

Payments

Fintech's frontrunner

Payments has attracted the most capital, the most number of unicorns, and highest valuations

Rapid ascent

Payments disruptors are collectively capturing significant market share as incumbents consolidate in the industry

E-commerce as the accelerant

E-commerce and digital adoption has been accelerated by the pandemic

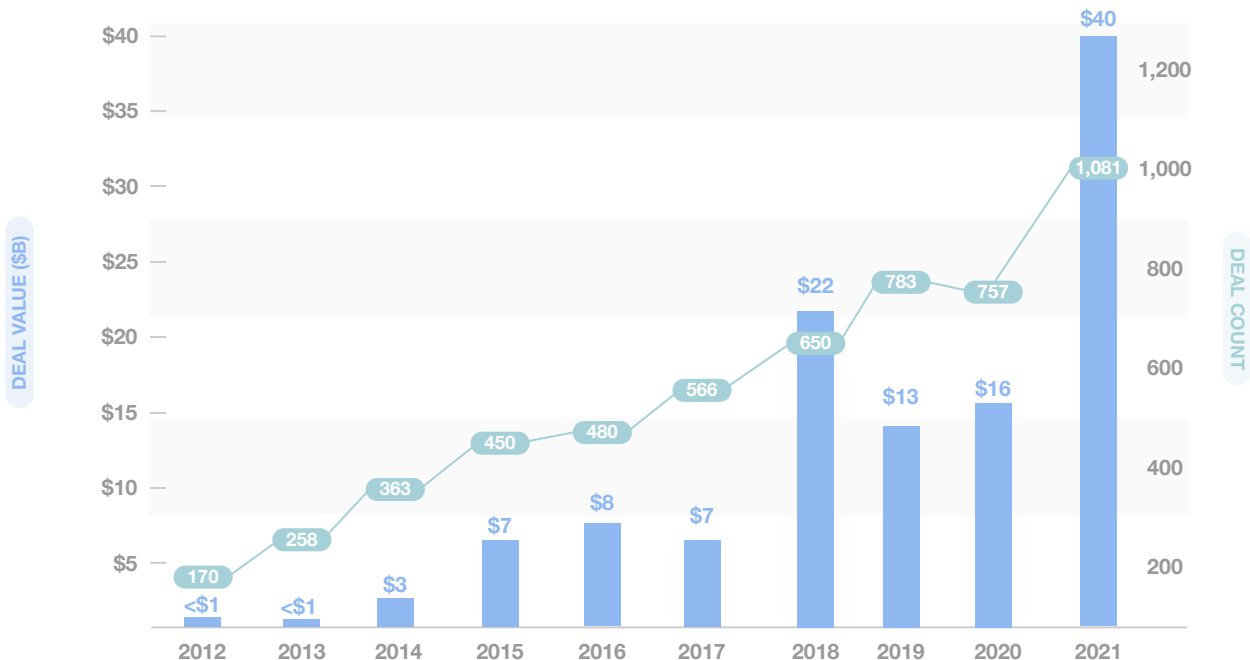


Credit: Andrey Suslov (Shutterstock)



Payments overview

Global fintech investment breakdown by vertical: Payments



Source: PitchBook, F-Prime team analysis

Note: Stripe (\$152B) accounts for 46% of top 10 valuation.

