

# FT PARTNERS FINTECH INDUSTRY RESEARCH

January 11, 2022

## VIP VIDEO CONFERENCE RECAP

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### *State of FinTech Investing in 2022*

*Featuring executives from:*

**OAKHC/FT**



**BainCapital**  
VENTURES

**QED**  
INVESTORS

**accenture**

FINANCIAL  
TECHNOLOGY  
PARTNERS

*The Only Investment Bank Focused Exclusively on FinTech*

San Francisco • New York • London

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Panelists:



**Steve McLaughlin**  
*Founder & CEO of  
FT Partners*



**Nigel Morris**  
*Co-Founder & Managing Partner of  
QED*



**Matt Harris**  
*Partner at  
Bain Capital Ventures*



**Annie Lamont**  
*Co-Founder & Managing Partner of  
Oak HC/FT*



**Mike Abbott**  
*Senior Managing Director,  
Global Banking Leader at  
Accenture*



Moderated by:



**Craig Maurer**  
*Managing Director at  
FT Partners*



**Matthew O'Neill**  
*Managing Director at  
FT Partners*



## Executive Summary

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### ***State of FinTech Investing in 2022***

- On Thursday January 6, FT Partners hosted a panel on the state of FinTech investing featuring panelists **Steve McLaughlin, Founder & CEO of FT Partners; Nigel Morris, Co-Founder & Managing Director of QED; Matt Harris, Partner at Bain Capital Ventures; Annie Lamont, Co-Founder & Managing Partner of Oak HC/FT; and Mike Abbott, Senior Managing Director, Global Banking Leader at Accenture.**
  - A recording of the panel is available [here](#).
- With recent market volatility and public FinTech company valuations compressing, our panel debated the investing environment for the sector in 2022 and beyond.
- Discussions covered a wide range of topics including the M&A outlook, regulation, inflation, and what sub-sectors of FinTech panelists are most closely monitoring in 2022. The panel also provided insight into the advice being offered to startups and entrepreneurs regarding capital raises, strategic acquisitions and positioning.
- Also of interest were opinions on the crypto industry, as well as the market opportunity for startups in emerging markets, with Latin America and Pakistan both highlighted.

## Panel Recap

Given the backdrop of recent pressure on high-growth, high-multiple stocks, the panel provided perspective:

- **FinTech was a sector with broad-based strength during the pandemic**, but recent macro dynamics have brought pressure to public high-growth company valuations, with an intense focus on sectors that outperformed over the past 24 months, like FinTech and SaaS. Pressure comes despite many companies presenting solid and continually improving fundamentals.
- **Private market remains robust**, with deals continuing to get done. Largely, private market investors continue to look at the longer-term opportunities in the space.
- **Recent moves suggest the risk/reward dynamic has been reset**, an opportunity many public market investors, who missed the run up, have been waiting for. Our panelists pointed to the newly found disconnect between public and private market valuations that could drive some capital from private markets to public, equalizing valuations, a process that could take 6-9 months.
- Our panelists remain optimistic about opportunities for FinTech in 2022, reminding attendees that **innovative tech-backed solutions** have generally proven to be on the right side of history.

*“We're known for looking 10-20 years out, and if interest rates go up or down a little bit this year, it's not going to change our opinion about how big a company is going to be long-term. ”*



Steve McLaughlin



## Selected Panel Highlights

*"In general, I see it being transitory more than fundamental. People tend to come back to the conclusion that it's a good idea to be on the right side of history and the right side of history is the tech-enabled version of anything."*



Matt Harris



## Thoughts on how you would put the current market in perspective?

*"It was two years ago we had a session like this, and I remember saying we know the elevator is going down but we're not sure what floor it's going to stop at, and it didn't go down as far as a lot of people thought it would. Today, we see reality seeping into public valuations. The truth is, there are incredibly talented management teams who are executing well, growing fast, beating earnings, and still suffering from this. They're doing nothing wrong, but they'll eventually get back to valuations that make sense."*



