

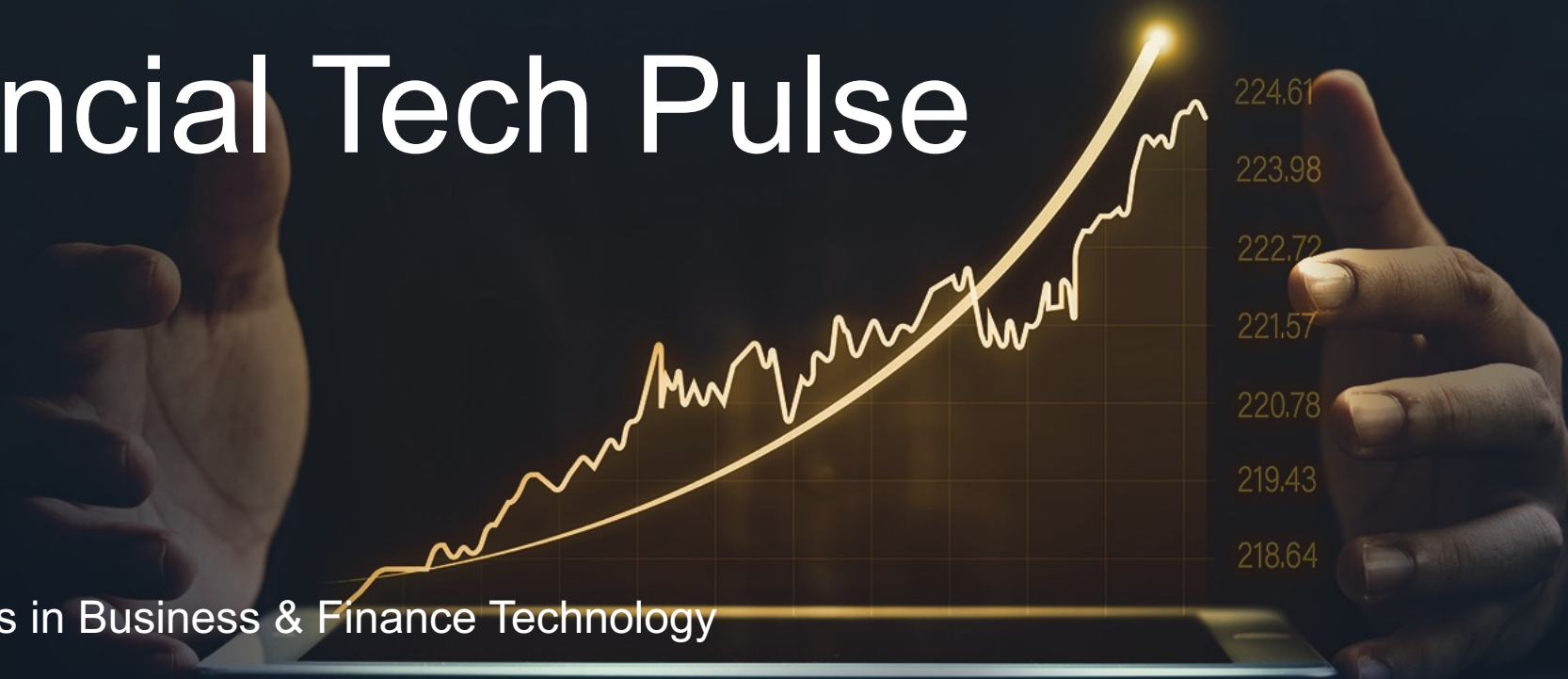


# Finch Financial Tech Pulse

August 2024 Edition

Partnering with Ambitious Teams in Business & Finance Technology

Accelerating the Path to Profitable Scale



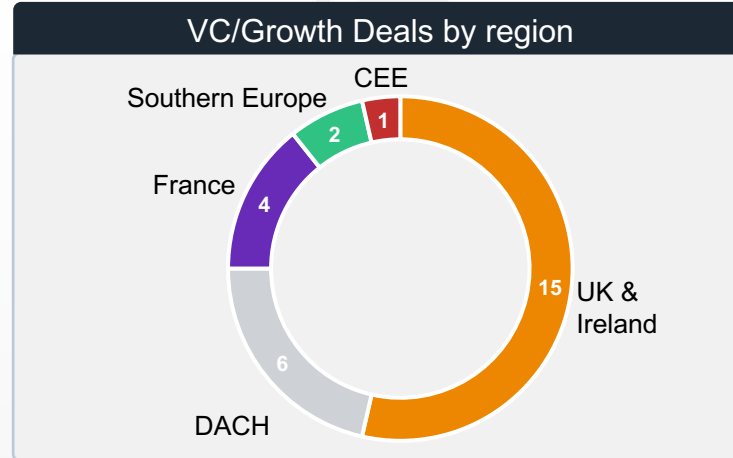
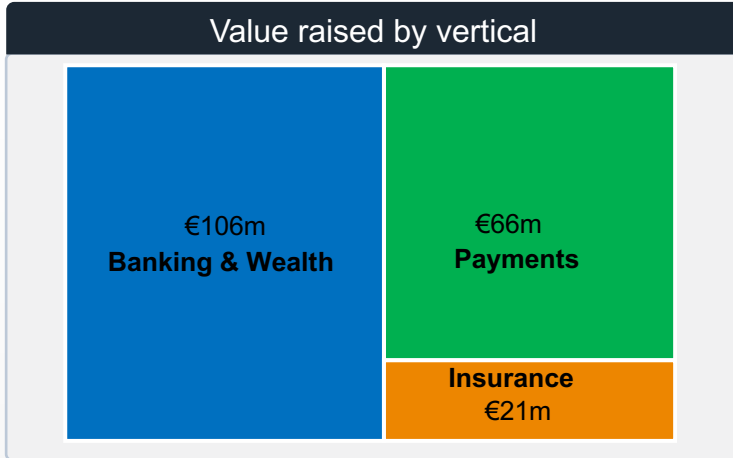
Welcome to our **Monthly Financial Technology Pulse!**

At Finch Capital, we focus on **3 core themes** across **Financial Technology**:

Insurance, Banking & Wealth Management and Payments. 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.

Insurance	Payments	Banking & Wealth Management
<ul style="list-style-type: none"><li>Protection against various risks</li><li>Claims and administration</li><li>Fraud and payments</li><li>Search and quoting software</li><li>Data and underwriting</li></ul>	<ul style="list-style-type: none"><li>B2B &amp; A2A payments</li><li>Payment value chain