

April 2024



Houlihan
Lokey

Payments Market Update



Executive Summary: Payments Market Update



High-Growth Tech Spend and Adoption



Cooldown in M&A and Funding Activity



Increasing Regulatory Scrutiny



Strong Investor Appetite

- **Card-not-present (CNP) transactions are growing steadily with e-commerce growth.** With the latest Federal Reserve data, CNP transactions grew by 17.9%, while card-present transactions grew by 4.2%.⁽¹⁾ E-commerce worldwide is expected to grow at a CAGR of 9.5% from 2024–2029.⁽²⁾
- **Adoption of real-time payments in the U.S. and abroad is growing,** especially with the launch of FedNow and the growth of Pay-By-Bank in the U.S., specifically with Zelle. The key question remains as to whether U.S. businesses and consumers will ditch ACH and card payments (see page 13).
- **AI is creeping into payments, especially around payments security.** As companies begin to adopt Generative AI across their technology stack, customer engagement, anti-fraud solutions, and payments efficiency are becoming important focus areas (see page 14).
- **Regulatory pressures on payment processing costs are increasing** with the Fed's introduction of the Credit Card Competition Act (CCCA), which is lowering the Durbin debit cap.
- **The momentum of payments integration into vertical software solutions continues** as software companies look to capture the reoccurring payments transactions revenue to demonstrate faster growth and build profitability (see page 18).
- **The adoption of procure-to-pay and order-to-cash solutions is growing at a high pace.** The AP/AR automation market size is projected to grow at a CAGR of 11.2% between 2022 and 2030⁽³⁾ as other corporate financial functions come into focus for these solutions as expansion opportunities (e.g., treasury, spend management, tax and compliance, forecasting, etc.) (see page 15).
- **Deal appetite: PE interest in payments companies remains high given lowered valuations over the past couple of years,** with M&A and financing volume still solid in 2023 at ~\$10 billion and \$20 billion, respectively, and LP pressure to deploy capital rising with VC dry powder at \$311 billion⁽⁴⁾ and PE dry powder at \$2.6 trillion⁽⁵⁾ (see pages 24–27).



Houlihan Lokey

We are pleased to issue our Payments Market Update for April 2024. Deal activity in the payments sector is improving on the back of digitization and regulatory drivers, and as demonstrated by one of the largest transactions in recent times announced last quarter (CapitalOne's acquisition of Discover), we believe the sector will continue to remain attractive for strategic players and financial sponsors.

With this update, we introduce our payments technology coverage, discuss key sector trends and factors of technology adoption, and present the latest public and private transaction and valuation trends across the payments technology landscape. Competition across merchant services and payment processors is intensifying, but innovation continues to improve consumer and business purchase and payments experience with the adoption of new tools, including AI. We expect the secular tailwinds in the payments market will continue to drive strong interest in the sector. Public companies within some subsectors have seen a strong rebound in valuations from the lows in 2022–2023 but remain significantly lower than the highs of 2021. Private company owners remain watchful as LP pressure continues to mount and the bid-ask gap begins to narrow.

Our market update also includes the “Payments **Sponsorscape**”—a snapshot of some of the top sponsors that have traditionally been, and continue to remain, active in the payments ecosystem.

We invite you to contact us to discuss our past transactions, future opportunities, or the ecosystem more broadly.

Best Regards,



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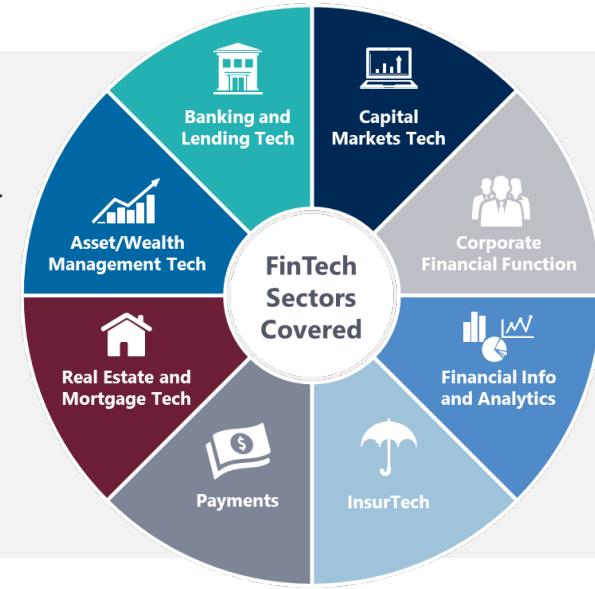
HOULIHAN LOKEY PAYMENTS ADVISORY

- *No. 1 All Global M&A Advisor in 2023*
- *Houlihan Lokey's FinTech Team*
- *Deep Domain Expertise and Leading Advisory Experience in Payments*
- *How We Cover the Payments Sector*

Global, Market-Leading FinTech Practice

Houlihan Lokey's dedicated FinTech Group builds on the firm's leading technology and financial services expertise and underscores its belief in and commitment to the future of financial technology. Our coverage is arranged around deep end-market expertise with dedicated senior-level financial professionals across every vertical of FinTech.

- **Global**, specialized FinTech practice within a newly dedicated industry group.
- **180+** total technology bankers and 65+ dedicated FinTech/financial services professionals.
- **100+** FinTech transactions signed or closed since January 2021.
- **Fully integrated** team across the world based in New York and London with additional bankers on the ground in Frankfurt, Atlanta, Los Angeles, and San Francisco.
- **22** countries represented by parties in FinTech transactions since 2021.



Complementary Industry Coverage and Broad Product Capabilities

Technology		
2023 M&A Advisory Rankings All Global Technology Transactions		
Rank	Advisor	Deals
1	Houlihan Lokey	89
2	Rothschild	76
3	JP Morgan	68

Source: LSEG (formerly Refinitiv). Excludes accounting firms and brokers.



Financial Services		
2023 M&A Advisory Rankings Global Financial Services Transactions Under \$1 Billion		
Rank	Advisor	Deals
1	Houlihan Lokey	41
2	Rothschild	32
3	Goldman Sachs	29

Source: LSEG (formerly Refinitiv). Excludes accounting firms and brokers.



Product Capabilities		
M&A Advisory (Sellside and Buyside)		
Private Capital Markets (Equity and Debt)		
Board and Special Committee Advisory		
Fairness Opinions and Valuation Services		
Financial Restructuring and Special Situations		

Houlihan Lokey's Payments Practice

Payments Coverage Leadership



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European FinTech Coverage Partners



Mark Fisher
Managing Director



Tim Shortland
Managing Director



Christian Kent
Managing Director



Paul Tracey
Managing Director

Technology Coverage Partners



Sascha Pfeiffer
Managing Director
Head of European Technology



Kevin Walsh
Managing Director
Vertical Software



Shane Kaiser
Managing Director
Transportation and Logistics



Christopher Gough
Managing Director
PropTech



James Craven
Managing Director
Software (Europe)



Bobby Wolfe
Director
Identity/Cybersecurity

Financial Services Coverage Partners



Brent Ferrin
Managing Director



David Villa
Managing Director



Sean Fitzgerald
Managing Director



Adam Raucher
Managing Director



David Kelnar
Managing Director

Capital Markets Coverage Partners

Trusted Advisor to Leading Payments Companies Across Subsectors

Merchant Acquiring/ Payments Infrastructure



Vertical Software and Integrated Payments



Cards (Networks and Issuing)



B2B Payments



Prepaid, Loyalty, and Rewards



Money Transfer



Money Access and BNPL

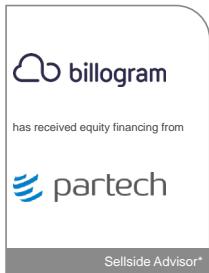
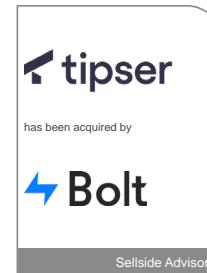
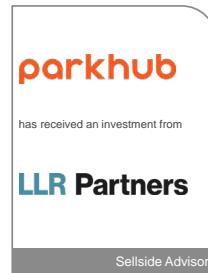
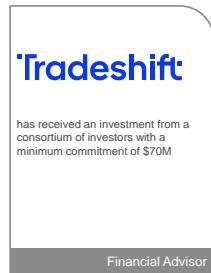
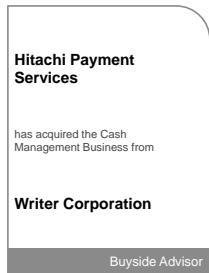


Other Payments (Non-Card and Hardware)



Deep Payments Domain Expertise and Advisory Success

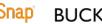
Driving exceptional client outcomes for payments companies since the beginning of the FinTech revolution.



Tombstones included herein represent transactions closed from 2016 forward.

*Selected transactions were executed by Houlahan Lokey professionals while at other firms acquired by Houlahan Lokey or by professionals from a Houlahan Lokey joint venture company.

