

# FT PARTNERS FINTECH INDUSTRY RESEARCH

January 9, 2016



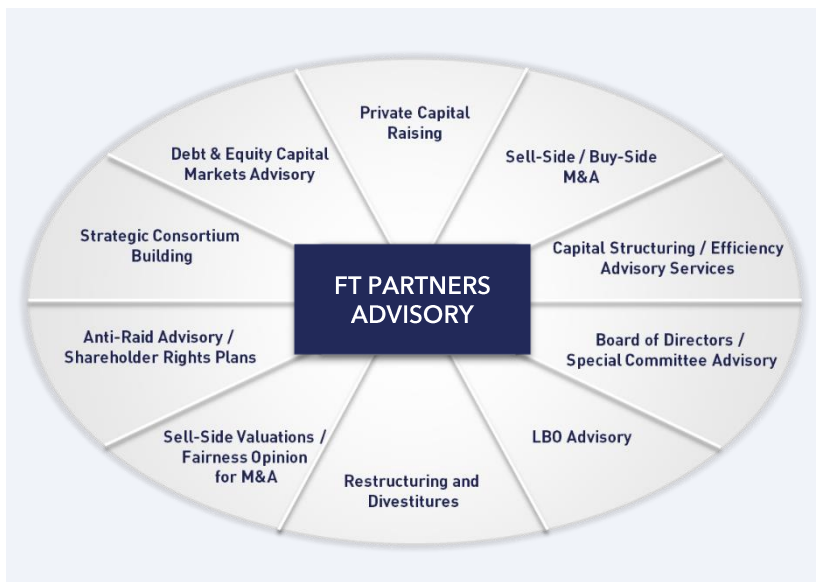
## **EVO Payments International Acquires Sterling Payment Technologies**



## 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



**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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## Transaction Summary

### Transaction Summary

- On January 4, 2017, EVO Payments International announced that it has acquired Sterling Payment Technologies
- The acquisition will enhance EVO's existing offerings and extend the Company's distribution capabilities for integrated payments
- After the acquisition, Sterling will continue to operate under their brand within EVO
  - Paul Hunter, the current CEO and President, will continue to manage the Sterling team
  - He will also lead EVO's overall integrated payments strategy and be responsible for EVO's overall U.S. integrated solutions offerings

### EVO Management Team



**Ray Sidhom**  
Chairman and Founder



**Brendan Tansill**  
President, North America



**James Kelly**  
CEO



**Darren Wilson**  
President, International



**Kevin Hodges**  
CFO



**Michael Reidenbach**  
Worldwide CIO

### Transaction Commentary

*"The acquisition of Sterling accelerates further EVO's growth in the integrated solutions market, strengthening our existing integrated solutions business with the addition of Sterling's products, sales network and talented management team. With a focus on innovation and service, the combined companies will work together to provide POS dealers, resellers, developers and merchants with the most advanced payment solutions in the market. In addition, connecting Sterling to our global processing infrastructure enables us to seamlessly export Sterling's product capabilities to our international markets. Importantly, we can also support Sterling's existing partners by providing them with opportunities to expand outside of the U.S. I am delighted to welcome Paul Hunter and his team to the EVO organization."*



**James Kelly**  
CEO

*"We are excited to bring our existing merchant customers as well as our product offerings and network of dealers and distributors to EVO. The acquisition enables Sterling to offer our partners in-house processing and greater sales distribution opportunities, while continuing to provide the high level of customer service they have come to expect. The combination of our two companies will enable greater control over the delivery of services and solutions to our existing and future customers."*



**Paul Hunter**  
President, CEO

# EVO Acquires Sterling Payment Technologies



## Sterling Payment Technologies Overview

### Company Overview



**CEO:** Paul Hunter  
**Headquarters:** Tampa, FL  
**Founded:** 2001

- Sterling Payment Technologies provides payment processing and other payment solutions to merchants
  - Able to process transactions for all major payment cards
  - Payment solutions include terminal and POS systems, gift card programs, virtual terminals and online reporting / management tools
- Sterling works with merchants, ISOs and agents, resellers, POS developers and banks and associations across the U.S.
- The Company is partnered with Datacap and Ingenico for integrated payments

