



Financial Technology Sector

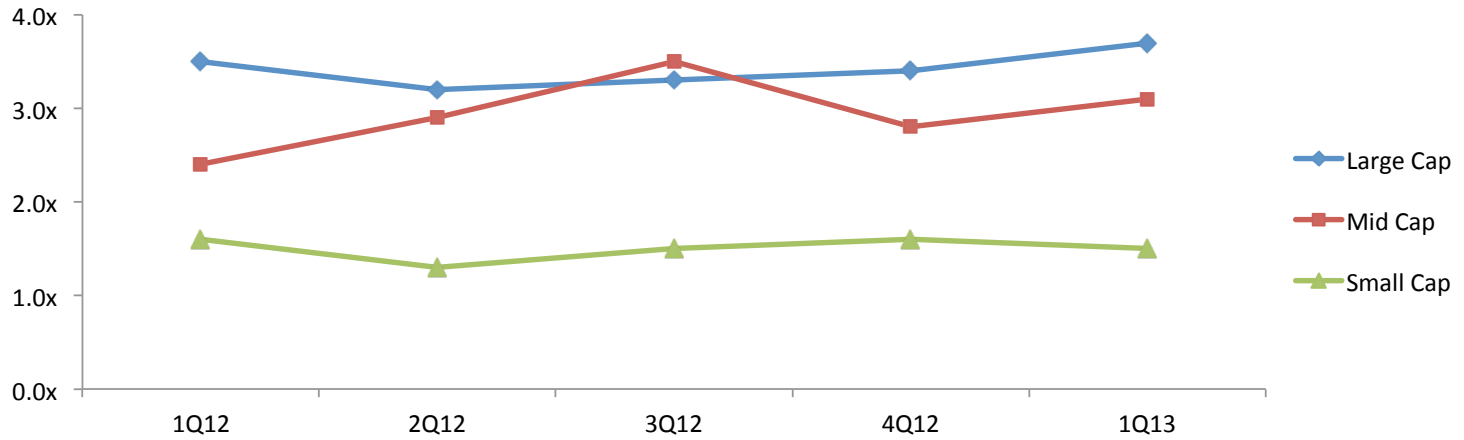
Quoted Company Analysis

First Quarter 2013

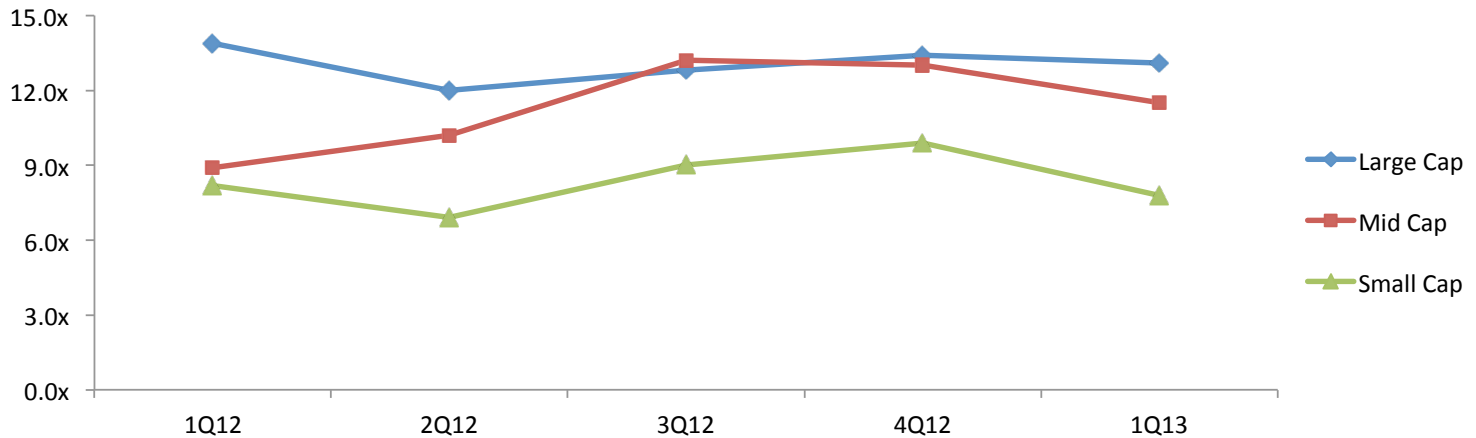
Sector Valuation Metrics

Company	Share Price Local	Market Cap	Net Debt	Enterprise	Revenue	EV/Revenue	EV/Revs	EV/EBITDA		Revenue Growth		EBITDA Margin		% Revs	
	31-Mar-13	(\$m) ⁽¹⁾	(\$m) ⁽²⁾	Value (\$m)	CY13E (\$m)	CY2012	CY2013E	Recurring	CY2012	CY2013E	CY2012	CY2013E	CY2012	CY2013E	Recurring ⁽³⁾
Selected Large Cap															
Thomson Reuters	32.48	26,870	5,930	32,800	12,754	2.5x	2.6x	3.0x	7.5x	9.7x	-3.8%	-3.9%	33.1%	26.6%	86%
Fidelity National Information Services	39.62	11,668	4,040	15,708	6,093	2.7x	2.6x	3.2x	9.0x	8.5x	3.2%	4.9%	30.0%	30.5%	80%
Fiserv	87.86	11,730	2,872	14,602	4,887	3.3x	3.0x	3.1x	10.4x	9.1x	3.3%	9.0%	31.5%	32.7%	95%
Computershare	10.20	5,908	1,312	7,221	2,085	3.8x	3.5x	5.0x	14.5x	13.4x	12.7%	12.8%	26.0%	25.9%	69%
Solera	58.33	4,018	638	4,656	863	5.7x	5.4x	na	13.6x	12.8x	15.4%	5.5%	42.3%	42.1%	na
DST Systems	71.27	3,155	1,067	4,222	1,913	1.6x	2.2x	na	11.3x	9.3x	7.9%	-25.8%	14.5%	23.6%	na
Jack Henry & Associates	46.21	3,982	(26)	3,956	1,152	3.7x	3.4x	3.9x	11.3x	10.4x	6.2%	8.2%	32.7%	33.2%	89%
FactSet	92.60	4,092	(203)	3,889	878	4.7x	4.4x	4.6x	12.4x	11.6x	10.9%	6.5%	38.0%	38.0%	97%
SS&C	29.98	2,381	926	3,307	716	6.0x	4.6x	5.1x	15.5x	11.6x	48.8%	29.8%	38.7%	39.9%	91%
Morningstar	69.92	3,246	(321)	2,925	709	4.4x	4.1x	6.1x	15.1x	13.4x	4.3%	7.7%	29.4%	30.7%	68%
ACI Worldwide	48.86	1,928	298	2,226	812	3.3x	2.7x	3.3x	14.2x	9.4x	43.3%	21.8%	23.5%	29.2%	83%
FICO	45.69	1,622	405	2,027	750	2.9x	2.7x	3.9x	9.9x	9.3x	9.2%	13.5%	29.2%	29.1%	69%
Guidewire Software	38.44	2,170	(206)	1,964	313	7.7x	6.3x	13.9x	57.6x	40.6x	34.5%	24.8%	13.3%	15.5%	45%
Temenos	22.55	1,712	106	1,817	473	4.0x	3.8x	5.3x	15.2x	13.5x	-4.9%	5.0%	26.6%	28.5%	73%
Advent Software	27.97	1,412	(136)	1,276	376	3.6x	3.4x	3.7x	16.2x	12.5x	10.0%	4.9%	21.9%	27.2%	91%
SimCorp	1560.00	1,203	(78)	1,125	297	4.2x	3.8x	8.1x	17.3x	14.4x	-0.8%	10.3%	24.2%	26.3%	47%
