### **August 10, 2015**

# Financial Technology Partners LP FTP Securities LLC

### **Transaction Profile:**

**TransUnion IPO: Post Quiet Period Review** 



**NYSE: TRU** 

Courtesy of:



The Only Investment Bank Focused Exclusively on Financial Technology

www.ftpartners.com



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### **IPO Overview**

### **Key IPO Statistics**

CEO: James M. Peck

Headquarters: Chicago, IL

Founded: 1968

**Employees:** 4,200 <sup>(1)</sup>

Market Capitalization: \$5.0 bn (2)

| S-1 Filing Date:      | March 30, 2015                        |
|-----------------------|---------------------------------------|
| Listing Date:         | June 25, 2015                         |
| Ticker:               | NYSE: TRU                             |
| Initial Filing Range: | \$21.00 - \$23.00                     |
| Offer Price:          | \$22.50                               |
| First Day Open:       | \$25.03 ( 🛕 11%) <sup>(3)</sup>       |
| First Day Close:      | \$25.40 ( 13%) (3)                    |
| Current Price:        | \$26.24 ( <u></u> 17%) <sup>(3)</sup> |
| Shares Outstanding:   | 185.3 million                         |
| Net Proceeds:         | ~\$626 million                        |

## UNITED STATES SECURITIES AND EXCHANGE COMISSION

Form S-1

TransUnion Holdings, Inc.



**NYSE:TRU** 

James M. Peck

Chief Executive Officer, President & Director

555 West Adams Street

Chicago, IL 60661

Goldman, Sachs & Co.

Merrill Lynch

ll Deutsche h Bank

RBC Capital Markets

Wells Fargo

Credit Suisse

Evercore

Stifel





<sup>)</sup> As of December 31, 2014.



<sup>(2)</sup> As of August 7, 2015 closing price.

<sup>(3)</sup> Percentage changed based on offer price.



### **IPO Overview**

#### **IPO Overview**

- On June 25, 2015, TransUnion began trading on the NYSE under the symbol TRU
  - The Company initially filed its IPO in July 2011, but was bought out by Advent International and Goldman Sachs' private equity arm
  - The Company refiled on March 30, 2015
- The Company offered 29,545,455 shares of common stock for \$22.50 a share
  - The Company granted underwriters a 30-day option to purchase up to an additional 4,431,818 shares at the initial public offering price
- The Company raised \$626.5 mm in the offering
- TransUnion intends to use the net proceeds from the offering together with borrowings under a new senior term loan and secured revolving credit line to redeem senior notes and pay associated transaction costs
- Selected risks stated in the filing include:
  - Revenue concentrated in the US consumer credit and financial services industries
  - Data breaches could result in a material loss of business, substantial legal liability or significant harm to their reputation
  - Business is subject to various governmental regulations

### **Initial IPO Filing**

- TransUnion had originally planned an IPO for July 2011, but Advent International and Goldman Sachs' private equity arm bought the company for approximately \$3 bn from Madison Dearborn Partners
- The two buyers paid more than \$900 million of cash and about \$2.2 billion of new and existing debt
- After the offering, Advent and Goldman continue to hold the majority voting power in the company

| Selected Transactions <sup>(1)</sup> |                |                 |                 |             |  |  |  |  |
|--------------------------------------|----------------|-----------------|-----------------|-------------|--|--|--|--|
| Date                                 | Amt<br>(in mm) | Туре            | Target          | Investors   |  |  |  |  |
| 03/30/15                             | na             | IPO<br>Refiling | TransUnion.     | na          |  |  |  |  |
| 12/02/14                             | na             | M&A             | DRIVERS HISTORY | TransUnion. |  |  |  |  |
| 11/03/14                             | na             | M&A             | L2C inc         | TransUnion. |  |  |  |  |
| 10/16/14                             | 16             | Financing       | TransUnion.     | na          |  |  |  |  |
| 05/08/14                             | na             | M&A             | CIBIL           | TransUnion. |  |  |  |  |



