

May 22, 2015

# Financial Technology Partners LP FTP Securities LLC

## Transaction Profile:

### Black Knight Financial Services Completes its Initial Public Offering



**NYSE: BKFS**

*Courtesy of:*

FINANCIAL  
TECHNOLOGY  
PARTNERS

*The Only Investment Bank  
Focused Exclusively on Financial Technology*

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# Black Knight Financial Services Completes its IPO

## Filing Overview

**Thomas H. Lee Partners and Fidelity National Financial (NYSE: FNF) filed to take Black Knight Financial Services public less than a year after acquiring Lender Processing Services, which contained the majority of the operations now comprising Black Knight**

### Filing Details

President, CEO:	Thomas Sanzone
Headquarters:	Jacksonville, FL
Founded:	2014
Employees:	4,000

Initial S-1 Filing Date:	Dec 24, 2014
Trading Date:	May 20, 2015
Ticker:	NYSE: BKFS
Filing Range:	\$22.00 - \$25.00
Offer Price:	\$24.50
First Day Open:	\$26.25 (▲ 7%) <sup>(1)</sup>
First Day Close:	\$27.11 (▲ 11%) <sup>(1)</sup>
Market Cap:	\$1.77 billion <sup>(2)</sup>
Shares Offered:	18,000,000
Proceeds	\$440,000,000

Source: Company website, SEC filings.

(1) Percentage change based off of \$24.50 offer price.

(2) Market cap based off first day closing price.

### UNITED STATES SECURITIES AND EXCHANGE COMMISSION

#### Form S-1

**Black Knight Financial Services, Inc.**



**NYSE: BKFS**

**Michael L. Gravelle**  
EVP, General Counsel and Corporate Secretary  
601 Riverside Avenue  
Jacksonville, Florida 32204

JP Morgan	Wells Fargo	BofA Merrill Lynch
Credit Suisse	Goldman Sachs	Deutsche Bank
		SunTrust Robinson Humphrey

# Black Knight Financial Services Completes its IPO

## Company Overview and History

***Black Knight is a dominant provider of outsourced services to the mortgage industry serving nearly all of the top mortgage originators and servicers in the U.S.***

***The Company's proprietary servicing platform, MSP, is used to service more than 50% of all U.S. first lien mortgages***

### Company Overview

- **Black Knight Financial Services provides integrated technology, workflow automation and data and analytics to the mortgage industry**
  - Solutions facilitate and automate business processes across the entire mortgage loan lifecycle
  - Products are used by 21 out of the 25 largest U.S. mortgage originators and all of the top 25 largest U.S. mortgage servicers
  - Other clients include financial institutions, investors and real estate professionals to enable them to support their mortgage related operations and investments
- **Organized into two segments:**
  1. **Technology:** offers software and hosting solutions that support loan servicing, which includes the core mortgage servicing, specialty mortgage servicing including loss mitigation and default workflow management, loan origination and settlement services
  2. **Data and Analytics:** offers solutions to enhance and support technology products in the mortgage, real estate and capital markets industries; includes property ownership data, lien data, servicing data, automated valuation models, collateral risk scores, prepayment and default models, lead generation and other data solutions

