

# FT Partners Advises Mercury in 100% Sale to Vantiv

May 13, 2014



Strategic 100% Sale to

**vantiv**<sup>TM</sup>

for total consideration of

**\$ 1,650,000,000**



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[www.ftpartners.com](http://www.ftpartners.com)

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# FT Partners Advises Mercury in \$1.65 Billion Sale to Vantiv

## Executive Summary

**FT Partners also exclusively advised Mercury in its original 2010 transaction / sale to Silver Lake for approx. \$700,000,000+**

- On May 12, 2014, Mercury announced its sale to Vantiv for \$1.65 billion in cash
  - FT Partners advised its long-term client, Mercury Payment Systems LLC (“Mercury”) – and its ~40% original shareholder-founder group (fka “Mercury Payment Systems, Inc.” or “MPS”) – in the strategic sale to Vantiv
  - FT Partners was also the sole / exclusive advisor to Mercury Payment Systems, Inc. / MPS in its ~60% majority sale to Silver Lake for ~\$700 million announced on April 14, 2010<sup>(1)</sup>
- Mercury’s sale to Vantiv preempts its planned IPO filed publicly on March 28, 2014 (*underwriters were to be Morgan Stanley, JP Morgan and Barclays, among others*)
- This transaction is Vantiv’s largest acquisition post spinout from Fifth Third (nearly 5x larger than its next largest deal) and one of the largest strategic merchant acquiring M&A transactions consummated in more than a decade
- Mercury is a leading provider of payments technology and services that integrate with point-of-sale (POS and IPOS) solutions – Mercury truly pioneered this approach to merchant acquiring / processing, which leverages direct integration with POS software platforms / vendors along with a robust partner / dealer distribution and support network, thus creating a highly differentiated merchant experience
- In 2013, Mercury generated \$237.3 mm in net revenue (+17% y/y growth) and \$78.5 mm in GAAP EBITDA (33.1% margin) and \$92.9 mm in adjusted EBITDA (39.2% margin)<sup>(2)</sup>
- Since its founding in 2001, Mercury has been funded with virtually no outside capital, making its success all the more impressive

(1) Source: Mercury’s S-1 Filing, “In April 2010, SL Quicksilver LLC (“SL Quicksilver”), an affiliate of Silver Lake, acquired Class A units representing a majority interest in Mercury Payment Systems, LLC from Mercury Payment Systems, LLC and from certain existing holders for an aggregate of approximately \$450.6 million. As of December 31, 2013, SL Quicksilver held approximately 62% of the outstanding membership interests of Mercury Payment Systems, LLC.”

(2) Adjusted EBITDA excludes share-based compensation and one-time charges / write-offs.



# FT Partners Advises Mercury in \$1.65 Billion Sale to Vantiv

## FT Partners / Mercury Relationship Overview – Excellence in 2010 Set up 2014 Deal

*FT Partners exclusively advised Mercury in its original 2010 transaction / sale to Silver Lake for approx. \$700,000,000+*

### Financial Technology Partners LP

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



*in its approx. 60% majority sale to*

**SILVERLAKE**

*for aggregate consideration of approx.*

**\$ 700,000,000**



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**2010**

### Financial Technology Partners LP

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



*in its cash sale to*

**vantiv™**

*for total consideration of*

**\$ 1,650,000,000**



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**2014**



# FT Partners Advises Mercury in \$1.65 Billion Sale to Vantiv

## FT Partners Advises on Strategic Sale of Mercury for \$1.65 bn in Cash to Vantiv

### Transaction Overview and Rationale

#### Overview of Transaction

- Mercury announced its sale to Vantiv for \$1.65 billion in cash on May 12, 2014
- Vantiv will fund the acquisition with committed financing; the transaction is expected to close in the second quarter of 2014
- This transaction is Vantiv's largest acquisition to-date (~5x larger than its acquisition of Litle) and one of the largest strategic merchant acquiring M&A transactions consummated in over a decade

#### Significance of Transaction

- Vantiv's acquisition of Mercury accelerates the Company's growth in the integrated payment space by significantly expanding distribution channels and technology capabilities
- Expands Vantiv's reach into the SMB segment through Mercury's distribution network, complementary verticals and ability to design integrated, value-added POS innovations
- Enhances Vantiv's competitive position in the payments sector broadly on the basis of technology differentiation, leading processing scale and omni-channel presence while increasing penetration into high growth channels
- Expected to add one to two percentage points to Vantiv's net revenue growth per year while being modestly accretive to Vantiv's non-GAAP earnings per share in 2014 with accelerating accretion in 2015

#### FT Partners' Role

- FT Partners served as advisor to Mercury
- FT Partners was also Mercury's advisor in the Company's 60% sale to Silver Lake in April of 2010 at a \$700mm valuation

### Financial Technology Partners LP FTP Securities LLC

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



*in its cash sale to*

**vantiv**<sup>TM</sup>

*for total consideration of*

**\$ 1,650,000,000**

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# FT Partners Advises Mercury in \$1.65 Billion Sale to Vantiv

## FT Partners Advises Mercury on its 60% Majority Sale to Silver Lake in April 2010

### Transaction Overview and Rationale

**Awarded Deal of the Year 2010**

**Awarded Deal of the Decade 2011**

#### Overview of Transaction

- Mercury Payment Systems (“Mercury” or MPS”) announced an approx. 60% majority sale to Silver Lake on April 14, 2010
- Mercury is a differentiated, value-added technology-enabled merchant acquirer leveraging POS developers and VARs to sell its integrated payment processing services to primarily SMB retailers and restaurants
- Silver Lake is a global private equity firm with approximately \$23 billion in assets under management

#### Significance of Transaction

- Unique transaction structure with 60% majority sale proving highly attractive to both buyer and seller
  - Buyer able to gain shared control while retaining and motivating management
  - Seller able to monetize significant stake at strong valuation while retaining significant upside from future growth
- Mercury will be well positioned to pursue growth opportunities by leveraging the strategic relationships of Silver Lake

