



# Finch Market Pulse

March 2024 Edition

Partnering with Ambitious Teams in Finance & Business Technology

Accelerating the Path to Profitable Scale



Welcome to our **Monthly Market Pulse!**

At Finch Capital, we focus on **7 core themes** across **Finance & Business Technology**: Insurance, Banking & Wealth Management, Payments, 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.

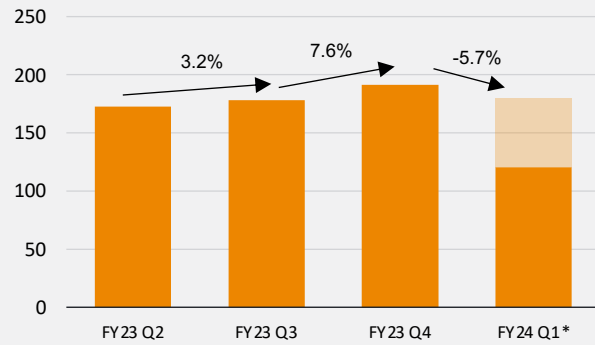
**Finch Capital** is a growth investor, partnering with ambitious teams in **Finance & Business technology**. We focus on seven themes including Payments; Banking & Wealth Management; Regulatory, Legal & Compliance; Business Process Automation; Tax & Accounting; HR & Payroll and Insurance. With €450m 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](http://www.finchcapital.com) and subscribe to our newsletter.

# The Insurance space is showing consistency and stability

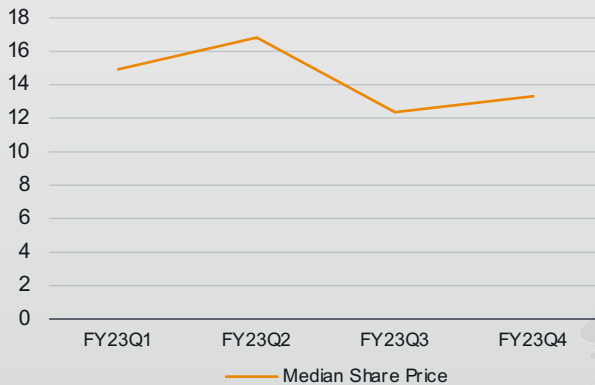
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## Growth/VC Funding (€m)



\*Most recent monthly figures used for quarterly estimates.

## Share Price Evolution



## Notable Growth/VC deals in Feb 24

Company	Country HQ	Summary	Round Size	Round stage	Lead Investor
Hellas Direct	Greece	Full-stack insurance company	€30m	Venture Round	ETF Partners
artificial.	UK	Algorithmic underwriting platform for commercial insurers and brokers	€9.3m	Series A	Augmentum Fintech
embea	Germany	Embedded life insurance provider	€4m	Seed	Atlantic Labs, Astorya.vc

## Notable Exits in Feb 24

Acquirer	Acquiree	Country HQ	Transaction Size	EV/Revenue	EV/EBITDA
IPO	Boleeron	Hungary	€1.6m	16.05	63.34
SYSLABS	UnoRe	Romania	€0-20m*	n/a	n/a

\* Estimates.

