



Finch Market Pulse

May 2024 Edition

Partnering with Ambitious Teams in Business & Finance Technology

Accelerating the Path to Profitable Scale



224.61
223.98
222.72
221.57
220.78
219.43
218.64

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 funding and exit market for Tax & Accounting points to a maturing sector

Tax & Accounting

Regulatory, Legal & Compliance

HR & Payroll

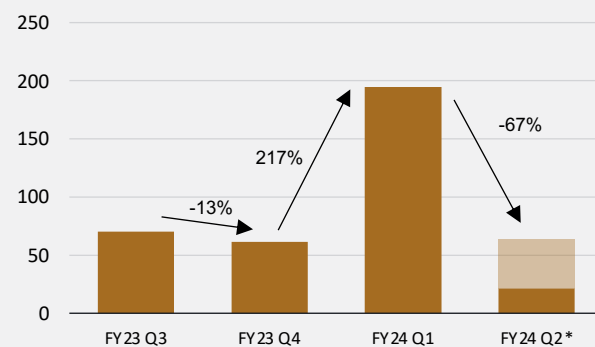
Business Process Automation

Insurance

Banking & Wealth Management

Payments

Growth/VC Funding (€m)



*Most recent monthly figures used for quarterly estimates.

Notable Growth/VC deals in April 24

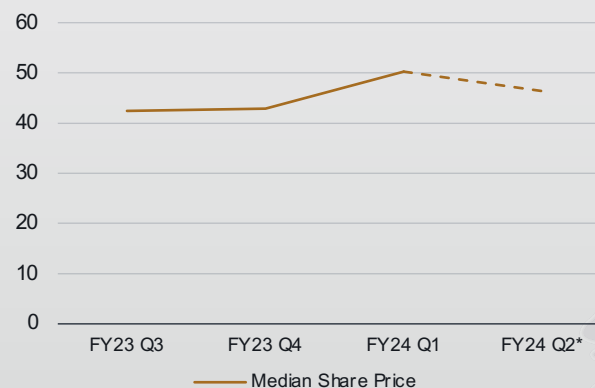
Company	Country HQ	Summary	Round Size	Round stage	Lead Investor
FICHORGA <small>LIBERALLY PROFESSIONAL WORK EDITION</small>		Developer of notarial software	€10m	Late Stage VC	n/a
cycloid		Platform to accelerate day-to-day enterprise operations	€5m	Series A	n/a
taxdown		Digital services for tax return filling process	€5m	Late Stage VC	Base10, JME Ventures, Abac Nest

Notable Exits in April 24

Acquirer	Acquiree	Country HQ	Transaction Size	EV/Revenue	EV/EBITDA
ICG <small>LGP LEONARD GREEN PARTNERS</small>	IRIS		€3.68bn (LBO)	n/a	n/a
FITZ	AIMS <small>IMPROVE</small>		€20-50m* (LBO)	n/a	n/a
NATIONAL BANK OF GREECE <small>GENERAL ATLANTIC</small>	EPSILONNET		€500-750m* (LBO)	n/a	n/a

* Estimates.

Public Market Index



*Share price to date.

Comps Table

Companies	EV/Revenue				EV/EBITDA				KPIs – FY24 Q1		
	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	7.18	6.91	6.54	6.36	27.45	26.91	31.24	41.01	13%	9%	22%
Clearwater Analytics	10.06	11.12	11.22	9.31	34.96	39.01	41.34	34.84	21%	3%	24%
H&R Block	2.06	1.59	2.12	2.18	7.56	6.32	8.24	8.42	2%	-90%	-88%
Intuit	9.78	9.82	9.04	9.16	24.79	25.22	24.61	25.86	15%	16%	31%
Sage Group	5.76	5.72	5.32	4.86	23.51	29.62	30.26	27.67	7%	21%	28%
Vertex	8.57	7.29	6.60	5.54	48.63	44.53	41.67	35.39	18%	13%	31%
Wolters Kluwer	6.54	6.08	5.56	8.74	20.20	19.65	17.98	17.11	n/a	n/a	n/a
Xero	12.61	11.84	14.19	14.94	1463.66	1374.24	125.44	132.07	22%	29%	51%
Median	7.87	7.10	6.57	7.55	26.12	28.27	30.75	31.26	15%	13%	28%

