

FINTECH Snapshot

August 2022

Summary

Over the last twelve months, we have seen Fintech stock drop in value. All three niches are underperforming relative to the S&P 500, with the payments niche underperforming by the largest margin. Technology and solutions returns dipped below the S&P 500 more recently in January of 2022, as opposed to payments returns steadily declining over the last twelve months.

Mercer Capital provides FinTech companies, from start-ups to more mature companies, and their partners with valuation, financial advisory, and consulting services.

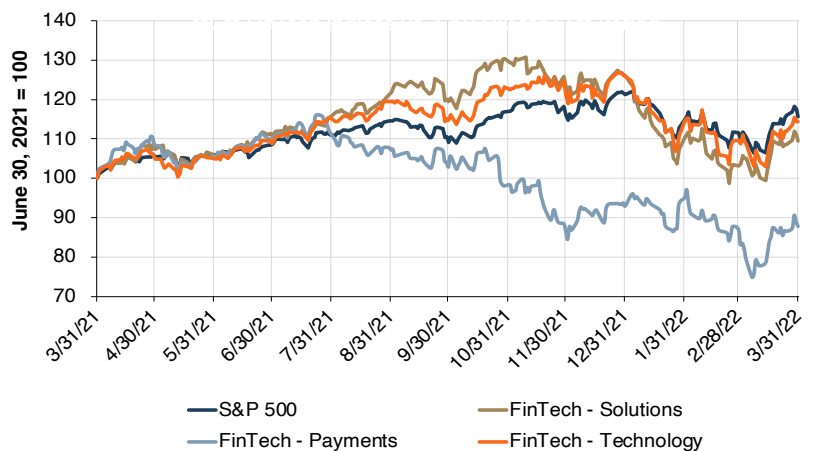


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Mercer Capital's FinTech Group Index Overview



Valuation Multiples as of June 30, 2022

	"Price / LTM EPS"	"Price / 2022 (E) EPS"	"Price / 2023 (E) EPS"	"Ent'p Value / LTM EBITDA"	Ent'p Value / FY21 (E) EBITDA	Ent'p Value / FY22 (E) EBITDA	"Ent'p Value / LTM Revenue"
FinTech - Payments	20.8	16.3	14.8	15.6	11.8	10.8	4.5
FinTech - Solutions	33.5	25.2	20.9	20.8	16.4	15.0	5.7
FinTech - Technology	40.4	23.4	24.2	19.6	13.5	14.1	4.7

Notable Financing

FALCONX

FalconX Limited is a digital assets and cryptocurrency financial services company. Their cryptocurrency trading platform allows institutional users to obtain short-term financing for trades. On June 22nd, they received \$150 million in series D fundraising for a total of \$427 million in funding.

Notable Acquisition

*potential

ACI
UNIVERSAL PAYMENTS

One Equity Partners (OEP) Capital Advisors announced their plans on June 7th to acquire ACI Worldwide's corporate banking solutions platform for \$100 million. ACI's banking solutions platform enables a bank's commercial customers to easily exchange data with corporate systems.

Industry Trends

Klarna.

"Buy now, pay later" FinTech giants such as Affirm and Klarna are decreasing in valuation as they face threats from increasing interest rates and decreasing consumer discretionary income. Klarna Bank AB's valuation fell from \$46 billion in June of 2021 to \$15 billion in June of this year.