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KBW Investment Banking

**B2B Payments: Opportunity in the Transition
of AP/AR**

FinTech & Financial Services Investment Banking

*Global coverage of Fintech & Financial Services companies
with professionals whose deep industry knowledge and
relationships drive superior outcomes*

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B2B Payments

Opportunity in the Transition of AP/AR

KBW FinTech Investment Banking is a full service, relationship and thought based group that is actively engaged in the business-to-business payments sector. Our unique insights have led to a growing presence in the space, and we are committed to educating our clients with impactful commentary. There are many worthy topics within the large and dynamic US business-to-business payments vertical, which we size at \$17 trillion representing a potential \$500 billion annual service revenue opportunity. Furthermore, we divide this segment into four broad functional categories: Accounts Payable (AP), Accounts Receivable (AR), Travel and Entertainment (TE) and Remittance. We are focusing on domestic AP and AR below.

Accounts Payable (AP) Highlights – \$40B-\$45B Incremental Service Revenue Opportunity

In their simplest form, all business-to-business purchases create three record keeping events for the buyer: invoice reception from the supplier, accounts payable data entry, and a matching payment. As a general rule the fully loaded cost of a manual AP process is \$15 per transaction, which is contrary to current expectations for an end-to-end all digital access to real time, cloud-based finance & accounting systems⁽¹⁾. There is a potential 70% cost savings for users which replace a labor intensive, paper-based accounts payable process with a fully digitized system⁽¹⁾. AP service providers automate their customer's entire billing process which facilitates economies of scale and results in lower operating costs. Other important benefits are (1) a decrease in exceptions and returns (a major bottleneck in the AP food chain), (2) the ability to review and approve invoices via the web, (3) enhanced visibility into cash flow & improved working capital performance, (4) option for one-day invoice turnaround (5) integrated check, ACH, wire, and card-based payments with rebates, and (6) a digital archive of past invoices.

KBW FinTech investment banking and industry estimates suggest approximately 90% of all AP is automated at the medium to large sized companies or firms above \$100 million in revenue. There is a refined and efficient process in place to serve the 6.5 - 7.0 billion annual AP-only transactions for this constituency (\$2,500 average invoice value)⁽²⁾. We believe over 600 million accounts payable transactions are still paper based or manually entered for the above companies and may represent an incremental \$7 billion service revenue opportunity using a 50bps pricing model⁽²⁾. Please keep in mind our volume example is the low end for large organizations.

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Opportunity in the Transition of AP/AR

Surprising to some observers, the small business market (companies under \$100 million in revenue) represents the largest AP service revenue opportunity. This is because the client base is highly fragmented—the AP automation rate is far lower than larger companies (at about 55%)⁽³⁾ and does not enjoy the pricing power that comes from economies of scale. We estimate there are 6.4 billion total small business AP transactions generated annually out of which 2.9 billion are manually entered at a \$600 average invoice value that may represent \$35 billion in greenfield service revenues using 200bps pricing. If these numbers seem high, consider there are more than 20 million small businesses in the U.S., many of which record less than \$5 million in revenues, lack any kind of AP processing scale and that dynamic could help explain the stronger pricing undercurrents versus larger companies. Intriguing to KBW FinTech investment banking is the fact that the average invoice value could be lower, implying the AP unit volume could be even higher.

SMB AP is a Paper to Electronic Conversion Story; Large Company AP is All About Integration and Adding New Services

Both large enterprises and SMBs experience similar pain points in the current AP environment: manual processes are time consuming and expensive under the best of conditions, especially when considering that human error rate is 2.5x more frequent than integrated systems. Furthermore, the average correction time is 1-hour per error once discovered by a client. For example, large enterprises struggle with information delays or miscommunications between finance department sub-units (treasury, controller, accounting, etc.) which result in payment errors. Meanwhile, smaller companies have fewer AP personnel, which means manual processing of invoices and data entry is even more taxing on the employee structure. Consequently, a new AP solution should have the ability to track, manage and verify invoices and their related payments through all phases of the AP cycle. On the front end of the AP vendor decision process (before implementation) the single most important criteria for AP offerings is that they are a cloud based, multi-tenant, SaaS provider and the ensuing financial benefit from interoperability with mission critical software and financial reporting tools.

The five most common reasons for a business of any size to select a third-party AP vendor,

- 1 Interoperability and integration with other systems (e.g., ERP and GL)**
- 2 Ease of use**
- 3 Transaction visibility; end to end process tracking; drill-down capabilities**
- 4 Speed-up cycle times**
- 5 Automation of labor and paper-based practices**

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Opportunity in the Transition of AP/AR

Historically, switching to a more advanced AP automation system has not been a top priority for most companies, but ultimately the decision to make a change was largely driven by built-up frustration with the un-integrated legacy systems and the ensuing financial burden. Large organizations tend to heavily customize off the shelf AP solutions that integrate with an ERP system such as SAP, Oracle, or JD Edwards. At this volume level, AP pricing is frequently per-seat and may be linked to a larger ERP company-wide contract (of which AP is only one piece). Consequently, big institutions tend to focus on tight AP integration with pre-existing accounting and ERP systems which is the key to achieving improved financial metrics around processing a high volume of invoices and payments.

In certain cases, there are concerns that non-vertical-specific platforms may not be able to manage the complexities of their respective industries. For example, in the healthcare sector, the payroll scheduling of temporary and full-time employees across many different positions, facilities, in some cases multiple cities and states, adds a level of data intensity that is difficult to seamlessly integrate with most off the shelf AP platforms. For real estate companies, each building is frequently its own billing entity which is a challenge to manage for many AP platforms.

Alternative US Accounts Payable Services – \$3B Service Revenue and \$278B Volume in 2022

Virtual cards are a burgeoning accounts payable solution—growing 20% annually—which were originally introduced in the healthcare sector for patient reimbursement and now have spread to the B2B sector. In 2022 domestic virtual card issuers collected \$3 billion in interchange fees on \$278 billion in purchase value⁽⁴⁾. By definition, a virtual card only exists in digital form but functions similarly as a credit or debit card and is primarily used for online transactions. Three outside entities are involved in managing a virtual card program on behalf of a business:



Bank Partner

approves the virtual card parameters and is source of funds for the issuer



Processor

electronic middleman, on-boards merchant accounts, enables transactions, connects the issuer's bank to the merchant's bank



Network

(i.e. Visa and MasterCard) maintain standards for brand connectivity and use

B2B Payments

Opportunity in the Transition of AP/AR

Benefits to Invoice Payor:



Revenue – Share per transaction interchange fee with Payee⁽⁵⁾. Some customers may have their processing costs covered as an added incentive to accept a virtual card, but the specific revenue-sharing arrangements can vary widely. This form factor is issued in lieu of paying with a paper B2B check and is a way for the company to recover AP administrative costs through interchange fees. Virtual cards are usually cobranded by the issuer, the invoice payor, and a widely accepted payment network, like Visa and Mastercard. Activation and maintenance fees may also apply.



Speed – Virtual cards can be created instantly and customers can use them to make payments within moments.



Cash Flow Management – Virtual cards allow invoice payors to delay actual cash outflows until the payment due date. This can provide better control over cash flow and working capital, as the funds are only debited when the virtual card transaction is initiated.



Cost – There are minimal expenses associated with generating virtual cards. It is easy for customers to create as *many as needed*.

Benefits to Payor and Payee:



Security – Each virtual card payment is usually enabled with advanced security features such as electronically generated single-use card numbers or dynamic CVV codes. This is particularly useful for one-time or irregular payments where B2B checks are most commonly used today.

