



FinTech & B2B Payments

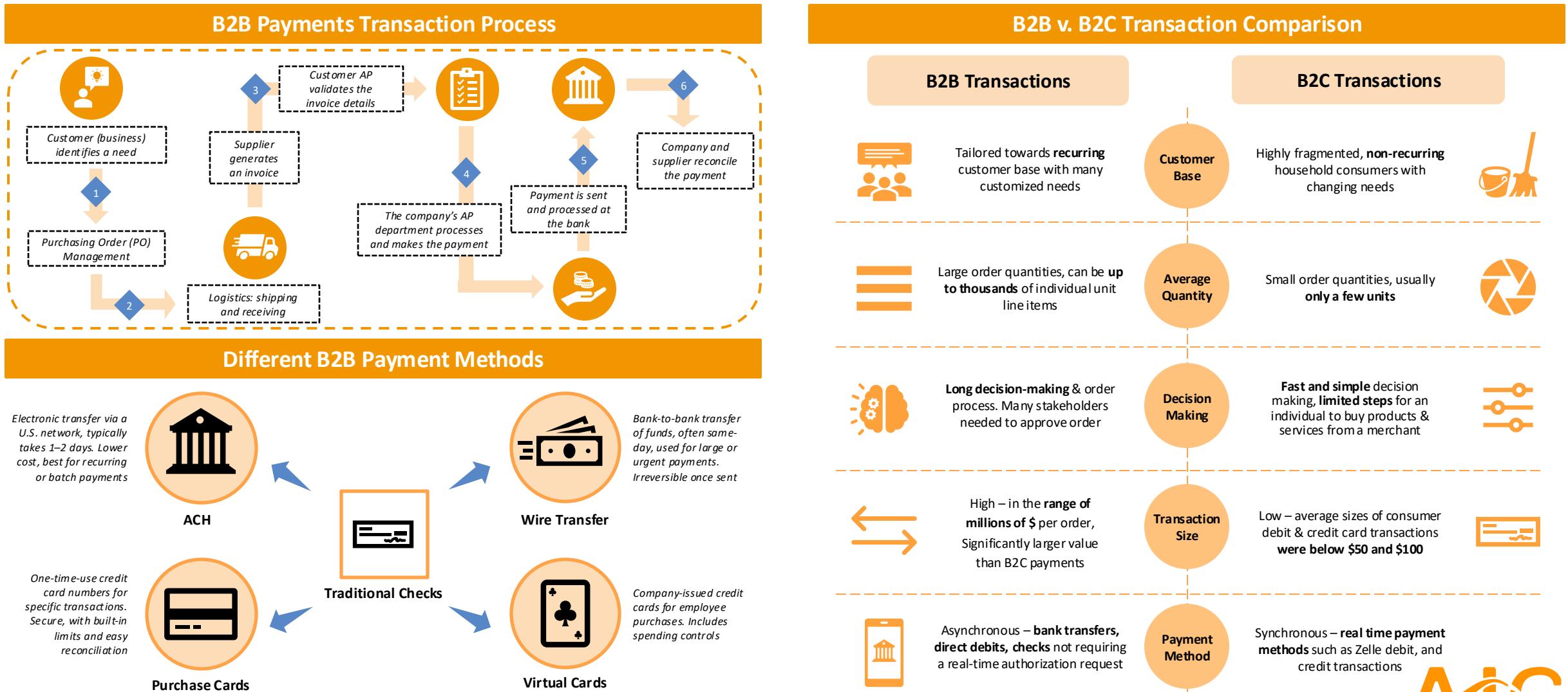
Jeremy Pennington (VP)

Presenters: Wendelin Cheng, Alex Chen, Molly Liu, Isabel Yang

Market Dynamics and Competitive Landscape

B2B Payments Industry Overview

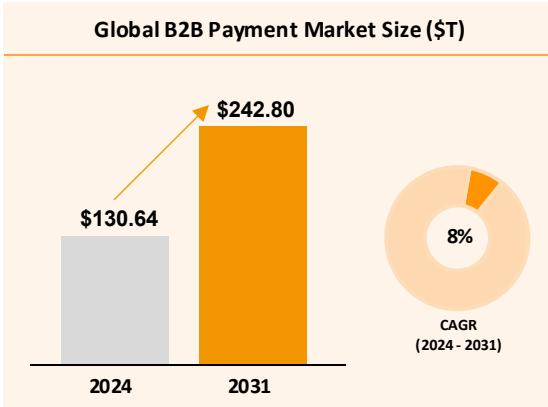
Processes, Methods, and Direct Comparison Between B2B and B2C Payments



