ENTERPRISE CONSOLIDATION DRIVES ROBUST M&A VALUATIONS

FINANCIAL TECHNOLOGY & PAYMENTS SECTOR UPDATE | JANUARY 2023

CAPSTONE PARTNERS

TABLE OF CONTENTS

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Capstone Partners, a subsidiary of Huntington Bancshares Incorporated (NASDAQ:HBAN), has been a trusted advisor to leading middle market companies for over 20 years, offering a fully integrated range of expert investment banking and financial advisory services uniquely tailored to help owners, investors, and creditors through each stage of the company's lifecycle.

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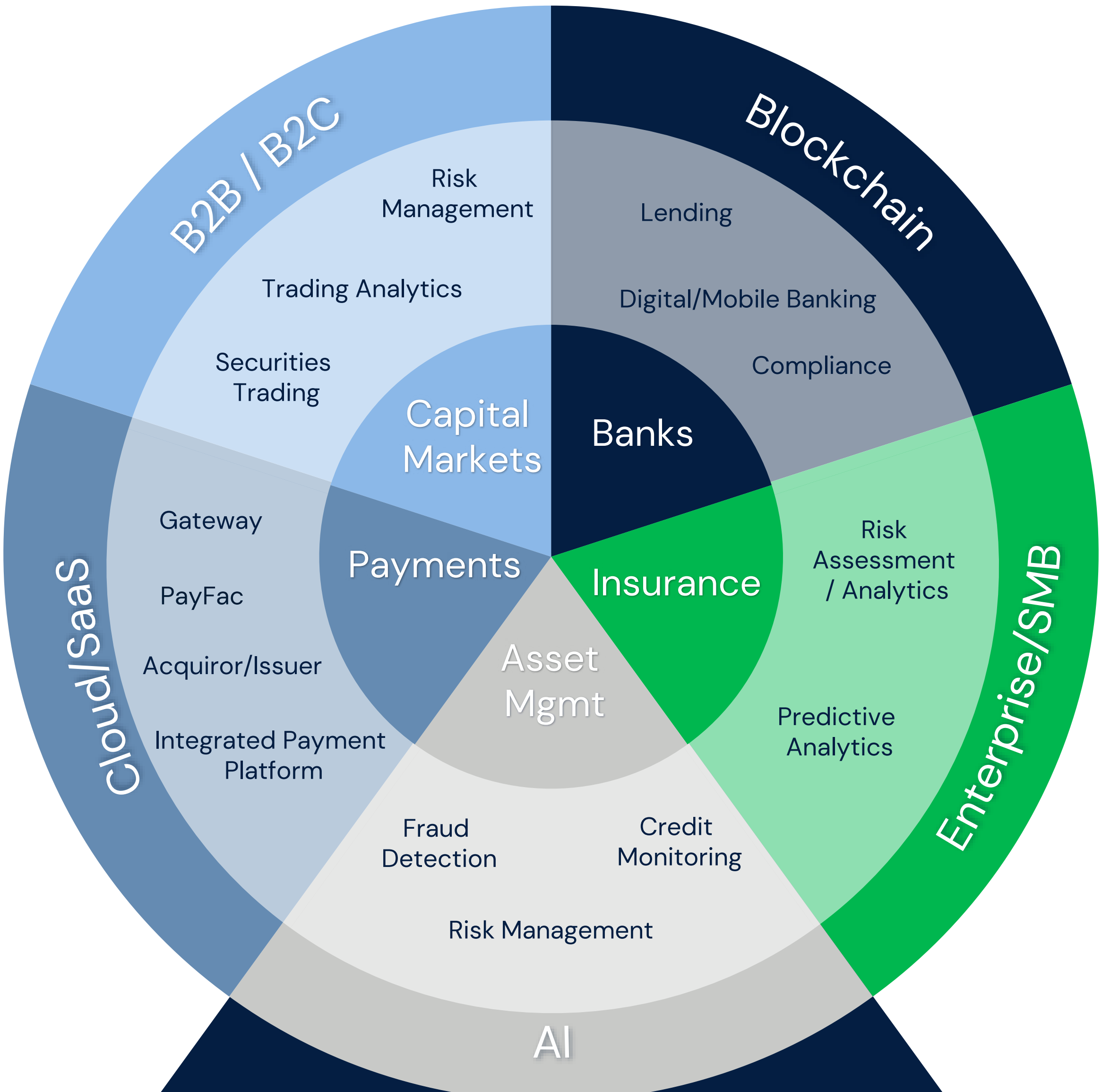
FINANCIAL TECHNOLOGY COVERAGE VERTICALS

Capstone's Financial Technology practice provides high-quality corporate finance advice to software and hardware technology and service providers across the entire Payments spectrum, in addition to banks, brokerage firms, asset managers, and insurance companies.

We leverage domain expertise to provide high-quality mergers and acquisitions, institutional financing, and strategic advisory services to private and publicly traded financial technology and information-based companies globally.



FinTech companies are attractive—we make sure every penny counts.

Financial Technology & Payments

Enterprise Consolidation Drives Robust M&A Valuations

KEY SECTOR TAKEAWAYS

Capstone Partners' Financial Technology (FinTech) & Services Group is pleased to share its FinTech & Payments report. The FinTech & Payments sector has showcased significant defensibility amidst rising inflation and interest rates, evidenced by healthy levels of merger and acquisition (M&A) and financing activity through year-to-date (YTD) (ending December 1). Although M&A deal volume has declined year-over-year (YOY) from record levels in 2021, average sector purchase multiples have remained elevated in Q3 2022, uplifted by public company consolidation. Several additional key takeaways are outlined below.

1. Supported by a relatively strong U.S. dollar, U.S.-based buyers in the sector have gained substantial leverage in cross-border transactions, especially in the Asian and Latin American markets.
2. Valuations for privately-held companies will likely remain strong, however public company valuations are expected to be fairly volatile over the next 12 to 18 months.
3. The Bank Technology (BankTech) segment has garnered the highest average revenue purchase multiple in the sector as buyers across industries look to gain entry in the fast-growing segment.
4. Wealth managers have increasingly relied on analytic software tools to keep up with competition, driving M&A activity in the Capital Markets Technology segment.
5. Insurance technology (InsurTech) providers operating in the Health Insurance and Life Insurance verticals have continued to attract robust buyer interest.
6. The AP Invoice & Robotic Process Automation (RPA) segment has seen rapid consolidation as a result of decreased public company valuations, creating an attractive investment opportunity for acquirers.
7. The Payments segment has continued to lead sector M&A activity in YTD 2022, comprising 45% of total sector deal volume to-date.
8. 2022 venture capital deal volume and total funding has decreased YOY, but Capstone expects this trend to change in 2023 as investors look to deploy idle capital in the private markets.

Capstone Partners has developed a full suite of corporate finance solutions, including M&A advisory, debt advisory, financial advisory, and equity capital financing to help privately owned businesses and private equity firms through each stage of the company's lifecycle, ranging from growth to an ultimate exit transaction.

To learn more about Capstone's wide range of advisory services and FinTech & Payments sector knowledge, please contact us.

STRONG U.S. DOLLAR SHIFTS PURCHASING POWER STATESIDE

The FinTech & Payments sector has showcased significant defensibility amidst rising inflation and interest rates, evidenced by healthy levels of M&A and financing activity through YTD. Supported by a relatively strong U.S. dollar, U.S.-based buyers in the sector have gained substantial leverage in cross-border transactions, especially in the Asian and Latin American markets—where depreciating local currencies have created low-cost assets. Of note, more than half (59.8%) of FinTech & Payments sector M&A deals YTD targeted businesses outside the U.S. and Canada, with a heavy concentration in Asia and Latin America (27.2% of international sector deals to-date). The European market has continued to yield considerable levels of sector M&A activity, comprising 53.5% of international deals YTD despite strong local currencies and heightened oversight from the U.K.'s Competition and Markets Authority (CMA) on global M&A transactions throughout 2022.

