

May 12, 2015

# Financial Technology Partners LP FTP Securities LLC

## Transaction Profile:

**Pitney Bowes Acquires Borderfree for \$395 million**



**acquires**



**B O R D E R F R E E**

*Courtesy of:*

**FINANCIAL  
TECHNOLOGY  
PARTNERS**

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

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# Pitney Bowes Acquires Borderfree for \$395 million

## Transaction and Company Overview

### Key Transaction Stats

Premium to BRDR's prior day stock price: 105.1%

Implied EV / 2015E Revenue : 2.3x

Implied EV / 2015E EBITDA : 45.4x

### Transaction Overview

- On May 7, 2015, Pitney Bowes (NYSE: PBI) announced that it has signed a definitive agreement to acquire all of the outstanding common stock shares of Borderfree (NASDAQ: BRDR) for \$14.00 per share, an aggregate purchase price of approximately \$395 million in cash
  - The transaction is subject to Borderfree shareholders tendering a majority of the company's shares
  - The acquisition is expected to close in Q2 2015
- With the acquisition of Borderfree, Pitney Bowes gains access to Borderfree's international e-commerce solutions, which facilitate business and e-commerce expansion across international borders
- According to Piper Jaffray, the acquisition has the potential to generate \$20 mm in pretax annualized synergies by 2016 and yield EPS accretion of 5-10%

### Commentary

*"The acquisition of Borderfree not only makes sense for our clients, it accelerates our strategic vision to grow our company through expansion of our digital commerce businesses"*



– Marc B. Lautenbach, President and Chief Executive Officer, Pitney Bowes

*"We're excited to join forces with Pitney Bowes, Pitney Bowes' technology, commerce and logistics expertise will help accelerate our growth and the ability for our combined businesses to realize our full potential as a leader in the dynamic global ecommerce market."*



– Michael DeSimone, Chief Executive Officer of Borderfree

### Borderfree Overview



BORDERFREE

Headquarters: New York, NY

Founded: 1999

Employees: 231

- Borderfree provides solutions for companies to expand their e-commerce solutions internationally
  - Solutions cover the areas of multi-currency pricing, payment processing, customs clearance and international fraud management
- The Company allows for retailers in the United States to sell to customers across 100 countries worldwide
- Retail customers include department stores and lifestyle brands that sell goods online including apparel, jewelry and sporting goods, among others