#### FT Partners’ Role

- FT Partners served as exclusive strategic and financial advisor to Mercury and its Board of Directors
- Transaction highlights FT Partners’ ability to rapidly and confidentially execute complex transactions
- FT Partners designed and executed on this innovative and complex structure to meet the needs of Mercury’s various shareholders and Silver Lake
- FT Partners developed an extraordinarily detailed and comprehensive set of financial materials to highlight the unique value proposition of Mercury and to enable efficient and thorough investor diligence

### Financial Technology Partners LP FTP Securities LLC

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



*in its approximately 60% majority sale to*

# SILVERLAKE

*for aggregate consideration of approx.*

# \$ 700,000,000



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# FT Partners Advises Mercury in \$1.65 Billion Sale to Vantiv

## Selected U.S. Payments Financing and M&A Transactions (2010 to Present)

Selected FT Partners Deals Noted	Seller	Buyer	Date	Transaction Value (\$ in mm)
			05/12/14	\$1,650
			05/06/14	NA
			01/24/14	420
			09/25/13	NA
			09/18/13	200
			09/11/13	NA
			07/25/13	163
			11/15/12	100+
			10/31/12	361
			08/15/12	413
			08/09/12	100+
			07/06/12	670
			07/05/12	NA
			08/24/11	NA
			04/14/10	~700

# FT Partners Advises Mercury in \$1.65 Billion Sale to Vantiv

## Mercury Transaction Overview

### Transaction Overview

- On May 12, 2014, Mercury announced its sale to Vantiv for \$1.65 billion in cash; the transaction is expected to close in the 2<sup>nd</sup> quarter of 2014
- Vantiv will fund the acquisition with committed financing from JP Morgan, BofA Merrill Lynch and Credit Suisse; Company expects total cost of capital to be ~3%
- Vantiv's pro forma leverage will be 4.6x net debt / LTM 3/31/14 Adjusted EBITDA; Company expects to de-lever up to 1.0x annually
- The Mercury management team will remain with the Company, which will maintain its locations in Colorado
- This transaction preempts Mercury's planned IPO; the Company is suspending activities related to its IPO and in connection with the consummation of this transaction, will withdraw its registration statement previously filed with the SEC

### Transaction Rationale

- The transaction creates one of the largest, most technically advanced payment processors in the industry
  - The acquisition results in a combination of leading technology, distribution and scale
  - Significantly increases Vantiv's penetration into high growth channels
- The transaction accelerates Vantiv's growth in the integrated payments space, which is expected to increase significantly to potentially represent 30% of total payment volume by 2017 <sup>(1)</sup>
- Vantiv expects the transaction to add one to two percentage points to its net revenue growth per year
- The transaction is expected to be modestly accretive to Vantiv's non-GAAP earnings per share in 2014 with accelerating accretion in 2015



# FT Partners Advises Mercury in \$1.65 Billion Sale to Vantiv

## Market Reacts Favorably to the Deal

### Vantiv's Stock Price



### Selected Analyst Commentary

- “We are reiterating our **Outperform** investment rating on shares of VNTV following the ... acquisition of Mercury Payment Systems. In our opinion, Mercury should strengthen Vantiv's presence in the large, fast growing, high revenue per transaction, Greenfield in nature small-to-medium sized business (SMB) channel.”  
--- Raymond James
- “We view the Mercury acquisition as a good way for Vantiv to continue to pursue the channel strategy. And while we believe the large scale terminal implementations may shift toward more tablet delivery, we expect Mercury's dealer/software network to participate in this trend.”  
--- Robert W. Baird
- “The price appears full, and represents ~15x Mercury's 2014E adj. EBITDA (vs. peers in the low double digits). That said, we don't think it's unreasonable for this one-of-a-kind integrated POS (IPOS) property.”  
--- Nomura
- We like this transaction for several reasons ... the Mercury acquisition will be modestly accretive to 2014E cash EPS and more so to 2015E cash EPS ... Given Mercury's historic, mid-teens revenue growth profile, VNTV's prospective revenue growth rate could increase by 1-2 percentage points ... Mercury's network of 600 developers and 2,430 dealers will likely accelerate VNTV's growth in the hard-to-reach, high-margin small-and medium- sized business (“SMB”) channel.”  
--- Evercore



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## Mercury and the Integrated POS Industry

### Key Points

- Mercury is a leading provider of payments technology and services that are embedded within point-of-sale (POS) solutions; Mercury refers to these embedded payment platforms as integrated POS or **IPOS systems**
- Mercury pioneered this approach to merchant acquiring / processing, which leverages direct integration with IPOS systems along with a robust partner distribution and support network that together create a differentiated merchant experience and lead to “stickier “ merchant relationships for Mercury
- Mercury refers to the software designers that it integrates with as **Developers** while the company refers to its distribution partners as **Dealers**
- Accelerating shift among SMB merchants toward IPOS systems displacing traditional stand-alone card technologies that lack the integrated, multi-purpose functionality available in IPOS systems
- Key demand drivers for IPOS-capable solutions include declining costs of IPOS systems, demand for more payment options, vertical specialization of IPOS software, new security standards and the penetration of table and SaaS-based IPOS systems
- Mercury’s 60% sale to Silver Lake in 2010 raised awareness around burgeoning IPOS trend;** subsequent transactions include Global Payments’ acquisitions of Accelerated Payment Technologies in 2012 and PayPros in 2013 and Vantiv’s acquisition of Element in 2013 and now Mercury in 2014

### Key Definitions

- Developer** – Mercury defines a Developer as a software and/or hardware vendor that has successfully integrated its products with Mercury’s payment processing technology; Developers are also known as independent software vendors
- Dealer** – Mercury defines Dealers as any entity that referred a merchant to the Company within the past twelve months; Dealers are also known as value-added resellers; Developers who directly sell to merchants are also counted as Dealers if they referred a merchant to Mercury within the last 12 months

### Recent Notable IPOS Transactions

Date	Amount	Company	Investor/Acquirer
05/12/14	\$1.65 bn	MERCURY®	vantiv
01/24/14	\$420 mm	PayPros®	globalpayments
07/25/13	\$163 mm	element payment services™	vantiv
08/15/12	\$413 mm	ACCELERATED payment technologies	globalpayments
07/05/12	NA	Merchant Warehouse	PARthenon CAPITAL
04/14/10	\$700 mm	MERCURY®	SILVERLAKE

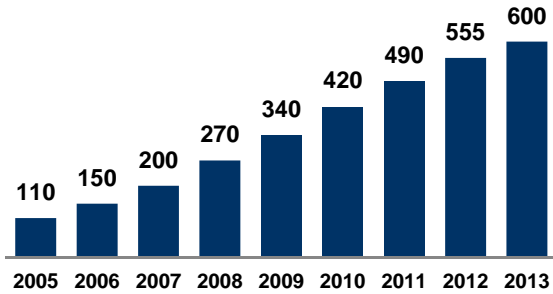
Source: Company website, SEC filings.