David Francione, Head of FinTech & Services

"Despite the recent volatility of the public equity markets, high-quality private company valuations are still relatively stable. A trillion dollars of private capital still needs to get invested, which keeps a dislocation in the market with too much money chasing too few companies to invest in or acquire."

Driven by volatile public markets, there has been significant consolidation of large public enterprises in the FinTech & Payments sector through YTD. This has typically materialized in take-private acquisitions by private equity firms and public players consolidating competitors. In a recent example, global private equity firm EQT Partners entered into a definitive agreement to acquire Billtrust (Nasdaq:BTRS) for an enterprise value of $1.5 billion, equivalent to 10.7x EV/Revenue (September 2022). Under the terms of the agreement, Billtrust shareholders will receive $9.50 per share in cash upon the closing of the transaction, according to a press release.[1] This represents more than a 64% premium above Billtrust's closing share price of $5.77 on September 27, 2022. "With proprietary end-to-end solutions that generate value for all stakeholders and across economic cycles, Billtrust is poised to advance its leading offering in the underpenetrated Accounts Receivable Automation space," said Arvindh Kumar, Partner and Co-Head of EQT's Global Technology Sector Team, in the press release.

U.S. Dollar Exhibits Strength Compared to Foreign Currencies

USD/	JPY	MXN	HKD	CNY	BRL	CAD	EUR	CHF	GBP
12/01/21	112.76	21.51	7.79	6.37	5.70	1.28	0.88	0.92	0.75
12/01/22	135.31	19.13	7.78	7.04	5.19	1.34	0.95	0.94	0.82
YOY Change	**20.0%**	**-11.1%**	**-0.2%**	**10.6%**	**-9.0%**	**4.8%**	**7.6%**	**1.9%**	**8.2%**

Note: USD=U.S. Dollar, JPY=Japanese Yen, MXN=Mexican Peso, HKD=Hong Kong Dollar, CNY=Chinese Yuan, BRL=Brazilian Real, CAD=Canadian Dollar, EUR=Euro, CHF=Swiss Franc, GBP=Great British Pound
Source: Factset

SECTOR M&A VOLUME NORMALIZES, VALUATIONS HOLD STRONG

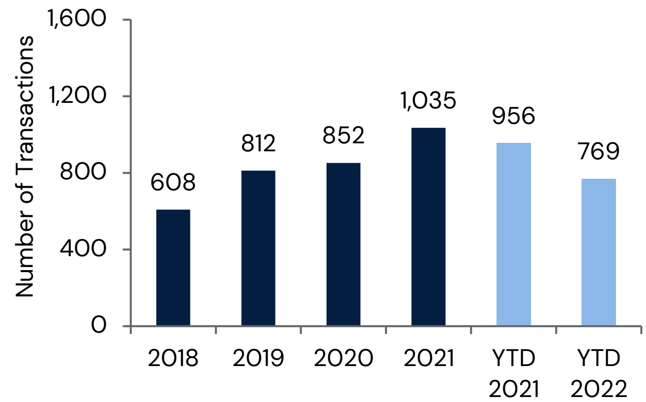
Global M&A volume in the FinTech & Payments sector set an annual record in 2021 with 1,035 transactions announced or completed, representing an increase of 21.5% YOY. Deal activity has continued at a healthy pace in 2022, with 769 transactions announced or completed YTD, mirroring pre-pandemic levels. Further consolidation is expected as M&A has become a key strategic option for mature FinTech and payment providers seeking to gain market share and evade current public market volatility.

Private strategic buyers have continued to comprise the lion's share of deal activity to-date, accounting for 41.7% of sector M&A volume YTD. However, private equity firms have maintained interest in the space, namely through add-on deals (20.9% of sector transactions to-date). Through YTD, sponsors have largely focused on the BankTech and Payments segments in which add-on deals accounted for 23.9% and 22.8% of segment deal volume, respectively. The maturity of these segments offers a relatively high degree of confidence for sponsors building platform businesses through add-on acquisitions amid an elevated interest rate environment.

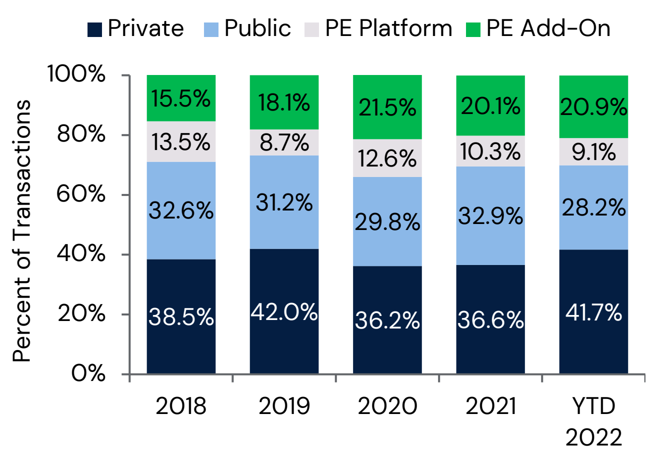
Average sector M&A purchase multiples have remained healthy despite global economic turmoil and a downturn in M&A volume. In Q3 2022, sector M&A transactions averaged 5.7x EV/Revenue, rising more than a full turn from Q3 2021 (4.5x EV/Revenue). At the top end of the M&A market, there have been 17 sector deals YTD with valuations exceeding $1 billion in enterprise value, demonstrating buyers' willingness to consolidate leading players. This includes Intercontinental Exchange's (NYSE:ICE) announcement to acquire Black Knight (NYSE:BKI) in May 2022 for an enterprise value of $16.4 billion (10.8x EV/Revenue, 19.4x EV/EBITDA), representing the largest sector transaction in YTD 2022.

Although average purchase multiples have been uplifted by large-scale transactions, middle market participants (less than $500 million enterprise value) have continued to comprise an overwhelming majority of FinTech & Payments sector deal activity, accounting for 78.2% of disclosed transactions to-date. Additionally, FinTech & Payments middle market purchase multiples have averaged 4.4x EV/Revenue and 11.6x EV/EBITDA in YTD 2022.

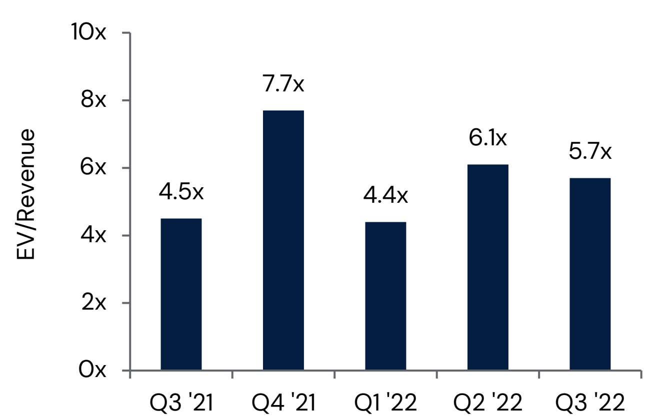
Strong FinTech & Payments M&A Volume Recorded Year-to-Date



Strategic Buyers Lead FinTech & Payments M&A Market



FinTech & Payments Purchase Multiples Hold Steady in Q3 2022



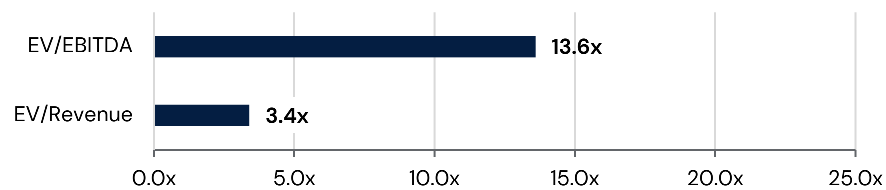
Year-to-date (YTD) ended December 1
Source: Capital IQ, FactSet, PitchBook, and Capstone Partners

