

Electronic Payments

INDUSTRY SUMMARY

COGENT VALUATION identified **Electronic Payments** 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. Over the last year since September 30, 2016, the median 52-week share price return of the Electronic Payments industry was 25.0%. Between September 30, 2015 and September 30, 2017, the median EV/EBITDA multiple increased from 15.0 to 17.1. Furthermore, the median price-to-earnings multiple increased from 27.1 to 31.7 over the same period. The median revenue growth and EBITDA margins for the industry for the quarter were 2.7% and 16.8%, respectively.

Public Company Key Statistics

Median 52-Week
Return

25.0%

Median 3-Year CAGR
Return

15.1%

Median EV/Revenue
Multiple

3.2x

Median EV/EBITDA
Multiple

17.1x

Median Price/Earnings
Multiple

31.7x

Median EV/Gross CF
Multiple

33.0x

Comparable Public Company Market Price Returns as of September 30, 2017

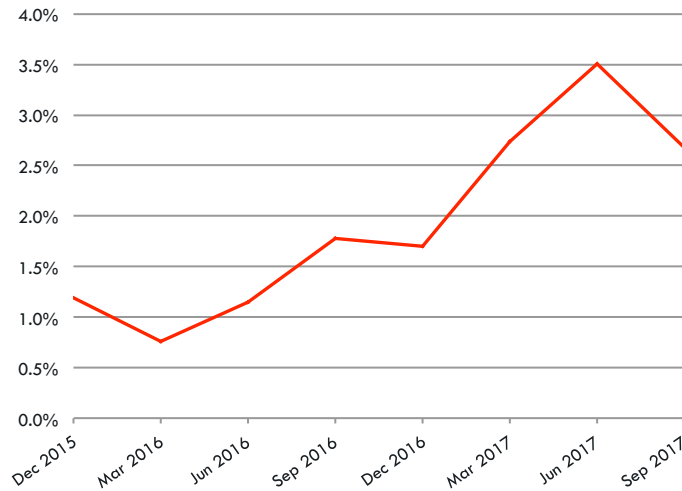
	YTD	3 Month	1 Year	2 Year	3 Year	2016	2015	2014
ACI Worldwide, Inc.	25.5%	1.8%	17.5%	3.9%	6.7%	-15.2%	6.1%	-6.9%
Bottomline Technologies (de), Inc.	27.2%	23.9%	36.6%	12.8%	4.9%	-15.8%	17.6%	-30.1%
CSG Systems International, Inc.	-17.1%	-1.2%	-3.0%	14.1%	15.1%	34.5%	43.5%	-14.7%
Euronet Worldwide, Inc.	30.9%	8.5%	15.8%	13.1%	25.6%	0.0%	31.9%	14.7%
Global Payments Inc.	36.9%	5.2%	23.8%	28.7%	39.6%	7.6%	59.8%	24.2%
Mastercard Incorporated	36.8%	16.3%	38.7%	25.2%	24.1%	6.0%	13.0%	3.1%
MoneyGram International, Inc.	36.4%	-6.6%	126.9%	41.7%	8.7%	88.4%	-31.0%	-56.3%
Newtek Business Services Corp.	12.1%	9.4%	25.0%	4.1%	9.0%	11.0%	-3.0%	-6.0%
Total System Services, Inc.	33.6%	12.4%	38.9%	20.1%	28.4%	-1.5%	46.6%	2.0%
USA Technologies, Inc.	45.3%	20.2%	11.5%	58.4%	51.4%	39.6%	91.3%	-11.0%
Median of Industry Public Companies	30.9%	9.4%	25.0%	14.1%	15.1%	6.0%	17.6%	-0.1%

Multiple year periods are calculated as the average annual return.

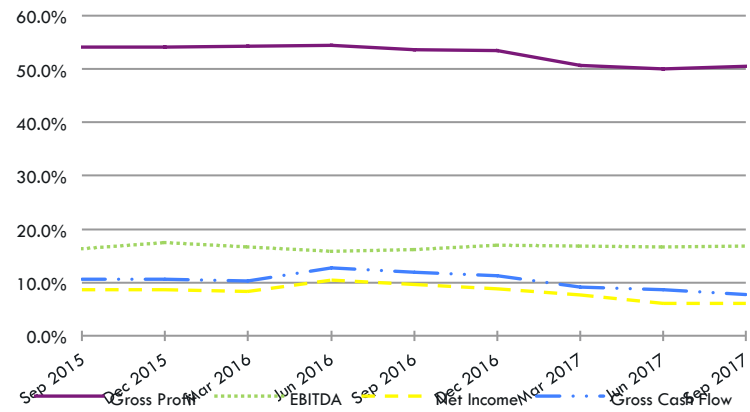
■ Highest Return
 ■ Lowest Return
 ■ Median Return