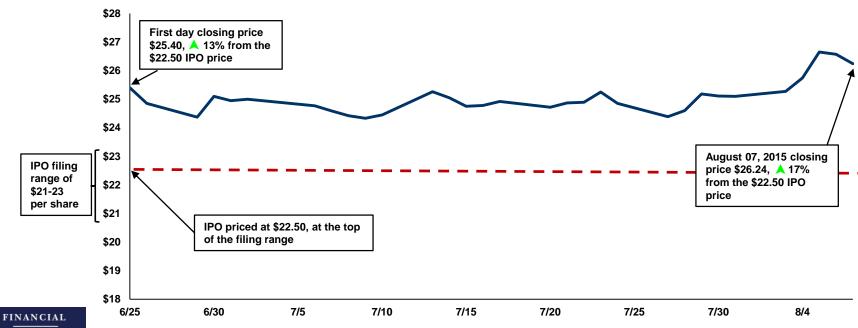




### **Analyst Coverage**

| Selected Analyst Projections |              |                     |                  |         |         |        |        |        |  |
|------------------------------|--------------|---------------------|------------------|---------|---------|--------|--------|--------|--|
|                              |              |                     | Revenue Adjusted |         |         |        |        |        |  |
| Broker                       | Rating       | <b>Price Target</b> | 2015             | 2016    | 2017    | 2015   | 2016   | 2017   |  |
| Barclays                     | Equal Weight | \$26.00             | \$1,499          | \$1,640 | \$1,768 | \$0.93 | \$1.16 | 1.31   |  |
| J.P. Morgan                  | Overweight   | 28.00               | 1,456            | 1,561   | 1,666   | 0.91   | 1.13   | 1.27   |  |
| <b>RBC Capital Markets</b>   | Outperform   | 28.00               | 1,455            | 1,560   | 1,669   | 1.02   | 1.21   | 1.32   |  |
|                              |              |                     |                  |         |         |        |        |        |  |
| Mean                         |              | \$27.33             | \$1,470          | \$1,587 | \$1,701 | \$0.95 | \$1.17 | \$1.30 |  |
| YoY Growth                   |              | na                  | 13%              | 8%      | 7%      | 16%    | 22%    | 11%    |  |

#### **Stock Performance**









### **Selected Analyst Commentary**

"We believe that TransUnion's transformation in recent years from a slowergrowth credit bureau into a more dynamic and faster-growth information services provider when combined with its strong financials and healthy prospects warrants a premium valuation. While we see little valuation upside from current levels, we believe that healthy appreciation in the next few years is likely to be driven by strong earnings growth and potential for positive estimate revisions."



J.P.Morgan

"We believe the company has been re-energized under new management, positioning the company for strong organic revenue growth and margin expansion. We believe the entries of CEO James Peck and USIS division president, Chris Cartwright, in particular, have provided valuable broader Information Services experience outside of the consumer credit space."

"While we believe new investors from the IPO are positioned to benefit from early credit cycle tailwinds, longer term we think TRU has to address several issues. For example, TRU's business mix is the least diversified away from the core credit file and its 4.5x leverage level limits its capacity to do larger M&A and/or buybacks."









### **Company Overview**

- TransUnion is a leading global risk and information solutions provider that enables businesses to optimize their risk-based decisioning and to drive better financial outcomes
- The Company enables consumers to view their credit profiles and access analytical tools that help them understand and manage personal data and take preventative steps against identity theft
  - TransUnion is one of three major credit reporting agencies in the United States, along with Experian and Equifax
- The Company obtains financial credit, identity, insurance claims, bankruptcy and other relevant information from an average of 90,000 data sources
- TransUnion filed for an IPO in 2011, but withdrew the offering in 2012 after it was sold by private equity firm Madison Dearborn Partners and the Pritzker family to Advent International and Goldman Sachs for approximately \$3.3 billion; Advent and Goldman each own 48.9% of TransUnion with management and others holding the remaining 2.2%









### **Segment Overview**

TransUnion has three operating segments: US Information Services (USIS), International and Consumer Interactive

## Provides consumer reports, risk scores, analytical services, online data, marketing and decision services Services are used to acquire new customers, assess consumer ability to **US Information Services** pay for services, identify cross-selling opportunities, manage debt portfolio risk, collect debt, verify consumer identities and investigate potential fraud ■ Comprises 63% of the Company's revenue Offers solutions that help consumers manage personal finances and take preventative measures against identity theft **Consumer Interactive** Services include credit reports, credit monitoring, fraud protection and resolution and financial management Comprises 17% of the Company's revenue Provides similar services to USIS and Consumer Interactive to select geographies outside the US depending on the economic maturity of the country International Also offers insurance, business and automotive databases in select geographies ■ Comprises 20% of the Company's revenue







### **Overview of Select Solutions**

- TransUnion focuses on developing new and enhanced solutions that address the evolving needs of its consumers
- The Company's solutions are often scalable across different customers, geographies and verticals

| - The company o continue        |  |
|---------------------------------|--|
| AdSurety                        | <ul> <li>Digital marketing solutions that enable TransUnion's customers to identify an<br/>audience across a network of 135 million US consumers, display customized<br/>messages and quantify the effect</li> </ul>   |
| CreditVision                    | <ul> <li>Solution that provides greater detail and evaluates consumer behavior patterns over time resulting in a more predictive view of the consumer</li> <li>Enables consumer to be more effectively scored and helps consumers gain improved pricing</li> </ul>           |
| Insurance Coverage<br>Discovery | <ul> <li>Enables the discovery of previously unidentified health coverage to help customers recover uncompensated care costs</li> <li>Proprietary technology identifies patient accounts covered by Medicaid, Supplement Security Income, Medicare and TRICARE</li> </ul>    |
| TLOxp                           | <ul> <li>Leverages data matching capabilities across thousands of data sources to identify and investigate relationships among specific people, assets, locations and businesses</li> <li>Enables the Company to offer enhanced due diligence, threat assessment,</li> </ul> |

