

# FT PARTNERS FINTECH INDUSTRY RESEARCH

July 14, 2017

## EQUINITI

**Equiniti Group (LSE:EQN) Acquires  
Wells Fargo Shareowner Services  
for \$227 million**



Shareowner  
Services

## Overview of FT Partners

- Financial Technology Partners ("FT Partners") was founded in 2001 and is the only investment banking firm focused exclusively on FinTech
- 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 15 years of exclusive focus on Financial Technology

### FT Partners' Advisory Capabilities



### FT Partners' FinTech Industry Research

FINTECH RESEARCH & INSIGHTS

- In-Depth Industry Research Reports
- Proprietary FinTech Infographics
- Monthly FinTech Market Analysis
- FinTech M&A / Financing Transaction Profiles



Named Silicon Valley's #1 FinTech Banker (2016) and ranked #2 Overall by *The Information*



Ranked #4 Most Influential Person in all of FinTech in *Institutional Investor* "FinTech Finance 35"



Numerous Awards for Transaction Excellence including "Deal of the Decade"

Steve McLaughlin: *Founder & CEO*

Tel: 415.992.8880

[steve.mclaughlin@ftpartners.com](mailto:steve.mclaughlin@ftpartners.com)

SUBSCRIBE



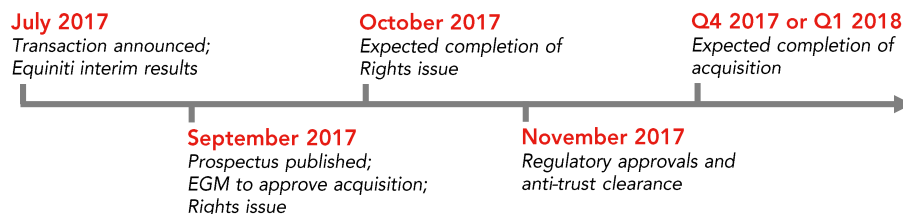
## Transaction Summary



### Transaction Summary

- On July 13, 2017, Equiniti (LSE:EQN) announced it had agreed to acquire Wells Fargo Shareowner Services ("WFSS") for \$227 million
  - Because of the large scale of the transaction, the acquisition is conditional on Equiniti's shareholder approval at a General Meeting, which is expected to be held in September 2017
  - The acquisition is expected to close in Q4 2017 or Q1 2018, after the carve out of WFSS and regulatory approval
- By acquiring WFSS, which is the third largest U.S. share registrar by number of clients, Equiniti will become a multinational share registration and services business
  - Through the acquisition, Equiniti will be able to provide a broader range of services to its clients
  - Equiniti and WFSS have an excellent strategic fit and share direct core competencies
- Equiniti expects the acquisition to be financially attractive for its shareholders
  - Expected to be strongly earnings accretive in the first full ownership year, growing to double digit earnings accretive by the end of the second ownership year
  - Return on invested capital (ROIC) is expected to exceed the weighted average cost of capital (WACC) in the second year of ownership
  - Expected cost synergies of at least \$10 million
- The acquisition will be financed from a fully underwritten rights issue of \$160 million and a \$155 million of fully underwritten new debt facilities

### Transaction Timeline



Source: Company press release

### Transaction Multiple

EV / 2016 Revenue

**2.2x**

2016 P/E

**12.3x**

### Transaction Commentary

"The combination with WFSS is a unique and exciting opportunity to create a technology-enabled, multi-national share registration capability, powered by Equiniti's proprietary Sirius platform, with significant scale and global reach. The team at WFSS have an extraordinary deep heritage in providing great service to the greatest American companies, and together we will grow these relationships with our digital services, share-plan capabilities, and a broad suite of regtech capabilities. We are looking forward to welcoming our new colleagues into Equiniti."

**EQUINITI**

**Guy Wakeley**  
CEO



"Joining the Equiniti team will be a great benefit to our clients and team members. Our strong culture of keeping clients and team members at the heart of everything we do is synergistic with Equiniti's culture. Equiniti's sophisticated technology will ultimately empower our team members to offer enhanced services to clients and our client's shareowners while continuing to improve on our industry leading servicing capabilities. Wells Fargo and Equiniti will work together to ensure a seamless transition."



**Shareowner  
Services**

**Todd May**  
EVP, Head of Shareowner Services



## Wells Fargo Shareowner Services (“WFSS”) Overview

EQUINITI

Shareowner  
Services

### Company Overview

Shareowner  
Services

Head of WFSS: Todd May

Headquarters: Mendota Heights, MN

Founded: 1929

- Wells Fargo Shareowner Services (“WFSS”) provides shareowner services to over 1,200 private and public companies in the U.S. and globally, and has processed 9.2 million shareholder records in the U.S. alone
  - Services include...
    - Stock transfer and registry services
    - Proxy and annual meeting services
    - Corporate actions
    - Investment plan services
  - WFSS had the highest Net Promoter Score (NPS) in the U.S. for retention and customer satisfaction
- WFSS has a global reach
  - Headquartered in Minnesota, WFSS also has offices in Phoenix, AZ, India and New York, NY
  - In 2016, WFSS had 385 full time employees

