F⁄PRIME
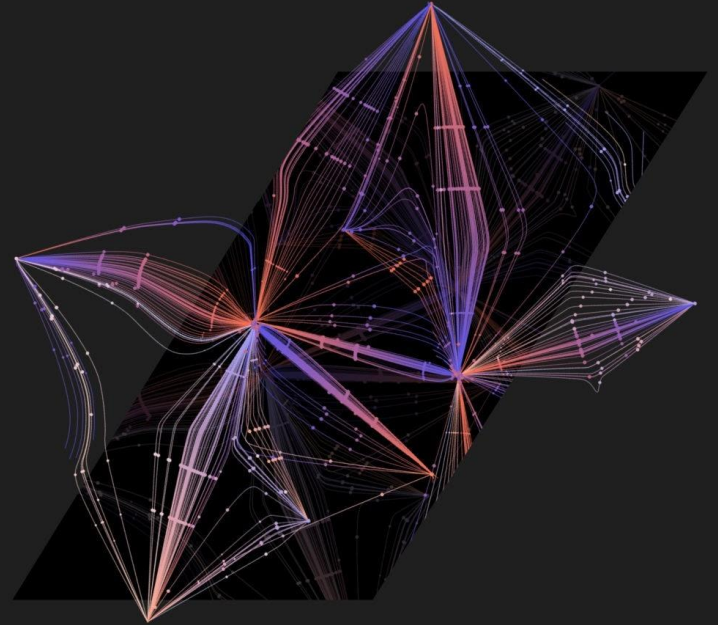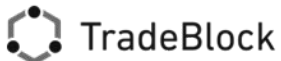
State of Fintech

2022

About F-Prime Capital

We create and invest in technology and healthcare companies that impact lives all over the world.
We have over 300 companies in our portfolio including 23 that we started. Our global portfolio spans the US, Europe, and Asia.

Note: Above listing is a sample of companies in the F-Prime and Eight Roads portfolio

50+ years
of investing in iconic companies - from Atari to Alibaba to AppsFlyer

300+ companies
Fintech, Enterprise software, and Healthcare

100+ investors
Our global platform has resources and expertise in North America, Europe, China, Japan, India, and Israel

$11B+ AUM
Along with our international sister fund Eight Roads Ventures, we are dedicated to supporting fearless founders around the globe

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

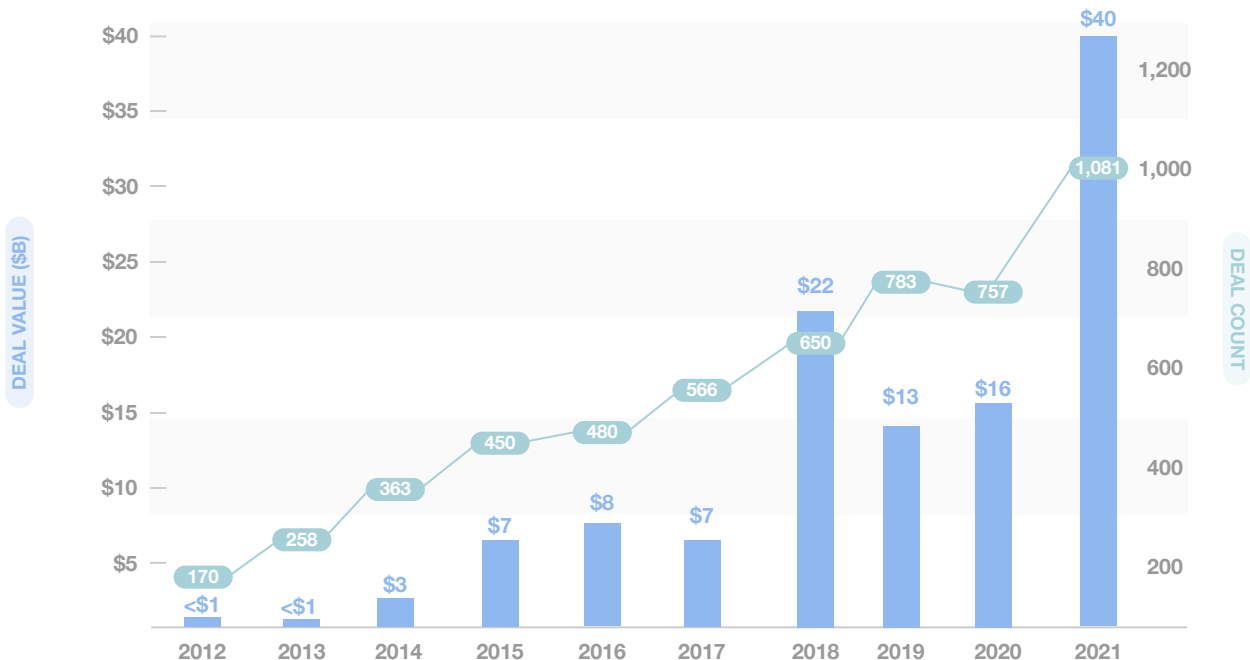**Credit:** Andrey Suslov (Shutterstock)