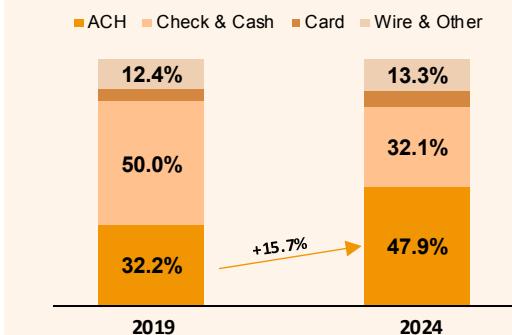
B2B Payments Transformation: Growth Drivers and Competitive Advantages

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

B2B Payments Market Growth & Trends



US B2B Payment Transaction Value by Methods



Advantage of Straight-Through Processing (STP)

STP Process

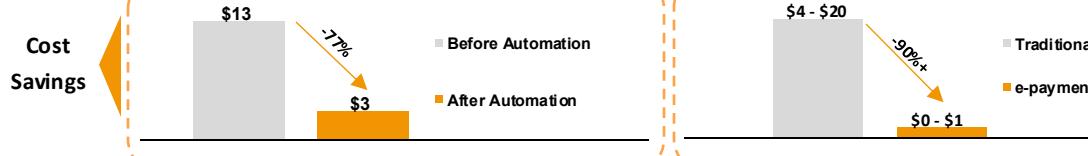
1. Automation of the entire payment process without any human intervention
2. STP boosts efficiency and saves costs through freeing up working capital
3. STP integrates into back-office systems like Oracle, SAP, or QuickBooks

STP Success Rate

98%



Checking Cost Per Transaction



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

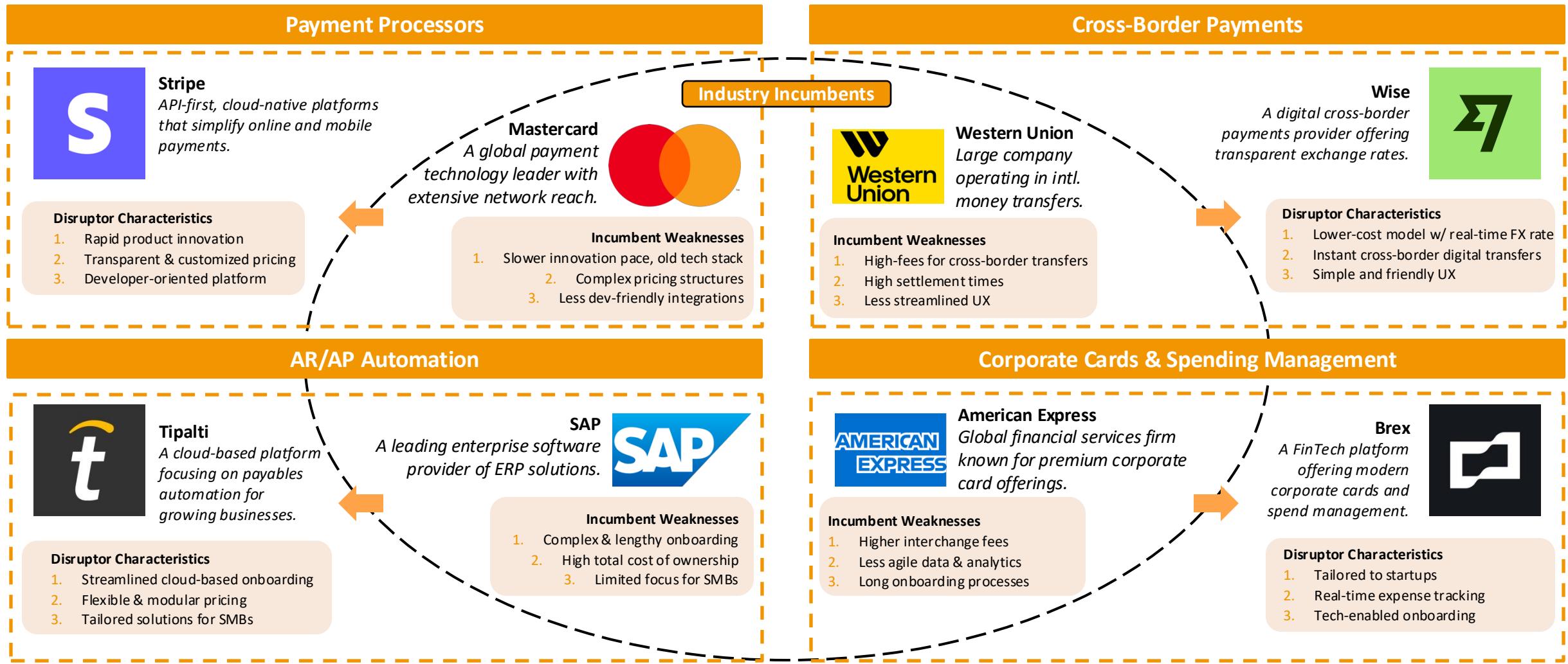
B2B Payments Market Map: 4 Key Subverticals and Leading Players

