

WINDSOR DRAKE

Fintech M&A Valuation Multiples September 2025

SEPTEMBER 2025

Executive Summary & Key Findings

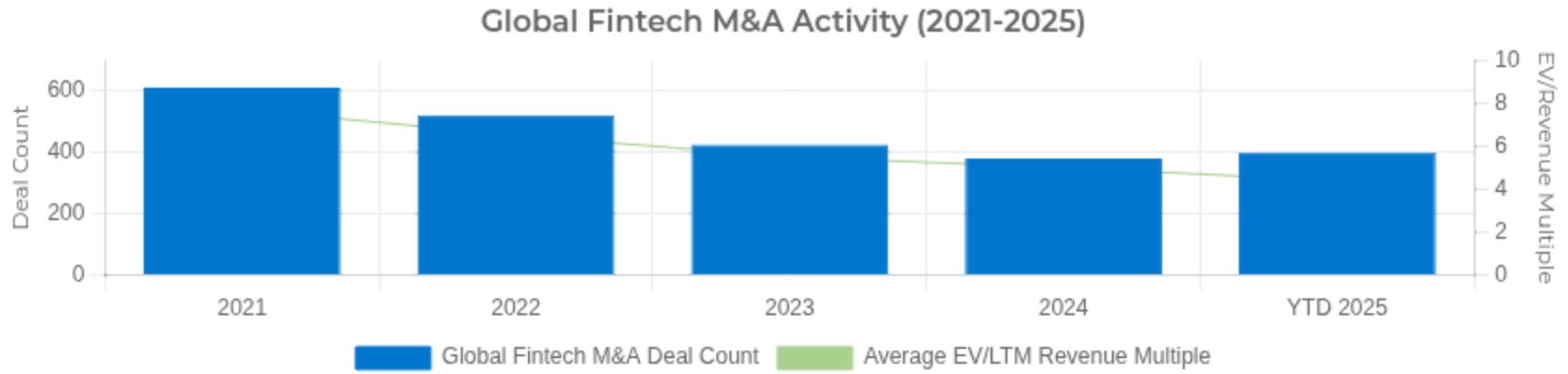
A comprehensive analysis of fintech M&A valuation multiples and market trends as of September 2025.

Key Market Insights

- Global fintech M&A valuation multiples have **moderated to 4.4x EV/LTM Revenue** in 2025, down from 5.0x in 2024 and the five-year average of 5.2x.
- **North American targets command premium valuations** (6.4x EV/LTM Revenue), outpacing European (5.2x) and Asian markets, driven by strong USD and deregulation.
- The **Payments subsector leads M&A activity** with deal volume increasing 27.7% YOY and commanding the highest valuation multiples (5.0-6.7x Revenue).
- **Total fintech M&A transactions** are on pace to exceed 2024 levels with 400 deals announced YTD (up 5% YOY), though still below 2021's peak.
- **Equity financing has rebounded**, increasing 23.2% YOY to \$25.9B across 3,985 transactions, with North America capturing 35.4% of capital raised.

Market Overview: Global Fintech M&A Activity

Analysis of global fintech M&A transaction volumes, regional distribution, and key market dynamics as of September 2025.



Regional Distribution of Deals

- North America leads with 38.8% of global fintech M&A activity
- Europe accounts for 34.8% of transactions
- Asia represents 17.0% of sector M&A deals
- Oceania and Africa seeing rapid growth (200% and 116.7% YOY)