Payments overview

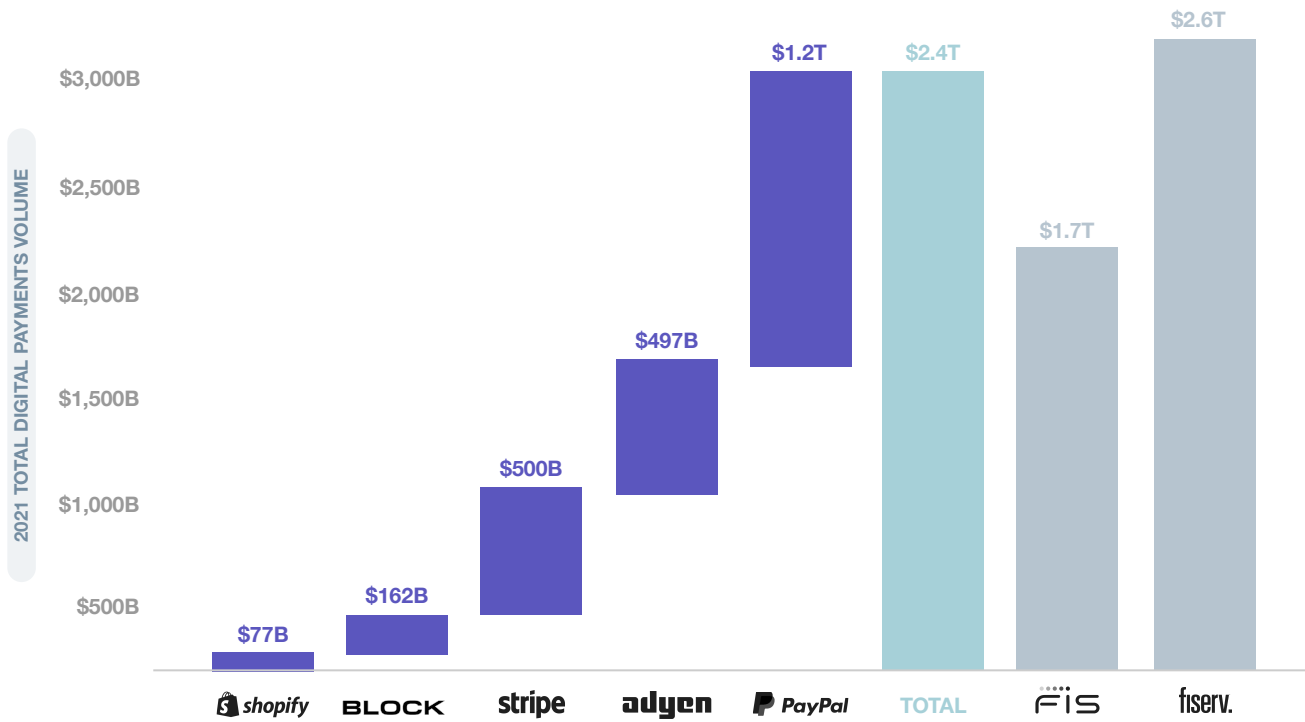**Global fintech investment breakdown by vertical: Payments**