Nigel Morris



## How does this compare to past pullbacks, like the dot-com bubble?

*"I think the question is when does the irrational exuberance become rational in the private markets, and we're certainly heading to an earlier stage based on just valuation pressure. But there's always a lag between valuations in the private market and the public market. I think the big difference compared to the dot-com bubble is that today there are so many great, truly innovative companies that are being created. We're in a whole different ballgame in FinTech, and I think that the exciting thing is that it is a global opportunity. It is going to touch every sector of society, so there is going to be incredible opportunity coming out of this."*



Annie Lamont



## Selected Panel Highlights (cont.)

### What is the outlook for M&A in 2022?

*Several broad trends were identified by our panel for FinTech M&A:*

1. Incumbent players will not be as active in FinTech M&A. Instead, it will be 5 to 10-year-old companies that have raised significant capital and are focused on expanding their addressable market that drive the narrative. It's more likely that large public players will continue to struggle with valuations at current levels.
2. Panelists also expect younger public companies to buy smaller assets early on to drive a better understanding of M&A execution before looking for larger transactions.
3. Large M&A will likely be one-off and not establish trends. Overall, copycat transactions (except for large acquirers) have been few and far between across the larger players. This is a deviation from how banking acquisitions have gone in the past, when they were very much trend-based.
4. The large incumbents may largely continue to push off tech M&A until there are management changes at the C-suite level. Executives at established players may continue to focus on delivering earnings until they eventually step down and let their successors handle digital transformation.

*"I've had conversations with senior C-suite execs at the banks recently where they said 'look, I'm retiring soon and I'm going to hand it over to my successor in three years because this digital stuff is really hard. So, I'm just going to kind of milk my earnings and keep my ROA high and then I'll let my successor figure that out.'"*



Nigel Morris



## Selected Panel Highlights (cont.)

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### What is the outlook for regulation in FinTech in 2022?

*"In terms of regulation, I can see the rules of the road around how FinTech companies are regulated being revisited. I think interchange is going to be a bit of a hollow economic model in the debit world. I also think there are other issues, like the sponsor bank architecture. Governments are going to do what they're going to do and FinTech has been more immune to government intervention than we had any right to expect. There are reasons to believe that's going to change in the next three years."*



Matt Harris



*"I think FinTech has a real, incredible philosophical promise, a social promise that it can actually level the playing field to create more inclusion and undermine the hegemony that the banks have had, and the information asymmetry and the inertia of open banking, etc. I think that promise is something that we really should be encouraging the regulatory climate to really embrace. In my conversations anyway we're telling the regulator to not try and regulate last year's problem, but instead focus on where the world is going and where that puck is going. What are we doing about Buy Now Pay Later making better reporting data available to bureaus? What about crypto? How do we give people fair and transparent access to crypto without damaging the infrastructure? Getting the regulators to talk about this stuff in any kind of forward looking way, it's a real challenge."*



Nigel Morris





## Selected Panel Highlights (cont.)

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### Thoughts on Crypto, CBDC, Defi, and Web3?



Mike Abbott



*"A lot of countries are figuring out the central bank digital currency formula right now. I think 2022 will be the year CBDCs go to college. We are seeing experiments everywhere, and it's clear that adoption will come down to a combination of policy and technological architectures."*

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*"We have a very simple philosophy when we invest. We want to invest where the best people are going, and what we've seen is the smartest people are heading towards crypto, they're heading towards Web3."*



Annie Lamont



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*"For the last nine years we've been heavily invested in the 'crypto as an asset class' theme. I think that's a mature sector. We're not seeing a lot of startups who are launching new custodial services. Honestly, the question has become, is crypto actually going to disrupt any businesses versus being just something people want to own and trade? I would say I'm a yes on that now, based on what I'm seeing. I'm a little bit of a "show me" guy on these matters, and so previously a lot of our investments in the space were based on predictions vs. observations, but now it's a much higher conviction position for us. On the Web3, I think centralization brings huge efficiency and trust benefits, but centralization in financial services has meant enormous expense and massive economic rent extraction. Therefore, the rationale for at least at the margins moving towards decentralization within financial services is one that I have high conviction in."*



