



Financial Technology Sector

Quoted Company Analysis

Second Quarter 2013

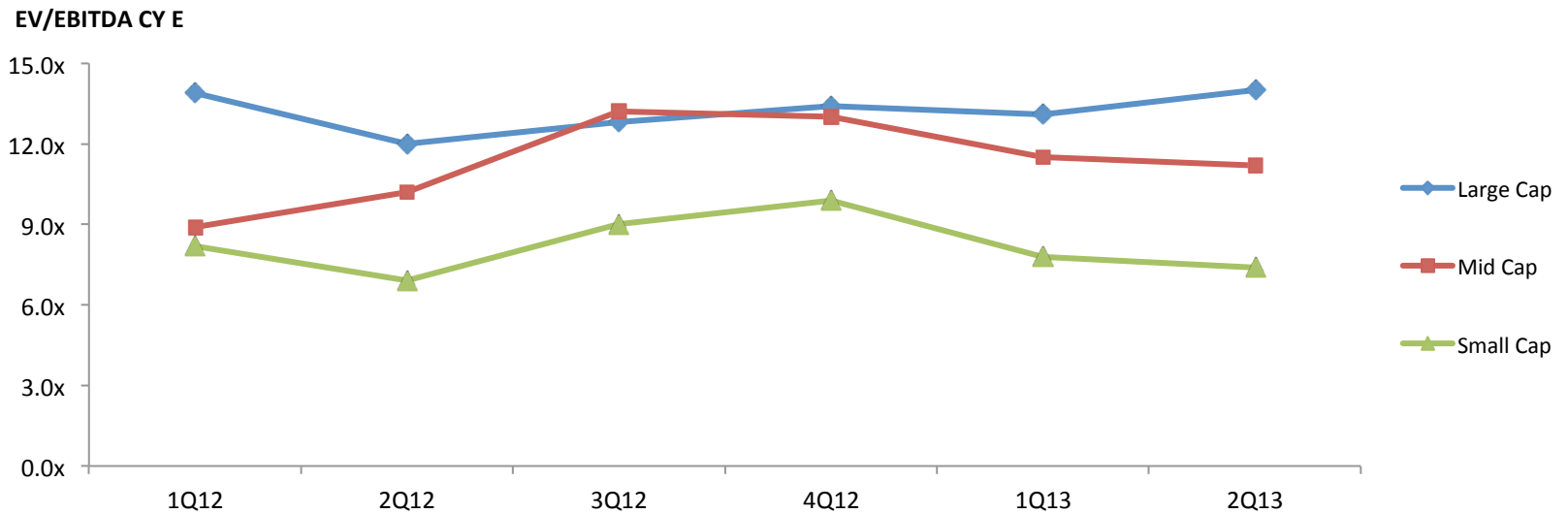
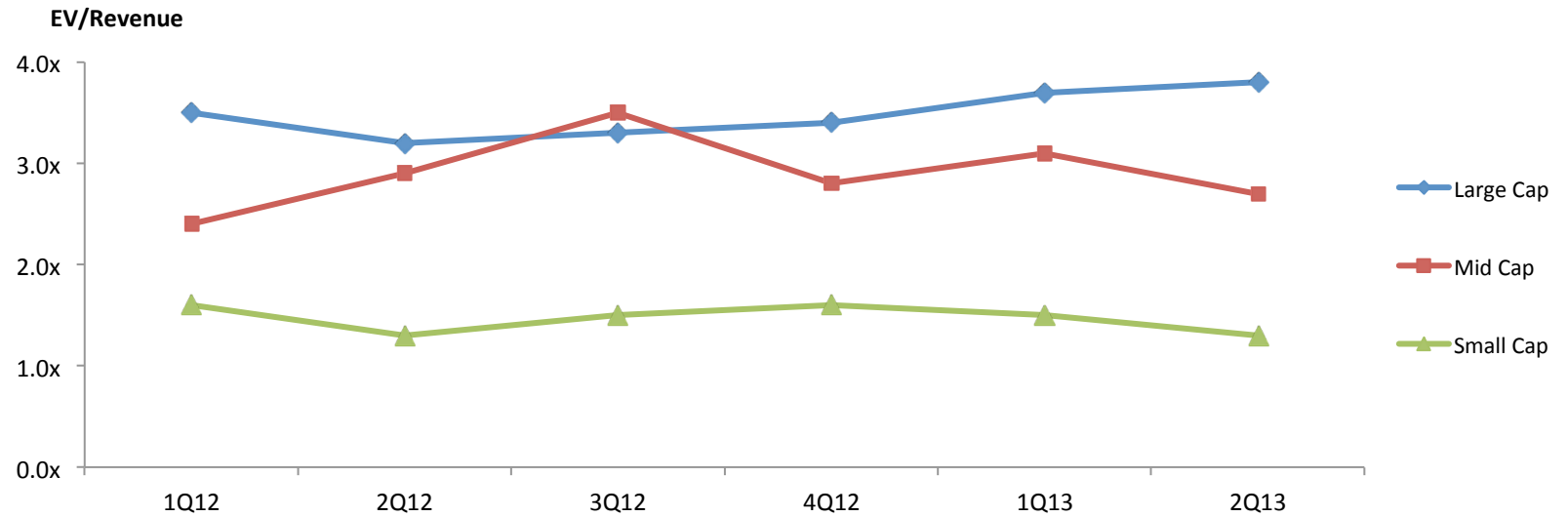
Sector Valuation Metrics