Average							4.0x	3.7x	15.7x	13.1x			28.4%	29.9%	77.3%
Total (Large Cap)		87,096	16,624	103,720											
Selected Mid Cap															
IRESS Market Technology	7.78	1,042	(58)	984	223	4.6x	4.4x	5.4x	12.7x	13.1x	1.6%	3.6%	36.1%	33.9%	82%
Fidessa	19.45	1,100	(117)	983	429	2.2x	2.3x	2.7x	8.0x	9.6x	-1.0%	-3.0%	27.9%	24.0%	84%
Bottomline Technologies	28.51	1,072	(125)	947	267	4.0x	3.5x	4.0x	24.3x	17.8x	18.4%	13.4%	16.3%	20.0%	89%
Ebiz	16.22	603	44	647	216	3.2x	3.0x	3.7x	7.5x	6.7x	18.0%	8.3%	43.2%	44.6%	80%
Envestnet	17.51	566	(30)	536	203	3.4x	2.6x	13.9x	35.2x	14.7x	27.7%	28.8%	9.7%	18.0%	19%
Financial Technologies India	712.60	603	(101)	502	180	3.7x	2.8x	4.8x	15.7x	7.4x	17.2%	38.7%	23.7%	37.8%	58%
Average							3.5x	3.1x	17.2x	11.5x			26.1%	29.7%	68.7%
Total (Mid Cap)		4,986	(386)	4,600											
Selected Small Cap															
Innovation Group	0.26	377	(42)	335	324	1.1x	1.0x	na	8.9x	7.3x	8.1%	4.0%	12.2%	14.1%	na
First Derivatives	6.15	163	39	202	103	2.4x	2.0x	2.4x	13.4x	10.6x	29.7%	20.1%	17.5%	18.4%	80%
Linedata Services	16.18	162	(2)	160	210	0.9x	0.8x	1.0x	3.7x	3.2x	-3.1%	13.5%	23.5%	23.6%	74%
Ffastfill	0.20	159	(4)	156	38	4.6x	4.1x	5.2x	18.3x	14.7x	14.0%	29.7%	25.3%	27.9%	79%
Polaris Software	111.30	203	(49)	154	463	0.4x	0.3x	na	2.6x	2.4x	22.5%	-0.3%	14.0%	13.8%	na
Sword Group	13.24	158	(11)	147	134	1.0x	1.1x	na	na	7.4x	-30.3%	-11.4%	na	14.7%	na
Bravura Solutions	0.19	122	24	146	na	na	na	na	5.7x	5.2x	9.3%	na	na	na	51%
Microgen	1.19	147	(52)	95	45	1.9x	2.1x	3.4x	5.9x	6.5x	-17.6%	-11.4%	31.5%	32.4%	61%
Brady	0.86	105	(13)	93	53	2.1x	1.7x	3.4x	10.4x	9.0x	45.2%	19.1%	20.1%	19.3%	51%
vvd	2.74	90	1	91	128	0.8x	0.7x	na	7.6x	6.7x	11.5%	4.8%	10.2%	10.7%	na
StatPro	0.88	90	(6)	84	48	1.7x	1.8x	1.9x	5.4x	11.3x	-0.3%	-5.5%	30.5%	15.6%	92%
COR&FJA	0.92	48	22	70	193	0.4x	0.4x	1.9x	15.1x	8.8x	22.1%	-1.8%	2.5%	4.2%	19%
Dion Global	18.50	22	21	43	na	na	na	na	na	na	33.9%	na	na	na	na
Average							1.5x	1.5x	8.8x	7.8x			18.7%	17.7%	63.4%
Total (Small Cap)		1,849	(71)	1,777											
Sector Total		93,931	16,166	110,097											