How We Cover Payments

	Key Functions	Dominant Business Models	Representative Companies
	<ul style="list-style-type: none"> ➤ Merchant Services ➤ Payment Processing (Front-End, Back-End, BaaS) ➤ Payment Acceptance (Online/Offline)/Gateways ➤ Payment Security (Identity/Anti-Fraud Solutions) 	<ul style="list-style-type: none"> ➤ Transactional (Volume-Based) 	                  
	<ul style="list-style-type: none"> ➤ Vertically Focused Solutions ➤ POS Software ➤ PayFac 	<ul style="list-style-type: none"> ➤ Software License ➤ SaaS 	                  
	<ul style="list-style-type: none"> ➤ Open Loop Cards ➤ Closed Loop Cards ➤ Card Issuing Technology Solutions 	<ul style="list-style-type: none"> ➤ Transactional ➤ Volume-Based ➤ License-Based 	           
	<ul style="list-style-type: none"> ➤ AP Automation/Corporate Card Payments ➤ AR Automation/RevOps and Billing ➤ Treasury/Cash Management ➤ Expense/Spend Management ➤ Procurement/Supply Chain Management 	<ul style="list-style-type: none"> ➤ Software/SaaS ➤ Transactional 	                     
	<ul style="list-style-type: none"> ➤ Prepaid/Gift Cards ➤ Rewards/Loyalty Program Management ➤ Pay-In/Pay-Out 	<ul style="list-style-type: none"> ➤ Software/SaaS ➤ Transactional (Volume-Based) ➤ Breakage 	                 
	<ul style="list-style-type: none"> ➤ Cross-Border Remittance ➤ Cross-Border Pay-Outs ➤ Digital Wallets ➤ P2P Transfer 	<ul style="list-style-type: none"> ➤ Transactional (Volume-Based) ➤ Fixed Fee 	                
	<ul style="list-style-type: none"> ➤ Earned Wage Access ➤ Buy Now, Pay Later 	<ul style="list-style-type: none"> ➤ Transactional (Interest Rate-Based) 	               
	<ul style="list-style-type: none"> ➤ ATM Solutions ➤ Check Processing/Digitization ➤ Hardware Solutions (Terminals/POS) 	<ul style="list-style-type: none"> ➤ Equipment Fee ➤ Transactional (Volume-Based) ➤ Fixed Fee ➤ Service Fee 	          

How Houlihan Lokey Can Help



Houlihan Lokey

Houlihan Lokey is the trusted advisor to more top decision-makers than any other independent global investment bank.

2,600+
Employees

36
Locations

\$8.8 Billion
Market Cap⁽¹⁾



\$1.8 Billion
Annual Revenue⁽²⁾

~25%
Employee-Owned

No
Debt

Corporate Finance

- No. 1 Global M&A Advisor
- Leading Capital Markets Advisor Raising More Than ~\$14 Billion in 2023

2023 M&A Advisory Rankings All Global Transactions

Rank	Advisor	Deals
1	Houlihan Lokey	352
2	Rothschild	349
3	Goldman Sachs	300
4	JP Morgan	400

Source: LSEG (formerly Refinitiv).
Excludes accounting firms and brokers.

Financial Restructuring

- No. 1 Global Restructuring Advisor
- \$3.5+ Trillion of Aggregate Transaction Value Completed

2023 Global Distressed Debt & Bankruptcy Restructuring Rankings

Rank	Advisor	Deals
1	Houlihan Lokey	73
2	PJT Partners	64
3	Rothschild	51

Source: LSEG (formerly Refinitiv).

Financial and Valuation Advisory

- No. 1 Global M&A Fairness Opinion Advisor Over the Past 25 Years
- 2,000+ Annual Valuation Engagements

1999 to 2023 Global M&A Fairness Advisory Rankings

Rank	Advisor	Deals
1	Houlihan Lokey	1,247
2	JP Morgan	1,035
3	Duff & Phelps, A Kroll Business	977

Source: LSEG (formerly Refinitiv).
Announced or completed transactions.

Financial Sponsors Coverage

- No. 1 Global Private Equity M&A Advisor
- 1,100+ Sponsors Covered Globally

2023 Most Active Investment Banks to Private Equity Firms - Globally

Rank	Advisor	Deals
1	Houlihan Lokey	217
2	Lincoln International	156
3	William Blair & Co	112

Source: PitchBook. Excludes accounting firms and brokers

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MARKET OVERVIEW AND THEMES

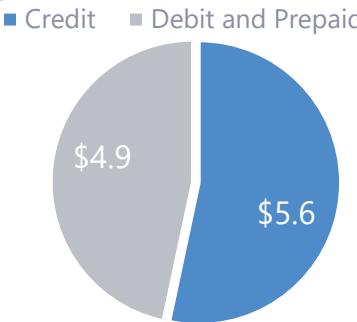
- *Resilient Payments Sector Despite Recent Macroeconomic Volatility*
- *Evolution of Payments Technology and the Next Wave of Innovative Solutions*
- *Real-Time Payments—Will the U.S. Consumer and Business Adopt?*
- *AI Is Creeping Into Multiple Use Cases in Payments*
- *B2B Payments: A Ripe Consolidation Opportunity*
- *Earned Wage Access Is Gaining Momentum, but Regulatory Challenges Are Increasing*
- *Disruption Brewing in Cross-Border Payments*
- *ISVs Marching Into Payments Processing Territory*
- *Spotlight: Insurance Payments*

Payments Sector Remains Resilient Despite Macroeconomic Volatility

The payments sector has shown resilience amid increased regulatory scrutiny, competitive pressures, heightened profitability concerns, and cautious financial market dynamics.

U.S. DEBIT AND CREDIT CARD PURCHASE VOLUME⁽¹⁾ MARKET BACKDROP

\$ in Trillions, 2022



\$150B

Est. Gross Processing Revenues
in the U.S. (Assuming 2.7%
Avg. Take Rate)

\$40T

2022 Global Payment Volumes
(Credit Card and Debit Card
Purchases and Withdrawals)⁽¹⁾

3x

Electronic Transactions
Growth vs. Overall Payments
Revenue Growth⁽²⁾

\$80T

ACH Network Volume, 2023⁽³⁾

10%

2024–2028 CAGR of Total
Transaction Value in the Global
Digital Payments Market⁽⁴⁾

\$10T

Estimated Global Transaction
Volume of Contactless
Payments by 2027⁽⁵⁾

1 Increasing Regulatory Scrutiny:

- Fed's introduction of the CCCA in Congress, which is lowering the Durbin debit cap.
- CFPB is weighing in on data privacy laws, data portability, and overdraft fees.
- PCI-DSS 4.0 went into effect at the end of March 2024.
- Proposed legislation is requiring BNPL providers to obtain state licenses.
- FTC's Government and Business Impersonation Rule is combatting AI-driven fraud.
- SEC's adoption of new disclosure rules for SPAC/de-SPAC transactions.

2 Intensifying Competitive Pressures:

- Slowing growth of merchant services (Adyen and Block valuations are dropping).
- Is software or payments eating the world? (*Hint: software-powered payments.*)

3 High Interest Rates Exerting Pressure on Profitability:

- Interest rates continue to remain high, raising short-term loan costs.
- Consumer credit card debt is at an all-time high, surpassing \$1.13 trillion in December 2023.⁽⁵⁾
- Banks are generating more revenue from interest than payments transaction fees.
- Companies are facing sustained pressure on profitability.

4 Continued Innovation in Commerce and Payments:

- Driven by "super-apps," digital wallet's unique user count is expected to reach 5.2 billion globally by 2026.⁽⁶⁾
- Technology innovations are improving online/offline shopping experience, including payments (embedded, contactless, instant).
- ChatGPT's fastest-growing user base is making AI mainstream.

5 M&A and Financing Environment Remains Cautious:

- Sustained organic growth challenges are forcing more M&A conversations, with appetite remaining strong for tuck-ins and middle-market transactions.
- LP pressure rising—VC dry powder: \$311 billion; PE dry powder: \$2.5 trillion.
- 2023 tech M&A volume fell below \$300 billion.
- Capital One's \$35 billion mega-acquisition of Discover, Roper's Procare acquisition, and Advent International's acquisition of Nuvei are creating some optimism in the market.
- Valuations remain suppressed (except in cybersecurity and AI themes).

Sources: PitchBook, S&P Capital IQ.

(1) Nilson Report.

(3) NACHA.

(2) McKinsey & Company.

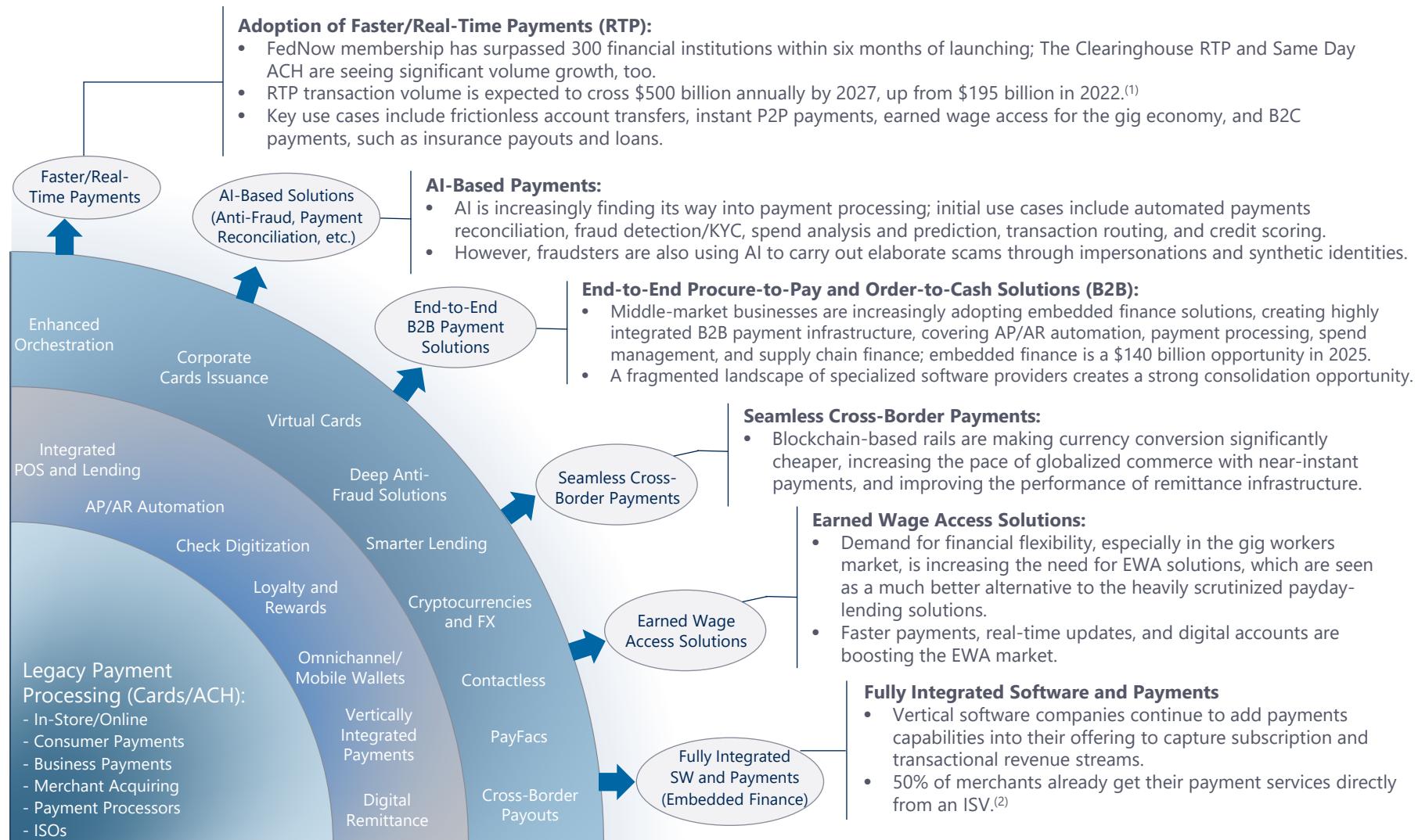
(4) Statista.

