



Evolve  
Capital Partners

# QUARTERLY DEALS & MARKET ROUNDUP

## Bank Technology Solutions

July 2018



*Credit Scoring / Data*



*Software Solutions / Services*



*Blockchain*



*Mortgage / Real Estate Tech*



*Core Processing*

## Highlights

*This quarter's Bank Technology Solutions Roundup discusses the following key developments:*



***Banks are partnering with non-bank remittance companies to make money transfer faster and cheaper***



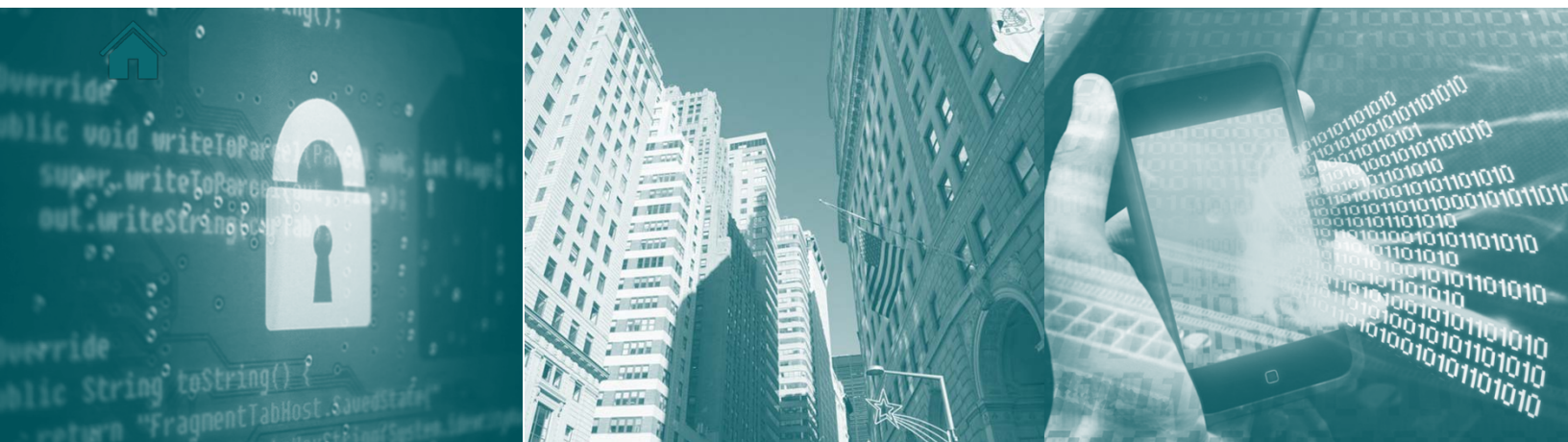
***Banks are leveraging Personal Finance Experience (PFE) for customer's value addition***



***Mortgage lending technology is shifting towards streamlining the loan experience and improving the underwriting process***



***Technological enhancements in mortgage and open banking sectors are driving deal volumes***



# Overview of Evolve Capital Partners

## ABOUT ECP

- Evolve Capital Partners (ECP) is a specialized investment bank focused on businesses serving industries at the intersection of finance and technology.
- We are dedicated investment bankers focused on evolving industries, and we support sustainable growth through transformational M&A / financing transactions.
- ECP is a dedicated, creative, and fully independent investment bank that advises private and public companies on merger, divestiture and acquisition transactions, and capital raising through private placements.
- We also provide structured financial advisory services — our investment banking practice provides a comprehensive suite of solutions to businesses.
- With over 30 engagements executed by its leaders, Evolve Capital Partners has served as a proud partner, bringing renewed value to companies at the intersection of finance and technology.
- We were founded in 2012 and are based in New York, NY.

## HIGH-TOUCH INVESTMENT BANKING

*Few investment banks have transaction experience across both corporate and asset finance.*



### Our Clients

- Corporations
- Management Teams
- VC & PE Backed Companies
- Independent Directors / Boards



### Investment Banking Advisory

- M&A
- Strategic Alliances
- Capital Raises and Asset Finance
- Financial Restructuring



### Industry Focus

*Finance and Technology Firms*

**BPO**

**IoT**

**B2B**

**Specialty Finance**

**Enterprise Software**

**Analytics**

**Payments**

**Lending**

**InsuranceTech**

**Securities**

**Financial Services**

**Financial Management**

## We Focus Exclusively on Finance and Technology-Related Firms

### Financial Management Solutions



### Payments



### Bank Technology Solutions



### BPO



## Capabilities

### M&A Advisory

*Sales / Recaps*

*Acquisitions*

*Divestiture*

*Strategic Advisory*

### Specialty Finance / Alternative Lending



### Healthcare Tech



### Securities



## Financing

*Private Placements*

*Debt Capital*

*Restructuring*

### Insurance



### Data & Analytics / IoT





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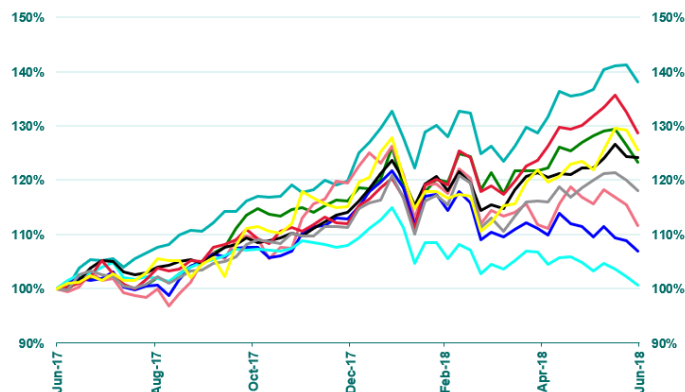




