SECTORWATCH:
Trading Technology
April 2018

7 MILE ADVISORS

SECTORWATCH: Trading Technology April 2018

- **Sector Dashboard**
- **Public Basket Performance**
- Operational Metrics
- **Valuation Comparison**
- **Recent Deals**
- **Appendix**

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OVERVIEW



Dashboard

summary metrics on the sector, with commentary on market momentum by comparing the most recent 12month performance against the last 3-year averages



Public Basket Performance

summary valuation and operating metrics for a basket of comparable public companies



Valuation Comparison

a more graphical, detailed comparison of valuation multiples for the public basket



Recent Deals

the most recently announced sector deals

About Us

7MA provides Investment Banking & Advisory Services to the Business Services and Technology Industries globally.

We advise on M&A and private capital transactions, and provide market assessments and benchmarking. As a close knit team with a long history together and a laser focus on our target markets, we help our clients sell their companies, raise capital, grow through acquisitions, and evaluate new markets.

Sectorwatch

We publish sectorwatch, a review of M&A and operational trends in the industries we focus.

Let us know if we can help

Contact us if there are ways we can assist your M&A or financing strategy.

DASHBOARD

Revenue Growth Momentum

16.1%

1 - year revenue growth compared to revenue growth average for last 3 years

Current revenue growth rate exceeds the average of the last 3 years by this amount, indicating that market momentum is increasing

Pricing / Gross Margin Momentum

-0.5%

1 - year gross profit % compared to gross profit % average for last 3 years

Current gross profit margin is less than the average of the last 3 years gross profit margins, indicating customer pricing power

Profitability Momentum



1 - year EBITDA % compared to EBITDA % average for last 3 years

Current EBITDA margin is less than the average of the last 3 years EBITDA margins, which may signal further consolidation

PUBLIC BASKET CONSTITUENTS

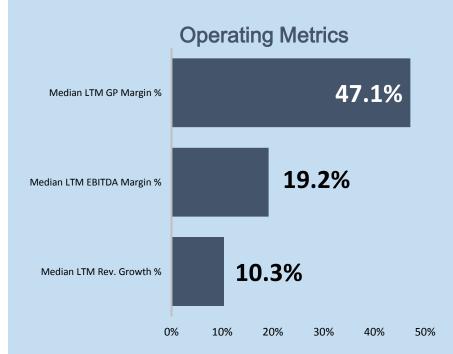
NYSE:NXG

NasdaqGS:VIRT ASX:IRE

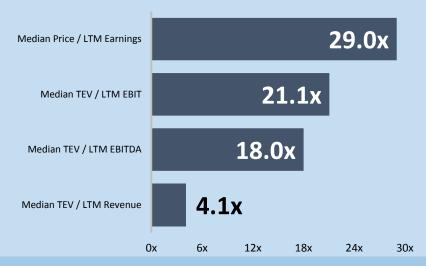
ENXTPA:LIN NYSE:BRC

NYSE:GCAP AIM:FDP

NasdaqGS:SSNC



Valuation





Company	TEV \$m	LTM Rev \$m	Rev Growth YoY	GP %	EBITDA T		TEV / EBITDA X	# FTEs	Rev / FTE \$k
Investment Technology Group, Inc.	-	482	4%	69%	NA	0.0	0.0	934	516
NEX Group plc	-	741	22%	94%	NA	0.0	0.0	1,941	382
GAIN Capital Holdings, Inc.	-	296	-27%	65%	NA	0.0	0.0	708	418
Virtu Financial, Inc.	-	766	25%	39%	NA	0.0	0.0	560	1,369
Linedata Services S.A.	377	215	7%	17%	19%	1.7	9.0	1,300	165
First Derivatives plc	1,268	215	23%	27%	12%	5.4	44.3	1,750	123
IRESS Limited	1,356	336	10%	33%	23%	4.1	18.0	1,881	179
Brady Corporation	1,894	1,143	2%	50%	14%	1.7	11.5	6,300	181
SS&C Technologies Holdings, Inc.	11,935	1,675	13%	47%	38%	7.1	19.0	8,287	
<u> </u>	,	,						,	
Average	1,870	652	9%	49%	21%	2.2	11.3	2,629	393
Median	377	482	10%	47%	19%	1.7	9.0	1.750	202

