

FT PARTNERS FINTECH INDUSTRY RESEARCH

April 13, 2018



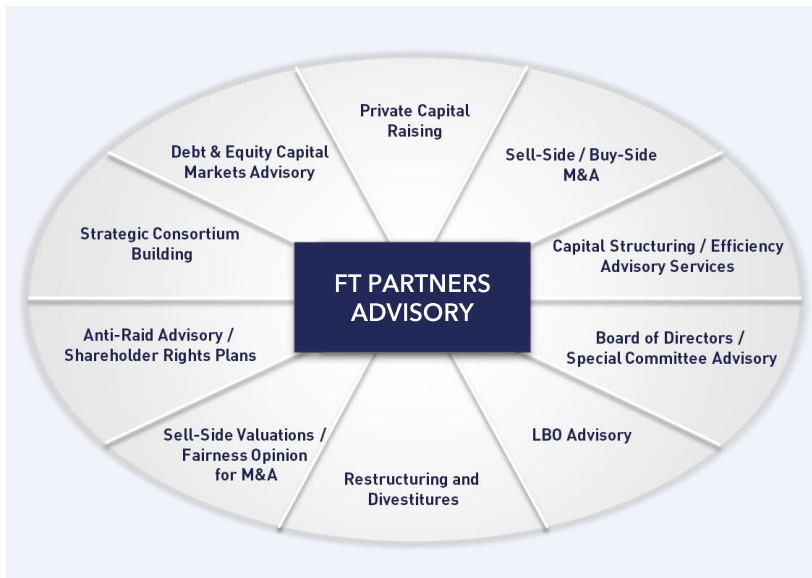
**Francisco Partners Acquires Verifone (NYSE: PAY)
for an Enterprise Value of \$3.4 billion**



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 40"



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

Steve McLaughlin: *Founder & CEO*

Tel: 415.992.8880

steve.mclaughlin@ftpartners.com

SUBSCRIBE



Francisco Partners Acquires Verifone for \$3.4 billion

FT PARTNERS RESEARCH

Verifone®

Transaction Summary

Transaction Summary

- On April 9, 2018, an investment group led by Francisco Partners and including British Columbia Investment Management Corporation announced that it has acquired Verifone for approximately \$3.4 billion, including Verifone's net debt
 - Offer price of **\$23.04 per share** represents a **54% premium** to the April 9th closing share price of \$15.00
- The transaction values Verifone at an equity value of \$2.6 billion and an enterprise value of approximately \$3.4 billion
 - 15.2x** EV / 2017A Adjusted EBITDA
 - 11.1x** EV / 2018E Adjusted EBITDA
 - 10.3x** EV / 2019E Adjusted EBITDA
- The Company will continue to focus on current growth initiatives including already identified future acquisition opportunities in 2018 and 2019
 - Upon closing of the transaction, Verifone will become a private company
- The deal is expected to close in the third quarter of 2018
- Verifone was publicly traded in the '90's before it was acquired by Hewlett-Packard; the company was later divested by HP and then re-entered the public markets in 2005

Transaction Commentary

"We are pleased to reach this agreement with Francisco Partners. This transaction delivers significant cash value to our stockholders and provides compelling benefits for our clients. We believe this transaction reflects the progress we have made executing our transformation from a terminal sales company to a payments and commerce solutions provider. With Francisco Partners' resources, expertise and track-record growing global technology businesses, we are confident that we will be better positioned to serve the needs of our clients around the globe."

Verifone®

Paul Galant
CEO



"Verifone continues to build compelling and impressive products and technology and has attractive long-term growth prospects. We are excited to become investors and stewards of this important platform in the global payments and commerce ecosystem."

FP
FRANCISCO
PARTNERS

Peter Christodoulo
Partner



"This investment builds on the strengths of our financial technology, systems and software franchises. Verifone will receive the highest focus of Francisco Partners as we support its continued growth and transformation in an increasingly software-centric world."