Regulatory, Legal & Compliance remains attractive in the public and private markets

Tax & Accounting

Regulatory, Legal & Compliance

HR & Payroll

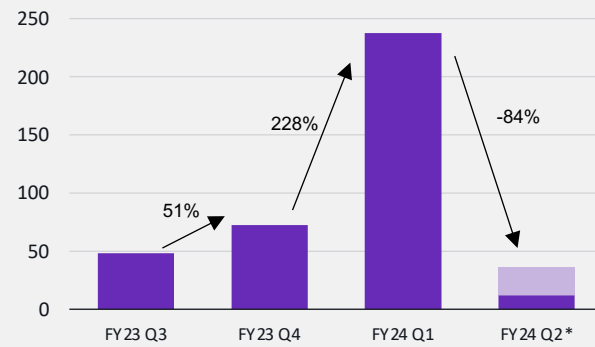
Business Process Automation

Insurance

Banking & Wealth Management

Payments

Growth/VC Funding (€m)



*Most recent monthly figures used for quarterly estimates.

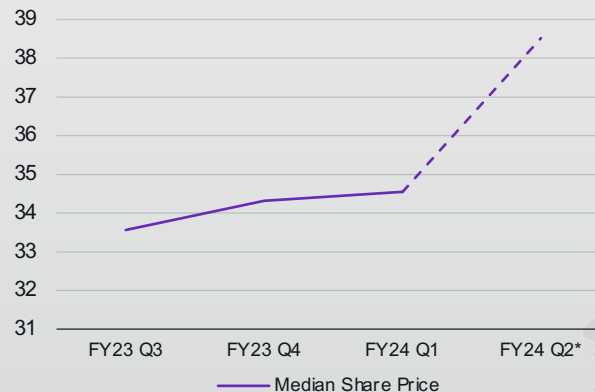
Notable Growth/VC deals in April 24

Company	Country HQ	Summary	Round Size	Round stage	Lead Investor
lawhive	UK	Legal tech platform designed to halve law firm costs	€11m	Seed Round	GV
StructureFlow	UK	Structuring tool to envision legal structures and transactions	€1.8m	Later Stage VC	FINTOP Capital

Notable Exits in April 24

Acquirer	Acquiree	Country HQ	Transaction Size	EV/Revenue	EV/EBITDA
STG	Gresham	UK	€171.3m	2.94	13.83
Hg	CUBE	UK	€140m	n/a	n/a

Public Market Index



*Share price to date.

Source: Pitchbook

Comps Table

Companies	EV/Revenue				EV/EBITDA				KPIs – FY24 Q1		
	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	2.54	2.18	1.73	2.25	n/a	n/a	n/a	n/a	7%	-32%	-24%
Equifax	7.38	6.85	5.45	6.51	22.94	22.13	17.30	20.39	7%	28%	35%
Experian	6.17	6.00	4.92	5.63	15.04	14.30	16.51	18.90	7%	34%	41%
FiscalNote Holdings	3.00	2.81	3.73	5.21	n/a	n/a	n/a	n/a	2%	202%	204%
IntApp	6.24	8.05	8.80	5.42	111.91	289.17	1149.00	n/a	28%	-10%	18%
LegalZoom	3.48	2.84	2.85	3.21	19.39	16.50	18.99	24.21	5%	8%	13%
Moody's	13.05	12.98	11.35	12.32	26.87	27.81	24.91	27.21	21%	51%	73%
Nasdaq	7.66	6.15	4.62	4.53	20.47	17.45	13.45	13.55	9%	34%	43%
Median	6.20	6.08	4.77	5.32	21.71	19.79	18.14	20.39	7%	31%	38%

