



COVID-19 Impact on Fintech Markets

APRIL 2020



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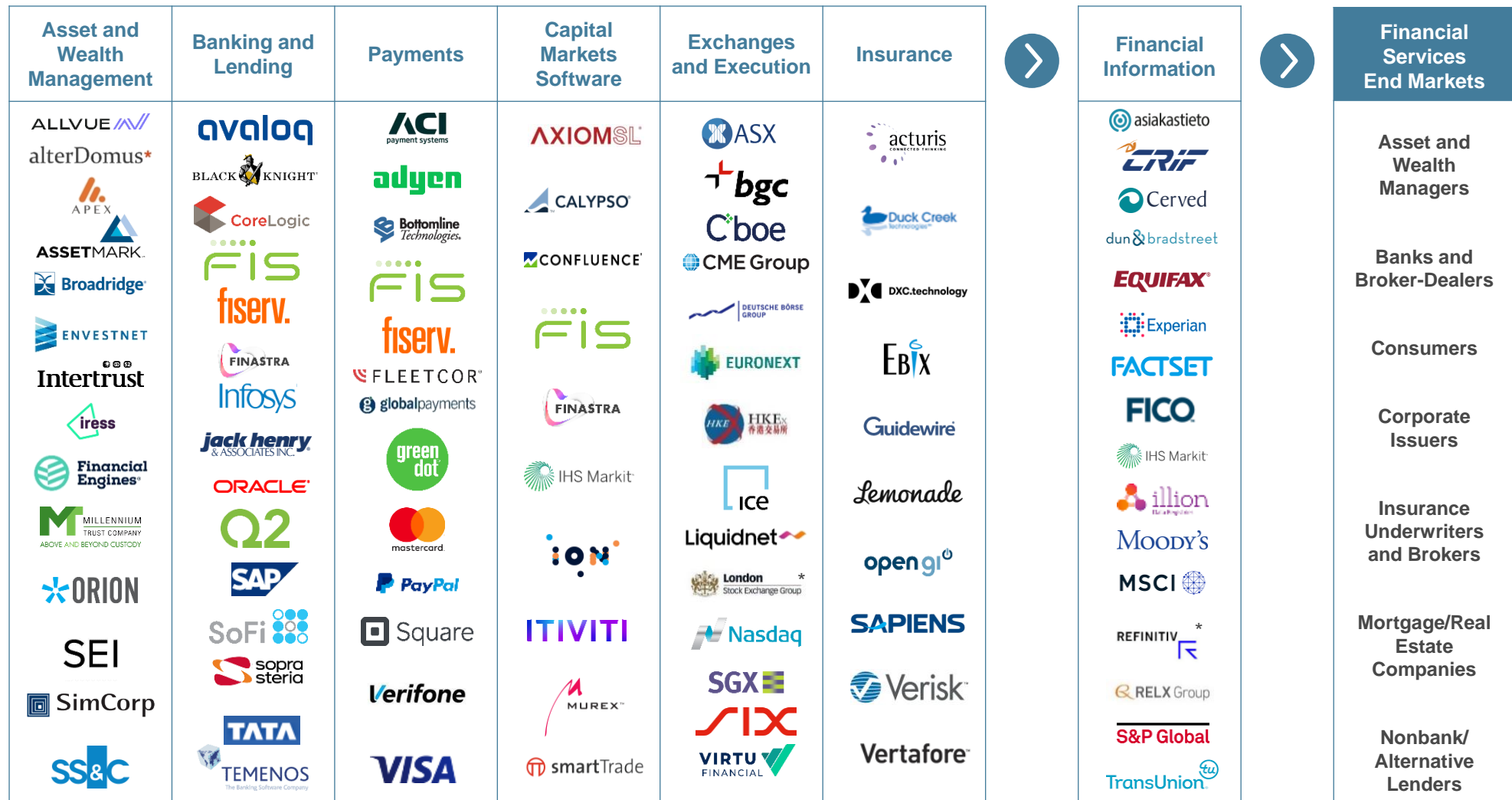
How Will the Fintech Community Respond to COVID-19?

Overall, the COVID-19 impact is proving negative in the short term, but some areas are proving resilient and may even benefit over medium term.

- While there is current uncertainty, particularly around M&A, valuations, and credit pricing, there is still plenty of liquidity that is likely to lead to consolidation once the market recovers.
- Investors will continue to favour those domain players with platforms, high recurring (and/or re-occurring) revenues, high operating leverage, and robust cash flow generation—with a particular emphasis on those with embedded digital and data and analytics capabilities.
- In the short term, B2C models are more vulnerable; B2B models, particularly those with subscription revenues, remain more resilient.

	Impact	Observations
Asset and Wealth Management	<ul style="list-style-type: none"> ■ Panic peaks and caution prevails 	<ul style="list-style-type: none"> ✗ Short-term redemptions impacting end customers and short-term investments. ✗ Investors migrate to established brands with scale, impacting new entrants. ✓ Industry focus on technology and data adoption to solve complex regulatory and workflow challenges continues.
Banking and Lending	<ul style="list-style-type: none"> ■ Long-term fundamentals hold 	<ul style="list-style-type: none"> ✓ Established lenders have vastly improved funding, liquidity, and capital positions; likely to withstand COVID-19 stress-test. ⚠ Despite demand for capital and consumers embracing technology to manage their money, challenger banks and specialist lenders face a more turbulent environment. ✗ Lenders scrambling to recalibrate underwriting methodologies. ✗ Potential for short-term expense control, but innovation/technology transformation still top of C-suite agenda.
Payments	<ul style="list-style-type: none"> ■ B2C models to suffer profound short-term implications 	<ul style="list-style-type: none"> ✗ Temporary paralysis in certain verticals and/or regions caused by cessation of global consumer and corporation spending and fall-off in associated transaction volumes. ✓ E-commerce as a key channel already well entrenched and COVID-19 likely to accelerate digitisation initiatives.
Exchanges and Execution	<ul style="list-style-type: none"> ■ Exchanges gain as volatility reigns 	<ul style="list-style-type: none"> ✓ All asset classes currently benefitting from elevated volatility and trading activity. ✓ Creating an opportunity for exchanges to consolidate their positions and move into adjacent markets.
Insurance	<ul style="list-style-type: none"> ■ Adequately insured, with some variable impacts 	<ul style="list-style-type: none"> ✓ A majority of participants theoretically absolved from pandemics, but growing scrutiny on the wider industry to provide flexibility in paying out non-underwritten COVID-19 risks ✓ Although providers have different exposures, COVID-19 anticipated to speed up digitisation and data-usage initiatives
Financial Information	<ul style="list-style-type: none"> ■ B2B subscription models remain resilient 	<ul style="list-style-type: none"> ✓ Proprietary content has become embedded and nondiscretionary in nature, driving stable and predictable earnings ✗ COVID-19 impact on growth profile difficult to ascertain and will drive multiples when markets stabilise

How We Look at the Fintech Opportunity



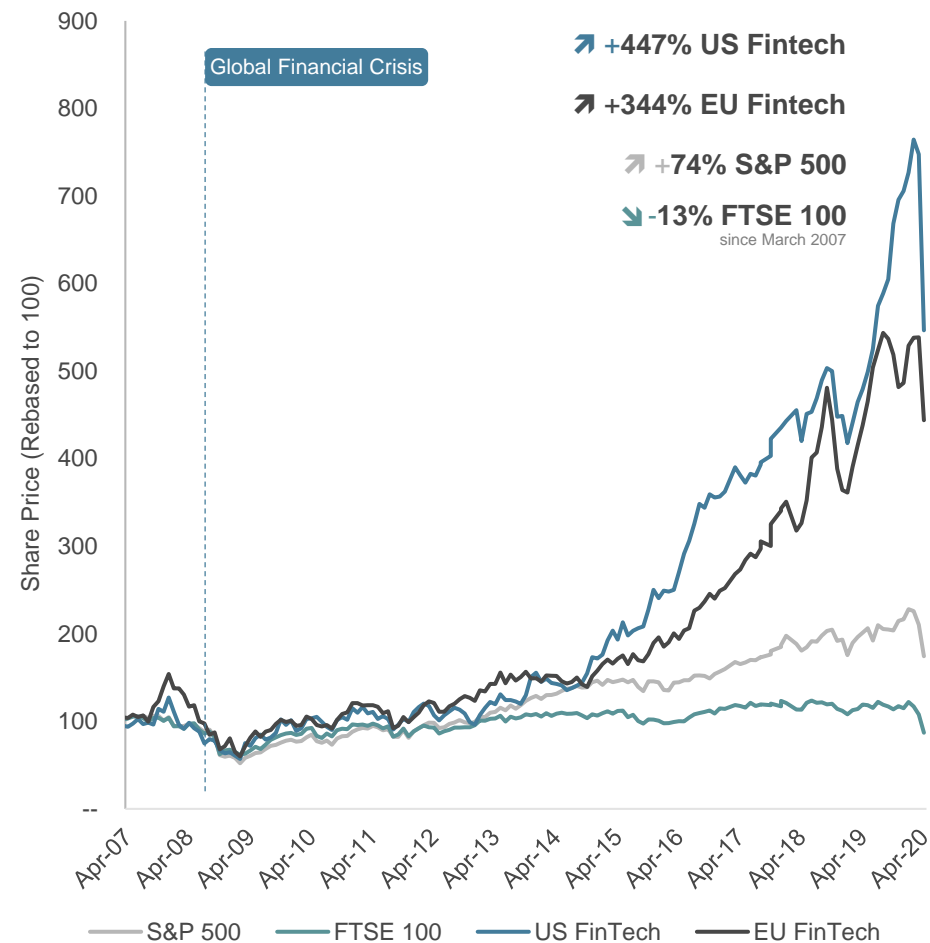
Business models converging:

Alternative Financial Services • BPO • Transaction Processing • Tech-Enabled Services • Data and Analytics Software/SaaS

