

# FINTECH

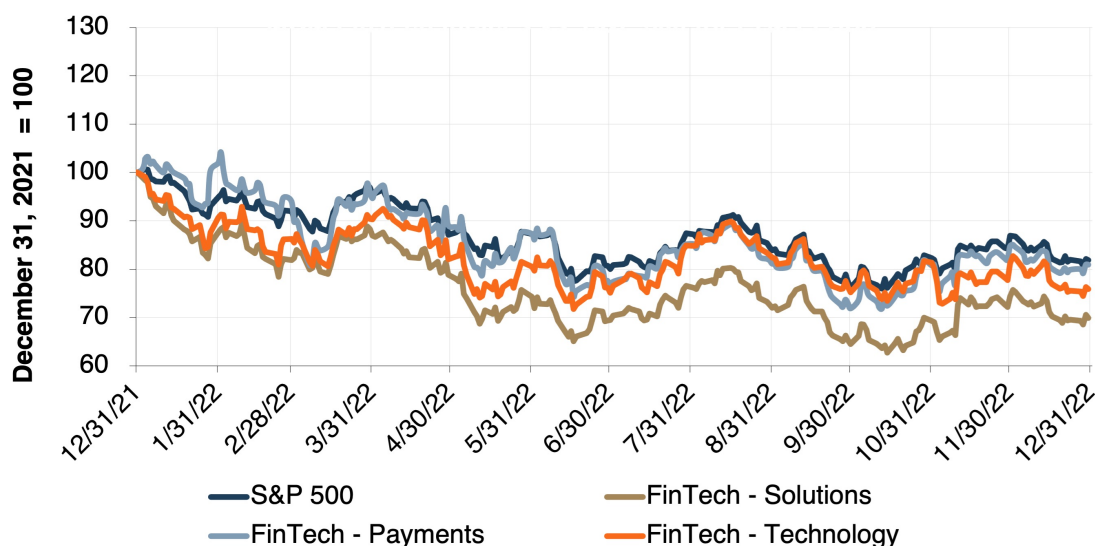
## Snapshot

## January 2023

### Summary

In 2022, 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 2022 with the S&P 500 declining 18% while the Payments, Solutions, and Technology niches declined 19%, 30%, and 24%, respectively. Over the past few months, declines in pricing of FinTech companies have led to continued valuation multiple compression, which has continued to dampen exit activity (IPO/M&A).

### Mercer Capital's FinTech Group Index Overview



Source: S&P Global Market Intelligence

# Valuation Multiples as of December 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	17.6	14.9	10.1	9.5	2.2
FinTech - Solutions	26.2	16.6	14.5	13.4	2.0
FinTech - Technology	28.9	21.9	16.1	13.3	3.3

## Notable Financing

### Bondaval

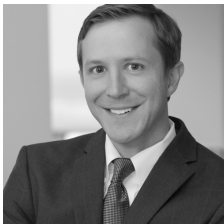
Bondaval is a London based InsurTech company that assures credit teams that the customers will fulfill their financial obligations. The company raised \$15 million in Series A funding led by Tallis Capital. Bondaval plans to use the funding on hiring new employees as well as expanding into new international markets. The startup's total funding now amounts to \$25 million.

## Notable Acquisition



United Fintech is a London based fintech company that acquires and scales innovative FinTech companies in the capital markets space. The primary focus of the company is to provide solutions for automating workflows, easing onboarding, delivering efficiencies, and saving costs. On December 15, 2022, United Fintech acquired 100% of Cobalt, the provider of critical risk and data services to FX and digital assets markets.

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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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