

# FT PARTNERS FINTECH INDUSTRY RESEARCH

August 29, 2018



**Paytm Raises Approximately \$300 million in  
Financing from Berkshire Hathaway**

**BERKSHIRE  
HATHAWAY INC.**

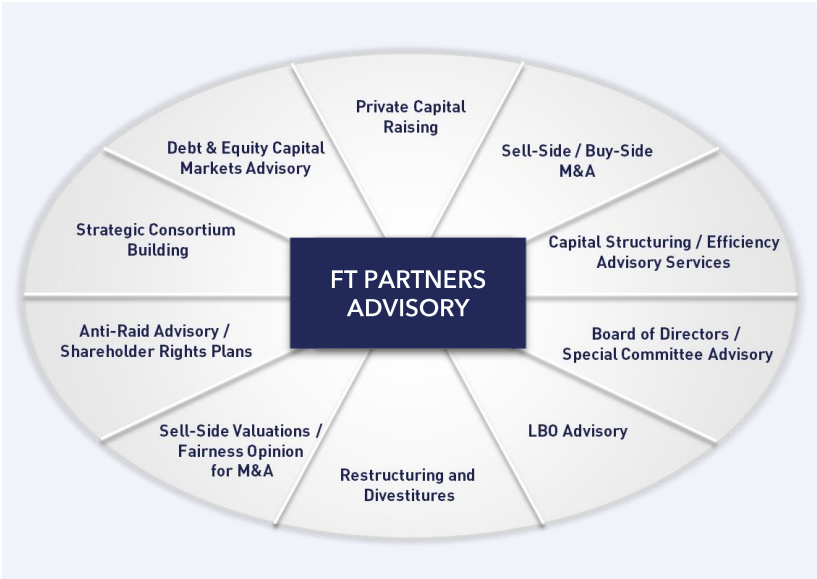
*The Only Investment Bank Focused Exclusively on FinTech*

San Francisco • New York • London

## 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 #1 Most Influential Person in all of FinTech in *Institution Investor's* "FinTech Finance 40"



**THE M&A ADVISOR**

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

# Paytm Raises Approximately \$300 million in Financing

FT PARTNERS RESEARCH



## Transaction Summary

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- On August 27, 2018, Paytm's parent company, One97 Communications, announced it has raised between Rs 2,000 - 2,500 crore (approximately \$284 mm - \$356 mm) in financing from Berkshire Hathaway <sup>(1)</sup>
  - The Financial Times reported the investment was at least \$300 million, with the potential for additional funds depending on performance <sup>(2)</sup>
  - This is the first investment by Berkshire, in a privately held, cash flow-negative company, underlining the potential the firm sees in India's technology market <sup>(1)</sup>
- The investment values One97 at more than \$10 billion, according to Forbes, <sup>(3)</sup> which is an increase from the post money valuation of \$7 billion in May 2017 after Softbank invested \$1.4 billion into the Company <sup>(4)</sup>
- The investment will also be used to double the number of merchants on the platform from 8.5 million to 17 million within the next year <sup>(2)</sup>
- Todd Combs, Investment Manager at Berkshire Hathaway, will join the Company's Board

### In May 2017...

"I think the potential for India is incredible...If you tell me a wonderful company in India that might be available for sale, I'll be there tomorrow." <sup>(5)</sup>

BERKSHIRE HATHAWAY INC.

Warren Buffett  
Founder and CEO



### Parent Company Overview

- One97 Communications is India's leading mobile internet company with more than 4,500 employees
- One97 offers products like mobile Top-Ups, Ticket Booking, Hotel Booking, Superstar Talk, Deals, Music, Video, Games, and Mobile Content
  - Paytm is One97's flagship brand and is India's largest mobile commerce platform and semi-closed mobile wallet



### CEO Commentary

*We feel both excited and humbled by this endorsement. Berkshire's experience in financial services, and long-term investment horizon, is going to be a huge advantage in Paytm's journey of bringing 500 million Indians to the mainstream economy through financial inclusion"*



Vijay Shekhar Sharma  
Founder and CEO



### Investor Commentary

*"I have been impressed by Paytm and am excited about being a part of its growth story, as it looks to transform payments and financial services in India."*

BERKSHIRE HATHAWAY INC.

