



## Financial Technology Sector

### Quoted Company Analysis

**Third Quarter 2012**

# Sector Valuation Metrics

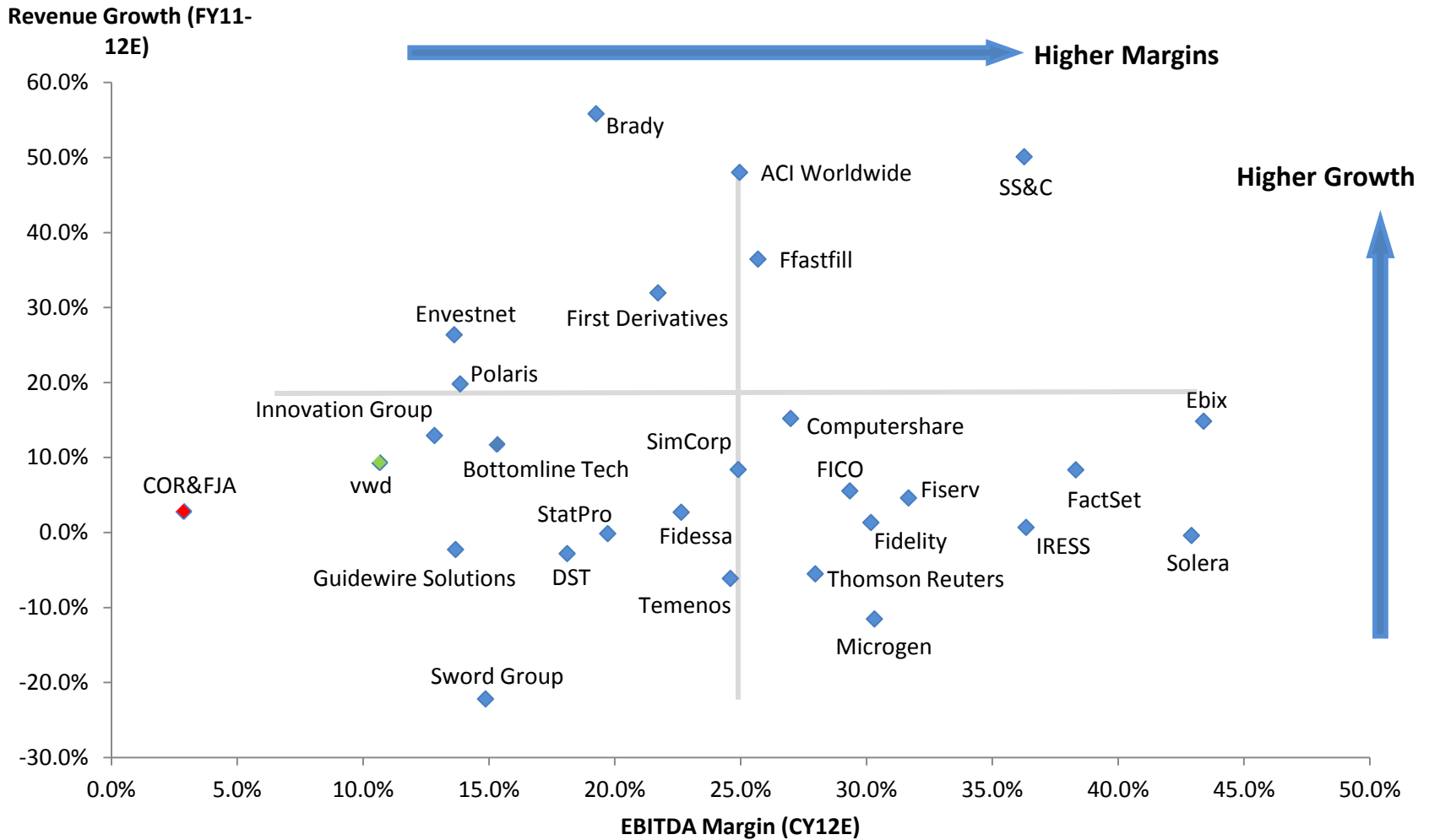
Company	Share Price Local	Market Cap (\$m) <sup>(1)</sup>	Net Debt (\$m) <sup>(2)</sup>	Enterprise Value (\$m)	Revenue	EV/Revenue		EV/Revs	EV/EBITDA		Revenue Growth		EBITDA Margin		% Revs	
	30-Sep-12				CY12E (\$m)	CY2011	CY2012E	Recurring	CY2011	CY2012E	CY2011	CY2012E	CY2011	CY2012E	Recurring <sup>(3)</sup>	
<b>Selected Large Cap</b>																
Thomson Reuters	28.86	23,822	7,172	30,994	13,042	2.2x	2.4x	2.8x	8.1x	8.5x	5.6%	-5.5%	27.6%	28.0%	86%	
Fiserv	74.03	10,044	3,058	13,102	4,537	3.0x	2.9x	na	9.7x	9.1x	4.9%	4.6%	31.0%	31.7%	na	
Fidelity National Information Services	31.22	9,198	4,536	13,733	5,820	2.4x	2.4x	na	8.0x	7.8x	9.0%	1.3%	29.8%	30.2%	na	
Computershare	8.30	4,790	1,312	6,102	1,940	3.6x	3.1x	4.6x	12.0x	11.7x	12.7%	15.2%	29.8%	27.0%	69%	
FactSet	96.42	4,271	(203)	4,068	828	5.4x	4.9x	4.9x	14.2x	12.8x	10.9%	8.3%	37.9%	38.3%	100%	
Jack Henry & Associates	37.85	3,261	(26)	3,235	1,061	3.2x	3.0x	3.4x	10.1x	9.4x	6.2%	6.6%	32.0%	32.4%	89%	
Solera	43.87	3,068	638	3,706	789	5.0x	4.7x	na	11.7x	10.9x	15.4%	-0.4%	42.8%	42.9%	na	
Morningstar	62.64	3,031	(470)	2,561	657	4.1x	3.9x	na	14.1x	13.4x	13.7%	4.1%	28.7%	29.1%	na	
DST Systems	56.56	2,551	1,067	3,617	2,321	1.5x	1.6x	na	9.2x	8.6x	2.6%	-2.8%	16.4%	18.1%	na	
SS&C	25.21	1,990	60	2,050	557	5.5x	3.7x	4.2x	15.1x	10.2x	12.7%	50.1%	36.7%	36.3%	87%	
Guidewire Software	31.05	1,686	(206)	1,480	230	7.5x	6.4x	14.3x	66.7x	47.1x	34.5%	-2.3%	11.2%	13.7%	45%	
ACI Worldwide	42.26	1,657	(122)	1,535	688	3.3x	2.2x	3.1x	16.2x	8.9x	11.2%	48.0%	20.3%	25.0%	73%	
FICO	44.26	1,498	266	1,764	671	2.8x	2.6x	3.6x	10.3x	9.0x	2.3%	5.5%	27.2%	29.3%	73%	
Advent Software	24.57	1,245	(86)	1,158	360	3.6x	3.2x	3.6x	17.6x	13.2x	15.1%	10.4%	20.2%	24.4%	89%	
Temenos	14.05	1,078	106	1,183	444	2.5x	2.7x	6.3x	13.4x	10.8x	5.7%	-6.1%	18.7%	24.6%	42%	
<b>Average</b>									<b>15.8x</b>	<b>12.8x</b>			<b>27.4%</b>	<b>28.7%</b>	<b>75.3%</b>	
<b>Total (Large Cap)</b>		<b>73,189</b>	<b>17,101</b>	<b>90,290</b>												
<b>Selected Mid Cap</b>																