Key Segments of the B2B Payments Value Chain and Notable Players

Payment Processors	Cross-Border Payments	AR/AP Automation	Expense/Spend Management
<p>Facilitate payments between consumers, financial institutions, and merchants</p> <p>Banks and independent, third-party providers that contract with merchants and provide them with card acceptance and payment processing services</p> <p>Payment & Gateway Processors</p>  <p>Notable Players</p> <p>GOCARDLESS globalpayments NorthAmerican BANCARD Square usbank. checkout.com Shift4 PAYMENTS Elavon JPMORGAN CHASE & Co. Resolve stripe fiserv. adyen tabapay</p>	<p>Cross-border payments can be streamlined and sped up by leveraging modern tools such as distributed ledger technology (DLT), which can complete transactions within minutes or even seconds.</p> <p>Product & Services</p> <ul style="list-style-type: none">- Simplified international trade- Global Payments network- Access to real-time FX rates- Large-scale & Secure payments <p>Notable Players</p> <p>Currencycloud Thunes. Payoneer Ebury tipalti VISA</p>	<p>AR Automation uses automated systems to capture, validate, convert data from a purchase order (PO) into the accounting system and corporate ERP. Invoices are sent to customers, which will be automatically reconciled when matched payment is received.</p> <p>AP Automation uses the same logic but opposite cycle: entering invoices, recording receipts, verifying POs and ultimately making payments.</p> <p>Notable Players</p> <p>avidxchange™ unifiedpost GROUP snapB2B corcentric TUNGSTEN NETWORK bill.com veem melio Evo Paymentus Paystand Modulr trevi pay DELEGO</p>	<p>Virtual card payments/Corporate Cards are designed to streamline the accounts payable process by providing secure ePayments, thereby eliminating the costs and risk associated with physical payment methods and cards.</p> <p>Spend management software allows for businesses to monitor the expenses of the organization</p> <p>Expense management software control and track employee spend</p> <p>Notable Players</p> <p>coupa SAP Ariba PLEO TRADESHIFT PayEm newt transcepta AUTOMATE EVERYTHING truly financial yokov SAP spendesk</p>