BANK TECHNOLOGY SEGMENT M&A MARKET

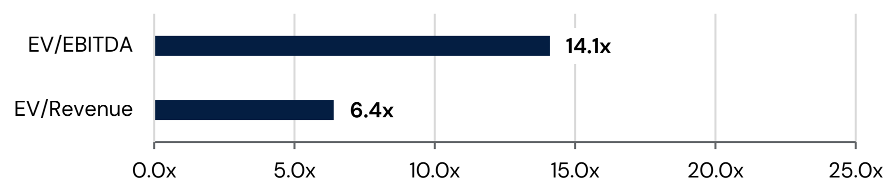
The BankTech segment has seen strong M&A volume levels YTD, with 188 transactions. Driven by heightened digitization and the onset of open banking platforms, the boundaries between banking, financial services, and technology providers have continued to blur. As a result, large public acquirers in a myriad of industries have pursued BankTech providers in M&A transactions at heightened valuations. On a revenue multiple basis, the BankTech M&A market has garnered the highest average purchase multiple in the FinTech & Payments sector. Over the last twelve-months (LTM), BankTech M&A transactions have averaged a robust 6.4x EV/Revenue and 14.1x EV/EBITDA, outpacing LTM trading multiples in the segment's public market.

In March 2022, technology giant Apple (Nasdaq:AAPL) acquired Credit Kudos for an enterprise value of ~$150 million. Credit Kudos develops an open banking platform intended to advance credit availability, enabling lenders to make informed decisions and take on less risk with borrowers. Apple has increasingly diversified its software products over the last few years and the acquisition allows Apple to enter the fast-growing BankTech segment. Credit Kudos and Apple plan to deliver more than $1.2 billion in lending over the next two years, according to a press release.[2]

Bank Technology: Average Last Twelve-Month Public Company Trading Multiples



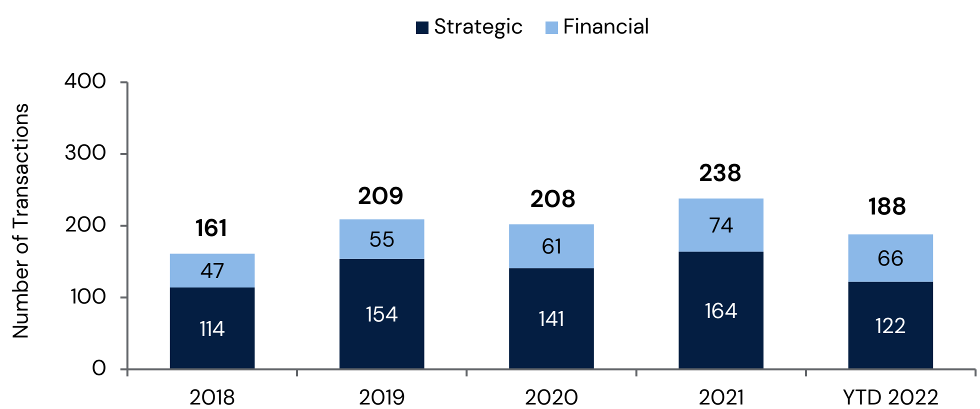
Average Bank Technology M&A Purchase Multiples (Last Twelve-Months)



Last Twelve-Months ended December 1, 2022; Public company list available on page 17
Source: Capital IQ, FactSet, PitchBook, and Capstone Partners

Bank Technology M&A Volume

M&A volume in the Bank Technology segment has seen healthy levels YTD, with 188 transactions announced or completed. Strategic buyers accounted for the majority of Bank Technology transaction activity, comprising 64.9% of segment deals to-date.



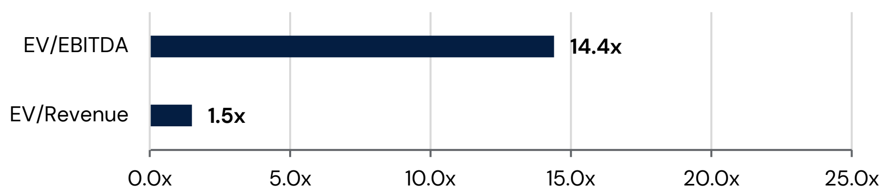
Year-to-date (YTD) ended December 1
Source: Capital IQ, FactSet, PitchBook, and Capstone Partners

CAPITAL MARKETS TECHNOLOGY SEGMENT M&A MARKET

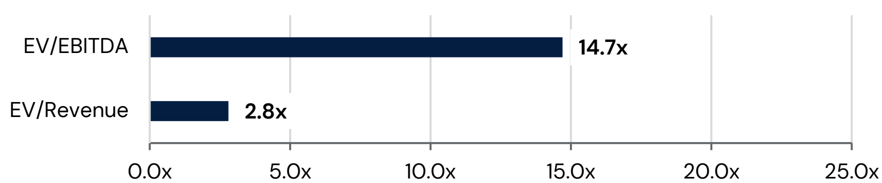
A multi-generational wealth transfer, implementation of digital business models, adoption of digital assets, and increasing concern for social and environmental issues have reshuffled many wealth managers' approach to daily business. To compete with robo-advisors and consumer-oriented asset trading platforms, analytic software tools have been in high demand by investment firms, driving M&A activity in the Capital Markets Technology segment. Led by strategic buyers, segment deal volume reached 185 transactions in YTD 2022, slightly trailing pre-pandemic levels. The segment comprised 24.1% of total YTD M&A activity in the sector, just below the Bank Technology segment (24.4% of sector transactions to-date).

Clearwater Analytics (NYSE:CWAN), a leading provider of cloud-based investment accounting solutions completed its acquisition of France-based JUMP Technology in November 2022 for an enterprise value of $74.4 million. JUMP develops investment management software serving investment managers, hedge funds, private banks, family offices, and institutional investors. The transaction enables Clearwater to offer clients a comprehensive alternative to legacy technology and doubles its presence in the European market, according to a press release.[3]

Capital Markets Technology: Average Last Twelve-Month Public Company Trading Multiples



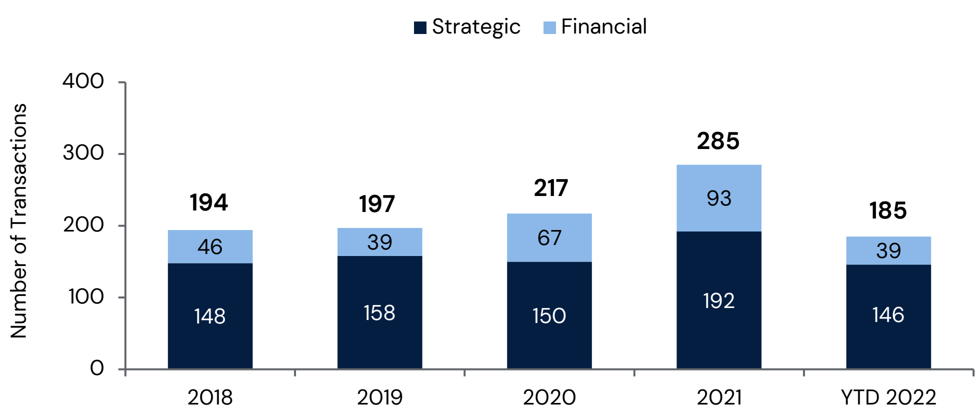
Average Capital Markets Technology M&A Purchase Multiples (Last Twelve-Months)



Last Twelve-Months ended December 1, 2022; Public company list available on page 17
Source: Capital IQ, FactSet, PitchBook, and Capstone Partners

Capital Markets Technology M&A Volume

Capital Markets Technology M&A volume has reached 185 deals to-date, with heavy participation from strategic buyers (80%). The segment comprised 24.1% of total YTD M&A activity in the sector, just below the Bank Technology segment.



