

FT PARTNERS FINTECH INDUSTRY RESEARCH

June 30, 2017



Vista Equity Partners Acquires a Majority Stake in PayLease



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*

Tel: 415.992.8880

steve.mclaughlin@ftpartners.com

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Transaction Summary

Transaction Summary

- **On June 28, 2017, PayLease announced that Vista Equity Partners has acquired a majority stake in the Company**
 - Existing investor Francisco Partners and PayLease’s management team will keep minority ownership stakes in the Company
- **Vista’s investment will be used to support and accelerate PayLease’s continuing organic growth**
 - The investment may also be used for acquisitions
- **Francisco Partners initially acquired a majority stake in PayLease in May 2014**
 - At that time Mainsail Partners and PayLease’s management team also retained a minority stake
- **The transaction is expected to close within the coming weeks, subject to customer closing conditions and regulatory approvals**

Management Team



Dave Dutch
Chief Executive Officer



Keith Nelson
President



Jim Kelly
Chief Financial Officer



Wade Williams
Chief Technology Officer



Ty Kalklosch
President



Ben Truehart
Senior VP, Strategy

Transaction Commentary

“This investment by Vista validates the market leadership we’ve built to date, and gives us the opportunity to expand our products and services for the property management industry. Our vision for making key business processes easier for property managers while delivering exceptional customer support remains the same, and we will continue to develop solutions that align with that goal. This marks the beginning of a new chapter for PayLease and we are excited for what the future holds.”



Dave Dutch
CEO



“PayLease’s market leadership, fantastic culture and dedication to its customers create a unique and special opportunity. We are thrilled to partner with the team at PayLease to help the Company continue its exciting growth and expansion. We look forward to bringing PayLease into the Vista family.”



Alan Cline
Principal



“Dave Dutch and his team have built an amazing organization and platform at PayLease. We are thrilled to continue our partnership with them and are excited to welcome new investors Vista Equity Partners into the company.”



Peter Christodoulo
Partner





PayLease Overview

Company Overview



CEO: Dave Dutch
Headquarters: San Diego, CA
Founded: 2003

- PayLease offers online payments, resident billing and utility expense management tools to property management companies and homeowner associations
- Property managers use PayLease’s products to provide residents with convenient online payment options and to improve their own business efficiencies
 - Solutions help to simplify the workflow for property managers, increase NOI and enhance the resident’s experience
- PayLease also offers integrations for websites and for over 50 different accounting software packages
- Solutions are available for any property type, such as multi family, single family, homeowner associations and corporate housing
- The Company serves more than 4,500 property management companies throughout the U.S.

Products & Services Overview



Utility Expense Management

- Streamline utility payments
- Recover vacant unit costs
- Advance reporting and expense management system



Resident Billing

- Combine rent, utilities and other fees into a single monthly bill
- Integrate seamlessly with existing software
- Paperless / e-billing options



Payments

- Accept most payment types across a variety of channels
- Automate payments results for faster processing and funding
- Integrate easily into accounting software



Submetering

- Integration with resident billing service
- Accurate readings for residents
- Customized solutions with utility-grade meters and advanced wireless technologies

Recent Transaction History

Date	Amount (\$ in mm)	Type	Investor(s)
03/15	\$33	Debt	TPG Specialty Lending
05/14	120	Buyout	Francisco Partners
01/10	NA	Financing	Mainsail Partners; Nadavon Capital Partners

Vista Equity Partners Acquires PayLease



Vista Equity Partners Overview

Overview



Robert Smith
Founder, Chairman,
CEO



Brian Sheth
Co-Founder,
President



Alan Cline
Principal



Rob Rogers
Principal

Locations

- Austin, TX (HQ)
- Chicago, IL
- San Francisco, CA

About

- Founded in 1999 by Robert Smith and Brian Sheth
- \$14 bn in combined assets under management
- Ideal target company is well-positioned with a best-in-class software products and related services, has an experienced management team, potential for high margins, reference-able customers, and attractive market dynamics
- Firm only makes a limited number of investments per year and focuses on companies that can be operationally improved to create additional value and increase efficiency
- In addition to main \$5.8 bn flagship fund, also have \$1 bn Foundation fund focused on small and mid-cap software companies

Investment Preferences

Investment Criteria

Fund Size:	\$11,000mm (VEPF VI) \$2,750mm (VFF III)
Fund Raised:	2016 (VEPF VI) 2016 (VFF III)
Investment Range:	\$20-700mm (VEPF VI) \$30-100mm (VFF III)
Revenue:	NA
EBITDA:	NA

