

Q1: Quarterly Industry Update

AS OF March 31, 2020

cogent valuation
FINANCIAL OPINIONS

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 March 31, 2019, the median 52-week share price return of the Electronic Payments industry was 23.5%. Between March 31, 2019 and March 31, 2020, the median EV/EBITDA multiple increased from 18.0 to 19.6. Furthermore, the median price-to-earnings multiple increased from 27.7 to 32.3 over the same period. The median revenue growth and EBITDA margins for the industry for the quarter were 2.5% and 18.6%, respectively.

Public Company Key Statistics

Median 52-Week
Return

23.5%

Median 3-Year CAGR
Return

29.2%

Median EV/Revenue
Multiple

3.5x

Median EV/EBITDA
Multiple

19.6x

Median Price/Earnings
Multiple

32.3x

Median EV/Gross CF
Multiple

32.5x

Comparable Public Company Market Price Returns as of March 31, 2020

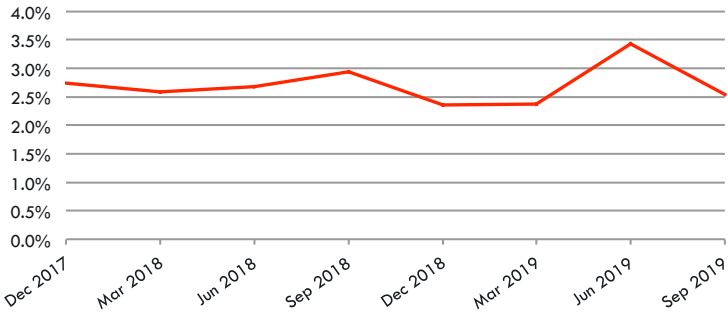
	2020	3 Month	1 Year	2 Year	3 Year	2019	2018	2017
ACI Worldwide, Inc.	4.6%	4.6%	10.9%	3.9%	24.9%	-15.2%	6.1%	-6.9%
Bottomline Technologies (de), Inc.	11.7%	11.7%	63.8%	12.8%	38.6%	-15.8%	17.6%	-30.1%
CSG Systems International, Inc.	3.4%	3.4%	19.8%	14.1%	-9.5%	34.5%	43.5%	-14.7%
Euronet Worldwide, Inc.	-6.3%	-6.3%	-7.7%	13.1%	16.3%	0.0%	31.9%	14.7%
Global Payments Inc.	11.3%	11.3%	38.2%	28.7%	44.4%	7.6%	59.8%	24.2%
Mastercard Incorporated	15.7%	15.7%	55.7%	25.2%	46.6%	6.0%	13.0%	3.1%
MoneyGram International, Inc.	-34.6%	-34.6%	-48.7%	41.7%	11.6%	88.4%	-31.0%	-56.3%
Newtek Business Services Corp.	-2.3%	-2.3%	6.4%	4.1%	16.3%	11.0%	-3.0%	-6.0%
Total System Services, Inc.	9.1%	9.1%	61.4%	20.1%	61.3%	-1.5%	46.6%	2.0%
USA Technologies, Inc.	-7.7%	-7.7%	111.8%	58.4%	126.7%	39.6%	91.3%	-11.0%
Median of Industry Public Companies	4.6%	4.6%	-17.9%	14.1%	-0.1%	-36.7%	-24.7%	38.7%

Multiple year periods are calculated as the average annual return.

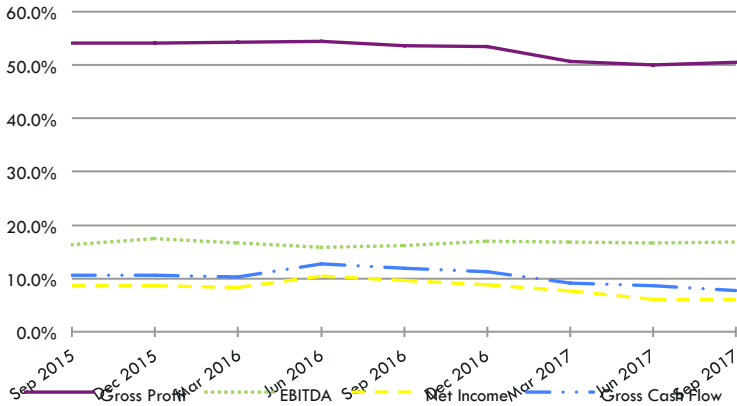
■ Highest Return
 ■ Lowest Return
 ■ Median Return

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

	3/31/20	12/31/19	9/30/19	6/30/19	3/31/19	12/31/18	9/30/18	6/30/18
EV/Revenues Multiple	3.5x	4.6x	4.0x	3.8x	3.2x	2.9x	3.0x	2.9x
EV/EBITDA Multiple	19.6x	18.3x	19.1x	18.0x	15.9x	15.6x	16.0x	15.9x
Price/Earnings Multiple	32.3x	29.0x	26.7x	28.4x	29.4x	28.7x	29.4x	27.5x
EV/Gross Cash Flows Multiple	32.5x	27.9x	28.5x	29.6x	30.3x	29.1x	29.4x	21.4x