share price as of 06Apr18

PUBLIC BASKET











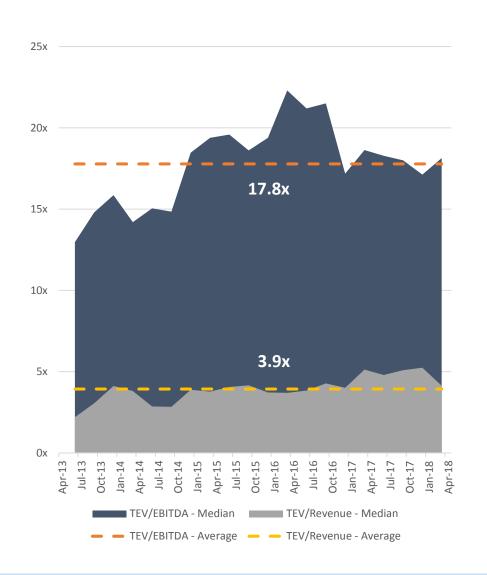




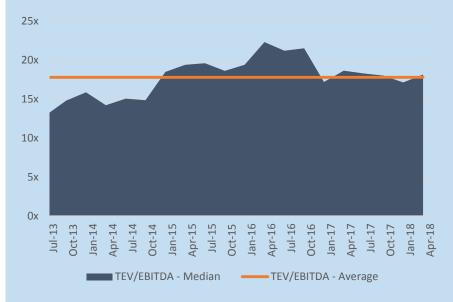




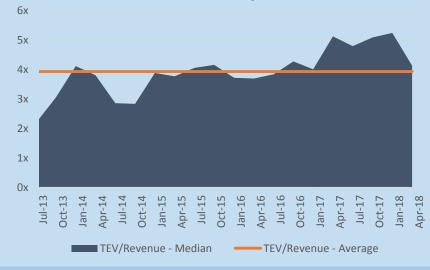
PUBLIC BASKET VALUATION TRENDS



Public EBITDA Multiples Over Time

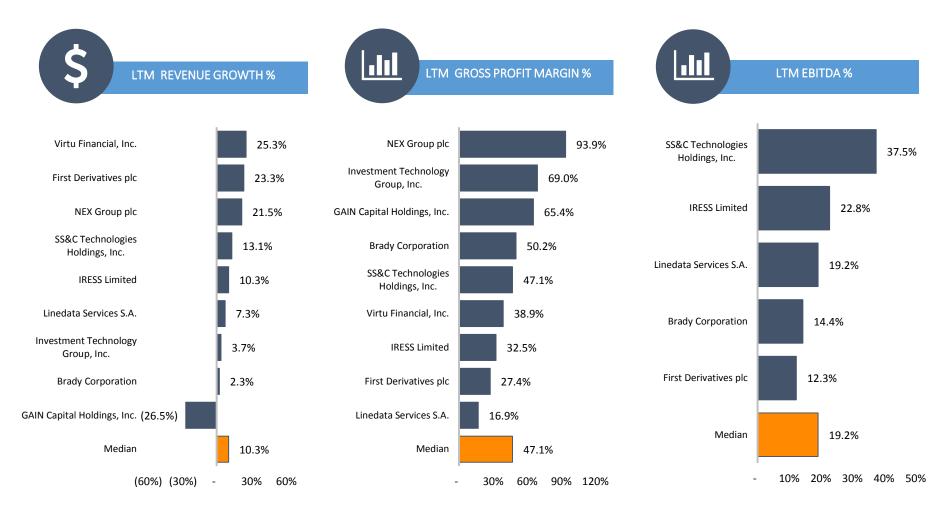


Public Revenue Multiples Over Time





OPERATIONAL METRICS



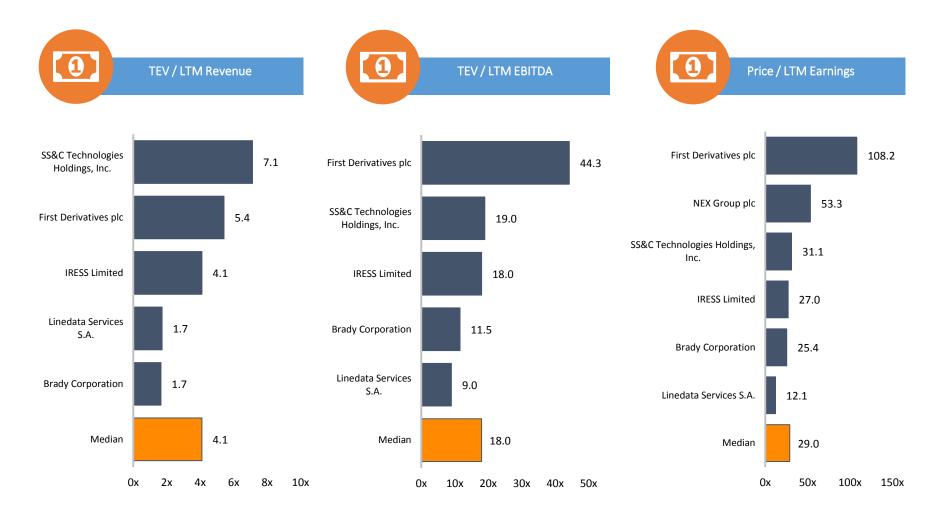


OPERATIONAL METRICS



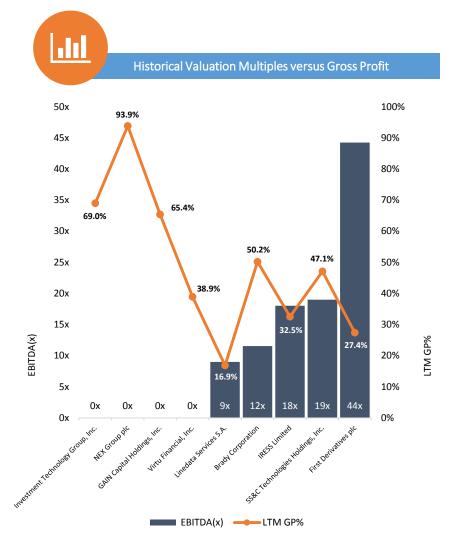


VALUATION



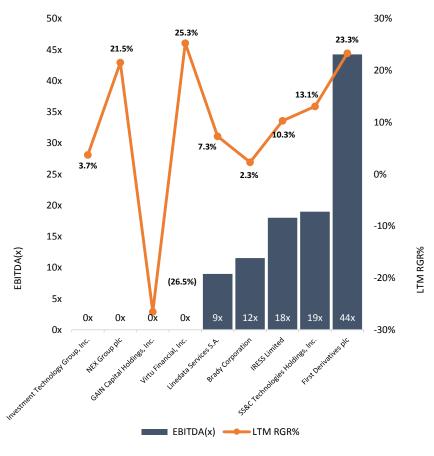


VALUATION





Historical Valuation Multiples versus Revenue Growth Rate





RECENT TRANSACTIONS

Date	Target	Buyer / Investor	Total Transaction Value	Target Revenue	TEV / Revenue	TEV / EBITDA
20Mar18	Stater Blockchain Limited	Long Blockchain Corp.	_	-	_	_
19Mar18	AlgoTrader AG	New Capital Partners	1.47	_	_	_
14Mar18	Anhui Haiyi Information Technology Co., Ltd.	JD.com, Inc.	_	_	_	_
8Mar18	SIX Group AG	PostFinance AG	_	2,049.32	_	-
21Feb18	Fidessa group plc	Temenos Group AG	1,979.09	493.41	3.8x	20.1x
19Feb18	CAD IT S.p.A.	Quarantacinque Srl	61.40	77.29	0.7x	3.4x
12Feb18	SecFi, Inc.	Social Leverage, LLC; Coventure; FJ Labs	1.00	_	_	_