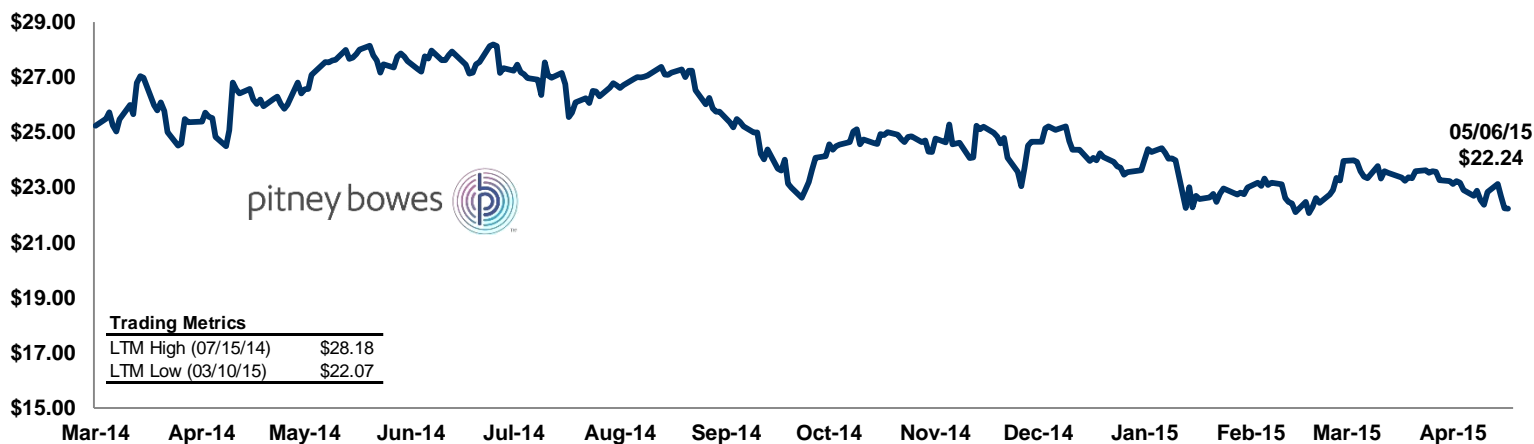
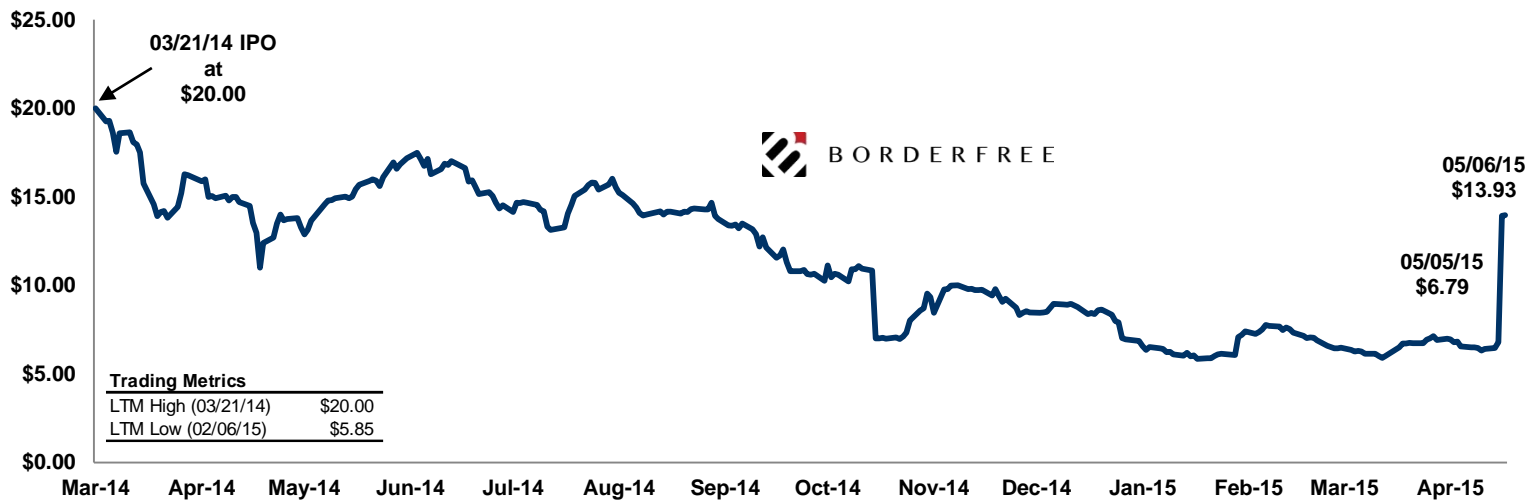
### Company History

- 1999 – Company founded under the name of E4X
- 1999-2010 – Over the next 11 years the Company expanded product offerings to include logistics, payment services, a geographic trend database and renamed the Company as FiftyOne
- 2012 – FiftyOne acquires Borderfree, an international provider of e-commerce, and changes its name to Borderfree
- 2014 – Borderfree IPOs at \$21/share and raises \$80 million

Source: Capital IQ, Pitney Bowes Press Release, Piper Jaffray.

# Pitney Bowes Acquires Borderfree for \$395 million

## Stock Price Performance



Source: Capital IQ.

