

July 30, 2015

Financial Technology Partners

FT Partners Research – Transaction Profile



acquires



for approximately \$2,225,000,000

Courtesy of:

FINANCIAL
TECHNOLOGY
PARTNERS

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***The Only Investment Bank
Focused Exclusively on Financial Technology***

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McGraw Hill Financial Acquires SNL Financial

Transaction Overview and Rationale

Transaction Overview

- On July 27, 2015, McGraw Hill Financial announced that it had signed a definitive agreement to acquire SNL Financial for \$2.23 billion
 - The transaction will be funded with approximately \$525 million in cash and \$1.7 billion in debt
 - The financial impact on McGraw Financial will partially be offset by an estimated \$550 million present value in tax benefits
 - The transaction is expected to close in Q3 2015

Transaction Rationale

- SNL's rich sets of data, analytics and research in areas such as real estate and media should complement S&P Capital IQ's platform in the areas of banking and insurance; SNL also adds new analytics and capabilities that expand the Platts platform across energy markets
- Excluding amortization, the transaction is expected to be accretive to adjusted diluted EPS in 2016, and, on a GAAP basis, in 2018; the Company has also identified approximately \$70 million in synergies that are expected to be fully realized by 2019 largely from operational efficiencies and McGraw Hill Financial's ability to accelerate SNL's international expansion
- SNL Financial will become part of the McGraw Hill's portfolio and will be able to leverage other McGraw Hill offerings, such as S&P Capital IQ and Platts to provide customers with a more expansive offering

Selected Commentary

"We are enthusiastic about SNL because it is a fast-growing, highly complementary subscription-based business that will enable us to accelerate our strategy to be the leading provider of transparent and independent benchmarks, analytics, data and research across the global capital, commodity and corporate markets."

"Adding SNL to our portfolio creates a high-growth market data and analytics business that will leverage the power of the S&P Capital IQ and Platts global platforms to realize the full potential of SNL's financial and commodities products."

- Douglas L. Peterson, President and CEO of McGraw Hill

"We believe McGraw Hill Financial, Doug Peterson and his leadership team are ideal partners as we relentlessly pursue our mission of providing the highest quality sector-specific data, news and analytics to our clients. We're thrilled to continue this journey with the McGraw Hill Financial team and join their portfolio of market-leading brands."

- Mike Chinn, President and CEO of SNL Financial

"We're fortunate to have the opportunity to partner with such a special company and its outstanding management team. We are confident that SNL is well-positioned to continue its strong growth as an integral part of McGraw Hill Financial and wish Mike Chinn, Doug Peterson, and their management teams great success."

- Peter Masucci, Chairman of the Board of SNL Financial & Managing Director of New Mountain Capital

According to Autonomous Research, SNL was acquired for 6-9x revenues and 30-40x EBITDA

McGraw Hill Financial Acquires SNL Financial

SNL Financial Overview

SNL Financial Overview



CEO: Mike Chinn

Headquarters: Charlottesville, VA

Founded: 1987








Employees: 3,100

- **SNL Financial provides a business intelligence product to manage financial data, breaking news and data analysis in the financial services, banking, insurance, real estate, energy, media and communication, metals and mining industries**
- **SNL Unlimited, the Company's main product, provides industry specific data and research from over 50,000 public and 6,500 private companies**
 - Data and research are consolidated and leveraged from reported financials, sector-specific layouts and mapping / regulatory data via the product's online platform
- **The Company's electronic database records real-time and historical news and alerts, company profiles, SEC filings and market data / research**
- **SNL Financial has 23 offices worldwide and its products / services are used by over 100,000 users**
- **SNL is owned by New Mountain Capital and current / former members of SNL management**

Key Events










- **2014:** Named for the sixth time to Inc. Magazine's "Inc. 5000" list as one of America's fastest growing private companies
- **2006:** Launched Media and Communications coverage
- **2003:** Released SNL Interactive
- **1997:** Launched Insurance coverage
- **1993:** Began coverage of non – bank financial sectors
- **2012:** Recognized in Inc. Magazine's "Inc. 5000" list for the fifth consecutive year
- **2005:** Launched SNLxI
- **2001:** Launched SNL IR Solutions
- **1994:** Released Real Estate coverage
- **1992:** Recognized as one of America's 500 fastest growing private companies by Inc. magazine