infrastructure (PSPs, gateways, pay-in, payout)</li><li>Fraud and security</li><li>Mobile payments/digital wallets/loyalty</li><li>Card network infrastructure</li></ul>	<ul style="list-style-type: none"><li>Banking as a service infrastructure (e.g. card issuing)</li><li>Open banking infrastructure</li><li>Lending/Mortgage/ Factoring</li><li>IFAs / Portfolio Management Software</li><li>Investment Management Platforms</li></ul>



### Notable Fundraises

Company	HQ	Vertical	Round Size
SOKIN		Payments	€28.9m
RavenPack		Banking & Wealth Management	€18.6m
Haruko		Banking & Wealth Management	€15.9m

### Public Comps by vertical

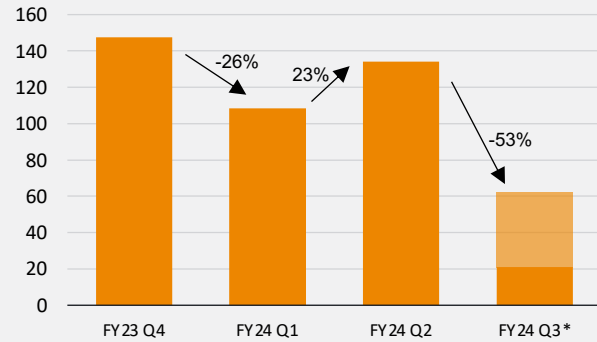
Vertical	EV/Revenue	EV/EBITDA
<b>Payments</b>		
Q2 23	2.14x	24.33x
Q2 24	2.43x	20.46x
<b>Banking &amp; Wealth</b>		
Q2 23	4.60x	19.66x
Q2 24	6.33x	29.34x
<b>Insurance</b>		
Q2 23	2.16x	14.76x
Q2 24	1.84x	19.71x