Company	Share Price Local	Market Cap (\$m) ⁽¹⁾	Net Debt (\$m) ⁽²⁾	Enterprise Value (\$m)	Revenue		EV/Revenue		EV/Revs	EV/EBITDA		Revenue Growth		EBITDA Margin		% Revs
	30-Jun-13				CY13E (\$m)	CY2012	CY2013E	Recurring	CY2012	CY2013E	CY2012	CY2013E	CY2012	CY2013E	Recurring ⁽³⁾	
Selected Large Cap																
Thomson Reuters	32.57	27,008	5,930	32,938	12,717	2.5x	2.6x	3.0x	9.4x	9.7x	-3.8%	-4.2%	26.5%	26.7%	86%	
Fidelity National Information Services	42.84	12,533	4,040	16,573	6,099	2.9x	2.7x	3.4x	9.5x	8.9x	3.2%	5.0%	30.0%	30.5%	80%	
Fiserv	87.41	11,640	2,872	14,512	4,853	3.2x	3.0x	3.1x	10.3x	9.2x	3.3%	8.3%	31.5%	32.3%	95%	
Computershare	10.27	5,210	1,312	6,522	2,064	3.4x	3.2x	4.6x	14.3x	12.1x	12.7%	12.3%	23.8%	26.0%	69%	
Solera	55.65	3,834	638	4,472	863	5.5x	5.2x	na	12.9x	12.2x	15.4%	5.6%	42.5%	42.4%	na	
FactSet	101.94	4,484	(203)	4,281	878	5.2x	4.9x	5.0x	13.7x	12.9x	10.9%	6.5%	38.0%	37.8%	97%	
Jack Henry & Associates	47.13	4,058	(26)	4,033	1,165	3.8x	3.5x	3.9x	11.5x	10.5x	6.2%	9.1%	32.6%	33.1%	89%	
SS&C	32.90	2,664	926	3,590	718	6.5x	5.0x	5.5x	16.8x	12.6x	48.8%	30.0%	38.7%	39.7%	91%	
DST Systems	65.33	2,868	524	3,393	1,950	1.3x	1.7x	na	9.1x	7.6x	7.9%	-24.3%	14.5%	22.8%	na	
Morningstar	77.58	3,607	(321)	3,286	706	5.0x	4.7x	6.9x	17.0x	15.1x	4.3%	7.2%	29.4%	30.9%	68%	
Guidewire Software	42.05	2,414	(206)	2,208	318	8.5x	6.9x	15.4x	63.4x	46.6x	34.5%	28.0%	13.4%	14.9%	45%	
ACI Worldwide	46.48	1,834	298	2,132	893	3.2x	2.4x	2.9x	13.6x	8.4x	43.3%	34.0%	23.5%	28.4%	83%	
FICO	45.83	1,644	405	2,049	777	2.9x	2.6x	3.8x	9.9x	8.3x	9.2%	13.0%	29.6%	31.8%	69%	
Temenos	23.10	1,759	98	1,857	476	4.1x	3.9x	5.4x	17.2x	13.3x	-4.9%	5.8%	24.0%	29.4%	73%	
Advent Software	35.06	1,802	(136)	1,666	378	4.6x	4.4x	4.9x	21.2x	20.6x	10.0%	5.4%	21.9%	21.4%	91%	
SimCorp	170.00	1,289	(78)	1,212	301	4.5x	4.0x	8.6x	18.6x	15.9x	-0.8%	11.8%	24.2%	25.4%	47%	
Average									16.8x	14.0x			27.7%	29.6%	77.3%	
Total (Large Cap)		88,648	16,074	104,722												
Selected Mid Cap																
Fidessa	19.28	1,092	(117)	975	432	2.2x	2.3x	2.7x	7.9x	9.7x	-1.0%	-2.1%	27.9%	23.2%	84%	
Bottomline Technologies	25.29	957	(125)	832	267	3.5x	3.1x	3.5x	21.2x	15.1x	18.4%	13.6%	16.3%	20.6%	89%	
IRESS Market Technology	7.50	886	(58)	828	196	3.9x	4.2x	5.2x	10.7x	12.4x	1.6%	-8.8%	36.1%	34.0%	82%	
Envestnet	24.60	797	(30)	767	230	4.9x	3.3x	17.5x	49.3x	20.7x	27.7%	46.3%	9.9%	16.1%	19%	
Financial Technologies India	779.30	602	(101)	501	177	3.9x	2.8x	4.9x	17.8x	7.5x	29.7%	40.4%	21.9%	37.6%	58%	
Ebix	9.26	344	44	388	210	1.9x	1.8x	2.3x	4.5x	4.7x	18.0%	5.3%	43.2%	39.1%	80%	
Innovation Group	0.28	419	(42)	376	321	1.2x	1.2x	na	10.1x	8.3x	8.1%	2.8%	12.2%	14.1%	na	
Average									17.4x	11.2x			23.9%	26.4%	68.7%	
Total (Mid Cap)		5,098	(429)	4,669												
Selected Small Cap																
First Derivatives	5.73	155	39	194	104	2.2x	1.9x	2.1x	12.1x	9.7x	21.6%	19.0%	18.5%	19.2%	89%	
Linedata Services	17.40	177	(2)	175	216	0.9x	0.8x	1.1x	3.9x	3.5x	-3.1%	16.5%	23.9%	23.4%	74%	
Bravura Solutions	0.26	146	24	171	na	1.3x	na	na	7.9x	8.3x	9.3%	na	16.5%	na	51%	
Sword Group	11.87	143	(11)	132	138	0.9x	1.0x	na	6.1x	6.5x	-30.3%	-8.8%	14.3%	14.8%	na	
Microgen	1.44	181	(52)	128	45	2.5x	2.8x	4.6x	7.9x	8.7x	-17.6%	-11.2%	31.5%	32.5%	61%	
Polaris Software	114.30	191	(65)	126	418	0.3x	0.3x	0.6x	2.4x	2.3x	-3.2%	0.7%	12.3%	13.2%	51%	
vwd	2.90	97	(3)	95	na	0.8x	na	na	12.5x	na	-0.6%	na	6.7%	na	na	
StatPro	0.84	86	(6)	80	50	1.6x	1.6x	1.7x	5.1x	10.4x	-0.3%	-2.4%	30.5%	15.5%	92%	
Brady	0.72	88	(13)	75	55	1.7x	1.4x	2.7x	8.5x	7.1x	45.2%	23.5%	19.7%	19.3%	51%	
COR&FJA	0.79	43	22	65	180	0.4x	0.4x	1.9x	-5.6x	10.1x	-6.6%	2.4%	-6.7%	3.6%	19%	
Dion Global	18.50	20	26	46	na	1.0x	na	na	11.9x	na	23.0%	na	na	na	na	
Average									6.6x	7.4x			16.7%	17.7%	61.0%	
Total (Small Cap)		1,327	(41)	1,286												
Sector Total		95,073	15,604	110,677												

