



Finch Market Pulse

June 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.

Despite a slight slowdown in funding, the **Tax & Accounting** space remains attractive

Tax & Accounting

Regulatory, Legal & Compliance

HR & Payroll

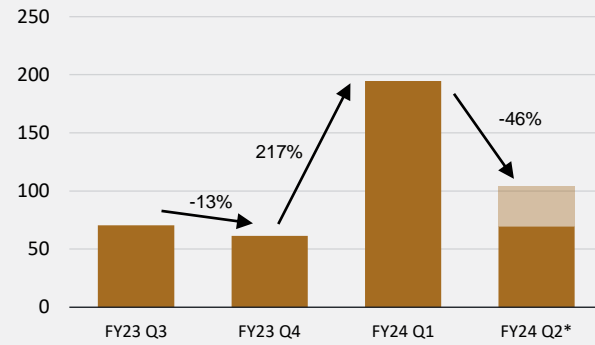
Business Process Automation

Insurance

Banking & Wealth Management

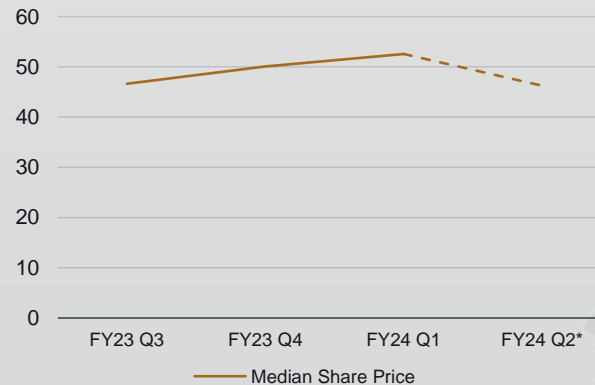
Payments

Growth/VC Funding (€m)



*Most recent monthly figures used for quarterly estimates.

Public Market Index



*Share price to date.

Notable Growth/VC deals in May 24

Company	Country HQ	Summary	Round Size	Round stage	Lead Investor
SUPERVIZOR		Software to detect audit errors and frauds	€20m	Venture	Orange Ventures
reev		Development of accounting software and business analytics for EV charging	€10m	Venture	Blue Earth Capital, Future Energy Ventures
ember		Software platform to automate the accounting process	€5.8m	Venture	Shapers, Valar Ventures, Viola Ventures

Notable Exits in May 24

Acquirer	Acquiree	Country HQ	Transaction Size	EV/Revenue	EV/EBITDA
			€0-20m*	n/a	n/a
			€40-60m* (LBO)	n/a	n/a

* Estimates.

Comps Table

Companies	EV/Revenue				EV/EBITDA				KPIs – FY24 Q2		
	FY24 Q2	FY24 Q1	FY23 Q4	FY23 Q3	FY24 Q2	FY24 Q1	FY23 Q4	FY23 Q3	Rev YoY growth	EBITDA margin	Rule of 40
BlackLine	4.99x	7.16x	7.14x	6.62x	36.93x	65.59x	76.07x	116.05x	12%	14%	26%
Clearwater Analytics	10.37x	10.02x	11.55x	11.31x	n/a	n/a	n/a	n/a	22%	-3%	18%
H&R Block	2.38x	2.64x	2.43x	2.09x	8.61x	9.85x	9.18x	7.92x	3%	28%	30%
Intuit	11.29x	12.39x	12.15x	10.18x	38.85x	43.91x	43.01x	36.93x	12%	29%	41%
Sage Group	5.16x	6.06x	5.74x	5.14x	24.39x	31.37x	29.70x	29.28x	7%	21%	28%
Vertex	9.15x	8.54x	7.56x	6.66x	78.70x	76.63x	80.45x	73.28x	17%	12%	29%
Wolters Kluwer	6.96x	6.67x	5.99x	5.44x	21.97x	21.06x	19.36x	17.57x	2%	32%	34%
Xero	12.45x	14.21x	12.08x	13.50x	42.88x	1649.39x	1401.66x	119.33x	22%	29%	51%
Median	8.05x	7.85x	7.35x	6.64x	36.93x	43.91x	43.01x	36.93x	12%	14%	26%