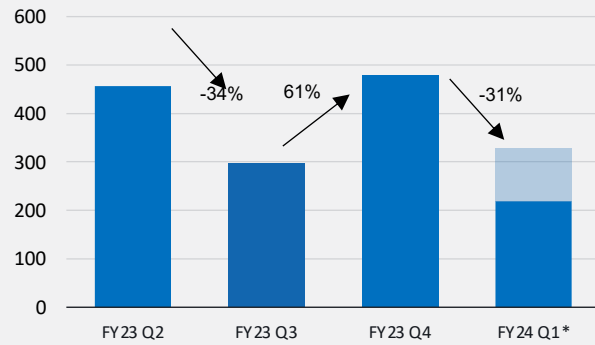
## Comps Table

Companies	EV/Revenue				EV/EBITDA				KPIs – FY23 Q4		
	FY23 Q4	FY23 Q3	FY23 Q2	FY23 Q1	FY23 Q4	FY23 Q3	FY23 Q2	FY23 Q1	Rev YoY growth	Rule of 40	EBITDA margin
GoHealth	1,65	1,67	1,77	1,56	n/a	n/a	n/a	n/a	299%	314%	15%
Guidewire Software	7,15	6,54	6,74	6,02	n/a	n/a	n/a	n/a	10%	16%	5%
Hippo Enterprises	0,01	0,08	1,62	1,72	n/a	n/a	n/a	n/a	80%	28%	-52%
Lemonade	2,54	2,14	3,37	3,29	n/a	n/a	n/a	n/a	31%	1%	-30%
PolicyBazaar	9,65	7,11	10,19	21,86	n/a	n/a	n/a	n/a	61%	62%	2%
Sapiens	2,92	2,98	2,74	2,31	15,49	15,92	14,75	12,48	10%	10%	0%
SelectQuote	1,00	1,15	1,09	1,03	47,56	n/a	n/a	n/a	59%	46%	-13%
DXC Technology	0,64	0,66	0,68	0,72	3,01	3,05	3,20	3,13	-10%	-32%	-21%
<b>Median</b>	<b>2,10</b>	<b>1,90</b>	<b>2,25</b>	<b>2,01</b>	<b>15,49</b>	<b>9,49</b>	<b>8,97</b>	<b>7,81</b>	<b>45%</b>	<b>22%</b>	<b>-13%</b>

# Smaller players are consolidating in Banking & Wealth Management

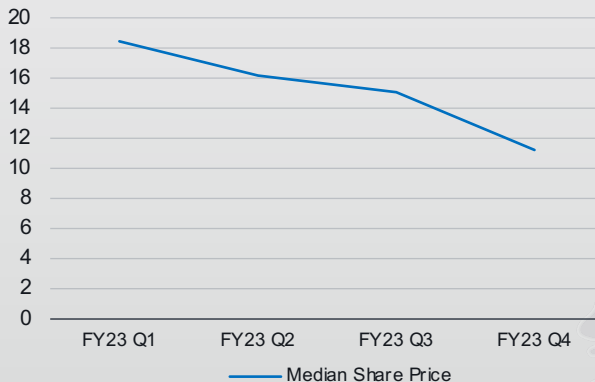
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## Growth/VC Funding (€m)



\*Most recent monthly figures used for quarterly estimates.

## Share Price Evolution



## Notable Growth/VC deals in Feb 24

Company	Country HQ	Summary	Round Size	Round stage	Lead Investor
tuum		Cloud-native banking platform	€25m	Series B	Commerz Ventures, SpeedInvest
ecoligo		Financing of solar projects	€11m	Venture Round	Gaia Impact Fund, Triple Jump
Monite		Financial Management for SMEs	€5.5m	Seed	Third Prime, Valar Ventures

## Notable Exits in Feb 24

Acquirer	Acquiree	Country HQ	Transaction Size	EV/Revenue	EV/EBITDA
REBMAN RESEARCH	CURE		€0-20m*	n/a	n/a
MAIN CAPITAL PARTNERS	FORTES		€20-50m* (LBO)	n/a	n/a
Tembo	Nude		€0-20m*	n/a	n/a

\* Estimates.

