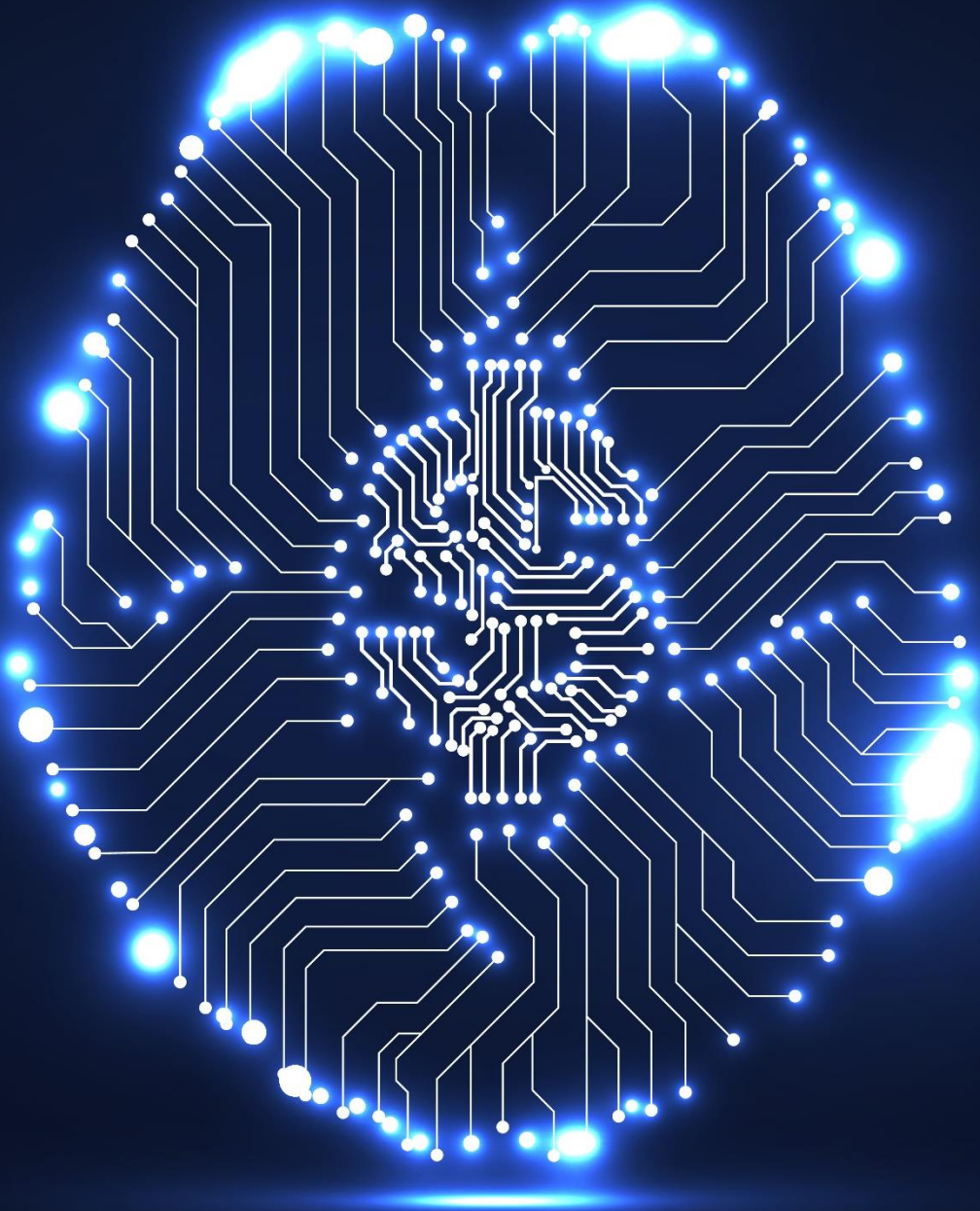


FINTECH M&A REMAINS STRONG, AI DRAWS HEIGHTENED INVESTMENT APPETITE

FINANCIAL TECHNOLOGY SECTOR UPDATE | DECEMBER 2024



**CAPSTONE
PARTNERS**

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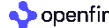




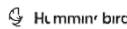






FINANCIAL TECHNOLOGY COVERAGE VERTICALS

Capstone's Financial Technology practice provides high-quality corporate finance advice to software and hardware technology and service providers across the entire Finance spectrum including payment providers, banks, brokerage firms, asset managers, and real estate and insurance companies. We leverage domain experience to provide high-quality merger and acquisition, institutional financing, and strategic advisory services to private and publicly traded financial technology and information-based companies globally.

Subsector Focus

Payments	Banking	Insurance	Wealth Management	Capital Markets	Real Estate
					
\$125TN+ of annual non-cash payments in the U.S.	\$19TN+ of total deposits in U.S. banking system	\$1.4TN+ of annual premiums recorded in U.S.	\$29TN+ of Assets Under Management in N.A.	\$200 Billion Traded on the World Stock Exchange Daily	\$50TN+ of real estate asset value in the U.S. alone

Coverage Map

Payments <i>The innovative use of technology to facilitate and improve the processes of making financial transactions.</i> Representative Companies      	CFO Stack <i>Financial technology solutions and tools designed to streamline and enhance the financial management and decision-making processes.</i> Representative Companies      
Wealth Technology <i>Technology used to provide innovative solutions for managing and growing wealth and investments.</i> Representative Companies    	Capital Markets <i>Digital innovations designed to help the buying and selling of financial instruments in primary and secondary markets.</i> Representative Companies     
Bank & Lending Technology <i>Software and technology focused on providing digital solutions to traditional banking operations and lending.</i> Representative Companies     	Insurance Technology <i>Technology that enhances the efficiency, accessibility, and customer experience for businesses and individuals.</i> Representative Companies     



Financial Technology

FinTech M&A Remains Strong, AI Draws Heightened Investment Appetite

KEY SECTOR TAKEAWAYS

Capstone Partners' Financial Technology (FinTech) & Services Group is pleased to share its FinTech report. The FinTech sector has experienced significant disruption year to date (YTD) with the heightened adoption of artificial intelligence (AI) and machine learning (ML) technologies—a trend Capstone's Head of FinTech & Services, David Francione, heard echoed while attending the 2024 Money20/20 conference. Global merger and acquisition (M&A) activity in the sector has recorded modest year-over-year (YOY) growth, with North America-based targets comprising the largest share of FinTech M&A transactions YTD. While global sector venture capital (VC) funding has slowed to date, AI-enabled participants have continued to attract growth capital investments. Several additional key takeaways are outlined below.

1. Global M&A volume in the FinTech sector has increased 4.4% YOY, driven by heightened democratization, digitization, and globalization of the Finance ecosystem.
2. Last twelve-month (LTM) revenue M&A multiples in the space have remained steady YTD as acquirers have demonstrated a willingness to pay premium valuations for targets with advanced technology.
3. Private equity (PE) acquisitions, exits, and fundraising in the sector have all risen YOY, driven by limited partner (LP) demand for returns and an easing Private Credit market.
4. Public strategic buyer activity to date has spiked 20.3% YOY as growth in available cash has bolstered public players' available acquisition capital.
5. While the Payments subsector has continued to lead FinTech M&A activity, transaction volume in the Capital Markets & Wealth Technology (WealthTech) subsector has recorded the highest YOY growth.
6. An elevated interest rate environment has hampered Insurance Technology (InsurTech) subsector dealmaking YTD, however, it has also enabled insurers to raise premiums and fortify balance sheets.
7. Bank Technology (BankTech) has certainly witnessed heightened interest partly based on the election results that the U.S. regulatory system would likely see a relaxation of rules.

Capstone Partners has developed a full suite of corporate finance solutions to help privately-owned businesses and private equity firms navigate through each stage of a company's lifecycle. These solutions include financial advisory services, merger and acquisition advisory, debt advisory, equity capital financing and employee stock ownership plan (ESOP) advisory.

To learn more about Capstone's wide range of advisory services and Financial Technology sector knowledge, please [contact us](#).

AI PERMEATES FINTECH SECTOR, AUGMENTS HUMAN INTELLIGENCE

The FinTech sector has continued to evolve to account for changing market dynamics and an increasingly competitive landscape brought on by technological advances. AI has led this disruption, permeating nearly every corner of the market. However, many sector participants have viewed the technology as a tool to augment human intelligence rather than an opportunity to fully substitute personnel. In 2024, the majority (76%) of FinTech & Services industry participants surveyed indicated that they had at least one AI initiative, according to Money20/20's 2024 Financial Services AI Adoption Index.¹ Revenue generation was identified as the primary adoption driver among these providers, with just over half incorporating AI for client-facing purposes. At a vertical level, Banking, Payments, and CFO Stack participants have reported the highest number of AI initiatives in 2024.

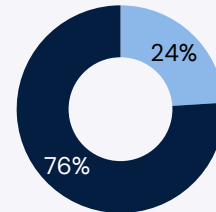
Public players in the FinTech space have enjoyed robust revenue gains over the last 12 months, with average revenue growth increasing YOY across every segment of the market (see page 18). However, public companies that have prioritized AI adoption have largely outpaced competitors. Of note, financial management software provider Intuit (Nasdaq:INTU) launched its AI-powered Intuit Assist platform in 2019 and has attributed its recent revenue growth to the platform's efficiencies in customer acquisition and retention, according to the company's September 2024 investor presentation.² Intuit generated \$9.5 billion of total revenue in its fiscal year (FY) 2024, representing an increase of 19% YOY. Comparatively, average revenue growth over the last 12 months in the broader Financial Services Infrastructure segment was 5.9%.