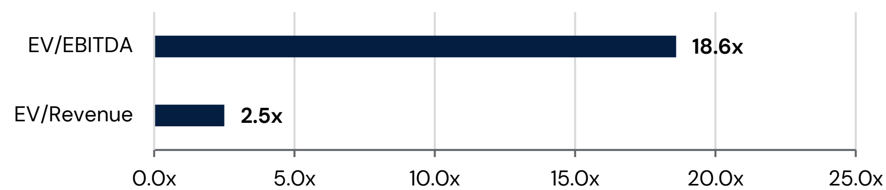
Year-to-date (YTD) ended December 1
Source: Capital IQ, FactSet, PitchBook, and Capstone Partners

INSURANCE TECHNOLOGY SEGMENT M&A MARKET

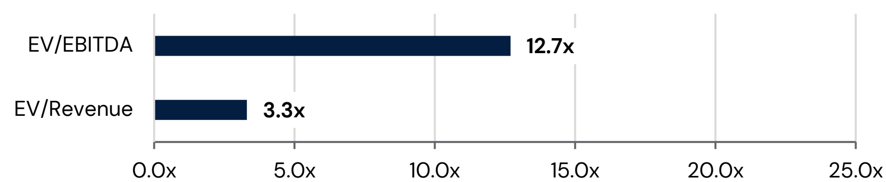
Heading into 2023, the global Insurance sector is slated to undergo seismic changes as technology and financial markets have remained progressive, but turbulent. M&A activity in the InsurTech segment reached 50 transactions announced or completed YTD, falling below historical levels. Capstone expects deal volume to increase in the coming years as the segment matures. Although segment deal flow has declined, buyers have continued to demonstrate a willingness to acquire participating businesses at healthy valuations, with an average LTM InsurTech purchase multiple of 3.3x EV/Revenue and 12.7x EV/EBITDA. InsurTech providers operating in the Health Insurance and Life Insurance verticals have continued to attract robust buyer interest.

In November 2022, Voya Financial (NYSE:VOYA) entered into a definitive agreement to acquire Benefitfocus for an enterprise value of $570 million, equivalent to 2.3x EV/Revenue. Under the terms of the agreement, Voya will acquire all outstanding shares of Benefitfocus common stock for $10.50 per share in an all-cash deal, according to a press release.[4] Benefitfocus' cloud-based benefits management platform serves consumers, employers, insurance carriers, and brokers. The deal accelerates Voya's growth strategy in the Health Insurance and Life Insurance verticals.

Insurance Technology: Average Last Twelve-Month Public Company Trading Multiples



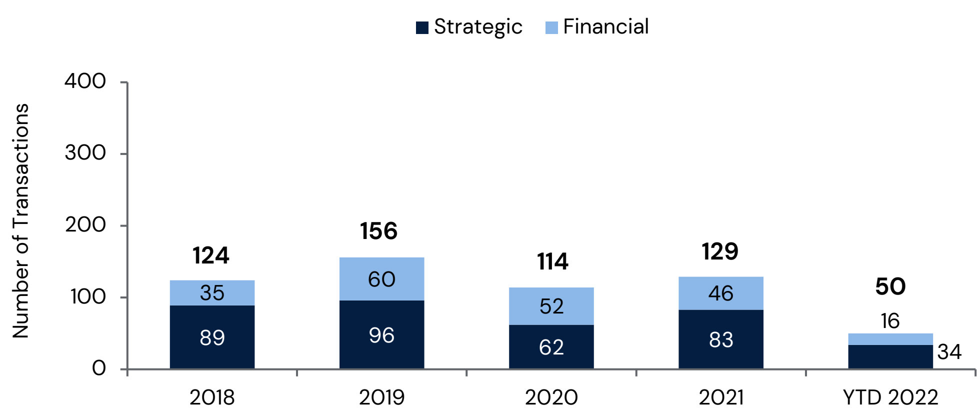
Average Insurance Technology M&A Purchase Multiples (Last Twelve-Months)



Last Twelve-Months ended December 1, 2022; Public company list available on page 17
Source: Capital IQ, FactSet, PitchBook, and Capstone Partners

Insurance Technology M&A Volume

M&A volume in the InsurTech segment to-date has reached 50 transactions announced or completed. Although the InsurTech segment only accounted for 6.5% of sector deal activity YTD, M&A volume is expected to increase as the segment matures.



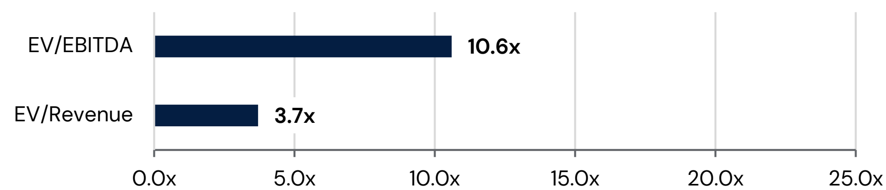
Year-to-date (YTD) ended December 1
Source: Capital IQ, FactSet, PitchBook, and Capstone Partners

PAYMENTS SEGMENT M&A MARKET

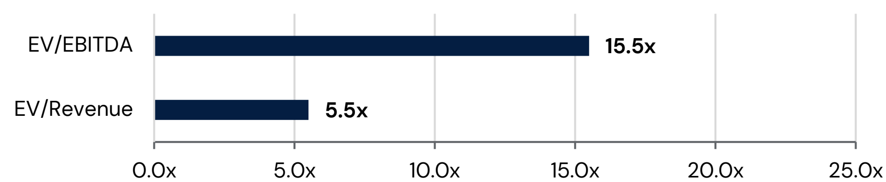
The Payments segment has continued to lead sector M&A transaction activity in YTD 2022, comprising 45% of total sector deal volume to-date. Although segment transaction activity has declined to 346 deals YTD from a record volume in 2021, M&A activity to-date has outpaced full year 2020 and 2019 levels by 8.5% and 39.5%, respectively. On a revenue multiple basis, the Payments M&A market has garnered the second-highest average purchase multiple in the FinTech & Payments sector behind the BankTech segment. Payments M&A transactions have averaged a healthy 5.5x EV/Revenue and 15.5x EV/EBITDA over the LTM, demonstrating the segment's defensibility amid public market volatility and global economic uncertainty.

Jack Henry & Associates (Nasdaq:JKHY) acquired Payrailz in August 2022 for an enterprise value of $229 million. Payrailz operates as a digital payments business which offers advanced bill payment and money transfer solutions for the Financial Services industry, including banks and credit unions. The acquisition strengthens Jack Henry's Payments-as-a-service (PaaS) model, and supports its technology modernization strategy, enabling banks and credit unions to successfully compete with the evolving needs of consumer and commercial accountholders.

Payments:
Average Last Twelve-Month Public Company Trading Multiples



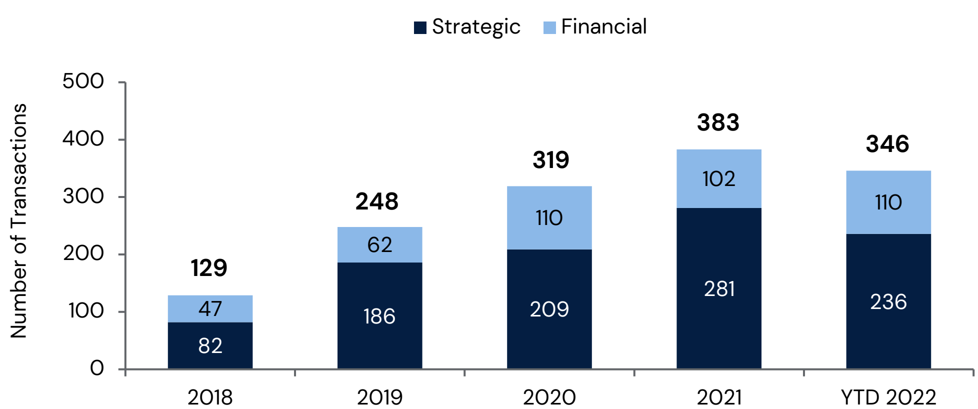
Average Payments M&A Purchase Multiples
(Last Twelve-Months)



Last Twelve-Months ended December 1, 2022; Public company list available on page 17
Source: Capital IQ, FactSet, PitchBook, and Capstone Partners

Payments M&A Volume

Payments M&A volume accounted for 45% of total sector transactions to-date, with 346 deals announced or completed YTD. Sponsors have increased their presence in the segment namely through add-on deals, comprising 31.8% of segment transactions YTD.



