



Finch Market Pulse

April 2024 Edition

Partnering with Ambitious Teams in Business & Finance Technology

Accelerating the Path to Profitable Scale



Welcome to our **Monthly Market Pulse!**

At Finch Capital, we focus on **7 core themes** across **Business & Financial Technology**: Tax & Accounting, Regulatory, Legal & Compliance, HR & Payroll, Business Process Automation, 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.

Finch Capital consists of 12 investment professionals with wide entrepreneurial experience across offices in Amsterdam, London and Dublin. For more information see www.finchcapital.com and subscribe to our newsletter.

The momentum continues for early-stage Tax & Accounting technology solutions

Tax & Accounting

Regulatory, Legal & Compliance

HR & Payroll

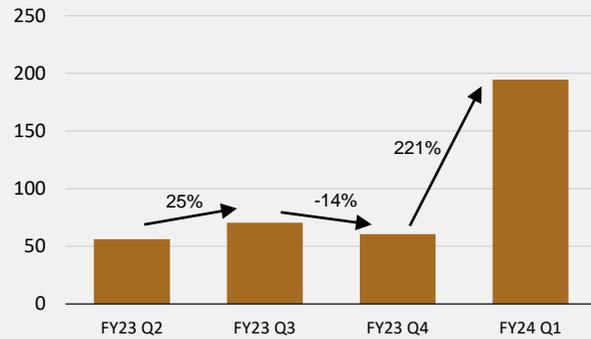
Business Process Automation

Insurance

Banking & Wealth Management

Payments

Growth/VC Funding (€m)



Notable Growth/VC deals in Mar 24

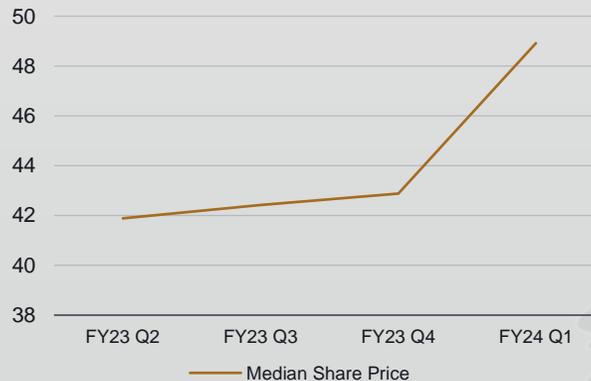
| Company | Country HQ | Summary | Round Size | Round stage | Lead Investor |
|---------|------------|---|------------|----------------|--|
| | | Tax collaboration platform | €10m | Venture Round | Alea Capital Partners, Mountainview Capital Partners |
| | | Fraud detection integrated in accounting software | €0.3m | Seed Round | QVentures |
| | | Online tax management platform | n/a | Later Stage VC | 40Jemz Ventures |

Notable Exits in Mar 24

| Acquirer | Acquiree | Country HQ | Transaction Size | EV/Revenue | EV/EBITDA |
|--------------------------|----------|------------|------------------|------------|-----------|
| | | | €0-20m* | n/a | n/a |
| | | | IPO | n/a | n/a |
| TKS Acquisition Holdings | | | €0-20m* | n/a | n/a |

* Estimates.

Share Price Evolution



*Calculated as the quarterly percentage change.

