

Q3 2021

Fintech sector update



Qualitative insights into broader Fintech trends and public and private valuations across the transaction spectrum, and interviews with today's leaders transforming the sector.

Important disclosures appear at the end of this report
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THE VIEW

Q3 Fintech perspectives from GP Bullhound

THE LINE BETWEEN CREDIT CARDS AND BNPL GETS INCREASINGLY BLURRY

- The COVID-19 pandemic has accelerated the shift away from credit cards with 'Buy Now, Pay Later' taking centre stage
- Until recently the BNPL market has been dominated by early pioneers, but as consumers flock towards the payment method significant M&A activity and fundraising activity

MOBILE MONEY DOMINATES FINTECH INVESTMENT IN AFRICA

- Investments accelerating at a record pace improving financial inclusion in a region that traditionally suffers from access to formal financial services
- A rush on to fund Fintech in Africa, with a significant uptick in investment in 2021 YTD standing at over \$2bn vs. \$0.5bn for the whole of 2020

FINTECH IS DRIVING IMPACT INVESTING THROUGH TECHNOLOGY

- Impact investing will soon move mainstream with a significant volume of investment already ongoing and expected to this asset class in coming years
- With impact investing going mainstream, technology is key to meet investors' ESG expectations. Specific fintech segments such as investment apps for instance have a unique position to leverage technology and data to drive impact investing

GP Bullhound's recent Fintech activity

Investment Banking

otthonova
INVESTMENT BY
EARLYBIRD

21grams®
ACQUIRED BY
unifiedpost

ratepay
ACQUIRED BY
Advent International
BainCapital

Klarna.
INVESTMENT BY
SEQUOIA
GENERAL ATLANTIC

motif.
ACQUIRED BY
charles SCHWAB

meniga
INVESTMENT BY
GROUPE BPCE
UniCredit
CA
Crédit Agricole

monese
INVESTMENT BY
Augmentum IAG
KIRNEVIK
PayPal

PANTOR
ACQUIRED BY
Lombard Odier

pangea
MONEY TRANSFER
ACQUIRED BY
enova.

lendinvest
INVESTMENT BY
ATOMICO

smava
INVESTMENT BY
phenomen
VENTURES

Slim Pay
INVESTMENT BY
PRIMEVENTURES

Investment Management

interactive investor
INVESTMENT BY
G.P. Bullhound Fund I
AMC

Klarna.
INVESTMENT BY
G.P. Bullhound Fund III
TSC

Zuto
INVESTMENT BY
G.P. Bullhound Fund III

Revolut
INVESTMENT BY
G.P. Bullhound Fund IV
TCV

lendinvest
INVESTMENT BY
G.P. Bullhound Fund IV
atomico
TIGERGLOBAL

The line between credit cards and BNPL gets increasingly blurry

The hottest game in town right now is 'Buy Now, Pay Later'

- The COVID-19 pandemic has accelerated the shift away from credit cards with, BNPL taking centre stage as the favoured form of credit, especially amongst younger generations, thanks to platforms' convenience and ease of use. For retailers the lure of BNPL is simple: customers spend more, as it increases the average basket size and reduces dropped baskets.
- Until recently the BNPL market has been dominated by pioneers such as Klarna (one of Europe's leading fintechs valued at over \$45bn) and AfterPay (an Australian headquartered fintech) recently acquired by Square for \$29bn.
- Spending via BNPL services is now predicted to reach \$995bn in five years¹, almost four times the current figure. The fight against BNPL leaders is now on, with significant capital being raised by newcomers. Incumbents are also getting in on the action, with Mastercard tapping into the market with its latest offering, as BNPL threatens to chip away at the dominance of credit cards as the main source of payments.

As consumers flock towards BNPL, significant M&A & fundraising activity this quarter

- There has been a hive of M&A activity this quarter, but we believe this is just the beginning with strategics having built up a stockpile of cash to weather the pandemic that they are now looking to deploy:
 - Goldman Sachs acquired lender Greensky for \$2.2bn to attract customers to its Marcus brand of finance products
 - PayPal acquired Japanese BNPL firm Paidy in a \$2.7bn deal
 - Payments company Square reached a deal to acquire Australian (BNPL) provider Afterpay for \$29bn
- As big BNPL companies get even bigger, many smaller but fast-growing BNPL companies are raising record sums:
 - ZestMoney, an India-based BNPL platform raised \$50bn led by Australia's Zip
 - Scalapay BNPL technology provider raised \$155m at a \$700m valuation from Tiger Global
 - Zilch, a UK based BNPL firm, raised \$110m led by Goldman Sachs Asset Management & DMG Ventures

Select transactions
in Q3 2021

GreenSky™



DEAL DATE: SEP-21
EV: \$2.24BN

afterpay

Square

DEAL DATE: AUG-21
EV: \$29BN

zilch



DEAL DATE: JUL-21
RAISED: \$200M

scalapay

TIGERGLOBAL

DEAL DATE: SEP-21
RAISED: \$700M

Mobile money dominates fintech investment in Africa

Africa represents a large and relatively untapped opportunity

- Fintech investments in Africa are accelerating at a record pace, improving financial inclusion in a region that traditionally suffers from limited access to formal financial services such as banking, credit, and insurance.
- The region represents a large and relatively untapped opportunity that is poised to drive the next wave of growth for large internet companies given the young demographics (high proportion of the population are under 25 years old and digitally native), with increasing mobile and internet penetration and growing economic power.
- With e-commerce poised for explosive growth, topping \$29bn¹ next year, the region has seen rapid adoption of mobile wallets due to the high underbanked population coupled with relatively high mobile penetration. Digital / mobile wallet payments are expected to grow by 45% to account for over one-fifth of e-commerce spend by 2024².

A rush to fund Fintech in Africa

- There was a significant uptick in fintech investments in Africa in Q3 2021. Funding in 2021 YTD stands at over \$2bn versus c.\$0.5bn for the whole of 2020³, which we believe shows the current and future prominence of digital financial services across the continent. Notable activity in Q3 2021 included:
 - Wave, a US and Senegal-based mobile money provider, raised a record \$200m in Series A from Sequoia Heritage, Founders Fund, Stripe, and Ribbit Capital.
 - OPay, a Nigerian mobile-payments platform, was valued at \$2bn in a latest \$400m fundraising led by SoftBank Vision Fund 2, making Opay the fifth unicorn in Africa alongside Interswitch, Jumia, Fawry, and Flutterwave.
 - Mono, an African startup helping to connect consumers' bank accounts to financial applications, raised \$15m in Series A from Tiger Global. This is Tiger Global's third major investment in Africa this year after Flutterwave and FairMoney.
 - Australian BNPL company Zip acquired South African-based BNPL player Payflex, showing how Africa is ripe for BNPL disruption.

