

# Quarterly Industry Update

As of June 30, 2015

Industry: Electronic Payments

## Industry Summary

Cogent Valuation identified publicly traded companies, IPOs, and recent M&A transactions within the Electronic Payments industry, which provides a basis for market and transaction pricing that can be used by your firm in estimating market sentiment and its impact on your firm's value. Since June 30, 2014, the median 52-week share price return of the Electronic Payments industry has increased by 27.4%. In the last quarter, the median price-to-earnings multiple increased from 25.3x to 25.8x.

## Comparable Public Company Key Statistics

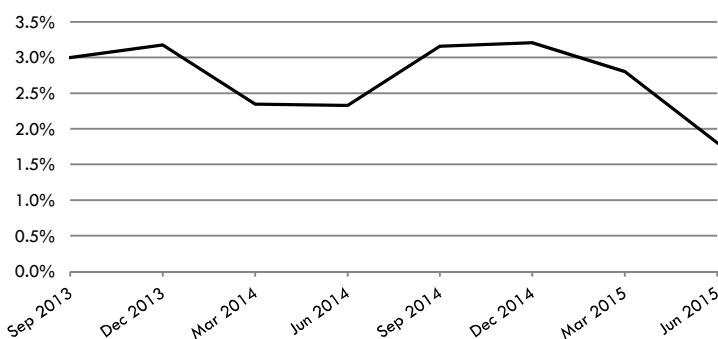
Median 52-Week Return	27.5%	Median EV/Revenue Multiple	3.0x	Median Price/Earnings Multiple	25.8x
Median 3-Year CAGR Return	22.7%	Median EV/EBITDA Multiple	14.9x	Median EV/Gross CF Multiple	24.6x

## Comparable Public Company Market Price Returns (As of June 30, 2015)

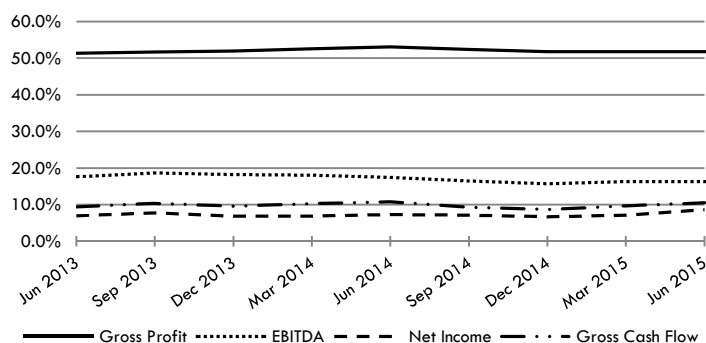
	YTD	3 Month	1 Year	2 Year	3 Year	5 Year	2014	2013	2012	2011	2010
Total System Services, Inc.	23.0%	9.5%	33.0%	30.6%	20.4%	25.2%	2.0%	55.4%	9.5%	27.2%	-10.9%
Newtek Business Services Corp.	20.1%	7.2%	29.3%	29.6%	41.9%	21.7%	-6.0%	68.8%	61.7%	-33.1%	75.5%
VeriFone Systems, Inc.	-8.7%	-2.7%	-7.6%	42.1%	0.9%	12.4%	38.7%	-9.6%	-16.4%	-7.9%	135.4%
Euronet Worldwide, Inc.	12.4%	5.0%	27.9%	39.2%	53.5%	37.0%	14.7%	102.8%	27.7%	6.0%	-20.5%
Optimal Payments Plc	-31.0%	-53.0%	-46.2%	17.9%	51.9%	31.3%	-8.7%	219.8%	106.5%	-1.4%	6.4%
USA Technologies Inc.	67.7%	-1.8%	28.0%	24.6%	23.0%	40.4%	-11.0%	4.0%	55.4%	8.7%	-36.4%
ACI Worldwide, Inc.	21.8%	13.4%	32.0%	25.9%	18.6%	30.5%	-6.9%	48.8%	52.5%	6.6%	56.7%
Moneygram International Inc.	1.1%	6.4%	-37.6%	-36.3%	-14.3%	-14.1%	-56.3%	56.4%	-25.1%	-18.1%	-5.9%
WEX Inc.	15.2%	6.2%	8.6%	21.9%	22.7%	30.9%	-0.1%	31.4%	38.9%	18.0%	44.4%
MasterCard Incorporated	8.5%	8.2%	27.2%	27.6%	29.5%	36.2%	3.1%	70.1%	31.8%	66.4%	-12.5%
Visa Inc.	2.4%	2.7%	27.5%	21.2%	29.5%	30.6%	17.7%	46.9%	49.3%	44.3%	-19.5%
Bottomline Technologies (de), Inc.	10.0%	1.6%	-7.1%	4.9%	15.5%	16.4%	-30.1%	37.0%	13.9%	6.7%	23.6%
CSG Systems International Inc.	26.3%	4.2%	21.3%	20.6%	22.4%	11.6%	-14.7%	61.7%	23.6%	-22.3%	-0.8%
Global Payments Inc.	28.1%	12.8%	42.0%	49.4%	33.8%	23.1%	24.2%	43.5%	-4.4%	2.5%	-14.2%
<b>Median of Industry Public Companies</b>	<b>13.8%</b>	<b>5.6%</b>	<b>27.4%</b>	<b>25.2%</b>	<b>22.9%</b>	<b>27.8%</b>	<b>-3.0%</b>	<b>52.1%</b>	<b>29.7%</b>	<b>6.3%</b>	<b>-3.3%</b>

