November 11, 2015

Financial Technology Partners

FT Partners Research - Transaction Profile



merges financial processing division with



and acquires 100% of



Courtesy of:



The Only Investment Bank Focused Exclusively on Financial Technology

www.ftpartners.com



Financial Technology Partners

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Transaction Overview

Equens is a prominent European payment services provider, headquartered in the Netherlands

Equens shareholders include ABN Amro Bank, ING Bank, Rabobank (Netherlands), DZ Bank (Germany) and ICBPI (Italy)

Equens provides financial processing services to approximately 50 financial institutions and commercial acquiring services to 120,000 merchants in 4 key countries through its subsidiary PaySquare

FINANCIAL TECHNOLOGY PARTNERS

Transaction Overview

- On November 4, 2015, Worldline (ENXTPA: WLN) and Equens announced an agreement to merge their financial processing services, aiming to create the new pan-European leader in payment services
- The combined entity will be called "Equens Worldline Company" and will be 63.6% owned by Worldline and 36.4% owned by current Equens shareholders
- The strategic aim of the new entity is to be one of the leading and most innovative payment service providers for financial institutions and corporations in Europe
- Worldline also acquired PaySquare, a payment processor and terminal and ATM supplier / maintainer, from Equens for approximately €72 million in cash representing a 12.5x EBITDA multiple
 - PaySquare will be directly integrated into Worldline's Merchant Services and Global Terminal segment

Transaction Rationale

- The combined entity will become the largest pan-European financial processor, targeting 2016 revenue of approximately €700 million, managing approximately 100 million payment cards, processing approximately 10 billion transactions, 6 billion ATM and POS transactions and employing 3,000 experts in payment
- Management identified near-term cost synergies of at least €40 million, which is expected to be realized in 2018; in addition, platform synergies of up €15 million per year are expected by 2012

Worldline Commentary

"This industrial transaction with Equens is a decisive step reflecting our strategic ambition to be one of the leading consolidators of payments in Europe. It will provide an opportunity to join forces with highly experienced payment experts from Equens and to share, within our enlarged Group, a common future. I am particularly pleased that Michael Steinbach, Equens' CEO, will lead our new financial processing champion, 'Equens Worldline Company'. From a shareholders' perspective, this combination will provide significant value creation through the realization of considerable synergies, while preserving our strong financial flexibility. This merger will also allow us to provide to our respective customers even more efficient, reliable and highly innovative payment services."

- Gilles Grapinet, CEO of Worldline

Equens Commentary

"Joining forces with Worldline and creating the new entity, the Equens Worldline Company, is a major milestone in consolidating the European payments market. This step follows consequently the proven strategy of Equens since our foundation in 2006, with a truly pan-European processing payment service provider, to maximize economies of scale and scope, and with that actively supporting the development of an integrated European payments market. Because of the complementarity of the service portfolios of Worldline and Equens, current clients from both companies will substantially benefit in terms of an enlarged, state-of-the-art product portfolio and time-to-market. Based on that, the Equens Worldline Company will create new and innovative business opportunities."

- Michael Steinbach, CEO of Equens



Analyst Commentary from the Worldline Perspective

ENXTPA: WLN



Rating: Overweight Price Target: €21.00

"As this is done at fair value we see limited EPS accretion in the near term. However, we like the deal as it provides them with scale advantages and keeps their fire-power for further consolidation. We continue our OW on WLN, which is currently trading at cash adjusted FY16 PE of 18x. We continue to prefer the secular growth in payments combined with the consolidation angle from Worldline over the restructuring acquisition angle from Atos."

"While [we think this] acquisition will do very little to change the organic growth prospects, management has identified near-term cost synergies of €40m that will help drive profitability. We don't think this acquisition improves the fundamental PE multiple of Worldline. However, with management pointing to double-digit EPS accretion in 2018, the news is likely to be taken positively by shareholders."