Industry Revenue Growth and Profit Margins for the Past Two Years

Median Quarterly Revenue Growth of All Electronic Payments Companies



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



Public Company Median Multiples by Quarter

	9/30/17	6/30/17	3/31/17	12/31/16	9/30/16	6/30/16	3/31/16	12/31/15
EV/Revenues Multiple	3.2x	3.0x	3.1x	2.9x	3.0x	2.8x	3.5x	3.5x
EV/EBITDA Multiple	17.1x	15.7x	17.5x	18.6x	18.6x	16.0x	15.5x	15.8x
Price/Earnings Multiple	31.7x	31.9x	30.3x	27.8x	29.3x	25.9x	28.2x	28.9x
EV/Gross Cash Flows Multiple	33.0x	31.6x	24.6x	26.3x	25.2x	21.9x	26.0x	27.4x

■ Highest Multiple

■ Lowest Multiple

■ Median Multiple

Industry Initial Public Offerings—Industry: Electronic Payments (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
5/2/13	Qivi plc	\$17.00	12.5	\$212.5	\$12,966.9	\$76.1	\$9,531.0	\$1,930.5	\$1,196.8	\$1,933.0
4/11/13	EVERTEC, Inc.	\$20.00	25.3	\$505.3	\$973.9	\$743.4	\$346.5	\$130.2	\$79.3	\$146.5
3/21/12	Vantiv, Inc.	\$17.00	29.4	\$500.0	\$3,489.7	\$1,801.7	\$1,622.4	\$398.5	\$36.2	\$430.2
6/16/10	Higher One Holdings, Inc.	\$12.00	9.0	\$108.0	\$66.7	\$18.5	\$99.2	\$35.9	\$18.4	\$36.9
3/18/08	Visa Inc.	\$44.00	406.0	\$17,864.0	\$27,742.0	\$115.0	\$4,233.0	\$1,833.0	(\$857.0)	\$1,918.0
5/24/06	Mastercard Incorporated	\$39.00	61.5	\$2,399.3	\$3,711.0	\$229.6	\$3,017.8	\$608.2	\$300.2	\$653.0
6/29/17	Median of all IPOs	nm	nm	\$502.6	\$3,600.3	\$172.3	\$2,320.1	\$503.4	\$57.8	\$541.6

Multiple year periods are calculated as the average annual return.

■ Highest Return
 ■ Lowest Return
 ■ Median Return

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

Transaction Date	Target	Acquirer	Transaction Size	% Bought	LTM Revenues	EV/ Revenues
6/30/17	Magellan SAS	Keyware Technologies NV	\$6.8	60%	\$3.7	3.1x
6/28/17	OP Financial Group	Nets Oy	\$32.1	100%	N/A	N/A
5/31/17	Kalixa Payments Group	SENJO GROUP Pte. Ltd.	\$30.3	100%	\$23.7	1.3x
5/18/17	Mepco Finance Corporation	Seabury Asset Management	\$33.3	100%	N/A	N/A
5/1/17	Acculynk, Inc.	First Data Corporation	\$85.0	100%	N/A	N/A
4/28/17	VocaLink Holdings Limited	MasterCard Inc.	\$1,147.4	92%	\$235.2	5.2x
2/1/17	VersaPay	BluePay Canada ULC	\$8.2	100%	N/A	N/A
1/6/17	DirectCash Payments Inc.	Cardtronics Holdings Ltd.	\$480.1	100%	\$215.6	2.1x
12/23/16	PayByPhone Technologies	Volkswagen Financial	\$32.5	100%	N/A	N/A
12/23/16	International Payment Solutions	H and R Group Limited	\$20.4	51%	\$28.2	1.2x
12/21/16	Moneris Solutions, Inc.	NPC Group, Inc.	\$425.0	100%	N/A	N/A