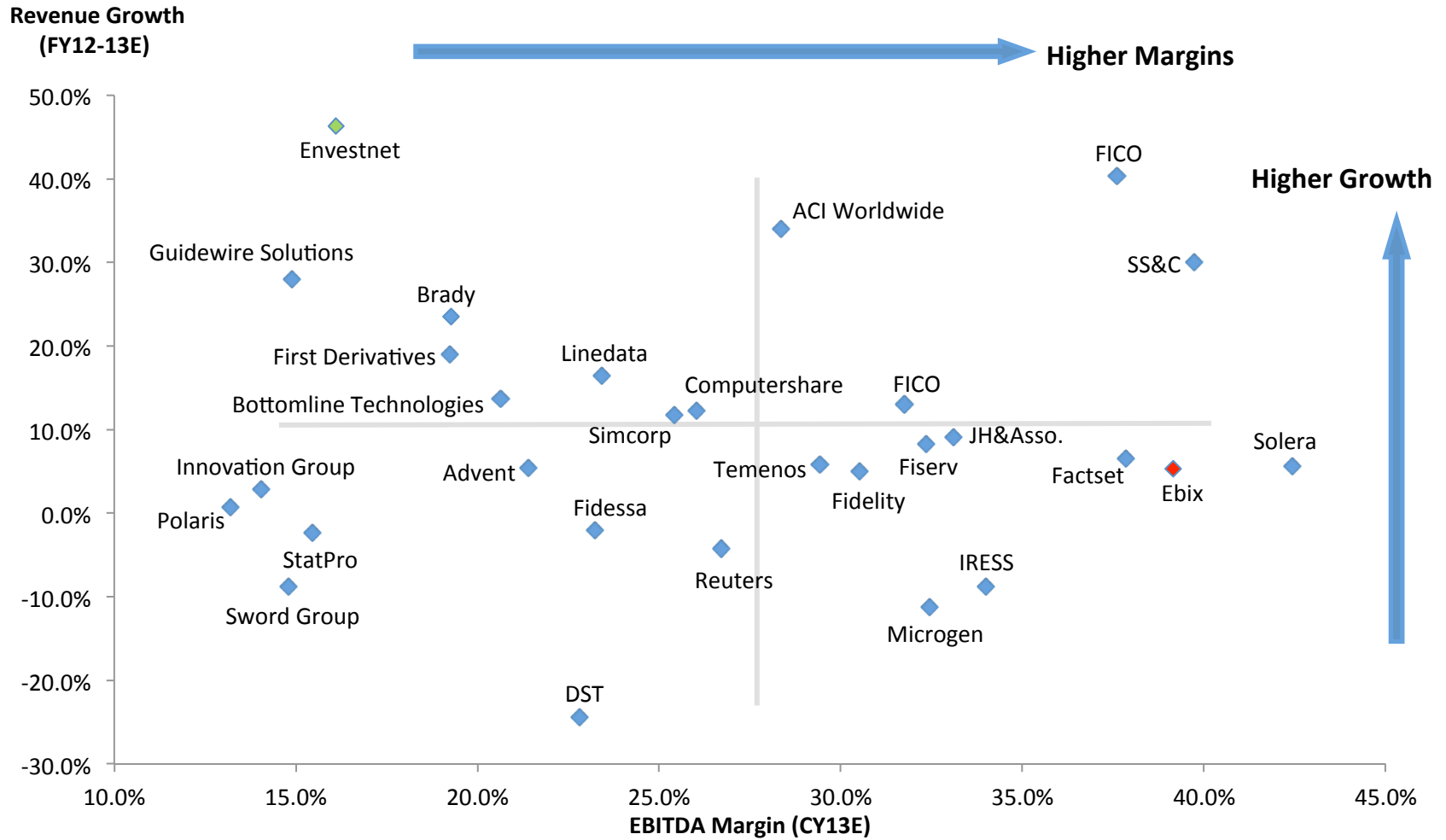
(1) Excludes treasury shares

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

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

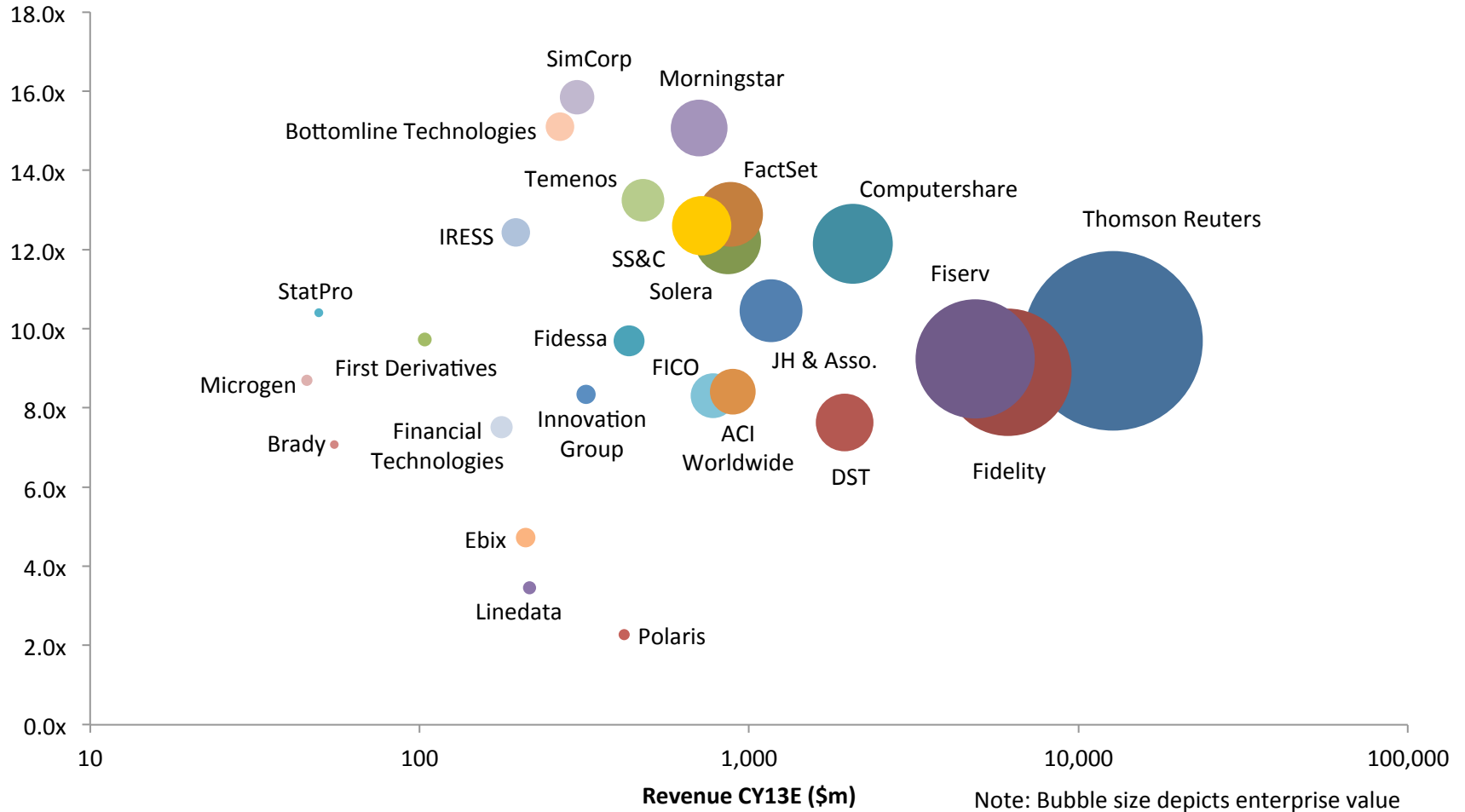


