



## FinTech & B2B Payments

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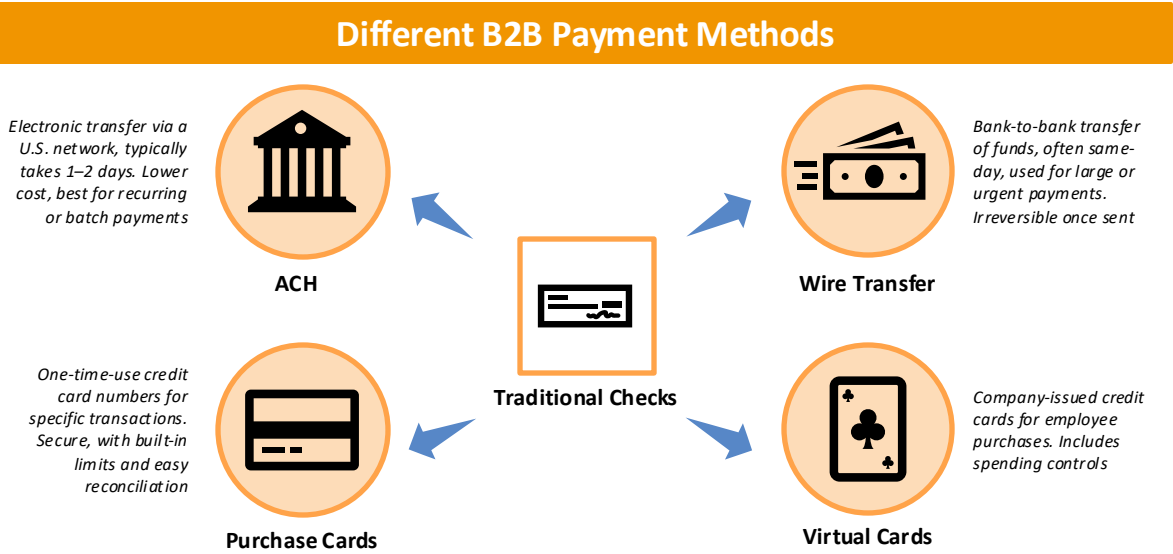
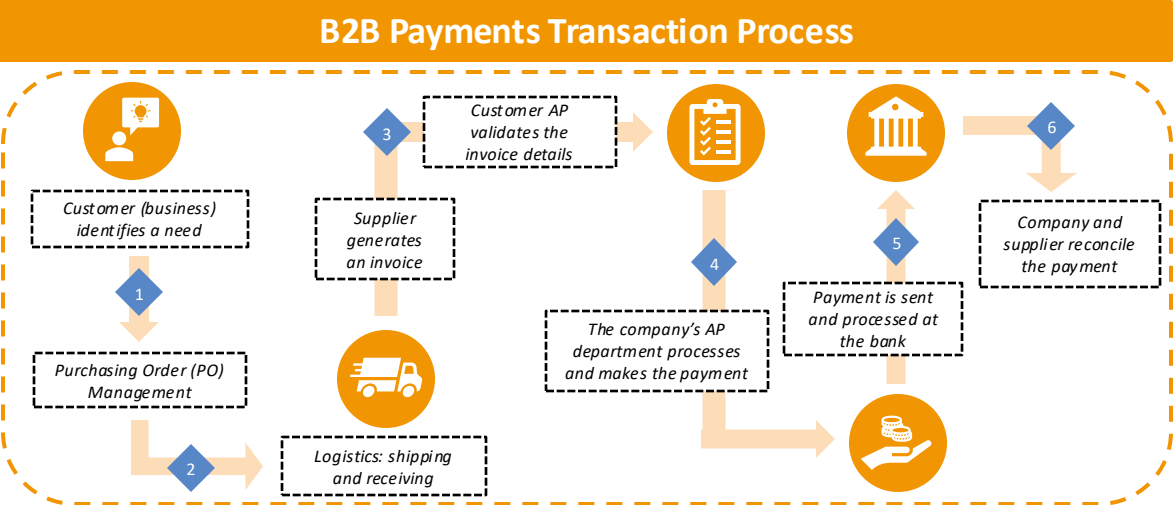
An aerial night view of a city skyline, likely New York City, with numerous skyscrapers illuminated. A semi-transparent white bar with a dark blue gradient at the top contains the title. The bar is decorated with a vertical orange line on the left and a vertical yellow line on the right.