Select transactions
in Q3 2021

 **mono**

TIGERGLOBAL

DEAL DATE: OCT-21
POST-MONEY
VALUATION: N.A.
RAISED: \$15M

 **OPay**

 **SoftBank**

DEAL DATE: AUG-21
POST-MONEY
VALUATION: \$2BN
RAISED: \$400M

 **wave**

 **FOUNDERS FUND**  **stripe**

Ribbit Capital **SEQUOIA**

DEAL DATE: SEP-21
POST-MONEY
VALUATION: \$1.7BN
RAISED: \$200M

 **payflex**

 **zip**

DEAL DATE: SEP-21
EV: UNDISCLOSED

Fintech is driving impact investing

With impact investing going mainstream, technology is key to meet investors' ESG expectations

- Impact investing will soon move mainstream, with a significant volume of investment already ongoing and expected increase for this asset class in coming years
- A growing number of investors are already rethinking their portfolios in light of changing consumer preferences and their sensitivity around topics like sustainability and climate change, which continue to dominate the news as well as the public debate around the 'building back better' initiatives for the post-Covid world
- The current lack of clarity and trust in ESG data, however, threatens to undermine the credibility of sustainable finance amid concerns around 'greenwashing'
- In this context, investors and investment professionals need more than ever access to information as well as advanced tools to cut through the jargon of ESG-marked initiatives to understand the real impact of their investment decisions

Investment apps have a unique position to leverage technology and data to drive impact investing

- As fintech is democratising the investment industry by lowering entry barriers and making its investment process easy, retail investors have a far greater say in how capital is allocated in today's world more than ever before
- A number of tech start-ups are venturing into this space as technology plays an important role as a key enabler of impact investing
 - Circa5000 (formerly Tickr) raised £2.5m via a crowdfunding round, bringing the total amount raised to £7m
 - Clim8 Invest raised its third funding round of £2.85m via crowdfunding as well as £2m from institutional investors, bringing the total amount raised to £12m

Select transactions
in Q3 2021

 ClimateView®

CommerzVentures 

DEAL DATE: AUG-21
RAISED: €11.8M

Doconomy

CommerzVentures 

DEAL DATE: AUG-21
RAISED: \$17M

Aspiration

INTERPRIVATE

DEAL DATE: AUG-21
EQUITY VALUE:
\$2.3BN
RAISED: €400M

CLIM8
INVEST

DEAL DATE: JUL-21
RAISED: £4.9M

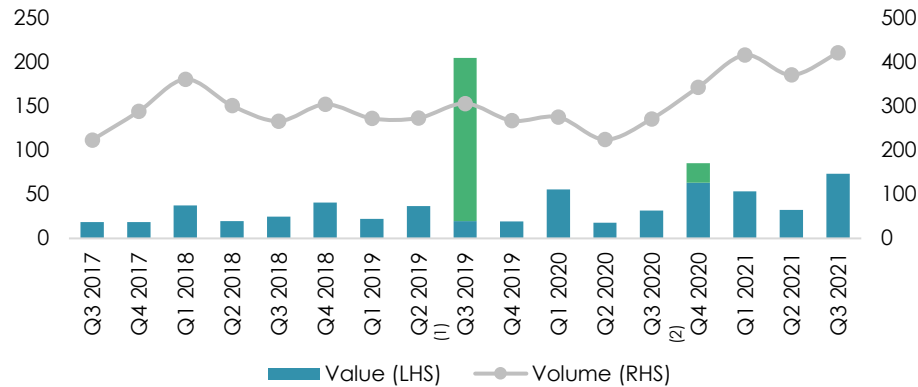
M&A AND FUNDRAISING ACTIVITY BY QUARTER

Fintech fundraising activity shows no signs of abating

Q3 2021 saw record fundraising activity levels with \$42.5bn raised (+3.3x YoY) and continued M&A activity most notably with the \$29bn acquisition of Afterpay by Square

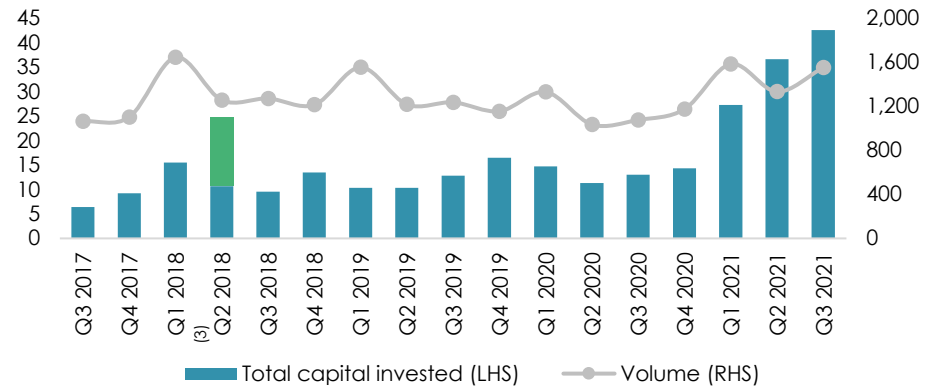
Transaction M&A deal value and volume

\$bn, number of deals

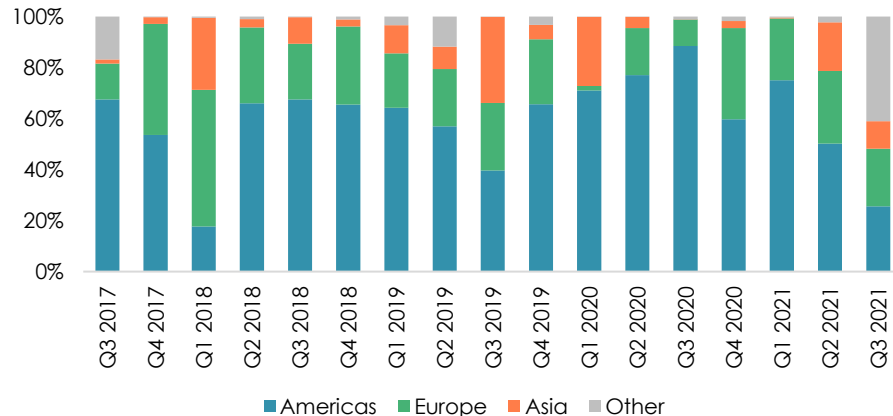


Fundraising deal value and volume

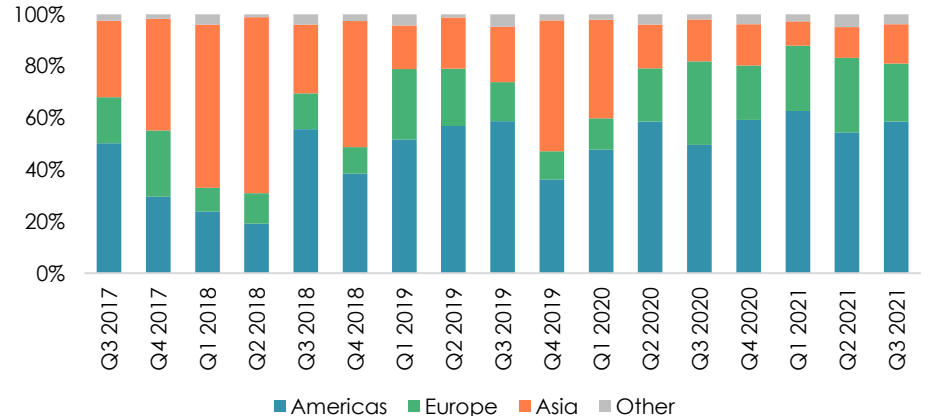
\$bn, number of deals



M&A deal value by region



Fundraising deal value by region

































Sources: Pitchbook (as of 30 September 2021)