# Market Summary

## Industry Stock Market Performance of ECP Sector Coverage

### Last 12 Months



Payments

Financial Management Solutions

Healthcare Tech

BPO

Bank Technology Solutions

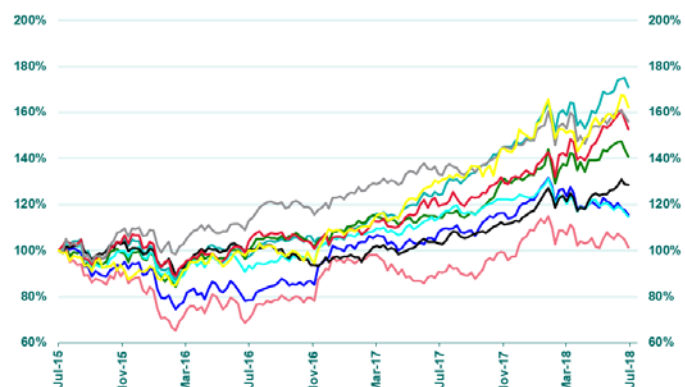
Data & Analytics / IoT

Specialty Finance / Alternative Lending

Securities

Insurance

### Last 3 Years



Payments

Healthcare Tech

Data & Analytics / IoT

Financial Management Solutions

Bank Technology Solutions

BPO

Securities

Insurance

Specialty Finance / Alternative Lending

## Indexed Price Performance

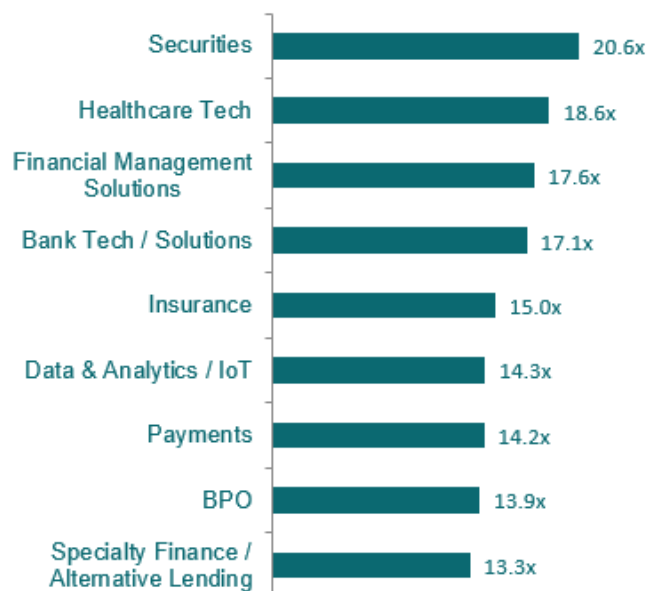
Sector	3 Months	1 Year	3 Years
Payments	7.9%	37.8%	71.1%
Bank Tech / Solutions	2.9%	23.0%	40.7%
Specialty Finance / Alternative Lending	(5.4%)	11.4%	1.3%
Securities	(6.5%)	7.1%	15.6%
Healthcare Tech	(4.6%)	0.4%	62.2%
BPO	5.9%	24.8%	28.5%
Financial Management Solutions	8.4%	28.1%	52.8%
Data & Analytics / IoT	2.1%	17.4%	56.2%
Insurance	7.4%	25.1%	14.7%

Source: Capital IQ and market data as of June 29, 2018

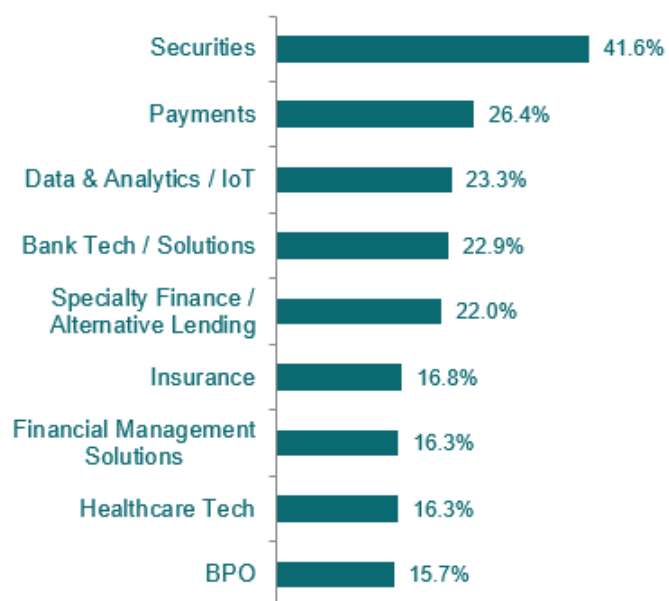
# Multiples & Margins – All Sectors

## Industry-wide Multiples and Margins

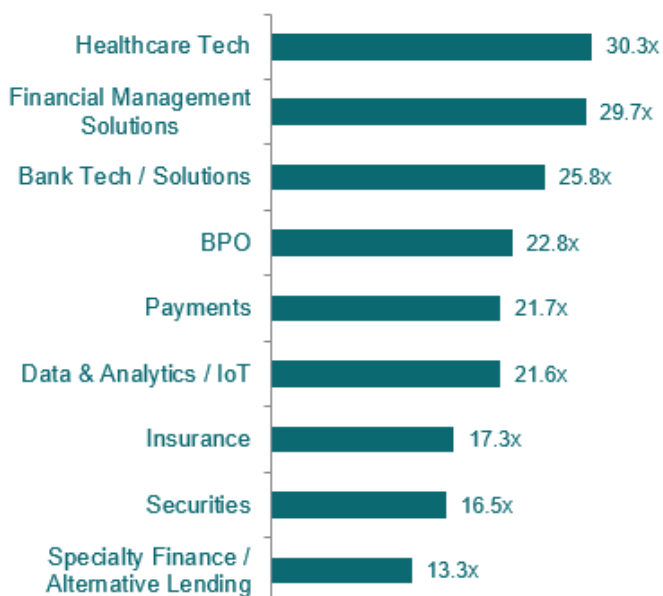
### 2018E EBITDA Multiples



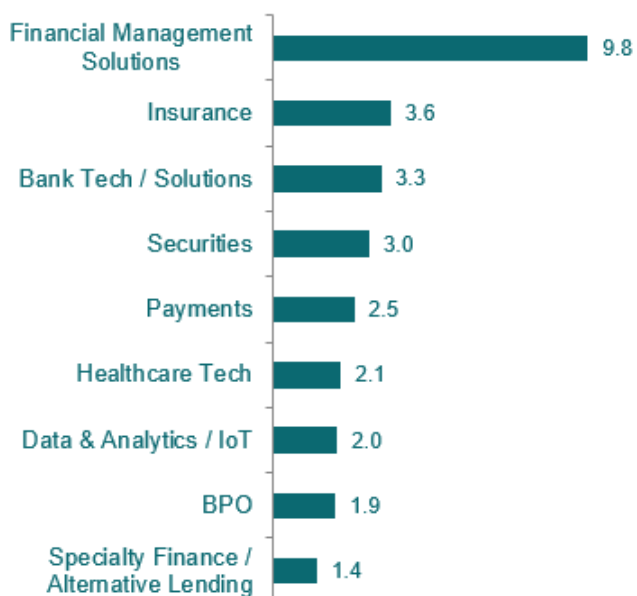
### LTM EBITDA Margins



### 2018E Price / Earnings Multiples



### 2018E PEG Ratio

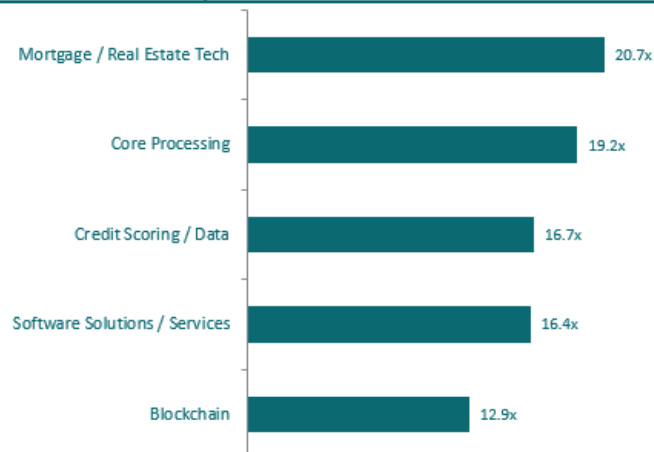


Source: Capital IQ and market data as of June 29, 2018

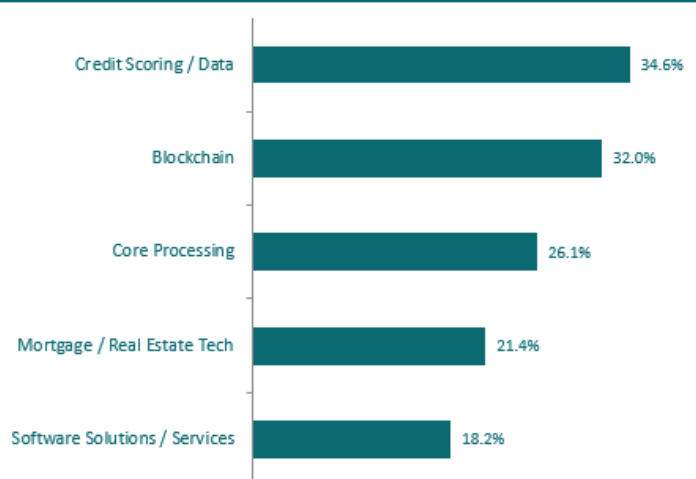
# Multiples & Margins – Bank Technology Solutions