# Market Dynamics and Competitive Landscape



# B2B Payments Industry Overview

## Processes, Methods, and Direct Comparison Between B2B and B2C Payments

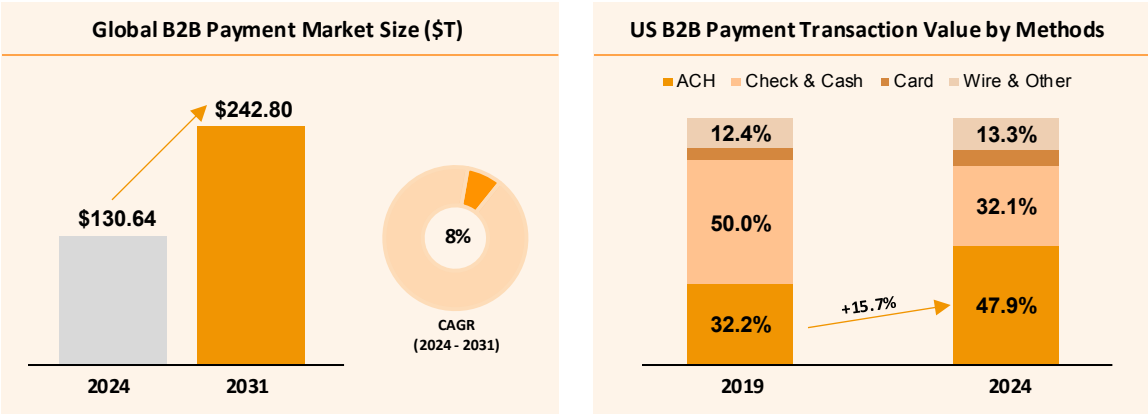


B2B v. B2C Transaction Comparison			
B2B Transactions		B2C Transactions	
	Tailored towards <b>recurring</b> customer base with many customized needs	<b>Customer Base</b>	Highly fragmented, <b>non-recurring</b> household consumers with changing needs
	Large order quantities, can be <b>up to thousands</b> of individual unit line items	<b>Average Quantity</b>	Small order quantities, usually <b>only a few units</b>
	<b>Long decision-making</b> & order process. Many stakeholders needed to approve order	<b>Decision Making</b>	<b>Fast and simple</b> decision making, <b>limited steps</b> for an individual to buy products & services from a merchant
	High – in the <b>range of millions of \$</b> per order, Significantly larger value than B2C payments	<b>Transaction Size</b>	Low – average sizes of consumer debit & credit card transactions <b>were below \$50 and \$100</b>
	Asynchronous – <b>bank transfers, direct debits, checks</b> not requiring a real-time authorization request	<b>Payment Method</b>	Synchronous – <b>real time payment methods</b> such as Zelle debit, and credit transactions

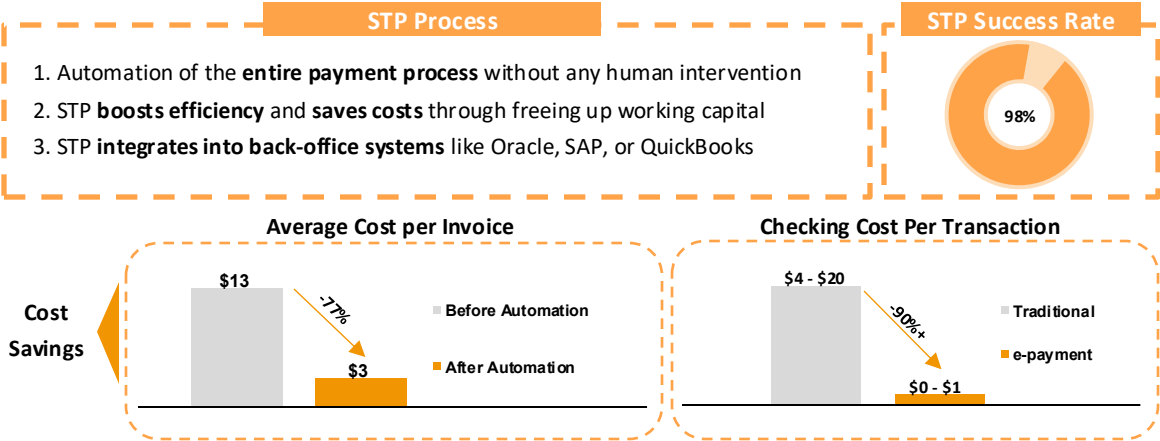
# B2B Payments Transformation: Growth Drivers and Competitive Advantages

Automation, Efficiency, and other Benefits are Driving B2B Payment Providers to Capture Market Share in a Rapidly Growing Market

## B2B Payments Market Growth & Trends



## Advantage of Straight-Through Processing (STP)



## Upsides of Digital Payments

- ### Increased Security

  - Companies can easily monitor and reconcile digital payments to ensure that they check supplier invoices before paying them
  - Eliminates risk of personal physical documents, often lost or stolen
- ### Improved Cash Flow & Working Capital