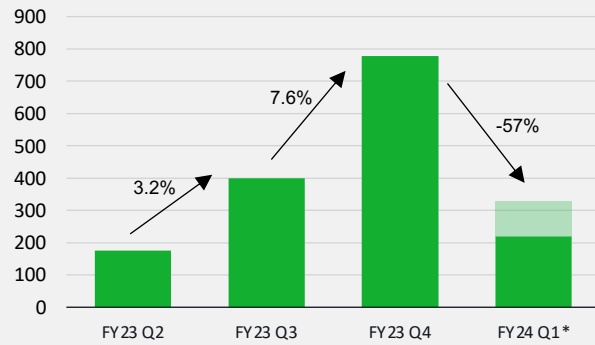
## Comps Table

Companies	EV/Revenue				EV/EBITDA				KPIs – FY23 Q4		
	FY23 Q4	FY23 Q3	FY23 Q2	FY23 Q1	FY23 Q4	FY23 Q3	FY23 Q2	FY23 Q1	Rev YoY growth	Rule of 40	EBITDA margin
Alkami	8,65	6,94	6,28	5,11	n/a	n/a	n/a	n/a	29%	14%	-15%
Blend (Financial Software)	3,92	1,92	0,94	0,65	n/a	n/a	n/a	n/a	-16%	-76%	-61%
Fiserv	5,35	4,94	5,28	5,04	12,68	11,93	13,09	12,91	6%	50%	44%
MeridianLink	7,36	5,70	6,63	5,94	20,98	16,79	19,03	15,38	6%	34%	28%
Pagaya	1,79	1,94	1,63	1,14	34,20	261,05	n/a	n/a	18%	10%	-8%
Robinhood	3,37	2,11	2,44	1,83	12,31	8,93	n/a	n/a	24%	34%	10%
Temenos Headquarters	n/a	5,97	6,43	5,79	n/a	18,38	19,92	15,07	n/a	n/a	n/a
Forge Global	n/a	3,17	3,88	1,67	n/a	n/a	n/a	n/a	n/a	n/a	n/a
<b>Median</b>	<b>4,64</b>	<b>4,06</b>	<b>4,58</b>	<b>3,44</b>	<b>16,83</b>	<b>16,79</b>	<b>19,03</b>	<b>15,07</b>	<b>12%</b>	<b>24%</b>	<b>1%</b>

# Payments space is achieving maturity within European fintech

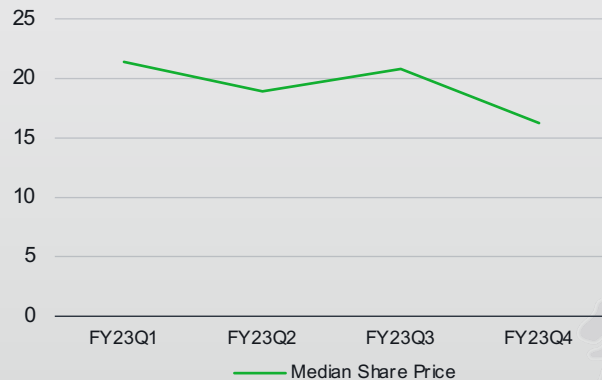
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## Growth/VC Funding (€m)



\*Most recent monthly figures used for quarterly estimates.

## Share Price Evolution



\*Calculated as the quarterly percentage change.

## Notable Growth/VC deals in Feb 24

Company	Country HQ	Summary	Round Size	Round stage	Lead Investor
<b>FINOM</b>		BankTech for early-stage businesses & SMEs	€50m	Series B	General Catalyst, Northzone Ventures
<b>ZOODPAY</b>		BNPL App	€18.3m	Venture Round	n/a
<b>NAVRO</b>		Payment orchestration platform focussing on payouts	€12.8m	Series A	Bain Capital, Unusual Ventures

## Notable Exits in Feb 24

Acquirer	Acquiree	Country HQ	Transaction Size	EV/Revenue	EV/EBITDA
			50-100m*	n/a	n/a

\* Estimates.