Todd Combs  
Investment Manager



Source: Paytm blog, FT Partners' Proprietary Transaction Database

1) Economic Times: "Berkshire confirms investment in Paytm; Buffet not involved"

2) Financial Times: "Paytm aims to double merchants after Warren Buffett investment"

3) Forbes: "Berkshire Hathaway Takes Stake In India's Paytm"

4) Economic Times Tech: "Berkshire Hathaway confirms investment in Paytm parent One97 Communications"

5) CNN Money: "India has 'incredible' potential. So why hasn't Warren Buffett invested?"

# Paytm Raises Approximately \$300 million in Financing

FT PARTNERS RESEARCH



## Paytm Overview

### Company Overview



**CEO:** Vijay Shekhar Sharma  
**Headquarters:** New Delhi, India  
**Founded:** 2010

- Paytm is an Indian mobile e-commerce platform; originally started as a provider of mobile recharge and utility bill payments, it now offers a full marketplace to consumers through its mobile application
- In addition to e-commerce and recharge services, the Company offers Paytm wallet, a mobile wallet and payment gateway
- The Company has over 220 million mobile wallet users who carry out over \$4 billion transactions per month <sup>(1)</sup>

### Selected Financing History

Announce Date	Amount (\$ in mm)	Investor(s)
08/27/18	~\$300	BERKSHIRE HATHAWAY INC.
05/22/17	1,400	SoftBank
08/30/16	60	MEDIANTEK
09/29/15	680	Alibaba Group 阿里巴巴集团

### Products & Services Overview

#### Paytm Wallet



##### Consumers:

- RBI-approved digital wallet with over ~10 million daily transactions <sup>(2)</sup>
- Enables online payments and P2P money transfer

##### Merchants:

- Provides a payment gateway with a dashboard for tracking payments, chargebacks, and refunds

#### Online Recharging



- Provides instant recharges for mobile, DTH and data card services for all Indian providers
- Bill payment services for mobile, landline, data cards services as well as electricity and gas utilities
- Available 24/7 from any location with no extra cost

[VIEW PROFILE](#)

[VIEW PROFILE](#)

Source: FT Partners' Proprietary Transaction Database

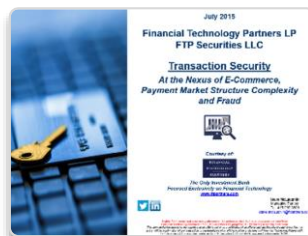
(1) Business Insider "Paytm now sees over \$4 billion in monthly transactions"

(2) Business Standard "Paytm comes out with new measures to expand daily average transaction value"