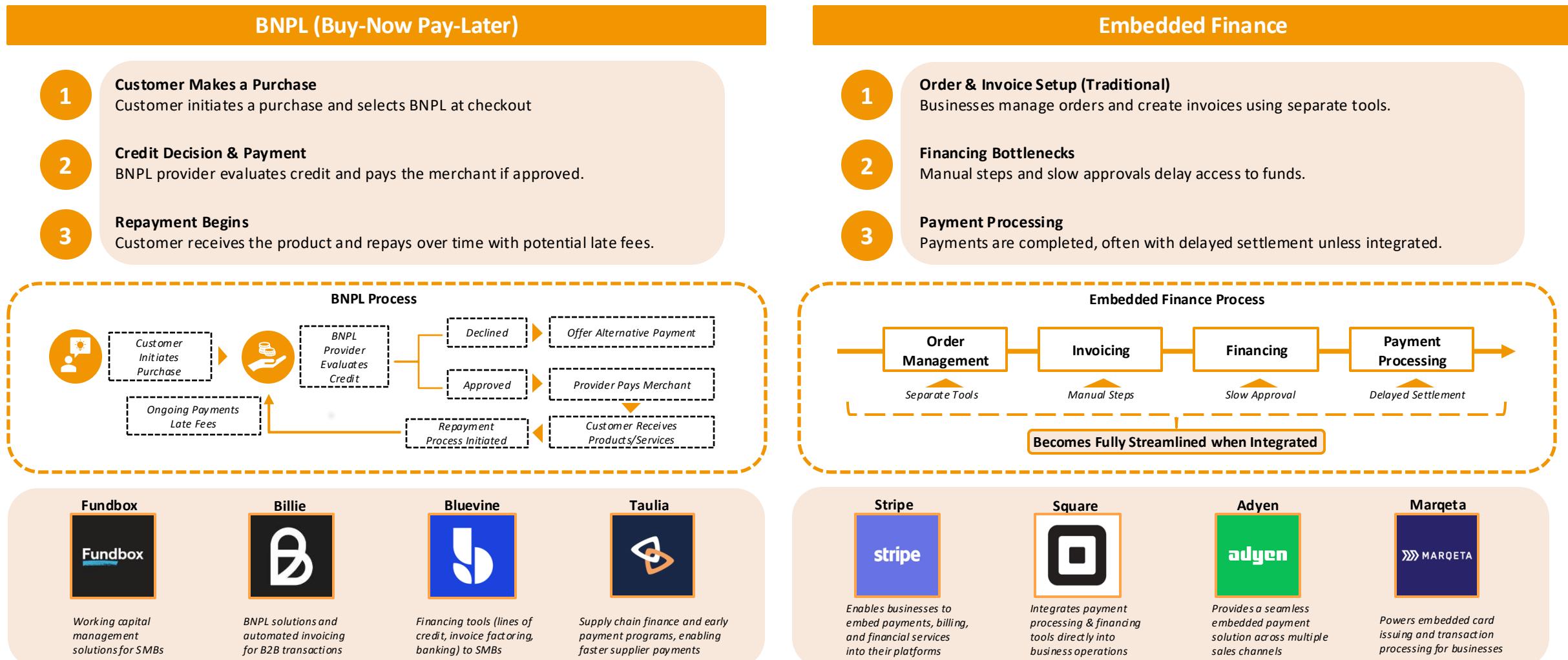
Disruptors vs. Incumbents: Competitive Shifts Across B2B Payment Verticals

FinTech Entrants Are Capturing Market Share by Addressing Incumbent Weaknesses



Emerging Verticals Reshaping the B2B Payments Market

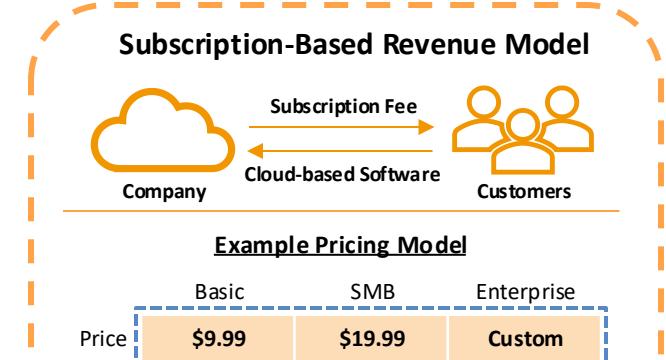
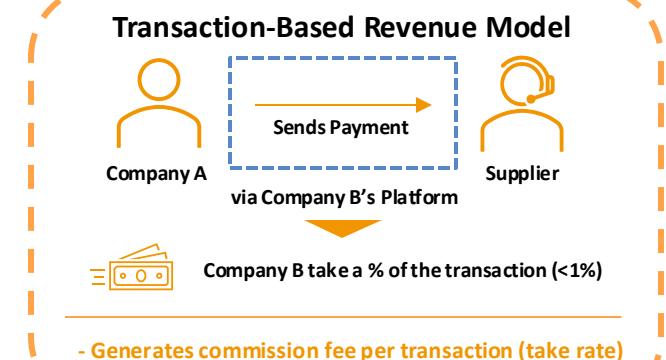
The Rise of BNPL and Embedded Finance in Modernizing B2B Transactions