Note: (1) Spike in value in Q3 2019 due to four extraordinarily large transactions with an aggregate value of c.\$185bn: Ant Group/Alibaba (\$66bn), Worldplay/FIS (\$48bn), First Data/Fiserv (\$46bn), and Total Systems Services/Global Payments (\$24bn); (2) Spike in value in Q4 2020 due to an extraordinarily large transaction of \$22bn (TD Ameritrade/Charles Schwab & Co); and (3) Spike in fundraises value in Q2 2018 was caused by an extraordinarily large investment in Ant Financial (\$14bn)

Uptick in M&A activity in Q3 2021

There has been a flurry of M&A activity in the Payments sector, with mega-deals including Square's acquisition of AfterPay (BNPL) for \$29bn, PayU acquisition of BillDesk (Payments) for \$4.7bn, and PayPal's acquisition of Paidy (BNPL) for \$2.7bn

Deal date	Target	Buyer	Target description	EV (\$m)	Implied EV/LTM Rev
29-Sep-21	 DPO GROUP Think Payments	 Network International Payment Solutions	Online payments processing company	291	-
15-Sep-21	 GreenSky	 Goldman Sachs	Fintech platform for home improvement consumer loan origination	2,240	4.5x
09-Sep-21	 true potential	 Cinven	Investment/wealth platform offering solutions to financial advisers	2,478	-
08-Sep-21	 paidy	 PayPal	Platform that enables consumers to buy online without credit card or pre-registration	2,700	-
08-Sep-21	 mineraltree	 globalpayments	Mobile and online accounts payable automation software	500	-
31-Aug-21	 BillDesk	 PayU	Indian online payment gateway	4,700	-
25-Aug-21	 trunarrative Part of LexisNexis Risk Solutions	 LexisNexis	Risk and financial crime management platform	-	-
16-Aug-21	 SAFETY PAY	 Paysafe	Secure online payment solution	441	-
03-Aug-21	 mazooma	 nuvei Payments Technology Network	Micropayment solution company catered to the digital space	371	-
01-Aug-21	 afterpay	 Square	BNPL solution provider	29,000	41.5x
26-Jul-21	 FLEET MORTGAGES	 STARLING BANK	Lender platform selling mortgage and credit services	69	-
23-Jul-21	 STOCARD	 Klarna	Loyalty cards wallet app	133	-
22-Jul-21	 Currencycloud	 VISA	Cloud-based B2B cross-border payments platform	968	-
07-Jul-21	 PayCertify	 ProfitPay	All-In-One payments and digital wallet	750	-
01-Jul-21	 VALITOR	 Rapyd	Electronic payment processing services	100	-

SELECT FINTECH FUNDRAISINGS

Fundraising frenzy in Q3 2021

The record fundraising activity of \$42.5bn (up 3.3x YoY) was driven by large mega-rounds including Revolut (\$800m), Chime (\$750m), Branch (\$567m), and OPay (\$400m)

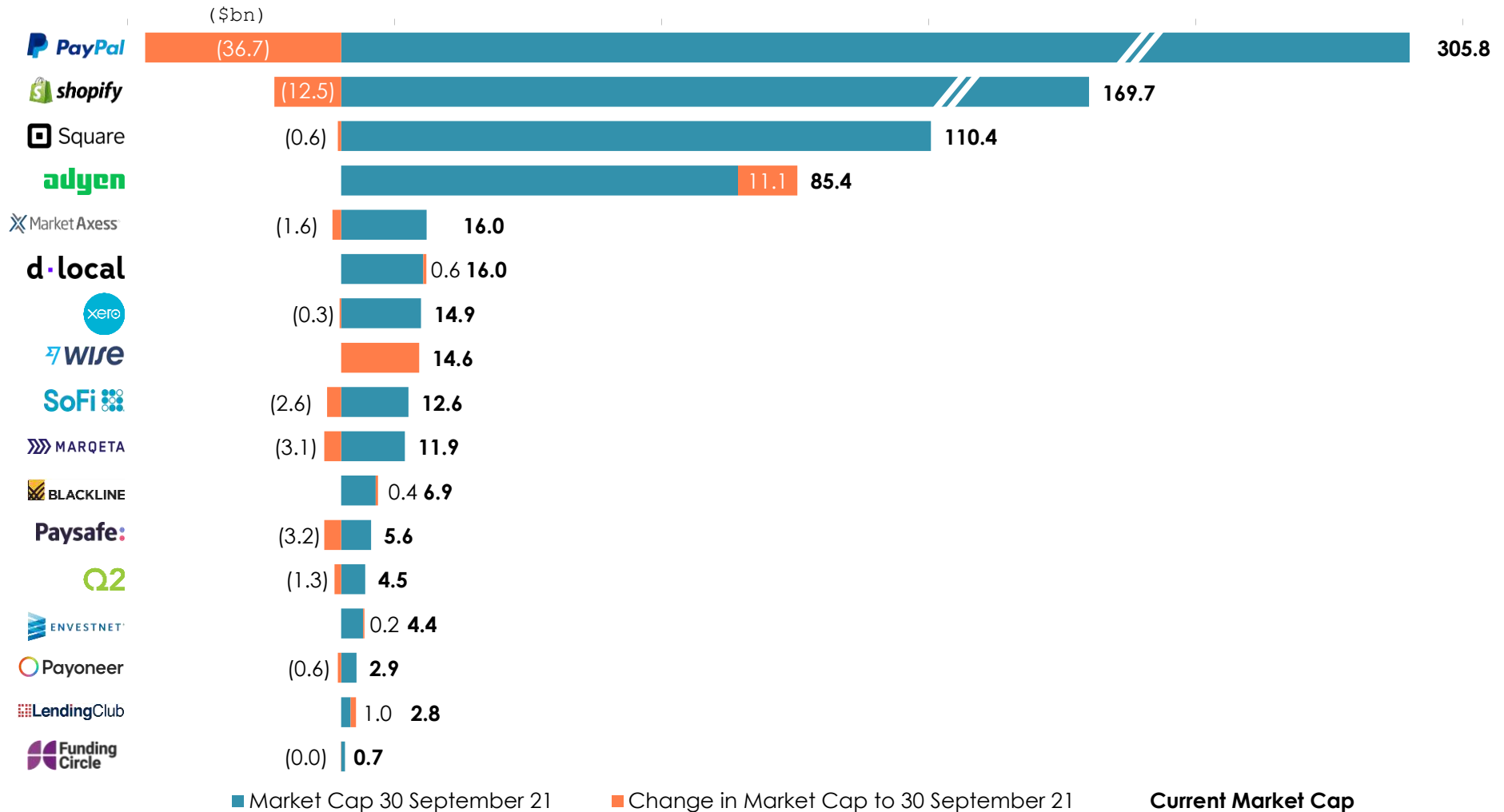
Date	Target	Lead investor(s)	Target description	Capital raised (\$m)
29-Sep-21	konfio	lightrock	Digital banking, payments and software	110
29-Sep-21	Betterment	TREASURY SURVEY	Digital investment advisor	160
22-Sep-21	sunday	COATUE	Restaurant payment solution	100
21-Sep-21	TRUELAYER	TIGERGLOBAL	Open banking platform	130
20-Sep-21	monese	Investec	Challenger bank	90
20-Sep-21	Airwallex	LONE PINE CAPITAL*	Multi-currency payments	200
14-Sep-21	xendit	Accel	End-to-end digital payments	150
09-Sep-21	scalapay	TIGERGLOBAL	BNPL app	155
09-Sep-21	Varo	LONE PINE CAPITAL*	Digital bank	510
07-Sep-21	sendwave	FOUNDERS FUND stripe SEQUOIA HERITAGE	Money transfer service	200
23-Aug-21	ZEPZ	FARALLON <small>ESTABLISHED 1984</small>	Money transfer service that helps migrants send money	292
23-Aug-21	OPay	SoftBank	Mobile payment platform	400
17-Aug-21	bitpanda	VALAR	Cryptocurrency investment platform	263