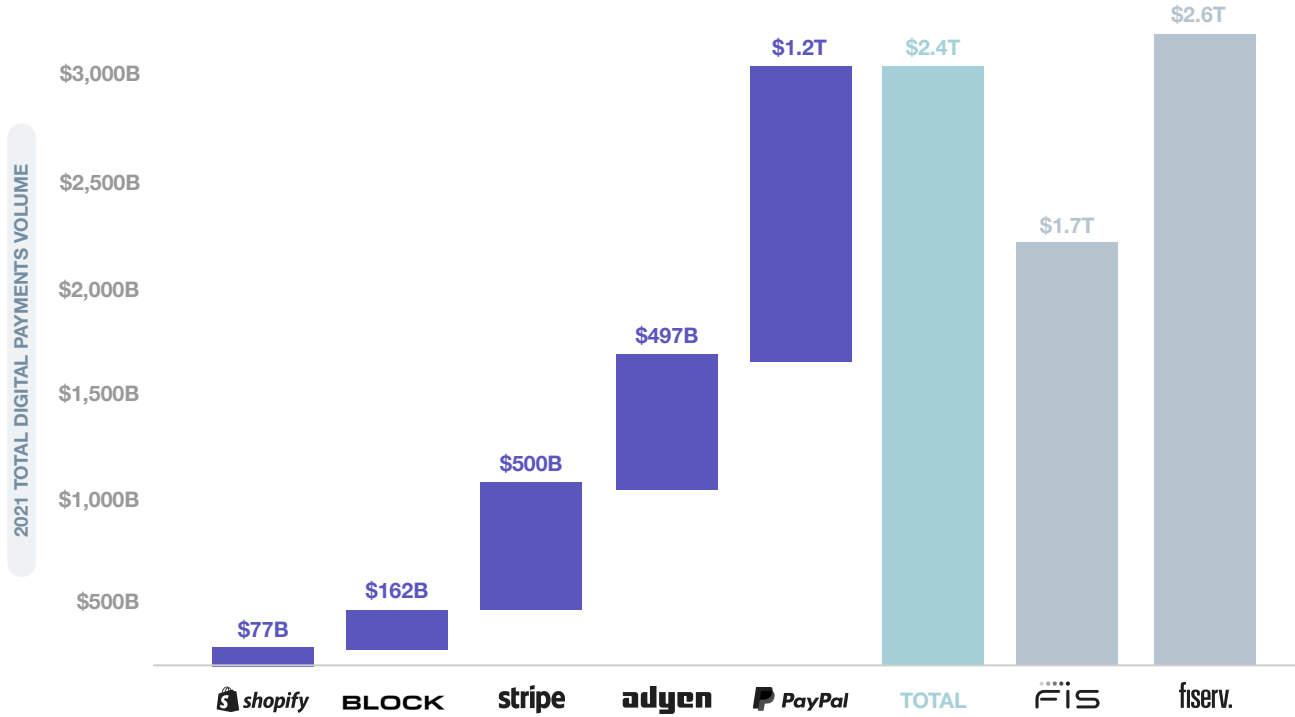
70+
Unicorns

2,800+
Companies

\$118B
Raised since 2012

\$328B
Top 10 valuation

Nowhere has fintech disruption been more apparent than in payments, where the disruptors cumulatively reach the volumes processed by Fiserv