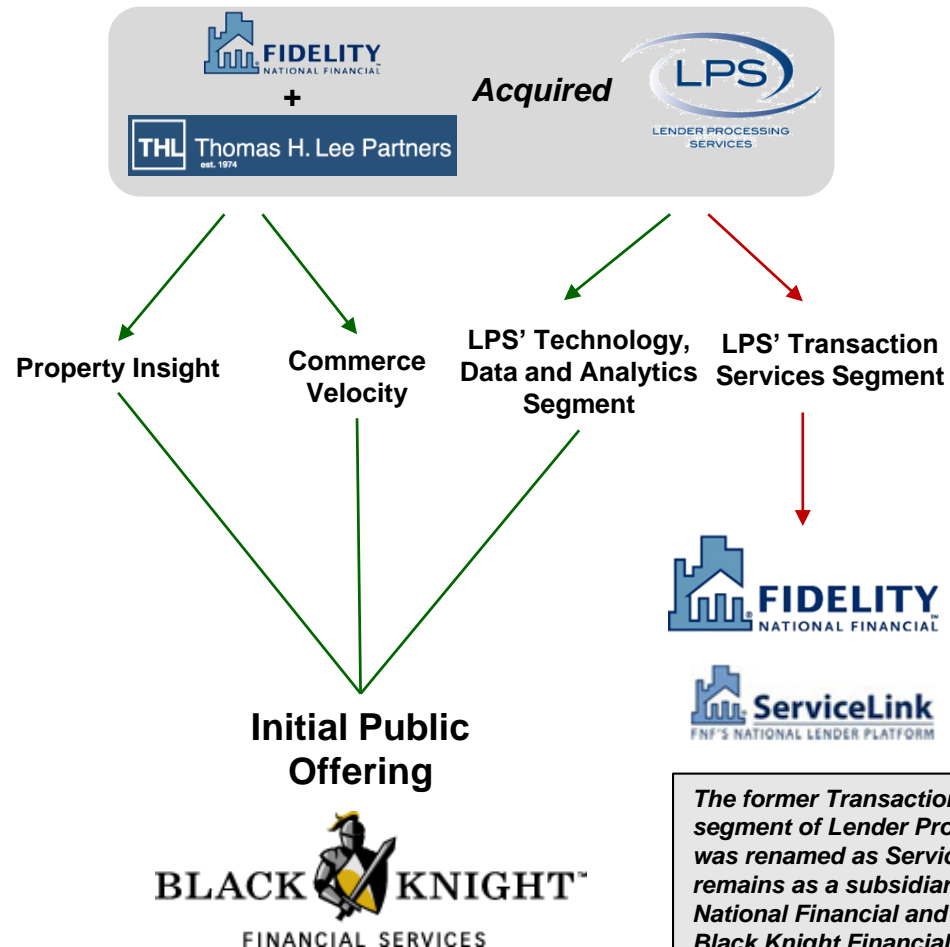
### Company History

- **Black Knight is comprised of the former Technology, Data and Analytics segment of Lender Processing Services along with two business units contributed by Fidelity National Financial: Commerce Velocity and Property Insight**
- **Lender Processing Services was previously a segment of Fidelity National Information Services (NYSE: FIS)**
- **FIS spun out Lender Processing Services in 2008 to become its own, independent publicly traded company on the NYSE under the ticker symbol "LPS"**
- **On January 1, 2014, Fidelity National Financial (NYSE:FNF) and private equity firm Thomas H. Lee Partners acquired Lender Processing Services for approximately \$2.9 billion in cash and stock**
  - LPS was delisted as a result of the transaction
  - Reorganization of the Company's ownership and management structure enabled it to focus on the integration of the business to achieve operating efficiencies, drive organic growth, capture investment opportunities and capture renewed synergies
  - Prior to the IPO, FNF essentially owns 67.1% of Black Knight Financial Services while Thomas H. Lee owns the remaining 32.9%

# Black Knight Financial Services Completes its IPO

## Company History (cont.)

*Jointly, Fidelity National Financial and Thomas H. Lee Partners acquired Lender Processing Services; the Technology, Data and Analytics segment of Lender Processing Services along with two business units owned by Fidelity National Financial (Commerce Velocity and Property Insight) were then combined to form Black Knight Financial Services, the entity that is going public*



