

## August 2017 - Monthly Briefing

6<sup>th</sup> September 2017

### e-Payment technology and services was the hot sector in August

The demand for e-payment technology and services dominated global TMT M&A activity in August with European companies involved in some of the top deals.

The largest deal in the sector (and in the month) was the acquisition of UK-based, Worldpay, by the US company, Vantiv, for an enterprise value of £9.3 billion. Talks between the companies had been announced in July but the final agreement came in early August. In 2016, Worldpay's net revenue was £1.1 billion and underlying EBITDA was £468 million. The combined company will be called Worldpay and will offer integrated technology platforms, enabling Vantiv's agile and scalable US platform and Worldpay's flexible, next-generation global platform to serve domestic and global markets with fast-to-market innovations and lowest cost processing.

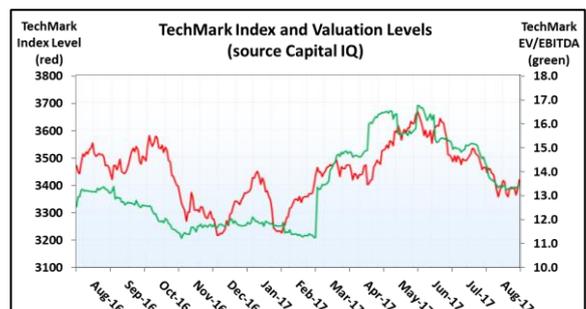
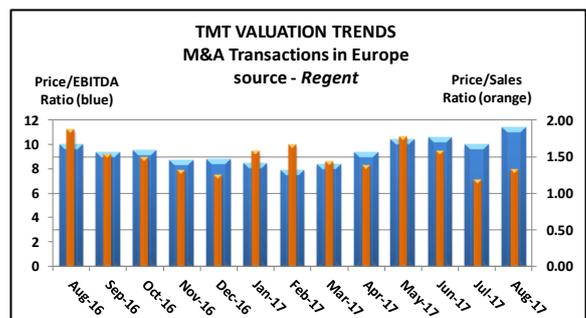
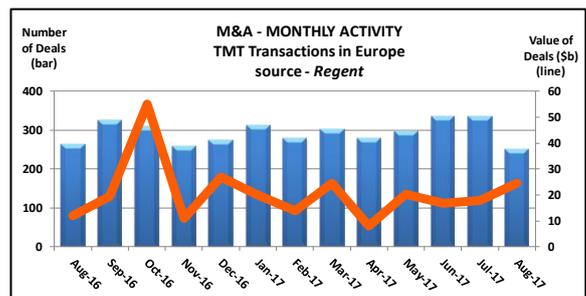
The last two months have been a busy time for Isle of Man based, London listed, payment solutions provider, Paysafe. In July, the company agreed to buy Delta Card Services, the holding company for Texas-based Merchants' Choice Payment Solutions (MCPS), for \$470 million. Then, in August, Paysafe accepted a £2.96 billion offer from private equity firms, Blackstone and CVC Capital Partners. As part of the deal, Paysafe Merchant Services (PMSL), a subsidiary of Paysafe through which it conducts Paysafe's Asia Gateway business, was sold to Spectrum Global. Over the last 5 years, Paysafe's revenues have grown from \$128 million to over \$1 billion, and EBITDA increased from \$18 million to over \$300 million.

In the US, Global Payments, a worldwide provider of payment technology services, announced an agreement to acquire the communities and sports divisions of ACTIVE Network from Vista Equity Partners in a stock and cash transaction valued at approximately \$1.2 billion. ACTIVE Network delivers cloud-based, mission critical enterprise software, including payment technology solutions, to event organizers in the communities and health and fitness verticals. The outdoors division of ACTIVE Network will be retained by Vista Equity Partners.

US, Nasdaq-listed, Fiserv, a global provider of financial services technology solutions, has acquired Dovetail Group, based in Ireland. Dovetail provides bank payments and liquidity management solutions. The Dovetail real-time payments platform, modular services and configurable business processing rules, provides the foundation for Fiserv to offer financial institutions around the world a broader range of solutions and services to transform their payments infrastructure to meet the evolving needs of wholesale, commercial and retail customers. Financial terms were not disclosed.

#### REGENT's View of the Month

Despite the usual seasonal slow-down in European TMT deal flow in August, which resulted in 25% fewer deals, there was an increase in the aggregate deal value from \$18 billion in July to \$25 billion in August, boosted by the e-payment deals. Valuation multiples increased in the month with the Price/Sales ratio at 1.3 from 1.2 in July and the Price/EBITDA ratio at 11.4 from 9.9. Listed technology companies, as represented by the UK TechMark index, were down another 1.3% in August.



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