### Products & Services Overview



An industry leader in stock and investment plans

#### Shareowners

- View portfolio and investment plans
- Buy stock

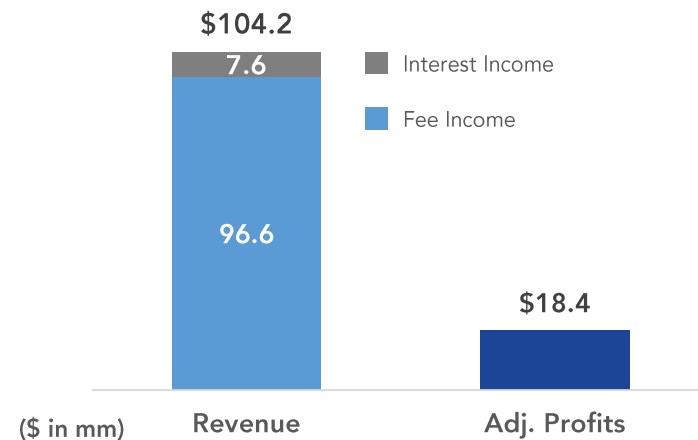
#### Companies

- Stock transfer agent
- Corporate action
- Investment plan services

#### Employees

- Manage employee stock plan accounts

### 2016 WFSS Revenue & Profit



## Equiniti Overview

EQUINITI



Shareowner Services

### Company Overview

# EQUINITI

**CEO:** Guy Wakeley

**Headquarters:** London, UK

**Founded:** 2009

- Equiniti (LSE:EQN) provides finely-tuned finance and administrative services, along with smart technology solutions for complex and regulated markets
- Equiniti operates four main divisions:
  - EQ Boardroom
  - EQ Digital
  - EQ Paymaster
  - EQ Invest
- Equiniti has 4,300 employees across 25 locations, supporting flexible, adaptable and scalable solutions and services

### Financial Metrics <sup>(1)</sup>

Ticker	LSE:EQN
Market Cap	£794.5 mm <sup>(2)</sup>
2016 Revenue	£382.6 mm
2016 EBITDA	£75.8 mm
2016 Adj. NI	£30.5 mm

### Products & Services Overview

#### EQ Boardroom

- Registration services
- Employee services
- Bereavement services

#### EQ Paymaster

- Administration
- Software
- Data solutions
- Rewards and benefits
- Payroll
- Life and pensions

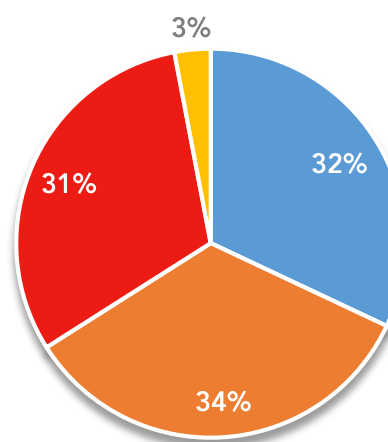
#### EQ Digital

- Financial crime
- Customer complaint management
- Credit servicing
- Data
- Cyber and information security

#### EQ Invest

- Investment administration
- Executive and employee share dealing
- International payments

### 2016 Revenue by Division



#### Investment Solutions

- Share registration
- SAYE scheme administration
- Share incentive plan administration
- Wealth management
- Share dealing

#### Pension Solutions

- Pension administration and payment services
- Pension software
- Data solutions

#### Intelligent Solutions

- End-user engagement
- Enterprise workflow
- Credit services
- Client onboarding