Rating: Neutral Price Target: €19.00



Rating: Buy Price Target: €26.50 "Equens is mostly active in slow growth offline payments and regulatory changes have put pressure on revenues over the last years. However, renegotiations of key contracts as part of the deal should enable modest growth from a lowered base and there are decent cost synergies. The company targets €40 mm of synergies by 2018, over 3% of combined costs, and we expect the deal to be 7-10% accretive to earnings (ex restructuring etc) in 2017/18E."





Equens Solution Overview



Acquiring Services

Merchants can conduct payments and complete transactions with all major cards and currencies across their existing range of POS and ATM terminals

Issuing Services

Full issuing transaction processing service gives merchants the flexibility to select switching and authorization systems that are seamlessly aligned with a merchant's business model

Value Added Services

Fraud management, terminal packaging and customized level of outsourcing through the use of license structure of the Equens / PaySquare combination

Next Generation Services

Services such as m-commerce, e-commerce and contactless payments



Automated Clearing House

Lower liquidity risk and improve revenues with access to the industry's fastest clearing and settlement service

Business Process Outsourcing

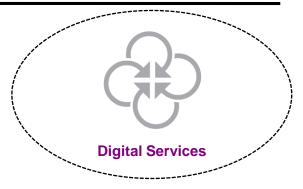
Merchants can benefit from Equens economies of scale if they choose the Company's full business process outsourcing service

SEPA Value Added Services

Complete support for effective, convenient and costefficient SEPA services; full reach across Europe through a single point of contact

Corporate Payment Services

Online viewing of the status of transfers and direct debits; online options for adjusting transaction execution dates



Digital Routing

Allows banks' corporate clients to accept e-Mandates on their own website, while buyers can authorize mandates in the trusted environment of their own bank

White Label PSP

Merchants can cherry-pick from Equen's PSP services, thanks to its modular portfolio; Equens can act as an omni-channel one-stop shop for retail clients

Mobile Payment Services

Scalable, supporting multiple devices in a multibranded, multi-domain solution, supporting POS, P2P as well as e-commerce





Equens Business Overview (cont.)

Equens' Key Performance Figures - 2014

9.7 Billion Payments Processed

5 Billion ATM and POS transactions

1,513 Full-Time Employees

326 Million Euros 2014 Total Equity



937,000 Number of POS terminals connected to Equens network

357.2 Million Euros 2014 Revenue

546 Million Euros 2014 Total Assets

(7.0) Million Euro 2014 Net Loss 20.4 Million Euros 2014 Operating Profit





Equens – Financial Overview

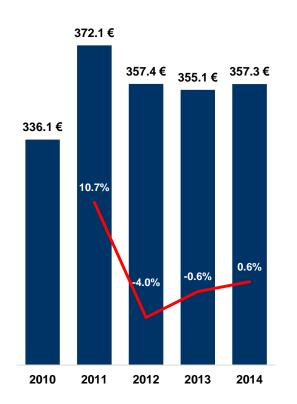
Total Revenue

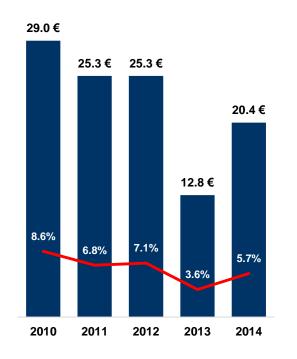
Operating Income / % Margin

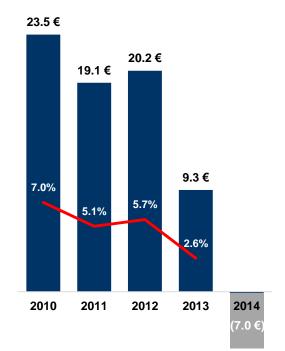
Net Income / % Margin

(€ in mm)

(€ in mm)









