June 21, 2011

# FINANCIAL TECHNOLOGY PARTNERS LP FTP SECURITIES LLC

is pleased to announce its exclusive role as strategic and financial advisor to



in its sale to



for total consideration of approximately

\$ 145,000,000



The Only Investment Bank Focused Exclusively on Financial Technology

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# **EDC's \$145 mm Sale to Cardtronics (NASDAQ: CATM)**

# FT Partners Advises EDC on its \$145 mm Sale to Cardtronics

#### **Transaction Overview and Rationale**

#### Overview of Transaction

- On June 21, 2011, EDC announced its sale to Cardtronics for \$145 million
- The transaction provides liquidity for Alpine Investors, who took a majority stake in EDC in August 2006
- EDC is a leading provider of turnkey ATM deployment services operating approximately 3,700 ATMs and multifunction kiosks in the United States

#### Significance of Transaction

- Cardtronics is currently the largest turnkey ATM and financial kiosk operator in the United States, with strong international presence in the United Kingdom and Mexico
- Cardtronics' acquisition adds to its total number of ATM terminals and will increase its market footprint by establishing branding relationships with 8 of the top 15 banks in the United States (by assets)

#### FT Partners' Role

- FT Partners served as exclusive strategic and financial advisor to EDC in its sale process
- Highlights FT Partners' unparalleled capability of helping companies in the Payments and Bank Technology sector find the best strategic partners and achieve favorable outcomes for stakeholders
- Underscores FT Partners' continued success in advising a broad range of top-tier Payments and Bank Technology companies
- Demonstrates FT Partners' strength in developing strong relationships with financial sponsors

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# **EDC's \$145 mm Sale to Cardtronics (NASDAQ: CATM)**

### **EDC Overview**

#### **Company Overview**

CEO: Mark Strauch Founder: Mark Hoppe **Current Ownership:** Alpine Investors **Headquarters:** Walnut Creek, CA Founded: 1986

- EDC owns and operates a network of approximately 3,700 ATMs and multi-function kiosks serving several of the nation's leading retail, grocery and convenience store chains, among other verticals
- EDC has the ability to tailor its solution to fit the large-scale needs of national retailers or to provide individualized solutions for small businesses
- The Company has rapidly grown in recent months, adding more than 1,300 gross new ATMs since January 2010
- EDC's exclusive partnership with an innovative digital prepaid provider is expected to drive incremental growth in the ATM business and provide a more diversified financial technology offering
- Alpine Investors acquired EDC for an undisclosed amount in August of 2006

### **Selected Customer Relationships**



NORDSTROM





**Selected Branding Partners** 













# **EDC's \$145 mm Sale to Cardtronics (NASDAQ: CATM)**

### **Cardtronics Overview**

#### **Cardtronics Overview**

CEO: Steven Rathgaber
Chairman: Dennis Lynch
Headquarters: Houston, TX
Founded: 1989
Market Capitalization<sup>(1)</sup> (\$mm): \$974
Employees: 535

- Cardtronics owns and operates approximately 33,400 ATMs and financial services kiosks in the United States, United Kingdom, Mexico and Puerto Rico
- The Company provides cash dispensing and bank account balance inquiry through its ATMs and kiosks, as well as bill payment, check cashing, remote deposit capture and money transfer services

### **Selected Acquisition History**

Announce		Value
Date	Target	(\$ in mm)
06/21/11	EDC	\$145
06/01/07	7-Eleven's ATM Operations	\$135
12/21/05	ATM National	na
08/10/05	Neo Concepts	na
05/18/05	Bank Machine (UK)	na
03/29/05	BAS Communication's ATM Portfolio	na
06/03/04	E*Trade Access	\$106

#### **Last 3 Year Share Performance**



### Summary Income Statement<sup>(2)</sup>

(\$ in mm, except per share data)	LTM 3/31/11	2010A	2011E
Revenue % Growth	\$542.3 7%	\$532.1 8%	\$570.0 7%
Adj. EBITDA <sup>(3)</sup> % <i>Margin</i>	135.1 <i>25%</i>	130.8 25%	140.0 25%
EPS <sup>(4)</sup>	\$1.07	\$1.00	\$1.21
EV / Revenue	2.3x	2.3x	2.2x
EV / EBITDA	9.1	9.4	8.8
PE	20.0	21.4	17.7



(4) Calculated as pre-exceptional items and excluding stock based compensation, per

Thomson Reuters.

Source: Company website, Capital IQ, Thomson Reuters.

<sup>(1)</sup> Market capitalization based on a 6/21/11 closing price of \$21.39.

<sup>(2) 2011</sup>E revenue and EBITDA per Company Management; EV based on a 6/21/11 close price of \$21.39, \$3.7 mm of cash and equivalents, \$258.7 mm of debt and \$2.0 mm of minority interest as of Q1 2011 and 89 mm FDSO.

<sup>(3)</sup> Management adjusted EBITDA defined as operating income less other income, taxes, income attributable to non controlling interests, plus depreciation, accretion, amortization, loss on disposition of assets and stock based compensation.



# CARDTRONICS

# **Overview of Selected FT Partners Transactions**

# **Advisor of Choice in the Payments & Banking Sector**

FT Partners
has advised
on the most
prominent
transactions in
the Payments
and Banking
Technology
Sectors























# FT Partners Named "Dealmaker" and "Investment Bank" of the Year

# The "M&A Advisor" Selects FT Partners for M&A Industry-Wide Awards

### **Awards Overview**

- FT Partners consistently receives top honors and recognition from national associations:
  - Middle Market Deal of the Year, Cross-Border Deal of the Year and IT Services Deal of the Year (2010)
  - Dealmaker of the Year (2007, 2008 and 2009)
  - Investment Banking Firm of the Year (2004 and 2006)
  - Financing Professional of the Year (2006)
  - Product of the Year IPO Advisory (2006)
  - Deals of the Year (2005, 2006 and 2007)
- 2008's top ranked investment banker named on Institutional Investors annual "Online Finance 40" ranking
  - Consecutively ranked for 3 years (2008, 2007, 2006)
- Founder and Managing Partner, Steve McLaughlin, lauded highest honors as both "Dealmaker of the Year" and "Financing Professional of the Year"
- Top award winning Investment Bank collecting more than 10 separate awards for outstanding performance and client results
  - FT Partners has received over 50 award nominations across an unprecedented array of categories
- FT Partners' "IPO Advisory" service as demonstrated in one of the most successful Payments IPOs in history, VeriFone received its third industry award in 12 months for Product of the Year
  - Previously recognized in our 2006 Financing Professional of the Year award and 2005 Deal of the Year



# Dealmaker of the Year Investment Bank of the Year

#### Selected Payments & Banking Transactions:

- \$50 million Minority Investment for YapStone
- \$45 million Financial advisory role on Ellie Mae's IPO
- \$300 million Jack Henry's acquisition of iPay Technologies
- Undisclosed Mercury Payments Systems' 60% strategic investment by Silver Lake
- \$370 million Sale of Custom House to Western Union
- \$525 million Sale of Lynk Systems to the Royal Bank of Scotland
- \$325 million Sale of Verus Financial Management to the Sage Group plc
- \$245 million Sale of Corillian to Checkfree
- \$292 million Financial advisory role on VeriFone's debt recapitalization
- \$177 million Financial advisory role on VeriFone's IPO
- \$22+ million Series C financing for ViVOtech
- \$42.5 million Sale of Alogent to Goldleaf Financial

