

## 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 June 30, 2017, the median 52-week share price return of the Electronic Payments industry was 23.4%. Between June 30, 2016 and June 30, 2018, the median EV/EBITDA multiple increased from 16.4 to 18.3. Furthermore, the median price-to-earnings multiple increased from 26.8 to 29.0 over the same period. The median revenue growth and EBITDA margins for the industry for the quarter were 3.4% and 17.7%, respectively.

### Public Company Key Statistics

Median 52-Week  
Return

23.4%

Median 3-Year CAGR  
Return

18.7%

Median EV/Revenue  
Multiple

4.6x

Median EV/EBITDA  
Multiple

18.3x

Median Price/Earnings  
Multiple

29x

Median EV/Gross CF  
Multiple

27.3x

## Comparable Public Company Market Price Returns as of June 30, 2018

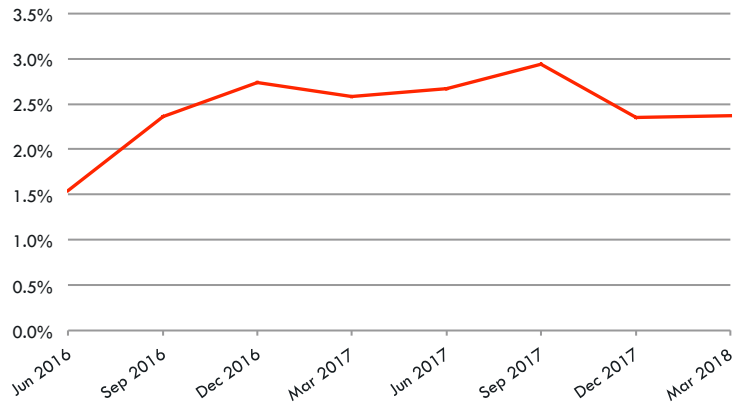
	YTD	3 Month	1 Year	2 Year	2017	2016	2015	2014
<b>ACI Worldwide, Inc.</b>	8.8%	4.0%	10.3%	3.9%	24.9%	-15.2%	6.1%	-6.9%
<b>Bottomline Technologies (de), Inc.</b>	43.7%	28.6%	94.0%	12.8%	38.6%	-15.8%	17.6%	-30.1%
<b>CSG Systems International, Inc.</b>	-6.7%	-9.8%	0.7%	14.1%	-9.5%	34.5%	43.5%	-14.7%
<b>Euronet Worldwide, Inc.</b>	-0.6%	6.1%	-4.1%	13.1%	16.3%	0.0%	31.9%	14.7%
<b>Global Payments Inc.</b>	11.2%	0.0%	23.4%	28.7%	44.4%	7.6%	59.8%	24.2%
<b>Mastercard Incorporated</b>	29.8%	12.2%	61.8%	25.2%	46.6%	6.0%	13.0%	3.1%
<b>MoneyGram International, Inc.</b>	-49.2%	-22.4%	-61.2%	41.7%	11.6%	88.4%	-31.0%	-56.3%
<b>Newtek Business Services Corp.</b>	7.7%	10.2%	22.2%	4.1%	16.3%	11.0%	-3.0%	-6.0%
<b>Total System Services, Inc.</b>	9.1%	-2.0%	45.1%	20.1%	28.4%	-1.5%	46.6%	2.0%
<b>USA Technologies, Inc.</b>	-7.7%	56.0%	11.5%	58.4%	51.4%	39.6%	91.3%	-11.0%
<b>Median of Industry Public Companies</b>	<b>8.8%</b>	<b>7.2%</b>	<b>25.0%</b>	<b>14.1%</b>	<b>15.1%</b>	<b>6.0%</b>	<b>17.6%</b>	<b>-0.1%</b>

Multiple year periods are calculated as the average annual return.

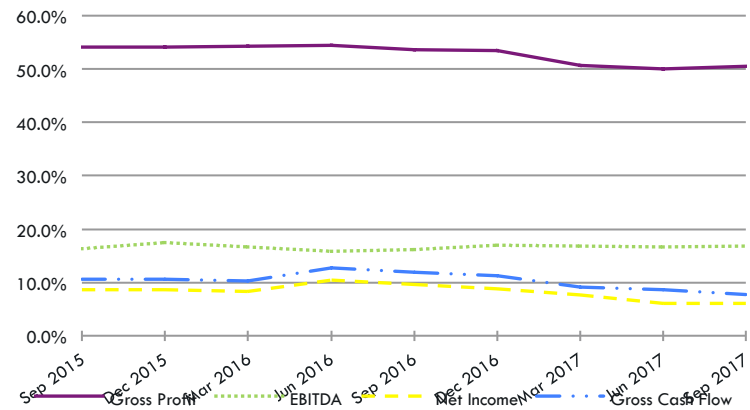
■ Highest Return
 ■ Lowest Return
 ■ Median Return

# 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

	6/30/18	3/31/18	12/31/17	12/31/16	9/30/16	6/30/16	3/31/16	12/31/15
<b>EV/Revenues Multiple</b>	4.6x	4.0x	3.8x	2.9x	3.0x	2.8x	3.5x	3.5x
<b>EV/EBITDA Multiple</b>	18.3x	19.1x	18.0x	18.6x	18.6x	16.0x	15.5x	15.8x
<b>Price/Earnings Multiple</b>	29.0x	26.7x	28.4x	27.8x	29.3x	25.9x	28.2x	28.9x
<b>EV/Gross Cash Flows Multiple</b>	27.3x	28.5x	29.6x	26.3x	25.2x	21.9x	26.0x	27.4x