#### Interest Income

# Equiniti Acquires Wells Fargo Shareowner Services for \$227 mm

FT PARTNERS RESEARCH

## Equiniti Financial Overview

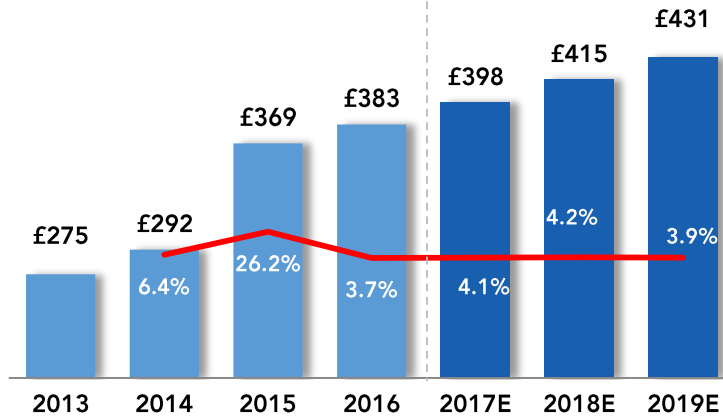
EQUINITI



Shareowner Services

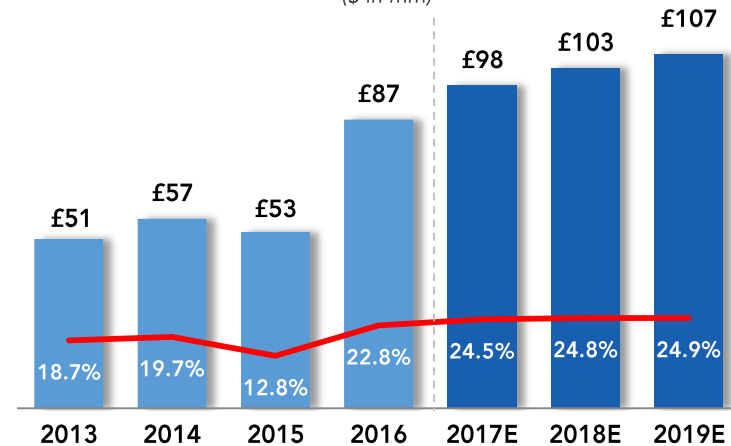
### Revenue / % Growth

(\$ in mm)



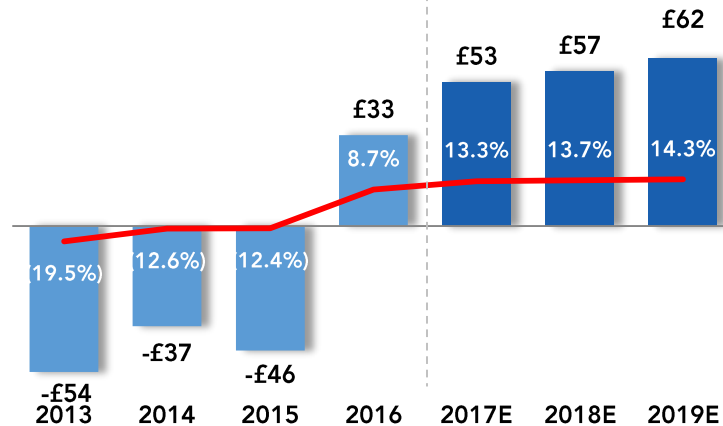
### EBITDA / % Margin

(\$ in mm)

