

# FT PARTNERS FINTECH INDUSTRY RESEARCH

July 31, 2017



## **Toast Raises \$101 million in Financing Led by**

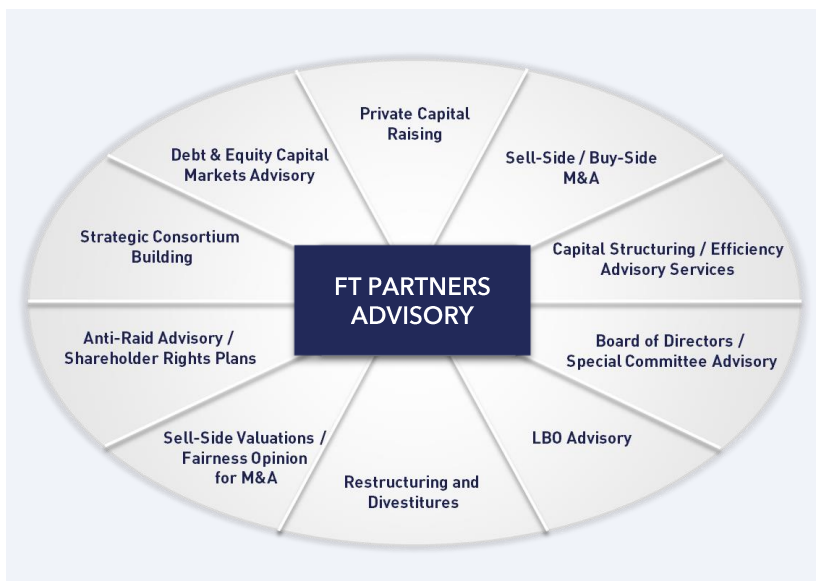
generation\_\_\_\_\_



## Overview of FT Partners

- Financial Technology Partners ("FT Partners") was founded in 2001 and is the only investment banking firm focused exclusively on FinTech
- FT Partners regularly publishes research highlighting the most important transactions, trends and insights impacting the global Financial Technology landscape. Our unique insight into FinTech is a direct result of executing hundreds of transactions in the sector combined with over 15 years of exclusive focus on Financial Technology

### FT Partners' Advisory Capabilities



### FT Partners' FinTech Industry Research

FINTECH RESEARCH & INSIGHTS

- In-Depth Industry Research Reports
- Proprietary FinTech Infographics
- Monthly FinTech Market Analysis
- FinTech M&A / Financing Transaction Profiles



**The Information**

Named Silicon Valley's #1 FinTech Banker (2016) and ranked #2 Overall by *The Information*



Ranked #4 Most Influential Person in all of FinTech in *Institution Investor's* "FinTech Finance 35"



Numerous Awards for Transaction Excellence including "Deal of the Decade"

Steve McLaughlin: *Founder & CEO*

Tel: 415.992.8880

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# Toast Raises \$101 million in Financing

## Transaction Summary



### Transaction Summary

 **Toast is a mobile and cloud based POS restaurant technology platform**

- On July 25, 2017, Toast announced that it has raised \$101 million in financing led by new investors Generation Investment Management and Lead Edge Capital
  - Existing investors, including Bessemer Venture Partners, also participated in the round
- The Company plans to use the funds to continue building out its cloud platform for restaurants through:
  - Additional investment in its online ordering solution
  - Improving on key areas, such as self-ordering kiosks, pay-at-the-table feature, CRM / marketing tools, reporting / analytics and loyalty solutions
  - Leveraging data collected to create a more personalized experience and improve costs
- Toast also plans to double its hiring plan and is on track to nearly triple its employee count over the next 18 months
  - Key hires so far include Hugh Scandrett as VP of Engineering (formerly at IBM and Kronos) and John Morrison as VP of Services (formerly at Oracle MICROS)

