



Finch Business Tech Pulse

December 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

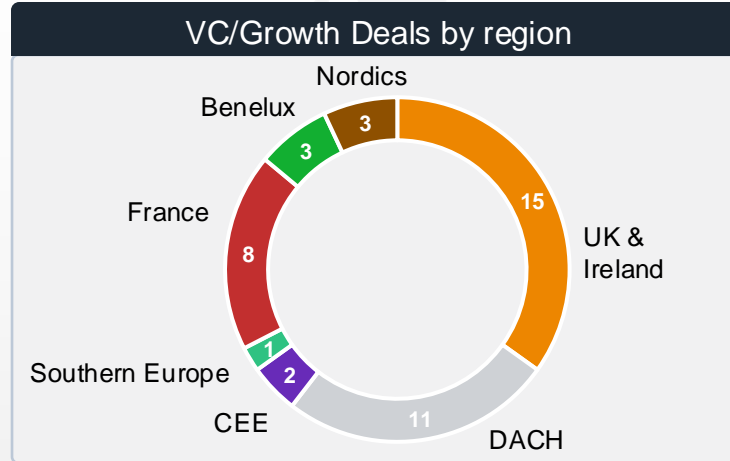
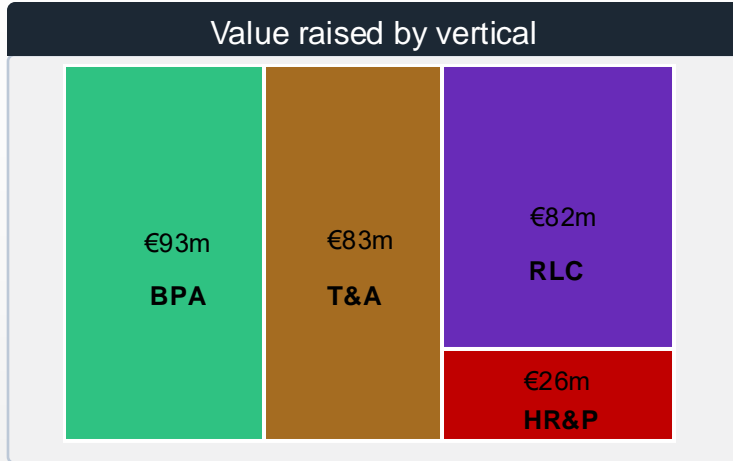
- Financial management software & FPA
- Tax prep, management and compliance
- AP/AR
- Revenue & spend management
- Shareholder/board planning
- Audit
- Treasury

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
Robin AI		Reg & Legal Tech	€23.1m
KAIZEN		Reg & Legal Tech	€50.2m
AGICAP		Tax & Accounting	€45m

Public Comps by vertical

Vertical	EV/Revenue	EV/EBITDA
HR & Payroll		
Q4 23	7.16x	21.66x
Q4 24	7.44x	18.69x
Business Process Automation		
Q4 23	8.84x	38.48x
Q4 24	9.53x	23.04x
Reg & Legal Tech		
Q4 23	6.11x	20.39x
Q4 24	6.67x	24.13x
Tax & Accounting		
Q4 23	7.35x	28.96x
Q4 24	9.41x	24.78x

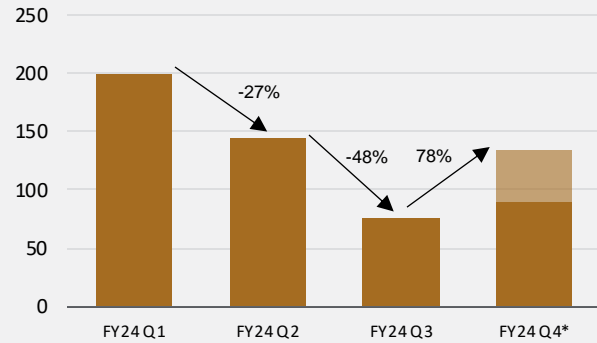
*As of 18/12/2024.

Notable Exits

Acquirer	Acquiree	HQ	Vertical
CISCO	DEEPER INSIGHTS		Business Process Automation
SAS	hazy		Business Process Automation
SEPTEO	nivimu		HR & Payroll

- ### November Highlights
- **AI automation for legal services** is gaining strong momentum with a few large raises to note in Q4.
 - **HR tools are attracting seed funding** across the European market, but the next wave of market leaders is yet to emerge.
 - **Tax & Accounting presents one of the most attractive exit markets** with EV/Rev multiples on the rise at 9.4x this month, up from 7.4x in Q4 last year.
 - **Business Process Automation** tools are multiplying use cases across business functions, however, funding has slowed down this semester compared to the pick in H1 2024.

