



## Financial Technology Sector

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### Quoted Company Analysis

**Second Quarter 2012**

# Sector Valuation Metrics

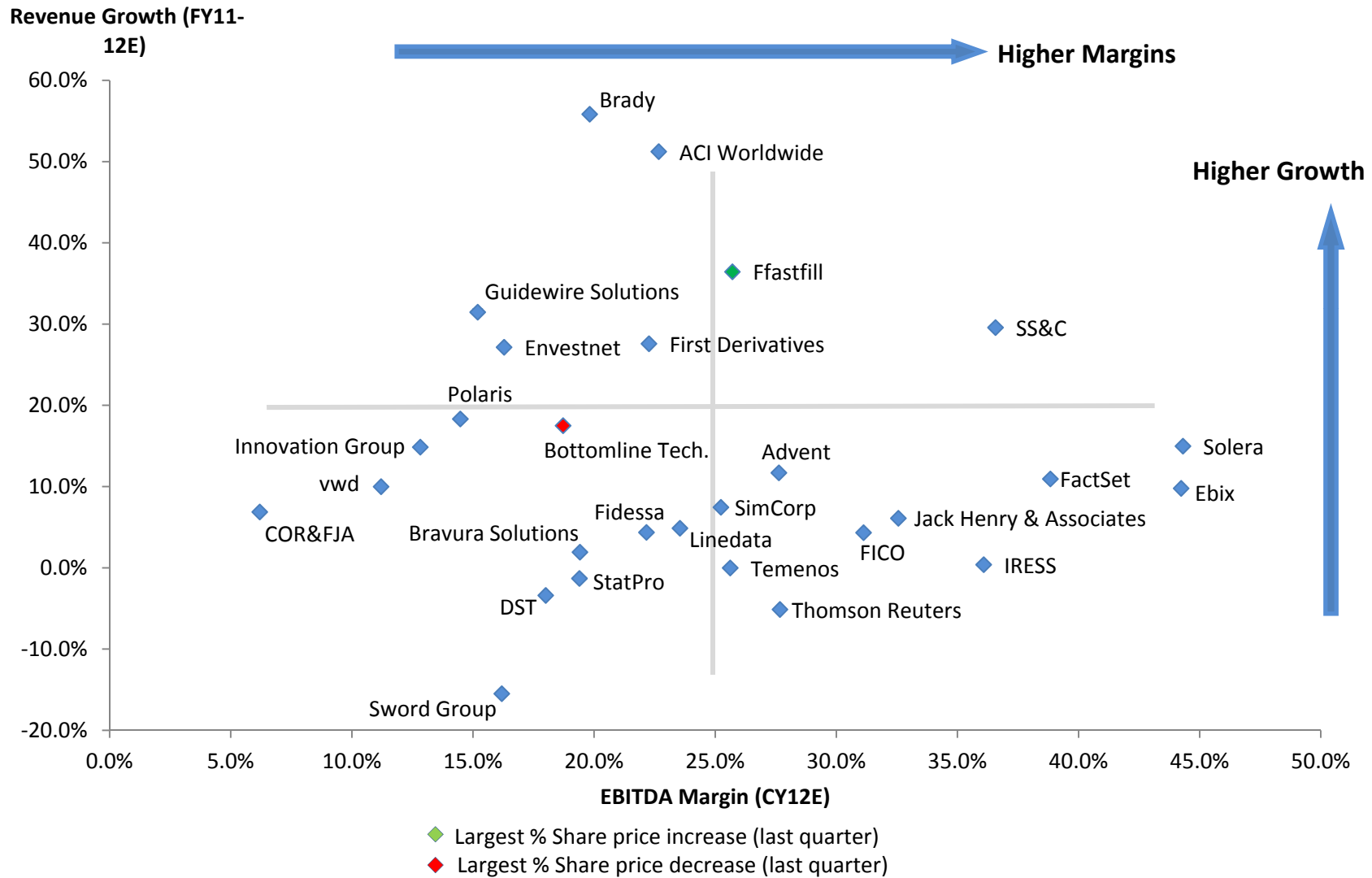
Company	Share Price Local	Market Cap (\$m) <sup>(1)</sup>	Net Debt (\$m) <sup>(2)</sup>	Enterprise Value (\$m)	Revenue	EV/Revenue		EV/Revs	EV/EBITDA		Revenue Growth		EBITDA Margin		% Revs	
	30-Jun-12				CY12E (\$m)	CY2011	CY2012E	Recurring	CY2011	CY2012E	CY2011	CY2012E	CY2011	CY2012E	CY2011	CY2012E
<b>Selected Large Cap</b>																
Thomson Reuters	28.45	23,590	7,172	30,762	13,100	2.2x	2.3x	2.7x	8.1x	8.5x	5.6%	-5.1%	27.6%	27.7%	86%	
Fidelity National Information Services	34.08	10,047	4,536	14,582	5,975	2.5x	2.4x	na	8.5x	8.1x	9.0%	4.0%	29.8%	30.0%	na	
Fiserv	72.22	9,857	3,058	12,915	4,559	3.0x	2.8x	na	9.6x	8.8x	4.9%	5.1%	31.0%	32.1%	na	
Computershare	7.41	4,214	666	4,880	1,886	2.9x	2.6x	3.7x	10.0x	9.7x	0.0%	10.1%	28.9%	26.8%	69%	
FactSet	92.94	4,175	(182)	3,993	830	5.3x	4.8x	4.8x	13.9x	12.4x	13.3%	10.9%	38.2%	38.8%	100%	
Jack Henry & Associates	34.52	3,014	90	3,104	1,059	3.1x	2.9x	3.7x	9.7x	9.0x	15.6%	6.1%	32.1%	32.6%	80%	
Solera	41.79	2,904	673	3,577	803	4.9x	4.5x	na	11.3x	10.1x	8.5%	15.0%	43.2%	44.3%	na	
Morningstar	57.84	2,869	(470)	2,398	666	3.8x	3.6x	na	13.2x	12.6x	13.7%	5.5%	28.7%	28.7%	na	
DST Systems	54.31	2,441	1,067	3,508	2,308	1.5x	1.5x	na	9.0x	8.4x	2.6%	-3.4%	16.4%	18.0%	na	
SS&C	25.00	1,951	60	2,011	481	5.4x	4.2x	4.8x	14.8x	11.4x	12.7%	29.6%	36.7%	36.6%	87%	
ACI Worldwide	44.21	1,758	(122)	1,636	703	3.5x	2.3x	3.2x	17.3x	10.3x	11.2%	51.2%	20.3%	22.7%	73%	
Guidewire Software	28.12	1,481	(60)	1,421	245	7.3x	5.8x	na	52.4x	38.1x	19.2%	31.5%	13.9%	15.2%	na	
FICO	42.28	1,450	266	1,716	653	2.7x	2.6x	3.6x	9.9x	8.4x	2.3%	4.3%	27.7%	31.1%	73%	
Advent Software	27.11	1,373	(86)	1,287	364	3.9x	3.5x	4.0x	19.5x	12.8x	15.1%	11.7%	20.2%	27.6%	89%	
Temenos	15.65	1,187	106	1,293	473	2.7x	2.7x	6.5x	14.6x	10.7x	5.7%	0.0%	18.7%	25.6%	42%	
<b>Average</b>						<b>3.7x</b>	<b>3.2x</b>		<b>14.8x</b>	<b>12.0x</b>			<b>27.6%</b>	<b>29.2%</b>	<b>77.7%</b>	