Source: Pitchbook

Comps Table

| Companies | EV/Revenue | | | | EV/EBITDA | | | | KPIs – FY23 Q4 | | |
|----------------------|-------------|-------------|-------------|-------------|--------------|--------------|--------------|--------------|----------------|---------------|------------|
| | FY24 Q1 | FY23 Q4 | FY23 Q3 | FY23 Q2 | FY24 Q1 | FY23 Q4 | FY23 Q3 | FY23 Q2 | Rev YoY growth | EBITDA margin | Rule of 40 |
| BlackLine | 6.87 | 6.91 | 6.54 | 6.36 | 25.51 | 26.91 | 31.24 | 41.01 | 11% | 16% | 28% |
| Clearwater Analytics | 9.03 | 11.12 | 11.22 | 9.31 | 28.33 | 39.01 | 41.34 | 34.84 | 20% | -2% | 17% |
| H&R Block | 2.06 | 1.59 | 2.12 | 2.18 | 7.56 | 6.32 | 8.24 | 8.42 | -2% | 41% | 39% |
| Intuit | 9.78 | 9.82 | 9.04 | 9.16 | 24.84 | 25.22 | 24.54 | 25.72 | 12% | 8% | 20% |
| Sage Group | 5.76 | 5.72 | 5.32 | 4.86 | 23.51 | 29.62 | 30.26 | 27.67 | 12% | 19% | 31% |
| Vertex | 8.26 | 7.29 | 6.60 | 5.54 | 28.53 | 44.53 | 41.67 | 35.39 | 18% | 12% | 30% |
| Wolters Kluwer | 6.54 | 6.08 | 5.56 | 8.74 | 20.20 | 19.65 | 17.98 | 17.11 | 2% | 32% | 34% |
| Xero | 12.61 | 11.84 | 14.19 | 14.94 | 1463.66 | 1374.24 | 125.44 | 132.07 | 23% | 1% | 24% |
| Median | 7.57 | 7.10 | 6.57 | 7.55 | 25.17 | 28.27 | 30.75 | 31.26 | 12% | 14% | 29% |

The Regulatory, Legal & Compliance technology market continues to hold up well

Tax & Accounting

Regulatory, Legal & Compliance

HR & Payroll

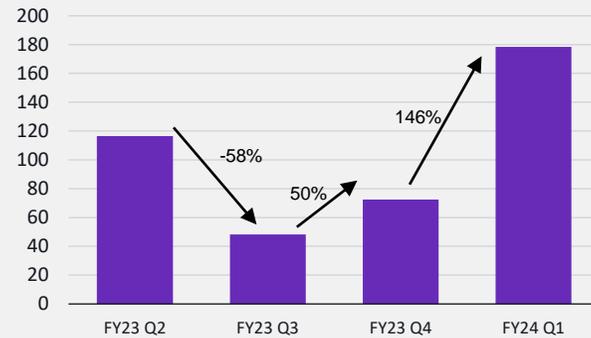
Business Process Automation

Insurance

Banking & Wealth Management

Payments

Growth/VC Funding (€m)



Notable Growth/VC deals in Mar 24

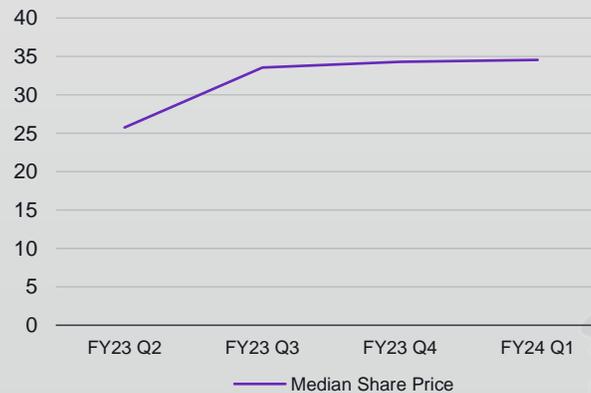
| Company | Country HQ | Summary | Round Size | Round stage | Lead Investor |
|----------------------------------|------------|---|------------|-------------|---|
| greenly | | Carbon footprint measurement through transaction data | €48m | Series B | Fidelity International Strategic Ventures |
| GSS Global Screening Services | | Sanction screening solution provider | €42.9m | Series A | Alix Partners, Commonwealth Bank of Australia |
| eye | | Cybersecurity and insurance platform | €36m | Series B | JP Morgan Chase, Bessemer Venture Partners |

Notable Exits in Mar 24

| Acquirer | Acquiree | Country HQ | Transaction Size | EV/Revenue | EV/EBITDA |
|----------|-----------|------------|------------------|------------|-----------|
| verdane | CORLYTICS | | €20-50m* | n/a | n/a |
| kalexius | LEXOO | | €20-50m* | n/a | n/a |

* Estimates.