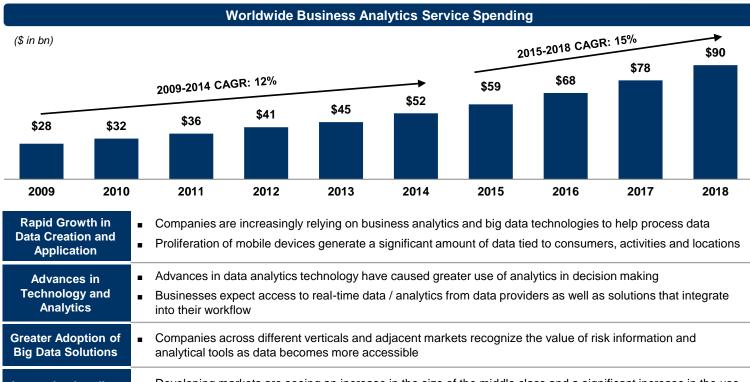
identity authentication and fraud prevention



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### Market Overview – Key Opportunities





- Developing markets are seeing an increase in the size of the middle class and a significant increase in the use of financial services by under-served and under-banked consumers
- Proliferation of mobile phones in emerging markets have enabled greater levels of financial inclusion and access to banking and credit

Increased
Management of
Financial
Information and
Identity Protection

- Demand for consumer solutions is rising with higher consumer awareness of the importance and usage of their credit information, increased risk of identity theft due to data breaches and more readily available credit information
- Proliferation of mobile devices has made data much more accessible and enabled consumers to manage their finances and monitor their information in real-time

FINANCIAL
TECHNOLOGY
PARTNERS

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Source: Company website, SEC filings.



### **Competitive Strengths**

- TransUnion has over 30 petabytes of data, growing at an average rate of over 25% each year since 2010, representing over 1 billion customers globally
- The Company keeps its data current by processing approximately 3.6 billion updates per month

## Next-Generation Technology

- TransUnion's next-gen technology improves overall services to businesses
- The Company's big data capabilities, enhanced linking and matching, and platform flexibility contribute to its next-gen technology capabilities

## Sophisticated Analytics and Decisioning Capabilities

- TransUnion's sophisticated analytics and decisioning functionality caters to customers' evolving needs
- The Company's analysts are able to create data samples for model development, model validations and custom analyses promptly using self-serve data access

## Deep and Specialized Industry Expertise

- TransUnion's team includes industry experts with significant experience in the verticals that the Company targets and relationships with leading companies in those verticals
- The management team possesses regulatory compliance expertise across the industries that are served

#### Leading Presence in Attractive International Market

- TransUnion has targeted attractive markets in both developed and emerging economies and has a diversified global presence in over 30 countries
- Established new credit bureaus in Canada in 1989, India in 2001 and the Philippines in 2011

## Proven and Experienced Management Team

Senior management team has average industry experience of over 20 years



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### **Growth Strategy**

**Enhance Tech to Develop Innovative Solutions** 

 As the demand for big data and analytics solutions grows across industries and geographies, the Company plans to expand the scope of its underlying data, improve its tools and enhance its analytics and decision-making capabilities

Further Penetrate Existing Industry Verticals

- The Company believes there is a significant opportunity to expand the number of customers to whom it sells it current offerings
- The Company has redeployed and reallocated its sales resources to focus on new customer opportunities or on selling additional services to existing customers

Establish Positions in New Verticals

- The Company intends to create solutions that address the customers needs in new industries
- The Company is targeting other verticals such as government, rental screening and investigative services

**Expand Presence in International Markets** 

- As international markets continue to develop, populations become more credit active providing opportunities for the Company tap into
- The Company intends to expand into new geographic markets by forming alliances with financial services institutions

Broaden Reach in Consumer Market through Indirect & Direct Channels

- The Company intends to expands its channel usage by enabling partners with data and analytics to support their services
- For direct consumers, the Company will create more user-friendly interfaces and provide better customer service

Pursue Strategic Acquisitions

 The Company will pursue acquisitions to accelerate growth within its existing businesses and diversify into new businesses



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#### **Risk Factors**



Any of the following risks could materially and adversely affect TransUnion's business, financial condition or results of operations

## Concentrated Revenue

Revenues are concentration in the US consumer credit and financial services industries

## Heightened Competition

Facing significant competition in current markets and may encounter greater competition in new markets TransUnion intends to enter

### Dependency on Long-Term Customers

Relationships with key long-term customers may be materially diminished or terminated