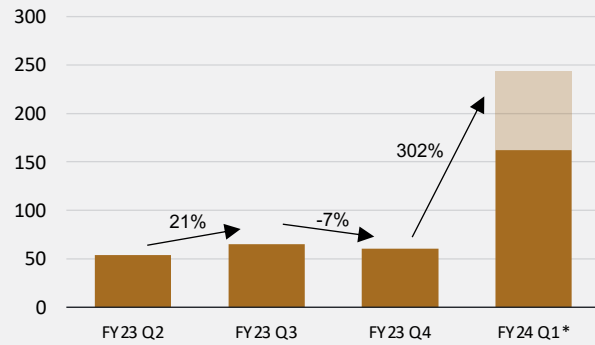
## Comps Table

Companies	EV/Revenue				EV/EBITDA				KPIs – FY23 Q4		
	FY23 Q4	FY23 Q3	FY23 Q2	FY23 Q1	FY23 Q4	FY23 Q3	FY23 Q2	FY23 Q1	Rev YoY growth	Rule of 40	EBITDA margin
Adyen	5,14	n/a	25,06	n/a	42,61	n/a	55,97	n/a	n/a	n/a	n/a
Block	2,02	1,17	1,86	2,09	27,78	16,90	29,68	36,94	24%	27%	3%
Flywire	5,51	10,06	9,34	9,59	58,58	134,52	148,32	186,17	38%	42%	4%
Marqeta	2,92	2,16	1,43	1,06	n/a	n/a	n/a	n/a	-42%	-74%	-32%
Payoneer	1,58	2,22	1,71	2,61	7,65	13,93	15,20	33,77	22%	43%	21%
PayPal Holdings	2,16	2,25	2,53	2,99	8,56	8,90	10,28	12,52	9%	34%	25%
Paysafe	1,97	1,98	1,91	2,26	6,97	7,18	7,01	8,26	8%	34%	26%
Wise (Financial Software)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
<b>Median</b>	<b>2,16</b>	<b>2,19</b>	<b>1,91</b>	<b>2,44</b>	<b>18,17</b>	<b>13,93</b>	<b>22,44</b>	<b>33,77</b>	<b>15%</b>	<b>34%</b>	<b>13%</b>

# Digitalisation of CFO suite driving **Tax & Accounting** sector to new heights

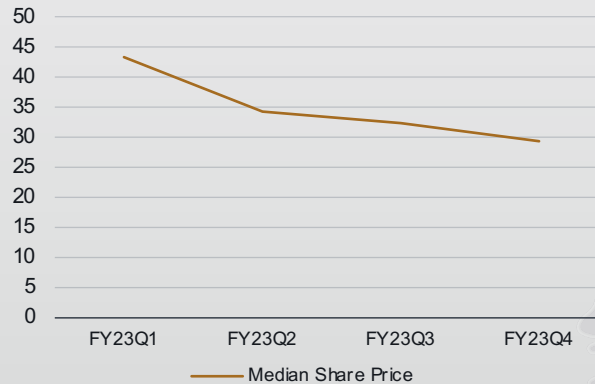
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## Growth/VC Funding (€m)



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## Share Price Evolution



## Notable Growth/VC deals in Feb 24

Company	Country HQ	Summary	Round Size	Round stage	Lead Investor
<b>datasnipper</b>		Intelligent audit platform within Excel	€92m	Series B	Index Ventures
<b>pennylane</b>		Digital accounting platform	€40m	Series C	Sequoia Capital, DST Global
<b>Embat</b>		Treasury Management Solution	€15m	Series A	Creandum

## Notable Exits in Feb 24

Acquirer	Acquiree	Country HQ	Transaction Size	EV/Revenue	EV/EBITDA
	<b>INBooks</b>		€0-20m*	n/a	n/a
<b>PIPE</b>	<b>W2V</b> ONE CLICK TO CLAIM		€2.57	n/a	n/a

\* Estimates.