Share Price Evolution



*Calculated as the quarterly percentage change.

Source: Pitchbook

Comps Table

| Companies | EV/Revenue | | | | EV/EBITDA | | | | KPIs – FY23 Q4 | | |
|---------------------|-------------|-------------|-------------|-------------|--------------|--------------|--------------|--------------|----------------|---------------|------------|
| | FY24 Q1 | FY23 Q4 | FY23 Q3 | FY23 Q2 | FY24 Q1 | FY23 Q4 | FY23 Q3 | FY23 Q2 | Rev YoY growth | EBITDA margin | Rule of 40 |
| DISCO | 2.41 | 2.18 | 1.73 | 2.25 | n/a | n/a | n/a | n/a | 10% | -18% | -8% |
| Equifax | 7.38 | 6.85 | 5.45 | 6.51 | 22.94 | 22.13 | 17.30 | 20.39 | 11% | 30% | 41% |
| Experian | 6.17 | 6.00 | 4.92 | 5.63 | 15.04 | 14.30 | 16.51 | 18.90 | 5% | 33% | 38% |
| FiscalNote Holdings | 2.88 | 2.81 | 3.73 | 5.21 | n/a | n/a | n/a | n/a | 9% | -99% | -90% |
| IntApp | 6.24 | 8.05 | 8.80 | 5.42 | 111.91 | 289.17 | 1149.00 | n/a | 25% | -8% | 18% |
| LegalZoom | 3.27 | 2.84 | 2.85 | 3.21 | 18.34 | 16.50 | 18.99 | 24.21 | 8% | 21% | 29% |
| Moody's | 12.35 | 12.98 | 11.35 | 12.32 | 28.55 | 27.81 | 24.91 | 27.21 | 15% | 41% | 56% |
| Nasdaq | 7.39 | 6.15 | 4.62 | 4.53 | 23.82 | 17.45 | 13.45 | 13.55 | 4% | 29% | 33% |
| Median | 6.20 | 6.08 | 4.77 | 5.32 | 23.38 | 19.79 | 18.14 | 20.39 | 9% | 25% | 31% |

HR & Payroll funding remains stagnant while the markets appear bullish

Tax & Accounting

Regulatory, Legal & Compliance

HR & Payroll

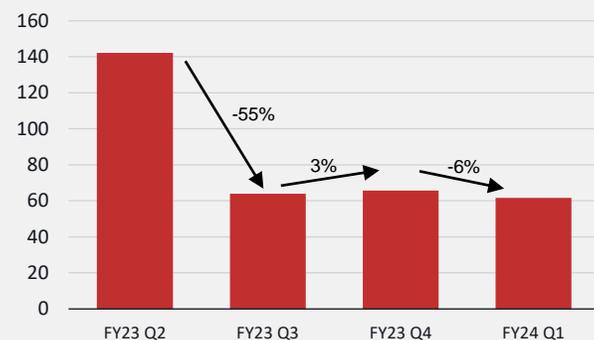
Business Process Automation

Insurance

Banking & Wealth Management

Payments

Growth/VC Funding (€m)



Notable Growth/VC deals in Mar 24

| Company | Country HQ | Summary | Round Size | Round stage | Lead Investor |
|-----------|------------|-----------------------------------|------------|----------------|---------------------|
| instaffo. | | Recruitment management platform | €10m | Later Stage VC | Crosslantic Capital |
| Metaview | | Recruitment optimisation platform | €6.4m | Later Stage VC | Plural Platform |
| wrky | | Cloud-based HR platform | €2.3m | Early Stage VC | DataOp |

Notable Exits in Mar 24

| Acquirer | Acquiree | Country HQ | Transaction Size | EV/Revenue | EV/EBITDA |
|---------------------|-----------|------------|------------------|------------|-----------|
| Great Hill PARTNERS | perkbox | | €165m (LBO) | n/a | n/a |
| ZENSAI | Valuebeat | | €0-20m* | n/a | n/a |

* Estimates.

Share Price Evolution



*Calculated as the quarterly percentage change.