(5) Federal Reserve Bank of New York.

(6) Juniper Research.

Evolution of Payments Technology: The Next Wave

In 20 years, payments innovation has exploded, as a wide range of players have adopted the software and payments model.



Sources: PitchBook, S&P Capital IQ.

(1) ACI Worldwide: 2023 Prime Time for Real Time Report.

(2) McKinsey & Company.

Real-Time Payments: Time for the U.S. to Catch Up?

While real-time payment systems are not novel technologies, the U.S. is strategically addressing this crucial and expanding market with recent advancements like FedNow, alongside private-sector innovation from established players and FinTechs.

U.S. RTP SCHEMES

- The U.S. real-time payments landscape is witnessing a dynamic interplay between established players (The Clearing House's RTP network) and the Federal Reserve's (FedNow) entry, with both vying for market share and user adoption.
- While Same Day ACH offers faster settlement compared to traditional ACH, it lacks the true real-time nature of RTP and FedNow, potentially limiting its appeal for certain use cases.
- RTP boasts a higher transaction limit and wider adoption currently, but FedNow's integration with the Federal Reserve's vast network positions it to potentially reach smaller institutions and geographically dispersed users.
- The competition is poised to drive innovation and efficiency in the RTP space, ultimately benefiting consumers and businesses seeking faster and more convenient payment options.
- In 2023, Zelle's transaction volume increased by 28% YoY to \$806 billion,⁽²⁾ positioning Zelle as a precursor to the widespread adoption of real-time rails in the U.S.

BENEFITS



PAYMENT CERTAINTY: Immediate confirmation of receipt of funds, which is particularly important for industries where large sums are regularly exchanged.



ENHANCED DATA EXCHANGE: Modern real-time systems use the ISO 20022 messaging standard for enriched data exchange in payments, enhancing business performance and risk management.



IMPROVED CASH FLOW

MANAGEMENT: Improved liquidity management enables companies to reduce delays and efficiently manage resources through just-in-time liquidity, mitigating settlement risks and optimizing financial operations.

CHALLENGES



FRAUD/SECURITY RISKS: Real-time transactions have a heightened risk of fraud and cybercrime due to instant processing that allows minimal time for fraud detection and prevention.



INVESTMENT/IMPLEMENTATION: Real-time technology necessitates substantial investments in technology and infrastructure upgrades for businesses and financial institutions to support instant transactions securely.



INTEROPERABILITY: The efficacy of real-time systems depends on widespread adoption and full interoperability with domestic and international payment systems.

REAL-TIME PAYMENTS STATISTICS⁽¹⁾

195B

(or ~535 Million/Day)

2022 Global Real-Time Payment Transaction Count

63.2%

YoY Growth of Global Real-Time Transactions (2022)

512B

(or ~1.4 Billion/Day)

2027E Global Real-Time Payment Transaction Count

21.3%

2022–2027E CAGR of Real-Time Transaction Count

SELECTED GLOBAL RTP NETWORKS



(U.S.)



(China)



(India)



(U.K.)



(Singapore)



(Brazil)



(Spain)



(Europe)



(Mexico)



Financing Instant Payments
(U.S.)



(Australia)



(Japan)

RTP INNOVATORS IN THE U.S.



Worldwide

Banked :

Brite*

finzly



tabapay



A Visa Solution



vyne

YAPILY

Merchants like the idea of getting paid faster, but the million-dollar question remains: **Will the U.S. consumer ditch the credit card?**

Sources:

(1) ACI Worldwide: 2023 Prime Time for Real Time Report.

(2) Early Warning Services: Zelle soars with \$806 billion transaction volume, up 28% from prior year.

AI and Payments: Multiple Use Cases Creating Massive Market Opportunity

The growing recognition of generative AI signals a surge in its adoption beyond 2024, with 40% of organizations intending to boost their investment next year mainly to enhance customer loyalty and journeys, aiming to increase engagement and retention.

KEY AI APPLICATIONS IN PAYMENTS

- 1 Managing fraud and risk** by leveraging synthetic examples of fraud based on the patterns established by actual cases to improve fraud detection and prevention and adapt to the evolving fraud mechanisms. However, this also could potentially reduce a consumer's ability to make a payment and a merchant's ability to accept a payment.

Representative AI-Based Anti-Fraud Solution Providers:



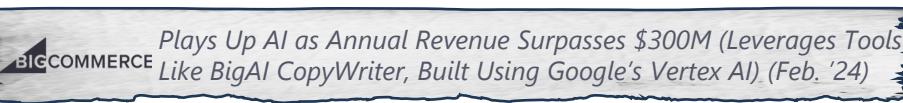
- 2 Enhancing operational efficiencies** enables payments companies and merchants to make data-driven decisions by analyzing vast amounts of transaction and customer data, leading to streamlined payment processes (lower cart abandonment) and reduced manual efforts.

Representative AI-Based Transaction Data and Analytics Solution Providers:



- 3 Delivering friction-free payments and enabling new payments products** via AI to make better-informed recommendations of exchange rates, dynamic pricing, etc., and using predictive tools for customer payment preferences, buyer behavior, and cash flow projections for businesses (A/R and A/P automation).

Representative AI-Based Payment Solution Providers:



- 4 Enhancing customer experience** through personalized consumer recommendations based on transaction history, 24/7 support through AI-powered chatbots, and proactive problem resolution.

Representative Conversational AI-Based CX Solutions in Payments:



Fragmented B2B Payments Landscape Creates Attractive Consolidation Opportunity

The complex nature of B2B payments has caused the space to be disparate, with players either focusing on the A/P or A/R side.

STATE OF THE B2B PAYMENTS MARKET

- The office of the CFO space has grown but is **burdened by inefficiencies** of MS Excel and manual tasks.
 - Manual-heavy processes are time-consuming and inefficient, with **fragmented solutions** and **siloed data**.
- A/P automation:
 - The A/P market remains **highly fragmented**.
 - VCC adoption is still low.
 - Significant margin and growth with SMBs.
- A/R automation:
 - Invoice presentment solutions are expanding into treasury management and deeper into the order-to-cash workflow.
 - Well-suited for midsized and larger enterprises.
- ERP integration in B2B payments:
 - Streamlines processes** by managing and automating tasks such as invoice creation and accounts payable, aiming to overcome common challenges like invoice reconciliation and the lack of supplier portals.
 - Despite the potential for operational improvements, challenges with ERP integration include its difficulty and cost, as well as **issues with legacy system compatibility** and **underutilization of ERP capabilities**.

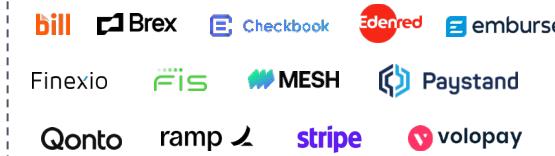
AP AUTOMATION



AR AUTOMATION



CORPORATE CARDS/PAYMENTS



REVOPS AND BILLING



EXPENSE MANAGEMENT



PROCUREMENT/SUPPLY CHAIN



SPEND MANAGEMENT AND ANALYTICS



TREASURY/CASH FLOW MANAGEMENT



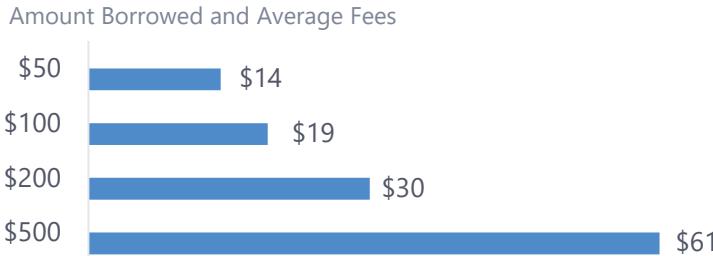
Earned Wage Access Is Gaining Momentum

Despite recent regulatory scrutiny, earned wage access (EWA) providers have unique value propositions for users otherwise ignored by traditional capital providers.