FP
FRANCISCO
PARTNERS

Dipanjn Deb
Co-Founder, CEO



San Francisco Partners Acquires Verifone for \$3.4 billion



Verifone Overview

Company Overview

CEO:		Paul Galant
Headquarters:		San Jose, CA
Founded:		1981

- Verifone is a leading provider of point of sale solutions
- In addition to offering POS terminals, the Company focuses on value-added services for merchants such as:
 - Targeted media
 - Ominchannel experiences
 - Third-party developed apps

Stock Performance (NYSE:PAY) ⁽¹⁾



Key Highlights



Processes over 7.6 billion transactions per year

Over 30 million devices deployed around the world



Accepts payments throughout more than 150 countries

Nearly \$2 billion in revenue in fiscal year 2017



Roughly 6,000 total employees

Source: Company website, investor day presentation
(1) As of 4/10/18

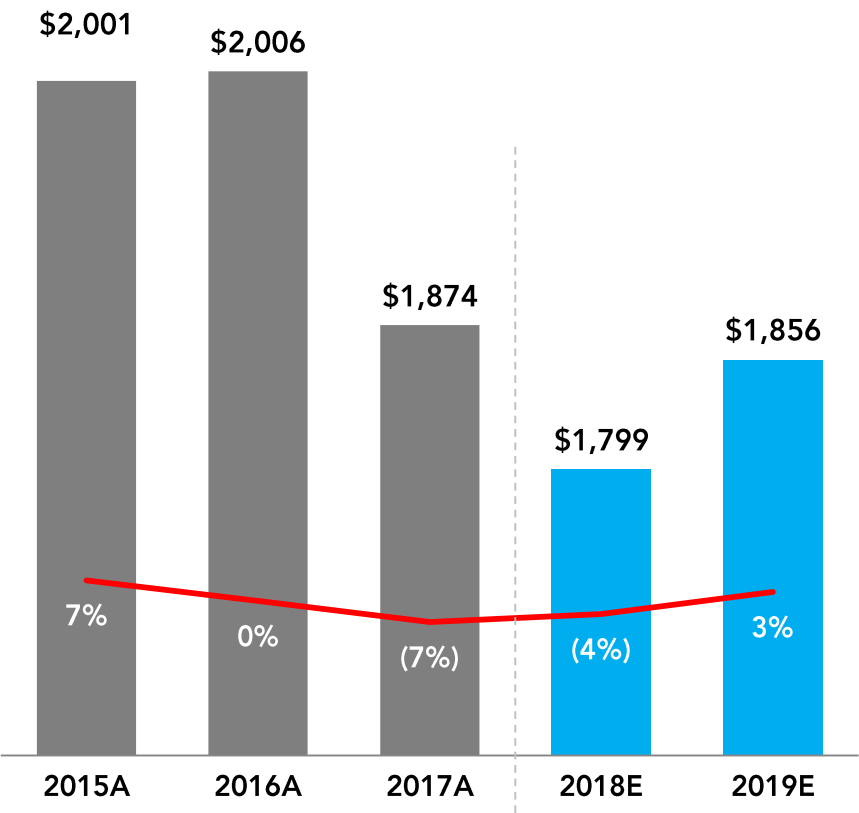
Francisco Partners Acquires Verifone for \$3.4 billion

