

# Rise in fintech deals during H1 runs counter to wider M&A dropoff

Article

**The news:** Global fintech M&A activity rose in the first half of the year to defy a broader economic slump, according to Hampton Partners.

**By the numbers:** A [report](#) by the M&A and corporate finance advisory firm found:

- **Fintech M&A activity rose 46% YoY** in H1 2022 to hit 591 deals, a 70% increase on the equivalent pre-pandemic period in 2019.
- **Fintech valuations remained steady** and were broadly in line with the levels of the past two years.
- Despite the crypto winter, **deals among crypto and blockchain firms jumped 75% higher YoY** through 107 transactions.

**Fintech defies downturn:** The total global M&A market fell by 20% YoY to \$2 trillion in the first half of 2022, per PwC. But fintechs have bucked the trend, driven by firms looking to snap up struggling startups at a discount.

Fintech investment has proven similarly resilient, dropping just 3% YoY, according to a KPMG report. The robust investment and deal activity highlight the buoyancy of the fintech market as firms and investors continue weighing options to buy businesses.

**What's next?** As a recession looms, the climate for H2 deals looks set to change dramatically from how the year began. But the change could help sustain fintech M&A activity.

Deployable private capital has reached its highest-ever level at \$3.6 trillion, according to Hampton, representing around three times more than in 2008. This can help fuel potential deals just as fintech valuations are falling and some are being forced into down rounds. And deals completed during recessions tend to deliver healthy returns, according to Bain Capital research.

Fintechs do face a tougher climate, with more layoffs and lower valuations likely. **Goldman Sachs** is one of many firms planning to cut jobs in response to weaker dealmaking. But fintechs on the hunt for deals will still have opportunities as they enter a period of market consolidation

# Top 10 Fintech Deals Worldwide, 2021

billions

1. Refinitiv

\$15

2. Nets

\$9

3. Adenza

\$4

4. Robinhood

\$3

5. Verafin

\$3

6. Paidy

\$3

7. Itiviti

\$3

8. SoFi

\$2

9. Divvy

\$2

10. Tink

\$2

Note: includes venture capital, private equity, and mergers and acquisitions

Source: KPMG, "Pulse of Fintech H2'21," Jan 1, 2022

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