## Sub-sector Multiples and Margins

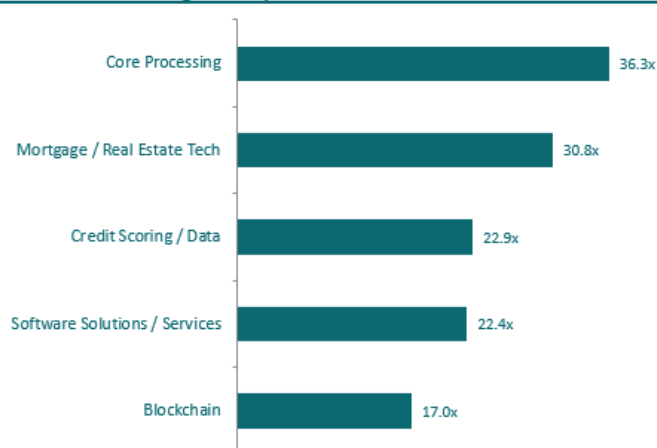
### 2018E EBITDA Multiples



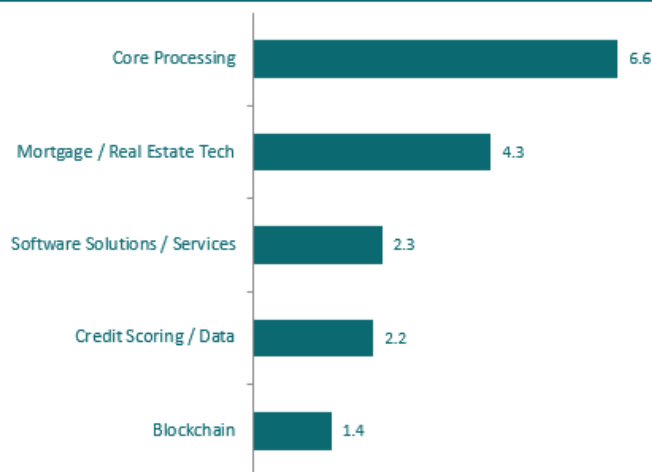
### LTM EBITDA Margins



### 2018E Price / Earnings Multiples



### 2018E PEG Ratio



Source: Capital IQ and market data as of June 29, 2018



## Stock Comparables – Bank Technology Solutions

(All figures in US Dollars. Figures in millions, except per share data, as of June 29, 2018)

Bank Tech / Solutions Sub-Sector	Aggregate		EV / Sales		Multiples		Price / Earnings	
	Market Cap	Enterprise Value	EV / Sales		EV / EBITDA		Price / Earnings	
			FY 18E	FY19E	FY 18E	FY 19E	FY 18E	FY 19E
Credit Scoring / Data	\$59,448	\$71,668	5.6x	5.1x	16.7x	14.3x	22.9x	20.4x
Software Solutions / Services	\$29,771	\$35,061	2.9x	2.6x	16.4x	13.3x	22.4x	18.8x
Blockchain	\$562,522	\$536,209	4.0x	3.7x	12.9x	11.6x	17.0x	15.1x
Mortgage / Real Estate Tech	\$64,792	\$67,852	5.0x	4.6x	20.7x	17.4x	30.8x	29.0x
Core Processing	\$99,520	\$111,530	5.8x	5.1x	19.2x	15.6x	36.3x	26.2x
<b>Sector Median</b>			<b>4.6x</b>	<b>4.4x</b>	<b>16.0x</b>	<b>14.7x</b>	<b>25.2x</b>	<b>21.7x</b>
<b>Sector Mean</b>			<b>4.6x</b>	<b>4.3x</b>	<b>17.7x</b>	<b>14.7x</b>	<b>27.7x</b>	<b>23.3x</b>

Bank Tech / Solutions Sub-Sector	Number of Companies	Growth Rates			EBITDA Margin		PEG* FY 18E
		Revenue		EPS			
		FY 18E	FY 19E	5 Yr	FY 18E	FY 19E	
Credit Scoring / Data	5	8.0%	10.3%	12.9%	34.6%	38.3%	2.17
Software Solutions / Services	7	14.2%	10.0%	8.2%	18.2%	19.3%	2.32
Blockchain	5	13.0%	6.0%	10.0%	32.0%	33.2%	1.41
Mortgage / Real Estate Tech	13	15.2%	14.0%	14.5%	21.4%	24.1%	4.29
Core Processing	12	12.1%	14.8%	14.8%	26.1%	27.9%	6.57
Sector Median		10.1%	9.0%	10.5%	26.6%	28.4%	1.35
Sector Mean		13.0%	12.0%	12.8%	25.2%	27.4%	2.48

\* Price/Earnings to Growth ratio is a valuation metric for determining the relative trade-off between the price of a stock, the earnings generated per share (EPS), and the company's expected growth. In general, the P/E ratio is higher for a company with a higher growth rate.

## Stock Comparables– Bank Technology Solutions Sub-Sectors

(All figures in US Dollars. Figures in millions, except per share data, as of June 29, 2018)

Credit Scoring / Data											
Company Name	Market Cap	Enterprise Value	LTM Sales	LTM EBITDA %	EV / Sales		EV / EBITDA		P / E		PEG
					FY18	FY19	FY18	FY19	FY18	FY19	FY18
Experian plc	\$22,397	\$25,670	\$4,662	32.7%	5.5x	5.2x	15.7x	15.2x	25.2x	24.0x	NA
Equifax Inc.	\$15,049	\$17,490	\$3,396	33.3%	5.0x	4.7x	14.7x	13.5x	20.9x	19.5x	2.3
TransUnion	\$13,182	\$15,524	\$2,016	36.7%	7.0x	6.4x	18.1x	16.3x	28.7x	25.5x	3.0
Intrum AB (publ)	\$3,052	\$6,620	\$1,231	27.0%	4.4x	3.6x	11.5x	6.7x	11.2x	8.3x	0.4
Fair Isaac Corporation	\$5,769	\$6,365	\$977	22.8%	6.2x	5.7x	23.2x	20.0x	28.7x	24.8x	3.0
Median				32.7%	5.5x	5.2x	15.7x	15.2x	25.2x	24.0x	2.6
Mean				30.5%	5.6x	5.1x	16.7x	14.3x	22.9x	20.4x	2.2