Verifone Financial Overview



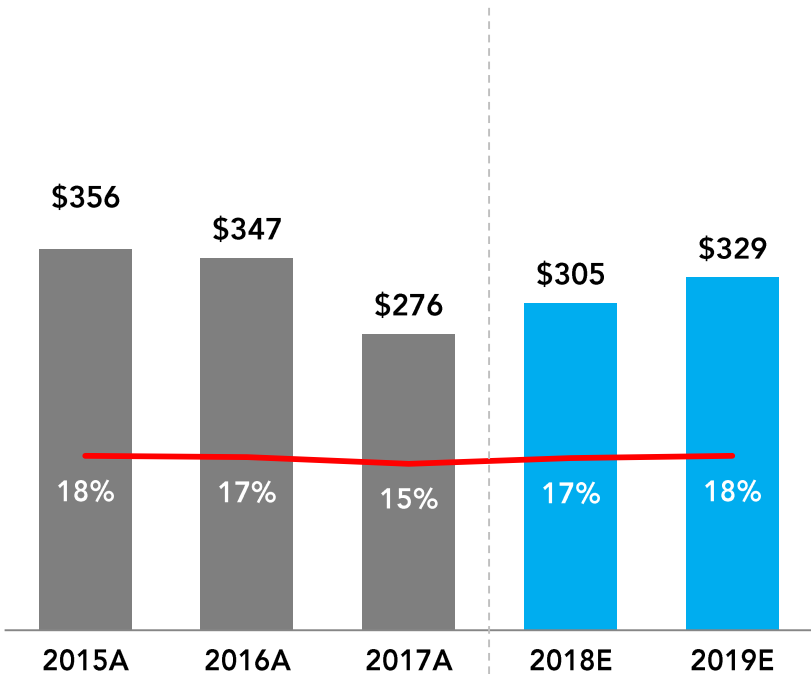
Revenue / % Growth

(\$ in mm)



Adj. EBITDA / % Margin

(\$ in mm)



Francisco Partners Acquires Verifone for \$3.4 billion

FT PARTNERS RESEARCH



Francisco Partners Overview

Overview



DJ Deb
CEO



Tom Ludwig
COO



David Golob
Chief Investment
Officer



Ezra Perlman
Co-President



Deep Shah
Co-President



Peter Christodoulo
Partner

Locations

- San Francisco, CA (HQ)
- London, UK

About

- Founded in 1999, Francisco Partners is one of the largest private equity firms focused exclusively on technology and tech-enabled businesses
- Francisco Partners has raised over \$10 bn in capital since its founding and invested in over 150 companies
- Pursues transactions between \$20 mm and \$2 bn of enterprise value
- Specializing in buyouts, Francisco Partners will typically seek majority control in all transactions, but will consider minority from time to time
- Looks for established companies with revenue growth between 5% and 15% as well as growth stage companies with 20%+ growth

Investment Preferences

Investment Criteria

Fund Size:	\$600 mm (Agility) \$3,980 mm (V)
Fund Raised:	2016 (Agility) 2017 (V)
Investment Range:	\$20 – 500 mm (Equity)
Revenue:	\$20 mm +
EBITDA:	NA

General Preferences ¹

Control:	Majority, Minority
Geography:	North America, Europe, Asia / Pacific
Transaction Type:	Growth, Buyout, Spinoff, Take Private, PIPE
Industry Focus:	FinTech, Comms / Security, Healthcare, Internet, Software, Systems / Hardware

Selected Recent Investments

FinTech / Financial Services Investments ²

Date	Company	Deal Amt. ³	Board Rep.	Sector
04/18	Verifone (Buyout)	\$3,400	NA	Pymts
01/18	Connecture (Buyout)	NA	NA	HCIT
09/17	Dynamo (Buyout)	NA	NA	CapMkts
09/17	Availity (PE Growth)	NA	Christopher Adams	HCIT
09/17	NMI (Buyout)	NA	Peter Christodoulo	Pymts
07/17	Betterment (Series D)	\$70	Peter Christodoulo	CapMkts
06/16	Capsilon (PE Growth)	NA	Jason Brein	Bnkg
10/15	GoodRx (PE Growth)	NA	NA	HCIT
04/15	Healthcare Source HR (Buyout)	330	NA	HCIT
01/15	eSolutions (PE Growth)	NA	Ezra Perlman	HCIT
11/14	CoverMyMeds (McKesson)*	NA	Chris Adams, Jason Brein	HCIT
10/14	Vendavo (Buyout)	NA	Petri Oksanen	FMS
06/14	PayLease (PE Sponsor)*	33	Peter Christodoulo	Pymts