Funding drops in Regulatory, Legal and Compliance as investors switch to earlier stages

Tax & Accounting

Regulatory, Legal & Compliance

HR & Payroll

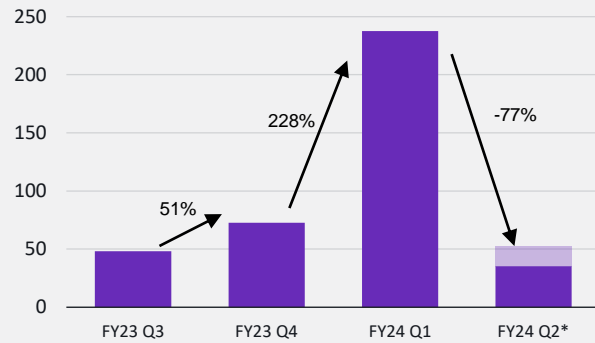
Business Process Automation

Insurance

Banking & Wealth Management

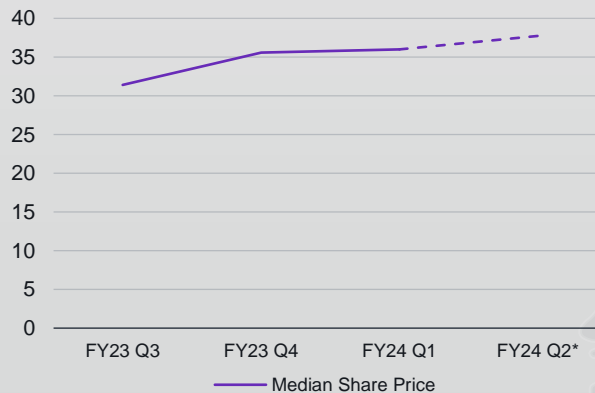
Payments

Growth/VC Funding (€m)



*Most recent monthly figures used for quarterly estimates.

Public Market Index



*Share price to date.

Notable Growth/VC deals in May 24

Company	Country HQ	Summary	Round Size	Round stage	Lead Investor
level		Litigation funder platform	€11.6m	Venture	Kendal:cap
StructureFlow*		Structuring tool to envision complex legal structures	€6.6m	Venture	FINTOP Capital
ipeeo		SaaS platform designed to automate compliance	€1.8m	Venture	Hi Inov

Notable Exits in May 24

Acquirer	Acquiree	Country HQ	Transaction Size	EV/Revenue	EV/EBITDA
access	Case		€0-20m* (LBO)	n/a	n/a
CORLYTICS	Deloitte RegTech platform		€0-20m*	n/a	n/a

Comps Table

Companies	EV/Revenue				EV/EBITDA				KPIs – FY24 Q2		
	FY24 Q2	FY24 Q1	FY23 Q4	FY23 Q3	FY24 Q2	FY24 Q1	FY23 Q4	FY23 Q3	Rev YoY growth	EBITDA margin	Rule of 40
DISCO	1.49x	2.51x	2.31x	1.72x	n/a	n/a	n/a	n/a	5%	-25%	-20%
Equifax	6.58x	7.38x	7.06x	5.53x	21.87x	24.62x	23.89x	18.46x	6%	30%	36%
Experian	6.51x	6.29x	5.88x	5.08x	19.23x	19.06x	17.80x	17.05x	7%	34%	41%
FiscalNote Holdings	2.45x	3.03x	2.83x	3.82x	21.73x	n/a	n/a	n/a	12%	11%	23%
IntApp	5.71x	6.00x	6.76x	6.29x	n/a	n/a	n/a	n/a	24%	-6%	18%
LegalZoom	2.00x	3.47x	2.96x	2.86x	22.97x	34.87x	42.52x	82.70x	6%	9%	15%
Moody's	13.16x	13.04x	13.42x	11.49x	28.97x	30.14x	31.66x	27.60x	15%	45%	60%
Nasdaq	7.19x	7.68x	6.34x	4.69x	22.84x	24.76x	20.99x	15.85x	0%	31%	31%
Median	6.11	6.15	6.11	4.88	22.36	24.76	23.89	18.46	7%	21%	27%