(Multiple year periods are calculated as the average annual return.)

## Median Quarterly Revenue Growth of All Electronic Payments Companies



## Median Gross Profit, EBITDA, Net Income and Gross Cash Flow Margins



## Median Public Company Multiples of the Electronic Payments Industry

Date:	6/30/2013	9/30/2013	12/31/2013	3/31/2014	6/30/2014	9/30/2014	12/31/2014	3/31/2015	6/30/2015
EV/Revenues Multiple	1.7x	1.9x	2.2x	2.6x	2.7x	2.5x	2.6x	2.8x	3.0x
EV/EBITDA Multiple	10.2x	12.6x	14.0x	12.9x	13.3x	13.5x	13.3x	15.7x	14.9x
Price/Earnings Multiple	22.4x	23.8x	25.9x	23.0x	20.4x	24.2x	21.5x	25.3x	25.8x
EV/Gross Cash Flows Multiple	17.1x	21.7x	21.7x	19.2x	20.2x	22.5x	21.5x	23.5x	24.6x

This industry research is provided at no charge to Cogent Valuation's clients. Research or detailed information not covered in this report can be obtained for a fee. Contact [Steven Kam](mailto:Steven.Kam@CogentValuation.com) at 415-392-0888 for additional information or questions in connection with this research report. Copyright © 2015 Cogent Valuation. All Rights Reserved.