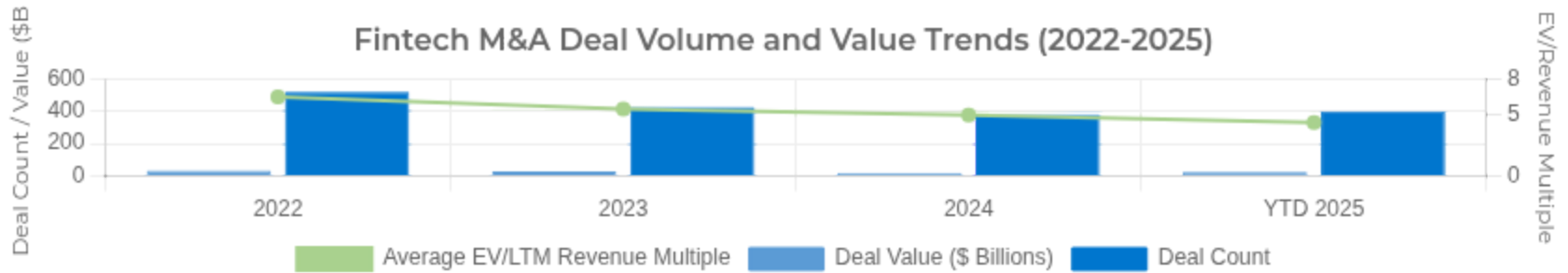
Key Market Dynamics

- Strategic buyers dominate (68.3% of deals), led by private strategics (45.8%)
- Financial sponsors account for 31.8% of transactions
- Payments subsector leads M&A activity (30% of total deals)
- On pace to exceed full-year 2024 levels but below 2021 peak YOY

Fintech M&A Deal Volume & Value: 2022-2025

Analysis of fintech M&A transaction counts and values, showing annual trends and highlighting the decline from peak levels in 2021.

\$25.9B Total Fintech M&A Value YTD 2025	+23.2% YOY Increase in Deal Value	3,985 Deal Count YTD 2025	+17% YOY Increase in Deal Count
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Deal Volume Trends

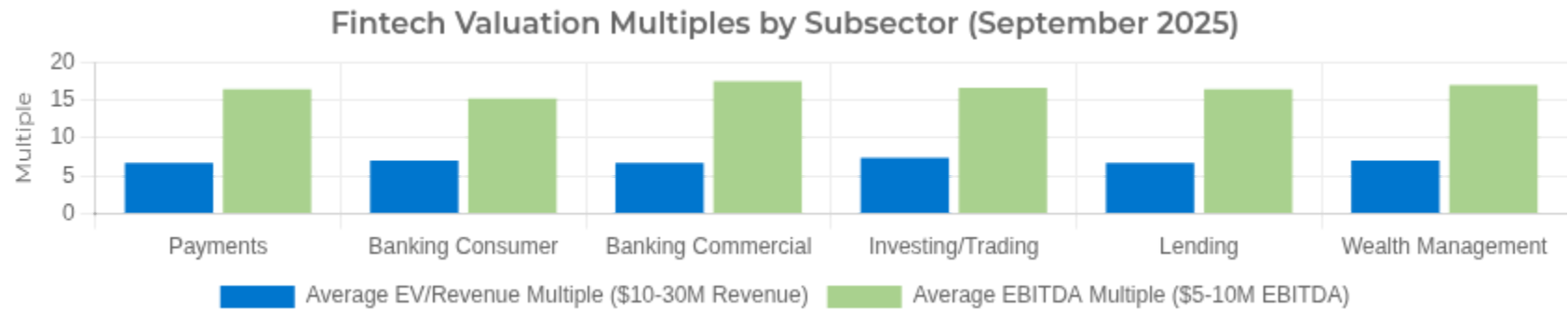
- Deal count in 2025 is on track to exceed 2024 levels but remains below 2021 peak
- North America continues to lead with 38.8% of global transaction volume
- Payments subsector shows highest activity with 30% of total deals
- Strategic buyers dominate activity (68.3% of transactions)

Deal Value Insights

- Average EV/LTM Revenue multiples declined from 5.0x in 2024 to 4.4x in 2025
- North American targets command premium multiples (6.4x) compared to global average
- Payment solutions and investing/trading subsectors attract highest valuations
- Deal value has rebounded from market correction, growing 23.2% YOY

Valuation Multiples:
Sector Overview

Comprehensive analysis of fintech M&A valuation multiples across subsectors and regions as of September 2025.