Previous Transactions

| Date | \$ mm | Type | Targets |
|----------|-------|------|---|
| 04/16/15 | na | M&A |  RateFilings.com |
| 01/13/14 | na | M&A |  iPartners |
| 05/15/13 | \$3 | M&A |  pingmd® |
| 07/11/12 | na | M&A |  swiftknowledge |
| 11/17/11 | na | M&A |  Datatrac Interest Rate Business |
| 09/28/11 | na | M&A |  HIGHLINE DATA LEADING THE WAY WITH INNOVATIVE ANALYTICAL SOLUTIONS |
| 07/26/11 | na | M&A |  NMC Acquires majority stake |
| 04/04/07 | na | M&A | Kagan Research |

McGraw Hill Financial Acquires SNL Financial

SNL Financial Overview (cont.)

| Leadership Overview | | |
|---|--|---|
|  | Mike Chinn President & CEO | <ul style="list-style-type: none"> Mike has spent his entire career at SNL, beginning as an analyst in 1994 Prior to being named CEO in 2010, he served as President of the Company for ten years |
|  | James Record Managing Director | <ul style="list-style-type: none"> Responsible for significant business expansion projects including SNL's recent insurance statutory data base launch |
|  | Will Pappas Managing Director | <ul style="list-style-type: none"> President, CEO and Co-Founder of Y-merge prior to its acquisition by SNL Began his career as an investment banking analyst at Sandler O'Neill |
|  | Nate Haskins Managing Director | <ul style="list-style-type: none"> Joined SNL in 1998 and is currently responsible for SNL's content collection operations |
|  | Nick Cafferillo COO | <ul style="list-style-type: none"> Joined SNL in 2008 and leads all industry and cross industry business units Previously was Chief Product Officer and EVP of Product Management at ISS |
|  | Galen Warren CTO | <ul style="list-style-type: none"> Leads all information technology initiatives Began at SNL in 1994 as a Senior News Editor before moving to IT |
|  | Adam Hall CFO | <ul style="list-style-type: none"> Joined SNL in 2008 as head of the Financial Institutions Group Prior, Adam worked at RiskMetrics, NASDAQ and Institutional Shareholder Services |
|  | Dan Oakley Chief Contracts Officer | <ul style="list-style-type: none"> Oversees all activities related to corporate governance, contracts and legal matters Joined SNL in 1993 as a research analyst |
|  | Tom Corbit Chief Human Resources Officer | <ul style="list-style-type: none"> Prior to joining SNL in 2009, Tom held positions in HR, real estate, operations and analysis at Capital One and Mondial USA |

Source: Company website.

McGraw Hill Financial Acquires SNL Financial

SNL Financial Overview (cont.)

| Solutions Overview | |
|---|--|
| ▶ Investment Banking Data | <ul style="list-style-type: none"> See regulatory filings, as-reported documents, M&A activity and asset-level details Provides unparalleled accuracy and speed in the financial information market Excel add-on allow for proprietary models and fully customizable analytical tools |
| ▶ Investment Management | <ul style="list-style-type: none"> Reliable in-depth business intelligence to make strategic decisions SNL creates unique sector-specific data templates providing a single course for regulatory, asset-level, ratio, and ownership |
| ▶ Private Equity | <ul style="list-style-type: none"> Use Excel Add-In to flow data into spreadsheets with automatic updating Offers exclusive sector forecasting and analytical tools to compare and benchmark peer performance against key industry metrics and ratios |
| ▶ Corporations | <ul style="list-style-type: none"> SNL data assists in decision making in the areas of M&A to marketing Provides the tools necessary to develop M&A scenarios that align with a customers specific vision |
| ▶ Financial Institutions Credit Risk | <ul style="list-style-type: none"> Use of SNL's pre-built Excel templates provides users the ability to conduct advanced credit risk analysis SNL's unique portfolio monitoring solution offers instant overviews of the key warning indicators of emerging risks in the financial sector |
| ▶ Consultants | <ul style="list-style-type: none"> Interactive platform allows for complex analytics and apples-to-apples comparison of sector-specific templates Powerful mapping features allow to better visualize data and compare and combine forecasts |
| ▶ Government Agencies | <ul style="list-style-type: none"> Provides access to data sets through both template format and in as-reported original documents All corporate and sector data is available online via a computer or via the SNL Mobile application, accessible on mobile devices |
| ▶ Universities | <ul style="list-style-type: none"> Delivers sector-specific performance metrics, M&A data, real-time news and analytics SNL aggregates data from fragmented sources and standardizes it |
| ▶ Law and Accounting Firms | <ul style="list-style-type: none"> Complete aggregation of legal documents, company filings, news and regulatory filings Offers Audit League Tables, where users can compare how their firm ranks versus the competitions |

