

Q2 2023

Financial Technology Sector M&A Review



InsureTech strongly influenced by latest technology trends

74% of customers would like to interact with modern technology and appreciate the computer-generated system of insurance advice.

Machine learning algorithms can spot “red flags” more easily in fraudulent claims and risk management data, giving workers more time to spend on unique cases. The overall result is that high-volume, low-cost insurance claims like broken windshields can be quickly resolved, and knowledge workers can spend more time on more complex claims and fraud detection.

Digital claims can reduce expenses by 25-30% by improving effective claim handling and increasing customer satisfaction. Transforming the entire claims process requires a fresh look at the current process.

Companies that adopt new-age technology to develop innovative products, harness cognitive learning insights from a myriad of data points, streamline processes, and more importantly, personalise the entire customer experience will be the winners in the AI dominated insurance space.

Acquisitions in this space include that of I-Engineering, specialists in business process automation, multi-market comparisons, full policy management cycle and automated marketing software, acquired by XDimensional Technologies.

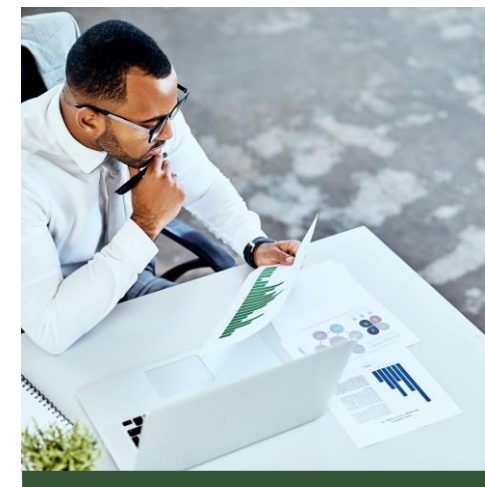
Rising investments in generative AI platforms

Investments in generative Artificial Intelligence (AI) and Machine Learning (ML) platforms that deliver customer engagement, digital transformation, risk and compliance and cybersecurity has become one of the main areas of focus for M&A and investment in 2023.

Payments, banking and insurance players are eager to understand AI’s potential to revolutionise the financial services industry. Trovata, who are the global leader in bank APIs and cash management, recently launched the first ever generative AI finance and treasury tool, redefining how companies manage their cash.

Generative AI has also been used to assist with fraud prevention, with GPT-3’s model being trained to identify fraudulent behaviour and identify emerging threats. EY recently announced a collaboration with Microsoft to develop EY Intelligent Payroll Chatbot as part of the Next Gen Payroll Platform, to modernise tax and payroll systems.

Acquisitions in this vertical include Targens, provider of consulting and software solutions intended to serve financial institutions with future-oriented and disruptive technologies, acquired by GFT Technologies.



One of the biggest benefits of a capital markets CRM is the centralisation of workflows and information. Aggregated information maximises business and operational efficiency across the board.

ESG market meets increasing demand from financial institutions

Large vendors are dominating the ESG data market, which is growing at scale to meet the increasing demand from financial institutions and to meet regulatory requirements. This is in response to financial services firms seeking to better understand and justify their ESG exposure in both existing and future investments.

Financial institutions with strong ESG propositions are seen as enjoying a competitive advantage, which is reinforced by a strong push from regulation. ESG data markets have evolved for financial services, as the need for ESG data increases.

These services are providing financial institutions and investors with a way of tracking and communicating ESG KPIs, including their carbon footprint, allowing them to meet a range of sustainability requirements and manage risk.

Acquisitions in this vertical include that of Greenstone +, Developer of business software designed to manage sustainability and environment, health and safety data. The company's software calculates greenhouse gas emissions, set targets and reports against multiple global frameworks, and automatically tracks and calculates the associated carbon emissions using recognized international standards. They were acquired by EHS software developer Cority, via its financial sponsors.

Globally there are more than 5000 organisations which provide a variety of APIs and banking-as-a-service products including account opening, money lending, and expense management dashboards.

Software-as-a-service platforms on the rise

The second quarter of 2023 has seen an increased interest in financial technology SaaS platforms. These platforms enable banks and fintech companies to rapidly develop and deploy digital banking services, often using pre-built modules and APIs. This reduces the time and cost associated with building bespoke digital banking solutions, enabling banks to focus on delivering high-quality services to their customers.

Acquisitions in this vertical include that of TTMzero, Developer of business processes automation technology intended to improve financial modeling, documentation and regulatory reporting, by United Fintech. Another notable transaction in this space was Hg Capital's buyout of GTreasury, Operator of integrated SaaS treasury and risk management solutions intended for the digital treasurer.

It is also notable to mention the recent increase in SaaS M&A activity in the RegTech sector, with acquisitions such as Cleversoft Group, Pliance, Paragon Data Labs and LumaTax all happening in Q2 2023.

M&A Overview

This quarter saw 123 transactions in the Financial Technology sector, 67 of which we are highlighting in this report. The overall number of deals has slightly decreased compared to the previous quarter, where the number of transactions was 131.

Aggregate disclosed deal values decreased significantly compared with the previous quarter, with 6 deals that were \geq \$1bn in deal value, most notably NASDAQ's acquisition of Adenza for \$10.5 bn.

Revenue multiples ranged between 1.14x to 9.0x with an average multiple of 7.9x across the deals that were disclosed. Unlike the previous quarter, Payments accounted for the most deals at 20% followed by Banking Software at 18%. InsureTech saw a notable increase from 9% to 12% of all transactions this quarter. Treasury and Capital Markets Software saw a notable decrease from 15% to 11% of all transactions this quarter.

North America remains the most active region in deal activity, with an increase in deal volume compared to the previous quarter. Meanwhile, Europe saw a noteworthy drop in deal volume.

Public Companies Overview

Q2 2023 saw an increase in average revenue multiples from the previous quarter across mid cap companies, with a decrease for large cap and small cap companies. As of 30th June, the average forward revenue multiple overall was 4.8x, going up to 6.0x 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 Enfusion, Computershare and Profile Software.

Financial Technology companies need a strong recurring revenue stream and by extension strong fundamentals to insulate themselves from investors prioritising value over growth. Recurring revenue as a proportion of total revenue continues to average at over 75%, with large cap companies averaging at 86%.

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



Blockchain

Software and services related to the application of Blockchain technology



Data and Analytics

Companies providing data and specialised analytics to financial industry players



Financial Services Consulting

Companies that provide consulting within financial services



InsureTech

Innovations in the insurance industry through technology



Payments

Innovative solutions to make faster and more efficient payments



RegTech

The use of technology to facilitate the delivery of regulatory requirements



ESG

Software, data and services for Environmental, Social and Governance related analytics



Treasury and Capital Markets Software

Software designed for all aspects of Treasury and Capital Markets



Other

All other company types within the financial technology spectrum



- FinancialCAD is a Developer of financial risk analytics software intended for financial institutions including banks, asset management firms, insurance companies, hedge funds as well as alliance partners.
- The acquisition will allow Numerix clients to use the front-to-risk decision making software of FinCAD with their choice of quality analytics.
- The combination of Numerix and FINCAD will bring together two of the industry's most preeminent independent providers of analytics for the capital markets.
- Together, Numerix and FINCAD are deeply penetrated across the capital markets ecosystem, including sell-side, buy-side, corporate and insurance market customers.



Transaction Value: \$4.71bn

- SimCorp is a Denmark-based provider of software solutions to asset management firms, wealth management firms and other businesses in the financial services industry.
- As a provider of investment management SaaS and BPaaS solutions at scale, SimCorp will continue to be well positioned as a leading front-to-back investment management solutions platform.
- SimCorp's business complements Deutsche Boerse's data and analytics business, which creates a platform for investment management and boosts recurring revenue from subscriptions.
- The combination will strengthen the ability of SimCorp to transform its business model and further invest in innovation to become a leading SaaS and BPaaS player for global asset owners, asset managers, and asset servicers, operating as an open platform that delivers both flexibility and operational efficiency.



- Solvians is a developer of websites and web applications designed to provide online applications for the financial services industry.
- The combination of the two companies will create a market-leading provider of structured products and software solutions with strong capabilities in document generation, workflow automation, data management, regulatory filings and web-based portals.
- The group will have a global presence with more than 200 employees in the United States, the United Kingdom, Germany, Switzerland and the Asia-Pacific region, and is well-positioned to serve the needs of Tier 1 investment banks globally.
- The transaction is an important milestone in WSD's strategy to offer its clients straight through processing across the entire structured products value chain.