Year-to-date (YTD) ended December 1
Source: Capital IQ, FactSet, PitchBook, and Capstone Partners

CAPSTONE CLOSES THREE FINTECH & PAYMENTS DEALS IN 2022

iPayables

HAS BEEN ACQUIRED BY

DOCUPHASE

a portfolio company of

LONETREE

Capstone advised iPayables, a leading provider of enterprise-grade accounts payable automation solutions, on its sale to DocuPhase, a portfolio company of LoneTree Capital in October 2022. Terms of the deal are confidential. The iPayables acquisition will bring DocuPhase a full suite of pure A/P workflow functionality for large enterprises, expanding their target market. The transaction marks Capstone's fourth deal in the Invoice Automation & Payments space.

"The Capstone team provided unwavering advice every step of the way. They not only gave guidance on when to launch a process but were integral in every step of our preparation process, which resulted in flawless execution and a strong closing. We would highly recommend Capstone's FinTech team to anyone looking to find the right partner at the right time."

Ken Virgin
Co-Founder and CEO,
iPayables

RESIDENTIAL WARRANTY SERVICES, INC.

HAS BEEN ACQUIRED BY

Porch

In June 2022, Capstone advised Residential Warranty Services (RWS) on its sale of certain assets to leading InsurTech provider Porch Group (Nasdaq:PRCH). RWS is a national provider of home warranty, service contract, and insurance products and services to homeowners and real estate vendors including home inspectors. RWS offers both core risk management as well as software and marketing services distributed through its real estate agent and home inspector channels.

"Experience matters and the Capstone team showed they have it in a big way in this complex transaction. RWS continues to operate dozens of real estate related entities including most notably PriorityLab and Breeze Environmental Products."

P. Nathan Thornberry
CEO,
Residential Warranty Services

payix

HAS BEEN ACQUIRED BY

REPAY
Realtime Electronic Payments

In January 2022, Capstone Partners advised Payix, a loan repayment technology firm, on its sale to Repay (Nasdaq:RPAY). Repay acquired Payix on a cash-free, debt-free basis for up to $115 million. $95 million was paid at closing and up to $20 million may become payable through an earnout, which is contingent upon Payix's 2022 performance. Based on historical growth trends, Payix is expected to generate top-line and gross-profit growth in excess of 40% annually through 2023.

"Capstone Partners provided our team with unparalleled Fintech and M&A experience that allowed our management team and shareholders to realize this significant transaction. The Capstone team provided expert advice all along the way, from the preparation work involved ahead of time, combined with being able to address obstacles along the way."

Chris Chestnut
Co-Founder and CEO,
Payix

SELECT M&A TRANSACTIONS

Date	Target	Acquirer	Target Business Description	Enterprise Value (mm)	EV / LTM Revenue	EV / LTM EBITDA
11/23/22	China Payment & Clearing Network	GRG Banking (SZSE:002152)	Offers secure e-commerce online payment services.	$41.2	–	–
11/15/22	Merchant e-Solutions	OPN	Provides mobile payment processing services.	$359.0	–	–
11/15/22	iPayables	DocuPhase	Develops electronic invoice and payment processing software.	CF	CF	CF
11/11/22	SurePrep	Thomson Reuters (TSX:TRI)	Provides tax automation software to the Accounting sector.	$500.0	–	–
11/02/22	Taal Distributed Info. (CNSX:TAAL)	14487460 Canada	Manages professional-grade blockchain infrastructure for cryptocurrencies.	$32.3	1.3x	–
10/31/22	PropTech Group (ASX:PTG)	Rockend Technology	Develops real estate software for real estate agencies and investors.	$51.0	4.0x	–
09/28/22	Billtrust (Nasdaq:BTRS)	EQT Partners	Provides cloud-based software and integrated payment processing solutions.	$1,541.8	10.7x	–
09/26/22	House of Control Group	Visma Norge Holding	Develops SaaS solutions in the areas of finance and accounting.	$62.0	3.3x	–
09/22/22	Simply Digital Technologies	Coinsquare	Operates a digital asset trading platform.	$40.5	–	–
09/16/22	PayPoint.net	Access PaySuite	Provides online payment solutions for small and large corporations.	$171.3	3.3x	14.3x
09/15/22	Deepstack Technologies	Banc of California (NYSE:BANC)	Offers a full stack payments platform for integrated software vendors.	$19.9	–	–
09/14/22	Cherri Tech	21st Financial Technology	Develops TapPay, a payment gateway solution.	$30.2	–	–
09/06/22	Assets of TRPN Direct Pay	Contigo Health	Offers electronic claims payment process solutions.	$177.5	–	–
08/20/22	Computer Services	Centerbridge Partners	Provides core processing and digital banking solutions.	$1,523.3	4.7x	14.5x
08/15/22	Blue Water Financial Technologies	Voxtur Analytics US	Operates a servicing and loan trading platform.	$97.2	–	–
08/09/22	Payrailz	Jack Henry & Assoc. (Nasdaq:JKHY)	Offers digital payment and money transfer solutions.	$229.0	–	–
08/08/22	Avalara	Vista Equity Partners	Provides cloud-based solutions for transaction tax compliance worldwide.	$8,367.6	10.6x	–
08/04/22	Invenco Group	Gilbarco	Develops secure payment technologies for fast-moving retail situations.	$80.0	–	–
08/03/22	Accrualify	FLEETCOR Tech. (NYSE:FLT)	Offers cloud-based automation solutions for procure-to-pay and accounts payable processes.	$42.3	–	–
08/01/22	EVO Payments (Nasdaq:EVOP)	Global Payments (NYSE:GPN)	Operates as an integrated merchant acquirer and payment processor.	$3,522.4	6.6x	20.0x
07/06/22	Redi2 Technologies	Envestnet (NYSE:ENV)	Provides revenue management platform solutions to the Financial Services industry.	$77.5	–	–
05/04/22	Black Knight (NYSE:BKI)	Intercontinental Exchange (NYSE:ICE)	Offers software solutions to the Mortgage, Real Estate, and Capital Markets verticals.	$16,355.3	10.8x	19.4x

Blue shade indicates Capstone advised transaction; CF = confidential
Source: Capital IQ, PitchBook, FactSet, and Capstone Partners

STRATEGIC UNIVERSE

Capstone has built relationships with and tracked buyers that have been highly acquisitive in the FinTech & Payments sector, particularly those that have completed notable transactions. Our sector knowledge and network provide us with unique insights into this buyer universe and growth drivers for sector participants.