Benefits to Payee



Programmability – Virtual cards are highly customizable and businesses may set rules to govern how funds are spent. For example, end users may establish spending limits, specify the validity period (e.g., single-use or limited time frame), or even designate individual merchants where the card can be used.



Expense Tracking, Automation and Integration – Virtual card systems can be integrated with accounts payable software or Enterprise Resource Planning (ERP) systems. This automation streamlines the payment process, reduces manual data entry, and minimizes the chances of errors (vs. processing B2B checks). Reporting and analytics tools also provide insights into spending patterns, supplier relationships, and other financial metrics which may be harder to obtain from check payments.



Cross Border – Virtual cards may facilitate international payments, which could simplify cross-border transactions and help manage foreign exchange costs.



On Demand Payment to Independent Contractors and Employees – Set up instant payouts on a virtual debit card. For example, some employers build employee goodwill by splitting a pay period into multiple smaller payments so their workers don't have to wait for the entire payroll cycle.

B2B Payments

Opportunity in the Transition of AP/AR

Accounts Receivable (AR) \$1T Total Addressable Market and \$85B Annual Service Revenue

Accounts Receivable (AR) software streamlines the procure-to-pay process by digitizing the labor intensive, paper based, time consuming steps for tracking outbound invoices, accepting payments, and electronically syncing that information with accounting software or ERP systems. Financial process automation, like AP/AR, is under invested by SMB constituents. Up to date software functionality and improvements to AR include:

- **Receiving customer payments faster by providing them an easier way to pay while improving payment metrics and boosting cash flow. For example, automation of customer payments with AR management software accelerates the collections process and reduces DSO (Days Sales Outstanding) by 30% or more in many cases**
- **Improving customer relationships by helping them manage their invoicing process with easier onboarding, intuitive self-service customer portal, and expanded ways to pay, including card and ACH based payments**
- **Other benefits of utilizing new AR software: Functional integration of communication, internal workflows, documentation, and accounting software—all of which help companies reduce the administrative burden of accounts receivable.**

Dynamic Pricing

Dynamic pricing refers to the accounts receivable practice of customizing payment terms in real time for each client. Instead of employing a standard set of rules to all customers, dynamic pricing adjusts the invoice terms individually based on current market conditions and the risk profile of that customer. Increasingly dynamic pricing is an important supply chain management tool for companies to better plan their short and long-term cash flow. For example, many suppliers are willing to accept a 5% to 10% discount in exchange for a guaranteed early payment, particularly when participating in a large, high-volume marketplace. These terms are usually based on a sliding timeline with the greatest savings paid earliest—frequently several weeks to thirty days in advance of the baseline agreement. Other factors the accounts receivable department may consider are (1) payment history, (2) risk assessment, (3) market demand, and (4) customer behavior. This approach allows companies on both sides of the AR/AP transaction to strengthen their customer relationships, optimize cash flow, reduce late payments, and manage credit risk more effectively. However, implementing dynamic pricing requires a deep understanding of each customer's financial data and requires clear communication with every client to ensure they

B2B Payments

Opportunity in the Transition of AP/AR

Dynamic Pricing *(cont'd)*

understand the terms and incentives offered. Consumers may be familiar with the dynamic pricing impact during periods of peak demand in the utility (increased billing during cold/hot spells), shopping & e-commerce (Black Friday, Cyber Monday, Holidays, flash sales), transportation (airline tickets, ride sharing), entertainment (new movie release, concerts & high-profile sporting event), and hospitality (hotels, Airbnb) sectors.

Footnotes

Industry sources: *Bill.com, Bloomberg Government, Concur, Crunchbase, Federal Reserve, Fundera, Gartner, Grandview Research, Kofax, NAICS, National Retail Federation, NetWise, Quickbooks, Repay, Skynova, Small Business Association (SBA), Stamplicom, US Census Bureau, US Treasury, wap.org, Wikipedia, Xero*

- (1) *PlateIQ*
- (2) *Webinar Care*
- (3) *bill.com, Federal Reserve, Kofax*
- (4) *Straits Research*
- (5) *KBW Estimates*

B2B Market Company Overviews

Select Companies Offering Innovative Solutions



Billergenie is an award-winning embedded A/R automation platform designed to streamline and automate revenue cycle operations for small and mid-sized businesses in the United States and Canada. The innovative solution enables financial institutions and payment providers to provide their clients with a comprehensive solution that integrates credit card and ACH payment networks with popular small business accounting software like QuickBooks and Xero.

Billergenie has a proven track record of providing solutions to partners that improve cash flow and eliminate time-consuming back-office tasks for their clients, resulting in higher deposit volumes, increased payment processing revenues, lower attrition rates, and an acquisition tool that connects multiple disparate solutions through a single system. With its comprehensive A/R automation capabilities, Billergenie stands out as the solution for A/R automation for SMBs, offering a valuable tool for optimizing revenue cycle operations and enhancing financial performance for clients and partners alike.

End users benefit from faster and more consistent payment time lines for receivables and fewer administrative man hours by SMB employees who frequently have other responsibilities. Among the positive metrics are a 40% reduction in overdue invoices, 15 days faster on average payments and 10-20 hours a week saved per week on administrative work. The company has designed a low friction, simplified, easy to implement service which may be activated in as little as fifteen minutes while maintaining compatibility with current book keeping systems.



Boost Payment Solutions is a global leader in B2B payments, with a technology platform that seamlessly serves the payment needs of today's businesses. Boost seeks to eliminate the friction often associated with B2B payments by delivering process efficiency, payment security, data insights and revenue optimization. The company has engineered a number of technology-enabled solutions that are purpose built for B2B which helps clients save money and maximize working capital. Boost partnerships are broad and deep and include, but are not limited to: Visa, MasterCard, Citi, Citibanamex, JPMorgan Chase, Bank of America, Wells Fargo, Moneris Solutions, WorldPay, FIS, US Bank, Global Payments, AvidExchange, and Nvoicepay.

B2B Market Company Overviews

Select Companies Offering Innovative Solutions

convera

Convera is a global B2B payments company, providing payments services and foreign exchange products to companies of all sizes. With expertise in managing foreign exchange and moving funds around the globe, Convera offers access to over 140 currencies and a financial network spanning more than 200 countries and territories. Providing technology-led payment solutions to 30K+ customers – from small business owners to enterprise treasurers across a range of industries. Convera's purpose is to make moving money so easy that any company in the world can grow with confidence.

Convera's customers range from small business owners and enterprise treasurers to educational institutions, financial institutions, law firms and NGOs. Running on AWS cloud infrastructure, Convera provides a diverse set of offerings from simple currency exchanges to sophisticated hedging solutions.

extend

Extend turns your business credit card into a spend management platform, so you can achieve more with what's yours. Built to work across major card networks and processors, Extend is the first platform to integrate with legacy issuing systems and activate existing card portfolios with virtual cards and spend controls. Its product suite includes spend management apps, virtual card APIs, tokenization-as-a-service, and more. Nearly 5,000 companies use Extend to empower their teams, streamline payment processes, safeguard against fraud, and maximize their card rewards – all while keeping the financial partners they know and trust.

Extend expects to process more than \$4 billion in payment volume in 2023, up 60% from 2022. Its partners include American Express, BMO, City National Bank, Corpay, HSBC, Mastercard, Pacific Western Bank, Regions, Texas Capital Bank, TSYS, and Visa. The company has raised more than \$54M in funding from B Capital Group, FinTech Collective, March Capital Partners, Point72 Ventures, Reciprocal Ventures, Wells Fargo, and others. Headquartered in New York City, Extend was founded in 2017 by industry veterans of American Express, Capital One, and other Fortune 500 companies.