McGraw Hill Financial Acquires SNL Financial

McGraw Hill Financial Overview

McGraw Hill Financial Overview



CEO: Douglas Peterson

Market Cap: \$26.8 bn ⁽¹⁾

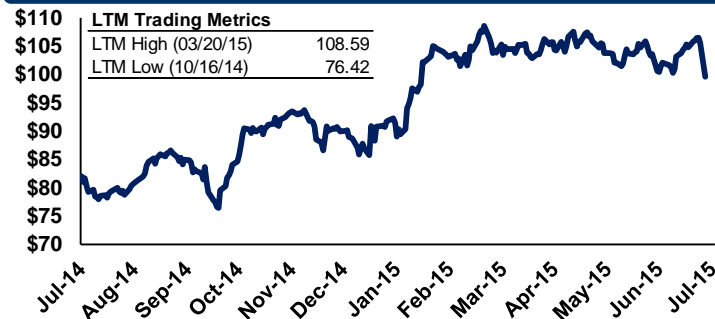
Headquarters: New York, NY

Founded: 1888

Employees: 17,000

- McGraw Hill Financial provides benchmarks & ratings, data analytics, and research services for the capital, commodity and corporate markets
- Businesses include Standard & Poor's Ratings Services, S&P Capital IQ, S&P Dow Jones Indices, Platts and J.D. Power
- In 2013, Company changed its name from McGraw Hill to McGraw Hill Financial

Stock Performance



Recent Acquisitions

| Date | Size (\$ mm) | Target |
|----------|--------------|--|
| 11/24/10 | \$10 | skyword [®] |
| 09/21/10 | na | THE MARKETS [®] .com |
| 12/31/06 | na | HEALE FINANCIAL |
| 04/01/05 | 400 | J.D. POWER AND ASSOCIATES [®] |
| 09/08/04 | 200 | S&P CAPITAL IQ |
| 12/31/01 | na | BizNet.TV |
| 05/25/01 | na | Standard & Poor's |
| 01/03/01 | na | Mayfield Publishing Company |
| 09/05/00 | 635 | TRIBUNE |
| 05/01/00 | na | e-Builder [®] |
| 05/17/99 | 46 | Appleton & Lange |

Overview of FT Partners

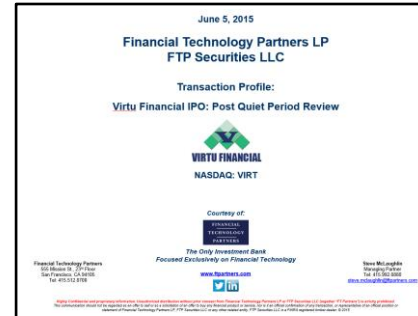
Selected FT Partners' Securities & Capital Markets Technology Research ([click to view](#))