# Black Knight Financial Services Completes its IPO

## Product Overview

	Technology	Data & Analytics
Servicing	<b>MSP</b> <ul style="list-style-type: none"> <li>Provides automation to all areas of loan servicing on a single system</li> </ul>	<b>Lead Generation</b> <ul style="list-style-type: none"> <li>Enables clients to target prospects for more efficient and effective marketing results</li> </ul>
	<b>LoanSphere Bankruptcy, Foreclosure</b> <ul style="list-style-type: none"> <li>Work flow engine that utilizes rules-based functionality</li> </ul>	<b>Mortgage Performance Data, Analytics</b> <ul style="list-style-type: none"> <li>Provides mortgage performance data in any single loan-level data source</li> </ul>
	<b>LoanSphere Invoicing</b> <ul style="list-style-type: none"> <li>Web-based solution that enhances the efficiency of processing default related invoices</li> </ul>	<b>Portfolio Management, Diligence</b> <ul style="list-style-type: none"> <li>Helps monitor liens on loan collateral, manage risk, maximize loss mitigation strategy and perform due diligence assessments</li> </ul>
Origination	<b>Empower</b> <ul style="list-style-type: none"> <li>Enterprise-wide loan origination system that provides functionality throughout the origination cycle</li> </ul>	<b>Real Estate</b> <ul style="list-style-type: none"> <li>Offers datasets from tax assessor, deed, mortgage, pre-foreclosure, assignments and releases records</li> </ul>
	<b>LendingSpace</b> <ul style="list-style-type: none"> <li>End-to-end correspondent lending platform that focuses on corresponded loans</li> </ul>	<b>Valuations and Collateral Risk</b> <ul style="list-style-type: none"> <li>Enables clients to validate appraisal values for pre-funding quality control and focuses on minimizing valuation costs for second mortgage and second mortgage originations</li> </ul>
	<b>Sales Edge</b> <ul style="list-style-type: none"> <li>Management and customer relationship solution</li> </ul>	<b>Property Tax Reporting</b> <ul style="list-style-type: none"> <li>Provides a solution to address clients' property tax data needs across different regions</li> </ul>
	<b>Closing Insight</b> <ul style="list-style-type: none"> <li>Web-based solution that enables lenders and service providers to comply with CFPB's Integrated Mortgage Disclosure rule</li> </ul>	<b>Property Insight</b> <ul style="list-style-type: none"> <li>Offers title plant production and data services through Connection Point, Insight Title Point, Vantage Point and Insight Xpress Services</li> </ul>
	<b>Quality Insight</b> <ul style="list-style-type: none"> <li>Workflow solution that assesses loan quality by evaluating loan data</li> </ul>	<b>Advisory</b> <ul style="list-style-type: none"> <li>Consultants rely on data analytics and deep industry experience to provide solutions to mortgage lenders, servicers and investors</li> </ul>
	<b>Valuation Insight</b> <ul style="list-style-type: none"> <li>Appraisal evaluation reporting solution</li> </ul>	<b>LoanSphere Data Hub</b> <ul style="list-style-type: none"> <li>Enables clients to aggregate customer data with third party data</li> </ul>
	<b>Exchange</b> <ul style="list-style-type: none"> <li>Provides an integrated network of originators, agents, settlement services providers and investors in the United States</li> </ul>	

Source: Company website, SEC filings.

# Black Knight Financial Services Completes its IPO

## Management Team – Executive Officers



**William Foley II, Chairman, Fidelity National Financial and Black Knight**

- Foley is the Chairman of the Board for Fidelity National Financial and Black Knight Financial Services
- Through several strategic acquisitions, led Fidelity National Financial to become one of the largest title insurance companies in the United States
- Led the acquisition of ALLTEL Information Services in 2003, which later became Black Knight Financial Services



**Thomas Sanzone, Chief Executive Officer**

- Responsible for the management of the Company's technology, data and analytics product offerings
- Has more than 25 years of experience in the financial services industry



**Kirk Larson, Chief Financial Officer**

- Responsible for the financial management of Black Knight Financial Services
- Previously served as the Corporate Executive Vice President of Finance and Treasurer of FIS



**Tony Orefice, Chief Operating Officer**

- Responsible for optimizing the performance management and operational efficiencies, driving synergy natives and directing automation technologies
- Previously served as the Managing Director and COO for Global Markets Technology at Bank of America Merrill Lynch

# Black Knight Financial Services Completes its IPO

## Competitive Strengths

### Market Leadership of Solutions

- Relationships with 21 out of 25 of the top mortgage originators in the United States
- Services over 50% of all U.S. first lien mortgages

### Significant Recurring Revenue

- High retention rate amongst the Company's top 10 servicer clients
- Continually enters long-term contracts with clients, who utilize an average of 6 products across Black Knight Financial Service's product line