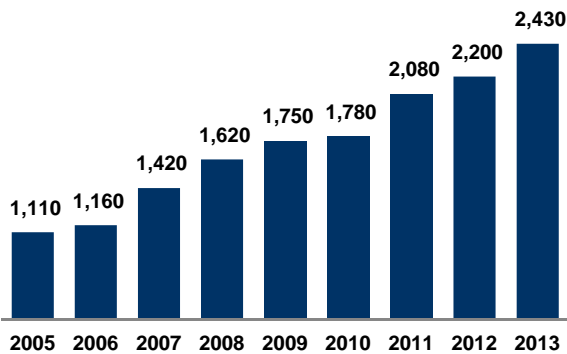
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## Mercury's Key Operating Metrics

### Number of Developers

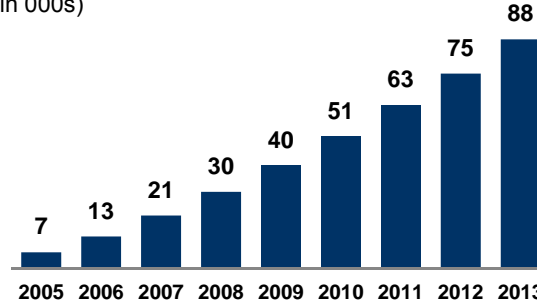


### Number of Dealers



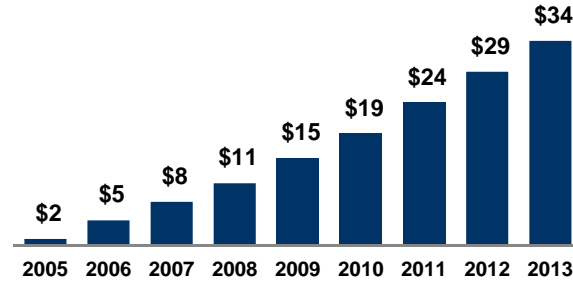
### Merchants Served

(in 000s)



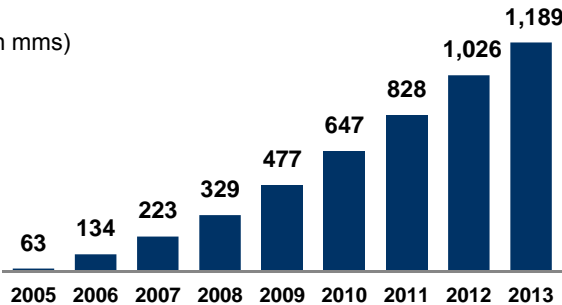
### Transaction Volume

(in bns)



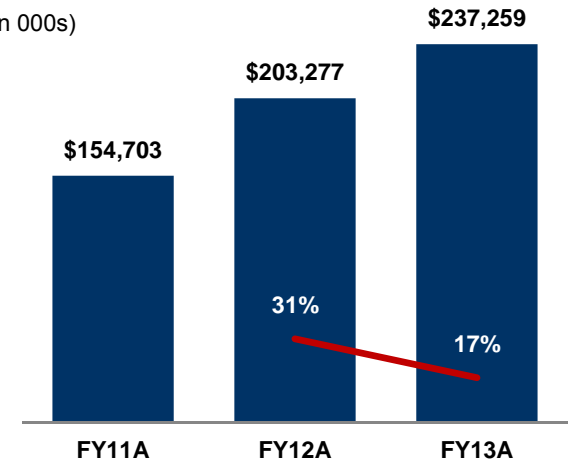
### Number of Transactions

(in mms)



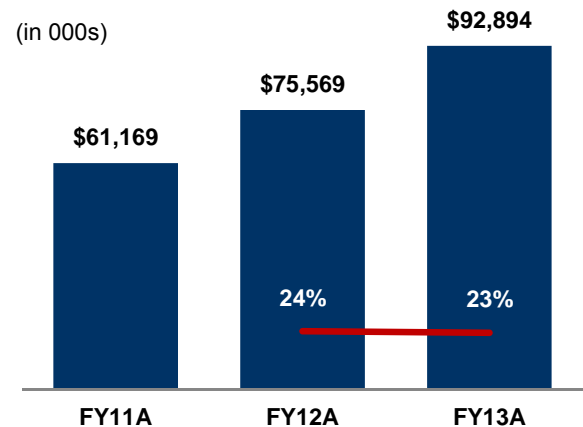
### Net Revenue / % Growth

(in 000s)



### Adjusted EBITDA / % Growth (1)

(in 000s)



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## The “Mercury Model” Pioneered Beginning in 2002

### Overview of Mercury Model

**Use of IPOS Channel Distribution (600 Developers / 2,430 Dealers)**

- Pioneered distribution of payments technology and services through integrated POS developers and dealers
- Embed and cross-sell Mercury’s payment services in their own solutions
- Earn recurring commissions for each merchant they refer to Mercury

**Differentiated Technology and Solutions**

- Technology embedded into IPOS software
- No need for third party gateway or middleware
- Proprietary technology processes more efficiently and cost effectively