<b>Selected Mid Cap</b>																
Fidessa	15.50	900	(110)	790	460	1.8x	1.7x	2.1x	6.7x	7.8x	6.1%	4.4%	26.9%	22.2%	82%	
IRESS Market Technology	6.55	852	(50)	801	208	3.9x	3.9x	4.9x	9.7x	10.7x	14.0%	0.4%	39.9%	36.1%	79%	
SimCorp	1009.00	790	(62)	727	269	2.9x	2.7x	6.0x	11.2x	10.7x	5.1%	7.5%	25.9%	25.2%	45%	
Ebix	19.95	728	22	749	186	4.4x	4.0x	5.1x	9.8x	9.1x	27.8%	9.8%	45.1%	44.2%	80%	
Bottomline Technologies	18.05	663	(112)	551	237	2.7x	2.3x	2.7x	15.2x	12.4x	19.9%	17.5%	17.6%	18.7%	87%	
Financial Technologies India	7.38	613	113	726	na	8.6x	na	na	na	na	28.0%	na	-8.1%	na	58%	
<b>Average</b>						<b>4.1x</b>	<b>2.9x</b>		<b>10.5x</b>	<b>10.2x</b>			<b>24.6%</b>	<b>29.3%</b>	<b>71.8%</b>	
<b>Selected Small Cap</b>																
Envestnet	0.12	387	(65)	322	157	2.6x	2.1x	10.8x	17.4x	12.6x	25.6%	27.2%	15.0%	16.3%	19%	
Innovation Group	0.19	286	(51)	234	328	0.8x	0.7x	na	7.0x	5.6x	8.5%	14.9%	11.7%	12.8%	na	
Polaris Software	127.45	228	(31)	198	428	0.6x	0.5x	na	4.0x	3.2x	29.4%	18.3%	13.9%	14.5%	na	
Microgen	1.40	179	(42)	137	61	2.2x	2.3x	na	na	na	15.2%	-1.2%	na	na	na	
Linedata Services	12.74	170	(2)	167	185	0.9x	0.9x	na	4.1x	3.8x	0.8%	4.9%	23.4%	23.5%	na	
Sword Group	0.11	130	(11)	119	169	0.6x	0.7x	1.3x	3.3x	4.3x	-15.7%	-15.5%	17.7%	16.2%	53%	
First Derivatives	4.72	124	33	158	90	2.2x	1.8x	2.2x	9.9x	7.9x	25.4%	27.6%	22.6%	22.3%	80%	
Ffastfill	0.14	104	(4)	100	35	3.8x	2.9x	3.7x	18.1x	11.2x	11.2%	36.4%	20.8%	25.7%	79%	
Brady	0.83	104	(16)	88	47	2.9x	1.9x	3.7x	15.1x	9.4x	72.3%	55.8%	19.3%	19.8%	51%	
Bravura Solutions	0.00	99	23	121	129	1.0x	0.9x	1.7x	5.9x	4.9x	27.4%	1.9%	16.7%	19.4%	54%	
StatPro	0.88	83	5	89	50	1.8x	1.8x	1.9x	6.7x	9.2x	-4.3%	-1.3%	26.5%	19.4%	93%	
vwd	2.00	65	1	66	114	0.6x	0.6x	na	5.9x	5.2x	6.3%	10.0%	10.8%	11.2%	na	
COR&FJA	1.14	61	(5)	56	186	0.3x	0.3x	1.6x	6.5x	4.9x	16.3%	6.9%	5.0%	6.2%	19%	
Dion Global	0.23	27	21	48	na	na	na	na	na	na	42.3%	na	na	na	na	
<b>Average</b>						<b>1.6x</b>	<b>1.3x</b>		<b>8.7x</b>	<b>6.9x</b>			<b>16.9%</b>	<b>17.3%</b>	<b>56.0%</b>	