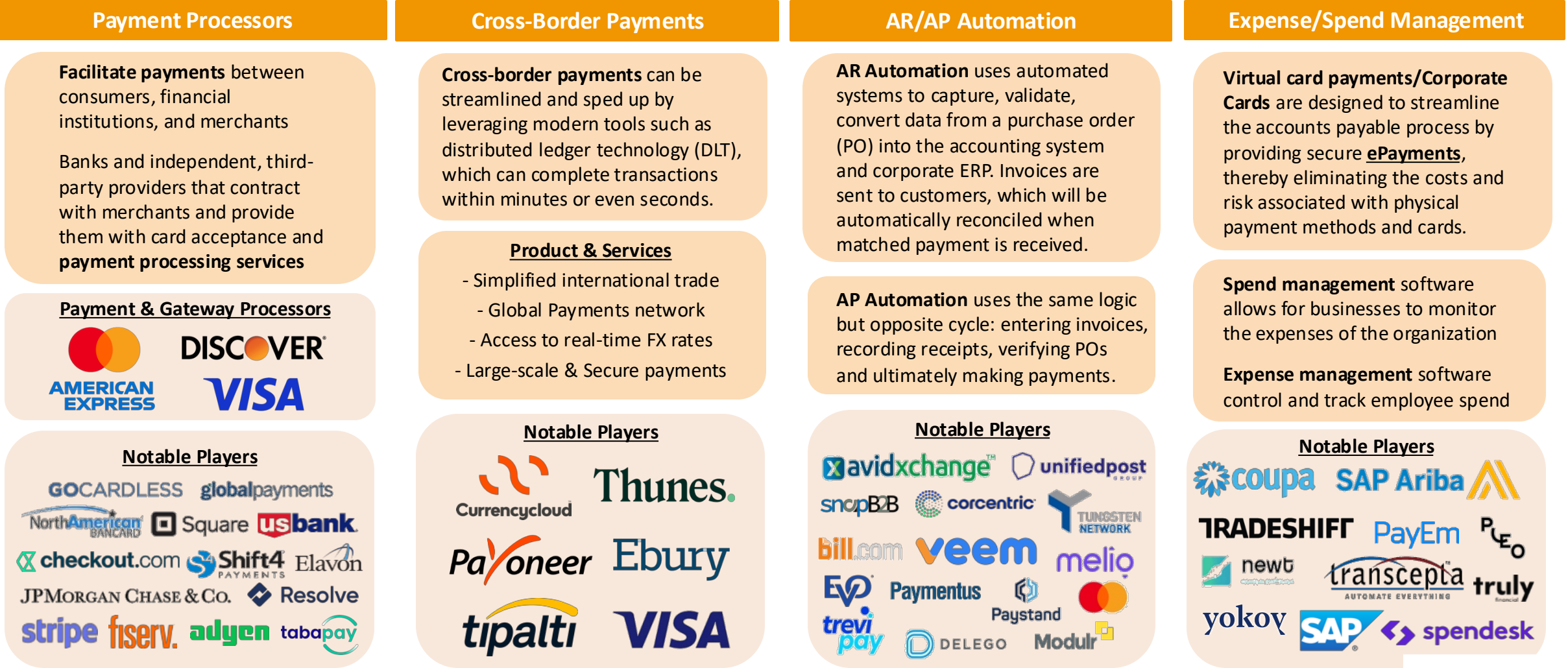
  - Ensures timely payments, eliminating risk of delayed payments which could lead to fees from supplier partners
  - Provides greater visibility & insight into the status of customers' payments
- ### More Efficient Reconciliation

  - Compares and verifies internal records of payment history with external resources such as bank records
  - Makes it easy to track, process, and reconcile each payment
- ### Other Benefits

  - Provides advanced analytics to gain business insights
  - Reduces errors like duplicate invoices or paying for undelivered services

# B2B Payments Market Map: 4 Key Subverticals and Leading Players

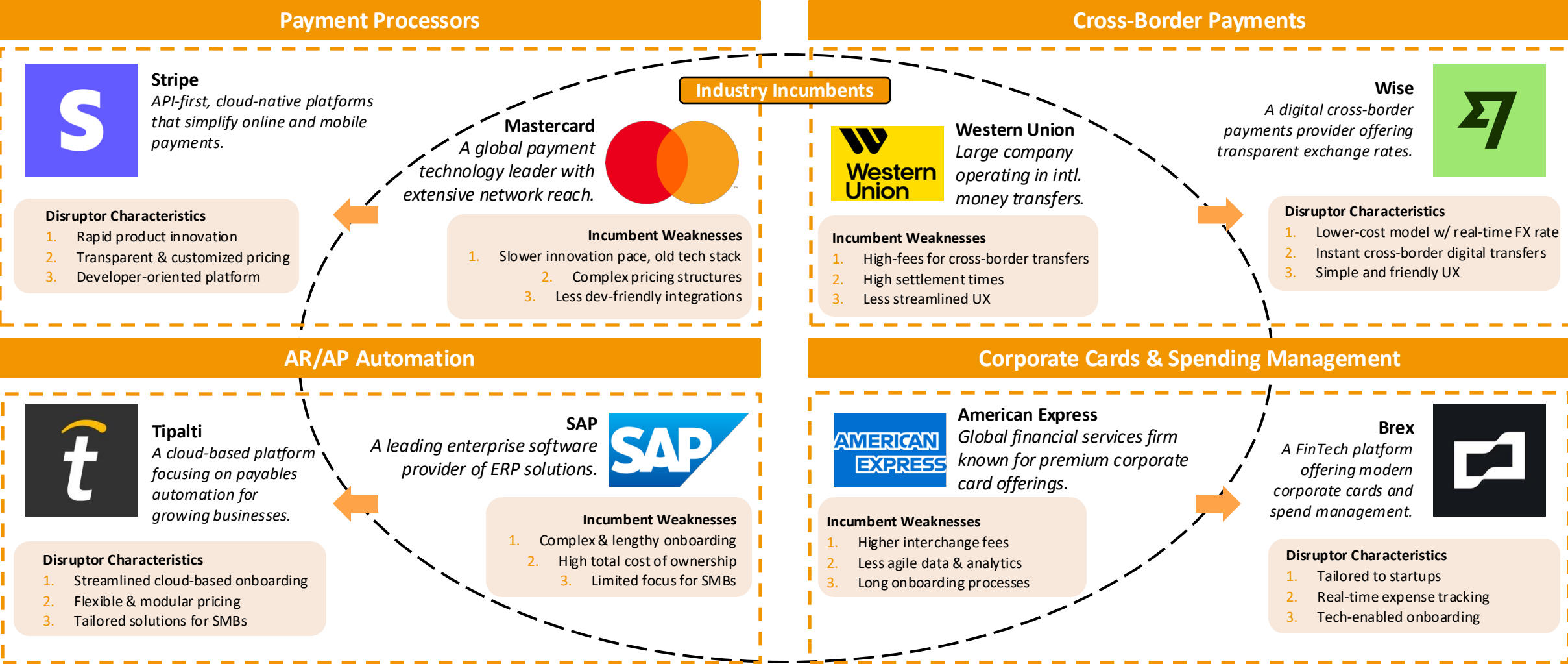
## Key Segments of the B2B Payments Value Chain and Notable Players



