

September 28, 2015

Financial Technology Partners

FT Partners Research – Transaction Profile

FACTSET

Acquires

PORTWARE

for \$265,000,000

Courtesy of:



*The Only Investment Bank
Focused Exclusively on Financial Technology*

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FactSet Acquires Portware for \$265 mm

Transaction Overview

- On September 22, 2015, FactSet announced that it agreed to acquire all the issued and outstanding membership interests of Portware for cash consideration of \$265 mm
 - The Company will fund the acquisition with an expansion of its existing revolving credit facility
 - The transaction is subject to closing conditions and is expected to close before the end of FactSet's first fiscal quarter
- The acquisition of \$265 mm is partially offset by expected income tax benefits with an estimated value of \$50 mm (Effective Purchase Price of \$215 mm)
 - Upon closure of the acquisition, FactSet will have \$300 mm of debt outstanding under its revolving credit facility with Bank of America, which has a three-year term and may be expanded up to \$400 mm

Transaction Multiples ⁽²⁾

The addition of Portware is expected to contribute \$41 million in ASV ⁽¹⁾:

ASV ⁽²⁾ Multiple	EBITDA ⁽²⁾ Multiple
6.5x / 5.2x	33.1x / 26.9x

Strategic Rationale

- The Portware acquisition will expand FactSet's market presence in the large global asset management industry
 - Portware's platform will become an integral part of FactSet's trading ecosystem
 - The Company will combine its portfolio analytics with Portware's suite of trade automation solutions to cross-sell the two solutions to new and current customers
- Portware brings a current client list of approximately 60 established global asset managers to strengthen FactSet's position

Financial Details

- Research analysts estimate that the Portware addition will contribute:
 - \$41 mm of ASV ⁽¹⁾
 - \$8 mm EBITDA at 20% margins
- In the first full quarter after close, the Portware acquisition is expected to be \$0.03 dilutive to GAAP diluted EPS
- Excluding amortization of acquired intangible assets, the acquisition is expected to be \$0.02 accretive
 - FactSet forecasts Portware to be accretive to quarterly GAAP diluted EPS within 12 months after closing

FactSet Acquires Portware for \$265 mm

Transaction Commentary

Executive Commentary

“Portware is a highly innovative firm, with keen insight into the trading ecosystem, and strong recent success in the market. We are thrilled to welcome this talented group of individuals. Portware's tools and expertise in trading are an exciting complement to our current offerings. We are excited to enhance the productivity of FactSet users as we integrate Portware into adjacent workflows within our client base.”

Phil Snow, CEO, FactSet



“Portware's explosive growth over the last three years, despite the difficult environment, is a testament to our strategy and vision for the industry, and we're excited to bring our proven innovation and people to join the FactSet family. Like FactSet, we believe in putting our clients first and constantly thinking of ways to enhance the client experience. We're confident that our similar cultures and commitment to excellence will result in a collaborative environment for our people and an incredible opportunity to develop new and exciting products for the industry.”

Alfred Eskandar, CEO, Portware



Research Commentary

“As we noted in prior research, new CEO Snow expressed a willingness to take on more risk, especially when it comes to considering larger M&A. In this light, the Portware acquisition, which helps FDS cross and up-sell to the buy side by expanding capabilities to include multi-asset trade automation, appears to be a step in the right direction.”

**Trevor Young, CFA, Equity Associate
Jefferies**

“First take on Portware – makes sense in a lot of ways...With that said, multi-asset and trading are outside (FactSet) FDS's legacy equity core and have typically been the domain of the largest market data players (TRI & Bloomberg) – so strong execution will be needed to justify the high purchase multiples (which notably are pre-synergies).”

Manav Patnaik, Equity Research



FactSet Acquires Portware for \$265 mm

Portware Overview

Portware Overview



CEO: Alfred Eskandar
Headquarters: New York, NY
Founded: 2000
Employees: 75

- Portware is a leading developer of broker-neutral, automated trading solutions for global equities, futures, options and FX
 - The company has offices in London, Hong Kong, Hyderabad and recently announced plans to open an office in Singapore
- The Company's main product suite presents customizable options that integrate directly into the client trading technology ecosystem

Selected Awards

Award	Group	Year
Best Buy Side EMS	Markets	2015
	Choice	2014
	Awards	2013
Best FX Trading Platform	WSL Awards	2015

Selected Products & Services

Product

Description

Enterprise

- Customizable execution management system
- A central platform for executing algorithmic trading strategies
- Open API for integration with third party or proprietary applications that can be controlled from a central location

Strategy Server

- An algorithmic engine designed for high volume, high frequency automated order management
- Allows users to create trading strategies and algorithms in a secure trading environment
- Processes large numbers of orders to any global market destination

Portware FX

- Provides traders with a real-time view of the FX marketplace via a single, customizable front end trading environment
- Offers an embedded suite of customizable execution strategies
- Deployable on site or on the cloud

Alpha Vision

- Algorithmic optimization solution that features predictive analytics
- Automatically select and implement execution strategies
- Eliminates information leakage