- GTreasury is an Operator of integrated SaaS treasury and risk management solutions intended for the digital treasurer. GTreasury provides organizations with real-time insight and access into their global liquidity needs, serving over 700 customers across 30 industries in over 160 countries.
- Hg's investment and support will enable GTreasury to continue its rapid growth as a highly strategic platform in the TMS segment, with scope to drive further operational improvements, invest in more product development, and continue its global expansion plans—including Asia Pacific regions and Europe.
- As part of the transaction, the GTreasury management team and former majority owner, Mainsail Partners, will continue as investors in the business
- Hg has invested around \$9 billion in the wider tax and accounting software segment across Europe and North America over the last 19 years



Transaction Value: \$10.5bn

- Adenza is a developer of cloud-enabled front-to-back technology software intended for financial markets. The company's platform offers an integrated suite of trading and risk management processing systems for derivatives and treasury products.
- With this acquisition, Adenza will provide a more complete suite of essential software and technology solutions that make managing risks and complying with regulations simpler and more efficient for NASDAQ clients.
- NASDAQ are also investing to integrate emerging technology into their businesses, particularly artificial intelligence and cloud, believing these trends will only intensify in the future
- As part of the deal, the previous owner Thoma Bravo will get a 14.9% stake in Nasdaq, making the private equity firm one of the biggest shareholders in the exchange operator.

M&A HIGHLIGHTS Q2 2023

\$25.0bn
Aggregate Deal Value

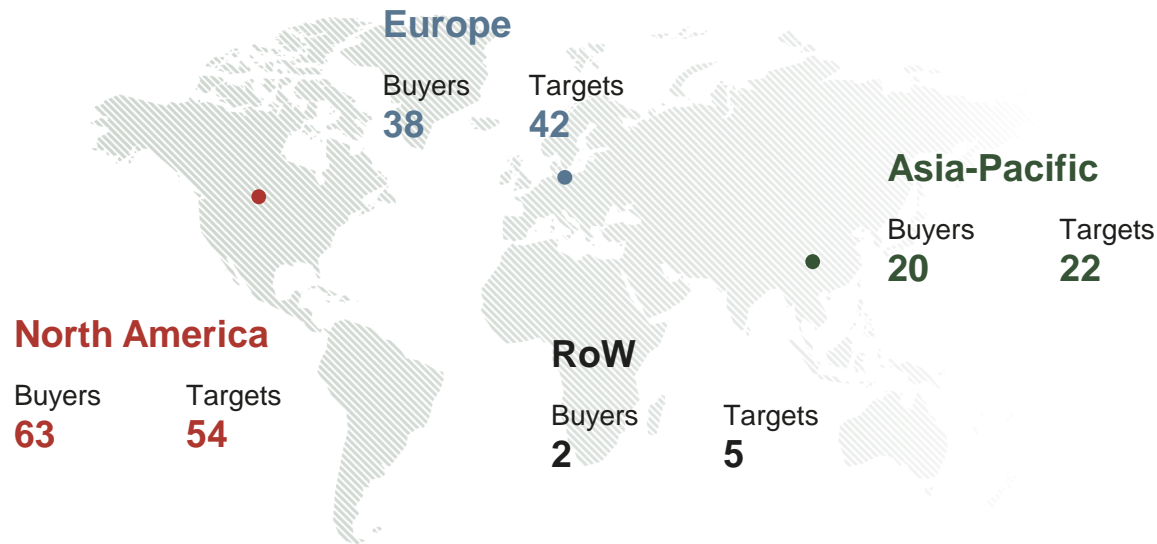
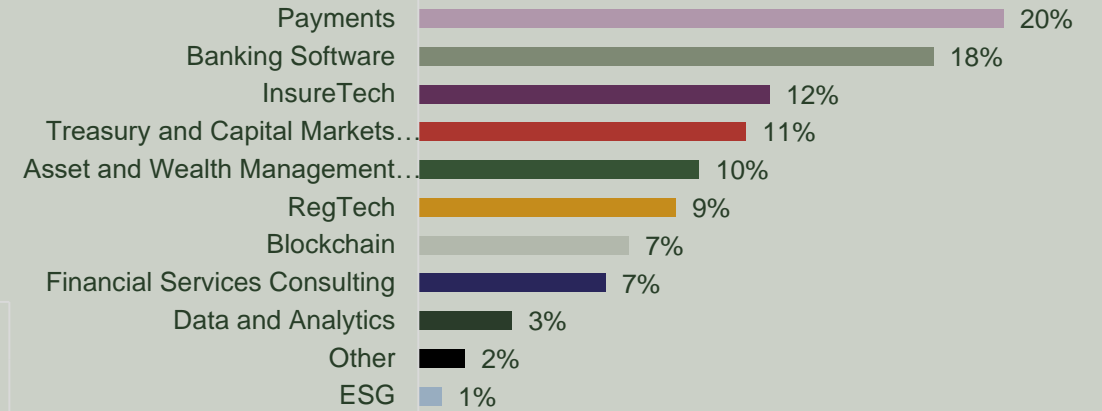
\$1.0bn
Average Deal Size

7.9x
Average Revenue Multiple

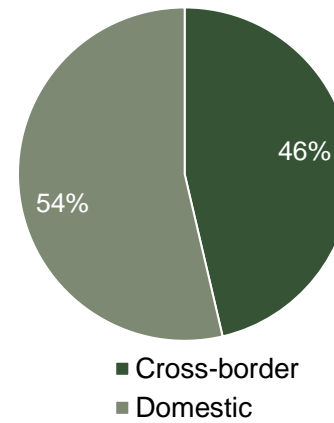
Deals by Volume



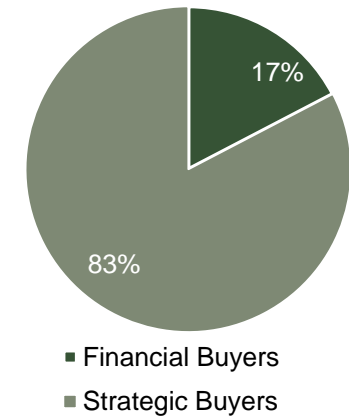
Deals by Subsector



Deals by Type



Deals by Buyer Type





SELECTED TRANSACTIONS: ASSET AND WEALTH MANAGEMENT SOFTWARE

DATE	BUYER	TARGET	DESCRIPTION	DEAL SIZE (\$'m)	TARGET REVENUE (\$'m)	REVENUE MULTIPLE (x)	TRANSACTION RATIONALE
Apr-23	T. Rowe Price	Retiree Income	Developer of retirement income planning software intended to increase the lifetime value of total after-tax income.	n/a	n/a	n/a	The acquisition will allow T. Rowe Price to bring new solutions to its clients to deliver improved outcomes through the planning software of Retiree Income.
Apr-23	Deutsche Börse Group	SimCorp	Denmark-based provider of software solutions to asset management firms and other businesses in the financial services industry.	4713.0	606.0	7.77	SimCorp's business complements Deutsche Boerse's data analytics business, which creates a platform for investment management and boost recurring revenue from subscriptions.
May-23	GBST Holdings	Creativemass	Developer of CRM platform intended for financial advisors.	n/a	n/a	n/a	The acquisition marks a significant step in GBST Holdings' continued growth strategy as it expands its innovative suite of fintech products and services to deliver business opportunities in new and existing territories.
May-23	Alter Domus	Deloitte (Solvas suite of businesses)	Operator of a loan and debt servicing software platform catering to CLO markets worldwide.	n/a	n/a	n/a	The acquisition of Solvas strengthens and grows Alter Domus's suite of data and analytics products.
May-23	SMC Entertainment	Fyniti Global Equities	Developer of technology that combines AI-driven quantitative investing with electronic block trading technology	25.0	n/a	n/a	The acquisition enables SMC Entertainment to bring a wealth of valuable tools to the table as Fyniti disrupts the ETFs and MFs markets with its innovative new asset class, Fyniti Blocks
Jun-23	Backbase	Nucoro	Developer of a cloud-based investment platform intended for wealth managers, insurance providers and other financial institutions.	n/a	n/a	n/a	The acquisition will allow Backbase to enable its customers to launch digital end-to-end investment offerings, such as robo-advisory, trading and hybrid advisory services.



SELECTED TRANSACTIONS: BANKING SOFTWARE

DATE	BUYER	TARGET	DESCRIPTION	DEAL SIZE (\$'m)	TARGET REVENUE (\$'m)	REVENUE MULTIPLE (x)	TRANSACTION RATIONALE
Apr-23	NBH Bank	Cambr	Developer of a cloud-based platform created to build and scale financial products.	n/a	n/a	n/a	Cambr is expected to bring expanded capabilities for embedded finance companies and widen client base for NBH Bank. The platform will continue under the Cambr brand.
Apr-23	SoFi	Wyndham Capital Mortgage	Provider of fintech mortgage services specializing in home loans, purchase loans, refinance loans, and digital home lender services.	n/a	n/a	n/a	The acquisition helps SoFi to scale mortgage growth, and create sales and operational efficiencies, while also introducing a broader suite of mortgage product offerings for SoFi members.
Apr-23	Tyfone	Cubus Solutions	Developer of an online banking platform intended to help credit unions automate lending and retain their members in real-time.	n/a	n/a	n/a	Through this acquisition, the company will accelerate the adoption of digital banking platforms by a wider range of community financial institutions and extend digital offerings that will bring in revenues and efficiencies.
May-23	Topicus	Five Degrees	Developer of a core banking platform intended to serve banks, lenders, and financial institutions.	n/a	n/a	n/a	By adding Five Degrees to its suite of solutions, Topicus can offer turn-key FinTech stacks that support a diverse range of financial institutions.
Jun-23	Fidelity National Information Services	Bond	Developer of financial technology software designed to accelerate the pace of financial innovation and access to capital.	n/a	n/a	n/a	FIS have been making a number of moves to buy companies to bolt on talent and technology in a race to update their own products and services amid the competitive landscape.