Subsector	EV/Revenue (\$1-5M)	EV/Revenue (\$6-10M)	EV/Revenue (\$10-30M)	EBITDA Multiple (\$1-3M)	EBITDA Multiple (\$3-5M)	EBITDA Multiple (\$5-10M)
Payment Solutions	5.0x	5.6x	6.7x	12.3x	14.5x	16.4x
Banking Consumer	4.5x	5.8x	7.0x	11.5x	13.1x	15.2x
Banking Commercial	4.2x	5.7x	6.7x	12.1x	14.5x	17.5x
Investing/Trading	5.1x	6.2x	7.4x	12.5x	15.0x	16.6x
Lending	4.6x	5.5x	6.7x	12.2x	15.1x	16.4x
Wealth Management	3.7x	5.7x	7.0x	14.8x	15.6x	17.0x

Key Valuation Insights

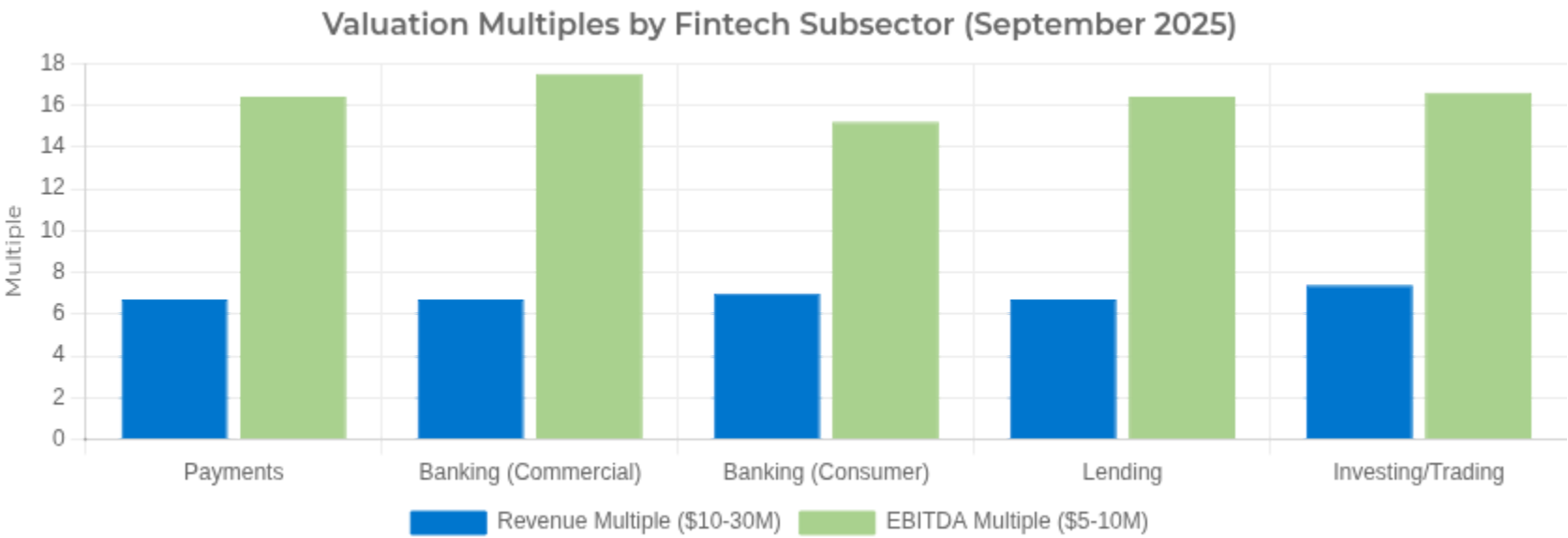
- Investing/Trading commands highest revenue multiples (5.1-7.4x)
- Banking Commercial leads EBITDA multiples (up to 17.5x)
- Multiples have moderated from 2024's 5.0x average

Regional Premium Analysis

- North America commands 45% premium over global average
- Europe shows 18% premium over global average
- Premium valuations driven by dollar strength and deregulation

Valuation Multiples by Subsector: Payments, Banking, Lending

Detailed breakdown of revenue and EBITDA multiples across fintech subsectors, highlighting key differences and trends as of September 2025.