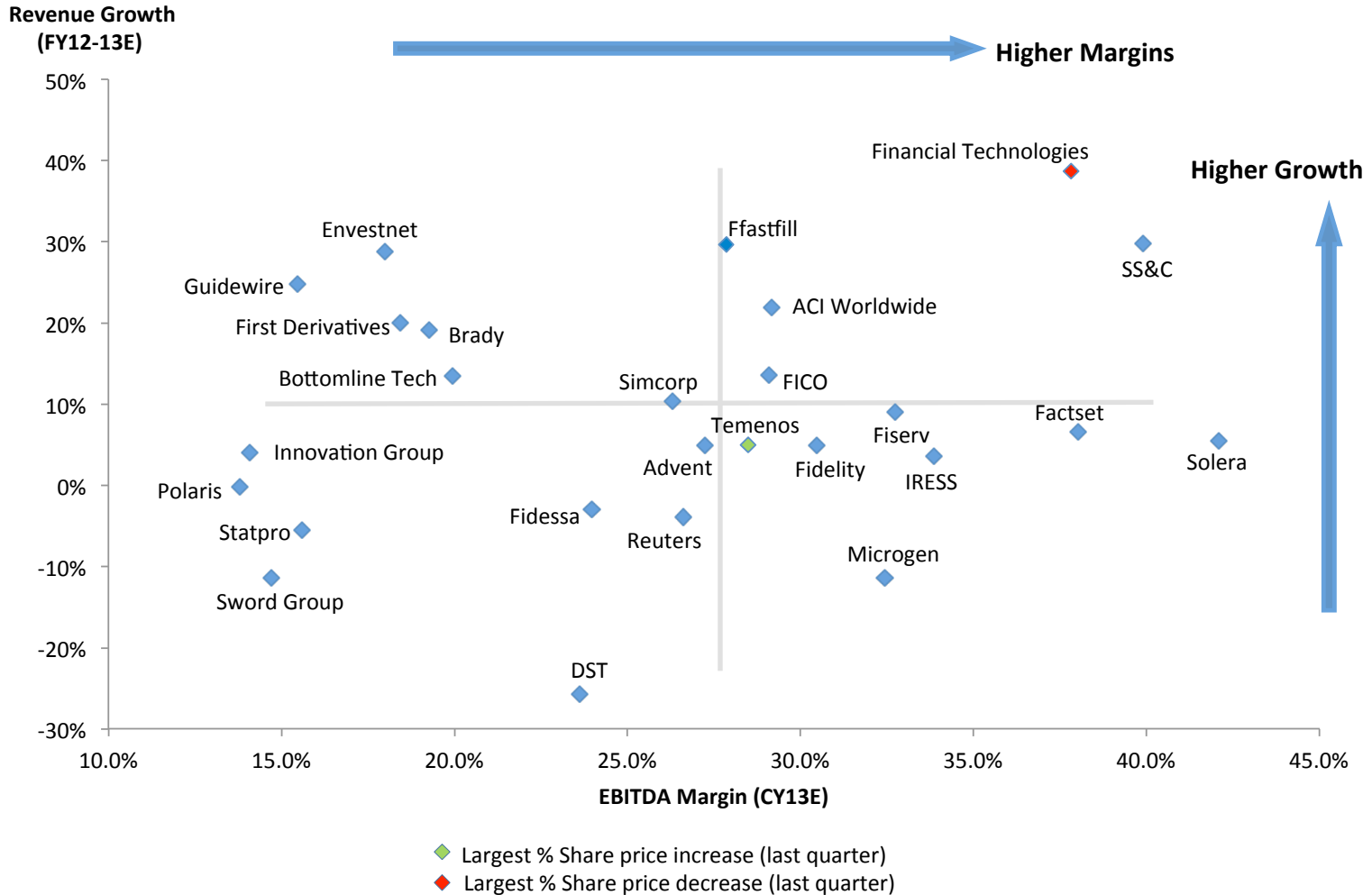
EV/Revenue CY E



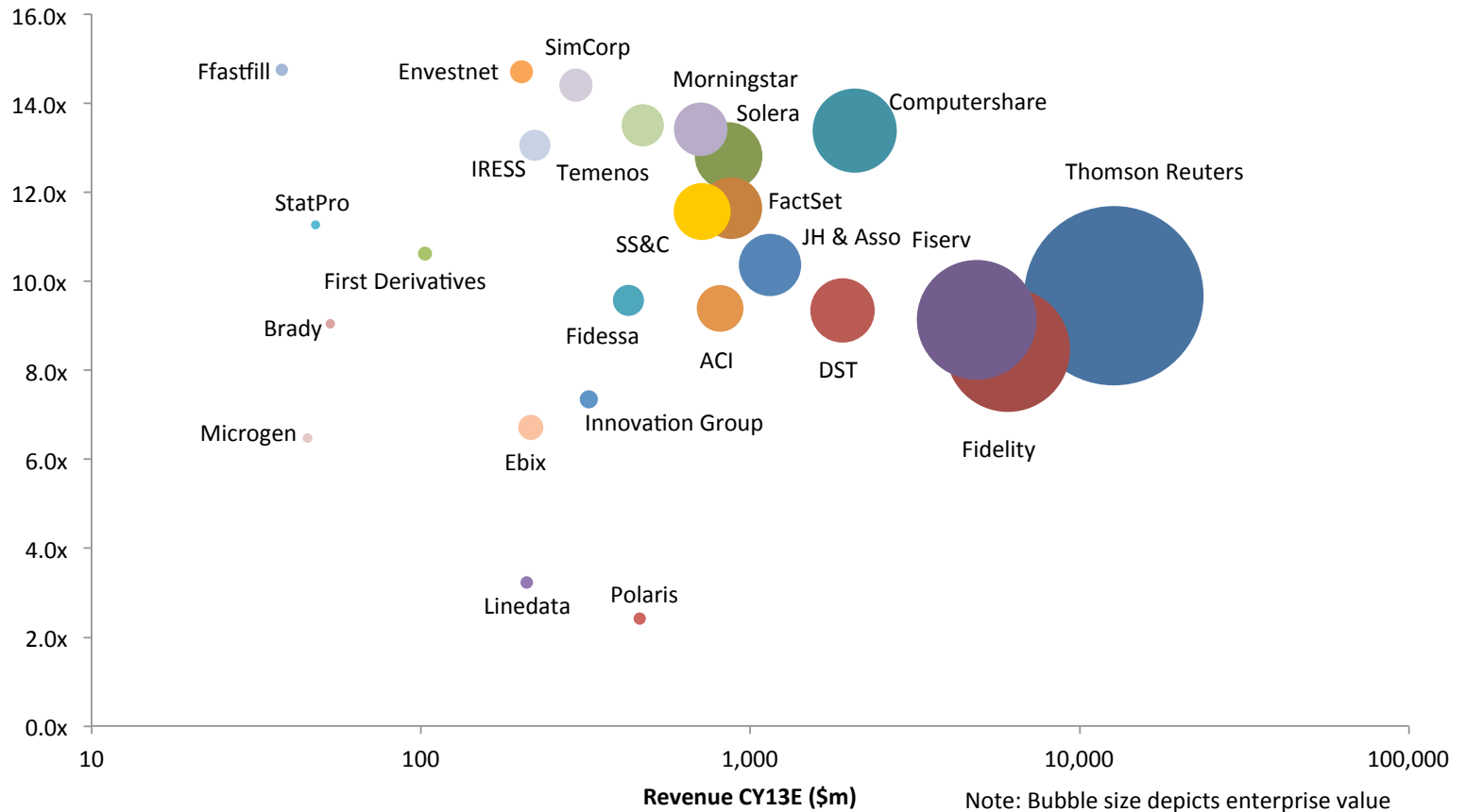