# Pitney Bowes Acquires Borderfree for \$395 million

## Borderfree Platform Overview

***Borderfree is a provider of cross-border e-commerce solutions, which should enhance Pitney Bowes' digital solutions***

### Platform Description

#### Customizable Pricing and Promotion Strategies

- Aggregates and analyzes data generated from transactions processed on the Borderfree platform to create, test and deploy country-specific pricing and promotion strategies to maximize sales and checkout conversion

#### Access to New Sales and Marketing Channels

- Borderfree has entered into multiple strategic partnerships with global marketing partners to enable merchants to expand their marketing reach to millions of qualified customers in approximately 100 countries and territories worldwide

#### Local Language and Payment Options

- Enables merchants to provide websites to consumers in their local language and provides them with local payment options and landed cost calculations, which are inclusive of all tariffs, VAT, shipping costs and clearance fees

#### Capable of Handling Large Volumes of Transactions

- Borderfree processed approximately \$137 mm, \$302 mm and \$448 mm of gross merchandise volume during 2011, 2012 and 2013, representing period-over-period growth of 78%, 120% and 48%, respectively

# Pitney Bowes Acquires Borderfree for \$395 million

## Borderfree Platform Overview (cont.)

### Commerce



- Local currency conversion, local shipping options, and payment options allow for customers to purchase in their own language
- Same online purchasing experience regardless of country
- Integrated risk management and fraud monitoring with international transactions
- Product equips customer support reps with tools and data to provide international customer support
- All transactions are secured by implementing PCI Compliance best practices, the global standard in privacy protection

### Marketing



- Borderfree's customers can take advantage of an experienced global-minded marketing team to help create promotions directed towards international customers
- Borderfree integrates into comparison shopping tools in the target country to increase customer awareness
- Country specific coupons and promotions work to generate interest, engage, and retain potential customers
- Localized messaging further connects potential customers to the seller's brand

### Logistics



- Borderfree leverages its connections with carriers and distribution / logistics companies to enable multiple delivery options
- Full transaction costs are displayed for customers including duties, taxes and shipping costs
- Borderfree knows all the rules and regulations required to ship goods cross borders and handles all paperwork to ensure a smooth transfer of purchased goods to customers
- A knowledge database of allowed and disallowed goods in each country ensures that outlawed goods will not be available to be purchased in countries with a ban in place