Private Capital markets activity in the FinTech sector has undoubtedly reflected heightened demand for AI capabilities. While VC firms have continued to invest in AI, the maturation and widespread adoption of the technology have increased strategic and financial buyers' risk appetite for AI-centric FinTech businesses. Through YTD 2024, M&A and financing deals targeting AI-enabled FinTech providers have risen 55.3% and 5.4% YOY, respectively. Although fundamental utility has remained a key performance driver for many sector businesses, AI is expected to play an increasingly prominent role in the FinTech M&A and VC markets.

2024 FinTech & Services AI Trends

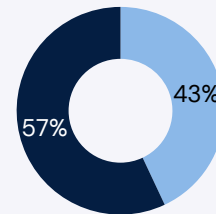
Participants' Adoption

■ Has AI Initiative ■ No AI Initiative



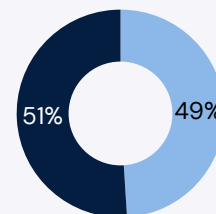
Adoption Drivers

■ Revenue Generation ■ Cost Reduction

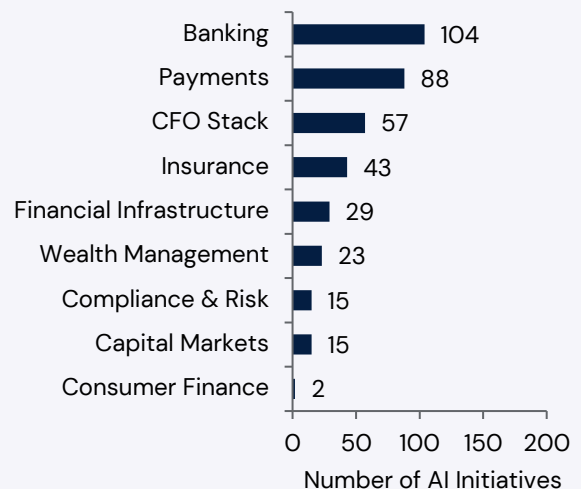


Use Cases

■ External ■ Internal



Vertical Breakdown



Source: Money20/20 and Capstone Partners



KEY THEMES FROM THE 2024 MONEY20/20 CONFERENCE



In October 2024, Capstone's Head of FinTech & Services [David Francione](#) attended the [Money20/20](#) conference in Las Vegas, Nevada to meet with FinTech leaders and share market experiences. Below are select key themes from the conference.



Generative AI Leveraged to Unify Financial Data

Generative AI has been leveraged across the FinTech sector to unify financial data and enhance processes for financial institutions, banks, and private sector participants.



Security and Compliance Become Paramount

Federal regulators have increasingly scrutinized the usage of AI in the FinTech sector, driving demand for comprehensive security and compliance solutions.



Digital Wallet Adoption Grows, FedNow Lags

Digital wallet adoption has grown significantly, driven by real-time payments demand. However, the Federal Reserve's FedNow platform has experienced challenges, namely market readiness.



Digital Banking Demand Accelerates To Date

The maturation of digitally-native banking applications and integrated payment platforms has disrupted the Banking sector, with many consumers prioritizing interoperable solutions.



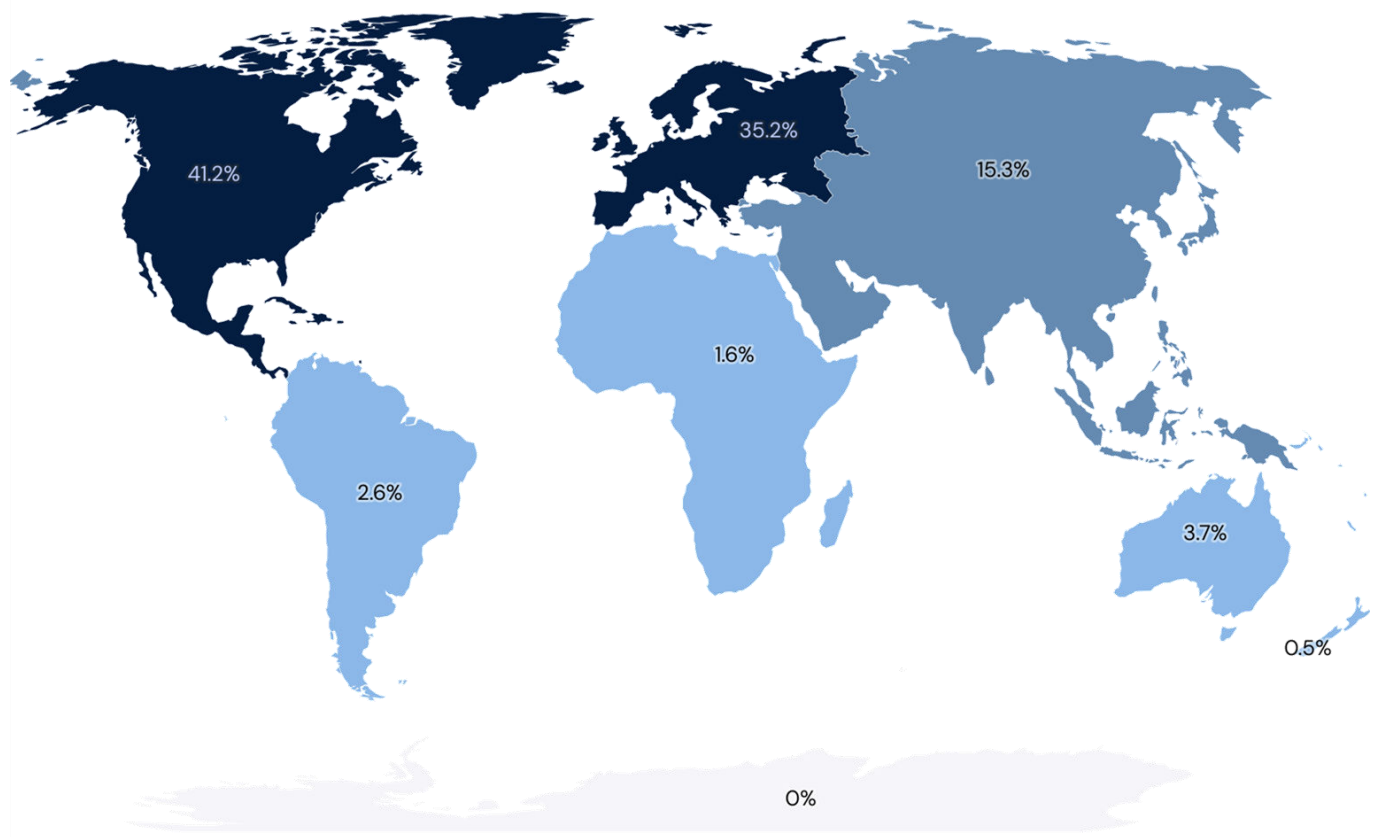
David Francione,
Head of FinTech & Services

"Although AI is all the buzz, just by having an AI-powered solution does not necessarily guarantee a higher valuation in today's market. A demonstrable impact of AI on margins and revenue growth will inherently tend to influence valuations. Certainly, as AI becomes more mainstream and as companies navigate the regulatory framework, we would expect to see gains in productivity and service that translate into tangible benefits to not only customers but to companies. Today, more consumer-oriented companies tend to see the most use cases, but the Business-to-Business market has a tremendous opportunity to use AI to help drive these types of gains, but it will take some time."

GLOBAL FINTECH M&A VIEW

Capstone's FinTech & Services Group tracks FinTech M&A activity across continents, providing sector participants, acquirers, and investors with a global view of current market conditions. North America has comprised the lion's share (41.2%) of FinTech M&A targets through YTD 2024, followed by Europe (35.2%), Asia (15.2%), and Australia (3.7%).

