

FT PARTNERS FINTECH INDUSTRY RESEARCH

January 9, 2017



Magento Raises \$250 million in Financing

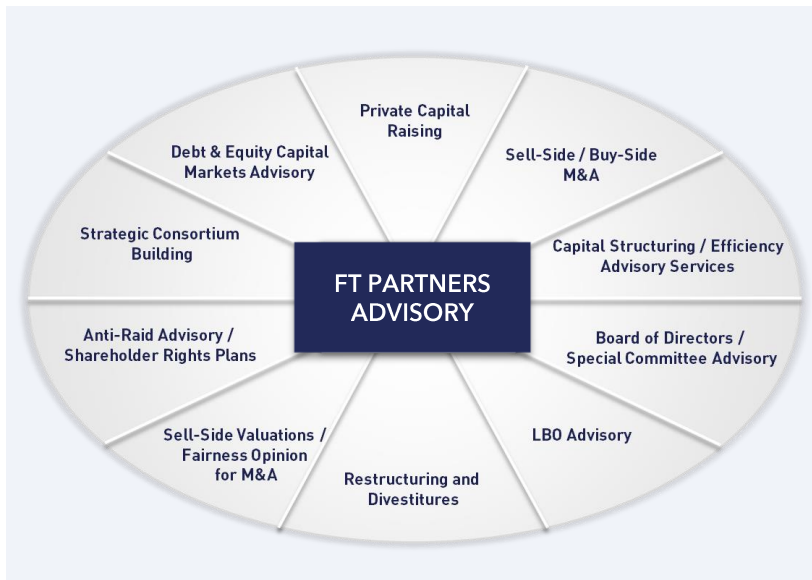
From Hillhouse Capital



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



The Information

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 *Institution Investor's* "FinTech Finance 35"



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

Steve McLaughlin: *Founder & CEO*

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Magento Raises \$250 million in Financing

Transaction Summary

Transaction Summary

- On January 4, 2017, Magento Commerce announced that it will receive a \$250 million investment from Hillhouse Capital
- The funding will be used to fuel Magento's growth strategy, increase its worldwide expansion of sales, marketing and client support, enhance new product innovation and sponsor future acquisitions
- Hillhouse Capital will partner with the Magento management team and Permira funds through this financing to continue the long term growth of the Company
 - Permira will continue to own a majority stake in the Company
- The new funding values Magento at more than \$700 million according to the Financial Times ⁽¹⁾

Transaction Commentary (Investors)

"We see tremendous growth opportunities for Magento globally and specifically in Asia. We are excited to be partnering with such an exceptional management team to continue to build and grow the business over the long-term."



Lei Zhang
Chairman, CEO



"Hillhouse is a leading global investor with an incredible reputation and track record of successful investments in some of the world's fastest growing technology companies. The Permira funds look forward to partnering with Hillhouse to continue supporting the Magento management team as the company builds on its industry-leading brand position and executes its global growth strategy."



Phil Guinand
Partner



Transaction Commentary (Company)

"Since becoming an independent company only one year ago, Magento is already the largest global commerce platform in the world. Our powerful, cloud-based open platform is supported by a vast global ecosystem of solution integrators and technology partners to enable over 250,000 clients who collectively generate more than \$50 billion in annual merchandise volume... In addition to the capital that will accelerate our growth, this investment brings the experience and long-term perspective of another marquee investor. Both Hillhouse and Permira see that in nearly every industry, there is a major secular acceleration taking place driving demand for digital commerce technology... Magento's goal is to be the leading company for the next generation of commerce innovators, and it is a privilege to have two prominent technology investors backing our vision."



Mark Lavelle
CEO



Management Team



Mark Lavelle, CEO

- Formerly SVP of Product at eBay Enterprise
- Previously co-founded Bill Me Later



Steve Yankovich, Chief Product Officer

- Created mobile business at eBay in 2012
- Holds 36 patents



Phillip Depaul, CFO

- Previously CFO of eBay Enterprise and VP of Finance and Chief Accounting Officer of eBay



Mark Lenhard, SVP of Strategy & Growth

- Formerly a Managing Director at JPMorgan Chase
- Previously led PayPal's strategy team

