

March 2019 - Monthly Briefing

8th April 2019

Global Fintech deals drive TMT M&A in March

Fidelity National Information Services (FIS), a global leader in financial services technology, announced plans to acquire Worldpay, a global leader in eCommerce and payments. The deal includes a combination of stock and cash which values Worldpay at an enterprise value of \$43 billion, including the assumption of Worldpay debt. FIS and Worldpay have complementary solutions and services encompassing financial institution issuer services, network and merchant services including global leadership in eCommerce, as well as loyalty and fraud solutions benefiting consumers and businesses. The combined company will have pro forma 2018 annual revenue and adjusted EBITDA of approximately \$12.3 billion and \$4.9 billion, respectively.

Willis Towers Watson, a leading global advisory, broking and solutions company, announced the acquisition of TRANZACT, a direct-to-consumer health care organization that links individuals to US insurance carriers. TRANZACT combines digital marketing, sales and data science expertise to connect individuals to leading US insurance carriers. The total purchase price is \$1.2 billion, with an additional potential earn-out of up to \$200 million.

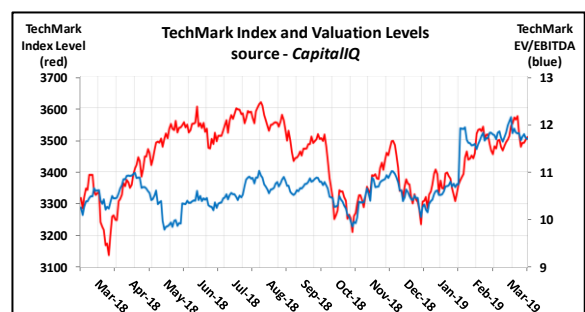
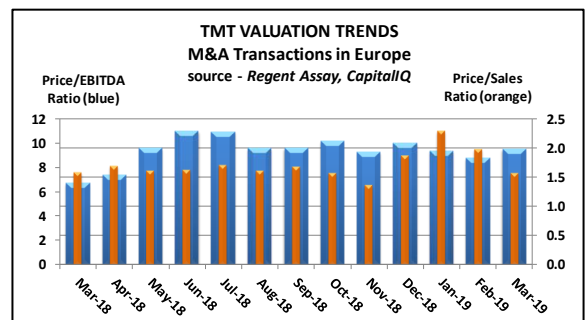
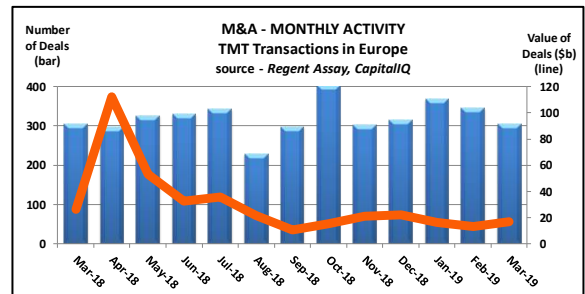
US investment management firm, BlackRock, announced plans to acquire Paris-based, eFront, the world's leading end-to-end alternative investment management software and solutions provider for \$1.3 billion in cash. The deal provides an exit for Bridgepoint. The combination of eFront with Aladdin, BlackRock's investment operating platform used by more than 225 institutions around the world, will set a new standard in investment and risk management technology.

In the telecoms sector, a consortium of investors led by Apex Partners and including Canada Pension Plan Investment Board, Ontario Teachers' Pension Plan Board and Warburg Pincus International, has made a \$3.4 billion offer to take UK-based satellite communications provider, Inmarsat, private. Inmarsat is a world leading provider of global mobile satellite communications with a first-class reputation for connectivity services and value-added solutions. Inmarsat reported revenue of \$1.5 billion and EBITDA of \$0.8 billion in 2018.

US-based computer graphics specialist, NVIDIA, has acquired Mellanox, a supplier of end-to-end Ethernet and InfiniBand smart interconnect solutions and services for servers and storage for an enterprise value of \$6.9 billion. The acquisition will unite two of the world's leading companies in high performance computing (HPC). Together, NVIDIA's computing platform and Mellanox's interconnects power over 250 of the world's TOP500 supercomputers and have, as customers, every major cloud service provider and computer maker.

REGENT ASSAY's View of the Month

European TMT M&A activity remained strong in March. Although the number of deals was lower than the previous two months, it remains above the average monthly figure for the last two years, and the aggregate deal value showed a modest increase. Valuation multiples diverged with the Price/Sales ratio down from 2.0 in February to 1.6 in March while the Price/EBITDA ratio increased from 8.8 in February to 9.5 in March. Listed technology companies, as represented by the UK TechMark index, gained another 1.5% in March.



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