### Transaction Commentary

*"We've rapidly expanded our business over the past year by delivering on our mission and promise to be obsessed with customer success. We plan to accelerate our growth even faster in the year ahead with strategic investments that will help our restaurant customers focus on delivering great food and guest experiences."*



**Chris Comparato**  
CEO



*"The restaurant industry has historically been slower than others to adopt technology, leading to operational inefficiencies and missed opportunities. Advances in hardware, software and cloud computing are shifting that dynamic. Toast is leading this digital shift with its powerful, yet easy-to-deploy platform that is democratizing access to best-in-class technology. With Toast, all restaurants can maximize revenue, optimize operations, digitize paper processes, reduce food waste and other costs, and ultimately deliver a superior dining experience."*



**Greg Wasserman**  
Partner



# Toast Raises \$101 million in Financing

## Toast Overview



### Company Overview



**CEO:** Chris Comparato  
**Headquarters:** Boston, MA  
**Founded:** 2011

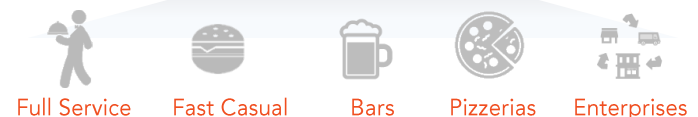
- **Toast provides an all-in-one, cloud-based point of sale and restaurant management platform**
  - The Company offers additional functions including table side and online ordering, real time reporting, labor management and loyalty programs
- **Toast currently has over 50 mid-market and enterprise level customers and continues to add smaller local restaurants as well**
  - Toast's API Partner Program, which offers software integrations for merchants, includes partners such as Grubhub, LevelUp, Paytronix and Restaurant 365
- **The Company also has solutions specifically for cafes, pizzerias, food trucks and ice cream shops, among others**
- **Currently employs over 500 people across the US**

### Products & Services Overview



*Full service, tablet based or mobile point of sale systems*

- ✓ **Reporting** - sales, customers, labor, menu
- ✓ **Inventory** - inventory control, reports, calculators
- ✓ **Gift cards** - physical and virtual cards
- ✓ **Loyalty** - integrate loyalty with ordering and payment processes
- ✓ **Online ordering** - POS integrations and kitchen workflow management
- ✓ **Kiosk** - kiosks for table side ordering, integrated into CRM
- ✓ **Hardware** - Android hardware system for tableside, terminals or kitchen



# Toast Raises \$101 million in Financing

## Generation Investment Management Overview



### Overview

generation



**Al Gore**  
Chairman



**David Blood**  
Senior Partner



**Peter Harris**  
Partner, COO



**Colin le Duc**  
Partner, Co-  
CIO – Growth  
Equity Strategy

### Locations

- London, UK (HQ)
- New York, NY

### About

- Founded in 2004 by David Blood and Al Gore, Generation Investment Management (Generation IM) is an investment management partnership focused on key drivers of global change
- The firm believes that sustainability factors directly affect long-term business profitability and have therefore dedicated a global research platform to integrate sustainability research into fundamental financial analysis
- Generation IM seek to capitalize on opportunities to invest in growth stage private and publically listed businesses that are generating value by contributing to toward the transition to a low carbon sustainable economy

### Investment Preferences

#### Investment Criteria

<b>Fund Size:</b>	\$638 mm
<b>Fund Raised:</b>	2008
<b>Investment Range:</b>	NA
<b>Revenue:</b>	NA
<b>EBITDA:</b>	NA

#### General Preferences <sup>1</sup>

<b>Control:</b>	Minority
<b>Geography:</b>	North America, Europe
<b>Transaction Type:</b>	Growth
<b>Industry Focus:</b>	Smart Mobility, Sustainable Consumption, Energy Innovation, Industrial Efficiency, Financial Innovation, Intelligent Buildings, Food System Transformation, Enterprise Efficiency