SELECTED TRANSACTIONS: BANKING SOFTWARE

DATE	BUYER	TARGET	DESCRIPTION	DEAL SIZE (\$'m)	TARGET REVENUE (\$'m)	REVENUE MULTIPLE (x)	TRANSACTION RATIONALE
Jun-23	Finsus	Distrito Pyme	Developer of financial software platform that offers loan and financing options to small and medium enterprises.	n/a	n/a	n/a	The acquisition helps Finsus to launch its new products that simplify the loan process.
Jun-23	Arcadea Group	SPARK	Developer of a cloud-based loan origination platform designed to assist small business lenders to make loan origination simplified.	n/a	n/a	n/a	The acquisition will focus on long-term growth and enhanced product functionality.
Jun-23	Flexpoint Ford	Baker Hill Solutions	Developer of cloud-based loan origination software designed to streamline origination and portfolio management for business, consumer direct and indirect lending.	n/a	n/a	n/a	The partnership will help the company to accelerate its growth trajectory, positioning for success amid strong market demand from financial institutions for lending and risk management solutions.
Jun-23	Stacc	stoEr Technologies	Developer of online banking software designed to digitize the bank's mortgage loan process.	n/a	0.46	n/a	With this acquisition, the acquirer will increase its local delivery capacity in the Swedish market.



SELECTED TRANSACTIONS: BLOCKCHAIN

DATE	BUYER	TARGET	DESCRIPTION	DEAL SIZE (\$'m)	TARGET REVENUE (\$'m)	REVENUE MULTIPLE (x)	TRANSACTION RATIONALE
May-23	Ripple	Metaco	Developer of an orchestration platform designed for institutions to issue, secure, manage, and trade digital assets.	250.0	n/a	n/a	The acquisition will help the company to expand existing enterprise offerings, providing customers the technology to custody, issue, and settle any type of tokenized asset.
Jun-23	GSR II Meteora Acquisition	Bitcoin Depot	Developer of a cryptocurrency platform designed to allow users to buy and sell Bitcoin and 30 other cryptocurrencies across different locations	755.0	663.0	1.14	The company reached a definitive agreement to acquire GSR II Meteora Acquisition through a reverse merger, resulting in the combined entity trading on NASDAQ. The additional capital from this transaction will help support Bitcoin Depot's growth opportunities.



SELECTED TRANSACTIONS: DATA AND ANALYTICS

DATE	BUYER	TARGET	DESCRIPTION	DEAL SIZE (\$'m)	TARGET REVENUE (\$'m)	REVENUE MULTIPLE (x)	TRANSACTION RATIONALE
Apr-23	RFI Group	DBM Atlas	Provider of market insights and consulting services intended for behavioral analysis of customers.	n/a	n/a	n/a	The acquisition will provide benefits to both companies' client bases in the form of enhanced services and solutions, including access to the largest financial services data set of customer behaviour and attitudes in Australia.
Apr-23	Aeira	Columba Systems	Operator of a financial event data sourcing firm, providing data such as corporate events, financial events, earnings releases, presentations and more.	n/a	n/a	n/a	With this acquisition, Columba Systems deepens and expands Aiera's calendar tracking capabilities across existing and new verticals, including public policy, which Aiera then brings into a live experience with quality insight.
May-23	Regnology	Metadata Technology	Provider of SDMX solutions intended for high-profile international organizations. The company provides consultancy, SDMX training and software tools in support of SDMX.	n/a	n/a	n/a	The acquisition will allow Regnology to utilize Metadata's technology, bringing an enhanced offering to their existing community of regulators and authority bodies.
May-23	Yubi	FinFort Infotech	Developer of digital financial platform catering to banks, traditional finance companies, online lenders and lessors. The company offers solutions for data analysis and decision-making.	n/a	n/a	n/a	The acquisition aligns perfectly with Yubi group of company's mission of being the ubiquitous layer, a unified credit infrastructure that deepens the debt markets.



SELECTED TRANSACTIONS: ESG

DATE	BUYER	TARGET	DESCRIPTION	DEAL SIZE (\$'m)	TARGET REVENUE (\$'m)	REVENUE MULTIPLE (x)	TRANSACTION RATIONALE
May-23	Cority	Greenstone +	Developer of business software designed to manage sustainability and environment, health and safety (EHS) data.	n/a	n/a	n/a	The acquisition allows Cority to not only deepen its sustainability & ESG expertise but also expand its related offerings to better support existing and future customers in their responsible business decisions.



SELECTED TRANSACTIONS: FINANCIAL SERVICES CONSULTING

DATE	BUYER	TARGET	DESCRIPTION	DEAL SIZE (\$'m)	TARGET REVENUE (\$'m)	REVENUE MULTIPLE (x)	TRANSACTION RATIONALE
Apr-23	GFT Technologies	Targens	Provider of consulting and software solutions intended to serve financial institutions with future-oriented and disruptive technologies.	n/a	46.3	n/a	The acquisition will benefit GFT's core business in the financial industry and the company will also gain additional expertise in the fields of consulting and compliance solutions.
Apr-23	Training the Street	The Marquee Group	Provider of financial modeling training services intended to help professionals and organizations apply the discipline of financial modeling to enable improved decision-making.	n/a	n/a	n/a	The acquisition extends the global reach of Training The Street.
May-23	Kirey Group	Synergyc	Provider of digital consulting and managed services intended to help clients in the IT and finance vertical to drive their digital transformation to obtain tangible and sustainable benefits.	n/a	n/a	n/a	The acquisition of Synergyc strengthens Kirey Group's position as a leading IT services player and adds strong IT service workflow automation as well as CRM/ERP consulting capabilities to the group.
May-23	Be Ys	TINQIN	Provider of information technology services intended to serve insurance sector.	n/a	n/a	n/a	Through this acquisition, Be Ys aims to reinforce its position in the social welfare and insurance sector and further accelerate the development of its data offering.
May-23	Encora	Softelligence	Provider of IT consulting, custom software development, and integration services to clients in the financial services industry.	n/a	19.5	n/a	The acquisition enables Encora to establish its first delivery centers in Europe. Softelligence is expected to greatly expand Encora's global reach and strengthen their ability to provide high-quality, nearshore services for customers across the world.



SELECTED TRANSACTIONS: FINANCIAL SERVICES CONSULTING

DATE	BUYER	TARGET	DESCRIPTION	DEAL SIZE (\$'m)	TARGET REVENUE (\$'m)	REVENUE MULTIPLE (x)	TRANSACTION RATIONALE
Jun-23	Cetus Capital Acquisition	MKD Technologies	A provider of software engineering solutions designed to maximize organizational value. Specializations include financial technology, data analytics, machine learning and more.	230.0	n/a	n/a	MKD Technology Inc. entered a Business Combination Agreement to acquire Cetus Capital Acquisition Corp in a reverse merger transaction.



SELECTED TRANSACTIONS: INSURETECH

DATE	BUYER	TARGET	DESCRIPTION	DEAL SIZE (\$'m)	TARGET REVENUE (\$'m)	REVENUE MULTIPLE (x)	TRANSACTION RATIONALE
Apr-23	Employee Navigator	Ease	Developer of a cloud-based benefits enrollment platform designed to serve insurance brokers and employers.	n/a	n/a	n/a	The acquisition will help accelerate the modernization of benefits administration for brokers, employers, and the broader insurance ecosystem.
Apr-23	InsuranceDekho	Verak	Developer of an online business Insurance software designed to provide consumer-friendly services to micro, small, and medium enterprises in India.	n/a	n/a	n/a	With this acquisition, InsuranceDekho will strengthen its foothold in the rapidly growing market of SME insurance and micro-business insurance schemes.
Apr-23	Religare Enterprises	Myinsuranceclub.com	Operator of an insurance comparison web platform intended to search, compare, and buy from multiple insurance plans.	n/a	n/a	n/a	The acquisition will strengthen Religare group's insurance offerings and will serve as a crucial step for Religare Group in its vision to become a 360-degree financial services conglomerate.
Apr-23	Hydsoft Technology	Meyacom Technology	Provider and developer of management systems designed to promote the digital transformation of Chinese insurance companies and commercial banks.	6.34	17.1	0.37	The acquisition will enhance the competitiveness of Hydsoft in financial IT and acts as a foray into the insurance IT service industry.
May-23	Nation Safe Drivers	QuestX	The company's software enables insurance companies to manage their daily activities like ERS, glass management and claims reporting.	n/a	n/a	n/a	The merger will benefit from increased scale, broader scope of mobility services, a greater geographic footprint, and new capabilities, including Questx's technology platform.