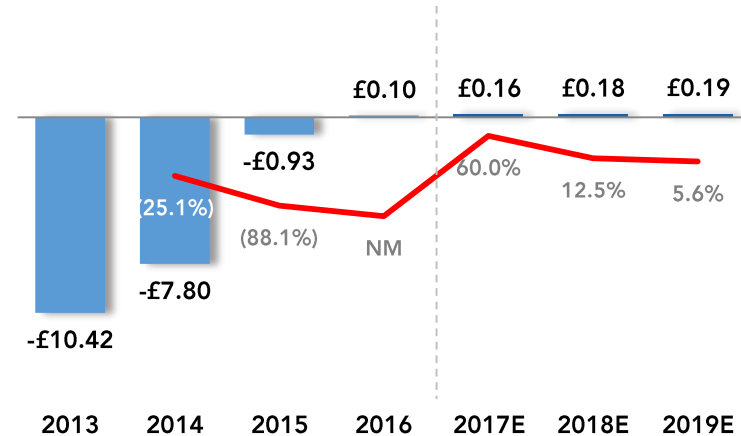


### Net Income / % Margin

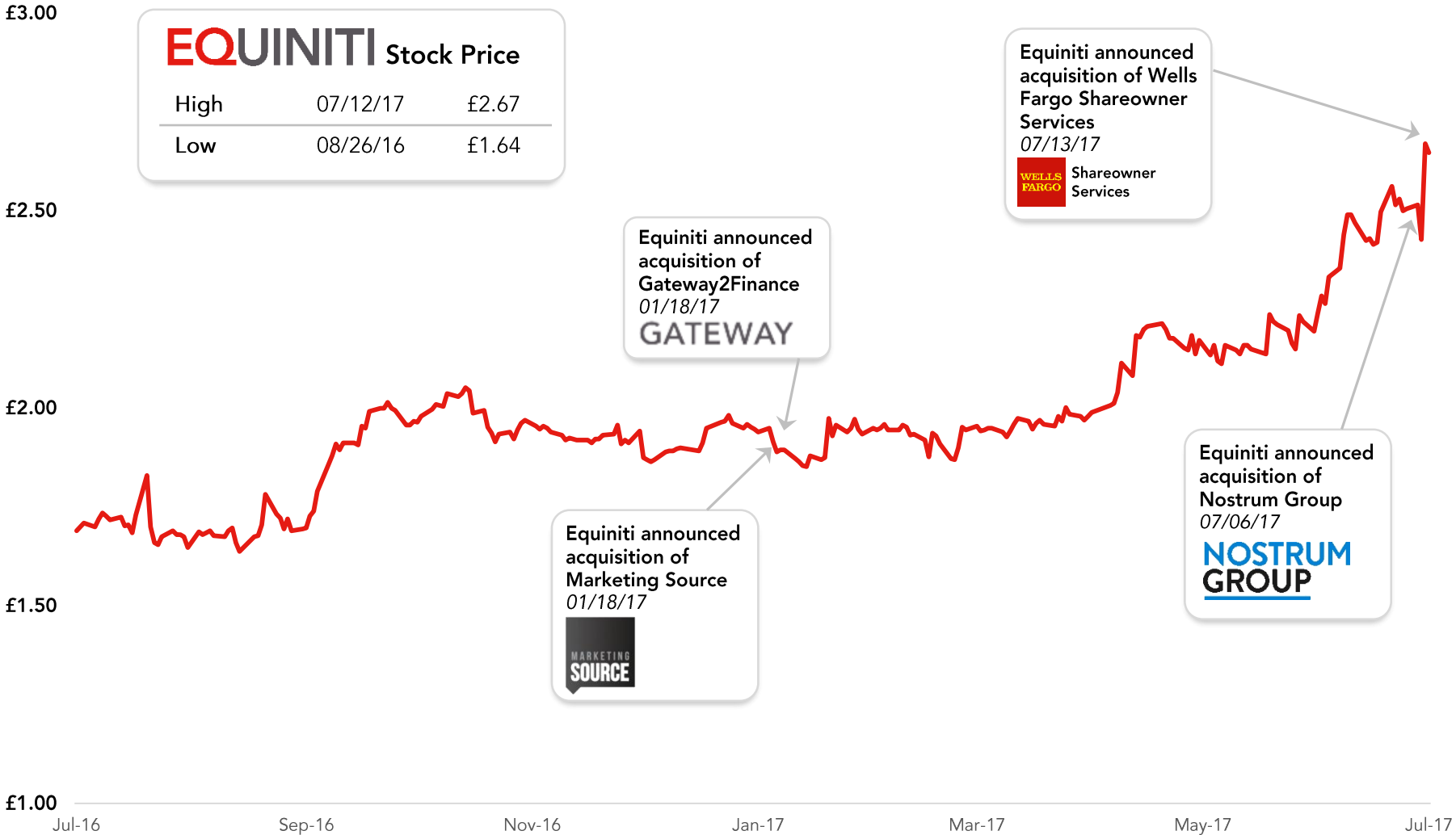
(\$ in mm)



### Diluted EPS / % Growth



## Equiniti Stock Performance





## Selected FT Partners' Research – *Click to View*



Research Report: Innovations in Capital Markets Technology



Riskalyze's \$20 mm growth financing



Link Group Acquires Capita Asset Services for £888 million



Cadre Raises \$65 million in Series C Financing Led by Andreessen Horowitz



Euronext Acquires FastMatch for \$153 million



Futu Securities Raises \$146 million in Series C Financing



Moody's Acquires Bureau van Dijk for €3 billion



London Stock Exchange Group Acquires Two of Citi's Businesses

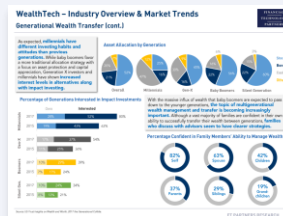
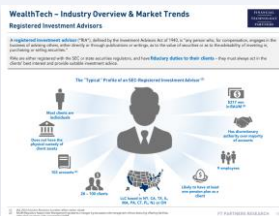
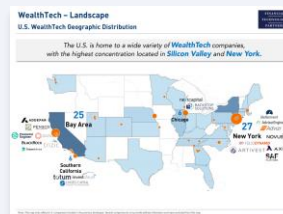
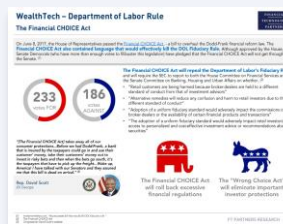
[VIEW MORE FT PARTNERS RESEARCH](#)



## Selected FT Partners Research – WealthTech

### WEALTHTECH

### The Digitization of Wealth Management



[FT Partners' 177-page report](#) is an in-depth examination of the dramatic changes sweeping across the wealth management industry. The traditional investment management and registered investment advisor ("RIA") industries are facing numerous threats, and while firms in the industry recognize the need to respond, technology-driven innovation is not a core expertise of most RIAs and investment managers. Consequently, there has been a groundswell of FinTech companies bringing digital capabilities to the traditional wealth management industries. Collectively, we label this segment of FinTech as WealthTech.

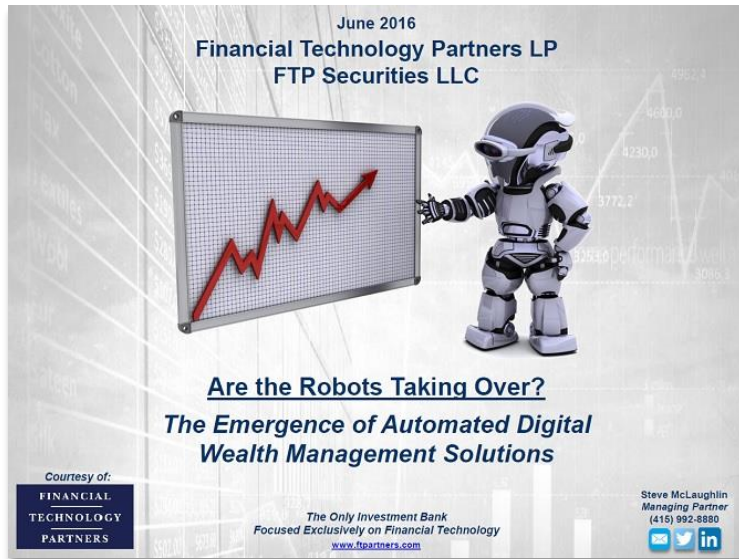
*Additional highlights of the report include:*