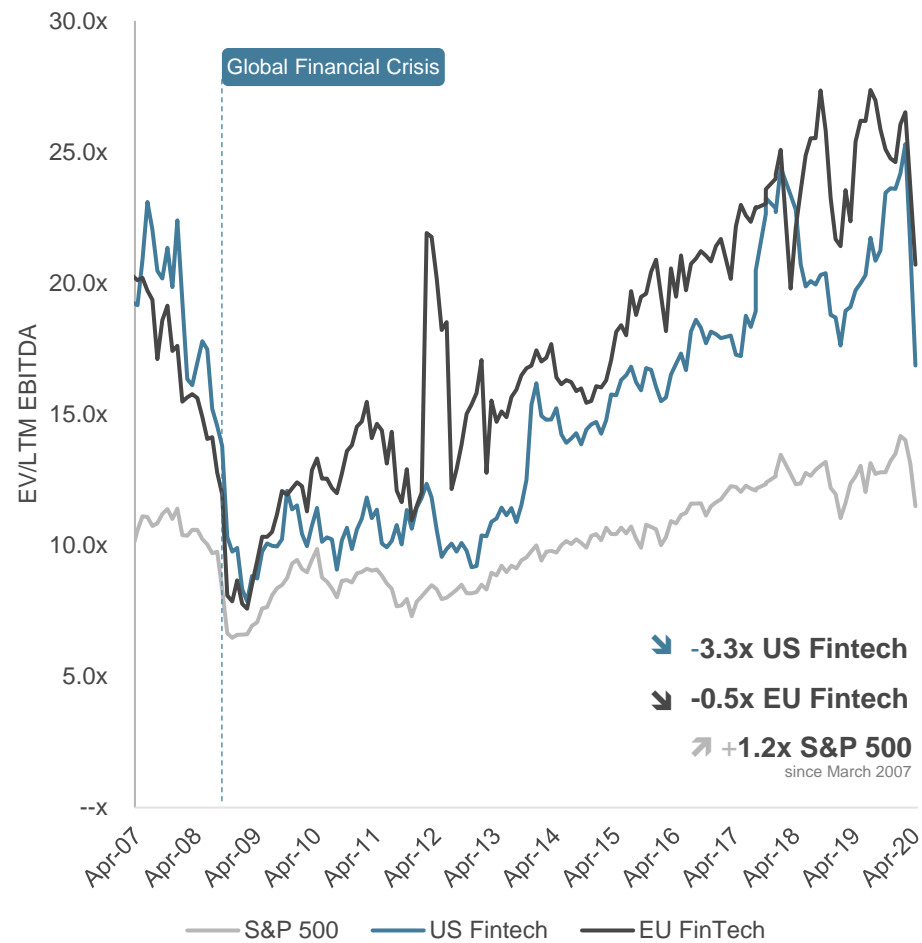
Crisis to Crisis: How Does It Look?

Although fintechs have outperformed the market, the recent correction all but reverses historical multiple expansion delivered post 2008.

Fintech outperforms the broader market



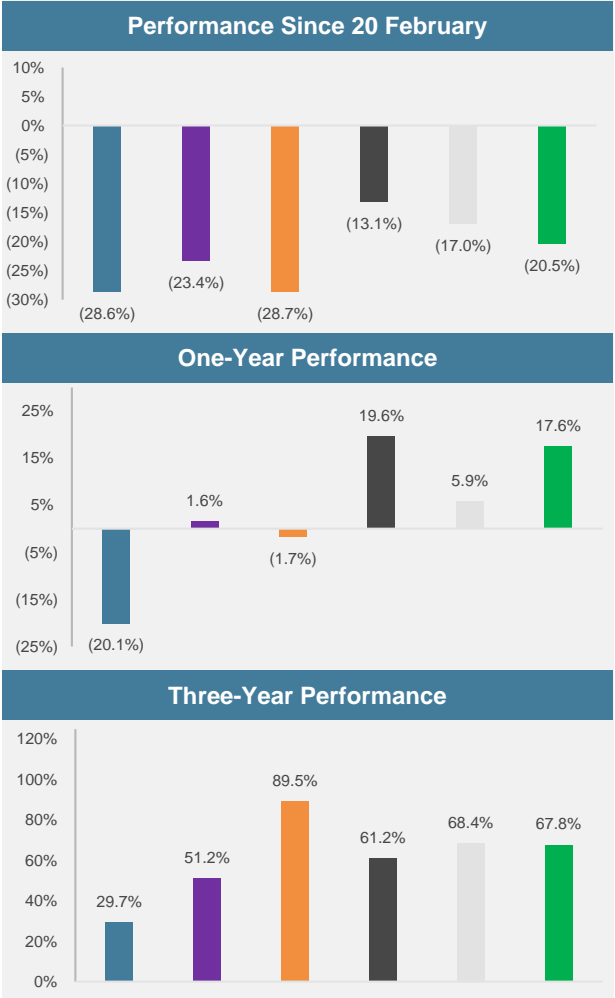
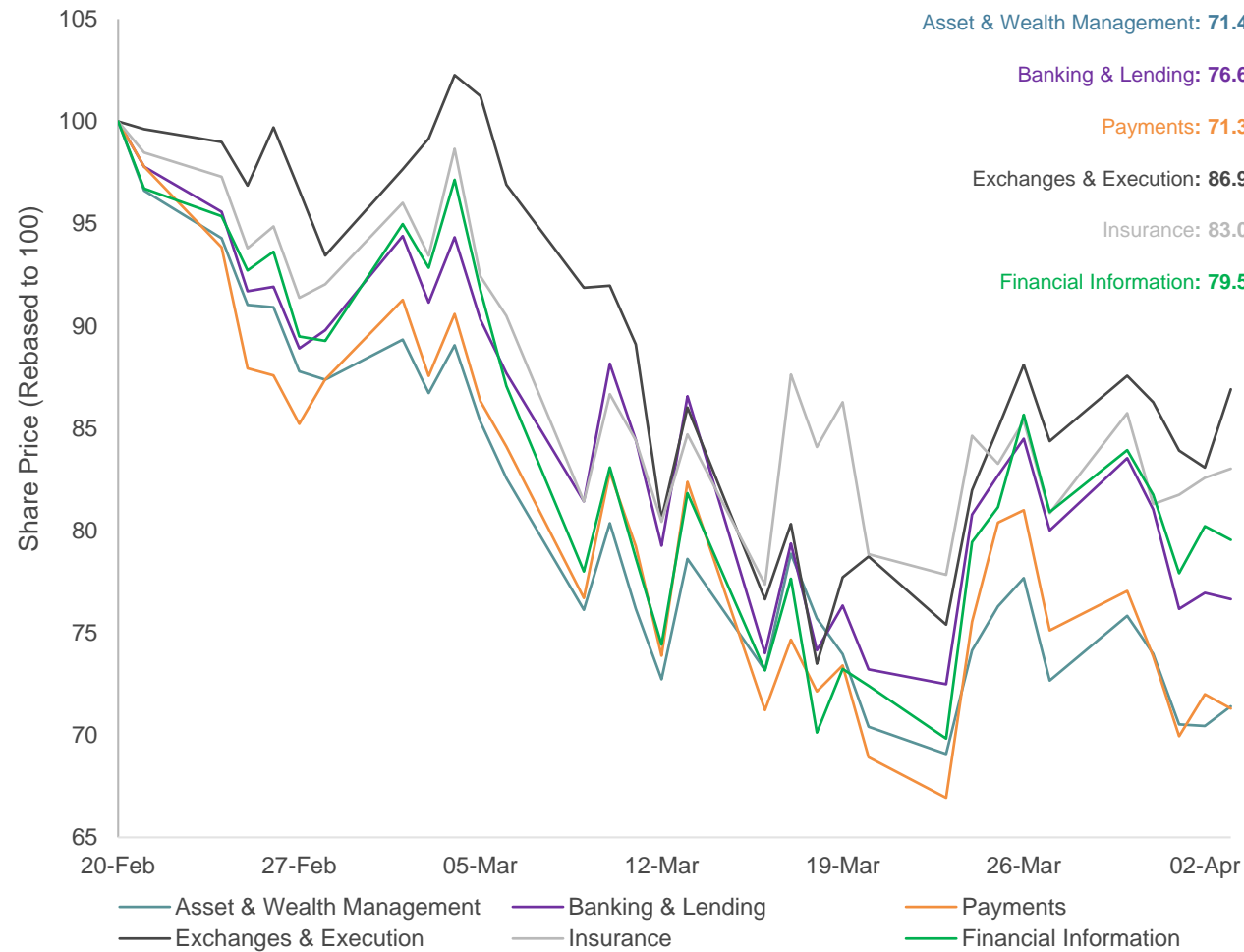
Earnings multiples back to “normal”?



Sources: S&P Capital IQ. All share prices rebased to 100.
US fintech includes: CME, EBIX, Global Payments, ICE, Sapiens.
EU fintech includes: Deutsche Börse, Experian, Iress, LSE, SimCorp, Temenos.