Other Notable Technology Investments ²

Date	Company	Deal Amt. ³	Board Rep.	Sector
05/17	SmartBear (Buyout)	NA	NA	Software
11/16	Prometheus Group Enterprises (Buyout)	NA	Petri Oksanen	Software
10/16	Dell Software Group - Quest / SonicWALL (Carve-out)	NA	NA	Software

Source: Company website, PitchBook

1) Italics indicate preferred control / geography

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

Francisco Partners Acquires Verifone for \$3.4 billion

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British Columbia Investment Management Corporation Overview

Verifone®

Overview



Gordon Fyfe
CEO & CIO



Jim Pittman
SVP, Private Equity



Ali Kanani
Senior Principal,
Private Equity

Locations

- British Columbia, Canada

About

- British Columbia Investment Management Corporation (BCI) is one of Canada's largest institutional investors within the global capital markets
- C\$135.5 billion of managed net assets as of March 2017
- The firm provides funds management services for public sector pension plans, government bodies and publicly administered trust funds
- BCI has assets across public equities, fixed income securities, real estate, infrastructure, private equity, mortgage and other various strategies

Investment Preferences

Investment Criteria

Total AUM:	\$135.5 bn
PE AUM:	\$7.8 bn

General Preferences ¹

Control:	Majority, Minority
Geography:	North America
Transaction Type:	Growth, Buyout,
Industry Focus:	Business Products and Services, Commercial Services, Energy, Infrastructure, Manufacturing

Selected Recent Investments

FinTech / Financial Services Investments ²

Date	Company	Deal Amt. ³	Board Rep.	Sector
04/18	Verifone (Buyout)	\$3,400	NA	Pymts
03/15	Aequitas Innovations (Growth)	24	NA	CapMkts

Other Notable Investments ²

Date	Company	Deal Amt. ³	Board Rep.	Sector
10/17	Refresco Group (Buyout)	\$1,910	NA	Food
12/16	Glencore (Buyout)	3,370	NA	Agrcltre
10/16	Pilot Freight Services (Buyout)	150	NA	Logistics
08/16	Asciano (Buyout)	2,210	NA	Logistics
04/16	Cleco Corporate Holdings (Buyout)	4,900	NA	Energy
03/16	Pacific National (Buyout)	NA	NA	Logistics
06/13	CLH Group (Secondary)	146	NA	Energy