Date	Target	Lead investor(s)	Target description	Capital raised (\$m)
17-Aug-21	branch	ADDITION NEUBERGER BERMAN	Helps businesses accelerate payments	567
16-Aug-21	chime	SEQUOIA	Challenger bank	750
13-Aug-21	ualá	SoftBank Tencent	Personal finance management	350
03-Aug-21	Rapyd	TARGET GLOBAL	Banking and remittance services	300
02-Aug-21	kuda.	TARGET GLOBAL VALAR	Challenger bank in Nigeria	55
26-Jul-21	Solarisbank		Banking-as-a-Service platform	224
22-Jul-21	zilch	dmg::ventures	BNPL app	193
15-Jul-21	Revolut	SoftBank TIGERGLOBAL	Challenger bank	800
12-Jul-21	tide	Apax digital	Business banking platform	100
12-Jul-21	LUNAR	HEARTLAND KINNEVIK Tencent	Digital bank that offers a mobile-based banking app	250
07-Jul-21	bung	POLLEN STREET	Independent neobank	228
07-Jul-21	younited credit.		Online platform to facilitate financial transactions	168
05-Jul-21	PLEO	BainCapital THRIVE CAPITAL	Smart payment cards for employees to buy work-related products	150

GP BULLHOUND FINTECH INDEX BY MARKET CAPITALISATION

PayPal and Shopify dominant forces in Fintech

However, the value of GP Bullhound's Fintech index decreased by \$34.4bn, with the biggest share of losses from PayPal and Shopify



Selection of Fintech IPOs



- **Description:** Remittance platform
- **Sector:** Payments
- **Listing date:** 23-Sep
- **Valuation:** \$6.9bn
- **Offering price:** \$43

(24%)



- **Description:** Payment processing services
- **Sector:** Payments
- **Listing date:** 22-Sep
- **Valuation:** \$20bn
- **Offering price:** \$40

(20%)



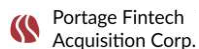
- **Description:** Financial services and trading platform
- **Sector:** Banking Technology
- **Listing date:** 29-Jul
- **Valuation:** \$32.0bn
- **Offering price:** \$38

+21%



- **Description:** Cloud-based software solutions for financial institutions
- **Sector:** Financial Data & Analytics
- **Listing date:** 28-Jul
- **Valuation:** \$2.1bn
- **Offering price:** \$26

(9%)



- **Description:** SPAC for FinTech acquisition
- **Sector:** SPAC
- **Listing date:** 21-Jul
- **Offering price:** \$10.00
- **Offering amount:** \$240m

n.a.



- **Description:** Cloud-based platform for mortgages, loans, and deposits
- **Sector:** Banking Technology
- **Listing date:** 16-Jul
- **Valuation:** €3.9bn
- **Offering price:** \$18

(36%)



- **Description:** Platform for property finance
- **Sector:** Digital Lender
- **Listing date:** 14-Jul
- **Offering amount:** \$355m
- **Offering price:** £1.9

+10%



- **Description:** Remittance platform
- **Sector:** Payments
- **Listing date:** 07-Jul
- **Valuation:** \$12.2bn
- **Offering price:** £8.8

+24%



- **Description:** Cryptocurrency exchange platform
- **Sector:** Crypto
- **Listing date:** 14-Apr
- **Valuation:** \$85.8bn
- **Offering price:** \$250

(31%)



- **Description:** Mobile payment solutions
- **Sector:** Payments
- **Listing date:** n.a.
- **Expected offering amount:** \$1.6bn

n.a.



- **Description:** Automated invoice and payment processing platform
- **Sector:** Payments
- **Listing date:** n.a.
- **Expected offering amount:** \$484m

n.a.



- **Description:** Mobile payment and digital wallet services
- **Sector:** Payments
- **Listing date:** n.a.
- **Expected valuation:** \$9.0bn

n.a.

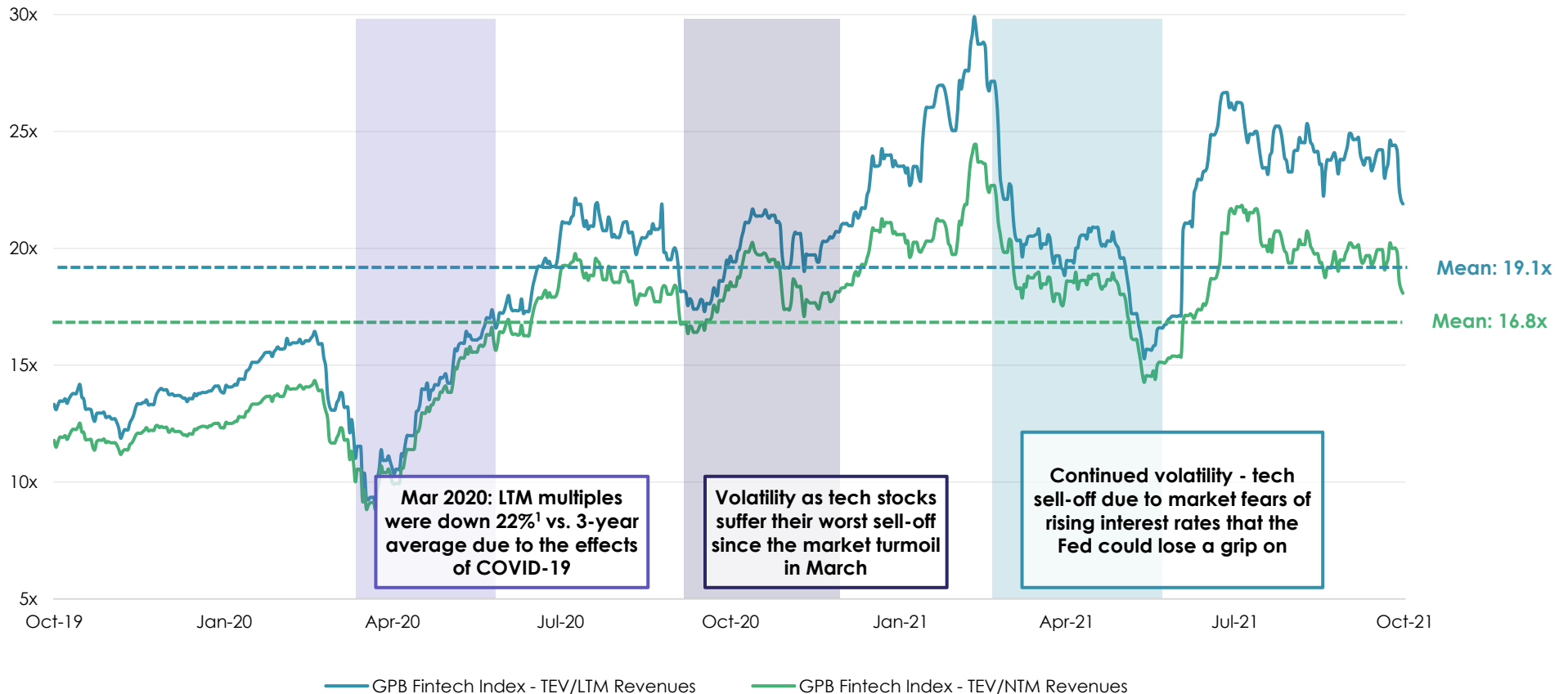
— Announced ● Share price performance as of 30 September