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
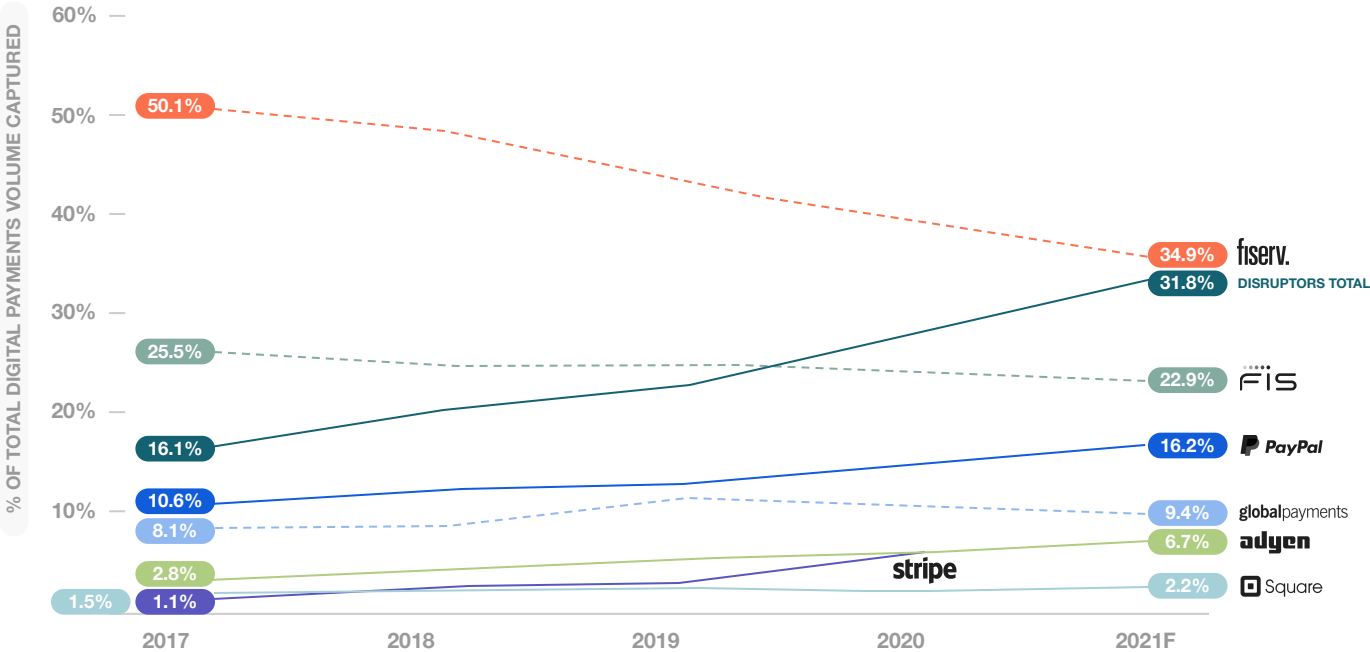

2021 TOTAL DIGITAL PAYMENTS VOLUME

Value	Company
$77B	shopify
$162B	BLOCK
$500B	stripe
$497B	adyen
$1.2T	PayPal
$2.4T	TOTAL
$1.7T	FIS
$2.6T	fiserv.

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

% OF TOTAL DIGITAL PAYMENTS VOLUME CAPTURED

60%

50.1% ·············· 34.9% **fiserv.**

50%

31.8% DISRUPTORS TOTAL

40%

30%

25.5% ·············· 22.9% **FIS**

20%

16.1% 16.2% **PayPal**

10.6% 9.4% **global**payments

10%

8.1% 6.7% **adyen**

2.8% stripe 2.2% ◼ Square

1.5% 1.1%

2017   2018   2019   2020   2021F

- - - - - - - - -   ──────────
INCUMBENTS   DISRUPTORS

As disruptors grew rapidly, the industry responded with a wave of consolidations

QUARTERLY NET PAYMENTS REVENUE ($M)

6,000 — 🟢 PayPal
5,000 —
4,000 — 🔵 FIS
3,000 — 🟢 fiserv.
ACQUISITIONS
2,000 — 🔵 globalpayments
🟣 adyen
1,000 — ⬜ Square
🔵 shopify
🔴 stripe

Q1 Q2 Q3 Q4 Q1 Q2 Q3 Q4 Q1 Q2 Q3 Q4 Q1 Q2 Q3 Q4 Q1 Q2 Q3 Q4 Q1 Q2 Q3 Q4 Q1 Q2 Q3 Q4 Q1 Q2 Q3 Q4 Q1 Q2 Q3 Q4 Q1 Q2 Q3 Q4 Q1 Q2 Q3
2011 2012 2013 2014 2015 2016 2017 2018 2019 2020 2021

Acquirer	Acquired	Date	Deal Size
FIS	worldpay	July 2019	$35B
fiserv.	First Data.	July 2019	$22B
globalpayments	TSYS	May 2019	$22B
globalpayments	Heartland	April 2016	$4.3B

Source: Company 10Ks; F-Prime team analysis

The global pandemic accelerated the already steady shift to digital payments

% OF RESPONDENTS USING DIGITAL PAYMENTS

Year	One type of digital payment	More than one type of digital payment
2016	34%	38%
2017	34%	40%
2018	31%	43%
2019	32%	45%
2020	20%	58%