IRESS Market Technology	7.44	994	(50)	944	214	4.4x	4.4x	5.6x	11.1x	12.1x	14.0%	0.7%	39.9%	36.4%	79%	
SimCorp	1239.00	984	(62)	922	264	3.8x	3.5x	7.8x	14.6x	14.0x	5.1%	8.4%	25.9%	24.9%	45%	
Bottomline Technologies	24.69	909	(125)	784	237	3.8x	3.3x	3.7x	27.8x	21.6x	18.4%	11.8%	13.6%	15.3%	89%	
Fidessa	14.71	881	(110)	772	451	1.8x	1.7x	2.1x	6.5x	7.6x	6.1%	2.7%	26.9%	22.6%	82%	
Ebix	23.61	876	22	898	194	5.3x	4.6x	5.8x	11.8x	10.7x	27.8%	14.8%	45.1%	43.4%	80%	
Financial Technologies India	975.40	850	(101)	750	na	8.6x	na	na	na	na	22.9%	na	-5.0%	na	58%	
<b>Average</b>									<b>14.4x</b>	<b>13.2x</b>			<b>24.4%</b>	<b>28.5%</b>	<b>72.2%</b>	
<b>Total (Mid Cap)</b>		<b>5,496</b>	<b>(426)</b>	<b>5,070</b>												
<b>Selected Small Cap</b>																
Envestnet	11.70	378	(65)	313	156	2.5x	2.0x	10.6x	16.9x	14.8x	25.6%	26.3%	15.0%	13.6%	19%	
Innovation Group	0.22	342	(51)	290	320	1.0x	0.9x	na	8.7x	7.1x	8.5%	12.9%	11.7%	12.8%	na	
Polaris Software	130.15	245	(31)	214	428	0.6x	0.5x	na	4.4x	3.6x	29.4%	19.8%	13.9%	13.9%	na	
Microgen	1.34	176	(42)	134	54	2.2x	2.5x	na	8.2x	8.2x	15.2%	-11.5%	26.8%	30.3%	na	
Sword Group	13.05	156	(11)	145	152	0.7x	1.0x	1.8x	4.2x	6.4x	-15.7%	-22.2%	17.7%	14.9%	53%	
Linedata Services	12.98	131	(2)	128	182	0.7x	0.7x	na	3.2x	3.1x	0.8%	6.0%	23.4%	22.5%	na	
First Derivatives	4.76	130	39	169	92	2.4x	1.8x	2.3x	10.6x	8.5x	25.4%	31.9%	22.6%	21.7%	80%	
Brady	1.00	130	(16)	114	47	3.8x	2.4x	4.7x	19.5x	12.5x	72.3%	55.8%	19.3%	19.3%	51%	
Bravura Solutions	0.19	122	24	146	na	1.1x	na	na	7.0x	na	5.1%	na	16.2%	na	51%	
Ffastfill	0.13	103	(4)	100	35	3.8x	2.9x	3.6x	18.1x	11.2x	11.2%	36.4%	20.8%	25.7%	79%	
StatPro	1.03	101	5	106	50	2.1x	2.1x	2.3x	8.0x	10.7x	-4.3%	-0.2%	26.5%	19.7%	93%	
vvd	2.80	93	1	94	111	0.9x	0.8x	na	9.5x	7.9x	6.3%	9.3%	9.7%	10.7%	na	
COR&FJA	0.88	51	17	67	174	0.4x	0.4x	2.0x	8.1x	13.5x	16.3%	2.8%	4.9%	2.9%	19%	
Dion Global	20.90	25	21	47	na	1.5x	na	na	5.1x	na	42.3%	na	na	na	na	
<b>Average</b>									<b>9.4x</b>	<b>9.0x</b>			<b>17.6%</b>	<b>17.3%</b>	<b>55.6%</b>	
<b>Total (Small Cap)</b>		<b>2,181</b>	<b>(114)</b>	<b>2,067</b>												
<b>Sector Total</b>		<b>80,866</b>	<b>16,561</b>	<b>97,427</b>												