Matt Harris





# FT Partners – Focused Exclusively on FinTech

FT PARTNERS RESEARCH

## Proven Track Record of Success Across FinTech



# FT Partners – Focused Exclusively on FinTech

FT PARTNERS RESEARCH

## Advisor of Choice for Leading FinTech Companies and Strategics

FT Partners has an extensive history advising on multi-billion dollar transactions, as well as representing numerous FinTech “Unicorns” with \$1 billion+ valuations

### Selected Billion Dollar+ Clients



### Selected Transactions with Multi-Billion Dollar Valuations









<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>Revolut</b></p> <p>on its Series E financing led by <b>SoftBank TIGERGLOBAL</b></p> <p>for a total amount of <b>\$800,000,000</b> at a valuation of <b>~\$33,000,000,000</b></p> <p>FINANCIAL TECHNOLOGY PARTNERS FOCUS: 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>mollie</b></p> <p>on its financing led by <b>Blackstone</b></p> <p>for total consideration of <b>\$800,000,000</b> at a valuation of <b>\$6,500,000,000</b></p> <p>FINANCIAL TECHNOLOGY PARTNERS FOCUS: 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>upgrade</b></p> <p>on its Series F financing led by <b>COATUE DST GLOBAL</b></p> <p>for a total amount of <b>\$280,000,000</b> at a valuation of <b>\$6,000,000,000</b></p> <p>FINANCIAL TECHNOLOGY PARTNERS FOCUS: 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>Heartland</b></p> <p>in its sale to <b>globalpayments</b></p> <p>for total consideration of <b>\$4,500,000,000</b></p> <p>FINANCIAL TECHNOLOGY PARTNERS FOCUS: EXCLUSIVELY ON FINANCIAL TECHNOLOGY</p>	<p>Financial Technology Partners LP FTP Securities LLC</p> <p>is pleased to announce its role as exclusive financial and capital markets advisor to</p> <p><b>Payoneer</b></p> <p>on its merger with <b>(NASDAQ: FTOCU)</b></p> <p>post-transaction equity value <b>\$3,796,000,000</b></p> <p>FINANCIAL TECHNOLOGY PARTNERS FOCUS: 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>ASSURANCE</b></p> <p>on its sale to <b>Prudential</b></p> <p>for total consideration of up to <b>\$3,500,000,000</b></p> <p>FINANCIAL TECHNOLOGY PARTNERS FOCUS: 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>SpotOn</b></p> <p>on its Series E financing led by <b>andresen. horowitz</b></p> <p>for a total amount of <b>\$300,000,000</b> at a valuation of <b>\$3,150,000,000</b></p> <p>FINANCIAL TECHNOLOGY PARTNERS FOCUS: 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>Divvy</b></p> <p>on its sale to <b>bill.com</b></p> <p>for total consideration of <b>~\$2,500,000,000</b></p> <p>FINANCIAL TECHNOLOGY PARTNERS FOCUS: 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>GreenSky</b></p> <p>on its sale to <b>Goldman Sachs</b></p> <p>for total consideration of <b>~\$2,240,000,000</b></p> <p>FINANCIAL TECHNOLOGY PARTNERS FOCUS: 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>cloudwalk</b></p> <p>on its Series C financing led by <b>COATUE</b></p> <p>for a total amount of <b>\$150,000,000</b> at a valuation of <b>~\$2,150,000,000</b></p> <p>FINANCIAL TECHNOLOGY PARTNERS FOCUS: 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>Forge</b></p> <p>on its merger with <b>MOTIVE CAPITAL CORP (NYSE: MOTV)</b></p> <p>for total consideration of <b>\$2,000,000,000</b></p> <p>FINANCIAL TECHNOLOGY PARTNERS FOCUS: 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>OpenLending</b></p> <p>on its merger with <b>Nebula Acquisition Corporation (NASDAQ: NEBU)</b> sponsored by <b>TRUE WIND</b></p> <p>for total consideration of up to approximately <b>\$1,700,000,000</b></p> <p>FINANCIAL TECHNOLOGY PARTNERS FOCUS: 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>acima</b></p> <p>on its sale to <b>RBC</b></p> <p>for total consideration of <b>\$1,650,000,000</b></p> <p>FINANCIAL TECHNOLOGY PARTNERS FOCUS: 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>square trade</b></p> <p>in its sale to <b>Allstate</b></p> <p>for total consideration of <b>\$1,400,000,000</b></p> <p>FINANCIAL TECHNOLOGY PARTNERS FOCUS: 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>CompoSecure</b></p> <p>on its proposed merger with <b>ROMAN YES (NASDAQ: DEBRI)</b></p> <p>post-transaction enterprise value <b>\$1,206,400,000</b></p> <p>FINANCIAL TECHNOLOGY PARTNERS FOCUS: EXCLUSIVELY ON FINANCIAL TECHNOLOGY</p>

