

VALUE FOCUS

FinTech Industry

Year-End 2019

Broader markets increased ~32% in 2019 as markets rebounded from the decline in the fourth quarter of 2018. Related to FinTech specifically, all three FinTech niches that we track outperformed the S&P 500 in 2019. Additionally, 2019 saw the return of IPOs as there were a few successful new listings that showed positive returns.

FinTech M&A activity was slower in 2019 as measured by number of transactions. However, there was a marked increase in median deal values and pricing multiples driven by activity involving larger transactions.

Similarly, FinTech fundraising in the U.S. was strong in the first three quarters of 2019 at ~\$25 billion in funding (which was already above full year 2018 levels). While interest in the FinTech sector remains high, the outlook is uncertain as competitive pressures, technological change, and regulatory/policy uncertainty continues.



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Mercer Capital provides financial technology companies with valuation, financial advisory, and consulting services.

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- Financial advisory/valuations for acquisitions and divestitures
- Valuations for purchase accounting and impairment testing
- Fairness and solvency opinions
- Litigation support for economic damages and valuation and shareholder disputes
- Consulting and board presentations for corporate and strategic planning
- Unit economics analysis, studies, and consulting

FinTech Niche Experience

- Payments
- Digital / specialty lending
- Wealth Tech
- Digital / online banking
- InsurTech
- BankTech including RegTech

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Quality Of Earnings Study

The “Combine” to Help Harvest Top FinTech Acquisition Targets

As we find ourselves at the end of the decade, many pundits are considering what sector will be most heavily influenced by the disruptive impact of technology in the 2020s. Financial services and the potential impact of FinTech is often top of mind in those discussions. As I consider the potential impact of FinTech in the coming decade, I am reminded of the Mark Twain quote that “History doesn’t repeat itself but it often rhymes.”

A historical example of technological progress that comes to mind for me is the combine, a machine designed to efficiently harvest a variety of grain crops. The combine derived its name from being able to combine a number of steps in the harvesting process. Combines were one of the most economically important innovations as they saved a tremendous amount of time and significantly reduced the amount of the population that was engaged in agriculture while still allowing a growing population to be fed adequately. For perspective, the impact on American society from the combine’s invention was tremendous as roughly half of the U.S. population was involved in agriculture in the 1850s and today that number stands at less than 1%.

As I ponder the parallels between the combine’s historical impact and FinTech’s potential, I consider that our now service based economy is dependent upon financial services, and FinTech offers the potential to radically change the landscape. From my

perspective, the coming “combine” for financial services will be not from one source or solution, but from a wide range of FinTech companies and traditional financial institutions that are enhancing efficiency and lowering costs across a wide range of financial services (payments, lending, deposit gathering, wealth management, and insurance). While this can be viewed as a negative by some traditional incumbents in the space, it may be a saving grace as we start the decade with the lingering effects of a prolonged historically low and difficult interest rate environment, and many traditional players are still laden with their margin dependent revenue streams and higher cost, inefficient legacy systems. Similar to the farmers adopting higher tech planting and harvesting methods through innovations like the combine, traditional incumbents like bankers, RIAs, and insurance companies will have to determine how to selectively build, partner, or acquire FinTech talent and companies to enhance their profitability and efficiency. Private equity and venture capital investors will also continue to be attracted to the FinTech sector given its potential.

As the years in the 2020s march on, FinTech acquirers and traditional incumbents face a daunting task to evaluate the FinTech sector. Reports vary but generally indicate that over 10,000 FinTechs have sprouted up across the globe in the last decade and separating the highly valued, high potential business models (i.e, the wheat) from the lower valued,

low potential ones (i.e., the chaff) will be challenging. Factor in the complicated nature of the regulatory/compliance overlay and investors, acquirers, and traditional incumbents face the daunting task of analyzing the FinTech sector and the companies within it.

As a solution to this potential problem, the efficient operations and historical lessons learned in the agricultural sector from the combine may again provide insights for buyers of FinTech companies to learn from. For example, the major professional sports leagues in the U.S. all have events called combines where they put prospective players through drills and tests to more accurately assess their potential. In these situations, the team is ultimately the buyer or investor and the player is the seller. Pro scouts are most interested in trying to project how that player might perform in the future for their team. While a player may have strong statistics in college, this may not translate to their future performance at the next level so it's important to dig deeper and analyze more thoroughly. For the casual fan and the players themselves, it can be frustrating to see a productive college player go undrafted while less productive players go highly drafted because of their stronger performance at the combine.