HR & Payroll funding grows in line with the European employment rate

Tax & Accounting

Regulatory, Legal & Compliance

HR & Payroll

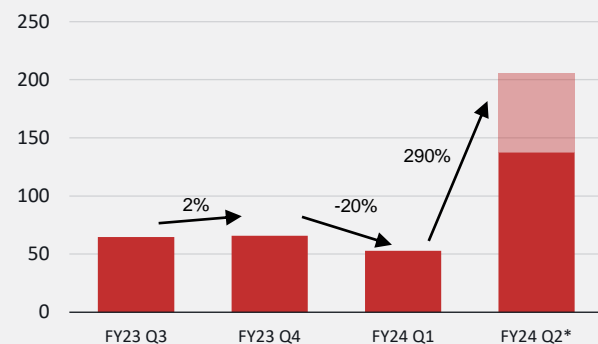
Business Process Automation

Insurance

Banking & Wealth Management

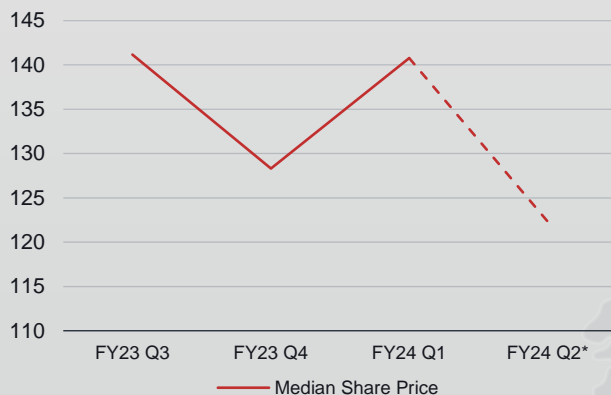
Payments

Growth/VC Funding (€m)



*Most recent monthly figures used for quarterly estimates.

Public Market Index



*Share price to date.

Notable Growth/VC deals in May 24

Company	Country HQ	Summary	Round Size	Round stage	Lead Investor
		Staffing platform connecting schools and teachers	€34.5m	Growth	Round2 Capital
		AI-powered workforce management platform	€25.6m	Venture	Felicis
		HR software	€23m	Growth	GP Bullhound

Notable Exits in May 24

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

* Estimates.

Comps Table

Companies	EV/Revenue				EV/EBITDA				KPIs – FY24 Q2		
	FY24 Q2	FY24 Q1	FY23 Q4	FY23 Q3	FY24 Q2	FY24 Q1	FY23 Q4	FY23 Q3	Rev YoY growth	EBITDA margin	Rule of 40
Automatic Data Processing	5.37x	5.61x	5.36x	5.58x	18.47x	19.63x	18.84x	19.74x	7%	29%	36%
Paychex	8.53x	8.47x	8.21x	8.03x	19.15x	19.12x	18.54x	18.14x	6%	45%	50%
Paycom	4.70x	6.66x	7.04x	9.32x	11.40x	19.17x	19.61x	26.22x	18%	41%	59%
Paycor HCM	3.27x	5.65x	6.57x	7.17x	29.50x	64.38x	81.71x	127.37x	20%	11%	31%
Paylocity	5.35x	7.25x	7.28x	8.46x	21.76x	31.38x	34.73x	45.30x	24%	25%	48%
TriNet Group	1.21x	1.52x	1.41x	1.19x	12.17x	13.61x	12.89x	10.58x	1%	10%	11%
Workday	7.18x	9.30x	9.88x	7.88x	100.23x	149.76x	235.38x	246.26x	17%	7%	24%
Dayforce	5.57x	7.25x	7.73x	8.15x	30.72x	41.47x	55.35x	73.10x	19%	18%	37%
Median	5.36	6.95	7.16	7.95	20.46	25.51	27.17	35.76	18%	21%	37%