(1) Excludes treasury shares

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

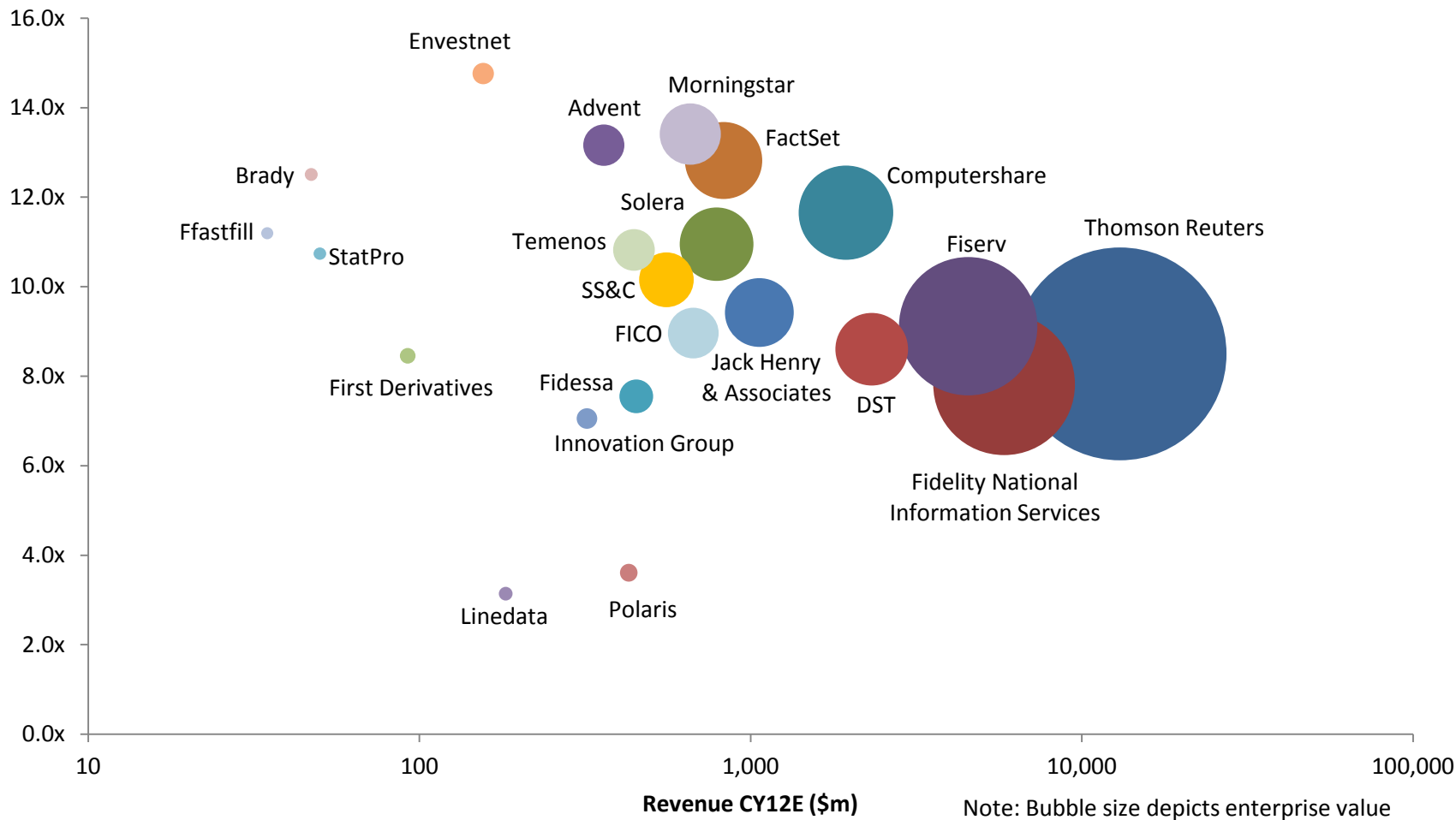
(3) Recurring revenues (maintenance, subscriptions, SaaS etc) where reported for last full year

