



Finch Business Tech Pulse

January 2025 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

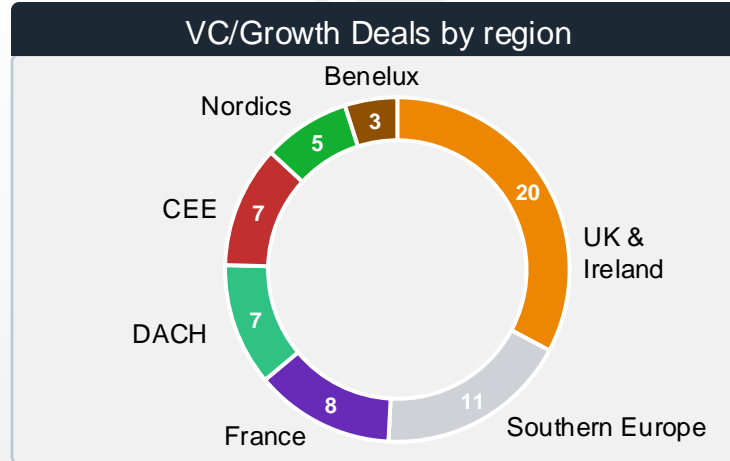
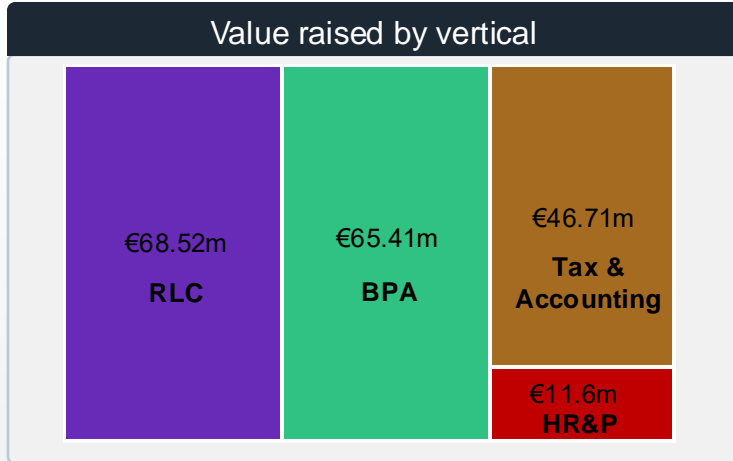
- Financial management software & FPA
- Tax prep, management and compliance
- AP/AR
- Revenue & spend management
- Shareholder/board planning
- Audit
- Treasury

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
9fin		Business Process Automation	€47.1m
lawhive		Reg & Legal Tech	€37.1m
carbmee		Reg & Legal Tech	€20m

Public Comps by vertical

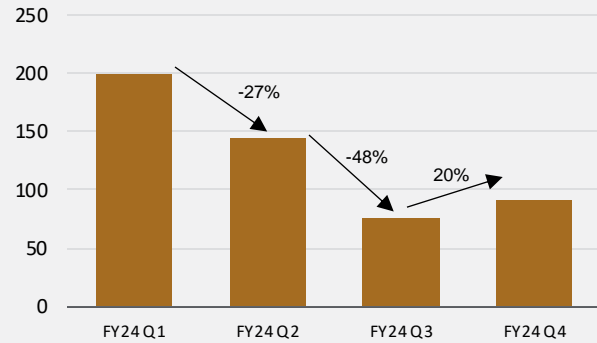
Vertical	EV/Revenue	EV/EBITDA
HR & Payroll		
Q4 23	7.28x	21.50x
Q4 24	7.44x	18.69x
Business Process Automation		
Q4 23	8.84x	38.48x
Q4 24	9.53x	23.04x
Reg & Legal Tech		
Q4 23	6.11x	20.39x
Q4 24	6.67x	24.13x
Tax & Accounting		
Q4 23	7.35x	28.96x
Q4 24	9.41x	24.78x

Notable Exits

Acquirer	Acquiree	HQ	Vertical
VISA	FEATURE SPACE		Reg & Legal Tech
IRIS	Dext		Tax & Accounting
LexisNexis RISK SOLUTIONS	OCR Labs		Reg & Legal Tech

- ### December Highlights
- **Regulatory, Legal, and Compliance showed strong resilience in 2024**, driven by an increasingly complex regulatory landscape and a steadily digitising legal industry.
 - **Business Process Automation Tech has seen a booming H1 in 2024**, with the emergence of GenAI and the diversification of its use cases. 2025 should uncover DeepSeek's impact on this vertical.
 - **Tax & Accounting Tech have been consolidating in 2024**, mostly driven by PE-backed strategic acquirers (e.g. IRIS Software acquiring Dext in Dec24).
 - **HR & Payroll also presents AI use cases that could revolutionise the space**, but existing providers are yet to be challenged by an AI-led emerging leader.