(1) Excludes treasury shares

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

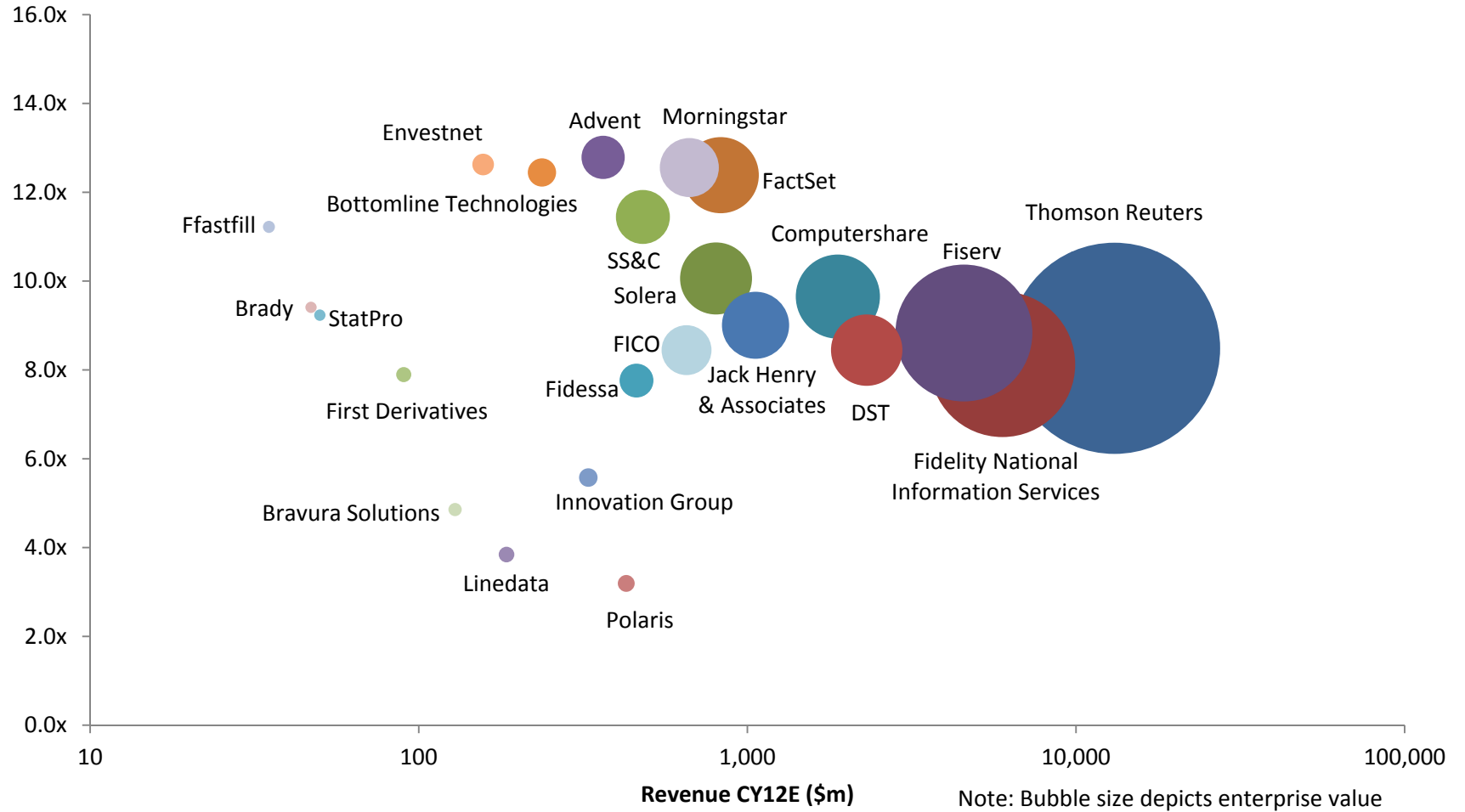
(3) Recurring revenues (maintenance, subscriptions, SaaS etc) where reported for last full year