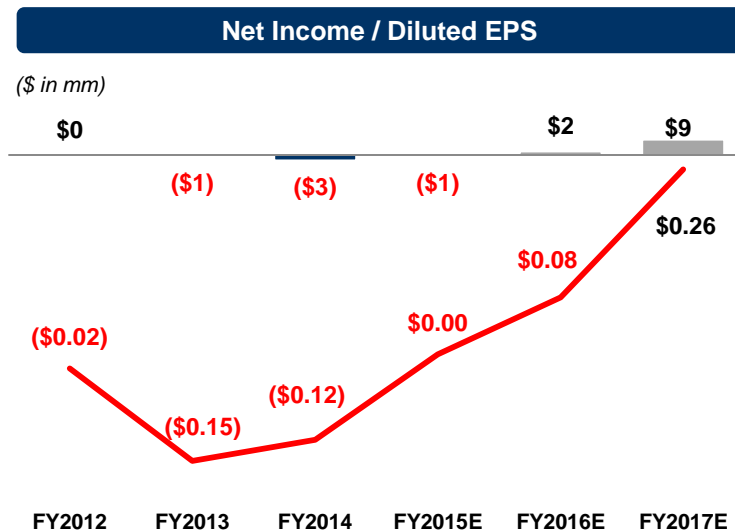
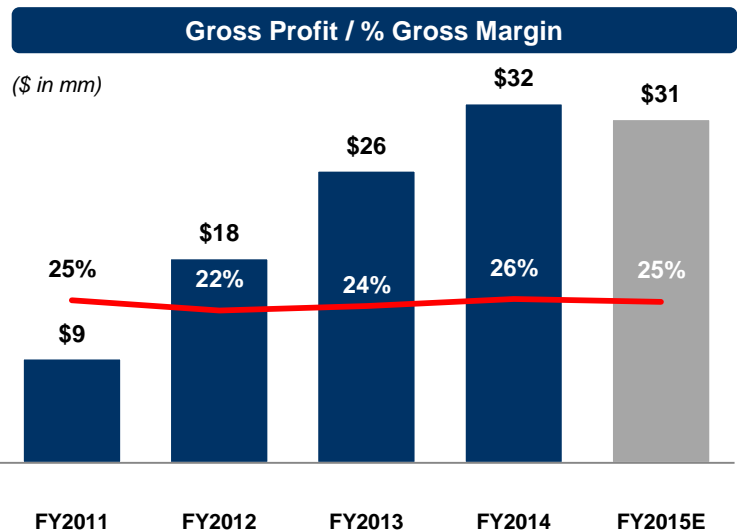
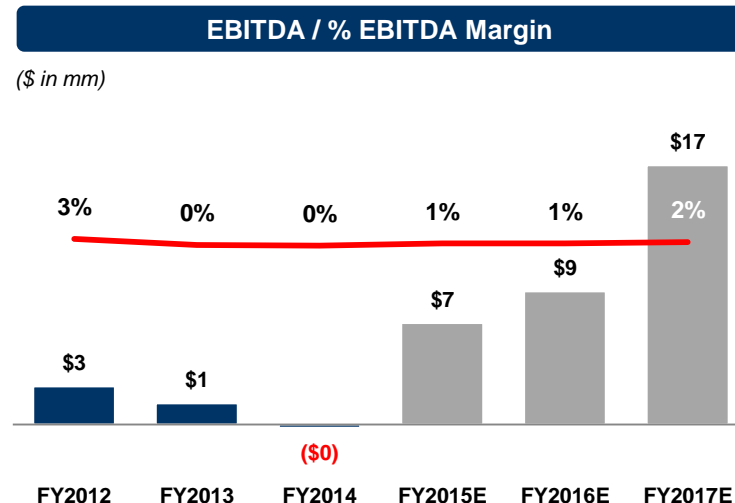
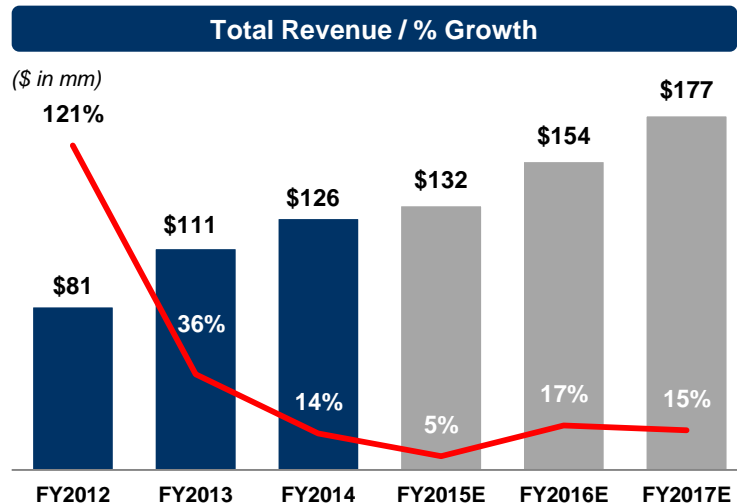
### Insights



- Reporting and data analysis provides insights into emerging markets informing Borderfree's customers on where to direct marketing efforts
- Different countries follow different cultural norms and holiday seasons; Borderfree tracks and reports this information
- Borderfree provides geographic insights, smart product placement and purchasing suggestions to match seasonality influences depending on time of year and location
- Platform suggests country-specific merchandising plans to stimulate growth based on historical trends and popular product types in each region

# Pitney Bowes Acquires Borderfree for \$395 million

## Borderfree – Overview of Financials



Source: Capital IQ.