8Feb18	Coinsquare Ltd.	Riot Blockchain, Inc.	23.79	_	_	_
6Feb18	Harbor Platform, Inc.	Valor Equity Partners; Vy Capital; Fifth Wall Ventures, L.P.; Fifth Wall Ventures Management, LLC	10.00	-	-	-
2Feb18	OpenLink Financial LLC	Ion Investment Group Limited	-	-	-	-
30Jan18	Olfa Soft SA	Finastra Group Holdings Limited	_	_	-	_
29Jan18	Templum LLC	-	_	_	_	_
11Jan18	Lombard Risk Management plc	Vermeg N.V.	71.01	43.11	1.6x	NM
19Dec17	ACL Services Ltd.	Norwest Venture Partners	50.00	-	-	-
12Dec17	DelphX Corporation	_	3.11	_	-	_
6Dec17	CPA Retirement Planning, Inc.	Wealth Enhancement Group, LLC	_	_	-	_
	Coinsquare Ltd.	<u>-</u>	8.26	_	_	_
22Nov17	Dealogic (Holdings) Limited	ION Trading Ireland Limited	-	_	-	-
16Nov17	SunGard Kingstar Data System (China) Co., Ltd.	Shanghai Zhongping Capital Co., Ltd.	_	_	-	_
14Nov17	Forex Development Corporation	Krypton Capital	-	0.47	-	-
30Oct17	Aspect Enterprise Solutions Ltd.	Ion Investment Group Limited	_	_	-	_
27Oct17	Trayport Limited	TMX Group Limited	721.32	76.07	9.5x	18.3x
26Oct17	Templum LLC	Raptor Holdco GP LLC; Blockchain Capital; Firstminute Capital; Galaxy Investment Partners, LLC	2.70	-	-	-