Valuations stabilised at a new level during Q3

Valuation multiples have stabilised over the past month after a second quarter characterised by extremely high volatility

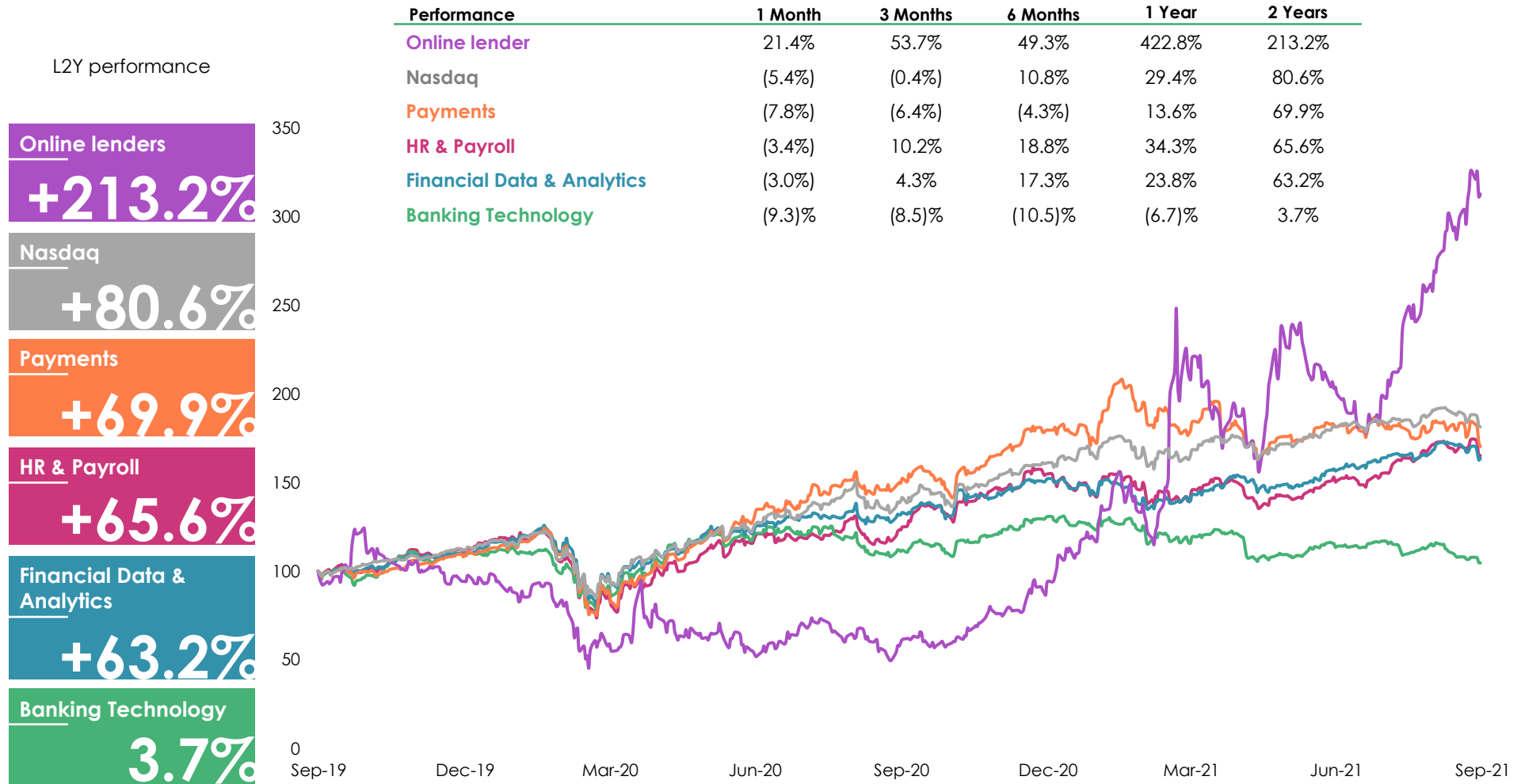
As of 30 September 2021, the fintech index is trading at 21.9x trailing 12-month revenues, which is 14.9% above the 2-year average

As of 30 September 2021, the fintech index is trading at 18.1x next 12-month revenues, which is 7.6% above the 2-year average































SHARE PRICE PERFORMANCE - LAST 2 YEARS

Robust performance through Q3 despite inflation fears



GP BULLHOUND FINTECH INDICES INDICATIVE TRADING VALUATION BENCHMARKS

GP Bullhound Fintech indices valuation benchmarks

Verticals	Select companies	2021E revenue growth ⁽¹⁾	2021E EBITDA margin ⁽¹⁾	EV/2021E revenue ⁽¹⁾	EV/2021E EBITDA ⁽¹⁾
Payments	     	49.8%	30.6%	11.5x	22.4x
Financial data & Analytics	     	12.2%	37.4%	10.6x	24.5x
HR & Payroll	     	10.4%	30.2%	12.6x	32.4x
Banking technology	    	11.7%	32.3%	10.4x	25.2x
Online lenders	    	132.0%	11.8%	15.8x	21.5x

James Wilkinson, Co-founder & CEO


JAMES WILKINSON

CO-FOUNDER & CEO, ZUTO

Zuto

Zuto was founded to bring transparency to the £20bn used car finance market. For too long, customers have had to deal with a high-pressured experience with a distinct lack of transparency, so we set out to change this and put customers first.

“At Zuto we like to do things differently. We are motivated by a desire to change the industry for the better. We’re a purpose led Fintech focused on transforming the way customers finance cars. We are a team of 400 passionate Zutonites, and at the heart of our platform is a marketplace of lending products that give the customer a whole market of choice, whilst delivering the best customer outcome.

Our highly scalable platform matches the right customer with the right lender product in seconds – with a tailored experience relevant to the customers circumstances and requirements. Our future focus remains on bringing simplicity, trust and transparency to the car finance market. We are proud to partner with the biggest automotive marketplaces and price comparison websites, and we’re currently lending over £500m per annum through our platform. We are backed by SEP and have been working with them since 2015.”