- Visual WealthTech industry landscape including multiple sub-categories
- Exclusive interviews of CEOs at notable disruptive companies
- Proprietary list of financing and M&A transactions in the space
- Detailed company profiles of both private and public players

[Click to View](#)

## Selected FT Partners Research – Digital Wealth Management

### Are the Robots Taking Over? The Emergence of Automated Digital Wealth Management Solutions



[Click to View](#)

[FT Partners' 140-page report](#) provides a comprehensive overview of key industry trends driving innovation in the wealth management space and how the industry is reacting to the emergence of Robo Advisors and other Digital Wealth Management disruptors.

*Additional highlights of the report include:*

- A discussion of the different Automated Digital Wealth Management platforms and business models
- The responses of incumbents in the wealth management space, including the innovations, partnerships and acquisitions being made to stay ahead of the game
- Interviews with eight CEOs of leading Digital Wealth pioneers including Betterment, Link Pacific Advisors, MyVest, NextCapital, Nutmeg, Riskalyze, SigFig and Vanare
- A detailed industry landscape of Digital Wealth Management providers as well as other innovative, tangential companies, profiles of 28 companies and a comprehensive list of private equity financing and M&A transactions in the space

# FT Partners – Focused Exclusively on FinTech

FT PARTNERS RESEARCH

## Selected FT Partners Capital Markets / WealthTech Transactions

### M&A Transactions

<p>Financial Technology Partners LP FTP Securities LLC</p> <p>is pleased to announce its exclusive role as sole strategic and financial advisor to</p> <p><b>BLACKROCK</b></p> <p>in its 100% acquisition of</p> <p><b>FutureAdvisor</b></p> <p>FINANCIAL TECHNOLOGY PARTNERS FOCUSED EXCLUSIVELY ON FINANCIAL TECHNOLOGY</p>	<p>Financial Technology Partners LP FTP Securities LLC</p> <p>is pleased to announce its exclusive role as sole strategic and financial advisor to</p> <p><b>PENSICO TRUST COMPANY</b></p> <p>in its sale to</p> <p><b>OpusBank</b></p> <p>for total consideration of</p> <p><b>\$ 104,000,000</b></p> <p>FINANCIAL TECHNOLOGY PARTNERS FOCUSED EXCLUSIVELY ON FINANCIAL TECHNOLOGY</p>	<p>Financial Technology Partners LP FTP Securities LLC</p> <p>is pleased to announce its exclusive role as sole strategic and financial advisor to</p> <p><b>Alpha</b></p> <p>in its acquisition by</p> <p><b>CHI X EUROPE</b></p> <p><b>Maple Group</b></p> <p>valued at approximately</p> <p><b>\$ 175,000,000</b></p> <p>FINANCIAL TECHNOLOGY PARTNERS FOCUSED EXCLUSIVELY ON FINANCIAL TECHNOLOGY</p>
<p>Financial Technology Partners LP FTP Securities LLC</p> <p>is pleased to announce its exclusive role as sole strategic and financial advisor to</p> <p><b>ATD</b></p> <p>in its sale to</p> <p><b>citi</b></p> <p>for cash and stock consideration of approximately</p> <p><b>\$ 680,000,000</b></p> <p>FINANCIAL TECHNOLOGY PARTNERS FOCUSED EXCLUSIVELY ON FINANCIAL TECHNOLOGY</p>	<p>Financial Technology Partners LP FTP Securities LLC</p> <p>is pleased to announce its exclusive role as sole strategic and financial advisor to</p> <p><b>INSTINET</b></p> <p>in the sale of its stake to</p> <p><b>CHI X EUROPE</b></p> <p>to</p> <p><b>BATS</b></p> <p>for total consideration of approximately</p> <p><b>\$ 305,000,000</b></p> <p>FINANCIAL TECHNOLOGY PARTNERS FOCUSED EXCLUSIVELY ON FINANCIAL TECHNOLOGY</p>	<p>Financial Technology Partners LP FTP Securities LLC</p> <p>is pleased to announce its exclusive role as sole strategic and financial advisor to</p> <p><b>THE MARKETS.COM</b></p> <p>in its sale to</p> <p><b>Capital IQ</b></p> <p>A Division of Standard &amp; Poor's</p> <p>for total consideration of approximately</p> <p><b>\$ 300,000,000</b></p> <p>FINANCIAL TECHNOLOGY PARTNERS FOCUSED EXCLUSIVELY ON FINANCIAL TECHNOLOGY</p>
<p>Financial Technology Partners LP FTP Securities LLC</p> <p>is pleased to announce its exclusive role as sole strategic and financial advisor to</p> <p><b>WOMBAT</b></p> <p>FINANCIAL SOFTWARE</p> <p>in its sale to</p> <p><b>NYSE Euronext</b></p> <p>for total consideration of approximately</p> <p><b>\$ 225,000,000</b></p> <p>FINANCIAL TECHNOLOGY PARTNERS FOCUSED EXCLUSIVELY ON FINANCIAL TECHNOLOGY</p>	<p>Financial Technology Partners LP FTP Securities LLC</p> <p>is pleased to announce its exclusive role as sole strategic and financial advisor to</p> <p><b>ShareholderInSite</b></p> <p>in its sale to</p> <p><b>IPREO</b></p> <p>FINANCIAL TECHNOLOGY PARTNERS FOCUSED EXCLUSIVELY ON FINANCIAL TECHNOLOGY</p>	<p>Financial Technology Partners LP FTP Securities LLC</p> <p>is pleased to announce its exclusive role as sole strategic and financial advisor to</p> <p><b>Zephyr</b></p> <p>ASSOCIATES, INC.</p> <p>in its sale to</p> <p><b>informa</b></p> <p>for total cash consideration of</p> <p><b>\$ 62,000,000</b></p> <p>FINANCIAL TECHNOLOGY PARTNERS FOCUSED EXCLUSIVELY ON FINANCIAL TECHNOLOGY</p>