# Performance Quadrants: Revenue Growth & Operating Margin

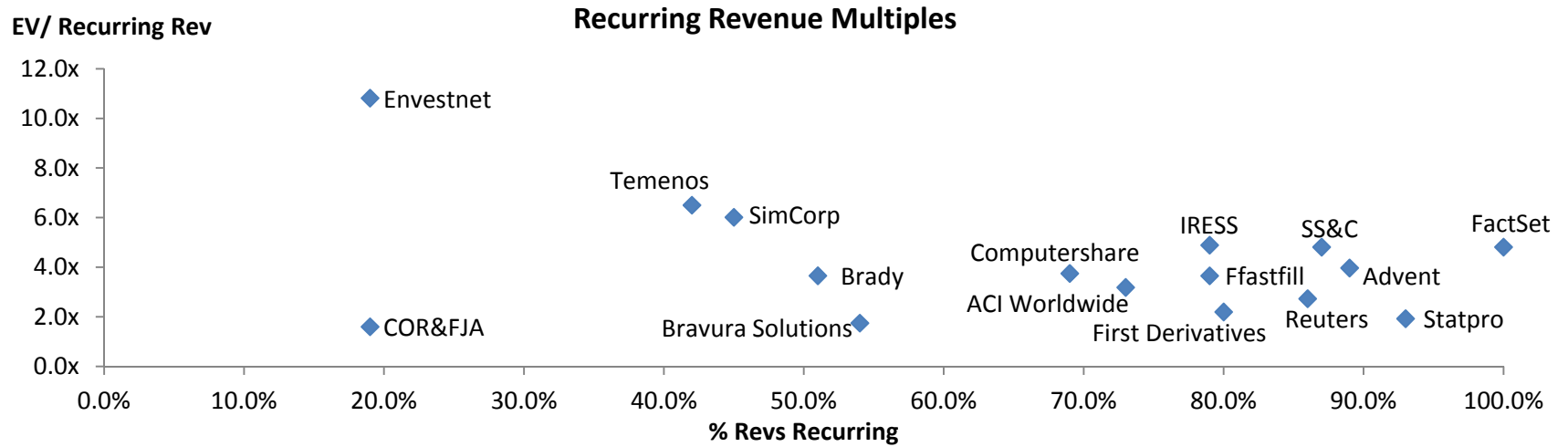
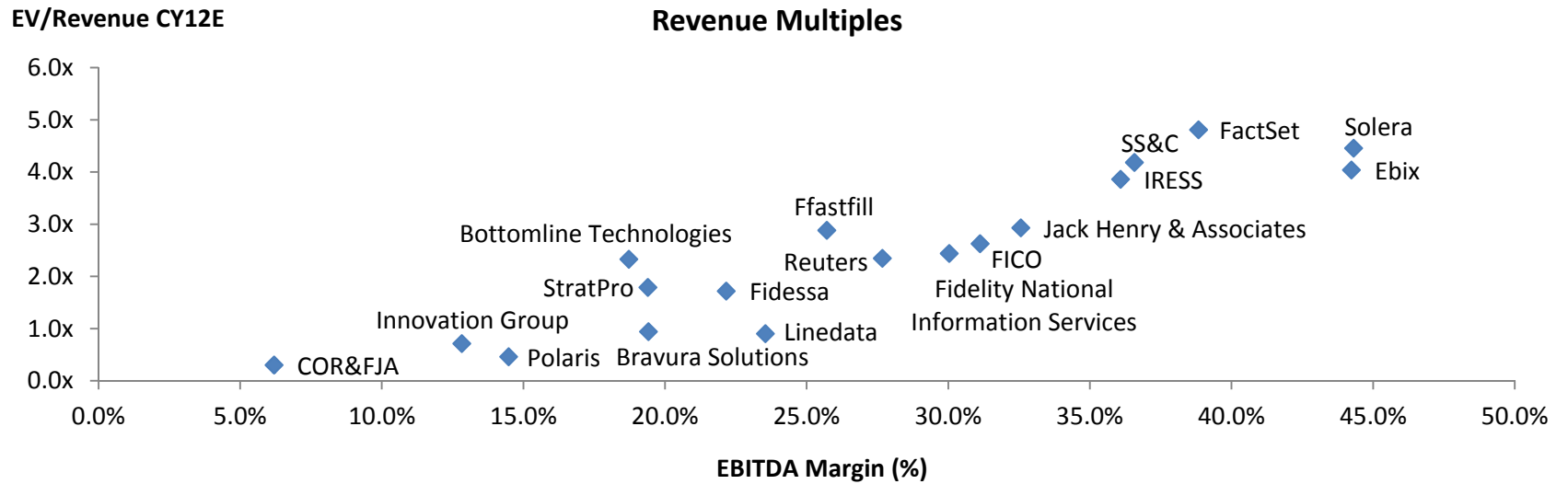