### Selected Recent Investments / Exits

#### FinTech / Financial Services Investments <sup>2</sup>

Date	Company	Deal Amt. <sup>3</sup>	Board Rep.	Sector
07/17	<b>Toast (Series C)</b>	\$101	NA	Pymts
10/15	<b>DocuSign (Series F)</b>	310	NA	FMS

#### Other Notable Investments <sup>2</sup>

Date	Company	Deal Amt. <sup>3</sup>	Board Rep.	Sector
12/16	<b>Optoro (Series D)</b>	\$30	NA	Cloud
12/15	<b>M-Kopa (Series E)</b>	19	NA	Energy
11/15	<b>Harvest Power (Later Stage VC)</b>	20	NA	Energy
03/15	<b>GreenRoad (Series C)</b>	26	NA	AutoTech
03/15	<b>TerraLUX (Series C)</b>	11	NA	Tech
12/14	<b>Optoro (Series C)</b>	50	NA	Cloud
10/14	<b>Harvest Power (Later Stage VC)</b>	20	NA	Energy
09/14	<b>Seventh Generation (Unilever)*</b>	30	NA	House
01/14	<b>Nest Labs (Alphabet)*</b>	200	NA	IoT
07/13	<b>TerraLUX (Series B)</b>	2	NA	Tech
05/13	<b>Tigo (Later Stage VC)</b>	13	NA	Energy
04/13	<b>GreenBytes (Oracle)*</b>	7	NA	Database
05/12	<b>Infinite Power Solutions (Undisclosed Investors)*</b>	10	NA	Energy

Source: Company website, PitchBook

1) Italics indicate preferred control / geography

3) Deal Amount in mm

2) \* denotes M&A exit; \*\* denotes IPO exit

# Toast Raises \$101 million in Financing

FT PARTNERS RESEARCH

## Lead Edge Capital Overview



### Overview



**Mitchell Green**  
Founding Partner



**Nimay Mehta**  
Partner



**Brian Neider**  
Partner



**Jim Schneider**  
Operating Partner

### Locations

- New York, NY

### About

- Lead Edge Capital is a multi-stage growth equity firm that offers entrepreneurs flexible capital and extensive domain expertise via its Limited Partner Network, a global advisory group of leading executives, entrepreneurs and dealmakers
- Founded in 2009, Lead Edge Capital has invested in many leading technology companies and currently has \$400 mm in assets under management
- Primarily focuses on early- and late- stage venture Investments, but also has the ability to participate in large growth financings
- Doesn't require minimum ownership levels or require their investment professionals be given a seat on the company's board of directors

### Investment Preferences

#### Investment Criteria

<b>Fund Size:</b>	\$150mm
<b>Fund Raised:</b>	2013
<b>Investment Range:</b>	\$5–25mm
<b>Revenue:</b>	\$5 mm+
<b>EBITDA:</b>	NA

#### General Preferences <sup>1</sup>

<b>Control:</b>	Minority
<b>Geography:</b>	North America, Europe, Asia / Pac, Latin America
<b>Transaction Type:</b>	Seed, Venture, Growth
<b>Industry Focus:</b>	Payments Technology, SaaS, Internet, E-Commerce, Media

### Selected Recent Investments / Exits

#### FinTech / Financial Services Investments <sup>2</sup>

Date	Company	Deal Amt. <sup>3</sup>	Board Rep.	Sector
07/17	Toast (Series C)	\$101	NA	Pymts
07/15	ClearScore (Early Stage VC)	16	NA	Bankg
10/14	VivaReal (Series C)	42	NA	Bankg
04/14	BuzzBanking (Series D)	19	Scott Booth	Bankg
11/12	MINDBODY (Later-Stage VC)**	35	NA	HCIT
11/11	Marketo (Series F)**	50	NA	CapMkts