While not quite as highly covered by the fans and media, a similar due diligence and analysis process should take place when acquirers examine a FinTech acquisition target. This due diligence process can be particularly important in a sector like FinTech where the historical financial statements may provide little insight into future growth and earnings potential for the underlying company. One way that acquirers are able to better assess potential targets is through a process similar to a sports combine called a quality of earnings study (QoE). In this article, we give a general overview of what a QoE is as well as some important factors to consider.

What is a Quality of Earnings Study? A QoE study typically focuses on the economic earning power of the target. A QoE combines a number of due diligence processes and findings into a single document that can be vitally helpful to a potential acquirer in order to assess the key elements of a target's valuation: core earning power, growth potential, and risk factors. Ongoing earning power is a key component of valuation as it represents an estimate of sustainable earnings and a base from which long term growth can be expected. This estimate of earning power typically considers trying to assess the quality of the company's historical and projected future earnings. In addition to assessing the quality of the earnings, buyers should also consider the relative riskiness of those earnings as well as potential pro-forma synergies that the target may bring in an acquisition.

Analysis performed in a QoE study can include the following:

1. **Profitability Procedures.** Investigating historical performance for impact on prospective cash flows. EBITDA analysis can include certain types of adjustments such as: (1) Management compensation add-back; (2) Non-recurring items; (3) Pro-forma adjustments/synergies
2. **Customer Analysis.** Investigating revenue relationships and agreements to understand the impact on prospective cash flows. Procedures include: (1) Identifying significant customer relationships; (2) Gross margin analysis; and (3) Lifting analysis
3. **Business and Pricing Analysis.** Investigating the target entities positioning in the market and understanding the competitive advantages from a product and operations perspective. This involves: (1) Interviews with key members of management; (2) Financial analysis and benchmarking; (3) Industry analysis; (4) Fair market value assessments; and (5) Structuring

These areas are broad and may include a wide array of sub-areas to investigate as part of the QoE study. Sub-areas can include:

- Workforce / employee analysis
- Intangible asset analysis
- Location analysis
- Segment analysis
- Margin and expense analysis
- Working capital analysis
- A/R and A/P analysis
- A/R aging and inventory analysis
- Billing and collection policies
- Proof of cash and revenue analysis
- Capital structure analysis

For high growth technology companies where the analysis and valuation is highly dependent upon forecast projections, it may also be necessary to analyze other specific areas such as:

- The unit economics of the target. For example, a buyer may want a more detailed estimate or analysis of some of the target's key performance indicators such as cost of acquiring customers (CAC), lifetime value of new customers (LTV), churn rates, magic number, and annual recurring revenue/profit.
- A commercial analysis that examines the competitive environment, go-to-market strategy, and existing customers perception for the company and its products.

This article discusses a number of considerations that buyers may want to assess when performing due diligence on a potential FinTech target. While the ultimate goal is to derive a sound analysis of the target's earning power and potential, there can be a number

of different avenues to focus on, and the QoE study should be customized and tailored to the buyer's specific concerns as well as the target's unique situations. It is also paramount for the buyer's team to keep the due diligence process focused, efficient, and pertinent to their concerns. For sellers, a primary benefit of a QoE can be to help them illustrate their future potential and garner more interest from potential acquirers.

Mercer Capital's focused approach to traditional quality of earnings analysis generates insights that matter to potential buyers and sellers. Leveraging our valuation and advisory experience, our quality of earnings analyses identify and focus on the cash flow, growth, and risk factors that impact value. Collaborating with clients, our senior staff identifies the most important areas for analysis, allowing us to provide cost-effective support and deliver qualified, objective, and supportable findings. Our goal is to understand the drivers of historical performance, unit economics of the target, and the key risk and growth factors supporting future expectations. Our methods and experience provide our clients with a fresh and independent perspective on the quality, stability, and predictability of future cash flows.

Our methodologies and procedures are standard practices executed by some of the most experienced analysts in the FinTech industry. Our desire is to provide clients with timely and actionable information to assist in capital budgeting decisions. Combined with our industry expertise, risk assessment, and balanced return focus, our due diligence and deal advisory services are uniquely positioned to provide focused and valued information on potential targets.