SELECTED TRANSACTIONS: INSURETECH

DATE	BUYER	TARGET	DESCRIPTION	DEAL SIZE (\$'m)	TARGET REVENUE (\$'m)	REVENUE MULTIPLE (x)	TRANSACTION RATIONALE
May-23	DoseSpot	pVerify	Developer of a real-time cloud-based patient insurance verification software designed for accelerating insurance billing for Medicare patients.	n/a	n/a	n/a	With pVerify, DoseSpot gains the ability to determine insurance coverage for patients at the point of care with an API-driven platform.
May-23	Verisk Analytics	Morning Data	Provider of insurance software catering to the global insurance and reinsurance industry.	n/a	n/a	n/a	The acquisition helps Verisk Analytics to support digital transformation of international broker and MGA markets.
Jun-23	XDimensional Technologies	I-Engineering	Developer of software intended to serve insurance wholesalers' brokers' program managers and carriers.	n/a	n/a	n/a	With the acquisition, XDTI will be able to enhance its capabilities to address the growing MGA space.
Jun-23	Insurance Quantified	Groundspeed	Developer of insurance data automation software intended to help clients accelerate their commercial insurance submission process.	n/a	n/a	n/a	The acquisition will help the company to accelerate delivery of their product roadmap.



SELECTED TRANSACTIONS: PAYMENTS

DATE	BUYER	TARGET	DESCRIPTION	DEAL SIZE (\$'m)	TARGET REVENUE (\$'m)	REVENUE MULTIPLE (x)	TRANSACTION RATIONALE
Apr-23	Walmart de México y Centroamérica	Trafalgar Digital	Developer of an electronic payment application intended to optimize payment processes and prevent fraudulent activities.	n/a	n/a	n/a	The acquisition will allow Walmart to evolve its Cashi platform and expand its offer to make digital and service payments, request credit, as well as send and receive remittances, among other services.
May-23	Insight Partners	SignUp Software	Developer of comprehensive solution, ExFlow for electronic vendor invoice management built into Microsoft's Dynamics business system.	229.4	25.3	9.08	The acquisition acted as an attractive opportunity as the company has continued to develop well with 25%+ annual top-line and ARR growth. Insight believes it can help management build on SignUp's already-strong foundation to serve growing customer needs for financial automation and further invest in product development.
May-23	XTM	QRails	Developer of a payment processing platform designed to make onboarding painless and integrate with third-party applications.	3.5	n/a	n/a	The merger will cause clients to benefit from the expanded product and support resources that the combined company will bring. The union with QRails will bring XTM processing control, incredible talent, an established U.S. book of business and a complimentary economic model.
May-23	PayTabs	OGS PayLab	Developer of online payment platforms intended to serve banks, businesses and processors.	n/a	n/a	n/a	As a result of this acquisition, PayTabs now has its own IP and payments infra to provide switch and issuance services to the most progressive global brands.
May-23	Paynetics	phyre	Developer of a mobile payment application designed to provide an independent way to manage money.	n/a	n/a	n/a	The acquisition of Phyre compliments Paynetics' existing embedded finance proposition by adding a full range of front-end capabilities, including fully functioning white-label apps and discrete components.
May-23	Fifth Third Bank	Rize	Developer of customer-centric financial applications intended to help fintech, incumbents, and non-financial brands.	n/a	n/a	n/a	The acquisition capitalises on technology with the infrastructure to create, launch, and extend the reach of financial services and products via a single API.



SELECTED TRANSACTIONS: PAYMENTS

DATE	BUYER	TARGET	DESCRIPTION	DEAL SIZE (\$'m)	TARGET REVENUE (\$'m)	REVENUE MULTIPLE (x)	TRANSACTION RATIONALE
Apr-23	Interopay	RewardWorks	Developer of payment software designed to pay invoices using a credit card and optimize the rewards earned by the company.	n/a	n/a	n/a	The acquisition of Rewardworks aligns with Interopay's strategic objectives to drive product innovation and partner diversification.
May-23	Brookfield Corporation	Network International	Network International Holdings PLC is involved in digital commerce business across the Middle East and Africa region.	2737.0	438.0	6.24	The acquisition will create a key platform in the MEA payments space at scale, best positioned to provide a full suite of offerings, further strengthen unit economics and deliver synergy opportunities.
May-23	Lightico	Vizolution	Developer of customer service technology designed to deliver streamlined financial transactions.	n/a	n/a	n/a	The deal will combine Vizolution's agent-assisted and self-serve solutions with Lightico's Compliant Digital Completion Platform to provide a unified solution to clients.
May-23	Vopy	Direct2internet	Developer of financial software intended for companies with a need for fast card transactions.	n/a	n/a	n/a	Through the acquisition, Vopy gains access to a regulatory platform and the necessary regulatory licenses that enables it to deliver essential financial functions and increase the volume of its remittance services globally.
May-23	AnaCap Financial Partners, Market Pay	Novelpay	Developer of independent software vertical ("ISV") solutions intended for the payment terminals and associated terminal distribution.	n/a	n/a	n/a	Novelpay's addition will enable Market Pay to strengthen and develop its existing product offering, as well as accelerating the deployment of its unified payment platform across Europe.



SELECTED TRANSACTIONS: REGTECH

DATE	BUYER	TARGET	DESCRIPTION	DEAL SIZE (\$'m)	TARGET REVENUE (\$'m)	REVENUE MULTIPLE (x)	TRANSACTION RATIONALE
Apr-23	Kaizen Reporting	Red Deer	Specialist regulatory reporting testing firm focused exclusively on solving MIFID I and II, EMIR and other G20 reporting regimes including HKMA, DFA and MAS.	n/a	n/a	n/a	As a leading RegTech provider, we are always looking to diversify our compliance offering for clients. The acquisition of Red Deer demonstrates our strengths in supporting clients with their regulatory and compliance needs.
Apr-23	Global Payment	Mitobit	Developer of software applications intended for the finance, insurance and cybersecurity markets.	n/a	3.08	n/a	The acquisition will allow TAS to provide its customers with complete, integrated solutions and payments services.
May-23	GeoComply Solutions	OneComply	Developer of regulatory compliance management software designed to transform the industry of state regulatory compliance.	n/a	n/a	n/a	With this acquisition, GeoComply Solutions will offer its customers a streamlined, secure and easy-to-administer set of tools for the entire licensing process.
May-23	Verified Global	Pliance	Developer of a compliance platform intended to simplify and automate anti-money-laundering processes.	n/a	n/a	n/a	By integrating Pliance's advanced technology and expertise, Verified will be able to offer a comprehensive suite of KYC and AML solutions.
Jun-23	Levine Leichtman Capital Partners	Cleversoft Group	Developer of a regulatory technology platform intended for financial service providers.	n/a	n/a	n/a	The capital investment will further support Cleversoft Group's strategic growth plan and new product development. Florian Clever and the existing management team remain significant owners.



SELECTED TRANSACTIONS: REGTECH

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Jun-23	MCO Inc.	Fairwords	Developer of a digital communication monitoring platform designed to perform real-time compliance reviews.	n/a	n/a	n/a	Fairwords offers a unique solution to address various challenges presented by non-compliant communications in highly regulated industries, according to MCO.
Jun-23	Geely Sweden Holdings	Saxo Financial Technology	Provider of financial and regulatory technology solutions intended for financial institutions and fintechs in China.	n/a	n/a	n/a	Earlier, Saxo fintech was jointly owned by Saxo Bank and Geely. After the completion of transaction, the venture will be completely controlled by Geely Holding Group and in line with Saxo bank's focus on core business and market.



SELECTED TRANSACTIONS: TREASURY AND CAPITAL MARKETS SOFTWARE

DATE	BUYER	TARGET	DESCRIPTION	DEAL SIZE (\$'m)	TARGET REVENUE (\$'m)	REVENUE MULTIPLE (x)	TRANSACTION RATIONALE
Apr-23	Numerix	FinancialCAD	Developer of financial risk analytics software intended for financial institutions	n/a	n/a	n/a	The acquisition will allow Numerix clients to use the front-to-risk decision making software of FinCAD with the choice of best of breed analytics.
Apr-23	Alpha Capital Group	Traders Eco	Developer of business productivity software intended to offer global funding and support to traders.	n/a	n/a	n/a	The acquisition will help Alpha Capital Group expand its footprint in certain countries while adding to its extensive offerings.
Apr-23	Tradeweb Markets	Yieldbroker	Operator of an Australian government bond and interest rate derivatives trading platform.	83.72	n/a	n/a	The acquisition would provide the company with a domestic client network, including superannuation funds, with access to Tradeweb's global multi-asset platform, deep liquidity, and advanced technology.
Apr-23	WSD	Solvians IT-Solutions	Developer of websites and web applications designed to provide online applications for the financial services industry.	n/a	n/a	n/a	The combination of the two companies will create a market-leading provider of structured products and software solutions with strong capabilities in document generation, workflow automation, data management, regulatory filings and web-based portals.
May-23	Wamid	DirectFN	Developer of financial management systems focused on bringing contemporary fintech solutions to the capital markets	37.39	n/a	n/a	The acquisition provides Wamid with complementary capabilities and market access regionally and globally, leveraging DirectFN's geographic reach across 7 markets in Middle East and Asia.
May-23	United Fintech	TTMzero	Developer of business processes automation technology for financial modeling, documentation and regulatory reporting.	n/a	n/a	n/a	United Fintech has increased its stake in platform TTMzero to assume a majority holding in the Berlin-based Regtech firm of 51%. The acquisition strengthens United Fintech's plan to bring niche providers under one umbrella.