### Financing Transactions

<p>Financial Technology Partners LP FTP Securities LLC</p> <p>is pleased to announce its exclusive role as sole strategic and financial advisor to</p> <p><b>riskalyze</b></p> <p>in its growth equity investment led by</p> <p><b>FTV CAPITAL</b></p> <p>for total consideration of</p> <p><b>\$ 20,000,000</b></p> <p>FINANCIAL TECHNOLOGY PARTNERS FOCUSED EXCLUSIVELY ON FINANCIAL TECHNOLOGY</p>	<p>Financial Technology Partners LP FTP Securities LLC</p> <p>is pleased to announce its exclusive role as sole strategic and financial advisor to</p> <p><b>alphasense</b></p> <p>in its growth financing from</p> <p><b>Quantum Strategic Partners</b></p> <p>in private investment vehicle management by <b>DELIVER</b></p> <p>for total consideration of</p> <p><b>\$ 33,000,000+</b></p> <p>FINANCIAL TECHNOLOGY PARTNERS FOCUSED EXCLUSIVELY ON FINANCIAL TECHNOLOGY</p>	<p>Financial Technology Partners LP FTP Securities LLC</p> <p>is pleased to announce its exclusive role as Capital Markets &amp; IPO Advisor to</p> <p><b>ENVESTNET</b></p> <p>in its</p> <p><b>\$69,000,000</b></p> <p><b>Initial Public Offering</b></p> <p>valuing the equity at approximately</p> <p><b>\$ 300,000,000</b></p> <p>FINANCIAL TECHNOLOGY PARTNERS FOCUSED EXCLUSIVELY ON FINANCIAL TECHNOLOGY</p>
<p>Financial Technology Partners LP FTP Securities LLC</p> <p>is pleased to announce its exclusive role as sole strategic and financial advisor to</p> <p><b>chi-x</b></p> <p>in its sale of a minority stake to</p> <p><b>Bank of America Merrill Lynch</b></p> <p><b>GETCO</b></p> <p><b>Morgan Stanley</b></p> <p><b>QUANTLAB FINANCIAL, LLC</b></p> <p>for total consideration of approximately</p> <p><b>\$ 250,000,000</b></p> <p>valued at approximately</p> <p><b>\$ 1,800,000,000</b></p> <p>FINANCIAL TECHNOLOGY PARTNERS FOCUSED EXCLUSIVELY ON FINANCIAL TECHNOLOGY</p>	<p>Financial Technology Partners LP FTP Securities LLC</p> <p>is pleased to announce its exclusive role as sole strategic and financial advisor to</p> <p><b>liquidnet</b></p> <p>in its financing for approximately</p> <p><b>\$ 250,000,000</b></p> <p>valued at approximately</p> <p><b>\$ 1,800,000,000</b></p> <p>FINANCIAL TECHNOLOGY PARTNERS FOCUSED EXCLUSIVELY ON FINANCIAL TECHNOLOGY</p>	<p>Financial Technology Partners LP FTP Securities LLC</p> <p>is pleased to announce its exclusive role as sole strategic and financial advisor to</p> <p><b>AXIAL</b></p> <p>in its financing led by</p> <p><b>Edison</b></p> <p>PARTNERS</p> <p>for total consideration of approximately</p> <p><b>\$ 14,000,000</b></p> <p>FINANCIAL TECHNOLOGY PARTNERS FOCUSED EXCLUSIVELY ON FINANCIAL TECHNOLOGY</p>
<p>Financial Technology Partners LP FTP Securities LLC</p> <p>is pleased to announce its exclusive role as sole strategic and financial advisor to</p> <p><b>INVESTEDGE</b></p> <p>on its debt financing from</p> <p><b>VISTARA CAPITAL PARTNERS</b></p> <p>for total consideration of</p> <p><b>\$ 5,000,000</b></p> <p>FINANCIAL TECHNOLOGY PARTNERS FOCUSED EXCLUSIVELY ON FINANCIAL TECHNOLOGY</p>	<p>Financial Technology Partners LP FTP Securities LLC</p> <p>is pleased to announce its exclusive role as sole strategic and financial advisor to</p> <p><b>QUANTHOUSE</b></p> <p>in its growth financing with</p> <p><b>ViewPoint</b></p> <p>Capital Partners</p> <p>for approximately</p> <p><b>\$ 35,000,000</b></p> <p>FINANCIAL TECHNOLOGY PARTNERS FOCUSED EXCLUSIVELY ON FINANCIAL TECHNOLOGY</p>	<p>Financial Technology Partners LP FTP Securities LLC</p> <p>is pleased to announce its exclusive role as sole strategic and financial advisor to</p> <p><b>MarketAxxess</b></p> <p>in its minority capital raise with</p> <p><b>TCV</b></p> <p>for approximately</p> <p><b>\$ 35,000,000</b></p> <p>FINANCIAL TECHNOLOGY PARTNERS FOCUSED EXCLUSIVELY ON FINANCIAL TECHNOLOGY</p>

