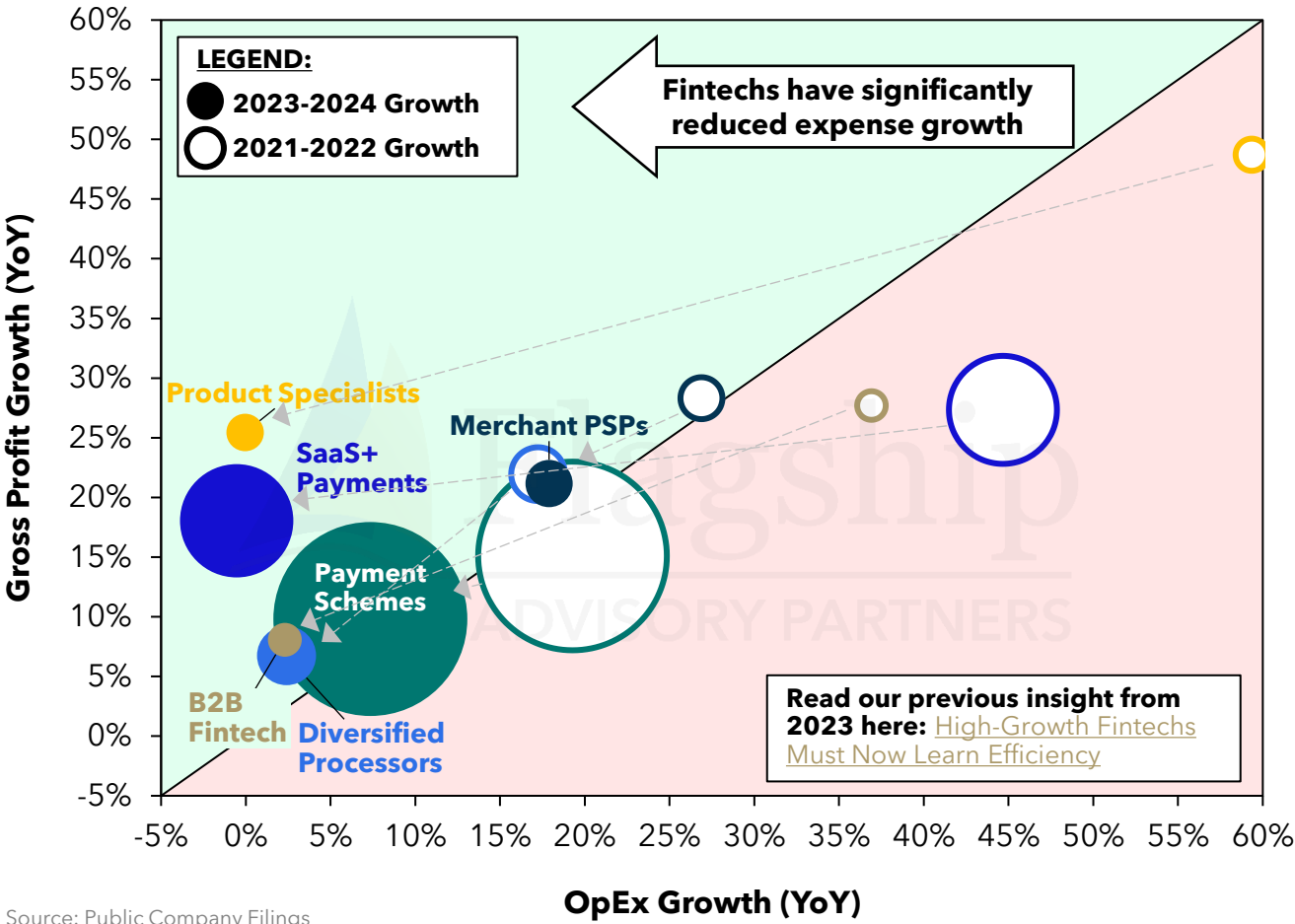


# Flagship Advisory Partners: A Closer Look at Public Fintech Health & Efficiency

1

Fintech Cohort Gross Profit vs. OpEx Growth  
(2021 – 2022 and 2023 – 2024; bubble size representative of cohort avg. market cap)