B2B Market Company Overviews

Select Companies Offering Innovative Solutions

Finexio

Finexio is the leading AP Payments as a Service company focused on enabling end-to-end business payment capabilities in mid-market and enterprise organizations with top verticals in manufacturing, construction, higher education, and property management.

Accounts Payable software, Procure-to-Pay platforms (P2P), and financial institutions leverage Finexio by embedding robust end-to-end “AP Payments as a Service” capabilities directly into their platforms. Adding this critical “last mile” of payment execution and service fills a significant gap for platforms that previously only automated the AP process up to payment.

End customers of Finexio and its partners benefit from a "done-for-you" payment operations service that supports 100% of their business payments digitally. CFOs and finance teams seamlessly transition away from manual payment processes to modern, safe, and secure electronic payments including virtual cards. Finexio drastically reduces the workload of finance teams and makes digital payment adoption the simplest it has ever been, creating fantastic buyer and payee experiences. Customers benefit from significant time savings, reduced payment costs, increased cash flow, fraud prevention, and unmatched visibility into their payments data.

melio

Melio is a leading B2B payments technology company that enables small and medium-sized businesses to quickly and seamlessly transfer and receive payments, helping them improve cash flow and workflow. Melio offers accounts payable and receivable as a service through integrations with the platforms of banks, card issuers, merchant acquirers, and software companies focused on small businesses. The company has raised more than \$500 million to date and has headquarters in New York, an R&D center in Tel Aviv, and western U.S. headquarters in Colorado.

Melio offers you the ability to control the payments process, choosing how to pay and how your vendors get paid.

The smart business payment solution for accountants: through the Accountants' Dashboard, manage your clients' business payments & setup approval workflows with our accounts payable software. Send instant ACH bank transfers online—for free. Sync with QuickBooks, Xero & other accounting software to save time. Make cross border payments to vendors abroad, use a credit card to pay all business bills.

B2B Market Company Overviews

Select Companies Offering Innovative Solutions



Nium is the leader in real-time global payments. The company was founded on the mission to deliver the global payments infrastructure of tomorrow, today. Nium's offering can be summarized in three words: scalable, seamless, and simple. Businesses can access the world through the company's licenses and expertise so they can pay globally as easily as they pay locally. Nium also allows for ease of implementation, time to delivery acceleration, partner reduction, and consolidation of global operations through a modular platform, accessed through one API connection. Finally, businesses can adapt their strategy along with changes in payment infrastructure and expectations so they can meet the needs of their team, suppliers, and customers.

With the onset of the on-demand economy, its payments infrastructure is shaping how banks, FinTechs, and businesses everywhere collect, convert, and disburse funds instantly across borders. Its payout network supports 100 currencies and spans 190+ countries, 100 of which in real-time. Funds can be disbursed to accounts, wallets, and cards and collected locally in 35 markets. Nium's growing card issuance business is already available in 34 countries. Nium holds regulatory licenses and authorizations in more than 40 countries, enabling seamless onboarding, rapid integration, and compliance – independent of geography.



Priority's purpose-built payments and banking technology platform to collect, store and send money serves over 800 thousand clients, processing \$115 billion in annual payments volume through its proprietary merchant acquiring application, MX Merchant, BRB payments solution, CPX and library of APIs including Passport for ISV and Enterprise partners. Priority handles the complexities of payments and embedded finance to free its partners to focus on their core business objectives. Priority's APIs and proprietary processing solutions are supported by nationwide money transmission licenses, end-to-end operational support including automated risk management, underwriting, full AML, BSA and OFAC compliance and industry leading customer service.

Passport is Priority's proprietary Unified Commerce engine that seamlessly powers a complete and integrated suite of payments solutions; banking services; document services; merchant acquiring; payment facilitation; reporting and business intelligence. With Passport by Priority, cash management has never been easier, faster and more cost effective.

B2B Market Company Overviews

Select Companies Offering Innovative Solutions

REPAY[®]

Realtime Electronic Payments

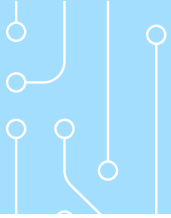
REPAY's (NASDAQ:RPAY) Business Payments offering provides a unique one-stop shop, comprised of both AR and AP automation solutions to over 4,400 clients and reaching over 195,000 suppliers in their AP Supplier Network. AR and AP automation from REPAY simplifies payment processes for organizations, reducing the costs and risks associated with manual payment processes. REPAY's TotalPay solution gives clients the ability to automate payment and reconciliation to all their suppliers, and the real-time vendor enablement process drives greater digital payment adoption within their growing supplier network.

REPAY's embedded payment solution is vertically integrated with an evolving list of over 94 leading software partners, serving medium- to enterprise-sized clients in North America. Their payment technology has emerged as a leader across the Business Payments verticals they serve, including Healthcare, Media, Retail Automotive, Governments and Municipalities, Hospitality and Property Management, Education, and Field Services.

Loan repayment, B2B, and healthcare markets have lagged behind other industry verticals in moving to electronic payments. Credit cards not permitted in loan repayment, B2B traditionally paper check and ACH, shift towards high deductible health plans limiting those payments. Repay's next generation software platform enables businesses and consumers to pay anywhere, any time and any way. Through Repay's Real Time Electronic Payments platform payments are converted into an acceptable form factor for the recipient enabling consumers and businesses can pay and get paid quickly using a variety of payment mediums.

