

FINTECH

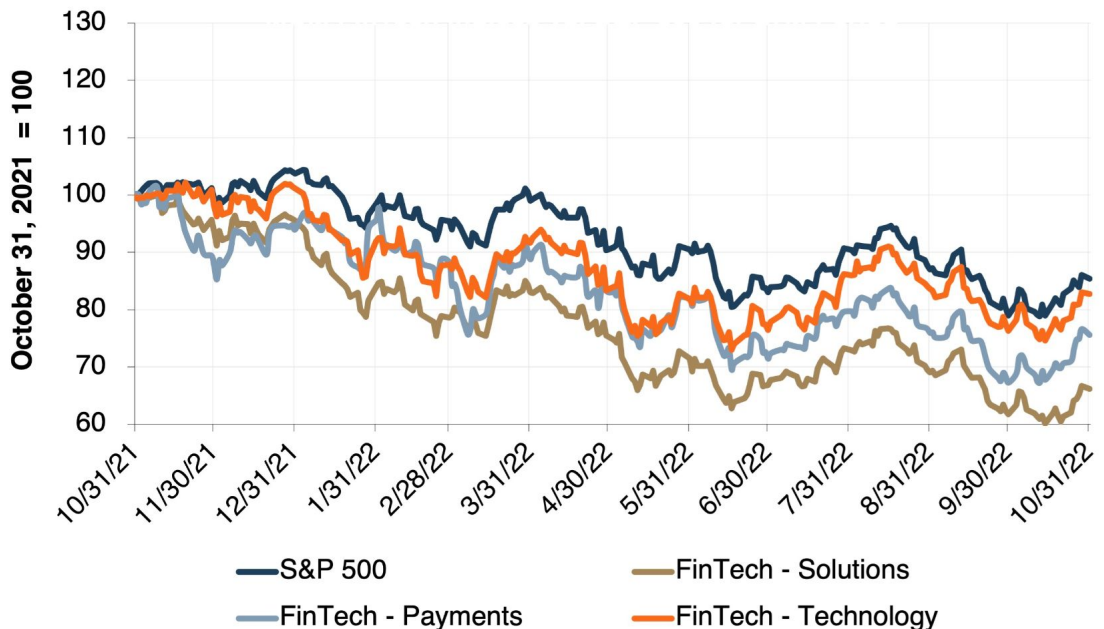
Snapshot

November 2022

Summary

Over the last twelve months ending October 31, 2022, the FinTech sector has declined as the Fed has continued to increase 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 trailing twelve months ending October 31, 2022. The S&P 500 declined 15% while the Payments, Solutions, and Technology niches declined 24%, 34%, and 17%, respectively. Over the past few months, declines in pricing of FinTech companies have led to multiple compression, which has dampened exit activity (IPO/M&A).

Mercer Capital's FinTech Group Index Overview



Valuation Multiples as of October 31, 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	17.8	14.2	12.4	10.7	9.5	9.4	2.5
FinTech - Solutions	24.4	18.2	15.7	14.5	13.0	10.4	2.3
FinTech - Technology	30.1	23.1	20.4	15.9	13.9	12.6	3.1

Notable Financing



NorthOne provides over 320 thousand small businesses with a simplified banking experience. The company's software provides clients with a deposit account that eliminate paperwork and the need for local bank branches. On October 13th, NorthOne received \$67 million in a Series B round of financing, which brings total funding raised to \$90 million.

Notable Acquisition



Prevu, the real estate technology platform headquartered in New York, aims to provide homebuyers with a simpler process while saving money. On October 14th, all technology and intellectual property of Reali have been purchased by Prevu. With the acquisition, Prevu plans to expand its digital buying platform by including mortgage services.

Notable Acquisition



Avalara was acquired by Vista on October 19, 2022, for \$8.4 billion. Avalara, Inc. is a leading provider of tax compliance automation software. Vista Equity Partners is an investment firm with \$94 billion in assets under management that focuses solely on enterprise software and data and technology-enabled businesses. The acquisition officially removed Avalara from the New York Stock Exchange.

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