Metrics and Retention Analysis

Key SaaS Metrics for Evaluating B2B Payments Companies

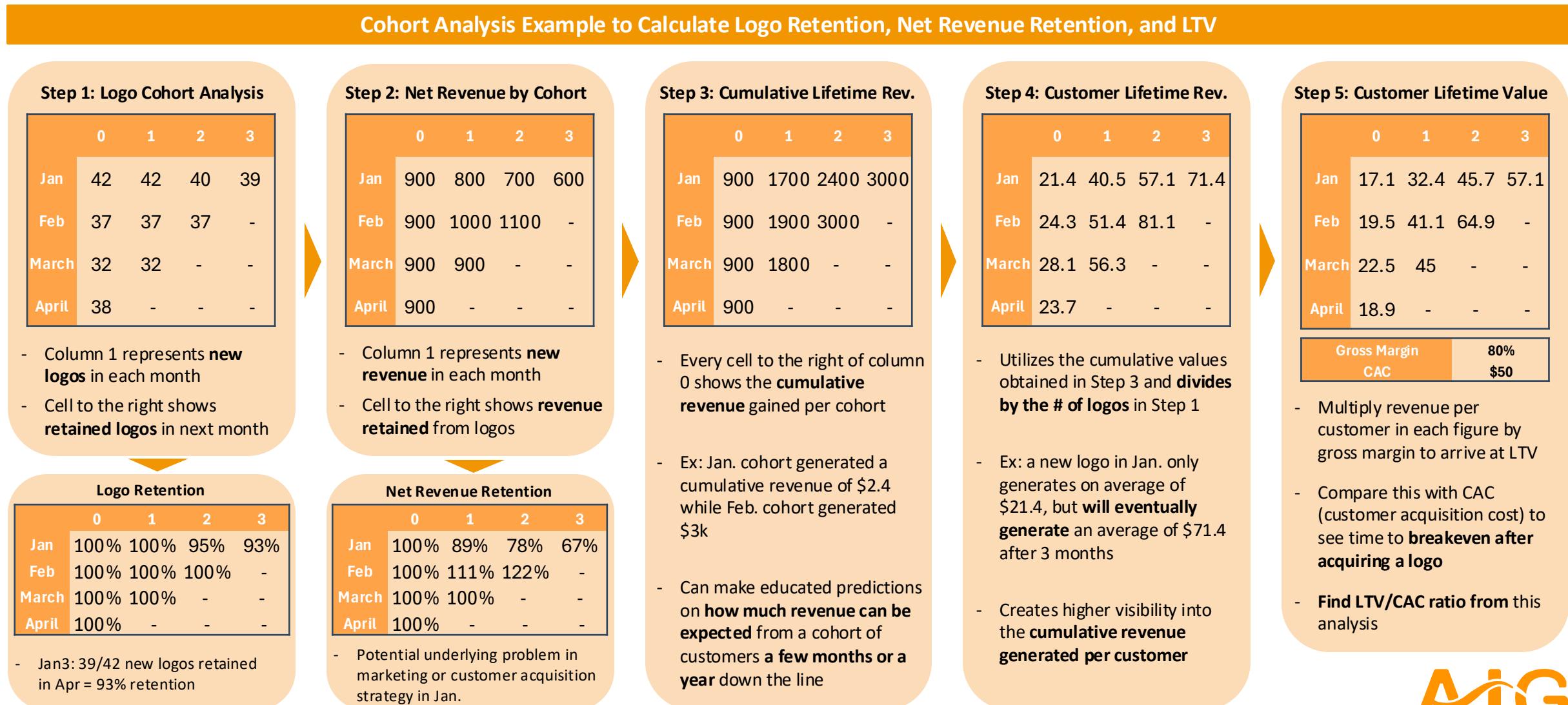
Core Financial Benchmarks and Revenue Models Used to Assess Growth, Efficiency, and Valuation

Key SaaS Metrics			B2B Payments Revenue Models										
Metric	Description	Ideal Values											
Gross Revenue Retention	% of Recurring Revenue Retained Given Churn & Down-sell	95%+	Subscription-Based Revenue Model  <p>Example Pricing Model</p> <table border="1"> <thead> <tr> <th></th> <th>Basic</th> <th>SMB</th> <th>Enterprise</th> </tr> </thead> <tbody> <tr> <td>Price</td> <td>\$9.99</td> <td>\$19.99</td> <td>Custom</td> </tr> </tbody> </table> <p>- Generates stable ARR (annual recurring rev.) & MRR</p>				Basic	SMB	Enterprise	Price	\$9.99	\$19.99	Custom
	Basic	SMB	Enterprise										
Price	\$9.99	\$19.99	Custom										
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%+	Transaction-Based Revenue Model  <p>Company B take a % of the transaction (<1%)</p> <p>- Generates commission fee per transaction (take rate)</p>										