Magento Raises \$250 million in Financing

Magento Overview

Company Overview



CEO: Mark Lavelle
Headquarters: Campbell, CA
Founded: 1985

- Magento Commerce is a leading provider of open omnichannel innovations to retailers, brands and branded manufacturers in the retail B2C and B2B industries
- The Company provides an open source e-commerce platform, as well as a number of other cloud-based omnichannel solutions
 - Merchants use these solutions to integrate the digital and shopping experiences for their customers
 - The Company also offers the largest commerce marketplace for extensions
- Magento currently supports more than 250,000 businesses worldwide, including companies in the Internet Retailer Top 1000 and Internet Retail Hot 100
 - Over \$50 billion in gross merchandise volume has been transacted on the platform
- The Company is part of a global network of over 300 solution and technology partners, as well as a global community of more than 150,000 developers
- Magento was previously a subsidiary of eBay, before becoming an independent company backed by Permira in November 2015

Products & Services Overview

- ✓ Enterprise Cloud Edition
- ✓ Enterprise Edition
- ✓ Commerce Order Management
- ✓ Analytics
- ✓ Community Edition
- ✓ Professional Services / Consulting

Solutions by Business Need

- **International Expansion:** be flexible, break into new markets faster, act local and efficiently manage multiple international sites
- **Digital Transformation:** choose deployment options, integrating technologies, get to market fast, fast & cost effective product extensions
- **Omnichannel:** mobile shopping anywhere, increase in-store sales & service, 360-degree view of inventory, orchestrate order fulfillment

Industries and Selected Customers



Magento Raises \$250 million in Financing

Hillhouse Capital Overview

Overview



Lei Zhang
Founder, CEO &
Chairman



Li Congliang
Managing Director



Jing Hong
Managing Director



David Rhee
Partner

Locations

- Beijing, China

About

- Founded in 2005, Hillhouse is a long-term fundamental equities investor
- Manages nearly \$13 bn in assets, including funds from Yale University's endowment and other institutional clients
- Hillhouse Capital Partners' long term investment strategy means continued investment from the start-ups to IPO
- Has invested in some of the fastest-growing technology companies in the world, including Airbnb, JD.com and Uber

Investment Preferences

Investment Criteria

Fund Size:	\$2,000mm
Fund Raised:	2014
Investment Range:	NA
Revenue:	NA
EBITDA:	NA

General Preferences¹

Control:	Minority
Geography:	Global, with a focus on Asia
Transaction Type:	Venture, Growth, Secondary, IPO
Industry Focus:	Consumer, Industrial, Media, Healthcare, Technology

Selected Recent Investments / Exits

FinTech / Financial Services Investments²

Date	Company	Deal Amt. ³	Board Rep.	Sector
01/17	Magento Commerce (PE Growth)	\$250	NA	Pymts
11/15	Bai An (Joint Venture)	NA	NA	Ins

Other Technology Investments²

Date	Company	Deal Amt. ³	Board Rep.	Sector
10/16	Duomi.com (Series B)	\$40	NA	Software
03/16	FXiaoKe (Series D1)	45	NA	CRM
02/16	Girnar Software (Series C)	15	NA	IT
11/15	Airbnb (Series E)	1,580	NA	EComm
11/15	Iwju (Series E)	152	NA	Online
09/15	Guahao (Later-Stage VC)	394	NA	HCIT
09/15	Didi Kuaidi (Later-Stage VC)	3,000	NA	Mobile
07/15	Uber (Series F)	1,000	NA	Mobile
01/15	Meituan (Series D)	700	NA	EComm
10/14	GrabTaxi (Later-Stage VC)	65	NA	Mobile
06/14	Mongujie (Series D)	200	NA	EComm
11/13	Evernote (Later-Stage VC)	32	NA	Dig Med
02/13	JD.com (Later-Stage VC)**	700	NA	EComm

Source: Company website, PitchBook.

1) Italics indicate preferred control / geography.

3) Deal Amount in mm.

2) * denotes M&A exit; ** denotes IPO exit.