20Oct17	CFN Services, Inc.	-	_	-	-	-
29Sep17	Coinsquare Ltd.	Bioptix, Inc. (nka:Riot Blockchain, Inc.)	3.00	-	-	-
6Sep17	RegTek Solutions, Inc.	Illuminate Financial Management LLP; DB1 Ventures	5.00	-	-	-
19Jul17	Symbiont.io, Inc.	Medici Ventures, Inc.	-	_	-	-
13Jul17	Object Trading UK Limited	Vela Trading Technologies, LLC	_	-	-	-
6Jul17	Login S.A	Profile Systems & Software A.E.	-	_	-	-
27Jun17	CacheMatrix Holdings LLC	BlackRock, Inc.	_	-	-	-
20Jun17	OptionsCity Software, Inc.	Vela Trading Technologies, LLC	-	_	-	-
9Jun17	OpenLedger ApS	-	1.66	_		
7Jun17	AxeTrading Limited	Illuminate Financial Management LLP	2.25	_	-	-
24May17	YouDevise Limited	Mergermarket Limited	_	-	-	-
9May17	Broadway Technology, LLC	Long Ridge Equity Partners	42.00	_	-	-
8May17	Nirvana Systems, Inc.	-	_	-	-	-
29Apr17	Symbiont.io, Inc.	Hundsun Intercontinental Holdings (HK) Limited	-	-	-	-
31Mar17	Rockall Technologies Limited	Enterprise Ireland, Investment Arm	0.48	-	-	-



Trading Technology April 2018

Appendix: Public Basket Constituents

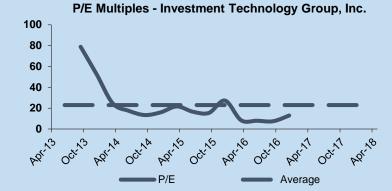


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Investment Technology Group, Inc.