General Preferences ¹

Control:	Majority, Minority
Geography:	North America, Europe
Transaction Type:	Growth, Buyout, Spinoff, MBO/LBO, Recapitalization, Divestiture
Industry Focus:	Software, SaaS, Tech-Enabled Services, Tech- Enabled Information Services, Fintech

Selected Recent Investments / Exits

FinTech / Financial Services Investments ²

Date	Company	Deal Amt. ³	Board Rep.	Sector
06/17	PayLease (Buyout)	NA	NA	Pymts
08/16	rdc (Buyout)	NA	Robert Rogers	BPO
06/16	Ping Identity (Buyout)	\$600	NA	BPO
05/16	Vertafore (Buyout)	2,700	NA	Ins
01/16	Fiverun (Buyout)	NA	Robert Smith	Pymts
09/15	Solera (Buyout)	6,500	Robert Smith	Ins
09/15	Tritech (Growth)	NA	Rob Rogers	FMS
03/15	Lone Wolf (Growth)	NA	Alan Cline	Banking
11/14	Advanced Computer Software (Buyout)	1,140	Brian Sheth	FMS
10/14	Navex Global (Buyout)	NA	Robert Smith	BPO
10/14	TransFirst Holdings (TSYS)*	NA	Robert Smith	Pymts
06/14	Autotask (Buyout)	NA	Alan Cline	FTBPO
11/13	Zywave's Insurance Solutions Division (Buyout)	NA	NA	Ins
11/12	Sovos Compliance (HgCapital)*	NA	Brian Sheth	FMS
06/12	Bullhorn (Buyout)	NA	Brian Sheth	FMS
03/12	Misys (Buyout)	NA	NA	Banking
09/11	Greenway Health (Buyout)	320	Vincent Burkett	HCIT
12/09	MRI Software (Buyout)	128	Brian Sheth	Banking
07/09	MicroEdge (Buyout)	NA	Rob Rogers	FMS

Source: Company website, PitchBook

1) Italics indicate preferred control / geography

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

3) Deal Amount in mm



Selected Competitors



Yapstone Company Overview

Company Overview



Chairman, CEO & Co-Founder Tom Villante

Headquarters: Walnut Creek, CA

Founded: 1999

Employees: 400+

- YapStone is the leading provider of online and mobile payment solutions to global marketplaces and large vertical markets
- YapStone is one of the fastest growing payments companies and is now processing over \$18 billion in volume
- The Company currently focuses on the travel, vacation, multi- and single-family home, dues for homeowners associations and self-storage verticals
 - YapStone's technology solutions have the capabilities to serve other verticals, such as healthcare, or other sharing economy marketplaces
- YapStone's key competitive differentiators include end-to-end solutions for partners, ability to take chargeback and financial risk on billions of high ticket transactions, sophisticated auto-decisioning for both small and large merchants, instant / expedited / delayed funding, advanced split payment functionality, dedicated customer service, a full-range of payment methods and global payouts
- The Company offers partners better economics by an order of magnitude when compared to competitors

Other Offices: Austin, TX; Santa Monica, CA; and Drogheda, Ireland

Management Team

Tom Villante

Chairman, CEO & Co-Founder

25 years private equity and investment banking

David Weiss

President

23 investment banking (Citi and Credit Suisse)

Sanjay Saraf

Chief Technology Officer

Former CTO, Western Union Digital
Former VP of eCommerce, Symantec

Bruce Dragt

EVP, Product

Former Head of Global eCommerce, First Data

Pete Rowan

EVP, Int'l & Global CS

Former #2, PayPal Europe
Former Global Director of Trust & Safety, Twitter

Mike Gramz

Chief Risk Officer

Former Chief Risk Officer, BofA Merchant Services
Former Chief Risk Officer, Merchant e-Solutions (Cielo)

Chris Crum

Head of Global Sales & Customer Success

Former Head of Sales & Biz Dev, Blackhawk Networks

David Durant

General Counsel

Former General Counsel, Blackhawk Networks

Arjun Thusu

Chief Security Officer

Former Chief Security Officer, WorldPay Americas

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Yapstone Company Overview (cont.)