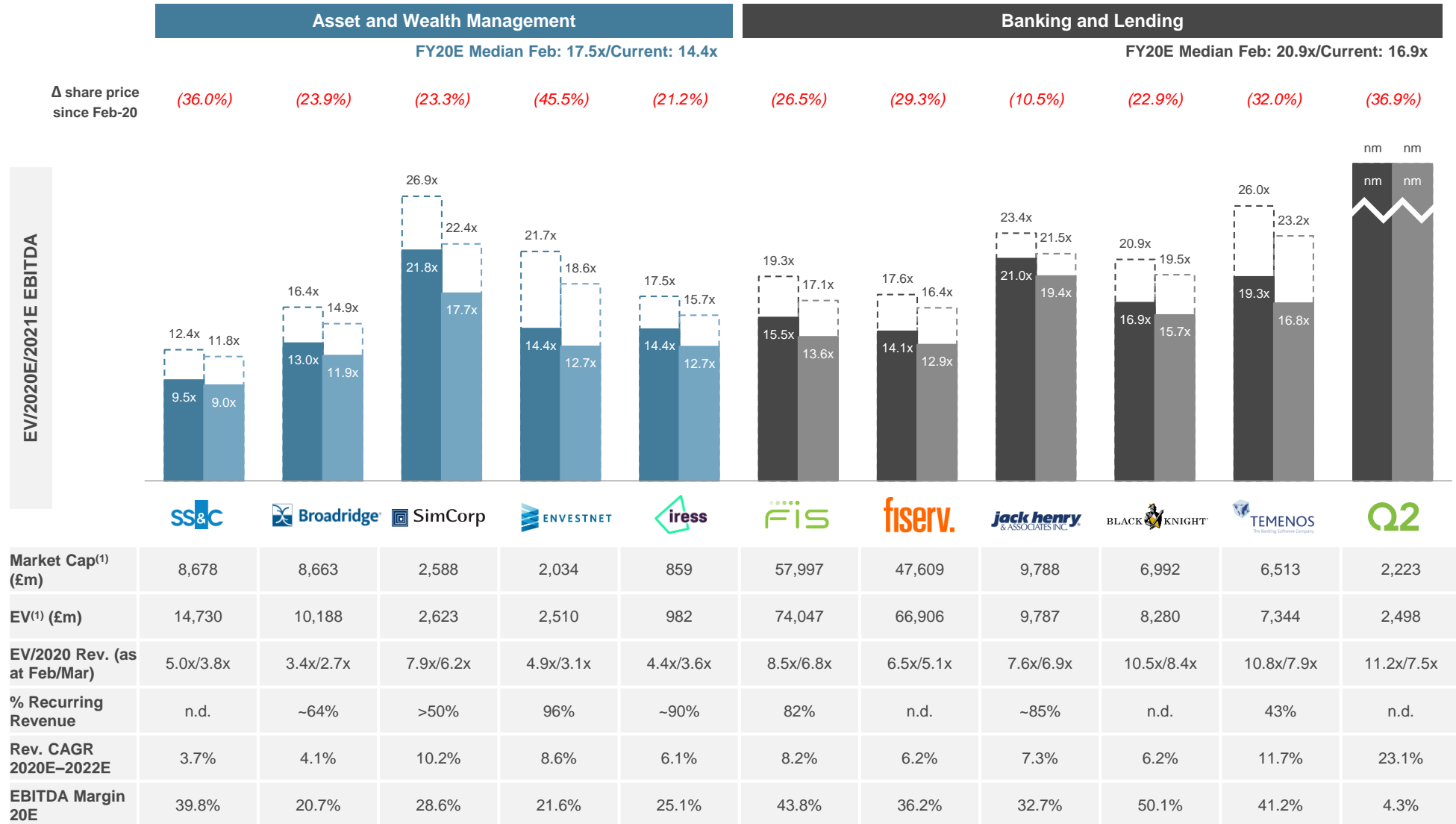
Not All Subsegments Equally Impacted by COVID-19

Fintech segments have retraced between c.13% and 29% in the immediate aftermath of COVID-19.



Sources: S&P Capital IQ. All share prices rebased to 100.
Asset & Wealth Management: Broadridge, Envestnet, Iress, SimCorp, SS&C ; Banking & Lending: FIS, Fiserv, Jack Henry & Associates, Q2, Temenos; Payments : Bottomline Technologies, FleetCor, Global Payments, Mastercard, Square, Visa; Exchanges & Execution: CME, Deutsche Börse, ICE, LSE; Financial Information: Cervid, Equifax, Experian, FICO, IHS Markit, Moody's, MSCI, RELX, S&P Global, TransUnion; Insurance: EBIX, Guidewire, Sapiens, Verisk.

Banking and Lending Stocks Have Performed Comparatively Strongly Versus Other Fintech Segments, Supporting Long-Term Thesis

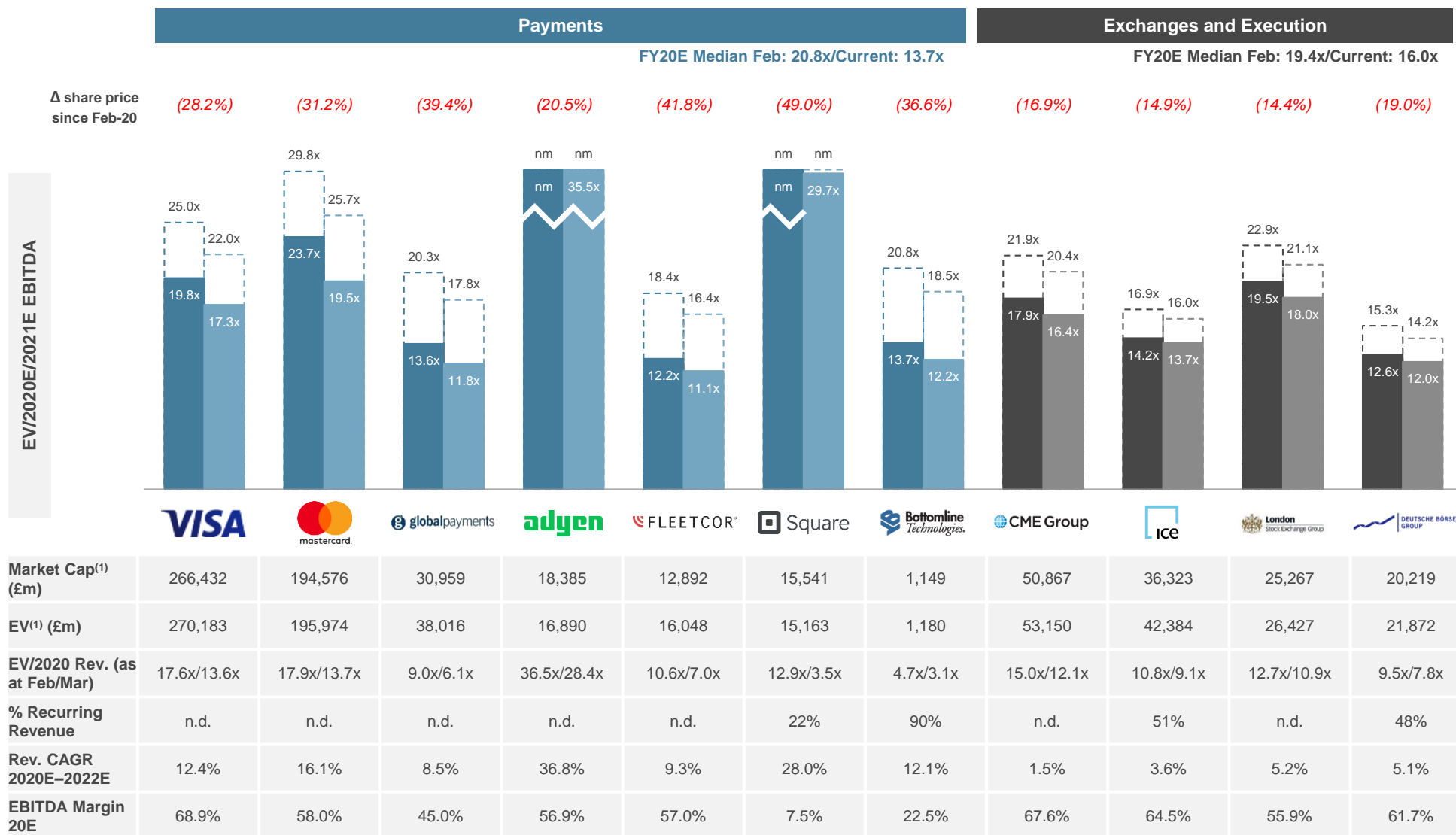


Notes: Financials are calendarised to 31 December year end. Trading multiples are based on share price and market data listed as at 20 February/3 April 2020 and broker consensus future earnings estimates from S&P Capital IQ and broker reports as at 20 February/3 April 2020. EV/EBITDA multiples considered to be not meaningful when greater than 40x.

(1) As at 3 April 2020.

EV/2020E/2021E EBITDA as at 3 April 2020
EV/2020E/2021E EBITDA as at 20 February 2020

Exchanges and Execution Platforms Have Benefited From Increased Trading Volumes Across Asset Classes Following Significant Periods of Volatility