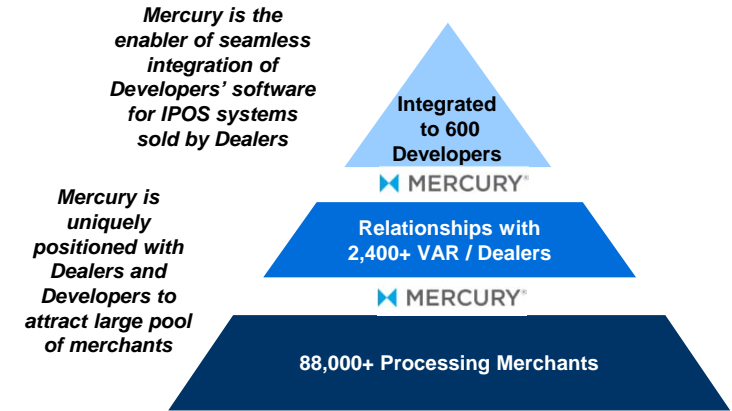
**Deep IPOS Domain Expertise**

- Leverages deep domain expertise to serve the IPOS ecosystem of developers, dealers and merchants
- Customized integrations to meet specialized needs
- Specialized customer service is a major competitive advantage

**SaaS Delivery Model**

- Combines cloud-based technologies and developer integration tools
- Enables automated updates of features / functionality to disparate systems without need for on premise

### Participants in Mercury’s Ecosystem



### Mercury Model’s Disruption of Traditional Merchant Acquiring

- **Seamless Technology Integration:** Various payment integration options are designed to seamlessly embed Mercury’s payments services within their Developers’ IPOS systems
- **Strong Relationships & Economic Alignment:** Developers and Dealers are highly incentivized to promote Mercury’s services due to the value provided to their IPOS systems
- **Attractive Economics:** Highly efficient distribution model provides attractive economics through high merchant retention and recurring revenue
- **Stickiness of Solutions:** Bundled technology provides greater convenience, functionality, connectivity and integration creating higher merchant retention

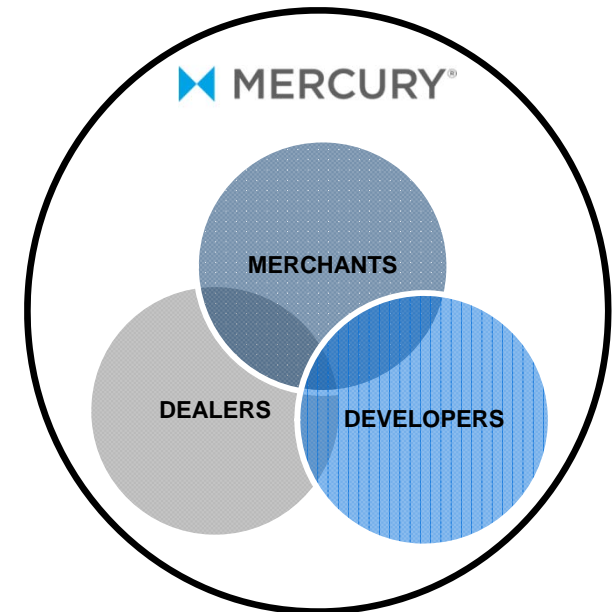
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## Mercury's Powerful Ecosystem of Dealers, Developers and Merchants

### Power of the Network

- Mercury's unique business model creates a powerful "network effect" that has led to consistent, growing new merchant adds
- Addition of new Developers leads to identification and recruitment of more and more new Dealers
- Addition of new Dealers leads to identification and recruitment of new Developers
- Dealers, Developers and merchants refer others
- Merchants' loyalty to Mercury drives further Developer and Dealer adoption
- Generates new distribution opportunities (SaaS, web-based)
- Generates new verticals
- Establishes symbiotic relationships across Ecosystem that are highly differentiated

### Mercury Ecosystem Creates Real "Network Effect"



### Key Industry Verticals



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## Mercury's Growth Strategy

### Further Penetrate Installed Base of Merchants

- Continue to aggressively pursue the merchant installed base of Mercury's Developer and Dealer partners
- Implement a variety of sales strategies and partner promotions to target installed base of merchants

### Expand and Enhance Suite of Products and Services

- Continue to leverage Mercury's single, proprietary platform and processing capabilities to expand suite of products and services
- Attract new IPOS partners and merchants and enhance portfolio value by cross-selling new services

### Expand into New Verticals and Markets

- Evaluate opportunities in new industry verticals and merchant categories as IPOS solutions gain traction
- Develop new, industry-specific IPOS solutions for new verticals as current merchants grow into new markets

### Expand the Mercury Network of Developers and Dealers

- Strategically target Developers and Dealers that enable penetration in specific industry verticals to maximize coverage of IPOS SMB merchants in the US and Canada
- Prevalence of new IPOS form factors, such as tablets, will continue to support a diverse set of Developers and Dealers

### Expand and Promote Omni-Channel Commerce

- Capitalize on potential for further adoption of omni-channel capabilities among SMB merchants
- Pursue incremental growth opportunities in the burgeoning space of online and mobile commerce payments

### Selectively Pursue Strategic Acquisitions

- Potentially acquire new capabilities that may be harder to develop in-house and pursue opportunities that enable Mercury to gain entrance into new market segments