## Data Security and Integrity

TransUnion stores large volumes of sensitive data; breach of security or unauthorized disclosure of confidential information could result in a material loss of business and substantial legal liability

#### **Access to Data**

Services and products depend extensively upon continued access to and receipt of data from external sources

## Current Regulations & New Laws

TransUnion's business is subject to various regulations, including the Fair Credit Reporting Act, the Gramm-Leach-Bliley Act, the Dodd Frank Act, the Federal Trade Commission Act and others

## Multi-Year Technology Infrastructure Transformation

Significant technology investments have been made since 2012 to modernize infrastructure with the expectation for future income based on this strategic initiative







### **Management Overview**

| Executive Officers                   |                                   |   |  |  |  |  |  |  |
|--------------------------------------|-----------------------------------|---|--|--|--|--|--|--|
| Name                                 | Title                             | Background  |  |  |  |  |  |  |
| James Peck                           | CEO, Chairman and<br>Founder      | <ul> <li>CEO and President since December 2012</li> <li>Previously was CEO for Lexis Nexis Risk Solutions business of Reed Elsivier from 2004 to 2012</li> </ul>  |  |  |  |  |  |  |
| Samuel Hamood                        | EVP & CFO                         | <ul> <li>EVP and CFO since February 2008</li> <li>Previously served as CFO of Electronic Data Systems' US Region</li> </ul>   |  |  |  |  |  |  |
| John W. Blenke                       | EVP, Corporate<br>General Counsel | <ul> <li>Join the Company in May 2003</li> <li>Previously held various high-level positions with Household International, including most recently the VP of Corporate Law</li> </ul>  |  |  |  |  |  |  |
| Christopher Cartwright               | EVP, US Information<br>Services   | <ul> <li>EVP of the US Information Services segment since August 2013</li> <li>Previously served as CEO of Decision Insight Information Group</li> </ul>  |  |  |  |  |  |  |
| John Danaher                         | EVP, Consumer<br>Interactive      | <ul> <li>Joined the Company in November 2002</li> <li>Has more than 25 years of financial services industry expertise and direct marketing experience</li> </ul>  |  |  |  |  |  |  |
| Gerald McCarthy                      | EVP, Healthcare                   | <ul> <li>Joined the Company as EVP – Healthcare in July 2014</li> <li>Previously Chief Strategy Officer of HealthMEDX</li> </ul>  |  |  |  |  |  |  |
| David Neenan EVP, International 2.2% |                                   | <ul> <li>EVP of the International segment since September 2012</li> <li>Previously held a number of positions at HSBC where he most recently served as Global Chief Operations Officer for HSBC's insurance division</li> </ul> |  |  |  |  |  |  |
|                                      | TransUnion Own                    | ership  |  |  |  |  |  |  |
| 48.9% 48.9%                          | Advent International              | In February 2012, Advent International and Goldman Sachs' Merchant Banking  |  |  |  |  |  |  |
| 40.9%                                | ■ Goldman Sach                    | Division acquired TransUnion for approximately \$3.3 billion  |  |  |  |  |  |  |





Management & Others



### **Board of Directors Overview**

| Board of Directors |          |   |  |  |  |  |  |  |
|--------------------|----------|---|--|--|--|--|--|--|
| Name               | Title    | Background  |  |  |  |  |  |  |
| George Awad        | Director | <ul> <li>Served as Director since November 2013</li> <li>Founder and Principal of the Gibraltar Corporation, a wealth management and advisory firm</li> </ul>   |  |  |  |  |  |  |
| Christopher Egan   | Director | <ul> <li>Served as Director since April 2012</li> <li>Managing Director at Advent where he co-led Advent's investments in nine companies</li> </ul>   |  |  |  |  |  |  |
| Siddharth Metha    | Director | <ul> <li>Served as Director since April 2012; former President and CEO of TransUnion</li> <li>Operating Partner at Advent and also serves on the board of Allstate, Avant Credit, DataCard Group amongst other companies</li> </ul> |  |  |  |  |  |  |
| Leo Mullin         | Director | <ul> <li>Served as Director since 2012</li> <li>Senior advisor to the Merchant Banking Division of Goldman Sachs including board service on companies in which GS MBD has invested</li> </ul>                                       |  |  |  |  |  |  |
| Rohan Narayan      | Director | <ul> <li>Served as Director since February 2014</li> <li>VP at Goldman Sachs' Merchant Banking Division; also serves as director on the boards of EdgeMarc Energy and Ipreo</li> </ul>  |  |  |  |  |  |  |
| Andrew Prozes      | Director | <ul> <li>Served as Director since January 2014</li> <li>Serves as Executive Chairman of Alert Global Media and Scribestar and on the boards of Data Corporation, Asset International and Ethoca</li> </ul>                          |  |  |  |  |  |  |
| Sumit Rajpal       | Director | <ul> <li>Served as Director since April 2012</li> <li>Managing Director at Goldman Sachs' Merchant Banking Division where he leads the financial services investment practice globally</li> </ul>                                   |  |  |  |  |  |  |
| Steven Tadler      | Director | <ul> <li>Served as Director since April 2012</li> <li>Managing Director of Advent's North American buyouts group</li> </ul>   |  |  |  |  |  |  |