Selected FT Partners' Research – *Click to View*



Transaction Security



Global Money Transfer



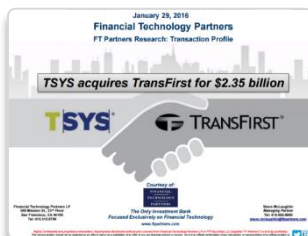
PayPal Spin-off Overview



Apple Unveils Apple Pay



Heartland's Sale to Global Payments



TransFirst's Sale to TSYS



Square Completes its IPO



First Data: Post Quiet Period Review



Flexpoint Ford Acquires Purchasing Power



Stripe Raises \$150 million in Financing



Vantiv Acquires Moneris USA for \$425 million



China UnionPay Merchant Services Raises ~\$296 million in Financing

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FT Partners – Focused Exclusively on FinTech

FT PARTNERS RESEARCH

FT Partners is the Leader in Financial Technology Investment Banking

<p>Financial Technology Partners LP FTP Securities LLC</p> <p>is pleased to announce its role as strategic and financial advisor to</p> <p>Heartland</p> <p>in its sale to</p> <p>globalpayments</p> <p>for total consideration of</p> <p>\$ 4,500,000,000</p> <p>FINANCIAL TECHNOLOGY PARTNERS The Only Investment Bank Focused Exclusively on Financial Technology</p>	<p>Financial Technology Partners LP FTP Securities LLC</p> <p>is pleased to announce its role as strategic and financial advisor to</p> <p>MERCURY®</p> <p>in its cash sale to</p> <p>vantiv™</p> <p>for total consideration of</p> <p>\$ 1,650,000,000</p> <p>FINANCIAL TECHNOLOGY PARTNERS The Only Investment Bank Focused Exclusively on Financial Technology</p>	<p>Financial Technology Partners LP FTP Securities LLC</p> <p>is pleased to announce its role as strategic and financial advisor to</p> <p>TRANSFIRST™</p> <p>in its sale to</p> <p>Vista Equity Partners from WCAS</p> <p>for total consideration of</p> <p>\$ 1,500,000,000</p> <p>FINANCIAL TECHNOLOGY PARTNERS The Only Investment Bank 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>GiftCards.com</p> <p>in its sale to</p> <p>BLACKHAWK NETWORK</p> <p>for total consideration of</p> <p>\$ 120,000,000</p> <p>FINANCIAL TECHNOLOGY PARTNERS The Only Investment Bank 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>CAYAN™</p> <p>in its Significant Growth Recapitalization by</p> <p>PARthenon CAPITAL PARTNERS</p> <p>FINANCIAL TECHNOLOGY PARTNERS The Only Investment Bank 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>MERCURY®</p> <p>in its approximately 60% Growth</p> <p>SILVERLAKE</p> <p>for a value up to</p> <p>\$ 900,000,000</p> <p>FINANCIAL TECHNOLOGY PARTNERS The Only Investment Bank 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>cardsPRING</p> <p>in its sale to</p> <p>twitter</p> <p>FINANCIAL TECHNOLOGY PARTNERS The Only Investment Bank Focused Exclusively on Financial Technology</p>	<p>Financial Technology Partners LP FTP Securities LLC</p> <p>is pleased to announce its role as sole strategic and financial advisor to</p> <p>century PAYMENTS</p> <p>in its sale to</p> <p>WorldPay a portfolio company of Advent International / BainCapital</p> <p>FINANCIAL TECHNOLOGY PARTNERS The Only Investment Bank 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>MARQETA</p> <p>in its Series C minority financing from</p> <p>COMMERZ VENTURES Commerzbank Group</p> <p>83NORTH / CV SACAPITAL GROUP / COMMERCE VENTURES</p> <p>for total consideration of approximately</p> <p>\$ 25,000,000</p> <p>FINANCIAL TECHNOLOGY PARTNERS The Only Investment Bank 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>YAPSTONE™ ePayments as a Service</p> <p>in its minority investment led by</p> <p>ACCEL PARTNERS</p> <p>for total consideration of approximately</p> <p>\$ 50,000,000</p> <p>FINANCIAL TECHNOLOGY PARTNERS The Only Investment Bank 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>VERUS</p> <p>in its sale to</p> <p>sage</p> <p>for cash consideration of approximately</p> <p>\$ 325,000,000</p> <p>FINANCIAL TECHNOLOGY PARTNERS The Only Investment Bank 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>SOLVERAS PAYMENT SOLUTIONS™</p> <p>in its sale to</p> <p>TRANSFIRST™</p> <p>for total consideration of approximately</p> <p>\$ 51,000,000</p> <p>FINANCIAL TECHNOLOGY PARTNERS The Only Investment Bank 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>lynk</p> <p>in its sale to</p> <p>The Royal Bank of Scotland</p> <p>for cash consideration of approximately</p> <p>\$ 525,000,000</p> <p>FINANCIAL TECHNOLOGY PARTNERS The Only Investment Bank 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>PROPAY™</p> <p>in its sale to</p> <p>TSYS</p> <p>for total consideration of approximately</p> <p>\$ 135,000,000</p> <p>FINANCIAL TECHNOLOGY PARTNERS The Only Investment Bank 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>nmi</p> <p>in its growth investment by</p> <p>BregalSagemount</p> <p>for total consideration of approximately</p> <p>\$ 200,000,000</p> <p>FINANCIAL TECHNOLOGY PARTNERS The Only Investment Bank Focused Exclusively on Financial Technology</p>

