

Q3 2023

Financial Technology Sector M&A Review



Introduction

In this report, we look at the emerging trends and notable M&A transactions in Financial Technology during the third quarter of 2023.

- Payments experienced an unusually high level of M&A in the quarter, with 45 companies in this sector acquired, representing 24% of total deals reported.
- Overall, deal volumes increased in Q3 vs Q2 2023, with 190 in the current quarter versus 123 in the prior period.
- Average deal values, where reported, also saw a significant increase, with six transactions valued in excess of \$1 billion.
- Public company valuations, on average, stayed flat during the quarter.
- Overall, the M&A market for Financial Technology saw a marked increase in activity in most sectors, despite a challenging macroeconomic environment.



Technological advancements such as artificial intelligence, machine learning, data analytics, and automation are at the core of FinTech's growth.

Data and Analytics spark renewed interest compared to Q2

The third quarter of 2023 saw a notable rise in Data and Analytics M&A deals, sporting a whopping 225% increase compared to the previous quarter.

As generative AI and machine learning models are becoming an ever more pervasive presence in the FinTech Sector, it is not surprising to witness an increase in interest in data & analytics software. In order to train cutting-edge machine learning and AI models, companies need access not only to big pools of unstructured data, but also to high-quality data analytic tools and AI developer teams, helping turn harvested data into meaningful, actionable information both for businesses and consumers.

Companies that adopt modern technology, harness cognitive learning insights from a myriad of data points, use them to develop innovative products, streamline processes, and personalise the customer experience, are likely to be the victors in the increasingly machine learning dominated Fintech space.

Acquisitions in this space include MSCI's acquisition of Burgiss, Provider of portfolio management software and data analytics designed to streamline investments. The company's products feature portfolio monitoring and reporting, performance measurement and benchmarking, cash flow forecasting, document management, investor administration and exposure analysis. .

Investments in generative AI platforms still on the rise

Generative Artificial Intelligence and Machine Learning platforms are helping deliver a crucial change in human-digital interaction, driving customer engagement, digital transformation, risk and compliance and cybersecurity. It remains 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. Stripe is already utilizing GPT-4's enterprise beta for various operational tasks, e.g., fraud prevention, customer issue triage, streamlining, and many more.

It is likely that generative AI will facilitate "digital financial concierges" in the near future, with digital assistants completing tasks such as checking budgets, disputing charges, paying bills or sending remittances, instead of humans.

Acquisitions in this vertical include CreditPoint Software, developer of credit risk management software designed to provide commercial credit risk and collections management services. The company's software manages counterparty risk and shorter cash conversion cycles to provide cash forecasting, and robust analytics reporting to reduce errors. The company was acquired by Sidetrade.



The global AI in the FinTech market is projected to reach \$26.67 billion by 2026, expanding at a CAGR of 23.37% between 2021 and 2026. Such a rapid rate of growth indicates increasing importance of AI and machine learning in the industry.

Blockchain technology meets increasing demand from both financial and strategic players

Similar to Data and Analytics, Blockchain technology experienced a significant increase in deal volume in Q3, with an 189% increase in transactions compared to the previous quarter.

Blockchain-based distributed ledger technology is seen as holding vast potential, as it can be used to create worldwide transaction and settlement platforms not unlike an alternative payments network. These platforms are predicted to be not only fast and cost-effective, but also borderless and secure, thereby reducing the need for intermediaries and decreasing the time and cost of settling payments for both individuals and businesses.

One of the most significant blockchain trends in 2023 is a focus on interoperability between various blockchain networks and their respective cryptocurrencies and smart contracts. This allows easier transfer of data and assets between different platforms and protocols, enabling development of the blockchain ecosystem, as well as promoting wider use and utility of the technology.

An example of this trend can be seen in Binance Labs' acquisition of Pendle, blockchain platform that provides an automated market maker, allowing users to trade future revenue tokens while supporting multiple protocols and assets on one platform.

All-in-one platforms for payments, messaging and shopping, better known as “super apps”, are on the rise. They had a market value of \$78bn in 2023 and are predicted to expand to \$426bn by 2030.

Payments still a strong point of interest for the FinTech sector

The second quarter of 2023 has seen a sustained interest in financial technology payment platforms, with cross-border payments becoming increasingly important as the global economy becomes more interconnected. Fintech companies are developing new and innovative ways to make cross-border payments faster, cheaper, and more secure.

These companies are also focused on improving the customer experience, both for merchants and consumers. This includes providing faster and more convenient payment options, as well as better dispute resolution capabilities. They are increasingly looking to expand into emerging markets, such as Africa and Latin America. Such markets are experiencing rapid growth in digital payments, and fintech companies see them as a major opportunity for growth.

An example displaying these trends in the payments sector is US-based Visa's acquisition of Pismo, Brazil-based developer of a cloud-based payment processing platform. The company offers features including CRM, billing, acquiring network management, client acquisition, and credit analysis.

M&A Overview

This quarter saw 190 transactions in the Financial Technology sector, 110 of which we are highlighting in this report. The overall number of deals has increased substantially compared to the previous quarter, where the number of transactions was 123.

Aggregate disclosed deal values increased significantly compared with the previous quarter, with 6 deals that were ≥\$1bn in deal value, most notably Intercontinental Exchange’s acquisition of Black Knight for \$13.1bn.

Revenue multiples ranged between 1.1x to 36.4x with an average multiple of 8.4x across the deals that were disclosed. Like in the previous quarter, Payments accounted for the most deals at 24% followed by Banking Software at 17%. Blockchain saw a notable increase from 7% to 14% of all transactions this quarter. Asset and Wealth Management Software saw a notable decrease from 10% to 5% 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 also saw a noteworthy increase in deal volume.

Public Companies Overview

Q3 2023 saw a decrease in average revenue multiples from the previous quarter across mid cap companies, with an increase for large cap and small cap companies. As of September 30th, the average forward revenue multiple overall was 4.8x, going up to 6.2x 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 Alpha Financial Software, 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 84%.

FinTech Subsectors



Asset and Wealth Management Software

Systems developed for institutional asset and private wealth managers



RegTech

The use of technology to facilitate the delivery of regulatory requirements



Banking Software

Software that facilitates or enhances banking practices



ESG

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



Blockchain

Software and services related to the application of Blockchain technology



Treasury and Capital Markets Software

Software designed for all aspects of Treasury and Capital Markets



Data and Analytics

Companies providing data and specialised analytics to financial industry players



Other

All other company types within the financial technology spectrum



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

DEALS SNAPSHOT



Transaction Value: \$13.1bn



Transaction Value: \$4.6bn

MSCI



Transaction Value: \$697m

- Black Knight Inc provides software, data, and analytics solutions to the mortgage and consumer loan, real estate, and capital markets industry. The company's product portfolio includes software solutions to support loan origination, processing and servicing, and data and analytics solutions.
- The acquisition significantly strengthens ICE's mortgage technology ecosystem and extends its track record of digitizing vital networks.
- The combination will result in improvements in the mortgage lending process for borrowers and lenders by increasing automation and efficiencies that lower the cost of obtaining a mortgage, while harnessing data that can help current homeowners lower their monthly payments and lessen the likelihood of default.
- Together, the two companies will bring to life a true end-to-end solution for the mortgage manufacturing and servicing ecosystem, benefitting aspiring and current homeowners across the US.

- 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.

- Burgiss is a provider of portfolio management software and data analytics designed to streamline investments. The company's products feature portfolio monitoring and reporting, performance measurement and benchmarking, cash flow forecasting, document management, investor administration and exposure analysis.
- The acquisition provides MSCI with comprehensive data and deep expertise in all private assets, enabling investors to evaluate fundamental information, measure and compare performance, understand exposures, manage risk and conduct robust analytics.
- Together, the two firms combine best-in-class private market data and analytics with leading public market expertise.
- The acquisition reinforces commitment to driving innovation and improving transparency in global private asset investing.

M&A HIGHLIGHTS Q3 2023

\$44.0bn
Aggregate Deal Value

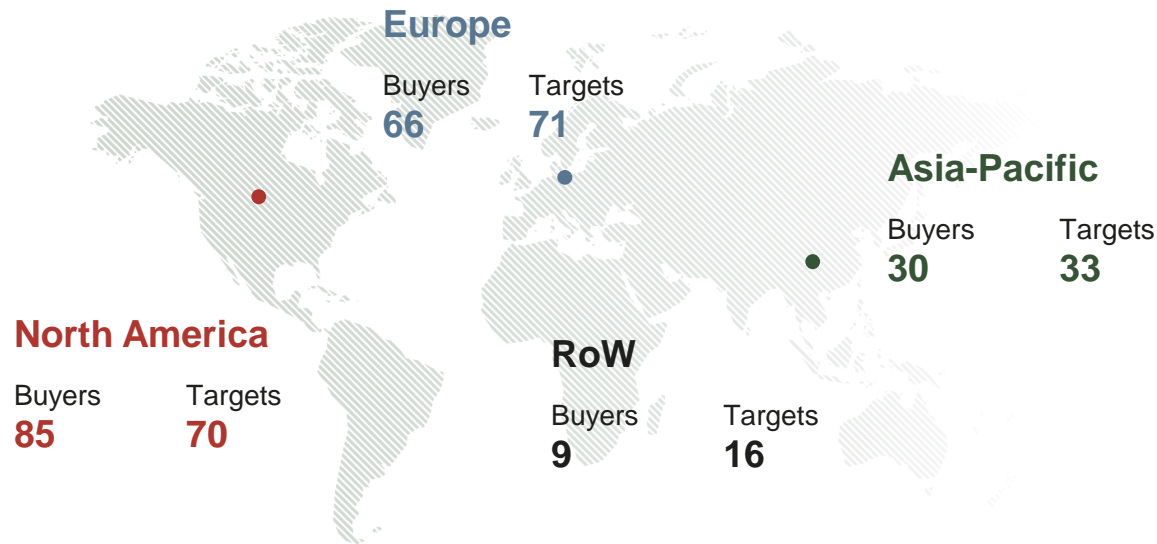
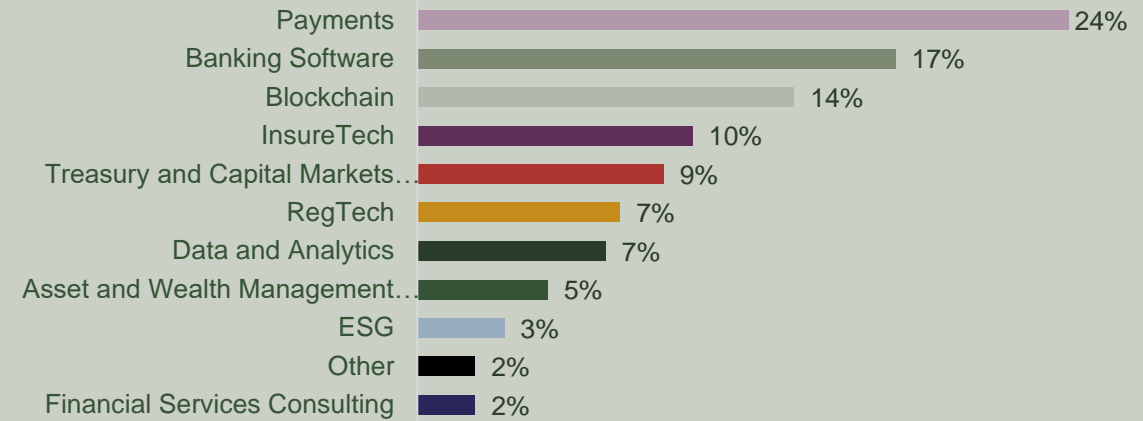
\$1.2bn
Average Deal Size