Worldline is an

designing B2C

and operating

customized

processing services around

payments

End-2-End digital service provider,

vertical solutions

Worldline Merges Payment Processing Division with Equens

Worldline Overview

Worldline Overview

Gilles Grapinet CEO and Director

Headquarters: Bezons, France

Founded 1973

Employees: 7,300+

Market Cap (1): €3.2 bn Worldline provides electronic payment and transactional services to financial institutions, merchants, corporations, and government agencies worldwide

Worldline's service portfolio combines deep expertise and software & production assets with proven and secure processes to contribute to a customer's strategic transformation

Services Provided

Selected Strategic Partners











- Delivers simplified and secure non-cash payment transactions via a wide range of payment solutions for Point-of-Sale, online and mobile payments
- Covers the multichannel and centralized payment acceptance for both remote and face-to-face payments for merchants & banks
- Creates and provides payment terminals and terminal solutions to international distributors or directly to merchants

Mobility and eTransactional Services

- Provides telecommunications companies with convergent messaging services as well as a range of consumer cloud storage and applications solutions
- For e-ticketing, Worldline enables transport operators to optimize the management, control, planning and operation of their passenger systems

Financial Processing & Software Licensing

- A complete acquiring processing solution ranging from merchant contract set-up to merchant post-settlement activities
- Value-added services include customized cardholder services. enhanced security through the Company's Access Control Server and efficient fraud and risk management



























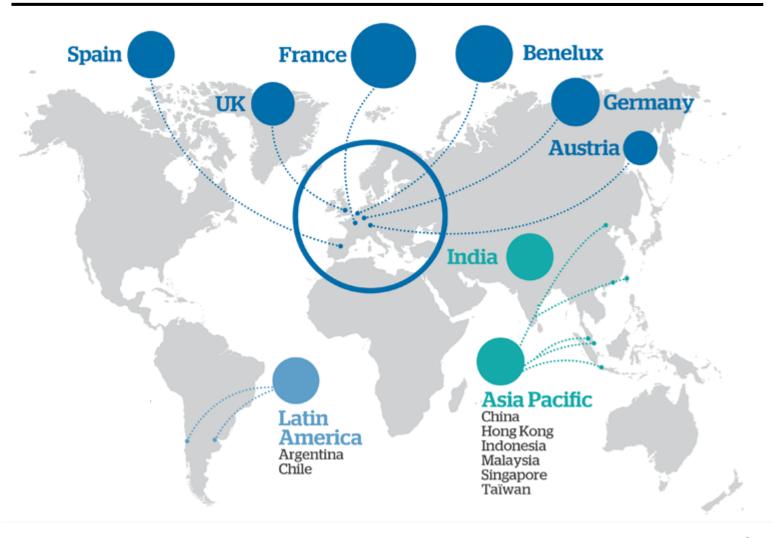




Worldline's Global Presence

✓ Worldline is a rapidly expanding global player and a European leader in business and payments transactional services