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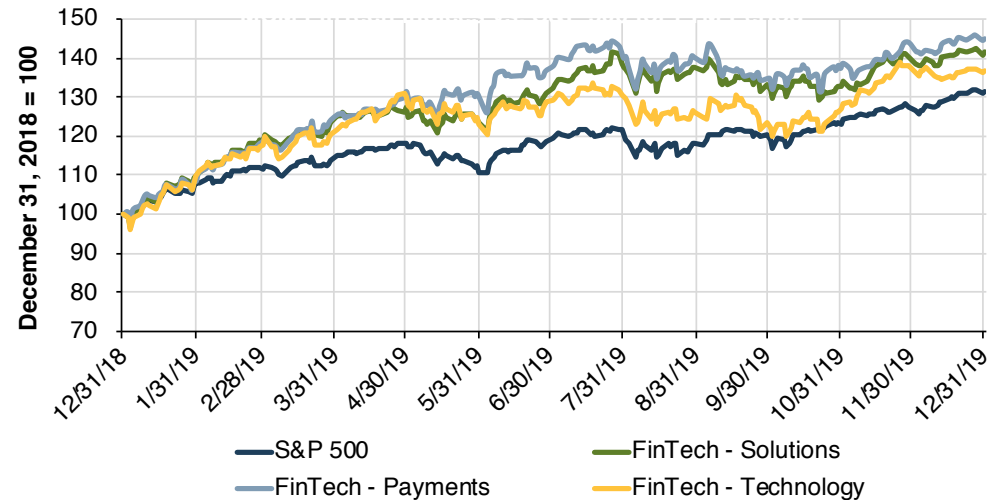
Public Market Indicators

In 2019, all three FinTech niches of Payments, Technology, and Solutions outperformed the market, which was a nice rebound after dropping more than the market in the 4th QTR of 2018.

- The Payments and Solutions niches returned ~35-45% and outperformed the S&P 500 which was up ~32% in the trailing twelve month period

FinTech IPO activity picked up in 2019 as there were four new listings in the U.S.:

- **Bill.com** - A provider of cloud-based software that digitizes and automates small business operations
- **Oportun Financial Company** - A digital lender
- **Tradeweb Markets, Inc.** - An operator of electronic marketplaces for rates, credits, equities, and money markets
- **AssetMark Financial Holdings, Inc.** - A provider of wealth management and tech solutions for financial advisors



Source: S&P Global Market Intelligence

Median Total Returns

as of December 31, 2019

Segment	Dec 19	2019	4Q19
FinTech - Payments	0.7%	44.8%	7.5%
FinTech - Solutions	0.7%	41.4%	6.3%
FinTech - Technology	-0.9%	36.7%	10.8%
S&P 500	3.0%	31.5%	9.1%

Source: S&P Global Market Intelligence

FINTECH NEWSLETTER: PUBLIC MARKET INDICATORS

Each quarter, the FinTech newsletter reviews the public FinTech market.

To receive quarterly updates, follow the link below.

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- Consistent with recent historical growth patterns and outlook near-term, FinTech companies remain priced at a premium to the broader markets with the S&P 500 priced at ~18.3x estimated forward earnings at the end of 2019 (per FactSet)
- Investors continue to weigh market potential and growth for the sector against recent FinTech performance and profitability while traditional financial incumbents are weighing whether to enter FinTech partnerships, develop their own in-house solutions or acquire FinTech companies
- The Solutions niche reported the highest P/E and EV/EBITDA multiples compared to the other two niches

Valuation Multiples

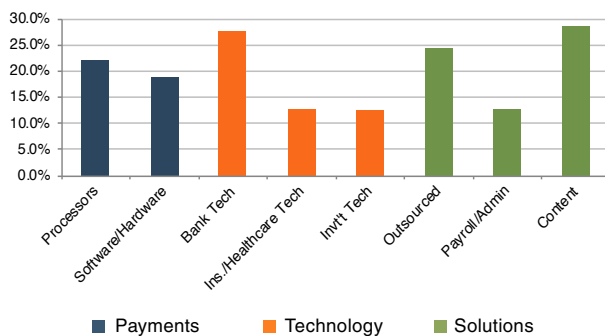
as of December 31, 2019

Segment	Price / LTM EPS	Price / 2020 (E) EPS	Price / 2021 (E) EPS	Ent'p Value / LTM EBITDA	Ent'p Value / FY20 (E) EBITDA	Ent'p Value / FY21 (E) EBITDA	"Ent'p Value / LTM Revenue"
FinTech - Payments	30.1	24.5	21.2	16.8	13.9	12.2	5.2
FinTech - Solutions	48.0	26.5	23.3	20.8	17.1	15.6	5.2
FinTech - Technology	34.0	34.5	25.5	19.8	18.1	16.3	3.6