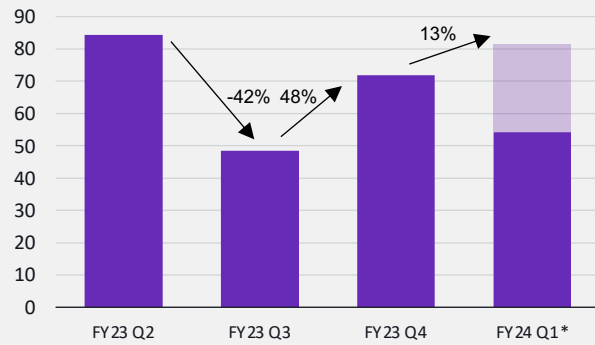
## Comps Table

Companies	EV/Revenue				EV/EBITDA				KPIs – FY23 Q4		
	FY23 Q4	FY23 Q3	FY23 Q2	FY23 Q1	FY23 Q4	FY23 Q3	FY23 Q2	FY23 Q1	Rev YoY growth	Rule of 40	EBITDA margin
BlackLine	6,91	6,54	6,36	8,13	26,91	31,24	41,01	65,54	11%	28%	16%
Clearwater Analytics	11,12	11,22	9,31	9,40	39,01	41,34	34,84	35,16	20%	17%	-2%
H&R Block	1,59	2,12	2,18	2,56	6,32	8,24	8,42	9,95	-2%	39%	41%
Intuit	9,82	9,04	9,16	10,94	25,22	24,54	25,72	30,10	12%	20%	8%
Sage Group	n/a	5,13	n/a	4,29	n/a	20,84	n/a	17,84	n/a	n/a	n/a
Vertex	7,29	6,60	5,54	6,07	44,53	41,67	35,39	37,93	18%	30%	12%
Wolters Kluwer	5,99	n/a	5,64	n/a	19,55	n/a	17,76	n/a	n/a	n/a	n/a
Xero	n/a	n/a	n/a	9,95	n/a	n/a	n/a	46,18	n/a	n/a	n/a
<b>Median</b>	<b>7,10</b>	<b>6,57</b>	<b>6,00</b>	<b>8,13</b>	<b>26,07</b>	<b>27,89</b>	<b>30,28</b>	<b>35,16</b>	<b>12%</b>	<b>28%</b>	<b>12%</b>

# Seed investment is still flowing into the **Regulatory, Legal & Compliance** space

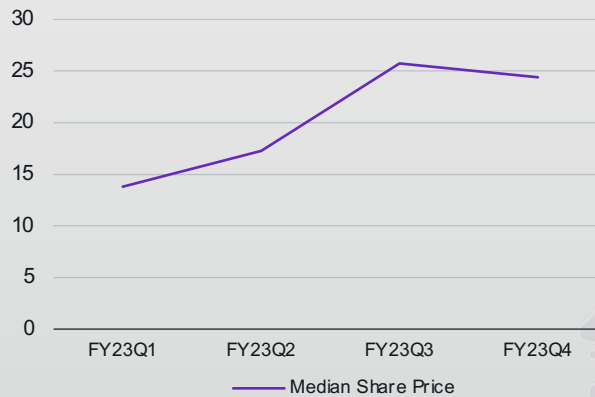
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## Growth/VC Funding (€m)



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## Share Price Evolution



\*Calculated as the quarterly percentage change.

## Notable Growth/VC deals in Feb 24

Company	Country HQ	Summary	Round Size	Round stage	Lead Investor
spektr		Advanced automation for compliance teams	€5m	Seed	Northzone, Seedcamp, PreSeed Ventures
sunhat		Sustainability compliance automation platform	€5m	Seed	EnBW New Ventures
doc StrIBUTE		Secure document sending to clients	€1m	Seed	BAs

## Notable Exits in Feb 24

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

\* Estimates.