8.4x
Average Revenue Multiple

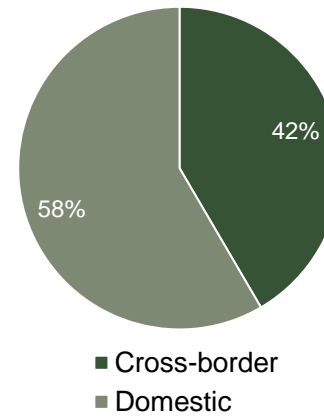
Deals by Volume



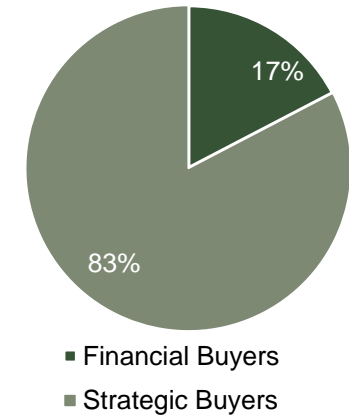
Deals by Subsector



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
Jul-23	Harvest Groupe (France)	ManyMore (France)	Developer of wealth management software intended to serve independent firms and major financial professionals.	nd	nd	nd	Harvest stated that their aim is "to conquer the European wealth management ecosystem."
Jul-23	GBST Holdings (Australia)	Advice Intelligence (Australia)	Developer of cloud-based financial planning software designed for helps financial advisers to deliver their experiences in an affordable and scalable manner.	nd	nd	nd	The acquisition further accelerates the acquirer's digital focused growth agenda and delivers enhanced capabilities with global application to its existing and future clients.
Aug-23	Mirae Asset Global Investments (South Korea)	Stockspot (Australia)	Developer of a digital investment adviser platform designed to offer investors expert investment and portfolio management advice.	19	nd	nd	The acquisition of Stockspot will allow Mirae to move towards becoming the leading provider of digital investment solutions in Australia.
Sep-23	Planscout (US)	SIPS Retirement Planning System (US)	Provider of financial software services based out of United States.	nd	nd	nd	With this acquisition, Planscout will offer its customers a more comprehensive suite of financial planning tools and services.
Sep-23	Deutsche Börse Group (Germany)	SimCorp (Denmark)	Provider of software solutions to asset management firms, wealth management firms, and other businesses in the financial services industry. The firm offers an integrated back-to-front customizable solution to support the investment management process.	4,601	606	7.6	With this acquisition, Deutsche Börse was able to expand its offerings, increase its market share, and enhance the customer experience. SimCorp's business complements Deutsche Boerse's data and analytics business, which creates a platform for investment management and boosts recurring revenue from subscriptions.



SELECTED TRANSACTIONS: BANKING SOFTWARE

DATE	BUYER	TARGET	DESCRIPTION	DEAL SIZE (\$'m)	TARGET REVENUE (\$'m)	REVENUE MULTIPLE (x)	TRANSACTION RATIONALE
Jul-23	Sidetrade (France)	Creditpoint Software (US)	Developer of credit risk management software designed to provide commercial credit risk and collections management services.	3	2	1.5	The acquisition will strengthen Sidetrade's market offering and position in North America and enhance Sidetrade's AI capabilities.
Jul-23	Atruvia (Germany)	ECON Application (Germany)	Provider of fintech services intended to serve the banks and insurance companies.	nd	nd	nd	The acquisition will expand Atruvia's portfolio of software solutions for banks and access ECON's expertise in software development and interpretation.
Jul-23	Stirling Square Capital Partners (UK)	Gestión Tributaria Territorial (Spain)	Provider of tax management services and software intended to deliver structured tax administration.	326	48	6.8	The acquisition allows Stirling Square to invest in a leading technology-enabled business with a strong market position and a clear growth trajectory.
Jul-23	Clear Street (US)	React Consulting Services (US)	Provider of bookkeeping-system support services catering to a group of banks and brokerage firms in Chicago.	nd	nd	nd	The acquisition accelerates Clear Street's product development timeline and brings it closer to a single platform for every asset class, in every country, and in any currency.
Jul-23	Bowmark Capital (UK)	Landscape (UK)	Developer of financing software intended to serve the global secured commercial finance market.	nd	nd	nd	The investment will help the company to shape the future of commercial lending and enable them to keep pace with customers' evolving needs.
Jul-23	Decentro (India)	Neowise Technologies (India)	Developer of stack collections technology platform catering to lenders and the collections industry.	nd	nd	nd	The acquisition will help Decentro to strengthen its position in India's digital lending ecosystem, allowing them to offer an end-to-end embedded banking & finance stack.



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DATE	BUYER	TARGET	DESCRIPTION	DEAL SIZE (\$'m)	TARGET REVENUE (\$'m)	REVENUE MULTIPLE (x)	TRANSACTION RATIONALE
Jul-23	Gurufin (Singapore)	Surge Mobile Access (Phillippines)	The company provides innovative technology solutions and services to simplify the movement of fiat and digital assets.	nd	nd	nd	Through the acquisition of Surge Mobile Access, Gurufin will provide utility bill payment, donation and international remittance services, agency banking services, bill payment and various payment services such as QR codes.
Jul-23	Evertec (US)	Sinqia (Brazil)	Sinqia develops software and provides information technology products and services for the financial industry.	600	127	4.7	The Sinqia acquisition is another step in Evertec's strategic transformation and the combination of the strong balance sheet, predictable cash flow, and knowledge of the region allows it to significantly expand its presence in Brazil.
Jul-23	Trans Switch Africa (Mauritius)	Direct Transact Group (South Africa)	Provider of financial SaaS solutions designed for banks and companies to launch financial products and solutions.	nd	nd	nd	The Company's strategy is to invest and/or to act as a catalyst in the consolidation of niche business providing managed outsourced account hosting, electronic transaction processing and ancillary services to the financial services industry.
Aug-23	Cerberus Capital Management (US)	Spring EQ (US)	Operator of a financial platform designed to offer visibility and access to home equity.	nd	nd	nd	The acquisition allows Cerberus to expand its portfolio of financial services companies and strengthen its market position in the home equity lending industry.
Sep-23	LucaNet (Germany)	Ementexx (Germany)	Developer of cloud-based banking software designed to provide services for corporate banking and payments, cash management and liquidity, e-invoicing, reconciliation, connectivity and transformation.	nd	nd	nd	The acquisition will allow the company to expand its solution portfolio for efficient and secure work in the financial area.



SELECTED TRANSACTIONS: BANKING SOFTWARE

DATE	BUYER	TARGET	DESCRIPTION	DEAL SIZE (\$'m)	TARGET REVENUE (\$'m)	REVENUE MULTIPLE (x)	TRANSACTION RATIONALE
Sep-23	IBTApps (US)	PowerLender (US)	Operator of financial software designed to offer services to mortgage banks, community banks, housing agencies, and lenders of all sizes.	10	nd	nd	This strategic move expands IBTApps' product portfolio and provides both their clients and the community banking sector with an in-house Loan Origination option that seamlessly integrates with their existing core and digital banking products.
Sep-23	Alpha Group (Luxembourg)	Cobase (Netherlands)	Operator of a multi-bank platform intended to offer access to all bank accounts and other financial products and services.	700	nd	nd	The funds will be used to boost the development of Cobase's multi-banking platform and further expand its network of commercial partners.
Sep-23	Constellation Software (Canada)	Optimal Blue (US)	Operator of an online mortgage marketplace platform catering to investors, lenders and originators	2,592	1,030	3.0	Constellation wants to support Optimal Blue's focus on serving clients and innovating as they continue to invest and keep their strong position as the leader in secondary marketing technology.
Sep-23	Silver Lake (US)	Software AG (Germany)	Provider of software solutions for the banking, communication and media, local and federal government, energy, insurance, transportation, retail, and manufacturing end markets.	nd	nd	nd	Silver lake will accelerate the execution of Software's strategy as they transition to a cloud first business and intensify focus on the cloud application and data integration market.
Sep-23	Maximus (Poland)	Honey Payment (Poland)	Developer of financial software intended to handle debts and optimize debt collection processes.	nd	nd	nd	The acquisition will allow Maximus to offer its customers a more comprehensive suite of government payment solutions.



SELECTED TRANSACTIONS: BLOCKCHAIN

DATE	BUYER	TARGET	DESCRIPTION	DEAL SIZE (\$'m)	TARGET REVENUE (\$'m)	REVENUE MULTIPLE (x)	TRANSACTION RATIONALE
Jul-23	Snowflake (US)	Nxyz (US)	Developer of blockchain data platform designed to empower entrepreneurs to build a quality web platform for all.	nd	nd	nd	With this acquisition, Snowflake was able to enter the blockchain data market, expand its data lake capabilities, and gain access to a team of experienced blockchain engineers.
Aug-23	Ayre Group (Antigua)	nChain (Switzerland)	Developer of block-chain infrastructure intended for gaming, food supply, capital market, retail supply, banking and government sectors.	570	nd	nd	Ayre Group's intentions are to accelerate the development of the company's IP library with the web3 startup seeking to spearhead the campaign for the transition from web2 to web3.
Aug-23	Deutsche Börse Group (Germany)	FundsDLT (Luxembourg)	Developer of a blockchain-based platform designed to connect transfer agent activities, payment systems and investors.	nd	nd	nd	The funds will be used to strengthen the company's platform and accelerate commercial development.
Aug-23	Securitize (US)	Onramp Invest (US)	Developer of a crypto asset integration platform intended to provide education, access, and tools to registered investment advisors (RIAs).	nd	nd	nd	The acquisition brings together two leading companies in the space and creates a one-stop shop for accredited and institutional investors who are looking to invest in digital assets.
Aug-23	Binance Labs (Hong Kong)	Pendle (US)	Developer of a blockchain technology designed to manage yield based on individual risk tolerance.	nd	nd	nd	The acquisition will allow Binance Labs to offer its users a more comprehensive suite of DeFi products and services.