### Data and Analytics Capabilities

- Develops and maintains a comprehensive dataset pertaining to the mortgage and housing industry
- Combines public and proprietary data in real-time that data scientists uses to create customized reports, models of consumer behavior and market insights

### Scalable Operating Model

- Scale and operating leverage enables the company to add incremental clients at a limited cost
- Enables the company to make cost effective investments into its technology platform

### Experienced Management

- Management team brings an average of over 20 years of experience in the banking technology and mortgage processing industries

# Black Knight Financial Services Completes its IPO

## Strategies for Growth





# Black Knight Financial Services Completes its IPO

## Key Trends in the Mortgage Industry Highlighted by Black Knight

### Increased Regulation

- U.S. mortgage market has been subject to increasing regulatory insight and requirements at the federal and state level
- Government entities have enacted various new laws, rules and regulations in order to increase the level of consumer financial protection within the United States

### Focus on Core Operations

- Due to the regulatory environment within the financial and mortgage sectors in the United States, lenders have been increasingly focused on third-party core systems, which can provide better technology and services more efficiently
- These mortgage players require scale and advanced regulatory infrastructure to meet both the technological efficiency and high regulatory standards

### Technology's Role in U.S. Mortgage Industry

- Banks, lenders and servicers have become increasingly focused on technology automation and workflow management to meet their regulatory guidelines
- Vendors must be able to support the changing regulatory environment of the industry, display extensive industry knowledge and make necessary investments in technology to support lenders

### Demand for Enhanced Transparency

- U.S. mortgage players have been focused on working to minimize the risk in lending, servicing and capital markets and rely on data and analytic insights to enhance their decision making process

# Black Knight Financial Services Completes its IPO

## Financial Overview

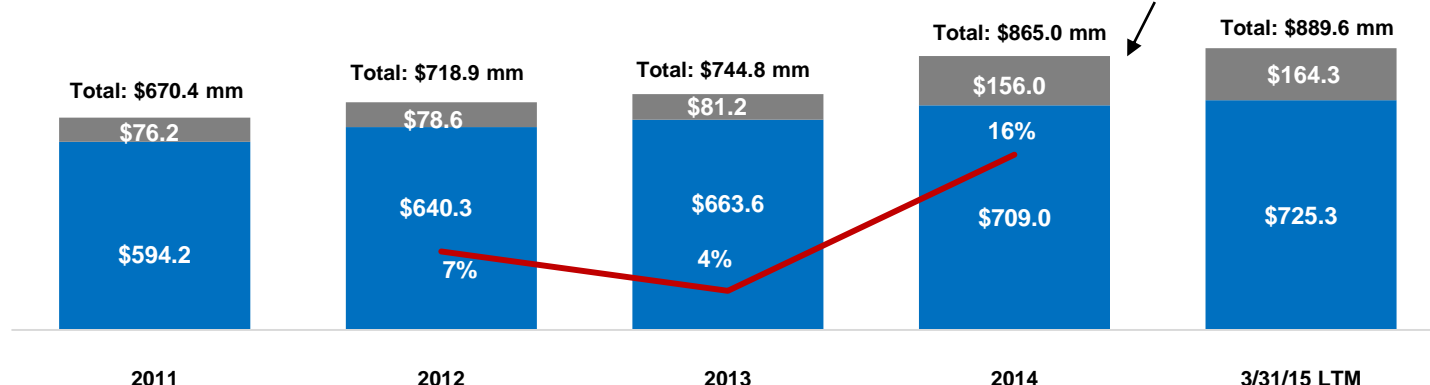
**Note that financial results prior to 2014 represent the results strictly for Lender Processing Services' Technology, Data and Analytics segment; 2014 and 2015 results also include the addition of Property Insight and Commerce Velocity**

Revenue Breakdown / Combined Revenue Growth Rate <sup>(1)</sup>

(in millions)

