

# Artificial Intelligence and Machine Learning Permeate the FinTech Sector

*Maturation of AI and ML technologies expected to drive sector M&A activity through 2023 and beyond.*

BOSTON, MA, UNITED STATES, June 1, 2023 /EINPresswire.com/ -- Capstone Partners, a leading middle market investment banking firm, released its latest [Financial Technology \(FinTech\) M&A Update](#), highlighting a remarkable wave of innovation taking place as sector players increasingly integrate artificial intelligence (AI) and machine learning (ML) technologies to differentiate offerings, attract investor interest, and capture the attention of potential buyers. Looking ahead, Capstone expects the maturation of these technologies to drive healthy M&A activity through year end and beyond.

A recent Deloitte survey revealed that 86% of financial services executives consider AI critical to their business operations in the next two years<sup>1</sup>. Consequently, many leading FinTech firms are actively pursuing advanced AI, ML, and data science capabilities through strategic acquisitions rather than investing in in-house development—fostering a dynamic M&A environment. The acquisition appetite for AI- and ML-enabled software providers has largely materialized in tuck-in deals, with strategic and sponsor-backed buyers rolling up participants with advanced capabilities to bolster specific business functions.

Reflecting on the Real Estate Technology subvertical, newly appointed Capstone Managing Director [Taylor Woodson](#) commented, “The companies that embrace and effectively harness the full power of these technologies will be the future frontrunners in the industry.” Woodson, who joined Capstone from Truist Securities, brings deep expertise in fintech coverage within the Real Estate, Property, and Mortgage Technology space, further strengthening Capstone's capabilities in the rapidly evolving sub-sector.

Also included in this piece:

- How a year-over-year slowdown in deal volume has counterintuitively benefitted select sector players pursuing a strategic event.
- A breakdown of the buyer types most active in the space and the macroeconomic challenges vs. drivers of current transaction activity.
- A dedicated highlight on the varying use cases and benefits of AI and ML across FinTech subverticals—including payments, bank technology, and more.

To access to full article, click [here](#).

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For over 20 years, the firm has been a trusted advisor to leading middle market companies, offering a fully integrated range of investment banking and financial advisory services uniquely tailored to help owners, investors, and creditors through each stage of the company's lifecycle. Capstone's services include M&A advisory, debt and equity placement, corporate restructuring, special situations, valuation and fairness opinions and financial advisory services. Headquartered in Boston, the firm has 175+ professionals in multiple offices across the U.S. With 12 dedicated industry groups, Capstone delivers sector-specific expertise through large, cross-functional teams. Capstone is a subsidiary of Huntington Bancshares Incorporated (NASDAQ:HBAN). For more information, visit [www.capstonepartners.com](http://www.capstonepartners.com).

### Endnotes:

1. Deloitte, "The Future of AI in Banking," <https://www2.deloitte.com/us/en/pages/consulting/articles/ai-in-banking.html>, accessed May 11, 2023.

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