Performance Quadrants: Revenue Growth & Operating Margin

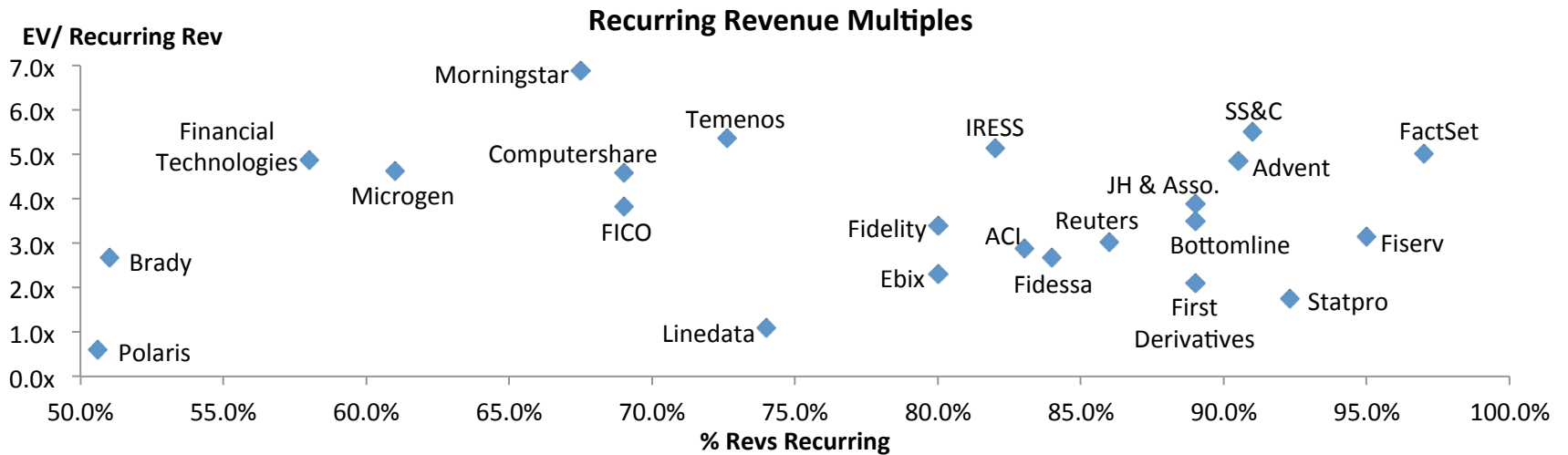
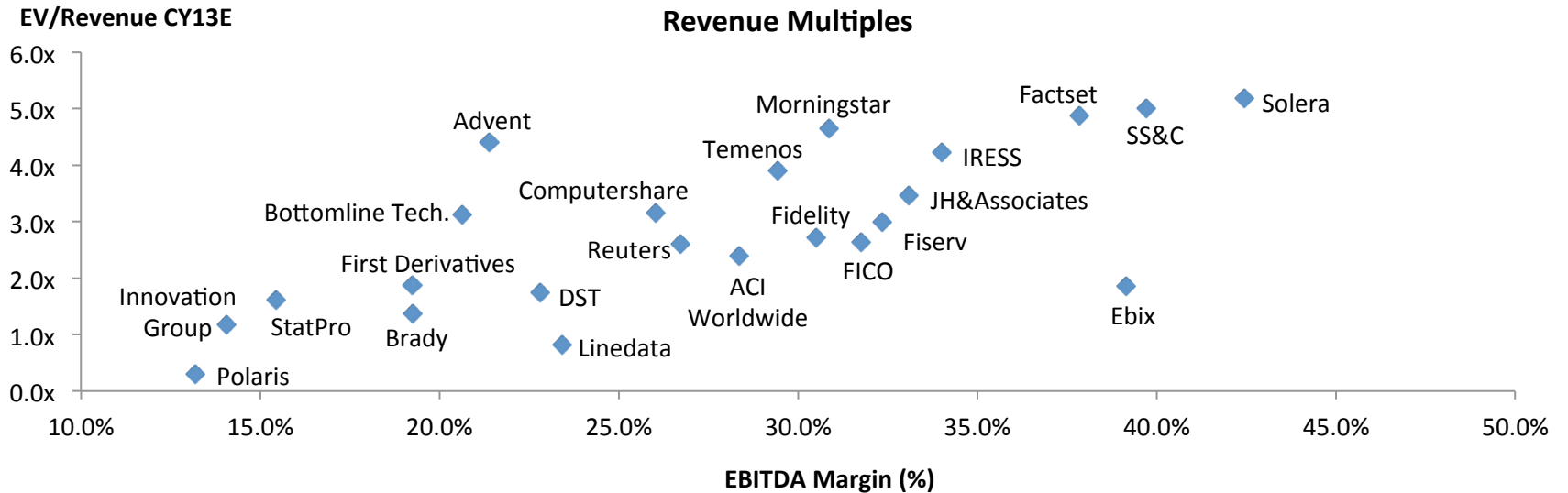


- ◆ Largest % Share price increase (last quarter)
- ◆ Largest % Share price decrease (last quarter)