# FT Partners Advises Mercury in \$1.65 Billion Sale to Vantiv

## Mercury's Management and Board of Directors Overview

Executive Officers		
Name	Title	Background
<b>Matt Taylor</b>	<b>CEO</b>	<ul style="list-style-type: none"> <li>CEO since May 2009</li> <li>Serves on Colorado's Technology Industry CEO Steering Committee</li> </ul>
<b>Karsten Voermann</b>	<b>CFO</b>	<ul style="list-style-type: none"> <li>CFO since October 2010</li> <li>Previously led Finance and Ops at ContentGuard; also previously worked at Microsoft</li> </ul>
<b>Ross Agre</b>	<b>Chief Legal Officer</b>	<ul style="list-style-type: none"> <li>Chief Legal Officer since December 2013</li> <li>Previously served as VP and Deputy General Counsel for West Corporation prior to Mercury</li> </ul>
<b>Andrew Patterson</b>	<b>CTO</b>	<ul style="list-style-type: none"> <li>CTO since January 2014</li> <li>Previously served as VP of Payment Systems and Emerging Product at Moneris Solutions</li> </ul>
Non-Employee Directors		
Name	Title	Background
<b>Marc Katz</b>	<b>Chairman of the Board</b>	<ul style="list-style-type: none"> <li>Co-founder of Mercury and has served as Chairman since 2009</li> <li>Previously served as CEO from 2006 to 2009</li> </ul>
<b>Michael Afergan</b>	<b>Director</b>	<ul style="list-style-type: none"> <li>Director of Mercury since 2010</li> <li>SVP and GM of the Web Experience Business Unit at Akamai Technologies</li> </ul>
<b>Michael Bingle</b>	<b>Director</b>	<ul style="list-style-type: none"> <li>Director of Mercury since 2010</li> <li>Managing Partner and Managing Director at Silver Lake</li> </ul>
<b>Robert Frankfurt</b>	<b>Director</b>	<ul style="list-style-type: none"> <li>Director of Mercury since 2010</li> <li>President at Myca Partners</li> </ul>
<b>Glenn Hutchins</b>	<b>Director</b>	<ul style="list-style-type: none"> <li>Director of Mercury since 2010</li> <li>Co-founder of Silver Lake; also Chairman of the board of directors at SunGard Corp.</li> </ul>
<b>Jeffrey Katz</b>	<b>Director</b>	<ul style="list-style-type: none"> <li>Director of Mercury since 2013</li> <li>Co-founded Mercury in 2001 and served as CEO from 2001 to 2006</li> </ul>
<b>Charles Giancarlo</b>	<b>Director</b>	<ul style="list-style-type: none"> <li>Director of Mercury since 2010</li> <li>Senior Advisor of Silver Lake and was a Managing Director of Value Creation</li> </ul>
<b>Joseph Osnoss</b>	<b>Director</b>	<ul style="list-style-type: none"> <li>Director of Mercury since 2010</li> <li>Managing Director at Silver Lake</li> </ul>
<b>Laurence Stone</b>	<b>Director</b>	<ul style="list-style-type: none"> <li>Director of Mercury since 2006</li> <li>Founder and former CEO of Card Payment Services</li> </ul>

Source: Company website, SEC filings.

# FT Partners Advises Mercury in \$1.65 Billion Sale to Vantiv

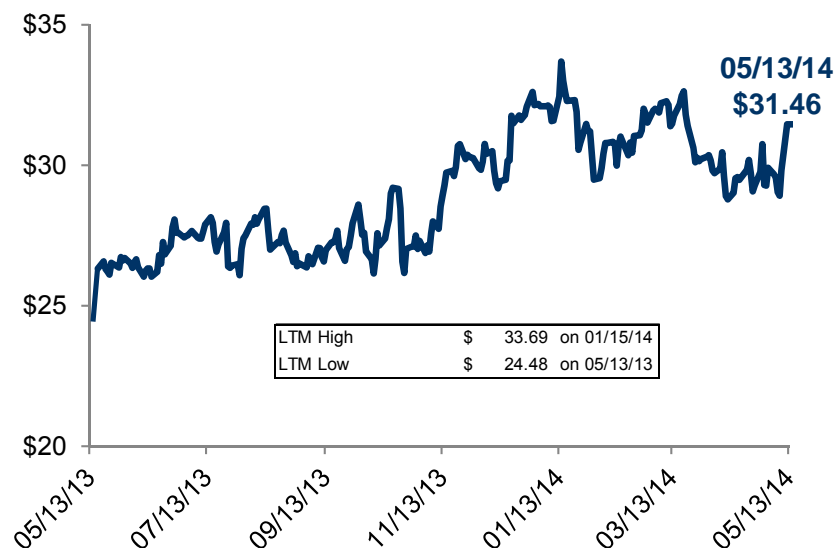
## Vantiv Public Company Overview

### Summary

**CEO:** Charles Drucker  
**Headquarters:** Cincinnati, OH  
**Founded:** 1971  
**Employees:** 2,800  
**Market Cap:** \$5.9 bn  
**Overview:**

- Vantiv (NYSE:VNTV) is a leading provider of payment processing strategies and advanced technology solutions for businesses and financial institutions
- Vantiv is ranked as the third largest merchant acquirer and largest PIN debit acquirer by transaction volume in the US

### LTM Stock Chart



### Selected Recent Acquisition History

Announce Date	Target	Value (\$ in mm)
03/04/14	The Washington Trust Company's Merchant Services Portfolio	na
07/25/13	Element Payment Services	\$163
10/31/12	Little & Co	361
09/21/10	Springbok's Prepaid Assets	na
09/15/10	National Processing Company, LLC	na
07/07/10	TNB Card Services	na

### Financial Summary

	Fiscal Year Ending December 31,		
	2011A	2012A	2013A
<i>(\$ in mm, except per share items)</i>			
<b>Revenue</b>	<b>\$1,622</b>	<b>\$1,863</b>	<b>\$2,108</b>
<b>% Growth</b>		15%	13%
<b>EBITDA</b>	<b>\$399</b>	<b>\$469</b>	<b>\$538</b>
<b>% Margin</b>	25%	25%	26%
<b>EPS</b>	<b>\$0.40</b>	<b>\$0.47</b>	<b>\$0.87</b>



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## Vantiv Business Overview – Merchant & Financial Services

**Vantiv provides a comprehensive suite of payment processing services to both merchants and financial institutions across the U.S.**