# Scale as a Value Driver

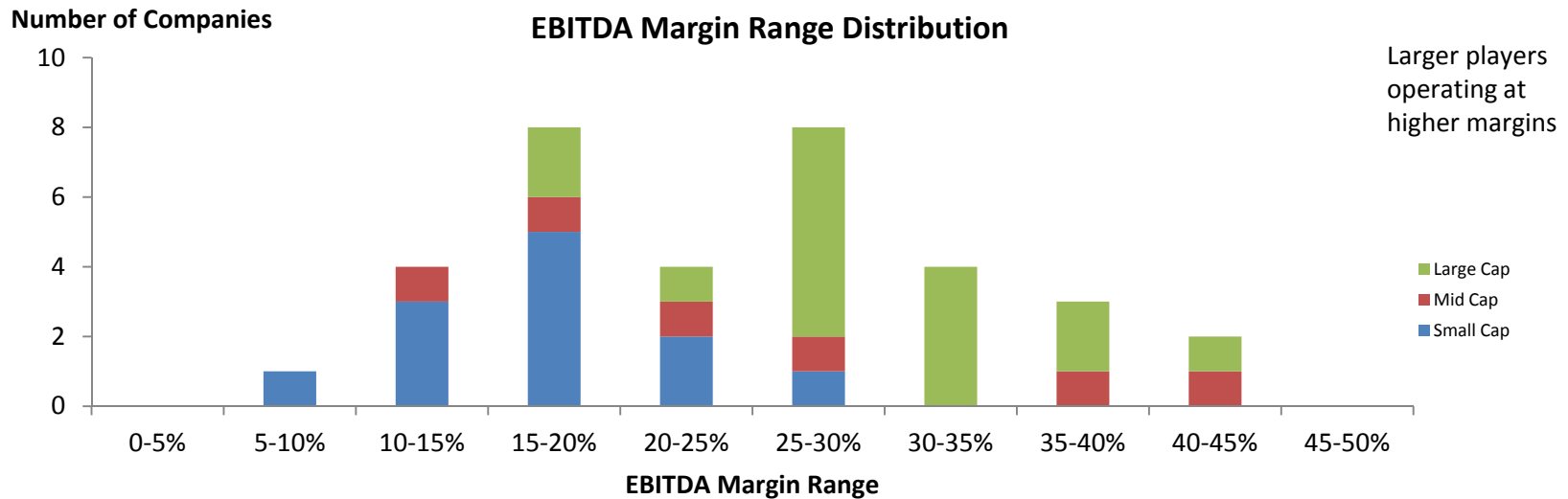
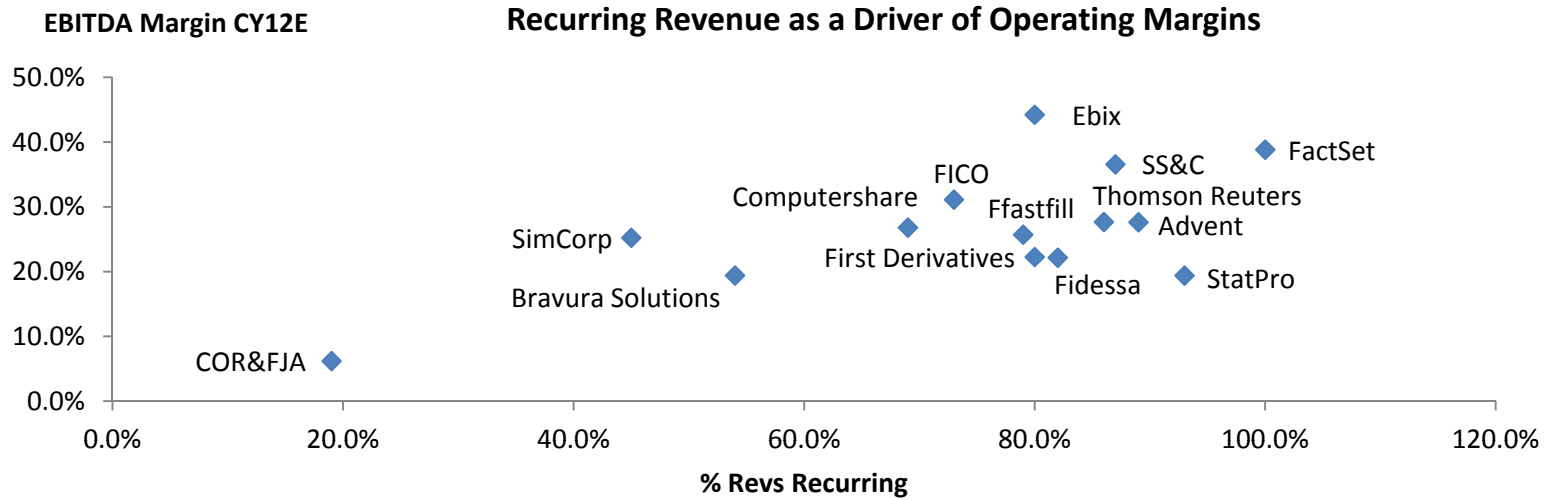
EV/EBITDA CY12E



# Operating Efficiency and Recurring Revenue as Value Drivers



# EBITDA Margin Analysis



## Selected Financial Technology Deals – Second Quarter 2012



Date Announced	Buyer	Seller	Seller Description	Deal Size	Seller Revenue/Profit	Revenue Multiple	Target Sector	Commentary
6/28/2012	FlexTrade Systems	Derivix	Provides pricing, real-time analytics, portfolio risk management, and multi-broker electronic execution for options in the equities and derivatives markets	Not disclosed	n/a	n/a	Trading	The transaction brings to FlexTrade Derivix's all-in-one options trading solution for pricing, real-time analytics, portfolio risk management, and multi-broker electronic execution
6/25/2012	Thomson Reuters	Zawya.com	Online financial reference content for Middle East and North Africa	Not disclosed	n/a	n/a	Content	This combination solidifies Thomson Reuters' comprehensive coverage of the Middle East and North Africa financial markets and increases its presence among a broader set of users
6/15/2012	Verisk Analytics [fka Insurance Services Office]	Aspect Loss Prevention	Loss prevention software and analytic solutions to the retail, entertainment, and food industries	\$8.0M	n/a	n/a	Insurance	The acquisition will further advance Verisk's position as a leading provider of loss prevention and risk mitigation solutions to the retail industry