EV/EBITDA CY13E

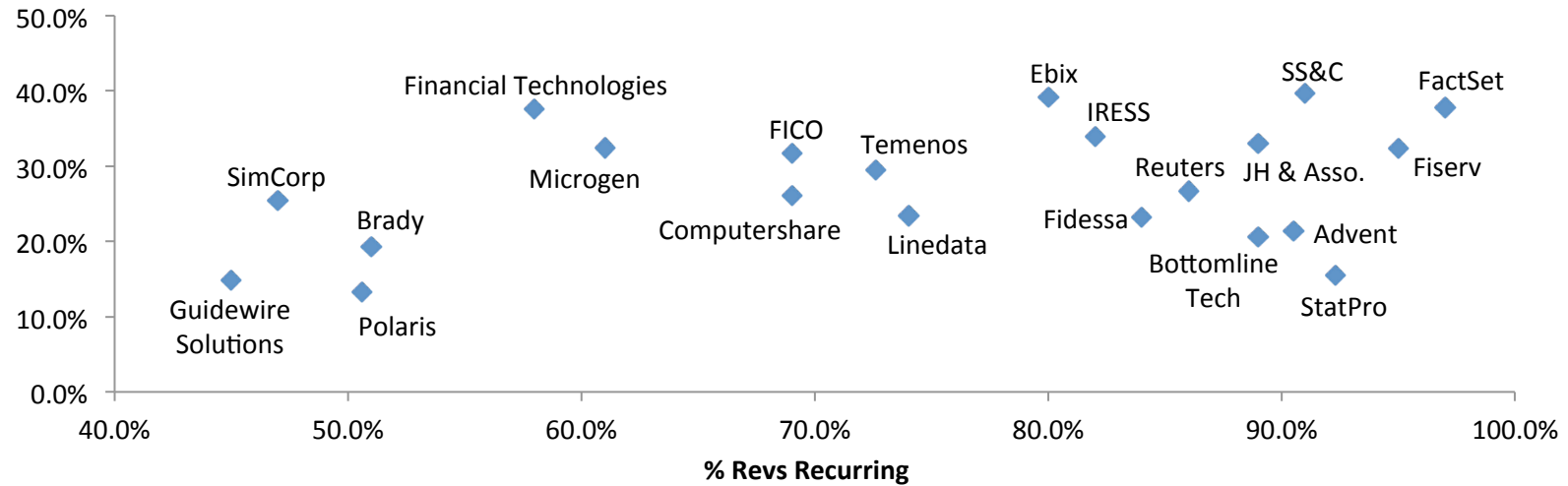


Operating Efficiency and Recurring Revenue as Value Drivers



EBITDA Margin CY13E

Recurring Revenue as a Driver of Operating Margins

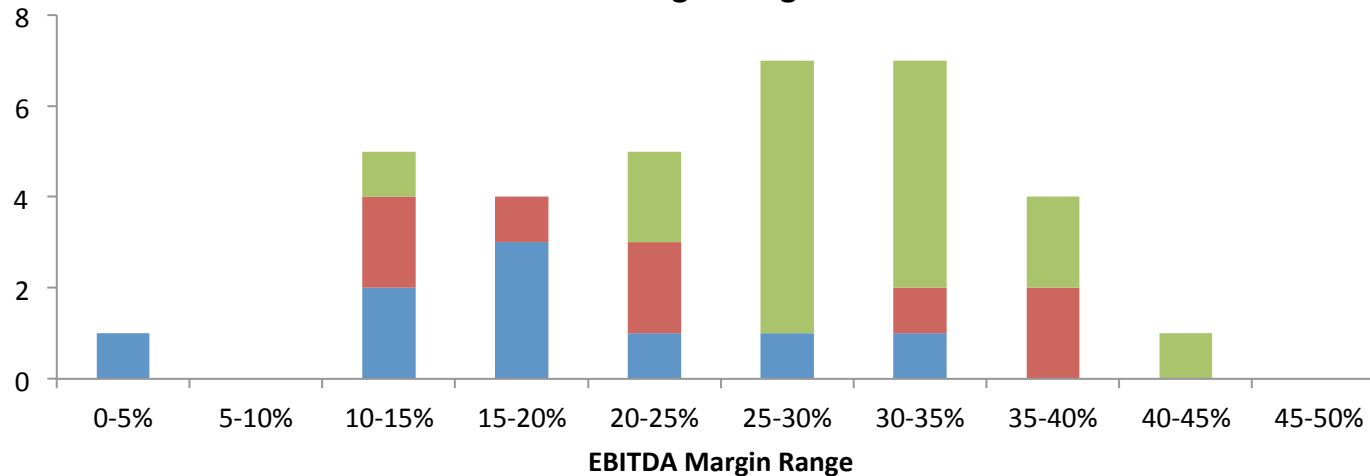


Number of Companies

EBITDA Margin Range Distribution

Larger players operating at higher margins

- Large Cap
- Mid Cap
- Small Cap



Financial Technology Deals – Second Quarter 2013

Date Announced	Buyer	Seller	Seller Description	Deal Size	Seller Revenue/ Profit	Revenue Multiple	Target Sector	Commentary
28/06/2013	Private Group Led by Ironbridge Capital	Bravura Solutions	Consulting services and superannuation, pension, life insurance, investment and portfolio management software for financial institutions worldwide	A\$246M in shares	n/a	n/a	Financial products	The partnership arises from an existing strong relationship between the two companies and is viewed as a 'best fit' from both a cultural and technology perspective
26/06/2013	Broadridge Financial Solutions	Bonaire Software Solutions	ERP and BI software, including revenue and expense management, fee billing, receivables management and collections with payment matching, and analytics to investment managers, mutual funds, wealth managers, banks, trusts and capital markets	Not disclosed	n/a	n/a	Asset management	The combination of Broadridge's and Bonaire's solutions will help create the transparency, automation and audit trails that firms need as they respond to increasing regulation
17/06/2013	Innovative Market Analysis	MetaStock [assets]	BI analytics software and stock analysis software for institutional and individual stock traders	Not disclosed	n/a	n/a	Trading	Innovative MarketAnalysis view the acquisition as 'an easy decision'. Clients will be offered the same services as previously, with more programmers focused on improving the MetaStock product and capabilities
17/06/2013	Markit	Global Corporate Actions Validation Service (Depository Trust & Clearing Corporation)	GCA Validation Service is used by brokerage firms, banks, hedge funds, investment managers and service providers to ensure accurate and timely processing of corporate actions	Not disclosed	n/a	n/a	Trading	The acquisition expands Markit's reference data offering and the company's ability to provide managed services to the global financial markets