Partners

Online Marketplaces



Software Integration



Payment Partners

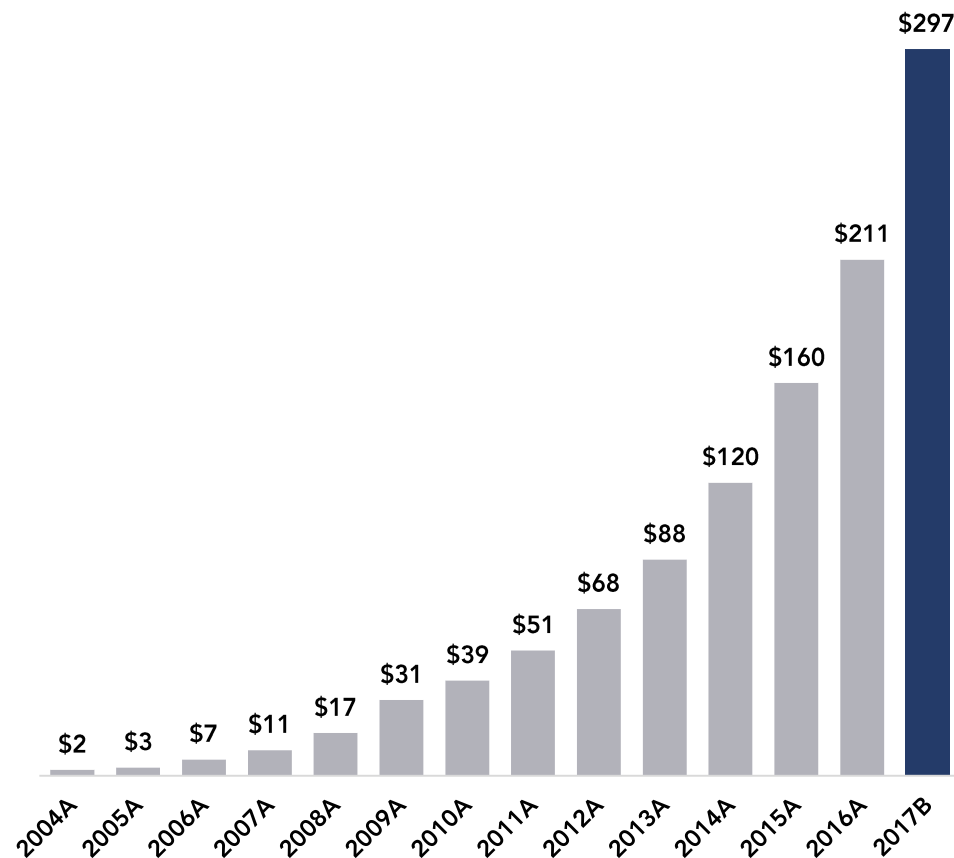


Selected Transaction History

Date	Amount (in mm)	Type	Investors / Target
02/21/17	NA	Divestiture of ParishPay merchant portfolio	Buyer: Liturgical Publications
03/31/15	\$60	Debt Financing	Investors: Bregal Sagemount; Comerica Bank
04/03/12	NA	M&A	Target: ParishPay
09/19/11	NA	M&A	Target: PropertyBridge
06/07/11	50*	Financing	Investors: Accel Partners; Meritech Capital Partners

45% Revenue Growth Funded by \$12 mm in Primary Equity Capital

YapStone Revenue (\$ in mm)



Source: Company website, Company discussions, FT Partners' Proprietary Transaction Database

*Round only included \$12 million of primary

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Yapstone Company Overview (cont.)