√ 7,300 employees in 17 countries around the world

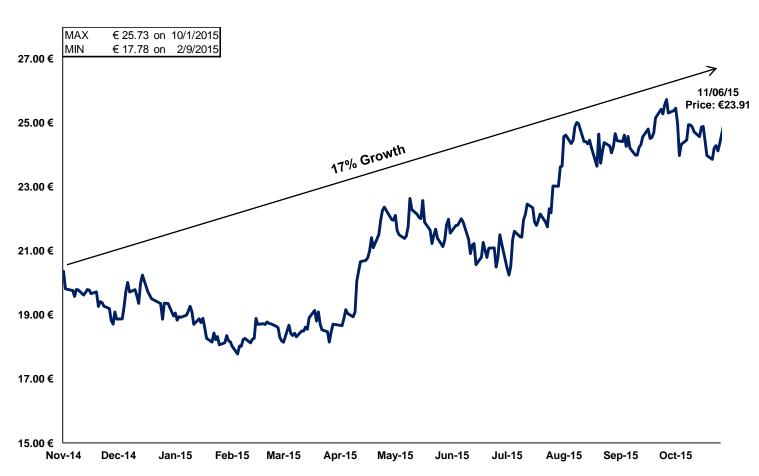






Worldline Stock Performance

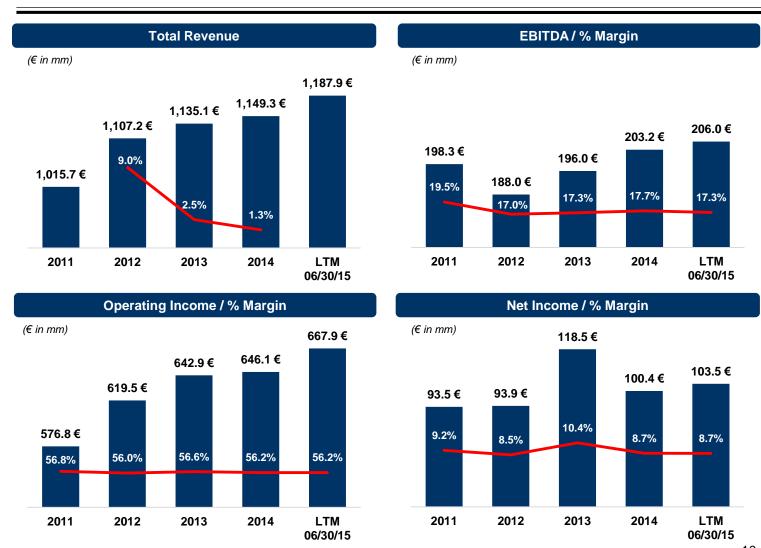








Worldline - Financial Overview



FINANCIAL
TECHNOLOGY
PARTNERS

Source: CapitallQ.

Selected FT Partners' Research (click to view)



Financial Technology Partners
July 14, 2015

FT Partners Research

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Spin-off Overview

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Research Report: Transaction Security

Research Report: PayPal Spin-off Overview

Research Report: Global Money Transfer

Research Report: Apple Unveils Apple Pay









Square Files for its IPO

Worldpay Files for its IPO

First Data Files for Its IPO

CPI Card Group Files for Its IPO



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 13 years of exclusive focus on Financial Technology. Please visit our <u>subscription form</u> to subscribe to our exclusive monthly newsletter and receive our research reports.

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FT Partners Advises on Strategic Sale of Mercury for \$1.65 bn in Cash to Vantiv

Transaction Overview and Rationale

Overview of Transaction

- Mercury announced its sale to Vantiv for \$1.65 billion in cash on May 12, 2014
- Vantiv will fund the acquisition with committed financing; the transaction is expected to close in the second quarter of 2014
- This transaction is Vantiv's largest acquisition to-date (~5x larger than its acquisition of Litle) and one of the largest strategic merchant acquiring M&A transactions consummated in over a decade

Significance of Transaction

- Vantiv's acquisition of Mercury accelerates the Company's growth in the integrated payment space by significantly expanding distribution channels and technology capabilities
- Expands Vantiv's reach into the SMB segment through Mercury's distribution network, complementary verticals and ability to design integrated, value-added POS innovations
- Enhances Vantiv's competitive position in the payments sector broadly on the basis of technology differentiation, leading processing scale and omni-channel presence while increasing penetration into high growth channels
- Expected to add one to two percentage points to Vantiv's net revenue growth per year while being modestly accretive to Vantiv's non-GAAP earnings per share in 2014 with accelerating accretion in 2015

FT Partners' Role

- FT Partners served as advisor to Mercury
- FT Partners was also Mercury's advisor in the Company's 60% sale to Silver Lake in April of 2010 at a \$700mm valuation

Financial Technology Partners LP FTP Securities LLC

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



in its cash sale to



for total consideration of

\$1,650,000,000



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FT Partners Advises on the Sale of TransFirst to Vista Equity Partners