Growth/VC Funding (€m)



Notable Growth/VC deals in December 24

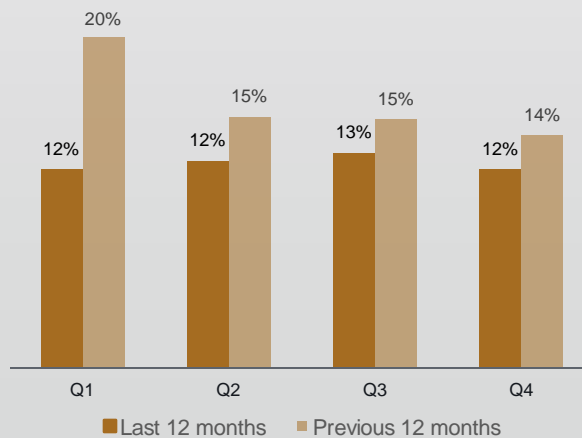
Company	Country HQ	Summary	Round Size	Round stage	Lead Investor
Briefcase		AI-powered bookkeeping assistant	€2.8m	Seed	Earlybird Venture Capital
afp		Financial and operational support service software	€0.7m	Seed	n/a

Notable Exits in December 24

Acquirer	Acquiree	Country HQ	Transaction Size	EV/Revenue	EV/EBITDA
IRIS	Dext		€600m (LBO)	n/a	n/a
radicant	Numarics		€50-100m*	n/a	n/a
AccountsIQ	expensein		<€50m*	n/a	n/a

* Estimates.

Median YoY revenue growth rate

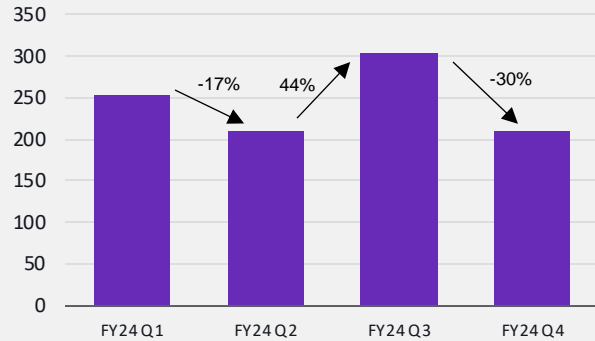


Comps Table

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	6.09x	5.73x	5.25x	7.16x	24.24x	22.83x	18.90x	27.41x	11%	25%	37%
Clearwater Analytics	14.40x	13.37x	10.10x	10.02x	45.60x	43.41x	33.76x	34.82x	21%	32%	52%
H&R Block	2.42x	2.69x	2.42x	2.64x	8.96x	10.07x	8.50x	9.54x	4%	27%	31%
Intuit	10.81x	10.84x	11.73x	12.39x	27.25x	26.73x	28.70x	30.68x	12%	40%	52%
Sage Group	5.73x	4.91x	5.20x	6.06x	21.50x	18.79x	19.91x	23.94x	7%	27%	33%
Vertex	13.04x	9.72x	9.38x	8.54x	57.47x	44.86x	47.64x	48.50x	17%	23%	40%
Wolters Kluwer	7.04x	6.71x	7.03x	6.67x	22.00x	20.97x	22.13x	20.99x	3%	32%	35%
Xero	14.49x	12.80x	12.93x	14.21x	43.66x	38.57x	42.10x	64.98x	24%	33%	57%
Median	8.93x	8.22x	8.20x	7.85x	25.74x	24.78x	25.42x	29.04x	12%	29%	38%

*As of 31/12/2024.

Growth/VC Funding (€m)



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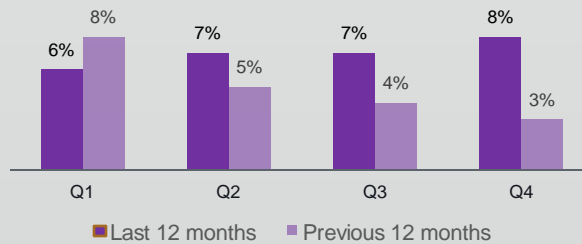
Company	Country HQ	Summary	Round Size	Round stage	Lead Investor
Lawhive		Online legal platform	€37.1m	Growth	GV, TQ Ventures
carbmee		Enterprise climate platform for carbon accounting	€20m	Venture	Commerz-Ventures, Fly Ventures
THEMIS		AML software for financial crime risk & regulation management	€8.7m	Venture	n/a

Notable Exits in December 24

Acquirer	Acquiree	Country HQ	Transaction Size	EV/Revenue	EV/EBITDA
VISA	FEATURE SPACE		€900m	n/a	n/a
LexisNexis	OCR Labs		€100-150m*	n/a	n/a

* Estimates.