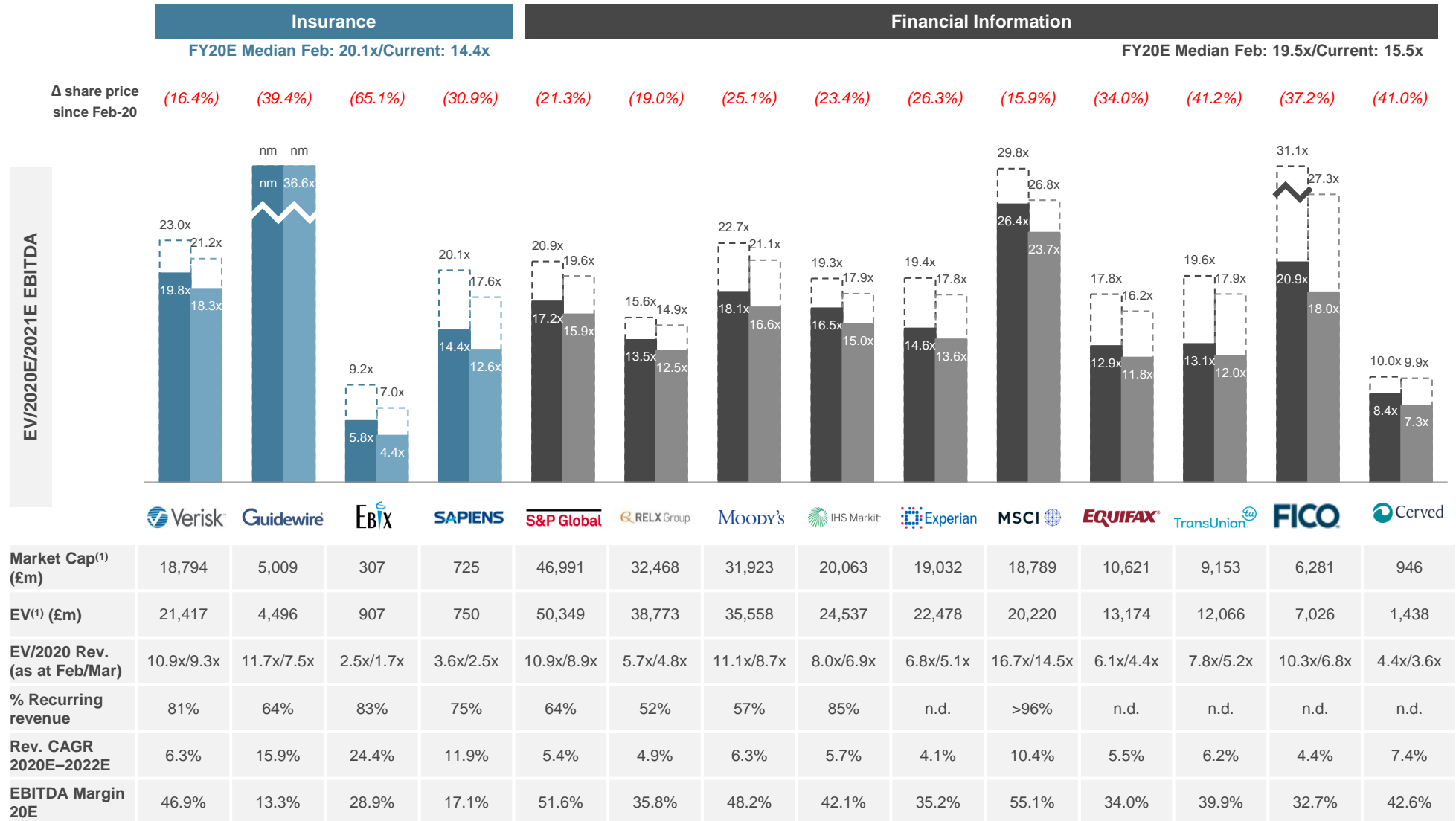


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EV/2020E/2021E EBITDA as at 20 February 2020

B2B Information Providers With Subscription Models and Relatively Fixed Costs Base Demonstrate Robustness



Notes: Financials are calendarised to 31 December year end. Trading multiples are based on share price and market data listed as at 20 February/3 April 2020 and broker consensus future earnings estimates from S&P Capital IQ and broker reports as at 20 February/3 April 2020. EV/EBITDA multiples considered to be not meaningful when greater than 40x.

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EV/2020E/2021E EBITDA as at 20 February 2020

Capital Markets Experience Extreme Volatility

Heightened concerns surrounding COVID-19 continue to cause volatility across markets and weaken investor sentiment.



Equity Capital Markets

- Volatility, as measured by the VIX index, peaked on 16 March at an all-time high, exceeding the levels seen during the financial crisis. Volatility has since reduced from the peak with the VIX index currently around 44, but this is still 3x higher than the low levels seen in early 2020 before the COVID-19 pandemic.
- Markets have recovered strongly, with major indices up more than 15% since their lows on 23 March. However, volatility is likely to remain until there is more visibility on the progress of the virus, potential COVID-19 exit strategies, oil price stability, and the impact that each will have on the broader economy and corporate earnings.
- Companies across the globe have cancelled dividends and share buybacks and have dialled down capital expenditure programmes despite unprecedented fiscal and monetary policy response.
- A number of companies in directly affected sectors have tapped equity markets, successfully raising equity as they seek to ensure they can absorb operational disruptions for an extended period.
- IPOs across Europe scheduled to launch before Easter have been postponed, and it seems likely that IPOs planned to occur before the summer will also be postponed, even if market volatility continues to settle down as management teams assess any damage from the pandemic and its economic consequences, including on their guidance to the market.
- While there has been significant disruption, bear markets caused by external shocks have (historically) been the fastest to recover.



Debt Capital Markets

- International governments and central banks remain at the ready to support their respective economies with necessary monetary and fiscal policies to soften the impact of COVID-19.
- In the leveraged loans and high-yield markets, there have been no new primary issues (apart from some small add-ons) for a month, although early April has seen four BB issuers emerge in the US.
- Bank underwriting has withdrawn, except for deals committed pre-crisis while (in the direct credit market) there has been some investment, albeit again on deals nearly complete before the crisis.
- The direct market has liquidity; however, we are still in a stage of price discovery, since secondary public markets have highly attractive current yields and are typically with much larger companies.
- In March, credit rating agencies downgraded ratings at the fastest pace on record with the level of downgrades forecast to remain high over the coming weeks. There is a possibility that downgrades will force further selling pressure.
- The secondary market has seen a major sell-off across industries in both the leveraged loan and high-yield markets, in part influenced by the rating downgrades (the short-term dislocation presenting opportunities to some investors). However, investment grade issuance has been at all-time-high volume levels, and this has underpinned upward price movements in sub-IG of 5%–10%, with the BB index at c. 5% and the single B index at c. 10% in early April.

China: A Look Into the Future?

China will be used as a natural high-water mark and will provide early insights as to how Western markets will recover from COVID-19.

China is back up and running...

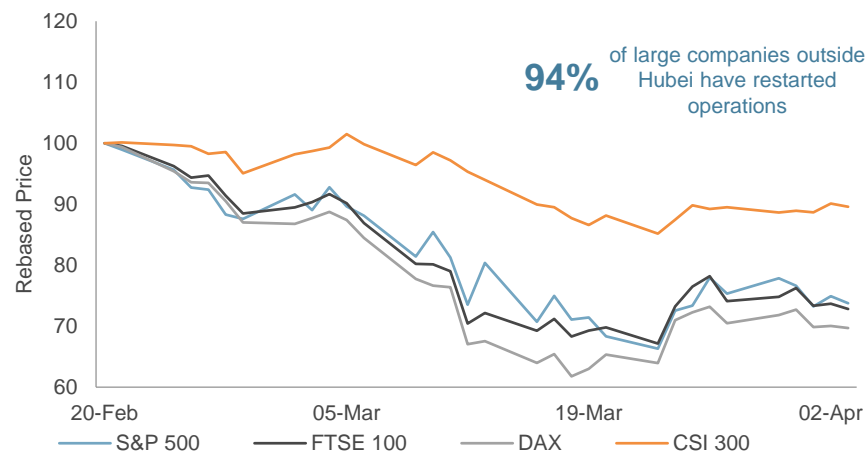
- Over the past several weeks, Chinese government efforts have been geared towards normalising production and reducing supply disruptions.
- While not at prior year levels, 25 provinces (which account for 89.2% of GDP) are reporting full resumption rates.
- Early indicators for electricity and coal power generation, port traffic, passenger activity, and car sales have shown signs of improvement as factories gradually resume production.

80.6% Current production levels at China's large industrial and manufacturing enterprises

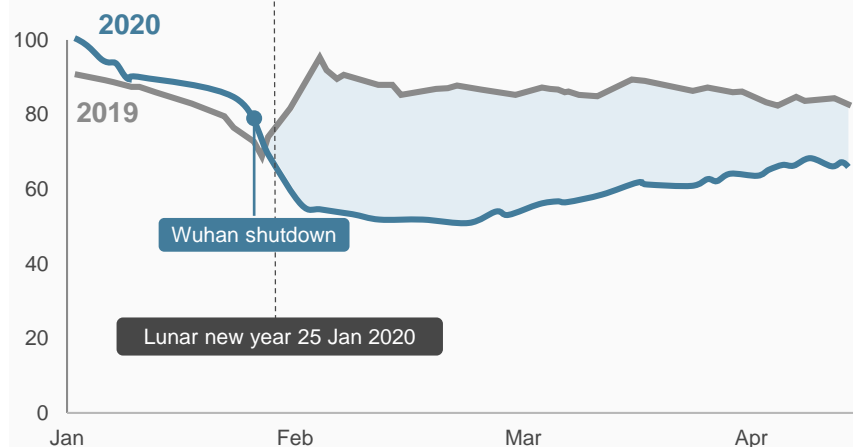


65.3% Production levels one month prior

... outperforming Western markets...



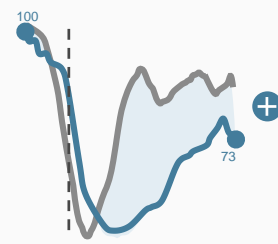
...emerging from lockdown...



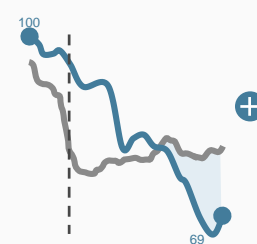
FT China Economic Activity Index (2019 vs. 2020), as at 5 April 2020

... and showing initial signs of positive progress.⁽¹⁾

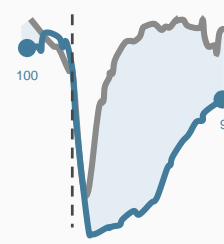
Power Plant Coal Consumption



Container Freight



Traffic Congestion



FT China Economic Activity Index – selected subindices (2019 vs. 2020), as at 5 April 2020

Integrated, Global Team Built to Advise Modern Fintech Platforms

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<ul style="list-style-type: none">19 senior officers dedicated to sponsor community in North America and EuropeDedicated coverage of 1,000+ funds with proprietary knowledge of buyer behaviorSold 450+ companies to financial sponsors over the last five years	<ul style="list-style-type: none">45+ professionals globally, representing the industry's largest dedicated alternative investor coverage teamRaised more than \$100 billion of capital in the past 5 yearsRaised approximately \$11.5 billion in 2019 with participation from 40+ different investors	<ul style="list-style-type: none">No. 1 ranked global M&A fairness opinion advisor over the past 20 years1,000+ annual valuation engagements	<ul style="list-style-type: none">No. 1 ranked global investment banking restructuring advisor in 2019Advised on 1,000+ restructuring transactions with aggregate debt claims of \$2.5+ trillion over past decadeAdvised on 12 of the 15 largest bankruptcy transactions since 2000