North America Comprises Lion's Share of FinTech M&A Targets Year to Date
(Percent of Total FinTech M&A Transactions by Target Continent)



Target Continent	Number of FinTech M&A Transactions	Percent of Total FinTech M&A Transactions
North America	354	41.2%
Europe	302	35.2%
Asia	131	15.3%
Australia	32	3.7%
South America	22	2.6%
Africa	14	1.6%
Oceania	4	0.5%
Antarctica	0	0.0%

Year to date (YTD) ended October 25
Source: Capital IQ, FactSet, PitchBook, and Capstone Partners

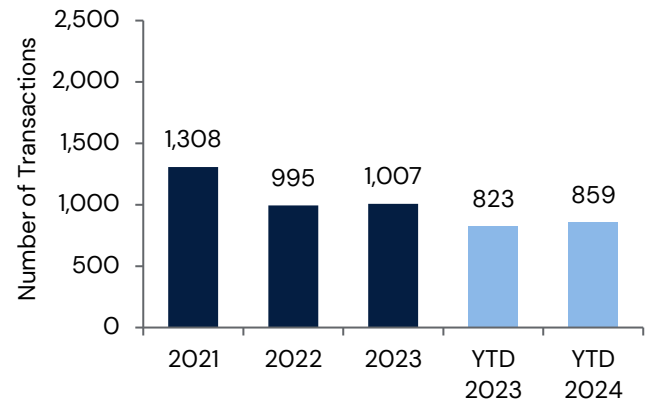
M&A VOLUME AND VALUATIONS HOLD STEADY, AI DEALS ACCELERATE

Global M&A activity in the FinTech sector has continued to exhibit strength, driven by the democratization, digitization, and globalization of the Finance ecosystem. Transaction volume in the space has risen 4.4% YOY to 859 deals YTD. Although full-year 2024 dealmaking will likely fall short of 2021's peak, further consolidation is expected as M&A has become a key strategic option for mature FinTech providers seeking to gain market share. AI-centric participants have gained heightened buyer attention in the FinTech M&A market as services providers look to augment human intelligence with streamlined processes, advanced analytics, and improved compliance solutions. To date, there have been 59 sector M&A transactions involving AI-focused targets. Although this represents a minor portion of total sector M&A, deal activity in this vertical has set a record YTD—outpacing full-year 2023 by 20.4%.

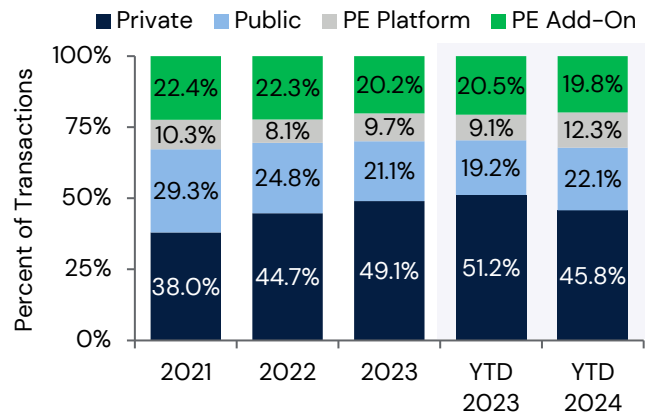
Strategic buyers have continued to comprise the majority (67.9%) of deal activity to date, led by private strategic acquirers (45.8%) vertically integrating competitors to gain scale. Public strategic buyer activity has risen 20.3% YOY through YTD as heightened revenue gains have bolstered public players' available acquisition capital. PE acquisitions, exits, and fundraising in the space have all increased YOY through YTD, driven by LP demand for returns and an easing Private Credit market (see next page). Sponsors have largely focused on the Payments and Real Estate Technology subsectors, each comprising 22.8% of total sector PE dealmaking to date. The maturity of these subsectors 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 challenges and moderate M&A volume gains. In YTD 2024, sector M&A transactions have averaged 5.1x EV/LTM Revenue, marking a slight drop from YTD 2023 (5.5x EV/LTM Revenue). In addition, total disclosed M&A value has more than doubled YOY to \$159.1 billion YTD, demonstrating buyers' willingness to consolidate sector participants at premium valuations. Although average purchase multiples have been uplifted by large-scale transactions, the middle market has continued to yield significant levels of M&A activity, accounting for 80.9% of disclosed transactions to date.

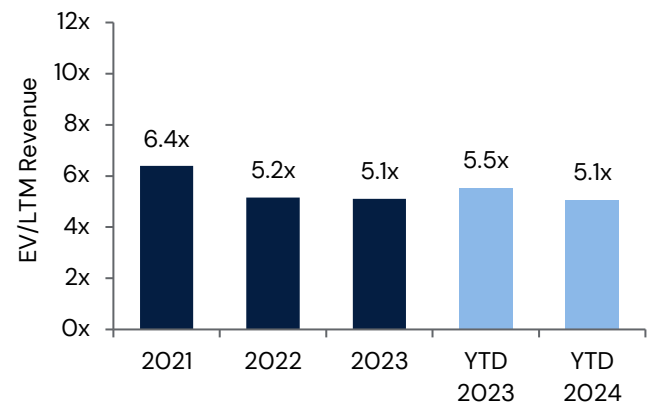
Global FinTech M&A Volume Records Modest Year-Over-Year Gain



Private Strategic Buyers Lead Global FinTech M&A Market



Global Average FinTech Purchase Multiple Exhibits Strength



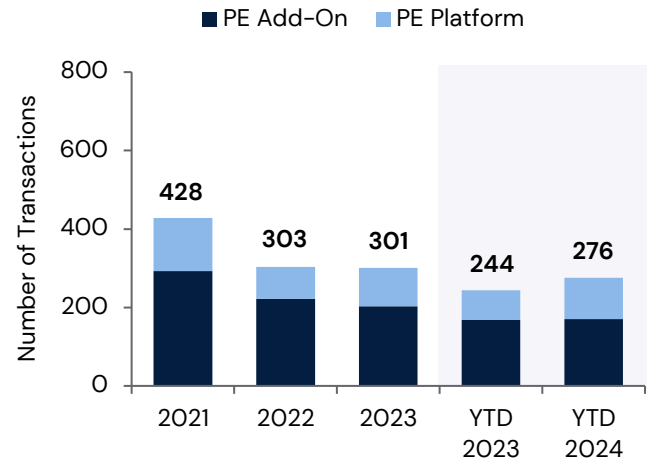
Year to date (YTD) ended October 25
Source: Capital IQ, FactSet, PitchBook, and Capstone Partners



FINTECH SPONSOR ACQUISITIONS, EXITS, AND FUNDRAISING RISE

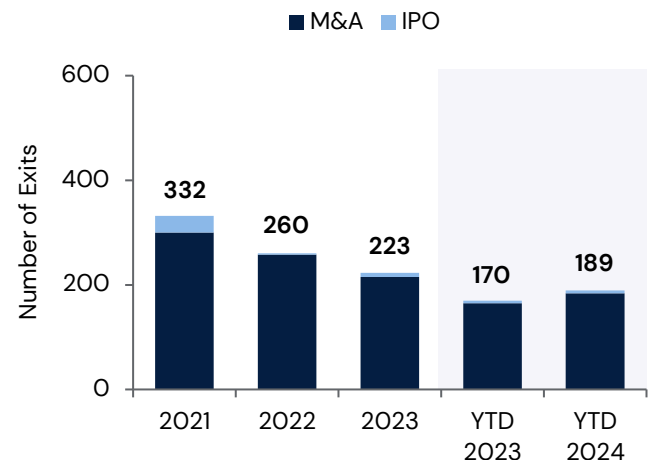
Private Equity Buyer Activity

PE firms have increasingly targeted the FinTech sector, with 276 transactions announced or completed YTD. This marks an increase of 13.1% compared to YTD 2023. Sector participants' ability to showcase sticky customer bases, recurring revenue, and advanced technology capabilities has piqued heightened sponsor investment in the space. While PE has continued to utilize add-on transactions (61.6% of YTD sponsor deals), platform acquisitions in the sector have risen 41.3% YOY. Elevated fundraising levels and vast amounts of dry powder have enabled sponsors to pursue scalable platform opportunities.



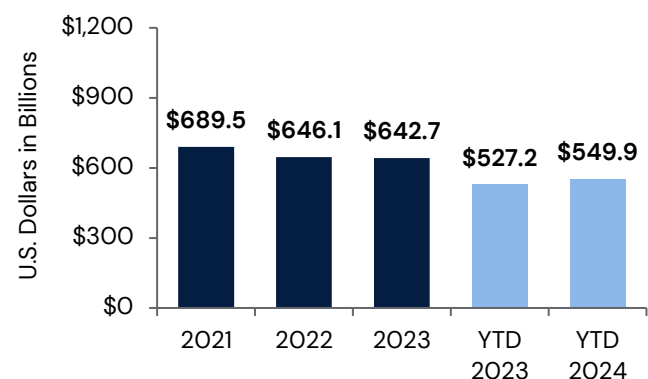
Private Equity Exit Activity

PE exits of FinTech holdings have increased 11.2% YOY to 189 realized investments YTD, representing the first rise in the past three years. Strong exit valuations, coupled with diminishing internal rate of returns (IRR), have spurred heightened exit activity in the space. Of note, the average IRR per FinTech-focused fund has stood at 12.4% in YTD 2024. While this marks a modest YOY gain, the average IRR has remained well below 2021's peak of 27.5%. M&A has continued to be the most viable exit path for sponsors in the sector, accounting for 97.4% of exits to date. Public market turbulence has stalled initial public offering (IPO) activity YTD.



Private Equity Fundraising

Sponsor capital raising for FinTech-focused funds has defied broader market trends. To date, PE capital raised for sector-specific funds has increased 4.3% YOY to \$549.9 billion. In comparison, total sponsor fundraising in the middle market declined 19.5% YOY through Q3 2024, according to Capstone's Q3 2024 Capital Markets Update. A strong track record of PE capital deployment and exits in the sector have piqued fund investors' appetite. Robust sponsor fundraising levels bode well for sector transaction activity in the near-term as PE groups look to deploy acquisition capital for quality assets.