Early-stage deals dominate HR & Payroll funding activity

Tax & Accounting

Regulatory, Legal & Compliance

HR & Payroll

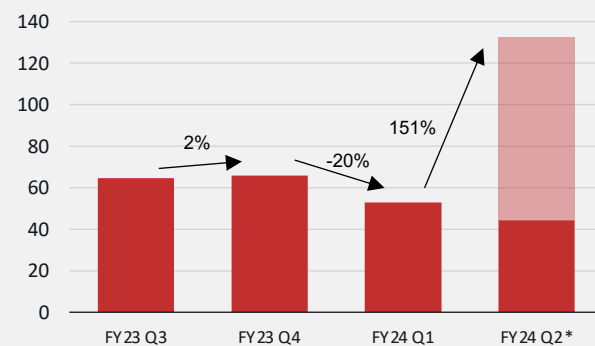
Business Process Automation

Insurance

Banking & Wealth Management

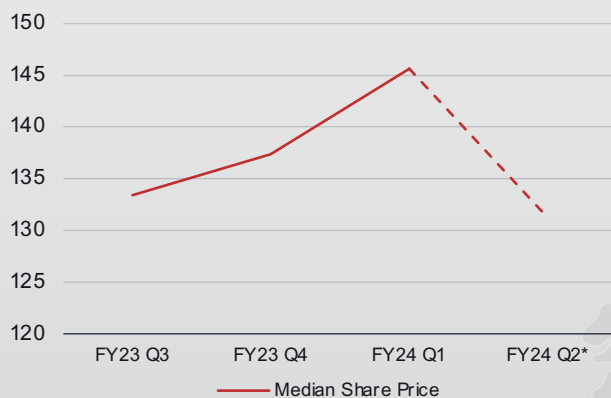
Payments

Growth/VC Funding (€m)



*Most recent monthly figures used for quarterly estimates.

Public Market Index



*Share price to date.

Notable Growth/VC deals in April 24

Company	Country HQ	Summary	Round Size	Round stage	Lead Investor
alleo		Employee benefits platform	€5m	Series A	Mediahuis Ventures, Newion
Happl.		Employee management & wellbeing platform	€4.6m	Early Stage VC	6 Degrees Capital, Ascension
Cosmico		HR Management platform	€4m	Early Stage VC	Prana Ventures

Notable Exits in April 24

Acquirer	Acquiree	Country HQ	Transaction Size	EV/Revenue	EV/EBITDA
Apax PARTNERS	zellis		2.5bn* (LBO)	n/a	n/a
sdworx	colorful.hr		€50-100m*	n/a	n/a

* Estimates.

Comps Table

Companies	EV/Revenue				EV/EBITDA				KPIs – FY24 Q1		
	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	5.52	5.00	5.27	6.11	18.67	17.27	18.50	21.84	7%	28%	35%
Paychex	8.27	7.33	8.15	9.95	17.98	16.27	18.09	21.97	7%	45%	52%
Paycom	6.68	6.78	9.24	11.77	15.73	15.63	21.58	27.53	11%	65%	75%
Paycor HCM	7.11	7.52	9.21	9.42	34.31	37.83	56.82	59.73	21%	9%	31%
Paylocity	8.39	8.86	10.63	11.89	26.27	29.07	36.82	57.31	25%	16%	42%
TriNet Group	1.52	1.36	1.18	1.11	10.74	10.02	8.70	8.14	1%	11%	13%
Workday	6.92	7.31	7.50	7.87	29.97	32.19	31.25	31.61	17%	3%	20%
Dayforce	7.26	7.48	8.06	8.10	26.78	28.64	33.40	35.94	16%	19%	35%
Median	7.01	7.32	8.10	8.76	22.47	22.95	26.41	29.57	14%	18%	35%

Business Process Automation continues to ride the AI wave in H1

Tax & Accounting

Regulatory, Legal & Compliance

HR & Payroll

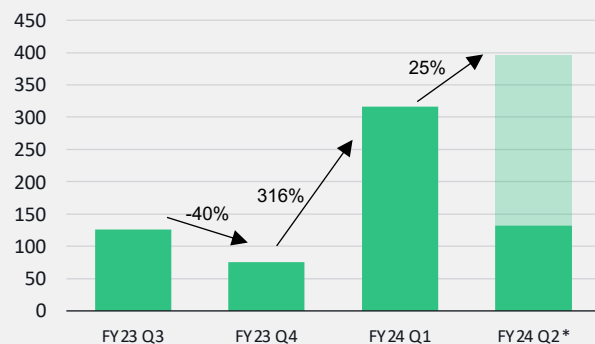
Business Process Automation

Insurance

Banking & Wealth Management

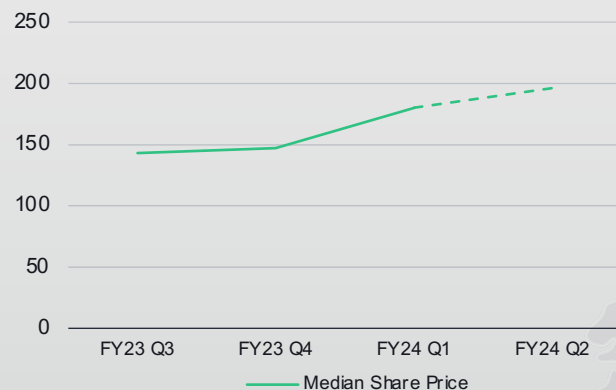
Payments

Growth/VC Funding (€m)



*Most recent monthly figures used for quarterly estimates.