Subsector	Rev Multiple (\$1-5M)	Rev Multiple (\$6-10M)	Rev Multiple (\$10-30M)	EBITDA Multiple (\$1-3M)	EBITDA Multiple (\$3-5M)	EBITDA Multiple (\$5-10M)
Payments	5.0x	5.6x	6.7x	12.3x	14.5x	16.4x
Banking (Commercial)	4.2x	5.7x	6.7x	12.1x	14.5x	17.5x
Banking (Consumer)	4.5x	5.8x	7.0x	11.5x	13.1x	15.2x
Lending	4.6x	5.5x	6.7x	12.2x	15.1x	16.4x
Investing/Trading	5.1x	6.2x	7.4x	12.5x	15.0x	16.6x

Subsector Analysis

- **Payments** companies command premium revenue multiples at early stage (5.0x for \$1-5M revenue)
- **Investing/Trading** platforms lead with highest revenue multiples across all size ranges (5.1-7.4x)
- **Commercial Banking** solutions show strongest EBITDA multiples at scale (17.5x at \$5-10M EBITDA)
- **Consumer Banking** technology shows consistent but more moderate multiples

Key Valuation Drivers

- Payment processors with recurring revenue models command 15-20% higher multiples than transaction-based models
- North American payments businesses average 6.4x EV/LTM Revenue vs 5.2x in Europe
- Integrated solutions spanning multiple subsectors typically earn 10-15% premium
- Balance sheet-light models drive premium valuations across all subsectors

Notable Transactions & Recent Deal Case Studies

Analysis of significant fintech M&A transactions and strategic rationales, highlighting key valuation metrics and deal structures as of September 2025.

\$2.4B Largest Deal Shift4 Payments acquisition of Global Blue Group (Feb 2025)	7.7x Highest Multiple Clearwater Analytics / Enfusion (EV/LTM Revenue)	\$25.9B Total Equity Funding Global fintech growth capital raised YTD (+23.2% YOY)
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Acquirer / Target	Date	Value	Multiple	Strategic Rationale
Shift4 Payments / Global Blue Group	Feb 2025	\$2.4B	4.5x EV/Rev	Add unified commerce capabilities and 400,000+ retail locations
Clearwater Analytics / Enfusion	Jan 2025	\$1.5B	7.7x EV/Rev	Create integrated cloud platform for investment management
Flexbase Technologies / Maza Financial	Apr 2025	\$40M	Private	Acquire consumer banking software with 290% YOY revenue growth
Autobooks / Allied Payment	May			Enhance bill payment capabilities for financial