# Quarterly Industry Update

As of June 30, 2015

Industry: Electronic Payments



## Industry Initial Public Offerings (dollars in millions, except share prices)

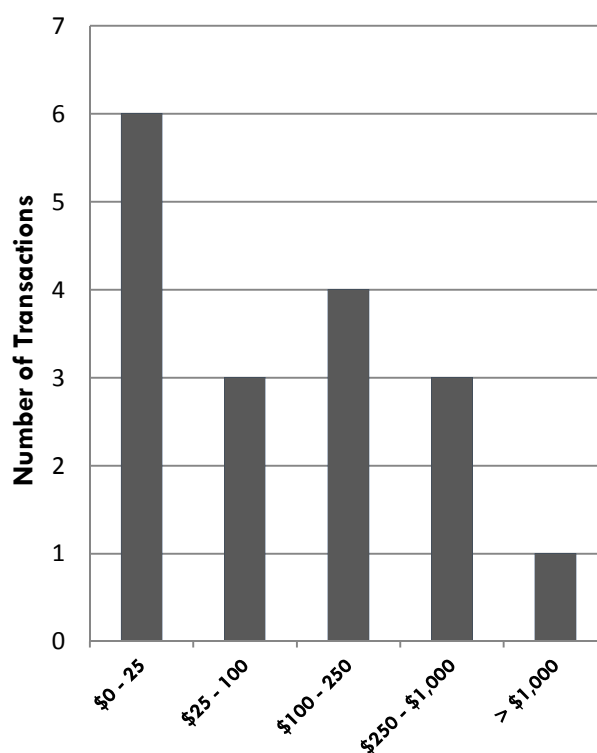
Offer Date	Company Name	Offer Price	Shares Offered	Amount Raised	Total Assets	Debt	LTM Revenues	LTM EBITDA	LTM Net Income	LTM Cash Flows
5/2/2013	Qiwi plc	\$17.00	12.5	\$212.5	\$417.6	\$2.5	\$307.0	\$62.2	\$38.5	\$64.0
4/11/2013	EVERTEC, Inc.	\$20.00	25.3	\$505.3	\$973.9	\$743.4	\$346.5	\$130.2	\$79.3	\$146.5
3/21/2012	Vantiv, Inc.	\$17.00	29.4	\$500.0	\$3,489.7	\$1,801.7	\$1,622.4	\$398.5	\$36.2	\$430.2
6/16/2010	Higher One Holdings, Inc.	\$12.00	9.0	\$108.0	\$66.7	\$18.5	\$99.2	\$35.9	\$18.4	\$37.7
3/18/2008	Visa Inc.	\$44.00	406.0	\$17,864.0	\$27,742.0	\$115.0	\$4,233.0	\$1,833.0	(\$857.0)	\$1,951.0
5/24/2006	MasterCard Incorporated	\$39.00	61.5	\$2,399.3	\$3,711.0	\$229.6	\$3,017.8	\$608.2	\$300.2	\$653.0
8/10/2005	Heartland Payment Systems, Inc.	\$18.00	6.8	\$121.5	\$154.8	\$11.9	\$711.8	\$27.3	\$11.9	\$32.2
4/29/2005	VeriFone Systems, Inc.	\$10.00	15.4	\$154.0	\$260.3	\$261.6	\$413.4	\$60.1	\$8.7	\$62.8
2/15/2005	WEX Inc.	\$18.00	40.0	\$720.0	\$950.5	\$29.2	\$189.1	\$91.5	\$51.2	\$98.9
<b>Median of All IPOs</b>		<b>nm</b>	<b>nm</b>	<b>\$500.0</b>	<b>\$950.5</b>	<b>\$115.0</b>	<b>\$413.4</b>	<b>\$91.5</b>	<b>\$36.2</b>	<b>\$98.9</b>

nm: not meaningful

## Recent Merger and Acquisition Transactions for a Majority Stake (dollars in millions)

Transaction Date	Target	Acquirer	Transaction Size	% Bought
7/11/2014	PNI Digital Media	Staples, Inc.	\$68.5	100%
6/13/2014	Mercury Payment Systems	NPC Group, Inc.	\$1,650.0	100%
7/26/2013	PayDivvy, Inc.	Higher One Holdings, Inc.	\$0.1	100%
4/16/2013	Unified Payments, LLC	TOT Group, Inc.	\$0.0	100%
3/26/2013	Ingenico e-Commerce	Ingenico Group	\$534.8	100%
3/10/2013	Direção Processamento	Linx Sistemas E Consultoria	\$13.5	100%
2/8/2013	paysafecard.com	Skrill Holdings Limited	\$174.1	100%
1/10/2013	LML Payment Systems Inc.	Digital River Inc.	\$102.4	100%
12/31/2012	Parallel Solutions Inc.	Spindle, Inc.	\$2.0	100%
11/30/2012	Litle & Co. LLC	NPC Group, Inc.	\$361.0	100%
10/2/2012	FCTI, Inc.	Seven Bank Ltd.	\$131.1	100%
9/11/2012	Albany Software Limited	Bottomline Technologies	\$31.4	100%
8/31/2012	Merchant e-Solutions, Inc.	Cielo USA Inc.	\$670.0	100%
6/11/2012	Quality Equipment B.V.	Worldline S.A./N.V.	\$12.7	100%
3/31/2012	NetMind Inc.	Telpac Industries Inc	\$0.7	100%
3/31/2012	SBI Veritrans Co.	Wheel, Inc.	\$166.1	100%
2/22/2012	KGTG Co., Ltd.	Mobilians Co., Ltd.	\$2.5	100%
2/7/2012	Integral Computers Limited	Sage Pay Europe Limited	\$26.5	100%
<b>Median of All Transaction Targets</b>			<b>\$50.0</b>	<b>100%</b>

## Size of Merger and Acquisition Transactions (dollars in millions)



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