Research Report: Innovations in Capital Markets Technology



Flow Traders Completes its IPO Raising ~\$581 mm



Virtu Financial IPO: Post Quiet Period Review



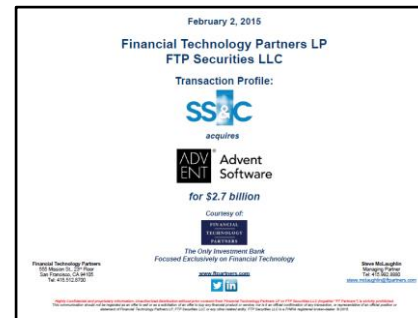
Northwestern Mutual Acquires LearnVest



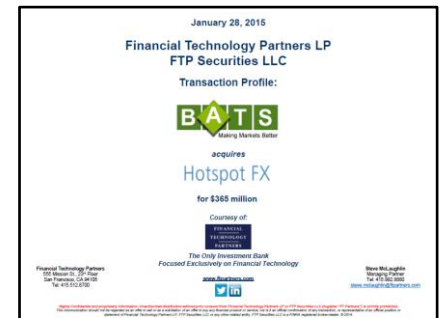
Dataminr Raises \$130 mm in Financing



Betterment Raises \$60 mm in Financing



SS&C Acquires Advent Software for \$2.7 bn



BATS Acquires HotSpot FX for \$365 mm

FT Partners regularly publishes research highlighting the most important transactions, trends and insights impacting the global Financial Technology landscape. Our unique insight into FinTech is a direct result of executing hundreds of transactions in the sector combined with over 13 years of exclusive focus on Financial Technology. Please visit our [subscription form](#) to subscribe to our exclusive monthly newsletter and receive our research reports.

Overview of FT Partners

Significant Experience in Capital Markets Technology

Wealth Management

Financial Technology Partners LP
FTP Securities LLC
is pleased to announce its exclusive role as
Capital Markets & IPO Advisor to

ENVESTNET

In its

\$69,000,000
Initial Public Offering

valuing the equity at approximately

\$ 300,000,000

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Financial Technology Partners LP
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is pleased to announce its exclusive role as
sole strategic and financial advisor to

EISI

In its sale to

ZYWAVE

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Financial Technology Partners LP
FTP Securities LLC
is pleased to announce its exclusive role as
sole strategic and financial advisor to

FORTIGENT[®]

In its strategic capital raise with

AMG

for approximately

\$ 11,000,000

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Data / Analytics

Financial Technology Partners LP
FTP Securities LLC
is pleased to announce its exclusive role as
sole strategic and financial advisor to

Zephyr
ASSOCIATES, INC.

In its sale to

informa

for total cash consideration of

\$ 62,000,000

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

THE MARKETS.com

In its sale to

Capital IQ
A Division of Standard & Poor's

for total consideration of approximately

\$ 300,000,000

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

MERGENT

In the sale of its Index Business to

NASDAQ OMX[®]

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High Frequency Trading

Financial Technology Partners LP
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is pleased to announce its exclusive role as
sole strategic and financial advisor to

ATD
Automated Trading Partners, LLC

In its sale to

citi

for cash and stock consideration of
approximately

\$ 700,000,000

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QUANTHOUSE
SOLUTIONS FOR TRADING

In its growth financing with

ViewPoint.
Capital Partners

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PARTNERS
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Focused Exclusively on Financial Technology

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

WOMBAT
FINANCIAL SOFTWARE

In its sale to

NYSE Euronext

for total consideration of approximately

\$ 225,000,000

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Overview of FT Partners

Significant Experience in Capital Markets Technology

Trading Technology

Financial Technology Partners LP
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 **ITG** INVESTMENT TECHNOLOGY GROUP

In its acquisition of

 **macgregor**

for cash consideration of approximately

\$ 230,000,000

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FTP Securities LLC

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TORA 

TECHNOLOGY. TRADING. LIQUIDITY.™

In its minority capital raise with

 **Goldman Sachs** 

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Focused Exclusively on Financial Technology

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FTP Securities LLC

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 **TradingScreen**
SIMPLIFYING GLOBAL MARKETS®

In its minority recapitalization for

\$ 110,000,000

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Other Capital Markets Technology

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

 **MajesticResearch**

In its sale to

 **ITG** INVESTMENT TECHNOLOGY GROUP

for total consideration of approximately

\$ 56,000,000

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Financial Technology Partners LP
FTP Securities LLC

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

chi-x

In its sale of a minority stake to

 **Bank of America Merrill Lynch**  **GETCO** 

 **Morgan Stanley**  **QUANTLAB FINANCIAL, LLC**

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Financial Technology Partners LP
FTP Securities LLC

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

INSTINET

In the sale of its stake in

CHIX EUROPE
to

 **BATS**
Trading Markets Better

for total consideration of approximately

\$ 305,000,000

 **FINANCIAL TECHNOLOGY PARTNERS**

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



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



Middle Market Financing Awards

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

Note: **Bold** represents awards that FT Partners has won, *italics* represents nominations.