#### Other Notable Technology Investments <sup>2</sup>

Date	Company	Deal Amt. <sup>3</sup>	Board Rep.	Sector
10/15	Enlighten (Series B)	\$53	NA	AdTech
09/15	BlaBlaCar (Series D)	200	NA	Mobile
08/15	Alignable (Early-Stage VC)	8	NA	Online
07/15	Catawiki (Series C)	82	Mitchell Green	E-Comm
06/15	Bao Pinche (Series A)	8	NA	Mobile
05/15	Ovuline (Seed)	3	NA	HCIT
05/15	Algolia (Series A)	18	NA	Online
05/15	Kapost (Series D)	10	Brian Neider	Dig Med
04/15	Appirio (Wipro)*	35	NA	SaaS
03/15	Duo Security (Series C)	30	NA	Security
03/15	Cursogram (Early-Stage VC)	1	NA	Edu

Source: Company website, PitchBook

1) Italics indicate preferred control / geography

2) \* denotes M&A exit; \*\* denotes IPO exit

3) Deal Amount in mm



## Selected FT Partners' Research – *Click to View*



Global Money Transfer



Transaction Security



Heartland's Sale to Global Payments



Adyen's Rise to One of the Most Valuable Payments Companies



CardConnect's \$750 million to First Data



Central Payment's Strategic Investment from TSYS



Vista Equity Partners Acquires a Majority Stake in PayLease



Vantiv Acquires Worldpay for ~\$9.9 billion



Paysafe Acquires Merchants' Choice Payment Solutions



Vista Equity Partners Acquires PayLease



Ingenico Group Acquires Bambora for ~\$1.7 billion



GTCR Acquires Sage Payment Solutions for \$260 million

[VIEW MORE FT PARTNERS RESEARCH](#)