Source: Company website, PitchBook

1) Italics indicate preferred control / geography

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

Selected FT Partners' Research – *Click to View*



Global Money Transfer



Transaction Security



Klarna: An Online Payments and POS Lending Leader



Adyen's Rise to One of the Most Valuable Payments Companies



Cayan's \$1.05 billion Sale to TSYS



CardConnect's \$750 million to First Data



Remitly's \$115 million Financing Led By PayU



YapStone's \$71 million Series C Financing



Equistone Acquires Small World Financial Services



M I Acquisitions Acquires Priority Holdings for \$1 billion



FinTech Acquisition Corp II Acquires Intermex for an EV of \$365 million

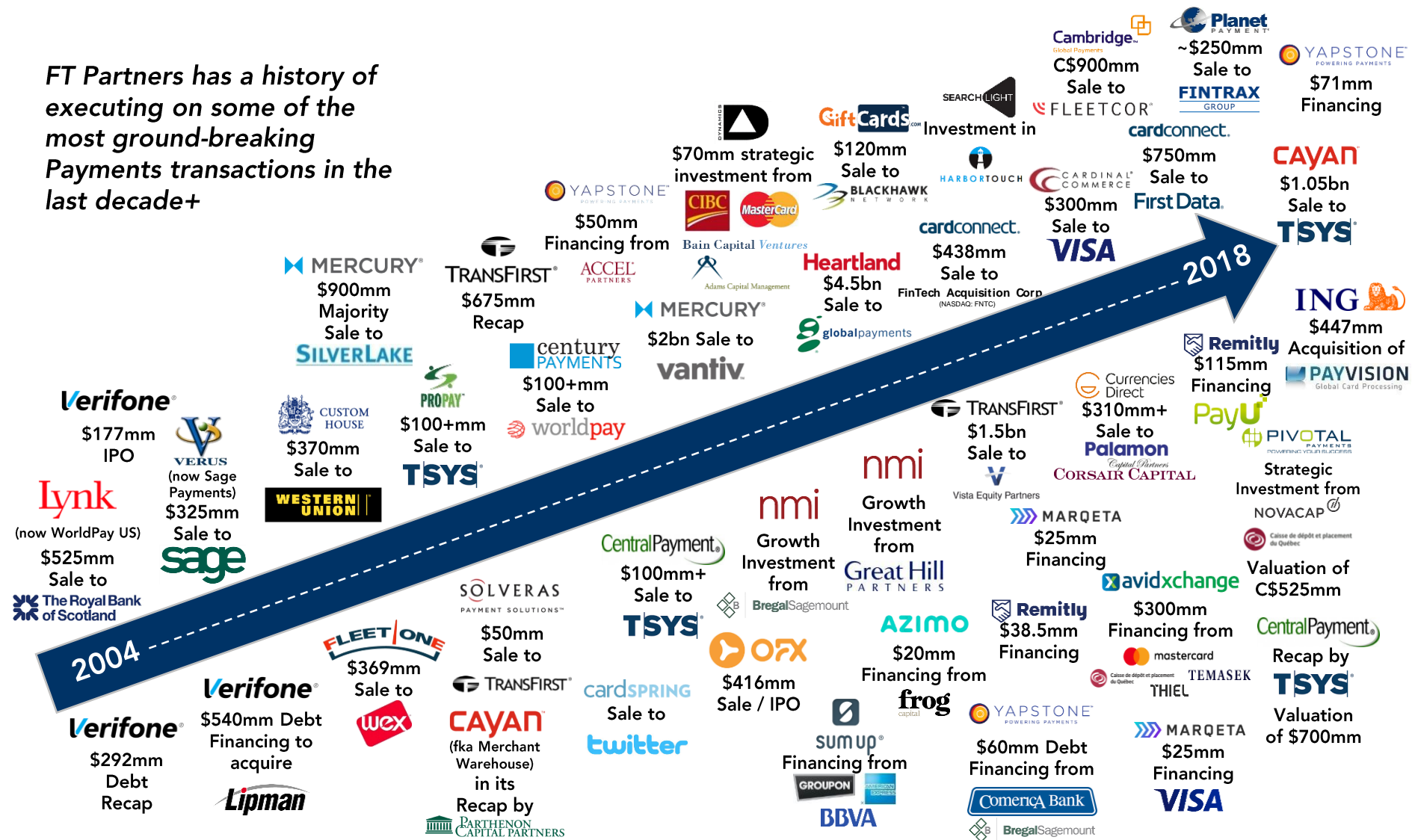


Pine Labs Raises \$82 million in Financing

[VIEW MORE FT PARTNERS RESEARCH](#)

FT PARTNERS RESEARCH

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



Ground-Breaking Payments Transactions Pioneered by FT Partners

Financial Technology Partners LP
FTP Securities LLC

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

cardconnect.

in its sale to

First Data.

for total consideration of approximately

\$ 750,000,000

FINANCIAL
TECHNOLOGY
PARTNERS

The Only Investment Bank
Focused Exclusively on Financial Technology

Landmark transaction
following successful sale
of CardConnect to a
SPAC only a year earlier

Financial Technology Partners LP
FTP Securities LLC

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

Heartland

in its sale to

globalpayments

for total consideration of

\$ 4,500,000,000

FINANCIAL
TECHNOLOGY
PARTNERS

The Only Investment Bank
Focused Exclusively on Financial Technology

Largest U.S. strategic
merchant acquiring
acquisition in over the
last decade

Financial Technology Partners LP
FTP Securities LLC

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

MARQETA

in its minority financing led by

VISA

with participation from

COMMERZ VENTURES 83NORTH 宜信
EV COMMERCIAL VENTURES CREDITONE

for total consideration of

\$ 25,000,000

FINANCIAL
TECHNOLOGY
PARTNERS

The Only Investment Bank
Focused Exclusively on Financial Technology

Significant capital raise
for next gen processor
serving commerce
startups and disruptors

