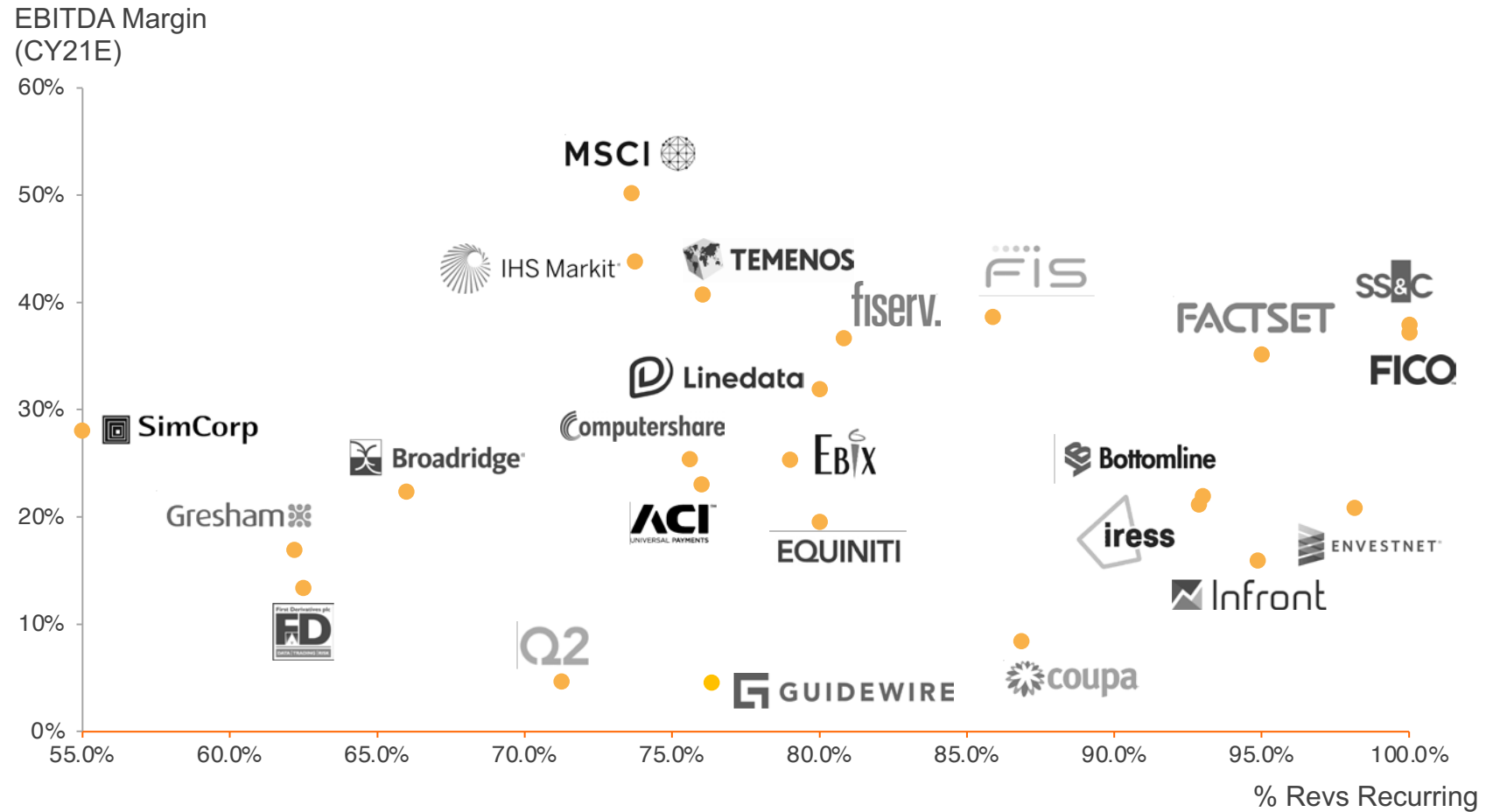
# REVENUE GROWTH AS A VALUE DRIVER

Revenue growth continues to be one of the most important drivers for higher valuations. The companies exhibiting the highest expected revenue growth this year are Coupa, Gresham and Iress



