



Finch Business Tech Pulse

August 2024 Edition

Partnering with Ambitious Teams in Business & Finance Technology

Accelerating the Path to Profitable Scale



Welcome to our **Monthly Business Technology Pulse!**

At Finch Capital, we focus on **4 core themes** across **Business**

Technology: Tax & Accounting, Regulatory, Legal & Compliance, HR & Payroll and Business Process Automation. In the Market Pulse, we look at recent trends and performance within each theme and the outlook for the future. We delve into the top M&A and fundraising deals in Europe and look at the financial performance of public companies in each core theme, giving us an insight into the current industry landscape.

Finch Capital is a growth investor, partnering with ambitious teams in **Business & Financial Technology**. With €450m AuM, we back companies generating €2m+ in annualized revenues by investing tickets of up to €20m. We aim to help our companies scale to €30m-€50m in revenues by building sustainable and capital-efficient business models. We have invested in ±45 companies including Fourthline, Goodlord, Grab, ZOPA, Twisto, AccountsIQ, NomuPay and Symmetrical.

HR & Payroll

- Talent acquisition
- Resource management
- Payroll technologies
- Human capital management platforms
- Rewards & benefits management
- Performance management
- Compensation management

Tax & Accounting

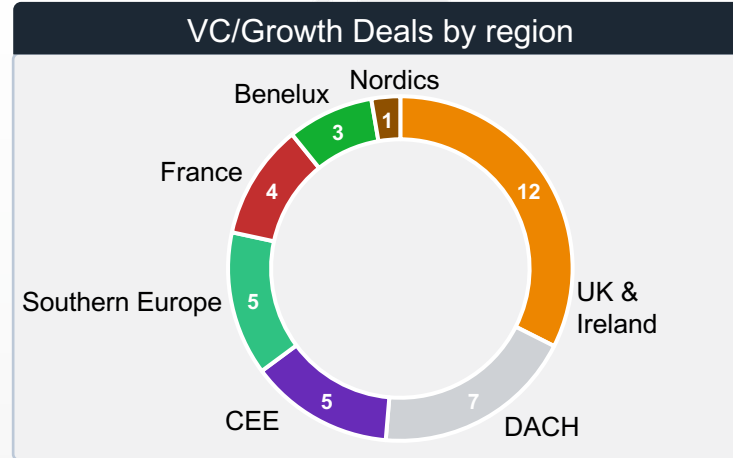
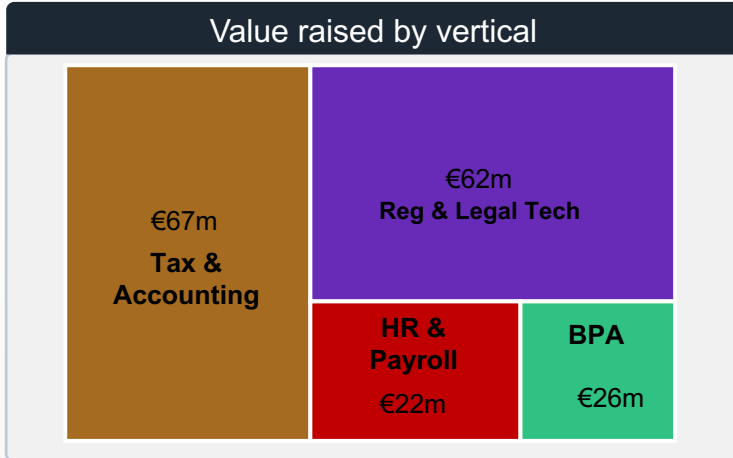
- Financial management software & FPA
- Tax prep, management and compliance
- AP/AR
- Revenue & spend management
- Shareholder/board planning
- Audit
- Treasury

Regulatory, Legal & Compliance

- KYC/KYB/AML and other financial crime prevention
- Risk management (portfolio, vendor, GRC)
- Security and intelligence tools
- Legislation driven reporting and transaction software
- Contract and document management