	Merchant Services	Financial Services
Clients	<ul style="list-style-type: none"> <li>Over 400,000 merchant locations</li> <li>Includes leading national retailers, regional merchants and SMBs</li> <li>Diversified vertical segments, including grocery, pharmacy, retail, petroleum and restaurants / QSR</li> </ul>	<ul style="list-style-type: none"> <li>Vantiv serves a diverse set of financial institutions, including regional banks, community banks, credit unions and regional PIN debit networks</li> <li>Majority of clients are small-to-mid-sized institutions with less than \$15 billion in assets; these financial institutions are more likely to outsource their payment processing needs</li> </ul>
Operations	<ul style="list-style-type: none"> <li>Credit, debit and prepaid transaction authorization</li> <li>Integrated settlement and reconciliation</li> <li>Signature capture processing</li> <li>Chargeback processing</li> <li>Interchange qualification management</li> <li>Least cost routing</li> <li>Front-end processing to third parties</li> <li>Back-end servicing to third parties</li> </ul>	<ul style="list-style-type: none"> <li>PIN and signature debit transaction processing and servicing</li> <li>Credit: issuer processing services, statement production, collections, inbound / outbound call centers</li> <li>ATM card processing</li> </ul>
Value-Added Services	<ul style="list-style-type: none"> <li>Prepaid services, integrated card solutions, gift card solutions, card production and inventory management</li> <li>ATM driving and monitoring / Fraud management</li> <li>Online data and reporting</li> <li>Data security support: PCI compliance, encryption and tokenization, breach assistance</li> <li>Dynamic currency conversion</li> </ul>	<ul style="list-style-type: none"> <li>Prepaid: gift, general purpose reloadable, teen, campus and incentive</li> <li>ATM driving and monitoring / Fraud mitigation</li> <li>Online data and reporting</li> <li>Card production</li> <li>Network gateway and switching services that utilize Vantiv's proprietary 'Jeanie' network</li> <li>Rewards and loyalty</li> </ul>
Merchant Services for Banks and Credit Unions	<ul style="list-style-type: none"> <li>Vantiv offers financial institution clients a full suite of merchant services they can make available to their merchant customers, offering both a referral option as well as a white-label option</li> <li>The referral option is targeted towards smaller financial institutions and allows them to refer their merchant customers to Vantiv who offer the merchant services while providing the financial institution with referral revenue</li> <li>The white-label option is aimed at medium and larger financial institutions and allows them to provide merchant clients with a custom branded, merchant services offering</li> </ul>	



Source: Company website, SEC filings.



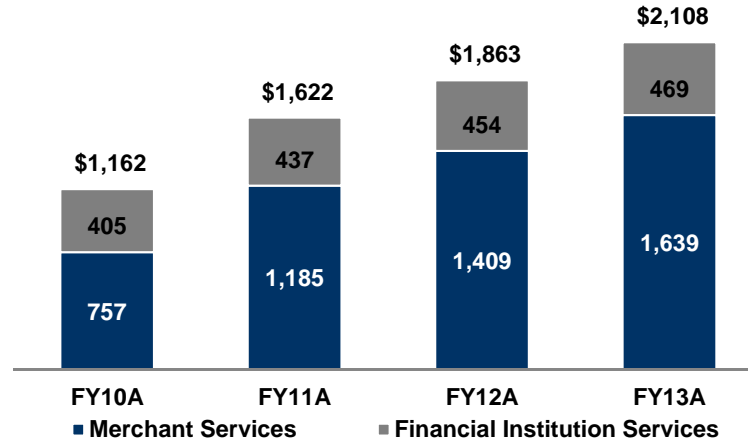


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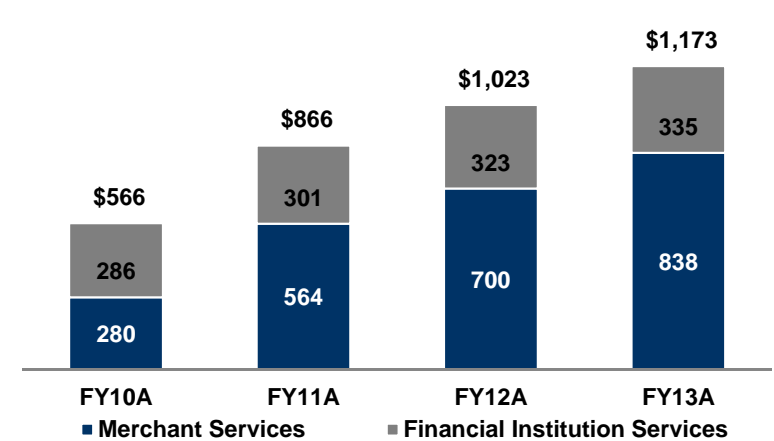
## Vantiv Financial & Operating Metrics Summary

### Revenue<sup>(1)</sup> Net Revenue<sup>(2)</sup>

(\$ in mm)

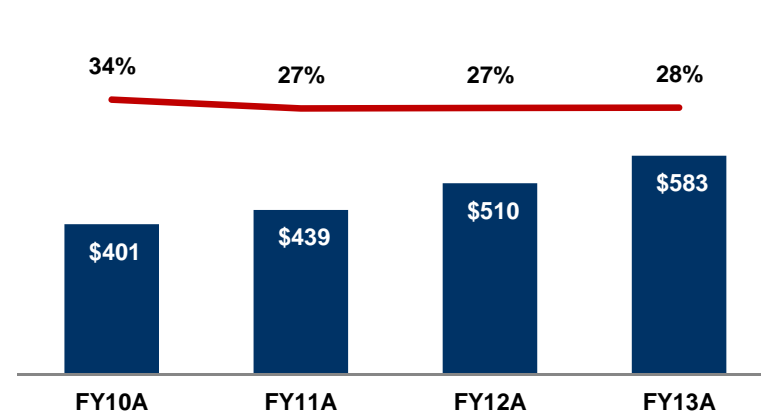


(\$ in mm)



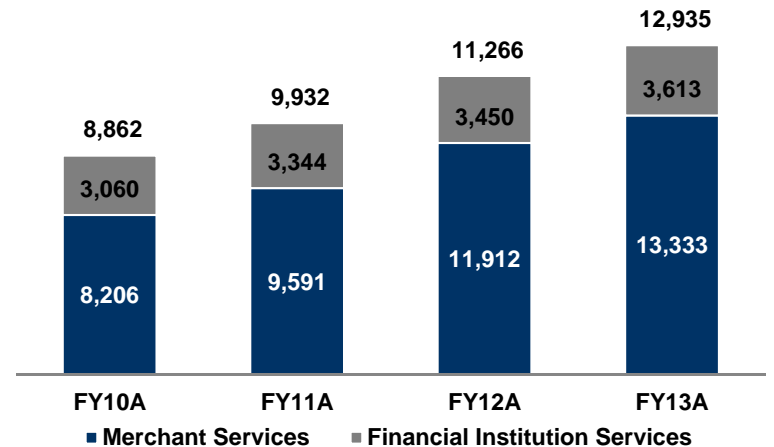
### Pro Forma Adjusted EBITDA / % Margin<sup>(3)</sup>

(\$ in mm)



### Transaction Volume

(in mm)



Source: Company website, SEC filings.

(1) Revenue represents Gross Revenue net of interchange fees.