EV/EBITDA CY E

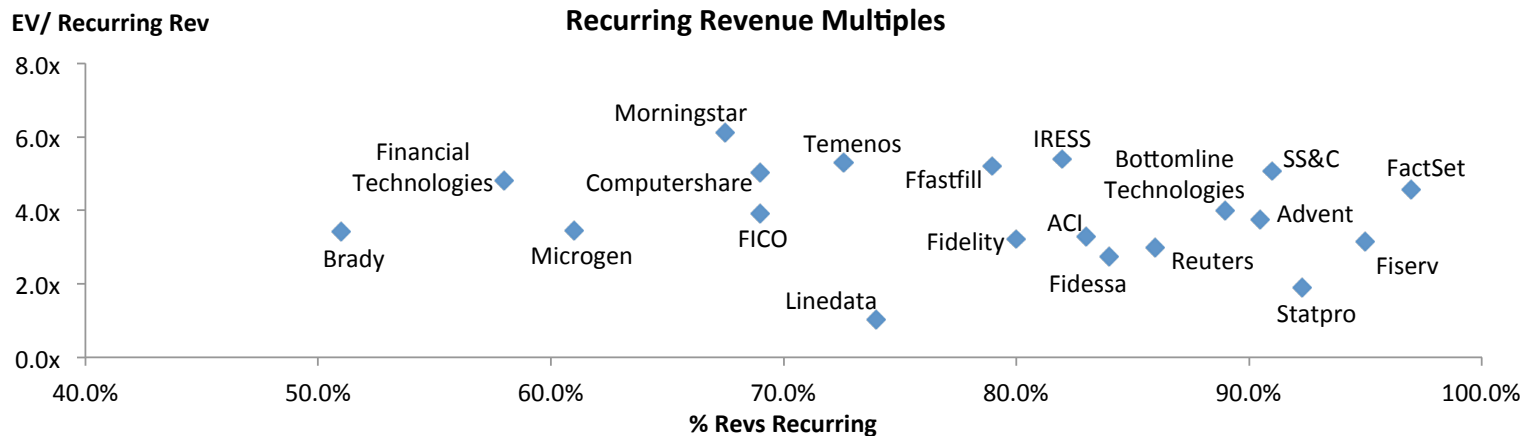
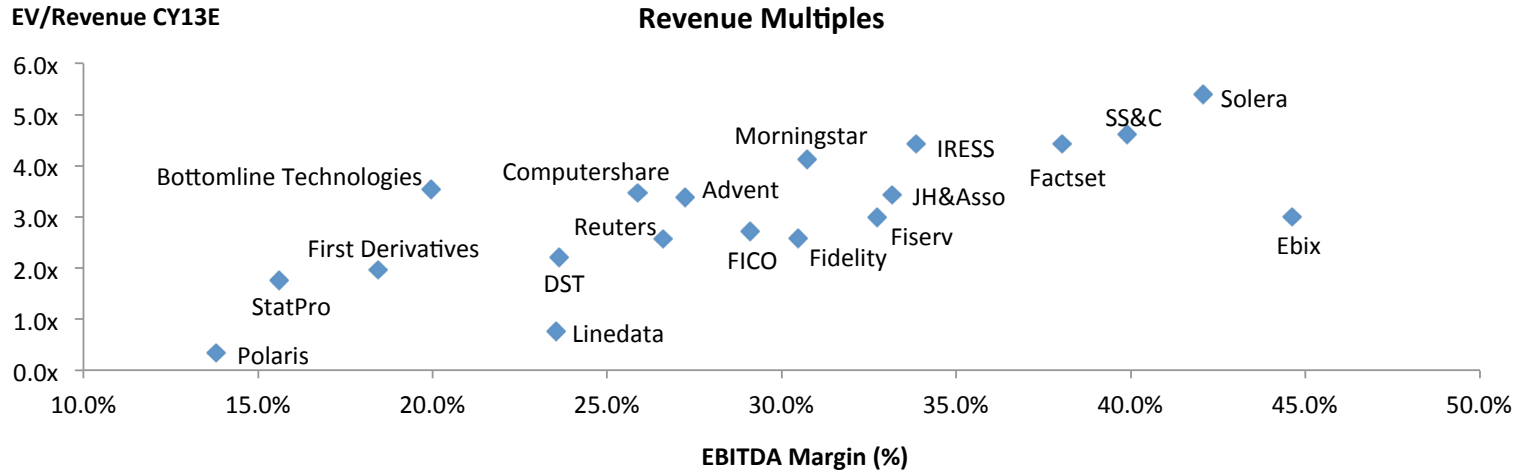