# Pitney Bowes Acquires Borderfree for \$395 million

## Pitney Bowes – Company Profile

### Pitney Bowes Overview



**CEO & President:** Marc Lautenbach

**Headquarters:** Stamford, CT

**Founded:** 1920

**Employees:** 16,000

**Share Price (NYSE:PBI):** \$22.62

**Market Cap:** \$4,562 mm

- Pitney Bowes provides technology solutions and products in the areas of e-commerce, customer engagement, location intelligence and postal / shipping
- The Company has over 1.5 million customers and operates in over 100 countries
- Pitney Bowes provides efficiency and accuracy in the world of international commerce to clients ranging from SMBs to large enterprises, including 90% of the Fortune 500
- The Company's solutions cover a number of industries including postal, education, financial services, government, healthcare, insurance, nonprofit, the public sector, retail and telecom
- In addition to software solutions, Pitney Bowes also has an online printing, ink and supplies business

### Solutions Overview

#### Customer Information Management

- Allows clients to understand customer data to determine a proper business strategy
- Solutions include customer analytics, data management & integration, data quality and professional services

#### Location Intelligence

- Solution helps customers determine optimal locations for retail stores, increase risk assessment capabilities and better manage the cost of a client's assets over its lifetime

#### Customer Engagement

- Pitney Bowes fully addresses the customer lifecycle to allow its customers to increase their brand's loyalty and further develop customer insights to secure new customers for life

#### Shipping and Mailing

- Pitney Bowes works to simplify a company's mailing and shipping processes
- Company's patented software and systems help increase productivity and improve parcel and postage efficiency and cost

#### Global E-Commerce

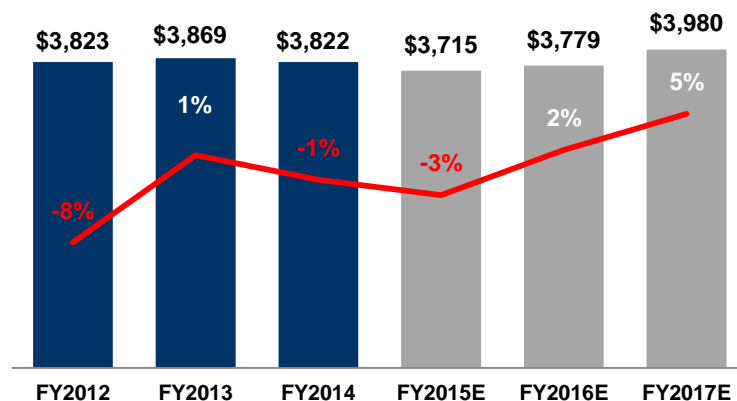
- Solution improves the shopping experience for international customers by automating the currency and taxes conversion / calculation process and by providing price protected shipping costs

# Pitney Bowes Acquires Borderfree for \$395 million

## Pitney Bowes – Overview of Financials

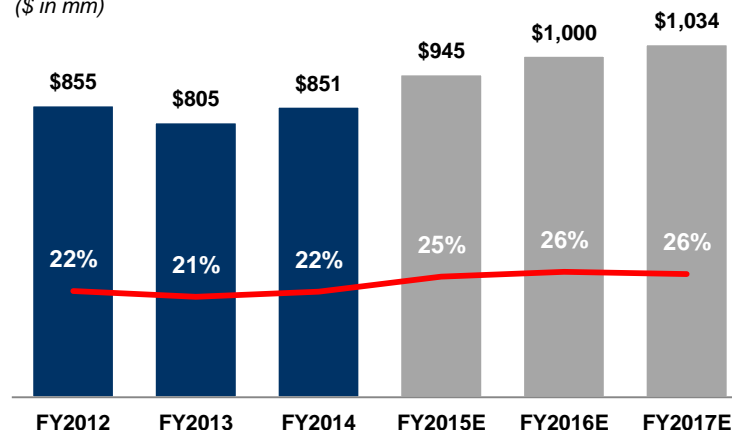
### Total Revenue / % Growth

(\$ in mm)