### Partners



### Products & Services Overview

#### ADVANTAGE

Get access to business productivity tools, discounts and services

- Terminal Program
- Integrated Program
- Hybrid Program

#### API

Enables secure online payments and provides a variety of options for customized solutions

#### BRIDGE BUSINESS INTELLIGENCE

Powerful, integrated payment solution to increase sales with fast transactions, reduce expenses, maximize profits and increase productivity

#### EZPAY

Third-party billing system that offers customized payment options. Payments are deducted from daily credit card sales and vendors are paid twice a month.

#### FUNDING

Merchant cash advance as a business loan alternative – leverage monthly credit card sales

#### GIFT

Choose between Quick or Custom Card Programs to create gift programs for businesses

#### VIRTUAL TERMINAL

Process transactions quickly and securely online without needing to purchase a credit card terminal

# EVO Acquires Sterling Payment Technologies



## EVO Payments International Overview

### Company Overview



**CEO:** James Kelly  
**Headquarters:** Atlanta, GA  
**Founded:** 1989

- EVO Payments International is a leading payments service provider for merchant acquiring and processing solutions
  - Provides solutions for merchants, financial institutions, ISVs, ISOs, government organizations and multinational corporations
- The Company operates as a payments service provider for both face-to-face and eCommerce transactions for all major credit cards, debit cards, commercial cards and electronic bank transfers
- The Company currently operates in 50 markets and 130 currencies globally

### Verticals



Retail



Restaurant



eCommerce



Hospitality



Financial  
Institutions



B2B



Utilities &  
Billing



Education



Non Profit



Entertainment

### Products & Services Overview

- **Terminals and Other Acceptance Channels:** traditional POS terminals, virtual terminals, data gateways, hosted payment solutions
- **Acquiring and Payment Transaction Processing:** direct acquiring and end-to-end processing services from payment acceptance of settlement of funds
- **Fraud and Loss Prevention:** data security products and services to prevent, manage and reduce fraud
- **Additional Services:** accelerated funding, DCC, gift and loyalty, prepaid cards, receivables management, cash back, check guarantees, advances, dynamic transaction references

### Selected Recent Acquisitions

Announce Date	Target	Amount (\$ in mm)
12/30/15	universal pay	\$103
09/01/15	Banamex Merchant Acquiring Business	na
05/29/15	Postbank Postbank P.O.S. Transact	na
11/18/13	PRODIGY PAYMENT SYSTEMS  encore Payment Systems Momentum payment systems	na
11/07/13	eService S.A. Centrum Elektronicznych Usług Płatniczych	114
09/03/13	Perpetual Software License	na