Investors



Duncan Grierson, Founder & CEO



DUNCAN GRIERSON

FOUNDER & CEO, CLIM8 INVEST

"Clim8 Invest is a pureplay platform that goes far beyond ESG – we only invest into companies that have a positive impact on climate change.

Sustainable investment can be 20x more impactful on a person's carbon footprint than eating less meat, flying less, buying green energy and cycling more.

And as per Al Gore – *"Combating climate change is not just your generation's life or death struggle but also the single biggest investment opportunity in history."*



Clim8 Invest is building a global investment platform for climate impact. Core investment themes include clean energy, clean technology, sustainable food and smart mobility. The company has raised £12m in funding so far, including media for equity from Channel 4 Ventures. Clim8 Invest has a team of 36 professionals, including 20 on the product-engineering team and 6 on the inhouse investment team.

Investors



PUBLIC COMPARABLES BY CATEGORY

Public comparables – Payments

Company	Market Cap (USDm)		Revenue Growth		EBITDA Growth		EBITDA Margin			EV / Revenue			EV / EBITDA			P/E			Share Price Performance
	30/Sep/21	30/Sep/21	20/21	21/22	20/21	21/22	CY2020	CY2021	CY2022	CY2020	CY2021	CY2022	CY2020	CY2021	CY2022	CY2020	CY2021	CY2022	LTM
Payments																			
High Growth Omnichannel Payments																			
PayPal	305,755	303,050	20%	23%	77%	24%	20.0%	29.6%	29.8%	14.1x	11.8x	9.6x	70.6x	39.8x	32.2x	n.m	55.1x	44.0x	32%
Shopify	169,659	162,980	58%	34%	240%	2%	8.0%	17.2%	13.1%	n.m.	35.2x	26.2x	n.m.	n.m.	n.m.	n.m	n.m	n.m	33%
Square	110,393	110,976	103%	12%	2217%	29%	0.5%	5.5%	6.3%	11.7x	5.8x	5.2x	n.m.	n.m.	81.4x	n.m	128.3x	103.7x	48%
Adyen	85,408	81,679	49%	39%	60%	41%	57.2%	61.4%	62.7%	n.m.	n.m.	n.m.	n.m.	n.m.	80.7x	n.m	n.m	114.9x	54%
FIS	75,161	93,464	11%	8%	47%	11%	33.4%	44.3%	45.7%	7.4x	6.7x	6.2x	22.3x	15.2x	13.6x	96.8x	18.6x	16.1x	(17%)
Fiserv	71,849	92,851	9%	7%	35%	10%	31.8%	39.6%	40.7%	6.3x	5.8x	5.4x	19.7x	14.5x	13.2x	126.6x	19.5x	16.7x	5%
Affirm	32,388	32,904	135%	34%	n.a.	n.a.	(13.9%)	(37.1%)	(6.5%)	n.m.	31.8x	23.7x	n.m.	n.m.	n.m.	n.m	n.m	n.m	n.a.
Pageseguro	17,027	16,801	126%	34%	41%	55%	47.0%	29.4%	34.0%	20.7x	9.2x	6.8x	44.0x	31.2x	20.1x	79.8x	55.1x	34.7x	37%
Dlocal	15,981	15,718	128%	61%	215%	63%	29.2%	40.3%	40.7%	n.m.	n.m.	41.0x	29.2%	n.m.	n.m.	1.5x	n.m	124.9x	n.a.
Wise	14,597	9,200	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	24.6%	n.a.	n.a.	10.3x	n.a.	n.a.	41.9x	n.a	n.a	n.m	n.a.
Marqeta	11,931	10,264	64%	36%	n.a.	n.a.	(15.0%)	(9.8%)	(14.1%)	35.4x	21.5x	15.8x	n.m.	n.m.	n.m.	n.m	n.m	n.m	n.a.
StoneCo	10,726	10,174	188%	78%	39%	80%	100.9%	48.7%	49.3%	36.8x	12.8x	7.2x	36.5x	26.3x	14.6x	69.9x	74.4x	35.2x	(34%)
Paysafe	5,609	7,675	8%	14%	16%	21%	29.3%	31.6%	33.5%	5.4x	5.0x	4.4x	18.4x	15.8x	13.1x	n.m	60.5x	39.0x	n.a.
Payoneer	2,893	2,450	29%	23%	n.a.	52%	(2.8%)	0.5%	0.6%	7.1x	5.5x	4.5x	n.m.	n.m.	n.m.	n.m	n.m	n.m	n.a.
Fawry	1,543	1,466	37%	37%	57%	48%	25.2%	28.9%	31.1%	18.6x	13.7x	9.9x	74.1x	47.2x	31.9x	90.3x	97.9x	64.7x	(30%)
Mean			68.8%	31.4%	276.7%	36.4%	25.1%	23.6%	26.1%	16.3x	13.7x	12.6x	40.8x	27.1x	34.3x	77.5x	63.7x	59.4x	14.1%
Median			53.4%	34.2%	56.9%	35.3%	27.2%	29.5%	31.1%	12.9x	10.5x	8.4x	36.5x	26.3x	26.0x	85.0x	57.8x	41.5x	32.1%
General Payments & Services																			
Global Payments	46,289	55,451	4%	10%	28%	13%	38.1%	46.9%	48.4%	7.5x	7.2x	6.5x	19.6x	15.3x	13.5x	80.2x	19.3x	16.4x	(11%)
Worldline	21,458	26,197	84%	9%	128%	17%	20.6%	25.5%	27.4%	8.2x	4.4x	4.1x	39.8x	17.4x	14.8x	41.4x	27.0x	22.2x	(6%)
Nexi	19,475	22,953	12%	32%	96%	35%	28.1%	49.2%	50.4%	12.0x	10.7x	8.1x	42.7x	21.8x	16.1x	73.7x	38.5x	27.8x	(6%)
ACI Worldwide	3,610	4,644	3%	5%	51%	7%	19.4%	28.3%	28.7%	3.6x	3.5x	3.3x	18.5x	12.3x	11.5x	40.0x	16.4x	15.0x	18%
Network International	2,752	2,793	21%	22%	93%	32%	24.9%	39.7%	42.9%	9.8x	8.1x	6.6x	39.3x	20.4x	15.4x	139.4x	46.9x	29.7x	33%
Cielo	1,141	3,312	4%	6%	57%	13%	13.5%	20.4%	21.7%	1.6x	1.6x	1.5x	12.2x	7.7x	6.9x	11.4x	7.5x	6.4x	(42%)
EVO Payments	1,121	2,435	12%	11%	70%	15%	23.7%	35.9%	37.0%	5.5x	4.9x	4.4x	23.4x	13.8x	12.0x	n.m	27.3x	23.2x	(5%)
Mean			20.2%	13.5%	74.8%	18.8%	24.0%	35.1%	36.7%	6.9x	5.8x	4.9x	27.9x	15.5x	12.9x	64.3x	26.1x	20.1x	(2.7%)
Median			11.7%	9.7%	69.8%	14.7%	23.7%	35.9%	37.0%	7.5x	4.9x	4.4x	23.4x	15.3x	13.5x	57.5x	27.0x	22.2x	(5.6%)
Payment Networks																			
Visa	473,749	478,637	18%	17%	19%	21%	68.6%	69.2%	71.3%	22.3x	19.0x	16.1x	32.5x	27.4x	22.6x	56.5x	36.2x	29.5x	11%
Mastercard	343,082	349,687	23%	19%	24%	27%	57.1%	57.5%	61.0%	22.9x	18.5x	15.5x	40.0x	32.2x	25.5x	71.4x	42.7x	32.8x	3%
Mean			20.4%	18.4%	21.4%	23.8%	62.9%	63.4%	66.2%	22.6x	18.8x	15.8x	36.2x	29.8x	24.1x	64.0x	39.5x	31.2x	7.1%
Median			20.4%	18.4%	21.4%	23.8%	62.9%	63.4%	66.2%	22.6x	18.8x	15.8x	36.2x	29.8x	24.1x	64.0x	39.5x	31.2x	7.1%
Mean (ALL)			49.8%	24.9%	180.5%	29.3%	28.0%	30.6%	32.5%	13.5x	11.5x	10.5x	34.6x	22.4x	25.3x	69.9x	45.4x	41.9x	6.8%
Median (ALL)			23.2%	21.9%	57.1%	23.7%	25.2%	31.6%	33.8%	9.8x	8.1x	6.8x	34.5x	18.9x	15.4x	72.6x	38.5x	29.7x	4.1%