FinTech Public Company Analysis

Payments – Trading Metrics & Multiples



(\$M, except per share data)																
Company	Ticker	Stock Price 9/29/23	Market Cap	Enterprise Value	Enterprise Value /				Price /		Revenue		EBITDA		PEG	
					Revenue		EBITDA		Earnings		Growth		Margin			
					2023E	2024E	2023E	2024E	2023E	2024E	2023E	2024E	2023E	2024E	2023E	
Payments																
Visa*	V	\$230.01	\$468,153	\$471,743	14.1x	12.7x	20.5x	17.9x	25.9x	22.6x	11.7%	11.4%	68.9%	70.7%	1.7x	
Mastercard*	MA	\$395.91	\$373,031	\$381,750	15.1x	13.4x	24.8x	21.7x	32.5x	27.3x	13.6%	13.3%	61.0%	61.7%	2.2x	
American Express*	AXP	\$149.19	\$109,872	\$115,900	2.2x	1.9x	NA	NA	15.1x	13.5x	24.7%	14.9%	NA	NA	NM	
Shopify	SHOP	\$54.57	\$70,059	\$66,413	9.6x	8.1x	NM	NM	NM	NM	26.0%	18.5%	8.7%	12.2%	NA	
PayPal*	PYPL	\$58.46	\$64,191	\$65,499	2.2x	2.0x	8.7x	7.8x	11.8x	10.3x	8.3%	8.8%	25.2%	26.1%	0.6x	
Nu Holdings	NU	\$7.25	\$34,384	\$27,668	3.6x	2.9x	NM	NA	39.1x	24.1x	68.7%	23.8%	NM	NA	NM	
Global Payments*	GPN	\$115.39	\$30,001	\$46,414	5.3x	5.0x	10.7x	9.8x	11.1x	9.8x	7.6%	7.4%	50.0%	50.8%	1.0x	
Block*	SQ	\$44.26	\$27,109	\$26,572	1.2x	1.1x	17.4x	13.7x	25.5x	18.2x	23.5%	12.7%	7.1%	8.0%	0.5x	
Adyen NV	EPA: ADYEN	\$746.93	\$23,163	\$16,596	9.7x	7.9x	22.4x	17.6x	35.7x	29.0x	18.9%	23.5%	43.3%	44.6%	NM	
FleetCor*	FLT	\$255.34	\$18,884	\$24,359	6.4x	5.9x	12.0x	10.8x	15.0x	13.1x	11.8%	8.8%	53.0%	54.1%	2.2x	
Edenred	EPA: EDEN	\$62.74	\$15,639	\$17,738	6.7x	5.9x	15.8x	13.7x	29.8x	25.1x	24.1%	14.2%	42.6%	43.0%	1.7x	
Bill.com	BILL	\$108.57	\$11,574	\$10,840	9.1x	7.5x	NM	NM	NM	NM	41.1%	21.1%	13.7%	13.6%	NA	
Toast	TOST	\$18.73	\$10,032	\$9,075	2.4x	1.8x	NM	NM	NM	NM	42.2%	27.2%	0.8%	2.9%	NA	
Wise	LSE: WISE	\$8.37	\$8,573	\$8,077	6.4x	4.8x	19.9x	17.3x	36.0x	30.6x	44.9%	33.7%	32.2%	27.7%	0.2x	
WEX*	WEX	\$188.09	\$8,079	\$7,715	3.1x	2.9x	7.3x	6.5x	13.2x	11.6x	8.6%	7.3%	42.3%	44.0%	1.8x	
Nexi	BIT: NEXI	\$6.13	\$8,035	\$15,869	4.4x	4.1x	8.6x	7.6x	10.3x	8.7x	2.7%	8.3%	51.5%	53.5%	1.8x	
Worldline	ENXTPA:WLN	\$28.21	\$7,980	\$11,476	2.3x	2.1x	8.6x	7.4x	11.2x	9.3x	8.0%	9.6%	26.5%	28.1%	0.8x	
One97 Communications	PAYTM	\$10.32	\$6,549	\$5,591	4.7x	3.6x	NM	NM	NM	NM	37.3%	30.5%	NM	3.0%	NA	
Dlocal	DLO	\$19.17	\$5,545	\$4,948	7.7x	5.5x	23.0x	16.9x	33.4x	24.3x	53.2%	38.6%	33.4%	32.8%	0.9x	
Western Union*	WU	\$13.18	\$4,936	\$6,163	1.4x	1.5x	5.9x	5.9x	7.7x	7.7x	(4.0%)	(1.4%)	24.3%	24.7%	NM	
Remitly Global	RELY	\$25.22	\$4,570	\$4,392	4.7x	3.7x	NM	NM	NM	NM	44.3%	26.5%	4.2%	5.7%	NA	
Shift4 Payments	FOUR	\$55.37	\$4,532	\$5,776	2.2x	1.6x	12.9x	10.0x	20.5x	16.9x	33.2%	35.5%	16.8%	16.0%	0.2x	
Euronet*	EEFT	\$79.38	\$3,942	\$3,935	1.1x	1.0x	6.3x	5.6x	10.9x	9.7x	8.9%	8.5%	17.1%	17.6%	0.8x	
Flywire	FLYW	\$31.89	\$3,848	\$3,521	9.3x	7.3x	NM	NM	NM	NM	42.9%	27.4%	9.7%	12.9%	NA	
NCR	NCR	\$26.97	\$3,800	\$9,272	1.2x	1.1x	6.1x	5.7x	7.9x	7.3x	1.8%	4.2%	19.1%	19.5%	0.3x	
Marqeta	MQ	\$5.98	\$3,173	\$1,801	2.8x	3.2x	NM	NM	NM	NM	(12.8%)	(12.9%)	NM	NM	NA	
ACI Worldwide*	ACIW	\$22.56	\$2,450	\$3,436	2.4x	2.2x	8.9x	8.2x	13.3x	11.1x	4.0%	6.6%	26.7%	27.2%	NM	
EVERTEC*	EVTC	\$37.18	\$2,403	\$2,630	4.0x	3.8x	9.2x	8.7x	13.3x	12.3x	7.1%	6.3%	43.6%	43.6%	0.8x	
Payoneer	PAYO	\$6.12	\$2,198	\$1,645	2.0x	1.7x	9.9x	8.0x	26.2x	24.0x	35.0%	15.3%	20.0%	21.5%	NM	
Nuvei	TSX:NVEI	\$15.06	\$2,095	\$3,241	2.7x	2.3x	7.6x	6.3x	9.0x	7.1x	40.5%	17.3%	35.8%	37.0%	NM	
AvidXchange Holdings Inc.	AVDX	\$9.48	\$1,916	\$1,628	4.4x	3.7x	NM	40.8x	NM	NM	17.5%	19.0%	2.1%	9.1%	NA	
Cielo	BVMF: CIEL3	\$0.70	\$1,894	\$3,756	1.7x	1.6x	3.7x	3.9x	4.7x	4.6x	2.4%	4.2%	46.4%	42.1%	0.1x	
Bread Financial	BFH	\$34.20	\$1,718	\$3,091	0.7x	0.8x	NA	NA	3.0x	3.7x	10.6%	(2.1%)	NA	NA	0.0x	
Everi	EVRI	\$13.22	\$1,163	\$1,945	2.3x	2.2x	5.1x	4.8x	12.1x	10.9x	7.3%	5.2%	46.1%	46.3%	NM	
Paysafe	PSFE	\$11.99	\$739	\$3,138	2.0x	1.8x	6.8x	6.1x	NM	10.9x	7.7%	8.1%	28.7%	29.7%	NA	
Green Dot*	GDOT	\$13.93	\$729	\$729 ⁽¹⁾	0.5x	0.5x	3.9x	3.5x	7.5x	6.6x	1.9%	3.0%	12.9%	14.1%	NM	
Repay	RPAY	\$7.59	\$690	\$1,054	3.7x	3.3x	8.4x	7.5x	9.1x	8.3x	3.6%	11.2%	43.8%	44.0%	3.4x	
International Money Express	IMXI	\$16.93	\$600	\$674	1.0x	0.9x	5.8x	5.1x	8.9x	7.5x	20.5%	11.6%	17.8%	18.1%	1.1x	
i3 Verticals	IIIV	\$21.14	\$491	\$982	2.6x	2.4x	9.6x	8.5x	13.6x	11.4x	14.5%	8.6%	26.9%	28.0%	2.9x	
PayPoint	LON: PAY	\$6.38	\$459	\$554	2.7x	2.5x	6.3x	5.5x	8.8x	8.1x	37.0%	10.9%	44.0%	45.2%	0.8x	
EML Payments	ASX: EML	\$0.76	\$284	\$302	1.7x	1.6x	10.8x	9.3x	32.5x	16.2x	6.4%	5.9%	15.9%	17.5%	NM	
Payfare	TSX: PAY	\$4.00	\$191	\$153	1.1x	0.8x	9.4x	5.6x	21.6x	9.1x	44.0%	31.7%	11.4%	14.6%	NM	
					Payments											
					Trim Mean	4.0x	3.4x	10.6x	9.5x	17.2x	13.6x	19.9%	14.0%	28.7%	28.8%	1.1x
					Median	2.7x	2.4x	8.9x	7.9x	13.3x	11.0x	14.1%	11.3%	26.7%	27.4%	0.9x

Source: Factset, S&P Global Market Intelligence, Capital IQ, and public filings as of 9/29/2023

(1) Market Cap used as numerator for valuation metrics due to regulatory cash requirements in Green Dot's banking segment

Note: ("NM") indicates valuation multiples less than 0 or greater than 50

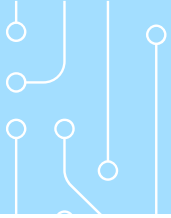
Note: ("**") denotes KBW Nasdaq Financial Technology Index constituent companies

Note: ("#") denotes company entering the public markets through a pending DeSPAC transaction

