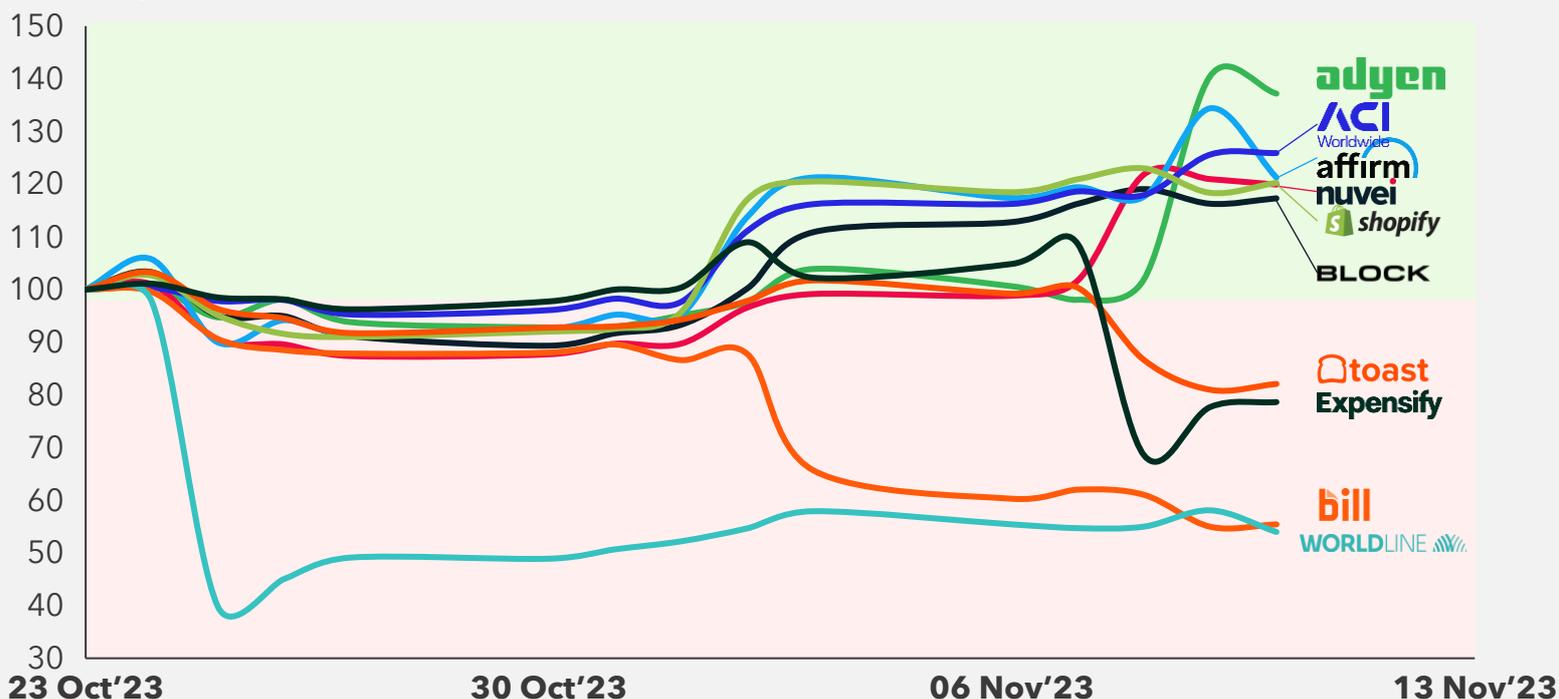


Q3 Earnings Volatility in Fintech Stocks

SELECT FINTECH STOCKS' PRICE VARIATION

(15-days indexed chart)



| | | | | |
|--|---|---|---|--|
| <p>adyen ↑ 37%</p> <p>Provided updated expectations for future growth including expectations for slowed people/opex expansion</p> | <p>nuvei ↑ 20%</p> <p>Reported mixed earnings, but strong revenue growth, and raised its Q4 growth guidance</p> | <p>BLOCK ↑ 17%</p> <p>Earnings and revenue exceeded expectations by 17% and 3% respectively, announced plans for workforce reduction and caps</p> | <p>bill ↓ 45%</p> <p>Announced substantial reductions in growth guidance, citing macro headwinds</p> | <p>WORLDLINE ↓ 46%</p> <p>Strategic decision to de-risk its business leads to sales growth and operating margin adjusted to 6-7% vs. 8-10% and 100 bps vs. 150 bps</p> |
| <p>ACI Worldwide ↑ 26%</p> <p>Earnings and revenue exceeded expectations by 192% and 7% respectively</p> | <p>shopify ↑ 20%</p> <p>Earnings and revenue exceeded expectations by 71% and 2% respectively</p> | <p>affirm ↑ 21%</p> <p>Earnings and revenue exceeded expectations by 7% and 12% respectively</p> | <p>toast ↓ 18%</p> <p>Announced slowing growth of subscrpt. revenue per location and a lessening impact from Toast Capital</p> | <p>Expensify ↓ 26%</p> <p>Earnings and revenue below expectations by -9% and -7% respectively</p> |

Sources: Yahoo Finance, various earnings releases and investor presentations, Flagship Advisory Partners analysis
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General Commentary & Highlights

- Q3 earnings season brought heavy volatility to payments stocks
- Share price increases or decreases of +/- 20% were common as shown above
- Technology investors are now hyper-sensitive to earnings misses, even small misses (-5% vs. expectation) seem to drive c. -20% impacts to share price
- Substantially negative guidance, such as that provided by Worldline recently or Adyen back in August (some impact recently recovered) leads to even larger share impacts of c. -50%
- The combination of some strong earnings announcements and favorable views on interest rates boosted the entire sector so far this month and it feels like a sector with real upside for investors