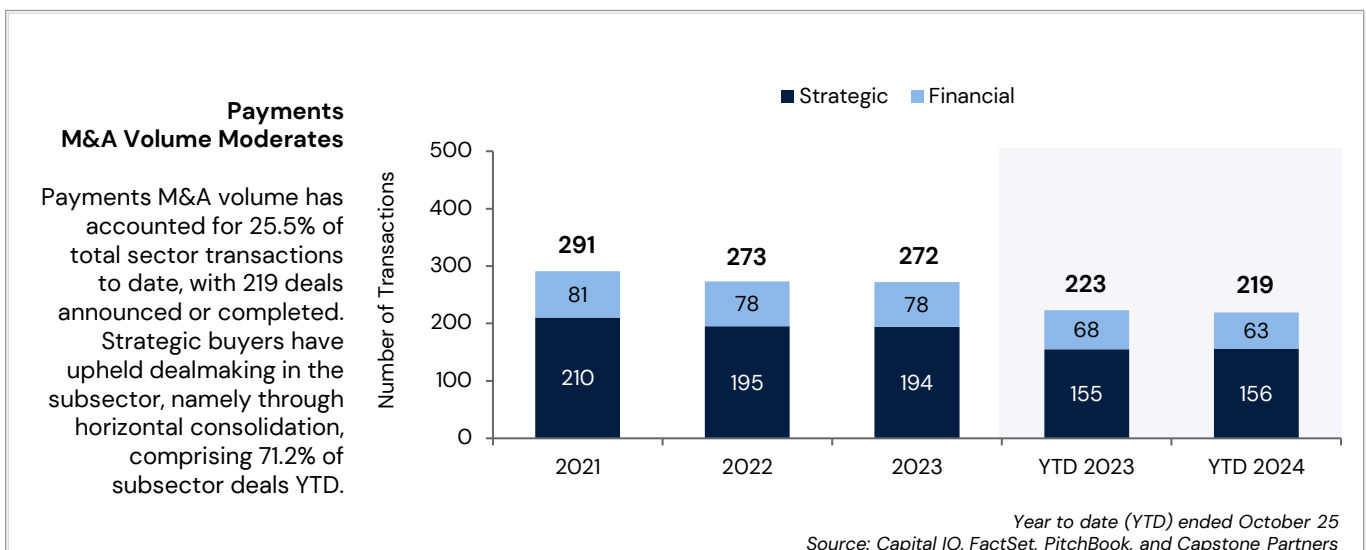
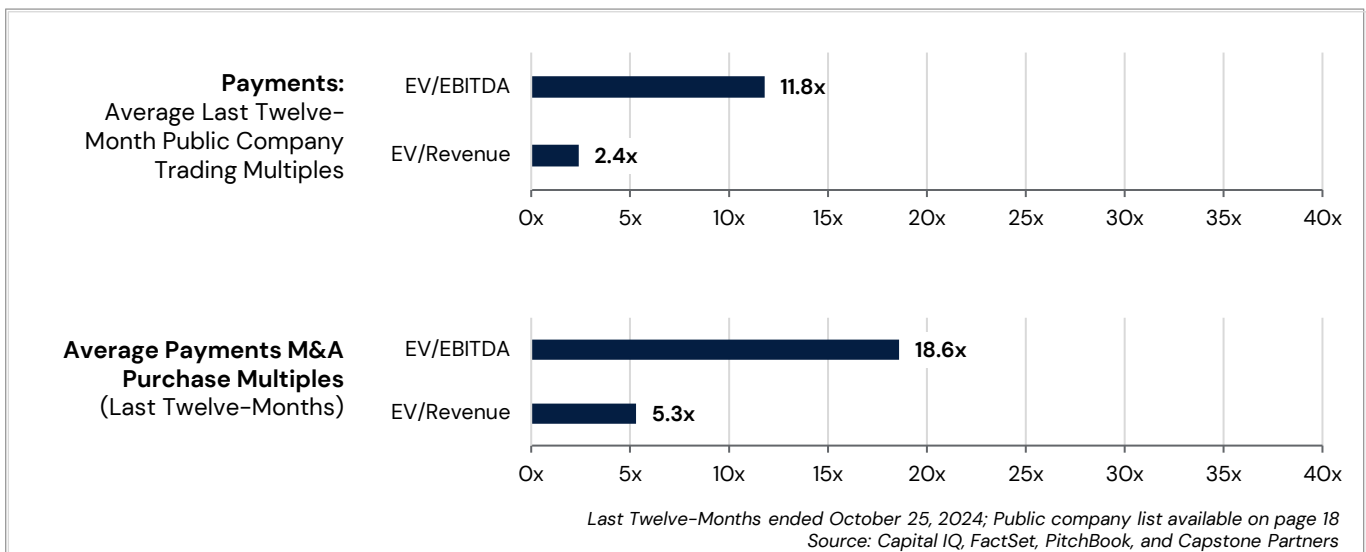
Year to date (YTD) ended October 25
Source: Capital IQ, FactSet, PitchBook, and Capstone Partners

PAYMENTS SUBSECTOR LEADS FINTECH M&A MARKET

The Payments subsector has continued to lead sector M&A activity in YTD 2024, largely driven by heightened demand for integrated payments solutions across industries. To date, the subsector has comprised 25.5% of total sector M&A, with YTD volume registering a slight decline of 1.8% YOY. On a revenue multiple basis, the Payments M&A market has outperformed average public company trading multiples over the last 12 months by nearly three turns, illustrating the valuation strength of private companies in the space. Integration has headlined the Payments M&A market as buyers have targeted companies with interoperable solutions. As a result, subsector participants have increasingly leveraged AI to streamline payment integration processes.



In August 2024, Roper Technologies' (Nasdaq:ROP) subsidiary, The CBORD Group, acquired Transact Campus for an enterprise value of \$1.6 billion. Transact Campus develops an integrated payments platform, primarily serving the Education market. CBORD pursued the acquisition to bolster its university management system software with integrated, contactless payment solutions. Transact Campus' strong cash conversion rate is anticipated to contribute ~\$325 million of revenue to CBORD's 2025 balance sheet, according to a press release.³

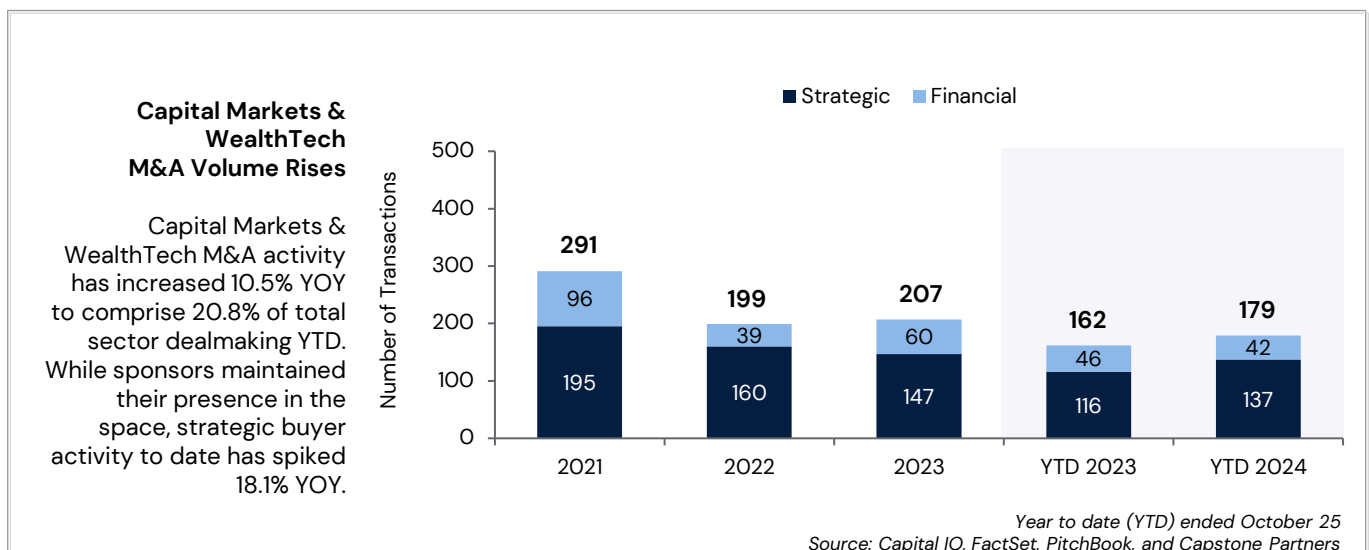
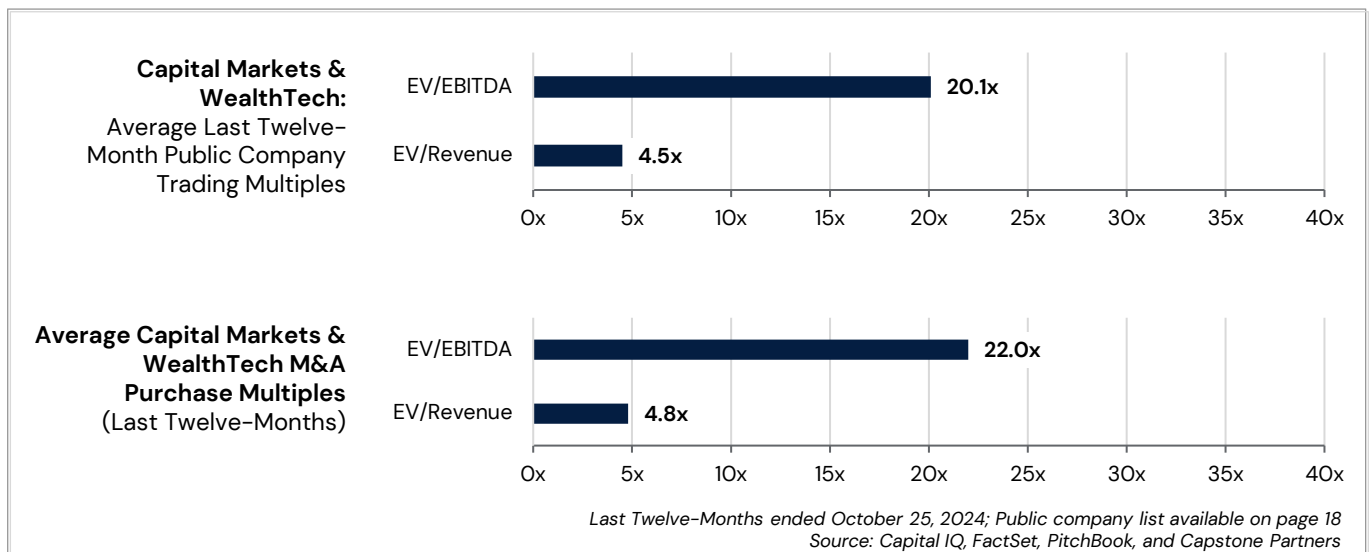