Note: Companies in bold are currently under KBW/Stifel Equity Research coverage

FinTech Public Company Analysis

Bank Tech – Trading Metrics & Multiples



(\$M, except per share data)

Company	Ticker	Stock Price 9/29/23	Market Cap	Enterprise Value	Enterprise Value /				Price /		Revenue		EBITDA		PEG
					Revenue		EBITDA		Earnings		Growth		Margin		
					2023E	2024E	2023E	2024E	2023E	2024E	2023E	2024E	2023E	2024E	2023E
Bank Tech															
Intuit	INTU	\$510.94	\$143,196	\$146,223	9.7x	8.6x	24.0x	21.7x	33.8x	29.9x	10.9%	12.5%	40.6%	39.8%	1.2x
ADP	ADP	\$240.58	\$99,112	\$100,555	5.4x	5.1x	19.1x	17.0x	27.9x	25.1x	7.9%	6.3%	28.3%	30.0%	1.9x
Fiserv*	FI	\$112.96	\$68,862	\$91,987	5.1x	4.7x	11.5x	10.6x	15.2x	13.3x	8.4%	7.7%	44.2%	44.3%	1.1x
FIS*	FIS	\$55.27	\$32,746	\$50,289	3.4x	3.3x	8.2x	7.8x	9.2x	8.6x	0.6%	2.8%	41.8%	42.9%	NM
Jack Henry*	JKHY	\$151.14	\$11,023	\$11,336	5.3x	5.0x	16.8x	15.8x	30.5x	28.3x	7.0%	6.7%	31.4%	31.4%	11.6x
Temenos	SWX:TEMN	\$70.44	\$5,071	\$5,827	5.9x	5.4x	15.0x	13.3x	22.9x	20.0x	3.5%	9.6%	39.4%	40.6%	2.4x
nCino	NCNO	\$31.80	\$3,591	\$3,559	7.5x	6.4x	NM	43.7x	NM	NM	18.2%	16.0%	12.8%	14.7%	NA
Q2	QTWO	\$32.27	\$1,886	\$2,153	3.4x	3.1x	29.5x	21.7x	39.7x	29.1x	9.8%	10.7%	11.7%	14.3%	0.3x
Alkami	ALKT	\$18.22	\$1,717	\$1,642	6.2x	5.0x	NM	NM	NM	NM	29.5%	24.7%	NM	5.3%	NA
MeridianLink	MLNK	\$17.06	\$1,389	\$1,707	5.6x	5.1x	16.1x	13.9x	NM	NM	6.7%	9.1%	34.8%	37.1%	NA
Blend Labs	BLND	\$1.37	\$337	\$346	2.2x	1.8x	NM	NM	NM	NM	(32.3%)	22.5%	NM	NM	NA
Dave [#]	DAVE	\$6.20	\$74	\$76	0.2x	0.1x	6.3x	2.6x	NA	NA	95.3%	41.4%	3.2%	5.4%	NA
Bank Tech															
Trim Mean					5.0x	4.5x	15.8x	15.2x	26.1x	23.2x	10.3%	12.6%	30.1%	28.5%	1.6x
Median					5.3x	5.0x	16.1x	14.8x	27.9x	25.1x	8.1%	10.1%	33.1%	31.4%	1.6x

Source: Factset, S&P Global Market Intelligence, Capital IQ, and public filings as of 9/29/2023

Note: ("NM") indicates valuation multiples less than 0 or greater than 50

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FinTech Public Company Analysis

Exchanges – Trading Metrics & Multiples



(\$M, except per share data)

Company	Ticker	Stock Price 9/29/23	Market Cap	Enterprise Value	Enterprise Value /				Price /		Revenue		EBITDA		PEG
					Revenue		EBITDA		Earnings		Growth		Margin		
					2023E	2024E	2023E	2024E	2023E	2024E	2023E	2024E	2023E	2024E	2023E
Exchanges & Liquidity Venues															
CME Group*	CME	\$200.22	\$72,029	\$73,952	13.6x	13.2x	19.9x	19.2x	22.2x	21.7x	8.5%	3.1%	68.3%	68.6%	1.6x
Intercontinental Exchange*	ICE	\$110.02	\$61,644	\$77,182	9.5x	8.5x	14.7x	13.4x	19.8x	18.5x	11.4%	11.6%	64.5%	63.5%	4.7x
London Stock Exchange	LON: LSE	\$100.48	\$54,324	\$64,393	6.4x	6.1x	13.7x	12.7x	24.7x	22.0x	9.1%	6.3%	46.9%	47.6%	3.9x
Hong Kong Exch. & Clearing	HKXCY	\$37.37	\$47,283	\$43,462	16.1x	14.8x	21.5x	19.7x	30.0x	27.6x	16.4%	8.2%	74.6%	75.3%	1.2x
Deutsche Boerse	ETR: DB1	\$173.26	\$31,835	\$35,674	6.9x	6.6x	11.5x	11.2x	17.0x	16.1x	12.6%	4.2%	60.1%	59.5%	1.0x
Nasdaq*	NDAQ	\$48.59	\$23,873	\$28,823	7.7x	7.3x	14.0x	13.1x	17.5x	16.7x	4.1%	5.9%	55.4%	55.6%	4.9x
Tradeweb	TW-US	\$80.20	\$16,969	\$16,256	12.4x	11.1x	23.9x	20.7x	37.1x	32.3x	9.2%	11.9%	51.8%	53.6%	2.3x
Cboe*	CBOE	\$156.21	\$16,483	\$17,709	9.4x	8.9x	15.1x	14.5x	21.4x	20.3x	8.3%	5.7%	62.0%	61.1%	3.5x
B3	BVMF: B3SA3	\$2.46	\$14,040	\$13,559	7.5x	6.7x	10.4x	9.2x	15.1x	13.6x	5.4%	11.8%	71.7%	72.7%	1.9x
Japan Exchange Group	TYO: 8697	\$18.57	\$9,661	\$8,752	9.2x	8.8x	14.0x	13.3x	28.5x	26.6x	(8.3%)	5.4%	65.9%	66.0%	NM
MarketAxess*	MKTX-US	\$213.64	\$8,049	\$7,650	10.0x	8.9x	18.8x	16.5x	30.7x	26.1x	6.0%	12.7%	53.4%	53.8%	7.0x
Singapore Exchange	SGX: S68	\$7.14	\$7,641	\$7,390	8.0x	7.7x	14.2x	13.6x	20.3x	19.6x	7.4%	3.6%	56.5%	56.9%	2.3x
Euronext	EPA: ENX	\$69.86	\$7,433	\$9,504	6.0x	5.7x	10.5x	9.5x	12.4x	11.2x	2.2%	6.0%	57.1%	59.8%	5.4x
ASX Limited	ASX: ASX	\$36.86	\$7,135	\$5,930	8.9x	8.6x	13.8x	13.6x	22.7x	22.0x	(4.6%)	3.8%	64.4%	63.1%	NM
TMX Group	TSE: X	\$21.58	\$6,008	\$6,726	7.5x	7.1x	13.6x	12.6x	19.5x	18.1x	8.3%	5.4%	55.4%	56.5%	3.5x
Exchanges & Liquidity Venues															
	Trim Mean				9.0x	8.4x	15.0x	14.1x	22.3x	20.7x	6.7%	6.9%	60.5%	60.8%	3.2x
	Median				8.9x	8.5x	14.0x	13.4x	21.4x	20.3x	8.3%	5.9%	60.1%	59.8%	3.5x

Source: Factset, S&P Global Market Intelligence, Capital IQ, and public filings as of 9/29/2023

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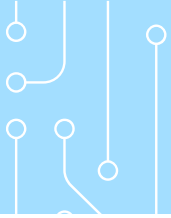
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FinTech Public Company Analysis