# RECURRING REVENUE AS A DRIVER OF OPERATING MARGINS

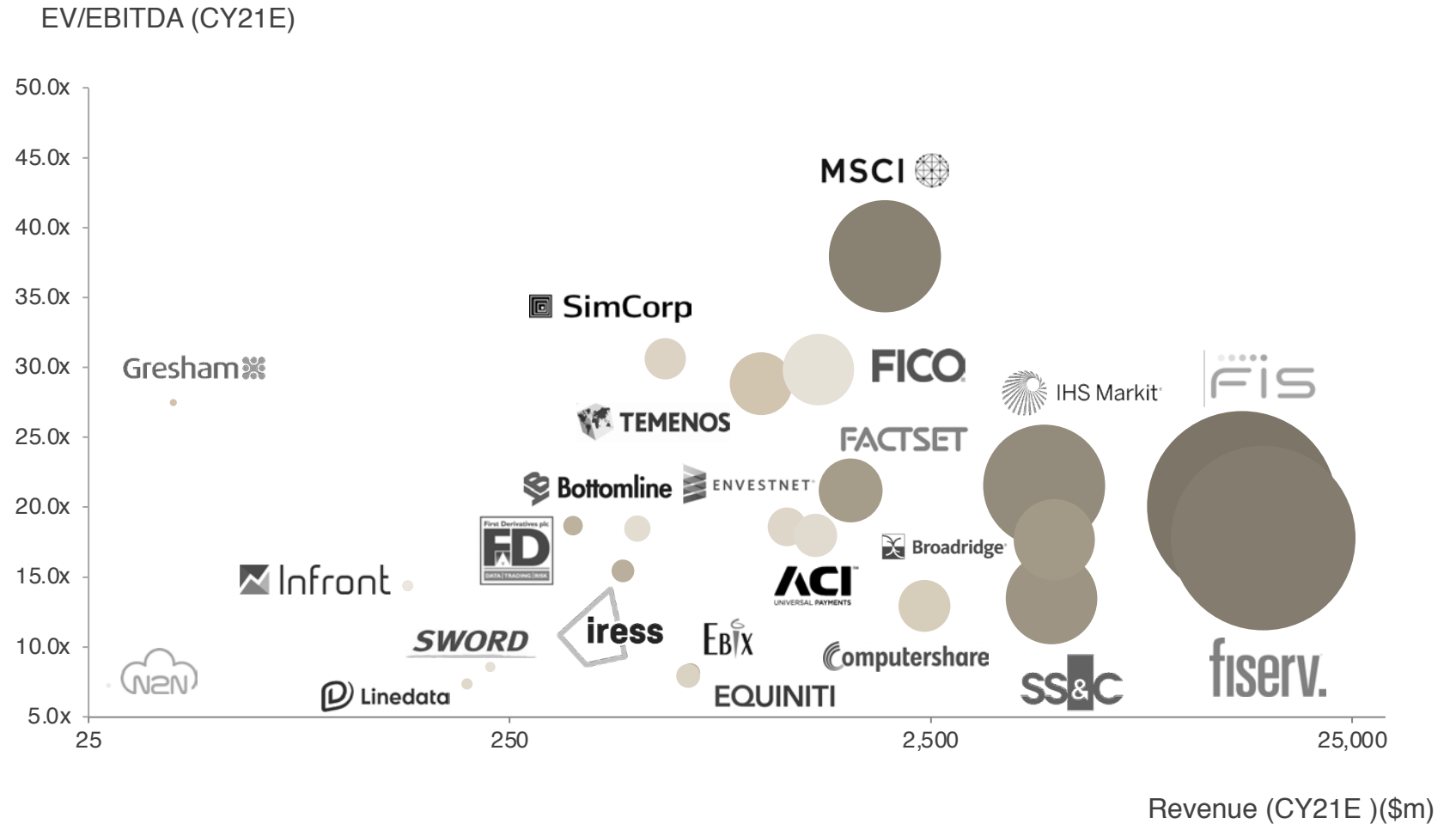
Recurring revenues as a percentage of total revenues is an increasingly popular metric driving valuations. Companies of the likes of SS&C and FICO have nearly 100% recurring revenues, while at the bottom of the range sit SimCorp, Gresham and First Derivatives with recurring revenues of between 55-65%





# SCALE AS A VALUE DRIVER

The size of revenue is also an important driver of higher valuations. The companies exhibiting the highest expected enterprise value this year are FIS and Fiserv, while the highest expected EBITDA multiples this year are expected to be achieved by SimCorp and MSCI.