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



Global Money Transfer



Transaction Security



Klarna: An Online Payments and POS Lending Leader



Adyen's €947 million IPO



Cayan's \$1.05 billion Sale to TSYS



PPRO Raises \$50 million in Financing Led by PayPal



GPS Raises £44 million in minority financing



YapStone's \$71 million Series C Financing



Flywire Raises \$100 million in Series D Financing



Toast Raises \$115 million in Series D Financing



Airwallex Raises \$80 million in Serie B Financing



Ant Financial Raises \$14 billion in Financing

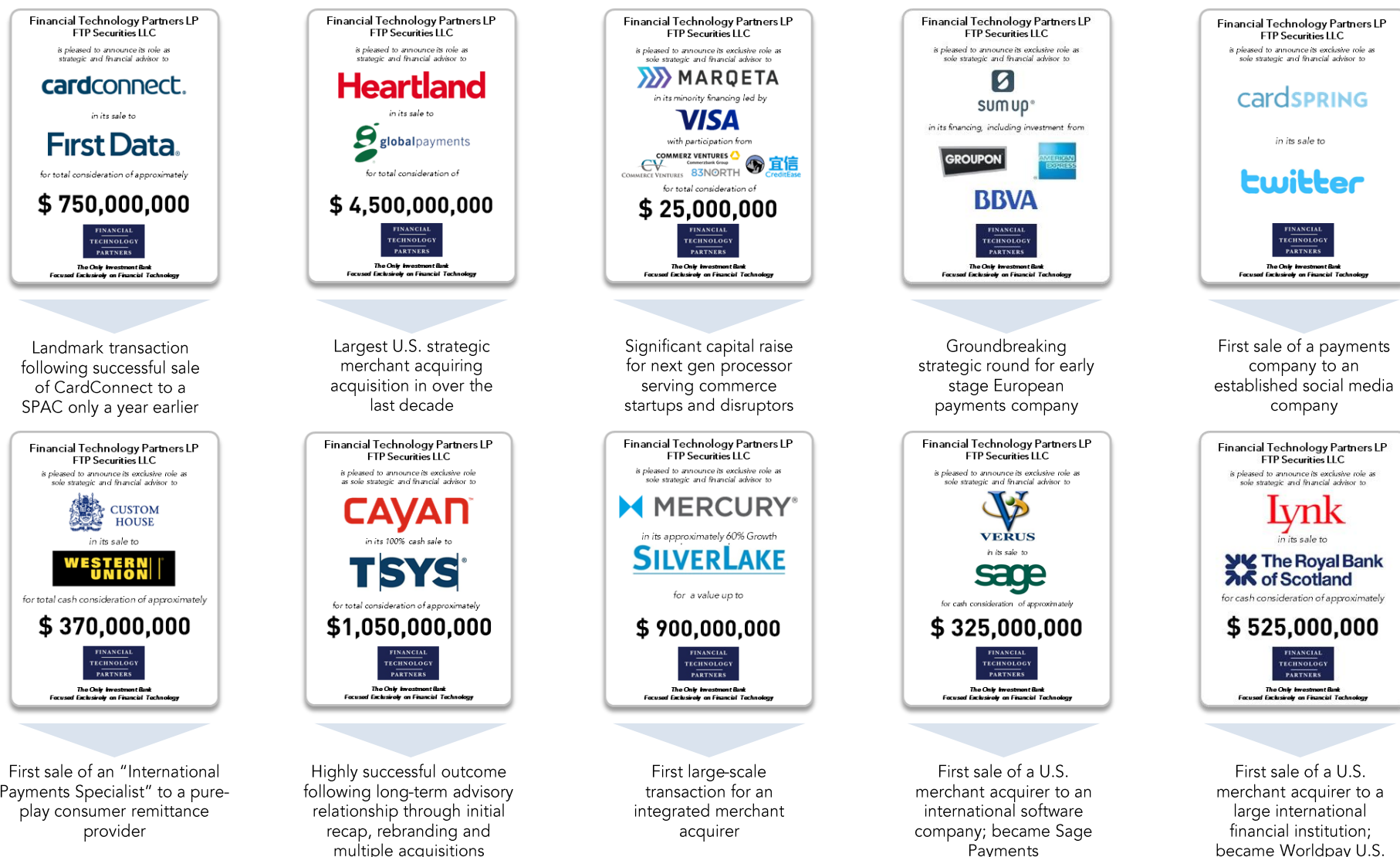
[VIEW MORE FT PARTNERS RESEARCH](#)



***FT Partners has a history of  
executing on some of the  
most ground-breaking  
Payments transactions in the  
last decade+***