Technology Data & Analytics Combined Growth Rate

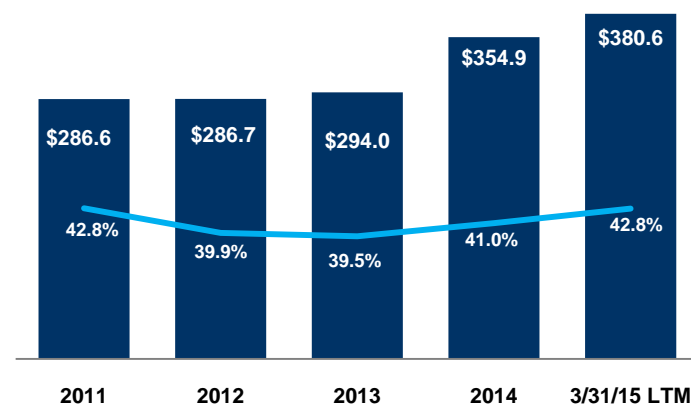
Majority of 2014 growth in Data and Analytics vs. prior year due to the \$63.8 mm contribution from Property Insight



Adj. EBITDA <sup>(2)</sup> / Adj. EBITDA Margin

(in millions)

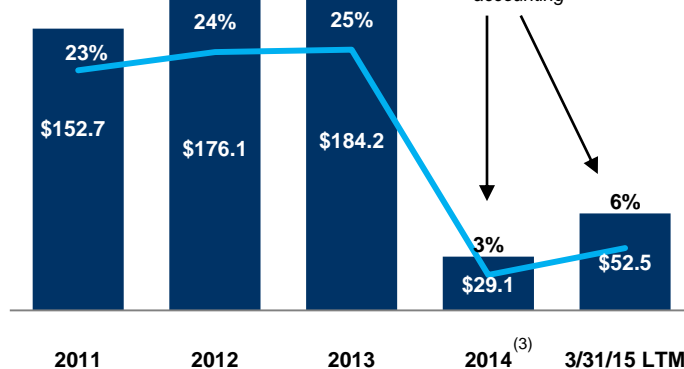
EBITDA Margin



Operating Income / Operating Margin

(in millions)

Operating income impacted by a substantial increase in D&A due to fair value accounting



Source: SEC filings.

(1) Corporate and other revenues are included within the technology revenue breakdown.

(2) Adjusted EBITDA is calculated with adjustments that include: (i) the deferred revenue purchase accounting adjustment recorded in accordance with GAAP; (ii) equity-based compensation; (iii) acquisition-related costs; (iv) non-recurring costs associated with the achievement of synergies; (v) charges associated with material legal matters; (vi) member management fees paid to FNF and THL Managers LLC; (vii) exit costs, impairments and other charges; and (viii) other significant, non-recurring items.

(3) Excludes one time charges and integration costs.