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

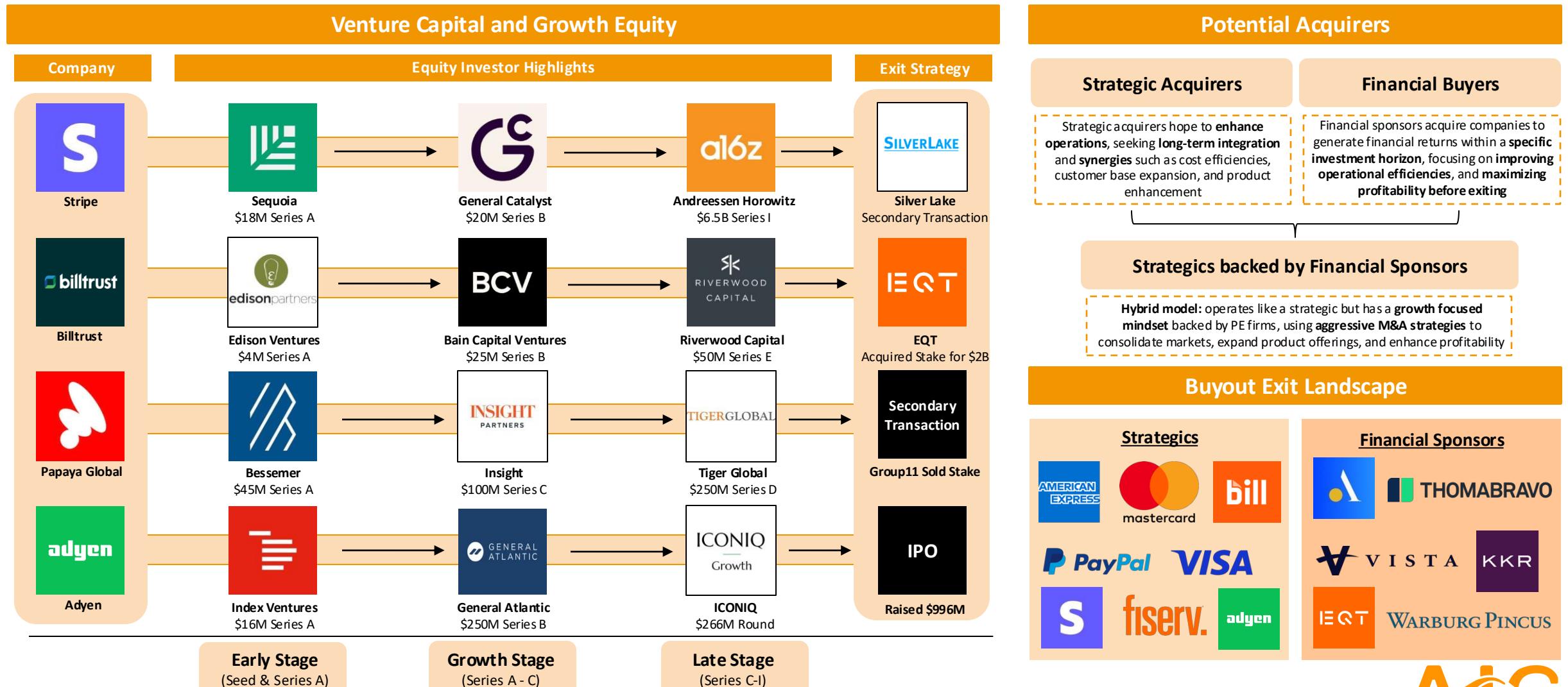


A professional photograph of two business individuals in dark suits and white shirts. They are captured in the middle of a handshake, their hands meeting in the center. The background is slightly blurred, showing a table covered with a light-colored cloth. On the table, there are several papers, one of which is clearly visible, displaying a green bar chart and a green pie chart, likely representing financial data. The overall atmosphere is one of a formal business meeting or agreement.