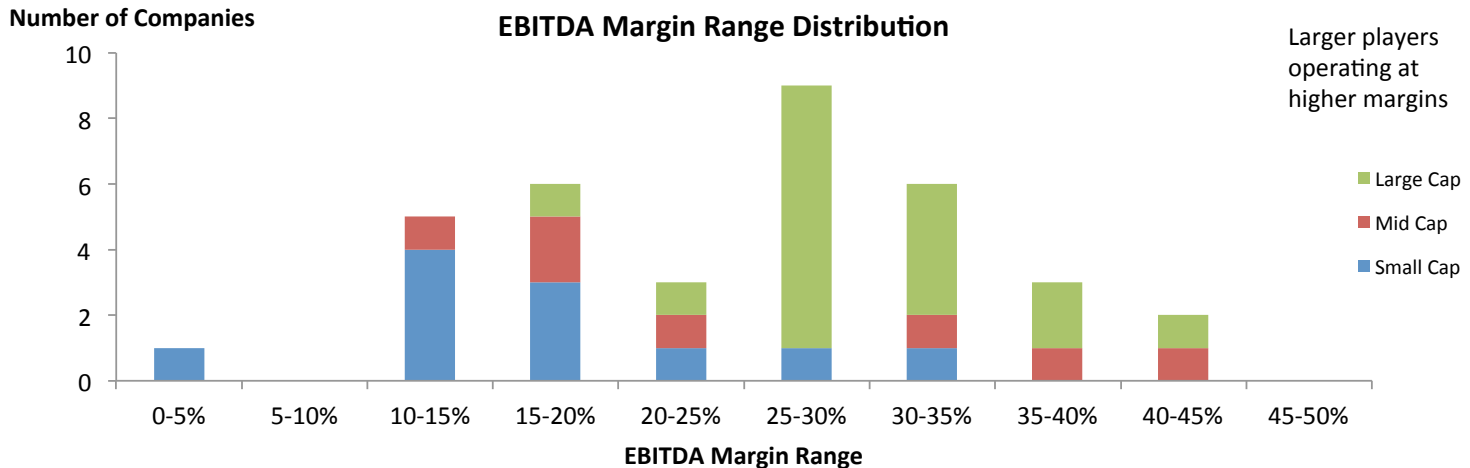
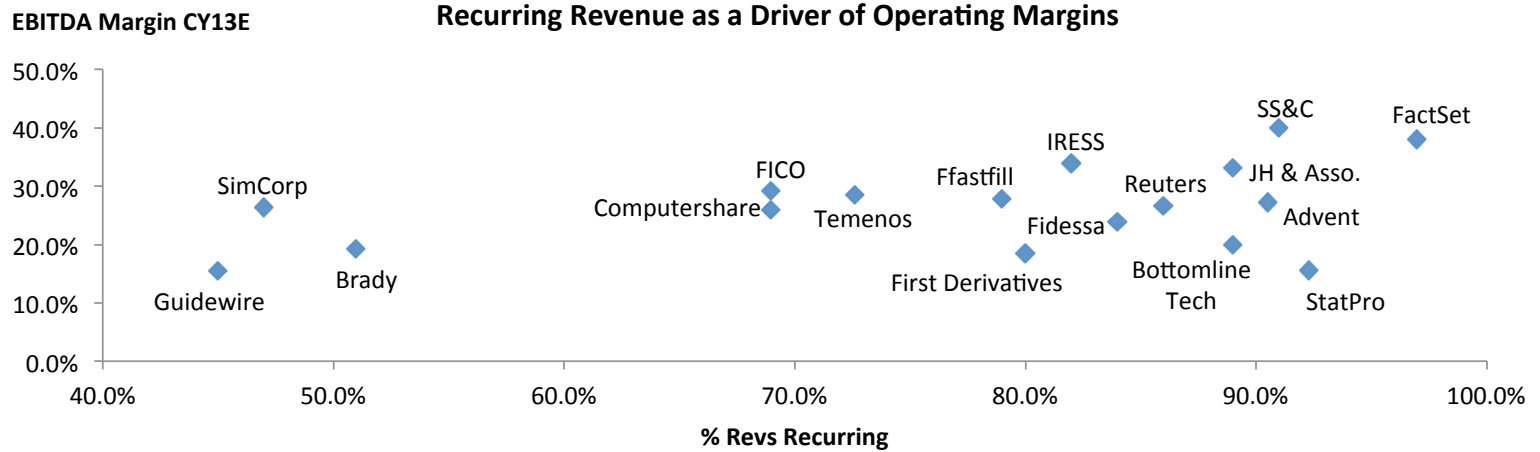
Performance Quadrants: Revenue Growth & Operating Margin



EV/EBITDA CY13E







Selected Financial Technology Deals – First Quarter 2013

Date Announced	Buyer	Seller	Seller Description	Deal Size	Seller Revenue/ Profit	Revenue Multiple	Target Sector	Commentary
26/03/2013	Dovetail Insurance	NetComp Insurance	Worker compensation policy and related insurance quote software as a service (SaaS)	Not disclosed	n/a	n/a	Insurance	Dovetail has been supplying systems to NetComp since 2010. The acquisition enables the companies to provide an efficient, seamless way for program managers to bring new insurance products to the market.
22/03/2013	Temenos	TriNovus	Retail and commercial banking management SaaS and compliance services for the US financial services market	c\$2.25M	\$17M /	0.13x	Banking	Combining Temenos' rich product suite and existing experience in the US market with TriNovus' client base, products and expertise will create a unique proposition in the US financial services market.
20/03/2013	icubic	HighQIT [Dell]	Financial IT consulting and systems integration services for the operational banking sector in Europe	Not disclosed	n/a	n/a	Banking	Both companies see the acquisition as the logical consequence of a long standing co-operation, allowing efficient product integration.
11/03/2013	BITSS Global [dba Bevertec]	Gresham Computing Canada [Gresham Computing]	Banking and lending solutions predominantly to the Caribbean banking and financial institution market	\$0.75M	\$2.9M	0.3x	Banking	The takeover will allow BITSS Global to focus on the Caribbean market.
7/03/2013	SAP	Camilion Solutions	Health, property and homeowners' insurance policy configuration, administration and underwriting software for insurance agencies in North America	Not disclosed	n/a	n/a	Insurance	The acquisition broadens SAP's position in the insurance sector and positions them in the emerging markets.
5/03/2013	Insurity	AQS	Policy administration software for commercial property and casualty insurance carriers throughout the US	Not disclosed	n/a	n/a	Insurance	With this acquisition, Insurity is now positioned with an even stronger market offering. The combination of a modern platform, rich insurance content, and extensive industry experience creates a compelling value proposition for insurers.