## **Acquisition History**

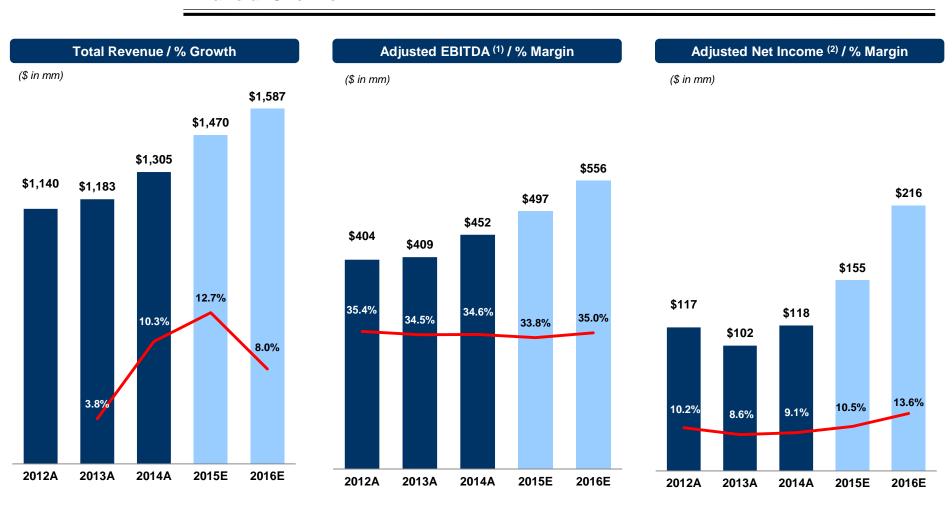
|                  | Selected Fin1             | Tech Acqui        | sitions   | Selected FinTech Acquisitions (cont.) |                          |                   |   |  |  |  |
|------------------|---------------------------|-------------------|---|---------------------------------------|--------------------------|-------------------|---|--|--|--|
| Announce<br>Date | Target                    | Amt<br>(\$ in mm) | Description   | Announce<br>Date                      | Target                   | Amt<br>(\$ in mm) | Description   |  |  |  |
| 12/02/14         | D DRIVERS HISTORY         | na                | Provides insurance risk management and marketing solutions for the automotive industry                                  | 01/04/10                              | MedData                  | na                | Provides healthcare insurance information and data solutions  |  |  |  |
| 11/03/14         | L2C inc                   | na                | Consumer scoring and analytics solutions  | 02/26/08                              | MDA<br>Lending Solutions | \$42              | Provides advanced information solutions   |  |  |  |
| 05/22/14         | CIBIL                     | na                | Collects and disseminates credit information on commercial and consumer borrowers                                       | 03/05/07                              | ADS<br>ResponseCorp      | na                | Provides automated software solutions to clinics, hospitals, and providers in the healthcare industry |  |  |  |
| 10/15/13         | TLOxp.                    | \$154             | An online investigational system for the data-fusion industry   | 08/02/06                              | Qsent                    | na                | Offers contact identity<br>services for data<br>bureaus and information<br>solutions companies        |  |  |  |
| 09/04/13         | eScan<br>DATA SYSTEMS INC | na                | Designs and develops<br>software that help<br>hospitals and healthcare<br>systems reduce<br>uncompensated care<br>costs | 06/03/04                              | RentPort                 | 31                | Develops web-based<br>tenant screening<br>solutions for landlords<br>and real estate<br>companies     |  |  |  |
| 10/27/11         | <u>CRB</u> Africa         | na                | A credit risk<br>management<br>organization that<br>operates in East Africa   | 10/20/03                              | Banton<br>Technologies   | na                | Develops software for<br>real estate businesses<br>focusing on collateral<br>assessment               |  |  |  |
| 10/18/11         | FHSCORF                   | 49                | Web-based healthcare solution   |                                       |                          |                   |   |  |  |  |







### **Financial Overview**





Source: SEC filings.

(2) Adjusted Net Income represents net income plus amortization of certain intangible assets, stock-based compensation and acquisition-related expenses

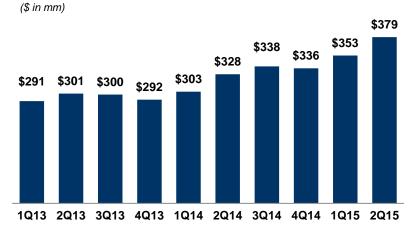


<sup>(1)</sup> Adjusted EBITDA is defined as net income before interest, income taxes, depreciation, amortization, non-cash compensation expenses and expenses related to the early extinguishment of debt.