Software Solutions / Services											
	Market	Enterprise	LTM	LTM	EV / Sales		EV / EBITDA		P / E		PEG
Company Name	Cap	Value	Sales	EBITDA %	FY18	FY19	FY18	FY19	FY18	FY19	FY18
Wolters Kluwer N.V.	\$15,470	\$17,888	\$5,310	27.4%	3.5x	3.4x	13.0x	12.3x	20.2x	18.9x	2.6
Pegasystems Inc.	\$4,306	\$4,051	\$819	7.9%	4.2x	3.8x	29.6x	23.8x	44.1x	36.4x	3.0
The Dun & Bradstreet Corporation	\$4,548	\$5,707	\$1,779	26.1%	3.2x	3.2x	10.8x	10.4x	14.4x	13.8x	2.5
Sopra Steria Group	\$4,185	\$4,817	\$4,617	8.8%	1.0x	1.0x	10.3x	9.5x	16.0x	14.2x	1.2
Asseco Poland S.A.	\$887	\$2,254	\$2,314	11.9%	0.9x	0.9x	7.2x	7.1x	8.2x	10.7x	NA
Mitek Systems, Inc.	\$312	\$268	\$51	15.3%	4.3x	3.2x	27.7x	16.8x	31.5x	19.1x	2.2
NetSol Technologies, Inc.	\$64	\$76	\$59	NA	NM	NM	NM	NM	NM	NM	NA
Median				13.6%	3.4x	3.2x	11.9x	11.4x	18.1x	16.6x	2.5
Mean				16.2%	2.9x	2.6x	16.4x	13.3x	22.4x	18.8x	2.3

Blockchain											
	Market	Enterprise	LTM	LTM	EV / Sales		EV / EBITDA		P / E		PEG
Company Name	Cap	Value	Sales	EBITDA %	FY18	FY19	FY18	FY19	FY18	FY19	FY18
Intel Corporation	\$231,649	\$244,064	\$64,031	42.7%	3.6x	3.5x	8.4x	7.9x	12.1x	11.8x	1.4
International Business Machines Corporation	\$128,240	\$161,987	\$80,056	20.9%	2.0x	2.0x	8.6x	8.3x	10.1x	10.1x	NM
American Express Company	\$84,315	NA	\$31,298	NA	NA	NA	NA	NA	13.6x	12.6x	1.4
PayPal Holdings, Inc.	\$98,874	\$89,363	\$13,804	18.7%	5.8x	5.0x	22.3x	18.8x	35.0x	29.3x	1.8
First Data Corporation	\$19,444	\$40,795	\$8,331	23.9%	4.6x	4.4x	12.2x	11.5x	14.1x	11.9x	1.2
Median				22.4%	4.1x	4.0x	10.4x	9.9x	13.6x	11.9x	1.4
Mean				26.6%	4.0x	3.7x	12.9x	11.6x	17.0x	15.1x	1.4

Source: Capital IQ

## Stock Comparables– Bank Technology Solutions Sub-Sectors

(All figures in US Dollars. Figures in millions, except per share data, as of June 29, 2018)

### Mortgage / Real Estate Tech

Company Name	Market	Enterprise	LTM	LTM	EV / Sales		EV / EBITDA		P / E		PEG
	Cap	Value	Sales	EBITDA %	FY18	FY19	FY18	FY19	FY18	FY19	FY18
Fidelity National Financial, Inc.	\$10,330	\$10,903	\$7,711	14.1%	1.4x	1.3x	9.8x	9.3x	13.2x	12.2x	NA
Zillow Group, Inc.	\$11,800	\$11,366	\$1,131	7.7%	7.6x	5.5x	41.0x	30.1x	NM	56.0x	17.9
CoStar Group, Inc.	\$15,016	\$14,085	\$1,012	26.0%	11.9x	10.4x	36.4x	28.7x	54.3x	41.9x	2.9
Ellie Mae, Inc.	\$3,567	\$3,335	\$442	17.1%	6.7x	5.7x	25.5x	20.0x	56.0x	39.1x	3.3
CoreLogic, Inc.	\$4,237	\$5,823	\$1,856	20.8%	3.1x	3.1x	11.9x	11.1x	19.0x	17.3x	1.7
Black Knight, Inc.	\$8,001	\$9,494	\$1,064	35.5%	8.5x	7.8x	17.5x	15.9x	30.0x	26.3x	2.0
ZPG Plc	\$2,800	\$3,218	\$398	35.3%	8.0x	7.2x	20.0x	18.2x	29.1x	25.5x	1.6
Stewart Information Services Corporation	\$1,022	\$1,054	\$1,951	5.8%	0.5x	0.5x	7.9x	6.7x	14.3x	11.7x	NA
Real Matters Inc.	\$385	\$312	\$300	1.8%	1.0x	0.9x	25.4x	16.2x	38.8x	29.6x	0.5
RealPage, Inc.	\$4,965	\$5,513	\$719	14.1%	6.4x	5.7x	24.4x	20.3x	38.7x	31.0x	NA
Redfin Corporation	\$1,915	\$1,725	\$390	(2.4%)	3.6x	2.8x	NM	NM	NM	NM	NA
Altisource Portfolio Solutions S.A.	\$502	\$788	\$899	13.4%	0.9x	NM	11.2x	NM	14.3x	NM	NA
Reis, Inc.	\$252	\$236	\$48	17.0%	4.8x	4.4x	17.9x	14.5x	NM	NM	NA
Median				14.1%	4.8x	4.9x	19.0x	16.2x	29.5x	27.9x	2.0
Mean				15.9%	5.0x	4.6x	20.7x	17.4x	30.8x	29.0x	4.3

### Core Processing

Company Name	Market	Enterprise	LTM	LTM	EV / Sales		EV / EBITDA		P / E		PEG
	Cap	Value	Sales	EBITDA %	FY18	FY19	FY18	FY19	FY18	FY19	FY18
Fidelity National Information Services, Inc.	\$35,097	\$43,564	\$9,041	27.4%	5.1x	4.9x	13.8x	13.1x	20.3x	18.7x	1.5
Fiserv, Inc.	\$30,335	\$34,557	\$5,742	31.6%	5.9x	5.6x	15.9x	15.3x	23.3x	21.7x	2.2
Jack Henry & Associates, Inc.	\$10,076	\$10,124	\$1,503	31.4%	6.6x	6.2x	19.0x	18.1x	37.2x	32.7x	3.4
Temenos AG	\$10,458	\$10,703	\$766	27.4%	12.6x	11.3x	33.9x	29.4x	49.6x	41.9x	3.2
Oracle Financial Services Software Limited	\$5,070	\$4,604	\$696	38.6%	6.5x	6.5x	15.6x	14.7x	24.9x	23.6x	NA
Glory Ltd.	\$1,749	\$1,548	\$2,141	15.2%	0.7x	0.7x	4.8x	5.4x	NM	NM	NA
Q2 Holdings, Inc.	\$2,423	\$2,304	\$204	(7.7%)	9.7x	7.9x	NM	NM	NM	NM	31.9
Silverlake Axis Ltd	\$1,023	\$886	\$129	26.4%	6.8x	4.9x	21.1x	12.9x	29.7x	17.4x	1.2
Bottomline Technologies (de), Inc.	\$2,034	\$2,082	\$381	8.7%	5.4x	4.9x	23.1x	20.4x	43.1x	34.1x	2.6
Computer Services, Inc.	\$691	\$648	\$250	NA	NM	NM	NM	NM	NM	NM	NA
Intellect Design Arena Limited	\$356	\$318	\$167	(2.9%)	1.9x	1.6x	28.5x	14.9x	69.0x	26.1x	NA
CREALOGIX Holding AG	\$208	\$193	\$81	9.6%	2.2x	1.9x	16.2x	11.6x	29.4x	19.7x	NA
Median				26.4%	5.9x	4.9x	17.6x	14.8x	29.7x	23.6x	2.6
Mean				18.7%	5.8x	5.1x	19.2x	15.6x	36.3x	26.2x	6.6

Source: Capital IQ



## Recent Updates



### ***Banks are partnering with non-bank remittance companies to make money transfer faster and cheaper***

New technology players are disrupting the money transfer market, which was dominated by banks. By deploying Application Program Interfaces (APIs) and blockchain enabled apps, non-bank companies remit money in a manner that is faster and much more cost-effective compared to bank transfers.