### Notable Exits

Acquirer	Acquiree	HQ	Vertical
BlackRock	PREQIN		Banking & Wealth Management
CVC	COMARCH		Payments
astorg.	acturis CONNECTED THINKING		Insurance

- ### June Highlights
- **The UK exit market has been particularly active** with a few large exits across all verticals in July.
  - **Preqin** was acquired by **BlackRock** for \$3.2B in cash in a strategic deal to add to Aladdin's workflow and create a preeminent private markets technology and data provider.
  - Adding to their Payments portfolio, **Morgan Stanley** led a €28.9m venture round in **Sokin**.

## Growth/VC Funding (€m)



\*Most recent monthly figures used for quarterly estimates.

## Notable Growth/VC deals in July 24

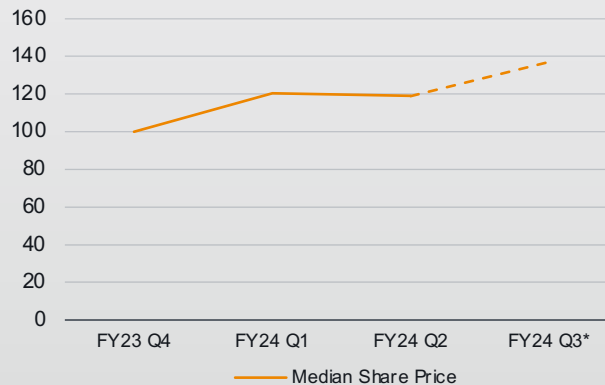
Company	Country HQ	Summary	Round Size	Round stage	Lead Investor
ATLAX 360		Credit risk management platform	€12.5m	Venture	AI Capital, Janic Capital
wopta		Insurance platform for artisans, businesses, professionals	€8m	Growth	n/a
enzo		Home insurance platform	€3.3m	Seed	2bx

## Notable Exits in July 24

Acquirer	Acquiree	Country HQ	Transaction Size	EV/Revenue	EV/EBITDA
astorg	acturis		€300m+* (LBO)	n/a	n/a

\* Estimates.

## Public Market Index



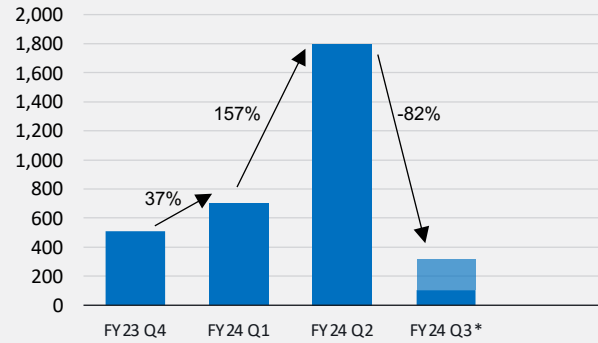
\*Share price to date.