Sources: FT Partners, Shea & Company

# Disruptors vs. Incumbents: Competitive Shifts Across B2B Payment Verticals

FinTech Entrants Are Capturing Market Share by Addressing Incumbent Weaknesses



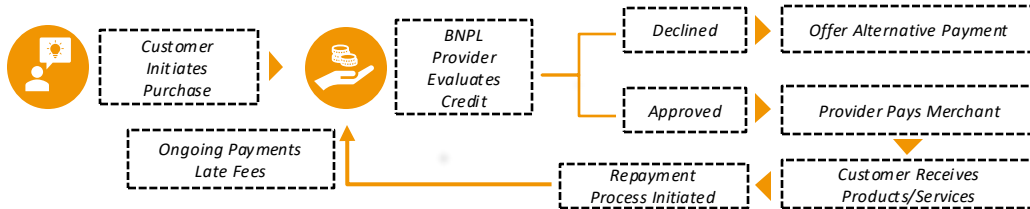
# Emerging Verticals Reshaping the B2B Payments Market

## The Rise of BNPL and Embedded Finance in Modernizing B2B Transactions

### BNPL (Buy-Now Pay-Later)

- 1 Customer Makes a Purchase**  
Customer initiates a purchase and selects BNPL at checkout
- 2 Credit Decision & Payment**  
BNPL provider evaluates credit and pays the merchant if approved.
- 3 Repayment Begins**  
Customer receives the product and repays over time with potential late fees.

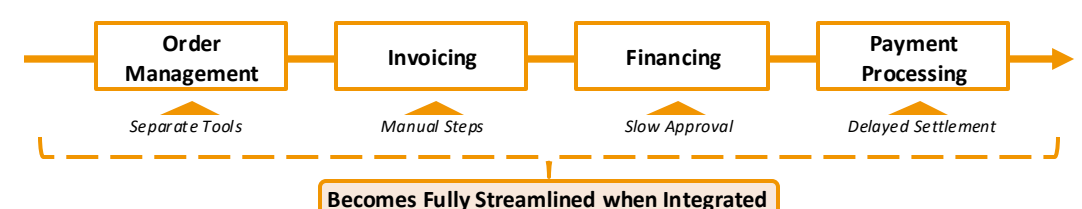
#### BNPL Process



### Embedded Finance

- 1 Order & Invoice Setup (Traditional)**  
Businesses manage orders and create invoices using separate tools.
- 2 Financing Bottlenecks**  
Manual steps and slow approvals delay access to funds.
- 3 Payment Processing**  
Payments are completed, often with delayed settlement unless integrated.

#### Embedded Finance Process



#### Fundbox



Working capital management solutions for SMBs

#### Billie



BNPL solutions and automated invoicing for B2B transactions

#### Bluevine



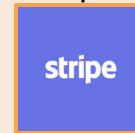
Financing tools (lines of credit, invoice factoring, banking) to SMBs

#### Taulia



Supply chain finance and early payment programs, enabling faster supplier payments

#### Stripe



Enables businesses to embed payments, billing, and financial services into their platforms

#### Square



Integrates payment processing & financing tools directly into business operations

#### Adyen



Provides a seamless embedded payment solution across multiple sales channels

#### Marqeta



Powers embedded card issuing and transaction processing for businesses



The background of the slide is a composite image with a blue tint. It includes a close-up of a calculator's buttons (3, 9, +, %) in the top left, a stack of coins in the top right, and various financial line charts and tables across the center and bottom. A semi-transparent white banner is positioned horizontally across the middle of the image.