CAPITAL MARKETS & WEALTHTECH SUBSECTOR SEES M&A GROWTH

The Capital Markets & WealthTech subsector has experienced strong growth as asset management firms have increasingly demanded portfolio management and data analytic software solutions. As a result, subsector M&A volume has risen 10.5% YOY to 179 transactions YTD. Subsector transactions targeting AI-enabled participants have increased to 11 deals YTD from seven in the prior year period, demonstrating buyers' appetite for advanced technology offerings. M&A purchase multiples in the space have mirrored average public company trading multiples over the last 12 months. Healthy subsector M&A valuations have largely been driven by heightened competition among strategic buyers, which have increased their presence in the space YTD.



Bain Capital announced its take-private acquisition of Envestnet (NYSE:ENV) in July 2024 for an enterprise value of \$4.3 billion, equivalent to 3.3x EV/LTM Revenue and 24.8x EV/LTM EBITDA. Envestnet provides wealth management solutions through a myriad of business segments. Of note, Envestnet's wealth management platform supports more than 800 asset management firms with advanced capabilities such as AI-powered data analytics, according to a press release.⁴ Bain plans to further expand the business via organic growth measures and add-on acquisitions.



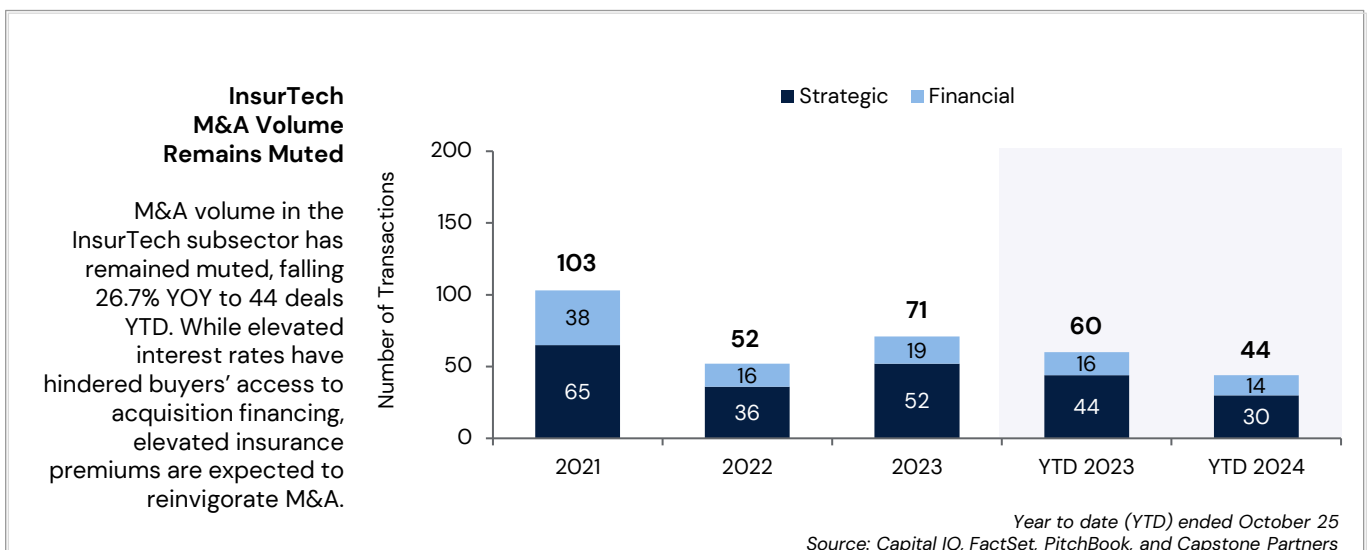
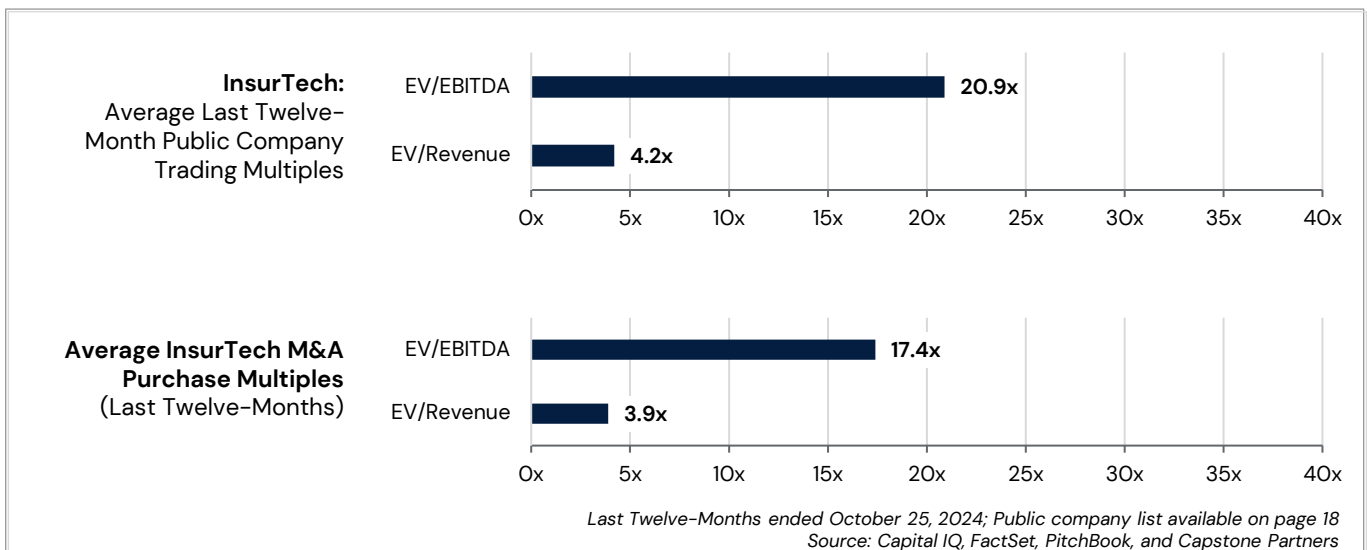
HIGH INTEREST RATES HAMPER INSURTECH M&A, BUOY PREMIUMS

A heightened interest rate environment has challenged M&A activity in the InsurTech subsector, with deal volume YTD falling to 44 transactions from 60 in the prior year period. However, high interest rates have enabled insurers to raise premiums, with total U.S. direct premiums increasing 8% YOY to \$1.9 trillion in 2023, according to the U.S. Department of the Treasury.⁵ This has provided the Insurance sector with a strong financial footing, enabling participants to pay healthy valuations for InsurTech providers with advanced technology offerings. AI has become increasingly prevalent in the InsurTech subsector as insurers look to reduce inefficiencies, improve risk management, and bolster analytic capabilities for insurance claims data.



PLANCK

Hellman & Friedman-backed Applied Systems acquired Planck Resolution in July 2024. Terms of the transaction were undisclosed. Planck develops an AI-driven platform enabling insurance underwriters to perform risk assessments of businesses and create customized insurance policies. Applied Systems' acquisition of Planck is expected to bolster the company's technology workflow by reducing inefficiencies from redundant tasks and mitigating risk exposure. The transaction is also anticipated to expand Applied Systems' presence in the Insurance Carrier market.