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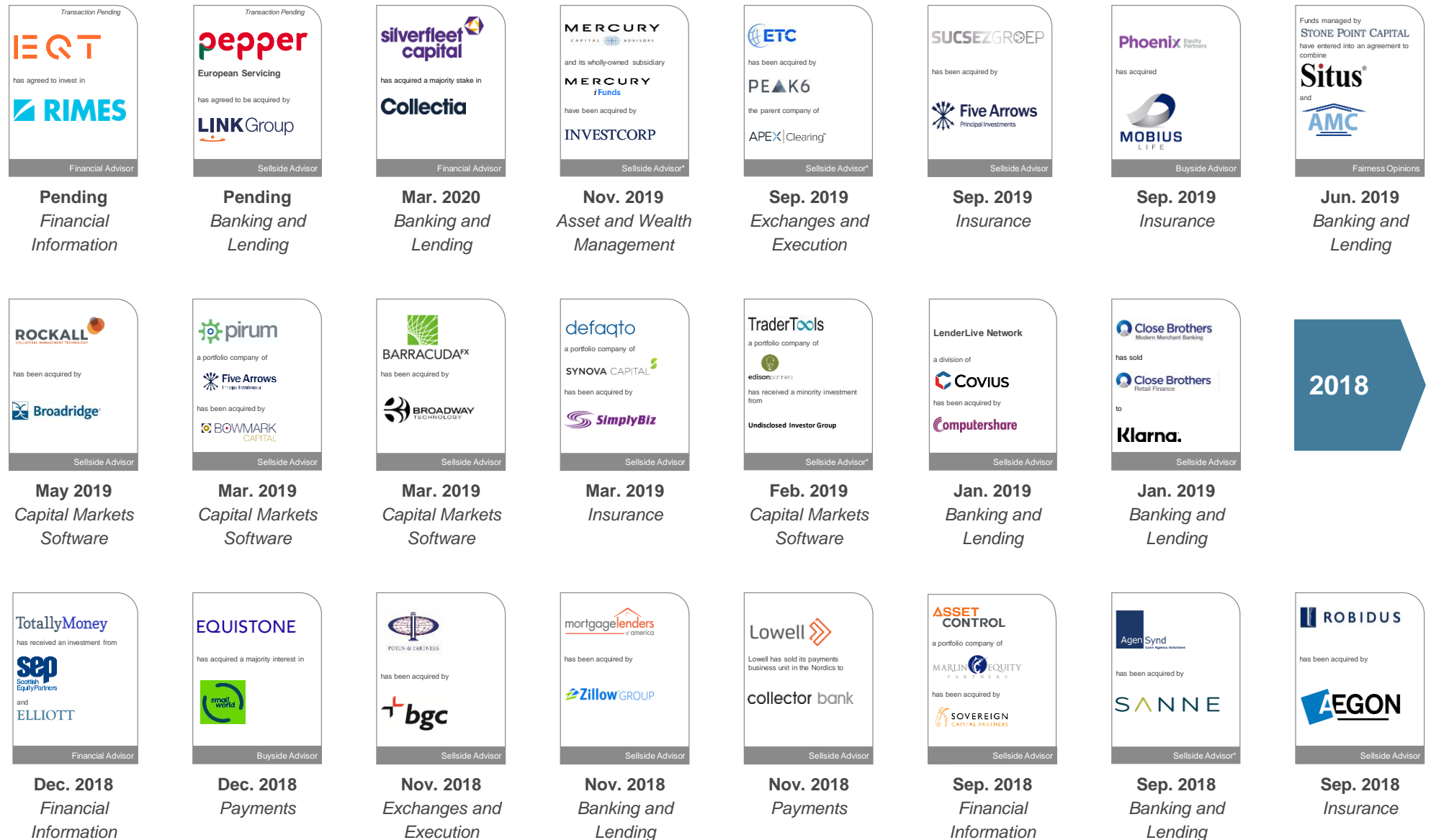


Paul Tracey
Director



Yashin Mody
Senior Vice President

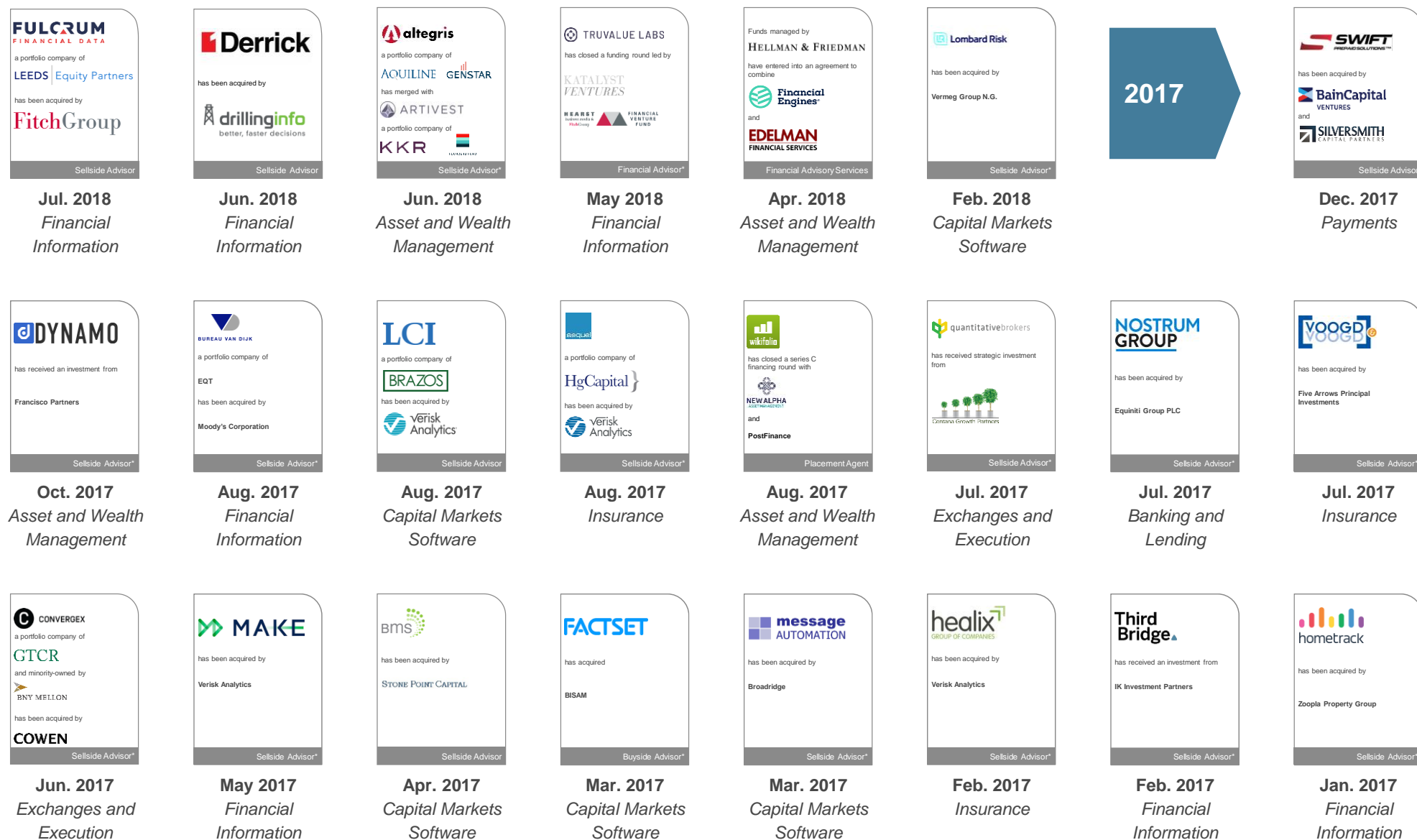
Proven Fintech Track Record With Exceptional Momentum (1/2)



List of transactions shown not exhaustive.

*Selected transactions were executed by firms acquired by Houlihan Lokey.

Proven Fintech Track Record With Exceptional Momentum (2/2)



List of transactions shown not exhaustive.

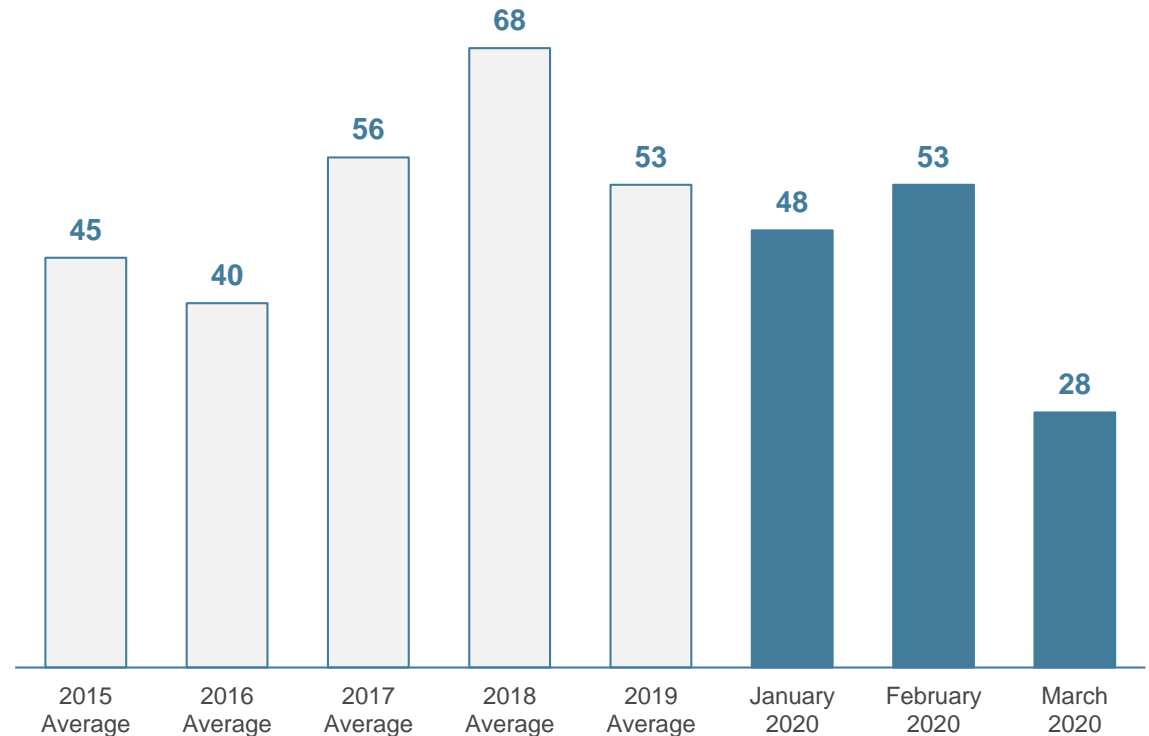
*Selected transactions were executed by firms acquired by Houlihan Lokey.