(2) Net Revenue represents Revenue less network fees and other costs, including Visa, MasterCard and other payment network fees, card production costs, telecommunication charges, postage and other third party processing expenses.

(3) Represents ratio of Adjusted EBITDA to Revenue; Adjusted EBITDA represents net income before interest expense, income taxes, depreciation and amortization, debt refinancing costs, share-based compensation expense and acquisition and integration costs; also includes NPC's EBITDA from January 2010 until Vantiv's acquisition in November 2010.



# FT Partners Advises Mercury in \$1.65 Billion Sale to Vantiv

## Publicly Traded Payment Processing Comparables

Company Name	Price 05/13/14	% MTD Change	% LTM High	Market Value (\$ mm)	Enterprise Value (\$ mm)	Multiples			Multiple			Growth Rates			Margins		P / E / G CY 14E
						Price / Earnings		EV / EBITDA			Revenue		EPS	EBITDA			
						CY 14E	CY 15E	CY 13E	CY 14E	CY 15E	CY 14E	CY 15E	LT	CY 14E	CY 15E		
<b>Acquirers / Processors</b>																	
Cielo	\$ 17.57	15 %	95 %	\$ 27,577	\$ 28,496	18.8 x	17.1 x	17.4 x	14.9 x	13.0 x	7 %	13 %	11 %	54 %	55 %	1.7 x	
Vantiv	31.46	4	91	6,257	8,342	17.1	15.5	14.3	13.3	12.3	13	13	14	30	29	1.2 x	
TSYS	32.16	4	96	6,134	7,377	16.8	14.7	11.8	10.1	9.0	14	7	11	30	31	1.5 x	
Global Payments	67.39	7	91	4,861	5,324	15.5	14.0	10.4	9.5	8.6	8	7	11	21	22	1.4 x	
EVERTEC	22.74	3	86	1,802	2,171	21.3	16.0	12.8	11.6	10.6	10	6	14	50	51	1.5 x	
Heartland	40.62	(10)	81	1,474	1,582	17.0	14.8	10.8	10.3	8.8	8	7	14	24	26	1.2 x	
<b>Median</b>		<b>4 %</b>	<b>91 %</b>			<b>17.1 x</b>	<b>15.1 x</b>	<b>12.3 x</b>	<b>11.0 x</b>	<b>9.8 x</b>	<b>9 %</b>	<b>7 %</b>	<b>13 %</b>	<b>30 %</b>	<b>30 %</b>	<b>1.4 x</b>	
<b>Mean</b>		<b>4</b>	<b>90</b>			<b>17.8</b>	<b>15.3</b>	<b>12.9</b>	<b>11.6</b>	<b>10.4</b>	<b>10</b>	<b>9</b>	<b>13</b>	<b>35</b>	<b>36</b>	<b>1.4</b>	
<b>Core Bank Processing Solutions</b>																	
FIS Global	\$ 54.67	8 %	96 %	\$ 16,040	\$ 20,253	17.7 x	15.8 x	11.0 x	10.4 x	9.8 x	5 %	5 %	12 %	30 %	31 %	1.5 x	
Fiserv	61.27	12	98	15,596	19,137	18.3	16.4	12.4	11.7	10.9	4	5	12	33	33	1.5	
Jack Henry	57.95	2	96	4,905	4,868	23.4	20.5	12.2	11.1	10.2	7	9	12	35	35	2.0	
<b>Median</b>		<b>8 %</b>	<b>96 %</b>			<b>18.3 x</b>	<b>16.4 x</b>	<b>12.2 x</b>	<b>11.1 x</b>	<b>10.2 x</b>	<b>5 %</b>	<b>5 %</b>	<b>12 %</b>	<b>33 %</b>	<b>33 %</b>	<b>1.5 x</b>	
<b>Mean</b>		<b>7</b>	<b>97</b>			<b>19.8</b>	<b>17.6</b>	<b>11.8</b>	<b>11.1</b>	<b>10.3</b>	<b>5</b>	<b>7</b>	<b>12</b>	<b>33</b>	<b>33</b>	<b>1.7</b>	
<b>Other Financial Transaction Processors</b>																	
ADP	\$ 78.92	(1)%	94 %	\$ 38,304	\$ 36,622	24.1 x	21.8 x	15.5 x	14.1 x	13.0 x	7 %	8 %	10 %	21 %	21 %	2.3 x	
Alliance Data Systems	244.00	1	81	14,518	23,961	20.0	17.1	17.5	15.4	13.7	21	10	15	30	30	1.3	
Paychex	41.35	(5)	90	15,098	14,512	23.3	21.8	13.9	13.0	12.2	6	6	10	44	44	2.3	
FleetCor	124.25	2	94	10,774	11,520	24.5	21.5	22.7	17.8	15.6	25	13	18	59	60	1.4	
WEX	93.32	(6)	92	3,620	3,977	19.2	16.5	12.2	11.4	9.9	10	12	14	45	46	1.4	
Blackhawk	24.49	7	82	1,374	1,359	20.0	16.8	13.6	9.9	8.1	23	17	19	10	10	1.1	
Higher One	5.51	(44)	46	259	349	8.4	7.7	7.3	5.9	6.7	12	6	20	25	21	0.4	
<b>Median</b>		<b>(1)%</b>	<b>90 %</b>			<b>20.0 x</b>	<b>17.1 x</b>	<b>13.9 x</b>	<b>13.0 x</b>	<b>12.2 x</b>	<b>12 %</b>	<b>10 %</b>	<b>15 %</b>	<b>30 %</b>	<b>30 %</b>	<b>1.4 x</b>	
<b>Mean</b>		<b>(7)</b>	<b>83</b>			<b>19.9</b>	<b>17.6</b>	<b>14.7</b>	<b>12.5</b>	<b>11.3</b>	<b>15</b>	<b>10</b>	<b>15</b>	<b>33</b>	<b>33</b>	<b>1.5</b>	

Source: Capital IQ.