Source: Capital IQ (as of 30 September 2021); Note: EV/Revenue multiples in excess of 50.0x, EV/EBITDA multiples in excess of 100.0x and P/E multiples in excess of 150.0x are considered not-material ('NM') and are not included in average calculation

PUBLIC COMPARABLES BY CATEGORY

Public comparables – Financial data & Analytics

Company	Market Cap		Revenue Growth		EBITDA Growth		EBITDA Margin			EV / Revenue			EV / EBITDA			P/E			Share Price
	(USDm)	EV (USDm)																	Performance
	30/Sep/21	30/Sep/21	20/21	21/22	20/21	21/22	CY2020	CY2021	CY2022	CY2020	CY2021	CY2022	CY2020	CY2021	CY2022	CY2020	CY2021	CY2022	LTM
Financial Data & Analytics																			
S&P Global	102,348	105,215	9%	6%	11%	6%	54.7%	56.1%	56.5%	14.1x	13.0x	12.3x	25.8x	23.2x	21.8x	48.0x	32.3x	29.8x	18%
Moody's	66,114	70,249	11%	6%	14%	5%	49.9%	51.1%	50.5%	13.1x	11.8x	11.1x	26.2x	23.0x	22.0x	45.7x	30.0x	28.7x	23%
Thomson Reuters	54,923	56,548	5%	5%	43%	14%	23.2%	31.6%	34.6%	9.4x	9.0x	8.6x	40.7x	28.5x	24.9x	n.m.	58.2x	46.2x	32%
MSCI	50,153	52,311	19%	12%	24%	13%	55.9%	58.5%	59.1%	30.9x	26.0x	23.2x	55.2x	44.5x	39.2x	111.4x	62.1x	54.9x	71%
IHS Markit	46,513	51,393	8%	5%	31%	9%	35.9%	43.8%	45.5%	12.0x	11.1x	10.6x	33.4x	25.4x	23.2x	103.7x	36.5x	32.9x	49%
Experian	38,297	42,460	14%	9%	28%	11%	30.1%	33.8%	34.5%	8.1x	7.1x	6.5x	26.8x	20.9x	18.8x	56.6x	36.6x	32.1x	6%
Verisk Analytics	32,314	35,454	8%	7%	15%	8%	45.2%	48.5%	49.0%	12.7x	11.8x	11.1x	28.2x	24.4x	22.7x	59.0x	38.9x	33.7x	8%
Equifax	30,876	34,338	17%	6%	51%	16%	26.5%	34.3%	37.3%	8.3x	7.1x	6.7x	31.4x	20.8x	18.0x	88.2x	34.1x	28.4x	62%
TransUnion	21,507	24,550	13%	8%	26%	10%	35.6%	39.9%	40.7%	9.0x	8.0x	7.5x	25.4x	20.1x	18.3x	72.8x	30.3x	27.2x	33%
FactSet	14,915	15,063	7%	7%	12%	10%	33.4%	35.0%	35.8%	9.9x	9.3x	8.7x	29.8x	26.6x	24.2x	54.6x	34.9x	31.6x	18%
FICO	11,296	12,172	2%	7%	37%	14%	30.7%	40.9%	43.6%	9.3x	9.1x	8.5x	30.3x	22.2x	19.5x	55.3x	31.7x	27.7x	(6%)
Black Knight	11,190	13,951	18%	9%	68%	11%	34.3%	48.9%	49.9%	11.3x	9.6x	8.8x	32.8x	19.6x	17.6x	53.1x	31.8x	27.9x	(17%)
Morningstar	11,156	11,244	n.a.	n.a.	n.a.	n.a.	23.6%	n.a.	n.a.	8.1x	n.a.	n.a.	34.2x	n.a.	n.a.	77.9x	n.a.	n.a.	61%
BlackLine	6,896	6,838	20%	21%	n.a.	37%	(0.2%)	11.7%	13.3%	19.4x	16.2x	13.4x	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	32%
Envestnet	4,374	4,971	18%	12%	93%	9%	13.3%	21.9%	21.3%	5.0x	4.2x	3.8x	37.3x	19.3x	17.7x	n.m.	33.9x	33.0x	4%
LiveRamp	3,210	2,673	17%	20%	n.a.	n.a.	(17.5%)	4.5%	7.8%	6.2x	5.3x	4.4x	n.m.	n.m.	56.7x	n.m.	n.m.	109.3x	(9%)
Mean			12.2%	9.3%	34.9%	12.4%	29.7%	37.4%	38.6%	11.7x	10.6x	9.7x	32.7x	24.5x	24.6x	68.9x	37.8x	38.8x	23.9%
Median			12.6%	7.2%	28.1%	10.4%	32.0%	39.9%	40.7%	9.7x	9.3x	8.7x	30.9x	23.0x	21.9x	57.8x	34.1x	31.9x	20.2%