# Performance Quadrants: Revenue Growth & Operating Margin



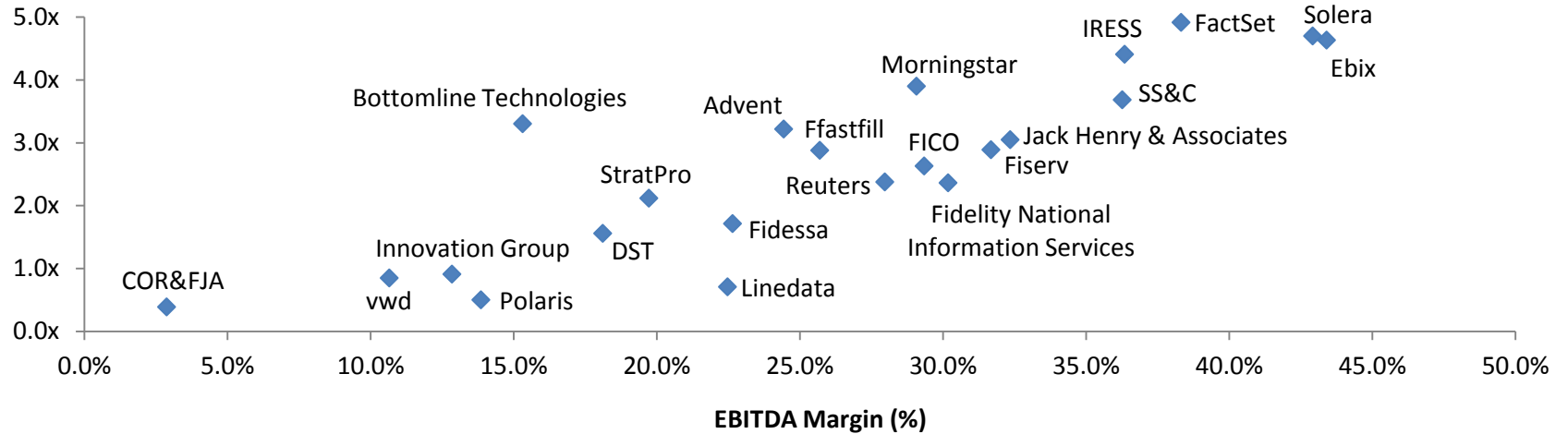
- ◆ Largest % Share price increase (last quarter)
- ◆ Largest % Share price decrease (last quarter)