Deal Activity Summary: M&A



- Heightened concerns surrounding COVID-19 continue to cause volatility across M&A markets with a distinct downswing in total deal activity in March.
- 28 M&A deals in March represents a 45% decrease in deal activity against recent monthly averages and a 40% decrease year-over-year.
- As strategic buyers have watched their share prices drastically drop, focus has shifted to internal initiatives and weathering the storm before continuing the push towards consolidation.
- Going forward, private equity buyers' record amount of dry powder (\$1.5 trillion) lends itself to the opportunity to deploy capital in the high-growth fintech sector at a steep discount to recent prices.

Monthly Deal Count⁽¹⁾



Annualised Deal Count							
542	485	668	821	634	576	636	336

Selected Deal Activity: M&A

M&A


















Growth/
VC

Target Subsector	Target	Acquirer	Acquirer Type	Deal Value (£m)	Target Description and Size Metrics
Asset and Wealth Management	 SANNE Private Client Business	 JTC	Strategic M&A	£12	Administration, accounting, and fiduciary services for UHNWIs
	 solovis	 Nasdaq	Strategic M&A	---	Data aggregation, portfolio analysis, and reporting for LPs
	 BLUE RIDGE ESOP ASSOCIATES	 LL Leveraged Liquidity Partners	PE Platform	---	ESOP and 401(k) administration
	 PlanPlus Global	 MORNINGSTAR	Strategic M&A	---	Risk and reporting tools for financial advisors
	 InCube	 FINANTIX (Motive)	PE Bolt-On	---	Diversified AI-enabled financial advisor tools
	 OM S	 iress	Strategic M&A	---	Diversified pension and investment research platform for financial advisors
Banking and Lending	 docutech.	 FIRST AMERICAN First American	Strategic M&A	£269	Mortgage lender document security provider
	 Dough	 ZipTel.	Strategic M&A	---	Digital challenger bank with personal finance tools
	 neyber	 SALARY FINANCE (Insight)	PE Bolt-On	---	Lending platform for employers to offer loans to employees
	 BRISMO	 LoanClear	Strategic M&A	---	Lending performance, analytics, and data provider
	 HORIZON HEALTH FUND Patientflow 01/10/2022	 carepayment® (Crestline)	PE Bolt-On	---	Patient financing for hospitals and large health systems
	 Collectia	 silverfleet capital	PE Platform	---	Loan administration and debt collection services

Selected Deal Activity: M&A (cont.)

M&A

Growth/
VC

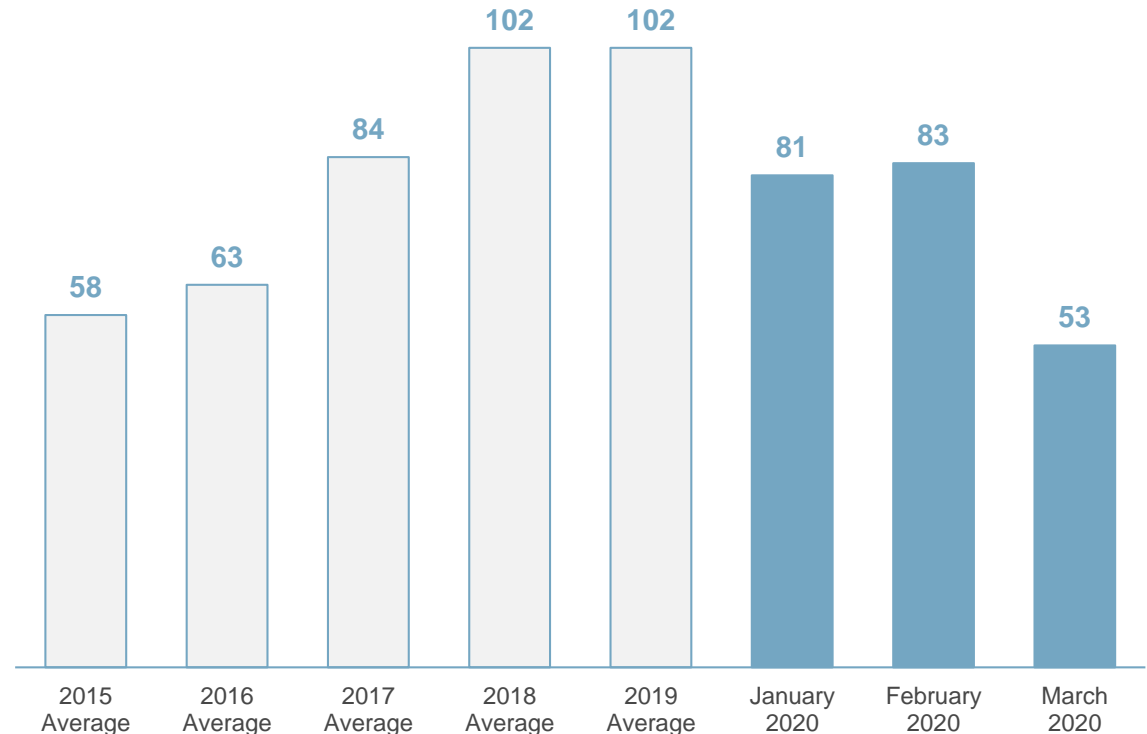
Target Subsector	Target	Acquirer	Deal Type	Deal Value (£m)	Target Description
Payments		 Madison Dearborn Partners	PIPE	£101	Diversified payment processing services
			Strategic M&A	---	Back-office processing and point-of-sale system providers
			PE Bolt-On	---	Patient and healthcare engagement and payment solutions
			Strategic M&A	---	Automated payment validation solutions
Capital Markets Software			PE Bolt-On	£63	Online brokerage tools and tax lot accounting
			Strategic M&A	---	Algorithmic trading and research technology infrastructure
Diversified Financial Software and BPO	SourceHOV Tax		PE Platform	£33	Specialised tax consulting services
			PE Bolt-On	---	Diversified financial risk management software
			PE Platform	---	Healthcare-focused valuation firm
Insurance			Strategic M&A	---	Mobile insurance policy management
Financial Information			Strategic M&A	---	Mortgage risk tools and diversified real estate analytics offering
			Strategic M&A	---	Machine-learning focused data capture and digitalisation platform

Deal Activity Summary: Growth/VC



- Private equity and VC firms have spent most of March focusing on stabilising their portfolio companies due to the strong headwinds caused by COVID-19.
- However, financial sponsors should soon regain their focus on continued investment in the fintech sector.
- Much like M&A activity, March private capital activity is far below average monthly volumes and approximately 50% below 2018 and 2019's record-high averages.
- Corporate VCs remain increasingly active on a percentage of deal activity, but have seen a similar slowdown in deal count as strategics have watched their share price fall dramatically and shifted focus on internal operations.
- Despite current slowdown, secondary buyers expect a potential VC fire sale towards the second half of 2020 (and even into 2021) as attractive assets sell for steep discounts from recent peaks.

Monthly Deal Count⁽¹⁾

























Annualised Deal Count							
694	753	1,002	1,219	1,227	972	996	636

Selected Deal Activity: Growth/VC

M&A

















Growth/
VC

Target Subsector	Target	Acquirer	Deal Type	Deal Value (£m)	Target Description
Asset and Wealth Management		 中国平安 创新 PING AN VENTURES	Consortium	£126	Alternatives distribution
			Growth	£34	Reporting and rebalancing tools for Financial Analysts
			Series C	£31	Retirement-focused robo-advisor focused on small businesses
			Series C	£9	Investment-focused personal finance platform
Banking And Lending			Series D	£152	Digital challenger bank
			Series B	£64	Cloud-based mobile banking technology
			Corporate	£43	Peer-to-peer lending marketplace
			Corporate	£10	Online loan comparison tool
			Series A	£16	Small-business focused digital challenger bank
			Series A	£16	AI-focused digital challenger bank
			Undisclosed	£15	Property-focused marketplace platform/lender
			Series A	£9	Student loan provider and financial education provider

Selected Deal Activity: Growth/VC (cont.)

M&A

Growth/
VC

Target Subsector	Target	Acquirer	Deal Type	Deal Value (£m)	Target Description
Payments			Series B	£39	Point-of-sale payment solutions
			Series A	£18	Spend and budgeting software for companies
			Corporate	---	Diversified online payment solutions
Capital Markets Software			Corporate	£5	Client communication surveillance software for financial institutions
Exchanges and Execution			Corporate	£244	Digital asset trading platform and custody
			Series B	£12	Fractional retail and social investing platform
			Corporate	---	FX derivatives trading platform
Insurance			Series A	£15	Fully online-hosted, white-labeled insurance platform
			Series A	£7	Gig economy workforce commercial insurance platform
			Series A	£7	AI-driven insurance pricing platform
Financial Information			Corporate	---	Financial institution focused AI prioritisation for Microsoft Teams