UNIQUE BENEFITS OF EARNED WAGE ACCESS

- 1 Innovative subscription models** provide financial services without the pressure to re-borrow like typical payday loans, aligning company incentives with consumer well-being.
- 2 Support for underserved markets** fills a crucial gap for consumers who are often ignored by major banks due to lower income or credit scores.
- 3 A commitment to financial health** despite facing regulatory actions, with companies like Brigit affirming their dedication to promoting sustainable financial practices for vulnerable customer segments.
- 4 Consumer-centric approaches** drive EWA firms to prioritize transparency and consumer rights, aiming to improve financial outcomes for users while navigating complex regulatory environments.

AVERAGE CASH ADVANCE FEES⁽¹⁾

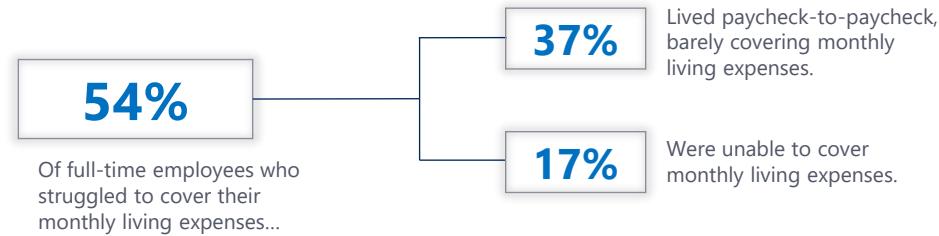


RECENT REGULATORY SCRUTINY

- Wisconsin Becomes Third State to Pass an Earned Wage Access Law (Mar. '24)*
- California Looks to Regulate 'Earned Wage Access' Apps (Dec. '23)*
- States Set Collision Course Over Pay-on-Demand for Earned Wages (Aug. '23)*

ECONOMIC REALITY OF FULL-TIME AMERICAN EMPLOYEES

Ability to Cover Monthly Living Expenses (2022)⁽²⁾



REPRESENTATIVE EWA PLAYERS



Sources: Company websites and press releases.

(1) J.P. Morgan.

(2) Purchasing Power: The State of Employee Finances: 2022.

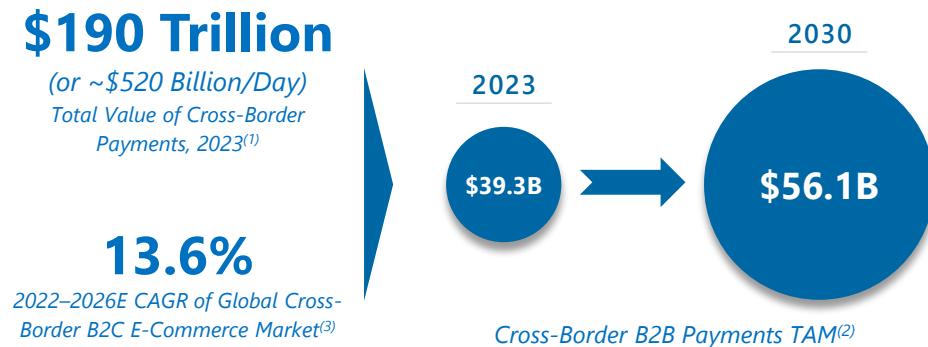
Significant Innovation in Cross-Border Payments

The global cross-border payments market, while substantial in size, is characterized by significant fragmentation and a lack of interoperability, presenting challenges through its complexity and high-cost structures, underscoring the opportunity for innovation across multiple avenues; however, SWIFT remains the dominant player in the ecosystem.

MARKET TRENDS

- Decreasing Transaction Costs:** Thanks to significant advancements in the global payment system, the cost of remittances is expected to continue decreasing. Traditional banking methods for processing international transactions often involve middlemen, leading to inefficiencies and high charges, with fees averaging more than 6%, as per the World Bank.
- Blockchain Rails Adoption:** Blockchain technology provides quicker settlement times, lower expenses, and improved security, facilitating more cost-effective and efficient execution of international transactions.
- SWIFT Network Remains Dominant:** While old, SWIFT is still the messaging network of choice but is facing competition from card networks, blockchain solutions (Ripple), FinTechs (Airwallex, Nium, and Wise), and other banking networks.
- C2C Remittance Players Competing for Corridors:** Remittance players remain steadfast in innovating and evolving, taking part in leveraging new machine learning-based technologies.
- Gig Workers Adopting Innovative Mobile Solutions:** Further globalization has increased the need for platforms catering to the payment of cross-border gig workers and freelancers.

CROSS-BORDER PAYMENTS MARKET SIZE



REPRESENTATIVE CROSS-BORDER PAYMENTS COMPANIES



Software Players Continue to Add Payments Functionality

Amid a surge in demand for sophisticated payment options, independent software vendors (ISVs) are pivotal in pioneering full commerce enablement and embedded finance solutions, streamlining merchant experiences, and catalyzing the integration of advanced payment services.

KEY MARKET TRENDS

A vast majority of ISVs and marketplaces are looking to improve their existing payment capabilities:

- Full Commerce Enablement:** These solutions provide software vendors with a wider range of merchant services, including access to innovative payment methods and value-added features without the need for extensive in-house development.
- ISV Embedded Payments Gaining Traction:** Today, 50% of merchants already get their payment services directly from an ISV, and that number is expected to grow.
- ISVs as Payment Facilitators:** ISVs are increasingly adding PayFac functionality, offering their merchants payment processing capabilities without needing a separate merchant account, making merchant onboarding simple, and expanding the ISV's reach.
- Rise of Embedded Finance:** Software vendors integrating financial services within their offering (embedded finance) is becoming more common as ISVs look to provide their customers with a seamless payment experience.

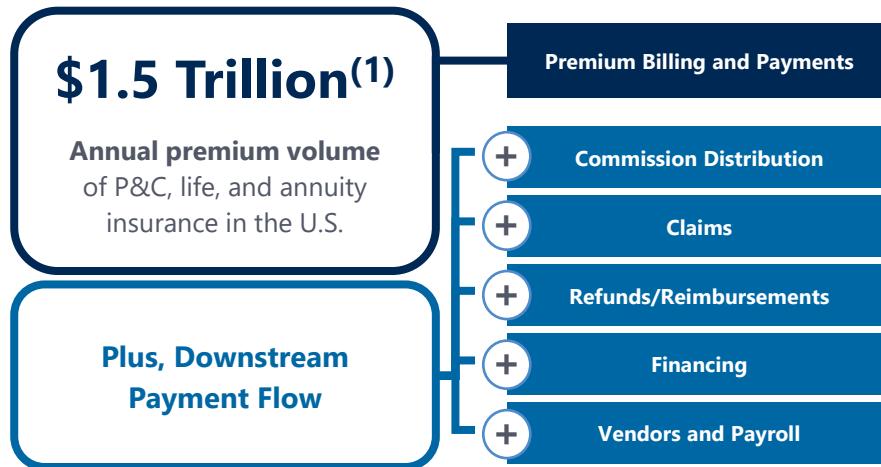
INTEGRATED VERTICAL SOFTWARE AND PAYMENTS—REPRESENTATIVE COMPANIES

Association Management	Education and Childcare	Entertainment and Ticketing	Field Services	Fitness and Sports
    	        	        	          	        
Fleet and Logistics	Gaming	Government	Unattended	Hotel and Hospitality
       	    	      	      	     
Travel	Prof. Services and Insurance	Other	Parking	Retail
     	        	     	             	        
Self-Storage	Salons and Services	Recreation Management	Nonprofit and Faith-Based	Healthcare
  	        	   	             	          
Property Management	Restaurant and Delivery	Healthcare		
             	        	       		

Spotlight: Payments in the Insurance Ecosystem

Comprising a complex intertwined network of agents, brokers, adjusters, carriers/payers, and providers/vendors, the insurance payments ecosystem is undergoing significant technology and software-led modernization.

COMPLEX INSURANCE END MARKET WITH TRILLIONS IN PREMIUM AND RELATED PAYMENT VOLUMES



STRATEGIC VALUE OF PAYMENTS EXEMPLIFIED BY SURGE IN LARGE INSURTECH PLATFORMS' RELATED ACTIVITY

Applied Announces Launch of Applied Pay

The only natively integrated payments solution for the insurance industry is now live.



Insurify to Provide Sure Claims Payments as a Standalone Offering, Allowing Insurers to Go Live with the Cloud-Based Solution in Just 4 Weeks

Duck Creek to acquire Imburse Payments, a modern payments platform

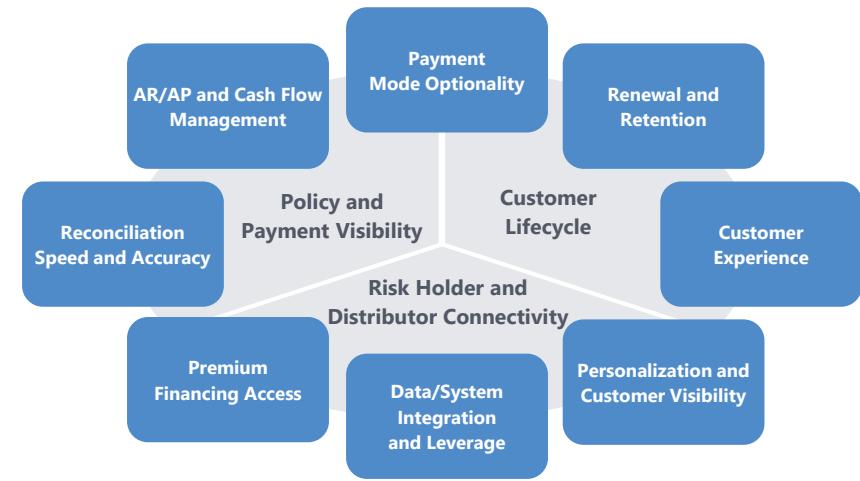


CCC Announces Plan To Deliver Enterprise Payments Platform To The P&C Insurance And Automotive Ecosystem