**FT Partners has advised on some of the most prominent and groundbreaking transactions in the Securities / Capital Markets / Wealth Technology sectors**

## 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**



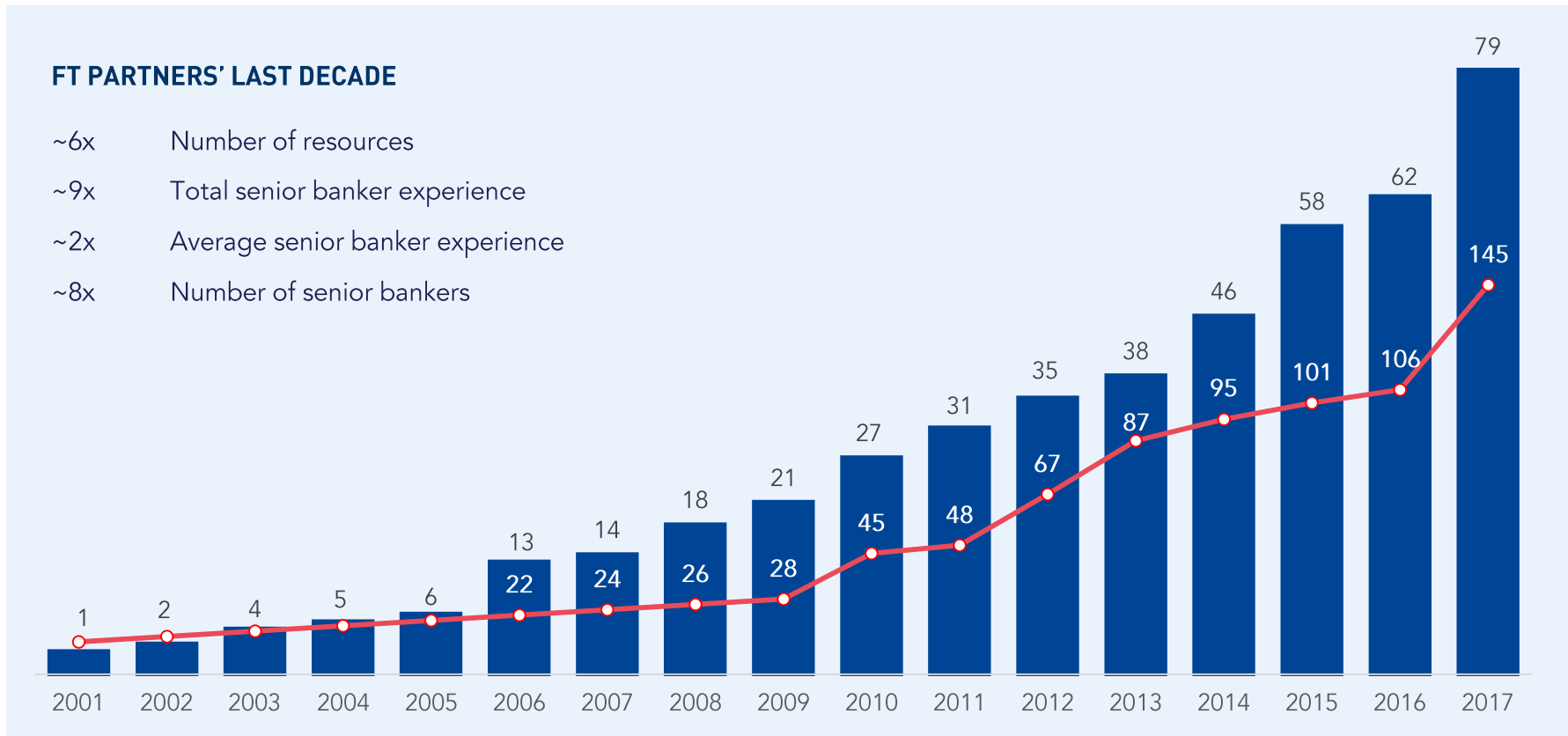
M&A Advisor Awards



Middle Market Financing Awards

2016	<ul style="list-style-type: none"> <li>Investment Banking Firm of the Year</li> <li>Cross Border Deal of the Year</li> </ul>
2015	<ul style="list-style-type: none"> <li>Dealmaker of the Year</li> <li>Technology Deal of the Year</li> </ul>
2014	<ul style="list-style-type: none"> <li>Equity Financing Deal of the Year</li> <li>Professional Services Deal of the Year, Above \$100mm</li> </ul>
2012	<ul style="list-style-type: none"> <li>Dealmaker of the Year</li> <li>Professional Services Deal of the Year, Above \$100mm</li> </ul>
2011	<ul style="list-style-type: none"> <li>Boutique Investment Bank of the Year</li> <li>Deal of the Decade</li> <li>10 Deal of the Year Nominations Across 9 Categories</li> </ul>
2010	<ul style="list-style-type: none"> <li>Upper Middle Market Deal of the Year, Above \$500 mm</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>Dealmaker of the Year – Steve McLaughlin</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>
2015	<ul style="list-style-type: none"> <li>Steve McLaughlin ranked #4 in Institutional Investor's FinTech 35 List</li> </ul>
2006 - 2008	<ul style="list-style-type: none"> <li>Consecutively ranked (2006, 2007 and 2008) among the top Bankers in Financial Technology</li> </ul>
2008	<ul style="list-style-type: none"> <li>Equity Financing Dealmaker of the Year – Steve McLaughlin</li> <li>Information Technology Deal of the Year</li> <li>Financial Services Deal of the Year</li> </ul>
2006	<ul style="list-style-type: none"> <li>Financing Professional of the Year – Steve McLaughlin</li> <li>Financing Deal of the Year - Equity</li> <li>Financing Deal of the Year - Debt</li> </ul>









## Platform of Choice for Clients and Bankers Alike



■ Employees      —○— Total Exp. Of Directors / MDs (Years)



## The FT Partners Senior Banker Team

Name / Position	Prior Background	Experience / Education	Years of Experience