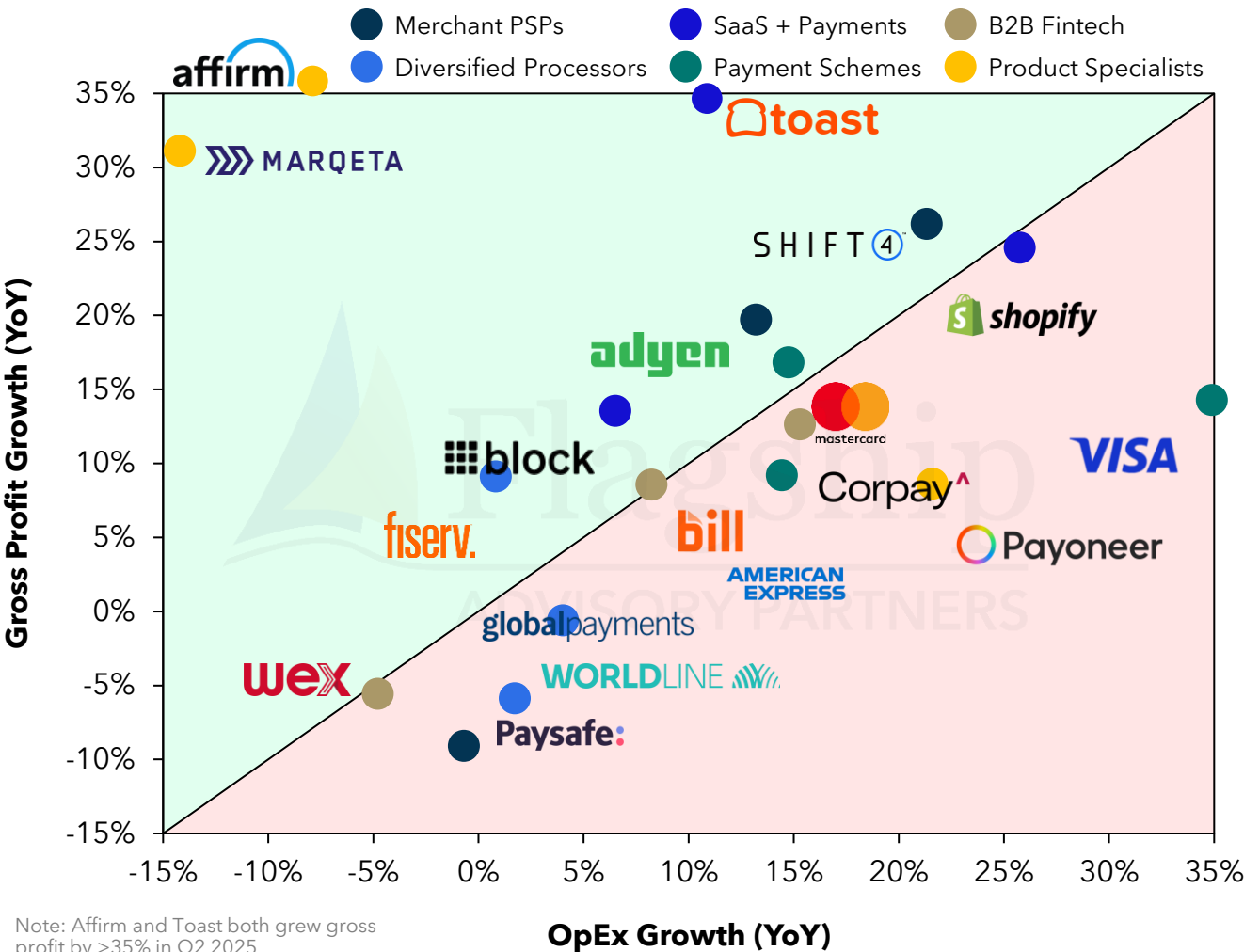
Source: Public Company Filings

COHORTS	COMPANIES	DESCRIPTION
Merchant PSPs		Provide merchant payments, card processing, and related services
Diversified Processors		Provide merchant payments, card processing, and related services
SaaS + Payments		Provide both software (commerce or bus. mgmt.) and payments
Payment Schemes		General purpose payment networks
B2B Fintech		Focused on B2B customers with payments, cards, lending, etc.
Product Specialists		Focused on specialized products (e.g., BNPL, x-border, etc.)