Source: S&P Global Market Intelligence

FinTech Margins

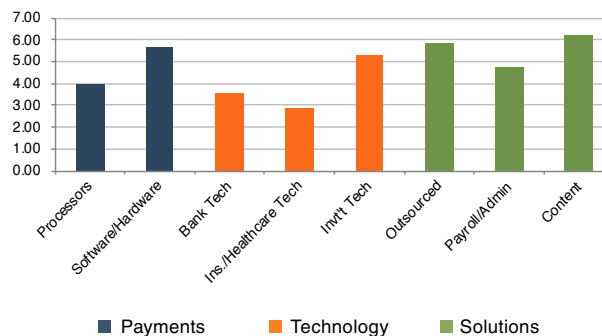
EBITDA Margin (LTM)



Source: S&P Global Market Intelligence

FinTech Revenue Multiples

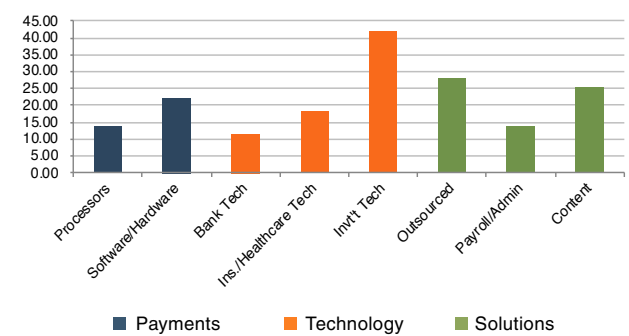
EV / Revenue (LTM)



Source: S&P Global Market Intelligence

FinTech EBITDA Multiples

EV / EBITDA (LTM)



Source: S&P Global Market Intelligence

FinTech M&A and Fundraising Overview

Deal activity as measured by number of transactions declined in 2019 (compared to 2018). When examining this by niche, the Technology and Solution niches had the sharpest decline.

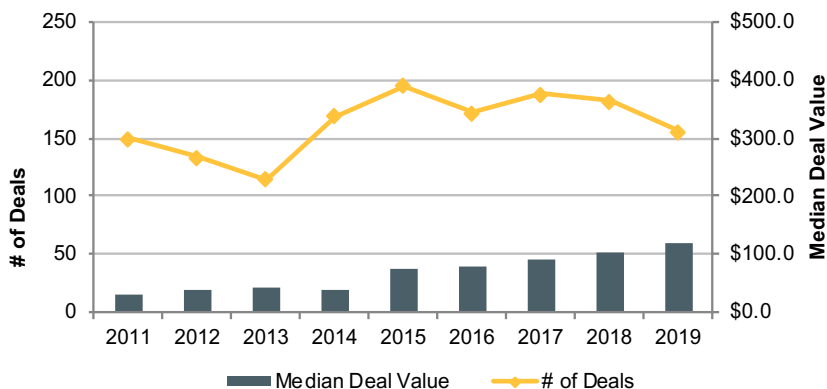
However, there was a marked increase in median and total reported deal values driven by activity involving larger transactions. Several of the larger transactions were within the Payments niche.

Deal value/revenue multiples were up markedly in 2019 relative to prior years, reflecting continued market strength, acquirer interest, and a greater proportion of larger transactions.

In the U.S., FinTech fundraising was strong with ~\$25 billion in funding in the first three quarters of 2019, which reflected some larger deals and already exceeded 2018 levels.