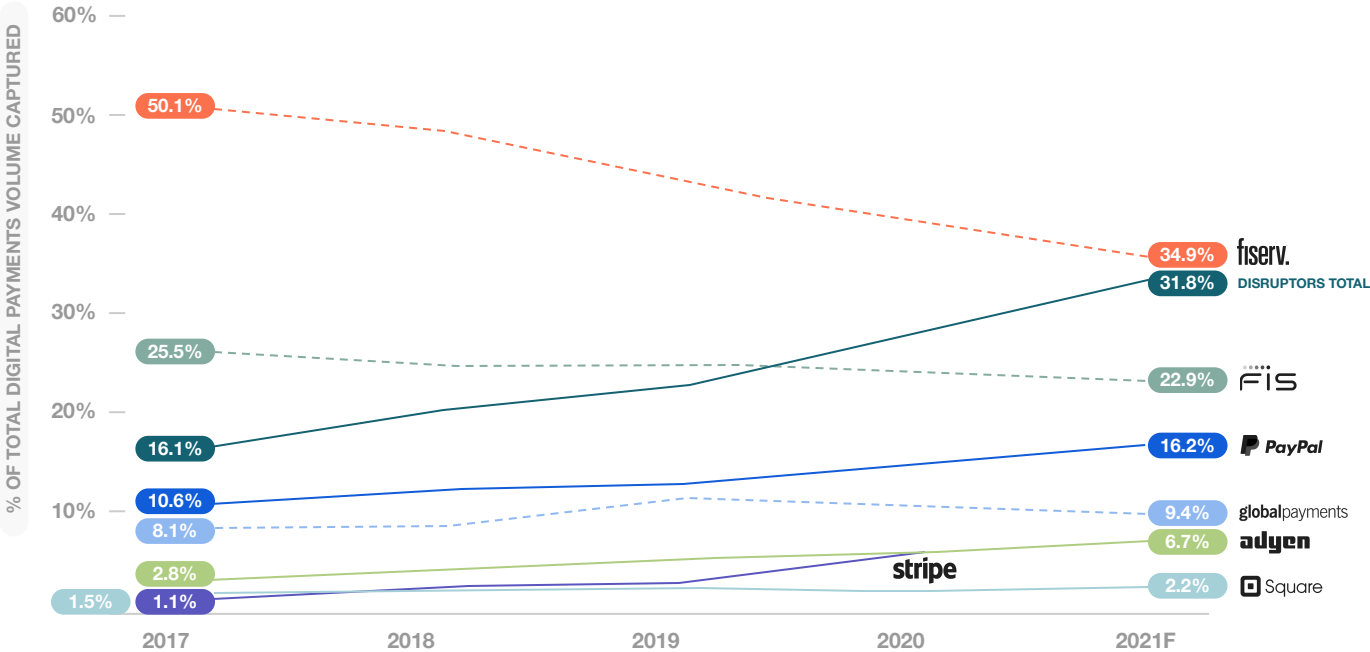


Source: Company 10Ks; F-Prime team analysis

Note: On December 1, 2021 Square changed name to Block, Inc.

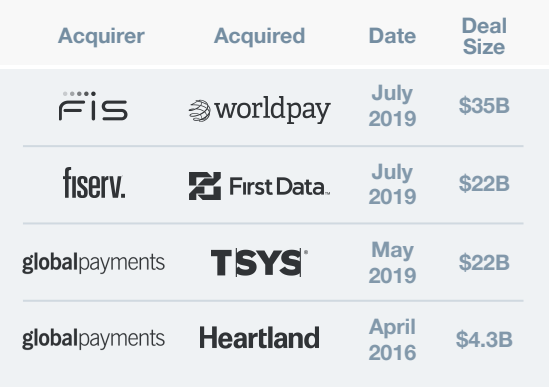


Natively digital payment processors like PayPal, Square, Stripe and Adyen have captured 32% share of the digital payment volume in the U.S., and their market share is accelerating



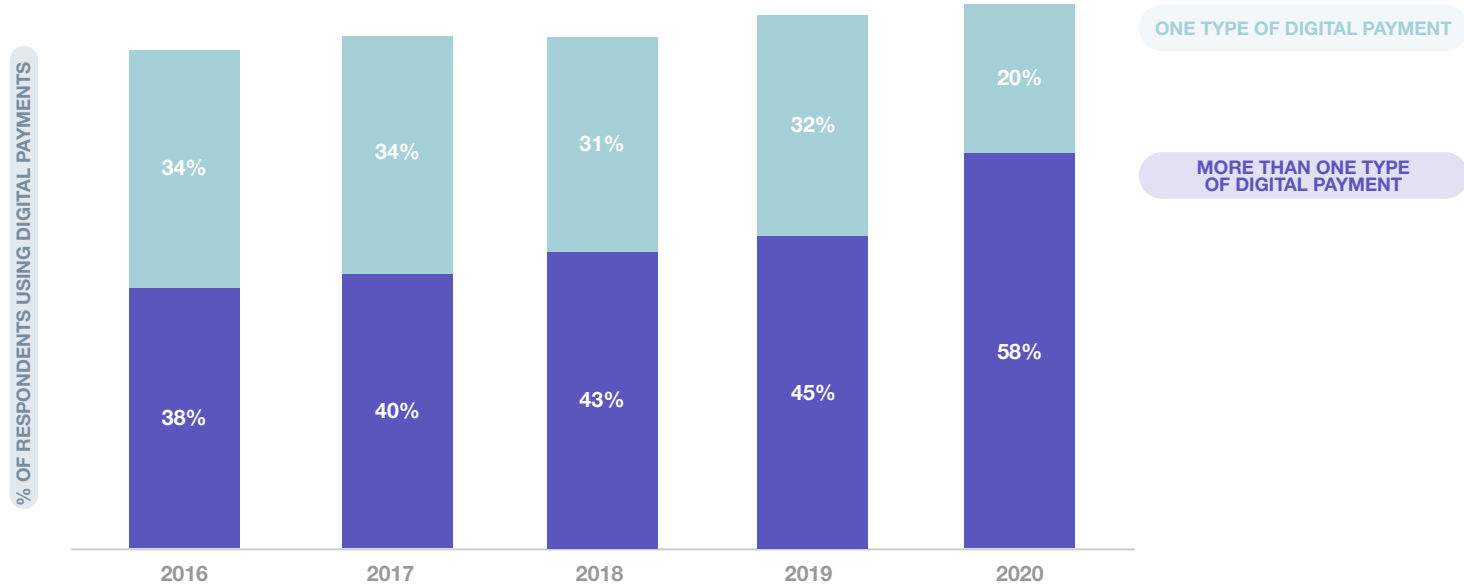
Source: Company 10Ks, Industry Reports, and F-Prime team analysis
Note: While payment disruptors have captured 32% of total digital payments volume, they only capture 2.2% of total payments volume (and 4.6% of payments revenues)