■ USA
 ■ International
 ■ Highest
 ■ Lowest
 ■ Median

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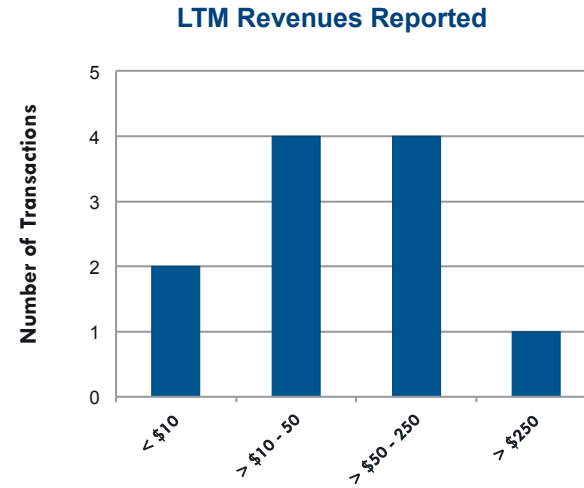
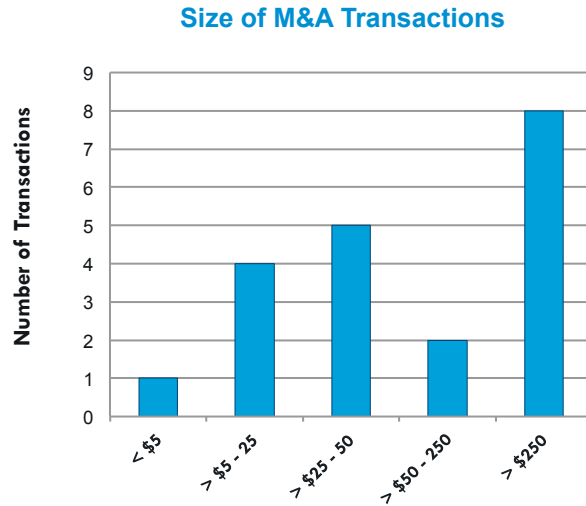
Recent Merger and Acquisition Transactions for a Majority Stake (dollars in millions)

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Transaction Date	Target	Acquirer	Transaction Size	% Bought	LTM Revenues	EV/ Revenues
12/16/16	Setefi S.p.A.	Mercury UK Holdco	\$1,191.5	100%	N/A	N/A
9/29/16	Payment Software Company	NCC Group plc	\$18.8	100%	\$9.5	2.0x
4/22/16	Heartland Payment Systems, Inc.	Global Payments Inc.	\$4,449.0	100%	\$2,599	1.7x
10/30/15	Track Concepts B.V.	Crowd Mobile Limited	\$30.7	100%	\$17.6	1.8x
8/10/15	Skrill Holdings Limited	Netinvest Limited	\$1,760.3	100%	N/A	N/A
7/11/14	PNI Digital Media	Staples, Inc.	\$68.5	100%	\$21.6	2.9x
6/13/14	Mercury Payment Systems	NPC Group, Inc.	\$1,650.0	100%	\$237.0	7.0x
7/26/13	PayDivvy, Inc.	Higher One Holdings, Inc.	\$0.1	100%	N/A	N/A
3/26/13	Ingenico e-Commerce	Ingenico Group	\$534.8	100%	\$56.6	9.5x
Median of the 20 M&A Transaction Targets			\$50.9	100%	\$28.2	2.1x

USA
 International
 Highest
 Lowest
 Median

Recent Merger and Acquisition Transactions for a Majority Stake (dollars in millions) as of September 30, 2017



COGENT VALUATION is a nationally recognized full service business valuation firm that has provided independent valuation and financial advisory opinions in thousands of situations since 1991. These assignments include the valuation of companies and pass-through entities, their securities, and their intangible assets ranging in size from small, closely-held businesses and start-ups, to corporations with market values over a billion dollars, covering almost every industry and all types of transactions. With the collective backgrounds of our managing directors and professional staff, Cogent Valuation brings substantial large deal experience to bear on our middle market transaction opinions. Cogent Valuation utilizes proprietary research, intensive due diligence, and the experience and insights of its professionals to produce thoughtful, well-documented opinions that have consistently withstood the scrutiny of clients and their advisors, investors, regulators, and courts.

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Definitions of Financial Terms Used in this Quarterly Industry Update: Enterprise Value (EV): Market Value of Equity + Market Value of Debt
—Cash Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA): Profitability metric sometimes also referred to as operating profit or operating earnings.

Gross Cash Flows: Net Income + Depreciation and Amortization Expense Latest Twelve Months (LTM): Financial information is as of the latest twelve months through the date of this Quarterly Industry Update.

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