■ 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
3/10/20	Tolga-Os Sparebank	\$12.54	76.3	\$212.5	\$164.4	\$76.1	\$10.8	(\$7.8)	\$1,196.8	\$1,933.0
3/1/20	Revenue Group Berhad	\$0.09	217.0	\$505.3	\$1,248.6	\$743.4	\$8.8	\$0.7	\$79.3	\$146.5
1/20/20	i3 Verticals, Inc.	\$13.00	12.5	\$500.0	\$1,706.6	\$1,801.7	\$277.5	\$62.2	\$36.2	\$430.2
11/14/19	Huifu Payment Limited	\$20.00	25.3	\$108.0	\$521.3	\$18.5	\$336.8	\$130.2	\$18.4	\$36.9
6/12/19	Adyen N.V.	\$17.00	29.4	\$17,864.0	\$1,562.4	\$115.0	\$1,622.4	\$398.5	(\$857.0)	\$1,918.0
5/23/18	GreenSky, Inc.	\$12.00	9.0	\$2,399.3	\$106.2	\$229.6	\$99.2	\$35.9	\$300.2	\$653.0
		nm	nm	\$502.6	\$3,600.3	\$172.3	\$203.1	\$49.0	\$57.8	\$541.6

Size of 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	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

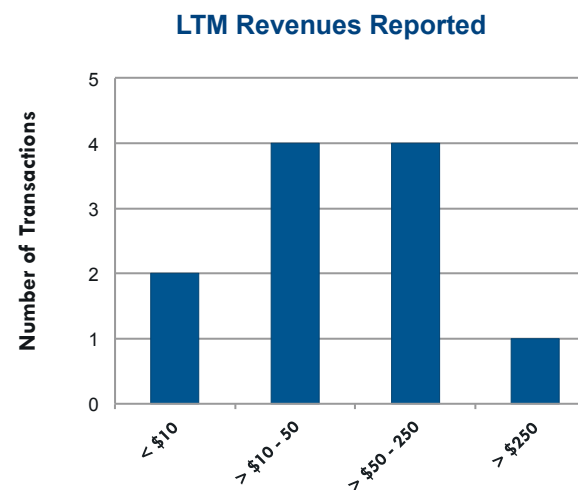
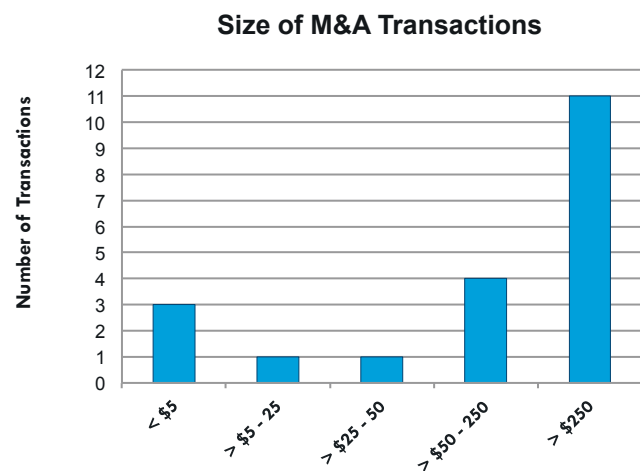
Size of Recent Merger and Acquisition Transactions for a Majority Stake (dollars in millions)

Transaction Date	Target	Acquirer	Transaction Size	% Bought	LTM Revenues	EV/ Revenues
3/19/20	PayByPhone Technologies	Volkswagen Financial	\$2,200.0	100%	\$45.7	4.3x
1/13/20	VersaPay	BluePay Canada ULC	\$390.0	100%	N/A	N/A
12/6/19	Mepco Finance Corporation	Seabury Asset Management	\$81.3	100%	\$1,213.3	5.3x
9/4/19	International Payment Solutions	H and R Group Limited	\$1.1	100%	N/A	N/A
8/16/19	DirectCash Payments Inc.	Cardtronics Holdings Ltd.	\$93.0	100%	\$1,531.1	7.5x
7/31/19	Acculynk, Inc.	First Data Corporation	\$2.7	100%	N/A	N/A
7/30/19	VocaLink Holdings Limited	MasterCard Inc.	\$23.4	100%	\$1,043.5	3.8x
6/20/19	MyPay Myanmar Limited	MySQUAR Limited	\$2.6	100%	\$53.0	4.7x
6/15/19	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	N/A
5/25/19	MOL Global, Inc.	Ingenico Group - GCS	\$1,746.8	100%	\$235.2	0.0x
11/6/17	Gruden Group Limited	LINE Pay Corporation	\$2.5	100%	N/A	N/A

■ USA
 ■ International

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



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): 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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