SELECT M&A TRANSACTIONS

Date	Target	Acquirer	Target Business Description	Target Segment	Enterprise Value (mm)	EV/LTM Revenue	EBITDA
10/25/24	BM Technologies (NYSEAM:BMTX)	First Carolina Bank	Offers a mobile banking platform in the U.S.	Retail Banking & Credit	\$60.4	-	-
10/24/24	Abra Innovations	Socure	Develops an AI-enabled fraud detection platform.	RegTech	\$136.0	-	-
10/22/24	Visual Lease	CoStar Group (Nasdaq:CSGP)	Designs end-to-end lease accounting and management software.	CFO Stack	\$272.5	-	-
10/18/24	Lendingkart Technologies	Fullerton Financial	Provides working capital loans to businesses through its software platform.	Alternative Lending	\$30.0	2.9x	-
10/17/24	Numarics	radicant bank	Develops accounting and business management software.	CFO Stack	-	-	-
10/17/24	Zuora (NYSE:ZUO)	Silver Lake Technology	Provides software to automate billing and expenses.	CFO Stack	\$1,194.7	2.7x	-
10/15/24	CG3-1 REGTECH	Regnology Group	Offers a regulatory reporting platform for enterprises.	RegTech	-	-	-
10/12/24	Payworld Digital Services	RNFI Services (NSEI:RNFI)	Develops a payment processing platform.	Payments	-	-	-
10/11/24	Cacheflow	HubSpot (NYSE:HUBS)	Provides software to automate billing.	CFO Stack	-	-	-
10/04/24	Clear Sale (BOVESPA:CLSA3)	Experian (LSE:EXPN)	Engages in the development of anti-fraud technology.	RegTech	\$300.0	3.1x	-
09/26/24	Featurespace	Visa (NYSE:V)	Develops real-time ML software for fraud and financial crime prevention.	RegTech	\$179.2	2.7x	-
09/12/24	iFast Global Bank	iFAST (SGX:AIY)	Provides digital banking services.	Retail Banking & Credit	\$75.1	4.1x	-
08/15/24	Transact Campus	The CBORD Group	Develops a cloud-based platform for student payments.	Payments	\$1,600.0	-	-
08/06/24	NCR Voyix's Digital Banking Business	Veritas Capital Fund	Provides cloud-based digital banking services.	Retail Banking & Credit	\$2,550.0	4.4x	-
07/30/24	PANACEA INFOTECH	ThetaRay	Develops AI-driven screening software for banks.	Financial Services Infrastructure	-	-	-
07/26/24	Blue Water Financial	University (OTCPK:UNIB)	Operates a loan trading platform.	Capital Markets	\$68.9	-	-
07/24/24	Aion/Vodeno	UniCredit (BIT:UCG)	Offers AI-powered digital banking services.	Retail Banking & Credit	-	-	-
07/23/24	Planck Resolution	Applied Systems	Develops AI-based insurance data software.	InsurTech	-	-	-
07/17/24	Payference	Serrala Group	Offers ML-driven financial forecasting and management tools.	CFO Stack	-	-	-
07/11/24	Envestnet (NYSE:ENV)	Bain Capital	Provides AI-powered wealth management software for advisors.	WealthTech	\$4,285.7	3.3x	24.8x
07/01/24	Switcho	Mavriq	Develops an expense management platform for the Light & Gas, Internet, and Insurance markets.	CFO Stack	\$21.5	3.3x	11.1x
06/26/24	Chico AI USA	Nu Pagamentos	Provides large language models for banks to launch personalized consumer experiences.	Financial Services Infrastructure	-	-	-

Note: Bold indicates transaction targets with AI capabilities
Source: Capital IQ, PitchBook, FactSet, and Capstone Partners



ACTIVE BUYER UNIVERSE

Capstone has built relationships with and tracked buyers that have been highly acquisitive in the FinTech 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.

Most Active Acquirers by Subsector

Capital Markets & Wealth Technology

coinbase	10 deals
BINANCE	6 deals
VOYAGER	5 deals
FTX	4 deals

CFO Stack

KKR	15 deals
GENERAL ATLANTIC	4 deals
VISMA	4 deals
bill	3 deals

Financial Services Infrastructure

FIS	6 deals
SoFi	6 deals
sopra banking SOFTWARE	5 deals
THOMABRAVO	3 deals

Insurance Technology

APPLIED	6 deals
Arthur J. Gallagher & Co.	6 deals
MAJESCO	6 deals
insurity	5 deals

Payments

fiserv.	14 deals
EVO	11 deals
WORLDLINE	11 deals
celero	10 deals

Real Estate Technology

mri	24 deals
REALPAGE	13 deals
BLACK KNIGHT	10 deals
CONSTELLATION SOFTWARE INC.	10 deals

Regulatory Technology

experian	4 deals
MOODY'S	4 deals
cleversoft®	3 deals
Hg	3 deals

Retail Banking & Alternative Lending

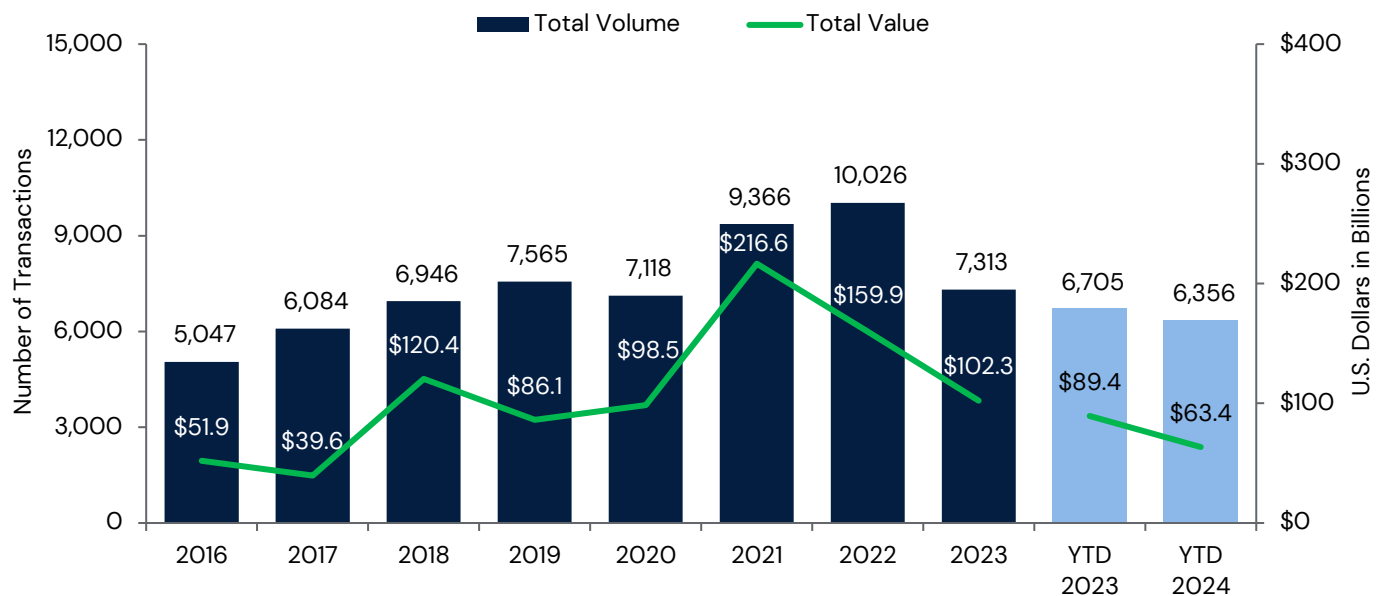
AMERICAN EXPRESS	9 deals
VISA	5 deals
ACI	4 deals
chime	3 deals

Acquirer deal count includes announced/completed transactions between January 1, 2018, and October 25, 2024
Source: Capital IQ, FactSet, PitchBook, and Capstone Partners

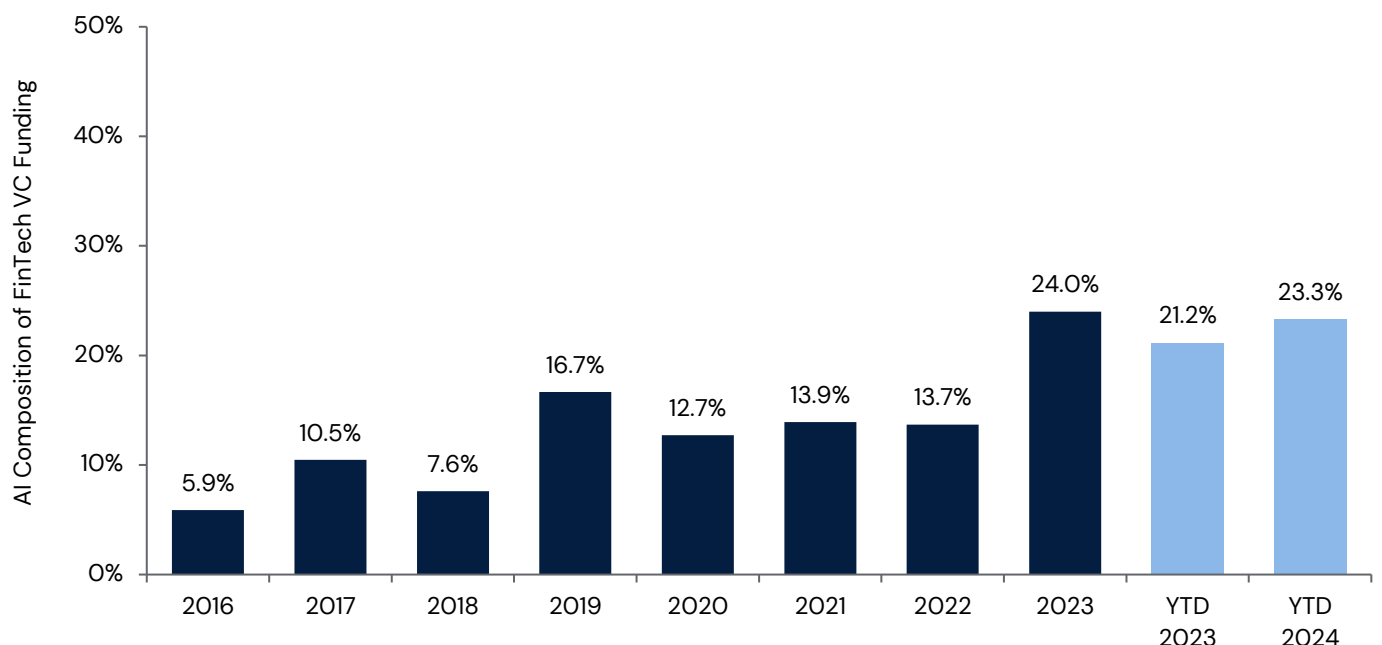
VENTURE CAPITAL ACTIVITY SLOWS, INVESTORS TARGET AI