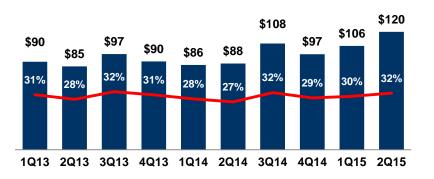
### **Financial Overview (cont.)**

## Total Revenue



### EBITDA (1) / % Margin

(\$ in mm)



### Capitalization



| Debt:  Senior Secured Credit Senior Secured Term Loan 9.625% Senior Notes Due 2018 8.125% Senior Notes Due 2018 Other  Total Debt  Equity: Total TransUnion Stockholder's Equity Noncontrolling Interest  Total Equity | s of 06/30/15 |
|--|---------------|
| Senior Secured Credit Senior Secured Term Loan 9.625% Senior Notes Due 2018 8.125% Senior Notes Due 2018 Other Total Debt  Equity: Total TransUnion Stockholder's Equity Noncontrolling Interest  Total Equity         |               |
| Senior Secured Term Loan 9.625% Senior Notes Due 2018 8.125% Senior Notes Due 2018 Other  Total Debt  Equity: Total TransUnion Stockholder's Equity Noncontrolling Interest  Total Equity                              |               |
| 9.625% Senior Notes Due 2018 8.125% Senior Notes Due 2018 Other  Total Debt  Equity: Total TransUnion Stockholder's Equity Noncontrolling Interest  Total Equity   |               |
| 8.125% Senior Notes Due 2018 Other  Total Debt  Equity: Total TransUnion Stockholder's Equity Noncontrolling Interest  Total Equity  | \$1,868.3     |
| Other  Total Debt  Equity:  Total TransUnion Stockholder's Equity Noncontrolling Interest  Total Equity  | 600.0         |
| Total Debt  Equity:  Total TransUnion Stockholder's Equity  Noncontrolling Interest  Total Equity  | 398.0         |
| Equity:  Total TransUnion Stockholder's Equity  Noncontrolling Interest  Total Equity  | 13.9          |
| Total TransUnion Stockholder's Equity Noncontrolling Interest  Total Equity  | \$2,881.0     |
| Noncontrolling Interest  Total Equity  |               |
| Total Equity   | 1271.6        |
|  | 162.5         |
|  | \$1,434.1     |
| Total Capitalization   | \$4,315.1     |
| Net Debt / EBITDA  | 4.9x          |



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### **Publicly Traded Comparables**