## EV/EBITDA CY12E



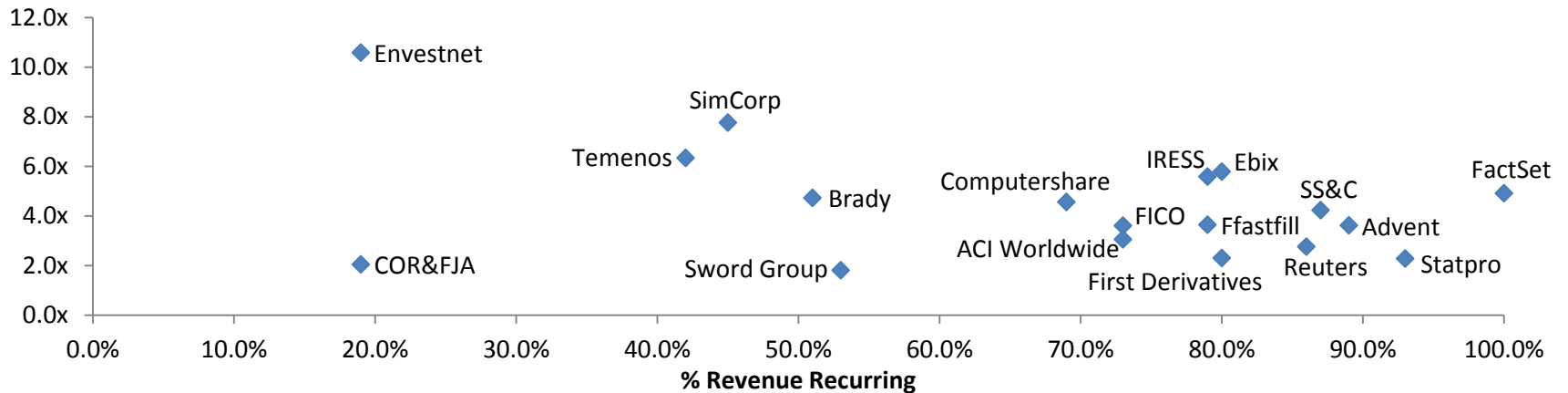
EV/Revenue CY12E

Revenue Multiples



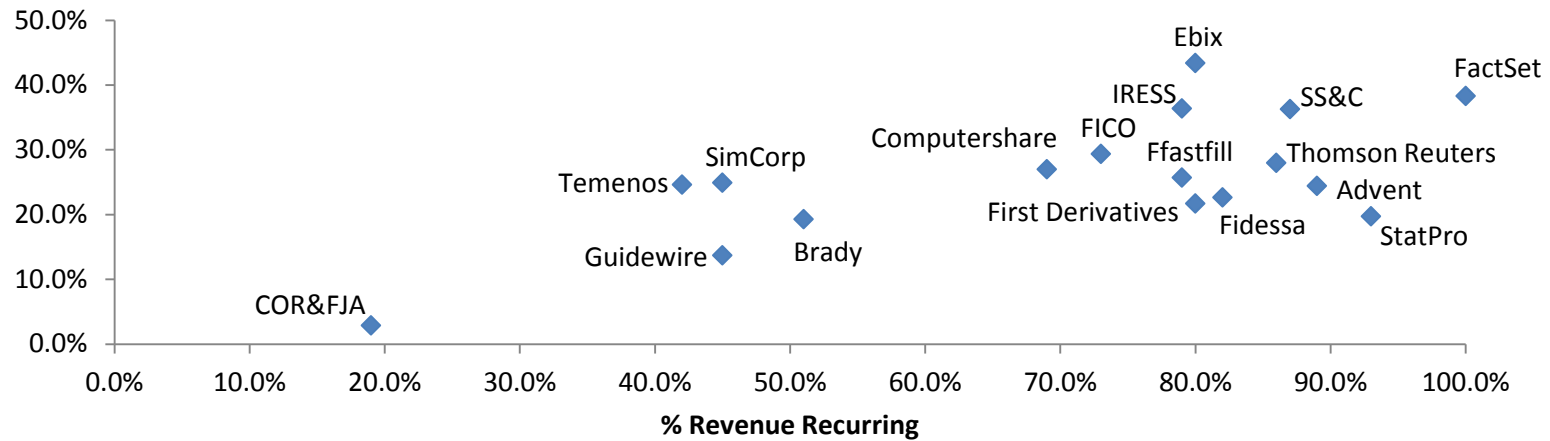
EV/Recurring Rev

Recurring Revenue Multiples



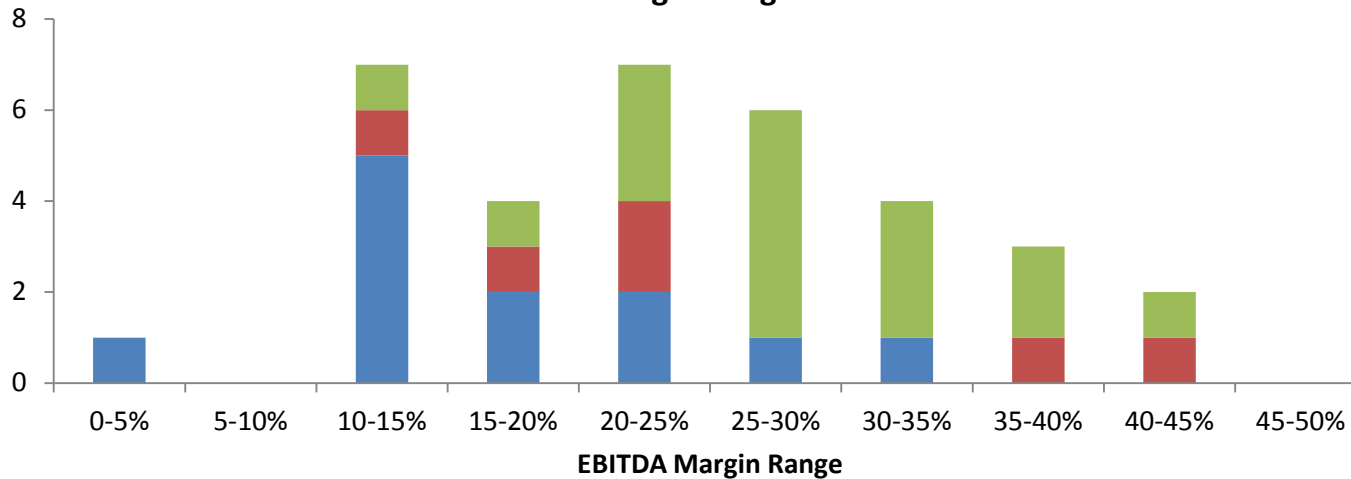
EBITDA Margin CY12E

Recurring Revenue as a Driver of Operating Margins



Number of Companies

EBITDA Margin Range Distribution



Larger players operating at higher margins

- Large Cap
- Mid Cap
- Small Cap

# Selected Financial Technology Deals – Third Quarter 2012

Date Announced	Buyer	Seller	Seller Description	Deal Size	Seller Revenue/ Profit	Revenue Multiple	Target Sector	Commentary
9/28/2012	First Derivatives	Redshift Horizons	Provides design capability for real-time electronic trading	£3.2M	£1.8M / £0.6M	1.8x	Trading	The acquisitions of Redshift and Cowrie will further enhance the capabilities and scope of the Delta software suite, while further enhancing First Derivatives' vendor services practice
9/24/2012	Digital River	LML Payment Systems	Online debit and credit card payment processing services for retailers	\$102.8M in cash	\$34.5M / 10.5M	2.1x	Payments	The combination will enable Digital River to broaden its online payment services to businesses of all sizes
9/20/2012	Temenos Group	Edge IPK	Enterprise business applications platform for financial services	Not disclosed	n/a / £(0.5)M	n/a	Banking	The acquisition will enable Temenos to compete more effectively in the financial services front office application market, which is estimated to be approximately the same size as the core banking market
9/19/2012	Investview [fka Global Investor Services]	Instilend Technologies	Securities lending process automation and management software	\$2.4M	n/a	n/a	Lending	The deal is another important step toward the overall success of Investview's strategy to diversify revenues and leverage technology
9/14/2012	Mergermarket Group [Pearson]	Inframation Group	Subscription-based infrastructure finance and business transaction news and reference content	n/a	n/a	n/a	Content	The merger will broaden Pearson/Mergermarket's own product offering into the infrastructure sector, while complementing its global portfolio of products such as Mergermarket, dealReporter and Debtwire
9/13/2012	ACI Worldwide	Distra	Payment processing software	\$48.8M in cash	n/a	n/a	Payments	The integration of ACI and Distra technologies will enable financial institutions, processors and retailers to enhance the flexibility and performance of their existing payments infrastructure to address market needs, such as mobile, social channels and payment services hubs
9/12/2012	TheStreet	The Deal [Wasserstein & Company]	Subscription-based online news and reference content regarding economic transactions, mergers, acquisitions and investments	\$5.8M in cash	\$10M / n/a	0.6x	Content	The acquisition of The Deal will advance the strategic objectives of TheStreet by increasing both subscribers and content