U.S. FinTech M&A Overview

2011-2019



Deal Activity

	2019	2018	2017	2016	% Chg. 19/18
# of Deals	156	182	188	194	-14.3%
Total Reported Deal Value (\$M)	\$128,600.8	\$88,052.6	\$17,403.7	\$20,716.3	46.0%
Median Reported Deal Value (\$M)	\$120.0	\$100.9	\$89.5	\$39.6	18.9%

Deal Activity by FinTech Industry Niche

	2019	2018	2017	2016	% Chg. 19/18
Payments Total	40	39	44	35	2.6%
Technology Total	78	92	104	106	-15.2%
Solutions Total	38	51	40	53	-25.5%

Median Pricing Metrics

	2019	2018	2017	2016	% Chg. 19/18
Deal Value / Revenue	5.31x	3.75x	3.13x	2.32x	41.5%
Deal Value Greater than \$1BN	11	15	4	1	-26.7%
Deal Value Greater than \$500M	16	17	9	4	-5.9%
Deal Value Greater than \$50M	39	43	38	24	-9.3%

Median Deal Value (\$M)

	2019	2018	2017	2016
Payments	\$222.3	\$126.0	\$213.5	\$258.0
Technology	\$50.0	\$68.3	\$59.6	\$25.0
Solutions	\$155.0	\$142.3	\$119.0	\$37.0

Publicly Traded Payments Companies

		12/31/19 Price	Market Cap (\$M)	Ent'p Val (\$M)	Price / Earnings			Ent'p. Value / EBITDA			EV / LTM	LTM Total		LTM Margins	
					LTM	FY20E	FY21E	LTM	FY20E	FY21E	Revenue	Revenue (\$M)	EBITDA (\$M)	EBITDA	Net Inc.
Payment Processors															
ADS	Alliance Data Systems Corporation	112.20	5,168	23,204	8.3	6.7	5.4	13.6	18.1	15.5	3.0	7,710	1,712	22%	6%
BILL	Bill.com Holdings, Inc.	38.05	2,685	2,804	NM	-	-	NM	-	-	23.2	121	(11)	-9%	-10%
CATM	Cardtronics plc	44.65	1,992	2,811	69.8	18.5	16.7	10.1	9.2	8.6	2.1	1,338	278	21%	2%
PMTS	CPI Card Group Inc.	0.90	10	317	NM	NM	NM	9.8	8.4	7.7	1.2	274	32	12%	-3%
DLX	Deluxe Corporation	49.92	2,102	2,998	NM	7.7	7.7	7.2	6.3	6.5	1.5	2,011	414	21%	-9%
EEFT	Euronet Worldwide, Inc.	157.56	8,513	8,227	28.7	22.6	19.5	14.8	13.6	11.7	3.0	2,706	556	21%	11%
EVRI	Everi Holdings Inc.	13.43	1,134	2,005	40.6	38.4	24.9	8.5	7.9	7.2	4.0	508	236	46%	5%
EVTC	EVERTEC, Inc.	34.04	2,390	2,869	25.4	17.3	15.7	15.0	12.6	12.0	6.0	478	190	40%	21%
FLT	FleetCor Technologies, Inc.	287.72	24,969	28,478	27.0	24.5	21.2	19.6	18.7	16.4	11.0	2,593	1,451	56%	37%
GPN	Global Payments Inc.	182.56	54,868	63,046	73.6	29.6	24.2	40.2	30.5	17.9	16.6	3,805	1,570	41%	11%
GDOT	Green Dot Corporation	23.30	1,200	359	11.1	8.5	13.9	2.1	1.5	2.1	0.3	1,081	171	16%	10%
MA	Mastercard Incorporated	298.59	301,237	303,704	44.4	38.9	33.0	31.3	29.7	25.5	18.7	16,276	9,703	60%	42%
MGI	MoneyGram International, Inc.	2.10	150	923	NM	NM	NM	6.2	4.5	4.4	0.7	1,310	150	11%	-5%
SQ	Square, Inc.	62.56	26,881	26,776	NM	80.3	65.1	NM	64.7	50.4	6.2	4,333	80	2%	-1%
V	Visa Inc.	187.90	404,885	415,002	35.3	33.5	29.1	26.4	25.9	22.5	18.1	22,977	15,737	68%	53%
WU	The Western Union Company	26.78	11,228	13,330	10.3	15.2	13.6	10.1	10.4	9.9	2.5	5,386	1,326	25%	21%
WEX	WEX Inc.	209.46	9,067	11,671	139.6	22.9	19.9	20.3	17.4	14.8	7.0	1,665	576	35%	4%
Median			5,168	8,227	32.0	22.6	19.5	13.6	12.6	11.7	4.0	2,011	414	22%	6%