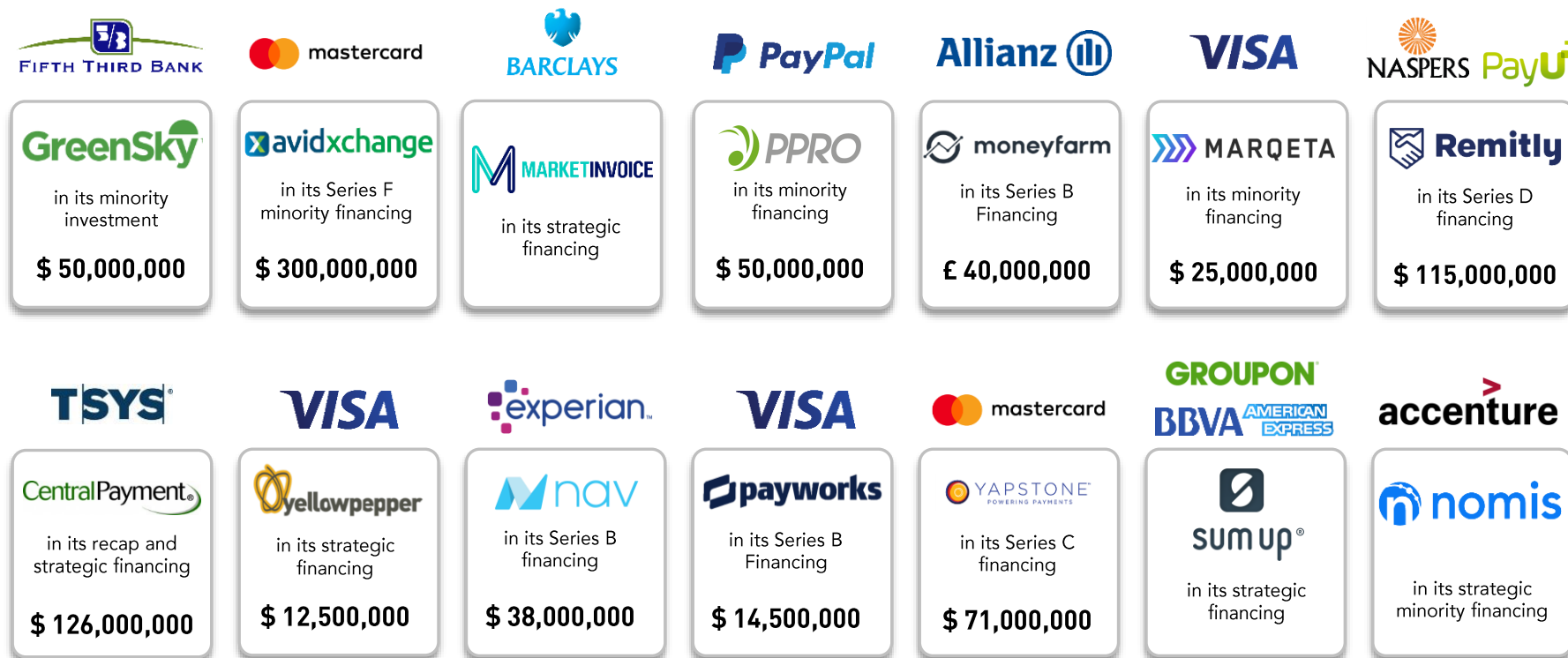


## Ground-Breaking Payments Transactions Pioneered by FT Partners



## FT Partners' Financings with Strategic Involvement

*FT Partners has been highly successful in bringing our clients together with strategic investors*





## ING's Minority Investment in TransferMate

### Overview of Transaction

- On July 27, 2018, ING announced that it has reached an agreement to invest €21,000,000 in TransferMate
- TransferMate and ING have also agreed to a strategic partnership across 18 countries in mainland Europe
- Headquartered in Amsterdam, ING is a global financial institution with a strong European base, offering banking services through its operating company ING Bank
  - The purpose of ING Bank is to empower people to stay a step ahead in life and in business
  - ING Bank's more than 51,000 employees offer retail and wholesale banking services to customers in over 40 countries
- Founded in 2010 in Ireland, TransferMate is a cross-border payments platform that harnesses its technology and global banking infrastructure to serve businesses worldwide

### Significance of Transaction

- The transaction and partnership will allow ING to better serve its customers by harnessing TransferMate's cross-border API technology and payments licenses to reduce costs and improve cash flow

### FT Partners' Role

- FT Partners served as strategic and financial advisor to ING on this transaction
- This transaction further supports FT Partners' continued success in the Payments space and highlights the Firm's versatility in generating attractive outcomes on both the sell-side and the buy-side
- FT Partners leveraged its deep, global industry knowledge and transaction expertise to help achieve a favorable transaction outcome

### Financial Technology Partners LP FTP Securities LLC

*is pleased to announce its role as  
strategic and financial advisor to*



*on its minority investment in*

**TransferMate**  
GLOBAL PAYMENTS

*for a total consideration of*

**€ 21,000,000**



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## PPRO's \$50 million Minority Financing

### Overview of Transaction

- On July 16, 2018, PPRO Group ("PPRO") announced it has raised \$50 million in financing led by PayPal (Nasdaq:PYPL) with participation from Citi Ventures and return investor HPE Growth Capital
- Headquartered in London, UK, with several offices across Europe and the US, PPRO is leading the under-served alternative payments (acquiring) market
- As alternative payment methods (APMs) such as bank transfers, e-wallets and cash-based e-payments continue to become more popular, merchants are increasingly choosing payment partners based on the ever-expanding range of locally relevant payment methods available
- PPRO, through partnerships with leading payment service providers and financial institutions, provides a single platform and relationship for online merchants to accept more than 250 alternative payment options<sup>1</sup> globally
- PPRO also has a leading consumer digital account issuing business in Europe