Unparalleled experience in Payment Processing across the entire spectrum of transaction types and dynamics, with extremely strong execution and outcomes

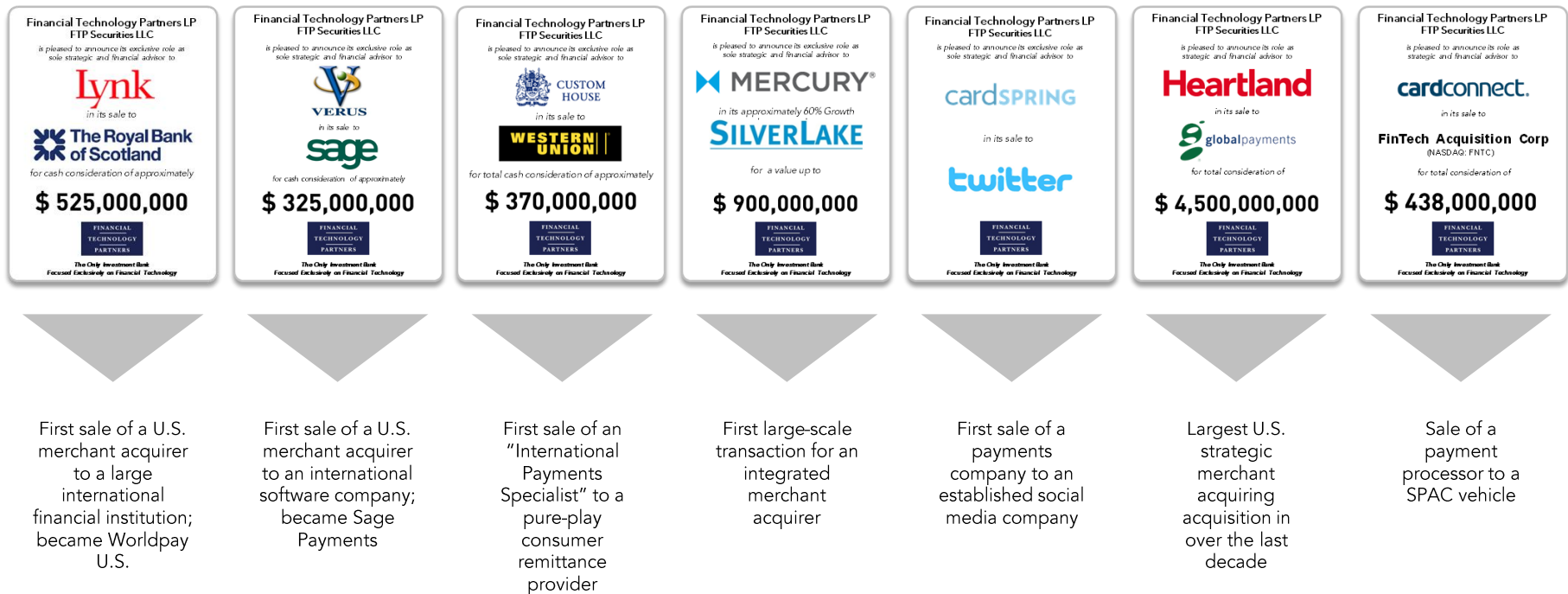
***FT Partners has a history of
executing on some of the
most ground-breaking
Payments transactions in the
last decade+***



FT Partners – Focused Exclusively on FinTech

FT PARTNERS RESEARCH

Ground-Breaking Transactions Pioneered by FT Partners



Transactions demonstrate success breaking new ground across the Payment Processing sector