# FT Partners – Focused Exclusively on FinTech

FT PARTNERS RESEARCH

## Strong Domain Expertise in Payments Investment Banking

<p>Financial Technology Partners LP FTP Securities LLC</p> <p>is pleased to announce its role as strategic and financial advisor to</p> <p><b>Heartland</b></p> <p>in its sale to</p> <p><b>globalpayments</b></p> <p>for total consideration of</p> <p><b>\$ 4,500,000,000</b></p> <p>FINANCIAL TECHNOLOGY PARTNERS</p> <p>The Only Investment Bank Focused Exclusively on Financial Technology</p>	<p>Financial Technology Partners LP FTP Securities LLC</p> <p>is pleased to announce its role as strategic and financial advisor to</p> <p><b>MERCURY®</b></p> <p>in its cash sale to</p> <p><b>vantiv™</b></p> <p>for total consideration of</p> <p><b>\$ 1,650,000,000</b></p> <p>FINANCIAL TECHNOLOGY PARTNERS</p> <p>The Only Investment Bank Focused Exclusively on Financial Technology</p>	<p>Financial Technology Partners LP FTP Securities LLC</p> <p>is pleased to announce its role as strategic and financial advisor to</p> <p><b>TRANSFIRST™</b></p> <p>in its sale to</p> <p>Vista Equity Partners from <b>WCAS</b></p> <p>for total consideration of</p> <p><b>\$ 1,500,000,000</b></p> <p>FINANCIAL TECHNOLOGY PARTNERS</p> <p>The Only Investment Bank Focused Exclusively on Financial Technology</p>	<p>Financial Technology Partners LP FTP Securities LLC</p> <p>is pleased to announce its exclusive role as sole strategic and financial advisor to</p> <p><b>GiftCards.com</b></p> <p>in its sale to</p> <p><b>BLACKHAWK NETWORK</b></p> <p>for total consideration of</p> <p><b>\$ 120,000,000</b></p> <p>FINANCIAL TECHNOLOGY PARTNERS</p> <p>The Only Investment Bank Focused Exclusively on Financial Technology</p>	<p>Financial Technology Partners LP FTP Securities LLC</p> <p>is pleased to announce its exclusive role as sole strategic and financial advisor to</p> <p><b>CAYAN®</b></p> <p>in its Significant Growth Recapitalization by</p> <p><b>PARthenon CAPITAL PARTNERS</b></p> <p>FINANCIAL TECHNOLOGY PARTNERS</p> <p>The Only Investment Bank Focused Exclusively on Financial Technology</p>
<p>Financial Technology Partners LP FTP Securities LLC</p> <p>is pleased to announce its exclusive role as sole strategic and financial advisor to</p> <p><b>MERCURY®</b></p> <p>in its approximately 60% Growth</p> <p><b>SILVERLAKE</b></p> <p>for a value up to</p> <p><b>\$ 900,000,000</b></p> <p>FINANCIAL TECHNOLOGY PARTNERS</p> <p>The Only Investment Bank Focused Exclusively on Financial Technology</p>	<p>Financial Technology Partners LP FTP Securities LLC</p> <p>is pleased to announce its exclusive role as sole strategic and financial advisor to</p> <p><b>cardsPRING</b></p> <p>in its sale to</p> <p><b>twitter</b></p> <p>FINANCIAL TECHNOLOGY PARTNERS</p> <p>The Only Investment Bank Focused Exclusively on Financial Technology</p>	<p>Financial Technology Partners LP FTP Securities LLC</p> <p>is pleased to announce its role as exclusive strategic and financial advisor to</p> <p><b>CARDINAL® COMMERCE</b></p> <p>in its sale to</p> <p><b>VISA</b></p> <p>for total consideration of</p> <p><b>\$ 300,000,000</b></p> <p>FINANCIAL TECHNOLOGY PARTNERS</p> <p>The Only Investment Bank Focused Exclusively on Financial Technology</p>	<p>Financial Technology Partners LP FTP Securities LLC</p> <p>is pleased to announce its exclusive role as sole strategic and financial advisor to</p> <p><b>MARQETA</b></p> <p>in its Series C minority financing from</p> <p><b>COMMERZ VENTURES</b> Commerce Group</p> <p><b>83NORTH</b> EV a capital group</p> <p>for total consideration of</p> <p><b>\$ 25,000,000</b></p> <p>FINANCIAL TECHNOLOGY PARTNERS</p> <p>The Only Investment Bank Focused Exclusively on Financial Technology</p>	<p>Financial Technology Partners LP FTP Securities LLC</p> <p>is pleased to announce its exclusive role as sole strategic and financial advisor to</p> <p><b>YAPSTONE™</b> ePayments as a Service</p> <p>in its minority investment led by</p> <p><b>ACCEL PARTNERS</b></p> <p>for total consideration of approximately</p> <p><b>\$ 50,000,000</b></p> <p>FINANCIAL TECHNOLOGY PARTNERS</p> <p>The Only Investment Bank Focused Exclusively on Financial Technology</p>
<p>Financial Technology Partners LP FTP Securities LLC</p> <p>is pleased to announce its exclusive role as sole strategic and financial advisor to</p> <p><b>VERUS</b></p> <p>in its sale to</p> <p><b>sage</b></p> <p>for cash consideration of approximately</p> <p><b>\$ 325,000,000</b></p> <p>FINANCIAL TECHNOLOGY PARTNERS</p> <p>The Only Investment Bank Focused Exclusively on Financial Technology</p>	<p>Financial Technology Partners LP FTP Securities LLC</p> <p>is pleased to announce its exclusive role as sole strategic and financial advisor to</p> <p><b>SOLVERAS</b> PAYMENT SOLUTIONS™</p> <p>in its sale to</p> <p><b>TRANSFIRST™</b></p> <p>for total consideration of approximately</p> <p><b>\$ 51,000,000</b></p> <p>FINANCIAL TECHNOLOGY PARTNERS</p> <p>The Only Investment Bank Focused Exclusively on Financial Technology</p>	<p>Financial Technology Partners LP FTP Securities LLC</p> <p>is pleased to announce its exclusive role as sole strategic and financial advisor to</p> <p><b>Lynk</b></p> <p>in its sale to</p> <p><b>The Royal Bank of Scotland</b></p> <p>for cash consideration of approximately</p> <p><b>\$ 525,000,000</b></p> <p>FINANCIAL TECHNOLOGY PARTNERS</p> <p>The Only Investment Bank Focused Exclusively on Financial Technology</p>	<p>Financial Technology Partners LP FTP Securities LLC</p> <p>is pleased to announce its exclusive role as sole strategic and financial advisor to</p> <p><b>PROPAY™</b></p> <p>in its sale to</p> <p><b>TSYS®</b></p> <p>for total consideration of approximately</p> <p><b>\$ 135,000,000</b></p> <p>FINANCIAL TECHNOLOGY PARTNERS</p> <p>The Only Investment Bank Focused Exclusively on Financial Technology</p>	<p>Financial Technology Partners LP FTP Securities LLC</p> <p>is pleased to announce its exclusive role as sole strategic and financial advisor to</p> <p><b>nmi</b></p> <p>in its growth investment by</p> <p><b>Bregal</b> Sagemount</p> <p>for total consideration of approximately</p> <p><b>\$ 200,000,000</b></p> <p>FINANCIAL TECHNOLOGY PARTNERS</p> <p>The Only Investment Bank Focused Exclusively on Financial Technology</p>