Investment Strategies with Case Study

Start-up Lifecycle: Growth vs. Buyout Investment Strategies

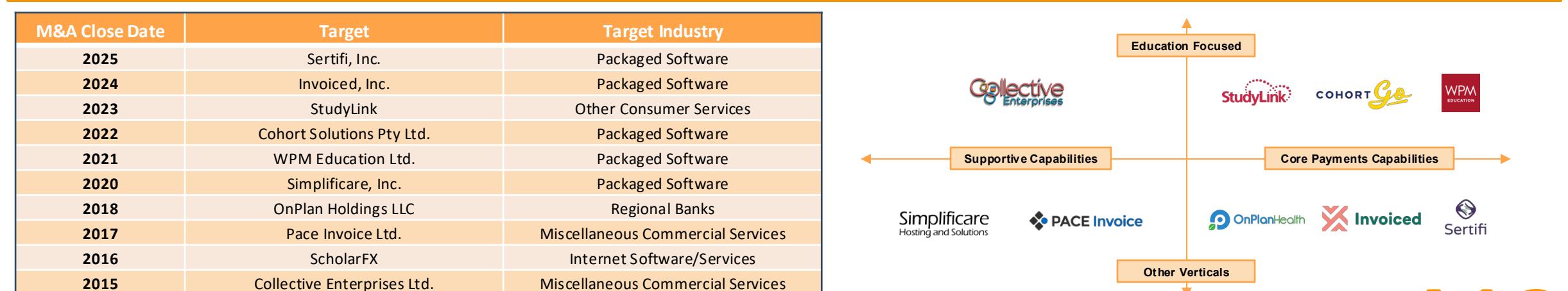
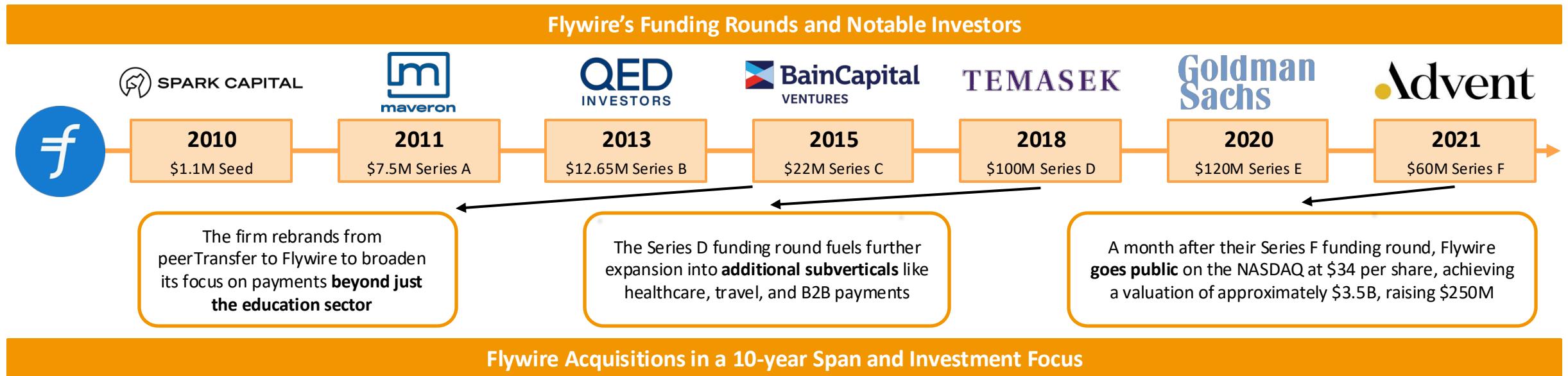
Mapping the Funding Journey and Exit Strategies of Notable B2B Payments Companies