## 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



Magento Raises \$250 million in Financing



Flexpoint Ford Acquires Purchasing Power



Stripe Raises \$150 million in Financing



Vantiv Acquires Moneris USA for \$425 million

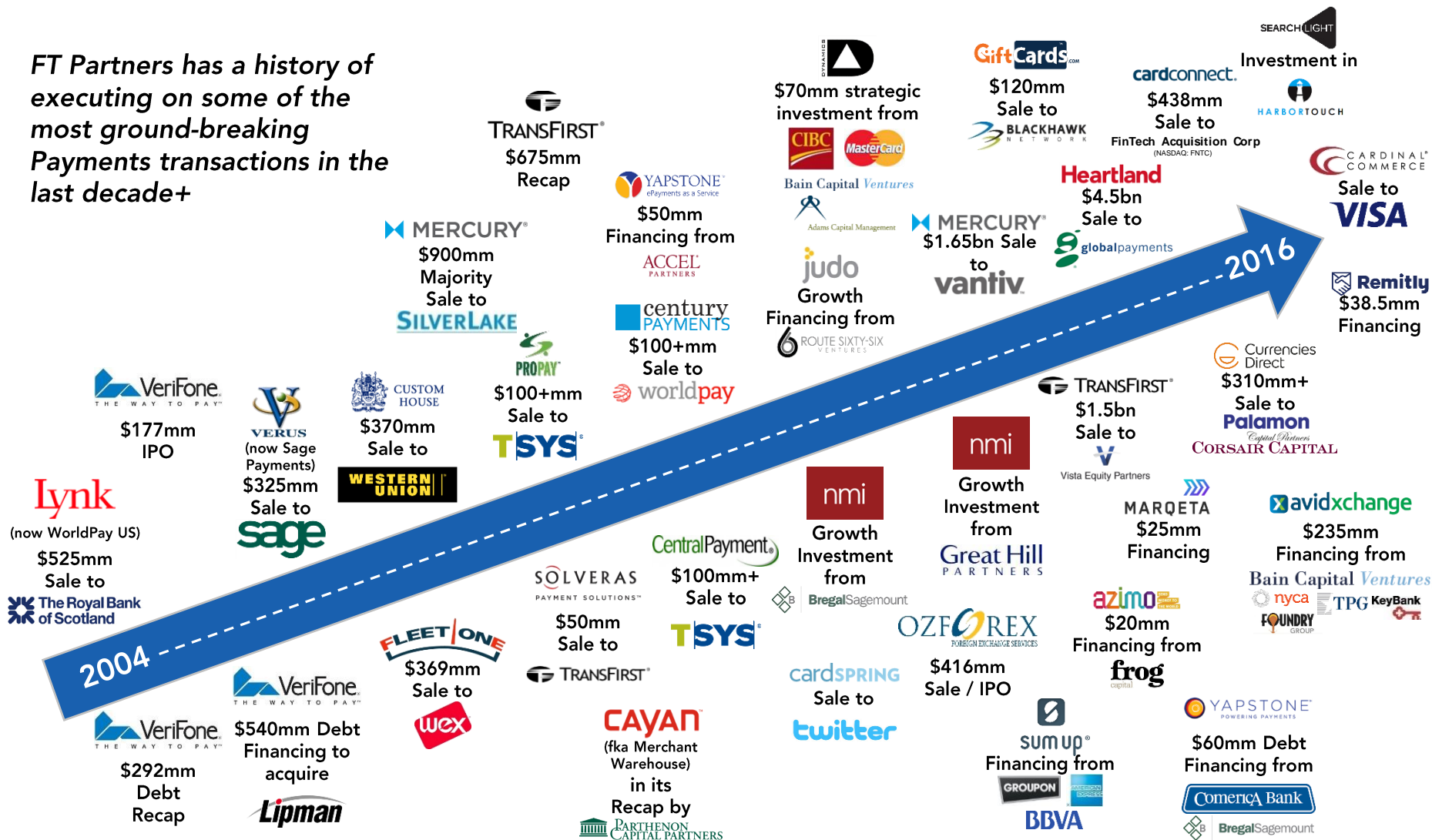
[VIEW MORE FT PARTNERS RESEARCH](#)