Business Process Automation continues to benefit from the AI-hype curve

Tax & Accounting

Regulatory, Legal & Compliance

HR & Payroll

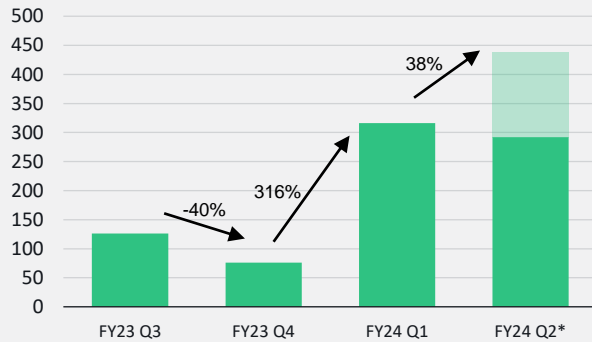
Business Process Automation

Insurance

Banking & Wealth Management

Payments

Growth/VC Funding (€m)



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Notable Growth/VC deals in May 24

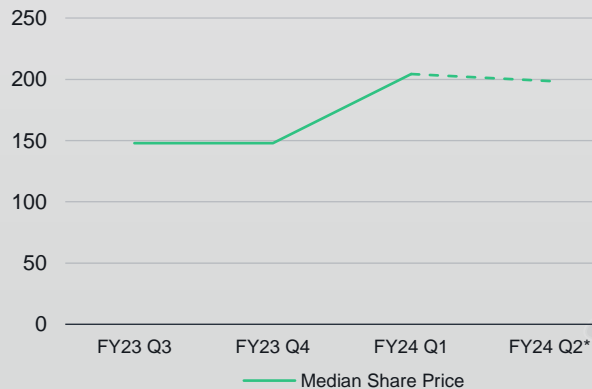
Company	Country HQ	Summary	Round Size	Round stage	Lead Investor
H		AI multi-agent models designed to introduce AI to businesses	€205.5m	Seed	Accel, Ui Path, Bpi France
Pythagora		Testing automation software	€4m	Seed	500 Emerging Europe
PIXEVIA		Smart store automation platform	€1.5m	Venture	Colinvest Capital, Iron Wolf Capital

Notable Exits in May 24

Acquirer	Acquiree	Country HQ	Transaction Size	EV/Revenue	EV/EBITDA
QualiRetraite	Factorielles		€9m	n/a	n/a
pluria	bili		€0-20m*	n/a	n/a

* Estimates

Public Market Index



*Share price to date.

Comps Table

Companies	EV/Revenue				EV/EBITDA				KPIs – FY24 Q2		
	FY24 Q2	FY24 Q1	FY23 Q4	FY23 Q3	FY24 Q2	FY24 Q1	FY23 Q4	FY23 Q3	Rev YoY growth	EBITDA margin	Rule of 40
AppFolio	12.20x	13.99x	10.56x	12.00x	93.23x	293.36x	n/a	n/a	34%	13%	47%
HubSpot	12.57x	14.35x	13.80x	12.29x	n/a	n/a	n/a	n/a	24%	-4%	20%
Oracle	8.81x	8.07x	7.17x	7.21x	22.28x	20.83x	18.75x	19.17x	6%	40%	46%
Pegasystems	3.45x	3.90x	3.20x	3.01x	46.04x	49.92x	n/a	n/a	13%	8%	21%
Salesforce	6.50x	8.34x	7.53x	5.98x	22.74x	32.61x	33.40x	29.40x	11%	29%	40%
SAP	6.53x	6.67x	5.19x	4.53x	37.99x	29.64x	27.40x	27.16x	5%	17%	23%
ServiceNow	15.94x	17.13x	16.88x	13.91x	101.25x	118.96x	125.49x	115.66x	24%	16%	40%
UiPath	3.68x	8.48x	10.16x	6.91x	n/a	n/a	n/a	n/a	23%	-8%	15%
Median	7.67	8.41	8.84	7.06	42.02	41.27	30.40	28.28	18%	14%	31%