# FT Partners – Focused Exclusively on FinTech

FT PARTNERS RESEARCH

## Significant Experience Advising Large Financing Rounds and “Unicorns”

FT Partners has a history of advising on some of the largest financing transactions in the FinTech space

Company	Amount Raised
 GreenSky™	\$1,560,000,000 *
 stone <sup>co.</sup>	1,545,000,000 *
 avidxchange	956,000,000 *
 Revolut	800,000,000
 mollie	800,000,000
 Varo	510,000,000
 SpotOn	425,000,000 *
 MERCURY®	420,000,000
 MAMBU	401,000,000 *
 Bolt	393,000,000
 Remitly	374,000,000 *
 upgrade	385,000,000 *
 ppro	370,000,000 *
 cloudwalk	340,000,000 *
 NEXT	333,000,000 *
 OakNorth	270,000,000
 feedzai	267,500,000 *
 AlphaSense	263,000,000 *
 Liquidnet	250,000,000
 squaretrade <sup>protection plans</sup>	238,000,000
 checkout.com	230,000,000
 Forge	220,000,000 *

### Selected Prominent Investors in FT Partners Led Rounds



\* Total includes multiple financing rounds

## FT Partners' International / Cross-Border Capabilities (Selected Examples)

FT Partners' global presence offers capabilities reaching far beyond North America, as demonstrated by our numerous international clients and successful transactions with international firms & investors

Target	Buyer / Investor	International Aspect
		
	  	
	 	
		 
	 	
		
		
		
	 	
		 
	 	
		
	  	 
		
		 
	 	 
		 
		 
	 	

## FT Partners’ Recent Awards and Recognition

### Bloomberg

#### Bloomberg

- FT Partners’ Steve McLaughlin was featured on Bloomberg / Bloomberg TV
- View the [full article](#) and watch the live [TV interview](#)



#### M&A Advisor Awards

- Technology Deal of the Year (2019)
- Cross Border Deal of the Year and Corporate / Strategic Deal of the Year (2018)
- Investment Banker of the Year (2017) – Steve McLaughlin, CEO & Managing Partner of FT Partners
- Investment Banking Firm of the Year (2016) – FT Partners



#### LendIt FinTech Industry Awards 2018:

- FT Partners wins Top Investment Bank in FinTech

### Institutional Investor



#### The FinTech Finance 40:

- Steve McLaughlin ranked #1 in 2017 and 2018

### The Information

A screenshot of a list titled "Silicon Valley's Most Popular Dealmakers" from The Information. The list includes names, titles, and companies. Steve McLaughlin is listed as Managing Director at FT Partners, ranked 2nd. Other names include Ian Smith, Marshall Kaplan, Ron Wilensky, Paul Rosen, and Quincy Smith.