### Significance of Transaction

- Through this investment, PPRO plans to accelerate the expansion of its payments platform and international presence of its alternative payments acquiring business
- PPRO will also offer a suite of alternative payment methods to PayPal's merchants through the new PayPal Smart Payment Buttons™ product

### FT Partners' Role

- FT Partners served as exclusive strategic and financial advisor to PPRO and its Board of Directors
- This transaction underscores FT Partners' deep Payments domain expertise and its successful track record generating highly favorable outcomes for high growth FinTech companies globally

### Financial Technology Partners LP FTP Securities LLC

*is pleased to announce its exclusive role as  
strategic and financial advisor to*



*in its financing led by*



*with participation from*



*for total consideration of*

# \$ 50,000,000



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1. The number of alternative payments methods (APMs) calculated by breaking down by scheme, connecting bank and country

## FT Partners Advises RecargaPay on its Series B Financing

### Overview of Transaction

- On February 22, 2018, RecargaPay announced it has raised \$22 million in Series B financing
  - New investors in the round include IFC, a member of the World Bank Group, TheVentureCity and Ventech
  - Notable entrepreneurs Fabrice Grinda and Martin Varsavsky, more than 100 angel investors through AngelList and FundersClub, as well as existing investors DN Capital and FJ Labs, also participated
- Headquartered in Sao Paulo, Brazil, RecargaPay is democratizing mobile payments for banked and unbanked consumers in Brazil
  - RecargaPay simplifies daily transactions such as mobile top ups, transport cards, bill payments, gift cards and much more
  - The Company has over 10 million mobile wallet users today and supports millions of monthly mobile transactions

### Significance of Transaction

- With this latest capital raise, RecargaPay will continue to grow its world-class team and focus on building out its products and technology

### FT Partners' Role

- FT Partners served as exclusive strategic and financial advisor to RecargaPay and its Board of Directors
- This transaction underscores FT Partners' successful track record generating highly favorable outcomes for high growth FinTech companies globally

### Financial Technology Partners LP FTP Securities LLC

*is pleased to announce its exclusive role as  
sole strategic and financial advisor to*



*in its Series B financing from*



VENTECH

*for total consideration of*

# \$ 22,000,000



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## FT Partners Advises Cayan on its Sale to TSYS

### Overview of Transaction

- On December 18, 2017, TSYS announced it has entered into an agreement to acquire Cayan in an all cash transaction valued at approximately \$1.05 billion
  - The transaction is expected to close in Q1 2018
- Cayan, a portfolio company of Parthenon Capital Partners, provides technology led acquiring services to more than 70,000 merchants and 100+ integrated partners in the U.S.
  - The Company's flagship Genius platform delivers a seamless and scalable unified commerce experience across channels
- TSYS (NYSE: TSS) is a leading global payments provider, offering innovative and secure solutions across the payments spectrum — from issuer processing and merchant acquiring to prepaid program management

### Significance of Transaction

- The acquisition strategically complements TSYS' merchant goals to become a leading payment provider to small and medium size businesses in the U.S.
- The addition of Cayan's unified commerce solutions elevates TSYS' competitive position to jointly offer a broader set of value-add products and services to partners and merchants

### FT Partners' Role

- FT Partners served as exclusive strategic and financial advisor to Cayan and its Board of Directors
- FT Partners also advised Cayan on its [recapitalization by Parthenon Capital Partners](#) along with numerous acquisitions made by the Company
- This transaction highlights FT Partners' continued success advising prominent companies in the Payments and Merchant Acquiring space and its leadership position as the "advisor of choice" to the highest quality FinTech Companies

### Financial Technology Partners LP FTP Securities LLC

*is pleased to announce its role as exclusive  
strategic and financial advisor to*

**CAYAN**<sup>TM</sup>

*in its 100% cash sale to*

**TSYS**<sup>®</sup>

*for total consideration of approximately*

**\$ 1,050,000,000**

FINANCIAL  
TECHNOLOGY  
PARTNERS

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## FT Partners Advises Remitly on its Series D Financing