13/06/2013	Software AG	Apama (UK) (Progress Software)	Complex event processing (CEP) software for use in financial trading and transaction processing applications, and related anti-fraud software	\$45.0M in cash	\$20.0M / \$(2.8)m	2.3x	Trading	The acquisition is consistent in Software AG's focus to expand its business line for integration and process software. This deal will enable Apama to fully serve the market for large enterprises, as it was initially designed for
11/06/2013	TIBCO Software	StreamBase Systems [fka Grassy Brook]	BI analytics and reporting software for use in analysing streaming data in real-time for businesses. Also provides complex event processing (CEP) software	\$50M (est) in cash	£20M / n/a	2.5x	Content	The combination extends TIBCO Software's event- processing abilities and provides opportunity for the company to address a growing number of use cases for data in motion- both in financial services and beyond
11/06/2013	Eckoh	Veritape	Payment Card Industry Data Security Standards compliant call recording software solutions and on-premise secure payment solutions	£10.6M (£5.2M in cash, £1.1M in shares and earnout up to £4.3M)	n/a	n/a	Payments	Veritape's established call recording solutions will be combined with Eckoh's speech recognition platform to assist with answering an increasing demand for speech analytic solutions
06/06/2013	Thomson Reuters Corporation	Pricing Partners	Online OTCBB derivatives analytics content for the investment sector globally through www.pricingpartners.com	Not disclosed	n/a	n/a	Content	Through Pricing Partner's deep localised capabilities across Europe, Thomson Reuters will be able to further develop their leading global position in independent evaluated pricing
03/06/2013	The Gores Group	Etrali Trading Solutions (France Telecom Orange)	Automated dialling software for use in stock-trading applications for the investment and finance sector	Not disclosed	n/a	n/a	Trading	The acquisition will enable Etrali Trading Solution to broaden its product portfolio and provide the increasing amount of service that customers demand