6/11/2012	OpenLink [Hellman & Friedman]	Cube Logic	Credit risk management software to companies in the energy and financial sectors	Not disclosed	n/a	n/a	Risk	Strategic initiative by OpenLink to enhance its credit risk capabilities and to broaden the risk solution offerings beyond those found in its current suite of transaction and portfolio management solutions
6/5/2012	World Trade Securities	PacMid Technologies	Trade execution software provider	Not disclosed	n/a	n/a	Trading	The newly merged group's proprietary products and innovative approach creates a trading environment with enormous cost efficiencies and access to the world's most massive liquidity pools
6/1/2012	Ebix	Fintechnix	Straight through processing solutions to the Australian Life Insurance and Wealth Management sectors	A\$5.3M in cash	n/a	n/a	Insurance & Wealth Management	This allows Ebix to expand its presence in Australia, into the growing Life Insurance and Wealth Management sectors, and also cross-sell its life and wealth management based CRM solutions interfaced with Fintechnix solutions into the Australian markets
6/1/2012	CRISIL	Coalition Development	Business intelligence and analytics services to the investment banking and financial services sectors	£29M	£6.6M / £1.5M	4.4x	Analytics	Coalition's cutting-edge analytical capabilities and in-depth understanding of the workings of financial markets will enable CRISIL Global Research and Analytics to boost its service offerings and diversify its client base