SELECTED TRANSACTIONS: BLOCKCHAIN

DATE	BUYER	TARGET	DESCRIPTION	DEAL SIZE (\$'m)	TARGET REVENUE (\$'m)	REVENUE MULTIPLE (x)	TRANSACTION RATIONALE
Aug-23	B2C2 (UK)	Woorton (France)	Developer of algorithmic trading tools designed for the liquidity of digital assets.	nd	nd	nd	This strategic move marks B2C2's commitment to enhance client coverage and with the incoming MiCA regulations.
Aug-23	Clear Junction (UK)	Altalix (UK)	Provider of crypto assets solutions. The company offers fiat administration and on/off ramp solutions to crypto businesses.	nd	nd	nd	As a result of this acquisition, Clear Junction will be able to offer its customers a more comprehensive suite of payment processing solutions.
Aug-23	ParaX (US)	ParaSpace (US)	Developer of NFT financialization protocol software designed to provide universal liquidity for everyone.	nd	nd	nd	The merger is a strategic move that allows the two companies to combine their strengths and create a more comprehensive Web3 platform.
Sep-23	Bitwave (US)	Gilded (US)	Developer of crypto accounting tools designed to help businesses integrate digital assets into their existing accounting process.	nd	nd	nd	The acquisition is set to further solidify Bitwave's leading position in the Web3 payments industry.
Sep-23	BIGG Digital Assets (Canada)	TerraZero Technologies (Canada)	Operator of a blockchain platform intended to develop and implement products and services with scalable commercial applications to flourish engagement across gamified experiences.	15	3	7.3	The acquisition helps BIGG Digital Assets to strengthen its balance sheet, add new revenue streams and perhaps most importantly provide a blue sky opportunity via their Intraverse product for mindshare and market share in the metaverse.



SELECTED TRANSACTIONS: BLOCKCHAIN

DATE	BUYER	TARGET	DESCRIPTION	DEAL SIZE (\$'m)	TARGET REVENUE (\$'m)	REVENUE MULTIPLE (x)	TRANSACTION RATIONALE
Sep-23	CityLabs (UK)	Streami (South Korea)	Provider of blockchain remittance middleware services intended to build an adequate financial network.	nd	nd	nd	the acquisition of Streami by CityLabs allows CityLabs to offer its customers a more comprehensive suite of digital solutions.
Sep-23	Alchemy (US)	Satsuma (US)	Developer of a blockchain indexing and query platform intended to help developers build applications on top of blockchain data.	nd	nd	nd	The acquisition will help the company to vertically integrate and spend more time on higher-level indexing tools.



SELECTED TRANSACTIONS: DATA AND ANALYTICS

DATE	BUYER	TARGET	DESCRIPTION	DEAL SIZE (\$'m)	TARGET REVENUE (\$'m)	REVENUE MULTIPLE (x)	TRANSACTION RATIONALE
Jul-23	FactSet Research Systems (US)	Idaciti (US)	Operator of a public financial data platform intended to make financial data feasibly accessible and shareable with other people.	nd	nd	nd	The acquisition will help in expanding its multi-year investment program to digitally transform its content collection infrastructure and also accelerates time-to-market for delivering critical data sets upon which next-generation workflows are built.
Jul-23	Intermediate Capital Group (UK)	With Intelligence (UK)	The company specializes in offering business intelligence data, insight and content to cover hedge funds, private equity, real estate, private debt and traditional asset management.	nd	nd	nd	The investment is intended to serve as an accelerant for the company's growth, as the platform focuses on delivering leading connectivity, data and insights solutions to the Limited Partner and General Partner communities.
Aug-23	FOMO Group (Singapore)	1exchange (Singapore)	Developer of a financial platform designed to help private companies raise capital and facilitate secondary trading.	nd	nd	nd	The acquisition empowers FOMO Group to forge a fully integrated financial service ecosystem, offering our clients a comprehensive suite of value-added products.
Aug-23	FOMO Group (Singapore)	CapBridge (Singapore)	Operator of a private capital raising platform intended to connect institutional and accredited investors to mid-to-late-stage growth companies.	nd	nd	nd	The acquisition of CapBridge marks FOMO Group's expansion into Asian capital markets. The new enlarged, integrated and regulated ecosystem will improve accessibility, transparency, and efficiency for companies seeking liquidity solutions as well as investors searching for opportunities in the capital markets.
Aug-23	Datasite (US)	MergerLinks (UK)	Provider of merger and acquisition data intended for individuals and organizations involved in M&A activities.	nd	nd	nd	The acquisition enables Datasite to expand its networks and increase the number of sell-side and buy-side opportunities.



SELECTED TRANSACTIONS: DATA AND ANALYTICS

DATE	BUYER	TARGET	DESCRIPTION	DEAL SIZE (\$'m)	TARGET REVENUE (\$'m)	REVENUE MULTIPLE (x)	TRANSACTION RATIONALE
Aug-23	TechCrunch (US)	StrictlyVC (US)	Provider of a daily newsletter intended to provide readers with all they need to know about the VC scene in Silicon Valley and far beyond it.	nd	nd	nd	With this acquisition, TechCrunch aims to expand to more cities outside of San Francisco.
Aug-23	Francisco Partners (US)	Macrobond Financial (Sweden)	Provider of global market research and analytics services intended for central banks, investment banks, hedge funds, corporates, asset managers and universities.	764	nd	nd	The acquisition allows Francisco Partners to expand its portfolio of technology companies and strengthen its market position in the financial data and technology industry.
Sep-23	Intercontinental Exchange (US)	Black Knight (US)	Black Knight Inc provides software, data, and analytics solutions to the mortgage and consumer loan, real estate, and capital markets industry.	13,100	1,521	8.6	The acquisition significantly strengthens ICE's mortgage technology ecosystem and extends its track record of digitizing vital networks.
Sep-23	VettaFi (US)	EQM Indexes (US)	Provider of custom thematic index services intended for tracking growth industries and emerging investments.	nd	nd	nd	The acquisition is part of VettaFi's strategy to become the leading provider of indexing and data analytics solutions for asset managers.
Sep-23	MSCI (US)	Burgiss (US)	Provider of portfolio management software and data analytics designed to streamline investments.	697	90	11.7	The acquisition provides MSCI with comprehensive data and deep expertise in all private assets, enabling investors to evaluate fundamental information, measure and compare performance, understand exposures, manage risk and conduct robust analytics.



SELECTED TRANSACTIONS: FINANCIAL SERVICES CONSULTING

DATE	BUYER	TARGET	DESCRIPTION	DEAL SIZE (\$'m)	TARGET REVENUE (\$'m)	REVENUE MULTIPLE (x)	TRANSACTION RATIONALE
Aug-23	Vesta Software Group (UK)	Gsoft (Uruguay)	Developer of business software catering to health, finance and payment methods industries	nd	nd	nd	The acquisition provides a great technological and vertical fit with Vesta Software Group's current companies.
Aug-23	Mr. Leung Wai Ming (Hong Kong)	abc Multiactive (Hong Kong)	The company's operating segments are financial solutions, consultancy services, and Fintech resources	3	4	0.8	By acquiring a majority stake in ABC Multiactive, Mr. Leung Wai Ming will be able to implement his own vision for the company.
Sep-23	Collabera Technologies (India)	Digiterre (UK)	Developer of financial investment management CRM and trading software catering to the world's largest banks, asset managers, fund administrators, prime brokers and commodities trading firms.	nd	nd	nd	This acquisition will help to accelerate Collabera Digital's plans to position itself at the forefront of next-generation data-led innovation and AI advancement.



SELECTED TRANSACTIONS: INSURETECH

DATE	BUYER	TARGET	DESCRIPTION	DEAL SIZE (\$'m)	TARGET REVENUE (\$'m)	REVENUE MULTIPLE (x)	TRANSACTION RATIONALE
Jul-23	Direct Connection Advertising & Marketing (US)	FastrackCE (US)	Developer of online insurance continuing education courses for agents and brokers.	nd	nd	nd	The addition of FastrackCE to acquirer's portfolio, enhances its ability to deliver innovative and accessible education solutions to the insurance industry, and further strengthens our position as a leading provider in the market.
Aug-23	Acturis Group (US)	Broker Buddha (US)	Developer of an insurance technology platform designed to simplify the outdated insurance application and renewal process.	nd	nd	nd	The acquisition of Broker Buddha marks Acturis Group's entry into the US market.
Aug-23	Payoneer (US)	Spott (Israel)	Provider of eCommerce-only insurance services intended to clearly analyze business risks and give you tailored insurance coverage.	nd	nd	nd	Payoneer has acquired the Israeli startup Spott in order to enhance its data capabilities.
Aug-23	mv Services (Germany)	Mobilversicherung (Germany)	Operator of an online insurance platform intended to digitize brokerage insurance services and make insurance simple, mobile, and secure.	nd	nd	nd	The acquisition of Mobilversicherung demonstrates confidence in the company, their team and leading technology to help shape the future of tomorrow's brokerage industry.
Aug-23	Partners& (UK)	NexGen Insurance Solutions (UK)	Provider of insurance services intended to serve businesses and individuals. The company offers a variety of features, including data integration, data cleansing, and data analysis.	nd	nd	nd	The acquisition gives Partners& a permanent presence in Kent and enhances the company's offering in the Southeast of England. The acquisition will allow Partners& to expand its reach into the construction sector.