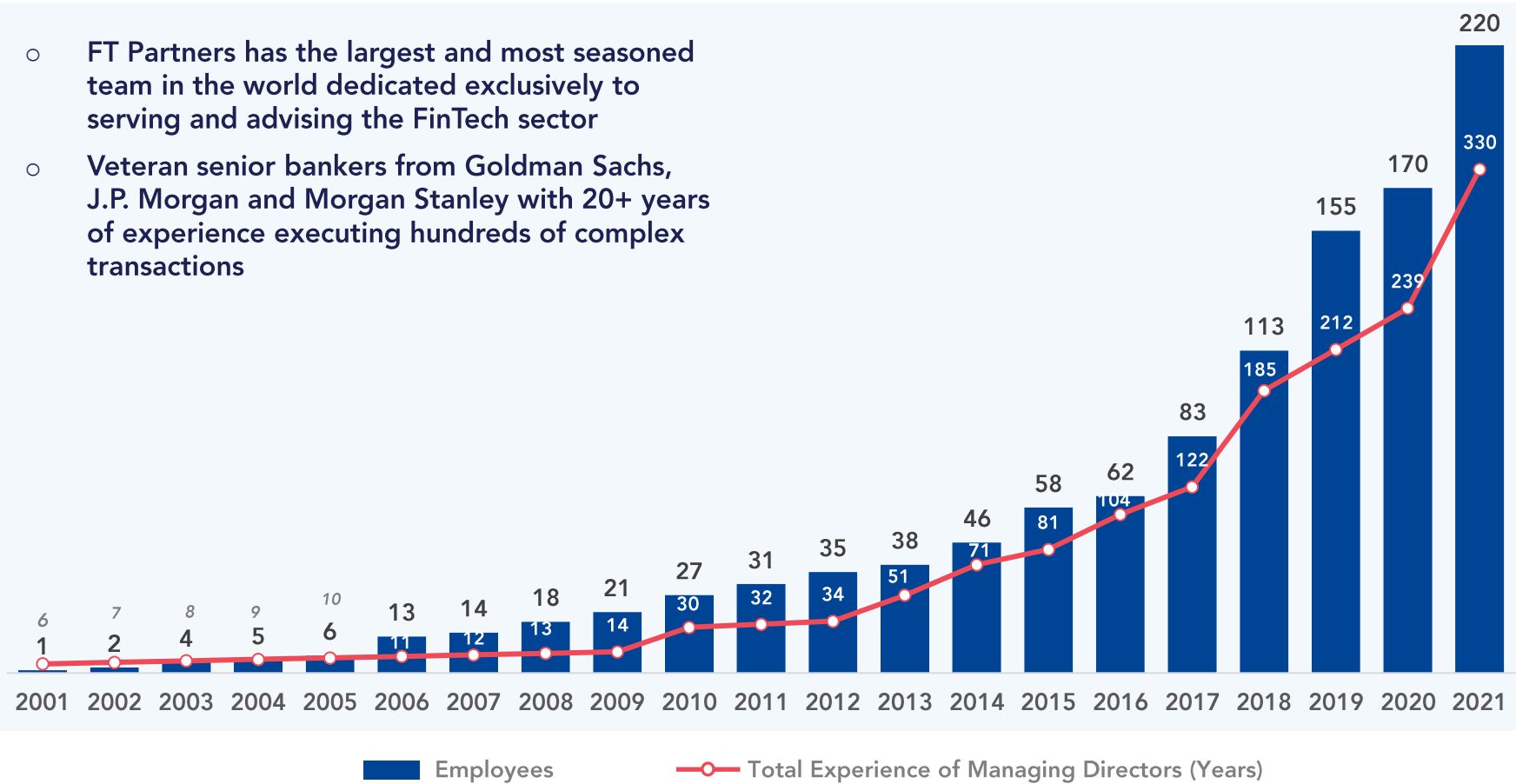
Name	Title	Company
Ian Smith	Managing Director	Golden Gate
Steve McLaughlin	Managing Director	FT Partners
Marshall Kaplan	Managing Director	Golden Gate
Ron Wilensky	Managing Director	Golden Gate
Paul Rosen	Managing Director	Golden Gate
Quincy Smith	Managing Director	Golden Gate

#### The Information’s “Silicon Valley’s Most Popular Dealmakers”

- Ranked as the #2 top Technology Investment Banker by The Information subscribers (2016)
- Only FinTech focused investment banking firm and banker on the list

## The Largest FinTech Advisory Practice in the World

- FT Partners has the largest and most seasoned team in the world dedicated exclusively to serving and advising the FinTech sector
- Veteran senior bankers from Goldman Sachs, J.P. Morgan and Morgan Stanley with 20+ years of experience executing hundreds of complex transactions



Average Experience of Managing Directors (Years)



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