SELECTED TRANSACTIONS: TREASURY AND CAPITAL MARKETS SOFTWARE

DATE	BUYER	TARGET	DESCRIPTION	DEAL SIZE (\$'m)	TARGET REVENUE (\$'m)	REVENUE MULTIPLE (x)	TRANSACTION RATIONALE
May-23	FG Acquisiton	ThinkMarkets	Developer of a global trading platform.	n/a	61.6	n/a	The funds will be used to fund the Corporation's growth strategy, working capital and for general corporate purposes.
May-23	Vectalis	BrokerHub	Provider of capital market technology solutions intended to serve the equity derivative space.	n/a	n/a	n/a	This acquisition will provide a unique set of services to enhance and optimize the equity derivative workflow for interdealer brokers and investment banks.
May-23	Hg	GTreasury	Operator of integrated SaaS treasury and risk management solutions intended for the digital treasurer.	n/a	n/a	n/a	Hg's investment will enable GTreasury to continue its growth in the TMS segment, with scope to drive further operational improvements, invest in more product development, and continue its global expansion plans—including APAC and Europe.
Jun-23	Finsemble	Glue42	Developer of desktop interoperability technology software designed for capital markets. The company offers to sync, link, and connect any different type of application.	n/a	n/a	n/a	The two companies engaged in a merger of equals, reducing competition and offering a complete suite of products for capital markets.
Jun-23	NASDAQ	Adenza	Developer of cloud-enabled front-to-back technology software intended for financial markets.	10500.0	n/a	n/a	Adenza will provide a more complete suite of essential software and technology solutions that make managing risks and complying with regulations simpler and more efficient for NASDAQ clients.
Jun-23	Laser Digital	Elysium Technology Group	Provider of post-trade solutions intended for foreign exchange and digital asset industries.	n/a	n/a	n/a	The acquisition helps Laser Digital's to delivering innovative solutions and empowering clients.