Deliver Modern Payment Experiences with Guidewire and One Inc's New Guidewire Marketplace Apps



CONVERGENCE OF DATA AND FINANCIAL TRANSACTIONS DRIVING SYNERGIZED OPTIMIZATION OF INSURANCE OUTCOMES



SELECTED INDEPENDENT, PURE-PLAY INSURANCE PAYMENTS PROVIDERS



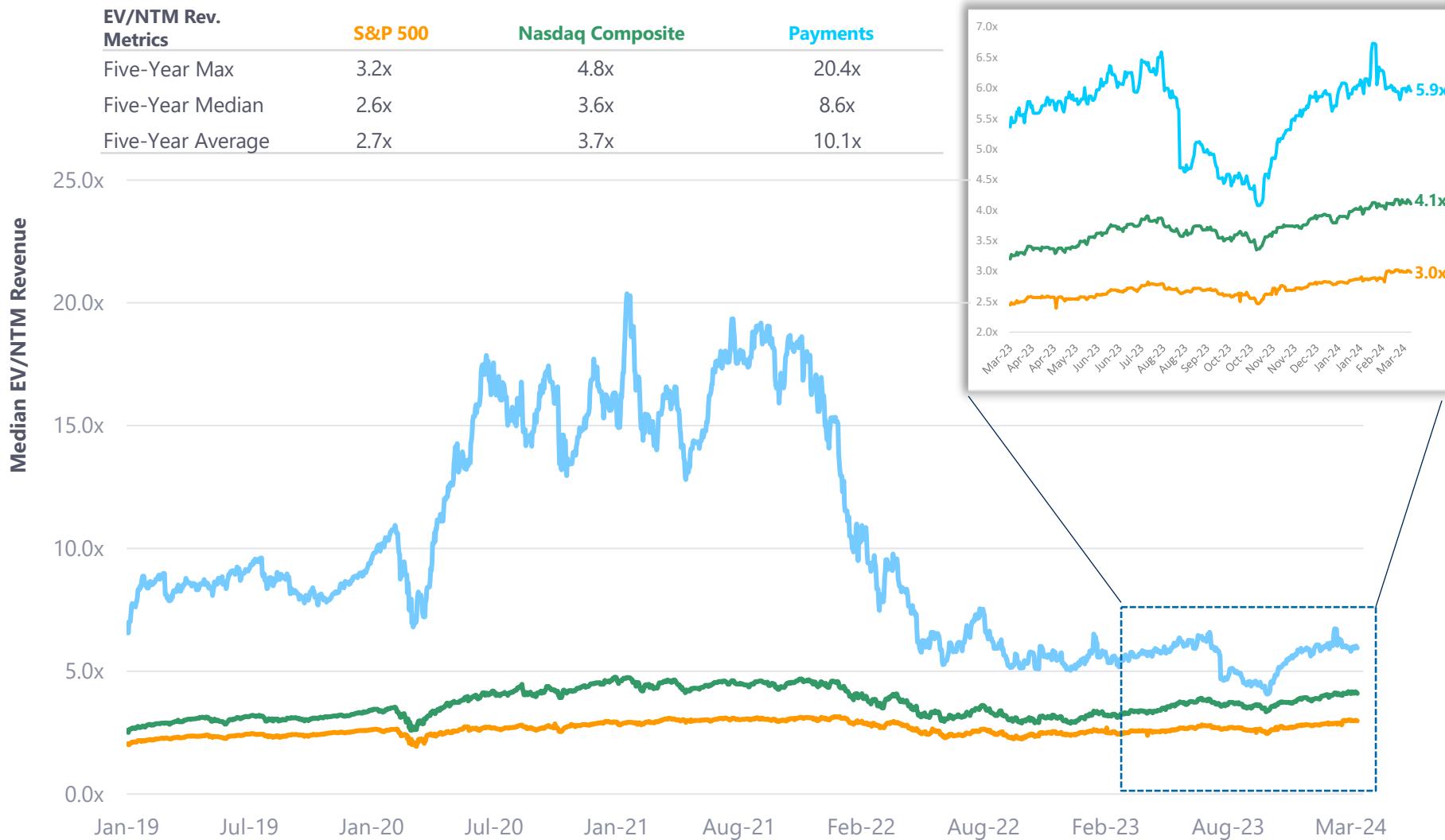
03

PAYMENTS PUBLIC TRADING PERFORMANCE AND M&A/FINANCING UPDATE

- *Payments Sector Public Company Performance*
- *Payments Deal Activity*
- *SponsorScape—Sponsor Interest in Payments Continues Unabated*

Public Company Valuations: Historical Trends

Public payment company valuations have compressed to align more with the overall market since 2021.



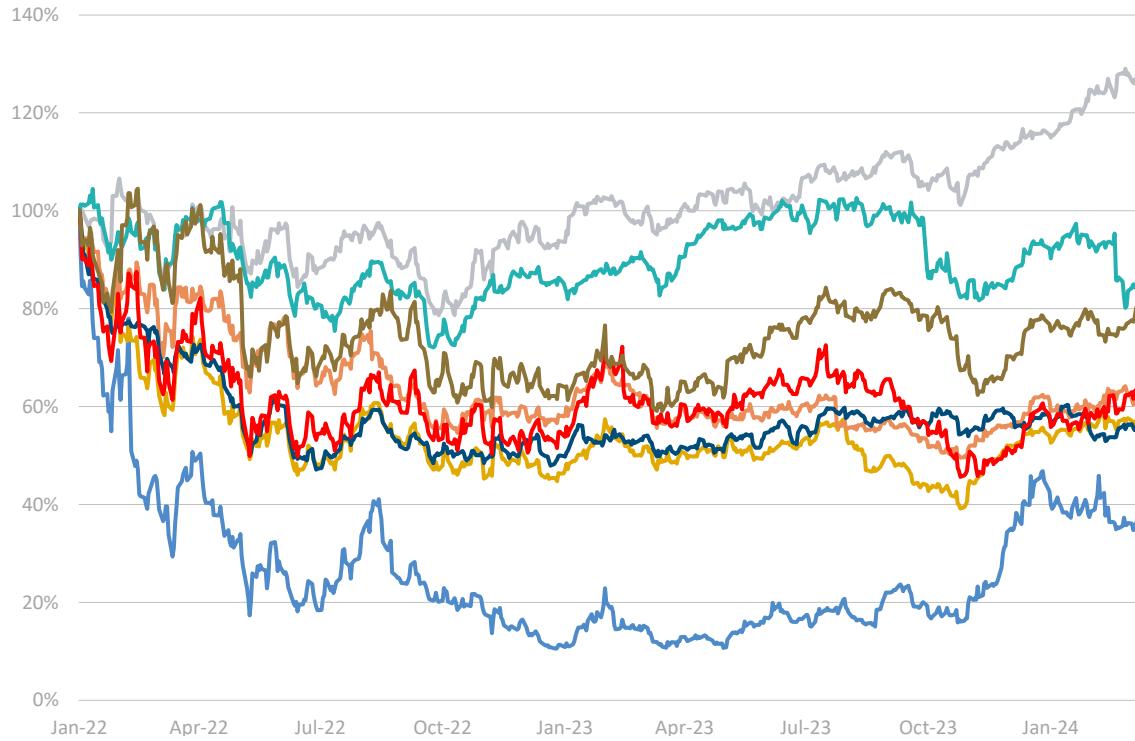
Source: S&P Capital IQ as of March 15, 2024.

Notes: Indices shown are TEV-weighted. Market data as of March 15, 2024. "Payments" index consists of combination of all public trading comparables listed in appendix, with the exception of card networks.

Payments Public Company Subsector Performance

Share performance within the payments space has seen a strong upsurge since 2022.

Indexed Share Price Performance



Index	Since Jan. '22	Since Jan. '23
Card Networks	+28%	+37%
Prepaid Payments, Loyalty, and Rewards	(13%)	+2%
B2B Payments	(19%)	+25%
Payments/ATM Hardware	(39%)	+5%
Vertical Software and Integrated Payments	(40%)	+12%
Merchant Acceptance/Processing	(42%)	+23%
Consumer Payments	(45%)	+11%
Money Access and BNPL	(67%)	+204%

Commentary

- Card networks showed consistent performance, primarily a result of their market dominance and competitive moat.
- Money access and BNPL experienced a strong rebound since January 2023, primarily due to a change in the Fed's signaling on interest rates.

Payments Public Company Subsector Performance (cont.)

Subsector	% of 52 Week High	Valuation Metrics				Calendar Year 2023E Operating Metrics	
		EV/Revenue		EV/EBITDA		Revenue Growth	EBITDA Margin
		CY 2023E	CY 2024E	CY 2023E	CY 2024E		
Card Networks	98%	17.7x	15.9x	27.4x	24.1x	12%	65%
Merchant Acceptance/Processing	83%	3.2x	3.2x	10.6x	9.8x	12%	33%
Money Access and BNPL	72%	3.1x	2.8x	22.0x	8.1x	22%	2%
Money Transfer (Digital Wallets/Remittance/P2P)	75%	2.0x	2.2x	6.7x	7.8x	27%	21%
B2B Payments	92%	6.1x	5.0x	13.1x	33.4x	21%	11%
Prepaid Payments, Loyalty, and Rewards	78%	2.6x	2.4x	12.3x	12.4x	11%	17%
Vertical Software and Integrated Payments	67%	2.8x	2.8x	13.6x	10.7x	23%	14%
Other Payments/ATM Hardware	84%	1.8x	1.5x	6.0x	6.1x	8%	19%
Overall Sector Median	81%	2.8x	2.8x	10.6x	9.8x	16%	20%

Source: Trading multiples and other data are based on share price, other market data, and broker consensus future estimates in each case from S&P Capital IQ as of March 15, 2024.