SELECTED TRANSACTIONS: INSURETECH

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Sep-23	reThought Insurance (US)	Cyber Boxer AI (India)	Provider of cyber security services catering to Cyber Risk, Marine, Oil & Gas & Insurance Sector.	nd	nd	nd	The acquisition helps reThought Insurance to capitalize on CyberBoxer's expertise in modelling, data science, underwriting, and AI and have an active presence in major markets.
Sep-23	Origami Risk (US)	Dais (US)	Operator of an insurance advisory platform intended to re-imagine insurance and change the approach to risk.	nd	nd	nd	The acquisition increases the company's market reach and client support capabilities and expands the acquirer's innovative suite of property and casualty insurance solutions for managing general agents (MGAs), insurers and reinsurers.
Sep-23	Prime Impact Acquisition I (US)	Cheche Technology (China)	China's independent technology-empowered platform for auto insurance transaction services by digital auto insurance transaction premiums and insurance technology companies.	68	nd	nd	Cheche Technology gains access to public market capital and a US listing, while Prime Impact Acquisition I investors gain exposure to its high-growth business.
Sep-23	Thinktum (Canada)	Illustrate (US)	Developer of insurance software designed to optimize the entire business cycle, from insurance applications to policy issues.	nd	nd	nd	The acquisition helps Thinktum to provide the opportunity to expand and enhance the depth, capabilities and solutions of their bench.
Sep-23	Velocity Risk Underwriters (US)	Insight Risk Technologies (US)	Developer of builder's risk MGA technology intended for middle-market construction projects.	nd	nd	nd	With this acquisition, Velocity will be able to offer its customers a more comprehensive suite of risk management solutions, including loss prevention and risk transfer.



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Sep-23	Minalea (France)	Profideo (France)	Developer of a marketing technology platform designed for insurance and banking advisors and consultants.	nd	nd	nd	The acquisition brings cutting-edge expertise to the Kereis group, particularly in market monitoring solutions, studies and strategic benchmarks requested by the main European insurers.
Sep-23	Netrisk (Hungary)	Rankomat.pl (Poland)	Provider of online insurance aggregation services intended to compare the prices and scope of multiple insurance.	nd	nd	nd	The merger will create an online comparison business of significant scale in Europe, bringing additional time and money savings to consumers in the CEE region who use online comparison services.
Sep-23	Hexure (US)	VIVE Solutions (US)	Operator of a term life insurance underwriting platform company designed to streamline the quoting, submission, and processing of term life insurance.	nd	nd	nd	The acquisition allows Hexure to expand its offerings and become a leading provider of integrated distribution platforms for the life and annuity industries.



SELECTED TRANSACTIONS: PAYMENTS

DATE	BUYER	TARGET	DESCRIPTION	DEAL SIZE (\$'m)	TARGET REVENUE (\$'m)	REVENUE MULTIPLE (x)	TRANSACTION RATIONALE
Jul-23	GTCR (US)	Worldpay (UK)	Provider of electronic payment and banking services intended to deliver a one-stop-shop payments solution to Omni commerce merchants.	12,700	nd	nd	The acquisition allows GTCR to invest in a leading global payment processing provider and accelerate its growth through innovation and strategic acquisitions.
Jul-23	Visa (US)	Pismo (Brazil)	Developer of a cloud-based payment processing platform designed to impact people's lives positively all over the globe.	1,000	nd	nd	The acquisition expands Visa's presence in the Latin American market, gains access to Pismo's cloud-native platform, strengthens its position in the digital payments ecosystem, and accelerates its innovation efforts.
Jul-23	BNP Paribas (France)	Kantox (UK)	Developer of a currency management automation software intended to automate corporate foreign exchange (FX) workflow	131	nd	nd	The acquisition is set to accelerate the development of technological innovations, to enhance customer experience, from SME and Mid-Cap clients to large corporates.
Jul-23	Thirdweb (US)	Paper (US)	Developer of payment software designed for a simpler and faster NFT checkout experience	nd	nd	nd	The acquisition of Paper is part of Thirdweb's strategy to make web3 more accessible to everyone.
Jul-23	Liven (Australia)	Copper (US)	Developer of a payment software designed to offer contactless payment options to merchants in a matter of minutes.	nd	nd	nd	The acquisition will allow Liven to expand its reach into new markets and to offer its solutions to a wider range of businesses.



SELECTED TRANSACTIONS: PAYMENTS

DATE	BUYER	TARGET	DESCRIPTION	DEAL SIZE (\$'m)	TARGET REVENUE (\$'m)	REVENUE MULTIPLE (x)	TRANSACTION RATIONALE
Aug-23	Rapyd (UK)	PayU (Netherlands)	Developer of global payment platform intended to allow merchants to accept payments in any market.	610	nd	nd	The acquisition will allow Rapyd to become a leading global payment platform and meet the needs of a wider range of merchants and consumers.
Aug-23	Param (Turkey)	Paycore (Turkey)	Provider of end-to-end payment services to the banking, telecom, payment service providers, card personalization bureaus, public, transportation and retail industries.	nd	nd	nd	The acquisition allows Param to expand its product portfolio, enhance customer experience, and gain stronger positioning in the Turkish market.
Aug-23	Alcentra, Goldman Sachs Asset Mgmt., Partners Group (US, UK & Switzerland)	Unzer (Germany)	Developer of a full-service payment service software intended to facilitate payment acceptance on behalf of online merchants.	nd	nd	nd	The investment will strengthen the capital structure and increase the liquidity of the company.
Aug-23	Beaverworks (South Korea)	Paycoq (South Korea)	Developer of a payments platform designed to allow digital transactions.	nd	nd	nd	The acquisition of Paycoq is part of the strategy to become the leading provider of digitalization merchant wallet solutions in South Korea.
Aug-23	Visma Group (Norway)	Payday (Iceland)	Provider of cloud accounting and payroll services to small businesses, intended to reduce the customers' administrative trouble by simplifying invoicing and salary payments procedures.	nd	nd	nd	The acquisition will expand Visma's cloud-based business software portfolio in Europe.



SELECTED TRANSACTIONS: PAYMENTS

DATE	BUYER	TARGET	DESCRIPTION	DEAL SIZE (\$'m)	TARGET REVENUE (\$'m)	REVENUE MULTIPLE (x)	TRANSACTION RATIONALE
Aug-23	Finix Partners (India)	SlashPay (India)	The company's services include simplifying payments by going back to the drawing board and reimagining social ecommerce by creating a platform agnostic and integrated way for small brands and online creators to monetize their products.	nd	nd	nd	The acquisition of Slashpay will allow Finix to become the leading provider of fintech solutions for small businesses and online creators in India.
Aug-23	PandaDoc (US)	Denario (Germany)	Developer of financial software designed to maximize clients' business cash flow by automating their business payments	nd	nd	nd	The acquisition will enable both companies to combine their complementary product offerings in order to better serve existing customers and generate new ones.
Aug-23	Serasa Experian (Brazil)	Flexipag (Brazil)	The company's services include digital payment solutions using chatbots, artificial intelligence, virtual cards and related financial solutions.	51	nd	nd	The acquisition will allow Serasa Experian to expand services across the country.
Aug-23	Touch2Pay (Australia)	Thumbzup Au (Australia)	Developer of payment software designed to offer combined business and payment.	nd	nd	nd	The acquisition helps Touch2Pay in delivering innovative smart payment solutions and expanding its Payments-as-a-Service strategy for partner PSP's and its commitment to a better merchant & consumer payment experience.
Aug-23	Trustly Group (Sweden)	SlimPay (France)	Operator of a direct debit platform intended to offer a recurring payments application programming interface (API).	76	nd	nd	The acquisition allows Trustly Group to expand its recurring payments business and position itself as a strong integrated payment solutions provider for the European market.



SELECTED TRANSACTIONS: PAYMENTS

DATE	BUYER	TARGET	DESCRIPTION	DEAL SIZE (\$'m)	TARGET REVENUE (\$'m)	REVENUE MULTIPLE (x)	TRANSACTION RATIONALE
Aug-23	Beltone Financial Holding (Egypt)	CashCall (Egypt)	Operator of a fintech platform intended to serve the financial industries.	16	nd	nd	The acquisition is aimed at expanding Beltone's non-banking financial services.
Sep-23	Grupo Popular (Dominican Republic)	GCS International (Dominican Republic)	Developer of technology intended for large-scale processing of financial transactions	nd	nd	nd	The acquisition enables both Grupo Popular and the company to strengthen their value proposition for businesses companies and users of their platforms.
Sep-23	Pliant (Germany)	Friday Finance (Germany)	The company's platform helps to pay bills, create forecasts, streamline their month-end close, and get financing from one place, delivering more control, visibility, time savings, and automation to modern finance teams.	nd	nd	nd	Pliant will be able to offer its customers a more comprehensive suite of financial management tools and strengthen its market position in Germany.
Sep-23	Razorpay (India)	JHKP Technologies (India)	Provider of online invoicing and payment processing services catering to businesses and merchants.	nd	nd	nd	The acquisition helps Razorpay in helping businesses stand out by engaging and retaining their customers better while strengthening their marketing capabilities.
Sep-23	Namirial (Italy)	Unimatica (Italy)	The company's software offers a range of services including digital signature, digital storage, electronic payment, electronic invoicing, document storage and management, and secure cloud storage services.	nd	nd	nd	Unimatica will enrich Namirial Group's software portfolio with its payment capabilities and Local Government and Insurance expertise.



SELECTED TRANSACTIONS: PAYMENTS

DATE	BUYER	TARGET	DESCRIPTION	DEAL SIZE (\$'m)	TARGET REVENUE (\$'m)	REVENUE MULTIPLE (x)	TRANSACTION RATIONALE
Sep-23	HPE Growth (Netherlands)	Aevi (Germany)	Operator of a payment platform designed to help merchants manage their business and increase their in-store customer experience.	nd	nd	nd	This acquisition empowers the company to steer an innovation domain in the in-person payments space, seamlessly aligning with its long-standing partnership with Diebold Nixdorf, whose primary strategic focus lies in maintaining a strong presence in its core banking and retail sectors.
Sep-23	Intrum (Sweden)	eCollect (Switzerland)	The company's platform offers users to create and send invoices to issue payment reminders and even handle pre-legal and legal debt collection.	nd	nd	nd	The acquisition helps Intrum to broadening its offering towards invoicing services and able to provide its customers and clients with more frictionless and hassle-free invoicing and digital reminder services.
Sep-23	Fiserv (US)	European Merchant Services (Netherlands)	Developer of electronic payment processing software. The company's platform features dynamic currency conversion, payment settlement management, a portal for secure online payments and fraud detection support.	nd	nd	nd	The acquisition was a strategic move that allowed Fiserv to expand its merchant acquiring business in Europe.