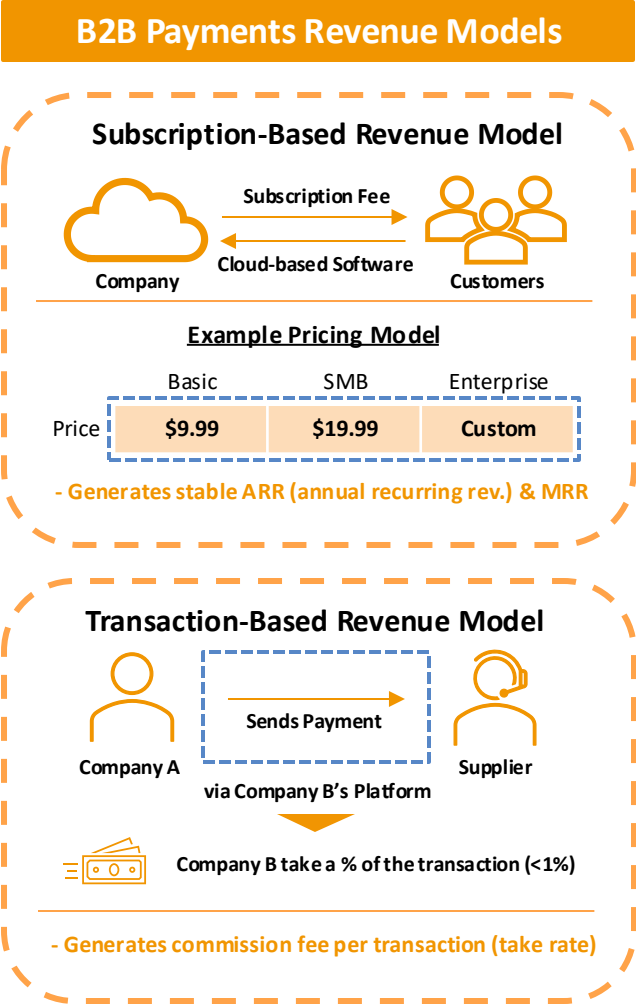
# Metrics and Retention Analysis



# Key SaaS Metrics for Evaluating B2B Payments Companies

## Core Financial Benchmarks and Revenue Models Used to Assess Growth, Efficiency, and Valuation

Key SaaS Metrics		
Metric	Description	Ideal Values
Gross Revenue Retention	% of Recurring Revenue Retained Given Churn & Down-sell	95%+
Net Revenue Retention	% of Recurring Revenue Retained Given Up/Down-sell, Expansion, & Churn	120%+
Logo Retention	% of Customers Retained	95%+
Revenue Growth	Year-over-Year Revenue Growth	40%+
LTV/CAC	Ratio of Customer Lifetime Value (LTV) to Customer Acquisition Cost (CAC)	5x+
Rule of 40	Revenue growth (%) + Profit Margin (%)	55%+
Customer Concentration (Top 10)	% of Revenue from Top-10 Customers	<15%
Recurring Revenue %	% of Recurring Revenue (vs. One-Time Revenue)	90%+
Gross Margin	Revenue - COGS	80%+



Sources: Maxio, Bottomline Technologies, Stripe

# SaaS & B2B Payments Retention & Lifetime Value Analysis

## Utilizing Cohort Analysis to Analyze Retention and LTV for Subscription-Based Revenue Model Companies

### Cohort Analysis Example to Calculate Logo Retention, Net Revenue Retention, and LTV

#### Step 1: Logo Cohort Analysis

	0	1	2	3
Jan	42	42	40	39
Feb	37	37	37	-
March	32	32	-	-
April	38	-	-	-

- Column 1 represents **new logos** in each month
- Cell to the right shows **retained logos** in next month

#### Logo Retention

	0	1	2	3
Jan	100%	100%	95%	93%
Feb	100%	100%	100%	-
March	100%	100%	-	-
April	100%	-	-	-

- Jan3: 39/42 new logos retained in Apr = 93% retention

#### Step 2: Net Revenue by Cohort

	0	1	2	3
Jan	900	800	700	600
Feb	900	1000	1100	-
March	900	900	-	-
April	900	-	-	-

- Column 1 represents **new revenue** in each month
- Cell to the right shows **revenue retained** from logos

#### Net Revenue Retention

	0	1	2	3
Jan	100%	89%	78%	67%
Feb	100%	111%	122%	-
March	100%	100%	-	-
April	100%	-	-	-

- Potential underlying problem in marketing or customer acquisition strategy in Jan.

#### Step 3: Cumulative Lifetime Rev.

	0	1	2	3
Jan	900	1700	2400	3000
Feb	900	1900	3000	-
March	900	1800	-	-
April	900	-	-	-

- Every cell to the right of column 0 shows the **cumulative revenue** gained per cohort
- Ex: Jan. cohort generated a cumulative revenue of \$2.4 while Feb. cohort generated \$3k
- Can make educated predictions on **how much revenue can be expected** from a cohort of customers **a few months or a year** down the line

#### Step 4: Customer Lifetime Rev.

	0	1	2	3
Jan	21.4	40.5	57.1	71.4
Feb	24.3	51.4	81.1	-
March	28.1	56.3	-	-
April	23.7	-	-	-

- Utilizes the cumulative values obtained in Step 3 and **divides by the # of logos** in Step 1
- Ex: a new logo in Jan. only generates on average of \$21.4, but **will eventually generate** an average of \$71.4 after 3 months
- Creates higher visibility into the **cumulative revenue generated per customer**

#### Step 5: Customer Lifetime Value

	0	1	2	3
Jan	17.1	32.4	45.7	57.1
Feb	19.5	41.1	64.9	-
March	22.5	45	-	-
April	18.9	-	-	-

Gross Margin	80%
CAC	\$50

- Multiply revenue per customer in each figure by gross margin to arrive at LTV
- Compare this with CAC (customer acquisition cost) to see time to **breakeven after acquiring a logo**
- **Find LTV/CAC ratio** from this analysis