■ Highest Multiple

■ Lowest Multiple

■ Median Multiple

## Industry Initial Public Offerings—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
6/20/18	<b>i3 Verticals, Inc.</b>	\$13.00	12.5	\$212.5	\$164.4	\$76.1	\$277.5	\$1,930.5	\$1,196.8	\$1,933.0
6/14/18	<b>Huifu Payment Limited</b>	\$0.96	25.3	\$505.3	\$1,248.6	\$743.4	\$265.3	\$130.2	\$79.3	\$146.5
6/12/18	<b>Adyen N.V.</b>	\$282	29.4	\$500.0	\$1,706.6	\$1,801.7	<b>\$1,372.2</b>	\$398.5	\$36.2	\$430.2
5/23/18	<b>GreenSky, Inc.</b>	\$23.00	9.0	\$108.0	\$521.3	\$18.5	\$345.9	\$35.9	\$18.4	\$36.9
5/22/18	<b>EVO Payments, Inc.</b>	\$16.00	406.0	\$17,864.0	\$1,562.4	\$115.0	\$523.4	\$1,833.0	(\$857.0)	\$1,918.0
11/14/17	<b>Boku, Inc.</b>	\$0.77	61.5	\$2,399.3	\$106.2	\$229.6	<b>\$21.7</b>	\$608.2	\$300.2	\$653.0
6/29/17	<b>Median of all IPOs</b>	<b>nm</b>	<b>nm</b>	<b>\$502.6</b>	<b>\$3,600.3</b>	<b>\$172.3</b>	<b>\$311</b>	<b>\$503.4</b>	<b>\$57.8</b>	<b>\$541.6</b>

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
6/20/18	MyPay Myanmar Limited	MySQUAR Limited	\$2.6	60%	\$3.7	N/A
6/15/18	Blackhawk Network Holdings, Inc.	Silver Lake; P2 Capital Partners, LLC; P2 Capital Master Fund I, LP; Silver Lake Partners V	\$3,972.0	100%	N/A	1.4x
5/25/18	MOL Global, Inc.	Razer Inc.	\$61.2	100%	\$23.7	N/A
5/11/18	Gruden Group Limited	BPS Technology Limited (nka:IncentiaPay Limited)	\$6.9	100%	N/A	N/A
5/10/18	Nodus Technologies, Inc.	EVO Payments, Inc.	\$18.0	100%	N/A	N/A
4/18/18	Silverlake Digitale Sdn Bhd	Silverlake Axis Ltd	\$9.1	92%	\$235.2	2.0x
3/7/18	Fraedom Holdings Limited	Visa Inc.	\$195.7	100%	N/A	4.3x
2/5/18	Increator Technology Co., Ltd.	Shenghua Lande Scitech	\$3.8	100%	\$215.6	N/A
2/1/18	Nets A/S	Advent International Corp.	\$6,716.2	100%	N/A	5.3x
1/16/18	ACCEO Solutions Inc.	N. Harris Computer Corp.	\$1,746.8	51%	\$28.2	1.2x
12/21/16	Worldpay Group plc (nka:Worldpay Group Limited)	NPC Group, Inc.	\$425.0	100%	N/A	N/A

■ USA
 ■ International
 ■ Highest
 ■ Lowest
 ■ Median

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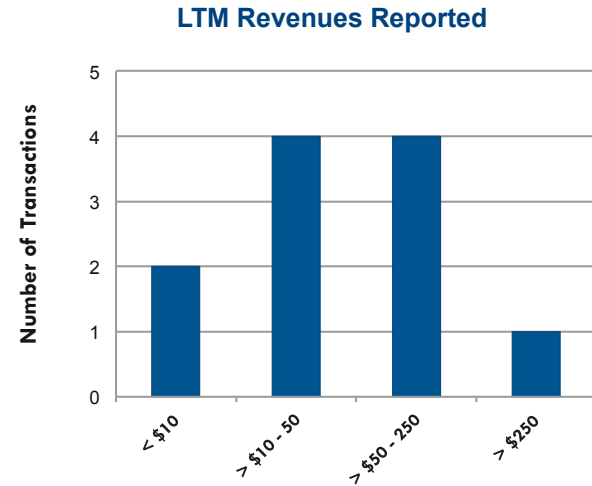
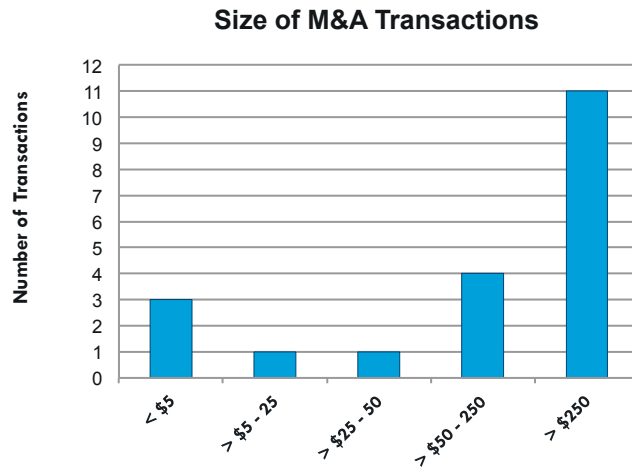
## Recent Merger and Acquisition Transactions for a Majority Stake (dollars in millions)

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

USA
  International
  Highest
  Lowest
  Median

## Recent Merger and Acquisition Transactions for a Majority Stake (dollars in millions) as of June 30, 2018





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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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