

FINTECH

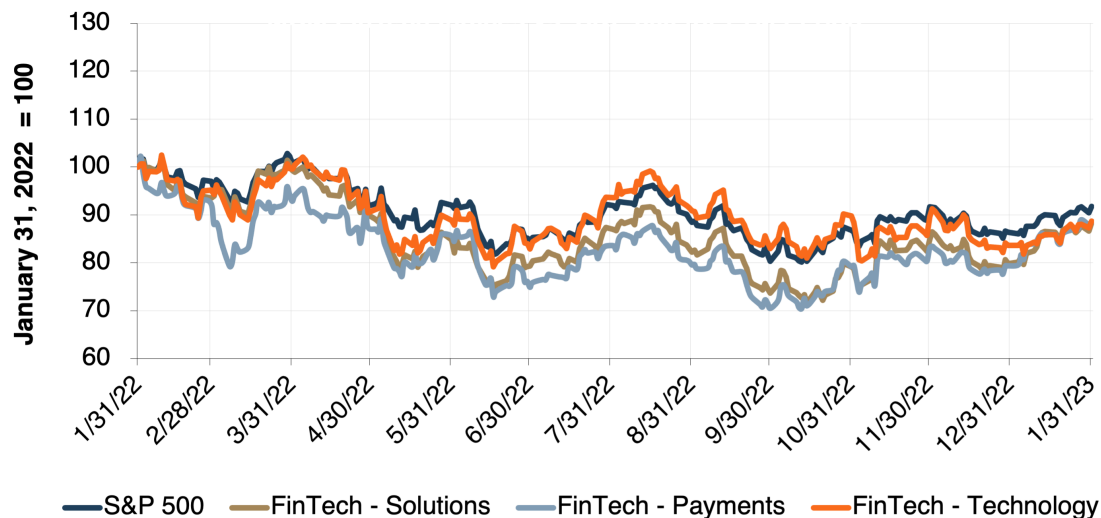
Snapshot

February 2023

Summary

Over the last twelve months ending January 31, 2023, the FinTech market indices declined as the Fed increased interest rates to combat inflation and investors weighed their future growth potential against the uncertainty around future cash flows and profitability. The Payments, Technology, and Solutions sectors underperformed relative to the S&P 500 in the last twelve months ending January 31, 2023 with the S&P 500 declining 8% while the Payments, Solutions, and Technology niches declined 11%, 11%, and 12%, respectively. During January 2023, however, growth in the Fintech market indices showed signs of a potential rebound and led to increases in both valuation multiples and M&A activity.

Mercer Capital's FinTech Group Index Overview



Valuation Multiples as of January 31, 2022

Segment	Price/ LTM EPS	Price / 2023 (E) EPS	Ent'p Value / LTM EBITDA	Ent'p Value / FY23 (E) EBITDA	Ent'p Value / LTM Revenue
FinTech - Payments	19.2	15.9	11.5	11.0	3.0
FinTech - Solutions	32.1	23.5	18.0	15.8	4.3
FinTech - Technology	33.6	23.1	19.0	13.7	3.9

Notable Financing



GSS Raises \$45M (Solutions)

GSS is a startup, cloud-based platform that allows financial institutions to share payment data and exchange financial information. The Company focuses on enabling sanctions transactions screening and automating compliance processes, which has become increasingly popular due to the increased use of sanctions by the U.S. This past month, the Company raised \$45 million from Alix Partners in its first funding round.

Notable Acquisition



Nuvei agreed to acquire Paya (Payments)

On January 9th of 2023, Nuvei announced it entered into an agreement to acquire Paya for ~\$1.3 billion in an all-cash transaction. Nuvei is a global provider of payment solutions that facilitate the acceptance of payments, card issuance, and BaaS solutions for merchants. The acquisition of the integrated payments platform, Paya, strategically positions Nuvei to generate cost synergies and capture software focused payments opportunities on an international scale.

Notable Acquisition



Vista Equity agreed to acquire Duck Creek Technologies (Technology)

On January 9, 2023 Vista Equity Partners announced that it entered into an agreement to acquire Duck Creek Technologies for ~\$2.6 billion in an all cash transaction. Duck Creek is a technology company that focuses on the insurance industry by providing services including policy administration, billing services, and automated digital solutions. With this investment in Insurtech, Vista Equity will assist Duck Creek in supporting P&C insurance carriers' move to the cloud.

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HOW MERCER CAPITAL CAN HELP

Mercer Capital provides FinTech companies with valuations for a variety of purposes including, corporate/strategic planning, transactions (fairness opinion and M&A), equity compensation (409A compliance, ESOPs, and stock option programs), and financial statement reporting (purchase price allocations, impairment testing, equity compensation).

Additionally, Mercer Capital provides related financial advisory and consulting services for companies across the corporate lifecycle — from start-ups to more mature companies. We would be happy to prepare a proposal for your unique situation.

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