Business Process Automation

- Software to simplify operations in a business including product management, BI and other business improvement tools
- Supply chain management
- Customer relationship management
- Data integration across organization



Notable Fundraises

Company	HQ	Vertical	Round Size
Payt		Tax & Accounting	€55m
Leya		Reg & Legal Tech	€23.1m
Legal'ly		Reg & Legal Tech	€15m

Public Comps by vertical

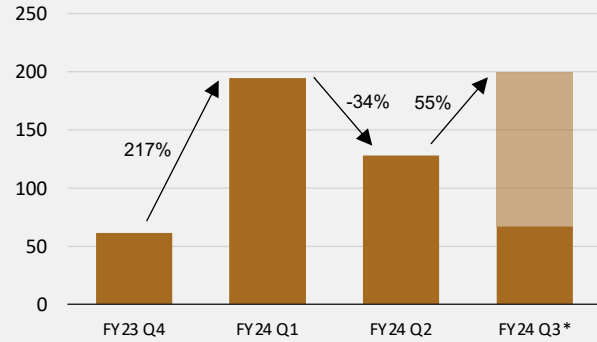
Vertical	EV/Revenue	EV/EBITDA
HR & Payroll		
Q2 23	5.59x	39.2x
Q2 24	6.02x	19.42x
Business Process Automation		
Q2 23	7.12x	32.86x
Q2 24	7.85x	43x
Reg & Legal Tech		
Q2 23	5.07x	19.66x
Q2 24	6.89x	22.56x
Tax & Accounting		
Q2 23	5.82x	37.57x
Q2 24	5.93x	38.90x

Notable Exits

Acquirer	Acquiree	HQ	Vertical
cegid	ebp		Tax & Accounting
Zone&Co	STARIA		Tax & Accounting
deel.	Hofy		HR & Payroll

- ### June Highlights
- Public comps have slightly improved year on year across most verticals; with HR & Payroll being the only space that is showing signs of decline
 - Tax & Accounting was the most active vertical in July, both in terms of value raised and exit transaction value.

Growth/VC Funding (€m)



*Most recent monthly figures used for quarterly estimates.

Notable Growth/VC deals in July 24

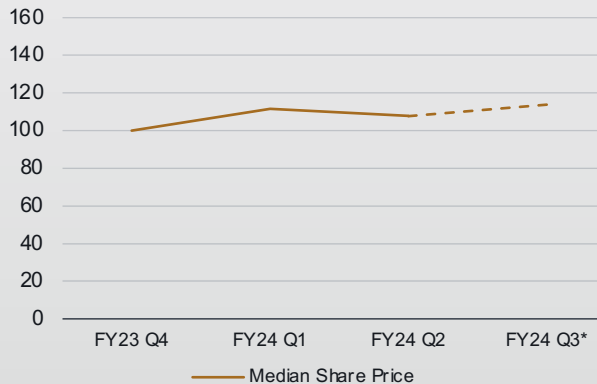
Company	Country HQ	Summary	Round Size	Round stage	Lead Investor
Payt		Accounts receivable SaaS platform	€55m	Growth	Partech
TRIVER		AI-based Accounting platform	€10.8m	Seed	Deliveroo
eGreen		Carbon Accounting platform	n/a	Venture	Impacta VC

Notable Exits in July 24

Acquirer	Acquiree	Country HQ	Transaction Size	EV/Revenue	EV/EBITDA
cegid	ebp		€200m+ (LBO)*	n/a	n/a
Zone&Co	STARIA		€100m+ (LBO)*	n/a	n/a
taxfix	TaxScouts		€20-50m*	n/a	n/a

* Estimates.