# FT Partners Awards

## Award-Winning Investment Banking Franchise Focused on Superior Client Results

*FT Partners has been recognized as Investment Banking Firm of the Year and regularly achieves Merger and Financing Deal of the Year recognition*



- 2012
  - **Dealmaker of the Year**
  - Professional Services Deal of the Year, Above \$100 mm
- 2011
  - **Boutique Investment Bank of the Year**
  - Deal of the Decade
  - *10 Deal of the Year Nominations Across 9 Categories*
- 2010
  - **Upper Middle Market Deal of the Year, Above \$500 mm**
  - IT Services Deal of the Year, Below \$500 mm
  - Cross-Border Deal of the Year, Below \$500 mm
- 2007
  - **Dealmaker of the Year – Steve McLaughlin**
  - Business to Business Services Deal of the Year
  - Computer and Information Technology Deal of the Year, Above \$100 mm
  - Financial Services Deal of the Year, Above \$100 mm



- 2006-2008 ■ Steve McLaughlin consecutively ranked (2006, 2007 and 2008) among the top Bankers in Financial Technology



Middle Market  
Financing Awards

- 2008
  - **Equity Financing Dealmaker of the Year – Steve McLaughlin**
  - **Information Technology Deal of the Year**
  - **Financial Services Deal of the Year**
- 2006
  - **Financing Professional of the Year – Steve McLaughlin**
  - *Financing Deal of the Year – Equity*
  - *Financing Deal of the Year – Debt*

# FT Partners as Leader in Payments M&A

## Strong Execution Track Record in Payments Space

Financial Technology Partners LP  
FTP Securities LLC  
is pleased to announce its role as  
strategic and financial advisor to

in its cash sale to

for total consideration of approximately

**\$1,650,000,000**

The Only Investment Bank  
Focused Exclusively on Financial Technology

Financial Technology Partners LP  
FTP Securities LLC  
is pleased to announce its exclusive role as  
sole strategic and financial advisor to

in its approximately 60% majority sale to

for aggregate consideration of approx.

**\$ 700,000,000**

The Only Investment Bank  
Focused Exclusively on Financial Technology

Financial Technology Partners LP  
FTP Securities LLC  
is pleased to announce its exclusive role as  
sole strategic and financial advisor to

in its growth equity investment by

The Only Investment Bank  
Focused Exclusively on Financial Technology

Financial Technology Partners LP  
FTP Securities LLC  
is pleased to announce its exclusive role as  
sole strategic and financial advisor to

in its

Initial Public Offering

valuing the equity at approximately

**A\$480,000,000**

The Only Investment Bank  
Focused Exclusively on Financial Technology

Financial Technology Partners LP  
FTP Securities LLC  
is pleased to announce its exclusive role as  
sole strategic and financial advisor to

in its sale to

**\$ 100,000,000+**

The Only Investment Bank  
Focused Exclusively on Financial Technology

Financial Technology Partners LP  
FTP Securities LLC  
is pleased to announce its exclusive role as  
sole strategic and financial advisor to

in its sale to

First In Secure Electronic Payments

The Only Investment Bank  
Focused Exclusively on Financial Technology

Financial Technology Partners LP  
FTP Securities LLC  
is pleased to announce its exclusive role as  
sole strategic and financial advisor to

in its Significant Growth Recapitalization by

The Only Investment Bank  
Focused Exclusively on Financial Technology

Financial Technology Partners LP  
FTP Securities LLC  
is pleased to announce its exclusive role as  
sole strategic and financial advisor to

in its sale to

for cash consideration of approximately

**\$ 325,000,000**

The Only Investment Bank  
Focused Exclusively on Financial Technology

Financial Technology Partners LP  
FTP Securities LLC  
is pleased to announce its exclusive role as  
sole strategic and financial advisor to

in its Strategic Investment by

The Only Investment Bank  
Focused Exclusively on Financial Technology

Financial Technology Partners LP  
FTP Securities LLC  
is pleased to announce its exclusive role as  
sole strategic and financial advisor to

in its cash sale to

for total consideration of approximately

**\$ 369,000,000**

The Only Investment Bank  
Focused Exclusively on Financial Technology

Financial Technology Partners LP  
FTP Securities LLC  
is pleased to announce its exclusive role as  
sole strategic and financial advisor to

in its growth investment by

for a total valuation of nearly

**\$ 200,000,000**

The Only Investment Bank  
Focused Exclusively on Financial Technology

Financial Technology Partners LP  
FTP Securities LLC  
is pleased to announce its exclusive role as  
sole strategic and financial advisor to

in its sale to

a portfolio company of

The Only Investment Bank  
Focused Exclusively on Financial Technology

Financial Technology Partners LP  
FTP Securities LLC  
is pleased to announce its exclusive role as  
sole debt capital advisor to

In its acquisition of

for total consideration of approximately

**\$ 300,000,000**

The Only Investment Bank  
Focused Exclusively on Financial Technology

Financial Technology Partners LP  
FTP Securities LLC  
is pleased to announce its exclusive role as  
sole strategic and financial advisor to

In its sale to

of approximately

**\$ 245,000,000**

The Only Investment Bank  
Focused Exclusively on Financial Technology

Financial Technology Partners LP  
FTP Securities LLC  
is pleased to announce its exclusive role as  
sole strategic and financial advisor to

ePayments as a Service

in its minority investment led by

For total consideration of approximately

**\$ 50,000,000**

The Only Investment Bank  
Focused Exclusively on Financial Technology

Financial Technology Partners LP  
FTP Securities LLC  
is pleased to announce its exclusive role as  
sole strategic and financial advisor to

in its

**\$177,000,000**

Initial Public Offering

valuing the equity at approximately

**\$ 650,000,000**

The Only Investment Bank  
Focused Exclusively on Financial Technology

Financial Technology Partners LP  
FTP Securities LLC  
is pleased to announce its exclusive role as  
sole strategic and financial advisor to

First In Secure Electronic Payments

in its debt financing co-led by

Bank of America Merrill Lynch  
Deutsche Bank  
GE Capital

totaling

**\$ 675,000,000**

The Only Investment Bank  
Focused Exclusively on Financial Technology

Financial Technology Partners LP  
FTP Securities LLC  
is pleased to announce its exclusive role as  
sole strategic and financial advisor to

in its sale to

for cash consideration of approximately

**\$ 525,000,000**

The Only Investment Bank  
Focused Exclusively on Financial Technology