Growth/VC Funding (€m)



*Most recent figures used for monthly estimates.

Notable Growth/VC deals in November 24

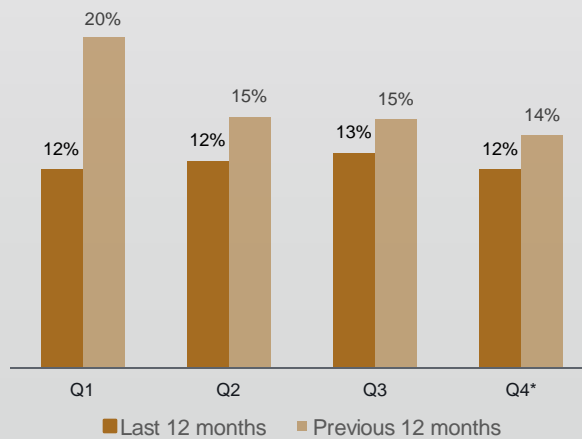
Company	Country HQ	Summary	Round Size	Round stage	Lead Investor
ApprovalMax		AR & AP automaton platform	€12m	Later Stage VC	Yttrium
MAROSA		Tech-enabled VAT services	€12m	PE Growth	Aquiline Capital Partners
AGICAP		Cash Flow & Treasury Management	€45m	Series C	Axa Venture Partners

Notable Exits in November 24

Acquirer	Acquiree	Country HQ	Transaction Size	EV/Revenue	EV/EBITDA
CentralGest <small>An Ingep Company</small>	Filosoft		n/a	n/a	n/a
Normative	EIVEE		n/a	n/a	n/a
Teamleader	Dexter		n/a	n/a	n/a

* Estimates.

Median YoY revenue growth rate



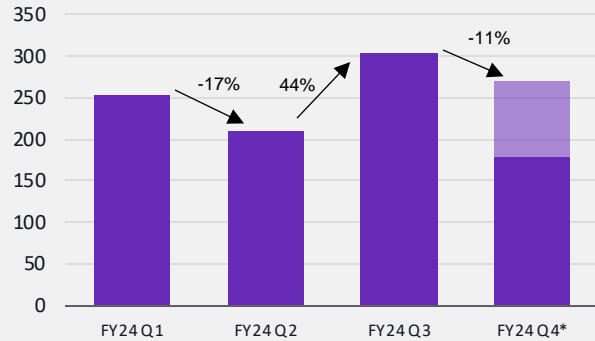
*Public Comps, as of 18/12/2024

Comps Table

Companies	EV/Revenue				EV/EBITDA				KPIs – FY24 Q4*		
	FY24 Q4*	FY24 Q3	FY24 Q2	FY24 Q1	FY24 Q4*	FY24 Q3	FY24 Q2	FY24 Q1	Rev YoY growth	EBITDA margin	Rule of 40
BlackLine	6,46x	5,73x	5,25x	7,16x	25,67x	22,83x	18,90x	27,41x	11%	25%	37%
Clearwater Analytics	15,49x	13,37x	10,10x	10,02x	49,06x	43,41x	33,76x	34,82x	21%	32%	52%
H&R Block	2,49x	2,69x	2,42x	2,64x	9,21x	10,07x	8,50x	9,54x	4%	27%	31%
Intuit	11,64x	10,84x	11,73x	12,39x	29,35x	26,73x	28,70x	30,68x	12%	40%	52%
Sage Group	5,88x	4,91x	5,20x	6,06x	22,03x	18,79x	19,91x	23,94x	7%	27%	33%
Vertex	13,06x	9,72x	9,38x	8,54x	57,59x	44,86x	47,64x	48,50x	17%	23%	40%
Wolters Kluwer	7,18x	6,71x	7,03x	6,67x	22,44x	20,97x	22,13x	20,99x	3%	32%	35%
Xero	14,65x	12,80x	12,93x	14,21x	44,14x	38,57x	42,10x	64,98x	24%	33%	57%
Median	9,41x	8,22x	8,20x	7,85x	27,51x	24,78x	25,42x	29,04x	12%	29%	38%

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Growth/VC Funding (€m)