# SECTOR VALUATION METRICS

Company	Share Price Local 31-Mar-21	Market Cap (\$m) <sup>(1)</sup>	Net Debt (\$m) <sup>(2)</sup>	Enterprise Value (\$m)	Revenue		EV/Revenue		EV/Revs		EV/EBITDA		Revenue Growth		EBITDA Margin		% Revs
					CY21E (\$m)	CY2020	CY2021E	Recurring	CY2020	CY2021E	CY2020	CY2021E	CY2020	CY2021E	CY2020	CY2021E	Recurring <sup>(3)</sup>
<b>Selected Large Cap</b>																	
FIS	FIS US EQUITY	140.6	87,337	18,661	105,998	13,651	8.4x	7.8x	9.0x	29.8x	20.1x	21.5%	8.8%	28.3%	38.6%	86%	
Fiserv	FISV US EQUITY	119.0	79,693	20,374	100,067	15,327	6.7x	6.5x	8.1x	29.3x	17.8x	45.8%	3.2%	23.0%	36.7%	81%	
IHS Markit	INFO US Equity	96.8	38,569	5,145	43,715	4,630	10.1x	9.4x	12.8x	24.8x	21.6x	-2.9%	7.4%	40.9%	43.8%	74%	
MSCI	MSCI US Equity	419.3	34,696	2,241	36,937	1,940	21.8x	19.0x	25.9x	42.4x	38.0x	8.8%	14.4%	51.4%	50.2%	74%	
Coupa	COUP US Equity	254.5	18,539	943	19,483	668	36.8x	29.2x	33.6x	NM	NM	39.0%	25.4%	-6.9%	8.4%	87%	
SS&C	SSNC US EQUITY	69.9	18,005	6,620	24,625	4,820	5.3x	5.1x	5.1x	13.9x	13.5x	0.8%	3.3%	37.9%	37.9%	100%	
Broadridge	BR US Equity	153.1	17,729	1,635	19,363	4,894	4.2x	4.0x	6.0x	19.2x	17.7x	3.8%	4.7%	21.8%	22.4%	66%	
FICO	FICO US EQUITY	486.1	14,210	753	14,963	1,349	11.5x	11.1x	11.1x	38.9x	29.8x	11.6%	2.3%	29.5%	37.2%	100%	
FactSet	FDS US EQUITY	308.6	11,720	271	11,990	1,608	7.9x	7.5x	7.8x	22.5x	21.2x	4.1%	5.8%	35.0%	35.1%	95%	
Jack Henry	JKHY US EQUITY	151.7	11,542	(144)	11,398	1,821	6.6x	6.3x	7.3x	20.5x	NA	9.3%	3.6%	32.2%	NA	86%	
Temenos	TEMN SW EQUITY	136.1	10,716	868	11,584	986	13.1x	11.7x	15.4x	31.6x	28.8x	-8.7%	11.1%	41.2%	40.7%	76%	
Morningstar	MORN US EQUITY	225.0	9,655	163	9,817	NA	7.1x	NA	NA	28.8x	NA	17.9%	NA	24.6%	NA	67%	
Guidewire	GWRE US EQUITY	101.6	8,510	(673)	7,837	756	10.6x	10.4x	13.6x	NM	NM	3.2%	-1.6%	3.8%	4.5%	76%	
Computershare	GPU AU EQUITY	15.0	6,282	1,635	7,916	2,407	3.5x	3.3x	4.3x	13.4x	13.0x	-3.2%	0.8%	25.8%	25.4%	76%	
Q2 Holdings	QTWO US Equity	100.2	5,571	62	5,633	490	14.0x	11.5x	16.1x	NM	NM	27.7%	21.7%	-9.0%	4.6%	71%	
SimCorp	SIM DC EQUITY	785.5	5,026	(11)	5,015	584	9.6x	8.6x	15.6x	31.4x	30.6x	2.3%	12.2%	30.7%	28.0%	55%	
ACI	ACIW US EQUITY	38.1	4,457	1,043	5,500	1,328	4.2x	4.1x	5.5x	20.8x	18.0x	2.9%	2.6%	20.4%	23.0%	76%	
Envestnet	ENV US EQUITY	72.2	3,909	498	4,407	1,136	4.4x	3.9x	4.0x	42.8x	18.6x	10.9%	13.8%	10.3%	20.8%	98%	
Bottomline	EPAY US EQUITY	45.3	2,037	(4)	2,033	502	4.4x	4.1x	4.4x	26.4x	18.5x	4.8%	7.0%	16.8%	21.9%	93%	
IRESS	IRE AU EQUITY	9.2	1,354	161	1,516	463	4.0x	3.3x	3.5x	16.3x	15.5x	6.0%	23.6%	24.8%	21.2%	93%	