Comps Table

| Companies | EV/Revenue | | | | EV/EBITDA | | | | KPIs – FY23 Q4 | | |
|---------------------------|-------------|-------------|-------------|-------------|--------------|--------------|--------------|--------------|----------------|---------------|------------|
| | FY24 Q1 | FY23 Q4 | FY23 Q3 | FY23 Q2 | FY24 Q1 | FY23 Q4 | FY23 Q3 | FY23 Q2 | Rev YoY growth | EBITDA margin | Rule of 40 |
| Automatic Data Processing | 5.78 | 5.21 | 5.45 | 6.28 | 22.02 | 20.02 | 20.94 | 24.33 | 6% | 22% | 28% |
| Paychex | 8.27 | 7.33 | 8.15 | 9.95 | 17.98 | 16.27 | 18.09 | 21.97 | 7% | 41% | 48% |
| Paycom | 6.55 | 6.78 | 9.24 | 11.77 | 15.43 | 15.63 | 21.58 | 27.53 | 17% | 33% | 50% |
| Paycor HCM | 7.11 | 7.52 | 9.21 | 9.42 | 33.09 | 36.70 | 55.89 | 59.00 | 26% | 5% | 31% |
| Paylocity | 8.39 | 8.86 | 10.63 | 11.89 | 26.27 | 29.07 | 36.82 | 57.31 | 35% | 22% | 57% |
| TriNet Group | 1.48 | 1.36 | 1.18 | 1.11 | 11.66 | 10.02 | 8.70 | 8.14 | 2% | 9% | 10% |
| Workday | 6.92 | 7.31 | 7.50 | 7.87 | 29.97 | 32.19 | 31.25 | 31.61 | 20% | 0% | 19% |
| Dayforce | 6.67 | 7.48 | 8.06 | 8.10 | 24.83 | 28.64 | 33.40 | 35.94 | 19% | 23% | 42% |
| Median | 6.79 | 7.32 | 8.10 | 8.76 | 23.42 | 24.33 | 26.41 | 29.57 | 18% | 22% | 36% |

The demand for AI and efficiency is boosting the **Business Process Automation** space

Tax & Accounting

Regulatory, Legal & Compliance

HR & Payroll

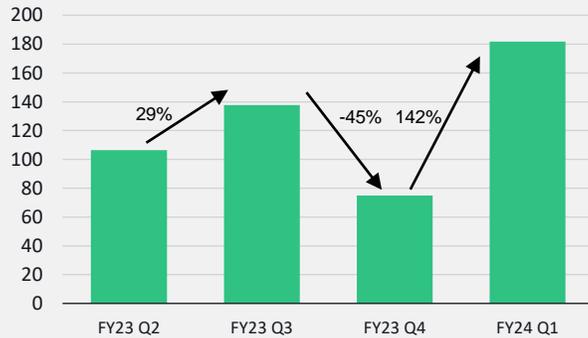
Business Process Automation

Insurance

Banking & Wealth Management

Payments

Growth/VC Funding (€m)



Notable Growth/VC deals in Mar 24

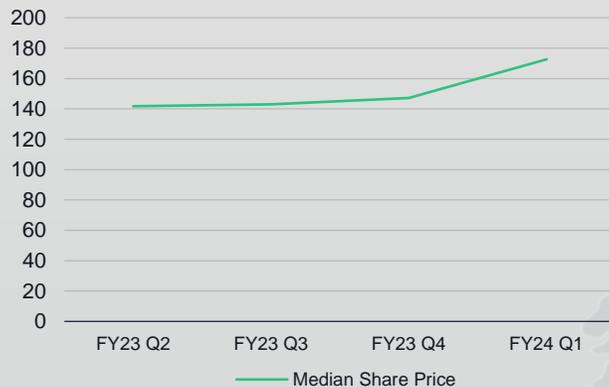
| Company | Country HQ | Summary | Round Size | Round stage | Lead Investor |
|------------|------------|--|------------|----------------|---------------------------------|
| ROBOVISION | | Developer of AI-tools for machinery companies | €38m | Later Stage VC | Astanor Ventures, Target Global |
| MINIFUEL | | Data product management software | €3.75m | Later Stage VC | Project A Ventures |
| interloom | | Process automation platform for human and machine task orchestration | €2.7m | Seed Round | Air Street Capital |