27/02/2013	Open GI	PowerPlace Insurance Services [Towergate]	Online marketplace for commercial insurers and brokers	\$553.5M	\$69.24M	8.0x	Insurance	Open GI is the largest supplier of broking and underwriting systems to Towergate who have over 1,000 users. The transaction will serve to secure and enhance their IT platform and future systems development.
20/02/2013	Volaris Group [Constellation Software]	Information Distribution & Marketing	Web-based property and casualty insurance management and policy administration software for the US insurance sector	Not disclosed	n/a	n/a	Insurance	The acquisition is Volaris' first in the insurance vertical and is part of their ongoing aim to invest into businesses for the long term.
18/02/2013	Rubik Financial	Provisio Technologies	Investment portfolio management and financial planning SaaS for corporations and individuals in the UK and Australia	\$517M in cash and shares	n/a	3.0x EBITDA	Investment	The acquisition of Provisio will place Rubik as a market leader in the provision of scaled wealth advice software in the superannuation fund market. This will complement its existing leadership position in the institutional market for wealth advice software
14/02/2013	Linedata Services	CapitalStream [HCL Technologies]	Loan origination and processing SaaS and systems integration services for the financial sector	\$45.0M	\$30.0M /	1.5x	Lending	The deal significantly improves Linedata's position in North America, whilst also strengthening their capabilities in the lending and leasing area.
14/02/2013	Capsilon	Paperless Office Solutions [dba DocVelocity] [Flagstar Bancorp]	Mortgage loan document management SaaS that enables financial institutions to automatically sort, process and share documents	Not disclosed	n/a	n/a	Lending	The companies have been working together since 2007, and view the acquisition as mutually beneficial, allowing both to focus on replacing inefficient paper-based processes in mortgage lending with an innovative technology solution.