These technologies have helped the disruptors overcome the inefficiencies and costs that were an inherent part of the traditional banking relationships, and become popular in the money transfer market.

This disruption compelled banks to take the tech-route by collaborating with online remittance providers. These partnerships between banks and technology players help banks make monetary payments and transfers quicker with reduced transaction processing costs.

One of the most recent partnerships in this segment is between BPCE Groupe and TransferWise. This transaction enabled BPCE Groupe to integrate TransferWise's low-cost money apps with its money apps.



### ***Banks are leveraging Personal Finance Experience (PFE) for customers' value addition***

Banks are focusing on building a stronger relationship with their customers through enhanced communication techniques such as PFE. Personal Finance Experience (PFE) is a simple and fully personalized way of communication that allows banks to develop a one-on-one relationship with customers.

The use of PFE enables banks to send notifications to customers on their smartphone app, advising them on both financial as well as non-financial needs. Banks are also leveraging this technology to provide predictive insights to help customers meet their financial goals.

PFE can also track transactions in all accounts across multiple financial institutions, and alert consumers to habits that may lead to overspending.

Some of the types of information that banks disseminate using PFE are summaries after international trips, gift expenses, car running costs since the last refueling, or a summary of taxi expenses. Danske Bank partnered with Minna Technologies recently to use its technology on the bank's mobile app.



### ***Mortgage lending technology is shifting towards streamlining the loan experience and improving the underwriting process***

The demand for mortgage loans is continuously increasing with more millennials entering the real estate market.

In serving their clients, mortgage lenders now have to improve their services as millennials expect to receive high-quality services.

To overcome the manual and time-consuming process of mortgage loan origination, lenders have brought in a high level of technology and automation, especially in

the areas of data management and mortgage underwriting.

In addition, stricter regulations post the 2008 global financial crisis have driven up the cost of originating home loans. Lenders are using technologies such as Artificial Intelligence (AI) and Machine Learning (ML) to reduce high origination and underwriting fees by automating data collected from credit reports and property papers.





## Key Initiatives by Bank Technology Solutions Companies

### ***Shanghai bank partners with Ant Financial to support its digital transformation***

Chinese fintech and Alibaba-affiliated Ant Financial Service Group entered into a strategic cooperation agreement with Shanghai Pudong Development Bank (SPD) Co., Ltd., on May 30, 2018. The partnership will allow SPD to accelerate its digital transformation in areas such as online risk and fraud prevention using Ant Financial's technological capabilities. Under the terms of the partnership, Ant Financial will provide technical support to help SPD prevent loan, transaction and marketing frauds. SPD intends to notably leverage Ant Financial's financial-grade technologies in Artificial Intelligence (AI), Supply Chain Finance, Biometric Identification and Risk Management. The partnership will also generate mutual benefits such as improved user experience with online and offline payment options and secured financial services for small and medium businesses.

### ***Blend collaborates with Ellie Mae to enhance its loan generation process***

Mortgage technology giants Ellie Mae and Blend entered into a partnership agreement on May 25, 2018, that will allow Blend to leverage Ellie Mae's electronic disclosure delivery, which is a part of its Encompass mortgage solution. Encompass helps lenders originate more loans quicker and at lower origination costs.

Lenders using Ellie Mae's Encompass loan origination solution will be able to create and deliver electronic disclosures through Ellie Mae's document preparation software. In addition to facilitating the e-signature process, the electronic delivery solution will also improve compliance by leaving an audit trail. The collaboration with Ellie Mae will enable Blend to offer a more seamless user experience at a lower cost. The company estimates that using Ellie Mae's electronic disclosure delivery will help it save \$15 per loan on average.

### ***HSBC teams up with Equifax for developing open banking credit application***

HSBC UK has created the first live open banking credit application solution using the InterConnect platform by teaming up with Equifax, the consumer and business insights expert. The agreement will enable HSBC to use the benefits of the Equifax Single Customer View (SCV) and RN4 solutions to enhance customer relationships. The solutions will facilitate quick affordability assessments by allowing individuals to submit their bank transaction information electronically, in less than five minutes, during an application for credit. With submissions coming in real time, HSBC will get a fast and informed view of a customer's affordability and will facilitate speedier lending decisions.

### ***ABN AMRO partners with ThetaRay to boost its Anti-Money Laundering (AML) capabilities***









ABN AMRO partnered with ThetaRay on June 19, 2018, to improve the Dutch bank's AML and CTF (Counter-Terrorist Financing) capabilities. ThetaRay is a specialist in leveraging ML and sophisticated mathematical algorithms to detect financial crimes in their earliest stages.

ThetaRay's platform enables financial institutions to build customized solutions to identify anomalies in large, complex data sets in real time regardless of source. The partnership allows ABN AMRO to focus on making its post-transaction monitoring more effective and efficient. The partnership also follows the market trend that banks are heavily investing in technologies, such as AI and ML, to protect themselves from fraud and meet increasing regulatory requirements.







## Deal Activity

### Highlighted M&A Transactions

Date	Target	Acquirer	Sector	Implied EV (\$mm)
06/20/2018	 RATEWATCH <small>Providing Financial Data For Over 20 Years</small>	 S&P Global	Credit Scoring / Data	\$34
05/15/2018	 Quantiguous <small>SOLUTIONS</small>	 Deutsche Bank	Software Solutions & Services	NA
05/11/2018	 ZPG	 SILVERLAKE	Mortgage / Real Estate Tech	\$3,377
04/20/2018	 Callcredit	 TransUnion	Credit Scoring / Data	\$1,403

### Highlighted Financing Transactions

Date	Company	Key Investor	Type	Amount (\$mm)
06/13/2018	 Opendoor	 ACCESS LENNAR GENERAL ATLANTIC	Series E	\$325
06/01/2018	 chime	 M Menlo	Series C	\$70

- Transaction volumes have been moderately strong for the bank technology space so far in Q2:2018.
- Mortgage/real estate technology, software services & solutions, and credit scoring/data witnessed a strong growth in deal activity.
- Digitization is the key driver of the deal activity in the mortgage industry which is driving the industry closer to a completely electronic mortgage experience.
- The need to improve fraud and identity management services is driving deal activity in credit scoring/data.

### Technological enhancements in mortgage and open banking sectors drive deal volumes

Transaction volumes have been moderately strong in the bank technology space in Q2:2018. The mortgage/real estate technology and credit scoring sectors experienced strong growth over the previous quarter.

Banks have clear and comprehensive technology strategies and are making pointed investments to fulfill their strategic objectives. One of the areas where banks are making a dash is open banking. For instance, Deutsche Bank acquired FinTech start-up Quantiguous Solutions, on May 15, 2018, to accelerate its open banking strategy. Goldman Sachs acquired Clarity Money to bolster its Marcus online lending business.

While banks have been generally aggressive in digitizing themselves, one core area that was left behind until now is mortgages.

With several businesses evolving that are dedicated to developing technology for the mortgage space, acquisition deals are also on the rise. ZPG's acquisition by Silver Lake on May 11, 2018 was one of the standout deals in the mortgage tech space in the quarter.