Notable Exits in Mar 24

| Acquirer | Acquiree | Country HQ | Transaction Size | EV/Revenue | EV/EBITDA |
|---------------------|----------|------------|------------------|------------|-----------|
| AMADEUS | voxel | | €123m | n/a | n/a |
| Collective Audience | BeOp | | €0-20m* | n/a | n/a |

* Estimates

Share Price Evolution



*Calculated as the quarterly percentage change.

Comps Table

| Companies | EV/Revenue | | | | EV/EBITDA | | | | KPIs – FY23 Q4 | | |
|---------------|-------------|-------------|-------------|-------------|--------------|--------------|--------------|--------------|----------------|---------------|------------|
| | FY24 Q1 | FY23 Q4 | FY23 Q3 | FY23 Q2 | FY24 Q1 | FY23 Q4 | FY23 Q3 | FY23 Q2 | Rev YoY growth | EBITDA margin | Rule of 40 |
| AppFolio | 12.41 | 10.17 | 11.89 | 11.40 | 75.51 | 145.21 | 190.42 | 1955.23 | 39% | 21% | 59% |
| HubSpot | 14.68 | 13.29 | 12.19 | 13.41 | 81.32 | 77.89 | 79.37 | 98.69 | 24% | -1% | 23% |
| Oracle | 7.82 | 7.51 | 6.96 | 7.39 | 16.99 | 16.42 | 15.08 | 15.52 | 17% | 40% | 57% |
| Pegasystems | 3.61 | 3.09 | 2.98 | 3.34 | 18.35 | 23.07 | 41.39 | 107.73 | 20% | 33% | 53% |
| Salesforce | 5.93 | 5.53 | 6.20 | 7.43 | 19.80 | 22.21 | 26.80 | 33.86 | 14% | 12% | 27% |
| SAP | 6.34 | 5.19 | 4.53 | 4.86 | 19.87 | 18.88 | 17.51 | 19.36 | 5% | 29% | 34% |
| ServiceNow | 16.84 | 16.27 | 13.79 | 14.05 | 51.48 | 51.17 | 44.82 | 46.41 | 26% | 17% | 43% |
| UiPath | 5.53 | 6.36 | 5.96 | 9.86 | 101.70 | 442.25 | n/a | n/a | 7% | -13% | -6% |
| Median | 7.08 | 6.94 | 6.58 | 8.64 | 35.68 | 37.12 | 41.39 | 46.41 | 18% | 19% | 38% |

The Insurance technology space remains stable despite fall in early-stage investment

Tax & Accounting

Regulatory, Legal & Compliance

HR & Payroll

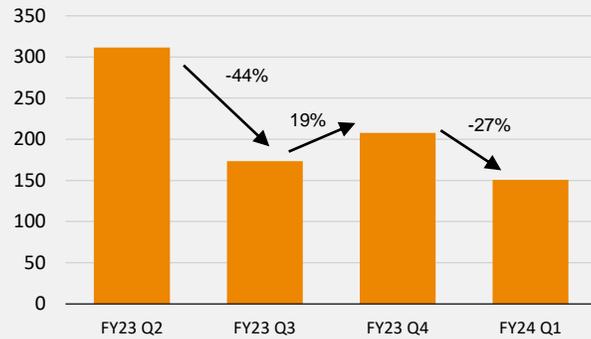
Business Process Automation

Insurance

Banking & Wealth Management

Payments

Growth/VC Funding (€m)