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14/02/2013	Pattington [ION Trading]	FFastFill	Develops and supplies software solutions to support live risk managed access to electronic exchanges	£79.5M for 74.9%	£23.5M / £3.95M 2013 (E)	4.5x	Trading	The deal comes a year after Pattington bought out UK screen-dealing software house Patsystems. While Patsystems and FFastFill will operate on a standalone basis, the Pattington directors "believe that there are also a number of strategic opportunities that could arise in the future which could extend the current scale and reach" of the pair.
13/02/2013	Cardtronics	i-design group	ATM technology and services providing customer interface advertising software for financial institutions and terminal owners in the UK	£8.5M in cash	£3.3M / £0.2M	2.6x	Retail banking	The acquisition creates opportunity for additional international expansion without significant capital investment.
11/02/2013	London Stock Exchange Group	GATElab	Provides advanced trading and post trade services technology	Not disclosed 67% stake	Euro4.5M /	n/a	Trading	The acquisition aligns with London Stock Exchange Group's stated strategy to grow and diversify its business, and further enhances the Group's expertise and leadership in trading and post trade technology
6/02/2013	BlueKite USA	RedCycle Networks	Develops bill payment technology solutions	Not disclosed	n/a	n/a	Payments	BlueKite are confident that the acquisition will bring together a leading proprietary technology platform and an experienced team.
5/02/2013	iPipeline	Rolling Solutions [dba XRAE]	Health insurance underwriting software for brokers	Not disclosed	n/a	n/a	Insurance	The acquisition adds value to iPipeline's portfolio and allows the business to succeed in a demanding market place.
5/02/2013	lpreo Holdings [KKR]	Debtomain	Web-based syndicated loan administration and management software for the financial sector	Not disclosed	n/a	n/a	Lending	Syndicated loan solutions are a natural extension to lpreo's Capital Markets business, allowing the company to cover all types of syndicated products.
4/02/2013	Avalara	Tax Technology Services	Developer of CertCapture tax exemption certificate management SaaS and outsourced tax compliance management services	Not disclosed	n/a	n/a	Tax	The acquisition strengthens Avalara's position as the market leader for certificate management and allows them to provide industry leading solutions across the entire service based compliance platform.
1/02/2013	Solera Holdings	HyperQuest	Web-based automobile insurance claims auditing, subrogation and auto parts inventory management software	Not disclosed	n/a	n/a	Insurance	Solera views the deal as a demonstration of their on going commitment to leveraging the power of their global platform to invest in diversifying technologies that strengthen their core and deliver differentiated, high-ROI products and services.
31/01/2013	Fidelity National Information Services [dba FIS]	mFoundry	Mobile payment processing SaaS for small- to medium-sized retailers and financial institutions	\$120M in cash for 78%	n/a	n/a	Payments	The acquisition supports FIS' strategy to invest in new innovation, and creates one of the leading mobile entities in the financial services space.
31/01/2013	ACI Worldwide	Online Resources	Online banking and full service bill pay solutions	\$286.2M in cash and shares	\$161.7M / \$14.8M	1.8x	Banking	The deal strengthens ACI's online banking capabilities with complementary technology, and expands the company's leadership in serving community banking and credit union customers.
30/01/2013	Davis + Henderson	Compushare	Provides technology management support services and compliance solutions for the financial services sector	Not disclosed - majority investment	n/a	n/a	Compliance	The deal follows D&H's existing investment into Compushare, and is expected to lead to further expansion in North America.