We believe that deal activity in the bank tech space will accelerate further as new tech solution providers emerge and interest from banks and established technology players increases.

Other segments where deal activity was strong include credit scoring/data and frauds and identity management.

*Deal activity in the bank tech space will accelerate further as new tech solution providers emerge.*

## M&A Transaction Activity Summary

Date	Target	Acquirer(s)	Sector	Implied EV (\$mm)
06/20/2018 Transaction Profiled	 RATEWATCH Providing Reliable Data For Over 30 Years	 S&P Global	Credit Scoring / Data	\$34
06/18/2018	 MALAUZAI	 FINASTRA	Software Solutions & Services	NA
05/31/2018	 Franklin American MORTGAGE COMPANY	 Citizens Bank®	Mortgage / Real Estate Tech	\$511
05/24/2018	 OCKTO	 ABN-AMRO	Credit Scoring / Data	NA
05/18/2018	 Iovation®	 TransUnion®	Credit Scoring / Data	NA
05/15/2018 Transaction Profiled	 Quantiguous SOLUTIONS	 Deutsche Bank	Software Solutions & Services	NA
05/11/2018	 conform	 Capital One®	Software Solutions & Services	NA
05/11/2018 Transaction Profiled	 ZPG	 SILVERLAKE	Mortgage / Real Estate Tech	\$3,377
04/27/2018	 METACO	 avalog	Blockchain	NA
04/20/2018 Transaction Profiled	 Callcredit	 TransUnion®	Credit Scoring / Data	\$1,403
04/15/2018	 claritymoney	 Goldman Sachs	Credit Scoring / Data	NA
04/12/2018	 a la mode	 CoreLogic®	Mortgage / Real Estate Tech	NA
04/05/2018	 mst magnet technologies	 Banker's Toolbox	Software Solutions & Services	NA
04/03/2018	 Intercept EFT® accomplishmore. stressless.	 FIRST INTERNATIONAL BANK & TRUST Member FDIC live first	Software Solutions & Services	NA

Source: Capital IQ, Pitchbook and Media Reports

## Key M&A Deal Profiles

### S&P Global acquires RateWatch for an implied EV of \$34 million

#### Target Company Overview



RateWatch is a Business-to-Business (B2B) information provider that offers subscription and custom reports on bank deposits, loans, fees and other product data to the financial services industry. The company was founded in 1989 and is based in New York, NY.

#### Solutions Offered

The company specializes in competitor comparison data, competitive intelligence, current and historical interest rate data, deposit reports, loan rate reports, market share analysis, consumer surveys and mystery shopping services.

#### Acquisition Details



S&P Global acquired RateWatch for an implied EV of \$34 million on June 20, 2018. Post the acquisition, RateWatch will be integrated into S&P Global Market Intelligence, a division of S&P Global that provides financial and industry data, research, and news.

#### Transaction Rationale

S&P Global intends to complement its differentiated data and analytical solutions for the banking sector, with this acquisition. The acquisition adds more products and clients to S&P Global Market Intelligence.

### Deutsche Bank acquires Quantigous Solutions for an undisclosed amount

#### Target Company Overview



Quantigous Solutions is a developer of financial enterprise software designed to make customer interactions simple, secure, and accurate. The company specializes in conceptualizing, designing, and creating turnkey solutions for machine-to-machine interactions via Application Programming Interface (APIs) and human-to-machine interactions on mobile devices. The company was founded in 2014 and is based in Mumbai, India.

#### Solutions Offered

Quantigous Solutions offers a suite of various interfaces called API Banking. The suite includes a user interface for your business and operations teams to configure the behavior of services (Service Center), a monitoring dashboard for operations and support staff (Surveil), a testing tool for quality assurance (Okay & Ditto), and a deployment tool for a company's change management teams (Enwrap).

#### Acquisition Details



Deutsche Bank acquired Quantigous Solutions on May 15, 2018. The financial terms of the deal were not disclosed. As part of the acquisition, Deutsche Bank will take over all employees of Quantigous, who will join the core team responsible for the development and rollout of the transaction bank's global API program.

#### Transaction Rationale

Deutsche Bank intends to accelerate the development of its open banking platform that forms the core for developing innovative client applications and connecting corporate clients, fintechs, and partner companies to the bank's Transaction Banking platforms and services.

## Key M&A Deal Profiles (Cont'd)

### Silverlake acquires ZPG for an implied EV of \$3.3 billion

#### Target Company Overview



ZPG owns and operates home-related digital platforms in the UK. It operates through Property and Comparison segments. The company uses digital media to assist in property searches and operates platforms under different brands which include Zoopla, uSwitch, PrimeLocation, and The Property Software Group. ZPG was founded in 2007 and is headquartered in London.

#### Solutions Offered

The company operates a multi-brand, multi-channel approach across the property lifecycle. It offers websites and mobile apps for different services like property advertising, display advertising, switching services, and data services to real estate agents, lettings agents, and new home developers.

#### Acquisition Details



Silver Lake acquired ZPG from Daily Mail and General Trust for an implied EV of \$3.3 billion on May 11, 2018. Under the terms of the acquisition, Silver Lake paid \$6.58 (£4.9) in cash for each ZPG share. Following the acquisition, Silver Lake preserved the original ZPG organization, including ZPG's existing management team. The Enterprise Value to LTM Revenue multiple was 8.8x.

#### Transaction Rationale

Silver Lake intends to provide growth benefits to ZPG through its technology expertise and global network.

### TransUnion acquires Callcredit for an implied EV of \$1.4 billion

#### Target Company Overview



Callcredit Information Group is a provider of consumer data applications, software, and analytics. The company offers credit reference and marketing services to financial institutions. The company was founded in 2000 and is based in Leeds, the UK. It has additional offices in Japan, China, Dubai, and Lithuania.

#### Solutions Offered

The company provides credit risk, affordability services, and consumer marketing data solutions to businesses. The company also offers fraud and verification services, retail location planning services, and digital services that include strategy and planning, digital analytics, online advertising, multi-channel communication, and social media marketing.

#### Acquisition Details





















TransUnion acquired Callcredit Information Group from GTCR and others for \$1.4 billion on April 20, 2018. Under the terms of transaction, TransUnion acquired the entire issued capital of 1.32 million shares of Callcredit Information Group Limited. The acquisition was financed through a combination of cash and debt financing.

#### Transaction Rationale

TransUnion intends to expand its international position through the acquisition. The company intends to exploit the synergies arising out of the acquisition across its business models and solutions to strengthen its position in international markets.





