PUBLIC COMPS HIGHLIGHTS Q2 2023

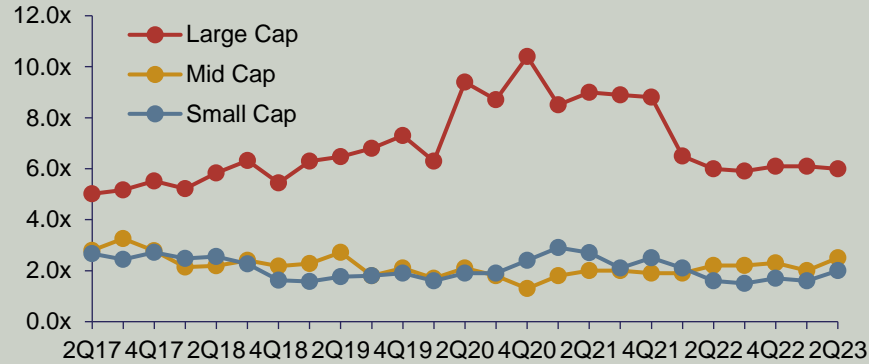
4.8x
Avg. EV/Revenue CY2023E

8%
Avg. Revenue Growth CY2022

78%
% Recurring Revenue

Historic Revenue Multiples

EV/Revenue



Large Cap

6.0x Avg. EV/Revenue **9%** Avg. Revenue Growth **86%** % Recurring Revenue

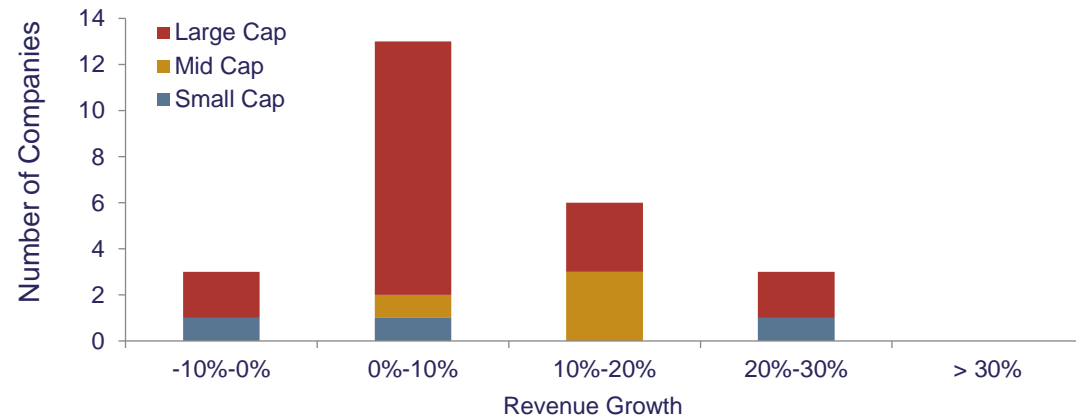
Mid Cap

2.5x Avg. EV/Revenue **3%** Avg. Revenue Growth **69%** % Recurring Revenue

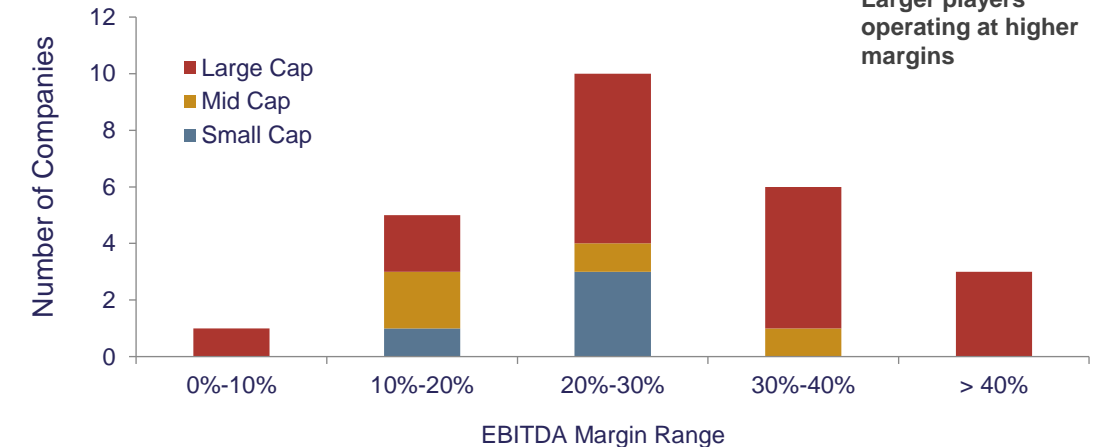
Small Cap

2.0x Avg. EV/Revenue **9%** Avg. Revenue Growth **60%** % Recurring Revenue

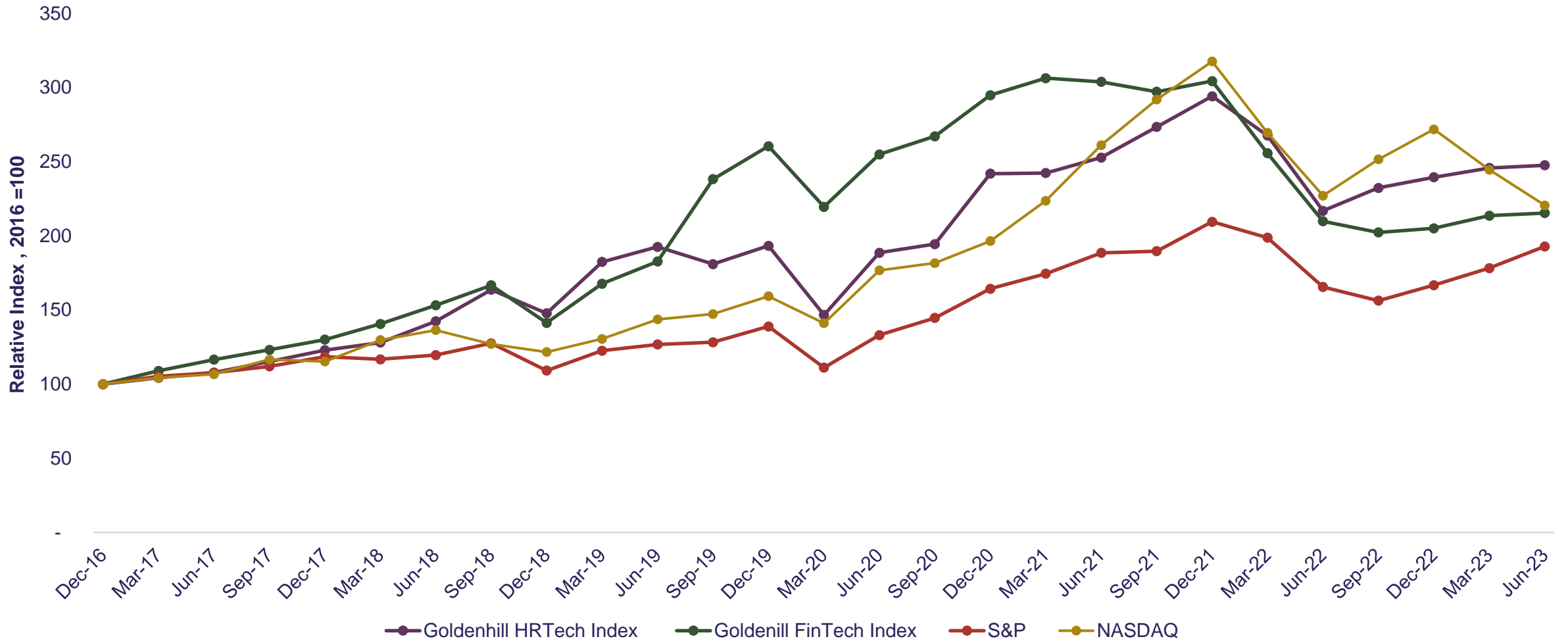
Revenue Growth Distribution



EBITDA Margin Distribution

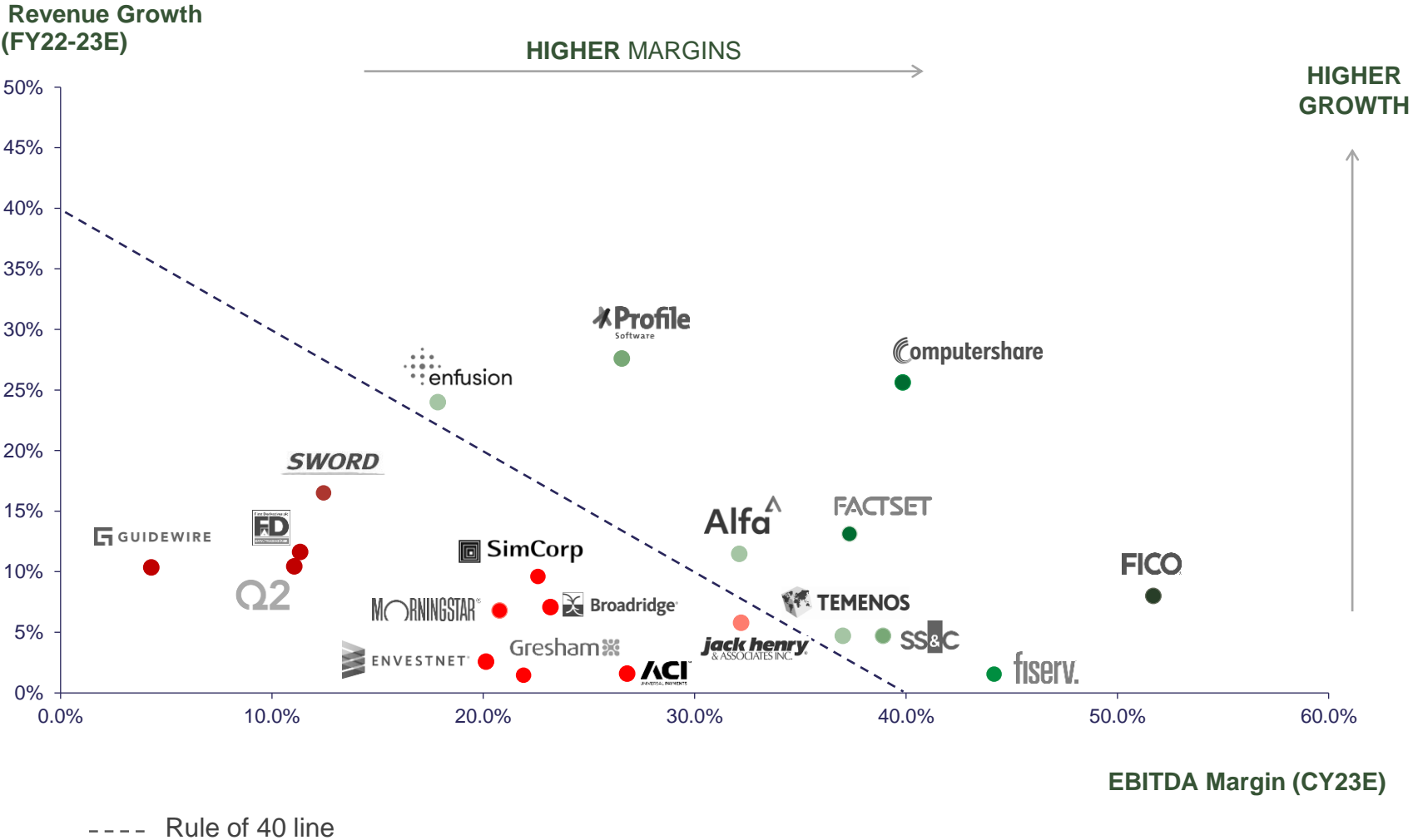


GOLDENHILL FINTECH INDEX



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%.



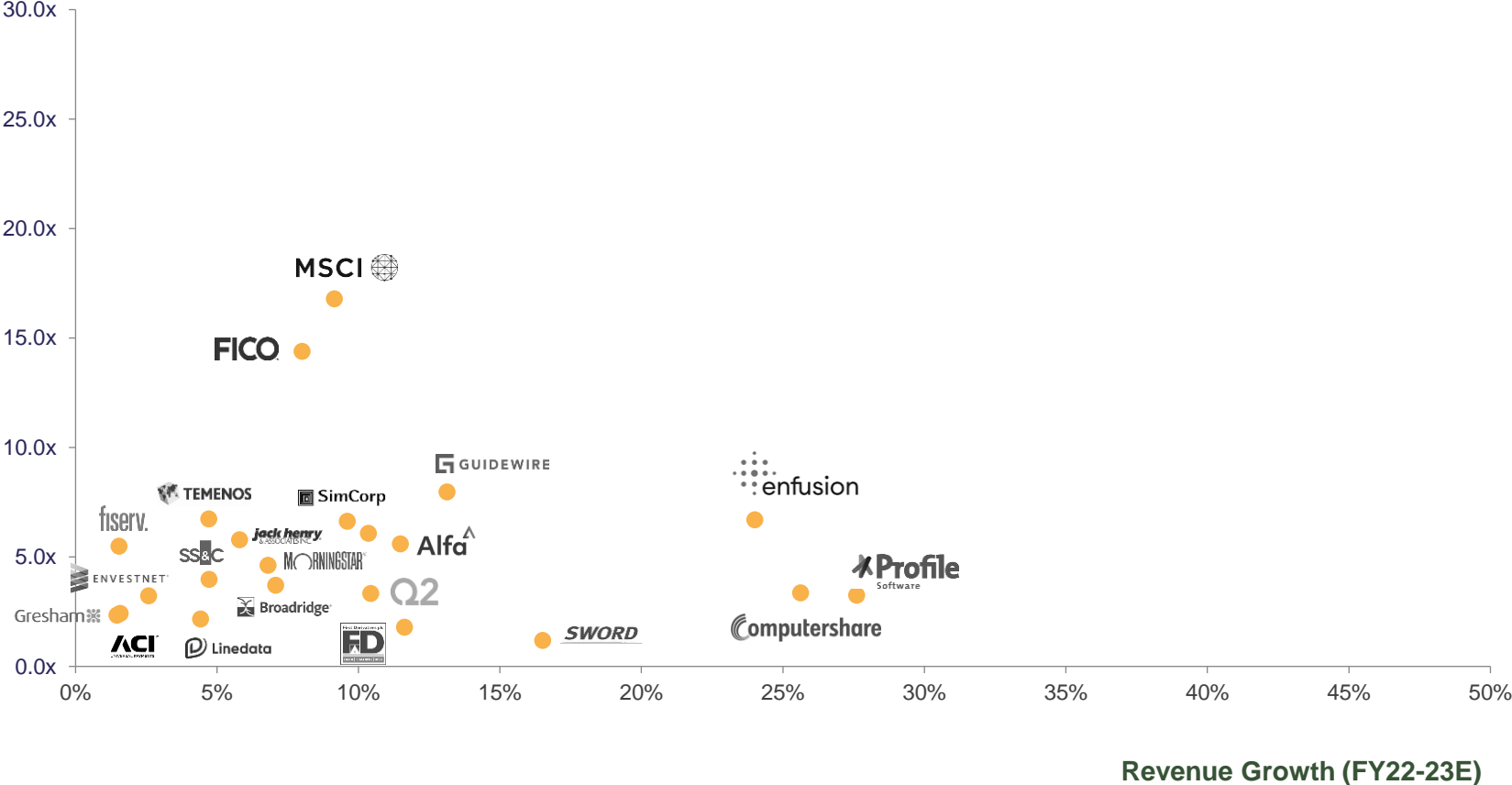
REVENUE GROWTH AS A VALUE DRIVER



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 Enfusion (supplier of software and e-commerce solutions to the insurance industry), Computershare (provider of computer services to businesses that needed to automate processes) and Profile Software (developer of software solutions for the financial sector).