Deal Characteristics & Trends

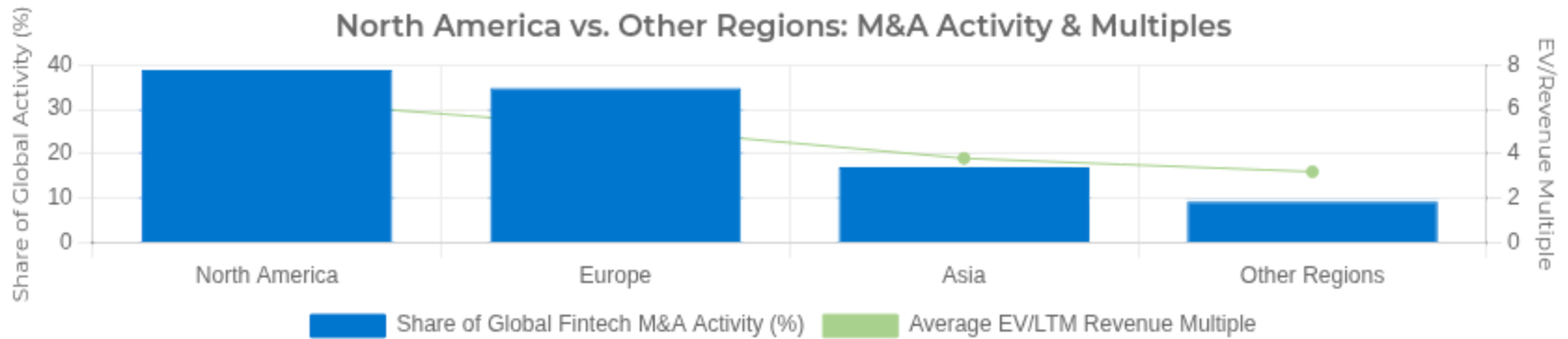
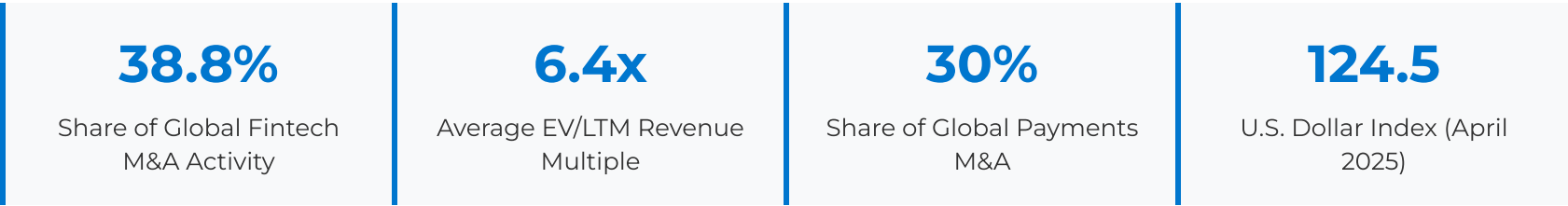
- Premium valuations for businesses with recurring revenue models, balance sheet-light operations, and low customer acquisition costs
- Cross-border M&A gaining momentum as U.S. dollar strength provides leverage for stateside acquirers
- Payments sector seeing highest deal activity, with 30% of total fintech transactions YTD 2025

Strategic Drivers

- Vertical integration of competing technologies to enhance product offerings
- Geographic expansion through strategic acquisitions targeting international markets
- Technology stack consolidation to provide full-suite financial management solutions
- Buy vs. build decisions accelerated by market uncertainty and regulatory changes

Regional Analysis: North America

Detailed analysis of North American fintech M&A activity, valuation metrics, and key market drivers as of September 2025.



Key Market Drivers

- Strong U.S. dollar providing acquirers with cross-border leverage
- Trump administration's deregulatory initiatives creating more conducive M&A environment
- Waning inflation enabling more stable valuation multiples
- High fragmentation in U.S. fintech landscape driving consolidation

Transaction Highlights

- U.S. targets command 45% premium over international comparables
- Payments providers with recurring revenue models achieving highest multiples (7.2x EV/Revenue)
- Private strategics leading 45.8% of regional transactions
- Strategic focus on API-first and embedded finance solutions

Regional Analysis: Europe & Asia

Comparative analysis of fintech M&A activity across Europe and Asia regions, with benchmarking against North American market dynamics.

34.8%

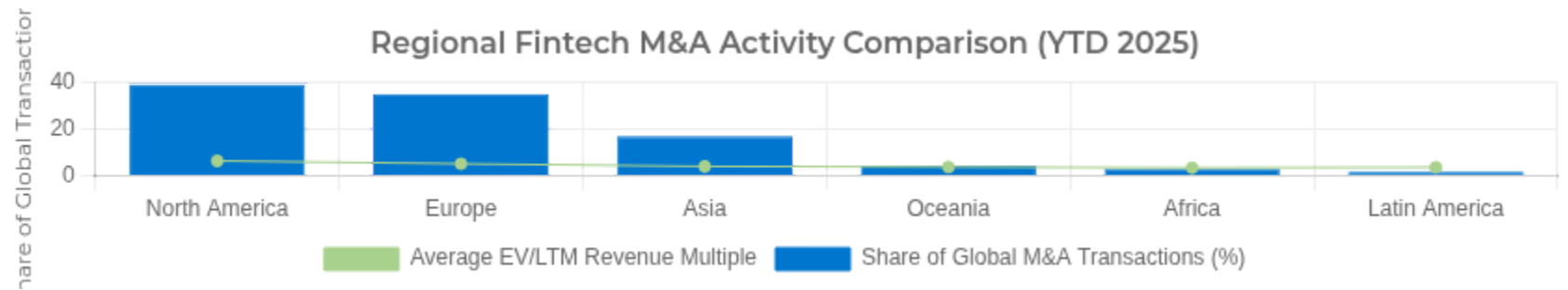
Europe's Share of Global Fintech M&A Transactions