Transaction Overview and Rationale

Overview of Transaction

- On October 13, 2014, Vista Equity Partners announced that it will acquire TransFirst, a leading provider of secure transaction processing services, from Welsh, Carson, Anderson & Stowe ("WCAS")
- Similar to the May 2014 acquisition of Mercury by Vantiv,
 TransFirst had filed for an IPO prior to the transaction
- Vista Equity Partners is a U.S.-based private equity firm with over \$13.5 bn in cumulative capital commitments that focuses on software, data and technology-enabled businesses
- WCAS originally acquired TransFirst in June 2007

Significance of Transaction

- Vista's acquisition of TransFirst is one of the largest private equity-lead LBO's in the merchant acquiring space
- With over 200,000 merchants and more than 1,300 partners, the acquisition will allow TransFirst to solidify its position as a leading provider of payment processing solutions in the SMB space
- TransFirst intends to leverage Vista Equity Partners' expertise in helping its portfolio companies achieve operational, product and customer service excellence by contributing professional expertise and proven best practices

FT Partners' Role

- FT Partners served as a strategic and financial advisor to TransFirst in its sale process
- FT Partners has previously worked with TransFirst, including the Company's \$675 mm debt recap transaction in 2012

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



in its sale to



Vista Equity Partners

from



\$ 1,500,000,000



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FT Partners Advises CIBC on its Investment in Dynamics' \$70 mm Series C Capital Raise

Transaction Overview and Rationale

Overview of Transaction

- On December 8, 2014, Dynamics announced it closed a \$70 million Series C round of financing that included new investors CIBC and MasterCard along with existing investors Bain Capital Ventures and Adams Capital Management
- The investment by CIBC follows the successful launch with Dynamics of the marquee CIBC Tim Hortons Double Double Card, which combines a no-fee CIBC credit card with a Tim Card, all in one
- Dynamics designs and manufactures integrated payment cards and advanced payment platforms; the company has currently launched products with banks in the United States and Canada
- CIBC is a leading Canadian-based global financial institution with a market capitalization of \$41 billion and a Basel III Common Equity Tier 1 ratio of 10.3%; through its three major businesses, Retail and Business Banking, Wealth Management and Wholesale Banking, CIBC provides a full range of financial products and services to 11 million clients in Canada and around the world

Significance of Transaction

- CIBC has a strong history of innovation and this investment further strengthens its relationship with Dynamics as the two continue to work together to bring new payment products to market
- The transaction demonstrates the continued relevance of the physical card as a means of payment and the increasing importance of innovative payment solutions that create value for consumers in new, differentiated ways while upholding the highest security standards
- The additional capital will help Dynamics to continue to meet global demand for its "Interactive Payment Card" technology platform by increasing the Company's ability to scale its manufacturing operations and extend its technical capabilities and product lines

FT Partners' Role

- FT Partners served as a strategic and financial advisor to CIBC on its investment
- Highlights FT Partners' continued success in advising a broad range of top-tier strategic investors across the financial technology landscape

Financial Technology Partners LP **FTP Securities LLC**

is pleased to announce its role as advisor to



in its strategic investment in



with additional participation from



Bain Capital Ventures



for approximately

\$ 70,000,000



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FT Partners Advises OzForex on its A\$480 Million Sale & IPO

Transaction Overview and Rationale

Overview of Transaction

- OzForex Group ("OzForex") completed its Sale & Initial Public Offering and began to trade on the Australian Stock Exchange ("ASX") under the ticker symbol OFX
- Stock closed first day of trading up ~30%
- OzForex is an online, global payments provider that offers individuals and SMBs a platform to purchase foreign currency to facilitate international transactions
- Prior to the offering, OzForex was owned by Accel Partners,
 The Carlyle Group, Macquarie Bank and other founder / private investors