Investment Technology Group, Inc. operates as a financial technology company in the United States, Canada, Europe, and the Asia Pacific. The company offers various solutions for asset managers and brokerdealers in the areas of execution services, workflow technology, and analytics that provide trade execution services and solutions for portfolio management, as well as pre-trade analytics, and post-trade analytics and processing. The company's products include POSIT, a point-in-time electronic crossing network for equity orders and price improvement opportunities; algorithms and smart order routers that offers portfolio managers and traders a way to trade orders; and single stock and portfolio trading, as well as derivatives execution and technology services focusing on sell-side clients, professional traders, and select hedge funds. It also provides Execution Management System, which offers execution and analytical tools for global list-based and single-stock trading, futures and options, and a financial services communications network; and Order Management System that combines portfolio management and compliance functionality. In addition, the company provides ITG Net, a financial communications network; RFQ-hub, a multi-asset platform for financial instruments; Single Ticket Clearing, a broker-neutral operational service; and Commission Manager, a Web-based commission management portal. Further, it offers Trading Analytics, which enables portfolio managers and traders to enhance execution performance through trading analytics and risk models; and Portfolio Analytics that assists asset managers with portfolio decision-making tasks from portfolio construction and optimization. Additionally, the company provides software development and maintenance services; and workflow technology solutions and network connectivity services for the financial community. Investment Technology Group, Inc. was founded in 1983 and is headquartered in New York, New York.

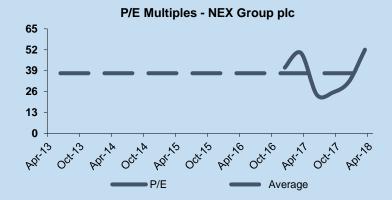




NEX Group plc

NEX Group plc delivers pricing, analytics, index, and regulatory reporting solutions to various clients worldwide. The company operates through NEX Markets, NEX Optimisation, and NEX Group and other segments. Its pricing and analytics services provide various products in foreign exchange (FX), such as EBS Ticker and EBS Rates real-time feeds, EBS non-deliverable forwards, and Premium FX Feed, a proprietary direct feed of live and streaming prices derived from a selected range of sources, as well as FX Currency Options TFS-ICAP; BrokerTec European Repo and RepoPX data services in money markets; fixed income data services through various electronic platforms; and CFETS-NEX, which offers real-time, end-of-day, and historical market data from onshore China interdealer brokers. The company's indices focus on FX, fixed income, and money markets. NEX Group plc is headquartered in London, the United Kingdom.

Date	Key Development Headline
3/29/18	NEX Group plc, CME Group Inc M&A Call
3/14/18	CME Group Inc. (NasdaqGS:CME) made an offer to
	acquire NEX Group plc (LSE:NXG) for £3.8 billion.



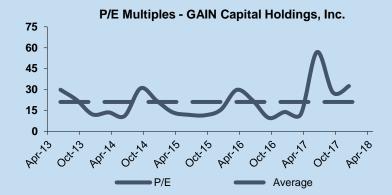


GAIN Capital Holdings, Inc.

GAIN Capital Holdings, Inc., together with its subsidiary, provides trading services and solutions to retail, institutional, and futures service customers worldwide. The company operates in three segments: Retail, Institutional, and Futures. It specializes in over-the-counter (OTC) and exchange-traded markets. The company offers access to a range of financial products, including spot foreign exchange (forex) and precious metals trading; and spread bets and contracts for differences on currencies, commodities, indices, individual equities, bonds, options, and interest rate products, as well as OTC options on forex. It provides services to retail customers through FOREX.com and Cityindex.com, as well as through brokers and white label partners. The company also provides agency execution services; and access to markets and selfdirected trading in foreign exchange, commodities, equities, options, and futures to institutional customers through GTX platform, an electronic communications network. Further, it provides execution and risk management services for exchange-traded futures and futures options on the United States and European futures and options exchanges; and online trading services. GAIN Capital Holdings, Inc. was founded in 1999 and is headquartered in Bedminster, New Jersey.

Date	Key Development Headline

12/18/17 GAIN Capital Mulls Acquisitions 8/16/17 GAIN Capital Seeks Acquisitions

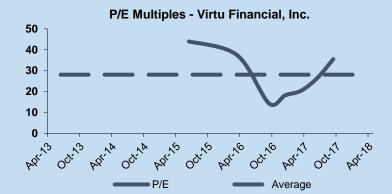




Virtu Financial, Inc.