## Ground-Breaking Payments Transactions Pioneered by FT Partners



in its sale to

**FinTech Acquisition Corp**  
(NASDAQ: FNTC)

**\$ 438,000,000**

Sale of a payment processor to a SPAC vehicle



in its sale to



**\$ 4,500,000,000**

Largest U.S. strategic merchant acquiring acquisition in over the last decade



in its Series C financing from



**\$ 25,000,000**

Significant capital raise for next gen processor serving commerce startups and disruptors



in its financing from



**BBVA**

Groundbreaking strategic round for early stage European payments company



in its sale to



**twitter**

First sale of a payments company to an established social media company



in its sale to



**\$ 370,000,000**

First sale of an "International Payments Specialist" to a pure-play consumer remittance provider




in its growth investment by




for a total valuation of nearly

**\$ 200,000,000**

Substantial growth investment in leading payments enablement technology provider



in its approximately 60% growth investment by



for a value up to

**\$ 900,000,000**

First large-scale transaction for an integrated merchant acquirer




in its sale to




**\$ 325,000,000**

First sale of a U.S. merchant acquirer to an international software company; became Sage Payments



in its sale to



**\$ 525,000,000**

First sale of a U.S. merchant acquirer to a large international financial institution; became Worldpay U.S.

## Award-Winning Investment Banking Franchise Focused on Superior Client Results

**FT Partners has been recognized as Investment Banking Firm of the Year and regularly achieves Merger and Financing Deal of the Year recognition**











M&A Advisor Awards



Middle Market Financing Awards

2016	<ul style="list-style-type: none"> <li>Investment Banking Firm of the Year</li> <li>Cross Border Deal of the Year</li> </ul>
2015	<ul style="list-style-type: none"> <li>Dealmaker of the Year</li> <li>Technology Deal of the Year</li> </ul>
2014	<ul style="list-style-type: none"> <li>Equity Financing Deal of the Year</li> <li>Professional Services Deal of the Year, Above \$100mm</li> </ul>
2012	<ul style="list-style-type: none"> <li>Dealmaker of the Year</li> <li>Professional Services Deal of the Year, Above \$100mm</li> </ul>
2011	<ul style="list-style-type: none"> <li>Boutique Investment Bank of the Year</li> <li>Deal of the Decade</li> <li>10 Deal of the Year Nominations Across 9 Categories</li> </ul>
2010	<ul style="list-style-type: none"> <li>Upper Middle Market Deal of the Year, Above \$500 mm</li> <li>IT Services Deal of the Year, Below \$500mm</li> <li>Cross-Border Deal of the Year, Below \$500mm</li> </ul>
2007	<ul style="list-style-type: none"> <li>Dealmaker of the Year – Steve McLaughlin</li> <li>Business to Business Services Deal of the Year</li> <li>Computer and Information Technology Deal of the Year, Above \$100mm</li> <li>Financial Services Deal of the Year, Above \$100mm</li> </ul>
2015	<ul style="list-style-type: none"> <li>Steve McLaughlin ranked #4 in Institutional Investor's FinTech 35 List</li> </ul>
2006 - 2008	<ul style="list-style-type: none"> <li>Consecutively ranked (2006, 2007 and 2008) among the top Bankers in Financial Technology</li> </ul>
2008	<ul style="list-style-type: none"> <li>Equity Financing Dealmaker of the Year – Steve McLaughlin</li> <li>Information Technology Deal of the Year</li> <li>Financial Services Deal of the Year</li> </ul>
2006	<ul style="list-style-type: none"> <li>Financing Professional of the Year – Steve McLaughlin</li> <li>Financing Deal of the Year - Equity</li> <li>Financing Deal of the Year - Debt</li> </ul>