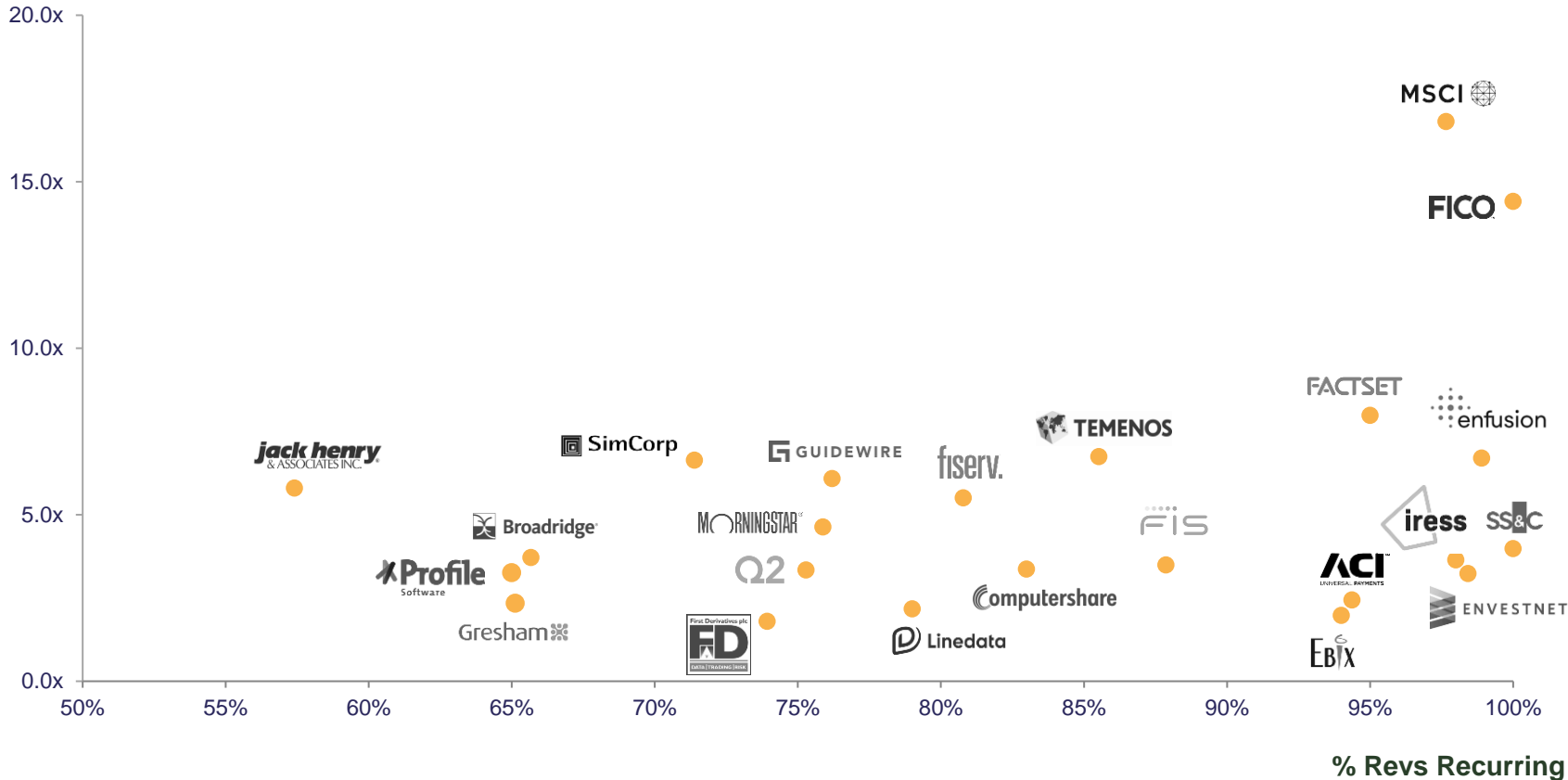


EV/Revenue (CY23E)



RECURRING REVENUE AS A DRIVER

EV/ Revenue (CY23E)



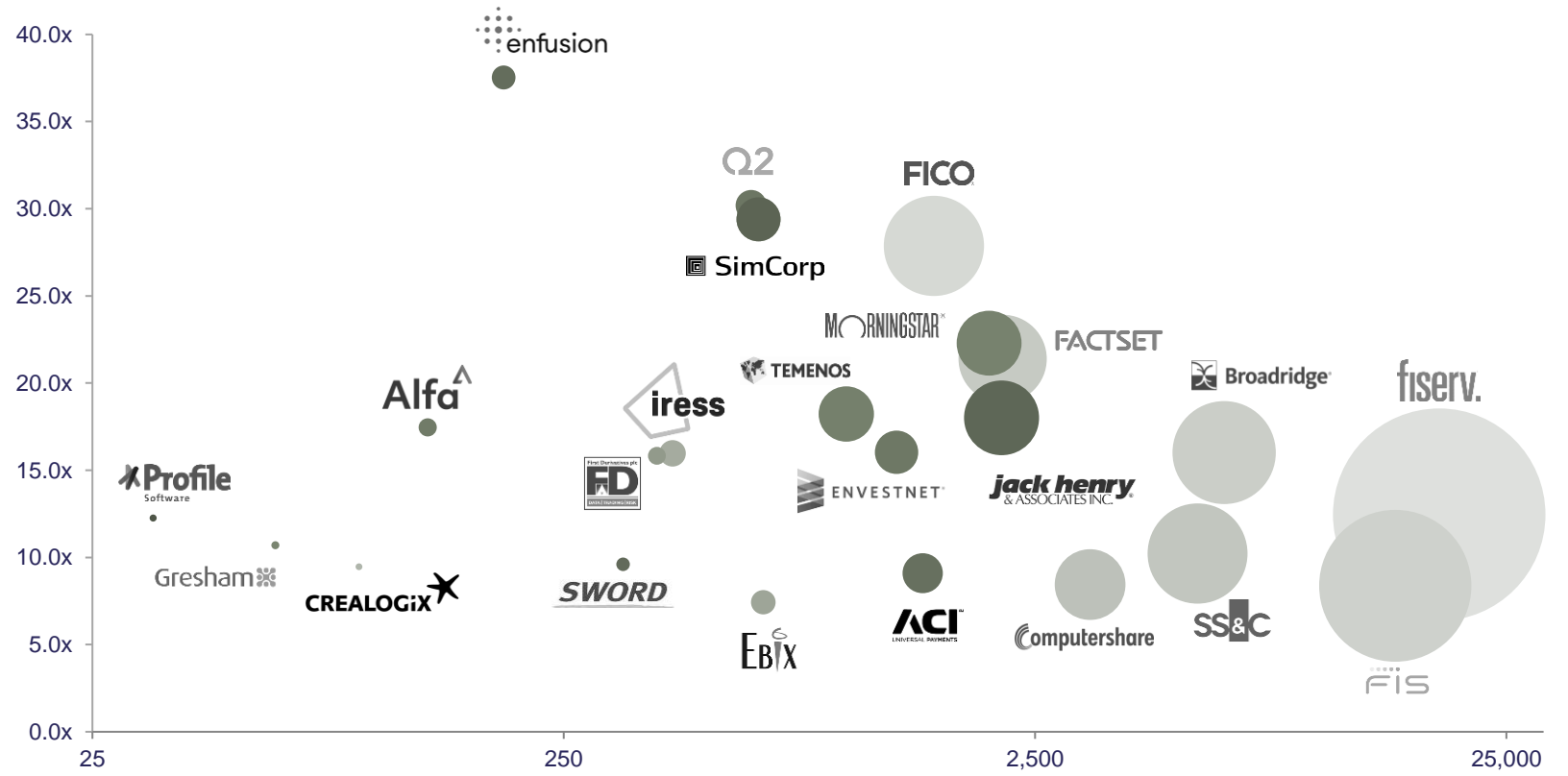
Recurring revenues as a percentage of total revenues is an increasingly popular metric driving valuations. Companies like SS&C and FICO have nearly 100% recurring revenues, while at the bottom of the range Jack Henry has below 60% recurring revenues.