Public markets remain confident whilst Insurance funding experiences a slight decrease

Tax & Accounting

Regulatory, Legal & Compliance

HR & Payroll

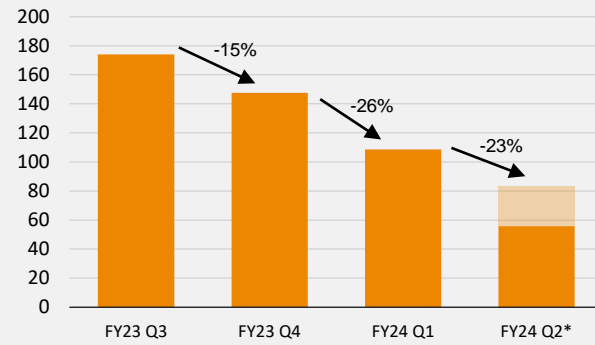
Business Process Automation

Insurance

Banking & Wealth Management

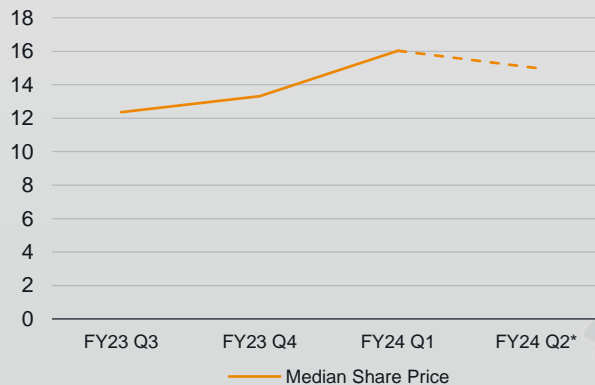
Payments

Growth/VC Funding (€m)



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Public Market Index



*Share price to date.

Notable Growth/VC deals in May 24

Company	Country HQ	Summary	Round Size	Round stage	Lead Investor
insurama		Insurance distribution platform	€8m	Venture	All Iron Ventures
eleos		Life and income protection insurance	€3.7m	Seed	Fuel Ventures, Indico Capital
INSURX		Digital capacity exchange for insurance brokers	€1.9m	Seed	n/a

Notable Exits in May 24

Acquirer	Acquiree	Country HQ	Transaction Size	EV/Revenue	EV/EBITDA
	PAMPADU		€0-20m*	n/a	n/a
bsi.cx	riskine		€0-20m* (LBO)	n/a	n/a

* Estimates.

Comps Table

Companies	EV/Revenue				EV/EBITDA				KPIs – FY24 Q2		
	FY24 Q2	FY24Q1	FY23 Q4	FY23 Q3	FY24 Q2	FY24Q1	FY23 Q4	FY23 Q3	Rev YoY growth	EBITDA margin	Rule of 40
GoHealth	1.00x	1.06x	1.65x	1.72x	27.93x	32.28x	n/a	n/a	35%	4%	39%
Guidewire Software	11.47x	10.14x	9.44x	7.71x	n/a	n/a	n/a	n/a	9%	-4%	5%
Hippo Enterprises	0.73x	1.54x	0.05x	0.05x	n/a	n/a	n/a	n/a	89%	-81%	8%
Lemonade	2.30x	2.47x	2.64x	2.16x	n/a	n/a	n/a	n/a	47%	-42%	6%
PolicyBazaar	16.50x	14.47x	10.74x	11.40x	294.93x	450.69x	n/a	n/a	34%	6%	40%
Sapiens	3.34x	3.26x	3.04x	3.01x	17.95x	17.57x	15.73x	15.72x	9%	19%	27%
SelectQuote	0.93x	0.91x	0.85x	0.84x	20.60x	18.61x	16.38x	21.49x	34%	4%	39%
DXC Technology	0.53x	0.56x	0.62x	0.60x	4.48x	9.85x	12.33x	13.29x	-5%	12%	7%
Median	1.65	2.00	2.15	1.94	20.60	18.61	15.73	15.72	34%	4%	18%