E-Brokers & Trading Platforms – Trading Metrics & Multiples



(\$M, except per share data)

Company	Ticker	Stock Price 9/29/23	Market Cap	Enterprise Value	Equity Value /				Price /		Revenue		EBITDA		PEG
					Revenue		EBT		Earnings		Growth		Margin		
					2023E	2024E	2023E	2024E	2023E	2024E	2023E	2024E	2023E	2024E	2023E
E-Brokers & Trading Platforms															
Charles Schwab	SCHW	\$54.90	\$99,979	\$99,979⁽¹⁾	5.2x	4.6x	12.0x	9.4x	17.0x	13.3x	(7.6%)	11.6%	43.1%	49.4%	NM
Interactive Brokers Group	IBKR	\$86.56	\$37,070	\$36,615	8.6x	8.0x	12.2x	11.6x	15.2x	14.2x	35.3%	7.3%	70.4%	69.2%	0.3x
Robinhood	HOOD	\$9.81	\$8,940	\$3,026	4.7x	4.2x	NA	NA	NM	NM	38.4%	12.8%	NA	NA	NA
IG Group	LSE: IGG	\$7.85	\$3,100	\$2,443	2.6x	2.4x	5.1x	4.9x	6.6x	6.2x	1.2%	7.6%	51.0%	49.2%	NM
BGC Partners	NASDAQGS:BG	\$5.28	\$2,621	\$3,506	1.3x	1.2x	6.2x	5.4x	6.6x	5.8x	9.9%	7.6%	21.8%	22.9%	0.4x
StoneX Group, Inc.	SNEX	\$96.92	\$2,015	\$6,544	NA	NA	NA	NA	9.8x	NA	NA	NA	NA	NA	NM
Virtu*	VIRT	\$17.27	\$1,624	\$2,764	1.3x	1.2x	3.4x	3.1x	8.1x	7.1x	(13.7%)	5.4%	37.7%	38.8%	NM
Plus500	LSE: PLUS	\$16.80	\$1,356	\$722	2.1x	2.0x	4.5x	4.3x	6.1x	5.3x	(23.7%)	7.2%	46.1%	45.8%	NM
CMC Markets	LSE: CMCX	\$1.28	\$358	\$161	1.1x	1.0x	17.4x	9.0x	21.6x	11.6x	(7.4%)	13.8%	6.5%	11.1%	NM
E-Brokers & Trading Platforms															
Trim Mean					2.9x	2.6x	8.0x	6.6x	10.6x	8.8x	3.0%	9.0%	39.9%	41.2%	0.4x
Median					2.3x	2.2x	6.2x	5.4x	8.9x	7.1x	(3.1%)	7.6%	43.1%	45.8%	0.4x

Source: Factset, S&P Global Market Intelligence, Capital IQ, and public filings as of 9/29/2023

(1) SCHW EV linked to Market Cap due to unsegregated client cash on balance sheet

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FinTech Public Company Analysis

Information & Analytics – Trading Metrics & Multiples



(\$M, except per share data)

Company	Ticker	Stock Price 9/29/23	Market Cap	Enterprise Value	Enterprise Value /				Price /		Revenue		EBITDA		PEG
					Revenue		EBITDA		Earnings		Growth		Margin		
					2023E	2024E	2023E	2024E	2023E	2024E	2023E	2024E	2023E	2024E	2023E
Information & Analytics															
S&P*	SPGI	\$365.41	\$116,273	\$130,476	10.5x	9.8x	22.3x	20.1x	29.2x	25.3x	5.4%	7.3%	47.0%	48.7%	1.9x
Moody's*	MCO	\$316.17	\$58,004	\$63,748	10.7x	9.7x	24.0x	20.8x	31.4x	27.8x	9.7%	10.4%	44.6%	46.6%	2.4x
MSCI*	MSCI	\$513.08	\$40,579	\$44,450	17.9x	16.1x	29.7x	26.7x	39.1x	34.3x	10.9%	10.7%	60.1%	60.5%	2.8x
Experian	LON: EXPN	\$32.84	\$30,205	\$34,238	5.0x	4.7x	14.4x	13.1x	23.5x	21.4x	5.1%	7.4%	34.9%	35.7%	2.4x
Equifax*	EFX	\$183.18	\$22,480	\$28,005	5.3x	4.8x	16.0x	13.4x	26.4x	20.7x	4.0%	10.5%	33.1%	35.6%	1.0x
Fair Isaac*	FICO	\$868.53	\$21,589	\$23,398	15.0x	13.6x	28.7x	25.0x	41.6x	34.4x	11.3%	10.6%	52.3%	54.2%	2.0x
FactSet*	FDS	\$437.26	\$16,680	\$18,062	8.5x	8.0x	22.5x	21.0x	29.9x	26.5x	9.9%	6.6%	37.9%	38.1%	2.4x
TransUnion*	TRU	\$71.79	\$13,877	\$19,127	4.9x	4.6x	13.6x	12.1x	20.1x	16.9x	4.2%	8.4%	36.4%	37.7%	1.1x
Dun & Bradstreet	DNB	\$9.99	\$4,388	\$7,761	3.4x	3.2x	8.6x	8.1x	10.2x	9.1x	3.2%	4.7%	39.1%	39.6%	0.9x
Clearwater Analytics Holdings	CWAN	\$19.34	\$3,891	\$3,776	10.3x	8.6x	37.7x	29.6x	NM	NM	21.2%	20.1%	27.5%	29.1%	NA
Pagaya Technologies	PGY	\$1.58	\$1,122	\$1,428	1.8x	1.5x	31.2x	14.8x	NM	18.2x	2.5%	23.3%	5.7%	9.8%	NA
MarketWise	MKTW	\$1.60	\$524	\$524	1.2x	1.1x	9.9x	7.5x	34.0x	13.1x	(10.9%)	8.2%	11.9%	14.5%	0.2x
Information & Analytics															
Trim Mean					7.5x	6.8x	21.2x	17.5x	29.2x	22.7x	6.6%	10.0%	36.5%	38.0%	1.7x
Median					6.9x	6.4x	22.4x	17.4x	29.5x	21.4x	5.3%	9.4%	37.1%	37.9%	1.9x

Source: Factset, S&P Global Market Intelligence, Capital IQ, and public filings as of 9/29/2023

Note: ("NM") indicates valuation multiples less than 0 or greater than 50

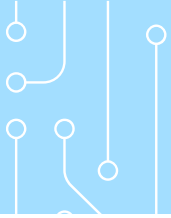
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FinTech Public Company Analysis