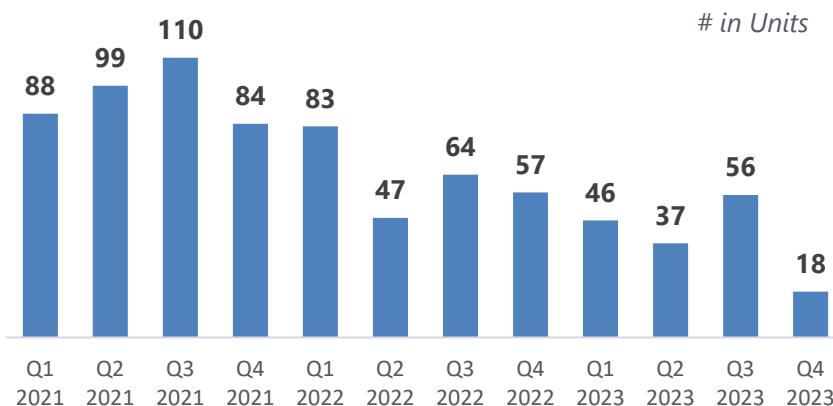
Note: Rule of 40 calculated as % revenue growth plus % FCF margin.

Payments Deal Activity Summary—2023 M&A

Summary

Count

in Units



Volume

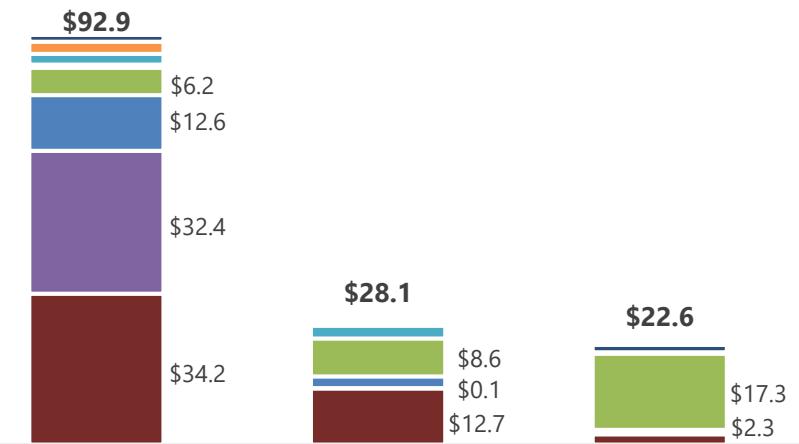
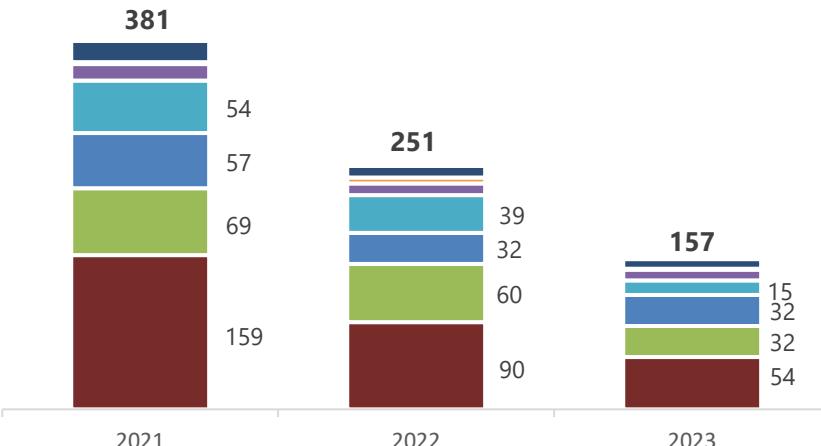
\$ in Billion



Subsector Breakdown

- Card Networks
- Prepaid Payments, Loyalty, and Rewards
- Other Payments/ATM Hardware
- Money Access and BNPL

- Money Transfer (Digital Wallets, Remittance, P2P Payments)
- B2B Payments
- Merchant Acceptance/Processing
- Vertical Software and Integrated Payments



Payments Deal Activity Summary—Recent Notable M&A Transactions

Acquirer	Target															Median	Upper Quartile		
		EV/LTM REVENUE							EV/LTM EBITDA										
		EV/LTM REVENUE				EV/LTM EBITDA			EV/LTM REVENUE				EV/LTM EBITDA						
		 nuvel	 DISCOVER	 BANCO DO BRASIL	 VISTA EQUITY PARTNERS	 Roper TECHNOLOGIES	 Procare SOLUTIONS	 GTCR	 Network International Payment Solutions	 Brookfield	 INFLATION	 nuvel	 J.P.Morgan	 WORLDLINE	 EUROWAG	 Pay360	 Shift4 PAYMENTS INTERNATIONAL	 APOLLO WORLDLINE TSS Unit	
Date	Apr-24	Feb-24	Feb-24	Jan-24	Jan-24	Nov-23	Jul-23	Jun-23	Feb-23	Feb-23	Dec-22	Dec-22	Nov-22	Oct-22	Sep-22	Aug-22	Mar-22		
EV (\$M)	\$6,300	\$35,314	\$1,200	\$4,000	\$1,750	\$540	\$18,500	\$2,670	\$375	\$1,387	\$1,700	\$1,630	\$106	\$317	\$175	\$4,000	\$575		
EV/Revenue	4.6x ⁽¹⁾	2.2x	1.4x	11.0x ⁽²⁾	-	5.0x	-	-	-	4.6x	9.0x	11.5x	6.7x	7.4x	3.3x	7.2x	2.9x		
EV/EBITDA	12.7x ⁽¹⁾	-	2.4x	-	25.0x	-	9.8x ⁽³⁾	14.1x	8.8x	18.7x	-	-	-	17.0x	14.3x	19.5x	16.4x		

Sources: PitchBook, S&P Capital IQ, press releases.
Includes notable transactions with disclosed values and multiples.

(1) FY 2024E.

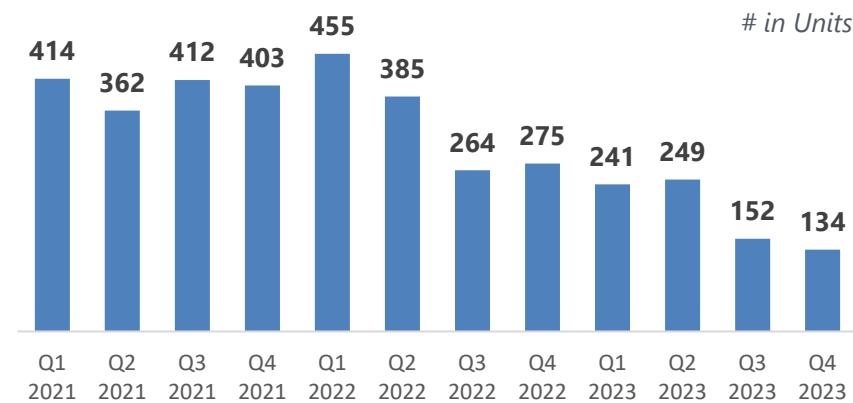
(2) LTM September 30, 2023E revenue.

(3) FY 2023E adjusted EBITDA.

Payments Deal Activity Summary—2023 Financing

Summary

Count

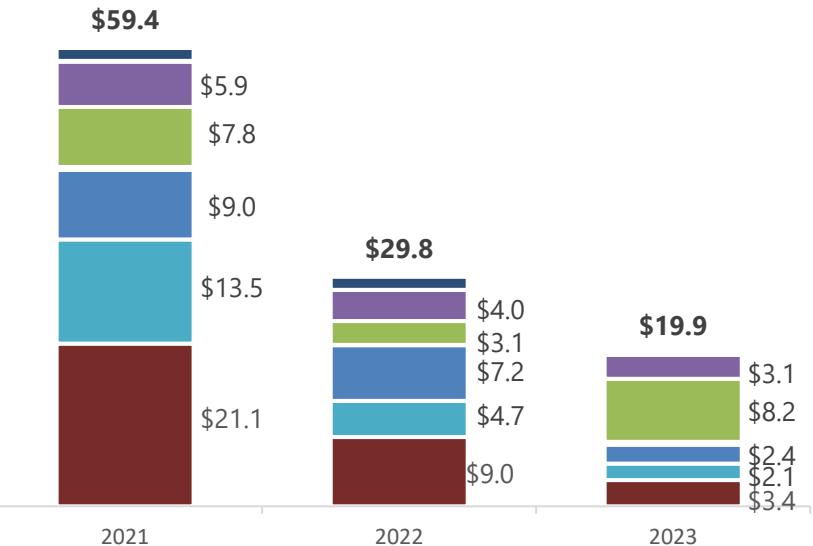
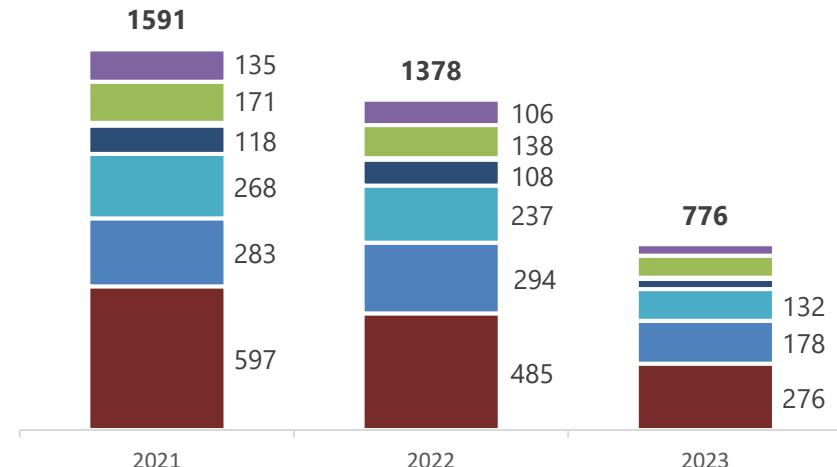


Volume



Subsector Breakdown

- Prepaid Payments, Loyalty, and Rewards
- Card Networks
- Money Access and BNPL
- Other Payments/ATM Hardware
- Money Transfer (Digital Wallets, Remittance, P2P Payments)
- B2B Payments
- Merchant Acceptance/Processing
- Vertical Software and Integrated Payments



Source: PitchBook.