Investors remain active in **Banking & Wealth Management** as lending is en vogue again

Tax & Accounting

Regulatory, Legal & Compliance

HR & Payroll

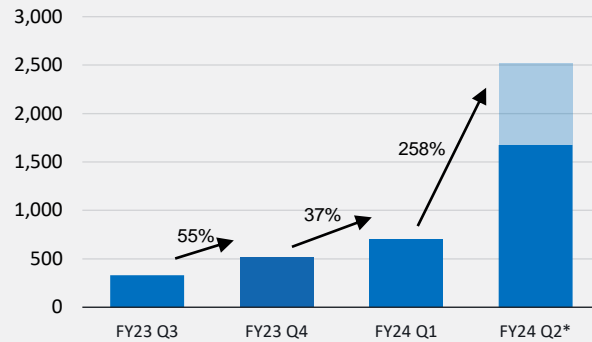
Business Process Automation

Insurance

Banking & Wealth Management

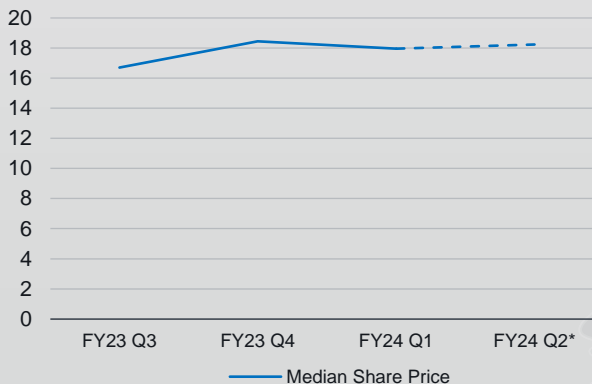
Payments

Growth/VC Funding (€m)



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Public Market Index



*Share price to date.

Notable Growth/VC deals in May 24

Company	Country HQ	Summary	Round Size	Round stage	Lead Investor
abound		Consumer lending for low-cost personal credit	€933m (mostly debt)	Venture	GSR Ventures, K3 Ventures, Salica
GBBANK		Real estate lending	€45m	Venture	Hera Holdings, Teesside Pension Fund
+alpian		Digital private bank platform	€41.2m	Growth	Fideuram

Notable Exits in May 24

Acquirer	Acquiree	Country HQ	Transaction Size	EV/Revenue	EV/EBITDA
HPS / CR2			€20-50m*	n/a	n/a
Mapplah Venture	Z		€0-20m*	n/a	n/a

* Estimates.

Comps Table

Companies	EV/Revenue				EV/EBITDA				KPIs – FY24 Q2		
	FY24 Q2	FY24 Q1	FY23 Q4	FY23 Q3	FY24 Q2	FY24 Q1	FY23 Q4	FY23 Q3	Rev YoY growth	EBITDA margin	Rule of 40
Alkami	8.67x	8.77x	8.98x	7.00x	n/a	n/a	n/a	n/a	28%	-17%	11%
Blend (Financial Software)	4.19x	5.60x	4.06x	1.94x	n/a	n/a	n/a	n/a	-23%	-65%	-88%
Fiserv	5.81x	6.14x	5.49x	5.02x	13.70x	14.66x	13.27x	12.91x	7%	42%	50%
MeridianLink	6.61x	5.83x	7.58x	5.79x	26.53x	24.14x	33.74x	25.56x	4%	25%	29%
Pagaya	1.62x	1.47x	1.84x	1.97x	n/a	n/a	n/a	n/a	19%	-16%	3%
Robinhood	7.11x	6.81x	3.61x	2.04x	70.44x	n/a	n/a	n/a	36%	10%	46%
Temenos Headquarters	5.55x	5.91x	7.01x	5.88x	17.16x	17.37x	20.60x	18.10x	5%	32%	37%
Forge Global	1.65x	2.94x	6.73x	3.14x	n/a	n/a	n/a	n/a	13%	-116%	-103%
Median	5.68	5.87	6.11	4.08	21.85	17.37	20.60	18.10	10%	-3%	20%