Public Market Index



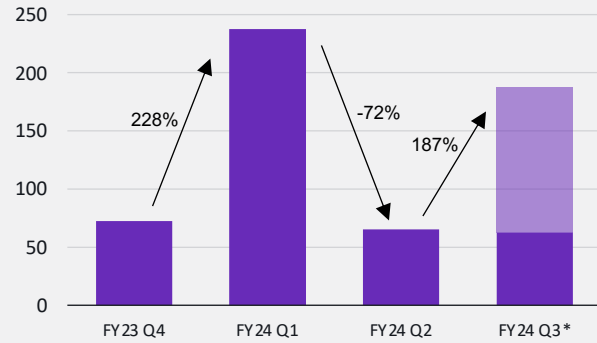
*Share price to date.

Comps Table

Companies	EV/Revenue				EV/EBITDA				KPIs – FY24 Q3*		
	FY24 Q3*	FY24 Q2	FY24 Q1	FY23 Q4	FY24 Q3*	FY24 Q2	FY24 Q1	FY23 Q4	Rev YoY growth	EBITDA margin	Rule of 40
BlackLine	5.24x	5.25x	7.16x	7.14x	24.81x	38.90x	65.59x	76.07x	12%	21%	33%
Clearwater Analytics	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
H&R Block	2.72x	2.42x	2.64x	2.43x	10.19x	8.76x	9.85x	9.18x	4%	27%	31%
Intuit	10.74x	11.73x	12.39x	12.15x	39.59x	40.38x	43.91x	43.01x	12%	29%	41%
Sage Group	4.79x	5.20x	6.06x	5.74x	22.61x	24.55x	31.37x	29.70x	7%	21%	28%
Vertex	9.49x	9.38x	8.54x	7.56x	69.44x	80.67x	76.63x	80.45x	17%	14%	30%
Wolters Kluwer	6.71x	7.03x	6.67x	5.99x	20.98x	22.20x	21.06x	19.36x	3%	32%	35%
Xero	13.32x	12.93x	14.21x	12.08x	45.90x	44.56x	1649.39x	1401.66x	22%	29%	51%
Median	6.71x	7.03x	7.16x	7.14x	24.81x	38.90x	43.91x	43.01x	12%	27%	33%

*Q3 to date.

Growth/VC Funding (€m)



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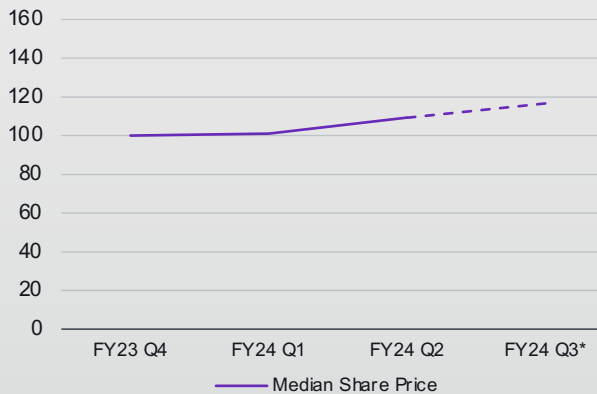
Company	Country HQ	Summary	Round Size	Round stage	Lead Investor
Leya		AI assistant for legal professionals	€23.1m	Venture	Redpoint Ventures
Legalily		Legal workflow management platform	€15m	Venture	Notion Capital
xapien		AI due diligence solution	€9.4m	Venture	YFM Equity Partners

Notable Exits in July 24

Acquirer	Acquiree	Country HQ	Transaction Size	EV/Revenue	EV/EBITDA
EQS	DATA LEGAL DRIVE		€0-20m*	n/a	n/a
MOODY'S	VADiS Technologies		€0-20m*	n/a	n/a

* Estimates.