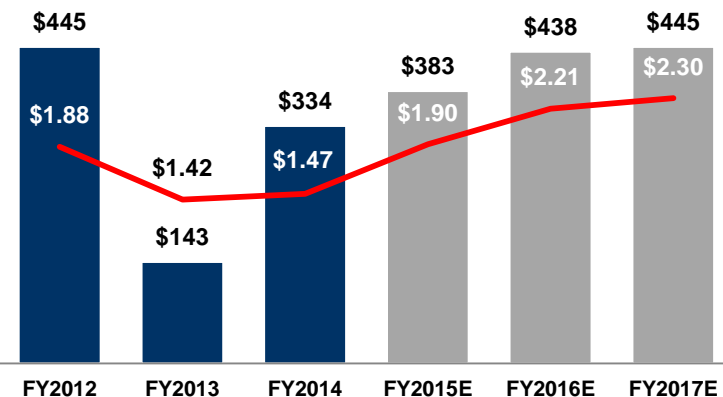
### EBITDA / % EBITDA Margin

(\$ in mm)



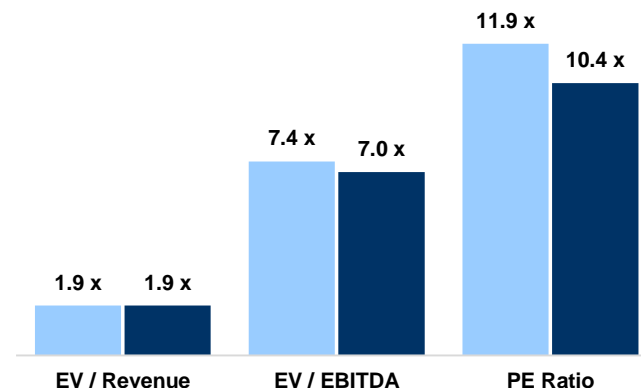
### Net Income / EPS

(\$ in mm)