SELECTED TRANSACTIONS: REGTECH

DATE	BUYER	TARGET	DESCRIPTION	DEAL SIZE (\$'m)	TARGET REVENUE (\$'m)	REVENUE MULTIPLE (x)	TRANSACTION RATIONALE
Jul-23	Levine Leichtman Capital Partners (US)	Cleversoft Group (Germany)	Developer of a regulatory technology platform intended for financial service providers.	nd	nd	nd	The investment will provide Cleversoft with the resources and support necessary to fuel future ambitions and consolidate their position as a strong player in the RegTech industry.
Jul-23	Corlytics (Ireland)	Clausematch (UK)	Developer of a compliance workflow and collaboration platform designed to streamline policy management and regulatory change management.	nd	nd	nd	The acquisition will help company to create a platform that manages the entire regulatory risk value chain on a global scale.
Jul-23	Frequentis (Austria)	Guardrec (Norway)	Developer of recording and compliance solutions intended to aid stringent legal and industrial requirements and regulations for bank and finance.	nd	2	nd	This acquisition is part of the strategy to expand Frequentis's offerings into new markets, such as public safety and defence.
Jul-23	CIMCON Software (US)	Finsbury Solutions (UK)	Developer of spreadsheet management software intended to serve financial services, pharmaceuticals and corporate sectors.	nd	nd	nd	The acquisition of Finsbury Solutions further strengthens CIMCON's customer portfolio and enhances its ability to offer end-to-end compliance solutions.
Aug-23	Zyston (US)	Complyify (US)	Provider of SaaS solutions for compliance, risk assessment, and portfolio tracking.	nd	nd	nd	The acquisition will allow Zyston to further enhance its cybersecurity offering



SELECTED TRANSACTIONS: REGTECH

DATE	BUYER	TARGET	DESCRIPTION	DEAL SIZE (\$'m)	TARGET REVENUE (\$'m)	REVENUE MULTIPLE (x)	TRANSACTION RATIONALE
Aug-23	Vela Software (Canada)	Greatsoft (South Africa)	The company offers a full suite of cloud-based CRM software including tax compliance, payroll management and document management, enabling clients to benefit from faster and more efficient solutions, with better mobility, and easier collaboration with their clients.	nd	nd	nd	The investment by Vela Software Group will allow the company to accelerate its R&D.
Sep-23	Cogency Global (US)	Tax Guard (US)	Provider of tax compliance monitoring services intended to help lenders accurately assess tax-related credit risk associated with potential borrowers.	nd	nd	nd	The acquisition aims to expand Cogency Global's comprehensive suite of compliance services and solidify its presence in the financial services sector.
Sep-23	Visma Group (Norway)	Quaderno (Spain)	Developer of online tax compliance and management software intended for SaaS, eCommerce, and digital businesses across the globe.	nd	nd	nd	With this acquisition, Visma Group further expands its presence in the Spanish software market and also strengthens the Group's offering within e-commerce solutions.
Sep-23	Secureinsight (US)	Uverified (US)	Developer of payment fraud and payoff verification software based in the United States.	nd	nd	nd	The acquisition helps Secureinsight to launch a revolutionary new product to fill the gap at an ease of use and price point that will encourage widespread adoption.



SELECTED TRANSACTIONS: ESG

DATE	BUYER	TARGET	DESCRIPTION	DEAL SIZE (\$'m)	TARGET REVENUE (\$'m)	REVENUE MULTIPLE (x)	TRANSACTION RATIONALE
Jul-23	EcoOnline (Norway)	Ecometrica (UK)	Developer of a greenhouse gas accounting and climate risk software designed to offer climate accounting and reporting services.	nd	nd	nd	The acquisition is a strategic move that allows EcoOnline to expand its product portfolio and strengthen its market position in the environmental compliance and sustainability software industry.
Aug-23	The Carlyle Group (US)	Anthesis Group (UK)	Operator of global sustainability consulting firm.	nd	nd	nd	The funding will be used to support the company's impact and growth, expand its differentiated environmental, social and corporate governance (ESG) and sustainability offering and widen its international footprint.
Aug-23	Morrow Sodali (US)	HXE Partners (US)	Provider of ESG consulting services intended to assist businesses in corporate governance and investment decisions.	nd	nd	nd	By augmenting their resources with HXE Partners, Morrow Sodali establishes itself as the go-to firm for ESG expertise and creates needed additional capacity to service a growing roster of corporate clientele.
Aug-23	Anthesis Group (UK)	ConTREEbute (Colombia)	Developer of ESG software intended to offer sustainability services for businesses.	nd	nd	nd	The acquisition of ConTREEbute expands Anthesis Group's operations in Latin America.
Sep-23	F2A (Italy)	2A GROUP (Italy)	Provider of ESG consultancy services intended to serve medium and large-sized companies	nd	nd	nd	2A Group's expertise in sustainability consulting is an excellent fit for F2A's commitment to helping its clients achieve their sustainability goals.
Sep-23	Viridios Capital (Australia)	Pangolin Associates (Australia)	Provider of national energy and carbon management consultancy services based out of Australia	nd	nd	nd	Viridios Capital's investment will help Pangolin Associates accelerate its growth and innovation.



SELECTED TRANSACTIONS: TREASURY AND CAPITAL MARKETS SOFTWARE

DATE	BUYER	TARGET	DESCRIPTION	DEAL SIZE (\$'m)	TARGET REVENUE (\$'m)	REVENUE MULTIPLE (x)	TRANSACTION RATIONALE
Jul-23	Valsoft Corporation (Canada)	E-Finances (France)	Developer of financial management software intended for small and medium-sized companies, as well as major international groups.	nd	nd	nd	The transaction helps Valsoft Corporation to continue their expansion in the financial services space.
Jul-23	Passiv (Canada)	Wealthy Group (US)	The company offers to track stocks, options and crypto portfolios supporting major U.S. brokerages and cryptocurrency exchanges.	nd	nd	nd	This acquisition is helping Passiv to acquire IP and add technical expertise to further develop its SnapTrade product.
Jul-23	Andromeda Capital Partners Suisse (Switzerland)	AgenaTrader (Austria)	Developer of multi-asset, broker and data feed trading software designed for traders to automate the routine work of trading and for professional and institutional signal-scanning and trading.	4	nd	nd	This fresh influx of capital will be employed to expand the firm's engineering, marketing, sales, and business development teams, thereby broadening their collective capabilities.
Jul-23	IMC Trading (Netherlands)	Altas Technologies (Netherlands)	Operator of a data-driven trading firm based in Netherlands. The company specializes in building automated systems to predict and trade on financial markets.	nd	nd	nd	The acquisition aligns with IMC's strategic commitment to build and invest in competitive and cutting-edge trading technologies.
Aug-23	South Street Securities (US)	GX2 Systems (US)	Developer of the trading platform focused on providing an efficient method of spread execution services in global electronic markets.	nd	nd	nd	The acquisition of the company will allow South Street Securities to be better positioned to serve its clients with algorithmic, agency brokerage and principal market-making liquidity solutions.



SELECTED TRANSACTIONS: TREASURY AND CAPITAL MARKETS SOFTWARE

DATE	BUYER	TARGET	DESCRIPTION	DEAL SIZE (\$'m)	TARGET REVENUE (\$'m)	REVENUE MULTIPLE (x)	TRANSACTION RATIONALE
Aug-23	Numerix (US)	PolyPaths (US)	Developer of a fixed-income analytics platform intended to serve financial organizations including traders, hedge fund managers, portfolio managers, risk managers.	nd	nd	nd	The purpose of this acquisition is for Numerix to expand market expertise in structured finance and fixed income.
Aug-23	Tradeweb Markets (US)	Yieldbroker (Australia)	Operator of an Australian government bond and interest rate derivatives trading platform covering the institutional, wholesale, and primary markets.	81	nd	nd	The acquisition would provide the company with a domestic client network, including superannuation funds, with access to Tradeweb Markets's global multi-asset platform, deep liquidity, and advanced technology.
Sep-23	Trading Technologies International (US)	Abel Noser Holdings (US)	Provider of stock brokerage and trading services intended to lower the costs associated with trading.	nd	nd	nd	The acquisition of Abel Noser Holdings allows the acquiror to offer its customers a more comprehensive suite of trading and risk management solutions.
Sep-23	Link Securities (Spain)	Gestión de Patrimonios Mobiliarios (Spain)	Developer of online trading platforms intended for the intermediation and management of financial assets.	nd	nd	nd	Link will be able to offer its clients a more comprehensive suite of financial services, including wealth management, while Gestión de Patrimonios' clients will benefit from Link's resources and expertise.
Sep-23	MarketAxess Holdings (US)	Pragma Trading (US)	Developer of quantitative trading technology designed for banks, hedge funds, brokers and asset managers. The company specializes in algorithmic and analytical services.	128	nd	nd	This acquisition underscores MarketAxess' commitment to innovating, integrating and providing its clients with quantitative, AI-powered technology solutions powered by proprietary data designed to simplify and enhance their workflows.



SELECTED TRANSACTIONS: OTHER

DATE	BUYER	TARGET	DESCRIPTION	DEAL SIZE (\$'m)	TARGET REVENUE (\$'m)	REVENUE MULTIPLE (x)	TRANSACTION RATIONALE
Jul-23	Fintel (UK)	Competent Adviser (UK)	Developer of a competence testing and learning management system for UK financial services firms.	5	nd	nd	The acquisition will allow Fintel to offer its customers a complete solution for meeting their regulatory compliance, development, and business needs.
Aug-23	Noggin Guru (US)	Bankers Hub (US)	Provider of online financial education intended for banks, credit unions, solution providers, and consultants.	nd	nd	nd	The acquisition positions Noggin Guru to expand into the Financial Services industry with the breadth of banking content the company offers.
Sep-23	Visma Group (Norway)	Silverfin (Belgium)	Developer of a connected accounting platform created to revolutionize traditional accounting with digitization.	nd	26	nd	This acquisition will allow Visma to offer its customers a more comprehensive suite of business software solutions, including cloud accounting.