Source: Pitchbook

Case Study: Comparison of Growth vs. Buyout Investment Strategies

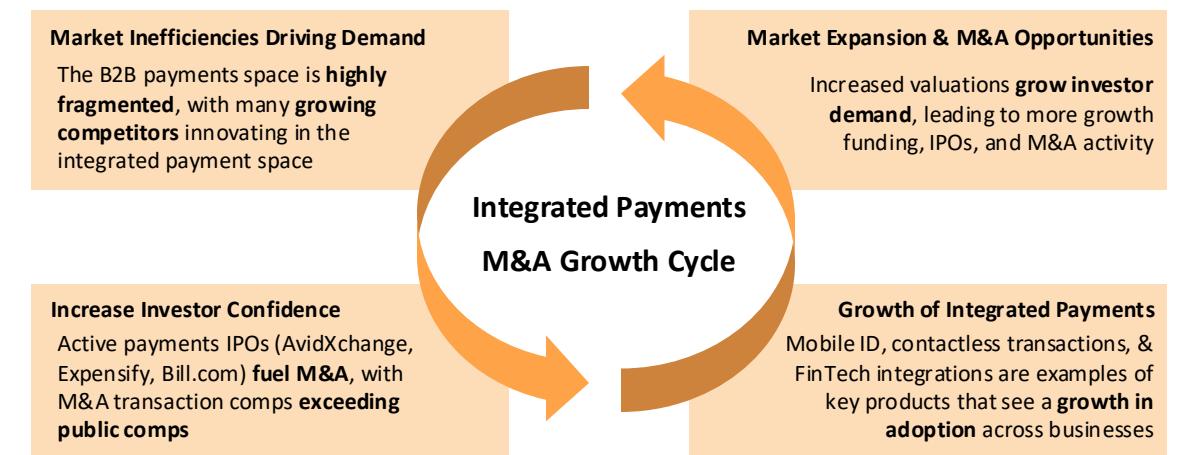
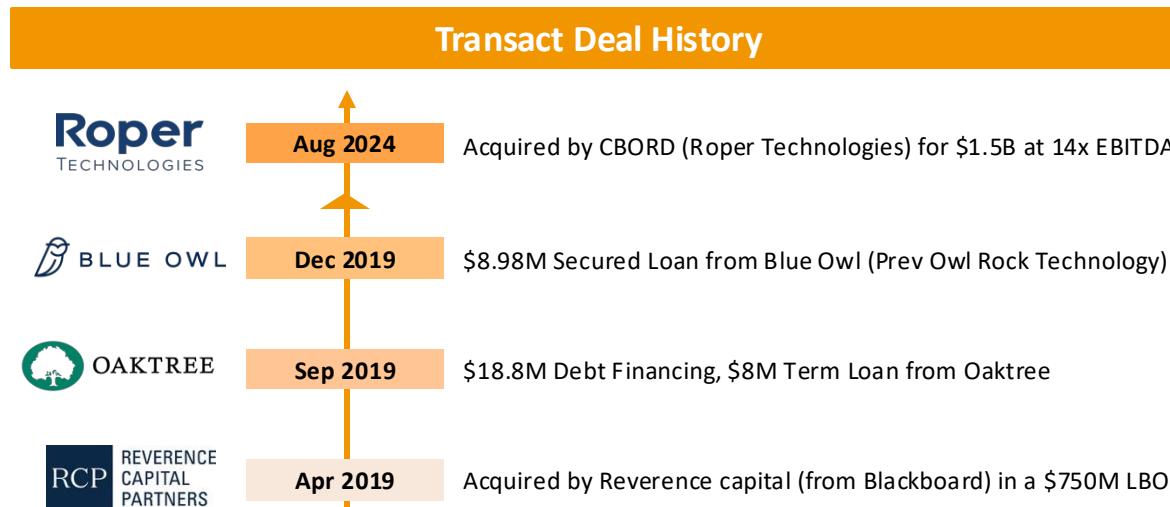
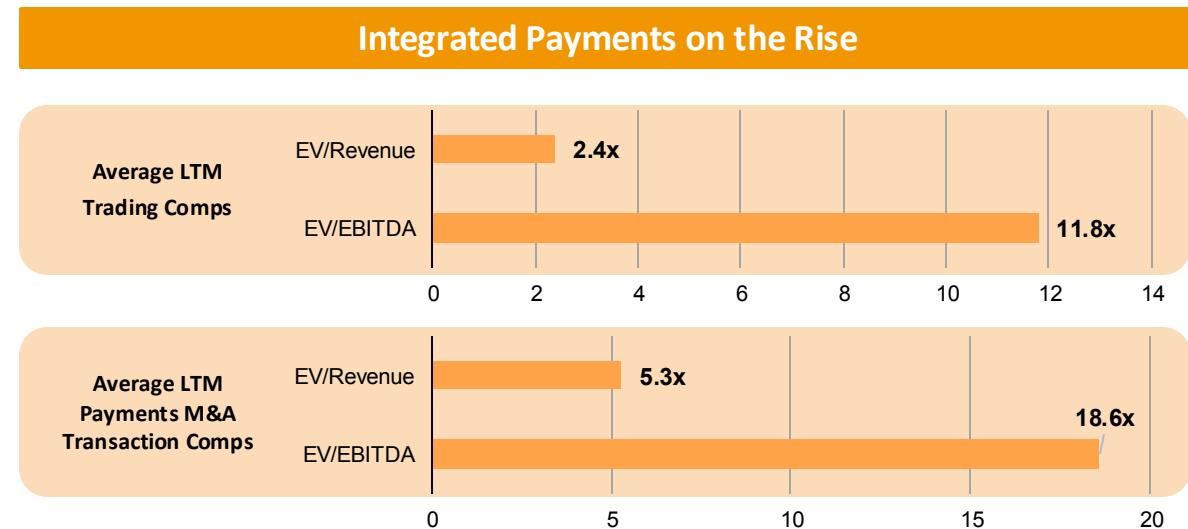
Analysis of Flywire's Funding Rounds and M&A Acquisition Strategy



Source: Pitchbook

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

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



Q&A