## 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
GoHealth	1.07x	1.00x	1.06x	1.65x	19.71x	28.03x	32.28x	n/a	33%	5%	38%
Guidewire Software	12.35x	11.52x	10.14x	9.44x	n/a	n/a	n/a	n/a	9%	-4%	5%
Hippo Enterprises	1.13x	0.84x	1.54x	0.05x	n/a	n/a	n/a	n/a	93%	-46%	47%
Lemonade	2.55x	2.36x	2.47x	2.64x	n/a	n/a	n/a	n/a	30%	-38%	-8%
PolicyBazaar	20.80x	17.29x	14.47x	10.74x	280.72x	309.06x	450.69x	n/a	39%	7%	47%
Sapiens	3.57x	3.36x	3.26x	3.04x	19.17x	18.05x	17.57x	15.73x	8%	19%	27%
SelectQuote	1.12x	0.92x	0.91x	0.85x	24.80x	20.54x	18.61x	16.38x	34%	4%	39%
DXC Technology	0.55x	0.54x	0.56x	0.62x	4.64x	4.51x	9.85x	12.33x	-5%	12%	7%
<b>Median</b>	<b>1.84x</b>	<b>1.68x</b>	<b>2.00x</b>	<b>2.15x</b>	<b>19.71x</b>	<b>20.54x</b>	<b>18.61x</b>	<b>15.73x</b>	<b>31%</b>	<b>5%</b>	<b>32%</b>

\*Q3 to date.

## Growth/VC Funding (€m)



\*Most recent monthly figures used for quarterly estimates.  
\*\* FY24 Q2 is impacted by Abound deal (€933m of equity + debt)

## Notable Growth/VC deals in July 24

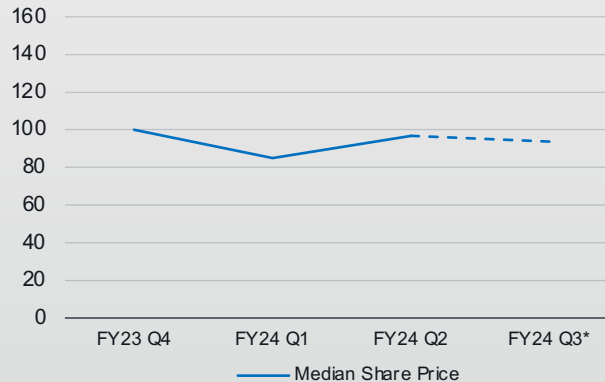
Company	Country HQ	Summary	Round Size	Round stage	Lead Investor
RavenPack		Big data software solution	€18.6m	Venture	GP Bullhound
Haruko		Portfolio management platform	€15.9m	Venture	MMC Ventures, Portage, White Star Capital
plum		Money management app	€15.9m	Growth	iGrow Venture Capital, Venture Friends

## Notable Exits in July 24

Acquirer	Acquiree	Country HQ	Transaction Size	EV/Revenue	EV/EBITDA
BlackRock	PREQIN		€3,010m	13.55x	n/a
UniCredit	VODENO		€370m	n/a	n/a
ABN-AMRO	BUX		€75-100m*	n/a	n/a

\* Estimates.

## Public Market Index



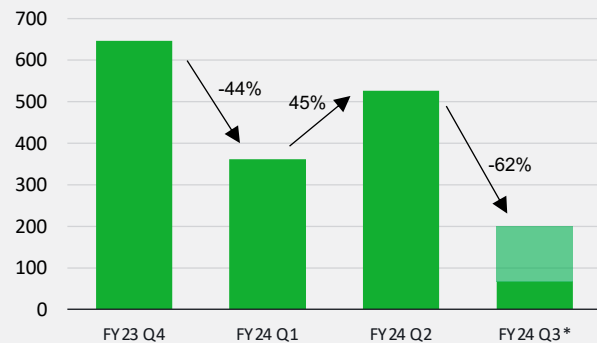
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	FY24 Q3*	FY24 Q2	FY24 Q1	FY23 Q4	FY24 Q3*	FY24 Q2	FY24 Q1	FY23 Q4	Rev YoY growth	EBITDA margin	Rule of 40
Alkami	10.93x	9.64x	8.77x	8.98x	n/a	n/a	n/a	n/a	27%	-15%	12%
Blend (Financial Software)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Fiserv	6.24x	5.76x	6.14x	5.49x	14.44x	13.58x	14.66x	13.27x	7%	43%	50%
MeridianLink	6.92x	6.57x	5.83x	7.58x	29.34x	26.38x	24.14x	33.74x	4%	24%	28%
Pagaya	1.78x	1.70x	1.47x	1.84x	n/a	n/a	n/a	n/a	23%	-19%	4%
Robinhood	6.42x	7.29x	6.81x	3.61x	38.04x	72.23x	n/a	n/a	34%	17%	51%
Temenos Headquarters	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Forge Global	2.27x	1.92x	2.94x	6.73x	n/a	n/a	n/a	n/a	21%	-95%	-73%
<b>Median</b>	<b>6.33x</b>	<b>6.17x</b>	<b>5.99x</b>	<b>6.11x</b>	<b>29.34x</b>	<b>26.38x</b>	<b>19.40x</b>	<b>23.51x</b>	<b>22%</b>	<b>1%</b>	<b>20%</b>