Public Market Index



*Share price to date.

Notable Growth/VC deals in April 24

Company	Country HQ	Summary	Round Size	Round stage	Lead Investor
PACTIO		Automation software designed for private equity deal closing	€12.7m	Series A	EQT Ventures
qodek		Marketing automation platform	€7.3m	Series B	n/a
APIFY		Web scraping & automation platform	€2.8m	Series A	J&T Ventures

Notable Exits in April 24

Acquirer	Acquiree	Country HQ	Transaction Size	EV/Revenue	EV/EBITDA
legrand	enovation		€500m	n/a	n/a
cdata	data virtuality		€0-20m*	n/a	n/a
DocuWare	WATIF AI		€0-20m*	n/a	n/a

* Estimates

Comps Table

Companies	EV/Revenue				EV/EBITDA				KPIs – FY24 Q1		
	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	14.04	10.17	11.89	11.40	103.15	145.21	190.42	1955.23	38%	21%	59%
HubSpot	14.40	13.29	12.19	13.41	80.04	77.89	79.37	98.69	23%	2%	25%
Oracle	7.82	7.51	6.96	7.39	16.99	16.42	15.08	15.52	9%	37%	46%
Pegasystems	3.90	3.09	2.98	3.34	19.73	23.07	41.39	107.73	1%	-4%	-3%
Salesforce	5.93	5.53	6.20	7.43	19.80	22.21	26.80	33.86	11%	19%	30%
SAP	6.67	5.19	4.53	4.86	23.05	18.88	17.51	19.36	8%	-8%	0%
ServiceNow	17.19	16.27	13.79	14.05	53.24	51.17	44.82	46.41	24%	18%	42%
UiPath	5.53	6.36	5.96	9.86	101.70	442.25	n/a	n/a	18%	-12%	7%
Median	7.25	6.94	6.58	8.64	38.14	37.12	41.39	46.41	15%	10%	28%

Insurance technology funding is starting to rebound

Tax & Accounting

Regulatory, Legal & Compliance

HR & Payroll

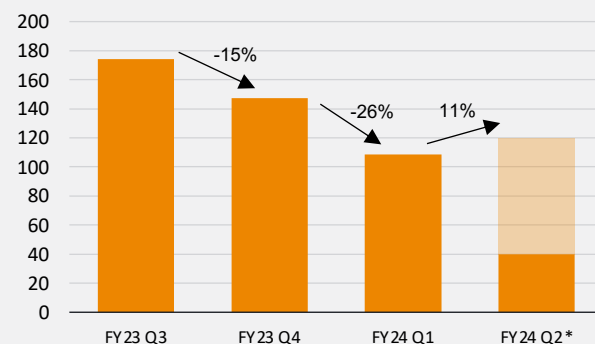
Business Process Automation

Insurance

Banking & Wealth Management

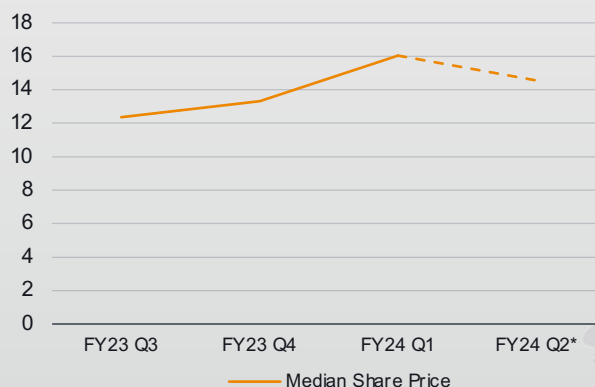
Payments

Growth/VC Funding (€m)



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Public Market Index



*Share price to date.