Financial Technology Deals – Second Quarter 2013

Date Announced	Buyer	Seller	Seller Description	Deal Size	Seller Revenue/ Profit	Revenue Multiple	Target Sector	Commentary
30/05/2013	GFT Technologies	Sempra	IT consultancy and outsourcing services for commercial and private banking clients	80% stake, not disclosed	Euro44.0M / Euro4.1M	n/a	Banking	GFT view the acquisition as a 'perfect fit' as Sempra's portfolio complements their existing products. It will also provide GFT with a presence in the Italian market
28/05/2013	Fidelity National Financial	Lender Processing Services	Mortgage loan origination software and SaaS for the real estate sector globally. Software provides features for risk and compliance management, document and invoice management and BI	\$2.9BN	\$2.0BN / \$0.2BN	1.5x	Mortgages	The deal arises from an existing relationship between FNF and LPS. It is expected to create a larger, more diversified and recurring revenue base for FNF
28/05/2013	EFT Group	PayTrue Solutions (Versailles Group)	Transaction fraud detection and payment card issuance management software for businesses in Latin America	Not disclosed	n/a	n/a	Fraud detection	The deal provides EFT Group with an opportunity to expand its South American operations whilst also fulfilling the shareholder's desire for a liquidity event
26/05/2013	Panda Trading Systems	Polar IO Software	Binary trading software for businesses in the investment industry	Not disclosed	n/a	n/a	Trading	Panda TS will be able to enrich its current offering of binary trading software solutions by offering customers the Polar IO Risk Management toolkit
22/05/2013	LexisNexis Group (Reed Elsevier)	Sheshunoff & AS Pratt brands and businesses (Thompson Media Group)	Print and electronic publishing services and information to financial and legal professionals in the banking industry	Not disclosed	n/a	n/a	Content	The addition of the two brands will enhance the LexisNexis portfolio of banking and compliance information, ensuring a complete selection from one source
21/05/2013	Rubik Financial	Visor Desktop software assets (Macquarie Bank)	Visor Desktop software assets, which provide financial planning software for financial institutions in Australia	Not disclosed	A\$3.5M / n/a	n/a	Financial planning	The acquisition broadens Rubik's presence into the IFA market, making it the sole provider of COIN based solutions in the market
20/05/2013	Wolters Kluwer Tax, Accounting & Legal [aka CCH]	Prosoft Tecnologia	ERP software for accounting firms in Brazil with features for electronic invoice management, accounting, BI and payroll management	Not disclosed	n/a	n/a	Accounting	The acquisition will allow Prosoft to offer customers greater value whilst also enabling Wolters Kluwer Tax & Accounting to rapidly establish a significant presence in Brazil and advance its move into cloud-based collaborative solutions
20/05/2013	VASCO Data Security International	Cronto	Provides security solutions for Internet banking	£14.7M	n/a	n/a	Banking	VASCO expects that Cronto will contribute greatly to VASCO's future innovation efforts. This is due to Cronto's knowledge and expertise in advanced statistical data analysis and machine learning algorithms that underpins high speed and reliability of image based transactions as well as its close ties with the University of Cambridge
16/05/2013	Tick Data management/ Tactex F1 Private Equity Fund	Tick Data (Person Worldwide)	Subscription-based, online historical stock market data for the investment and finance sector, and related data management software	Not disclosed	n/a	n/a	Content	The buyback is seen as logical by both companies and will enable Tick Data to become the world's central repository of historical intraday time series data