Global FinTech VC activity has continued to be challenged by a broader market correction in startup valuations, which has dampened sector participants' ability to raise capital. Total capital invested in the FinTech sector by VC firms has declined 29.1% YOY to \$63.4 billion YTD. The number of sector VC deals has also dropped to date, falling 5.2% YOY. However, sector participants with advanced technological offerings, such as AI, have continued to attract VC interest. AI-focused startups have drawn 23.3% (\$14.8 billion) of total sector VC funding through YTD 2024. While this has marked a modest YOY increase, the share of total funding deployed to AI providers has risen substantially since 2016 (5.9%), demonstrating the technology's viability in the Finance ecosystem.

Global FinTech Venture Capital Raises Moderate Year to Date



AI Providers Account for Growing Share of Global FinTech Venture Capital Market



Year to date (YTD) ended October 25
Source: PitchBook and Capstone Partners

CAPSTONE'S FINTECH FRONT RUNNERS

Capstone's FinTech Front Runners comprises a series of FinTech 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 be headquartered 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 5



Rev Growth: 196.7%
Founded: 2021
[Website](#)



Rev Growth: 193.3%
Founded: 2020
[Website](#)



Rev Growth: 177.8%
Founded: 2019
[Website](#)



Rev Growth: 173.7%
Founded: 2017
[Website](#)



Rev Growth: 170.4%
Founded: 2018
[Website](#)



Rev Growth: 120.0%
Founded: 2019
[Website](#)



Rev Growth: 105.9%
Founded: 2017
[Website](#)



Rev Growth: 101.1%
Founded: 2018
[Website](#)



Rev Growth: 98.2%
Founded: 2022
[Website](#)



Rev Growth: 92.8%
Founded: 2020
[Website](#)



Rev Growth: 71.8%
Founded: 2017
[Website](#)



Rev Growth: 69.6%
Founded: 2020
[Website](#)



Rev Growth: 39.0%
Founded: 2019
[Website](#)



Rev Growth: 35.3%
Founded: 2020
[Website](#)



Rev Growth: 34.0%
Founded: 2016
[Website](#)



Rev Growth: 29.4%
Founded: 2020
[Website](#)



Rev Growth: 27.9%
Founded: 2018
[Website](#)



Rev Growth: 22.1%
Founded: 2021
[Website](#)



Rev Growth: 20.9%
Founded: 2018
[Website](#)



Rev Growth: 20.6%
Founded: 2019
[Website](#)

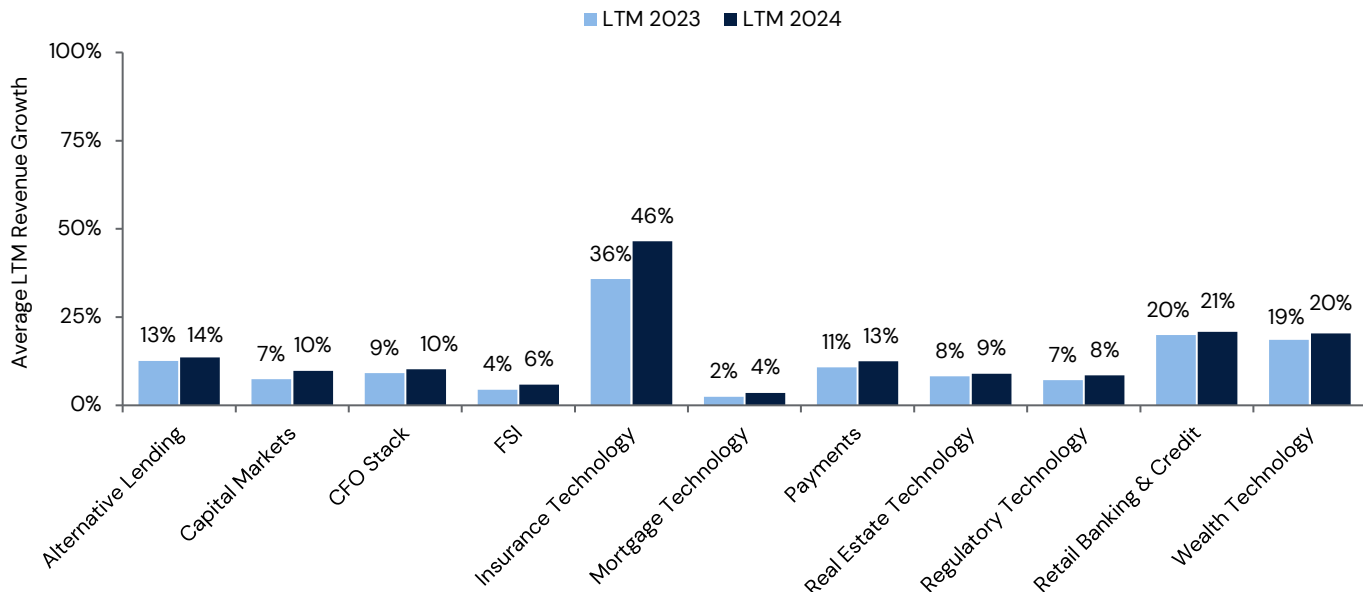
Source: PitchBook and Capstone Partners



PUBLIC COMPANIES RECORD HEIGHTENED REVENUE GROWTH

Segment	% 52 Wk High	Enterprise Value	EV / LTM		EBITDA Margin	LTM Rev Growth
			Revenue	EBITDA		
Alternative Lending	68.2%	\$301.6	0.5x	27.5x	1.6%	13.6%
Capital Markets	83.6%	\$26,300.0	5.7x	18.7x	24.9%	9.8%
CFO Stack	69.0%	\$13,882.6	4.4x	22.4x	11.6%	10.2%
Financial Services Infrastructure (FSI)	90.5%	\$40,382.6	6.3x	21.9x	24.6%	5.9%
Insurance Technology	74.8%	\$2,795.5	4.2x	20.9x	24.8%	46.5%
Mortgage Technology	76.2%	\$14,611.9	3.8x	17.3x	24.3%	3.5%
Payments	78.8%	\$9,003.1	2.4x	11.8x	21.5%	12.5%
Real Estate Technology	76.4%	\$39,048.8	6.0x	23.6x	24.6%	8.9%
Regulatory Technology	91.2%	\$30,457.9	8.3x	18.8x	31.6%	8.5%
Retail Banking & Credit	93.7%	\$165,236.5	5.1x	20.3x	21.9%	20.9%
Wealth Technology	74.3%	\$4,264.5	3.2x	21.4x	14.7%	20.4%

Capstone's FinTech Index Revenue Growth Rises Across Segments



LTM = Last Twelve-Months

Source: Capital IQ and Capstone Partners as of October 25, 2024

Segment Index

Alternative Lending: LHLH, OPFI, SOFI, TREE

Capital Markets: BL, BR, COIN, CWAN, EFX, FDS, FDP, FIS, HOOD, INF, IRE, LIN, MKTW, MCO, MSCJ, NRDS, PSON, SPGI, SSNC, SWF, TRI, TRU, VINP, WKL

CFO Stack: AVDX, BILL, BL, EXFY, SGE, WDAY

Financial Services Infrastructure: SCP, DLX, FI, FIS, INTU, JKHY, MLNK, NCNO, QTWO, TEMN

Insurance Technology: CCCS, EVER, GWRE, HCI, HIPO, ISGI, LMND, PRCH, ROOT, SPNS

Mortgage Technology: ASPS, BLND, FAF, FNF, ICE, LDI, MLNK, RDN, REAL, RKT, STC, VXTR

Payments: 327, ACIW, AVDX, BILL, CASS, DBD, EEF, EVTC, EXFY, GDOT, GPN, LSPD, MGI, MITK, MQ, NVEI, PAY (NYSE), PAY (LSE), PRTH, PSFE, PYPL, RPAY, SQ, STNE, TOST, WEX, WISE, WU

Real Estate Technology: 327, ACIW, AVDX, BILL, CASS, DBD, EEF, EVTC, EXFY, GDOT, GPN, LSPD, MGI, MITK, MQ, NVEI, PAY (NYSE), PAY (LSE), PRTH, PSFE, PYPL, RPAY, SQ, STNE, TOST, WEX, WISE, WU

Regulatory Technology: CTSH, DATA, FICO, NICE, OTEX, PEGA, PRGS, REL, VRSC, WKL

Retail Banking & Credit: AXP, DFS, GDOT, HCA, MA, NU, V

Wealth Technology: 7342, DAVE, ENV, MORN, WT



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David Francione, Managing Director and Head of Capstone's FinTech team, has more than 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).