Public Market Index



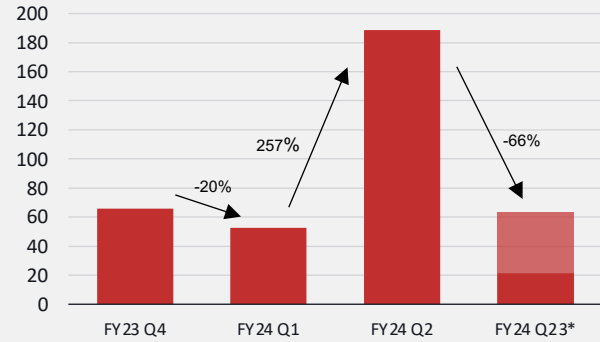
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DISCO	1.54x	1.55x	2.51x	2.31x	n/a	n/a	n/a	n/a	6%	-21.78%	-16%
Equifax	7.84x	6.64x	7.38x	7.06x	25.90x	22.08x	24.62x	23.89x	8%	30%	38%
Experian	6.45x	6.52x	6.29x	5.88x	19.03x	19.25x	19.06x	17.80x	7%	34%	41%
FiscalNote Holdings	2.48x	2.51x	3.03x	2.83x	10.58x	22.27x	n/a	n/a	4%	23%	27%
IntApp	7.22x	6.15x	6.00x	6.76x	n/a	n/a	n/a	n/a	23%	-2%	21%
LegalZoom	1.53x	2.03x	3.47x	2.96x	18.39x	23.39x	34.87x	42.52x	6%	8%	15%
Moody's	14.06x	13.13x	13.04x	13.42x	30.04x	28.90x	30.14x	31.66x	19%	47%	65%
Nasdaq	7.64x	7.19x	7.68x	6.34x	23.78x	22.84x	24.76x	20.99x	8%	32%	40%
Median	6.83x	6.33x	6.15x	6.11x	21.41x	22.56x	24.76x	23.89x	7%	27%	33%

*Q3 to date.

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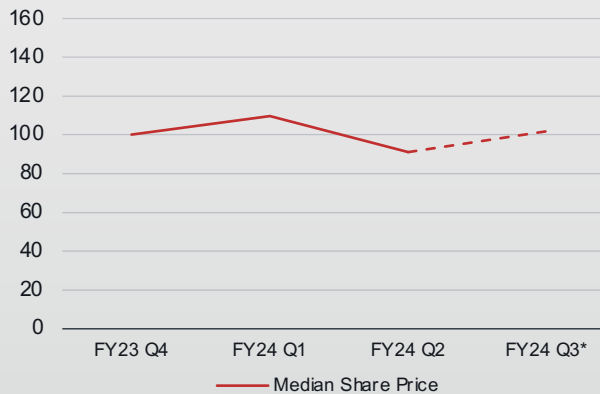
Company	Country HQ	Summary	Round Size	Round stage	Lead Investor
PASSION FRUIT		Hiring support for startups	€12.3m	Venture	Seaya Ventures
WORKERHERO		Job portal connecting companies to drivers	€4m	Venture	Mediahuis
DYNO		Digital pension management for HR teams	€2.5m	Venture	LEA Partners Quint Ventures

Notable Exits in July 24

Acquirer	Acquiree	Country HQ	Transaction Size	EV/Revenue	EV/EBITDA
deel	Hofy		€50-100m*	n/a	n/a
SafetyPlus	GOCONTRACTOR		€0-20m* (LBO)	n/a	n/a

* Estimates.