Listed Trading Analysis

	Company	Market Cap GBPm	EV GBPm	EV/Revenue			EV/EBITDA			EV/EBITDA – CapEx			EBITDA Margin			2020E–2022E CAGR	
				2020	2021	2022	2020	2021	2022	2020	2021	2022	2020	2021	2022	Revenue	EBITDA
Asset & Wealth Management	Broadridge	8,663	10,188	2.7x	2.6x	2.5x	13.0x	11.9x	10.9x	14.1x	12.7x	11.7x	20.7%	21.6%	22.8%	4.1%	9.1%
	Envestnet	2,034	2,510	3.1x	2.8x	2.6x	14.4x	12.7x	11.0x	16.6x	14.6x	12.2x	21.6%	22.4%	23.9%	8.6%	14.4%
	Iress	859	982	3.6x	3.4x	3.2x	14.4x	12.7x	11.8x	15.9x	13.9x	12.9x	25.1%	26.7%	27.2%	6.1%	10.4%
	Simcorp	2,588	2,623	6.2x	5.6x	5.1x	21.8x	17.7x	15.9x	23.3x	18.7x	16.8x	28.6%	31.6%	32.3%	10.2%	17.1%
	SS&C	8,678	14,730	3.8x	3.7x	3.5x	9.5x	9.0x	8.7x	10.3x	9.7x	9.3x	39.8%	40.6%	40.7%	3.7%	4.8%
Mean				3.9x	3.6x	3.4x	14.6x	12.8x	11.7x	16.0x	13.9x	12.6x	27.2%	28.6%	29.4%	6.5%	11.2%
Median				3.6x	3.4x	3.2x	14.4x	12.7x	11.0x	15.9x	13.9x	12.2x	25.1%	26.7%	27.2%	6.1%	10.4%
Banking & Lending	Black Knight	6,992	8,280	8.4x	7.9x	7.5x	16.9x	15.7x	15.0x	20.4x	18.9x	17.9x	50.1%	50.3%	50.0%	6.2%	6.1%
	FIS	57,997	74,047	6.8x	6.3x	5.8x	15.5x	13.6x	12.0x	18.7x	16.6x	14.4x	43.8%	46.2%	48.2%	8.2%	13.6%
	Fiserv	47,609	66,906	5.1x	4.8x	4.5x	14.1x	12.9x	11.9x	17.3x	15.7x	14.6x	36.2%	37.5%	38.1%	6.2%	8.9%
	Jack Henry	9,788	9,787	6.9x	6.4x	6.0x	21.0x	19.4x	18.0x	25.8x	24.6x	23.7x	32.7%	33.2%	33.3%	7.3%	8.2%
	Q2	2,223	2,498	7.5x	6.0x	4.9x	nm	nm	nm	nm	nm	nm	4.3%	7.6%	8.8%	23.1%	76.9%
	Temenos	6,513	7,344	7.9x	7.1x	6.4x	19.3x	16.8x	14.9x	23.4x	20.1x	17.7x	41.2%	42.1%	42.8%	11.7%	13.9%
Mean				7.1x	6.4x	5.8x	17.4x	15.7x	14.3x	21.1x	19.2x	17.7x	34.7%	36.1%	36.9%	10.4%	21.3%
Median				7.2x	6.4x	5.9x	16.9x	15.7x	14.9x	20.4x	18.9x	17.7x	38.7%	39.8%	40.5%	7.7%	11.3%
Payments	Adyen	18,385	16,890	28.4x	20.8x	15.2x	nm	35.5x	25.3x	nm	38.3x	27.1x	56.9%	58.5%	60.0%	36.8%	40.5%
	Bottomline	1,149	1,180	3.1x	2.8x	2.5x	13.7x	12.2x	10.3x	19.2x	16.3x	13.5x	22.5%	22.9%	24.0%	12.1%	15.8%
	Fleetcor	12,892	16,048	7.0x	6.4x	5.8x	12.2x	11.1x	10.4x	12.9x	11.7x	10.9x	57.0%	57.3%	56.2%	9.3%	8.5%
	Global Payments	30,959	38,016	6.1x	5.6x	5.2x	13.6x	11.8x	10.2x	16.0x	13.5x	11.0x	45.0%	47.3%	51.4%	8.5%	15.8%
	Mastercard	194,576	195,974	13.7x	11.8x	10.2x	23.7x	19.5x	16.6x	24.6x	20.2x	17.4x	58.0%	60.3%	61.6%	16.1%	19.6%
	Square	15,541	15,163	3.5x	2.8x	2.2x	nm	29.7x	19.9x	nm	35.6x	23.4x	7.5%	9.3%	10.8%	28.0%	54.1%
	Visa	266,432	270,183	13.6x	12.1x	10.8x	19.8x	17.3x	15.2x	20.9x	18.2x	16.0x	68.9%	70.1%	70.8%	12.4%	14.0%
Mean				10.8x	8.9x	7.4x	16.6x	19.6x	15.4x	18.7x	22.0x	17.0x	45.1%	46.5%	47.8%	17.6%	24.0%
Median				7.0x	6.4x	5.8x	13.7x	17.3x	15.2x	19.2x	18.2x	16.0x	56.9%	57.3%	56.2%	12.4%	15.8%
Exchanges & Execution	CME Group	50,867	53,150	12.1x	12.2x	11.8x	17.9x	16.4x	15.0x	18.8x	17.1x	15.7x	67.6%	74.5%	78.6%	1.5%	9.4%
	Deutsche Boerse	20,219	21,872	7.8x	7.4x	7.0x	12.6x	12.0x	11.2x	13.8x	13.1x	12.2x	61.7%	62.0%	62.8%	5.1%	6.0%
	ICE	36,323	42,384	9.1x	8.9x	8.5x	14.2x	13.7x	12.7x	15.5x	15.0x	13.7x	64.5%	65.0%	67.2%	3.6%	5.7%
	LSE	25,267	26,427	10.9x	10.3x	9.8x	19.5x	18.0x	17.7x	21.7x	20.7x	21.2x	55.9%	57.5%	55.7%	5.2%	5.0%
Mean				10.0x	9.7x	9.3x	16.0x	15.0x	14.1x	17.5x	16.5x	15.7x	62.4%	64.8%	66.1%	3.8%	6.5%
Median				10.0x	9.6x	9.2x	16.0x	15.0x	13.8x	17.2x	16.1x	14.7x	63.1%	63.5%	65.0%	4.3%	5.8%

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Listed Trading Analysis (cont.)

	Company	Market Cap GBPm	EV GBPm	EV/Revenue			EV/EBITDA			EV/EBITDA – CapEx			EBITDA Margin			2020E–2022E CAGR	
				2020	2021	2022	2020	2021	2022	2020	2021	2022	2020	2021	2022	Revenue	EBITDA
Insurance	EBIX	307	907	1.7x	1.4x	1.1x	5.8x	4.4x	3.5x	6.0x	4.5x	3.6x	28.9%	30.6%	30.6%	24.4%	28.0%
	Guidewire	5,009	4,496	7.5x	6.5x	5.6x	nm	36.6x	27.9x	nm	nm	31.7x	13.3%	17.9%	19.9%	15.9%	42.2%
	Sapiens	725	750	2.5x	2.3x	2.0x	14.4x	12.6x	10.7x	17.3x	15.0x	12.7x	17.1%	18.0%	18.4%	11.9%	16.2%
	Verisk	18,794	21,417	9.3x	8.7x	8.2x	19.8x	18.3x	17.0x	24.6x	22.0x	20.4x	46.9%	47.6%	48.2%	6.3%	7.8%
Mean				5.2x	4.7x	4.2x	13.4x	18.0x	14.8x	16.0x	13.9x	17.1x	26.5%	28.5%	29.3%	14.6%	23.6%
Median				5.0x	4.4x	3.8x	14.4x	15.5x	13.9x	17.3x	15.0x	16.6x	23.0%	24.3%	25.3%	13.9%	22.1%
Financial Information	Cerved	946	1,438	3.6x	3.2x	3.1x	8.4x	7.3x	7.2x	10.0x	8.7x	8.6x	42.6%	43.6%	42.9%	7.4%	7.8%
	Equifax	10,621	13,174	4.4x	4.2x	3.9x	12.9x	11.8x	10.8x	17.7x	15.4x	13.4x	34.0%	35.1%	36.5%	5.5%	9.4%
	Experian	19,032	22,478	5.1x	4.9x	4.7x	14.6x	13.6x	13.2x	19.8x	18.3x	17.9x	35.2%	35.8%	36.0%	4.1%	5.2%
	FICO	6,281	7,026	6.8x	6.5x	6.3x	20.9x	18.0x	15.6x	22.3x	19.1x	16.4x	32.7%	36.0%	40.2%	4.4%	15.7%
	IHS Markit	20,063	24,537	6.9x	6.5x	6.2x	16.5x	15.0x	14.0x	19.5x	17.6x	16.3x	42.1%	43.6%	44.4%	5.7%	8.6%
	Moody's	31,923	35,558	8.7x	8.1x	7.7x	18.1x	16.6x	15.3x	18.8x	17.3x	15.9x	48.2%	49.1%	50.3%	6.3%	8.6%
	MSCI	18,789	20,220	14.5x	13.3x	11.9x	26.4x	23.7x	20.8x	27.9x	25.0x	21.9x	55.1%	56.1%	57.5%	10.4%	12.7%
	RELX	32,468	38,773	4.8x	4.6x	4.4x	13.5x	12.5x	11.8x	15.6x	14.4x	13.6x	35.8%	36.7%	37.2%	4.9%	6.9%
	S&P Global	46,991	50,349	8.9x	8.3x	8.0x	17.2x	15.9x	14.9x	17.7x	16.4x	15.3x	51.6%	52.3%	53.5%	5.4%	7.4%
	TransUnion	9,153	12,066	5.2x	4.9x	4.6x	13.1x	12.0x	10.8x	16.3x	14.8x	13.0x	39.9%	40.5%	43.1%	6.2%	10.4%
Mean				6.9x	6.4x	6.1x	16.1x	14.6x	13.4x	18.6x	16.7x	15.2x	41.7%	42.9%	44.2%	6.0%	9.3%
Median				6.0x	5.7x	5.5x	15.5x	14.3x	13.6x	18.3x	16.9x	15.6x	41.0%	42.1%	43.0%	5.6%	8.6%
Overall—Mean				7.4x	6.7x	6.1x	15.9x	15.9x	13.9x	18.2x	17.5x	15.8x	39.8%	41.3%	42.4%	9.8%	15.7%
Overall—Median				6.9x	6.3x	5.7x	14.5x	13.7x	13.2x	18.2x	16.5x	15.3x	40.5%	41.4%	42.9%	6.8%	9.9%

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Listed Trading Analysis as at 20 February