Financial Technology Partners LP
FTP Securities LLC

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

sum up®

in its financing, including investment from

GROUPON **AMERICAN EXPRESS**

BBVA

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TECHNOLOGY
PARTNERS

The Only Investment Bank
Focused Exclusively on Financial Technology

Groundbreaking
strategic round for early
stage European
payments company

Financial Technology Partners LP
FTP Securities LLC

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

cardsPRING

in its sale to

twitter

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The Only Investment Bank
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First sale of a payments
company to an
established social media
company

Financial Technology Partners LP
FTP Securities LLC

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

**CUSTOM
HOUSE**

in its sale to

**WESTERN
UNION**

for total cash consideration of approximately

\$ 370,000,000

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TECHNOLOGY
PARTNERS

The Only Investment Bank
Focused Exclusively on Financial Technology

First sale of an "International
Payments Specialist" to a pure-
play consumer remittance
provider

Financial Technology Partners LP
FTP Securities LLC

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

CAYAN

in its 100% cash sale to

TSYS®

for total consideration of approximately

\$1,050,000,000

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TECHNOLOGY
PARTNERS

The Only Investment Bank
Focused Exclusively on Financial Technology

Highly successful outcome
following long-term advisory
relationship through initial
recap, rebranding and
multiple acquisitions

Financial Technology Partners LP
FTP Securities LLC

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

MERCURY®

in its approximately 60% Growth

in its sale to

SILVERLAKE

for a value up to

\$ 900,000,000

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PARTNERS

The Only Investment Bank
Focused Exclusively on Financial Technology

First large-scale
transaction for an
integrated merchant
acquirer

Financial Technology Partners LP
FTP Securities LLC

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

VERUS

in its sale to

sage

for cash consideration of approximately

\$ 325,000,000

FINANCIAL
TECHNOLOGY
PARTNERS

The Only Investment Bank
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First sale of a U.S.
merchant acquirer to an
international software
company; became Sage
Payments

Financial Technology Partners LP
FTP Securities LLC

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

Lynk

in its sale to

**The Royal Bank
of Scotland**

for cash consideration of approximately

\$ 525,000,000

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TECHNOLOGY
PARTNERS

The Only Investment Bank
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First sale of a U.S.
merchant acquirer to a
large international
financial institution;
became Worldpay U.S.

FT Partners Advises Verifone on its IPO

Overview of Transaction

- On April 29, 2005, Verifone started trading on the NYSE under the symbol PAY
 - \$177 million offering (including over-allotment) consisting of 48% primary shares and 52% secondary shares
 - GTCR Golder Rauner, LLC, a Chicago-based private equity firm with over \$6 bn in capital under management, was the majority shareholder in VeriFone with pre-IPO ownership of 68%
- Verifone is a leading provider of secure electronic payment solutions at the point of sale; largest U.S. provider of in-store and taxi-cab terminals that process credit and debit card payments
- Proceeds of the transaction will be used to extinguish Verifone's \$72 mm second lien loan, provide for working capital needs and pay transaction related expenses

Significance of Transaction

- FT Partners' participation as Verifone's capital markets advisor, and historical familiarity with the Company, led to a largely seamless execution by IPO underwriters
- Transaction highlights FT Partners' ability to confidentially develop and execute a well-planned, successful IPO

FT Partners' Role

- FT Partners managed the entire IPO process, enabling management to focus on growing the business
- FT Partners also advised Verifone on its secondary offering, \$292 mm debt recapitalization and acquisitions of GO Software, Lipman and Trintech
- Represented FT Partners' first IPO Advisory assignment; excellent execution set a precedent for FinTech companies going public

Financial Technology Partners LP FTP Securities LLC

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

Verifone®

in its

\$177,000,000

Initial Public Offering

Valuing the equity at approximately

\$650,000,000

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FT Partners Advises Cayan on its Sale to TSYS

