

TSG Analysis: Vantiv Acquisition of Litle & Co.

vantiv™

Acquisition of:



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A revised analysis will be released by TSG when additional data is available, Vantiv is to release additional details in Q4 2012 results.

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Preliminary estimates show a premium placed on Litle & Co. by Vantiv as their business fits a stated growth strategy of further penetrating the e-Commerce marketplace

Target Company	 ²		
Buyer	Vantiv	Cielo	Visa
Close Date	Q4 2012	Q3 2012	Q3 2010
# of Accts⁴	N/A	70,000	295,000
Annual Dollar Volume (\$ mil.)⁴	\$17,000	\$14,000	\$120,000
Ave. Acct Size	N/A	\$200,000	\$407,000
Net Revenue (\$ mil.)	\$50	\$124	\$196 ³
EBITDA (\$ mil.)	\$22	\$56	\$53
Transaction Price (\$ mil.)	\$361	\$670	\$1,700 ⁵
Price/Net Revenue¹	7.2x	5.4x	8.7x
Price/EBITDA	16.2x	12.0x	32.1x

¹Net Revenue is defined as variable transaction and/or volume driven revenue less variable transaction and/or volume driven expenses plus other fees and revenue not related to transactions or volume. Net revenue may not be consistently defined across all companies and sources, TSG has made reasonable efforts to ensure comparability

²Litle & Co net revenue and EBITDA estimated from comments on Vantiv's Q3 '12 earnings call and earnings presentation, a revised analysis will be released by TSG when additional data is available, Vantiv is to release additional details in Q4 2012 results

³Cybersource's net revenue estimated using interchange and assessment cost data from TSG's merchant database in combination with Cybersource's reported acquiring customer volume

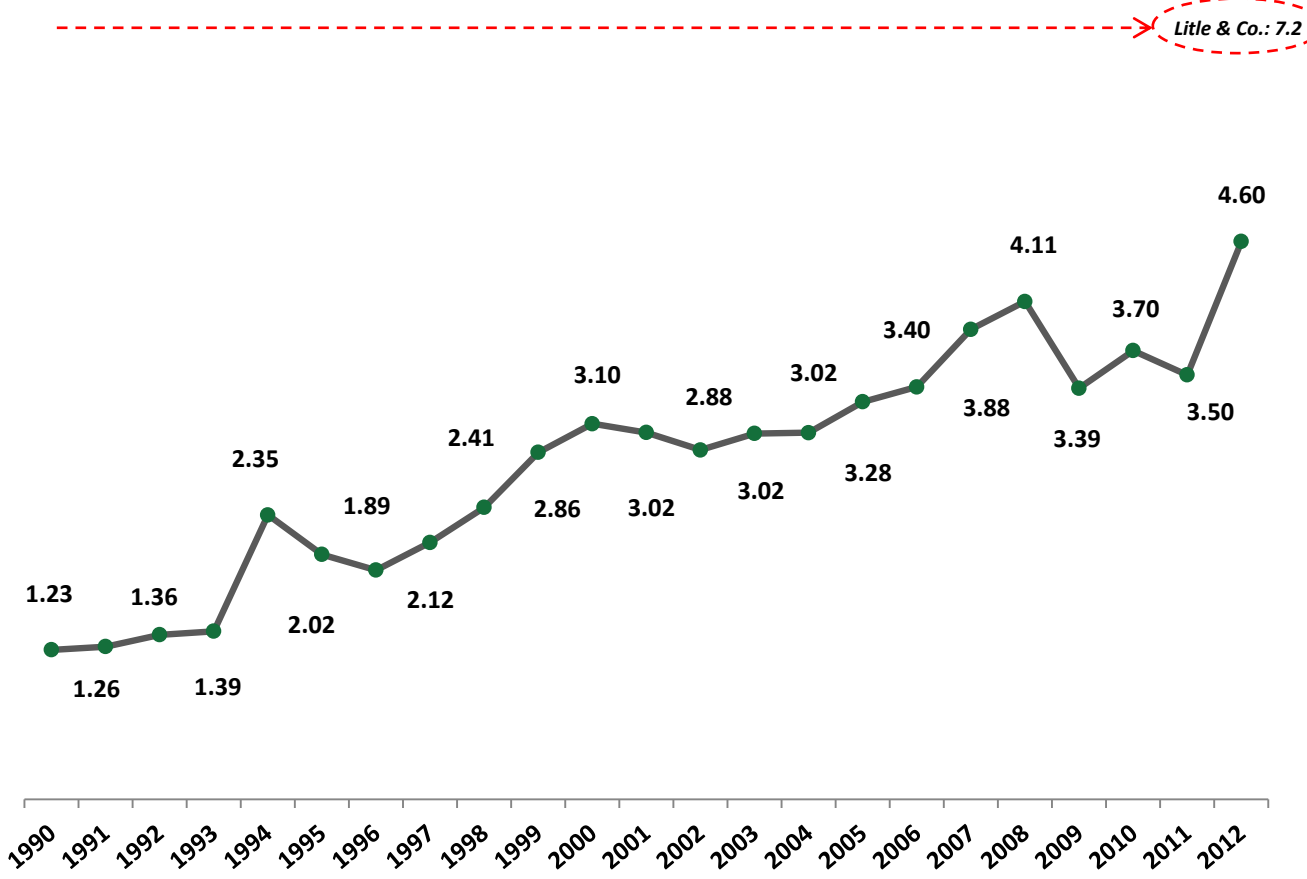
⁴Volume and merchant count figures include direct (where the company serves as underwriter) and indirect merchants for each company analyzed