## Financing Transaction Activity Summary

Date	Target	Sector	Amount (\$mm)	Type	Key Investor(s)
06/13/2018 Transaction Profiled		Mortgage / Real Estate Tech	\$325	Series E	  
06/01/2018 Transaction Profiled		Software Solutions & Services	\$70	Series C	
06/01/2018		Mortgage / Real Estate Tech	\$5	Seed	
05/31/2018		Mortgage / Real Estate Tech	\$17	Series A	ANDREESSEN HOROWITZ
05/31/2018		Credit Scoring / Data	\$16	Series A	 GENERAL 
05/23/2018		Software Solutions & Services	\$2	Seed	   FIRST CAPITAL PARTNERS
05/21/2018		Mortgage / Real Estate Tech	\$11	Series A	 Jackson Square Ventures
05/16/2018		Mortgage / Real Estate Tech	\$150	Venture	LL Funds LLC
05/16/2018		Mortgage / Real Estate Tech	\$50	Series C	RIVERWOOD 

Source: Capital IQ, Pitchbook and Media Reports



## Financing Transaction Activity Summary (Cont'd)

Date	Target	Sector	Amount (\$mm)	Type	Key Investor(s)
05/16/2018	 Spiir	Software Solutions & Services	\$4	Venture	
05/09/2018	 Trussle	Mortgage / Real Estate Tech	\$18	Series B	 
05/03/2018	 Neon	Software Solutions & Services	\$22	Series A	
05/03/2018	 A10 CAPITAL	Mortgage/ Real Estate Tech	NA	Growth	
05/01/2018	 Numbrs	Software Solutions & Services	\$27	Growth	Undisclosed
04/25/2018	 Revolut	Software Solutions & Services	\$250	Series C	
04/23/2018	 meniga	Software Solutions & Services	\$4	Growth	
04/12/2018	 Lender Price	Software Solutions & Services	NA	Venture	
03/29/2018	 first	Mortgage / Real Estate Tech	\$5	Series A	

Source: Capital IQ, Pitchbook and Media Reports



## Key Financing Deal Profiles

### Open Door Labs receives \$325 million in Series E financing

#### Target Company Overview

**Opendoor**

Open Door Labs, a provider of a web and mobile based home-selling platform, offers solutions for hassle-free selling, buying, and trading of homes by eliminating the need for agents in the process. The company was incorporated in 2013 and is based in San Francisco, CA.

#### Services Offered

Open Door provides a platform where the seller of a house can get an instant quote called the offer price. The Company then sells the house it purchased, after making the required renovation, making a profit. The company also allows its customers to save on the cost of double mortgages by helping them reap the advantages of home trade-ins.

#### Financing Details

Open Door raised \$325 million of Series E venture funding in a deal led by Access Technology Ventures, Lennar and General Atlantic on June 13, 2018, putting the company's pre-money valuation at \$1.7 billion. Invitation Homes, Khosla Ventures, GGV Capital, Norwest Venture Partners and others also participated in the round.

#### Use of Funds

Open Door Labs intends to use the funds to expand operations, broaden its business reach, and move deeper into residential real estate. The company also intends to use the funds to expand and scale its suite of services such as mortgages, titles, closing support and home customization.

### Chime receives \$70 million in Series C financing

#### Target Company Overview

**chime**

Chime provides a mobile app that manages everything from tracking spending and savings to paying friends instantly. The app automatically saves users money by setting aside a pre-determined amount after every transaction. The company was founded in 2013 and is based in San Francisco, CA.

#### Services Offered

Chime's mobile app doesn't require users to maintain a minimum balance or overdraft facility. The company also provides a debit card that is accepted everywhere where Visa debit cards are accepted. Chime's mobile app gives daily balance notifications and instant transaction alerts whenever consumers use the Chime debit card.

#### Financing Details



Chime raised \$70 million of Series C venture funding in a deal led by Menlo Ventures on May 31, 2018, putting the company's pre-money valuation at \$425 million. Northwestern Mutual Capital, Omidyar Network, Cathay Innovation, Forerunner Ventures, Crosslink Capital, and Aspect Ventures also participated in the round.

#### Use of Funds

Chime intends to use the funds to expand operations, and broaden its business reach. The company also intends to use the funds to increase its workforce and scale its business with innovative marketing initiatives.

## IPO Activity Summary

Company	IPO Date	Amount Raised (\$mm)	IPO Price	Current Market Price	Total Return
 cardlytics	02/09/2018	\$70	\$13.00	\$21.76	67%
 REDFIN	07/27/2017	\$138	\$15.00	\$23.09	54%
 Alfa <sup>^</sup>	05/26/2017	\$324	\$5.49	\$2.30	(58%)
 REAL MATTERS	05/10/2017	\$115	\$9.51	\$5.70	(40%)
 CYBG	02/03/2016	\$502	\$2.62	\$4.16	59%
 Piteco	07/30/2015	\$11	\$3.61	\$5.45	51%
 TransUnion	06/24/2015	\$665	\$22.50	\$71.64	218%
 BLACK KNIGHT <sup>™</sup> FINANCIAL SERVICES	05/19/2015	\$441	\$24.50	\$53.55	119%
 synchrony FINANCIAL	07/30/2014	\$2,875	\$23.00	\$33.38	45%
 Cerved	06/24/2014	\$582	\$6.93	\$10.68	54%
 Q2 Grow Beyond	03/19/2014	\$101	\$13.00	\$57.00	338%
 Springleaf	10/15/2013	\$358	\$17.00	\$33.29	96%
 PennyMac <sup>®</sup>	05/09/2013	\$200	\$18.00	\$59.65	231%
 Zillow <sup>®</sup>	07/19/2011	\$69	\$20.00	\$59.75	199%

Source: Capital IQ and Pitchbook, Market data as of June 29, 2018



## Select Wall Street Research Updates and Commentary

### Update from JPMorgan, April 2018



A key question on the credit bureaus remains whether Equifax is losing share to TRU in the wake of the former's September 2017 data breach. While TRU attributes their continued admirable results to a continuation of share gains predating the breach, **the current gap in the companies' top line growth rates including a recent acceleration by TRU despite the loss of certain discrete revenue benefits (e.g., trended credit data) suggests that some degree of core market share shift is occurring**, in our view.

### Update from RBC Capital Markets, May 2018



We believe FISV remains focused on improving its long-term organic growth while delivering operating margin expansion. We believe FISV should benefit from three key themes:

1. **Improving IT spending environment at financial institutions**, which appears to be accelerating to a mid-single-digit annual rate of increase from the low-to-no growth environment seen over the last few years.
2. Increasing **shift by financial institutions toward more transformational deals** (such as branch transformation, mobile banking, and increasing focus on payments).
3. **Synergies and cross-selling opportunities** as FISV integrates newer innovations and continues to benefit from acquisition (we believe acquisition integration has proven to be one of management's key skill sets).

### Update from JPMorgan, May 2018



Wells is trying to expand its business nationally beyond branch customers. **It has increased digital acquisitions, which are driving solid purchase volume growth, but this is being offset by higher rewards expense.** Wells is exploring co-branded card relationships. Wells' credit card business has high RoA due to its higher risk focus and greater share of revolvers – low NCOs.

### Update from RBC Capital Markets, May 2018



The online real estate advertising market faces a significant secular growth opportunity (the \$24B U.S. real estate advertising market), with **clear evidence that consumers are increasingly turning toward Internet channels** to help make informed real estate decisions.

We see substantial **revenue growth in the Mortgage Marketplace as well as growing forays into Rentals and Home Improvement.**

### Update from HSBC Global Research, April 2018



Based on our proprietary database, JPM is the second largest global TBSS player, albeit it does not take full advantage of its large deposit base in trade finance. We expect **top line to improve through trade loan penetration, payment volumes and AUC growth while the cost/income ratio declines through digitalization.** We estimate TB revenues to grow at a 5% CAGR through 2020e, or 1% above our global estimates.