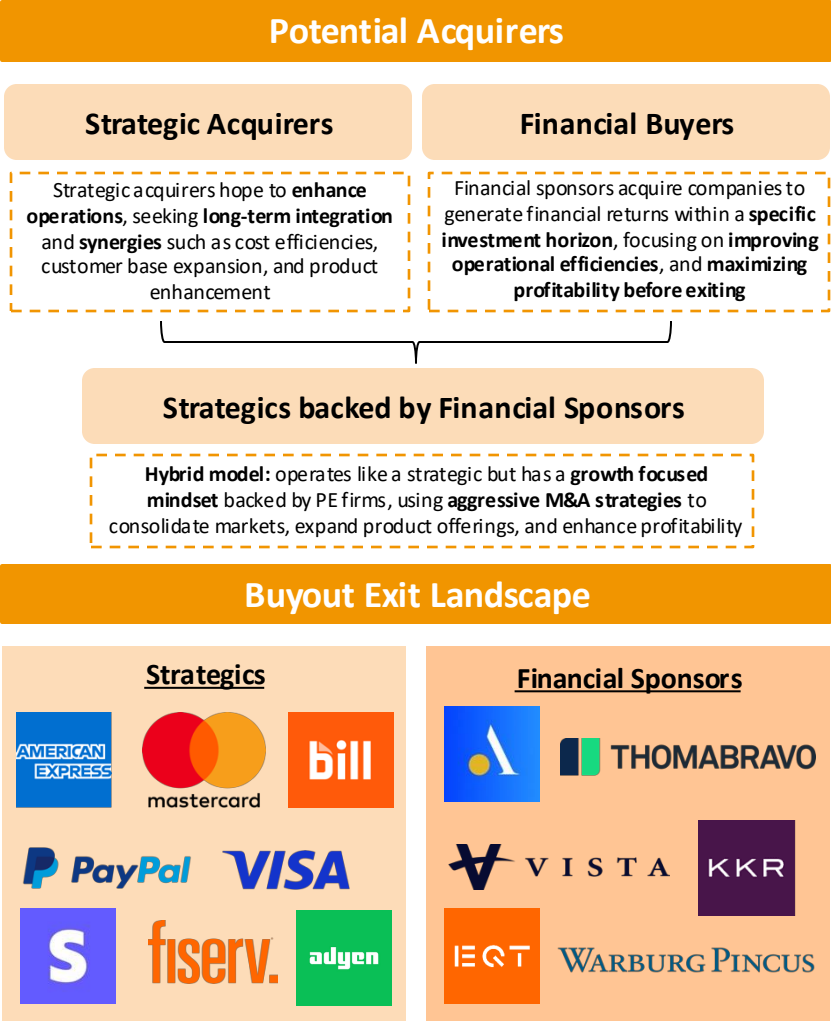
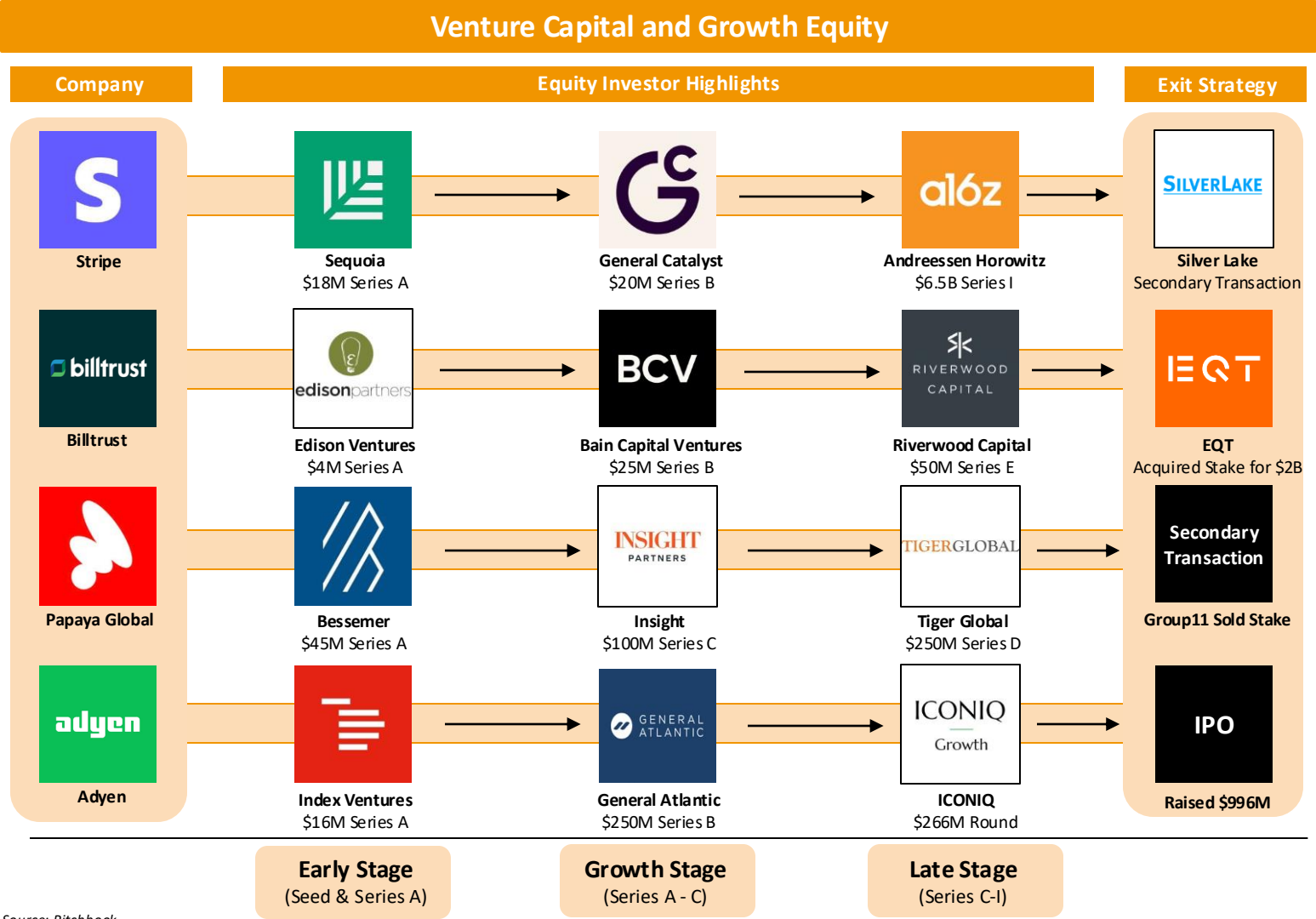
A blurred background image of a business meeting. In the center, two hands are shaking in a firm handshake. To the right, a person is holding a tablet computer. On the table in the foreground, there are several documents, one of which features a green bar chart. The overall scene is professional and collaborative.