Publicly Traded Payments Companies

		12/31/19 Price	Market Cap (\$M)	Ent'p Val (\$M)	Price / Earnings			Ent'p. Value / EBITDA			EV / LTM	LTM Total		LTM Margins	
					LTM	FY20E	FY21E	LTM	FY20E	FY21E	Revenue	Revenue (\$M)	EBITDA (\$M)	EBITDA	Net Inc.
Payment Software/Hardware															
ADP	Automatic Data Processing, Inc.	170.50	73,775	75,255	31.4	29.9	26.2	21.1	20.9	18.4	5.2	14,361	3,568	25%	17%
EVOP	EVO Payments, Inc.	26.41	1,089	2,129	NM	42.9	36.8	17.3	13.4	12.1	4.2	507	122	24%	-2%
IIIV	i3 Verticals, Inc.	28.25	409	610	NM	32.5	28.6	24.4	14.6	12.4	1.6	376	25	7%	-1%
NSP	Insperty, Inc.	86.04	3,441	3,452	22.9	20.8	18.5	16.2	13.8	12.2	0.8	4,206	213	5%	4%
PYPL	PayPal Holdings, Inc.	108.17	127,012	122,027	50.8	35.4	31.0	37.7	25.2	21.8	7.2	17,037	3,235	19%	15%
PAYX	Paychex, Inc.	85.06	30,484	30,835	28.5	26.6	24.6	18.6	17.5	16.4	7.6	4,034	1,657	41%	27%
WDAY	Workday, Inc.	164.45	37,824	37,271	NM	91.3	75.2	NM	49.7	40.1	10.8	3,440	(191)	-6%	-13%
PAYC	Paycom Software, Inc.	264.76	15,265	15,217	92.8	77.5	61.8	64.4	48.8	39.4	21.9	695	236	34%	24%
PCTY	Paylocity Holding Corporation	120.82	6,465	6,420	116.2	75.7	65.6	85.0	43.9	35.9	13.0	494	76	15%	12%
TNET	TriNet Group, Inc.	56.61	3,954	4,137	20.9	17.0	15.2	15.1	11.3	10.4	1.1	3,755	274	7%	5%
UPLD	Upland Software, Inc.	35.71	902	1,137	NM	14.6	13.4	23.5	13.9	11.3	5.6	202	48	24%	-12%
Median			6,465	6,420	31.4	32.5	28.6	22.3	17.5	16.4	5.6	3,440	213	19%	5%
Overall Payments Median			5,816	7,323	31.4	25.6	22.7	17.3	14.3	12.3	5.4	2,302	255	21%	6%

Publicly Traded Solutions Companies

Ticker	Name	12/31/19 Price	Market Cap (\$M)	Ent'p Val (\$M)	Price / Earnings			Ent'p. Value / EBITDA			EV / LTM	LTM Total		LTM Margins	
					LTM	FY20E	FY21E	LTM	FY20E	FY21E	Revenue	Revenue (\$M)	EBITDA (\$M)	EBITDA	Net Inc.
Outsourced															
CSGS	CSG Systems International, Inc.	51.78	1,647	1,932	20.8	15.4	16.0	11.5	8.9	9.2	2.0	989	168	17%	8%
EFX	Equifax Inc.	140.12	16,966	20,151	NM	25.1	24.1	28.0	17.1	15.8	5.9	3,437	720	21%	-11%
EXLS	ExlService Holdings, Inc.	69.46	2,368	2,433	48.0	23.0	20.5	18.7	14.9	12.8	2.5	969	130	13%	5%
FICO	Fair Isaac Corporation	374.68	10,851	11,576	59.1	47.5	42.7	40.9	30.6	27.6	10.0	1,160	283	24%	17%
FIS	Fidelity National Information Services, Inc.	139.09	85,485	104,944	70.1	25.2	21.9	37.4	23.7	16.7	11.5	9,158	2,830	31%	8%
FISV	Fiserv, Inc.	115.63	78,616	101,985	55.7	28.9	23.5	39.9	19.3	16.5	13.3	7,693	2,540	33%	12%
INTU	Intuit Inc.	261.93	68,182	66,702	43.8	38.0	33.8	32.1	26.5	23.6	9.6	6,933	2,078	30%	23%
PRGX	PRGX Global, Inc.	4.92	114	149	NM	NM	22.9	14.1	6.8	5.2	0.9	173	11	6%	-1%
SSNC	SS&C Technologies Holdings, Inc.	61.40	15,516	23,395	45.6	16.5	15.1	13.9	13.0	12.2	5.2	4,540	1,680	37%	8%
Median			15,516	20,151	48.0	25.2	22.9	28.0	17.1	15.8	5.9	3,437	720	24%	8%