First Derivatives	FDP LN EQUITY	26.6	1,016	101	1,116	353	3.4x	3.2x	5.1x	21.0x	18.7x	5.9%	8.5%	16.3%	16.9%	62%	
<b>Average</b>							9.4x	8.5x		26.3x	21.3x	10%	9%	24%	27%	81%	
<b>Total (Large Cap)</b>			390,574	60,341	450,914												
<b>Selected Mid Cap</b>																	
Ebix	EBIX US EQUITY	32.0	992	686	1,677	662	3.0x	2.5x	3.2x	11.0x	7.9x	16.6%	-3.9%	27.4%	31.9%	80%	
Equiniti	EQN LN Equity	1.3	655	417	1,072	671	1.8x	1.6x	2.0x	6.4x	8.2x	-14.6%	10.8%	27.5%	19.5%	80%	
Sword	SWP FP EQUITY	38.3	430	(120)	310	225	1.3x	1.4x	NA	10.2x	8.6x	1.7%	-7.5%	12.5%	16.1%	NA	
Linedata	LIN FP EQUITY	35.0	268	101	369	198	2.0x	1.9x	2.4x	7.1x	7.4x	-3.2%	7.5%	28.5%	25.3%	79%	
<b>Average</b>							2.0x	1.8x		8.7x	8.0x	0%	2%	24%	23%	80%	
<b>Total (Mid Cap)</b>			2,344	1,084	3,428												
<b>Selected Small Cap</b>																	
Infront	INFRNT NO Equity	39.1	199	129	328	143	2.5x	2.3x	2.4x	35.1x	14.4x	54.5%	9.5%	7.1%	15.9%	95%	
Crealogix	CLXN SW Equity	119.5	177	(5)	172	NA	NA	NA	NA	NM	19.3x	3.6%	NA	NA	NA	50%	
Gresham	GHT LN Equity	1.6	156	(10)	146	40	4.6x	3.7x	5.9x	34.8x	27.5x	-0.3%	25.0%	13.2%	13.4%	63%	
MSG	MSGI GR EQUITY	2.7	135	(17)	118	NA	NA	NA	NA	NA	NA	3.4%	NA	NA	NA	20%	
N2N Berhad	N2N MK Equity	0.7	102	(30)	73	28	2.7x	2.6x	NA	10.8x	7.3x	5.5%	4.2%	25.3%	36.0%	NA	
Profile Software	PROF GA EQUITY	5.3	74	(12)	62	NA	NA	NA	NA	NA	NA	8.0%	NA	NA	NA	70%	
63 Moons	63MOONS IN Equity	69.4	44	(178)	NA	NA	NA	NA	NA	NA	NA	-19.9%	NA	NA	NA	98%	
<b>Average</b>							3.3x	2.9x		26.9x	17.1x	8%	13%	15%	22%	66%	
<b>Total (Small Cap)</b>			887	(122)	899												
<b>Sector Total</b>			393,805	61,302	455,241		7.7x	6.9x	9.2x	23.6x	18.4x	8%	8%	23%	26%	78%	

(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) NM - Not meaningful and NA - Not available

## Quick Facts

- Partner-centric firm focused on providing advisory services to sellers and buyers in M&A projects across the globe
- Deep domain expertise across software, services and data intensive sectors, with a focus on FinTech, HRTech and Human Capital
- Our Partners have advised on 100+ transactions with values up to £130m; the majority (70%) of our engagements result in cross-border transactions
- International presence with offices in London, San Diego, Luxembourg and Buenos Aires
- Proven track record of successful long-term advisory relationships positioning clients for premium transactions using current insights into the relevant strategic investors

## Selected Transactions



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