Leading Strategic Buyers

ACI Universal Payments · affirm · American Express · billtrust · Black Knight · Bloomberg
Blucora · Bottomline · Clearent Intelligent Processing · coupa · Comergence · Envestnet
EVO Payments International · Euronet Worldwide · FactSet · FIS · fiserv. · global payments
i3 Verticals · intuit · lendingtree · Morningstar · nexi · nuvei
paya · PayPal · Paysafe:group · Porch · Q2 · QIWI · REPAY Realtime Electronic Payments
Robinhood · Solera · Square · Swift Prepaid Solutions · Temenos · Worldline

Leading Financial Buyers

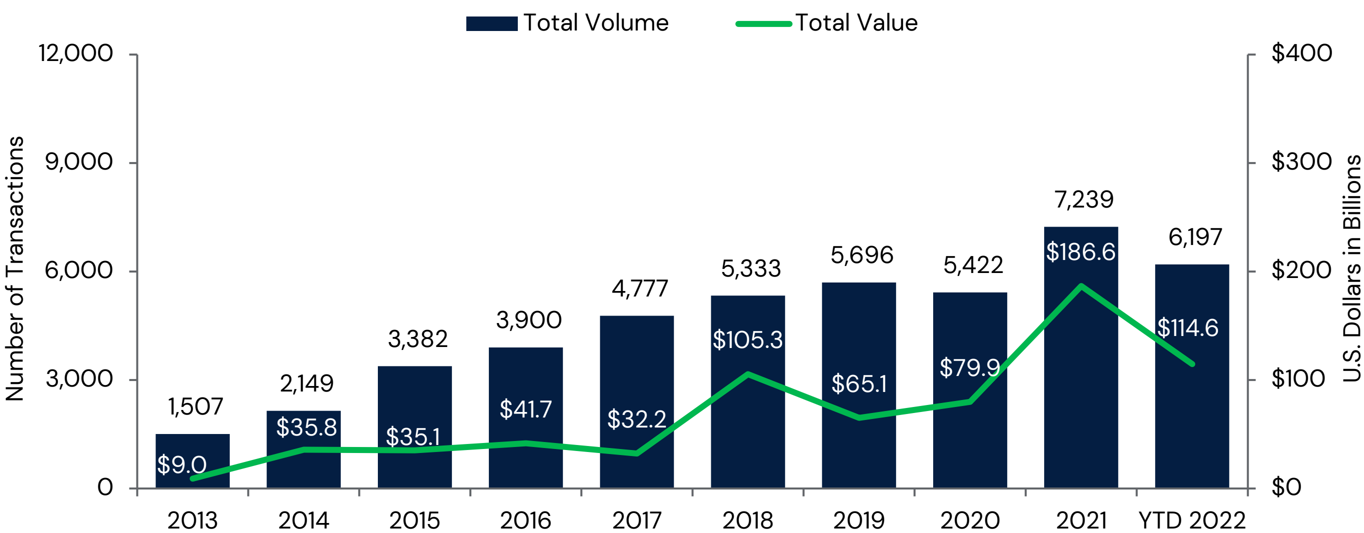
abry partners · Advent International · Aldrich Capital Partners · Aquiline Capital Partners LLC · Audax Group · Bain Capital · BlackRock
Boathouse · Bregal Sagemount · Charlesbank Capital Partners LLC · Coatue · Corsair · Estancia · FLC · FP Francisco Partners
Further Global · GI Partners · GTCR · HarbourVest · Hellman & Friedman · HGGC
Invictus · Kora · Lightyear Capital · LL Funds · LLR Partners
Providence Equity · Serent Capital · Silver Lake · STG Symphony Technology Group · Stone Point Capital
TA Associates · The Blackstone Group · The Carlyle Group · Thoma Bravo · TPG · Vista Equity Partners · Warburg Pincus

Source: Capstone Partners

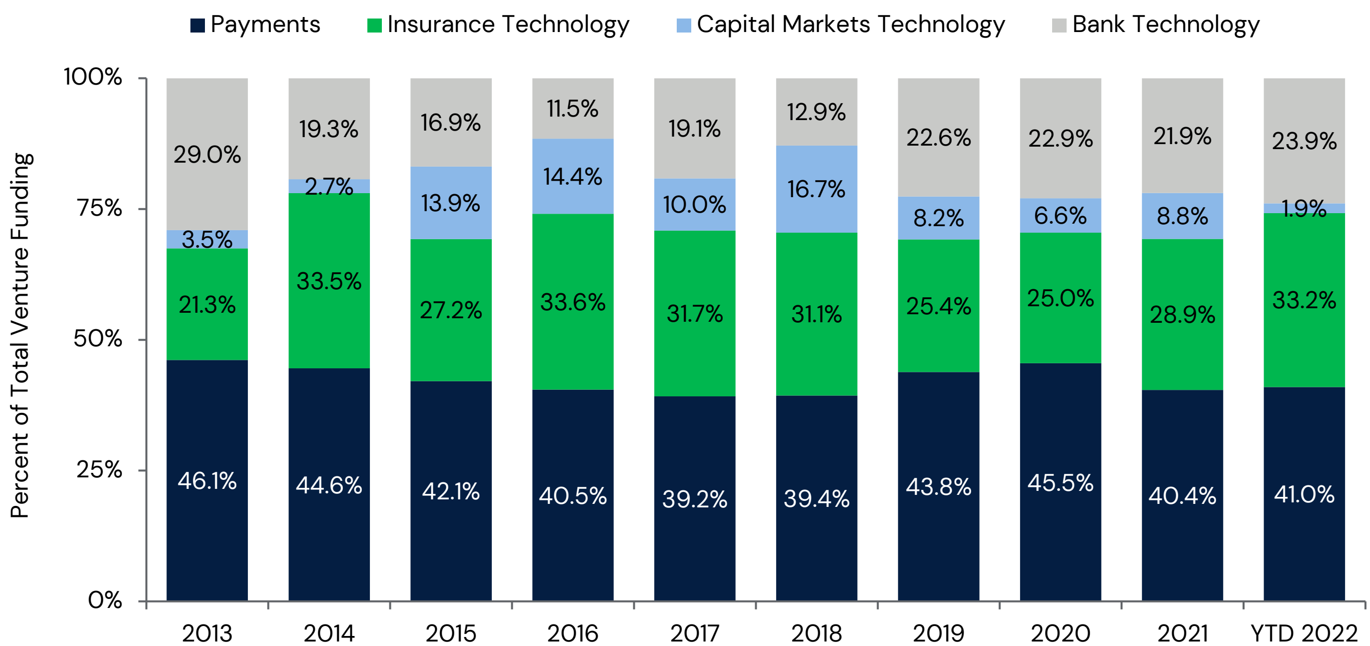
VENTURE CAPITAL ACTIVITY

Capital invested in the FinTech & Payments sector by venture capital firms has declined to $114.6 billion YTD, down 16.8% from record levels in 2021. However, total funding to-date has outperformed 2020 by 14.3%, demonstrating the continued attractiveness of startups in the sector. The number of sector venture capital deals YTD also declined from 2021, yet outpaced 2020 levels by 43.5% with firms hedging investments through multiple smaller funding rounds. Venture capital firms have increasingly deployed investments in the BankTech and InsurTech segments, reducing concentration in the Payments segment.

FinTech & Payments Venture Capital Raises Normalize in 2022



Venture Capital Firms Increasingly Diversify Funding Across Segments



Year-to-date (YTD) ended December 1
Source: PitchBook and Capstone Partners

CAPSTONE'S FINTECH FRONT RUNNERS

Capstone's FinTech Front Runners comprises a series of FinTech and payment startups that have exhibited exceptional leadership and exceeded revenue growth of 20% in the past two years. To qualify for FinTech Front Runners, startups must have headquarters in the U.S. and be privately-owned as of the date of publication. To be included in the next volume of Capstone's FinTech Front Runners please contact David Francione, Head of FinTech & Services Investment Banking at Capstone Partners.