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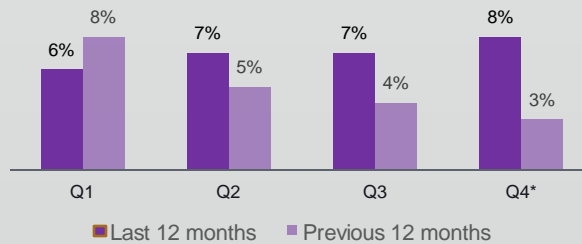
Company	Country HQ	Summary	Round Size	Round stage	Lead Investor
Robin AI		AI-based legal process automation	€23.1m	Later Stage VC	PayPal Ventures, University of Cambridge, Willet Advisors
calvinrisk		AI risk management and governance	€3.6m	Seed	Join Capital, seed + speed Ventures
KAIZEN		Regulatory reporting platform	€50.2m	PE Growth	Guidepost Growth Equity

Notable Exits in November 24

Acquirer	Acquiree	Country HQ	Transaction Size	EV/Revenue	EV/EBITDA
Undisclosed (minority exit)	trailight		€1.7m	n/a	n/a

* Estimates.

Median YoY revenue growth rate



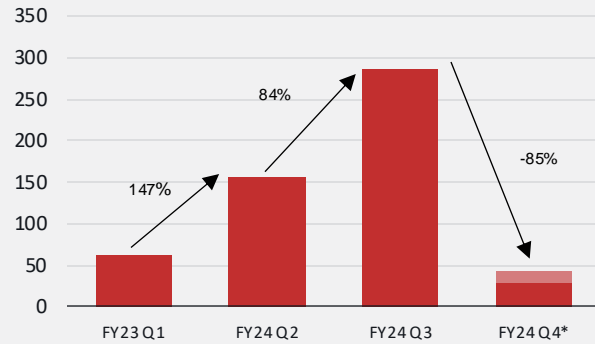
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DISCO	1,63x	1,60x	1,55x	2,51x	n/a	n/a	n/a	n/a	6%	-11%	-4%
Equifax	6,99x	7,65x	6,64x	7,38x	22,33x	24,13x	20,68x	22,96x	9%	31%	40%
Experian	6,35x	6,92x	6,52x	6,29x	17,40x	19,41x	18,29x	16,41x	7%	37%	44%
FiscalNote Holdings	2,39x	2,43x	2,51x	3,03x	31,73x	46,93x	493,90x	n/a	-4%	8%	4%
IntApp	10,85x	7,86x	6,15x	6,00x	75,43x	65,74x	66,26x	72,65x	20%	14%	34%
LegalZoom	1,93x	1,48x	2,03x	3,47x	9,52x	8,10x	10,90x	19,30x	5%	20%	25%
Moody's	13,47x	13,91x	13,13x	13,04x	26,02x	27,25x	26,42x	26,97x	20%	52%	72%
Nasdaq	7,92x	7,86x	7,19x	7,68x	21,19x	20,75x	19,21x	20,53x	17%	37%	54%
Median	6,67x	7,29x	6,33x	6,15x	22,33x	24,13x	20,68x	21,74x	8%	26%	37%

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Growth/VC Funding (€m)



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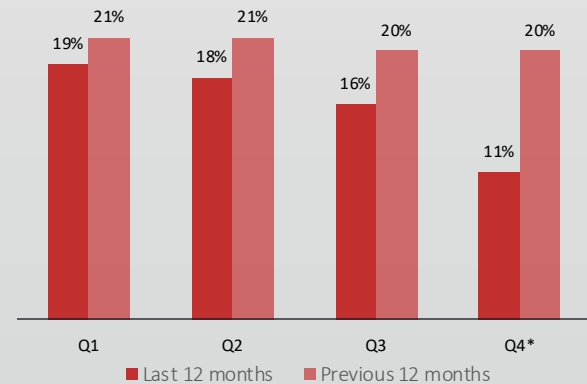
Company	Country HQ	Summary	Round Size	Round stage	Lead Investor
SOCIUM		Online recruitment platform	€5m	Seed	Breega
Popp		AI-based applicant tracking platform	€5.2m	Seed	Superseed, Emerge
bubty		Freelancer management platform	€3.1m	Seed	Undisclosed

Notable Exits in November 24

Acquirer	Acquiree	Country HQ	Transaction Size	EV/Revenue	EV/EBITDA
KLETTGRUPPE	CARELOOP		n/a	n/a	n/a
septeo	nivimu		n/a	n/a	n/a
adzuna	seiza		n/a	n/a	n/a

* Estimates.