# Investment Strategies with Case Study



# Start-up Lifecycle: Growth vs. Buyout Investment Strategies

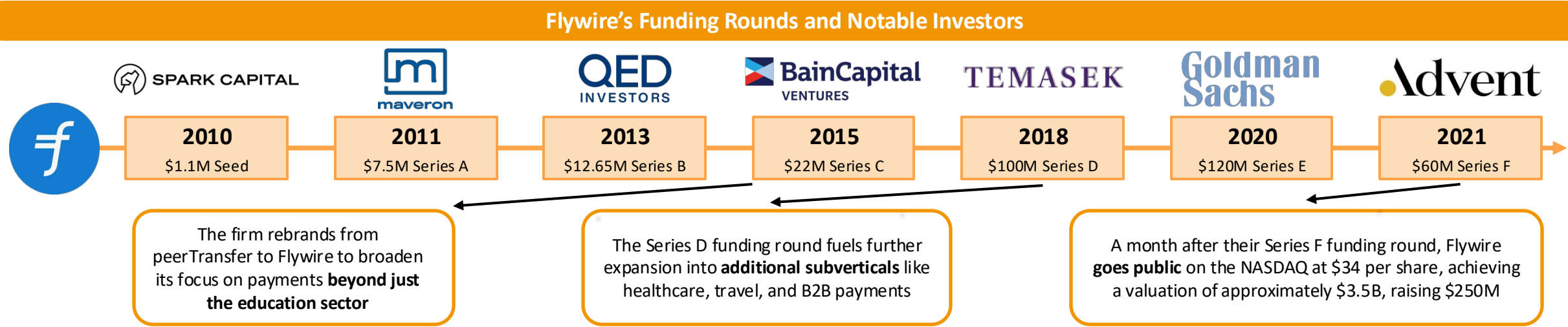
## Mapping the Funding Journey and Exit Strategies of Notable B2B Payments Companies



Source: Pitchbook

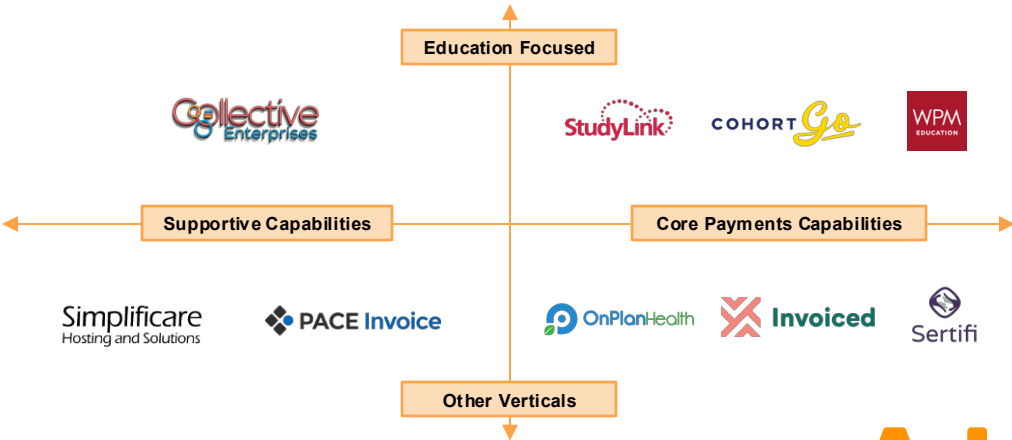
# Case Study: Comparison of Growth vs. Buyout Investment Strategies

## Analysis of Flywire's Funding Rounds and M&A Acquisition Strategy



## Flywire Acquisitions in a 10-year Span and Investment Focus

M&A Close Date	Target	Target Industry
2025	Sertifi, Inc.	Packaged Software
2024	Invoiced, Inc.	Packaged Software
2023	StudyLink	Other Consumer Services
2022	Cohort Solutions Pty Ltd.	Packaged Software
2021	WPM Education Ltd.	Packaged Software
2020	Simplificare, Inc.	Packaged Software
2018	OnPlan Holdings LLC	Regional Banks
2017	Pace Invoice Ltd.	Miscellaneous Commercial Services
2016	ScholarFX	Internet Software/Services
2015	Collective Enterprises Ltd.	Miscellaneous Commercial Services