Payments Deal Activity Summary—Recent Notable Financing Transactions

Date	Investors	Target	Description	Amount Raised (\$ in Millions)	Post-Money Valuation (\$ in Millions)
Jan-24	General Catalyst	 BILT	Rent-Based Rewards Platform	\$200	\$3,100
Jan-24	Carrick Capital Partners	 dailypay.	Earned-Wage Access	\$175	\$1,825
Dec-23	Sanabil Investments, SNB Capital	 tamara	Saudi Shopping and BNPL Platform	\$340	\$1,000
Dec-23	Bain Capital Tech Opportunities, Sixth Street Partners	 sumup®	POS Platform	\$307	-
Dec-23	Sands Capital, Thrive Capital	 ramp	Spend Management and Corporate Card Platform	\$339	\$5,800
Nov-23	Sequoia Capital, STV, Wellington Management	 tabby	BNPL Platform	\$200	\$1,500
Sep-23	Citi Ventures, Warburg Pincus	 PAYJOY	Alternative Credit for Mobile Phones	\$360 ⁽¹⁾	\$650
Jun-23	Arbor Ventures	 Nomi Health	Healthcare Payments Platform	\$118	\$1,682
Jun-23	57 Stars, Avataar Venture Partners, Pantheon, Unigestion	 capillary	Loyalty/Customer Experience Platform	\$140	-
May-23	General Atlantic, Ribbit Capital, Tiger Global Management, TVS Capital, Walmart	 PhonePe	Digital Person-to-Person Payments	\$845	-

Sources: PitchBook, S&P Capital IQ; includes transactions with more than \$100 million in financing.

(1) Includes debt and equity components.

Robust Sponsor Interest in Payments—Representative Control Investors



Robust Sponsor Interest in Payments—Representative Hybrid and Growth Investors



04 APPENDIX

Payments Public Companies: Valuation Multiple and Operating Metric Detail

All \$ USD in Millions	Capitalization		Stock Performance		Valuation Metrics				Calendar Year 2023E Operating Metrics				
	Market Cap (\$M)	Enterprise Value (\$M)	YTD Return	% of 52 Week High	CY 2023E	CY 2024E	CY 2023E	CY 2024E	Revenue Growth	EBITDA Growth	EBITDA Margin	FCF Margin	Rule of 40
Company Name													
Card Networks													
Visa	\$568,618	\$575,730	36%	98%	17.3x	15.7x	25.3x	22.1x	11%	13%	69%	65%	76%
Mastercard	\$443,898	\$451,834	37%	99%	18.0x	16.1x	29.6x	26.2x	13%	15%	61%	59%	72%
Median			37%	98%	17.7x	15.9x	27.4x	24.1x	12%	14%	65%	62%	74%
Average			37%	98%	17.7x	15.9x	27.4x	24.1x	12%	14%	65%	62%	74%
Merchant Acceptance/Processing													
Fiserv	\$88,342	\$111,851	48%	98%	6.2x	5.7x	13.7x	12.5x	8%	13%	45%	37%	45%
Shopify	\$99,348	\$99,085	122%	84%	14.2x	11.6x	n.a.	n.a.	27%	n.a.	11%	11%	37%
PayPal	\$67,359	\$70,122	(12%)	81%	2.4x	2.2x	9.4x	9.7x	8%	12%	25%	22%	30%
FIS Global	\$39,845	\$58,752	2%	98%	6.0x	5.8x	14.9x	14.2x	(32%)	(37%)	40%	30%	(3%)
Block (fka Square)	\$49,593	\$50,665	28%	92%	2.3x	2.0x	30.3x	19.0x	25%	82%	8%	7%	32%
Global Payments	\$33,130	\$49,617	31%	92%	5.7x	5.4x	11.5x	10.7x	7%	11%	50%	43%	50%
Adyen	\$49,233	\$40,297	15%	86%	n.a.	18.5x	n.a.	38.4x	25%	(8%)	44%	38%	63%
Nexi	\$8,974	\$20,392	(13%)	79%	5.5x	5.3x	10.6x	10.0x	6%	12%	52%	37%	44%
Worldline	\$3,209	\$6,685	(71%)	24%	1.3x	1.3x	5.5x	5.4x	10%	3%	24%	16%	26%
Cielo	\$2,846	\$6,496	6%	91%	2.9x	3.0x	6.5x	7.3x	4%	26%	45%	42%	46%
StoneCo	\$5,336	\$5,549	83%	89%	2.2x	2.1x	4.2x	4.0x	39%	57%	52%	43%	82%
Global-e	\$5,472	\$5,295	61%	73%	9.3x	7.0x	n.a.	40.4x	39%	105%	16%	16%	55%
DLocal	\$5,154	\$4,660	14%	74%	7.3x	5.3x	22.3x	16.3x	51%	34%	33%	30%	81%
ACI Worldwide	\$3,387	\$4,316	38%	95%	3.0x	2.8x	11.1x	10.2x	4%	5%	27%	26%	30%
GMO Payment Gateway	\$4,905	\$4,198	(22%)	80%	8.9x	7.9x	24.5x	21.0x	17%	16%	36%	29%	46%
Nuvei	\$3,041	\$4,156	(14%)	50%	3.5x	3.0x	9.6x	8.4x	41%	25%	36%	32%	73%
PagSeguro	\$4,394	\$3,844	59%	93%	1.2x	1.1x	5.5x	4.8x	11%	27%	21%	13%	24%
EVERTEC	\$2,462	\$3,202	16%	89%	4.7x	3.8x	11.0x	9.7x	12%	9%	43%	38%	50%
Paysafe	\$815	\$3,140	(5%)	74%	2.0x	1.8x	6.8x	6.6x	7%	12%	29%	28%	35%
Network International	\$2,619	\$2,873	37%	96%	5.6x	4.7x	13.4x	11.0x	17%	19%	42%	29%	46%
Global Blue	\$1,161	\$1,707	5%	75%	n.a.	3.3x	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
REPAY	\$960	\$1,300	31%	96%	4.5x	4.1x	10.3x	9.3x	5%	4%	43%	27%	31%
Priority Technology	\$254	\$861	(36%)	67%	1.1x	1.0x	5.1x	4.4x	16%	25%	22%	22%	39%
BigCommerce	\$545	\$823	(19%)	56%	2.7x	2.5x	n.a.	39.3x	10%	n.a.	(1%)	(3%)	7%
Boku	\$647	\$551	30%	98%	6.7x	5.8x	20.2x	17.3x	31%	36%	33%	26%	57%
Tyro Payments	\$382	\$366	(24%)	68%	1.2x	1.2x	10.8x	9.4x	20%	88%	11%	6%	26%
Equals Group	\$254	\$236	26%	82%	1.9x	1.7x	9.2x	8.0x	47%	84%	21%	18%	65%
GHL Systems	\$152	\$123	(32%)	70%	1.2x	1.2x	8.0x	8.9x	11%	3%	15%	8%	19%
Median			15%	83%	3.2x	3.2x	10.6x	9.8x	12%	16%	33%	27%	39%
Average			14%	80%	4.4x	4.3x	11.9x	13.7x	17%	26%	31%	25%	42%

Source: Trading multiples and other data are based on share price, other market data, and broker consensus future estimates in each case from S&P Capital IQ as of March 15, 2024.

Note: Rule of 40 calculated as % revenue growth plus % FCF margin.

Payments Public Companies: Valuation Multiple and Operating Metric Detail (cont.)