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9/12/2012	Perseus Telecom	e-Trade Lab Tecnologia da Informacao	Financial application hosting and delivery services for businesses in Brazil	n/a	n/a	n/a	Networks	The acquisition will allow Perseus Telecom to establish a stronger footprint in Latin America and add significant value to its services by integrating its low latency networks with e-Trade Lab's hosting solutions
9/7/2012	NCR Corporation	Transoft International	Currency SCM software and SaaS for financial institutions to monitor and manage ATM and branch cash levels	n/a	n/a	n/a	Banking	The addition of Transoft's solutions and experience will help NCR build a unique and compelling integrated cash management solution
9/5/2012	Diebold	GAS Tecnologia	Online banking and e-commerce anti-fraud software for financial institutions and related mobile authentication software	n/a	n/a	n/a	Fraud management	GAS will be a meaningful addition to Diebold as it expands its security expertise and industry knowledge in Brazil
9/5/2012	Acculynk	PayLeap	Payment gateway, fraud management, end-to-end encryption, tokenization, secure cardholder data vault, recurring invoicing and mobile capabilities	Not disclosed	n/a	n/a	Payments	As a result of the acquisition, Acculynk Direct will provide full service payment processing and payment gateway solutions to small and mid-size merchants, and a full affiliate program to partners and resellers
9/4/2012	InterContinentalExchange	WhenTech	Investment portfolio management software, with a focus on options valuation, analytics and risk management	n/a	n/a	n/a	Portfolio management	By closely integrating WhenTech's market leading pricing and risk management features into the ICE options trading workflow, ICE customers will be able to quickly identify trading opportunities and execute options orders in a highly efficient and effective manner
9/3/2012	Wolters Kluwer Tax, Accounting & Legal [aka CCH]	BSI	Operates a network of tax and financial reference content and news websites	n/a	n/a	n/a	Content	The acquisition further advances Wolters Kluwer's portfolio of premier international information supporting its continued expansion of global tax offerings in the growing corporate market



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9/3/2012	Bottomline Technologies	Albany Software	Develops software that automates and manages the collection of direct debits and electronic payments	Not disclosed	£5.3M/ £1.1M	n/a	Payments	The deal with Albany represents an opportunity to realise operating synergies and accelerate Bottomline's cloud innovations for businesses of all sizes
9/3/2012	TradeTech Consulting	TradeChannel Consulting	Niche consultancy providing front-to-back services for asset management firms	n/a	n/a	n/a	Asset management consultancy	The acquisition of TradeChannel Consulting significantly strengthens delivery capacity to the asset management segment and doubles its senior expertise on SimCorp Dimension
8/21/2012	Wave Accounting	Vuru	Online stock research and investment tracking SaaS for consumers and individual investors	n/a	n/a	n/a	Retail investment / SaaS	The acquisition continues Wave's aggressive growth and development strategy
8/16/2012	Fair Isaac Corporation [aka FICO]	Adepra [fka RealCall]	Customer service automation and messaging SaaS to enable alerts regarding potential fraudulent transactions	\$115M in cash	\$44.4M/ \$4.5M	2.6x	Fraud management	Adepra's technology combined with FICO's decision management applications can move businesses from defining, changing and testing decisions to executing and resolving customer interactions while improving customer outcomes
8/16/2012	BNK Invest	The Online Investor	Investment news and information through <a href="http://www.theonlineinvestor.com">www.theonlineinvestor.com</a>	n/a	n/a	n/a	Content	BNK Invest will leverage its financial content and tools to improve and enhance TheOnlineInvestor.com
8/16/2012	Wirecard	PrimaVista Solusi	Technology that enables electronic payment transactions	40M Euros +	n/a	n/a	Payments	The acquisition of PrimaVista is a further important milestone in Wirecard's expansion strategy in Asia
8/16/2012	Endava	Testing4Finance	Software testing services to financial institutions	Not disclosed	n/a	n/a	Testing	The acquisition of Testing4Finance creates new opportunities for Endava by enriching its financial services testing practice and by adding a number of major investment banks and other financial institutions to its customer base

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8/15/2012	Ebix	TriSystems	Technology and hosted solutions for broking and underwriting	Not disclosed	£3.9M / £0.5M	n/a	Insurance	A strategic acquisition for Ebix as it provides a base in one of the largest insurance markets in the world and helps to introduce EbixExchange services and CRM solutions to the London market
8/7/2012	Verisk Analytics	Argus Information & Advisory Services	Provides information, competitive benchmarking, scoring solutions, analytics and customised services to financial institutions and regulators	\$425M	n/a	n/a	Content and Analytics	The acquisition will further enhance Verisk's position as a key provider of data, analytics and decision support solutions to financial institutions globally
8/7/2012	CME Group	Pivot	Liquidity management and collaboration software to the financial markets	Not disclosed	n/a	n/a	Liquidity management	The acquisition creates the basis for CME Direct Messenger, leveraging Pivot's messaging platform, content parsing and broadcast technologies, and integrating Pivot's technology into traders' and brokers' pre-trade, trading and post-trade workflows
8/7/2012	AurionPro Solutions	SEEinfbiz	Software consulting and outsourcing services to the telecom, insurance, logistics and banking industries	Not disclosed	n/a	n/a	Banking	A significant step towards realising AurionPro's vision of becoming a top provider of BFSI, telecom products and solutions globally, by expanding the product portfolio and adding a list of global clients across BFSI and Telecom sectors
8/1/2012	Equiniti	Peter Evans & Associates	Develops front-to-back office solutions focused on securities and investment markets	Not disclosed	n/a	n/a	Trading	The acquisition will now allow Equiniti to collaboratively enhance Peter Evans' existing offering in order to create an extended range of services to both current and prospective clients looking to outsource their services
7/28/2012	Trading Systems Associates [dba TS Associates]	Correlix	Technology that monitors and analyses trading execution and market-data flows in real time	Not disclosed	n/a	n/a	Trading	The acquisition will provide TS Associates with a comprehensive range of instrumentation solutions for electronic trading systems, with best-of-breed latency monitoring and trade flow analysis capabilities, appealing to both technology and business users

