

June 03, 2014

# Financial Technology Partners LP

## FTP Securities LLC

Transaction Profile:

Initial Public Offering

# markit®

Nasdaq:MRKT

*Courtesy of:*



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***Focused Exclusively on Financial Technology***

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# Markit Initial Public Offering

## IPO Summary

### Key IPO Statistics

<b>Description:</b>	Markit Ltd. ("Markit") is a provider of pricing and reference data, indices, valuation and trading services, trade processing, enterprise software and managed services.
<b>Headquarters:</b>	London, England
<b>Founded:</b>	2003
<b>Initial F-1 Filing Date:</b>	May 05, 2014
<b>Ticker:</b>	NasdaqGS:MRKT
<b>Price Range:</b>	\$23.00 - \$25.00
<b>Shares Offered:</b>	52,564,160
<b>Shares Outstanding:</b>	178,868,020
<b>Market Cap:</b>	\$4.3 bn
<b>Enterprise Value:</b>	\$4.9 bn
<b>EV / LTM Rev:</b>	5.0 x
<b>EV / LTM Adj. EBITDA</b>	10.9 x
<b>MC / LTM Adj. Erngs.</b>	17.8 x
<b>Offering Size:</b>	\$1.1 bn
<b>Proceeds to Markit:</b>	\$0 mm
<b>Use of Proceeds:</b>	All shares sold through the offering will be secondary. Therefore, all proceeds will go to current investors in the Company.

### UNITED STATES SECURITIES AND EXCHANGE COMMISSION

#### Form F-1

Markit Ltd.  
NasdaqGS:MRKT



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London, England  
+44 20 7260 2000

BofA Merrill Lynch    Goldman Sachs  
Barclays    HSBC    BNP Paribas  
Citigroup    J.P. Morgan    Jefferies  
Credit Suisse    Morgan Stanley    RBC  
Deutsche Bank    UBS    TD Securities

# Markit Initial Public Offering

## Company and Transaction Overview

### Company Overview

<b>Chief Executive Officer:</b>	Lance Uggla
<b>Headquarters:</b>	London, UK
<b>Employees:</b>	3,200+
<b>Additional Offices:</b>	20 globally
<b>Founded:</b>	2003

### Transaction Summary

- June 03, 2014 – Markit announces that it has filed a form F-1 with the SEC with the intention of raising \$1.3 bn
- The Company doesn't plan to sell any shares itself in the offering; all of the proceeds will go to selling shareholders
- Markit's biggest bank shareholders include Bank of America, Deutsche Bank, Goldman Sachs and JP Morgan, each of which owns more than 5%

### Previous Financings

Announcement Date	Investor(s)	Financing Amount (\$ mm)
05/21/13	Temasek	\$ 500
02/25/10	General Atlantic	250 <sup>(1)</sup>
12/31/05	Consortium of Financial Investors <sup>(2)</sup>	na
01/12/04	Consortium of Strategic Investors <sup>(3)</sup>	na

### Business Description

- Markit offers independent data, valuations and trade processing across all asset classes to enhance transparency, reduce risk and improve operational efficiency
- **Analytics:** Provides clients with a host of market risk, credit risk, regulatory capital and credit valuation adjustment services
- **Data:** Provides data products and services to global financial institutions and market participants for risk control, mark-to-market, research, reference and forecasting
- **Distribution:** Enables clients to access financial information and communicate with peers; available content includes aggregated data, industry analysis, research, news and counterparty documentation
- **Enterprise Data Management:** Provides clients with a business intelligence solution to control various data and produce transparent and quantifiable views of positions, transactions, valuations, exposure and counterparties
- **Indices:** Used for performance benchmarking and as a basis for financial products, including ETFs
- **Portfolio Management:** Software for efficient management of bank loan portfolios and structured deals; offers access to real-time reference and transactional loan data
- **Research and Reports:** Provides clients with in-depth research on derivatives and global economics and a share analysis tool
- **Trade Processing:** Comprehensive electronic platform for derivative post-trade processing is the most widely used in the industry, processing over 300,000 trades per month
- **Valuations:** Tools incorporate consensus data and proprietary models for valuation of cash equities, listed and OTC derivatives and fixed income products

Source: Company website, SEC Filings, Press Releases and Capital IQ.

(1) General Atlantic acquired a 7.5% minority stake, implying a \$3 bn valuation.

(2) Amaranth Advisors, Cheyne Capital Management, Eton Park Capital and Highbridge Capital Management.