Publicly Traded Solutions Companies

Ticker	Name	12/31/19 Price	Market Cap (\$M)	Ent'p Val (\$M)	Price / Earnings			Ent'p. Value / EBITDA			EV / LTM	LTM Total		LTM Margins		
					LTM	FY20E	FY21E	LTM	FY20E	FY21E	Revenue	Revenue (\$M)	EBITDA (\$M)	EBITDA	Net Inc.	
Payroll/Administration																
ACIW	ACI Worldwide, Inc.	37.89	4,379	5,745	45.5	28.8	23.7	25.3	15.7	13.3	4.9	1,178	227	19%	8%	
EPAY	Bottomline Technologies (de), Inc.	53.60	2,357	2,402	247.1	41.5	35.5	63.1	24.6	21.4	5.6	428	38	9%	2%	
BR	Broadridge Financial Solutions, Inc.	123.54	14,163	15,818	31.6	26.3	23.0	17.7	17.0	15.3	3.6	4,338	893	21%	11%	
CDK	CDK Global, Inc.	54.68	6,638	9,327	28.9	15.8	15.6	13.7	11.7	11.3	4.8	1,963	697	35%	6%	
DBD	Diebold Nixdorf, Incorporated	10.56	811	2,928	NM	NM	11.9	8.7	7.2	6.6	0.6	4,547	355	8%	-8%	
NCR	NCR Corporation	35.16	4,486	8,625	53.3	12.5	11.4	9.7	8.0	7.7	1.3	6,830	885	13%	2%	
NTWK	NetSol Technologies, Inc.	4.00	47	48	8.0	15.4	13.8	5.8	5.8	5.3	0.7	65	9	14%	9%	
PEGA	Pegasystems Inc.	79.65	6,319	6,279	NM	NM	222.8	NM	226.7	155.0	7.0	891	(74)	-8%	-8%	
WK	Workiva Inc.	42.05	1,954	1,787	NM	NM	NM	NM	NM	NM	6.3	282	(26)	-9%	-14%	
Median			4,379	5,745	38.5	21.1	19.3	13.7	13.7	12.3	4.8	1,178	227	13%	2%	
Content																
CLGX	CoreLogic, Inc.	43.71	3,476	5,252	72.0	16.0	14.9	14.7	10.7	10.3	3.0	1,740	357	21%	2%	
CSGP	CoStar Group, Inc.	598.30	21,919	20,667	70.5	59.9	57.6	46.6	41.5	38.7	15.4	1,341	444	33%	23%	
FDS	FactSet Research Systems Inc.	268.30	10,181	10,659	28.7	26.8	24.8	20.8	20.5	19.6	7.3	1,450	511	35%	25%	
TRU	TransUnion	85.61	16,120	19,800	44.1	31.2	27.5	20.7	19.1	17.4	7.7	2,584	944	37%	14%	
TW	Tradeweb Markets Inc.	46.35	7,444	8,726	73.4	46.5	41.4	-	-	-	-	757	NA	NA	15%	
FORR	Forrester Research, Inc.	41.70	777	921	NM	26.5	21.5	28.3	33.4	16.2	2.1	436	33	7%	-2%	
IT	Gartner, Inc.	154.10	13,785	16,583	56.3	40.1	38.5	28.8	24.2	21.9	4.0	4,131	576	14%	6%	
MORN	Morningstar, Inc.	151.31	6,478	6,836	39.1	-	-	25.9	-	-	6.2	1,109	266	24%	15%	
VRSK	Verisk Analytics, Inc.	149.34	24,472	27,102	53.5	34.2	30.8	25.4	22.4	20.3	10.7	2,544	1,068	42%	18%	
Median			10,181	10,659	54.9	31.2	27.5	25.4	20.5	17.4	6.2	1,450	477	29%	15%	
Overall Solutions Median			6,638	8,726	48.0	26.5	23.3	20.8	17.1	15.6	5.2	1,450	401	21%	8%	