Financial Technology Deals – Second Quarter 2013

Date Announced	Buyer	Seller	Seller Description	Deal Size	Seller Revenue/ Profit	Revenue Multiple	Target Sector	Commentary
13/05/2013	Guidewire Software	Millbrook	Data migration and data management systems integration services for the property and casualty insurance. Also provides a mobile insurance agency BI application	\$18.5M in cash and shares	n/a	n/a	Insurance	Guidewire will be better placed to serve Property/Casualty insurers' data management and business intelligence needs
09/05/2013	Oracle Corporation	Oracle Financial Services Software [fka i-Flex Solutions]	IT solutions and knowledge processing services to the financial services industry worldwide	INR14.4BN for 5.3% stake	n/a	n/a	Banking	The transaction is viewed as a logical evolution of an already established partnership. The banking software market is currently highly fragmented and the deal will enable the companies to fully meet customer needs
06/05/2013	Aklero Risk Analytics	NYLX	Mortgage loan data analytics SaaS that enables financial institutions to monitor and manage loan performance and risk	Not disclosed	n/a	n/a	Mortgages	The merger of Aklero and NYLX enables clients to benefit from a seamless solution that reduces risk and formally tracks and reports on loan quality and performance metrics at various stages of the life of the loan
03/05/2013	Temasek	Markit Group	Provides comprehensive and reliable data for risk management and credit pricing	\$500M (£331.9M) for 10% stake	£486.0M / £54.9M	6.8x	Risk	Temasek's investment in Markit will enable it to strengthen its position and profile in Asia
02/05/2013	Dealogic	Junction RDS	Online UK corporate equity research and analysis content for the investment and finance sector through www.junctionrds.com	Not disclosed	n/a	n/a	Content	The acquisition will further enhance the Dealogic product set by providing clients with greater transparency into ownership of UK equities
02/05/2013	Backstop Solutions	PerTrac CMS product (eVestment)	Specialized CRM tool built exclusively for the institutional investment community from eVestment, provider of comprehensive institutional investment data and intelligence solutions	Not disclosed	n/a	n/a	Investment	The acquisition enables Backstop to expand their growth and presence in New York, London and within the entire alternative investment community
29/04/2013	oneZero Financial Systems	Capital Market Access Partners	Financial trade execution systems integration and application hosting services for the investment and finance sector in the US	Not disclosed	n/a	n/a	Trading	The introduction of CMAP's infrastructure, personnel, and client base will allow oneZero to cater its software solutions to a wider range of brokerages. oneZero will be launching a new division—oneZero Hosted Services—with an array of new services
24/04/2013	Synechron	Double Effect	Provides management consultancy services specialising in strategy translation and implementation for financial services sector	Not disclosed	n/a	n/a	Services	The acquisition will enable Synechron to add Double Effect's management consulting expertise to its own strengths and leadership in high-end technology consulting and delivery
22/04/2013	TheStreet	DealFlow Media [online database and newsletter properties]	Online database and newsletter properties, which provide online financial reference and analysis content for businesses. Transaction includes The DealFlow Report, The Life Settlements Report and the PrivateRaise database	Not disclosed	n/a	n/a	Content	The Deal Pipeline currently provides subscribers with coverage of large and mid-cap M&A transactions. This acquisition will enable it to add small cap finance transactions to its news coverage, and as a result is seen as a 'natural fit' by both sides

Financial Technology Deals – Second Quarter 2013

Date Announced	Buyer	Seller	Seller Description	Deal Size	Seller Revenue/ Profit	Revenue Multiple	Target Sector	Commentary
19/04/2013	Eka Software Solutions	EnCompass Technologies	Energy commodity trade management for the investment and finance sector globally. Software provides features for risk management and analytics and trade execution	Not disclosed	n/a	n/a	Trading	The synergy between the Eka and EnCompass product suites will mean that Eka is in a position to deliver a more comprehensive ETRM suite to customers
18/04/2013	Quindell Portfolio	Iter8	Web-based property and casualty policy administration software for the insurance sector in Canada and the US. Software enables agents to generate policy quotes and change and underwrite policy quotes	\$31.8M (\$3.8M in cash plus earnout up to \$28.0M)	n/a	n/a	Insurance	This transaction adds 40 major North American customers, a very experienced regional management team and a major opportunity to cross-sell solutions to Quindell Portfolio
15/04/2013	Computershare	INVeSHARE	Provides shareholder communications and voting technology to institutional investors	A\$9.6M for a 25% stake	n/a	n/a	Investment	The complementary nature of Computershare's investor communications and INVeSHARE's technology services will produce benefits to all clients
12/04/2013	Envestnet	Prudential Investments [Wealth Management Solutions Division]	Helps financial services firms develop and enhance wealth management offerings	\$33.0M (\$10.0M in cash and earnout up to \$23.0M)	n/a	n/a	Wealth management	The acquisition of WMS confirms Envestnet's leadership in managed account solutions, and expands their reach into the Canadian market
09/04/2013	Victory Networks	SailFish Systems	Financial trading network integration services for the UK financial sector in the US. Also provides application and colocation hosting services	Not disclosed	n/a	n/a	Trading	The merger will significantly enhance Victory Networks' ability to serve a greater geographical region, it will also lower latency and increase the speed of financial transactions
07/04/2013	Ebix [fka Delphi Information]	Qatarlyst (Qatar Financial Centre Authority)	Insurance and reinsurance policy quotation and placement SaaS for the insurance sector in Europe and the Middle East	Not disclosed, in cash	n/a	n/a	Insurance	The merger is viewed as a positive outcome for all parties. Ebix state it is a 'strategic' acquisition as it places the company in a position where it will be able to power the electronic trading platform for the insurance industry in the UK and Middle East, whilst also providing services on a utilities basis
02/04/2013	Fair Isaac Corporation [aka FICO]	Infoglide Software	Entity analytics SaaS for enterprises in the retail, banking, insurance, government, data and information providers and law enforcement sectors. Software enables identity protection, anti-money laundering and anti-fraud applications through real-time social network analysis	\$7.0M in cash	n/a	n/a	Fraud detection	The acquisition will allow FICO to gain a strong foothold in the government sector for integrated fraud management solutions, and can extend its advanced analytics into the areas of network risk assessment, security and compliance
01/04/2013	NASDAQ OMX	BGC Partners [eSpeed platform]	eSpeed platform provides electronic securities, treasuries and stock trading software for financial market customers globally. Also provides mobile trading software	\$750.0M in cash	\$100.0M / n/a	7.5x	Trading	NASDAQ OMX view the eSpeed platform as an extension of their strategic direction and the acquisition will further their stated diversification strategy

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