	Company	Market Cap GBPm	EV GBPm	EV/Revenue			EV/EBITDA			EV/EBITDA – CapEx			EBITDA Margin			2020E–2022E CAGR	
				2020	2021	2022	2020	2021	2022	2020	2021	2022	2020	2021	2022	Revenue	EBITDA
Asset & Wealth Management	Broadridge	10,823	12,273	3.4x	3.3x	3.1x	16.4x	14.9x	13.6x	18.0x	16.2x	14.7x	20.8%	21.9%	23.1%	4.5%	10.1%
	Envestnet	3,523	3,976	4.9x	4.4x	3.9x	21.7x	18.6x	16.3x	25.3x	20.5x	17.4x	22.8%	23.4%	24.3%	11.9%	15.6%
	Iress	1,134	1,263	4.4x	4.2x	4.0x	17.5x	15.7x	14.5x	19.2x	17.0x	15.7x	25.3%	26.7%	27.4%	5.6%	9.8%
	Simcorp	3,208	3,241	7.9x	7.1x	6.5x	26.9x	22.4x	20.4x	28.6x	23.6x	21.5x	29.2%	31.6%	32.0%	9.7%	14.9%
	SS&C	12,737	18,445	5.0x	4.8x	4.6x	12.4x	11.8x	11.3x	13.4x	12.6x	12.2x	40.0%	40.7%	40.7%	3.8%	4.7%
Mean				5.1x	4.7x	4.4x	19.0x	16.7x	15.2x	20.9x	18.0x	16.3x	27.6%	28.9%	29.5%	7.1%	11.0%
Median				4.9x	4.4x	4.0x	17.5x	15.7x	14.5x	19.2x	17.0x	15.7x	25.3%	26.7%	27.4%	5.6%	10.1%
Banking & Lending	Black Knight	8,603	9,791	10.5x	9.8x	9.3x	20.9x	19.5x	18.5x	25.4x	23.5x	22.2x	50.0%	50.3%	50.0%	6.3%	6.3%
	FIS	75,050	90,313	8.5x	7.9x	7.3x	19.3x	17.1x	15.3x	22.9x	20.8x	18.5x	44.1%	46.5%	48.0%	7.7%	12.4%
	Fiserv	64,341	82,115	6.5x	6.2x	5.7x	17.6x	16.4x	16.2x	21.0x	19.5x	19.7x	37.1%	37.7%	34.9%	7.5%	4.4%
	Jack Henry	10,396	10,395	7.6x	7.2x	6.7x	23.4x	21.5x	20.0x	27.7x	26.8x	26.3x	32.6%	33.4%	33.5%	6.9%	8.3%
	Q2	3,333	3,596	11.2x	8.9x	7.3x	nm	nm	nm	nm	nm	nm	4.0%	7.7%	11.7%	23.7%	111.2%
	Temenos	8,944	9,738	10.8x	9.6x	8.6x	26.0x	23.2x	20.1x	32.0x	28.3x	24.3x	41.4%	41.5%	42.9%	11.9%	13.9%
Mean				9.2x	8.3x	7.5x	21.5x	19.5x	18.0x	25.8x	23.8x	22.2x	34.9%	36.2%	36.8%	10.7%	26.1%
Median				9.5x	8.4x	7.3x	20.9x	19.5x	18.5x	25.4x	23.5x	22.2x	39.2%	39.6%	38.9%	7.6%	10.3%
Payments	Adyen	21,941	20,858	36.5x	26.5x	20.2x	nm	nm	34.1x	nm	nm	36.6x	58.6%	60.5%	59.4%	34.3%	35.2%
	Bottomline	1,724	1,754	4.7x	4.3x	3.8x	20.8x	18.5x	16.0x	28.7x	24.7x	21.1x	22.9%	23.1%	23.9%	11.5%	13.9%
	Fleetcor	21,038	23,963	10.6x	9.6x	8.7x	18.4x	16.4x	14.9x	19.3x	17.3x	15.7x	57.4%	58.5%	58.6%	9.9%	11.0%
	Global Payments	48,612	54,911	9.0x	8.3x	7.6x	20.3x	17.8x	15.8x	23.9x	20.5x	17.2x	44.1%	46.7%	48.5%	8.4%	13.6%
	Mastercard	268,901	270,230	17.9x	15.7x	13.9x	29.8x	25.7x	22.4x	30.9x	26.4x	23.6x	59.9%	61.1%	62.0%	13.3%	15.3%
	Square	28,601	28,519	12.9x	10.0x	7.9x	nm	nm	34.9x	nm	nm	nm	18.6%	20.7%	22.6%	28.0%	41.0%
	Visa	352,826	356,392	17.6x	15.7x	14.2x	25.0x	22.0x	19.6x	26.3x	23.1x	20.6x	70.2%	71.3%	72.2%	11.3%	12.9%
Mean				15.6x	12.9x	10.9x	22.9x	20.1x	22.5x	25.8x	22.4x	22.5x	47.4%	48.9%	49.6%	16.7%	20.4%
Median				12.9x	10.0x	8.7x	20.8x	18.5x	19.6x	26.3x	23.1x	20.9x	57.4%	58.5%	58.6%	11.5%	13.9%
Exchanges & Execution	CME Group	58,173	59,835	15.0x	14.4x	13.9x	21.9x	20.4x	19.8x	23.0x	21.4x	20.8x	68.3%	70.4%	70.4%	3.7%	5.3%
	Deutsche Boerse	23,723	25,179	9.5x	8.9x	8.3x	15.3x	14.2x	13.0x	17.0x	15.7x	14.4x	62.1%	62.9%	64.2%	6.9%	8.7%
	ICE	40,927	46,691	10.8x	10.3x	9.9x	16.9x	16.0x	14.8x	18.5x	17.4x	16.2x	64.2%	64.7%	66.8%	4.7%	6.8%
	LSE	29,386	30,732	12.7x	12.0x	11.5x	22.9x	21.1x	19.8x	26.9x	24.4x	22.9x	55.7%	56.9%	58.0%	5.4%	7.6%
Mean				12.0x	11.4x	10.9x	19.3x	17.9x	16.8x	21.4x	19.7x	18.6x	62.6%	63.7%	64.8%	5.2%	7.1%
Median				11.8x	11.2x	10.7x	19.4x	18.2x	17.3x	20.8x	19.4x	18.5x	63.1%	63.8%	65.5%	5.1%	7.2%

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Listed Trading Analysis as at 20 February (cont.)

	Company	Market Cap GBPm	EV GBPm	EV/Revenue			EV/EBITDA			EV/EBITDA – CapEx			EBITDA Margin			2020E–2022E CAGR	
				2020	2021	2022	2020	2021	2022	2020	2021	2022	2020	2021	2022	Revenue	EBITDA
Insurance	EBIX	836	1,373	2.5x	1.9x	1.4x	9.2x	7.0x	5.4x	10.0x	7.6x	5.8x	26.9%	26.9%	26.9%	31.0%	31.0%
	Guidewire	7,830	7,372	11.7x	10.1x	8.6x	nm	nm	nm	nm	nm	nm	16.7%	18.9%	18.9%	16.5%	23.9%
	Sapiens	997	1,037	3.6x	3.3x	3.0x	20.1x	17.6x	15.8x	24.0x	20.8x	15.8x	18.1%	18.7%	18.7%	11.0%	12.7%
	Verisk	21,455	23,949	10.9x	10.2x	9.5x	23.0x	21.2x	19.5x	28.4x	25.5x	23.2x	47.4%	48.0%	48.7%	7.1%	8.5%
Mean				7.2x	6.4x	5.6x	17.4x	15.3x	13.6x	20.8x	18.0x	15.0x	27.3%	28.1%	28.3%	16.4%	19.1%
Median				7.3x	6.7x	5.8x	20.1x	17.6x	15.8x	24.0x	20.8x	15.8x	22.5%	22.9%	22.9%	13.7%	18.3%
Financial Information	Cerved	1,525	2,008	4.4x	4.3x	4.3x	10.0x	9.9x	9.7x	12.0x	11.9x	11.6x	44.3%	44.0%	44.0%	2.1%	1.7%
	Equifax	15,201	17,629	6.1x	5.7x	5.4x	17.8x	16.2x	14.9x	24.6x	21.2x	18.7x	34.2%	35.4%	36.3%	6.4%	9.5%
	Experian	25,829	29,105	6.8x	6.4x	5.9x	19.4x	17.8x	16.6x	26.2x	23.9x	22.3x	35.2%	35.7%	35.9%	7.1%	8.1%
	FICO	9,511	10,220	10.3x	9.6x	8.8x	31.1x	27.3x	23.8x	33.1x	28.9x	25.0x	33.1%	35.0%	37.0%	8.1%	14.3%
	IHS Markit	24,551	28,457	8.0x	7.5x	7.1x	19.3x	17.9x	16.6x	22.8x	21.1x	19.3x	41.2%	42.2%	43.0%	5.7%	8.0%
	Moody's	40,883	44,165	11.1x	10.4x	9.8x	22.7x	21.1x	19.7x	23.6x	21.9x	20.3x	48.9%	49.4%	49.7%	6.5%	7.4%
	MSCI	21,191	22,552	16.7x	15.2x	13.6x	29.8x	26.8x	23.3x	31.4x	28.1x	24.5x	56.1%	57.0%	58.4%	10.6%	12.9%
	RELX	40,117	46,422	5.7x	5.5x	5.3x	15.6x	14.9x	14.2x	18.0x	17.1x	16.3x	36.4%	37.0%	37.0%	4.0%	4.9%
	S&P Global	57,454	60,647	10.9x	10.3x	9.7x	20.9x	19.6x	18.3x	21.5x	20.1x	18.7x	52.1%	52.5%	52.9%	6.2%	7.0%
	TransUnion	14,715	17,486	7.8x	7.3x	6.7x	19.6x	17.9x	16.1x	24.4x	22.1x	20.0x	40.1%	40.7%	41.3%	8.5%	10.1%
Mean				8.8x	8.2x	7.7x	20.6x	18.9x	17.3x	23.8x	21.6x	19.7x	42.2%	42.9%	43.6%	6.5%	8.4%
Median				7.9x	7.4x	6.9x	19.5x	17.9x	16.6x	24.0x	21.5x	19.7x	40.6%	41.4%	42.2%	6.4%	8.1%
Overall—Mean				9.8x	8.8x	7.9x	20.4x	18.4x	17.8x	23.4x	20.9x	19.5x	40.6%	41.7%	42.3%	10.2%	15.1%
Overall—Median				9.2x	8.6x	7.5x	20.2x	17.9x	16.4x	24.0x	21.1x	19.7x	40.6%	41.1%	42.1%	7.6%	10.1%

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