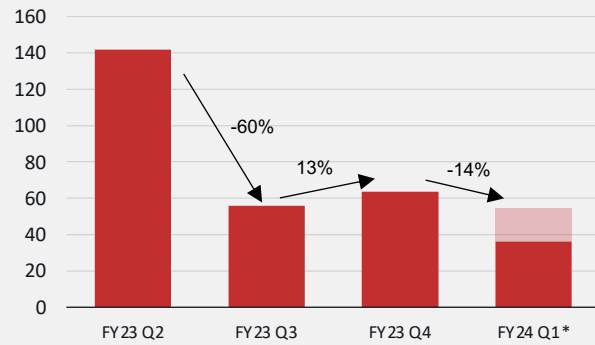
## Comps Table

Companies	EV/Revenue				EV/EBITDA				KPIs – FY23 Q4		
	FY23 Q4	FY23 Q3	FY23 Q2	FY23 Q1	FY23 Q4	FY23 Q3	FY23 Q2	FY23 Q1	Rev YoY growth	Rule of 40	EBITDA margin
DISCO	2,18	1,73	2,25	1,42	n/a	n/a	n/a	n/a	10%	-8%	-18%
Equifax	6,85	5,45	6,51	5,76	22,13	17,30	20,39	17,14	11%	41%	30%
Experian	5,91	5,1	5,41	5,29	15,81	14,83	15,73	14,04	n/a	n/a	n/a
FiscalNote Holdings	2,81	3,73	5,21	3,71	n/a	n/a	n/a	n/a	9%	-90%	-99%
IntApp	8,05	8,80	5,42	4,75	289,17	1149,00	n/a	n/a	25%	18%	-8%
LegalZoom	2,84	2,85	3,21	2,50	16,50	18,99	24,21	24,36	8%	29%	21%
Moody's	12,98	11,35	12,32	11	27,81	24,91	27,21	23,27	n/a	n/a	n/a
Nasdaq	6,15	4,62	4,53	4,96	17,45	13,45	13,55	14,94	4%	33%	29%
<b>Median</b>	<b>6,03</b>	<b>4,86</b>	<b>5,31</b>	<b>4,85</b>	<b>19,79</b>	<b>18,14</b>	<b>20,39</b>	<b>17,14</b>	<b>9%</b>	<b>23%</b>	<b>7%</b>

# HR & Payroll shows steady deal activity whilst decreasing comps

Insurance    Banking & Wealth Management    Payments    Tax & Accounting    Regulatory, Legal & Compliance    **HR & Payroll**    Business Process Automation

## Growth/VC Funding (€m)



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## Share Price Evolution



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## Notable Growth/VC deals in Feb 24

Company	Country HQ	Summary	Round Size	Round stage	Lead Investor
zen EDUCATE	UK	Staffing platform connecting schools with teachers	€10m	Later Stage VC	Habico Invest, Isfield Investments
peopleforce	UK	HR & Recruitment Platform	€1.8m	Later Stage VC	Pracuj Ventures
MEVITAE	UK	Online Recruitment Platform	€1.7m	Seed	Apex Black

## Notable Exits in Feb 24

Acquirer	Acquiree	Country HQ	Transaction Size	EV/Revenue	EV/EBITDA
SNGULAR	circular	Spain	€20-50m*	n/a	n/a
DEAZY	geektastic	UK	€0-20m*	n/a	n/a
simpler	alexis	Sweden	€20-50m* (LBO)	n/a	n/a

\* Estimates.

## Comps Table

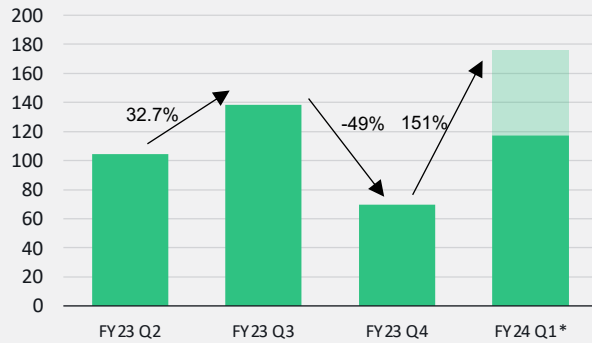
Companies	EV/Revenue				EV/EBITDA				KPIs – FY23 Q4		
	FY23 Q4	FY23 Q3	FY23 Q2	FY23 Q1	FY23 Q4	FY23 Q3	FY23 Q2	FY23 Q1	Rev YoY growth	Rule of 40	EBITDA margin
Automatic Data Processing	5,21	5,45	6,28	6,84	20,02	20,94	24,33	26,56	6%	28%	22%
Paychex	7,33	8,15	9,95	10,85	16,27	18,09	21,97	24,41	7%	49%	42%
Paycom	6,78	9,24	11,77	12,07	15,63	21,58	27,53	28,63	17%	50%	33%
Paycor HCM	7,52	9,21	9,42	13,52	36,70	55,89	59,00	87,71	26%	31%	5%
Paylocity	8,86	10,63	11,89	17,87	29,07	36,82	57,31	64,06	35%	57%	22%
TriNet Group	1,36	1,18	1,11	0,98	10,02	8,70	8,14	6,95	2%	10%	9%
Workday	7,31	7,50	7,87	10,98	32,19	31,25	31,61	42,57	20%	19%	0%
Dayforce	7,48	8,06	8,10	9,30	28,64	33,40	35,94	46,27	19%	42%	23%
<b>Median</b>	<b>7,32</b>	<b>8,10</b>	<b>8,76</b>	<b>10,92</b>	<b>24,33</b>	<b>26,41</b>	<b>29,57</b>	<b>35,60</b>	<b>18%</b>	<b>36%</b>	<b>22%</b>