Public Market Index



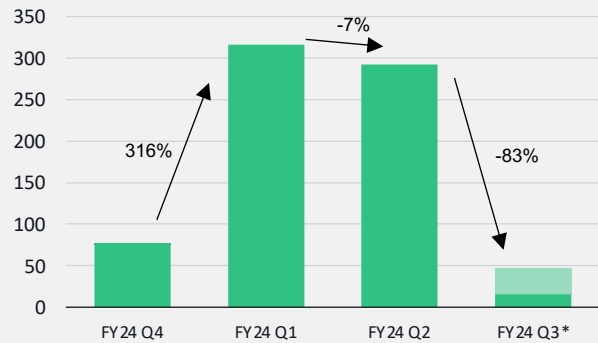
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Automatic Data Processing	5.80x	5.17x	5.61x	5.36x	20.07x	17.78x	19.63x	18.84x	7%	29%	36%
Paychex	8.76x	7.96x	8.47x	8.21x	19.47x	17.56x	19.12x	18.54x	5%	45%	50%
Paycom	5.12x	4.56x	6.66x	7.04x	12.42x	11.05x	19.17x	19.61x	14%	41%	55%
Paycor HCM	3.74x	3.47x	5.65x	6.57x	28.44x	31.31x	64.38x	81.71x	19%	13%	32%
Paylocity	6.14x	5.17x	7.25x	7.28x	24.35x	21.06x	31.38x	34.73x	19%	25%	45%
TriNet Group	1.19x	1.18x	1.52x	1.41x	12.04x	11.83x	13.61x	12.89x	1%	10%	11%
Workday	8.28x	7.34x	9.30x	9.88x	76.36x	102.42x	149.76x	235.38x	17%	7%	24%
Dayforce	6.19x	5.51x	7.25x	7.73x	34.23x	30.41x	41.47x	55.35x	18%	18%	36%
Median	5.97x	5.17x	6.95x	7.16x	22.21x	19.42x	25.51x	27.17x	16%	22%	36%

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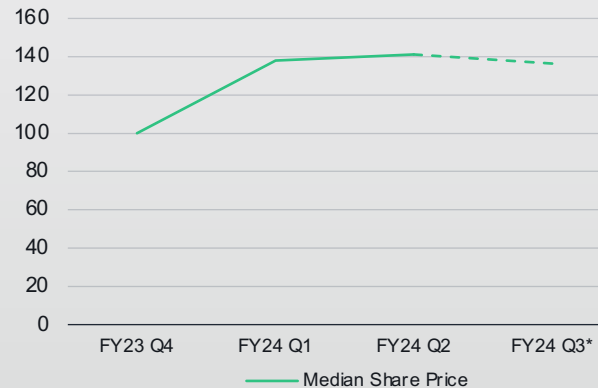
Company	Country HQ	Summary	Round Size	Round stage	Lead Investor
SYNERISE		Digital data analysis platform	€7.9m	Venture	VTEX
healthtech-1		Automation platform to avoid repetitive tasks	€3.2m	Seed	Moonfire
Traverse AUTOMATION		Automation software for complex business processes	€1.3m	Venture	Maven Capital Partners, Northern Powerhouse

Notable Exits in July 24

Acquirer	Acquiree	Country HQ	Transaction Size	EV/Revenue	EV/EBITDA
AKVA GROUP			€0-20m*	n/a	n/a

* Estimates

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AppFolio	11.43x	12.89x	13.99x	10.56x	67.27x	98.48x	293.36x	n/a	36%	17%	53%
HubSpot	10.30x	12.82x	14.35x	13.80x	13052.26x	n/a	n/a	n/a	23%	0%	23%
Oracle	8.68x	8.80x	8.07x	7.17x	21.94x	22.24x	20.83x	18.75x	6%	40%	46%
Pegasystems	3.89x	3.55x	3.90x	3.20x	36.70x	47.39x	49.92x	n/a	15%	11%	26%
Salesforce	7.05x	6.83x	8.34x	7.53x	24.66x	23.88x	32.61x	33.40x	11%	29%	40%
SAP	6.91x	6.84x	6.67x	5.19x	41.72x	39.80x	29.64x	27.40x	7%	17%	23%
ServiceNow	16.80x	16.75x	17.13x	16.88x	103.12x	106.39x	118.96x	125.49x	24%	16%	40%
UiPath	3.97x	3.99x	8.48x	10.16x	n/a	n/a	n/a	n/a	23%	-8%	15%
Median	7.86x	7.82x	8.41x	8.84x	41.72x	43.60x	41.27x	30.40x	19%	16%	33%

*Q3 to date.



Amsterdam

London

Dublin