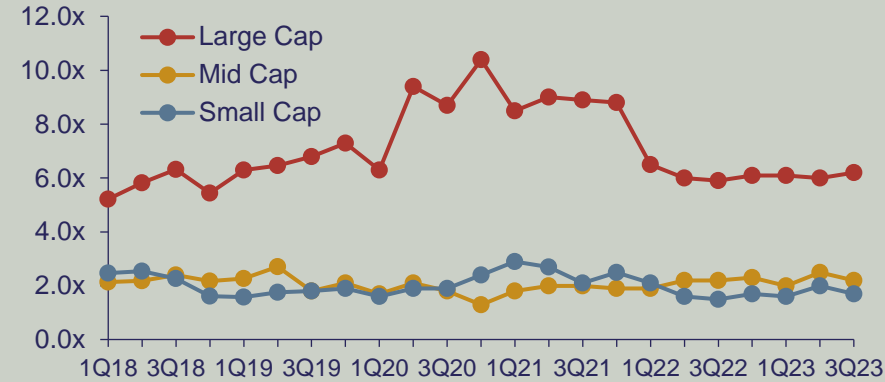
PUBLIC COMPS HIGHLIGHTS Q3 2023

4.8x
Avg. EV/Revenue CY2023E

6%
Avg. Revenue Growth CY2022

77%
% Recurring Revenue

Historic Revenue Multiples



Large Cap

6.2x Avg. EV/Revenue **9%** Avg. Revenue Growth **84%** % Recurring Revenue

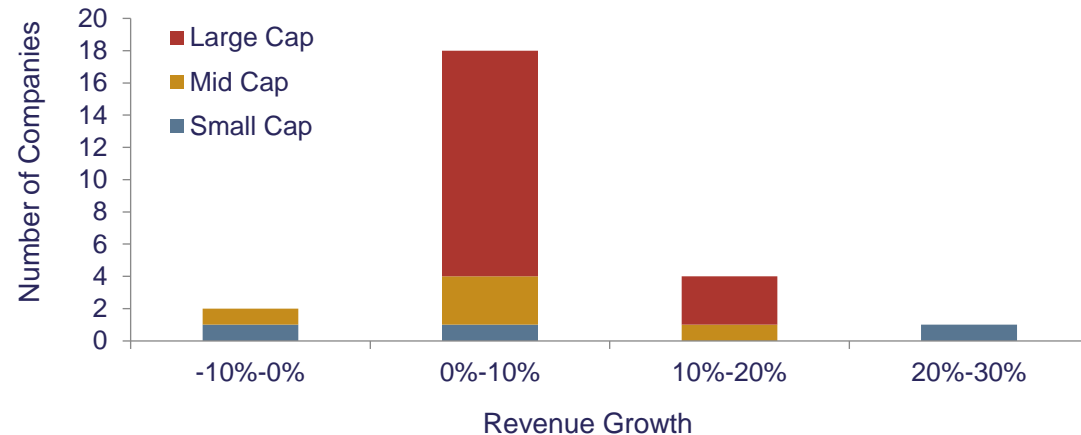
Mid Cap

2.2x Avg. EV/Revenue **2%** Avg. Revenue Growth **74%** % Recurring Revenue

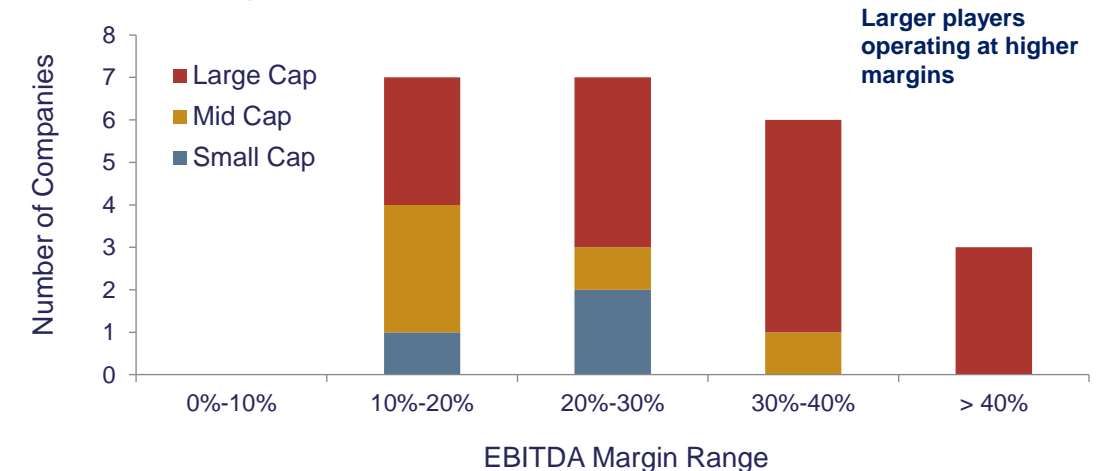
Small Cap

1.7x Avg. EV/Revenue **-2%** Avg. Revenue Growth **51%** % Recurring Revenue

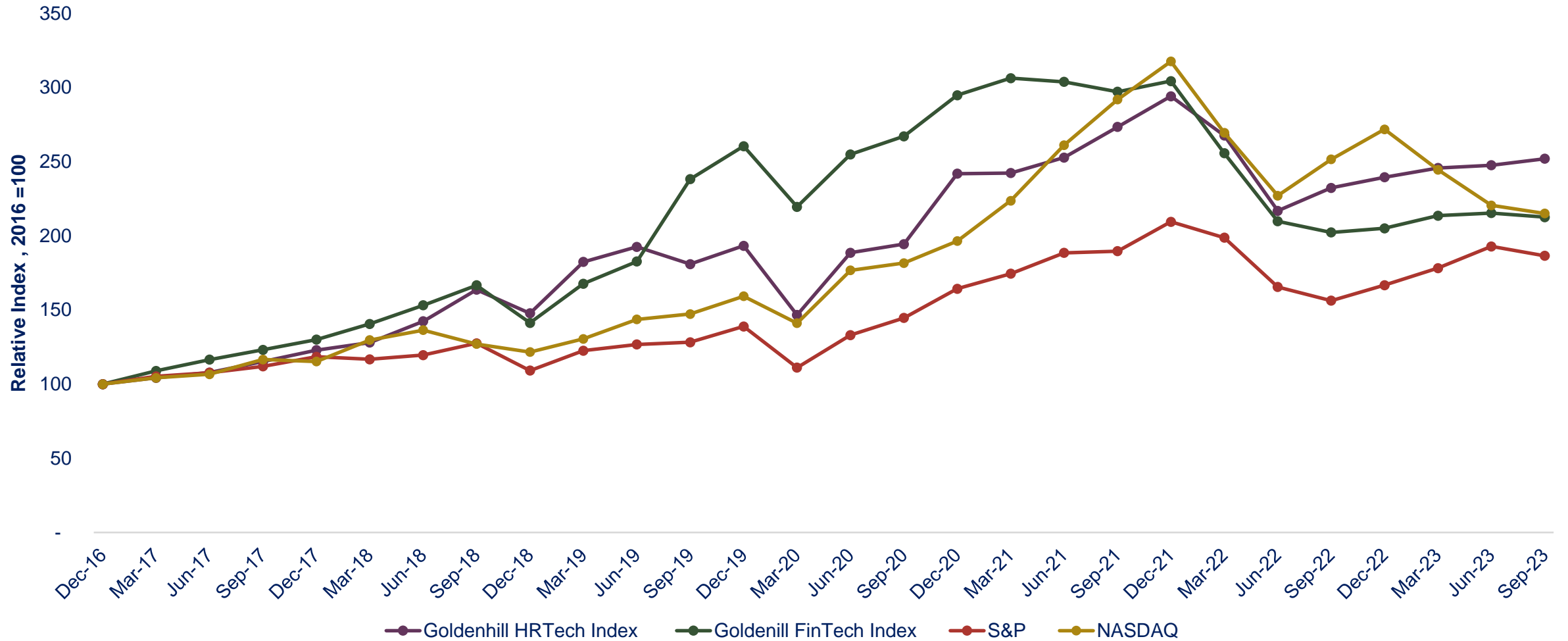
Revenue Growth Distribution



EBITDA Margin Distribution

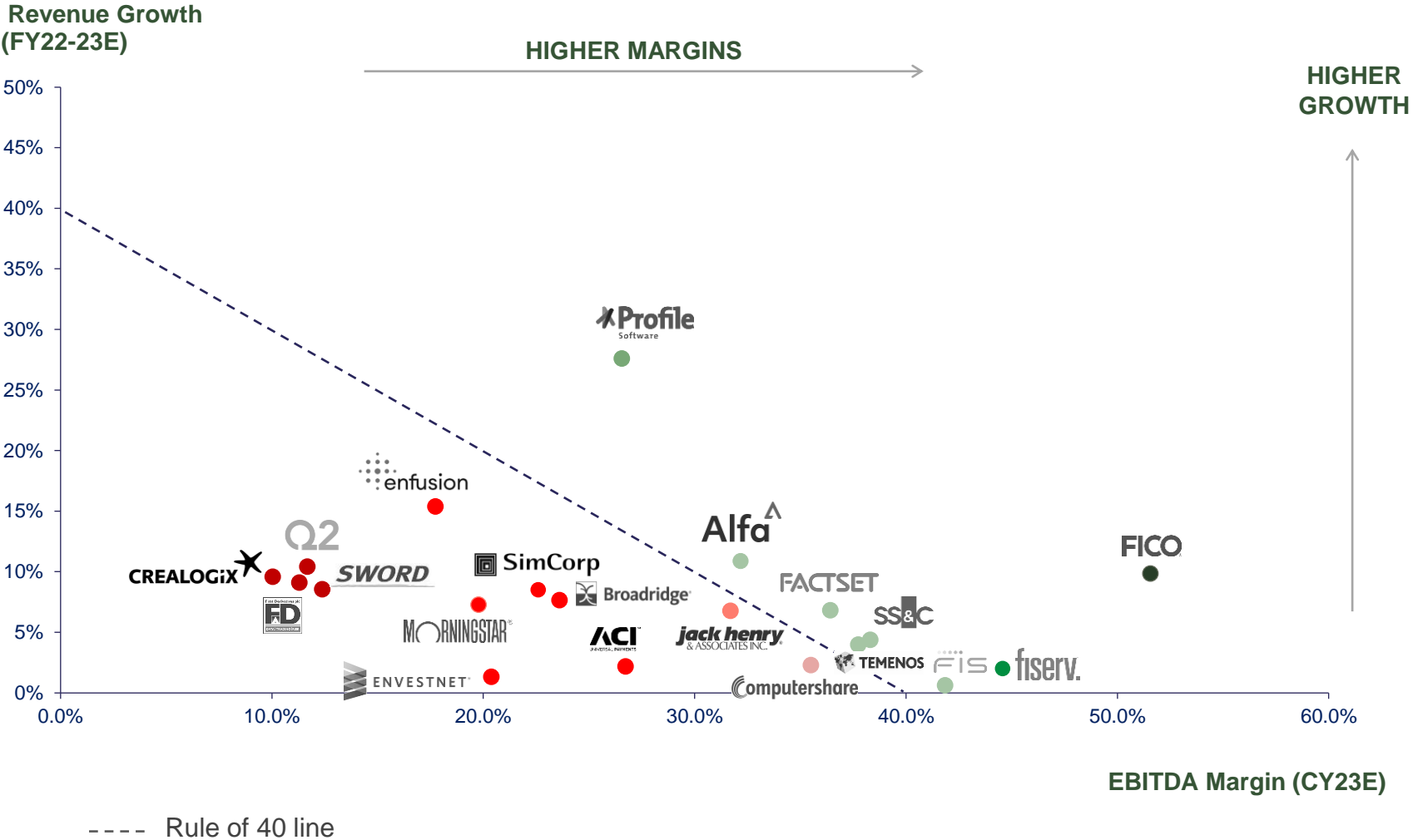


GOLDENHILL FINANCIAL TECHNOLOGY INDEX