Note: All financial results in local currencies. Worldline, Wise, and Bill.com have non-calendar fiscal years.  
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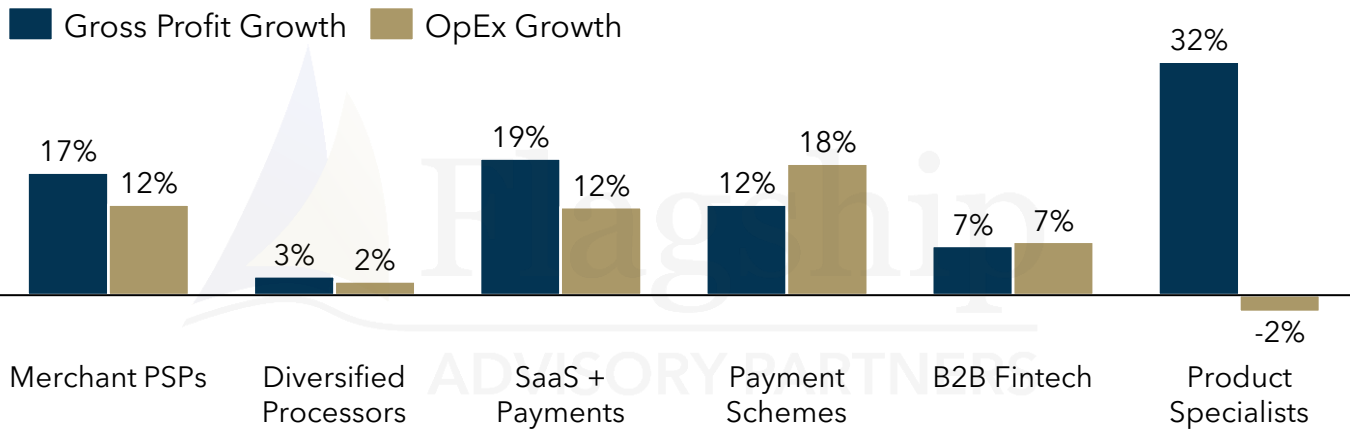
2

Gross Profit vs. OpEx Growth for Select Fintechs  
(Q2 2024 - Q2 2025)



3

Fintech Cohort Gross Profit vs. OpEx Growth  
(Q2 2024 - Q2 2025)









































Source: Public Company Filings

4

# Valuation & Financial Health Metrics

(valuation and financial metrics for 2024 and Q2 '25)

	Fwd. Valuation Multiples		Net Profit Margin		Capex % of Revenue		Capex % of OCF		Liabilities / Equity	
	P/E	EV/ EBITDA	2024	Q2 '25	2024	Q2 '25	2024	Q2 '25	2024	Q2 '25
 adyen	38.8x	23.9x	46%	45% 	5%	4%	6%	2%	1.7	1.9
 SHIFT 4	15.2x	7.0x	7%	6% 	2%	4%	15%	16%	4.0	4.2
 Paysafe:	5.0x	6.4x	1%	(12%) 	1%	2%	6%	8%	4.5	5.1
 fiserv.	12.5x	9.7x	15%	19% 	8%	15%	24%	35%	1.8	2.2
 globalpayments	6.9x	7.7x	16%	28% 	7%	14%	19%	20%	1.0	1.1
 WORLDLINE 	3.2x	N/M	(6%)	N/M 	6%	6%	47%	48%	1.1	2.2
 shopify	90.2x	84.4x	23%	34% 	0%	0%	1%	1%	2.8	2.1
 block	24.8x	12.7x	12%	9% 	1%	1%	9%	12%	0.7	0.7
 toast	42.1x	35.9x	0%	5% 	1%	2%	15%	8%	0.6	0.5
 VISA	28.2x	22.4x	55%	52% 	3%	11%	6%	6%	1.4	1.6
 mastercard	33.8x	25.5x	46%	46% 	4%	7%	8%	8%	6.4	5.5
 AMERICAN EXPRESS	19.7x	N/M	17%	18% 	3%	6%	14%	11%	9.0	8.1
 Corpay^	14.3x	11.6x	25%	26% 	4%	4%	9%	4%	4.7	4.2
 wex	10.3x	5.5x	12%	10% 	6%	10%	31%	N/M	7.9	14.0
 bill	20.2x	13.4x	(2%)	(3%) 	2%	6%	7%	9%	1.2	1.5
 Payoneer	21.9x	7.2x	12%	7% 	3%	14%	16%	30%	9.9	9.5
 MARQETA	N/M	20.9x	5%	(0%) 	0%	10%	4%	66%	0.3	0.4
 7WISE	29.6x	16.6x	34%	N/A	1%	N/A	0%	N/A	14.4	N/A
 affirm	37.7x	80.9x	(22%)	0% 	7%	18%	35%	20%	2.5	2.6