Notable Growth/VC deals in April 24

Company	Country HQ	Summary	Round Size	Round stage	Lead Investor
PULA		Agricultural insurance platform for emerging markets	€18.5m	Series B	Blue Orchard
urban jungle		Tenant liability and home contents insurance	€13m	Series A	Sony Innovation Fund
Peppercorn		AI-driven customer service tech for car insurance	€3.8m	Seed	Development Bank of Wales, EHE Capital, Wealth Club

Notable Exits in April 24

Acquirer	Acquiree	Country HQ	Transaction Size	EV/Revenue	EV/EBITDA
open gi montagu	HUG-HUB INSURANCE MADE DIGITAL		€20-50m* (LBO)	n/a	n/a
söderg	oyat. ASSURANCES		€0-20m*	n/a	n/a

* Estimates.

Comps Table

Companies	EV/Revenue				EV/EBITDA				KPIs – FY24 Q1		
	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	10.18	n/a	n/a	n/a	1%	12%	14%
Guidewire Software	7.68	7.15	6.54	6.74	415.83	162.84	404.33	n/a	6%	-20%	-14%
Hippo Enterprises	1.56	0.01	0.08	1.62	n/a	n/a	n/a	n/a	114%	-32%	82%
Lemonade	2.48	2.54	2.14	3.37	n/a	n/a	n/a	n/a	25%	-34%	-9%
PolicyBazaar	10.24	9.65	7.11	10.19	935.65	n/a	n/a	n/a	32%	2%	34%
Sapiens	3.28	2.92	2.98	2.74	17.22	15.49	15.92	14.75	8%	19%	27%
SelectQuote	0.82	1.00	1.15	1.09	11.03	47.56	n/a	n/a	43%	-7%	36%
DXC Technology	0.63	0.64	0.66	0.68	10.69	3.01	3.05	3.20	-7%	13%	6%
Median	2.02	2.10	1.90	2.25	14.12	31.53	15.92	8.97	16%	-2%	20%

Late-stage deals are booming again for Banking & Wealth Management technology

Tax & Accounting

Regulatory, Legal & Compliance

HR & Payroll

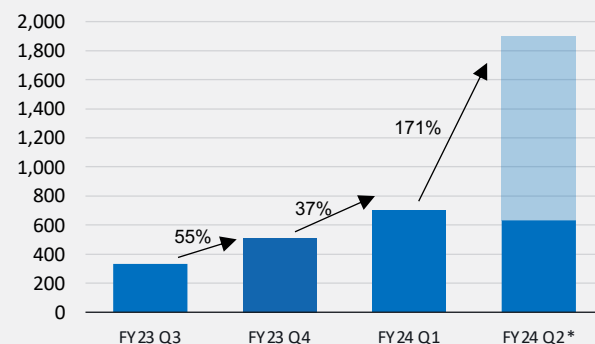
Business Process Automation

Insurance

Banking & Wealth Management

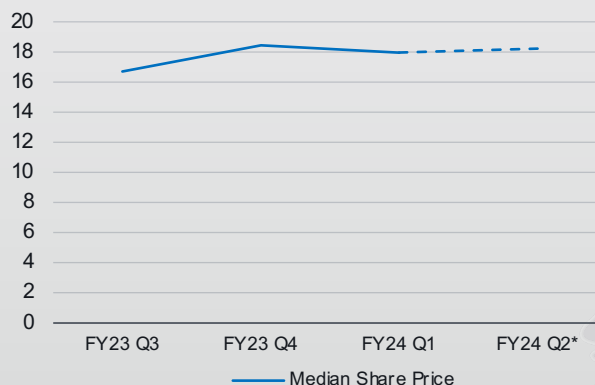
Payments

Growth/VC Funding (€m)



*Most recent monthly figures used for quarterly estimates.

Public Market Index



*Share price to date.

Source: Pitchbook

Notable Growth/VC deals in April 24

Company	Country HQ	Summary	Round Size	Round stage	Lead Investor
monzo		Neobank B2C	~€185m	Venture Extension Round	Hedosophia, GIC
Pigment		Business forecasting platform	€133.4m	Series D	ICONIQ Growth
scayl		Fintech lender's scaling partner	€100m	Venture Round	n/a

Notable Exits in April 24

Acquirer	Acquiree	Country HQ	Transaction Size	EV/Revenue	EV/EBITDA
powers PSG	unnax		€40m (LBO)	n/a	n/a
Konvi	Diversified		€0-20m*	n/a	n/a
Linedata	dreamquark .*		€20-50m*	n/a	n/a

* Estimates.