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7/27/2012	Mobile Integrated Systems	Quantitative Alpha Trading	Trade execution software for the investment and finance sector	\$23.5M in shares	n/a	n/a	Trading	The acquisition will deliver reduced operating costs and accelerated time to market for the QAT family of products as well also cementing its position as leader in the electronic signals and robotic trading spaces
7/24/2012	Business & Decision	HubSales	Develops cloud-based insurance solutions and provides e-commerce consulting services	Not disclosed	n/a	n/a	Insurance	HubSales brings a fresh perspective on digital consumer behaviour analysis, with the HubScan solution strengthening B&D's existing CRM and e-business offerings
7/23/2012	Mitre Media	ETFdb	Online exchange traded fund (ETF) analysis and reference content for consumers providing a searchable online directory of funds and fund comparison, rating and screening services	n/a	n/a	n/a	Analytics	The deal with Mitre Media represents an opportunity for ETFdb to continue to expand its presence and deliver valuable content and tools to customers
16/07/2012	e-djuster	Claims Network	Software solutions and services for the property claims insurance industry	Not disclosed	n/a	n/a	Insurance	The deal will provide e-djuster with national reach and improve its Canadian market-share position as a leading provider of content claims solutions for the property claims industry
16/07/2012	Wolters Kluwer Financial Services	Financial Architects [dba FinArch]	Develops finance, risk and performance measurement software solutions	Not disclosed	n/a / £(3.9)M	n/a	Risk management	Together with its risk and regulatory reporting solutions, Wolters Kluwer FS will now be able to offer its customers more options and greater flexibility to meet the needs specific to their organisation and the changing marketplace
10/07/2012	ServiceLink	DRI Management Systems	Mortgage loan default workflow management software	n/a	n/a	n/a	Mortgages	ServiceLink Fusion (SM) uses the newly-acquired DRI workflow platform to provide loan servicers with the industry's first comprehensive, end-to-end workflow management solution

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09/07/2012	Thomson Reuters	FX Alliance [dba FXall]	Foreign exchange trade execution software and SaaS for brokerage houses, independent traders and asset managers	\$625.2M in cash	\$120.9M / \$41.2M	5.2x	Trading	The combination will enable Thomson Reuters to provide its customers with integrated management of trades through the entire lifecycle, delivering the benefits of a more streamlined trading process and more efficient execution
09/07/2012	RPM Technologies	Winfund Software [Mackenzie Investments]	Mutual-fund dealer business management software for the investment sector providing CRM, portfolio management and analysis, and commission processing	n/a	n/a	n/a	Analytics	Winfund focuses primarily on MFDA and insurance companies, and RPM specialises in enterprise wealth solutions for investment dealers and banks. Together, the two companies will be in a strong position to serve the varied needs of all sizes of wealth management firms operating in various regulatory jurisdictions
04/07/2012	AIM Software	ABI Informatic	Developer of AGIO, a software package for managing financial data	n/a	n/a	n/a	Data management	The combination will allow AIM Software to bring improved enterprise data management solutions to an even larger community and will strengthen its focus on Switzerland as one of its major markets
03/07/2012	Lender Processing Services	LendingSpace	Mortgage loan origination SaaS providing CRM, sales lead management, compliance management and business intelligence	\$11M	n/a	n/a	Mortgages	LendingSpace's technology platform will increase LPS's other origination technology solutions
02/07/2012	FactSet Research Systems	StreetAccount	Subscription-based online corporate and investment news summary data	n/a	n/a	n/a	Content	StreetAccount content is a natural fit for FactSet that will complement its strong partnership with Dow Jones and other news vendors already available on the FactSet platform
02/07/2012	S&P Capital IQ	Credit Market Analysis	Real-time pricing aggregation services and data products for OTC credit and credit derivatives	Not disclosed	£5.8M / £1.2M	n/a	Data management	The purchase of CMA, along with the recently announced acquisitions of Toronto-based R2 Financial Technologies and Paris-based QuantHouse, provides S&P Capital IQ with the components necessary to offer its clients broad market data and risk analytics platforms



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