Company Highlights

\$3 Trillion
Current Market Opportunity

\$18 Billion
2017B Volume

\$1,000
Avg. Ticket Size

~18 Million
2017B Transactions



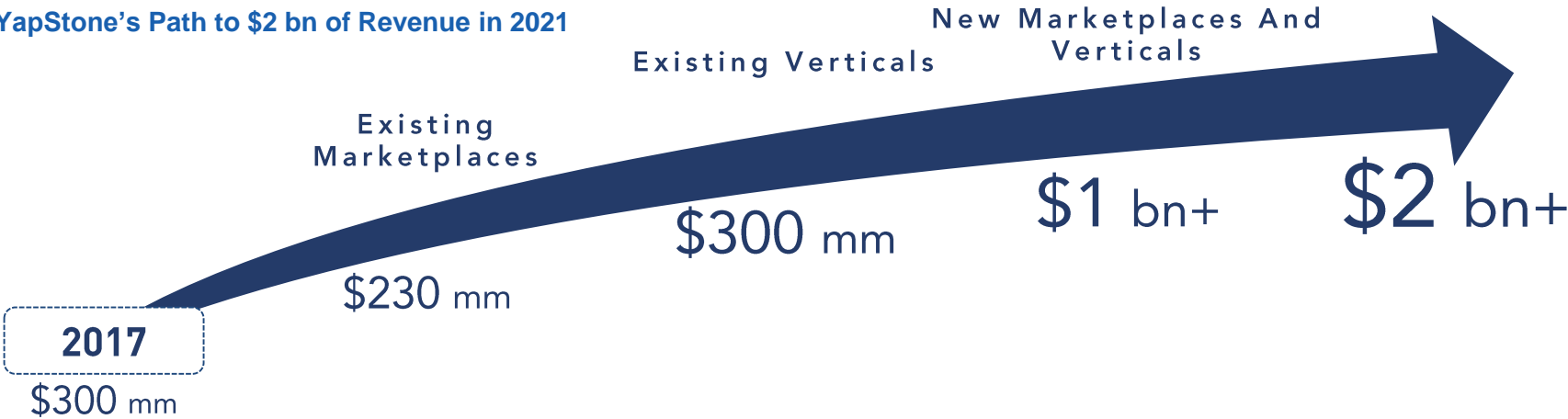
~\$300 Million
2017B Revenue

40%
Growth Rate Accelerating

80%+
International Growth Rate

20-25%
Long-Term Target EBITDA Margin

YapStone's Path to \$2 bn of Revenue in 2021



Source: Company discussions

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ClickPay Company Overview



Company Overview



Chairman, CEO & Co-Founder Tom Kiernan

Headquarters: New York, NY

Founded: 2007

- ClickPay is a leading provider of innovative billing and payment solutions for the multi family and commercial real estate industry
- The Company offers fully integrated billing, payment processing and software services
 - ClickPay is able to accept all payment methods, including ACH, paper check, debit and credit cards
- ClickPay operates as a division of NovelPay

Selected Transaction History

Date	Amount (in mm)	Type	Buyer / Investors
10/15	NA	Financing	Thayer Street Partners
12/13	NA	M&A	NovelPay
11/13	\$1	Financing	Undisclosed Investors
08/13	2	Financing	Undisclosed Investors

Products & Services Overview



Online Payments



E-Bill & Print Solutions



Lockbox & Check Scanning



Online Bill Pay

By the Numbers

100%

Payments Collected

65%

Avg Decrease in Inbound Calls

47%

Less Hours Spent Managing Payments and Ledgers

99%

Client Retention Rate

Management Team



Ernest Muller
Executive Chairman



Edward Agabs
CFO



Tom Kiernan
CEO



Steve Van Praagh
President, CSO



Ed Horowitz
COO



Gennady Greizman
CTO

Selected FT Partners' Research – *Click to View*



Global Money Transfer



Transaction Security



Heartland's Sale to Global Payments



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



CardConnect's \$750 million to First Data



Central Payment's Strategic Investment from TSYS



North American Bancard Acquires Total Merchant Services



Moneycorp Acquires Commonwealth FX



Ebix Acquires an 80% Stake in ItzCash for \$120 million



Harland Clarke Acquires RetailMeNot



Vantiv Acquires Paymetric



Swedbank Acquires PayEx

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FT Partners – Focused Exclusively on FinTech

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Strong Domain Expertise in Payments Investment Banking











































FT Partners – Focused Exclusively on FinTech

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Advisor of Choice for Merchant Acquirers / Payment Processors


























Numerous prominent merchant acquirers have trusted FT Partners to advise them on their most strategic transactions

Selected FT Partners Deals Noted	Seller	Buyer	Date	Transaction Value (\$ in mm)
			05/2017	\$750
			05/2017	NA
			02/2017	700 ⁽¹⁾
			06/2016	NA
			03/2016	438
			01/2016	2,350
			12/2015	4,300
			01/2015	NA
			11/2014	NA
			10/2014	1,500
			07/2014	700
			05/2014	1,650
			05/2014	NA
			03/2014	250 ⁽¹⁾
			01/2014	420

(1) [TSYS 2016 10-K](#)

Advisor of Choice for Merchant Acquirers / Payment Processors (cont.)

Numerous prominent merchant acquirers have trusted FT Partners to advise them on their most strategic transactions

Selected FT Partners Deals Noted	Seller	Buyer	Date	Transaction Value (\$ in mm)
			09/2013	NA
			09/2013	200
			09/2013	NA
			07/25/13	\$163
			11/15/12	135
			10/31/12	361
			08/15/12	413
			08/09/12	110 ⁽¹⁾
			07/06/12	670
			07/05/12	NA
			08/24/11	NA
			06/07/11	50
			04/14/10	900
			01/09/06	325
			08/03/04	525

(1) [TSYS 2012 10-K](#)

Ground-Breaking Payments Transactions Pioneered by FT Partners



Sale of a payment processor to a SPAC vehicle



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



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



Groundbreaking strategic round for early stage European payments company



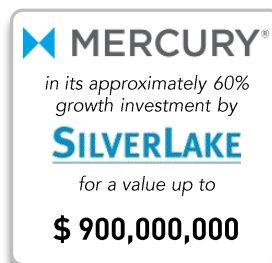
First sale of a payments company to an established social media company



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



Substantial growth investment in leading payments enablement technology provider



First large-scale transaction for an integrated merchant acquirer



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



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

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*

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. 	22
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. 	22
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 	21
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) 	20
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 	19
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. 	15
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 	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 	11