FinTech Front Runners Volume 3

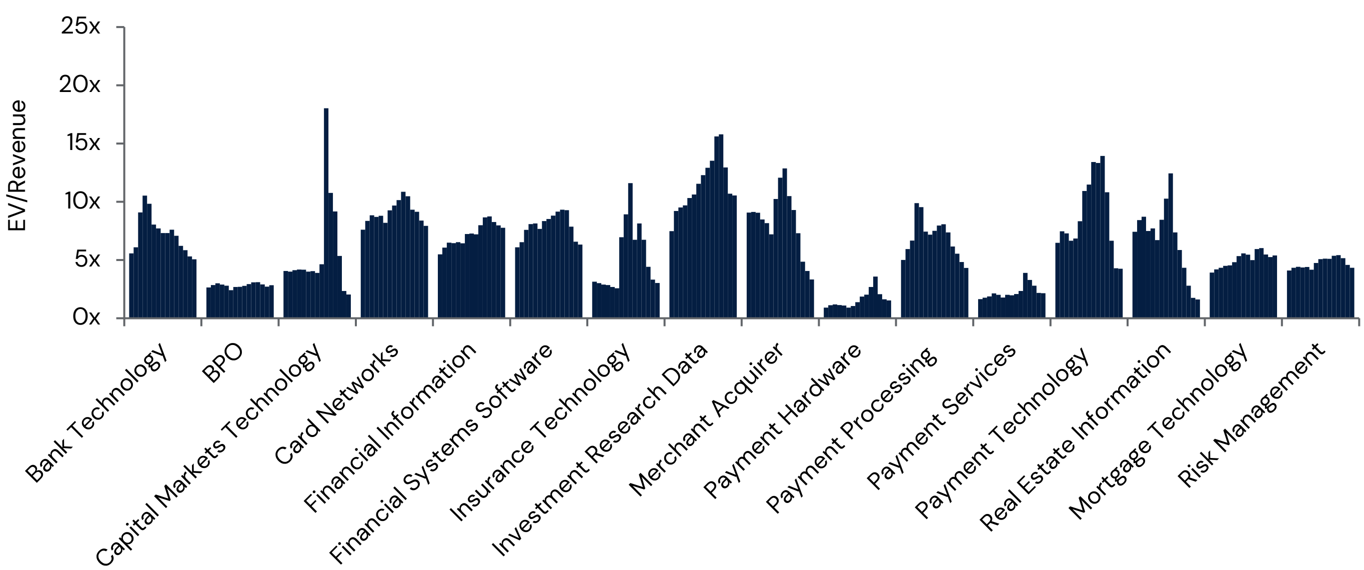
BEELINE **Founded:** 2019 Website	Bundle **Founded:** 2018 Website	CONSENSUS NETWORKS **Founded:** 2016 Website	crowdz **Founded:** 2014 Website	FinPay **Founded:** 2012 Website
ioogo **Founded:** 2017 Website	ITRUSTCAPITAL **Founded:** 2018 Website	kin. **Founded:** 2016 Website	lendica **Founded:** 2020 Website	Mbanq. **Founded:** 2016 Website
MERCURY **Founded:** 2017 Website	OUTLET **Founded:** 2019 Website	PatientFi **Founded:** 2017 Website	payouts NETWORK **Founded:** 2013 Website	plastiq **Founded:** 2012 Website
Qube Money **Founded:** 2016 Website	ROCKETDOLLAR **Founded:** 2018 Website	Sky **Founded:** 2017 Website	SoLo **Founded:** 2017 Website	stably **Founded:** 2018 Website
stockal **Founded:** 2015 Website	StockSnips **Founded:** 2016 Website	SUPERNOVA TECHNOLOGY **Founded:** 2014 Website	THE zebra **Founded:** 2012 Website	upgrade **Founded:** 2016 Website

Source: PitchBook and Capstone Partners

FINTECH & PAYMENTS PUBLIC COMPANY DATA

Segment	% 52 Wk High	Enterprise Value	EV / LTM Revenue	EV / LTM EBITDA	EBITDA Margin	LTM Rev Growth
Bank Technology	50.7%	$14,091.6	3.4x	13.6x	44.9%	28.4%
Business Process Outsourcing (BPO)	83.1%	$5,769.0	3.1x	14.9x	24.1%	11.4%
Capital Markets Technology	49.0%	$1,389.2	1.5x	14.4x	13.9%	-1.4%
Card Networks / Associations	83.3%	$177,398.2	6.5x	18.5x	30.6%	12.2%
Financial Information	70.3%	$27,599.2	5.3x	17.6x	26.0%	19.8%
Financial Systems Software / Processing	70.5%	$20,760.3	5.9x	19.6x	21.3%	15.9%
Insurance Technology	36.6%	$1,032.2	2.5x	18.6x	15.1%	50.4%
Investment Research Data	72.2%	$19,390.5	9.5x	33.3x	29.5%	13.9%
Merchant Acquirer / Card Solutions	55.4%	$10,863.6	3.2x	11.0x	32.7%	48.6%
Payment Hardware Solutions	50.1%	$3,838.2	1.8x	6.4x	20.0%	22.0%
Payment Processing	55.1%	$6,544.6	3.4x	12.1x	NA	19.6%
Payment Services	64.0%	$2,951.9	2.8x	5.7x	15.3%	12.3%
Payment Technology Solutions	38.9%	$14,831.8	4.4x	10.1x	502.5%	36.7%
Real Estate Information	45.4%	$9,761.8	3.9x	45.0x	30.6%	79.9%
Real Estate Mortgage Technology	53.1%	$2,964.4	3.6x	27.2x	25.1%	-15.9%
Risk Management / Business Intelligence (BI)	76.9%	$20,083.1	6.0x	19.8x	31.0%	9.0%

Capstone's FinTech & Payments Index Revenue Multiples Return to Pre-Pandemic Levels (Quarterly Average, Q1 2019 – Q3 2022)

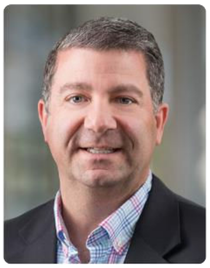


Source: Capital IQ as of December 1, 2022

Segment Index

Bank Technology: DAVE, DLX, FIS, FISV, JKHY, MLNK, NCNO, NU, QTWO, 5CP, SOFI, TEMN
BPO: ECPG, EXLS, G, WNS
Capital Markets Technology: COIN, FDP, IRE, MKTW, HOOD, SWF, VINP
Card Networks: AXP, DFS, HCA, MA, V
Financial Information: EBIX, EFX, FDS, INF, MCO, NRDS, PSON, SPGI, TRU, TRI, WKL
Financial Systems Software: BL, BR, COUP, CWAN, FIS, GWRE, IIIV, INTU, LIN, SIM, SSNC, SGE
Insurance Technology: CCCS, DCT, EBIX, EVER, HCI, HIPO, ISGI, LMND, PRCH, ROOT
Investment Research Data: ENV, MORN, MSCI
Merchant Acquirer: Q, FLT, MQ, NVEI, PRTH, STNE, WEX
Payment Hardware: DBD, LSPD, NCR, PAY, 327, TOST
Payment Processing: EEFT, EVTC, EXFY, GPN, TSS, NVEI, PAYA, RPAY
Payment Services: CASS, GDOT, MGI, PAY, WU, WISE
Payment Technology: ACIW, AVDX, BILL, MITK, PYPL, QIWI
Real Estate Information: COMP, CSGP, RDFN, ZG
Mortgage Technology: ASPS, DOMA, OCN, REAL
Risk Management: CTSH, FICO, DATA, NICE, OTEX, PEGA, PRGS, REL, VRSK, WKL

FINANCIAL TECHNOLOGY & PAYMENTS REPORT CONTRIBUTORS



David Francione
Head of FinTech & Services Investment Banking
Managing Director
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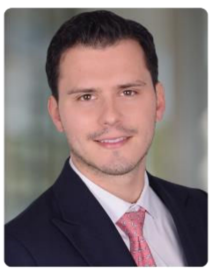
David Francione, Managing Director and Head of Capstone's FinTech team, has over 24 years of experience as an investment banker, corporate development executive, and management consultant. Previously, David served as Senior Vice President at Silverwood Partners, a global investment banking firm. Prior to joining Silverwood Partners, He was head of corporate development for Elcom International, Inc., a $500 million international publicly traded eCommerce technology platform company. David began his career with SS&C Technologies (Nasdaq:SSNC), a global FinTech leader in investment software and analytics, and then joined the investment banking group at Advest, Inc. (acquired by Merrill Lynch), where he focused on public offerings, mergers and acquisitions, private financings and valuations for financial services, technology, and consumer products companies.