Virtu Financial, Inc., together with its subsidiaries, provides market making and liquidity services through its proprietary, multi-asset, and multi-currency technology platform to the financial markets worldwide. The company's Market Making segment principally consists of market making in the cash, futures, and options markets across equities, options, fixed income, currencies, and commodities. Its Execution Services segment comprises agency-based trading and trading venues, which offer execution services in equities, ETFs, futures, and fixed income to institutions, banks, and broker dealers. Virtu Financial, Inc. was founded in 2008 and is headquartered in New York, New York.

Date	Key Development Headline				
7/19/17	Virtu Financial, Inc. (NasdaqGS:VIRT) completed the				
	acquisition of KCG Holdings, Inc. (NYSE:KCG) from				
	Jefferies Group LLC, Asset Management Arm, The				
	Vanguard Group, Inc., Dimensional Fund Advisors LP and				
	other shareholders.				
4/20/17	KCG Holdings, Inc., Virtu Financial, Inc M&A Call				



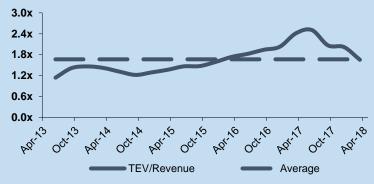


Linedata Services S.A.

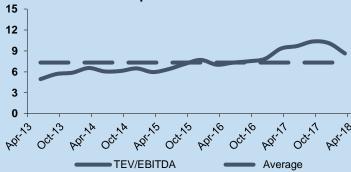
Linedata Services S.A. provides solutions for the investment management, insurance, and credit community in France and internationally. It offers solutions for alternative and institutional investment clients, such as Linedata Lynx, an electronic trading solution; Linedata Compliance, a solution for ensuring pre and posttrade compliance; and Linedata Reporting, a tool to manage internal and external reporting, as well as provides Linedata Longview, a Webbased portfolio management platform for wealth managers. The company also provides solutions for employee savings plans, including Linedata Noee, a solution for managing employee savings accounts: and Linedata Webpass, a multi-services Internet platform that features secure access and centralized communication between the company and its shareholder or saver employees. In addition, it offers solutions for the personal insurance industry cover Linedata Master I, a software solution for the portfolio management processes of individual and collective savings contracts for contingency insurance and pensions. Further, the company provides solutions for the lending and leasing industry comprising Linedata Ekip 360, a software solution to manage various retail and commercial finance; Linedata Services S.A. was founded in 1998 and is headquartered in Neuilly-sur-seine, France.

Date	Key Development Headline
8/30/17	Linedata Services S.A. (ENXTPA:LIN) completed the acquisition of Quality Risk Management & Operations Limited.
8/17/17	Veracen Announces Global Collaboration Agreement with Linedata and Launch of End-To-End Financial Technology Platform for Institutional Investors
8/6/17	Linedata Services S.A. (ENXTPA:LIN) entered into agreement to acquire Quality Risk Management & Operations Limited on August 7, 2017.

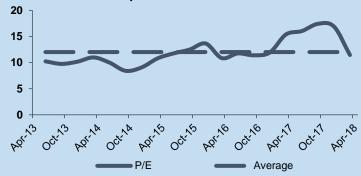
Revenue Multiples - Linedata Services S.A.



EBITDA Multiples - Linedata Services S.A.



P/E Multiples - Linedata Services S.A.



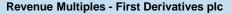


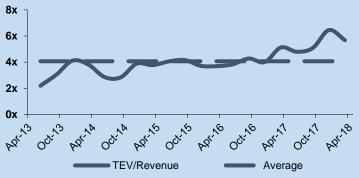
First Derivatives plc

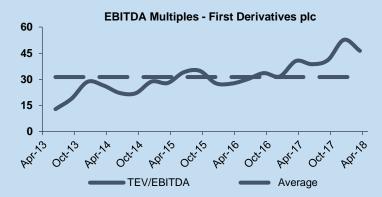
First Derivatives plc designs, develops, implements, and supports a range of data and trading systems for front, middle, and back-office operations worldwide. It operates through Consulting and Software segments. The company provides kdb+, a high-performance database that sets the standard for time-series analytics with a built-in expressive query and programming language, as well as develops a suite of products. It also offers capital markets consulting services, including financial, regulatory and compliance practice, third party vendor, and managed services. In addition, the company provides an end to end digital marketing and sales solutions. It offers various software and consulting services primarily to the finance, technology, energy, marketing, telecom, digital marketing, pharma, utilities, and other industrial markets. First Derivatives plc was founded in 1996 and is headquartered in Newry, the United Kingdom.