Median YoY revenue growth rate



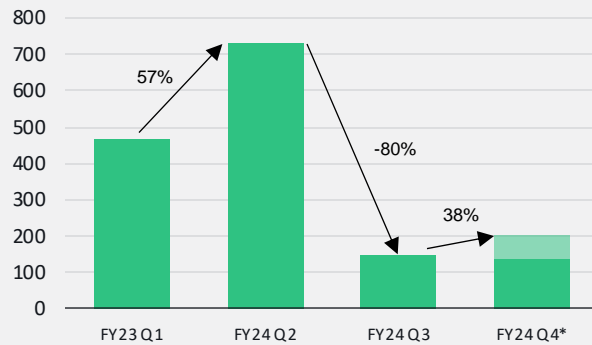
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Automatic Data Processing	6,64x	6,25x	5,45x	5,90x	25,17x	23,60x	20,63x	22,50x	6%	26%	32%
Paychex	9,39x	9,03x	7,96x	8,47x	20,59x	19,94x	17,60x	18,52x	4%	46%	50%
Paycom	7,23x	5,18x	4,56x	6,66x	17,89x	12,61x	10,90x	15,68x	12%	40%	52%
Paycor HCM	5,21x	3,71x	3,47x	5,65x	21,13x	15,36x	14,82x	25,26x	17%	25%	42%
Paylocity	7,79x	6,29x	5,17x	7,25x	22,09x	17,45x	14,41x	24,98x	9%	35%	44%
TriNet Group	1,07x	1,14x	1,18x	1,52x	9,41x	9,03x	8,89x	10,74x	1%	11%	13%
Workday	8,60x	7,73x	7,34x	9,30x	31,91x	29,07x	27,87x	35,81x	17%	27%	44%
Dayforce	7,65x	6,41x	5,51x	7,25x	27,48x	23,10x	19,96x	26,75x	17%	28%	45%
Median	7,44x	6,27x	5,31x	6,95x	21,61x	18,69x	16,21x	23,74x	11%	27%	44%

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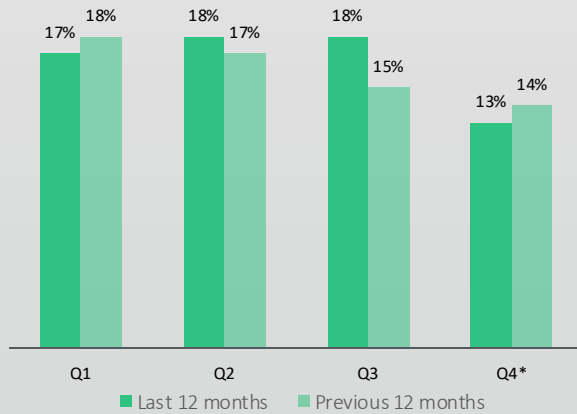
Company	Country HQ	Summary	Round Size	Round stage	Lead Investor
apaleo		Hotel management software	€20 m	Series B	PSG
idwell		CRM for the property management market	€10 m	Later Stage VC	Knight Capital, Flashpoint VC, Wecken & Cie
LY		Data intelligence platform	€7.2 m	Later Stage VC	Serena, Elaia Partners

Notable Exits in November 24

Acquirer	Acquiree	Country HQ	Transaction Size	EV/Revenue	EV/EBITDA
sas	hazy		n/a	n/a	n/a
CISCO	DEEPER INSIGHTS		n/a	n/a	n/a
BayBG	AMEPA		n/a	n/a	n/a

* Estimates

Median YoY revenue growth rate



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	FY24 Q4*	FY24 Q3	FY24 Q2	FY24 Q1	FY24 Q4*	FY24 Q3	FY24 Q2	FY24 Q1	Rev YoY growth	EBITDA margin	Rule of 40
AppFolio	12,08x	11,50x	12,89x	13,99x	41,66x	45,92x	60,92x	102,82x	33%	29%	62%
HubSpot	14,81x	11,00x	12,82x	14,35x	76,05x	58,52x	70,85x	79,79x	22%	19%	41%
Oracle	10,06x	10,15x	8,80x	8,07x	20,14x	20,45x	17,96x	16,75x	6%	50%	56%
Pegasystems	5,52x	4,14x	3,55x	3,90x	24,52x	17,61x	16,84x	19,69x	9%	23%	32%
Salesforce	9,00x	7,14x	6,83x	8,34x	22,92x	16,43x	18,15x	21,88x	10%	39%	49%
SAP	8,35x	7,27x	6,84x	6,67x	25,34x	22,43x	21,71x	23,05x	8%	32%	40%
ServiceNow	21,69x	18,18x	16,75x	17,13x	64,54x	54,60x	50,60x	53,07x	23%	34%	57%
UiPath	4,36x	3,89x	3,99x	8,48x	27,83x	23,66x	20,38x	42,38x	17%	16%	33%
Median	9,53x	8,71x	7,82x	8,41x	26,59x	23,04x	21,05x	32,71x	13%	30%	45%

*As of 18/12/2024.



Amsterdam

London

Dublin