### Key Valuation Metrics

2015E 2016E





# 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>           |

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

# Overview of FT Partners

## FT Partners is the Leader in Financial Technology Investment Banking

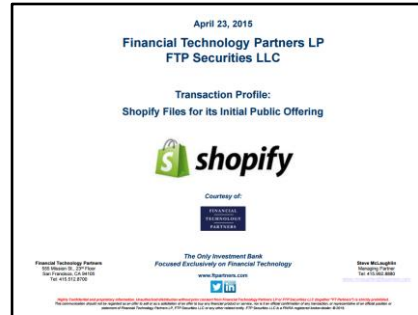
<p>Financial Technology Partners LP FTP Securities LLC is pleased to announce its exclusive role as strategic and financial advisor to</p> <p><b>MERCURY®</b> in its cash sale to</p> <p><b>vantiv</b> for total consideration of approximately <b>\$1,650,000,000</b></p> <p>FINANCIAL TECHNOLOGY PARTNERS The Only Investment Bank Focused Exclusively on Financial Technology</p>	<p>Financial Technology Partners LP FTP Securities LLC is pleased to announce its exclusive role as sole strategic and financial advisor to</p> <p><b>MERCURY®</b> in its approximately 60% majority sale to</p> <p><b>SILVERLAKE</b> for aggregate consideration of approx. <b>\$ 900,000,000</b></p> <p>FINANCIAL TECHNOLOGY PARTNERS The Only Investment Bank Focused Exclusively on Financial Technology</p>	<p>Financial Technology Partners LP FTP Securities LLC is pleased to announce its exclusive role as sole strategic and financial advisor to</p> <p><b>judo</b> in its growth financing with</p> <p><b>ROUTE SIXTY-SIX VENTURES</b> for total consideration of approximately <b>£6,000,000</b></p> <p>FINANCIAL TECHNOLOGY PARTNERS The Only Investment Bank Focused Exclusively on Financial Technology</p>	<p>Financial Technology Partners LP FTP Securities LLC is pleased to announce its exclusive role as sole strategic and financial advisor to</p> <p><b>KUBRA</b> in its 80% majority sale to</p> <p><b>HEARST corporation</b></p> <p>FINANCIAL TECHNOLOGY PARTNERS The Only Investment Bank Focused Exclusively on Financial Technology</p>	<p>Financial Technology Partners LP FTP Securities LLC is pleased to announce its exclusive role as sole strategic and financial advisor to</p> <p><b>YAPSTONE</b> POWERING PAYMENTS in its debt financing by</p> <p><b>Bregal Sagmount Comerica Bank</b> totaling approximately <b>\$ 60,000,000</b></p> <p>FINANCIAL TECHNOLOGY PARTNERS The Only Investment Bank Focused Exclusively on Financial Technology</p>	<p>Financial Technology Partners LP FTP Securities LLC is pleased to announce its exclusive role as sole strategic and financial advisor to</p> <p><b>OZFOREX</b> FOREIGN EXCHANGE SERVICES in its <b>Initial Public Offering</b> valuing the equity at approximately <b>A\$480,000,000</b></p> <p>FINANCIAL TECHNOLOGY PARTNERS The Only Investment Bank Focused Exclusively on Financial Technology</p>
<p>Financial Technology Partners LP FTP Securities LLC is pleased to announce its exclusive role as advisor to</p> <p><b>CIBC</b> in its strategic investment in</p> <p><b>Medici</b> with additional participation from <b>Bain Capital Ventures</b></p> <p><b>\$70,000,000</b></p> <p>FINANCIAL TECHNOLOGY PARTNERS The Only Investment Bank Focused Exclusively on Financial Technology</p>	<p>Financial Technology Partners LP FTP Securities LLC is pleased to announce its exclusive role as sole strategic and financial advisor to</p> <p><b>VERUS</b> in its sale to <b>sage</b> for cash consideration of approximately <b>\$ 325,000,000</b></p> <p>FINANCIAL TECHNOLOGY PARTNERS The Only Investment Bank Focused Exclusively on Financial Technology</p>	<p>Financial Technology Partners LP FTP Securities LLC is pleased to announce its exclusive role as sole strategic and financial advisor to</p> <p><b>CentralPayment®</b> in its Strategic Investment by <b>TSYS®</b> for total consideration of approximately <b>\$ 100,000,000+</b></p> <p>FINANCIAL TECHNOLOGY PARTNERS The Only Investment Bank Focused Exclusively on Financial Technology</p>	<p>Financial Technology Partners LP FTP Securities LLC is pleased to announce its exclusive role as sole strategic and financial advisor to</p> <p><b>FLEET ONE</b> in its cash sale to <b>wex</b> for total consideration of approximately <b>\$ 369,000,000</b></p> <p>FINANCIAL TECHNOLOGY PARTNERS The Only Investment Bank Focused Exclusively on Financial Technology</p>	<p>Financial Technology Partners LP FTP Securities LLC is pleased to announce its exclusive role as sole strategic and financial advisor to</p> <p><b>NMI</b> NETWORK MERCHANTS INC. in its growth investment by <b>Bregal Sagmount</b> for a total valuation of nearly <b>\$ 200,000,000</b></p> <p>FINANCIAL TECHNOLOGY PARTNERS The Only Investment Bank Focused Exclusively on Financial Technology</p>	<p>Financial Technology Partners LP FTP Securities LLC is pleased to announce its exclusive role as sole strategic and financial advisor to</p> <p><b>century PAYMENTS</b> in its sale to <b>WorldPay</b> a portfolio company of <b>Advent International BainCapital</b></p> <p>FINANCIAL TECHNOLOGY PARTNERS The Only Investment Bank Focused Exclusively on Financial Technology</p>
<p>Financial Technology Partners LP FTP Securities LLC is pleased to announce its exclusive role as strategic and financial advisor to</p> <p><b>TRANSFIRST</b> in its cash sale to <b>Vista Equity Partners</b> from <b>WCAS</b> <b>\$1,500,000,000</b></p> <p>FINANCIAL TECHNOLOGY PARTNERS The Only Investment Bank Focused Exclusively on Financial Technology</p>	<p>Financial Technology Partners LP FTP Securities LLC is pleased to announce its exclusive role as sole strategic and financial advisor to</p> <p><b>jack henry &amp; ASSOCIATES INC.</b> in its acquisition of <b>iPay Technologies</b> for total consideration of approximately <b>\$ 300,000,000</b></p> <p>FINANCIAL TECHNOLOGY PARTNERS The Only Investment Bank Focused Exclusively on Financial Technology</p>	<p>Financial Technology Partners LP FTP Securities LLC is pleased to announce its exclusive role as sole strategic and financial advisor to</p> <p><b>cardsPRING</b> in its sale to <b>twitter</b></p> <p>FINANCIAL TECHNOLOGY PARTNERS The Only Investment Bank Focused Exclusively on Financial Technology</p>	<p>Financial Technology Partners LP FTP Securities LLC is pleased to announce its exclusive role as sole strategic and financial advisor to</p> <p><b>VeriFone</b> THE WAY TO PAY™ in its <b>\$177,000,000</b> <b>Initial Public Offering</b> valuing the equity at approximately <b>\$ 650,000,000</b></p> <p>FINANCIAL TECHNOLOGY PARTNERS The Only Investment Bank Focused Exclusively on Financial Technology</p>	<p>Financial Technology Partners LP FTP Securities LLC is pleased to announce its exclusive role as sole strategic and financial advisor to</p> <p><b>PROPAY</b> in its sale to <b>TSYS®</b> <b>\$ 100,000,000+</b></p> <p>FINANCIAL TECHNOLOGY PARTNERS The Only Investment Bank Focused Exclusively on Financial Technology</p>	<p>Financial Technology Partners LP FTP Securities LLC is pleased to announce its exclusive role as sole strategic and financial advisor to</p> <p><b>lynk</b> in its sale to <b>The Royal Bank of Scotland</b> for cash consideration of approximately <b>\$ 525,000,000</b></p> <p>FINANCIAL TECHNOLOGY PARTNERS The Only Investment Bank Focused Exclusively on Financial Technology</p>