## The FT Partners Senior Banker Team

Name / Position	Prior Background	Experience / Education	Years of Experience
<b>Steve McLaughlin</b> <i>Founder, CEO and Managing Partner</i>		<ul style="list-style-type: none"> <li>Formerly with Goldman, Sachs &amp; Co. in New York and San Francisco from 1995-2002</li> <li>Former Co-Head of Goldman Sachs' Financial Technology Group (#1 market share)</li> <li>Wharton M.B.A.</li> </ul>	22
<b>Larry Furlong</b> <i>Managing Director</i>		<ul style="list-style-type: none"> <li>Formerly with Goldman, Sachs &amp; Co. in New York, London and Los Angeles beginning in 1995</li> <li>Wharton M.B.A.</li> </ul>	22
<b>Greg Smith</b> <i>Managing Director</i>		<ul style="list-style-type: none"> <li>Formerly award winning Equity Research Analyst at Merrill Lynch / J.P. Morgan / Hambrecht &amp; Quist</li> <li>20+ years of experience covering FinTech as both an Analyst and Investment Banker</li> </ul>	21
<b>Osman Khan</b> <i>Managing Director</i>		<ul style="list-style-type: none"> <li>Former Managing Director / Head of FIG M&amp;A at Alvarez &amp; Marsal</li> <li>15+ years FIG deal, consulting and assurance experience at PwC</li> <li>40 Under 40 M&amp;A Advisor Award Winner in 2013</li> <li>LSE (BSc w/Honors), MBS (MBA w/Distinction), ICAEW (FCA)</li> </ul>	20
<b>Steve Stout</b> <i>Managing Director</i>		<ul style="list-style-type: none"> <li>Former Global Head of Strategy at First Data</li> <li>Formerly Led J.P. Morgan Payments Investment Banking</li> <li>Former Equity Research Analyst on #1 ranked team at UBS and Economist at the Federal Reserve Bank</li> </ul>	19
<b>Tim Wolfe</b> <i>Managing Director</i>		<ul style="list-style-type: none"> <li>Formerly with Goldman, Sachs &amp; Co. beginning in 2000</li> <li>Started at FT Partners in 2002</li> <li>40 Under 40 M&amp;A Advisor Award Winner 2013</li> <li>Harvard M.B.A.</li> </ul>	15
<b>Timm Schipporeit</b> <i>Managing Director</i>		<ul style="list-style-type: none"> <li>11+ years with Morgan Stanley, Senior Executive Director of European Technology Investment Banking Team in London</li> <li>Formerly a Venture and Growth Investor focused on FinTech at Index Ventures</li> </ul>	14
<b>Andrew McLaughlin</b> <i>Managing Director, Research &amp; Business Development</i>		<ul style="list-style-type: none"> <li>Leads FT Partners' Research and Business Development Team</li> <li>Formerly with Deloitte Consulting</li> </ul>	11