Notable Growth/VC deals in Mar 24

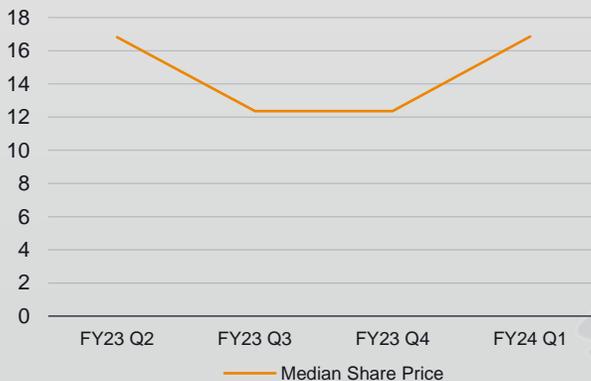
| Company | Country HQ | Summary | Round Size | Round stage | Lead Investor |
|----------|------------|-------------------------------------|------------|----------------|---------------------|
| ELEMENT | | Insurance management platform | €50m | Venture Round | Alma Mundi Ventures |
| konsileo | | Insurance brokerage platform | €3.2m | Later Stage VC | n/a |
| ARROW | | MGA specialty underwriting platform | €2.3m | Seed | ACF Investors |

Notable Exits in Mar 24

| Acquirer | Acquiree | Country HQ | Transaction Size | EV/Revenue | EV/EBITDA |
|------------------|------------|------------|------------------|------------|-----------|
| HELMSAUER GRUPPE | GETSURANCE | | €0-20m* (LBO) | n/a | n/a |
| open | so-sure | | €20-50m* | n/a | n/a |

* Estimates.

Share Price Evolution



Comps Table

| Companies | EV/Revenue | | | | EV/EBITDA | | | | KPIs – FY23 Q4 | | |
|--------------------|-------------|-------------|-------------|-------------|--------------|--------------|--------------|-------------|----------------|---------------|------------|
| | FY24 Q1 | FY23 Q4 | FY23 Q3 | FY23 Q2 | FY24 Q1 | FY23 Q4 | FY23 Q3 | FY23 Q2 | Rev YoY growth | EBITDA margin | Rule of 40 |
| GoHealth | 1.04 | 1.65 | 1.67 | 1.77 | n/a | n/a | n/a | n/a | 299% | 15% | 314% |
| Guidewire Software | 7.68 | 7.15 | 6.54 | 6.74 | 415.83 | 162.84 | 404.33 | n/a | 10% | 5% | 16% |
| Hippo Enterprises | n/a | 0.01 | 0.08 | 1.62 | n/a | n/a | n/a | n/a | 80% | -52% | 28% |
| Lemonade | n/a | 2.54 | 2.14 | 3.37 | n/a | n/a | n/a | n/a | 31% | -30% | 1% |
| PolicyBazaar | 10.24 | 9.65 | 7.11 | 10.19 | 221.49 | n/a | n/a | n/a | 61% | 2% | 62% |
| Sapiens | 3.12 | 2.92 | 2.98 | 2.74 | 16.70 | 15.49 | 15.92 | 14.75 | 10% | 16% | 26% |
| SelectQuote | 0.82 | 1.00 | 1.15 | 1.09 | 11.03 | 47.56 | n/a | n/a | 59% | -13% | 46% |
| DXC Technology | 0.63 | 0.64 | 0.66 | 0.68 | 10.69 | 3.01 | 3.05 | 3.20 | -10% | -21% | -32% |
| Median | 2.08 | 2.10 | 1.90 | 2.25 | 16.70 | 31.53 | 15.92 | 8.97 | 45% | -6% | 27% |

Banking & Wealth Management technology remains attractive to growth investors

Tax & Accounting

Regulatory, Legal & Compliance

HR & Payroll

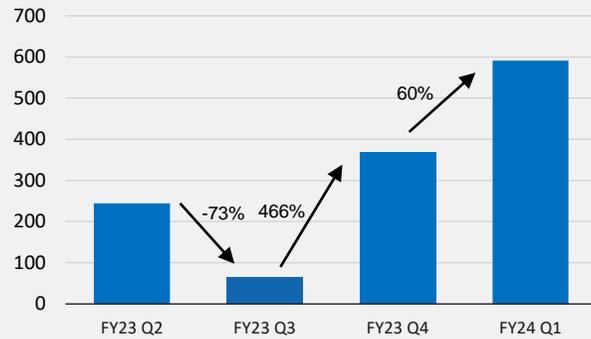
Business Process Automation

Insurance

Banking & Wealth Management

Payments

Growth/VC Funding (€m)