# The Business Process Automation space remains relevant across industry verticals

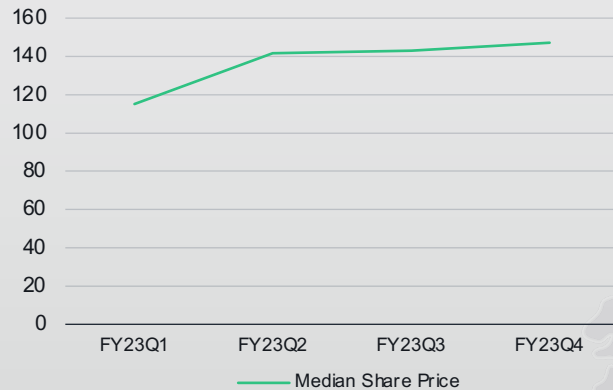
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Company	Country HQ	Summary	Round Size	Round stage	Lead Investor
PACTIO		Automation software for Private Equity deal closing	€12.6m	Early Stage VC	Alvarez & Marsal
greyparrot		AI-software for recycling plants	€11.7m	Late Stage VC	Bollegraaf Recycling Solutions
peripass		Logistics automation platform	€7.5m	Late Stage VC	Welvaarts-fonds

## Notable Exits in Feb 24

Acquirer	Acquiree	Country HQ	Transaction Size	EV/Revenue	EV/EBITDA
infoprodigital	bulldozair		€20-50m* (LBO)	n/a	n/a
Anywhere365	deepdesk		€20-50m* (LBO)	n/a	n/a
arenamatrix	GUESTVIEWS		0-20m*	n/a	n/a

\* Estimates

## Comps Table

Companies	EV/Revenue				EV/EBITDA				KPIs – FY23 Q4		
	FY23 Q4	FY23 Q3	FY23 Q2	FY23 Q1	FY23 Q4	FY23 Q3	FY23 Q2	FY23 Q1	Rev YoY growth	Rule of 40	EBITDA margin
AppFolio	10,17	11,89	11,40	8,77	101,06	174,44	193,92	154,46	39%	59%	21%
HubSpot	13,29	12,19	13,41	11,45	76,01	77,05	95,63	89,46	24%	23%	-1%
Oracle	7,51	6,96	7,39	6,64	16,42	15,08	15,52	13,46	17%	57%	40%
Pegasystems	3,09	2,98	3,34	3,22	23,35	39,31	74,55	43,57	20%	53%	33%
Salesforce	5,53	6,20	7,43	7,52	22,19	25,93	30,76	30,12	14%	27%	12%
SAP	5,19	4,53	4,86	4,58	18,42	16,86	19,36	19,06	5%	34%	29%
ServiceNow	16,27	13,79	14,05	12,28	50,57	44,30	45,90	40,40	26%	43%	17%
UiPath	6,36	5,96	9,86	9,98	118,79	159,87	181,33	118,12	7%	-4%	-10%
<b>Median</b>	<b>6,94</b>	<b>6,58</b>	<b>8,64</b>	<b>8,15</b>	<b>36,96</b>	<b>41,80</b>	<b>60,22</b>	<b>41,98</b>	<b>18%</b>	<b>38%</b>	<b>19%</b>



Amsterdam

London

Dublin