Taylor Woodson

Managing Director
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Taylor is a Managing Director within Capstone's FinTech & Services Group. He possesses nearly 20 years of investment banking experience advising FinTech, PropTech, and other high-growth technology businesses on a wide range of transactions, including sell-side and buy-side M&A, private capital raises, corporate divestitures, and debt and equity financings. Prior to Capstone, Taylor was a senior member of Truist Securities' FinTech practice within its broader Technology investment banking group.



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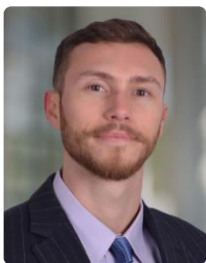
Brandon is a Vice President on Capstone's investment banking team providing buy and sell-side advisory services to business owners across various industries. Previously, he was part of High Street Global Advisors investment banking and strategic advisory team, performing capital markets and M&A advisory for business owners in the Technology, Media, and Telecommunications industries.



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Associate
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Michael is an Associate within Capstone's FinTech & Services group. Michael's responsibilities include market research and analysis, company valuation analysis, building financial projections, and working with clients to help with project due diligence. Prior to joining Capstone, he worked as a financial analyst for a credit hedge fund focused on structured loans to Tech-enabled Non-Bank Financial Services companies.



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Max serves as Vice President on Capstone's Market Intelligence Team. He provides M&A insights, proprietary research analysis, and macroeconomic trends for C-suite middle market executives, specializing in the coverage of the Business Services, Financial Technology & Services, and Technology, Media & Telecom industries.

FIRM TRACK RECORD

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

 <p>HAS BEEN ACQUIRED BY</p> <p>AN UNDISCLOSED STRATEGIC BUYER</p>	 <p>HAS RAISED 20 MM IN EQUITY FROM</p>  <p>ATALAYA</p>	 <p>HAS BEEN ACQUIRED BY</p>  <p>a portfolio company of</p> 	 <p>HAS BEEN ACQUIRED BY</p> 
 <p>HAS BEEN ACQUIRED BY</p> 	 <p>HAS BEEN ACQUIRED BY</p> 	 <p>HAS BEEN ACQUIRED BY</p> 	 <p>HAS BEEN ACQUIRED BY</p> 
 <p>HAS BEEN ACQUIRED BY</p> 	 <p>HAS BEEN ACQUIRED BY</p> 	 <p>HAS BEEN ACQUIRED BY</p> 	 <p>HAS BEEN ACQUIRED BY</p> 
 <p>HAS BEEN ACQUIRED BY</p> 	 <p>HAS BEEN ACQUIRED BY</p> 	 <p>a portfolio company of</p>  <p>HAS BEEN OBTAINED A SENIOR CREDIT FACILITY</p>	 <p>HAS BEEN ACQUIRED BY</p> 

Note: Above transactions also include those which were completed outside of the Capstone Partners platform

CAPSTONE'S PROPRIETARY RESEARCH REVEALS TOP SERVICES IN DEMAND

The stage and initiatives of a business often dictate which financial services are in demand. As the bulk of CEOs polled in Capstone's 2024 Middle Market Business Owners Survey indicated growth strategies are a priority for 2025, the lion's share (40.7%) of owners anticipate a need for growth strategy support services. Similarly, 38.1% of CEOs require equity capital advisory services to support operational initiatives and business expansion. Nearly one-third of owners require accounting and audit support to shore-up cash flows and establish financial stability. In addition, 30.2% of CEOs demonstrated an interest in accessing relevant industry research to keep up with emerging industry trends, complete competitor analyses, and track capital markets activity in their space.

Capstone has developed a full suite of [corporate finance solutions](#) 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. In addition, we developed specialty advisory practices to provide financial performance, buy-side, employee stock ownership plan (ESOP), and equity and debt services. All of these capabilities are supported by 12 industry banking groups, an active sponsor coverage group, and a dedicated Market Intelligence Team.

Top Financial Services Required by Business Owners in 2025



40.7%

Instituting a growth strategy



38.1%

Raising equity capital



32.4%

Accounting & audit support



30.2%

Accessing relevant industry research



20.2%

Raising debt capital



19.8%

Corporate restructuring

Question: Have you ever had, or do you anticipate having, a need for any of the following services?
Source: Capstone Partners' Middle Market Business Owner Survey, Rebased Sample Size (N): 278



ENDNOTES

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3. The CBORD Group, "CBORD and Transact Campus Merge," <https://www.cbord.com/cbord-and-transact-campus-merge/?source=news>, accessed November 3, 2024.
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PARTNERS**

Common Goals. Uncommon Results.

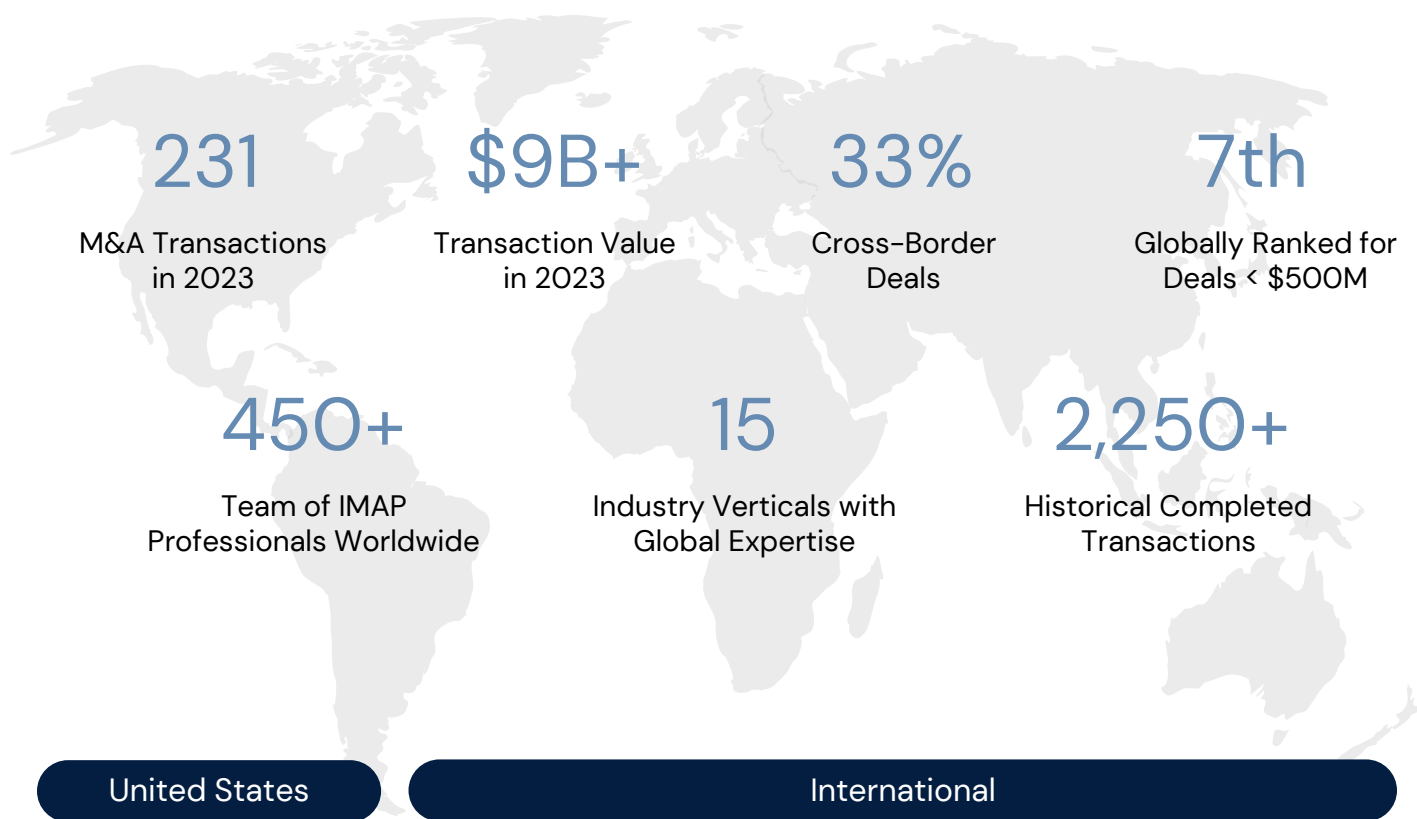
Disclosure

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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.



~200 professionals
8 offices

Boston • Denver • Chicago • Dallas
Detroit • Irvine • New York • Tampa

450+ professionals
60+ offices in 41 countries

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