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



*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+***

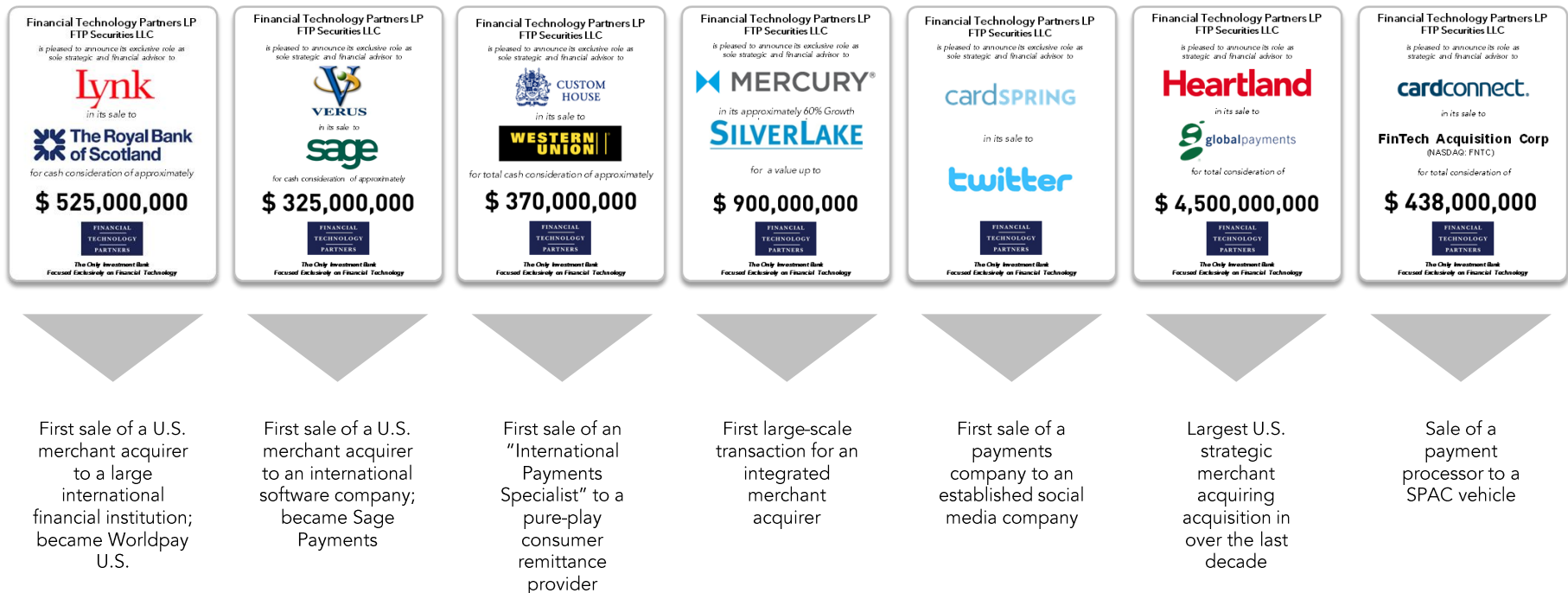




# FT Partners – Focused Exclusively on FinTech

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

- **Investment Banking Firm of the Year**
- **Cross Border Deal of the Year**

2015

- **Dealmaker of the Year**
- **Technology Deal of the Year**

2014

- **Equity Financing Deal of the Year**
- **Professional Services Deal of the Year, Above \$100mm**

2012

- **Dealmaker of the Year**
- **Professional Services Deal of the Year, Above \$100mm**

2011

- **Boutique Investment Bank of the Year**
- **Deal of the Decade**
- *10 Deal of the Year Nominations Across 9 Categories*

2010

- **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

- **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

- **Steve McLaughlin ranked #4 in Institutional Investor's FinTech 35 List**

2006 - 2008

- **Consecutively ranked (2006, 2007 and 2008) among the top Bankers in Financial Technology**