# Black Knight Financial Services Completes its IPO

## Public Company Comparables

				Market	Enterprise	Multiples								
	Price	% MTD	% LTM	Value	Value	Price / Earnings			EV / EBITDA			EV / Revenue		
Company Name	05/20/15	Change	High	(\$ mm)	(\$ mm)	LTM	CY 15E	CY 16E	LTM	CY 15E	CY 16E	LTM	CY 15E	CY 16E
Mortgage Technology Solutions														
CoreLogic	\$ 40.03	3 %	98 %	\$ 3,653	\$ 4,860	33.6 x	22.4 x	19.7 x	14.7 x	11.8 x	10.8 x	3.4 x	3.2 x	3.1 x
Black Knight Financial Services	27.11	nm	nm	1,765	3,782	33.6	na	na	9.9	na	na	4.3	na	na
Ellie Mae	63.11	(6)	94	1,979	1,854	nm	nm	43.2	48.3	36.4	26.1	10.1	8.2	6.7
Altisource Portfolio Solutions	28.95	7	24	603	1,064	9.5	8.7	10.0	5.1	6.5	8.0	1.0	1.2	1.5
Median		3 %	94 %			33.6 x	15.5 x	19.7 x	12.3 x	11.8 x	10.8 x	3.8 x	3.2 x	3.1 x
Mean		1	72			33.6	15.5	24.3	12.3	18.2	15.0	3.8	4.2	3.8
Core Bank Processors														
FIS	\$ 64.78	3 %	94 %	\$ 18,720	\$ 23,549	27.9 x	19.7 x	17.5 x	14.5 x	11.8 x	11.0 x	3.7 x	3.6 x	3.4 x
Fiserv	81.11	3	99	19,684	23,240	27.4	21.3	18.9	15.0	13.1	12.2	4.6	4.4	4.1
Jack Henry	65.37	(2)	93	5,351	5,322	26.1	24.2	21.1	12.1	11.8	10.7	4.2	4.1	3.8
Davis + Henderson	34.05	(0)	96	2,968	3,832	34.4	17.0	15.3	16.1	10.6	9.2	4.0	3.2	2.9
Temenos	36.37	(0)	91	2,544	2,640	43.9	22.5	19.4	23.3	14.6	12.0	5.7	5.0	4.5
Q2 Holdings	25.45	24	99	1,047	958	nm	nm	nm	nm	nm	nm	11.1	9.0	7.0
Computer Services	42.50	(0)	97	605	604	21.0	na	na	9.8	na	na	2.7	na	na
Monitise	0.15	(29)	14	331	131	nm	nm	nm	nm	nm	11.8	0.9	0.8	0.6
Median		(0)%	95 %			27.7 x	21.3 x	18.9 x	14.8 x	11.8 x	11.4 x	4.1 x	4.1 x	3.8 x
Mean		(0)	85			30.1	20.9	18.5	15.1	12.4	11.2	4.6	4.3	3.8
Financial Information, Risk and Compliance														
Reed Elsevier	\$ 17.38	1 %	93 %	\$ 19,866	\$ 19,866	41.8 x	18.1 x	16.9 x	na	6.0 x	5.8 x	na	2.1 x	2.0 x
Wolters Kluwer	31.85	(1)	90	9,400	11,518	30.6	15.8	14.8	11.6	10.3	9.9	2.8	2.6	2.5
Dun & Bradstreet	128.93	0	94	4,681	6,039	20.0	17.2	16.0	13.3	11.5	10.7	3.6	3.5	3.3
Intrum Justitia	31.56	0	96	2,317	3,003	25.5	17.5	16.8	16.6	14.4	13.8	4.7	4.4	4.3
Median		0 %	94 %			28.1 x	17.4 x	16.4 x	13.3 x	10.9 x	10.3 x	3.6 x	3.0 x	2.9 x
Mean		0	93			29.5	17.2	16.1	13.8	10.6	10.0	3.7	3.1	3.0
Consumer / SMB Credit Data and Protection														
Experian	\$ 19.40	10 %	99 %	\$ 18,945	\$ 22,785	30.2 x	20.7 x	19.3 x	13.5 x	13.5 x	13.0 x	4.7 x	4.7 x	4.6 x
Equifax	99.61	1	99	12,001	13,472	32.7	23.0	20.6	15.4	14.7	13.5	5.4	5.1	4.8
FICO	88.07	(1)	91	2,843	3,414	39.2	30.4	25.2	18.8	14.4	13.7	4.2	4.0	3.8
Veda	1.84	0	93	1,563	1,764	42.8	23.8	20.6	19.0	14.7	13.0	7.0	6.3	5.7
LifeLock	15.31	3	80	1,535	1,242	nm	23.3	17.0	38.4	15.6	11.0	2.5	2.1	1.8
Intersections	3.49	10	66	70	61	nm	15.0	10.1	nm	na	na	0.3	0.2	0.2
Median		2 %	92 %			31.4 x	23.1 x	20.0 x	14.5 x	14.7 x	13.0 x	5.1 x	4.3 x	4.2 x
Mean		4	88			31.4	22.7	18.8	14.5	14.6	12.8	5.1	3.8	3.5

Source: Capital IQ.