Comps Table

Companies	EV/Revenue				EV/EBITDA				KPIs – FY24 Q1		
	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	8.80	8.65	6.94	6.28	373.56	n/a	n/a	n/a	27%	-13%	14%
Blend (Financial Software)	5.61	3.92	1.92	0.94	n/a	n/a	n/a	n/a	-6%	-43%	-49%
Fiserv	6.13	5.35	4.94	5.28	14.32	12.68	11.93	13.09	7%	40%	47%
MeridianLink	5.82	7.36	5.70	6.63	15.64	20.98	16.79	19.03	1%	23%	24%
Pagaya	1.46	1.79	1.94	1.63	27.88	34.20	261.05	n/a	35%	-12%	23%
Robinhood	6.90	3.37	2.11	2.44	23.99	12.31	8.93	n/a	40%	29%	69%
Temenos Headquarters	5.95	7.33	5.97	6.43	17.50	21.53	18.38	19.92	1%	33%	35%
Forge Global	3.00	6.39	3.17	3.88	n/a	n/a	n/a	n/a	24%	-94%	-70%
Median	5.89	5.87	4.06	4.58	20.75	20.98	16.79	19.03	16%	6%	24%

Despite a slight downturn last quarter, the **Payments** technology space holds up well

Tax & Accounting

Regulatory, Legal & Compliance

HR & Payroll

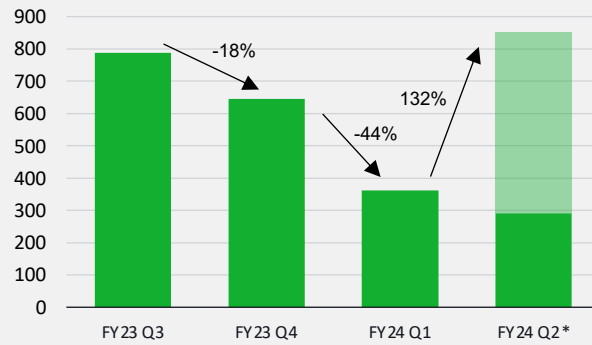
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Growth/VC Funding (€m)



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Public Market Index



*Share price to date.

Notable Growth/VC deals in April 24

Company	Country HQ	Summary	Round Size	Round stage	Lead Investor
Flatpay		Online payments platform	€45m	Series B	Dawn Capital, Seed Capital
LUNAR		Digital banking for money transfers and payments	€24.1m	Venture Round Extension	Tencent, Greyhound Capital
Mimo		Platform simplifying global payments	€18m	Early Stage VC	Northzone Ventures

Notable Exits in April 24

Acquirer	Acquiree	Country HQ	Transaction Size	EV/Revenue	EV/EBITDA
Rite	NELLY		€1.52m (LBO)	n/a	n/a
tokenex	IXOPAY		€0-20m*	n/a	n/a
aera	digitale		€0-20m*	n/a	n/a

* Estimates.

Comps Table

Companies	EV/Revenue				EV/EBITDA				KPIs – FY24 Q1		
	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	22.40	5.20	2.53	4.67	47.54	43.61	21.20	54.41	21.00%	42%	63%
Block	2.25	2.02	1.17	1.86	27.52	27.78	16.90	29.68	19%	10%	29%
Flywire	5.99	5.51	10.06	9.34	57.53	58.58	134.52	148.32	21%	-5%	16%
Marqeta	2.76	2.92	2.16	1.43	2.30	n/a	n/a	n/a	-46%	-27%	-73%
Payoneer	1.49	1.58	2.22	1.71	6.02	7.65	13.93	15.20	19%	22%	41%
PayPal Holdings	2.27	2.16	2.25	2.53	9.42	8.56	8.90	10.28	9%	18%	27%
Paysafe	3.20	1.97	1.98	1.91	7.09	6.97	7.18	7.01	8%	27%	35%
Wise (Financial Software)	n/a	n/a	5.56	n/a	n/a	n/a	n/a	n/a	33%	n/a	n/a
Median	2.76	2.16	2.23	1.91	9.42	18.17	15.42	22.44	19%	18%	29%



Amsterdam

London

Dublin