Notable Growth/VC deals in Mar 24

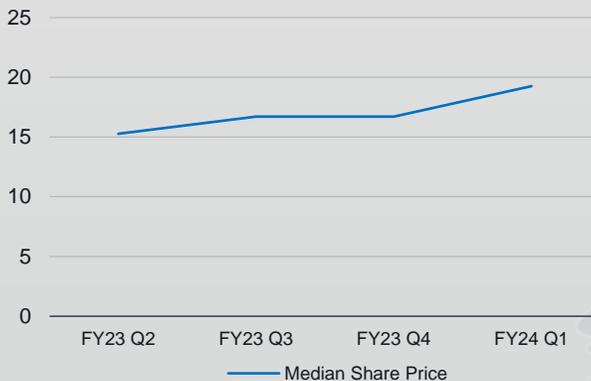
| Company | Country HQ | Summary | Round Size | Round stage | Lead Investor |
|---------|------------|-------------------------------|------------|---------------|--|
| monzo | | Neobank | €393.2m | Venture Round | CapitalG, Tencent, Passion Capital |
| Solaris | | Banking as a service platform | €96m | Series F | SBI Investments |
| Griffin | | Banking as a service provider | €22m | Venture Round | Breega, MassMutual Ventures, Nordic Ninja VC |

Notable Exits in Mar 24

| Acquirer | Acquiree | Country HQ | Transaction Size | EV/Revenue | EV/EBITDA |
|------------|-------------|------------|------------------|------------|-----------|
| Cinven | alterDomus* | | €4,900m (LBO) | n/a | n/a |
| GoCardless | Sentential | | €36m | n/a | n/a |
| tmgroup | verify | | €0-20m* (LBO) | n/a | n/a |

* Estimates.

Share Price Evolution



*Calculated as the quarterly percentage change.

Comps Table

| Companies | EV/Revenue | | | | EV/EBITDA | | | | KPIs – FY23 Q4 | | |
|----------------------------|-------------|-------------|-------------|-------------|--------------|--------------|--------------|--------------|----------------|---------------|------------|
| | FY24 Q1 | FY23 Q4 | FY23 Q3 | FY23 Q2 | FY24 Q1 | FY23 Q4 | FY23 Q3 | FY23 Q2 | Rev YoY growth | EBITDA margin | Rule of 40 |
| Alkami | 8.55 | 8.65 | 6.94 | 6.28 | 373.56 | n/a | n/a | n/a | 29% | -15% | 14% |
| Blend (Financial Software) | 4.32 | 3.92 | 1.92 | 0.94 | n/a | n/a | n/a | n/a | -16% | -61% | -76% |
| Fiserv | 5.77 | 5.35 | 4.94 | 5.28 | 13.33 | 12.68 | 11.93 | 13.09 | 6% | 44% | 50% |
| MeridianLink | 5.42 | 7.36 | 5.70 | 6.63 | 15.17 | 20.98 | 16.79 | 19.03 | 6% | 28% | 34% |
| Pagaya | 1.44 | 1.79 | 1.94 | 1.63 | n/a | 34.20 | 261.05 | n/a | 18% | -8% | 10% |
| Robinhood | 5.62 | 3.37 | 2.11 | 2.44 | n/a | 12.31 | 8.93 | n/a | 24% | 10% | 34% |
| Temenos Headquarters | 6.17 | 7.33 | 5.97 | 6.43 | 15.55 | 21.53 | 18.38 | 19.92 | 7% | 31% | 39% |
| Forge Global | 3.04 | 6.39 | 3.17 | 3.88 | n/a | n/a | n/a | n/a | 13% | -135% | -122% |
| Median | 5.52 | 5.87 | 4.06 | 4.58 | 15.36 | 20.98 | 16.79 | 19.03 | 10% | 1% | 24% |