Overview of Transaction

- On December 18, 2017, TSYS announced it has entered into an agreement to acquire Cayan in an all cash transaction valued at approximately \$1.05 billion
 - The transaction is expected to close in Q1 2018
- Cayan, a portfolio company of Parthenon Capital Partners, provides technology led acquiring services to more than 70,000 merchants and 100+ integrated partners in the U.S.
 - The Company's flagship Genius platform delivers a seamless and scalable unified commerce experience across channels
- TSYS (NYSE: TSS) is a leading global payments provider, offering innovative and secure solutions across the payments spectrum — from issuer processing and merchant acquiring to prepaid program management

Significance of Transaction

- The acquisition strategically complements TSYS' merchant goals to become a leading payment provider to small and medium size businesses in the U.S.
- The addition of Cayan's unified commerce solutions elevates TSYS' competitive position to jointly offer a broader set of value-add products and services to partners and merchants

FT Partners' Role

- FT Partners served as exclusive strategic and financial advisor to Cayan and its Board of Directors
- FT Partners also advised Cayan on its [recapitalization by Parthenon Capital Partners](#) along with numerous acquisitions made by the Company
- This transaction highlights FT Partners' continued success advising prominent companies in the Payments and Merchant Acquiring space and its leadership position as the "advisor of choice" to the highest quality FinTech Companies

Financial Technology Partners LP FTP Securities LLC

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

CAYANTM

in its 100% cash sale to

TSYS[®]

for total consideration of approximately

\$ 1,050,000,000

FINANCIAL
TECHNOLOGY
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FT Partners Advises Heartland Payment Systems on its \$4,500,000,000 Sale

Overview of Transaction

- FT Partners served as strategic and financial advisor to Heartland Payment Systems (NYSE: HPY) in its landmark \$4.5 billion sale to Global Payments (NYSE: GPN) for a combination of cash and stock
- Global Payments acquired Heartland for \$100 per share, representing a total transaction value of approximately \$4.5 billion at the closing of the deal
- Consideration for the transaction consisted of 0.6687 shares of Global Payments stock and \$53.28 for each share of Heartland stock at closing
- This transaction creates the leading global provider of integrated payments technology solutions
- This deal represents the largest U.S. strategic merchant acquiring acquisition in over a decade
- Also represents the single largest U.S. strategic payment processing deal in the last 8 years
- This transaction underscores FT Partners' continued leadership position as "advisor of choice" to the highest-quality companies in the FinTech space

Financial Technology Partners LP FTP Securities LLC

*is pleased to announce its role as
strategic and financial advisor to*

Heartland

in its sale to



for total consideration of

\$ 4,500,000,000



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Focused Exclusively on Financial Technology*

FT Partners Advises CardConnect on its \$750,000,000 Sale to First Data

Overview of Transaction

- On May 29, 2017, CardConnect (NASDAQ: CCN) announced that it has entered into a definitive agreement to be acquired by First Data (NYSE: FDC) for \$15.00 per share in cash, for an aggregate transaction value of approximately \$750 million
 - The transaction is expected to close in 3Q17, subject to customary closing conditions
- Headquartered in King of Prussia, PA, CardConnect is an innovative provider of payment processing and technology solutions
 - CardConnect processes approximately \$26 billion of volume annually from 67,000 merchant customers
- First Data is a global leader in commerce-enabling technology and solutions
- FT Partners also represented [CardConnect on its sale to FinTech Acquisition Corp for \\$438 million](#), which closed in July 2016

Significance of Transaction

- The CardConnect transaction is consistent with First Data's strategy of integrating and scaling innovative technologies across its distribution footprint; CardConnect is one of First Data's largest distribution partners
- CardConnect brings First Data innovative partner management technology, accelerates the Company's integrated solutions initiative and provides it with an ERP-integrated payment solution set

FT Partners' Role

- FT Partners served as exclusive strategic and financial advisor to CardConnect and its board of directors
- This transaction highlights FT Partners' continued success advising prominent companies in the Payments and Merchant Acquiring space and its leadership position as the "advisor of choice" to the highest quality FinTech Companies