# Overview of FT Partners

## Strong Domain Expertise in Banking, Financial Technology

**FT Partners has advised on the most prominent transactions in Financial Technology**

### Financial Technology Partners LP FTP Securities LLC

is pleased to announce its exclusive role as  
Capital Markets and IPO advisor to



In its

### Initial Public Offering



The Only Investment Bank  
Focused Exclusively on Financial Technology

### Financial Technology Partners LP FTP Securities LLC

is pleased to announce its exclusive role as  
sole strategic and financial advisor to



in its sale to



a portfolio company of



Vista Equity Partners



The Only Investment Bank  
Focused Exclusively on Financial Technology

### Financial Technology Partners LP FTP Securities LLC

is pleased to announce its exclusive role as sole  
strategic and financial advisor to



in its financing, including investment from



for approximately

**\$ 15,000,000**



The Only Investment Bank  
Focused Exclusively on Financial Technology

### Financial Technology Partners LP FTP Securities LLC

is pleased to announce its role as  
strategic and financial advisor to



in its sale to



Vista Equity Partners

for total consideration of approximately

**\$ 1,500,000,000**



The Only Investment Bank  
Focused Exclusively on Financial Technology

### Financial Technology Partners LP FTP Securities LLC

Is pleased to announce its role as advisor to



in its strategic investment in



with additional participation from



for total consideration of approximately

**\$ 70,000,000**



The Only Investment Bank  
Focused Exclusively on Financial Technology

### Financial Technology Partners LP FTP Securities LLC

is pleased to announce its role as advisor to



in its lead investment in



with additional participation from



for approximately

**\$ 85,000,000**



The Only Investment Bank  
Focused Exclusively on Financial Technology

### Financial Technology Partners LP FTP Securities LLC

is pleased to announce its role as  
strategic and financial advisor to



in its cash sale to



for total consideration of

**\$ 1,650,000,000**



The Only Investment Bank  
Focused Exclusively on Financial Technology

### Financial Technology Partners LP FTP Securities LLC

is pleased to announce its exclusive role as  
sole strategic and financial advisor to



in its sale to



The Only Investment Bank  
Focused Exclusively on Financial Technology

# Overview of FT Partners

## Award-Winning Investment Banking Franchise Focused on Superior Client Results

*FT Partners has been recognized as Investment Banking Firm of the Year and regularly achieves Merger and Financing Deal of the Year recognition*



M&A Advisor Awards

- |      |  |
|------|--|
| 2014 | <ul style="list-style-type: none"> <li>■ <b>Equity Financing Deal of the Year</b></li> <li>■ Professional Services Deal of the Year, Above \$100mm</li> </ul>  |
| 2012 | <ul style="list-style-type: none"> <li>■ <b>Dealmaker of the Year</b></li> <li>■ Professional Services Deal of the Year, Above \$100 mm</li> </ul>   |
| 2011 | <ul style="list-style-type: none"> <li>■ <b>Boutique Investment Bank of the Year</b></li> <li>■ Deal of the Decade</li> <li>■ <i>10 Deal of the Year Nominations Across 9 Categories</i></li> </ul>  |
| 2010 | <ul style="list-style-type: none"> <li>■ <b>Upper Middle Market Deal of the Year, Above \$500 mm</b></li> <li>■ IT Services Deal of the Year, Below \$500mm</li> <li>■ Cross-Border Deal of the Year, Below \$500mm</li> </ul>   |
| 2007 | <ul style="list-style-type: none"> <li>■ <b>Dealmaker of the Year – Steve McLaughlin</b></li> <li>■ Business to Business Services Deal of the Year</li> <li>■ Computer and Information Technology Deal of the Year, Above \$100mm</li> <li>■ Financial Services Deal of the Year, Above \$100mm</li> </ul> |



- |           |   |
|-----------|---|
| 2006-2008 | <ul style="list-style-type: none"> <li>■ Steve McLaughlin consecutively ranked (2006, 2007 and 2008) among the top Bankers in Financial Technology</li> </ul> |
|-----------|---|



Middle Market Financing Awards

- |      |  |
|------|--|
| 2008 | <ul style="list-style-type: none"> <li>■ <b>Equity Financing Dealmaker of the Year – Steve McLaughlin</b></li> <li>■ <b>Information Technology Deal of the Year</b></li> <li>■ <b>Financial Services Deal of the Year</b></li> </ul> |
| 2006 | <ul style="list-style-type: none"> <li>■ <b>Financing Professional of the Year – Steve McLaughlin</b></li> <li>■ <i>Financing Deal of the Year - Equity</i></li> <li>■ <i>Financing Deal of the Year - Debt</i></li> </ul>           |