The Payments market sees growth capital return

Tax & Accounting

Regulatory, Legal & Compliance

HR & Payroll

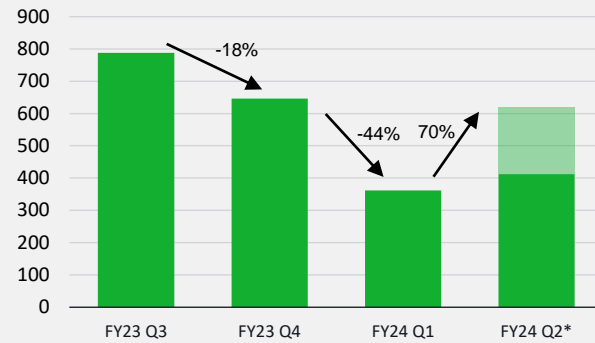
Business Process Automation

Insurance

Banking & Wealth Management

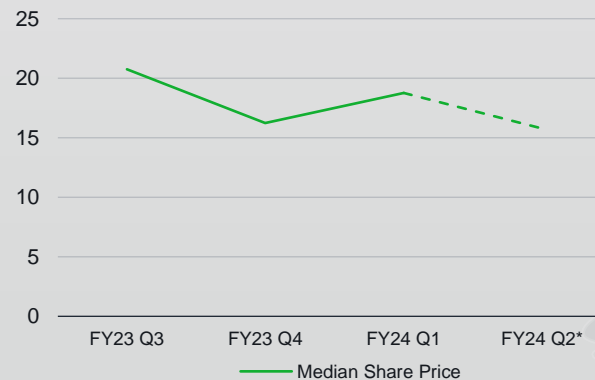
Payments

Growth/VC Funding (€m)



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Public Market Index



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Notable Growth/VC deals in May 24

Company	Country HQ	Summary	Round Size	Round stage	Lead Investor
Vitesse		Solution to make secure global money transfers	€86.4m	Growth	KKR, Hannover Digital Investments
Doconomy		Digital tools to reduce impact of consumption	€34.1m	Venture	Commerz Ventures
Bondaval		Payment software focussing on payment security	n/a	Venture	Dawn Capital, Octopus Ventures

Notable Exits in May 24

Acquirer	Acquiree	Country HQ	Transaction Size	EV/Revenue	EV/EBITDA
fabrick			€20-50m*	n/a	n/a

* Estimates.

Comps Table

Companies	EV/Revenue				EV/EBITDA				KPIs – FY24 Q2		
	FY24 Q2	FY24 Q1	FY24 Q4	FY24 Q3	FY24 Q2	FY24 Q1	FY23 Q4	FY23 Q3	Rev YoY growth	EBITDA margin	Rule of 40
Adyen	14.56x	21.82x	5.14x	2.70x	34.50x	51.71x	43.13x	22.60x	-79%	42%	-37%
Block	1.48x	2.24x	2.10x	1.17x	39.88x	143.09x	365.22x	337.15x	23%	4%	27%
Flywire	3.32x	5.94x	5.79x	10.13x	n/a	1883.74x	n/a	n/a	32%	-1%	31%
Marqeta	2.64x	2.71x	3.11x	2.13x	n/a	n/a	n/a	n/a	-28%	-31%	-59%
Payoneer	1.71x	1.47x	1.67x	2.22x	7.82x	8.19x	11.69x	25.21x	27%	22%	49%
PayPal Holdings	1.93x	2.26x	2.24x	2.27x	9.15x	10.62x	11.30x	10.37x	8%	21%	29%
Paysafe	2.06x	2.06x	1.98x	2.04x	7.47x	7.57x	7.75x	8.05x	8%	28%	35%
Wise (Financial Software)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	76%	25%	101%
Median	2.06	2.26	2.24	2.22	9.15	31.16	11.69	22.60	16%	21%	30%



Amsterdam

London

Dublin