Source: Pitchbook

# Case Study: Comparison of Growth vs. Buyout Investment Strategies (cont.)

## The CBORD Group (Subsidiary of Roper Technologies) Acquires Transact Campus

### Transaction Overview and Strategic Rationale



#### Transaction Details

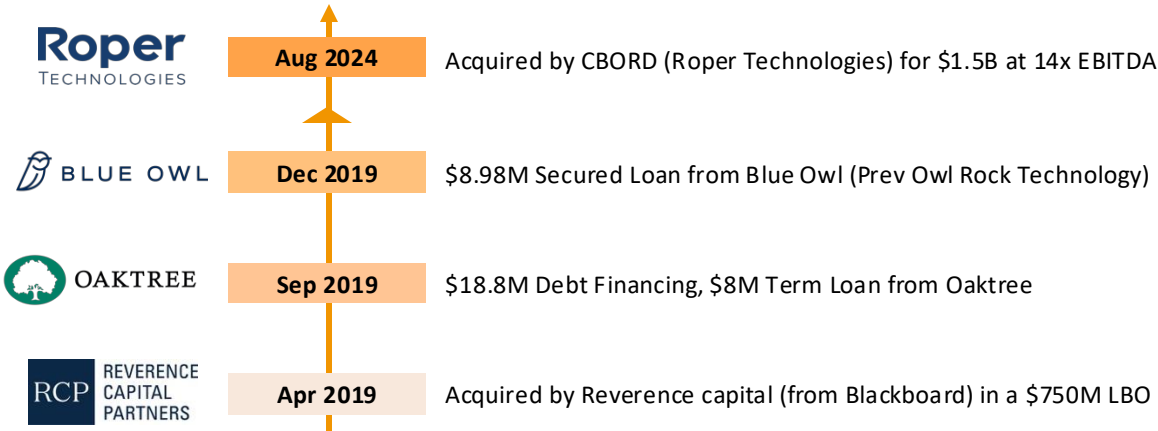
- 1. Purchase price of \$1.5B – acquired from Reverence Capital Partners
- 2. Valuation of 14x 2025 Projected EBITDA
- 3. ~\$325M Projected 2025 Revenue (post revenue synergies)
- 4. ~\$105M Projected 2025 EBITDA (post cost synergies)

#### Investment Rationale

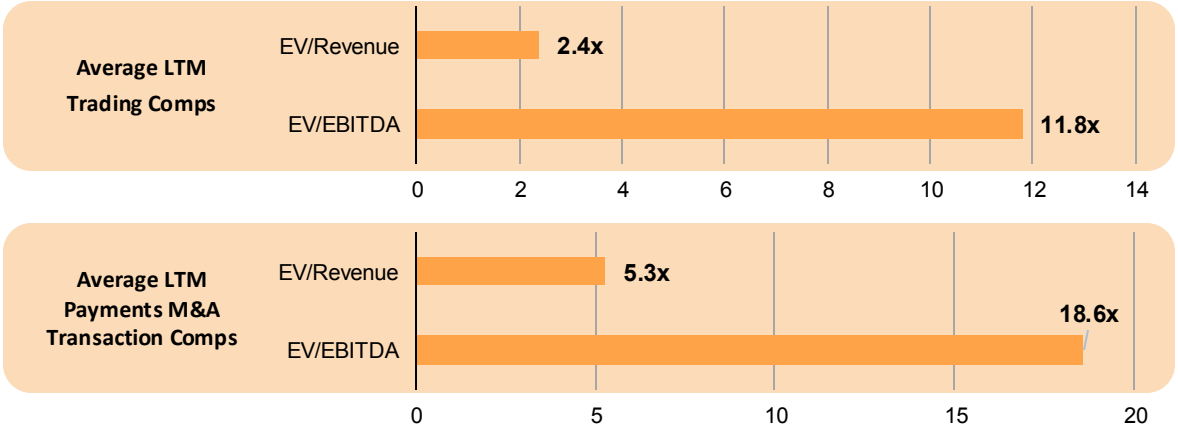
- 1. **Strategic Fit:** adds a software that is aligned with Roper’s acquisition model, with high gross margin and recurring revenue
- 2. **Growth:** High organic growth expected driven by both subscription and transaction revenue
- 3. **Leadership:** Experienced CEO to lead the combined business



### Transact Deal History



### Integrated Payments on the Rise



#### Market Inefficiencies Driving Demand

The B2B payments space is **highly fragmented**, with many **growing competitors** innovating in the integrated payment space

#### Market Expansion & M&A Opportunities

Increased valuations **grow investor demand**, leading to more growth funding, IPOs, and M&A activity

#### Integrated Payments M&A Growth Cycle

#### Increase Investor Confidence

Active payments IPOs (AvidXchange, Expensify, Bill.com) **fuel M&A**, with M&A transaction comps **exceeding public comps**

#### Growth of Integrated Payments

Mobile ID, contactless transactions, & FinTech integrations are examples of key products that see a **growth in adoption** across businesses



# Q&A