Median YoY revenue growth rate

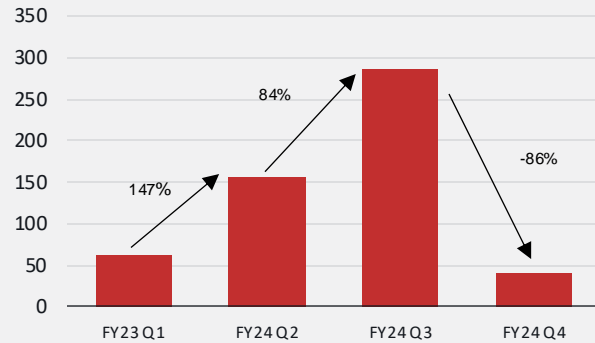


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	FY24 Q4*	FY24 Q3	FY24 Q2	FY24 Q1	FY24 Q4*	FY24 Q3	FY24 Q2	FY24 Q1	Rev YoY growth	EBITDA margin	Rule of 40
DISCO	1.25x	1.60x	1.55x	2.51x	n/a	n/a	n/a	n/a	6%	-11%	-4%
Equifax	6.57x	7.65x	6.64x	7.38x	20.99x	24.13x	20.68x	22.96x	9%	31%	40%
Experian	6.12x	6.92x	6.52x	6.29x	16.76x	19.41x	18.29x	16.41x	7%	37%	44%
FiscalNote Holdings	2.41x	2.43x	2.51x	3.03x	32.04x	46.93x	493.90x	n/a	-4%	8%	4%
IntApp	10.55x	7.86x	6.15x	6.00x	73.37x	65.74x	66.26x	72.65x	20%	14%	34%
LegalZoom	1.76x	1.48x	2.03x	3.47x	8.69x	8.10x	10.90x	19.30x	5%	20%	25%
Moody's	13.15x	13.91x	13.13x	13.04x	25.40x	27.25x	26.42x	26.97x	20%	52%	72%
Nasdaq	7.73x	7.86x	7.19x	7.68x	20.68x	20.75x	19.21x	20.53x	17%	37%	54%
Median	6.35x	7.29x	6.33x	6.15x	20.99x	24.13x	20.68x	21.74x	8%	26%	37%

*As of 31/12/2024.

Growth/VC Funding (€m)



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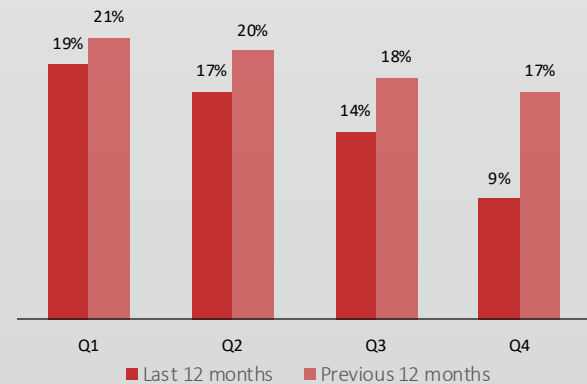
Company	Country HQ	Summary	Round Size	Round stage	Lead Investor
malibou		HR management software for payroll compliance	€5.14m	Venture	n/a
		AI-powered hiring platform	€3.5m	Venture	EQT Ventures
		SaaS-enabled home office platform	€1.5m	Venture	n/a

Notable Exits in December 24

Acquirer	Acquiree	Country HQ	Transaction Size	EV/Revenue	EV/EBITDA
Invisibile Software Holdings	HRLocker		<€50m*	n/a	n/a

* Estimates.