Publicly Traded Technology Companies

		12/31/19 Price	Market Cap (\$M)	Ent'p Val (\$M)	Price / Earnings			Ent'p. Value / EBITDA			EV / LTM	LTM Total		LTM Margins		
					LTM	FY20E	FY21E	LTM	FY20E	FY21E	Revenue	Revenue (\$M)	EBITDA (\$M)	EBITDA	Net Inc.	
Banking Technology																
GSKY	GreenSky, Inc.	8.90	564	675	15.6	15.8	14.4	4.6	4.0	3.5	1.3	506	146	29%	7%	
QTWO	Q2 Holdings, Inc.	81.08	3,904	3,725	NM	NM	NM	NM	210.5	187.3	12.6	296	(31)	-10%	-23%	
JKHY	Jack Henry & Associates, Inc.	145.67	11,207	11,185	40.5	40.3	38.3	25.2	21.1	20.4	7.0	1,598	444	28%	17%	
PFMT	Performant Financial Corporation	1.02	55	120	NM	NM	NM	NM	NM	8.2	0.8	146	(14)	-10%	-19%	
OPRT	Oportun Financial Corporation	23.80	643	2,022	20.9	10.9	10.1	11.5	27.2	21.8	3.5	572	176	31%	11%	
Median			643	2,022	20.9	15.8	14.4	11.5	24.2	20.4	3.5	506	146	28%	7%	
Insurance/Healthcare Technology																
CRVL	CorVel Corporation	87.36	1,597	1,600	34.0	-	-	17.2	-	-	2.7	594	93	16%	8%	
CRD.B	Crawford & Company	10.15	539	798	17.5	13.8	12.3	8.4	7.2	6.6	0.8	1,022	100	10%	3%	
EBIX	Ebix, Inc.	33.41	1,019	1,711	12.3	9.9	7.7	10.8	9.5	8.9	3.0	571	159	28%	15%	
GWRE	Guidewire Software, Inc.	109.77	9,065	8,476	NM	111.5	78.7	NM	61.3	57.6	12.2	696	14	2%	0%	
HMSY	HMS Holdings Corp.	29.60	2,608	2,591	25.8	22.3	22.8	18.0	14.2	12.9	4.2	619	144	23%	17%	
MGLN	Magellan Health, Inc.	78.25	1,915	2,454	260.1	38.0	24.2	19.8	9.0	6.8	0.3	7,201	124	2%	0%	
CSLT	Castlight Health, Inc.	1.33	194	159	NM	NM	NM	NM	NM	NM	1.1	149	(30)	-20%	-22%	
HQY	HealthEquity, Inc.	74.07	5,250	6,387	92.8	49.1	42.5	48.0	34.7	24.0	15.7	407	133	33%	13%	
INOV	Inovalon Holdings, Inc.	18.82	2,917	3,844	NM	36.6	32.4	23.3	18.1	16.3	6.4	605	165	27%	-1%	
EVH	Evolent Health, Inc.	9.05	759	979	NM	NM	NM	NM	NM	26.7	1.2	803	(52)	-6%	-15%	
Median			1,756	2,082	29.9	29.4	23.5	18.0	11.8	12.9	2.8	612	112	13%	2%	
Investment Technology																
AMK	AssetMark Financial Holdings, Inc.	29.02	2,101	2,139	203.3	30.6	25.5	41.9	18.9	17.0	5.3	403	51	13%	3%	
ENV	Envestnet, Inc.	69.63	3,654	4,251	NM	32.5	26.8	48.0	22.1	18.2	4.9	870	90	10%	-2%	
MSCI	MSCI Inc.	258.18	21,870	23,751	37.0	40.5	35.7	30.0	28.2	25.2	15.7	1,513	792	52%	39%	
Median			3,654	4,251	120.1	32.5	26.8	41.9	22.1	18.2	5.3	870	90	13%	3%	
Overall Technology Median			2,261	2,523	34.0	34.5	25.5	19.8	18.1	16.3	3.6	612	112	13%	2%	



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