(3) ABN AMRO, Citigroup, Credit Suisse First Boston, Dresdner Kleinwort Wasserstein Online Markets Technology Investments, Lehman Brothers, Merrill Lynch, Morgan Stanley, North Cove Partners and UBS.

# Markit Initial Public Offering

## Markit's Historical Acquisitions

Announcement Date	Target	Enterprise Value (\$ mm)	Brief Target Description
01/14/14	thinkFolio	na	Order management software for investment professionals
06/17/13	Depository Trust & Clearing Corporation	na	Clearing, settlement and information services for various asset classes
04/05/13	MarkitSERV <sup>(1)</sup>	na	Post-trade processing for OTC derivatives transactions
05/01/12	Cadis	na	Enterprise data management platform
04/02/12	Data Explorers	na	Research and analysis for security lending fund flows
11/02/11	Quantitative Services Gr.	na	Independent equity research and trading analytics provider
01/12/11	QulC Financial Tech.	na	Portfolio credit risk analytics solutions
07/09/10	Wall Street on Demand	na	Financial data visualization services provider
02/25/10	Storm Networks	na	Secondary market corporate loan automation services
10/29/09	ClearPar	\$72	Syndicated loan processing platform
01/29/09	NZX, TZ1 Registry	54	Carbon registry service provider
07/28/08	JP Morgan FCS Corp.	na	Loan market portfolio and risk mgmt. software and services
06/12/08	SwapsWire	na	Electronic trade confirmation network
04/30/08	NTC Economics	na	Macro-economic indicators in the United Kingdom
11/14/07	International Index Co.	na	Credit derivatives, fixed income and FX index business
11/14/07	CDS IndexCo.	na	Credit derivatives, structured finance and loan indices
01/09/07	ABSReports	na	Electronic reporting service for the securitization industry
09/04/06	MarketXS	na	Real-time market data technology and trading solutions
08/29/06	Chasen Enterprises	na	Analytics provider for the CMO and ABS market
05/10/06	Communicator	na	Counterparty mgmt. and secure communications solutions
05/05/04	Totem Market Valuations	na	Derivatives valuation services and market data
12/16/03	LoanX	na	US provider of syndicated loan data

Source: Company website, SEC Filings, Press Releases and Capital IQ.

(1) Markit and Depository Trust and Clearing Corporation ("DTCC") founded MarkitSERV in 2009 as a joint venture that combined the firms' electronic trade processing services for OTC derivatives; on April 5, 2013, Markit acquired the remaining 50% interest in MarkitSERV from DTCC.

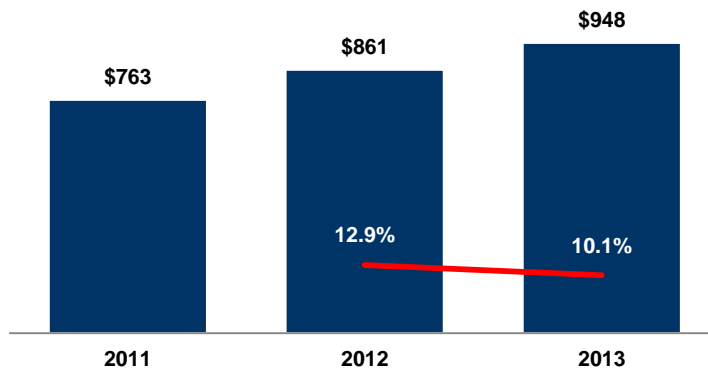
# Markit Initial Public Offering

## Markit's Financials

### Selected Financial Metrics

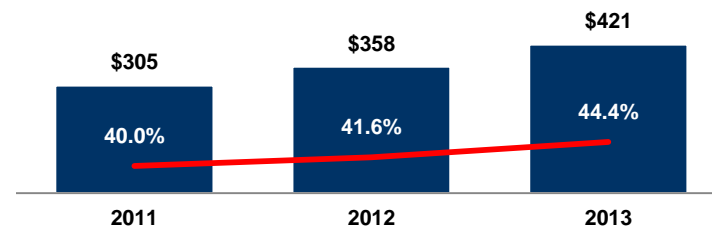
#### Revenue / % Growth

(\$ in mm)