Median YoY revenue growth rate

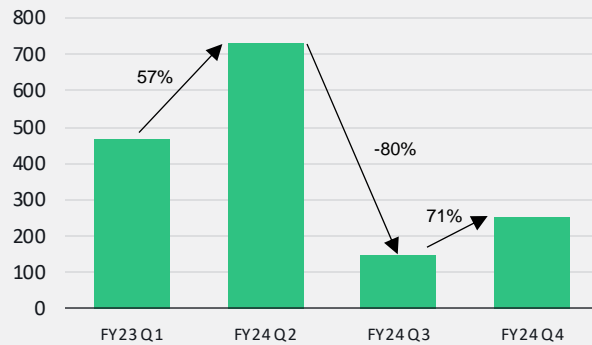


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	FY24 Q4*	FY24 Q3	FY24 Q2	FY24 Q1	FY24 Q4*	FY24 Q3	FY24 Q2	FY24 Q1	Rev YoY growth	EBITDA margin	Rule of 40
Automatic Data Processing	6.57x	6.25x	5.45x	5.90x	24.93x	23.60x	20.63x	22.50x	6%	26%	32%
Paychex	9.33x	9.03x	7.96x	8.47x	20.45x	19.94x	17.60x	18.52x	4%	46%	50%
Paycom	6.15x	5.18x	4.56x	6.66x	15.21x	12.61x	10.90x	15.68x	12%	40%	52%
Paycor HCM	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Paylocity	7.64x	6.29x	5.17x	7.25x	21.68x	17.45x	14.41x	24.98x	9%	35%	44%
TriNet Group	1.07x	1.14x	1.18x	1.52x	9.40x	9.03x	8.89x	10.74x	1%	11%	13%
Workday	7.95x	7.73x	7.34x	9.30x	29.49x	29.07x	27.87x	35.81x	17%	27%	44%
Dayforce	7.20x	6.41x	5.51x	7.25x	25.87x	23.10x	19.96x	26.75x	17%	28%	45%
Median	7.20x	6.29x	5.45x	7.25x	21.68x	19.94x	17.60x	22.50x	9%	28%	44%

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Growth/VC Funding (€m)



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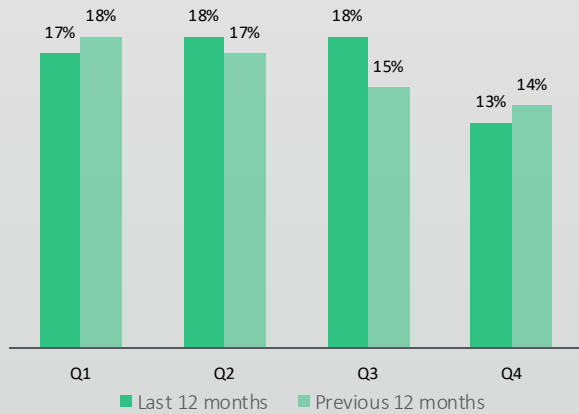
Company	Country HQ	Summary	Round Size	Round stage	Lead Investor
		Data analytics platform for AI-powered financial data	€47.1m	Venture	Highland Europe
		UAV aerial technologies	€8m	Venture	Future Food Fund, Inclimo, PureTerra Ventures
		AI-platform for customer care	€3m	Venture	Partech

Notable Exits in December 24

Acquirer	Acquiree	Country HQ	Transaction Size	EV/Revenue	EV/EBITDA
			€150-300m (LBO)*	n/a	n/a
			<€50m*	n/a	n/a

* Estimates

Median YoY revenue growth rate



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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
AppFolio	11.38x	11.50x	12.89x	13.99x	39.23x	45.92x	60.92x	102.82x	33%	29%	62%
HubSpot	13.88x	11.00x	12.82x	14.35x	71.30x	58.52x	70.85x	79.79x	22%	19%	41%
Oracle	9.90x	10.15x	8.80x	8.07x	19.82x	20.45x	17.96x	16.75x	6%	50%	56%
Pegasystems	5.32x	4.14x	3.55x	3.90x	23.63x	17.61x	16.84x	19.69x	9%	23%	32%
Salesforce	8.57x	7.14x	6.83x	8.34x	21.83x	16.43x	18.15x	21.88x	10%	39%	49%
SAP	8.26x	7.27x	6.84x	6.67x	25.05x	22.43x	21.71x	23.05x	8%	32%	40%
ServiceNow	20.61x	18.18x	16.75x	17.13x	61.34x	54.60x	50.60x	53.07x	23%	34%	57%
UiPath	3.90x	3.89x	3.99x	8.48x	24.85x	23.66x	20.38x	42.38x	17%	16%	33%
Median	9.23x	8.71x	7.82x	8.41x	24.95x	23.04x	21.05x	32.71x	13%	30%	45%

*As of 31/12/2024.



Amsterdam

London

Dublin