----- INCUMBENTS
----- DISRUPTORS



5

The global pandemic accelerated the already steady shift to digital payments



Source: 2020 McKinsey Digital Payments Consumer Survey



The pandemic also accelerated e-commerce with e-commerce platforms expected to capture 20% of retail spend by end of year



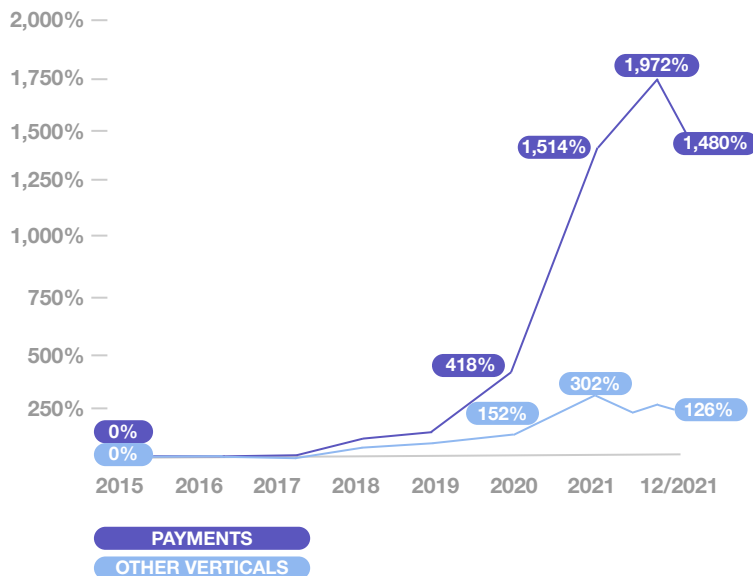
Source: eMarketer; MarketplacePulse, Shopify 10Ks, F-Prime team analysis



Shopify's GMV
doubled between
Q4 2019-Q4 2020

Public markets have rewarded payments startups – they are among the highest performing fintech disruptors in the F-Prime Fintech Index

Average Performance since 2015



Vertical	Avg. EV/ LTM Revenue	Total Market Cap
Payments	13.3	\$746B
Banking/ Lending	16.4	\$66B
B2B SaaS	19.1	\$75B
Wealth/Asset Management	4.6	\$86B
PropTech	3.5	\$20B
Insurance	4.8	\$11B

Company	EV/ Revenue	Market Cap
PayPal	8.9	\$225B
shopify	39.6	\$175B
adyen	16.6	\$81B
BLOCK	4.5	\$76B
mercado libre	10.9	\$68B
toast	11.3	\$19B
OTHER PAYMENTS COMPANIES	12.1	\$101B

Source: Yahoo Finance, F-Prime team analysis
Note: Data above is as of 9/30/2021.



Dynamic payment trends we are tracking

Globalization of Commerce

Companies and consumers are selling and buying globally placing demands on supply chain, fulfillment and payment acceptance



Vertical Payments

More vertical software companies will emerge and seamlessly offer embedded fintech solutions like payments, loans, and payroll



Payment Fragmentation

Merchants need to support a wider variety of payment options including cards, wallets/ QR codes, ACH, cash and BNPL



Crypto Payment & the Rise of Web3

15K+ businesses have begun accepting crypto payments as payments begin to shift to decentralized platforms



Real-Time Payments (RTP)

RTP volumes will grow significantly due to increased support by both private and public sector actors



Granular Retail Data

Real-time Merchant and SKU level data will unlock new business models to engage consumers and businesses



Global War on Cash

The war on cash was accelerated by the pandemic and will continue as consumers adopt faster and more convenient forms of payment