⁵CyberSource's transaction price is the enterprise value at time of acquisition

Sources: Company press releases and public filings, TSG Merchant Database

Magnitude of strategic value can be seen through comparable analysis; indicative of Vantiv management's confidence in transaction

Trend in Net Revenue Multiple - Rolling Three Year Average
(Annual Net Revenue Multiple)



Net revenue multiples in charts are representative of 128 transactions from 1988 through 2012 with purchase prices ranging from \$300K to nearly \$30BN.

Net Revenue is defined as variable transaction and/or volume driven revenue less variable transaction and/or volume driven expenses plus other fees and revenue not related to transaction and/or volume processed.

Litle & Co. Notes:

- Expands Vantiv's presence/executes on strategy to grow in ecommerce business
- New ecommerce sales channels will diversify Vantiv's distribution channels
- Cross-sell opportunities to current Vantiv merchants with ecommerce needs
- Litle & Co volume growing at 25% in 2012, indicative of favorable attrition rates and strong sales engine(s)
- Total US ecommerce volume estimated to grow 11% CAGR from 2009 through 2015
- Transaction will be accretive to Vantiv's 2013 revenue and cash EPS

Sources: Vantiv press release and TSG database

Transaction provides cross-sell opportunities, new product innovation think tank, addition of large national ecommerce clients, and significant new technology

Transaction Comments

- Transaction significantly expands Vantiv's presence in ecommerce market as only 1.2% of 2011 revenue were from ecommerce merchants; ecommerce has been identified as one of three targeted growth markets by Vantiv management
- Vantiv management believes Litle & Co.'s ecommerce offering provides significant cross-sell opportunities to current Vantiv clients with ecommerce needs not using a Vantiv ecommerce solution
- Transaction establishes Vantiv as one of a few scale providers of ecommerce services in the US market
- Vantiv management plans to establish Litle & Co. headquarters as a “product innovation lab” due to their new product expertise

Litle & Co. ecommerce Merchant Verticals & Example Merchant Clients

- Online Services, Internet Retailers, Direct Response, Non-Profit, Membership Organizations, Publishers, Utilities, Multichannel Merchants
- Ancestry.com, GoDaddy.com, LifeLock, Overstock.com, Restaurant.com
- Merchant concentration not an issue in Litle & Co. portfolio

Litle & Co. Products, Services & Technology

- Payment Gateway
- Ecommerce Platform
- CNP Interchange Optimization
- Reporting/Analytics
- Back-end Processing
- Next Generation Value Added ecommerce Services

Source: Company press releases

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Payments Strategy - Payments Strategy encompasses the full spectrum of advisory services within the Payments Industry. The depth of these services is built on deep industry knowledge - Partners and Associates of the firm have average industry experience of more than 20 years. With clients from card issuers to merchant acquirers, TSG has the experience and expertise to provide real-time strategies.

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TSG Metrics - TSG Metrics, the strategic research and analysis division of TSG, provides the Payments Industry with highly focused research and industry-wide studies. TSG Metrics takes data, boils it down to information, transforms it to knowledge and presents it to provide wisdom to its client partners.

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