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

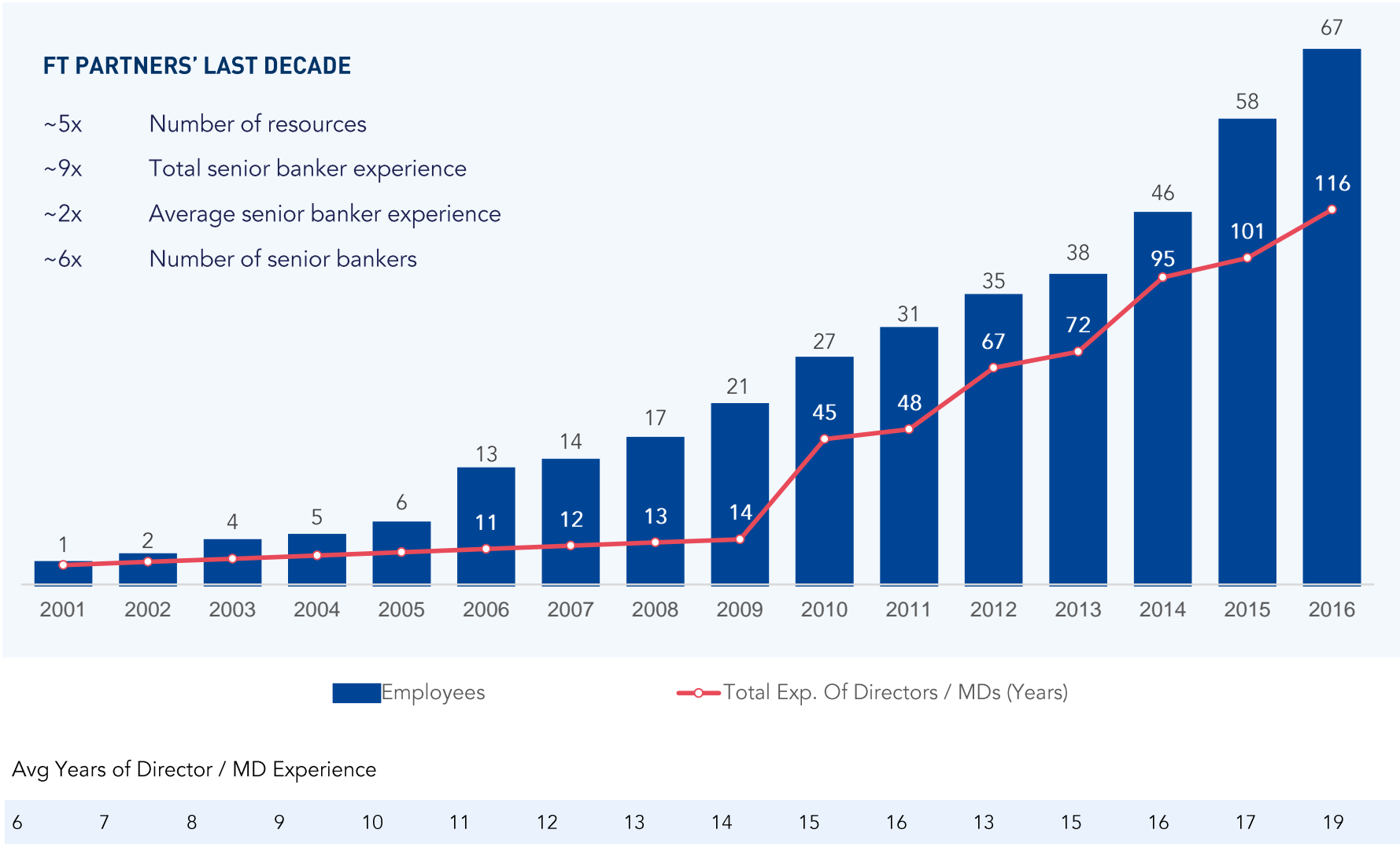


M&A Advisor Awards



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

Platform of Choice for Clients and Bankers Alike



The FT Partners Senior Banker 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. 	21
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. 	21
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, TSS, GPN, HPY DST, ENV, FISV, FIS, JKHY, WU & EEFT among others 	20
Steve Stout <i>Managing Director</i>		<ul style="list-style-type: none"> Formerly with J.P. Morgan and UBS Formerly Global Head of Strategy at First Data 	18
Tim Wolfe <i>Managing Director</i>		<ul style="list-style-type: none"> Formerly with Goldman, Sachs & Co. beginning in 2000 Started at FT Partners in 2002 40 Under 40 M&A Advisor Award Winner 2013 Harvard M.B.A. 	14
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 	10