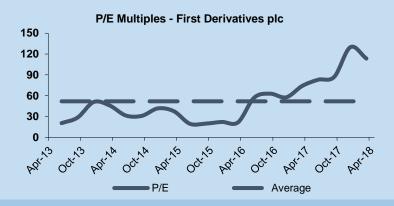
Key Development Headline

12/10/17 First Derivatives plc (AIM:FDP) acquired Telconomics09 S.L for €2.51 million.







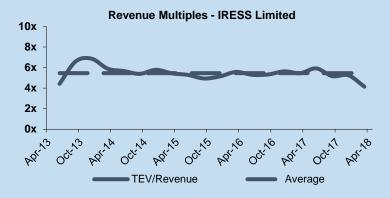


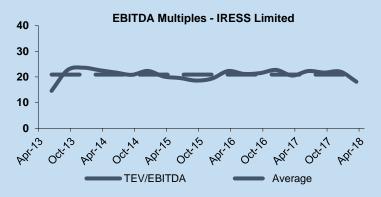


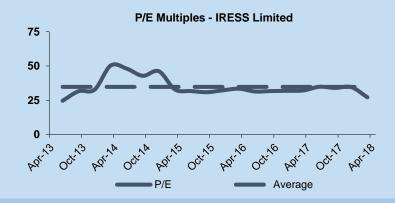
IRESS Limited

IRESS Limited provides information, trading, compliance, order management, portfolio and wealth management, and lending systems and related tools in Australia, New Zealand, Asia, Canada, South Africa, and the United Kingdom. It offers CommPay, a revenue management solution for advisor firms; IRESS Digital, a solution for market data, trading, and charting tools; IRESS Execution Management System, a customizable multi-broker order execution and allocation management solution for buy-side participants; and IRESS Order System, a solution for institutional and retail brokers. The company also provides IRESS Portfolio System, a solution for portfolio management, compliance, and reporting on one platform for institutional and retail portfolio managers; IRESS Pro, a global market information platform for institutional and retail brokers, investment managers, and advisers; private wealth management tools; SmartHub, a managed open trade messaging network that connects buying and selling side participants: and XPLAN, an integrated financial planning software for wealth management and financial planning professionals. IRESS Limited was founded in 1993 and is based in Melbourne, Australia.

Date	Key Development Headline
4/3/18	IRESS Limited (ASX:IRE) agreed to acquire remaining majority stake in Lucsan Capital Pty. Ltd.
11/7/17	MainstreamBPO Limited (ASX:MAI) completed the acquisition of a part of superannuation administration business from IRESS Limited (ASX:IRE).
7/12/17	MainstreamBPO Limited (ASX:MAI) executed a business and assets sale agreement to acquire a part of superannuation administration business from IRESS Limited (ASX:IRE) for AUD 3.5 million.