Real Estate & Mortgage Tech – Trading Metrics & Multiples



(\$M, except per share data)															
Company	Ticker	Stock Price 9/29/23	Market Cap	Enterprise Value	Enterprise Value /				Price /		Revenue		EBITDA		PEG
					Revenue		EBITDA		Earnings		Growth		Margin		
					2023E	2024E	2023E	2024E	2023E	2024E	2023E	2024E	2023E	2024E	2023E
Real Estate & Mortgage Tech															
CoStar*	CSGP	\$76.89	\$31,397	\$27,290	11.1x	9.6x	NM	41.3x	NM	NM	12.9%	16.0%	21.0%	23.1%	NA
Fidelity National Financial	FNF	\$41.30	\$11,241	\$13,088	1.1x	1.1x	7.3x	5.3x	10.3x	8.4x	(10.3%)	1.4%	15.6%	21.4%	NM
Zillow	ZG	\$44.79	\$10,661	\$9,233	4.8x	4.3x	24.5x	17.3x	39.3x	28.0x	(68.9%)	13.0%	19.7%	24.7%	NM
AppFolio	APPF	\$182.63	\$6,510	\$6,388	10.7x	8.6x	NM	NM	NM	NM	28.2%	24.5%	10.6%	15.2%	NA
Radian	RDN	\$25.11	\$3,953	\$5,530	4.5x	4.2x	NA	NA	7.1x	7.4x	2.3%	6.4%	NA	NA	NM
Opendoor Technologies Inc.	OPEN	\$2.64	\$1,740	\$3,601	0.5x	0.5x	NM	NM	NM	NM	(52.5%)	5.0%	NM	NM	NA
Redfin	RDFN	\$7.04	\$802	\$1,755	1.6x	1.5x	NM	NM	NM	NM	(50.8%)	2.5%	NM	2.8%	NA
Matterport	MTTR	\$2.17	\$654	\$209	1.3x	1.2x	NM	NM	NM	NM	16.2%	15.5%	NM	NM	NA
SmartRent	SMRT	\$2.61	\$523	\$326	1.3x	1.0x	NM	13.8x	NM	NM	39.5%	34.7%	NM	7.2%	NA
Better [#]	BETR	\$0.48	\$353	\$1,295	0.5x	0.3x	1.8x	0.7x	0.8x	0.3x	NA	90.0%	26.5%	36.2%	0.0x
Offerpad	OPAD	\$9.76	\$266	\$346	0.2x	0.2x	NM	NM	NM	NM	(62.1%)	44.7%	NM	NM	NA
Ocwen	OCN	\$25.88	\$199	\$12,186	11.5x	10.6x	NA	NA	6.4x	1.6x	10.6%	8.2%	NA	NA	NM
Latch	LTCH	\$0.94	\$164	(\$97)	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Altisource	ASPS	\$3.99	\$106	\$294	1.9x	1.4x	NM	12.5x	NM	NM	4.7%	36.6%	0.7%	11.0%	NA
Porch Group	PRCH	\$0.80	\$79	\$222	0.6x	0.6x	NM	44.6x	NM	NM	24.8%	12.8%	NM	1.3%	NA
Doma	DOMA	\$5.08	\$68	\$166	0.5x	0.4x	NM	5.1x	NM	NM	(21.8%)	21.8%	NM	7.9%	NA
Real Estate & Mortgage Tech															
Trim Mean					3.1x	2.7x	7.3x	15.9x	7.9x	5.8x	(8.1%)	18.6%	16.7%	14.2%	NA
Median					1.3x	1.2x	7.3x	13.2x	7.1x	7.4x	3.5%	15.5%	17.6%	13.1%	0.0x

Source: Factset, S&P Global Market Intelligence, Capital IQ, and public filings as of 9/29/2023

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FinTech Public Company Analysis

Investment Management Tech – Trading Metrics & Multiples



(\$M, except per share data)

Company	Ticker	Stock Price 9/29/23	Market Cap	Enterprise Value	Enterprise Value /				Price /		Revenue		EBITDA		PEG
					Revenue	EBITDA	Earnings	Earnings	Growth	Growth	Margin	Margin			
					2023E	2024E	2023E	2024E	2023E	2024E	2023E	2024E	2023E	2024E	2023E
Investment Management Tech															
Broadridge*	BR	\$179.05	\$21,060	\$24,460	3.9x	3.7x	16.6x	15.3x	25.1x	22.6x	6.7%	6.2%	23.4%	24.0%	2.0x
SS&C*	SSNC	\$52.54	\$13,035	\$19,771	3.6x	3.4x	9.3x	8.7x	11.4x	10.1x	4.4%	4.1%	38.3%	39.4%	NM
Computershare	ASX: CPU	\$16.75	\$10,113	\$11,916	3.6x	3.6x	9.1x	9.2x	14.0x	14.1x	11.8%	(0.4%)	39.8%	39.7%	0.3x
SEI*	SEIC	\$60.23	\$7,972	\$7,191	3.7x	3.5x	12.7x	11.6x	16.9x	15.0x	(2.4%)	4.6%	29.1%	30.6%	16.3x
SimCorp	CPSE: SIM	\$104.11	\$4,102	\$4,090	6.3x	6.0x	28.4x	23.8x	41.5x	34.9x	9.9%	5.3%	22.3%	25.3%	NM
Investnet*	ENV	\$44.03	\$2,401	\$3,365	2.7x	2.4x	13.1x	10.5x	20.6x	16.3x	1.1%	12.6%	20.4%	22.7%	1.3x
AssetMark	AMK	\$25.08	\$1,862	\$1,799	3.3x	3.0x	7.2x	6.6x	11.1x	10.1x	22.0%	8.0%	45.2%	46.0%	0.4x
Avantax	AVTA	\$25.58	\$940	\$1,143	1.5x	1.4x	9.1x	8.5x	20.3x	18.0x	(17.2%)	9.0%	16.6%	16.3%	NM
IRESS	ASX: IRE	\$3.76	\$689	\$975	2.4x	2.4x	12.8x	11.5x	23.7x	18.7x	(3.6%)	0.8%	18.9%	20.8%	NM
First Derivatives	AIM: FDP	\$17.87	\$502	\$526	1.4x	1.2x	11.5x	9.9x	44.2x	38.1x	11.7%	10.3%	12.0%	12.6%	14.1x
Investment Management Tech															
Trim Mean					3.1x	2.9x	11.8x	10.6x	21.7x	18.7x	4.9%	6.0%	26.1%	27.4%	4.4x
Median					3.4x	3.2x	12.1x	10.2x	20.4x	17.1x	5.5%	5.7%	22.9%	24.6%	1.6x

Source: Factset, S&P Global Market Intelligence, Capital IQ, and public filings as of 9/29/2023

Note: ("NM") indicates valuation multiples less than 0 or greater than 50

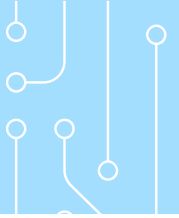
Note: ("*") denotes KBW Nasdaq Financial Technology Index constituent companies

Note: ("#") denotes company entering the public markets through a pending DeSPAC transaction

Note: Companies in bold are currently under KBW/Stifel Equity Research coverage

FinTech Public Company Analysis

Lending Tech – Trading Metrics & Multiples



(\$M, except per share data)															
Company	Ticker	Stock Price 9/29/23	Market Cap	Enterprise Value	Enterprise Value /				Price /		Revenue		EBITDA		PEG
					Revenue		EBITDA		Earnings		Growth		Margin		
					2023E	2024E	2023E	2024E	2023E	2024E	2023E	2024E	2023E	2024E	2023E
Marketplace Lenders															
Affirm	AFRM	\$21.27	\$6,366	\$10,828	6.1x	5.0x	NM	NM	NM	NM	19.0%	22.5%	NM	NM	NM
FinVolution	FINV	\$4.98	\$1,395	\$304	0.2x	0.2x	0.8x	0.7x	4.2x	3.6x	8.8%	14.8%	21.2%	22.3%	2.7x
Open Lending	LPRO	\$7.32	\$884	\$810	5.6x	4.9x	10.8x	9.2x	20.8x	16.4x	(22.5%)	14.2%	51.8%	53.4%	NM
Qudian	QD	\$2.12	\$477	(\$734)	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NM
Opportunity Financial	OPFI	\$2.52	\$280	\$495	1.0x	0.8x	4.6x	3.7x	6.5x	5.0x	15.4%	15.9%	21.0%	22.4%	NM
LendingTree*	TREE	\$15.50	\$201	\$760	1.1x	1.0x	10.1x	8.6x	8.7x	8.1x	(30.5%)	9.5%	10.9%	11.6%	0.0x
Katapult	KPLT	\$10.24	\$41	\$91	0.4x	0.3x	NM	14.7x	NM	NM	6.3%	20.5%	NM	2.3%	NM
Marketplace Lenders															
Trim Mean					2.0x	1.8x	7.4x	7.2x	7.6x	6.6x	2.0%	16.4%	21.1%	18.8%	NA
Median					1.0x	0.9x	7.4x	8.6x	7.6x	6.6x	7.6%	15.4%	21.1%	22.3%	1.4x