All \$ USD in Millions	Capitalization		Stock Performance		Valuation Metrics				Calendar Year 2023E Operating Metrics						
	Market Cap (\$M)	Enterprise Value (\$M)	YTD Return	% of 52 Week High	EV/Revenue	CY 2023E	CY 2024E	EV/EBITDA	CY 2023E	CY 2024E	Revenue Growth	EBITDA Growth	EBITDA Margin	FCF Margin	Rule of 40
Company Name															
Money Access and BNPL															
Affirm	\$10,345	\$15,551	249%	64%	8.4x	6.5x	n.a.	n.a.	23%	n.a.	(32%)	(39%)	(15%)		
Humm Group	\$160	\$2,979	(14%)	68%	7.7x	6.8x	n.a.	n.a.	21%	(60%)	4%	1%	22%		
Zip Co.	\$843	\$2,497	145%	97%	4.8x	4.3x	n.a.	n.a.	16%	n.a.	0%	(3%)	14%		
Sezzle	\$328	\$356	n.a.	72%	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	
Payfare	\$246	\$204	62%	93%	1.4x	1.2x	12.9x	8.2x	43%	469%	11%	11%	54%		
Katapult	\$58	\$123	(41%)	57%	0.6x	0.5x	n.a.	n.a.	4%	n.a.	1%	1%	5%		
Beforepay	\$19	\$28	25%	93%	1.2x	1.1x	31.2x	8.1x	39%	n.a.	4%	4%	42%		
Median			43%	72%	3.1x	2.8x	22.0x	8.1x	22%	204%	2%	1%	23%		
Average			71%	78%	4.0x	3.4x	22.0x	8.1x	24%	204%	(2%)	(4%)	20%		
Money Transfer (Digital Wallets/Remittance/P2P)															
Wise	\$12,044	\$11,311	73%	97%	8.5x	5.8x	25.6x	19.5x	54%	82%	33%	32%	86%		
Western Union	\$4,613	\$6,011	(2%)	95%	1.4x	1.5x	5.8x	6.1x	(3%)	(6%)	24%	21%	17%		
Remitly	\$3,795	\$3,614	76%	72%	3.8x	2.9x	n.a.	40.5x	46%	n.a.	4%	3%	50%		
Kakao Pay	\$4,032	\$3,312	(30%)	66%	7.0x	6.0x	n.a.	n.a.	8%	n.a.	1%	(5%)	3%		
Paytm (One97)	\$2,841	\$2,863	(30%)	37%	2.4x	2.8x	n.a.	n.a.	37%	n.a.	(10%)	(18%)	18%		
Payoneer	\$1,575	\$1,001	(22%)	66%	1.2x	1.1x	4.9x	5.2x	35%	373%	24%	24%	59%		
IDT Corporation	\$964	\$847	35%	98%	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	
Alpha Group	\$909	\$750	(5%)	71%	5.3x	4.6x	13.8x	12.1x	19%	9%	39%	29%	48%		
Intermex	\$708	\$685	(14%)	79%	1.0x	1.0x	5.8x	5.5x	21%	14%	18%	16%	37%		
Lesaka (fka Net1)	\$217	\$354	(20%)	75%	0.6x	0.6x	10.3x	9.2x	33%	329%	6%	6%	40%		
OFX Group	\$267	\$268	(30%)	78%	1.7x	1.7x	6.7x	6.4x	11%	11%	25%	16%	27%		
Median			(14%)	75%	2.0x	2.2x	6.7x	7.8x	27%	14%	21%	16%	43%		
Average			3%	76%	3.3x	2.8x	10.4x	13.1x	26%	116%	17%	12%	39%		
B2B Payments															
FLEETCOR	\$21,243	\$26,746	61%	99%	7.1x	6.6x	13.1x	12.1x	11%	15%	54%	49%	60%		
WEX	\$9,691	\$12,662	42%	99%	5.0x	4.6x	11.7x	10.7x	10%	7%	43%	37%	47%		
Bill.com	\$6,797	\$7,128	(41%)	46%	6.1x	5.4x	48.2x	35.1x	39%	452%	13%	12%	51%		
Paymentus	\$2,870	\$2,701	189%	93%	4.4x	3.7x	n.a.	37.3x	24%	98%	9%	8%	32%		
Flywire	\$3,144	\$2,493	5%	72%	6.6x	5.0x	n.a.	35.3x	42%	150%	10%	8%	50%		
AvidXchange	\$2,538	\$2,274	25%	92%	6.1x	5.1x	n.a.	31.7x	19%	n.a.	6%	2%	21%		
Median			33%	92%	6.1x	5.0x	13.1x	33.4x	21%	98%	11%	10%	31%		
Average			47%	83%	5.9x	5.1x	24.3x	27.0x	24%	145%	22%	19%	44%		
Prepaid Payments, Loyalty, and Rewards															
Edenred	\$13,266	\$16,832	(2%)	78%	6.1x	5.4x	14.1x	12.4x	31%	36%	43%	36%	67%		
Bread Financial	\$1,838	\$3,688	(1%)	89%	0.9x	0.9x	4.1x	6.2x	11%	n.a.	21%	21%	32%		
Cardlytics	\$640	\$814	151%	74%	2.6x	2.4x	n.a.	37.7x	3%	n.a.	1%	1%	4%		
EML Payments	\$310	\$323	93%	98%	1.8x	1.9x	10.5x	8.8x	10%	15%	17%	12%	22%		
Airia	\$188	\$270	(26%)	72%	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.		
PaySign	\$164	\$157	20%	78%	3.4x	3.0x	24.8x	18.0x	20%	14%	14%	14%	34%		
Median			9%	78%	2.6x	2.4x	12.3x	12.4x	11%	15%	17%	14%	25%		
Average			39%	82%	3.0x	2.7x	13.4x	16.6x	15%	22%	19%	17%	32%		

Source: Trading multiples and other data are based on share price, other market data, and broker consensus future estimates in each case from S&P Capital IQ as of March 15, 2024.

Note: Rule of 40 calculated as % revenue growth plus % FCF margin.

Payments Public Companies: Valuation Multiple and Operating Metric Detail (cont.)

All \$ USD in Millions	Capitalization		Stock Performance		Valuation Metrics				Calendar Year 2023E Operating Metrics				
	Market Cap (\$M)	Enterprise Value (\$M)	YTD Return	% of 52 Week High	CY 2023E	CY 2024E	CY 2023E	CY 2024E	Revenue Growth	EBITDA Growth	EBITDA Margin	FCF Margin	Rule of 40
Vertical Software and Integrated Payments													
Toast	\$12,905	\$12,344	31%	87%	9.3x	7.4x	n.a.	n.a.	41%	n.a.	4%	0%	41%
NCR Voyix	\$1,781	\$9,637	(47%)	40%	2.5x	2.6x	14.3x	15.1x	(52%)	(51%)	18%	7%	(45%)
Shift4 Payments	\$4,833	\$6,370	39%	84%	2.4x	1.7x	13.8x	9.7x	31%	67%	18%	17%	48%
EverCommerce	\$1,576	\$2,021	14%	63%	3.0x	3.0x	13.4x	11.8x	10%	29%	22%	22%	32%
PAR Technology	\$1,402	\$1,747	59%	83%	4.2x	3.7x	n.a.	n.a.	18%	n.a.	(6%)	(7%)	11%
Phreesia	\$1,339	\$1,264	(27%)	66%	3.6x	3.0x	n.a.	n.a.	27%	n.a.	(11%)	(12%)	15%
Lightspeed POS	\$1,966	\$1,240	(10%)	59%	1.4x	1.2x	n.a.	n.a.	24%	n.a.	(1%)	(2%)	22%
Eurowag	\$658	\$1,013	(0%)	69%	4.0x	3.4x	8.3x	7.3x	36%	42%	47%	26%	62%
i3 Verticals	\$512	\$995	(10%)	86%	2.6x	2.5x	9.7x	8.7x	14%	22%	27%	25%	39%
Olo	\$869	\$608	(14%)	61%	2.7x	2.2x	28.2x	25.5x	22%	56%	10%	10%	31%
Median			(5%)	67%	2.8x	2.8x	13.6x	10.7x	23%	35%	14%	8%	31%
Average			3%	70%	3.6x	3.1x	14.6x	13.0x	17%	27%	13%	9%	26%
Other Payments/ATM Hardware													
Euronet Worldwide	\$4,939	\$5,173	14%	89%	1.4x	1.3x	8.3x	7.5x	9%	9%	17%	14%	23%
NCR Atleos	\$1,417	\$4,128	n.a.	77%	1.0x	0.9x	5.4x	5.2x	n.a.	n.a.	18%	16%	n.a.
Deluxe Corp.	\$857	\$2,481	15%	89%	1.1x	1.1x	6.0x	6.1x	(1%)	(0%)	19%	14%	13%
Diebold Nixdorf	\$1,313	\$2,143	n.a.	99%	0.6x	0.6x	5.9x	5.0x	8%	35%	10%	9%	16%
Marqeta	\$3,052	\$2,080	(3%)	81%	3.1x	4.0x	n.a.	n.a.	(11%)	n.a.	(1%)	(2%)	(12%)
Everi	\$763	\$1,505	(37%)	51%	1.8x	1.8x	4.0x	4.1x	5%	0%	46%	30%	35%
CompoSecure	\$118	\$1,018	16%	72%	2.6x	2.4x	7.1x	6.7x	2%	6%	37%	35%	37%
Nayax	\$909	\$945	35%	90%	4.0x	2.9x	n.a.	29.0x	36%	n.a.	3%	3%	40%
PayPoint	\$445	\$553	1%	83%	2.6x	2.3x	5.8x	5.0x	44%	29%	45%	35%	79%
CPI Card Group	\$192	\$475	(53%)	37%	1.1x	1.1x	5.3x	5.2x	(1%)	1%	20%	18%	17%
PAX Global	\$822	\$463	(11%)	84%	0.5x	0.4x	2.7x	2.3x	n.a.	n.a.	18%	17%	n.a.
Cantaloupe	\$449	\$454	42%	74%	1.8x	1.5x	13.3x	12.2x	13%	881%	13%	8%	21%
Hightech Payments	\$435	\$430	(6%)	88%	3.8x	3.4x	18.9x	16.0x	25%	5%	20%	18%	43%
Eckoh	\$144	\$136	2%	84%	2.7x	2.6x	10.8x	9.9x	12%	22%	25%	22%	34%
Goldpac Group	\$156	\$110	(6%)	85%	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
CoreCard	\$94	\$69	(61%)	36%	1.2x	1.4x	n.a.	n.a.	(18%)	n.a.	n.a.	n.a.	n.a.
Median			(1%)	84%	1.8x	1.5x	6.0x	6.1x	8%	8%	19%	16%	24%
Average			(4%)	76%	2.0x	1.9x	7.8x	8.8x	10%	99%	21%	17%	26%
Overall Sector Median			5%	81%	2.8x	2.8x	10.6x	9.8x	16%	15%	20%	17%	33%
Overall Sector Average			17%	78%	4.0x	3.7x	12.8x	14.2x	18%	64%	22%	18%	36%

Source: Trading multiples and other data are based on share price, other market data, and broker consensus future estimates in each case from S&P Capital IQ as of March 15, 2024.

Note: Rule of 40 calculated as % revenue growth plus % FCF margin.

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