|  |          |        |       | Market    | Enterprise |           |         | Multi  | ples   |         |        |        | Growth Rat | es   | Ma     | rgins  |        |
|--|----------|--------|-------|-----------|------------|-----------|---------|--------|--------|---------|--------|--------|------------|------|--------|--------|--------|
|  | Price    | % MTD  | % LTM | Value     | Value      | Price / E | arnings | EV / E | BITDA  | EV / Re | venue  | Reve   | enue       | EPS  | EBI    | TDA    | P/E/G  |
| Company Name                               | 08/07/15 | Change | High  | (\$ mm)   | (\$ mm)    | CY 15E    | CY 16E  | CY 15E | CY 16E | CY 15E  | CY 16E | CY 15E | CY 16E     | LT   | CY 15E | CY 16E | CY 15E |
| Consumer / SMB Credit Data and Protection  | n        |        |       |           |            |           |         |        |        |         |        |        |            |      |        |        |        |
| Experian                                   | \$ 18.42 | (2)%   | 94 %  | \$ 17,927 | \$ 21,208  | 19.9 x    | 18.9 x  | 12.6 x | 12.4 x | 4.4 x   | 4.3 x  | 0 %    | 2 %        | 11 % | 35 %   | 34 %   | 1.8 x  |
| Equifax                                    | 103.09   | 1      | 99    | 12,346    | 13,782     | 23.3      | 20.9    | 14.9   | 13.5   | 5.2     | 4.8    | 10     | 8          | 11   | 35     | 36     | 2.1    |
| TransUnion                                 | 26.24    | 5      | 97    | 4,982     | 7,269      | 27.4      | 22.3    | 14.3   | 13.0   | 4.9     | 4.6    | 13     | 8          | 11   | 34     | 35     | 2.5    |
| FICO                                       | 90.63    | (0)    | 93    | 2,936     | 3,499      | 31.3      | 25.9    | 16.4   | 13.9   | 4.1     | 3.9    | 6      | 6          | 16   | 25     | 28     | 2.0    |
| Veda                                       | 1.74     | (4)    | 94    | 1,474     | 1,663      | 23.9      | 20.7    | 14.7   | 13.0   | 6.4     | 5.7    | 11     | 11         | 14   | 43     | 44     | 1.7    |
| LifeLock                                   | 7.55     | (5)    | 39    | 728       | 435        | 12.6      | 10.2    | 6.1    | 4.4    | 0.8     | 0.6    | 22     | 16         | 24   | 12     | 15     | 0.5    |
| Median                                     |          | (1)%   | 94 %  |           |            | 23.6 x    | 20.8 x  | 14.5 x | 13.0 x | 4.7 x   | 4.4 x  | 10 %   | 8 %        | 13 % | 35 %   | 35 %   | 1.9 x  |
| Mean                                       |          | (1)    | 86    |           |            | 23.1      | 19.8    | 13.2   | 11.7   | 4.3     | 4.0    | 10     | 8          | 15   | 31     | 32     | 1.8    |
| Financial Information, Risk and Compliance | e        |        |       |           |            |           |         |        |        |         |        |        |            |      |        |        |        |
| Reed Elsevier                              | \$ 16.90 | (2)%   | 91 %  | \$ 19,320 | \$ 19,320  | 17.8 x    | 16.6 x  | 6.0 x  | 5.7 x  | 2.1 x   | 2.0 x  | 5 %    | 4 %        | 7 %  | 35 %   | 35 %   | 2.4 x  |
| Wolters Kluwer                             | 32.55    | (1)    | 93    | 9,498     | 11,768     | 16.1      | 15.2    | 10.4   | 10.0   | 2.6     | 2.6    | 14     | 2          | 8    | 25     | 26     | 2.0    |
| Dun & Bradstreet                           | 116.11   | (7)    | 85    | 4,219     | 5,878      | 16.1      | 15.2    | 12.2   | 11.0   | 3.5     | 3.3    | 1      | 6          | 8    | 29     | 30     | 2.0    |
| Intrum Justitia                            | 32.97    | (1)    | 96    | 2,408     | 3,110      | 18.5      | 17.8    | 15.5   | 15.0   | 4.8     | 4.7    | 10     | 3          | 6    | 31     | 31     | 3.0    |
| Median                                     |          | (2)%   | 92 %  |           |            | 17.0 x    | 15.9 x  | 11.3 x | 10.5 x | 3.0 x   | 2.9 x  | 8 %    | 3 %        | 8 %  | 30 %   | 30 %   | 2.2 x  |
| Mean                                       |          | (3)    | 91    |           |            | 17.1      | 16.2    | 11.0   | 10.4   | 3.2     | 3.1    | 8      | 3          | 7    | 30     | 30     | 2.3    |





### FT Partners' Continued Track Record of Success in the Alternative Lending / Credit Space

#### **Digital Media-Focused Financing**



#### **Asset Backed Loans Financing**



## Consumer Home Improvement Financing



#### SaaS-based Loan Origination



## Consumer Marketing / Credit Lead Generation



#### Alternative Score Provider



#### **Contractor Financing**



#### **Student Loans**







FT Partners Advised on the Single-Largest Transaction Across the Entire Alternative Lending Ecosystem





FT Partners advised GreenSky on its groundbreaking \$300 million financing, the largest round in the Alternative Lending space

In addition to GreenSky, FT Partners has advised on a number of other prominent Lending Tech / Alt Lending transactions











**ELLIE MAE** 

\$45,000,000

Initial Public Offering

\$ 146,000,000



in its strategic investment in

 $\Box$ 

\$ 70,000,000











FT Partners has Significant Experience Advising Large Financing Rounds and "Unicorns"

FT Partners has a history of advising on some of the largest financing transactions in the FinTech space

Representing numerous **FinTech** "Unicorns" above \$1 billion valuations

| Company                                   | Amount Raised  | Selected Prominent Investors in FT Partners Led Rounds |
|---|----------------|--|
| MERCURY®                                  | \$420,000,000+ | ACCEL TPG  |
| GreenSky*                                 | 300,000,000+   | PARTNERS   |
| liquidnet.***                             | 250,000,000    | ICONIQ DST MANAGEMENT                                  |
| square<br>trade protection<br>plans       | 238,000,000    | BainCapital  |
| Closed / Pending                          | 200,000,000+   | BainCapital Ventures SUMMIT PARTNERS                   |
| nmi                                       | 150,000,000+   | nyca CIBC Great Hill                                   |
| Closed / Pending PR                       | 150,000,000+   |  |
| Tradingscreen SIMPLIFTING GLOBAL MARKETS* | 110,000,000+   | Google Capital QED BBVA                                |
| CHROMERIVER                               | 100,000,000    | . tolindry   |
| Credit Karma                              | 85,000,000     | ZOUK edbi GROUP  |
| ОУХАМИВЕ                                  | 70,000,000     | khosla ventures  QuestMark Partners                    |
| <b>taulia</b>                             | 60,000,000     |  |
| YAPSTONE"                                 | 50,000,000     | SILVERLAKE CAPITAL PARTNERS                            |











