Significance of Transaction

- Transaction was a sale of ~100% of the equity of the company to a "club" of institutional investors, followed by an IPO (one of the largest IPOs of an Australian company)
- Highly innovative "club-deal" structure allowed for reduced risk and certainty for existing investors
- Investors given the ability to sell ~100% of their interests in the Company; certain investors chose to retain a small portion of their ownership

FT Partners' Role

- FT Partners served as exclusive Financial, Strategic and IPO Advisor to OzForex and its Board of Directors
- FT Partners managed the very unique dual-track M&A / sale and IPO process, effectively achieving an "M&A" outcome for shareholders in the public markets (~100% liquidity)
- FT Partners' advisory role simplified and expedited the "timeto-market" period due to the significant amount of up-front work completed prior to the engagement of potential M&A sale buyers and underwriters

Financial Technology Partners LP FTP Securities LLC

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



in its

Initial Public Offering

valuing the equity at

A\$ 480,000,000



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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 2014 ■ Equity Financing Deal of the Year

■ Professional Services Deal of the Year, Above \$100mm

Dealmaker of the Year

■ Professional Services Deal of the Year, Above \$100 mm

■ Boutique Investment Bank of the Year

■ Deal of the Decade

■ 10 Deal of the Year Nominations Across 9 Categories

■ 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

■ 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

Institutional Investor
Annual Ranking

2006-2008

2012

2011

2010

2007

■ Steve McLaughlin consecutively ranked (2006, 2007 and 2008) among the top Bankers in Financial Technology



Financing Awards

2008

2006

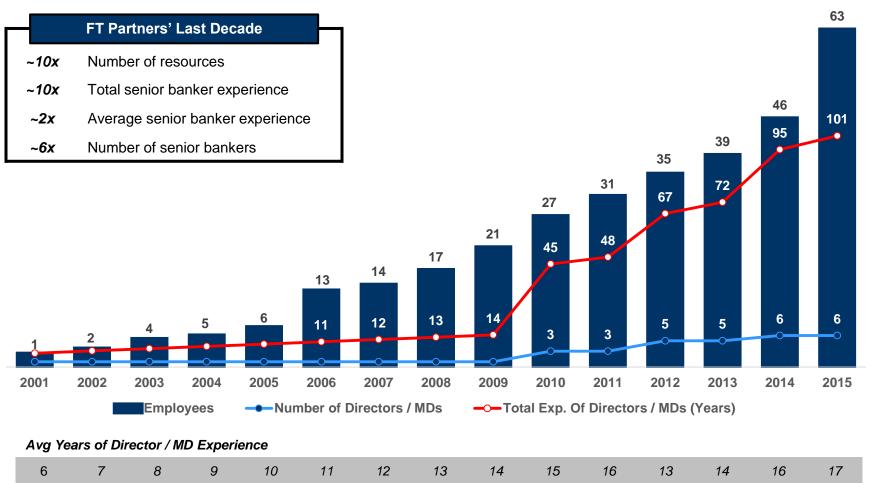
- Equity Financing Dealmaker of the Year Steve McLaughlin
- Information Technology Deal of the Year
- Financial Services Deal of the Year

■ 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 Banking Team

Name / Position	Prior Background	Experience / Education	Years of Experience
Steve McLaughlin Founder, CEO and Managing Partner	Goldman Sachs	 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. 	20
Larry Furlong Managing Director	Goldman Sachs	 Formerly with Goldman, Sachs & Co. in New York, London and Los Angeles beginning in 1995 Wharton M.B.A. 	20
Greg Smith Managing Director	Merrill Lynch J.P.Morgan sterne agee	 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 among others 	19
Tim Wolfe Managing Director	Goldman Sachs	 Formerly with Goldman, Sachs & Co. beginning in 2000 40 Under 40 M&A Advisor Award Winner 2013 Harvard M.B.A. 	13
Andrew McLaughlin Managing Director, Research & Business Development	Deloitte.	 Leads FT Partners' Research and Business Development Team Formerly with Deloitte Consulting 	9