Brandon Coppola
Associate
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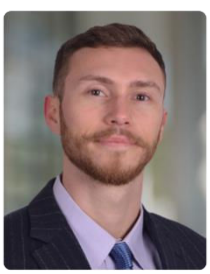
Brandon is an associate on Capstone's investment banking team providing buy and sell-side advisory services to business owners across various industries. Previously, he was part of High Street Global Advisors investment banking and strategic advisory team, performing capital markets and M&A advisory for business owners in the technology, media, and telecommunications industries; and acted as a launch advisor for a Southeast Asian telecom infrastructure investor.



Max Morrissey
Market Intelligence Associate
mmorrissey@capstonepartners.com | 617-619-3336

Max joined Capstone Partners in 2021 and currently serves as an Associate on the Market Intelligence Team. Max provides M&A insights, proprietary research analysis, and macroeconomic trends for C-suite middle market executives. He specializes in the coverage of the Business Services, Education & Training, Financial Technology & Services, and Technology, Media & Telecom industries. Before joining the Market Intelligence Team at Capstone Partners, Max was an analyst at Lab42 Research, a Chicago-based market research firm. During his time at Lab42 Research, he specialized in the development, implementation, and analysis of proprietary research projects for clients in the Business Services, Consumer, Financial Services, Government, and Technology industries.

2022
INVESTMENT BANKING FIRM OF THE YEAR
THE M&A ATLAS AWARDS

2022
INVESTMENT BANKING FIRM OF THE YEAR
M&A TODAY 2022 WINNER

2021
INVESTMENT BANKING FIRM OF THE YEAR
THE M&A ATLAS AWARDS

2020
INVESTMENT BANKING FIRM OF THE YEAR
THE M&A ATLAS AWARDS

2020
MID-MARKET INVESTMENT BANKING FIRM OF THE YEAR
ACQ5 Global Awards 2020

2023 FINTECH & PAYMENT TRADE SHOW & CONFERENCE CALENDAR

Capstone actively participates in the FinTech & Payments sector's leading trade shows and conferences to exchange sector knowledge and market experience. If you would like to schedule a meeting with Capstone ahead of any of the shows listed below, please contact David Francione, Head of FinTech & Services Investment Banking at Capstone Partners.

bank automation summit	ePayCONNECT2023	InsurTech NY
March 2-3 **Charlotte, North Carolina**	**March 12-14** **Orlando, Florida**	**March 29-30** **New York, New York**
TRANSACT POWERED BY ETA	FINTECH NEXUS	APP2PSpring CONFERENCE & EXPO
April 24-26 **Atlanta, Georgia**	**May 10-11** **New York, New York**	**May 15-17** **Lake Buena Vista, Florida**
Insurtech Insights	American Banker DIGITAL BANKING	LEND360
June 7-8 **New York, New York**	**June 12-14** **Boca Raton, Florida**	**October 2-4** **Atlanta, Georgia**
AFP 2023	MONEY 20/20	INSURETECH CONNECT
October 22-25 **San Diego, California**	**October 23-26** **Las Vegas, Nevada**	**October 31-November 2** **Las Vegas, Nevada**

FIRM TRACK RECORD

Capstone has represented numerous companies in the FinTech & Payments sector. Sample recent engagements include the following:

iPayables
HAS BEEN ACQUIRED BY
DOCUPHASE
a portfolio company of
LONETREE

RESIDENTIAL WARRANTY SERVICES, INC.
HAS BEEN ACQUIRED BY
Porch

payix
HAS BEEN ACQUIRED BY
REPAY
Realtime Electronic Payments

VANGUARD
TITLE INSURANCE AGENCY, LLC.
HAS BEEN ACQUIRED BY
FIDELITY
NATIONAL FINANCIAL

BankTEL
HAS BEEN ACQUIRED BY
avidxchange

sib
FIXED COST REDUCTION
HAS BEEN ACQUIRED BY
O2
Investment Partners

APS
PAYMENTS
HAS BEEN ACQUIRED BY
REPAY
Realtime Electronic Payments

lantern
HAS BEEN ACQUIRED BY
SoFi

CR Software
HAS BEEN ACQUIRED BY
FICO

MHC SOFTWARE, INC.
HAS BEEN ACQUIRED BY
O2
Investment Partners

idwatchdog
HAS BEEN ACQUIRED BY
EQUIFAX

RAGE
frameworks
HAS BEEN ACQUIRED BY
GENPACT

DolEx
Money Transfer
a portfolio company of
Palladium
EQUITY PARTNERS
HAS BEEN OBTAINED
A SENIOR CREDIT
FACILITY

circlepix
HAS BEEN ACQUIRED BY
inside
real estate

wex
HAS DIVESTED ITS
SUBSIDIARY
PACIFIC PRIDE
to
FLEETCOR

Rivet
HAS BEEN ACQUIRED BY
EASi
COMPLIANCE WITH CONFIDENCE

ENDNOTES

1. BusinessWire, "Billtrust to be Acquired by EQT Private Equity," https://www.businesswire.com/news/home/20220928005565/en/Billtrust-to-be-Acquired-by-EQT-Private-Equity-for-Equity-Value-of-1.7-Billion, accessed December 6, 2022.
2. PYMNTS, "Apple Acquires Credit Kudos, U.K. Data Tool for Lenders," https://www.pymnts.com/news/digital-banking/2022/apple-acquires-credit-kudos-uk-data-tool-for-lenders/, accessed December 7, 2022.
3. CISION, "Clearwater Analytics Completes Acquisition of JUMP Technology," https://www.prnewswire.com/news-releases/clearwater-analytics-completes-acquisition-of-jump-technology-301690721.html, accessed December 8, 2022.
4. Voya Financial, "Voya Financial to Acquire Benefitfocus," https://www.voya.com/news/2022/11/voya-financial-to-acquire-benefitfocus-inc, accessed December 9, 2022.

CAPSTONE PARTNERS

Common Goals. Uncommon Results.

CAPSTONE PARTNERS

Market Presence

With a long-established U.S. footprint, together with an international partner platform, we provide clients with broad expertise and access to key market relationships on a global basis. Our presence is backed by ~200 professionals in the U.S. with 450+ professionals across 41 countries.

109
M&A transactions completed in H1 2022

$18B
aggregate transaction value

26%
of our deals are cross-border

7th
globally ranked for deals under $500m

59%
of deal volume in Technology, Business Services, Industrials, Financial Services, and Food & Beverage

77
deals involving private equity firms

62%
completed with a European partner

United States

~200 professionals
12 offices

Boston · Chicago · Dallas · Denver · Detroit · Los Angeles · Orange County · Philadelphia · Richmond · San Diego · Tampa

International

450+ professionals
60+ offices in 43 countries

Asia: China · India · Japan · Thailand
Africa: Congo · Egypt · Ghana · Ivory Coast · Mauritius · Morocco · Nigeria · Senegal · South Africa
Americas: Toronto · Vancouver · Argentina · Brazil · Chile · Colombia · Mexico · Panama & Central America · Peru
Europe: Belgium · Bosnia & Herzegovina · Croatia · Czech Republic · Finland · France · Germany · Hungary · Ireland
Italy · Netherlands · Poland · Portugal · Russia · Serbia · Slovakia · Slovenia · Spain · Sweden · United Kingdom