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FactSet Overview

FactSet Overview (Nasdaq: FDS)



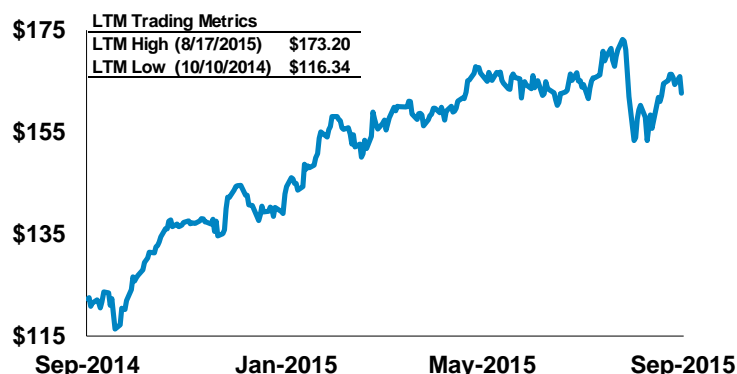
CEO: Philip Snow
Headquarters: Norwalk, CT
Founded: 1978
Employees: 7,000

- FactSet is a leading provider of financial information and analytics
- Approximately 62,000 customers use the Company's desktop analytics, mobile applications, and comprehensive data feeds to access global market trends, company and industry intelligence and monitor performance

Client Base

Investment Managers	Buy-Side Traders	Research
Hedge Funds	Sell-Side Traders	Sales
Investment Bankers	Plans and Pensions	Consultants and Advisors
Wealth Managers	Corporations	Government Agencies
Private Equity	Legal	Academics

LTM Stock Performance



Selected Recent Acquisitions

Announced Date	Size (\$ mm)	Description	Company
Feb. 2015	\$35.0	Provider of research management technologies to the investment community	code:red
Dec. 2013	32.0	Provider of intelligence to UK financial service industry	MatrixSolutions
Sep. 2013	15.4	Provider of industry classification and supply chain specialty data, analytics and index solutions	REVERE™

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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*is pleased to announce its exclusive role as
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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 advisor to*

BLACKROCK

in its 100% acquisition of

FutureAdvisor

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Data / Analytics

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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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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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MERGENT

In the sale of its Index Business to

NASDAQ OMX

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High Frequency Trading

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

 **ITG** INVESTMENT
TECHNOLOGY
GROUP

In its acquisition of

 **macgregor**

for cash consideration of approximately

\$ 230,000,000

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TORA 

TECHNOLOGY. TRADING. LIQUIDITY.™

In its minority capital raise with

 **Goldman
Sachs**  **Bank of America
Merrill Lynch**

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TECHNOLOGY
PARTNERS**

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 **TradingScreen**
SIMPLIFYING GLOBAL MARKETS®

In its minority recapitalization for

\$ 110,000,000

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Other Capital Markets Technology

Financial Technology Partners LP
FTP Securities LLC

is pleased to announce its exclusive role as
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 **MajesticResearch**

In its sale to

 **ITG** INVESTMENT
TECHNOLOGY
GROUP

for total consideration of approximately

\$ 56,000,000

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TECHNOLOGY
PARTNERS**

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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

chi-x

In its sale of a minority stake to

 **Bank of America
Merrill Lynch**  **GETCO**  **Goldman
Sachs**

 **Morgan Stanley**  **QUANTLIB FINANCIAL, LLC**

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Financial Technology Partners LP
FTP Securities LLC

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INSTINET

In the sale of its stake in

CHIXEUROPE
to

 **BATS**
Trading Markets Better

for total consideration of approximately

\$ 305,000,000

 **FINANCIAL
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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"> ■ 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> |

Overview of FT Partners

The FT Partners Senior Banking Team

Name / Position	Prior Background	Experience / Education	Years of Experience
Steve McLaughlin <i>Founder, CEO and Managing Partner</i>		<ul style="list-style-type: none"> Formerly with Goldman, Sachs & Co. in New York and San Francisco from 1995-2002 Formerly Co-Head of Goldman Sachs' Financial Technology Group (#1 market share) Wharton M.B.A. 	20
Larry Furlong <i>Managing Director</i>		<ul style="list-style-type: none"> Formerly with Goldman, Sachs & Co. in New York, London and Los Angeles beginning in 1995 Wharton M.B.A. 	20
Greg Smith <i>Managing Director</i>		<ul style="list-style-type: none"> Formerly award winning Equity Research Analyst at Merrill Lynch / J.P. Morgan / Sterne Agee Recent coverage included V, MA, DFS, FISV, FIS, JKHY, DST, ENV, GPN & HPY among others 	19
Tim Wolfe <i>Managing Director</i>		<ul style="list-style-type: none"> Formerly with Goldman, Sachs & Co. beginning in 2000 40 Under 40 M&A Advisor Award Winner 2013 Harvard M.B.A. 	13
Andrew McLaughlin <i>Managing Director, Research & Business Development</i>		<ul style="list-style-type: none"> Leads FT Partners' Research and Business Development Team Formerly with Deloitte Consulting 	9