Financial Technology Partners LP FTP Securities LLC

*is pleased to announce its role as
strategic and financial advisor to*

cardconnect.

in its sale to

First Data.

for total consideration of approximately

\$ 750,000,000

FINANCIAL
TECHNOLOGY
PARTNERS

*The Only Investment Bank
Focused Exclusively on Financial Technology*

Award-Winning Investment Banking Franchise Focused on Superior Client Results

Institutional Investor
Institutional Investor
Annual Ranking

2017
2015 - 2016
2006 - 2008

- Ranked #1 Most Influential Executive on Institutional Investor's FinTech 40 List
- Steve McLaughlin Ranked Top 5 on Institutional Investor's FinTech 35 List
- Consecutively Ranked (2006, 2007 and 2008) among the Top Bankers on Institutional Investor's "Online Finance 40"

I The Information

2016

- Ranked #2 Top Technology Investment Banker on The Information's "Silicon Valley's Most Popular Dealmakers"



M&A Advisor
Awards

2015 - 2017

2010 - 2014

2004 - 2007

- Investment Banker of the Year – 2017
- Investment Banking Firm of the Year – 2016
- Cross Border Deal of the Year - 2016
- Dealmaker of the Year – 2015
- Technology Deal of the Year – 2015
- Equity Financing Deal of the Year - 2014
- Professional Services Deal of the Year, Above \$100 mm – 2014
- Dealmaker of the Year – 2012
- Professional Services Deal of the Year, Above \$100 mm – 2012
- Boutique Investment Bank of the Year – 2011
- Deal of the Decade – 2011
- Upper Middle Market Deal of the Year, Above \$500 mm – 2010
- IT Services Deal of the Year, Below \$500 mm – 2010
- Cross-Border Deal of the Year, Below \$500 mm – 2010
- Dealmaker of the Year – Steve McLaughlin – 2007
- Business to Business Services Deal of the Year - 2007
- Computer and Information Technology Deal of the Year, Above \$100 mm – 2007
- Financial Services Deal of the Year, Above \$100 mm – 2007
- Investment Bank of the Year – 2004



Middle Market
Financing Awards

2006 - 2008

- Equity Financing Dealmaker of the Year – Steve McLaughlin – 2008
- Information Technology Deal of the Year – 2008
- Financial Services Deal of the Year – 2008
- Financing Professional of the Year – Steve McLaughlin – 2006

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 Former Co-Head of Goldman Sachs' Financial Technology Group (#1 market share) Wharton M.B.A. 	23
Greg Smith <i>Managing Director</i>		<ul style="list-style-type: none"> Formerly award winning Equity Research Analyst at Merrill Lynch / J.P. Morgan / Hambrecht & Quist 20+ years of experience covering FinTech as both an Analyst and Investment Banker 	22
Osman Khan <i>Managing Director</i>		<ul style="list-style-type: none"> Former Managing Director / Head of FIG M&A at Alvarez & Marsal 15+ years FIG deal, consulting and assurance experience at PwC 40 Under 40 M&A Advisor Award Winner in 2013 LSE (BSc w/Honors), MBS (MBA w/Distinction), ICAEW (FCA) 	21
Steve Stout <i>Managing Director</i>		<ul style="list-style-type: none"> Former Global Head of Strategy at First Data Formerly Led J.P. Morgan Payments Investment Banking Former Equity Research Analyst on #1 ranked team at UBS and Economist at the Federal Reserve Bank 	20
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. 	16
Timm Schipporeit <i>Managing Director</i>		<ul style="list-style-type: none"> 11+ years with Morgan Stanley, Senior Executive Director of European Technology Investment Banking Team in London Formerly a Venture and Growth Investor focused on FinTech at Index Ventures 	15
Andrew McLaughlin <i>Managing Director</i>		<ul style="list-style-type: none"> 20+ years experience executing / implementing financial and operational strategy Formerly with Deloitte Consulting 	12