# Overview of FT Partners

## Selected FT Partners' Payments and E-Commerce Research ([click to view](#))



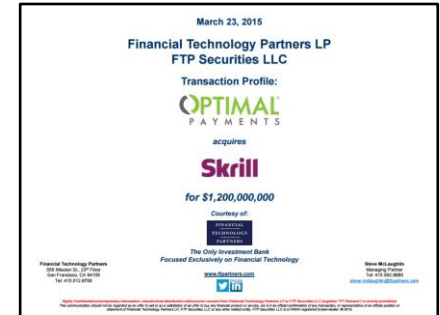
Circle Raises \$50 mm in Financing Led by Goldman Sachs and IDG



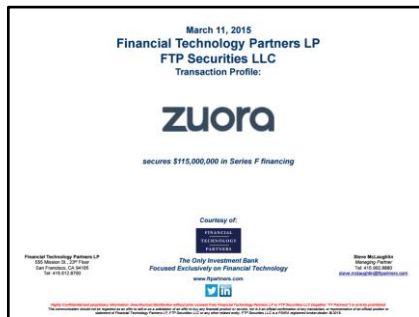
Shopify Files for its IPO



Snapdeal Acquires Freecharge



Optimal Payments Acquires Skril for \$1.2 bn



Zuora Secures \$115 mm in Series F Financing



PayPal Acquires Paydiant



Google Acquires Components of Softcard



World Remit Raises \$100 mm in Series B Led by TCV

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