PUBLIC COMPARABLES BY CATEGORY

Public comparables – HR & Payroll

Company	Market Cap		Revenue Growth		EBITDA Growth		EBITDA Margin			EV / Revenue			EV / EBITDA			P/E			Share Price
	(USDm)	EV (USDm)														Performance			
	30/Sep/21	30/Sep/21	20/21	21/22	20/21	21/22	CY2020	CY2021	CY2022	CY2020	CY2021	CY2022	CY2020	CY2021	CY2022	CY2020	CY2021	CY2022	LTM
HR & Payroll																			
Intuit	147,336	145,946	41%	7%	73%	9%	30.5%	37.4%	38.1%	18.9x	13.4x	12.6x	62.1x	36.0x	33.1x	106.3x	51.3x	46.7x	65%
ADP	84,511	85,382	10%	6%	2%	8%	27.2%	25.1%	25.8%	6.1x	5.5x	5.2x	22.2x	21.9x	20.2x	41.3x	32.2x	28.7x	43%
Workday	61,973	60,813	18%	19%	1045%	8%	2.9%	27.8%	25.2%	14.1x	11.9x	10.0x	n.m.	42.8x	39.7x	n.m.	68.2x	69.8x	16%
Paychex	40,552	40,307	10%	5%	15%	4%	41.3%	43.3%	42.7%	10.3x	9.4x	9.0x	25.1x	21.8x	21.0x	47.1x	33.4x	32.4x	41%
Paycom	28,713	28,611	23%	24%	93%	26%	25.2%	39.6%	40.0%	34.0x	27.6x	22.2x	n.m.	69.6x	55.4x	n.m.	112.6x	88.4x	59%
SS&C	17,715	23,994	7%	4%	18%	5%	36.5%	40.3%	40.9%	5.1x	4.8x	4.6x	14.1x	12.0x	11.4x	36.2x	14.4x	13.8x	15%
Coupa Software	16,232	17,206	31%	23%	n.a.	3%	(15.6%)	23.9%	20.2%	31.8x	24.3x	19.8x	n.m.	n.m.	98.2x	n.m.	n.m.	n.m.	(20%)
Paylocity	15,310	15,178	23%	23%	114%	27%	15.1%	26.2%	27.0%	26.3x	21.3x	17.3x	n.m.	81.4x	64.1x	n.m.	130.6x	113.6x	74%
Xero	14,947	14,841	21%	32%	90%	67%	10.3%	16.2%	20.4%	26.7x	22.0x	16.6x	n.m.	n.m.	81.5x	n.m.	n.m.	n.m.	38%
The Sage Group	9,993	10,147	(2%)	6%	(16%)	8%	26.5%	22.6%	23.0%	4.0x	4.0x	3.8x	14.9x	17.8x	16.5x	27.5x	30.6x	27.4x	(2%)
TriNet	6,229	6,187	(73%)	8%	19%	1%	10.0%	44.4%	41.7%	1.5x	5.7x	5.3x	15.3x	12.9x	12.7x	28.4x	20.4x	19.7x	59%
Blucora	759	1,120	15%	5%	71%	9%	10.6%	15.6%	16.3%	1.5x	1.3x	1.2x	14.1x	8.2x	7.5x	88.6x	9.5x	9.2x	65%
Mean			10.4%	13.4%	138.5%	14.6%	18.4%	30.2%	30.1%	15.0x	12.6x	10.6x	24.0x	32.4x	38.4x	53.6x	50.3x	45.0x	37.9%
Median			16.7%	7.2%	70.7%	8.2%	20.2%	27.0%	26.4%	12.2x	10.7x	9.5x	15.3x	21.8x	27.1x	41.3x	32.8x	30.6x	42.1%

PUBLIC COMPARABLES BY CATEGORY

Public comparables – Banking technology

Company	Market Cap (USDm)		Revenue Growth		EBITDA Growth		EBITDA Margin			EV / Revenue			EV / EBITDA			P/E			Share Price Performance
	30/Sep/21	30/Sep/21	20/21	21/22	20/21	21/22	CY2020	CY2021	CY2022	CY2020	CY2021	CY2022	CY2020	CY2021	CY2022	CY2020	CY2021	CY2022	LTM
Banking Technology																			
MarketAxess	15,986	15,640	7%	14%	1%	16%	59.1%	56.1%	57.1%	22.7x	21.3x	18.7x	38.4x	37.9x	32.8x	67.0x	55.4x	48.0x	(13%)
Jack Henry	12,143	12,253	7%	8%	33%	9%	26.2%	32.6%	33.2%	7.1x	6.7x	6.2x	27.3x	20.5x	18.7x	52.9x	37.5x	33.8x	1%
Temenos	9,922	10,917	11%	10%	81%	10%	28.3%	45.8%	45.8%	12.3x	11.0x	10.0x	43.5x	24.1x	21.8x	85.4x	35.2x	31.3x	2%
Q2	4,525	4,728	24%	19%	n.a.	43%	(13.8%)	6.9%	8.3%	11.7x	9.5x	8.0x	n.m.	n.m.	96.7x	n.m.	n.m.	n.m.	(12%)
Bottomline Technologies	1,793	1,814	10%	12%	139%	16%	9.2%	20.0%	20.9%	4.1x	3.7x	3.3x	43.9x	18.4x	15.8x	n.m.	36.7x	32.1x	(7%)
Mean			11.7%	12.3%	63.5%	18.9%	21.8%	32.3%	33.1%	11.6x	10.4x	9.3x	38.3x	25.2x	37.2x	68.4x	41.2x	36.3x	(5.7%)
Median			9.9%	11.6%	56.9%	15.6%	26.2%	32.6%	33.2%	11.7x	9.5x	8.0x	41.0x	22.3x	21.8x	67.0x	37.1x	33.0x	(6.8%)

PUBLIC COMPARABLES BY CATEGORY

Public comparables – Online lenders

Company	Market Cap (USDm)		Revenue Growth		EBITDA Growth		EBITDA Margin			EV / Revenue			EV / EBITDA			P/E			Share Price Performance
	30/Sep/21	30/Sep/21	20/21	21/22	20/21	21/22	CY2020	CY2021	CY2022	CY2020	CY2021	CY2022	CY2020	CY2021	CY2022	CY2020	CY2021	CY2022	LTM
	Online Lenders																		
Upstart	30,384	29,902	206%	42%	n.m.	28%	9.7%	18.4%	16.5%	n.m.	40.5x	28.5x	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.a.
SoFi	12,883	15,311	72%	50%	n.a.	648%	(12.0%)	3.1%	15.5%	41.2x	15.8x	10.5x	n.m.	n.m.	67.8x	n.m.	n.m.	n.m.	n.a.
LendingClub	2,784	3,097	144%	40%	n.a.	n.a.	11.5%	n.a.	23.0%	9.7x	4.0x	2.9x	84.2x	n.a.	12.5x	n.m.	n.m.	23.1x	500%
Funding Circle	790	868	106%	10%	n.a.	47%	(53.6%)	13.8%	18.5%	4.0x	3.0x	2.7x	n.m.	21.5x	14.6x	n.m.	21.8x	29.3x	93%
Lendinvest	407	519	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	23.5%	n.a.	n.a.	3.2x	n.a.	n.a.	13.4x	n.a.	n.a.	17.7x	n.a.
Mean			132.0%	35.5%	n.m.	241.1%	(11.1%)	11.8%	19.4%	18.3x	15.8x	9.5x	n.m.	21.5x	27.1x	n.m.	21.8x	23.4x	296.4%
Median			125.0%	41.2%	n.m.	47.3%	(1.2%)	13.8%	18.5%	9.7x	9.9x	3.2x	n.m.	21.5x	14.0x	n.m.	21.8x	23.1x	296.4%

Methodology

This report is based on the expert insights of GP Bullhound's worldwide team alongside detailed analysis of investment trends across the global technology landscape. GP Bullhound's Fintech sector comprises Payments, Financial Data & Analytics, HR & Payroll and Banking Technology.

GP Bullhound's Fintech team

Based in our London office, Claudio Alvarez heads up our Fintech practice, which has completed over 20 transactions involving both equity and debt.

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