Middle Market Financing Awards

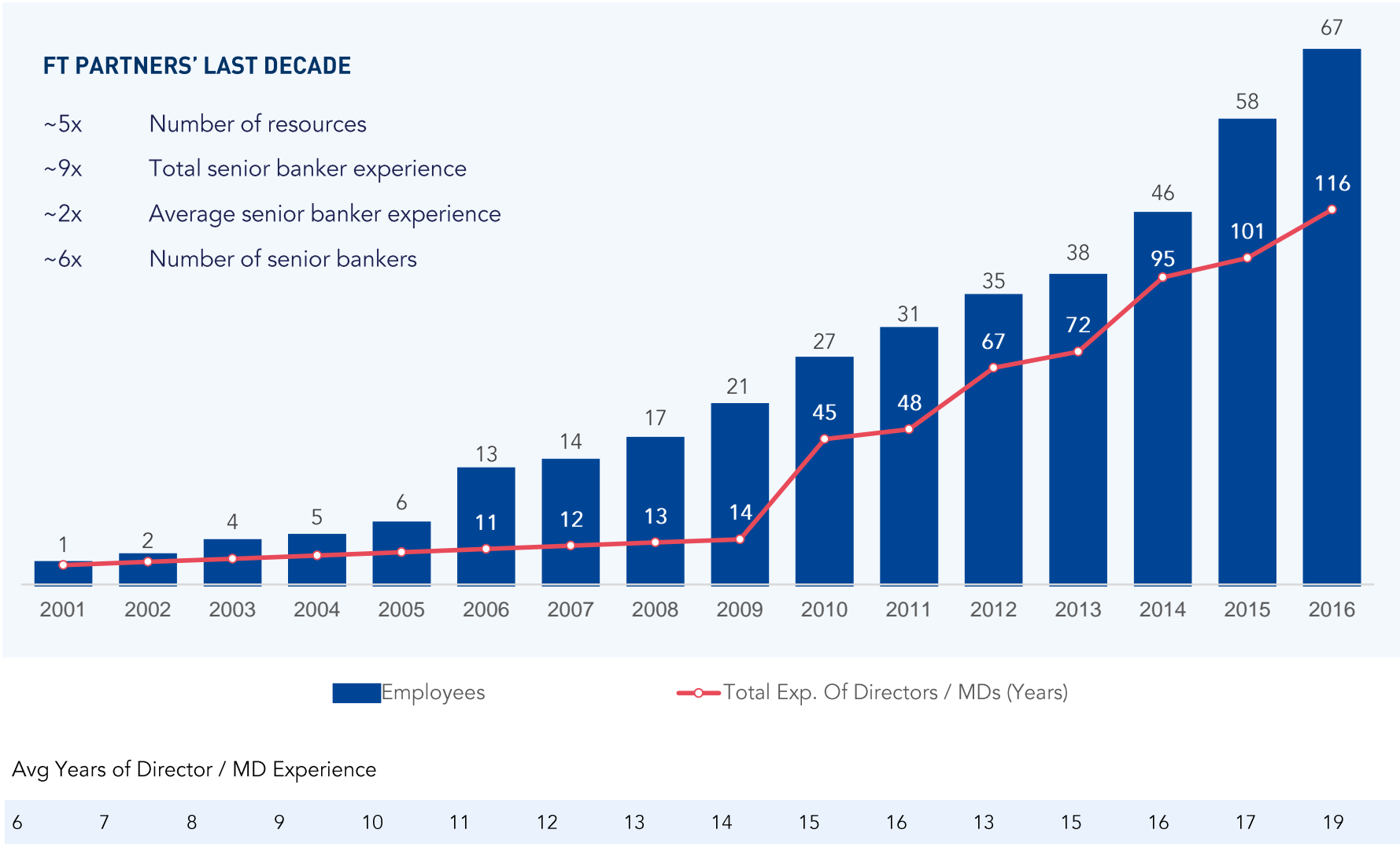
2008

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

2006

- **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
<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>Formerly Co-Head of Goldman Sachs' Financial Technology Group (#1 market share)</li> <li>Wharton M.B.A.</li> </ul>	21
<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>	21
<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 / Sterne Agee</li> <li>Recent coverage included V, MA, TSS, GPN, HPY DST, ENV, FISV, FIS, JKHY, WU &amp; EEFT among others</li> </ul>	20
<b>Steve Stout</b> <i>Managing Director</i>		<ul style="list-style-type: none"> <li>Formerly with J.P. Morgan and UBS</li> <li>Formerly Global Head of Strategy at First Data</li> </ul>	18
<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>	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>	10