PERFORMANCE QUADRANTS

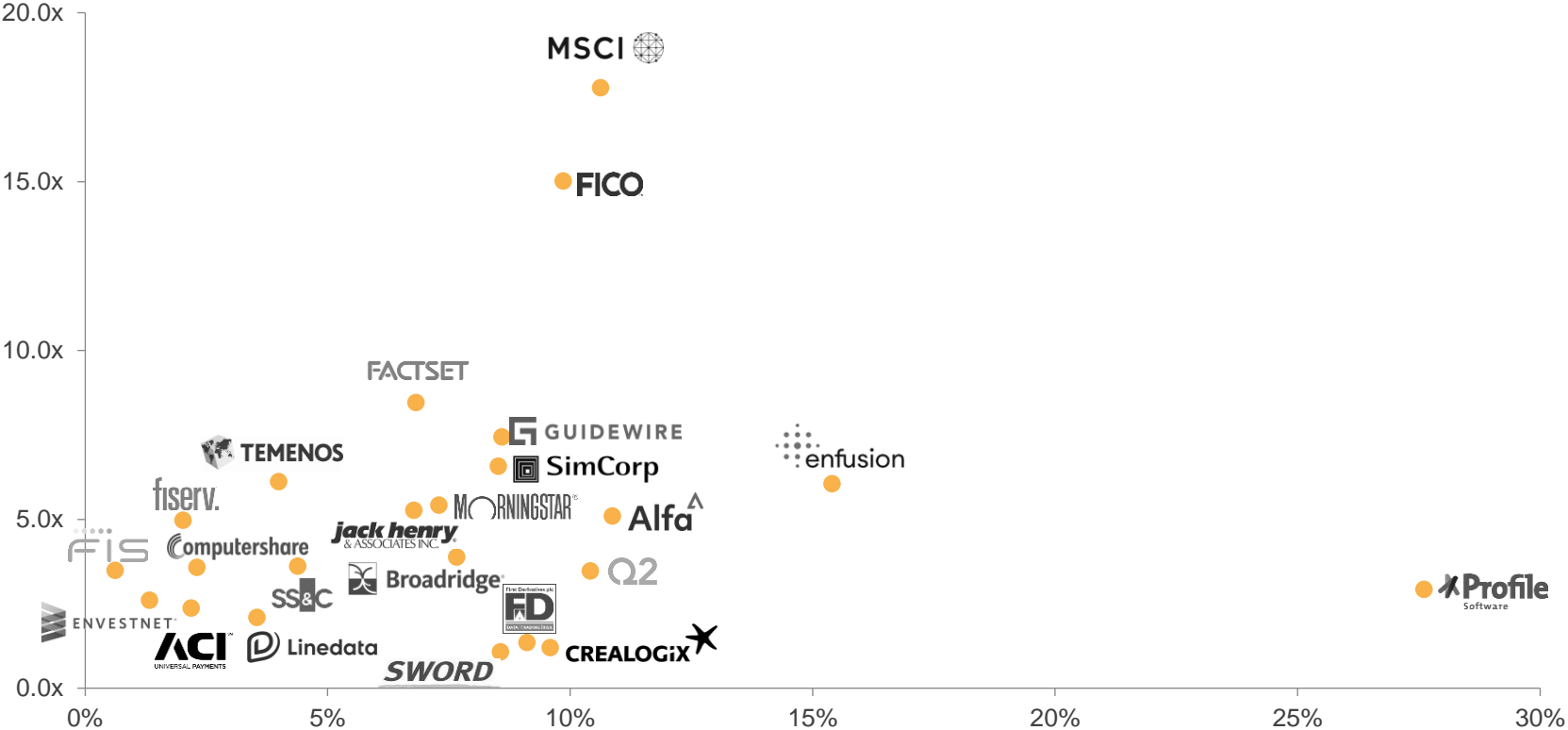
The Rule of 40 is a recognised measure of health for SaaS companies, which states that Revenue Growth % and EBITDA Margin (profitability) should ideally add up to roughly 40%.



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 Profile Software (financial software solutions provider), Enfusion (supplier of software to the asset management sector) and Alfa Systems (provider of asset leasing software).

EV/Revenue (CY23E)

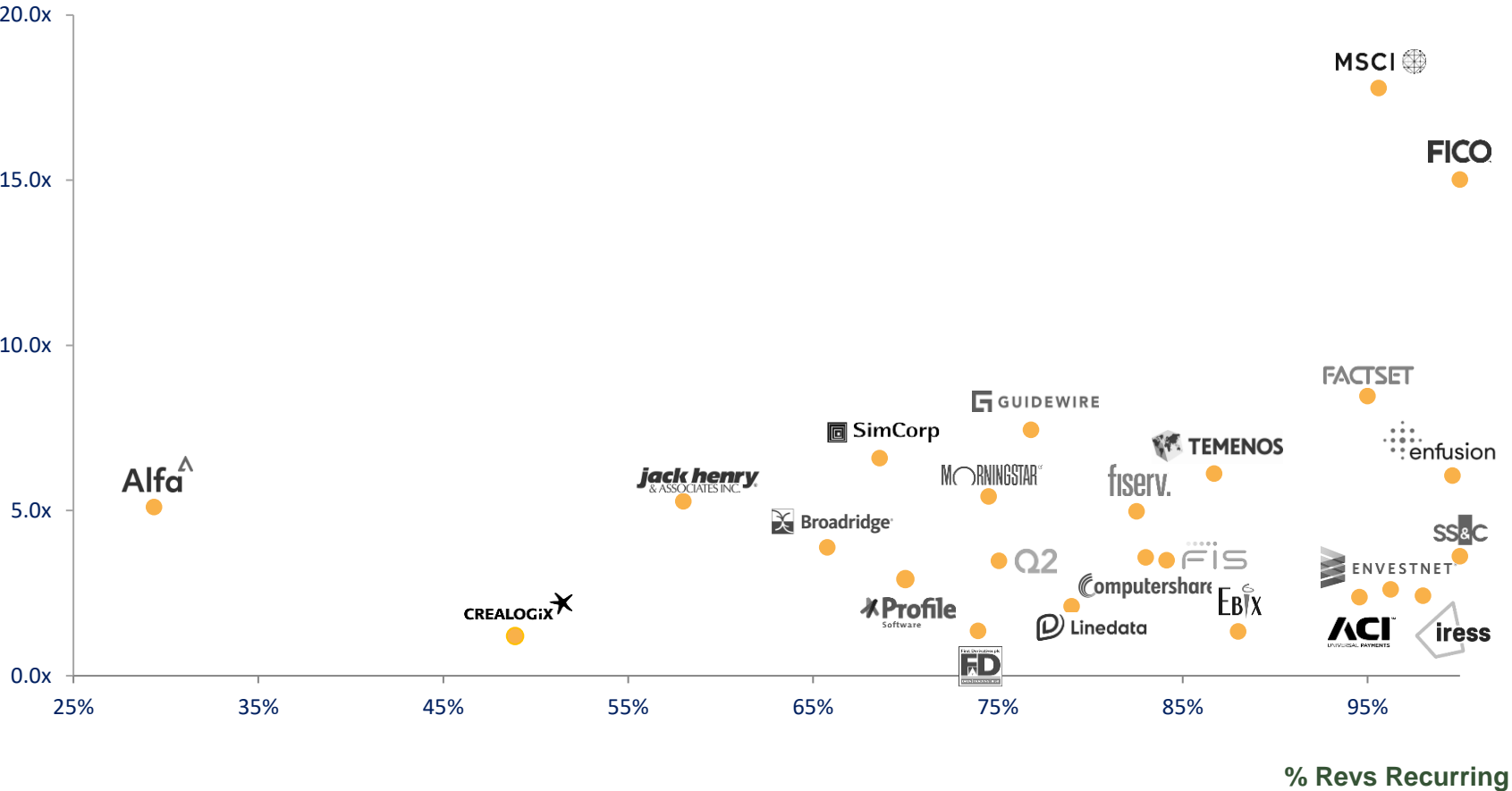


Revenue Growth (FY22-23E)

RECURRING REVENUE AS A DRIVER

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 sit Alfa Systems, Crealogix and JackHenry with less than 60% recurring revenues.