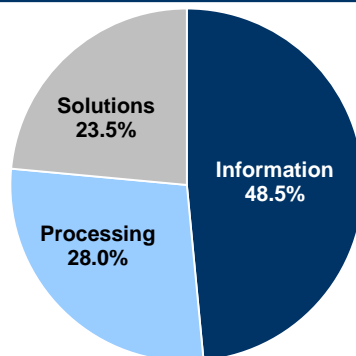


#### Adjusted EBITDA <sup>(1)</sup> / % Margin

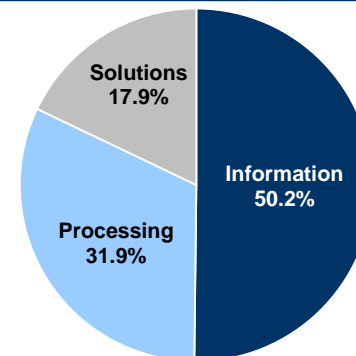
(\$ in mm)



#### CY2013 Revenue by Segment



#### CY2013 Adjusted EBITDA by Segment <sup>(2)</sup>



#### CY2013 Adjusted EBITDA Margin

Information	Processing	Solutions
46.0%	50.7%	33.8%

Source: Company website, SEC Filings, Press Releases and Capital IQ.

(1) Adjusted EBITDA is defined as profit for the period from continuing operations before income taxes, net finance costs, depreciation and amortization on fixed assets and intangible assets (including acquisition related intangible assets), acquisition related items, exceptional items, share-based compensation and net other gains or losses and excluding Adjusted EBITDA attributable to non-controlling interests.

(2) Adjusted EBITDA also includes (\$11.5) of non-controlling interest.

# Markit Initial Public Offering

## Markit's Financials

(\$ in mm)

### Income Statement Data:

	Consolidated Financials					
	For The Year Ended 12/31, 2011	2012	2013	For The 3 Months Ended 3/31, 2013	2014	LTM as of 3/31/2014
Revenue	\$762.5	\$860.6	\$947.9	\$227.4	\$259.4	\$979.9
Operating Expenses	(\$403.0)	(\$454.0)	(\$515.1)	(\$125.1)	(\$142.7)	(\$532.7)
Operating Profit	\$229.7	\$224.7	\$230.1	\$84.1	\$59.8	\$205.8
Profit For The Period	\$156.2	\$153.1	\$147.0	\$58.3	\$39.8	\$128.5
Profit Attributable To Equity Holders	\$125.8	\$125.0	\$139.4	\$50.7	\$39.8	\$128.5
Earnings Per Share – Basic	\$7.03	\$7.03	\$8.00	\$2.96	\$2.25	\$7.29
Earnings Per Share – Diluted	\$6.92	\$6.94	\$7.94	\$2.93	\$2.22	\$7.23

### Balance Sheet Data:

Total Assets	\$2,648.3	\$3,151.3	\$3,199.9	-	\$3,271.2	\$3,271.2
Total Equity/Net Assets	\$2,031.4	\$1,929.7	\$2,055.9	-	\$2,112.3	\$2,112.3

### Cash Flow Data:

Net Cash Generated From Operating Activities	\$322.2	\$340.6	\$339.8	\$45.6	\$41.4	\$335.6
Net Cash Used In Investing Activities	(\$137.8)	(\$479.6)	(\$170.6)	(\$34.1)	(\$119.9)	(\$256.4)
Net Cash (Used In) / Generated From Financing Activities	(\$163.3)	\$99.4	(\$203.9)	(\$47.7)	\$41.2	(\$115.0)
<b>Net (Decrease) / Increase In Cash</b>	<b>\$21.1</b>	<b>(\$39.6)</b>	<b>(\$34.7)</b>	<b>(\$36.2)</b>	<b>(\$37.3)</b>	<b>(\$35.8)</b>

### Other Financial Data:

Adjusted EBITDA <sup>(1)</sup>	\$305.0	\$358.2	\$421.3	\$90.8	\$116.7	\$447.2
Margin	40.0%	41.6%	44.4%	39.9%	45.0%	45.6%
Adjusted Earnings <sup>(2)</sup>	\$184.8	\$218.4	\$248.4	\$47.5	\$72.9	\$273.8
Margin	24.2%	25.4%	26.2%	20.9%	28.1%	27.9%

Source: Company website, SEC Filings, Press Releases and Capital IQ.

(1) Adjusted EBITDA is defined as profit for the period from continuing operations before income taxes, net finance costs, depreciation and amortization on fixed assets and intangible assets (including acquisition related intangible assets), acquisition related items, exceptional items, share-based compensation and net other gains or losses and excluding Adjusted EBITDA attributable to non-controlling interests.