SCALE AS A VALUE DRIVER



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

EV/EBITDA (CY23E)



Note: Bubble size depicts enterprise value

Revenue (CY23E) (\$m)

SECTOR VALUATION METRICS

Company	Ticker	Share Price	Market Cap	Net Debt	Enterprise	Revenue	EV/Revenue		EV/Revs	EV/EBITDA		Revenue Growth		EBITDA Margin		% Revs
		30-Jun-23	(\$m) ⁽¹⁾	(\$m) ⁽²⁾	Value (\$m)	(\$m)	CY2022	CY2023E	Recurring	CY2022	CY2023E	CY2022	CY2023E	CY2022	CY2023E	Recurring ⁽³⁾
Selected Large Cap																
Fiserv	FI US Equity	126.2	77,874	21,268	99,142	18,011	5.6x	5.5x	6.8x	14.0x	12.5x	9.3%	1.5%	40.0%	44.2%	81%
MSCI	MSCI US Equity	469.3	37,573	3,673	41,246	2,454	18.3x	16.8x	17.2x	30.4x	NA	10.0%	9.1%	60.3%	NA	98%
FIS	FIS US EQUITY	54.7	32,406	18,363	50,769	14,525	3.5x	3.5x	4.0x	NM	8.4x	4.7%	0.0%	-83.2%	41.7%	88%
FICO	FICO US EQUITY	809.2	20,225	1,755	21,979	1,526	15.6x	14.4x	14.4x	35.1x	27.9x	4.6%	8.0%	44.6%	51.7%	100%
Broadridge	BR US Equity	165.6	19,541	3,842	23,383	6,300	4.0x	3.7x	5.7x	17.4x	16.0x	14.3%	7.1%	22.7%	23.2%	66%
FactSet	FDS US EQUITY	400.7	15,353	1,684	17,036	2,134	8.9x	8.0x	8.4x	25.9x	21.4x	15.9%	13.1%	34.1%	37.3%	95%
SS&C	SSNC US EQUITY	60.6	15,097	6,931	22,028	5,532	4.2x	4.0x	4.0x	11.7x	10.2x	4.6%	4.7%	35.7%	38.9%	100%
Jack Henry	JKHY US EQUITY	167.3	12,194	118	12,312	2,123	6.2x	5.8x	10.1x	18.7x	18.0x	10.5%	5.8%	32.9%	32.2%	57%
Computershare	CPU AU EQUITY	23.4	9,413	1,604	11,018	3,272	3.8x	3.4x	4.1x	11.7x	8.4x	12.3%	25.6%	32.7%	39.9%	83%
Morningstar	MORN US EQUITY	196.1	8,343	909	9,252	1,998	4.9x	4.6x	6.1x	24.6x	22.3x	10.1%	6.8%	20.1%	20.8%	76%
Guidewire	GWRE US EQUITY	76.1	6,196	(501)	5,696	936	6.7x	6.1x	8.0x	NM	NM	9.3%	10.4%	-9.5%	4.3%	76%
Temenos	TEMN SW EQUITY	71.1	5,958	751	6,709	994	7.1x	6.7x	7.9x	22.2x	18.2x	-1.8%	4.7%	31.8%	37.0%	86%
SimCorp	SIM DC EQUITY	723.0	4,294	5	4,299	648	7.3x	6.6x	9.3x	29.0x	29.4x	0.7%	9.6%	25.1%	22.6%	71%
Investnet	ENV US EQUITY	59.4	3,229	877	4,106	1,272	3.3x	3.2x	3.3x	61.1x	16.0x	4.5%	2.6%	5.4%	20.1%	98%
ACI	ACIW US EQUITY	23.2	2,510	1,010	3,520	1,444	2.5x	2.4x	2.6x	10.2x	9.1x	3.7%	1.6%	24.2%	26.8%	94%
Q2 Holdings	QTWO US Equity	30.9	1,798	287	2,085	625	3.7x	3.3x	4.4x	NM	30.2x	13.4%	10.4%	-5.9%	11.1%	75%
Enfusion	ENFN US Equity	11.2	1,305	(56)	1,249	186	8.3x	6.7x	6.8x	NM	37.5x	34.6%	24.0%	-3.7%	17.9%	99%
IRESS	IRE AU EQUITY	10.3	1,277	272	1,549	426	3.6x	3.6x	3.7x	18.4x	16.0x	-4.1%	-0.8%	19.6%	22.8%	98%
Average							6.5x	6.0x		23.6x	18.8x	9%	8%	18%	29%	86%
Total (Large Cap)			274,586	62,793	337,378											
Selected Mid Cap																
Ebix	EBIX US EQUITY	25.2	779	529	1,308	663	1.2x	2.0x	2.1x	9.0x	7.4x	5.5%	-36.9%	13.9%	26.5%	94%
Alfa Financial	ALFA LN Equity	195.0	732	(11)	721	129	6.2x	5.6x	19.1x	17.9x	17.5x	0.8%	11.5%	34.9%	32.1%	29%
First Derivatives	FDP LN EQUITY	19.2	684	24	708	394	2.0x	1.8x	2.4x	26.9x	15.8x	-0.6%	11.6%	7.3%	11.3%	74%
Sword	SWP FP EQUITY	41.0	427	(28)	400	334	1.4x	1.2x	NA	3.0x	9.6x	13.0%	16.5%	46.1%	12.4%	NA
Linedata	LIN FP EQUITY	55.4	300	112	412	190	2.3x	2.2x	2.7x	7.8x	NA	-4.0%	4.4%	29.2%	NA	79%
Average							2.6x	2.5x		12.9x	12.6x	3%	1%	26%	21%	69%
Total (Mid Cap)			2,922	627	3,548											
Selected Small Cap																
Gresham	GHT LN Equity	1.4	149	(6)	143	61	2.4x	2.3x	3.6x	12.8x	10.7x	18.3%	1.5%	18.6%	21.9%	65%
63 Moons	63MOONS IN Equity	243.7	137	(191)	(54)	NA	NM	NA	NA	8.5x	NA	67.7%	NA	-19.8%	NA	100%
MSG	MSG LN EQUITY	2.8	132	(36)	96	NA	0.5x	NA	NA	6.5x	NA	-16.0%	NA	7.7%	NA	20%
Profile Software	PROF GA EQUITY	4.4	116	(7)	110	34	4.2x	3.3x	5.0x	17.2x	12.3x	15.7%	27.6%	24.1%	26.6%	65%
Crealogix	CLXN SW Equity	48.0	75	27	102	92	1.1x	1.1x	2.2x	72.1x	9.5x	-16.0%	-10.8%	1.5%	11.7%	50%
N2N Berhad	N2N MK Equity	0.5	58	(34)	NA	21	1.0x	1.1x	NA	4.0x	4.3x	-16.1%	-8.6%	25.7%	26.4%	NA
Average							1.8x	2.0x		20.2x	9.2x	9%	2%	10%	22%	60%
Total (Small Cap)			667	(247)	396											
Sector Total			278,175	63,172	341,323		5.0x	4.8x	6.6x	20.6x	16.2x	8%	6%	18%	26%	78%

(1) Excludes treasury shares

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

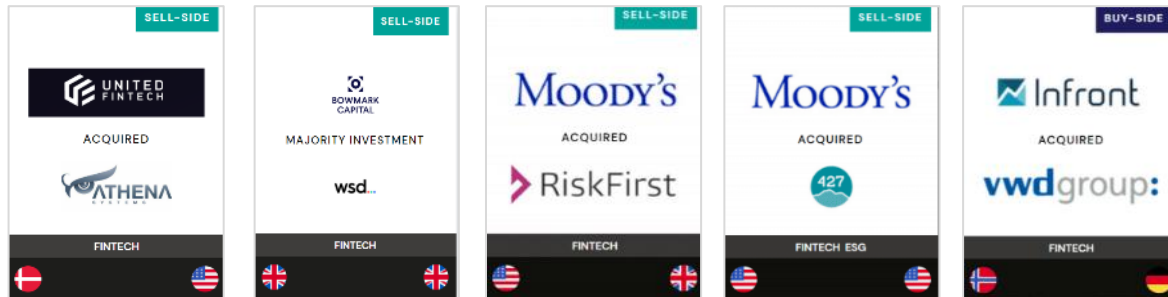
(3) Recurring revenues (renewing licences, maintenance, subscriptions, SaaS etc) where reported for last full year

(4) NM - Not meaningful and NA - Not available

Quick Facts

- Sector experts 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, ESG and Workforce Solutions.
- Our Partners have advised on 100+ transactions with values ranging from \$15 million to over \$100 million; the majority (70%) of our engagements result in cross-border transactions.
- International presence with offices in London, Milan, 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 acquirers.

Selected Transactions



FinTech Partners



Chris Brooke
London



William Berrington
London



Kevin O'Neill
San Diego



Carlos Ratto
Milan

Goldenhill

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