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Date Announced	Buyer	Seller	Seller Description	Deal Size	Seller Revenue/Profit	Revenue Multiple	Target Sector	Commentary
6/1/2012	Ebix	PlanetSoft	On-Demand software and e-commerce services to the insurance industry	\$40M (\$35M in cash, \$5M in shares), plus earnout	n/a	n/a	Insurance	Combining PlanetSoft and Ebix exchange products will give Ebix the unique ability to converge insurance and investment operations from front end to back end enabling straight through processing
5/23/2012	Avelo FS	TrigoldCrystal	Sourcing, compliance and electronic trading services to the intermediary mortgage market	Not disclosed	£5M / £0.4M	n/a	Mortgages	A continuation of Avelo's strategy to extend the reach of products and services delivered to the adviser desktop, enabling efficient connectivity to the broadest range of lenders and financial services product providers
5/22/2012	R R Donnelley & Sons	EDGAR Online	Disclosure management services, financial data and enterprise risk analytics software and solutions for both corporate and investment professionals	\$70.5M	n/a	2.1x	Content	This acquisition continues to expand RR Donnelley's range of digital offerings around financial disclosure management and further enhances its ability to deliver integrated communications solutions
5/22/2012	Bloomberg	PolarLake	Financial data management software	Not disclosed	n/a	n/a	Data Management	PolarLake will form part of Bloomberg's new enterprise data management (EDM) service to help companies acquire, manage and distribute data across organizations. The deal signals Bloomberg's intention to be a leader in the enterprise data management business
5/21/2012	Cinnober Financial Technology	Nomura Sweden	Develops equity trading applications and platforms	Not disclosed	n/a	n/a	Trading	Besides an enlarged development capability, the acquisition provides Cinnober with additional competence in delivering solutions to investment banks and brokers within execution services as well as expertise in high-volume, low-latency data warehousing
5/16/2012	Stefanini International [dba Stefanini IT Solutions]	Top Systems	Uruguayan banking software provider	Not disclosed	n/a	n/a	CoreBanking	Further expansion into Latin America outside of Stefanini's core market of Brazil
5/15/2012	Mantara	UNX	Trade execution software provider	Not disclosed	n/a	n/a	Trading	High-frequency traders and others to benefit from access to UNX's open and flexible EMS coupled with Mantara's flagship pre-trade risk functionality and ultra-low latency direct market access