Note: OCF = Operating Cash Flow. Adyen, Nexi, Tyro, and Worldline Q2 '25 = year to date Q2 '25. Not all companies have the same fiscal year end. 2024 represents the most recent fiscal year end. Q2 '25 represents the most recent fiscal quarter end. P/E and EV / EBITDA are based on consensus analyst estimates for the next 12 months. Valuation metrics are as of Aug. 25, 2025.  
Source: Public Company Filings, Koyfin

## 5

## Efficiency Index

(2022 vs. 2024 data; index = gross profit growth divided by opex growth; n = 34)



Source: Public Company Filings, Flagship analysis

## 6

## What the Data Suggests

(high-level commentary on select public fintechs)

### Gross Profit Vs. Opex Growth

- Public fintechs have made meaningful strides towards overall operating expense discipline in 2024, a notable development from the “growth-at-all-costs” attitude prevalent pre-2022.
- The most recent quarterly data suggests this trend is persisting, though some of the largest global fintechs with the most mature margin structures (e.g., Visa, Corpay, and Global Payments) are seeing expense growth outpace gross profit growth.
- Fintechs such as Affirm and Toast demonstrate that hypergrowth (30%+ gross profit growth) can still be achieved with a measured focus on expense discipline.

### Net Profit Margins & Other Financial Health Characteristics

- Five companies in the fintech peer set (Figure 4) saw net profit margins eclipse FY'24 benchmarks in the most recent quarter (Q2 '25, Fiserv, Global Payments, Shopify, Toast, and Affirm) while six have seen net profit margins contract (Paysafe, Worldline, Block, Visa, Payoneer, and Marqeta).
- Including this most recent quarter, SaaS + embedded payments providers like Shopify, Block, and Toast demonstrate strong capital efficiency despite ongoing global expansion efforts (capex less than 2% of revenues).
- Across the cohort, cash flow from operations adequately covers capex requirements, though we observe some instances of operating cash flow coverage being strained in the most recent fiscal year (e.g., Worldline and Fiserv with 48% and 35% of operating cash flow devoted to capex in the most recent quarter).
- Leverage (the use of debt versus equity) varies widely among fintechs, with Diversified Processors and SaaS + Payments providers having the lowest relative leverage. Highly acquisitive companies such as Corpay tend to use debt more to fund acquisitions.

### Valuation Multiples

- The market continues to favor companies demonstrating consistent growth and meaningful operating leverage. SaaS + Payments businesses also generally benefit from higher valuations, with Shopify and Toast bearing the highest forward valuation multiples.

Source: Public Company Filings, Press Releases, Flagship analysis

# NAVIGATING FINTECH INNOVATION

Flagship Advisory Partners is a boutique strategy and M&A advisory firm focused on payments and fintech. We serve clients globally and have a team of 40+ professionals who have a unique depth of knowledge in payments and fintech.



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## **High-Growth Fintechs Must Now Learn Efficiency**

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