ONE TYPE OF DIGITAL PAYMENT

MORE THAN ONE TYPE OF DIGITAL PAYMENT
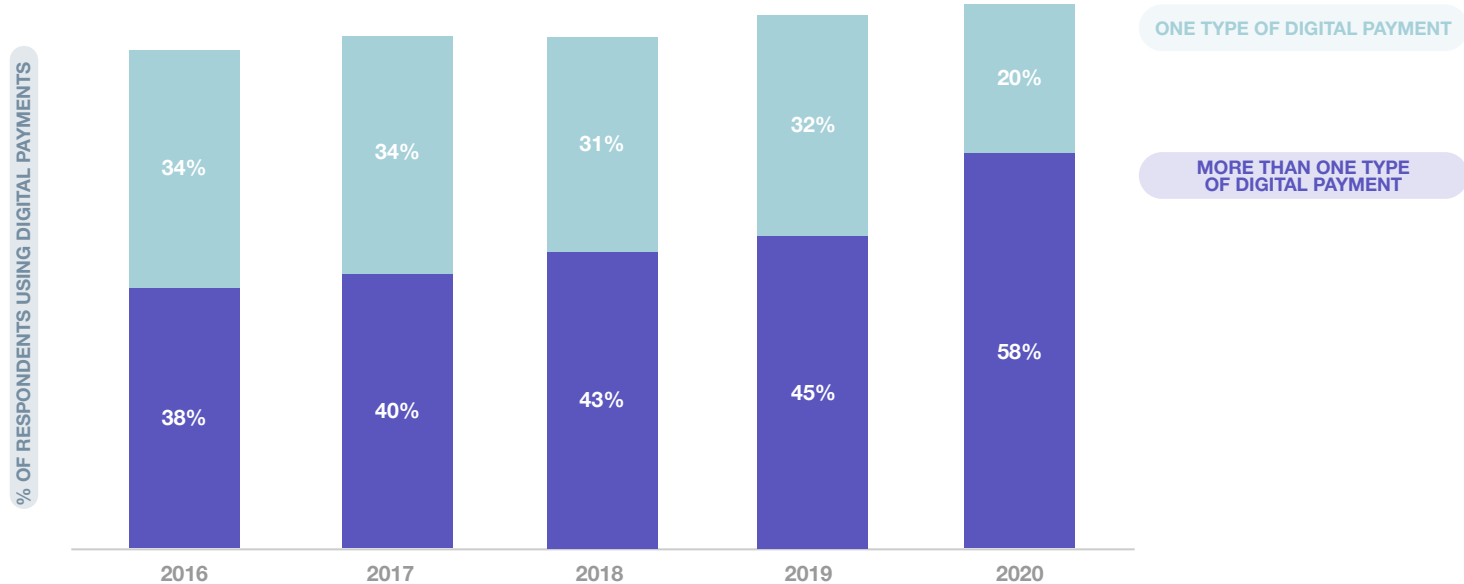
The pandemic also accelerated e-commerce with e-commerce platforms expected to capture 20% of retail spend by end of year
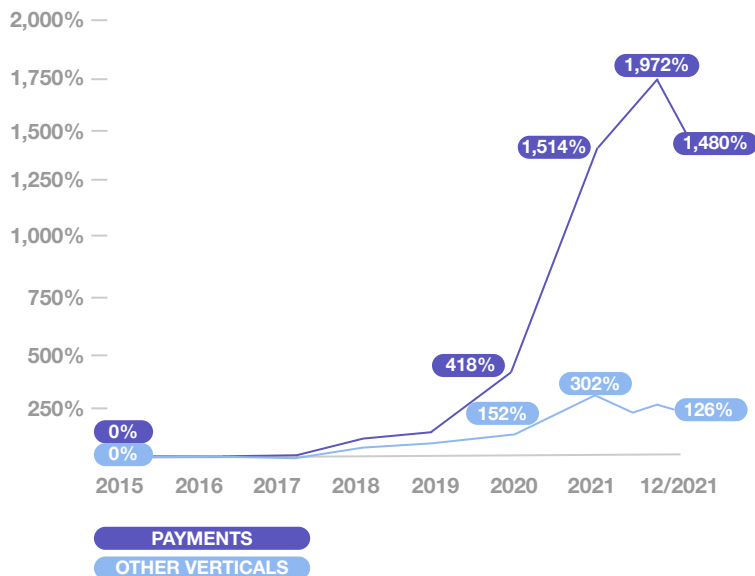

GLOBAL E-COMMERCE SALES ($T)

% OF GLOBAL RETAIL SALES

Year	Sales	%
2019	$3.4	13.6%
2020	$4.3	18.0%
2021P	$4.9	19.5%
2022P	$5.4	20.4%
2023P	$5.9	21.1%
2024P	$6.4	21.8%

shopify

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

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

stripe qolo Rapyd FLOW

Vertical Payments

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

toast flywire built HEADNOTE SQUĪRE

Payment Fragmentation

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

stripe GR4VY Primer CITCON

Crypto Payment & the Rise of Web3

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

CIRCLE electroneum bitpay Baton swirl.

Real-Time Payments (RTP)

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

Orum FedNow The Clearing House

Granular Retail Data

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

FIDEL BANYAN

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

pix UPI CoDi

F⁄PRIME

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