\*Q3 to date.

## Growth/VC Funding (€m)



\*Most recent monthly figures used for quarterly estimates.

## Notable Growth/VC deals in July 24

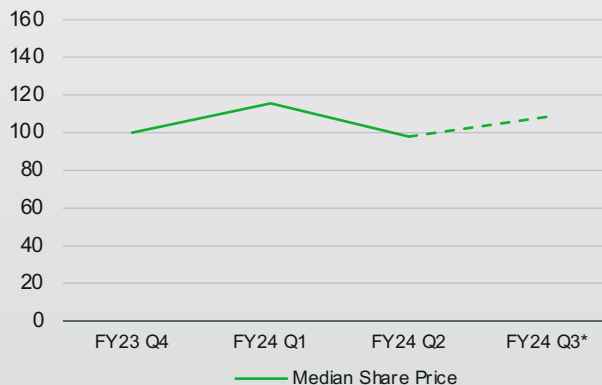
Company	Country HQ	Summary	Round Size	Round stage	Lead Investor
SOKIN		Global Payments Neobank	€28.9m	Venture	Morgan Stanley Expansion Capital
leanpay		Monthly finance installment platform	€10m	Growth	BlackPeak Capital, Catalyst Romania
Byway		Travel platform including payments	€5.96m	Venture	Valar Ventures, Motive Partners

## Notable Exits in July 24

Acquirer	Acquiree	Country HQ	Transaction Size	EV/Revenue	EV/EBITDA
CVC	COMARCH		€500m+ (LBO)*	1.28x	12.11x
ANT GROUP	MultiSafepay		€185m (LBO)	n/a	n/a
Hero	CRYPTOPAY		0-20m*	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
Adyen	15.90x	14.26x	21.82x	5.14x	36.92x	33.78x	51.71x	43.13x	-65%	43%	-22%
Block	1.52x	1.52x	2.24x	2.10x	28.97x	40.98x	143.09x	365.22x	19%	5%	25%
Flywire	3.80x	3.35x	5.94x	5.79x	n/a	n/a	1883.74x	n/a	27%	0%	27%
Marqeta	3.37x	2.82x	2.71x	3.11x	1695.35x	n/a	n/a	n/a	-44%	0%	-44%
Payoneer	2.43x	1.75x	1.47x	1.67x	11.96x	8.02x	8.19x	11.69x	21%	20%	42%
PayPal Holdings	2.25x	1.84x	2.26x	2.24x	10.79x	8.73x	10.62x	11.30x	9%	21%	30%
Paysafe	2.15x	2.06x	2.06x	1.98x	7.95x	7.49x	7.57x	7.75x	8%	27%	35%
Wise (Financial Software)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	56%	33%	88%
<b>Median</b>	<b>2.43x</b>	<b>2.06x</b>	<b>2.26x</b>	<b>2.24x</b>	<b>20.46x</b>	<b>8.73x</b>	<b>31.16x</b>	<b>11.69x</b>	<b>14%</b>	<b>21%</b>	<b>28%</b>

\*Q3 to date



Amsterdam

London

Dublin