17.0%

Asia's Share of Global Fintech M&A Transactions

+68.8%

YOY Growth in European Fintech Equity Financing



European Market

- Second highest average purchase multiple at 5.2x EV/LTM Revenue
- Attracted \$7.9 billion (30.6%) of total sector equity capital
- Expanding software market driving valuation premiums
- Strong Euro providing valuation support in cross-border deals

Asian Market

- Captured \$6.7 billion (26.5%) of global fintech equity funding
- Payment providers in underserved markets drawing premium valuations
- Cross-border payment solutions seeing accelerated M&A interest
- Strategic buyers dominating regional acquisition landscape

Regional Comparison

- North America commands highest multiples (6.4x vs 5.2x in Europe)
- European fintech equity financing growth outpacing all regions
- Oceania (+200% YOY) and Africa (+116.7% YOY) showing highest growth rates
- Regulatory frameworks increasingly divergent across regions

Regulatory Outlook & Market Drivers

Analysis of key regulatory developments and market drivers shaping fintech M&A activity and valuation multiples in September 2025.

15% Increase in FS Deal Values in H1 2025 (YOY)	-9% Decline in Global M&A Volumes in H1 2025 (YOY)	Apr 9 US Deregulatory Executive Order Date (2025)	2.0x Multiple Premium for US vs. Non-US Targets
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North America

Trump administration's deregulatory initiatives have reduced competitive barriers, creating favorable conditions for fintech consolidation. FTC consultations with federal agencies aim to eliminate anti-competitive regulations, stimulating M&A activity. Combined with strong USD, these factors have driven premium valuations for US targets (6.4x EV/Revenue vs. global average 4.4x).

Europe

European fintech M&A environment shaped by robust data protection regulations and open banking initiatives. Digital Markets Act implementation has influenced deal structures, with acquirers focusing on compliance capabilities. Despite regulatory complexity, Europe has seen 34.8% of global fintech transactions and a 68.8% YOY increase in equity financing activity.

Asia-Pacific

Fragmented regulatory landscape across APAC markets has created opportunities in underbanked regions. NomuPay's strategic acquisitions exemplify the trend of consolidating payment methods in regulatory-complex geographies. Deals focusing on cross-border payment compliance have garnered premium valuations, particularly in Singapore, Hong Kong, and Australia.

Emerging Markets

Oceania and Africa have seen dramatic growth in fintech M&A (200% and 116.7% YOY respectively), driven by regulatory modernization efforts targeting financial inclusion. Deals leveraging regulatory tech capabilities command premium multiples, with compliance-focused acquisitions averaging 5.5x EV/Revenue in these regions vs. 4.4x global average.