<b>Steve McLaughlin</b> <i>Founder, CEO and Managing Partner</i>		<ul style="list-style-type: none"> <li>Formerly with Goldman, Sachs &amp; Co. in New York and San Francisco from 1995-2002</li> <li>Former Co-Head of Goldman Sachs' Financial Technology Group (#1 market share)</li> <li>Wharton M.B.A.</li> </ul>	22
<b>Larry Furlong</b> <i>Managing Director</i>		<ul style="list-style-type: none"> <li>Formerly with Goldman, Sachs &amp; Co. in New York, London and Los Angeles beginning in 1995</li> <li>Wharton M.B.A.</li> </ul>	22
<b>Greg Smith</b> <i>Managing Director</i>		<ul style="list-style-type: none"> <li>Formerly award winning Equity Research Analyst at Merrill Lynch / J.P. Morgan / Hambrecht &amp; Quist</li> <li>20+ years of experience covering FinTech as both an Analyst and Investment Banker</li> </ul>	21
<b>Osman Khan</b> <i>Managing Director</i>		<ul style="list-style-type: none"> <li>Former Managing Director / Head of FIG M&amp;A at Alvarez &amp; Marsal</li> <li>15+ years FIG deal, consulting and assurance experience at PwC</li> <li>40 Under 40 M&amp;A Advisor Award Winner in 2013</li> <li>LSE (BSc w/Honors), MBS (MBA w/Distinction), ICAEW (FCA)</li> </ul>	20
<b>Steve Stout</b> <i>Managing Director</i>		<ul style="list-style-type: none"> <li>Former Global Head of Strategy at First Data</li> <li>Formerly Led J.P. Morgan Payments Investment Banking</li> <li>Former Equity Research Analyst on #1 ranked team at UBS and Economist at the Federal Reserve Bank</li> </ul>	19
<b>Tim Wolfe</b> <i>Managing Director</i>		<ul style="list-style-type: none"> <li>Formerly with Goldman, Sachs &amp; Co. beginning in 2000</li> <li>Started at FT Partners in 2002</li> <li>40 Under 40 M&amp;A Advisor Award Winner 2013</li> <li>Harvard M.B.A.</li> </ul>	15
<b>Timm Schipporeit</b> <i>Managing Director</i>		<ul style="list-style-type: none"> <li>11+ years with Morgan Stanley, Senior Executive Director of European Technology Investment Banking Team in London</li> <li>Formerly a Venture and Growth Investor focused on FinTech at Index Ventures</li> </ul>	14
<b>Andrew McLaughlin</b> <i>Managing Director, Research &amp; Business Development</i>		<ul style="list-style-type: none"> <li>Leads FT Partners' Research and Business Development Team</li> <li>Formerly with Deloitte Consulting</li> </ul>	11