### Overview of Transaction

- On October 31, 2017, Remitly announced it has agreed to raise up to \$115 million in Series D financing led by Nasper's FinTech investment division PayU, a global online payment service provider
  - Existing investors, Stripes Group, DFJ and DN Capital will also participate in the round
  - Laurent le Moal, PayU CEO, will join Remitly's board of directors following the investment
- Remitly is the largest independent digital remittance company in North America, transferring nearly \$4 billion in annualized volume
- Naspers is a global internet and entertainment group and one of the largest technology investors in the world, with investments in Tencent and Flipkart, among others
  - PayU is focused on empowering people through financial services supporting over 300,000 merchants and millions of consumers making online payments

### Significance of Transaction

- PayU's heritage in local payments in growth markets along with its focus on providing access to products that meet local needs, will assist Remitly in further expanding its global footprint

### FT Partners' Role

- FT Partners served as the exclusive strategic and financial advisor to Remitly on this transaction
- FT Partners also previously advised Remitly on its [\\$38.5 million Series C financing](#)
- This transaction further supports FT Partners' continued success advising leading companies in the Money Transfer / International Payments space

### Financial Technology Partners LP FTP Securities LLC

*is pleased to announce its exclusive role  
as sole strategic and financial advisor to*



*in its Series D financing led by*



*for total consideration of up to*

**\$115,000,000**



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



2018

- 2018 Top Investment Bank in FinTech



Institutional Investor  
Annual Ranking

2017

2015 - 2016

2006 - 2008

- Ranked #1 Most Influential Executive on Institutional Investor's FinTech 35 List
- Steve McLaughlin Ranked Top 5 on Institutional Investor's FinTech 35 List
- Consecutively Ranked (2006, 2007 and 2008) among the Top Bankers on Institutional Investor's "Online Finance 40"



The Information

2016

- Ranked #2 Top Technology Investment Banker on The Information's "Silicon Valley's Most Popular Dealmakers"



M&A Advisor  
Awards

2015 - 2017

2010 - 2014

2004 - 2007

- Investment Banker of the Year – 2017
- Investment Banking Firm of the Year – 2016
- Cross Border Deal of the Year - 2016
- Dealmaker of the Year – 2015
- Technology Deal of the Year – 2015
- Equity Financing Deal of the Year - 2014
- Professional Services Deal of the Year, Above \$100 mm – 2014
- Dealmaker of the Year – 2012
- Professional Services Deal of the Year, Above \$100 mm – 2012
- Boutique Investment Bank of the Year – 2011
- Deal of the Decade – 2011
- Upper Middle Market Deal of the Year, Above \$500 mm – 2010
- IT Services Deal of the Year, Below \$500 mm – 2010
- Cross-Border Deal of the Year, Below \$500 mm – 2010
- Dealmaker of the Year – Steve McLaughlin – 2007
- Business to Business Services Deal of the Year - 2007
- Computer and Information Technology Deal of the Year, Above \$100 mm – 2007
- Financial Services Deal of the Year, Above \$100 mm – 2007
- Investment Bank of the Year – 2004



Middle Market  
Financing Awards

2006 - 2008

- Equity Financing Dealmaker of the Year – Steve McLaughlin – 2008
- Information Technology Deal of the Year – 2008
- Financial Services Deal of the Year – 2008
- Financing Professional of the Year – Steve McLaughlin – 2006

## 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>	<b>23</b>
<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>	<b>22</b>
<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>	<b>22</b>
<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>	<b>21</b>
<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>	<b>20</b>
<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>	<b>16</b>
<b>Kate Crespo</b> <i>Managing Director</i>		<ul style="list-style-type: none"> <li>Formerly with Raymond James' Technology &amp; Services investment banking</li> <li>12+ years of FinTech transaction execution experience</li> <li>Dartmouth M.B.A.</li> </ul>	<b>16</b>
<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>	<b>15</b>
<b>Andrew McLaughlin</b> <i>Managing Director</i>		<ul style="list-style-type: none"> <li>20+ years experience executing / implementing financial and operational strategy</li> <li>Formerly with Deloitte Consulting</li> </ul>	<b>12</b>