Brady Corporation

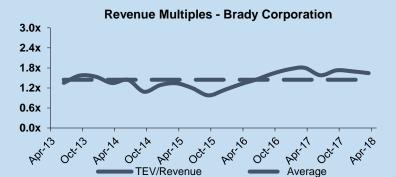
Brady Corporation manufactures and supplies identification solutions (IDS) and workplace safety (WPS) products to identify and protect premises, products, and people in the United States and internationally. The IDS segment offers safety signs, pipe markers, labeling systems, spill control products, and lockout/tagout devices for facility identification and protection; materials and printing systems for product identification, brand protection labeling, work in process labeling, and finished product identification; and hand-held printers, wire markers, sleeves, and tags for wire identification, as well as software and services for safety compliance auditing, procedure writing, and training. Its products also comprise name tags, badges, lanyards, and access control software for people identification; wristbands and labels for tracking and enhancing the safety of patients in hospitals; and custom wristbands for use in the leisure and entertainment industry, such as theme parks, concerts, and festivals. This segment serves customers in various industries, such as industrial and electronic manufacturing, healthcare, chemical, oil, gas, automotive, aerospace, defense, mass transit, electrical contractors, telecommunications, and others through distributors, direct sales, catalog marketing, and digital channels. The WPS segment provides workplace safety and compliance products, such as safety and compliance signs, tags, labels, informational and architectural signage products, asset tracking labels, first aid products, industrial warehouse and office equipment, and labor law compliance posters for various industries, including process, government, education, construction, and utilities, as well as manufacturers through catalog and digital channels. It also offers stock and custom identification products, as well as sells related resale products. Brady Corporation was founded in 1914 and is headquartered in Milwaukee, Wisconsin.

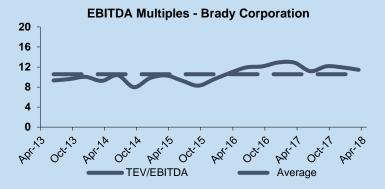
Date

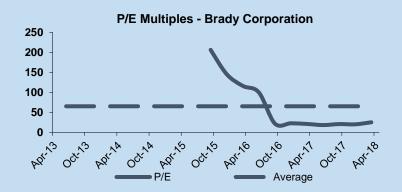
Key Development Headline

5/25/17 Brady Corporation Seeks Acquisitions





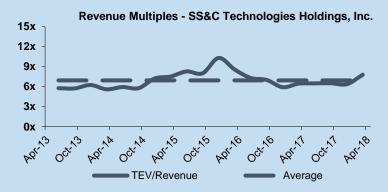


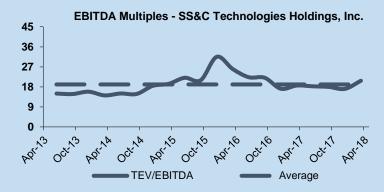


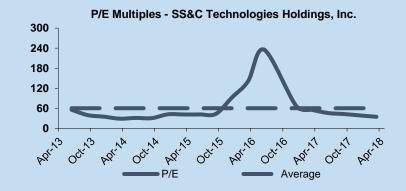
SS&C Technologies Holdings, Inc.

SS&C Technologies Holdings, Inc. provides software products and software-enabled services to financial services providers. Its products and services allow its clients to automate and integrate front-office functions, such as trading and modeling; middle-office functions, including portfolio management and reporting; and back-office functions comprising accounting, performance measurement, reconciliation, reporting, processing, and clearing. The company offers products and services in the areas of portfolio management/accounting software, performance measurement and attribution, banking and lending solutions, trading and treasury operations, client reporting, financial modeling, and property management. SS&C Technologies Holdings, Inc. was founded in 1986 and is headquartered in Windsor, Connecticut.

Date	Key Development Headline
3/11/18	SS&C Technologies Holdings, Inc. (NasdaqGS:SSNC) entered into agreement to acquire CACEIS (USA) Inc. and
	Caceis Canada Ltd from CACEIS.
3/7/18	SS&C Technologies Seeks Acquisitions
1/11/18	DST Systems, Inc., SS&C Technologies Holdings, Inc M&A Call
1/10/18	SS&C Technologies Holdings, Inc. (Nasdaq:SSNC) entered into a definitive agreement to acquire DST Systems, Inc. (NYSE:DST) for \$5.1 billion.
10/30/17	SS&C Technologies Holdings, Inc. (NasdaqGS:SSNC) acquired Modestspark, LLC.
10/12/17	SS&C Technologies Holdings, Inc. (Nasdaq:SSNC) acquired CommonWealth Fund Services Ltd. from from Caledon Trust Company.
5/22/17	SS&C Technologies Seeks Acquisitions









CONTACT INFORMATION

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