Payments market matures whilst experiencing a slowdown in VC funding

Tax & Accounting

Regulatory, Legal & Compliance

HR & Payroll

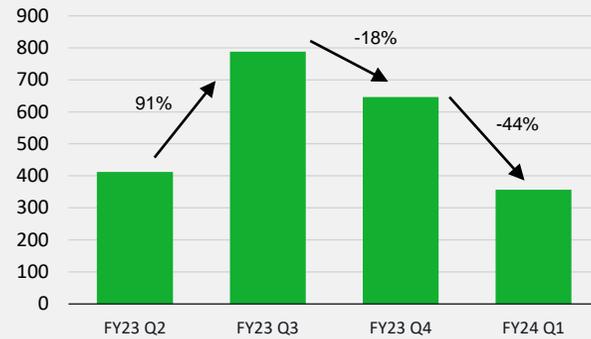
Business Process Automation

Insurance

Banking & Wealth Management

Payments

Growth/VC Funding (€m)



Notable Growth/VC deals in Mar 24

| Company | Country HQ | Summary | Round Size | Round stage | Lead Investor |
|-----------|------------|--|------------|---------------|----------------------------------|
| ppro | | Local payment infrastructure platform | €85m | Venture Round | BlackRock, Eurazeo, HPE Growth |
| bezahl.de | | BNPL provider and payment management solution for automotive | €22m | Series B | Paypal Ventures, Motive Ventures |
| AccessPay | | Cloud-based payment and cash management | €21.8m | Series C | True Ventures, Beringea |

Notable Exits in Mar 24

| Acquirer | Acquiree | Country HQ | Transaction Size | EV/Revenue | EV/EBITDA |
|-------------------|----------|------------|------------------|------------|-----------|
| KEENSIGHT CAPITAL | SoftCo | | €100m (LBO) | n/a | n/a |
| Qonto | Regate | | €0-20m* | n/a | n/a |
| orderbird | split | | €0-20m* | n/a | n/a |

* Estimates.

Share Price Evolution



*Calculated as the quarterly percentage change.

Comps Table

| Companies | EV/Revenue | | | | EV/EBITDA | | | | KPIs – FY23 Q4 | | |
|---------------------------|-------------|-------------|-------------|-------------|-------------|--------------|--------------|--------------|----------------|---------------|------------|
| | FY24 Q1 | FY23 Q4 | FY23 Q3 | FY23 Q2 | FY24 Q1 | FY23 Q4 | FY23 Q3 | FY23 Q2 | Rev YoY growth | EBITDA margin | Rule of 40 |
| Adyen | 22.4 | 5.20 | 2.53 | 4.67 | 47.54 | 43.61 | 21.20 | 54.41 | 22% | 42% | 64% |
| Block | 1.97 | 2.02 | 1.17 | 1.86 | 28.32 | 27.78 | 16.90 | 29.68 | 24% | 3% | 27% |
| Flywire | 4.90 | 5.51 | 10.06 | 9.34 | n/a | 58.58 | 134.52 | 148.32 | 38% | 4% | 42% |
| Marqeta | n/a | 2.92 | 2.16 | 1.43 | 2.30 | n/a | n/a | n/a | -42% | -32% | -74% |
| Payoneer | 1.39 | 1.58 | 2.22 | 1.71 | 9.14 | 7.65 | 13.93 | 15.20 | 22% | 21% | 43% |
| PayPal Holdings | 2.14 | 2.16 | 2.25 | 2.53 | 8.41 | 8.56 | 8.90 | 10.28 | 9% | 25% | 34% |
| Paysafe | 3.2 | 1.97 | 1.98 | 1.91 | 6.81 | 6.97 | 7.18 | 7.01 | 8% | 26% | 34% |
| Wise (Financial Software) | n/a | n/a | 5.56 | n/a | n/a | n/a | n/a | n/a | 76% | 25% | 101% |
| Median | 2.67 | 2.16 | 2.23 | 1.91 | 8.78 | 18.17 | 15.42 | 22.44 | 22% | 23% | 38% |



Amsterdam

London

Dublin