### FT Partners Advises GreenSky in its Minority Investment

#### **Transaction Overview and Rationale**

#### Overview of Transaction

- GreenSky completed a minority \$300 million financing round from TPG, DST, Iconiq and Wellington Management
- The Company provides an online loan platform that allows businesses to offer flexible credit programs to their customers

   promoting higher transaction values and driving sales growth
- GreenSky's proprietary, technology-driven platform enables partners to make informed, real-time credit decisions and allows for real-time transaction processing
- The Company has grown to be a leader in the emerging Alternative Lending space, with a particular focus on home improvement financing

#### Significance of Transaction

- Represents the largest private equity financing in the Alternative Lending space to date
- Demonstrates a fundamental shift in lending customer acquisition models away from traditional banks and towards specialists like GreenSky
- This transaction positions GreenSky as a clear leader in Alternative Lending and enables the company to continue to innovate and bring additional products to market

#### FT Partners' Role

- FT Partners served as exclusive strategic and financial advisor to GreenSky and its Board of Directors
- FT Partners leveraged its deep knowledge, extensive experience and broad industry relationships to help achieve a highly favorable outcome for the Company
- Transaction demonstrates FT Partners' continued success advising top-tier financial technology companies

## Financial Technology Partners LP FTP Securities LLC

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



in its minority investment from







for total consideration of

\$ 300,000,000



The Only Investment Bank Focused Exclusively on Financial Technology





### FT Partners Advises L2C in its Sale to TransUnion

#### **Transaction Overview and Rationale**

#### **Overview of Transaction**

- On October 31, 2014, L2C, Inc. ("L2C") was acquired by TransUnion
- Backed by QED and Core Innovation Capital, L2C leverages alternative payment and asset data to create new predictive credit, marketing and collection scores for over 220 million Americans
- Financial terms of the transaction were not disclosed

#### Significance of Transaction

- The acquisition of L2C by TransUnion allows the bureau to become a leader in scoring individuals in a historically unaddressed, but rapidly growing market (underbanked, subprime and new to credit)
- L2C's ability to provide predictive scores on more than 90% of customers will be combined with TransUnion's rental information and CreditVision® suite of services to help lenders get a more accurate picture of underbanked consumers and subsequently, the credit rates they deserve

#### FT Partners' Role

- FT Partners served as exclusive strategic and financial advisor to L2C and its Board of Directors
- FT Partners leveraged its deep knowledge, extensive experience and broad industry relationships to help achieve a highly favorable outcome for stakeholders
- Transaction demonstrates FT Partners' continued success in achieving highly attractive outcomes for leading credit and lending technology firms

## 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





### FT Partners Advises WebEquity in its Sale to Moody's

#### **Transaction Overview and Rationale**

#### Overview of Transaction

- On June 9, 2014, WebEquity Solutions ("WebEquity")
   announced its sale to Moody's Analytics ("Moody's"), a unit of
   Moody's Corporation
- Backed by Alpine Investors, WebEquity is a leading provider of cloud-based / SaaS loan origination solutions for financial institutions
- The transaction is expected to close in the third quarter; financial terms of the transaction were not disclosed

#### Significance of Transaction

- WebEquity is one of the higher growing SaaS-based software models across the financial technology sector
- FT Partners also represented WebEquity's majority holder, Alpine Investors, in the highly successful \$145,000,000 sale of EDC to Cardtronics
- The acquisition strengthens Moody's position in loan origination software and bolsters its suite of risk management products for banks, insurance companies and corporations

#### FT Partners' Role

- FT Partners served as exclusive strategic and financial advisor to WebEquity and its Board of Directors
- FT Partners leveraged its deep knowledge, extensive experience and broad industry relationships to help achieve a highly favorable outcome for stakeholders
- Transaction demonstrates FT Partners' continued success in achieving highly attractive outcomes for leading banking technology firms

## 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



### Award-Winning Investment Banking Franchise Focused on Financial Technology

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 ■ Equity Financing Deal of the Year

■ Professional Services Deal of the Year, Above \$100mm

Dealmaker of the Year

2012 - Professional Sorvices

■ Professional Services Deal of the Year, Above \$100 mm

■ Boutique Investment Bank of the Year

■ Deal of the Decade

■ 10 Deal of the Year Nominations Across 9 Categories

■ 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

■ 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

Institutional Investor
Annual Ranking

2006-2008

2007

2011

2010

■ Steve McLaughlin consecutively ranked (2006, 2007 and 2008) among the top Bankers in Financial Technology



**Financing Awards** 

2008

2006

- Equity Financing Dealmaker of the Year Steve McLaughlin
- Information Technology Deal of the Year
- Financial Services Deal of the Year

■ Financing Professional of the Year - Steve McLaughlin

- Financing Deal of the Year Equity
- Financing Deal of the Year Debt