(2) Adjusted Earnings is defined as profit for the period from continuing operations before amortization of acquired intangibles, acquisition related items, exceptional items, share-based compensation, net other gains or losses and unwind of discount, less the tax effect of these adjustments and excluding Adjusted Earnings attributable to non-controlling interests.

# Markit Initial Public Offering

## Selected FT Partners' Transactions

Financial Technology Partners LP  
FTP Securities LLC

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

**MERGENT**

*in the sale of its Index Business to*

**NASDAQ OMX**

**FINANCIAL  
TECHNOLOGY  
PARTNERS**

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Financial Technology Partners LP  
FTP Securities LLC

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

**Zephyr**  
ASSOCIATES, INC.

*in its sale to*

**informa**

*for total cash consideration of*

**\$ 62,000,000**

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TECHNOLOGY  
PARTNERS**

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Financial Technology Partners LP  
FTP Securities LLC

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

**ATD**  
Automated Trading Desk, LLC

*in its sale to*

**citi**

*for cash and stock consideration of  
approximately*

**\$ 700,000,000**

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TECHNOLOGY  
PARTNERS**

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Financial Technology Partners LP  
FTP Securities LLC

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

**INSTINET**

*in the sale of its stake in*

**CHI-X EUROPE**

*to*

**BATS**  
Making Markets Better

*for total consideration of approximately*

**\$ 305,000,000**

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TECHNOLOGY  
PARTNERS**

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Financial Technology Partners LP  
FTP Securities LLC

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

**Communicator Inc**

*in its sale to*

**markit**

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Financial Technology Partners LP  
FTP Securities LLC

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

**QUANTHOUSE**  
SOLUTIONS TO TRADE AHEAD

*in its growth financing with*

**ViewPoint.**  
Capital Partners

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Financial Technology Partners LP  
FTP Securities LLC

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

**TORA**

**TECHNOLOGY. TRADING. LIQUIDITY.®**

*in its minority capital raise with*

**Goldman Sachs**

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Financial Technology Partners LP  
FTP Securities LLC

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

**chi-x**

*in its sale of a minority stake to*

**Bank of America Merrill Lynch** **GETCO** **Goldman Sachs**

**Morgan Stanley** **QUANTLAB FINANCIAL, LLC**

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# Markit Initial Public Offering

## The “M&A Advisor” Selects FT Partners for M&A Industry-Wide Awards

### Awards Overview

- FT Partners consistently receives top honors and recognition from national association:
  - **Boutique Investment Bank of the Year (2011)**
  - **Deal of the Decade (2011)**
  - **Middle Market Deal of the Year, Cross-Border Deal of the Year and IT Services Deal of the Year (2010)**
  - **Professional Services Deal of the Year (2012)**
  - **Dealmaker of the Year (2007, 2008, 2009 and 2012)**
  - **Investment Banking Firm of the Year (2004 and 2006)**
  - **Financing Professional of the Year (2006)**
  - **Product of the Year – IPO Advisory (2006)**
  - **Deals of the Year (2005, 2006 and 2007)**
- **2008's top ranked** investment banker named on *Institutional Investors* annual “*Online Finance 40*” ranking
  - Consecutively ranked for 3 years (2008, 2007, 2006)
- Founder and Managing Partner, Steve McLaughlin, lauded **highest honors** as both “Dealmaker of the Year” and “Financing Professional of the Year”
- Top award winning Investment Bank collecting **more than 12 separate awards** for outstanding performance and client results
  - FT Partners has received over 75 award nominations across an unprecedented array of categories
- FT Partners’ “**IPO Advisory**” service – as demonstrated in one of the most successful Payments IPOs in history, VeriFone – received its third industry award in 12 months for Product of the Year
  - Previously recognized in our 2006 Financing Professional of the Year award and 2005 Deal of the Year



***Boutique Investment Bank of the Year  
Deal of the Decade***

### Selected Transactions:

- Sale of EISI to Zywave, a Vista Equity portfolio company
- Sale of Instinet's stake in Chi-X Europe to BATS Global Markets
- Sale of TheMarkets.com to McGraw Hill / Standard & Poor's / CapitalIQ
- \$680 mm sale of Automated Trading Desk to Citigroup
- \$225 mm sale of Wombat Financial Software to NYSE Euronext
- \$110 mm minority recapitalization for TradingScreen
- \$250 mm capital raise for Liquidnet
- \$56 mm sale of Majestic Research to ITG
- IPO advisory services for Envestnet's \$69 mm initial public offering
- \$35 mm capital raise for MarketAxess