Key Regulatory Market Drivers

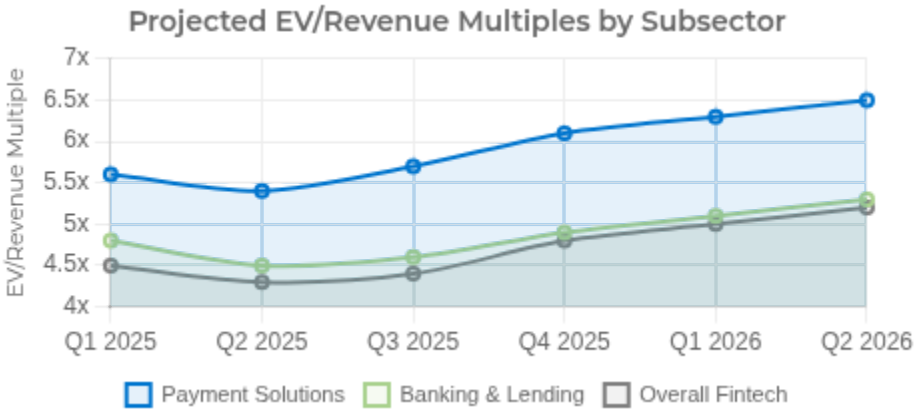
- US deregulatory policies creating more conducive operating environment for fintech consolidation
- FX rates significantly impacting cross-border transaction valuations and multiples
- Compliance capabilities becoming key value drivers in acquisition targets
- Regulatory arbitrage opportunities emerging between jurisdictions with varying fintech oversight

Forward-Looking Regulatory Outlook

- Continued US deregulatory momentum expected to drive further consolidation through 2025
- European payment regulations evolving to facilitate cross-border M&A
- Asia's fragmented regulatory landscape creating strategic acquisition opportunities
- Regulatory technology capabilities increasingly valuable in acquisition targets

Forward-looking Perspectives & Strategic Recommendations

Market expectations and strategic guidance for fintech M&A participants through the remainder of 2025 and beyond.



Projected Average Fintech EV/Revenue Multiple (Q4 2025)

4.8x ↑ from 4.4x Q3

Expected Deal Volume Growth (H2 vs H1 2025)

+12% ↑ driven by rate cuts

Projected Payments Subsector Premium

+20% vs. overall market average

Strategic Recommendations

For Strategic Buyers

- Focus on North American targets for operational synergies, leveraging deregulatory momentum and strong USD
- Prioritize targets with recurring revenue models, balance sheet-light operations, and low customer acquisition costs
- Consider European payment providers as valuations are 15-20% more attractive than U.S. equivalents despite similar growth profiles
- Deploy cross-border acquisition strategies to capitalize on geographic valuation differentials

For Sellers & Fundraisers

- Optimize timing for Q4 2025 or Q1 2026 exit as interest rate cuts take effect and multiples begin expanding
- Demonstrate international growth potential to command premium multiples (avg. +15-25% for global scalability)
- Consider PE buyers for higher equity components in deal structures versus all-cash strategic offers
- Highlight regulatory technology components, particularly compliance automation, to attract premium valuations

Appendix & Data Sources

Comprehensive reference of data sources, methodology, and disclaimers for the Fintech M&A Valuation Multiples Report.

Primary Data Sources

Capstone Partners

Financial Technology M&A Update (June 2025) - Transaction data, regional analysis, and multiples data for global fintech M&A activity.

First Page Sage

Fintech Valuation Multiples Report (January 2025) - Comprehensive valuation multiples across fintech subsectors and revenue ranges.

PwC

Global M&A Industry Trends: 2025 Mid-year Outlook - Financial services sector transaction volumes and regulatory insights.

Deloitte

Banking Regulatory Outlook 2025 - Analysis of regulatory impacts on financial institutions and fintech M&A activity.

Research Methodology

- Valuation multiple data collected from 600+ fintech M&A transactions between Q2 2022 and Q1 2025, with special emphasis on transactions completed in 2025.
- Segmentation analysis performed across 13 fintech subsectors to provide granular insights into valuation trends by industry specialization.
- Regional comparative analysis conducted using normalized exchange rates to account for currency fluctuations in cross-border transactions.
- Forward-looking projections developed using regression analysis of historical multiple trends correlated with interest rate movements and regulatory changes.

Disclaimers

- This report is for informational purposes only and does not constitute investment advice or an offer to sell or solicitation of an offer to purchase any security.
- Past performance is not indicative of future results. Valuations may fluctuate based on market conditions and company-specific factors not covered in this report.
- Windsor Drake has made every effort to ensure the accuracy of the information contained in this report but cannot guarantee its completeness or accuracy.

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