# Appendix – Coverage Universe Components

The coverage universe for various sectors is as follows:

1	Payments:	ADS, FLT, ENXTPA:EDEN, WEX, FIS, FISV, JKHY, ACIW, EPAY, V, MA, AXP, PYPL, SHOP, ENXTAM:GTO, DBD, CATM, MB, EVRI, PMTS, BOVESPA:CIEL3, FDC, GPN, TSS, VNTV, SQ, LSE:WPG, XTRA:WDI, ENXTPA:WLN, DLX, LSE:PAYS, TSE:3769, QIWI, EVTC, LSE:PAY, UEPS, NEWT, JTPY, ENXTPA:ING, NCR, SZSE:002152, PAY, SEHK:327, AIM:SCH, PAR, WU, EEFT, HAWK, GDOT, MGI, ASX:OFX, PLPM
2	Bank Technology Solutions:	FIS, FISV, JKHY, SWX:TEMN, BSE:532466, TSE:6457, QTWO, SGX:5CP, EPAY, OTCPK:CSVI, BSE:538835, SWX:CLXN, AIM:MONI, LSE:EXPN, EFX, TRU, OM:IJ, FICO, FNF, ZG, CSGP, ELLI, CLGX, BKFS, LSE:ZPG, STC, TSX:REAL, ASPS, REIS, ENXTAM:WKL, PEGA, DNB, ENXTPA:SOP, WSE:ACP, MITK, AIM:SQS, NTWK, INTC, IBM, AXP, PYPL, FDC
3	Specialty Finance / Alternative Lending:	NAVI, NNI, PRAA, ECPG, PRGX, PFMT, ASFI, CIT, CACC, NEWS, MRLN, TSX:CHW, ASX:ZML, CPSS, COF, SYF, DFS, SLM, LSE:PFG, SC, OMF, FCFS, AAN, LSE:TCS, SGBK, WRDL, LSE:IPF, TBBK, EZPW, RM, OB:MONO-ME, ATLC, URI, AL, TSX:EFN, TGH, RCII, ASX:FXL, CAI, FLY, NSM, CASH, PHH, PFSI, OCN, WAC, LC, TREE, YRD, DB:FRU, ENVA, XRF, ELVT, ONDK, DB:MBC
4	Securities:	BGCP, LSE:NXG, LSE:IGG, IBKR, ENXTAM:FLOW, KCG, VIRT, ITG, ENXTPA:VIL, INTL, SWX:CFT, BMV:FINAMEX O, WFC, BAC, C, LSE:HSBA, ASX:CBA, TSX:RY, TSX:TD, ENXTPA:BNP, USB, AXP, LSE:LLOY, PNC, ASX:NAB, TSX:BMO, LSE:BARC, SEHK:11, LSE:RBS, SGX:D05, TSX:CM, NSEI:ICICIBANK, MTB, BIT:MB, UMBF, LSE:CBG, FII, NSEI:IIFL, XTRA:COM, CME, ICE, SEHK:388, XTRA:DB1, LSE:LSE, BOVESPA:BVMF3, NDAQ, CBOE, ASX:ASX, SGX:S68, ENXTPA:ENX, BME:BME, TSX:X, SPGI, TSX:TRI, MCO, INFO, MSCI, FDS, ENXTPA:FIM, MORN, NSEI:CRISIL, VALU, JPM, GS, MS, SWX:UBSG, DB:DBK, SWX:CSGN, ASX:MQG, TSE:8604, RJF, LAZ, SF, PJC, GHL, COWN, AMEX:LTS, AIM:NUM, JMP, BLK, BK, BEN, NTRS, AMP, TROW, IVZ, LSE:HL, LSE:INVP, JHG, AB, CNS, WDR, APAM, WETF, VRTS, SCHW, AMTD, ETFC, MKTX, TSE:8628, AIM:PLUS, TSE:8698, YIN, LSE:CMCX, SWX:SQN, GCAP, GLBR, STT, BR, SEIC, ASX:CPU, DST, LPLA, LSE:TCAP, FNGN, ENV, LSE:SNN, ASX:BVS, ENXTAM:KA, SSNC, CPSE:SIM, LSE:ALFA, ASX:IRE, LSE:FDSA, AIM:FDP, ENXTPA:LIN, AIM:SOG
5	Insurance:	LSE:REL, VRSK, DNB, ACXM, MMC, AON, WLTW, AJG, BRO, LSE:JLT, MET, PRU, CI, TSX:MFC, AFL, LSE:AV, TSX:GWO, TSX:SLF, LSE:LGEN, PFG, LNC, SWX:SLHN, LSE:SL, ENXTAM:AGN, TMK, PRI, ANAT, LSE:HSD, DB:ALV, ENXTPA:CS, AIG, SWX:ZURN, ALL, AFG, GNW, LSE:MONY, RATE, EHTH, ASX:ISU, QNST, CB, TRV, PGR, HIG, CINF, LSE:RSA, THG, MCY, SIGI, EIG, STFC, MKL, WRB, AIZ, AWH, PRA, AFSI, RLI, AGII, OB, NAVG, AMSF, GBLL, GWRE, EBIX, SPNS, CRD.B, AMEX:MJCO, TSXV:SY, PN, FNF, ORI, FAF, STC
6	BPO:	ENXTPA:RCF, CVG, TTEC, SYKE, SRT, ESRX, ATHN, HQY, BOVESPA:QUAL3, MDRX, HMSY, QSII, CSLT, CPSI, RCM, ADP, PAYX, ULTI, WAGE, TNET, CSOD, NSP, BNFT, ACN, NSEI:TCS, CTSH, NSEI:INFY, DXC, BSE:507685, NSEI:HCLTECH, ENXTPA:CAP, ENXTPA:ATO, DOX, OTEX, NSEI:TECHM, CACI, EXLS, WNS, CALD, SYNT, BSE:532819, NSEI:HEXAWARE, VRTU, UIS, VDSI, LSE:MCGN, BIT:BET, TSX:GIB.A, LSE:CPI, G, BSE:526299, CSGS, BSE:532809, AIM:IBPO, PRGX
7	Financial Management Solutions:	INTU, LSE:SGE, BL, COUP, ASX:RKN, TYL, PEGA, ASX:TNE, QADA, AMSW.A, LSE:MCGN, NSEI:RAMCOSYS, ADP, PAYX, WDAY, ULTI, HRB, PAYC, WAGE, PCTY, CSOD, NSP, LSE:HRG
8	Analytics / IoT:	ORCL, DB:SAP, CRM, VMW, LSE:EXPN, OTEX, SPLK, DATA, FICO, XTRA:SOW, RP, NEWR, MSTR, CLDR, AYW, HDP, VERI, DWCH, GOOGL, MSFT, AMZN, KOSE:A005930, T, CMCS.A, VZ, QCOM, TMUS, HLSE:NOKIA, S, GRMN, LOGM, SLAB, IDCC, AMBA, GLOB, FIT, CTRL, GE, INTC, CSCO, DB:SIE, HON, TXN, TSE:6501, HPE, SWKS, RHT, ARW, PTC, ZBRA, CY, IRDM, TSX:SW, ORBC, CAMP, IBM, LSE:REL, EFX, NLSN, VRSK, IT, TRU, DNB, TDC, CLGX, VRNT, ACXM, FORR, TSX:AIM, MATR
9	Healthcare Tech:	INOV, OMCL, VCRA, TRHC, STRM, CERN, DB:COP, MDRX, EVH, QSII, HSTM, AIM:EMIS, CPSI, COTV, HMSY, ATHN, AIM:CRW, RCM, SREV, UNH, AET, ANTM, HUM, CNC, WCG, NUAN, MMS, MOH, MGLN, GTS, HIIQ





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