(\$M, except per share data)														
Company	Ticker	Stock Price 9/29/23	Market Cap	Price /		Price /		Price /		Revenue		LTM		PEG
				Net Revenue		Earnings		(Tang.) Book Value		Growth		Return on Avg.		
				2023E	2024E	2023E	2024E	MRQ BV	MRQ TBV	2023E	2024E	Assets	Equity	2023E
Balance Sheet Lenders														
SoFi	SOFI	\$7.99	\$7,591	3.7x	3.0x	NM	NM	1.4x	2.4x	108.7%	24.2%	NM	NM	NM
OneMain	OMF	\$40.09	\$4,828	1.1x	1.1x	7.2x	5.4x	1.6x	3.5x	2.4%	5.7%	2.8%	21.3%	NM
Upstart	UPST	\$28.54	\$2,394	4.5x	3.2x	NM	NM	3.8x	4.4x	(35.9%)	39.8%	NM	NM	NM
Navient Corp	NAVI	\$17.22	\$2,094	2.3x	NA	5.3x	5.6x	0.7x	0.9x	(13.8%)	NA	0.5%	13.2%	NM
Enova	ENVA	\$50.87	\$1,566	0.8x	0.7x	6.7x	5.7x	1.3x	1.7x	19.6%	14.0%	5.6%	17.1%	0.5x
World Acceptance Corp.	WRLD	\$127.06	\$734	1.3x	1.2x	17.5x	11.2x	1.9x	2.0x	(7.5%)	3.5%	3.3%	10.5%	0.1x
LendingClub*	LC	\$6.10	\$663	0.8x	NA	24.2x	19.6x	0.5x	0.6x	(25.7%)	NA	1.2%	7.9%	NM
Opportun	OPRT	\$7.22	\$246	0.2x	0.2x	NM	3.5x	0.5x	0.8x	9.3%	2.6%	NM	NM	NM
Finance of America	FOA	\$1.28	\$112	0.7x	NA	NM	5.1x	0.5x	NM	(89.8%)	NA	NM	NM	NM
CURO	CURO	\$1.05	\$43	0.1x	0.1x	NM	NM	NM	NM	(21.1%)	(8.3%)	NM	NM	NM
Elevate	ELVT	\$0.07	\$7	NA	NA	NA	NA	0.1x	0.1x	NA	NA	NM	NM	NM
Balance Sheet Lenders														
Trim Mean				1.4x	1.2x	10.5x	6.6x	1.1x	1.7x	(9.1%)	10.0%	2.5%	13.6%	NM
Median				0.9x	1.1x	7.2x	5.6x	1.0x	1.7x	(10.6%)	5.7%	2.8%	13.2%	0.3x

Source: Factset, S&P Global Market Intelligence, Capital IQ, and public filings as of 9/29/2023

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FinTech Public Company Analysis

Digital Assets – Trading Metrics & Multiples



(\$M, except per share data)

Company	Ticker	Stock Price 9/29/23	Market Cap	Enterprise Value	Enterprise Value /				Price /		Revenue		EBITDA		PEG
					Revenue		EBITDA		Earnings		Growth		Margin		
					2023E	2024E	2023E	2024E	2023E	2024E	2023E	2024E	2023E	2024E	2023E
Crypto															
Coinbase Global, Inc.	COIN	\$75.08	\$17,807	\$16,140	5.7x	5.2x	22.2x	21.6x	NM	NM	(9.7%)	9.1%	25.7%	24.1%	NA
Swissquote Group Holding	SWX:SQN	\$183.27	\$2,738	NM	NA	NA	NA	NA	10.6x	9.5x	34.1%	9.1%	55.0%	54.8%	0.2x
Galaxy Digital	GLXY-CA	\$3.69	\$1,177	\$520	1.6x	NA	2.1x	NA	NM	NA	(32.7%)	NA	77.0%	NA	NM
Northern Data AG	DB: NB2	\$25.03	\$721	\$578	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NM
GB Group Plc	AIM: GBG	\$2.63	\$664	\$794	2.3x	2.1x	10.2x	9.3x	14.9x	12.5x	4.2%	9.2%	23.1%	23.0%	NM
Cipher Mining	CIFR	\$2.33	\$585	\$612	NM	1.7x	NM	2.6x	NA	NA	NA	5733.3%	NM	67.7%	NM
CompoSecure [#]	CMPO-US	\$6.45	\$505	\$846	2.4x	1.7x	8.1x	5.3x	NA	NA	24.5%	37.6%	29.5%	32.7%	NM
Hut 8 Mining Corp.	TSX: HUT	\$1.97	\$438	\$465	7.5x	6.9x	NM	NM	9.3x	NM	(45.2%)	9.2%	NM	NM	NM
Bakkt	BKKT	\$1.17	\$330	\$212	0.9x	0.6x	NM	NM	NA	NA	307.3%	59.4%	NM	NM	NM
Bitfarms LTd.	BITF	\$1.08	\$301	\$302	2.1x	1.5x	7.2x	2.5x	NM	NM	2.5%	41.1%	29.1%	58.7%	NM
Hive Blockchain Tech	TSXV: HIVE	\$3.10	\$266	\$294	3.1x	NA	11.2x	NA	NM	NA	(31.1%)	NA	27.2%	NA	NM
Argo Blockchain	LSE: ARB	\$0.10	\$53	\$115	2.2x	2.4x	24.2x	NM	NM	NM	(24.6%)	(6.7%)	9.2%	1.5%	NM
Ideanomics, Inc.	IDEX	\$2.43	\$29	\$73	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NM
DigitalX Limited	ASX: DCC	\$0.02	\$14	\$17	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NM
Crypto															
Trim Mean					2.8x	2.5x	11.8x	5.7x	10.6x	NA	(4.1%)	25.0%	31.6%	38.7%	0.2x
Median					2.3x	1.9x	10.2x	5.3x	10.6x	11.0x	(3.6%)	9.2%	28.1%	32.7%	0.2x

Source: Factset, S&P Global Market Intelligence, Capital IQ, and public filings as of 9/29/2023

Note: ("NM") indicates valuation multiples less than 0 or greater than 50

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KBW FinTech & Financial Services Investment Banking

KBW's Fintech & Financial Services Group is one of the most active advisory groups in the field. We serve public and private clients in the FinTech, Real Estate Tech, Specialty Finance, Mortgage Finance, Securities, and Alternative Asset Management sectors, among others.

We provide M&A and divestiture, general & strategic, and special committee advisory services. Our core services also include secondary, follow-on, and private placement equity offerings, as well as public and private debt offerings, hybrid security offerings, and IPOs.

With extensive advisory and capital raising experience in the FinTech and Financial Services industries, we bring unique and nuanced insight to our diversified client base. Our teams in North America and Europe consist of over 50 adept professionals working together closely to provide global reach for our clients. All assignments are staffed with senior bankers who serve as truly independent advisors to our clients.

Highlights

- The Premier Boutique Investment Bank with a global presence
- Deep Understanding of the Financial Technology Ecosystem
- Top Growth-Focused Franchise in Financial Services and Technology
- Prominent Private Capital Raise Business
- Leading Equity Capital Markets Platform

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