Selected Financial Technology Deals – First Quarter 2013

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23/01/2013	Eze Software Group [TPG Capital]	ConvergEx - Eze Castle Software and RealTick divisions [fka Eze Castle Software]	Securities trade order management and execution management software	Not disclosed, in cash	n/a	n/a	Trading	Eze Software Group will bring together the comprehensive, industry-leading product offerings and global market expertise of Eze Castle Software, RealTick, and Tradar into a single platform, for a seamless workflow from front to back office.
23/01/2013	Eze Software Group [TPG Capital]	Tradar	Investment portfolio management software which provides features for accounting, reporting, and risk and compliance management	Not disclosed	n/a	n/a	Investment	Eze Software Group will bring together the comprehensive, industry-leading product offerings and global market expertise of Eze Castle Software, RealTick, and Tradar into a single platform, for a seamless workflow from front to back office.
23/01/2013	MSCI	Investor Force	Investment portfolio performance analytics SaaS for market data aggregation and reporting	\$23.5M in cash	n/a	n/a	Investment	Both companies see the deal as a way of strengthening the network between assets owners, investment consultants and managers globally.
18/01/2013	CoreLogic Systems	CDS Business Mapping	GIS-based property risk management SaaS for insurance carriers and brokers	\$78.0M in cash	n/a	n/a	Insurance	The acquisition is expected to further enhance CoreLogic's position as a leading supplier of geo-spatial property data and analytics to the property & casualty insurance (P&C), real estate, telecommunications, public utility, oil and gas industries as well as government agencies.
18/01/2013	ION Trading	Financial Software Systems	Investment portfolio management software for the financial sector globally	Not disclosed	n/a	n/a	Investment	Financial Software Systems see the deal as a way to significantly enhance their ability to serve clients worldwide.
17/01/2013	First Advantage Corp	LexisNexis Risk Solutions [Reed Elsevier]	Content enabled workflow solutions primarily for the risk information industry	Not disclosed	n/a	n/a	Risk	With this deal, First Advantage Corp believe they will be able to transform how employers select and screen their employees.
14/01/2013	Springbrook Software	KVS Information Systems	ERP and bill payment processing software for municipalities in the US	Not disclosed	n/a	n/a	Payments	The partnership will help Springbrook to strengthen its national presence and competitiveness in regional markets, as well as providing cloud based ERP solutions to local governments.
14/01/2013	Fiserv	Open Solutions [Carlyle Group/ Providence]	Provider of collaborative, enterprise core account processing technology for banks, thrifts and credit unions	\$55.0M in cash plus \$960.0M debt	c\$75.0M /	c0.7x	Banking	The deal adds technology solutions to Fiserv, brings a base of high-quality account processing clients, and provides new opportunities for Open Solutions clients to create value for their customers and members.
14/01/2013	Wall Street Systems	IT2 Treasury Solutions [fka SimCorp Treasury Solutions]	Corporate treasury management software for businesses in a range of sectors globally	c£60.0M-£75.0M	c£20.0M /	c4.0x	Treasury	The deal will allow IT2 Treasury Solutions to continue its successful operations as part of a larger group.
9/01/2013	Insight Venture Partners	Street Response Laboratories [dba SR Labs]	electronic-trading solutions for the global financial services industry	\$53.0M in cash for 51%	n/a	n/a	Trading	The investment will help SR Labs to accelerate its growth outside of North America, and to continue to fund product innovation.
9/01/2013	Gabelli Securities International	Horizon Research Advisors	Investment research and advisory services and solutions	Not disclosed	n/a	n/a	Content	GSI see the acquisition as of strategic value and a way to further expand in the emerging markets.

Selected Financial Technology Deals – First Quarter 2013

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7/01/2013	SunGard [Silver Lake Partners]	XcitekSolutionsPlus [dba XSP]	Corporate actions processing SaaS which calculates the effects of splits and dividends on brokerage accounts	Not disclosed	n/a	n/a	Investment	Both companies see the acquisition as a step to enhancing the breadth of offering to customers in securities processing, accounting and servicing.
4/01/2013	LexisNexis [Reed Elsevier]	Knowledge Mosaic	Online information resources to the securities and financial services industries	Not disclosed	n/a	n/a	Content	The acquisition will accelerate the pace of LexisNexis' content acquisition and product and technology innovation.
3/01/2013	Triple Point Technology [Welsh, Carson, Anderson & Stowe/JMI Equity]	WAM Systems [Edison Ventures]	Supply chain planning and optimization solutions for process manufacturing industries including oil and gas, polymers, CPG, food and beverage, pharmaceuticals, and chemicals	Not disclosed	n/a	c3.0x	Supply chain	The acquisition positions Triple Point to deliver comprehensive planning and optimization solutions for businesses.
2/01/2013	CVC Capital Partners	Cerved Group	Credit data and business intelligence information for the financial sector and businesses in Italy	€1.13BN	€292.0M /	3.9x	Content	The acquisition forms part of Cerved's on going strategy to pursue growth both organically and through acquisitions in order to improve quality of services.
1/01/2013	eMoneyServices [eMoney Group]	Haguess	Software solutions, system integration and program operations for electronic payment program operations	Not disclosed (stake)	n/a	n/a	Payments	The acquisition will enable eMoney Group to set up both a client services base for expansion as well as a technology centre within the Czech Republic.

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