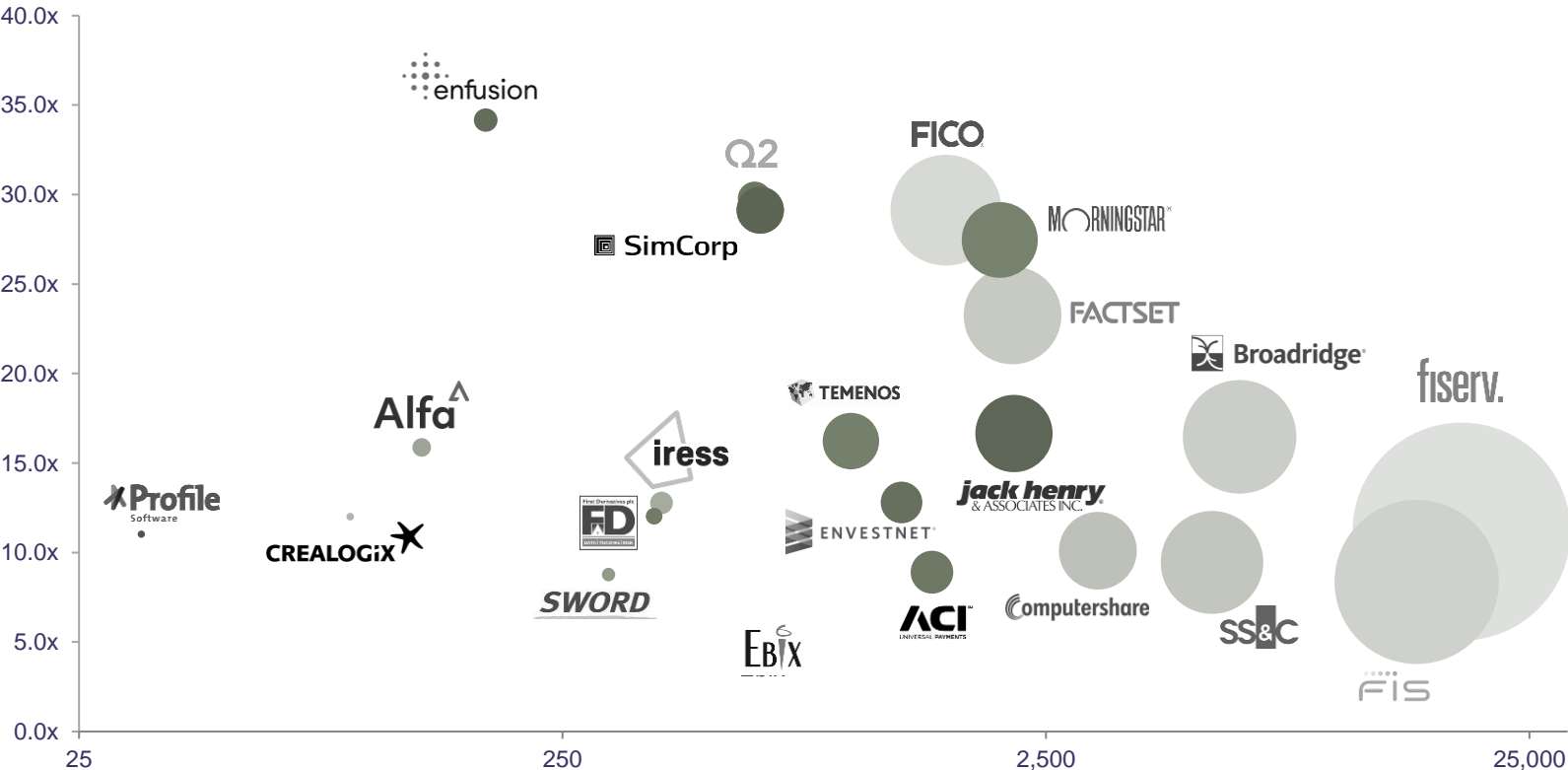
EV/ Revenue (CY23E)



SCALE AS A VALUE DRIVER

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

EV/EBITDA (CY23E)



Revenue (CY23E)(\$m)

SECTOR VALUATION METRICS

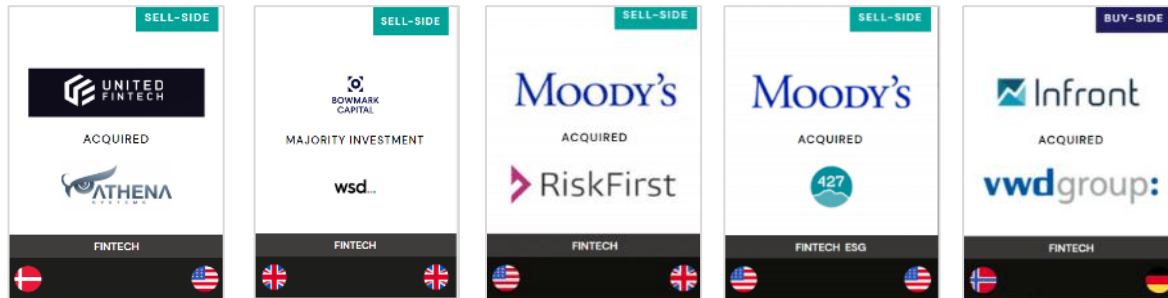
Company	Ticker	Share Price 30-Sep-23	Market Cap (\$m) ⁽¹⁾	Net Debt (\$m) ⁽²⁾	Enterprise Value (\$m)	Revenue		EV/Revenue		EV/Revs		EV/EBITDA		Revenue Growth		EBITDA Margin		% Revs	
						CY23E (\$m)	CY2022	CY2023E	Recurring	CY2022	CY2023E	CY2022	CY2023E	CY2022	CY2023E	Recurring ⁽³⁾			
Selected Large Cap																			
Fiserv	FI US Equity	113.0	68,862	21,268	90,130	18,095	5.1x	5.0x	6.0x	12.7x	11.2x	9.3%	2.0%	40.0%	44.6%	83%			
MSCI	MSCI US Equity	513.1	40,579	3,673	44,252	2,488	19.7x	17.8x	18.6x	32.7x	NA	10.0%	10.6%	60.3%	NA	96%			
FIS	FIS US EQUITY	55.3	32,746	18,363	51,109	14,618	3.5x	3.5x	4.2x	NM	8.4x	4.7%	0.6%	-83.2%	41.9%	84%			
FICO	FICO US EQUITY	868.5	21,589	1,755	23,344	1,554	16.5x	15.0x	15.0x	37.0x	29.1x	4.6%	9.9%	44.7%	51.6%	100%			
Broadridge	BR US Equity	179.1	21,060	3,400	24,460	6,293	4.2x	3.9x	5.9x	18.2x	16.5x	6.2%	7.7%	22.8%	23.6%	66%			
FactSet	FDS US EQUITY	437.3	16,680	1,382	18,062	2,133	9.4x	8.5x	8.9x	28.0x	23.3x	13.1%	6.8%	33.6%	36.4%	95%			
SS&C	SSNC US EQUITY	52.5	13,035	6,931	19,966	5,514	3.8x	3.6x	3.6x	10.6x	9.4x	4.6%	4.4%	35.7%	38.3%	100%			
Jack Henry	JKHY US EQUITY	151.1	11,023	313	11,336	2,148	5.6x	5.3x	9.1x	16.9x	16.6x	6.9%	6.8%	33.4%	31.7%	58%			
Computershare	CPU AU EQUITY	26.0	10,095	1,392	11,487	3,203	4.0x	3.6x	4.3x	14.0x	10.1x	23.6%	2.3%	28.6%	35.5%	83%			
Morningstar	MORN US EQUITY	234.2	9,991	909	10,900	2,007	5.8x	5.4x	7.3x	29.0x	27.5x	10.1%	7.3%	20.1%	19.8%	74%			
Guidewire	GWRE US EQUITY	90.0	7,330	(350)	6,980	938	8.2x	7.4x	9.7x	NM	NM	11.4%	8.6%	-15.9%	-3.1%	77%			
Temenos	TEMN SW EQUITY	64.4	5,294	751	6,045	988	6.4x	6.1x	7.1x	20.0x	16.2x	-1.8%	4.0%	31.8%	37.7%	87%			
SimCorp	SIM DC EQUITY	734.0	4,216	5	4,222	641	7.1x	6.6x	9.6x	28.5x	29.1x	0.7%	8.5%	25.1%	22.6%	69%			
ACI	ACIW US EQUITY	22.6	2,450	1,010	3,460	1,453	2.4x	2.4x	2.5x	10.1x	8.9x	3.7%	2.2%	24.2%	26.7%	95%			
Investnet	ENV US EQUITY	44.0	2,401	877	3,278	1,256	2.6x	2.6x	2.7x	48.8x	12.8x	4.5%	1.3%	5.4%	20.4%	96%			
Q2 Holdings	QTWO US Equity	32.3	1,886	287	2,173	625	3.8x	3.5x	4.6x	NM	29.8x	13.4%	10.4%	-5.9%	11.7%	75%			
Enfusion	ENFN US Equity	9.0	1,107	(56)	1,052	174	7.0x	6.1x	6.1x	NM	34.2x	34.6%	15.4%	-3.7%	17.7%	100%			
Average																			
Total (Large Cap)			270,344	61,911	332,255			6.8x	6.2x		23.6x	18.9x	9%	6%	17%	29%	84%		
Selected Mid Cap																			
IRESS	IRE AU EQUITY	5.8	700	272	973	401	2.3x	2.4x	2.5x	11.5x	12.8x	-4.1%	-6.7%	19.6%	19.0%	98%			
Alfa Financial	ALFA LN Equity	184.5	665	(11)	653	128	5.7x	5.1x	17.4x	16.2x	15.9x	0.8%	10.9%	34.9%	32.2%	29%			
First Derivatives	FDP LN EQUITY	14.6	502	24	526	387	1.5x	1.4x	1.8x	20.0x	12.0x	-0.6%	9.1%	7.3%	11.3%	74%			
Sword	SWP FP EQUITY	36.3	366	(28)	338	311	1.2x	1.1x	NA	2.6x	8.8x	13.0%	8.6%	46.1%	12.4%	NA			
Ebix	EBIX US EQUITY	9.9	305	529	834	621	0.8x	1.3x	1.5x	5.7x	5.3x	5.5%	-40.9%	13.9%	25.4%	88%			
Linedata	LIN FP EQUITY	54.0	283	112	396	188	2.2x	2.1x	2.7x	7.5x	NA	-4.0%	3.5%	29.2%	NA	79%			
Average																			
Total (Mid Cap)			2,822	899	3,721			2.3x	2.2x		10.6x	10.9x	2%	-3%	25%	20%	74%		
Selected Small Cap																			
Gresham	GHT LN Equity	1.4	145	(6)	139	NA	2.3x	NA	NA	12.4x	NA	18.3%	NA	18.6%	NA	67%			
MSG	MSG L GR EQUITY	2.9	132	(36)	96	NA	0.5x	NA	NA	6.5x	NA	-16.0%	NA	7.7%	NA	20%			
Profile Software	PROF GA EQUITY	4.2	105	(7)	99	34	3.7x	2.9x	4.2x	15.5x	11.0x	15.7%	27.6%	24.1%	26.6%	70%			
Crealogix	CLXN SW Equity	52.0	80	30	110	91	1.2x	1.2x	2.5x	NM	12.0x	-14.0%	9.6%	-0.2%	10.0%	49%			
N2N Berhad	N2N MK Equity	0.5	54	(34)	NA	21	0.9x	0.9x	NA	3.4x	3.8x	-16.1%	-9.0%	25.7%	24.9%	NA			
Average																			
Total (Small Cap)			516	(52)	444			1.7x	1.7x		9.4x	8.9x	-2%	9%	15%	21%	51%		
Sector Total			273,682	62,758	336,419			4.9x	4.8x		6.6x	17.7x	15.9x	6%	5%	19%	26%	77%	

(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



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William Berrington
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Kevin O'Neill
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