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Date Announced	Buyer	Seller	Seller Description	Deal Size	Seller Revenue/Profit	Revenue Multiple	Target Sector	Commentary
5/14/2012	Genpact	atyati technologies	Transaction processing software provider	Not disclosed	n/a	n/a	Transactions	Provides Genpact with a leading technology platform in the rural banking space with last-mile functionality that allows Indian banks to serve the millions of people who reside in rural areas
5/9/2012	Markit Group	Cadis Software	Enterprise data management platform for financial sector	Not disclosed	£14.1M / £4.5M	n/a	Data Management	Data management is top of Markit's customers' agenda. Following this acquisition, Markit will be able to provide customers with the Cadis market-leading data management solution
5/9/2012	Portware	Aritas Group [fka Pipeline Trading] - technology assets	Predictive trading and analytics technology assets	Not disclosed	n/a	n/a	Trading	Aritas' technology assets are highly complementary and add advanced artificial intelligence and commission optimization tools to Portware's core offerings
5/3/2012	Davis + Henderson	Avista Solutions	SaaS mortgage origination software	\$40M in cash	n/a	n/a	Mortgages	The acquisition adds to D+H's customer base and expands the range of integrated technology solutions D+H offers to the North American financial services industry by complementing the SaaS consumer point of sale (POS) mortgage origination platform it delivers to more than 1,100 US banks and credit unions through its Mortgagebot subsidiary
5/3/2012	NASDAQ OMX	BWise	Enterprise governance, risk management and compliance software	Not disclosed	n/a	n/a	Compliance	With this acquisition, NASDAQ OMX Corporate Solutions now offers companies the ability to track, measure and manage key organizational risks – including the risk of non-compliance – with industry leading governance, management and compliance software and services
5/2/2012	iPipeline	Assureweb	SaaS quote and supply solutions for the life, pensions and mortgage market	Not disclosed	£6.1M / £0.4M	n/a	Insurance	The strategic acquisition of Assureweb ideally positions iPipeline for entry into the UK, Mainland Europe, and Asian marketplaces with its online insurance solutions
5/2/2012	BI-SAM	Alphedra	Performance and risk management solution, OpenSight	Not disclosed	n/a	n/a	Risk	BI-SAM will integrate Alphedra's Opensight risk engine within its own B-one Performance product to create a market leading risk and performance solution
4/23/2012	Fidelity National Information Services [dba FIS]	Memento	Enterprise financial fraud detection software	Not disclosed	n/a	n/a	Risk	By integrating Memento's enterprise fraud management solutions into FIS's existing suite of solutions, FIS is meeting the growing needs of clients to manage these issues at both a point solution and an enterprise level

## Selected Financial Technology Deals – Second Quarter 2012



Date Announced	Buyer	Seller	Seller Description	Deal Size	Seller Revenue/Profit	Revenue Multiple	Target Sector	Commentary
4/23/2012	Fidelity National Information Services [dba FIS]	Integrated Compliance Solutions [dba ICS Risk Advisors]	Enterprise risk management and regulatory compliance consulting services for financial institutions	Not disclosed	n/a	n/a	Risk	The acquisitions of ICS and Memento (above) further enable FIS to position the company as a single, trusted partner for all a financial institution's risk, fraud and compliance needs
4/18/2012	SUBITO	PELI Software	Developer of credit and receivables management software	Not disclosed	n/a	n/a	Credit Management	The SUBITO group is continuing to grow. The acquisition of PELI Software GmbH is a logical next step for market share in software for credit and receivables management
4/16/2012	SUBITO	GENEVA - ID	Insurance software	Not disclosed	n/a	n/a	Insurance	Further expansion and consolidation for SUBITO within the German Financial Services market
4/12/2012	Thomson Reuters	Fast Facts Computer Systems - tax software business	Indian tax software and outsourcing services provider	Not disclosed	n/a	n/a	Tax	Thomson Reuters plans to invest further in the development of Fast Facts' tax software products and integrate into their current tax and accounting product offerings
4/5/2012	Hitachi	eBworx	Malaysian provider of internet and mobile banking systems, credit management systems and other services in the Asian region	\$56.8M in shares	\$16.9M	3.4x	Banking	Through this take-over offer, Hitachi aims to expand its system solutions business in Southeast Asia and China, by gaining access to eBworx's extensive customer base, widely used software products, and powerful development base, including highly skilled human resources
4/3/2012	S&P Capital IQ [McGraw-Hill]	QuantHouse	Market data and end-to-end systematic trading solutions including market data technologies, proximity hosting and order routing services for hedge funds, market makers and proprietary desks	Not disclosed	n/a	n/a	Trading	QuantHouse will provide S&P clients with access to exchange pricing globally, including securities valuations and portfolio analytics, and will provide the foundation for S&P Capital IQ to build its own unique real-time monitors, derived data sets and analytics and offer one integrated low-latency feed for all its data, including fundamental, fixed-income, equity and derivatives. It also provides S&P Capital IQ with the components necessary to offer its clients one of the most comprehensive market data and risk analytics platforms in the industry
4/2/2012	Markit Group	Data Explorers	Supplies information on equity and fixed income markets	Not disclosed	£17.2M / £7.1M	n/a	Content	Markit's acquisition of Data Explorers represents a logical extension to their existing data, research and analytics for the equity markets and complements their extensive fixed income offering

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